



PROPERTY NEWS MAY 2016

I found we get a lot of information on property all the time, but often it felt as if property news was ever only about Auckland Wellington and Christchurch.

We were keen to get information together that affects the Hawkes Bay market and I have now tried to collate what I could find.

This is data directly related to property as well as economic information that I think is significant. I welcome comments and information that could be of interest to anyone investing in residential property in Hawkes Bay. This will sometimes just be the figures I took from an article, sometimes the whole article. Often it will be information from Hawkes Bay, sometimes national information relevant to Hawkes Bay. I will leave the interpretation to you.

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21-05-2016

HB-Today p19

NATIONAL - New migration tourism records posted for April

68,000 net migration to April 2016, arrivals up 9% to 124,700 departures down 2% to 56,600
Visitor arrivals up 11% to 3.27 million

Numbers have levelled out since Oct to Feb this year to 6000/month, last 2 mths lower.

Expectation: figures will fall further due to improving Australian labour market, numbers of foreigners on student visas falling sharply due to tougher language requirements and students who arrived in the past on temporary visas beginning to depart.

20-05-2016

HB-Today p6

HAWKE'S BAY - Labour demand remains high

Labour demand remains double the national average (ANZ advertising date). Number of job ads up 8.3% April year on year after a sustained period of double-digit growth. Compares to Auckland 10.8 growth and 14% fall in Canterbury.

19-05-2016

HB-Today

HAWKE'S BAY - More doctors and nurses work in Bay

As of March 31 there were more than 230 doctor full time equivalents and 770 nurse full time equivalents employed by the DHB. That's 50 more doctors and 140 more nurses compared to 2008. National increase of doctors and nurses in that period was 25%

18-05-2016

HB-Today p8

HAWKE'S BAY - Airport director given a second term

There has been a 13.5 % jump in passenger numbers in the first half of the financial year to Dec 2015. Revenue 3.6 above budget (HB airport plans a new terminal and car park extension, now has a new café and serves three airlines: Sounds Air, Jet Star and Air New Zealand)

Net migration soars to 38-year high

Net migration in New Zealand is the highest it has been since at least 1978 — and possibly ever.

More than 124,000 people arrived in New Zealand in the March 2016 year, intending to stay long-term or permanently.

During the same period, 56,450 emigrated — resulting in a net gain of 67,619 people — the highest 12-month figure for any period in at least 38 years.

Net migration is the number of people who arrived to stay for more than 12 months, minus those who emigrated. One quarter of arrivals were accounted for by New Zealand citizens returning after being away for more than a year.

Multicultural New Zealand executive director Tayo Agunlejika said immigration was overwhelmingly beneficial to New Zealand, and helped create a diverse and dynamic culture.

Permanent and long-term arrivals to NZ Year ended March 2016

Australia	25,767
India	13,486
United Kingdom	13,445
China	11,722
Philippines	5,476
USA	4,326
Germany	4,033

“It’s a very positive thing — it gives you a vibrant society where not everyone is the same.”

He said the most difficult factors for new immigrants were culture shock and isolation.

“Some of them don’t get employed in an area related to their skills and experience, but for most people it’s the cultural shock.”

Compared with the March 2014 year, more immigrants

arrived from 30 of the 33 nations listed this year.

Australia accounted for more than 25,000 arrivals, with many likely to be returning Kiwis. More than 45,000 people arrived from Asia, and 27,000 from Europe.

In the March year, 1862 more people moved from Australia to New Zealand than the other direction — a stark contrast from 2012, when almost more than 100 a day were leaving. — NZME

HAWKE’S BAY

Employment surges in region as jobseeker count also rises

By Jordan Bond
news@hbtoday.co.nz

The number of employed people in Hawke’s Bay and Gisborne has risen to its highest figure in at least two years — but so has the number of unemployed.

Figures released by Statistics New Zealand show there were more than 100,000 employed people in the Hawke’s Bay/Gisborne area in the March 2016 quarter, after those looking for work rose more than 5000 in the last quarter.

Of the 110,000 people in the labour force, about 9200 people were unemployed in the March 2016 quarter — an 8.4 per cent unemployment rate, the highest

quarterly figure since March 2014.

Hawke’s Bay Chamber of Commerce chief executive Wayne Walford said he was confident the labour force growth was positive for the area, and was optimistic those seeking work would find it.

“The whole positive attitude has rubbed off and people are looking at employing.

“[Businesses are] talking about positive markets, opportunities, growth and looking at how they can increase their numbers of staff to meet the productivity need.”

He said there were jobs available but jobseekers often lacked the experience or training necessary.

He said community groups and

organisations throughout the Bay, such as Takitimu Ora, U-Turn Trust and Te Taiwhenua o Heretaunga, helped train and support people into employment.

Throughout the country there were almost 2.4 million people in employment — also the highest in at least two years.

The unemployment rate rose slightly in the March quarter to 5.7 per cent, but was lower than the 2014 and 2015 average.

About 38,000 more people were seeking jobs in the March quarter compared with the December 2015 quarter, and 118,000 more than in March 2014.

Almost a quarter of 15- to 19-year-olds looking for work were unemployed.



16-05-2016

HB-Today p3

HAWKE'S BAY - Bay marathon million-dollar earner

Air New Zealand Hawke's Bay International Marathon's financial impact on the region is estimated to be about \$3 to 4 million. (Napier's mayor Bill Dalton) ... about 75% of 8,000 to 10,000 spectators from out of town. This is the inaugural race, more planned for next year, May 13 2017. ... "Most people will go away thinking Hawks Bay is a pretty amazing place." (Hastings' mayor Lawrence Yule)

14-05-2016

HB-Today p5

HAWKE'S BAY - Auckland rules may spur local competition

A real estate boss says new lending restrictions being hinted at for the Auckland housing market could increase competition among property buyers in Hawke's Bay. ... "I don't think it would be particularly good news for our residents. The only good side of that would be if we were to see capital gain from the increased competition." Elanor Macdonald, Leaders RA

12-05-2016

New Zealand Herald - front page

NATIONAL / HAWKES BAY - Income cap on home buyers

...As house prices begin to rise again, the Government is refusing to rule out debt-to-income limits as a potential response to cool the housing market and prevent a "bubble to emerging"... Debt-to-income limits were raised by the Reserve Bank yesterday after it warned the Government that resurgent house prices were a risk to the economy. ... The Reserve Bank said it would prefer the restrictions to apply broadly rather than singling out Aucklanders or investors. Mr Eaquib said if the limits applied only to Auckland, they would simply "export" housing affordability problems to surrounding regions. ...

05-05-2016

Corelogic

NATIONAL - "I think we are in for an interesting year"

"My expectation is that Auckland will keep increasing in value, but at a more moderate rate that we saw last year. I also expect the other main centres to increase in value along with provincial towns that aren't affected by a downturn in their local industries.

The Reserve Bank needs to keep interest rates low in order to influence inflation and stimulate the rest of our economy. But low interest rates fuel the property fire, so I expect consideration of more macroprudential tools to specifically target housing. While we have little indication what these might be, it is possible that the current Auckland investor restrictions could be rolled out nationwide. Placing limits on mortgage lending based on the lenders income is another potential idea, but one I believe could lock out more first home buyers. Land tax now seems to be on the table too, but for that to be effective it would need to apply far beyond non-residents.

I think we're in for an interesting year."

Jonno Ingerson, Head of Research, Corelogic NZ Ltd. 05-05-2016

Year on year change property values:

HASTINGS			NAPIER		
March 2016	9.6%	(\$331K)	March 2016	9.1%	(\$359K)
April 2016	9.1%	(\$333K)	April 2016	9.9%	(\$363K)

(source: Corelogic)