

ANZ: first time buyers are back

First time buyers have made a comeback in New Zealand, making up 22% of all home purchases in the three months to December, according to ANZ.

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ANZ says first time buyers have returned to the market after several subdued years caused by LVR restrictions. First time buyers accounted for just 17% of home purchases in the last three months of 2014, after LVR restrictions were introduced in 2013.

Antonia Watson, managing director for retail & business at ANZ, says there has been drop in property investor activity, but growing confidence among first time buyers. “Interest rates remain low, and buyers that have been around for a while have become frustrated. The time has given them a chance to save up a deposit.”

Watson says first time buyers are challenging property investors in auctions, particularly in Auckland. “Investors are out of the market. They are turning up to auctions and losing out.”

It comes after RBNZ loosened LVR restrictions on residential property buyers with a 20% deposit in 2017. Residential property investors still require 35% deposits, pricing many out of the market.

ANZ says first time buyers are purchasing Christchurch homes at record levels. The lender says first time buyers accounted for 26% of sales in the city last year, up from 23% the year before. Watson says property investors remain active in Tauranga, Hamilton and Dunedin, where first time buyers are still struggling to gain a foothold.