

JULY

2025

PROUDLY PRESENTING NEW ZEALAND PROPERTY MARKET INSIGHTS IN REAL TIME

RAY WHITE NOW

FINDING BALANCE





FEATURED PROPERTY

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A message from our chief executive

Dear Property Owner,

The market isn't roaring, but it hums. Quietly. Persistently.

What we're seeing isn't a comeback or collapse, it's a recalibration in real-time. Not the dramatic kind that grabs headlines, but the kind that changes outcomes.

Buyers are no longer just watching; they're shortlisting. Sellers aren't just testing the waters; they're meeting the market. And the once-wide gulf between hesitation and decision is beginning to close.

At Ray White New Zealand, we've seen this shift reflected in our June results. Across our network, we listed 1,495 new properties and achieved 1,383 unconditional sales.

That leaves a difference of just 112 properties – the narrowest margin we've seen this year, and a clear sign that the sales-to-listings ratio is moving back into better equilibrium.

For context, the gap between listings and sales hovered closer to 1,000 properties in March.

This shift indicates a rebalancing of supply and demand, with early signs suggesting that house price momentum may follow in the coming months.

Contributing to this stabilisation is confidence that mortgage rates will continue to ease, supported by the Reserve Bank's (RBNZ) sixth consecutive cut to the Official Cash Rate (OCR) since August, bringing it down to 3.25 per cent.

While a step in the right direction, we believe there's more to be done. Residential demand is driven by three key factors: immigration, interest rates, and economic performance. Right now, only one, mortgage lending rates, is pulling its weight.

With economic growth still uneven and business activity subdued, especially among small business owners who often leverage their homes, further cuts aren't just desirable - they're essential for the economy.

This cautious environment has kept affordability at the forefront for residential decision-makers.

According to Real Estate Institute (REINZ) data, the national lower quartile house price has dropped more than \$90,000 from the peak in late 2021.

At the same time, average mortgage lending rates have eased, making home ownership more achievable than it's been in years, particularly for first-home buyers.

While inventory remains high by historical standards and days to sell have extended, conditions continue to favour those with cash or equity who can negotiate well. But confidence is stirring.

High auction participation and continued strength in our clearance rates underscore a growing willingness to act.

Globally, however, the outlook remains uncertain. The world is moving into a new phase of geopolitical fragmentation.

The return of U.S. tariffs and ongoing trade negotiations have significant implications for New Zealand, particularly in the housing and construction sectors, where supply chains for materials and appliances are vulnerable to global fluctuations.

Amid macroeconomic change, New Zealand stands out as a politically and institutionally stable destination, a key drawcard for global capital seeking 'safe-haven' assets. This is particularly true for the real estate industry.

For those looking ahead, strategy matters.

Whether you're using current conditions to re-enter, trade up, or step in for the first time, informed decision-making is your sharpest tool.

As conditions continue to evolve, it becomes more valuable to act from a place of informed confidence. We hope this edition provides the clarity and insight you need to navigate your property journey.

Please enjoy our 82nd edition of Ray White Now.



A stylized, handwritten signature in white ink, appearing to read 'Daniel Coulson'. The signature is fluid and cursive, with a long horizontal stroke at the end.

Daniel Coulson

Chief Executive
Ray White New Zealand





Why sell now?



Daniel Coulson
Chief Executive
Ray White New Zealand

As we cross into the halfway mark of the year, the residential sales market is neither charging ahead nor retreating. Participants continue to cautiously navigate a complex landscape shaped by economic recalibration, evolving buyer sentiment, and shifting global dynamics, says Daniel Coulson, chief executive of Ray White New Zealand. “For sellers contemplating their next moves, the question resonates louder than ever: Why sell now?”

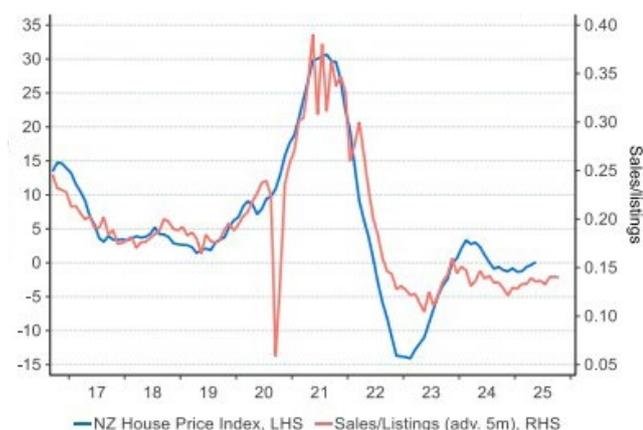
READING THE SIGNALS

Understanding why the time to sell is ripe demands a closer look at the subtle yet telling market signals, Coulson says.

“One of the most useful metrics is the sales-to-listings ratio, a reliable gauge of market ‘heat’ that often predicts house price trends six months in advance.

“Across Ray White’s network in June, the gap between these two numbers was as narrow as it’s been all year, making a significant contraction from March’s nearly 1,000-property difference.”

Coulson says the tightening gap signals a rebalancing act between supply and demand that’s unfolding in real time.



Source: *Reinz, realestate.co.nz, Macrobond, ANZ research*

“The broader market narrative is shifting away from the prolonged imbalance of previous months toward a steadier, more coordinated rhythm. Sellers are returning with confidence, buyers are stepping forward, and the level of hesitation is dissolving.”

THE INVISIBLE HAND

The Reserve Bank of New Zealand’s (RBNZ) sixth straight cut to the Official Cash Rate (OCR), now sitting at 3.25 per cent, sends a clear signal: it’s time to get the economy moving again.

Coulson says that for the housing sector, it’s a meaningful shift, softening mortgage costs and restoring a sense of financial breathing room. However, while policy is loosening, sentiment remains cautious.

“Market performance rests on three things – immigration, interest rates, and economic momentum. At present, only one of those levers is doing any real work. Economic activity remains muted, and business sentiment is at odds with quarterly performance.

“The disconnect between falling rates and careful behaviour isn’t a market failure, it’s a market in transition. For those willing to move ahead of the sentiment curve, it could be a valuable moment to act while others are awaiting confirmation.”

AFFORDABILITY IS MORE THAN NUMBERS

While the frenetic boom of 2021 is still fresh in many memories (when mortgage rates dipped below three per cent and house prices soared), the market today tells a different story.

Nationally, average house prices have softened 14 per cent from their late-2021 peak, which, when combined with reduced borrowing costs, translates to more manageable weekly mortgage repayments for borrowers.

Coulson says, “Consider this: for a home priced at the national lower quartile of \$580,000, weekly mortgage payments with a 10 per cent deposit have fallen to \$738, their lowest since 2021.

“This shifts the affordability needle significantly, especially for first-home buyers who have wrestled with deposit hurdles and rate anxiety.

“For sellers, this is critical. A market offering increased affordability naturally attracts a broader, more active pool of buyers. In other words, properties that are well-priced and well-presented can attract strong interest and competitive offers.”



“Why sell now? Because easing rates and better affordability are bringing buyers back. Because global uncertainty boosts New Zealand’s property appeal. And because a narrowing sales-to-listings gap signals growing opportunity.”

Daniel Coulson,
Chief Executive
Ray White New Zealand

AUCTION ACTIVITY AND THE NEGOTIATION TABLE

“Auction participation continues to improve, and Ray White remains a market leader in clearance rates and auction performance,” Coulson says.

“This is no coincidence. Auctions capture a pulse of buyer demand and confidence, creating environments where decisions are accelerated and market value revealed. Sellers entering this arena can harness competitive tension to their advantage.

“At the same time, with housing inventory hovering at decade highs, and days to sell extending, buyers retain some leverage at the negotiation table.

“This dynamic favours those with cash or equity, enabling sellers to navigate terms and conditions that suit their goals.”

Coulson acknowledges that the playing field is nuanced, but with the help of qualified property professionals, transactions in the current climate can be mutually rewarding for both parties.

COMPLEXITY AND OPPORTUNITY

The ripples of global fragmentation continue to lap at New Zealand’s shores, Coulson says.

“The 90-day pause period on U.S. tariffs ends on 9 July, after which we will see shifting geopolitical alliances continue to reshape the economic environment.

“Although the peace and stability of the post-Cold War era are fading, New Zealand’s strong political and institutional stability make it an attractive haven for investors during uncertain times.

“The potential for ‘flight-to-safety’ capital flows could underpin demand for bricks and mortar assets. However, constraints on foreign direct investment and the risk premium attached to international capital mean that undersupply in housing locally may persist.



“We will wait to see whether this escalates to pressure on prices and rental values in the medium term. Largely, however, sellers stand to benefit from these structural market realities.”

DENSITY, DEMAND AND DEVELOPMENT

Closer to home, Coulson says policy shifts are priming Auckland and other urban centres for transformation.

“The government’s directive for Auckland Council to permit apartment buildings of at least 15-storeys near key transport nodes reveals a clear emphasis on addressing supply constraints, leveraging new infrastructure investment, and vertical growth.

“This upzoning acknowledges the changing preferences and economic realities of house hunters today, many which remain attached to the idea of a standalone home, but are increasingly considering townhouses and medium-density options as more accessible alternatives.

“There is potential here for a long-term tailwind of value appreciation in sub-markets. With housing demand unlikely to be met anytime soon, supply bottlenecks may serve to support value growth.”

TIMING AND CONFIDENCE

Coulson says that the current environment rewards those who move with clarity and confidence.

“Properties positioned strategically, priced realistically, and marketed effectively are primed to attract discerning buyers ready to act.”

He adds that the stars are aligning for a market where patience is still a virtue, but decisiveness is king.

“Why sell now? Because easing mortgage rates combined with improving affordability are drawing buyers closer to the table.

“Because global uncertainty is adding value to New Zealand’s housing stock.

“Because urban centres are evolving, opening up new avenues for development and value creation.

“Because, as the market’s rhythm steadies, and the gap between listings and sales narrows, increasingly the likelihood of further competition and calibrated change.”

Market momentum shifts to premium segment



Atom Go Tian
Senior Data Analyst
Ray White Group

New Zealand's housing market has turned a corner – but it's not picking up where it left off at the last peak.

Instead, recovery is reshaping the landscape, with momentum firmly anchored in the mid-to-premium price tiers.

Ray White Group senior data analyst Atom Go Tian says that a 20 per cent lift in sales across New Zealand since the market trough of 2022 signals growing buyer confidence. However, the bounce-back isn't evenly spread.

“What's emerging is a new centre of gravity. Homes priced between \$500,000 and \$1 million have become the backbone of the market, with this segment accounting for more than half of all completed transactions.

“At the same time, premium sales above \$1 million have found their rhythm, following the volatility of 2020-2022, when high-end sales surged to 40 per cent of the market before dropping away.

“This market segment has now settled into a sustainable 30-32 per cent market share, with 21,620 transactions in 2024, suggesting that confidence is returning among well-heeled buyers, who are re-engaging with the market at predictable levels.”

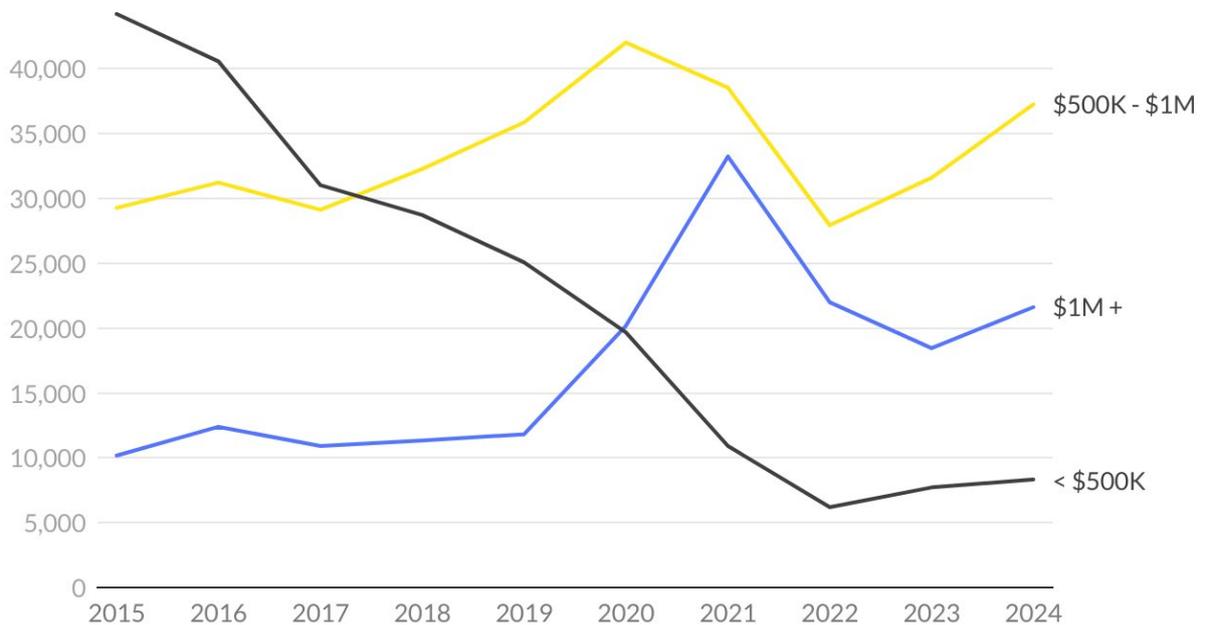
While the top and middle tiers of the market have shown resilience, the story is more subdued at the affordable end. Properties priced under \$500,000 – which once made up more than half of all sales in 2015, now represent just 12 per cent of all market activity.

“Although this segment has seen a modest rise from 6,191 transactions in 2022 to 8,323 in 2024, it reflects stabilisation rather than any meaningful change, as access to affordable housing remains one of the most pressing issues in the market.”



Distribution of house sales by price segment

Count of house transactions by price range for the last 10 years



Source: Ray White Economics, Reinz

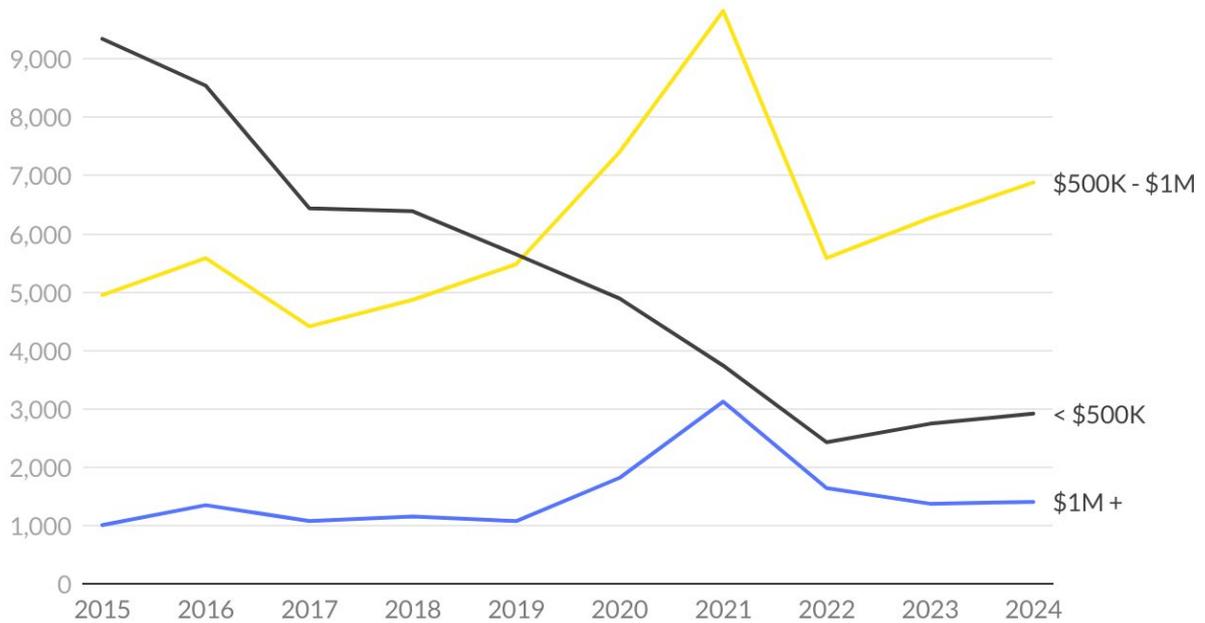
RWN

The market for apartments and units follows a similar trend. While there has been a 16 per cent lift in sales since 2022, rising from 9,654 to 11,207 transactions in 2024, volumes remain nearly 30 per cent below their 2015 levels.

“Again, this strength is concentrated in the \$500,000 to \$1 million price range, with few genuinely affordable options emerging to support first-home buyers or those seeking lower-priced stock.

Distribution of unit sales by price segment

Count of unit transactions by price range for the last 10 years



Source: Ray White Economics, Reinz

RWn.

“The data reinforces a key takeaway: the recovery we’re experiencing is not evenly spread. Rather than a broad-based resurgence across all price points, the market has shifted towards higher-value transactions.

“Whether out of necessity or structural change, that dynamic is reshaping housing accessibility across the board, and underscores the need for continued discussion around affordable housing supply.”

A note about methodology: The analysis draws on the REINZ (Real Estate Institute of New Zealand) dataset, focusing specifically on residential house and unit transactions across New Zealand from 2015 to 2025. To ensure data quality, transactions under \$10,000 were excluded to remove outliers and non-market sales.



Source: Ray White Economics, Reinz

Realigning expectations in a recalibrating market



Treena Drinnan
Chief Agency Officer
Ray White New Zealand

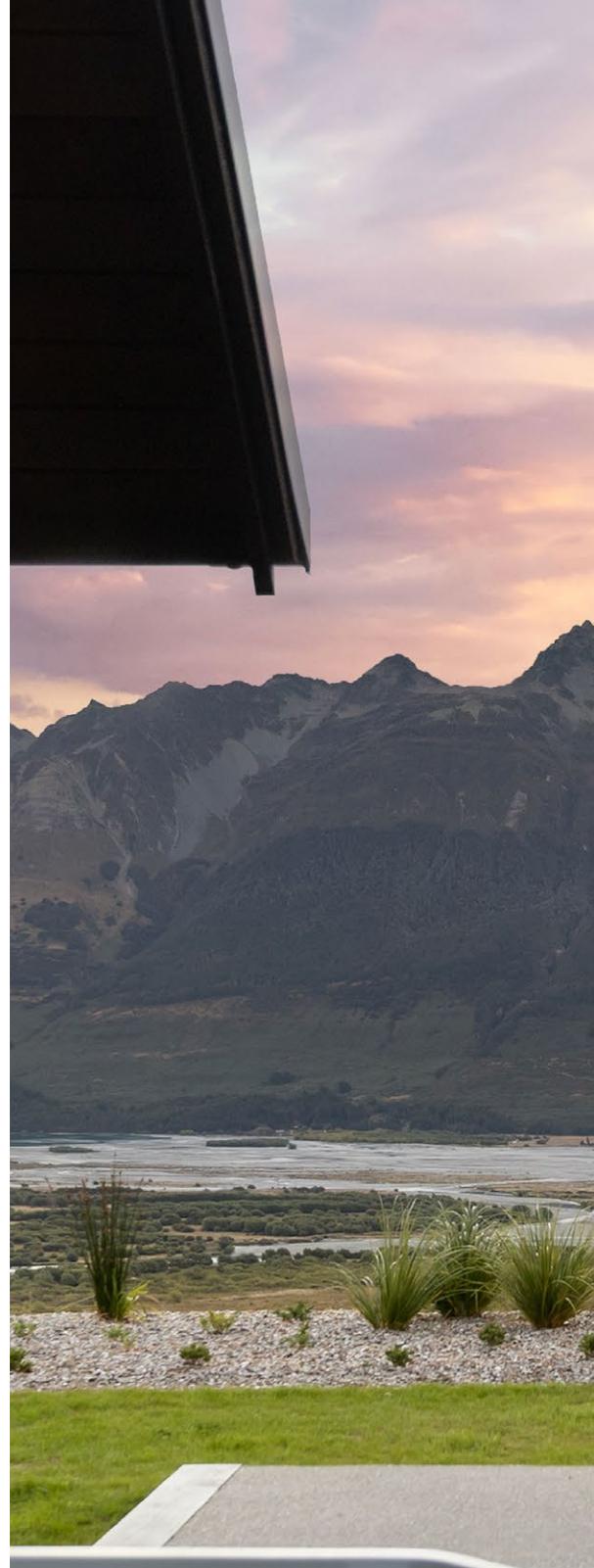
June has provided yet another signal that New Zealand's residential property market is steadily strengthening, not surging, but moving forward with resilience.

There's a shared sense that buyers and sellers are adjusting their expectations in real time. Confidence isn't explosive, but it's building. Currently, those who are prepared are the ones who are progressing.

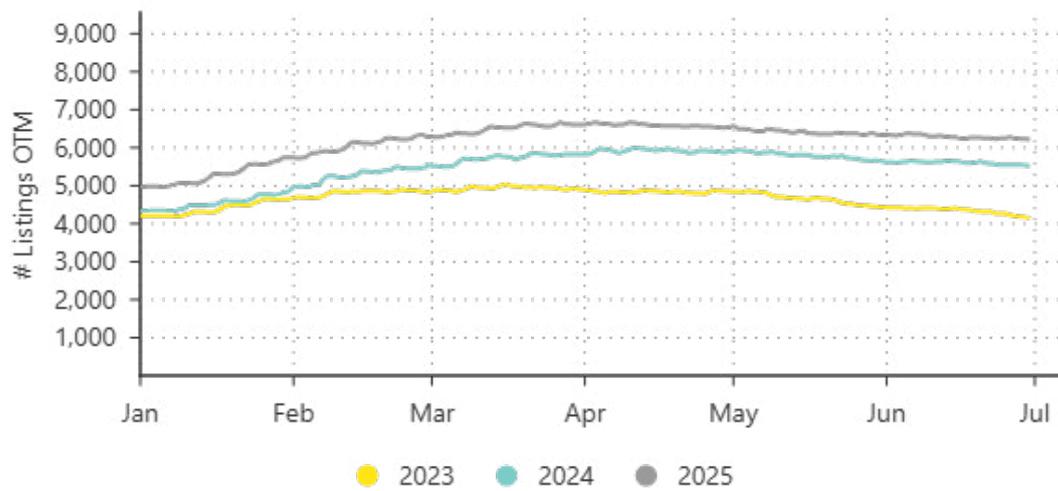
At a macro level, we're navigating a complex blend of forces. May's 25 basis point cut to the Official Cash Rate (OCR), the sixth in this cycle, brought the rate to 3.25 per cent. While the Reserve Bank (RBNZ) is expected to pause in July, further easing is forecast. But monetary stimulus alone is not doing all the heavy lifting.

Annual net migration has dropped sharply from 113,700 to just 32,900, easing some of the population-driven pressure on demand. Meanwhile, rising U.S. tariffs are beginning to affect New Zealand's second-largest export market, adding external strain to our already cautious economy. Together, these shifts are recalibrating the market at its foundations.

And yet, real estate continues to show its durability.



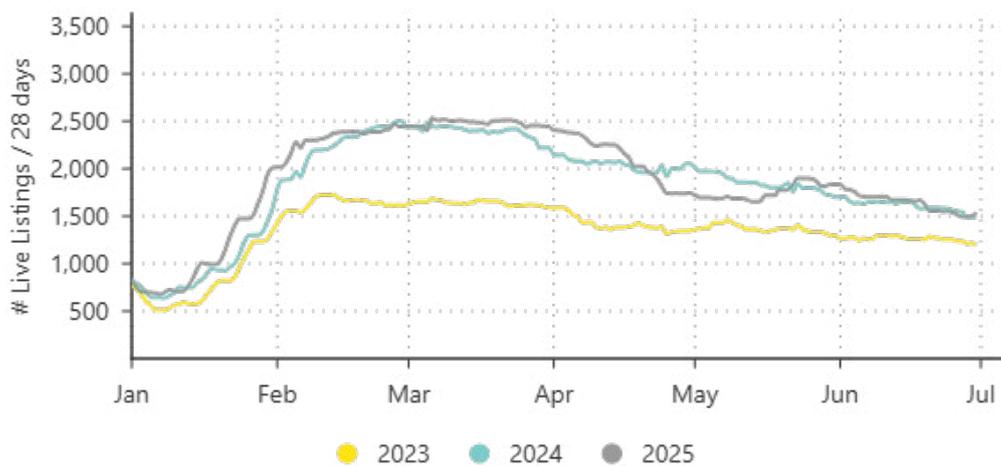
LISTINGS ON THE MARKET



Source: Ray White New Zealand

Across Ray White, we recorded 6,187 properties listed for sale nationally in June, marking a 12.04 per cent increase year-on-year. This strong listing activity reflects sellers' confidence in their ability to meet the market.

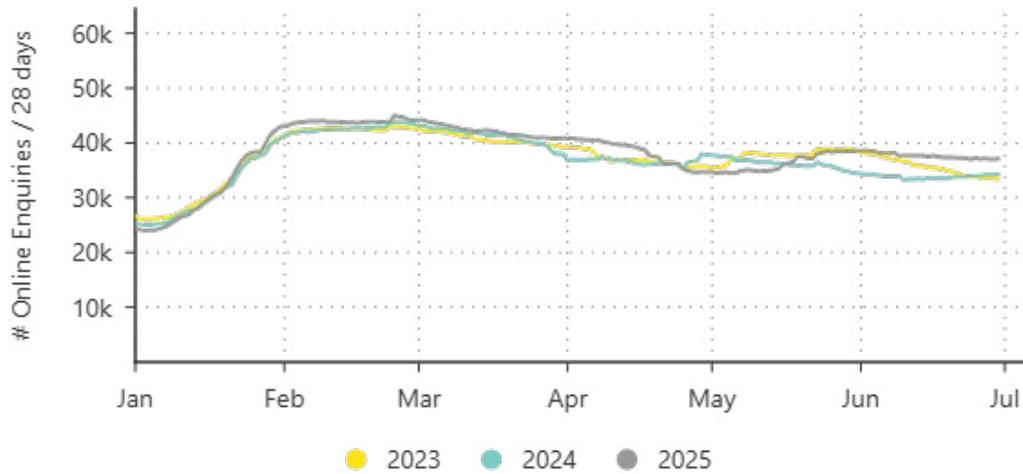
LIVE LISTINGS



Source: Ray White New Zealand

Our live listing count closed June at 1,539, down from the 2,000+ levels seen in February, March, April, and May, reflecting the expected seasonal tapering that often comes with fewer trading days and winter conditions. Still, this represents a 3.22 per cent year-on-year increase, reinforcing that stock levels remain higher than last year and are holding in a more balanced, sustainable pattern.

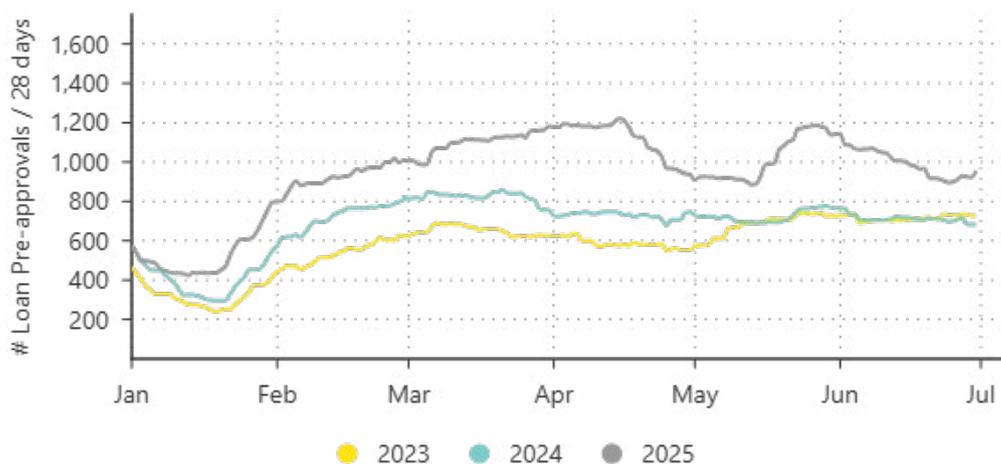
ONLINE ENQUIRIES



Source: Ray White New Zealand

Digital behaviour tells the story clearly. Ray White saw 4.75 million online users in June, a 6.49 per cent year-on-year increase, while online enquiries reached 39,320, up 8.27 per cent. Showcasing real-time engagement.

LOAN PRE-APPROVALS



Source: Ray White New Zealand

We're also seeing action on the finance front. Loan Market processed 973 pre-approvals in June, a 42.04 per cent increase year-on-year, a clear sign that buyer readiness is growing.

Agents are seeing higher open-home attendance, more meaningful conversations, and increased urgency when well-priced properties become available.

LOOKING AHEAD WITH REALISM AND CONFIDENCE

Interest rates remain a key watchpoint. While shorter-term mortgage rates are expected to ease further, longer-term rates are holding firm, creating space for informed decision-making rather than reactive behaviour.

Upcoming RBNZ policy announcements include:

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

IMPLICATIONS FOR BUYERS AND SELLERS

For sellers: Momentum is returning, and well-presented properties that align with current buyer preferences are attracting attention. With stock levels still manageable and competition on the rise, now is an ideal time to enter the market.

For buyers: Conditions are steadily improving. Easing rates, improved affordability, and increased stock mean more choice and greater clarity, but preparation is key. Pre-approval, local insight, and confidence in your budget remain your most significant advantages.

The market may not be booming, but it is rebuilding, steadily and deliberately. And in a global environment marked by uncertainty, the fundamentals of New Zealand's real estate remain among the most trusted and transparent.

Whether you're buying, selling, or simply weighing up your next move, Ray White is here to support your journey with clarity, data, and experience.

Consistent and transparent



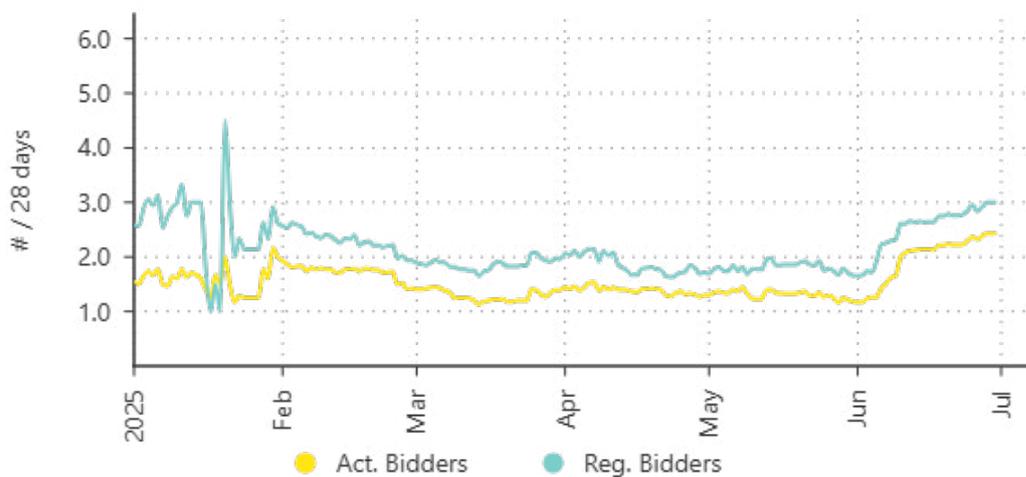
Sam Steele
Head Auctioneer
Ray White New Zealand

Shifts in monetary policy, evolving lending conditions, and renewed public confidence continue to shape the dynamics of New Zealand's residential property market, and Ray White's June auction performance stands as a clear reflection of this transformation.

A seasonal uplift, coupled with growing buyer confidence, has created fertile ground for renewed market momentum. Month on month, this confidence is building, fuelling stronger outcomes and increasing buyer engagement across our nationwide auction network.

In June, Ray White scheduled 553 auctions nationwide. Beyond the volume, however, it's the performance metrics that truly highlight the market's direction.





Source: Ray White New Zealand

The national clearance rate rose to 51.40 per cent, while the average number of registered bidders per auction jumped 48 per cent to 2.7.

Auctions accounted for 31.40 per cent of all new listings – reaffirming their role as a preferred method of sale for many vendors.

On the ground, our sales teams are seeing tangible signs of renewed optimism. Attendance remains strong, and more auctions are attracting double-digit bidder registrations—a testament to growing competition and buyer interest.

While a degree of caution persists, inventory levels and favourable economic signals are encouraging both buyers and sellers to act, especially with a further Official Cash Rate (OCR) announcement this month.

With transparency and competition at their core, auctions continue to deliver premium outcomes, fostering trust and consistently achieving strong sale prices. As the market continues to evolve, Ray White remains committed to setting the benchmark for auction excellence.

We are proud to be among New Zealand's leading auction agencies and look forward to building on this momentum through 2025 and beyond.

What global restructuring means for New Zealand's property market

From trade tensions and shifting capital flows to a recalibration of global alliances, the international landscape is experiencing a fundamental rewire, says economic advisor David Skilling of Landfall Strategy Group and author of the 'Small World' monthly economic policy newsletter.

While implications may feel remote at first glance, the global currents carry real consequences for Kiwi homeowners, investors and the future of New Zealand's housing market.

"Many core features of the global operating environment are being rewired in real time," he says.

We are witnessing a once-in-a-generation shift in the way nations interact with one another. From tariff wars to geopolitical realignment, global fragmentation is no longer a temporary disruption. While headlines often focus on defence, diplomacy or currencies, the ripple effects extend right down to our construction sites, family homes, and investment portfolios.

"We are witnessing a once-in-a-generation shift in the way nations interact with one another. From tariff wars to geopolitical realignment, global fragmentation is no longer a temporary disruption."

TARIFF DISCUSSIONS RESUME

There was once a time when the world's economic architecture was guided by predictability, open trade and coordinated policy. That era is now fading, and its unwinding has significant implications for the property sector in both New Zealand and across Australasia.

"Tariffs are here to stay," says Skilling. With the U.S. imposing a baseline 10 per cent tariff rate on a range of imports, and revenues forecast to reach \$ 2.8 trillion over the next decade, this marks a return to strategic trade policy.

While this policy shift is aimed at reshoring industrial activity to the U.S., the implications will be felt globally.

For New Zealand, a small, export-driven economy, the knock-on effect may show up in the form of increased input costs, longer supply chains, and greater competition in traditionally open markets.

Domestically, this has the potential to reinforce a growing trend: the drive towards self-reliance. For landlords and developers, that may mean sourcing more products locally, building relationships with regional suppliers, and rethinking value-for-money beyond price alone.







A SHIFT IN CAPITAL FLOWS

At the same time, capital flows are beginning to splinter. Trade may be holding up, however, direct foreign investment into many Western markets is declining, Skilling says.

For a country like New Zealand, traditionally reliant on offshore capital to support large-scale developments and infrastructure, including high-rise and Build-to-Rent projects, this shift could pose challenges.

A reduced pool of global funding might slow some developments and exacerbate an existing undersupply of housing. For the rental sector, this could translate into upward pressure on rents in high-demand areas, particularly where population growth remains strong.

Yet, there's a silver lining. In a world where the geopolitical map is being redrawn, New Zealand and Australia are perceived as safe, stable, and attractive investment destinations.

“In a world where the geopolitical map is being redrawn, New Zealand and Australia are perceived as safe, stable, and attractive investment destinations.”

As uncertainty grows in major economies, we're already seeing renewed interest in hard assets. Skilling points to a weakening U.S. dollar, alongside anecdotal evidence of European pension funds and institutional investors reallocating away from the U.S.

“Home bias in capital allocation will become increasingly prominent,” he says. In simple terms, investors are reassessing the safety and profitability of U.S. markets and looking elsewhere, including to ‘safe haven’ economies like New Zealand.

For Kiwi property markets, this is significant. With New Zealand's stable political system, transparent legal structures, and limited land availability in urban centres, real estate remains a magnet for local and approved foreign capital.

In combination with the recent reduction in debt servicing costs, this appetite has the potential to sustain demand, particularly in prime locations such as Auckland, Christchurch, and Queenstown.

DEGLOBALISATION VERSUS DIVERSIFICATION

While Skilling cautions against prematurely calling time on globalisation, he notes that “interruptions to globalisation are more likely to be seen in capital flows than trade flows.”



Indeed, container shipping volumes and digital services exports remain robust, and New Zealand's primary exports have performed well through recent market turbulence.

What this means for Kiwis is nuanced. While trade links remain vital, there's also a case for diversification, particularly in asset classes.

Residential property, long a favourite of Kiwi investors, may be seen as an increasingly reliable hedge in a world of shifting sands.

Moreover, New Zealand's connection to Asia-Pacific growth markets (including rising demand from Australia, ASEAN, and China's shifting domestic consumption) offers a compelling counterbalance to Northern Hemisphere volatility.

Domestically, we're also seeing structural changes that intersect with this new global context. Auckland's recent planning directive to allow apartment buildings of at least 15 storeys near train stations is a clear response to both housing pressure and the need for more resilient urban infrastructure.

For property owners and landlords, this opens the door to new opportunities, including higher-density developments, more diverse tenant pools, and assets that align with broader trends toward sustainable, transit-oriented living.

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.

EFFECTS FOR KIWIS

While headlines scream of global uncertainty, the fundamentals of New Zealand property remain attractive. That said, this is no time for complacency.

Buyers will be well-served by a focus on quality and location, recognising that premium assets are likely to retain their value better in turbulent times.

Sellers, meanwhile, may look to leverage current buyer confidence, supported by the low-interest-rate environment and ongoing demand from well-capitalised investors.

At Ray White, our sales teams across the country are closely monitoring shifting global dynamics. Whether you're considering a sale, evaluating an investment, or seeking market insight, we're here to help you navigate a fast-changing world.

The new global operating environment is not a temporary disruption; it's a structural shift, but for those with proper guidance and local expertise, this new world order may present more opportunities than threats.

Consent process improved as councils lift performance

New Zealand's building consent system is showing signs of improved efficiency, with recent figures from the Ministry of Business, Innovation and Employment (MBIE) indicating faster processing times and increased productivity across local councils.

In the first quarter of 2025, 92.70 per cent of building consent applications and 96.80 per cent of code compliance certificates were processed within the statutory 20-working-day timeframe.

That's up from 88.00 per cent and 93.60 per cent, respectively, when national reporting first began in early 2024.

Building and Construction Minister Chris Penk credits the uplift to a renewed focus on performance, transparency, and accountability.

"The decision to put performance in the spotlight is paying off, and I wish to acknowledge councils who have moved quickly to expedite consenting processes," he said.

Councils collectively processed 31,845 building consent applications, amendments, and code compliance certificates in the first three months of the year, nearly 1,000 more than the same period in 2024.





Loan Market

Although fewer building consent applications are being lodged, the latest metrics paint a positive picture, suggesting that authorities are not only improving processing speed but are also effectively managing workloads, which was once considered a major hurdle to system-wide efficiency.

Further reforms are on the horizon as the Government moves to modernise and streamline processes further.

These include legislation to allow trusted building professionals to self-certify their work, potentially reducing the number of applications requiring council approval.

In parallel, new performance targets will require 80 per cent of inspections by Building Consent Authorities (BCAs) to be completed within three working days.

For homeowners, buyers, and renovators, these changes could deliver greater certainty, faster project approvals, and reduced friction during property transactions – all of which are welcome news in an environment where time and cost certainty matter more than ever.

If you're considering a new build, renovation, or property upgrade and want to understand how the changing consent landscape could impact your plans or how to structure your finances, feel free to get in touch with the team at Loan Market.

Beyond the deadline



Zac Snelling
Head of Property Management
Ray White Group



Congratulations. If you're a landlord or property manager in New Zealand, you've made it through one of the most significant milestones in recent rental sector history: the final deadline for Healthy Homes Standards compliance, which passed on 1 July, says Zac Snelling, Ray White Group Head of Property Management.

"That wasn't just a date on a calendar; it marked a reset for the entire industry.

The standards, perceived by some as burdensome, are not aspirational. They represent the baseline of what residential rental housing should be in 2025 – safe, warm, dry, and decent.

"As someone who speaks to landlords daily, I want to commend the property managers who worked as conduits during this period, and those who invested in their assets and took compliance seriously.

"You've done more than meet a legal requirement; you've raised the bar for the entire sector.

And yet, this isn't the finish line – it's the new normal."

METRICS MATTER

Snelling recalls that shortly after his article ran in the New Zealand Herald over Matariki weekend, a landlord reached out with a seemingly simple question: "Where can I still get a good yield, and what does that look like?"

"It's a question I hear often, but one that requires a deeper answer."

Yes, he says, yield matters.

"As of mid-2025, gross rental yields across the country show significant regional variation, reflecting differing property values and demand dynamics.

"Auckland remains at the lower end with typical gross yields between 2.80 per cent and 3.50 per cent, while outer suburbs may edge slightly higher.

"More affordable centres such as Invercargill offer the highest returns, with yields of 5.50 per cent to 6.50 per cent, albeit with slower capital growth.

"Christchurch continues to lead among major cities, delivering 4.30 to 5.50 per cent, while regions including Hamilton and Dunedin also perform well, supported by strong tenant demand and relative affordability.

"But if you're only chasing a static percentage, you're missing the bigger picture.

Instead, he advises that those playing the long game should shift focus to demand fundamentals.

"Look at Palmerston North, where the opening of the 11.5-kilometre Te Ahu a Turanga Manawatū Taraua Highway (Palmerston North, Ashhurst, to Woodville) has reshaped regional transport and created new housing demand corridors.

"Infrastructure drives migration, and migration drives demand. Demand drives value," he says.

CASHFLOW HAS IMPROVED, IF YOU KNOW WHERE TO LOOK

"Let's talk about what has changed. Tax adjustment, lower inflation, and easing debt servicing costs have delivered some long-overdue relief.

"If you're refinancing under five per cent, rather than the 2023 peaks of seven per cent, you could be saving thousands annually.

"Lenders, including the country's largest - ANZ Bank - are again offering 'interest-only' options, a short-term benefit that helps liquidity. But many landlords are still running their properties like a slow cooker: set and forget.

"Landlords in the current climate are best served by agility – think air fryer, deliberate, versatile, and efficient.

"Now is the time to refinance, revalue, and rebalance. The upside is there, but it won't unlock itself," Snelling says.

"Now is the time to refinance, revalue, and rebalance. The upside is there, but it won't unlock itself," Snelling says.

Zac Snelling

Head of Property Management
Ray White Group

THE PET CLAUSE IS COMING

Soon, new tenancy laws will require landlords to reasonably accept pet requests, he adds. “This will be disruptive but represents another opportunity.”

“One in three Kiwi households has a pet. Yet, many landlords remain reluctant to engage on the subject. That mindset needs to shift. Smart landlords are already discussing pet-specific policies with insurers and implementing clear agreements that protect their assets while respecting their tenants.

“Why? Because pet-friendly homes often lease faster, attract better tenants, and experience lower turnover. When tenants feel at home, they’re more likely to stay and treat the home with care and respect, like it’s theirs.”

COMMUNICATION IS CURRENCY

Snelling says that if you haven’t spoken to your tenant in the past month, you’re doing it wrong.

“Great tenancies start with great relationships. With rental inflation at a 15-year low, tenants have options.

“If you’re not offering value, someone else will. Proactive communication helps identify issues early, builds goodwill, and prevents disputes.

“A quick check-in today could prevent a costly vacancy tomorrow.”

A FRAGMENTING WORLD

“Zooming out, the global macroeconomic picture is shifting,” he adds.

“The return of U.S. tariffs under President Trump 2.0, ongoing geopolitical fragmentation, and weakening foreign direct investment flows all suggest capital is becoming more selective. New Zealand stands to benefit in some areas.

“Our political stability, transparent institutions, and high-quality real assets make us attractive for capital flight from riskier regions. A weaker USD also makes NZD-denominated assets relatively more appealing.

However, global liquidity tightening may lead to changes in borrowing conditions.

“Meanwhile, domestic dynamics are evolving. Auckland Council has been directed to support higher-density housing near City Rail Link stations, but standalone homes still dominate Kiwi aspirations.

“Townhouses remain a popular middle ground, and value gaps in three-and four-bedroom homes have narrowed, presenting interesting trade-up and downsize opportunities.”

A LOOK UNDER THE HOOD

Despite headlines about landlords exiting the industry, Snelling says the reality is not quite as black and white as it appears

“Yes, some investors are currently selling up, but by and large, those who wanted out have already left. What remains is a core of committed, strategic investors, poised to benefit from an undersupplied market.

“Investor-targeted sales listings have dropped. One-bedroom units remain scarce. Rents are down nationally, but only \$27 a week on average. In Otago, they have surged by 10.80 per cent.

“National trends obscure local nuance, which is why local expertise matters, and we encourage anyone considering their investment options to reach out to our nationally positioned teams for on-the-ground advice.”

YOUR GUIDE TO WHAT’S NEXT

“As we pass the compliance threshold, the next phase is not about survival, but optimisation.”

Ray White has just relaunched our **Landlord Guide**, a comprehensive resource that provides everything investors need to make informed decisions in the current climate.



Scan the QR code
to access it for free.

“In an environment defined by nuance, agility and complexity, success is no longer just about owning an investment; it’s about managing it well.”

Snelling says, “Ask yourself, when was the last time you reviewed your property portfolio like a business?”

“The best landlords aren’t reacting to change; they’re already one step ahead of it.”

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



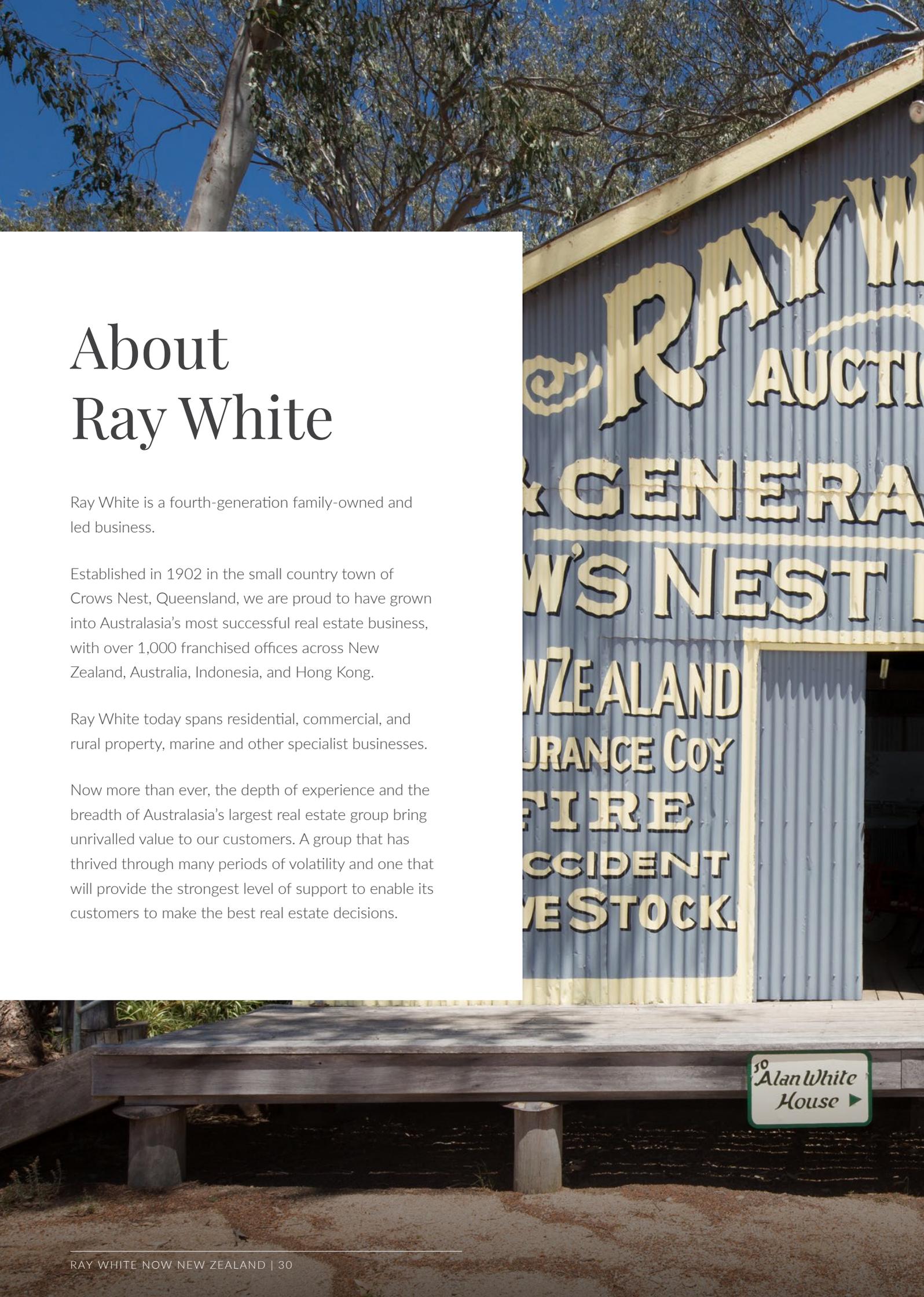
About Ray White

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.



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AUCTIONS
& GENERAL
CROWS NEST
NEW ZEALAND
INSURANCE COY
FIRE
ACCIDENT
LIVESTOCK

¹⁰ Alan White
House ▶

WHITE,
PIONEER,
REAL ESTATE
AGENT.
LAND OFFICE.
FARM
IMPLEMENT
& DAIRYING
MACHINERY

OFFICE

The first Ray White Real Estate office
Crow's Nest, 1902
Moved to this site and restored in 1994
by the White Family

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



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