

Devonport Area Running Hot

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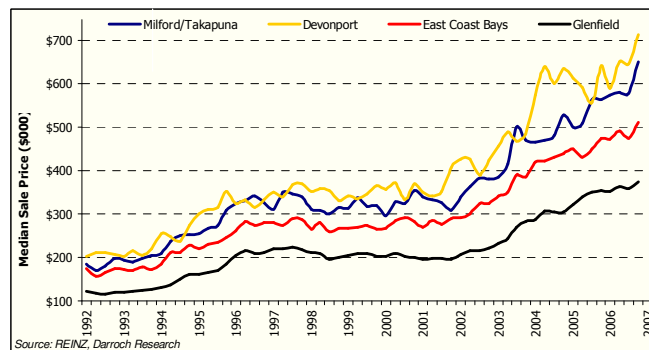
Residential market activity in the Devonport Area has been running hot according to Darroch North Shore residential specialist valuer Ben Fox. Mr Fox who covers all North Shore suburbs but has a particular interest in coastal markets, says that market activity south of Takapuna lifted to new levels in the lead up to 2007.

Fox says "Over the last few months of 2006 we noticed a surge in both price and sales activity in Devonport, Narrownneck, Belmont and Bayswater suburbs. Demand was particularly strong prior to Christmas with buyers showing a willingness to pay new prices for well presented homes".



Latest statistics from REINZ support Mr Fox's comments. In the December 2006 quarter, the median selling price for Devonport Area - which includes Devonport to Bayswater - reached \$715,000, the highest quarterly figure on record. The Shore's next best performer was Milford/Takapuna with a \$650,000 median sale price. Glenfield and East Coast Bays returned quarterly medians of \$373,000 and \$510,000 respectively.

The Devonport result is quite significant in that median sale price in the previous September quarter was \$647,000, therefore indicating a 10% price jump. Sales activity is up as well according to REINZ's latest data. During the December quarter, 134 property transactions were completed in the Devonport Area. This is the highest number of quarterly sales recorded for the area since December 2002. Devonport's typical volume of sales over the last five years is 100 sales per quarter.



The result is also quite a turnaround from 12 to 18 months ago when the Devonport Area was unusually quiet with stagnant prices and sluggish transaction activity.

In the early part of 2007 Mr Fox expected the market to step off the accelerator a little before picking up again. "Traditionally, the market quiets in January & February owing to holiday mode, but by March and April things are usually back in full swing. Provided there are no significant interest rate rises, we expect sales activity on the North Shore to strengthen across the board. The economy is in better shape than 6 to 12 months ago and business confidence has improved significantly. People are taking the opportunity to purchase property while labour market conditions are favourable and job security is assured" says Mr Fox.