



RAY WHITE NOW

CATALYST FOR CHANGE

PROUDLY PRESENTING NEW ZEALAND PROPERTY MARKET INSIGHTS IN REAL TIME

A message from our chief executive

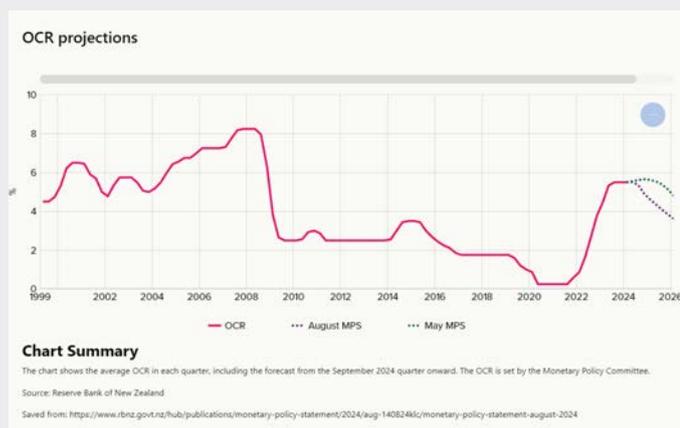
Dear Property Owner,

In a market that's been steadily anticipating change, the recent cut in the Official Cash Rate (OCR) by the Reserve Bank of New Zealand (RBNZ) has confirmed what many in New Zealand's property sector had already expected.

The long-anticipated move and evolving government policies have recently reignited market activity and supported those dipping their toes into the market to move from cautious optimism to confident action.

Buyers and sellers are heartened by recent revisions by the central bank to its OCR track, which now implies the next rate reduction will happen in October, with a total 75 basis points of OCR cuts forecast by the end of 2024.

This would bring the OCR down below five per cent before we see the new year.



Source: Reserve Bank of New Zealand

With mortgage lending rates set to ease further, now is a crucial time for property owners to evaluate their options. Staying informed about recent changes is essential for making confident, strategic decisions – whether you're considering selling, exploring new investments, or keeping up with market developments.

Given the proven link between lower mortgage lending rates and increased housing market activity, some homeowners might consider waiting for potential value growth before making a move. However, today's favourable conditions offer a unique advantage – buyers can secure properties at current prices while benefitting from tomorrow's lower interest rates. This provides an edge as buyer competition intensifies, unlike the uncertainty of future market conditions.

Across our Ray White member network, we're aware buyers and sellers have been factoring an OCR cut into their strategies for some time, and the market has responded accordingly, with increased activity observed over the past several months.

In the last 28 days, our network reports a nearly 29 per cent increase nationally in home inspections compared to the previous 12 months. On the financial side of the ledger, our partners at Loan Market report a 49 per cent increase in mortgage pre-approvals compared with 12 months ago.

These results clearly show a spike in purchasing intentions, reflecting growing confidence amongst Kiwis that the cost of borrowing will continue to fall – and the best time to buy might already be here.

Government policies remain pivotal in shaping the market's trajectory. An easing of Loan-to-Value Ratio (LVR) rules, adjustments to the Brightline Test (BLT), and the reinstatement of interest deductibility are creating a more favourable environment for investors and first-home buyers. These shifts are helping to reduce uncertainty, allowing more Kiwis to enter the market with clarity as the fixed costs of homeownership become more predictable.

However, it's important to remember that while the outlook is positive, the market remains dynamic. External factors, including global economic conditions and domestic policy changes, continue to influence the narrative. The potential for further volatility means that staying informed and adaptable is crucial. Our team at Ray White is committed to providing the latest insights and market commentary from the coalface to help you confidently navigate these changing conditions.

The New Zealand property market fundamentals remain strong as we look ahead, but the key to success will be staying ahead of the curve. Whether you're buying, selling or simply evaluating your options, now is the time to engage with the market actively.

Our experienced teams nationwide are available to guide you through each market stage, providing tailored solutions that align with your unique lifestyle goals and financial parameters. We encourage you to reach out and take advantage of our insights. We love what we do in helping Kiwis make the most of the current market's opportunities, and we remain focused on adapting alongside you as the property cycle continues to evolve.

Please enjoy our 73rd edition of Ray White Now.

Regards,



A handwritten signature in black ink that reads "Daniel".

Daniel Coulson
Chief Executive
Ray White New Zealand



Photo: 97 Seaview Road, Remuera, Auckland
Proudly marketed by Steve & Nila Koerber



FEATURED PROPERTIES

97 Seaview Road, Remuera, Auckland

Proudly marketed by Steve & Nila Koerber



97A Seaview Road, Remuera, Auckland

Proudly marketed by Ryan Dixon, Olivia Field & Alex Smith

Ray White Remuera

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Photo: 97 Seaview Road, Remuera, Auckland | Proudly marketed by Steve & Nila Koerber

Why sell now?



Daniel Coulson
Chief Executive
Ray White New Zealand

With economic policymakers now certain domestic inflation is finally under control, property purchasers are presented with a crucial opportunity.

News the Reserve Bank of New Zealand (RBNZ) unexpectedly cut the Official Cash Rate (OCR) to 5.25 per cent reverberated across the country last week, signalling the first rate cut since February 2020 and an official end to a prolonged period of tightening monetary policy aimed at curbing consumption.

The move has become the catalyst for a distinct shift in real estate dynamics whilst confirming what many had anticipated: a ripe environment for strategic property decisions.

With the OCR expected to drop further and positive economic and regulatory shifts on the horizon, it begs the question – could now be the perfect time to sell?

A MARKET POISED FOR ACTION

The RBNZ's OCR reduction was not merely a reactive measure, but a strategic move broadly anticipated by the market. Revised projections indicate we could see a sub-five per cent OCR by the end of the year, implying we can expect further rate reductions at both the October and November OCR reviews. This significant adjustment reflects a broader strategy to ease monetary policy over the next 12 months.

This evolving environment offers property owners a unique advantage – the ability to leverage favourable conditions before further changes unfold.

As market conditions shift, sellers who act now may find themselves in a solid position to capitalise on the opportunities presented by a lower interest rate environment ahead.



Source: mortgages.co.nz, Tony Alexander

KEY REASONS TO SELL NOW

1. Lower mortgage Lending Rates

As borrowing costs decrease, the market is likely to see heightened activity. Buyers are more motivated to make decisions, and competitive offers could lead to favourable outcomes for sellers. By listing now, homeowners may take advantage of the current interest rate environment and attract serious buyers eager to secure their new home.

2. Improved Affordability

Stabilising property values and recent interest rate reductions have improved housing affordability, with mortgage lending rates expected to continue downward. This shift continues to make homeownership more accessible, increasing demand and fuelling buyers' sense of urgency. Selling now can position homeowners to benefit from heightened buyer interest and potentially higher sale prices.

3. Rising Buyer Demand

With the anticipation of continued rate reductions, buyer demand is rising. Increased activity in the market creates a more competitive environment, enhancing the potential for favourable selling outcomes. As buyers rush to capitalise on current conditions, sellers can leverage heightened interest to achieve optimal results. It's important to note that while we don't expect to see the double-digit value growth of previous property cycles, the current environment still offers solid opportunities for

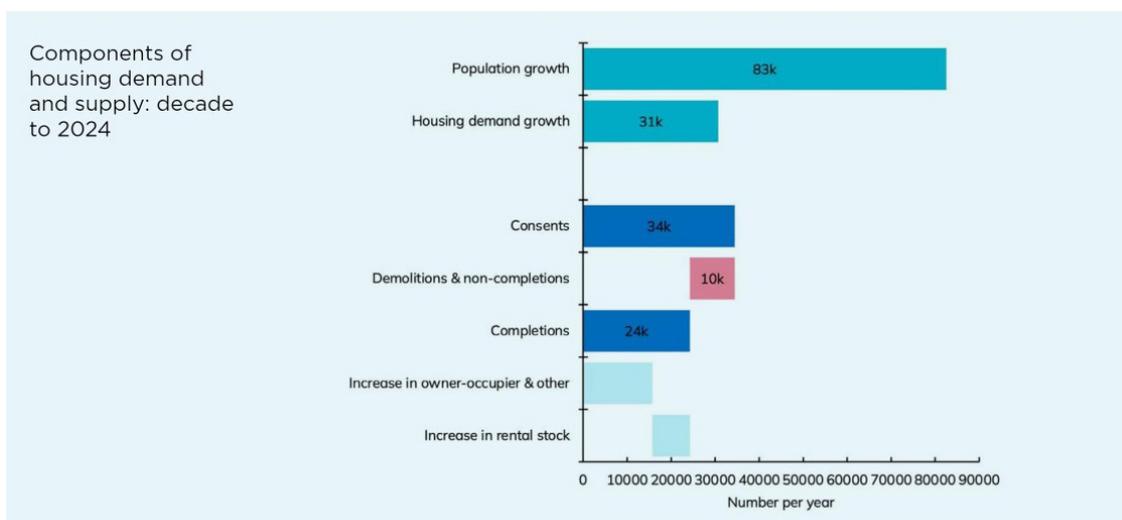
sellers. The RBNZ remains vigilant in monitoring the housing market's influence on non-tradable inflation, and newly introduced Debt-to-Income (DTI) rules will help moderate borrower capacity and maintain a broadly balanced market.

4. Tight Supply Pipeline

The pipeline of planned residential work continues to slow, with recent research suggesting the number of approaching building projects is down circa 60 per cent compared with one year ago. This slowdown in construction activity means fewer new properties are coming to market, creating a supply constraint from which sellers can benefit. Selling in this climate allows the chance to capitalise on limited availability while offering the flexibility to buy within the same market, where choice remains.

5. Strategic Timing

The current market dynamics present a strategic window for sellers. With cost-of-living pressures easing and buyer demand rising, selling now allows time to maximise the current conditions and secure the best possible outcome before market fluctuations influence property values. This timing remains crucial, as recent policy shifts underscore the importance of decisive decision-making to capitalise on the changing landscape.



Source: New Zealand Chinese Building Industry Association, Statistics New Zealand

Recent economic developments underscore the importance of timely decision-making. The RBNZ's unexpected policy announcement, coupled with a projected average OCR of 4.92 per cent in Q4 this year, signals a significant monetary policy easing that will have a tangible effect on the residential sales market.

The adjustment aligns with broader market trends, including a tight supply of properties and increasing buyer activity driven by improved affordability metrics.

While some may consider waiting for potential future value growth, today's favourable conditions offer a unique advantage. Buyers can secure properties at current prices while benefitting from tomorrow's lower mortgage lending rates – providing a valuable edge as competition intensifies. This proactive approach better positions sellers to capitalise on the current market momentum and a higher degree of certainty, as sellers know now they can buy again with greater confidence in the fixed costs of homeownership.

Across our Ray White network in New Zealand, our experienced teams are committed to supporting our clients and customers through every stage of this new property cycle. As the property market evolves, we encourage readers to contact their local sales office to explore available opportunities. The old adage goes that 'yesterday was the best time to buy', so seize the moment and make informed decisions that align with personal goals in this dynamic climate.

As the residential real estate market continues to shake off the challenges of the last 18 months, lower mortgage lending rates and rising economic confidence will mark a pivotal turning point for sales activity and buyer sentiment. For sellers, the current landscape offers a unique confluence of conditions that may not be replicated anytime soon.

The combination of lower mortgage lending rates, rising buyer demand, a tighter supply pipeline, and the requirement for strategic timing creates a compelling case to act on now. By seizing the moment, sellers can take advantage of the current climate and position themselves for success in the ever-evolving housing sector and economic landscape.



*Photo: 97 Seaview Road, Remuera, Auckland
Proudly marketed by Steve & Nila Koerber*

Construction costs & housing market dynamics



Atom Go Tian
Senior Data Analyst
Ray White Group

New Zealand's housing landscape is experiencing a significant change, driven by several critical factors, including higher construction costs and corresponding buyer behaviours.

Since 2021, the country has experienced an unprecedented surge in the cost of building new. Although the rate of increase has recently slowed, the Cordell Construction Cost Index (CCCI) reveals that construction costs have risen by more than 40 per cent over the past decade.

UNDERSTANDING THE IMPACT

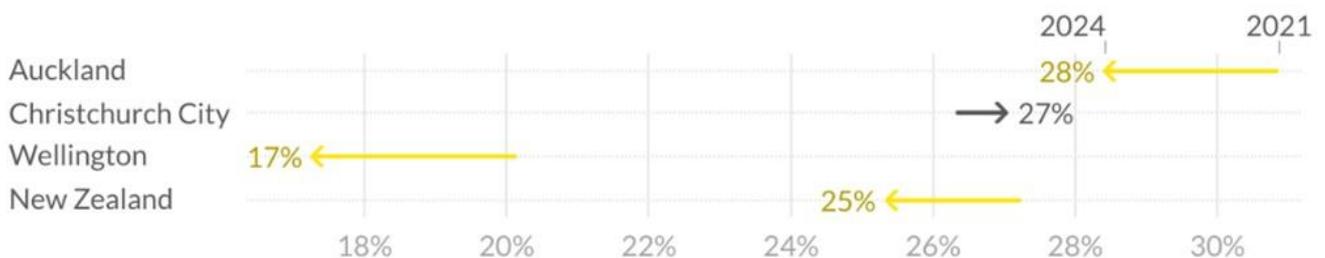
As of July 2024, records show New Zealand has around 8,615 residential properties with no prior sales history – which indicates a market proportion of around 25.30 per cent of new-build homes.

This marks a significant decline from just three years ago when there were 24,205 first-time sales in 2021 – making up around 27.20 per cent of total sales that year.

While the methodology isn't fool proof (our records only extend back to 1975 and would, for example, not be able to capture sales that occurred before that year), it nonetheless provides useful insights into how new homes are priced relative to long-standing homes.

"First sales" accounting for a lower number share of sales

Percent of house sales with no history of sale (2021 vs 2024)



Source: Ray White



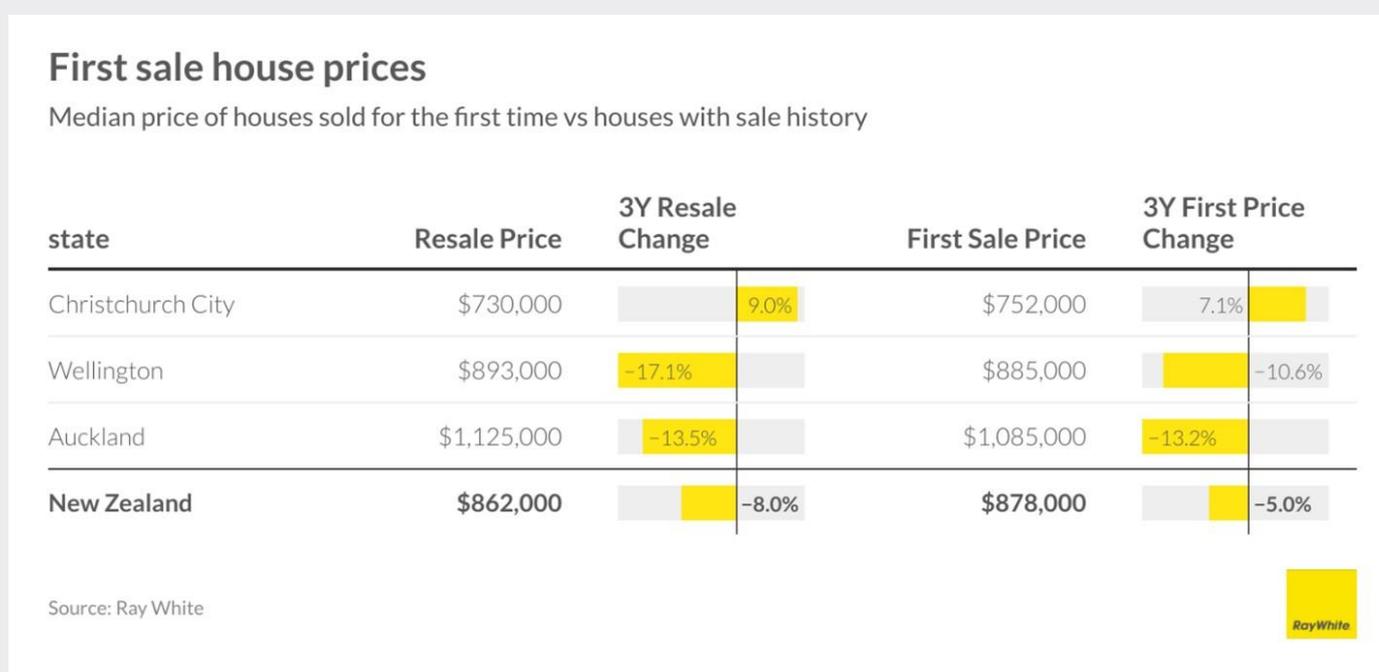
PRICE TRENDS: NEW VS. RESALE HOMES

Despite the overall decline in the share of first-time sales, an interesting trend is emerging in the pricing of new homes, In 2024, homes that sold for the first time netted a median price of \$878,000 – slightly higher than the \$862,000 median price for resale homes.

Although both categories have seen price volatility over the past three years, first-sale homes appear to demonstrate greater resilience, with only a five per cent decline in value, compared to an eight per cent decline for resale homes.

Ray White Economics’ data shows Christchurch as the only major city where prices for both new and resale homes have continued to rise over the past three years. Notably, it is also the only city where first-sale homes are more expensive than resale homes.

By contrast, in Wellington and Auckland, first-sale homes are priced lower, but resale homes have experienced sharper declines.



NAVAL GAZING

As the cost of building new homes continues to rise, fewer new homes are being constructed, leading to changes in New Zealand’s housing market composition.

While some regions are seeing a reduction in the new build pipeline, others, like Christchurch, are bucking trends with unique features that set them apart from the rest of the country.

Understanding these dynamics is crucial for buyers and investors when making informed decisions in an evolving market. Ray White remains committed to providing the insights and expertise required to navigate these changes confidently, and we encourage your call should you wish to discuss the nuances of your area more specifically.



Photo: 97 Seaview Road, Remuera, Auckland | Proudly marketed by Steve & Nila Koerber

Key market observations



Treena Drinnan
Chief Agency Officer
Ray White New Zealand

The New Zealand property market is undergoing significant changes, with several key factors shaping the current landscape. As a homeowner, buyer, or seller, staying informed about these developments is essential to make the best decisions in a dynamic environment.

WHAT'S HAPPENING RIGHT NOW?

1. Regulation Updates:

- **Debt-to-Income ratios (DTI):** New regulations are set to impact borrowing capacity, directly influencing affordability for buyers.
- **Loan-to-Value Ratios (LVR):** Ongoing restrictions on borrowing relative to property value have recently been eased but continue to shape purchasing power.
- **Brightline Test (BLT):** The tax implications for selling properties within certain time frames remain critical for investors.
- **Interest Deductibility:** Recent changes to tax rules around property investment are driving strategic shifts among buyers.

2. Current Market Conditions:

- **Inventory Levels:** An above-average number of properties on the market offers buyers a broader selection.
- **Listings:** As we approach the Spring selling season, an uptick in new listings is anticipated.
- **Interest Rates:** There is considerable discussion around the downward trend in interest rates, which could make borrowing more accessible.
- **Bank Lending:** Recent easing in lending rules is expected to influence both first-time home buyers and seasoned investors, making it essential to understand how these changes will impact your borrowing strategy.

LOOKING AHEAD

As we move through the rest of 2024, here's what you can expect:

- **Shorter Time on Market:** With increased buyer activity, properties will likely sell more quickly, particularly through auctions, which continue to deliver strong results.
- **Increased Sales Activity:** We expect sales volumes to rise as market confidence grows towards the end of the year.
- **Current Stock Moving:** Properties currently on the market are expected to sell, and as prices stabilise or increase, more sellers may enter the market.
- **Price Trends:** We foresee a gradual rise in median property prices towards the end of 2024, continuing into 2025.
- **Regional Differences:** Market conditions will vary across regions, so staying informed about local trends is essential.

Photo: 97 Seaview Road, Remuera, Auckland
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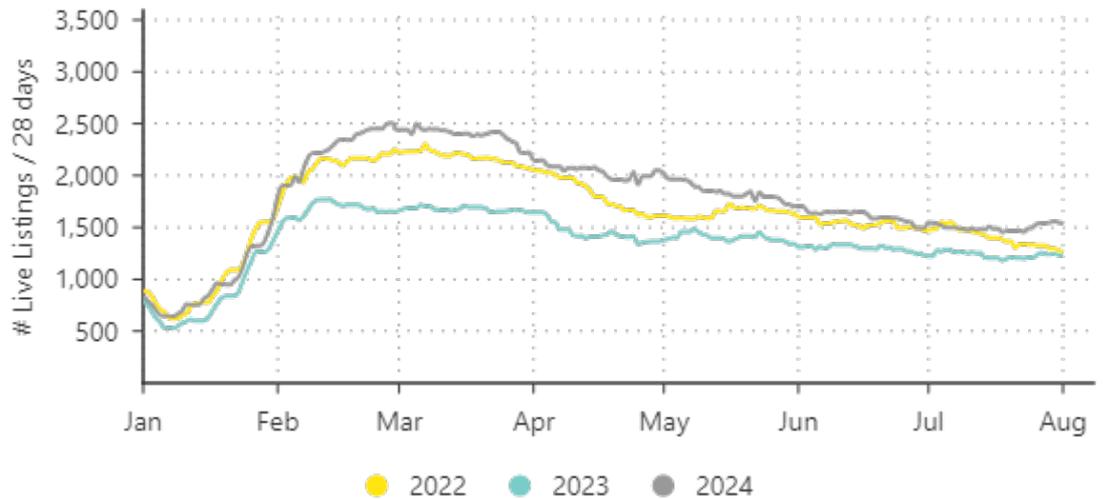
RECENT MARKET PERFORMANCE

The past month has shown some encouraging signs, with a 12.80 per cent increase in sales nationally compared to last year. This growth in confidence is particularly noteworthy during winter, a time that traditionally sees slower real estate activity. Although inventory levels remain high, the steady sales indicate the market is gradually regaining its strength.

LIVE LISTINGS

This graph shows the total number of live listings on Ray White's channels.

For the month ending July 2024, our live listings count increased by 25.65 per cent compared to last year.

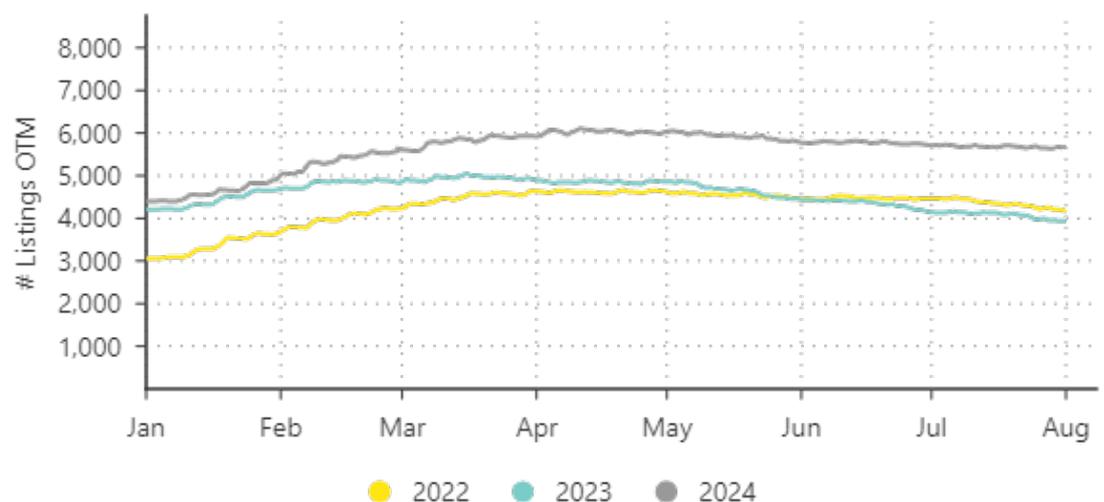


Source: Ray White Online Analytics

LISTINGS ON THE MARKET

This graph compares the total number of listings live on the market over the past three years.

For the month ending July 2024, our listings on the market were up 44.09 per cent year-on-year.

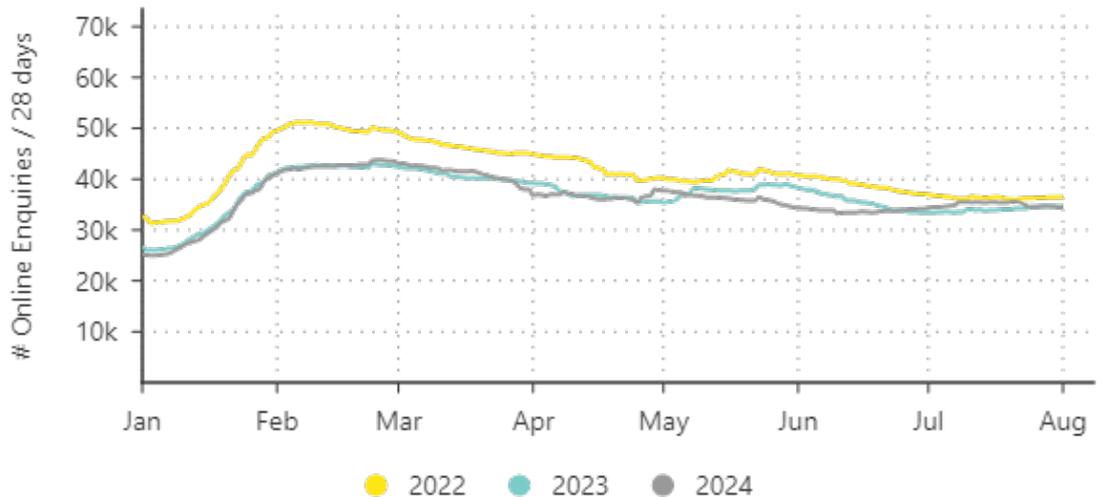


Source: Ray White Online Analytics

ONLINE ENQUIRIES

This graph compares digital enquiry received on Ray White listings over the past three years.

In July 2024, this decreased by a marginal 0.50 per cent year-on-year, with the number of online users up 7.44 per cent.

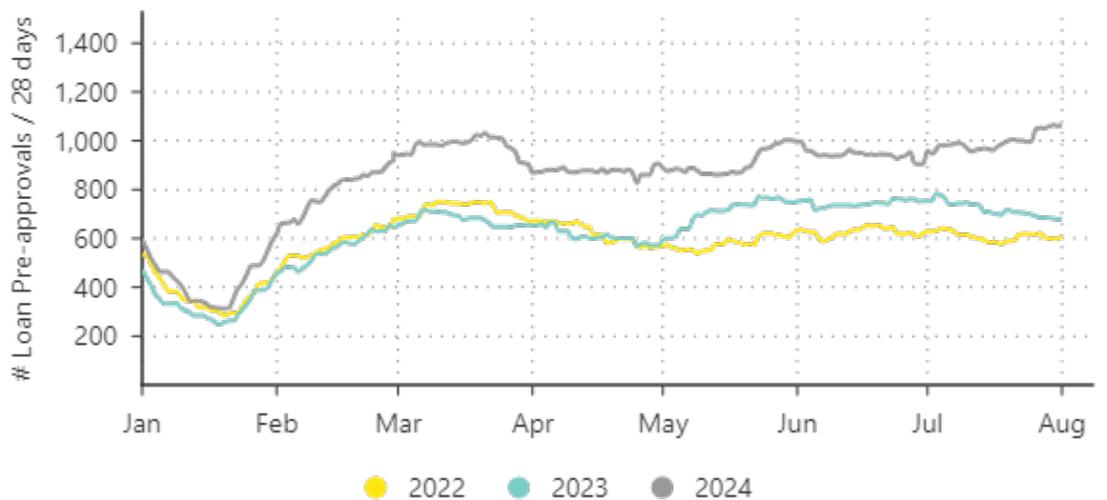


Source: Ray White Online Analytics

LOAN PRE-APPROVALS

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

The number of loan pre-approvals received for July 2024 was 1,063, up 74.19 per cent year-on-year.



Source: Ray White Online Analytics

WHAT DOES THIS MEAN FOR YOU?

- **For Buyers:** With mortgage lending rates declining and a wide range of properties available, now could be an opportune time to enter the market.
- **For Homeowners:** Lower mortgage lending rates could offer relief on mortgage payments, presenting potential refinancing opportunities.
- **For Sellers:** Demand is expected to pick up later in the year, so conditions may be more favourable for those picking their moment to sell.



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Ray White Remuera

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Confidence & competition drive market success



Sam Steele
Head Auctioneer,
Ray White New Zealand

The Reserve Bank of New Zealand's (RBNZ) recent Official Cash Rate (OCR) decision, coupled with raising public confidence and easing inventory levels, has set the stage for a period of robust activity in Ray White's auction market.

July saw a significant surge in auction volumes, building on momentum of positive outcomes in previous months.

Property owners capitalised on the winter market's unique opportunities, leveraging the transparency and competitive edge of the auction process.

In July, Ray White scheduled 576 auctions nationwide, marking a 15.20 per cent increase from the previous year. The clearance rate stood at 47.80 per cent, reflecting both the higher stock levels and the broader range of choices available to buyers.

An average of 2.40 registered bidders per auction represented a notable rise from June's 1.80, and auctions with three or more bidders saw success rates soar to more than 74.40 per cent – despite a challenging financial environment.

The auction method gained significant traction in July, accounting for nearly one-third of all listings nationwide, with a 28.30 per cent share of new properties. Auctions also consistently outperformed other sales methods, with an average time on the market of just 36 days compared to 54 for private treaty sales.

This, again, reflects the value of choosing the right sales strategy to suit today's dynamic market.

Our sales teams have observed improved sentiment among cautious yet engaged buyers, bolstered by fresh inventory and the recent OCR cut. The transparent, competitive nature of auctions continues to deliver strong results, reinforcing consumer confidence.

As we enter traditional seasonal market patterns, Ray White New Zealand remains a strong advocate for auctions as the preferred sales method, driving engagement and success for buyers and sellers.

BIDDING BY MONTH

This chart illustrates the number of registered bidders and active bidders per auction for July 2024.



Source: Ray White Online Analytics

Navigating change in 2024: Expert insights & opportunities



Tony Alexander
Independent Economist
Speaker and Writer



Kelvin Davidson
Chief Property Economist
CoreLogic New Zealand

For more than 18 months, it's been a white-knuckle ride for homeowners and those eager to dip their toes into the residential market, with a variety of economic factors influencing property prices, buyer sentiment, and the opportunities available to us.

As we move through this volatile year, it's evident that both challenges and opportunities remain for those looking to buy or sell. With insights from two leading market experts – Kelvin Davidson of research firm CoreLogic, and independent economist Tony Alexander – we'll unpack the latest market developments and explore why now might be a prime time to make your move.

UNDERSTANDING THE CURRENT CLIMATE

Everyone's talking about it – the recent decision by the Reserve Bank of New Zealand (RBNZ) to cut the Official Cash Rate (OCR) by 0.25 per cent to 5.25 per cent marks a significant shift in monetary policy.

According to CoreLogic New Zealand's chief property economist Kelvin Davidson, this move, though somewhat anticipated, reflects the broader economic weakness and the near-target inflation rate. "The RBNZ's forecasts suggest the recession will last awhile longer yet, with modest growth in house prices anticipated only in the next year or so. Despite this, mortgage rates are likely to continue their downward trend, offering some relief to households."

Independent economist, speaker and writer, Tony Alexander echoes this sentiment, noting that the RBNZ's unexpected rate cut underscores the challenges they face in balancing inflation control with broader economic stability.

Despite this, he predicts the latest move will fuel buyer confidence in the housing market, as lower mortgage lending rates will make home ownership more accessible than it has been in several years. He cautions, however, that while the housing market may see an uptick in activity, broader economic growth may lag behind.

"Buyers will feel more confident to return to the market, property enquiries will pick up, FOMO (Fear of Missing Out) will recover more than it has, and vendors will feel more emboldened to hold out for the price they dream they can get rather than the one which allows them to move on with their lives straight away.

"But, we aren't talking about a boom. Net migration is dropping away fairly sharply, and young Kiwis (potential home buyers) are leaving the country. Job security feelings will remain weak well into 2025, and it will take quite some time for the business community to feel the effects of lower household debt servicing costs," he says.

AFFORDABILITY IS A DOUBLE-EDGED SWORD

Affordability remains a key concern for many potential house hunters. CoreLogic's latest affordability report reveals that while some measures have recently improved, the overall purchasing landscape remains challenging.

Davidson points out that the median property value is now nearly 7.7 times the gross annual median household income – which is the lowest level since early 2020. However, mortgage payments as a percentage of income remain high and close to the peak levels seen in 2007-2008.

“For nearly three years, the share of income needed for mortgage payments has remained in the 53-57 per cent range, highlighting the prolonged period of elevated repayment burdens on households.

“Similarly, the rent-to-income ratio has remained persistently high, creating financial pressure for many renters, particularly those with incomes below the median. These households are likely to feel the strain even more acutely than that average figure suggests,” he says.

Alexander adds that while mortgage rates are expected to drop further, providing some relief, the pressure on households and businesses remains significant.

OPPORTUNITIES AND CLARITY

Despite these challenges, both experts agree that 2024 could be a good time to buy property.

Davidson suggests that those who take the plunge now might look back on the year as a wise time to make a move, particularly given the 16 per cent drop in prices from the previous market peak.

“With mortgage rates set to decline further, the potential for capital gains in the future is perhaps starting to look a little brighter, especially for first-home buyers who have been waiting for the right moment.

“It’s never been easy (to buy a home), and there are always different challenges. But people tend to find a way.”

Alexander also sees potential in the current market, especially as buyer confidence recovers.

He notes that with more properties on the market and a lower level of competition, buyers right now have greater choice and negotiating power. However, he warns that job security and broader economic factors will continue to play a crucial role in shaping market conditions.

“Our economy will get worse before it gets better.

“The RBNZ forecasters see the unemployment rate hitting 5.3 per cent at the end of the year. While this is not a particularly high rate in the historical context of New Zealand’s labour market experience, it will help keep consumer spending suppressed until 2025.

“The immediate upturn in the residential real estate market is not likely to lead to an immediate similar uptick in the economy overall,” he says.

As buyers and sellers navigate changes to the housing market to year-end, it’s clear that the complex landscape is replete with potential.

Seeking a balanced view of current market dynamics is not just advisable but essential, as rapid developments can swiftly alter the broader economic landscape – evidenced by last week’s OCR announcement and the ensuing financial market frenzy.

Our experts suggest that while the current conditions may present a strategic opportunity that could be fleeting, buyers and sellers are best served by consulting with trusted professionals to ensure they are leveraging these opportunities to their fullest advantage.



Photo: 97A Seaview Road, Remuera, Auckland
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Plans to simplify granny flat construction & boost housing supply

Loan Market
loanmarket.co.nz

**Loan
Market**

*Photo: 97A Seaview Road, Remuera, Auckland
Proudly marketed by Ryan Dixon, Olivia Field & Alex Smith*

The New Zealand Government is moving forward with plans to make it easier for homeowners to build granny flats and increase the supply of affordable housing across the country.

These tiny, self-contained, detached homes - often called granny flats - could soon be constructed on properties with existing homes without building or resource consent – provided certain conditions are met.

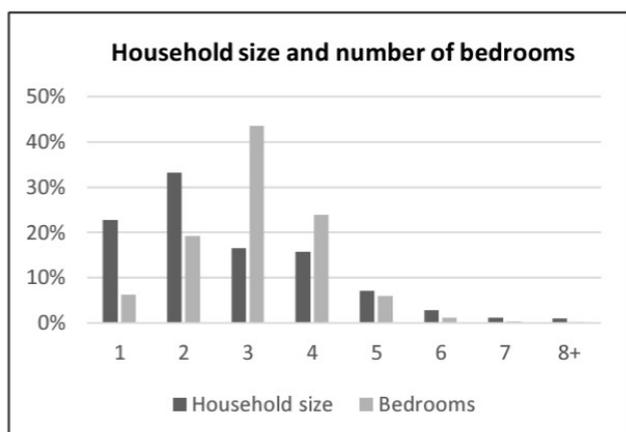
The proposal is part of a broader initiative to address the country’s housing supply issues, with the Government recently seeking public consultation on the plan.

ADDRESSING THE HOUSING SHORTAGE

The rising cost of housing remains a significant concern for policymakers in New Zealand, with many Kiwis spending as much as 40 per cent of their income on rent.

Resource Management Act (RMA) Reform Minister Chris Bishop emphasises the urgency of the situation, stating that high housing costs place financial strain on individuals and families and hinder economic growth.

“There’s a clear need to make housing affordable in New Zealand. The current cost of housing is holding us back and harming our economy,” he says. “This proposal to streamline the construction of granny flats is just one of the common-sense changes we’re implementing to make it simpler and more affordable to build homes.”



Source: Census data, Ministry of Business, Employment & Innovation

UNLOCKING OPPORTUNITIES WITH GRANNY FLATS

Building and Construction Minister Chris Penk highlights the proposed reforms as a timely response to New Zealand’s devolving demographic needs.

As the population ages and the number of small families increases, there’s a growing demand for smaller, more flexible living spaces.

The proposed changes would allow for the construction of granny flats up to 60m2 without building or resource consent, provided they adhere to specific guidelines.

“These reforms represent a quick win for our efforts to increase housing supply and offer more flexible living options,” he says. “We’re hearing strong support from the public and builders alike, who view this as a sensible step toward addressing the housing shortage and providing more affordable housing options.”

The Government’s proposal is a practical solution to the housing crisis, allowing homeowners to expand their living spaces cost-effectively. By reducing the red tape around building granny flats, the Government aims to unlock new growth opportunities and create more housing options that cater to the diverse needs of New Zealand’s population.

As the public weighs in on the proposal, there’s optimism that these changes could pave the way for a more flexible, affordable, and sustainable housing market in New Zealand.



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Adapting to change



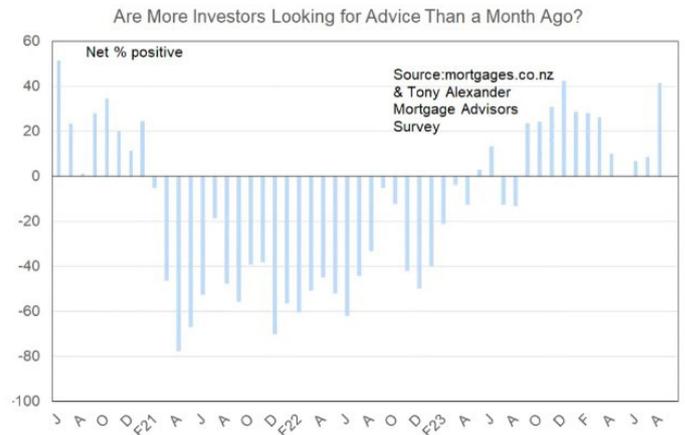
Zac Snelling
Head of Property Management
Ray White New Zealand

Kiwis across the country breathed a sigh of relief recently, with news that the Reserve Bank of New Zealand (RBNZ) cut the Official Cash Rate (OCR) for the first time since February 2020.

The move is poised to impact the domestic property market in a big way, with demand from residential investors building recently in response to changes from renewed interest deductibility provisions, relaxed Brightline Test (BLT) rules, an easing off of the Credit Contracts and Consumer Finance Act (CCCFA) rules, loosening Loan-to-Value Ratio (LVR) requirements, and some lenders showing more flexibility with fixed costs and affordability calculations for new loans.

Anecdotally, we are hearing that the widespread anticipation of lower mortgage rates continues to attract investors back to the market, supporting stability within the property management sector.

Over the past month, we're pleased to see the rental market find equilibrium following a significant surge in demand earlier in the year. However, this provides both challenges and opportunities for stakeholders in the sector.



Source: mortgages.co.nz, Tony Alexander

STABLE YET EVOLVING

Following a sustained period of heightened tenant demand, New Zealand's property management industry has benefitted from a recent change of pace. An acute supply shortage and grave concerns about tenant welfare have given way to a new phase of stability, which is welcome news after a rollercoaster few years in the industry. Despite this, trends are far from uniform.

In certain regions, we are seeing increasing evidence of a two-horse race, with a nearly even split between local supply and consistent demand. This is particularly evident in areas that have suffered from successive years of low housing investment.

Canterbury is a region bucking the main centre trend, with available rentals still seeing strong demand and days on market remaining low - particularly for larger properties. This reflects a shift in tenant preferences and needs, while the preference for larger homes speaks to a broader industry trend - that Kiwis continue to pine for the right type of property.

Two-bedroom townhouses have emerged as a popular and somewhat lucrative development option in recent years. However, preferences within the current market indicate that tenants are looking for more space, perhaps driven by changing lifestyles and the ongoing effects of the pandemic. This trend underscores the importance of developers and landlords aligning their portfolios with market demand to ensure long-term success.

VALUE OF QUALITY

As the deadline for compliance with Healthy Homes Standards approaches in July 2025, the quality of our rental stock has never been more critical. This is a time when the calibre of landlords can make a significant difference to the productivity of an asset.

Increasingly, we see that the landlords who have invested in their portfolios and maintained them to a high standard are likely to thrive, while low-quality landlords may struggle in an increasingly demanding market where tenants expect, and deserve, more.

At Ray White, we have proactively engaged with our landlords to help them to achieve their goals. We find that even minor upgrades – from new carpeting or garden maintenance – can substantially impact tenant choice.

In the current market, where the choice for tenants continues to evolve, these seemingly minor improvements can make all the difference in attracting and retaining quality residents whilst providing income security for landlords.

FINANCIAL PRESSURES AND MARKET DYNAMICS

While the RBNZ might be certain it has contained inflation and cost-of-living pressures are abating, landlords continue to feel the pinch of cost escalation – and not just within their investment portfolios.

While we expect mortgage lending rates to continue to recede - providing some welcome relief for borrowers - the impact will take time to impact cash flow for many Kiwis.

Given these financial pressures, it becomes more valuable that landlords ‘buy right’ and consider the future value of their investments. While bricks-and-mortar investments like residential property remain an attractive asset class, especially when contrasted against a volatile share market, ongoing management and landlord obligations can appear daunting – particularly for those who are self-managing in an effort to cut costs.

At Ray White, our recently released Ray White Choice products have been instrumental in helping New Zealand’s landlords navigate these challenges by offering flexibility and allowing them to tailor services to their specific needs.

Since launching our Ray White Choice product range in May, hundreds of new landlords have adopted them, proving significant demand for customisable solutions in the property management sector.



*Photo: 97A Seaview Road, Remuera, Auckland
Proudly marketed by Ryan Dixon, Olivia Field & Alex Smith*

MEETING THE NEEDS OF MODERN LANDLORDS

One of the most notable trends we've observed is the increasing number of landlords seeking DIY solutions to manage their portfolios. Our new self-managing landlord products have performed well here as a retention tool, enabling landlords to make the most of the services they need (tenant selection, rent collection, repairs and maintenance, etc) while opting out of those they don't.

This flexibility is critical to meeting the diverse needs of our clients, no matter where they are in their investment journey.

That's our goal at Ray White – as we strive to help our network to become better landlords, better tenants, and ultimately contribute to a better housing picture for all of New Zealand.

Our point of difference lies in the choices we offer, and in a stable market, now is the time to get things right and reap the rewards. By taking good care of tenants and encouraging positive tenant-landlord relationships, we create an extremely attractive cost-benefit picture for all stakeholders.

WHERE ARE WE HEADED?

Several factors will shape the rental market in the coming months. Tenants are increasingly searching for tenure security, particularly near good school zones. This trend reflects the enduring need for stable, long-term housing solutions, which landlords must consider when making investment decisions.

As we navigate these changes, Ray White remains committed to providing the best possible service to our landlords and tenants. Our emphasis on professional education, with New Zealand Qualifications Authority (NZQA) property management accreditations in nearly every Ray White office nationwide (91 per cent and counting), sets us apart in the industry.

This focus on education, transparency, and bespoke service is critical to helping our clients succeed in an evolving market.

Today, the property management sector is at a critical juncture. While, the market has stabilised, and its challenges and opportunities are significant. At Ray White, we're here to help our landlords and tenants navigate this landscape confidently, offering the insights, support, and diverse range of customisable services they need to thrive.

Whether you're a seasoned investor or new to the rental market, our team is ready to assist you in making the most of your property investment. For more information about our products and services or to discuss how we can support your needs, please visit [Ray White Property Management](#) or contact us directly.



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Ray White Remuera

Megan Jaffe Real Estate Ltd Licensed (REAA 2008)

97 Seaview Road, Remuera

Seaview Estate - Buy One or Buy Both Set on 1734sqm with uninterrupted Waitemata Harbour views, this masonry home offers unmatched luxury and serenity. On the market for the first time in 23 years, the light-filled interiors showcase timeless elegance with Hinuera stone floors and Murano lighting. Both formal and informal living areas enjoy panoramic views, while the 25-meter lap pool is surrounded by zen-like terraced grounds and gardens. Hidden from the street, the property features triple internal garages, a wine bunker, expansive art walls, and top-tier security. The neighboring property, known as the gatehouse, is also available



97A Seaview Road, Remuera

This family home, tucked away off a gated driveway, offers a peaceful retreat surrounded by nature and birdsong. Known as 'The Gatehouse,' it features generous spaces that flow seamlessly onto a private entertainment deck. Originally designed by Sumich Architects with thoughtful updates, this well-built home is in the Double Grammar zone and near top private schools. Paired with its sister property, also for sale, this is a rare opportunity to secure a landmark residence on Remuera's Northern Slopes, offering a unique blend of luxury and tranquility.



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Ray White Remuera

Megan Jaffe Real Estate Ltd Licensed (REAA 2008)

About Ray White

Ray White is a fourth-generation family-owned and led business.

Established in 1902 in the small country town of Crows Nest, Queensland, we are proud to have grown into Australasia's most successful real estate business, with over 1,000 franchised offices across New Zealand, Australia, Indonesia, and Hong Kong.

Ray White today spans residential, commercial, and rural property, marine and other specialist businesses.

Now more than ever, the depth of experience and the breadth of Australasia's largest real estate group bring 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.



RAY WHITE,
AUCTIONEER,

GENERAL AGENT.

CROWS NEST LAND OFFICE.

REAL ESTATE
AGENCY
COY
RE
DENT
STOCK.

FARM
IMPLEMENTS
& DAIRYING
MACHINERY

OFFICE

¹⁰
Alan White
House ▶

The first Ray White Real Estate office
Crow's Nest, 1902
Moved to this site and restored in 1994
by the White Family



raywhite.co.nz



raywhitecommercialnz.com



loanmarket.co.nz