

Hello Geoff

Welcome to the August 2020 roundup of New Zealand property news - keeping you up to date with nationwide real estate market developments.

#### ANZ eases servicing test

While low interest rates have made home loans more affordable to borrowers following the Covid-lockdown, economists say tough servicing tests have hampered market activity.

<https://www.goodreturns.co.nz/article/976517265/>

The mortgage payments on a lower quartile-priced home have declined by nearly \$40 a week since February

A traditional financial planning measure of housing affordability has been that mortgage payments are considered affordable when they take up no more than 40% of the borrower's net income. By that measure, the current record low interest rates have made mortgage payments on lower quartile-priced homes extremely affordable for younger people on median incomes.

<https://www.interest.co.nz/property/106190/mortgage-payments-lower-quartile-priced-home-have-declined-nearly-40-week-february>

Annual house price growth nears 10 percent, sales hit four-year high, defying predictions of a slump

The influx of Kiwis returning home could be a reason for an uplift in sales, but Norwell is careful to add that it's still too early to say whether the numbers will continue to rise.

<https://www.newshub.co.nz/home/money/2020/07/annual-house-price-growth-nears-10-percent-sales-at-four-year-high-defying-predictions-of-a-slump.html>

#### August listings set to boost pre-election market

All the pessimists have got left, when searching around for "bogey men" to worry about, is the ending of the wage subsidy in September, he says. But most people who will lose the wage subsidy, know if their jobs will continue so they have acted on this already.

<https://www.trademe.co.nz/c/property/news/august-listings-set-to-boost-pre-election-market>

#### Tony Alexander: Printing money and negative interest rates

...with the real estate market looking less worrying, banks are likely to head into Spring wanting to pick up new business, and perhaps that is when we will see some small rate cuts – most likely for terms fixed out to at most two years.

<https://mortgagerates.co.nz/news/tony-alexander-printing-money-and-negative-interest-rates>

#### Negative OCR in April 2021: Westpac

"We expect that the RBNZ will cut the OCR to -0.5% in April 2021, in order to maintain the overall level of monetary easing that the economy will need."

<https://www.goodreturns.co.nz/article/976517230/>



#### 68 Standen Street, Karori

This is an extraordinary opportunity to buy a family home with one of the most desirable landscaped backyards we have brought to market in recent memory. There is a large flat lawn for the kids, all day sunshine, total privacy, and perfect flow to a covered entertaining area that will make for many special evenings. There is the bonus of a self-contained flat with significant income potential or ultimate flexibility. The sought-after city-end Karori location is close to shops and schools and there is off-street parking for five cars including a double garage!

View all of the latest feature properties online:

<http://salespartner.smartagent.co.nz/users/533/properties>

Kind Regards

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