



RAY WHITE NOW

EDGE OF OPPORTUNITY

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

A message from our chief executive

Dear Property Owner,

Welcome to the penultimate edition of Ray White Now in 2024 – marking a distinct turning point for New Zealand’s housing market. Backdropped by dynamic local conditions and uncertainty in the global economy, the current real estate landscape presents opportunities for strategic decision-making. For sellers considering their options, understanding the trends driving buyer behaviour is more crucial than ever.

At the heart of today’s movement is the Reserve Bank of New Zealand’s (RBNZ) shifting stance on monetary policy. Recent Official Cash Rate (OCR) reductions have rippled through the mortgage lending market, contributing to a more affordable borrowing environment.

Yet, these changes aren’t linear. Retail mortgage rates—often influenced by global interest trends—are competitive but nuanced. Following a lacklustre year for the economy, lenders are locked in a race for market share, leading them to offer enticing incentives like cashback and flexible terms to attract key mortgage business.

For sellers, this has contributed to a ‘sweet spot’ in the market, where buyers are motivated by improved lending conditions and eager to act before the market dynamics shift again.

This continues to manifest in market activity, with both listings and sales rising significantly year-on-year. Ray White’s member network reported a 30 per cent increase in sales activity in October, driven by strong demand in the entry-level to \$2 million price bracket and ultra-luxury homes.

Overlaying this local context are some critical global influences. The results of the recent Presidential election in the United States hint at political volatility in international trade and economic policy. Tariffs, fiscal expansion and rising bond yields in the U.S. could increase borrowing costs, adding complexity to New Zealand’s financial outlook.

For a trade-reliant country like ours, these changes could pressure both export earnings and the strength of the New Zealand dollar in the coming months. These dynamics and persistent domestic inflationary trends highlight the delicate balancing act the RBNZ faces in pursuit of economic stability.

Despite the uncertainty and a degree of volatility in the global economic environment, real-time data remains compelling for sellers. Auctions – often a barometer of market momentum – are surging, doubling month-on-month across our Ray White member network. Entry-and-mid-market segments are particularly active, and backup offers on listings, once a rarity, are becoming more common, signalling growing urgency among buyers to secure homes.

Even at the higher end of the market, anecdotal evidence suggests a shift from deliberation to action as buyers recognise the unique opportunities current market dynamics afford.

However, this market is not without guardrails. Debt-to-Income (DTI) lending restrictions introduced by the RBNZ have tempered the equity-fuelled borrowing that has driven previous housing booms. While this prevents repeating the speculative highs of 2020 and 2021, it also fosters a more stable, sustainable market. For sellers, it’s a reminder to approach timing strategically, leveraging today’s equilibrium of strong buyers’ interest

and favourable lending conditions before external factors potentially disrupt the balance.

The months ahead offer a critical window for homeowners weighing their next steps. With \$70 billion in fixed-term mortgages due for repricing by year-end, and significant seasonal activity expected to follow until Christmas, those prepared to act swiftly will be well-positioned to maximise their outcomes.

The current market isn’t just about buying and selling but strategic repositioning.

Many opt to move within the same conditions in today’s market, a strategy that helps retain value and mitigates exposure to future fluctuations. Amid this period of economic transition, the need for informed and strategic decision-making has never been more crucial.

At Ray White, we guide homeowners through these complexities with expertise and clarity. As the pace of activity quickens, the question isn’t whether to act – it’s how to act decisively to capitalise on today’s unique opportunities. The market is ready – are you?

Please enjoy our 76th edition of Ray White Now.



Daniel Coulson
Chief Executive
Ray White New Zealand





Contents

- 2 A MESSAGE FROM OUR CHIEF EXECUTIVE
- 6 WHY SELL NOW?
- 10 NEW ZEALAND'S 'CARRIE BRADSHAW' INDEX
- 14 SPRING BRINGS RENEWED MOMENTUM
- 18 OCTOBER AUCTION BOOM
- 20 TITLE FORECASTING HOME FRONTS
- 22 REINZ CHIEF OPTIMISTIC ABOUT MARKET CONDITIONS
- 25 MARKET REVELS IN GOOD NEWS STORIES
- 28 ABOUT RAY WHITE
- 30 FEATURED PROPERTY
130 OMAHA FLATS ROAD,
MATAKANA



FEATURED PROPERTY
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Why sell now?



Daniel Coulson
Chief Executive
Ray White New Zealand

Nationwide, homeowners have noted a palpable shift in New Zealand’s housing market, with lower mortgage lending rates resuscitating buyer confidence and a surge in market activity sparking competition.

“But it’s not just local conditions driving this activity,” says Ray White New Zealand’s chief executive, Daniel Coulson. “On the global stage, significant events such as the re-election of Donald Trump in the United States signal a potential reshaping of trade, fiscal policy, and economic stability worldwide.”

These influences add a layer of complexity to our already dynamic market, underscoring the importance of informed decision-making.

“For homeowners, the stakes are clear – whether to ride a wave of favourable lending conditions and buyer exuberance or risk being caught on the sidelines as local and foreign variables reshape the landscape.

This is more than a typical selling season – it could be a decisive moment in real estate,” he says.

THE ECONOMIC BACKDROP

New Zealand’s housing market is heavily influenced by the Reserve Bank of New Zealand’s (RBNZ) monetary policy. Recent Official Cash Rate (OCR) reductions have made borrowing more affordable, fuelling current buyer demand.

However, Coulson says that positive momentum in this leg of the property cycle will be moderated by the RBNZ’s Debt-to-Income (DTI) lending restrictions. “Introduced earlier this year following a ‘will they, won’t they?’ consultation period, the initiative limits owner-occupied borrowing to six times income (seven for investors), acting as a guardrail against speculative growth in the housing market.

“Historically, periods of high housing inflation were partly driven by high DTI lending, particularly amongst existing owner-occupiers and property investors, who leveraged the equity in their assets to purchase more.

“The controls temper capacity in the market for this speculative behaviour while capping the extent of price growth. For sellers, this means today’s conditions are a ‘Goldilocks’ zone of sorts – favourable with uncertain prospects for escalation and not guaranteed to last.”

MONEY MARKETS

Mortgage lending rates have dropped significantly since mid-year, driven by competition among banks and proactive reductions in the OCR. Lending estimates show that around \$70.6 billion worth of fixed-term mortgages are due for repricing before the end of the year, and borrowers are exploring their options, motivated by the lower cost of borrowing and the prospect of locking in advantageous rates before they rise again.

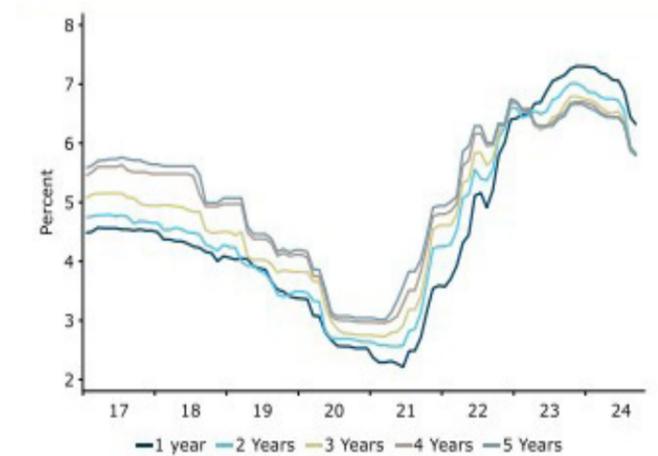
“For sellers, this contributes to a growing feeling that we’re in ‘sweet spot’ territory. Buyers are financially incentivised to act but also feel a sense of urgency as global factors suggest potential upward pressure on future interest rates.

“The global economic landscape adds complexity here. Donald Trump’s re-election introduces potential trade and fiscal policy shifts that could ripple through New Zealand’s economy.

“Proposed tariffs on imported goods, a strong nationalist stance, and an expansionary fiscal approach are likely to raise bond yields, which may, in turn, push up global borrowing costs.

“For a trade-reliant country like New Zealand, which exports around \$8.8 billion worth of products to the U.S. each year, increased tariffs could impact export earnings and weaken the New Zealand dollar, adding inflation pressures domestically.

“These uncertainties make it all the more compelling for homeowners to act now while the market remains relatively stable.”



Source: RBNZ, Macrobond, ANZ Research

CONFIDENCE, BABY

While how global events unfold remains to be seen, recent sales data has shown a substantial uptick in demand across multiple price brackets. Ray White's member network has outperformed the national sales market, noting a significant 30 per cent increase year-on-year in sales activity in October.

"Properties priced up to \$2 million are seeing the highest levels of interest nationwide, while ultra-luxury buyers are also showing signs of urgency, particularly given a limited supply of elite properties available for sale in this category.

"Auction activity, too, doubled month-on-month across Ray White's member network, reflecting solid demand and competition amongst buyers working hard to achieve a sale before the year ends.

"For sellers, this determination underscores the benefits

of listing in the current environment, as the market increasingly offers the opportunity to leverage demand and competitive pricing."

Coulson says that seasonality also plays a role here. As buyers look to finalise transactions before the holiday hiatus, November and December traditionally see heightened activity. With the added incentive of easing mortgage lending rates, the market is expected to remain stable through summer.

"The RBNZ's next OCR announcement, due on November 27th, is also widely anticipated to deliver another 50 basis point cut, which could further boost buyer confidence."

THE CASE FOR A STRATEGIC SALE

With so many factors at play, selling in today's environment requires more than just will and a 'for sale' sign – it demands a clear strategy. "For many

homeowners, buying and selling within the same market cycle is critical, allowing navigating shifts confidently while safeguarding long-term value."

Coulson says the current market is a unique mix of opportunities and ceilings. "Lending conditions remain competitive, and the RBNZ's proactive measures, including DTI restrictions, have contributed to a more stable, sustainable environment. We're unlikely to see the speculative frenzy of past housing booms – which means we're in a new phase where informed decisions can yield strong outcomes."

"While global economic factors like shifting trade policies and fluctuating interest rate offerings loom large on our radar, New Zealand's housing market is well-positioned to deliver for Kiwis, with steady buyer demand and lending conditions offering an advantageous moment to act.

"Timing, as always, is everything. Selling now, under some of the best and most consistent conditions we've seen in years, means capitalising on this momentum while hedging against the potential uncertainties that lie ahead. Many variables are at play, from domestic economic trends to international fiscal decisions, but today's equilibrium provides a solid foundation for success.

"Across our Ray White member network, we understand selling is more than a transaction – it's a critical step forward for your family. Our expertise helps homeowners confidently and clearly navigate this evolving market's nuances. If you're ready to explore your options, we're here to help you act."



New Zealand's 'Carrie Bradshaw' Index



Atom Go Tian
Senior Data Analyst
Ray White Group

Leading weekly publication, 'The Economist' recently explored where individuals can afford to rent alone, dubbing the analysis the 'Carrie Bradshaw Index' – a nod to the iconic 'Sex and the City' character who famously lived solo in New York.

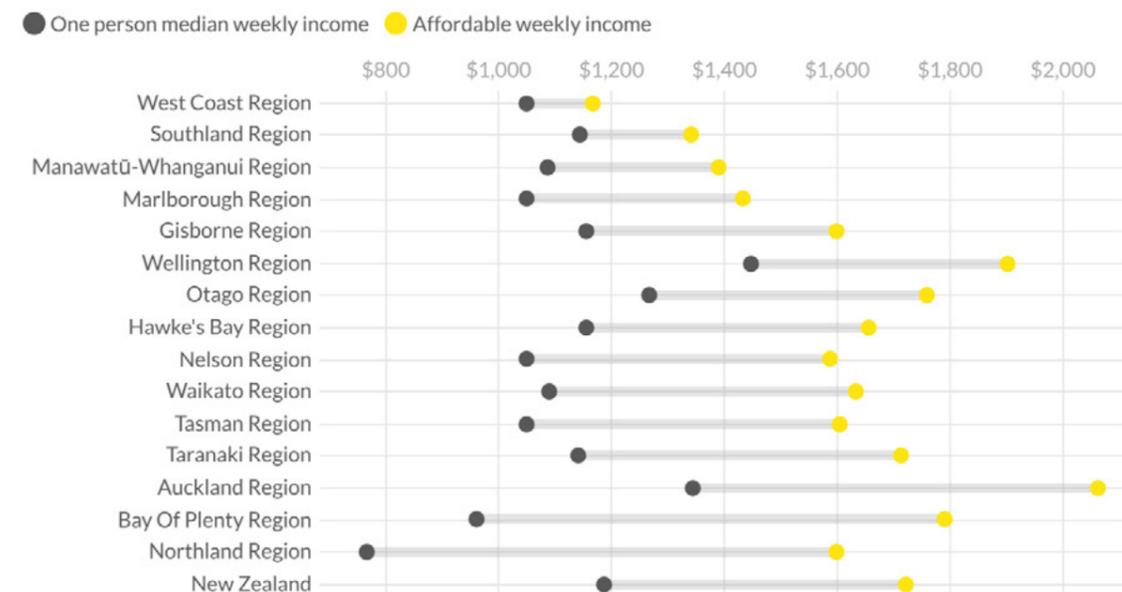
The study compared city incomes with studio apartment rental costs, defining affordability as spending 30 per cent or less of income on rent.

At Ray White, we were intrigued by the study and sought to analyse the rental landscape for solo renters in New Zealand using Statistics New Zealand data on median incomes for on-person households and unit rents. Immediately, we were challenged by the scarcity of studio apartments in New Zealand, which makes pinpointing specific affordability for this type of property difficult.

The results paint a concerning picture, as no single region in New Zealand meets the affordability threshold for single renters.

Renting alone? Some regions are cheaper than others

Median Weekly Income versus Weekly Affordable Income



Where rental costs make up 30% of annual wage. Based on median unit rental prices, October 2024.

Source: Ray White Economics

The West Coast region hits nearest the mark, with a weekly income gap of just \$117 between the median income (\$1,050) and what's needed for affordable rent (\$1,167).

At the other end of the spectrum, Bay of Plenty and Northland show the most severe affordability challenges. Despite a median weekly income of \$960 in Bay of Plenty, a single person would need to earn \$1,790 to rent affordably – leaving a substantial gap of \$830. Northland faces a similar challenge with an \$833 weekly income shortfall.

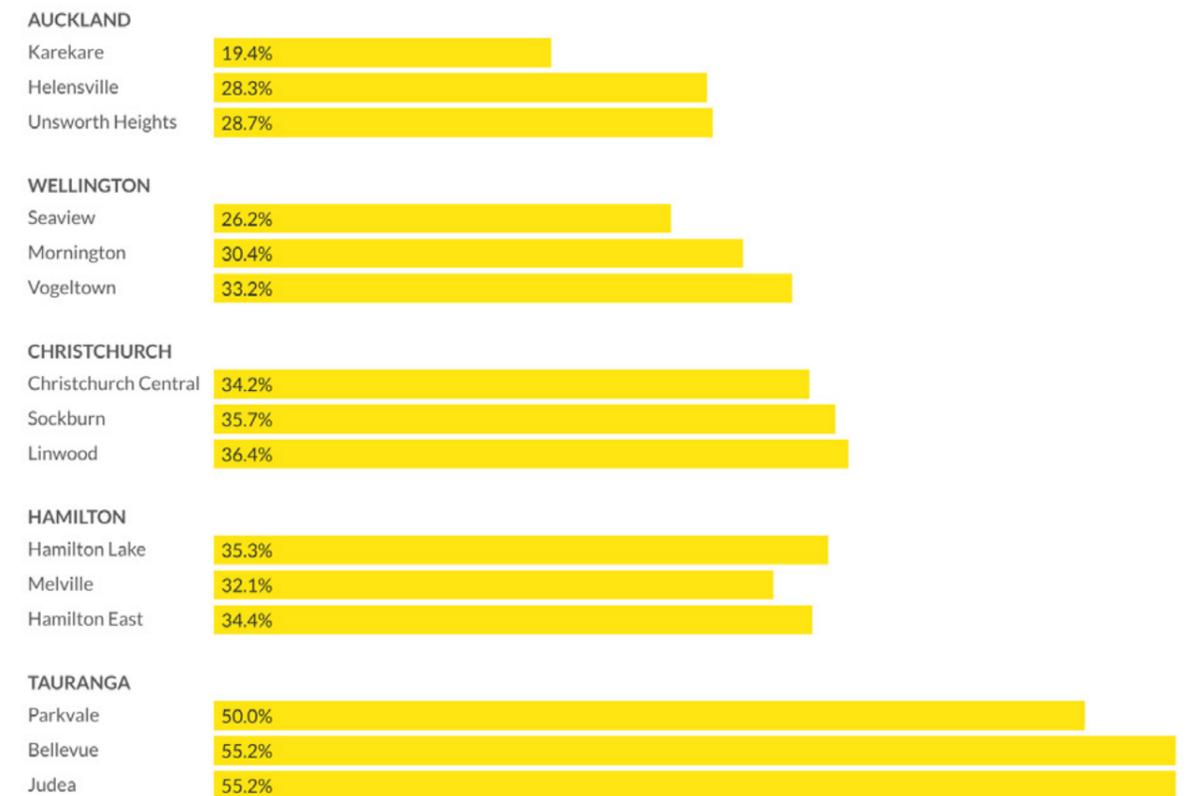
Auckland - New Zealand's largest city - requires the highest weekly income for affordable renting at \$2,061, while the median single-person income is only \$1,343 – leaving a \$718 disparity. The country's capital, Wellington, shows a similar pattern with a \$453 weekly shortfall.

The national picture shows that a typical single New Zealander earns \$1,186 per week, while they would need \$1,722 to rent affordably – leaving a gulf of \$536 per week. This suggests that the challenge of single-person rental affordability isn't just limited to major urban centres but is a nationwide issue.

While regional analysis shows widespread affordability challenges, the suburb-by-suburb breakdown presents a more nuanced picture.

Most affordable major city suburbs for single people

Median weekly rent as % of single person weekly income



Source: Ray White Economics

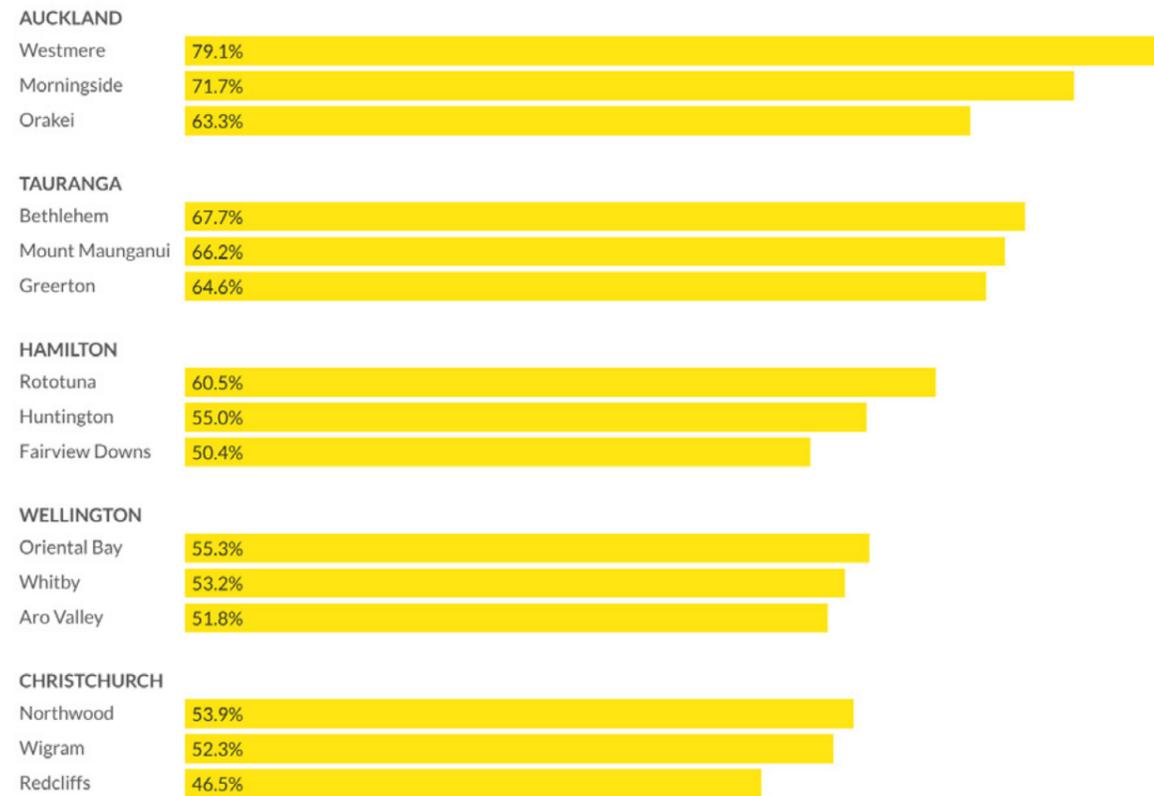
Karekare in Auckland is the most affordable suburb for single renters, with rent consuming just 19.36 per cent of the median income (\$260 of \$1,343 weekly income). This is followed by Wellington's Seaview at 26.24 per cent and Auckland's Helensville at 28.29 per cent.

A commonality these suburbs share is that they are either peripheral suburbs or areas which have recently developed higher residential capacity.

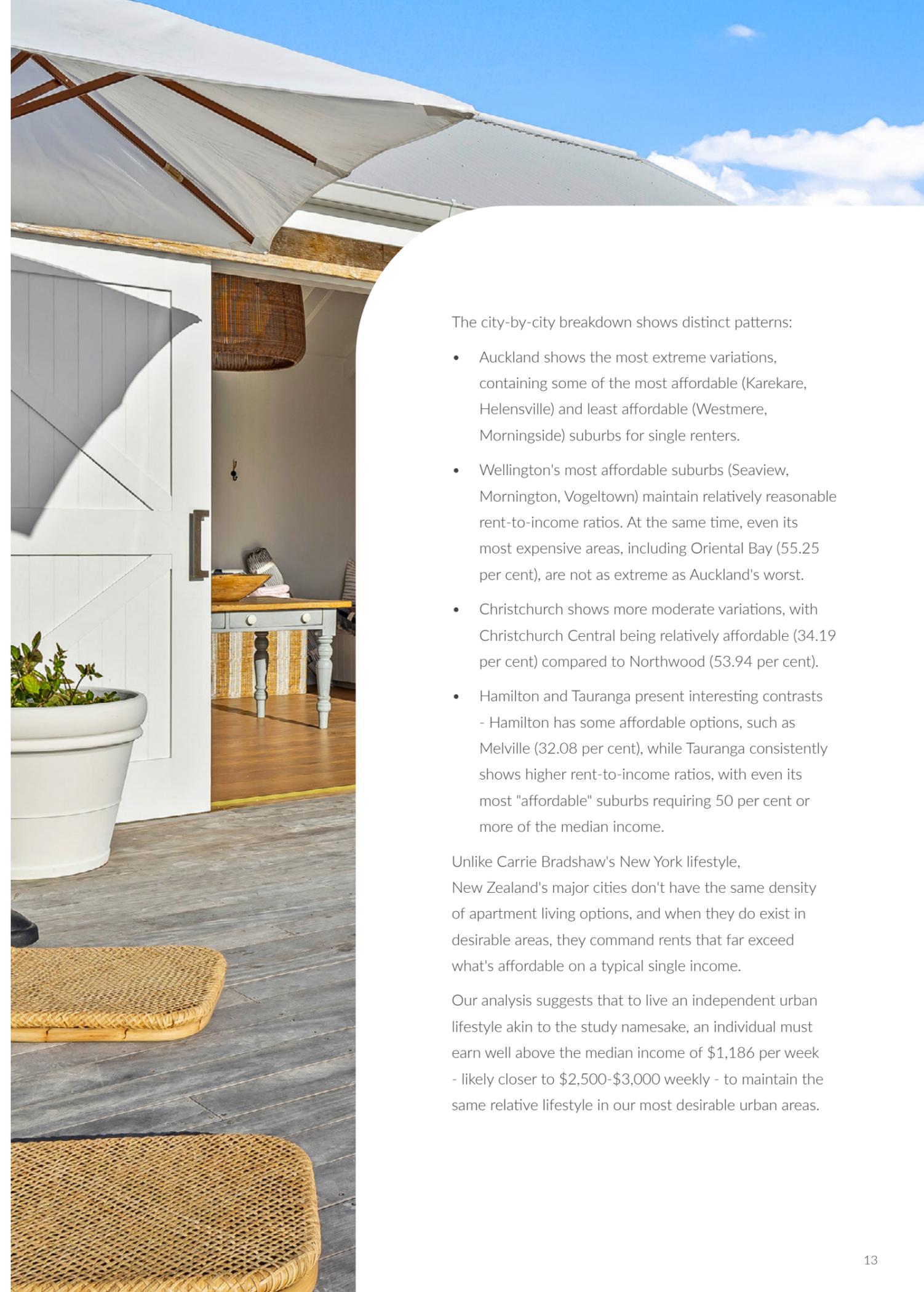
Westmere in Auckland is the least affordable suburb at the other end of the spectrum, where rent takes up 79.12 per cent of the individual's median income. This is followed by Auckland's Morningside (71.71 per cent) and Tauranga's Bethlehem (67.71 per cent). The least affordable suburbs are often in desirable residential areas where rental prices have significantly outpaced local income levels.

Least affordable major city suburbs for single people

Median weekly rent as % of single person weekly income



Source: Ray White Economics



The city-by-city breakdown shows distinct patterns:

- Auckland shows the most extreme variations, containing some of the most affordable (Karekare, Helensville) and least affordable (Westmere, Morningside) suburbs for single renters.
- Wellington's most affordable suburbs (Seaview, Mornington, Vogeltown) maintain relatively reasonable rent-to-income ratios. At the same time, even its most expensive areas, including Oriental Bay (55.25 per cent), are not as extreme as Auckland's worst.
- Christchurch shows more moderate variations, with Christchurch Central being relatively affordable (34.19 per cent) compared to Northwood (53.94 per cent).
- Hamilton and Tauranga present interesting contrasts - Hamilton has some affordable options, such as Melville (32.08 per cent), while Tauranga consistently shows higher rent-to-income ratios, with even its most "affordable" suburbs requiring 50 per cent or more of the median income.

Unlike Carrie Bradshaw's New York lifestyle, New Zealand's major cities don't have the same density of apartment living options, and when they do exist in desirable areas, they command rents that far exceed what's affordable on a typical single income.

Our analysis suggests that to live an independent urban lifestyle akin to the study namesake, an individual must earn well above the median income of \$1,186 per week - likely closer to \$2,500-\$3,000 weekly - to maintain the same relative lifestyle in our most desirable urban areas.



Spring brings renewed momentum

Spring has energised New Zealand's property market, and October saw remarkable activity across the Ray White network, underscoring a more dynamic phase of the real estate cycle.

PERFORMANCE HIGHLIGHTS

- **Sales Volume:** Ray White completed 1,413 sales in October, a 30 per cent increase year-on-year and an 18 per cent lift from September.
- **Sales Value:** The total sales value reached \$1.33 billion, up nearly 26 per cent from October 2023, and 20 per cent higher than September.
- **Auctions:** With 636 scheduled auctions, activity rose 33 per cent, averaging 2.7 registered and 2.2 active bidders per auctioned property.
- **Live Listings:** Listings increased by nearly 24 per cent year-on-year, while listings on the market grew more than 33 per cent compared to October 2023.
- **Digital Engagement:** Enquiries on Ray White's listings grew by more than eight per cent year-on-year, with online user numbers were up nearly 10 per cent.
- **Loan Pre-Approvals:** A total of 1,319 pre-approvals were issued, a notable 59 per cent increase compared to the same time last year.

This sustained growth highlights an engaged market with buyers and sellers leveraging the opportunities that spring traditionally offers.



Treena Drinnan
Chief Agency Officer
Ray White New Zealand

DATA INSIGHTS

The Real Estate Institute of New Zealand (REINZ) further illustrates this positive shift:

- Nationally, property sales increased by 20 per cent year-on-year, with regions such as Nelson (+112.8 per cent) and Marlborough (+29.5 per cent) leading the way.
- Median house prices showed modest gains, with the national median up 0.7 per cent year-on-year to \$795,000 and an increase of 1.9 per cent month-on-month.
- Listings continued to rise across most regions, and inventory levels climbed by 26 per cent, providing buyers with more choice and time to consider their options.

MARKET SENTIMENT

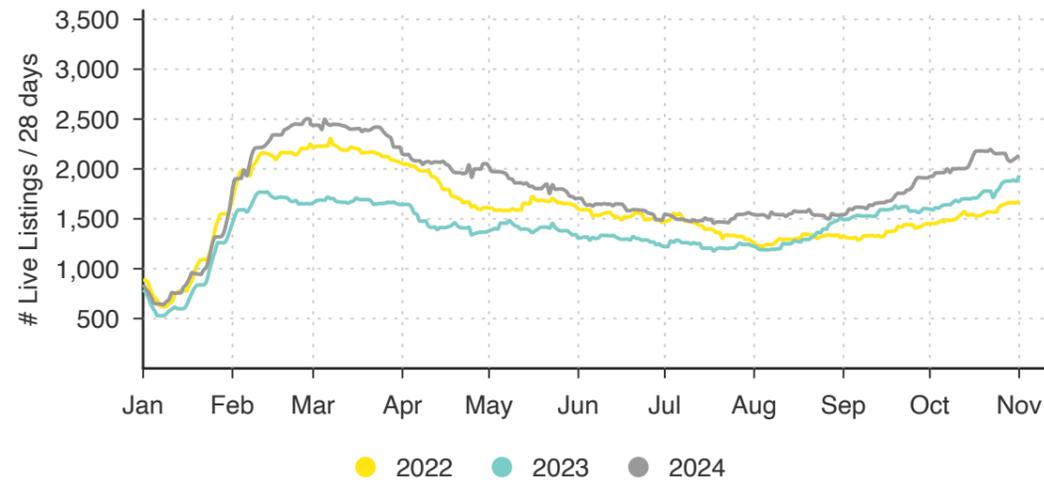
The potent mix of falling interest rates, increased inventory, and higher attendance at open homes is reflected in both Ray White's network performance and the broader market. Sellers currently benefit from an increase in buyer activity, while buyers are taking advantage of competitive financing conditions.

A LOOK AHEAD

With the market exhibiting renewed confidence and encouraging sales activity, our teams anticipate a busy lead-up to Christmas. Buyers and sellers currently have a window of opportunity to secure a property at today's prices while benefitting from tomorrow's lower mortgage lending rates. Whether you are a buyer, seller, or considering your options, our Ray White team members are on hand to provide expert guidance, better equipping you to seize your moment and make the most of current market conditions.

LIVE LISTINGS

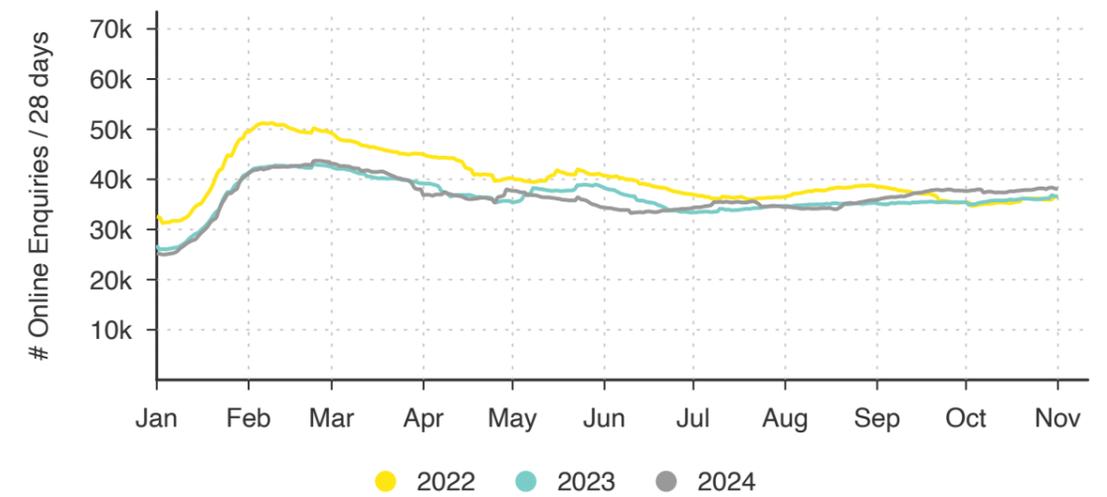
This graph shows the number of live listings on Ray White's channels. For the month ending October 2024, our live listings count increased by 23.98 per cent compared with the same period a year prior.



Source: Ray White Online Analytics

ONLINE ENQUIRIES

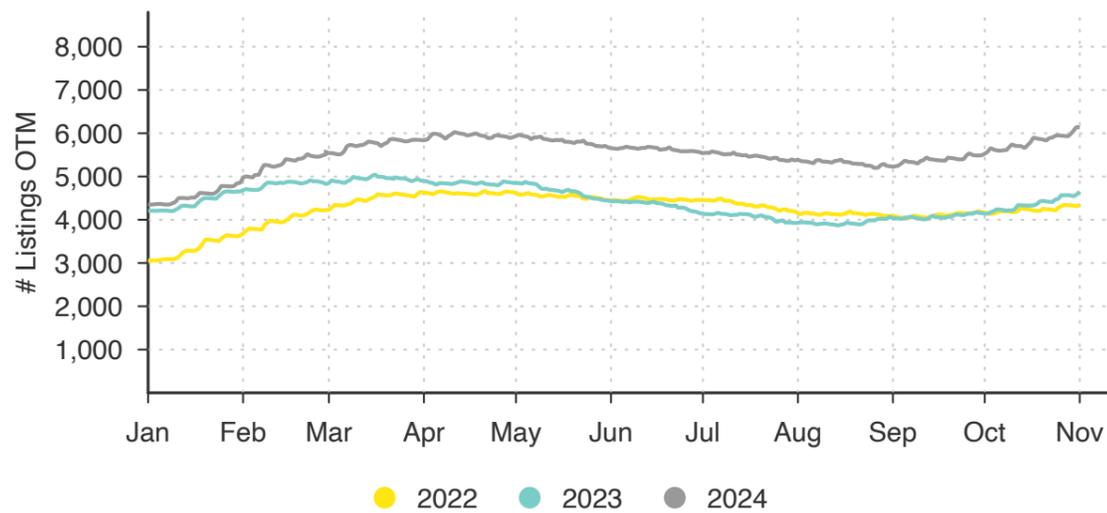
This graph compares digital enquiries received on Ray White's listings over the past three years. In October 2024, this rose nearly nine per cent year-on-year, with the number of online users up nearly 10 per cent.



Source: Ray White Online Analytics

LISTINGS ON THE MARKET

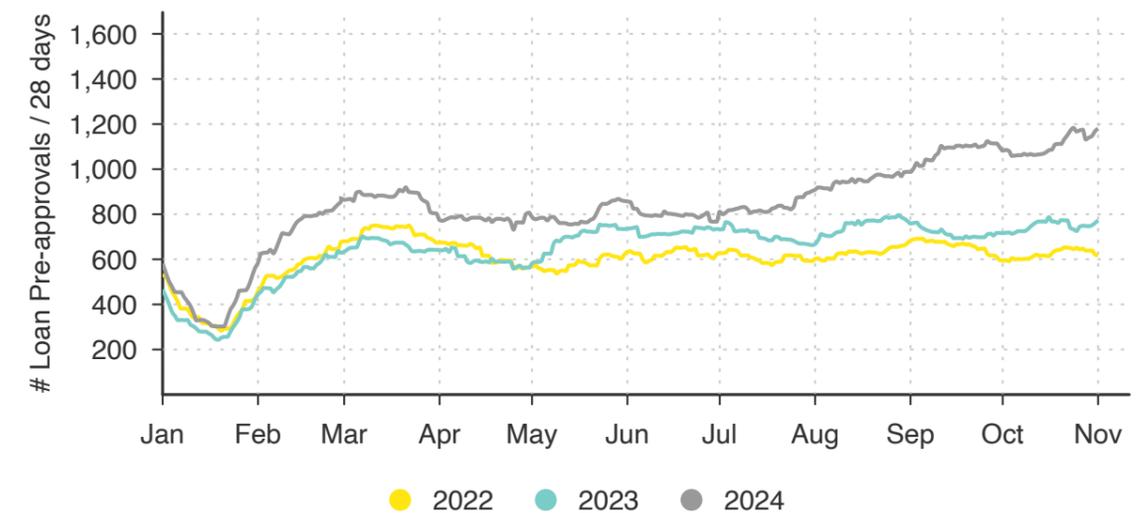
This graph compares the total number of listings on the market over the past three years. For the month ending October 2024, our listings on the market were up 33.89 per cent year-on-year.



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 October 2024 was 1,319, up 58.72 per cent year-on-year.



Source: Ray White Online Analytics



October Auction boom



Sam Steele
Head Auctioneer,
Ray White New Zealand

October marked a significant period for Ray White’s auctions following the success of ‘The Month of More’ nationwide auction push in September, igniting a surge in auction activity with consumer confidence on the rise and interest rates on the decline.

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 October alone, Ray White members scheduled an impressive 636 auctions across the country – an extraordinary nearly 34 per cent increase in volume, with properties across all asset classes experiencing auction success.

This surge was further amplified by consecutive Official Cash Rate (OCR) reductions by the Reserve Bank of New Zealand (OCR). It has now eased the cash rate

consecutively to 4.75 per cent, with a further reduction anticipated at its November 27th OCR review.

The immediate impact on the auction market has undeniably set 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 2.7 in October, 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 89 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.

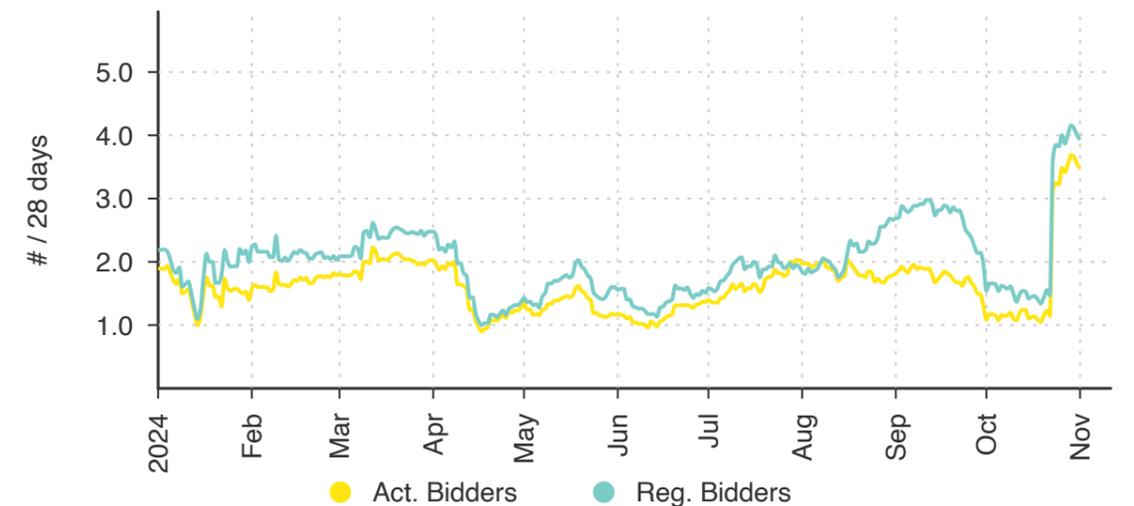
Auctions accounted for 37 per cent of all new property listings across the country in October, outpacing more

traditional sales methods, with prices transacted between, incredibly, \$2,000 for a central Auckland apartment to more than \$5.6 million for desirable family libations.

Properties sold via auction moved off the market in an average of 25 days – nearly twice as fast as the 48 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.

BIDDING BY MONTH

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



Source: Ray White Online Analytics

Forecasting home fronts



Nerida Conisbee
Ray White Group
Chief Economist



Sharon Zollner
ANZ Bank
Chief Economist

As New Zealand's property market continues to navigate the changing tides of a global economy, experts are closely examining how international and domestic factors shape the outlook for the year ahead.

In predicting property performance in 2025, Ray White Group chief economist Nerida Conisbee, and ANZ Bank chief economist Sharon Zollner share their views on what's in store for mortgage holders, homeowners, buyers and sellers in 2025.

Conisbee says the new year in New Zealand is poised to bring gradual improvement in the property market's performance, with economic indicators signalling that things are heading in the right direction despite some lingering uncertainty.

"Central to this outlook are the Reserve Bank of New Zealand's (RBNZ) recent policy decisions, including the reduction of the Official Cash Rate (OCR). The sharp 50 basis point reduction in October, followed by the anticipation of further reductions, is expected to bolster the housing market by reducing mortgage rates and enhancing purchasing power for buyers.

"The Governor's (of the RBNZ, Adrian Orr) recent comments that the OCR is headed to 3.5 per cent of thereabouts in the coming calendar year are positive news for borrowers," says Conisbee. "As mortgage lending rates decrease, buyers have greater purchasing power. While this is a relief for borrowers, it signals

that the economy isn't exactly on a strong footing, necessitating these sharp cuts to stimulate growth."

However, Conisbee warns that the global economic landscape presents a risk to otherwise positive indicators. "President Trump's re-election in the United States and his stance on trade tariffs, particularly where \$8.8 billion worth of New Zealand's exports land, including wine, fish and beef, could face higher barriers. These tariffs could spark inflationary pressures, which in turn would likely lead to higher interest rates globally.

"The ripple effects of this uncertainty could put upward pressure on borrowing costs in New Zealand, despite the RBNZ's efforts to reduce the OCR." Yet, Conisbee remains cautiously optimistic, highlighting the safety net provided by the RBNZ's current lending restrictions, such as Debt-to-Income (DTI) ratios, which prevent a resurgence of the speculative buying that characterised the market in the pandemic years.

"The lending restrictions are a sensible safeguard that will keep the market balanced," Conisbee says. "No one wants a repeat of the red-hot conditions we saw during COVID-19, where buyers found themselves overextended when interest rates started rising again."

These restrictions will temper value growth in residential assets. However, she says that regional supply and demand imbalances have the potential to trigger rapid market changes in specific areas.

"High-end properties, particularly those valued above \$2 million, are expected to recover quickly as well-capitalised buyers leverage current conditions and a finite supply of elite properties.

"Overall, 2025 is expected to be a year of steady growth. While we're not looking at the heady days of cycles past, there will be room for significant improvement in conditions, particularly for those who can secure finance and are positioned in the right markets."

Conisbee's sentiments largely echo those of New Zealand's largest bank, ANZ. In its monthly Property Focus publication released in October, and its Quarterly Economic Update this month economists there picked a stabilisation in residential values by the year's close, followed by a projected increase of 6 per cent in 2025.

ANZ's chief economist Sharon Zollner says that despite expectations, there remains "significant uncertainty around the likely pace of recovery in the housing market as mortgage rates continue to decline." She notes falling mortgage rates, rising unemployment, a fundamental undersupply of houses, changes in tax policy, and affordability constraints as just some of the factors forecasters will observe as they chart a course for the housing market in 2025.

Another influence driving sales activity will be what ANZ refers to as "animal spirits" - market sentiment's intangible but powerful influence on buyer behaviour. Recent data suggests that the increase amongst residential purchasers is rising, with mortgage lending enquiries climbing steadily since the RBNZ embarked on its long-awaited easing cycle in August. Anecdotal evidence from real estate agents also points to an emerging "buy the dip" mentality, where buyers see the market trough as an entry point before demand rises and prices inevitably escalate.

"Anecdote suggests buyer interest has picked up meaningfully since the RBNZ started cutting the OCR,"

says Zollner. Mortgage rates have generally declined. Floating rates have dropped by 0.50 per cent, and further decreases in short-term fixed rates indicate that borrowers may find more appealing terms in the near term.

This may all look like great news for borrowers, with further interest rate reductions anticipated. However, ANZ warns we're likely nearing the lowest point for mortgage rates, with markets factoring in cuts to the OCR that could stabilise mortgage lending rates at around 5 - 5.5 per cent.

"Interest rates are a bit of a moving target," Zollner says. However, markets are already pricing OCR cuts all the way down to three per cent - meaning the most significant rate reductions are likely already baked into current retail offerings. This could be a critical window for buyers waiting on the sidelines before rates level off and competition ramps up.

Additionally, Zollner says a fundamental housing shortage nationwide is a problem with no silver bullet solution. Housing supply constraints are tightening, with building consents down by more than 30 per cent from their 2022 peaks, and councils continue to face funding challenges for critical infrastructure. As the supply of new homes slows, the structural undersupply will likely put upward pressure on prices in the long term, contributing to a degree of demand resilience across the market.

"When the market starts to shift, it can happen quickly, especially with investor interest gaining traction." Investor-friendly policies, including reduced Loan-to-Value Ratio (LVR) requirements and reintroduced interest deductibility, also add momentum to this recovery.

Zollner says that while Kiwis can expect a continued recovery, "there may still be a few bumps in the road, but the fundamentals of demand will keep underpinning the market. We expect prices to stabilise by the end of the year, followed by modest gains over 2025."

REINZ Chief optimistic about market conditions



Loan Market
loanmarket.co.nz

The Real Estate Institute of New Zealand (REINZ) has observed growing stability in the real estate market this spring, with signs of a slow but steady recovery heading into 2025. While market activity remains relatively subdued, there is an increasing sense of optimism that conditions will improve as interest rates continue to soften.

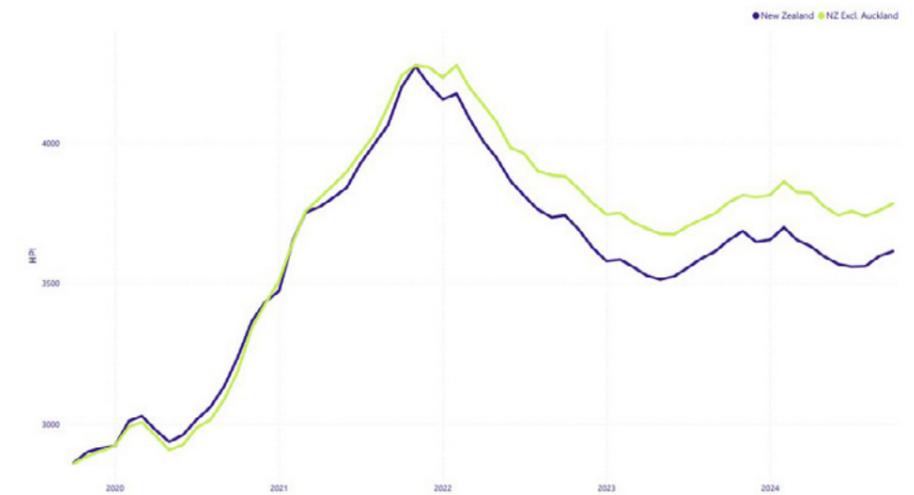
REINZ chief executive Jen Baird points to a noticeable uptick in confidence, especially following the Reserve Bank's (RBNZ) decision to reduce the Official Cash Rate (OCR) by 50 basis points to 4.75 per cent.

"This reduction is expected to prompt increased activity from prospective buyers, signalling a potential turning point for the market," Baird said. "As we move into 2025, we anticipate more engagement and transaction volume, particularly as those on the sidelines begin to feel more confident in securing financing at lower rates."



The September national median price stood at \$781,000, reflecting a 2.1 per cent increase month-on-month, though still down 2.3 per cent year-on-year. While the annual decline aligns with the typical seasonal trends, the month-on-month uptick signals a slight but positive shift. "This stability, along with moderate decreases in price compared to last year, suggests a market in balance," Baird said.

"Though we are seeing year-on-year declines, they are within expected ranges, confirming the market is behaving predictably."



Source: REINZ

Sales activity in September totalled 5,816 properties, which was 3.3 per cent lower than the previous month and 1.1 per cent down from the same time last year. Despite this, the number of properties listed for sale in September rose by 1.5 per cent month-on-month and 27.4 per cent year-on-year, signalling a growing supply of opportunities for buyers.

"Local real estate professionals are noting higher-than-usual attendance at open homes, even outside the typical spring surge," Baird said. "In fact, seven out of 16 regions are seeing a rise in sales activity, with more buyers engaging and enquiring about listings. If interest rates continue to decrease and market sentiment improves, these trends could evolve into a more robust and active market in the months ahead."

With the prospect of more favourable financing conditions and ongoing price stability, the outlook for 2025 is cautiously optimistic. Real estate professionals are watching closely for any signs of further improvement, which could mark a shift into the next gear of a more balanced and dynamic market.



Market revels in good news stories



Zac Snelling
Head of Property Management
Ray White New Zealand

Following several years of frustration, stagnation and lacklustre returns for residential investors, a shift in the economic and political tide has recharged the residential investment sector.

For landlords and tenants alike, the last few years have been marked by change that has hit household pockets in more ways than one, but a series of recent developments have seen some buzz in the market, and from a tax policy U-turn to new legislation aimed at improving flexibility and supply, the market is regaining its footing.

Ray White, New Zealand's head of Property Management, Zac Snelling, believes Kiwis are seeing the start of a new phase in the property cycle. "The past few years have been challenging, with limited incentives for landlords and investors to remain in the market, providing critical private housing for about 1.3 million tenants nationwide.

"But now, we're seeing a change – signalling a return to confidence and profitability for investors."

INVESTOR CONFIDENCE RETURNS

A potent mix of policy change and recent market conditions have reignited interest in residential assets, which has waned in recent years owing to restrictive tax policies and costly regulatory changes.

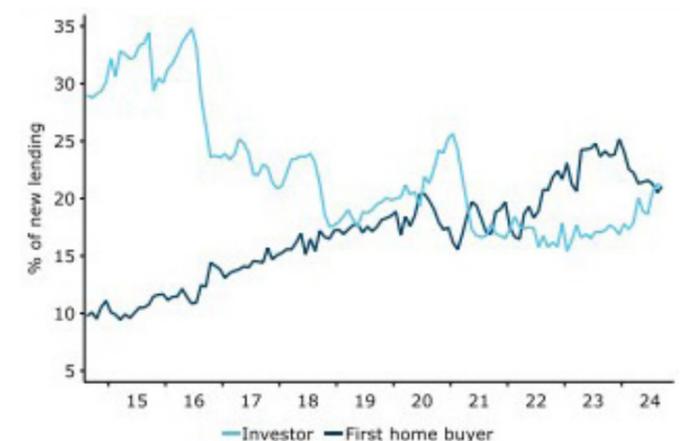
"Investors were pleased to see a commitment following a change in government that reversed interest limitation rules, enabling landlords to reclaim interest deductibility of residential property investments.

"Following a staggered reintroduction, landlords can claim 100 per cent of their interest expenses from April 2025, improving their balance sheets and incentivising these stakeholders to get back into the market, providing much-needed housing choices for tenants.

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Zac Snelling, Ray White New Zealand Head of Property Management

"This policy reversal aligns with positive capital growth projections for residential property values through to 2027, likely contributing to a notable uptick in mortgage lending to residential investors."



Source: RBNZ, Macrobond, ANZ Research

Reserve Bank (RBNZ) data shows that investor lending increased by \$31 million in September – the most considerable month-on-month rise since May 2021. Snelling says this surge signals renewed confidence among investors buoyed by strengthening housing market fundamentals.

LEGISLATIVE CHANGES SUPPORT THE SECTOR

The Residential Tenancies Amendment Bill (RTA) has made significant progress, moving to its second reading in Parliament. The Bill addresses industry challenges by restoring previously held rights of landlords through choice in tenure over their assets while also introducing tenant-friendly provisions, such as easier processes for keeping pets in rental properties.

Key changes include:

- Reintroduction of 90-day 'no-cause' terminations.
- The ability for landlords to clarify the end of a fixed-term tenancy at the end of its term.
- Reduced notice period for landlords and tenants, offering greater flexibility.

"These changes balance landlords' and tenants' interests, potentially encouraging more landlords to re-enter the market. Reports circulated of landlords transitioning to short-term accommodation or exiting the market following tenancy law changes in 2020, which increased perceived risks and costs, so these changes are welcome, particularly if they result in greater private rental supply and choice for tenants," Snelling says.

NAVIGATING MARKET UNCERTAINTIES

Despite these recent good news stories, the landscape remains complex. Government initiatives to boost housing supply through corporate Build-to-Rent investments are dual-edged opportunities for private investors.

Moves such as the Fast Track Approvals Bill and the Residential Development Underwrite programme provide essential support for large-scale developments. However, they have also raised concerns among the 'Mum and

Dad' investors about their long-term viability alongside corporate and institutional landlords.

Additionally, the proposed Overseas Investment Act (OIA) reform aims to streamline the consent process for offshore investment in BTR housing. While this can bolster supply, it introduces competition that private landlords must navigate strategically.

Snelling says that while investors may be watching developments in their periphery, the imbalance between supply and demand remains a focal point and ever-present driver of property market trends.

"Demand for rental properties continues to outstrip supply. In October, our Ray White Property Management network received more than 5,400 tenancy applications, which resulted in 1,251 executed tenancy agreements; this 4:1 demand ratio shows that tenant interest remains consistent.

"At the same time, the pipeline of new housing supply is dwindling. Building consents have declined 34 per cent from their 2022 peak, adding upward pressure on housing demand and potentially average rental rates for quality property.

"Adding insult to injury, we know that local government bodies are facing significant financial pressure that has limited infrastructure investment, further restricting new housing supply. These supply-side challenges can exacerbate competition among tenants, with strong demand persisting in key markets like Hamilton, Wellington and Christchurch."

THE ROLE OF PROFESSIONAL PROPERTY MANAGEMENT

Snelling says that understanding these regional nuances is critical to getting the best out of asset investment. "Property managers help landlords adapt to changing tenant preferences and demographic shifts. For instance, current demand in Hamilton leans toward three-bedroom townhouses, while in Christchurch, tenants favour four-bedroom standalone homes, and the demand for specific types of properties can easily change within any market.

"Aligning property investments with these preferences can maximise returns and reduce vacancy risks. Investors focused on local demand, with a handle on long-term demographic trends, are better positioned to leverage opportunities in the market as they arise," he says.

"We're potentially at a critical moment for the property management sector. A combination of more favourable policy change, legislative reform and shifting market dynamics present both opportunities and challenges for those with skin in the game."

For landlords, repealing interest limitation rules, alongside legislative changes to tenancy laws, offers renewed financial and operational advantages. At the same time, tenants are set to see increased flexibility and protections aimed at improving the rental experience.

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

As Snelling says, now's the time for investors to "buy right for demand in your area" and make strategic adjustments to stay ahead of the curve. "Whether you're a seasoned landlord or a first-time investor, partnering with experienced property professionals throughout Ray White's qualified network can help shed valuable light on this evolving landscape to maximise returns and current market opportunity.

"In an era of change, the property market remains a tangible and vital asset class for Kiwis, offering opportunities for those prepared to adapt and innovate."



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



130 Omaha Flats Road, Matakana

English Manor Welcomes the Kiwi Summer

Step into a realm where timeless elegance meets modern luxury. This meticulously restored 600m² (approx.) English manor, redesigned by Spatial Studios, exudes both sophistication and comfort. Nestled on 5935m² of lush, level grounds, this exceptional estate is a mere 5-minute drive to Omaha Beach and Matakana Village, and just 40 minutes (approx.) from the world-class Te Arai and Tara Iti golf courses.

Every corner of this home is a masterpiece, offering sweeping views of the landscaped gardens, Mt. Tamahunga, and stunning sunsets. Whether you seek a peaceful retreat or an effortless blend of town and country living, this property delivers. With the new motorway, the commute to Auckland for work or school is seamless—under an hour from the city yet worlds away in tranquillity.

From the moment you arrive at the grand, newly built three-car garage, you'll be enchanted. A stroll past the Astroturf tennis court leads to a stately entrance, welcoming you to a haven of Kauri and oak parquet floors, top-tier fixtures, and every conceivable comfort. The home boasts five exquisite bedrooms, three and a half luxurious bathrooms, and five separate living spaces, including four serene relaxation rooms.

The manor is designed for grand entertaining and indulgent living:

- A heated and lit 13m concrete pool with an elegant 31m² (approx.) pool house featuring a toilet and outdoor shower.
- A wine cellar for curating your collection.
- Formal dining and alfresco spaces complete with a fire area.

Crafted with meticulous attention to detail, the home also features full air conditioning, two gas fireplaces, double-glazed joinery, and updated wiring and plumbing. Designed by Aaron Bell Booth, the gardens are as breathtaking as the manor itself.

This is not just a residence—it's a lifestyle. Experience the ultimate country sanctuary, perfectly positioned to enjoy all the North Auckland region has to offer.



Heather Walton
021 432 167



Mark Bycroft
021 968 946

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