

PROPERTY INVESTMENT UPDATE

ISSUE 82 | DECEMBER 2022

Edinburgh

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SIEWWRIGHTS & MARSH

Investments / Apartments / Family Homes

IMPORTANT DATES...

10, 14, 17 December



Graduation Ceremonies

9 January - 17 February



Summer School

20 - 24 February



Orientation Week

Welcome to our 82nd investment update...

What's happening in our market?

North Dunedin has seen property prices increase 4.1% over the past three years and decrease by -18.4% in the last 12 months. If you'd bought a property three years ago in North Dunedin, you'd have paid \$631,000 in 2019, while in 2022 the same property now costs \$657,000.

There have been 35 properties sold in North Dunedin, over the past 12 months, totaling \$26.47m. Properties are currently selling slower than last year at 40 days on market, compared to 18 days 12 months ago.

Looking at the past 6 months sales, there were 11 sales with the top price achieved for North Dunedin being 42 Dundas Street (standalone brick home with development potential) in July 2022, which sold for \$1,175,000. The most affordable North Dunedin property to sell for the same period was 102 Dundas Street (3-bedroom Terrace) which went for just \$462,500 in September 2022. If we drill down into the 11 Sales, of which 10 were sold by our team, we find that the breakdown of sales into price ranges as follows: Under \$600,000 - 4 sales, \$600,000 to \$800,000 - 4 sales, \$800,000 to \$1,000,000 - 2 sales, \$1,000,000 plus - 1 sale. Cap rates ranged from 4.6% to 6.7% and moving forward we are starting to see cap rates rise as interest rates continue to increase. Our other residential investment sales in nearby Central city and slightly further afield have seen sales with 8% plus yields based on the current rental income for those properties.

We are receiving more enquiries on investment properties in the under \$700,000 price range, as these seem to be more affordable for buyers at the moment with the current market conditions. If you want to have a chat with one of us regarding what your property is worth in the current market, feel free to give us a call for a confidential chat.

We would like to extend a thank you to all vendors, investors, buyers, friends and industry professionals who we have had the pleasure of working with during 2022.



All the very best to you and your families for a fantastic Christmas, safe, relaxing holiday period and a prosperous New Year.

We look forward to working with you all in 2023.

Lane, Clayton & Aimee

Join our mailing list

Whether buying, selling or just poking around, keep up to date with our weekly email - every Friday.

It's often said "Information is money - especially in Real Estate". Know what's current, new to market, what's under offer, what's sold, open home times, sales yields and what's going on at the coal face before it appears in The Otago Daily Times and loaded to websites.

It's easy, check us out at www.propertyinvestments.nz scroll to the bottom of the home page and simply fill in your details under 'Join our Mailing List' and click 'subscribe', then you will automatically be added to our weekly email updates - it's that easy!

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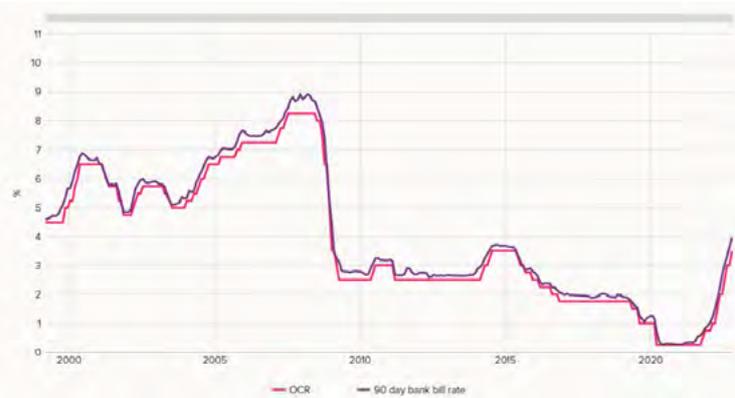
Interest Rates 101

The official cash rate (OCR) was introduced in New Zealand in March 1999. It is a conventional tool by international standards. The OCR influences the price of borrowing money in New Zealand and allows the reserve bank to influence the level of economic activity and inflation.

Although the OCR influences New Zealand's market interest rates, it is not the only factor doing so. Market interest rates – particularly for longer terms – are also affected by foreign interest rates because New Zealand financial institutions are net borrowers in overseas financial markets. Movements in overseas rates can lead to changes in interest rates even if the OCR has not changed.

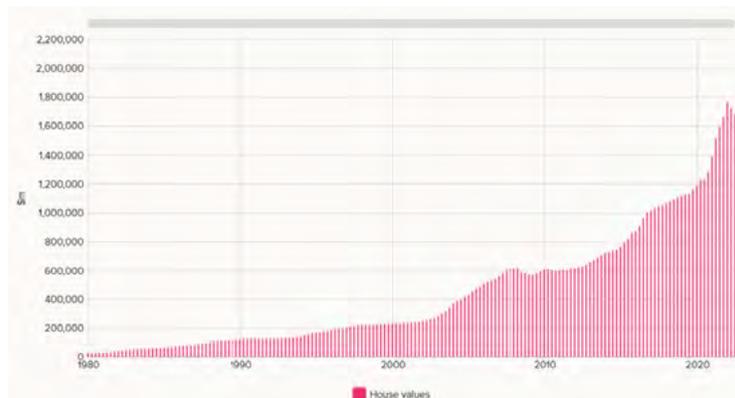
The OCR is the wholesale rate for borrowing money. If the OCR is the wholesale rate for borrowing money, the retail rates are the market interest rates that consumers and businesses face – like mortgage rates or term deposit rates. Changes to the wholesale rate for commercial banks flow through to the retail rates for consumers and businesses, so market interest rates generally track changes in the OCR.

90-day Bank Bill Rate (monthly average) and Official Cash Rate (OCR) (end of month)



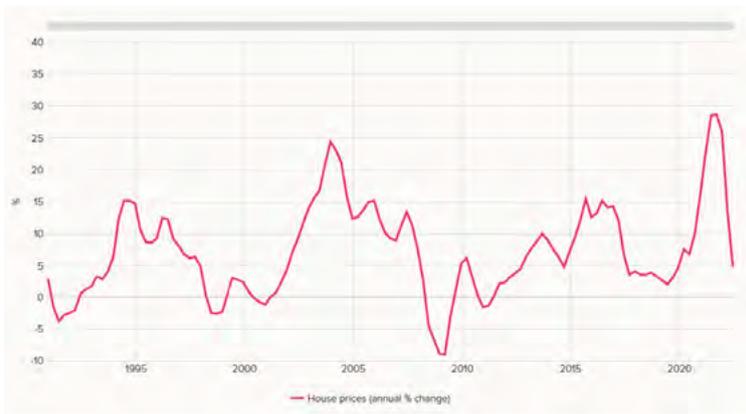
By setting the OCR, the Reserve Bank is able to influence short-term interest rates such as the 90-day bank bill rate. These bills are mostly issued as Registered Certificates of Deposit (RCD), but can also be a Bill of Exchange issued or accepted by a bank. Bills of Exchange represent only a very small portion of total securities outstanding in this category.

Value of Housing Stock



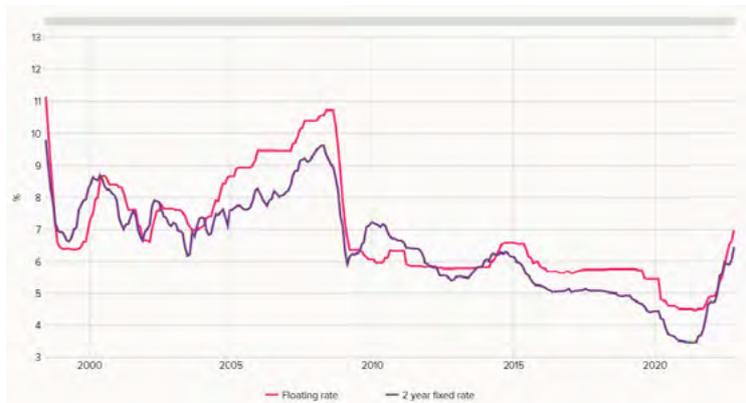
The value of housing stock includes all private sector residential dwellings (detached houses, flats and apartments), lifestyle blocks (with a dwelling), detached houses converted to flats and 'home and income' properties. It does not include vacant land. This is an estimate of the current market value of houses in New Zealand and is based on current house prices (see the metadata for aggregate quarterly non-farm residential dwelling value data). The data is compiled by CoreLogic and published by the Reserve Bank.

House Price Index (HPI) (annual % change)



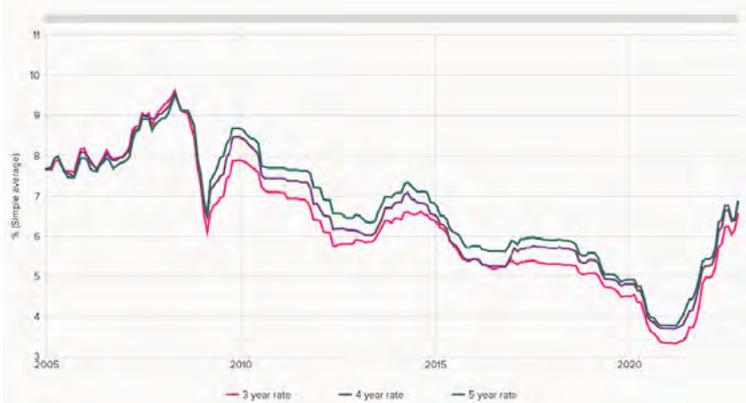
The House Price Index (HPI) measures the movement in house prices throughout New Zealand, providing an indicator of capital growth. The data is compiled and published by CoreLogic. Data from 1990 is available in the key graph data file.

Banks Mortgage Rates - Floating and 2 year fixed



The average floating and two year fixed mortgage rates is the rate advertised to new customers by banks for residential home loans. Average interest rates for a range of other terms are also available in the New residential mortgage interest rates (B20) data table.

New standard residential mortgage interest rates for selected terms greater than two years



[1] The interest rates recorded here are simple averages of the advertised (or 'carded'), standard, first mortgage interest rates offered by banks to new borrowers for residential property. Any special rates or discounts offered to borrowers with conditions (e.g. 30 percent equity) are excluded from the results.

This charts shows the new residential mortgage interest rates for the respective terms. The reported rates are simple average new mortgage rates advertised by registered banks in New Zealand.

Source: <http://www.rbnz.govt.nz/statistics/key-statistics>

	Previous years:			Monthly:			
	Oct 2020	Oct 2021	Jun 2022	Jul 2022	Aug 2022	Sep 2022	Oct 2022
New standard residential mortgage interest rates (average % end of month)							
Floating ¹	4.54	4.65	5.89	6.22	6.54	6.65	6.99
6 months ¹	3.92	4.17	5.52	5.65	5.56	5.71	6.16
1 year ¹	3.36	3.82	5.56	5.65	5.48	5.72	6.18
18 months ¹	3.30	4.01	5.85	5.92	5.76	5.92	6.43
2 years ¹	3.55	4.22	5.99	5.94	5.91	6.06	6.47
3 years ¹	3.37	4.27	6.24	6.25	6.05	6.18	6.58
4 years ¹	3.71	4.77	6.66	6.65	6.38	6.40	6.86
5 years ¹	3.78	4.96	6.77	6.76	6.44	6.44	6.90

Looking back
(2004)

17 Warrender Street

 \$170,000 - 7.95% 4 x \$65

96 Dundas Street

 \$126,000 - 8.6% 4 x \$52

54 Anzac Avenue

 \$300,000 - 7.0% 5 x \$60

SOLD SINCE LAST NEWSLETTER

SOLD!

 Outline indicative only
33 Cargill Street, City
 🏠 8 🚿 4 🚗 OSP
 Sale Price \$1,555,100 - 5.8%
 Vendor Dunedin
 Purchaser Dunedin

SOLD!

 Outline indicative only
35 Cargill Street, City
 🏠 8 🚿 4 🚗 OSP
 Sale Price \$1,044,900 - 8.3%
 Vendor Dunedin
 Purchaser Dunedin

SOLD!

 Outline indicative only
505 Queens Drive, City
 🏠 8 🚿 3 🚗 OSP
 Sale Price \$900,000 - 8.4%
 Vendor Dunedin
 Purchaser Hamilton

SOLD!

 Outline indicative only
116 London Street, City
 🏠 3 🚿 3 🚗 2+ OSP
 Sale Price \$770,000
 Vendor Dunedin
 Purchaser Dunedin

SOLD!

 Outline indicative only
146A Dundas Street, Campus
 🏠 5 🚿 2 🚗 OSP
 Sale Price \$750,000 - 6.4%
 Vendor Dunedin
 Purchaser Dunedin

SOLD!

 Outline indicative only
144A Dundas Street, Campus
 🏠 5 🚿 2 🚗 OSP
 Sale Price \$750,000 - 6.4%
 Vendor Dunedin
 Purchaser Dunedin

SOLD!

 Outline indicative only
787A George Street, Campus
 🏠 5 🚿 2
 Sale Price \$722,000 - 6.7%
 Vendor Dunedin
 Purchaser Dunedin

SOLD!

 Outline indicative only
416 North Road, North East Valley
 🏠 4 🚿 2 🚗 OSP
 Sale Price \$720,000
 Vendor Dunedin
 Purchaser Dunedin

SOLD!

 Outline indicative only
65 Gilkison Street, Halfway Bush
 🏠 3 🚿 1 🚗 1+ OSP
 Sale Price \$535,000
 Vendor Dunedin
 Purchaser Overseas



SOLD!

12 Rhodes Terrace, North East Valley

🏠 3 🚿 2 🚗 1

Sale Price \$525,000
Vendor Dunedin
Purchaser Dunedin



SOLD!

12/23 London Street, City

🏠 1 🚿 1 🚗 OSP

Sale Price \$500,000 - 4.8%
Vendor Dunedin
Purchaser Alexandra



SOLD!

102 Dundas Street, Campus

🏠 3 🚿 1

Sale Price \$462,500 - 5.1%
Vendor Dunedin
Purchaser Christchurch



SOLD!

6/23 London Street, City

🏠 1 🚿 1

Sale Price \$451,000 - 5.2%
Vendor Dunedin
Purchaser Napier



SOLD!

6 Montague Street, North East Valley

🏠 2 🚿 1

Sale Price \$439,589
Vendor Queenstown
Purchaser Dunedin



SOLD!

7 Hanlon Street, Halfway Bush

🏠 3 🚿 1 🚗 2 + OSP

Sale Price \$365,000
Vendor Dunedin
Purchaser Dunedin

CURRENT LISTINGS



861 George Street, Campus
High return on George Street

🏠 9 🚿 3

Sale Price \$999,000
Rental \$1,575pw (2023)



26 Chambers Street, North East Valley
Looking for a quality investment?

🏠 6 🚿 2

Sale Price \$949,000
Rental \$1050pw (est 2023 \$1080pw)



152 London Street, City
7-bed flat with development potential

🏠 7 🚿 2 🚗 1 + OSP

Sale Price \$925,000
Rental \$1,155pw (2023)



1 Great King Street, City
Exciting new development

🏠 2 🚿 2

Sale Price Priced from \$895,000



UNDER OFFER

100 London Street, City
Convenient family home/investment

🏠 4 🚿 3 🚗 2 + OSP

Sale Price \$869,000



10/543 George Street, Campus
Purpose-built investment

🏠 6 🚿 2 🚗 OSP

Sale Price \$799,000
Rental \$870pw (est 2023 \$990pw)



4 Spylaw Street, Maori Hill
Life made easy in Maori Hill

2 1 1+ OSP
Sale Price \$769,000



33 Clyde Street, Campus
Superbly located campus villa

5 1
Sale Price \$719,000
Rental \$875pw (2023)



14/783 Great King Street, Campus
Modern purpose-built

6 2 OSP
Sale Price \$699,000
Rental \$960pw (2023)



56 Howe Street, Campus
Student brick investment

3 1 OSP
Sale Price Enq over \$600,000
Rental \$525pw (2023)



26C Duke Street, Campus
Student brick investment

5 2 OSP
Sale Price \$599,000
Rental \$750pw (2023)



163 Eglinton Road, Mornington
Cute and Convenient

2 1 1+ OSP
Sale Price \$549,000



1 Great King Street, City
These apartments won't disappoint!

1 1
Sale Price Priced from \$529,000



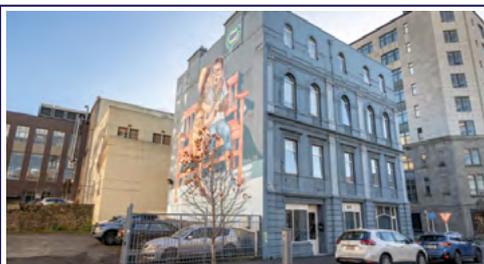
28C Cornhill Street, North East Valley
Peaceful and tranquil setting

2 1 1
Sale Price \$399,000



46 Selwyn Street, North East Valley
First home or investment?

4 1
Sale Price By Negotiation



48 Bond Street, City
City apartment living or rental

1 1 OSP
Sale Price \$399,000
Rental \$370pw (est 2023 \$420pw)



10 & 10A Nicholas Street, Portobello
Sections in Portobello

Lot 1: 500m² (more or less)
Lot 2: 548m² (more or less)
Sale Price Neg over \$260,000
(each section only)

THINKING OF SELLING?

Contact us today for a free no obligation appraisal of your property.

PROPERTY WANTED



NZPIF CONFERENCE 2023
Reaching towards your peak

Otago Property Investors Association presents

NZPIF CONFERENCE 2023

In association with



27th - 29th October 2023

Rydges Lakeland Resort | Queenstown



Hilary Barry, MC



Brad Olsen



Steve Goodey



Paula Bennett



Liam Malone



Pru Morrall

For tickets visit: propertyconference.org.nz

