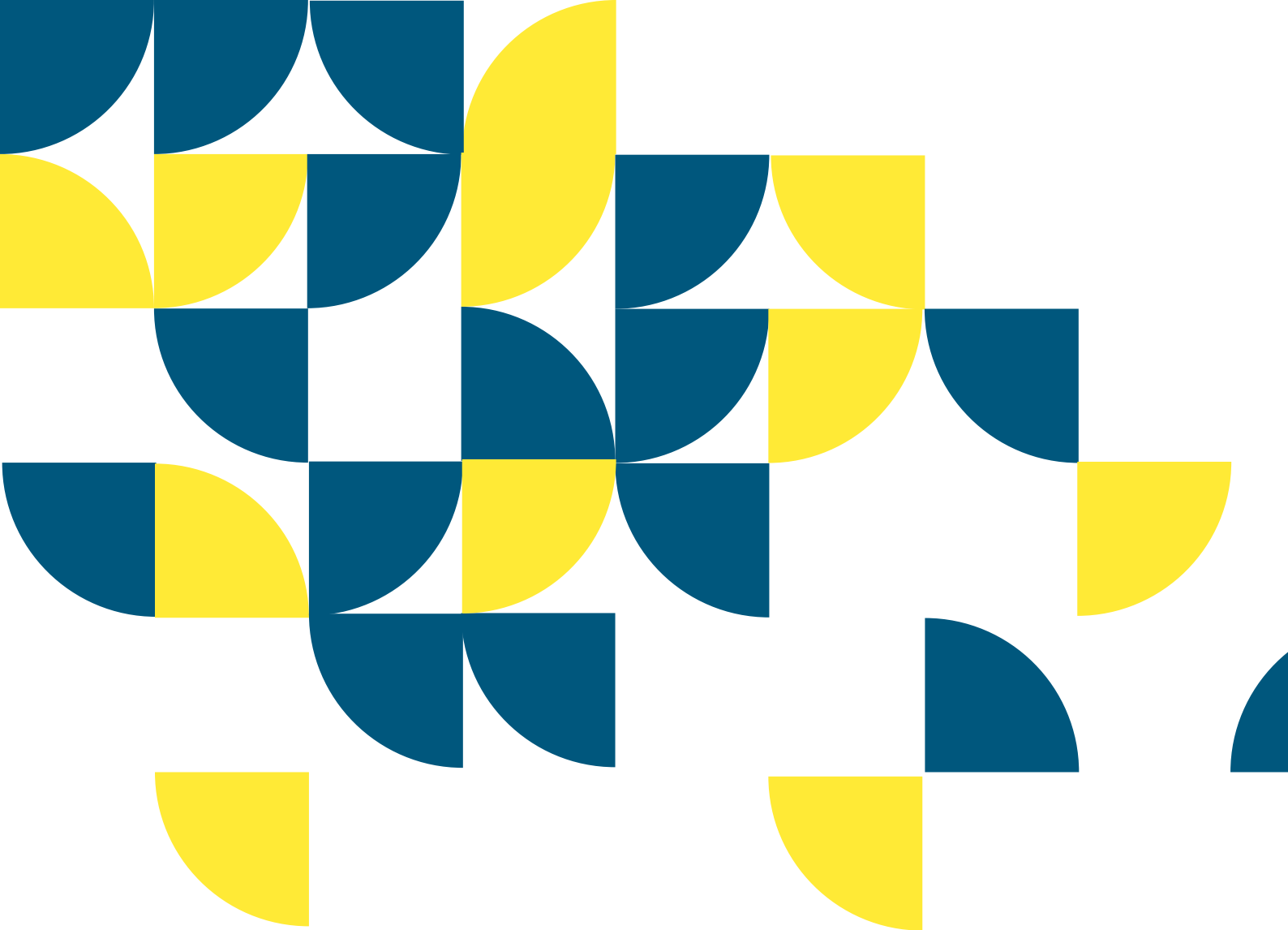




Future-focused in a time of change



Contents

4	Highlights and achievements	23	Summary consolidated financial statements:
6	Market snapshot	23	Financial position
8	Chair's report	24	Comprehensive revenue and expenses
10	Chief Executive's report	25	Changes in net assets/equity
14	Innovation & Progress	25	Cash flows
16	Leadership & Advocacy	26	Notes to the summary financial statements
18	Education & Excellence	27	Auditor's Report
20	Board of Directors	28	realestate.co.nz Chairman's report
		30	Life members
		31	Directory



Continuing to lead with purpose has become part of our DNA as the REINZ team strives to accomplish and deliver more under our three strategic priorities of Innovation & Progress, Leadership & Advocacy and Education & Excellence.

Over the last year we have all faced new challenges, but together as an industry, we have held strong and supported one another through to a new future.

We will continue to listen and react to our members' wants and needs. We will keep striving for excellence in everything we do, supporting our members, advocating on their behalf and leading them through times of change.

REINZ - The voice of real estate.



The REINZ financial year in numbers

Highlights and achievements

\$83.0b+

in real estate sales*

19,000+

phone calls handled by the membership team

31

new and revised information sheets for members

9,300+

words making submissions to the New Zealand Government

3,100+

media clippings representing the industry

1.3m+

impressions across social media

3,000+

people enrolled or completed online verifiable training (+100% increase)

4,700+

attendees at 63 events nationwide

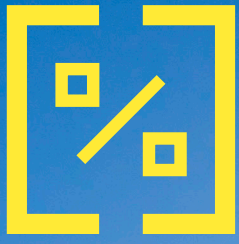
400,730

sessions in the REINZ Statistics platform

1.8m

page views on the REINZ Statistics platform

*REINZ Dwellings, sections, farms and lifestyle sales and all commercial and industrial sales



Market snapshot

YEAR ENDING 30 JUNE 2020



Median price

NZ excluding Auckland

\$480,000

Auckland

\$880,000

\$620,000

Median price percentage change year-on-year

NZ excluding Auckland

+9.4%

Auckland

+3.5%

8.8%

No. of properties sold in the past year

NZ excluding Auckland

49,715

Auckland

22,270

71,985

No. of properties sold percentage change year-on-year

NZ excluding Auckland

-9.2%

Auckland

+4.2%

-5.4%

Median number of days to sell

NZ excluding Auckland

35

Auckland

39

36

Percentage of properties sold by auction

NZ excluding Auckland

7.8%

Auckland

24.4%

13.0%

Mean rental price

NZ excluding Auckland

\$426

Auckland

\$550

\$472



Chair's report

Ki te kotahi te kākaho ka whati, ki te kapuia e kore e whati - Kīngi Tāwhiao **When needs stand alone, they are vulnerable, but together they are strong**

It has been a big year for the property market, and REINZ has been delighted to be in the forefront of supporting the industry through not only COVID-19, but a number of regulations and changes across the sector.

The whakataukī above, from Tāwhiao, the second Māori King, seems very apt in the way REINZ and the wider industry have banded together over the past year in order to navigate what we are now calling our 'new normal'.

For many of our members, 2020 will have been their most challenging year in a long time. For some of our newer or younger members, this may have been the first global crisis they have worked through, be it in their working lives or just being in the real estate profession, and undoubtedly this year will have had a significant impact on many real estate professionals.

The REINZ Board, Bindi and her team worked hard during lockdown to ensure we were always there to support our membership. The assistance the REINZ team gave to members during this time fell into five key areas:

- 1. Financial** – providing FlexiSign free for residential, commercial/industrial, business broking and rural/lifestyle members, providing RentalSmarts free to residential property members until the end of June, providing new PropertySmarts customers with a free 3-month trial. This equated to an estimated \$540,000 of finance in kind. We also delayed payment of the 2020/2021 membership fees for three months and the Board reduced their fees by 20% for three months to support the industry
- 2. Practical** – providing members with regular updates to keep abreast of the changing situation and giving suggestions around managing property operations during Alert Levels 1, 2 and 3
- 3. Health & Wellbeing** – providing free webinars and weekly links to health and wellbeing information via In the Know
- 4. Advocacy** – engaging on members' behalf around issues such as being able to hold open homes and private viewings during Level 3, putting the RTA amendments on hold while the country was dealing with COVID-19 and delaying the 2020 Healthy Homes deadline due to inspection delays related to the Alert Level 4 lockdown period

- 5. Technical Support** – negotiating 30 minutes of free remote IT support for members in the initial stage of Alert Level 4 lockdown with our REINZ Member Benefit partner Noel Leeming, even if members had purchased their technology elsewhere.

The Board and I were constantly mindful of how we could help members and always tried to be as agile and responsive as possible; we hope you have been impacted positively by the support and leadership REINZ has provided throughout this tumultuous time.

It's very encouraging to see that the property market has recovered reasonably quickly. Time will tell the true impact on the market, but it is likely that we will continue to go in and out of various Alert Level systems until a vaccine is widely available in New Zealand.

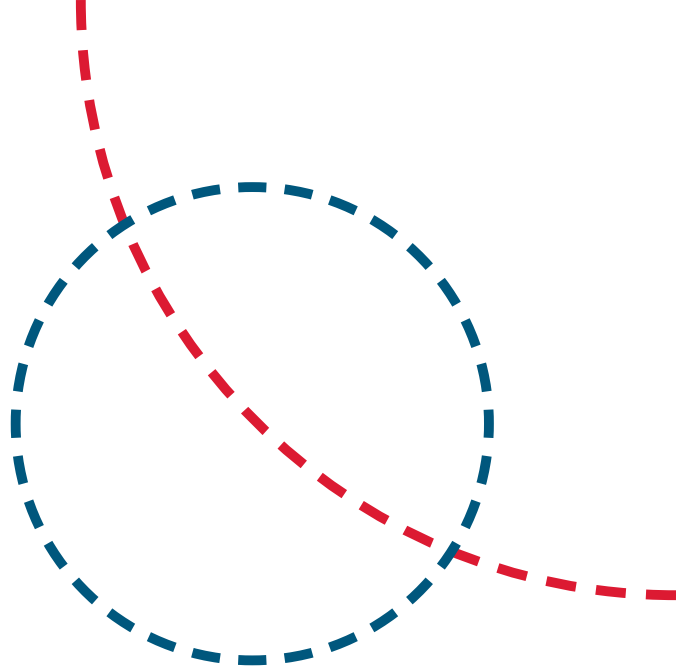
However, the good news is that the industry is now well prepared – REINZ has worked extremely closely with various government departments during lockdown including the REA, MBIE, MoJ and HUD to ensure that we not only had guidelines available for our members, but that those guidelines were fit for purpose and kept both our members and your customers/clients safe.

I would like to extend a particular vote of thanks to Bindi and her team who worked extremely hard during lockdown to ensure members had these guidelines available quickly.

We have continued to build strong relationships with the wider government and with other industry bodies to make sure that we are fully representing the voice of the real estate profession. We are really pleased that as an organisation we have invested significantly in new online education programmes and platforms, which was particularly helpful in enabling the continuation of verifiable training when we were in lockdown.

Culture, Conduct and Diversity

This year we further embarked on our strategy to help lift the culture



and conduct of the profession – drawing on the work started in the previous financial year. We proactively sought insights from other markets and industries in order to truly understand what best practice looks like. This work will continue over the coming months as we constantly look to raise the bar.

Addressing the issue of gender diversity, the real estate profession has a good gender balance with around 48 percent of the industry made up of women. Interestingly, there are quite distinct categories where one gender outweighs another – for example, there are more men in all age categories below the age of 43 and over the age of 58, but women outweigh men in the 43–57 age range.

It is worth noting that currently the CEOs of REINZ, the REA, the Property Council and the New Zealand Property Investors' Federation are all women and that the REINZ Board has a strong female representation. We also have many fantastic male leaders at CEO/MD level at the different real estate brands and property organisations. So, whilst we are making good strides in terms of gender diversity, there is an opportunity to increase representation of women at senior levels across the profession more broadly.

We do have a mix of ethnic diversity across the profession, but more work could be done in this regard, particularly to increase representation of Maori and Pasifika communities. This is a matter the Board and I would like to explore in the future.

Industry-owned portal: realestate.co.nz

The Board and I have worked closely with the realestate.co.nz Board during COVID-19 to ensure that our industry-owned portal remains fully supported. With an intense level of competition in the listings space, we need to ensure that members' interests are best served through ensuring the longevity of realestate.co.nz for generations to come. We are fortunate to have a membership-owned portal: both Boards will pro-actively work to ensure the success of this critically important asset.

Changes to the REINZ Board

We were delighted to welcome Independent Director, Jo Clifford, to the Board at last year's AGM. Jo is currently the Chief Operations Officer for Harcourts New Zealand, having worked for the organisation for 35 years. She also holds a wide range of senior management roles across the company. Jo's appointment was the result of Bryan Thomson's term coming to an end, having completed his maximum number of years as a Director under the REINZ rules. We are grateful to Bryan for his many years of service to REINZ.

This year, nominations were sought for the Regional Director roles for Region 2 (Waikato, Bay of Plenty, Gisborne) and Region 4 (Nelson/Marlborough, Canterbury/West Coast). We are pleased that both incumbents, Neville Falconer (Region 2) and Shane O'Brien (Region 4), made themselves available for re-election and will serve further terms on the Board.

Conclusion

With such a lot achieved over the past 12 months, I would like to express my personal appreciation to my fellow Board members for their dedicated work on behalf of the organisation. Despite their busy agendas, they always maintain their commitment to the REINZ brand and the values that underpin it. Additionally, I'd like to thank the Industry Leaders' Group and our REINZ Ambassadors in the regions. We greatly value our meetings with you and the feedback that you provide on our work.

Our members are our lifeblood. I've thoroughly enjoyed meeting so many REINZ members at different events I've attended, many of them virtual. We always appreciate your feedback to enhance our service offerings and we look forward to working with you all over the coming year.

Finally, I would like to offer sincere thanks to Bindi and her team on behalf of the REINZ Board. I continue to be impressed with the quality of the contribution from the whole team and with their consistent dedication and commitment to the industry. The REINZ team is extremely well prepared to lead the industry with excellence in 2020/2021.

Bridget Coates
Chair



Chief Executive's report

He aha te mea nui o te ao? He tāngata, he tāngata, he tāngata.

What is the most important thing in the world? It is people, it is people, it is people.

Never has this Māori proverb felt more apt than in the midst of a global pandemic. The last few months have certainly been challenging for not just the real estate profession, but all businesses across the country and indeed the world. The way people have come together in the face of adversity to address the challenges we've faced, has been admirable, but it's also reminded us the importance of looking after one another – be it at a family, workplace or wider industry perspective.

COVID-19 has certainly brought with it a new set of obstacles to deal with and the REINZ team has worked extremely hard this year to support our members during this trying time. We've provided members with extremely detailed guidelines at each of the Alert Levels and have tirelessly advocated on your behalf to ensure that as much real estate activity could occur as practicably and as safely as possible.

We are grateful that the government listened to our feedback as we moved towards Alert Level 3 for the first time, as initially, open homes and rental property viewings were proposed to remain on the 'banned activity list'. However, once REINZ outlined to the government how these activities could occur in a safe manner, there was a concession that saw the profession allowed two viewings, per property, per day leading to in excess of \$1.1 billion of sales. While many of you were frustrated by this constraint, having no viewing allowed would have been far worse for the industry.

The industry's ability to adapt quickly and to look to technology was no mean feat, and was the combination of people coming together, solving problems, finding solutions and striving to deliver excellent service to their clients and customers. By focusing on the customers we serve – the people behind the transactions – the industry achieved the unexpected and the results surprised many market commentators who immediately

painted a picture of doom and gloom. Thank you to everyone for your support during this tumultuous time – it truly was a massive effort to achieve the results we did.

The real estate profession has weathered the storm relatively well at this point in time, but many industries have not been so lucky; so as we look back over the last financial year at REINZ we keep this in mind. At the same time we continue to drive our own organisation forward in order to keep providing value for our members.

REINZ's guiding principles remain the same, and they continue to shape our strategies and objectives. We are known as a trusted partner which engages with its members and stakeholders, we are a relevant "voice" in, and advocate for, the real estate profession and we continue to build trust and be a driver of positive change across the industry. Additionally, we are open to change, encouraging of new ideas, we champion innovation, drive progress and look to continually leverage our digital capability where we can.

During the 2019/2020 financial year REINZ continued delivering on its three core strategies – Innovation & Progress, Leadership & Advocacy and Education & Excellence.



1. Innovation & Progress – data, digital and thought leadership

REINZ has invested heavily in its new DataMart Platform over the last financial year in order to improve the accuracy of the property data we hold and to continually advance the cleaning and data matching of data from members and third parties. The new platform is cloud based, uses robotics and new technologies and will enable REINZ to develop new products/services in the future for members. Currently, the platform is running in parallel to the existing legacy system and once all the enhanced testing is completed the legacy system will be decommissioned. Whilst members won't have physically 'seen' anything from a 'front-end'



data perspective, you can be assured that behind the scenes, a significant level of work has been undertaken in this space.

We have also introduced a 'single-sign-on' for members when moving from within the REINZ website to the statistics platform, which we know was a 'bone of contention' for many from the positive levels of feedback we've had since introducing this feature. Enhancements to user experience have continued throughout the year.

Additionally, we've undertaken a significant cyber security review (as most organisations have in the current environment) which has included our firewalls to ensure members' data is protected in the best manner possible.

Lastly, we have begun a full review of the technology infrastructure in order to understand our current and future state technology needs. This will form the strategy and roadmap for the future alongside the customer journey workshops to understand both member and non-member needs.

2. Leadership & Advocacy – the voice for our industry

Revisions to the Agreement for Sale and Purchase of Real Estate were a significant focus for REINZ Advisory during the 2019/2020 Membership year, along with advocacy work and industry guidance around operating during COVID-19.

REINZ continued to engage with MBIE on the changes to the Residential Tenancies Act and advocated strongly for the regulation of property managers and against the removal of 90-day no cause terminations. This work included meeting with Ministers and Members of Parliament, and against the removal of 90-day no cause terminations. Other notable submissions included the Fair Trading Bill, Urban Development Bill, the Ministry of Transport's consultation on Drone Safety, MBIE's consultation paper entitled Better Protection for Contractors, and the NZFIU's National Risk Assessment of Money Laundering and Terrorism Financing.

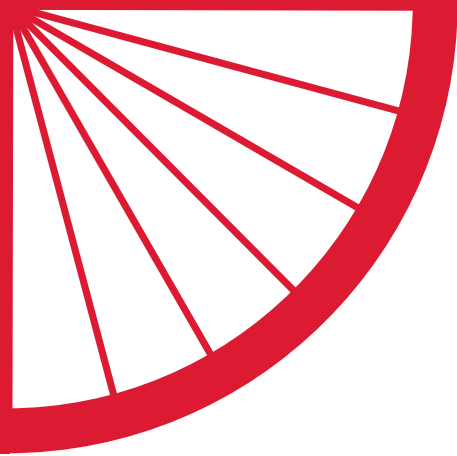
REINZ also continued to advocate for changes to AML legislation, which successfully resulted in a change to the CDD date for commercial leasing (which will come into effect in late 2020). Engagement with DIA is ongoing and we have a strong relationship with this regulator.

28 new information sheets were developed and released to members, in consultation with relevant Government departments where appropriate, and the 10th Edition of the Agreement for Sale and Purchase (versions 1 and 2) were released.

In September last year, REINZ launched the A Call for Change campaign which involved a significant advocacy and media relations campaign that involved more than 80 organisations across New Zealand supporting the campaign. Additionally, we met with a number of Ministers and Members of Parliament to discuss this campaign. Following the significant level of awareness of the issue, letters of support and submissions from affected parties REINZ won a Silver Award at the Public Relations Institute of New Zealand (PRINZ) Awards for the effectiveness of the campaign.

REINZ was again the most quoted source of property information in New Zealand with more than 3,100 clippings over the financial year across print, broadcast, and online media outlets highlighting how we continue to be a trusted voice in the media. We saw another strong year from a social media perspective with followers up 44% and engagement up 160% in part supported by the excellent content from our blog which launched at the beginning of the financial year and in part due to the important role communications played during the initial COVID-19 outbreak in New Zealand.

An effective member onboarding campaign was implemented to enable new members understand the value and benefits they receive as a member. Lastly, we introduced a new REINZ App for members in order for them to access our Member Benefit offers 'on the go'. Feedback has been positive so far and we continue to see an uplift in the number of members downloading the app.



3. Education & Excellence - training and events

Education continues to be at the forefront of REINZ's offering to members and it continues to remain an important revenue stream for the organisation. The 2019/2020 financial year saw the Institute develop seven new online packages allowing for more choice with regards to member training.

Online Verifiable Training in 2020 saw a dramatic increase in the number of members completing their verifiable training online due to COVID-19 restrictions and we also provided training to a number of companies that generally conduct their training inhouse.

REINZ performed ahead of budget for online non-verifiable training options by delivering a number of new webinar packages across our sector groups, leading to an uplift in revenue.

Events on Khyber, our dedicated events and function centre, has continued to perform strongly and to attract both member and non-member bookings since launch, and it has enjoyed a continued and steady level of growth. Naturally towards the end of the financial year this growth was halted with the Alert Level 4 lockdown coming into effect. Going forward we will continue to market the venue as a key provider in the events scene whilst taking into account the Government's relevant health requirements and ensuring staff and customer safety at all times.

From an events perspective, our strategic focus remained on continuing to raise the bar. One very successful initiative was the introduction of the YPIRE 'Inspire | Motivate | Connect' Conference to meet the needs of this demographic. The conference had its own dedicated website and will now be an annual occurrence on REINZ's event calendar.

Rural & Lifestyle Workshops were delivered to our members in this sector and regional networking events took place around the country. The 2019 Awards for Excellence gala dinner had the largest attendee numbers yet and saw 40 awards handed out during the evening.

The 2019 Auctioneering Championships included a competition for school students (the second year which we have run the schools' event) and the annual Residential Property Management Conference had increased number of attendees and sponsors highlighting the increasing importance being placed on this event. Virtual online Zoom interviews tailored to different sectors have also proved popular since COVID-19 hit New Zealand's shores.

Key personnel changes

As in previous years, staff turnover remained low with only two team members moving on during the year. A new Chief Digital and Innovation Officer was appointed towards the end of 2019 and significant steps have been made towards lifting our strategic focus even further in the digital and innovation space since this appointment in order to add further value for members.

Staff engagement survey showed a significant increase in staff engagement levels as a result of direct measures implemented to try and further lift this important metric. We also introduced a range of support initiatives including providing dedicated HR support and team coaching for three months, introducing additional health and wellbeing initiatives, staff training on a range of value-add topics and social events to support a positive team culture. Lastly, a values workshop and implementation session was held to further develop the values we expect at REINZ.

Membership Renewal

The 2019/2020 financial year commenced with a very successful membership renewal drive resulting in 99% renewal rates, with the total number of member offices falling by 31 (2%) over the course of the year, and actual membership staff numbers falling by 108 (0.7%) throughout the year. This was largely due to consolidation of offices in the industry.

The 2020/2021 membership renewal was also completed in the 2020 financial year, with all members invoiced for the coming year's fees prior to the year end. In addition, to ease the impact of COVID-19 on the cashflow of our members REINZ extended its payment terms for its annual invoice to be due by 30 September. Of the \$2.2m of invoices issued prior to balance date, \$1.1m (50%) were received by REINZ by the start of the financial year.

During the financial year there was also a focus on growing REINZ's Property Management members, and that was successful with an overall increase in numbers by 220..

Our Membership team who continue to provide our members with excellent frontline support fielded more than 19,000 phone calls throughout the financial year. This frontline support is an essential service for our members and was particularly valuable when members had questions around what real estate activity could occur when the country first went into lockdown.

Financial Results

REINZ achieved an annual result of \$1,269,310 Earnings Before Interest Tax Depreciation and Amortisations (EBITDA) for the year ended 30 June 2020, against a full year Budget of \$902,624, exceeding the budget by \$366,686 or 41%. This year's result was \$274,225 better than last year's surplus of \$995,055.

We continue to diversify our revenue as it enables us to continue to invest in further products and services for our members.



The 2020 budget involved a further target for the year continuing the implementation of strategic initiatives around data and education.

REINZ's total revenue grew by \$0.5 million to \$8.0 million up from \$7.5 million in 2019 and delivering the budget of \$8.0 million. New revenue streams reached 30% of REINZ's total revenue, against a budget of 29%, growing from \$1.7 million in 2019 to \$2.3 million for the current year.

A more detailed account of our financial results can be found on pages 23 to 25.

\$NZD	2020	2019
Operating revenue	7,994,566	7,349,027
Interest & Dividend Revenue	32,960	31,673
Income from PDIF	205,496	310,696
TOTAL REVENUE	8,233,022	7,691,396
Net surplus for the year before income tax	517,578	920,001
(less results of associates)		

Member Benefits

The REINZ Member Benefit programme continues to grow and saw nine new Member Benefit suppliers brought into the fold during the financial year including: AML360, Branders, Crombie Lockwood, MyVivenda, Z Energy, 2Shakes, MyFleet, First AML & Love to Give. Again, COVID-19 impacted what we were able to do in terms of working with our Member Benefit suppliers particularly during the lockdown period.

As mentioned in the Leadership & Advocacy section above, the initial launch of the app has been successful, however, we continue to encourage members to download the app free from either Google Play Store or the Apple App Store in order to maximise their opportunity to save money with the multitude of suppliers listed on the app – many of whom are in addition to the deals outlined on our website.

Community

Further building on our community work, in the last financial year REINZ launched an industry-wide initiative to raise funds for those impacted by the Australian bushfires, raised money at our Awards for Excellence for the Salvation Army's annual winter appeal and collected donations of clothing and handbags for Dress for Success at the Real Women in Real Estate cocktail event.

Outlook for 2020/2021 year

Despite the initial fall in sales volumes in April as a result of the Alert Level 4 lockdown, so far, the real estate profession has remained relatively immune to some of the wider potential financial ramifications of COVID-19. In fact, sales volumes have

nearly exceeded last year's sales volumes when compared with the same time last year which is remarkable considering sales volumes were down 77.2% in April 2020 when compared to April 2019 due to the Alert Level 4 lockdown.

A number of REINZ's events have been postponed for the end of the 2020 calendar year due to COVID-19, but we're very much looking forward to seeing our members face-to-face and being able to celebrate some of the fantastic achievements of our members. Additionally, we're looking forward to being able to provide more face-to-face training via our conferences and education sessions, when we can do so in a safe manner.

Lastly, there will be a number of digital innovations that we will be rolling out over the coming months which we're excited about and think will help add value to our members, continue to make your lives easier and help showcase members as experts in front of your clients and customers. We will continue to advocate on members' behalf and support them with legislative changes.

Conclusion

As always, I want to conclude by thanking my team. The end of our financial year was extremely challenging and many of the team went above and beyond and worked extra hours, over weekends and public holidays in order to support our members. Thank you for everything you did during the year, but especially during lockdown. The Board and I truly appreciate everything you've done.

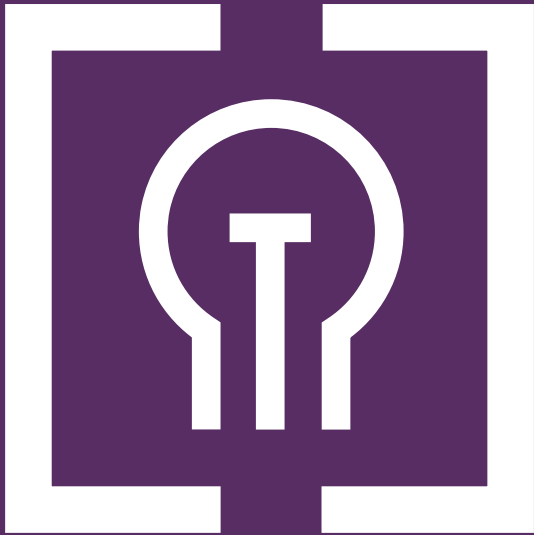
Additionally, I would like to cast a vote of thanks to our members, our Ambassadors who do such great work for us around the country, our sector groups who really are experts in their field and our sponsors who are so generous in supporting us with our events.

Lastly, I want to thank the Board. We have come together to support the profession during some very tough moments over the financial year. Thank you for everything you've done to support the REINZ team, myself and most importantly, our members.

We know the 2020/2021 financial year will be an 'interesting' one and there is a chance we'll continue to go in and out of different Alert Levels as things change, but together we'll continue to achieve great things.

He waka eke noa.

Bindi Norwell
Chief Executive



Innovation & Progress

DATA, DIGITAL & THOUGHT LEADERSHIP

The 2019/20 financial year was a significant year for the REINZ digital and innovation team with a lot of long-term projects being completed and adding value to our members

This year REINZ invested significantly in a new cloud-based data platform to clean, store and manage all REINZ and third-party data. The range of digital products/services that REINZ offers have continued to receive enhancements and we have encouraged our members to provide us with continual feedback so that we can improve functionality, data, or the user experience.

Data Platform

For the last 18 months, REINZ has embarked on a journey to migrate from an old legacy data system to a new cloud-based data platform. The new platform will improve accuracy of the data, match and clean data to ensure we can continue to provide one of the leading property data sets in NZ. The new platform will power our Stats Portal, PropertySmarts, our monthly House Price Index and other leading property reports, digital products and insights.

Statistics Portal

After conducting significant research from our members, we have made a series of improvements to the usability and search functionality within the Statistics Portal. In January we removed the double login and moved to single sign on direct from the Membership portal. This has improved the usage of the portal and allowed members to login with ease.

Helping our members during COVID-19

From March, as New Zealand entered unprecedented times with COVID-19, REINZ was keen to support our members with 3 months access to FlexiSign and Rentals Smarts products. RentalSmarts has now been made free of charge on a permanent basis for property managers. In addition, 3 months free for new PropertySmarts users was also introduced in May to ensure that where possible real estate agents had the tools they needed to continue their business and support their customers.

Ensuring Technology Security

With technology advancing at pace, we cannot be complacent when it comes to security of systems and data. This year we have conducted a full cyber security review and penetration testing of our systems to ensure that they are safe for members and prevent unlawful entry or use. We have improved our security firewalls and are continuously reviewing practices to ensure we protect REINZ, its data and members.

Customer Research

In November customer feedback surveys went out to members to understand their pain points and needs from REINZ products and services. The surveys were followed up with calls to get a deeper understanding on what improvements were required to the Statistics Portal. This is feeding into the enhancements we have made to date and will continue to make on this platform.

Digital enhancements

REINZ has continued to support members with enhancements to REINZ digital products such as PropertySmarts, FlexiSign, RentalSmarts, Statistics Portal and eForms throughout the year. In the coming month REINZ will be launching improved Rural data into PropertySmarts. Over the year eForms has delivered two new Sale & Purchase agreements, Auction agreement and Tender agreement changes, to ensure agents have the most up to date forms.

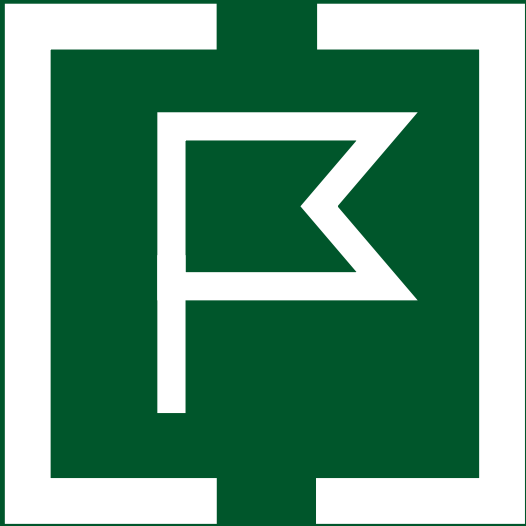
Realtime Data Returns

The REINZ statistics site now rewards members who submit data in real-time by freeing up all data once a real-time sale has been entered. This new, transparent and fair process has encouraged more data to come in faster, but also provides this valuable information to members as soon as it is available – a competitive advantage for all those who take part! Around 50% of all returns are now being made in real-time.

Expanding Data Availability

Every day more than 50,000 data requests from member companies are made through the REINZ APIs (Application Programming Interface). We have invested heavily in the infrastructure to provide these services to our members and will continue to make REINZ data a cornerstone of all our members' businesses.





Leadership & Advocacy

THE VOICE FOR OUR INDUSTRY

Advocating on behalf of our members and providing leadership in an increasing regulatory environment continues to be an area REINZ strives to perform in.

The 2019/2020 financial year has seen a raft of legislative changes come into effect in addition to the urgent legislation passed as a result of COVID-19.

COVID-19

During the various COVID-19 Alert Levels, REINZ worked closely with various Government departments and wrote letters to Government officials including the COVID-19 Cabinet Committee, the Epidemic Response Committee, MBIE and various Ministers to help gain clarity and campaign on a number of issues. Key issues we advocated on members' behalf included: moving house during Alert Level 4; real estate services during Alert Levels (including open homes and private viewings); Insurance Council – Inspections during lockdown and extension of date for compliance statements under the Healthy Homes Standards.

REINZ prepared guidelines for the activities that members could safely perform and released them after obtaining Ministerial sign-off for each Alert Level and for each sector (Residential Sales; Rural & Lifestyle Sales; Commercial & Business Broking Sales; Commercial Leasing; and Residential Property Management).

REINZ also prepared draft clauses for members for Agreements where:

- The purchaser wished to make an offer but had not physically viewed the property
- Selling a tenanted property
- Settlement during changing Alert Levels.

REINZ provided members with health and safety/COVID-19 information for display at their offices.

In addition to the above, various relevant legislation was passed under urgency such as the COVID-19 Response (Urgent Management Measures) Legislation Act 2020, Overseas Investment (Urgent Measures) Amendment Act 2020 and COVID-19 Response (Further Management Measures) Legislation Act 2020. REINZ communicated these changes and the effects of these changes to members.

Healthy Homes Standards Statement of Compliance

As a result of COVID-19, REINZ lobbied the Government to extend the deadline for landlords to include detailed information in tenancy agreements on how their property met the Healthy Homes Standards. On 3 June 2020, the Government announced that the deadline had been extended from 1 July 2020 to 1 December 2020.

Privacy Act 2020

In June, the Privacy Bill passed its third reading in Parliament. The provisions of the Privacy Act 2020 are due to come into effect on 1 December 2020. REINZ has created a webinar on the legislation and an Information Sheet for members.

Residential Tenancies Amendment Act 2019

The Residential Tenancies Amendment Act 2019 was passed on 30 July 2019. The Act limited tenants' liability for careless damage in rental properties, gave the Tenancy Tribunal full jurisdiction over cases concerning premises that are unlawful for residential purposes and allows for Regulations to be made to address how contamination of rental properties is tested and managed. The Regulations have not been released yet. REINZ made a submission to Government noting its concerns with the legislation in August 2017.

A Call for Change - Regulating Property Management

REINZ officially launched A Call for Change on 25 September 2019 with 40 supporters (building to more than 80 by the end of the campaign).

REINZ called on the Government to review the need to regulate the property management industry with appropriate public consultation, and to announce its recommendations for reform before the 2020 election.

REINZ prepared an Information Paper on this issue which provided relevant background information and was a starting point for officials to review.

REINZ met with Hon. Kris Faafoi following the launch and reiterated that REINZ was seeking a review of the need to regulate the property management industry (not a law change) before the next election. The Minister agreed to look at the issue, but in the next term.

REINZ is pleased to announce that we were awarded Silver by the Public Relations Institute of New Zealand (PRINZ) in June for our work on this campaign.

Agreement for Sale & Purchase of Real Estate

In December 2019, the 10th Edition of the Agreement for Sale and Purchase was released. In June 2020, Version 2 of the 10th Edition was released due to industry feedback. Version 2 contained the following changes:

- The schedules relating to operational and non-operational items (Schedules 2 and 3) were removed and replaced with the 9th Edition version of the chattels schedules and warranty
- The reference to the NZ Meth Standard in the toxicology clause (clause 9.5(3)) was removed
- Amendments to the clause relating to the collection of data and information by REINZ were made (clause 19)
- The space for Further Terms of Sale were increased to one full page along with minor formatting and syntax changes.

REINZ produced webinars on the changes for members for both versions.

Residential Tenancies Amendment Bill

REINZ provided written and oral submissions on the Residential Tenancies Amendment Bill early this year on the proposed removal of the 90-day no cause terminations, grounds for terminating periodic tenancies and automatic conversion of fixed-term tenancies to periodic.

Submissions

In addition to the above, REINZ also submitted on behalf of the industry in relation to the Fair Trading Amendment Bill; Urban Development Bill; Better Protections for Contractors; CDD timing for Commercial Leases; Drone Safety and Regulatory Programme; and National Risk Assessment of Money Laundering and Terrorism Financing.

New Information Sheets

REINZ released the following new information sheets for members in addition to updating existing resources:

- > Revised Privacy Act
- > Overseas Investment Act 2005 - Advertising Farmland
- > Building Act 2004 and Building Code for Property Managers
- > Collecting Personal Information under the Privacy Act
- > Key Legal Changes for Property Managers
- > Meth Guidance for Property Managers
- > 22 x COVID-19 related Information Sheets.

All REINZ Information Sheets are available on the REINZ website.



Education & Excellence

TRAINING & EVENTS

Throughout the 2019/20 financial year, our goal has been to continue delivering relevant and current education and events to inform, inspire and motivate professionals across the country.

New Online Offerings

REINZ continued to diversify its offerings and made our training more accessible to our national membership by moving more content online. Of note, were six brand new webinar packages covering a range of sectors including C&I, property management and residential, inclusive of a variety of topics and guest speakers. REINZ also welcomed keynote speaker Phil Harris who delivered a 3-part live webinar series called 'Changing Times'. We were also delighted to welcome back Tom Panos in a live-streamed webinar 'Post COVID-19 Kickstart'. We also surveyed our members to understand their views around performance and wellbeing. These results underpinned our performance and wellbeing programme which was launched online.

Online Verifiable Training Packages

The Real Estate Authority announced it was reworking its continuing professional development format for the 2020 calendar year to introduce two mandatory topics (Ethics and the Buyer Experience) which would total four hours of training. The remaining six hours could be selected from a list of past repurposed topics along with new topics. As a result, REINZ collated and created seven online training webinar packages to ensure maximum value and spread of content was covered. REINZ delivered double the number of online verifiable training packages compared to the same period last year.

National Workshops

REINZ delivered a series of Anti-Money Laundering workshops directed at salespeople and compliance officers in 15 locations across New Zealand. With more than 700 attendees, these sessions offered valuable training and were well-received. REINZ also delivered a number of other workshops nationwide including Property Management Regulation, Dog Workplace Safety and EQC Defective Repairs. We also offered workshops in Mindfulness, Resilience, Auctioneering and key aspects of C&I.

New Zealand Certificate in Residential Property Management

In June 2019 REINZ teamed up with Skills to offer the New Zealand Certificate in Residential Property Management (Level 4), which is recognised by NZQA to help improve professionalism, transparency and best practice across the property management industry. As the first two cohorts were so successful, REINZ moved to a more flexible model offering monthly intakes in 2020. In the past year REINZ has enrolled 80 learners in the programme with a good number of successful completions.

RPM Conference

The 2019 REINZ Residential Property Management Conference was held in August at Hilton Auckland with a record number of attendees and new sponsors keen to align with REINZ. The theme of the conference was 'Thriving in Changing Times' and featured a diverse speaker line-up. During the day there were breakout and interactive sessions aimed at different attendees and a networking cocktail event was held in the evening.

Awards for Excellence Gala Dinner

Building on the success of the previous year, REINZ again held a Gala Dinner for more than 470 members, hosted at Cordis Auckland with MC Laura McGoldrick. There were increased entries and REINZ received wonderful feedback from sponsors realestate.co.nz, Property Press, ABC Photosigns and attendees. To highlight REINZ's corporate social responsibility, the event included a charitable initiative to support The Salvation Army.



YPIRE Conference

The inaugural YPIRE Conference held in September at Shed 10 in Auckland was very successful. Recognising the importance of this demographic, in future REINZ will hold the conference as an annual event. MC Madeleine Sami hosted the day which started with a VIP Breakfast and networking opportunities with international keynote speaker, Tom Panos. Nearly 250 people attended the conference and it was interesting to note that a good share who registered were based outside of Auckland. The day concluded with a DJ and networking cocktail function.

Popular events

REINZ continued to deliver on a number of popular events throughout the year:

- YPIRE regional networking events held in Auckland, Wellington and Christchurch
- Superstars Breakfast, held in August at GridAKL with 120 attendees
- REINZ I Real Women in Real Estate Cocktail Evening held in November in Auckland. 80 attendees were inspired by three successful women in real estate and a charity donation drive was held for 'Dress for Success'
- Regional Meetings, including 'REINZ Connect' in Hamilton, continued across the country
- Annual Golf and Lawn Bowls Tournaments
- Introduction of virtual Zoom webinars tailored to different sectors
- South Island Rural Seminar held in Canterbury in June.

Due to COVID-19 the North Island Rural Seminar was rescheduled to July and the Commercial & Industrial Sector Breakfast was rescheduled to August 2020.



Board of Directors

The REINZ Board comprises of nine members, of which at least two are appointed Independents, one is an appointed Industry Representative from Region 1 and five are elected Regional Directors.

The current Board members are:



BRIDGET COATES
INDEPENDENT

Bridget's current governance positions include being a Director of Tegel Group Holdings, the Chairperson and CEO of White Cloud Dairy Innovation Limited, and a member of the Fonterra Board Sustainability Advisory Panel. Bridget is a Director of the Northern Regional Helicopter Trust, has recently completed a term as Director of the Reserve Bank of New Zealand and was previously a Director of New Zealand Superannuation Fund, Sky City Holdings Ltd and Fisher and Paykel Appliances. In 2014 Bridget was awarded a New Zealand Order of Merit for her services to business.



ANGELA BULL
INDEPENDENT

Angela Bull is the Chief Executive of Tramco Group, a property investment company that includes significant large-scale land holdings, including the Viaduct Harbour precinct. Prior to this, Angela was General Manager Property Development at Foodstuffs North Island for 8 years. Angela is also an Independent Director of Callaghan Innovation, a shareholder-appointed Director of realestate.co.nz and is an independent Director of Metro Performance Glass. Angela is a qualified lawyer. Angela is Chair of the Audit and Risk Committee and oversees the Commercial & Industrial Sector Group.



MIRIAM DEAN CNZM QC
INDEPENDENT

Miriam is currently Chair of the Banking Ombudsman Scheme and a Director of Otakaro Limited. Previous roles include Chair of NZ On Air, Deputy Chair of Auckland Council Investments Ltd, a Director of Crown Infrastructure Partners Limited, President of the New Zealand Bar Association, a member of the Auckland Transition Agency and trustee of the Royal New Zealand Ballet Company. Miriam has extensive experience in review related work including as recent Chair of the Government's Electricity Price Review. She is also Chair of the Legal Advisory Group, and a member of the Advisory Committee, of the Government's Greater Christchurch Claims Resolution Service to assist with resolution of outstanding claims from the Canterbury earthquakes.



JO-ANNE CLIFFORD LIFE MEMBER
APPOINTED DIRECTOR: REGION 1

Jo-Anne Clifford has worked for over 35 years at Harcourts and has experience in most facets of the real estate industry. Jo is a Life Member of the Real Estate Institute. Now currently the Chief Operations Officer for Harcourts New Zealand she is also a Director and shareholder of the company, and a Director of Mortgage Express and Astute New Zealand Limited. Jo has the innate ability to understand exactly what it takes to build a real estate business as an asset and, most importantly, how to make it profitable. With experience in all aspects of franchising, history in converting a number of offices from other brands and an in-depth knowledge of the Real Estate Agency Act 2008. Jo oversees the Auctioneer's Sector Group.



WENDY ALEXANDER FREINZ
REGIONAL DIRECTOR: REGION 1

Wendy Alexander is a Fellow of REINZ and has been actively involved in the real estate industry for nearly 40 years. A staunch supporter of the Institute, Wendy is Chairman of the Remuneration/HR Committee for REINZ. After many years in the role, Wendy chose to retire from her position as CEO of Barfoot & Thompson in 2018 to create time to pursue other interests. In a consultancy capacity, she remains very active in the industry both in Auckland and in the provinces, splitting her time between her homes in Auckland and Taupo. Wendy oversees the Residential Property Management Sector Group.



NEVILLE FALCONER LIFE MEMBER
REGIONAL DIRECTOR: REGION 2

Neville has been in real estate for 33 years. He is a Fellow of REINZ, an AREINZ and was appointed a Life Member in 2013. His industry experience is wide ranging from Sales and Management to ownership of a multi-office franchise of LJ Hooker operating in Tauranga, Rotorua and Taupo. Having sold his business to Tremain Real Estate, he is now Board Chair of the Tremain Northern Group based in Tauranga. He has contributed to REINZ throughout his career: including the Board of realestate.co.nz. Neville was elected to the REINZ Board in 2018.



MARK COFFEY MBA, AREINZ
REGIONAL DIRECTOR: REGION 3

As the owner and Managing Director of Tommy's Real Estate in the Hutt Valley, Mark has overseen the growth of the business since its beginnings in 2000 as a start-up to now being one of the largest firms in the Hutt Valley. Prior to real estate, Mark worked in mechanical engineering for almost 18 years. Following a change in direction, Mark completed his MBA through Henley Management College in 2001 and attained his AREINZ in 2003. As a Board member of the NZ Realtors group for several years and currently Chairman, Mark has the benefit of understanding the market dynamics of a number of regions throughout New Zealand.



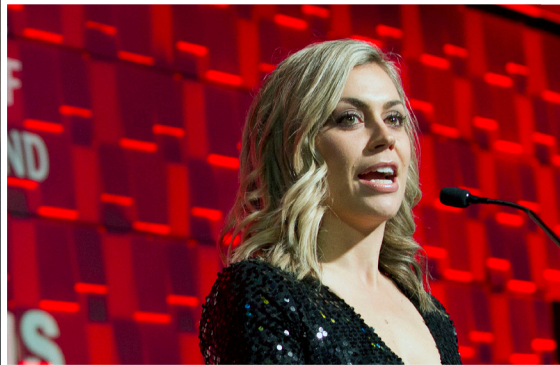
SHANE O'BRIEN FREINZ
REGIONAL DIRECTOR: REGION 4

Shane has worked in the real estate industry for more than 27 years across a number of positions including salesperson, manager, Director and shareholder, establishing a strong track record of working with vendors of some of New Zealand's most iconic properties. Shane is currently the Managing Director of Colliers International's first NZ rural franchise in Canterbury with offices in Ashburton, Timaru and Christchurch where he is involved in sales as well as management. Shane was an active member of the REINZ District committees from 1998 to 2008 serving a term as Canterbury/Westland District President. Shane oversees the Rural Sector Group.



GAIL HUDSON AREINZ
REGIONAL DIRECTOR: REGION 5

Gail started her Real Estate career in Christchurch in 2002 selling residential and lifestyle properties in Canterbury through to the McKenzie Country. In 2010 Gail moved to Wanaka where she undertook a management/ownership role completing a Diploma in Business Studies. In 2013 she commenced the role of General Manager with Bayleys Queenstown and relished her involvement in the phenomenal growth of the Central Otago Lakes and Southland. Following an extremely exciting five years Gail now enjoys her less demanding management role in Cromwell. Gail has represented REINZ in the Queenstown Lakes District as District Forum Leader and is now proud to represent Central Otago Lakes, Otago and Southland as the Regional Director.



Summary consolidated statement of financial position

AS AT 30 JUNE 2020

\$NZD	2020	2019
ASSETS		
Current assets		
Receivables from exchange transactions	250,843	215,273
Prepayments	181,512	83,644
Cash and cash equivalents	2,641,340	2,764,537
Tax receivable	2	3
	3,073,697	3,063,457
Non-current assets		
Property, plant and equipment	9,092,593	9,208,926
Intangible assets	1,085,196	1,114,949
Other financial assets	2,952,085	2,784,830
Investments	2,176,586	2,194,838
	15,306,460	15,303,543
Total assets	18,380,157	18,367,000
LIABILITIES		
Current liabilities		
Payables from exchange transactions	2,589,536	2,996,240
Employee benefits	92,728	67,312
GST Payable	165,827	270,708
Total liabilities	2,848,091	3,334,260
NET ASSETS/EQUITY		
Accumulated comprehensive revenue and expense	15,532,066	15,032,740
Net assets/equity attributable to owners	15,532,066	15,032,740
Total equity	15,532,066	15,032,740
Net assets	15,532,066	15,032,740

Pages 23 - 26 are summary financial statements taken from the audited Financial Statements of the Real Estate Institute of New Zealand Inc for the year ended 30 June 2020 which are prepared in compliance with PBE Standards. These individual full financial statements were authorised for issue on 2 October 2020 by the Board of the Real Estate Institute of New Zealand Inc (the Institute) and an unmodified audit opinion on those statements was issued on 8 October 2020 by RSM Hayes Audit. The full financial statements have been prepared in accordance with External Reporting for public benefit entities, are presented in NZ dollars (rounded to the nearest dollar) and contain a statement of compliance with PBE Standards Reduced Disclosure Regime. These summary financial statements cannot be expected to provide a complete understanding as provided by the full financial statements. For full financial statements, please view it on or download it from the Institute's website at www.reinz.co.nz [search "Annual Report"]

Summary consolidated statement of comprehensive revenue and expense

FOR THE YEAR ENDED 30 JUNE 2020

\$NZD	2020	2019
Revenue from exchange transactions	7,994,566	7,349,027
Total revenue (excluding gains)	7,994,566	7,349,027
Direct Costs of Services	1,878,640	1,810,554
Depreciation and amortisation	919,479	728,481
Salaries and wages	2,874,593	2,505,534
Other expenses	2,042,732	2,108,279
Total expenses	7,715,444	7,152,848
Finance and dividend income	130,604	142,415
Net finance and dividend income	130,604	142,415
Operating surplus	409,726	338,594
Other gains and losses	107,852	199,954
Profit from equity accounted investees	(18,252)	456,507
Net surplus for the year before income tax	499,326	995,055
Income Tax Expense/(Benefit)	-	-
Net surplus after income tax	499,326	995,055
Other comprehensive revenue and expense for the year	-	-
Total comprehensive revenue and expense for the year	499,326	995,055
Surplus for the year is attributable to:		
Owners of the controlling entity	499,326	995,055

Summary consolidated statement of changes in net assets/equity

FOR THE YEAR ENDED 30 JUNE 2020

\$NZD	2020	2019
Accumulated funds 1 July	15,032,740	14,037,685
Total comprehensive revenue and expense for the year	499,326	995,055
Accumulated funds 30 June	15,532,066	15,032,740

Summary consolidated statement of cash flows

FOR THE YEAR ENDED 30 JUNE 2020

\$NZD	2020	2019
CASH FLOWS FROM OPERATING ACTIVITIES		
Cash receipts	7,366,303	7,621,545
Interest and tax received	67,272	87,421
Dividends received	63,333	80,291
Cash paid to suppliers and employees	(6,779,672)	(6,190,122)
Net cash inflow/(outflow) from operating activities	717,236	1,599,136
CASH FLOWS FROM INVESTING ACTIVITIES		
Purchase of investments	(67,039)	102,784
Purchase of intangible assets	(633,252)	(823,675)
Purchase of property, plant and equipment	(140,142)	(46,003)
Proceeds from repayment of related party loans	-	-
Net cash inflow/(outflow) from investing activities	(840,433)	(766,894)
CASH FLOWS FROM FINANCING ACTIVITIES		
Proceeds from borrowings	-	-
Net cash inflow/(outflow) from financing activities	-	-
NET ASSETS/EQUITY		
Net increase/(decrease) in cash and cash equivalents	(123,197)	832,242
Cash and cash equivalents at 1 July	2,764,537	1,932,295
Cash and cash equivalents at 30 June	2,641,340	2,764,537

Notes to the summary financial statements

FOR THE YEAR ENDED 30 JUNE 2020

1. BASIS OF PREPARATION

The full consolidated financial statements from which these summary financial statements are extracted from are compliant with the Public Benefit Entity Standards Reduced Disclosure Regime (“PBE Standards RDR”) and other applicable financial reporting standards as appropriate that have been authorised for use by the External Reporting Board for Not-For-Profit entities. For the purposes of complying with NZ GAAP, the Institute is a public benefit not-for-profit entity and is eligible to apply Tier 2 Not-For-Profit PBE Standards on the basis that it does not have public accountability and it is not defined as large. Full details of the policies adopted are available in those full financial statements. They are presented in New Zealand dollars.

These summary Financial Statements have been prepared in accordance with PBE FRS-43 - Summary Financial Statements.

2. CHANGES IN ACCOUNTING POLICIES AND DISCLOSURES

The accounting policies adopted in these financial statements are consistent with those of the previous financial year.

3. RELATED PARTY TRANSACTIONS

a) realestate.co.nz Limited

The Institute is a shareholder of realestate.co.nz Limited via an intermediary REINZ Member Services Limited which is a wholly owned subsidiary of the Institute.

During the year, a total of \$420,547 was received from realestate.co.nz for software licence fees \$8,333 (2019: \$10,000), sponsorship and advertising of \$47,179 (2019: \$39,630), rental income of \$138,035 (2019: \$185,728), data sales of \$185,000 (2019: \$185,000), reimbursement of lease costs \$42,000 (2019: \$83,270), and Joint Research Project nil (2019: \$35,900). As a result of the COVID-19 pandemic, a rent relief of \$45,868 was provided to realestate.co.nz for a three month period.

Terms and conditions of transactions with related parties

Sales to and purchases from related parties are made in arm’s length transactions both at normal market prices and on normal commercial terms.

4. CAPITAL COMMITMENTS

At balance date there were no capital commitments (2019: nil).

5. CONTINGENCIES

The Institute has no contingent liabilities at 30 June 2020 (2019: nil).

6. EVENTS SUBSEQUENT TO BALANCE DATE

There are no other events after the reporting period that would affect the consolidated financial statements (2019: Nil).

Independent Auditor's Report

To the Members of The Real Estate Institute of New Zealand Incorporated

RSM Hayes Audit
Newmarket, Auckland 1149
Level 1, 1 Broadway
Newmarket, Auckland 1023
+64 (9) 367 1656
www.rsmnz.co.nz

Opinion

The accompanying summary financial statements, which comprise the summary statement of financial position as at 30 June 2020, the summary statement of comprehensive revenue and expenses, summary statement of changes in net assets/equity and summary statement of cash flows for the year then ended, and related notes, are derived from the audited financial statements of The Real Estate Institute of New Zealand Incorporated for the year ended 30 June 2020.

In our opinion, the accompanying summary financial statements set out on pages 23–26 are consistent, in all material respects, with the audited financial statements, in accordance with PBE FRS–43: *Summary Financial Statements* issued by the New Zealand Accounting Standards Board.

Summary Financial Statements

The summary financial statements do not contain all the disclosures required by the Public Benefit Entity Standards Reduced Disclosure Regime (PBE RDR). Reading the summary financial statements and the auditor's report thereon, therefore, is not a substitute for reading the audited financial statements and the auditor's report of The Real Estate Institute of New Zealand Incorporated thereon which was issued on 8 October 2020. The summary financial statements and the audited financial statements do not reflect the effects of events that occurred subsequent to the date of our report on the audited financial statements.

Other information

The directors are responsible for the other information. The other information included in the 2020 Annual Report on pages 1 to 22 and 28 to 31 (but does not include the summary financial statements and our auditor's report thereon), which we obtained prior to the date of this auditor's report. Our opinion on the summary financial statements does not cover the other information and we do not express any form of audit opinion or assurance conclusion thereon.

In connection with our audit of the summary financial statements, our responsibility is to read the other information identified above and, in doing so, consider whether the other information is materially inconsistent with the summary financial statements or our knowledge obtained in the audit, or otherwise appears to be materially misstated. If, based on the work we have performed on the other information that we obtained prior to the date of this auditor's report, we conclude that there is a material misstatement of this other information, we are required to report that fact. We have nothing to report in this regard.

Directors' Responsibility for the Summary Financial Statements

Directors are responsible on behalf of The Real Estate Institute of New Zealand Incorporated for the preparation and of the summary financial statements in accordance with PBE FRS–43 (*Summary Financial Statements*).

Auditor's Responsibility

Our responsibility is to express an opinion on whether the summary financial statements are consistent, in all material respects, with the audited financial statements based on our procedures, which were conducted in accordance with International Standard on Auditing (New Zealand) (ISA (NZ)) 810 (Revised), *Engagements to Report on Summary Financial Statements*.

Other than in our capacity as auditor, we have no relationship with, or interests in, The Real Estate Institute of New Zealand Incorporated.



30 October 2020

THE POWER OF BEING UNDERSTOOD
AUDIT | TAX | CONSULTING

RSM Hayes Audit is a member of the RSM network and trades as RPM. RSM is the trading name used by members of the RSM network. Each member of the RSM network is an independent accounting and consulting firm which practices in its own right. The RSM network is not itself a separate legal entity in any jurisdiction.



Chairman's report

“While we have lived under the shadow of COVID-19, realestate.co.nz has had one of its most successful years”

It was once said by Winston Churchill that “Difficulties mastered are opportunities won.” This has never been so true for the 2020 financial year for realestate.co.nz. Our performance in times when our product was struggling, our competitive forces strengthening and recently the COVID-19 lockdown has evolved within the company a resourcefulness and resilience for our business and our future potential.

This year it was proved, without doubt, our most valuable asset was not on the balance sheet. The strength of our business was with the leadership and the culture and responsibility that became a part of everyday momentum. In these times leadership is critical however, it must have the contribution, determination, and commitment from every individual to achieve the optimum team performance. A team that could see for every challenge there was a greater opportunity.

The shadow of COVID-19 has impacted the global social, economic and political marketplace and realestate.co.nz has been vulnerable from this impact which will continue for some time. However, we remain very focused on our founding values and our long-term strategies. During the COVID-19 era no stone was left unturned in evaluating our business, managing staff, communicating, looking for cost savings, treating cash as king and at the same time aggressively pursuing opportunities. Quick decision making helped shield the business from falling markets and perceptions for the period ahead. It can be stated with pride that our team went seamlessly into lock down, operated with efficiency and effectiveness during the lock down period and now has phased easily back into the new normal.

This year was a defining moment in the realestate.co.nz journey and the position and opportunities the company is now ready for. Perhaps the greatest achievement is for the first time in our history realestate.co.nz can justify both its value and potential to its shareholders and the licensed agents which are the life blood of the industry. The shareholders who have both fully supported

and been encouraging in our progress to fulfill their vision, have now been rewarded with a business that is positioned as a value-add partner for the industry.

Our previous reports highlighted 2019/20 was a year of investment with very clear and ambitious goals of massive changes to:

1. Our customer and agent facing products including new website look and feel, mobile app and reporting
2. Brand campaigns through multimedia channels with a strong push into social media
3. Improvement in core technology in design, performance, and flexibility.

These achievements were non-negotiable corner stones to ensure we regained and maintained market presence with both consumer and agents. It is both very encouraging and rewarding that customer feedback has acknowledged and responded very positively to these changes.

This support is backed by the current monthly benchmark statistics of the year to date.

1. Site users are up year on year – audience over 1.2 million per month and growing monthly
2. Site sessions are consistently up - supporting interest in properties not just surfing
3. Enquiries are up materially – fully supporting agents' faith in the results.

Our portal is now without question the “site of value” to property buyers and sellers.

Our March 2020 financial performance as shown in the audited accounts reflect a small loss of \$319,547, which was substantially better than our budget and factored in the exponential product development costs. These results also absorbed the additional

impact from COVID-19. Our 2020 revenue continued at the 2019 levels but was above our budget which was developed expecting listings to be down this year. Listings were down 8% marginally better than expected. Expense increases above a normalised year, again reflecting development costs written off and not capitalised and an increase in our sales force which was driven by industry demand.

Working capital remains strong with cash reserves to fully fund the next stage of the development program.

Our three-year budget has forecasted conservatively a return to modest profits in FY21 with substantial increases flowing to FY22 and FY23. FY21 recognises the need for continued heavy investment in technology with headwinds from the continued impact of COVID-19 and the upcoming election.

The development of our proprietary technology will provide a future competitive advantage to both our company and our customers. Over time and considerable investment our technology and associated IP has become increasingly more sophisticated. Our data platforms built with flexibility allow for considerable enhanced value to customers and company reporting.

Again, in FY21 our strategic initiatives are massive, bold, and game changing. They include:

1. Creating the best onsite experience for customers.
2. Introducing a pricing model that reflects our value and value to our customers.
3. Extending our brand reach and brand recognition – this includes substantial communication by electronic direct mail (EDM).
4. Reestablish ourselves as a trusted industry leader.
5. Intensify and grow our alliance with our agent partners.

Recently launched was our revised pricing, product, and subscription model, designed to reflect our value to the industry but also to enable us to deliver innovative products that meet market demand. Our product development will continue to be a fundamental focus to ensure agents optimise not only their performance but also the experience of their customer.

The current environment has created a new world for our businesses and the way we will conduct the business process. We will not be guilty of challenging the norms. realestate.co.nz is thinking bolder and bigger, imagining the future to guarantee both profitability and longevity. Our leadership and the culture of keeping engaged unique talented people is a critical success factor. Our people have a platform to have their say. Above all we continue to talk and walk in our customer shoes to deliver the experience they value.

On behalf of the Board I would again like to acknowledge the extreme efforts under such unprecedented times of our CEO and the leadership team. These changes both personal and professionally have been huge for everyone. I also would personally like to thank the directors who all actively contributed to supporting and advising the team in this year of great change. We can all be very satisfied and proud of what had been achieved this year.

We are all looking forward to our new chapter. realestate.co.nz has never been so prepared and well positioned to grow and support our industry.



Fairfax Moresby
Chairman

Life members

Year Awarded

2019	Bryan Thomson
2018	Graham Crews
2018	Euon Murrell
2018	Brian Waldegrave
2017	Richard Charles Cashmore
2017	Timothy John Mordaunt
2016	John Patrick Griffin
2016	Ian Gordon McDowell
2015	Jo-Anne Christine Clifford
2015	David Hugo Rankin
2015	John Charles Bayley
2013	Neville Cooper Falconer
2013	Colin John Richardson
2012	Charles Ross Foreman
2011	Stephen John Collins
2011	Peter James McDonald
2011	Peter John Thompson
2011	Michael Wade Elford
2009	Howard Louis Arthur Morley
2009	Paul Dudding
2009	Murray Stuart Cleland
2007	Graeme Alexander Woodley
2007	Roger Ian Stark
2006	Graham Keith Snell
2006	Henry Rex Hadley
2003	Max Robert Oliver
2003	Donald Kindley
2003	Joan Frances Harnett-Kindley
2001	Brian James MacPherson
2001	Colin Charles Brown
1998	Clyth Iain MacLeod
1995	Peter John Cook

Year Awarded

1991	Trevor Ferguson Johnston
1991	Garth Barfoot
1990	William (Bill) Hills Matthewson
1988	William James Lindsay Simpson
1985	Mervyn Edward Neill
1979	Dudley Charles Willis
1979	Horace Yates Cassidy
1978	Richard Bruce Lugton
1977	Robert Keith Baker
1976	Edward (Ted) Millais Harcourt
1971	John Stanley Gillam
1969	Hon. Josiah (Ralph) R. Hanan
1965	D.C. Wilson
1965	Leonard Knowles Garlick
1963	Walter Heathcote Fisher
1963	N. Jones
1961	Raymond (Ray) H. Brookbanks
1959	F.C. Wilkinson
1958	G.J. Leech
1957	D. H. Cavers
1955	J.G. (Gordon) Harcourt
1953	G.S. Boyes
1951	R.S. Newcomb
1948	P.W. Stabb
1948	J.T. Carswell
1946	W.J.A. Thomson
1935	L.D. Ritchie
1935	H.W. Heslop
1935	A.A. Gellatly
1932	P.B. Foote
1926	G.B. Osmond



Directory

AS AT 30 JUNE 2020

Date of Incorporation	17 February, 1927 (Incorporated under The Incorporated Societies Act, 1908)
IRD Number	10 677 858
Incorporation Certificate Number	1927/3 (Currently Certificate 222891)
Auditor	RSM Hayes Audit
Bankers	Bank of New Zealand Newmarket, Auckland

REINZ | REAL ESTATE
INSTITUTE OF
NEW ZEALAND

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