

Property Pulse *Extra*

Issue 06 | April 2019

**Views, climate and pace of life
add impetus to Central Otago
lifestyle property market**





Central Otago's lifestyle property market has been steadily rising over the last two years.

Buyers are drawn to the region's expansive views, easy pace of life and unlimited outdoor opportunities. With a few hectares, taking advantage of the region's excellent growing conditions is also a tempting option for many.

According to recently published statistics from the Real Estate Institute of New Zealand, for the three months ending February 2019, the median price for lifestyle property transactions in Otago was 19 per cent higher than it was for the corresponding period 12 months earlier, with frequent Central Otago sales in excess of \$1 million.

Neil Bulling of PGG Wrightson Real Estate, Cromwell has seen the market growing.

"There is plenty of interest, with purchasers from all over New Zealand making their presence felt. Economic expansion in the Central Otago and Southern Lakes area is creating many job opportunities. A significant proportion of our sales are to people transferring into the region from other parts of the country," says Neil.

With plenty of history apparent through many of the region's towns and settlements, dating back to the gold rush, there is no shortage of local colour.

Central Otago's natural heritage is another attraction, and the one that first drew Jo Priebee to the region. Jo grew up in the Black Country of England's Midlands, and is now based in Alexandra, where she is one of

PGG Wrightson Real Estate's top salespeople in the lifestyle and residential category.

"Our climate and landscape provides endless skies and outdoor playgrounds, which give the region its point of difference, setting it apart from much of the rest of the country. With the recent influx of newcomers from all corners of New Zealand, escaping the rat race, it has become more and more diverse and cultured.

"People move here to achieve a better balance. They choose lifestyle over work opportunities. New businesses evolve, more affluence is obvious and the area is an amazing playground for all sorts of outdoor activities. Never a day goes by without me being thankful to live in such a beautiful place, with our stunning mountain views and wide open spaces.

"We are truly blessed to live in such an unspoiled part of the world," says Jo.

Neil Bulling says any property with proximity to Alexandra or Cromwell, and therefore closer to schools and amenities, carries a premium, particularly land suitable for horticulture or viticulture.

Jo Priebee agrees, adding that demand in the Alexandra/Clyde area is strong for easy care lifestyle blocks.

"Buyers recognise the value of space and views in a rocky landscape with wild thyme, which affords them the time to do the recreational activities they moved here for. That's their kind of lifestyle choice," she says.

Cherries are an added attraction for those looking to generate income from a few hectares. Neil Bulling says the popular stonefruit has gained plenty of attention in recent years, with land selling for orchard development.

"These are typically Cromwell lifestyle properties, around eight hectares, subdivided from farmland for the past ten to 15 years and generally not developed in the interim. If they have a good water supply, these blocks are ideal for cherries.

"Although establishing a new cherry orchard takes time, money and attention to detail, the rewards repay the initial effort.

"You might spend \$100,000 per hectare to purchase the bare land, you need another \$120,000 per hectare to develop the orchard, in stages, over several years. Once you are producing, an average cherry orchard might net \$50,000 per hectare per annum, while those that are more productive will make \$70,000 to \$80,000," he says.

“

"People move here to achieve a better balance. They choose lifestyle over work opportunities. New businesses evolve, more affluence is obvious and the area is an amazing playground for all sorts of outdoor activities. Never a day goes by without me being thankful to live in such a beautiful place, with our stunning mountain views and wide open spaces.

We are truly blessed to live in such an unspoiled part of the world."

”



Strong recent sales of Central Otago lifestyle property include:

A 1900 square metre two-level four double bedroom Mt Pisa home, on the banks of Lake Dunstan, previously named House of the Year, which sold in March 2019 for **\$2.2 million**.

A 25 hectare farmlet in Galloway, Alexandra with a near new three bedroom home, good soils and irrigation, which sold in February 2019 for **\$1.475 million**.

A four hectare Alexandra property with a contemporary three bedroom home in a mature setting with an olive and nut orchard, which sold in February 2019 for **\$1.09 million**.

A 2014 cedar and rammed earth home in Butchers Point, Alexandra with 360 degree views to three mountain ranges on nine hectares of undulating iconic Central Otago landscape, which sold in January 2019 for **\$1.12 million**.

A 20.75 hectare Luggate property, with a six bedroom lodge accommodation style home, bordering the Clutha River, growing olive trees and hazel nuts, which sold in August 2018 for **\$2.75 million**.

A two storey four bedroom home on 1.15 hectares with views of Alexandra township, the Clutha River and the mountains, which sold in December 2018 for **\$1.31 million**.

A three bedroom contemporary home on five hectares, with mountain and rural views and a large six bay garage close to Cromwell, which sold in March 2018 for **\$1.325 million**.

A 2.3 hectare property in rural Cromwell with four double bedrooms, adjoining an existing cherry orchard, which sold in November 2016 for **\$1.65 million**.

Central Otago lifestyle properties currently on the market, generating plenty of interest and tipped to sell well include:

A locally well-known orchard business, on **six hectares** on the outskirts of Cromwell, with a large range of fruit trees and berries, selling as a going concern.

A **7.68 hectare** orchard 14 kilometres north of Cromwell with 4000 trees in full production producing export quality cherries, plus a five bedroom schist home with views of the Pisa range.

A five bedroom two storey home on **four hectares** in Galloway, Alexandra with park like grounds, an irrigated paddock and rural views.

A **25 hectare** farmlet with a four bedroom home north of Alexandra with irrigated well fenced paddocks, four ponds, a woolshed and huge implement shed and rural views.

