

*Q1 How should the Commission think about the concept of housing affordability – its meaning and measurement? Should the Commission focus its work on affordability as it impacts on lower income households or should the focus be broader and examine the market as a whole?*

I endorse the position set out by the Commission in the issues paper, in relation to market access, ongoing cost in relation to income, consideration of a range of tenures, the desirable functioning of the market and the community-wide perspective.

I submit that the measurement of housing affordability should utilise an internationally used benchmark such as the 30% of income threshold.

I also submit that it should be considered in relation to other household financial factors that display correlated variability, such as transportation costs. This is particularly important with respect to affordability, for which the combination of housing cost and transportation costs display a highly correlated relationship. A graphic illustration of this correlation from America is presented at:

<http://htaindex.cnt.org/>

It is important that the Commission consider the effects of the overall market, due to the interconnected nature of demand and supply across varying sectors and locations – the so-called housing ladder. Limiting attention to specific market segments could ignore causes that may be arising in other segments of the market. For example, a lack of appropriate choices or availability for people moving into different life stages may lead them to 'stay put', and consequently to restrict availability in the market segment that they currently occupy.

*Q2 Does this stylised framework (Figure 1) capture all the important determinants of housing affordability? Are there others that are important?*

Missing is product specification, which is a critical determinant of price. It is vital that the Commission's model includes this point of differentiation, particularly with respect to affordability and the specification of new supply to the market.

Healthy markets typically feature products in similar classes that are differently specified. This mechanism achieves a range of outcomes - targeting varying consumer profiles can ensure that different budgets are catered for and that individual choice can be well served; it also enables a trickle-down effect whereby the mass market and lower budget consumers eventually benefit from the up-front, more expensive habits of the 'early adopters'.

Highly productive industries such as the Technology and Automobile sectors offer classic examples. The Apple iPod is available in a variety of sizes and formats offering a differentiated range of price, aesthetics and functionality. Spreading the range of model options increases the revenues for producers by providing choice to a wider range of potential customers.

Car models offer an even more diverse product range, utilising highly standardised elements to actually offer huge levels of customisation. This diversity serves both the interests of the producers and the consumers and directly results from efficient, productive market mechanisms. However, these approaches of diversifying product ranges and ensuring trickle-down efficiencies between premium products and more affordable mass products appears to be missing in the New Zealand market. Here there is an apparent focus on supplying only the premium market, with attendant consequences for the affordability of mass supply. This reflects the specification and design of the product just as much as it reflects the sheer volume of supply (or any constraints upon volume release).

There is a particularly strong analogy between housing and car markets in New Zealand. Protectionist trade tariffs prevented consumers accessing a wider choice of vehicles until the late 1980's / early 1990's, since when modern Japanese cars have become dominant market leaders. A result of this increased supply was naturally an increase in competition, driving prices for similar products downwards in real terms.

What is also significant within the car market scenario is that this deregulation has led to a shift in the specification of the preferred market product – leading models are now characterised by a tendency towards smaller size, high efficiency, reliability and durability. While there is still a strong following for larger models which are explicitly not about these specification values, there is a strong argument that deregulation of imports has improved consumer choice and affordability, and stimulated improvements across competing suppliers.

In contrast, the housing market in New Zealand can still be characterised in a manner similar to the conditions preceding deregulation of car supplies. Models are oversized, inefficient in terms of construction and operation consumptions, and have suffered from very real issues of durability. Quite simply, the supply chain tends to prioritise product characteristics that are potentially undesirable in terms of affordability and performance, and tends to have a blind spot in terms of quality beyond superficial measures.

I submit that there is a strong disconnect here from the values that consumers may value most, as the analogy with the car market suggests that consumer values have shifted towards a new agenda since the 1990's. While the size, number of rooms and quality of finishes for a house remain enduring consumer preferences (stated), there is perhaps a growing tendency towards trading off these preferences towards a more affordable, cheap to run and well located (ie cheap to access) product.

The market is being supplied primarily with large Falcons, Commodores and SUVs, while there is unmet demand in the market for well-designed, well-built Corollas and Swifts. Regulatory approaches (eg poorly targeted and operated urban intensification policies) have resulted in large numbers of Trabants – cramped, leaky and unreliable – and appear also to be failing to influence supply of a middle-market, high volume supply.

Whether the supply chain (through choice or coercion) is responding to changing preferences is a very real question, particularly with respect to affordability. Further analogy to car markets can be drawn here: the 'traditional' car makers who do take on board this market shift often struggle to move away from their traditional approaches to product design and supply, and fail to effectively compete with new imported ideas. Only a limited part of Holden's market is driven by fuel efficiency – few people buy them for this reason, their brand primarily targets opposing values, and the fact that the Japanese models are simply better conceived and built. This situation is particularly apparent in other countries such as the USA, where domestic suppliers had to be rescued from bankruptcy by the state before some of them would adopt designs and specifications suited to the current and future market directions. To bring this analogy back to the housing market, many attempts at smaller (more intensive) housing in recent years have been rightly criticised for their design and performance defects, perhaps because the industry and regulators lack the skills and knowledge to effectively deliver these unfamiliar models. The answer is not to import product directly, but to transfer knowledge to these parties in an effective manner.

I submit that there are also significant commercial and regulatory incentives for new housing supply to tend towards characteristics of being oversized, moderate to poorly constructed, expensive to run, and poorly located in relation to demand. Many new houses are very effectively 'upsold', with additional rooms, space and features, in order to maximise the return from them.

Even in the last few weeks this type of situation has been highlighted in the Canterbury area. News announcements around the scale of demolition required in Kaiapoi area were supported with comments from affected inhabitants that all of the available subdivisions in the area were offering excessively sized dwellings that did not fit their needs. This is only one example of an issue that I believe is generally widespread, and not only in relatively small towns or rural fringe areas. It is common to find that developments in central areas also target the premium market sector by offering larger 'executive' traditional-format dwellings. While this may often be considered a healthy market response to a valid demand, it is also decreasing the efficiency of land use in central areas. It is also the case that premium dwellings can be provided in other formats than 'traditional' houses, but again this is not the inclination of the industry.

This is not only a supply-side problem – it is in part generated by regulatory approaches. Planning controls tend to be focussed on traditional housing products, where privacy and the quality of occupation are created through separation and isolation. They tend not to deal with the complexities of a more intensive product, and in doing so create barriers to intensive development and weak control of design quality. If these issues were dealt with effectively by the suppliers this would not be a problem, but as there is no strong tradition of this product specification in New Zealand this is an area which does require stronger guidance from the regulatory sector.

Regulatory costs also affect this market tendency significantly. Every new dwelling built requires a number of fixed costs to be met, many of which relate to consenting as well as fixed cost construction items – eg utility supply and the establishment costs of simply running a building site. The high cost of individual consents therefore mitigates against supply of larger numbers of smaller dwellings, and against innovative construction approaches which may make the product more cost effective. The recent DBH Simple House solution for code compliance is an example of an attempt to reduce compliance costs, while effectively discouraging any 'non-traditional' construction pattern. I submit that reducing compliance costs while increasing creative, robust innovation is essential to improving the market. Housing suppliers may rightly complain about the costs of this regulatory environment, but also are happy to increase costs by increasing specifications beyond those sought by a large proportion of the market.

The analogy with the car market is clear – there is a strongly established relatively homogeneous existing supply chain that is not being challenged, and is supplying product that appears not to be suited to meeting need and preference. Amongst other factors this is contributing to the current issues of poor productivity and critical affordability barriers.

Expanding on the concept of product specification, in the context of housing supply, product differentiation can be characterised in a number of aspects that should be recognised at least partly in any appraisal of the market and its supply mechanisms. Considerations that are commonly presented – for example by real estate agents – include:

- Size – overall internal and external area
- Number of rooms
- Space functions – differentiation and scope of areas dedicated to specific uses
- Format – detached house, attached house, apartment
- Location – relational context, consisting of access to social, economic, environmental and cultural networks, typically marketed as representing a 'lifestyle' choice
- Construction specification and the quality of elements

- Aesthetic treatments – use of different styles and materials
- Energy performance – orientation to the sun, type of heating / cooling systems, levels of insulation

The scope of diversity which is either present or possible (eg through adaptation) in the housing market, and in particular consideration of whether the supply of new product is well aligned with consumer demand should be investigated as important elements of housing affordability.

*Q4 What factors have caused recent housing price increases? Are some of them temporary?*

Credit availability – temporary

Lack of responsive supply – structural

Uncompetitive supply chains – structural

Real estate hype – persistent and culturally embedded throughout New Zealand history

*Q6 What effects have price rises in housing had on the affordability of home ownership?*

Clearly prices have risen faster than incomes. This has impacted affordability both in terms of access into the market and the ongoing cost of housing.

*Q7 Are median price trends representative of trends within housing sub-markets?*

No. They fail to represent varying market segments and the nature of the commodity being exchanged.

*Q9 Why have different parts of New Zealand (cities and regions) experienced different trends in housing prices?*

Variance in:

- Demand – demographic and migratory change
- Supply – land availability and ease of development
- Supply – product specification
- Supply – control of the market by supply interests

*Q10 How should affordability for home buyers/owners be defined and measured, both in principle and in practice (taking account of data availability)? Is it possible to assess affordability using a single measure?*

Defined in relation to all correlated costs – including transportation, financing, and costs arising from product type – energy, insurance. Measurement of all these costs is possible using available government data.

*Q11 What has happened to affordability over time and what has caused this? Is it lower now than at times in the past? Does it reflect different influences to previous episodes of declining/increasing affordability?*

Affordability does appear worse now than in early episodes. This appears to be due to two factors – first, availability of cheap credit globally, secondly the increasing tension between population sizes and availability of readily developed land in desirable locations.

*Q14 How should affordability for renters be defined and measured, both in principle and in practice (taking account of data availability)? Is it possible to assess rental affordability using a single measure?*

I submit that rental affordability should not be considered any differently from ownership affordability. In a well functioning market the cost of renting and ownership should be closely related – divergence is a sign of a structural deficit or bias, eg in taxation. Countries with similar costs for both renting and ownership appear to be able to achieve competitive benefits arising from a flexible approach for consumers, who may chose either model under different life circumstances, and can therefore respond flexibly to changing market and life conditions. Where there is limited difference in the costs of housing under either route the asset itself (the home) can flexibly move between serving either model, increasing the fluidity of the overall economy. Markets that constrain the ability to move location freely appear to considerably impair the overall competitiveness of the workforce and economy.

Both should be considered in relation to household income, and taking account of correlated costs such as transport and energy.

*Q16 What factors have influenced the price of renting relative to house purchase prices? Are the current rental affordability trends likely to persist, or are they temporary?*

Taxation. Taxation. Taxation. Unclear whether government will truly grasp the nettle that has hamstrung the New Zealand economy since the founding of the country.

*Q17 What has been the impact of existing government programmes to assist first home buyers?*

Negligible at best, and potentially damaging if a pessimistic view is taken. Subsidising home ownership increases the cost of housing (prices rise to reflect increased monetary supply), and directing cash savings into an over-subscribed part of the economy both damages individual savings and continues to boost the over-pricing of this sector. Recent observation of the Australian First Home Buyers subsidy programme suggests that these tools are very directly responsible for artificially increasing prices in a situation where rebalancing of a market is required in order for prices to return to a true equilibrium.

*Q18 What are the key drivers of the decline in home ownership rates?*

Market saturation. Falling incomes in relation to the cost of housing, and therefore borrowing capacity in relation to market pricing. Inadequate supply of product creating perceived supply shortages.

Social preferences shifting away from the “Post-war” dream of home ownership and family profiles, towards less predictable and more flexible lifestyles. Changes in working patterns creating less attachment to a home for life. Increasing preferences in the youngest generations towards less tangible status symbols. Increasing uncertainty in financial markets which increases potential downsides to property as a financial investment – witness the American property market since 2008.

*Q19 To what extent are changes in home ownership levels explained by changing tenure preferences? Have changes in the New Zealand rental market been a factor in explaining declining home ownership rates?*

Changes in the rental market on the supply side have influenced declining home ownership rates. Significant taxation benefits have encouraged investors to consume supply, channelling assets into the rental stream and thereby denying opportunity for purchase by others. While this does not affect overall housing supply, it does skew the division between rental and ownership.

*Q20 How should housing markets be defined in New Zealand? What are the key factors that distinguish housing sub-markets?*

Location. Specification. Price segments.

*Q21 Do housing price trends for the various sub-markets differ? Are such differentials sustained or temporary?*

Yes, price trends reflect relative variances in demand and supply. The apparent affordability 'crisis' reflects lack of supply into critical specification, location and price points.

*Q22 What are the characteristics of investors in housing? How much of the recent activity in housing is coming from small, first-time investors? Has offshore investment been a feature in the New Zealand housing market? What market segments have seen the most investment activity?*

Small investors are clearly a large factor in New Zealand, with incentives to invest in privately portfolios. Offshore investment is, and has always been, a particular New Zealand issue. In particular, investment by individuals who can borrow abroad at significantly lower interest rates is a factor currently at play, with many property investors actively seeking this channel of income and investment.

*Q23 What are the major factors that have influenced recent investor activity in housing markets? Is the perceived risk associated with property investment different to that of other types of investments?*

Yes, there is clearly a different risk and return profile to other investments. A large part of this problem relates to externalities such as the lack of adequate regulation and protection in other investment markets in New Zealand. The property sector also suffers these problems where institutional investment is adopted – for example, the widespread “finance companies” fiascos. This is another reason why individually managed property investment is popular.

*Q24 What effect has investor activity in housing markets had on housing prices and affordability? Has investor activity influenced prices and affordability in all housing sub-markets, or has the effect been concentrated in particular areas such as apartments and medium-density housing in the cities or particular locations?*

The relative attractiveness of when considered in terms of security and taxation benefits have increased demand, thereby applying upward pressure on prices. I submit that the geographical or product profile for investors is far more complex than a simple division between ‘traditional’ and apartment/mixed density uses – the highly fragmented investor profile has ensured that individual investor preferences have resulted in a wide range of investment property profiles, from central locations + new product types to traditional suburbs + detached dwellings.

*Q25 Why is there little institutional investment in the private rental market in New Zealand?*

Inadequate regulation and protection for consumers. Inadequate cashflow returns compared to the perceived “capital gains” returns sought by private investors.

*Q26 What practices of real estate agents impact on housing prices and affordability? Has the effect been significant? Has the recently introduced Real Estate Act 2008 and stronger regulation of agents made a difference to the influence of real estate agents?*

I believe this to be the case. Practices around real estate auctions in particular appear to include those that are unacceptable and prohibited by auction operators in other contexts – for example, the allowance of bids by parties related to or acting on behalf of sellers. Trademe and numerous other physical or online auction operators rightly regulate and prosecute these behaviours, but this appears to be permissible in the context of the single largest transactions commonly undertaken by New Zealanders.

*Q28 What are the relative costs and benefits of intensification and expansion (greenfields development) to urban planning? What research literature and overseas developments are most relevant to New Zealand?*

This is a wide-ranging and complex subject, with extensive research and opinion offered – benefits and costs could be outlined for both sides very successfully and are often articulated by many parties to represent their best interests. For example, the Demographia organisation primarily reports in favour of expansion approaches, as it represents libertarians, fringe landowners & related developers, while intensification is reported more positively by organisations such as environmental bodies who prefer to focus on the ‘damage’ done to the natural environment by development. Both sides have relatively sound arguments and evidence, but will continue to disagree.

The most fundamental differences at a cost-benefit level appear to hinge on the availability of cheap transport, which is the fundamental factor in these contrasting spatial options. Access to cheaper faster transport has continually transformed human settlements on an accelerating basis from the age of hunter-gatherers through to the current petroleum-based economy. Human settlements are fundamentally sized on mechanisms such as the Marchetti constant, which relates the speed of transportation to the size of the city as a time-based factor which reflects the amount of time people are prepared to travel each day.

The true relevance of various cost-benefit models for these spatial options must surely lie in an assessment of whether New Zealand can expect to have ongoing access to cheap transportation methods. In particular, whether oil will continue to be readily available at or below current costs, or whether we can realistically identify a more advanced, cheap and flexible form of fuel energy is the critical question.

Without one of these two scenarios the form of our cities cannot expect to continue to expand, and we must therefore contemplate how to accommodate more people without this growth in settlement size.

*Q29 How do these different approaches to urban planning support competitiveness and economic growth?*

The less time wasted in travelling unnecessarily, the more efficient a city economy. Reducing this time waste can be achieved by either making transport more efficient to enable larger travel distances within the same time limit, or reducing the need for large travel distances by making places closer together.

I submit that most assessments of future energy supplies and models of supplying transportation infrastructure suggest that relying on increased transportation speed and capacity, particularly through private vehicles powered by petroleum, is unlikely to be able to deliver ongoing efficiency in coming decades. Petrol is becoming more expensive, and we cannot realistically build enough road space to accommodate much larger numbers of cars in cities like Auckland without highly damaging impacts on existing places. We either need more efficient transport such as trains and buses to be prioritised if the city is to grow through expansion, or we need more intensification to bring the everyday places & services that people access closer together in relative terms. Realistically we need both at the same time as we appear to be failing to deliver adequately in terms of meeting housing need.

*Q30 To what extent do these different approaches to urban planning support environmental objectives?*

On several key indicators it is apparent that intensification can benefit the environment, primarily due to reduced transport emissions, building energy consumption, improved collective drainage and water systems. However, less dense urban environments theoretically offer greater potential for integration with natural ecosystems. However, these theoretical benefits are rarely practiced, where in contrast the benefits of intensification can generally be more easily realised on a wide scale – for example, intensive cities tend to naturally limit the travel movements of large numbers of people.

*Q31 In New Zealand, do home owners prefer living in dense urban settlements or less dense suburban developments? What are the reasons for this preference?*

Homeowners have preferred to live in less dense settlements, but this preference appears to be rapidly changing in all of the major urban centres. The reasons are rooted in the historic reasons behind emigration from the traditionally dense European countries, to a country perceived to be all about rural opportunity. However, the advantages of cities are always the same – that intensity brings economic, social and cultural advantage. Therefore, as our cities grow it is natural that there is an increasing return to embracing the advantages that co-location bring, and we should not be surprised at this change. Those who are surprised, and who continue to voice the ‘traditional’ view are largely those of the older generations, or those with vested interests in opposing intensification opportunities.

*Q32 Has there been a reduction in the rate of land release, either at the urban fringe or in in-fill areas? If so, why?*

Yes. Limits on metropolitan growth planning using boundary constraints has certainly limited opportunities on a policy front; equally, manipulation of supply to ensure suitable selling prices is clearly operated in the interest of landowners and developers, both in fringe and in-fill areas. Constraints on land release in central areas have included restrictive development policies (eg inappropriate envelope controls, minimal parking and traffic control/capacity requirements and overbearing development contribution requirements), critical issues around the fragmentation of land ownership, and importantly the sheer inefficiency of the consenting process.

*Q33 Are local authorities’ land release policies enabling or constraining the supply of land for development?*

Policies are generally constraining supply.

“Land release policy” appears to refer to fringe areas particularly, where a constraint policy can be successfully operated. In these situations there is generally prevailing pressure from developers, and when policies release opportunities there is often a relatively prompt supply response. However, this supply may well not be suited to the demand preferences of the market.

In any area other than fringe, local authority policies tend not to operate entirely successfully, that is they often fail to lead to land release on the scale anticipated within the timescale anticipated. This is due to the complex considerations associated with development, including social, demographic, economic and temporal issues. Local authorities are generally very unsophisticated in their modelling of this response, and fail to see that “releasing supply” in these instances requires removal of barriers to assist in overcoming a more challenging development environment.

*Q34 What is the likely minimum lead time for release and development of new land and housing?*

I submit that this is not simple to predict, for a wide range of commercial and technical reasons. An approach that is permissive (encouraging more significant change while still achieving quality) rather than trying to accurately predict and provide is more likely to meet housing need and demand. Managing land release on a just-in-time basis is likely to play into the anti-competitive interest of parties who have current control over key land.

*Q36 Are the planning policies that are designed to encourage higher density housing consistent with, and flexible enough to accommodate, changing community preferences?*

No. Many policy approaches are contradictory and work against market mechanisms (for example, excessive parking requirements for relatively centrally located developments) and tend to include control mechanisms that are predicated on very basic, unsophisticated development assumptions.

A key issue with intensification development is not the adoption of intensification in itself, but the quality of the design and construction. These are issues that require a flexible, qualitative response to planning and control, rather than use of approaches rooted in ‘traditional’ low-density development. Objections to intensification within communities, when based on experience, tend to reflect issues of quality rather than the presence of increased members of the community.

*Q38 Is the current planning regulatory system more complex and fragmented than it needs to be? Does the planning system include elements that detract from quality urban development and impose unnecessary costs and uncertainty on developers?*

The present planning system is disastrous when considered in the interests of the quality of the urban environment and housing affordability. The RMA is primarily concerned with protecting the natural environment – a sound aim – but fails to offer adequate concern for creating a sound human environment.

There is also a strong bias implicit in this against the creation of good quality places that solve the emerging social challenges of our population, and towards the creation of lowest-common-denominator development.

An excessive amount of energy and resources is also directed purely at process rather than product. The main beneficiaries of this situation appear to be Planners and Lawyers, who initially create these mechanisms, rather than the environment and the community.

*Q39 How could urban planning and development be improved to better integrate strategies for land use, economic development, transport and infrastructure?*

Greater integration between key planning divisions, including reconciliation of the apparent divergence between central government and local government on key issues such as transport strategy. The current approach to State Highway planning and funding fundamentally undermines creation of competitive cities and urban societies in the interests of creating a network to serve truck-based movements.

Outcomes could be improved by prioritising creative design solutions that achieve multiple benefits, rather than sticking to traditional formulaic development. Similar to the analogy with the car industry, this would rely on increasing knowledge transfer into the Planning and Development industries in order to adopt more productive working methods.

*Q40 Do local authority planning schemes and approval processes create unnecessary costs? If so, how could they be improved?*

Yes, on an incredible scale. International comparators such as the UK and other countries demonstrate that planning consent should be able to be granted for under a thousand dollars per dwelling, yet yield better quality outcomes than achieved in New Zealand. The process needs to have national processes set out for consistency, predictability and timeliness.

*Q41 Do external or third-party appeal mechanisms unnecessarily delay planning approvals?*

Yes. The process of “notification” needs fundamental review – it should be retained, but with clear constraints on applicability, weighting of parties’ views, and timelines.

*Q42 What infrastructure costs should be recovered through infrastructure charges? Should the costs of providing services such as schools, parks and libraries be recovered via infrastructure charges?*

Infrastructure costs in fringe expansion areas should be recouped entirely, through long-term charges to property owners who benefit. Lack of allocation of these costs amount to a significant subsidy to land owners and developers in fringe areas – but imposition of these charges as an upfront charge prevents development, rather than ensuring that the costs are truly allocated. These charges need to be advertised clearly to purchasers to ensure that these costs are factored into their purchase decisions.

Conversely, infill developments need to be partially or fully relieved of these costs where they are currently imposed through development levies. Increasing local populations generally makes facilities more viable and better used, and central development generally leads to reduced travel on infrastructure such as roads compared to adding equal numbers of fringe dwellings.

*Q48 What alternative methods of funding could deliver fairer and/or more efficient outcomes?*

Rates. Simple, existing mechanisms which are enduring and reflect a user-pays basis, and which share the wider benefits of a growing population across society. Current structures effectively create price barriers which impede access to the market for new entrants (buyers of new housing stock), in favour of the incumbents (existing voters in established neighbourhoods) who wish to minimise rate increases.

- Q58 Why is there not more standardisation in New Zealand's building and construction sector? Is this driven by consumer preferences or industry approach?*
- Industry approach, and the benefits that accrue to industry operators in using an inefficient, non-standardised approach.
- Q67 How have household preferences for housing changed? What future demographic trends will be important in influencing housing demand?*
- Yes. For a concise reference, see "The Determinants of Tenure and Location Choices of 20–40 year old Households in the Auckland Region", research undertaken by CHRANZ, 2010.
- Q68 Does the apparent mismatch between the increasing average size of dwellings being added to New Zealand's housing stock and the projected shift to smaller households raise any market or policy issues?*
- Absolutely. Refer to earlier comments with regard to the lack of supply response. Consequences of this situation are a contribution to the ongoing affordability situation, and a range of economic and social outcomes from the mismatch between housing needs/desires and available property choice.
- Q69 How have taxes affected price and affordability outcomes in the New Zealand housing market, especially for first home buyers?*
- Yes. Clearly many properties are channelled into the portfolios of existing property owners in the interests of achieving tax benefits, reducing the stock of houses available for purchase.
- Q73 Has growth in household incomes been a major factor affecting housing demand, prices and affordability?*
- Growth in income has been nowhere near as significant as the growth in access to credit. It is credit that has enabled price increases to become disconnected from fundamental pricing factors.
- Q80 Are capital markets meeting the needs of home buyers, in particular first home buyers?*
- Yes, lenders are desperate to continue over-lending to buyers during a time of limited property transactions.