



New Zealand Residential Contents Index (RCI)

December 2023



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Introduction

Sum Insured Pty Ltd is a private company that assists people to establish the correct replacement costs of their assets and in so doing helps them to be correctly insured.

Sum Insured specialises in the research and production of building contents replacement cost information and web-based expert calculation systems. It produces information for use in both the home and commercial sectors and operates throughout New Zealand and Australia.

The Sum Insured Residential Contents Index (R.C.I.) is a statistical measure of the movement in home contents replacement costs in New Zealand, specifically focusing on the rate of change of the replacement cost of a home's contents over time.

Changes in home contents prices are researched daily from a wide cross section of New Zealand retailers, with research conducted via the internet, telephone, email and field research. Extensive use is also made of detailed surveys of a large range of different household types to track the typical quantities of items contained within a home. This ensures we provide users with the most comprehensive and up-to-date home contents replacement cost information available in the New Zealand market.

The index contains all of the typical categories of contents you would expect to find in a home including everything from appliances, audio visual equipment and computers, through to clothing, furniture, homewares and sporting equipment.

The RCI measures the change in the cost of items typically found in these categories, which ultimately represent the change in the cost of replacing your home contents.





Basis of Index

The Residential Contents Index is based on the contents of a typical three (3) bedroom home in New Zealand. The typical home contains a total of four occupants and comprises thirteen (13) different functional rooms or areas. The occupants and rooms/areas can be broken down as follows: -

- Occupants
 - 2 x adults
 - 2 x children

- Rooms/Areas
 - 3 x Bedrooms (1 x double + 2 x single)
 - 2 x Bathrooms
 - 1 x Kitchen
 - 1 x Laundry
 - 1 x Dining
 - 1 x Living/Lounge
 - 1 x Family
 - 1 x Garage/Storage
 - 1 x Garden shed
 - 1 x Patio/Balcony/Deck/Veranda

Home Contents Standards

Typically, costs are tracked for 3 separate home contents standards in New Zealand including: -

- Average
- Quality
- Prestige

The “average” standard of home contents represents no-name brands, basic equipment, and self-assembled furniture, whilst the “quality” standard of contents is represented by well-known brands, superior equipment and joinery standard furniture. “Prestige” home contents on the other hand, include designer brands, handcrafted furniture and top of the line equipment.



Key Categories

The key categories represented within the New Zealand Residential Contents Index (RCI) are summarised below, together with the percentage that each category contributes (based on the mean of the average and quality standards) towards the overall index value: -

Category	Contribution
Appliances	6.8%
Audio visual/Camera/Computer/Telephone	10.7%
Books/Entertainment	2.7%
Clothing/Footwear	17.8%
Food/Drinks/Cleaning	1.9%
Furniture/Lighting	27.1%
Games/Hobbies/Toys	5.2%
Garden equipment/Tools	6.5%
Homewares/Bedding/Linen	10.3%
Jewellery/Watches (costume)	2.2%
Personal care/Medicine/Toiletries	2.0%
Sports/Camping/Luggage/Fishing	4.6%
Window furnishings	2.3%
Total	100.0%





New Zealand Residential Contents Index (R.C.I.)

The Residential Contents Index (RCI) is an important indicator of a cost trend reflecting the movement in the sum insured replacement cost of the contents of a typical three (3) bedroom New Zealand home.

Prices for items are tracked across three different standards of contents (i.e. average, quality and prestige), however only the average and quality standards are used to establish the “Mean” index value.

Movements in the index represent changes from the base index of 100, which has been assigned to the December 2013 year. Hence an index of 127.5 represents a 27.5% increase in the cost of a home’s contents, since the base date.

In the previous 12 months the “Mean” index taken across average and quality standards of home contents has increased by 4.3%. This was significantly less than the increase recorded in the previous 12 month period, however it was still the 2nd largest rise in home contents costs, since the index was first established in 2013.

Sum Insured New Zealand Residential Contents Index (RCI)					
Year	Month	Average %	Quality %	Mean	
				% Chg	Index
2013	December	-	-	-	100.0
2014	December	2.3%	3.5%	2.9%	102.9
2015	December	-0.4%	4.1%	1.9%	104.9
2016	December	1.8%	2.2%	2.0%	107.0
2017	December	1.0%	2.3%	1.7%	108.8
2018	December	-0.8%	1.8%	0.5%	109.3
2019	December	0.3%	3.2%	1.7%	111.2
2020	December	-0.2%	1.2%	0.5%	111.8
2021	December	2.9%	3.9%	3.4%	115.6
2022	December	5.8%	5.9%	5.8%	122.3
2023	December	4.2%	4.3%	4.3%	127.5



Key Drivers

New Zealand Cost Changes

The key drivers of cost in New Zealand for the previous 12 months covering the period between December 2022 and December 2023, saw across the board increases in almost every category with significant increases in the prices of appliances, clothing, personal care, computer equipment, decorator items, furniture, games & hobbies, jewellery (costume), kitchenware and window furnishings.

Whilst some minor decreases were seen in the lower end of the Audio Visual and Camera equipment categories.

Uniform increases of 4.2% and 4.3% were seen across the average and quality home content's standards. This was at odds with the significantly higher increase of 6.2% reflected in the prestige standard, reflecting the continual buoyancy of the higher end of the market, which largely remains unaffected by interest rate rises.

CPI

The CPI (all groups) recorded a 5.6% increase for the 12 months to September 2023, with movements in groups ranging from 0.8% to 8.8%. Of the groups relevant to home contents values, the key group of "Household contents & services" recorded a rise of 3.8%. All subgroups within this key group recorded rises that ranged from 1.5% to 6.5%.

Other home contents related groups such as the "Recreation and culture" group and "Miscellaneous goods and services" groups recorded increases of 6.1% and 4.9% respectively. Whilst the "Clothing and footwear" group increased by 3.9% and the "Communication group" saw an increase of just 0.8%.



Disclaimer

Typical building contents replacement costs are provided by Sum Insured Pty Ltd trading as Home Contents (A.B.N. 55 947 630 521) ("Sum Insured"). Whilst every care is taken to ensure the accuracy of the information as a guide for costing, no responsibility is accepted by Sum Insured for its accuracy. Please check with a Valuer or other suitably qualified professional for an accurate estimate.

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