



WINDOW OF OPPORTUNITY?

Selling this winter vs spring

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The property market is feeling the full effects of increasing interest/mortgage rates with many prospective vendors finding themselves wrestling with the decision of whether to sell in winter or wait until spring.

Traditionally stock levels are tight in winter and usually expand rapidly from August onwards as spring beckons. It remains to be seen if rising interest rates and falling clearance rates cause stock levels to expand and swell during winter.

We are now in a market where we have 30-40% auction clearance rates, high stock levels and rising interest rates. But, this is not something new to Kiwi's and we have been here before. Let's not forget the unemployment rate is the best it's been for several decades too. So, there are many conflicting signals at present for buyers, sellers and agents to absorb.

Many vendors who have failed to sell or achieve an acceptable price have withdrawn their property from the market. Some, not all, will look to re-list in spring. Staring down the market feels like the right thing to do at the time, but if one is really determined to sell and the market falls in between campaigns, not accepting a good offer from the first campaign can prove costly.

The benefit of selling in winter this year as opposed to spring is you will avoid more of the forthcoming interest rates rises that are universally predicted. The downside of a winter sales campaign is the property presentation and the weather conditions are not optimal – hence the reason spring is always viewed as the season to sell.

Getting tradespeople and/or a handyman to assist in preparing a property for sale is also challenging, inadvertently blowing out many vendor's timelines in the process. Many sellers that wanted to sell in autumn find themselves only ready to come to market in winter, given the difficulty in preparing a property for market and getting enough sunny days for the works to actually occur.

The reality is vendors will face higher interest rates and higher seller competition this spring than during winter. However, there are still ample number of buyers looking to secure a home and lock in a Home Loan Rate before rates go much higher, which sets up a window of opportunity for those ready and willing to sell this winter.

If you are looking to buy and sell, selling in winter with a delayed settlement and then purchasing in spring seems like a good 'set play'.

Chat with the Iron Bridge team about what options might suit you.