

YOU AND YOUR PROPERTY

BY RESIDENTIAL PROPERTY LAWYER
MICHAEL HOFMANN-BODY



As I reflect on the start of 2017 I am increasingly aware we live in a globalised world. Events in Europe, the US, Asia and the Middle East have direct and indirect impacts on us New Zealand. Philosophers have hypothesised the flap of a butterfly's wings in one continent could theoretically cause a hurricane in another continent. Seemingly small actions can have significant and often unexpected reactions and other parts of the world. The world has never been more interconnected and we have never had so many choices. It is tempting to form the view that many of these overseas events do not affect us in New Zealand but it is my view this is a short-sighted analysis and changes across the world are going to have significant impacts on New Zealanders.

I recall Jim Bolger standing for election on a simple promise of stability. He said if we elected a National led government we would have stability and New Zealand would be better for it. I would challenge any politician to promise stability in our current world. With the Brexit vote and the election of Donald Trump many of the certainties and stabilities we have relied upon have been lost. There have been murmurings in California of cessation from the United States. If California was to

become its own separate country it would be the sixth biggest economy in the world. Whilst the balance of the US would still be a larger economy, the US prominence as a financial powerhouse would take a significant knock. In Scotland, there is more than just murmurings, there is an active campaign to have a further referendum on the point.

It is estimated Donald Trump's immigration stance is likely to dent the US tourism economy to the tune of US\$18 billion per annum. Much of that money will be spent elsewhere including New Zealand. Tourism is often a catalyst for a decision to immigrate to other countries.

Following the US elections the Sydney Morning Herald reported that international student registrations increased in Australia by 11 per cent. Many of those students would have studied in the United States but are now seeking other countries to obtain their qualifications. It is likely we will see a similar uplift in enrolments here. Based on my experience as an international student, there is a high correlation between the country in which you choose to study and the country you eventually choose to reside in.

What does this have to do with property in New Zealand? It is my expectation we are going to see a significant rise in immigration

to New Zealand. We already have a significant undersupply of property and this can only force property prices up. I am already acting for a number of people who are recent immigrants to New Zealand who are buying property in the Wellington region because New Zealand is a very attractive place to be in a very uncertain world. We are peaceful, have relatively inclusive policies and, in the main, welcoming of immigrants. For those reasons, immigration will become one of New Zealand's most significant issues. It will have effects on housing, infrastructure, transportation and our economy. As immigration grows, it is likely we will see an uplift in house prices until we have a more consistent supply of new properties. This is going to be a potential barrier for first-time buyers and in my view, there will be increased competition for property in the short term.

"If you would like a copy of previous articles on property written by Michael email him on michael@homelegal.co.nz."

Michael Hofmann-Body is a principal of specialist residential property lawyers HomeLegal, Queensgate Tower, Lower Hutt. For more information see www.homelegal.co.nz

HomeLegal is a division of Gillespie Young Watson.



HomeLegal

Taking care of the detail

We make buying and selling a home easy

When buying or selling your home you need to know that the detail has been taken care of - efficiently and professionally.

HomeLegal is a team of specialist property lawyers. You can be assured HomeLegal will provide the highest quality advice and service backed by years of experience in property law.

We care about getting it right - first time!



For more information contact HomeLegal today on 0508 HOMELEGAL

HomeLegal is a division of Gillespie Young Watson

www.homelegal.co.nz