



# RAY WHITE NOW

NOVEMBER EDITION

PROUDLY PRESENTING PROPERTY MARKET INSIGHTS IN REAL TIME



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## DEAR PROPERTY OWNER,

Welcome to our 57th edition of Ray White Now.

We publish Ray White Now every month and have done so since April 2020, when continued messages were being communicated to the market based on broad observations and opinions. This has again become part of the media landscape, and given, at times, the potential lag period, this can be out of alignment with the market in real-time.

At Ray White, we sell 23.86 per cent of all residential property across New Zealand. In doing so, our listing volumes across October saw Ray White as the year-to-date number one listing agency across New Zealand. This allows us the scope to bring you data in real-time directly from sales we undertake across our 195 offices in New Zealand.

While changes have occurred in the confidence of buyers and sellers to transact real estate across New Zealand, the ability to borrow money has seen a continued lowering of barriers over the past month. Rising interest rates remain on the agenda of the Reserve Bank, with last week's announcement of a .75 basis points lift in the Official Cash Rate, which now sits at 4.25%. This is the highest level since 2008, and the Reserve Bank is projecting that the OCR will peak at 5.5% by mid-2023. This is a considerable change given that only three months ago the forecast peak was 4.1%. Interest rates clearly have an effect on the speed of the market, and essentially given the strength in the labour market and the level of inflation, the official cash interest rate is one of the key drivers in changing spending patterns for mortgage holders.

Looking at where the market has come from, it is not a surprise to many that a slowdown had to occur. Some markets in 2020/21 experienced higher increases, changing the average price considerably.

Between July 2020 and September 2021 the dynamic in housing price increases had never occurred in previous real estate markets in such a short amount of time. Interest rates dropped to record-low levels, and borrowing was widely encouraged. This allowed buyers to enter the market and sellers to take a perceived uplift in price. Confidence abounded in the market in New Zealand; property became very much the talking point, and the success of marketing property increased, which delivered higher sale prices and lower days on market.

Then, from October 2021, the Reserve Bank advised the first upward lift in interest rates since 2014. After 25 progressive statements of either stable or lowering interest rates, this was the first time the market had experienced an upward lift. Although this was only .25 basis points, it was enough to indicate that more interest rate rises were expected.

Since then, we have experienced eight further interest-rate rises: November 2021, .25 basis points; February 2022, a further .25 basis points; and April, May, July, August and October 2022 - all lifts of .50 basis points. This week in their November monetary policy statement, the Reserve Bank lifted the OCR by a further .75 basis points. This has lifted the official cash interest rate to 4.25 basis points from 0.50 basis points only 12 months ago. It may not seem like a high-level increase in terms of quantum, but in real terms, the lift has been tenfold, and further lifts are expected.

Several large banks have revised their forecast, and they now believe there will be further increases of interest rate rises of .75% over the next three monetary statements, which will see the official cash interest rate rise to 5.5%. The Reserve Bank Governor has projected the OCR to peak at 5.5% by mid-next year. It was also recognised that the nature of the jump in interest rates was likely to cause a recession in 2023 and potentially no growth through 2024.

Other aspects of the policy could see escalating job losses and labour market conditions for business which will enable a better trajectory for further growth.

The next monetary statement is 23 February 2023. It is widely tipped by banks to see a further rise in the OCR by between .50 and .75 basis points over the next three statements.



Source: RBNZ.govt.nz

The following comments are taken from the Reserve Bank news release with respect to comments on the latest official cash rate and how the committee viewed the various aspects of their decision to again raise the official cash rate.



### Demand in the New Zealand economy has remained resilient

- Demand in the New Zealand economy has been resilient to global and domestic headwinds.
- Household spending has stayed elevated, despite high inflation, rising interest rates, falling house prices and uncertainty about the global outlook. Recent spending has been supported by high employment, increasing wages, cost of living payments, and savings built up by households during COVID-19 lockdowns.
- The recovery in international visitors has been faster than expected since our border reopened. This is boosting demand in the tourism and hospitality sectors in particular.



### Worker shortages are holding the economy back and increasing inflation

- The unemployment rate remains very low at 3.3 percent, and a record number of New Zealanders are participating in the labour force. Worker shortages are holding back output across many industries and regions. A wide range of indicators continue to point to employment being above its maximum sustainable level.
- Worker shortages are increasing wages and are contributing to high domestic inflation.

- We expect the unemployment rate to stay low in the near term. This is because employers are likely to hold on to existing workers. Instead, they may reduce hiring of new staff or offer fewer work hours in response to the weakening outlook for economic growth.



### **Worker shortages are holding the economy back and increasing inflation**

- Global developments have driven a large part of the high headline inflation in New Zealand. Increases in commodity and energy prices as a result of the Ukraine war have added to initial inflationary pressures that emerged during the COVID-19 pandemic.
- Inflation is now at or near multi-decade highs in many parts of the world. High inflation globally has led to sharp increases in world prices for the goods that New Zealand imports.
- The weaker outlook for global demand will contribute to lower growth in New Zealand through lower export prices and business investment. Lower global demand will also contribute to lower imported inflation over coming years.



### **Higher interest rates are needed to meet our inflation and employment objectives**

- Annual inflation remains too high in New Zealand, at 7.2 percent. High inflation is due to a mixture of domestic and international factors.
- Measures of persistent or 'core' inflation have increased, as have expectations of future inflation. These measures suggest that inflation will remain elevated in the near term.
- The MPC expect that they will need to increase the OCR by more than expected in August to meet their inflation and employment objectives.
- Given that the New Zealand economy is starting from a point of acute labour shortages and high inflation, an economic contraction is likely as economic activity eases from elevated levels. The unemployment rate is expected to increase from very low levels as demand for workers reduces and the labour force grows.

### **Latest Key Statistics**

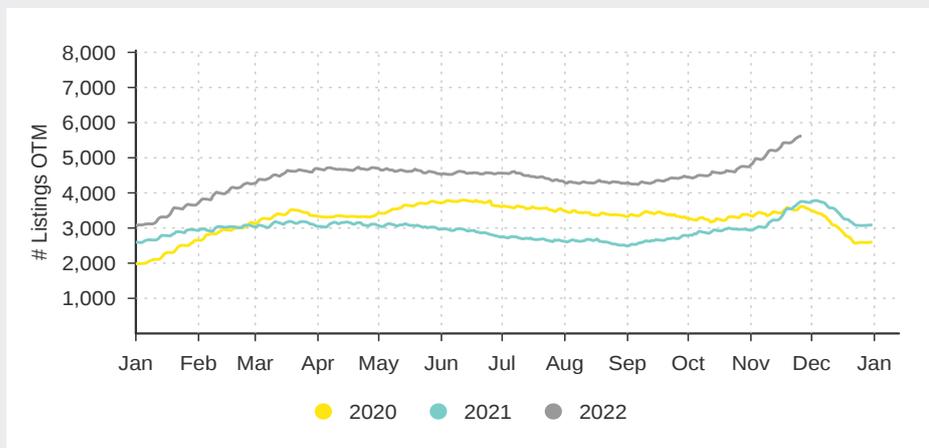
The Committee agreed that the OCR needs to reach a higher level, and sooner than previously indicated, to ensure inflation returns to within its target range over the medium term. Core consumer price inflation is too high, employment is beyond its maximum sustainable level, and near-term inflation expectations have risen.



Our Ray White total properties on the market graph shows the number of properties currently on the market is 5,624, while at the same time last year we had 3,592 properties available. This allows purchasers not only to take their time but also to realise there are value comparisons in the market, where 12 months ago, there were not.

The market certainly has been different in the last two years. Today we sit in a more normalised market rather than the comparisons of 12 months ago. While prices still have a much higher value than two years ago, the normalisation of stock levels is closer. This is likely to continue across New Zealand; there will be approximately 30,000 properties available for

sale with a long-term average inventory of approximately 27 weeks. This would indicate a much more balanced market favouring those seeking value by comparison. Those positively marketing their property can expect reasonable buyer depth to respond to properties considered reasonable value.



Source: Ray White

How is Ray White New Zealand responding to the market changes? It is more important for us to convey information on the active market and the properties that are in competition to listings coming onto the market. Today, while the buyer is important, most competition comes from similar properties. While factors including location and build quality are high on the preferred wants of buyers, comparison properties and value sit considerably higher given the amount of property on the market.

While auctions continue to be the preferred marketing method, it is more difficult to encourage under-the-hammer sales. We believe that auction provides transparency for buyers to transact, whether before the auction, at the auction, or after. While success rates have changed with under-the-hammer results, the auction marketing method is still the most successful. In market conditions that are potentially declining, it remains relevant for sellers to consider.

So, in a rapidly evolving market, conditions are variable. Your local Ray White office has the information that will give you insights into not only the value of your property but the depth of potential buyer interest linked to the successful marketing of your property.

Regards,

Carey Smith  
Ray White New Zealand Chief Executive





## PARTS OF THE MARKETS SEEING EARLY GROWTH **INCREASING ACTIVITY ACROSS THE FIRST HOME BUYER SEGMENT GIVES ENCOURAGING SIGNS**

“We are dealing with a range of buyers and sellers as we see ourselves in a needs market. Stock has risen, and this has given the buyer the opportunity of choice. So many factors have changed, but there still are a fair level of property sales occurring with prices being market related”.

Rodney Fong  
Business Owner, Ray White Tauranga and Ray White Bayfair

We continue a noticeable increase in new listing activity, allowing purchasers to enter the market with confidence of choice. This has added to the overall portfolio of properties available on the market.

Data provided by realestate.co.nz shows the increase of new property listings has stabilised at approximately 26,577 properties, which is 74.7 per cent ahead of October 2022. 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 5,000 properties, or just over 25 per cent, in six months.

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.

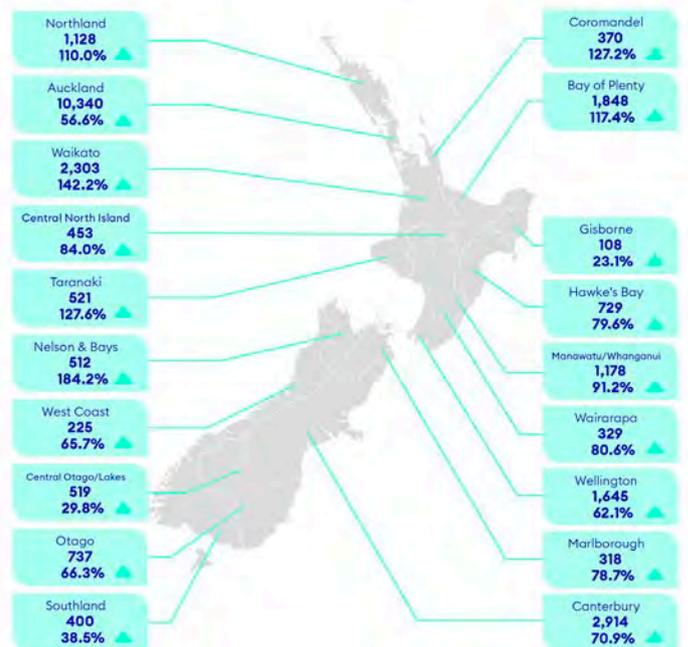
The Reserve Bank of New Zealand has lifted interest rates in their recent announcement, marking the eighth consecutive rise since October 2021. The next monetary statement and official cash rate review is 23 February 2023. While lending barriers have slowed the buyer depth within the property market, the current inflationary effects are having the most impact on the economy and affordability, with the annual inflation rate being 7.2 per cent. This is reviewed in the financial stability to report published on 2 November 2022.

They commented 'However, headwinds are strong. Heightened global economic uncertainty and higher inflation are dampening global and domestic consumer confidence. Asset prices, in particular house prices, have also declined, reflecting in part higher mortgage interest rates and increased supply of housing.'



## Total housing stock

Housing stock in October 2022  
**26,577**  
 Compared to October 2021  
**74.7%**



Source: realestate.co.nz

To put this into perspective, during the past 10 years, the inflation rate has averaged 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 its monetary statement.

Areas and regions continue to respond differently across New Zealand. While the headline numbers are generally provided on the overall sales, the regions with the highest average increase in asking price were Marlborough, West Coast and Nelson.

In contrast, the regions with decreases in average asking price were Auckland, Taranaki and Otago. These graphs, however, can be a blessing for both buyers and sellers. An increasing market can indicate a strengthening of prices because of the value in the average sale price. At the same time, potential decreases can result from a market that might have been overinflated, and the buyers have taken pricing levels back to be more realistic.

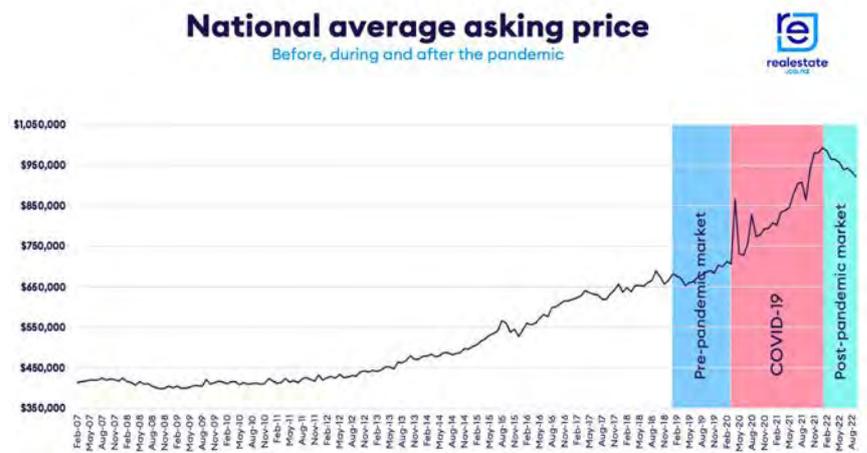


Source: reinz.co.nz

Many ask the question about when should I buy real estate? What would a property I purchase today look like in five, 10 or 20 years? How many upturns and downturns are there during various cycles, and are there any key underlying trends that show any long-term declines linked to mortgage rates or a more relaxed credit environment? What determines rises in house prices, and what determines falls?

Realestate.co.nz provides a real-time graph, which from January 2007 has seen prices more than double over that period of time which shows the long-term prospects of holding property continues to be relevant. CoreLogic provided a recent graph which shows a similar cumulative trend of an average increase of 7.5 per cent over an extended 20-year period. If it is the case that someone is to ask the question when should I purchase property and in what location; while there is some differentiation in the main centres and there are periods where events have occurred which change housing supply across the 20 years, much of the property markets have remained consistent regardless of external factors.

Since 2003, among the main centres, Hamilton has seen the largest increase in average property values, at 330 per cent - followed by Dunedin at 298 per cent, Auckland at 287 per cent, Wellington at 282 per cent, Tauranga at 277 per cent, and Christchurch at 236 per cent. The latter has seen slower growth due to the post-earthquakes surge in new housing supply, but with signs that this supply reaction is slowing down, Christchurch could see outperformance over the coming years (even if that only means smaller falls in the near term).



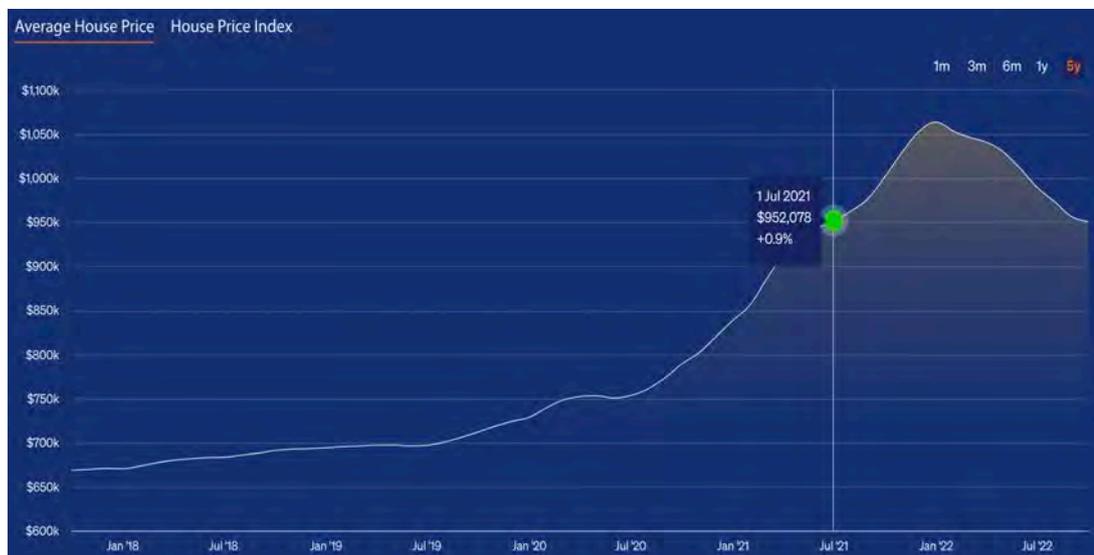
Source: realestate.co.nz

The latest QV House Price Index shows that home values have decreased by an average of 3.9% nationwide in the 3 months to the end of October 2022. The average home decreased in value by 5.1% nationally over the past 12 month period to the end of October 2022. The national average sale price is now \$ 951,040.

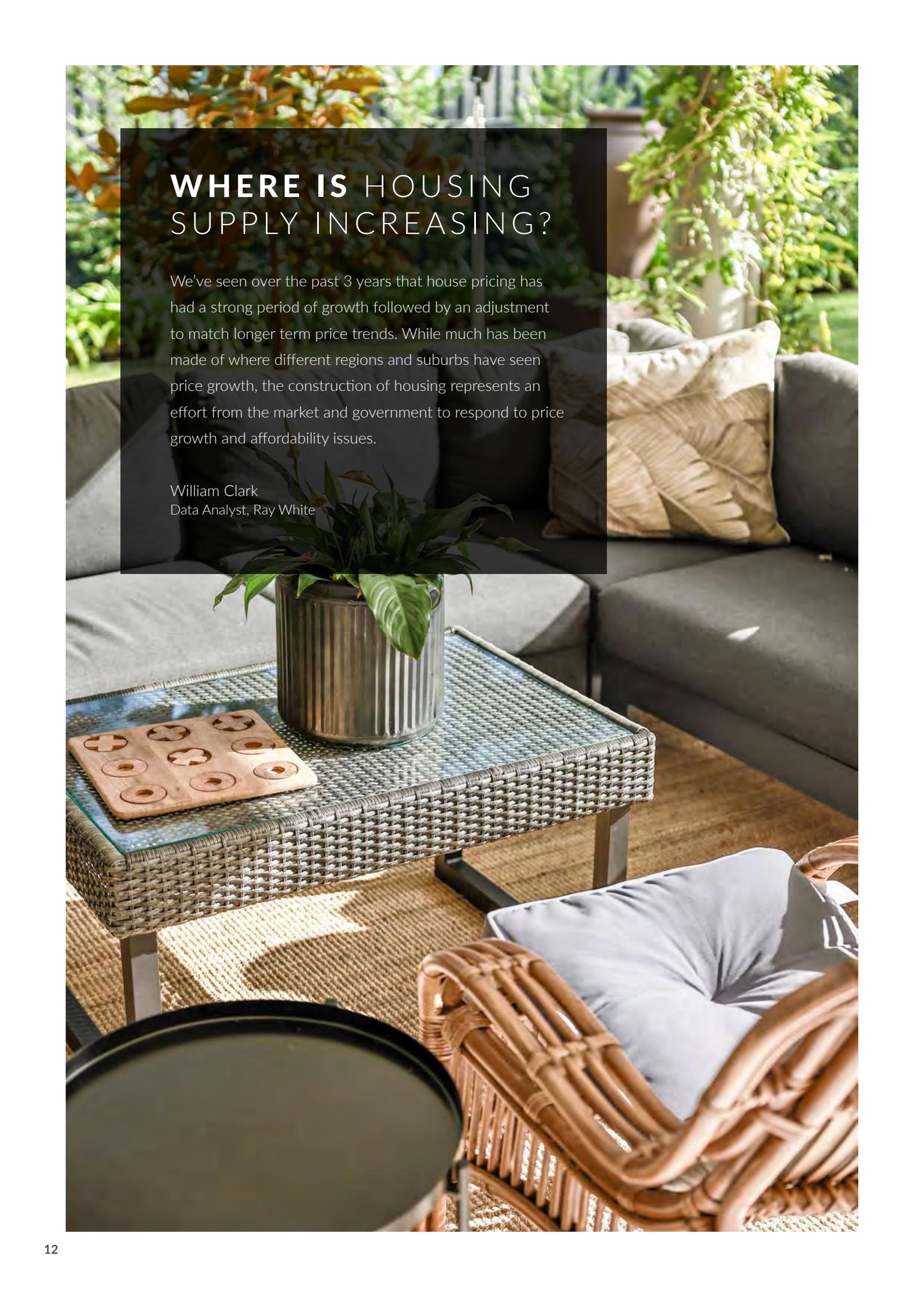


Source: qv.co.nz

When we look at the five year graph provided by q.v.co.nz you can see that the current price band sits at a level which was similar to the July 2021 average sale price which was \$952,078. In July 2020 the average sale price was \$753,399 and in July 2019 the average sale price was \$696,857.



Source: qv.co.nz



## WHERE IS HOUSING SUPPLY INCREASING?

We've seen over the past 3 years that house pricing has had a strong period of growth followed by an adjustment to match longer term price trends. While much has been made of where different regions and suburbs have seen price growth, the construction of housing represents an effort from the market and government to respond to price growth and affordability issues.

William Clark  
Data Analyst, Ray White

New construction numbers are typically dominated by Auckland, owing to the concentration of New Zealanders in the nation's largest city. For this reason, we look at new dwelling consents per 1000 residents, where smaller regions with lower levels of residential construction may still see a greater impact from the additional supply.

With this in mind, we still see that Auckland largely leads in new housing supply. It is somewhat expected to see construction where prices are high, though this is not universally the case as seen in the several wards where prices are as low as \$585,000. Holiday destinations such as Queenstown clearly do not miss out on sizeable investment inflows, even with low residency through the year.

With areas with lower per capita building consents, geography and prices are more evenly distributed. With low levels of new dwellings, it is also of little surprise to see these suburbs are still increasing in price, as developers and existing residents compete less for an existing pool of buyers.

As far as relief for affordable housing problems go, it is encouraging to see as a whole, new construction per capita is at a high for the country. Increasing supply is key to easing upwards price pressure, so the increase in construction may contribute to the lowering of inflation and interest rates in the longer run.

### Top building consents given by territorial authority

Territorial Authority	Median sale price (\$)	2022
Auckland - Maungakiekie-Tamaki	\$1,140,000	29.7
Queenstown-Lakes district	\$1,216,000	28.6
Selwyn district	\$830,000	24.2
Auckland - Papakura	\$950,000	22.6
Auckland - Henderson-Massey	\$1,037,000	20.6
Mackenzie district	\$585,000	18.8
Auckland - Rodney	\$1,300,000	18.0
Hurunui district	\$597,000	15.8
Auckland - Upper Harbour	\$1,345,000	15.3
Auckland - Great Barrier	\$790,000	14.2

Source: Ray White

### Lowest building consents given by territorial authority

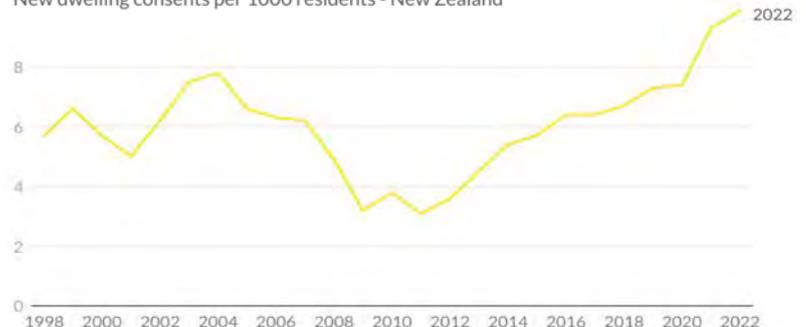
Building consents per 1000 residents

Territorial Authority	Median sale price (\$)	2022
Wairoa district	\$375,000	1.3
Kawerau district	\$455,000	2.4
Gore district	\$390,000	2.7
Tararua district	\$455,000	3.1
Opotiki district	\$490,000	3.3
Whakatane district	\$765,000	3.4
Gisborne district	\$650,000	3.9
South Taranaki district	\$453,000	3.9
Waitomo district	\$400,000	3.9
Otorohanga district	\$520,000	4.2

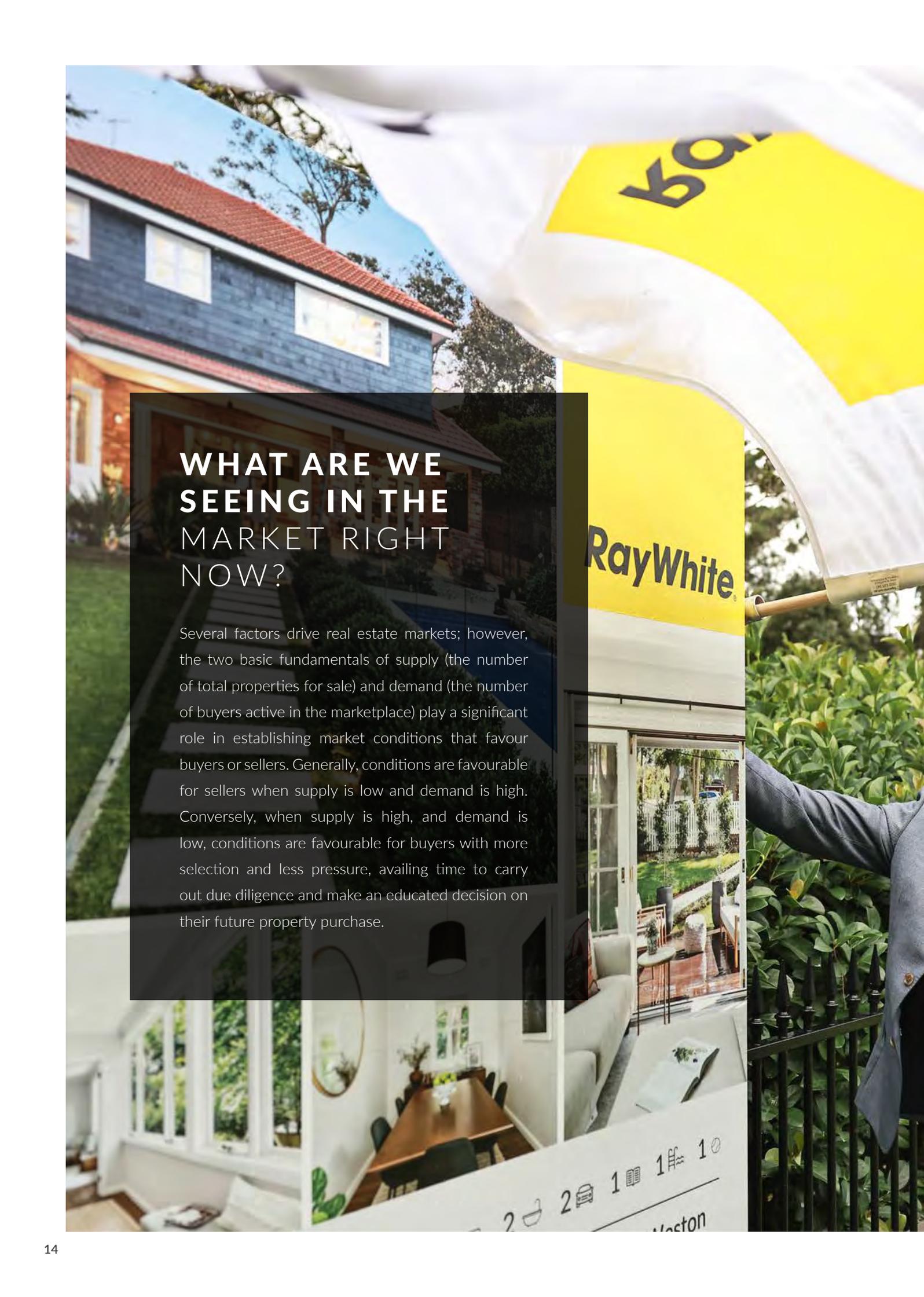
Source: Ray White

### New housing supply is higher than ever

New dwelling consents per 1000 residents - New Zealand



Source: Ray White



## 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 buyers or sellers. Generally, conditions are favourable for sellers when supply is low and demand is high. Conversely, when supply is high, and demand is low, conditions are favourable for buyers with more selection and less pressure, availing time to carry out due diligence and make an educated decision on their future property purchase.



## SUPPLY

Throughout October, we saw 1,736 'new listings' come onto the market. This was met by 1,244 sales for October, a decrease of 41.81 per cent. With a total of 4,827 listings on the market in October for buyers to choose from, this is up a significant 63.85 per cent year-on-year.

## DEMAND

The initial buyer metric we consider is the number of buyers viewing properties online. Throughout October, we saw 4.243 million views across our Ray White websites, resulting in over 38,864 enquiries which, when compared to last month, is on par.

Ray White New Zealand saw 522 properties scheduled to go to auction in October, down 46 per cent when compared to the same period last year. Leading to an all-sold clearance rate of 53.3 per cent with, on average 2.1 registered bidders and 1.7 active bidders.

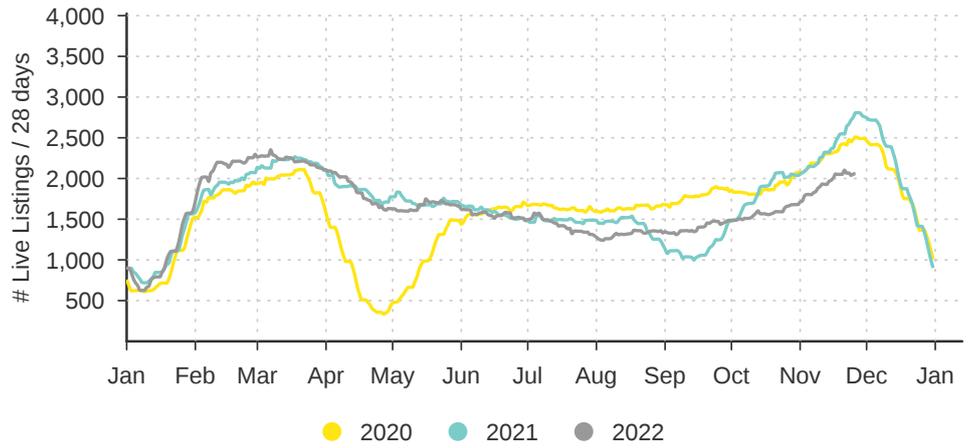
We are seeing quality homes in good locations with multiple bidding registrations and active bidders.

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 indicator of buyer confidence, knowing they have the financial capacity to buy the property. Our partners at Loan Market are still seeing good numbers of pre-approvals across the country, with numbers up 21.96 per cent from this time last year (refer to page 17).

We continue to analyse our numbers across the key buyer metrics, which clearly indicate the market's direction.

## LIVE LISTINGS

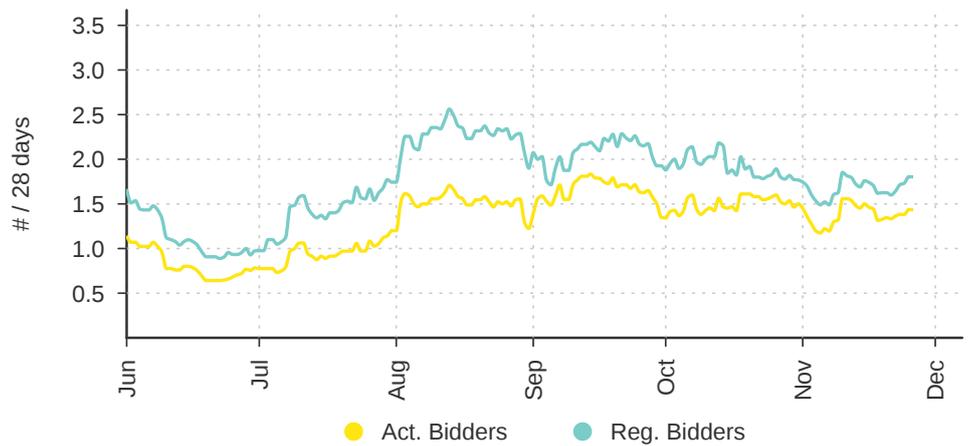
This chart shows the total number of live listings over the 2020, 2021 and 2022 calendar year.



Source: Ray White Online Analytics

## BIDDING BY MONTH

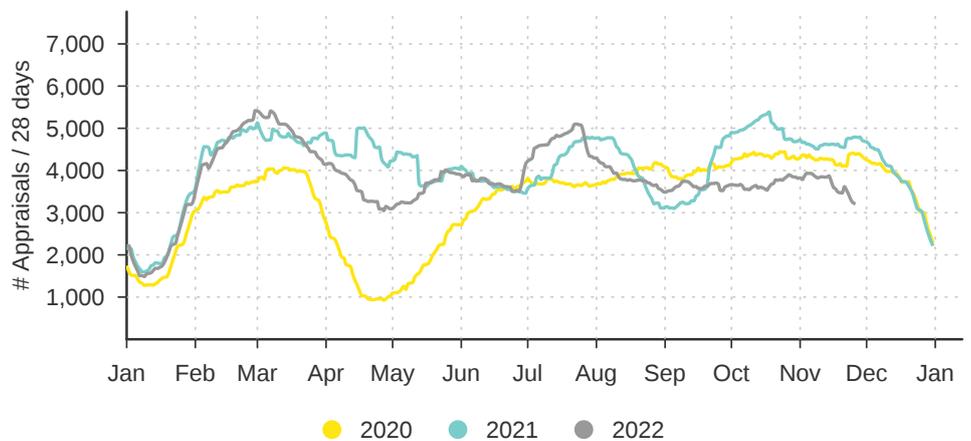
This chart illustrates the average number of registered bidders per auction for the last six months.



Source: Ray White Online Analytics

## APPRAISALS

This chart compares the number of appraisals Ray White salespeople have made over the 2020, 2021 and 2022 calendar year.



Source: Ray White Online Analytics

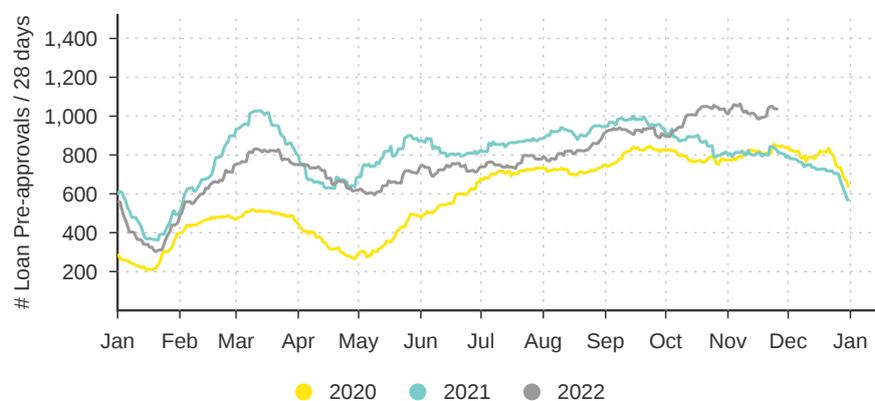
# SO WHAT FACTORS CONTRIBUTE TO MARKET SENTIMENT?

Interest rates continue to underpin purchasers' buying power. The OCR currently sits at 4.25 per cent, with the next monetary policy review announcement set for 22 February 2023 with another rise forecast.

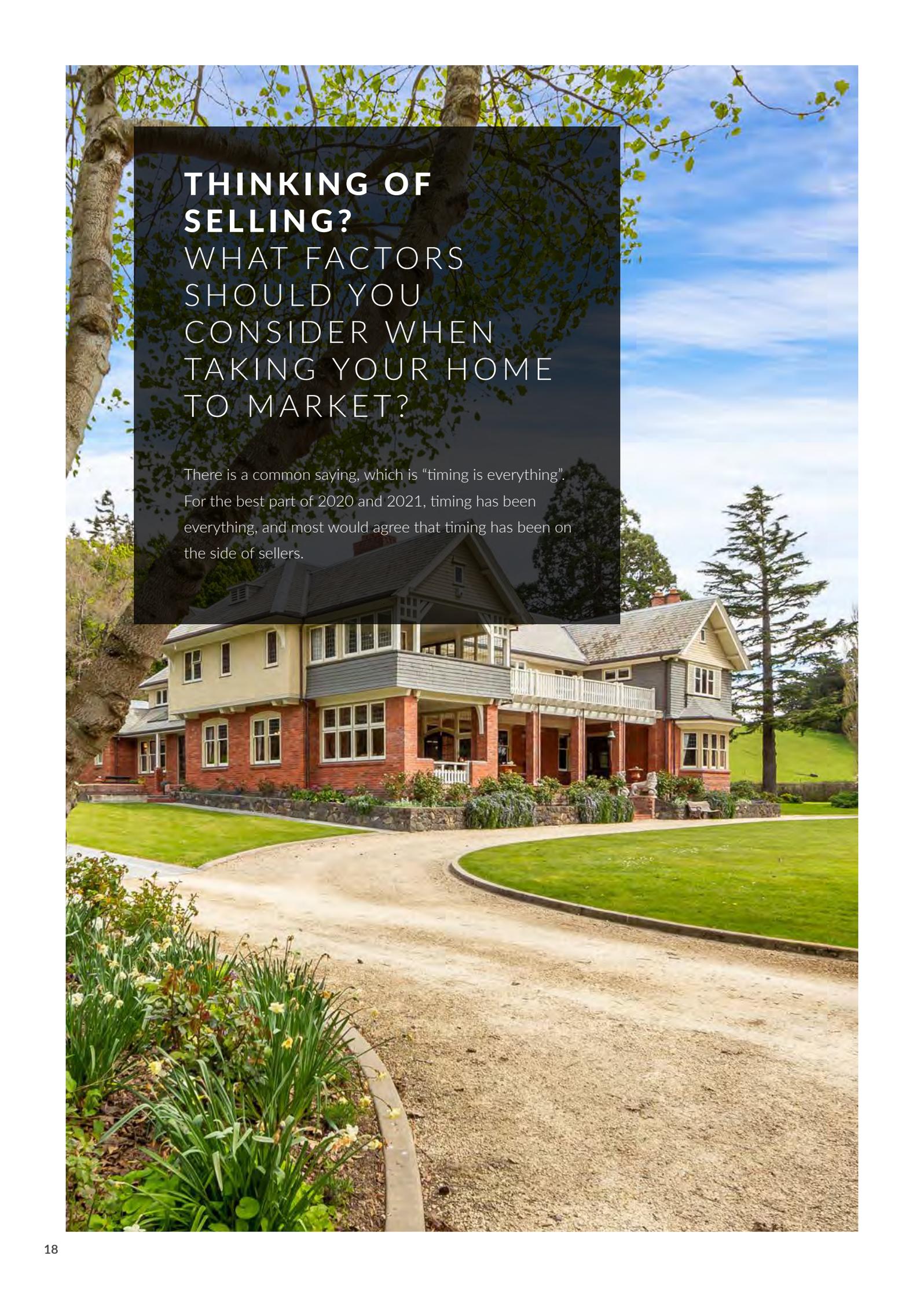
- Interest rates - are a driver of home affordability. Continued rate rises over the next period are expected, with predictions that all mortgage rates could be above 6 per cent over the coming year. This will make rates well over double what they were a year ago.
- Lending environment - rising interest rates and the cost of living, tax legislation and property regulation tightened lending criteria, and global events with macroeconomic impacts continue to impact the lending landscape.
- Affordability - across New Zealand, median prices for residential property (excluding sections) decreased 7.5% annually, from \$892,000 in October 2021 to \$825,000 in October 2022.
- Housing supply - at the end of October, the total number of properties available for sale across New Zealand was 26,577 – an annual increase of 74.7%, from 15,217 in October 2021.
- Net migration - the current net migration rate for New Zealand in 2022 is **2.649 per 1000 population**, a 4.54% decline from 2021. The negative net migration rate will likely impact the property market, with economists predicting that the country would no longer be suffering a housing shortage by mid-2023.
- Inflation - is currently at a 32-year high of 7.2 per cent. In general, inflation occurs when demand for goods and services in the economy is outpacing supply. This leads to widespread shortages of labour and materials. For example, when lots of people want to build a house, it becomes hard to source materials and construction workers, so building costs increase.

## 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 is a common saying, which is “timing is everything”. For the best part of 2020 and 2021, timing has been everything, and most would agree that timing has been on the side of sellers.

It is important to note, however, that many of those sellers have also been buyers during the same period of elevated prices and activity. In the following months, we had seen pricing retract in some areas, and the urgency from prospective purchasers decrease. This has led to the time it takes to sell a home extending as the gap between buyers and sellers widened.

More recently, we are starting to see equilibrium between the buying and selling side of the transaction, a common factor during this period of the cycle, as those who are transacting are more motivated to conclude a deal. While the number of buyers through a property during a campaign may, in many cases, be lower, the 'quality of those buyers is being reported by many salespeople as higher, albeit still with some price sensitivity.

'We have already discussed in this document the pressures of increasing cost of borrowing, the cost of living and other pressures that many are currently experiencing all of these factors combine to somewhat dampen the morale of would-be buyers. Anecdotally, however, we hear daily reports of buyers that perceive now as a good time to upgrade. Purchasers who otherwise would have been priced out of the market may consider now the appropriate time to take their next step.

As a seller, it is important to consider how your property will be received by the market. This is always in context with what other homes are for sale and what value they represent. Some of the questions you may want to consider are below.

- How is your home presented?
- Will its presentation reduce the number of objections from would-be buyers?
- Are your pricing expectations reflective of today's market?
- What other homes could purchasers see as an alternative?
- What is your strategy when it comes to engaging the widest group of buyers possible?
- If you are selling and then buying, how has the value of your prospective home changed?
- Does your method of sale provide you with a pathway to a sale over a condensed time frame?

The final question listed above is more relevant today than it has been for the past few years, particularly if you are selling in a marketplace that is seeing downward pressure on value. That is because as prices are rising, the longer you hold your asset, the more it is worth. Obviously and conversely, the opposite is true when prices are declining and selecting an agent, agency and process that delivers you the best outcome over the shortest period of time may be the optimal way to maximise your sale price in the present conditions. With the median days to sell properties taken to auction vs those marketed by private treaty already discussed in this document, being 26 and 42 respectively, this is why many are suggesting that auction is still the preferred method when it comes to selling a home in today's market.

# HOW DO WE CREATE THE MOST COMPETITION FOR YOUR PROPERTY?

## 1. MARKETING EXPOSURE

*Most innovative marketing real estate 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.

In October, Ray White New Zealand had 1,736 live listings, down 19.04 per cent on last year, while the number of sales was down 41.81 per cent year on year.

Last month, Ray White New Zealand had 522 properties scheduled to go to auction, leading to an all-sold clearance rate of 53.3 per cent.

## AUCTIONS AND EXCLUSIVE LISTINGS

Our approach to the 'method of sale' of your property 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 attracts 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.

### 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 October, Ray White New Zealand achieved more than \$1,642,634 worth of earned media mentions in print, online, radio and TV, according to iSentia, our media intelligence agency, with a potential reach of 8,254,022 people. That's free publicity for the group and all its members.

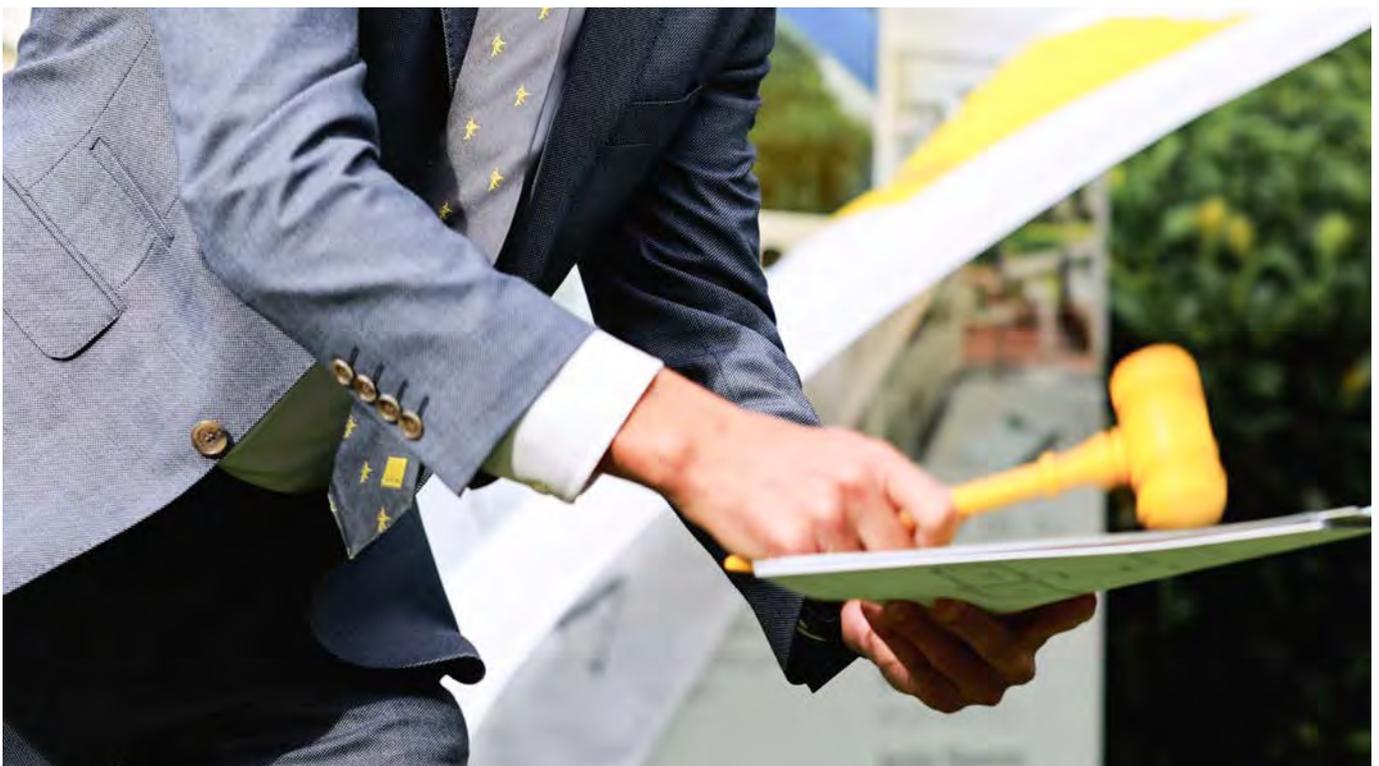
Our experienced in-house journalists can get your property the exposure that money can't buy.

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 create informed decisions. Whether that be a decision to list your property on the market or 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.



## WHY NON-BANKS COULD BE A GREAT HOME LOAN OPTION

One of the big reasons to use mortgage advisers, rather than go direct-to-lender, is because they give you more choice. And one big way in which advisers offer more choice is by including non-bank lending institutions on their home loan panel.



As the name suggests, non-bank lending institutions do offer loans but don't have a banking licence. They operate in niches that mainstream banks prefer to avoid. That can include serving borrowers who:

- Are self-employed
- Have bad credit histories
- Have been rejected by other lenders
- Want to consolidate multiple debts into their home loan
- Non-banks tend to be much more flexible with their lending criteria: they tend to assess loan applications with an open mind, rather than hard-and-fast rules.

Another difference is that non-banks tend to charge higher interest rates than banks. While that might sound bad, a higher-rate loan for which you can qualify is generally better than a lower-rate loan for which you can't.

### **Why non-banks generally charge higher rates**

Both non-banks and banks secure funding (i.e. big pots of money) that they then on-sell to consumers. The reason non-bank lending institutions tend to charge higher interest rates is because they aren't able to secure funding as cheaply.

Many non-banks aren't able to accept deposits, which means they can't tap into that cheap source of funding.

Instead, they tend to borrow money from mainstream banks – and banks obviously add a margin on top of whatever it cost them to acquire that funding in the first place.

If you want to get a home loan and your scenario falls outside the norm, a non-bank might be a great solution. Get in touch with Loan Market so they can assess your situation and recommend how to proceed.



**The best time to start planning  
for your tomorrow is *today*.**

Get in touch with your local Ray White  
property specialist.

WHY WAIT?

## WE'RE IN YOUR NEIGHBOURHOOD



### LAST YEAR WE WERE PROUD TO:

- help 22,528 New Zealand families sell their home
- help 1 in 5 New Zealand buyers find their dream home
- have 11,758 local customers rate our service 10/10
- help 61 New Zealanders sell their home every day
- help over 19,600 investors manage their property across New Zealand
- list 1 in every 5 auctions across New Zealand

PROUDLY RAY WHITE

*Watch this space. New stats coming soon!*

# 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](http://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 1,000 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](http://raywhite.co.nz)



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



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