

Harcourts Property Focus.

Bringing you the [latest news, facts and figures](#) from the world of New Zealand real estate.

To downsize or not to downsize: pros and cons



Whether you are retiring, looking to free up some capital, or simply wanting to de-clutter, downsizing can offer some real advantages – but it also comes with some downsides. We weigh up the pros and cons of making this lifestyle change.

PRO: A smaller home means smaller bills

If you are looking to save on daily living costs, downsizing into an apartment or smaller home usually means you will save on basics such as heating costs, electricity, and house insurance.

CON: A downsized home may mean downsized furniture

Moving into a smaller space could cost you some extra money if your furnishings are too big for your new home, and you have to spend on new items such as lounge suites, dining tables and bedroom furniture.

PRO: De-cluttering is the only option

If you (or others in your household) struggle to get rid of clutter, downsizing provides the perfect reason to get tough and minimise. Especially if you are moving into

an apartment or unit, storage space will be at a premium, so only the most important possessions should go with you.

CON: Outdoor space and hobbies may be affected

For those who love gardening or lounging around the backyard during the summer months, downsizing can be challenging. However, many people cultivate impressive gardens on apartment balconies, and if this is something that is important to you, look for a home that fits the bill in terms of sunlight and space.

PRO: Less household maintenance

Alternatively, if you can't wait to retire the lawnmower and hedge clippers, downsizing is a great option. Indoor chores such as vacuuming, dusting and cleaning will also be quicker and easier in a smaller home, freeing up

your time for other activities.

CON: Lifestyle changes may be hard to adjust to

Moving from a self-contained family home to a unit or apartment, or even just a smaller home in a different neighbourhood, can present some major changes. You may not be able to have family or friends to stay over, hosting large events may be difficult, and new neighbours in closer proximity could prove challenging.

PRO: Release your capital

Many of us have the majority of our savings tied up in our primary property. Downsizing can offer the opportunity to free up money that can then be used to diversify investments, take a dream holiday, or simply provide more cash flow for daily living.

Going, going gone! Why we recommend auctions

When it comes to selling your house, we know getting the very best price with the least stress is your top priority. Auctions are often the best way to achieve this, as well as offering several other benefits for sellers too. Read on to find out why going under the hammer will likely work for you.

Short and sweet

Auctions get maximum exposure for your property in a short period of time with a structured, intensive marketing campaign over a few key weeks. This approach not only creates a sense of urgency for buyers, but has the added advantage of meaning you won't have to keep your house clean for months of open homes or agent visits, and you have a defined timeline to plan around.

The market decides the price

Rather than guessing at the value of your home, and potentially placing a ceiling on what people will pay for it, auctions allow buyers to decide for themselves what a property is worth. This means you get a true market value for your home if it sells at auction.

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Going, going gone! Why we recommend auctions (cont'd)

Competition is maximised

A property is worth what any one party is prepared to pay for it, so creating fair competition for your home can push buyers to truly consider their top price come auction day, and may result in you getting more than expected when the hammer finally comes down.

Signed, sealed, delivered

An auction sale is an unconditional sale, which means that once your home passes the reserve (set by you) and the auctioneer declares it sold, you can sign the paperwork and know the deal is done. This eliminates drawn-out contract negotiations, and is often the best option for anyone needing quick settlement terms for another purchase.

Passed in, but not passed on

If your home is 'passed in', meaning it doesn't sell at auction, the intense interest and buyer activity generated in the lead-up to the auction means you usually have an increased chance of selling the home at a negotiated price to interested parties. Your real estate agent will already know who is genuinely interested in the property and can deal direct with them to see if an agreement can be reached.



What's happening in the property market?

A stand out figure from the latest Harcourts' property market statistics is the drop in national auction numbers by 36.9%.

Harcourts CEO Chris Kennedy says people believe auctions are only effective in a hot "sellers" market. Resultingly, with widespread speculation around the market downturn, the number of auction listings has dropped.

Nationally, sales are down by 12%, and new listings are down 13%.



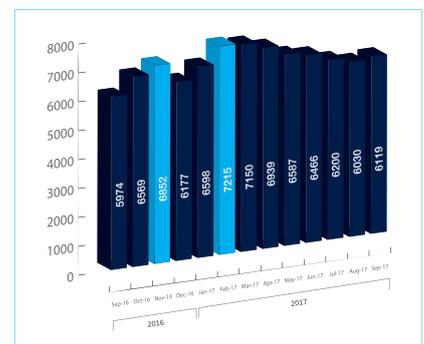
Chris Kennedy
CEO, Harcourts NZ
Ph: 027 433 5828

Prices are holding steady, with a 1% increase on the same time last year, bringing the average sale price in New Zealand to \$573,392.

Kennedy says there is a noticeable change in the level of sales and listings, however the market is still strong.

"We are still in a good market, it's just in a different place to where it was 18 months ago during the frenzied peak. If a vendor's expectations are reasonable, their property will sell. This is when choosing a skilled real estate sales professional, who knows the market and what is achievable, become vital."

NATIONAL: Property on hand year to date



NATIONAL: Average sale price year to date

