

# All Wellington Property

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## How much is your home worth?

It's spring time, the weather is warmer, and more people are out and about looking at open homes. As such, spring is often a popular time to list homes for sale. If you have decided now is the time to make a move, one of the most crucial aspects of selling is determining a fair market value for your property. How do you go about doing this? If you choose to market your home with us we will provide you with a comparative market analysis (CMA). This will help advise you of the market value of your property by comparing your home with others that have sold recently. Using these properties as a guide, we can objectively calculate an accurate market value. Of course, identical homes are not always readily available, so sometimes you will need to add or subtract the differing features. For example, if one of the comparative properties in the CMA has a single garage yet your home has a double, we need to factor in the value that places on your home. If on the other hand, the other home has three bedrooms and yours only has two, then you might conclude that your property may be worth less. If you choose to sell by tender or auction, you will be letting the market determine the value of your property. Marketing with a price limits what a keen buyer may pay. Once a listing price has been established for a property, a ceiling has been placed on what a buyer expects to pay for it. Tender or Auction, on the other hand, offers a real opportunity to get more for a property than the seller might expect. You may be very pleasantly surprised by the price your home achieves on tender or auction day, however it is sensible to have in mind a fair price you would be prepared to accept. This is where your CMA will be invaluable. If you choose to market your property with a price indication, it is absolutely critical to set this at a fair market rate for the following reasons:

- The best buyers inspect first - the longer a property is on the market, the less sense of urgency there is amongst the buyers.
- Website activity is at its highest when a property first comes on the market. Many buyers have an automatic alert in place to notify them of new listings.

### Is now a good time to sell?

Yes! There is a shortage of property available for sale and plenty of buyers just waiting for the right property to come on the market.



We are always happy to provide sales statistics for any suburb and a CMA of your home. Just let us know how we can help.

- The right price will attract the right buyers for that particular property rather than buyers in a higher price bracket inspecting the property and expecting more based on its price.
- A fair market price attracts more offers, resulting in a faster sale.
- Urgency creates more realistic offers from buyers and often a better price achieved.
- All listings are perishable and deteriorate with time on the market. Therefore, the longer an overpriced listing is on the market, the less perceived market value it will have.
- An overpriced home makes the competition look good - it helps other houses to sell.

The average time it is taking to sell a home in your market indicates the market climate. It is very important a seller understands which market they are in and the average time it is taking to sell a property within that market. There are three types of market climates:

**A seller's market:** There are lots of buyers and very few homes for sale. High demand for property is in the seller's favour as properties spend less time on the market and sale prices rise due to scarcity.

**A buyer's market:** Often there are literally hundreds of homes for sale and very few buyers. High demand for buyers is in the buyer's favour as properties stay on the market much longer and sale prices reduce to compete for buyers.

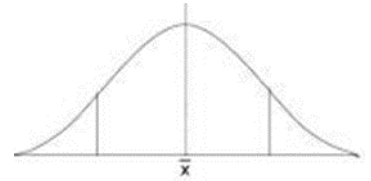
**A balanced market:** Numbers of buyers and properties for sale are about equal. Neither buyer nor seller has an advantage as properties are not languishing on the market or being snaffled up.

### Latest Harcourts Sales Statistics (August and September 2014 Sales)

47% of properties sold for more than RV  
The average sale price was 14% over RV  
Highest sale price over RV was 29.8%

## Why are so many properties marketed for sale by tender?

Tender is a method of sale used widely in Wellington. It is a form of marketing used primarily for homes likely to attract a large number of buyers as it allows all prospective buyers for the property to submit their best offer on a certain date. A well run tender campaign will produce a bell curve of offers. Generally there will be a couple of low tenders, a larger number of similar tenders and a couple of premium tenders from buyers who really want to own the property. The number of similar tenders is usually taken to represent fair market value.



Whilst some buyers find tenders frustrating, the majority are happy to be part of the tender process. If they are actively looking to buy a home they will have seen a lot of property in the area and will have a very clear idea of value themselves. This market knowledge enables them to decide if they think a priced property is good value and it therefore follows that they will have a good idea of where the value of a non-priced property sits and can therefore decide what they think it is worth to them and what they would be prepared to pay to own it. There is also a defined timeframe which allows them to work towards submitting an unconditional tender and they know that no one will 'snap the property up' before they have a chance to make a decision. Buyers who chose to ignore properties that are for sale by tender are likely to miss out on the best properties available in the area as any property that is attractive enough to generate competition will sell and sell well by this method.

## Stop tree wars before they start

An 80 year old Hastings man who cut down 65 of his neighbours trees because they blocked his sea view was this week told to pay \$26,000 in reparation. The Hastings District court verdict is a sobering reminder of the need to respect private property and to know your rights when you feel they are being impinged by the people next door. Few issues provoke as much resentment between neighbours as trees and fences. The Hastings case may be extreme but it is not so long ago that a dispute over pohutukawa trees damaging a neighbour's concrete wall and cracking her pipes went all the way to the Privy Court in London (which awarded her compensation and ordered the trees to be chopped down). It is always best to first discuss your concerns with your neighbour to see if a problem can be resolved amicably. For instance, a neighbour who refuses to cut down a tree that blocks sun but agrees to thin it. Under the law, you can cut off encroaching roots or branches at the boundary to 'abate' the nuisance caused by the tree. But any branches that are severed must be returned to the neighbor, as they still belong to them. Trees grown on a common boundary may constitute a 'live fence' under the Fencing Act 1978 – in which case neighbours must contribute equally to the cost of maintaining these trees. But under no circumstances are homeowners entitled to cut down a neighbor's tree, or to try to poison the roots or spray it with herbicide. Only a district court judge can order the removal or trimming of trees if they block a view, risk harming life or causing damage, or diminish the value of a neighbouring property or its residential enjoyment. But in making a ruling, the judge will have to balance the hardship it will cause the respective parties as well as consider any environmental, social or cultural benefits the tree might have. This type of action must be heard before a district court judge and cannot be brought in the Disputes Tribunal, which, in other circumstances, can rule up to \$7,500 in compensation be paid for damage caused by trees. (taken from Dominion Post article 7 June 2014)

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