

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

## Welcome to the New Year!

Bryan Thomson, Harcourts NZ Managing Director



Welcome to the new year and all the hope and optimism it brings, along with the questions and predictions as to how the property market will perform. Every 'expert' will have predictions and they will vary wildly! We prefer to base our view of the future on the facts that influence the market.

Firstly, the employment market remains ferociously competitive, allowing employees to be confident regarding their incomes and opportunities for professional growth. This gives confidence to make major life decisions, such as purchasing a first or new home.

Coupled with interest rates remaining at incredibly attractive albeit slightly increased levels and you have two significant factors that suggest demand for real estate will remain strong through 2022.

The loosening of Covid restrictions and the confidence this brings, in contrast to the uncertainty and fear the doom and gloom merchants brought to our world in 2021, will also create a more positive outlook in the year ahead. The pipeline of construction projects across New Zealand will provide opportunities for both investors and homeowners while supply chain

challenges facing new construction will reorientate some buyers back towards existing homes.

What do you need to know to be successful in the year ahead? Buyers need to have their finances in order before entering the market. The rules for borrowing have tightened and approvals are taking longer. There is no point finding a property you'd love to buy and then finding out you can't secure funding. Sellers are orientated towards cash, unconditional offers and the auction process, so be prepared. Understanding your financial parameters also ensures that you are looking in the right price range. Identify what your non-negotiables are in a new property, keep these as few as possible, and then enter the market confidently.

From a seller's point of view, choose your sales consultant well, listen to them and you will have an excellent experience. Choose poorly and you will be disappointed. Ask your friends who they used, visit open homes to 'inspect' the agent and then interview the best.

# Pandemic & Property: How things have changed



Houses that can support activities such as office work, study and exercise are increasingly important, particularly as nuclear families are starting to plan well into the future for their long-term requirements.

In other words, the pandemic has triggered a paradigm shift in consumer behaviour, with demand now skewed towards spacious space, quality of life and no compromise on luxury.

## Moving to the Country

Speak to any Harcourts consultant and they will tell you that an exodus from the city is being felt. Given the high capital values, lack of open space and high density within cities, people are keen to relocate to city outskirts or other regions to afford bigger and better lifestyles.

The importance of health, hygiene and wellness has also shifted homebuyers' attention towards new pastures. Studies show that internationally, more than half of home buyers now actively consider suburbia or regional/country living as a viable option for the open spaces, greenery count and fresh air.

Villas, farmhouses and second homes have also benefitted from buyers wanting superior social distancing and lower infection risk in less populated environments that they can escape to, or permanently work from.

Given that many companies are now adopting hybrid work models and online classes are often preferred, these changes in home buyers' behaviours are expected to be more than a passing fad.

We all know how Covid-19 has affected our everyday lives over the past two years. This new era has meant scenarios like online schooling and work-from-home are now normal, and everyday activities that we used to take for granted now need planning and a careful attitude.

Even when it comes to home-buying, the pandemic has moved the goalposts. So what exactly has changed in the residential real estate sector both here and overseas in the past two years?

## Digital Adoption

Lockdowns and restrictions in movement around the country have forced every business sector to implement digital ways of doing business. Online portals and other tools have been a part of real estate for many years and used well by prospective home buyers and sellers, tenants and landlords.

But the pandemic has taken it to the next level, with some experts suggesting that the industry has vaulted forward 10 years in consumer and business digital adoption.

New technologies that real estate professionals are using or starting to implement now include virtual reality (VR), augmented reality (AR) and 3D programmes, and artificial intelligence (AI).

Developers overseas and here are using/developing VR technology to give potential home buyers the ability to take a virtual tour of the properties digitally via 3D apps.

## Bigger and Better Homes

Being stuck at home for long periods of time with family members – such as the lockdowns in Auckland, in particular – has exacerbated the need for more space, especially because of the specific requirements of online schooling and work-from-home.

The demand for modern flexible room configurations is brisk, with work-from-home and e-learning models becoming the order of the day. According to many international statistics, a third of buyers now choose space and size of homes as a critical factor in the post-pandemic era.



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\*Readers Digest Most Trusted Brand Survey 2013-2021.

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## What global buyers are looking for now:

### Home office

Many firms say they may never return to central offices again.

### Space

Overseas, builders say requests for properties with four or more bedrooms and three or more bathrooms are growing.

### Outdoor living and entertaining

Outdoor living rooms and ground-level patios are dominating over decks, even better if they have cooking and refrigeration equipment, lighting and fire pits.

### Up-to-date kitchens

More important than ever, particularly if they boast over-sized islands that can be used for different activities.

### Storage

There needs to be room for extra pandemic or weather emergency supplies, and walk-in pantries to hold excess food.

### Private areas

With the kids home for longer, the reign of the open-plan layout may be finished, overtaken by multi-purpose spaces, flexibility and modular walls.

### Pet grooming areas

In the US, 11 million new pets were added to households in the first year of the pandemic, meaning home buyers are keen to have contained space for grooming.

### Hygiene

Healthy and sanitary home environments with anti-microbial

building materials and even built-in blue-light UV fixtures that destroy germs are increasingly popular.

### Interior colours

Colour palettes have changed in the face of homes needing to be refuges. People are seeking soothing tones that are warmer and organic.

### Delivery vestibules

In the US in particular, an upsurge in home deliveries for food, groceries and purchases from companies such as Amazon has meant a demand for delivery areas (even refrigerated ones on verandas).

### Home gym

Handy and a must for families.

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# New Zealanders rate Harcourts #1 for service for fifth year in a row

Service matters, especially when it comes to selling or investing in what is likely to be one of your biggest assets. In a market that has faced as many challenges as the one New Zealanders have been navigating for the past couple of years, service matters more than ever.

“It’s truly an honour to be awarded the Reader’s Digest Quality Service

Gold Award for real estate agencies for a fifth consecutive year,” says Harcourts New Zealand Managing Director Bryan Thomson. “It’s a vote of confidence from New Zealanders and one that we don’t take for granted.”

“In the environment we’re currently living in, our people, processes and technology must be constantly

adapting to make good on our promise of exceptional service, year after year. Being awarded the Gold Quality Service Award for five years and the Reader’s Digest Most Trusted Award for nine consecutive years tells us we’re doing that.”

## MY EXPERTISE... MY RESULTS... YOUR FUTURE!



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