

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

## New Zealand's Housing Market is **Primed for a Rebound**

New Zealand's housing market has seen its fair share of ups and downs over the years, with the most recent drop in property prices linked to interest rate rises and cost of living pressures. But the tide may be turning, and there's growing evidence to support a property rebound sooner than anticipated. Buyers choosing to wait for property prices to go lower should consider the impact that decision could have on borrowing power once property prices go up.

### **Demand vs. supply**

Demand for housing in New Zealand continues to grow, driven by a shortage of affordable housing and a surge in net migration.

Across the country, real estate agents are reporting an increase in buyers at open homes, in particular first home buyers, while at the same time, auction clearance rates in Auckland are showing early signs of an upward trend, suggesting this market is coming back to life far quicker than anticipated.

In his recent monthly survey, economist Tony Alexander reports that buyers are becoming less worried about property prices falling and the fear of overpaying – FOOP – and more concerned about missing out, as the level of FOMO is starting to creep up.



### **Property investors re-entering the market.**

The housing market could see strong interest from property investors anticipating a change in government in the upcoming election, further increasing competition and driving up property prices.

Legislative changes would make it more attractive for investors to return to the market, with National pledging to reinstate a key tax advantage for investors that Labour is currently phasing out.

Prior to 1 October 2021, mortgage interest deductibility allowed investors to subtract mortgage interest payments from their rental income for tax purposes. But this

is being phased out to incentivise property investors to build new homes in an effort to fix the housing crisis.

Additionally, National has pledged to reduce the bright-line test from between five and ten years to two, effectively removing any capital gains tax for most investors.

### **A pause on the OCR**

Another factor that could drive the housing market upward is the Reserve Bank of New Zealand's (RBNZ) recent indication that it won't be lifting the official cash rate (OCR) higher than 5.5 per cent. This follows an increase of 25 basis points earlier in May 2023.

While it's impossible to completely rule out that the OCR will go any higher, or that the RBNZ will start cutting rates in 2023, it's reasonable to assume that interest rates could start to fall as early as the first quarter of next year.

The New Zealand housing market is well-placed to rebound between now and the end of 2024. With confidence growing and a period

of stability increasingly likely, the next year is poised to present opportunities for first home buyers.

### **A rebound sooner than you think.**

New Zealand's housing market is poised for a rebound in 2023, driven by increasing demand coupled with ongoing supply shortages, a potential change in government and legislature, and the RBNZ's

indication of no further OCR movement.

By taking some proactive steps, first home buyers can position themselves for success to make home ownership a reality.

To speak to a local real estate expert in your area, visit [www.harcourts.net/nz](http://www.harcourts.net/nz) and search for your closest Harcourts office.

## 3 Things to Help Sell Your Home in Winter

Winter may be a quieter season for listings and sales, but with fewer homes on the markets and less competition, it's good news for sellers with more chance of their property standing out from the rest. Don't let shorter days and colder weather put a damper on your home selling plans. Improve your chances of a successful sale this winter, with 3 strategies to showcase your home at its best even during the coldest months of the year.

### **1. Embrace the cosy factor.**

Winter offers the perfect opportunity to showcase your home's comfort and warmth during the colder months. From incorporating winter-themed decor to creating inviting spaces that evoke a sense of cosiness, there's no better time to show off your home's features than during winter open homes.

If natural light doesn't flood into your home during open homes or when potential buyers are viewing, turn on lamps and lights to give your home a lift and make it feel bright, spacious, and appealing.

Turn up the temperature by switching on heaters in every room to create a warm and inviting space, and ensure damp and mould is treated and cleaned, and that your home is well-ventilated and free of condensation.



### **2. Maximise curb appeal.**

While winter may conceal your home's exterior charm, it doesn't mean you have to give up on making a stellar first impression. Enhance your home's curb appeal even in the midst of cold weather, by utilising the exterior space in your garden and outdoor areas.

Get the water blaster out and clean your home's exterior, paths, and driveway. Cut back trees and shrubs around windows and doors to let the light inside your home. Pull out the weeds, tidy the garden and mow the lawn, and touch up on any untidy bits of paint outside your home. Add bold house numbers to ensure your home is easy to find, clean or pack away outdoor

furniture, and add some winter flowering plants to brighten up the outdoor space.

### **3. Get help from an expert.**

Collaborating with a local Harcourts real estate agent who has a track-record of successful sales in your area is a great way to ensure your home is marketed to showcase its unique features and achieve the best sales price.

Before choosing a real estate agent, get recommendations from family and friends, attend open homes in your area to get insight into how real estate agents work, check references and reviews, and meet with potential candidates to find someone you feel comfortable with.

A good real estate agent will provide advice about the best way to market your home in winter and talk you through the various methods of sale. They can also help you price up your home competitively to meet

the market. Work with a real estate agent – such as those at Harcourts – who can present your home in the best possible light to secure the highest sales price possible.

If you're planning to buy a new home once your existing home is

sold, talk to a Mortgage Express branded adviser about getting pre-approved finance for your new mortgage.

Visit [www.mortgage-express.co.nz](http://www.mortgage-express.co.nz) for more information.

## Getting ready to buy – first home buyers.

Here are some tips to help first home buyers prepare to buy a home in 2023.

### Financial readiness

Build a strong financial foundation by saving a deposit, paying down debt and improving your credit score.

### Do your research

Evaluate property values and market trends to get valuable insight into which areas offer the best return on your investment.

### Get professional advice

Navigating the home buying process can be complex, but working with a great real estate sales consultant from the Harcourts network as

well as engaging a great mortgage adviser who specialises in helping first home buyers will be invaluable.

Check out who your local sales consultant is by visiting [www.harcourts.net/nz](http://www.harcourts.net/nz) today and searching for your closest Harcourts office.

Good luck with your journey to home ownership!

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