

***For Immediate Release***

**Jennian Homes welcomes RBNZ decision....**

The mortgage lending restrictions implemented by the Reserve Bank (RBNZ) have caused a dramatic reduction in enquiry for new houses since coming into effect on 01 October this year. However the RBNZ has today announced a move to exempt new builds from the rules which has been welcomed by leading new home builder Jennian Homes.

“We fully supported a proposal put to the Reserve Bank by the Registered Master Builders Federation calling to exempt new homes from the damaging loan-to-value ratio, believing new home construction should have been excluded from the LVR rules in the first place,” says Jennian Homes Director Richard Carver.

Mr Carver is pleased to see that the Reserve Bank has listened to the industry and reviewed the LVR scheme. “We strongly welcome the Reserve Bank’s swift action to exempt new house construction from the LVR regulations as this will increase the supply of new houses that are desperately needed.”

Without today’s action, up to 30 per cent of new building enquiry was being negatively impacted by the new restrictions. This equates to thousands of new houses on current consent forecasts. The actions from the Reserve Bank go a long way to reversing the inability for young New Zealanders to realise the great kiwi dream of owning their own home.

“Bricks and mortar have been seen as a secure investment for generations of Kiwi’s but this vision has been slipping away for many young New Zealanders,” says Mr Carver. “We are relieved to see that getting the home you’ve always wanted can once again go on the Christmas wish list.”

Today’s announcement will also be welcome news to the ears of provincial builders. The Auckland housing shortage coupled with the Canterbury rebuild has given a false impression of blanket improvement in new housing consents across the country.

“This has not been the case with many provincial regions still showing a lag in new consents. Removing the LVR restrictions goes a long way to making building new a very attractive proposition and should have a positive flow on effect for these areas.”

“This is a very welcome Christmas present for the industry and the thousands of New Zealanders who have a building new home as their New Year’s Resolution for 2014.”

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