



SEPTEMBER | 2014 | PALMERSTON NORTH

Real Estate with Francie

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The Elections are coming up fast and we all have our own thoughts on who we would like to see as our next Prime Minister. I have tried to analyse the views of each major party on the question of housing so here goes:

NATIONAL: Want to increase the supply of new homes by fast tracking planning permission, identifying land that can be developed for housing and trying to reduce the cost of new builds. In the budget they have temporarily lifted tariffs on some building materials reducing the cost of a home by \$3,500. They believe the best way to resolve the affordability issue is to increase the number of new homes coming onto the market. They announced the third and final batch of 41 special housing areas in the Auckland region offering the potential for 18,000 new homes. Replace the KiwiSaver first home deposit subsidy with a KiwiSaver HomeStart Grant, doubling the support for buying a new home and increasing house limits to \$350,000 for Manawatu. Enabling first home buyers to withdraw all of their KiwiSaver savings except the \$1000 kick-start.

LABOUR: Advocate the introduction of a capital gains tax on properties other than the owner's primary dwelling. A tighter rein on net immigration to reduce pressure on the Auckland housing market and make KiwiSaver compulsory. Start a KiwiBuild scheme to have 100,000 affordable new homes built over the next decade. They would not allow non-residents to buy existing houses, flats, or apartments in NZ.

Either way the Manawatu has been recognised by both major party leaders as an area for economic opportunities. With National growing the agricultural sector, supporting its strong research base is crucial. Labour said growing innovative manufacturing options and agribusiness were important. They both recognise Palmerston North as a city for the future.

AFFORDABILITY: Paying off the mortgage in Palmerston has become affordable for the first time in three months according to a recent Roost survey. The survey found it would take 39.7 per cent of one average income to pay the mortgage on an average-priced house. That was well down from Mays 44 per cent. It took 40 percent a year ago and 45.8 percent five years ago.

MOBILE APPS: During the past two years the PNCC has used mobile applications to help residents get in touch via the internet. There are currently four apps in partnership with the council. MyParx helps people find and explore parks in their area. Fixit PNCC is the only app specifically designed to help residents let the council know about problems such as street lights that do not work, pot holes, graffiti and leaf litter. The council had plans to roll out more digital services such as being able to submit building plans through the website.

BUILDING ACT: From January next year changes to the Building Act come into force. Builders will have to have written contracts and provide information on their

backgrounds, qualifications and disclose their insurance and warranty cover for residential building. Failure to comply could mean a fine of up to \$500.00.

MEGA MAIL CENTRE: The Manawatu Mail Centre is looking to recruit about 90 people for new jobs at its mega mail centre in Malden Street. The centre plans to open early next year to handle all lower North Island mail.

QUEEN ELIZABETH COLLEGE: A block of buildings at Queen Elizabeth College has been demolished as the school continues work on a \$1.2 million upgrade. The exterior cladding and scrap metal has been recycled. The project will be done in three stages and be completed by the middle of next year and result in school buildings being refurbished and about 10 structures removed.

RESEARCH CENTRE: A cutting-edge food safety and science centre could be coming to Palmerston if a proposal put forward by some to the country's leading food experts convinces the Government. Seven organisations have been shoulder-tapped by the Ministry of Business, Innovation and Employment to put forward a tender to host a new food safety science and research centre, worth \$5 million a year. The Science Board is expected to select in October the organisation that will host the centre, which is expected to be running by the end of the year. Here's crossing our fingers!

PN HOSPITAL: Mid Central District Health Board has endorsed plans for a major redevelopment of Palmerston North Hospital. The cost is estimated at around \$105.7 million and would cater for the region's surgical and acute needs for the next 20 years. The proposal is to build a hot floor of emergency department, theatres, a critical care unit and several other services. It would meet the new seismic standards for these services. If the seismic issues with existing buildings were addressed the cost would be around \$75 million so the redevelopment option is the preferred and most cost effective one.

Longburn: Ports of Auckland, Napier Port and Icepak are to spend \$20million building an inland port and freight hub at the site of the old Longburn Freezing works. Icepak has a cool store there. The rest of the site is already being cleared and work will start on a cross dock, container yard and wash facility to prepare containers for export. Discussions are being held with KiwiRail about connecting the main trunk line. The new port will improve efficiency and reduce double handling of freight, it will also allow the ports to capitalise on empty freight capacity and give exporters fast access to export markets.

The last \$1000 Voucher was won by Keah Gibbons – lucky lady. I have enclosed a pen this time and I hope you get good use out of it. I would love to hear from you for any of your real estate needs and especially to list a house – I'm desperately short of listings and really enjoy being busy!

Take care

Francie



Number of houses sold

Statistics For July 2014 Palmerston North (Residential)

Number of Sales	97
Median Sale Price	\$282,000
Median Government Valuation	\$260,000
Median Number of Days to Sell	43

Average Interest rates for August 2014

1 year	5.85%
2 years	5.80%
3 years	5.95%
4 years	6.75%
5 years	6.79%
Floating	6.15%

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