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April Was Still a Real Estate Zinger Month

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Great Property Month - April Continues the Shine

“It’s been great for everyone,” says Chair of First National Group Limited Joe Mullins. “At a time when you expect the market to be cooling for winter, it hasn’t to any great degree. The interest is still there, and there are still multi-offers on properties. It’s unexpected and satisfying for our sellers. The highs continue – but with more than a glimmer of hope for buyers, since Government changes.”

According to figures released by REINZ, April 2021 showed the highest number of properties sold in an April month in five years with 7218 properties sold.

Prices Up

REINZ revealed that median prices had increased 19.1% across New Zealand for the year April 2020 to April 2021 (\$680,000 to \$810,000), reflecting (they said) lack of supply.

Excluding Auckland, median prices increased 33.5% over that year to \$690,000 – a new record high for medians outside Auckland.

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Government shook up property investment and housing in general in late March when unexpected new rules (announced just days before) took effect.

The changes were largely aimed at getting first homeowners into the market, in force, curbing the enthusiasm of property investors, and stemming house prices. The changes aimed to reward new builds. The announcement, on 23 March, caused immediate controversy.

It included:

Changes to the Bright Line test

From 27 March 2021 any property (not the family home) within ten years of purchase that is sold, is subject to tax on the increase of its value, for every year of ownership within those ten years. From April 1 2021, that tax was said to be as much as 39%. The move was called a 'capital gains tax' by any other name by commentators. Any new builds, though, escaped the ten year rule: and for them the Bright Line test remained at its earlier five years. This was aimed to encourage new housing.

Housing Acceleration Fund

Government announced it would put \$3.8 billion into this fund for infrastructure to housing developments. This was said to pave the way for new developments.



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Changes to Interest Deductibility

After 27 March 2021, any investor settling on a residential property will not be able to deduct interest paid on the mortgage (from 1 October 2021). Those who purchased before 27 March 2021 were not forgotten in changes either.

The government announced a tapered reduction in the quantum of interest that can be offset against rentals. By 2025, no interest will be deductible.

First Home Loan and Grant Scheme

First home buyers will be able get more money from grants under this scheme, for more expensive housing. In addition, Government increased income levels so the scheme could be used by more applicants. First home grant limit hasn't increased for Rotorua market and remains at \$400,000.

Will the changes work?

The changes were largely aimed at increasing the opportunity for first home buyers, curbing what were said to be rampant house prices, and stimulating new housing. It's simply too early to tell.

However, there remains ongoing debate as to what will happen next.

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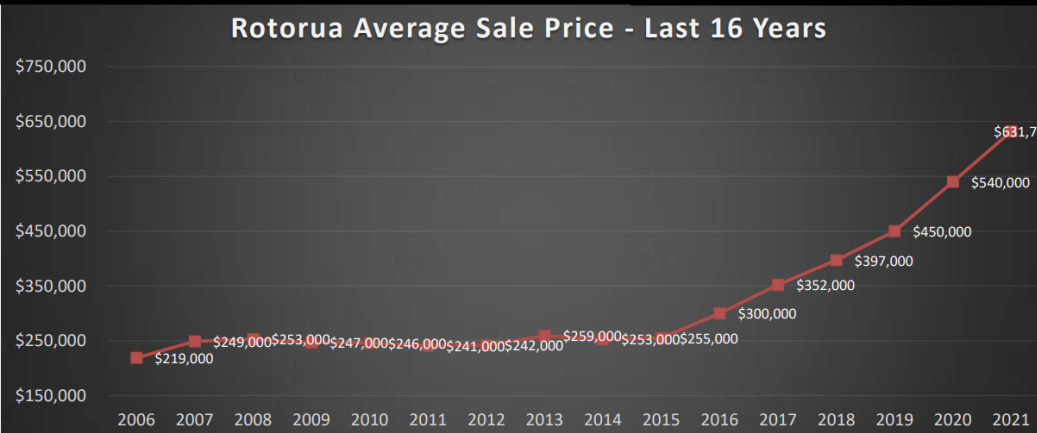
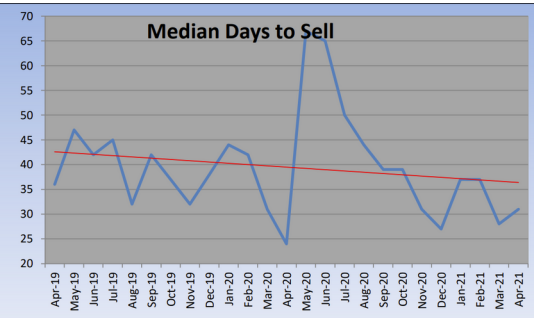
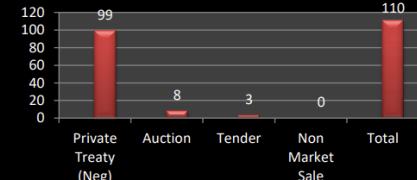
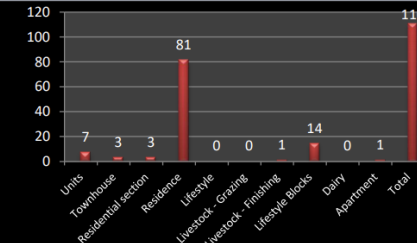
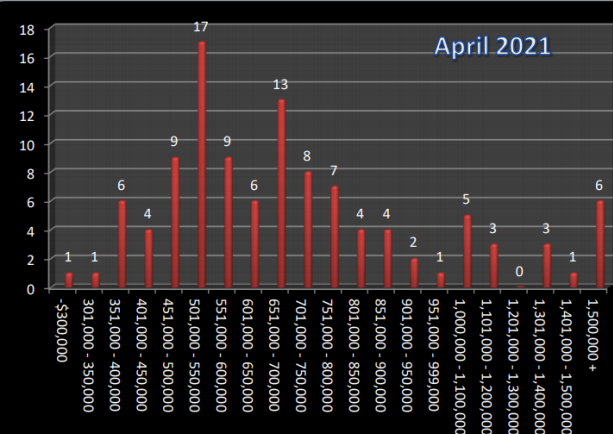
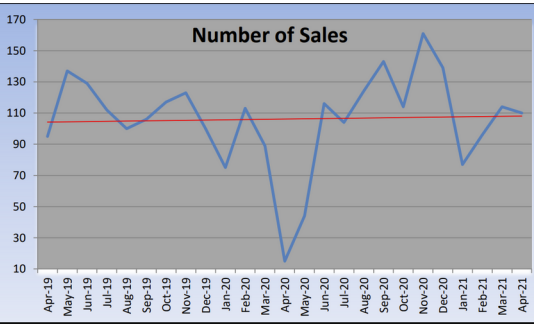
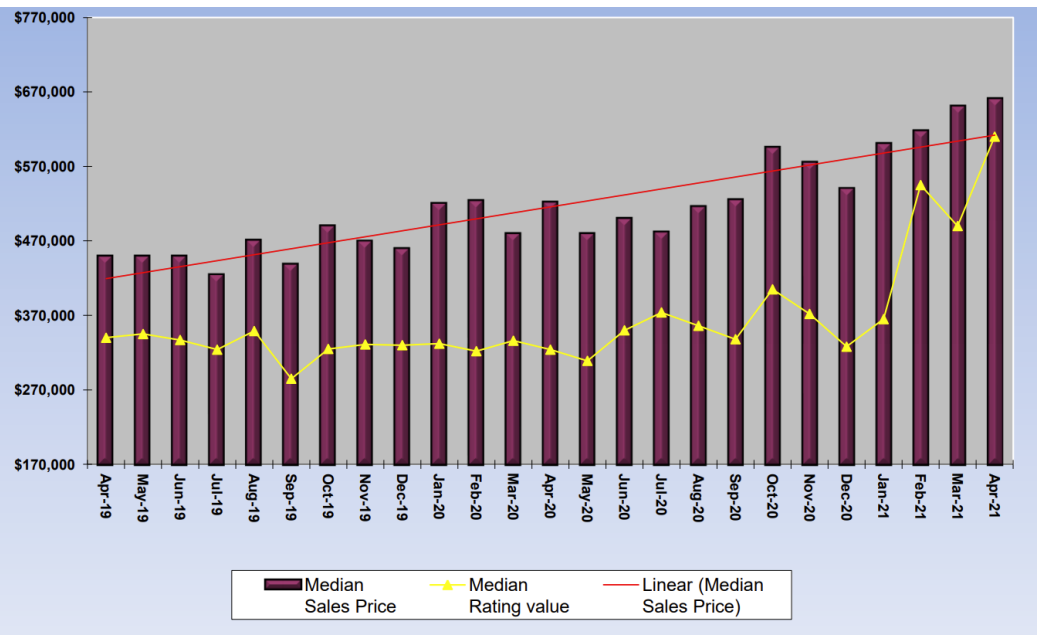
April Statistics for Rotorua Market

110 sales were recorded for Rotorua in April 2021. 18 over \$1,000,000 and those sales were in the following areas:

- Paradise Valley (1) • Hamurana (2) • Lake Tarawera (1) • Ngakuru (1) • Brunswick Park (3) • Western Heights (1) • Rerewhakaaitu (1) • Pomare (1) • Lynmore (3) • Springfield (2) • Okere Falls (1) • Owhata (1)

Date	Median Sales Price	Median Rating value	Number of Sales	Median Days to Sell
Apr-19	\$450,000	\$340,000	95	36
May-19	\$450,000	\$345,000	137	47
Jun-19	\$450,000	\$337,000	129	42
Jul-19	\$425,000	\$324,000	112	45
Aug-19	\$471,000	\$349,000	100	32
Sep-19	\$439,000	\$285,000	106	42
Oct-19	\$490,000	\$325,000	117	37
Nov-19	\$470,000	\$331,000	123	32
Dec-19	\$460,000	\$330,000	100	38
Jan-20	\$520,000	\$332,000	75	44
Feb-20	\$524,000	\$322,000	113	42
Mar-20	\$480,000	\$336,000	89	31
Apr-20	\$522,000	\$324,000	15	24
May-20	\$480,000	\$309,000	44	67
Jun-20	\$500,000	\$350,000	116	65
Jul-20	\$482,000	\$374,000	104	50
Aug-20	\$516,000	\$356,000	124	44
Sep-20	\$525,000	\$338,000	143	39
Oct-20	\$595,000	\$405,000	114	39
Nov-20	\$575,000	\$372,000	161	31
Dec-20	\$540,000	\$328,000	139	27
Jan-21	\$600,000	\$365,000	77	37
Feb-21	\$617,000	\$545,000	96	37
Mar-21	\$650,000	\$490,000	114	28
Apr-21	\$660,000	\$610,000	110	31

Average: \$515,640 \$364,880 106 39
 Differential to GV: -41%



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Robyn Joslin
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Paradise Coast



Shar Schultz
First National
Roper & Jones



Sheila Boon
First National
Roper & Jones

First National held its national conference mid month. I was honored to receive the Diamond award.

A big thank you to my previous vendors and purchasers, for your trust and support! Without you I wouldn't have achieved this.

To my future vendors and purchasers, please feel free to get in touch if you need any help with real estate.

I'm ready when you are.

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