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MANGAWHAI

Market Update - January 2012

Sales activity in the Mangawhai residential market remained relatively subdued through most of 2011; though appears to have picked up more recently. Historically low interest rates and higher lending ratios by banks are likely key factors, with the increase in activity seen in Auckland now apparently spreading (albeit hesitantly) to the coastal areas north of the city.

The majority of house sales over the past year in Mangawhai were concentrated in the lower to mid value price brackets (\$250,000 to \$450,000) - which is a phenomenon typical of most areas we cover throughout Auckland. Vacant sections in the newer subdivisions have generally been selling in the \$90,000 - \$130,000 range, with higher prices achieved for those with superior site or locational attributes.

A great many conversations in Mangawhai over recent weeks have been centred around the accuracy (or otherwise) of the new Kaipara District rating valuations. We thought it would be interesting to look at some recent sales in the area and relate these to the 2011 Rating Valuations.

Address	Recent Sale	2011 RV	Difference
Moir St	10/11 \$ 430,000	\$260,000	+61.5%
Taranui Pl	9/11 \$ 642,500	\$510,000	+26.0%
Wintle St	11/11 \$ 880,000	\$770,000	+14.3%
Norfolk Dr	10/11 \$ 261,000	\$230,000	+13.5%
Cullen St	11/11 \$ 305,000	\$365,000	-16.4%
Taranui Pl	11/11 \$ 320,000	\$495,000	-35.4%
Parklands Av	11/11 \$ 90,000	\$140,000	-35.7%

As you can see, there is no consistently clear relationship between rating values and sale prices achieved in the area. Unfortunately, some of the market, finance sector and public continue to perceive Rating Assessments as a reliable indication of market value. In fact, Auckland Council, who recently released their new rating valuations, clearly state "Council valuations are used for setting rates and as such, they are not intended for other purposes such as for marketing or for mortgages. We strongly recommend that private registered valuations be obtained for these purposes".

Further commentary on the Mangawhai market will follow in the coming months. In the meantime, find out what's happening in other areas we cover at our website www.sheldons.co.nz