

Street Smart Newsletter

March 2017



Migration and property

The link between migration and house prices was a highly emotive political hot potato last year, with endless research reports, opinion pieces and news articles either side of the argument.

The powers that be expected migration to slow-down half way through 2016. **As we now know, this didn't happen.** As detailed in the CoreLogic [Jan/Feb property market & economic update report](#), net migration has actually continued to surge away at record highs, with record arrivals combined with relatively low departures. **So, it would appear that the grass isn't always greener!**

Even the Trans-Tasman pull isn't as strong: NZ is currently experiencing a **net gain as people either return from Australia or don't leave in the first place**, the appeal of jobs and lifestyles across the ditch perhaps not quite as strong these days. When you think back to previous years, where we have sometimes experienced a net loss of nearly 40,000 people to Australia this **really is a stark contrast. Forget the 'brain drain' we now have a 'lifestyle leap'** with factors such as commute times, and housing affordability coming into play.

Auckland is (and always has been) the main location of choice in this strong net migration situation, but Wellington and Christchurch are also favoured. Interesting fact though! When you look at the percentage changes, Tauranga comes into the mix in a big way, with a 33% increase in Net Gain **against last year. And why wouldn't you? It's NZ's 5th largest city, with strong job and economic growth and beaches galore to [live the kiwi dream](#).**

So where does this leave us? It's not rocket science. A strong gain in net migration equals increased housing demand. An increase in housing demand in a time of housing under-supply will undoubtedly push prices up. But it's really important to remember that it's not the only thing that does.

[Download the CoreLogic Jan/Feb Property Market & Economic Report](#) for an overview of the main economic factors that influence the housing market, and detail on sales volumes, values, and active buyer types in both the national and main centre housing markets.



REINZ news release

Sales volumes see seasonal drop in January as Auckland & national median house prices rise year-on-year

Aucklanders are once again starting to put their houses on the market, according to the latest figures released in February by Real Estate Institute of New Zealand (REINZ).

After months of record low numbers of houses available for sale across Auckland, the number of properties for sale in the region jumped by 1,135 (17%) compared to January 2016. This contrasts with declining numbers of properties for sale nationwide, with 3,743 fewer houses for sale in January compared to 12 months ago.

Excluding Auckland, the number of properties for sale has fallen by 4,878 (-22%) over the past 12 months. At the same time, median house prices have risen a seasonally adjusted 9.4% across New Zealand year-on-year to \$490,000, firming slightly (+0.2%) and in line for this time of year. Two of 12 regions in New Zealand hit new record high median sale prices in January 2017 - **Hawke's Bay up 16% to \$366,000, and Nelson/Marlborough up 25% to \$470,000.** The number of sales for January 2017 was 4,307, down 6% on a seasonally adjusted basis compared to December 2016.

REINZ CEO Bindi Norwell says: "On a seasonally adjusted basis, which is always the most reliable guide, the real estate market saw prices steady and volumes down 6 percent in January. "Anecdotal evidence from agents around the country suggests that the market has been picking up speed again towards the end of January.

The number of properties for sale in Auckland is certainly rising, with more than four months of supply now available and a rise of more than a month of supply over the past year. This lead indicator means greater choice for Auckland home buyers, and prompts us to ask whether the Auckland market is showing some early new signs of activity.

"Market fundamentals remain the same, with a rising population, housing shortage and historically low, although potentially rising, interest rates. We await the March data with interest, as a clearer picture will emerge of where the market is likely to head through 2017."

6 reasons why houses often fail to sell



Once you've made the decision to put your house on the market, you've probably already started planning what you will do once it sells. So what happens if you wait, and continue to wait for the house to be sold, but nobody makes you an offer? Outlined below are 6 reasons why your home might not be selling.



1. Comparatively priced

Of course this is the first thing you will look at - as nobody is going to pay more for a house than its value (or perceived value). It can be difficult to get right, especially since vendors typically want more for their home than what buyers are willing to pay, so this is where the experts **come in**. If you haven't already, get in an independent valuer who can give you an honest answer on what your home should be on the market for.

However it might not be a case of just dropping the asking price, as it could be **that your sale strategy isn't right for the market**. Speak to your agent about a range of options - like offers over, price on application, providing a range, [going to auction](#), or setting a specific price.

2. The photos aren't right

Photos are typically the first look potential buyers get of your property and if it **doesn't catch their attention straight away**, then you have probably lost them - especially if there is plenty of stock on the market. So [photos](#) are critical to get right.

Too often people forget that they need to market more than a house, they need to market a lifestyle. There is a science to getting the right photos, which includes everything from choosing the right time of day for the shoot, to the best angles, to deciding on the focal points that will most appeal to your target market.

3. A poor first impression on inspection

House not selling? Never underestimate the importance of making sure the [front of your property](#) looks as good as it possibly can so that potential buyers have an immediate positive feeling when they arrive - a tidy garden, easy access to the front door, clean exterior, new doormat (yes, these can all make a big difference).

A good way to understand why your property is attracting people to the homes, but not producing any offers, is to make sure your agent is following up with everyone that comes through. This includes asking them what they liked / didn't like about the property and what they perceive the property to be worth. Once a week your agent should be presenting you with a full report on the open home performance, showing this feedback, as well as their recommendations based on this.

4. It's been on the market for too long

There is something unnerving about a property that has been on the market for a long time - it makes people think there is possibly something wrong with it. It is also basic psychology that we often want what other people have, so if no one seems to want your house, then unfortunately it may put everyone else off. It may be a good idea to take it off the market, refresh the look, or simply rethink your approach, and start again in a few months time to meet a new set of buyers.

5. You're not meeting the market

Just like anything that is for sale, there is a target audience for whom the product is perfect for - your home is no **different**. So if you don't have an accurate picture of who is likely to be the buyer of your property (an investor, a young family, a retired couple) then you will struggle to attract them to view the property, or make an offer.

6. You've got the wrong real estate agent

This could be a difficult one to call, but if **you haven't had any success with selling your home** then you need to have a think about whether you have the best real estate agent representing your property.

Did you screen them before you chose them originally? Are they experts in selling homes in your neighbourhood? Have they offered you a reason as to **why your house hasn't had a lot of interest** and offered you practical recommendations to try and overcome this? These are all things you need to ask yourself, as unfortunately not all real estate agents are created equal.

Source: <https://www.mypropertylife.co.nz>

Brought to you courtesy of ...

Rob Taylor

Licensed Salesperson - REAA 2008

LJ Hooker Green Bay,
58 Godley Rd,
Green Bay,
Auckland,

Mobile: 021 840 015

Office: (09) 827 4928

Email: rtaylor.greenbay@ljh.co.nz

BACK ON MARKET

Disclaimer: This newsletter does not necessarily reflect the opinion of the publisher. It is intended to provide general news and information only. While every care has been taken to ensure the accuracy of the information it contains, neither the publishers, authors nor their employees, can be held liable for inaccuracies, errors or omission. Copyright is reserved throughout. No part of this publication can be reproduced or reprinted without the express permission of the publisher. All information is current as at publication release and the publishers take no responsibility for any factors that may change thereafter. Readers are advised to contact their financial adviser, broker or accountant before making any investment decisions and should not rely on this newsletter as a substitute for professional advice. © LJ Hooker NZ Ltd 0712 LC1905-01, Licensed REAA 2008, MREINZ.