



# BNZ-Nine Rewards Consumer Trends Survey

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## Mission Statement

To help Kiwi businesspeople and householders make informed financial decisions by discussing the economy in a language they can understand.

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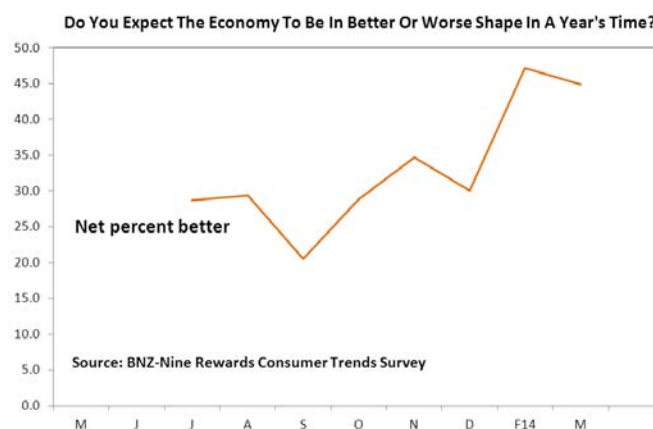
## Confidence High, Investment Property Demand Rising

Our monthly survey with Nine Rewards has found that a net 45% of the 553 respondents are confident that the economy will improve over the coming year. This strong result is consistent with many other sentiment indicators but does not as yet appear to be leading to a widespread willingness by consumers to open their wallets. While there is an upward trend in thoughts of buying a car this is not the case yet for furniture and appliances.

The proportion of respondents thinking about buying an investment property continues to rise and now sits at 7.6% compared with 4.8% just before the Reserve Bank implemented restrictions on low deposit lending which shut many first home buyers out of the market.

## Do You Expect The Economy To Be In Better Or Worse Shape In A Year's Time?

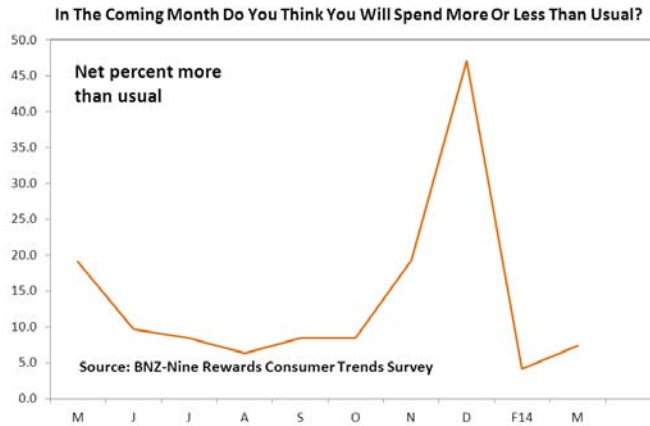
Consumer confidence about where the economy will be in a year's time remains high. A net 45% of the 553 respondents in our latest BNZ Nine Rewards Consumer Trends Survey expect the economy to be in better shape a year from now. This outcome is little changed from the record net 47% confidence expressed four weeks ago.



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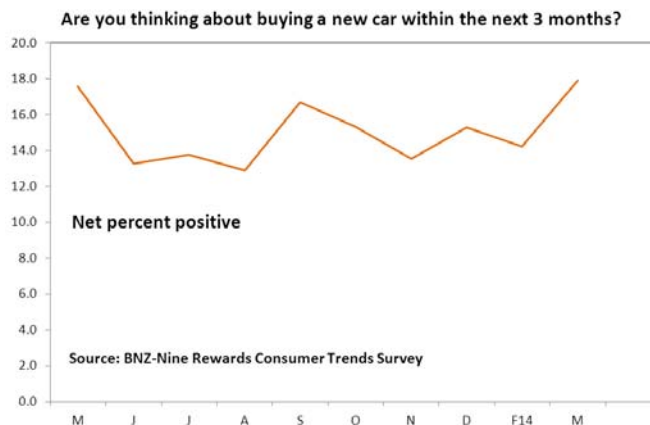
## In The Coming Month Do You Think You Will Spend More or Less Than Usual?

There is a huge seasonal effect running through this time series and at this stage it is not at all clear that retailers should be expecting any particularly large surge in consumer spending in the near future. A net 7.4% of survey respondents expect to boost their spending more than usual in the coming month, up marginally from a net 4.2% last month.



## Are you thinking about buying a new car within the next 3 months?

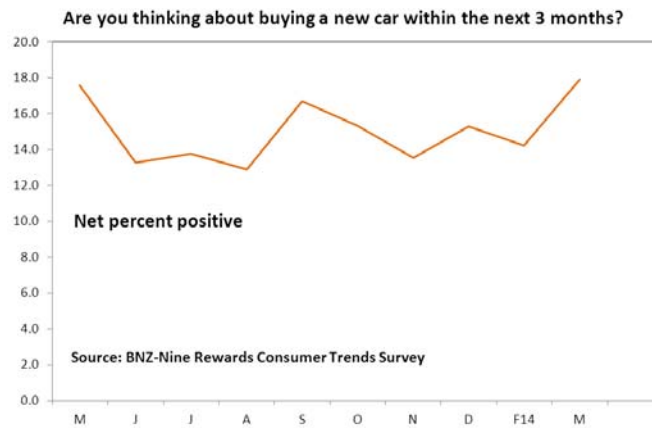
A record net 17.9% of our 553 respondents are thinking about buying a car. This may be a signal of rising intentions to act upon firm confidence given that people tend only to boost intentions of buying durable goods like cars when they are highly confident about future income levels.



## Are you thinking about buying new furniture and/or appliances within the next 3 months?

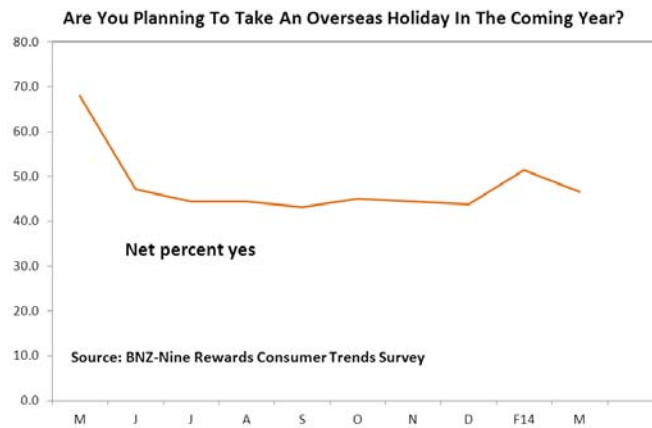
We include this question because it also addresses the issue of whether consumers truly intend acting upon their confidence by committing to the purchase of durable items which may require payment over a period of time. The fact that intentions of purchasing a car went up but intentions of buying furniture and appliances have fallen in the month (net 40.5% from 43%) tells us that caution is still required of retailers.

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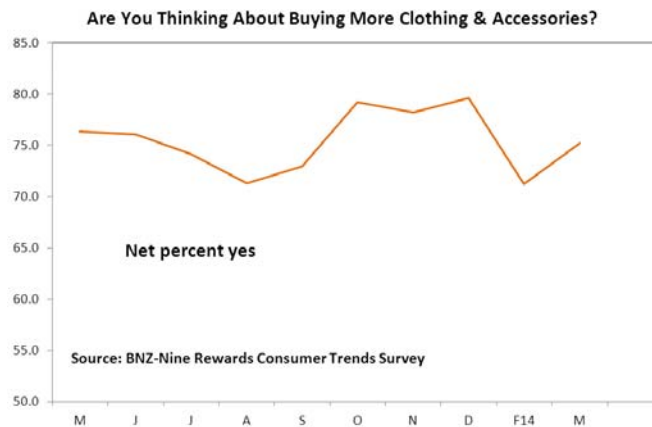
## Are you planning to take an overseas holiday in the coming year?

There is no trend change in this measure underway with March's result of a net 46.5% of people thinking about travelling offshore little changed from the results since May last year.



## Are you thinking about buying more clothing and accessories within the next 3 months?

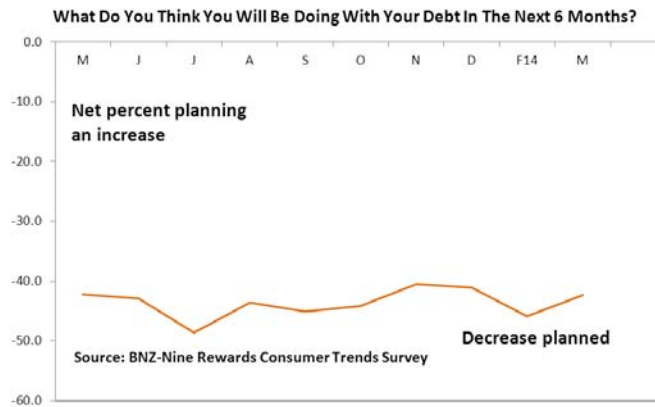
There is no reason yet for retailers to be expecting any particular hike in generalised consumer spending on clothing and accessories in the near future. A net 75.2% of respondents plan higher spending, up slightly from a net 71.2% last month.



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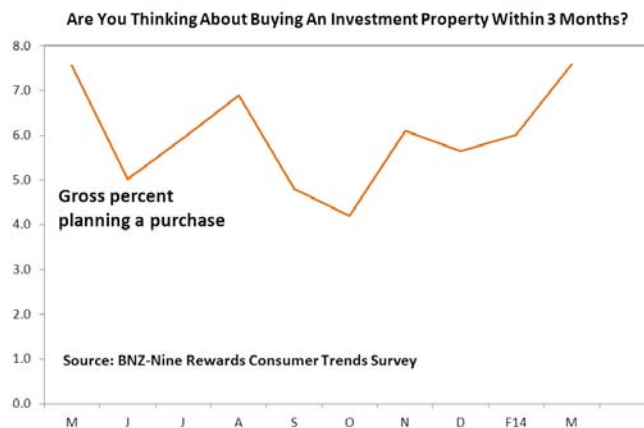
## What do you think you will be doing with your debt in the next six months?

A net 42.3% of people are thinking of cutting their debt levels over the next six months. This result is completely in line with other outcomes since May and therefore does not signal anything of interest. However, it will be interesting to watch outcomes as the Reserve Bank starts raising interest rates to give an early gauge as to how powerful monetary policy might be this cycle.



## Are you thinking about buying an investment property within the next 3 months?

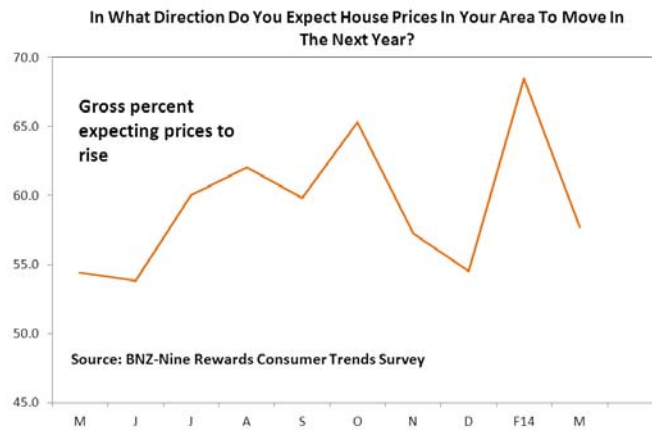
Our BNZ-REINZ Residential Market Survey tells us that first home buyers are continuing to desert the housing market. The survey also tells us that investors are increasingly stepping in and that we should expect a continuation of the downward trend in home ownership in New Zealand. This month our survey backs that latter effect up with a gross 7.6% of respondents thinking about buying an investment property in the coming three months. Again it will be interesting to see how this measure changes as interest rates rise.



## In what direction do you think house prices in your area will move in the next 12 months?

A net 57.7% of survey respondents expect house prices to rise in their area over the coming year. Only 35 of the 553 respondents expect their local house prices to decline while 354 expect prices to rise. The rest expect no change or have no view.

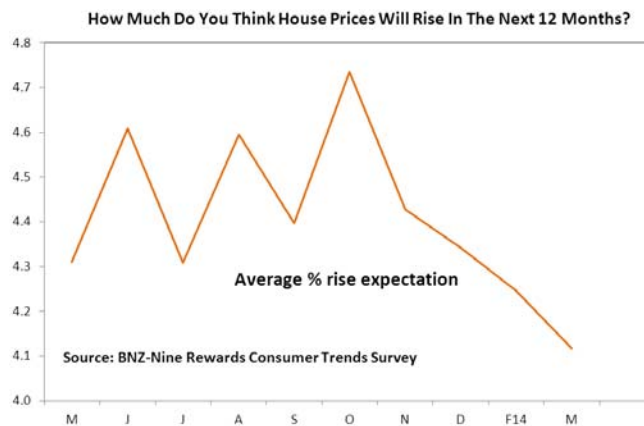
# BNZ-Nine Rewards Consumer Trends Survey



## How much do you think house prices will rise by in your area in the next 12 months?

-Answer from those expecting prices to rise.

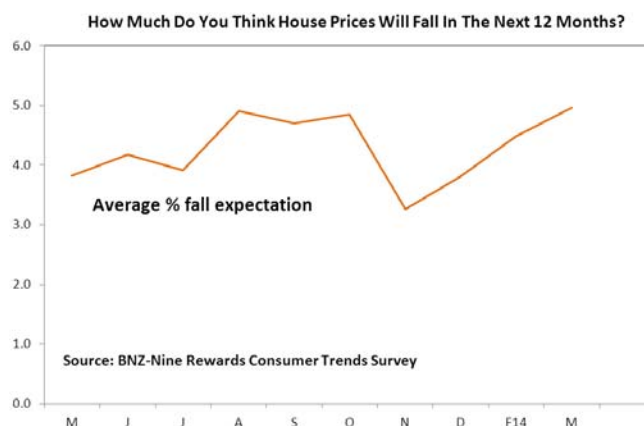
Here we finally get an interesting result this month beyond the upward trend in investor demand for property. The average rise in house prices expected by those anticipating rises has dropped to just 4.1% from a peak of 4.7% in October. So maybe the LVR rules are doing more than just capping sales and scaring first home buyers away.



## How much do you think house prices will fall by in your area in the next 12 months?

-Answer from those expecting prices to fall.

For the 35 people expecting house prices to fall the average decline expected is 5%.



# BNZ-Nine Rewards Consumer Trends Survey

## Would you like to earn more money by working more hours each week?

We include this question to see over time if we can get a feel for labour availability. There is as yet no particular trend in this measure with a net 45.6% of respondents this month saying they would like to work more. This was up from a net 43.4% in February but only just above the average since our survey started in May of 44.8%.



## Are you finding jobs or extra hours of work becoming more or less readily available?

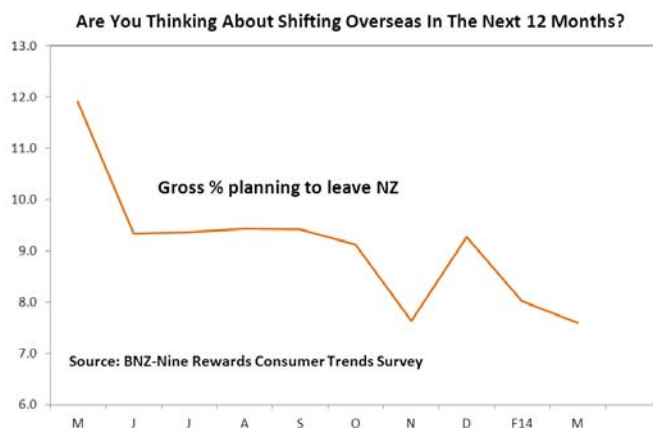
The trend in this measure is for people to be slowly experiencing less and less difficulty in sourcing work. However there is still a net 16.6% of respondents saying finding work is hard.



## Are you thinking about shifting overseas within the next 12 months?

Only a gross 7.6% of people are thinking about shooting through. This is an equal record low which appears consistent with the evidence from monthly migration data of a massive fall in the number of Kiwis going to live in Australia.

# BNZ-Nine Rewards Consumer Trends Survey



## Data Table

	Sample size	A Net Optimism	B Spend	C Car	D Furniture	E Travel	F Clothing	G Debt	H Invest	I House Prices	J % rise	K % fall	L Work around	M Jobs	N Leave NZ
May	530		19	18	40	68	76	-42	8	54	4	4	48	-30	12
June	557		10	13	33	47	76	-43	5	54	5	4	44	-19	9
July	523	29	8	14	39	44	74	-49	6	60	4	4	45	-26	9
August	551	29	6	13	41	44	71	-44	7	62	5	5	41	-25	9
September	521	21	8	17	39	43	73	-45	5	60	4	5	47	-27	9
October	548	29	8	15	43	45	79	-44	4	65	5	5	47	-22	9
November	524	35	19	14	44	44	78	-40	6	57	4	3	43	-19	8
December	550	30	47	15	46	44	80	-41	6	55	4	4	44	-24	9
Feb. 2014	549	47	4	14	43	51	71	-46	6	69	4	4	43	-12	8
March	553	45	7	18	41	47	75	-42	8	58	4	5	46	-17	8

- A Do you expect the economy to be in a better or worse shape in a year's time?
- B In the coming month do you think you will spend more or less than usual?
- C Are you thinking about buying a new car within the next 3 months?
- D Are you thinking about buying new furniture and/or appliances within the next 3 months?
- E Are you planning to take an overseas holiday in the coming year?
- F Are you thinking about buying more clothing and accessories within the next 3 months?
- G What do you think you will be doing with your debt in the next six months?
- H Are you thinking about buying an investment property within the next 3 months?
- I In what direction do you think house prices in your area will move in the next 12 months?
- J How much do you think house prices will rise by in your area in the next 12 months?
- K How much do you think house prices will fall by in your area in the next 12 months?
- L Would you like to earn more money by working more hours each week?
- M Are you finding jobs or extra hours of work becoming more or less readily available?
- N Are you thinking about shifting overseas within the next 12 months?

# BNZ-Nine Rewards Consumer Trends Survey

## Results By Region

Regions supplying fewer than 20 respondents are not reported.

	Sample size	A Net Optimism	B Spend	C Car	D Furniture	E Travel	F Clothing	G Debt	H Invest	I House Prices	J % rise	K % fall	L Work	M Jobs around	N Leave NZ
Auckland	166	49	10	21	47	58	79	-46	10	67	5	6	46	-13	8
Bay of Plenty	26	42	4	15	27	58	73	-46	8	31	4	4	50	-35	12
Canterbury	77	23	16	21	43	38	75	-36	6	71	5	8	38	-6	5
Gisborne	4														
Hawkes Bay	24	54	25	4	38	38	75	-79	4	54	3	3	58	-17	4
Manawatu-W	31	29	-6	16	19	32	68	-55	6	13	3	4	55	-23	6
Marlborough	3														
Nelson	1														
Northland	12														
Otago	23	35	-9	13	39	61	70	-35	4	48	3	10	57	-22	9
Southland	6														
Taranaki	13														
Tasman	1														
Waikato	49	51	14	16	39	41	78	-37	8	55	4	5	49	-20	8
Wellington	114	51	-1	16	43	36	75	-32	6	59	3	3	46	-20	11
West Coast	3														
<b>All NZ</b>	<b>553</b>	<b>45</b>	<b>7</b>	<b>18</b>	<b>41</b>	<b>46</b>	<b>75</b>	<b>-42</b>	<b>8</b>	<b>58</b>	<b>4</b>	<b>5</b>	<b>46</b>	<b>-17</b>	<b>8</b>

## Results By Gender

Some readers may find items of interest in this breakdown of results by gender. Females are less optimistic than males, have fewer plans to buy investment property, and feel far less confident about finding work.

### March Survey

	Sample Size	A Net Optimism	B Spend	C Car	D Furniture	E Travel	F Clothing	G Debt	H Invest	I House Prices	J % rise	K % fall	L Work	M Jobs around	N Leave NZ
Male	280	59	8	20	40	53	72	-44	10	62	4	5	45	-5	8
Female	273	31	7	16	41	40	78	-41	5	53	4	5	46	-28	8
<b>ALL</b>	<b>553</b>	<b>45</b>	<b>7</b>	<b>18</b>	<b>41</b>	<b>46</b>	<b>75</b>	<b>-42</b>	<b>8</b>	<b>58</b>	<b>4</b>	<b>5</b>	<b>46</b>	<b>-17</b>	<b>8</b>

### February Survey

	Sample Size	A Net Optimism	B Spend	C Car	D Furniture	E Travel	F Clothing	G Debt	H Invest	I House Prices	J % rise	K % fall	L Work	M Jobs around	N Leave NZ
Male	279	62	8	17	43	56	67	-43	8	71	4	6	43	1	9
Female	270	32	1	11	43	47	76	-49	4	66	4	3	44	-26	7
<b>ALL</b>	<b>549</b>	<b>47</b>	<b>4</b>	<b>14</b>	<b>43</b>	<b>51</b>	<b>71</b>	<b>-46</b>	<b>6</b>	<b>68</b>	<b>4</b>	<b>4</b>	<b>43</b>	<b>-12</b>	<b>8</b>

## Results By Age

Thoughts of buying an investment property are strongest amongst those aged 40-44 years with the gross 13% result well up from a gross 3% before the LVR rules became effective at the start of October. A gross 8% of 25-29 year olds are thinking of such a purchase, up from no-one back in October.



# BNZ-Nine Rewards Consumer Trends Survey

## March survey

	Sample size	A Net Optimism	B Spend	C Car	D Furniture	E Travel	F Clothing	G Debt	H Invest	I House Prices	J % rise	K % fall	L Work	M Jobs around	N Leave NZ
18-24	52	31	-4	15	44	29	81	2	0	54	3	10	77	-35	17
25-29	49	35	18	20	47	47	86	-55	8	37	4	5	69	-24	18
30-34	61	54	7	23	52	44	84	-61	8	77	4		57	-7	15
35-39	62	42	6	23	48	40	76	-47	6	74	4	4	35	-19	6
40-44	62	39	-5	21	37	39	76	-48	13	55	4	3	39	-2	10
45-49	64	38	-6	17	47	42	72	-64	8	48	5	7	47	-13	3
50-54	70	56	21	17	34	61	70	-40	10	59	4	5	26	-29	3
55-59	34	24	12	15	29	53	74	-50	9	62	4	4	38	-18	3
60-64	44	55	9	18	41	52	75	-23	11	45	4	4	43	-9	0
65yrs+	55	67	18	7	20	58	62	-29	2	60	4	3	31	-13	0
<b>All</b>	<b>553</b>	<b>45</b>	<b>7</b>	<b>18</b>	<b>41</b>	<b>46</b>	<b>75</b>	<b>-42</b>	<b>8</b>	<b>58</b>	<b>4</b>	<b>5</b>	<b>46</b>	<b>-17</b>	<b>8</b>

## February survey

	Sample size	A Net Optimism	B Spend	C Car	D Furniture	E Travel	F Clothing	G Debt	H Invest	I House Prices	J % rise	K % fall	L Work	M Jobs around	N Leave NZ
18-24	32	50	-3	9	44	38	91	-38	0	53	3	4	72	-25	19
25-29	58	47	-9	17	43	62	69	-55	3	67	4	9	64	-38	22
30-34	77	39	-5	22	60	45	73	-61	9	65	5	4	48	5	10
35-39	54	41	11	20	44	52	80	-44	2	72	5	1	39	-22	7
40-44	62	47	6	15	47	39	74	-40	11	71	4	6	42	-11	8
45-49	49	45	-6	10	47	59	69	-41	6	59	4	8	47	-14	8
50-54	69	42	4	10	33	54	67	-42	10	71	4	1	32	-16	3
55-59	44	50	32	11	45	66	73	-66	7	89	5	-	45	-11	0
60-64	50	60	12	6	34	58	72	-48	2	74	5	1	34	0	4
65yrs+	54	59	6	15	28	43	54	-19	4	61	5	3	22	2	0
<b>All</b>	<b>549</b>	<b>47</b>	<b>4</b>	<b>14</b>	<b>43</b>	<b>51</b>	<b>71</b>	<b>-46</b>	<b>6</b>	<b>68</b>	<b>4</b>	<b>4</b>	<b>43</b>	<b>-12</b>	<b>8</b>

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The BNZ-Nine Rewards Consumer Trends Survey is run in the last week of each month.

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