

The RayWhite logo is positioned in the top right corner of the page. It consists of the brand name "RayWhite" in a bold, italicized, sans-serif font, set against a solid yellow rectangular background.A thin vertical line extends from the top of the page down to the start of the main title.

RAY WHITE NOW

A short, horizontal yellow line is located directly beneath the word "NOW".

Real time residential market insights
8 June 2020 - New Zealand

A thin vertical line extends from the subtitle area down to the bottom of the page.A thin horizontal line runs across the entire width of the page at the bottom.

Dear Property Owner,

More so than ever it is times like these that you require validated information that gives an accurate picture of where both your property and the market currently sit.

It has been a turbulent period over the last ten weeks none of us would have been able to predict the social and economic experiences that we have been through and continue to navigate.

The decision to buy and sell in the current market has brought about different questions around timing in the real estate transaction. There is a lot of speculative reporting about what may happen with real estate generally and while there is value in a degree of forecasting we believe that there needs to be a focus on today's sediment to balance decision-making with accurate and detailed real-time information.

Our New Zealand network transact over 15,000 properties per year and manage over 18,000 rental properties. A combined portfolio in sales and rentals of \$23 billion worth of property. Our data allows buyers and sellers a deep understanding of today's market.

There are more factors to consider and we are here to help answer those questions both through our Ray White Now document and also personally through a highly skilled licensed sales team of 2,300 and 181 community-based Ray White Offices.

Regards

A handwritten signature in black ink, appearing to read 'Carey Smith', with a stylized flourish at the end.

Carey Smith
Ray White New Zealand Chief Executive

| | |
|-----------|------------------------------------------------------------------|
| 6 | Market resilience |
| 7 | Selling in the current environment |
| 8 | Why are we seeing strong sales results now? |
| 12 | If I am considering selling, why should I go to market now? |
| 13 | Why is there buyer confidence at the moment? |
| 14 | Why is Ray White considered in so many markets to be the leader? |
| 19 | How has COVID-19 reshaped the selling process? |
| 20 | Our full safety policy |
| 21 | About Ray White |



Informed sellers know now is the time.

As the results came through for the month of May there was a clear sign that the real estate market is recovering in both terms of volume and also turnover. Prices have remained consistent with listed prices increasing and this has occurred during the past 10 weeks of the economic changes that we are experiencing.

There has been a clear shift in the way the real estate market is being described by many commentators who have now readjusted their speculative forecasts to balance with real-time information that gives a positive view of the current market.

During the past seven days we have been afforded by sellers to market 303 properties and this includes listings by way of auction, tender and exclusive control marketing. We have achieved strong sales results and this is providing confidence for our clients; while buyers remain positive given the lowest home loan rates on record together with the easing and better entry to home affordability.

Our overall numbers signify increasing sales with a lowering inventory level. Providing confidence to our clients who are considering selling remains a challenge.

Market resilience

The continued resilience of the New Zealand real estate market has never been more evident than over the past period. Prior to entering into the lockdown, the market was very strong and it would surprise many to see the continuing level of activity and the prices that are being achieved, although the market has operated under restrictive conditions and amidst negative and speculative media commentary.

While many are feeling a degree of uncertainty about the real estate market in the broader community for the month of May, Ray White New Zealand sold 1,089 properties valued at NZ\$843 million. This is a remarkable number given it is 76% of the sales that were completed in 2019.

There are clear factors that give rise to the confidence of continuing market resilience.

The low inventory of property works in the seller's favour given that there are potentially multiple purchasers for the number of properties that are available on the market. There is a high level of pre-approved purchasers which are able to make decisions based on continuing better affordability for the purchasing of property.

As one of the largest real estate groups, selling one in every five properties across New Zealand, we are uniquely placed to provide our clients with the most relevant and timely information and data to assess current market activity and outlook.

As a family-owned and led business with 119 years of experience across Australasia, including operating through two World Wars, the Great Depression and financial recessions, we know that we can deliver you the highest quality outcomes for you in the current market.



Ray White New Zealand Auctioneer, Ben East auctioning 14 First Avenue, Kingsland for Ray White Ponsonby with physical distancing in place.

Selling in the current environment

Like most property owners, you'll probably have questions about what has and hasn't changed in the way in which properties are being marketed in the current environment.

Is now a good time to market my property for sale? Can it be marketed safely? How can buyers inspect properties? Can all of the usual activities continue on for my property to be successfully sold.

We are concerned that our clients may make decisions to stay out of the real estate market based on speculative media reports that often paint a negative picture about the future on prices without factual information.

Real-time data creates an accurate picture of the balance between buyers and sellers, what makes markets in various areas remain strong, and what is giving buyers continued confidence to purchase property.

We've created this document to provide clarity to all our customers on what is happening in the market now. If you are considering selling we explain how you can take advantage of the current conditions to achieve the best possible sales outcome.

We have successfully adapted our processes in order to continue to safely fulfil the needs of our customers in the current environment. The process of selling has changed a little, yet our activity over the past two months have shown that these processes are working very effectively.



Why are we seeing strong sales results now?

Our clients that have come to market in recent weeks have achieved largely great results because of the basics of supply and demand.

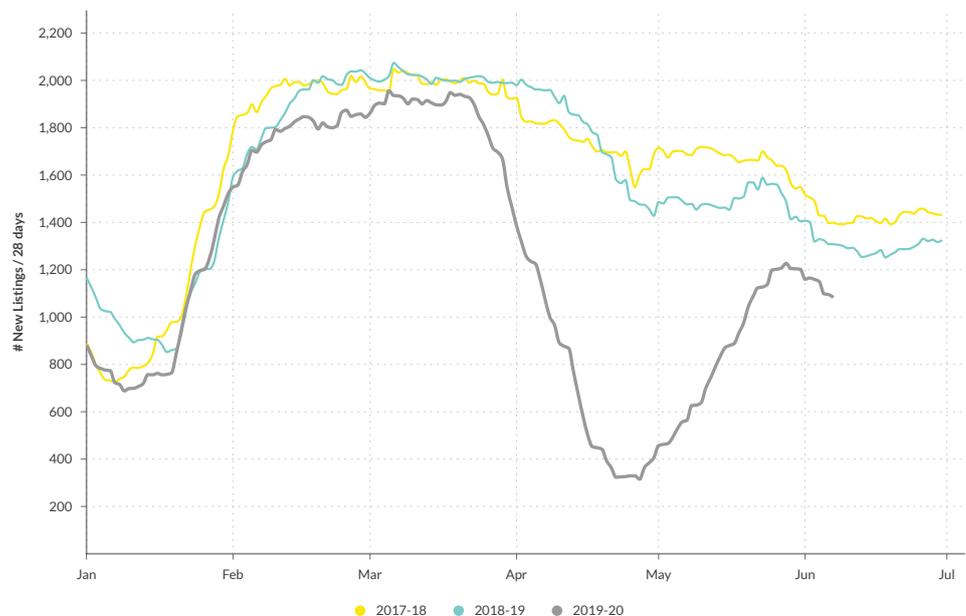
In regards to supply, the number of properties 'for sale' has reduced significantly. With less properties for buyers to choose from - this leans towards our sellers obtaining an advantage in achieving better results. So the buyers active in the current market are competing over fewer homes, which is great news for every property owner who is currently marketing their property for sale.

The other fundamental is that of demand, and in the case of real estate, buyers are the demand. We have seen strong demand from buyers active in the market looking to transact. When we look at our auctions in recent weeks, we have seen the average number of bidders per auction exceed the numbers that were achieved before the current environment. So what factors are contributing to buyer confidence?

- Interest rates are at record lows - 27% lower than 12 months ago. Importantly, the general consensus among economists is that they will remain at these low levels for the foreseeable future.

New listings to the market

The chart illustrates the reduced number of new listings that is currently coming onto the market up to 8 June 2020 compared to the two prior years.



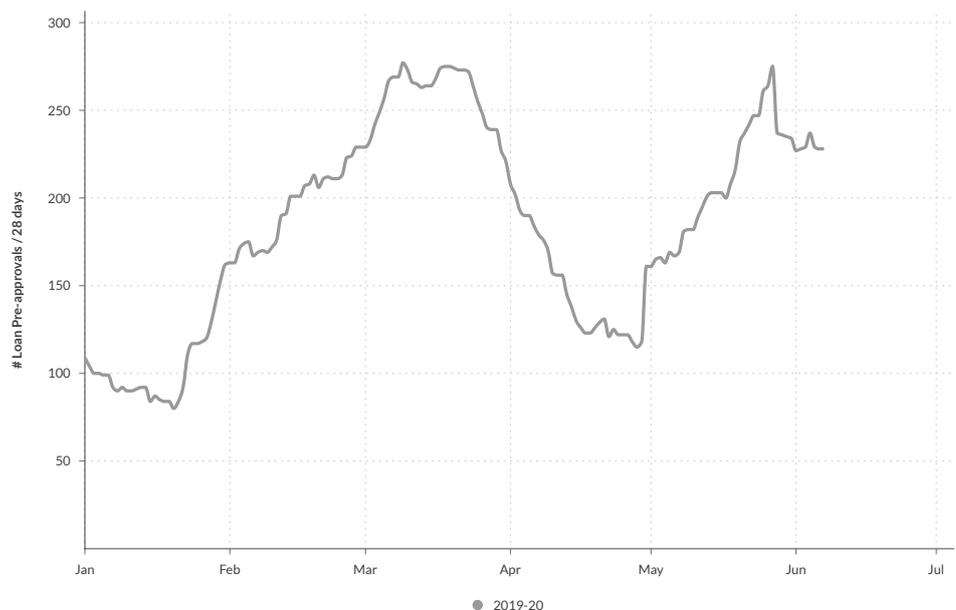
Source: Ray White Listings Data

- Interest rates are a driver of home affordability and in many areas, while prices have risen in the last 12 months, corresponding interest rates have reduced.
- Banks and lenders remain very supportive of lending for residential property. The chart below shows the monthly home loan pre-approvals recorded by the Loan Market Group, which is our loan brokerage partner and New Zealand's largest independent broker that settles over NZ\$650 million in loans per month. Pre-approvals are indicative loan approvals obtained by buyers before they buy a property to enable them to bid confidently.
- Record levels of government stimulus is part of the supporting reason behind a high proportion of buyer sentiment.

Evidence of the strong demand is illustrated below showing the number of enquiries we have received on realestate.co.nz and trademe.co.nz. Our raywhite.co.nz site also has seen a significant increase in direct enquiry and search based visitors.

Loan preapprovals

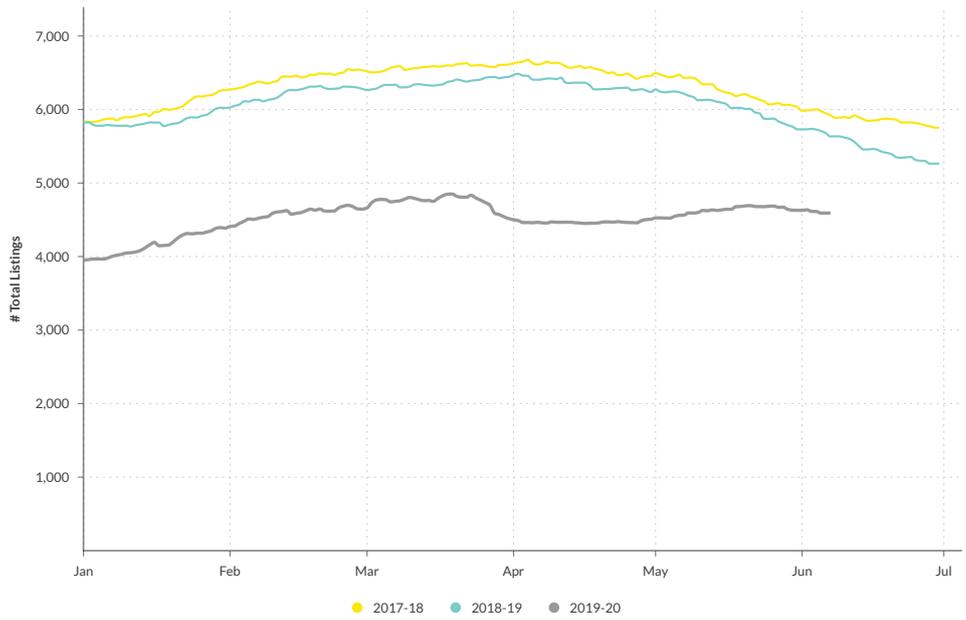
This chart compares the number of loan preapprovals submitted via Loan Market brokers over the 17-18, 18-19, and 19-20 financial years. It shows higher levels of preapprovals now compared to 12 months ago



Source: Loan Market

Total available listings

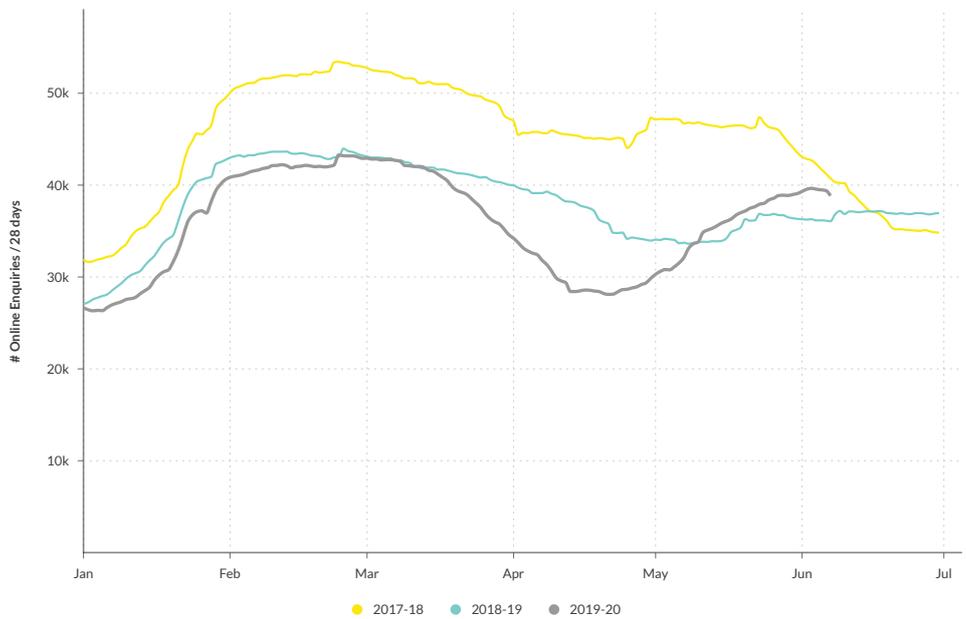
The chart illustrates how the reduced number of new listings to the market combined with a healthy number of sales still taking place up to 8 June 2020 has reduced levels of properties for sale.



Source: Ray White Listings Data

Online enquiries

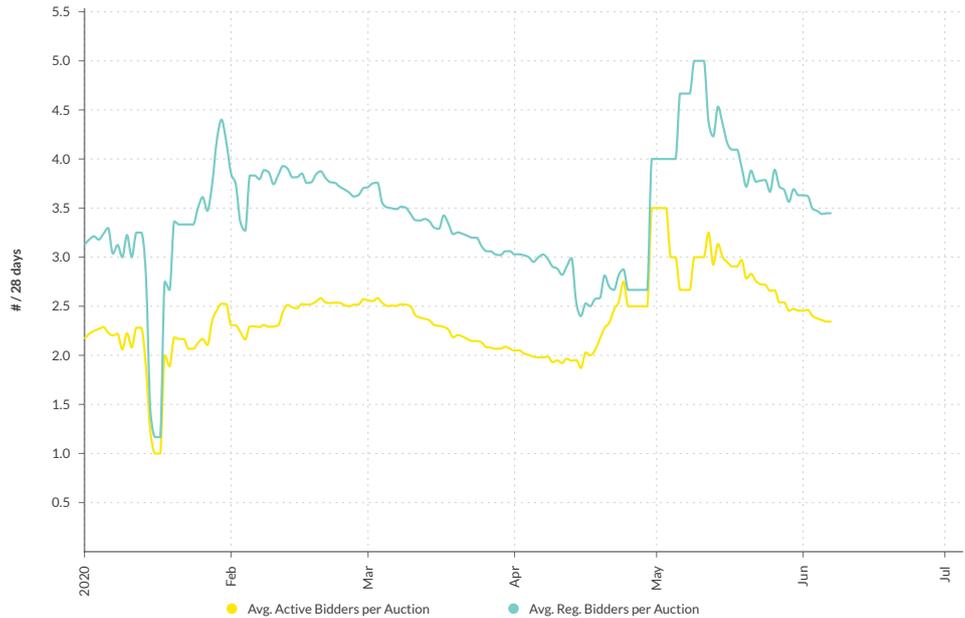
This chart compares the number of online enquiries made through Ray White websites over the 17-18, 18-19, and 19-20 financial years. It shows that there are more online enquiries now than 12 months ago.



Source: Ray White Online Analytics

Bidding by month

The chart illustrates that the average number of registered bidders per auction has been increasing through 2020 as at 8 June 2020. This is certainly an area that is underpinning prices continuing at strong levels.



Source: Ray White EARS Auction Reporting System

In summary, less supply and strong demand create favourable selling conditions. The current conditions enable us to fulfil our fundamental duty to our sellers: to do everything we can to create as much competition for your home as possible and deliver a premium result for you.

If I am considering selling, why should I go to market now?

Whilst the current selling conditions are strong, it remains extremely hard and uncertain to predict what may happen in the property market over the next six months, 12 months and certainly the next few years.

There are many economists predicting that property prices may decline over the next year or so. When you consider the two basic fundamentals that drive property prices - supply and demand - many are suggesting that supply may outweigh the demand in the next six to 12 months and possibly longer, creating conditions less favourable for sellers.

How have these opinions been derived? The key government stimulus package (the Wage Subsidy Scheme) is currently scheduled to end this month, although qualifying businesses are able to apply for a further eight-week extension through to the end of August 2020. Banks have offered a large number of homeowners mortgage deferment support which is scheduled to end in September 2020. Many experts are saying that when these support measures come to an end we will start to see larger volumes of new properties come onto the market, causing a large supply of properties available for purchase.

What many economists are saying that the next 12 months may hold:

- Wage subsidy support finishes;
- Mortgage deferment support ends;
- Significant rise in unemployment; and
- Therefore the number of properties for sale will increase and there will be less buyers looking to purchase property.

Regarding buyers, the withdrawing of government stimulus and the potential for a steep rise in unemployment may result in fewer buyers having an ability to purchase properties. The New Zealand Treasury is forecasting unemployment to peak at 9.2% this year.

Because of the above considerations, the news is full of comments by economists speculating that property owners will not achieve a better result by waiting to sell in six to 12 months, or even longer. In its May New Zealand Property Focus report ANZ economists confirmed their previous forecasts and expect to see house prices to fall 10-15% over the coming year, compared with an 8-10% fall in GDP.

There are some economists that are not as concerned by these potential risks to the economy. They point out that significant low-interest rates will provide a sustainable buffer to home affordability, and that the rise in unemployment is in sectors that will not materially impact buyer activity. However, even these economists acknowledge there could be downward pressure on prices over the medium term.

It is for these reasons that many are saying if you are thinking about selling over the next year or two, now could be the time to achieve the best result.

Selling now takes many of the above risks out of the equation and enables you to sell with maximum certainty. The alternative to avoiding the potential risks ahead is to postpone selling your property for the next few years if you can.

Why is there buyer confidence at the moment?

There are many reasons for the current buyer demand. The most significant of these reasons relate to finance.

With interest rates at all-time lows now at below 2.7% and with banks being supportive of purchasers, we are seeing many buyers wanting to take advantage of these factors. Obtaining secure credit on excellent terms while they are available is certainly influencing demand. This is not only the case with first home buyers but across all sectors of the market.

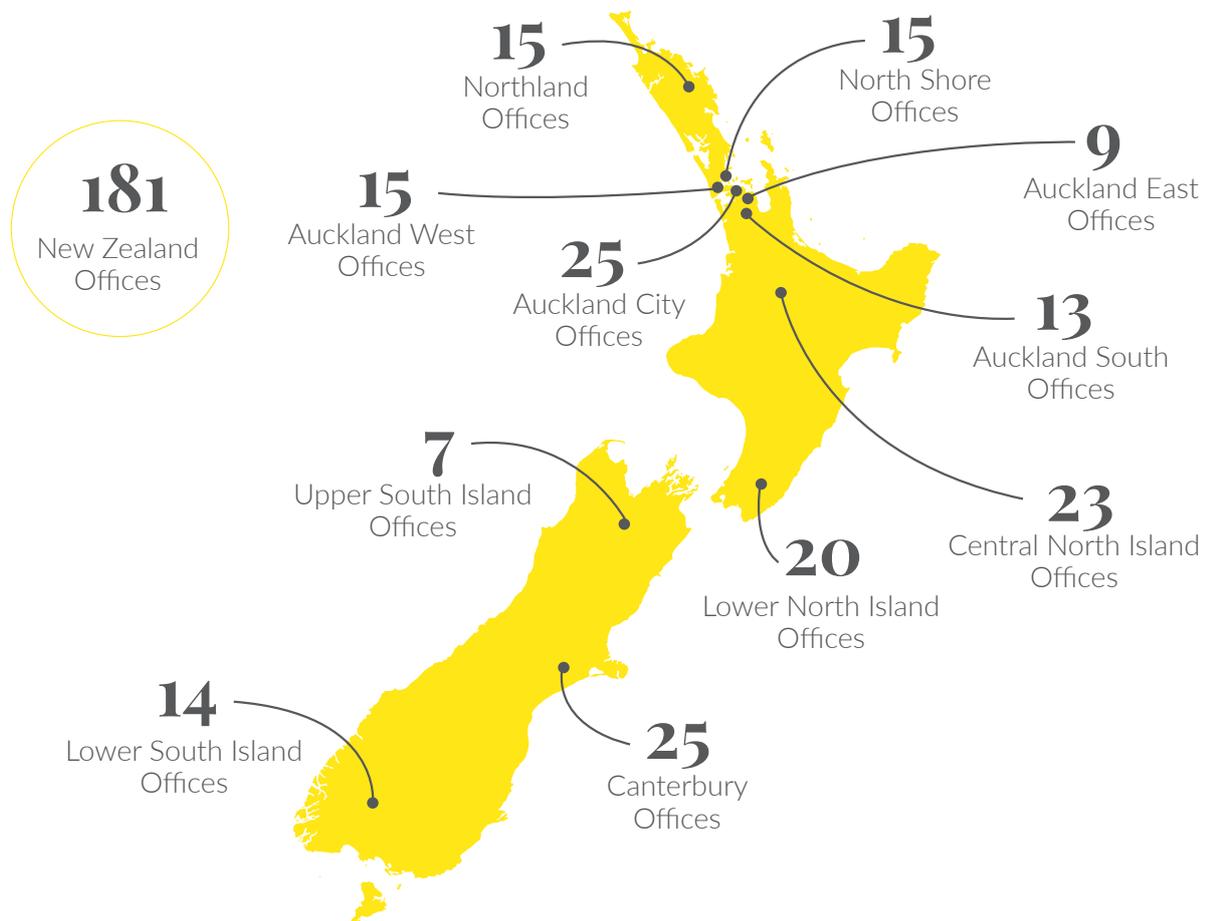
The current financial conditions have also changed the equation of rent versus buy, especially those buyers with job security working in industries not materially impacted by the current economic environment.

In any market environment, there remains a significant number of buyers who are looking at buying and selling within the same market. When you consider this, market conditions generally don't weigh in as much on the decision for those looking to upsize, downsize or relocate.



1/41 Arnold Street in Sumner, Christchurch where Salespeople Anna Loader and Bronny Clifford sold a three-bedroom townhouse.

Why is Ray White considered in so many markets to be the leader?



We believe that we are the market leader in many markets because we have built market share during times of uncertainty. Maintaining faith in our ability to create competition for our sellers in all markets with relentless enthusiasm has been our uniqueness.

Our role is to be the “Competition Creators”. We understand that once your property has been sold your key question will be, “Have we achieved the very best price possible in today’s market?” At Ray White, we do this by creating competition among potential buyers.

In today’s market, there is a lot of information readily available to buyers through online research. Buyers assess this information and develop a perceived market value estimate and thereby creating a “ceiling” price.

The only sure thing that can change a potential buyer’s mind and increase their offer price is the realisation there are others who desire the property and are prepared and willing to pay more.

Creating competition is the best way to achieve an exceptional result for your property. Through the interplay of competition, it’s our aim to achieve a figure which we are happy to present to our sellers - a figure that is a reflection of the buyers competing for the property.

This is what we call creating competition. That is how we profess to bring true value to our clients who are selling their property.

So how do we create the most competition for your property?

1. Marketing exposure



Most innovative auction business in New Zealand

Our enviable position comes from an unwavering commitment to marketing and auctions - whether that be safely on-site or in-room.

Ray White listed 1,506 properties during May, with a sales rate of 85.7%.

In April, Ray White had 37.6% market share in regards to auction listings. That means more than one in three properties listed for auction was with Ray White.

Our national team of auctioneers quickly adapted to our new auction process, using our unique technology that was created by our team of in-house experts.



Tender and Exclusive Listing

Our approach to Tender and Exclusive is aligned with our marketing methods of creating competitive situations between buyers to create the best outcomes for our vendor clients.

We have never lost faith in the value we can bring our vendors in a challenging market through effective marketing. If you choose to sell, we will be suggesting an investment in marketing, as we believe it enables us to maximise competition and clearly illustrate your intent to sell and therefore attract genuine buyers. We appreciate that some people would prefer to sell quietly, or off-market, and while this is not a normal recommendation we welcome discussion on all opportunities to safely put your property to market.

2. Generating buyer enquiry

Being one of the largest real estate groups in the country has direct advantages for our sellers. Our ability to target the largest pool of buyers within a campaign is a strength which you can be confident will assist us in delivering the best possible result for you. In the current market conditions, it's critical to target the broadest possible audience and to be as efficient as possible in tailoring appropriate messaging to your potential buyers. After all, our focus is to seek out the buyer for your property that will pay more than everyone else.

We do this by having the greatest number of relationships with buyers in the market today. Combine our relationships with our use of technology, we can engage with buyers on a level that will ensure we can find the premium buyer for your property.

In addition to our ability to target broad audiences, Ray White Concierge, our communication specialists, unique to Ray White, can target one of the most influential audiences, our local communities. Our 119 years of real estate experience has enabled us to understand that a catalyst for creating competition is leveraging the local community and our data shows that in some cases, up to 60 per cent of property purchasers come from neighbours and their friends.

Concierge is able to communicate to property owners in surrounding streets, positioning your property to ensure that it is at the centre of our communities' attention. With our dedicated team of 100+ Ray White Concierge specialists, Concierge in coordination with our appointed agent, can deliver a layered community communication program including telephone calls, SMS and email, ensuring that the most influential people are alerted early to the sale of your property.

3. Unrivalled brand presence and media profile

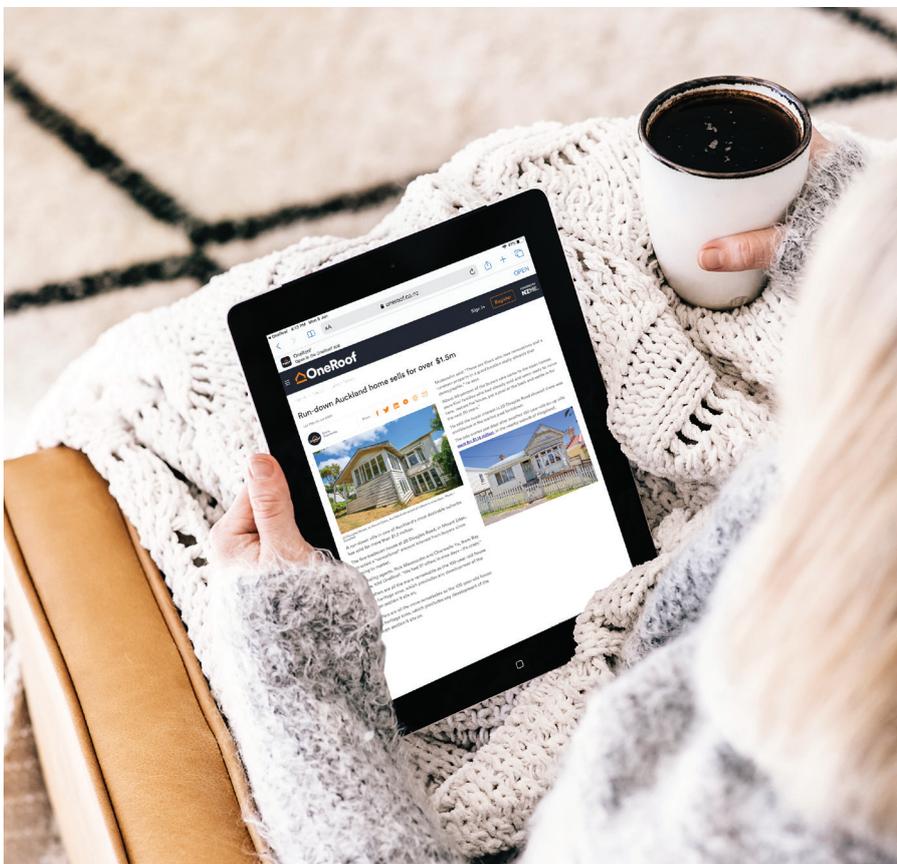
As Australasia's most successful real estate group, supported by a dedicated and highly experienced team of newshounds in our PR team, we are able to generate maximum exposure for our customers.

Our media exposure dominates all other brands in terms of publicity - which is the sweet spot.

To put a price on the power of the media coverage we create, it was worth \$85 million in April, and \$120 million in March 2020.

We have a dedicated team of highly experienced in-house journalists who can get your property the exposure that money can't buy.

When a home is listed with Ray White, our clients are introduced to the national public relations service; a team that's plugged into the New Zealand media and has the sole focus of achieving more exposure for the properties we sell, to the audience that matters most.



Main: Online OneRoof Article an Auckland villa sells for \$1.5M - Rick Mozessohn and Channelle Yu, Ray White Mt Eden.

Top right to bottom: 1. Tim McGoldrick auctioning in-rooms at Ray White Corporate Christchurch with physical distancing in place.

3. Craig Prior auctioning on-site in Christchurch **4.** Print Article - Front page of The Press on the return of in-room Christchurch auctions.

4. Deep data set

In times of uncertainty, property sellers need facts, not media speculation, to be able to create informed decisions. Whether that be a decision to list your property on the market or to be in touch with real-time market conditions. The reliance on data and proof points has never been more important for good decision making.

As the largest real estate group in Australasia, we have access to the largest pool of up to date information available and have the experience to help you analyse relevant data to help you make the right decision.



Ray White's innovative data portal, Ray White Pulse.

How has COVID-19 reshaped the selling process?

Our processes put your safety first. We understand that you may have some concerns for your wellbeing when considering listing your property in the current environment. We remain confident that our members have had the best support to ensure they can market and sell your property in the safest way possible.

It's important to note that some of our members have been so successful with the implementation of technology to support the selling process throughout COVID-19 that many are going to continue to use some of these processes beyond the current environment.

There have been a few changes to the way in which we can go about achieving the best results for our clients.

Rest assured, we at Ray White have led the way with innovation in how we have adapted to these changes while insisting on safety for all of our clients. Whether it's an online auction, online appraisal or a private inspection, technology is now a greater part of real estate processes than ever before. Ray White is fortunate to have the scale and ability to leverage technology and tools to attract buyers to listed properties through online and digital processes.

All of our members have been supported to ensure they are practising social distancing practices, no-touch policies on all surfaces within a property as well as mandatory hand sanitising upon entry. Traditional 'open homes' have been adjusted to protect you and your family and the health of all prospective buyers.

Our full safety policy for arranging or conducting inspections and auctions includes the following:

- Check that the occupants are not unwell with flu-like symptoms, self-isolating or have been in contact with a confirmed case of COVID-19 in the 14 days prior.
- Arrange with the owner to prepare the property for contactless inspections. Have key drawers, pantries and wardrobes open and ready to view. Open as many doors and windows as possible. Attendees are to be encouraged not to touch anything.
- Encourage the occupants of the property to vacate the property during the inspection, either for the purpose of a permitted activity (shopping, exercise etc) or where this is not possible, by retreating to the front or backyard.
- Register all attendees to assist with contact tracing. Retain registers for at least 2 months in case they are required by Worksafe or the Ministry of Health.
- Have hand sanitiser available at the entry of the property or auction room.
- As a condition of entry, require attendees to indicate that they are not unwell with flu-like symptoms, self-isolating or have been in contact with a confirmed case of COVID-19 in the last 14 days.
- Prohibit physical contact, including shaking hands. We will greet you with a wave, bow or another contactless greeting instead!
- Observe 'physical distancing' protocols.
- Queue management processes/measures to be in place to ensure attendees waiting to enter maintain physical distancing.
- On completion, arrange to have any surfaces of the home that were touched wiped down with antiviral cleaning products.

About Ray White

Ray White is a fourth-generation family-owned and led business. It was established in 1902 in the small Queensland country town of Crows Nest and has evolved into Australasia's most successful real estate business, with over 1,000 individual offices across Australia, New Zealand, Indonesia and Hong Kong. Last year, Ray White sold over \$40.7 billion worth of property.

Ray White today spans residential, commercial and rural property as well as marine and other specialist businesses. Now more than ever, the depth of experience and the breadth of Australasia's most successful real estate group brings unrivalled value to our customers. A group that has thrived through many periods of volatility, and one that will provide the strongest level of support to enable its customers make the best real estate decisions.



Ray White's first auction house, 'The Shed'.
Crows Nest, Queensland.

Loan Market™

Loan Market, New Zealand's multi-awarding winning mortgage group has been helping Kiwi's with their financial goals for over 26 years (and counting). In these trying times, brokers have been supporting clients to understand their options and help navigate the complex banking world and ensure everyone can get access to a more competitive deal when it comes to loans.

While interest rates are at "all-time" lows of below 3% across all parts of the interest rate curve, access to credit is tight, as such, advice is essential. Loan Market has access to New Zealand's widest range of banks and lenders you know and trust, talking to our Loan Market Advisers will help navigate the options to ensure buyers are approved to their maximum buying power.

A group of five people in business attire are gathered outdoors in a grassy area with trees in the background. A woman on the right is wearing a black blazer, a yellow and white striped scarf, and a black skirt, holding a smartphone. She is smiling and looking towards the others. The other four people are seen from the back or side, engaged in conversation.

*On auction day,
there can only be*
One Winner

All of our marketing methods are attracting increased buyers. There's only one winner, your property. List now.





raywhite.co.nz



loanmarket.co.nz