



Talking Real Estate with Steve Slicker

Hi folks,

So it looks like we are nearing the end of the recession according to commentators in the media and Alan Bollard the Reserve Bank Governor. Isn't it nice that we finally have some good news. But hold on what's this? On September 10th Mr Bollard says that we shouldn't buy houses?? What on earth is that about?

Apparently New Zealand's economic problems are being caused by our obsession with property! In fact it has been mooted by one economist that NZ does not have an economy as such, more of "a housing market with a few other things tacked on"

I understand the fear that some economists have out there that we may just head into another mini boom bust scenario but the obsession with property is not just a New Zealand issue, it's exactly the same in the UK, Australia, The States and other countries where people want to own their home and be masters of their own destiny as much as they can.

There are a number of ways that government or Reserve Bank can slow the market down, capital gains tax, increase the official cash rate etc but the economy is not strong enough, indeed it looks like we will be staying at 2.5% till the end of 2010 and I can't imagine many voters at the next election wishing to elect a government that wants to bring in a capital gains tax.

The reality is that as much as it may be better for the economy for us to invest in the stock markets people love to own property, not just as a home but as investment as well, they can see what they have purchased and the reality is that over any 10 year period you will see growth. There are some people out there who bought in 2007 and may now be sitting in a property worth less than they paid but they know that in 2017 the prices they paid 2 years ago will look extremely cheap.

I don't have the answers to fix the economy but I do know that people's feelings around property aren't going to change, and I believe we will be the better for it, especially with a long term view.

If you are thinking of selling or moving, please contact me on the numbers below or via my website www.steveslicker.com.

Kind regards,

Steve Slicker

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