

The Value of Being Prepared

You would need to be living under a rock in New Zealand if you did not realise the property market is running hot. Against all the predictions and crystal ball gazing buying, selling and developing property went into overdrive as soon as we got out of lockdown last year. Initially, we thought we would have approximately three months of residual energy after lockdown and then a slowing of the market. The complete opposite has occurred and as buyers, developers and sellers you need to be prepared when you hit the property market, as turnaround times are now impacted.

Of course, we deal in property all day every day, but for some buying a property either residential or commercial, this is a first-time experience and in the current environment unless you are prepared it can be very challenging. If you need to borrow money from a lending institution you will need to get your finance approved and to know that you can get a loan and what your borrowing threshold is. Currently, there are more buyers than there is property available which is creating upward pressure on both stock and housing affordability. If you want to buy a property you need all your ducks in a row preferably before entering the bear bit of buying property.

When buying a residential property, we often get phone calls enquiring how much the fee will be for a valuation for mortgage security purposes. However, the first point of contact should be with your bank as all residential valuations for mortgage security purposes are ordered by your bank through a panel (Corelogic or Valocity) and a Registered Valuer is randomly selected to undertake the valuation. In the current environment, there is a six-day turnaround for bank panel valuations, two if it's urgent but you will incur a penalty urgency fee.

This turnaround time has only recently been extended from four-six days as valuation firms were unable to undertake the work in the specified turnaround times. Given that we also take direct instructions for a variety of other purposes, for example, relationship property settlement, insurance, trusts, GST apportionment, compensation, planning to name but a few, means that all the Valuers in our office (and we are not alone) have at least six week's work ahead of them. Therefore, it can take a while through the panel to find a firm that has the capacity to take on further instructions even though you are under a deadline.

As Registered Valuer's we have a duty of care and professional pride to provide best practice work as well as complying with strict obligations to our stakeholders, professional

governing bodies and professional indemnity insurers as well as valuing in an uncertain,

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Covid-19 impacted world. Valuations are evidence-based and considered and there is a time factor involved, no matter how efficient our systems are. We need to physically inspect, and gaining access to a property can take time, we need to sight comparable sales and then we need to analyse the evidence to provide a valuation that the stakeholder and client can rely on. This all takes time if the work is to be robust and considered, especially in the current environment.

The same applies in the commercial property sector where the work is often further complicated by how many parties are involved, leases, the scale of the facility, the special purpose or use of the property and the level of compliance required by the stakeholders and our professional governing bodies, not to mention the increased strictures our Professional Indemnity cover and providing the necessary consideration such a job requires.



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To expedite the process, it helps to have as much detail for us to complete the work especially in the commercial sector, such as Deed(s) of Lease, various renewals, insurance premiums, seismic and asbestos reports and depending on the purpose any other information required. If building off plans, supplying costings, stamped plans and an accurate location of the property is helpful. We have often lost

days going back to the panel/and or client for more information and detail required to do the work.

There is high demand, low-interest rates and not enough property. This combined with the high levels of compliance, professional best practice and the impacts of the new Covid-19 impacted world we inhabit means that the sector and all its component parts

are at capacity. It is advisable to give yourself time and understand that the turnaround times will be slower even though we are working as efficiently as possible.

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