



RAY WHITE NOW

D Y N A M I C O P P O R T U N I T I E S

PROUDLY PRESENTING NEW ZEALAND PROPERTY MARKET INSIGHTS IN REAL TIME
OCTOBER 2024

A message from our chief executive

Dear Property Owner,

We have now stepped into the final quarter of 2024, and New Zealand's real estate landscape is riding an undercurrent of change, moulded by economic factors and the human behaviours that drive residential decision-making.

Market sentiment has shifted recently, with policy announcements and macroeconomic factors contributing to a growing sense of cautious optimism. Mortgage lending rates, for example, continue to edge down from high levels, encouraged by the Official Cash Rate (OCR) dropping to 4.75 per cent recently.

This is great news for buyers, sellers and the general economy, as Kiwis claw back some purchasing power and speculation suggests the Reserve Bank of New Zealand (RBNZ) may again cut the OCR by a further 50 basis points (taking it to 4.25 per cent by year-end) at its November Monetary Policy Review (MPR).

While this relief has been welcome news, resulting in a notable notch up in real estate activity, affordability does remain a persistent challenge for many – with this leg of the market cycle influenced as much by access to finance as it is by price expectations.

Calls for a Capital Gains Tax (CGT) have intensified lately. Though this is largely still speculative chatter, the mere mention of such policy continues to stir significant discussion across the real estate sector.

Global examples, like Ireland's substantial increase in its 'mansion tax' and the International Monetary Fund's (IMF) recommendation that New Zealand adopt a combination of a CGT, land values tax, and a reduced corporate tax rate, add fuel to the fire.

Though we're a long road from any possible implementation, these conversations remind us of the complex economic and social considerations at play. The reality is that mortgage lending rates are just one part of the residential decision-making equation.

Demand from immigration has eased, but housing supply remains short in key urban centres. The construction sector faces ongoing challenges, and employment indicators influence the buying appetite. These factors all make a meaningful contribution to our dynamic market, where prices, while stabilising, remain influenced by many external forces.

At the same time, encouraging signs continue to fortify a broadening feeling of market confidence. Our auction rooms have benefited from both a lift in enquiry and participation, with a notable increase in registered and active bidders.

First-home buyers, often the most reactive to market shifts, are beginning to re-engage after a quiet spell. Early signs of the market recovery, particularly among this demographic, are promising, though the full extent of the upswing lies ahead.

As we head towards year-end, the mood is optimistic, tempered by the knowledge that familiar challenges persist. We've been here before. With last year's pre-election burst of activity, and again in February, with a short-lived but significant flurry of activity.

But this time, the feeling is different; it's structural. This time, Kiwis are better prepared to leverage the positive indicators and maximise market opportunities.

The balance of 2024 continues to offer immense potential, and our teams across the country are energised to provide real estate solutions whether you're buying, selling, or observing market dynamics. It's clear we have entered a new phase of the market cycle – marked by improving confidence, strategic decision-making, and a return to more predictable real estate conditions.

As always, our goal remains to support our clients and customers as they navigate this landscape with insight, expertise and a focus on achieving the ultimate result. The next few months are critical – so let's make them count.

Please enjoy our 75th edition of Ray White Now.



A handwritten signature in black ink, appearing to read 'Daniel Coulson', written in a cursive style.

Daniel Coulson
Chief Executive
Ray White New Zealand

Photo: 98-100 Riverview Road, Kerikeri, Far North
Proudly marketed by Nathan Roach,
Ray White Kerikeri



FEATURED PROPERTY



98-100 Riverview Road, Kerikeri, Far North

Proudly marketed by Nathan Roach

Ray White Kerikeri

Northland Circle Real Estate Limited (REAA 2008)



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Why sell now?



Daniel Coulson
Chief Executive
Ray White New Zealand

New Zealand's residential property market is at a critical juncture, less than 62 days out from Christmas with expectations intensifying of the interest rate relief that has polarised the market over much of 2024.

Ray White New Zealand's chief executive, Daniel Coulson, says that for buyers and sellers today, the decision to act now could be the key to unlocking opportunities in a highly dynamic and evolving market.

"Although real estate has always followed cyclical patterns, today's market reflects a shift to more traditional dynamics, influenced by macroeconomic, social and regulatory factors. This creates a particularly favourable moment to engage as Kiwis are more tuned into recent good news stories than ever before."

POLICY SHIFTS AND MARKET SENTIMENT

The Reserve Bank of New Zealand's (RBNZ) policy stance has had the most significant impact on recent market sentiment, catalysed by the oversized 50 basis point reduction to the Official Cash Rate (OCR) at its October Monetary Policy Review (MPR).

"This reduction to 4.75 per cent has provided welcome relief for borrowers despite requiring time to filter through the economy and materialise in purchasing power. The immediate offshoot is a return to stability and predictability, as buyers and sellers take confidence in a clear understanding of the cost of home ownership.

"With interest rates stabilising and inflation now contained, Kiwis are feeling more secure about re-entering the housing market, reassured that the pricing floor has steadied and the next move for values is undeniably up."

BEYOND INTEREST RATES

Coulson says that while mortgage lending rates are a factor, they are not the sole driver of residential decision-making, with buyers and sellers more keyed into a dashboard of economic factors.

"Despite improving mortgage serviceability criteria and bank lending appetites, affordability remains a pressing issue for purchasers, particularly first-home buyers and mortgaged investors, who are often most sensitive to financial changes.

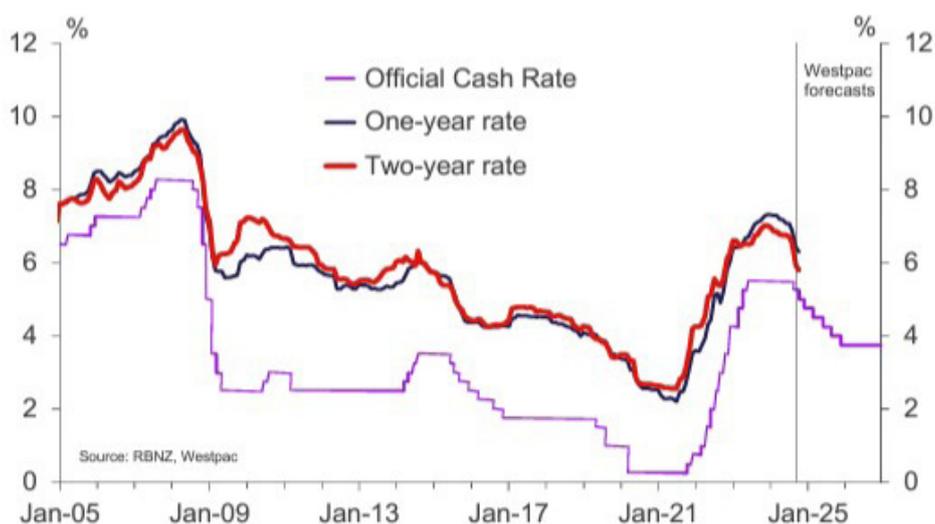
"Across our network, we've observed a slight uptick in activity from these groups over the past month, a sign they are cautiously re-entering the market, possibly spurred by the fear of being priced out as property values slowly start to rise.

"It's early in the cycle, but history tells us that buyers who act early in an upswing tend to benefit the most from the market's inevitable rise, while sellers gain advantages from an ultimate increase in buyer enquiry."

Supply and demand dynamics, immigration trends, the labour market, and social and lifestyle trends have an important bearing on the current level of real estate activity across the country.

"Regional variations reported by Ray White's national network of over 100 branches, including areas experiencing employment shifts, remain largely resilient, supported by this increase in buyer confidence, as stabilising inflation and downward trending interest rates improve purchasing power for ordinary Kiwis."

How much mortgage relief is coming?



Source: RBNZ, Westpac.

THE ROLE OF SUPPLY

One of the critical indicators that it's time to sell is stock availability. Coulson says that as inventory levels decrease, the competition for remaining properties heats up, presenting challenges for sellers that need to purchase again in the same market.

"Those who act early in the market's upswing stand to benefit from more choice available on the market for sale and some of the best buying conditions we're likely to see for the next several years."

In September, Kiwis enjoyed an increase in the number of homes for sale, with property platforms like TradeMe and Realestate.co.nz reporting more listings and slightly higher asking prices. In addition to this rise in new listings, demand is also inching upward, evidenced by an increasing number of multiple-offer scenarios and properties selling for more than comparable sales data would suggest.

PREDICTABILITY AND A RETURN TO THE TRADITIONAL MARKET CYCLE

Following prolonged volatility, the real estate market is slowly returning to a more traditional cyclical pattern. This is good news for sellers craving certainty.

"Buyers and sellers have become more attuned to market developments, demonstrated by the brief

flurries of activity at the end of 2023 and again in February this year. These short but significant spikes show how responsive the market has become to any positive news.

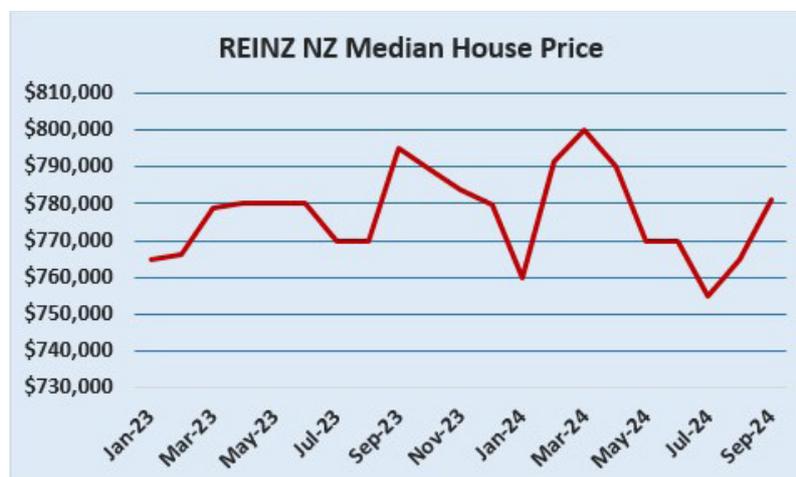
"While it's too early to declare a full recovery, this readiness from the market points to a general trend of improvement. For sellers, this presents an opportunity to leverage early interest before the market becomes saturated or slows down once again."

INFLATION, IN THE OFFICE, AND FORWARD-LOOKING INDICATORS

The labour market continues to play a critical role in residential decision-making. Despite projections anticipating a rise in unemployment to around 5.4 per cent by mid-2025, recent reductions to the OCR and stabilising inflation are expected to free disposable income as more borrowers refix their mortgages at lower rates.

"This will likely stimulate further demand for property, creating a more favourable environment for sellers as the new year approaches," says Coulson.

Meaningfully, annual Consumer Price Index (CPI) growth has fallen to 2.2 per cent – well within the RBNZ's target band. Notably, core measures of inflation are easing, suggesting that the broader economy may be on the mend.



Source: REINZ, interest.co.nz

“While non-discretionary costs like local body rates and insurance continue to rise, the overall economic outlook supports a stronger housing market with each passing day.”

THE FINAL QUARTER

With just nine odd weeks to go until Christmas, the real estate landscape is ripe with opportunity. “Across our network, we’ve seen strong inventory levels, new listings increase and rising pre-approval numbers from prospective buyers.”

“Ray White’s auction rooms are busier, and registered bidder numbers are up, showing a steady and growing demand for property nationwide.”

It is, however, essential to remember that the market remains in its early stages of recovery, which presents opportunities. “Sellers who move now can take advantage of positive momentum and increasing buyer confidence while avoiding potential pitfalls such as further policy/tax change and market saturation.”

With the balance of 2024 right before our eyes, the market remains complex, reflecting an improving interest rate environment, steady buyer demand, and ongoing policy implications suggesting it’s an ideal time for sellers to make their move. The current conditions mark an excellent time to consult with your local real estate agent to make an informed decision before the summer holidays.

“For today’s buyers and sellers, the focus is on the trend rather than the magnitude. Right now, we’re headed in an entirely positive direction, signalling a gear change into more favourable market conditions – it’s time to seize it and make the most of this momentum.”



Photo: 98-100 Riverview Road, Kerikeri, Far North
Proudly marketed by Nathan Roach,
Ray White Kerikeri

Inside New Zealand's priciest suburbs for apartment and units



Atom Go Tian
Senior Data Analyst
Ray White Group

The luxury property market in New Zealand has continued to flourish despite economic challenges, with a clear concentration of high-end apartment and unit sales in Auckland.

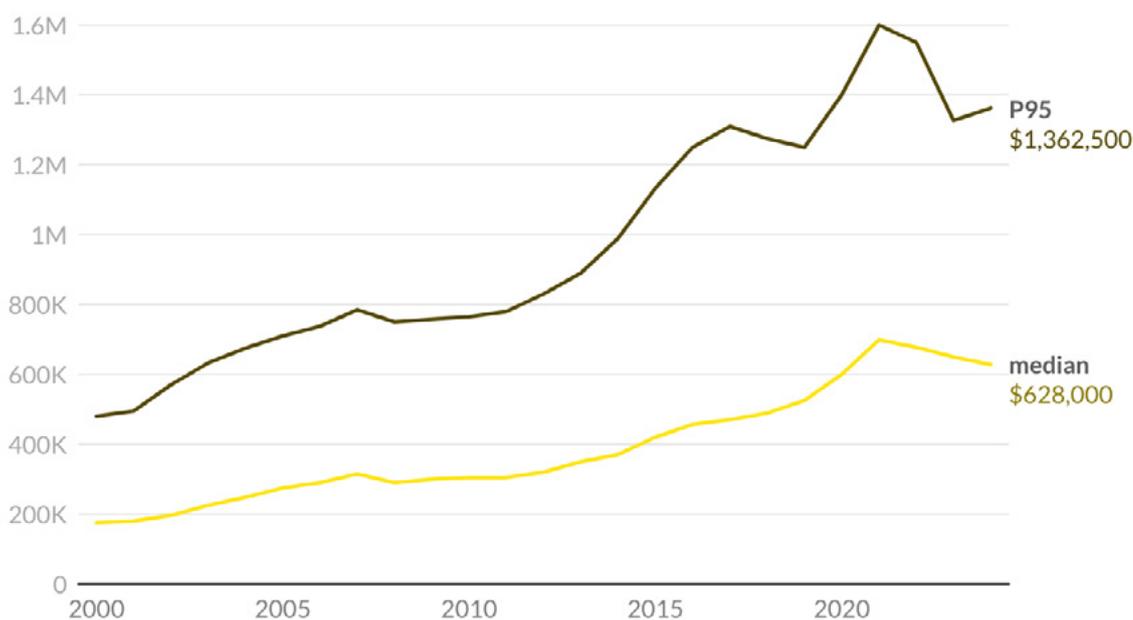
From Ray White's research, the 'Super City' recorded six of the top 10 most expensive suburbs nationwide for luxury apartments and units.

Luxury units are properties in the 95th percentile of all units sold, which now command a price tag of \$1.3 million and above. This represents a 2.7 per cent increase from 2023 and a nine per cent increase over the last five years.

Auckland's dominance in the data underscores the city's status as the premier destination for high-end living, attracting more affluent buyers seeking a blend of lifestyle, amenities, and investment potential.

New Zealand luxury unit price trend

Annual median unit price vs P95 unit price



Compares units priced in the top 5% of the market compared to those priced at the median.

Source: Neoval



Leading the pack is the Ōrākei Ward, which boasts three extremely desirable suburbs with a range of housing typologies: St Heliers, Remuera and Newmarket. St Heliers stands out as the crown jewel, with luxury units priced around \$8.6 million and above.

Set on the eastern shores adjacent to the CBD, the suburb is popular for its stunning waterfront, proximity to recreational areas, and a high level of prestige. Its reputation as a premium residential area is further enhanced by local amenities, which include upscale dining, boutique shopping and an abundance of leisure options from sailing to swimming and cycleways.

Following St Heliers, Ray White’s research found that Remuera, known for its tree-lined streets and prestigious homes, found luxury residences netted around \$5.5 million. Reputed for its proximity to excellent schooling, parks and access to the CBD, Remuera’s combination of tranquillity and accessibility makes it a highly sought-after location for those seeking an upscale lifestyle without sacrificing a second of convenience.

City-fringe Newmarket ranks alongside its neighbours as a prominent luxury hotspot with vibrant shopping and cultural offerings. Luxury units here are priced around \$5 million, with the suburb’s dynamic atmosphere, coupled with a prime location near the University of Auckland and medical precinct, attracting professionals and established families searching for lifestyle amenities.

Now, this isn’t simply a promotion for Auckland property – other regions are also making their presence known.

Luxury unit price growth by region

Price of units in the 95th percentile of the market as of Sep 2024 vs Sep 2023 and 2019

Region	Price	1Y Growth	5Y Growth
Otago Region	\$1,750,000	6.1%	26.2%
Auckland Region	\$1,625,000	8.3%	2.9%
Bay Of Plenty Region	\$1,550,000	-1.6%	26.0%
Tasman Region	\$1,400,000	44%	70.1%
Hawke's Bay Region	\$1,315,000	12.4%	64.3%
Wellington Region	\$1,280,000	10.8%	26.0%
Nelson Region	\$1,250,000	-8.9%	-3.1%
Waikato Region	\$1,075,000	4.9%	26.6%
Canterbury Region	\$910,000	-4.8%	10.2%
Taranaki Region	\$825,000	-9.5%	37.5%
Northland Region	\$825,000	-0.6%	-7.3%
Gisborne Region	\$780,000	-12.9%	-4.9%
Manawatū-Whanganui Region	\$775,000	-1.8%	21.3%
Southland Region	\$751,000	10.4%	45.1%
Marlborough Region	\$670,000	-22.1%	3.9%
West Coast Region	\$550,000	-1.8%	66.7%
New Zealand	\$1,362,500	2.7%	9.0%

Source: Neoval



Otago, known for its stunning landscapes of snow-capped mountains and a matchless outdoor lifestyle, claims two spots in the top 10, with Queenstown and Wānaka, ranking third and fifth, respectively.

Queenstown, often dubbed the 'Adventure Capital of the World', offers luxury units priced around \$5.2 million. The area's scenery, outdoor pursuits, and world-class amenities draw affluent buyers from around the world, seeking a lifestyle centred around adventure and natural beauty.

Wānaka may have a relatively low proportion of apartments and attached housing, however, its stunning lakeside views net a price premium, making it an exceptionally attractive location for buyers of high-end real estate.

Wellington, the nation's capital city, rounds out the list with two additional entries. Oriental Bay ranks ninth, showcasing its beautiful beachfront charm on the shores of the Wellington Harbour.

Luxury units here are priced around \$3.97 million. Further into town, Te Aro is known for its eclectic mix of urban living and a vibrant cultural fabric. Here, apartment and units are priced around \$3.45 million – highlighting the city's desirability for buyers seeking a cosmopolitan lifestyle.

Top 10 suburbs with most expensive luxury units

Price of units in the top 95% of the market as of Sep 2024 vs 2023 and 2019

Region	Suburb	Price	1Y Growth	5Y Growth
Auckland Region	St Heliers	\$8,630,000	-3.0%	208.2%
Auckland Region	Remuera	\$5,500,000	26.4%	-18.5%
Otago Region	Queenstown	\$5,200,000	65.1%	246.7%
Auckland Region	Mount Eden	\$3,970,000	-7.7%	348.6%
Otago Region	Wanaka	\$3,800,000	22.6%	76.7%
Auckland Region	Newmarket	\$3,766,600	53.1%	117.1%
Auckland Region	Devonport	\$3,625,000	72.6%	141.7%
Auckland Region	Auckland Central	\$3,525,000	106.1%	67.9%
Wellington Region	Oriental Bay	\$3,500,000	51.2%	-36.4%
Wellington Region	Te Aro	\$3,450,000	52.0%	147.3%

Source: Neoval



These results showcase the high-end opportunities in some of our main centres, underscoring the enduring appeal for buyers of living in a landscape characterised by stunning natural beauty, vibrant communities and excellent amenities.

For buyers and sellers, these suburbs offer significant opportunities for investment and lifestyle enhancement. With demand for luxury homes forecast to outpace supply, the allure of New Zealand's luxury property market will remain strong, making it an exciting category to watch for investors in the coming years.



Photo: 98-100 Riverview Road, Kerikeri, Far North
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Ray White Kerikeri

Opportunities presented by change



Treena Drinnan
Chief Agency Officer
Ray White New Zealand

As we enter the final quarter of 2024, the New Zealand property market is gathering momentum, driven by the Reserve Bank's (RBNZ) recent decision to reduce the Official Cash Rate (OCR) by 0.5 per cent. This cut, the second consecutive reduction this year, is expected to set the stage for lower interest rates well into 2025.

These favourable financial conditions have continued to feather the bed for a more dynamic real estate landscape, presenting unique opportunities for buyers, sellers, homeowners, and investors.

FOR BUYERS

The current environment presents an exceptional opportunity, with property prices stabilising and interest rates dropping. Buyers can secure their next home at today's values while benefiting from potentially lower mortgage repayments in the future.

The combination of favourable buying conditions and improving borrowing terms makes this an ideal time for those looking to enter or move within the market. This rare alignment creates a "best of both worlds" scenario where purchasing a home can offer both immediate and long-term financial advantages.

FOR SELLERS

A reduction in mortgage lending rates has already filtered through to increased buyer activity. Auction participation and property viewings are on the rise across our Ray White network, and this trend is expected to gain momentum in the coming months.

Sellers can confidently bring their properties to market, knowing that a competitive environment is emerging, with more buyers eager to secure properties while financing is favourable. This spring season presents a ripe opportunity for sellers to achieve strong results, with the added advantage of motivated buyers seeking to take advantage of the current conditions.

FOR HOMEOWNERS AND INVESTORS

Lower interest rates will bring relief for current homeowners by reducing mortgage repayments, providing more flexibility in household budgets.

Investors also stand to benefit as lower borrowing costs increase the appeal of expanding property portfolios. With rates falling and demand for properties still strong, now is a particularly attractive time for investors to assess their portfolios and consider new acquisitions.



The sustained economic resilience, coupled with these rate cuts, creates a supportive environment for long-term investment returns.

MARKET ACTIVITY & WHAT'S AHEAD

For the month ending September 2024, Ray White saw steady sales activity, with a notable increase in listings as more properties entered the market.

Live listings were up by 20.2 per cent compared to last year, while total listings surged 37.8 per cent year-on-year.

Digital enquiries and loan pre-approvals also rose significantly, with loan pre-approvals increasing by 58.9 per cent, highlighting growing buyer confidence and market engagement.

With the OCR cut boosting both buyer confidence and affordability, the spring season has already proven active, and this is likely to continue well into the coming months.

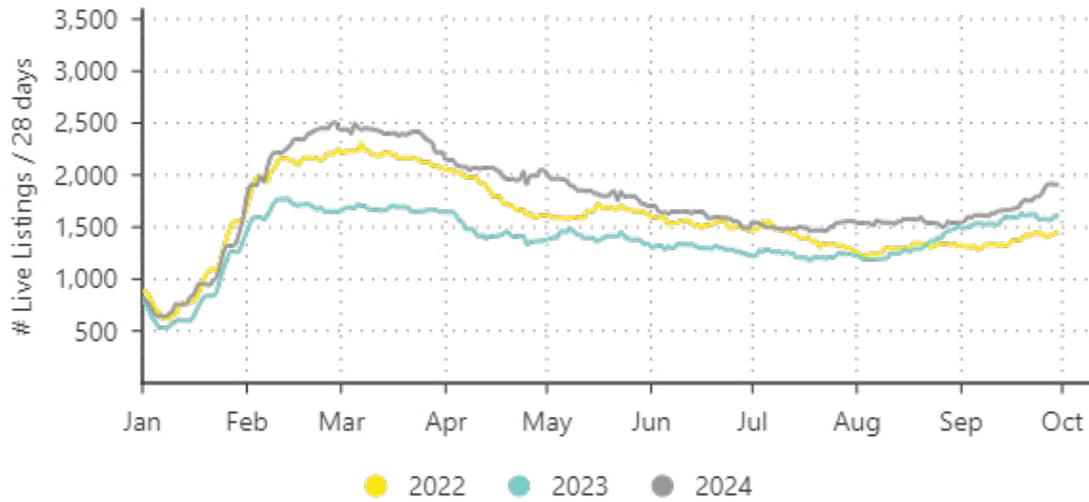
As buyers and sellers adjust to these favourable conditions, the market remains vibrant and full of opportunity. Whether you're purchasing, selling, or looking to invest, Ray White's experienced agents are here to help you navigate these changing dynamics and make the most of the market.

*Photo: 98-100 Riverview Road, Kerikeri, Far North
Proudly marketed by Nathan Roach,
Ray White Kerikeri*

LIVE LISTINGS

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

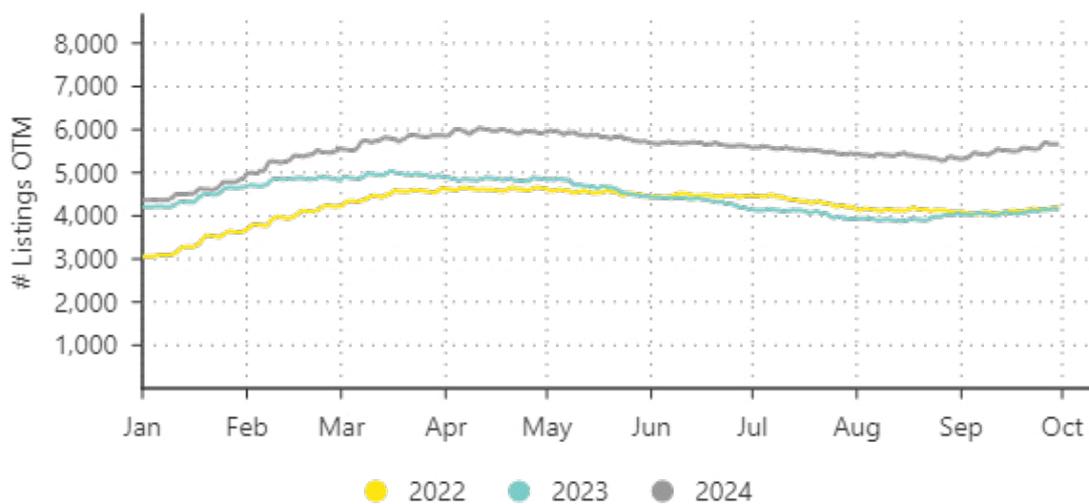
For the month ending September 2024, our live listings count increased by 20.2 per cent compared year-on-year.



Source: Ray White Online Analytics

LISTINGS ON THE MARKET

This graph compares the total number of listings on the market over the past three years. For the month ending September 2024, our listings on the market were up 37.8 per cent year-on-year.

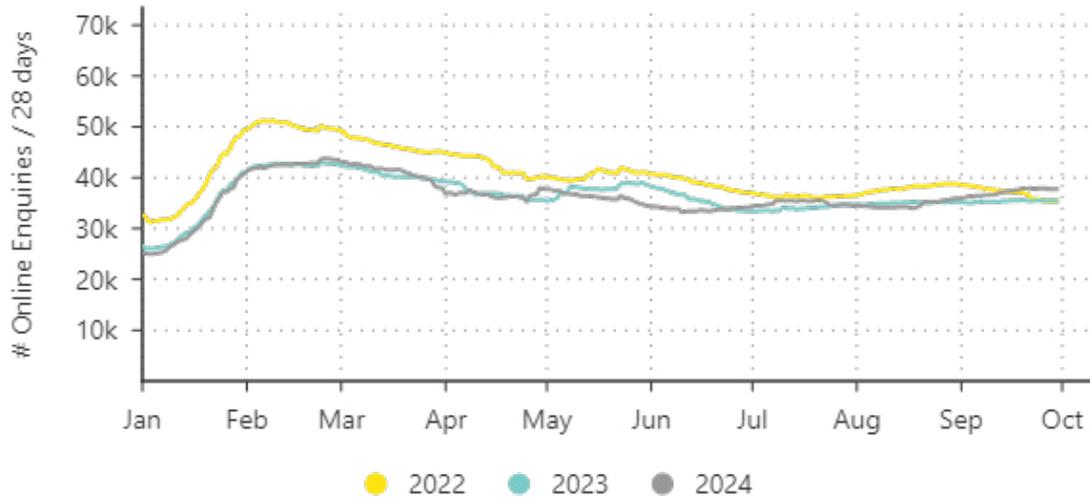


Source: Ray White Online Analytics

ONLINE ENQUIRIES

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

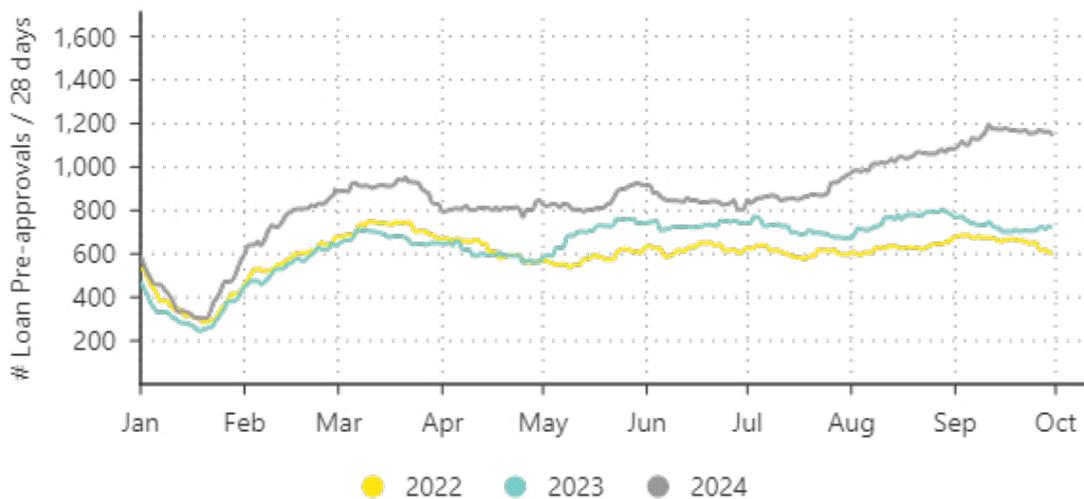
In September 2024, this rose by 6.5 per cent year-on-year, with the number of online users up 3.7 per cent.



Source: Ray White Online Analytics

LOAN PRE-APPROVALS

This graph compares the number of loan pre-approvals submitted via our financial partner, Loan Market New Zealand's, brokers over the past three years. The number of loan pre-approvals received for September 2024 was 1,219, up 58.9 per cent year-on-year.



Source: Ray White Online Analytics



Month of more delivers auction results



Sam Steele
Head Auctioneer,
Ray White New Zealand

September has been anything but typical for New Zealand's property market, as Ray White's 'Month of More' national auction drive ignited a surge in auction activity that defied the usual seasonal pattern.

Instead of the expected lull as buyers and sellers prepare for spring, a wave of public confidence, stabilising property inventory, and desire for a quick transparent sale has fuelled a significant increase in auction volumes nationwide.

Recent results clearly demonstrate that auctions have now emerged as the go-to strategy for buyers and sellers eager to capitalise on a market full of opportunity. This renewed vigour signals a shift, positioning auctions as a dynamic, competitive platform for those seeking swift, decisive outcomes in property transactions.

In September alone, Ray White members scheduled an impressive 660 auctions across the country – an extraordinary 48 per cent increase in volume, driven by the success of our 'Month of More' campaign and ongoing mega auction events.

This surge was further amplified by the first interest rate reduction from the Reserve Bank of New Zealand (RBNZ) to the Official Cash Rate (OCR) in four years, which came in September.

The immediate impact on the auction market was undeniable, setting the stage for a significant rise in buyer engagement and bidding intensity.

The average number of registered bidders per auction jumped from 1.8 in June to 2.4 in September, a clear sign that more buyers are ready to act in a competitive environment.

Auctions with four or more registered bidders were particularly successful, achieving clearance rates that soared above 90 per cent. This high level of participation highlights the increasing appeal of auctions and signals a broader trend: buyers and sellers alike are turning to this method for its speed, transparency, and ability to deliver results in a short timeframe.

The numbers speak for themselves.

Auctions accounted for 38.3 per cent of all new property listings across the country in September, outpacing more traditional sales methods. Properties sold via auction moved off the market in an average of 28 days – nearly twice as fast as the 54-day average for private treaty sales. This efficiency highlights the auction process as a standout option for those looking to secure competitive outcomes in the current real estate climate.



“Properties sold via auction moved off the market in an average of 28 days – nearly twice as fast as the 54-day average for private treaty sales.”

- Sam Steele,
Ray White New Zealand Head Auctioneer

We're proud to say our auction success won't end there; with a fresh announcement this month of an additional 0.5 per cent reduction in the OCR, the upward momentum is expected to continue, further bolstering buyer confidence and driving even more activity in the auction room.

Photo: 98-100 Riverview Road, Kerikeri, Far North
Proudly marketed by Nathan Roach,
Ray White Kerikeri

Census insights: mapping the future real estate opportunities



*Photo: 98-100 Riverview Road, Kerikeri, Far North
Proudly marketed by Nathan Roach,
Ray White Kerikeri*

New Zealand's latest Census data has unveiled a trove of insights that reflect the evolving fabric of our society while pointing toward new opportunities for homeowners in a rapidly shifting residential property landscape.

At a time when global economic uncertainty has dominated the headlines and the housing market faces ongoing scrutiny, understanding the intersection of population growth, migration patterns, and housing supply provides property owners with a better chance of making critical investment decisions based on future forecasting and the latest market trends.

Results from the latest census – conducted in March 2023 - show a nation that's becoming more diverse, older and urbanised – yet, surprisingly, the longstanding narrative of a chronic housing shortage is beginning to unravel.

The data reveals a complex picture of interregional migration, fluctuating housing affordability, and the steady rise of high-density living, creating fresh opportunities for housing providers and those actively engaged with the market.

From increasing global influences to changes in ownership dynamics and housing typologies, the data provides a unique opportunity for property owners to position themselves strategically for the next phase of residential growth. After all, the best outcomes result from truly understanding the market and your target buyer.

DISPELLING SUPPLY MYTHS

The census reported national population growth of six per cent in the five years to March 2023, with an increase in dwellings of nine per cent, challenging the long-held belief that New Zealand suffers a chronic undersupply of housing.

“Latest census data shows housing supply over the last five years has kept pace with demand, challenging the belief that New Zealand suffers from chronic undersupply of housing.”

While regions including Auckland and Marlborough reported new construction that kept pace with demand, areas like Bay of Plenty, Gisborne and Taranaki lagged. In some cases, the variation can be attributed to interregional migration, as Kiwis sought better lifestyle benefits and housing affordability.

Sustained construction activity in the decade to 2021 has played a pivotal role in bridging the intense supply shortage that sent property prices sky-high. However, recent economic pressures, including rising building costs and a downturn in the economy, have seen new home-building activity slow once again.

Building consent issuance has been declining, particularly in major cities like Auckland and Wellington, and some regional areas like Taranaki have been hardest hit. For homeowners, these trends offer valuable insights into the recent market slowdown and serve as a likely indicator of when property prices may peak again in the upward leg of this next cycle. As scarcity tends to drive buyer urgency, understanding these dynamics is critical to positioning oneself strategically before the market shifts again.

HOMEOWNERSHIP INCREASES

One of the most interesting insights from the latest census data is the reversal in declining homeownership rates. In 2023, 66 per cent of households owned or held their home in a family trust – a slight but significant increase from 64.5 per cent in 2018.

“One of the most interesting insights from the latest census data is the reversal in declining homeownership rates.”

This trend has broken the decades-long decline in homeownership, influenced by more favourable affordability conditions and the emergence of first-home buyers as a dominant buyer group over the last several years.

Nevertheless, affordability challenges persist, particularly in major cities like Auckland, where home ownership remains the lowest at 59.9 per cent. As property prices remain elevated in city centres, suburban and regional housing markets may see continued demand, with buyers seeking more affordable alternatives outside urban centres.

To continue to address affordability constraints, Kiwis may see the development of shared equity schemes and alternative ownership solutions aimed at making this more accessible to a broader population.

AGEING POPULATION SHIFTS THE DIAL ON HOUSING NEEDS

Kiwis are ageing. Census data reported that the median age has risen from 37.4 years in 2018 to 38.1 in 2023. Areas like Thames-Coromandel, Kaikōura, and Kāpiti have an exceptionally high concentration of older residents, with more than 27 per cent of the local population aged over 65.

This demographic shift will likely influence future housing demand as older homeowners downsize or seek retirement-focused communities. Housing providers can leverage this trend by looking at changes which promote smaller, low-maintenance homes designed to meet the needs of older residents.

This ageing population may also spur intergenerational wealth transfers, which could shape property ownership patterns in the coming years.

“New Zealand’s ageing population could spur intergenerational wealth transfers, shaping property ownership patterns in the coming years.”

Another critical consideration is the expected increase in retirees renting privately. According to projections, the number of retirees renting is expected to double by 2048, presenting an opportunity for the private rental sector to adapt to the needs of older tenants by offering age-friendly housing with accessibility modifications.



Photo: 98-100 Riverview Road, Kerikeri, Far North
Proudly marketed by Nathan Roach,
Ray White Kerikeri

DIVERSITY SHAPES URBAN DEMAND

The country's growing ethnic diversity is another significant factor influencing housing demand. The 2023 Census showed that 30 per cent of New Zealanders were born overseas. This migration, particularly into urban areas, is expected to continue to shape the demand for housing in our largest cities of Auckland, Wellington and Christchurch, where job opportunities and amenities are concentrated.

Urban density presents an opportunity for housing providers may focus more on high-density residential developments, including multi-unit complexes and Build-to-Rent (BTR) projects. International migrants, more familiar with alternative housing typologies like BTR, may drive increased demand for these types of accommodation, which offer long-term rental security and community living spaces.

The inclusion of LGBTIA+ (lesbian, gay, bisexual, transgender, queer/questioning, intersex, asexual) data in the census also highlights broader societal shifts, with recognition starting a conversation about the unique housing challenges faced by individuals within these communities.

Co-living arrangements in urban centres that foster inclusivity and connection may become increasingly popular, giving property managers and housing providers more insight into how they can offer welcoming and connected living environments for the growing number of individuals within these groups.

HOUSING QUALITY

Since 2018, Kiwis have enjoyed a welcome improvement in housing quality with a decline in homes affected by dampness and mould, census data shows. This positive trend reflects the impact of government initiatives like Healthy Homes Standards, which have prompted property owners to invest in better insulation, ventilation and moisture control.

As the 2025 compliance deadline approaches, demand for high-quality rentals is expected to grow, giving landlords who invest in upgrades a competitive edge.

These changes enhance living conditions and drive more interest in sustainability and energy efficiency in homes. With rising interest in sustainable initiatives, buyers increasingly prioritise properties with higher environmental credentials, offering long-term savings on energy costs while contributing to broader climate goals.

The 2023 Census information paints a complex but promising picture for the future of residential property in New Zealand. From population growth and housing supply to cultural diversity and shifting demographic patterns, the opportunities for property owners, housing providers and investors are vast.

By understanding and responding to evolving dynamics, stakeholders in the residential sector can navigate the challenges ahead and seize opportunities presented by change. Whether through innovative housing design, strategic marketing, or investment in sustainable urban design, the future is full of dynamic potential.



Photo: 98-100 Riverview Road, Kerikeri, Far North
Proudly marketed by Nathan Roach,
Ray White Kerikeri

Government simplifies lending rules



Loan Market
loanmarket.co.nz

The government has revealed that it is working on reforms to the financial services industry designed to make it easier for consumers to access finance.

Commerce and Consumer Affairs Minister Andrew Bayly said that “after many years of successive changes”, the financial system had become overly complex and bureaucratic.

“This has led to a conservative lending environment with an overlap in the roles of various institutions, unnecessary compliance burden for businesses and excessively prescriptive lending rules which have locked consumers out of the market,” he said.

As a result, Minister Bayly said the Government’s reform package would:

- Clarify the rules and responsibilities of financial institutions.
- Ensure that good licensing and enforcement tools are in place so firms adhere to the rules.
- Improve transparency for financial dispute resolution services so consumers can get help more quickly when things go wrong.

“Financial services are foundational for economic success and are woven throughout our lives. Without access to finance, our economy will grind to a halt. The regulation of financial services is, therefore vital for a well-functioning economy. Kiwis may not realise it, but financial regulation affects everything from how quickly and easily you can get a loan to what safeguards are in place if trouble strikes,” he said.

Minister Bayly said the reform package would also:

- Remove the personal liability for directors and senior managers of financial institutions and shift it back onto businesses.
- Reduce the number of incidences in which lenders were punished despite a lack of financial harm.

“There will still be repercussions for lenders who make mistakes or issue bad loans, but the changes will move towards a more proportionate, risk-based approach. We want to focus enforcement efforts on instances where there has been genuine financial harm,” he said.

FMA TO BE GIVEN STRONGER OVERSIGHT

The government previously announced that consumer lending regulation would be transferred from the Commerce Commission to the Financial Markets Authority (FMA). Minister Bayly said this new announcement took that process further by ensuring the FMA would be fully equipped to be the leading financial conduct regulator.

“Lenders will transition to a licensing model, at no cost, to bring consumer lending in line with other entities regulated by the FMA. The FMA will be given a stronger role in protecting consumer interests when any financial firm licensed with the FMA changes owners and a new onsite inspection power to help them proactively monitor market conduct,” he said.

“These changes are a significant shift in consumer credit regulation, away from the prescriptive and restricting landscape of old, and towards a more common-sense approach.”

These reforms could prove crucial for property owners because they aim to simplify access to finance, making it easier to secure loans and purchase residential property. By reducing bureaucratic hurdles and conservative lending rules, the government is creating a more transparent and efficient lending environment, which can lead to faster, smoother property transactions for customers.



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The new rules of rental



Zac Snelling
Head of
Property Management
Ray White New Zealand

The rental market is no longer the simple 'set-and-forget' game it once was, and in today's climate, landlords increasingly find themselves at the crossroads of opportunity and risk, says Zac Snelling, Ray White New Zealand head of Property Management.

"Demand has shifted fast, and with a 31 per cent surge in rental listings year-on-year in September, it's no longer enough to sit back and wait for the tenants to come knocking.

"While rental listings may now remain vacant for longer, others are still highly sought-after – creating a sharp divide between success and struggle for landlords set in 'the old ways.'"

But here's the twist, says Snelling, those who stay ahead of the curve are reaping the rewards. As tenant preferences evolve, so do the strategies required to attract the right residents to secure a long-term, stable income.

"Whether it's the rise of family homes, or the switch from short-term Airbnb-style rentals to long-term leases, the landscape is rich with opportunity for landlords willing to diversify.

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- Zac Snelling,
Ray White New Zealand Head of
Property Management

Evolution is key to business growth, and at the core of this transformation is our [Ray White Property Management](#) team, fully equipped to guide you through these fast-paced changes and strategically position your assets for success in a market moving swiftly."

MARKET SHIFTS: WHAT'S REALLY HAPPENING?

Snelling acknowledges that it's been a dynamic and varied year in New Zealand's rental market.

"In 2023, we saw a completely unsustainable level of demand for rentals, driven by a combination of high migration rates and limited supply. Landlords were in a strong position, as competition for available properties kept demand high and prices even higher. But 2024 has brought a different set of challenges."

Data from New Zealand's largest online listing marketplace reveals that rental listings have increased by almost one-third year-on-year in September, indicating a sharp shift in the supply-demand equation.

"This increase in availability, combined with high rents relative to incomes, has set a limit on how much further rental prices can realistically rise."

Adding to the complexity, the market has seen a more significant proportion of new-build properties unsold following a downturn in development sales and a high level of exit migration. First-home buyers are also one of the most active groups leaving the rental market, which continues to contribute to softening demand.

NOT ALL PROPERTIES ARE EQUAL

While demand may have softened overall, Snelling says it is important to note that not all properties are experiencing the same challenges.

"Our nationwide network of professional property managers continues to report a growing divide – 35 per cent of our offices say they have enough supply to meet the current level of demand. However, 65 per cent say they're undersupplied in certain types of homes.

“This gap is particularly evident in the demand for three-and four-bedroom family homes. These properties are still highly sought-after, while some urban areas have a glut of smaller, two-bedroom terraced houses.

“For landlords with the right property type, the market remains competitive.”

- Zac Snelling,
Ray White New Zealand Head of
Property Management

RISING COSTS AND NEW OPPORTUNITIES

At the same time residential property investors face a more competitive landscape, they are also impacted by rising costs. Insurance premiums, maintenance expenses, and council rates have all increased, putting pressure on landlords to secure stable investment returns.

Snelling says there is also a more significant requirement for landlords to approach property management proactively. “With average ‘days on market’ for rental listings increasing by 29 per cent year-on-year in September, it’s clear that the average rental property is taking longer to fill, which means landlords must make strategic choices to attract premium tenants.”

“This dynamic has seen a high level of enquiry in our ‘Ray White Choice’ products, which offer do-it-yourself landlords a range of solutions to improve their properties, profitability, and tenant relationships.

“In particular, we’ve seen growing interest in our casual letting and consultancy services, where active landlords engage with our teams to discover how they can get more from their residential investments and reduce their days on the market.”

For landlords interested in expanding their tenant base, a recent survey by the Retirement Commission offers a compelling opportunity. New data shows that the number of retirees renting privately is projected to double by 2048, yet many landlords have not explored

the potential of making accessibility modifications to cater to this growing demographic.

“At Ray White, we encourage our landlords to think ahead and acknowledge the shifting tenant demographics in this country. By making small changes to their properties – particularly around safety, access, and functionality, landlords can tap into an expanding market while providing a valuable service for a growing proportion of a more nuanced group of renters.”

WHAT LANDLORDS SHOULD KNOW

The drivers discussed in this article all point in one direction – the market is changing, and those who adapt will thrive as with life in general. As demand shifts and rental supply grows, adopting a strategic approach to managing your property portfolio is more critical than ever.

“Our Ray White Property Management executive team has closely tracked these trends. We’ve seen firsthand how landlords can enhance their returns by making thoughtful investments in their properties, catering to tenant preferences, and ensuring they provide a high-quality rental experience.

“If you’re seeking guidance, tailored support, or strategic solutions to help you navigate these changing waters, our range of flexible services is designed to assist you with everything from managing rental arrears to tenant vetting, ensuring you can maximise the performance of your rental portfolio.

In today’s market, complacency is no longer an option. Landlords who succeed with great tenants will best understand the market’s demands, invest in their assets and work with experienced professionals to stay ahead of the curve. The opportunities are there – are you ready to seize them?



Photo: 98-100 Riverview Road, Kerikeri, Far North
Proudly marketed by Nathan Roach,
Ray White Kerikeri

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.





98-100 Riverview Road, Kerikeri, Far North

Step inside La Casa Blanca and experience the essence of Mediterranean elegance, nestled in the stunning Bay of Islands. As you enter through the grand double doors, you're welcomed by one of the most breathtaking views of the Kerikeri Inlet. At the centre of attention is the infinity pool, offering a seamless vista stretching out to Cape Brett. The property also provides direct access to the water's edge via a scenic reserve pathway.

The gourmet kitchen is fitted with premium amenities, including a butler's pantry, laundry, and catering closet, ensuring the highest standard for culinary experiences. For entertainment, the home extends beyond the main living spaces into a sophisticated billiard room, where you can relax by the pool table or at the sleek bar, enhanced by a built-in wine fridge – a perfect retreat for the wine enthusiast.

The main house is spacious and inviting, offering four bedrooms, three bathrooms, and an additional powder room. An independent apartment with an extra bedroom and bathroom adds versatility, ideal for extended families or guests. The master wing, with its panoramic views of the inlet, features a luxurious walk-in wardrobe and a contemporary ensuite. Whether you're relaxing in the master suite or taking in the ever-changing water views with yachts gliding below, this property is designed to immerse you in tranquility.

La Casa Blanca is more than just a home – it's a gateway to an idyllic holiday retreat or a serene permanent residence, offering a lifestyle where beauty, comfort, and nature converge.



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