



RAY WHITE NOW

STABILITY GAINS

PROUDLY PRESENTING NEW ZEALAND PROPERTY MARKET INSIGHTS IN REAL TIME

A message from our chief executive

Dear Property Owner,

In the ebb and flow of economic cycles, certain changes stand out as defining moments that shape markets for years to come. Recent months have offered just such a turning point for New Zealand's housing sector, driven by a series of small but meaningful economic events reframing the landscape for buyers and sellers alike.

Imagine a ship navigating turbulent waters, each wave a metaphor for the economic pressures facing homeowners and investors. The waves have been particularly rough for the past few years – high interest rates, high council rates, high insurance premiums, geopolitical tensions, and a general sense of uncertainty.

Yet, as we continue to chart our course, recent developments suggest we may be steering towards calmer waters.

The Reserve Bank of New Zealand (RBNZ) recently made headlines with a significant cut to the Official Cash Rate (OCR). This move, while strategic, was not a sudden departure from a carefully considered policy adjustment. Instead, it marked the end of a lengthy period of tightening that has sought to curb inflation but also inadvertently contributed to a cautious climate in the housing market.

With the OCR now set to continue its downward trajectory, the economic climate is shifting in ways that hold promise for revitalising real estate activity.

The impact of this adjustment is already rippling through the market, with increased engagement from active participants and renewed buyer confidence sparking a growing sense of optimism among prospective homeowners. Despite these encouraging trends, however, the overall sentiment remains one of cautious optimism.

Across our Ray White member network, we have seen a recent uptick in bidding registrations at our auction events. At the same time, listing authorities have declined ever-so-slightly. It's as though the market's pulse has quickened, reflecting a renewed appetite for property amidst evolving conditions. However, the caution of the past years lingers, with passive purchasers needing the reassurance of further rate cuts before making their move.

This blend of optimism and prudence is characteristic of a market in stabilisation, which is exactly where we want to be right now. Whereas the combination of improving business confidence, lower mortgage rate expectations, and a tight supply of properties on the market for sale creates opportunities for those ready to enter the market, it's clear we're not just recovering but adapting to new realities.

This evolution is driven by economic adjustments and the enduring desire for stability and growth as we navigate new questions about housing supply, sustainability, affordability measures, and shifting lifestyle preferences.

To year-end, we see a continuation of this stability, giving house hunters a chance to recalibrate while financial institutions offer more competitive mortgage lending rates.

If you'd like to take advantage of this, our experienced teams nationwide, including our friends at Loan Market, are poised to help you navigate these evolving conditions confidently and welcome the opportunity to support your property journey in any way we can.

Please enjoy our 74th edition of Ray White Now.

Regards,



A handwritten signature in black ink, appearing to read 'Daniel Coulson'.

Daniel Coulson
Chief Executive
Ray White New Zealand



Photo: 75 Woodhill Park Road, Waimauku, Rodney
Proudly marketed by Sue Hatton & Jo McDonald

FEATURED PROPERTY



75 Woodhill Park Road, Waimauku, Rodney
Proudly marketed by Sue Hatton & Jo McDonald

Ray White Epsom

Black Group Realty Limited Licensed (REAA 2008)





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Why sell now?



Daniel Coulson
Chief Executive
Ray White New Zealand

As the residential property market stabilises after a period of uncertainty, many Kiwis are reassessing their family needs, and lifestyle requirements, adopting a fresh approach to real estate.

Encouraging signs of renewed activity are emerging, with New Zealand's major banks offering more competitive mortgage lending rates, which are expected to continue on a downward trend. But, while the recent shift in the Official Cash Rate (OCR) has sparked renewed interest in the housing market, it's too early to significantly expand the buyer pool.

Ray White New Zealand’s chief executive, Daniel Coulson, says that while many people on the market’s periphery feel more optimistic, plenty are still cautious.

“With financial markets anticipating further OCR rate cuts through 2025, Kiwis are gaining renewed confidence to reinvest, creating a more promising economic outlook. As a result, households are likely to feel motivated to enter the market and take action, supported by surety that stability in the current market will continue.

“The commercial landscape, however, still faces challenges, particularly amid high-profile business closures and concerns over debt and operating costs and how these ultimately weigh on decision-making.”

Despite this, recent revisions to interest rate projections and a cooling inflation rate provide reassurance, offering operators and general consumers better clarity to navigate the evolving economic environment.

Coulson says these factors have already had an upside influence on activity throughout Ray White’s New Zealand network.

“Bidding registrations at our auctions have doubled in the past month alone, signalling increased activity and a renewed appetite for residential property as the market steadies.

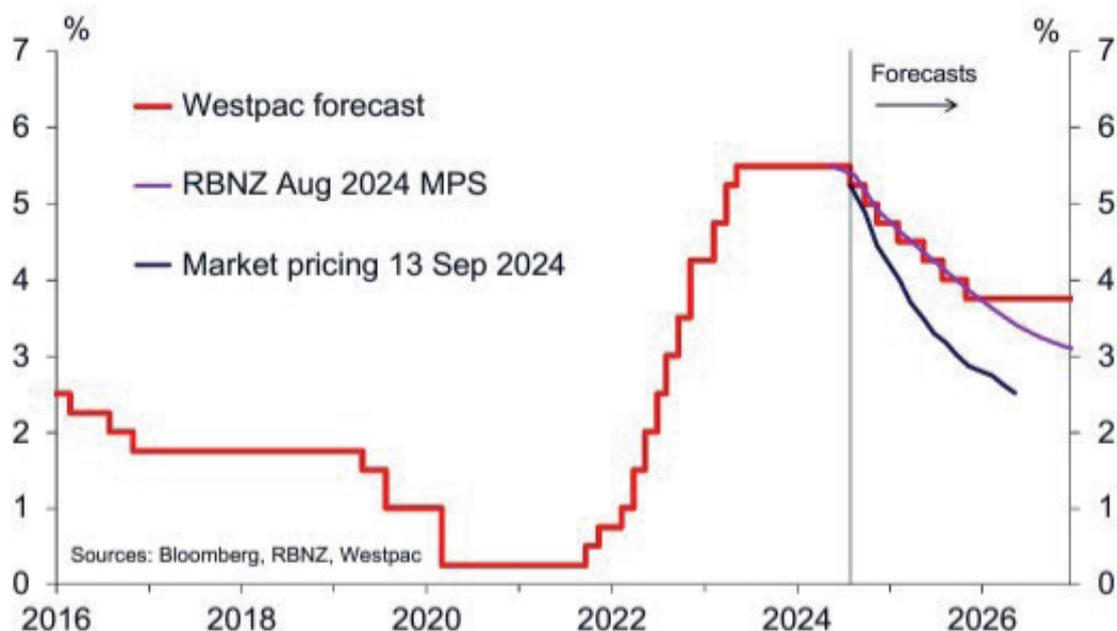
“At the same time, the number of new listing authorities (new listings that are not yet live) has declined month-on-month. If these don’t start to increase, we may find ourselves in a position of a listing decline, at the same time demand is rising.”

Data from the Ray White network echoes recent sentiments from property portal realestate.co.nz, which recently found that while national housing stock was up by 30 per cent year-on-year in August, the number of available homes dipped below 30,000 for the first time in six months.

“This dip in the number of available homes indicates that recent economic change and lower mortgage lending rates are leading to a reduction, signalling a more active market and a clearing of older listings.

“With these factors in play, now could be the ideal time for sellers to take advantage of improving conditions before the next phase of rate cuts scheduled for early October brings further competition into the market for sellers.”

Official Cash Rate forecasts



Source: Bloomberg, RBNZ, Westpac.

WAITING FOR TAKE-OFF

The Reserve Bank of New Zealand's (RBNZ) recent OCR reduction was not merely a reactive measure but a strategic move widely anticipated by market watchers. Revised projections suggest that we may see a sub-five per cent OCR by the end of the year, indicating further reductions at both the October and November OCR reviews.

This policy adjustment marks the end of a prolonged period of tightening aimed at curbing inflation and sets the stage for a more balanced and predictable real estate market moving into the new year.

For sellers, this change presents a unique window of opportunity.

KEY REASONS TO SELL NOW

1. Mortgage lending rates continue to fall

In the wake of the first OCR rate reduction in four years, banks are offering more competitive mortgage lending rates and further cuts are anticipated as the market continues to settle. These competitive interest rates encourage buyers to re-enter the market, with increased participation, especially from those previously on the periphery.

2. Rising buyer confidence, although tempered by caution

While the OCR reduction has spurred renewed interest in the housing market, many buyers remain cautious, influenced by the inertia of the past several years. Some are waiting for further rate cuts before acting. However, the surge in nationwide bidding registrations at Ray White auctions indicates that serious buyers are seizing the opportunity presented by the changing market conditions.

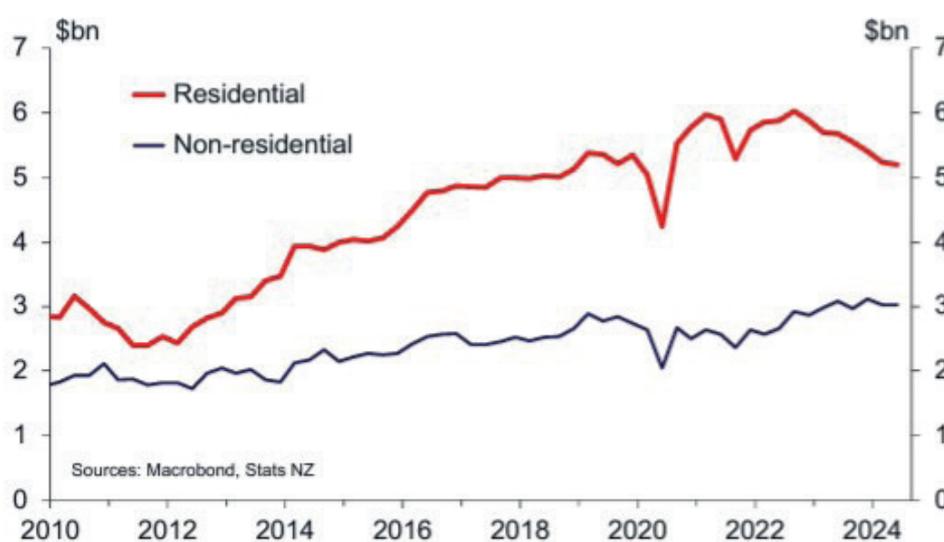
3. Inflation outlook and reinvestment opportunities

With inflation beginning to ease, businesses feel more confident about reinvesting in productive markets. This increased confidence among businesses also translates into better future conditions for commercial real estate and indirectly boosts residential demand. As further rate cuts are expected, the market is positioning itself for an uptick in investment activity.

4. Tight supply and reduced development pipeline

Nationwide building consents have dropped nearly one-quarter compared to last year, creating a significant slowdown in the new housing supply. As a result, the current stock of properties available for sale is limited, further increasing demand for quality listings. Sellers stand to benefit from this scarcity, particularly as the market is expected to become more active once market pricing for live rate cuts is fully realised. Listing a property now, before new builds begin to enter the market again, can help sellers secure favourable outcomes.

Real building work put in place



Source: Macrobond, SNZ, Westpac

ECONOMIC TRENDS AND THEIR IMPACT

Recent economic developments further underscore the importance of timely decision-making. A projected average OCR of 4.75 per cent by the end of Q4 2024 signals a significant shift toward monetary policy easing.

This move is expected to have a tangible effect on the residential sales market, encouraging buyers and sellers to act more confidently.

The revision in interest rate projections also aligns with broader market trends, such as a tight supply of properties, rising buyer activity, and improved affordability metrics.

These factors combine to create an environment where sellers can achieve favourable outcomes, particularly as buyers seek to capitalise on today's prices and lock in tomorrow's lower mortgage lending rates.

The current market conditions offer a compelling case to act now for those considering whether to wait for potential future value growth. Buyers are tuned into current opportunities across the market, with a keen eye on lower future mortgage lending costs.

An understanding of where loan pricing is headed positions buyers ahead of the competition as the market becomes more active – an approach that also gives sellers greater certainty in their own buying decisions, knowing they can re-enter the market with greater confidence in the fixed costs of homeownership.

SHAKING OFF THE PAST

Coulson says that at a high level, the residential market is clearly beginning to shake off the challenges of the past several years, with rising economic confidence and lower mortgage lending rates heralding a pivotal turning point for sales activity and buyer sentiment.

“The signs of increased confidence across our Ray White member network are evident, led by supply-demand dynamics that suggest an upside to value growth in the mid-term.

“This positive outlook for activity is a solid indicator for sellers looking to enter the market, as it suggests a growing appetite for property despite broader economic concerns.

“For sellers, the combination of lower mortgage lending rates, rising buyer demand, and a tighter supply pipeline creates a compelling case to act on now. With buying conditions amongst some of the most attractive we've seen in recent years, sellers can attract motivated house hunters ready to transact in a more balanced and competitive market.”

*Photo: 75 Woodhill Park Road, Waimauku, Rodney
Proudly marketed by Sue Hatton & Jo McDonald*



Finding the ideal family suburb: A new perspective



Atom Go Tian
Senior Data Analyst
Ray White Group

As families increasingly seek the right blend of urban convenience and nurturing environments for their children, the criteria for what makes a suburb ideal are evolving.

Traditionally, family-friendly areas were defined by safety, proximity to parks and schools, and access to amenities. However, the balance of these elements varies from family to family, making the concept inherently subjective.

To clarify this, at Ray White, we have identified two key metrics – the percentage of residents under 14 years old, and recent house price growth.

A higher proportion of children suggests a suburb's appeal to families, while rising house prices indicate growing demand and investment potential.

By combining these factors, we can highlight the suburbs that attract families and are primed for future growth and development.

Defining "family friendly"

Share of population under 14YO, per regional council area

| Regional council area | Population Under 14YO | Under 14% |
|---|-----------------------|--------------|
| Gisborne region | 11,376 | 22.3% |
| Waikato region | 100,746 | 20.2% |
| Taranaki region | 25,428 | 20.2% |
| Bay of Plenty region | 66,456 | 19.9% |
| Hawke's Bay region | 34,641 | 19.8% |
| Northland region | 38,070 | 19.6% |
| Manawatū-Whanganui region | 48,645 | 19.4% |
| Auckland region | 318,843 | 19.3% |
| Southland region | 18,921 | 18.9% |
| Canterbury region | 113,751 | 17.5% |
| Wellington region | 89,688 | 17.2% |
| Marlborough region | 8,229 | 16.7% |
| Nelson region | 8,712 | 16.6% |
| Tasman region | 9,498 | 16.4% |
| West Coast region | 5,448 | 16.3% |
| Otago region | 37,752 | 15.7% |
| Total, New Zealand by regional council | 936,297 | 18.8% |

Source: StatsNZ



The Gisborne region, despite its smaller population, leads the country with the highest proportion of young people – 22.3 per cent of its residents are aged under 14 years old. Waikato follows closely, where about one-fifth of its population falls into this group.

Auckland ranks eighth by percentage, with 19.3 per cent of its population aged under 14, but due to its size, it has the largest absolute number of children, with nearly 319,000 residents in this age bracket.

The national average sits around 18.8 per cent, and many of New Zealand’s key regions hover around this figure.

Interestingly, New Zealand’s capital city – Wellington – falls below the national average, with 17.2 per cent of its population under 14. Otago recorded the lowest proportion of young residents, with just 15.7 per cent under the age of 14.

Most family-friendly suburbs in New Zealand
Proportion of population under 14YO vs median house price growth

| | District/City | Suburb | Under 14% | 2024 Price | 1Y Price Growth |
|----|------------------------|----------------|-----------|-------------|-----------------|
| 1 | Auckland | Milldale | 30.0% | \$1,390,000 | \$175,000 |
| 2 | Palmerston North City | Ashhurst | 23.6% | \$755,000 | \$120,000 |
| 3 | South Waikato District | Tirau | 23.2% | \$685,000 | \$100,000 |
| 4 | Auckland | Patumahoe | 25.2% | \$1,200,000 | \$75,000 |
| 5 | Rotorua District | Selwyn Heights | 23.1% | \$565,000 | \$60,000 |
| 6 | Christchurch City | Aranui | 23.7% | \$515,000 | \$57,000 |
| 7 | Gisborne District | Tamarau | 26.6% | \$600,000 | \$57,000 |
| 8 | Auckland | Riverhead | 25.7% | \$1,550,000 | \$40,000 |
| 9 | Far North District | Kawakawa | 24.6% | \$420,000 | \$40,000 |
| 10 | Wairoa District | Wairoa | 24.1% | \$385,000 | \$40,000 |

Source: StatsNZ, Ray White



To narrow down the most family-friendly suburbs, our research first identified areas where at least 23 per cent of residents were aged under 14 years old – placing them in the 95th percentile for the child population.

From this subset of family-focused suburbs, our research ranked the areas based on house price growth over the past year – a key indicator of rising desirability and potential for future development.

Milldale in Auckland tops the list, with 30 per cent of its population aged under 14 years old – the highest of many suburbs studied. This, combined with a substantial \$175,000 increase in the median house price over the last year, underscores Milldale’s appeal as a family-friendly suburb.

With a current median sale value of \$1.39 million, Milldale is the second most expensive suburb, signalling its growing reputation as a family hotspot.

Following closely is Ashurst in Palmerston North, where 23.6 per cent of the population is under 14. Ashurst saw a \$120,000 median price increase in the last 12 months, bringing its median sale value to \$755,000.

Tirau, in the South Waikato District, ranks third with 23.2 per cent of its population marked as young residents and a \$100,000 increase in house prices.

Wairoa, the northernmost district in the Hawke’s Bay region, offers another affordable option, with a median house price of \$385,000. Despite the lower price point, 24.1 per cent of its population were residents aged under 14, and it saw a \$40,000 price increase over the last 12 months. It is particularly interesting to note rising prices in more affordable markets despite the recent market downturn.



Photo: 75 Woodhill Park Road, Waimauku, Rodney | Proudly marketed by Sue Hutton & Jo McDonald

Market recovers with confidence and renewed activity



Treena Drinnan
Chief Agency Officer
Ray White New Zealand

A fresh wave of optimism has swept through the local property market as the latest data from the Real Estate Institute of New Zealand (REINZ) reveals a noticeable uptick in confidence, activity and buyer interest.

August marked a turning point, with REINZ chief executive Jen Baird highlighting a renewed sense of positivity driven by clear signs of recovery and growing market momentum.

This positive shift mirrors insights across our Ray White member network, where steady sales, an influx of new listings, and increased buyer competition create a more vibrant and competitive environment for buyers and sellers.

We're seeing a resurgence of multi-offer situations and competitive auctions throughout our business.

Buyers now have a unique window of opportunity – they can secure properties at current prices while potentially benefitting from lower interest rates in the future. This rare combination only arises at specific points in the market cycle.

At the same time, sellers can enter the market with greater confidence, knowing that buyer competition is on the rise.

For the month ending August 2024, Ray White's live listings count increased by 25.7 per cent year-on-year, while total listings on the market were up 35.3 per cent.

Digital enquiries saw a modest rise of 0.2 per cent, with the number of online users increasing by 3.1 per cent.

Loan pre-approvals for the month also surged, with 1,230 approvals recorded - up 33.6 per cent year-on-year, indicating heightened buyer activity and confidence following the Reserve Bank's Official Cash Rate (OCR) announcement and continuing reductions to retail lending rates.

The OCR drop in August - the first in four years - has already impacted the market.

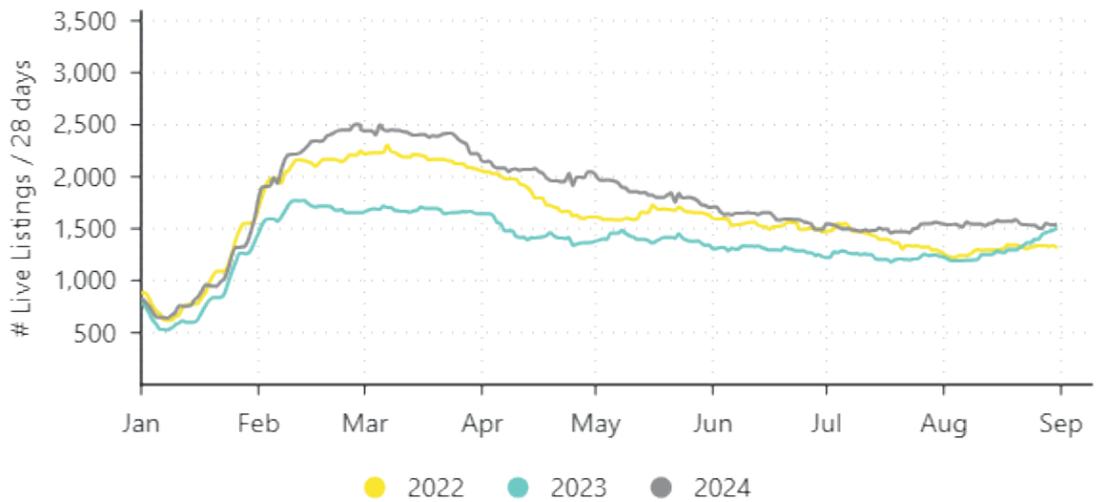
According to property portal realestate.co.nz, buyer activity surged in the two weeks following the announcement cut, with residential listing enquiries increasing by 8.5 per cent, saved properties rising by 5.5 per cent, and a 6.2 per cent increase in searches saved to notify buyers of new listings. This renewed activity signals growing confidence from buyers and suggests a positive outlook for the months ahead.

With these developments, both buyers and sellers are well-positioned to take advantage of the current market opportunities. Whether you're looking to secure a new home or capitalise on increasing demand, Ray White's dedicated team members across the country are ready to support you in every step of your property journey, whether buying, selling, or renting.

LIVE LISTINGS

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

For the month ending August 2024, our live listings count increased by 25.7 per cent compared year-on-year.

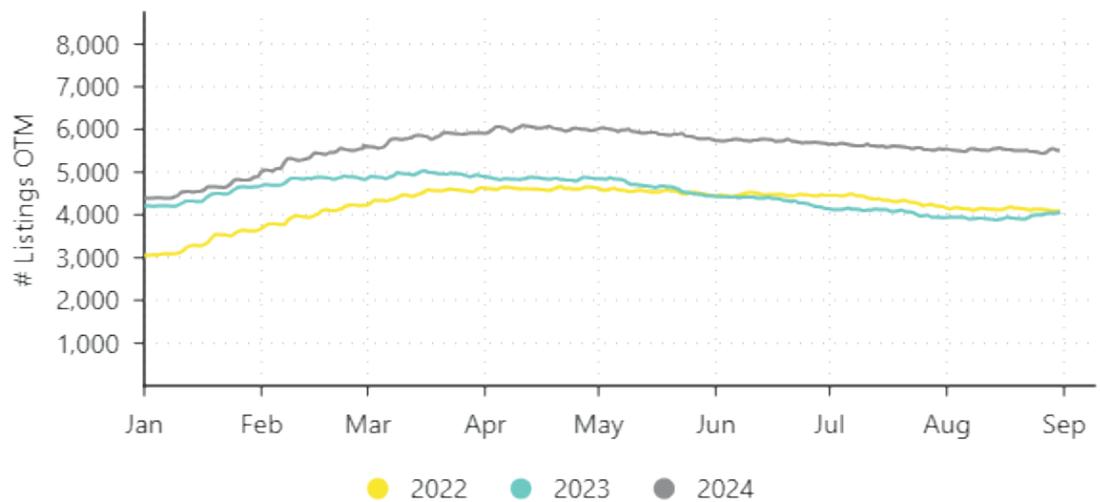


Source: Ray White Online Analytics

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 August 2024, our listings on the market were up 35.3 per cent year-on-year.

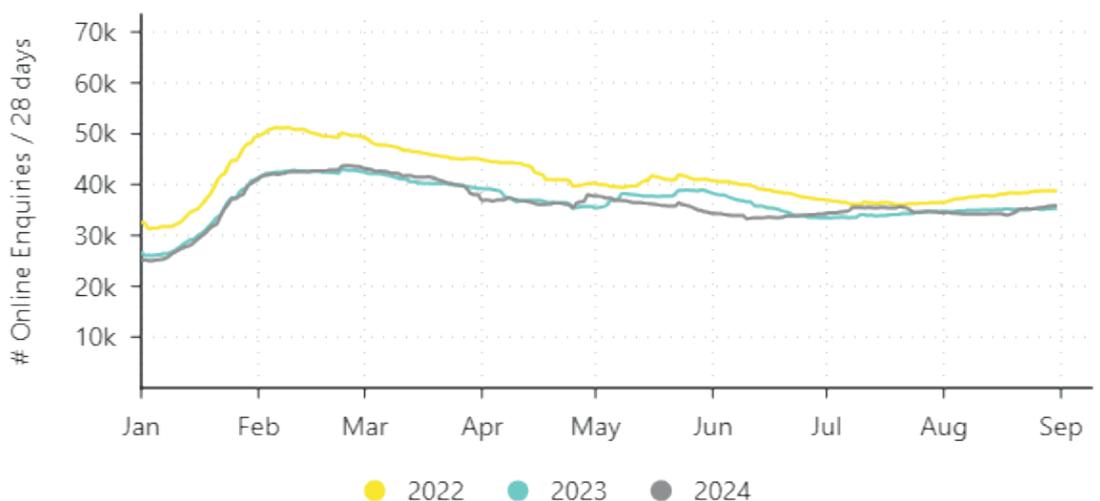


Source: Ray White Online Analytics

ONLINE ENQUIRIES

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

In August 2024, this rose by 0.2 per cent year-on-year, with the number of online users up 3.1 per cent.

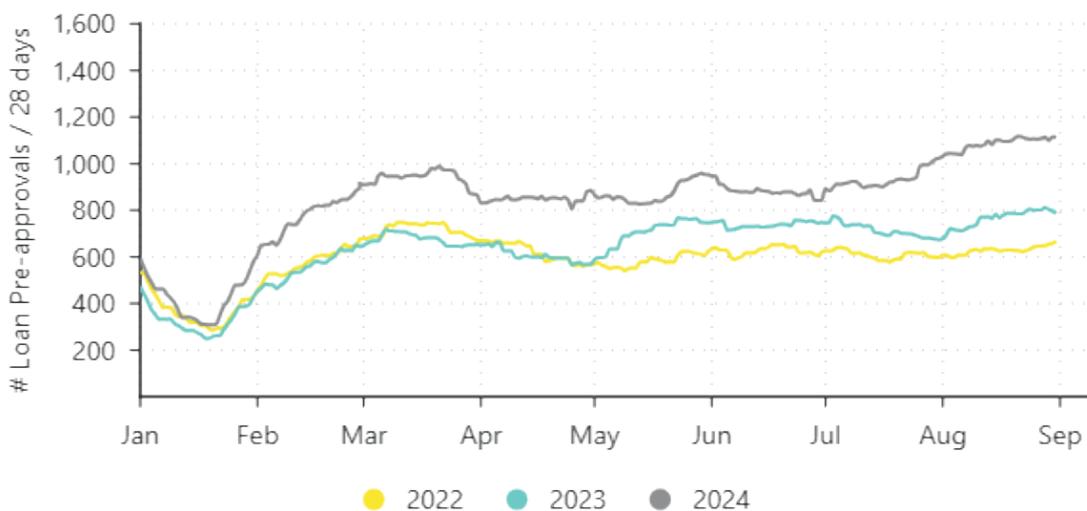


Source: Ray White Online Analytics

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 August 2024 was 1,230, up 33.6 per cent year-on-year.



Source: Ray White Online Analytics

WHAT DOES THIS MEAN FOR YOU?

- **For Buyers:** With rising buyer activity and competitive auctions, now is a prime time to consider entering the market. Interest rates are declining, meaning you can secure a property at today's price but benefit from tomorrow's potentially lower rates. This is a rare window of opportunity to lock in favourable financing conditions while competition among buyers remains healthy.
- **For Sellers:** Increased buyer interest and competitive multi-offer scenarios mean you can confidently bring your property to market. With more active buyers and rising pre-approvals, you will likely see solid demand, giving you the advantage when achieving a favourable sale. Now is an excellent time to capitalise on market conditions shifting in your favour.
- **For Homeowners:** If you've been considering selling your home or simply curious about its current market value, now may be the right time to get an appraisal. The renewed market confidence and strong buyer interest may positively influence the value of your property, even if you aren't planning to sell immediately.

Each segment of the market, buyers, sellers, and homeowners stand to benefit from the current market momentum. Understanding these shifts is key to maximising opportunities, whether you want to move or hold tight. Talk to your local Ray White office to find out more.

Photo: 75 Woodhill Park Road, Waimauku, Rodney
Proudly marketed by Sue Hatton & Jo McDonald





Photo: 75 Woodhill Park Road, Waimauku, Rodney | Proudly marketed by Sue Hatton & Jo McDonald

Auction market gains steam with OCR rate shift



Sam Steele
Head Auctioneer,
Ray White New Zealand

The recent Official Cash Rate decision has injected fresh energy into Ray White’s auction market, driving a surge in activity that defies the traditional seasonal trends.

As public confidence rebounds and property inventory levels ease, buyers and sellers continue to embrace auctions as a fast and transparent method for closing deals.

August has marked a turning point in sentiment, with the auction market showing resilience and strength amid a shifting economic landscape. This reinvigorated activity reflects a market ready to capitalise on unique opportunities, making auctions the method of choice for those looking to secure results quickly, and competitively.

Our Ray White members scheduled 446 auctions nationwide in August – which, while slightly down on the month prior, primarily reflects sellers holding off in anticipation of the August 14th OCR review outcome.

When the Reserve Bank of New Zealand (RBNZ) decided to cut the OCR for the first time in four years, the immediate impact on the auction market was notable, with a clearance rate for the month of 49.1 per cent.

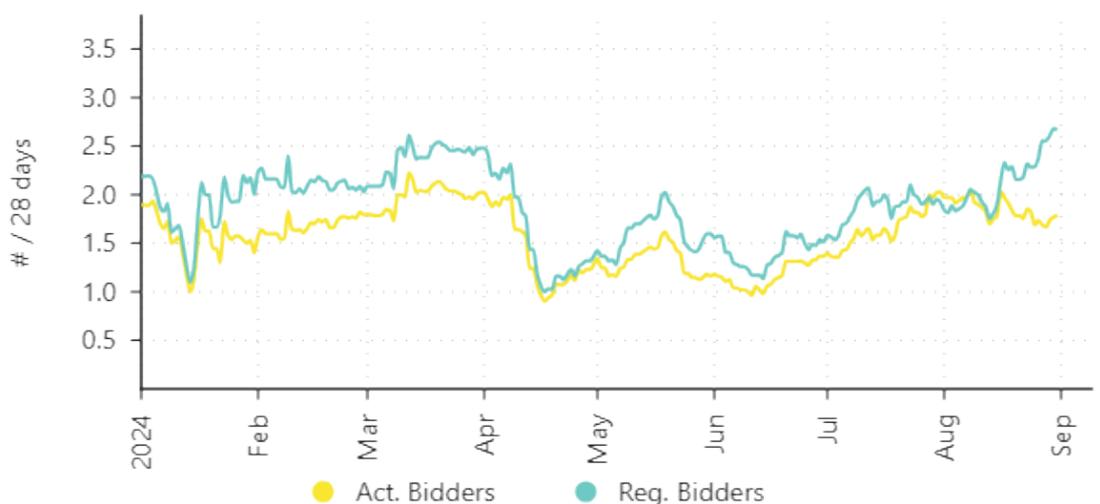
The number of registered bidders per auction increased from 2.6, up from 1.8 in June, illustrating a growing level of buyer engagement. Auctions featuring four or more registered bidders proved particularly successful, achieving clearance rates of over 75 per cent.

This surge in participation demonstrates buyers’ readiness to act in a competitive environment, and in August, the auction method gained further traction, representing one-third of all new listings nationwide, with 33.3 per cent of properties going under the hammer.

Auctions also continued to outperform traditional sales methods, with properties selling in an average of 37 days – significantly faster than the 57 days seen for private treaty sales. The speed and success of the auction process underscore their effectiveness in today’s market, offering both buyers and sellers a clear and decisive path to property transactions.

BIDDING BY MONTH

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





Unlocking productivity: Can zoning reform solve New Zealand's housing supply issues?



Matthew Maltman
Research Economist
e61 Institute

New Zealand's housing market has been under intense pressure in recent years as a growing population and surging demand have outpaced housing supply.

The issue persists despite a swathe of initiatives aimed at tackling these issues, including government-backed development schemes and financial incentives for developers.

Australian-based research economist and former Australian Productivity Commission economist Matthew Maltman says at the heart of this challenge lies a crucial yet often overlooked factor: productivity in the construction sector.

"As housing costs continue to rise and more New Zealanders struggle to afford homes, zoning reform may be key to unlocking efficiency gains in the industry and increasing the supply of housing stock," he says.

Zoning laws, which dictate how land can be used and what can be built where, have long been regarded as a significant impediment to housing construction in New Zealand. However, recent reforms, particularly the Auckland Unitary Plan (AUP), suggest that thoughtful changes to these regulations could unleash the productivity potential of the construction sector, ultimately easing the housing shortage.

"By examining New Zealand's experience with zoning reform, it becomes evident that this could be a powerful tool in addressing both housing affordability and supply shortages," Maltman says.

THE PRODUCTIVITY PUZZLE

The construction industry's productivity issue is not unique to New Zealand. Globally, construction productivity has lagged behind other sectors, such as manufacturing and technology.

According to McKinsey's Global Institute, productivity in construction has grown at an average rate of just one per cent annually over the past two decades, compared to 3.6 per cent in manufacturing.

"This stagnation is particularly problematic in countries where rapid urbanisation and population growth have placed increased pressure on the housing market," Maltman says.

In New Zealand, the situation is even more acute. The New Zealand Productivity Commission has noted that the construction sector has experienced minimal productivity growth over the last decade, contributing to higher building costs and slower project delivery times.

In short, we're doing less with more.

Labour shortages, outdated construction methods, and restrictive regulatory frameworks are often cited as reasons for this sluggishness. However, one of the most significant barriers to improved productivity lies in the zoning regulations that govern land use.

"Zoning laws can prevent construction firms from scaling their operations, limit the type and density of housing they can build, and can create bureaucratic hurdles that delay projects and drive up costs.

"In this context, the AUP represented a significant shift."

Introduced in 2016, the AUP aimed to increase the region's housing capacity by allowing for greater density in certain areas and simplifying the development approval process.

"The results of this reform provide important insights into how zoning changes can impact construction productivity in areas where demand may be most acute."

THE IMPACT OF AUCKLAND'S UNITARY PLAN

Maltman says that before introducing the AUP, Auckland struggled to meet its housing needs. "Strict zoning laws have restricted development to low-density, suburban-style housing, which limited the amount of new housing stock that could be brought to the market."

"The planning process was cumbersome, and developers faced significant delays in approving projects. This bottleneck contributed to rising house prices and increased competition for the limited housing available."

The AUP sought to address these issues by upzoning large parts of Auckland, particularly in areas well-served by public transport and existing infrastructure. It allowed for the construction of higher-density housing, such as apartments and townhouses, in areas previously reserved for single-family homes.

"This was a significant departure from the traditional suburban model that has dominated Auckland's development for decades.

"Since the implementation of the AUP, Auckland has seen a notable increase in construction activity. Between 2013 and 2021, construction productivity in Auckland grew by 1.6 per cent annually – notably higher than the pre-reform period.

"The AUP's zoning changes have allowed developers to take advantage of economies of scale, build more efficiently, and deliver projects faster. Moreover, by encouraging family housing development, the AUP has enabled construction firms to diversify their projects and tap into new markets."

While the AUP alone cannot solve Auckland's housing challenges, its impact on construction productivity offers a valuable lesson for other regions. Zoning reform can play a critical role in enabling the construction sector to become more efficient, ultimately making it easier to meet housing demand.

THE CASE FOR NATIONAL ZONING REFORM

Auckland's experience with the AUP has sparked a broader conversation about the role zoning plays in New Zealand's housing supply challenges.

Nationwide, restrictive zoning laws have contributed to the housing shortfall by limiting where and what type of housing can be built. In many regions, zoning regulations favour low-density suburban development, which can be outdated and, inefficient and incompatible with the growing demand for urban housing.

In recent years, there has been a push to standardise zoning regulations nationwide and streamline the planning process to make it easier for developers to bring projects to the market.

The National Policy Statement on Urban Development (NPS-UD) is one such initiative to encourage higher-density development in areas experiencing rapid growth.

"By reforming zoning laws nationally, New Zealand could unlock significant productivity gains in the construction sector. Streamlined zoning could reduce bureaucratic delays that often plague projects, allowing developers to build more housing in high-demand areas.

The New Zealand Government's Going for Housing Growth (GfHG) strategy recognises the need for this reform at both the local and national levels. However, initiatives may take some time to increase the supply of new housing and stabilise prices at an affordable level.

A PRODUCTIVE FUTURE

“While zoning reform is not a panacea for New Zealand’s housing challenges, it can significantly improve the construction sector’s productivity and help address the supply-demand imbalance.

“Auckland’s experience with the AUP demonstrates that thoughtful changes to zoning regulations can lead to more efficient construction, faster project delivery, and ultimately, more housing on the market.

“As policymakers continue work on the housing growth strategy, it’s essential to consider the role of zoning reform in unlocking the productivity potential of the construction sector. By removing the barriers historically hindering development, New Zealand can take meaningful steps toward building a more productive, efficient and affordable housing market.”



Photo: 75 Woodhill Park Road, Waimauku, Rodney | Proudly marketed by Sue Hatton & Jo McDonald



Photo: 75 Woodhill Park Road, Waimauku, Rodney | Proudly marketed by Sue Hatton & Jo McDonald

The construction conundrum

Loan Market
loanmarket.co.nz

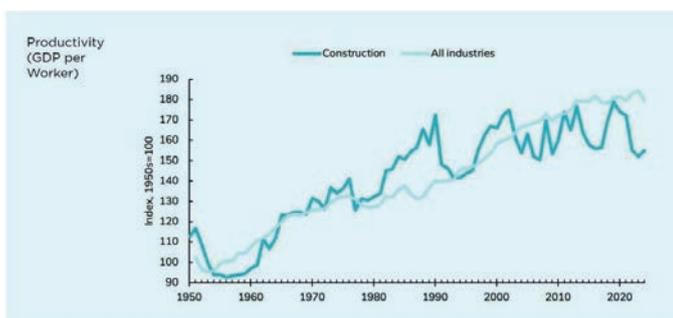
Loan Market

According to construction industry veteran Frank Xu, productivity in New Zealand's construction industry has stagnated over the last four decades.

Xu heads the New Zealand Chinese Building Industry Association (NZCBIA), which has recently produced a report in partnership with economist Shamubeel Eaqub that shows construction sector productivity has barely improved in New Zealand since the early 1990s.

A major factor in this stagnation is the industry's fragmented structure, dominated by small firms that often lack the resources to invest in advanced technology, training and streamlined processes.

This results in under-skilled workers, outdated equipment, and inaccurate project estimates – factors that could significantly boost productivity if remedied.



Source: NZCBIA, Stats NZ

According to the report, three key improvements could shift the dial:

1. Enhanced skills training
2. Streamlined building processes
3. Clear policy guidance to encourage firms to scale up and take on more ambitious projects.

THE URGENT NEED FOR MORE AFFORDABLE HOMES

Building and Construction Minister Chris Penk highlighted that, despite contributing \$99 billion in sales and indirectly supporting half a million jobs nationwide in the year to March 2024, the industry's productivity issues are exacerbating the country's housing crisis.

"The time to build a home has increased by 50 per cent since 2013, from 13 to 19 months – adding to housing unaffordability," the Minister said.

Research within the NZCBIA report emphasises this in an exercise where it asked Kiwis to describe the construction sector in one word, with the most common answer being – "expensive".

Minister Penk says the government is focused on streamlining the building consent system and removing unnecessary red tape to accelerate the building process. "While productivity gains won't happen overnight, they're essential for building more affordable homes and ensuring Kiwi families can benefit from the stability of homeownership and the associated social and health benefits."

Despite current challenges, the construction sector remains resilient, and experts are hopeful for the future. As demand for housing and infrastructure continues to grow, the industry is poised to strengthen, bolstered by a more enabling policy environment and efforts to streamline the building process.

While the recent downturn has been tough, experts believe the sector has an opportunity to emerge stronger and ready to meet New Zealand's pressing need for more homes as the economic cycle turns.



Photo: 75 Woodhill Park Road, Waimauku, Rodney | Proudly marketed by Sue Hatton & Jo McDonald

Why astute landlords are seizing the moment



Zac Snelling
Head of
Property Management
Ray White New Zealand

Residential investors waiting for the right moment to dive back into the market are becoming more confident that the time is now, as the storm clouds that loomed over the sector continue to part.

But here's the catch. This is no longer a market for the passive investor. The rules have changed, and those who act now, with strategy and foresight, are set to better capture future gains as the market stabilises.

As Zac Snelling, Ray White New Zealand's Head of Property Management, puts it, the days of easy money are over, but the era of smart money has just begun.

"Investors who adapt quickly will not only survive – they will thrive in a landscape that rewards high-quality assets, strategic upgrades, and clever market navigation."

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STABILITY AFTER A STORM

New Zealand's property management sector continues to evolve, while investors find themselves at a crossroads. Stability has re-entered the conversation following a volatile year of market fluctuations, supply constraints, and rising compliance requirements.

For those willing to make proactive, informed decisions, the future holds promise. According to Snelling, Ray White's property management teams nationwide now see roughly a 50/50 split in supply and demand in many regions.

While this balance may seem steady in main centres, regional areas still face significant undersupply following years of lagging investment in housing.

Despite inconsistencies, all of New Zealand's regions are experiencing robust demand for quality properties that meet modern standards of warmth, comfort and accessibility.

"Low-quality landlords are simply being pushed out," Snelling says. "Tenants now have more choices and demand better living conditions. They're voting with their rental payments, and in this climate, successful landlords invest proactively in their properties, maintaining not just compliance, but a competitive edge."

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LEVERAGING POLICY CHANGE

Snelling says that for seasoned investors, policy changes over the past year have presented new avenues for growth.

“Stability has created space for reinvestment, where landlords have the time and perhaps improving access to funds to enable added-value improvements to their properties. Even small upgrades make a big difference in good tenant retention.”

“Today, the quality of the landlord matters as much as the quality of the property itself,” Snelling adds.

“Investors that take care of their assets and their tenants are seeing rewards.”

This trend is evident in the uptake of the company’s recently released suite of ‘Ray White Choice’ products, which offer do-it-yourself landlords a range of solutions to improve their properties and tenant relationships.

“In particular, we’ve seen growing interest in consultancy, where active landlords engage with our teams to discover how they can get more from their residential investments.”

As Snelling says, the trick isn’t just to hold onto what you have but to think about the next move. “Buy right, think about the future,” he emphasises. In an era where high-quality properties and responsible management are critical, landlords who adapt will be positioned for success as the market stabilises.

ADAPTING TO NEW REALITIES

Regional markets are facing a growing shortage of the right kind of housing as demand remains strong. In these areas, limited investment has created competition for quality homes, pushing up rental values.

Snelling notes that with homeownership rates at record lows and lifestyle expectations shifting, more Kiwis are embracing long-term renting. As a result, they are seeking homes that align with their evolving needs, prioritising comfort, modern amenities, community connections and even pet-friendly spaces.

This shift presents opportunities for investors to expand beyond city limits and capture demand in underserved regions like Waikato and Canterbury. As construction activity picks up in these areas, astute investors are positioning themselves to meet the needs of long-term renters.

“We’re seeing a generation of renters who want more than just a roof over their heads,” Snelling notes, highlighting the importance of delivering homes that appeal to these tenants.

Property markets are shifting away from traditional retail and office space segments, focusing more on alternative investments like manufactured housing and student accommodation.

This trend is making its way to New Zealand, where opportunities in residential investment still offer long-term growth potential, particularly with the ongoing housing shortage. While pent-up demand for housing may eventually translate into rising property prices, the real opportunity for investors lies in adding value.

The difference between a good and a great investment is no longer simply about location - it’s about the quality of the home, its appeal to tenants, and the long-term viability of a rental property.

As Snelling observes, “Investors need tenants who will look after their properties, and tenants want homes to meet their needs.”

THE LONG GAME

The path forward for landlords isn't without its challenges, but it's clear that those who adopt a long-term view will be well-positioned to reap the rewards. The market may provide greater stability, but shifts in population growth, government policy, and the broader economy will continue to influence investment strategies.

"For investors willing to focus on improving their assets, nurturing tenant relationships and staying ahead of regulatory requirements – like the coming Healthy Homes deadline – the next few years present a significant opportunity.

"No matter where you are in your investment lifecycle, there's always a way to improve, adapt, and position yourself for future success.

"Stability is a fleeting luxury in the property market, and those who seize the moment wisely will find themselves in a stronger position when the next wave of growth arrives. I welcome our readers to talk to our experienced Ray White Property Management team for insights from the coalface, including new opportunities, and to hear more about our range of [customisable property management services](#)."

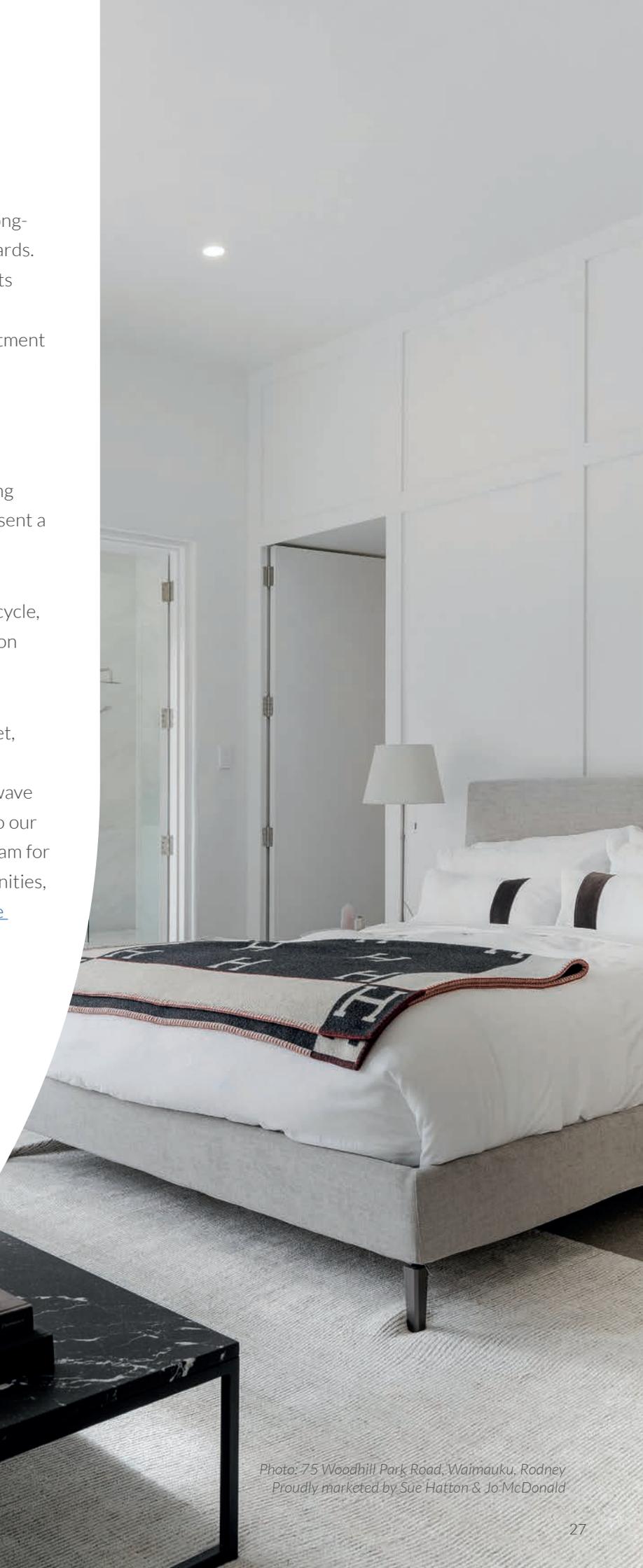


Photo: 75 Woodhill Park Road, Waimauku, Rodney
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About Ray White

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.

**LAND
ICE 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





75 Woodhill Park Road, Waimauku, Rodney

This exceptional estate, nestled among Waimauku's finest homes, offers unmatched privacy and elegance just 40 minutes from Auckland's CBD.

A magnolia-lined driveway leads to park-like grounds and a redesigned 500-square-metre, north-facing home with 5-metre-high ceilings throughout the reception areas. Multiple living spaces meet every need.

The chef's kitchen, complete with a secondary catering kitchen, features top-tier appliances. Entertain effortlessly in the informal living area, media room, or formal lounge with an integrated bar.

Outdoor areas include terraces, loggias, and a luxurious inground pool, with a pool house offering a kitchenette and wet room/bathroom.

The home includes five bedrooms and four ensuites, highlighted by a sumptuous primary suite with a double shower, freestanding bath, and concealed dressing room. A cozy fireplace adds charm.

Above the four-car garage, an 80m² guest apartment with a kitchenette provides comfort and privacy.

Formal gardens, a vegetable patch, and fruit trees create a perfect setting for gatherings. This rare oasis embodies privacy, style, and expansive living, with a motivated vendor instructing a sale for the coming summer.



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