

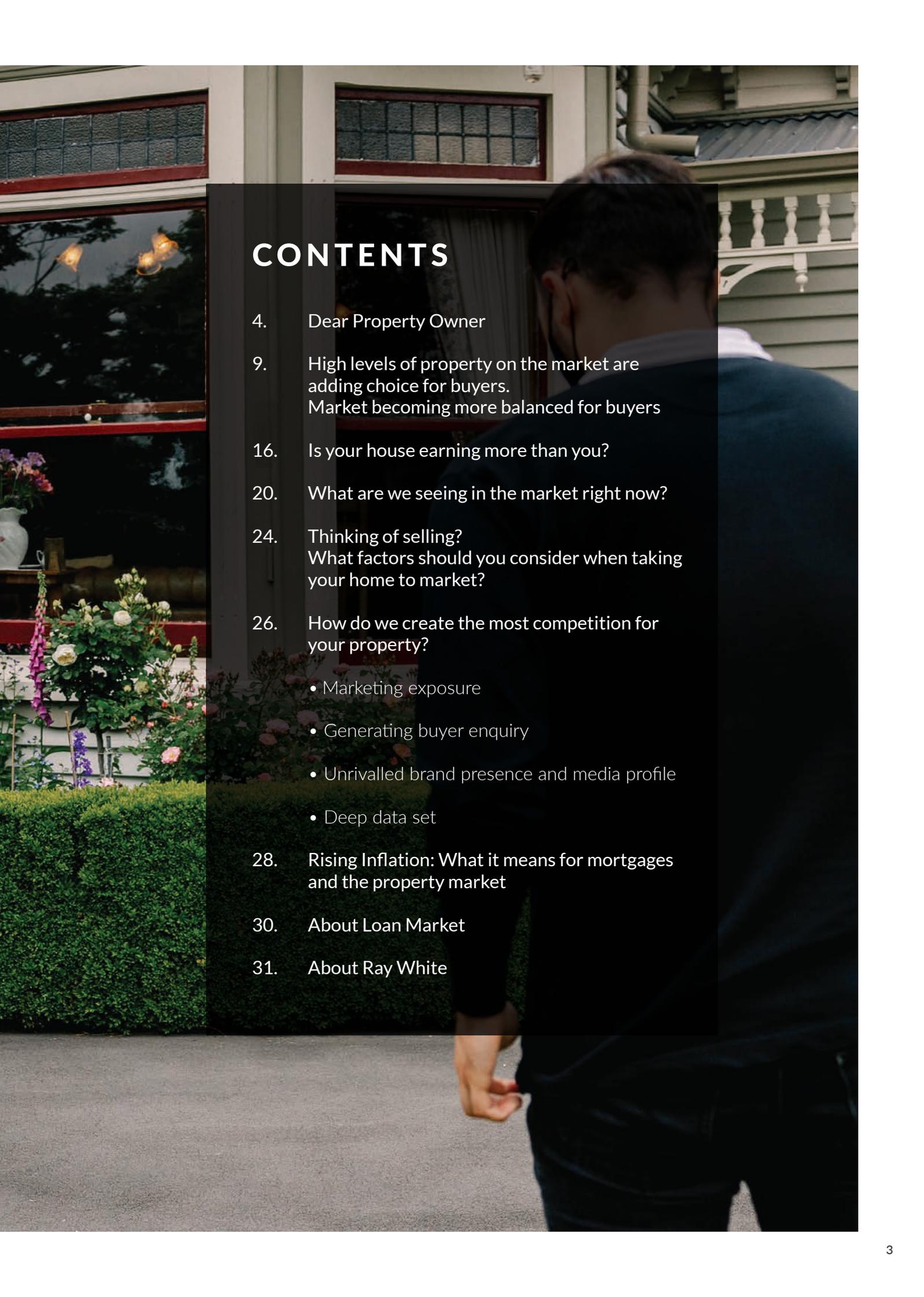
RAY WHITE NOW

M A R C H 2 0 2 2



Proudly presenting New Zealand property market insights in real-time





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DEAR PROPERTY OWNER,

Our 49th edition of Ray White Now is published at a time when we are at the Phase 3 Red Light setting across New Zealand, which provides for a safe environment regarding the rise in case numbers, as flagged by the government.

We have adopted our practices in support of the Red Light and Phase 3 framework. Each of our Ray White offices and licensee salespeople are aligned to the industry guidelines through the Real Estate Authority and the Real Estate Institute of New Zealand.

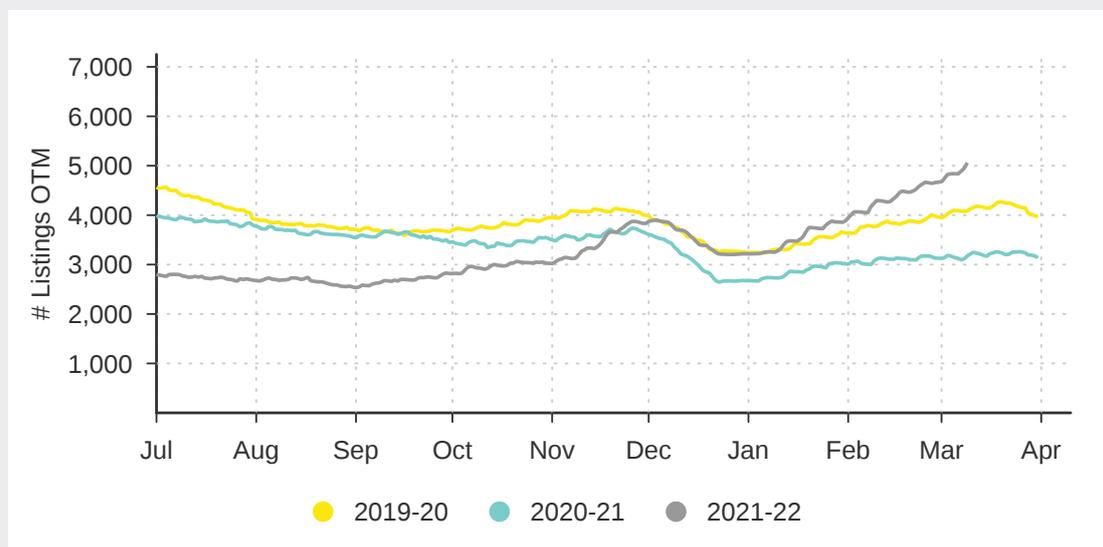
There have been a series of headwinds that have come into the real estate market during February. This coincides with a considerable rise in listings which allows buyers more choice. The announcement of interest rate rises together with ongoing lending restrictions has resulted in more value for buyers as inventory levels rise.

Global activity linked with inflation is having an immediate effect on confidence in the general economy, bringing some apprehension from buyers. Although the number of sales is down, listings remain at a good level, and the increase in properties on the market is moving back to a more sustainable level. It will provide some genuine consistency for both buyers and sellers.

While sales increased in January, this was expected. However, looking back 12 months ago, sales numbers have decreased by 28.7 per cent, and the value has remained consistent. Some price adjustments are coming through in the market, but these are marginal at this point.

The number of new listings entrusted to Ray White during February and early March has increased by 30.6 per cent. This has lifted our overall properties on the market to 4,991, which is a new high and 59 per cent higher than February 2021. The overall portfolio provides buyers with more choice and puts some pressure on prices, given 12 months ago, our company held less than 3,000 properties.

The below graph shows the yellow line of 2021/22, and the crossover period which occurred in mid-November, has continued to shape upwards, with the blue line the stock indicator from 12 months ago which remain reasonably flat.



Source: Ray White Online Analytics

Data provided by realestate.co.nz shows the increase of new property listings has lifted to 23,270 properties, which is 47 per cent ahead of February 2021. 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 10,000 properties, or just over 35 per cent, in three months.

23,270 HOUSING STOCK IN FEBRUARY 2022
47.0% COMPARED TO FEBRUARY 2021

Rising property listings can act as a slight headwind for property value growth.

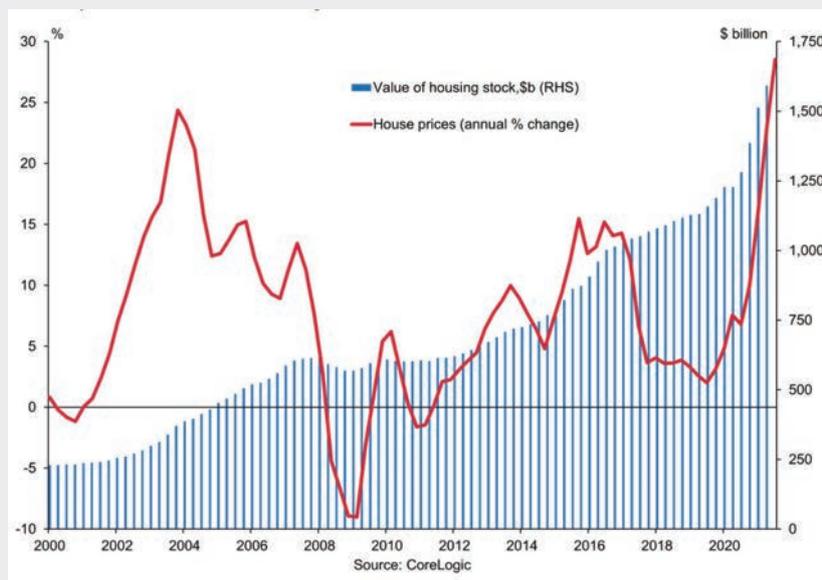
This creates a more balanced market where buyers have more choice and the opportunity to make decisions compared to other properties available on the market.

The Reserve Bank of New Zealand last raised the official cash interest rate on 23 February from 0.75 per cent to 1 per cent, the third consecutive rise since October 2021. The next monetary statement and official cash rate review is 13 April 2022. While lending barriers have slowed the buyer depth within the property market, the current inflationary effects are having the most impact on the economy and affordability, with the annual inflation rate being 5.9 per cent.

To put this into perspective, during the past 10 years, the inflation rate has averaged at 2.15 per cent, which is in line with the inflation target of 1 – 3 per cent on average over the medium term. It is clear that the rise in inflation impacts everyday life, and the Reserve Bank will take this into account in their monetary statement.

The change in pricing during the past two years has seen the value of housing stock rise to \$1,750 billion, which has underpinned the strength of the economy, and you'll see in the graph below that while pre-2020 house price changes were much smaller, we need to go back almost 10 years to see any negative sustained house price indicators, which were pre-the GFC in 2008/2009. While there have been extraordinary rises, it is fair to assess the market in the context of the last two years and expect that there will be a flattening of house prices given the extraordinary rises of the past two years.

HOUSE PRICES AND VALUE OF HOUSING STOCK

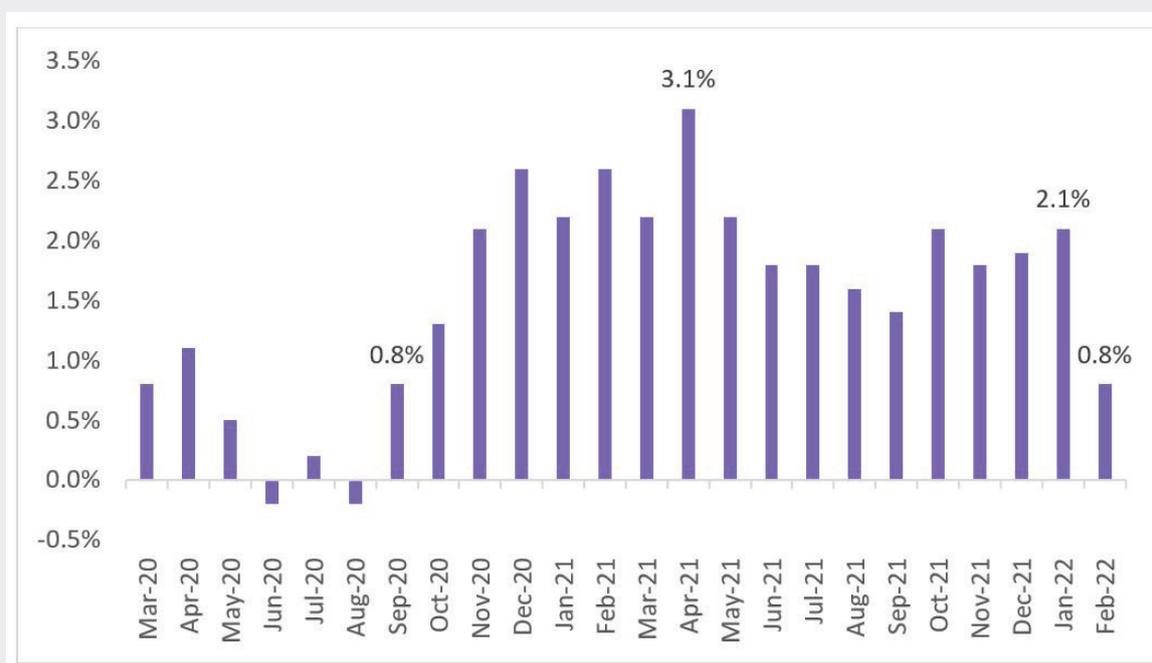


Source: <https://www.rbnz.govt.nz/statistics/key-graphs/key-graph-house-price-values>

Data provided by CoreLogic regarding property value and price changes showed housing prices dropped to the lowest growth rate since September 2020 at 0.8 per cent. In September 2020, New Zealand saw exceptional house price growth for an 18 month period. The numbers in February may be considered a run-off from late 2021. CoreLogic raises the possibility that more recent sales are showing sentiment of a changing market, with sellers unable to achieve the prices of 2021.

Recently published lending data from the Reserve Bank also shows a drop in mortgage activity. While tighter lending restrictions and more expensive lending will impact the market, this conversely is providing choice for buyers and potentially more value.

**CORELOGIC HOUSE PRICE INDEX - NATIONAL MONTHLY RATE OF CHANGE
(SINCE THE PANDEMIC HIT)**



Source: corelogic.co.nz/news

Your Ray White agent is highly skilled in facilitating 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.

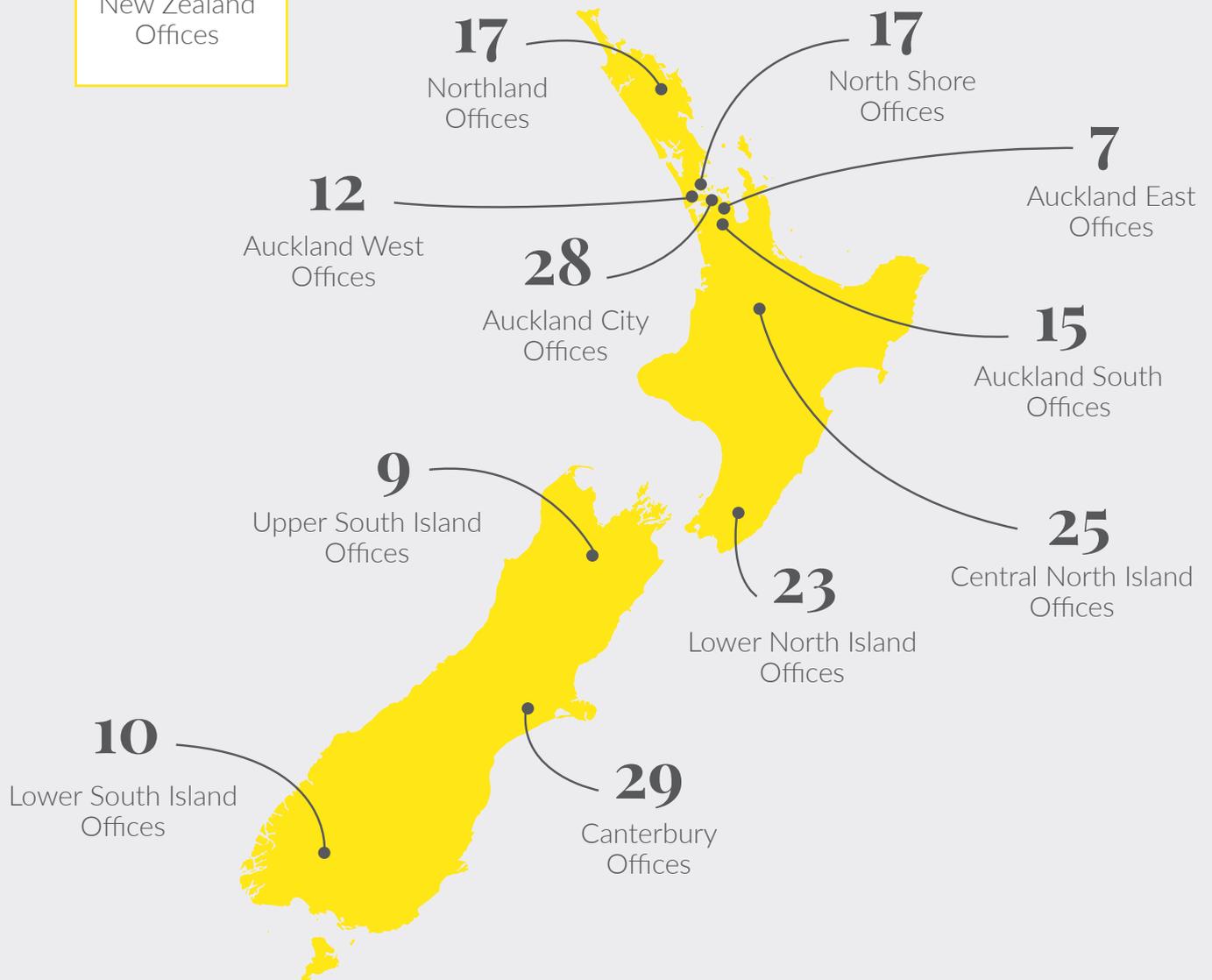
Ray White Now is produced in conjunction with real-time data from our 192 offices across New Zealand. On an annual basis, Ray White completes \$22.14 billion worth of property transactions and currently manages a portfolio of 20,291 properties through our property management division.

Carey Smith
Ray White New Zealand Chief Executive

WE'RE IN YOUR NEIGHBOURHOOD

192

New Zealand
Offices



Over, 2,000 property specialists.

192 offices throughout New Zealand delivering award winning customer service.

To discuss your 2022 real estate goals, pop in and meet the team at your local Ray White office today.





HIGH LEVELS OF
PROPERTY ON THE
MARKET ARE ADDING
CHOICE FOR BUYERS
**MARKET BECOMING
MORE BALANCED
FOR BUYERS**

"We are at a time when there are more competitive pressures for sellers and longer-term considerations for buyers. The market has had an extraordinary pricing lift in the last 12/18 months, and we are seeing this now start to slow, and that is needing adjustment from sellers and also clarity in communication from our agents."

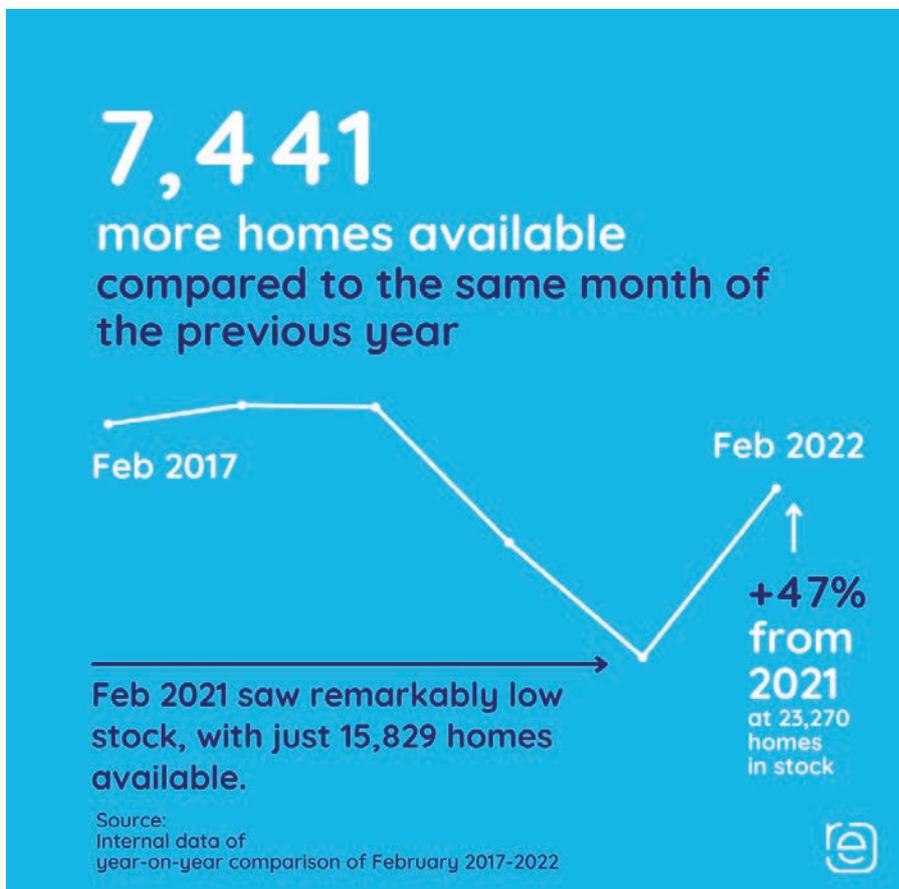
Greg Purcell
Business Owner, Ray White Papamoa, Mt Maunganui.

As New Zealand continues to be in a protective framework known as Phase 3 in the Red traffic light system, the country has experienced much higher cases, and the new framework provides safety while operating with fewer restrictions given the vaccination levels across the country.

This month there have been several announcements regarding changes in isolation together with the definition of close contacts and the announcements have gone further in respect of managed isolation and quarantine facilities with the partial opening of the international borders for Australia and other parts of the world. This will be encouraging that there are less restrictions however remaining safe is a key part of the government strategy in managing the current search in case numbers.

For the real estate market, while there are safety protocols in place, there has been a continuance of open homes and safe property viewings. Sales numbers decreased over the same time last year, property prices have flattened in the month of February to only see a very minor lift of 0.8 per cent. Asking prices have seen a slight reduction although there is a considerable percentage of property that is submitted to auction which may not necessarily vindicate the asking price data.

We have seen a noticeable increase in new listing activity, allowing purchasers to come into the market with confidence of choice. This has added to the overall portfolio of properties available on the market. When we look at the year-on-year comparison taken back five years from data provided by realestate.co.nz it brings the level of stock into perspective which shows in February 2021 a remarkably low level of stock of 15,829 homes wherein February 2022 this has increased to 23,270 properties. When looking back over the previous five years this is still a low number where it is considered that stock availability levels of approximately 30,000 to 35,000 are where balance is found in the marketplace. While we are some way away from this level currently, the year-on-year increase of available homes to buyers increases the competitive nature within the house selling environment and this does provide for better value opportunities.



Source: realestate.co.nz

CoreLogic provides a monthly house price index and this shows across the national and main regional centres that there has been an increase of 0.8 per cent in property values across New Zealand in the month of February. This has resulted in a quarterly change of 4.9 per cent and an annual change of 25.2 per cent. Clearly, however, it is noticeable the slowing in the value of property and there were two areas which had a decrease for the month being Hamilton and Dunedin. Overall the average value of property increased to \$1,036,117 with the highest main centre being represented by Auckland which has now surpassed \$1.5 million for the average property price.

CORELOGIC HOUSE PRICE INDEX NATIONAL AND MAIN CENTRES

Change in Property Values

	Month	Quarter	Annual	Average Value
New Zealand	0.8%	4.9%	25.2%	\$1,036,117
Auckland	1.8%	6.9%	25.2%	\$1,500,082
Hamilton	-0.9%	4.5%	26.3%	\$900,294
Tauranga	1.0%	5.8%	34.6%	\$1,178,811
Wellington	0.4%	2.1%	25.9%	\$1,138,210
Christchurch	1.1%	5.6%	34.5%	\$759,591
Dunedin	-1.0	1.7%	15.8%	\$707,887

Source: CoreLogic Housing markets continue to weaken as higher interest rates and tighter credit conditions weigh on demand

So while the data from CoreLogic shows a slight increase in property values, the quotable value house price index showed a slight decline in the month of February which reflected lower average values in Auckland, Wellington and Queenstown-Lakes. While the slight decline represented a low number in percentage, Palmerston North was the highest decline in value by \$21,894. These were numbers directly compared to January 2022 and while there is a certain credibility in the actual price change, assessing house values based on January data does not have the same validity as it is the lowest selling month of the year.

When we look at the prices across New Zealand the average price sits above \$1 million and while it is expected that this price will fluctuate throughout the year it is New Zealand's biggest city Auckland which now has an average sale price of more than \$1.5 million for the first time. The highest price average in Auckland is in the area of Auckland city - East which sees properties selling with an increase of 21.6 per cent over the last 12 months to now average \$2.152 million. The cheapest area to buy in Auckland remains the Waitakere District with the average property selling for \$1.212 million.

Forecasting house prices is difficult particularly given the spoked nature of individual properties. While monthly house price inflation has remained consistent there is definitely uncertainty around the outlook of the economic stability and other market forces which are pushing and pulling in opposite directions for both buyers and sellers. So it is unfair to be precise about how the headwinds may be navigated given there are still tailwinds in the market but one can safely assume that the housing cycle has begun to turn a corner and a second wind looks unlikely any time soon.

The factors in favour continue to be the type labour market which provides for low economy and that allows for people to have certainty and security in their employment and that gives confidence of positive household income. At what point will households feel the effect of higher mortgage rates and potentially higher inflation.

While the OCR has lifted to 1 per cent on the back of three 0.25 per cent rises will this put any pressure on household balance sheets. The reality is that the majority of lending has been fixed for short terms and while there has been substantial decreases since 2019, hedging those increases have been made possible because of falling interest rates. The majority of homeowners will have experienced much higher interest rates than what is forecast which is around 3 per cent by April 2023.

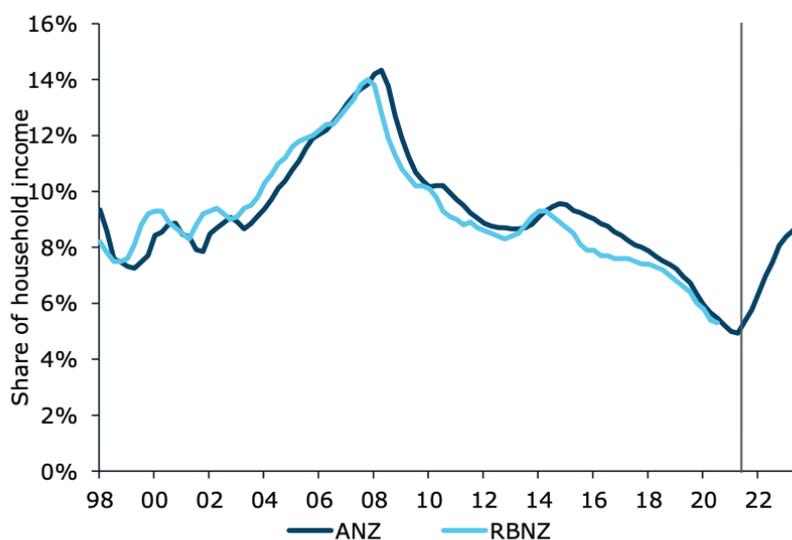
Our Loan Market advisors give a clear indication that the option of longer term fixed mortgage rates are now worth consideration. The majority of people who own property have done so for longer than the last two year period and they have been the benefactor of significant capital gains. How this capital gain either continues to grow or conversely is eroded is similar to any other market and only is realised when someone gives consideration to selling their property. But if that consideration is given on a similar market then of course any pain that is expected during the transitional phase is of course taken across as again to the next transactional phase.

There may even be better outcomes for fixing over longer periods of time and having certainty in interest-rate potential rises and hedging on what could be considered longer term household debt burden.

It is recognised that two and five year fixed interest rate levels are the first to rise because they look out the furthest. Six month to 12 month rates are generally kept in the pace of the current OCR announcements and the margin that then is involved. The RPNZ's serviceability metric has been pushed out now that the expectation of servicing debt over the past couple of years is significantly differentiated but looking at the past again it would give a strong indication that over the last five years we have been an environment where very low interest rates have increasingly built confidence and we are now moving to more of a considered normal balanced market.

So, how do you list the balance of selling your property and re-buying in the same market. Being an investor who considers real estate to be a good purchase because of yield returns and to be a first home buyer entering into the market and weighing up the various options in regards to servicing mortgages and affordability?

Figure 3. Household debt servicing



Source: RBNZ, ANZ Research

When we are in the market right now you can consider that there is 47 per cent more property to look at to what there has been 12 months ago as a buyer. There is no doubt that this brings a competitive area to the salability of property and it spreads the demand because of the higher level of supply.

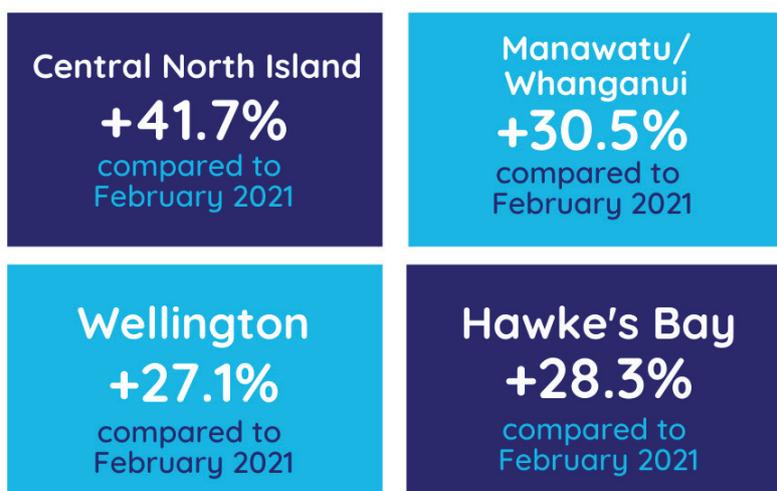
It is really a simple equation that the more supply that comes onto the market and the motivation of those particular sellers will determine how the market moves forward. We are in a much more balanced market but one that we can't over react to given that the normal supply of housing stock on the market is 30,000 to 35,000 properties.

Currently, this sits around 25 per cent below this level at 23,000 properties.

So listing stock is at the highest level it has been in the past 24 months and this is similar for the Ray White group which has had an increase in overall properties available on the market of 53 per cent. This number is higher given that Ray White has been entrusted with more properties in the past 12 months than ever before.

Data provided from realestate.co.nz showed that while New Zealand listing inventory continued to rise the top regions with the highest new listings were the central North Island, Manawatu/Whanganui, Wellington and the Hawke's Bay. Not all were above the national average but certainly providing a snapshot of where the new listing increase has been shaped. Largely the areas that have the highest new listings also were the areas that had the lowest inventory levels in the past 18 months. That has also been reflected in the highest price rises so there is a definite correlation between the supply of listings and the demand from buyers.

The top regions with the highest new listings increase.

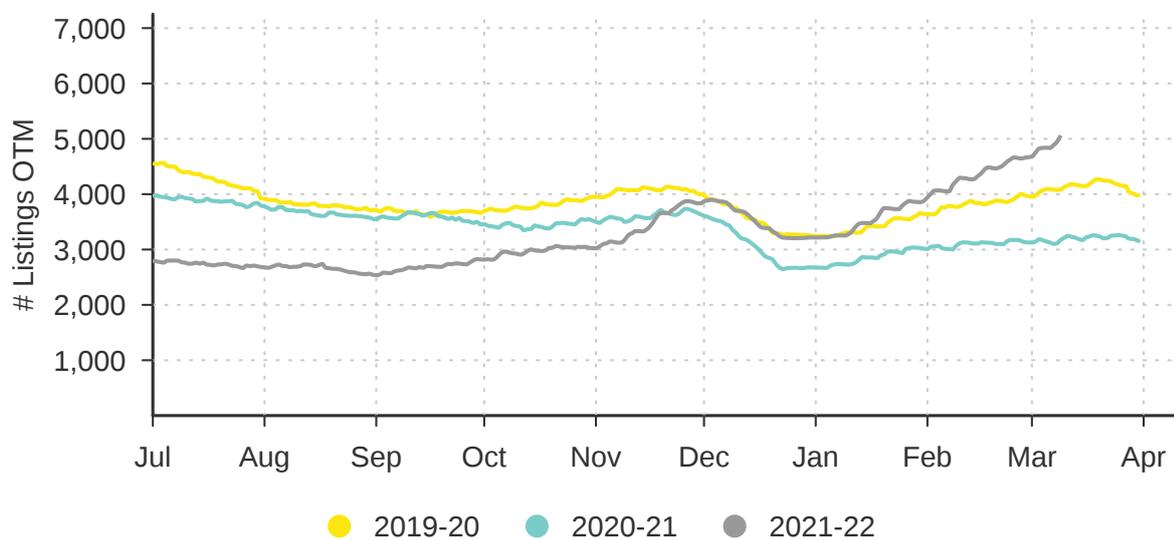


Source:
Internal data 2022



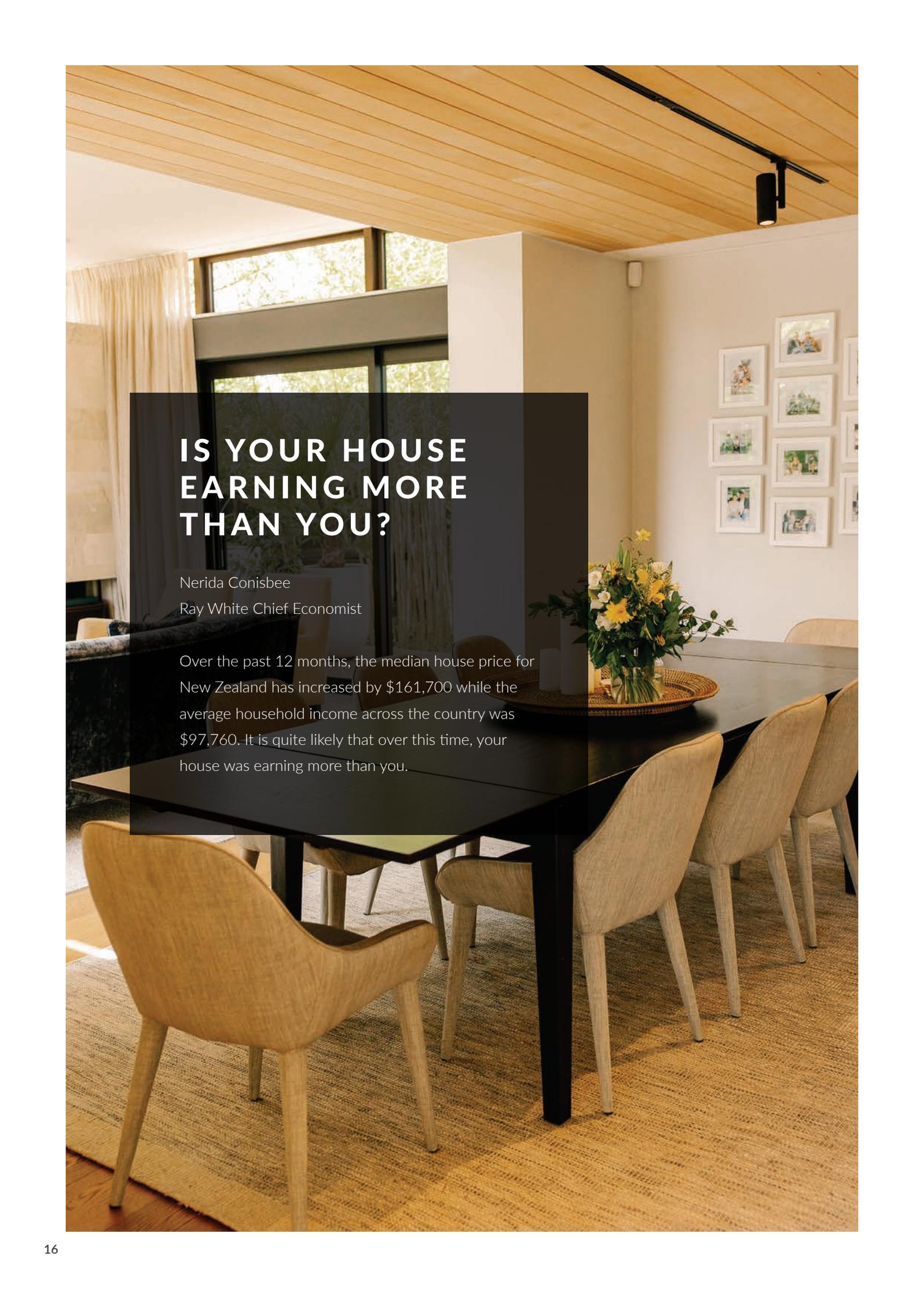
The number of new listings entrusted to Ray White during February and early March has increased by 30.6 per cent. This has lifted our overall properties on the market to 4,991 properties which is a new high 59 per cent higher than February 2021. The overall portfolio is providing buyers with more choice and putting some pressure on prices given 12 months ago our company was holding less than 3,000 properties.

It is the difference between the sales numbers and the live listings that is creating the additional properties currently on the market. The below graph represents listings on the market and the orange line represents 2022. The blue line represents 12 months ago where there were 3,123 properties on the market. Supply has remained consistent with live listings being 3 per cent higher than 12 months ago.



Source: Ray White Online Analytics





IS YOUR HOUSE EARNING MORE THAN YOU?

Nerida Conisbee
Ray White Chief Economist

Over the past 12 months, the median house price for New Zealand has increased by \$161,700 while the average household income across the country was \$97,760. It is quite likely that over this time, your house was earning more than you.

The likelihood of your home being the best income earner in your household is higher if you are in Auckland. Over the past 12 months, Auckland's median house price increased by \$309,000. At the same time, the annual median household income was \$107,692. The only city in New Zealand where the people that live in the house were earning more than the house in 2021 was in Dunedin - the median increased by \$55,000 compared to household incomes of \$84,136.

Median house price growth has outpaced annual household incomes in nearly every major city

12-month growth in median house price growth and median household wage

Major City	2021	2022	(\$) Growth	Median Household Income
Auckland City	\$1,101,000	\$1,310,000	\$309,000	\$107,692
Wellington City	\$885,000	\$1,030,000	\$253,000	\$118,508
Christchurch City	\$520,000	\$665,000	\$159,000	\$91,416
Hamilton City	\$695,000	\$839,994	\$134,000	\$94,224
Dunedin City	\$620,000	\$670,000	\$55,000	\$84,136

Source: Ray White, REINZ



By suburb, the increases become more stark. The suburbs with the biggest gap between median household income and house price rise growth were primarily in Auckland. Whereas the median household income in Auckland was \$107,692 in 2021, houses in Dairy Flat increased by \$1.65 million. This is more than 15 times the median household income. Coming in second was Omaha followed by Westmere.

Suburbs with the biggest gaps between median house price growth and household income

Difference between median house price growth and household incomes for the region in which the suburb is contained

Suburb	2021 Median	2022 Median	(\$) Growth	Annual Household Income (for the region)	(\$) Difference
DAIRY FLAT	\$1,550,000	\$3,200,000	\$1,650,000	\$107,692	\$1,542,308
OMAHA	\$2,053,761	\$3,120,000	\$1,066,240	\$107,692	\$958,548
WESTMERE	\$1,995,000	\$2,800,000	\$805,000	\$107,692	\$697,308
BOMBAY	\$1,272,500	\$2,000,000	\$727,500	\$107,692	\$619,808
TAMAHERE	\$723,000	\$1,300,000	\$577,000	\$94,224	\$482,776
SURF DALE	\$980,000	\$1,543,000	\$563,000	\$107,692	\$455,308
WATERVIEW	\$700,000	\$1,240,000	\$540,000	\$107,692	\$432,308
HERNE BAY	\$1,780,000	\$2,300,000	\$520,000	\$107,692	\$412,308
CROFTON DOWNS	\$695,500	\$1,200,500	\$505,000	\$118,508	\$386,492
SUNNYHILLS	\$885,000	\$1,225,000	\$340,000	\$107,692	\$232,308
RED BEACH	\$903,000	\$1,372,000	\$469,000	\$107,692	\$361,308

Source: Ray White, REINZ, stats.co.nz



Obviously, the biggest challenge is that it isn't possible to spend the capital gain you have made on your home without selling the house, unlike your household income which comes in the form of ready to spend cash. As to whether your house will continue to be a better earner than you, it remains to be seen. At this stage, however, it does seem unlikely with median house price growth slowing. In some places, prices will also go backwards. Your house may have earned more than you in 2021 but that is less likely to be the case this year.





WHAT ARE WE SEEING IN THE MARKET RIGHT NOW?

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 February, we saw 2,339 'new listings' come onto the market 9.25 per cent up on February 2021. This was met by 1,567 sales for January, a decrease of 28.15 per cent year on year. With a total of 4,666 listings on the market in February for buyers to choose from up 48.69 per cent year on year.

DEMAND

The initial buyer metric we consider is the number of buyers viewing properties online. Throughout February, we saw 4.303 million views across our Ray White websites which resulted in over 48,323 enquiries.

Ray White New Zealand saw 911 properties scheduled to go to auction in February, up 5.4 per cent when compared to the same period last year. With 7.9 per cent of these properties sold prior to auction it still demonstrates the strength of the buyer pool.

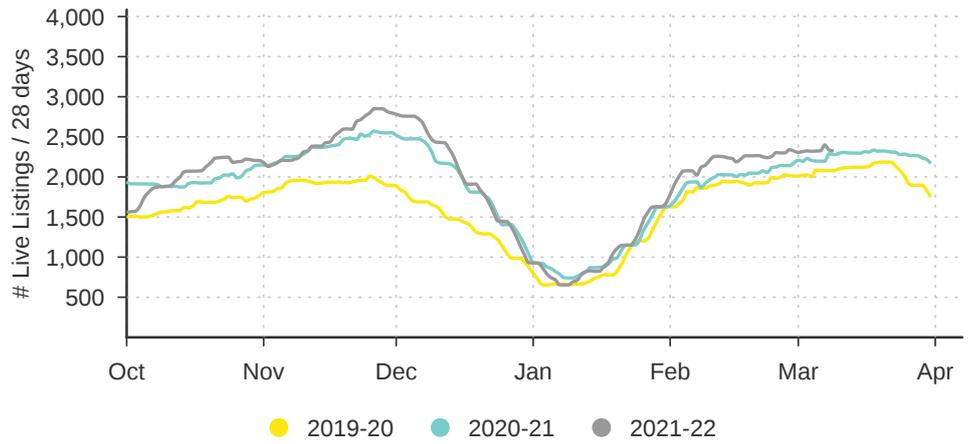
Our auction day clearance rate for last week is sitting at 54.7 per cent. We are seeing quality homes in good locations with multiple bidding registrations and active bidders.

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 still seeing record numbers of pre-approvals across the country, with 9.29 per cent more than this time last year (refer to page 23). This is despite the major changes to the Credit Contracts and Consumer Finance Act (CCCFA) which came into force on 1 December 2021 and rising interest rates.

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

LIVE LISTINGS

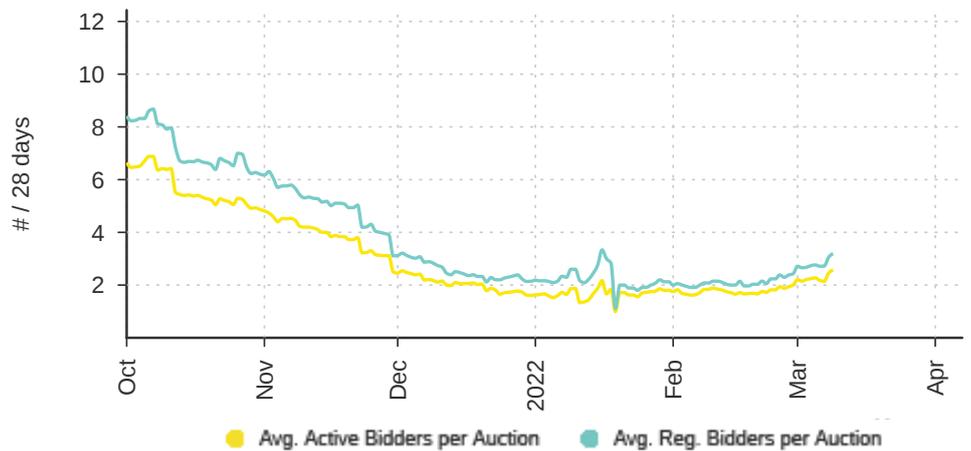
This chart shows the total number of live listings are up for the month of February by 2.83 per cent compared to the same time last year.



Source: Ray White Online Analytics

BIDDING BY MONTH

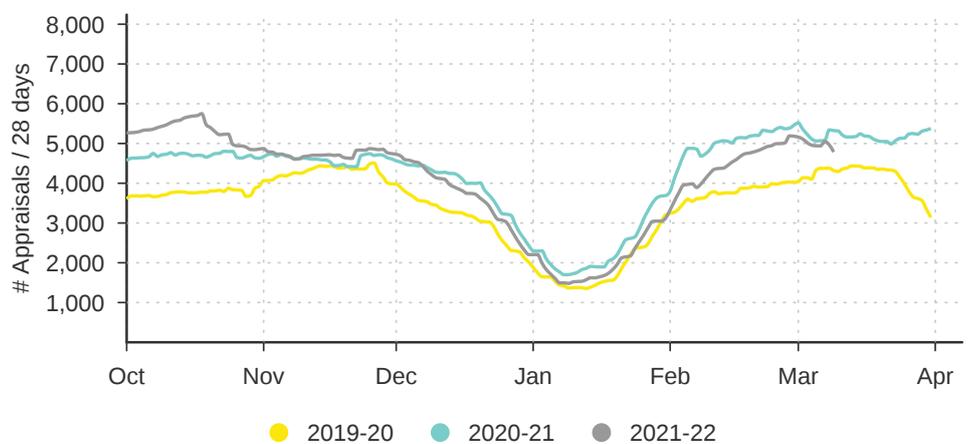
This chart illustrates the average number of registered bidders per auction for the last six months.



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

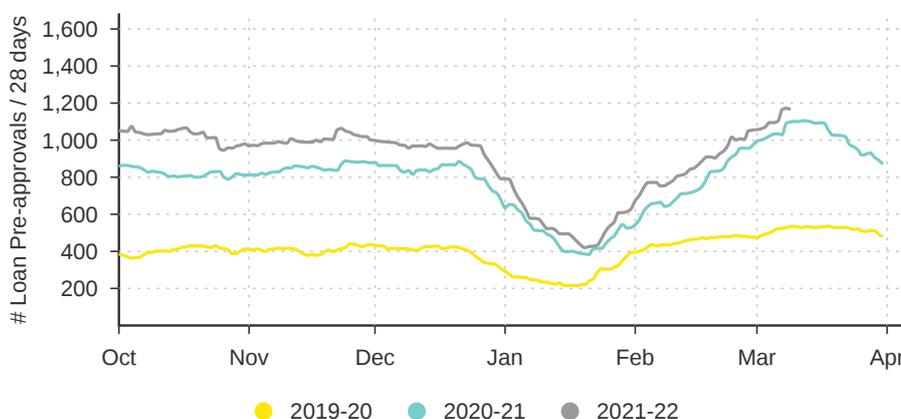
SO WHAT FACTORS CONTRIBUTE TO MARKET SENTIMENT?

Interest rates continue to underpin purchasers buying power. The OCR currently sits at 1.00 per cent, with the next monetary policy review announcement set for 13 April 2022.

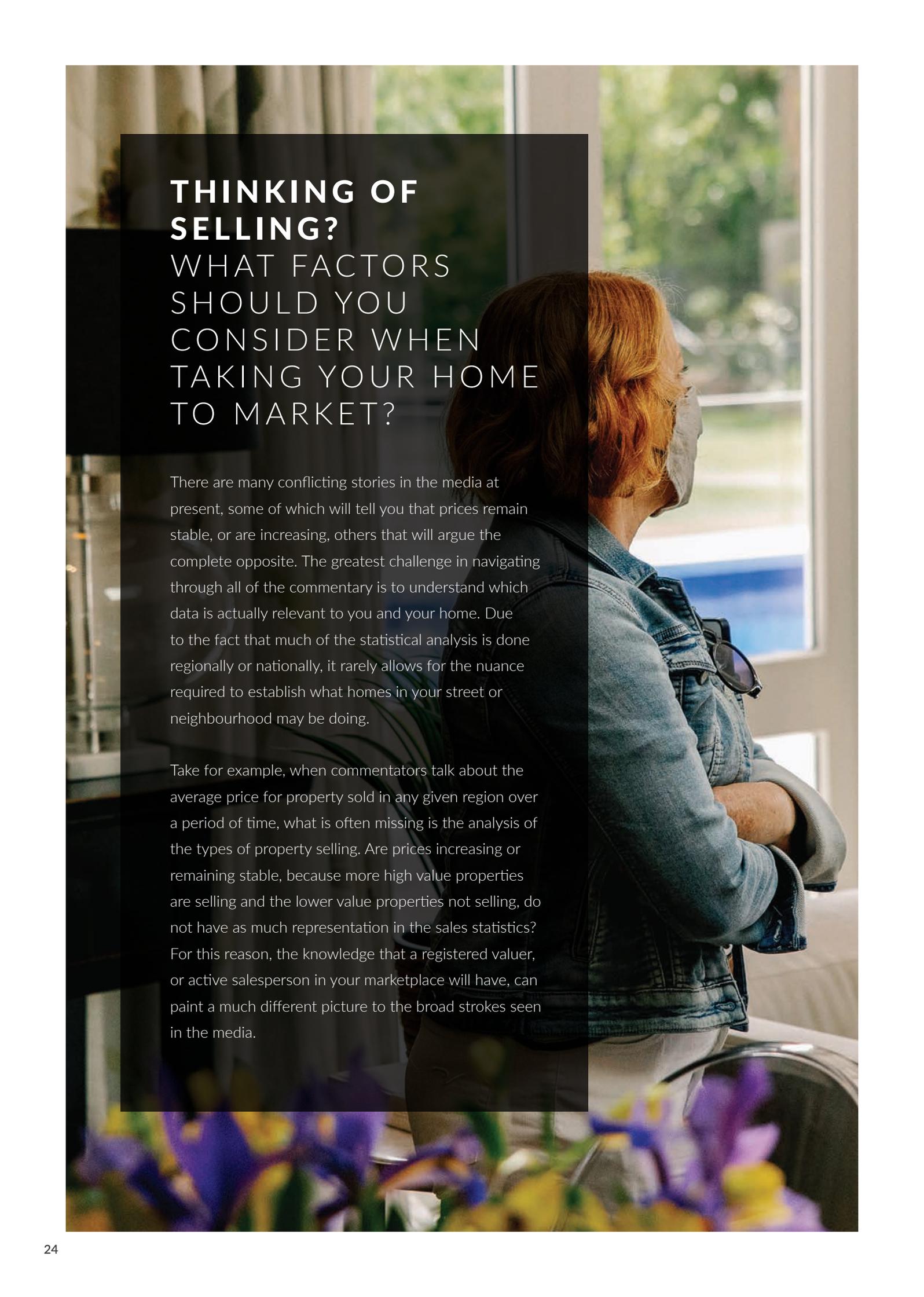
- Interest rates - are a driver of home affordability, and in many areas, while prices have risen considerably in the last 12 to 18 months, corresponding interest rates whilst increasing remain at historically low levels in comparison.
- Lending environment - a significant market headwind is the changing lending environment. Not only are rates on the rise, credit availability has gotten tougher. Loan-to-value ratios have returned, new Credit Contracts and Consumer Finance Act rules - which make accessing lending harder - are in place, and the Reserve Bank is consulting on debt-to-income ratios.
- Affordability - house prices in 2021 rose dramatically high across the country in 2021 with recent data released by CoreLogic showing a 27.6 per cent growth across the market.
- Housing supply - along with an increase in listings, there is a strong pipeline of new build supply set to hit the market, with new home consents at record levels and the construction industry in overdrive.
- Net migration - travel restrictions to New Zealand have eased. "As a result of COVID-19, the number of New Zealand citizens leaving New Zealand to live overseas had slowed considerably. This may change given the relaxation in border restrictions and requirement for managed isolation.

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



THINKING OF SELLING? WHAT FACTORS SHOULD YOU CONSIDER WHEN TAKING YOUR HOME TO MARKET?

There are many conflicting stories in the media at present, some of which will tell you that prices remain stable, or are increasing, others that will argue the complete opposite. The greatest challenge in navigating through all of the commentary is to understand which data is actually relevant to you and your home. Due to the fact that much of the statistical analysis is done regionally or nationally, it rarely allows for the nuance required to establish what homes in your street or neighbourhood may be doing.

Take for example, when commentators talk about the average price for property sold in any given region over a period of time, what is often missing is the analysis of the types of property selling. Are prices increasing or remaining stable, because more high value properties are selling and the lower value properties not selling, do not have as much representation in the sales statistics? For this reason, the knowledge that a registered valuer, or active salesperson in your marketplace will have, can paint a much different picture to the broad strokes seen in the media.

So what is driving change in the present conditions and what does it mean for those considering bringing their home to market?

There are several factors to consider which all have an influence on both supply and demand, which as already outlined in this document are the key contributors to property prices.

- Number of properties for sale
- Interest rates
- General lending environment and regulatory restrictions
- The time it takes to sell a property
- Method of sale

The number of properties available for sale has a direct influence on the supply side of the equation, the more choice there is, the less pressure a buyer has to compromise if the property doesn't suit their requirements. What that then likely means, if the buyer is interested in transacting they are more likely to be price sensitive, so that they can remedy what they believe the shortcomings to be. The less properties available for sale does the opposite and buyers are more likely to compromise and in addition, be in competition with other purchasers for a home.

There has been much speculation around interest rates and almost all are predicting the Official Cash Rate to continue to increase over the coming period of time. There are a number of factors that influence the Reserve Bank of New Zealand's decisions around the OCR, but inflationary pressures remain a key driver. As previously discussed in this document, with the current level of inflation in New Zealand, it is likely these predictions will prove to be correct. What does this mean for those borrowing then? Well, in all likelihood, at least in the medium term, the later someone purchases a home, the more it is going to cost them to borrow the money. So buyers that are active in the market now potentially have greater purchasing power now (all other things remaining equal) than they may do in say six, to twelve months time.

As discussed above, the more choice there is for buyers, the less urgent their decision making becomes. This can also have an impact on property that remains on the market for longer than the typical days to sell a home in a given area. When a home remains available for a long period of time, buyers often make assumptions about value or the home's suitability and ask the question "why has nobody else bought it?". Sometimes there is a perfectly valid reason for this, but rarely do sellers have the opportunity to communicate this effectively to the market. This is why many are still suggesting that a campaign with a 'deadline', such as an auction remains the most effective way to concentrate and focus buyer attention in a finite period of time.

When it comes to deciding which method of sale is right for you and your home, there are many different ways of marketing a property. However, these can effectively be broken down into two categories: 'price' and 'no price'. The difficulty in the market at present is predicting what a purchaser may be willing to pay for a property. Meaning that the risk of both overpricing your home (and remaining on the market for an extended period of time) or underpricing your home (and not achieving the maximum price possible) remains high. For this reason, many salespeople are recommending that the method of sale you choose removes the price barrier, allowing purchasers to engage with your home at a price point they are willing to pay. In addition to this, following this process over a condensed period of time will allow you to put all prospective buyers into competition with one another, which ultimately will provide you with the best offer the market is willing to pay at that time. This is why many suggest that auction continues to provide a robust method of sale in changing market conditions.

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 February, Ray White New Zealand had 2,303 live listings, up 4.3 per cent on last year, while the number of sales was down 32.84 per cent year on year.

Last month, Ray White New Zealand had 911 properties scheduled to go to auction, leading to an all sold clearance rate of 59.6 per cent.

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.

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.

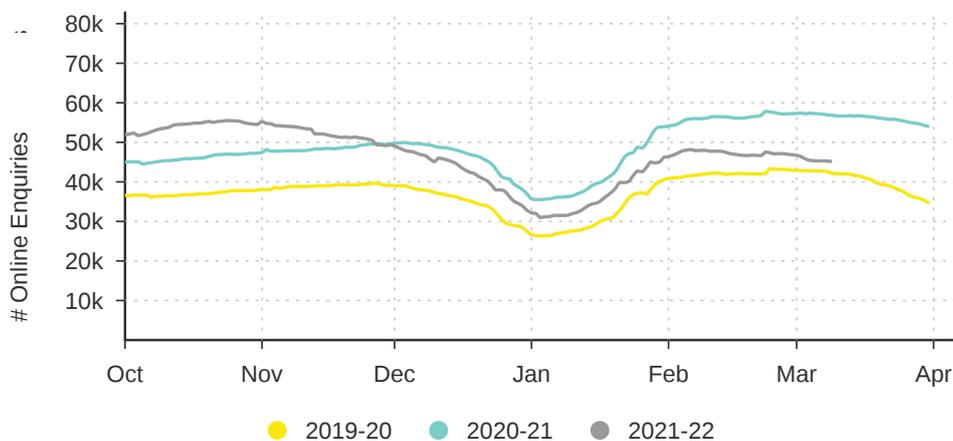
We do this by having the greatest number of relationships with buyers in the market today. Combine our relationships with our use of technology; we can engage with buyers on a level that will ensure we can find the premium buyer for your property.

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 120 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.

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 12 per cent below levels at the same time last year.



Source: Ray White Online Analytics

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.

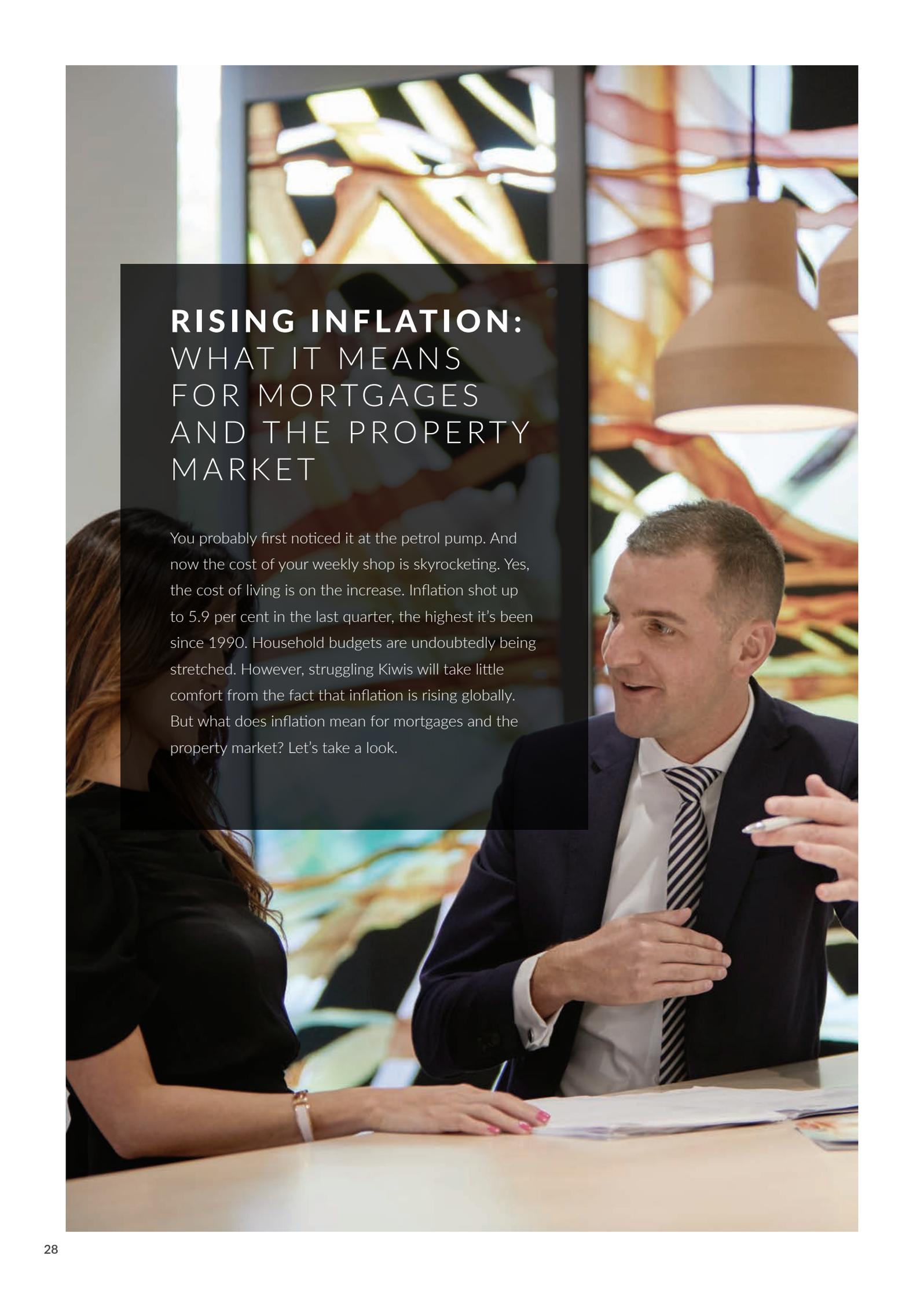
Our media exposure dominates all other brands in terms of publicity - which is the sweet spot. Our profile in newspaper advertising and editorials, along with a large number of listings on oneroof.co.nz, realestate.co.nz and trademe.co.nz/property - is also huge.

To put a price on the power of our media coverage, in February, Ray White New Zealand achieved more than \$767,676 worth of earned media mentions in print, online, radio and TV, according to iSentia, our media intelligence agency, with a potential reach of 4,100,380 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.



RISING INFLATION: WHAT IT MEANS FOR MORTGAGES AND THE PROPERTY MARKET

You probably first noticed it at the petrol pump. And now the cost of your weekly shop is skyrocketing. Yes, the cost of living is on the increase. Inflation shot up to 5.9 per cent in the last quarter, the highest it's been since 1990. Household budgets are undoubtedly being stretched. However, struggling Kiwis will take little comfort from the fact that inflation is rising globally. But what does inflation mean for mortgages and the property market? Let's take a look.

IMPACT OF INFLATION ON THE PROPERTY MARKET

One direct impact of inflation is the rising cost of construction. House building has been booming in New Zealand. However, huge demand for building materials, supply chain disruptions and a tight labour market have seen costs soar. Some estimate construction costs increased by as much as 14 per cent last year.

However, alongside inflation, there's a storm of changes brewing in the property market. The combination of tighter lending conditions ushered in by the CCCFA, debt-to-loan income caps and LVR changes are starting to impact house prices. The boom we saw throughout 2021 may well be in the past.

The latest data from REINZ indicates that while January saw a significant drop in the number of house sales, prices show signs of slowing. According to REINZ, in January, nationwide median sales prices increased by just 1.4 per cent in December.

IMPACT OF INFLATION ON MORTGAGES

Rising inflation means the cost of borrowing goes up. The Reserve Bank was widely tipped to increase the official cash rate (OCR) at its review on 23 February, and indeed they did. It rose by 0.25 per cent, to 1.0 per cent. Earlier in the week, others were even suggesting it could be bumped up by 0.5 per cent as the Reserve Bank tries to curb inflationary pressures.

One thing for sure is any increase in the OCR will trigger a fresh round of hikes to mortgage interest rates. The country's largest home loan lender, ANZ, has already announced increases to its fixed rates, ahead of the Reserve Bank's decision.

WHAT CAN I DO?

Cutting back on spending and shopping around are tried and tested ways to ride out inflationary headwinds. Plus, good people are currently in short supply, so now may be the time to ask your boss for a pay rise.

With mortgages taking up a big chunk of household budgets, you may well be wondering what's the best option for you. Contact your Loan Market adviser today for personalised, expert advice.

ABOUT LOAN MARKET

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

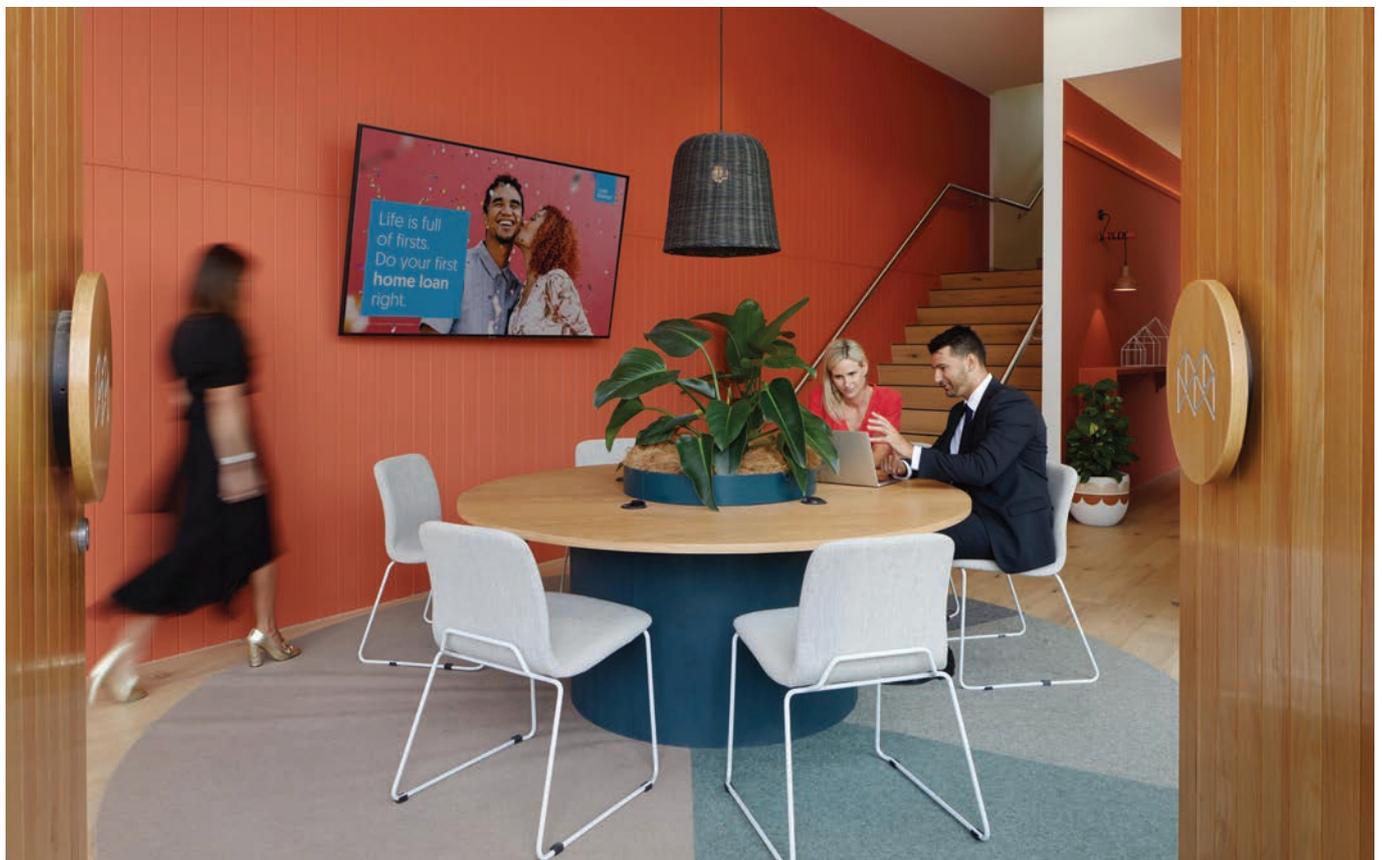
That's where our partners at Loan Market can help. Whether speaking to first home buyers, investors or owner-occupiers, Loan Market advisers can compare rates and features from over 20 banks and lenders to help potential buyers get the right finance in place to secure the property they want.

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 Australia, New Zealand, 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 make the best real estate decisions.

raywhite.co.nz



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



raywhite.co.nz



loanmarket.co.nz