

Determination

Property Brokers Limited, Farmlands Real Estate Limited and Farmlands Real Estate Property Management Limited [2019] NZCC 25

The Commission:	Anna Rawlings Sue Begg Dr Derek Johnston
Summary of application:	An application from Property Brokers Limited seeking clearance to acquire the West Coast real estate business and property management business of Farmlands Real Estate Limited and Farmlands Real Estate Property Management Limited.
Determination:	Under section 66(3)(a) of the Commerce Act 1986, the Commerce Commission determines to give clearance to the proposed acquisition.
Date of determination:	18 December 2019

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The proposed acquisition

1. On 25 November 2019, the Commerce Commission registered an application (the Application) from Property Brokers Limited (Property Brokers) seeking clearance to acquire the West Coast real estate business and property management business of Farmlands Real Estate Limited and Farmlands Real Estate Property Management Limited (together Farmlands Real Estate) (the Proposed Acquisition).

Our decision

2. The Commission gives clearance to the Proposed Acquisition as it is satisfied that the Proposed Acquisition will not have, or would not be likely to have, the effect of substantially lessening competition in a market in New Zealand.

Our framework

3. Our approach to analysing the competition effects of the Proposed Acquisition is based on the principles set out in our Mergers and Acquisitions Guidelines (our guidelines).¹

The substantial lessening of competition test

4. As required by the Act, we assess mergers and acquisitions using the substantial lessening of competition test.
5. We determine whether a merger is likely to substantially lessen competition in a market by comparing the likely state of competition if the merger proceeds (the scenario with the merger, often referred to as the factual), with the likely state of competition if the merger does not proceed (the scenario without the merger, often referred to as the counterfactual).²
6. A lessening of competition is generally the same as an increase in market power. Market power is the ability to raise price above the price that would exist in a competitive market (the 'competitive price'),³ or reduce non-price factors such as quality or service below competitive levels.

When a lessening of competition is substantial

7. Only a lessening of competition that is substantial is prohibited. A lessening of competition will be substantial if it is real, of substance, or more than nominal.⁴ Some courts have used the word 'material' to describe a lessening of competition that is substantial.⁵

¹ Commerce Commission, *Mergers and Acquisitions Guidelines* (July 2019).

² *Commerce Commission v Woolworths Limited* (2008) 12 TCLR 194 (CA) at [63].

³ Or below competitive levels in a merger between buyers.

⁴ *Woolworths & Ors v Commerce Commission* (2008) 8 NZBLC 102,128 (HC) at [127].

⁵ *Ibid* at [129].

8. As set out in our guidelines, there is no bright line that separates a lessening of competition that is substantial from one which is not. What is substantial is a matter of judgement and depends on the facts of each case.⁶

When a substantial lessening of competition is likely

9. A substantial lessening of competition is 'likely' if there is a real and substantial risk, or a real chance, that it will occur. This requires that a substantial lessening of competition is more than a possibility but does not mean that the effect needs to be more likely than not to occur.⁷

The clearance test

10. We must clear a merger if we are satisfied that the merger would not be likely to substantially lessen competition in any market.⁸ If we are not satisfied – including if we are left in doubt – we must decline to clear the merger.

The parties and the acquisition

11. The Proposed Acquisition relates to the provision of real estate and property management services in the West Coast region of the South Island.

The applicant

12. Property Brokers offers real estate services from offices throughout New Zealand. It provides residential, lifestyle, rural and commercial real estate, and property management services. In the West Coast region of the South Island, Property Brokers operates from offices in Westport (in the Buller district), Greymouth (in the Grey district) and Hokitika (in the Westland district).

The target

13. Farmlands Real Estate is a wholly owned subsidiary of Farmlands Co-operative Society Limited (Farmlands). Farmlands Real Estate also offers residential, lifestyle, rural and commercial real estate, and property management services from offices throughout New Zealand. In the West Coast region of the South Island, Farmlands Real Estate has had offices in Westport and Hokitika. In the period since we registered Property Brokers' application for clearance, the Farmlands Real Estate office in Hokitika has closed.⁹

The proposed acquisition

14. The Proposed Acquisition would see Property Brokers acquire the West Coast real estate business and property management business of Farmlands Real Estate. The Proposed Acquisition is part of a nationwide acquisition by Property Brokers, which sees Property Brokers and Farmlands enter into a strategic partnership agreement (Strategic Partnership).

⁶ *Mergers and Acquisitions Guidelines* above n1 at [2.23].

⁷ *Woolworths & Ors v Commerce Commission* (2008) 8 NZBLC 102,128 (HC) at [111].

⁸ Section 66(3)(a).

⁹ E-mail from Simpson Grierson to the Commission (6 December 2019).

15. Farmlands' rationale for the Proposed Acquisition and the associated Strategic Partnership between the parties is that it allows Farmlands to offer its shareholders real estate and property management services from a specialised business that has provincial real estate at its core. Property Brokers' rationale is to align itself with Farmlands, including its shareholders and customers.¹⁰

Other parties

16. Other competitors providing real estate and property management services in the West Coast region of the South Island include:
- 16.1 Excalibre Real Estate Richmond Limited, trading as Ray White;
 - 16.2 NZ Real Estate West Coast Limited, trading as Harcourts;
 - 16.3 Greg Daly Real Estate Limited (Greg Daly); and
 - 16.4 RE/MAX Elite Fifehire Realty Limited, trading as RE/MAX.

Market definition

17. Market definition is a tool that helps identify and assess the close competitive constraints the merged entity would face. Determining the relevant market requires us to judge whether, for example, two products are sufficiently close substitutes as a matter of fact and commercial common sense to fall within the same market.
18. We define markets in the way that best isolates the key competition issues that arise from a merger.¹¹ In many cases this may not require us to precisely define the boundaries of a market. What matters is that we consider all relevant competitive constraints, and the extent of those constraints. For that reason, we also consider products and services which fall outside the market but which still impose some degree of competitive constraint on the merged entity.

Applicant's view of the relevant markets

19. Property Brokers submitted that the relevant markets for assessing the Proposed Acquisition are the markets for the provision of:¹²
- 19.1 real estate services in the West Coast region; and
 - 19.2 property management services in the West Coast region.

Our view of the relevant markets

20. We have not found it necessary to reach a view on the exact scope of the relevant markets for the purposes of assessing the competitive impact of the Proposed Acquisition. Our decision on the Proposed Acquisition would be unchanged

¹⁰ Application at [38-40].

¹¹ *Mergers and Acquisitions Guidelines* above n1 at [3.10]-[3.12].

¹² Application at [55].

regardless of how narrowly or broadly we defined the relevant product or geographic markets.

21. As part of our investigation, we considered:
 - 21.1 whether there are separate markets for real estate services and property management services;
 - 21.2 in the case of real estate services, whether there is one broad market for the provision of real estate services, or more narrowly defined markets based on property type (ie, residential, lifestyle, rural and commercial); and
 - 21.3 whether the geographic scope of any markets for real estate services and property management services are broad West Coast region markets, or narrower markets by district within the West Coast (ie, Buller, Grey and Westland districts) or even by town.

Real estate and property management services

22. We agree with Property Brokers that there are likely to be separate markets for the provision of real estate and property management services. From a supply-side perspective, a person can be both a real estate agent and property manager and many real estate agencies offer both services.¹³ However, real estate and property management services are not demand-side substitutes because they meet different customer requirements and customers would not switch between them in response to a price rise.

Property types

23. Some individual real estate agents specialise in selling particular types of property and some customers may prefer an agent who offers such specialisation. This may suggest that there are separate product markets for real estate services by property type. However, real estate agencies in the West Coast region all generally offer real estate services for all types of properties.¹⁴ Some customers may choose one of these agents even if they wish to buy or sell the type of property that other agencies specialise in. This may suggest a broader market for real estate services rather than narrower markets by property type. Regardless, it is not necessary for us to reach a view on this point. Because, as noted above, our decision would be unchanged regardless of how narrowly or broadly we defined the relevant product market.

Geographic scope

24. We received some information which suggested that the geographic scope of the relevant markets may be narrower than the West Coast region. Selling residential property may require frequent visits to the property by a real estate agent. This may require an agent to have an office or base in relatively close proximity to a listing and may also mean that a property owner is more likely to use the services of an agent in the same town or district, than an agent that is further afield. From the perspective of a residential property owner, a real estate agency with an office in one town or

¹³ Commerce Commission interview with Harcourts (4 December 2019).

¹⁴ Commerce Commission interviews with Greg Daly (2 December 2019) and Harcourts (4 December 2019).

district may, therefore, not be substitutable for a real estate agency in another town or district. The same logic equally applies to residential property management. However, the same reasoning may not apply for other properties, in particular rural/farm sales, where real estate agents appear to be able to handle listings over a wide geographic area.¹⁵

25. Having said that, we have not found it necessary to reach a definitive view on the exact geographic scope of the relevant markets for the purposes of assessing the competitive impact of the Proposed Acquisition. We have considered the impact of the Proposed Acquisition on competition in three separate geographic markets relating to the Buller, Grey and Westland districts of the West Coast region. If no competition issues arise in these narrow geographic markets, then there would be no competition issues in a broader West Coast region market.
26. For convenience in the competition analysis section of these reasons, we consider the separate geographic markets together under headings for real estate and property management services, but highlight any differences in competition that exist between each district.

The counterfactual

27. To assess whether a merger is likely to substantially lessen competition in a market, we compare the likely state of competition if the merger proceeds (the scenario with the merger, often referred to as the factual), with the likely state of competition if the merger does not proceed (the scenario without the merger, often referred to as the counterfactual).¹⁶
28. If the Proposed Acquisition does not proceed, Property Brokers submitted that in the counterfactual Farmlands Real Estate would have a lesser presence in the West Coast than the status quo, while competitors such as Ray White would have a larger presence. Since the acquisition was announced, the staff from Farmlands Real Estates' Hokitika office and a large proportion of the staff from its Westport office have resigned. As these staff now work for Ray White, Property Brokers submitted that the ability of Farmlands Real Estate to retain business on the West Coast is compromised.¹⁷
29. Without the acquisition, we consider that Farmlands Real Estate would continue to exist as a provider of real estate and property management services in the West Coast region. While Farmlands Real Estate has lost staff to Ray White since the acquisition was announced, we consider that (because of the low barriers to entry or expansion) Farmlands Real Estate could recruit or train more agents to work for it in the West Coast region. Within a two-year timeframe, there is a real chance that Farmlands Real Estate would have a similar number of staff working for in the West Coast region to what it had before the Proposed Acquisition was announced. However, with the entry of Ray White, we anticipate that Farmlands Real Estate's

¹⁵ Commerce Commission interviews with Greg Daly (2 December 2019), Harcourts (4 December 2019) and RE/MAX (4 December 2019).

¹⁶ *Mergers and Acquisitions Guidelines* above n1 at [2.29].

¹⁷ Application at [64-65] and e-mails from Simpson Grierson to the Commission dated 25 November 2019, 27 November 2019 and 6 December 2019.

market shares would be likely to be altered in the short-term (relative to what it was before the Proposed Acquisition was announced).

How the Proposed Acquisition could substantially lessen competition

30. We have considered whether the Proposed Acquisition could have the effect of substantially lessening competition in one of two ways.
31. First, we have tested whether the Proposed Acquisition could give rise to unilateral effects. Unilateral effects may occur when a firm acquires a current or potential competitor that would otherwise provide a competitive constraint. The Proposed Acquisition would mean that any existing or potential competition between Property Brokers and Farmlands Real Estate is lost. We have tested whether this means that the merged entity would be able to raise prices (or reduce quality) to customers in the relevant markets. We have assessed:
- 31.1 whether the merging firms impose a competitive constraint on one another now (or would do in the future);
 - 31.2 whether there are other competitors in the market that could replace the lost competition; and
 - 31.3 whether any barriers to entry and expansion by competitors can be overcome.
32. Secondly, we have tested whether the Proposed Acquisition could increase the potential for coordinated effects. Coordinated effects can occur when a merger or acquisition makes it significantly more likely that the remaining firms can collectively exercise market power to increase prices (or reduce quality). Coordinated effects are more likely when a market is characterised by certain features, which make it easier to reach, and then to sustain, an agreement or understanding.¹⁸ Our approach was to test whether the relevant markets were vulnerable to coordination (by looking at whether the characteristics above apply) and then consider how the Proposed Acquisition might change the likelihood of coordination.

Competition analysis – real estate services

33. We are satisfied that the Proposed Acquisition is unlikely to substantially lessen competition in any markets for the provision of real estate services in the West Coast region due to either unilateral or coordinated effects. The evidence before us indicates that Property Brokers would be constrained by the presence of real estate agencies with the ability to expand and/or enter the market.

Unilateral effects

34. Property Brokers submitted that the Proposed Acquisition would not be likely to substantially lessen competition in any markets for provision of real estate services in the West Coast region due to unilateral effects because:¹⁹

¹⁸ See *Mergers and Acquisitions Guidelines* above n1 at [3.89].

¹⁹ Application at [9-26].

- 34.1 there would be limited aggregation with the Proposed Acquisition;
 - 34.2 the merged entity would continue to face strong competition from existing competitors, several of whom have recently expanded or are looking to expand their operations;
 - 34.3 there are no restrictions on the ability of existing market participants to expand their operations in the West Coast, and low barriers to entry; and
 - 34.4 property owners have significant countervailing power and can sell or manage their property themselves.
35. We consider that the Proposed Acquisition is unlikely to substantially lessen competition in the provision of real estate services in the West Coast region due to unilateral effects because:
- 35.1 Property Brokers and Farmlands Real Estate are not necessarily each other's closest competitor across the entire West Coast region, although they have been each other's closest competitor in the Buller district;
 - 35.2 in the Grey and Westland districts, other real estate agencies (in particular, Greg Daly and Harcourts) have accounted for a material share of sales;
 - 35.3 in the Buller district, other real estate agencies have recently entered the market (Ray White and, to a lesser extent, RE/MAX); and
 - 35.4 across the entire West Coast region, entry by new competitors or expansion by existing competitors is likely to be sufficient in extent in a timely fashion to constrain the merged entity and prevent a substantial lessening of competition. As discussed further below, entry has already occurred in the period since we registered Property Brokers' application for clearance.
36. We have not found it necessary to reach a view on the ability of property owners to bypass real estate agencies to sell their own property, and the extent to which this would be a constraint on unilateral market power.

Closeness of competition between Property Brokers and Farmlands Real Estate

- 37. Property Brokers and Farmlands Real Estate both currently provide residential, lifestyle, rural and commercial real estate services in the West Coast region. Property Brokers, which is the market leader, has offices in Westport, Greymouth and Hokitika. Farmlands Real Estate has had offices in Westport and Hokitika, although we note it has only had offices in the West Coast since August 2019.²⁰
- 38. Tables 1 and 2 set out historic market shares in the provision of real estate services in the West Coast region, based on sales data for the year ended September 2019 provided by the Real Estate Institute of New Zealand (REINZ). Table 1 sets out

²⁰ On 1 August 2019, Farmlands Real Estate acquired the West Coast Ray White business, which traded as Landmark Real Estate. Prior to that acquisition, Farmlands Real Estate had no presence in the West Coast in either the real estate or property management services. Application at [99].

historic market shares by district and for the entire West Coast region. Table 2 sets out historic market shares by property type.

Table 1: West Coast region real estate market shares by district, year ended September 2019

Agency	Buller district		Grey district		Westland district		Total West Coast	
	Sales count	% share	Sales count	% share	Sales count	% share	Sales count	% share
Property Brokers	[]	[]	[]	[]	[]	[]	[]	[]
Farmlands	[]	[]	[]	[]	[]	[]	[]	[]
Merged entity	[]	[]	[]	[]	[]	[]	[]	[]
Greg Daly	[]	[]	[]	[]	[]	[]	[]	[]
Harcourts	[]	[]	[]	[]	[]	[]	[]	[]
PGG Wrightson	[]	[]	[]	[]	[]	[]	[]	[]
RE/MAX	[]	[]	[]	[]	[]	[]	[]	[]
All other agents	[]	[]	[]	[]	[]	[]	[]	[]
TOTAL	[]	100	[]	100	[]	100	[]	100

Source: REINZ

Table 2: West Coast region real estate market shares by property type, year ended September 2019

Agency	Residential		Lifestyle		Farm/rural	
	Sales count	% share	Sales count	% share	Sales count	% share
Property Brokers	[]	[]	[]	[]	[]	[]
Farmlands	[]	[]	[]	[]	[]	[]
Merged entity	[]	[]	[]	[]	[]	[]
Greg Daly	[]	[]	[]	[]	[]	[]
Harcourts	[]	[]	[]	[]	[]	[]
PGG Wrightson	[]	[]	[]	[]	[]	[]
RE/MAX	[]	[]	[]	[]	[]	[]
All other agents	[]	[]	[]	[]	[]	[]
TOTAL	[]	100	[]	100	[]	100

Source: REINZ

39. We note that Tables 1 and 2 reflect historic market shares only and, given likely entry and expansion (discussed below) are not indicative of future market shares.
40. Table 1 shows that Property Brokers and Farmlands Real Estate are not each other's closest competitor across the entire West Coast region.
- 40.1 In the Buller district, Property Brokers and Farmlands Real Estate have been each other's closest competitor, which has been reflected in their share of sales in this district.
- 40.2 In the Grey district, where Farmlands Real Estate does not have an office, Farmlands Real Estate has had a low share of sales. Other real estate agencies

(in particular, Greg Daly and Harcourts) have accounted for a significant share of sales.

40.3 In the Westland district, Farmlands Real Estate has been a competitor of reasonable size. However, other real estate agencies (in particular, Harcourts) have accounted for a material share of sales.

41. Table 2 shows that Property Brokers and Farmlands Real Estate have overlapped predominantly in the sale of residential and lifestyle properties.

42. Anecdotal evidence from interviews conducted during our investigation reinforced what the REINZ data reveals about the extent of competition between Property Brokers and Farmlands Real Estate to date.²¹

Constraint from competitors, including their ability to enter/expand

43. We consider that, across the entire West Coast region, the merged entity is likely to be constrained by competitors. This consists of both existing real estate agencies with the ability to expand and new real estate agencies entering the market.

44. In general, our investigation found that the barriers to entry and expansion are low. The availability of qualified real estate agents (or individuals that wish to train as real estate agents) in the West Coast region is the only issue that industry participants identified as potentially limiting entry or expansion. However, we do not consider that this is a significant barrier to entry or expansion because evidence indicates that:

44.1 a number of real estate agencies in the West Coast region have trained individuals to become real estate agents, and are continuing to do so;

44.2 real estate agents outside the West Coast region can and do provide real estate services in the region; and

44.3 real estate agents have, and can easily, switch agencies.

45. We discuss, in turn below, the constraint that the merged entity would face from specific competitors.

45.1 Harcourts, which has offices in both Greymouth and Hokitika, is a long-standing competitor that has accounted for a material share of sales in the Grey and Westland districts. It is likely to continue to remain as a key competitor to the merged entity in these districts, and has the ability to expand its share of sales.

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²¹ Commerce Commission interviews with Greg Daly (2 December 2019), Harcourts (4 December 2019) and RE/MAX (4 December 2019).

]²²

45.2 Greg Daly is an independent real estate agency in the West Coast that was established in 2013 by agents that used to work in the region for PGG Wrightson. Greg Daly has accounted for a material share of sales in the Grey district. Since entering, it has expanded the number of real estate agents it has and []. It is likely to continue to remain as a key competitor to the merged entity in this district and has the ability to expand its share of sales. []²³

45.3 RE/MAX has recently entered the market and started selling real estate in the West Coast. It has two real estate agents working in the Buller district.²⁴ Since entering the market, RE/MAX has been successful in picking up a number of listings in the Buller district and []

[]²⁵ Notwithstanding this, RE/MAX is likely to continue to provide a degree of competitive constraint on the merged entity.

45.4 In the period since we registered Property Brokers' application for clearance, Ray White has entered the market. It has opened offices in both Westport and Hokitika. It has employed a number of real estate agents from Farmlands Real Estate to work for it in the West Coast region.²⁶ We consider that Ray White is likely to be able to quickly establish itself as a key competitor to the merged entity in the West Coast region and, in particular, competitively constrain the merged entity in the Buller district (where Table 1 shows that Property Brokers and Farmlands Real Estate have been each other's closest competitor). This is largely because evidence obtained from industry participants indicates that personal relationships have been a key factor in choosing a real estate agent in the West Coast region. This means that property owners that previously listed with a Farmlands Real Estate agent that now works for Ray White may opt to shift their listing to Ray White when their contract allows them to do so,²⁷ which has the potential to substantially

²² Commerce Commission interview with Harcourts (4 December 2019).

²³ Commerce Commission interview with Greg Daly (2 December 2019).

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²⁵ Commerce Commission interview with RE/MAX (4 December 2019).

²⁶ Commerce Commission interview with Ray White (4 December 2019) and e-mail from Simpson Grierson to the Commission (6 December 2019).

²⁷ Exactly when an individual property owner would be able to switch its listing to Ray White, would depend on the nature of its contract with Farmlands. The standard industry sole agency applies for only 90 days, after which a property owner can switch agencies with 7 days' notice. Application at [140]. Some listings

change market shares in the future. We also note that Ray White is an established national brand and we would expect that this would assist it growing its share of the listings in the West Coast region.

Coordinated effects

46. Property Brokers submitted that the Proposed Acquisition would not be likely to substantially lessen competition in any markets for the provision of real estate services in the West Coast region due to coordinated effects because:²⁸
- 46.1 while the Proposed Acquisition will result in Farmlands Real Estate leaving the West Coast, this will not mean that the relevant markets will be more vulnerable to coordination because other real estate agencies are expanding and/or entering the relevant markets and there will continue to be strong competition;
 - 46.2 Farmlands Real Estate (having only recently acquired the former Ray White real estate business in the West Coast) does not have a long established presence in the region, nor has it (in this time) established itself as a particularly aggressive or destabilising competitor; and
 - 46.3 given the significant threat posed by private real estate sales and property management, there will not be the ability for West Coast market participants to reduce output or increase commissions or letting fees post-acquisition without losing sales or rentals.
47. We consider that the Proposed Acquisition is unlikely to substantially lessen competition in the provision of real estate services in the West Coast region due to coordinated effects. The Proposed Acquisition is unlikely to change the conditions in the market such that coordination is more likely. This is because:
- 47.1 other real estate agencies are entering and expanding (in particular, Ray White, which has opened offices in Westport and Hokitika), are likely to be seeking to win share off the merged entity, meaning that there will continue to be strong competition; and
 - 47.2 we received no evidence to indicate that Farmlands Real Estate is an aggressive or destabilising competitor.
48. We have not found it necessary to reach a view on the ability of property owners to bypass real estate agencies to sell their own property, the extent to which this would be a significant factor that prevents coordination.

Competition analysis – property management services

49. For essentially the same reasons as those set out above with respect to real estate services, we are satisfied that the Proposed Acquisition is unlikely to substantially lessen competition in any markets for the provision of property management

may have already shifted to Ray White, as the new West Coast website for Ray White lists under some agents a number of listings that had been with Farmlands Real Estate.

²⁸ E-mail from Simpson Grierson to the Commission (2 December 2019).

services in the West Coast region due to either unilateral or coordinated effects. Property Brokers would be constrained by the presence of property management companies with the ability to expand and/or enter the market.

50. Property Brokers and Farmlands Real Estate both currently provide property management services in the West Coast region.
51. Table 3 below sets out an estimate of the current market shares in the provision of property management services in the West Coast region, based on the number of properties each supplier manages.

Table 3: Current market shares in property management

Supplier	Property count	% share
Property Brokers	[]	[]
Farmlands	[]	[]
Merged entity	[]	[]
Harcourts	[]	[]
TOTAL	[]	100

Source: Industry participants

52. We consider that there are low barriers to entry and expansion in property management services. The requirements to become a property manager are significantly lower than to become a real estate agent, meaning that it is comparatively easy to get staff. In some West Coast offices, property management is carried out by the office administrator. In addition, the demand for property management services may increase in the future as a result of new standards for rental properties.
53. Harcourts, competes with Property Brokers and Farmlands Real Estate in providing property management services in the Grey and Westland districts. It is likely to continue to remain as a competitor to the merged entity in these districts, and [].²⁹
54. As noted above, Ray White has entered the market and has opened offices in both Westport and Hokitika. It has employed property managers from Farmlands Real Estate to work for it in the West Coast.³⁰ We consider that Ray White is likely to be able to quickly establish itself as a key competitor to the merged entity in the West Coast region and, in particular, competitively constrain the merged entity in the Buller district. Even more so than with real estate services, personal relationships are likely to be important in property management (for both landlords and tenants). This means that landlords that previously dealt with a Farmlands property manager that now works for Ray White may opt to shift their property management to Ray White when their contract allows them to do so, which has the potential to substantially change market shares in the future.

²⁹ Commerce Commission interview with Harcourts (4 December 2019).

³⁰ Commerce Commission interview with Ray White (4 December 2019) and e-mail from Simpson Grierson to the Commission (6 December 2019).

Determination on notice of clearance

55. We are satisfied that the Proposed Acquisition will not have, or would not be likely to have, the effect of substantially lessening competition in a market in New Zealand.
56. Pursuant to section 66(3)(a) of the Act, the Commerce Commission determines to give clearance to Property Brokers Limited to acquire the West Coast real estate business and property management business of Farmlands Real Estate Limited and Farmlands Real Estate Property Management Limited.

Dated this 19th day of December 2019

Anna Rawlings
Chair