



TEAM SIEVWRIGHT & MARSH

PROPERTY UPDATE

ISSUE 90 SUMMER 2024

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University of Otago Important Dates

6 January - 14 February
Summer School
15 - 20 February
Summer School exams



17 - 21 February
Orientation Week



24 February
Formal lectures begin



What's happening in the market?

October marked a notable shift in New Zealand's property market, with sales increasing and median prices showing modest gains, indicating a recovery from a period of stagnation. While challenges such as the cost of living persist, there are clear signs of improvement. Key factors driving this positive shift include falling interest rates, increased property inventory, and a rise in activity at open homes—all of which contributed to the more optimistic market conditions seen in October's data.

Nationally, total property sales were up 20% compared to October 2023. Excluding Auckland, sales increased by 22.7% year-on-year, with standout regions like Nelson (+112.8%) and Marlborough (+29.5%) seeing significant growth. The national median price rose 0.7%, from \$789,500 to \$795,000, and saw a month-on-month increase of 1.9%, from \$780,000. Outside of Auckland, the median price rose 2.9% year-on-year, from \$690,000 to \$710,000, reflecting a 2.2% rise compared to September 2024.

The end of the market downturn would provide a much-needed confidence boost for homeowners, particularly after seven consecutive months of price declines. This could further fuel optimism that the Reserve Bank's recent cuts to the Official Cash Rate—5.25% in August and 4.75% in October—will help support a broader market recovery.

In Dunedin, the median price increased by 4.2% year-on-year to \$620,000. The most active buyers this month were at the higher end of the market, as well as first-time buyers. Investors, who had largely been absent during the downturn, are slowly beginning to return to the market, signalling a more balanced and confident outlook ahead.

The current median Days to Sell of 42 days is more than the 10-year average for October, which is 34 days. There were 20 weeks of inventory in October 2024 which is one week more than the same time last year.

North Dunedin update



As we approach the end of the year, the North Dunedin property market is showing strong momentum with the number of enquiries lifting substantially. Over the past 12 months, there have been 65 property sales in the area—a notable increase compared to the 29 sales in the previous year. These transactions include 20 sales under \$600,000, 25 sales in the \$600,000-\$800,000 range, 9 sales between \$800,000-\$1 million, and 11 sales exceeding \$1 million - an impressive achievement given that in the past two years, properties priced above \$800,000 were notoriously difficult to sell. Recently, we've seen increased interest from buyers aiming to secure properties before the holiday season, hoping to avoid the heightened competition that may come later. Buyers still have the upper hand and negotiating power on their side, but sellers who present their properties well and price them competitively can still secure favourable outcome. With the upcoming ORC rate adjustments and a projected interest rate reduction in 2025, the investment sector looks poised for a dynamic year ahead, with increased buying opportunities and higher property turnover anticipated.

As students conclude their exams and prepare to depart for the summer, a number of flats remain available for the upcoming academic year. Currently, there are still 102 properties listed for rent on TradeMe, with 42 of these being larger five and six bedroom flats, which have proven more challenging to lease this year. In response, landlords have begun adjusting rental prices and exploring other incentives to attract prospective tenants and encourage groups to sign leases. With new legislation anticipated for early next year, landlords are hopeful for reforms that could re-establish a more balanced rental market which will come as a relief along with interest deductibility fully restored in April. Such changes would align closer to past practices that proved effective in maintaining stability and demand in student rentals. This is incredibly encouraging news for investors who have faced significant challenges over the past two years.

Interest rates - where are we heading?

November is a pivotal month for both global and New Zealand interest rates, with several significant events influencing the outlook.

The US elections have been a key focal point, with the Republican Party's victory and Donald Trump's success over Kamala Harris holding particular importance. The Republican Party's control of the Senate, along with the expected retention of the House, suggests that Trump is likely to push forward with more conservative fiscal policies. These may include potential adjustments to trade policies, taxation, and regulatory frameworks. Such changes could have notable implications for global markets, including New Zealand, in several ways. For example, if Trump reinstates or intensifies trade tariffs, New Zealand's exports - particularly in sectors like agriculture, manufacturing, and dairy - could be directly affected. Additionally, a potential economic slowdown in the US, driven by tighter policies or global disruptions, may reduce demand from key trading partners such as China. This could have a knock-on effect on the New Zealand economy, especially if economic growth slows or exports decline.

Domestically, the Reserve Bank of New Zealand (RBNZ) is set to announce its final Official Cash Rate (OCR) decision of the year on November 27. The market anticipates a 0.5% cut, which would reduce the OCR to 4.25%. The RBNZ's decision will be closely watched, as it provides key insights into their outlook on inflation, economic growth, and the housing market.

This expected OCR reduction is likely to impact interest rates, particularly for mortgages. The best advertised one-year fixed mortgage rate currently stands at around 5.79%, although borrowers may be able to negotiate lower rates, with some lenders offering rates as low as 5.59%. If the OCR cut is implemented as expected, these rates could decrease further, potentially settling between 5.29% and 5.49%.

Additionally, if the RBNZ's forecast suggests a series of more aggressive rate cuts in the first half of 2025, aimed at bringing the OCR back to neutral levels by mid-year, wholesale rates could decline sharply. This could lead to a reduction in three-year fixed mortgage rates, potentially falling below 5% and reaching around 4.89% by the end of the year.



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 in 2024. All the very best to you and your families have a fantastic Christmas, safe, relaxing holiday period and a prosperous new year.

We look forward to working with you in 2025.





New Zealand Property Investors Conference

The 2024 New Zealand Property Investors Federation conference was held in Christchurch recently, and it was a huge success. Over 300 attendees from Property Investors Associations across the country enjoyed the Canterbury Property Investors Association hospitality and some stunning Christchurch weather.



Feedback from the attendees was that the organisation of the event was top notch, the venue (Te Pae) was outstanding, and the speakers were excellent, giving attendees some fantastic information on how to supercharge their investment strategy. We attended the conference, which was a great opportunity to network and learn from other like-minded investors.

The 2025 NZPIF Conference will be held in Hamilton, 10th to 12th October, hosted by the Waikato Property Investors Association. The event will feature leading experts, fresh insights, and strategies focused on the future of property investment. Almost a third of available tickets have already sold, so don't miss out.

Visit www.propertyconference.org.nz to secure your tickets.



Whether you own a family home or an investment property, we can guide you through the sales process to help you get the best result.

LET'S TALK.

RECENTLY SOLD

SOLD



113 Harbour Terrace, North Dunedin
5 BED | 2 BATH
Sale Price: \$911,000
6.8%
Vendor: Wellington
Purchaser: Wellington

SOLD



24/97 Filleul Street, Dunedin Central
2 BED | 2 BATH
1 GARAGE
Sale Price: \$720,000
Vendor: Dunedin
Purchaser: Dunedin

SOLD



865 George Street, North Dunedin
4 BED | 1 BATH
1 GARAGE
Sale Price: \$635,000
6.1%
Vendor: Ashburton
Purchaser: Wellington

SOLD



117 Clyde Street, North Dunedin
4 BED | 1 BATH
Sale Price: \$620,000
7.4%
Vendor: Auckland
Purchaser: Southland

SOLD



445 North Road, North East Valley
4 BED | 2 BATH
3 GARAGE + OSP
Sale Price: \$550,000
5.7%
Vendor: Dunedin
Purchaser: Dunedin

SOLD



19 Malvern Street, Woodhaugh
1 BED | 1 BATH
OSP
Sale Price: \$490,000
Vendor: Invercargill
Purchaser: Mapua

SOLD



241 Ravensbourne Road, Ravensbourne
2 BED | 1 BATH
1 GARAGE + OSP
Sale Price: \$380,000
Vendor: Dunedin
Purchaser: Dunedin

SOLD



58 Heriot Row, Dunedin Central
3 BED | 1 BATH
OSP
Sale Price: \$375,000
Vendor: Auckland
Purchaser: Dunedin

SOLD



78A & 78B Gladstone Road, Dalmore
1 BED | 1 BATH
OSP (each)
Sale Price: \$350,000
(each) 6.8%
Vendor: Dunedin
Purchaser: Milton

INVESTMENT LISTINGS



outline indicative only



295 Rattray Street, Dunedin Central
15 BED | 15 BATH
OSP
Rental Price: N/A
Sale Price: By negotiation



39 Royal Terrace, Dunedin Central
10 BED | 2 BATH
Rental Price: \$108,160
annualised (gross income)
Sale Price: Enquiries
over \$1,000,000



24 Melrose Street, Roslyn
10 BED | 5 BATH
OSP
Rental Price: \$2100pw
Sale Price: Negotiable
over \$1,250,000



UNDER OFFER

802 Cumberland Street, North Dunedin
5 BED | 2 BATH
Rental Price: \$1125pw
Sale Price: Offers over
\$895,000



8 Heriot Row, Dunedin Central
8 BED | 2 BATH
OSP
Rental Price: \$1225pw
Sale Price: Enquiries
over \$790,000



UNDER OFFER

122 Frederick Street, North Dunedin
5 BED | 1 BATH
OSP
Rental Price: \$875pw
Sale Price: \$699,000



9/73 Buccleugh Street, North East Valley
4 BED | 4 BATH
OSP
Rental Price: \$1130pw
Sale Price: Offers over
\$670,000



1056 George Street, North Dunedin
5 BED | 1 BATH
Rental Price: \$780pw
Sale Price: By negotiation





1046 George Street,
North Dunedin

5 BED | 1 BATH

Rental Price: \$925pw

Sale Price: \$699,000



1 Haddon Place,
Dunedin Central

4 BED | 1 BATH

Rental Price: Being
advertised at \$740pw
(2025)

Sale Price: Enquiries
over \$550,000



**UNDER
OFFER**

17 Woodhaugh Street,
North East Valley

3 BED | 1 BATH
1 GARAGE + OSP

Rental Price: N/A

Sale Price: \$449,000



**QUIETLY
LISTED**

Central City Rise

1 BED APARTMENTS
AND STUDIOS

Buy one or buy a
block!

Sale Price: \$400,000
- \$520,000 (each)



**UNDER
OFFER**

4/84 Warrender Street,
North Dunedin

2 BED | 1 BATH
OSP

Rental Price: N/A

Sale Price: \$399,000



10/97 Queen Street,
North Dunedin

2 BED | 1 BATH
OSP

Rental Price: \$425pw

Sale Price: \$399,000



**UNDER
OFFER**

26 Lees Street,
Dunedin Central

4 BED | 1 BATH

Rental Price: \$550pw

Sale Price: Enquiries
over \$370,000



SOLD

14/97 Queen Street,
North Dunedin

2 BED | 1 BATH
OSP

Rental Price: \$310pw

Sale Price: \$300,000



**UNDER
OFFER**

20 Cosy Dell Road,
North Dunedin

2 BED | 1 BATH

Rental Price: N/A

Sale Price: Enquiries
over \$315,000

RESIDENTIAL LISTINGS



14 Pretoria Avenue,
St Clair

3 BED | 2 BATH
1 GARAGE + OSP

Sale Price: \$699,000



229C Highgate,
Roslyn

2 BED | 1 BATH
1 GARAGE

Sale Price: \$639,000



1 Thorn Street,
Caversham

2 BED | 1 BATH
OSP

Sale Price: \$659,000



**UNDER
OFFER**

2/76 Bond Street,
Dunedin Central

2 BED | 2 BATH
2 GARAGE

Sale Price: Offers over
\$630,000



2/31 Dowling Street,
Dunedin Central

2 BED | 1 BATH

Sale Price: \$579,000



53 Fawcett Street,
South Dunedin

2 BED | 1 BATH
1 GARAGE

Sale Price: \$549,000



**UNDER
OFFER**

1B Mulberry Lane,
Bradford

3 BED | 1 BATH
OSP

Sale Price: \$549,000



12 Northumberland St,
North East Valley

3 BED | 1 BATH

Sale Price: \$435,000



48 Wesley Street,
South Dunedin

1 BED | 1 BATH
OSP

Sale Price: Offers over
\$300,000

SECTIONS FOR SALE



6 Reynoldstown Road, Careys Bay

1289m² (+/-)

Sale Price: By negotiation



18A, 18B, 18C Barr Street, Kenmure

1.9531 hectares (+/-)

Sale Price: Enquiries over \$1,000,000



127 Barr Street and 50 Wattie Fox Lane, Kenmure

4.7164 hectares (+/-)

Sale Price: Enquiries over \$1,500,000



254C Middleton Road, Corstorphine

1.0689 hectares (+/-)

Sale Price: Enquiries over \$650,000



Lot 2, 39 Blackhead Road, Concord

687m² (+/-)

Sale Price: By negotiation



3 Rosella Place, Mosgiel

1005m² (+/-)

Sale Price: By negotiation



118 Barr Street, Kenmure

625m² (+/-)

Sale Price: By negotiation



32 Bay Road, Warrington

441m² (+/-)

Sale Price: Offers over \$199,000

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Edinburgh

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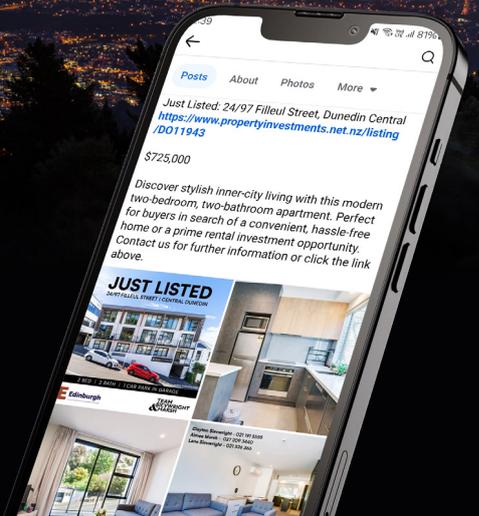
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