

March 2011 Issue

STUDIO NEWS

Urban Studio
PROPERTIES LIMITED



NATIONAL CHRISTCHURCH DAY OF MOURNING - 18TH MARCH 2011

With John Key's announcement that Friday 18th March will now become Christchurch's National Day of Mourning, the real estate industry came together to drive a national black t-shirt campaign to coincide with the date.

The t-shirts were designed to help New Zealanders communicate their grief and support for everyone in Christchurch and to raise funds to help them rebuild their lives. The t-shirts have been a huge hit in Auckland and wherever wearers of the t-shirts go throughout the country, they are being accosted by others who are keen to get hold of them. The t-shirts are only \$25 each because companies and individuals have generously given their time for free to maximise the profits given to the Chch Heart Trust.

T-shirts can be purchase direct on the website www.chchheart.co.nz.

Once again, our thoughts are with all those in Christchurch and we commend this initiative to invite you another way we can all support those in need.

CHRISTCHURCH EARTHQUAKE APPEAL

List and sell with us until the end of April 2011
and we will make a monetry donation to the
Christchurch Earthquake Appeal

MAKE YOUR GARDEN WORK FOR YOUR HOME

It is often said that spending a lot of money on a garden can over capitalise a home and that money is better spent indoors than out. Is this the case?

It is true that many home owners get carried away with garden fever and don't ask themselves if the money spent on landscaping will be realised down the track when they come to sell. The amount allocated to landscape design and planting must be in proportion to the overall value of the home or it can easily add cost that doesn't add enough re-sale value. Home owners need to be aware of the percentage cost of the overall value of the home that landscaping represents; obviously there is a big difference in the amount that should be allocated to landscaping in a house worth \$300,000 and a house worth \$3,000,000!

Astute home owners soon work out that a drab and unimaginative garden will detract from the value of a home because it will not give buyers the feeling they want to live there. Even buyers who don't think they care about gardens and gardening are attracted to the overall picture of a property where house and garden complement each other so that the whole is more harmonious.

Driving around any town or city, it's not hard to come across square front gardens with rectangular lawns, borders and straight driveways leading to a garage. Naturally the houses wrapped by such gardens look equally ordinary and uninteresting. Unimaginative landscaping such as this still costs money but rarely adds that 'wow' factor when buyers start coming through.

What is often lacking in such gardens is a sense of mystery - one of the main elements of good design that makes even a small garden more appealing to buyers. It's not a good idea to design the garden yourself - unless you have appropriate skills. A keen gardener with a green thumb is not the same as someone who understands how to use plants in an architectural way to design and furnish a space with a sense of harmony and mystery.

THE 2-2-7 RULE

Most people ask several agents to come and give them an idea of what their home will sell for. Sometimes they choose the agent who sets the highest potential price, and sometimes they go for one who appraised it as likely to sell for a lower figure. But whichever agent they choose, they are likely to want to set the asking price at the highest quoted figure. Unfortunately for them, home sellers almost always believe their properties are worth the highest amount quoted, and many less professional agents play to this in the hope of winning listings. But setting a too high asking price can work for them if they understand the 2-2-7 Rule of marketing.

Experienced agents know that sometimes home owners like to at least 'try' for a figure higher than they are really likely to achieve. Perhaps they need to 'prove' that a price is unrealistic before they can move on. But they also know that if the property does not sell at this figure, strategic timing in reducing the asking price is crucial to keeping buyer interest and achieving the highest price in the long run. The 2-2-7 rule sums up the essence of this timing strategy.

Provided the property is both well-presented (clean and tidy including maintenance of any lawns and gardens) and well-marketed, the system for reducing the asking price works thus: After two ads and no calls or two Open for Inspections and no inspections or seven inspections and no offers it is time to reduce the asking price. For a reduction to be effective, (i.e for buyer to react positively), it must be a minimum of 5%.

How does a vendor know if their property has been well-marketed? Good marketing does not mean spreading advertising money thinly across every advertising vehicle on offer. Check that your agent has done research of previous buyers to isolate the three or four main sources of enquiry for your local area. If they haven't done this, it may be time to choose another agent.

experience.
the difference in real estate

GET FAIR PLAY IN YOUR APARTMENT BUILDING

Are you an owner in an apartment block where the Body Corporate's governing committee or members thereof have been authorised to manage the affairs of the building on behalf of the other owners? Is your governing committee saving money by not employing a professional body corporate managing agent (often known as a Strata Managing Agent)? If you are in this situation and you are very lucky, you may be governed by someone knowledgeable and fair and you might as well continue as you are and save the fees payable to a professional, but if not, read on.

If you are reading on, it's possibly because you've realised the person authorised to manage the building on your behalf is making decisions based on their own self-interest or other agenda rather than in line with what is legal and appropriate. Or perhaps they don't know enough about state and local laws applicable to Bodies Corporate, and are making legal gaffes or wasting or mis-spending funds. Bad 'owner managers' may veto decisions they don't like and even exclude legitimate business from the agenda. They may try to use their power to wage vendettas against other owners they don't 'like' for inappropriate personal reasons such as their objection to the other owner putting tenants into the building rather than occupying the unit themselves. It is not uncommon for such a manager to refuse, for example, the repair of a sagging ceiling in a top floor unit where broken roof tiles have leaked water into the roof cavity damaging the ceiling, even though the ceiling of the top floor unit is part of the Body Corporate's responsibility at law, no matter what caused it to sag. And all because the authorised person in charge of the building's affairs is at best trying to avoid paying out communal funds or at worst doesn't like the owner in question.

While many owner managers manage their buildings with wisdom, doing research where they are ignorant and practising scrupulous fairness in decision-making, there are many who get too close and let their personal feelings influence their decisions. It is almost always better for the Committee or Executive Committee to employ an independent third party - a professional body corporate managing agent e.g. Strata Managing Agent - to look after the affairs of the building at a relatively small cost, rather than risk the development of hostilities and adverse politics amongst owners or even non-compliance with relevant laws.

If you feel this is happening in your apartment building, contact the appropriate legislative body in your area (e.g the Department of Fair Trading or equivalent) and ask for independent advice.

NEW APARTMENT BLUES

Are you lucky enough to be buying a brand new apartment in a brand new apartment complex?

Most apartment buyers think their headaches are over once they have done all the legwork to find the right apartment, paid the final settlement payment and moved in all their furniture. But sometimes this is when the real headaches start.

Many buyers of new apartments find that, for a few weeks after they move in, they suffer unexplained tiredness and headaches. They search for a cause in their lifestyle and can't find one. Often what is happening is something called 'off-gassing', common in brand new apartments.

The reason for 'off-gassing' is that there are residual fumes from lacquers, paints, sealants and glues. In a new apartment, every surface, joints or seal is releasing fumes into a fairly confined space. Air-conditioned apartments are often the biggest problem because the same air is being re-used and simply keeps coming back into the room.

If you are about to move into a new apartment, makes sure you insist that it has a chance to have windows and doors open so that the fresh air can circulate and carry off the fumes. If you are already installed and realise that this may be happening to you, just make sure you open the place up for a few days to dispel the gasses that are making you feel sick.



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