

Lifestyle Property in New Zealand.

You swapped the rat race for a lifestyle block and, for the most part, it's been great. You've loved the sense of freedom and space, not to mention indulging your passion for gardening. But after a number of years, it feels like your rural dream is no longer that. The fun has gone out of working on the land, there's endless maintenance and you're spending hours in the car commuting for work and activities.

You'd like more free time but it feels like the land is holding you back, so the time has come to sell up and move on.

Deciding to sell your lifestyle block is a big decision. Selling rural properties is more complex than residential, so you want to make sure you're getting the right information to maximise the value of your property. We can help. Here, we explain everything you need to know about selling your lifestyle block and moving onto your next exciting chapter.



1. What is the difference between selling a lifestyle property and selling a residential property?

When it comes to selling a lifestyle property, you're selling just that a lifestyle. When potential buyers visit your home, remember you are selling them more than just a house. You're selling them the picket fence, the chicken coop, fresh eggs every morning for breakfast, an expansive well-manicured lawn for their children to play in, and hey, maybe a few livestock animals as well!

When you're selling the dream, you've got to make sure it looks like one. Ensure windows are clean, de-clutter your house and keep it looking cosy. For help around the yard, hire a landscaper if necessary – especially if you have a lot of trees or large garden – to get your property looking spick and span.

One of the most important differences between lifestyle and residential selling is marketing. With residential, it's likely you can get away with online only advertising, but this isn't the case with lifestyle. Potential buyers could be coming from a major city, rural area or anywhere in between so it's important to cast a wide marketing net. This includes print mediums too - lifestyle property buyers often look in local newspapers for listings. Don't be afraid to take out a big ad!



2. Is now the right time to sell a lifestyle property?

You love your house and you've put a lot of blood, sweat and tears into it, but now you're starting to think it's time to move on. Perhaps your family circumstances have changed and you're looking to downsize. Or maybe you've gotten a new job on the other side of town and need a more practical commute. Whatever the reason, the decision to sell is a big deal, and one that shouldn't be taken lightly, especially when it comes to a lifestyle property.

Typically when selling a residential property, you'd consider factors like market conditions - but you have to think beyond this. If you have kids, will they have to change schools or sports clubs? Have you recently been through another upheaval, like a bereavement, health issues or a major change in your work? An even keel and a clear head will help you get a better result when the time comes.

Seasonality is also worth considering. When does your property look its best? At this point, you're probably envisioning the doors open with the sun streaming in and the garden in full bloom. You may be led to believe that summer is the best time to sell— and true, sometimes it is, but that isn't always the case. In New Zealand, most new property listings come into the market in February and March and again in October and November (close to 40% of all new

listings in a year come onto the market during these four months). It may be to your advantage to list your property in the winter months, where there will be less competition in listings.

Tip: Consider the property maintenance that goes into preparing your home for market. In winter you may only have to mow your lawn once every fortnight to keep it looking tidy, whereas in spring you could be out there twice a week!



3. Preparing to sell your lifestyle property

No matter when you decide to sell - whether that be in a couple months or next year - remember, when the time does come, first impressions are everything. That means you need to make sure you're keeping up with property maintenance and repairs in the meantime. Otherwise, when it comes time to sell, you will have a huge (and expensive) job on your hands.

The decision to buy a property is so often ruled by the heart – even more so for lifestyle buyers who have a dream they are aspiring to achieve. So it's vital your property creates a great first impression. From the quaint letter-box, to the sweeping (pothole free) driveway, to the front façade of your home and the tidy grounds and paddocks beyond, think about creating the picture-perfect new beginning for your buyers.

Farm Buildings

Your house might look great, but if your barn and equipment shed are in shambles, you could have an issue selling. Potential buyers might be discouraged at the idea of taking on structures in need of major repairs. Minor repairs are much less costly than a full replacement, so keep up with the maintenance of your farm buildings. It's even a good idea to add a fresh coat of paint when it's close to sale time. According to our agents, these are the most important areas to keep on top of - the ones that could be deal makers or breakers come time to sell.



3. Preparing to sell your lifestyle property



Trees

A few strategically placed beautiful trees add monetary value beyond the mere cost of purchase and planting. Apart from future selling considerations, they provide an aesthetically pleasing outlook.

Soil

This is a lifestyle farmer's most valuable resource, after all. Make sure you keep on top of pugged areas so your soil is in good physical and biological health. Limit stock numbers on compacted areas, improve drainage where soil is susceptible to water logging and irrigate soils that are susceptible to being dry. To improve pasture growth, apply fertiliser and lime.

The Home

Like any residential property, buyers will still be looking for appeal inside and outside the home. Ensure windows are spotless and your fence has a fresh coat of paint. The inside of your home should feel warm and cosy. If your furniture is a little sparse, consider buying some (inexpensive) pieces to give the room a cosy boost.



4. The benefits of using an agent to sell your lifestyle block

Selling a lifestyle property is much more complex than selling a residential property. There are financial, legal and tax implications, not to mention the potential risk of not getting the best possible price for your property. Keep in mind, a lifestyle block on the market a second time around is one of the hardest properties to sell, so you want to ensure you do it right the first time.

Lifestyle blocks are the property type most at risk of not selling, and there are numerous reasons for this, including poor selection of a real estate agent. Always choose an agent who specialises in your area as he or she will have a good handle on all the properties and will understand the individual requirements, features and subtleties in your area, as well as its unique selling points.

Selling a rural lifestyle property is a specialist field so the best agents understand buyers' requirements and provide them with the specialist knowledge needed to make a decision. Your agent should also have a database of potential buyers they can market your property to, even before the property is advertised, increasing the likelihood it will sell quickly.



4. The benefits of using an agent to sell your lifestyle block



Here's what you can expect an agent to do for you:

- Negotiate with buyers on your behalf. Agents are highly trained in the art of negotiation to get the best price for you.
- Focus on services before sale walking you through the whole process from beginning to end.
- Understand all the legal and tax issues, zoning, council regulations and market trends.
- Have a database of potential buyers they can market your property to.
- Provide access to print publications and specialist websites used to market lifestyle properties for sale.

Get a Professionals selling agent on your team

Find an agent now



5. Life after a lifestyle block - What are your options after selling your property.

If you're preparing to move on from your lifestyle property, chances are you've got a vision of where you want to go. But if you're undecided on your next move, here are a few options you could consider...

Downsizing

Downsizing to a house or apartment closer to town will offer you a new sense of freedom, without the significant upkeep of a lifestyle block. Like any big life change, there will be an adjustment period. Think carefully about the type of home you want to move to. Many people who have 'moved to town' have gone from one extreme to the other – from a reasonably large plot of land, to a property with no garden at all, which can be a challenging adjustment.

Build your dream home

Many lifestyle blocks in NZ come with an original home that may not have been your ideal home when you first took possession of the property. Despite best intentions, perhaps the renovations you planned at the outset were never realised. Well, now's your chance. Depending on your circumstances and desired location, the sale of the average NZ lifestyle property should provide you with enough equity to consider building a new home.

The timeframe between selling your lifestyle property, purchasing another property and building new could be months. As well as financial considerations (bridging finance may be necessary), if your property sells before your new home is complete, you may need to find somewhere temporary to live. Do the numbers carefully before you embark on this journey.



5. Life after a lifestyle block - What are your options after selling your property.



Shift to another lifestyle block

Just because you're ready to leave your current lifestyle property, doesn't mean you are ready to say goodbye to the countryside for good. While your current property may not fit your wants and needs, there's always the option of transitioning to another property that ticks more boxes. Ensure you have a list of negotiable and non-negotiable

requirements for your next property. The timing of the sale of your current property will also have a big bearing on the transaction for a new property, so there could be a period in between where you'll need to find somewhere temporary to live.

Subdivide

You love your current countryside location, but aren't so keen on the amount of work that goes into it. What if there was a way to have your cake and eat it too? Subdividing your property will allow you to stay put, downsize and make a return on your land all at the same time.

The subdivision process can be rather lengthy and involved. Consider the time and costs involved – the standard process for subdivision is likely to be lengthened by delays and costs will include fees charged by consultants, surveyors, the local council, LINZ, engineers and your lawyer. You will also need to consult with someone to find out whether you will have to pay income tax on the profits you make from selling your land.



Please note that the information provided in this guide is of a general nature and should not be construed, or relied on as suitable for your personal financial situation.
© 2018 Professionals Real Estate Group New Zealand,
Licenced Real Estate Agents REAA 2008