

# Developer says quality will override downturn

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slowed down." However The Lakes was "a good product" and he was confident the quality would keep the momentum going.

The major player in house construction so far, Auckland-based Universal Homes, has sold nine of its 12 homes, with a further six homes in the early stages of construction homes. Prices for the mostly two-storied houses ranged from \$485,000 to \$520,000.

Whether Universal Homes buys more sections for development would depend on what happened to the market over the next six months.

Another builder with a showhome at The Lakes was Penny Homes. Tauranga sales consultant Donna Keaney said three homes had been sold and

a further three were being built, priced at \$475,000.

Although they were averaging about 100 people through the showhome each weekend, sales had been a bit quiet so the next six months would be pretty important, she said.

David Reid Homes' Tauranga project manager Paul Robard said their showhome would be finished by the end of March.

He said they did not go out and buy sections but had their signs up on a number of sections.

Tauranga-based Golden Homes' showhome at The Lakes will be finished mid-February. Spokesman Steve Minto said Golden Homes was looking to get involved in buying land and building spec homes from stage two onwards,

although business was coming in from individual section owners in stage one.

He said it took a while for the first homes to go up and for people to get interested. Once things got busy, The Lakes would gain momentum.

Mr Minto has noticed 'for sale' signs popping up on sections sold in stage one, suggesting that the influx of first buyers included speculators.

Tauranga Mayor Stuart Crosby said this had been an ongoing issue for years in city subdivisions where speculators bought sections on a 10 per cent deposit to resell a few months later. It kept driving prices up, although speculators could get burned with the softening of the market, he said.

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