

AUGUST

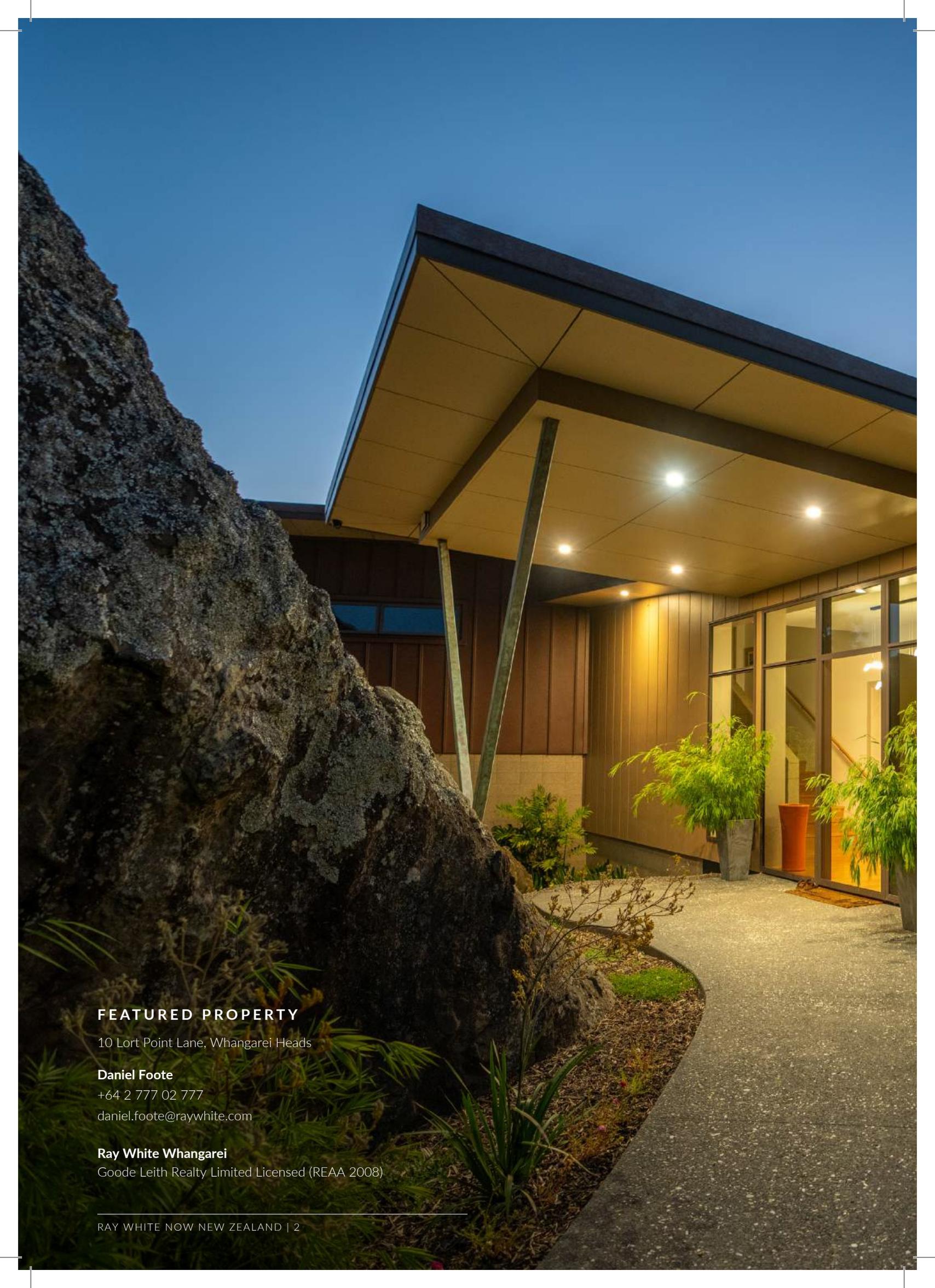
2025

PROUDLY PRESENTING NEW ZEALAND PROPERTY MARKET INSIGHTS IN REAL TIME

RAY WHITE NOW

HOLDING THE LINE





FEATURED PROPERTY

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Goode Leith Realty Limited Licensed (REAA 2008)

Contents

- 4 A MESSAGE FROM OUR CHIEF EXECUTIVE
- 7 WHY SELL NOW?
- 10 ECONOMICS: WHERE ARE PROPERTY VALUES NOW?
- 14 EXECUTIVE MESSAGE: STEADY FOUNDATIONS,
SMART DECISIONS
- 18 AUCTIONS: BIDDING WITH CONFIDENCE
- 20 FEATURE EDITORIAL: RESETTING THE MORTGAGE CLOCK
- 24 LOAN MARKET: YOUR SAVINGS ARE SAFER
- 26 PROPERTY MANAGEMENT: SMART MOVES IN STILL TIMES
- 30 ABOUT RAY WHITE

A message from our chief executive

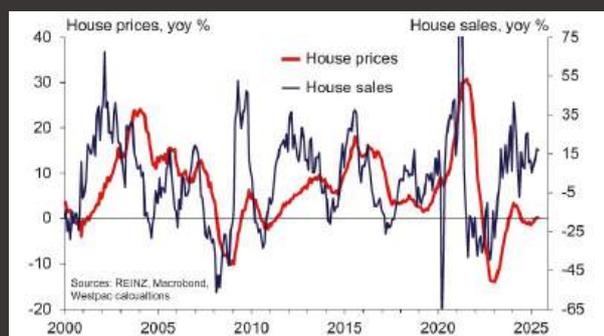
Dear Property Owner,

Fireworks will wait until November, as we cross into the second half of 2025, the performance of our residential property market continues to confound those seeking a dramatic recovery.

While sales activity is up 17 per cent year-on-year, property prices have barely budged. It begs the question – how can the market be busy, yet so still?

The answer lies in the interplay of interest rates, sentiment and policy.

Since 2021, household wealth has plateaued, compounded by stagnating property values – Kiwis' most significant store of wealth and leverage. Until we see a more meaningful lift in wage growth, stronger population momentum, or more decisive monetary easing, buyers are likely to remain cautious, and the long-term average of 3.50 per cent annual real house price growth will remain out of reach.



Source: REINZ, Macrobond, Westpac

Still, this caution is not the same as disinterest. Across our network, we're seeing consistent engagement from buyers, particularly in key centres including Auckland and Christchurch.

Auction attendance is strengthening, and the ratio of bidders is trending at an encouraging 3:1. It's clear that the market is active, just more measured.

This behaviour aligns with the growing belief that we've hit the interest rate trough.

Although the Reserve Bank (RBNZ) disappointed some by holding the Official Cash Rate (OCR) steady in July, all eyes are now on the 20 August announcement, which could deliver the further rate cut the market has been waiting for.

With around half of all fixed-rate mortgages due to reprice by the end of the year, borrowers stand to benefit from lower servicing costs, potentially freeing household budgets and unlocking deferred demand.

There are broader reasons for optimism, too. International trade uncertainty is clearing, with the U.S. announcing deals covering

circa 60 per cent of New Zealand's trading partners, including ourselves, Indonesia, Japan, and the European area.

Domestically, export sectors are enjoying high commodity prices, and business confidence continues to rebound. Though employment levels have dipped, many commentators view this as a lagging indicator, not a structural decline.

Meanwhile, whispers of policy change are stirring interest at the upper end of the market. New Zealand First leader Winston Peters' recent comments suggest a potential softening of the foreign buyer ban, particularly for high-value homes – a policy championed by the National party during the last election.

While such a move has the potential to impact less than 0.50 per cent of the country's total housing stock, it may well have an outsized impact on premium segments, including Queenstown and pockets of Auckland.

At a national level, however, the market remains subdued, with capital growth constrained by tighter regulation, among other things. However, recent policy shifts, including the return of interest deductibility and a softened bright-line test, are supporting investment activity by easing some of the operational pressure around compliance, rates and insurance costs.

Some may view this 'holding pattern' as a disappointment, particularly after early forecasts pitched 2025 as a year of rebound. But, flat doesn't have to mean fragile. In fact, a stable, neutral market allows both buyers and sellers to act with greater clarity, free from the pressure of rapidly shifting conditions.

For the first time in a long time, we are seeing the return to true seasonality, where spring listings matter and timing becomes tactical rather than emotional. Perhaps that's the silver lining. After a decade of extremes – booms, busts, lockdowns, and liquidity, we have the opportunity now to engage with a market that's steady, not spiking.

We hope this edition equips you with the insight and confidence to explore that opportunity with clarity.

Please enjoy our 83rd edition of Ray White Now.



Daniel Coulson

Chief Executive

Ray White New Zealand





Why sell now?



Daniel Coulson
Chief Executive
Ray White New Zealand

Kiwis had high hopes for 2025 and New Zealand's residential property market. It was to be a fresh chapter after years of volatility. However, price growth has remained flat, economic data has been patchy, and many households are still feeling cautious.

For all the anticipation, the year has so far delivered stability, rather than a spectacle.

That's not necessarily a bad thing, says Daniel Coulson, Ray White New Zealand Chief Executive. "In fact, a flat market brings with it a kind of clarity – a foundation on which to make better, more deliberate decisions."

"Beneath the surface, there are signs that momentum is building, and for those looking to sell, there are real reasons for action."

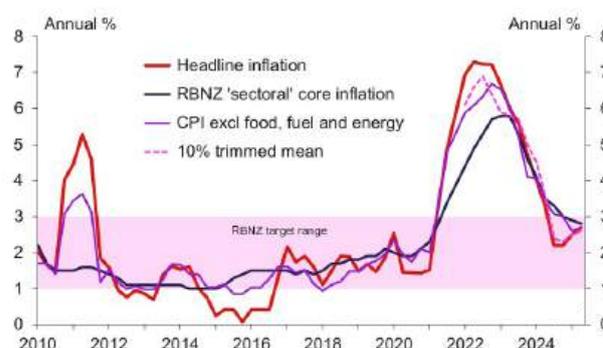
INTEREST RATES AND INFLATION

Headline inflation is creeping toward the upper edge of the Reserve Bank's target band, with Consumer Price Index (CPI) rising to 2.70 per cent in the year to June.

The increase primarily came from non-discretionary costs, including food, rates and power. But, under the surface, inflation in interest-sensitive areas such as housing and services has softened.

With tradeable (imported) inflation rising again, and the full impact of previous interest rate reductions still making their way through the financial system, market watchers are betting on a 25-basis-point cut to the Official Cash Rate (OCR) in August.

For sellers, the evidence of buyer demand is building. "Activity indicators are rising," Coulson says. "Our auction rooms across the Ray White network are filling up, bidder numbers are increasing, and confidence is quietly returning."



Source: RBNZ, SNZ, Westpac

"Recent auctions, particularly in more affordable pockets of South Auckland, Waikato and Canterbury, are showing higher clearance rates, potentially the first signals of an upward trend for competition and value growth."

"Buyers and sellers will be watching interest rate movements closely over the coming months, as falling rates continue to unlock opportunities – whether that's buying at a more favourable rate, or selling into a market that's warming up."

“Buyers and sellers will be watching interest rate movements closely over the coming months, as falling rates continue to unlock opportunities – whether that’s buying at a more favourable rate, or selling into a market that’s warming up.”

Daniel Coulson
Chief Executive, Ray White New Zealand



RARE MOMENT OF BALANCE

Roughly half of New Zealand’s mortgages will roll onto new rates over the next six months, freeing up cash flow and lowering debt servicing costs for many households. Meanwhile, fixed mortgage lending rates in new lending have dropped below five per cent, creating an impetus to transact.

Coulson says this is evidenced by new RBNZ data showing mortgage refinancing activity in June reached its highest level since records began in 2017, with more than 3,500 borrowers switching lenders and refinancing nearly \$2.5bn in loans.

“The RBNZ noted this was a record share, and the incentive to switch providers continues to intensify competition across New Zealand’s lending landscape.”

The switching surge also reflects shorter loan terms, maturing fixed rates, and rising borrower awareness, trends that are expected to persist through 2025, supporting housing market activity.

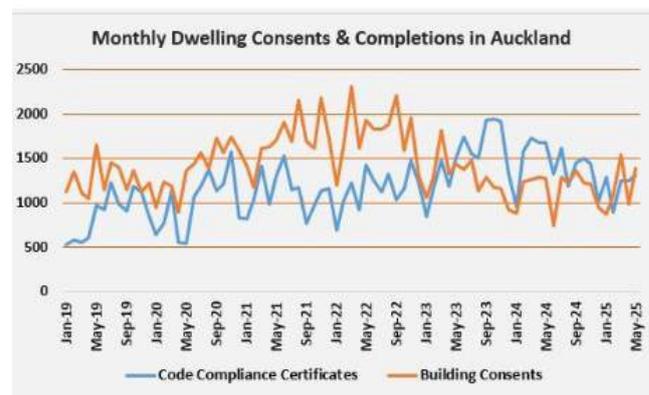
According to Coulson, this provides house hunters with a rare momentum of balance.

“So far, the number of house sales has climbed 17 per cent over the past year, with stronger participation from first-home buyers and investors. Yet, prices have barely budged, lifting just one per cent over the first half of 2025.

“For the first time in years, sellers aren’t chasing falling prices, and buyers aren’t priced out by soaring debt. This balance creates opportunity, especially for homeowners who have outgrown their space, and investors eager to recycle capital.”

POLICY AND POLITICS

This new steadiness reflects broader forces at play. Dwelling completions are levelling off, indicating that the worst construction downturn may be behind us.



Source: SNZ, interest.co.nz



At the same time, policy uncertainty is easing, with the government reiterating its focus on housing supply and affordability.

“Calls for a Capital Gains Tax (CGT) are back in the spotlight, with one industry body recently urging the government to broaden the tax base to address pressure on New Zealand’s financial system.

“While any CGT would likely apply only to future asset purchases, the mere prospect of tax changes often influences future investment decisions.

“For buyers, acting before any potential initiative is introduced could future-proof their investment. For sellers, the current tax-free gains on residential property mightn’t last forever, making now a strategic time to realise value.

“When reform is on the table, timing is everything.”

Globally, trade tensions are de-escalating, and commodity prices remain firm, supporting New Zealand’s export sector and regional economies.

Coulson says that the alarm following U.S President Trump’s ‘Liberation Day’ tariff announcements in April has abated, supported by the confirmation of new trade deals with key partners, which have reduced uncertainty around growth and inflation.

“While global sentiment has improved, the recent 15 per cent announcement of New Zealand’s exports has some sectors on alert – particularly given how this lines up with

competing products from Australia and the U.K., which have a lower 10 per cent baseline tariff rate.

“What this means for business confidence remains to be seen; however, it has the potential for downside risk to housing forecasts when added to a soft labour market.

“Despite this, interest rate relief will continue to support household budgets, and with it, confidence will build, which is a powerful ingredient for housing market demand.

FLAT DOESN’T MEAN FRAGILE

“While 2025 hasn’t delivered the explosive rebound some had hoped for, it has laid the groundwork for a healthier, more sustainable cycle. The emotional highs and lows of the past decade, from speculative booms to pandemic-induced busts, have given way to something more measured.

In markets like this, steady, not sensational, the real opportunity lies in being ahead of the curve, Coulson says. “Momentum is quietly returning, and those who act early tend to shape the cycle, not chase it.”

“What we have now are functional fundamentals: credit is loosening, competition is rising, and conditions are aligning for considered moves.

“For homeowners looking to upsize, investors eager to pivot, or sellers weighing their next step, it is a market that will reward action over hesitation. Not because it’s booming – but because it’s working. In real estate, that’s when the smart money moves.”

Where are property values now?



Atom Go Tian
Senior Data Analyst
Ray White Group

New Zealand's housing market held steady this June, as the national median house price edged up slightly to \$770,000 – barely changed from May's \$766,000. It's the latest sign of what has become a defining feature of 2024: a remarkably stable market, with prices hovering in a narrow \$750,000 - \$801,000 band since early 2024.

WINTER OF PAUSE, NOT PUSH

Historically, June is one of the calmest months for house prices, and 2025 was no exception. Monthly shifts tend to sit within a tight range of -0.5 per cent to +0.5 per cent, with only outliers like the pandemic-fuelled spike in 2020 breaking the pattern. This year followed the usual rhythm: as winter set in, market activity cooled sharply.

Sales dropped 20 per cent month-on-month to 5,865 transactions, and new listings fell 19 per cent to 7,277. Despite a lower level of monthly activity, prices held firm, a sign of a balanced market where both buyers and sellers have the luxury of time.

For homeowners, this means less urgency but greater predictability. For professionals, it's a reminder that the current market is stable, but also highly sensitive to localised conditions.



New Zealand 10 year price trend

National median house price as of June 2025



Source: REINZ, Ray White Economics

RWN

CITIES IN CATCH-UP MODE

Looking closely at major cities reveals a pattern: those that fell furthest during the 2022-2023 downturn are now recovering faster. Hamilton (+6.50 per cent) and Tauranga (+4.10 per cent) are leading the rebound after steeper corrections, while Auckland (-4 per cent) and Wellington (-3.70 per cent) – which weathered the earlier downturn with more resilience – are now seeing late-cycle softening.

Auckland remains New Zealand's most expensive market at \$1.20m, sitting 56 per cent above the national median. Wellington and Tauranga are clustered around \$860,000-\$890,000, while Hamilton (\$741,000) and Christchurch (\$661,000) remain closer to the national midpoint.

This catch-up pattern underscores that the recovery is not one-size-fits-all. Local conditions, including affordability, population growth, and available stock, are shaping each city's trajectory.

Price growth by major city

Median house price as of June 2025 vs 2024 and 2022

Major City	Price	1Y Growth	3Y Growth
Hamilton City	\$741,000	6.5%	-10.2%
Tauranga City	\$890,000	4.1%	-8.2%
Christchurch City	\$661,000	-2.8%	-5.6%
Wellington City	\$860,000	-3.7%	-3.9%
Auckland City	\$1,200,000	-4.0%	-1.6%
New Zealand	\$770,000	0.0%	-9.4%

Source: REINZ, Ray White Economics



SOUTH ISLAND STEPS FORWARD

Zooming out, the South Island is stealing the spotlight. Four of the top five regional performers over the past year are located south of the Cook Strait, with affordability emerging as a key theme.

- **West Coast** leads the nation with 35.50 per cent annual growth and 42.10 per cent gains over three years, all from a base price of just \$420,000 – still the most affordable region in the country.
- **Marlborough** shows 21 per cent annual growth, though its longer-term performance is more muted at 4.10 per cent over three years.
- **Otago** is up 15 per cent year on year but remains slightly down (-4 per cent) across three years.
- **Southland** has gained 14.50 per cent in the past year and 12.50 per cent over three years.

By contrast, many North Island regions are trading water or slipping backwards, dragged down by higher prices and stretched affordability. In general, markets below the \$650,000 price threshold are showing the strongest momentum, while those above \$800,000 are struggling to regain traction.

URBAN MARKET COOLING

The big centres – Auckland (-3.40 per cent), Wellington (-4.40 per cent) and Christchurch (-2.20 per cent) – continue to post annual declines. Of these, Christchurch is proving the most resilient, down just 1.50 per cent over three years, compared to Auckland’s sharp 13.30 per cent fall, and Wellington’s 10.40 per cent reduction.

Christchurch’s resilience reflects relative affordability and a more balanced supply-demand picture. It also highlights that even within a national ‘buyers’ market’, there are significant differences in trajectory depending on location and price point.

Price growth by region

Median house price as of June 2025 vs 2024 and 2022

Region	Price	1Y Growth	3Y Growth
West Coast Region	\$420,000	35.5%	42.1%
Marlborough Region	\$750,000	21.0%	4.1%
Otago Region	\$720,000	15.0%	-4.0%
Southland Region	\$502,500	14.5%	12.5%
Nelson Region	\$700,000	8.0%	-10.8%
Hawke's Bay Region	\$700,000	5.7%	2.2%
Bay of Plenty Region	\$822,000	5.1%	-8.7%
Waikato Region	\$735,000	3.5%	-12.4%
Tasman Region	\$739,000	2.3%	-14.6%
Northland Region	\$635,000	0.8%	-10.6%
Taranaki Region	\$620,000	-0.8%	7.8%
Canterbury Region	\$675,000	-2.2%	-1.5%
Manawatu-Wanganui Region	\$530,000	-2.3%	-8.3%
Auckland Region	\$990,000	-3.4%	-13.3%
Wellington Region	\$760,000	-4.4%	-10.4%
Gisborne Region	\$587,000	-4.6%	-5.3%
New Zealand	\$770,000	0.0%	-9.4%

Source: REINZ, Ray White Economics



Whilst the pace of recovery may moderate without fresh monetary stimulus, the fundamentals support continued gradual improvement. The regional divergence, with affordable South Island markets leading growth whilst expensive urban centres adjust, indicates this recovery will be uneven but sustainable, driven by affordability thresholds rather than speculative momentum.

This is a more sustainable type of growth – driven by genuine demand, not speculation, and as spring approaches, all eyes will be on whether this stability turns into momentum.

Steady foundations, smart decisions



Treena Drinnan
Chief Agency Officer
Ray White New Zealand

As we move through the second half of 2025, the market continues to exhibit the hallmarks of stabilisation, not sensational growth, but dependable signals that are giving both buyers and sellers the clarity they've been waiting for.

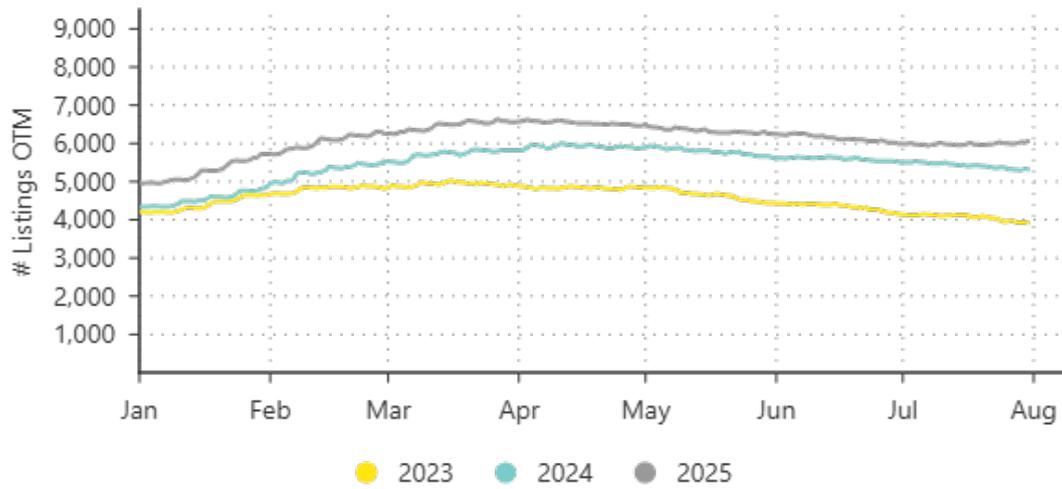
The combination of softer net migration, recent trade uncertainty, and the Reserve Bank's (RBNZ's) decision to hold the Official Cash Rate (OCR) at 3.25 per cent underpins the softer, yet improving market conditions we have seen over much of the year.

While July's OCR stay broke the streak of six consecutive rate cuts, the RBNZ has signalled that further easing remains possible if inflationary pressures continue to subside. Their approach reflects a careful balancing act, supporting domestic recovery without reigniting financial imbalances.

And it's working.

Buyer activity continues to build, and seasonal dynamics are bringing a healthy rhythm back to stock flow.

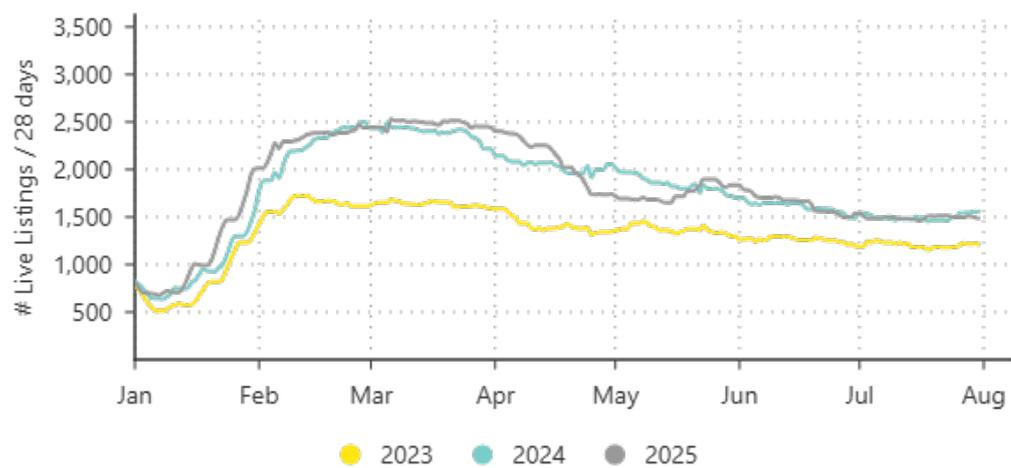
LISTINGS ON THE MARKET



Source: Ray White New Zealand

In July, Ray White recorded 6,015 properties listed for sale, a 13.32 per cent increase year-on-year. This sustained listing activity reflects a consistent level of seller confidence, with many coming to market with well-prepared campaigns and a firm understanding of where the market sits.

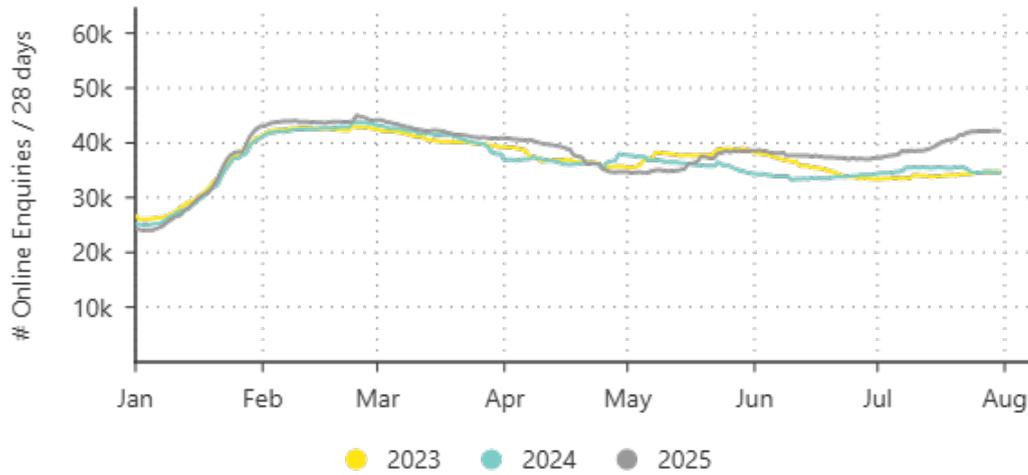
LIVE LISTINGS



Source: Ray White New Zealand

Our live listing count closed July at 1,748, down 2.35 per cent year-on-year. While slightly softer than previous months, this reflects a typical mid-winter plateau, not a reversal. Importantly, stock remains steady, giving buyers more choice without oversaturating the market.

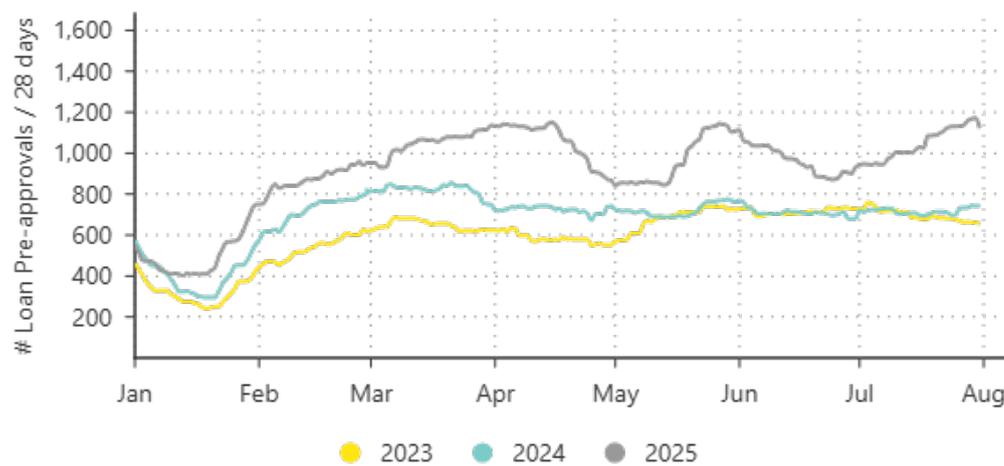
ONLINE ENQUIRIES



Source: Ray White New Zealand

Buyer engagement continues to lift. Ray White recorded 5.21m online users in July (+13.13 per cent year-on-year), and 47,260 online enquiries — a significant 21.59 per cent jump compared to July 2024. This isn't just passive interest, it's active intent.

LOAN PRE-APPROVALS



Source: Ray White New Zealand

Refinancing activity is also ramping up. Loan Market processed 1,384 pre-approvals in July, a 62.25 per cent year-on-year increase. It's the clearest sign yet that buyers are not just browsing; they're preparing to transact.

WHAT IT MEANS FOR BUYERS AND SELLERS

For sellers: The right stock is moving. Properties that are well-priced, well-marketed, and aligned with buyer expectations are seeing strong enquiry and competitive interest, particularly in markets where overall listing volumes remain measured.

For buyers, pricing pressure is moderating, and competition is still relatively contained. With affordability improving due to repricing, those with pre-approval and local insight are in a strong position to act decisively, before momentum accelerates heading into spring.

Key dates in 2025:

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

THE BOTTOM LINE

This market may not be booming, but it's working. Real estate is stabilising around stronger fundamentals, and we are seeing the early signs of tactical movement.

For households coming off higher fixed rates, the coming months may offer meaningful relief and increased mobility. For buyers, clarity is returning. And for sellers, confidence is well placed.

Success in this market isn't about waiting for a surge; it's about preparation, timing, and acting with intent. Whether you're stepping forward now or planning your next move, Ray White is here to help you navigate with confidence.

Bidding with confidence



Sam Steele
Head Auctioneer
Ray White New Zealand

Unchanged monetary policy, reductions in debt servicing costs, and a renewed sense of confidence continue to shape sentiment in New Zealand's residential property market, with Ray White New Zealand's auction performance in July offering a compelling commentary of this dynamic environment.

The seasonal uplift has contributed to more rewarding conditions, fuelling momentum across our national auction network. Each passing month sees this energy compound, delivering stronger outcomes and deeper engagement from buyers.

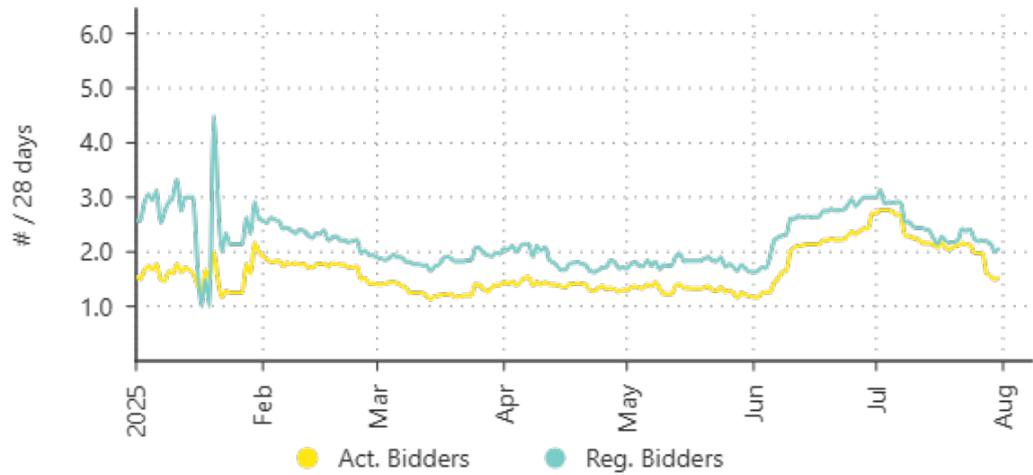
In July, Ray White conducted 463 auctions nationwide.

Yet, it's the underlying performance indicators that tell the real story.

The clearance rate rose to 51.50 per cent, while the average number of registered bidders per auction increased by 14 per cent to 2.8 per auction.

Auctions accounted for 34.10 per cent of all new property listings—underscoring their enduring appeal and positioning them firmly as the preferred method of sale for many sellers.





Source: Ray White New Zealand

Our sales teams report a marked uplift in buyer activity, with strong attendance and a notable rise in auctions attracting double-digit bidder registrations.

While elements of caution remain, increased listing volumes and supportive economic conditions are encouraging greater participation from both buyers and sellers.

These increases were encapsulated by the 10th annual mega auction event 'The Day' held by Ray White AT Realty in South Auckland. Here, 50 properties went under the hammer, and close to 300 registered buyers participated in spirited bidding.

The transparency and competitive nature of the auction process continue to deliver exceptional outcomes, fostering trust and delivering results. As the market continues to evolve, Ray White remains unwavering in its commitment to auction excellence.

We are proud to be recognised among New Zealand's top-performing auction agencies—and remain focused on carrying this success into 2025 and beyond.

Resetting the mortgage clock

Will repricing unlock a spring surge?

After months of stagnant sales and flat prices, New Zealand's residential property market stands at a critical juncture.

The Reserve Bank's (RBNZ's) 225 basis point cut to the Official Cash Rate (OCR) over the past year has sparked optimism in financial markets, boosted business sentiment, and gradually lowered mortgage rates. But for households, the benefits have been slower to materialise, and for many, barely perceptible at all.

Now, as winter gives way to spring and fixed-rate mortgage repricing begins in earnest, the question is whether these lower rates will be enough to reignite residential sales activity.

While the answer depends on a range of complex factors, from labour market conditions to consumer sentiment, there is growing evidence that the gears are shifting.

THE LONG LAG OF MONETARY POLICY

To understand what happens next, it's important to recognise just how delayed the effects of monetary policy can be. Financial market commentators estimate that it takes more than 12 months for interest rate cuts to filter through the economy. The RBNZ began easing policy last August – which means the full economic impact is only now bubbling to the surface.

Business confidence has already responded, buoyed in part by a strong export sector and easing input costs. But households, especially those without mortgage debt, have felt little improvement.

According to BNZ economists, net household incomes have fallen despite lower interest rates, largely due to reduced

returns on savings and term deposits. For retirees and savers, rate cuts don't feel like relief; they feel like erosion.

HOUSING INERTIA

One of the most visible signs of New Zealand's slow economic recovery is the property market's inertia. Real estate prices have stabilised but show little sign of upward momentum.

Recent data from property analytics and data platform Cotality shows values rose just 0.2 per cent in June, which is hardly the kind of movement that inspires urgency among buyers or confidence among sellers.

This stability is partly by design. Housing Minister Chris Bishop has been clear that the government aims to decouple economic growth from rising house prices, a shift in doctrine that challenges long-held assumptions.

"Destroying the idea that the New Zealand economy should just be based on house price growth is a fundamental formula this government is trying to embed," he said in July.

It's a sentiment shared by policymakers at the RBNZ, who are now armed with tools to restrain credit growth and prevent excessive leverage. These include limits on debt-to-income ratios (DTIs) and loan-to-value restrictions (LVRs) – a clear signal that any recovery in the housing market is expected to be slow, steady and broadly sustainable.







THE EMOTIONAL ECONOMY

New Zealand's economic recovery is not just about policy or spreadsheets, it's about perception.

The reality is that New Zealand households don't feel better off. Consumer prices are still rising – up 23 per cent in five years – and supermarket staples including butter remain poster children for the cost-of-living squeeze.

Labour markets have softened, wage growth has slowed, and many households remain cautious about future income security.

These psychological barriers matter. When people feel uncertain about their financial future, they hold back. Lower mortgage rates may improve cash flow, but if asset values are flat and job security feels fragile, that cash stays in the bank.

“Lower mortgage rates may improve cash flow, but if asset values are flat and job security feels fragile, that cash stays in the bank.”

THE REPRICING MOMENT

This brings us to what may be the real inflexion point for residential activity: mortgage repricing. Over the coming months, tens of thousands of borrowers will roll off fixed-term loans taken out at peak rates in 2023 and early 2024. Many will shift from paying six to seven per cent interest to rates closer to four to five per cent.

This isn't just an accounting detail; it's a substantial shift in household disposable income. For a borrower with a \$600,000 mortgage, a 200-basis-point reduction could translate to more than \$700 a month in reduced payments.

That's real money, and in aggregate, it has the potential to lift both confidence and consumption.

In contrast to early rate cuts, which largely benefitted new borrowers, this wave of repricing affects existing homeowners. These are households with skin in the game, equity in their homes, and crucially, intent to move, upgrade, invest or downsize.

If the numbers suddenly stack up again, the decision-making dynamic changes.



SPRING MOMENTUM

Property is still a confidence game, and timing plays an outsized role. Historically, the spring selling season brings a rise in listings, viewings, and auction activity. Combine that with materially lower repayments, stabilised prices and an improving macro narrative, and you have the ingredients for increased turnover.

The pace and extent of this activity will depend on many interwoven factors: how quickly lenders pass on lower rates, whether employment confidence recovers, and whether consumer fatigue lifts as inflation eases.

But signs are building. Investors are reemerging, first-home buyers are watching affordability improve, and sellers – particularly those who sat out the last two years – are beginning to test the waters.

Kiwibank forecasts housing inflation of five to seven per cent in 2026, driven by a gradual return of demand. While that may seem modest, it represents a clear directional shift after years of stagnation. More importantly, it reflects renewed liquidity, with more buyers transacting at sustainable prices.

RESETTING EXPECTATIONS

To be clear, this is not a return to the speculative boom of years past. Both regulators and market participants are wary of inflating another housing bubble. But a functioning, liquid property market, with active buyers, willing sellers, and enough supply, is not a speculative excess. It's a critical mechanism of economic health.

As the mortgage clock resets, households will have to reframe their expectations. Capital gains may be modest, but lower repayments, improved serviceability, and greater mobility can unlock a different kind of value, based on opportunity, not urgency.

The next phase of the market requires a new narrative. One that acknowledges price stability, celebrates improved affordability, and encourages long-term thinking.

Because while falling mortgage rates alone won't lift the economy, they are the necessary trigger for change. And in conjunction with stabilising costs, rising business confidence and a public increasingly eager for action, they are likely to push residential activity into a higher gear over the coming months.

Now the mortgage clock has been reset, spring will show us who's ready to move.



Your savings are now safer

As of 1 July 2025, a major change is now in place to help protect your money: the Depositor Compensation Scheme (DCS), now in effect across New Zealand.

In simple terms, this means that if you have money in the bank – whether it's in a savings account, term deposit, or everyday transaction account – you're now automatically covered for up to \$100,000 per person, per institution if that bank or finance company were to fail.

WHY IT MATTERS

For most homeowners, a mortgage is likely your biggest financial commitment. Alongside that, many of us keep money in the bank, as a rainy day fund, savings for renovations, or an emergency buffer.

The DCS gives savers more peace of mind that if something unexpected happens to the bank (e.g., the Global Financial Crisis of 2008/09), savings will be protected.

Finance Minister Nicola Willis put it simply: "People work hard for their savings. They deserve to know their money will be safe if the worst happens."

New Zealand has been one of the few developed countries without a deposit guarantee scheme. The introduction of the DCS brings us in line with international standards and adds an essential layer of security to the financial system.

WHAT'S COVERED, WHAT'S NOT

If you've got money in a licensed bank, credit union, building society or finance company in New Zealand, it's now covered to the tune of \$100,000 per person, per institution. That means if you have accounts at two different banks, you're covered for \$100,000 at each one.

The coverage applies to most everyday accounts, including:

- Transaction accounts
- Savings accounts
- Term deposits
- Notice saver accounts

It also applies to individuals, joint accounts, businesses, trusts, and even children (as long as the account is in their name).

For joint accounts, the cover is split equally. So, if a couple has \$200,000 in a joint term deposit, each is covered for \$100,000.

There are, however, a few things the scheme doesn't cover:

- KiwiSaver
- Managed funds
- Shares and bonds
- Foreign currency accounts
- Losses from fraud or scams

It's still important to stay vigilant about online security and avoid giving out personal banking details.





HOW IT'S FUNDED

The scheme is funded by levies on the banks and other licensed deposit takers. It's managed by the Reserve Bank of New Zealand (RBNZ) and, if needed, the Government can step in to ensure compensation payments are made.

Kerry Beaumont from the RBNZ said the new scheme will help maintain confidence and financial stability. While it's rare for a bank to fail in New Zealand, it's reassuring to know that if it ever did happen, the system is in place to protect depositors and pay out quickly.

WHAT THIS MEANS FOR YOU

If you're a homeowner, the DCS is a reason to feel more confident about keeping savings in the bank. You don't need to fill out any forms; the protection is automatic and applies to each eligible account you hold.

For most Kiwis, this scheme won't change how you bank day-to-day – but it does give you an added layer of financial security. And in uncertain times, that kind of peace of mind is worth a lot.



Smart moves in still times



Zac Snelling
Head of Property Management
Ray White Group

Last month marked a consequential turning point in New Zealand’s rental sector. With the final Healthy Homes Standards (HHS) deadline now behind us, compliance has shifted from a looming obligation to a live responsibility – and it’s already reshaping the risk and reward equation for landlords nationwide.

While the moment passed with little fanfare, its impact is real. The end of the five-year transition period has crystallised expectations for rental housing quality and reinforced what’s at stake for those who fall short.

Over the past 12 months in particular, property managers have done a stand-out job, navigating rising complexity, juggling legislative change, operational pressures, and human emotion in equal measure.

“The role of a property manager today goes well beyond logistics,” says Zac Snelling, Ray White Group Head of Property Management. “At any given time, our people act as strategic advisors, project leads, social support, and conflict resolution experts.

“It’s a unique blend of skills, and an increasingly strategic role which was celebrated recently on 25 July as ‘Property Managers Day’ in both New Zealand and Australia.”

A LINE IN THE SAND

Non-compliant landlords, previously insulated by grace periods and goodwill, are now fully exposed.

“We’re already seeing the Tenancy Tribunal take a tougher stance on non-compliance, and rightly so,” Snelling says. “Leniency is off the table. The message is clear: five years was long enough, and compliance is non-negotiable.”

While most landlords have met their obligations, some haven’t, forcing a recalibration across the industry.

“We have seen instances of firms making tough calls, including parting ways with landlords unwilling to meet minimum standards. It’s not often discussed, but today the most significant risk lies with do-it-yourself (DIY) landlords trying to go it alone.

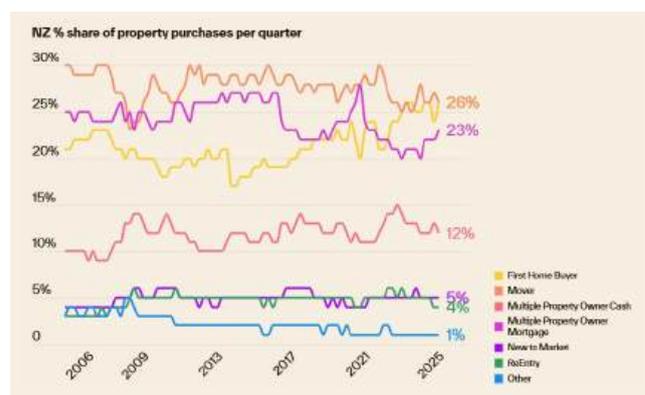
“Property management isn’t just a service anymore; it’s your liability shield.”

MARKET DYNAMICS

For property owners, the current phase of the market feels a lot like a holding pattern: house prices are flat, rents have stabilised, and net migration is soft. But seasoned investors know the market rarely stands still, and key shifts are underway.

“Large interest rate reductions are now filtering through the economy,” Snelling says. “Reserve Bank (RBNZ) data shows around half of all mortgages are due to refix in the next six months. That means meaningful relief is coming for many landlords, especially those operating under tight cash flow.

“This easing, combined with the return of interest deductibility and a reduced bright-line test period, is quietly reshaping the balance book. For the first time in several years, property as a cashflow play may be back on the table in some areas.”



Source: Cotality

Portal data from Cotality supports the notion: in June, mortgaged multiple homeowners – e.g., investors – increased their market share by two percentage points to 23 per cent of all purchases nationwide. That’s the highest share since mid-2022.

“Markets also expect the Official Cash Rate (OCR) to drop again in August – potentially to three per cent. Significant reductions in the last year have brought mortgage lending rates back under five per cent for many borrowers, which is a psychologically and financially significant threshold.”

FINDING BALANCE

New Zealand's economic outlook is delicately balanced. While core inflation is easing, the cost of living relative to incomes remains high, driven by persistent increases in food, energy, and regional council rates.

At the same time, the labour market is softening, particularly for younger and lower-income workers, which is putting pressure on household budgets and dampening overall confidence.

"For landlords, this means your tenants may be feeling the financial pinch more than ever," says Snelling. "Rent increases, even if justifiable, may be harder to implement, or harder to sustain, without risking tenant turnover or arrears."

It also means investors need to be increasingly strategic about affordability, value, and long-term retention. "The government's current focus is productivity, not property," he adds. "And the RBNZ now has an expanded toolkit to cool housing-related risk, including debt serviceability testing."

In this environment, investors who maintain well-managed, compliant, and reasonably priced properties are more likely to attract and keep good tenants and stay on the right side of market and regulatory trends.

"While the macro conditions may at first appear challenging, they also reward those with discipline and a forward-thinking approach. If you're prepared, this is a moment to strengthen your portfolio, not retreat from it."

STRATEGY BEATS SENTIMENT

Much like compliance, investment strategies are not 'set and forget'. Snelling says that property ownership – once the great Kiwi ambition- is undergoing a cultural shift.

"Younger investors are increasingly drawn to more non-traditional asset classes such as equities and cryptocurrency, sometimes favouring digital assets over bricks and mortar. That said, they still need homes to rent, so demand isn't going away."

Older investors, meanwhile, are re-evaluating whether to hold, sell, or restructure portfolios for retirement. The result is a shrinking pool of landlords, but consistent pressure on rental stock.

"There's another kind of investor, one that isn't chasing wealth for its own sake, but time freedom. These landlords are focused on funding lifestyle passively. They're playing smarter and making more calculated decisions."

5 THINGS TO WATCH

1. MORTGAGE RATES FALL FURTHER

Improving cashflow and servicing for landlords.



2. HOUSING INFLATION

Forecast modestly at 5-7% by 2026



3. TIGHTER RENTAL DEMAND

Well-located, well-managed rentals will attract strong tenant interest.



4. TAX SETTINGS

Landlords benefit from a more favourable tax environment.



5. REGULATION TO STAY

Compliance expectations are high, engaging professional property management is key to staying protected and profitable



Some of the most attractive returns today are coming from investors willing to look beyond main metropolitan areas.

"Regional centres across Waikato, Bay of Plenty – including Gisborne are showing strong rental demand, while building activity remains slow and acquisition costs are more accessible. These pockets offer stronger gross yield potential and better prospects for rental income growth. Short-term income with long-term upside," he says.

"If you're a landlord, there is no time like the present to optimise your strategy. Talk to your property manager about opportunities. Revisit your rental assessments. Consider pet-friendly policies. Review your insurance. Engage your mortgage advisor. Communicate with your tenants.

"This isn't a time to sit back, it's time to lean in. While the market may seem still on the surface, the next wave is already forming, and those who are prepared will be best placed to ride 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.



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



30
Alan White
House ▶



WHITE,
PIONEER,
REAL ESTATE AGENT,
LAND OFFICE.
FARM
IMPLEMENTS
& 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' Crow's Nest, Queensland.



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