

/Monthly Market Report



The National Market

Interest rates continue to be a central theme in the property market. Surveys show that fewer buyers are expressing concerns as rates begin to ease, signalling a potential shift in sentiment. However, while the pressure of rising interest rates is receding, new concerns are emerging around employment stability.

These uncertainties are casting a shadow on consumer confidence, though buyer activity in the real estate sector appears to be on the rise. First-home buyers and investors are gradually returning to the market, with a marked improvement in the availability of finance aiding their resurgence.

Despite these positive signs of recovery within the real estate market, broader economic sectors that rely on consumer spending are showing more subdued performance. Businesses are increasingly worried about cash flow, as households indicate plans to reduce discretionary spending. The knock-on effect of these economic concerns is keeping overall market confidence in check, even as the real estate sector takes tentative steps toward stabilisation.

Landlords, on the other hand, are facing a more complex set of challenges. Securing reliable tenants is becoming increasingly difficult, in part due to falling net migration. The influx of unsold properties being added to the rental market by developers is also contributing to the increased competition for tenants.

This shift is causing fewer landlords to plan rent increases, despite the improving market conditions. On the upside, worries about declining house prices are diminishing as confidence starts to return.

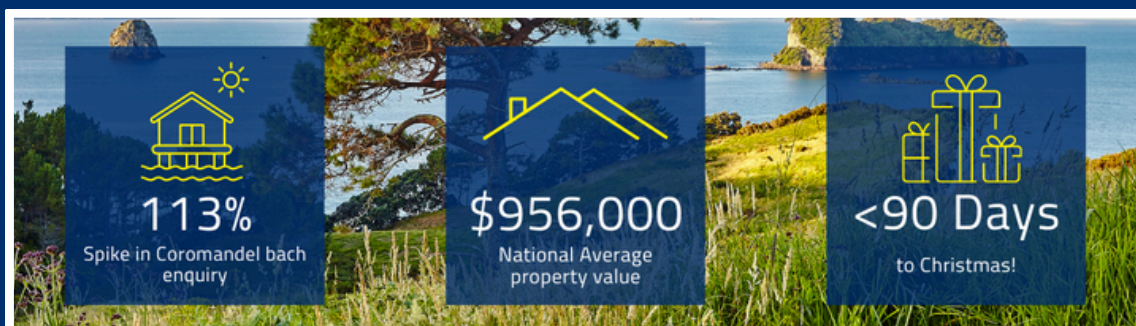
Tauranga has been a notable standout, with buyer interest soaring by 20.4% in the 18 days following the Official Cash Rate (OCR) announcement and an impressive 107% year-on-year increase. This spike in activity is unsurprising, given that Tauranga's rents are among the highest in the country.

Investor concerns have also shifted. While rising council rates and increasing insurance premiums remain at the forefront of their minds, anxieties around house prices and mortgage rates are beginning to ease. As mortgage rates continue to fall, many investors are now turning their attention to timing – particularly when it comes to locking in longer-term fixed rates.

For the time being, however, short-term fixes remain the preferred option, with most market watchers predicting that this trend will continue until around 2026, when more significant changes in the economic landscape are anticipated.

In summary, while the housing market is in the early stages of recovery, broader economic uncertainties persist. Employment concerns, fluctuating consumer confidence, and business cash flow pressures are all factors that will continue to influence market dynamics in the months ahead.

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The Local Market

As we move toward the end of the year, it's fair to say that the local market has faced its share of challenges. Sales activity has been somewhat intermittent, reflecting the broader national trends.

However, we are pleased to report that many of our Richardsons offices have bucked this trend, continuing to perform strongly despite the hurdles. In fact, we've seen record-breaking results in several locations, thanks to the hard work, dedication, and expertise of our team.

It's a great reminder of the power of our 'Real Local' approach, which combines deep local knowledge with a commitment to authenticity and teamwork.

On the east coast, buyer interest has been particularly strong at the lower end of the market, where properties have been attracting multiple offers – a clear sign that demand is beginning to rebound. This resurgence is encouraging and points to growing confidence among buyers.

At the higher end of the market, particularly for properties priced above \$3 million, sales this year have been fewer. All of these high-value sales have been beach or waterfront properties.

According to OneRoof, interest in beach homes is rising. Waiheke Island and the Thames-Coromandel region are leading the charge and have experienced year-on-year spikes in buyer inquiries, up by 123% and 113% respectively.

These figures highlight the enduring appeal of coastal properties, which continue to attract interest.

With Labour Weekend just around the corner, we are gearing up for a renewed marketing push. We have a range of open homes planned for the long weekend, and we anticipate that this will bring a fresh wave of interest from prospective buyers.

As always, our team is ready to provide the same high level of service and expertise that has become the hallmark of Richardsons.

