

Hello Geoff

Welcome to the November 2020 New Zealand property market briefing, keeping you informed on national real estate trends.

Mortgage lending hits record high of \$7.3 billion in September  
"Although it's a really big lending number and it would be easy to say bank standards are dropping, the reality is banks are still quite conservative with their credit policy," Bolton said. He says the huge increase in lending is largely driven by "upgraders" - people who have repaid some of their mortgage and want to take advantage of low interest rates to buy something better.  
<https://www.newshub.co.nz/home/money/2020/10/housing-market-on-steroids-mortgage-lending-hits-record-high-of-7-3-billion-in-september.html>

Experts unsure how long house price boom will last  
"The world we look at is not the same as seven or eight months ago and one of the big changes, of course, is interest rates. They were falling into this, they fell again in March and April, the Reserve Bank is hinting they may cut again and central banks around the world are saying, 'hey, we're not going to increase interest rates for years.'"  
<https://www.oneroof.co.nz/news/38601>

Opinion: Central banks are going to keep interest rates low - Tony Alexander  
...very few people with a mortgage are fixing their interest rate for longer than one-year. And, as an interesting aside, over the next 12 months almost \$160bn worth of the \$300bn of mortgage lending will come up for rate renewal. Essentially all borrowers will be resetting at lower rates and this will free up a substantial quantity of money which can be used to reduce principal debt, buy goods and services, or perhaps go towards another property.  
<https://mortgagerates.co.nz/news/central-banks-are-going-to-keep-interest-rates-low>

10 questions to answer before choosing where you retire  
Independent economist Tony Alexander says technology means people can do a bit of a "test run retirement." In his research this year, he's been hearing that some people are buying their retirement properties earlier than expected. Some will rent them out and use them as holiday homes before retiring there permanently, he says. A number of provincial centres will benefit from this, he predicts, from New Plymouth and Havelock North and the Bay of Plenty, Waikato, to towns out of Auckland like Warkworth and Wellsford.  
<https://www.trademe.co.nz/c/property/news/10-questions-to-answer-before-choosing-where-you-retire>

Calculate the cost of upsizing vs downsizing  
The decision to upsize or downsize your home is one usually made for lifestyle reasons. That means you will also need to quantify the short to long term financial implications. The new financial obligations of the second property will be driven by how you sell the previous one. Key issues are the price of the new property, equity leftover from the sale of the original property, the new fixed-term length, and the new interest rate. This calculator takes out all of the hassles from the calculations and allows you to test what the net effect would be based on multiple scenarios.  
<https://www.interest.co.nz/calculators/property-upsize-downsize-calculator>

Why renovators shouldn't ignore what's beneath their feet  
Figuring out the pros and cons of each flooring product is a process of elimination, especially if function and performance is driving the decision criteria. There are trade offs: you might choose a laminated product over engineered timber because of budget constraints, yet prefer the feel underfoot of real timber versus the laminate. With carpets, wool is luxurious underfoot (and personally my favourite), but if you have high sun exposure, then a nylon cut pile would be more suitable.  
<https://www.oneroof.co.nz/news/how-to-select-flooring-for-your-home-like-a-pro-38580>



5 Stella Grove, Newlands  
If position, presentation, and price are important when looking for a first home - you will struggle to find better than this! Located in a quiet cul-de-sac, perfectly positioned for sun, and surrounded by trees and greenery it is like living in a world of your own. With easy access to the northern motorway, we are sure this 1960's three-bedroom home will tick all your boxes!  
<http://www.realestate.co.nz/3869790>

Despite this strong market, getting a great sale price still requires strategy and skill. Maximising your result comes down to making the right changes to your home pre-sale and choosing the right salesperson to manage buyer interest on your behalf.

If you have a real estate move in your near future, we offer free presentation advice and can coach you on how to add maximum value on a limited budget.

Text or call me on 027 271 1274 to book your free consultation.

Kind Regards

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