

Home Smart Newsletter

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 LJ Hooker



Lockdown Impacted Real Estate Activity, Confidence Remains

Property prices continued to increase across New Zealand in August, to a new record of \$850,000, up from \$677,400 in August 2020.

In the past 12 months, median prices in Waikato have increased 23.8 percent from \$630,000 in August 2020 to \$780,000 in August this year.

Manawatu/Wanganui region has also seen a massive increase, with median prices up 35.3 percent year-on-year, with the latest median price at \$610,000, up from \$451,000 a year ago.

“This latest lockdown has not dampened demand for, or confidence in, the housing market as we saw in early 2020. We have heard from across the industry that prices achieved on sales completed in the early part of this lockdown continue to illustrate an ongoing excess of demand over supply; prices are still rising,” Real Estate Institute of New Zealand Chief Executive Jen Baird said.

Although property price strength continues, the Alert Level 4 lockdown impacted the number of sales in August. 5,753 homes were sold, down from 7,345 homes in July.

“The ability and confidence of people to buy and sell property within the alert level restrictions appears to differ across the country, which is reflected in the

number of properties sold in each of the regions. Real estate agents have been through all of this before and are comfortable using digital solutions for much of the process, but we are hearing that some vendors and purchasers are less comfortable online, have less access to technology, and in some areas, poor connections, meaning they would prefer to wait until restrictions are lifted,” Baird said.

Online auctions played a significant role in selling properties throughout lockdown.

In August, 26 percent of all properties sold were under the hammer. And during the second half of August the auction room went digital, yet buyers and sellers still retained confidence in the auction process.

“Auctions have been a popular method of sale for some time now, with August being no different. Conducting an auction is a great way to understand the value of a property in a fast-moving market,” she said.

However, a shortage of houses available remains, with the total number of properties available in August down 31.9 percent year-on-year.

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What You Need To Know When Considering To Downsize

From the moment most people start their property journey they have dreams of large mansions, sprawling gardens and plenty of space. But there comes a time when you may not reach those dreams, but you know it is time for a lifestyle change and a little less space.

Throughout the years you have probably accumulated a lot of stuff, and the exercise of downsizing will not be the same as any other property move. You will need to thoroughly go through everything you own to decide what to keep and what can go. There will not be enough room in the smaller home to take everything with you.

Before you make the decision, it is important you do some research so you make the right choice. You first need to consider what sort of property you want to call home. Whether you are after a smaller section and house, or considering an apartment, townhouse or even a retirement village. All of these options reduce your maintenance and costs and increase your convenience.

Reasons to downsize

It is never too soon in life to downsize, even though the term is often associated with retirees. However, there have been many younger families trading in their 4-bedroom houses, manicured lawns and gardens and transplanting themselves to the heart of a city to enjoy the freedoms that apartment living offers.

These are some of the reasons many decide to downsize:

- Reduced utility costs
- Less time spent on cleaning and maintenance
- Greater property choice
- Better access to amenities and transport services

What to consider when downsizing?

Don't take the decision to downsize lightly. Take the time to ask the right questions and objectively assess each option, which rooms of your home you can make smaller and those you can't, and then you are more likely to make the right decision.

Location

If you are no longer going to have extra space and a large section, location is key. Whether you want to be close to friends and family, or within walking distance of malls, restaurants, transport centres, sport clubs, parks or the beach, these are all things you need to keep in mind when deciding on a property.

Your new home will be smaller, so having easy access to these facilities will act as an escape or an extension to your new home. This will also help define what the next chapter of your life will look like.

Leave no stone unturned

If you have set your heart on an apartment or townhouse, you need to know everything about that property. You will be sharing walls, so get to know the neighbours so you do not end up moving next to undesirables.

Once you have explored the area and got to know the community, you need to ask questions so you understand any rules that come with living in that community. Determine if there are Body Corporate fees, what is it and is it likely to change? Find out what rules there are, these could limit the types of pets you can have, or what colour you can paint the walls. It is best to know everything about the property and the community before you start unpacking your boxes.

Is your current furniture functional?

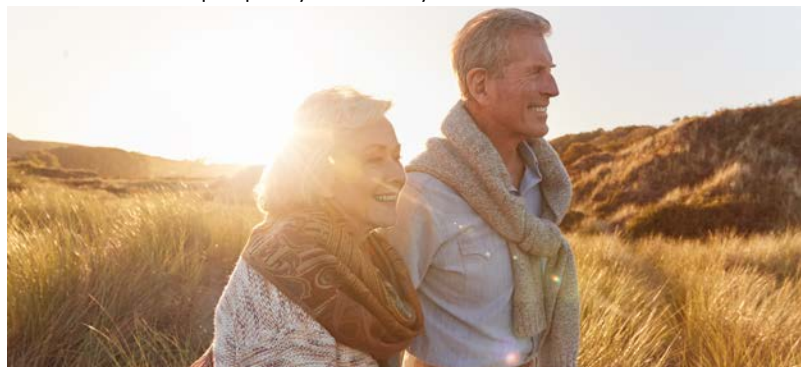
Downsizing means exactly that, downsizing. This means the furniture that filled your home might not fit in your smaller place. You don't want to relocate bulky furniture which means you decrease the functionality of the limited space you have. It is important you make all of the space you have comfortable so it can accommodate all aspects of your life.

Keep your future in mind

Sorting through all your belongings and treasures as you start packing up your home to downsize can be a big process. It may also be a process you do not want to go through again. If you only want to move once, you need to consider your future when inspecting your downsized options.

Whether it's a smaller home and section, a townhouse, apartment or a retirement village, you need to consider whether this home will allow you to live out your twilight years safely, independently and comfortably.

Make sure this property can be your forever home.





What You Need To Know About Online Property Auctions

Recent restrictions meant we had to stay home and could not host open homes or auctions. To be able to continue to help people buy and sell properties, the real estate industry had to embrace digital alternatives, and online auctions were one of these.

Online property auctions have been with us since before COVID-19 was known around the world. But it has since become a newfound necessity for this method of sale, which allows home buyers to receive a new level of convenience and ease when bidding for their dream property.

Auctions have been very popular in the market in recent times and having the option of an online auction means sellers and buyers do not need to miss out when circumstances change.

With COVID alert level changes, this may mean in-person auctions cannot take place. If an auction is postponed or delayed, it could mean sellers have to wait several weeks before the chance to have an in-person auction.

How do virtual auctions work?

Online property auctions work in much the same way as in-person auctions, except you can be wherever you want via the internet.

This gives you the comfort of being able to bid from your own home or anywhere you have access to a mobile device.

As the seller, you get the ability to watch a live stream of the auction which allows you to follow the bidding in real-time. Every step of the way you will know exactly what is happening.

Registering to take part in an online auction

The process to register for an online auction can vary depending on the auctioneer and the platform their organisation uses. No matter the situation, if you want to try and buy a property through an online auction you need to register ahead of time.

A potential buyer should make contact with the listing agent, who will take them through the registration process. The real estate agent should encourage buyers to register early so they can become familiar with the paperwork and the process required.

During Level 3 and 4 COVID-19 restrictions, potential buyers have to register via the Telephone Bidding authority, and during this process they will have to provide:

- Full legal name
- Phone number
- Copy of photo ID
- Solicitor details
- Any variation to auction terms as agreed to by the sellers.
- Once you are a registered bidder you will have a dedicated salesperson you will be talking to. That salesperson will communicate with the auctioneer and place your bids on your behalf.

Advantages of virtual property auctions

Online auctions offer great benefits that will guarantee a quality bidding audience.


Because buyers are bidding from the comfort of their own lounge room, the pressure is usually reduced. It becomes easier for them to stay level-headed and make better decisions. At the same time, they can also consult with advisers who might not have been able to attend the on-site auction. This will help attract serious, quality buyers.

In some cases, virtual auctions can also encourage more activity due to a fear of missing out. As bidders cannot see and gauge the other buyers, they might be tempted to bid more to try and get ahead of the competition. This may help achieve a higher sale price for your property.

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