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# Quarterly Property Investment Report



August  
2024

**Properly**

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# Headlines



Median rent in NZ increases on average **+5.19%** per annum



Westpac forecast house price growth is **+6.25%** and **+4%** over the next two years



The property market is warming up with month on month sales growth of **+19.7%**



Building contents approvals are **-35%** in the last two years (compared with June 24 at 19.7%), not forecast to recover until 2025

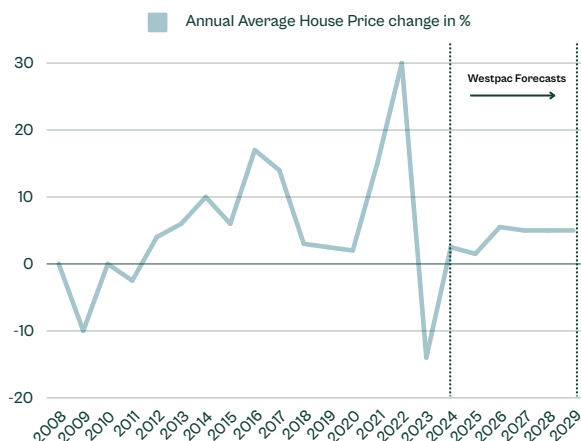


The Official Cash Rate is now dropping and is expected to be as low as **3.5 - 3.75%** in 2026

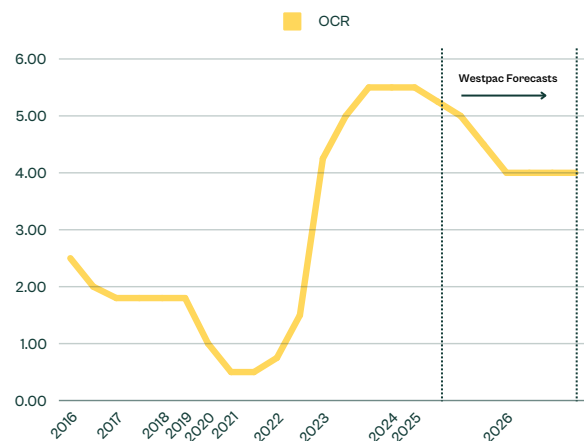
Now is a **great time to buy at the lowest price** in the cycle with an expected increase in anticipated values as we move through the cycle.



Westpac has forecast a 6.25% house price increase in 2025 and 4% in 2026, resulting in an **overall house price increase of 10.25% in 2 years.**



Westpac has forecasted a 7-8 times continuous drop of the **OCR cut to 3.5-3.75% in 2026**



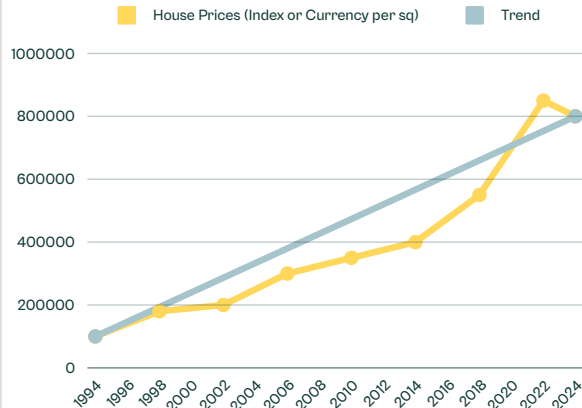
## Summary

Based on a range of market indicators we are now at stage 7 of the Property Cycle which is the best time to invest in property in New Zealand. The recent Reserve Bank OCR reduction signals the start of a series of cuts over the next 18 months that could see the OCR go as low as 3.5%. This coupled with favourable changes to NZ property tax rules, low levels of new build consents and buyers re-entering the market underpin Westpac's forecast for 10.25% growth in house prices between now and 2026. This means buying an investment property at this point of the cycle, just prior to expected increase in house prices, could result in immediate capital gain depending on the location and specification of the property. Data also tells us that over the long term house price growth and increasing weekly rent make property a proven investment to growth personal wealth.

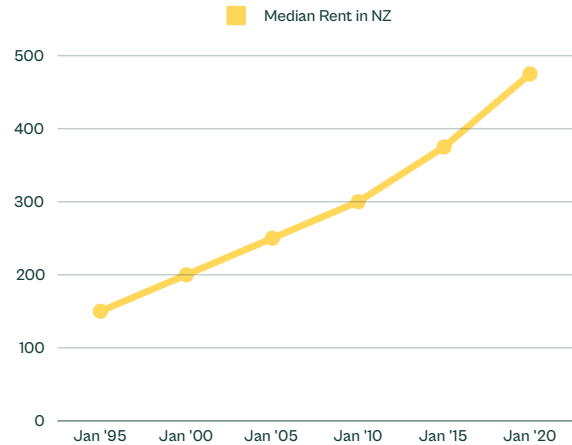
To understand how these factors might work for your personal circumstances and goals talk to a Properli Adviser about a long-term property investment plan.



There has been significant house price inflation over the past 30 years reinforcing why **NZ is a place for long term property holding.**



Over the past 20 years, rent has on average **increased by approx \$200 per week** every 5 years.



### Climate Change Indicators

OCR Cut

Tax Policies

Less Building Consents

FOMO Increase

GDP

High Unemployment

High Interest Rates

Sales Stock

Immigration

Kiwis leaving for Aus



### Building Consents Down

35%



- **New Dwelling Building Consents** are down 16% vs. 2023, and down 35% vs. the previous year 2022.
- **Supply will be lower than demand for a period of time.** Value will increase when demand rises in approx 12-18 months.
- Westpac has forecasted a continuous drop in Consent Approvals to last until mid - late 2025.



'New house' supply is dropping with decreased Building Content approvals.

'New house' demand is going to start increasing, as a result of lowering interest rates.

**National Real Estate listings** have increased by 32.3% for July 24. Excluding Auckland, Inventory levels increased 30.4%.

32%

### July 2024 Property Sales Snapshot

+14.5%  
YOY



Property Sales Count up **14.5% Nationally Year on Year**

- More buyers in the market July 24 vs. July 23

+19.7%  
MOM



Property Sales Count up **19.7% Nationally Month on Month**

- Since the OCR cut and interest rates dropping, there has been an increased in buyer interest in the property market.
- Auckland sales are up 21.5% MOM

+8.5%



**Residential listings increasing by 8.5%**, with saved properties up 5.5% and the number of people who are saving searches to be notified about again later is up 6.2% (realestate.co.nz)



**49% jump in buyer enquiries on OneRoof** compared to the same period last year, 18 days post the OCR cut (oneroof.co.nz)

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# Properli

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## Sources

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