



Media Release

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Investors upbeat, but worried by regulation – ANZ Property Investment Survey

Residential property investors are confident, have reduced debt ratios and are looking to buy more properties – but see government intervention as their biggest risk, according to the 2015 ANZ Property Investment Survey.

The survey, released today, shows that investors continue to see property as a long-term investment, with almost 90% saying they plan to hold on to their property for the longer term.

Portfolio sizes, which had grown significantly in earlier years, have remained stable over the past three years.

More than half of respondents cited government regulations and tax changes as their No 1 worry. Despite these concerns, 54% intend to buy more property in the next two years, and around a quarter plan on buying within six months.

Sarah Berry, ANZ's Head of Products, said: "Through a period of significant change investors are continuing to show a consistent strategy of holding on to properties and reducing their debt gearing.

"Rising property values are certainly helping to reduce leverage ratios but it's also clear that investors are being responsible about gearing for their portfolios. This survey has again highlighted the importance of investors being realistic in their expectations, taking a long-term view in their investment strategy and carefully managing risk."

2015 ANZ Property Investment Survey - key findings

- Investors expect property values to grow by 6.3%, and rents by 2.7%, over the next year.
- Longer term expectations are higher, at an average of 6.7% per year for values and 3.4% for rents over the next five years.
- Investors in the upper North Island (particularly Auckland) have the highest expectations for value increases in the next year, but expect this to slow over the following five years.
- Investors in other regions have lower short-term expectations but think values will grow at a greater rate over the longer term.
- Leverage ratios fell significantly for the first time in three years, with the median debt/value ratio down from 60% to 58.7%, due primarily to higher house prices.
- 57% of respondents said government regulations and tax changes were their biggest worry, up from 52% last year.
- However, most investors stated that the existing high-LVR borrowing restrictions had had no impact on their investment strategy.
- The number of investors using property managers increased significantly, to 51% from 44% last year. Property managers have become more valued as sources of information and to help investors monitor the property market.

The annual ANZ Property Investment Survey is run in conjunction with the NZ Property Investors' Federation. This year's survey involved 1,150 online interviews with property investors throughout New Zealand, asking about issues affecting the residential property market and where investors see the sector heading over the next year. The survey was open for responses from 4 to 25 August 2015.

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