SEPTEMBER 2025

PROUDLY PRESENTING NEW ZEALAND PROPERTY MARKET INSIGHTS IN REAL TIME

RAY WHITE **NOW**

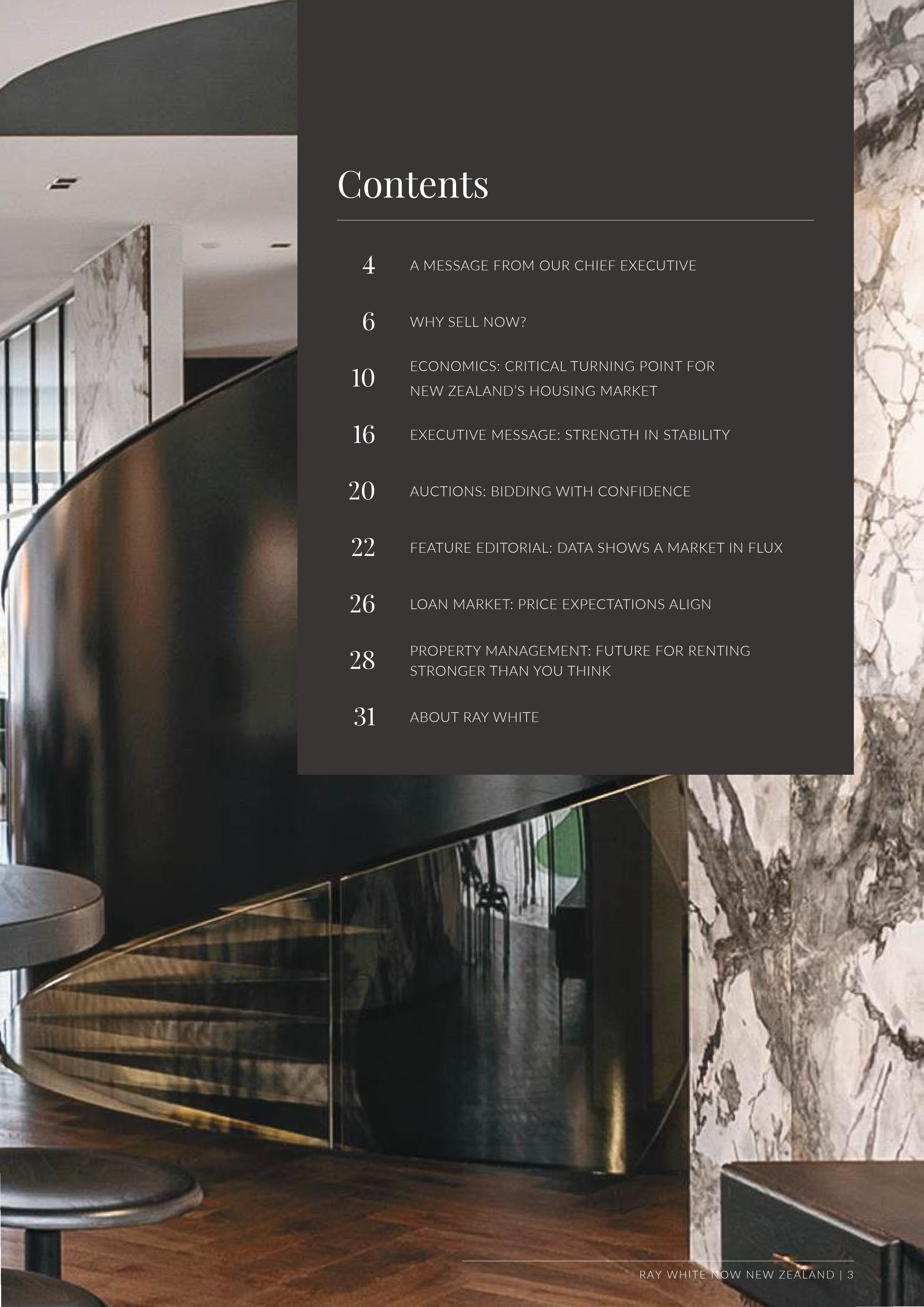
SPRING RHYTHM

FEATURED PROPERTY

16 Dunedin Street, Saint Mary's Bay, Auckland

Mike Simpson
021 605 354
Patrick McCarthy
027 233 3988

Ray White Ponsonby
Megan Jaffe Real Estate Limited Licensed (REAA 2008)



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A message from our chief executive

Dear Property Owner,

Change continues to reshape the residential market in New Zealand. From zoning reforms that will transform the face of our cities, to new affordability thresholds creating opportunity for first home buyers, and subtle policy shifts with implications for investors at every scale.

At times like these, perspective matters.

In Auckland, the scale of change under discussion cannot be overstated. Current consultation on zoning proposals signals the most dramatic urban reconfiguration in a generation.

Standalone homes, which today comprise around 62 per cent of the city's housing, are projected to fall to just 27 per cent. In their place, townhouses, terraced housing, and apartments are set to sprout, rising from 36 per cent to nearly 70 per cent of the region's total housing supply.

The implications go well beyond architecture and density. They touch infrastructure, schooling, healthcare and lifestyle. For buyers and sellers, this is not just about bricks and mortar; it's about a structural reshaping of their communities.

The debate around intensification in our largest city is backdropped by key attributes of the present market cycle. Prices have stabilised, in some areas, 15 per cent below their previous peak, inventory is abundant, and buyer confidence, according to ASB's latest Housing Confidence Survey, is at its strongest since 2011.

Importantly, confidence has not widely translated into expectations of immediate value growth – perhaps a reflection of broader economic caution.

However, as sales activity continues to rise, and unemployment is forecast to ease from 2026, the direction of travel is clear.

As many commentators have noted, those with foresight are entering the market now, ahead of the curve.

Policy developments add further texture. The Government's decision to grant 'golden visa' holders the ability to purchase or build homes worth over $5 million dominated the news earlier this month.

Though in practice, the exemption touches fewer than one per cent of dwellings nationwide and will likely have an outsized impact on high-end markets in Auckland and Queenstown, the message is noteworthy: New Zealand is open to targeted foreign investment, without diluting housing affordability for the broader market.

Closer to the ground, the most striking trend is the activity of first-home buyers. The latest figures from the Reserve Bank (RBNZ) show record levels of low-equity lending, with first-time purchasers now accounting for 44 per cent of such approvals.

Affordability has improved to its best level in four years, and mortgage payments on a lower-quartile home now absorb a smaller proportion of income than at any point since 2021.

Investors, too, are returning, though in a more measured way, supported by fully deductible interest costs and improved yields in some areas. At the same time, higher council rates and softening rents in some centres remind us that returns are seldom uniform.

The residential sector is evolving both structurally and cyclically. The months ahead will bring shifts in density, affordability, and demographic demand. But the essence of property, and the fundamental need for home and investment, remains unchanged.

At Ray White New Zealand, our commitment is to help our clients and customers to navigate these changes with clarity, confidence and perspective. The market is moving, and the question for all of us is how best to move with it.

Please enjoy our 84th edition of Ray White Now.

Daniel Coulson
Chief Executive
Ray White New Zealand

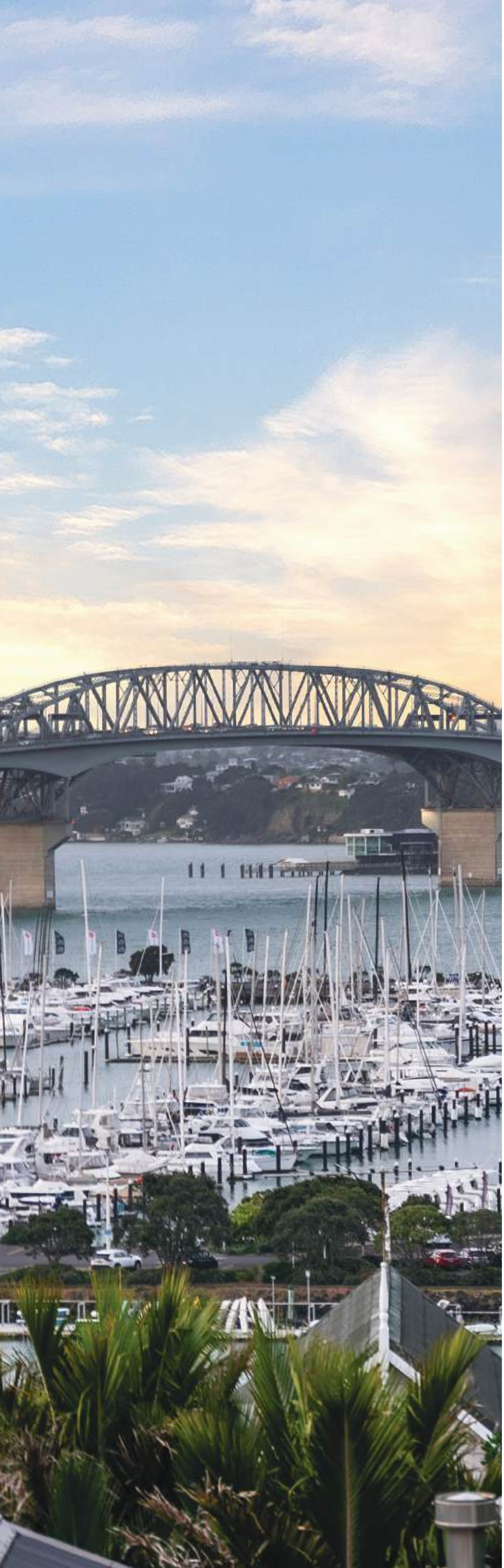
Why sell now?

Daniel Coulson
Chief Executive
Ray White New Zealand

Property markets rarely announce their turning points. They move quietly at first; open homes get a little busier, auction clearance rates tick upward, and lending approvals are easier to come by.

Right now, these signals are flashing across New Zealand, says Daniel Coulson, Ray White New Zealand Chief Executive.

"We're at the point in the cycle where confidence is building, interest rates are easing, and buyers are motivated by opportunity. Sellers who move early can benefit from a market that is steadily strengthening but not yet overwhelmed."



HOUSE PRICE GROWTH

On average across the country, house prices are double digits below their previous market peaks, while sales activity is steadily rising. Economists widely expect house prices will begin to climb again over the next 12 months, as the flow-on effects of easing credit conditions filter through the economy.

"The expectation of growth is one of the most powerful drivers of buyer behaviour," Coulson says. "Buyers are increasingly aware that today's prices may look cheap in hindsight. An understanding of that urgency is translating into stronger enquiry on listings across our network, multiple offer situations, and more bidders in our auction rooms."

The general feeling is that prices won't stay subdued for long. Waiting for growth to be well underway often means sellers miss the moment where competition is at its best.

"Acting ahead of the curve often delivers some of the strongest results."

SUPPLY AND COMPETITION

High levels of available stock continue to provide choices for buyers, but this dynamic is changing, Coulson says.

"The flow of new listings on the market is gradually returning to more typical levels for this time of year. Additionally, the slowdown in construction will have implications for supply in the year ahead. Over the coming months, available supply will continue to contract, reducing choice, and intensifying competition."

"We're already seeing that days to sell are shortening in parts of Auckland and Christchurch. That's one of the first signs of a shift in the balance of activity."

When choice narrows, buyer urgency grows. For sellers, the current balance – where demand is strengthening but stock is still high – creates an environment where homes attract genuine competition without buyers being paralysed by limited options.

LENDING AND INTEREST RATES

The single most influential factor in the housing market is interest rates.

With two-year fixed mortgage rates falling below five per cent, borrowing conditions are the most favourable they've been in years. For many households, this is unlocking capacity they had previously sidelined.

"Buyers have adjusted to the 'new normal' of rates sitting in the five per cent range, rather than the twos and threes we saw during the pandemic. What matters is not the comparison to historic lows, but the fact that lending rates are easing, not rising. That shift is hugely important for confidence."

For sellers, the relevance is clear. Easing rates embolden buyers to transact, reduce hesitation, and expand the pool of qualified purchasers.

Beyond mortgage pricing, bank test rates – the buffer rates used to assess borrower affordability – have been edging lower. This allows more buyers to qualify for finance at higher levels. Bringing greater depth to the buyer pool.

Coulson says that when test rates come down, it doesn't just mean cheaper repayments; it means more people can access lending, and those who could already borrow can bid with more confidence.

"Sellers can recognise that this shift is expanding the market of genuine buyers."

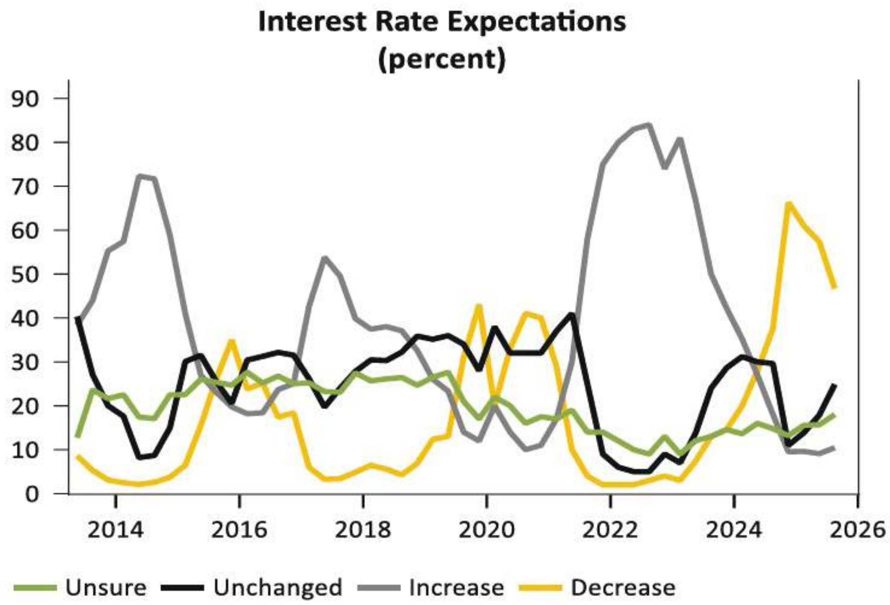
Additionally, mortgage brokers are reporting renewed bank appetite for mortgage lending. Recent RBNZ data highlights record refinancing activity, with households shopping around for sharper offers, and banks competing aggressively to win the business.

"This is a very different dynamic from the restrictive lending environment of 2022 and 2023," Coulson explains. "We're seeing higher approval rates, greater willingness to work with borrowers, and new products designed to attract both first home buyers and investors."

FURTHER OCR CUTS EXPECTED

The Reserve Bank (RBNZ) has signalled further reductions to the Official Cash Rate (OCR) into 2026, driven by a soft labour market and subdued economic growth.

Coulson says these expectations are already shaping sentiment, as lower OCR settings directly influence mortgage lending rates.



Source: Macrobond, ASB

“Buyers today are extremely analytical and forward-looking. They know that if they purchase now, their servicing costs are likely to reduce over the life of their loan. That optimism is fuelling activity, and activity is what creates competitive pressure for sellers.”

First-home buyers have been particularly active, encouraged by strong long-term fundamentals and immediate affordability. The latest lending figures from the central bank show record levels of low-equity lending to this buyer group, and affordability at its best point in the last four years.

Coulson says first home buyers have been one of the brightest news stories in 2025, as they transact in volume rather than waiting on the sidelines.

“Smaller-scale investors are also coming back to the fray, focusing on the lower end of the market where yields are improving. Activity from both groups reinforces the depth of demand, giving sellers confidence that their properties are being targeted by motivated buyers.”

Taken together, the fundamentals continue to make a compelling case that will drive residential decision-making, with forecast price growth, choice, affordability, and bank lending appetite key factors.

“The current market is balanced, but it won’t stay this way. Sellers who wait for prices to rise may find themselves competing with more stock and more noise. While the sector is not yet booming, it is moving with increasing confidence.

“For homeowners considering their next step, the present conditions (and those of tomorrow) offer something valuable in real estate – clarity. Clarity, when recognised early, can be the key to securing the best outcome in the sale of your home.”

Critical turning point for New Zealand's housing market

Atom Go Tian
Senior Data Analyst
Ray White Group

New Zealand's housing market delivered its strongest July performance in over a decade, with the national median house price holding steady during what is traditionally one of the year's weakest months.

The median house price decreased just 0.20 per cent to $767,250 in July, a minimal decline from June's $770,000.

More significantly, however, this represents a 1.70 per cent increase from one year ago, which stands out as exceptional when viewed against historical patterns.

Typically, New Zealand's housing market operates within well-established seasonal cycles, characterised by two distinct slow periods. The first occurs during summer holidays from December to January, whilst the second spans April to July, punctuated by school holidays, national public holidays, and shorter winter days.

July traditionally marks the tail end of this reduced seasonal activity.

The average June-to-July decline over the past decade has been 1.9 per cent, a seasonal adjustment that persisted even during the consistent growth years of 2015-2019. Excluding the pandemic-driven boom of 2020-2021, this represents the best July result in over a decade.

New Zealand 10 year price trend

National median house price as of July 2025

Source: REINZ, Ray White Economics

Over the last six months, sales have been steadily increasing whilst listings have been decreasing, creating a convergence that historically signals the end of buyer-favourable conditions.

The 12-month rolling count of sales increased 6.30 per cent to 78,148 from 73,463 in January 2025, whilst the 12-month rolling count of listings decreased by 0.50 per cent to 110,055 from 110,618.

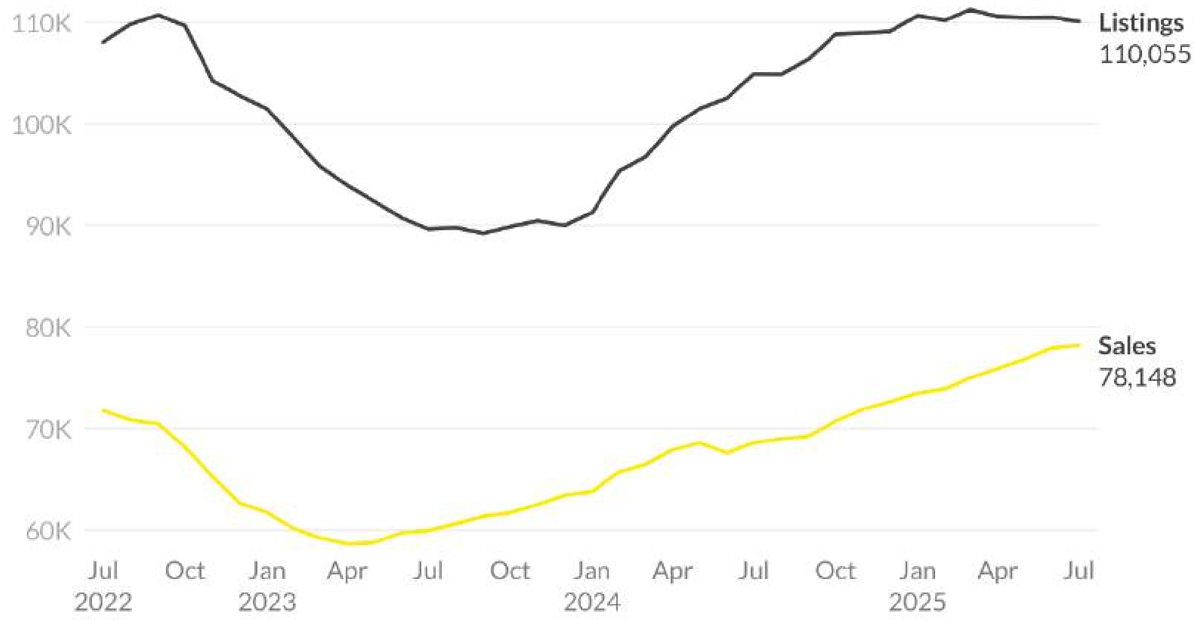
This divergence has driven the sales-to-listings conversion ratio to improve consistently, rising from 66.40 per cent in January to 71.00 per cent in July. This 4.60 percentage point acceleration represents the most sustained market tightening period since the post-pandemic correction began.

This tightening reflects both stronger buyer demand and more selective seller behaviour, creating potential upward pressure on prices. The diverging trajectories of sales acceleration (+6.30 per cent) and listings contraction (-0.50 per cent) create a compounding tightening effect that typically precedes sustained price appreciation cycles.

Looking ahead, these tightening fundamentals become particularly significant when viewed against seasonal patterns. If July 2025 can maintain near-flat pricing despite seasonal headwinds that typically drive prices down nearly two per cent, the spring months of September through November could deliver substantial growth.

Post-pandemic sales vs listings trend

12 month rolling count of sales and listings



Source: REINZ, Ray White Economics

The 1.70 per cent increase in national median house price is reflected across regional and major city performance, revealing distinct market segments driving the recovery.

The growth is being led by a clear affordability sweet spot, with middle-market regions priced between $650,000-$800,000 delivering exceptional growth averaging 10.30 per cent annually.

The Nelson region leads this cohort with a remarkable 15.70 per cent growth, followed by Otago's strong 11.10 per cent performance. This middle bracket significantly outperforms both affordable markets under $650,000 (averaging just 0.10 per cent) and expensive markets above $800,000 (averaging 2.60 per cent).

Price growth by region

Median house price as of July 2025 vs 2024 and 2022

Region	Price	1Y Growth	3Y Growth
Nelson Region	$760,000	15.7%	-5.0%
Otago Region	$730,000	11.1%	12.3%
Marlborough Region	$630,000	8....	-6.7%
Taranaki Region	$640,000	5.8%	3.2%
Canterbury Region	$677,600	4.2%	0.4%
Hawke's Bay Region	$680,000	3.0%	-6.2%
Auckland Region	$975,000	2.6%	-10.1%
Waikato Region	$740,000	2.6%	-6.3%
Tasman Region	$810,000	1.9%	1.2%
Northland Region	$655,000	1.6%	-6.4%
Manawatu-Wanganui Region	$535,000	0.6%	-7.8%
Southland Region	$490,000	0.0%	15.3%
Bay of Plenty Region	$800,000	-0.6%	-7.0%
Wellington Region	$755,000	-1.3%	-6.7%
Gisborne Region	$570,000	-2.6%	-9.4%
West Coast Region	$345,000	-14.0%	3.0%
New Zealand	**$767,250**	1.8%	-5.3%

Source: REINZ, Ray White Economics

A striking "catch-up" pattern emerges among major cities, where centres that experienced the deepest corrections during 2022-2023 are now leading the recovery.

Auckland Central (+3.70 per cent) and Wellington City (+2.40 per cent) are demonstrating stronger annual momentum than Hamilton City (+1.40 per cent), whilst Tauranga City (-2.80 per cent) continues to work through its adjustment phase.

Christchurch emerges as the standout performer among major centres, delivering both strong annual growth (+3.20 per cent) and positive three-year performance (+1.40 per cent). This makes it the only major city to have successfully navigated both the pandemic boom and subsequent correction without significant value destruction, positioning it as the most resilient major urban market in the country.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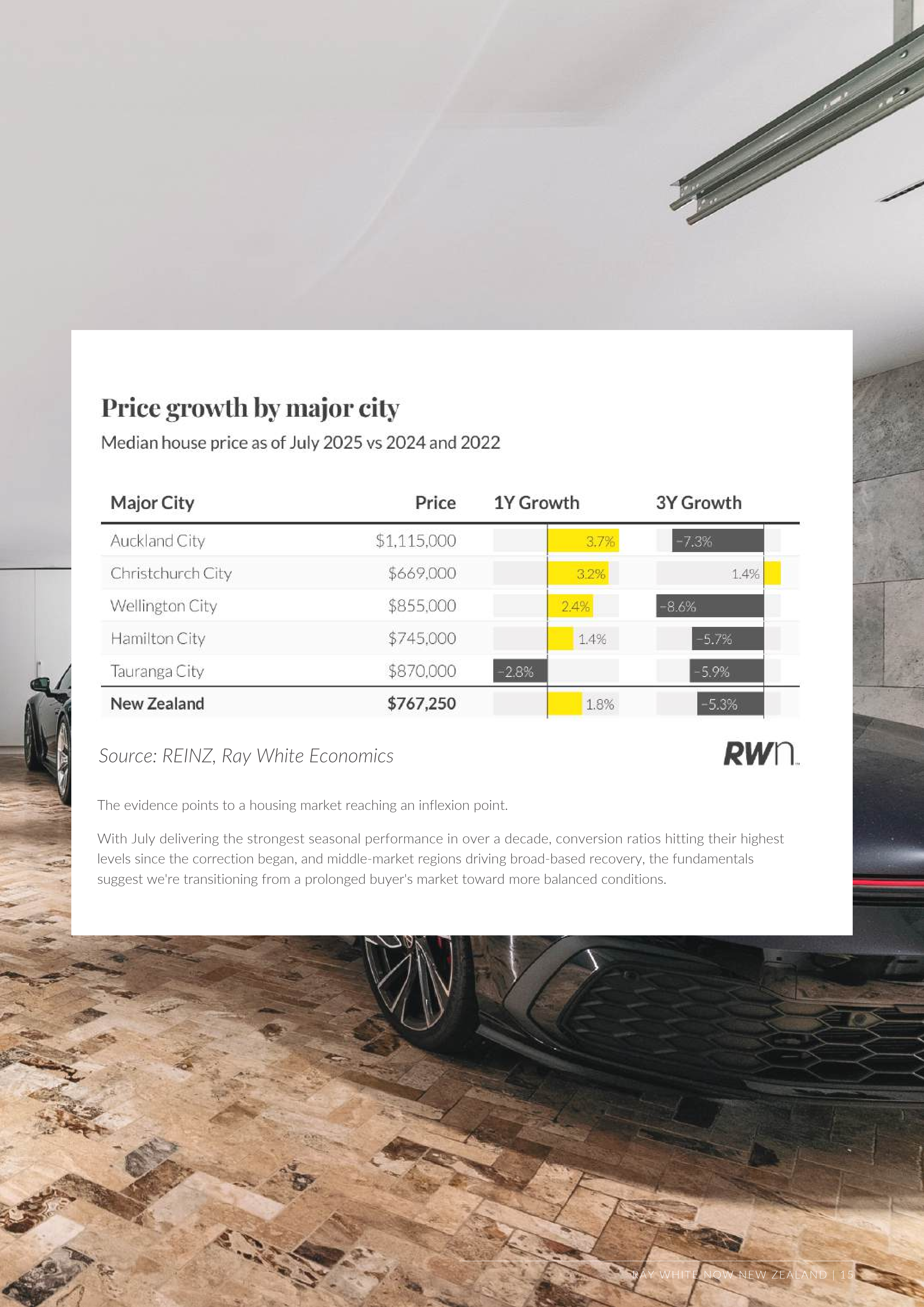


Price growth by major city

Median house price as of July 2025 vs 2024 and 2022

Major City	Price	1Y Growth	3Y Growth
Auckland City	$1,115,000	3.7%	-7.3%
Christchurch City	$669,000	3.2%	1.4%
Wellington City	$855,000	2.4%	-8.6%
Hamilton City	$745,000	1.4%	-5.7%
Tauranga City	$870,000	-2.8%	-5.9%
New Zealand	**$767,250**	1.8%	-5.3%

Source: REINZ, Ray White Economics

The evidence points to a housing market reaching an inflexion point.

With July delivering the strongest seasonal performance in over a decade, conversion ratios hitting their highest levels since the correction began, and middle-market regions driving broad-based recovery, the fundamentals suggest we're transitioning from a prolonged buyer's market toward more balanced conditions.

Strength in Stability

Treena Drinnan
Chief Agency Officer
Ray White New Zealand

August brought a renewed sense of stability to the property market, with the Reserve Bank (RBNZ) reducing the Official Cash Rate (OCR) to 3.00 per cent, its lowest point in three years.

This easing has started to relieve pressure on homeowners and improve affordability for buyers, which is further supported by the strong prospect of further rate cuts ahead.

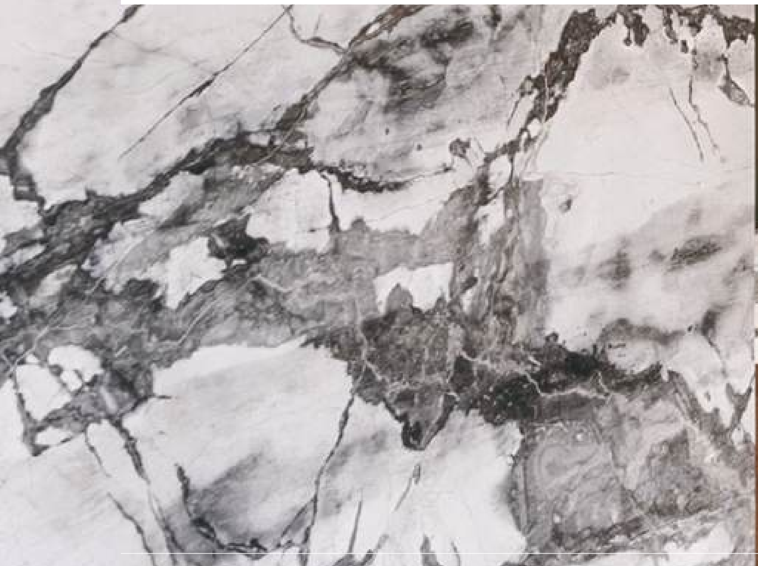
At the same time, net migration has softened considerably, with fewer arrivals and more New Zealanders heading overseas. While this change reduces some of the population-driven pressure on housing, the impact has been balanced by improved affordability and stronger market participation.

RAY WHITE MARKET RESULTS

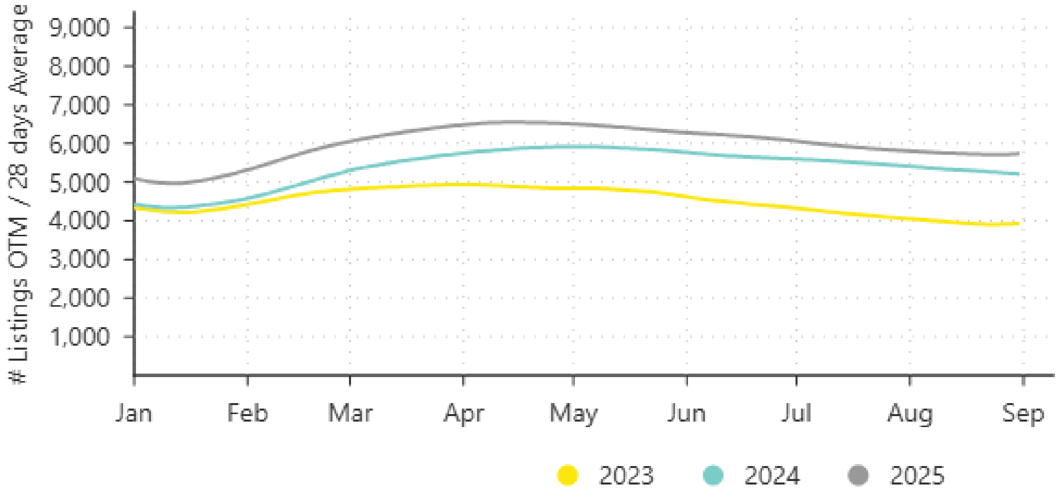
Ray White's August performance showed consistency and resilience.

- $1.075 billion in sales, down just 2.20 per cent year-on-year
- 1,200 settled transactions, a 1.60 per cent dip compared to August 2024
- 1,701 new listings, slightly ahead of last year, lifting inventory to 6,007 properties

Regionally, results were encouraging in the lower South Island, Canterbury, and the lower North Island, which all finished ahead of their 12-month comparisons - a positive sign of confidence in those markets.



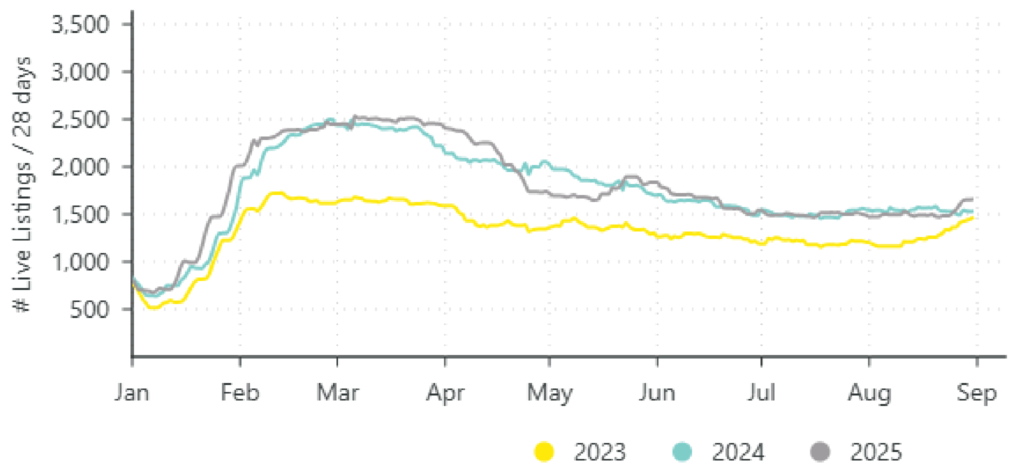
LISTINGS ON THE MARKET



Source: Ray White New Zealand

In August, Ray White recorded 6,007 properties listed for sale.

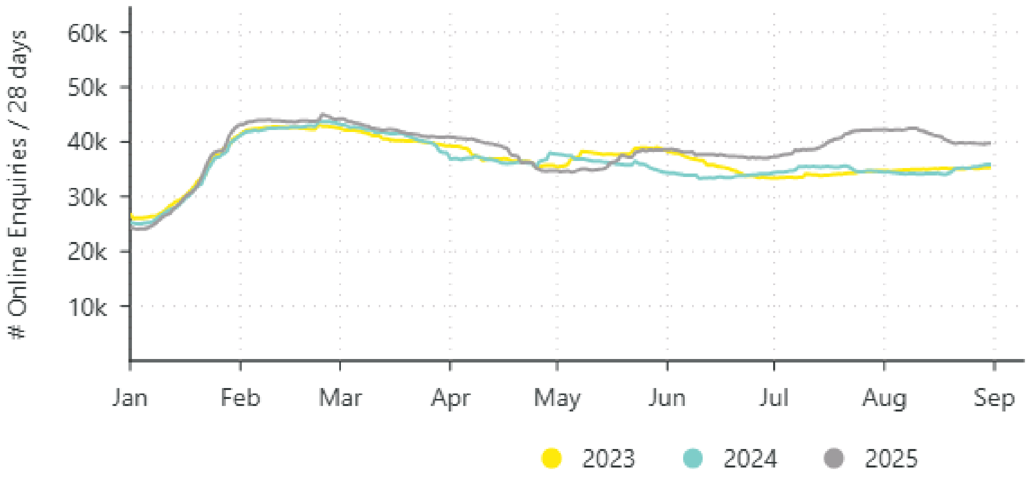
LIVE LISTINGS



Source: Ray White New Zealand

Our live listing counts closed August at 1,701, up 1.43 per cent year-on-year, though slightly down month-on-month. This is not a retreat but a typical seasonal moderation as we head into spring.

ONLINE ENQUIRIES

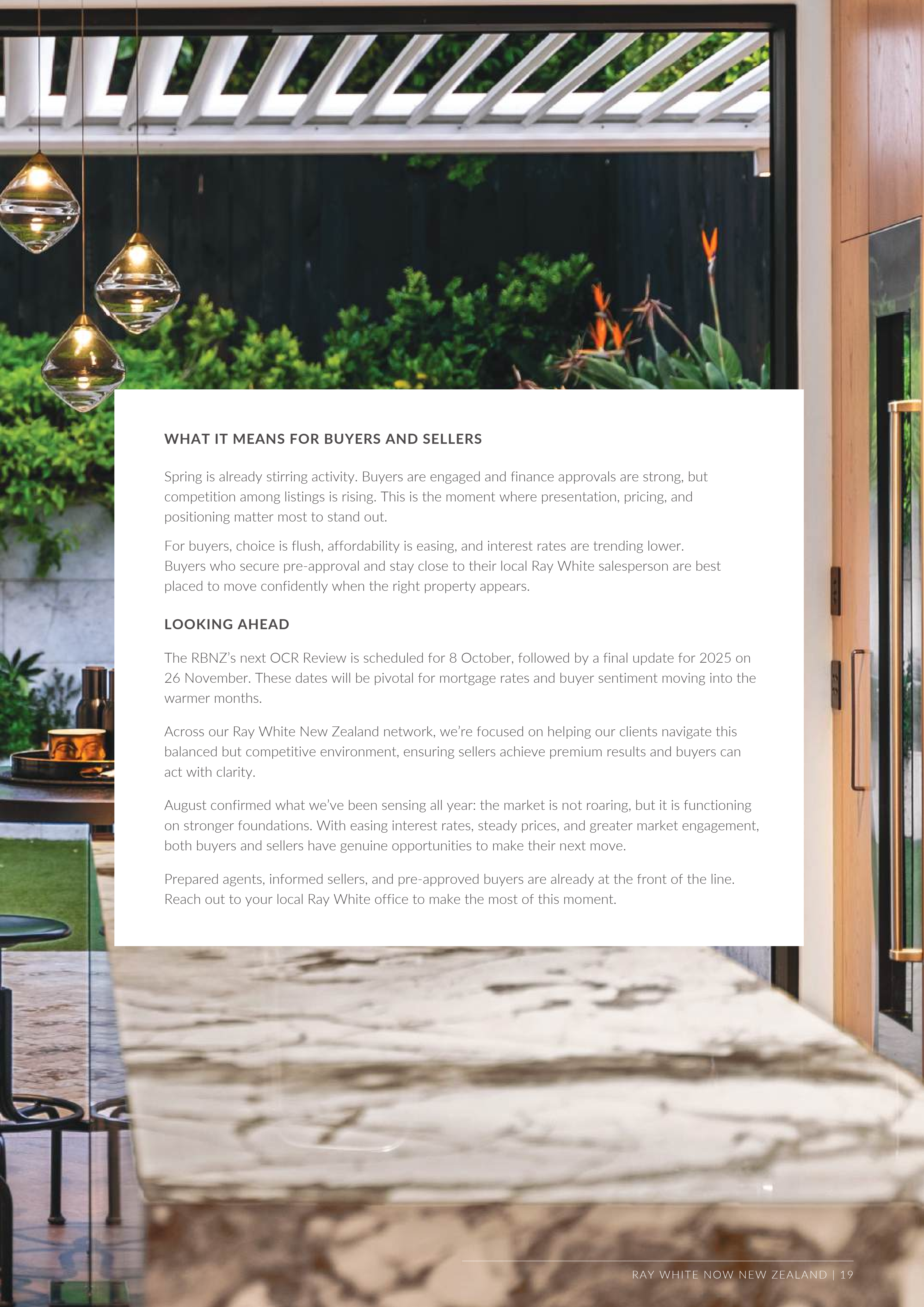


Source: Ray White New Zealand

Digital engagement continues to climb, with 5.427 million online users (+15.70 per cent year-on-year) and 40,970 online enquiries, showing buyers are not just browsing, they're ready to act.

NATIONAL MARKET SIGNALS

- 8,769 new listings hit the market — a 9.00 per cent increase year-on-year
- National stock levels rose slightly to 30,430 properties (+1.40 per cent year-on-year)
- National average asking price remained stable at $862,652 (+1.70 per cent year-on-year)
- Gisborne reached a record milestone, breaking into the $800,000 average asking price bracket for the first time
- Bay of Plenty (+46.70 per cent), Gisborne (+40.90 per cent), and Coromandel (+39.10 per cent) led the surge in new listings, according to the realestate.co.nz August Property Report.



WHAT IT MEANS FOR BUYERS AND SELLERS

Spring is already stirring activity. Buyers are engaged and finance approvals are strong, but competition among listings is rising. This is the moment where presentation, pricing, and positioning matter most to stand out.

For buyers, choice is flush, affordability is easing, and interest rates are trending lower. Buyers who secure pre-approval and stay close to their local Ray White salesperson are best placed to move confidently when the right property appears.

LOOKING AHEAD

The RBNZ's next OCR Review is scheduled for 8 October, followed by a final update for 2025 on 26 November. These dates will be pivotal for mortgage rates and buyer sentiment moving into the warmer months.

Across our Ray White New Zealand network, we're focused on helping our clients navigate this balanced but competitive environment, ensuring sellers achieve premium results and buyers can act with clarity.

August confirmed what we've been sensing all year: the market is not roaring, but it is functioning on stronger foundations. With easing interest rates, steady prices, and greater market engagement, both buyers and sellers have genuine opportunities to make their next move.

Prepared agents, informed sellers, and pre-approved buyers are already at the front of the line. Reach out to your local Ray White office to make the most of this moment.

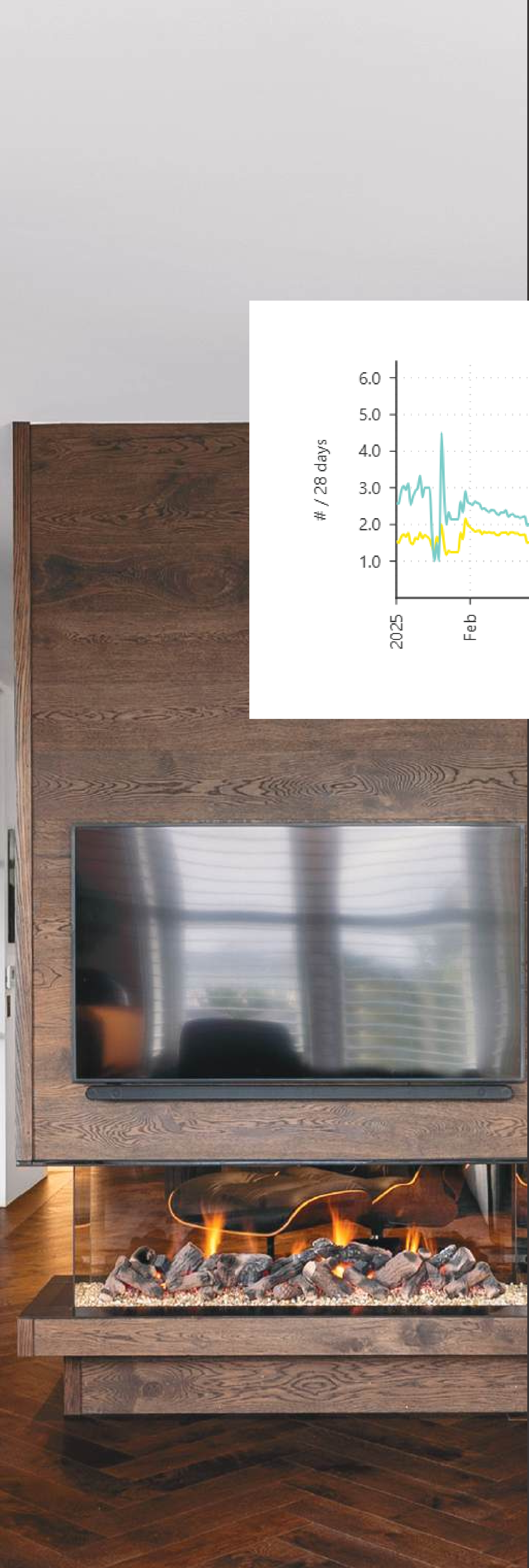
Bidding with confidence

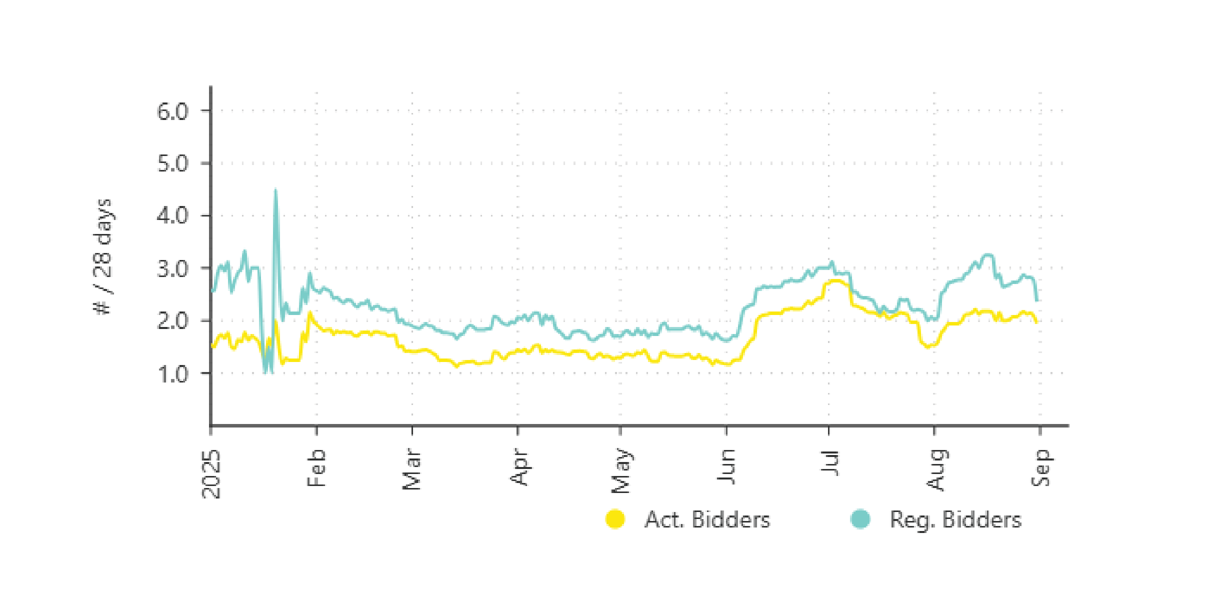
Sam Steele
Head Auctioneer
Ray White New Zealand

Stability in monetary policy, easing debt-servicing pressures, and an influx of Spring listings are all shaping sentiment in the auction market. Ray White New Zealand's August auction performance offers a compelling reflection of this dynamic landscape.

Seasonal momentum continues to create more rewarding conditions, energising our national auction network and compounding stronger results month by month. In August alone, Ray White conducted 377 auctions nationwide, highlighting a 7.7 per cent increase year on year.

Beneath the headline volume, the underlying performance tells the true story. Clearance rates lifted to 52.5 per cent, while the Spring stock uptick in new listings saw the average number of registered bidders per auction drop slightly to 2.4. Auctions also accounted for more than a third of all new property listings with 34.7 per cent, reaffirming their position as the preferred method of sale for many owners.





Our sales teams are reporting heightened buyer activity, with stronger attendance and a growing number of auctions achieving double-digit bidder registrations. While a degree of caution remains, increased listing volumes and supportive economic conditions are drawing greater engagement from both sellers and buyers.

While success rates and average bidder numbers are key metrics, the significance of days on market perhaps shares a more enlightening picture. Auction sales saw an average of 39.5 days on market, in stark contrast to private treaty's 59 days to sell.

The transparency and competitiveness of auctions continue to deliver outstanding outcomes, building confidence and trust in the process. As the market evolves, Ray White remains steadfast in its commitment to auction excellence.

Data shows a market in flux

The latest Housing Confidence Survey from ASB Bank offers a nuanced portrait of New Zealand's residential market dynamics: optimism remains intact, yet momentum may be slow to start.

For buyers and sellers, the findings point not to a single narrative, but to a market defined by competing forces – abundantly tempered by headwinds.

CONFIDENCE HOLDS AND SOFTENS

Immediately, the headline is encouraging; more New Zealanders still believe now is a good time to buy than not, keeping sentiment near its highest point since 2011.

However, a closer look at the numbers shows signs of buyer fatigue.

The proportion of respondents expecting house prices to rise has slipped for a second consecutive quarter, from 26 per cent to a net 18 per cent.

Regionally, confidence is fragmented.

Aucklanders – traditionally the bellwether – are now the least optimistic, while some parts of the North Island remain quietly bullish.

ASB economists say this divergence reflects an unusual moment in the cycle: the national mood is no longer driven by price expectations, but a more pragmatic appraisal of affordability, stock levels and interest rates.

For buyers and sellers, that makes timing and strategy more important than ever.

THE WEIGHT OF SUPPLY

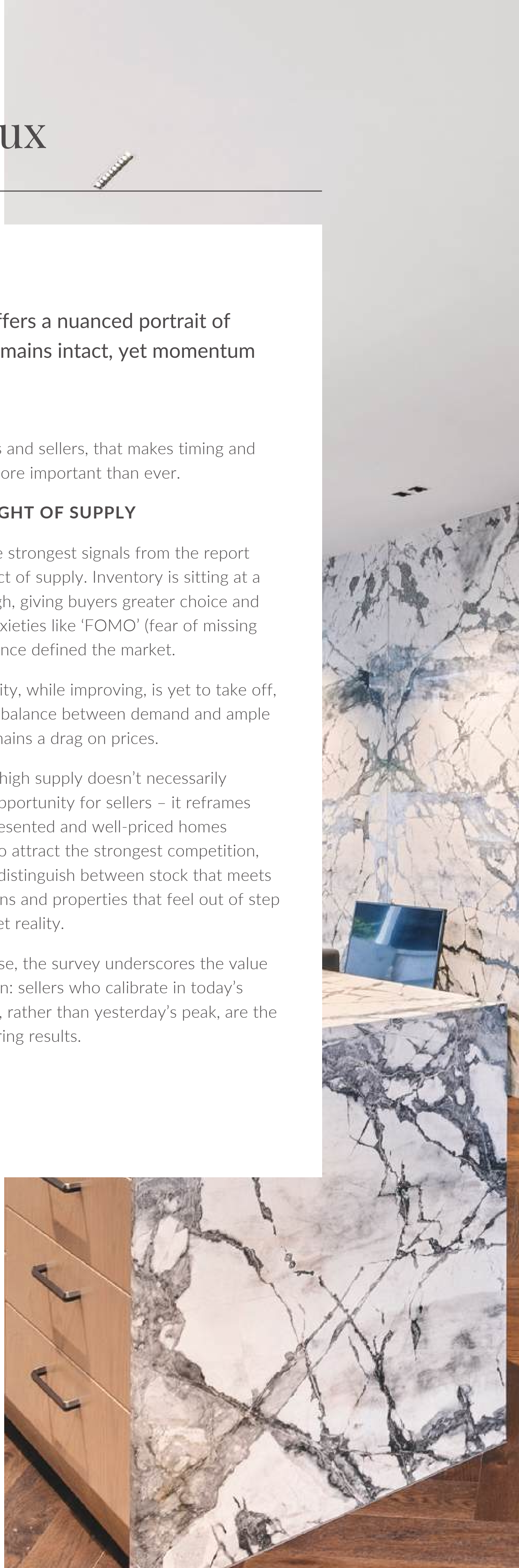
One of the strongest signals from the report is the effect of supply. Inventory is sitting at a decade high, giving buyers greater choice and curbing anxieties like 'FOMO' (fear of missing out) that once defined the market.

Sales activity, while improving, is yet to take off, and the imbalance between demand and ample supply remains a drag on prices.

However, high supply doesn't necessarily diminish opportunity for sellers – it reframes it. Well-presented and well-priced homes continue to attract the strongest competition, as buyers distinguish between stock that meets expectations and properties that feel out of step with market reality.

In this sense, the survey underscores the value of precision: sellers who calibrate in today's conditions, rather than yesterday's peak, are the ones securing results.

> "The national mood is no longer driven by price expectations, but a more pragmatic appraisal of affordability, stock levels and interest rates."



NEARING THE END OF THE CYCLE

For four consecutive quarters, the proportion of Kiwis expecting further rate cuts has eased. A net 36 per cent still anticipate lower interest rates in the year ahead – down from nearly half of all respondents last quarter – but sentiment has moderated as the Reserve Bank (RBNZ) nears the end of its current easing cycle.

The August OCR cut to three per cent was significant, and further reductions are expected, with ASB forecasting the cash rate could fall to 2.50 per cent by year-end.

Despite this, the message is clear: the steepest falls are likely behind us.

For borrowers, this means the cost of finance will continue to improve, but not indefinitely. Buyers who act while rates are still easing can secure an advantage, while sellers stand to benefit from the incremental boost to demand that falling rates bring.

LABOUR MARKET SHADOWS

If lower interest rates are the tailwind, the labour market is a headwind.

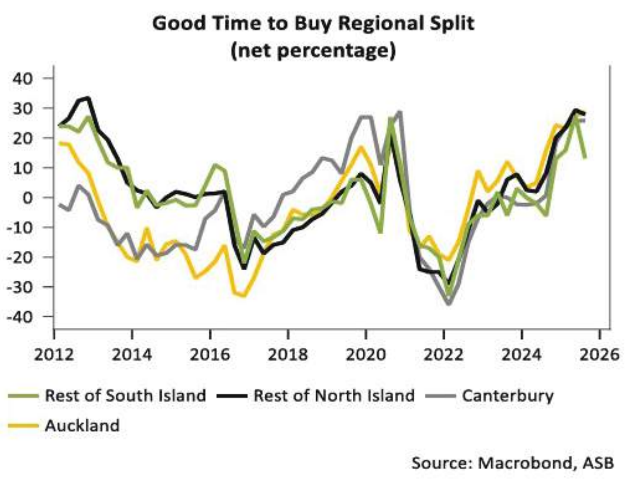
Rising job insecurity, subdued wage growth, and softer business confidence are tempering the impact of monetary policy.

In the report, ASB economists note that economic recovery has stalled more than previously anticipated, with tariff tensions and global complexities adding further pressure.

For buyers, this uncertainty feeds caution: households are more inclined to wait and see, even when affordability metrics improve. For sellers, it highlights the need to recognise who is most active in the market now – first home buyers with low equity loans are smaller investors chasing yield, rather than stretched owner-occupiers.

REGIONAL DIVERGENCE

The survey also highlights how local conditions are shaping confidence in different ways. Auckland saw the sharpest fall in price expectations, down nearly 20 percentage points from last quarter, underscoring how supply gluts and affordability challenges are reshaping sentiment.



In contrast, optimism lifted in other North Island centres, where the entry for housing is lower and affordability metrics are more favourable.

In the South Island, confidence has softened across the board, with respondents expecting a slower pace of gains. This fragmentation suggests the next phase of the market will not be defined by a single national story, but by a patchwork of regional dynamics.

READING THE SIGNALS

The ASB's overarching conclusion is that a gradual recovery in housing is underway, but at a slower pace than earlier anticipated.

While confidence remains historically high, and interest rates are falling, house price expectations are positive. Together, cross-currents in the current market create an environment that rewards decisiveness, not complacency.

For buyers, the signals suggest the greatest opportunity lies in securing finance before the easing cycle ends.

For sellers, the lesson is equally clear: this is a market where positioning is power. Those who align with current conditions, rather than waiting for yesterday's dynamics to return, are best placed to leverage conditions in the months ahead.

Price expectations align

Sellers across New Zealand shaved a collective $82 million from asking prices in Q2 2025 – a lift of almost $20 million on Q1, but still shy of the deep discounting seen a year earlier.

In total, 2,040 listings recorded price cuts, up 21 per cent on Q1, according to realestate.co.nz.

On average, sellers pared back about $40,000 per listing, with the largest total reductions occurring in the premium markets: Auckland led at $20.50 million in collective cuts, followed by Waikato (-$9.40 million and Wellington (-$8.20 million).

By contrast, smaller regions like the West Coast (-$248,000), Gisborne (-$270,000), and Wairarapa (-$1.03 million) saw more restrained adjustments.

Realestate.co.nz spokesperson Vanessa Williams says the numbers highlight the leverage buyers currently hold.

"Cuts aren't as deep as they were in 2024, but sellers are clearly making bigger moves to meet buyers and get deals across the line. This tells us that buyers are in a strong position and many sellers are more willing to negotiate."

The message for homeowners is that pricing strategy matters more than ever. While the market remains flat, well-positioned properties are still attracting competition and securing results.

For buyers, the environment is equally instructive: stronger negotiating power, more flexibility from sellers, and a wide pool of listings to choose from all point to opportunity.

Future for renting stronger than you think

Zac Snelling
Head of Property Management
Ray White Group

From affordability debates to compliance crackdowns, the housing sector has weathered years of relentless scrutiny. So much so that many landlords feel as though they've been swimming against the current, says Zac Snelling, Ray White Group Head of Property Management.

While these pressures are real, it's crucial not to be consumed by a narrative of negativity. The fundamentals of residential investment remain strong, and in several key areas, the outlook is brighter than it has ever been for landlords and tenants.

"It's too easy to get bogged down in bad news stories. But, if you take a step back, you'll see that the sector has matured significantly. We now have a stronger rental market, better quality housing stock, and an evolving demographic that will continue to sustain demand for decades," he says.

A BETTER STANDARD OF LIVING

The Healthy Homes Standards (HHS) have been one of the most consequential developments for New Zealand's rental sector in a generation. While some investors may have initially found the requirements burdensome, they have undoubtedly established a consistent baseline for quality, thereby elevating the quality of the nation's rental offerings.

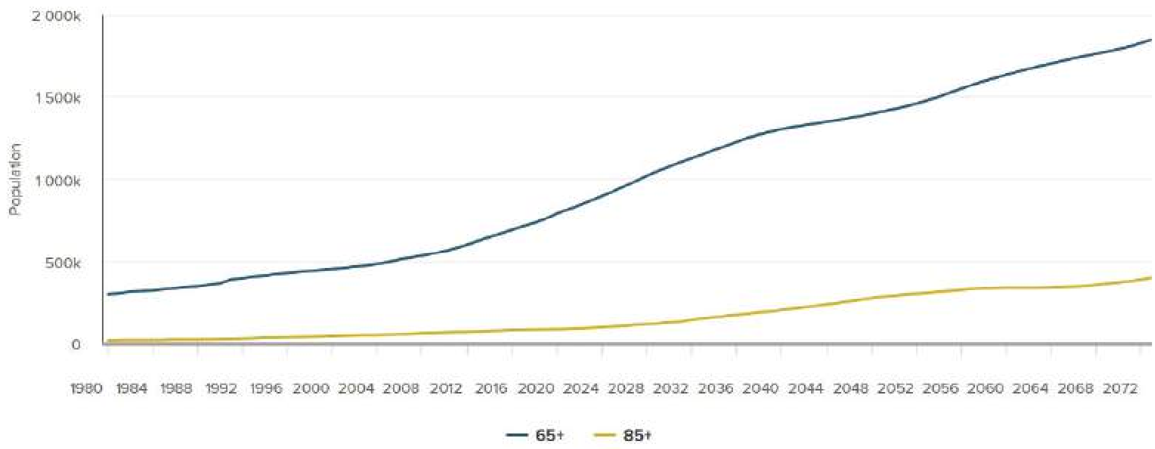
"Tenants are now enjoying a level of stability and quality that simply wasn't guaranteed before," Snelling says. "The standards have lifted the benchmark, and that's a win for everyone. Not only are homes warmer and drier, but the long-term health benefits – particularly for children – are undeniable."

Evidence from the Healthy Homes Initiative supports this: for every dollar spent on improvements, there is an estimated five dollars in health savings over five years, largely due to fewer hospitalisations and reduced school absences from cold and damp-related illnesses. For landlords, this means reduced vacancy risk and properties that are more resilient against shifting regulatory expectations.

AGEING OPPORTUNITY

One of the most significant structural shifts shaping the future of property investment is New Zealand's ageing population. By 2050, around one-quarter of the population will be aged 65 or older.

Population aged 65+ and 85+, based on the median projection, year ended June 1980–2073



Data up to 2022 is based on population estimates, from 2023 it is based on population projections.

Snelling says that increasingly, seniors are looking at renting not as a fallback, but as a lifestyle choice.

"Many older New Zealanders don't want the burden of maintenance, rates, or large family homes. Renting offers freedom, security, and the ability to live in vibrant communities without the ongoing stress of ownership."

This shift, what some are calling 're-retirement', is already reshaping the rental landscape. Seniors represent a growing pool of tenants, often seeking well-located, accessible properties. For investors attuned to these needs, there is a compelling opportunity to provide housing that caters to an underserved demographic in a fit-for-purpose manner.

"Importantly, this trend is dovetailing with intensification. As cities like Auckland face the need to accommodate millions more residents, planning debates are opening the door for medium-and high-density living."

INTENSIFICATION AND GENERATIONAL CHANGE

One of the month's most significant developments was the Government-driven deadline for the Auckland Council to consult on zoning changes to accommodate two million additional dwellings across the region.

New maps already show central 'character' areas, including Remuera, Mount Eden, and Mount Albert, zoned for 10-15 storey apartments, while any property within 800 metres of a train station or town centre is in scope for intensification.

Snelling says this may be a point of tension among residents, voters, and policymakers – but for the rental market, it represents a generational shift.

"In the short term, intensification is always a divisive issue, and the devil will be in the detail. But overall, it means more supply, greater choice, and modern, efficient rental housing in places where people actually want to live."

He recalls a recent example of a boutique inner-city apartment complex undergoing remediation planning.

Some of the owners – predominantly aged 50-plus – are unable or unwilling to fund the necessary repairs, given their stage of life and the large capital outlay for such works. Sensing this, developers began approaching the group with buyout offers, aiming to acquire the building for redevelopment.

“Development firms wouldn’t be circling like that if the fundamentals of the rental market weren’t strong,” Snelling says. “It shows that even in challenging conditions, there’s long-term advantage and a real sense of confidence in residential investment.”

FUNDAMENTALS REMAIN SOUND

While the spotlight often falls on the difficulties – economic performance, tighter regulation, political debate – Snelling says we are well-served by recognising how far the rental sector has come.

Ray White New Zealand now manages its largest-ever portfolio: more than 23,000 investment properties, representing an asset base exceeding $18 billion.

“The last seven years have been transformative,” he says. “Yes, it’s been tough at times, but tenants and buildings are better prepared for the future than ever. The fundamentals of investment haven’t changed: there is perpetual demand for rental housing, and quality stock will always find an audience.”

Demand is not only sustained by younger generations who see renting as a pragmatic long-term choice, but increasingly by older generations for whom renting provides simplicity in later life.

> “Demand (for rental housing) is not only sustained by younger generations who see renting as a pragmatic long-term choice, but increasingly by older generations for whom renting provides simplicity in later life.”
>
> **Zac Snelling**
>
> Head of Property Management
> Ray White Group

“With both ends of the demographic spectrum looking to the rental market, the pipeline of demand is structurally resilient.”

A LONG-TERM PERSPECTIVE

Ultimately, property investment has never been about short-term gains. It’s about playing the long game – balancing patience with foresight and flexibility.

Snelling offers a reminder: “Landlords must remain focused on the bigger picture. Yes, there are headwinds. But there is also an enormous opportunity if you tune into the demographic shifts, legislative improvements, and planning changes reshaping the market.

“The narrative is not one of decline; it is evolution.”

For investors, this means focusing less on temporary noise and more on enduring fundamentals: quality housing, stable demand, and an ageing but active tenant base.

For tenants, it means greater stability, healthier homes, and a rental market that is better equipped to serve diverse needs.

As the market continues to mature, both landlords and tenants stand to benefit from a more professional, better-prepared sector.

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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