RAY WHITE **NOW**

THE OUTLOOK IS CHANGING

PROUDLY PRESENTING NEW ZEALAND
PROPERTY MARKET INSIGHTS IN REAL TIME

A MESSAGE FROM OUR **CHIEF EXECUTIVE**

Dear Property Owner,

The outlook for New Zealand's residential market is changing, with the tug-of-war between demand and dampening factors beginning to turn the dial back to a more balanced market, and in some cases now favouring sellers.

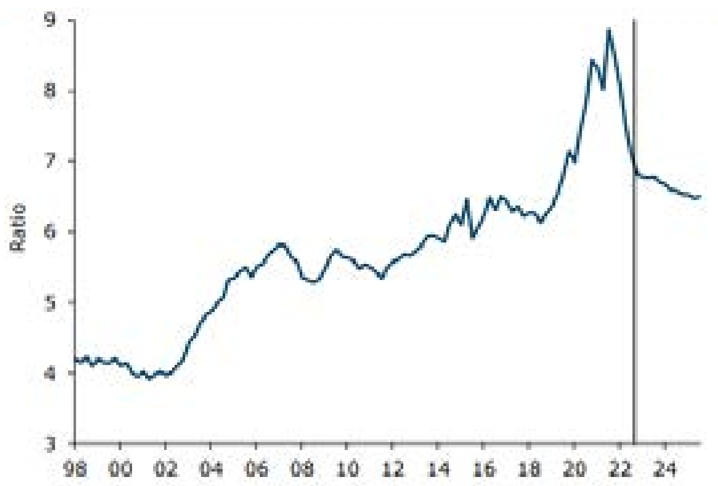
Several significant elements which have weighed heavily on buyer appetites over the last 18 months have eased recently. Namely, the reopening of our international borders, a relaxation in migration settings, and the Reserve Bank's (RBNZ) acknowledgement we may have passed the peak of the monetary policy tightening cycle – therefore increasing the expectation that mortgage lending rates will track lower in the year ahead.

These changes have had an observable effect on consumer sentiment, and we need only look at open home attendance, auction clearance rates and digital enquiries across our Ray White network for evidence that buyers are returning to the market.

Despite this, affordability metrics continue to play a central role in housing choices, with cost-of-living pressures principal for many Kiwis.

After reaching an all-time high during the pandemic, affordability has come back into more manageable territory, with sustainable growth forecast through to 2024.

The graph to the right shows New Zealand's house prices relative to incomes.

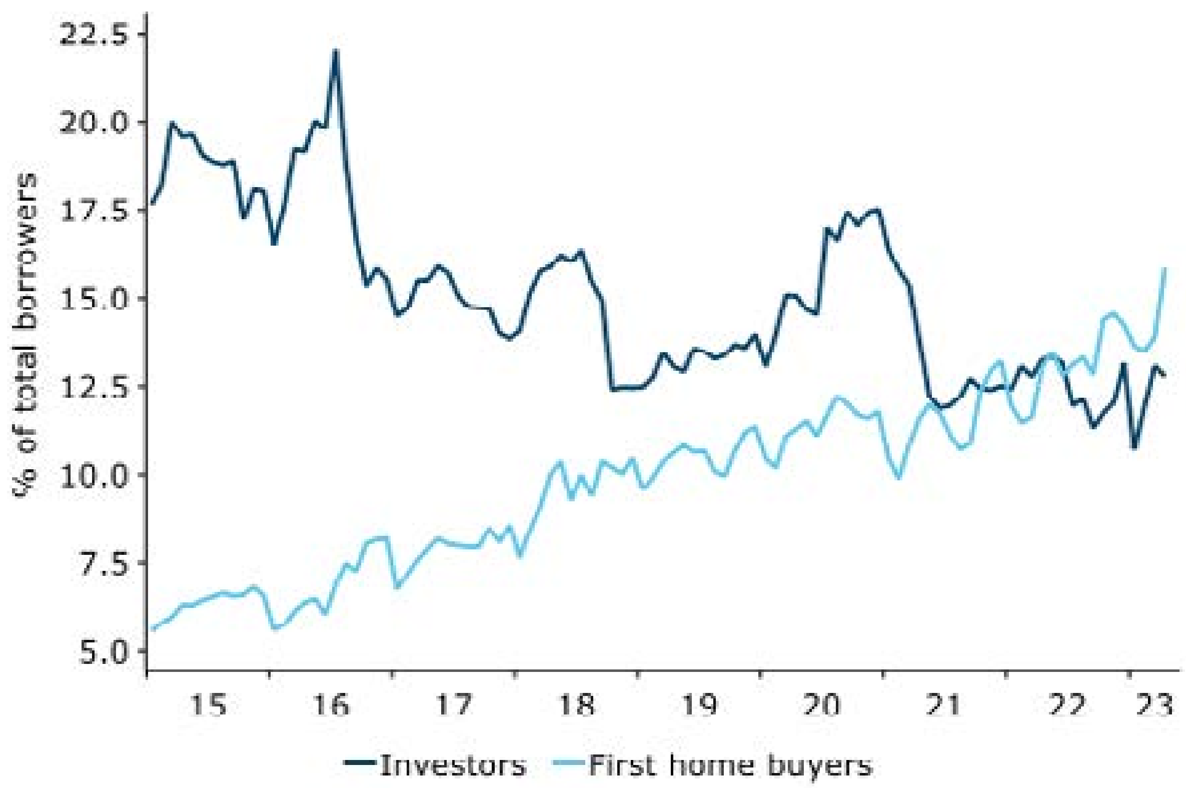


Source: REINZ, ANZ Research

While New Zealand's house price-to-income ratio has fallen back to late 2019 levels – meaning the pandemic price surge has been mostly wiped out – second-and-third time sellers remain cautious about their personal financial management.

Research suggesting more than 60 per cent of mortgage holders are concerned about their finances continues to give us the impression that while conditions are improving, momentum will likely build slowly, as sellers take a little more convincing to engage once again.

Conversely, first-home buyers and investors are participating with renewed enthusiasm, with recent sales activity from both parties showing a lift in enquiry translating to sales activity.



** Share of total borrowers excluding business purposes. Source: RBNZ, Macrobond, ANZ Research*

The graph above compares first home buyer transaction activity in New Zealand with that of investors since 2014. After volatility in 2022, we can see an upswing in market participation over the last seven months.

These sentiments are echoed in recent sale results from across the Ray White network, which indicate that the number of properties sold during June was 1,268, up from 1,217 in May and 5.8 per cent on the year prior.

This manageable growth continues to provide encouragement for the broader market, and helps to allow residential positivity to fly under the central bank's radar, negating the requirement for further Official Cash Rate (OCR) rises and interventionalist pricing measures as the economy starts to recover.

We trust that this document will clarify present market conditions, and we are proud to share our observations and data in this latest edition of Ray White Now.

Our dedicated residential real estate experts are working harder to bring you the knowledge and latest information to support informed decision-making, and we remain on-call through any of our 195 New Zealand branches for all of your property-related requirements.

Please enjoy our 61st edition of Ray White Now.

Regards,

Daniel Coulson
Chief Executive
Ray White New Zealand

Featured property | 127 Jonkers Road, Waitakere, Auckland

Proudly marketed by Alyshia Marshall
Ray White Swanson
Parklane Real Estate Limited Licensed (REAA 2008)

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Photo: 127 Jonkers Road, Waitakere, Auckland | Proudly marketed by Alyshia Marshall, Ray White Swanson

WHY SELL NOW?

Daniel Coulson | Chief Executive, Ray White New Zealand

Kiwi commentators have been closely observing developments across the ditch recently, looking for clues about the direction of New Zealand's national housing market in the coming months.

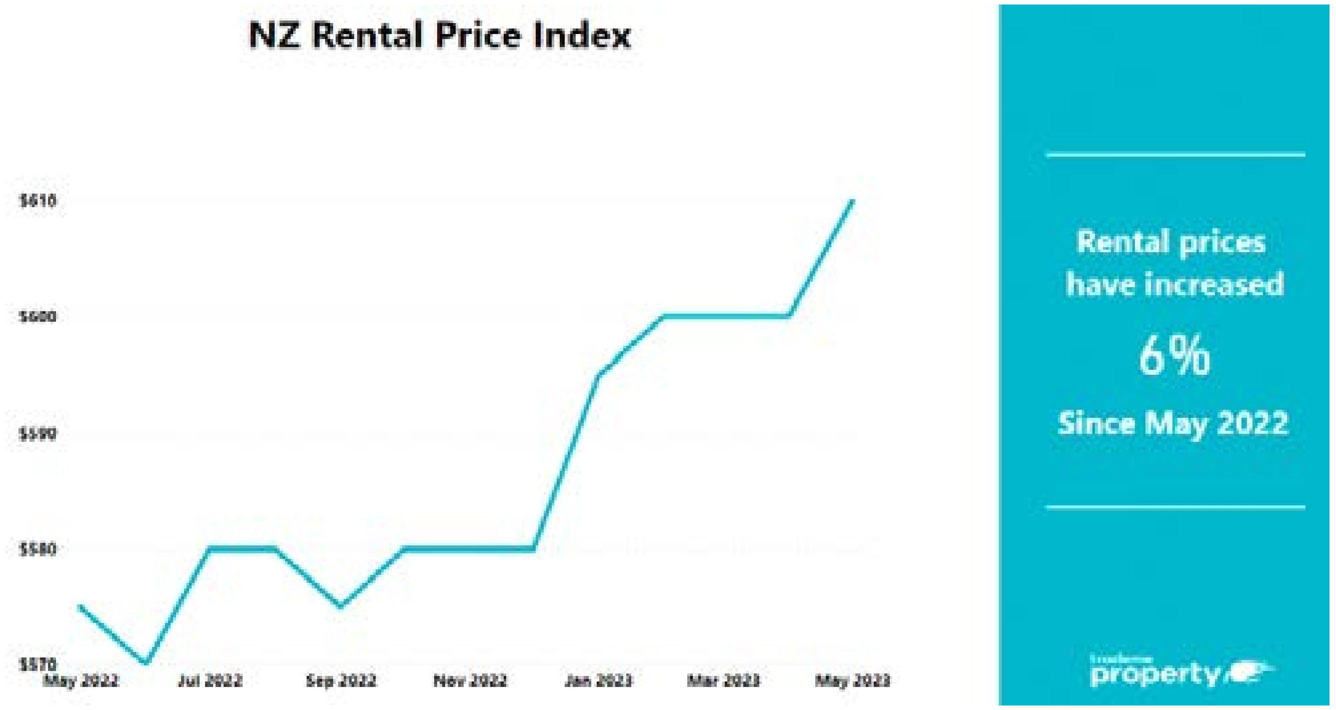
Despite rapid value escalation, upward pressure on average weekly rental rates has boosted property yields, increasing the value proposition for residential investors across urban centres like Melbourne, Brisbane and Sydney.

In addition to this, the luxury property market continues to perform with strength, bolstered by a lack of quality supply available on the market.

Sound familiar?

At home, we are starting to see similar trends emerge, predictably, on a smaller scale.

Average weekly rental values have surged six per cent since May 2023, while the top end of our urban property markets demonstrates a quicker-than-expected rebound in value stabilisation.



Source: trademe.co.nz/property-industry/news

Given our close proximity and similar economic and cultural connections, lessons gleaned from Australia's residential market can provide New Zealand homeowners with early insights into emerging market movements.

New Zealand's central bank (RBNZ) has worked harder and faster to stamp out inflationary pressures than those of our trans-Tasman neighbours, which will likely lead to a lag in housing market momentum.

Despite this, the surge in migration continues to play a crucial role in demand here and abroad, with broad impacts for both sales activity and rental demand in the latter half of the year.

This return to pre-pandemic net migration flows continues to support the improving outlook for house price expectations, with residential investors signalling their intention to raise rental rates to take advantage of greater competition for quality properties.

Rental inflation invariably contributes to residential sales activity as the physical demand for housing increases, with flow-on effects for upward value growth.

This, in turn, lifts consumer sentiment and helps people to feel it's a better time to buy and sell residential real estate. The self-fulfilling property cycle.

Throughout the Ray White network, we're seeing this good news story developing, with a lift in activity across our auction rooms, open homes and on our listings across the country.

Further adding to this positive bounce in market optimism is the narrowing gap between buyer and seller expectations.

Recent comparative analysis between asking prices on property marketplace realestate.co.nz and unconditional sale results from the Real Estate Institute of New Zealand (REINZ) shows that buyers and sellers are more aligned on where they see market value – a major support for residential sales activity.

The gap between the asking price and actual sale value of homes across New Zealand has decreased to less than $100,000 - marking the first time since last year that buyers and sellers have aligned their perceptions of a property's worth.

Owing in part to a greater understanding of the current market conditions, which have been supported by a recent settling in mortgage lending rates and an improvement in the economic outlook, we are seeing a greater proportion of sellers choose a sale by auction – which is considered the most transparent of all sale methods, and the one most likely to return fair market value.

Our partners at Loan Market are also reporting an increase in the number of pre-approvals for finance, pointing to an easing in credit conditions which offers buyers greater purchasing power and the ability to bid unencumbered at auctions.

Source: Ray White Online Analytics

We're closing in on the spring selling season in the upcoming months.

This year, there's anticipated to be a significant increase in sales activity due to the building backlog of buyers and sellers who were previously hesitant to act under old market conditions.

Now is an excellent time for sellers to prepare for the future, and as opportunities arise, our qualified network of residential sales experts nationwide is ready to assist whenever you decide to take action.

Photo: 127 Jonkers Road, Waitakere, Auckland | Proudly marketed by Alyshia Marshall, Ray White Swanson

STREET VALUES: EXPLORING NEW ZEALAND'S MOST EXPENSIVE AND AFFORDABLE STREETS

William Clark | Data Analyst, Ray White Australasia

From populus urban areas to expansive rural real estate and everything in between, New Zealand features a diverse and dynamic real estate market – part of the reason new migrant arrivals are flocking to our shores.

With the diversity of the landscape, comes a range of housing options to suit lifestyles and budgets. In this article, we explore the contrasts between New Zealand's most expensive and affordable streets.

Auckland's most expensive streets

Median sale price ($) - Auckland

Street	Median
Marine Pde, Herne Bay	$11,500,000
Karori Cr, Orakei	$8,500,000
Inanga Lane, Omaha	$7,750,000
Arney Cr, Remuera	$6,335,500
Ranui Rd, Remuera	$6,300,000
Westbourne Rd, Remuera	$6,100,000
Ocean View Rd, Milford	$5,400,000
Audrey Rd, Takapuna	$5,200,000
Burwood Cr, Remuera	$4,700,000
Maungakiekie Av, Greenlane	$4,680,000

Methodology: 1. Street and Suburb prices are median prices for all sales, both including and outside of Ray White agency sales. 2. Median sales were calculated from sales taken from 3 years ago till the start of this month (01/06/2020 - 01/06/2023) 3. Streets were excluded if they failed to accrue 3 sales or more from June 2020 to present. 4. Streets were excluded if their median value exceeded 15x the suburb median, or fell below 20% of the suburb median. 5. Commercial sales were excluded from all calculations. 6. Semi-detached house/duplex sales were considered house sales.

Source: Ray White

In Auckland, Herne Bay takes out the most expensive street at an eye-watering $11.50 million.

A large, expensive suburb like Remuera has four streets in the top ten.

In Auckland, the streets with expensive medians share commonality; large lots; proximity to the city; water frontage/beach access; and privacy being some distance away from noisy main roads.

Auckland's most affordable streets

Median sale price ($) - Auckland

Street	Median
Charlotte St, Eden Terrace	$289,250
Crown Lynn Pl, New Lynn	$292,500
Rosedale Rd, Albany	$348,250
St George St, Papatoetoe	$350,000
Hill St, Onehunga	$351,000
Sharivari Pl, Conifer Grove	$360,000
Toatoa Pl, Mangere Bridge	$398,000
Ocean View Cr, Rakino Island	$405,000
Inca Pl, Red Hill	$425,000
Pinchgut Rd, Kaukapakapa	$425,000

Methodology: 1. Street and Suburb prices are median prices for all sales, both including and outside of Ray White agency sales. 2. Median sales were calculated from sales taken from 3 years ago till the start of this month (01/06/2020 - 01/06/2023) 3. Streets were excluded if they failed to accrue 3 sales or more from June 2020 to present. 4. Streets were excluded if their median value exceeded 15x the suburb median, or fell below 20% of the suburb median. 5. Commercial sales were excluded from all calculations. 6. Semi-detached house/duplex sales were considered house sales.

Source: Ray White

Photo: 127 Jonkers Road, Waitakere, Auckland | Proudly marketed by Alyshia Marshall, Ray White Swanson

For affordable streets, longer commutes to the central city are more common, with these streets often appearing in new, less established suburbs where infrastructure and amenities are still building.

In an extreme example, Ocean View Crescent on Rakino Island in the Hauraki Gulf demonstrates the niche allure of living 'off the grid'.

Rest of North Island's most expensive streets

Median sale price ($) - North Island ex-Auckland

Region	Street	Median
Bay of Plenty	Ngarata Av, Mount Maunganui	$3,475,000
Bay of Plenty	Marine Pde, Mount Maunganui	$3,200,000
Bay of Plenty	Shaw Rd, Waihi Beach	$2,875,000
Waikato	Lake Tce, Hilltop	$2,785,000
Wellington	Jubilee Rd, Khandallah	$2,635,000
Bay of Plenty	Royal Ascot Dr, Papamoa Beach	$2,550,000
Waikato	Waterways Pde, Pauanui	$2,525,000
Bay of Plenty	Harbour Dr, Otumoetai	$2,520,000
Hawkes Bay	Black Barn Rd, Havelock North	$2,452,500
Waikato	Arawa Lane, Whitianga	$2,450,000

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Source: Ray White

Being a small island nation, with a huge geographic coastline, Kiwis treasure access to the beach, and so across the broader North Island, most expensive streets usually have one thing in common – water access.

Mirroring trends observed in Auckland, large lot sizes are common, and these streets appear to be mostly concentrated on the east coast towns, ranging from the Coromandel Peninsula to Wellington.

Rest of North Island's most affordable streets

Median sale price ($) - North Island ex-Auckland

Region	Street	Median
Wellington	Randwick Rd, Moera	$113,000
Hawkes Bay	Huia Pl, Camberley	$129,000
Waikato	Hinau St, Tokoroa	$131,000
Manawatū-Whanganui	Makere St, Taumarunui	$161,000
Tasman	Chapman St, Richmond	$168,000
Bay Of Plenty	Oregon Dr, Murupara	$170,000
Northland	South Rd, Kaitaia	$175,000
Northland	Bay Heights Dr, Karikari Peninsula	$180,000
Wellington	Tory St, Te Aro	$182,000
Manawatū-Whanganui	Para St, Taumarunui	$185,000

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Source: Ray White

Again, echoing trends observed in our biggest city, the North Island's most affordable streets are usually removed from urban centres and proximate to busy highways, with a lower level of personal privacy or space.

The majority of these streets are located in small regional inland townships at the nexus of two or more highways. There is no discernible trend which shows one region has fewer or greater affordable streets.

South Island's most expensive streets

Median sale price ($) - South Island

Region	Street	Median
Otago	Arrowtown-Lake Hayes Rd, Lake Hayes	$4,225,000
Canterbury	Queens Av, Merivale	$2,580,000
Canterbury	Waiwetu St, Fendalton	$2,547,500
Canterbury	Jacksons Rd, Merivale	$2,325,000
Canterbury	Garden Rd, Merivale	$2,260,000
Canterbury	Harakeke St, Fendalton	$2,207,500
Otago	Peninsula Rd, Kawarau Falls	$2,200,000
Canterbury	Holmwood Rd, Merivale	$2,175,000
Canterbury	Tui St, Fendalton	$2,157,500
Otago	Mckellar Dr, Jacks Point	$2,125,000

Methodology: 1. Street and Suburb prices are median prices for all sales, both including and outside of Ray White agency sales. 2. Median sales were calculated from sales taken from 3 years ago till the start of this month (01/06/2020 - 01/06/2023) 3. Streets were excluded if they failed to accrue 3 sales or more from June 2020 to present. 4. Streets were excluded if their median value exceeded 15x the suburb median, or fell below 20% of the suburb median. 5. Commercial sales were excluded from all calculations. 6. Semi-detached house/duplex sales were considered house sales.

Source: Ray White

New Zealand's South Island draws visitors from across the globe for its beauty, with mountains, waterways and spectacular scenery in abundance. Owing to this, it's no surprise to see that its most expensive streets are scattered across the luxury suburbs in Christchurch, and resort destination Queenstown.

Similar to the North Island, buyers are willing to pay more for larger lots, views and access to waterways or parklands.

South Island's most affordable streets

Median sale price ($) - South Island

Region	Street	Median
Otago	Main Rd, Clinton	$70,500
Southland	Stirrat St, Kingswell	$90,000
West Coast	Coates St, Westport	$100,000
Southland	Birchwood Rd, Ohai	$103,592
Southland	Ramrig St, Gladstone	$118,242
Otago	Roxburgh St, Heriot	$120,000
West Coast	Packers Qy, Blaketown	$144,500
Canterbury	Lakeside Dr, Pegasus	$147,826
Southland	Forth St, Mataura	$150,000
Southland	Gimblett St, Waikiwi	$157,500

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Source: Ray White

The South Island's most affordable streets are an even spread across four regions.

As with the North Island, many of these streets are located in transitional hubs between urban centres, with a lower level of immediate amenity and community infrastructure.

When we conducted similar analysis in Australia, the differences were stark, quite simply owing to the sheer geographical differences between the two countries. In New Zealand, affordable streets can be within accessible distance of the most expensive, which we note puts a floor underneath these markets during periods of market downturn.

WHAT ARE WE SEEING IN THE MARKET RIGHT NOW?

Treena Drinnan | Chief Agency Officer, Ray White New Zealand

With the next Official Cash Rate (OCR) announcement from the Reserve Bank of New Zealand (RBNZ) due on July 12, markets broadly anticipate a stay, which was signalled by the central bank in its last Monetary Policy Statement (MPS).

The assertion that the most recent rate rise on May 24 would be the final in this tightening cycle has triggered a wave of improving sentiment across the residential market this June, with average sale values tracking slightly higher month-on-month.

Business and consumer confidence is also lifting. However, we are yet to see this translate to real sales activity, with a lack of under-pressure homeowners so far on the fence about bringing their properties to market.

Despite this, the outlook is improving, and we expect to see the factors which drive real estate markets, being the fundamentals of supply (the total number of properties for sale) and demand (the number of buyers active in the marketplace) play an increasingly significant role in establishing current market conditions.

Supply

During June, our Ray White New Zealand network reported 1,292 'new listings', down 19.53 per cent year-on-year. This was met by 1,268 sales, which is consistent with a stabilisation of residential sales activity, following a prolonged market lull observed over the last 18 months.

Leading property portal Realestate.co.nz reported 6,218 new residential listings in June, down 21.20 per cent year-on-year and 17.60 per cent on pre-pandemic levels recorded in June 2019. This indicates that sellers are still unsure about listing their properties for sale, despite the tide turning on buyer sentiment.

Demand

When looking to assess housing demand, analysts initially look to the number of buyers viewing properties online. Throughout June, we saw 4,259,309 views across our Ray White websites, which resulted in 36,513 enquiries.

When measuring the market demand volume, we also look at the proportion of buyers obtaining pre-approval for finance.

Pre-approval rates are a key indicator of confidence in the market, as knowing their level of financial capacity affords purchasers additional opportunities, like the ability to participate in auction proceedings.

Our partners at Loan Market are seeing an increasing number of pre-approvals nationwide.

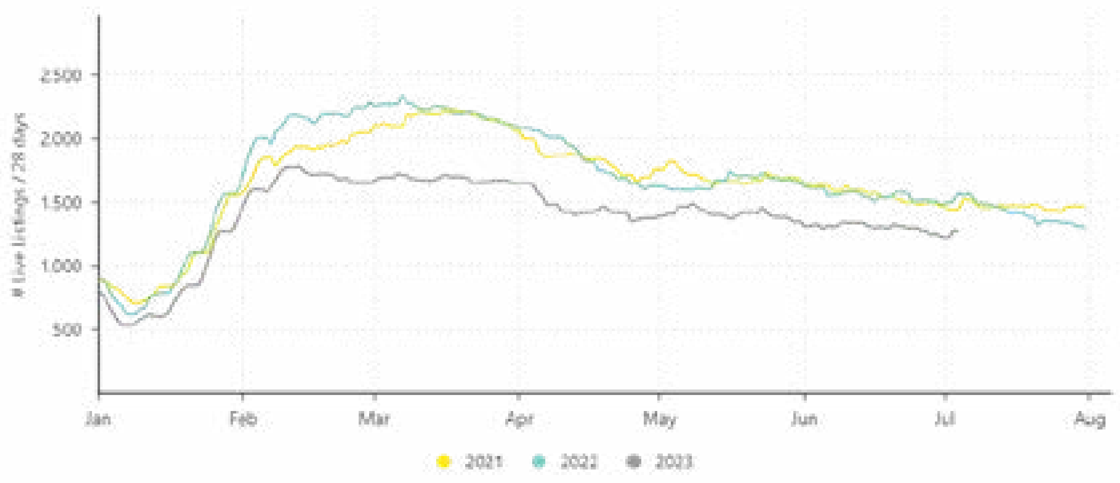
The easing of Loan-to-Value Ratio (LVR) restrictions introduced on June 1, improving access to finance, and increased price caps for the Government's First Home Grants are factors helping to encourage buyers back to the market. Particularly first-time purchasers, which are concluding the bulk of residential transaction activity right now.

Also of note is the increased activity at our auctions, which continues to outperform any other method of sale in terms of days on the market and results achieved for our sellers.

With just over 4,748. listings available for sale, supply remains up 5.96 per cent year-on-year. However, the low level of new listings coming online is helping to redirect buyer attentions to existing listings, which are slowly eroding the national housing inventory.

LIVE LISTINGS

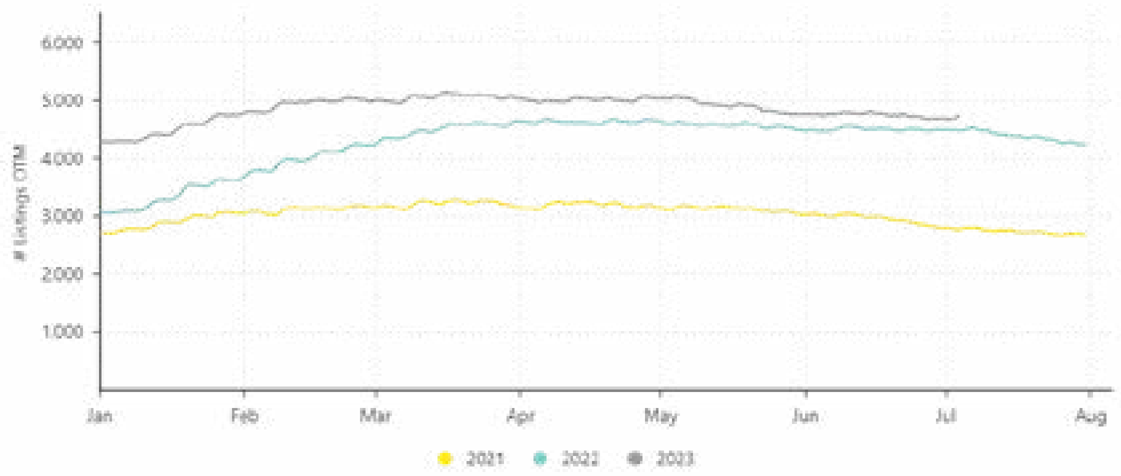
This graph shows the total number of live listings. For the year to June 2023 this was 9,294 down 16.79 per cent year-on-year.



Source: Ray White Online Analytics

LISTINGS ON THE MARKET

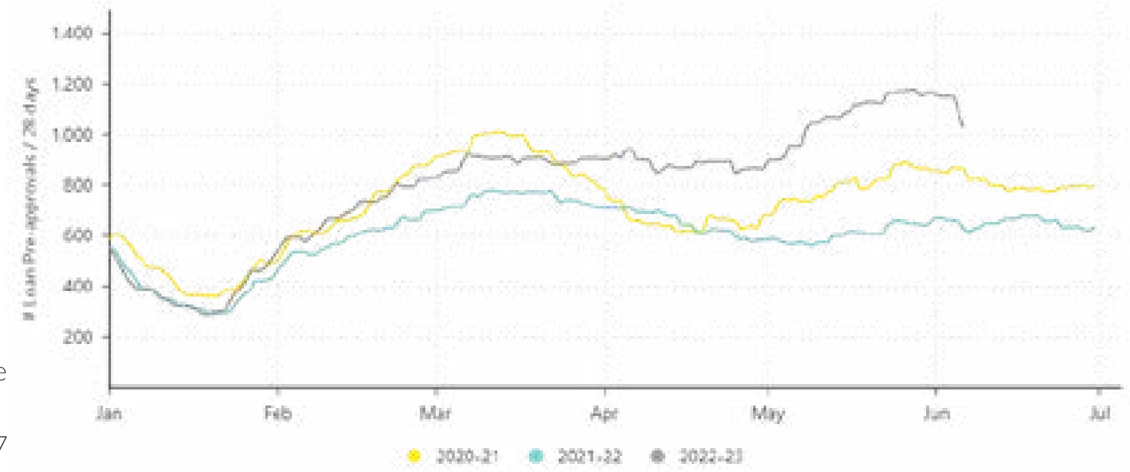
This graph compares the total number of listings live on the market over the past three years. For the month ending June 2023 this was 4,692, up 4.31 per cent year-on-year.



Source: Ray White Online Analytics

LOAN PRE-APPROVALS

This graph compares the number of loan pre-approvals submitted via Loan Market brokers over the past three years. For the month ending June 2023 the volume of loan pre-approvals received was up 73.17 per cent year-on-year.



Source: Ray White Online Analytics

Photo: *127 Jonkers Road, Waitakere, Auckland | Proudly marketed by Alyshia Marshall, Ray White Swanson*

RAY WHITE AUCTIONS REPORT HIGHER THAN AVERAGE CLEARANCE RATES

Sam Steele | Lead Auctioneer, Ray White New Zealand

Across the national network we have been pleased to report Ray White auction clearance rates are higher than the market average, bolstered by an increase in both success and activity.

In June, our auctions noted a 55.80 per cent success rate, which was 3.30 per cent up on the month prior, and a figure that continues to climb as market demand increases, and expectations for interest rates stabilise.

Growing optimism was further reflected in the average number of registered bidders, which was 2.80 per property - a 47 per cent increase on June last year - and further demonstrates that market dynamics are improving.

These metrics support anecdotal evidence across our sales network that buyers are becoming more active.

The percentage of total properties listed by auction also experienced a 7.90 per cent increase on June last year, rising to 35.50 per cent.

Auction activity generally increases as sellers become more confident about market conditions, so this is great news which continues to support the proven results delivered by a sale by auction.

Again, auctions continued to outperform private treaty as the preferred method of sale, with properties listed for sale by auction spending an average of 34 days on market, compared to 51 for private treaty.

Looking ahead, our auction schedule is already showing strong growth for July, and with the current positive outlook for the market going forward will continue to deliver successful results and outcomes for our clients in the marketplace.

BIDDING BY MONTH

This chart illustrates the number of registered bidders and active bidders per auction for the year to June 2023.

Source: Ray White Online Analytics

THE POLICY CHANGES AFFECTING BUYERS AND SELLERS RIGHT NOW

Ray White New Zealand

Most Kiwis will be acutely aware we're in a general election year, and experience tells us between campaign promises and pre-voting sweeteners, policy change has the potential to drive a shift in the residential housing market.

Following a period of economic uncertainty, seasonally-adjusted house sales lifted a little over two per cent month-on-month in May, according to data from the Real Estate Institute of New Zealand (REINZ).

At the same time, the number of days properties spend on the market before sale dropped to 47.

While increased transaction volumes and a soft pipeline of new listings have seen residential inventory across the country continue to decline over the last month, acting as a boost for activity, a host of recent policy changes have supported more optimistic market sentiment.

LOAN-TO-VALUE RATIOS

Introduced by the Reserve Bank of New Zealand (RBNZ) back in 2014 as a macroprudential tool to support its financial stability mandate, policymakers are constantly tweaking Loan-to-Value Ratio (LVR) settings to mitigate risks presented by high levels of housing debt.

Most recently, and surprisingly, given that headline inflation remains persistently high, the RBNZ relaxed LVR settings effective 1 June 2023.

This has resulted in relaxed lending restrictions for both owner-occupiers and residential investors, permitting banks to allocate a higher proportion of their residential loan book to borrowers with smaller deposits.

Since introducing LVR measures, they have had a powerful influence on the property market and its performance, dampening demand when more restrictive settings are in play.

We've now had a month to observe the effects of the recent relaxation in rules, with anecdotal evidence from mortgage advisors at our partners Loan Market noting that buyers are encouraged by the recent changes, which continues to support a stabilisation of sales activity.

EASING CREDIT CONDITIONS

In December 2021, the Government implemented changes to the Credit Contracts and Consumer Finance Act 2003 (CCCCFA).

Reform quickly disrupted the mortgage process, as lenders faced difficulties in evaluating borrowers' financial positions.

The changes were criticised as too restrictive and often unclear, requiring lenders to consider a broader scope of personal information when assessing borrower suitability for mortgage lending. This included the analysis of daily spending habits.

In July 2022 and again in May 2023, the rules were relaxed, which has had an observable effect on market participation by increasing buyers' purchasing power.

IMMIGRATION POLICY

This year, March recorded the number of new arrivals in New Zealand exceeding pre-pandemic levels for the first time since border closures were implemented during the pandemic.

Since the start of 2023, the Government has made an expansive suite of changes to immigration settings, aimed at attracting skilled migrants to our shores and easing acute capacity and labour shortages across various sectors.

This included adding more jobs to the Straight-to-Residence Pathway, increasing the number of 'Working Holiday' places and attracting more applicants through Special Visa categories to assist with cyclone recovery.

Additionally, we have seen the largest-ever increase in the seasonal worker scheme.

While not all new arrivals will look to buy homes, a growing population increases the physical demand for housing, and it is anticipated this will have flow-on effects for supply, demand, and upward price growth in the coming year.

SUPPORT FOR FIRST-HOME BUYERS

Over the past 12 months, the Government has removed limits on Kainga Ora-insured First Home Loans and increased price and income caps for First Home Grants.

It's estimated that the changes in lending rules could funnel more than $4 billion in Government-backed loans and grants through the system to support more first-home buyers (FHB) into the market.

International research suggests that FHB subsidies initiate price growth across all residential asset classes.

While we're yet to see this materialise, mortgage lending data from the RBNZ shows FHBs accounted for a record share of new mortgage lending (24 per cent) in May – illustrating that they have been encouraged by policy tweaks, lending rules and current market conditions to take their step onto the property ladder.

RESIDENTIAL INVESTMENT REFORM

Successive reforms in this area have considerably affected the profitability of residential investments.

The introduction of minimum standards as part of the Healthy Homes Bill, the Bright Line Test, a focus on tenant rights, and changes around the taxation of investment properties - including the removal of the ability to deduct interest expenses from income - have led to dampened demand and a diminished supply of private rental stock.

A change in Government following October's general election would likely see a reversal of some of the most punitive policies, which have the potential to significantly improve the investment case and borrowing capacity of residential assets for property investors.

Photo: 127 Jonkers Road, Waitakere, Auckland | Proudly marketed by Alyshia Marshall, Ray White Swanson

MAJOR BANK EXITS NEW ZEALAND

Loan Market | loanmarket.co.nz

One of the world's largest and most influential banking organisations, HSBC (Hong Kong and Shanghai Banking Corporation), has decided to close its wealth and personal banking business in New Zealand.

Following a strategic review which assessed the rapidly evolving commercial, regulatory and technology needs of running a sustainable retail business, the bank has found operations in New Zealand no longer feasible.

"We're committed to supporting our customers throughout the entire wind-down process and we'll honour our obligations under any existing agreements," HSBC said in a statement to stakeholders.

"There will, however, be changes to our product and service offering with immediate effect," it added.

WHAT THIS MEANS FOR YOU

If you're an HSBC customer, get in touch with us at Loan Market, we can help to ease the stress of this change and craft a tailored path forward.

For the broader financial market, the exit of such a major international bank has the potential to impact the overall perception of New Zealand's financial stability, and competitive landscape.

However, given New Zealand's relatively small population and reliance on the 'big four' banks (ANZ, ASB, BNZ and Westpac), fewer customers are likely to be impacted.

Although, there are rumblings across the industry prompted by news the Commerce Commission will be conducting a comprehensive review of competition within the banking sector. Watch this space.

NEW HOME LOANS

As of June 13 2023, HSBC said it would no longer accept new home loan applications, including top-up requests for existing home loans.

However, HSBC said that if you submitted a new home loan or top-up application before June 13 and had received a formal Letter of Offer or a pre-approval letter, it would be honoured.

Photo: 127 Jonkers Road, Waitakere, Auckland | Proudly marketed by Alyshia Marshall, Ray White Swanson

EXISTING HOME LOANS

For existing home loans with a fixed-rate maturing before September 13 2023, HSBC said it would offer a further fixed-rate term for a maximum of six months, allowing time for you to apply for finance elsewhere.

HSBC also said that if your fixed-rate matured after September 13, your loan would move onto HSBC's floating rate on the maturity date.

"We will continue to offer variable/floating rates on home loans while you identify a new financial services provider to refinance with," HSBC told customers.

REVOLVING CREDIT FACILITIES

HSBC also said, as of June 13 2023, it would no longer offer new revolving credit facilities or an increase in the limit of existing facilities.

"If you have an existing revolving credit facility and you have other term loans with us, we will continue to offer these solutions until the maturity date of the final term loan," HSBC said.

"If you're currently using the facility or have plans to do so in the near future, please engage with an alternative financial services provider and refinance elsewhere as soon as possible."

"If you have an existing revolving credit facility with us and you're not using the credit, please close this facility as soon as possible. We will provide you with sufficient notice when we're planning to close these facilities."

SAVINGS ACCOUNTS

As of June 13 2023, HSBC said it would no longer open any new current or savings accounts.

If you have a current or savings account that you're using to service an HSBC term loan or term deposit, this account must remain open until the maturity date of the final term loan or term deposit.

HSBC said its HSBC Debit Mastercard would cease earlier than most of its other services, with November 30 2023 being the last day for card transactions.

If you have your salary deposited into your current or savings account, or you have regular payments loaded on your account or card, HSBC recommended you contact another financial services provider about switching.

PERSONAL DEBT

Again, as of June 13 2023, HSBC said it would no longer offer new personal overdrafts or increases to existing overdraft facilities.

"If you have an existing personal overdraft and you have other term loans with us, we will continue to offer these solutions until the maturity date of the final term loan. However, if you have an existing personal overdraft with us and you're not using it, please close this facility as soon as possible," HSBC said.

PROPERTY MANAGEMENT

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

Over the last month, we have seen demand continue to intensify for quality rentals across the country, with new migrant arrivals putting pressure on private rental supply.

This is occurring at the same time sales activity amongst residential investors remains subdued, as layers of tenancy compliance costs (Healthy Homes Standards), legislative changes (Residential Tenancy Amendments Act), and personal post-pandemic investment reassessments shift the value proposition for some.

Ongoing issues with supply and demand have thrust these rental standards into the headlines once again, with Kiwis' quality of life shaping up to be a key election issue.

Building integrity, the cost of living, and questions around the supply pipeline continue to inform the discussion here, driven by dialogue about the human right to housing.

CURRENT CHALLENGES

Given nearly one-third of New Zealand's households reside in rented accommodation, and nearly 40 per cent of those are managed by residential property managers, regulation within the property management sector is an issue with broad societal impacts.

It is also a topic tabled consistently in Parliament but never thoroughly addressed.

Property management remains an unregulated industry in New Zealand, which has led to challenges in delivering a consistent level of service for both landlords and tenants.

While the result of October's general election will dictate the extent of policy change, any regulation would likely offer a comforting layer of safety for stakeholders, including landlords and tenants.

Progress in this realm is an area that the entire Ray White network fully supports.

NEW SOLUTIONS

The Ministry of Housing and Urban Development continues to work on a framework to introduce national standards for the property management industry. This may or may not include training, licensing and continuing education for professional property managers.

Ultimately, it aims to introduce a Bill to Parliament covering the above in August 2023, expected to pass into legislation one year later.

We know residential property investment has become a divisive issue in previous election campaigns – evidenced by punitive measures, including the introduction of the Bright Line Test, removal of interest deductibility provisions and to-ing and fro-ing of loan-to-value ratio (LVR) restrictions for residential investors.

The only change we can really plan for is that of regulation in the property management sector.

However, what this looks like under the various political parties and their coalition agreements could be very different - an issue we will explore further in the next edition of Ray White Now.

THE RAY WHITE INITIATIVE

Our dedicated property management team are staying close to this topic and will keep our valued landlords and tenants abreast of all the latest changes as they develop.

At Ray White, we aren't content simply with the status quo. We are continually evolving minimum in-house standards for property managers as part of our long-term strategy to fortify the industry and change the perception of the property management profession.

We are tracking at exceptionally high participation in the Ray White Level Four Academy - our own industry-leading initiative to improve our service offerings across the breadth of our property management network.

As part of this, we create pathways for all staff to continue their education by completing their New Zealand Certificate in Property Management, which is recognised by the New Zealand Qualifications Authority (NZQA).

> **"RAY WHITE NEW ZEALAND HAS DEVELOPED A MINIMUM IN-HOUSE STANDARDS PROGRAMME FOR OUR PROPERTY MANAGERS, WITH 91 PER CENT OF OFFICES (AND COUNTING) HOLDING NZQA CERTIFICATE REPRESENTATION, WHICH IS AN INDUSTRY-LEADING STANDARD."**
>
> *Zac Snelling, Ray White New Zealand, Head of Property Management*

Currently, 91 per cent (and counting) of Ray White offices nationally have gained NZQA certificate representation.

In addition, I am a proud member of the Real Estate Institute of New Zealand (REINZ) property management sector group, which advocates for regulatory progress across the industry.

Our ultimate goal here is to implement efficient regulation of property managers. This will insulate landlords and tenants from current inconsistencies and the damaging impact of the few rogue operators.

While political progress has been undeniably slow, the REINZ sector group and I continue to advance high-level discussions with key politicians and major stakeholders, and I am confident we will soon see national standards introduced across the entire industry, making for safer, more effective growth across the sector.

I look forward to continued progress here, and sharing our view on the impact of the various political policies on the sector in the next edition of Ray White Now.

Until then, my team and I are nationally positioned to assist with your residential property management requests in any way we can and welcome your call.

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 11 countries.

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.

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