



MAY | 2015 | PALMERSTON NORTH

Real Estate with Francie

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It has been a really wonderful summer and autumn and now it seems winter is finally on its way. We are very lucky to live in such a well located city. You can go in any direction for a change of scenery and we really don't get the extremes of climate that other cities do. The housing market has been very steady, although quiet in terms of capital appreciation. It is a wonderful market for residential property investors. The yields are higher than in Auckland or Christchurch. Our initial investment costs are much lower and tenant demand is high for good, insulated, well looked after properties. We have a large pool of temporary residents who come here for 2 to 4 years who won't buy houses. As long as we have defence, tertiary institutions and distribution centres here we will have a good supply of tenants. With interest rates low it is a good time to either review your existing rentals or look to add to your portfolio.

FEILDING HEALTH CENTRE: Construction on the new Feilding health centre has started and a completion date is set down for February 2016. Builders began work on the old Cleverly Centre site in Duke Street Feilding, to construct the new integrated family health centre where the town's nine GPs will come together under one roof to provide healthcare to the community. It will also house a pharmacy, radiology, laboratory and midwifery services.

KIMBERLEY HOSPITAL: A \$150million redevelopment of the Kimberley Hospital in Levin will become home to a new Horowhenua Trades Academy. The academy to be sited on a section of the 48ha hospital site, is part of a multimillion dollar country estate development. The developer has 'gifted' an area of the development site to the Ministry of Education and UCOL to set up the Trades Academy. Also planned are 500 lifestyle units on the former hospital grounds.

TENANCY SERVICES: A new tenancy services website designed to be a one-stop shop for all tenancy - related advice, information and education has been launched. The new www.tenancy.govt.nz website replaces the tenancy and unit title information previously held on the www.dhb.govt.nz website. It has been developed to provide information in an easy, searchable place to speed up processes for landlords and tenants.

HOKOWHITU CAMPUS: Massey University is selling off one of its Hokowhitu campus. The 10ha site encompasses a range of education blocks, halls, administration offices, a library, Marae and sporting amenities. Buildings provide a total of 30,000 m2 of space, alongside 486 sealed carparks. The sale is part of a wider initiative by Massey to consolidate its activities at Turitea.

NEW COUNTDOWN: Plans for a Countdown supermarket on Pioneer Highway are back on the table after parent company Progressive Enterprises redesigned the site plan to create potential for the development to become a neighbourhood centre. The new proposal will see the site subdivided into three, with plans for two blocks of retail and commercial buildings flanking the main car park entrance opposite Amberely Avenue. The estimated \$16million development is expected to create about 100 jobs.

NEW COMPANY: Massey University has set up a company called Consumer Insights Limited which it hopes will help businesses in the provinces wishing to expand. It comes amid growing concern about the gap between cities like Auckland and many provincial towns. Graduate students will help companies to market themselves and wrap the right economic infrastructure around them.

BUILDING CONSENTS: February was a strong month for building consents in Palmerston North, with approved consents jumping from \$3.3m to \$6.7m this year compared to the same time last year. The two larger commercial consents approved were the Crest Hospital expansion in Carroll St and the new DKSH distribution centre on Railway Road will help bring more jobs to the city.

HOUSING NZ HOUSES: Housing NZ has forecast selling around 38 properties in Palmerston North over the next few years to June 2017. The sales are based on the demand for housing now and in the future. When properties become vacant Housing NZ assess whether relevant factors fit demand, such as the number of bedrooms, age and condition. They then make the decision on whether to re-tenant, redevelop or sell the property.

NEW HOMESTART: The HomeStart package makes it easier for first home buyers. The HomeStart grant replaces the KiwiSaver first home deposit subsidy scheme and doubles the support for buying a new home. It also increases the cap on the price of eligible houses. Previously, first home buyers were eligible for a government grant of \$3,000 after three years in KiwiSaver, \$4,000 after 4 years and \$5,000 after 5 years. Under the HomeStart scheme, that now doubles to \$6,000, \$8,000 and \$10,000 respectively. If buying with a partner, you could double that. For more information visit www.hnzc.co.nz/buying-a-house/KiwiSaver-helping-you-into-home-ownership.

HOFFMAN KILN: Heritage NZ has agreed, subject to final details, to release the bulk of the Hoffman Kiln site in Featherston Street for a new Kauri Healthcare, an integrated health centre. The heritage order will remain on the kiln and surrounding area, allowing the balance of the land to be developed. The Higgins Group who own the land have agreed to complete essential conservation and restoration work to the Kiln. The design of the Health Centre will complement the kiln and include a pharmacy, radiology, laboratory and other services, providing the community with a health one stop shop. They are also hoping to offer a café and walk way to the Edwards Pit Park.

The latest \$1000 Lucky Draw has been drawn and the winner is Jean Harnett. I have enclosed a fridge magnet pad that I hope you get some use from. And please if you need any help with real estate at any time, just give me a phone call or pop in to see me at 723 Main Street (previously Modena).

Thank you for your referrals I really appreciate them.

Take care

Francie

Number of houses sold

Statistics for March 2015 Palmerston North (Residential)

Number of Sales	114
Median Sale Price	\$301,500
Median Government Valuation	\$285,000
Median Number of Days to Sell	35

Average Interest rates for May 2015

1 year	5.49%
2 years	5.19%
3 years	5.39%
4 years	5.69%
5 years	5.65%
Floating	6.45%



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