



HAMILTON - Has The Residential Market Cooled?

The market dipped noticeably in sales volumes in April. Much of this was the expected seasonal adjustment with Easter and school holidays always hampering the April sales. But the 30% fall in volumes was the steepest drop in the past seven years. Then it bounced back strongly in May with a 28% lift in sales numbers.

Activity on the ground and observations from salespeople are that the market is certainly not in the doldrums. We are still experiencing buyer competition on certain properties and Lugton's Auction clearance rates have generally been above 70% in 2017. That is a strong indication that the market is still in a healthy state.

One noticeable area of fall off in recent weeks however has been the slowing down of fresh properties coming to market. That will inevitably constrain the number of possible sales as we track further into winter. Add to that the looming factor of a General Election smack in the middle of the Spring selling season. Traditionally the election suppresses the market for two to three months in the lead up as people adopt a wait and see approach and delay important decisions. There is no reason to assume this year will buck that trend.



SO WHAT IS HAPPENING WITH PRICES?

Prices have been pretty level in 2017. The Median Sale Price, that jumped above \$500,000 for the first time in Hamilton's history in July 2016, has been bouncing around the \$530,000 mark from month to month since. The only factors that could place some upward pressure on prices would be the tight supply of available stock and continued strong population growth in the Waikato. But any further drift up in prices is bound to only be moderate.

Sellers looking to cash up now have certainly not missed the market. Equally investors entering the market with a long term hold strategy are not disadvantaged. Speculators looking to profit from a quick flip had better prospects last year and face more risk and uncertainty now.

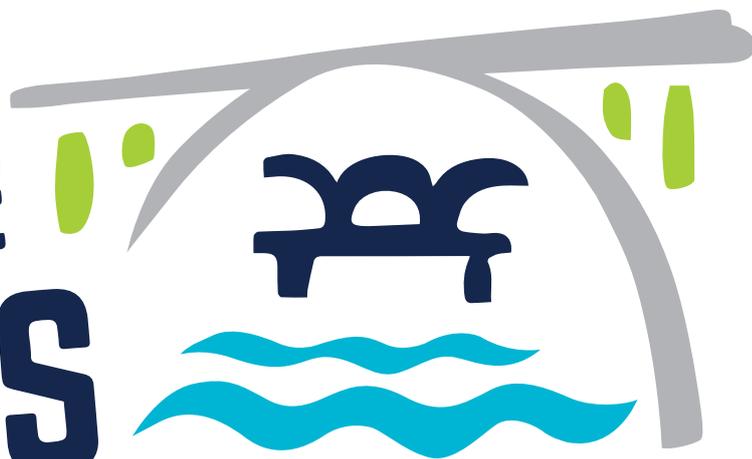
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Lugton's ROUND THE BRIDGES



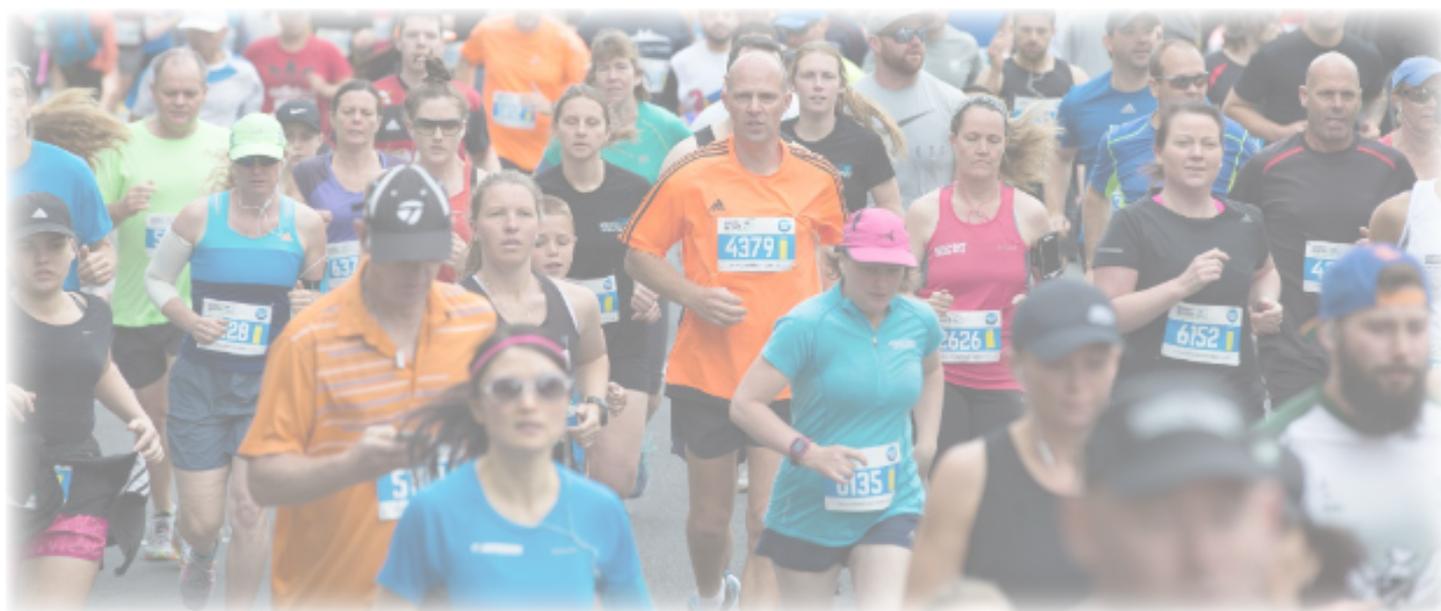
SPONSORSHIP

Lugton's are delighted to be the Naming Rights Sponsor for the Round The Bridges Race in 2017. This iconic Hamilton event will be held on Sunday the 19th November this year and is hopeful of close to 10,000 participants. The family friendly fun run has enjoyed incredible support and longevity – nearing the three quarter of a century mark this year.

Lugton's are proud to be associated with such a successful event for two reasons. Firstly the charitable contribution it makes to our region. The target is \$75,000 to be raised this year to go directly to varied registered charities. Secondly the values of fitness, wellbeing and family participation, that the event is synonymous with, resonate strongly with our family owned and operated business.

We encourage all Hamiltonians to get out and start training, enter early and make 2017 the most successful year yet for this great event. Many of our teams will be participating on the day and we will be actively fundraising for selected worthy causes.

Show your support and get behind the Lugton's Round The Bridges 2017!



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