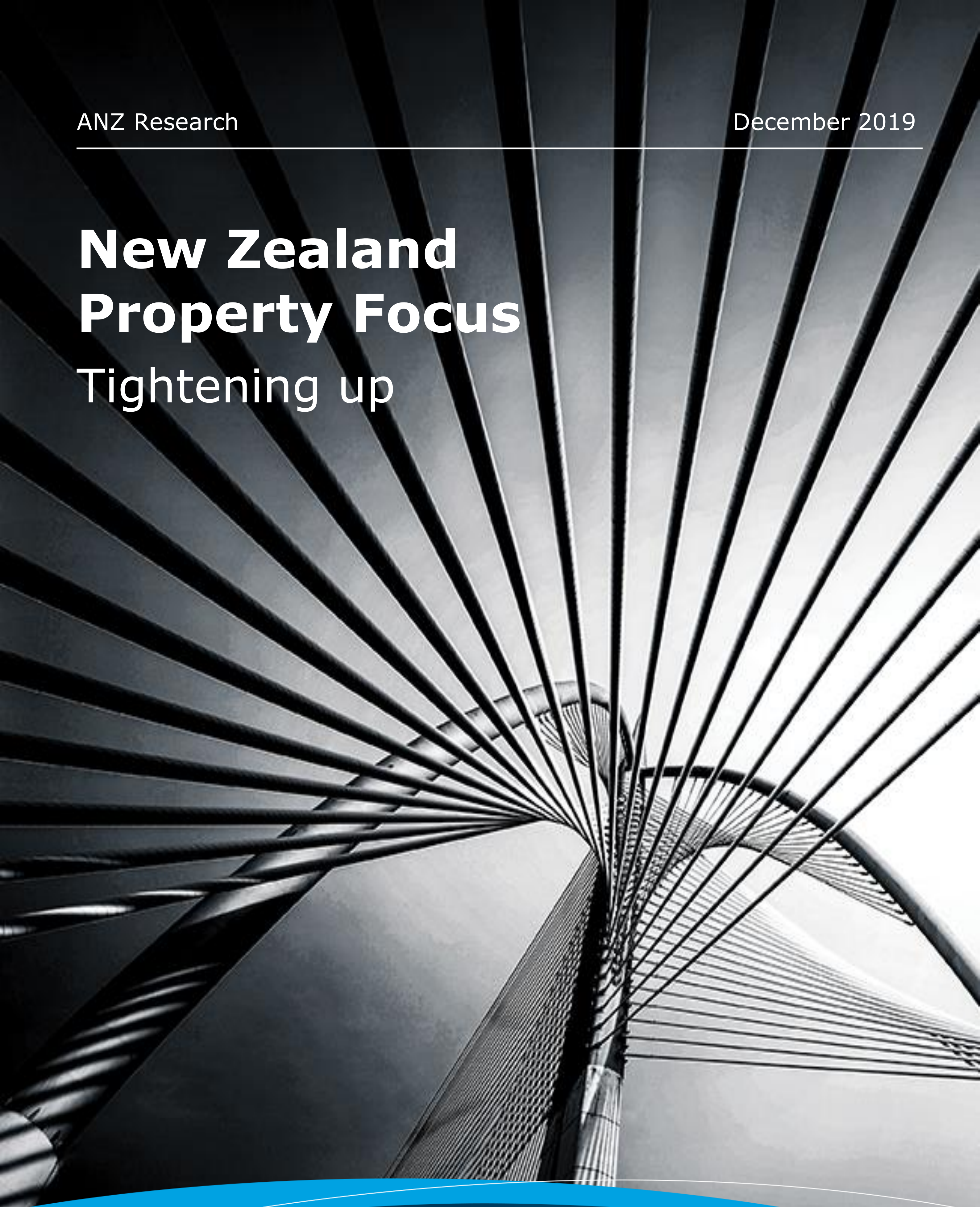
New Zealand Property Focus

Tightening up



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INSIDE

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Summary

Our monthly *Property Focus* publication provides an independent appraisal of recent developments in the residential property market.

Feature Article: Chief Economist's Corner

The state of the New Zealand economy can both reflect and determine the fate of the housing market. Some of this simply reflects that population growth swings are a huge driver of both the New Zealand economic cycle and the housing market. But it is also true that the housing cycle – both construction and prices – has a big impact in and of itself. The construction sector provides 9% of jobs. And the state of the housing market has a big say in consumers' willingness to spend. So to round out 2019, let's take a look at the state of the broader New Zealand economy, and put the housing market in context.

Property gauges

The housing market is tightening up on the back of lower mortgage rates. House price inflation continues to accelerate, up 4.2% y/y nationally in November. And while regional divergence remains a key theme, most regions are tightening. House sales recoiled (down 6.1% m/m) after a surge in October (+8.9% m/m) and are holding steady after a prolonged period of softness. Days to sell fell again, and at 36 days are below the historical average of 39. Mortgage rates are very low historically, which will spur on otherwise dormant buyers, but appear to have halted their slide. We think resurgence in the housing market will remain the theme for a while. However, it will soon clash with tightening credit availability as a result of new bank capital requirements, not to mention the LVRs being held at their current levels at least until May 2020. Add policy and affordability constraints to the mix and housing market shouldn't surge to double-digit annual growth, but that possibility certainly can't be completely ruled out. Once the market really gets the bit between its teeth it can be hard to rein in.

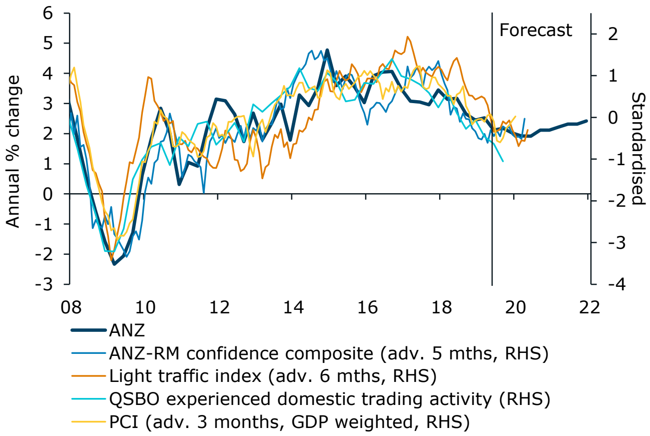
Feature Article: Chief Economist's Corner

Summary

The state of the New Zealand economy can both reflect and determine the fate of the housing market. Some of this simply reflects that population growth swings are a huge driver of both the New Zealand economic cycle and the housing market. But it is also true that the housing cycle – both construction and prices – has a big impact in and of itself. The construction sector provides 9% of jobs. And the state of the housing market has a big say in consumers' willingness to spend. So to round out 2019, let's take a look at the state of the broader New Zealand economy, and put the housing market in context.

There is increasing evidence that the slowdown in the New Zealand economy is finding a floor, with a consistent turn upward across indicators such as the ANZ Business Outlook Survey, the PMI, and consumer confidence. Our leading indicator suite is showing signs of bottoming out, consistent with our GDP forecast (figure 1) and the housing market is starting to respond enthusiastically to the marked fall in mortgage rates. But the 'vibe' is one thing, the economy another: it's fair to say that the hypothesis of a 'false dawn' can't be ruled out just yet.

Figure 1. Near-term GDP growth indicators



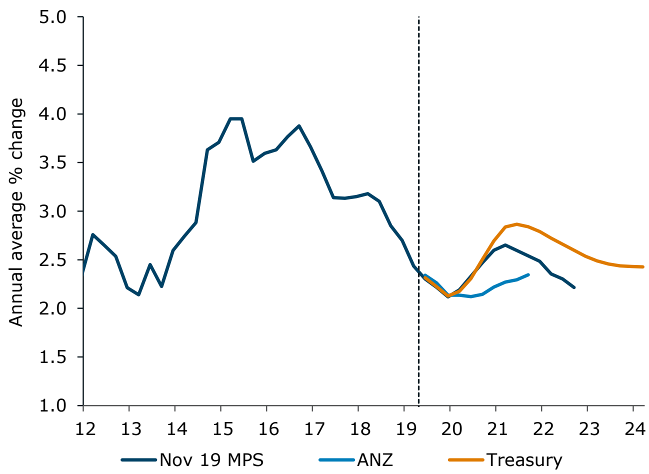
Source: Statistics NZ, Roy Morgan, BNZ-Business NZ, NZ Transport Agency, NZIER, RBNZ, ANZ Research

There is, however, no reason for the New Zealand economy to continue to see growth drifting lower until some inevitable recession. The economy should indeed be bottoming out, looking at the big picture growth drivers:

- Interest rates have dropped markedly. The 2-year swap rate is at 1.24%, versus 1.97% at the end of last year (though it is up 42 basis points from its October low).
- The exchange rate is significantly lower: the trade-weighted index is 4% lower than a year ago (though it is also up from its lows in the past month, to be 2% above the RBNZ's November Monetary Policy Statement assumption).
- World prices for New Zealand's commodity exports are defying slowing global growth, and broadly increasing. In the case of meat prices, the devastating outbreak of African swine fever in China has been a big driver as China scrambles to find alternative proteins, while for dairy markets, constrained global supply and a steady increase in global demand are a nice mix.
- Population growth via net migration is still reported to be strong, though these data are now more uncertain since departure cards were discontinued.
- The Government is planning to increase infrastructure spending considerably over the next few years. This is not a timely form of stimulus, but it is something which the economy has been crying out for. It will support medium-term growth.

There are certainly still economic headwinds; it has not been plain sailing for the economy in recent times. Indeed, different interpretations of the strength of those headwinds go a long way to explaining the difference between the Reserve Bank's forecast that GDP growth will accelerate fairly quickly to 2.8% by the end of next year, and our expectation that the economy will be running at only 2.2% by then (figure 2).

Figure 2. GDP forecasts



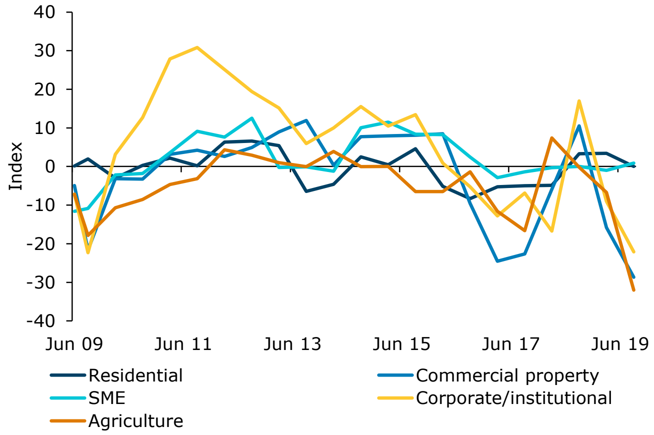
Source: Statistics NZ, RBNZ, ANZ Research, Treasury

Key constraints at present include:

- Business sentiment. Although we saw a welcome bounce in most growth metrics in the November read, firms are clearly still spooked, with only a net 6% of firms planning to invest over the year ahead. Firms planning to cut investment cite the domestic economic outlook, central government policy, and the global economic outlook as the three biggest drivers of their decision.

- Credit constraints. Firms are reporting that credit is harder to get, and banks are reporting that they are tightening lending standards (figure 3), particularly to the productive sector. The Reserve Bank has announced that the 'big 4' banks will need to raise their capital buffers from 10.5% of risk-weighted assets to 18.0% (in addition to increasing the risk weights on some types of lending) over seven years. It is difficult to know how much of a headwind this will be for investment in practice, and the impact will be difficult to identify.

Figure 3. Observed credit availability last six months



Source: RBNZ

- The tight labour market. Firms have reported for almost three years now that finding skilled labour is their #1 constraint. Of course, if this is the reason growth isn't higher, then the slowdown is not necessarily going to depress inflation, as we can expect higher wage growth and investment in that case. And the Reserve Bank did indeed revise down their estimate of the economy's speed limit in its November Monetary Policy Statement forecasts, which implies that they think they need less GDP growth to get inflation up to where it needs to be.

When we weigh it up, we see an economy that is set to accelerate only gradually from here, with a marked disparity between different sectors. Housing is clearly lifting in response to lower mortgage rates, with both sales and price inflation on the way up (see page 5). The Reserve Bank can't let the housing market rip away on financial stability grounds, but it has its macro-prudential limits on high-LVR lending as a tool it can tighten up again to contain the market if things start getting out of hand. Household debt is high, at 164% of household disposable income, but consumer sentiment is solid, with the housing market lifting and the unemployment rate still historically low at 4.2%.

The Reserve Bank is optimistic that the job is done and that they will not need to cut the OCR again nor resort to unconventional monetary policy levers. However, being aware that no one ever sees New Zealand recessions coming (in that they have historically tended to be sparked by commodity price crashes and droughts) it is prudently preparing its strategies just in case. In our view, 0.25% would be a sensible low for the OCR, and buying government bonds would be the most logical first step if the Bank feels it needs to get creative.

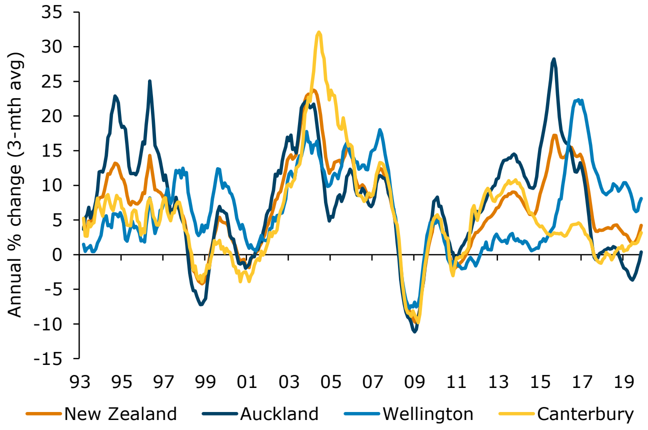
For now, though, we are expecting the Reserve Bank to realise by May next year that inflation is still not quite heading sustainably up to the 2% target midpoint, and to cut the OCR once more as a result. We previously had another cut (in August) in our forecasts as a placeholder for the Reserve Bank's proposed changes to banks' capital requirements. However, while we estimate that the Reserve Bank's revised capital rules will tighten financial conditions, including via a negative impact on credit availability, the final decision was softened from the initial proposal, reducing the likely negative economic impact. We have therefore taken the August cut out of our forecast. Any impact on economic activity is uncertain and will take time to become evident (and in fact may be hard to identify even at the time). So all up, it remains a story of growth just not quite delivering what the RBNZ needs to be confident of hitting its inflation target, not a tale of woe and despair.

Of course downside risks still exist. The OCR is at just 1%, meaning there is little capacity to offset any upward shocks to interest rates, whatever their cause. For example if global credit markets were to abruptly reprice risk of all kinds because of some sudden loss of confidence due to, say, some unexpected large default, higher bank funding costs could see New Zealand retail interest rates rise because times are bad, with the RBNZ having limited ability to prevent it. That is something the economy has never had to cope with before. And there are other potential catalysts for economic disruption. Commodity futures are buoyant, suggesting buyers see good times ahead, but global commodity markets are opaque and can turn abruptly – at the end of the day, growth is clearly slowing in China and Australia, New Zealand's two largest export markets. And droughts are always a possibility and can still make a pretty decent dent in GDP.

For now though, the downside risks are dissipating and firms are showing signs of concluding that it's time to get on with it. It may be largely the product of population growth, but if 2% turns out to be the trough of annual growth over the next few years then the New Zealand economy will likely have done better than many.

Property Market in Pictures

Figure 1. Regional house price inflation

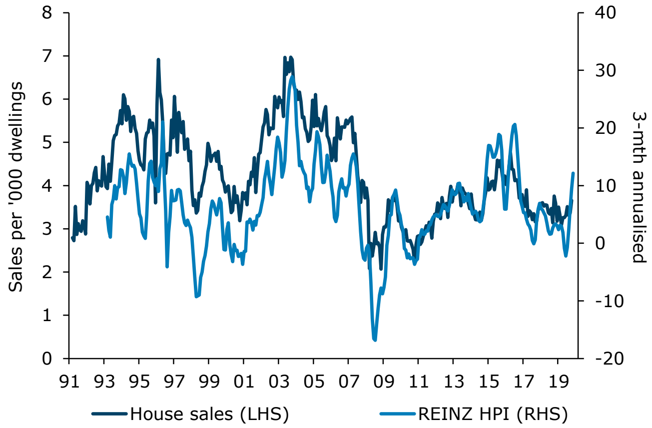


Source: ANZ Research, REINZ

Annual house price inflation has risen across most of the country in recent months. National house prices increased 4.2% y/y (3mma) in November, the highest reading for the year. This was supported by annual house price inflation in Auckland coming out of the red, with the first positive reading of the year at 0.4% y/y (3mma). This is, however, still a distant second place compared to the 7.7% rise recorded in the rest of New Zealand excluding Auckland.

Persistently low mortgage rates have continued to support this national upturn. However, we expect the new bank capital requirements will limit further falls in mortgage rates from here. It is important to note that this effect will occur over a long period of time and hence any impact on house prices will be hard to identify in practice. In other RBNZ news, they chose to hold LVR restrictions unchanged, which will allow them to keep high-risk lending in check.

Figure 2. REINZ house prices and sales

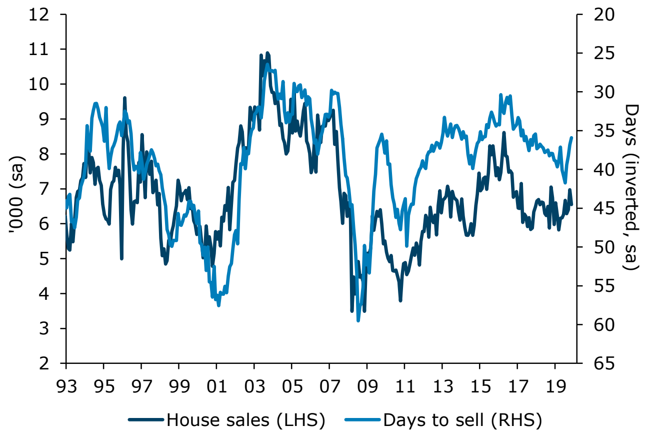


Source: ANZ Research, REINZ

Sales volumes and prices tend to be closely correlated, although at times tight dwelling supply can complicate the relationship.

In November, house sales were up 1.3% y/y (3mma), having tracked solidly upwards from a trough of -8.3% in April this year. This aligns with the observed rise in house price inflation we are seeing nationally, including, now, in Auckland. Overall, the recent lift in sales volumes and house price inflation suggests that housing market activity is beginning to pick up.

Figure 3. Sales and median days to sell

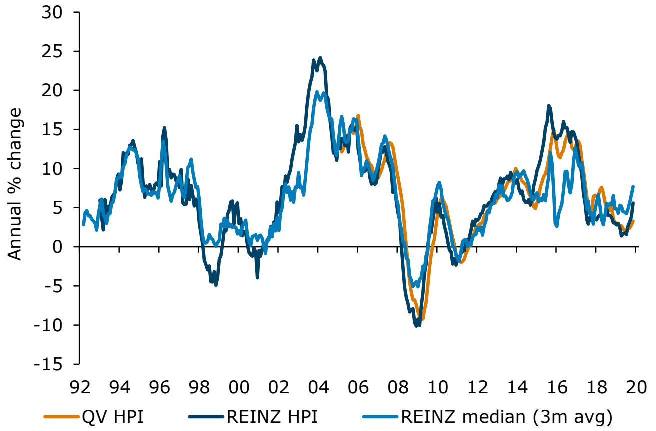


Source: ANZ Research, REINZ

How long it takes to sell a house is also an indicator of the strength of the market, encompassing both demand and supply-side considerations. Larger cities tend to see houses sell more quickly, but deviations in a region from its average provide an indicator of the heat in a market at any given time.

The number of days it took to sell a house fell in November to 36, indicating a 'tight' housing market nationally. This continues the trend away from the historical average of 39.5 days. At the regional level, Auckland and Canterbury remain above their historical averages. Additionally, days to sell actually increased in Canterbury during November, which indicates slack in the market that is not being felt elsewhere. Overall, the national housing market remains tight.

Figure 4. REINZ and QV house prices

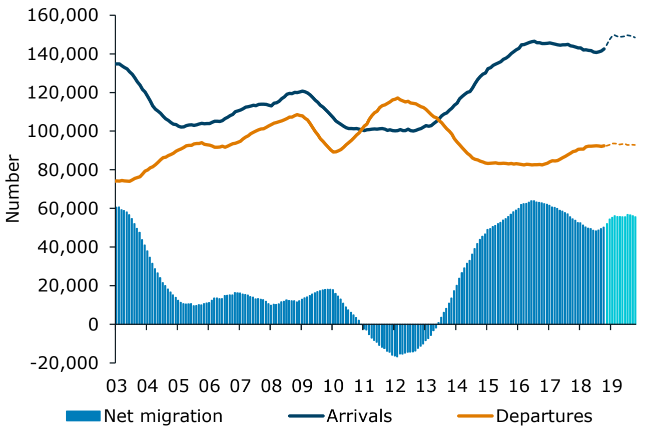


Source: ANZ Research, REINZ, QVNZ

There are three monthly measures of house prices in New Zealand: the median and house price index measures produced by REINZ, and the monthly QVNZ house price index. The latter tends to lag the other measures as it records sales later in the transaction process. Moreover, movements do not line up exactly, given differing methodologies (the REINZ house price index and QVNZ measures attempt to adjust for the quality of houses sold).

The REINZ HPI – our preferred measure – is sitting at 4.2% y/y (3mma) for November. This is up from 3.3% in October. Comparatively, the QVNZ measure came in at 3.3% y/y, a fifth consecutive monthly rise. The REINZ median rose again to a 7.7% y/y (3mma).

Figure 5. Annual migration*



Source: Statistics NZ

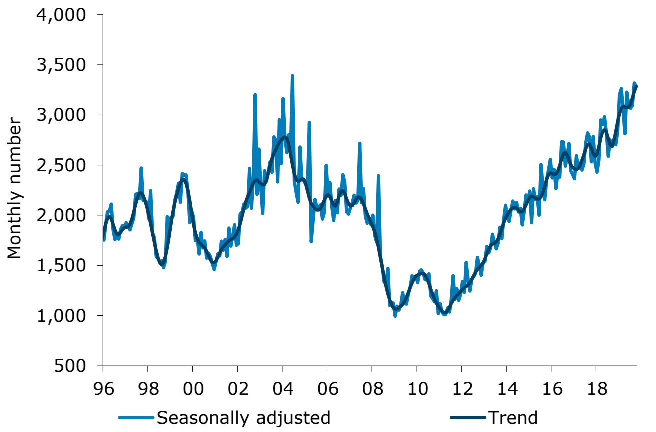
*Dotted lines show the last nine months of data, which are subject to substantial revisions.

Migration flows to and from New Zealand are one of the major drivers of housing market cycles. The early-1970s, mid-1990s, mid-2000s and most recent house price booms have coincided with large net migration inflows.

Annual net migration reportedly levelled off at around 55,600 in October but Statistics NZ's data is now subject to substantial revision. To avoid unnecessary noise in our economic outlook we're now forecasting net migration with a lag (between 9-12 months), ie not using the most recent reported data.

The older, more reliable data suggest the cycle was still easing into mid-2018, before picking up heading into 2019. We think a gradual easing trend will set in beyond 2019.

Figure 6. Residential building consents

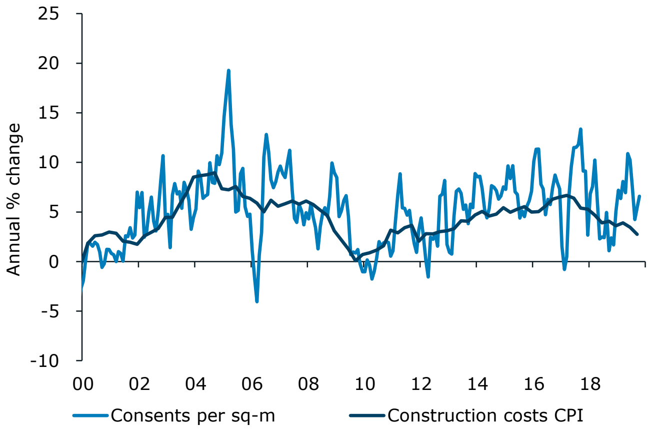


Source: ANZ Research, Statistics NZ

Residential building consents dropped 0.1% m/m in October, largely holding onto the 7.2% rise in September. The small fall was driven predominantly by a fall in consents for multi-unit dwellings, down 11% m/m. Annual consent issuance, however, remains strong at 37k. This is supported by the ongoing growth in Auckland consents, which are up above 15k annually. Consents in Christchurch are still trending upwards after turning a corner in 2018 following a period of sustained weakness.

Overall, housing demand should be supportive of further construction activity. However, capacity constraints are rife and profit challenges are ongoing, which we expect will make it difficult for issuance to push too much higher.

Figure 7. Construction cost inflation



Source: ANZ Research, Statistics NZ

Construction cost inflation has softened since 2017 and we don't expect it to reach the dizzying heights (6.7% y/y) achieved over 2016-2017 in this cycle. Growth in the cost of consented work per square metre – a proxy – rose to 6.6% y/y (3mma) in October. This is continuing the climb up from the dip experienced in August (4.2%). Furthermore, CPI construction cost inflation eased to 2.8% y/y in the September quarter.

Capacity pressures in the industry remain acute, which should continue to support price rises. But with construction growth slower than in recent years, and caution among firms regarding the pipeline of work, we don't expect construction cost inflation to surge higher from here.

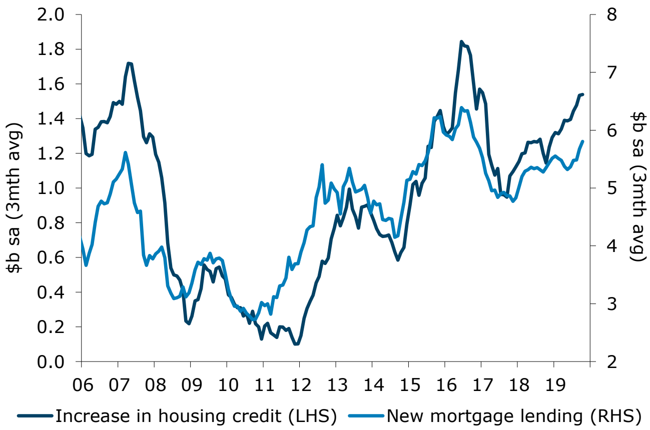
Figure 8. New mortgage lending and housing turnover

Source: ANZ Research, RBNZ

New residential mortgage lending figures are published by the RBNZ. These are gross (rather than net) flows and can provide leading information on household credit growth and housing market activity.

New mortgage lending moves closely with new house sales. New mortgage lending lifted 4.3% m/m (sa) in October. This was a drop from September's reading of 9.8%, but is still a large jump from the 6.8% decline reported in August. Furthermore, annual growth was at 8.1% in October, compared to 7.1% in September. The unchanged LVR restrictions, announced changes to new bank capital requirements and an ongoing bank focus on debt serviceability will prevent new lending growth from blowing out, with continued prudence likely.

Figure 9. New mortgage lending and housing credit

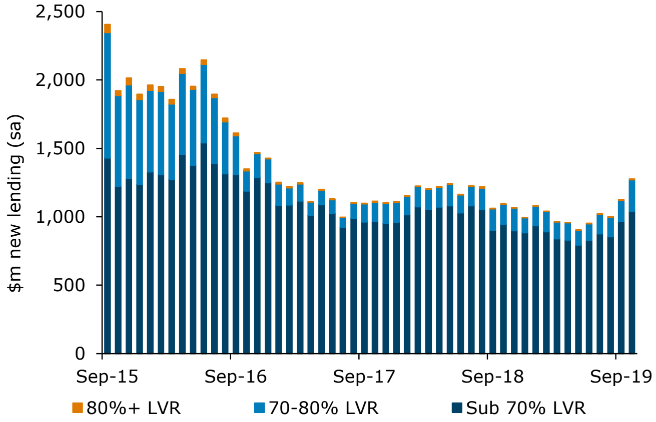


Source: ANZ Research, REINZ, RBNZ

Household credit has been growing at a relatively steady pace for the past year or so. In seasonally adjusted terms, household lending lifted just under 0.5% m/m to be up 6.2% y/y in October.

Housing credit growth is gradually accelerating as the housing market picks up. However, we expect credit growth to be modest going forward as banks' appetite for risk remains a constraint.

Figure 10. Investor lending by LVR

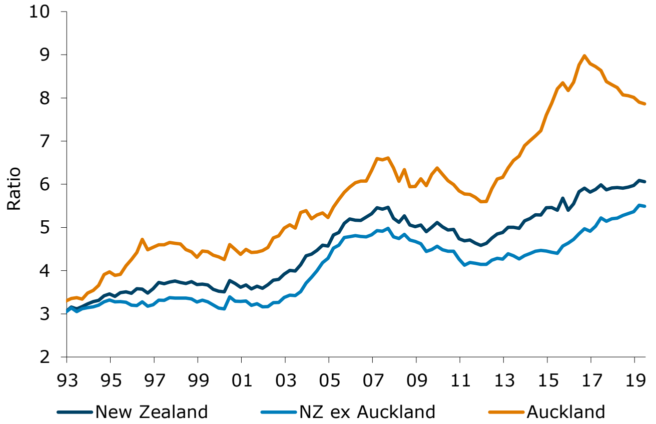


Source: ANZ Research, RBNZ

New lending to investors was 16% y/y in October, up from 5.9% in September. This is the second consecutive positive reading following a sustained period of new lending being down year-on-year since September 2018. This indicates that investors may be beginning to feel more confident, which will bring strength to the housing market. Almost 20% of new loans were to investors in October, which is slightly below the 2018 average of 22% and well down from the near-35% peaks recorded in 2016.

With LVR restrictions held constant last month, the share of riskier investor lending remains low. The share of investor lending at loan-to-value ratios of less than 70% is sitting just below 85%. In late-2014 it was about half.

Figure 11. Regional house prices to income

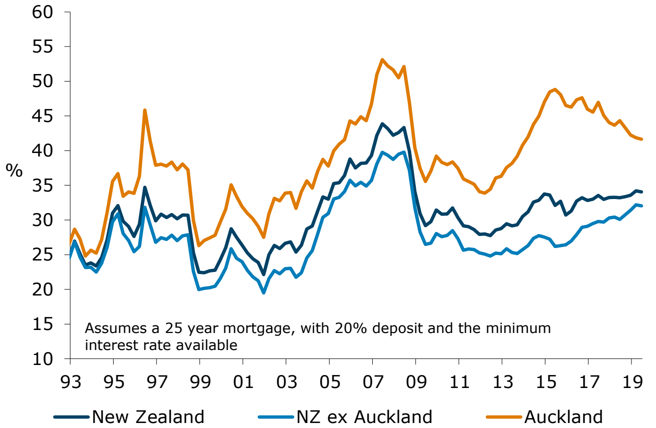


Source: ANZ Research, REINZ, Statistics NZ

One commonly cited measure of housing affordability is the ratio of average house prices to incomes. It is a standard measure used internationally to compare housing affordability across countries. It isn't perfect; it does not take into account things like average housing size and quality, interest rates, and financial liberalisation. Therefore, it is really only a partial gauge as some of these factors mean that it is logical for this ratio to have risen over time.

Nationally, the ratio has been stable at around 6 times income since early 2017. Auckland has seen its ratio ease from 9 times in 2016 to an estimated 7.9 times (revised from previous estimate) in Q2 2019, reflecting house prices easing from recent highs. Excluding Auckland, the ratio has continued to rise; at 5.5 times incomes this is at record highs, and about where the national average peaked last cycle.

Figure 12. Regional mortgage payments to income



Source: ANZ Research, REINZ, RBNZ, Statistics NZ

Another, arguably more comprehensive, measure of housing affordability is to look at it through the lens of debt serviceability, as this also takes into account interest rates, which are an important driver of housing market cycles.

We estimate that for a purchaser of a median-priced home (20% deposit), the average mortgage payment to income nationally is 34%. However, there are stark regional differences. In Auckland it is 44% and the rest of New Zealand it is 31%. This is not far from historic highs in Auckland, despite mortgage rates being very low, as debt levels are high. However, this is increasingly true nationally, and while home ownership is being made more affordable by low mortgage rates, households could be vulnerable in the event of a lift in interest rates.

Property gauges

The housing market is tightening up on the back of lower mortgage rates. House price inflation continues to accelerate, up 4.2% y/y nationally in November. And while regional divergence remains a key theme, most regions are tightening. House sales recoiled (down 6.1% m/m) after a surge in October (+8.9% m/m) and are holding steady after a prolonged period of softness. Days to sell fell again, and at 36 days are below the historical average of 39. Mortgage rates are very low historically, which will spur on otherwise dormant buyers, but appear to have halted their slide. We think resurgence in the housing market will remain the theme for a while. However, it will soon clash with tightening credit availability as a result of new bank capital requirements, not to mention the LVRs being held at their current levels at least until May 2020. Add policy and affordability constraints to the mix and housing market shouldn't surge to double-digit annual growth, but that possibility certainly can't be completely ruled out. Once the market really gets the bit between its teeth it can be hard to rein in.

We use ten gauges to assess the state of the property market and look for signs that changes are in the wind.

Affordability. For new entrants into the housing market, we measure affordability using the ratio of house prices to income (adjusted for interest rates) and mortgage payments as a proportion of income.

Serviceability / indebtedness. For existing homeowners, serviceability relates interest payments to income, while indebtedness is measured as the level of debt relative to income.

Interest rates. Interest rates affect both the affordability of new houses and the serviceability of debt.

Migration. A key source of demand for housing.

Supply-demand balance. We use dwelling consents issuance to proxy growth in supply. Demand is derived via the natural growth rate in the population, net migration, and the average household size.

Consents and house sales. These are key gauges of activity in the property market.

Liquidity. We look at growth in private sector credit relative to GDP to assess the availability of credit in supporting the property market.

Globalisation. We look at relative property price movements between New Zealand, the US, the UK, and Australia, in recognition of the important role that global factors play in New Zealand's property cycle.

Housing supply. We look at the supply of housing listed on the market, recorded as the number of months needed to clear the housing stock. A high figure indicates that buyers have the upper hand.

House prices to rents. We look at median prices to rents as an indicator of relative affordability.

Policy changes. Government and macro-prudential policy can affect the property market landscape.

Indicator	Level	Direction for prices	Comment
Affordability	Unaffordable	↔/↓	Affordability constraints are very relevant. It started with Auckland; several other regions have joined the party.
Serviceability/ indebtedness	High debt, low rates OK – high rates not	↔/↓	Serviceability looks okay provided interest rates stay low and income growth is solid. Debt levels are high.
Interest rates / RBNZ	More cuts coming	↔/↑	We see the OCR falling to 0.75% by May 2020, but pass-through to retail rates is likely to diminish with each cut.
Migration	Peaking	↔/↑	Migration remains elevated. Latest data suggests net inflows are holding up, but the data is prone to very large revisions.
Supply-demand balance	Demand > Supply	↔/↑	MBIE estimates New Zealand is short 71k houses, but the build-up of pent-up demand is becoming less pronounced.
Consents and house sales	Shortage	↔/↑	We expect consents issuance will struggle to push higher, with the construction sector reaching its limits.
Liquidity	Set to tighten	↔/↓	Credit availability is very relevant. Banks have plenty of cash currently, but know they have to raise a lot more capital.
Globalisation	Weak	↔/↓	The foreign-buyer ban has stymied demand from non-residents. The housing market is weak, but tentatively recovering in Australia.
Housing supply	Too few	↔/↑	The Government is going to take a more active role, but there are still questions about crowding out other work and labour shortages.
House prices to rents	Too high	↔/↓	Rents are moving up, with pressures on the existing stock apparent. Buying remains relatively expensive.
Policy changes	Dampening	↔/↓	Government policy changes are making investors wary. Ruling out a capital gains tax has provided a slight offset.
On balance	**In recent ranges**	↔/↓	**We think the upside to the medium-term outlook is capped, but a continued near-term pick-up is likely.**

Property gauges

Figure 1: Housing affordability

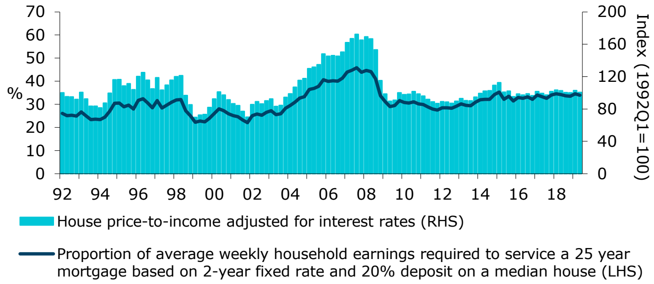


Figure 2: Household debt to disposable income

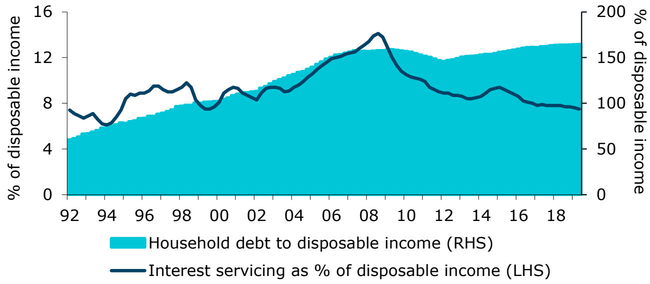


Figure 3: New customer average residential mortgage rate (<80% LVR)

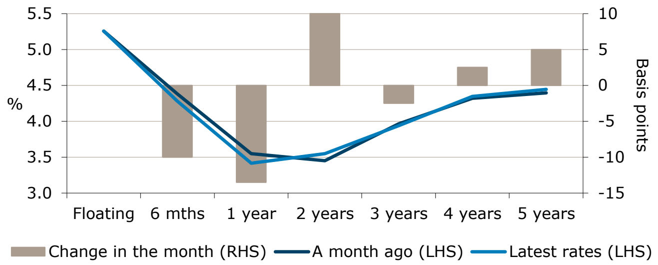


Figure 4: Annual migration*

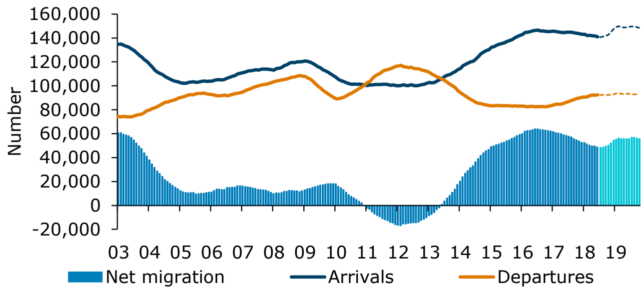


Figure 5: Housing supply-demand balance

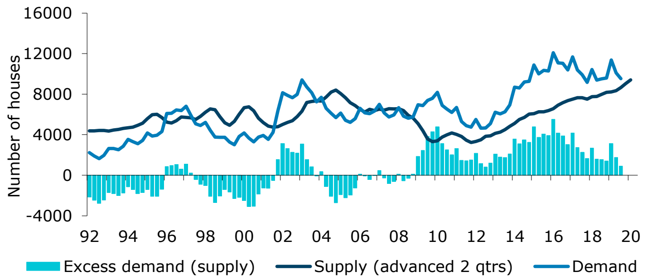


Figure 6: Building consents and house sales

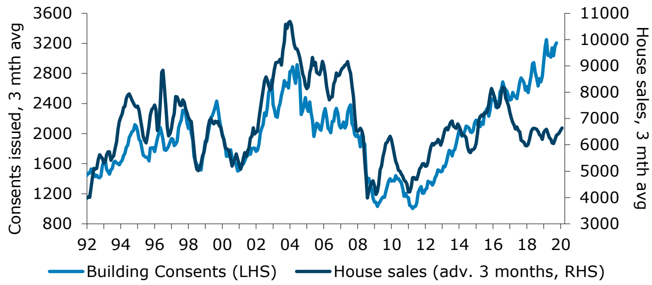


Figure 7: Liquidity and house prices

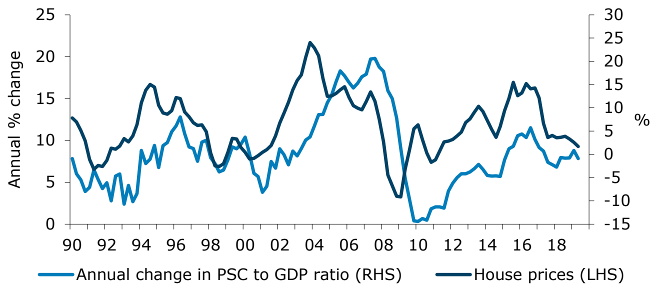


Figure 8: House price inflation comparison

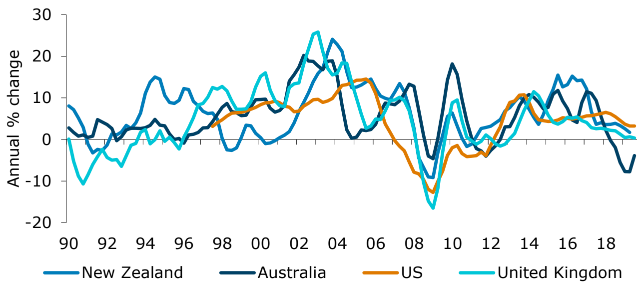


Figure 9: Housing supply

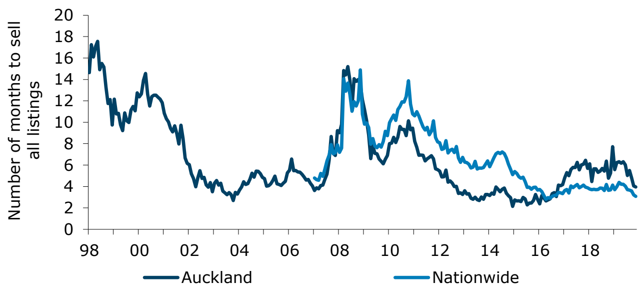
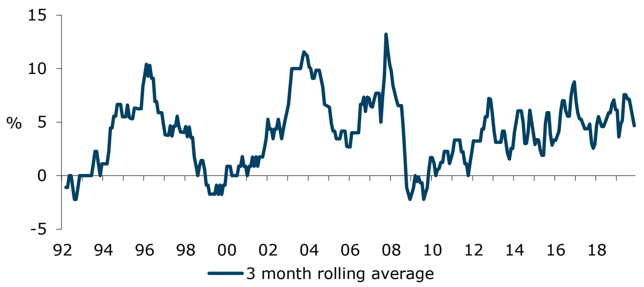


Figure 10: Median rental, annual growth



Source: ANZ Research, Statistics NZ, REINZ, RBNZ, QVNZ, Nationwide, Bloomberg, Barfoot & Thompson, MBIE

* Dotted lines show the last nine months of data, which we look through because they are subject to substantial revisions. The data prior to June 2014 is back-casted using Stats NZ's discontinued experimental data.

Key forecasts

Weekly mortgage repayments table (based on 25-year term)

Mortgage Size ($'000)	Mortgage Rate (%)													
	3.00	3.25	3.50	3.75	4.00	4.25	4.50	4.75	5.00	5.25	5.50	5.75	6.00	6.25
200	219	225	231	237	243	250	256	263	270	276	283	290	297	304
250	273	281	289	296	304	312	320	329	337	345	354	363	371	380
300	328	337	346	356	365	375	385	394	404	415	425	435	446	456
350	383	393	404	415	426	437	449	460	472	484	496	508	520	532
400	437	450	462	474	487	500	513	526	539	553	566	580	594	608
450	492	506	520	534	548	562	577	592	607	622	637	653	669	684
500	547	562	577	593	609	625	641	657	674	691	708	725	743	761
550	601	618	635	652	669	687	705	723	741	760	779	798	817	837
600	656	674	693	711	730	750	769	789	809	829	850	870	891	913
650	711	730	750	771	791	812	833	854	876	898	920	943	966	989
700	766	787	808	830	852	874	897	920	944	967	991	1,015	1,040	1,065
750	820	843	866	889	913	937	961	986	1,011	1,036	1,062	1,088	1,114	1,141
800	875	899	924	948	974	999	1,025	1,052	1,078	1,105	1,133	1,160	1,188	1,217
850	930	955	981	1,008	1,035	1,062	1,089	1,117	1,146	1,174	1,204	1,233	1,263	1,293
900	984	1,011	1,039	1,067	1,095	1,124	1,154	1,183	1,213	1,244	1,274	1,306	1,337	1,369
950	1,039	1,068	1,097	1,126	1,156	1,187	1,218	1,249	1,281	1,313	1,345	1,378	1,411	1,445
1000	1,094	1,124	1,154	1,186	1,217	1,249	1,282	1,315	1,348	1,382	1,416	1,451	1,486	1,521

Housing market indicators for November 2019 (based on REINZ data)

	Median house prices		No of sales (sa)	Mthly % chg	Avg days to sell (sa)
	Ann % chg	3mth % chg			
Northland	-1.2	-0.2	191	-12%	49
Auckland	2.9	2.2	2,067	-2%	38
Waikato	11.4	5.7	733	+1%	37
Bay of Plenty	7.6	4.4	459	-17%	40
Gisborne	14.7	5.8	62	+27%	36
Hawke's Bay	13.8	7.2	225	-7%	31
Manawatu-Whanganui	18.7	3.5	365	-1%	27
Taranaki	8.5	-0.1	145	-8%	31
Wellington	12.1	2.6	656	-10%	30
Tasman, Nelson and Marlborough	5.6	7.1	270	+4%	30
Canterbury	5.1	0.7	890	-3%	40
Otago	14.3	5.6	341	-7%	32
West Coast	17.2	5.5	46	+23%	85
Southland	15.9	4.0	159	-5%	23
New Zealand	**8.5**	**4.3**	**6,550**	**-6%**	**36**

Key forecasts

	Actual			Forecasts						
Economic indicators	Dec-18	Mar-19	Jun-19	Sep-19	Dec-19	Mar-20	Jun-20	Sep-20	Dec-20	Mar-21
GDP (Ann % Chg)	2.4	2.5	2.1	2.3	2.1	2.0	2.1	2.2	2.2	2.3
CPI Inflation (Annual % Chg)	1.9	1.5	1.7	1.5(a)	1.6	2.0	1.8	1.7	1.7	1.7
Unemployment Rate (%)	4.3	4.2	3.9	4.2(a)	4.3	4.4	4.4	4.5	4.5	4.5
House Prices (Annual % Chg)	3.3	2.7	1.6	2.6(a)	3.8	4.1	5.5	4.7	3.3	2.9
Interest rates (RBNZ)	Mar-19	Jun-19	Sep-19	Dec-19	Mar-20	Jun-20	Sep-20	Dec-20	Mar-21	Jun-21
Official Cash Rate	1.75	1.50	1.00	1.00	1.00	0.75	0.75	0.75	0.75	0.75
90-Day Bank Bill Rate	1.9	1.6	1.2	1.2	1.1	1.0	1.0	1.0	1.0	1.0
Floating Mortgage Rate	5.8	5.7	5.5	5.5	5.5	5.2	5.2	5.2	5.2	5.2
1-Yr Fixed Mortgage Rate	4.7	4.6	4.4	4.6	4.5	4.4	4.4	4.5	4.5	4.5
2-Yr Fixed Mortgage Rate	4.8	4.7	4.5	4.7	4.6	4.5	4.6	4.6	4.6	4.6
5-Yr Fixed Mortgage Rate	5.4	5.0	5.0	5.1	5.2	5.0	5.2	5.1	5.1	5.1

Source: ANZ Research, Statistics NZ, RBNZ, REINZ

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