

DECEMBER

2025

PROUDLY PRESENTING NEW ZEALAND PROPERTY MARKET INSIGHTS IN REAL TIME

RAY WHITE NOW

SUNNY SIDE UP





The image shows a modern, multi-level house built on a cliffside. The house features a prominent wooden deck with a glass railing, illuminated from within. Below the deck is a swimming pool with a stone surround. The house is surrounded by lush greenery, including palm trees. In the background, the ocean stretches to the horizon under a twilight sky.

FEATURED PROPERTY

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Ray White Whangarei and Ray White Tutukaka
Goode Leith Realty Limited Licensed (REAA 2008)

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A message from our chief executive

Dear Property Owner,

As we close out 2025 and look toward an always-welcome summer, the mood across New Zealand's housing market feels markedly different from where we started. Following uncertainty, job losses, global conflict and sharper-than-expected economic adjustments, the past month has delivered a suite of economic indicators pointing firmly in a more positive direction.

Employment concerns are easing, business confidence has risen to an 11-year high, retail spending is picking up, and consumer sentiment has shifted noticeably into more positive territory.

House prices are edging upward, too, with transaction volumes realigning with long-term averages, and mortgage lending rates stabilising at what many believe is the bottom of the rate-easing cycle.

We are undoubtedly seeing the economy and the property market moving in greater synchrony.

Importantly, media coverage has turned more upbeat. When sentiment here begins to shift, it typically means the cycle has already moved further ahead on the ground.

Monetary easing from the Reserve Bank of New Zealand (RBNZ) is working its way through the financial system, improving household balance sheets and making mortgages more affordable as we head toward Christmas.

Greater optimism in the housing market has also reignited the old debate – whether housing should function as an economic backbone. However, in a small, asset-anchored economy like ours, it is challenging to separate the two.

With such a high proportion of small-to-medium business owners, and business lending often secured against family assets, a confidently performing housing market continues to be essential for consumer confidence, investment, and broader economic momentum.

This dynamic set the backdrop for the RBNZ's final Official Cash Rate (OCR) review of the year, which offered few surprises when the Monetary Policy Committee (MPC) decided to reduce the cash rate by a further 25 basis points to a cycle low of 2.25 per cent.

While the overall tone of the announcement was more confident than anticipated, the Bank now forecasts a largely

unchanged OCR into 2026, rising gradually thereafter, indicating that we're likely at the bottom of the easing cycle.

Concurrently, Kiwis are also seeing aggressive competition among lenders, with cash-back offers and fixed-terms priced to capture market share. This continues to attract investors back to the fore, while homeowners take advantage by refinancing, making plans for their next move – and yes – perhaps freeing up a little extra room for festive spending.

Across the economy, businesses are restocking, port volumes are surging, and job ads have grown for four consecutive months. Put simply: the foundation for 2026's economic recovery is in place. Momentum is building as Kiwis head into the holiday season, and the summer market is shaping up with renewed confidence.

For sellers, it's the right time to consider a New Year campaign, and for buyers, the best time to act is when the fundamentals are strengthening, not once the market has already moved.

As this is our final edition for the year, I extend my sincere thanks to our clients, customers, and exceptional networks nationwide. Your trust and partnership continue to drive our team, and we look forward to supporting your property aspirations in 2026.

Wishing you a warm and joy-filled summer break. Here's to brighter conditions, both in the market and on the beach.

Please enjoy our 87th edition of Ray White Now.

Regards



A handwritten signature in dark ink, appearing to read 'Daniel Coulson', written in a cursive style.

Daniel Coulson
Chief Executive
Ray White New Zealand



Why sell now?



Daniel Coulson
Chief Executive
Ray White New Zealand

Clarity is again the strongest force shaping residential decision-making – but this month, the logic behind selling has broadened, says Daniel Coulson, Ray White New Zealand Chief Executive.

What began as stabilisation has matured into cycle confidence, supported by regulatory reform, a more assertive monetary stance, and a growing belief that 2026 will mark the first genuinely expansionary year since before the pandemic.



“This is the first time in several years where the data, sentiment and behaviour on the ground are all pointing north. Sellers aren’t reacting to noise; they’re responding to fundamentals.”

Daniel Coulson, Chief Executive, Ray White New Zealand

RESETTING THE FOUNDATIONS

In late November, the Government announced the most significant structural reform to local government in decades. Proposals to replace regional councils with Combined Territories Boards aim to remove duplication, improve accountability, and accelerate planning, infrastructure and environmental decision-making.

Coulson describes it as “the beginning of a structural reset with the potential to influence property markets for a generation.”

“Faster and clearer local decision-making affects everything from zoning and infrastructure rollout to the cost and speed of development. Homeowners may view this as a sign that the national operating environment is being rewired for growth.”

Population pressures add context. New Zealand’s population has grown by an average of 1.8 per cent a year for the past decade, outpacing planning and financial frameworks set in the late 1980s.

Coulson says there is an opportunity here: “reform acknowledges that our systems have lagged behind reality, and markets respond when governments start closing structural gaps.”

A STRENGTHENING ECONOMY

Following a year of false starts, the economic pulse is firming. Businesses are restocking at scale. Ports of Auckland has processed its highest container volume in nine years, with a wave of agricultural machinery and vehicle imports signalling renewed commercial activity.

Job advertisements have lifted for four consecutive months, now seven per cent higher than this time last year – and hiring has stabilised across most sectors.

Retail spending jumped 1.90 per cent in the September quarter, well above forecasts, showing monetary policy is finally flowing to households. Even with unemployment touching 5.30 per cent, many economists now believe this is the top of the cycle.

“This is the kind of environment where decisions stop being deferred,” Coulson says. “Buyers aren’t waiting anymore. They’re responding to broad-based improvement, and that’s what drives early-cycle markets.”

MEANINGFUL MONETARY POLICY

The Reserve Bank of New Zealand's (RBNZ) final Official Cash Rate (OCR) review of the year confirmed a 25 basis point (bps) cut, bringing the OCR to 2.25 per cent after the front-loaded 50bps reduction in October.

The surprise wasn't the reduction itself, but the tone.

For the first time this year, the Bank conveyed a notably more confident note – one that surprised markets. Wholesale rates and the New Zealand dollar firmed immediately, reflecting the unexpected hawkish tilt within the Monetary Policy Committee (MPC).

Despite this, the underlying message remained clear: policy settings are now broadly stimulatory, and the easing cycle is considered "likely complete".

For homeowners, the practical implications matter most. The effective mortgage rate paid by households is around 100bps lower than last year's peak. Fixed-term rates, while volatile, have already begun to settle. And the recent surge in bank switching, boosted by cash-back incentives, is pushing lenders to compete aggressively for quality borrowers.

"Lower debt servicing costs give buyers confidence, but stable rates give sellers certainty," says Coulson. "The dual effect is unusual, and what is driving strong participation on both sides of the transaction."

MOVING QUIETLY TOWARD

EXPANSION

The latest RBNZ forecasts show property prices rising four per cent next year, supported by improving buyer sentiment and strengthening fundamentals.

Coulson says that sales activity is already tracking close to long-term norms, and the gap between buyer ambition and seller expectation has narrowed meaningfully.

"Across our Ray White network, the change in sentiment is visible. Open home attendance has lifted. Auction rooms are more competitive. Regional markets are seeing firmer enquiry, and investor participation is climbing as lending constraints ease.

"The first signs of the upswing are never loud. They're behavioural – and what we're seeing now is consistent with a market preparing to accelerate."

At the same time, property ownership costs – from construction materials to insurance – are stabilising.

Rate increases across councils have moderated, and building sector reforms are expected to streamline consenting processes and modernise warranty requirements. While questions remain about insurance appetite, the direction is positive: a system moving from caution to shared responsibility.

"With servicing costs easing and confidence rising, many households are using refinancing windfalls to pay down annual expenses – or simply free up space in stretched budgets for the holidays. This behaviour typically aligns with upcoming market re-engagement."



WHY SELL NOW - NOT LATER

Coulson says the coming months represent a strategic juncture for homeowners, with three key factors defining the opportunity:

1. Demand is strengthening faster than supply.

Buyers who deferred decision over 2025 have re-entered the market. Sellers currently have greater visibility and stronger buyer competition.

2. Monetary support is here now, not promised later.

Rates are unlikely to fall further, and markets have priced limited room for additional cuts. The support buyers feel today is strongest before the market fully turns.

3. 2026 will bring momentum – and more sellers.

As recovery becomes unequivocal, more properties will come to market. Listing early avoids competition in a crowded field.

“Sellers who act ahead of the curve benefit from visibility and buyer urgency. Timing is about reading the turning point, not waiting for confirmation of the peak.”

Overall, the foundational pieces for 2026’s economic recovery are falling into place: policy reform, 300bps of monetary easing working its way through the system, improving job markets, rising consumer confidence and clearer direction from the RBNZ.

“The best time to buy is while rates remain near their lows, and the best time to sell is before higher borrowing costs start to shape the next phase of the cycle,” Coulson says.

Kiwis see record listing activity



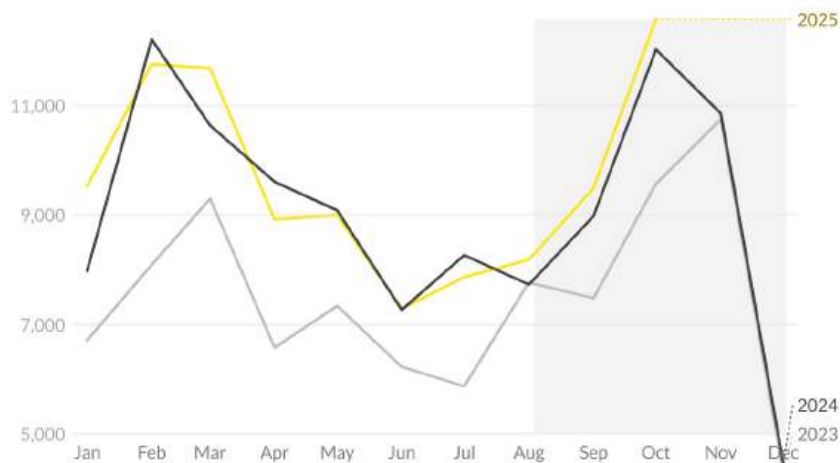
Atom Go Tian
Senior Data Analyst
Ray White Group

New Zealand's housing market delivered a measured performance this October, with the national median house price rising 1.80 per cent to \$786,000 from September's \$772,500. While this continues the familiar seasonal '-ber' month appreciation pattern, the month's most significant development occurred on the supply side.

The 12-month rolling count of listings reached 111,580 properties in October, the highest level since the pandemic peak in May 2021, when listings hit 109,956. This marks a decisive shift in market dynamics, with inventory climbing steadily from its post-correction low of 89,207 in September 2023.

3 year listings trend

12 month rolling count of listings month from 2023-2025



Source: REINZ, Ray White Economics



Despite this substantial 25 per cent increase in available properties over two years, prices have remained stable within a narrow \$750,000-\$801,000 band. This apparent contradiction reveals that rather than the speculation-driven dynamics of the pandemic era, where limited inventory drove aggressive bidding, the market now operates on utility-based demand.

In short: Buyers are entering the market because they need homes, not because they're chasing capital gains.

This idea is further backed by the data. In October, NZ's real estate sector recorded 7,505 new transactions, bringing the 12-month rolling count to 79,731, which is comfortably ahead of the same period in 2024 when annual sales totalled 70,714.

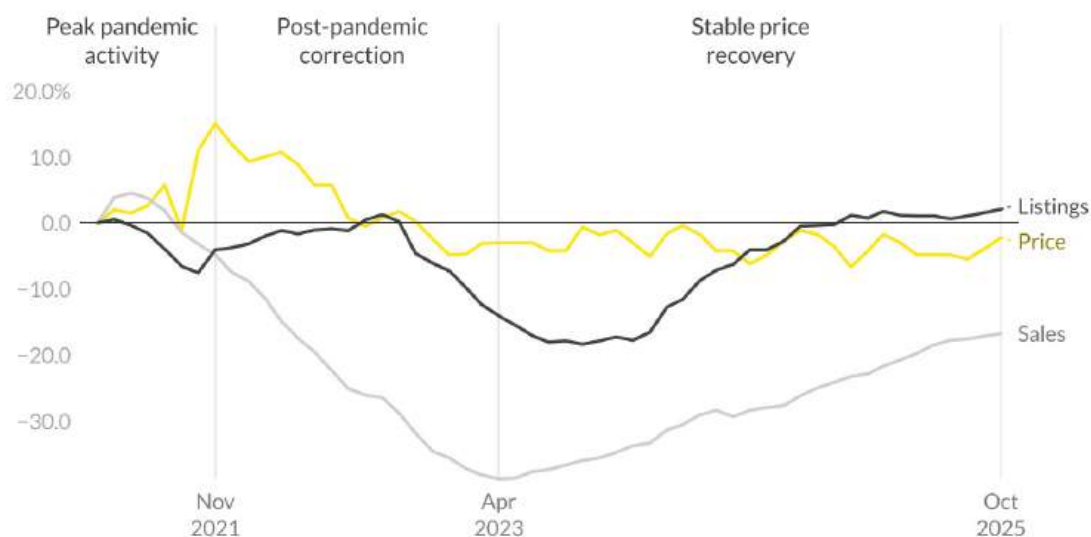
More tellingly, the sales-to-listings conversion ratio has held steady at 71.50 per cent - barely changed from September's 71.40 per cent and well above the post-correction low of 61 per cent recorded in February 2023.

This sustained conversion rate despite surging inventory indicates that the additional listings are meeting genuine demand rather than creating a buyer's strike.

Properties are clearing at a healthy pace, suggesting that sellers have realistic price expectations and buyers remain active across the market.

NZ post-pandemic market recovery

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



Source: REINZ

RWN

Source: REINZ, Ray White Economics

This equilibrium is being tested by changing macroeconomic conditions.

The Reserve Bank's (RBNZ's) Official Cash Rate (OCR) now sits at 2.25 per cent following consecutive cuts, creating the most accommodative lending environment in years.

Meanwhile, New Zealand's net migration has significantly decreased, with a net gain of just 12,400 migrants in the year to September 2025, down from 42,400 in the same period the previous year. This is the lowest net migration for a September year since 2013, excluding the pandemic.

Yet, prices haven't collapsed.

Historical patterns suggest listings typically moderate through November before declining into the holiday period. But if listings continue climbing while conversion rates hold steady, it would signal that New Zealand's market has achieved something rare: the foundation for sustainable growth.

Unlike the speculation-driven boom of 2020-2021, where limited inventory and FOMO (fear of missing out) drove prices up 30 per cent before crashing, today's market is absorbing record supply without distress.

Properties are clearing efficiently, buyers have a genuine need rather than speculative intent, and prices remain stable despite headwinds.

Resilience at the close of 2025

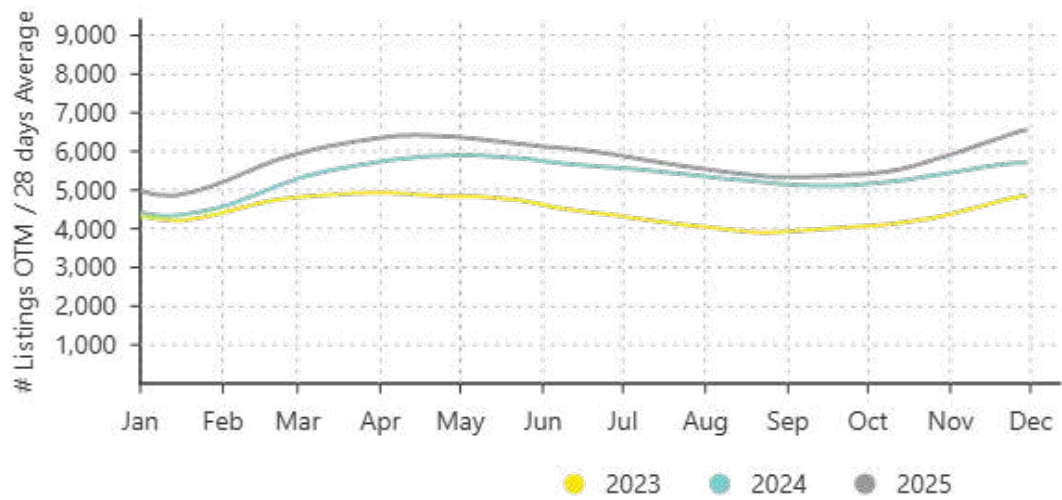


Treena Drinnan
Chief Agency Officer
Ray White New Zealand

The Reserve Bank's final rate move of 2025, reducing the Official Cash Rate to 2.25 per cent has reinforced the recovery already underway in the housing market. With easing borrowing costs and economic conditions stabilised, confidence has continued to build for both buyers and sellers as we head into summer.

November delivered steady, consistent activity across the Ray White network. Listings, buyer enquiries and on-the-ground engagement all lifted, confirming that the momentum seen through spring is now translating into real action.

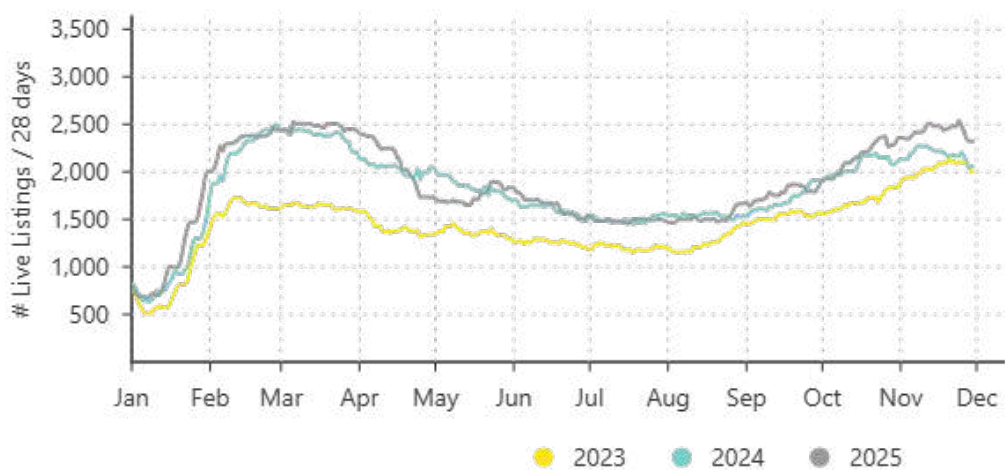
LISTINGS ON THE MARKET



Source: Ray White New Zealand

In November, properties listed for sale across the Ray White network rose 14.59 per cent year-on-year (YoY), reflecting renewed seller confidence and a strong start to the summer period.

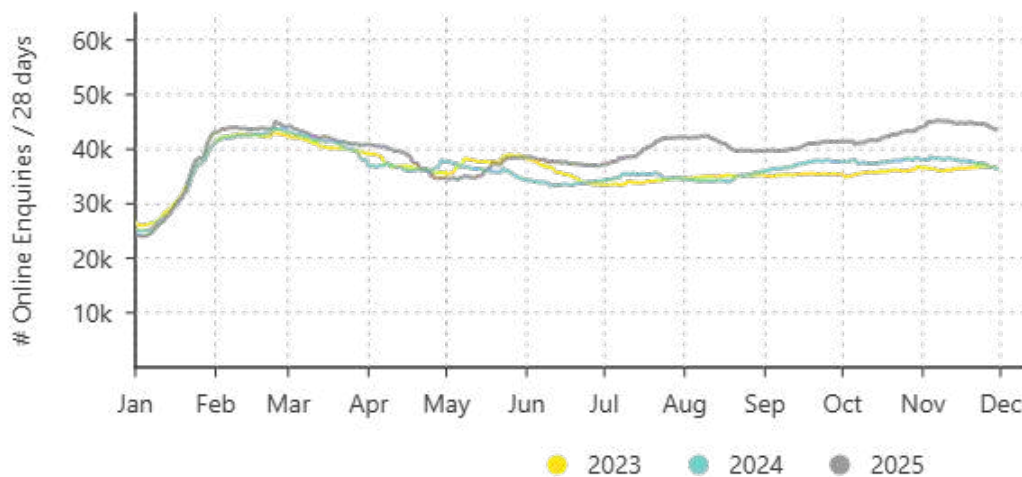
LIVE LISTINGS



Source: Ray White New Zealand

Our live listing count closed the month at 2,024, an increase of 27.06 per cent YoY, giving buyers the breadth of choice they have been waiting for.

ONLINE ENQUIRIES



Source: Ray White New Zealand

Digital activity remained elevated, with 6.89 million online users (up 44.15 per cent YoY) and 45,720 online enquiries (up 5.22 per cent). This confirms what our teams are seeing daily: buyers are active, engaged, and increasingly prepared to commit.

Interest rates have eased markedly over the past year and now sit near their cyclical lows.

More buyers are choosing flexible loan structures, including shorter fixed terms and a rising share of floating-rate lending to stay agile as markets weigh the risk of rates drifting higher from today's lows.

First home buyers remain a driving force, supported by improving access to low-deposit lending and loan-to-value changes enacted at the beginning of the month. Refinancing activity is also elevated, with strong lender competition and cashback incentives encouraging homeowners to review their loan structures. Together, these trends are supporting stronger buyer preparedness and renewed confidence heading into 2026.



WHAT THIS MEANS FOR BUYERS AND SELLERS

For Sellers: Confidence is building, but competition between listings is also rising. Accurate pricing, strong presentation, and early market entry remain key to capturing motivated buyers before the new-year surge in stock.

For Buyers: Affordability is improving, and choice is expanding. Buyers who are well-prepared, pre-approved, informed, and ready to act will continue to hold an advantage in a market that is steady, not speculative.

Across the country, activity is strengthening as eased borrowing costs and rising confidence flow through to open homes, auction rooms, and online engagement. While local markets continue to move at different speeds, the national trend is clear: decisiveness is returning, and momentum is building into the new year.

LOOKING AHEAD

The next OCR review in February 2026 will help shape the early tone of the market, but for now, the focus is firmly on finishing the year with strength. Our Month of More campaign will continue to support sellers, and the foundation being laid now positions the market and Ray White well for a confident start to 2026.

November reaffirmed the strength of New Zealand's real estate recovery. With lower borrowing costs, rising engagement and improving affordability, the market ends 2025 on a solid footing, ready to build momentum into a new year of clarity and opportunity.

For tailored advice on making your next move, connect with your local Ray White team.

Confidence at the rostrum: November auctions mark shift in momentum



Sam Steele
Head Auctioneer
Ray White New Zealand

November signalled a welcome shift in momentum across the New Zealand property market, with rising buyer confidence, increased sales activity, and early signs that the market is beginning to move out of its softer phase.

Ray White's auction results reflected this momentum, with 675 auctions conducted nationwide – a 3.90 per cent increase month-on-month – and a noticeable rise in bidder participation.

The premium end of the market was a clear standout. More than 10 properties sold under the hammer above the \$3 million mark, underscoring renewed willingness among high-value purchasers to engage decisively. This segment has long served as an early indicator of broader sentiment, and its resurgence signals confidence returning to the upper tiers of the market.

Nationally, auction metrics provided further encouragement. Average bidder registrations climbed to 2.50/auction, with many campaigns reporting double-digit interest. Auctions accounted for 35.20 per cent of all new property listings, affirming their position as the preferred method of sale for sellers seeking confidence, competition and transparency.

Speed to sale remains a defining advantage. Properties sold under the hammer recorded an average of just 31.50 days on the market, compared with 48 across other sale methods – a meaningful difference for sellers aiming to align timing with summer plans or year-end moves.





“Speed to sale remains a defining advantage. Properties sold under the hammer recorded an average of just 31.50 days on the market, compared with 48 across other sale methods”.

Sam Steele, Ray White New Zealand Head Auctioneer

December and January traditionally mark a period of concentrated decision-making, as buyers look to secure their next home before the Christmas break, and homeowners assess the timing of their own moves.

In this landscape, Ray White’s auctions are particularly well-positioned. Rising enquiry levels, improved lending conditions, and healthy stock across many regions are creating opportunities for a wide range of purchasers – from premium buyer re-entering the market to investors capitalising on favourable pricing.

As we move into the pre-Christmas break, the momentum seen through November provides a constructive foundation heading into 2026. Confidence is rebuilding, competition is returning, and the auction room is once again a barometer of a market moving in the right direction.



Source: Ray White New Zealand

Are mortgage rates near their turning point?

As economic indicators surge and risks re-emerge, economist Tony Alexander says New Zealand's current run of low mortgage rates may not last. What does this mean for buyers, sellers and homeowners heading into 2026?

A MARKET AT A CROSSROADS

New Zealand's housing and lending landscape has been inching back toward stability. Borrower confidence has been improving, sales activity is broadening, and the Reserve Bank of New Zealand (RBNZ) has spent the past two months shifting policy settings to support recovery.

However, economist Tony Alexander says the recent round of Official Cash Rate (OCR) reductions may have now gone further than necessary, with consequences for mortgage holders in the near term.

November's 0.25 per cent cut to the OCR, following the 0.50 per cent reduction in October, was designed to reinforce the economic upturn. Yet, Alexander believes, the chances are high that the RBNZ has cut interest rates too far, suggesting that the easing cycle may not align with what the latest data is signalling.

In fact, he warns that fixed mortgage rates could begin rising before Christmas as financial markets reassess the speed of the economy's rebound.

BUSINESS CONFIDENCE AT MORE THAN A DECADE HIGH

Alexander's assessment is grounded in a wave of stronger-than-expected economic figures released shortly after the latest OCR cut.

Recently, ANZ Bank's Business Outlook Survey reported:

- 67 per cent of businesses expect the economy to improve over the next year, up

sharply from 58 per cent in October, and the highest reading since 2014.

- 53 per cent expect their own activity levels to rise, compared with 45 per cent previously, another 11-year high.
- Employment intentions lifted from 15 per cent to 19 per cent, though investment intentions eased slightly from 22 per cent to 20 per cent.

Other indicators paint a similar picture of strengthening activity:

- Retail spending rose 1.90 per cent in the September quarter, well above the 0.60 per cent market consensus.
- ANZ Roy Morgan Consumer Confidence firmed to 98.40 per cent, from 92.40 per cent.
- Inflation expectations two years out edged up from 5.10 per cent to 5.20 per cent.
- The proportion of businesses planning to raise prices sits at roughly twice the long-term average, consistent with inflation near 2.30 per cent.

For Alexander, these signals point to an economy gaining pace faster than expected.

"The economic recovery is well underway," he says, though he cautions that renewed household spending could prompt businesses to raise prices more aggressively, pushing inflation higher sooner than markets may anticipate.







HAS THE OCR FALLEN TOO FAR?

New Zealand's inflation rate – which peaked at 7.30 per cent in mid-2022 – has only just eased into the upper end of the RBNZ's one-to-three-per-cent target band, despite a period of subdued economic activity.

GDP shrank 1.10 per cent in the year to June, and employment fell 0.60 per cent in the September quarter.

“The question is whether the RBNZ continues its past practice and leaves the OCR at overly low levels for too long,” he notes. With a new Governor in place, he says, “the risk is the central bank tightens earlier than previous occupants of the position would have opted for.”

Before any shift in the OCR, Alexander expects financial markets to react first, meaning that lenders could lift fixed mortgage rates in the coming weeks.

FIXED RATES ALREADY SHOWING UPWARD PRESSURE

Interest rate markets are already hinting at the turning point.

- The one-year swap rate fell to 2.35 per cent in mid-October, down from 2.80 per cent six weeks earlier – but it has since climbed to around 2.52 per cent.
- The three-year swap rate bottomed at 2.60 per cent, down from three per cent and is now around 3.04 per cent.

As Alexander points out, all swap rates now sit higher than they were before the RBNZ's 0.50 per cent OCR cut in October, indicating that markets are already repricing.

“Pressure is developing for an increase in fixed rates longer than one year,” he says. “The clock is ticking for this cycle's fixed mortgage rate lows.”



While one-year fixed rates – currently near 4.50 per cent – are likely to hold in the short-term, Alexander believes upward pressure is building for two, three, and five-year terms.

“Soon it will be bye-bye to 4.50 per cent,” he suggests.

Most borrowers, he notes, will continue to opt for short terms due to their lower cost, but if inflation surges, those borrowers may face higher rates sooner than planned.

WHAT THIS MEANS FOR THE MARKET

For active market participants, whether purchasing, selling or refinancing, these dynamics matter.

- Buyers may benefit from locking in favourable terms now, particularly if they’re considering a longer fixed period.
- Sellers could see confidence strengthen further as economic signals continue to improve, even if mortgage rates lift.

- Homeowners refinancing in the next six months may want to consider a diversified strategy across terms.

While Alexander cautions that rising rates could help to contain house price growth later in the cycle, he also reinforces that the overall economic outlook is strengthening, and the recovery appears on a firm footing.

For the real estate sector, clearer economic signals, improving consumer sentiment, and returning buyer activity all support a more confident market heading into 2026, even amid shifting rate expectations.



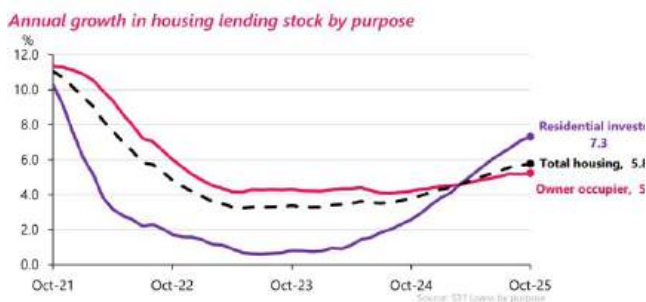
The new rules of borrowing: Five insights every homeowner should know

Fresh analysis from property and analytics firm, Cotality, suggests several important shifts in New Zealand's mortgage market, pointing to rising confidence, improved affordability, and a clearer horizon for buyers and homeowners as we move into the new year.

Collectively, the data shows a market recalibrating after a volatile few years, with borrowers making more strategic choices as interest rates ease and policy settings loosen.

1. LENDING MOMENTUM HAS ACCELERATED

New mortgage lending has risen year-on-year in 24 of the past 26 months, as of September, signalling a clear lift in borrower confidence. Activity across residential property purchases, refinancing and top-ups continues to strengthen, with the total value of outstanding home loans up 5.60 per cent over the past year - marking the fastest annual increase since August 2022.



Source: S31 Loans by purpose, interest.co.nz

2. BORROWERS ARE PRIORITISING FLEXIBILITY AS RATES FALL

Borrowers are deliberately keeping their options open. Nearly 30 per cent of new loans this year have been written on floating rates, up from a long-term average of around

20 per cent. Short fixed terms are similarly popular, with six-to-twelve-month fixes accounting for around half of all recent lending. Longer fixed rates, once the preference for certainty, now represent just 28 per cent of new loans.

The message is clear: flexibility is king, with rates near their recent lows but early signs of upward pressure building on longer terms.

3. FIRST HOME BUYERS ARE POWERING THE LOW-DEPOSIT MARKET

A record 51 per cent of first home buyers in September secured lending with less than a 20 per cent deposit. This group now makes up roughly 75-80 per cent of all low-deposit owner-occupier lending. With loan-to-value ratio (LVR) settings easing from 1 December, access to finance for first home buyers is expected to improve further heading into 2026.

4. REFINANCING ACTIVITY STAYS NEAR RECORD HIGHS

Kiwis continue to shop around. Competitive cashback offers, sharper pricing, and shorter loan structures are driving elevated levels of refinancing, with many borrowers shifting lenders to capture better deals. With almost one in three new loans currently floating, and a large portion of fixed terms due to roll over between now and March 2026, refinancing volumes are likely to remain buoyant.

5. MORTGAGE STRESS IS LOW, AND FALLING

The proportion of Kiwis struggling to pay their mortgage has noticeably reduced over the second half of 2025, illustrated by the share of 'non-performing loans' (overdue payments) easing to 0.6 per cent, and well below levels recorded during the Global Financial Crisis.

Lenders have started to reduce their bad-debt provisions, reflecting a growing confidence that the peak of repayment pressure has passed.

The year the rental sector grew up



Zac Snelling

Head of Property Management
Ray White Group

If 2025 will be remembered for anything, it's that the rental sector finally entered a phase of clarity and cohesion. Following several turbulent years of rapid legislative change, market shocks and economic uncertainty, this was the year the industry steadied – the year, Ray White Group Head of Property Management Zac Snelling says, the rental sector 'grew up'.

"The volume of reform has been enormous," he says. "But for the first time in a long time, those reforms have been consistent in their intent. They've raised minimum standards, clarified expectations, and given landlords the confidence that comes from predictability rather than surprise."

That sense of direction is now shaping a markedly more optimistic end to 2025, with policy stabilisation and improving macroeconomic conditions forming the clearest roadmap landlords have had in years.

REGULATORY MATURITY

Landlords and tenants absorbed what has arguably been the largest volume of policy change in years. By mid-year, two waves of amendments to the Residential Tenancies Act had already taken effect, with further reforms commencing this month.

What distinguishes this year's changes, Snelling says, is not just their volume, but their purpose.

"These reforms weren't arbitrary. They weren't politically reactionary. They were designed to professionalise the sector – to modernise processes and lift standards across the board."

Key 2025 updates include:

- Two tranches of changes to the Residential Tenancies Act in January and again in March, including amendments to notice periods for end of tenancies, tenures and sale processes, enforceable no-smoking clauses, capped rent-reduction orders, and digital service capabilities for notices.
- The full reinstatement of interest deductibility on 1 April.

- The final deadline for Healthy Homes Standards compliance on 1 July.
- The right for tenants to request pets in their rental properties, effective 1 December.

“Individually, these adjustments are meaningful,” Snelling says. “Collectively, they bring maturity and structure to a system overdue for evolution. They reward preparation, documentation and professionalism – and position New Zealand to meet growing global expectations around the quality, safety and stewardship of rental housing.”

Upcoming national methamphetamine standards, expected early 2026, are the final piece of the puzzle. Following years of conflicting thresholds between NZS guidelines, the Gluckman Report, and Tribunal rulings, the new standard is expected to settle near 30 micrograms per 100cm².

“That clarity will be transformational,” Snelling says. “It will end years of uncertainty, reduce unnecessary vacancies, and restore consistency to insurance and Tribunal outcomes. It’s the sort of reset the sector has needed for a long time.”

PETS: THE FINAL REFORM OF THE YEAR

From 1 December, tenants across New Zealand now have the right to request a pet – a change Snelling says reflects the reality of modern households.

“One in three Kiwi homes has a companion animal. This legislation simply acknowledges that,” he says. “Handed proactively, it can strengthen relationships.”

Landlords have 21 days to respond to any request received from 1 December onward. Approvals and declines must be reasonable and grounded in clear criteria such as property suitability or body corporate restrictions.

Snelling’s advice is direct: “Be ready for requests received before Christmas. A prepared landlord is one protected.”

“If you’re not across these changes, reach out to our team. Our updated Pet Guide and suite of advisory services are available and designed precisely for this moment, giving landlords a framework to evaluate applications confidently and consistently.”

THE ECONOMIC TURNING POINT

While policy change set the foundations, improving economic conditions have started to unlock confidence after a challenging year.

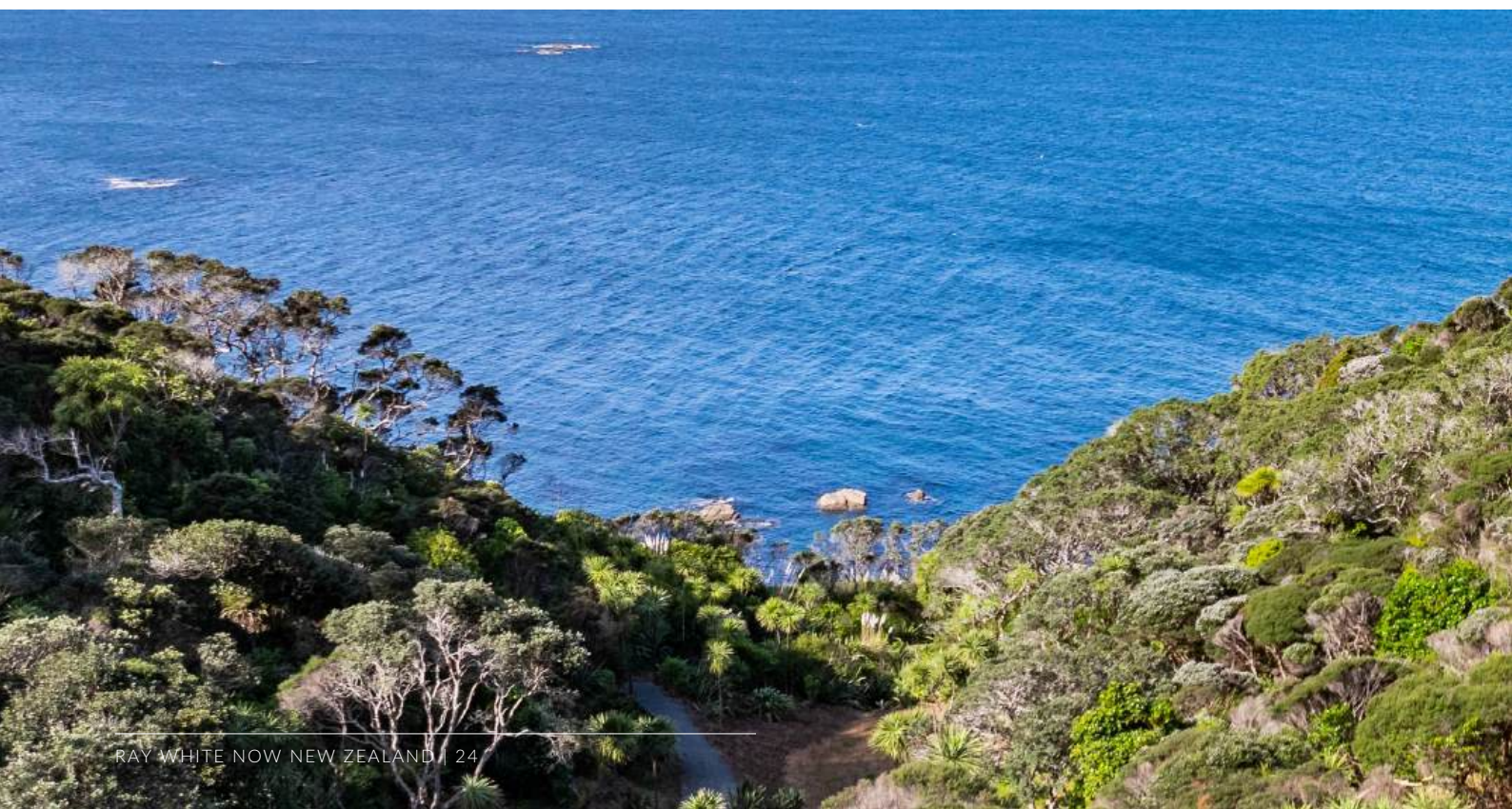
“The Reserve Bank’s 50-basis point cut to the Official Cash Rate in October, followed by 25-basis points at the last meeting of the year in November, has brought mortgage lending rates to their most favourable levels in two years.

“The 18-month term now sits below one and two-year rates across most major banks, with select lenders offering alternatively attractive options.

“For investors, the difference is meaningful,” Snelling says. “Lower borrowing costs improve cash-flow and with interest deductibility back in action, the balance sheets are moving in the right direction.”

Market forces reinforce this stabilisation:

- Conservative estimates from the RBNZ show house prices are projected to rise four per cent year on year in 2026.
- Days to sell continue to shorten.
- Auction clearance rates are trending higher.



- Ray White's national rent roll has grown in 2025, showing that despite economic challenges, the sector is resilient.

"This is what the bottom of the trough looks like," Snelling says. "We're seeing stability on both sides of the equation – for landlords and tenants. Predictability instead of turbulence."

Earlier in the year, many economists expected the next meaningful rate-rise cycle to begin around 2027. However, stronger-than-expected data and recent commentary suggest upward pressure on fixed rates could arrive sooner.

2026 STARTS WITH CONFIDENCE

As the year closes, Snelling says the rental sector will enter 2026 with greater clarity, more consistency, and critical confidence that was missing from the last few years.

"Policy change has offered stability. Economic conditions are improving. The sector has matured. This year felt like the moment the rental market finally found its footing. However, compliance obligations are part and parcel of legislative change, and professional support has become increasingly beneficial.

*"Policy change has offered stability.
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Zac Snelling, Head of Property
Management, Ray White Group

"2025 has proven that experience matters. Landlords are operating in an environment that rewards preparedness over reactionary behaviour. Tools, including our Ray White Choice products, which bridge the gap between full-service management and self-management, are seeing increasing interest.

"Choice gives landlords flexibility with guardrails," he says. "As we head into 2026, having access to professional systems, compliance advice and documentation tools isn't a luxury, it's a safeguard."

And with chatter of capital gains tax likely to dominate political debate in the new year, Snelling highlights the belief that preparation is the smartest strategy.

"The best investors look a cycle ahead. And for the first time in a long time, that looks predictable. If 2025 was the year of clarity, 2026 will be the year of alignment.

"Landlords are entering the new year better positioned, and better prepared, than they have been in years."

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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