

The Buds Are Bursting Out

Imagine this – the market is like the early buds on a tree that have just opened up, unfurling the beautiful colours of spring and early summer... hard to not have thoughts of optimism! That's my take on the market of the moment. There are many reasons to be optimistic when reviewing results from the winter and spring selling season, and looking forward to next year. Sales numbers are up, especially developed properties with prices slowly showing incremental increases over the last two to three years. We have not yet experienced the dramatic increases in values reflected in the city, where an influx of purchasers from Auckland, and to a certain extent Christchurch, have inflated both sales figures and values.

City sections have sold very well in the last month or so, especially to builders who are optimistic going forward, and are building spec homes. Interesting reasoning for this – some builders report that by doing spec homes, they can build quicker rather than with a one off plan from an individual, where inevitably there are costs overruns and time delays. The best sections in the city are selling for just short of what a desirable section in the country is selling for. Country wide, section sales are still slow, especially in areas like Tamahere and Matangi, where there is an almost ten-year supply of sections, either available for sale or in the pipeline for subdivision.

The developed properties have sold strongly over the winter and spring, especially the small holdings, up to say one hectare and under a million dollars. Purchasers are strongly influenced by rateable value, which is a reasonable guide for most properties, but creates difficulties for vendors, especially if it is on the low side in relation to real value. Unless the purchaser is fully conversant with the market and has looked at a number of properties, their knowledge is limited to what is currently on the market and rateable values. To really test the market, to ensure every last dollar has been obtained from the market, vendors should seriously consider auctioning their property, whereby competition in the auction room shows purchasers that other potential buyers see value as well, thereby ensuring that the best results are achieved for vendors.

Open home attendance numbers are now much lower than say four or five years ago, in that purchasers spend much more time researching the internet before looking at a property in person. It is especially important that properties are exposed with good photography and floor plans – something that we, at Lugton's, are unique in the marketplace in offering. With regard to the floor plans, it is not unusual for a potential purchaser to arrive at a property with a tape measure to measure the fridge size – that is how detailed the plans are.

At this time of the year, we should be making plans for either selling or purchasing in the coming months. Traditionally, more properties sell between February and May than in the spring season. Obviously, this means there is usually more choice of stock and more purchasers. Prior to Christmas, coming out of winter it is a relatively short time before thoughts turn to the holiday season, whereas after Christmas, the pace of life has slowed, leaving more time for good decision making. Why not take advantage of the growing optimism and either make your purchase or place your property on the market in the New Year.

As always, buyers are knocking on my door – are you considering selling?
I have the knowledge and experience to help you today.



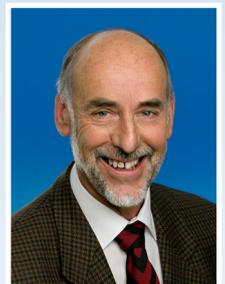
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