

Property Focus

Canterbury records country's strongest growth

Canterbury Earthquake Recovery Minister Gerry Brownlee has welcomed the latest National Bank regional trends data showing Canterbury's economy grew 1.8 per cent in the September quarter, following 2.6 per cent growth in the June quarter.

"Growth statistics for Canterbury in the last two quarters is clear evidence of recovery activity and is a testament to the resilience and commitment of Cantabrians," Mr Brownlee said.

"Canterbury's economic growth is the strongest of any region in the country, and I expect it to continue as reconstruction gains momentum."

The September quarter growth figures follow the release of economic data by the Ministry of Economic Development showing trade through Canterbury's ports and airport hitting a two-year high in September of \$950 million.

Mr Brownlee said Canterbury's economic recovery would also gather pace as insurance cover for new projects becomes more available. "The Government has worked closely with groups to ensure they understand the strong case for their re-entry into the market. As the ground settles and more seismic data is made available to insurers and reinsurers, insurance underwriters are better able to price insurance contracts."

Mr Brownlee says the successful launch of Re:Start on 29 October, has marked a new beginning for inner city retail. Already new businesses are queuing up to become established in Cashel Mall, and the development of innovative temporary solutions in the suburbs demonstrates that retailers are finding new ways to connect with their customers.

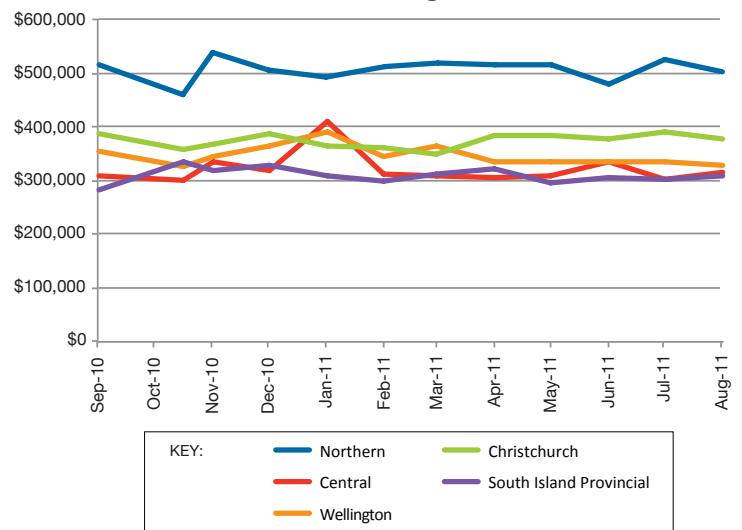
The tourism industry will also receive a considerable boost from the 80 cruise ships expected to visit Akaroa Harbour this summer with a predicted hotel occupancy at over 85% leading hotel operators to explore new opportunities.

"Christchurch is the South Island's tourism gateway. As the accommodation stock is repaired and rebuilt, we can expect tourism numbers to continue to increase."

"There will be additional economic activity this summer. Thanks to the use of CERA, helping to speed the delivery of new suburbs to replace the residential housing stock lost in the earthquakes."

Content sourced from Gerry Brownlee's office: beehive.govt.nz

Harcourts Written Average Sale Price



Through the last month New Zealand has been gripped by the Rugby World Cup and it has been reflected in the activity around the real estate market. Although, in most regions, sales volumes were not impacted majorly and clearly any prospective sellers were preoccupied with the game while buyers were out in force in the Northern and South Island regions with increased written sales activity of 36% and 25% respectively. The outlook for property across the country seems patchy with some areas seeing strong indicators and others still very soft. The rural markets are seeing increasing transactions being completed which in time will have a flow on effect into the broader NZ economy and to real estate as people's confidence in employment returns. November and December are traditionally high activity periods of the year for real estate decisions and at the time of writing this, next month's data is looking like this year is no exception.

In the Northern region new exclusives are down as a result of Rugby World Cup activities however buyers are still very active with written sales up 36.4%. This reflects confidence in the market and continued market share growth. Centrally the region continues to show the ongoing reliance on the rural sector for stimulation. Many farmers continue to pay down debt and the region remains flat. Consistent with an election year in Wellington, the region continues to see little change however buyers are more active with an increase of 9.7% in written sales. Christchurch's signs of the housing shortage due to damage are becoming more evident with property on hand down 14.9% and new exclusives also down. Prices are up as are auctions. All other south island areas are showing strong activity in both the new stock and written sales activity. This is the only region to see an increase of property on hand.

The kiwi bach is not what it used to be

Kiwi innovators and academics are cutting it with the world's best in sustainable housing design with an award winning, solar powered bach.

The Meridian First Light house, the high-tech bach, built by Victoria University and shipped to the US for the Department of Energy Solar Decathlon competition has been awarded third place. It was chosen as one of 20 university teams to compete in the competition – the only entry, ever, from the southern hemisphere.

The Meridian First Light house was assembled on Wellington's waterfront earlier this year as a practice run for the competition. The house was open to the public for 18 days in May and received an amazing response with over 20,000 people visiting it.

"The design of the house was inspired by the traditional Kiwi bach," says Nick Officer from the Victoria University team. "The design reflects the relaxed New Zealand lifestyle where socialising and a connection with the outdoors are central to living. The heart of the design is the glazed central section which functions as a bridge between the natural environment and the indoors." For more on the bach, go to www.firstlighthouse.ac.nz.

The Solar Decathlon challenged the teams to design, build and operate solar-powered houses that are

cost-effective, energy-efficient and attractive. The competition is made up of 10 contests which challenge teams in a number of different areas including energy balance, home entertainment, architecture and engineering. The team had high scores in many of the contests, winning the Engineering contest, gaining first equal in Hot Water and Energy Balance, second for Architecture and third for Market Appeal.

The house managed to produce more energy than it consumed over the competition period achieving net zero energy consumption, despite 10 days of undesirable weather.

LEAP Australasia Ltd, (which supplied the water systems) water heating system comprised of a Solargenius solar, and a Thermagenius heat pump, water heating system which provided more than enough hot water for the house, even through a number of overcast and rainy days.

The bach also included a brand new battery storage system which is lighter, more versatile and longer lasting than its lead-acid cousin. Launched at the Clean Energy Expo held in Taupo during the middle of October the Australian company RedFlow developed the batteries based on high performance zinc bromine

electro-chemistry. Some say this could revolutionise the market.

The zinc-bromine batteries weigh less than 20% of the equivalent lead-acid battery. But the most attractive feature is that they are designed to handle both 100% discharges and partial discharges (as opposed to a lead-acid battery which must be kept topped up). There is also no requirement for complete recharges after each discharge, as there is with a lead-acid model.

The company boasts of the low operating costs and the long life of the batteries, with no expiry date or shelf life. Testing of the batteries to date has demonstrated well over 1000 full depth of discharge cycles. There is a warranty, however, which gives a guaranteed five years of life. The zinc-bromine module is an all-plastic construction with no heavy metal (lead, mercury, cadmium) content. All components, including the electrolyte, can be cost effectively 100% recycled.

Designed for both industrial and household use, the batteries will be sold in New Zealand by Powerco. For more information visit www.basepower.co.nz.

(Source: Element Magazine, Clean Energy, by Rebecca Blithe)

Did you know?

- For households that own their own dwelling, the proportion of those spending 30% or more of their income on housing was more or less unchanged; 12.5% in 2008/09 compared to 12.6% 2010/2011. The proportion spending 40% or more was similarly static; 6.3% and 6.9% respectively.

- Total housing costs as a proportion of regular household income across both groups (renters and home owners) rose from 15.1% to 16% between 2009 to 2011.
- Incomes over that time frame have been mostly flat.
- Average household incomes (from all regular sources) was NZ\$78,019 in 2009, compared to NZ\$79,159 at the end of 2011 while median

annual household regular income (an arguably more representative measure) decreased from \$63,237 to \$62,853.

- Statistics New Zealand notes the last "significant change" in annual household income was between 2007/2008 and 2008/2009 when it went from \$74,408 to \$78,019.

(Source: Statistics of New Zealand, Household Economic Survey (Income): Year ended June 2011)