7 tips and strategies to help you get the best outcome in any market

by Adam Smith

Most people describe a property market as either a 'buyer's market' (house prices are going down) or a 'seller's market' (house prices are rising). Simply put, one is deemed bad for buyers and one deemed good for sellers and vice versa.

As the property market begins to tighten in parts of New Zealand, those wanting and needing to buy and/or sell cannot afford to take a stubborn view to the current market conditions, if they want to trade successfully.

If property prices are falling, transaction volumes tend to fall at an even faster rate. This is because vendors increasingly take a position on price and refuse to sell. As a vendor, it is easy to feel as though your property is the only one on the market struggling to sell when in fact the market at large is dealing with the same issue.

Unfortunately, sellers who take a position of pride on price with their existing home, can miss the opportunities that arise elsewhere in the market. Opportunities that more than offset the shortfall you may experience on the sale.

It's worth paying careful attention to these 7 tips and strategies...

1. Sell first. Buy second.

Understandably, many people buy first for a fear of not finding a suitable house. But, if you sell first in a falling market, suddenly the trend is your friend. If you buy first, the market could become worse. Even if you have to rent a property before buying a new home, you are likely to be in a much stronger position. Or, try negotiating a long settlement of 12 or more weeks on the sale.

2. Early offers are often the best

The best buyers can tend to come early as they seek to capitalise on new stock in the market. That is your time to achieve the best possible price when selling.

3. Changeover price

The selling price and the purchasing price are not as important as your changeover price. Make sure you know exactly what this needs to be. If you are upgrading, the key figure is the amount you need to tip in, after you have sold, in order to fund the purchase.

If you are downgrading, the key figure is the amount of money you have left, after you have sold and purchased your next property. It is common for people to take a position of pride on the sale price (to their detriment) to only go out and impulsively over pay on the purchase.

4. Be patient, persistent and decisive

In a slower market, it's important to have patience to wait for the best buyer. Or, if the right buyer turns up in the first weekend, be prepared to sell.

5. Do your research

Where is the market going? No one really knows but asking and trying to determine where the market is going is a much smarter question than focussing on where it's been. If you look at recent comparable sales to your home and then compare that list with what is currently on the market, you will see the on-market listings are generally showing better value than the sales.

6. Terms and conditions

A negotiation that is solely about price can quickly unravel. Factors such as inclusions, settlement periods, deposit amounts or unconditional dates can all add value in a transaction. Whether you are buying or selling, remain open to all solutions and you vastly increase the chances of success.

7. Get some good advice

Expert advice is crucial for getting the best outcome – regardless of how the market is performing. Make sure you work with a capable real estate agent you trust who has the necessary negotiation skills to get you the best price that the market has to offer at that point in time.

Like some more sensible advice when it comes to selling? We're here to help.