



# VALMIKI

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*"Making Your Dreams Come True"*

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Buy West Realty Limited Licensed (REAA 2008)



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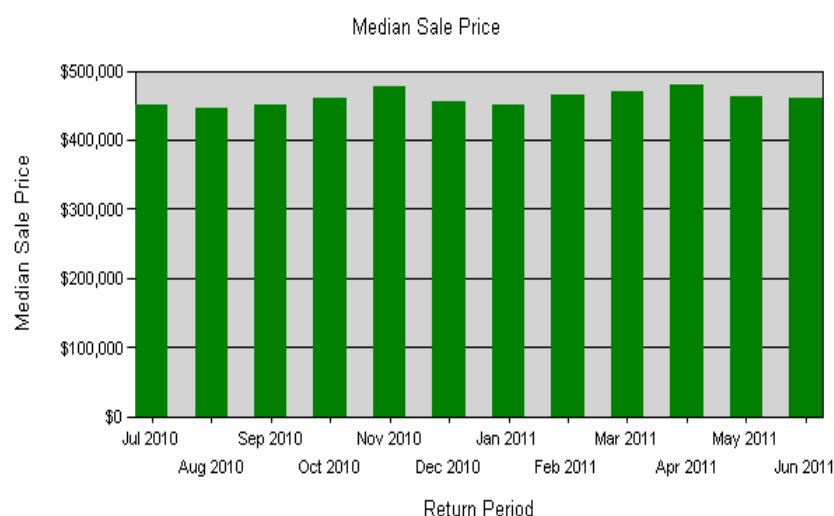


## Valmiki's Real Estate Corner

Investment in property is always lucrative.

The supply of rental housing grew only half as much as demand nationwide in the June quarter with the Auckland market showing a severe shortage of rentals. While supply of rentals in Auckland shrank 12% in the three months ended June, demand rose 7% while the average rent rose 9% compared with the June quarter last year. That follows the 13% drop in supply in Auckland in the March quarter when demand rose 18% and average rent rose 7%. Average weekly rents are extremely volatile in a market where demand far exceeds supply.

Labour has unveiled its tax plan to help win the election. The centre piece is a 15% tax on capital gains. Or in other words, people will be able to keep 85% of the capital gains. The tax is on gains less costs such as agent fees. Property investors may not be pleased with what's planned regarding the Capital Gains Tax (CGT). Without trying to defend the CGT idea its worth suggesting that some form of CGT is inevitable. It will happen sometime. New Zealand is finding it is harder and harder to escape pressure to doing things like other countries. In my opinion, this should not be a deterrent to property investors as on a long run property investment is far safer and lucrative compared to other forms of investments.



The Auckland median is now standing at \$461000, a \$16000 increase compared to June 2010 with days to sell (measuring the number of days from listing date to unconditional date) stagnant at 36, a marginal increase from 38 from June 2010.

A tip for sellers – There are two important aspects in preparing the house for a sale, the inside and the outside. Unless there is a major project involved on the outside of the house, it is best to start from the inside and save the outside for last. There are two main reasons for focussing on the inside first. Firstly preparing the interior of the house is easier and secondly it helps develop the proper mind set required for selling - beginning to think of your "home" as a marketable commodity. However the exterior is the most important aspect. A homebuyer's first impression is based on his or her view of the house from their car. They call that first impression the "curb appeal."

**And by the way, if you know of anyone thinking of selling or buying real estate, please refer them to me and I will be happy to talk to them.**

