

Market Report: Real Estate Sales – Summer 2017

by Adam Smith

Summer is normally a boom time for property sales. But, as Bob Dylan famously sang, “times, they are a-changin.” Instead of the usual rocketing prices, the market appears to be going through a period of consolidation – particularly in Auckland. Let’s take a look at where the changes are coming from.



What’s happening out there?

Auckland is where the biggest shift is occurring. The key points to note from the latest industry stats are:

- The Auckland median price [dropped \\$5,000 during February](#)
- Quarterly growth in value for Auckland has [decreased by 0.7% over the past three months](#)
- The number of days to sell has [eased to 43 days](#)

It reflects our view that the market is slowing down. Here are some of the reasons why:

- Restrictions on overseas buyers means there are fewer investment properties being purchased
- The banks are being more prudent at who they’re lending to – and how much
- Buyers are becoming more cautious
- Properties are taking longer to sell

Our team in Christchurch is reporting a similar theme, while in Wellington the market remains comparatively quite buoyant with stock levels very low and prices still increasing.

So, what does it mean for you?

If you’re looking to sell

Our team are speaking to qualified buyers daily. Properties are still selling and it certainly isn’t doom and gloom by any means. There are also plenty of ways you can ensure your property stands out from the rest.

- First impressions count. With buyers becoming more cautious, don’t give them any reasons to reject your property. Fix any problem areas and ensure it is showhome standard.
- If you’re looking to downsize, especially if you’re in Auckland, now could be the time to begin the search for a buyer. While we don’t have a crystal ball to guarantee where the market is headed, if prices do continue to ease, you may end up in a stronger financial position ‘cashed up’ from the higher priced property.
- If you’re selling to upsize, now’s the perfect time. You’ll get much better value when buying.
- Consider the other options available. Converting your home into a rental could be [a canny investment decision](#). Rents on now on the rise, especially in Auckland and Wellington, so you could be surprised at the rent you might achieve.
- Avoid auctions – especially if you’re in Auckland. Dismal clearance rates are becoming commonplace. At Iron Bridge, we don’t do auctions for a very good reason – they simply *don’t* deliver results.

Most importantly – choose wisely when selecting your real estate agent. It’s no longer a case of fierce buyer competition. Is your real estate agent using the [right selling strategies for the current market?](#) (There’s a good reason why we take a [different approach to the rest.](#))

If you’re looking to buy

- Find a real estate agent you can trust. They’ll save you time, effort and give you some canny advice to make the process easier.
- Don’t just rely on [what the property statistics seem to be saying](#)
- Consider buying sooner, rather than later. Mortgage rates are [being tipped to rise](#).
- Get yourself a pre-approved loan. With the tighter lending conditions, getting a loan isn’t as easy as it was. Make sure you are ready should you find the perfect new home.

Get some good advice

The current market isn’t easy to read, and the future isn’t completely clear. Whether you’re buying or selling, your wisest move is to seek some informed and honest advice.

If you’d like more expert insights about what’s happening in Auckland, Wellington and Christchurch markets, [get in touch](#) with our team.