

# Estate THE REAL REPORT

APRIL 2022

NEWS | MARKET INSIGHTS | TIPS & ADVICE | COMMUNITY | PROPERTY FOR SALE



ANDREWHARLEY.CO.NZ

Harcourts Cooper & Co

## DO YOU NEED A BIT **MORE ROOM?**



## WHY **NOW** COULD BE A GREAT TIME TO **UPGRADE YOUR HOME**

It is definitely no secret that the market has seen a cooling off from the excessive FOMO (fear of missing out) buying and hot buyer competition for property that we saw during 2021, however this sort of market does present its own set of opportunities.

### PLEASE ALLOW ME TO **EXPLAIN...**

Naturally everybody wants to know the best time to take action when buying a home to try and 'outsmart' the market. Seasoned professionals have an almost impossible time trying to pick the exact top or bottom of markets - regardless of the investment category. In fact we never truly know where the exact top or bottom of the market is, until prices have turned and by then it is too late.

You will quite often hear real estate agents proclaiming that 'now is the best time to buy'. The truth is, no one knows with absolute certainty the exact best time to buy, however with the market turning or at least softening, here are some tips to help you decide whether upgrading now is the right move for you.

- If you are a seller looking to upgrade to a more expensive home or a better area during a down market, now could be a good time. The longer you wait to sell, the lower the price your current home can fall.
- If you can arrange for alternate housing, another strategy is to sell now, then buy your new home after settlement. This puts you ahead of the field allowing you to leverage your offer without requiring a "subject to another sale" condition.
- If you sell and buy simultaneously, you will still be ahead of the game because the price reduction on the purchase is greater than the loss on the sale, as outlined in the example later.
- You believe the home will be a long-term investment: First-time home buyers can take advantage of a down market to buy a house that will, in theory, increase in value over time and result in a good investment. With less competition for property, it may also mean that first home buyers may have a greater chance of securing a property with more of the attributes that they are wanting.

### TAKING A LOSS ON SELLING YOUR **CURRENT** HOME?

For example: your current house is worth \$1,500,000, but due to the higher number of houses now on the market and limited buyer activity, you reduce your price by 10%.

So, instead of receiving \$1,500,000, you would get \$1,350,000 and 'lose' \$150,000.

### **REAL PROFITS AND SAVINGS**

Now, consider this: Say you bought this home ten years ago and paid \$700,000. You're still ahead \$650,000, less the costs of sale etc. If you are planning to move up to a \$2,000,000 house, which is located in the same, subdued market, you could probably buy that house at that same 10% discount or \$1,800,000. It would mean you had saved \$200,000 - or more, as luxury markets have previously shown to suffer more in downturns.

### **SUMMARY OF BUYING AND SELLING NUMBERS**

- You sold your home for \$150,000 less than what it was worth during a stronger market
- However you bought your new home for \$200,000 less what that was worth is a stronger market
- In theory that should put you \$50,000 ahead, potentially covering some or all of the transactional costs involved in upgrading. Not to mention the growth expectations in the upgraded home will likely far exceed growth on your original home.

Obviously this is a very basic way of looking at it and there are other factors that need to be considered. One of those is interest rates. Interest rates are expected to rise over the next 12-24 months. Locking in a lower interest rate now may mean that you can afford the repayments and borrow more money than what you will be able to afford in the near future. It is important not to over-extend yourself financially though. A good strategy is to weigh-up all the pros and cons before making the decision to buy or sell. Don't panic over newspaper headlines. Speak to your finance broker or financial adviser, or both, then make an informed decision. When you are ready to take action, speak with a real estate consultant that you feel will put your needs first. (I can recommend one if you like!)

If you would like to more about upgrading your home contact me (Andrew) anytime on **021 55 77 99** to schedule a time for a coffee and a chat.



ANDREW HARLEY  
021 55 77 99

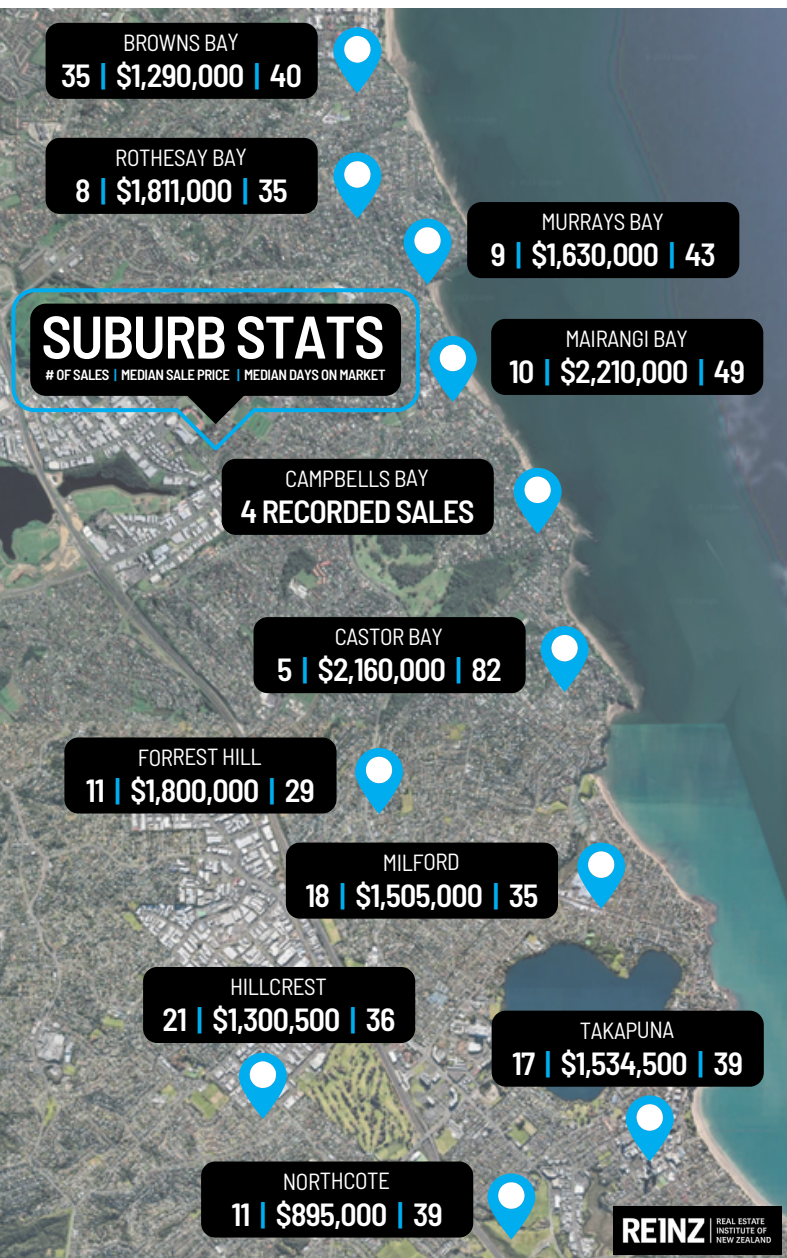
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# SALES VOLUME DECELERATES AS PROPERTY PRICES HOLD



## PROPERTY MARKET UPDATE - MARCH 2022

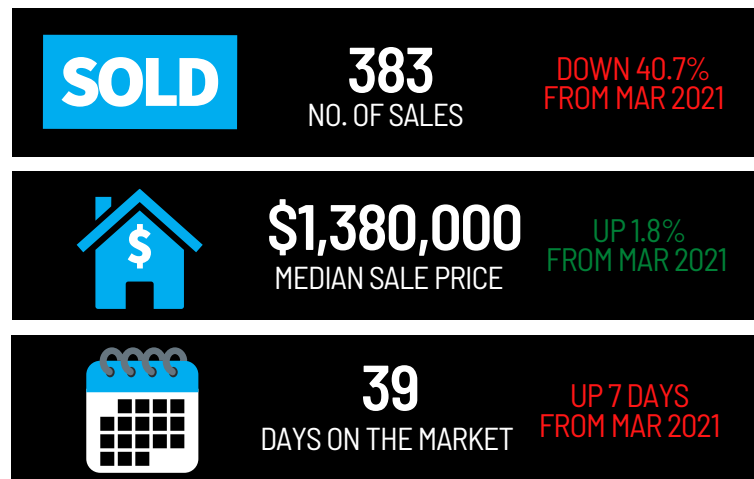
The number of residential property sales across New Zealand eased 33.5% in March from this time a year ago.

The Auckland market decreased 41% year-on-year, much in line with our local markets, with the North Shore seeing a 40.7% decrease in sales.

Despite the reduced number of sales, prices are holding, albeit with the rate of price growth slowing. The Auckland median price increased 6.7% year-on-year to \$1,200,000. While the North Shore showed signs of slowing - a 1.8% increase year-on-year to \$1,380,000.

The deceleration in price growth can be attributed to a number of factors - tighter lending restrictions, LVRs, inflation and increasing interest rates.

As the market adjusts to the new normal, sellers are taking their time bringing their price expectations in line with the market. This, coupled with buyers willing to wait for the right property and negotiating on price has resulted in a marked effect on sales volumes.



Please note: This information is compiled from REINZ statistics and multiple other sources and reports made by most Real Estate agencies which may also include private sales. Where data is not publicly available, sales may be excluded from this report. While every reasonable effort has been made to ensure the accuracy of this information, Harcourts Cooper & Co and Andrew Harley accept no responsibility should the data contained in this report be inaccurate or incomplete. This marketing material is intended as information piece - not all sales have been made by Andrew Harley or Harcourts Cooper & Co. At least 5 sales are required for median statistics to be recorded.

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### BUYING A PROPERTY CAN BE A STRESSFUL PROCESS

Andrew did a great job of alleviating that stress - information was provided quickly and efficiently and all questions were answered straight away with complete honesty and transparency. It is obvious that Andrew loves doing what he does and I would definitely recommend him to anyone looking to buy or sell real estate in Auckland.

JUSTIN XIE

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### LOOKING FOR A PROPERTY? HELP ME TO HELP YOU

Finding a new property, whether it be to live in or as an investment, can be a difficult, time-consuming and sometimes stressful process. This is why I ask every new buyer I work with to fill out a short, buyer requirements survey. It helps me find you a property that will be practical for your needs and (hopefully) fulfil some of your dreams.

For more, call me on 021 55 77 99 or visit:  
[andrewharley.co.nz/buyerhelp](https://andrewharley.co.nz/buyerhelp)



## WHAT DID THAT PLACE DOWN THE ROAD SELL FOR?

SCAN THE QR CODE FOR ALL OF THE RESIDENTIAL SALES IN YOUR AREA FOR MARCH 2022



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