



# SHELDONS

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“When I was 5 years old, my mother always told me that happiness was the key to life. When I went to school, they asked me what I wanted to be when I grew up. I wrote down ‘happy’.

They told me I didn’t understand the assignment, and I told them they didn’t understand life”

John Lennon

## Earthquake Prone Building Information Sheet

We have put together an information sheet on Earthquake Prone Buildings. If you would like a copy, please let me know & I will email one to you

# September 2012

## Here comes Summer!

Don't forget to put your clocks forward on Sunday, daylight saving is here again and summer is only just around the corner! School holidays also kick off next week for two weeks, so enjoy the lighter traffic on the roads. I am off for a week hoping to land some of the first spring snapper at Waiheke. They are starting to come in from what I have heard, can't wait!

## Market Activity

- We have seen some new benchmark prices on Industrial assets being achieved, particularly in the owner-occupied market. This could be the beginning of a general rise in values, so we will continue to monitor this closely.
- Residential activity continues to be very strong with demand outstripping supply for good property with sale prices often exceeding expectations. This is being driven from the bottom end of the market upwards. This will put pressure on the next value tiers up, but the same movement has not been seen yet.
- Auckland Council has revised the way contributions are calculated for subdivisions to a flat rate rather than a percentage of value. This will have benefits particularly for higher value sites and is likely to have a positive effect on property with subdivision potential.
- Earthquake and seismic issues are continuing to develop. I am aware of two transactions where funding was not able to be secured as a result. This saw one of the transactions not proceed. It will be interesting to see how the market will price assets with low earthquake resistance. I will report on this in the coming months when (and if) it sells.
- Rental levels are beginning to rise, albeit cautiously depending upon where the current rental is in relation to market. Landlords who have sought small increases are now having them more readily accepted by tenants. This has been most evident in better properties, with the secondary assets still lagging behind.

## Recent Sales



7 Monahan Road, Mt Wellington

Sold for \$3,950,000 reflecting \$912/m<sup>2</sup> or 8.86%.

A large older industrial building occupied by Turners & Growers with good exposure to the motorway



67 O'Rorke Road, Penrose

Sold vacant for \$765,000 reflecting \$1,255/m<sup>2</sup>

Purchased by an owner-occupier, a medium size 1970's industrial building with modern office additions



28B Rennie Drive, Airport Oaks

Sold vacant for \$260,000 reflecting \$1,584/m<sup>2</sup>

Purchased by an owner-occupier, a small 1980's industrial unit with upgraded amenities



3091 Great North Road, New Lynn

Sold for \$1,100,000 reflecting \$1,294/m<sup>2</sup> or 8.58%

A 1970's two level commercial building with 7 tenants