



RayWhite®



RAY WHITE NOW

H A R D H A T R E Q U I R E D

JULY

2026

PROUDLY PRESENTING NEW ZEALAND PROPERTY MARKET INSIGHTS IN REAL TIME

FEATURED PROPERTY
26 Sandpiper Avenue, Point Wells, Matakana Coast

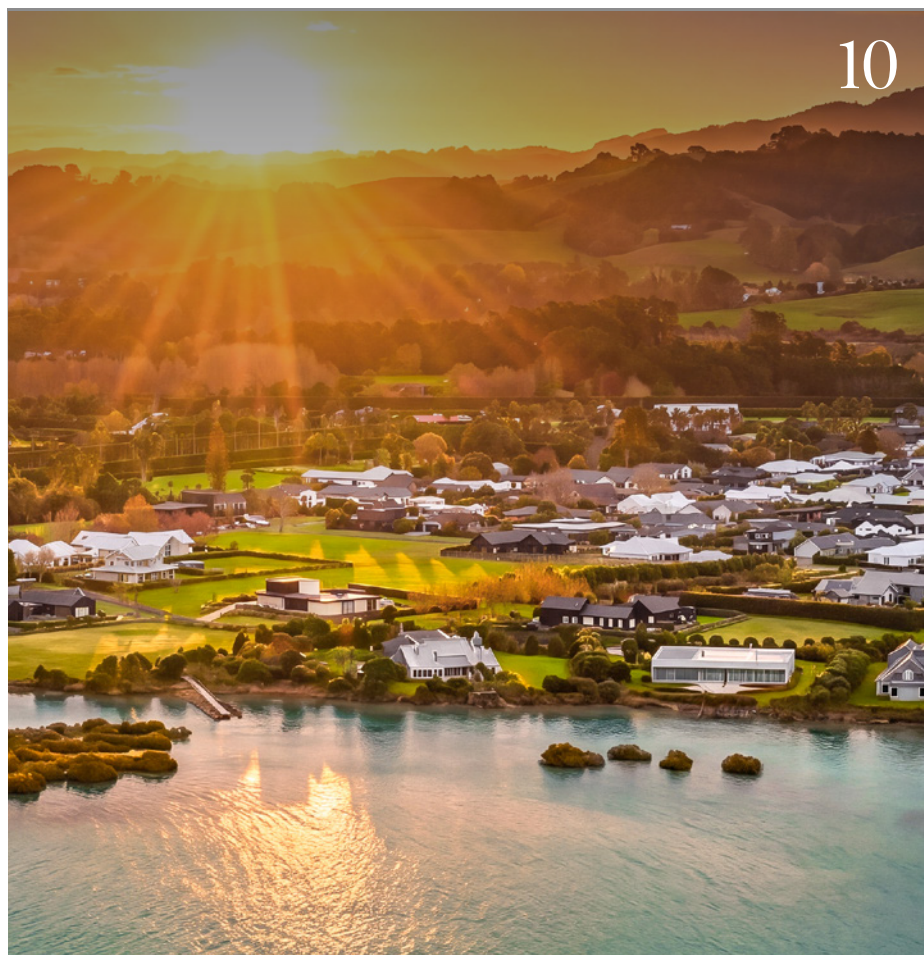
Ray White Matakana & Omaha
On Point Realty Group Limited
Licensed (REAA 2008)

Victoria Turner
+64 21 795 099
victoria.turner@raywhite.com

Matt Peat
+64 21 790 449
matt.peat@raywhite.com

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Message from our chief executive

Dear Property Owner,

There is an assumption that property markets move in step with the economy. When confidence rises, Kiwis make moves. But when confidence falls, transaction activity follows.

The reality, however, is rarely that simple.

Recent months have seen the economic conversation yo-yo between caution and optimism. Fuel prices have risen, while peace negotiations persist, interest rate expectations shift higher, yet the Official Cash Rate (OCR) remains on hold. What is certain is that both households and businesses continue to navigate an increasingly uncertain global environment.

Economists continue to revise forecasts, debate inflation risks and assess the implications of events occurring thousands of kilometres away from New Zealand's shores.

Yet, property owners continue to make decisions.

Kiwis are relocating for work, families are upsizing, downsizing and moving on. Investors are reassessing their portfolios, and first-home buyers are using every tool at their disposal. Life continues to create reasons for people to buy and sell property, regardless of which economic event is dominating the headlines.

In many respects, that's exactly what we continue to see across our Ray White network.

While some commentators have focused on house price movements and a more measured buyer environment, activity remains remarkably resilient.

Buyers are taking longer to make decisions – true – but they are still making them.

Well-presented homes are attracting attention, auctions continue to generate strong competitive interest, and sellers who approach the market realistically are achieving successful outcomes.

Perhaps the most noticeable shift is not a lack of demand, but a change in its character.

The urgency that has defined early market cycles has given way to greater consideration. Buyers are asking more questions. They are conducting more research. They are comparing options more carefully using the latest prop-tech – today's market is both emotional and increasingly deliberate.

Healthy sales markets are built on confidence, but they are also built on the conviction behind it, a feeling that tends to emerge when buyers feel they are making informed decisions rather than reacting to momentum.

New Zealand's economy is likely to remain challenged by global uncertainty; interest rates may move higher, and households will continue to feel pressure from living costs. But property has always operated on a longer time horizon than the news cycle.

In many respects, that's the story running throughout this edition. Whether it is housing supply reform, changes in property management, evolving lending conditions, or the resilience of the sales market itself – meaningful work is underway, and your hard hat is required.

While headlines continue to fluctuate, Kiwis' ongoing willingness to engage with the market remains one of the strongest indicators of all.

Thanks for reading, please enjoy our 92nd edition of Ray White Now.

Regards,



DANIEL COULSON
CHIEF EXECUTIVE
RAY WHITE NEW ZEALAND

WHY SELL NOW?



DANIEL COULSON
CHIEF EXECUTIVE
RAY WHITE NEW ZEALAND



One of the most surprising developments in New Zealand's economy this year is not where activity has weakened, but where it has endured, says Ray White New Zealand Chief Executive, Daniel Coulson.

Consumer spending has slowed, business confidence remains subdued, construction activity is contracting, and financial markets have rapidly shifted from discussing lower interest rates to preparing for higher ones.

Through that lens, residential property has proven unexpectedly resilient.

While the wider economy has struggled to generate lasting momentum, buyers and sellers have continued to engage with the housing market at a level that many economists wouldn't have predicted six months ago.

Understanding why matters – particularly for homeowners considering whether now is the right time to bring a property to market

HOUSING AND THE ECONOMIC DIVERGENCE

While economic conditions vary markedly across the country, with export-led regional economies outperforming and many metropolitan centres facing slower growth, the prevailing national narrative remains cautious.

Households are feeling the effects of cost increases, spending growth is moderate, and many businesses report challenging trading conditions. Major banks have revised their expectations for economic growth lower, while financial markets are increasingly pricing the possibility of further Official Cash Rate (OCR) increases as inflation concerns persist.

Ordinarily, such conditions would be expected to place considerable pressure on residential property activity. Instead, the housing market has ploughed ahead, with a heartening degree of stability.

While values have softened in some locations, and buyers have become more selective, the market has continued to function, and well. Properties are selling, our auctions are attracting excellent participation, and transaction volumes are considerably more resilient than broader economic conditions alone might suggest.

“New Zealand’s housing market is demonstrating a level of durability that stands out against much of the wider economy.”

Daniel Coulson, Ray White New Zealand, Chief Executive

“That doesn't mean conditions are running hot, but it does suggest that there is a deeper pool of underlying demand than many people appreciate.”

A DIFFERENT TYPE OF DEMAND

Part of the explanation for this lies in the changing nature of the market itself.

“The extraordinary conditions that characterised the post-pandemic period were largely driven by financial factors: historically low interest rates, abundant liquidity, and expectations of future capital growth. Those forces amplified activity, but they also made the market highly sensitive to shifts in sentiment.”

Today's market is different, Coulson says.

“A greater share of current activity is being driven by long-term decision-makers (first-home buyers, families, movers) rather than short-term market expectations. Employment opportunities, family needs, schooling, retirement planning and lifestyle preferences generate housing demand regardless of the economic cycle.”

That demand may be more deliberate and focused than it was several years ago, but it remains remarkably persistent. The result is a market that appears to be operating with greater discipline and greater stability.

THE DIVERGENCE

Not all parts of the economy are moving the same direction

BROADER ECONOMY

Key indicators are softening



VS.

HOUSING MARKET

Activity remains resilient



One of the year's biggest surprises is not where activity has weakened, where *it has endured*.

Source: Ray White New Zealand

THE REGIONAL STORY MATTERS

Another factor supporting residential activity is the continued strength of New Zealand's export economy.

While domestic growth has softened, many of the country's key export sectors are performing well. Dairy, horticulture and meat exports are generating strong returns, supporting incomes and spending throughout large parts of regional New Zealand – look at the bounce at Fieldays recently.

Coulson says this is creating a noticeable divergence within the economy.

"Consumer-facing sectors and interest-rate sensitive industries are facing pressure, while many rural and export-focused regions are benefiting from healthy commodity prices and robust international demand for our products.

"For New Zealand's provincial housing markets, that strength underpins confidence, supporting buyer activity – with flow-on effects for the entire market."

Zooming out, the significance for homeowners is not that the market is booming, but rather that residential property sales are being generated from a position of strength.

"Markets are rarely experienced in isolation. Buyers ultimately draw their conviction from employment, business activity, access to finance and broader economic conditions.

"If economic growth remains subdued and borrowing costs climb, it is reasonable to expect that some of today's resilience may be more difficult to sustain. However, that doesn't imply a sharp deterioration. Rather, it highlights the conditions currently supporting transaction activity cannot be assumed to persist."

Coulson says that many homeowners spend considerable time trying to identify the perfect moment to sell. "In reality, successful outcomes are achieved when personal objectives align with a market that is functioning well, even if the broader environment is imperfect."

That observation feels particularly relevant today.

While much of the economic conversation remains focused on what is slowing, residential property continues to demonstrate an ability to attract participation, generate competition and facilitate meaningful transactions.

"In a year defined by economic performance, global unrest, and the run-up to a general election, our property market's resilience may be one of the strongest arguments for engaging with the market at all."





Two budgets, one market, and *the fight for investor attention*



ATOM GO TIAN
ECONOMIST, RAY WHITE GROUP

Two budgets landed in May. One tightened settings for property investors, while the other got out of the way. The contrast between Australia and New Zealand's fiscal settings has sharpened a question that was already forming: is the Tasman Sea wide enough to keep Australian investors from looking at what's on the other side? And how soon will they act?

WHAT AUSTRALIA CHANGED

From 1 July 2027, the existing 50 per cent capital gains discount for assets held longer than a year will be replaced by an inflation-indexed method with a minimum 30 per cent tax on gains. Negative gearing on established rental properties purchased after budget night has been curtailed, meaning landlords will no longer be able to offset rental losses against other income, except on new builds.

The intent from Canberra is clear: reduce investor competition for established homes and redirect capital into new supply. But investors facing materially worse after-tax returns on established Australian property are now looking elsewhere. New Zealand is the most obvious alternative.

WHAT NEW ZEALAND DID INSTEAD

Budget 2026 in New Zealand took a different path. A disciplined fiscal package delivered an earlier-than-expected return to surplus in 2028/29, a credible track to deficit reduction, and no new surprises for property investors. Tax settings for rental property remain unchanged, and no new compliance burdens have been introduced.

A credible path back to surplus reduces pressure on inflation, giving the Reserve Bank of New Zealand (RBNZ) room to keep the Official Cash Rate (OCR) lower for longer - a meaningful tailwind for mortgage holders and buyers.

Treasury forecasts growth recovering to a little over two per cent by June 2027, unemployment easing gradually, and inflation settling back around two per cent. That is the kind of macroeconomic backdrop in which a fragile property recovery can consolidate rather than stall.

No capital gains tax beyond the two-year bright-line test. No stamp duty. No land tax. Interest deductibility for investment properties fully restored in April 2025 remains intact.

The two markets are now pulling in opposite directions on tax, and Australian investors have noticed.

WHAT NEW ZEALAND LOOKS LIKE FROM ACROSS THE TASMAN

The gap between the two markets has never been wider.

Australian house prices have roughly doubled since 2016, while New Zealand house prices grew strongly during the pandemic boom before correcting sharply.

New Zealand's national median peaked at \$925,000 in November 2021 and has since fallen by up to 18 per cent, settling within a narrow \$750,000 to \$800,000 band for the past three years.

The exchange rate compounds the advantage. One Australian dollar currently buys 1.22 New Zealand dollars, the highest it has been in over a decade. For an Australian

buyer, New Zealand property is materially cheaper in real terms than it was 18 months ago, independent of any movement in NZD prices. New Zealand's national median translates to approximately AUD\$635,000 at today's exchange rate.

Beyond price and tax, the regulatory pathway for Australians is straightforward in a way that applies to almost no other group of foreign buyers. Under New Zealand's Overseas Investment Act (OIA), most non-residents require consent to purchase residential property. Australian citizens and permanent residents are largely exempt. They can buy houses, apartments, investment properties, and most lifestyle blocks without approval, and are treated similarly to New Zealand citizens.

AU vs NZ house price growth

Median house price growth indexed to May 2016



Source: Cotality, REINZ

RWN

Source: Cotality, REINZ, Ray White Economics

AUD to NZD historical exchange rate

As of May 25, 2026



Source: OFX

RWN

Source: OFX, Ray White Economics

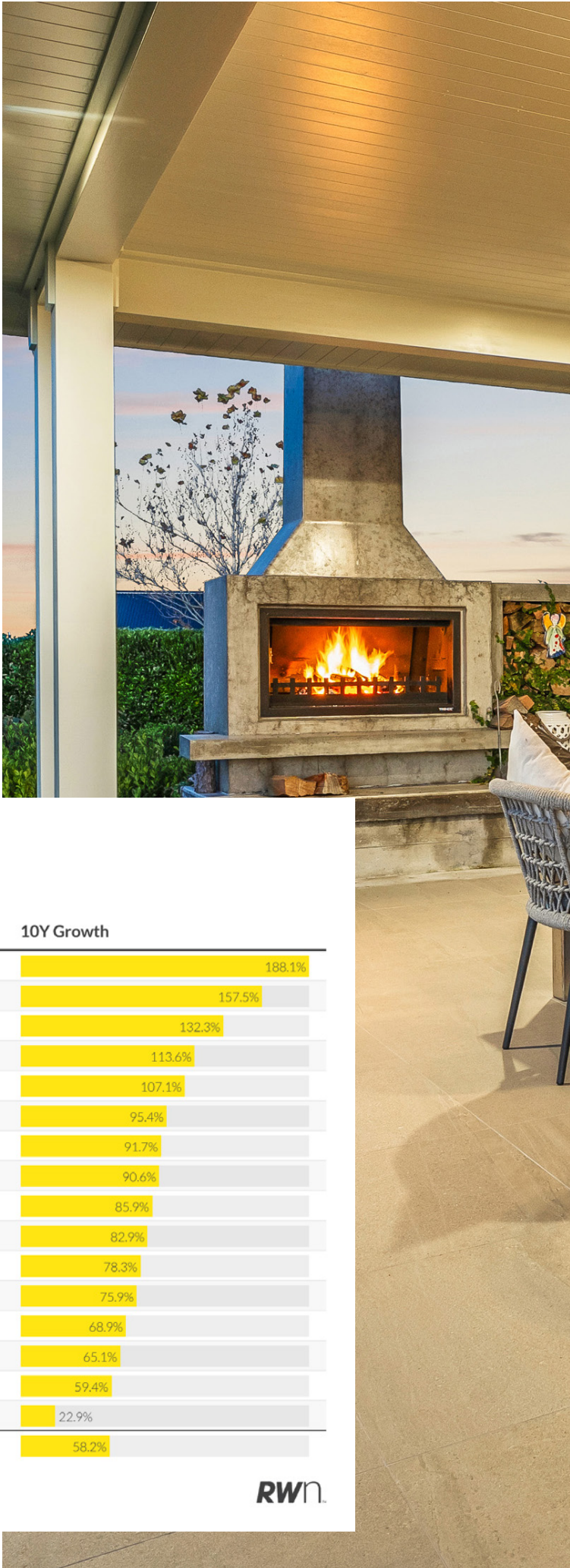
WHERE INTEREST IS LIKELY TO LAND

Regional variation over the past decade has been significant, and where you buy in New Zealand matters as much as whether you buy.

The strongest growth has come from more affordable regions. Gisborne at 188 per cent, Southland at 157 per cent, and Manawatu-Wanganui at 132 per cent have all more than doubled over ten years. That growth largely reflects domestic demand, buyers priced out of major centres seeking value elsewhere, rather than the lifestyle or international appeal that tends to attract offshore interest.

Otago at 107 per cent ten-year growth and a median of \$700,000 is the more natural fit for Australian buyers. Within Otago, Queenstown-Lakes has long been a focal point for international interest, driven by globally recognised lifestyle appeal and constrained supply, which has supported values over the long run. Northland at \$690,000 with 92 per cent ten-year growth is another candidate, combining coastal lifestyle credentials with an accessible price point familiar to many Australians who have visited the region.

Despite its size, Auckland is the least compelling case. At \$1.02 million it is New Zealand's most expensive market and its weakest long-run performer at just 23 per cent over ten years.



Price growth by region

Median house price (NZD) as of April 2026 vs 2025 and 2016

Location	Median Sale Price	10Y Growth
Gisborne Region	\$680,000	188.1%
Southland Region	\$515,000	157.5%
Manawatu-Wanganui Region	\$540,000	132.3%
West Coast Region	\$470,000	113.6%
Otago Region	\$700,000	107.1%
Marlborough Region	\$635,000	95.4%
Northland Region	\$690,000	91.7%
Hawke's Bay Region	\$648,000	90.6%
Waikato Region	\$750,000	85.9%
Taranaki Region	\$610,000	82.9%
Bay of Plenty Region	\$820,000	78.3%
Nelson Region	\$695,000	75.9%
Wellington Region	\$765,000	68.9%
Canterbury Region	\$710,000	65.1%
Tasman Region	\$781,000	59.4%
Auckland Region	\$1,020,000	22.9%
New Zealand	\$775,000	58.2%

Source: REINZ



ARE AUSTRALIANS BUYING?

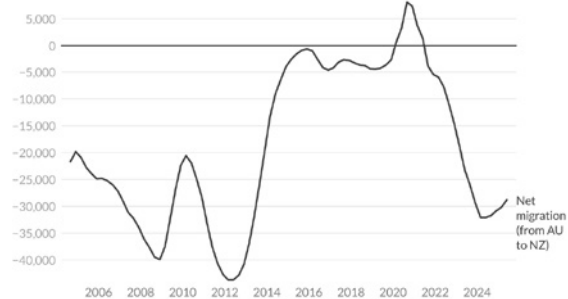
Overseas buyers accounted for three per cent of home transfers in 2018, falling to two per cent in 2019 as the foreign buyer ban took effect, and have hovered around 0.40 per cent ever since. The most recent data runs to 2024, so it does not yet capture any shift following the Australian budget changes.

Migration data tells a similar story. Net Australian arrivals to New Zealand briefly turned positive around 2020, then reversed sharply. New Zealand is now losing around 28,800 people net to Australia annually, a figure back in line with what has characterised most of the past two decades.

New Zealand also has an election coming. Labour is heading into the 2026 vote with a proposal to introduce a capital gains tax on investment property sales. The tax settings Australian investors are currently eyeing may not be permanent, and any long-term decision should factor that in.

Net migration from AU to NZ

As of June 2025



Source: Stats NZ

RWN

Source: SNZ, Ray White Economics

Two budgets moved in opposite directions, creating a property contrast that is hard to ignore. The price gap is real, the exchange rate advantage is at a decade high, and Australians face fewer regulatory barriers to buying here than almost any other offshore buyer group.

The transaction data is yet to reflect the renewed attention New Zealand is receiving from Australian investors. The opportunity is real - but so is the uncertainty.

Disciplined momentum



TREENA DRINNAN
CHIEF AGENCY OFFICER
RAY WHITE NEW ZEALAND

PARTICIPATION IS TRANSLATING INTO EXECUTION

The defining feature of the current property market is not momentum, nor hesitation, but participation with intent.

While broader economic commentary continues to swing between caution and optimism, what we are seeing across the Ray White New Zealand network is a market that remains active, deliberate, and increasingly focused on execution rather than speculation.

Buyers have not disengaged. They have adjusted.

Decision-making timelines are longer, due diligence is deeper, and expectations are more clearly formed. That shift has changed the rhythm of the market, but not its function. Transactions are still occurring, competition remains evident, and properties that are positioned correctly are achieving results.

Importantly, this participation is being driven less by sentiment and more by circumstance.

Employment changes, family transitions, lifestyle decisions, and portfolio reviews continue to bring buyers and sellers to market regardless of economic uncertainty. These motivations are inherently practical and underpin a level of demand proving more durable than many anticipated.

Across the network, we are seeing engagement expressed in more purposeful ways. Digital audiences remain elevated, enquiry is selective rather than speculative, and buyers are entering campaigns better informed and better prepared. This is a market where readiness is increasingly rewarded.

Supply dynamics reinforce this environment. While new listings continue to come to market, stock is being absorbed rather than accumulating. Sellers are responding to conditions realistically, and buyers are meeting well-presented opportunities with genuine intent. That balance supports negotiation, not pressure, and allows price discovery to occur without distortion.

Financial conditions are shaping behaviour rather than suppressing it. Lending settings are encouraging structure and flexibility, with buyers prioritising certainty, shorter fixed terms, and strong pre-approval. Investors are engaging with a clearer focus on yield, compliance, and long-term performance, while first-home buyers remain active participants where affordability allows.

What this creates is a market defined by discipline.

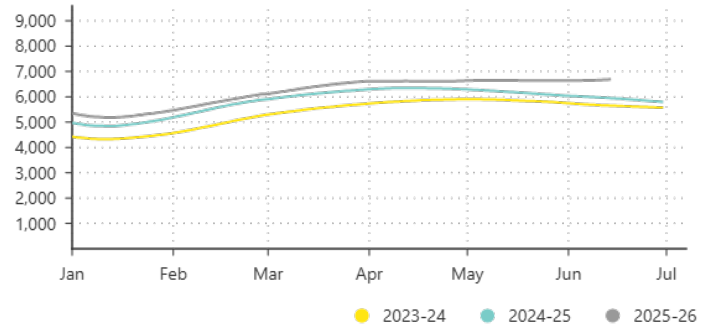
Not exuberant, not stalled - but functional, considered, and increasingly effective for those who understand their position. In this phase of the cycle, outcomes are less influenced by speed and more by judgement and across the Ray White network, that judgement is supported by insight, discipline, and experience. Preparation matters. Presentation matters. Advice matters.

While the broader economy continues to navigate uncertainty, residential property is once again demonstrating its capacity to operate over longer horizons. Participation remains the clearest signal across our network that it is translating into execution.

For buyers and sellers, the opportunity in this market lies not in predicting the next headline, but in acting with clarity when the conditions align.

On the selling side, choice is improving without overwhelming the market. New listings are up more than 12 per cent year-on-year, totalling 6,669 properties, giving buyers greater breadth and confidence in their options. Importantly, this lift in supply is being introduced in a measured way, supporting engagement rather than diluting it.

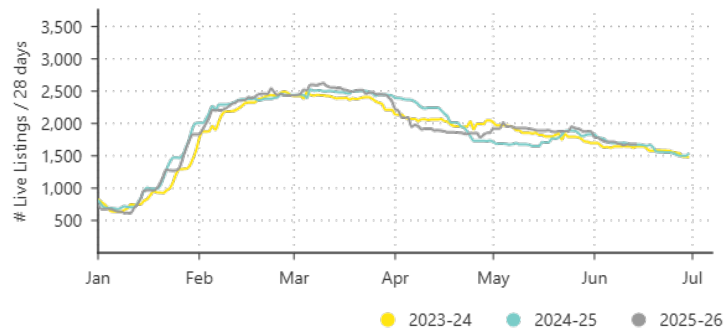
LISTINGS ON THE MARKET



Source: Ray White New Zealand

At the same time, live listings are up just 0.48 per cent to 1,681, reinforcing that stock is being absorbed at a healthy pace. Properties are not lingering. Well-presented homes, priced in line with current market conditions, continue to attract strong and timely interest, underscoring that buyer demand remains intact where expectations are realistic.

LIVE LISTINGS

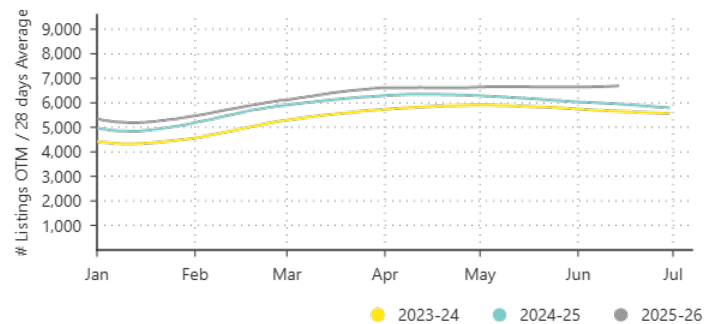


Source: Ray White New Zealand

Digital behaviour is reinforcing this momentum. In the past 28 days, 6.882 million people engaged with Ray White's online platforms, an increase of nearly 49 per cent year-on-year. This level of early-stage activity typically precedes physical market engagement by several weeks and is increasingly translating into inspections, auction participation, and negotiated outcomes across the network.

Enquiry volumes have remained steady despite the sharp increase in audience reach. Rather than signalling hesitation, this reflects a buyer pool that is more selective, better informed, and increasingly prepared to act when quality and value align. It is a market characterised not by speculation, but by readiness.

ONLINE ENQUIRIES



Source: Ray White New Zealand

Auctions sales deliver results



SAM STEELE
HEAD AUCTIONEER
RAY WHITE NEW ZEALAND

The Winter months of 2026 have delivered what the property market has been quietly anticipating: the return of measured momentum.

Buyers are cautiously active while stock levels and transaction volumes remain resilient, and enquiry has evolved from cautious observation to purposeful engagement, all clear indicators of market clarity.

Nowhere is this renewed confidence more evident than under the auction hammer.

Across Ray White's national network, 459 auctions were conducted across the month, down 12 per cent on last year, while achieving a 47 per cent clearance rate.

Auction rooms that only months ago felt subdued are once again gathering energy, with buyers increasingly prepared to compete decisively when quality properties come to market.

The diversity of auction outcomes has been equally telling. Sales have ranged from \$100,000 through to \$4.25 million for family residences. Activity has spanned lifestyle properties, first-home opportunities, family homes, and premium assets alike. This breadth of participation, long regarded as one of the strongest indicators of market sentiment, suggests the recovery is not isolated to the upper end of the market but is beginning to emerge across all segments.

While average bidder registrations eased slightly year-on-year to two per auction, many campaigns continued to attract strong, often double-digit participation. Auctions accounted for more than 31 per cent of all new listings, reinforcing their enduring appeal among vendors seeking competitive tension, transparent price discovery, and a clearly defined path to sale.

Speed also remains one of the greatest strengths of the auction process.

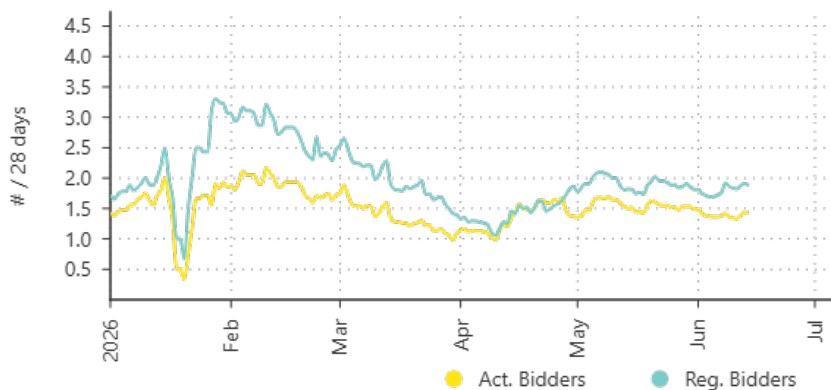
Properties sold under the hammer are averaging approximately 30 days on the market, compared with around 53 days for alternative methods of sale - which is a meaningful advantage for vendors navigating relocations, school transitions, or other time-sensitive decisions. In a market where certainty has often been elusive, the ability to transact with clarity, transparency, and efficiency is proving increasingly valuable.

“Properties sold under the hammer are averaging approximately 30 days on the market, compared with around 53 days for alternative methods of sale”

Sam Steele, Ray White New Zealand, Head Auctioneer

As we move past the mid-year mark, the tone across the property market has become more assured. Activity is broadening across regions and price points alike, rather than being concentrated within isolated pockets of demand.

Taken together, these indicators point to a market rediscovering balance, confidence, and forward momentum, laying the foundations for a year defined by steady progress and sustainable growth, rather than volatility.



Less paperwork, more progress



ZAC SNELLING
GROUP HEAD OF PROPERTY MANAGEMENT
RAY WHITE GROUP

Property investors are the chameleon of the economy – with the past few years often feeling like an exercise in adaptation, says Zac Snelling, Ray White, Group Head of Property Management.

New regulations have arrived, compliance requirements expanded, interest rates rose (fell, and rose again), costs increased, and administrative obligations seemed to multiply with every passing month.

Which is why some of the most positive developments currently occurring within New Zealand's rental sector are not necessarily the ones generating the biggest headlines.

In many cases, they are the quieter improvements that simply make things easier. One such example arrived at the end of the month.

From 29 June, Tenancy Services will officially launch the next phase of its digital bond platform via Bond Hub, replacing much of the decades-long paper-based process.

For the first time, bond lodgements, tenant transactions and a range of related processes will be completed digitally, eliminating physical forms, manual signatures and many of the administrative frustrations that have long accompanied tenancy management.

The platform will also introduce functionality for pet bonds, enabling landlords and tenants to complete transactions online.

“It mightn’t sound revolutionary, but for an industry that has traditionally relied on paperwork, scanning, emailing and physical documentation, it represents a significant shift,” Snelling says.

“Bond Hub is a major step forward for the sector; it brings New Zealand much closer to the systems we’ve seen operating successfully overseas and reflects the increasing professionalism of the residential property management industry.”

While the rollout has not occurred without its challenges, Snelling says the Ministry of Business, Innovation and Environment (MBIE) has been responsive throughout the rollout process, refining systems, addressing feedback and working constructively with participants to improve functionality ahead of launch.

The result should be a more streamlined experience for everyone involved.

SOME GOOD NEWS FOR INVESTORS

Positive changes. Practical benefits.



LENDING

Lower-deposit lending options returning



ADMINISTRATION

Bond Hub simplifies tenancy transactions



PROPERTY MANAGEMENT

Hundreds of dollars in incentives through
Make the Move



Source: Ray White New Zealand

GOOD NEWS FOR INVESTORS

Alongside changes to tenancy administration, investors are benefiting from a more supportive lending environment.

Moves by New Zealand's largest bank – ANZ – to expand access to lower-deposit lending for residential property investors have been welcomed by many within the sector.

"While broader investment conditions remain more disciplined than they were several years ago, change signals a growing recognition of the important role private investors continue to play in providing rental housing to the one in three Kiwi households who rent."

That role remains significant.

"For investors who have spent years navigating policy changes, tax reform, higher interest rates and growing compliance obligations, there is a sense that some parts of the operating environment are beginning to move in a more constructive direction."

HALF-YEAR HEALTH CHECK

"Of course, easier administration and improved lending settings only solve part of the equation. For many landlords, the bigger question is whether their investment property is being managed as effectively as possible," Snelling says.

Has the heat pump been serviced?

Is preventative maintenance being addressed before it becomes an expensive repair?

Has landlord insurance been reviewed recently?

Is the property achieving the best possible market rent?

"As with many things in life, investment properties tend to perform better when small issues are addressed before they become larger ones."

Zac Snelling, Ray White Group Head of
Property Management

"Which is why June has seen the launch of our Ray White Make the Move campaign.

"Designed specifically for residential property investors considering a change in management, the initiative provides a range of practical incentives for landlords who transfer their property management services under our umbrella."

Depending on the participating office, those benefits may include maintenance contributions, property improvements, landlord insurance or other value-added services worth hundreds of dollars.

"In other words, if maintenance has been sitting on the to-do list for longer than you'd like to admit, help is already available."

"We understand that changing property managers can feel like another task investors don't have time for," Snelling says. "That's why we've focused on creating practical value that helps landlords improve their properties while making the transition as straightforward as possible."

Or, as we like to put it, if you're feeling stuck with your current provider, we'll handle the break-up conversation for you.

While the rental sector will always involve responsibilities, it doesn't mean every process needs to be difficult – and after several years of complexity, a little simplification feels like progress worth celebrating.

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

Will budget 2026 facilitate new housing supply?

New funding incentives for regional councils could become one of the most consequential housing reforms of the next parliamentary term, Ray White finds.

Every election year budget contains a degree of political theatre.

New spending initiatives are announced, competing visions for the economy begin to emerge, and governments seek to demonstrate how they intend to navigate the challenges ahead.

Yet buried among the headline figures and fiscal forecasts of Budget 2026 was a housing announcement that may ultimately prove more significant than many of the larger spending commitments.

The Government's new Incentives for Growth Fund allocates \$400 million over four years to reward councils that enable higher levels of housing development, providing direct funding to local authorities that consent increasing numbers of new homes.

At first glance, the initiative appears relatively straightforward. Councils that consent to more homes receive additional funding to help deliver supporting infrastructure and community services. Payments increase as housing growth accelerates, creating a

stronger incentive for councils to support development rather than resist it.

The significance, however, extends well beyond the funding itself.

A SHIFT IN HOW GOVERNMENT CONSIDERS HOUSING

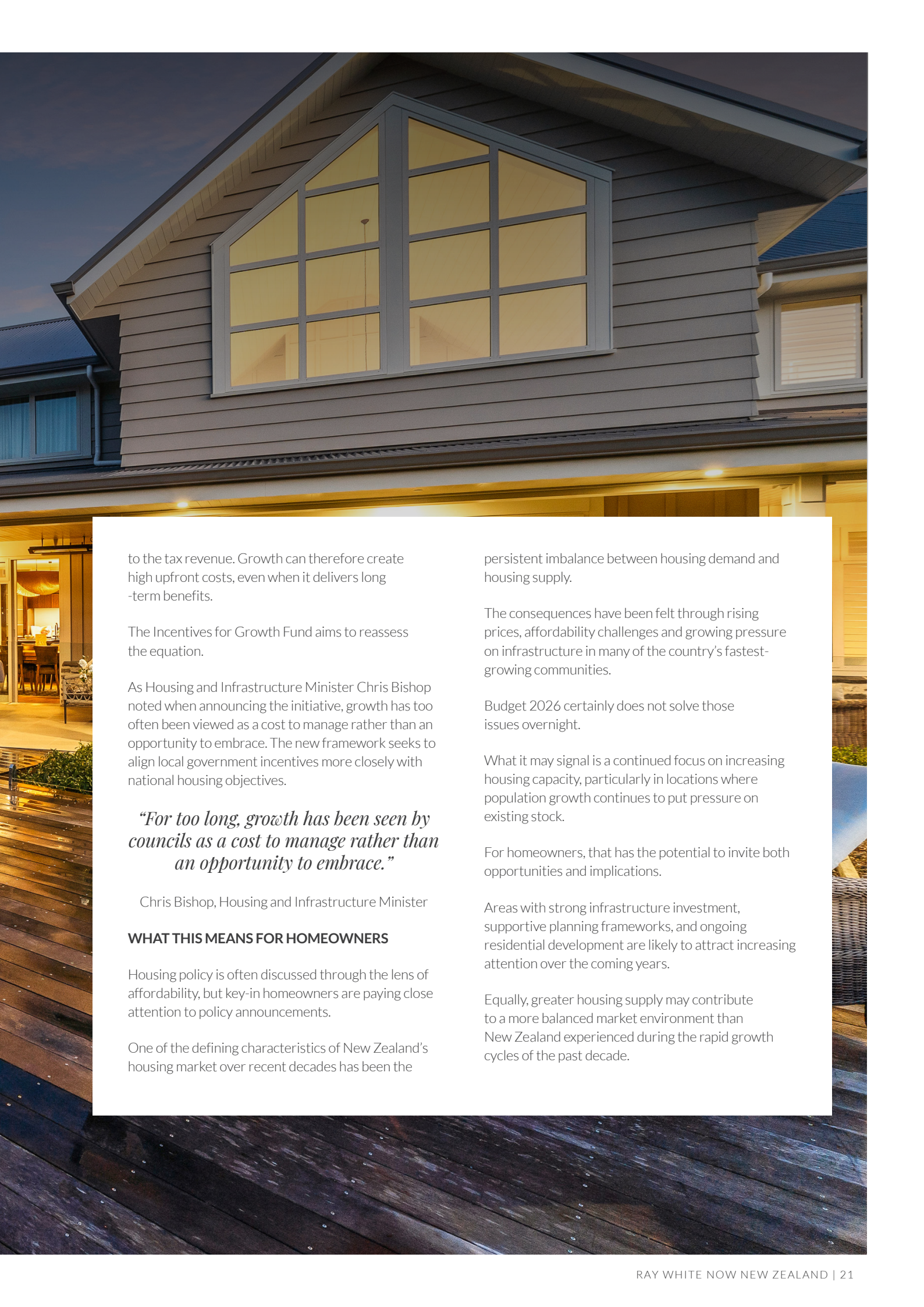
For decades, New Zealand's housing debate has largely focused on demand.

Should interest rates be lower? Should lending rules be adjusted? Should we encourage private landlords? How can first-home buyers be helped into the market?

While these questions remain important, Budget 2026 signals growing recognition that housing affordability ultimately shapes supply as much as demand.

The challenges have never been simply building more homes. It has been creating a system where local authorities are motivated to support growth in the first place.

Historically, councils have often faced a difficult calculation. New housing requires roads, parks, community facilities, and other critical infrastructure, often for years before new residents begin contributing



to the tax revenue. Growth can therefore create high upfront costs, even when it delivers long-term benefits.

The Incentives for Growth Fund aims to reassess the equation.

As Housing and Infrastructure Minister Chris Bishop noted when announcing the initiative, growth has too often been viewed as a cost to manage rather than an opportunity to embrace. The new framework seeks to align local government incentives more closely with national housing objectives.

“For too long, growth has been seen by councils as a cost to manage rather than an opportunity to embrace.”

Chris Bishop, Housing and Infrastructure Minister

WHAT THIS MEANS FOR HOMEOWNERS

Housing policy is often discussed through the lens of affordability, but key-in homeowners are paying close attention to policy announcements.

One of the defining characteristics of New Zealand’s housing market over recent decades has been the

persistent imbalance between housing demand and housing supply.

The consequences have been felt through rising prices, affordability challenges and growing pressure on infrastructure in many of the country’s fastest-growing communities.

Budget 2026 certainly does not solve those issues overnight.

What it may signal is a continued focus on increasing housing capacity, particularly in locations where population growth continues to put pressure on existing stock.

For homeowners, that has the potential to invite both opportunities and implications.

Areas with strong infrastructure investment, supportive planning frameworks, and ongoing residential development are likely to attract increasing attention over the coming years.

Equally, greater housing supply may contribute to a more balanced market environment than New Zealand experienced during the rapid growth cycles of the past decade.

HOW THE INCENTIVES FOR GROWTH FUND WORKS

A new \$400 million fund to reward councils that enable more homes.

 **\$400**
million
ALLOCATED OVER FOUR YEARS

 2026/27
\$100m

 2027/28
\$100m

 2028/29
\$100m

 2029/30
\$100m



COUNCILS RECIEVE FUNDING FOR NEW HOMES CONSENTED

The more homes a council consents relative to its existing housing stock, the higher the payment

HOUSING GROWTH

FUNDING RECEIVED

As a proportion of the national average dwelling consent value



Up to 1%
of existing dwellings

0.25%

of national average
dwelling consent value



1% - 2%
of existing dwellings

0.50%

of national average
dwelling consent value



Above 2%
of existing dwellings

1.25%

of national average
dwelling consent value



FUNDING CAN SUPPORT



Local roads



Parks and reserves



Community facilities



Growth-related infrastructure



THE POLICY SHIFT

OLD SYSTEM



GROWTH = COST

Infrastructure required before
rates revenue arrives



NEW SYSTEM



GROWTH = REVENUE

Additional housing generates
additional funding

OBJECTIVE



Make housing growth
financially attractive
for councils.

Source: Beehive - "Incentivising councils to go for housing growth"
Housing and Infrastructure Minister Chris Bishop, 28 May 2026



THE LENDING LANDSCAPE REMAINS CRITICAL

Housing supply, however, is only one side of the equation.

The Budget 2026 arrives at a time when the broader economic backdrop remains challenging. Economic growth has softened; consumer spending remains cautious, and financial markets are increasingly pricing the possibility of further Official Cash Rate (OCR) increases. Mortgage rates have already begun adjusting higher in anticipation.

That combination means housing policy and monetary policy are currently moving in opposite directions. Government initiatives are attempting to support long-term housing delivery, while higher borrowing costs continue to influence short-term purchasing decisions.

For buyers, investors and homeowners, this dynamic is likely to remain one of the defining features of the next several years.

Additionally, election-year budgets often provide a useful insight into how governments want to be judged.

Viewed through a housing scope, Budget 2026 appears less focused on stimulating demand and more on removing barriers to supply – a distinction that matters.

New Zealand's housing woes weren't created over a single parliamentary term, and they are unlikely to be resolved within one. However, the decisions made today often shape the housing market for years to come.

The real significance may therefore have less to do with what happens in the next 12 months and more to do with what happens over the next decade.

For a country that has spent years debating the symptoms of its housing shortage, Budget 2026 seemingly attempts to address one of its underlying causes – and, in the context of a general election year, that may prove significant.

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.

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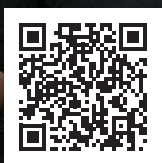


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