



## Housing market reaches stalemate

*ANZ chief economist Cameron Bagrie*

While we are continuing to see signs of a slow recovery in the housing market, the construction sector remains weak, putting pressure on the supply of housing stock in some regions.

This restraint on supply, higher rents, and lifting volumes are all indications of improved underlying movement in the market. Yet, the market lacks the conviction to push on, resulting in a standoff now occurring between buyers and sellers.

The decision by the Reserve Bank of New Zealand to once again leave the Official Cash Rate unchanged at 2.5 percent was widely expected. Despite a weaker balance sheet as a result of the February 22 earthquake in Christchurch, the feeling around the economy is decidedly more upbeat than previously. The RBNZ has lifted its growth forecasts, and continues to flag gradually rising interest rates from later this year.

There are signs that more movement could occur in the housing market, with some regions yet to respond to the emergency OCR cut, and the lower mortgage interest rates

on offer. The turnaround in migration rates to a net outflow is likely to lessen demand and relieve housing shortages in some regions.

Mortgage approvals, a timely gauge of pending housing market activity, remain at levels seen in 2010, but there has been a 12 percent increase in the value approved. Household lending has increased by 0.2 percent in April, following a slight dip in March, while house sales nationwide rose 10.2 percent in May. The average time taken to sell a house has remained around 44 days.

While the housing market has slowly been recovering, the construction sector has remained weak. The volume of residential building work declined 2.1 per cent in the March quarter, and is down 5.7 per cent on a year ago. However, section sales lifted to the highest level seen in a year, which holds out the promise of more building consent issuance.

# Top tips for winter house sales



Selling your home in winter presents its own unique set of challenges. It is colder, darker, and people are generally less inclined to go out and view open homes. Having said that, there are plenty of advantages as well – less competition for starters, and you are more likely to market to more serious buyers. It is also the perfect time to play up your home's warmth and friendly charm. Here are some tips to successfully sell your home in winter:

- Let in the light – pull up the blinds, push back the curtains on every window, and turn on every light in the house. Brighten up any dark spots in rooms by placing spotlights on the floor behind furniture. Also pay attention to the light around the front door, and make sure it's bright enough to seem inviting to visitors.
- Turn on the heat – you want to allow any potential buyers to feel warm and comfortable in your house, and give them a reason to linger in the house – especially on a cold day. Pump up the thermostat a degree or two higher to allow for doors opening and closing. If you have one, turn your fire on, but of course ensure there is someone around to watch it.
- Bring summer to the buyer – display photographs showcasing your summer flower gardens and lush green lawns. If you have a swimming pool, display photos of how the pool would look in warmer months.
- Clean your windows – unkempt and dirty windows will not only put off potential buyers, they will also allow less light to filter into your home.
- Make the house look comfortable – in winter most people seek warmth and comfort. Throwing a blanket on a sofa or a large folded up duvet on a bed can add to a sense of warmth inside a home and allow buyers to see themselves feeling warm and comfortable inside.
- Sell the area – some homes can use the winter months as a selling point. Make the most of it if your house is located near a popular ski area, or if it has views of snow-capped mountains. People want to hear about the winter perks they will enjoy if they buy your home.

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