

# Frequently Asked Questions

## **What is Harcourts market share?**

The Real Estate Institute of New Zealand's rules prohibit us from publishing sales statistics compiled by them for marketing purposes. However from all sources we are able to say that Harcourts Taupo continually achieves a major market share of property sales. While Harcourts perform exceptionally well in mid to higher valued properties, the diverse nature of the business offers home sellers in all price ranges the very best results.

## **How do we know the price range for auctions and non-priced advertisements?**

No one person really knows the true market value of any particular property. Auctions allow buyers to establish what they believe is the value of a property and in doing so set the market value. If a property advertisement catches your attention we recommend you contact your personal Harcourts consultant or the listed salesperson and once they know your price range they will be able to guide you to the most suitable properties.

## **How do we target overseas buyers?**

Primarily the internet is now the most popular method to attract international buyers. Harcourts have a strong presence on all major New Zealand property websites and was the first Taupo real estate company to employ strong search engine capabilities and to also allow the browser to search for properties directly on their site rather than utilising back up websites for searches.

It is important to note that surveys conducted show that most (usually over 80%) overseas buyers already have a connection to the Lake Taupo area and often search for properties through local marketing. It is important therefore that in order to attract international buyers a strong local marketing campaign is undertaken.

## **What is the Auction process?**

A marketing programme is planned between the seller and the real estate salesperson and a sale date is set. 3-5 weeks of intense marketing follow with the sales team contacting any prospective buyers as well as encouraging and assisting new enquiries. During this period the focus is on the benefits and features of the property rather than simply comparing on price. There is no fixed price for anyone to object to. The second stage is to gather together all likely buyers and focus attention entirely on the one property. This is the Auction day. At this time buyers will compete to buy the property and they will be encouraged and comforted by the fact that other buyers are bidding and willing to purchase. The bidding often goes higher than buyers were originally prepared to pay. All offers at auction must be cash and without conditions so the seller knows that any offer they choose to accept is a definite sale.

The third stage is a backup plan in case the property hasn't sold in stages 1 and 2. During this time negotiations continue with anyone who has previously shown interest and a new marketing strategy is employed to attract new buyer interest.

### **Do I need Open Homes?**

Open Homes are an integral part of any marketing campaign and a popular way for buyers to check out the market. Many properties are now sold through Open Homes and particularly in the case of Auction Open Homes; buyers are prepared to make instant decisions. Even neighbours and non-buyers can assist in the marketing as they spread the word to friends and associates. If you leave out Open Homes, you may be minimising the overall success of the sale process.

### **What is the success rate of Auctions?**

Over recent years the length of time taken to sell a property, irrespective of the marketing method, has grown. However research reinforces that auctions have a significantly shorter time frame to achieve a sale. Over a 12 month period 55% of auctions sold during a 90 day marketing period while 25% of non-auction/ tender properties sold over the same period. Of further note is that 82% of auction properties either sold or had an offer during their 90 day promotion.

### **Why do I pay for extra marketing?**

A real estate company is no different to any other business in that they are there to provide a service and to make a profit. Most companies have a budget for marketing purposes and generally speaking lower fee companies have a minimal advertising budget while high profile companies like Harcourts have a large marketing budget. This budget allows for a certain level of marketing for each property but to make sure your property is seen by the maximum number of buyers we usually recommend some investment by the owner. The level of investment is entirely up to you but remember that a little spent now may result in thousands (sometimes tens of thousands) of dollars more when it comes to selling.

### **Why don't you discount your commission?**

At Harcourts we have built our business on the philosophy that the more buyers you have interested in your property, the more likely you are to achieve a successful sale, and the more likely you are to achieve a better price. Sure, you could put a sign up, run a few low cost advertisements and perhaps, given time, achieve a sale. This is the philosophy of low commission real estate companies. How will you ever know if you might have sold for a few thousand dollars more? Experts agree that the sale price of a property may vary by up to 10% depending on the marketing undertaken. Imagine a property supposedly valued at around \$400,000. The eventual selling price could vary from \$360,000 to \$440,000 that is a massive \$80,000. At Harcourts we believe it is our job to ensure that as much of the \$80,000 as possible goes into your pocket simply by producing more buyers. Harcourts embark on extensive marketing in the lake area and throughout New Zealand on a regular basis. We have an impressive record of achieving outstanding results where others have failed. Yes, we could reduce our fees, but some of the marketing and service we undertake would need to be discontinued and we believe this would be detrimental to our overall objective and that is to get, you, the home seller, the best possible price in any market conditions.

Remember the old adage that is as relevant today as it ever was: **"YOU GET WHAT YOU PAY FOR"**

## Is it the right time to invest in a property?

One of the most frequently asked questions at the moment comes from buyers; should we buy now or wait for a while? Of course we don't have a crystal ball but we do have a wealth of experience in the Lake Taupo real estate market through all sorts of market conditions including a severe share market crash and various levels of economic recessions.

What must be remembered is that one of the catalysts for buyer hesitancy is the regular commentary expressed in the media by a seemingly endless parade of "property experts". These statements are aimed at the property market in general and often the basis of these opinions comes from activities in the major centres, in particular the Auckland market.

- Not enough care, in our opinion, is taken to consider what is happening in the provincial areas.
- History shows us clearly that many smaller cities and towns are insulated to a degree from conditions in the main centres.
- Our current advice to buyers who are unsure of when to buy, is to get all the information they possibly can regarding the Lake Taupo real estate market and how that market reacts in adverse economic conditions.
- Given that the Lake Taupo area is traditionally a very stable market and there is a sensational selection of properties on the market right now, it could be that now is the ideal time to be buying your first or next property in our fabulous area.

## When is the best time to sell?

- **Summer** - December, January, February Lake Taupo is buzzing with a population swelled with summer visitors. Gardens look great and your property is at its best. This is a popular time to sell although you will be competing with the large number of homeowners who also want to sell at this time. Best month to market: January into February.
- **Autumn** - March, April, May Some beautiful colours of nature at their best really show the Lake Taupo area off. This period includes two of the best three selling months and is a great time to be marketing property. With Easter and the last periods of summer this is a busy time around Lake Taupo.
- **Winter** - June, July, August Probably the most overlooked sales time of the year. Sales figures are surprisingly steady through winter and there are usually less properties for sale. Buyers often have less choice so are keener to secure the right property when they see it.
- **Spring** - September, October, November This is one of the most stunning times of the year around Lake Taupo. The weather is warming, nature is waking up and the spring gardens look spectacular. People are starting to move around the country and Taupo, as usual, is one of the favourite destinations.

## Traditionally the months where the highest number of sales occurs are FEBRUARY, MARCH AND APRIL.

However, sales throughout the year are remarkably steady in the Lake Taupo area and sometimes the apparently less attractive times to sell are in fact the best. The best time to sell is more likely determined by current market conditions. Our advice is to discuss the current market climate with your Harcourts salesperson or email to the office.