

# State of the Nation Report

March 2022

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## Introduction

Kia ora,

Welcome to Trade Me's State of the Nation report for 2022, our first annual review of Kiwis' online behaviour and emerging trends across the property, jobs and motor vehicle sectors.

Most Kiwis would agree that 2021 was an extraordinary year. At Trade Me, housing was the top story, driving the narrative for most of 2021, with record asking prices across the country. Property was occupying people's minds, whether they were trying to get onto the property ladder, or they were just watching with awe as their home value rose. At the same time, tenants were having to fight harder to find a rental home as investors pared down portfolios in response to tax changes and regulation requiring more from them.

As a result of Covid-19, remote working has become an established part of life in the past two years. There's been a step-change in the expectation of where people will do their work. As a result, people are expanding their homes or looking for a larger place to live to accommodate this work life transition. Fewer hours in the office has also opened the door to moving from a large city to a beautiful regional location, to be closer to family or just to take full advantage of that wonderful New Zealand outdoor lifestyle. As regions experience associated population growth, they have more jobs to offer and are able to compete well with employers in the big city centres.

In 2021, with closed borders leading to a tight job market, job hunters with good skills had more options for promotion or to move on to a better role. Low unemployment gave experienced workers better leverage in their jobs and greater mobility if they wished to use it, though people were increasingly picky.

Meanwhile, as Kiwis all remained close to home, their extra disposable income was spent on new cars and home renovations rather than on travel and eating out. In 2021, the Government, alarmed at fast rising property prices,



moved to curb this growth through LVRs as well as changing the CCCFA later in the year which has made it significantly harder to borrow. At Trade Me, we saw this affect the numbers of those buying both homes and cars. From October, homeowners, meanwhile, faced interest rate rises for the first time in seven years as the Reserve Bank moved to clamp down on strong inflation and further interest rate rises are expected throughout 2022.

The accumulation of these measures should cool the property market over the coming months and we're predicting that the rate of price growth will ease as both buyers and sellers adapt their price expectations.

Already at the start of 2022, we're facing additional uncertainty. Not only are we unsure of how Omicron will play out, and impact economic activity, we have global geopolitical factors like Russia's invasion of Ukraine and the response from key players which is destabilising economic recoveries.

As we contemplate what might be ahead this year, after two years of lockdowns, Kiwis have shown themselves to be more resilient each time and they've grown in confidence as they've handled adversity.

Other lessons we've learned that will stand us in good stead this year, is that people are much more confident about carrying out transactions digitally than two years ago. Thanks to the pressing need to adapt in lockdowns, and the rate of technological change, people are more apt to purchase online and that goes for big ticket items, like homes and cars too, as long as they have excellent virtual information and good trust in their representative. Kiwis would also start a job without having physically visited the business or met their manager face to face, our research has found.

We expect this digital shift to continue even when we've seen the back of Covid-19. Embracing it, and creating new ways of doing things, will mean we're ready for whatever comes next.



**JEREMY WADE & ALAN CLARK**  
HEADS OF CLASSIFIEDS





## Foreword

The Covid-19 pandemic has swiftly changed the way Kiwis live their lives. Some changes will be temporary, but others will be long lasting adjustments to where Kiwis focus their time, money, and energy. New Zealand finds itself with some of the best economic and health outcomes globally, yet sits at a crossroads, with the path ahead still so unpredictable.

Difficult conditions and heightened uncertainty present families and businesses with challenges about their own situation and where to next. Risk is everywhere, but hard to judge properly as the world, and the settings we base our lives around, rapidly change.

Such fluid conditions also present incredible opportunities, as trends evolve and accelerate. More and more, making a change and taking a risk are options Kiwis are seeking out, with the consequences of standing still as the world shifts around us clear to see. The pace and scale of change have advanced, and we need to keep up.

New Zealanders are looking for a change, and are finding that the old requirement to base your life around where your job and office is, isn't as important anymore. Working from Home (WFH) has accelerated substantially during the Covid-19 pandemic, from 23% of the workforce pre-pandemic being able to operate at home to 36% as required during lockdowns.

The rise in WFH also presents substantial benefits for regional economies, with a larger pool of workers able to do increasingly complex jobs. Bringing new talent to an area, with the rise in remote working, also bolsters local economic fortunes as these transferred workers spend locally and can help build a wider community of new workers.

As the world continues to evolve, so will the way we interact in the world.



**BRAD OLSEN**  
PRINCIPAL ECONOMIST, INFOMETRICS

# | Table of contents

<b>1.</b>	<b>Introduction</b>	
<b>2.</b>	<b>Foreword</b>	
<b>3.</b>	<b>Table of contents</b>	
<b>4.</b>	<b>Snapshot of NZ</b>	
	Consumer insights and trends	7
	Sector performance	12
<b>5.</b>	<b>Emerging NZ trends</b>	
	A regional shift	17
	The impact of working from home (WFH)	20
	Redistribution of disposable income	23
	A clean, green future	25
<b>6.</b>	<b>Global snapshot</b>	
	Property market insights	30
	Job market insights	31
	Motor vehicle insights	32
<b>7.</b>	<b>Future thinking</b>	
	What's in store for the property market in 2022?	34
	What's in store for the job market in 2022?	35
	What's in store for the motor vehicle market in 2022?	36





# | Snapshot of NZ

A look at Kiwis' decision making in 2021 and their intentions for 2022. We spotlight how Covid-19 has accelerated the transition to digital and ways businesses can support customers in their journey.



# Survey participants



## We surveyed 1,736 people

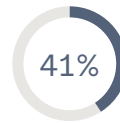
Who searched for a property, job or vehicle in NZ on Trade Me in 2021.\*



were located in or around one of the three main regions: Auckland, Canterbury or Wellington.



were in the Gen Z age range (under 25)



were in the Millennial age range (26-45)



were in the Gen X age range (46-55)



own the home they live in, while 21% rent their home.

**\$80-90K**

was the median salary of employees, while waged employees were on a median of \$21-\$30 per hour.

## General findings

Since the beginning of the Covid-19 pandemic, the transition to digital has accelerated. This means that Kiwis are not only doing more online than ever before, but they're also more confident to make decisions such as starting a new job, buying a car or even moving house without a physical experience first.



**19%** moved into their current home in 2021. A quarter of those who moved, did so without viewing it in person first.



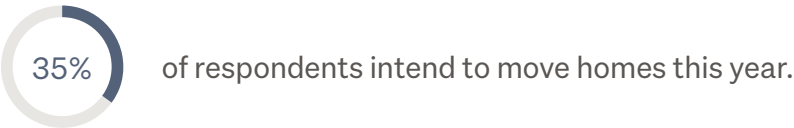
**22%** started a new job in 2021. A quarter of those started without visiting the office or meeting their manager in person.



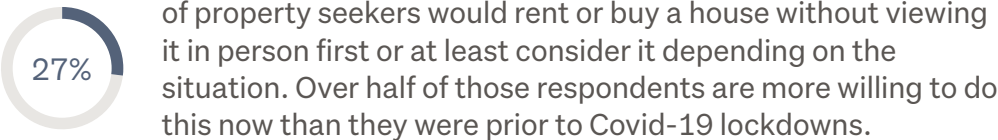
**34%** purchased a vehicle in 2021. A quarter of those purchased without viewing it in person or taking it for a test drive first.

# Property seeker intentions

Despite stricter lending conditions and rising house prices, there's no denying that Kiwis are still passionate about property. Just under half of the renters who responded to the survey intend to buy a property in 2022, with confidence likely growing due to talks of a price cooling on the horizon.



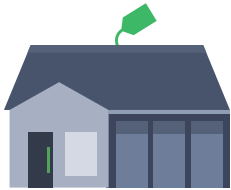
- **52%** intend to buy a property in the same city.
- **25%** intend to buy a property elsewhere in NZ.
- **13%** intend to move to a rental in the same city.
- **7%** intend to move to a rental elsewhere in NZ.
- **3%** intend to move overseas.



## PROPERTY BUYERS CONSIDER PURCHASING A HOUSE WITHOUT SEEING IT IN PERSON **AS LONG AS...**



Someone they trusted could view it for them, or



It was a new home, or



There were a lot of high quality photos, video and/or could take a virtual tour, or

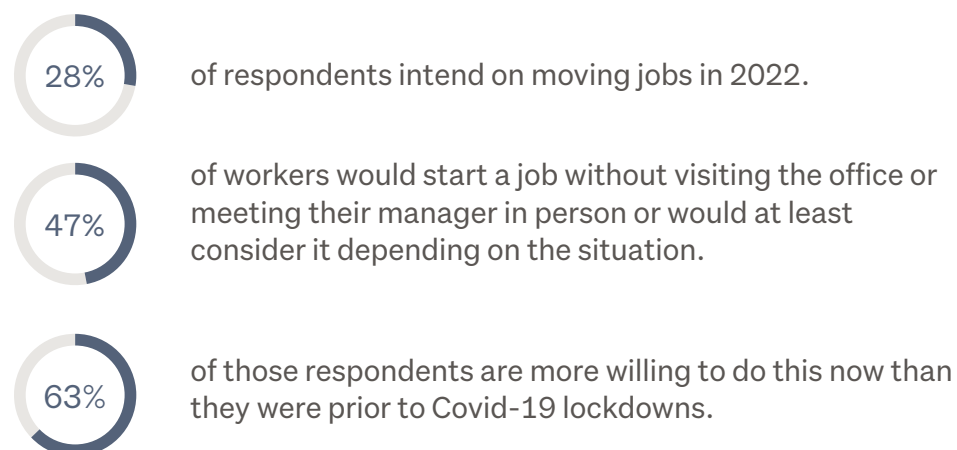


A comprehensive building report was done



# Job hunter intentions

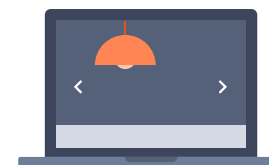
With border closures and an all-time low unemployment rate, it continues to be a job hunters' market. With this, job hunter confidence has returned to levels seen pre-Covid-19, with 28% of Kiwis intending to move jobs in 2022, up 11 points on last year.<sup>1</sup>



JOB HUNTERS WOULD BE HAPPY TO START  
A NEW ROLE VIRTUALLY **AS LONG AS...**



Someone they  
trusted  
recommended  
the workplace, or



They could take a  
virtual tour of  
the office, or



They met their  
manager via video  
conference first

<sup>1</sup> Trade Me Jobs Employer and Job Hunter Intentions Reports, 2019-2020

# Vehicle shopper intentions

Global factors continue to impact car manufacturing and the used vehicle market, meaning prices are up and inventory is down. Alongside this we've seen an increase in demand, which is reflected in our survey results with over a third of respondents intending to purchase a vehicle in 2022.



of respondents intend on purchasing a second-hand vehicle in 2022.



of respondents intend on purchasing a brand new vehicle in 2022.



of car shoppers would buy a vehicle without test driving it first or at least consider it depending on the situation. Just under half of these respondents are more willing to do this now than they were prior to Covid-19 lockdowns.

## CAR BUYERS WOULD CONSIDER BUYING A VEHICLE WITHOUT SEEING IT IN PERSON **AS LONG AS...**



Someone they trusted could view it for them, or



It had a full & comprehensive AA vehicle check, or



It was a new car

# Trust remains key to online success

We know trust and familiarity are important when it comes to influencing consumer decision making. As the transition to online has accelerated since the beginning of the Covid-19 pandemic, building trust with customers or potential employees is more important than ever before. It's not just about building that trust one on one, there are a number of elements in play.



## **Personal recommendations are a key part of the decision-making process**

Survey results suggest Kiwis are more likely to buy a car or rent/buy a property sight unseen, if someone they trust can view it for them first. In the case of starting a new job virtually, they're more happy to accept if they've received a positive recommendation about the workplace from someone they trust.



## **We trust independent subject-matter experts**

Survey results reference independent building reports and vehicle checks as important in the decision making process.



## **We trust brand new**

Survey results suggest we place more trust in new things, and are likely to feel more comfortable buying a house off the plan or a brand new car sight unseen, than we would buying an existing property or secondhand vehicle.

This is likely due to guarantees offered by some builders and extended car warranties that can come with buying new, and the expectation that less things will go wrong.

# | Sector performance

Insight into how Covid-19 lockdowns have impacted consumer behaviour as well as listings onsite, and what businesses might expect to see if we head into a period of extended restrictions again.

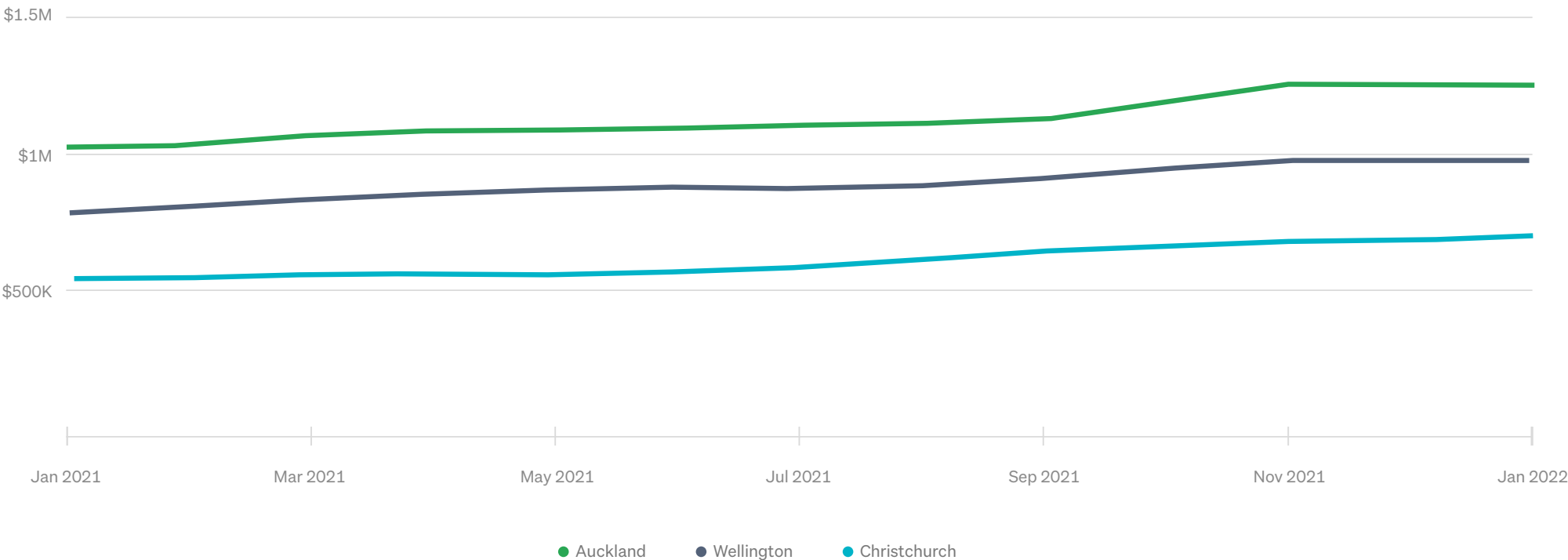




# Trade Me Property

Every region in the country reached record average asking prices in 2021, with buyer confidence strong throughout the year despite our second nationwide lockdown in August. The 2021 lockdown had a reduced impact on buyer behaviour compared to the 2020 lockdown, with watchlisting taking less of an initial hit and bouncing back more quickly.

## Property price growth in our main centres



“After a red hot property market in 2021, we’re now moving into a period of uncertainty, hampered with significant headwinds in the form of increasing interest rates and challenges accessing finance. It’s becoming clear that price points have peaked with the very real chance that prices might even come back in certain markets, particularly outside of the main regions.”



GAVIN LLOYD  
TRADE ME PROPERTY SALES DIRECTOR

# Trade Me Jobs

Job hunters had more confidence in the market during the 2021 lockdown when compared to 2020, and we saw a much smaller drop in searches as a result. Supply was also more resilient suggesting that businesses are now better prepared to work around Covid-19 restrictions when it comes to hiring staff. Job hunters remained less inclined to apply however and are likely fussier now that we've entered into a job hunters' market.

## Nationwide supply of job listings



“With the unemployment rate at an all-time low, it has never been more important for businesses to consider how they can make themselves as attractive as possible to potential candidates. In a job hunters’ market, candidates need to be persuaded to apply. What makes your business different? Are you offering a competitive wage rate? What benefits do you provide? Answering these questions while promoting your brand will increase the likelihood of getting potential recruits over the line.”



**MATT TOLICH**  
TRADE ME JOBS SALES DIRECTOR

# Trade Me Motors

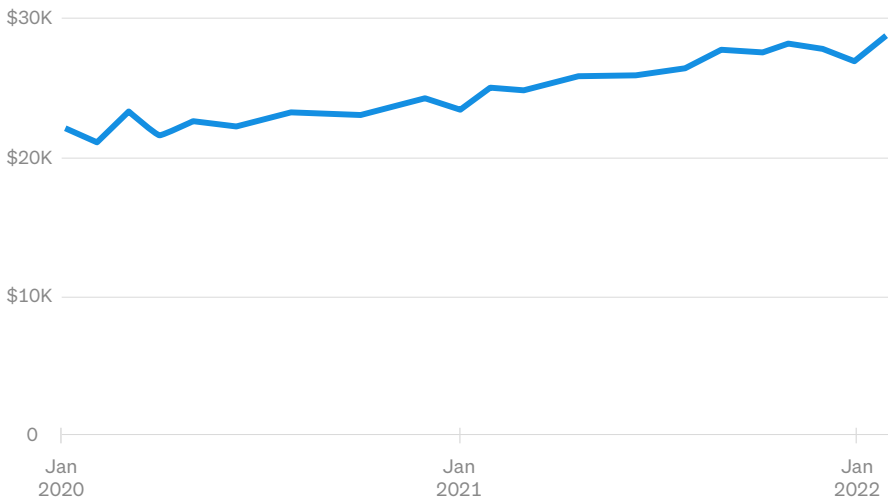
Demand for cars has taken off since the beginning of 2020. With our borders closed, many Kiwis are redirecting their overseas holiday funds to purchase big ticket items like a new car. Ongoing global shortages in the market have meant there has been a drop in supply of both new and used cars entering the country, resulting in used car price inflation.

“Anyone will tell you that you start losing money on your car as soon as you drive it out of the dealership and traditionally cars have been well known to be depreciating assets. However, our latest data shows that’s no longer the case, with many Kiwis actually making money on their used cars.”

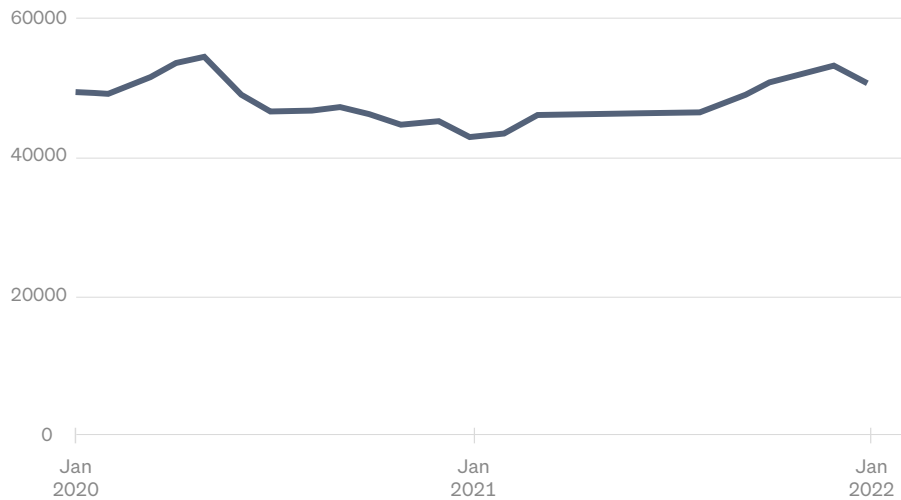


**JAYME FULLER**  
TRADE ME MOTORS SALES DIRECTOR

Average asking price for motor vehicle listings



Average number of active listings by dealers



# Emerging NZ trends





# A regional shift

Remote working is here to stay, giving people employment and lifestyle options that weren't previously available. This, alongside a red hot property market, means one in five city-based Kiwis intend to buy a property somewhere else in the country in 2022.

## 1 The search for a better life

In 2020, Auckland, Otago and West Coast experienced the largest increase in job listing views compared to the previous year; likely due to the hit our hospitality and tourism industries took following New Zealand's first lockdown in March 2020.



2 Enter 2021 and we saw job hunter confidence drop. Post lockdown, employees valued stability more than anything else and as a result more were choosing to stay in their roles for longer. This, alongside border closures, has driven an upward trend in salaries as businesses compete for skilled candidates in a job hunters' market. It's no surprise that Auckland saw the biggest average salary increase (9%) in Q4 of 2021 as a result.

Over this period, we also saw the average asking price for a property reach a new record in every region. Despite extraordinary growth, the average house price in many regions remains below \$700,000 (West Coast, Taranaki, Southland, Marlborough, Manawātū/Whanganui, Gisborne, and Canterbury), encouraging many big-city workers to relocate to more affordable regions.

**3** Canterbury has seen sustained growth over the past two years, and we can see this impact the average asking price, with an increase of 28% year-on-year. Canterbury also experienced an increase in job listings of 35% in Q4 of 2021 which reflects business confidence in the garden city.

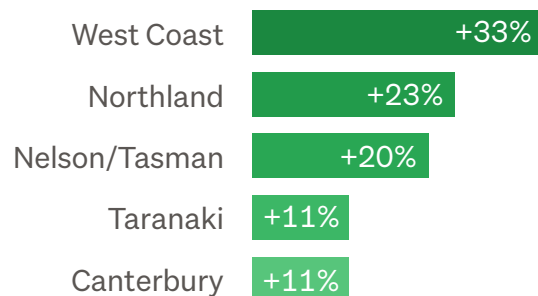
**5** As Kiwis consider relocating to more affordable regions around the country, we expect to see this regional shift continue, with property prices and salaries to be impacted as a result. We predict Marlborough may be the next region to follow in the footsteps of Canterbury and the West Coast - with an increase in job listings, salaries, house prices below \$700,000 and located a stone's throw away from Nelson/Tasman.

**4** One area to watch however is the West Coast. The region has experienced the largest year-on-year increase in property views, and experienced a 22% increase in average asking price in 2021. In Q4 of 2021, job listings in the region were up a whopping 50% and they're putting their money where their mouth is with an average salary increase of 7%, coming second only to our super city. West Coast is also the best paying region in the country outside of Wellington and Auckland, with an average salary of \$64,778.

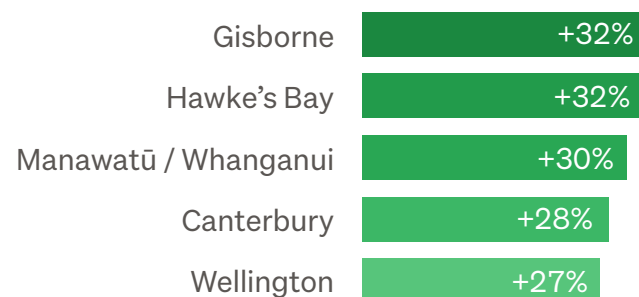




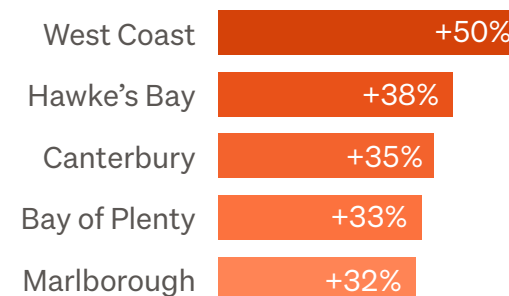
### Top 5 regions to experience an increase in property listing views (2021 compared to 2020)



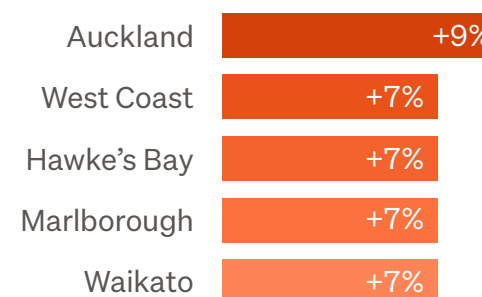
### Top 5 regions that experienced the largest average property asking price increase (2021 compared to 2020)



### Top 5 regions that experienced the largest increase in job listings (Q4 2021 compared to Q4 2020)



### Top 5 regions to experience biggest increase in salary (Q4 2021 compared to Q4 2020)



# The impact of working from home on our main centres

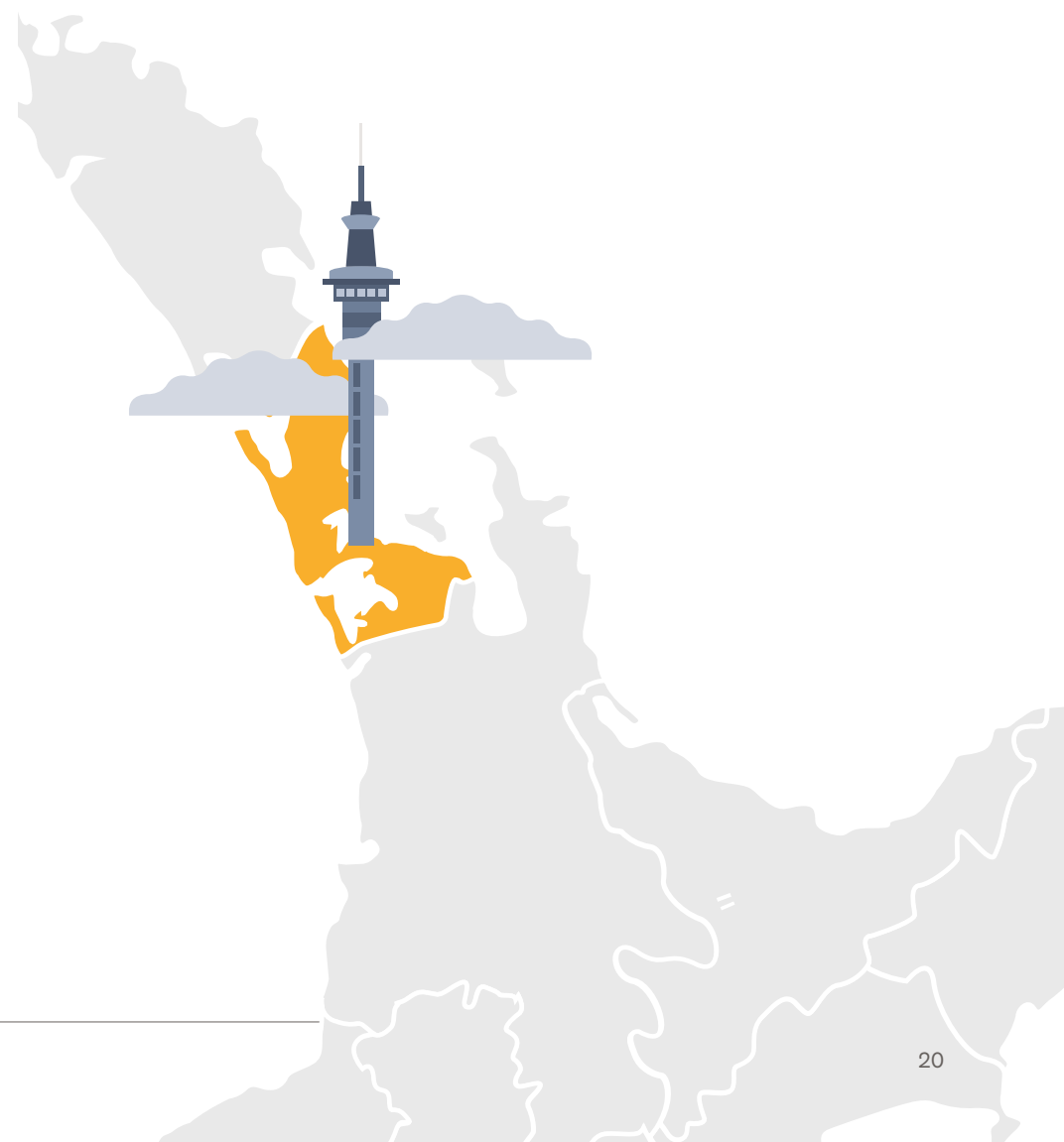
More people are working from home than ever before, impacting the type of home we're searching for, and hospitality and retail businesses who rely on city workers for survival.

## The rise of the home office

Since the beginning of the Covid-19 pandemic, Auckland has experienced a number of lockdowns in addition to the two nationwide ones. Properties with studies, offices or spare bedrooms can make the lockdown life easier to deal with - particularly when you have no other option but to work from home.

When the property market exploded after the first lockdown in 2020 we saw an increase in watchlists for properties of all sizes. Since 2019, properties in Auckland with four or more bedrooms have seen a 35% increase in watchlists. Likewise, properties listed with 'office' or 'study' as keywords have seen a 26% increase in watchlists in 2021 compared to 2019.

This trend isn't reflected in the rental market, however. Properties with more than four bedrooms receive 7% less watchlists on average compared to smaller homes. We can also see that offices and studies appear to be less sought out by renters compared to buyers. Properties listed without a study or office receive 6% more watchlists on average. In market, we're hearing that this is due to two main reasons. Firstly, families are squeezing into smaller properties to keep costs down and secondly, those in flatting situations no longer want to be in big share environments especially as more people are working from home.





Joseph Schellack, General Manager of Crockers Property Management, says cost is starting to be a greater factor in rental choices. “There is a steady, ongoing demand for reasonably priced two and three-bedroom properties. In the city, this is due to more people working/studying from home and a one-bedroom or studio is now not as suitable as they traditionally have been. In the suburbs, we are seeing families or flatting groups of four people with interest in two-bedroom properties as a lower-cost option. In fact ‘saving on cost’ is a fairly regular comment from applicants at the moment,” he says.

As the way we work continues to evolve, we expect to see this impact the way we build in New Zealand. Four bedroom properties aren’t always realistic in a market with rising house prices and the cost of land skyrocketing, but developers are already beginning to accommodate the WFH life. Flexi rooms, and study nooks can now be found on many off-plan apartments and townhouses and they continue to think creatively in terms of space.

Peter Malcouronne of Ockham Residential says they’ve seen a sharp rise in interest from buyers who are working from home. “Many of our new developments cater to fostering a sense of community without the commute,” he says. Manaaki, a 210-unit development under construction in Onehunga, has designated work-from-home offices in each of its four buildings. Aalto, a boutique 39-unit development in Morningside, has the entire top floor set aside for the residents and also includes a standalone work-from-home office. And they have just launched The Feynman, a 155-unit development in Grey Lynn, which also sets aside the whole top floor for everyone’s use.



### The impact on small businesses

A combination of city workers now choosing to work from home, and repeated lockdowns has strained small businesses, particularly in our main centres.

Despite the nationwide lockdown in 2020 we actually saw a drop in commercial for lease listings that year across all three of our main centres. Since then, however, Wellington has taken a huge hit with many city workers not returning to the office. In 2021, we saw an increase in commercial for lease listings in Wellington.

Around the country, the hospitality & tourism, and retail & sales sectors were hit harder than other industries, experiencing a 29% decrease in job listings compared to all other industries average of 26.5% in the three months following lockdown in 2020.

2021 saw a great comeback with the number of hospitality & tourism and retail & sales job listings started 10% higher than in 2019, however this increase does remain slower than the entire job listings market which saw an 18% increase in 2021.

**Commercial for lease listings  
in Wellington were up **22%**  
in 2021.**



# Redistribution of disposable income

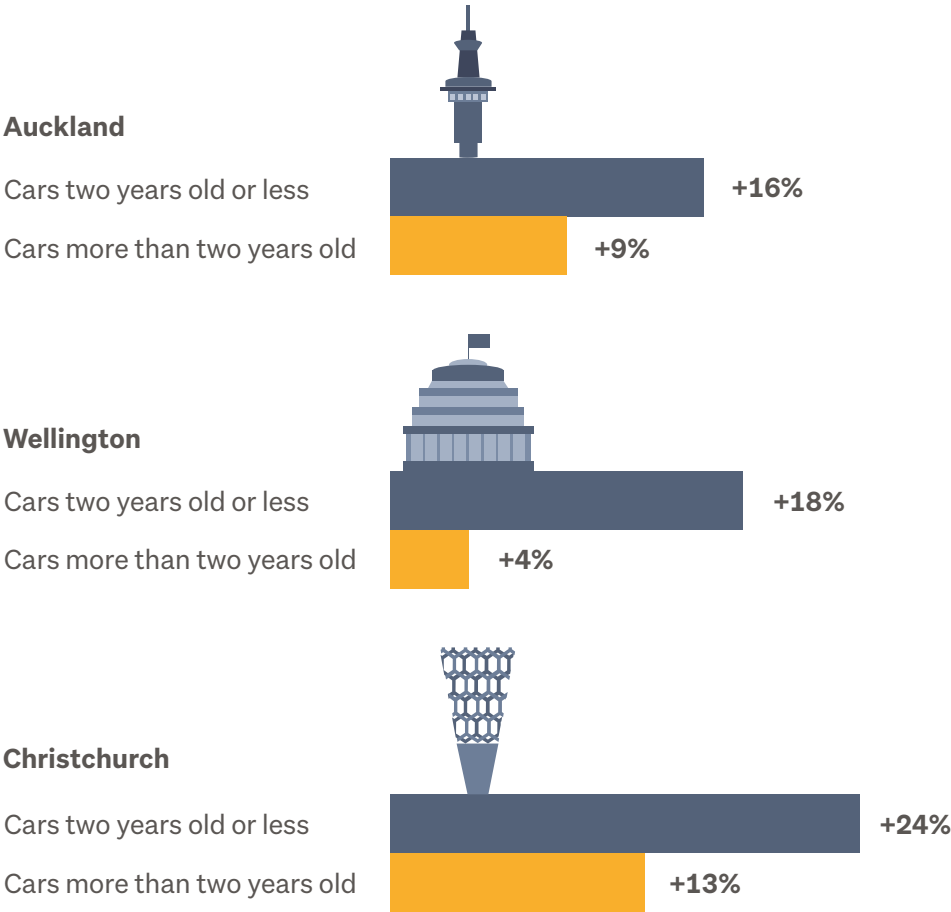
For better or worse, Covid-19 and the subsequent lockdowns have transformed consumer spending habits. With a reduction in spending on restaurants, entertainment and travel, we're seeing an increase in spending on vehicles, particularly newer model cars.

## Growing interest in newer model vehicles

After lockdown ended in 2020, we've seen an upward trend in Kiwis shopping for vehicles. Over this time we've also seen the gap between newer and older model cars start to widen. While our borders didn't close until March, Covid-19 was already well and truly impacting the global manufacturing industry by this stage and making it increasingly difficult to procure newer model vehicles.

This growth accelerated until we reached our second nationwide lockdown in August 2021 due to the Delta outbreak. This had a reasonable impact on car shopper activity although it's worth noting that overall, car shoppers were still more active over this period compared to 2019

Average increase in watchlists per motor vehicle listing in our main centres (2021 vs. 2020)



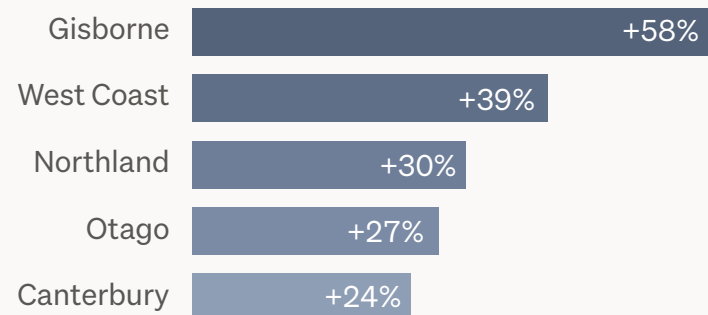


### A closer look at car buying behaviour by region

Views for older model cars may still be higher than newer models, but where we're seeing accelerated growth is the number of shoppers watchlisting newer model cars, particularly outside of our main centres.

The West Coast saw a 7% increase in the average salary during Q4 of 2021 and is the highest paid region outside of Wellington and Auckland which may be the driving force behind growth in that region. As more Kiwis relocate to different regions around the country, we expect to see growth in those areas also impact car shopper buying behaviour and the types of vehicles dealers choose to stock as a result.

#### 5 regions to experience biggest increase in watchlists for cars less than two years old (2021 vs. 2020)





# A clean, green future

Globally, the spotlight is firmly pointed at climate change and global warming. It's estimated that between 2007 and 2017 climate-change related floods and droughts cost the New Zealand economy \$840 million.<sup>2</sup> So, it's not surprising that the government has committed to a 2050 carbon neutral target, introducing schemes such as the Clean Car Discount to make it cheaper for Kiwi families to buy electric and low-emission cars.

We've also seen the rise of the eco-friendly consumer, which is not only impacting the products we choose to buy, but the way we choose to build our homes too.

## The future of homes

Over the past 3 years, we've seen an increase in eco-friendly keywords such as "EV charging", "EV plug", "solar panels" and "energy efficient" used in property listings.

Kim Harris from Signature Homes says they've certainly seen an uplift in requests for eco-friendly options with the most prominent being EV chargers and solar panels, particularly over the past year.

Signature Homes are also focused on renewable energy and recycled/sustainable materials. "We recognise that the construction sector has a significant environmental footprint", Kim says. "BRANZ research has shown that new-build, detached houses are projected to contribute

In 2021, about 1.4% of Auckland's residential listings contained those eco-friendly keywords, making it the top city to do so in NZ.

The number of listings that include eco-friendly keywords increased by 20% from 2019 to 2020, and by another 14% from 2020 to 2021.



<sup>2</sup> Ministry for the Environment, How climate change affects New Zealand

around one-third of the climate impact of the New Zealand detached housing sector over the next three decades. We work with long-standing supply partners to identify more environmentally friendly building products and accurately measure the quantities of materials required for each home to reduce construction waste. Excess useable materials are recovered and transported to other projects”.

As world leaders continue to discuss slowing the effects of climate change and our infrastructure improves to support an increase in electric vehicles, we expect this trend to continue to rise over the years to come.

### **Sustainability roles are becoming commonplace**

There are a whole bunch of interesting challenges for the world at present which need good thinkers and problem solvers. From 2019 to 2021, we’ve seen an increase in the number of roles that are environmentally focused.

While the sustainability space is often associated with environmental issues, the social side in terms of the impact on people is becoming bigger, as well as governance and economics. We expect to see more growth in these roles as social responsibility continues to be more of a core focus for Kiwi businesses.

In 2021, 36% of total environmentally focused roles came from Auckland and Wellington.

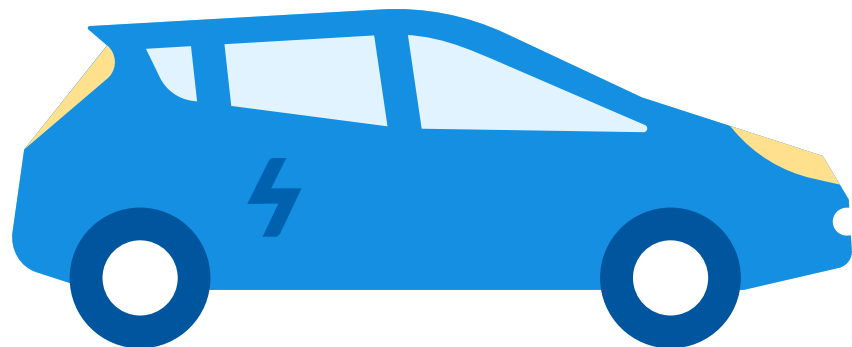
The number of listings that include keywords such as “climate change”, “environmental” and “sustainability” increased by 69% from 2020 to 2021.



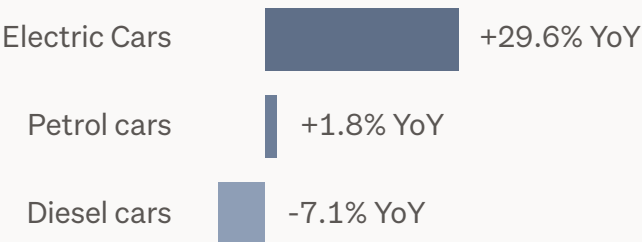
# The future of transportation

On 1 July 2021, the New Zealand government introduced a Clean Car Discount, making it cheaper for Kiwis to switch to an electric vehicle (EV) or plug-in hybrid electric vehicle (PHEV).

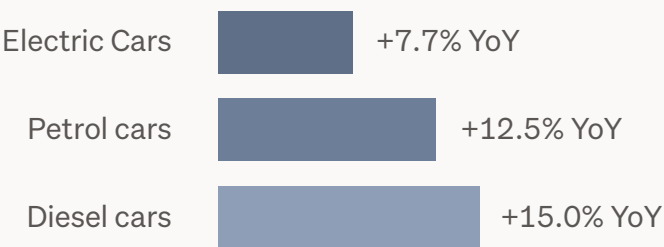
This has had a sustained impact on search behaviour on Trade Me Motors and we can see that nationally, interest in electric cars has grown substantially in the six months following the Clean Car Discount announcement vs. the same period in 2020.



## Average watchlists per vehicle listing\*\*



## Median price increase for electric cars\*



\*\*In the six months following the Clean Car Discount announcement vs. the same period in 2020.

## EV supply and demand in our main centres\*\*



Canterbury had the highest increase in watchlists for EVs at 46% but only saw a 3% increase in listings.



Wellington had a 39% increase in watchlists for EVs and saw a 22% increase in listings.



Auckland had a 30% increase in watchlists for EVs but actually saw a 1% decrease in listings.

## EV pricing in our main centres for older models\*\*

Canterbury saw an increase of 14% year-on-year but still remains competitive nationally.

Average price:  
**\$13,990**

Wellington has seen the biggest median price increase for older model EVs at 19% year-on-year, making it the most expensive city to buy an older model EV.

Average price:  
**\$16,600**

Auckland is the cheapest city in the country to buy an older model EV.

Average price:  
**\$12,999**

\*\*In the six months following the Clean Car Discount announcement vs. the same period in 2020.

# | Global snapshot

New Zealand led the world with our Covid-19 response initially, but as other countries 'get back to normal' faster than us, what insights might we be able to apply to our future?



# Global property insights



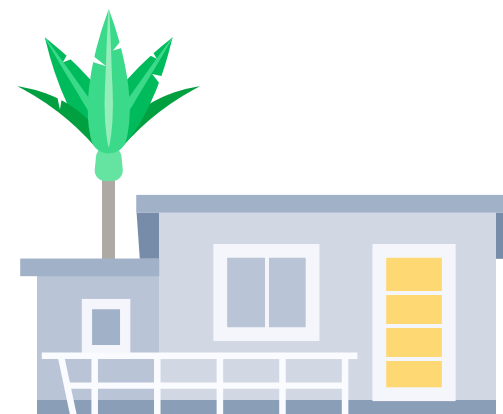
UK

In the UK, Tim Bannister from Rightmove has reported that 2021 will be remembered as ‘the race for space’. Overall, Rightmove saw a sharp rise in average asking prices for bigger homes. Since March 2020, the asking price of a stand-alone house has risen by 14%. For a lot of Brits, the desire for bigger homes and more space means they’re happy to prioritise this over a shorter commute to the office. Rightmove have also seen buyers widening their search areas by an average of 50km<sup>2</sup> <sup>3</sup>, which in New Zealand terms is an area equivalent to the size of Rotorua’s urban footprint.



Australia

In Australia, Dr. Nicola Powell from Domain has reported that 2021 was the year Australians re-imagined their homes. Echoing the UK, Covid-19 has shifted property buyer priorities meaning more importance is being placed on space. Dr. Powell says, “It has been an impetus for change, driving a social and lifestyle shift, sparking a renaissance in outer suburbia and accelerating the city drain into regional Australia”. Keywords that saw the biggest proportional increase in 2021 compared to 2019 were ‘rural’, ‘study’, ‘duplex’, ‘acreage’ and ‘beach’ showing Aussies also have a desire to leave big city life behind.<sup>4</sup>



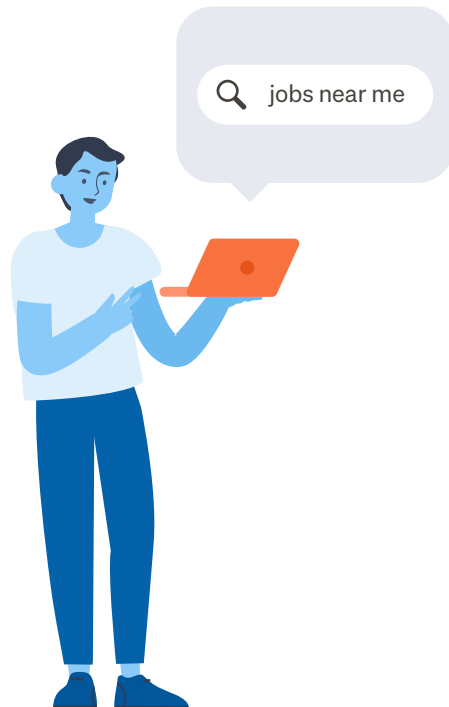


# Global job market insights



UK

In the UK, they're experiencing "The Great Resignation" with Randstad UK reporting nearly a quarter of workers are actively planning to change employers in the next few months. To put this into context, they normally expect only 11% of workers to change jobs every year. As a result they're advising clients to focus on ways they can best attract and retain staff.<sup>5</sup>



Australia

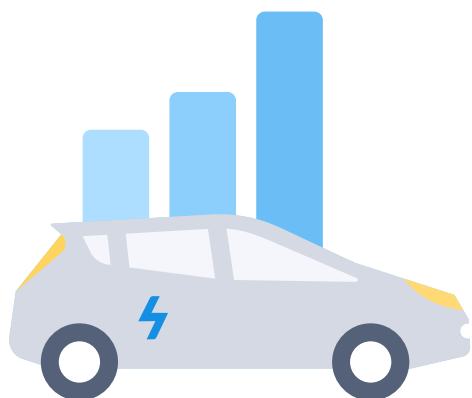
Australia, like New Zealand, is also experiencing a candidate short market spanning many industries. Hays Australia have reported that "despite easing Covid-19 travel restrictions and the opening of borders, vacancy activity is elevated to the extent that it's expected to take two years before internal and external migration curbs domestic skills shortages in certain fields. The expected departure of young Australians in 2022 for their overseas work experience will further add to the skills shortage." Like the UK, they're also expecting "The Great Resignation" as many workers rethink their priorities post 2021 lockdowns.<sup>6</sup>



# Global motor industry insights



In the UK, Autotrader has reported that the constants in 2021 have been huge demand and more people are doing more online. They experienced record buyer demand, record used car prices and a rapidly growing EV market. At the end of 2021, used car prices were 30.5% higher than the prior year, and the market overall experienced 5 years of price growth in just 7 months. The number of EVs available to buy has quadrupled in the last two years and 25% of new car considerers in the UK viewed an electric car in December.<sup>7</sup>



In Australia, Carsales has found that the buyer journey has evolved since Covid-19, with the shift to digital being accelerated. One of the key changes they've noted is that consumers are spending more time online to inform themselves before purchase meaning the buyer journey time has grown from 2.7 months in 2017 to 7 months in 2021. In addition to this, they've reported that buyers are searching for access to auxiliary services such as finance and insurance earlier in their journey. They've also seen a noticeable uplift in new EV options, however at present there still remains a disconnect between intent and purchase.<sup>8</sup>



# | Future thinking



# 2022 and beyond



**GAVIN LLOYD**  
TRADE ME PROPERTY  
SALES DIRECTOR

## What's in store for the property market in 2022?

The first two months of 2022 have seen a good supply of houses coming to the market which is typical of this time of year but because homes are spending more time on the market, buyers are feeling like they have a lot more choice. The early indications of increased supply will start taking out some of the FOMO from the market that was prevalent at the back end of 2021.

Anecdotally, we're hearing fewer buyers are turning up to open homes, and auction rates are slowing, leading us to believe there will be a mismatch between vendor expectations and buyer expectations in the earlier part of 2022. This will likely see days on market start to draw out as the market adjusts.

At the start of the pandemic, there were quite alarmist forecasts for sharp (>10%) declines in property prices. These could not have been further from the truth. Two years on, in the face of increasing inflation and interest rates, these forecasts are reappearing. We're expecting a reasonable correction in house prices, perhaps coming back in the single digits this year.

It takes a fairly bold person to say that house prices will drop in the main centres. Generally, when prices drop you also see unemployment lift, and that's not going to happen in the foreseeable future.



**MATT TOLICH**  
TRADE ME JOBS SALES DIRECTOR

## What's in store for the job market in 2022?

In the short term, the government plans to expand the borders for critical and skilled workers which is great news for some of the industries crying out for more resource. However, this is really just a band-aid solution to address some of the more pressing needs for the primary sector right now. Many industries will continue to be affected by the limited talent pool we have here in New Zealand.

In the medium term, we'll be watching the Government's immigration policy but we're not expecting any big changes. As we reach the middle of the year, there will be some reprieve for businesses who can gain accreditation to hire migrant workers on temporary visas. From July, those eligible for the new Accredited Employer Work Visa will be able to hire workers from offshore. As a result, we'll begin to see lower skilled migrant workers coming back into the market.

It's worth noting that businesses are required to pay workers on this visa above the median wage and as such we could see fewer migrant workers in our core categories compared to pre-Covid-19.

We still expect to see a candidate short market for the foreseeable future, however our latest survey results do suggest that job hunter confidence has returned to levels seen pre-Covid-19. It's likely many candidates will be more willing to leave the stability of their current roles if the right opportunity comes knocking.

As the rest of the world opens up, Kiwis may be looking at the high inflation in New Zealand and continuing lofty house prices, and then deciding to try their luck overseas. If border controls were lifted today, we have no doubt that we would see a net outflow of skilled people.

For businesses, focusing on how to tap into that passive talent pool and considering what you can offer prospective candidates will be key.



**JAYME FULLER**  
TRADE ME MOTORS SALES DIRECTOR

## What's in store for the motor vehicle market in 2022?

Looking ahead, it's difficult to gauge how long it will take before the used car market looks like it did pre-Covid-19. We're not likely to see a change until the country's used-car inventory returns to healthier levels, which is realistically not going to happen for at least another year.

The entire global ecosystem is in flux; from semiconductor chips, to auto, boat, and recreational vehicle manufacturing stops, to global shipping, to the laggard impact of consumer confidence. Even when one sector begins to correct, the supply chain won't normalise until we see harmony across the board again.

In 2021, we saw increased demand for EVs and PHEVs when the Clean Car Discount scheme was announced in July. This year, from 1 April the scheme is being expanded which will mean fees are applied to imported new and used vehicles based on their CO2 emissions.

Clean Car fees and rebates could have a big impact on the total price a buyer pays for an imported new or used vehicle. Our concern is that consumers will find buying their next car more of a confusing journey as they seek to compare cars with rebates, to those with fees, and those with neither. Trade Me intends to create the best buying experience for Kiwis by setting the standards on how car listings should be advertised, to include fees or rebates. We will ensure that we are creating a transparent and trustworthy place to shop, and a clear and fair way for dealers to sell. This means we will all see changes in how prices are advertised in the upcoming year.



**That's the state of the Nation for 2022, thanks for reading.**

\*State of the Nation survey methodology: This survey was conducted during December 2021 and collates answers from 1,736 individual New Zealand-based respondents. Respondents were a sample of Trade Me members who had been active on either Trade Me Property, Trade Me Motors or Trade Me Jobs in the previous 12 months.