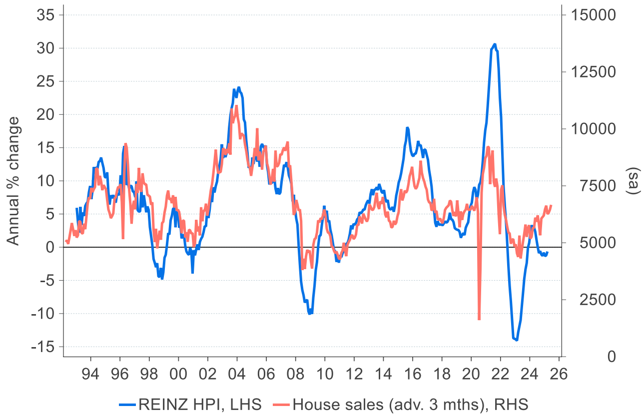
New Zealand Property Focus

A quick look over the neighbour’s fence

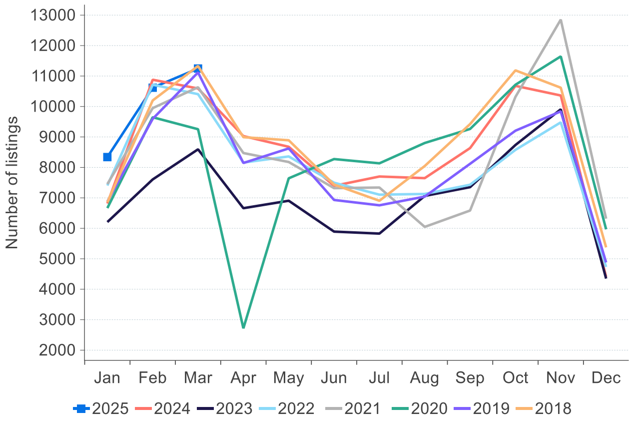
April 2025

At a glance

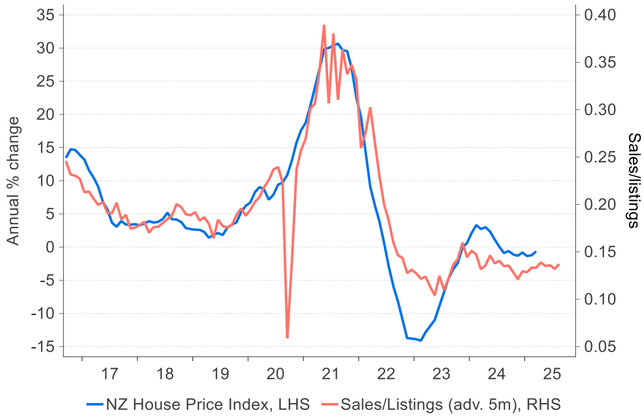
Sales volumes lifted in both February and March…



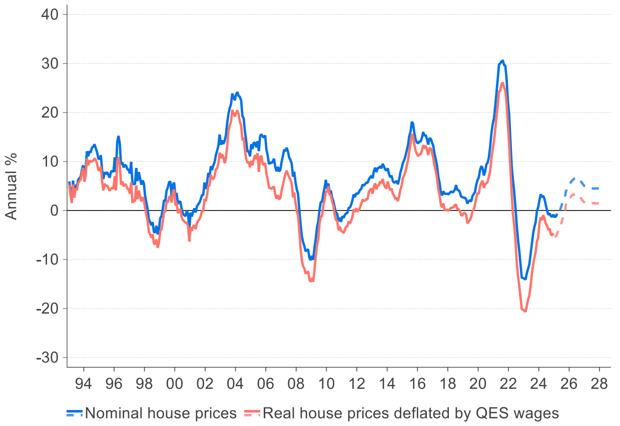
… but the flow of new listings and market inventory remained strong...



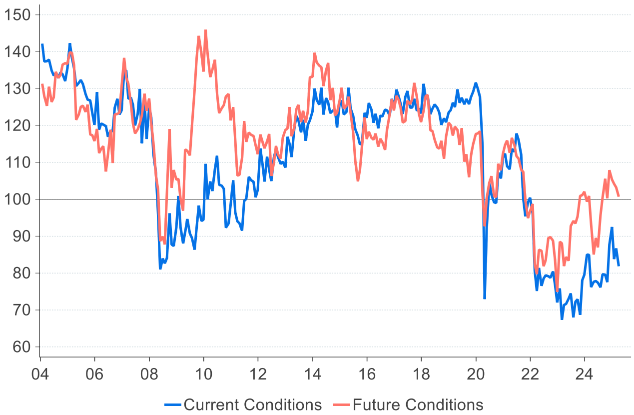
…which will keep house price growth restrained in the near term.



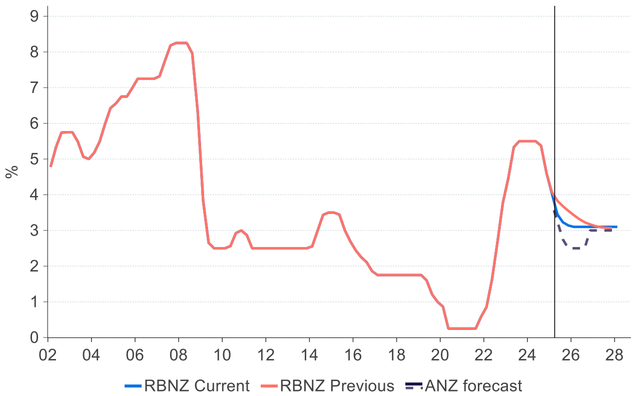
We have revised down forecast 2025 house price growth from 6.0% to 4.5%.



Consumers remain in a cautious mood…



…and we now expect the RBNZ to deliver 50bp more easing, OCR: 2.5%.



Source: RBNZ, Macrobond, ANZ Research

Source: REINZ, realestate.co.nz, Stats NZ, ANZ-Roy Morgan, Macrobond, ANZ Research

This is not personal advice nor financial advice about any product or service. The opinions and research contained in this document are provided for information only, are intended to be general in nature and do not take into account your financial situation or goals. Please refer to the Important Notice.

ISSN 2624-1439

Publication date: 30 April 2025

Contact

Sharon Zollner or David Croy for more details.

See page 11

INSIDE

At a glance	2
Housing Market Overview	4
Regional Housing Market Indicators	6
Feature Article: A quick look over the neighbour's fence	7
Mortgage Borrowing Strategy	9
Weekly Mortgage Repayment Table	10
Mortgage Rate Forecasts	10
Economic Forecasts	10
Important Notice	12

Confused by acronyms or jargon? See a glossary here.

ISSN 2624-0629

Publication date: 30 April 2025

Summary

Our monthly *Property Focus* publication provides an independent appraisal of recent developments in the residential property market.

Property Focus

The housing market continues to gradually get back into gear. House sales rose 3.4% in March, with house prices eking another tiny monthly gain. However, the strong flow of new listings onto the market continued, meaning buyers still have plenty of choice. Prices will start to lift more meaningfully once the excess inventory has been worked through, and that will take time. We still expect more meaningful lifts in house prices in the second half of the year, but are now forecasting a lift of 4.5% rather than 6%. Given some recent tepid domestic data and headwinds to confidence from global ructions, we now expect the RBNZ to deliver two extra 25bp cuts, taking the OCR to a low of 2.5% for a time. That will underpin housing market momentum further out. See our Property Focus section.

Feature Article: A quick look over the neighbour's fence

Australia's residential property market generally couldn't match New Zealand's COVID-era boom, but with the exception of Melbourne, it has more than made up for it in recent years. While Australian house prices have grown steadily since early 2023, New Zealand's have stagnated, reflective of the broader economic performance. We are forecasting house prices to increase 4.5% this year and 5.5% next in New Zealand, while in Australia ANZ is forecasting just 0.9% growth this year and 3.8% next, with the New Zealand market supported by the RBNZ taking its policy rate down to 2.5%, while our Australian colleagues are forecasting the RBA to stop at 3.35%. See our Feature Article.

Mortgage Borrowing Strategy

Mortgage rates are generally either lower or unchanged this month, with the small rise in the average 3-year rate in table 1 reflective of specials expiring rather than a change in direction. Looking ahead, with another 100bp of OCR cuts now expected (we revised our forecasts earlier this month), we expect further falls in mortgage rates, led lower by wholesale rates. However, as we have written about for much of the year, as financial markets are also banking on further OCR cuts, market interest rates have already come down a long way. While we do expect further downside, the bulk of the fall in mortgage rates is likely behind us, barring any major surprises. Take the 1-year fixed rate, for example; while our projections (based on our wholesale interest rate forecasts) have that falling to around 4.6%, at 4.99% right now, it is already around 2.3%pt below its late-2023 peak of 7.3%. The focus for many homeowners over coming months is thus likely to be on when to extend term, knowing that once the RBNZ finishes easing, financial markets will inevitably start to ask when the OCR might rise again as the economy responds to stimulus. For those who need to fix today, it's hard to look past the 2yr rate, which is already close to where we see it bottoming out. But if you have the luxury of waiting a little longer, it could make sense to hear what the RBNZ has to say in late May and make a plan after that, as it may signal an appetite for deeper cuts, or even deliver a bigger cut if things deteriorate between now and then. See our Mortgage Borrowing Strategy.

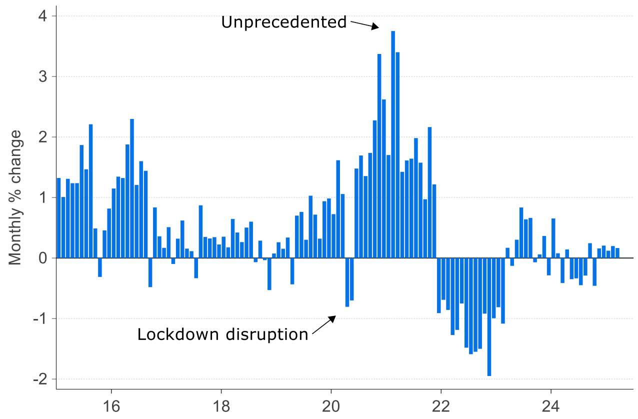
Summary

The housing market continues to gradually get back into gear. House sales rose 3.4% in March, with house prices eking another tiny monthly gain. However, the strong flow of new listings onto the market continued, meaning buyers still have plenty of choice. Prices will start to lift more meaningfully once the excess inventory has been worked through, and that will take time. We still expect more meaningful lifts in house prices in the second half of the year, but are now forecasting a lift of 4.5% rather than 6%. Given some recent tepid domestic data and headwinds to confidence from global ructions, we now expect the RBNZ to deliver two extra 25bp cuts, taking the OCR to a low of 2.5% for a time. That will underpin housing market momentum further out.

Inching higher

March's REINZ housing market data showed house prices edging higher. The last five monthly price changes may have been an unimpressive 0.2%, 0.2%, 0.1%, 0.2% and 0.2%, but you can't argue with the fact there's some consistency there, and five months of consecutive lifts, albeit small, is definitely a positive change in tone. The REINZ House Price Index is still down 0.6% y/y (sa), but it's up around 0.9% since October.

Figure 1. REINZ House Price Index



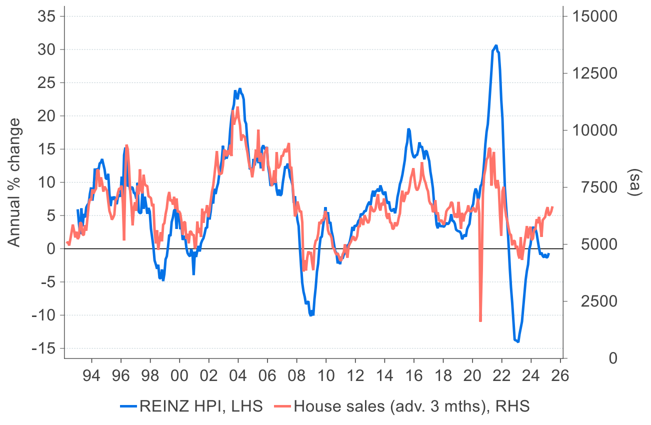
Source: REINZ, Macrobond, ANZ Research

Sales volumes have bounced more impressively, up 3.4% in March (seasonally adjusted), building on a 2.0% lift in February and continuing their recovery from a sharp 5.6% decline in December.

Looking through the monthly volatility, sales volumes continue to trend higher. Sales are typically underreported in the initial month of release, and that was again the case in February, with sales volume growth revised up from an initial read of 0.6% m/m to 2.0% m/m.

However, those looking for resultant meaningful price action are being stymied by the fact that housing supply is also lifting, as those who have been holding off listing their property for sale grab their opportunity. Plenty of choice for buyers mean little upward pressure on prices. Indeed, of late we've seen house sales and house price inflation heading in different directions (figure 2).

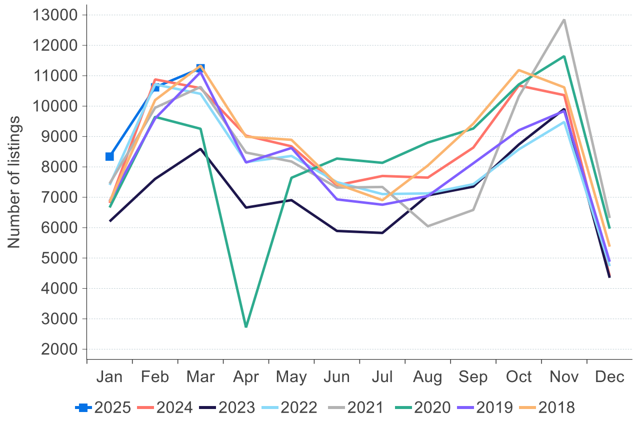
Figure 2. House sales versus house price inflation



Source: REINZ, Macrobond, ANZ Research

We aren't through it yet. March saw another strong flow of new listings coming onto the market.

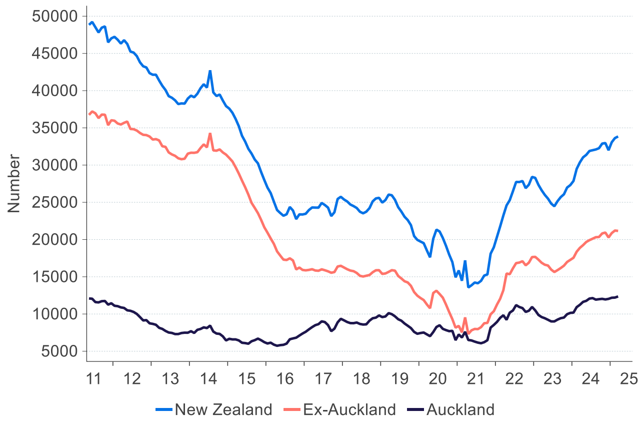
Figure 3. New listings



Source: REINZ, Macrobond, ANZ Research

The total amount of stock on the market lifted another 0.6% in March (seasonally adjusted), and is at the highest level in 10 years. Total housing market stock in Auckland, which is currently at the highest level going back to 2011, lifted another 1.2%, as new listings growth outpaced house sales growth of 1.0% in the region (seasonally adjusted). It's not surprising that sellers have become more realistic with their asking prices in this environment.

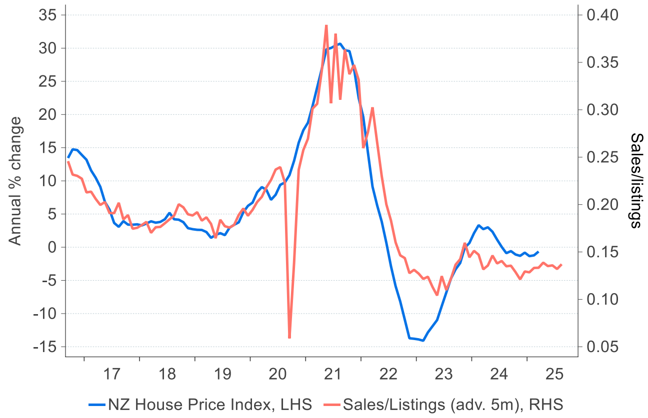
Figure 4. Total housing market inventory



Source: realestate.co.nz, Macrobond, ANZ Research

The sales-to-listings ratio is a useful indicator of heat in the housing market and tends to give a 3-6 month lead on house price momentum. A decent bounce in sales volumes in March was largely offset by another lift in listings, and the sales-to-listings ratio remains consistent with lacklustre growth in house prices in the near term.

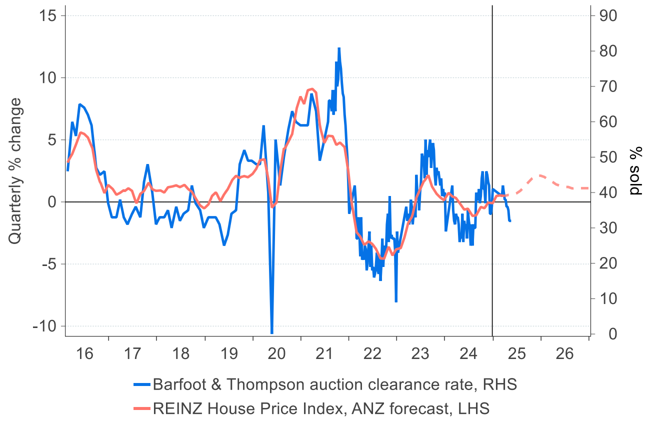
Figure 5. Sales-to-listings ratio



Source: REINZ, realestate.co.nz, Macrobond, ANZ Research

The auction clearance rate has also been fairly steady, bouncing around 40% in recent months. That adds to the body of evidence suggesting that the market is tracking sideways for now.

Figure 6. Auction clearance rate vs ANZ House Price forecast

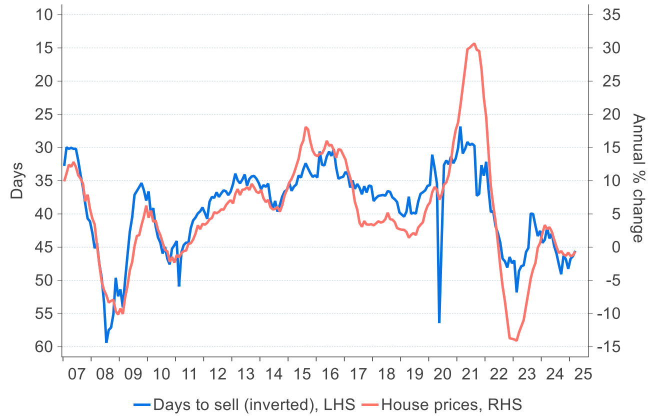


Source: REINZ, Barfoot & Thompson, interest.co.nz, Macrobond, ANZ Research

The median days to sell were steady in March at 46 (sa), still a long way north of the long-run historic average of 39. It's been hovering around that level for several months now. While that's consistent with the housing market having stabilised, we'd need to see median days to sell to begin to fall before one could conclude the market is on a tightening trajectory. That looks unlikely to occur until sales volumes lift more meaningfully and the current backlog of stock on the market starts to clear.

Putting it all together, underlying indicators of the housing market are consistent with stabilisation but certainly are not going anywhere fast. We remain of the view that momentum will begin to accelerate in the second half of the year, but on 16 April we revised down our forecast for 2025 house price growth from 6.0% to 4.5% y/y.

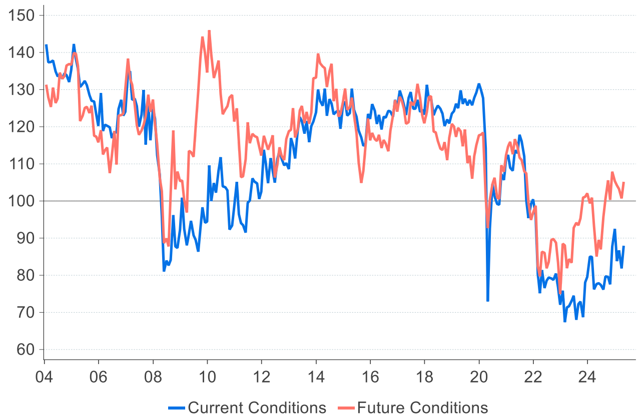
Figure 7. Days to sell vs house prices



Source: REINZ, Macrobond, ANZ Research

Key to our forecast is an assumption of ongoing caution from households in the near term, as reflected in our Consumer Confidence survey. Consumer confidence bounced back 5 points in April, unwinding its March fall, but the level remains very subdued. It's clearly still tough times out there, despite an improving outlook.

Figure 8. ANZ-RM Consumer Confidence



Source: ANZ-Roy Morgan, Macrobond, ANZ Research

High-frequency indicators of the economy are well off their lows, but it's fair to say some have looked a little flat recently, and the ongoing economic recovery faces strengthening headwinds from global turmoil that seems likely to have a chilling effect on the willingness of both firms and households to take risks. Earlier this month we updated our forecasts, not just for house prices, but also GDP growth (including both business and residential investment), employment (with the unemployment rate staying at its peak of 5.3% for a bit longer), and inflation.

A soft economic environment for a bit longer isn't the end of the world, but nor is it conducive to household confidence to borrow and invest in the housing market. However, the silver lining for those wishing the housing market well is that it all implies lower interest rates in time. We are now forecasting two more 25bp OCR cuts, ie one at each of the next four RBNZ meetings, taking the OCR to a low of 2.5% by October. There it remains for a year or so to give the economy a bit more support to make sure that the recovery (and the medium-term inflation outlook) remains on track, before rising back to neutral (3%), for the sake of argument.

It's important to stress that while the here-and-now remains tough going, the economy is on an improving trajectory. We're coming out of a recession that was deliberately engineered via higher interest rates to break the back of inflation. It worked. Interest rates have now come down a long way and we are expecting they have a way to go yet, which means we are on track for better times ahead. The global turmoil is an unhelpful headwind, certainly. There is enormous uncertainty about how it will all play out, and how New Zealand – and its housing market – will be affected. But we are far from the centre of the storm and for now, it's a case of "keep calm and carry on."

Housing market indicators for March 2025 (based on REINZ data seasonally adjusted by ANZ Research)

	Median house price			House price index		Sales		Average days to sell
	Level	Annual % change	3-mth % change	Annual % change	3-mth % change	# of monthly sales	Monthly % change	
Northland	$665,533	-0.5	2.2	-2.1	-0.3	167	+5%	60
Auckland	$1,010,922	-3.0	1.7	-0.7	1.0	2,019	+1%	44
Waikato	$740,660	-1.5	0.1	0.5	0.2	667	+3%	49
Bay of Plenty	$793,051	0.9	-0.4	-0.7	0.1	386	-8%	52
Gisborne	$619,133	4.5	0.9	-1.9	0.2	41	0%	50
Hawke's Bay	$701,471	-3.3	0.5	-1.9	0.2	228	+8%	49
Manawatu-Whanganui	$528,935	-3.8	-0.3	-1.4	0.4	310	-3%	46
Taranaki	$596,116	0.0	-0.3	-0.3	1.4	163	0%	40
Wellington	$778,895	-2.6	0.8	-4.0	-0.3	658	+14%	40
Tasman, Nelson & Marlborough	$717,824	-1.6	1.3			247	+8%	47
Canterbury	$681,529	0.1	-0.6	1.0	0.1	1,181	+7%	41
Otago	$660,285	-8.7	-5.0	0.9	0.4	403	+10%	48
West Coast	$406,183	12.0	9.2	-0.3	1.3	35	-11%	41
Southland	$470,235	5.9	-0.1	4.4	1.4	159	-2%	44
New Zealand	**$775,352**	**-1.5**	**-0.5**	**-0.7**	**0.5**	**6,665**	**+3%**	**46**

Feature Article: A quick look over the neighbour's fence

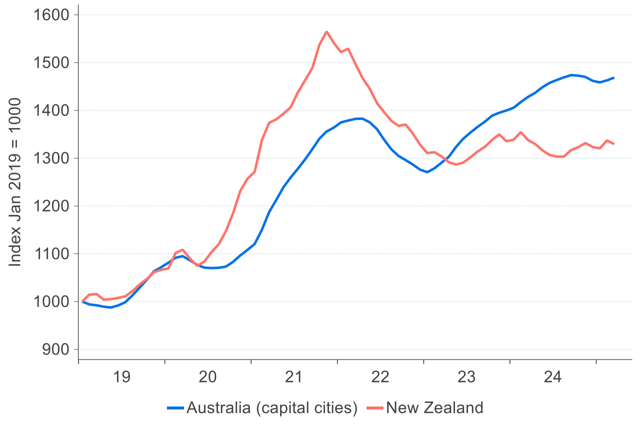
Summary

Australia's residential property market generally couldn't match New Zealand's COVID-era boom, but it has more than made up for it in recent years. While Australian house prices have grown steadily since early 2023, New Zealand's have stagnated, reflective of the broader economic performance. We are forecasting house prices to increase 4.5% this year and 5.5% next in New Zealand, while in Australia ANZ is forecasting just 0.9% growth this year and 3.8% next, with the New Zealand market supported by the RBNZ taking its policy rate down to 2.5%, while our Australian colleagues are forecasting the RBA to stop at 3.35%.

How's it going, mate?

This month, we take a quick look over the ditch to see how the neighbour's property market is going. First up: the big picture. New Zealand had a far larger boom over the COVID period (figure 1). Record-low mortgage rates combined with the (ultimately relatively brief) suspension of the loan-to-value restrictions saw house prices here experience a far larger boom – and subsequent bust – than did the major urban centres in Australia. In terms of the aftermath, while house prices in New Zealand have gone broadly sideways for almost three years, house prices in Australia's capital cities have grown steadily, only flattening out relatively recently, though the last couple of months have seen a renewed lift.

Figure 1. House price indexes: Australia vs NZ



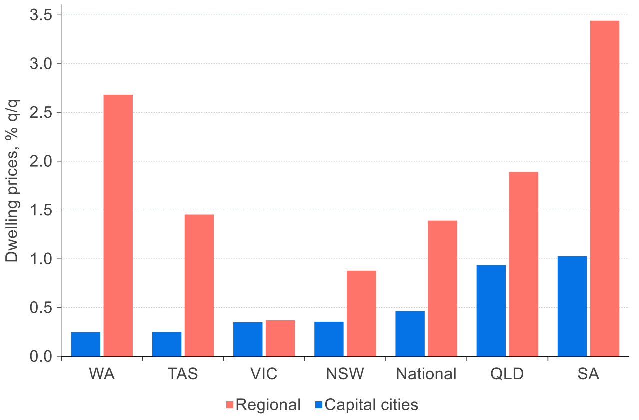
Source: REINZ, CoreLogic, Macrobond, ANZ Research

Figure 2 shows that while it was the top end of the market that drove the 2021 boom, the cheaper end led the lift over 2024 as affordability constraints became a bigger driver of market dynamics. This could also be a factor behind the fact that house price growth in the regions has, in every state except Victoria, outpaced that in the capitals (figure 3). In terms of Victoria being an exception, it's almost certainly not coincidence that Melbourne is the one capital city in Australia where house prices have gone nowhere in the past two years, making it relatively more affordable. Affordability has a driver has been evident in the New Zealand market of late also, with Auckland and Wellington underperforming and the best-performing main centre in recent years (Christchurch) also being at the more affordable end.

Figure 2. Capital city dwelling prices by price quartile

Source: CoreLogic, Macrobond, ANZ Research

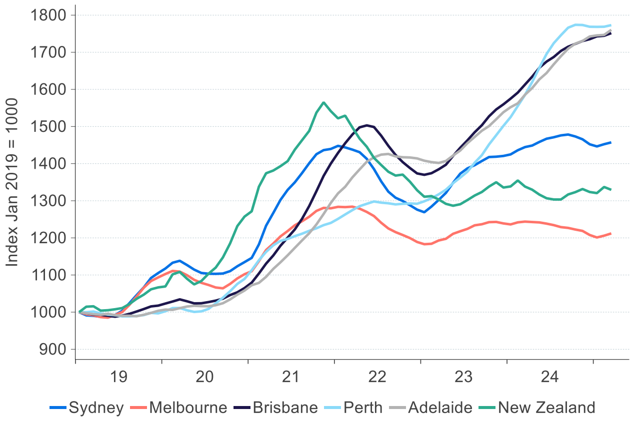
Figure 3. Australia house prices: capital cities vs regions



Source: REINZ, CoreLogic, Macrobond, ANZ Research

The above chart highlights that national averages hide a great deal. So let's dig a little deeper.

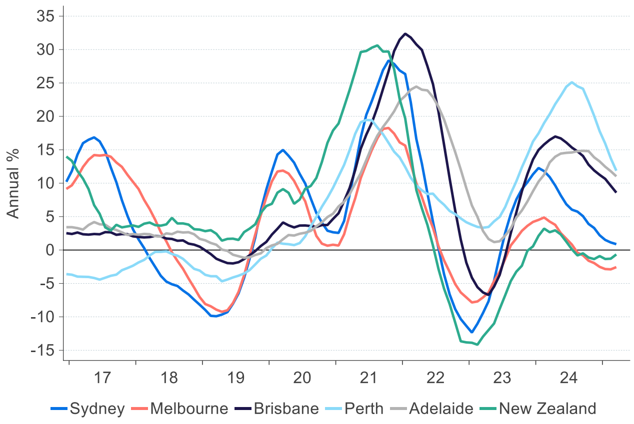
Figure 4. House prices: Australian capital cities vs NZ



Source: REINZ, CoreLogic, Macrobond, ANZ Research

Figures 4 (above) and 5 (over) show that Sydney and Brisbane came the closest to matching the New Zealand market's enthusiasm over 2021/22, and both also experienced fairly chunky house price falls over 2022 (as did Melbourne, even though it had experienced a much smaller lift). But both Sydney and Brisbane have outpaced New Zealand since – Brisbane spectacularly so. Perth has danced to its own tune: house price inflation peaked at "only" 20% in 2021 and the city missed the 2022 bust entirely, with house prices continuing to grow. In early 2023 Perth house prices took off and the city now has the biggest increase in prices since 2019 though Brisbane and Adelaide are close on their heels.

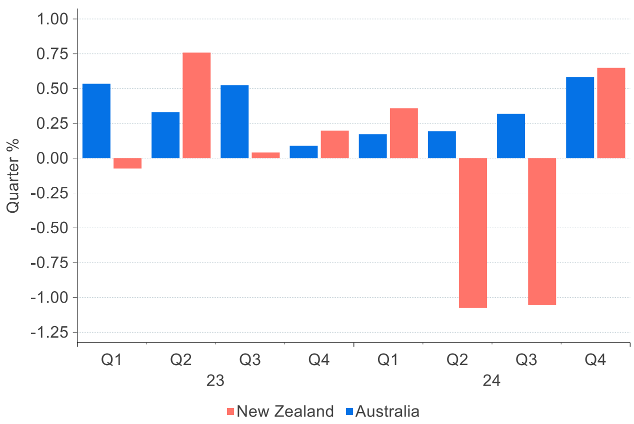
Figure 5. House prices: Australian capital cities vs NZ



Source: REINZ, CoreLogic, Macrobond, ANZ Research

It's not hard to work out why the Australian housing market has outperformed New Zealand's in the past couple of years. The Australian household sector has had a much easier time of it, with the economy growing relatively steadily as opposed to the sharp slowdown New Zealand experienced in the middle of last year as the RBNZ deliberately put the brakes on in order to bring out of control inflation back into the target band. The New Zealand economy went into a deliberate recession, while Australia's as not (figure 6).

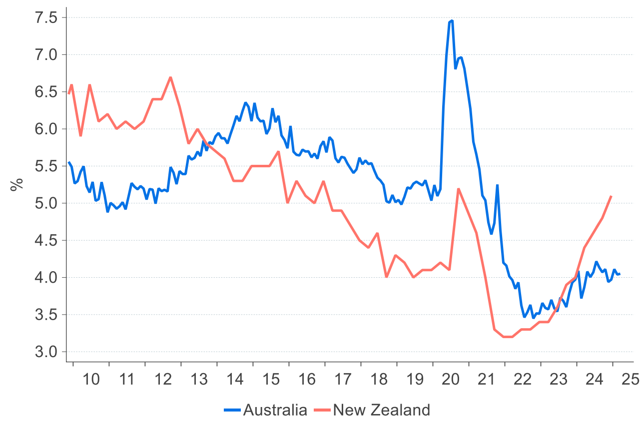
Figure 6. GDP growth: Australia vs NZ



Source: ABS, Stats NZ, Macrobond, ANZ Research

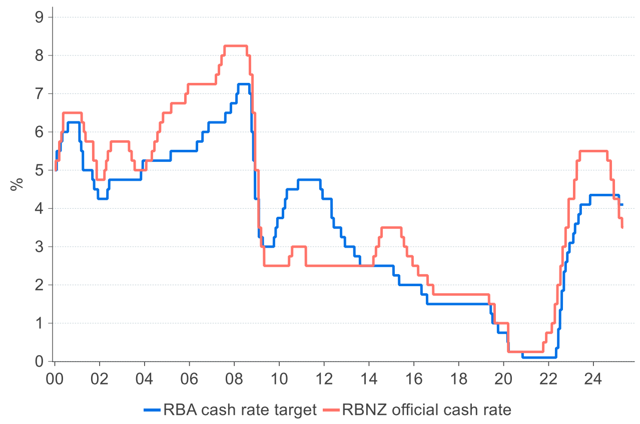
That has led to the New Zealand unemployment rate rising to 5.1%, as opposed to 4.1% in Australia (figure 7). The RBNZ also raised its policy interest rate more aggressively than the Reserve Bank of Australia did (figure 8), undoubtedly contributing to house sales remaining low for longer. That meant that even though new listings coming onto the two markets have shown very similar dynamics, unsold inventory has accumulated in New Zealand in a way it hasn't in Australia (figure 9), keeping all the power on the buyers' side and preventing prices rising.

Figure 7. Unemployment rates: Australia vs NZ



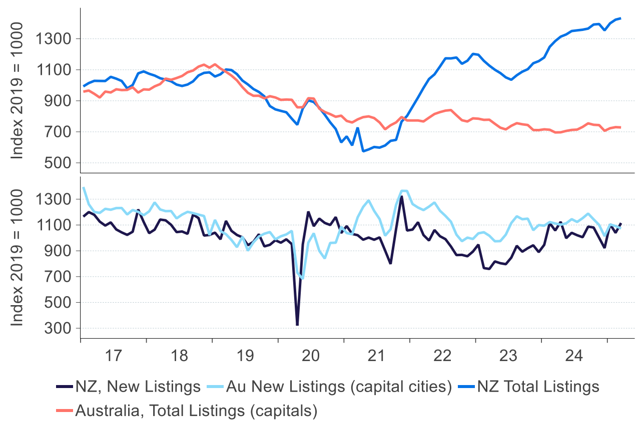
Source: ABS, Stats NZ, Macrobond, ANZ Research

Figure 8. Central bank policy rates



Source: RBA, RBNZ, Macrobond, ANZ Research

Figure 9. New and available housing listings



Source: realestate.co.nz, CoreLogic, Macrobond, ANZ Research

However, our reward for doing the hard yards is coming due: the RBNZ is now cutting with more confidence and speed than the RBA is. We are forecasting the Official Cash Rate to reach 2.5% by October, whereas our colleagues in Australia are forecasting the RBA to cut its policy rate to a trough of 3.35% by August. Accordingly, while we are forecasting New Zealand house prices to lift 4.5% this year and 5.5% next. In contrast, ANZ's house price forecast is for house prices in Australian capital cities to lift just 0.9% this year and 3.8% in 2026.

Mortgage Borrowing Strategy

This is not financial advice about any product or service. The opinions and research contained in this document are provided for information only, are intended to be general in nature and do not take into account your financial situation or goals. Please refer to the Important Notice.

Summary

Mortgage rates are generally either lower or unchanged this month, with the small rise in the average 3-year rate in table 1 reflective of specials expiring rather than a change in direction. Looking ahead, with another 100bp of OCR cuts now expected (we revised our forecasts earlier this month), we expect further falls in mortgage rates, led lower by wholesale rates. However, as we have written about for much of the year, as financial markets are also banking on further OCR cuts, market interest rates have already come down a long way. While we do expect further downside, the bulk of the fall in mortgage rates is likely behind us, barring any major surprises. Take the 1-year fixed rate, for example; while our projections (based on our wholesale interest rate forecasts) have that falling to around 4.6%, at 4.99% right now, it is already around 2.3%pt below its late-2023 peak of 7.3%. The focus for many homeowners over coming months is thus likely to be on when to extend term, knowing that once the RBNZ finishes easing, financial markets will inevitably start to ask when the OCR might rise again as the economy responds to stimulus. For those who need to fix today, it's hard to look past the 2yr rate, which is already close to where we see it bottoming out. But if you have the luxury of waiting a little longer, it could make sense to hear what the RBNZ has to say in late May and make a plan after that, as it may signal an appetite for deeper cuts, or even deliver a bigger cut if things deteriorate between now and then.

Thoughts and views

Short-term fixed rates are lower again this month on average, having followed the OCR lower after the RBNZ's second cut of the year. That's likely to be music to the proverbial ears of many homeowners, especially those who have opted to fix for a series of rolling short-term fixes. However, longer-term rates are not lower, having been kept elevated by the lack of downward movement in long-term global rates, which have risen as inflationary fears ripped through US bond markets following tariff announcements. There are obviously a multitude of moving parts but suffice to say that global long-term interest rates have not fallen, and nor have they in New Zealand, despite the lower OCR.

For many homeowners, that likely suggests that the overall quandary of what to do next hasn't really changed that much, especially for anyone looking to lock in for longer as rates move lower. In fact, if anything, for some, the decision to fix for longer might now feel tougher, as doing so now means not fixing for a shorter term at a lower rate, intensifying the commonly seen trade-off of cost versus certainty.

For our part, we are forecasting a lower OCR, and in fact, recently pencilled in two more cuts, taking the OCR to a low of 2.5% by October. That has, in turn, seen us revise down our wholesale interest rate forecasts, and flowing these through our mortgage rate projections means we now see them falling further too. However, these changes need to be put in context: although 1 to 2-year rates are expected to fall another 0.4%pt to 0.2%pt or so respectively, those falls are small in relation to the circa 2.3%pt and 2.0%pt falls seen respectively since the late-2023 highs.

Looking ahead, we do expect the usual cyclical dynamics that typically play out towards the end of rate-cut cycles to manifest, and that is why our projections show fixed rate mortgage rates rising as we head into 2026. We don't anticipate large rises, but as markets look to the economic response following rate cuts into outright stimulatory territory, we do expect wholesale rates to rise a little. As such, we still think the main question many borrowers ought to be asking is when it might be a good time to fix for longer.

While it's worth reiterating that we always see merit in spreading one's risk over a number of terms (the future is, by definition, uncertain, and it's impossible to get things right all the time), if we had to make a decision today, we think it's hard to look past the 2yr. That is already at 4.99% at most banks and we don't see it falling a lot further from here – and as our breakeven table shows, you'd have to be confident of a big fall (from 5.49% to 4.74%) in the 6-month rate for back-to-back 6-month fixed to be cheaper than fixing for 1-year. While the 1-year breakeven in a year's time is the same as the current rate, the question we'd ask there is, how would you feel if the 1-year rate is higher in a year's time, which it could easily be if OCR cuts do their magic and the economy responds, and markets start anticipating the tightening cycle?

However, if you have the luxury of being able to wait a little longer, or you are thinking about what to do what your fixed term expires in May or June, we do see merit in waiting until the next RBNZ decision on 28 May. With an OCR cut almost a certainty, but markets somewhat undecided on whether the RBNZ may project deeper cuts ahead or even cut by 50bp rather than just 25bp given the very volatile and uncertain global backdrop, we think it's worth hearing their views.

Figure 1. Carded special mortgage rates*

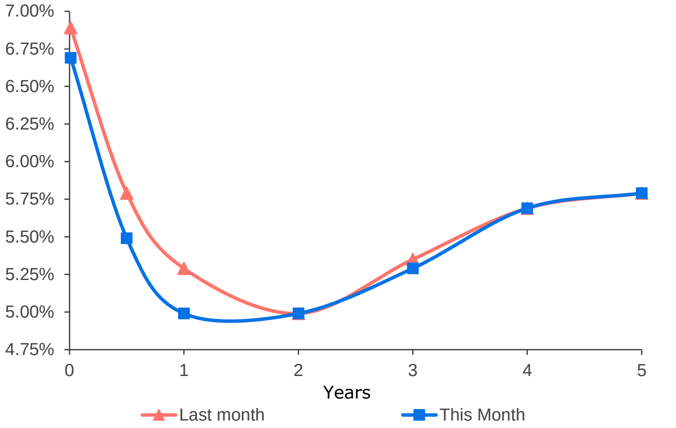


Table 1. Special Mortgage Rates*

		Breakevens for 20%+ equity borrowers			
Term	Current	in 6mths	in 1yr	in 18mths	in 2 yrs
Floating	6.69%				
6 months	5.49%	4.49%	4.99%	4.99%	5.74%
1 year	4.99%	4.74%	4.99%	5.37%	5.89%
2 years	4.99%	5.05%	5.44%	5.87%	6.39%
3 years	5.29%	5.49%	5.92%	6.12%	6.32%
4 years	5.69%	5.77%	5.99%		
5 years	5.79%	*Median of the five largest banks			

Source: interest.co.nz, ANZ Research

Key forecasts

Weekly mortgage repayments table (based on 30-year term)

Mortgage Size ($000)	Mortgage Rate (%)													
	4.75	5.00	5.25	5.50	5.75	6.00	6.25	6.50	6.75	7.00	7.25	7.50	7.75	8.00
200	241	248	255	262	269	277	284	292	299	307	315	323	330	338
250	301	309	318	327	336	346	355	364	374	384	393	403	413	423
300	361	371	382	393	404	415	426	437	449	460	472	484	496	508
350	421	433	446	458	471	484	497	510	524	537	551	564	578	592
400	481	495	509	524	538	553	568	583	598	614	629	645	661	677
450	541	557	573	589	606	622	639	656	673	690	708	726	744	762
500	601	619	637	655	673	691	710	729	748	767	787	806	826	846
550	662	681	700	720	740	760	781	802	823	844	865	887	909	931
600	722	743	764	786	807	830	852	875	897	921	944	968	991	1,015
650	782	805	828	851	875	899	923	947	972	997	1,023	1,048	1,074	1,100
700	842	867	891	917	942	968	994	1,020	1,047	1,074	1,101	1,129	1,157	1,185
750	902	928	955	982	1,009	1,037	1,065	1,093	1,122	1,151	1,180	1,209	1,239	1,269
800	962	990	1,019	1,048	1,077	1,106	1,136	1,166	1,197	1,227	1,259	1,290	1,322	1,354
850	1,023	1,052	1,082	1,113	1,144	1,175	1,207	1,239	1,271	1,304	1,337	1,371	1,404	1,438
900	1,083	1,114	1,146	1,178	1,211	1,244	1,278	1,312	1,346	1,381	1,416	1,451	1,487	1,523
950	1,143	1,176	1,210	1,244	1,278	1,313	1,349	1,385	1,421	1,458	1,495	1,532	1,570	1,608
1000	1,203	1,238	1,273	1,309	1,346	1,383	1,420	1,458	1,496	1,534	1,573	1,613	1,652	1,692

Mortgage rate projections (historic rates are special rates; projections based on ANZ's wholesale rate forecasts)

	Actual			Projections						
Interest rates	Dec-24	Mar-25	Current	Jun-25	Sep-25	Dec-25	Mar-26	Jun-26	Sep-26	Dec-26
Floating Mortgage Rate	7.7	7.2	6.7	6.6	6.1	5.8	5.8	5.8	5.8	6.3
1-Yr Fixed Mortgage Rate	5.8	5.2	5.0	4.6	4.6	4.7	4.8	5.0	5.2	5.2
2-Yr Fixed Mortgage Rate	5.6	5.1	5.0	4.9	4.8	4.9	5.0	5.1	5.2	5.3
3-Yr Fixed Mortgage Rate	5.6	5.4	5.3	5.2	5.0	5.1	5.2	5.3	5.3	5.4
5-Yr Fixed Mortgage Rate	5.8	5.7	5.8	5.6	5.4	5.3	5.3	5.4	5.5	5.5

Source: RBNZ, ANZ Research

Economic forecasts

	Actual			Forecasts						
Economic indicators	Jun-24	Sep-24	Dec-24	Mar-25	Jun-25	Sep-25	Dec-25	Mar-26	Jun-26	Sep-26
GDP (Annual % Chg)	-0.5	-1.6	-1.1	-0.9	0.6	2.3	2.2	2.2	2.5	2.7
CPI Inflation (Annual % Chg)	3.3	2.2	2.2	2.5(a)	2.5	2.5	2.3	1.8	1.7	1.8
Unemployment Rate (%)	4.6	4.8	5.1	5.3	5.3	5.3	5.2	5.0	4.8	4.7
House Prices (Quarter % Chg)	-0.5	-0.9	-0.2	0.5(a)	0.6	1.2	2.0	1.8	1.3	1.2
House Prices (Annual % Chg)	2.2	-0.5	-1.1	-1.1(a)	0.0	2.1	4.5	5.8	6.6	6.5

Interest rates	Dec-24	Mar-25	Current	Jun-25	Sep-25	Dec-25	Mar-26	Jun-26	Sep-26	Dec-26
Official Cash Rate	4.25	3.75	3.50	3.25	2.75	2.50	2.50	2.50	2.50	3.00
90-Day Bank Bill Rate	4.17	3.61	3.42	2.89	2.62	2.62	2.62	2.62	3.04	3.12
10-Year Bond	4.41	4.49	4.48	4.50	4.25	4.00	3.75	3.75	4.00	4.00

Source: ANZ Research, Statistics NZ, RBNZ, REINZ

Meet the team

We welcome your questions and feedback. Click here for more information about our team.

Sharon Zollner
Chief Economist

Follow Sharon on Twitter
@sharon_zollner

Telephone: +64 9 357 4094
Email: sharon.zollner@anz.com

General enquiries:
research@anz.com

Follow ANZ Research
@ANZ_Research (global)

David Croy
Senior Strategist

Market developments, interest rates, FX, unconventional monetary policy, liaison with market participants.

Telephone: +64 4 576 1022
Email: david.croy@anz.com

Miles Workman
Senior Economist

Macroeconomic forecast co-ordinator, economic developments, labour market dynamics, inflation, fiscal and monetary policy.

Telephone: +64 21 661 792
Email: miles.workman@anz.com

Kyle Uerata
Economic Statistician

Economic statistics, ANZ proprietary data (including ANZ Business Outlook), data capability and infrastructure.

Telephone: +64 21 633 894
Email: kyle.uerata@anz.com

Natalie Denne
PA / Desktop Publisher

Business management, general enquiries, mailing lists, publications, chief economist's diary.

Telephone: +64 21 221 7438
Email: natalie.denne@anz.com

Important Notice

Last updated: 19 November 2024

This document (in the form of text, image, video or audio) is intended for ANZ Group's Institutional, Markets, Private Bank and Premier Banking clients. It should not be forwarded, copied or distributed. The opinions and research contained in it are (a) not personal financial advice; (b) provided for information only; and (c) general in nature and do not take into account your financial situation or goals.

This document may be restricted by law in certain jurisdictions. Recipients must observe all relevant restrictions.

Disclaimer for all jurisdictions: This document is prepared and distributed in your country/region by Australia and New Zealand Banking Group Limited (ABN11 005 357 522) (**ANZ**), a company incorporated in Australia or (if otherwise stated), by its subsidiary or branch (herein collectively referred to as **ANZ Group**). The views expressed in it are those of ANZ Research, an independent research team of Australia and New Zealand Banking Group Limited.

This document is distributed on the basis that it is only for the information of the specified recipient or permitted user of the relevant website (**recipients**).

This document is solely for informational purposes and nothing in it is intended to be an invitation, solicitation or offer by ANZ Group to sell, or buy, receive or provide any product or service, or to participate in a particular trading strategy.

Distribution of this document to you is only as may be permissible by the laws of your jurisdiction, and is not directed to or intended for distribution or use by recipients resident or located in jurisdictions where its use or distribution would be contrary to those laws or regulations, or in jurisdictions where ANZ Group would be subject to additional licensing or registration requirements. Further, any products and services mentioned in this document may not be available in all countries.

ANZ Group in no way provides any personal financial, legal, taxation or investment advice to you in connection with any product or service discussed in this document. Before making any investment decision, recipients should seek independent financial, legal, tax and other relevant advice having regard to their particular circumstances.

Whilst care has been taken in the preparation of this document and the information contained within is believed to be accurate and made on reasonable grounds on the date it was published, ANZ Group does not represent or warrant the accuracy or completeness of the information. Further, ANZ Group does not accept any responsibility to inform you of any matter that subsequently comes to its notice which may affect the accuracy of the information in this document.

This document may contain forward looking statements or opinions including statements regarding our intent, belief or current expectations regarding economic and market conditions, financial instruments and credit markets. Such statements are usually predictive in character, may not be accurate once the future becomes known and should not be relied upon when making investment decisions. Past performance is not a reliable indicator of future performance. ANZ does not accept any responsibility to inform you of any revisions to these forward-looking statements to reflect events or circumstances occurring after the date of this document.

Preparation of this document and the opinions expressed in it may involve material elements of subjective judgement and analysis. Unless specifically stated otherwise: they are current on the date of this document and are subject to change without notice; and, all price information is indicative only. Any opinions expressed in this document are subject to change at any time without notice.

ANZ Group does not guarantee the performance of any product mentioned in this document. All investments entail a risk and may result in both profits and losses. Any products and services described in this document may not be suitable for all investors, and transacting in these products or services may be considered risky.

ANZ Group expressly disclaims any responsibility and shall not be liable for any loss, damage, claim, liability, proceedings, cost or expense (**Liability**) arising directly or indirectly and whether in tort (including negligence), contract, equity or otherwise (including infringement of any third party rights) out of or in connection with this document and your use of it to the extent permissible under relevant law. The contents of this document have not been reviewed by any regulatory body or authority in any jurisdiction.

ANZ Group may have an interest in the subject matter of this document. They may receive fees from customers for dealing in any products or services described in this document, and their staff and introducers of business may share in such fees or remuneration that may be influenced by total sales, at all times received and/or apportioned in accordance with local regulatory requirements. Further, they or their customers may have or have had interests or long or short positions in any products or services described in this document, and may at any time make purchases and/or sales in them as principal or agent, as well as act (or have acted) as a market maker in such products. This document is published in accordance with ANZ Group's policies on conflicts of interest and ANZ Group maintains appropriate information barriers to control the flow of information between businesses within the group.

Your ANZ Group point of contact can assist with any questions about this document including for further information on these disclosures of interest.

Australia. ANZ holds an Australian Financial Services licence no. 234527. For a copy of ANZ's Financial Services Guide please click here or request from your ANZ point of contact.

Brazil. This document is distributed on a cross border basis and only following request by the recipient. No securities are being offered or sold in Brazil under this document, and no securities have been and will not be registered with the Securities Commission - CVM.

Brunei, Japan, Kuwait, Malaysia, Switzerland, Taiwan. This document is distributed in each of these jurisdictions by ANZ on a cross-border basis.

Cambodia. The information contained in this document is confidential and is provided solely for your use upon your request. This does not constitute or form part of an offer or solicitation of any offer to engage services, nor should it or any part of it form the basis of, or be relied in any connection with, any contract or commitment whatsoever. ANZ does not have a licence to undertake banking operations or securities business or similar business, in Cambodia. By requesting financial services from ANZ, you agree, represent and warrant that you are engaging our services wholly outside of Cambodia and subject to the laws of the contract governing the terms of our engagement.

Canada. This document is general information only, is intended for institutional use only – not retail, and is not meant to be tailored to the needs and circumstances of any recipient. In addition, this document is not intended to be an offer or solicitation to purchase or sell any security or other financial instrument or to employ a specific investment strategy.

Chile. You understand and agree that ANZ is not regulated by Chilean Authorities and that the provision of this document is not subject to any Chilean supervision and is not guaranteed by any regulatory or governmental agency in Chile.

Fiji. For Fiji regulatory purposes, this document and any views and recommendations are not to be deemed as investment advice. Fiji investors must seek licensed professional advice should they wish to make any investment in relation to this document.

Hong Kong. This document is issued or distributed in Hong Kong by the Hong Kong branch of ANZ, which is registered at the Hong Kong Monetary Authority to conduct Type 1 (dealing in securities), Type 4 (advising on securities) and Type 6 (advising on corporate finance) regulated activities. The contents of this document have not been reviewed by any regulatory authority in Hong Kong. If you are in any doubt about any of the contents of this document, you should obtain independent professional advice.

India. If this document is received in India, only you (the specified recipient) may print it provided that before doing so, you specify on it your name and place of printing.

Israel. ANZ is not a holder of a licence granted in Israel pursuant to the Regulation of Investment Advising, Investment Marketing and Portfolio Management Law, 1995 ("Investment Advice Law") and does not hold the insurance coverage required of a licensee pursuant to the Investment Advice Law. This publication has been prepared exclusively for Qualified Clients as such term is defined in the First Schedule to the Investment Advice Law. As a prerequisite to the receipt of a copy of this publication a recipient will be required to provide confirmation and evidence that it is a Qualified Client. Nothing in this publication should be considered Investment Advice or Investment Marketing as defined in the Investment Advice Law. Recipients are encouraged to seek competent investment advice from a locally licensed investment adviser prior to making any investment.

Macau. Click here to read the disclaimer for all jurisdictions in Mandarin. 澳门. **点**击此处阅读所有司法管辖区的免责声明的中文版。

Myanmar. This document is intended to be general and part of ANZ's customer service and marketing activities when implementing its functions as a licensed bank. This document is not Securities Investment Advice (as that term is defined in the Myanmar Securities Transaction Law 2013).

New Zealand. This document is distributed in New Zealand by ANZ Bank New Zealand Limited. The material is for information purposes only and is not financial advice about any product or service. We recommend you seek advice about your financial situation and goals before acquiring or disposing of (or not acquiring or disposing of) a financial product.

Oman. ANZ neither has a registered business presence nor a representative office in Oman and does not undertake banking business or provide financial services in Oman. Consequently, ANZ is not regulated by either the Central Bank of Oman (CBO) or Oman's Capital Market Authority (CMA). The information contained in this document is for discussion purposes only and neither constitutes an offer of securities in Oman as contemplated by the Commercial Companies Law of Oman (Royal Decree 4/74) or the Capital Market Law of Oman (Royal Decree 80/98), nor does it constitute an offer to sell, or the solicitation of any offer to buy non-Omani securities in Oman as contemplated by Article 139 of the Executive Regulations to the Capital Market Law (issued vide CMA Decision 1/2009). ANZ does not solicit business in Oman and the only circumstances in which ANZ sends information or material describing financial products or financial services to recipients in Oman, is where such information or material has been requested from ANZ and the recipient understands, acknowledges and agrees that this document has not been approved by the CBO, the CMA or any other regulatory body or authority in Oman. ANZ does not market, offer, sell or distribute any financial or investment products or services in Oman and no subscription to any securities, products or financial services may or will be consummated within Oman. Nothing contained in this document is intended to constitute Omani investment, legal, tax, accounting or other professional advice.

People's Republic of China (PRC). This document may be distributed by either ANZ or Australia and New Zealand Bank (China) Company Limited (**ANZ China**). Recipients must comply with all applicable laws and regulations of PRC, including any prohibitions on speculative transactions and CNY/CNH arbitrage trading. If this document is distributed by ANZ or an Affiliate (other than ANZ China), the following statement and the text below is applicable: No action has been taken by ANZ or any affiliate which would permit a public offering of any products or services of such an entity or distribution or re-distribution of this document in the PRC. So, the products and services of such entities are not being offered or sold within the PRC by means of this document or any other document. This document may not be distributed, re-distributed or published in the PRC, except under circumstances that will result in compliance with any applicable laws and regulations. If and when the material accompanying this document relates to the products and/or services of ANZ China, the following statement and the text below is applicable: This document is distributed by ANZ China in the Mainland of the PRC.

Peru. The information contained in this document has not been, and will not be, registered with or approved by the Peruvian Superintendency of the Securities Market (Superintendencia del Mercado de Valores, **SMV**) or the Lima Stock Exchange (Bolsa de Valores de Lima, **BVL**) or under the Peruvian Securities Market Law (Legislative Decree 6 861), and will not be subject to Peruvian laws applicable to public offerings in Peru. To the extent this information refers to any securities or interests, it should be noted the securities or interests may not be offered or sold in Peru, except if (i) such securities or interests were previously registered with the Peruvian Superintendency of the Securities Market, or (ii) such offering is considered a private offering in Peru under the securities laws and regulation of Peru.

Qatar. This document has not been, and will not be:

- lodged or registered with, or reviewed or approved by, the Qatar Central Bank (QCB), the Qatar Financial Centre (QFC) Authority, QFC Regulatory Authority or any other authority in the State of Qatar (Qatar); or
- authorised or licensed for distribution in Qatar, and the information contained in this document does not, and is not intended to, constitute a public offer or other invitation in respect of securities in Qatar or the QFC.

The financial products or services described in this document have not been, and will not be:

- registered with the QCB, QFC Authority, QFC Regulatory Authority or any other governmental authority in Qatar; or
- authorised or licensed for offering, marketing, issue or sale, directly or indirectly, in Qatar.

Accordingly, the financial products or services described in this document are not being, and will not be, offered, issued or sold in Qatar, and this document is not being, and will not be, distributed in Qatar. The offering, marketing, issue and sale of the financial products or services described in this document and distribution of this document is being made in, and is subject to the laws, regulations and rules of, jurisdictions outside of Qatar and the QFC. Recipients of this document must abide by this restriction and not distribute this document in breach of this restriction. This document is being sent/issued to a limited number of institutional and/or sophisticated investors (i) upon their request and confirmation that they understand the statements above; and (ii) on the condition that it will not be provided to any person other than the original recipient, and is not for general circulation and may not be reproduced or used for any other purpose.

Singapore. To the extent that this document contains any statements of opinion and/or recommendations related to an investment product or class of investment product (as defined in the Financial Advisers Act 2001), this document is distributed in Singapore by ANZ solely for the information of "accredited investors", "expert investors" or (as the case may be) "institutional investors" (each term as defined in the Securities and Futures Act 2001 of Singapore). ANZ is licensed in Singapore under the Banking Act 1970 of Singapore and is exempted from holding a financial adviser's licence under Section 23(1)(a) of the Financial Advisers Act 2001 of Singapore. In respect of any matters arising from, or in connection with, the distribution of this document in Singapore, please speak to your usual ANZ contact in Singapore.

United Arab Emirates (UAE). This document is distributed in the UAE or the Dubai International Financial Centre (DIFC) (as applicable) by ANZ. This document does not, and is not intended to constitute: (a) an offer of securities anywhere in the UAE; (b) the carrying on or engagement in banking, financial and/or investment consultation business in the UAE under the rules and regulations made by the Central Bank of the UAE, the Emirates Securities and Commodities Authority or the UAE Ministry of Economy; (c) an offer of securities within the meaning of the Dubai International Financial Centre Markets Law (**DIFCML**) No. 12 of 2004; and (d) a financial promotion, as defined under the DIFCML No. 1 of 200. ANZ DIFC Branch is regulated by the Dubai Financial Services Authority (**DFSA**). The financial products or services described in this document are only available to persons who qualify as "Professional Clients" or "Market Counterparty" in accordance with the provisions of the DFSA rules.

United Kingdom. This document is distributed in the United Kingdom by Australia and New Zealand Banking Group Limited (ANZ) solely for the information of persons who would come within the Financial Conduct Authority (FCA) definition of "eligible counterparty" or "professional client". It is not intended for and must not be distributed to any person who would come within the FCA definition of "retail client". Nothing here excludes or restricts any duty or liability to a customer which ANZ may have under the UK Financial Services and Markets Act 2000 or under the regulatory system as defined in the Rules of the Prudential Regulation Authority (PRA) and the FCA. ANZ considers this document to constitute an Acceptable Minor Non-Monetary Benefits (AMNMB) under the relevant inducement rules of the FCA. ANZ is authorised in the United Kingdom by the PRA and is subject to regulation by the FCA and limited regulation by the PRA. Details about the extent of our regulation by the PRA are available from us on request.

United States. Except where this is a FX-related document, this document is distributed in the United States by ANZ Securities, Inc. (ANZ SI) which is a member of the Financial Regulatory Authority (FINRA) (www.finra.org) and registered with the SEC. ANZSI's address is 277 Park Avenue, 31st Floor, New York, NY 10172, USA (Tel: +1 212 801 9160 Fax: +1 212 801 9163). ANZSI accepts responsibility for its content. Information on any securities referred to in this document may be obtained from ANZSI upon request. This document or material is intended for institutional use only – not retail. If you are an institutional customer wishing to effect transactions in any securities referred to in this document you must contact ANZSI, not its affiliates. ANZSI is authorised as a broker-dealer only for institutional customers, not for US Persons (as "US person" is defined in Regulation S under the US Securities Act of 1933, as amended) who are individuals. If you have registered to use our website or have otherwise received this document and are a US Person who is an individual: to avoid loss, you should cease to use our website by unsubscribing or should notify the sender and you should not act on the contents of this document in any way. Non-U.S. analysts may not be associated persons of ANZSI and therefore may not be subject to FINRA Rule 2242 restrictions on communications with the subject company, public appearances and trading securities held by the analysts. Where this is a FX-related document, it is distributed in the United States by ANZ's New York Branch, which is also located at 277 Park Avenue, 31st Floor, New York, NY 10172, USA (Tel: +1 212 801 916 0 Fax: +1 212 801 9163).

Vietnam. This document is distributed in Vietnam by ANZ or ANZ Bank (Vietnam) Limited, a subsidiary of ANZ.