

Hello Geoff

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

Negative rate dilemma: Should mortgage-holders delay fixing until next year? My suggestion is that, if you agree the rates could go lower and you want to take advantage of that, you focus on the short-term rates (ie one year). Not only are these the cheapest rates, they will be maturing in the third quarter of next year, which is only a couple of months after economists are forecasting the OCR to drop. Floating rates are typically quite a bit higher than the fixed rates. Leaving your mortgage on floating and waiting for the drop in the OCR means, for the majority of people, paying a premium now on the off-chance that interest rates will drop in the near future.

<https://www.oneroof.co.nz/news/38380>

Two words that could save you thousands on your mortgage

With an offset account, you could use your savings to lower the amount owing on your mortgage, therefore reducing the interest you pay.

<https://www.oneroof.co.nz/news/38353>

Your guide to real estate during COVID-19

The finance environment remains very supportive to buyers who can display good job stability and a healthy deposit. Speak to your mortgage adviser about any plans to use bridging finance.

<https://www.trademe.co.nz/c/property/article/your-guide-to-real-estate-during-covid-19>

Building consents scrapped for minor backyard jobs

It will also be easier to install outbuildings such as sheds or sleep outs, with the following structures no longer requiring a building consent:

- Outbuildings (up to 30m²) where an LBP carries out or supervises construction.
- Kitset buildings (up to 30m²) if designed or reviewed by a professional engineer.
- Lightweight outbuildings (up to 30m²) can be built by non-professionals, provided the materials and components comply with a specified standard of the Building Code.

<https://www.interest.co.nz/property/106779/requirement-scrap-building-consents-minor-backyard-jobs-will-also-help-farmers>

What happens with negative interest rates?

The chances are that if the cash rate gets cut by 0.75% to -0.5%, floating and one-year fixed mortgage rates will fall by perhaps half of that. For terms beyond one-year the declines will be progressively less the longer the term.

<https://mortgagerates.co.nz/news/what-happens-with-negative-interest-rates>

Institution	Product	Variable floating	6 months	1 year	2 years	3 years
ANZ	Standard	4.44	4.15	3.15	3.25	3.39
	Standard			18 months = 3.25		
	Special LVR under 80%		3.55	2.55	2.69	2.79
	Special LVR under 80%			18 months = 2.65		

More Kiwis moving to lifestyle blocks in wake of COVID-19

In July, 849 lifestyle properties were sold, compared to 594 in July of the year before - an increase of 42.9 percent, the latest data shows. That was also up on June's numbers, where 643 lifestyle properties were sold.

<https://www.newshub.co.nz/home/rural/2020/08/more-kiwis-moving-to-lifestyle-blocks-in-wake-of-covid-19.html>

Increase in farm sales reflects 'recovering' sector - REINZ

Farm sales for the three months ending July 2020 were up 15 percent compared to the same time last year, according to new data from the Real Estate Institute of New Zealand (REINZ).

<https://www.newshub.co.nz/home/rural/2020/08/increase-in-farm-sales-reflects-recovering-sector-reinz.html>



298 Stokes Valley Road, Stokes Valley

Look no further if you are searching for a low maintenance 131 m² family home in a convenient location. Comprising 3 double bedrooms, sun room, lounge area with doors to patio, separate dining/kitchen area, new gas central heating system throughout the home. Wooden floors, DVS system and bay window, ceiling and underfloor insulation.

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

Geoff Duncan

Work: 04 471 1849

Mobile: 027 271 1274

team@salespartner.co.nz

SalesPartner Demo Realty 2020 All Rights Reserved



To stop receiving emails, reply 'Unsubscribe' to team@salespartner.co.nz