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### **ANZ moves to 60% LVR for residential property investors**

ANZ Bank NZ today announced it would require a 40% deposit from residential property investors as a step to bring balance to the housing market.

Effective immediately, investors will need equity of 40%, up from the current 30%, when borrowing to buy residential property. There are no changes to deposit requirements for other residential buyers, including first home owners.

ANZ Managing Director Personal Ben Kelleher said ANZ would also be recommending to the Reserve Bank of New Zealand (RBNZ) as part of the current consultation that loan-to-valuation ratios (LVR) be set at 60% for residential property investors, rather than the 70% that has been proposed.

"We've been closely monitoring the impact on residential property prices of historically low interest rates, reduced LVR requirements and existing issues with supply and demand," Mr Kelleher said.

"Escalating property prices are putting home ownership out of reach for many Kiwis. The current settings favour property investors particularly over first home buyers, potentially locking a generation of New Zealanders out of home ownership.

"It's in everyone's interests for residential property prices to be sustainable long term, and for home ownership to be accessible to as many people as possible.

"As New Zealand's largest home lender, decreasing the LVR on residential investor lending is one thing we can do to help bring balance to the residential property market."

ANZ has seen two record months of residential property lending with 32.4% going to residential property investors and 18.3% to first home buyers.

He said ANZ would longer term be guided by the outcomes of the RBNZ's consultation process early next year.

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