



NZ Property Market & Tax Update

and the property implications of the
coalition agreements

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Tonight

1. The Challenges
2. Government Changes
3. Impact on the Property Market



THE CHALLENGES

The Challenges

1. Cost of Living – ouch
2. Housing – Houston we have a problem
3. Social – it's not Singapore
4. Government Tax Take and Debt – still not Singapore
5. Property Finance – good luck



CHALLENGES

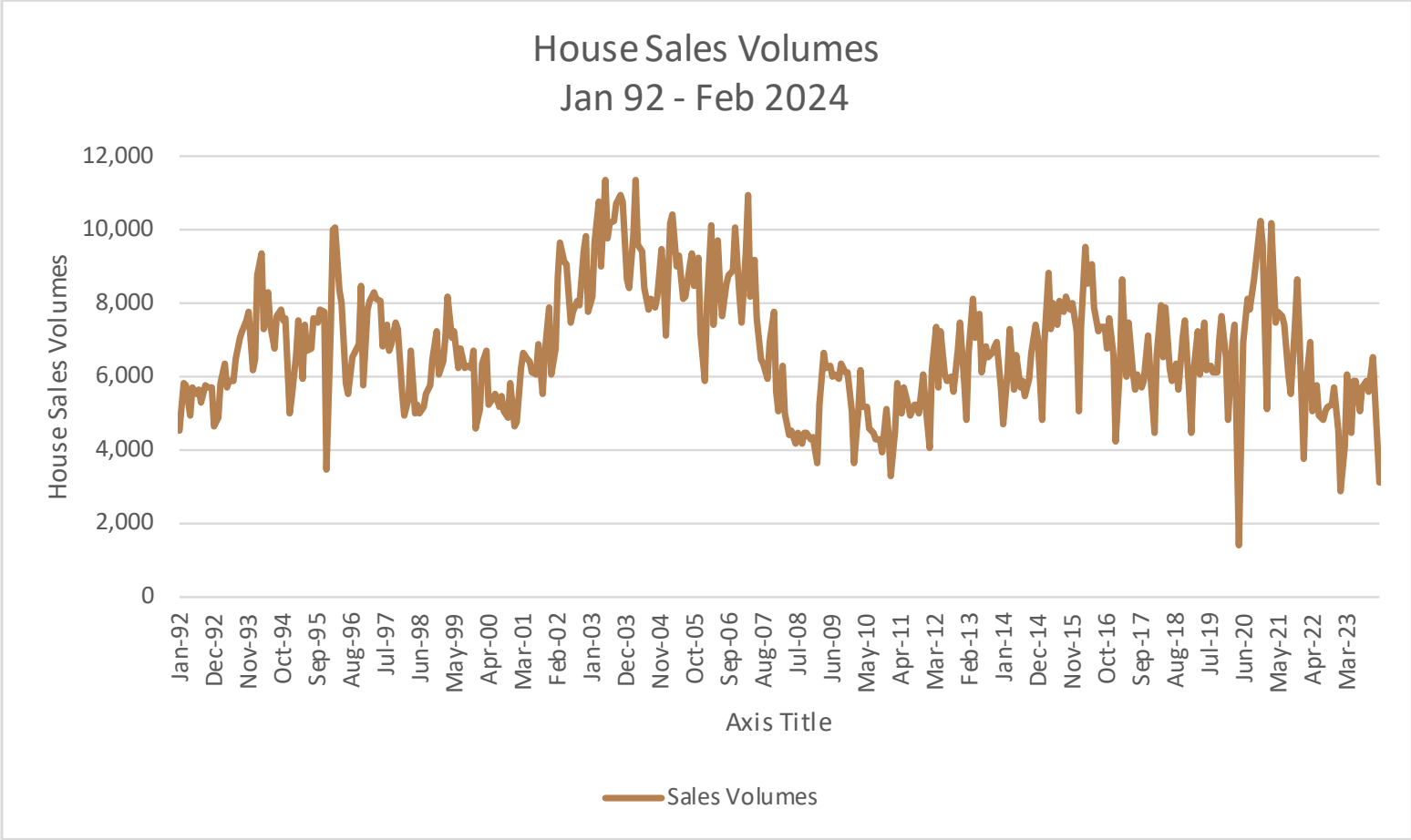
Housing

Housing

- Not enough of it
- Demand lifting

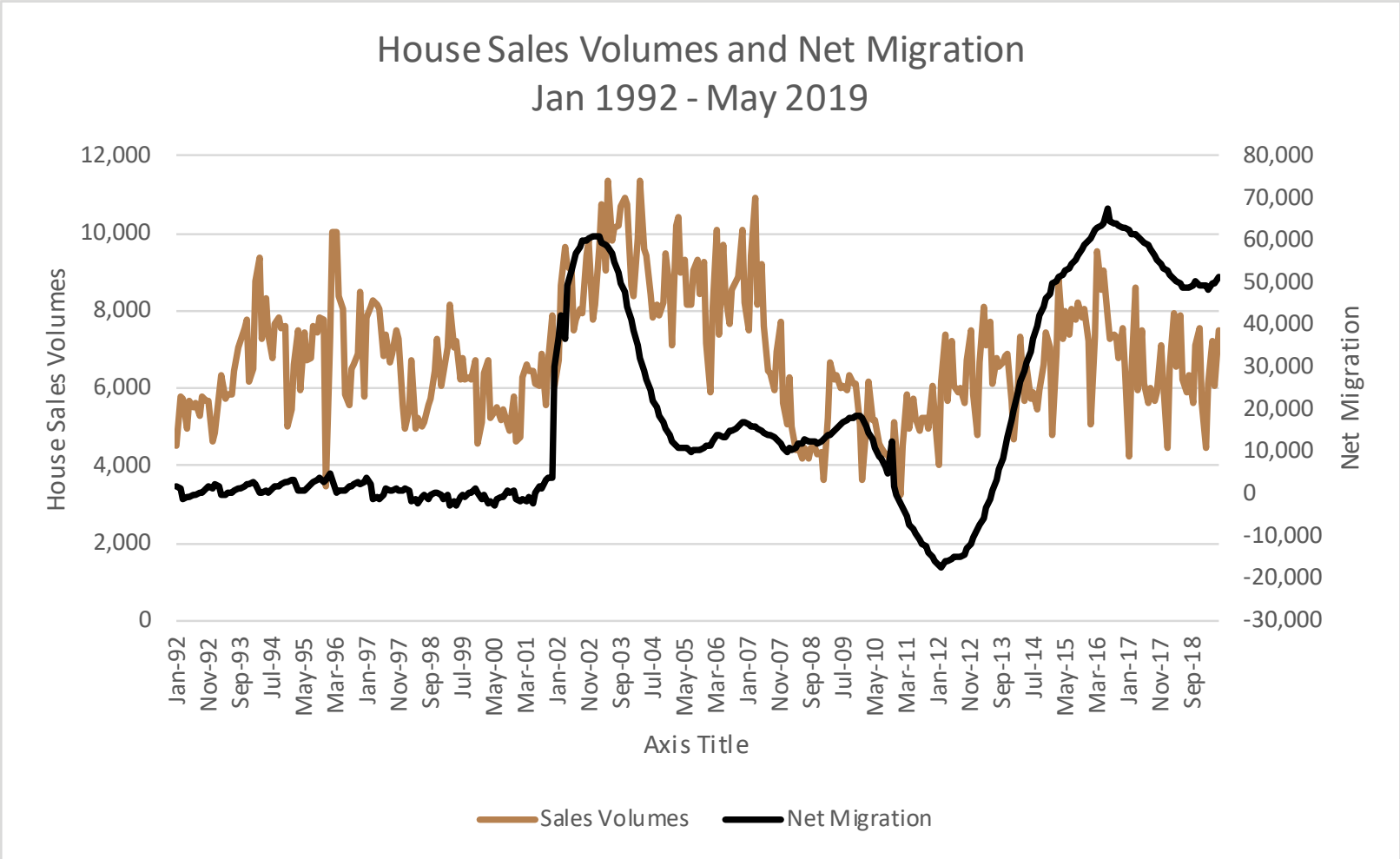


DEMAND – Sales Volumes

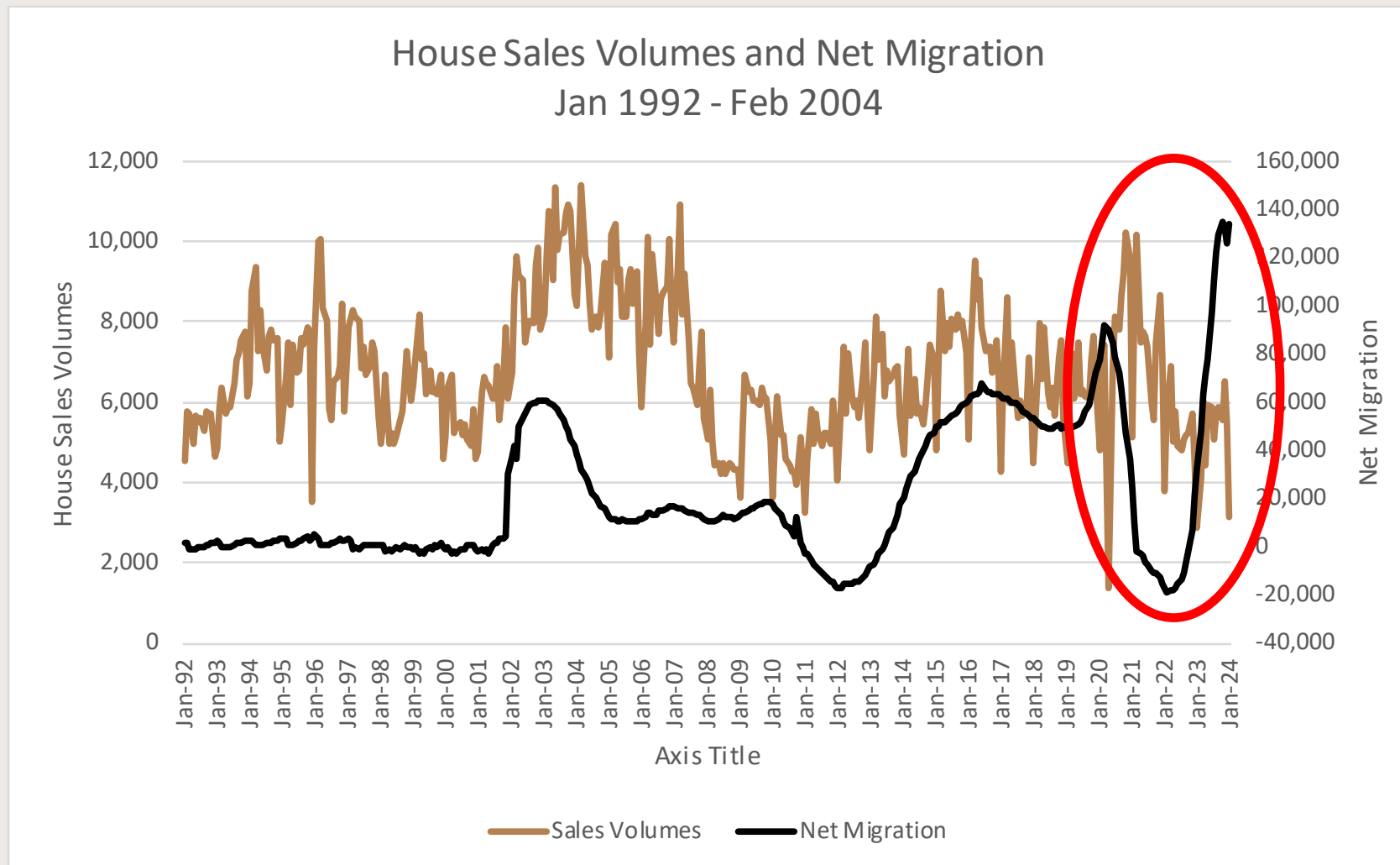




DEMAND – Net Migration v Sales Vols



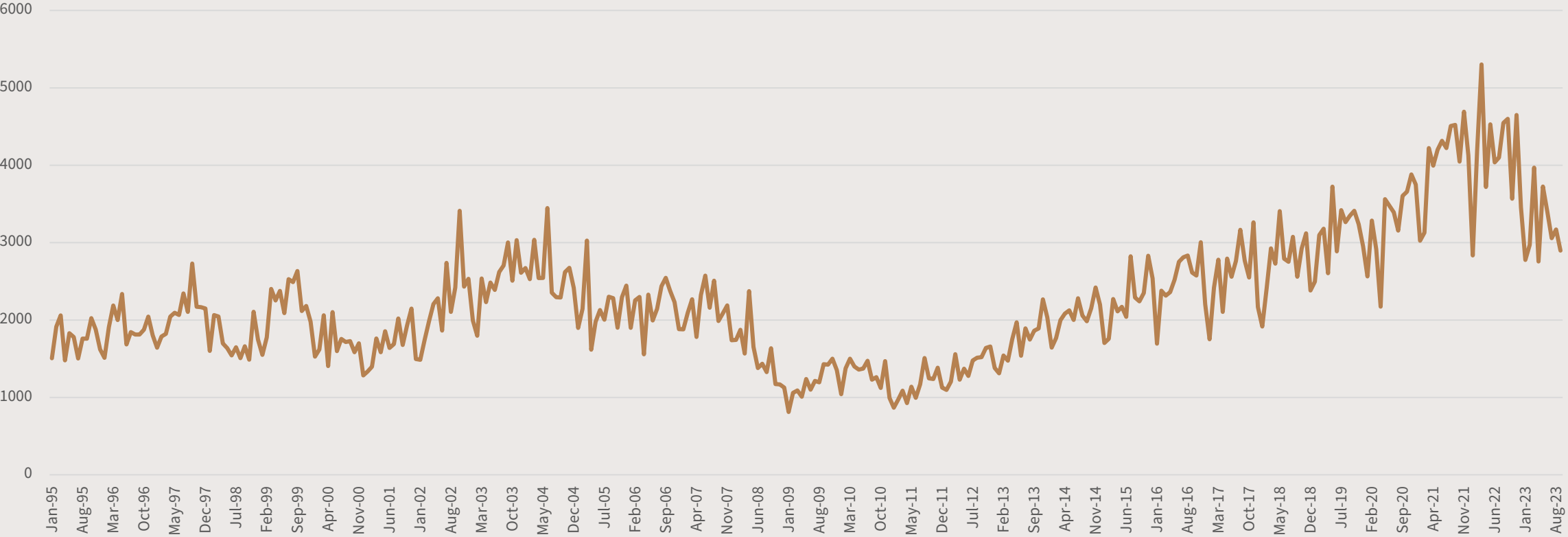
DEMAND – Net Migration v Sales Vols





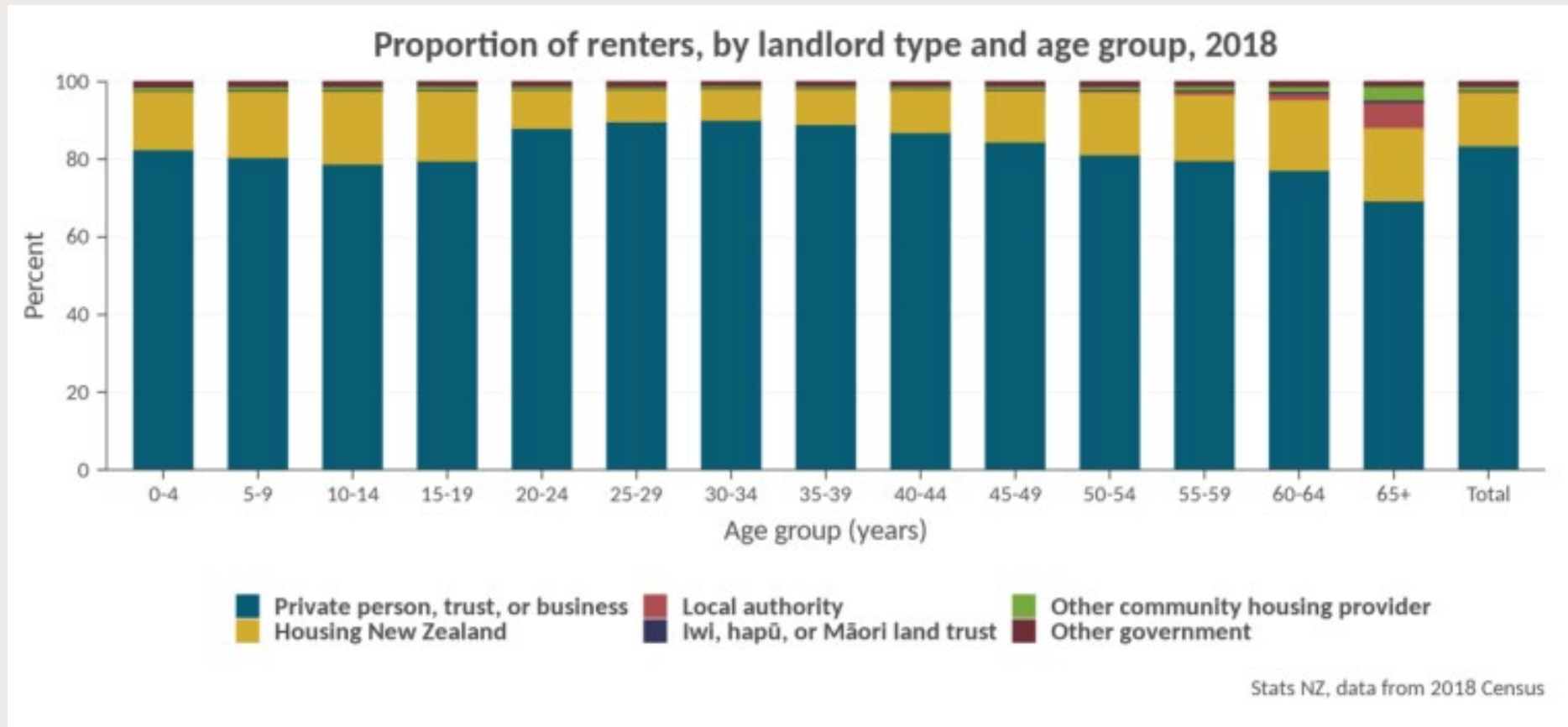
New Dwellings Consented

New dwellings consented, monthly
Jan 1995 - Sep 2023



Housing

Private landlords own about 80% of rental stock



Housing

- More people in emergency housing
- RTA and tax changes dis-incentivised private Landlords
- Housing is costly and in short supply and the people who own a large majority of rental stock have been disincentivised



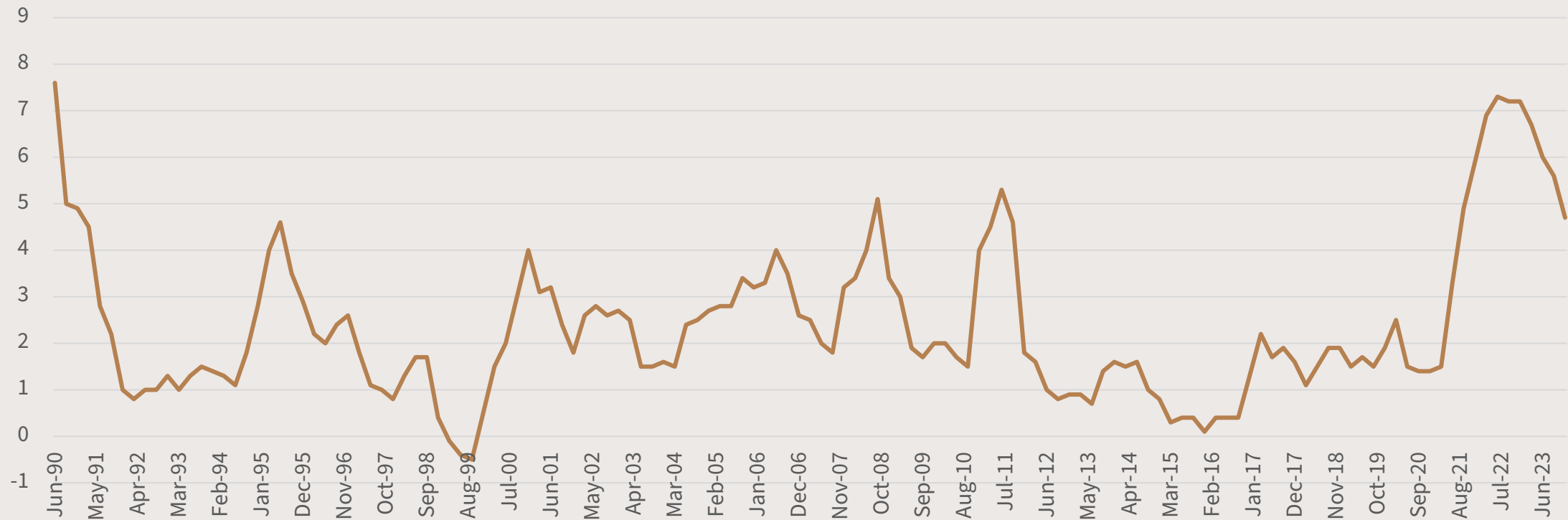
CHALLENGES

Cost of Living

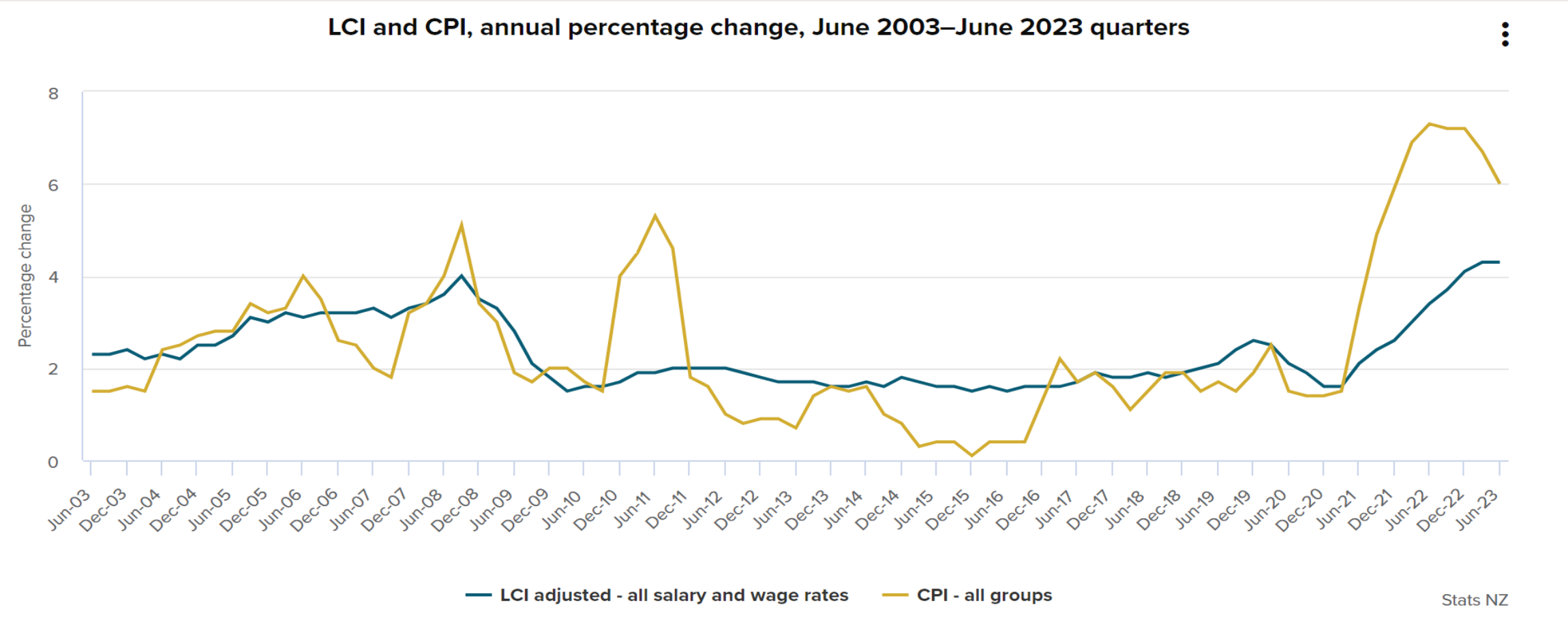
Cost of Living

Inflation is easing

NZ Inflation Rate
1990 – 2023



Wage Growth





CHALLENGES

Social









CHALLENGES

Government Revenue
Cost & Infrastructure

Government Revenue / Cost & Infrastructure

- Less tax take
- Crown debt – up from \$6b pre Covid to \$71b
- Potholes



CHALLENGES

Finance



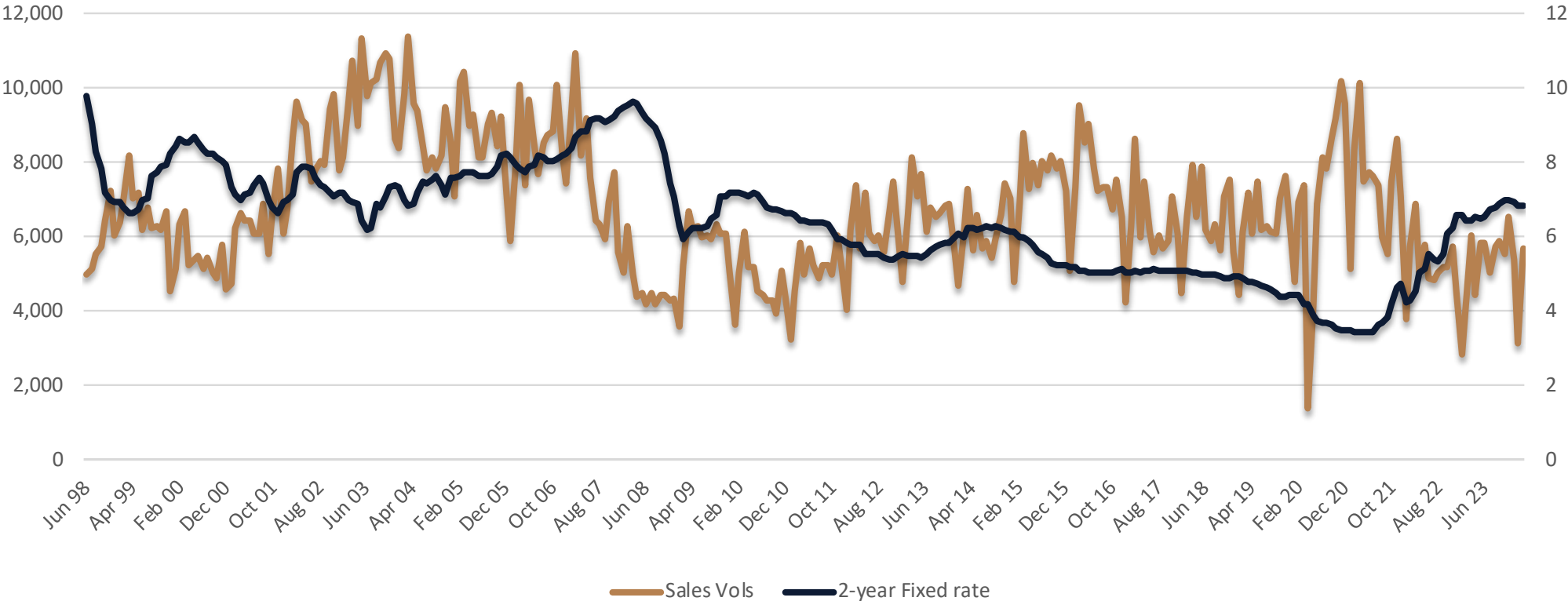
2-year Fixed Rate Jun 1998 - Feb 2024





Sales Volumes v 2-year Fixed Rate

Jun 1998 - Feb 2024





THE CHANGES

Area	Topic	Detail
Housing	Interest deductibility	<ul style="list-style-type: none"> • FY24 0% • FY25 80% • FY26 on 100%
	Brightline Test	<ul style="list-style-type: none"> • Back to 2 years • Tax at marginal tax rate if sell within 2 years of purchase • Applies to properties sold from 1 July 2024 onwards
	RMA	<ul style="list-style-type: none"> • Repeal Labour changes?
	Tenancy	<ul style="list-style-type: none"> • 90-day notice without giving a reason or applying to the tenancy tribunal. • Return tenants' notice period to 21 days and landlords to 42 if the tenant wants to move or landlord wants to sell a property. • Use Kiwisaver as bond • Fixed term tenancies don't automatically roll to periodic • 12 month rent increases and Healthy Homes here to stay – good idea.
	State housing	<ul style="list-style-type: none"> • Agnostic about own or lease
	Zoning /	<ul style="list-style-type: none"> • Medium Density Residential Standards (MDRS) optional for councils • Share GST from house sales with councils

Area	Topic	Detail
Infrastructure	Projects	<ul style="list-style-type: none"> • Public Private partnerships • National Infrastructure agency • 4 Lane highway around the Brynderwyns (SH1 to Whangarei)
Fiscal	Savings	<ul style="list-style-type: none"> • All government departments to deliver savings of 6% - 7%
Social	Education	<ul style="list-style-type: none"> • An hour of reading and writing every day • Teachers spend more time learning how to teach • Standardized assessment
	Crime	<ul style="list-style-type: none"> • Tougher on gangs • Youth sentencing (to stop ram raids)?
	Welfare	<ul style="list-style-type: none"> • More accountability for those on benefits



THE IMPACT

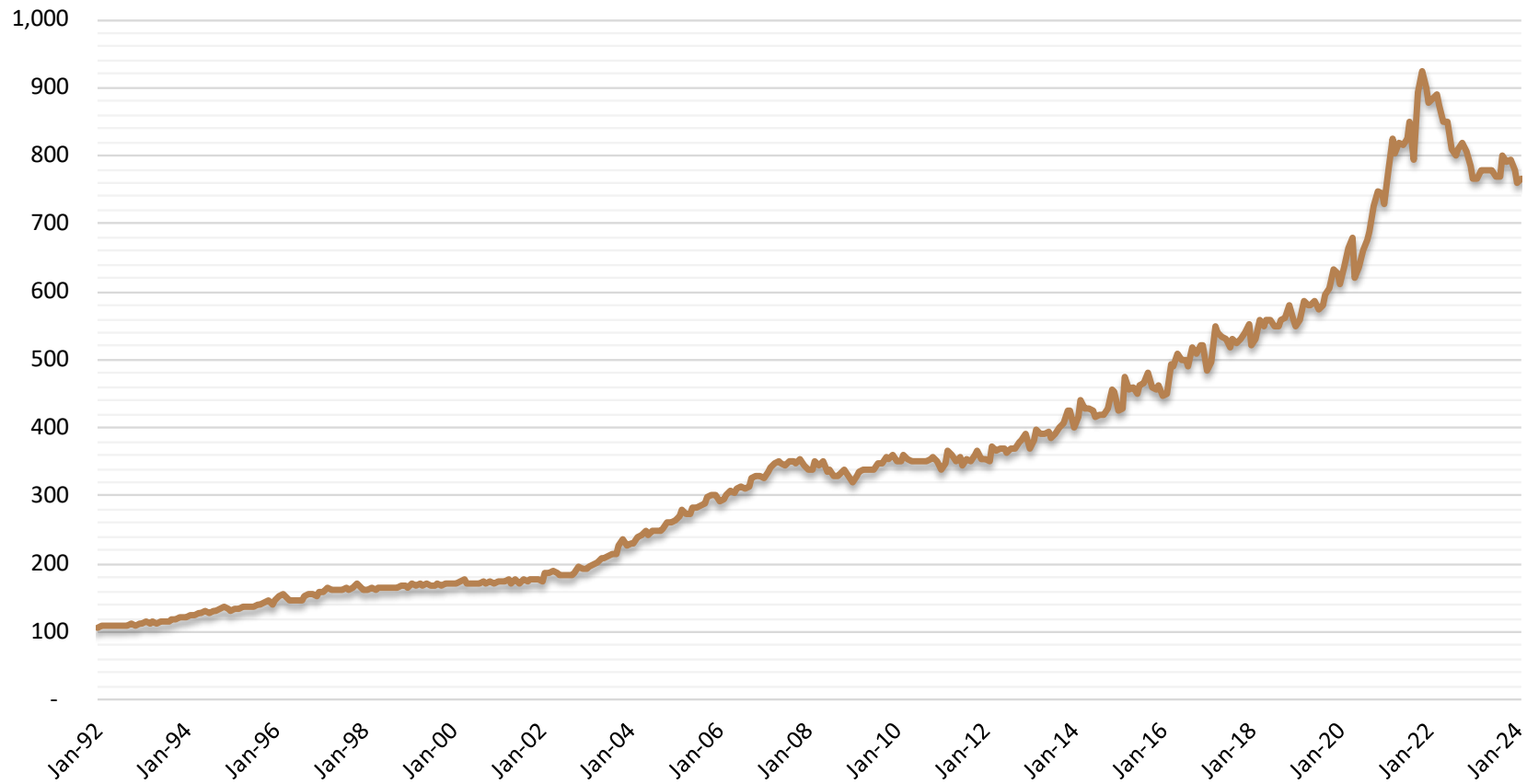
Housing

1. Lest We Forget
2. Demand and Supply Imbalance
3. Open the Flood Gates
4. Anything Can Happen



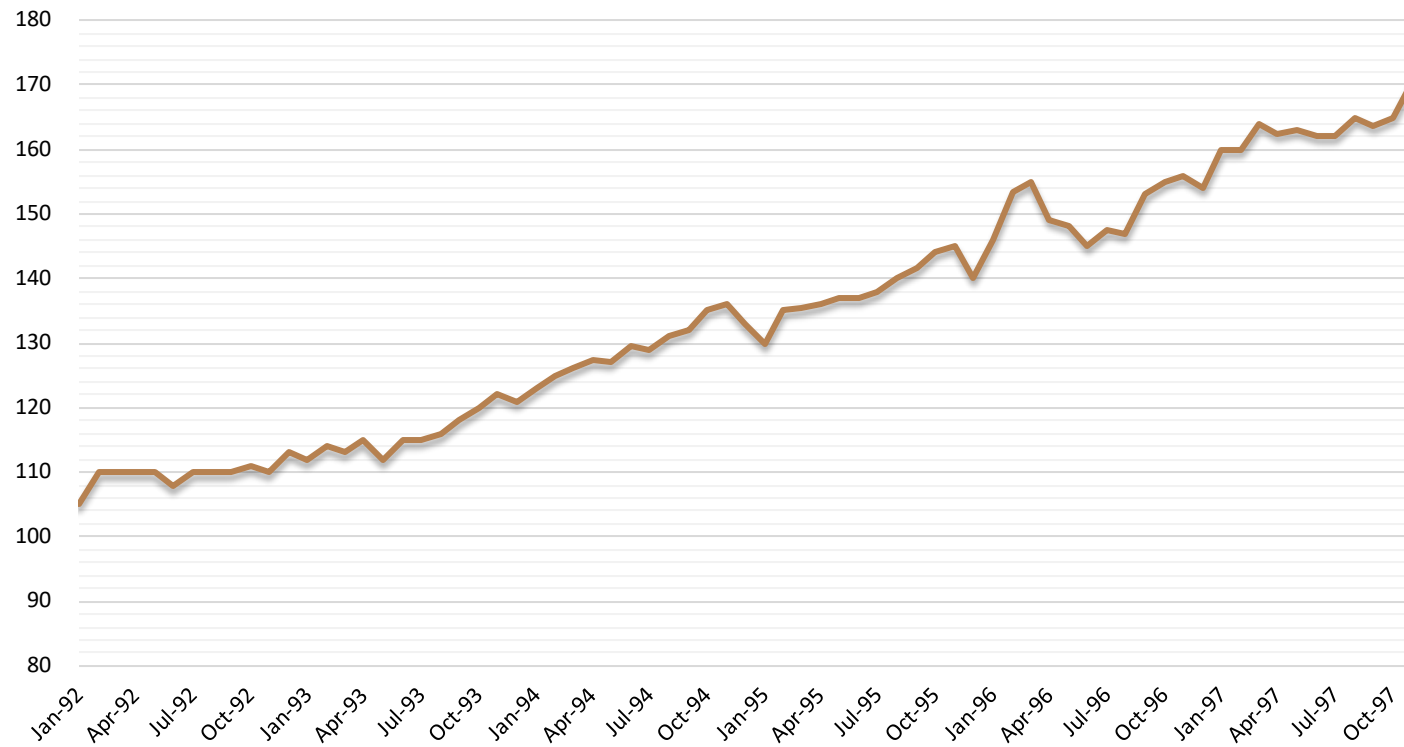
1. Lest We Forget

Stratified Median House Price \$000's Jan 1992 - Feb 2024

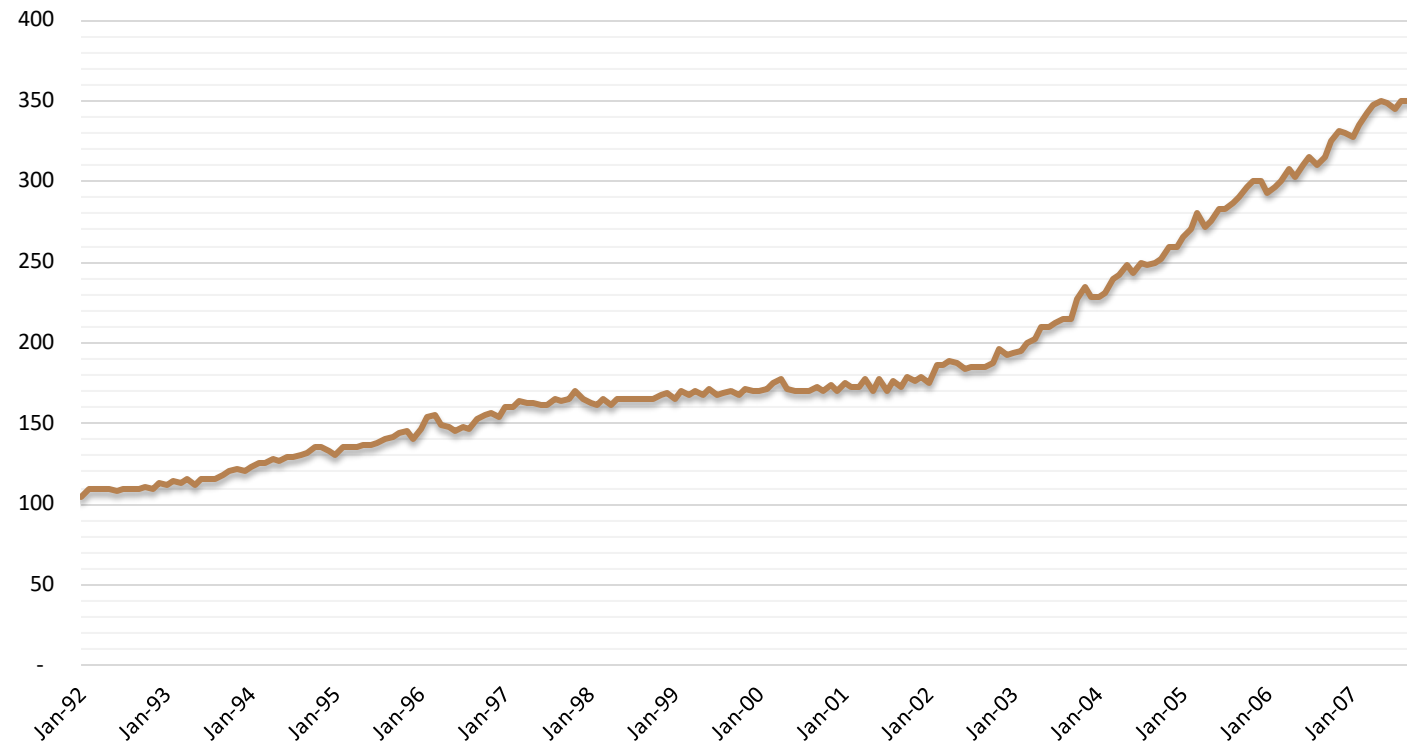




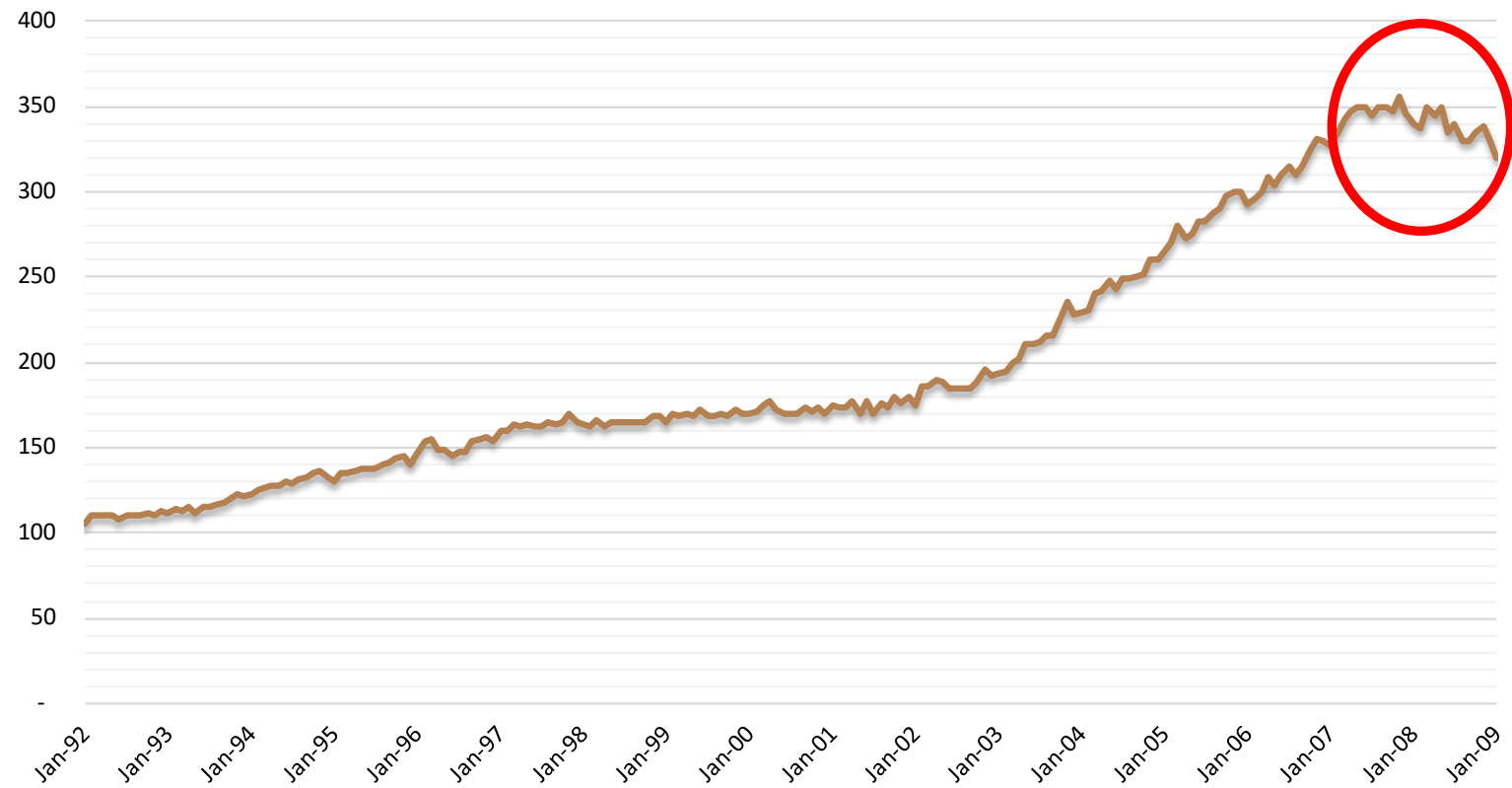
Stratified Median House Price \$000's Jan 1992 - Nov 1997



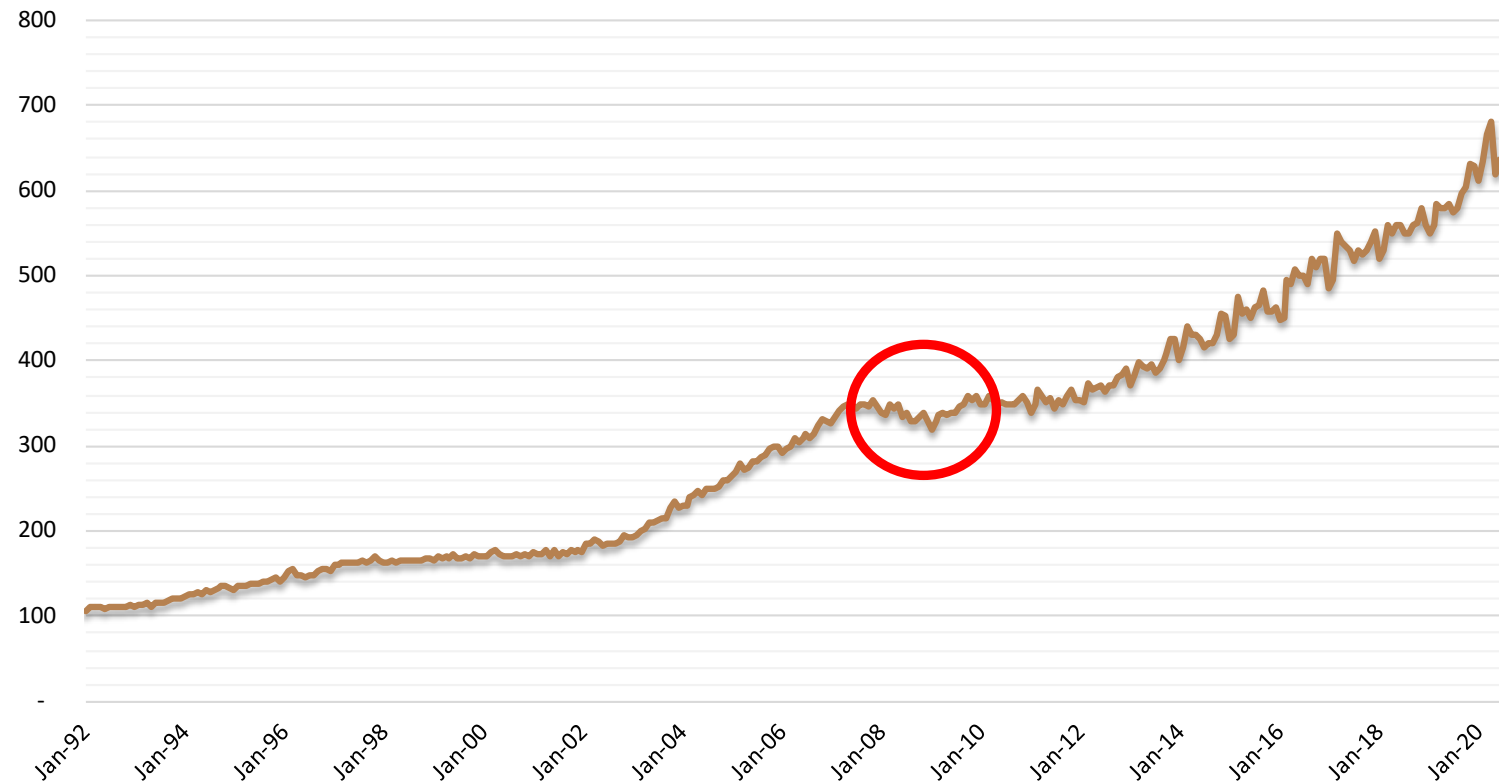
Stratified Median House Price \$000's Jan 1992 - Oct 2027



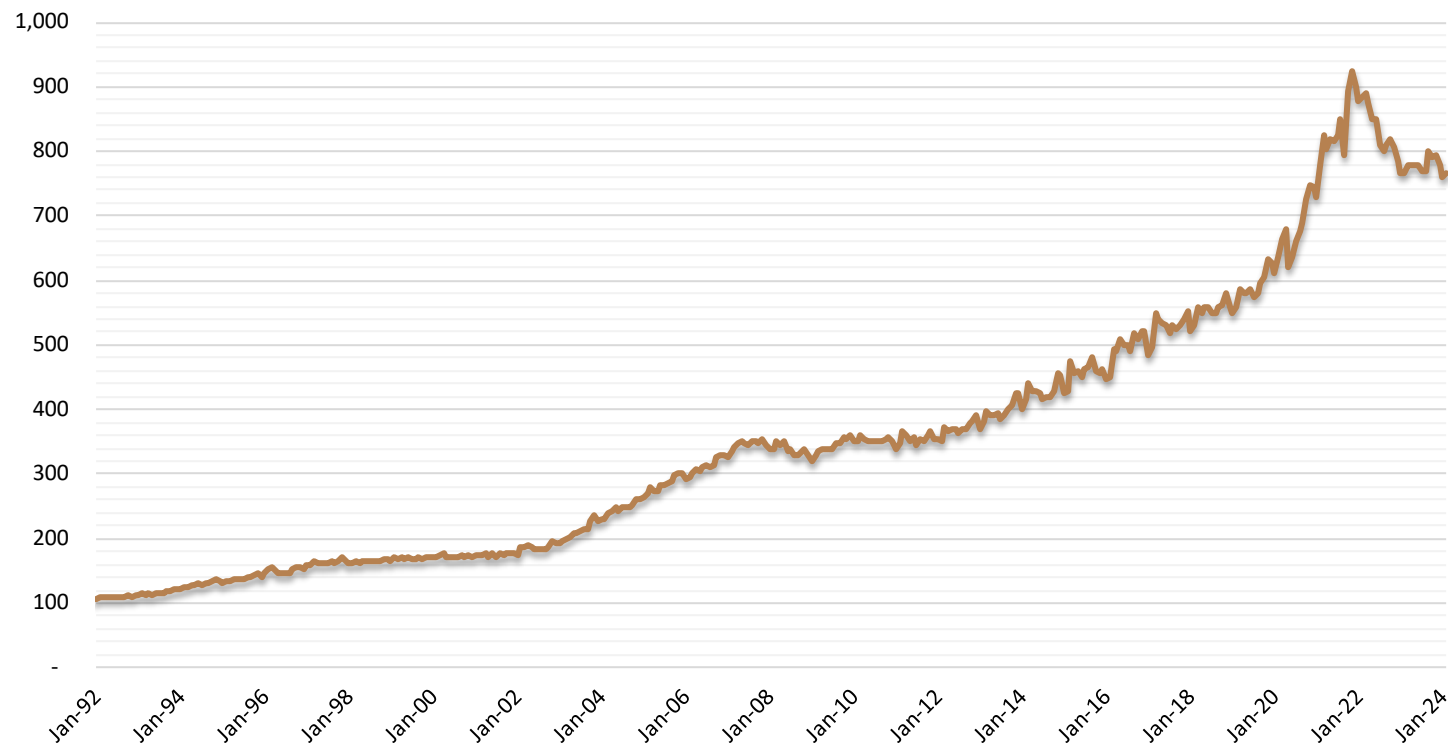
Stratified Median House Price \$000's Jan 1992 - Jan 2009



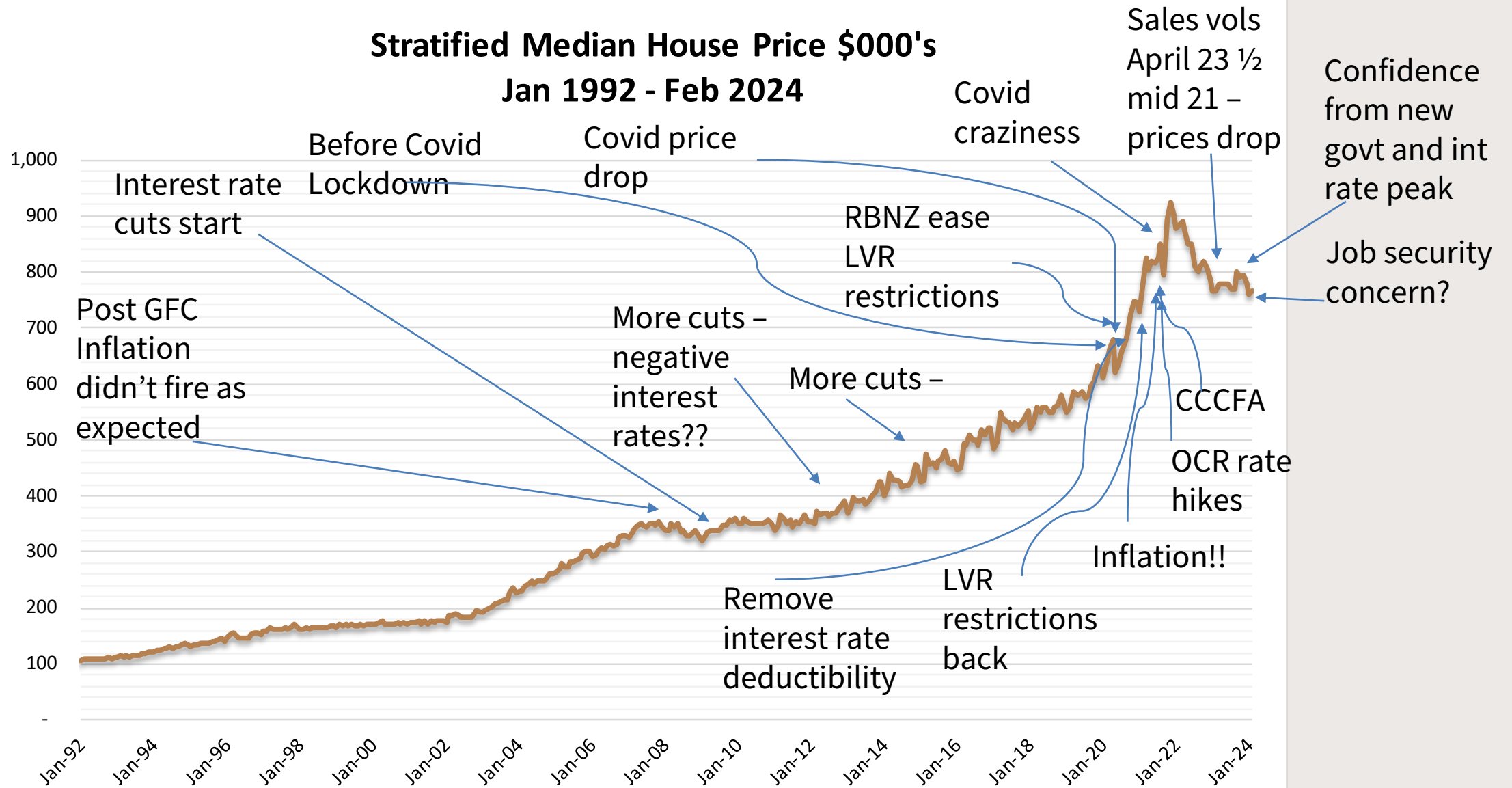
Stratified Median House Price \$000's Jan 1992 - Jun 2020



Stratified Median House Price \$000's Jan 1992 - Feb 2024



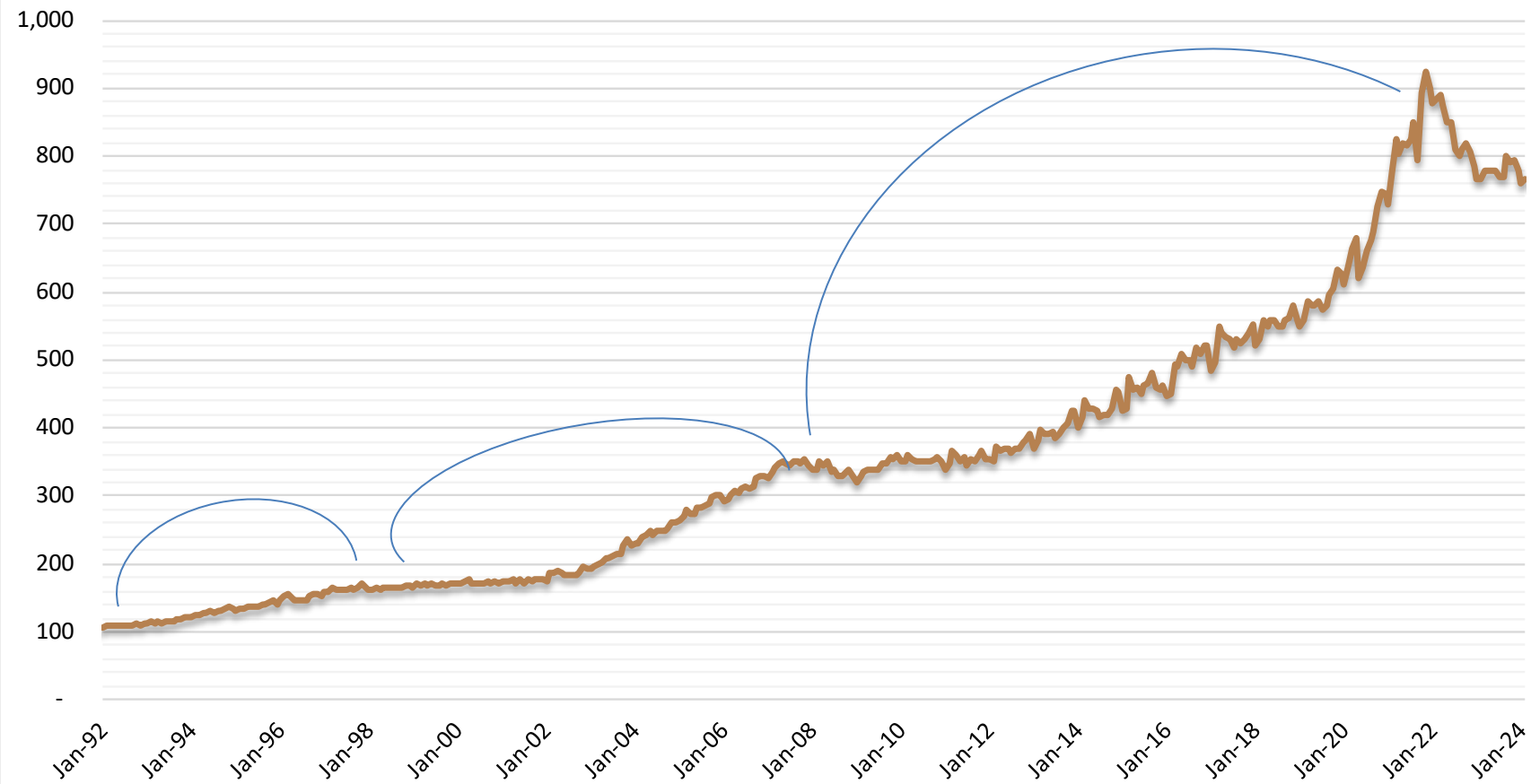
Stratified Median House Price \$000's Jan 1992 - Feb 2024



What's the Point?



Stratified Median House Price \$000's Jan 1992 - Feb 2024





2. Demand v Supply







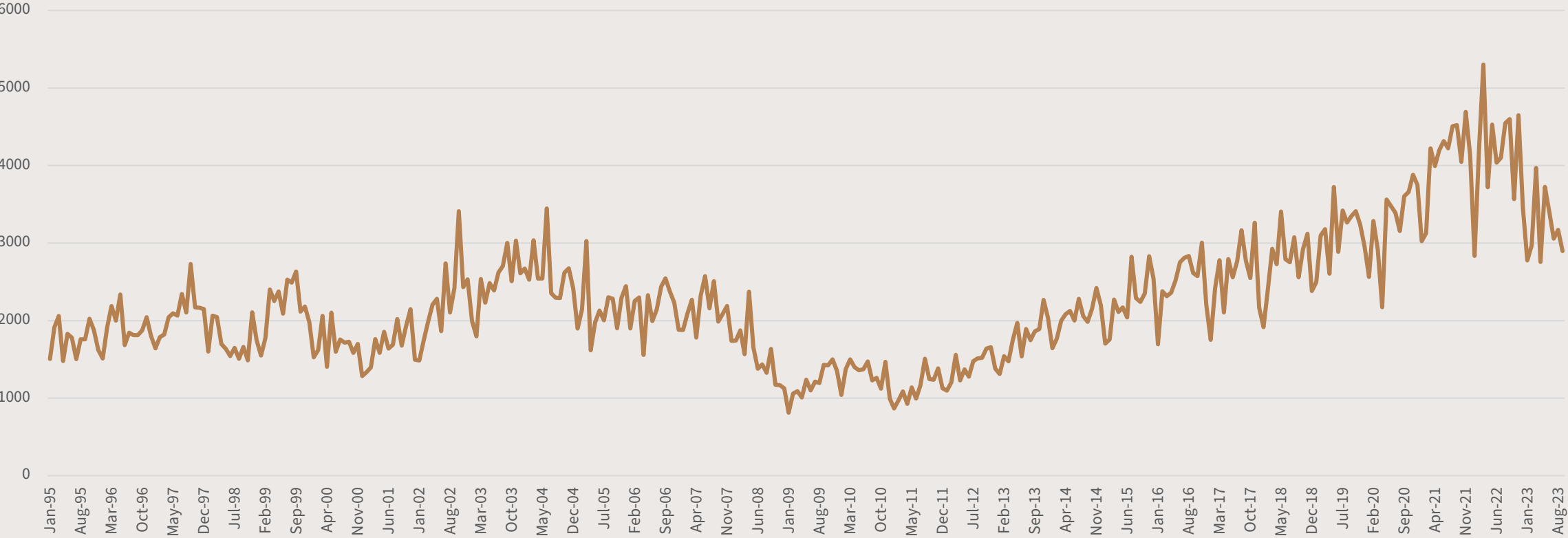


3. Open the Flood Gates



But Don't Forget...

New dwellings consented, monthly
Jan 1995 - Sep 2023





4. Anything Can Happen



YOUR PROPERTY GOALS

What We Do

1. Wealth Planning Session
2. Buyer's Agent
3. Property Schemes
4. Mortgage
5. Property Management





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