



PRESS RELEASE

27 July 2016

Each month Crockers Property in partnership with independent market research firm Ipsos, survey Auckland property investors for their comments and thoughts on the Auckland property market. The results of the latest CPII survey (Crockers Property Investment Index) are as follows:

This month:

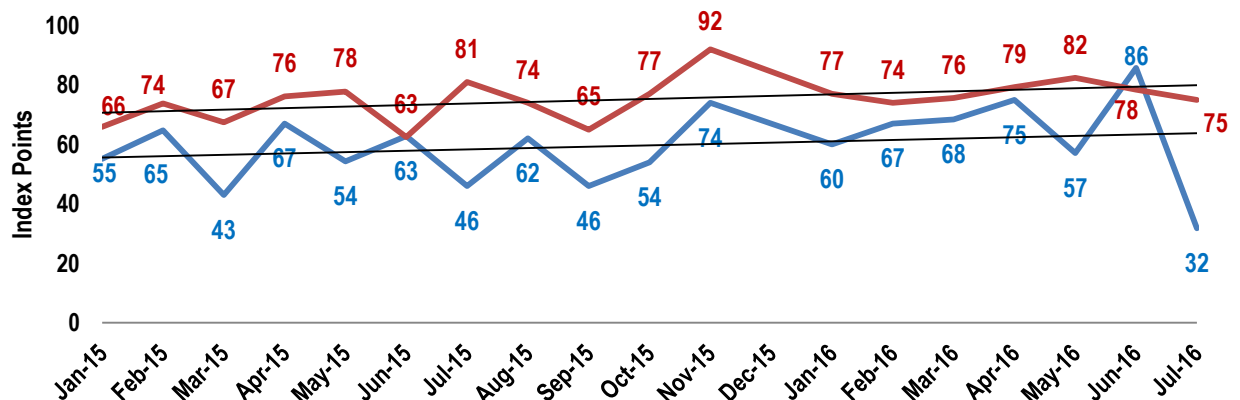
- **74% of investors** regard residential investment property as part of their **retirement savings**
- In September 2014, **36% of residential investors** surveyed owned **3 or more** properties, while in July 2016 the figure has **risen to 51%**
- The **Auckland Rental Property Investment Index** has seen a sharp **decline to the lowest** levels on record (records began in January 2012)

Crockers Property Investment Index

This month the Auckland Rental Property Performance Index has seen another modest decline but remains slightly above February's levels. The proportion of investors who believe performance will improve over the next 12 months has declined while the proportion who believes performance will remain the same has increased. There has also been no change in those who believe performance will deteriorate over the next 12 months.

The Auckland Rental Property Investment Index has seen a sharp decline to the lowest levels on record (records began in January 2012) with the proportion of investors looking to increase their Auckland rental property investment declining from 32% in June to 10% in July. Meanwhile, the proportion of property investors looking to reduce their Auckland rental property investment has increased from 5% in June to 22% in July. Over the same period the proportion looking to make no changes to their Auckland rental property investment has increased slightly from 63% to 68%.

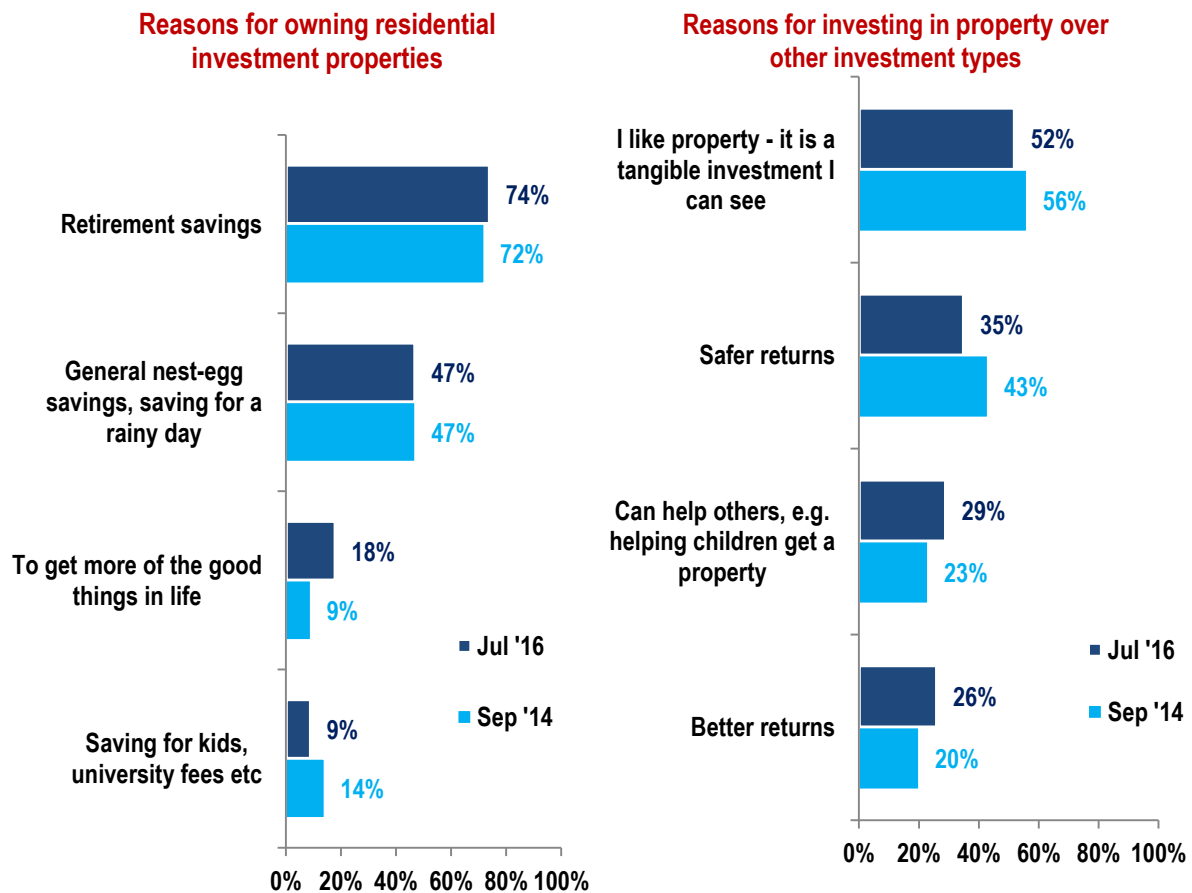
This suggests that in the context of rising house prices, some property investors may be looking to cash in on their Auckland investment property while other property investors may be priced out of the Auckland market altogether.



— Investment Index: Auckland Rental Property Investment Changes – next 12 months (increase / decrease residential portfolio)
 — Performance Index: Auckland Rental Property Performance – next 12 months (better / worse returns)

Residential property investor profile

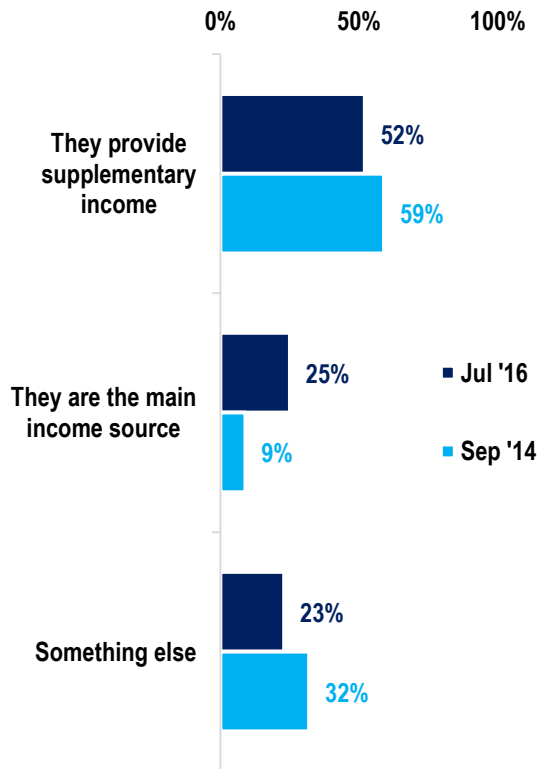
As in September 2014, the majority of residential property investors surveyed (74%) regard residential investment property as part of their retirement savings plan while for a sizeable proportion (47%), residential property investments are regarded as a general savings nest-egg. Residential property investors often choose property over other investments for its tangibility (52%) which leads comfortably over other considerations like safer returns (35%), helping others (29%) and providing better returns (26%).



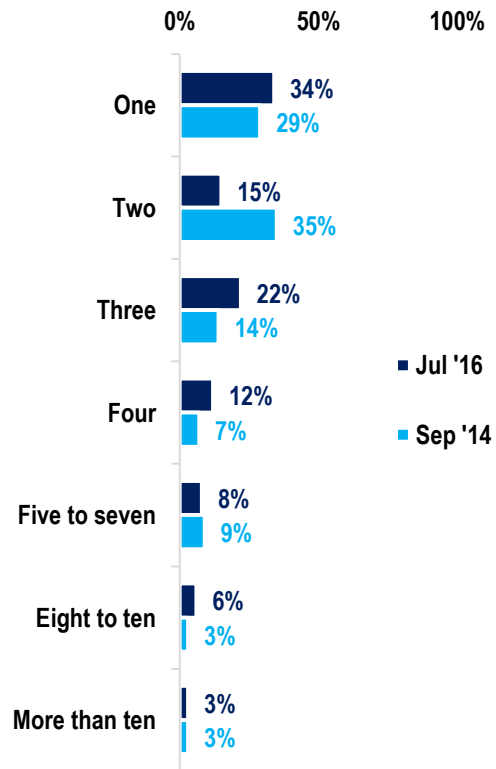
Source: CPII Survey Sep 14 & Jul 16. Note: recipients could answer more than one question

For just over half of the residential property investors surveyed their residential property investments provide them with a supplementary income, down 7 points from September 2014. Investment property as the main source of income has risen substantially from 9% in September 2014 to 25% in July 2016. In September 2014, 36% of residential property investors owned three or more investment properties while in the current survey this figure has risen to 51%. This finding indicates an increased demand for properties and hence pressure on house prices.

Main role of investment properties in investors' personal finances



Number of investment properties owned



Source: CPII Survey Sep 14 & Jul 16.

Research Details

This research, undertaken by Ipsos on behalf of Crockers, surveyed members of the Crockers Market Research subscriber's database during July 2016. Respondents included property owners, residential and commercial landlords, property managers, estate agents and tenants. This is an ongoing series of monthly surveys, delivering a regular barometer of property investors' confidence in the Auckland market.

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