

## Price of a home on the rise

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From the Timaru Herald

Timaru house values have increased 3.7 per cent in January compared with the same time last year.

Figures released by Quotable Values (QV) for January show New Zealand house values rose 4.4 per cent above January 2009 and are now 4.3 per cent below the peak of the market in 2007, with the average sale price rising to \$409,807 in January, up from \$404,671 in December.

In Timaru, house values in the three months to the end of December increased 5.3 per cent compared with the same period in 2008. The average sale price in Timaru is now \$247,744, while the average sale price in December was \$244,461.

South Canterbury representative for the Real Estate Institute Warwick Jones said before the recession hit, the industry was "really bubbling along and doing extremely well for a four- to five-year period".

The latest figures supported the fact that the market had levelled out, he said.

"Having said that, prospective purchasers are having a good look, they're very knowledgeable and have access to more information than they have before now. They're not rushing."

Mr Jones said the median list price in Timaru last year was between \$220,000 and \$230,000.

QV valuation manager Glenda Whitehead said market activity in January appeared to have been "patchy".

She said while it was normal for sales activity to be at its lowest over the Christmas period, there was usually an increase in listings activity in January leading into the busiest time of the year in February and March.

This January the expected increase appeared to be absent.

"This lower level of market activity in January could be due to more people being forced to take additional leave this Christmas, and only recently returned from holidays.

"There are also signs of increasing indecision in the market, fuelled by uncertainty over interest rates, employment, which direction property prices are likely to move, and the recently announced tax working group recommendations."

She said most market activity, particularly in the main centres, was being driven by existing homeowners and first home buyers rather than investors.

"Those currently entering the market appear to be taking a cautious approach to their decisions, and are doing their research thoroughly. Some of the frantic market activity of 2009, when there were multiple buyers competing for a property, appears to have eased, at least for the time being."

Values in most of the main centres have continued to increase and are now all above the same time last year.

Values in Auckland rose 7.3 per cent, Wellington rose 5.7 per cent, and Christchurch 6.3 per cent.

Values in the other main centres remained above last year.