

## Economic Downturn Tightens Budgets

New data from realestate.co.nz indicates a nationwide downturn in property demand, a trend that extends across most regions. There's a notable downturn in buyer enthusiasm amidst economic uncertainties, signalling a substantial shift given the consistent year-on-year demand growth across most regions until now.

Economic indicators highlight a decline in consumer confidence in April, mirroring the diminishing interest in property: "The recession has instilled a sense of caution among buyers," Sarah Wood comments. (Realestate.co.nz CEO)

Approximately 59% of New Zealand's existing mortgages, by value, are set for renewal within the next 12 months. "Those who fixed their rates two years ago could see a significant jump from 3.0% to around 7.0%. This rise in interest rates is likely squeezing liquidity from the market and suppressing demand," notes Sarah Wood. (Realestate.co.nz CEO)

Adding to the subdued demand, housing inventory levels were notably high last month, reminiscent of figures from 2015. With an 18.1% increase from April 2023, the total homes available for sale stood at 33,815, contributing to the current market dynamics.

### National average asking price virtually unchanged for over a year:

"As we move into the winter months, we typically see a cooling market, and in 2024, this is combined with a softening economy. It will be interesting to see how these factors play out for the property market in the coming months," says Sarah Wood. (Realestate.co.nz CEO)

## Bay of Plenty Market Sentiment

The median price in the Bay of Plenty remains stable compared to April 2023, holding steady at \$820,000. In April, owner-occupiers and first-home buyers remained the most active buyer groups in Tauranga, while investor and owner-occupier inquiries saw an uptick in Rotorua.

Attendance at open homes varied across different areas, with some seeing steady numbers and others experiencing slight reductions due to the impact of school holidays. "However, the highest open home attendance has been on properties that are priced at \$1 million dollars and over." Says Tracey East - East Realty Director.

"Market sentiment has been significantly influenced by factors such as high listings, rising living costs, and job uncertainty. Local agents are optimistic about a potential positive shift later in the year, especially if there's an easing of interest rates." Jen Baird, REINZ CEO

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Source: realestate.co.nz & reinz.co.nz



MAY  
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## REINZ Stands Firm: Residential Property Managers Bill Crucial for Landlords and Tenants

REINZ was extremely disappointed to learn of the Coalition Government's decision not to support the Residential Property Managers Bill through further parliamentary stages. The Bill would impose minimum standards and protections on an unregulated industry that manages billions of dollars in assets for everyday New Zealanders.

Currently there are no minimum standards requiring residential property managers to ensure they are up to speed on landlord and tenant laws. There is no legal requirement for property managers to hold insurance. There are no checks and balances to ensure tenant bonds and landlords' rent monies are protected in an independent trust account. Rent and bond fraud is not uncommon. Having no safeguards for client funds puts landlords and tenants at risk.

"East Realty is proud to say that our Property Manager is REINZ accredited, and we fully endorse REINZ's advocacy for all Property Managers (PMs) to be accredited and licensed. We believe that professional accreditation is crucial in ensuring high standards, professionalism, and protection for both landlords and tenants in the property management industry." Says Trevor East - East Realty Director

### Tauranga Rental Market Update

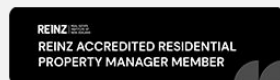
The rental market in Tauranga continues to reflect the city's desirability as a place to live. With its stunning coastal location, vibrant community, and growing economy, Tauranga remains a sought-after destination for renters. However, recent trends indicate a tightening rental market, with demand often outstripping supply. This imbalance has led to an upward pressure on rental prices in certain areas, particularly in sought-after suburbs close to amenities and schools.

Landlords are finding favourable conditions for rental investments, with strong demand driving steady rental yields. However, tenants may face challenges in finding suitable rental properties, especially in popular neighbourhoods or for specific property types.

As we move forward, keeping abreast of market fluctuations and local dynamics will be key for both landlords and tenants navigating Tauranga's rental market.

- No. Bonds Lodged in Tauranga in March 2024: **960**
- No. Bonds Closed in Tauranga in March 2024: **1,005**
- No. Bonds Active in Tauranga in March 2024: **12,411**
- Median Rental Price: **\$695 per week**

Source: [reinz.co.nz](http://reinz.co.nz)



**MARKET  
UPDATE**

