OCTOBER 2025

PROUDLY PRESENTING NEW ZEALAND PROPERTY MARKET INSIGHTS IN REAL TIME

RAY WHITE **NOW**

FINDING FOCUS

FEATURED PROPERTY

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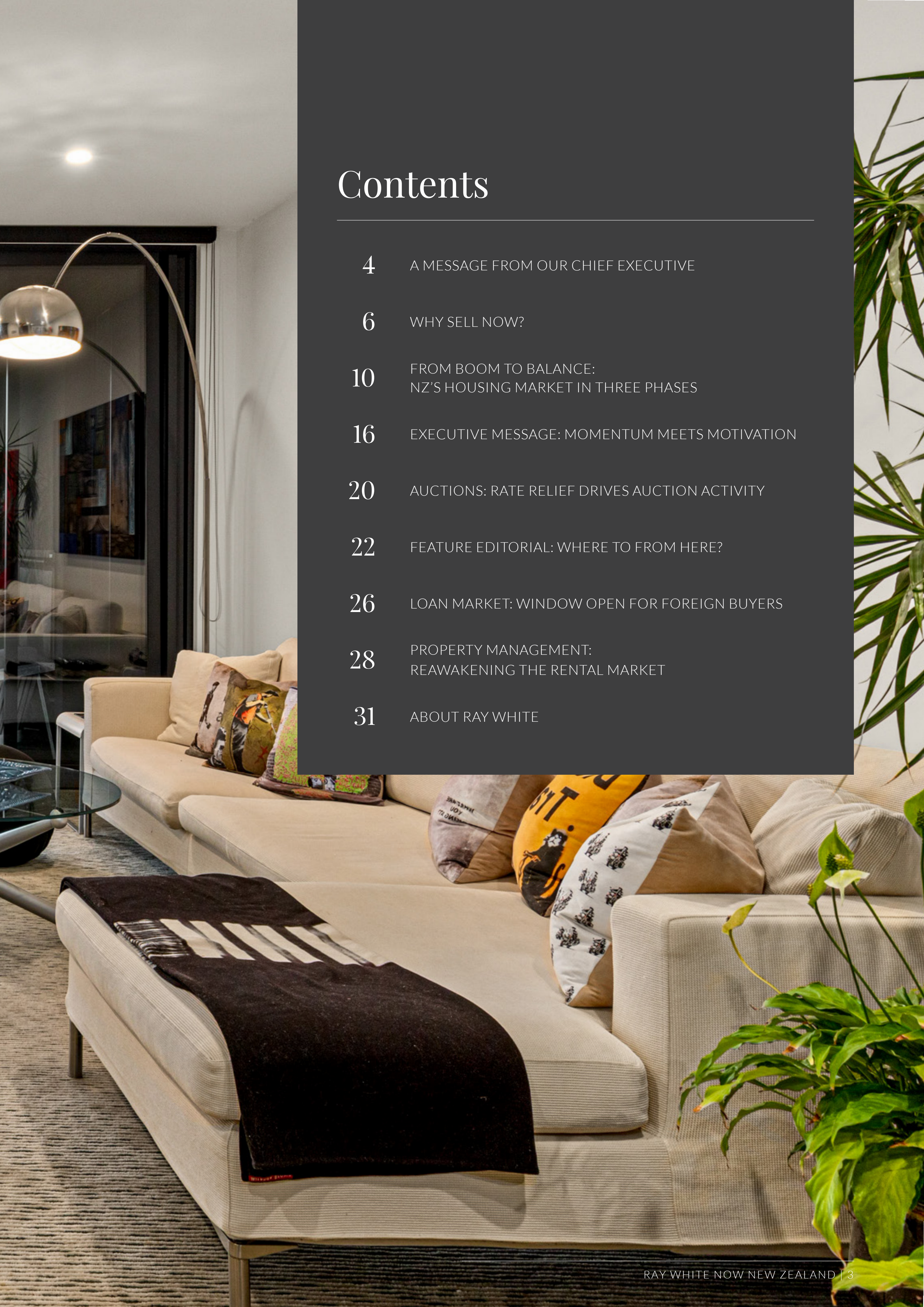

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A message from our chief executive

Dear Property Owner,

For almost two years, Kiwis have been cautious.

Waiting.

Watching for the moment when uncertainty would ease and economic indicators would give us the signs we craved to make more confident decisions.

That moment may have just arrived.

The Reserve Bank's (RBNZ's) half percentage cut to the Official Cash Rate (OCR) earlier this month was more than a technical move. It was a message.

The RBNZ has thrown its weight behind growth, signalling clearly that the era of defensive policy is over.

Households, investors, and business owners are being asked to re-engage – to spend and invest to support economic growth.

With the cash rate now at 2.50 per cent, lenders, including New Zealand's 'big four' banks, have already made meaningful reductions to mortgage lending rates, immediately improving household spending power.

For the average homeowner, that shift is tangible. A household with a $600,000 mortgage on a 30-year term and one-year fixed rate will now be spending just shy of $700 less each month on repayments, compared with the same time last year.

For families who have been weathering the slow grind of higher costs, that relief is more than financial; it's psychological.

The RBNZ's new Governor, Dr Anna Breman, along with the rest of the Monetary Policy Committee (MPC), have sent the signal that the central bank's greatest concern is hesitation – the collective pause that has kept businesses from hiring, investors from engaging, and house hunters from making decisions.

Inflation, though still elevated, is no longer the primary threat; it is inaction that risks holding the economy back.

But this is the pivot point.

Economists have rightly described the decision as 'front-loading,' a form of shock therapy designed to jolt confidence back into a subdued economy.

Markets turn quietly before they hum, and the subtle shifts we saw in September's property data – a modest rise in national values after five months of decline – now look less like noise and more like the beginning of a broader reawakening.

Across our Ray White network, we're seeing signs of this momentum take shape.

Sales activity has risen by double digits in several regions, open home attendance is lifting, and auction success rates continue to climb.

Lower mortgage lending rates are flowing through to household balance sheets, helping to instil confidence and overcome the sense of paralysis that plagued the market recently.

As lending costs fall and serviceability improves, the spring sales market may well become one of the most strategically advantageous windows we've seen in years.

Globally, too, developments such as progress toward a peace plan in Gaza could prove critical for market stability, reminding us that local decisions are increasingly shaped by international conditions.

When clarity returns, confidence follows, and confidence is the quiet catalyst that precedes momentum.

Please enjoy our 85th edition of Ray White Now.

Daniel Coulson
Chief Executive
Ray White New Zealand

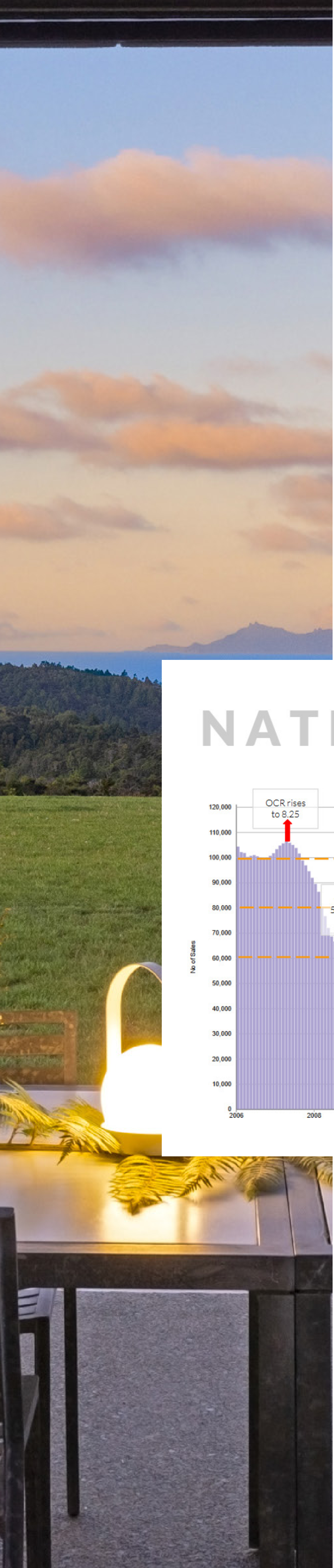
Why sell now?

Daniel Coulson
Chief Executive
Ray White New Zealand

There are moments in real estate where the economics of decision-making change faster than headlines. Early October's 50 basis point cut to the Official Cash Rate (OCR) – to 2.50 per cent – is one of those critical points, says Daniel Coulson, Ray White New Zealand Chief Executive.

"It alters the incentives facing homeowners and prospective purchasers, not by transforming market dynamics overnight, but by changing the reward for acting now versus waiting."

Coulson says the Reserve Bank of New Zealand's (RBNZ's) decision to reduce the OCR by 50 basis points was made with a specific concern in mind: the economy isn't running at full strength – what policymakers call 'spare capacity'.



"There are people, businesses, and resources sitting idle, and there is concern about an entrenched sense of hesitation.

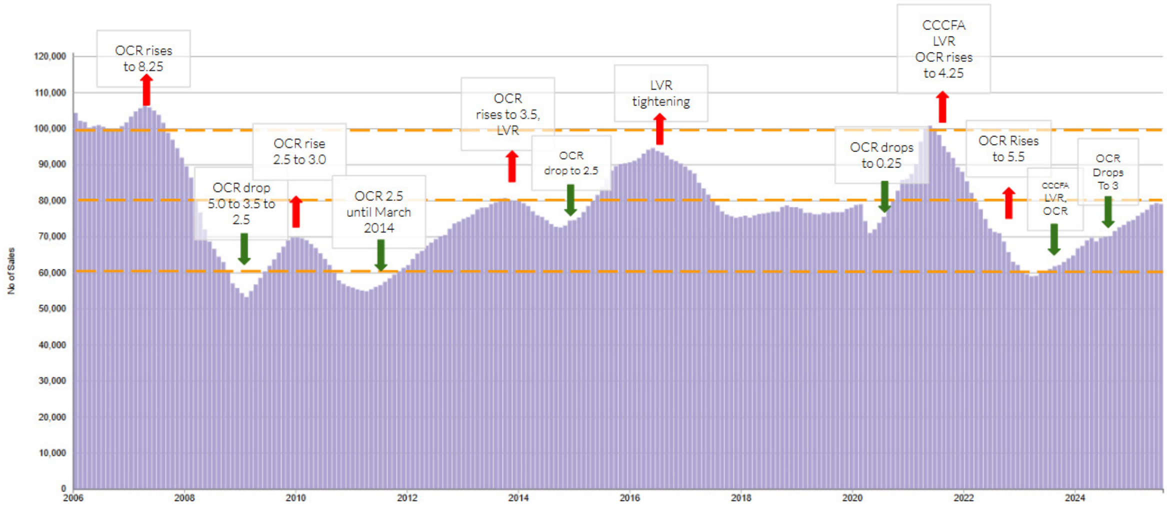
"To put it bluntly, a lower OCR reduces the cost of borrowing and makes holding off decision-making less attractive."

Lenders have moved quickly in response; wholesale funding costs have eased, and major banks adjusted rates within days. The practical outcome is meaningful breathing room for many households – lower monthly interest bills and improved borrowing capacity – which is starting to show up in lending and transaction activity.

"We're seeing shades of this shift in the data and out in the field. September's sales figures stopped the month-on-month decline in median sale values, and lending approvals have picked up through late winter.

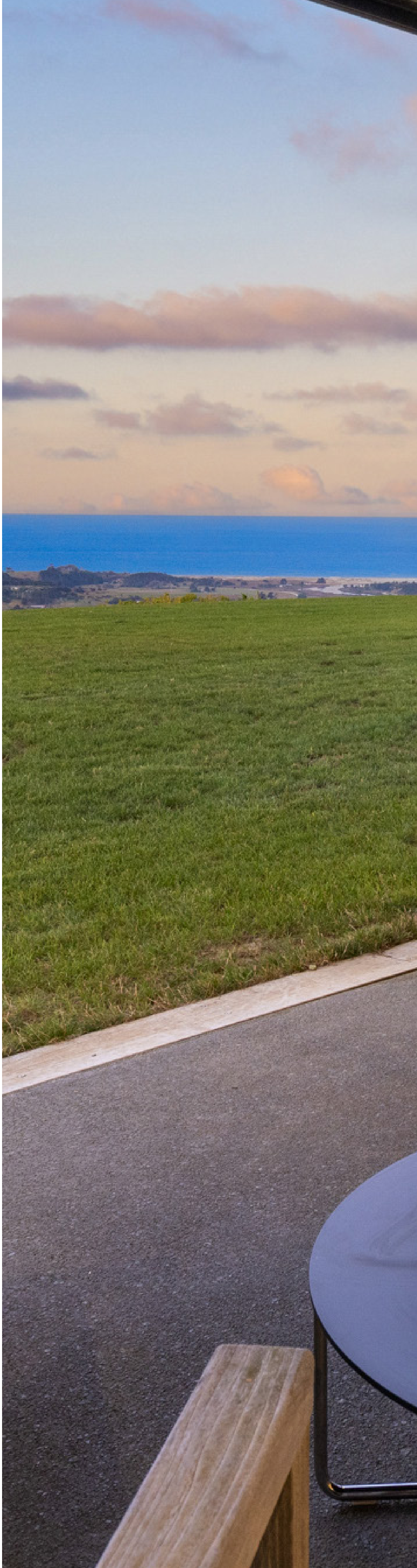
"Within our network, we are fielding more enquiries, fuller open homes, and steadier auction engagement. These are early, but meaningful signs that the market is becoming more motivated."

NATIONAL SALES VOLUME



Source: REINZ, RBNZ, Ray White New Zealand

Sales activity in the housing market has historically strengthened as the OCR begins to ease, highlighting the cyclical relationship between borrowing costs and transaction volumes.



STRATEGY COUNTS

Crucially, Coulson says the current market environment is not one of scarcity, save for a few select price pockets.

“Listing volumes remain high by historical standards. Plenty of stock remains available to buyers, and that abundance is an important reality for sellers. The current advantage is not scarcity-driven but rather being differentiated within a populous market.

“Sellers who assume scarcity is the primary lever for price appreciation will find success instead flows from clarity of the value proposition and campaign execution.”

What does that mean in practice?

HOW TO SELL NOW

Presentation matters more than ever. When buyers have options, the property that tells the clearest, most compelling story wins attention. Simple interventions that reduce friction for buyers (access, staging, current information) raise the probability of converting interest into offers.

Geography also matters. Regional New Zealand continues to carry the weight in this economic cycle. Elevated commodity prices and a lower exchange rate have supported many primary sectors, and that resilience is reflected in local housing demand in many provincial centres.

Cities, meanwhile, are rebalancing: some suburbs show improving buyer appetite, while others remain lacklustre. Coulson says the diversity of outcomes across our regions reinforces the case for market-specific strategies rather than broad-based national assumptions.

At the same time, investors and owner-occupiers are reading different signals.

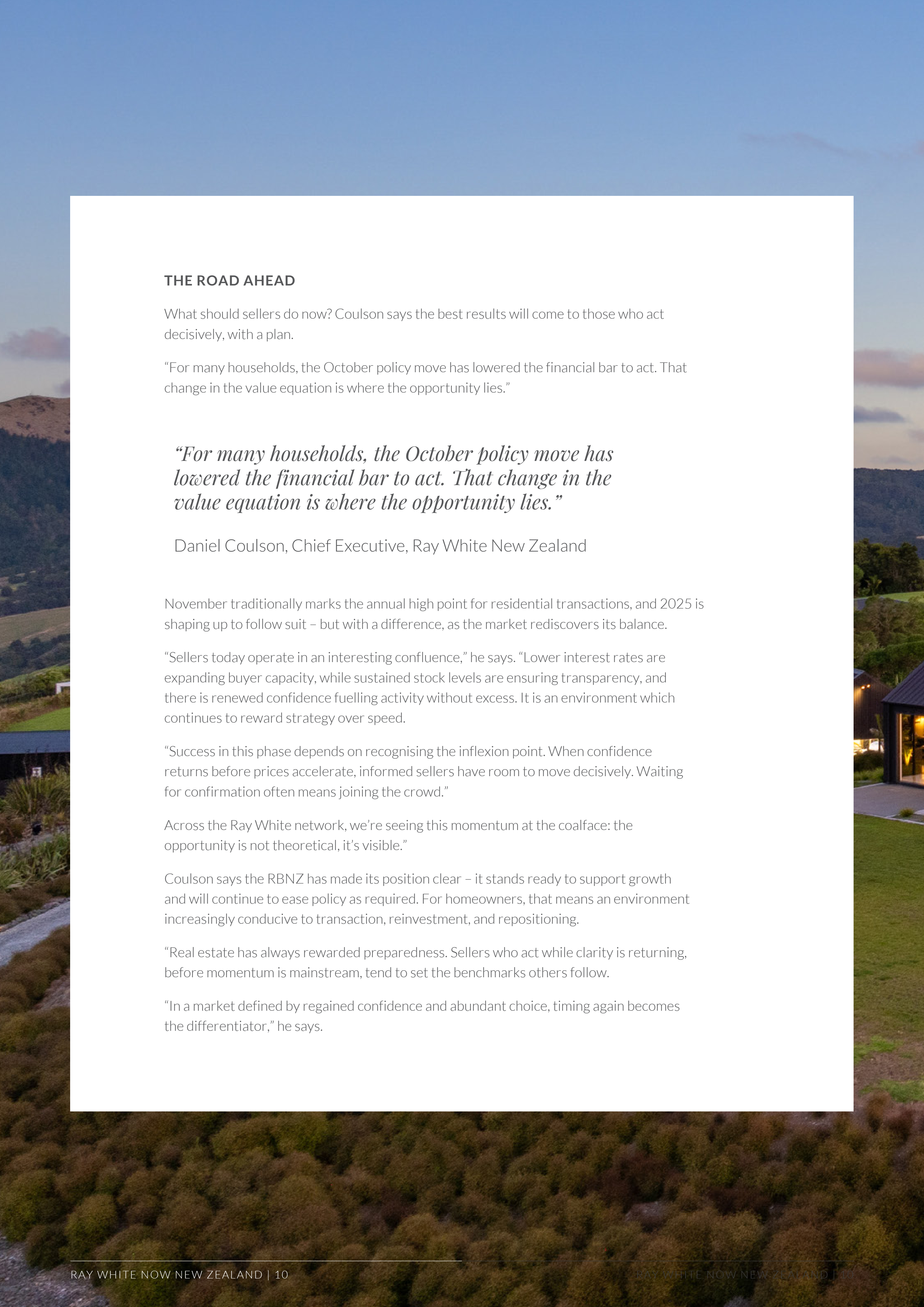
“Many investors remain careful about speculative short-term gains, but for those focused on long-term yield and portfolio diversification, tangible assets are regaining appeal.

“Owner-occupiers, meanwhile, are gradually moving from defensive budgeting to practical decision-making – arranging inspections, refinancing, and re-considering relocation or renovation plans as serviceability improves.”

Policy tone is a strong motivator. Under the new Governor, Dr Anna Breman, the RBNZ’s approach has shifted to reducing the premium on inactivity.

“The decision makers at the Monetary Policy Committee (MPC) have signalled a willingness to adjust the cash rate further if needed – a clear message that the path of rates is now conditional on activity as much as it is on inflation.

“Markets interpret that as increased optionality for borrowers, and a clearer planning environment for those taking properties to market before year-end.”



THE ROAD AHEAD

What should sellers do now? Coulson says the best results will come to those who act decisively, with a plan.

“For many households, the October policy move has lowered the financial bar to act. That change in the value equation is where the opportunity lies.”

> *“For many households, the October policy move has lowered the financial bar to act. That change in the value equation is where the opportunity lies.”*
>
> Daniel Coulson, Chief Executive, Ray White New Zealand

November traditionally marks the annual high point for residential transactions, and 2025 is shaping up to follow suit – but with a difference, as the market rediscovers its balance.

“Sellers today operate in an interesting confluence,” he says. “Lower interest rates are expanding buyer capacity, while sustained stock levels are ensuring transparency, and there is renewed confidence fuelling activity without excess. It is an environment which continues to reward strategy over speed.

“Success in this phase depends on recognising the inflexion point. When confidence returns before prices accelerate, informed sellers have room to move decisively. Waiting for confirmation often means joining the crowd.”

Across the Ray White network, we’re seeing this momentum at the coalface: the opportunity is not theoretical, it’s visible.”

Coulson says the RBNZ has made its position clear – it stands ready to support growth and will continue to ease policy as required. For homeowners, that means an environment increasingly conducive to transaction, reinvestment, and repositioning.

“Real estate has always rewarded preparedness. Sellers who act while clarity is returning, before momentum is mainstream, tend to set the benchmarks others follow.

“In a market defined by regained confidence and abundant choice, timing again becomes the differentiator,” he says.

From boom to balance: New Zealand's housing market in three phases

Atom Go Tian
Senior Data Analyst
Ray White Group

New Zealand's housing market continues to find balance, having evolved through three distinct phases since the COVID pandemic.

Peak pandemic activity and record-low lending rates saw speculative demand drive prices to unsustainable levels.

The **post-pandemic** correction followed as sales collapsed 41 per cent, listings fell 20 per cent, and prices dropped 19 per cent from their peaks.

The beginning of 2023 marked the **start of the recovery phase** as prices stabilised, followed shortly after by increases in both sales and listings.

This August, Ray White noted the median national house price of $761,000 sat well within the $750,000 to $800,000 range observed for the last two and a half years.

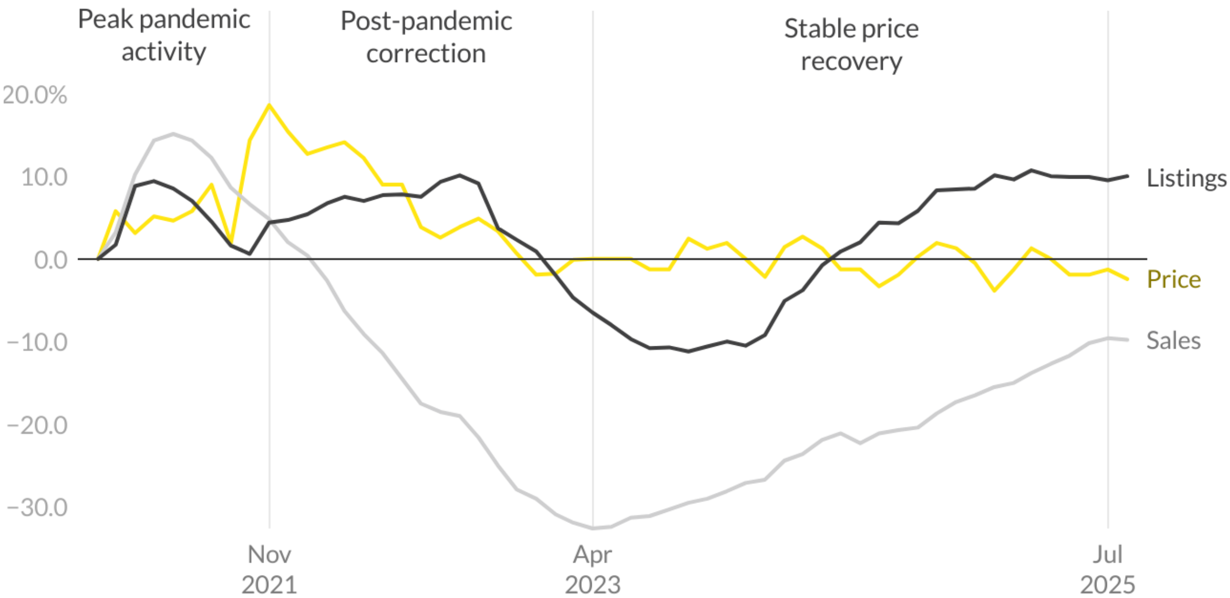
New listing levels returned to pandemic peaks early in 2025, but have since plateaued, with the 12-month rolling count sitting at 110,000. Meanwhile, sales experienced their first flat month since the 2023 recovery began.

Sales peaked at 78,000 in the 12 months to July 2025 - up 34 per cent from the most recent market trough.

Between August 2024 and 2025, sales again recorded 78,000 - the first time in 29 months that transaction volumes showed no increase. This plateau comes despite the Reserve Bank of New Zealand (RBNZ) lowering its Official Cash Rate (OCR) by 25 basis points to three per cent at its August 2025 meeting.

NZ post-pandemic market recovery

12-month rolling growth rates for sales and listings vs median house price growth, indexed to 2021



With all three indicators now returned to and maintaining sustainable levels, the question is how long this will continue?

The New Zealand property market appears to be in the throes of a rare period of equilibrium, with easing mortgage lending rates giving purchasers more borrowing power.

However, when contrasted with pandemic activity - where we saw significant speculative demand from investment buyers - the market is primarily now characterised by house hunters searching for houses based on their intrinsic value first, and potential as assets, second.

This becomes clearer when viewed with a regional lens. Major cities and upper-end markets such as Auckland and Wellington have recorded negative one and three-year growth, as demand spreads to more affordable regions.

Among major cities, Christchurch stands out as having the most affordable house prices, and it is the only city with positive growth in the last 12 and 36 months.

Although Tauranga is showing greater one-year growth, it also has the greatest three-year decrease, indicating its current growth is a catch-up recovery rather than genuine momentum.

Price growth by major city

Median house price as of July 2025 vs 2024 and 2022

Major City	Price	1Y Growth	3Y Growth
Tauranga City	$897,500	5.6%	-7.0%
Christchurch City	$690,000	4.8%	5.8%
Auckland City	$1,080,000	-0.1%	-3.7%
Hamilton City	$742,000	-0.4%	-5.5%
Wellington City	$831,000	-2.8%	-3.4%
New Zealand	**$761,000**	-0.5%	-4.9%

Source: REINZ, Ray White Economics

Similarly, among regions, five out of 16 are showing both positive one-year and three-year house price growth, and all regions (Gisborne, Southland, West Coast, Nelson, and Canterbury) have median house prices below the national median.

The most expensive regions (Auckland, Bay of Plenty, Waikato, and Wellington) show the largest long-term decrease in prices, with little consistency in price appreciation.

Price growth by region

Median house price as of July 2025 vs 2024 and 2022

Region	Price	1Y Growth	3Y Growth
Gisborne Region	$690,000	11.3%	21.9%
Southland Region	$465,000	8.9%	5.7%
West Coast Region	$385,000	7.8%	10.0%
Bay of Plenty Region	$830,000	7.1%	-7.3%
Otago Region	$690,000	7.0%	0.0%
Tasman Region	$786,000	5.5%	-2.4%
Nelson Region	$730,000	4.3%	7.4%
Canterbury Region	$689,000	4.0%	6.0%
Taranaki Region	$600,000	3.9%	-7.0%
Hawke's Bay Region	$660,000	3.1%	-6.1%
Marlborough Region	$635,000	2.4%	-5.2%
Auckland Region	$964,000	1.3%	-12.4%
Manawatu-Wanganui Region	$542,500	0.6%	-5.7%
Waikato Region	$740,000	0.0%	-5.1%
Northland Region	$600,000	-3.2%	-6.5%
Wellington Region	$740,000	-6.9%	-4.5%
New Zealand	**$761,000**	-0.5%	-4.9%

Source: REINZ, Ray White Economics

Currently, activity amongst both buyers and sellers suggests a maturing market.

Rather than a return to boom conditions, New Zealand has stabilised as a functioning market that serves actual housing needs rather than investment returns, which is arguably healthier even if less exciting for growth expectations.

Momentum meets motivation

Treena Drinnan
Chief Agency Officer
Ray White New Zealand

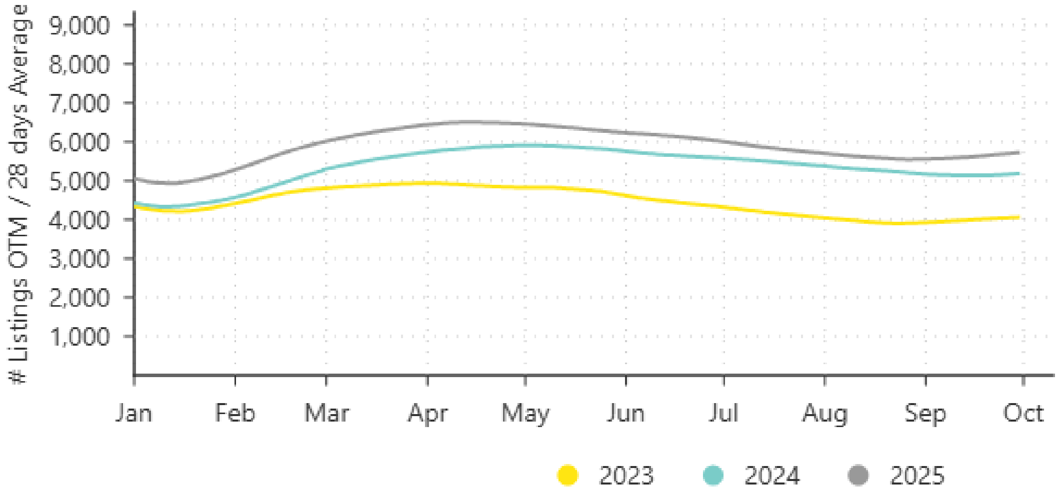
October marks a turning point for the New Zealand property market, not through sudden change, but through a decisive lift in confidence. The Reserve Bank's (RBNZ's) bold half-percentage-point cut to the Official Cash Rate (OCR), to 2.50 per cent, has eased borrowing costs and sent a clear signal that the time for waiting has passed.

Economists have described this as front-loaded monetary stimulus, a confidence shock designed to jolt activity across the economy, including the housing sector.

Across our Ray White network, that confidence is already evident. Open-home attendance has lifted, enquiry levels are rising, and sales volumes are rebuilding after a steady winter. Buyers who had been cautious are returning, armed with improved borrowing capacity and a clearer sense of affordability.

For sellers, this is translating into more competition at the point of sale and greater participation at auction. Stock levels remain healthy, but the balance is tilting toward motivated buyers who recognise that easing interest rates and stable pricing create a genuine window of opportunity.

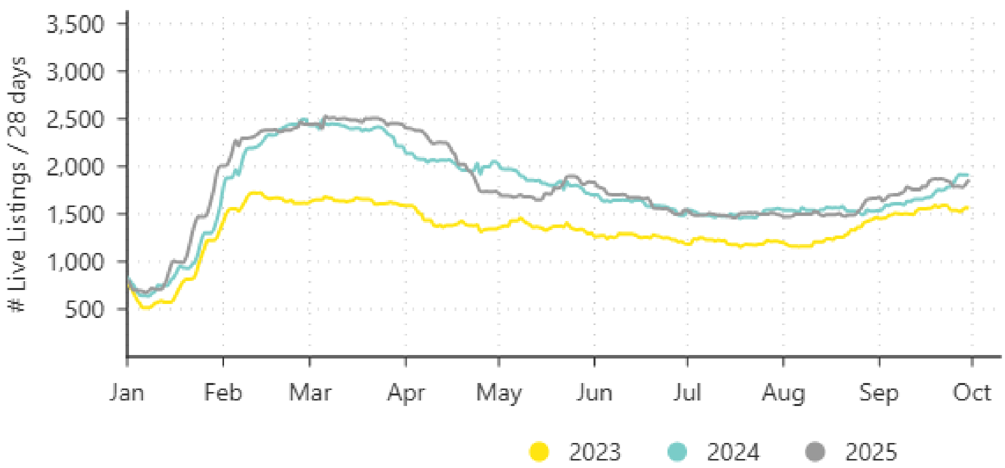
LISTINGS ON THE MARKET



Source: Ray White New Zealand

In September, Ray White properties listed for sale rose 10.19 per cent year-on-year, bringing fresh energy to the spring market.

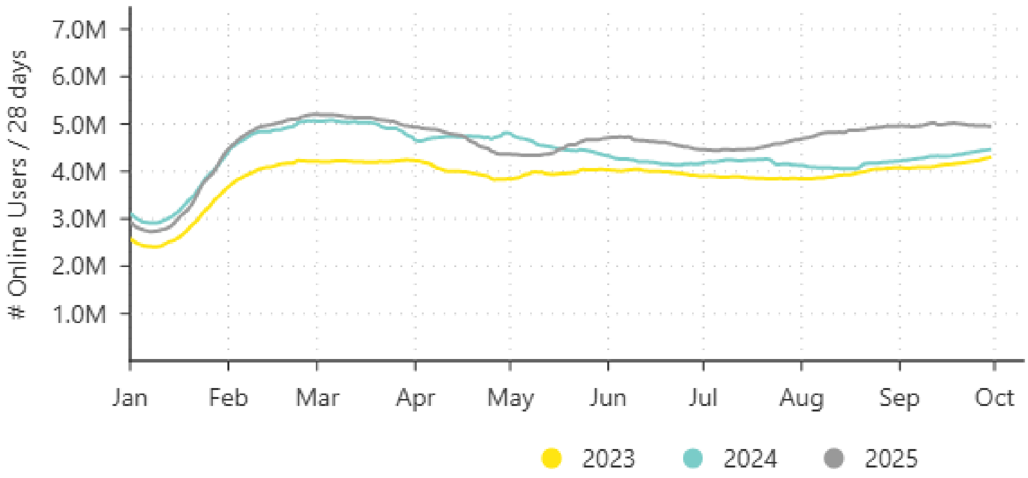
LIVE LISTINGS



Source: Ray White New Zealand

Our live listing count closed at 2,016, up 2.13 per cent year-on-year, reflecting a steady and well-supplied marketplace.

ONLINE ENQUIRIES



Source: Ray White New Zealand

Digital engagement climbed to 5.33 million online users (+12.87 per cent year-on-year) and 44,830 online enquiries, showing buyers are not just browsing, they're ready to act.

CONFIDENCE AND OPPORTUNITY

Lower mortgage rates are already reshaping affordability. For many households, this shift equates to meaningful monthly savings, offering opportunities unavailable during the high-rate period.

Our partners at Loan Market have recorded a lift in pre-approval activity, reinforcing that borrowers are re-entering the market rather than waiting on the sidelines.

Nationally, listings continue to rise in step with buyer enquiry, signalling that both sides of the market are leaning into new opportunities. The combination of steady pricing, lower rates, and improving sentiment is setting the stage for a sustainable recovery.

WHAT IT MEANS FOR BUYERS AND SELLERS

For Sellers: Momentum is building. Buyers have more confidence, but they're also more informed. Success now depends on positioning, pricing with precision, presenting with intent, and engaging buyers with clarity.

For Buyers: Affordability is improving, and choice remains strong. Those with pre-approval are best placed to act decisively in a market where confidence and competition are rising in tandem.

LOOKING AHEAD

The RBNZ's next OCR review in November will be watched closely, but the tone is clear: the focus has shifted from restraint to recovery. As confidence continues to spread, we expect solid activity through the remainder of 2025, setting a stronger foundation for the new year.

Stability today is a platform for progress. And as we've seen time and again, when clarity returns, confidence follows.

October has confirmed what the market has been hinting at for months: New Zealand real estate is re-energising around lower rates, higher engagement, and a more confident outlook. For both buyers and sellers, the balance of opportunity has rarely looked more constructive.

Now is the time to act, connect with your local Ray White team and make your next move with confidence.

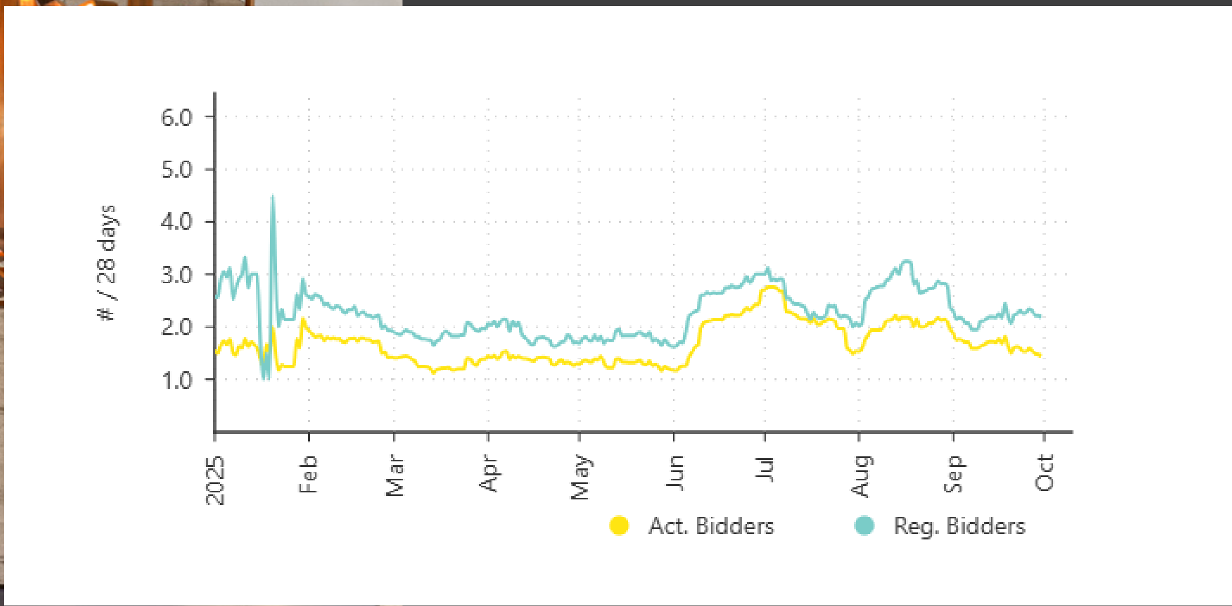
Auction piece

Sam Steele
Head Auctioneer
Ray White New Zealand

The Reserve Bank's recent adjustment to monetary policy, marked by a further reduction to the Official Cash Rate (OCR), has provided a meaningful boost to market confidence and auction bidders. The easing of debt servicing pressures has supported increased buyer activity and contributed to a notable uplift in auction performance through the spring months.

Ray White New Zealand's auction results have reflected these strengthening market dynamics. Buyer participation has remained robust, driven by improved affordability and growing confidence, while seasonal momentum continues to underpin more favourable selling conditions across the network.

In September, Ray White conducted 442 auctions nationwide. Clearance rates improved to 56.4%, while increased listing volumes have expanded buyer choice, resulting in a modest increase in average bidder registrations 2.6 per auction.



Auctions comprised 32.8% of all new property listings, reaffirming their position as a preferred method of sale for homeowners across the country. Heightened market activity is fostering stronger engagement from both buyers and sellers as we progress to the summer market.

Properties offered by auction recorded an average of 34.5 days on market, compared with 59 days for other sales methods. This continued efficiency highlights the advantages of the auction process in achieving timely and transparent outcomes.

As market conditions evolve, Ray White remains committed to upholding the highest standards of auction excellence, delivering confidence, competition, and exceptional results for clients nationwide.

Where to from here

With a super-sized cut to the Official Cash Rate, the Reserve Bank of New Zealand has fired the starting gun on New Zealand's next housing cycle, but where will this newfound confidence take us in the months ahead?

This October, the Reserve Bank of New Zealand (RBNZ) surprised markets with a bolder-than-expected half per cent cut to the Official Cash Rate (OCR), taking it to 2.50 per cent, and the message was unmistakable: the time for cautious fine-tuning is over.

"The Committee remains open to further reductions in the OCR as required for inflation to settle sustainably near the two per cent target mid-point in the medium-term," the Monetary Policy Committee noted in its statement. For economists, it was a signal that the central bank is prepared to do more, and for homeowners and investors, it marked a definitive turn in the property cycle.

Economists have widely branded the move more 'doveish' than expected (showing a willingness to support growth through lower interest rates), with many anticipating another 25 basis point cut later this year if the economic recovery stalls.

MOMENTUM RETURNS TO THE MARKET

Already, the effects are being felt. According to online marketplace Trade Me's Property Pulse Report, buyer demand in Auckland is up 12 per cent year-on-year, outpacing a six per cent lift in listings.

Nationally, the average asking price rose 1.30 per cent to $835,350, while Auckland's average property price has climbed back above $1 million, the strongest monthly rise since January.

After two subdued years, it seems confidence is returning. Trade Me says property listings jumped 19 per cent in September, while buyer searches surged 24 per cent – a clear signal of renewed engagement.

Kelvin Davidson, chief property economist at property data and analytics firm Cotality, calls it a 'happy situation' - where both first-home buyers and investors are becoming more active.

Cotality's Buyer Classification Data shows first-home buyers currently account for around 27.50 per cent of the market's purchases, while investors have lifted their market share to 24.60 per cent – up from the low of 22 per cent recorded in the two years to 2024.

"In general, there's a bit for everybody at the moment," Davidson says. "Cashflow has turned around a lot in the past year, interest deductibility is back to 100 per cent, and lower rates are reducing the amount investors need to top up."

For many, those top-up mortgage repayments have halved since last year – from around $400-$500/week to closer to $200. Analysts say that represents a sizeable shift, motivating investors to re-engage with the market.

THE CYCLICAL NATURE OF THINGS

The latest OCR adjustment does, however, reflect a deeper challenge for New Zealand's economy over the last decade.

Analysts note that long before the pandemic, the RBNZ struggled to keep interest rates elevated for long. When inflation eased, rates fell. When they rose, growth faltered. The pattern has been clear that New Zealand's economic momentum remains closely tied to the cost of borrowing, and by extension, the housing market.

This can be attributed equally to policy and the structure of the financial system, as property remains the country's largest store of household wealth, and residential lending is a primary channel through which monetary policy flows into the real economy.

Analysts note that when mortgage lending rates fall, affordability improves, confidence lifts, and purchasing power expands – a sequence that has reliably underpinned economic recovery in past cycles.

> "When mortgage lending rates fall, affordability improves, confidence lifts, and purchasing power expands – a sequence that has reliably underpinned economic recovery in past cycles."

Forecasts vary, but most major banks see the cash rate settling somewhere between 1.50 per cent and two per cent by next year – enough to make sub-four per cent mortgage rates a realistic prospect.

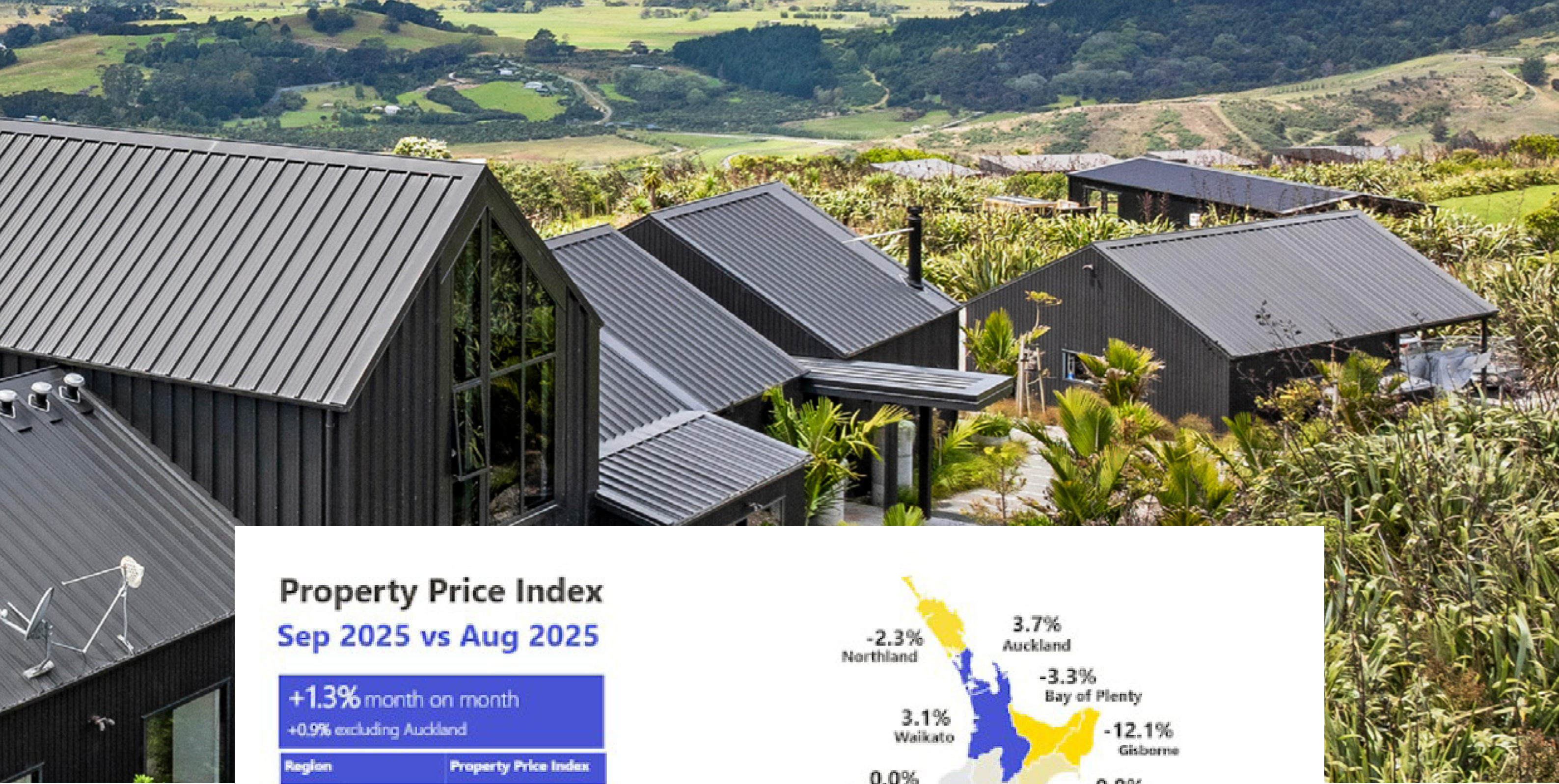
The implications for homeowners are straightforward: cheaper finance supports asset values and strengthens household balance sheets. The precise timing of future cuts may be debated, but the overall direction of monetary policy is clear – and the housing market is already responding.

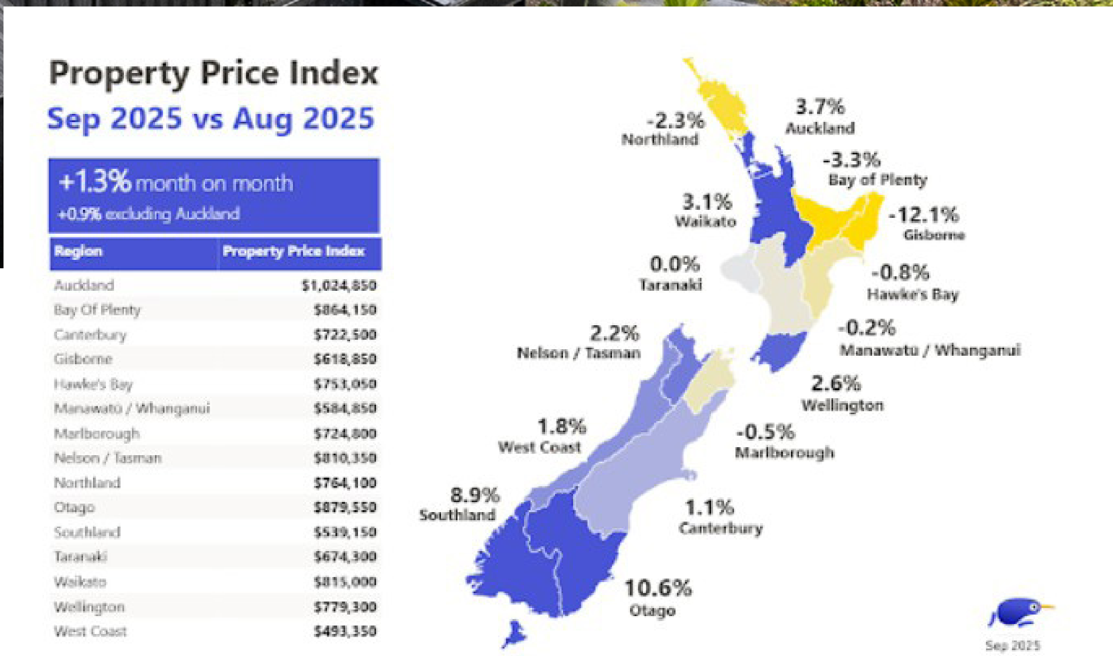
KIWIS BECOME MORE FLEXIBLE

In the long term, evolving attitudes toward housing are reshaping demand.

A New Zealand Housing Survey by strategic consultancy The Urban Advisory found that while 79 per cent of respondents preferred living in a standalone home, 58.50 per cent are open to living in a townhouse or semi-detached dwelling, and 67 per cent of those under 35 would consider low-rise apartments.

The traditional Kiwi dream of the quarter-acre section remains alive – look at interest in new lifestyle communities. However, Kiwis are becoming more flexible to mitigate cost pressures, and alternative ownership models are gaining ground. From co-housing and built-to-rent developments, we expect to see opportunities in these sectors in the years ahead.





Property Price Index
Sep 2025 vs Aug 2025

+1.3% month on month
+0.9% excluding Auckland

Region	Property Price Index
Auckland	$1,024,850
Bay Of Plenty	$864,150
Canterbury	$722,500
Gisborne	$618,850
Hawke's Bay	$753,050
Manawatū / Whanganui	$584,850
Marlborough	$724,800
Nelson / Tasman	$810,350
Northland	$764,100
Otago	$879,550
Southland	$539,150
Taranaki	$674,300
Waikato	$815,000
Wellington	$779,300
West Coast	$493,350

Source: Trade Me Property

At the same time, regional variations are widening. According to Trade Me data, prices in Southland (+9.70 per cent), West Coast (+8.9%), and Otago (+4.1%) recorded the strongest annual gains, while W�naka in Otago recently surged 21 per cent year-on-year, adding nearly $400,000 in a single month.

By contrast, Marlborough saw prices fall 9.30 per cent, underscoring how uneven recovery can be. In Auckland, where average prices are still 1.80 per cent below 2024 values, the rebound remains slow but steady – an encouraging signal following two years of moving sideways.

For property owners, these shifts point to opportunities on several fronts. The market isn't defined by a single narrative, but by timing, location, and the ability to anticipate demand.

WHAT THIS MEANS FOR HOMEOWNERS

Economists often debate what should happen next, but homeowners will act on what did happen. The RBNZ has shown its hand: growth is a priority, confidence must be rebuilt, and rates will stay low until policymakers are satisfied Kiwis are meaningfully engaging in the consumer economy.

As history shows, this combination typically delivers house price inflation.

For sellers, that means the months to year-end may mark a distinct opportunity where motivated buyers and affordable finance align to create additional incentive.

For buyers, it's a reminder that confidence can quickly return, sometimes faster than stock levels rise.

For everyone else, it is an invitation to move from caution to confidence. The direction of travel is clear, and those who position early will set the pace for the next phase of growth.

Loan Market

Window open for foreign buyers

Overseas-based investors holding a New Zealand investor residence visa are now allowed to buy houses in New Zealand, in a move designed to encourage more investment and help grow the economy.

Prime Minister Christopher Luxon said that while the ban on foreign purchasers buying residential housing would remain, the Government wanted to bring additional investment, skills, ideas and connections to New Zealand – and the Active Investor Plus residency visa allowed that, as it offered residency to migrants who:

- Invest a minimum of $5 million to help grow the economy.
- Pass a good character test.
- Have acceptable health.

The Prime Minister said that because Active Investor Plus residency visa-holders do not have to be in New Zealand for six months of each year, the foreign buyer ban meant some did not meet the threshold for buying a house under the Overseas Investment Act.

"The Government has therefore decided that people with an Active Investor Plus residency visa will be allowed to buy or build one home. The minimum value of the house that can be bought or built will be set at $5 million, which equates to less than 1 per cent of New Zealand houses," he noted.

PROTECTION VERSUS GROWTH

The Prime Minister described the change as one that "navigates a path between those who do not want foreign ownership opened up, and the desire to attract high-net-worth investors by deepening their connection to our country to help grow the economy".

There have been more than 300 applications for the Active Investor Plus visa since it was re-launched on 1 April. If all these applications were approved and proceed, it would mean a potential total minimum investment of $1.8 billion in the New Zealand economy.

Individuals who received residence visas under the previous Investor 1 and 2 visa categories will also be eligible for this new housing provision.

Two investment categories

- **Growth:** Higher-risk investment, including direct investments in New Zealand businesses, with a minimum of $5 million for at least three years.
- **Balanced:** Mixed investments, including lower-risk options, with a minimum of $10 million over five years.

For homeowners, it suggests that while the changes will only affect a small segment of the market, renewed investor participation could add depth and confidence to premium property values, with potential firming effects for the broader market in the months ahead.

Reawakening the rental market

Zac Snelling
Head of Property Management
Ray White Group

For much of 2025, the housing sector has felt suspended, neither in retreat nor recovery, just waiting for something to give. Now, at last, we're feeling an undercurrent, says Zac Snelling, Ray White Group Head of Property Management.

Lending rates are softening, confidence is flickering back, and the Reserve Bank of New Zealand's (RBNZ's) tone is distinctly doveish. These changes may seem technical, but for tenants and investors, they mark a quiet reawakening, where stability and opportunity open doors across the rental market.

"The noise has been relentless," Snelling says. "But, if you strip it back, there's real progress beneath the surface. The market is recalibrating – and landlords who read that rhythm early will be best placed for what's ahead."

THE ECONOMY

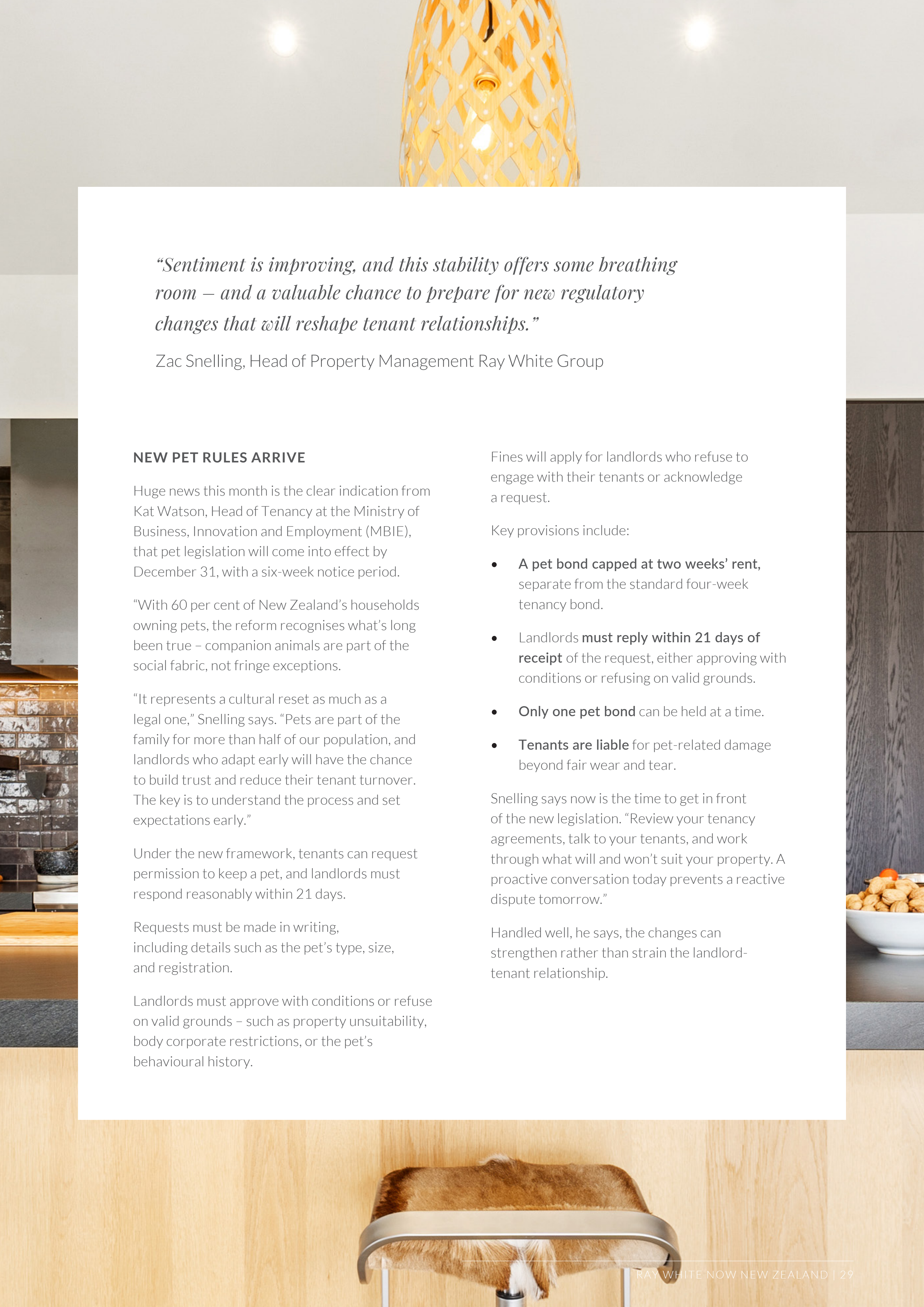
Following a five-month slide, national property values lifted modestly in September, according to property data and analytics firm Cotality.

The change was marginal, but meaningful – fuelled by easing mortgage lending rates, a brighter economic outlook, and tentative optimism among both buyers and banks.

"October's 50 basis point cut to the OCR has seen a meaningful reduction in retail rates, almost immediately improving the yield equation for investors.

"The RBNZ has also said it will reduce rates further if required, sending a clear signal to investors that the central bank is committed to supporting economic activity, of which the housing market is a critical part," Snelling says. "It's not just about the interest rate, though; it's about confidence in the direction of travel.

"Sentiment is improving, and this stability offers some breathing room – and a valuable chance to prepare for new regulatory changes that will reshape tenant relationships.



"Sentiment is improving, and this stability offers some breathing room – and a valuable chance to prepare for new regulatory changes that will reshape tenant relationships."

Zac Snelling, Head of Property Management Ray White Group

NEW PET RULES ARRIVE

Huge news this month is the clear indication from Kat Watson, Head of Tenancy at the Ministry of Business, Innovation and Employment (MBIE), that pet legislation will come into effect by December 31, with a six-week notice period.

"With 60 per cent of New Zealand's households owning pets, the reform recognises what's long been true – companion animals are part of the social fabric, not fringe exceptions.

"It represents a cultural reset as much as a legal one," Snelling says. "Pets are part of the family for more than half of our population, and landlords who adapt early will have the chance to build trust and reduce their tenant turnover. The key is to understand the process and set expectations early."

Under the new framework, tenants can request permission to keep a pet, and landlords must respond reasonably within 21 days.

Requests must be made in writing, including details such as the pet's type, size, and registration.

Landlords must approve with conditions or refuse on valid grounds – such as property unsuitability, body corporate restrictions, or the pet's behavioural history.

Fines will apply for landlords who refuse to engage with their tenants or acknowledge a request.

Key provisions include:

- **A pet bond capped at two weeks' rent,** separate from the standard four-week tenancy bond.
- Landlords **must reply within 21 days of receipt** of the request, either approving with conditions or refusing on valid grounds.
- **Only one pet bond** can be held at a time.
- **Tenants are liable** for pet-related damage beyond fair wear and tear.

Snelling says now is the time to get in front of the new legislation. "Review your tenancy agreements, talk to your tenants, and work through what will and won't suit your property. A proactive conversation today prevents a reactive dispute tomorrow."

Handled well, he says, the changes can strengthen rather than strain the landlord-tenant relationship.

SELF-CONTROL

In a sector that often feels defined by external pressures – from lending rates to regulation – Snelling encourages landlords to channel their energy into what's within reach.

"So much of the business is cyclical," he says. "You cannot control policy, or the OCR, but you can control the quality of your property, the standard of your tenancy, and the professionalism of your management. That's what sustains value through any cycle."

It's this philosophy that underpins Ray White Choice, the company's industry-exclusive suite of property management services for self-managing landlords.

"Choice gives landlords the best of both worlds – control and support. It's designed for those who want to stay hands-on but still tap into professional systems for compliance, inspections, and rent management."

Snelling says that as policy develops, hybrid management models like Ray White Choice will become increasingly valuable.

"It's about staying compliant when rules like those around pet regulation change and ensuring landlords are making informed decisions with true and correct information."

This month, Ray White has also released an updated Methamphetamine Guide, revised to "explain the unexplainable' and simplify one of the most misunderstood aspects of property regulation.

"This is a space full of misinformation. The new guide lays out the facts: when to test, how to respond, and what responsibilities sit where. The guide breaks down the latest regulatory thresholds and responsibilities for both landlords and tenants, providing much-needed certainty in a previously ambiguous area," Snelling says.

Looking ahead, lower borrowing costs, clearer regulation, and pragmatic leadership all point to a rental sector regaining its footing.

While capital gains may remain subdued until 2026, the fundamentals – demand, professionalism, and playing to your demographic strengths – are reasserting themselves.

"The narrative is ever-changing. Readiness is key for the next few months. Landlords who adapt early, stay informed, and focus on their fundamentals will be those who thrive," Snelling reflects.

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

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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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