

The Red Report

August 2011

MARKET REVIEW

There are eight measures used to gauge the current strength of the residential real estate market around New Zealand and according to BNZ Economist, Tony Alexander, all of these have strengthened over the past month, indicating that slowly but surely, on average, the real estate market is improving. With the arrival of spring, listings are showing signs of following the traditional trend of an increase, however the nation's focus on the Rugby World Cup and the General Election which follows, may affect the response in the market.

The August results show a brighter picture all round for the Whakatane area in comparison to 12 months ago with a total of 27 sales as compared to 18 showing an increase of 50%. Although no sales were recorded in Ohope last month the 19 Whakatane sales are a 27% increase from the previous month and a 90% increase on August last year. The 8 rural sales were double that of July and 167% increase on the 3 in August 2011.

Interesting to note in the August statistics is the marked decrease in the percentage difference between list and sale price for both residential and rural. The average number of days on the market, excluding sections, also decreased. These are positive signs.

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All Whakatane Sales

	Total No. of Sales		Average Sale Price \$	
	Aug 10	Aug 11	Aug 10	Aug 11
Residential Whakatane	10	19	316,570	281,474
Sections Whakatane	0	0	0	0
Residential Ohope	5	0	523,100	0
Sections Ohope	0	0	0	0
Rural / Lifestyle Sales	3	8	190,333	525,101

Percentage Difference between List and Sale Price

	Feb 11	Mar 11	Apr 11	May 11	Jun 11	Jul 11	Aug 11
Residential	5.65%	23.93%	5.91%	12.68%	9.07%	7.75%	3.80%
Rural	7.03%	3.53%	11.11%	10.19%	8.63%	0.89%	2.87%

Average No of Days on the Market (excluding sections)

	Feb 11	Mar 11	Apr 11	May 11	Jun 11	Jul 11	Aug 11
Whakatane	152	169	138	322	158	123	110
Ohope	216	192	215	104	100	162	0
Rural	293	160	514	171	244	252	163

Buyer Analysis (for Professionals Aug 11 Sales)

- 90%) Eastern Bay Buyers
- 10%) New Zealand non Eastern Bay Buyers
- 0%) Overseas Buyers

** 10% of total buyers were Investors

Rental Analysis (for Professionals Aug 11 Lettings)

- 53%) Eastern Bay Residents
- 44%) New Zealand non Eastern Bay Residents
- 3%) Overseas or Other

** 27 New Tenancies

** Average Rental \$264.63 p/wk

Whakatane Market Summary Mar-Aug 2011

Number of Sales

	Mar 11	Apr 11	May 11	Jun 11	Jul 11	Aug 11
RESIDENTIAL Sales - Whakatane	20	16	24	21	15	19
SECTION Sales - Whakatane	2	0	3	0	1	0
RESIDENTIAL Sales - Ohope	1	6	7	7	5	0
SECTION Sales - Ohope	3	0	1	1	0	0
RURAL/LIFESTYLE Sales	6	4	2	9	4	8

Average Sale Price (\$)

	Mar 11	Apr 11	May 11	Jun 11	Jul 11	Aug 11
RESIDENTIAL Sales - Whakatane	339,750	312,313	307,802	298,881	267,433	281,474
SECTION Sales - Whakatane	125,500	0	134,333	0	127,250	0
RESIDENTIAL Sales - Ohope	280,000	552,870	531,857	464,786	389,100	0
SECTION Sales - Ohope	178,000	0	300,000	400,000	0	0
RURAL/LIFESTYLE Sales	386,355	313,000	1,485,000	483,267	250,250	525,101

Median Sale Price (\$)

	Mar 11	Apr 11	May 11	Jun 11	Jul 11	Aug 11
RESIDENTIAL Sales - Whakatane	319,500	313,000	349,000	302,500	269,000	291,500
SECTION Sales - Whakatane	125,500	0	125,000	0	127,250	0
RESIDENTIAL Sales - Ohope	280,000	417,500	480,000	478,000	348,000	0
SECTION Sales - Ohope	177,000	0	300,000	400,000	0	0
RURAL/LIFESTYLE Sales	382,066	327,500	1,485,000	430,000	243,000	451,500

SOURCE: REINZ Statistics for August 2011



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Number of Residential Sales by Price Range (exclusive of sections)

WHAKATANE	Mar 11	Apr 11	May 11	Jun 11	Jul 11	Aug 11
Up to \$200,000	0	0	1	3	5	3
\$200,000 - 300,000	8	7	11	7	4	8
\$300,000 - 400,000	8	6	9	6	5	8
\$400,000 - 500,000	2	3	2	4	1	0
Over \$500,000	2	0	1	1	0	0

OHOPE	Mar 11	Apr 11	May 11	Jun 11	Jul 11	Aug 11
Up to \$300,000	1	0	0	0	2	0
\$300,000 - 500,000	0	4	4	4	2	0
\$500,000 - 700,000	0	0	2	3	1	0
\$700,000 - 1 Million	0	1	1	0	0	0
Over 1 Million	0	1	0	0	0	0

