JUNE 2025

PROUDLY PRESENTING NEW ZEALAND PROPERTY MARKET INSIGHTS IN REAL TIME

RAY WHITE **NOW**

THE MIDYEAR RESET

FEATURED PROPERTY

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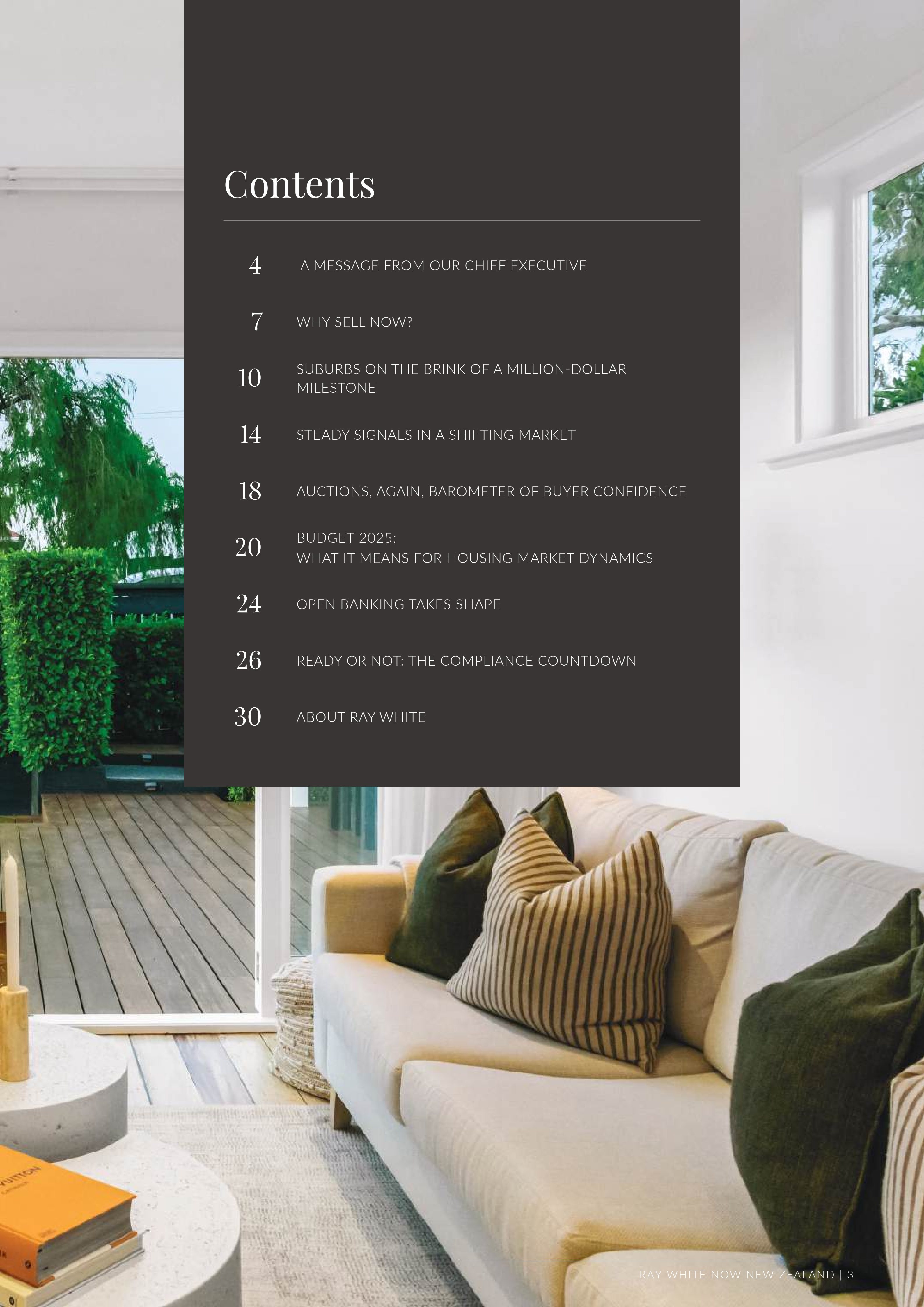

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A message from our chief executive

Dear Property Owner,

While some are waiting for the market to change, others have adjusted their position in the market, and currently, we're seeing sellers reclaiming control.

Following a challenging period for Kiwi households and the economy, marked by a recession, high borrowing costs and subdued sentiment, positive momentum is building.

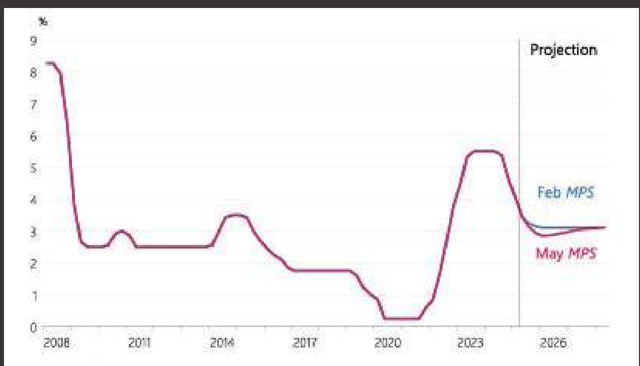
The past few months have seen a meaningful shift in activity levels, affordability conditions, and buyer engagement. This suggests the second half of the year may shape up quite differently from the first.

Across the Ray White network, we're encouraged by steady month-on-month gains in sales volumes, which indicate that confidence is gradually returning. Our team recorded 2,004 new listings in May – a slight increase over the same time last year, although notably down from April's elevated total.

This signals a return to seasonality, but also an important inflexion point for sellers: competition from new stock is easing, and properties fresh to market are capturing the lion's share of buyer attention.

Interest rate movements continue to underpin market dynamics. The Reserve Bank's (RBNZ) recent 25-basis-point cut to the Official Cash Rate (OCR), taking it to 3.25 per cent, marks the sixth consecutive easing since August last year.

While forward guidance remains cautious – and split among RBNZ committee members – the central bank has revised its own OCR forecasts lower, now projecting a base rate of 2.85 per cent by early 2026.



Source: RBNZ estimates.

Financial markets are even more dovish, pricing in the possibility of a drop to 2.50 per cent as early as October this year.

For buyers, this signals that mortgage rates could drift lower in the coming months, not dramatically, but meaningfully. Many households are already benefiting.

Homeowners refinancing at today's average two-year rate of 5.05 per cent on a median-priced $700,000 home (with a 20 per cent deposit) are saving roughly $719 a month ($8,600 a year) compared to what they were paying when rates peaked above seven per cent in late 2023.

For sellers, this puts cash straight into buyers' hands, boosting their confidence and translating into increased sales activity.

Adding to this momentum is a new 20 per cent upfront tax deduction for business asset purchases, a boost for New Zealand's many small business owners who often use the family home as loan security. The policy could free up equity and confidence, potentially stimulating housing market activity.

However, it's not just interest rates and tax policy moving. We're seeing signs of improvement in several key economic indicators that contribute to housing demand.

Export prices, particularly dairy, have posted strong gains, which bodes well for regional economies and suggests renewed appetite for property upgrades and investment in lifestyle and rural holdings.

Meanwhile, government moves to streamline the building consent process, including the introduction of a privately owned consent authority, signal a welcome structural reform for the construction and development sector.

Faster approvals and reduced regulatory burdens could unlock the latent housing supply, while easing some of the bottlenecks that have historically constrained growth.

Still, the path ahead is not entirely certain. Global risks persist, inflation remains sticky, and forecasts for economic activity have recently been curtailed.

At home, Kiwis continue to seek stability and security in jobs, lending conditions, and the value of their assets. Buyers are exercising their power wisely, too: They're better informed, more condition-driven, and consistently value-focused.

This month's Ray White Now explores these dynamics in greater detail. Inside, we delve deeper into the evolving economic landscape and how it's influencing buyer and seller behaviour.

The year is increasingly looking to be a game of two halves, and while the first was defined by resilience, the second is likely to reward readiness. Whether you're thinking of selling, buying, or simply staying informed, understanding where the market is heading and what's shaping that direction is essential.

We hope the insights within this edition empower you to make confident, well-timed decisions in a market that is, finally, regaining its momentum.

Please enjoy our 81st edition of Ray White Now.

Regards

Daniel Coulson
Chief Executive
Ray White New Zealand

Why sell now?

Daniel Coulson
Chief Executive
Ray White New Zealand

By mid-year, the property market often adopts a watchful stillness, not quite the fresh start of spring, or the urgency of summer. However, 2025 has proven anything but typical, says Ray White New Zealand Chief Executive, Daniel Coulson

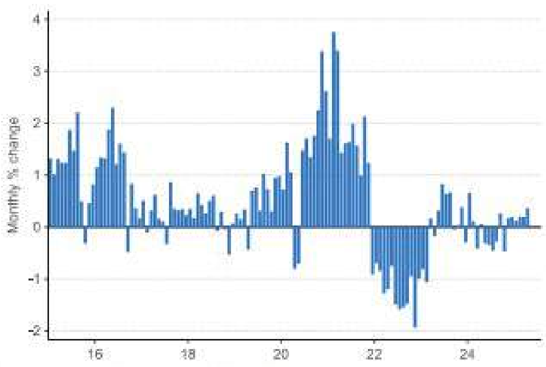
“With half the year now behind us, the data reveals a market quietly shifting underfoot. Volumes are rising, listings are tightening, and the cost of borrowing is easing, albeit with a central bank reluctant to move too fast, or too soon.

“This sets the stage for a deliberate reset, and therein lies the opportunity,” Coulson says.

THE GAME OF TWO HALVES

After a two-year period marked by tight monetary policy and economic contraction, Coulson says the housing market is entering a new phase. “The first characterised by stabilisation, the second, offering the potential for renewed momentum”

Ray White New Zealand network data shows sales volumes have crept gradually higher through the first six months of the year. “Buyers are stepping off the sidelines, lured by more attractive mortgage lending rates and improved affordability dynamics. While global headlines may still echo caution, local data suggests reason for encouragement.”



Source: REINZ, Macrobond, ANZ Research

LESS COMPETITION, MORE CUT-THROUGH

“In a sea of sameness, timing your move matters,” Coulson argues that sellers now face less competition from fresh listings, giving well-presented properties a tactical advantage.

“Buyers perceive new listings differently from those on the market for several weeks. Right now, sellers are competing primarily against what’s newly available – and that pool is shrinking.”

“Inventory levels remain high overall, but that’s not the whole story. Properties lingering unsold across online portals are not your competition. Today’s active buyers – especially those serious about transacting- are gravitating towards fresh stock, over fatigued listings.”

AFFORDABILITY INCREASES ENGAGEMENT

Financial conditions have improved for many households, particularly as the Reserve Bank of New Zealand (RBNZ) has slashed the Official Cash Rate (OCR) six times since August 2024, and lenders have responded with lower retail offerings.

Coulson says that as affordability improves, so too does buyer confidence. “Many are taking advantage of stronger negotiating power, greater choice, and more flexibility around conditional offers. These are buyers with intent, not tourists.”

Crucially, he says, banks are playing ball. “Lower-than-forecast mortgage application volumes mean there’s greater willingness to work with non-standard borrowers. E.g., those with lower deposits, variable incomes, or less traditional credit profiles.

ROOM FOR GROWTH, BUT RISKS REMAIN

While New Zealand's economy is emerging from a recessionary rut, export prices, particularly dairy, are lifting, driving confidence in regional economies. Meanwhile, Coulson says, inflation is tracking within the RBNZ's target band, and home insurance costs, which have surged in recent years, are finally easing as global reinsurance pricing softens.

"Add to this, the current OCR at 3.25 per cent is close to many economists' estimates of 'neutral' and further cuts, while not guaranteed, are widely anticipated by year's end.

"This continues to create a more favourable lending environment, especially for interest-sensitive sectors such as housing and construction.

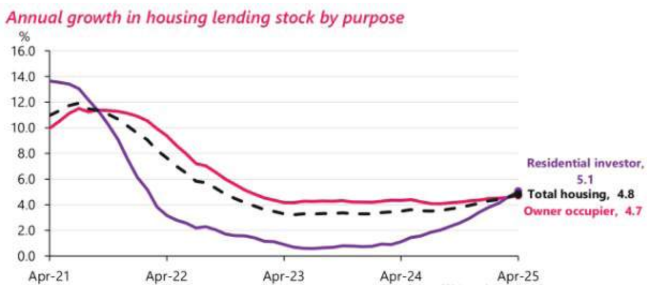
"Yet, uncertainty continues to hover. Global trade tensions, geopolitical instability, and persistent inflation mean the road to recovery will be bumpy. The RBNZ, under interim leadership, is erring on the side of caution. Financial markets are split on whether another cut will be delivered in July, underscoring how finely balanced the outlook remains."

In this context, Coulson says, the argument for waiting until things are perfect begins to unravel. "As history shows, markets don't flash a neon sign when they bottom out. And when confidence does return en masse, sellers face stiff competition and reduced purchasing power."

THE BUYER MINDSET IS CHANGING

Rising investor participation is another indication of the market's gradual shift. Lending to investors has increased at an annualised rate of more than seven per cent in recent months, compared to little under five per cent for owner-occupiers.

"Cashflow has improved slightly. Lower interest rates, stable rental returns, and modest price gains are nudging indicative gross yields upward. For investors, these marginal improvements, combined with a long-term view, make entry more attractive."



Source: RBNZ, interest.co.nz

UNLOCKING CAPITAL, LIFESTYLE

Coulson says that business owners have recently received fresh motivation to act, with a new tax incentive allowing them to claim an immediate 20 per cent deduction on eligible new asset purchases.

"While it may sound like a win just for businesses, it has meaningful implications for everyday homeowners, too.

"That's because many small business owners in New Zealand use their family home as security for business lending. When a business's cash flow improves, as this policy aims to support, it can reduce pressure on household finances, freeing up equity and even giving owners the confidence to upgrade or invest in property.

"With nearly half of all Kiwi businesses being small or family-run, the change could help unlock more real estate activity, especially in regions where entrepreneurship underpins the local economy.

"Similarly, with construction consent times set to shorten thanks to New Zealand's first privately-owned Building Consent Authority, the path to development or renovation is clearing. This change may not be seismic at face value, but for many, it reduces regulatory burdens and costs typically associated with building, making new home options more viable."

PROPERTY REWARDS THE BRAVE (AND INFORMED)

Sellers today have access to buyers who are willing, knowledgeable, and financially better-off than they were 12 months ago, Coulson says. "Mortgage rates are heading lower, and economic signals, though fragile, suggest the second half of 2025 could bring further improvement.

"Centrally compelling for sellers is the chance to stay ahead of the curve. Currently, the direction of travel is subtle, but it is nonetheless in motion. Those willing to act with foresight may just find gains quietly significant."

Suburbs on the brink of a million-dollar milestone

Atom Go Tian
Senior Data Analyst
Ray White Group

Despite a period of softening national growth, fresh analysis from Ray White Economics shows that momentum is quietly building in pockets of New Zealand's residential market, as seven suburbs are on track to join the 'Million-Dollar Club' by 2026.

Currently sitting between $950,000 and $990,000 in median values, these rising stars offer insight into shifting patterns of demand, regional resilience, and the slow but steady geographic expansion of urban communities.

CHRISTCHURCH LEADS THE CHARGE

Topping the list are Christchurch neighbours Ilam and Upper Riccarton – both poised to break the seven-figure barrier in the next 12 months. Located west of the CBD and anchored by the University of Canterbury, these suburbs continue to benefit from stable demand, educational amenities, and well-established infrastructure.

Elsewhere, Hamilton's Chartwell, Auckland's Opaheke, and Wellington's Paremata round out the metropolitan fringe, each reflecting the upward pressure of affordability-driven migration and substantial regional investment.

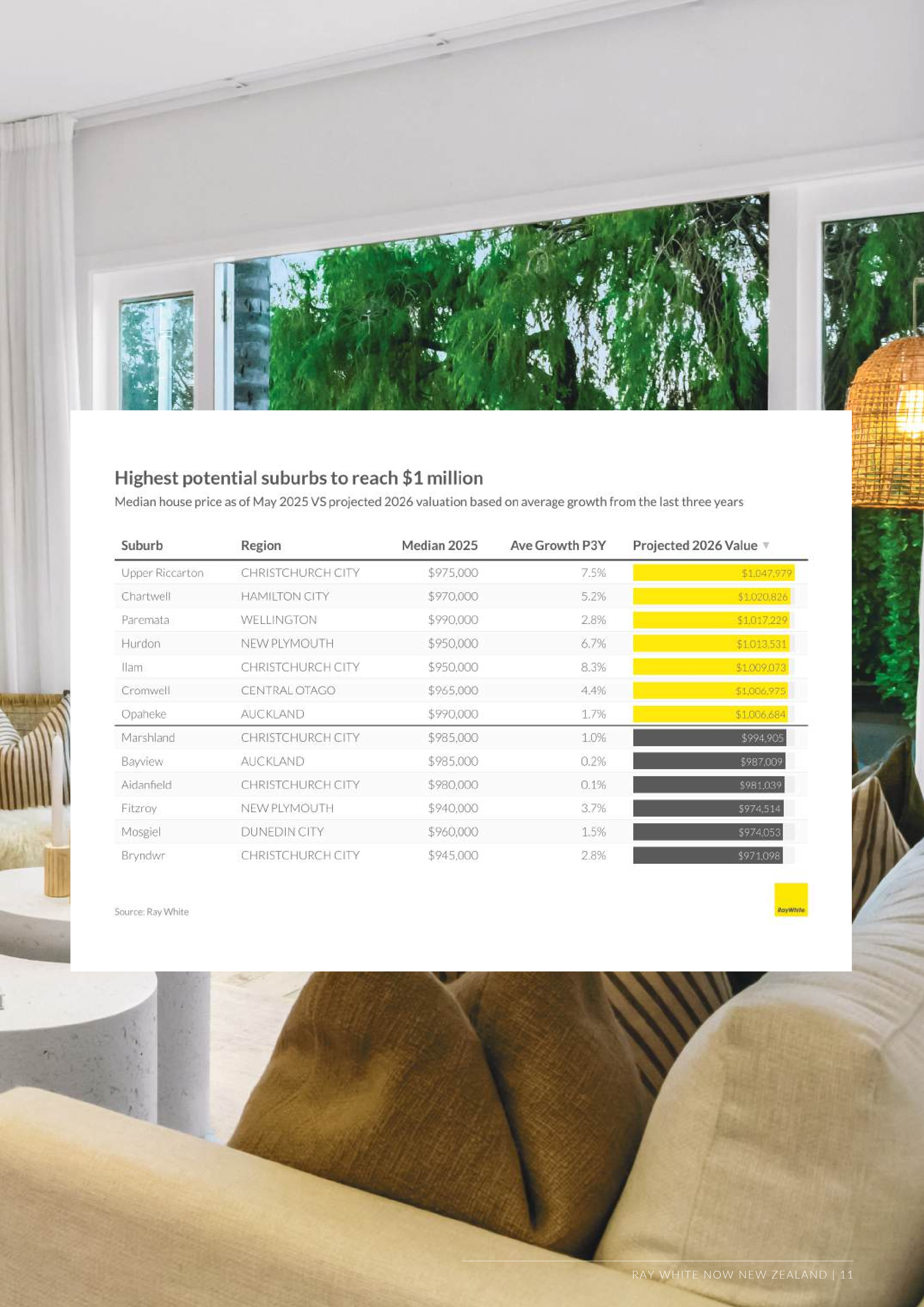
Notably, two up-and-comers aren't from our biggest cities. In New Plymouth, Hurdon is on the rise thanks to its picturesque setting near Mount Taranaki and a vibrant local lifestyle. Meanwhile, Cromwell – at the heart of Central Otago wine country – offers natural beauty, economic diversity, and lifestyle appeal in equal measure.

MILLION-DOLLAR MARKET: WHO'S IN, WHO'S NEXT?

Currently, 344 suburbs across New Zealand have a median house price north of $1 million. While sizable, it's worth noting that the number has shrunk from its 2021 peak of 514 – a decline that aligns with the broader stabilisation of national house prices post-COVID.

Auckland remains dominant, accounting for nearly four out of every five million-dollar suburbs. However, Christchurch is quickly gaining ground and may soon overtake Wellington as the country's second-largest premium property region.

Of the 13 suburbs with the strongest potential to cross the million-dollar mark next, five are in Christchurch, reinforcing the city's growth trajectory and post-quake urban renewal story.



Highest potential suburbs to reach $1 million

Median house price as of May 2025 VS projected 2026 valuation based on average growth from the last three years

Suburb	Region	Median 2025	Ave Growth P3Y	Projected 2026 Value
Upper Riccarton	CHRISTCHURCH CITY	$975,000	7.5%	$1,047,979
Chartwell	HAMILTON CITY	$970,000	5.2%	$1,020,826
Paremata	WELLINGTON	$990,000	2.8%	$1,017,229
Hurdon	NEW PLYMOUTH	$950,000	6.7%	$1,013,531
Ilam	CHRISTCHURCH CITY	$950,000	8.3%	$1,009,073
Cromwell	CENTRAL OTAGO	$965,000	4.4%	$1,006,975
Opaheke	AUCKLAND	$990,000	1.7%	$1,006,684
Marshland	CHRISTCHURCH CITY	$985,000	1.0%	$994,905
Bayview	AUCKLAND	$985,000	0.2%	$987,009
Aidanfield	CHRISTCHURCH CITY	$980,000	0.1%	$981,039
Fitzroy	NEW PLYMOUTH	$940,000	3.7%	$974,514
Mosgiel	DUNEDIN CITY	$960,000	1.5%	$974,053
Bryndwr	CHRISTCHURCH CITY	$945,000	2.8%	$971,098

Source: Ray White

THE WATCHLIST

Beyond the frontrunners, six additional suburbs sit just below the $950,000 mark and remain on Ray White's watchlist. While their average growth rates don't quite signal a million-dollar milestone within 12 months, they're not far off, and any uptick in market momentum could easily see them break through.

These include three more Christchurch suburbs: Marshland, Aidanfield and Bryndwr – plus Fitzroy in New Plymouth, Bayview in Auckland, and Mosgiel in Dunedin. All have averaged steady growth and show promising fundamentals, from family appeal and school zones to accessibility and amenity.

Distribution of million dollar suburbs

Count of suburbs with median house price greater than $1M

	2020	2021	2022	2023	2024	2025
AUCKLAND	239	374	346	282	272	274
WELLINGTON	27	72	47	26	30	27
CHRISTCHURCH CITY	10	16	21	22	22	21
TAURANGA CITY	4	19	19	11	11	10
OTHERS	5	33	27	12	13	12
NEW ZEALAND	285	514	460	353	348	344

Source: Ray White

HOW GROWTH IS PROJECTED

To identify these rising suburbs, Ray White's Economics team analysed median sales prices from each suburb over the past three years. We calculated the year-on-year growth rate for each of those three years, then took the average of these three growth rates to determine a typical annual price increase for each area. Using this average growth rate, we projected what median house prices will be in 2026.

To ensure the reliability of our predictions, we only included suburbs with at least 10 house sales per year, which provides sufficient data for meaningful calculations. Essentially, this approach assumes that the average price growth patterns we've seen in recent years will continue into next year.

Steady signals in a shifting market

Treena Drinnan
Chief Agency Officer
Ray White New Zealand

As we closed out May, it was clear that the real estate market continued to show signs of steady momentum. Not with complexity but with a building sense of confidence. The core drivers shaping the market remained robust, including the easing of interest rates and increasing affordability.

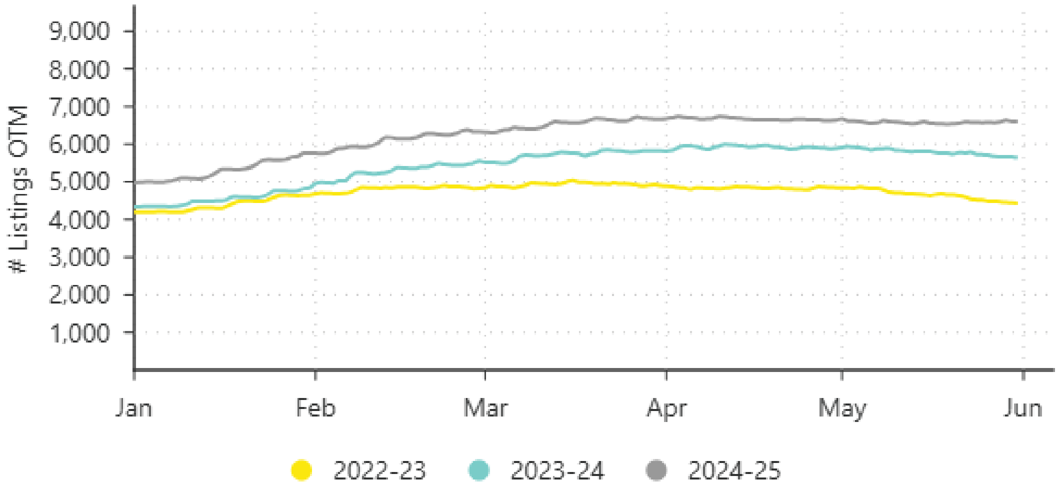
From my seat as chief agency officer, what we're seeing across the country, from conversations with business owners to live market data, is a growing readiness among both buyers and sellers. People are recalibrating their expectations in real time as new economic signals emerge.

This month's 25 basis point cut to the Official Cash Rate (OCR) brought it down to 3.25 per cent, and the Reserve Bank (RBNZ) is signalling a cautious path ahead - likely pausing in July before another potential cut in August.

Historically, housing has responded well to monetary stimulus, and although this cycle has seen a more modest acceleration, we're still observing upward trends. The earlier OCR reductions were likely factored in well ahead of time by many households, and cost-of-living pressures continue to moderate buyer urgency. But there is no doubt that momentum is building again.

We are seeing it play out in sales volumes, listings, online engagement, and finance activity, all pointing in one direction.

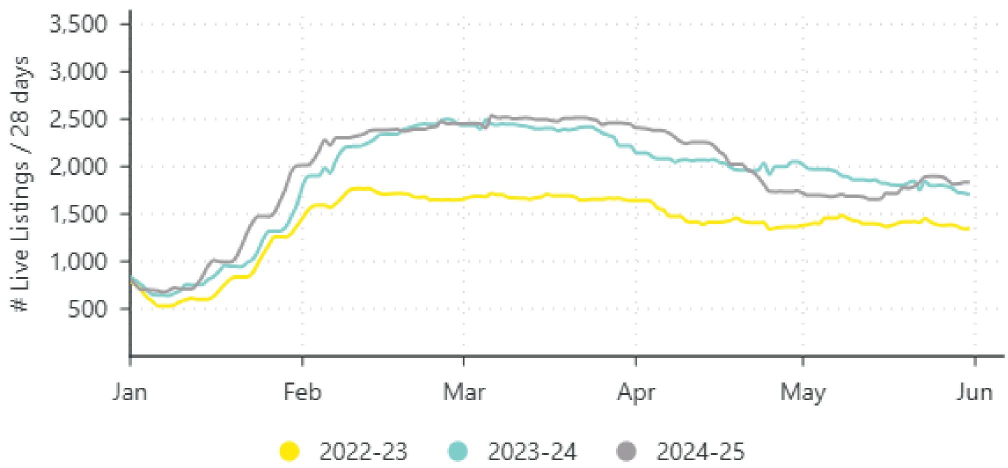
LISTINGS ON THE MARKET



Source: Ray White New Zealand

Sellers are showing a strong level of confidence. There were 6,603 properties listed for sale with Ray White nationally in May, representing a 17.01 per cent year-on-year increase. This is a clear signal that sellers are active, prepared, and optimistic about finding buyers in today's environment.

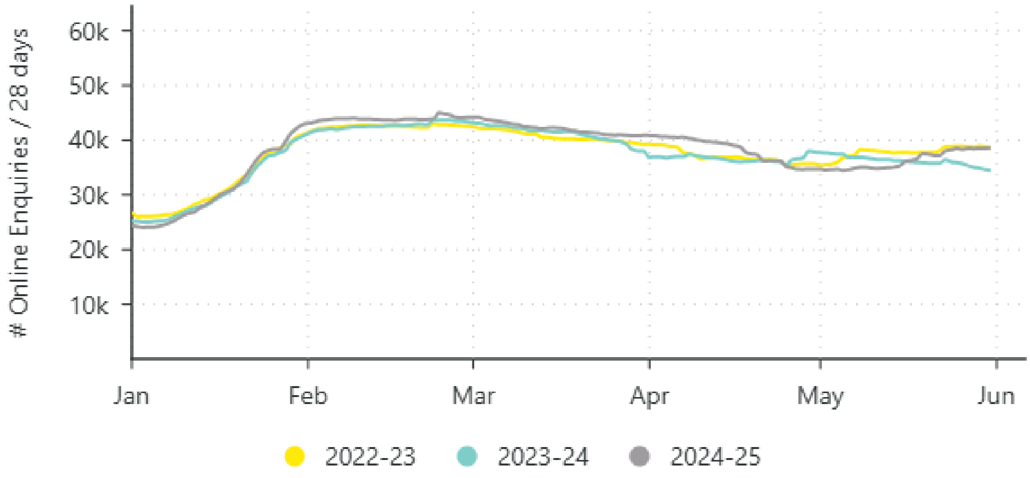
LIVE LISTINGS



Source: Ray White New Zealand

Ray White's own live listings ended the month at 2,004, up 1.40 per cent from April. These incremental lifts show that while the pace isn't breakneck, the pipeline is consistently replenishing.

ONLINE ENQUIRIES

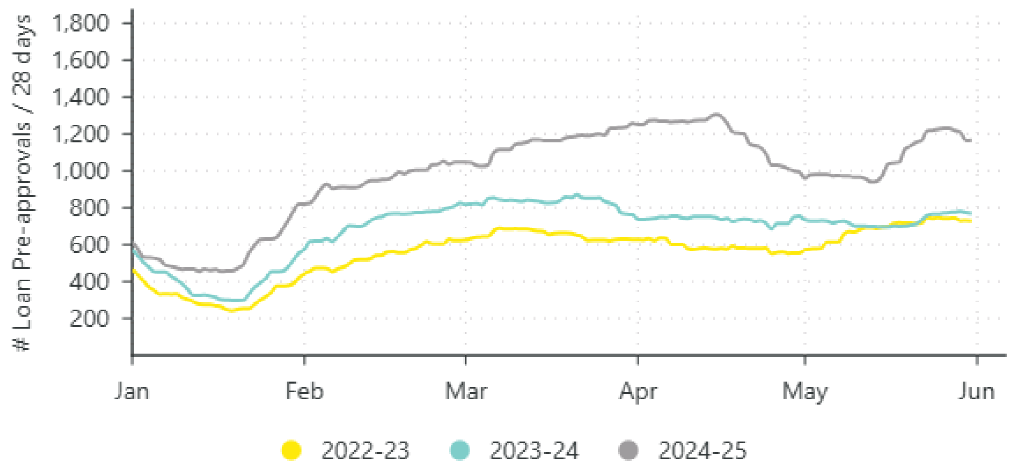


Source: Ray White New Zealand

Buyer engagement is increasing, too. Across our network, we saw 5.21 million online users in May, a 6.49 per cent increase from the same time last year. Online enquiries totalled 42,700, representing an 8.58 per cent year-on-year increase.

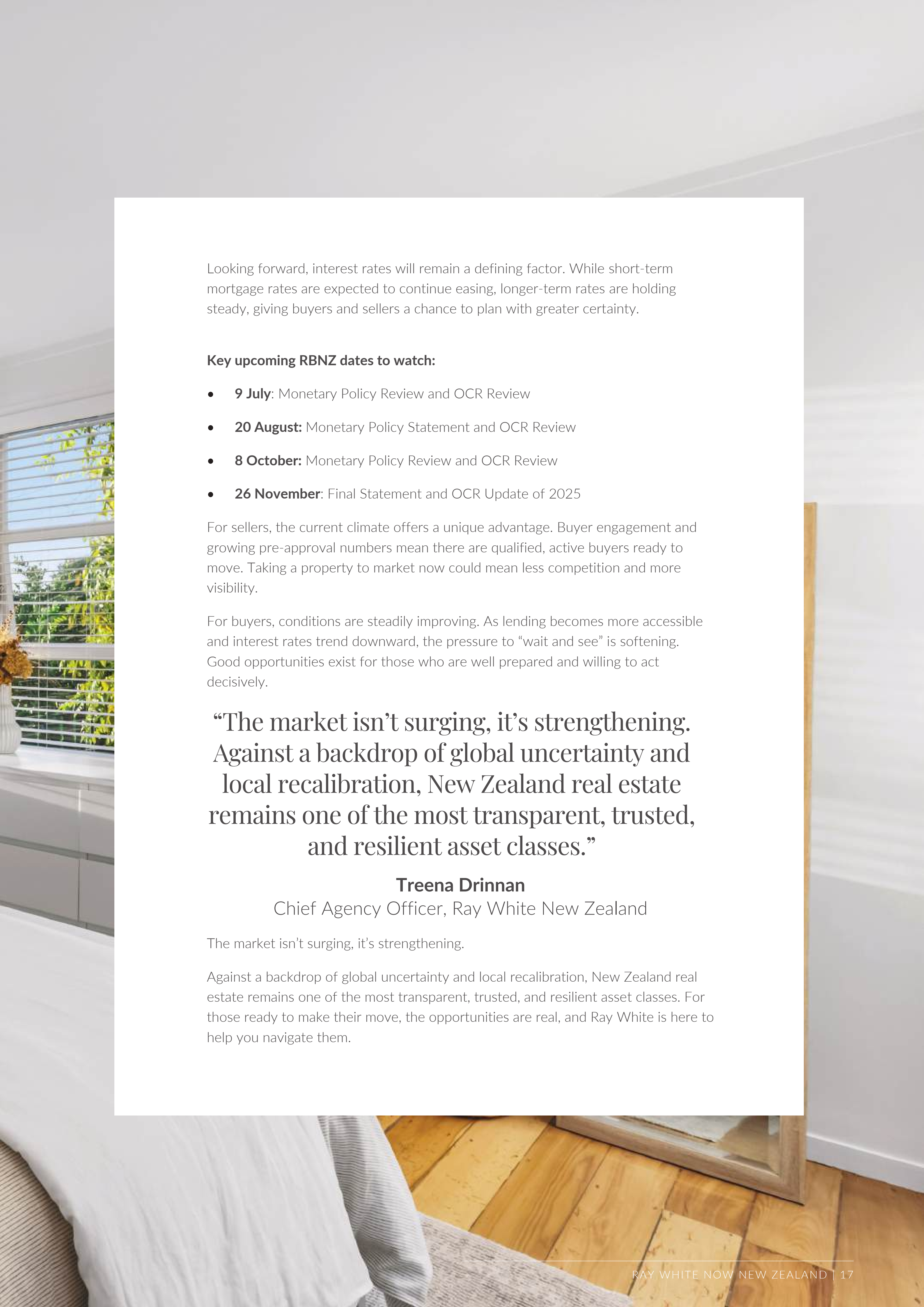
These are not just passive metrics. People are moving from curiosity to consideration, especially as interest rates begin to ease and affordability improves.

LOAN PRE-APPROVALS



Source: Ray White New Zealand

Loan Market's pre-approval numbers further support this, with 1,296 pre-approvals processed in May, representing a 16.86 per cent increase from April. This forward indicator of buyer intent aligns with what our agents are seeing on the ground. Growing attendance at open homes and more readiness to transact on the right property.



Looking forward, interest rates will remain a defining factor. While short-term mortgage rates are expected to continue easing, longer-term rates are holding steady, giving buyers and sellers a chance to plan with greater certainty.

Key upcoming RBNZ dates to watch:

- **9 July**: Monetary Policy Review and OCR Review
- **20 August:** Monetary Policy Statement and OCR Review
- **8 October:** Monetary Policy Review and OCR Review
- **26 November**: Final Statement and OCR Update of 2025

For sellers, the current climate offers a unique advantage. Buyer engagement and growing pre-approval numbers mean there are qualified, active buyers ready to move. Taking a property to market now could mean less competition and more visibility.

For buyers, conditions are steadily improving. As lending becomes more accessible and interest rates trend downward, the pressure to "wait and see" is softening. Good opportunities exist for those who are well prepared and willing to act decisively.

> "The market isn't surging, it's strengthening. Against a backdrop of global uncertainty and local recalibration, New Zealand real estate remains one of the most transparent, trusted, and resilient asset classes."

Treena Drinnan
Chief Agency Officer, Ray White New Zealand

The market isn't surging, it's strengthening.

Against a backdrop of global uncertainty and local recalibration, New Zealand real estate remains one of the most transparent, trusted, and resilient asset classes. For those ready to make their move, the opportunities are real, and Ray White is here to help you navigate them.

Auctions again barometer of buyer confidence

Sam Steele
Head Auctioneer
Ray White New Zealand

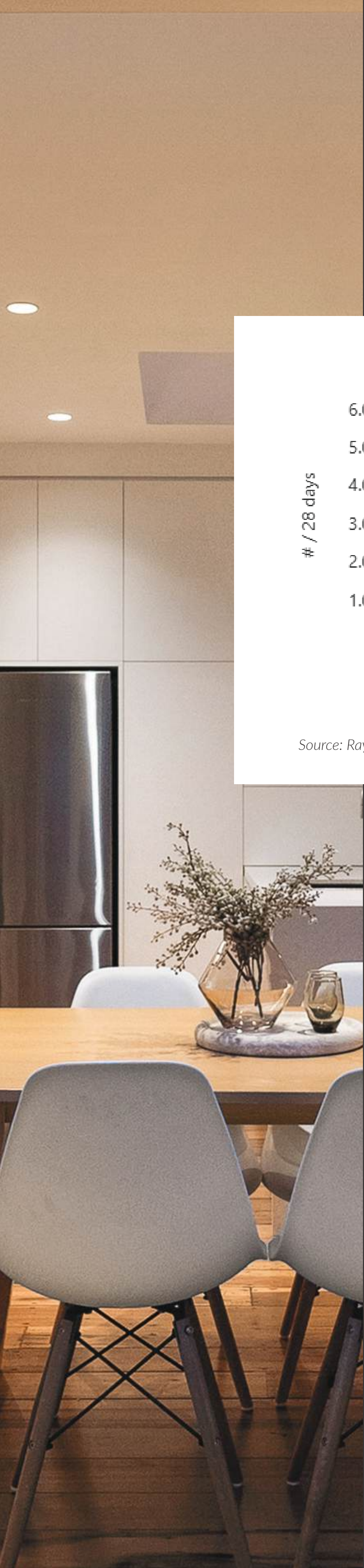
Monetary policy shifts, changes in the lending environment and renewed confidence all continue to shape residential market sentiment, with Ray White New Zealand's May auction performance offering a clear reflection of this evolving landscape.

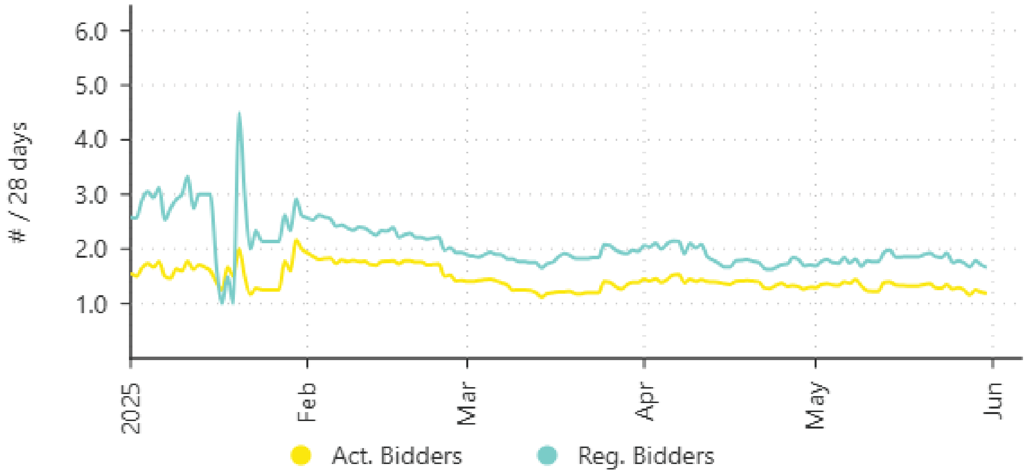
A renewed sense of public confidence — buoyed by seasonal uplift — has created fertile ground for growth, translating into meaningful momentum across our national auction network. Month by month, this energy is compounding, driving stronger results and deeper buyer engagement.

In May, Ray White scheduled 713 auctions nationwide, but the true story lies in the performance metrics.

Month by month, this energy is compounding, driving stronger results and deeper buyer engagement.

Sam Steele
Head Auctioneer, Ray White New Zealand





Source: Ray White New Zealand

The clearance rate lifted to 51.3 per cent, while the average number of registered bidders per auction climbed by 19 per cent to 2.4.

Auctions represented nearly one-third of all properties taken to market, accounting for 32 per cent of total new listings, reaffirming their standing as the method of choice for many sellers.

Our sales teams have observed a noticeable uplift in buyer confidence, evidenced by strong attendance and a growing number of auctions achieving double-digit bidder registrations. While a degree of caution remains, increased stock levels and monetary tailwinds are encouraging active participation on both sides of the transaction.

The transparency and competitiveness inherent in auctions continue to drive superior results, building trust and delivering strong sale prices. As the market evolves through the seasons, Ray White remains steadfast in its commitment to auction excellence.

We are proud to stand among New Zealand's top-performing auction agencies and remain focused on continuing to elevate this success through 2025 and beyond.

Budget 2025: what it means for housing market dynamics in the months ahead

New CoreLogic Buyer Classification data from the first quarter of 2025 reveals a subtle but noticeable shift in market dynamics: a slight pullback by first home buyers (FHBs) and a renewed surge in investor activity, particularly among smaller, mortgaged investors.

Homeowners, prospective purchasers and investors are approaching the second half of 2025 with cautious optimism, following recent announcements by Finance Minister Nicola Willis in the government's Budget 2025.

Ray White New Zealand says the overarching tone of recent announcements reinforces the sense that while the broader economy is slowly stabilising, the onus of recovery has shifted squarely onto the shoulders of the private sector, particularly households and businesses, creating opportunity and burden in equal parts.

Chief executive and principal economist of economic consultancy Infometrics, Brad Olsen, recently dubbed it the 'Switch-It' budget, calling it a careful reallocation of spending that diverts resources to priority areas by trimming others.

"There are few large new promises or spending programmes," Olsen notes. Instead, Budget 2025 appears broadly defined by tough choices and a new normal of fiscal restraint, with the government stepping back as a key growth driver.

"With the government stepping back as the key growth driver, the private sector, including the housing market, is now expected to carry the momentum for recovery."

A TURNING POINT FOR THE MARKET

Following a prolonged period of interest rate hikes and inflationary pressure, the Reserve Bank of New Zealand (RBNZ) has signalled a pause in the tightening cycle, with room to consider rate cuts in 2026.

While Budget 2025 doesn't materially change the monetary policy outlook, its restrained stance on financial management provides reassurance to the central bank that inflationary pressures will remain in check. This dynamic supports a more stable lending environment in the near term.

"Economic recovery is still expected in 2025 and into 2026," Olsen says. "But, at a more restrained pace than previously hoped for." That restraint will likely keep mortgage lending rates steady or gently trending downward, a crucial factor for maintaining housing affordability.

As the cost of servicing debt continues to lessen, house hunters watching market dynamics may feel more confident re-entering the market. Sellers, meanwhile, will need to weigh the benefits of listing now, in a more predictable environment, versus waiting for broader price appreciation that typically takes longer to develop.

PRIVATE SECTOR MOMENTUM

One of the most explicit messages from Budget 2025 is that the government will no longer be the primary driver of economic growth. That task, including housing market performance, is being handed off to the private sector.

"With such a small pot of funds, any new spending initiatives would require savings to be found elsewhere," Olsen notes.

This is mainly due to the government's operating allowance, which is essentially the new money allocated for government spending, being reduced to the lowest level in more than a decade.

Implications for the estate sector are twofold.

First, government capital injections into housing, including large-scale social housing investment, are unlikely to accelerate. Instead, the investment spotlight is on the private sector, where recent policies, including the 'Investment Boost' – a 20 per cent upfront depreciation incentive for new capital investments- are designed to kickstart business-led productivity.

Secondly, local housing markets may see uneven impacts, particularly in areas where government investment was previously a significant employer or driver of infrastructure. With tighter financial management, the knock-on effects could potentially result in slower regional growth and lower property demand outside major centres.

However, stronger recent commodity prices, particularly in dairy, could offset some of this, providing an uplift in export earnings which could translate into increased housing activity, helping to stabilise values and underpin a broader market recovery.

"Improved farmgate returns and rising export prices are breathing confidence back into regional economies, and that optimism is starting to show in housing demand."

HOUSEHOLD BUDGETS AND HOUSING DEMAND

Budget 2025 introduces several changes that, while subtle, could impact household confidence and behaviour, particularly about savings and spending.

KiwiSaver incentives were pared back, halving the government contribution and targeting it at those earning less than $180,000 annually. At the same time, the minimum contributions for both employers and employees will rise to four per cent by 2028.

“These changes shift more of the retirement saving burden onto households and businesses,” Olsen says, with Treasury forecasting slower wage growth as employers offset the cost of higher contributions.

For first-home buyers, these changes may reduce net household income growth, potentially moderating borrowing capacity. However, for seasoned investors or cash buyers, it could mean less competition in the entry-level market and more acquisition opportunities.

Meanwhile, Olsen says that government support is becoming more targeted. Means-testing is now standard practice, from welfare to KiwiSaver to parental assistance, a trend that may continue in future budget programs. This approach signals a broader philosophical shift: households will need to rely on more than their own financial resilience, not the state.

WHAT TO EXPECT IN THE NEXT SIX MONTHS

While the Budget was cautious, it was not austere. Spending is still increasing, just more selectively. “It’s completely incorrect to call it austerity,” Olsen says. Instead, this represents a shift to more sustainable, prioritised public investment —a backdrop that lends itself to a slow but steady recovery.

In the housing market, we can expect:

- **Gradually increasing buyer confidence** as mortgage lending rates stabilise.
- **Ongoing reprioritisation by sellers,** particularly those seeking to offload non-performing assets or downsize in a tighter fiscal environment.
- **Elevated investor interest,** as more private capital is encouraged by government signals such as the ‘Investment Boost’.
- **Continued supply constraints,** which may keep upward pressure on prices, particularly in high-demand urban centres.

Overall, Budget 2025 reinforces a significant economic transition. As Olsen says, “there aren’t necessarily good choices available – just tough ones.” That reality is filtering into households and investor decision-making.

For New Zealand’s residential property sector, the message is clear: with the government pulling back and private momentum taking the lead, the next chapter for real estate will be driven not by policy announcements, but by confidence, capital and timing.

Open banking takes shape

What it means for mortgages, money management, and market competition.

New Zealand is moving toward a more connected and competitive financial future, with the government setting a firm deadline for open banking to go live by the end of 2025.

Commerce and Consumer Affairs Minister Scott Simpson has confirmed the banking industry will be the first to operate under the new Customer and Product Data (CAP) Act 2025 – a cornerstone in the government's plan to shake up tightly held sectors like banking, energy and telecommunications.

Under the new framework, the four major trading banks – ANZ, ASB, BNZ, and Westpac – are required to have compliant open banking systems in place by December 1, 2025, while KiwiBank has until mid-2026 to comply.

BANKING ON CHANGE

Open banking is poised to transform the way New Zealanders interact with their finances.

At its core, the system enables individuals to securely share their banking data with accredited third parties, such as fintech firms and digital lenders, thereby unlocking a wave of innovation across personal finance, lending, and payments.

Minister Simpson says the goal is to inject greater competition into the sector and put power back in the hands of consumers.

"We're leaving no stone unturned to drive innovation and lower costs for Kiwis," he said. "Banks should be fully prepared so customers can take advantage of open banking from day one."

WHAT IT COULD MEAN FOR YOU

With more players at the table and data flowing freely (with consent), open banking is expected to create a ripple effect across the mortgage and finance industries. Here's how it may reshape the financial landscape:

Faster mortgage processing. Open banking can enable advisers and lenders to instantly access verified income and expense data, reducing delays in loan approvals.

Better financial advice and planning. Budgeting apps will be able to offer real-time insights and personalised recommendations based on actual spending patterns.

Better borrowing rates. With more competition comes better pricing. New entrants may pressure traditional banks to sharpen their offers and improve customer service, which is great news for rate-sensitive borrowers.

Easier account switching. Consumers may find it simpler to compare and change banks, leading to more dynamic pricing and better offers.

Smarter subscription management. Apps may help people track recurring payments and cancel unused subscriptions more easily, reducing unnecessary costs.

As the December deadline approaches, the focus now turns to execution, with the promise of a more efficient, transparent, and consumer-friendly financial system waiting on the other side.

Ready or not – the compliance countdown

Zac Snelling
Head of Property Management
Ray White Group

Landlords, sharpen your pencils – the final bell for Healthy Homes compliance rings on July 1, and there's no extra time on the clock.

Zac Snelling, Ray White Group Head of Property Management, says it's the moment of truth for New Zealand's residential investment sector, as regulatory, economic, and social tides converge to reshape the playing field.

"Compliance is no longer a moving target. Rental inflation has eased, tenants have choice, and the idea of the 'reluctant landlord' is rapidly losing favour in an environment demanding professional-level service, standards, and strategy.

"The reality is, good landlords will come through stronger," Snelling says. "Those cutting corners? They've either exited already, or they're next."

THE END OF GRACE

Until now, landlords of new tenancies had a 120-day grace period to meet Healthy Homes Standard requirements, but as of July 1, that disappears, Snelling says.

From that date, every rental home in New Zealand must be compliant or risk censure.

Snelling suggests that only a small percentage of the country's landlords remain non-compliant, many of whom fall into what he calls the 'bare minimum' category – those unwilling to invest in the standard of their assets, often in lower rent brackets.

"These landlords are the exception, not the rule. Fortunately, the majority of investors are ethical, value-driven, and understand that high-quality housing leads to better tenant experiences and improved financial returns," he says.

While some recent media attention has focused on the few rather than the many, Snelling pushes back on the narrative.

"Negative assumptions about residential investment can be misguided. The reality is that private landlords provide a warm, dry, safe home to nearly 500,000 New Zealanders. That's an essential service."

IT'S NOT SET AND FORGET

A key area of confusion surrounds the validity of Healthy Homes certification, with some landlords questioning whether their earlier compliance remains valid today.

"Compliance isn't something you can tick off once and forget about," says Snelling. "You need to show your property complies at the start of a tenancy and that compliance remains in place at all times. It's a living obligation, not a one-off achievement."

Snelling expresses concern particularly for privately managed landlords who may not be aware of the nuanced technicalities within the regulations.

"These are not bad actors, they're just struggling with the complexity. That's where professional property managers make a difference, helping to ensure no one is caught out by a technical oversight."

Snelling says regulators are expected to ramp up compliance enforcement, with government-backed campaigns likely to encourage tenants to report non-compliant homes. However, fears of retribution have the potential to temper this.

RENTAL RULES IN A NUTSHELL

What landlords need to know now

July 1
Final Healthy Homes compliance deadline - no more 120 day grace period

Ongoing compliance
You must prove compliance at the start "and" end of each tenancy

Market shift
Rental inflation is at a 15-year low with more listings and stable rents

Good landlords win
High-quality homes mean better tenants and stronger returns

Stricter enforcement
Expect more checks and campaigns encouraging tenant reporting

Budget 2025 outlook
House prices +5.5% (2026), GDP + 2.9%, OCR to 2.5% by Oct 2025

What's next
Pet tenancy rights and regulation of property managers are coming

Key takeaway
Adapt, invest, stay informed - the age of passive landlords is over

TENANT CHOICE EXPANDS

“Backdropped by all this change, New Zealand’s rental sector has entered a new phase of stability, reflected by muted rental growth and a broad spectrum of properties for tenants to choose from.

“This signals a shift in market dynamics,” Snelling says. “We’re seeing more listings, steady rents, and greater choice for tenants – it’s the most balanced environment we’ve seen in more than a decade.

“A combination of that high inventory, economic caution, and declining migration has contributed to softness in rental inflation, which for landlords, can be mitigated by putting a renewed focus on value and presentation.

“If your property isn’t priced right or presented well, tenants can and will move on quickly.”

A NEW ECONOMIC OUTLOOK

Following bleak reports over the last few years, Snelling says the macroeconomic outlook has turned a corner, supported by Treasury forecasts from Budget 2025, which show:

- House price growth of 5.50 per cent in 2026
- GDP growth averaging 2.90 per cent over the next four years
- Unemployment below five per cent
- Wage growth of 2.70 per cent, outpacing inflation, and;
- A fall in mortgage lending rates, with the Official Cash Rate (OCR) expected to drop to 2.50 per cent by October 2025.

“These are strong signals,” says Snelling. “While there were no major Budget announcements for landlords, the overall picture is one of renewed stability, and in our world, stability supports value.

“This follows successive legislative changes over the last two years to reverse policies seen to have disincentivised landlords from property investment, which in itself will continue to support renewed investor confidence.”

Of headlines claiming that landlords are ‘exiting’ the market en masse, Snelling says ‘untrue’. “The majority of those who were going to divest their assets did so after the last election. Those leaving now are a small group of investors, and often with a lower-quality home they’ve failed to invest in - saying goodbye to these types of rentals isn’t a bad thing for our industry. “

“Compliance is the cost of doing business. If you’re not prepared to work within the parameters, you shouldn’t be providing something as essential as housing.”

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>
> **Zac Snelling**
> Head of Property Management
> Ray White Group

INDUSTRY REGULATION LOOMS

Looking beyond 1 July, changes continue to brew, with new regulations of the property management industry expected imminently.

Snelling, who is a member of the Real Estate Industry New Zealand (REINZ) Residential Property Management (RPM) Sector Group, confirms, “We’re likely to see movement soon, and that’s a critical step toward creating consistency and raising standards industry-wide.

“At the same time, legislative changes regarding pet ownership rights are also on the horizon. Tenants will soon have the right to keep pets, with landlords required to respond ‘reasonably’ to written requests.

“This applies only to new tenancies after the law comes into effect, but it’s another signal of changing dynamics. Landlords should be preparing now – think about pet bonds and clear policies,” Snelling advises.

ADAPTING IS EVERYTHING

With compliance, regulation, and market conditions all poised to evolve quickly, the message from Snelling is clear: stay informed, engaged, and ahead.

“Successful investors understand the importance of professional property management, especially in complex, fast-changing environments. We’re not just about collecting rent – we’re about protecting value, maintaining compliance and delivering outcomes.

“In today’s rental market, landlords do more than just show up, they must show up prepared. Because 1 July is more than a deadline, it’s a line in the sand for the future of residential investment in New Zealand.

For more information about Ray White’s Property Management offering, visit pm.raywhite.com.

About Ray White

Ray White is a fourth-generation family-owned and led business.

Established in 1902 in the small country town of Crows Nest, Queensland, we are proud to have grown into Australasia's most successful real estate business, with over 1,000 franchised offices across New Zealand, Australia, Indonesia, and Hong Kong.

Ray White today spans residential, commercial, and rural property, marine and other specialist businesses.

Now more than ever, the depth of experience and the breadth of Australasia's largest real estate group bring unrivalled value to our customers. A group that has thrived through many periods of volatility and one that will provide the strongest level of support to enable its customers to make the best real estate decisions.

Ray White's first auction house, 'The Shed' Crows Nest, Queensland.

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