

The census document *NZ in Profile 2014* and the findings of the BNZ/REINZ Residential Market Survey hint at a disturbing trend regarding home ownership in this country. Overall the residential market is improving compared with the findings of the previous BNZ/REINZ survey. However, potential first home buyers are still feeling the effects of the Reserve Bank's LVR policy and many are reluctant to take the first step on to the property ladder. On the other hand, real estate agents are reporting that investor interest is strong and estimated sales to investors stand at over 19% compared with 18.5% nearly a year ago.

The census results show a fall in home ownership rate from 66.9% in the 2006 census to 64.8%. A recent NZPIF study into the cost of renting rather than owning the average NZ home shows that renting makes good financial sense at present. The study conducted for the December 2013 quarter showed that it is currently \$138pw cheaper to rent than own the average NZ home. Renting has been cheaper than owning for many years and is another compelling reason encouraging people to choose renting over home ownership.

It is timely that investors are stepping in to purchase residential properties and provide rental homes for those who are unable or unwilling to purchase their own.

"Property investors are providing a service", said Andrew King, Executive Officer of the NZ Property Investors' Federation (NZPIF). "Like any other service providers, these property investors know they need to provide good quality homes. It is important that new investors learn about the business of being a landlord. Many of the programmes of the property investors' associations affiliated to the NZPIF are educational in nature, assisting members to manage their property portfolios for the benefit of the tenants and the landlords. We recommend that more property investors become involved in these programmes."