

Broadbase International Newsletter - February 2009

The price drop in the property market in New Zealand has been getting a lot of attention in the media at the moment, so this month we have focussed on whether you should rent or buy a house when you emigrate. You'll also find a bit of an update on the current economic situation in New Zealand.

Should I Rent or Buy a House when I Emigrate to NZ?

Most of our clients stay in a motel when they first arrive in New Zealand, then find somewhere a bit more permanent once their furniture arrives. We've noticed that a number of people we speak to are very keen to buy a house as soon as they can – but is this really a good idea?

We can certainly understand the appeal - you only have to move once, and if you owned your home in the UK it can be hard to go back to renting. Sometimes it can be difficult to find a pleasant, warm rental property in New Zealand.

But on the plus-side, renting gives you a lot more time to take a good look around and be certain about what you want from both a house and the area you live in, rather than rushing in to a house purchase with the deadline of a truck full of furniture arriving and a rapidly mounting motel bill.

With house prices dropping in New Zealand, there are also sound financial reasons to think about renting rather than buying in the current market. Property values have dropped 8.3% on average over NZ in the past year, and as much as just under 12% in some areas. There are still houses on the market, but they are taking longer to sell. While there are some apparent bargains out there particularly at the top end of the market, the expectation is that house prices will keep dropping for a while longer. You may get a better choice of properties and a lower price if you wait a bit longer to buy a home.

If you own your home in the UK you will of course be painfully aware of the crash in house prices, with the latest figures suggesting an eye-watering 16.6% decline over the past year. While it will leave you with less capital to start your new life in New Zealand and needs to be undertaken cautiously, [letting out your house](#) while you wait for the UK housing market to recover may be a good option for you.

You also need to watch the Pound to NZ Dollar exchange rate fairly carefully if you are contemplating a house purchase. When you are exchanging large amounts of money [a small change in the rates can make a big difference](#). Having a bit more time to monitor the market and choose when you change your pounds may save you thousands of dollars – having to exchange money at a particular time to complete on a house purchase may cost you thousands.

Once you have had a chance to check out the market we would be delighted to [help you to get a great deal on a mortgage](#). New Zealand mortgage interest rates are always a couple of percent higher than in the UK, but are the lowest that they have been for some time now. Please contact us to find out more about the best option for you, and check out the [New Zealand Real Estate](#) section on our website for more information on renting and buying a home in New Zealand.

The New Zealand Economy

We were very amused by a [Mike Moreu cartoon that appeared in the Christchurch Press last week](#). It seems to suggest that the global economic crisis has not hit New Zealand yet, and indeed that Kiwis are in denial about the whole situation. We're not sure that this is entirely true – unemployment is up to 4.6%, which is still fairly low but is the highest it has been for 5 years. But New Zealand has not seen the large-scale redundancies that have caused such distress in the UK, and the general feeling at the moment is that if you can keep your job and tighten your belt a bit, everything will be just fine.

Well, only time will tell if this is true, but at the moment the general mood in New Zealand at the moment is still cautiously upbeat. This is certainly a refreshing change from the continual doom and gloom we're seeing in the UK!

Move2NZ Seminars

Our partners at migrant forum Move2NZ are heading back to the UK in June and July to run seminars on emigrating to New Zealand. We've heard fantastic feedback from people who attended their road show last year – it would be well worth heading along if you can. For more information [check the move2nz website](#).

New and Improved Content

Some new and improved content on our websites over the past month includes;

1. A new article on [New Zealand Salary and Pay Rates](#). We've taken some average salary information in

New Zealand and the UK and combined it with some industry averages in both countries to try to give you some idea of what you will earn in New Zealand. We've also looked at some data on the Adequacy of Household Income to see how much your New Zealand salary needs to be for you to live comfortably. Part of the [Working in New Zealand](#) section on our UK website.

2. Updates to our popular [Cost of Living in New Zealand](#) article, providing a comparison of average household income and household spending in New Zealand and the UK.

3. New staff photos – we celebrated the arrival of our newest adviser Vivecca with a trip to the photographers, [and we were thrilled with the result](#).

We hope you find these articles and the rest of our content useful. We'd love to hear what you think!

Until next month...

Wishing you well until we are next in touch. Please feel free to contact [Jeremy](#), [Steve](#) or [Vivecca](#) any time if you have any questions about the financial side of life in New Zealand.

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