

For release: 6 April 2018

# First home buyers back into the housing market - ANZ

While many kiwis fear they will never realise their dreams of home ownership, there are encouraging signs that first home buyers are coming back into the housing market, according to the country's largest home lender, ANZ.

ANZ Managing Director Retail & Business Banking Antonia Watson said that first home buyers accounted for 22% of all house sales in the three months to December, up from 17% three years ago.

Ms Watson said the number of first home sales dropped significantly when the first round of loan-to-value restrictions was introduced by the RBNZ in 2013.

A recent ANZ survey of 1000 people in February found that 39% of people who don't own their home felt that buying a home was out of reach. (Source: UMR Research) Despite this, home sales over the past six months indicate that first home buyers are playing a bigger role in the overall housing market.

"Home ownership is the dream of most New Zealanders. We know it's been a real stretch for many first home buyers to get their foot on the ladder – particularly in Auckland - so it's great to see more first home buyers coming into the market," says Ms Watson.

"We know that buying a first home can be daunting. Our staff are trained to support people thinking about buying a home so they develop a plan for saving and buying a home that is realistic and responsible.

"While it's good to see more people buying their first home, we're still talking about huge sums of money – especially in Auckland. It's vital that buyers are financially ready to take this step."

Ms Watson said first home buyers in Auckland were targeting suburbs in the city's west, south and north where there were still lower priced three bedroom houses available. Within these parts of Auckland, there are hot suburbs where first home buyers make up almost half of all recent home sales (see table).

"In Auckland, we've also seen the number of movers (property owners moving from one house to another) drop significantly – from 25% to 22% of the market," says Ms Watson. "This is the lowest level since 2009 and could reflect that more Auckland home owners are staying put in an uncertain market."

Ms Watson said first home buyers in Christchurch were at record levels, accounting for almost 26% of all residential sales last year, up from around 23% at the same time last year.

First home buyers were not so active in regions like Tauranga, Hamilton and Dunedin where investors have typically played a strong part.

The ANZ survey also found that half of first home buyers were considering buying a home on the back of lower interest rates.

"Interest rates are at an historic low. While this is great news for home buyers, we're encouraging customers to also factor in the possibility that rates could increase in the future and ensure they are able to manage mortgage repayments if this happens.

**For further information:**

ANZ Corporate Affairs  
 Emma Mellow 021 614165  
 Emma.mellow@anz.com

**APPENDIX: FIRST HOME BUYER HOT SPOTS**

According to CoreLogic, first home buyer hot spots around the country are:

City/District	% of houses in this neighbourhood bought by first home buyers (Q4 2017)	Average sale price for first home buyers
<b>AUCKLAND</b>		
Waitakere	32%	\$751,000
Manukau	27%	\$779,000
Papakura	36%	\$647,000
<b>CENTRAL NORTH ISLAND</b>		
Porirua	35%	\$514,000
Hutt City	32%	\$456,000
Upper Hutt	32%	\$449,000
Wellington City	31%	\$616,000
Palmerston North	28%	\$347,000
<b>SOUTH ISLAND</b>		
Christchurch	26%	\$419,000
Ashburton District	36%	\$376,000
Invercargill	26%	\$244,000

**AUCKLAND AND WELLINGTON - HOT SUBURBS FOR FIRST HOME BUYERS**

According to CoreLogic, the top five suburbs for Auckland first home buyers are: (based on sales in the six months to December 2017):

Suburb	% of houses in this neighbourhood bought by first home buyers	Average sale price for first home buyers
Clendon Park (Manukau)	53%	\$553,000
Bayview (North Shore)	49%	\$773,000
Sunnyvale (Waitakere)	48%	\$762,000
Birkdale (North Shore)	47%	\$743,000
Weymouth (Manukau)	45%	\$650,000

In Wellington, first home buyers are focusing on these suburbs:

Suburb	% of houses in this neighbourhood bought by first home buyers	Average sale price for first home buyers
Newlands (City)	47%	\$567,000
Wainuiomata (Lower Hutt)	45%	\$349,000
Titahi Bay (Porirua)	45%	\$450,000
Stokes Valley (Lower Hutt)	45%	\$398,000
Johnsonville	44%	\$587,000