

Championing a world-class profession

2021/2022
Annual Report





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Unify, adapt, and innovate

We've withstood multiple lockdowns and united not only as a team, but as a profession to ensure that the important work of our members could still be carried out to a high standard.

Our in-person events and courses were quickly switched to online. We focused our communication on supporting business continuity. The profession adapted — virtual open homes, viewings and online auctions became the norm.

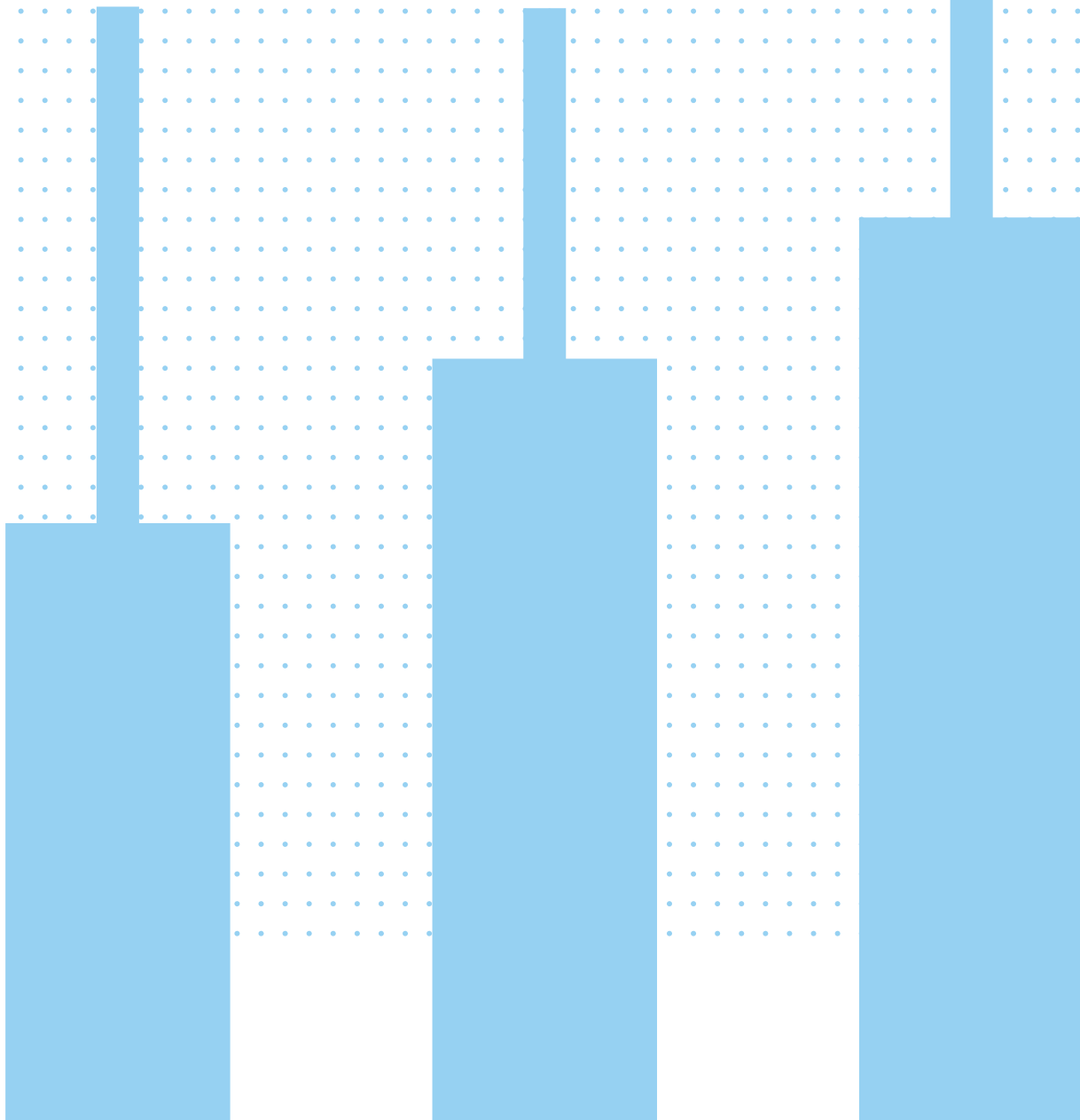
Using what we learned throughout these challenging times enabled the profession to innovate. Creativity flourished and processes were streamlined. Business priorities were readjusted, and new ways of working became a product of this distinctive time — carrying through into the way we conduct business today.

As always, REINZ has been there every step of the way as a pillar our members can lean on and look to for guidance, support, and the best services to champion a world-class profession.

REINZ — Here for real estate.

The REINZ financial year in numbers

Highlights and achievements





* This does not include Commercial and Industrial sales. ** When Statistics Portal is visited directly via REINZ website.

*** When Statistics Portal is visited directly via REINZ website.

Market snapshot

YEAR ENDING 30 JUNE 2022



Median price

NZ excluding Auckland
\$745,000
Auckland
\$1,200,000

\$869,000

Median price percentage change year-on-year

NZ excluding Auckland
+19.2%
Auckland
+16.5%

+15.9%

Number of properties sold in the past year

NZ excluding Auckland
48,761
Auckland
25,692

74,453

Number of properties sold percentage change year-on-year

NZ excluding Auckland
-23.8%
Auckland
-30.7%

-26.4%

Median number of days to sell

NZ excluding Auckland
34
Auckland
33

34

Percentage of properties sold by auction

NZ excluding Auckland
16.1%
Auckland
35.3%

22.7%

Mean rental price

NZ excluding Auckland
\$505
Auckland
\$623

\$553

* All figures are for residential dwellings only from sales submitted by our members.



Chair's report

Ki te kahore he whakakitenga ka ngaro te iwi ***Without foresight or vision the people will be lost***

As we reflect on the year just passed, it is hard to overstate the volatility we have all experienced. The return to COVID-19 lockdowns in August 2021 saw activity in the market grind to a near halt as internal borders closed and New Zealanders returned to the confines of their homes.

I am extremely proud of the way REINZ rose to meet the many challenges, providing timely guidance for real estate and property management professionals through various Alert Levels and Traffic Light settings. Listening to feedback from members, our team at REINZ worked with Government departments — including the Real Estate Authority (REA), the Ministry of Business Innovation & Employment (MBIE), the Ministry of Justice (MoJ), and the Ministry of Housing and Urban Development (HUD) — to ensure the best outcomes for our members and their customers and clients.

This is but one challenge the industry has faced. During this financial year, we saw market headwinds gather, and the turbulence they have created significantly impact the property market. In November 2021, we saw the median residential property price peak after an unprecedented boost through the COVID-19 years. However, there was a quick, sharp change in December, accompanied by changes to the Credit Contracts and Consumer Financing Act (CCCFA). Almost overnight, market sentiment shifted, and we entered a new phase in the market cycle.

At such times, our resilience can be tested. Again, I have been proud to see how our profession has risen to the occasion — supporting, mentoring and celebrating one another in highly volatile times.

A strategic reset for future growth

Our refreshed strategy, introduced towards the beginning of the year, focused on four key pillars — improving the skills and knowledge of our members, augmenting our role as provider of digital products and data insights, ensuring an enduring, future-ready profession and delivering operational excellence.

Ours is an ever-changing sector, with many nuances. Education, training and having the right resources is essential. So too is ensuring that we are creating forward-looking career pathways and opportunities for individual learning and growth.

REINZ is dedicated to delivering on these needs. To that end, we have introduced additional education options for property managers, including webinars, non-verifiable training and a new course on commercial property management. The education team has also been working hard to finalise and launch new Level 5 (Branch Manager)

New Zealand Certificates in Real Estate with the first cohort starting in September 2022. Level 6 qualifications are also on the roadmap.

Ensuring we are supporting our members and the profession at large to improve their skills and knowledge and take the next steps within the profession is a core to our strategy.

Digital transformation and innovation

COVID-19 accelerated digital transformation globally, and that is also evident in how we conduct our real estate business in Aotearoa. REINZ has focused on strengthening our digital products and data services to ensure they are fit for purpose and can help drive value for our members.

We continue to progress our digital transformation programme. There are two key components. The first is improving our digital stack — our website and member management system — so members are better able to access and engage with the support and services REINZ offers. There will be a phased rollout, which members will benefit from in the near future.

The second is improving the flow of data and enabling members to utilise REINZ data to power various products more effectively.

This transformation will benefit our members currently and will also ensure future readiness as changes in the market accelerate.

Policy, legislation and regulatory reform

Housing is a core part of the fabric of New Zealand society and a focal point for Government. We have seen several housing-related policies and legislative and regulatory reforms impact on New Zealanders and on the property market.

REINZ continues to advocate strongly on behalf of our members, leveraging our standing with Government and other industry bodies to effect positive movement in key areas. These have included the CCCFA, COVID-19 guidance, Unit Titles Bill, the Anti-Money Laundering and Countering Financing of Terrorism Act (AML/CFT), and interest limitation and extension of the bright-line test.

As we head into an election year, REINZ will ensure a strong voice for the real estate profession.



Regulation of property managers

REINZ has long advocated for regulation of residential property managers and this year we welcomed the Government's proposed regulatory model. As the industry body representing the vast majority of real estate professionals, REINZ considers this change an urgent priority to ensure an equitable residential tenancies market for New Zealanders.

REINZ has filed submissions with HUD, incorporating substantive feedback from members to ensure regulation is fit for purpose.

REINZ Board and leadership changes

In July 2021, at the beginning of this financial year, we welcomed our new Chief Executive to REINZ, Jen Baird. Jen joined REINZ at a transformative time for the real estate profession. Over the financial year, Jen has focused on taking REINZ's strategy into its next phase, as evidenced in this report. Following a prolonged period of intermittent lockdowns, which hampered our ability to be present in all regions, she is now ensuring that REINZ is once again present across New Zealand, meeting, engaging with and celebrating our members nationwide.

It has been a complex and challenging first year for Jen. Despite those headwinds, she has more than met our expectations in all respects. The Board is delighted with the progress the organisation has made under her leadership.

During the year, we farewelled Chief Digital Innovation Officer, Kirti Desai, who was responsible for the commencement of our digital transformation programme. Miles Fordyce joined REINZ as Kirti's replacement and has taken that programme to new heights, the fruits of which members will see over the coming years. We also bid farewell to Belinda Woolrych, former Education Director. In January, Chris Campbell joined as Head of Education and has thrived in the position, bringing the Level 5 certification to our members, with Level 6 on its way. Finally, Louise Gordon departed as Events Manager.

We wish our departing leaders all the best in their future endeavours and thank them for their many contributions to REINZ. Equally, we welcome our new team leaders; we are excited at the direction they are taking the Institute.

For the upcoming Annual General Meeting, nominations were sought for the Regional Director roles for Region 2 (Waikato, Bay of Plenty and Gisborne) and Region 4 (Nelson, Marlborough, Canterbury and Westland). We are pleased Neville Falconer, our incumbent for Region 2, and Shane O'Brien, our incumbent for Region 4, have been confirmed in those positions.

In addition, two Independent Appointed Director terms are concluding this year. Independent director Angela Bull has made herself available for re-appointment, for which we are very grateful. However, as my term comes to a close, I have made the decision to stand down. The position of Chair has been advertised and I look forward to passing the reins over to my successor after the Annual General Meeting.

Highlights of the past four years

As I reflect on the four years I have served as Chair of the Board, there has been much change, much innovation and much to celebrate. It has been my pride and pleasure to see our profession, supported by REINZ, continue to grow and thrive, as REINZ has adapted to a changing landscape, and innovated to meet members' needs and the needs of the profession at large.

As I conclude my time in the leadership role, I would like to express my deep gratitude to my fellow Board members, present and past. It is always a pleasure to work with such a diverse team brought together by their shared dedication to the real estate profession and to our members. I have had the opportunity of working with a knowledgeable, skilled and passionate group, never shy to voice their opinions and always ready to advocate in the interests of REINZ members and the real estate profession.

To our Industry Leaders Group and our REINZ Ambassadors, who represent their individual regions, thank you. The value you bring is essential to our continued effectiveness as an industry body. Again, working with you, benefiting from your passion and dedication, has enabled us to do so much, and has given me a greater depth of insight into this vibrant profession.

To our members, thank you for your continued support, over this financial year and the more than a century REINZ has been a focal point in New Zealand culture. Your engagement and the work you do every day is vital to ensuring this is a respected and valued profession. With your feedback, REINZ will continue to evolve to meet your needs and effectively represent you on the national — and international — stage. My successor, I am sure, will relish the leadership experience as I have.

Finally, thank you to the REINZ team, a respected and empowered team helping members deliver the best possible real estate services to New Zealanders. Your commitment to REINZ members and the Institute is unparalleled, and I am grateful to have worked with two REINZ Chief Executives, the Leadership Team and the wider organisation. Thank you for making my tenure as Chair so successful. I leave REINZ in your capable hands and look forward to seeing what you continue to achieve in time to come.

Ngā mihi nui,

Bridget Coates
Chair



Chief Executive's report

Whiria te tangata

Weave the people together

It's been an interesting year with record highs and lightning-fast changes in the market — but above all else, it has shown us the importance of uniting as a profession.

This time one year ago we were in a COVID-19 lockdown, navigating the evolving rules day by day and what it meant for the profession. There was endless communication to support our members who adapted at pace so they could continue to serve buyers, sellers, tenants, and landlords across the motu. Your openness to adapting during a challenging time allowed the profession to maintain its excellent standard of service, and create new tools and new ways of working, many of which have now become the norm.

REINZ has also adopted new ways of working to ensure our members are kept on the property pulse. We've evolved our strategy to better serve a modern profession, made significant advancements on our digital transformation journey, held some of our most highly anticipated events, and even took our 2021 REINZ Awards for Excellence online. We've tried new ways to communicate across different platforms — you may have seen this begin to filter through our content and communications already.

During the 2021/2022 financial year, REINZ delivered on a new strategy with four key focus areas: improving the skills and knowledge of our professionals, being the industry's go-to for digital products and data insights, supporting an enduring and future-ready profession and driving operational excellence.

Improving the skills and knowledge of our professionals

We've worked hard to ensure our members have access to relevant high-quality education, events and advisory services that improve their business, strengthen their position as trusted advisers, and enhance the reputation of the profession.

REINZ's education team developed new courses — online and face-to-face — and added webinars to inform our members on new legislation and enable further upskilling. We saw 4,255 individuals complete verifiable training (online and face-to-face), and 5,460 complete 30,061 non-verifiable sessions over the financial year.

We delivered eight new online verifiable training packages and eight new online non-verifiable courses and programme packages to our members.

The team worked hard to get the new Level 5 (Branch Manager) New Zealand Certificates in Real Estate finalised — ready for delivery to members. The new Branch Manager qualification has been a needed

component within the real estate qualifications pathway for some time. There has been a large uptake for this qualification from across all our sectors and with the Level 6 agents' qualification on the horizon to kick off in early 2023 — some exciting times are ahead for education within our sectors.

Our property management members will have seen an increase in the education offerings to their sector — with several new webinars and face-to-face training introduced. This includes a beginners' course for those looking to enter commercial property management.

Despite COVID-19 lockdowns disrupting the second half of last year, we still brought some of our biggest events to members. In September 2021, our 2021 REINZ Awards for Excellence went online, and more than 800 viewers tuned in to celebrate.

Earlier this year we held some of our favourite events — Women in Real Estate in May, and the 2022 REINZ Real Estate Auctioneering Championships held over three days in June. It was wonderful to host these events in person again.

REINZ was again the most quoted source of property information in New Zealand with more than 2,500 mentions over the financial year across print, broadcast, and online media — affirming our position as a trusted voice in the media. Our social media presence continues to grow with followers up 19%, engagement up 6.6%, and more than 623,000 impressions across all social media platforms. We also had more than 75,000 visits to the REINZ blog.

Industry's go-to for digital products and data insights

Over the past financial year REINZ introduced and strengthened our products and diversified revenue streams that drive value for members.

Our digital transformation programme is well underway. We made significant progress on the planned revamp of our website, and implementation of a purpose-built membership management system. This will transform how we operate, streamlining internal processes and enabling our members to access REINZ resources and engage with us more easily.

Our approach to data has evolved over the last 12 months. In July 2021, we approved the transfer of REINZ data by Application Programming Interface (API) to businesses — this enables them to



significantly improve and their systems and products. The transfer has been revolutionary for REINZ in allowing us to evolve further in this space and continue to deliver the data services that help take the New Zealand real estate profession forward.

We launched an Interactive Benchmarking Dashboard enabling brands with large numbers of offices to understand individual office sales performance benchmarked across their brand. This is an exciting development that allows real estate businesses to track performance against the market and allow for rapid decision-making — informed by trusted REINZ data.

An enduring, future-ready profession

We help our members understand and navigate the ever-changing landscape of real estate business in New Zealand. We understand today's environment, and advocate for tomorrow's evolved and relevant profession.

REINZ advocates on behalf of our members on important items of reform impacting the industry — giving a collective voice on the issues impacting our profession. We made oral and written submissions, and lobbied the Government and utilised connections to influence policy. Key issues we worked on include the review of the Anti-Money Laundering and Countering Financing of Terrorism Act (AML/CFT), COVID-19 guidance, and interest limitation and extension of bright-line test — to name a few.

After many years of pushing hard for this, REINZ welcomed the release of the Government's framework in February 2022 for the regulation of property managers. This has been long-awaited, and our members are strongly in support of regulation for the property management sector.

Working with our copyright partner ADLS, we updated the Agreement for Sale and Purchase of Real Estate, and other forms within the

REINZ/ADLS Suite. We issued a new residential agency agreement template and business agency template, incorporating feedback from members and the REA. A commercial and industrial sector agency agreement has been developed, which will be finalised with input from our refreshed Commercial & Industrial Sector Group.

As well as ensuring legislative integrity, it is important our members are prepared for any significant socio-economic or environmental changes that may impact the profession. To that end, REINZ commissioned a *Megatrends* report that identified and explored the major global trends likely to impact the New Zealand real estate market over the coming decade. In addition, the report considers where REINZ and the wider profession might take action to ensure we are prepared for the future.

REINZ worked with the Real Estate Institute of Australia (REIA) to commission RMIT University's Blockchain Innovation Hub to provide a definitive guide to blockchain opportunities and potential disruption in real estate. The report delves into new value propositions for the real estate industry and professionals, and future directions.

Operational excellence

REINZ is member-focused, financially sustainable, and efficient.

We have significantly improved the time for our Automated Valuation Models (AVMs) to run effectively from days to minutes. This enables REINZ to deliver the most up-to-date market information to its members more efficiently, particularly for the delivery of our residential monthly property report.

As REINZ continues to grow in the digital world it is crucial that the team are aware of the importance of keeping data secure. We have enhanced our cyber security practices by ensuring all staff members complete regular training on multiple security measures.



As a result of the COVID-19 lockdowns enforcing new ways of working, we evolved our flexible working policy — enabling a positive work and life balance that suits all staff members.

We also started a reward initiative for workplace achievements to ensure our staff members feel recognised and appreciated for the work they do. Our 'REINZ High-Five' reward allows staff members to nominate a colleague they feel is worthy of receiving it. The award is presented each month at a team meeting.

Towards the end of the financial year, REINZ introduced a new employee management and payroll system. The system uses cloud-based technology to manage the entire employee journey and streamline payroll and leave processes.

Key personnel changes

With REINZ's digital transformation well underway, several new roles have been introduced to ensure this project can deliver well. We also welcomed three new staff members into our leadership team: Marie Cahalane as our Head of Communications and Engagement, Miles Fordyce as our Chief of Digital and Innovation Officer, and Chris Campbell as Head of Education.

Membership renewal

The 2021/2022 financial year commenced with a successful membership drive, which saw 99% of members renew their REINZ membership. The total number of member offices increased by 44 (3%) over the course of the year, and the number of real estate professionals under membership, grew by 841 (5%).

The 2022/2023 membership renewal was also completed in the 2022 financial year, with all members invoiced for the coming year's fees prior to the year-end. Prior to the balance date, we issued invoices to the value of \$3 million; REINZ received \$2.4 million (72%) of the total invoices by the start of the financial year.

We also had a 17% increase in REINZ property management members over the course of the 2022/2023 financial year. Of this increase, 13% were small property management companies (of three property managers or less).

Financial results

REINZ achieved an annual result of \$400,000 Earnings Before Tax Depreciation and Amortisations (EBITDA) for the year ended 30 June 2022, against a full-year budget of \$955,000, under the budget by \$555,000. This year's results were \$475,000 lower than last year's surplus of \$873,000. The 2022 annual result is negatively impacted by the costs incurred for year one of the REINZ digital transformation programme of \$1.1 million.

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

REINZ's total revenue grew by \$500,000 to \$9 million up from \$8.5 million in 2021.

A more detailed account of REINZ's financial position can be found on pages 23 to 26.

\$NZD	2022	2021
Operating revenue	8,906,162	8,131,769
Interest & Dividend Revenue	23,051	6,160
Net income from PDIF Investment	-182,048	397,630
TOTAL REVENUE	9,018,985	8,535,559
Trading Surplus/Operating Surplus	-734,309	272,465
(less results of associates)		

Member Benefits

The REINZ Member Benefits programme has reached 55 benefit suppliers across a variety of categories. This includes hospitality, building and maintenance, appliances and technology, insurance and financial services, and more. Some of our long-standing suppliers such as Noel Leeming, Mobil and Z Energy offer substantial discounts and frequently update their offerings.

We continue to encourage members to download the app free from the Google Play Store or Apple App Store.

Outlook for 2022/2023

Following multiple lockdowns last year, we can let out a sigh of relief as the Government brought an end to the Traffic Light system. While it has been challenging, we saw our profession show their resourcefulness — being both inventive and adaptable — traits that carry through to the way we work today.

Whilst the market has been in a slower cycle over the winter months, a spring lift is expected. We hope to see this reflected in our members' day-to-day and our monthly property report data as we head into the warmer months.

It's an exciting time for the real estate profession, and REINZ will be with our members at every step. We are evolving as you and your market evolve, with a digital focus and a commitment to supporting our profession to be truly world-class — and make it enjoyable along the way.

It's also an exciting time for REINZ as we delve deeper into our digital transformation journey and revitalise our tools and services for you. We're here to make your job easier — and this is just the beginning.



Conclusion

I would like to thank the team at REINZ, who have withstood a time of change and continued to show the utmost dedication to the success of REINZ and our members. The team has remained resilient and positive, and above all, come together to support one another. The Board and I extend our thanks and our gratitude.

Thank you to our members, our regional ambassadors who support us around Aotearoa, our sector groups for their extensive expertise, and our sponsors who enable us to produce the events we do at the highest standard possible.

I would also like to extend my deepest gratitude and thanks to Bridget Coates who steps down from Chair of the REINZ Board. Bridget has made a significant contribution to the Institute and has overseen fundamental growth and innovation in the work we do over her four-year tenure. Bridget will be sincerely missed, and we wish her all the very best as she steps into her next chapter and focuses on new projects.

Lastly, thank you to the Board for your guidance, support, and everything you have done for the REINZ team, myself and our members.

Another busy year for REINZ awaits — exciting things are ahead, and I look forward to sharing this with you in due course.

Ngā mihi nui,

A handwritten signature in blue ink, appearing to be 'Jen Baird', written in a cursive style.

Jen Baird
Chief Executive

Improving the skills and knowledge of our professionals



REINZ is dedicated to improving the skills and knowledge of our professionals. That means our members have access to relevant high-quality education, events and advisory services that improve their businesses, strengthen their position as trusted advisers, and enhance the reputation of the profession.

Face-to-face verifiable training

Our education team is dedicated to continuous interaction with members to ensure we understand what you need to strengthen your position as trusted advisers. Our in-person training was set up as destination events where the education team visited some selected New Zealand towns and cities.

This face-to-face verifiable training includes a REINZ industry update for a comprehensive educational experience.

GoodYarn – mental health workshop

To recognise not only the challenges of everyday life, but also those of the profession, REINZ now delivers a mental health awareness course – GoodYarn. The course is designed to build awareness around the signs of someone who may be struggling with their mental health – whether that is friends, family or colleagues – and the ways in which to help.

The programme is our latest non-verifiable face-to-face programme and is being rolled out to our wider community so our members can recognise the signs of their own mental health, and of others around them. It is important to us that our members understand how to prioritise mental health – particularly in what can be a highly stressful career.

Our first virtual non-verifiable training

We delivered a four-hour non-verifiable training course – *Prospecting for future business*. This event was completely interactive and was a fantastic opportunity for the profession to come together and learn new techniques and strategies for connecting with people to shape business for tomorrow. *Prospecting for future business* featured Australian keynote speaker Lee Woodward, Marketing Specialist and Founder of the Real Estate for Good Initiative, Julia Dyer, and a panel of New Zealand salespeople.

Level 5 Branch Manager qualification

After much planning, the New Zealand Certificate (Level 5) Branch Manager qualification has been finalised.

We partnered with Skills to bring a new approach to this qualification. This course is designed for members who want to take the next step in their career. A pathway to becoming a licensed branch manager, the course teaches professional and ethical supervision, and how to manage a real estate agency branch to ensure compliance with current regulatory requirements.

The course takes a blended approach to learning over a 24-week programme comprising two three-day blocks in-person supported by online learning and features expert guest speakers from across the real estate profession who share their experience and stories.

RPM webinars, online and face-to-face training

Providing property managers with specific webinars and face-to-face training has been a significant focus for REINZ over the past financial year as our property management membership grows. We had over 300 property management professionals register across these webinars and training sessions. We also saw an upswing in enrolments for the New Zealand Certificate in Property Management and increased applications for the REINZ Property Management Accreditation.

A Beginner's Guide for Commercial Property Management was released for members interested in the commercial sector. The four-hour, online induction course is non-verifiable and ensures members feel empowered and confident in the basics of a commercial property manager's role.

2021 REINZ Awards for Excellence

Our 2021 REINZ Awards for Excellence was swiftly adapted into our very first virtual awards ceremony. It was a successful evening that saw more than 800 viewers tune in online to celebrate success across the industry. Jen Baird presented the awards streaming live from Hamilton, along with MC Mark Bunting. Thank you to our long-standing sponsors realestate.co.nz, Skills and ABC Photosigns who made it all possible.

Return of our popular events

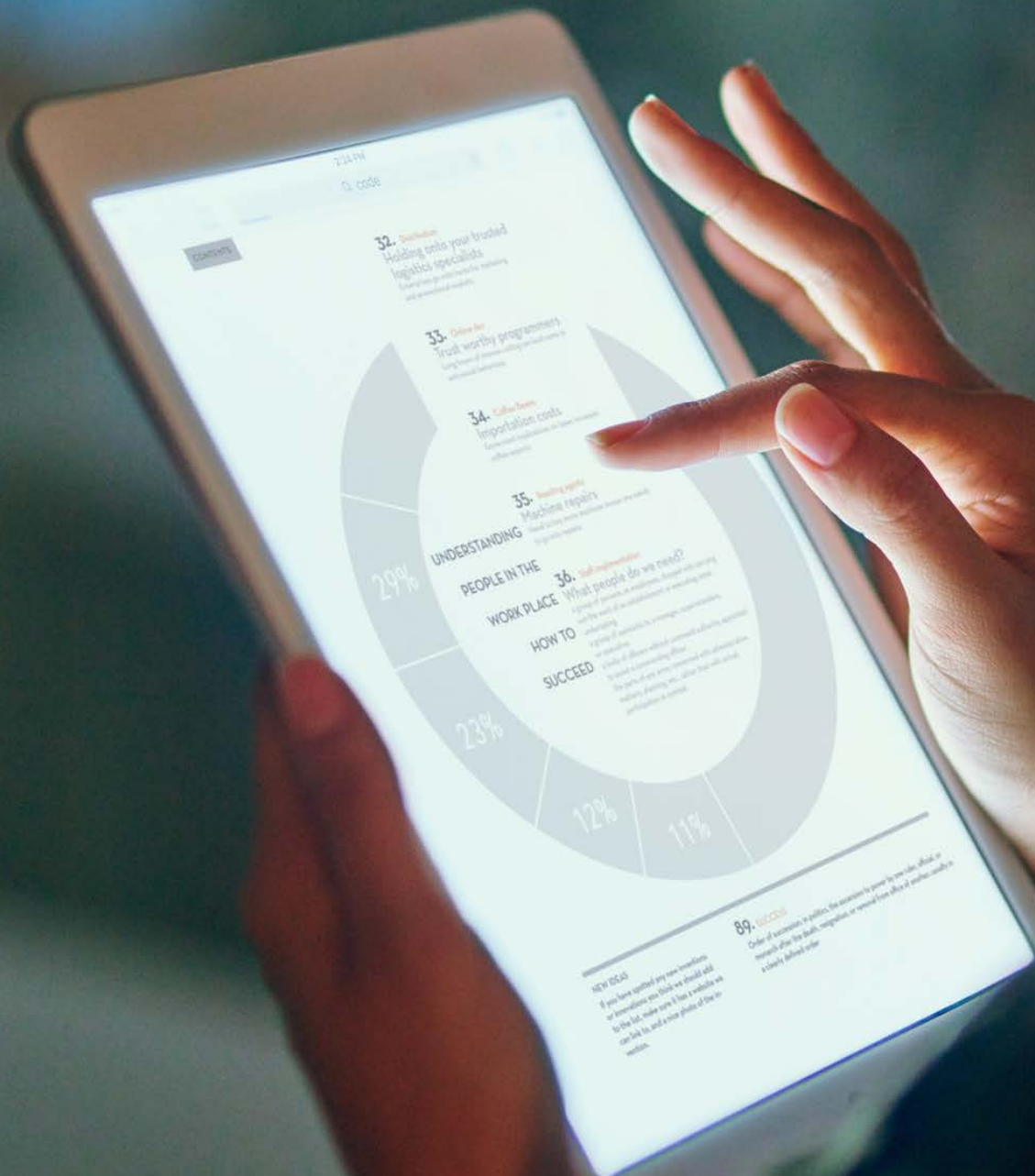
Earlier in this year, our popular in person events returned after the COVID-19 restrictions of the second half of 2021. This includes REINZ's Commercial and Industrial Breakfast, Rural Seminars and Women in Real Estate (WIRE). REINZ reached record numbers of attendance over these events as people were eager to network, catch up and enjoy each other's company again after the lockdowns of 2021.

2022 REINZ Real Estate National Auctioneering Championships

The 2022 REINZ Real Estate National Auctioneering Championships took place over three days in June at Auckland's Events on Khyber. There was a fantastic turnout in-person and online as people came to witness the theatrics of auctioneering excellence.

Faith Tupuhi from Diocesan School for Girls was awarded the winner of the Schools Division, Karin Attwood from Harcourts Cooper & Co won the Rising Star Division, Brayden Coldicutt from Harcourts Hawke's Bay won the Open Division, and Conor Patton from Bayleys Real Estate was the winner of the Premier Division.

Industry's go-to for digital products and data insights



Digital adoption has accelerated and there is a clear shift in customer expectations around the delivery of services. So that we are supporting you effectively, we have evolved our data strategy and are committed to ensuring our approach drives value for members. We continue to deliver high-quality products and diversified revenue streams for the organisation.

Member management systems and transformation preparedness

REINZ has made significant progress to our digital transformation programme — we are ready for the late 2022 implementation of a new member management system.

The system is a Engagement Management System (EMS), purpose-built to meet a membership organisation's needs and to support continuous performance improvement. It will bring a full transformation to nearly every internal REINZ process, delivering many new capabilities such as a new website, new renewal and payment processes, enhanced communication and engagement channels, a new education platform, and provides enhanced access to our services. It is scheduled to launch in late 2022.

Modernisation of our Application Interface Platform (API)

As REINZ's approach to data continues to evolve, we modernised our Application Programming Interface platform (API) to enable more sustainable and secure integration between REINZ data and external consumers of that data — such as real estate brands and the PropTech companies you work with.

This key component of our strategy will support more data being available for the benefit of the profession and ensure products and services bring streamlined opportunities to our members to enhance your everyday systems.

Enhancements of our data and digital tools for all members

Over the last financial year, we saw growth in data sales of more than \$500,000. This is attributable to the work that goes in from the team to deliver additional products and services that our members want from REINZ. PropertySmarts subscriptions continue to rise. REINZ recognises the entrance of other data players into the mix during 2022, and we are employing strategies to mitigate and complement these where needed.

Other New Zealand organisations continue to benefit from the data and insights we provide, and this is evident in the ongoing growth of our data reporting and insights revenue.

Interactive Benchmarking Dashboard

Earlier in 2022, REINZ launched an Interactive Benchmarking Dashboard — a tool that enables real estate brands with multiple offices to track their market performance for internal business processes.

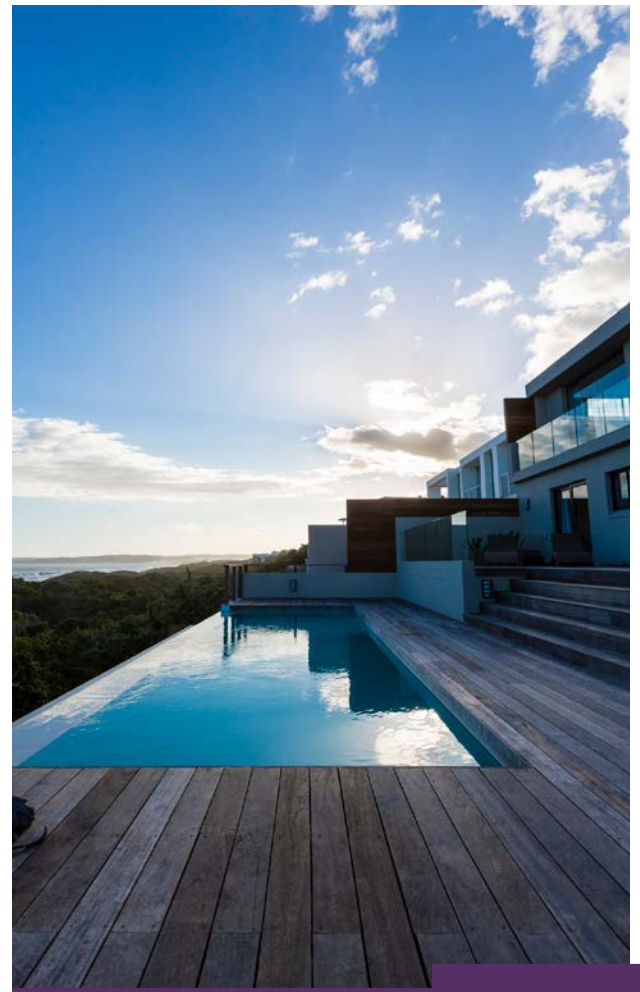
Utilising real estate business intelligence, the Benchmarking Dashboard uses REINZ data to raise the bar across the real estate profession and drive real estate excellence.

Through a visual and interactive dashboard, users can measure their business' residential sales performance against the wider market, quickly spot performance trends.

Taking a phased approach, we are rolling this product out to members — piloting with brand leaders and franchise owners to use across their brand, regions, and suburban offices before making it more widely available.

RentalSmarts — digital appraisal tool for residential property management members

Our property management members have access to a dedicated rental statistics portal and an automated rental appraisal tool — RentalSmarts. We continue to look at ways we can enhance this platform for property management members.



An enduring, future-ready profession



REINZ plays an active role in shaping the real estate profession of tomorrow. We are dedicated to ensuring ours is an enduring, future-ready profession. That means we understand today's environment, have a clear view of an evolved and relevant profession of tomorrow, and have a plan to advocate for that.

Advocating for our members

REINZ engaged across a range of Government departments and ministries — most regularly with the Real Estate Authority (REA), Ministry of Justice (MoJ), the Department of Internal Affairs (DIA), and the Ministry of Housing and Urban Development (HUD), Ministry of Business, Innovation, and Employment (MBIE) and Tenancy Services.

REINZ kept members informed of legislative and regulatory reform, so they had the opportunity to make their own submissions. By providing an advisory service for members, detailed guidance, templates and other useful resources, we helped our members to understand and comply with the complex, ever-changing regulatory environment. There was extensive legislative and regulatory reform in the 2021/2022 financial year.

Regulation of residential property managers

REINZ has actively advocated for the regulation of residential property managers for years. We welcomed the HUD's proposed regulatory framework, announced in February 2022. We sought feedback from our members, which was overwhelmingly in support of regulation, and made submissions to reflect your position.

In April 2023, Cabinet is expected to decide whether the new piece of legislation to regulate property managers will be introduced. We continue to monitor progress and will ensure members are well-prepared for future changes.

Agreement for Sale and Purchase of Real Estate (ASPRE), Auction and Tender Agreements

REINZ jointly owns the copyright in the ADLS/REINZ standard forms with ADLS, which are made available to members electronically via eForms. During the financial year, the eleventh edition of the ASPRE was released incorporating members' feedback, followed by the sixth edition of both the Tender and Auction Agreements, and the eleventh edition (2) of the ASPRE. REINZ continues to work closely with ADLS on forms sub-committees, including the ADLS off the Plan Sub-Committee.

REINZ created a multitude of useful Advisory Resources, including agency agreement templates — residential agency, business broking and is well underway with a commercial and industrial sector agency agreement.

Anti-Money Laundering and Countering Financing of Terrorism Act (AML/CFT) consultation

REINZ worked closely with the MoJ and DIA on the AML/CFT consultation over an extended period. A radical change was proposed which would require real estate professionals to complete customer due diligence on purchasers, or even prospective purchasers as well as (or instead of) their vendor client. REINZ and members strongly opposed this suggestion for a multitude of reasons. REINZ facilitated two feedback rounds with the Government regulators and members, to ensure the regulators understood the consequences of such a shift.

Submission to HUD on Government Policy Statement

REINZ filed submissions on the Government Policy Statement (GPS) that would shape the future of Government policies and investment for the next three years. REINZ supports the vision of the GPS and many aspects of it. However, REINZ opposes measures that disincentivise ordinary New Zealanders from investing in existing house stock.

Resource Management (Enabling Housing Supply and Other Matters) Amendment Bill

In November 2021, REINZ filed submissions on the above bill designed to improve the housing supply in New Zealand's five largest cities by

speeding up the implementation of the National Policy Statement on Urban Development (NPS-UD) and enabling more medium density homes to be built.

Whilst broadly supporting the premise for housing intensification, REINZ cautioned that appropriate infrastructure was needed around such housing zones to ensure the quality of all New Zealanders' social wellbeing, as well as the communities' wellbeing, was not detrimentally affected.

Interest limitation and extension of bright-line test

In July 2021, REINZ submitted on (opposed) the Government's proposal to phase out mortgage interest deductibility for residential property investors and extend the bright-line test from five to ten years.

Amendments to interest deductibility under the Income Tax Act 2007

In November 2021, REINZ filed submissions on the Taxation (Annual Rates for 2021–22, and Remedial Matters) Bill. REINZ opposed the amendments, warning that it would deter ordinary New Zealanders from investing in existing residential property and have a detrimental effect on the renters' market.

COVID-19 Guidance

During the financial year, REINZ also continued to work with regulators and Government departments through changes to the Ministry of Health COVID-19 guidance, revised Health Orders, and to provide detailed guidance to members.

COVID-19 Response (Management Measures) Legislation

In October 2021, REINZ filed submissions on the proposed changes to the Residential Tenancies Act 1986 (RTA), and the Property Law Act 2007 (PLA) under the above omnibus bill presented to Parliament to manage the recovery and impacts of COVID-19.

'Fit & proper' person guidelines

In June this year, REINZ filed submissions in strong support of REA's initiative to push 'fit and proper' person guidelines in the interests of promoting transparency and trust in the real estate profession.

Looking to the future of real estate

REINZ commissioned two major pieces of research during this financial year — focusing on future trends that will affect our members.

Megatrends report

The first was a *Megatrends* report, which identifies and explores the megatrends likely to impact the New Zealand real estate market over the coming decade. The report considers how REINZ and the wider profession can act now to ensure we are primed for future developments.

Nine megatrends are identified in the report: hybrid working, digitisation, the rental reality, wealth inequality, skills shortage, climate, sustainability, urbanisation, and generational expectations.

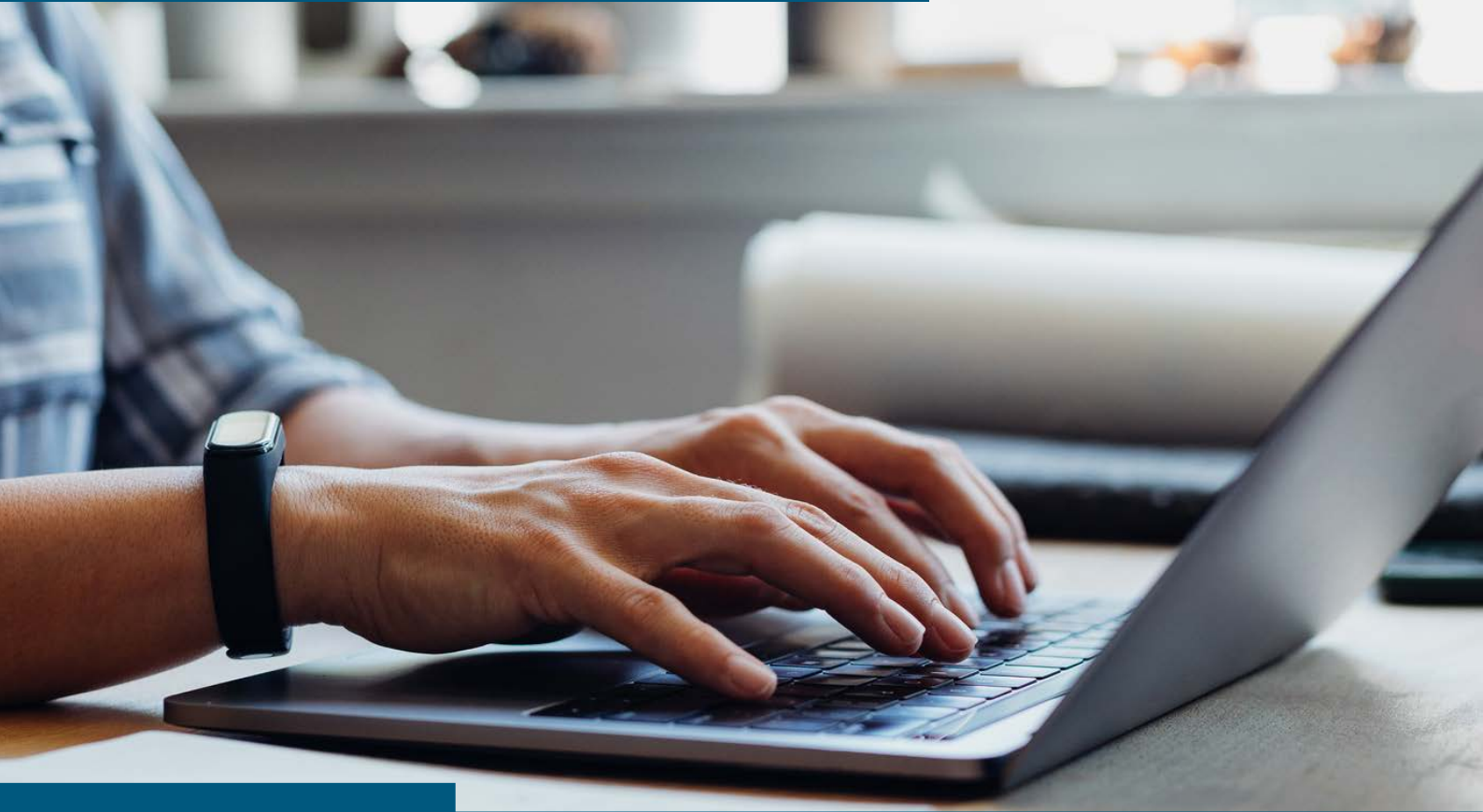
Blockchain: Opportunities and disruptors for real estate report

Delving into megatrend two — digitisation — REINZ teamed up with the Real Estate Institute of Australia and RMIT University Blockchain Innovation Hub to explore blockchain opportunities and the potential for positive disruption in real estate.

The report outlines how blockchain technology works and explores how the technology might — and already is — being used to bring efficiencies to real estate business.

Operational excellence

To deliver on our strategy we must ensure operational excellence. That means we are member focused, financially sustainable, and efficient.



Member engagement

While COVID-19 made it difficult to travel, as restrictions eased, we set out a clear path to building our in-person presence across New Zealand. Our engagement strategy focuses on evolving our relationships with members through our Regional Directors, REINZ Ambassadors, Sector Groups and the REINZ Team. The outcome is increased avenues for communication and greater presence across all regions — at REINZ events and training, brand and regional events, and REINZ 'roadshows'.

Enhanced cyber-security practices

Ensuring our data remains safe and secure is crucial. We have significantly enhanced our cyber-security practices across the entire team. All staff partake in regular cyber-security training, which covers a range of security measures and awareness. This will continue for the long term, particularly as we diversify and increase our digital and data offerings.

Improved process efficiency

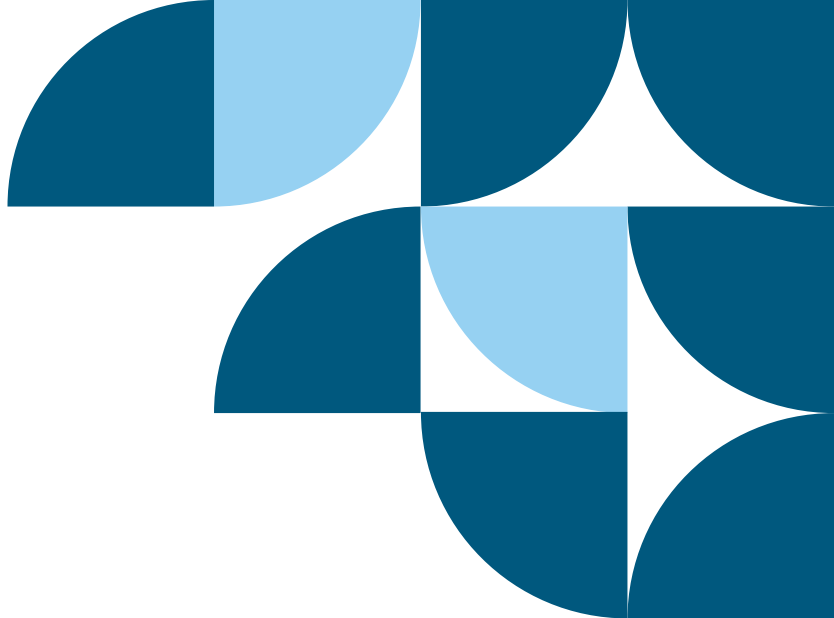
REINZ's residential monthly property report is a significant report we provide to members, and we continue to make the process of retrieving market insights for this report more efficient.

As a result, we have significantly improved the time for our Automated Valuation Models (AVMs) to run effectively from days to minutes. This creates further opportunities for REINZ to deliver the most up-to-date market information to our members.

REINZ team and ways of working

A new end-to-end employee management and payroll system was implemented. It manages the employee journey from job offer, through the onboarding process to performance management. COVID-19 lockdowns enabled us to re-think how we work. Having tried and tested working from home and maintaining productivity and communication across the team and with members, we introduced a new flexible working policy to ensure a balanced approach for our team.

To ensure our team is engaged in the delivery of our strategy and services to members, we introduced a new initiative, so they are recognised for their efforts in the workplace.



Board of Directors

The REINZ Board comprises of nine members, of which at least three 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
CHAIR/INDEPENDENT

Bridget's current governance positions include Chair of the Real Estate Institute of New Zealand, Chair of Toitu Tahua: Centre for Sustainable Finance, Chair of Koi Tu: Centre for Informed Futures and Chair of Fonterra Board Sustainability Advisory Panel.

Bridget is a Director of the Northern Regional Helicopter Trust, Yealands Wine Group Ltd, Comvita Ltd, and has recently completed a term as Director of the Reserve Bank of New Zealand. She 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.



MIRIAM DEAN *CNZM QC*
DEPUTY CHAIR/INDEPENDENT

Miriam is currently Chair of the Banking Ombudsman Scheme and a director of Ōtākaro Limited and Chorus New Zealand Limited. Previous roles include Chair of NZ On Air, Deputy Chair of Auckland Council Investments Ltd, 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 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 the resolution of outstanding claims from the Canterbury earthquakes.



ANGELA BULL
INDEPENDENT

Angela is the Chief Executive of Tramco Group, a large New Zealand-owned property investment company that specialises in large scale land holdings, notably the Viaduct Harbour precinct in Auckland and Wairakei Estate in the Waikato. She holds a Bachelor of Laws and a Bachelor of Arts (Political Science) and practised property and environmental law prior to her executive career.

Angela is an independent director of realestate.co.nz, Foodstuffs South Island Ltd, Foodstuffs New Zealand Ltd and Northwest Healthcare Properties Ltd, and Property Council of New Zealand. Previously, Angela held a number of senior positions over a 10-year period with Foodstuffs Auckland and Foodstuffs North Island Ltd, most recently being General Manager Property Development for Foodstuffs North Island.

Angela is the Chair of the Audit and Risk Committee and oversees the Commercial and Industrial Sector Group.



JO-ANNE CLIFFORD LIFE MEMBER
APPOINTED DIRECTOR: REGION 1

Jo-Anne Clifford has worked at Harcourts for 38 years and has experience in most facets of the real estate industry. Having held a variety of roles including at international level, Jo is 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 Limited and Astute Financial Management Limited. Jo has exceptional leadership skills and a passion for mentoring and people development. Her discerning style of working has been consistently recognised over the years; in the various roles she has held within the company.

Jo is Chair of the Digital Transformation Sub-Committee and oversees the Auction Sector Group. Jo became a Life Member of the Institute in 2015.



TREENA DRINNAN AREINZ
REGIONAL DIRECTOR: REGION 1

Treena has over 28 years experience in management, marketing, administration, and franchising of real estate. Treena is a licensed agent who has held senior management roles for various Australasian real estate franchises throughout her extensive career.

She is currently Chief Agency Officer at Ray White and sits on the corporate leadership team, providing strategic direction to the Ray White Network. Treena has been involved in the REA regulator forum and as a subject matter expert helping shape CPD (verifiable and non-verifiable) training material. She brings diverse, in-depth real estate knowledge and expertise to the Board.

Treena became an Associate of the Institute in 2007.



NEVILLE FALCONER AREINZ
REGIONAL DIRECTOR: REGION 2

Neville has been in real estate for 35 years. He is an Associate of the Institute, a Fellow of REINZ, 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 operating in Tauranga, Rotorua, and Taupo.

Having sold his business, he continues in governance and consulting support within the industry. Neville has contributed to REINZ throughout his career and was elected to the REINZ Board in 2018.

Neville oversees the Residential Property Management Sector Group.



MALCOLM MORRIS AREINZ
REGIONAL DIRECTOR: REGION 3

Malcolm has worked in real estate for over 30 years, with expertise in residential and commercial real estate, business brokering and auctioneering. He is currently a Licensee Salesperson at Ray White Kilbirnie and has a passion for real estate training. In 2019, Malcolm established Agents TV, an REA approved verifiable training provider. He is also a part-time contract assessor for the Real Estate Salesperson course – Level 4 for two NZQA qualification providers.

Malcolm has an in-depth understanding of best practices in real estate agency work, a great awareness of the regulatory environment, compliance issues, the professional standards required, legal issues and the disciplinary process and decisions from the CAC and READT.

Malcolm became an Associate of the Institute in 1999.



SHANE O'BRIEN FREINZ
REGIONAL DIRECTOR: REGION 4

Shane has worked in the real estate industry for more than 29 years across several 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' first rural franchise in Canterbury with offices in Ashburton, Timaru and Christchurch where he is involved in sales as well as management and governance. 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. Shane became a Fellow of the Institute in August 2009.



GAIL HUDSON AREINZ
REGIONAL DIRECTOR: REGION 5

Gail entered the real estate industry in Christchurch after a successful marketing and sales career. In 2010, she undertook a management/ownership role of a national real estate firm in Wanaka and in 2011 completed a Graduate Diploma in Business Studies in Real Estate advancing her knowledge of real estate law. Beginning in 2013 as General Manager of Bayleys Queenstown, Gail enjoyed participating in Bayleys' phenomenal growth in Queenstown throughout Central Otago and Southland. In 2018 Gail made a lifestyle decision to focus on managing the highly regarded Bayleys Cromwell Team that is successfully involved in viticulture, horticulture, commercial, lifestyle and residential sales.

Gail became an Associate of the Institute in July 2013.

Summary consolidated statement of financial position

AS AT 30 JUNE 2022

\$NZD	2022	2021
ASSETS		
Current assets		
Receivables from exchange transactions	85,834	267,412
Prepayments	245,545	110,079
Cash and cash equivalents	4,560,864	3,846,494
Tax receivable	2	2
	4,892,245	4,223,987
Non-current assets		
Property, plant and equipment	8,776,753	8,878,637
Intangible assets	243,770	820,387
Other financial assets	2,819,654	3,084,706
Investments	3,417,673	2,584,829
	15,257,850	15,368,559
TOTAL ASSETS	20,150,095	19,592,546
LIABILITIES		
Current liabilities		
Payables from exchange transactions	571,865	686,467
Income in advance	2,776,692	2,328,394
Employee benefits	159,781	104,245
GST Payable	330,448	260,666
TOTAL LIABILITIES	3,838,786	3,379,772
NET ASSETS	16,311,309	16,212,774
EQUITY		
Accumulated comprehensive revenue and expense	16,311,309	16,212,774
Net assets/equity attributable to owners	16,311,309	16,212,774
TOTAL EQUITY	16,311,309	16,212,774

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 2022 which are prepared in compliance with PBE Standards. These individual full financial statements were authorised for issue on 27 September 2022 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 28 September 2022 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 2022

\$NZD	2022	2021
Revenue from exchange transactions	8,906,162	8,131,769
Total revenue (excluding gains)	8,906,162	8,131,769
Direct Costs of Services	1,702,881	2,037,970
Depreciation and amortisation	764,793	960,019
Lose on assets disposed	147,517	-
Salaries and wages	3,882,118	2,971,170
Other expenses	2,984,165	2,293,935
Total expenses	9,481,474	8,263,094
Finance and dividend income	112,823	86,624
Net finance and dividend income	112,823	86,624
Operating surplus/deficit	(462,489)	(44,701)
Other gains and losses	(271,820)	317,166
Profit/loss from equity accounted investees	832,844	408,243
Net surplus for the year before income tax	98,535	680,708
Income Tax Expense/(Benefit)	-	-
Net surplus after income tax	98,535	680,708
Other comprehensive revenue and expense for the year	-	-
Total comprehensive revenue and expense for the year	98,535	680,708

Summary consolidated statement of changes in equity

FOR THE YEAR ENDED 30 JUNE 2022

\$NZD	2022	2021
Accumulated funds 1 July	16,212,774	15,532,066
Total comprehensive revenue and expense for the year	98,535	680,708
Accumulated funds 30 June	16,311,309	16,212,774

Summary consolidated statement of cash flows

FOR THE YEAR ENDED 30 JUNE 2022

\$NZD	2022	2021
CASH FLOWS FROM OPERATING ACTIVITIES		
Cash receipts	9,539,273	8,809,701
Interest and tax received	45,446	34,256
Dividends received	67,377	52,368
Cash paid to suppliers and employees	(8,677,223)	(7,381,183)
Net cash inflow/(outflow) from operating activities	974,873	1,515,142
CASH FLOWS FROM INVESTING ACTIVITIES		
Purchase of investments	(26,695)	171,266
Purchase of intangible assets	(64,283)	(456,005)
Purchase of property, plant and equipment	(169,525)	(25,249)
Proceeds from repayment of related party loans	-	-
Net cash inflow/(outflow) from investing activities	(260,503)	(309,988)
CASH FLOWS FROM FINANCING ACTIVITIES		
Proceeds from borrowings	-	-
Net cash inflow/(outflow) from financing activities	-	-
Net increase/(decrease) in cash and cash equivalents	714,370	1,205,154
Cash and cash equivalents at 1 July	3,846,494	2,641,340
Cash and cash equivalents at 30 June	4,560,864	3,846,494

Notes to the summary financial statements

FOR THE YEAR ENDED 30 JUNE 2022

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 comply with PBE Standards as they relate to 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 \$438,488 was received from realestate.co.nz for sponsorship and advertising of \$24,500 (2021: \$27,000), rental income of \$184,223 (2021: \$185,863), data sales of \$185,000 (2021: \$185,000), reimbursement of lease costs \$42,000 (2021: \$42,000), and ticket sales \$2,765 (2021: nil)

b) Compensation of key management personnel

	2022	2021
Directors fees	400,666	393,333
Salaries and short-term employee benefits	1,012,553	927,376
Other employee benefits	-	-
Number of key management personnel	3.9	3.8

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 (2021: nil).

5. CONTINGENCIES

The Institute has no contingent liabilities at 30 June 2022 (2021: nil).

6. EVENTS SUBSEQUENT TO BALANCE DATE

Nil (2021: On 17 August 2021, the New Zealand Government announced a Nationwide Level 4 COVID-19 lockdown, initially for a period of 7 days and extended it further for a longer period to contain the spread of the virus which affected NZ businesses ability to operate. This has resulted in postponement of all REINZ events and face-to-face education courses for the period of the lockdown. An extended lockdown would likely negatively affect operations and some revenue streams however the full extent of the lockdown is not known yet.)

7. GOING CONCERN

Given the financial position and liquid assets the group owns at the date of authorising these consolidated financial statements, the directors believe the Group will be able to meet its financial and regulatory obligations for the foreseeable future and that the going concern assumption adopted in the preparation of these financial statements is appropriate.

Independent Auditor's Report

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

RSM Hayes Audit

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Level 1, 1 Broadway
Newmarket, Auckland 1023

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www.rsmnz.co.nz

Opinion

The accompanying consolidated summary financial statements, which comprise the summary statement of financial position as at 30 June 2022, 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 2022.

In our opinion, the accompanying summary consolidated financial statements set out on pages 23 to 26 are consistent, in all material respects, with the audited consolidated 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 unmodified auditor's report of The Real Estate Institute of New Zealand Incorporated thereon which was issued on 28 September 2022. 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 2021/2022 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.



RSM Hayes Audit

20 October 2022

THE POWER OF BEING UNDERSTOOD
AUDIT | TAX | CONSULTING



Chairman's report

'Sometimes you need to reflect on the past to appreciate how far realestate.co.nz has evolved.'

Realestate.co.nz (R.Co) has ended the 2022 financial year in a very strong and positive position. This, however, was not the result of a one-year event.

As we look back, it is worth reflecting on the past few years to really appreciate how far the company has evolved. Comprehend where we stand today and conceptually view the opportunity for the next stage of the company's maturity. Below are a few highlights to note:

- Our portal, plagued by downtime, inaccuracies, and poor performance, now rarely goes down, has content reliability, and operates with speed and focus.
- Today the look, feel, and operational agility of our site gives the experience and value our users both demand and acknowledge. This has significantly changed from just a few years ago.
- Our agents' support and engagement program now have a dedicated sales manager and nine reps dedicated to regions and brand supported by agent tools and promotional programs. A few years ago, this role struggled with four reps and an internal support team to resolve issues. — "There were many".
- Our limited marketing investment in the past era had little impact on the positioning of our brand. Today this critical area has exponentially greater investment, regularly across all high-profile media outlets and social media channels.
- Today R.Co has a team of very skilled, competent leaders supported by a group of external field experts. All momentous initiatives are backed by research, industry liaison, and focus driven on outcomes. Simply, now R.Co operate at a level reflected in world-leading companies.

R.Co has reached maturity, offers significant performance and value to users and agents and can now compete head-to-head with any serious competitor. R.Co is fulfilling the role and objectives the company was set up for with professionalism.

When focusing on the year ending FY2022, we must acknowledge that, as the previous year, this was a year plagued by changing commercial and social circumstances as the country moved through the era of COVID-19 and all the headwinds that eventuated as a result. However, while this environment was challenging at times, it did not unduly hinder R.Co in its very rigorous and ambitious product development and market penetration, laid out in the 2022 strategy plan.

FY2022 year could be considered the year in which R.Co achieved a product, website and app performance that not only matched the market but in areas were the leaders.

Consolidating core systems

A key achievement in this process was consolidating our core systems, removing the inefficiencies and inconsistencies of syncing between our legacy and our new platform. The legacy systems are no longer a barrier to our performance.

Mobile app development

This year a bold step was taken to bring our mobile app development in-house with the successful outcome that the app was rebuilt to current market expectations and launched with greater functionality. It is generally accepted to be the leading app in the market, which is especially advantageous as apps are now proving to be the strongest viewing platform.

Our website

The current look and feel of our site also had a major overhaul with the outcome of users having quicker focused searches, accurate suburb boundary capability, and map function ability linked with school zones. Site speed, performance and reliability were well above market standards.

Our AVM

Our AVM, in conjunction with REINZ, continues as a feature on our site, and while there are still a few initial data issues, will continue to provide users with extensive property information.

Instant listing notification

Late in the year, R.Co launched the instant listing notification functionality to the market — "a market first".

Both our users and agents have responded to these enhancements. Unique browsers achieved performance above target, with users increasing month-on-month over the previous comparative year. This was matched with a substantial increase in site enquiries.

Investing in marketing

This year R.Co has continued to invest heavily in marketing with a direction to strategically and tactically promote our brand to the serious buyers and sellers of property. The serious buyer market

segment is the area of the market R.Co excels in and could be considered a leader. Brand exposure included all the high-profile premium media and social channels.

Our unprompted brand recognition from surveys has shown R.Co has brand recognition but equally not at a level needed for owning a dominant position in the future. The brand, however, was boosted with a strong rating through our sponsorship of *The Block* and our \$100,000 home deposit promotion.

Building and strengthening relationships

This year also featured an increased focus on building and strengthening our relationships with our agent partners. COVID-19 did impact the ability for physical meetings, however, Zoom and phone networking replaced this barrier.

Our improved technology allowed our sales team to move from problem-solving to the promotion of our listing packages and, importantly, promoting our autobooks and partnerships, which give the agents a real benefit in their support to their customers. Our top 10 agent program again proved a great success with the agents.

Team culture initiatives

Our progress would not have been possible without our structured and monitored people care and cultural initiatives. Such initiatives included a home/work balance, weekly team communication and get-togethers, and targeted work programs supported by a strong reward and recognition program. A staff satisfaction survey recorded a high team engagement well above the norm.

The strength of our financial results has undoubtedly been supported by the drive and dedication of our team.

While the attached accounts present a detailed record, below are some of the highlights:

- Sales are marginally up on budget. This result was in spite of listings being 3% down on our budget forecast and COVID-19 market impact.
- Package upgraded on listings increased to 28% and now trending to 30%.
- 71% of our package sales were in our premium gold, silver and bronze product — nearly double the FY2021 result.

- Net profit before tax reached \$1.355m compared to a budget of \$167k. These results were after increased investment in people, product development and marketing.
- Working capital remains healthy at \$4.9m, up \$1m on last year. The improvement was in cash reserves which are now at a level to support our forward development and protect the business from any market downturn.

Positioned strongly for FY2023

R.Co is positioned strongly for FY2023. The business plan and forecasts are both realistic and achievable, reflecting a further 18% growth in revenues, a strong product development program, and a substantial increase in brand marketing combined with a comprehensive engagement program with our agent partners. Market forces will include continued strong competitor activity, along with the likelihood of industry slowdown with the impact of inflation, interest rates and customer nervousness. There are, without doubt, some challenges ahead. However, R.Co has positive momentum, increasing industry and agent support, and now users have a product and pricing structure that provides significant value, especially for the serious buyers and seller market segment.

In view of the company's progress and consistent annual returns, the board will be reviewing the dividend policy for the future.

Finally, I would like to acknowledge the dedication and commitment of our CEO and her leadership team, who have worked tirelessly through the challenges of the COVID environment to achieve an outstanding overall result for this year. Contemporaneously, I would further acknowledge all directors for always being available to advise and both PPL and REINZ, who gave increasing engagement and support.



Fairfax Moresby
Chairman

Life Members

Year Awarded

2021	Wendy Alexander
2021	Garry Denley
2021	Robert McCormack
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

Year Awarded

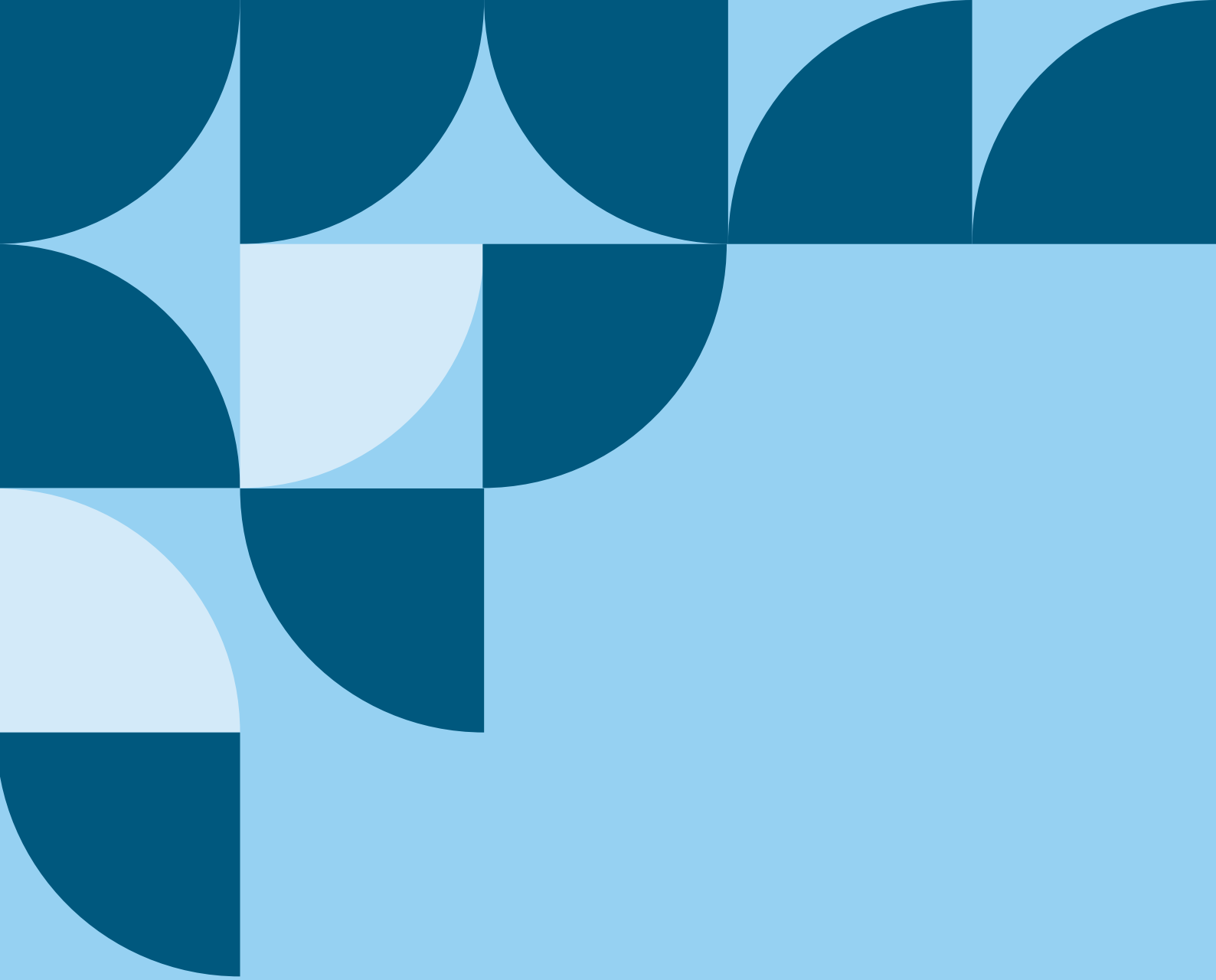
1998	Clyth Iain MacLeod
1995	Peter John Cook
1991	Trevor Ferguson Johnston
1991	Garth Barfoot
1990	William (Bill) Hills Matthewson
1988	William James Lindsay Simpson
1985	Mervyn Edward Neill
1979	Dudley Charles Willis
1979	Horace Yates Cassidy
1978	Richard Bruce Lugton
1977	Robert Keith Baker
1976	Edward (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 2022

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
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NEW ZEALAND

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