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From: George Taylor [Withheld OIA s9(2)(a)]

Sent: Wednesday, 20 July 2016 11:06 a.m.

To: macroprudential

Subject: Submission on RBNZ announcement 19th July 2016

The relatively low returns on Auckland rental housing are a sign that prices are topping out. Your announcement should help as well.

The problem is getting first home buyers into houses. Not just Auckland, my daughter and son in law are trying to buy their first house in Tauranga. They are starting a life of work and tax, being good kiwis and useful members of society.

Leave their LVR at 90%. Low interest rates (well done👍👍), allow them to plan financially for owning a house. They could even stress test their own budget and make it work. Your own research shows that investors are hit harder in a crash. First home buyers will just keep owning it through the period of low equity until things improve. As long as mortgage payments are kept up a crash has no long term effect on them.

If their deposit requirement were to double they won't free up their renter for another long period of time, which perpetuates that part of the housing crisis.

First home buyers are vulnerable to high deposit requirements, not low interest rate mortgages.

Regards,

George Taylor

Sent from my iPad