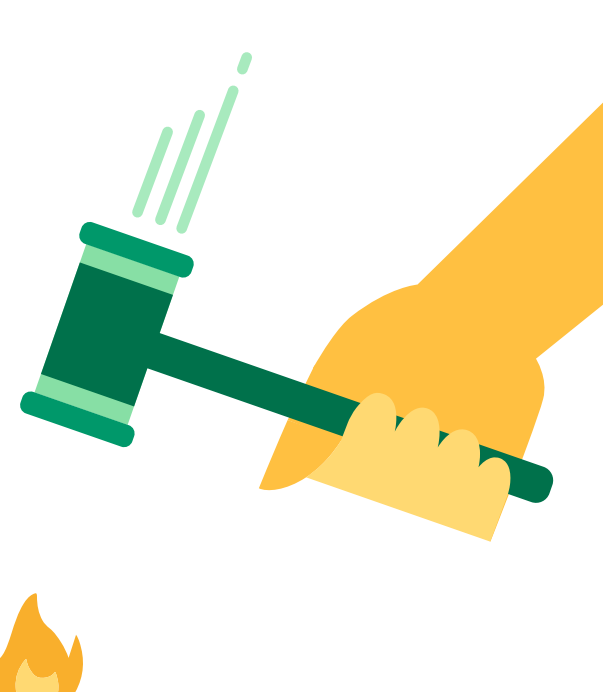


# Supply & Demand Spotlight

High buyer demand and a stock shortage around the country has seen many properties fetch **record prices** this past quarter.

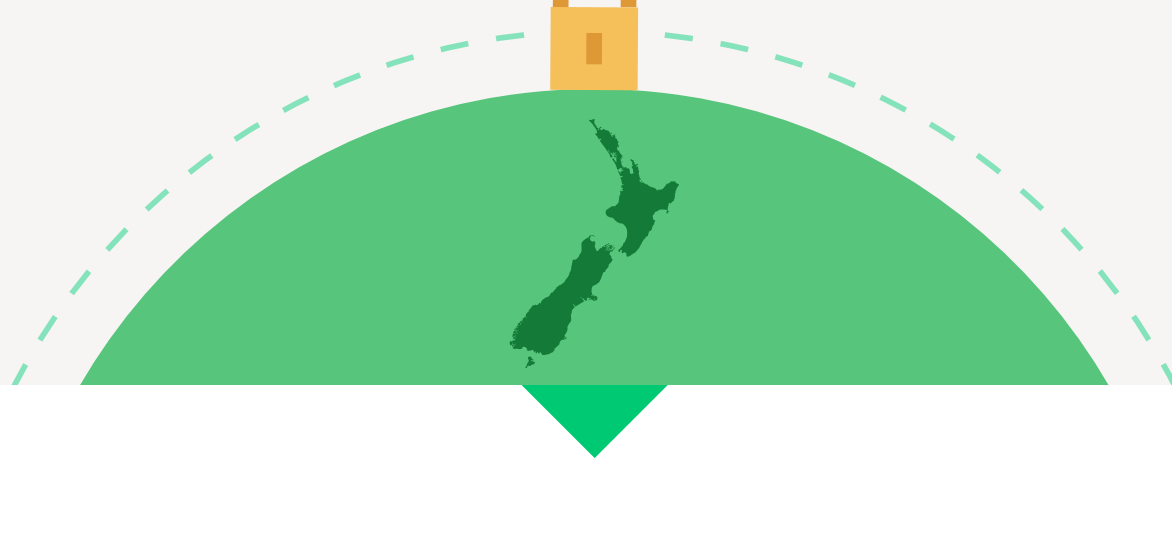


A team of 5 million and (slowly) growing.

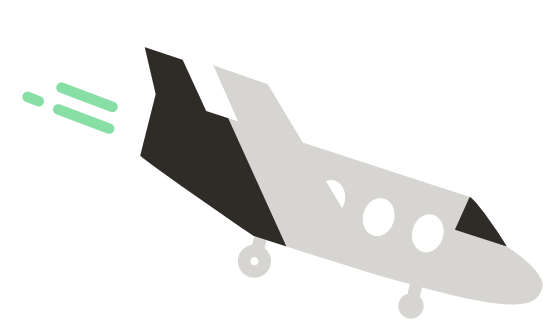
With our borders closed, the **NZ population** has slowed and is currently estimated to be:

**5,116,300**<sup>1</sup>

OVERALL GROWTH DOWN 0.6% YEAR-ON-YEAR<sup>1</sup>



Fewer New Zealand citizens came back home in 2020 than in the previous year.<sup>2</sup>



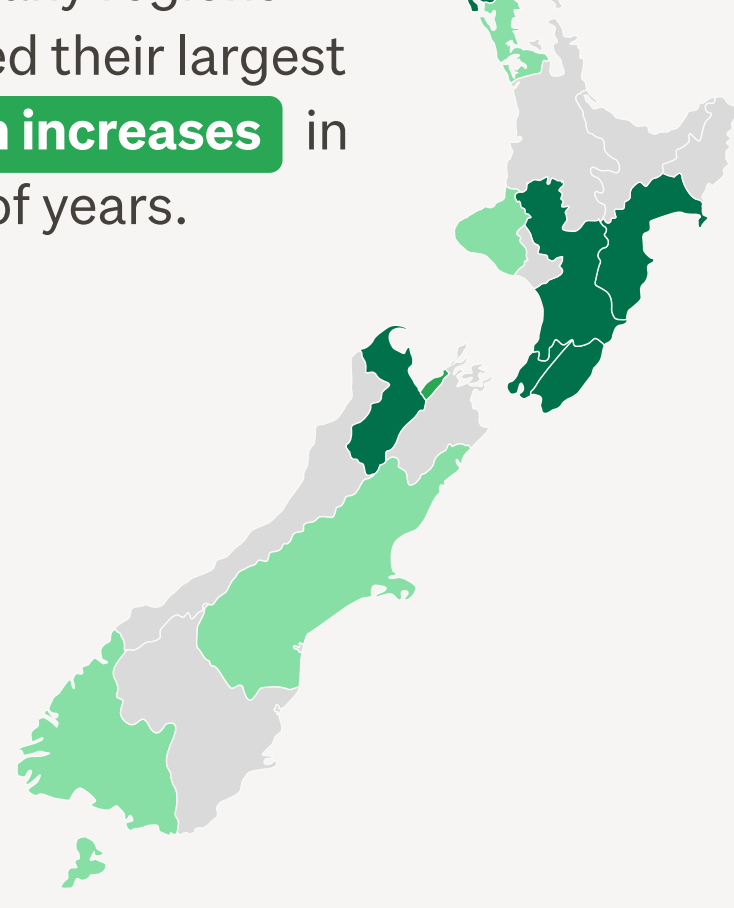
2020: 33,406 ARRIVALS<sup>2</sup>

2019: 41,119 ARRIVALS<sup>2</sup>

But with **fewer Kiwis leaving** to live overseas, NZ citizen net migration remains strong.



In 2020, many regions experienced their largest **population increases** in a number of years.



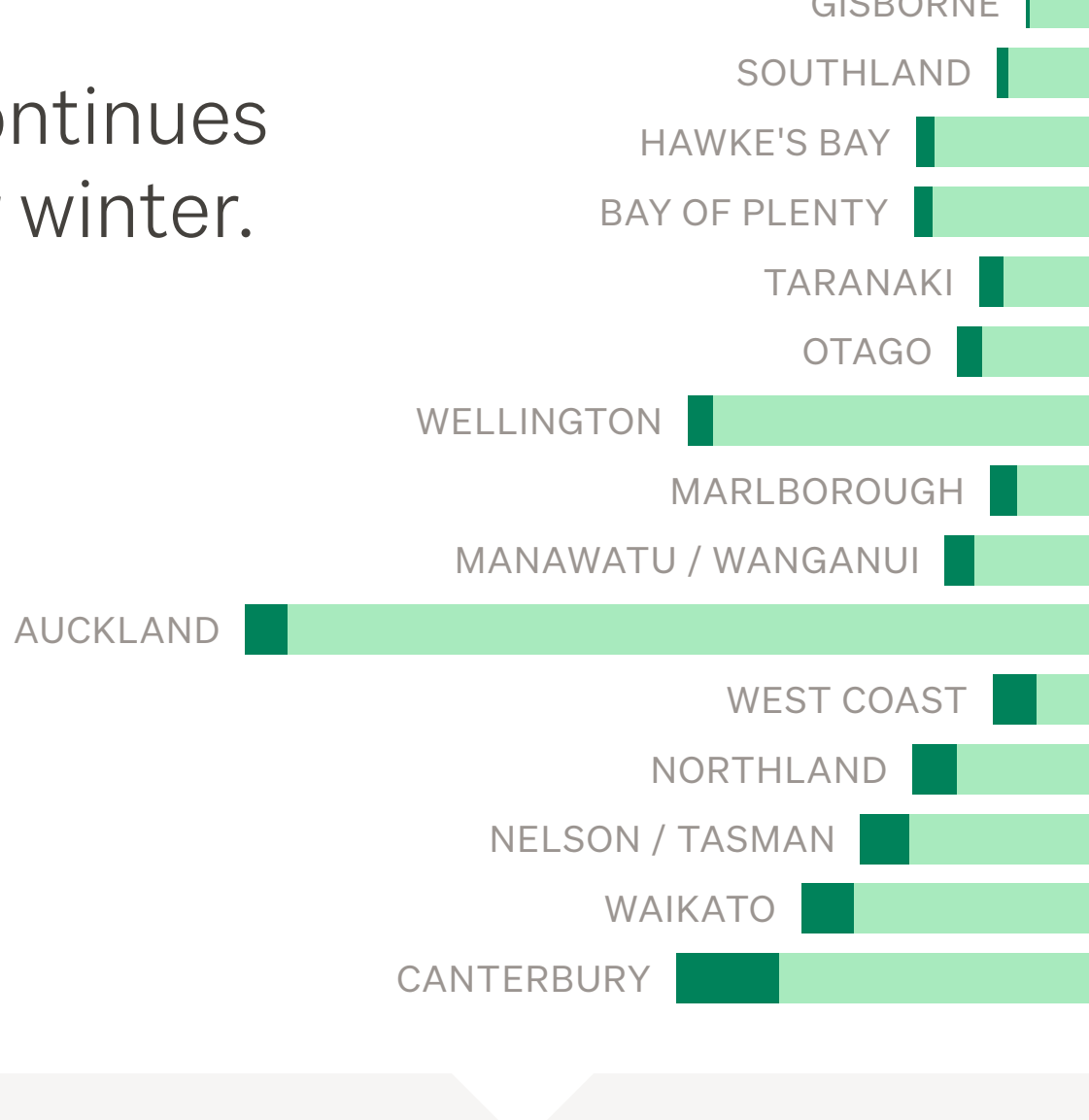
**Auckland, Taranaki, Canterbury** and **Southland** regions experienced their largest population increase since 2016<sup>3</sup>

The **Nelson** region experienced its largest population increase since 2011<sup>3</sup>

And **Wellington, Northland, Hawke's Bay, Manawatu-Wanganui,** and **Tasman** regions all experienced their largest population increases since records began.<sup>3</sup>

The property market continues to be red hot, even over winter.

Property searches in June were up in **every region**, with Canterbury seeing the biggest increase.



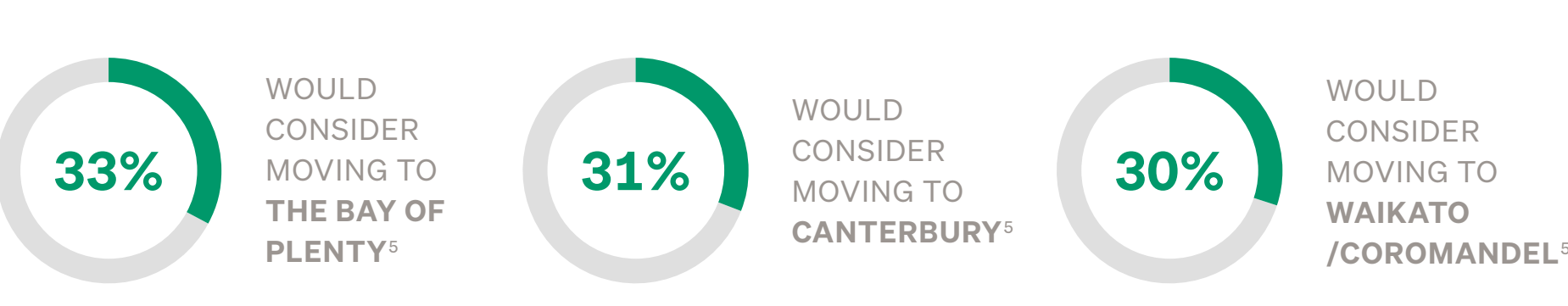
2021 INCREASE<sup>4</sup>    2020 SEARCHES<sup>4</sup>



There were an additional 366,528 searches for **Canterbury** in June 2021 compared to June 2020 - that's almost equivalent to the population size of Christchurch!<sup>4</sup>

Our first nationwide lockdown caused a surge in businesses offering flexible working. This, alongside a red hot property market hinted that city-based Kiwis may be looking to move to more affordable regions.

1 IN 5 KIWIS **would consider relocating for a job.**<sup>5</sup>



**Every region in the country** except Gisborne, Northland and Otago reached a **record average asking price in June**

with many experiencing strong, double-digit growth.<sup>6</sup>

All regions except Gisborne are experiencing a decrease in available property listings compared to the same period last year.<sup>7</sup>

"Existing owner occupiers are reluctant to enter the market as they can't find their next property. This is impacting supply and compounds an already tight market."

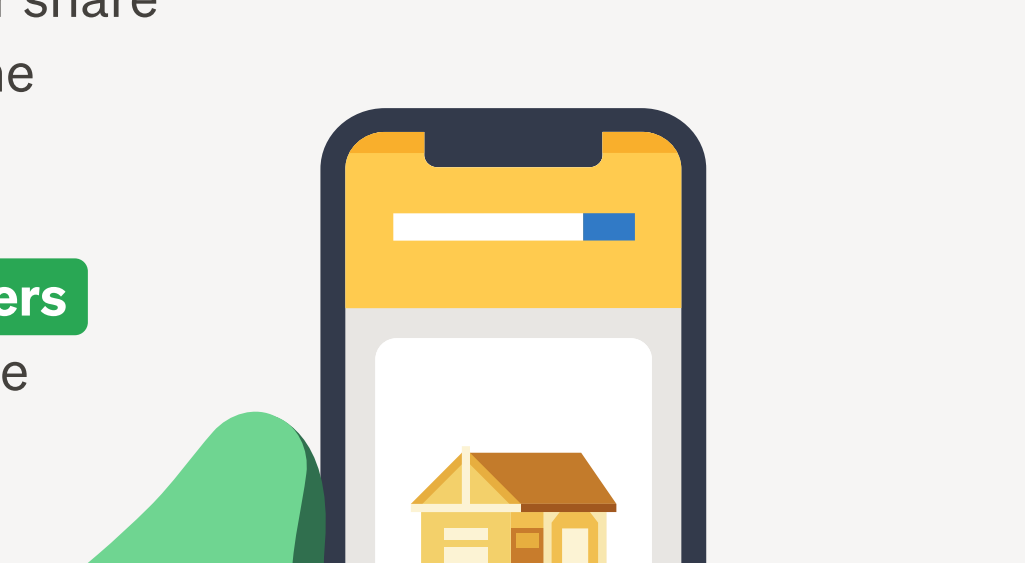
- Gavin Lloyd, Trade Me Property Sales Director

This can be seen in the **CoreLogic Buyer Classification**.

NATIONWIDE, **'MOVERS'** SHARE OF PURCHASES IS SLIGHTLY LOWER THAN USUAL.<sup>8</sup>

After a record peak for mortgaged investors' presence in the property market, their share of purchases dipped in Q2 to 25% - the lowest figure in about a year.<sup>8</sup>

This is good news for **first home buyers** who saw a 3% increase in market share in Q2 and now make up almost a quarter of all buyers.<sup>8</sup>

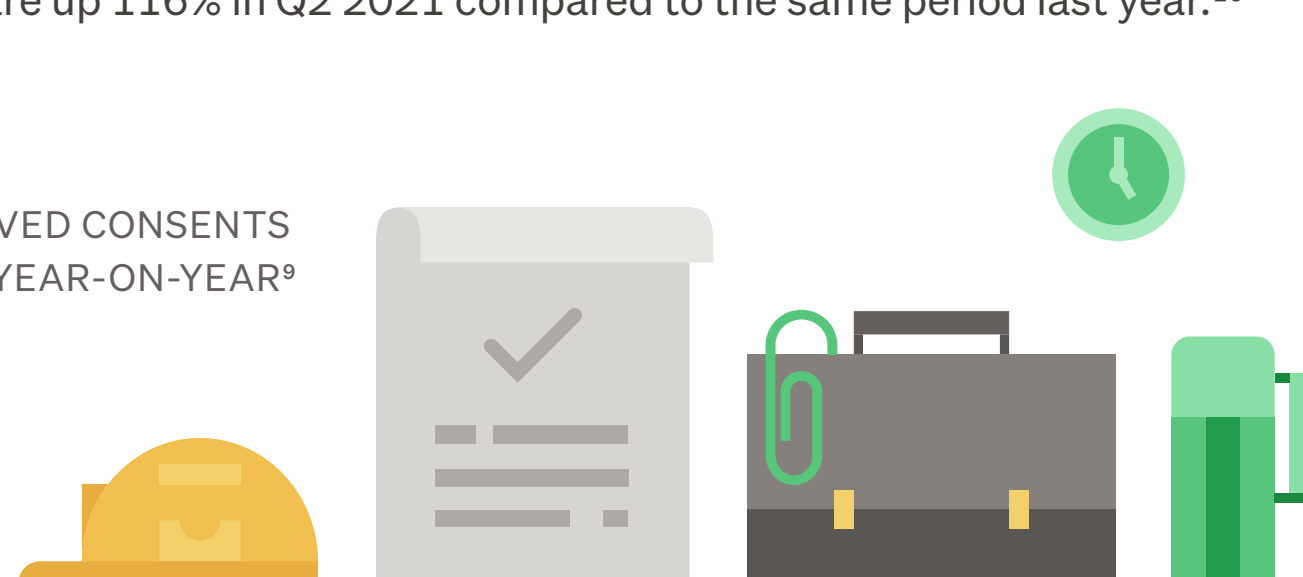


The pressure is on for the construction sector.

Building consents for new residential properties are also tracking upwards with 39,420 approved in 2020 and 12,484 approved in Q2 2021 (+35% vs Q2 2019).<sup>9</sup>

This aligns with the growth we're seeing in the construction & roading sector, where job listings are up 116% in Q2 2021 compared to the same period last year.<sup>10</sup>

APPROVED CONSENTS UP 5% YEAR-ON-YEAR<sup>9</sup>



## Sources:

1. Statistics NZ, NZ population as of 31 March 2021
2. Statistics NZ, NZ net migration, Jan - Dec 2019 compared to Jan - Dec 2020
3. Statistics NZ, population increase by region, 1996 - 2021
4. Trade Me Property site statistics, searches by region, 1-30 June 2021 compared to 1-30 June 2020
5. Trade Me Jobs, Job Hunter survey, May 2021
6. Trade Me June 2021 Property Price Index, asking prices, June 2021 compared to previous Junes
7. Trade Me Property site statistics, listings on site, 1-30 June 2021 compared to 1-30 June 2020
8. CoreLogic Q2 2021 Property Market and Economic Update report, Buyer Classification data, page 24
9. Statistics NZ, building consents by region (quarterly), Q1 2019 - Q4 2019 compared to Q1 2020 - Q4 2020, and Q2 2019 compared to Q2 2021
10. Trade Me Jobs site statistics, construction & roading category listings, April - June 2021