



Important Dates...

4 September
Semester 2 resumes



18 October - 11 November
Semester 2 examinations



9, 13, 16 December
Graduation Ceremonies



market, suggesting seller confidence is returning and we can expect a more normal spring ahead for the property market," comments Baird. Nationally, the August 2023 median sale price decreased 4.1% year-on-year from \$800,000 to \$767,000.

"Higher interest rates and the ongoing costs of living pressures continue to impact the market ahead of the looming election. There is a sense across the country that the market has seen the bottom both in terms of prices and sales volumes, but we are all waiting to see how long it will take to see growth," comments Baird.

The HPI for New Zealand stood at 3,588 in August 2023, showing a 0.9% increase compared to the previous month. However, when compared to the same period last year, the HPI reflects a 4.7% decline. The average annual growth in the New Zealand HPI over the past five years has been 5.7% per annum. It remains 16.1% below the peak.

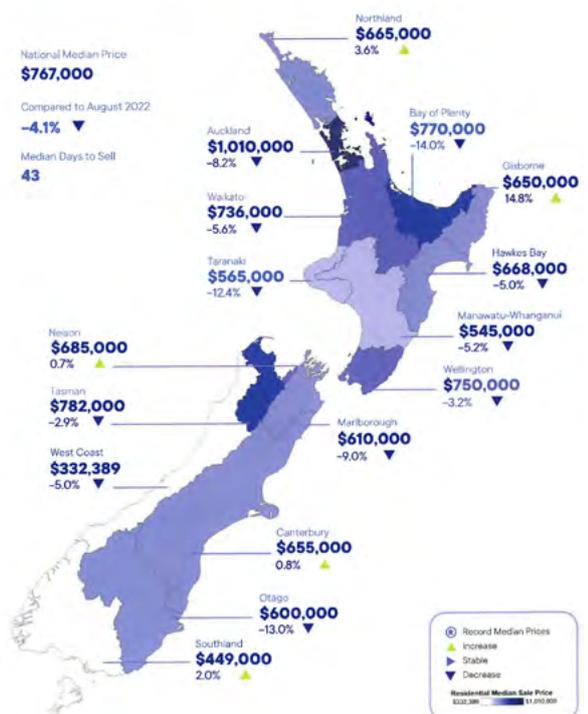
What's happening in our market?

The Real Estate Institute of New Zealand's (REINZ) August 2023 figures show continued optimism and further activity in the property market. While listing numbers remain light, they are up on July and with sales counts having increased this shows some late winter confidence. REINZ Chief Executive Jen Baird says August often shows a resurgence of activity as winter ends and Spring approaches. "We've seen steady activity this month with increased sales counts both compared to August 2022 and July 2023. The lift in market activity has also seen the median days to sell decrease this month, Baird says." Compared to August 2022, August 2023 saw an increase in the total number of properties sold across New Zealand, up 9.2% from 5,047 to 5,509, and up 9.2% month-on-month. For New Zealand excluding Auckland, sales counts also increased by 5.2% year-on-year from 3,508 to 3,690. Across the regions, Northland (4.5%), Auckland (18.2%), Waikato (16.2%), Manawatu-Wanganui (8.6%), Tasman (8.0%), Nelson (12.3%), Marlborough (38.1%), Canterbury (24.9%) and Southland (4.2%) all saw increases in sales counts year-on-year.

At the end of August, the total number of properties for sale across New Zealand was 22,750, down 10.6% (2,691 properties) from 25,441 year-on-year, and down 1.5% month-on-month.

New Zealand excluding Auckland inventory was down year-on-year from 15,196 to 14,099, a decrease of 1,097 properties or 7.5% annually. "The number of properties available for sale over the last three months continues to fall. Listings are still at lower levels compared to August 2022, but only slightly. Month-on-month we have seen a 20.9% increase of stock coming to

ANNUAL MEDIAN PRICE CHANGES AUGUST 2023



How the next Government can help tenants!

We hear many ways each political party talks about the housing crisis, and their solutions to fix this. Adding a new tax to rental property providers and adding more RTA rules to make it harder to supply is obviously not the answer.

All of them acknowledge we do not have enough homes and because of this lack of supply and the high cost to provide housing we have higher rents. Rent controls, new taxes, extensions to the bright line test, new RTA rules, lower LVR's and tougher CCCFA lending criteria are all topics that put restrictions on supply and make the attractiveness of providing a rental property rather unattractive!

Tim Horsbrugh, Executive Committee member of NZPIF and President of the Wairarapa Property Investors Association has suggested to solve a problem we need to ask "WHY" 4 times to get to the root causes of the problem and then we can start talking solutions.

Let's start off....

Question: Why do we have a housing shortage in NZ and why are rents so high? Answer: High cost to provide a house, whether it's for a rental property or a homeowner.

Question: Why? Answer: High cost to build, high land cost, high consenting cost, high insurance, high rates, high cost of finance, high risk with less control over tenants, low ROI, high taxes, lack of supply and unpopular to be a landlord.

Now under each of these headings we say "Why", then we repeat the process again. This helps define the actual problems, so we have clarity in what needs to be solved. Solutions can then be provided. Political parties can then help implement these solutions to make positive change over time. Solutions can be many things like creating more competition in the building material supply market and less restrictions and controls around what we can do on our land to create affordable sections.

Think about this, if we can build a Tiny House for \$130k, but it costs \$250k for the land and \$50k for services and consents, our cheap house has just become expensive. We do need to look at the RMA to help our councils cut red tape and get on with infrastructure, as the more we regulate the greater the cost.

We also need to look at the banking sector who want to lend, but are restricted. Why? Just ask any mortgage broker or developer about the tighter rules around gaining finance. Just imagine if every builder, developer, landowner could get Government guaranteed finance to build one, two or three spec homes. The loan gets repaid once each home sells in an agreed timeframe. This will create movement in the property market, potentially an oversupply so the banking industry may not be happy.

Building new homes, with cheaper materials, on cheaper land, with less fees is the key. If we have more supply, this eases demand and the need for rent increases. Property prices will stabilise, this is the only way to help our tenants. I challenge the next Government to sit down with developers, council planners, bankers, property investors and tenants to brainstorm the "Why" and come up with workable solutions together.

The New Zealand Property Investors' Federation is the parent body for affiliated Property Investors Associations representing approximately 7000 property owners and is responsible for educating and supporting landlords to ensure New Zealanders have access to high quality rental properties.

Tax Policies of Major Parties Summarised

Issue	Current policy	Labour	Greens	National Party	Act
Interest Non Deduction Rules	Interest deductions on residential property acquired on or after 27 March 2021 will not be allowed from 1 October 2021. Interest on loans for properties acquired before 27 March 2021 can still be claimed as an expense, but the interest deductions will be phased out from 1 October 2021. An exclusion from the new interest denial will apply for "new builds"	No change	No change	Will phase out. 24-25 year = 50% 25-26 year 75%, 26-27 year back to 100% deductible	Will repeal. Will be gone by 1 April 2024
Loss of ring fencing	Because rental deductions can be claimed only against rental income, you can not offset excess deductions against other income such as salary or wages	No change	No change	No plan to change	Would consider it if budget allows
Brightline Test	The bright-line test has been changed from 5 years to 10 years for property subject to a binding agreement dated on or after 27 March 2021. An exclusion applies for "new builds", which will remain subject to a 5 year bright-line test. This is not considered as important as other issues as most investors in for long term	No change	No change	Set at 2 years	Abolish
Capital gains tax / Wealth Tax	A wealth tax is defined as a tax on the ownership of net wealth: a person's assets minus debts. The tax would apply to various asset types	Want it but know it's political suicide	Actively promoting Wealth Tax	Opposed	Opposed
Tenancy law repeal	No reason termination of tenancy notices & end automatic roll over of fixed to periodic	No change	No change	Will repeal	Will repeal
Rental caps	Limit the ability to raise rents	Have considered, not current policy	Actively seeking rental caps	Opposed	Opposed
Adjudicator Rulings	Inconsistent decision making, with no moderation between adjudicators. Complete independence from policy and regulatory making				

* Source NZPIF

Looking back (2007)



26C Duke Street, North Dunedin
\$379,000 - 6.9% 5 x \$100pw



171 Dundas Street, North Dunedin
\$235,000 - 6.3% 3 x \$95pw



647 George Street, North Dunedin
\$430,000 - 6.4% 5 x \$105pw

Interest rates at a glance

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.

	Previous years:			Monthly:			
	Aug 2021	Aug 2022	Apr 2023	May 2023	Jun 2023	Jul 2023	Aug 2023
New standard residential mortgage interest rates (average % end of month)							
Floating	4.52	6.54	8.27	8.37	8.45	8.51	8.58
6 months	3.83	5.56	7.16	7.23	7.40	7.55	7.65
1 year	3.37	5.48	7.11	7.18	7.35	7.49	7.59
18 months	3.40	5.76	6.99	7.03	7.10	7.27	7.33
2 years	3.69	5.91	7.07	7.10	7.15	7.32	7.42
3 years	3.72	6.05	6.78	6.65	6.70	6.86	6.92
4 years	4.16	6.38	6.89	6.79	6.80	6.85	6.98
5 years	4.44	6.44	6.87	6.78	6.78	6.79	6.95

New standard residential mortgage interest rates for selected terms less than three years including floating

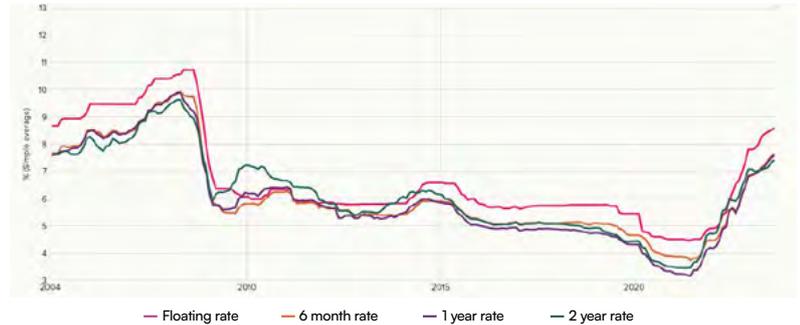


Chart summary: This chart shows the new standard residential mortgage interest rates for the respective terms. The reported rates are simple average new standard mortgage rates advertised by registered banks in New Zealand.

* Source Reserve Bank of New Zealand



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Let's talk.

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North Dunedin Update

Property in the North Dunedin area has not performed that strongly over the past twelve months. There have been 18 properties sold in North Dunedin over the past twelve months, totaling \$11.37m. If you go back to September 2022 the previous rolling twelve-month sales were 57 properties in North Dunedin and 46 sales for the same period in September 2021. Based on this, sales in the area have been declining over the past two years and have more than halved over the past twelve months. If you're looking to buy in the area, the median sales price is currently \$696,000 compared to \$520,000 in nearby Dalmore and \$840,000 over in Maori Hill. Homes are currently selling slower than last year at 50 days on the market, compared to 31 days twelve months ago. The North Dunedin area has seen property prices increase 28.4% over the past three years and increase by 7.8% in the last twelve months, however the last six months have seen a drop in sales price with cap rates increasing due to factors such as interest rates rises. If you'd bought a student flat three years ago in North Dunedin, you'd have paid \$562,500 in 2020, while in 2023 the same property now costs \$696,000.



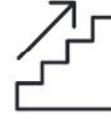
18

Total sales
Past 12 months



\$696,000

Median
sales price



-3.6%

Monthly increase
in median price



50

Median
days to sell

RECENTLY SOLD

SOLD

45 Shandon Road
Vauxhall

🏠 4 🚗 3 🚲 2 + OSP

Sale Price \$960,000

Vendor Dunedin
Purchaser Dunedin

SOLD

128 Abbotts Hill Road
Abbotsford

🏠 3 🚗 1 🚲 2 + OSP

Sale Price \$900,000

Vendor Dunedin
Purchaser Dunedin

SOLD

97 Elm Row
Dunedin Central

🏠 11 🚗 3

Sale Price \$775,000
- 9.9%

Vendor Overseas
Purchaser Auckland

SOLD

42 Gladstone Road
North East Valley

🏠 5 🚗 2 🚲 OSP

Sale Price \$655,000
- 7.3%

Vendor Dunedin
Purchaser Dunedin

SOLD

5/30 Dowling Street
Dunedin Central

🏠 2 🚗 1 🚲 1

Sale Price \$635,000
- 4.9%

Vendor Overseas
Purchaser Dunedin

Outline indicative only

SOLD

740C George Street
North Dunedin

🏠 3 🚗 1 🚲 OSP

Sale Price \$550,000
- 5.1%

Vendor Nelson
Purchaser Overseas

Outline indicative only

SOLD

740A George Street
North Dunedin

🏠 2 🚗 1 🚲 OSP

Sale Price \$505,000

Vendor Dunedin
Purchaser Auckland

Outline indicative only

SOLD

6/84 Warrender Street
North Dunedin

🏠 2 🚗 1 🚲 OSP

Sale Price \$450,000

Vendor Dunedin
Purchaser Overseas

Outline indicative only

SOLD

17B Moreau Street
St Kilda

🏠 2 🚗 1 🚲 OSP

Sale Price \$410,000

Vendor Invercargill
Purchaser Dunedin

INVESTMENT LISTINGS



191 Carroll Street, Dunedin Central
Multi-unit opportunity with potential

🏠 20 🚗 8 🚲 OSP

Sale Price \$1,499,000 - 9.5% (nett)
Rental \$2,985pw



4A & 4B Lovelock Avenue, North Dunedin
Double the bang for your buck!

🏠 10 🚗 2 🚲 OSP

Sale Price \$1,195,000
Rental \$1,600pw (both flats) 2023,
being advertised at \$1,750pw
(both flats) 2024



840 Great King Street, North Dunedin
"Student rental at its finest"

🏠 5 🚗 5 🚲 OSP

Sale Price By Negotiation
Rental \$1,040pw

Thinking of selling? **Contact us today for a free no obligation appraisal of your property.**

e sievwright@edinburgh.co.nz | w www.propertyinvestments.nz





52 Maitland Street, Dunedin Central
"Cashflow is king"

🏠 9 🍳 3 🚗 OSP

Sale Price \$949,000
Rental \$1,530pw (2024)



31 Heriot Row, Dunedin Central
Character home/Investment opportunity!

🏠 6 🍳 3 🚗 OSP

Sale Price Deadline Sale
Rental Appraisal \$1,215pw - 1,265pw (2024)



838 Great King Street, North Dunedin
Good long term investment

🏠 4 🍳 4 🚗 OSP

Sale Price By Negotiation
Rental \$1,040pw



300K Princes Street, Dunedin Central
Spacious city living

🏠 3 🍳 1 🚗 1

Sale Price Enquiries over \$700,000



56 Howe Street, North Dunedin
Student brick investment

🏠 3 🍳 1 🚗 OSP

Sale Price Enquiries over \$600,000
Rental \$555pw (2024)



26C Duke Street, North Dunedin
5 bedroom student flat

🏠 5 🍳 2 🚗 OSP

Sale Price \$599,000
Rental \$750pw



151B Cargill Street, Dunedin Central
Inner City townhouse

🏠 2 🍳 1 🚗 1

Sale Price \$439,000
Rental \$450pw



10 Fernhill Street, Dunedin Central
Standalone townhouse

🏠 2 🍳 1 🚗 1

Sale Price Negotiable over \$400,000
Rental Appraisal \$480pw - \$500pw (2024)



81 Canongate, Dunedin Central
Entry level investment

🏠 4 🍳 1

Sale Price \$390,000
Rental Appraisal \$430pw - \$450pw

RESIDENTIAL LISTINGS



11 Kens Lane, Sawyers Bay
Lifestyle living at its absolute finest

🏠 4 🍳 2 🚗 8 + OSP

Sale Price By Negotiation



25 Westgate, Corstorphine
Exquisite family living

🏠 4 🍳 2 🚗 2 + OSP

Sale Price By Negotiation



35 Hargest Crescent, St Kilda
More than meets the eye!

🏠 4 🍳 2 🚗 OSP

Sale Price \$595,000



6 Ryehill Street, Calton Hill

Family favourite with sun and views

4 2 1

Sale Price Enquiries over \$520,000



55 Islington Street, North East Valley

First home buyers delight!

3 1 1+ OSP

Sale Price \$449,000



35 Easter Crescent, Kew

Vendors say sell!

3 1 OSP

Sale Price Enquiries over \$400,000

SECTIONS FOR SALE



3 Rosella Place, Mosgiel

Large titled family section

1,005m² (more or less)

Sale Price \$449,000



Lot 2, 39 Blackhead Road, Concord

Section in new subdivision

687m² (more or less)

Sale Price By Negotiation



118 Barr Street, Kenmore

Ready to build your dream

625m² (more or less)

Sale Price \$249,000

TEAM & SIEVWRIGHT & MARSH



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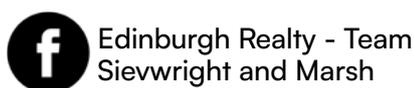
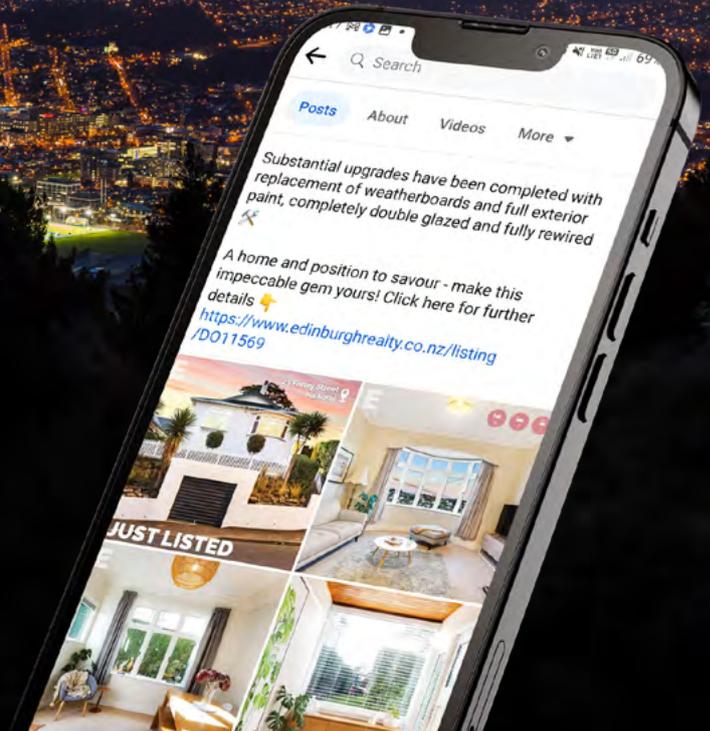


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