

NP lawyer's conveyancing up 23% in Level 3

New Plymouth lawyer Karen Venables has done a Covid-19 lockdown analysis of her business Legal Solutions Ltd which shows unexpectedly high activity in real estate transactions.

She says although it's a very rough analysis, it reveals that the property business has not gone into lengthy hibernation due to the pandemic.

Compared to last year, April conveyancing work by her company was down 27% but recovered to be up by 23% to May 26.

The April result occurred during national lockdown Level 4, which began on March 26 and ended on April 27 when business activity began to recover under the more relaxed rules of Level 3.

"What I think has happened is people used their time in lockdown to make decisions about property purchases and related matters, things they had been putting off," she said.

Karen revealed her figures during an online meeting of the Taranaki Property Investors' Association on Tuesday, at which she was a guest panellist.

A breakdown of her analysis by category for April-May, with a comparison for the same period last year in brackets is: purchases 39% this year (54% last year), sales 16% (27%), lifestyle blocks 6% (3%), land & building projects 13% (3%), rental investments 10% (6%), buy off the plans 4% (nil), refinancing 10% (6%).

Year to date new conveyancing activity was up 6 percent overall on the same time last year for the business.

Valuer Mike Myers, a director of Telfer Young Taranaki, said properties kept selling in Level 4 & 3. It wasn't unusual to see multi-offers on \$450k properties; \$1m homes were still selling but it was quieter in the \$600-800k range, and there were plenty of new builds happening, and sections selling also. He thought there was a shortage of rentals, particularly cheaper ones.

On a more pessimistic note he had heard there were 5500 redundancies coming in Taranaki and that wage subsidies and mortgage deferrals had just moved the inevitable to a later date.

"In 3-6 months from now, I don't believe the housing market will soften much but there will be opportunities for investors as people with significant debt will have to sell," he said.

Mortgage broker Stephanie Murray (who now has nine branches throughout NZ) said her business had not slowed down during the pandemic, "but there was no rhyme nor reason to it, no pattern I could see. We were just taking it day by day.

A combination of first home buyers using their Kiwisaver, low interest rates and low deposits under the new LVR rules, caused business to go through the roof for us in Level 3."