

RAY WHITE NOW

PROUDLY PRESENTING NEW ZEALAND
REAL ESTATE INSIGHTS IN REAL-TIME

DECEMBER 2021







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DEAR PROPERTY OWNER,

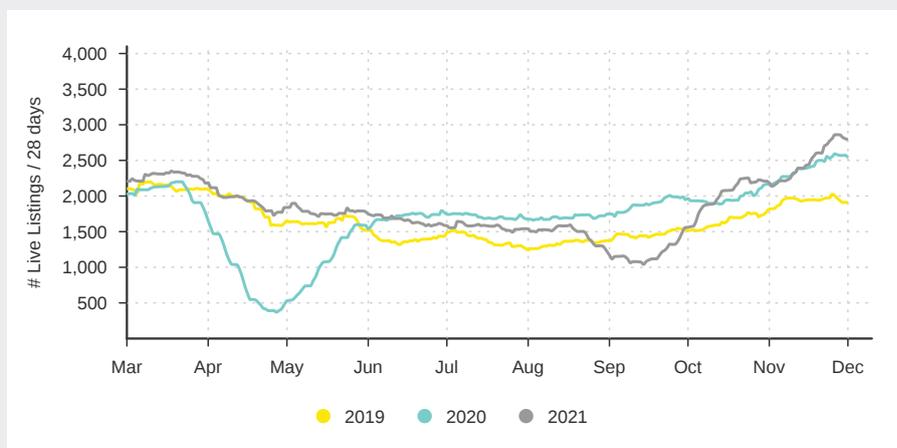
Our 47th edition of Ray White Now is published at a time when New Zealand has moved to the new traffic light protection framework, which will see certain areas in the red light environment and the balance of New Zealand in the orange light framework.

We have adopted our practices in support of the new framework. Each of our Ray White offices and licensee salespeople are aligned to the industry guidelines through the Real Estate Authority together with the Real Estate Institute of New Zealand.

The real estate market has remained upbeat during November despite the rise in listings and the announcement of interest rate rises together with further potential lending restrictions for investors. While there was more choice for buyers, sales remained at a high level, with the Ray White group completing \$2.33 billion in sales value, which was 24.6 per cent up on the same time last year while the sales numbers increased by 2.6 per cent. The variation is largely due to the price increase across New Zealand, which during the last 12 months, has averaged at 25.5 per cent.

During November, the number of listings entrusted to Ray White increased by 36.8 per cent to 3,117 new properties. While this was a substantive increase on the previous months, this level of new property coming to the market was not unexpected given the months of restrictive trading. Overall, this lifted the number of properties available on the market by 18.58 per cent on the same time last year, with 4,227 properties available for buyers.

Data provided by realestate.co.nz shows the increase of new property listings has lifted to 19,260 properties which is 5.1 per cent ahead of November 2020. In regard to the last three months, there has been a continued lift in new listings, which has seen the total stock available across New Zealand lift by close to 6,000 properties, or just over 30 per cent, in three months. Rising property listings can act as a slight headwind for property value growth.



Source: Ray White Online Analytics

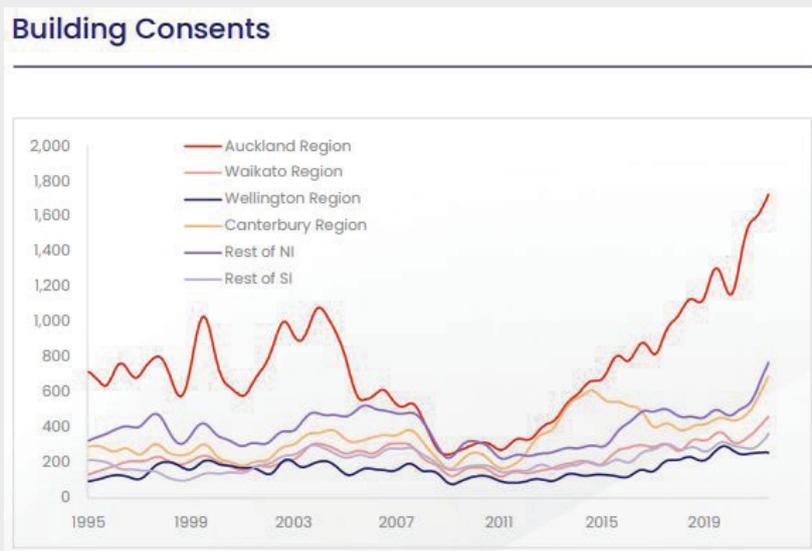
This in itself has created a more balanced market where buyers have more choice and the opportunity to make decisions in comparison to other properties available on the market.

The Reserve Bank of New Zealand raised the official cash interest rates on 24 November from 0.5 per cent to 0.75 per cent. This was widely expected in the face of inflationary pressures and a tight labour market. The Reserve Bank signalled that the OCR will continue to increase, which is possible across the next three reviews. Employment is now considered at a maximum sustainable level. Given the range of economic indicators continue to perform above potential, the bank sees a way to leverage more sustainability through interest rate rises.

The first signs of competitive bank lending may see interest rates cut slightly given the potential of lower demand in respect of mortgage business.

Data provided by CoreLogic regarding property value and price changes show that property values continue to increase in November, showing a slightly slower rate than previous months at 1.8 per cent. While this is termed a gradual easing of property growth, the annual growth rate continues at 28.4 per cent. The slowing of momentum after the extended growth period is likely to occur given the further impact of rising interest rates and tighter credit conditions.

Across New Zealand, the average value of property at the end of November 2021 is \$987,401. This is an average annual growth rate of 28.4 per cent, while property has risen on average across New Zealand by 5.4 per cent during the last quarter. Hamilton and Christchurch registered the highest quarterly increase, while Tauranga continues to maintain the strongest annual growth rate at 35.8 per cent. Across the regions, several areas increased beyond 35 per cent. They included Kapiti Coast, Hastings, Napier, Lower Hutt and Whanganui, which showed the highest annual increase at 39.8 per cent, with an average price of \$548,463. We look at this in more detail throughout our report.



Source: CoreLogic Quarterly Property Market & Economic Update - Quarter 3, 2021

New home consents for the year ended October 2021 were up by 26 per cent in comparison to the year previous. This was a record amount with 47,715 new homes consented. This provides a base for new housing stock. The main areas showing substantial increases included Auckland up by 27 per cent with 19,936 consented new homes, Canterbury up 31 per cent with 7,500 consents, while the Waikato and Wellington regions were also up on previous years.

Your Ray White agent is highly skilled in being able to facilitate property transactions in the current environment. Our systems and procedures are dynamically linked and our ability to connect buyers and sellers across all marketplaces has never been greater with our online marketing strategies enhanced by local print and signage marketing. Of great importance for the success of your property is our real-time database, which is one of the most active and successful in New Zealand.

Ray White Now is produced in conjunction with real-time data from our 191 offices across New Zealand. On an annual basis, Ray White completes \$23.18 billion worth of property transactions and currently manages a portfolio of 19,808 properties through our property management division.

Carey Smith
Ray White New Zealand Chief Executive

White



ACTIVITY INCREASES ON NEW LISTING SURGE. **UPBEAT MARKET BRINGS HIGHER PRICES AND CONSISTENT SALES NUMBERS**

“We have had an increased number of new properties coming to the market during November. While this has given buyers more choice, it has also potentially added to their confidence to purchase property knowing the performance and price increases over the last 12 months. *Vanessa McKenzie, Ray White Zone Chairperson for Northland.*”

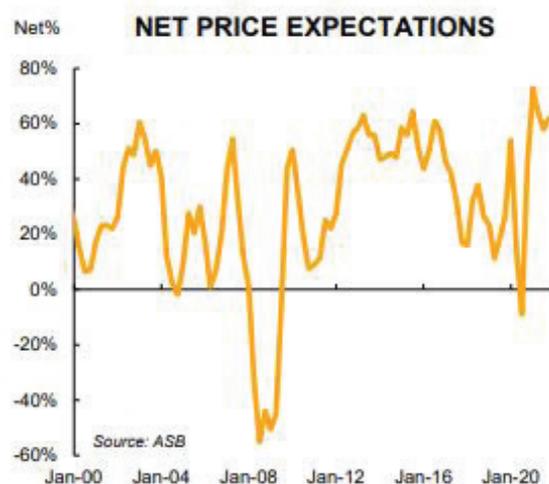
New Zealand has now moved into the protective framework known as the traffic light system. This is the Government’s response to managing suppression of the COVID-19 pandemic and providing enough safety frameworks for the economy to continue to operate and for fewer restrictions given the vaccination levels across the nation.

There have been several announcements regarding managed isolation and quarantine facilities. The internal border changes for Auckland, the pending international border changes for Australia and for many other parts of the world, which expect to see borders becoming less restrictive from mid January to mid February 2022.

For the real estate market, more restrictive trading has meant less open homes and safer property viewing. Sales numbers have increased slightly by 2.6 per cent over the same time last year, prices have remained strong, and buyer depth has continued to be active across all markets.

We have seen a noticeable increase in new listing activity, allowing purchasers to come into the market with confidence of choice. While there are prevailing headwinds around interest rates and the potential of higher barriers for lending, the surge in property prices lifting by 28.4 per cent across New Zealand in the last 12 months shows that the purchasing of residential real estate far outweighs any current headwinds within the market.

Housing confidence is largely underpinned by price increases connected to the affordability of buying a home and maintaining mortgage requirements. In the latest ASB Housing Confidence Survey, while the overwhelming majority of New Zealanders expect interest rates to keep rising, most of those who took the survey predicted that house prices would also keep rising. While the number of people who believe it is a good time to buy a home has decreased, 62 per cent believe house prices will increase in the next 12 months. The overriding message from the survey is that while interest rates will rise, the market can handle the expected changes and absorb those through house price increases.



Source: ASB Housing Confidence - Three months to October, December 2021

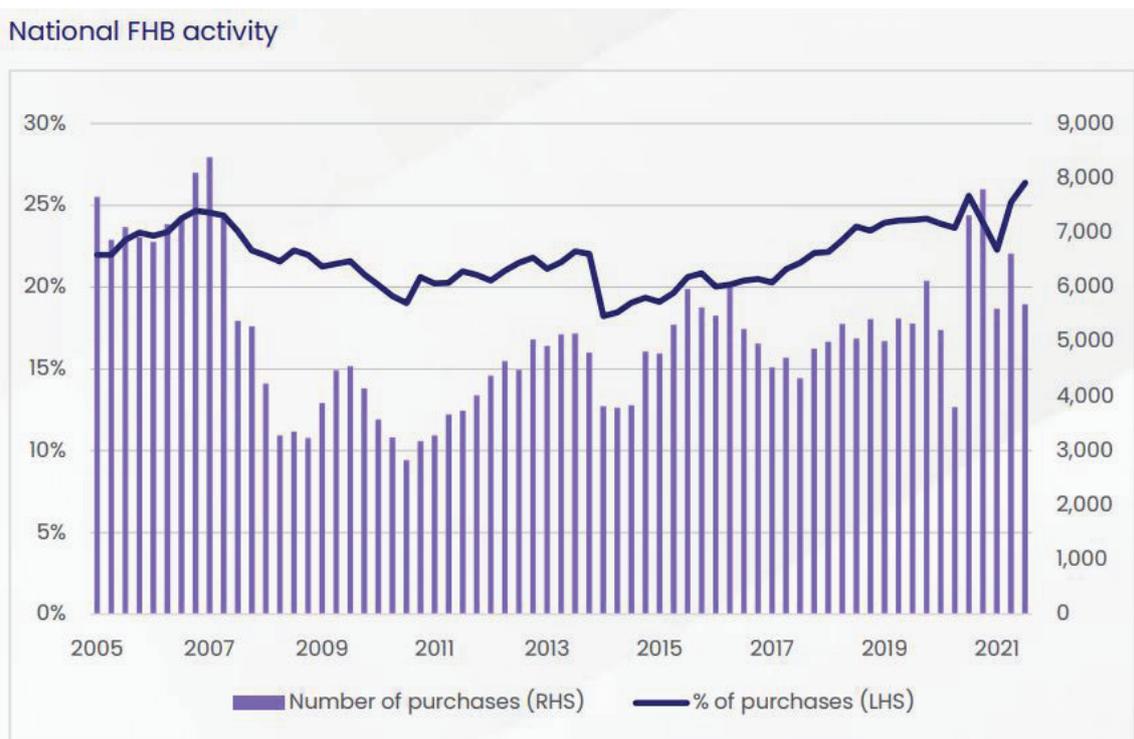
One of the key areas of interest for many is the area of the first home buyer. Largely measured through their activity to be able to raise a deposit against house prices which continue to rise in some areas quite sharply.

However, although there are challenges – and some would-be first home buyers are finding it hard – many others are being successful, with factors such as KiwiSaver (for the deposit) or a compromise on the type/location of the property acting as key supports. CoreLogic latest figures show that first home buyer's market share of purchases from July to September 2021 was 26.4 per cent – well above the average of 21.8 per cent, and moreover a new record high. That surpassed the previous mark of 25.6 per cent set in the third quarter last year.

CoreLogic acknowledged that the underlying level/number of transactions has been disrupted by COVID-19 and the lockdowns over August/September – meaning that we need to take a little extra care when interpreting per cent market share figures. But it's still safe to say that first home buyers are very active in the market; indeed the number of sales they were involved with in Q3 (around 5,700) was the highest for the third quarter of any year since 2015, except for the same period last year, when the figures were 'artificially' pushed up by the post COVID-19 activity.

Each of the main centres saw first home buyers pay a median price in Q3 2021 that was lower than for all buyers. Reflecting the fact that it has the highest prices to start with, the gap was largest in Auckland, with a median in Q3 2021 of \$900,500, \$149,500 less than the figure for all buyers (\$1,050,000). The gap was also more than \$100,000 in Tauranga, although the median price actually paid by FHBs was higher in Wellington (\$800,000 versus \$760,000 in Tauranga). Christchurch's FHB median price paid has recently risen above \$500,000, but is still lower than Dunedin (\$566,125).

Overall, with mortgaged investors now finding it much harder to make the property sums stack up, first home buyers have seen opportunities. That is emphasised by the fact they also have strong financial incentives to buy rather than rent, especially since there are now signs that rents are beginning to rise more quickly.



Source: CoreLogic First Home Buyer Report - Quarter 3, 2021

These strong first home buyer numbers undermine the popular perception that this group of buyers has pulled back from the market. In fact, it's actually been the mortgaged investors who have recently eased off (due to factors such as 40 per cent deposits and the phased removal of interest deductibility), leaving more openings for the classification of first home buyer amidst a now increasing overall level of available listings.

Looking at the latest CoreLogic property values across New Zealand, the average value increased 5.4 per cent nationally over the past three-month period to the end of November, with the national average value now sitting at \$987,401. This represents an increase of 28.4 per cent year-on-year, up a fraction from the figure of 27.4 per cent we reported last month.

In the main centres the CoreLogic report shows property values in our largest city, **Auckland**, grew by a further 1.5 per cent in November, although the annual rate of growth did slow slightly to 25.7 per cent (from 26.3 per cent in October). The average property value in Auckland has now surpassed \$1.4m for the first time. Listings in Auckland remain -26 per cent below the same time last year.

The average property value in **Tauranga** has moved past \$1.1m after rising a further 2.1 per cent during November. The annual rate of growth appears to have plateaued at 35.8 per cent, a record level, the same as at the end of October. Listings in Tauranga remain in short supply, tracking -11 per cent below the same time last year.

Value growth in **Hamilton** further slowed over the month (+0.9 per cent); however, the quarterly rate of growth strengthened to 10 per cent. Monthly value growth has been relatively mixed over the last six months in Hamilton, which indicates a degree of uncertainty in the market. Perhaps reflective of a previously strong investor presence who are now faced with doubts on both current (yield) and future (capital growth) profitability. Listings in Hamilton are 8 per cent above the same time last year.

In **Christchurch**, the quarterly rate of growth also hit 10 per cent at the end of November – a record high. Similarly, the annual rate of growth (35.5 per cent) broke the previous months' all-time record. The average property value in the Garden City has now broken the \$700,000 dollar barrier for the first time. Listings in Christchurch remain -25 per cent below the same time last year.

Dunedin's annual rate of value growth (21.8 per cent) dipped away from October to November; however, the market is still growing (+1.9 per cent over November). There are 24 per cent more properties listed for sale in Dunedin than a year ago.

Property value growth in **Wellington City** has slowed on all measures; however, values still increased by 1 per cent over November. Wellington City has 15 per cent more properties on the market today than it did a year ago.

Change in Property Values				
	Month	Quarter	Annual	Average Value
New Zealand	1.8%	5.4%	28.4%	\$987,401
Auckland	1.5%	4.9%	25.7%	\$1,402,845
Hamilton	0.9%	10.0%	30.5%	\$861,119
Tauranga	2.1%	9.2%	35.8%	\$1,114,481
Wellington	1.0%	4.7%	33.5%	\$1,114,979
Christchurch	3.7%	10.0%	35.5%	\$719,493
Dunedin	1.9%	3.6%	21.8%	\$696,009

Diversity in property market conditions is evident throughout the other main urban areas.

Property value growth in **Queenstown** continues to accelerate, despite an average value approaching \$1.6m. Positivity regarding the borders reopening may be contributing to renewed confidence in the tourism hotbed. Listings in Queenstown also remain very low, -36 per cent below the same time last year, which will be contributing to the persistent growth in property values.

None of the other main urban areas included here have an average value above \$1m, though both **Lower Hutt** (\$996,000), and **Porirua** (\$984,000) are inching closer after 0.9 per cent and 0.2 per cent growth respectively. Similarly, **Kapiti Coast** has an average value in the high \$900,000s (\$973k) after a further 1.0 per cent growth in November.

Listing volumes around the Wellington region have increased beyond previous years, with Lower Hutt (+71 per cent) and Upper Hutt (+62 per cent) in particular seeing a lot more available supply than last year. In Porirua there are 40 per cent more properties available for sale than a year ago, while on the Kapiti Coast there are 12 per cent more properties.

Both **Napier** (58 per cent) and **Palmerston North** (54 per cent) also have significantly more properties available for sale today than they did a year ago.

	Change in Property Values			
	Month	Quarter	Annual	Average Value
Rotorua	0.9%	4.4%	17.8%	\$672,536
Nelson	2.1%	5.2%	24.2%	\$846,680
Invercargill	1.7%	4.4%	24.6%	\$461,111
New Plymouth	4.2%	5.4%	27.1%	\$691,104
Gisborne	2.7%	5.7%	27.4%	\$633,155
Whangarei	1.5%	6.5%	27.6%	\$778,940
Porirua	0.2%	3.2%	30.6%	\$984,219
Palmerston North	1.3%	2.3%	31.8%	\$741,896
Queenstown	4.0%	14.1%	33.3%	\$1,587,469
Upper Hutt	3.3%	4.4%	34.7%	\$931,533
Kapiti Coast	1.0%	5.9%	36.6%	\$973,551
Hastings	1.0%	5.9%	37.5%	\$862,843
Napier	0.8%	5.8%	37.6%	\$875,188
Lower Hutt	0.9%	6.0%	37.9%	\$996,697
Whanganui	3.8%	5.0%	39.8%	\$548,463

Source: CoreLogic Momentum slowing as tighter credit looms and listings increase

NATIONAL LISTING STOCK

New listings across New Zealand have lifted considerably in November and early December. The total number of properties listed on realestate.co.nz was 13,758, which was 9 per cent up from November 2020. The consistent number of sales in November added to the overall inventory, which now sees New Zealand with a total housing stock of 19,260, which is 5.1 per cent more than November 2020.

While some of the areas still show a lower number of properties available on the market, it is the lower North Island area, particularly Wellington, which has seen a surge in the number of listings available throughout the marketplace.

When we look at our Ray White real-time Pulse data, it shows that listings on the market continue beyond the same level from last year. It now shows that we have 4,194 properties listed for sale, which is a rise of 20.09 per cent on the same time last year, and this equates to an additional 658 properties.



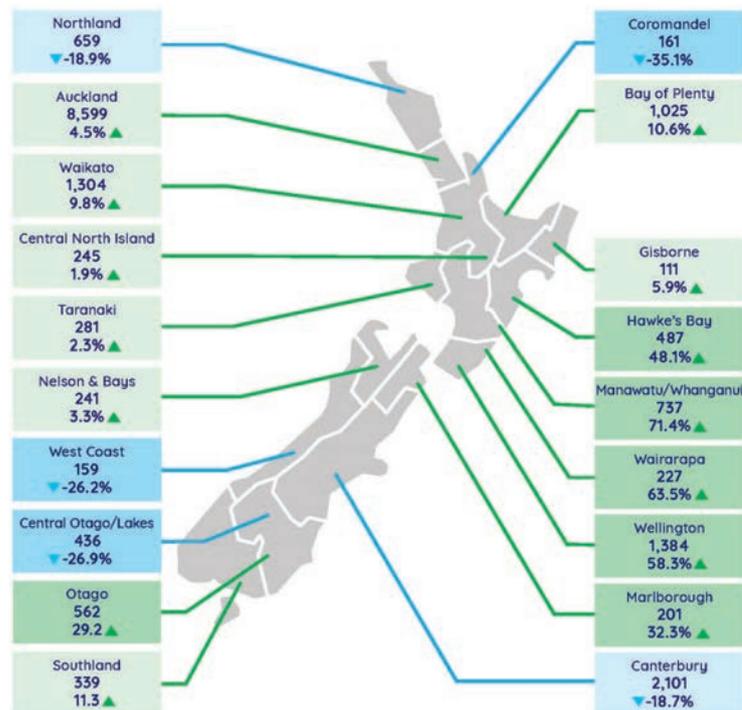
Housing stock

Housing stock in November 2021

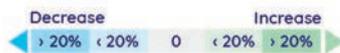
19,260

Compared to November 2020

5.1%

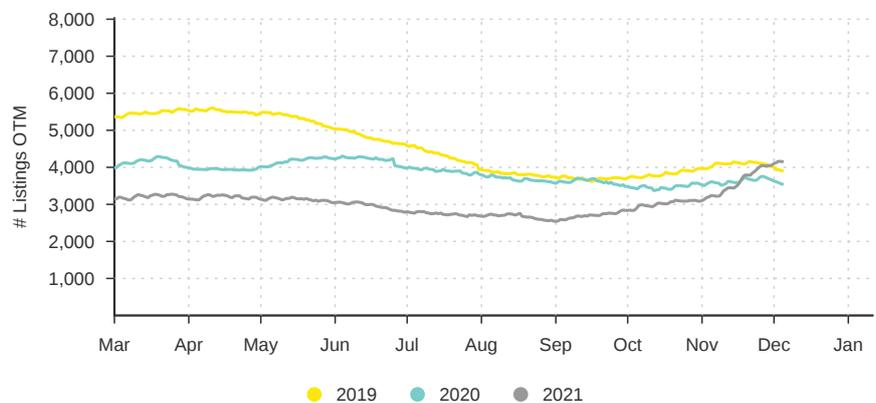


Listing change



The stock map shows the total number of residential dwellings that are for sale on the penultimate day of the month.

Stock data adjusted for multiple listings.



Source: Ray White Online Analytics

NEW ZEALAND'S MOST AFFORDABLE AND MOST EXPENSIVE STREETS

Nerida Conisbee, Ray White Chief Economist

Every street is different, but our most expensive and most affordable streets often have similar characteristics. This month, we take a look at the list for Auckland, Christchurch and Wellington and investigate some of the characteristics of both the most affordable and most expensive streets.

Auckland's most expensive and most affordable streets

Street Name	Suburb	Street Median
Most Expensive Streets		
MARINE PDE	HERNE BAY	\$9,375,000
ARNEY CR	REMUERA	\$6,250,000
RANUI RD	REMUERA	\$4,637,500
CHATFIELD PL	REMUERA	\$4,525,000
BURWOOD CR	REMUERA	\$4,450,000
CLIFTON RD	HAURAKI	\$4,387,500
INANGA LANE	OMAHA	\$4,350,000
JUBILEE AV	DEVONPORT	\$4,176,500
AUDREY RD	TAKAPUNA	\$4,125,000
MAUNGAKIEKIE AV	GREENLANE	\$4,089,000
Most Affordable Streets		
PORT ALBERT RD	WELLSFORD	\$547,500
MONTGOMERY AV	PUKEKOHE	\$548,000
COLLINGWOOD RD	WAIUKU	\$550,000
GRAY AV	MANGERE EAST	\$555,000
WOOD ST	PAPAKURA	\$560,000
HOLLY ST	AVONDALE	\$574,613
DUBLIN ST	PUKEKOHE	\$577,000
ONSLow RD	PAPAKURA	\$580,000
SHIFNAL DR	RANDWICK PARK	\$595,000
ASHMERE LANE	WEYMOUTH	\$595,250

To be included in the list, the street must have recorded at least three sales in the 3 years to November 2021. Streets were excluded if they were over 15 times the suburb median, or alternatively less than 20% of the suburb median

Source: Ray White



Christchurch's most expensive and most affordable streets

Street Name	Suburb	Street Median
Most Expensive Streets		
JACKSONS RD	MERIVALE	\$2,550,000
HOLMWOOD RD	MERIVALE	\$2,160,000
BEACH RD	AKAROA	\$2,130,000
SCARBOROUGH RD	SCARBOROUGH	\$2,050,000
HARAKEKE ST	FENDALTON	\$2,027,500
GARDEN RD	MERIVALE	\$1,965,000
WAIWETU ST	FENDALTON	\$1,947,500
ROTOITI LANE	NORTHWOOD	\$1,907,500
ROA RD	FENDALTON	\$1,900,000
QUEENS AV	MERIVALE	\$1,750,000
Most Affordable Streets		
GRIMSEYS RD	REDWOOD	\$507,000
BURWOOD RD	BURWOOD	\$515,000
SABYS RD	HALSWELL	\$516,000
DUNBARTON ST	REDWOOD	\$516,511
QUEENSPARK DR	PARKLANDS	\$517,500
CUTTS RD	RUSSLEY	\$520,000
MOORAY AV	BISHOPDALE	\$520,500
RADBROOK ST	AVONHEAD	\$522,000
HARRIS CR	PAPANUI	\$525,000
HALSWELL RD	HALSWELL	\$528,000

To be included in the list, the street must have recorded at least three sales in the 3 years to November 2021. Streets were excluded if they were over 15 times the suburb median, or alternatively less than 20% of the suburb median

Source: Ray White



Wellington's most expensive and most affordable streets

Street Name	Suburb	Street Median
Most Expensive Streets		
ORIENTAL PDE	ORIENTAL BAY	\$3,100,000
MCFARLANE ST	MOUNT VICTORIA	\$2,640,000
HAWKER ST	MOUNT VICTORIA	\$2,312,500
INGLIS ST	SEATOUN	\$2,077,250
CENTRAL TCE	KELBURN	\$2,017,500
HECTOR ST	SEATOUN	\$1,982,500
TALAVERA TCE	KELBURN	\$1,863,500
RIMU RD	KELBURN	\$1,847,900
MONRO ST	SEATOUN	\$1,831,500
BURNHAM ST	SEATOUN	\$1,830,460
Most Affordable Streets		
MARK AV	PAPARANGI	\$639,000
MAIN RD	TAWA	\$650,000
TURVILLE CR	NEWLANDS	\$661,379
GUADELOUPE CR	GRENADA VILLAGE	\$675,000
SHERIDAN TCE	JOHNSONVILLE	\$680,000
IRONSIDE RD	JOHNSONVILLE	\$685,000
FRASER AV	JOHNSONVILLE	\$694,000
LYNDFIELD LANE	NEWLANDS	\$695,555
HOBART ST	MIRAMAR	\$710,000
BEAZLEY AV	PAPARANGI	\$711,750

To be included in the list, the street must have recorded at least three sales in the 3 years to November 2021. Streets were excluded if they were over 15 times the suburb median, or alternatively less than 20% of the suburb median

Source: Ray White



What makes an expensive street?

Marine Parade in Herne Bay tops the list as the most expensive street in New Zealand, and although it has water views, it is not necessarily the case for every city's priciest addresses. Here are some of the characteristics that are often the case in New Zealand's most expensive streets

- Large lot sizes
- Private/secluded (within reasonable limit)
- Access to beach/parks (or riverfront)
- Good standard of local public infrastructure/low crime
- Views (water/national park/ town)
- Relative access to amenities (shopping, schools, etc)
- Relatively low distance to CBD

What makes a most affordable street?

The most affordable street in the three cities investigated was in Christchurch. Grimseys Road in Redwood has a median of \$507,000.

Interestingly, the most affordable streets aren't that cheap, particularly in Christchurch and Wellington, where the gap between most expensive and cheapest is relative, particularly compared to Auckland, which has a much bigger gap.

More generally, Australia's most affordable locations tend to have the following characteristics:

- Small lot sizes
- Directly on busy street
- Lack of access to local attractions
- Poor standard of local public infrastructure/high crime
- Remote/poor access to amenities
- Often contain high proportions of ageing government provided housing

In determining the list, we undertook the following:

1. Street and Suburb prices are median prices.
2. Median sales were calculated from sales taken from 3 years ago till the start of this month (01/12/2018 - 01/12/2021)
3. Streets would be excluded if they failed to accrue 3 sales or more from 2018 till now.
4. Streets would be excluded if their median value exceeded 15x the suburb median, or fell below 20 per cent of the suburb median.
5. Commercial sales were excluded from all calculations.

WHY ARE WE CONTINUING TO SEE STRONG RESULTS?

Several factors drive real estate markets; however, the two basic fundamentals of supply (the number of total properties for sale) and demand (the number of buyers active in the marketplace) play a significant role in establishing market conditions that favour sellers or buyers. In general terms, when supply is low and demand is high, conditions are favourable for sellers. Conversely, when supply is high and demand is low, conditions are favourable for buyers.

SUPPLY

Throughout November, we saw 3,040 'new listings' come onto the market 14.04 per cent up on November 2020. This was met by 2,292 sales for November, a decrease of 7.63 per cent year on year. With a total of 4,079 listings on the market in November for buyers to choose from up 11.54 per cent year on year. We conducted 4,886 property appraisals which is 4.3 per cent down on the same period last year.

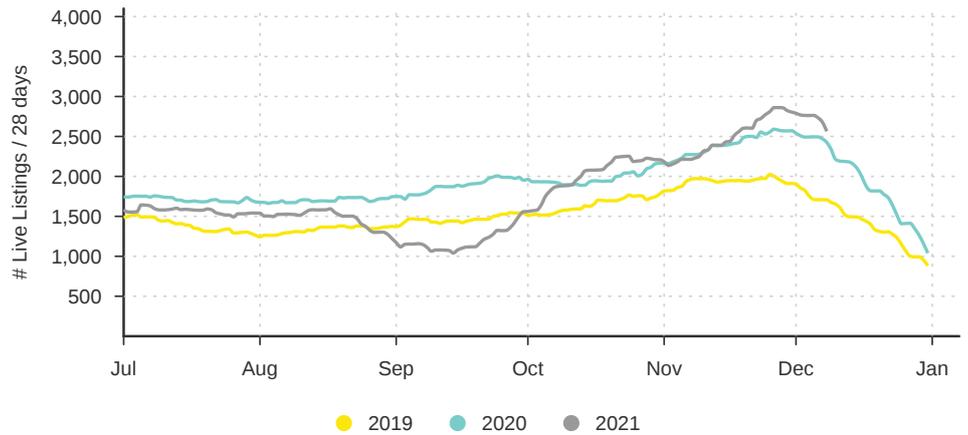
DEMAND

Our strong volume of buyer demand is clearly continuing to drive our results. Across all of our metrics, November demand was still up. The initial buyer metric we consider is the number of buyers viewing properties online. Throughout November, we saw 4.685 million views across our Ray White websites. This is 3.47 per cent higher than this time last year and resulted in over 53,377 enquiries, a volume that is 1.89 per cent higher than November last year. The demand hasn't stopped at online activity. Across our auctions in November, we recorded an average of 3.5 registered bidders per auction. Of these bidders, an average of 2.7 were actively bidding (refer to page 17) with an auction day clearance rate of 77.6 per cent. The final consideration we look at when measuring the volume of demand in the market, and arguably the most significant, is the number of people obtaining pre-approval for finance. Pre-approvals are a key leading indicator to buyer confidence, knowing they have the financial capacity to buy the property. Our partners at Loan Market are seeing record numbers of pre-approvals across the country, with 31.03 per cent more than this time last year (refer to page 18).

As we continue to see strong numbers across these buyer metrics, we often ask ourselves why?

LIVE LISTINGS

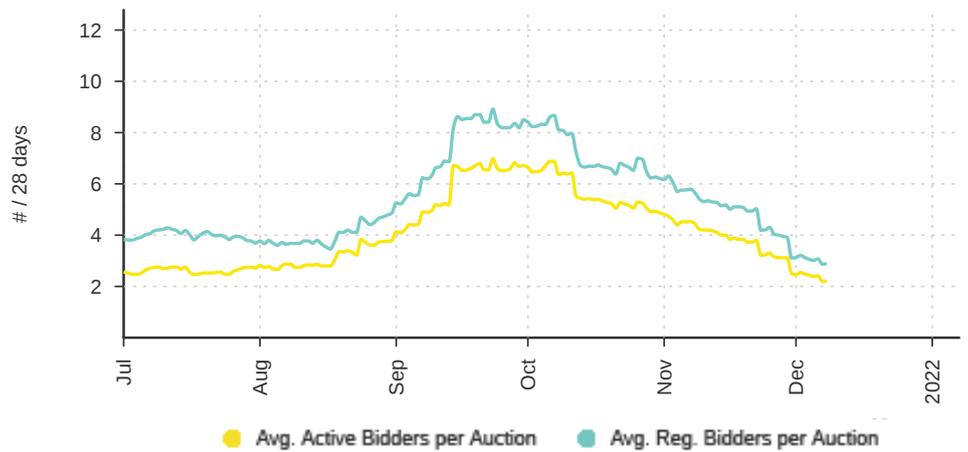
This chart shows the total number of live listings are up for the month of November by 11.54 per cent compared to the same time last year.



Source: Ray White Online Analytics

BIDDING BY MONTH

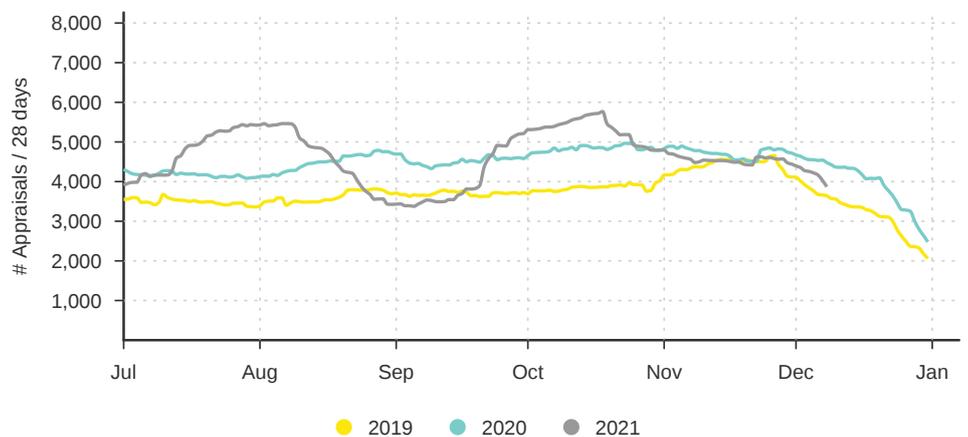
This chart illustrates the average number of registered bidders per auction has increased throughout 2021 and through COVID-19 and respective lockdowns.



Source: Ray White Online Analytics

APPRAISALS

This chart compares the number of appraisals Ray White salespeople have made over the 2019, 2020 and 2021 calendar year.



Source: Ray White Online Analytics

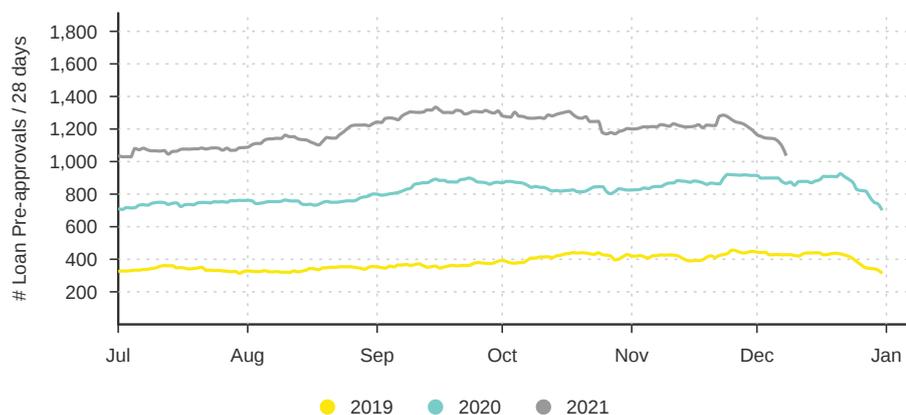
WHAT FACTORS ARE CONTRIBUTING TO BUYER CONFIDENCE?

Interest rates continue to underpin purchasers buying power. With interest rates starting to climb, pre-approved purchasers are active in the market, securing property before further increases and regulations are applied. The OCR currently sits at 0.75 per cent, with the next monetary policy review announcement set for 23 February 2022.

- Interest rates are a driver of home affordability, and in many areas, while prices have risen in the last 12 months, corresponding interest rates whilst increasing remain at historically low levels in comparison.
- Further tightening of restrictions is seeing first-home buyers remain active while current lending conditions are supportive.
- The chart below shows the monthly home loan pre-approvals recorded by the Loan Market Group, 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 buying a property to enable them to bid confidently.
- A degree of pent-up demand as COVID-19 Alert Levels lift.

LOAN PRE-APPROVALS

This chart compares the number of loan pre-approvals submitted via Loan Market brokers over the past three years.



Source: Ray White Online Analytics





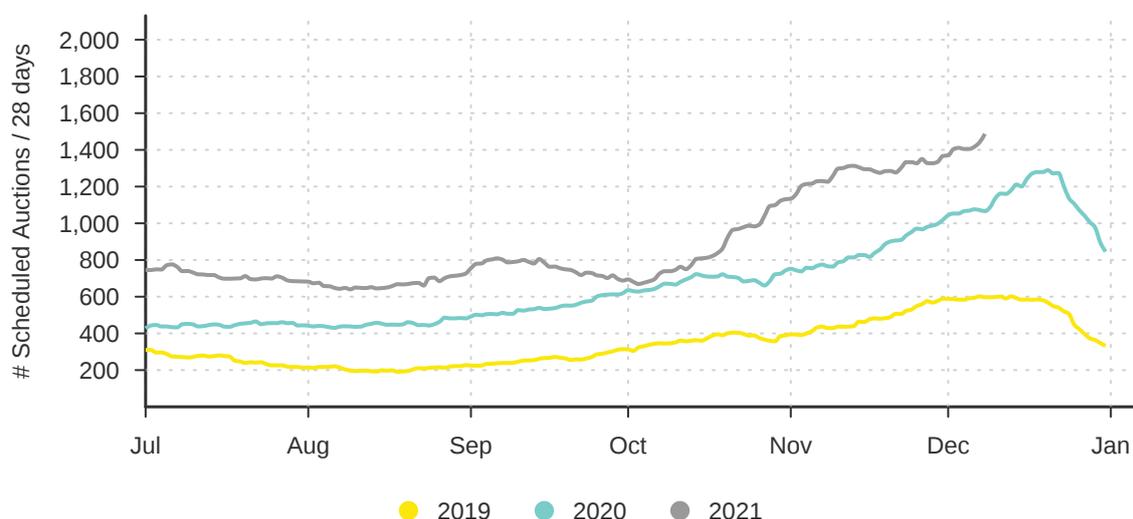
CONSIDERING SELLING? WHY RIGHT NOW COULD BE THE BEST TIME TO SELL

As we approach the end of year holiday period, there has been a surge of new listings to the market nationwide; this is representative of sellers looking for certainty before the end of 2021. This is coupled with strong, consistent activity on the purchasing side of the transaction but brings more balance to the supply and demand dynamics that we have experienced over the past 18 months. The typical rise in listings seen prior to the New Year, this year is coupled with the country moving into the COVID-19 Protection Framework allows for more traditional ways of marketing, viewing and selling property than we have experienced during the first phase of the pandemic, while some health measures do remain in place.

Recently, there has been plenty of speculation about whether the market has reached its peak and whether some potential headwinds toward the middle of 2022 could mean that selling sooner, rather than later could be the best course of action. So when it comes to timing your entry to the market what factors should be considered?

METHOD OF SALE

In a marketplace where there is more choice, the nervousness from purchasers about missing out on property decreases. For example, when a purchaser is looking to secure a home, and there is a shortage of stock, their fear is if they miss out on this property will they be able to find another? Even if they can, will it be at the same price point? Conversely, when more property is available for sale, a purchaser is comfortable that if they miss the current home they are pursuing, they will likely find another home if they don't already have a backup property in mind. For this reason, the method of sale you choose removes the price barrier from allowing purchasers to engage with your home and puts every potential purchaser into competition for that home, allowing each buyer to take confidence from seeing other purchasers competing for the same property. This is why many suggest that auction continues to provide a robust method of sale in changing market conditions.

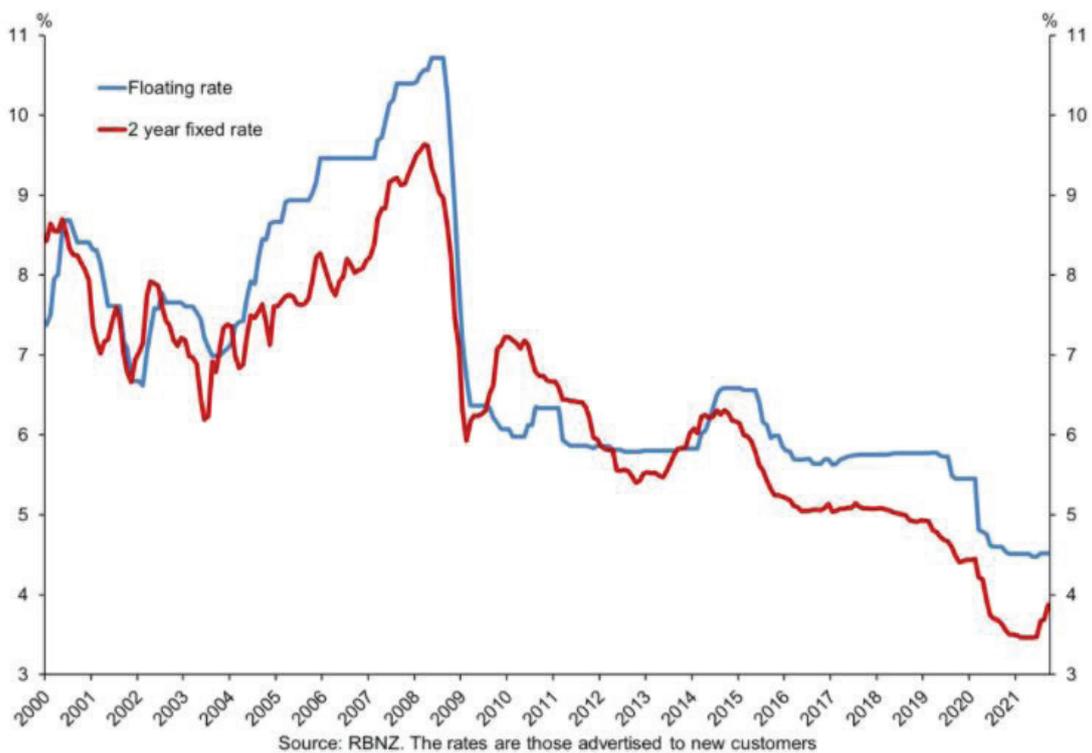


Source: Ray White Online Analytics

INTEREST RATES

Interest rates were cut to record low levels during 2020 and have remained at these low levels until the last two interest rate increases by the RBNZ of 25 basis points on 6 October and 24 of November to 0.75 per cent. These increases have signalled the tightening monetary policy, which is expected to continue in 2022. In the nearer term, purchasing power from prospective purchasers remains historically strong, and rates remain below those seen pre-pandemic. It should also be noted that banks have been expecting these increases for some time and, in most cases, have been assessing potential lending at higher rates than those currently being offered.

Mortgage rates



Source: rbnz.govt.nz

While predicting what the market may look like next year remains difficult, many experts suggest that between now and the New Year may present the best opportunity to take advantage of the current conditions. Prior to Christmas, there is a natural deadline for purchasers who want to make a decision before the New Year. Returning to the market in January, we are likely to see those who have discussed their plans for 2022 during their downtime and have a new or renewed interest in purchasing property. An analogy that can be made of the market we are currently experiencing is that while the last 12 months could be compared to a 'king tide' when it comes to selling your home, the conditions we currently experience are likened to 'high tide'. The question does remain though, at what point will we experience 'low tide'?

HOW DO WE CREATE THE MOST COMPETITION FOR YOUR PROPERTY?

1. Marketing exposure

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

In November, Ray White New Zealand had 3,033 live listings, with the number of sales down 2.6 per cent year on year.

Since the beginning of 2021, Ray White New Zealand has listed a record 21,217 properties across the country.

In 2021, the Ray White Group passed through 23.3 per cent market share in New Zealand residential sales.

Last month, Ray White New Zealand had 1,285 properties scheduled to go to auction, leading to a strong all sold clearance rate of 83.3 per cent.

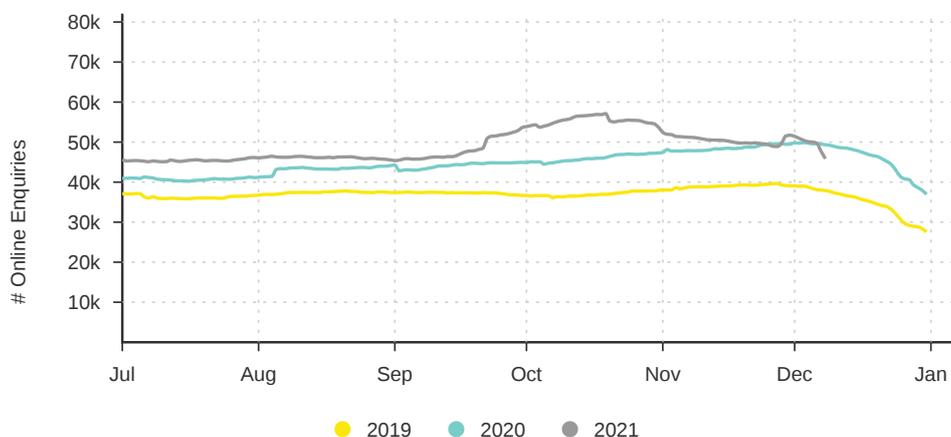
ONLINE ENQUIRIES

This chart compares the number of online enquiries made through Ray White websites from 2019, 2020 and 2021. It shows online enquiries have slightly dipped down 7.07 per cent below levels at the same time last year.

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 illustrates your intent to sell and therefore attract genuine buyers. We appreciate that some people would prefer to sell quietly or off-market. While this is not a normal recommendation, we welcome discussion on all opportunities to take your property to the market.



Source: Ray White Online Analytics

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 that 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 enables us to understand that a catalyst for creating competition is leveraging the local community. Our data shows that up to 60 per cent of property purchasers come from neighbours and their friends in some cases.

Ray White Concierge can communicate to property owners in surrounding streets, positioning your property to ensure it is at the centre of our communities' attention. Our dedicated team of 100+ Ray White Concierge specialists, 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 largest real estate group, we are supported by a dedicated and highly experienced team of newshounds in our PR team who work seven days a week. The team excels at winning "earned media", the exposure that money cannot buy; it must be earned.

Our media exposure dominates all other brands in terms of publicity - which is the sweet spot. Our profile in newspaper advertising and editorials, along with a large number of listings on oneroof.co.nz, realestate.co.nz and trademe.co.nz/property - is also huge.

To put a price on the power of our media coverage, in November, the Ray White New Zealand achieved more than NZ\$1,231,080 worth of earned media mentions in print, online, radio and TV, according to iSentia, our media intelligence agency, with a potential reach of 4,058,768 people. That's free publicity for the group and all its members. Our experienced in-house journalists 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.

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 most successful 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.





ABOUT **LOAN MARKET**

Naturally, we all want the best when it comes to our home, and the same should apply to our home loan.

That's where our partners at Loan Market can help. Whether speaking to first home buyers, investors or owner-occupiers, Loan Market advisers can compare rates and features from over 20 banks and lenders to help potential buyers get the right finance in place to secure the property they want.

During the sales process, your Ray White salesperson will introduce potential buyers to their recommended local Loan Market adviser, who will respond quickly to provide them with the information they need to find a home that suits their needs.

Exposing your property to a pool of educated and, where possible, pre-approved purchasers who are ready to make an offer or bid at auction increases the likelihood of getting your home sold and settled on time and at the right price.

Your local Loan Market adviser can even assist you with your own home finance options. As one of Australasia's largest financial adviser networks, Loan Market enjoys industry links and contacts that mean they are better placed to negotiate on your behalf with major banks and secure lenders. They may even be able to find you a better deal with your own bank.

loanmarket.co.nz

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 grown into Australasia's most successful real estate business, with more than 930 franchised offices across New Zealand, Australia, Indonesia, and Hong Kong.

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 largest 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 to make the best real estate decisions.

raywhite.co.nz





RAY WHITE & CO
AUCTIONEER
& GENERAL AGENT.
CROW'S NEST LAND OFFICE.
NEW ZEALAND INSURANCE COY
FIRE ACCIDENT LIVESTOCK

FARM IMPLEMENTS
& DAIRYING MACHINERY

OFFICE

DEERING & Mc CORMICK MACHINERY

RAY WHITE
AGENT FOR
MOTOR ENGINES
BLUE BALL
SEPARATORS

Alan White House

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



raywhite.co.nz



loanmarket.co.nz