

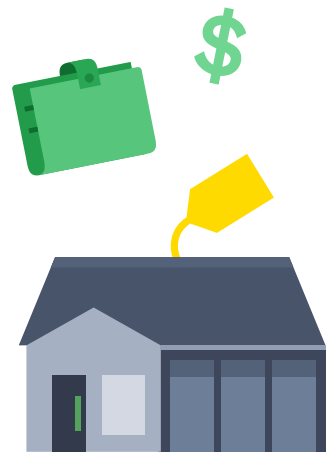
# Navigating the Market Spotlight

The market is cooling with supply high and demand low, so what does this mean for the property industry?



## Buyers have the power

That means vendors have to be more transparent about their price expectations.



Nationwide, the percentage of property listings that included a **price indication** has risen from 47% to 55%<sup>1</sup>

55% ▲

Nationwide, the percentage of properties listed for **sale by auction** has fallen from 13% to 5%<sup>1</sup>

5% ▲

Auckland has seen the biggest drop in properties listed for sale by auction from 20% to 8%<sup>1</sup>

8% ▼

But remember, vendors trust your expertise

86% of vendors follow the advice of their salesperson for marketing the property.<sup>2</sup>



## The time to sell has doubled

That means vendors have to be more patient.

33 days

59 days

The average property listed on the site was advertised for 59 days in May, up **79%** year-on-year.<sup>1</sup>

Listings are up **48%** and are back to levels seen in 2019.

Properties are still selling, they're just taking a little longer.<sup>1</sup>

## Building relationships with potential buyers has never been more important

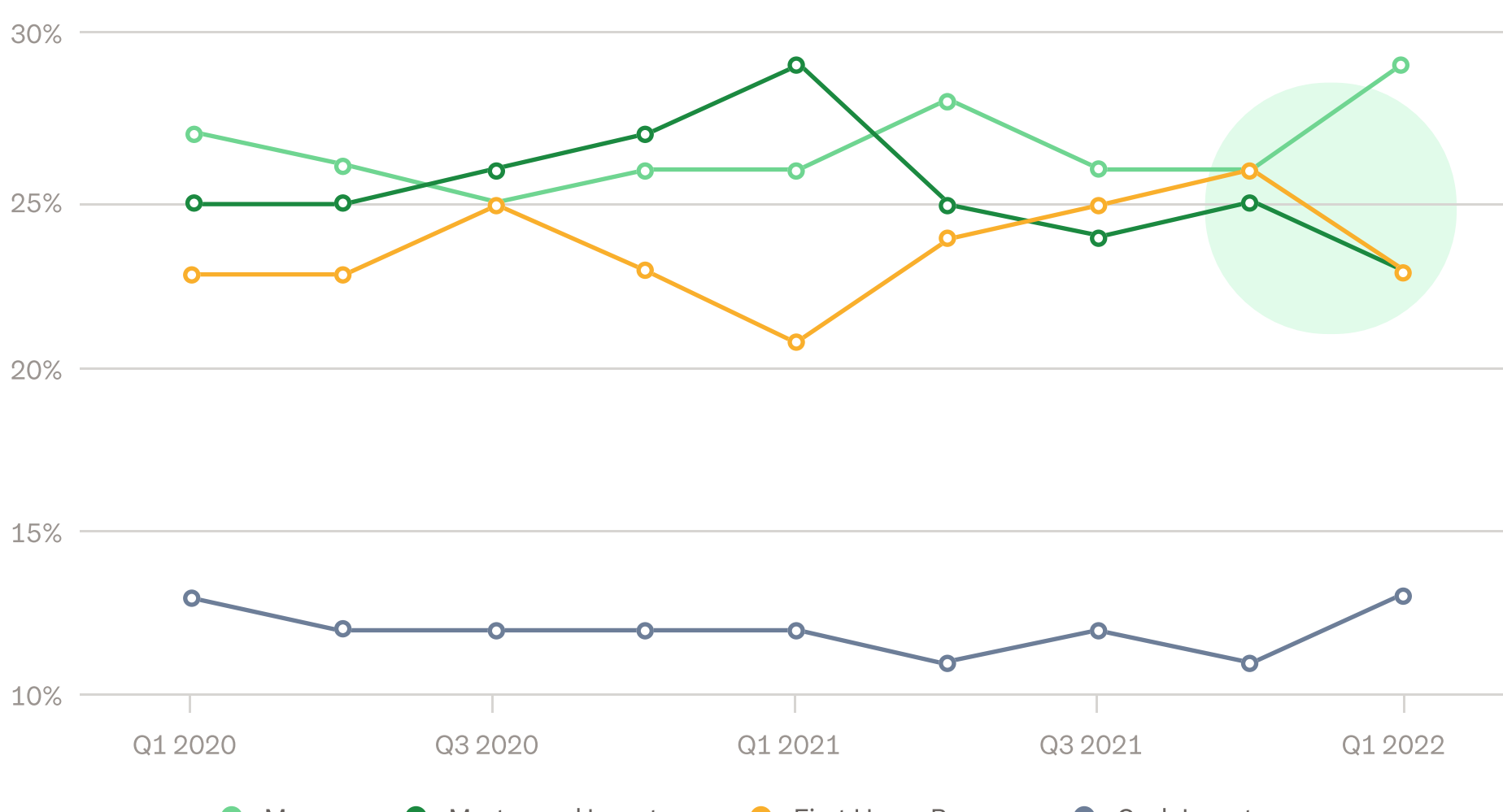
Buyers typically viewed around 9 properties before making an offer, but many viewed in excess of 15.<sup>2</sup>



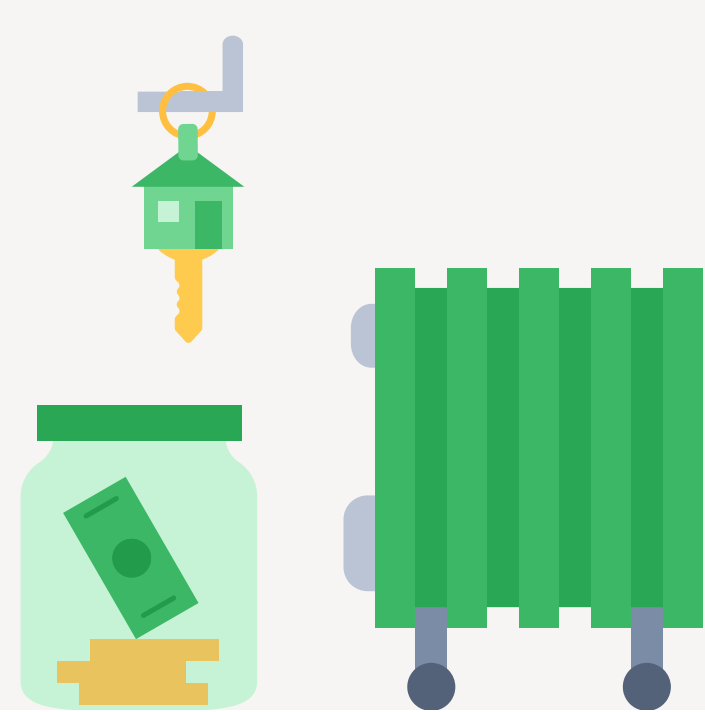
## Buyers with larger equity bases are the ones to watch

With stricter lending conditions and interest rates rising, the composition of buyers in market is changing.

The share of market for buyers who take on higher levels of debt (**first home buyers** and **mortgaged investors**) dropped in Q1, but those who have a greater equity base (**movers** and **cash investors**) are making the most of opportunities in this market.<sup>3</sup>



## What does all of this mean for the winter months?



“

With interest rates the highest they've been in a long time, and plenty of properties on the market, I think we'll see prices continue to cool off for the rest of the year. While the property market traditionally slows over winter, I think this year will be even more noticeable than previously.”



Gavin Lloyd, Trade Me Property Sales Director

### Sources:

1. Trade Me Property site data, May 2021 compared to May 2022.
2. Trade Me Property buyer and seller survey, April 2022.
3. CoreLogic Property Market and Economic Update Report, Buyer Classification data, Q1 2022.