

Bringing you news from the world of New Zealand real estate.

Property buyers increasingly fear missing out on purchase opportunities, says survey



FOMO is beginning to reappear in buyers, according to a New Zealand licensed real estate agent survey released this week. The results show that more than 60% of Kiwi agents have evidence that the ‘fear of missing out’ trend is starting to reappear in the market once again.

The REINZ & Tony Alexander Real Estate Survey for July has reported an upswing in FOMO activity, following a high in February and distinct drops in April, May and June.

While the extent of FOMO is down from the “frenzied” period of activity late last year and through to March this year, the survey says the recent Government tax changes and return of Loan to Value Ratio rules seem to have increased angst of buyers unable to purchase appropriate property in the current market.

“There is no doubt that the industry is still in a sustained period of price growth, and buyer interest is still high,” Harcourts NZ managing director Bryan Thomson says. “Fear of missing out is a very real issue, particularly with the market pressure of Kiwis who have been based overseas returning with their families to settle back in a safe corner of the world.

“With evidence that property investors have not flocked onto the market with investment properties as threatened after the Government rule changes, the low number of stock for sale will be worrying those wanting to buy property immediately, and FOMO will once again be an issue for buyers.

“This is where the skill and experience of Harcourts sales consultants will be noticeable

in the market, working hard to list the best properties so buyers have a good selection to choose from and won’t miss out on opportunities to buy.”

Broken down into districts, those regions with buyers most displaying FOMO tendencies as reported by agents are Queenstown Lakes, Nelson/Tasman, Canterbury, Northland, Bay of Plenty and Wellington.

For two months in a row, more than 80% of agents say their buyers are concerned about a shortage of listings, with other concerns including interest rates falling after making a purchase, jobs and incomes, and high debt.

Other findings are:

- More than half of agents are reporting rising prices on average in their locations – up from 32% in May, meaning prices have not been majorly affected by the combined effects of the tax changes and return of Loan to Value Ratio rules
- Around 3% of agents report they are seeing fewer investors stepping forward to sell properties (compared with 12% in April), indicating there is no wave of investor selling warned about after the Government rule changes
- More than 50% of agents say there are fewer investors in the market, with Reserve Bank influence cooling the fervour of investors
- Around 20% of agents reported less buyers are attending open homes and auctions, although that is tracking upwards on earlier months this year
- There is a noticeable stepping back of offshore parties interested in buying property
- The highest-rating factor for investors remains low interest rates, the hope of buying a bargain, and investing for retirement.

The REINZ & Tony Alexander Real Estate Survey gathers together the views of licensed real estate agents all over New Zealand regarding how they are seeing conditions in the residential property market in their areas. Topics include activity levels, first home buyer and investor views, and factors which are affecting them.

How to make your offer stand out from the rest

Everyone knows just how hard it is to compete in New Zealand's red-hot property market at the moment, so are there ways to make your offer more attractive and appealing to sellers than all the rest? Here are five ways that just might tip the balance in your direction.

Tip 1: HAVING THE MONEY UPFRONT: Getting pre-approval for a mortgage before you make any offer on a house is very important. Mortgage lenders can offer fully underwritten pre-approvals, so your credit has been checked and finances verified before you make an offer. Pre-approvals give sellers confidence that you are a safe bet and will complete the property purchase without difficulty.

Tip 2: WAIVING ANY CONTINGENCIES: Taking away any difficulties that sellers might have will highlight your offer to them. Finance contingencies mean you can back out of the deal if your mortgage falls over, inspection contingencies relate to inspections of the property, and sale contingencies are when you have to sell your existing home before following through with the sale. Waiving contingencies can be risky but can often be completed before an offer is written up so talk to your Harcourts sales consultant about the risks and rewards if you are considering this.

Tip 3: UP THE DEPOSIT: A deposit on a property is a 'good faith' deposit that reserves your right to buy but means you will lose the money if you back out of your contract without reason. If you really want to stand out, increasing your deposit is a good way of doing so and shows the seller that you want the property now!

Tip 4: OFFER BEYOND THE ASKING PRICE: Cash buyers often come in with lower-than-asking-price offers because of the benefits to sellers. If you have another cash buyer that is low-balling a seller, offering beyond the listing price may be a way of being very noticeable amongst the bidders.

Tip 5: MAKE IT PERSONAL: How about writing a personalised offer letter to the sellers telling them what you love about the property and why it is perfect for your family and/or pets? You could include photos of your family, differentiating you from other buyers and pulling at the heartstrings of sellers.

Remember, talk to your Harcourts sales consultant about any questions or ideas you may have on making your offer stand out



Harcourts Holmwood's Mark McGoldrick was the Premier Division joint winner

Harcourts tops auctioneers awards

Once again, Harcourts New Zealand has dominated the (REINZ) Real Estate Institute of New Zealand's National Real Estate Auctioneering Championships with four of our own taking top honours ahead of scores of competitors in two days of intense competition.

Mark McGoldrick (Harcourts Holmwood in Christchurch) clinched the Premier Division as a joint winner; Travers Smyth (Harcourts Cooper & Co, North Shore) won the Rising Star competition; Sam Walmsley (Harcourts Cooper & Co) won the inaugural Open Division; and Daryll Roberts (Harcourts Monarch in Hamilton) placed runner-up in the Rising Star Division.

Harcourts managing director Bryan Thomson says the domination shows the expertise and commitment to excellence of the company's auctioneers across the country. "To have a premier winner as well as upcoming stars make their mark on this contest really illustrates the depth of experience as well as the potential of those coming up the ranks within our team," he says.

Mark McGoldrick will represent New Zealand at the Australasian Auctioneering Championships in Sydney later this year.



PROUDLY SUPPORTING
HOSPICE NZ
GRANTS PROGRAMME



Harcourts is New Zealand's largest and most trusted real estate group*, with over 2300 sales consultants across 192 offices and a growing property management team. For more information visit www.harcourts.co.nz. While every effort has been made to ensure that the information of the publication is accurate, we recommend that before relying on this information you seek independent specialist advice.

*Readers Digest Most Trusted Brand Survey 2013-2021.

Harcourts