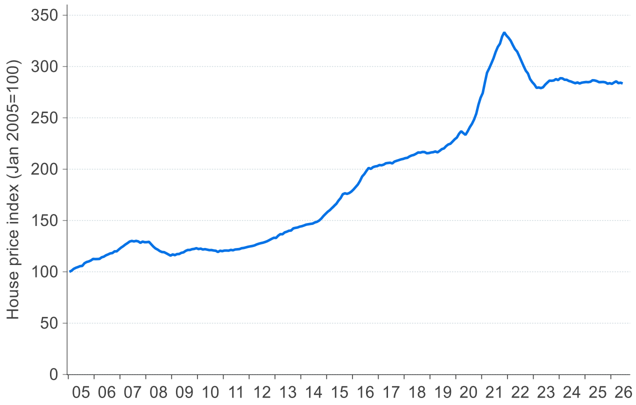
New Zealand Property Focus

Regional review

July 2026

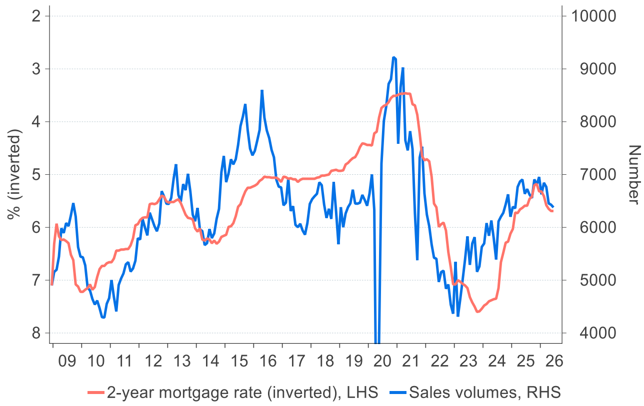
At a glance

House prices are close to flat, but there are signs of the market softening



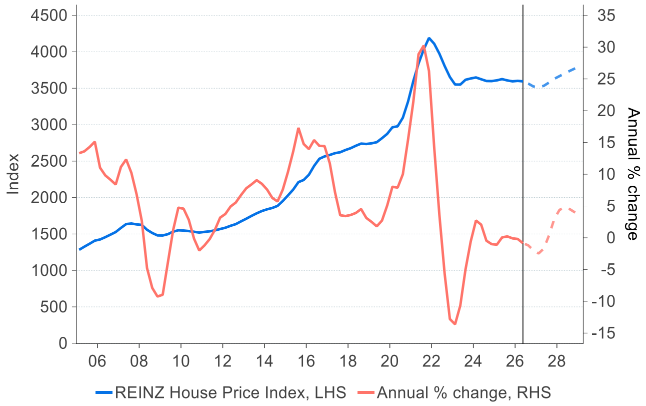
Source: REINZ, Macrobond, ANZ Research

Buyers have stepped back as interest rates have increased



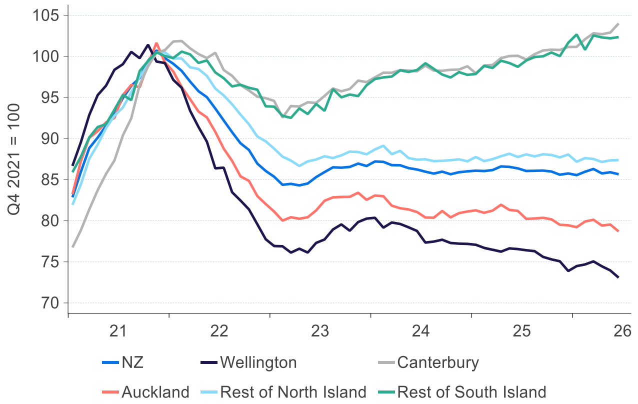
Source: REINZ, RBNZ, Macrobond, ANZ Research

We see prices falling 2% over 2026 and only slight increases after that



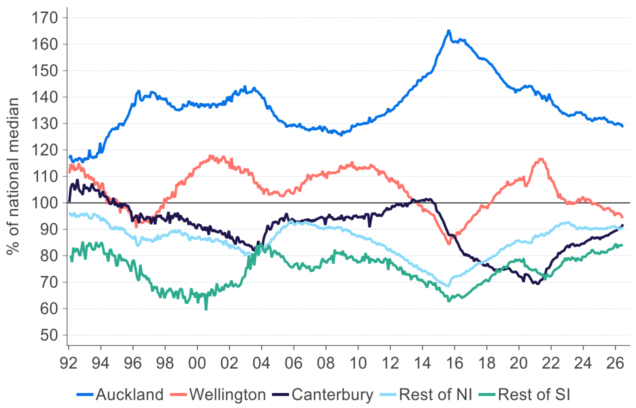
Source: REINZ, Macrobond, ANZ Research

Regional house price trends have been persistent over the last five years



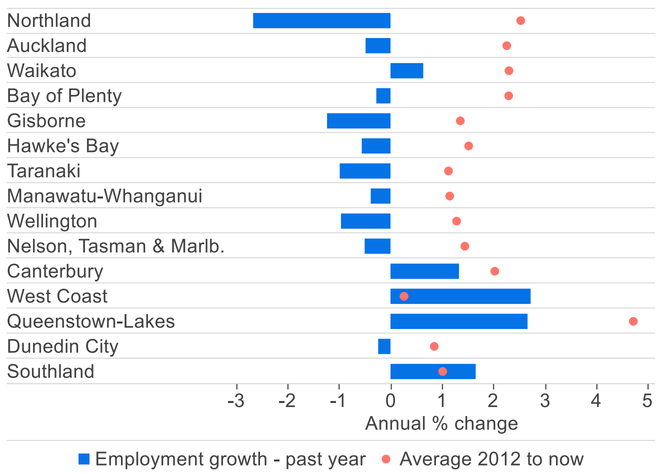
Source: REINZ, Macrobond, ANZ Research

In part, this has reflected the level of house prices converging…



Source: REINZ, Macrobond, ANZ Research

…and a more upbeat South Island economy



Source: Stats NZ, Macrobond, ANZ Research

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Contact

Sharon Zollner, Matthew Galt or
David Croy for more details.

See page 29

Inside

Confused by acronyms or jargon? See a glossary here.

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Summary

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

Property Focus

New Zealand's housing market has softened through the middle of the year, with sales volumes declining and average nationwide house prices edging lower. Higher interest rates, election uncertainty and potential housing tax changes appear to be weighing on investor demand, while elevated listings and rising inventories continue to favour buyers. We expect house prices to be down 2% y/y by year end, followed by only a small rise next year as the economy improves. The broader picture remains one of little movement in house prices, as has been the case now for three years. Strong growth in housing supply is also continuing to keep house price pressures in check. See our Property Focus section.

Feature article: Regional review

This month we look at housing market developments across 15 key regions. House price inflation in Auckland and Wellington has been persistently weaker than the national average over the past five years, while it has been stronger in much of the South Island. This has reflected a combination of house price levels converging across regions and shifting regional economic fortunes. While recent regional trends are likely to continue in the near term, house prices in some regional markets are now towards the high end of their historical ranges relative to incomes and nationwide prices, making continued outperformance harder to sustain in the medium term. Auckland house prices, meanwhile, have scope to at least stabilise as the economic recovery broadens. How's the market in your region? See our Feature Article, or jump straight to the overview for your region: Northland, Auckland, Waikato, Bay of Plenty, Gisborne, Hawke's Bay, Manawatu-Whanganui, Taranaki, Wellington, Tasman/Nelson/Marlborough, Canterbury, West Coast, Queenstown-Lakes, Dunedin, Southland.

Mortgage Borrowing Strategy

There were mixed moves in mortgage rates this month, with median floating and shorter-term fixed rates up slightly, 2-year rates little changed, and longer-term rates lower. As a consequence, the mortgage curve is now much flatter, with just 0.8ppt separating median 1-year and 5-year rates (vs 1.2ppt separating them last month). Given the recent rise in longer-term wholesale interest rates, longer rates may rise again. But for now, the flatter mortgage curve makes the decision to fix for longer less punitive, and that is likely to be music to the ears of those that are worried about upside risks to interest rates stemming from higher oil prices and inflation. We certainly see the risks as being skewed towards higher interest rates and thus view the fall in longer-term mortgage rates as an opportune development. But that is less about beating the market and more about hedging tail risks. We say that as our OCR forecasts have not changed, and we are not projecting a significant rise in mortgage rates. However, the risks are building, and in the wrong direction for borrowers. See our Mortgage Borrowing Strategy.

Summary

New Zealand's housing market has softened through the middle of the year, with sales volumes declining and average nationwide house prices edging lower. Higher interest rates, election uncertainty and potential housing tax changes appear to be weighing on investor demand, while elevated listings and rising inventories continue to favour buyers. We expect house prices to be down 2% y/y by year end, followed by only a small rise next year as the economy improves. The broader picture remains one of little movement in house prices, as has been the case now for three years. Strong growth in housing supply is also continuing to keep house price pressures in check.

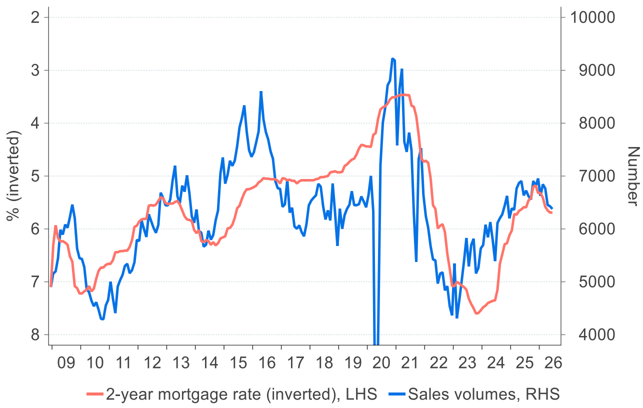
House prices remain nearly flat as buyers pull back

Average nationwide house prices have been essentially flat for three years now (figure 1). Continuing that trend, the REINZ house price index fell a slight 0.1% over the first six months of 2026. That said, there has been a slight cooling as 2026 has progressed: the index rose 0.6% over the first three months of the year, but reversed that over the second three months of the year by then falling by 0.7%.

Figure 1. REINZ house price index

Source: REINZ, Macrobond, ANZ Research

Figure 2. Sales volumes vs mortgage rates

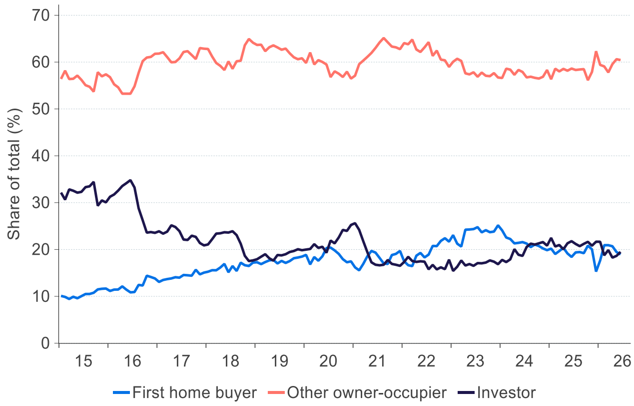


Source: REINZ, RBNZ, Macrobond, ANZ Research

The slight cooling of the market over the middle of the year may only be barely perceptible in prices, but there has been a clear reduction in sales volumes, which are down 6% y/y (3mma). Easing sales volumes show buyers have pulled back this year. The most important driver behind this is likely to have been a turn upwards in interest rates, which coincided with the turning point in sales volumes (figure 2). However, uncertainty engendered by the lift in oil prices could have had a chilling effect above and beyond its impact on interest rates.

Investors in particular appear to have pulled back this year, as shown by the share of new mortgage lending made to investors dipping in February and remaining subdued (figure 3). For investors, the upcoming election will be front of mind, given the Labour Party has committed to introduce a capital gains tax on residential property other than the family home if elected. The Labour Party is also yet to confirm its position on reintroducing limitations on investors including interest expenses when calculating their tax obligations, which is also an important concern for mortgaged investors. The potential of a party favouring a land tax entering parliament may also be exercising investors' imaginations.

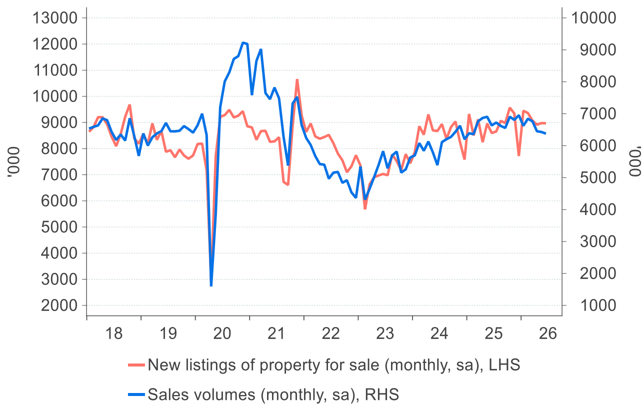
Figure 3. Share of new lending commitments by buyer type



Source: RBNZ, Macrobond, ANZ Research

Some sellers have hit pause this year too, resulting in the number of new listings of property for sale easing over recent months. However, new listings haven't eased back as much as sales volumes, giving buyers more choice (figure 4). That's tilting the market marginally further in favour of buyers, and making slight declines in house prices more likely.

Figure 4. Sales volumes vs new listings



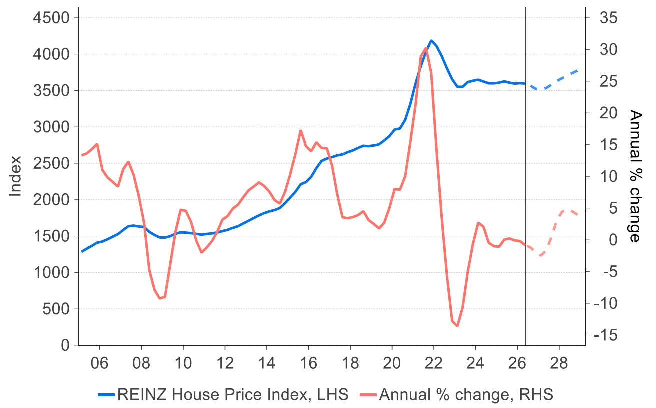
Source: REINZ, realestate.co.nz, Macrobond, ANZ Research

Other indicators show the housing market going nowhere fast. The seasonally adjusted auction clearance rate and number of days it takes to sell a house are both consistent with broadly flat house prices. Inventories of unsold property have continued to slowly rise this year, keeping the power on the buyers' side of the table.

A small fall in house prices expected this year, and only a small increase in 2027

We continue to expect house prices to end the year down 2% y/y as the softness seen over recent months continues. The market is likely to stay subdued in the face of rising interest rates, election uncertainty, and the potential for new housing taxes if there is a change in government. We have a small increase in house prices of 3% pencilled in for 2027 as the economy recovers. As always, there's plenty of scope for house prices to surprise significantly to either side of any forecast. However, we see the risks as tilted towards a flatter path than we currently envisage, with a smaller fall in 2026 and smaller rise in 2027.

Figure 5. House price forecast



Source: REINZ, Macrobond, ANZ Research

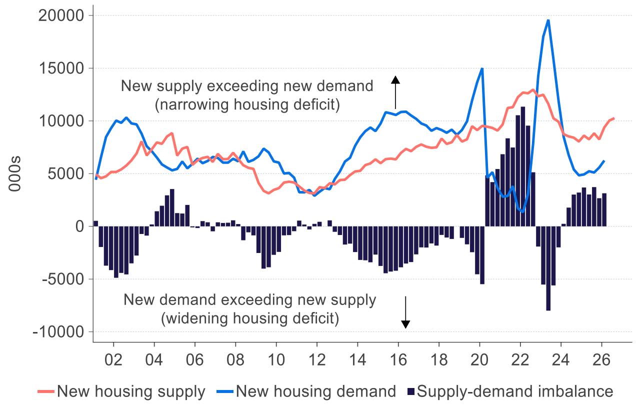
One headwind for the housing market is rising interest rates. We think it makes sense for the RBNZ to raise the OCR further from its current level of 2.5% to around a neutral level of 3%, which balances near-term inflation risks against continued spare capacity and the patchy recovery in the domestic economy. Such an increase has been well telegraphed by the RBNZ and is now widely expected.

Tax changes are more of a wild card given that the polling is giving no clear signal about which way this year's election will go. There's much debate in the economic literature about how big an impact changes on taxes have on house prices. In theory, new or higher taxes put downward pressure on house prices from the time investors see them as being a possibility, and this already appears to be influencing the market as the election approaches.

Another factor keeping house prices in check is solid growth in housing supply. We estimate that growth in physical housing supply is still considerably outpacing housing demand from population growth, and that's been further helped by a lift in building consents over the past year (figure 6).

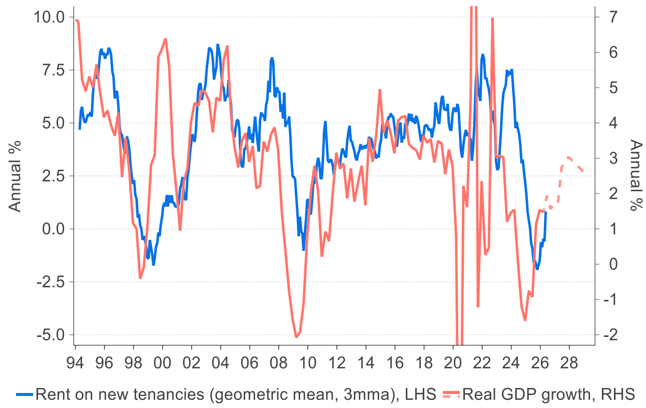
The main factor that we expect to support house prices in the coming years is a gradually improving economy. That's already showing up in some parts of the housing market, such as rents on new tenancies. These have stopped falling, in line with their typical relationship with GDP growth (figure 7).

Figure 6. New housing supply vs demand



Source: Stats NZ, Macrobond, ANZ Research

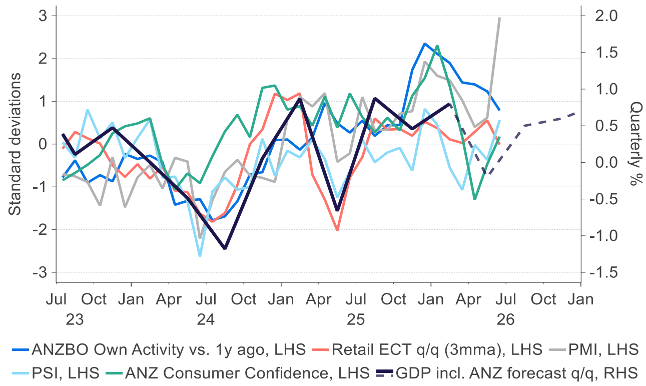
Figure 7. Rent inflation vs GDP growth



Source: NZ Tenancy Service, Stats NZ, Macrobond, ANZ Research

While the situation in the Middle East remains highly uncertain, contributing to volatility in oil prices and financial markets and making the recovery more stop-start than we had hoped earlier in the year, recent data suggest that the broader economic recovery remains intact (figure 8).

Figure 8. Monthly activity indicators (standardised) and GDP growth



Source: Stats NZ, Business NZ, Roy-Morgan, Macrobond, ANZ Research

Overall, the mix of headwinds and tailwinds means that we expect only slight movements in house prices either up or down over the next year or two, continuing the long-running theme of going nowhere fast after the COVID era boom and bust.

Housing market indicators for June 2026 (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	$655,579	1.2	2.3	1.7	0.9	189	+7%	53
Auckland	$979,150	-0.8	-0.3	-3.1	-0.7	1,877	-6%	47
Waikato	$751,475	0.8	0.7	-0.5	-0.2	675	+8%	51
Bay of Plenty	$833,635	3.8	0.2	0.9	0.6	432	+4%	47
Gisborne	$612,731	-3.0	0.6	-2.6	-1.2	40	+85%	48
Hawke's Bay	$677,523	-1.5	-1.4	-2.6	-1.2	208	-6%	43
Manawatu-Whanganui	$531,391	0.1	-0.6	-1.8	-0.8	333	+4%	47
Taranaki	$615,990	0.0	1.0	0.4	0.1	148	-4%	41
Wellington	$759,790	-0.1	-1.2	-4.5	-1.2	562	-4%	51
Tasman, Nelson & Marlborough	$666,825	-11.1	-5.2			217	+7%	45
Canterbury	$723,365	5.3	1.8	3.9	1.2	1,147	-2%	42
Otago	$707,523	-3.8	-4.3	4.1	1.0	386	-2%	42
West Coast	$454,173	12.1	-4.5	-1.0	-1.1	28	-34%	71
Southland	$506,801	-0.4	0.1	8.6	0.4	162	-2%	36
New Zealand	**$777,790**	**0.8**	**-0.4**	**-0.8**	**-0.2**	**6,377**	**-1%**	**46**

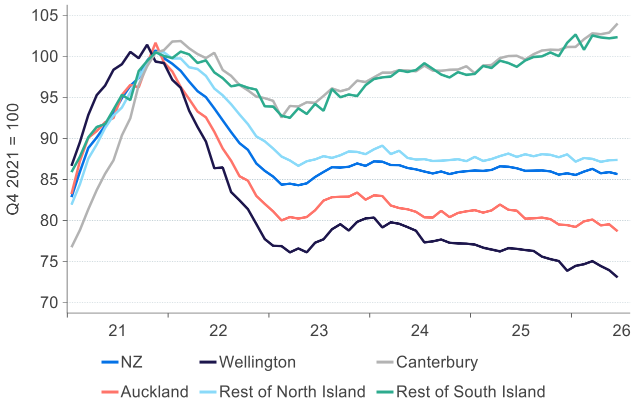
The big picture

- Trends have been persistent since the market peak.
- Convergence and regional economies are key drivers.
- Current trends likely to persist in the near term, but with the potential for mean reversion in the medium term.

Five years of similar regional house price trends

After house prices peaked in late 2021, average nationwide house prices fell quickly for about a year and have since been flat for three years. However, throughout this period house prices in Auckland and Wellington have persistently underperformed the national average, whereas most of the South Island has outperformed. Regional areas of the North Island have sat in the middle (figure 1).

Figure 1. Change in REINZ house price index from the peak (Q4 2021)

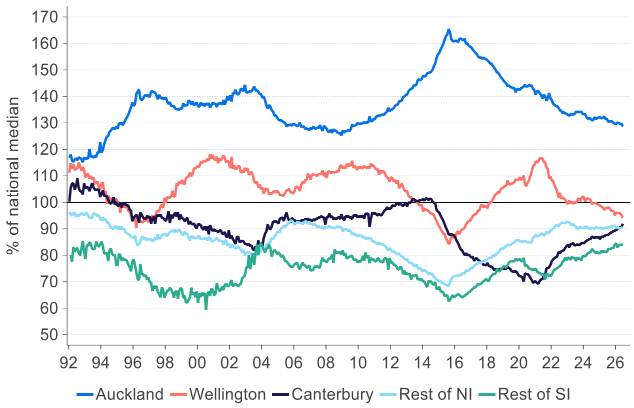


Source: REINZ, Macrobond, ANZ Research

Convergence, not divergence

A big part of the story is that the level of house prices in Auckland and Wellington had become very high compared to house prices in the rest of the country. The bigger falls in Auckland and Wellington over recent years have put the differences in house prices across regions back around their typical historical levels (figure 2). Auckland's median house price, for example, reached over 160% of the national median in 2016, well above its typical historical level of around 130-140%. It is now back at 130%.

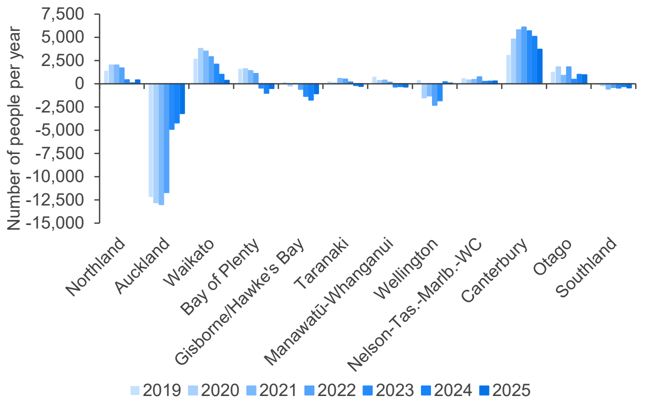
Figure 2. Each region's house prices as a % of the national median



Source: REINZ, Macrobond, ANZ Research

Internal migration has been one factor driving convergence in house prices across regions, especially out of Auckland and into Canterbury – the opposite of what happened after the earthquakes (figure 3). The scale of internal migration flows has reduced in recent years as the regional house price differences have narrowed. Increased housebuilding in high-priced areas (such as Auckland) will have also been driving house price convergence by improving supply.

Figure 3. Annual net internal migration



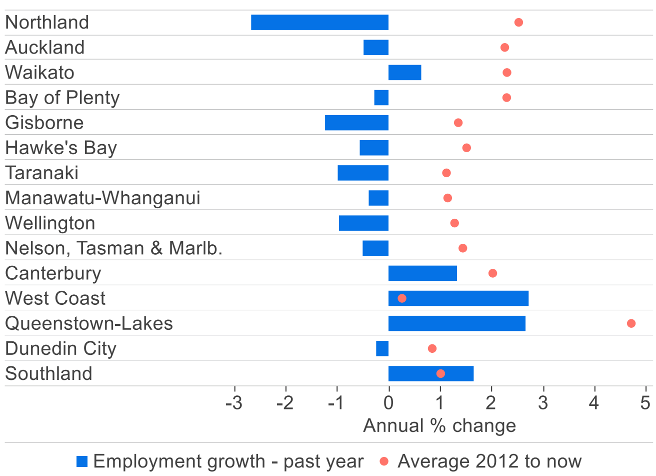
Source: Stats NZ, ANZ Research

A shift in New Zealand's growth drivers since the pandemic

Another reason for house prices across regions converging has been a change in New Zealand's economic growth drivers over the past decade. From around 2015 to 2022, growth was driven by low interest rates, high net migration, and rising government spending – factors that disproportionately drove growth in Auckland and Wellington. At the same time, export-oriented regional areas were hampered by a high exchange rate and, for a period, the closed border.

Since the pandemic, the growth drivers have switched around, with exports now taking the lead. That's supported employment growth in regional areas, particularly the South Island (figure 4). We unpicked these regional growth drivers in a recent insight note.

Figure 4. Employment growth by region in the year ended March 2026



Source: Stats NZ, Macrobond, ANZ Research

Feature article: Regional review

Current trends likely to continue in the near term, reversion to the mean the tendency in the medium term

There's little reason to expect an immediate change in regional house price trends. Such trends tend to have a degree of persistence, and the South Island's economy is likely to remain strong in the near term, supporting house prices there. Likewise, public sector downsizing is likely to keep downward pressure on Wellington's house prices for several years yet.

However, over the medium term (say, the next 3 to 5 years), the recent outperformance by regional areas may well fade. In part, that is because house prices in some regional areas are now at the high end of the historical range compared to local incomes and average nationwide house prices (examples include Southland, Gisborne, Dunedin, Taranaki, and Waikato; see the cross-region charts and regional profiles on the following pages for more details). In addition, there has been a "good as it gets" feel to the combination the agri sector has faced in recent years: high commodity prices, a weak NZD and very favourable growing conditions. It might therefore prove difficult for regional economies to extend on the strong economic performance of recent years.

On the flip side, we see scope for Auckland's economy to pick up as the wider economic recovery takes hold. House prices in Auckland are now towards the lower end of their historical range relative to both incomes and average nationwide prices. Much-improved house-building over the past decade is likely to keep house price inflation in Auckland contained compared to past cycles. But a stronger Auckland economy could at least tip the trend in its house prices from small falls to stabilisation.

Queenstown-Lakes is a unique case that captures a lot of attention in property discourse. The region's appeal to tourists and lifestyle migrants can't be disputed. However, its house prices are now exceptionally high after an almost non-stop 30-year boom, and there's a lot of new supply in the pipeline. That suggests a growing chance that the rapid escalation in prices seen to date fades from here, particularly for generic property types such as apartments and townhouses. That wouldn't be a bad thing given the extreme unaffordability of housing in Queenstown-Lakes. Unique and well-located properties could see continued demand, however, supported by scarcity value if the region keeps growing quickly. We are also hearing anecdotes of fresh interest from Australian property investors given the weakness expected in their residential property market.

All that said, we expect that these regional differences will be variations around a national average of very little house price inflation. Our forecast has house prices drifting down 2% this year, then rising by 3% and 4% over the following two years.

How does your region stack up?

Over the page we show how the latest housing market indicators compare across 15 regions of New Zealand, and then we look more closely at each region. Click on the link here to jump to your region:

- **North Island**: Northland, Auckland, Waikato, Bay of Plenty, Gisborne, Hawke's Bay, Manawatu-Whanganui, Taranaki, Wellington.
- **South Island**: Tasman/Nelson/Marlborough, Canterbury, West Coast, Queenstown-Lakes, Dunedin, Southland.

For each region, we look at:

- **House price inflation**: The annual change in the REINZ house price index.
- **House price to income ratio**: This provides a measure of affordability and whether house prices are unusually high (or low) given a region's income levels. (The latest datapoint on the charts uses actual house prices and estimated household income for 2026).
- **The region's house price as a % of the national median price**: This provides another measure of whether a region's house prices are higher or lower than is typical. (To ensure this measure isn't distorted by the composition of sales from year to year, we derive it from each region's REINZ house price index and their median house prices over the 2011-2026 cycle).
- **Employment growth**: This provides a much timelier measure of a region's economic growth than regional GDP, which is available only with a very long lag. It reflects both population growth and whether locals are moving into work.
- **Rent inflation**: This is useful as a measure of local housing trends and tends to be closely correlated with short-term variation in a region's economic growth.
- **Dwelling consents per 1000 residents**: a measure of growth in housing supply (the latest datapoint on the charts uses actual dwelling consents and estimated population for 2026).
- **How the region's employment mix differs from the national average**: This provides context about what industries are most important for a region.[1]

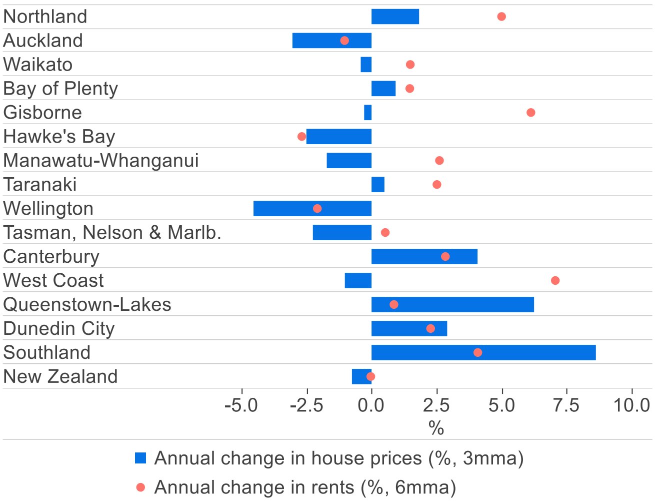
We compare these measures with their average over the last housing cycle (2011/12 to now) or their longer-run historic average where the trend has been stable over time and data is available.

[1] To best show the industries that matter most for a region, each of the components of agriculture, forestry and fishing includes employment in both primary production and related manufacturing/processing. 'Accommodation and recreation' includes accommodation & food services and arts & recreation services. 'Other industrial' includes utilities and manufacturing aside from food, beverage and wood processing. 'Commercial services' includes all services industries aside from health, education and public administration and those captured in accommodation and recreation.

Feature article: Regional review

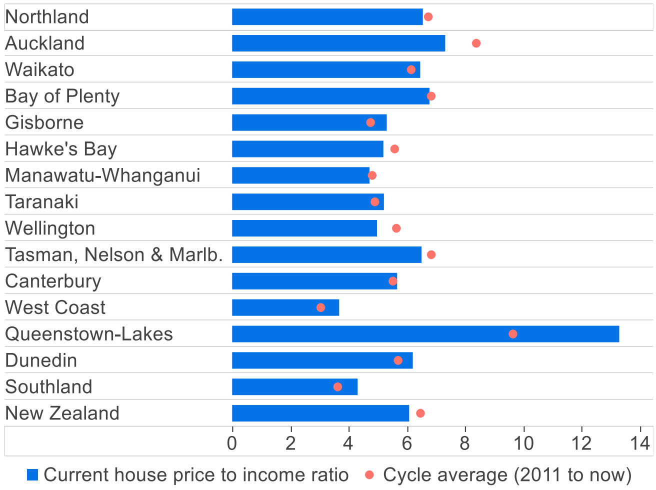
Cross-region comparison charts

House price and rent inflation



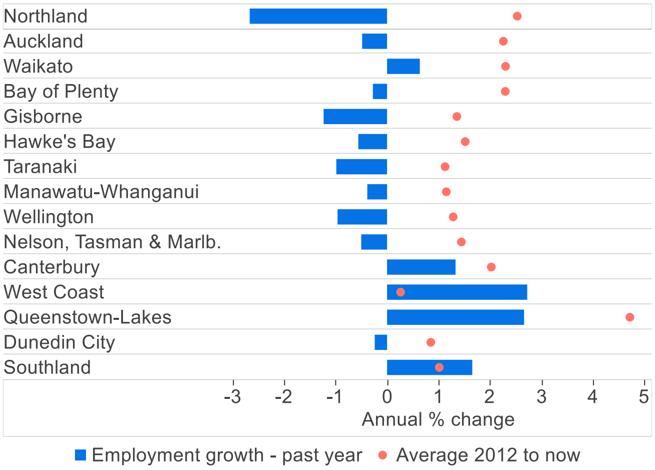
Source: REINZ, Macrobond, ANZ Research

House price to income ratio



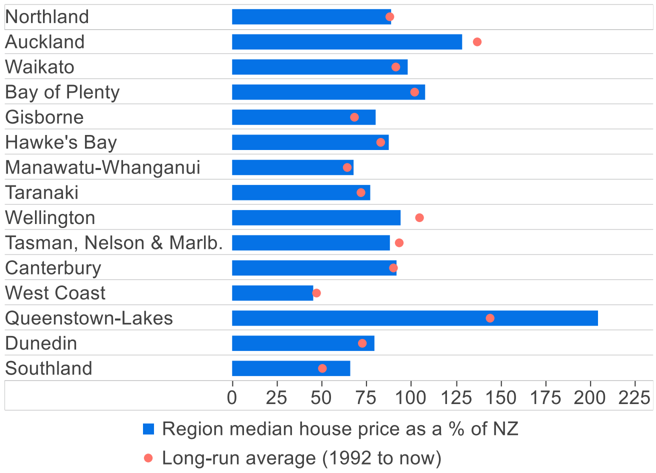
Source: REINZ, Macrobond, ANZ Research

Employment growth



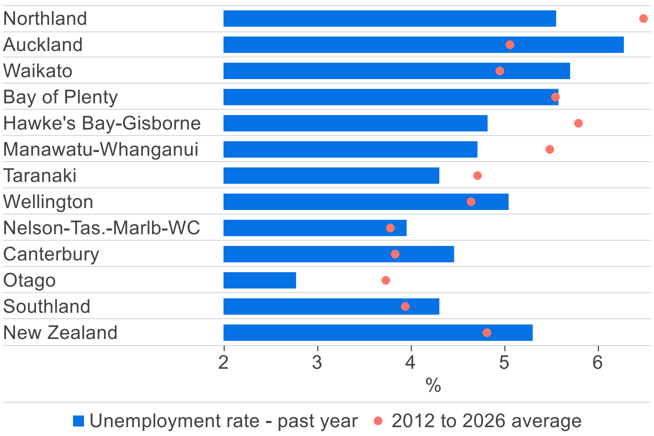
Source: Stats NZ, Macrobond, ANZ Research

Region’s house price as a % of NZ median



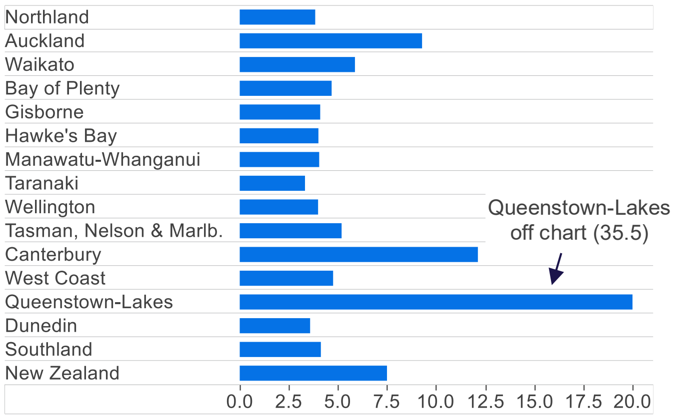
Source: REINZ, Macrobond, ANZ Research

Unemployment rate



Source: Stats NZ, Macrobond, ANZ Research

Dwelling consents per 1000 residents over past year



Source: Stats NZ, Macrobond, ANZ Research

Feature article: Regional review

Northland: in neutral

House prices have been roughly flat in Northland over the past year and have fallen 12% from the 2021/22 peak. Employment growth has been weak (figure 8) and residential construction activity has been at cycle lows (figure 9). Northland's exposure to the subdued forestry and domestic tourism sectors has likely weighed on its economy, alongside its proximity to the soft Auckland economy.

The house price to income ratio is back down to around its mid-2010s level, and the region's house prices are close to typical levels relative to others, at around 85-90% of the national median (figure 7). That indicates that

Northland's house prices are around their cycle average despite the soft regional economy.

Northland	
Population	201,000 (3.8% of NZ)
Main centres	Whangarei District (101,000)
Median house price	$672,600
House price index change	
– Past year	0.3% y/y (3mma)
– From 2021/22 peak	-12% nominal; -27% inflation-adjusted
Major industries	Dairy, forestry, domestic tourism.

Figure 5. House price index annual % change

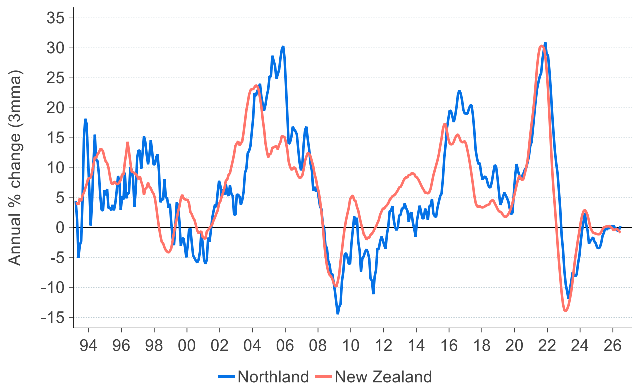


Figure 8. Employment growth and rent inflation

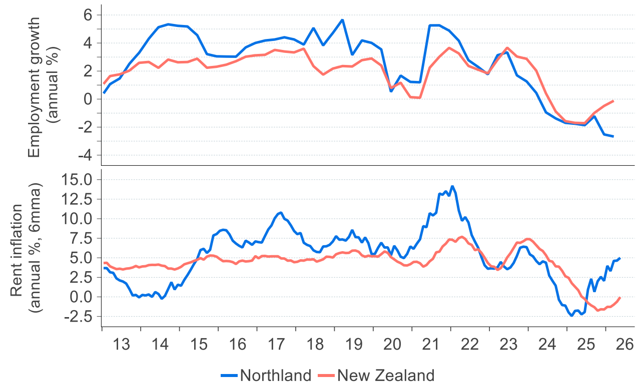


Figure 6. House price to income ratio

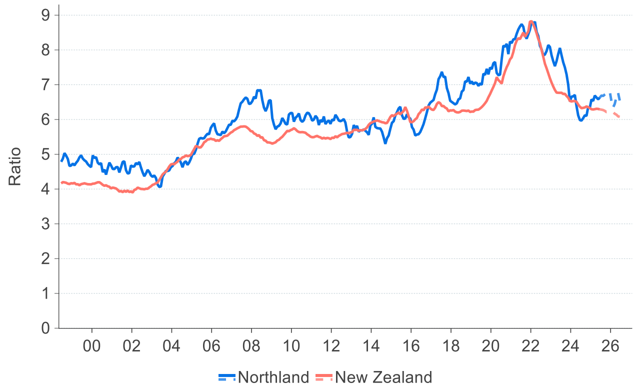


Figure 9. Dwelling consents per 1000 residents (qtrly)

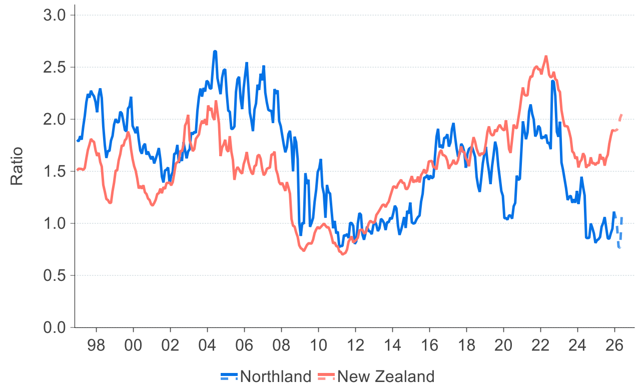


Figure 7. Northland house price level as a % of NZ

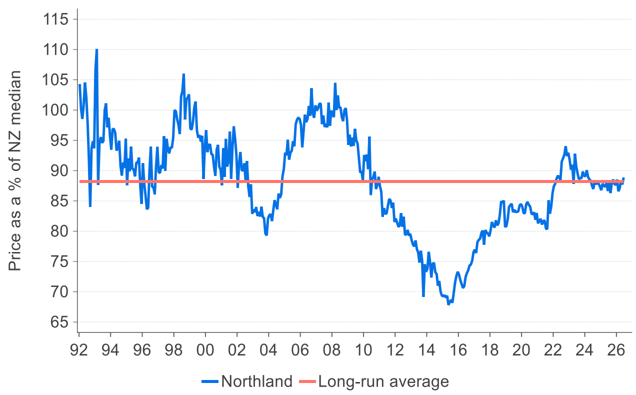
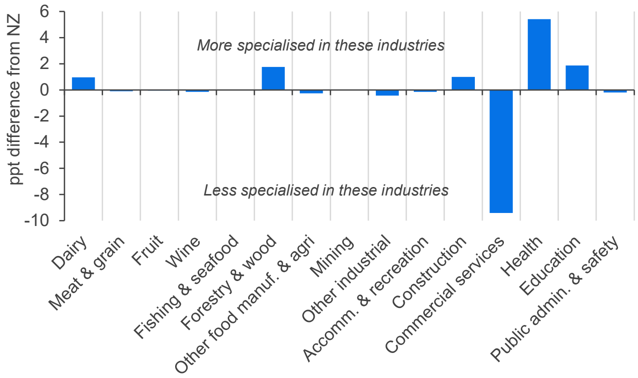


Figure 10. How Northland's employment mix differs from the New Zealand average



Source: Stats NZ, MBIE, REINZ, Infometrics, Macrobond, ANZ Research

Auckland: moving with the sluggish domestic economy

Auckland's housing market has underperformed the national average for several years, and its house prices have fallen 2.8% over the past year. Auckland has been more exposed than most other regions to lower net migration and interest rates rising from their 2015-2022 lows (as mortgages are relatively large). It also has little direct exposure to the buoyant agri and international tourism sectors. Much-improved house building over the past decade (figure 15) is further weighing on prices and helping housing affordability.

However, Auckland's house prices are now reaching the low end of their typical range relative to incomes (figure 12) and the national median house price (figure 13).

Given the cyclical drivers of Auckland's housing market, a gradual improvement in the national economy will provide support going forward. A stronger economy could tip the trend in its house prices from small falls towards stabilisation in the coming year.

Auckland	
Population	1.82 million (34.1% of NZ)
Median house price	$995,200
House price index change	
– Past year	-2.8% y/y (3mma)
– From 2021-22 peak	-23% nominal; -36% inflation-adjusted
Major industries	Very diversified. Focused on commercial services.

Figure 11. House price index annual % change

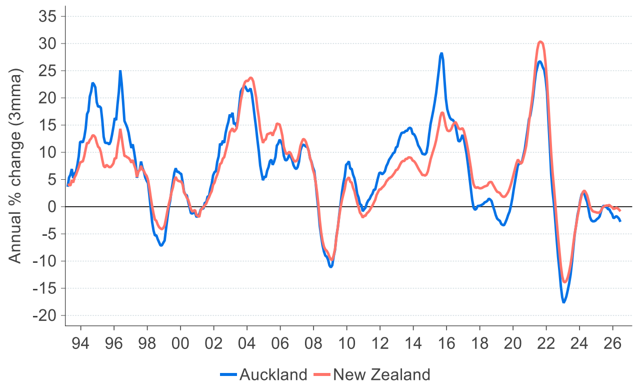


Figure 14. Employment growth and rent inflation

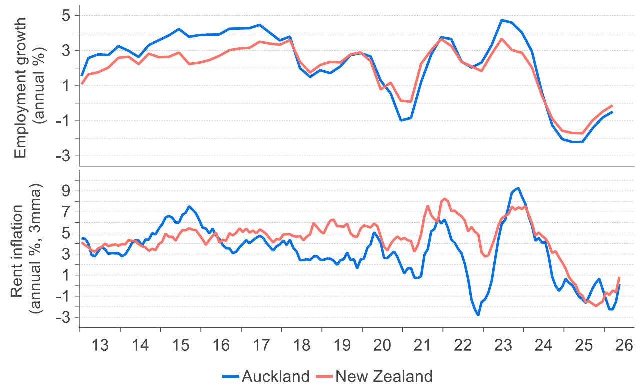


Figure 12. House price to income ratio

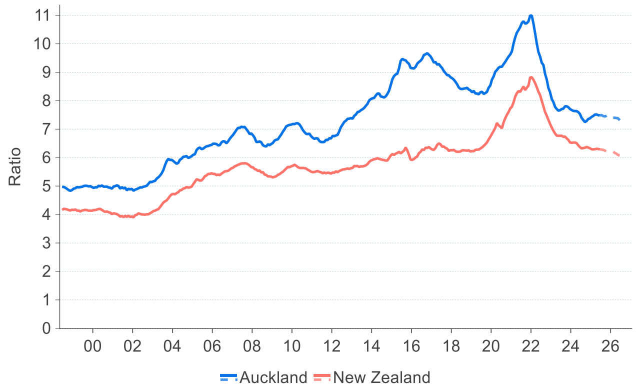


Figure 15. Dwelling consents per 1000 residents (qtrly)

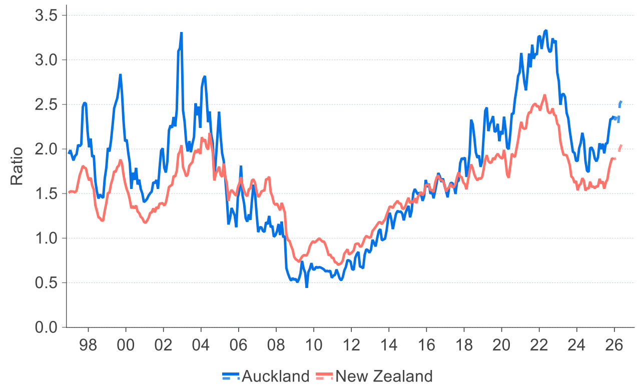


Figure 13. Auckland house price level as a % of NZ

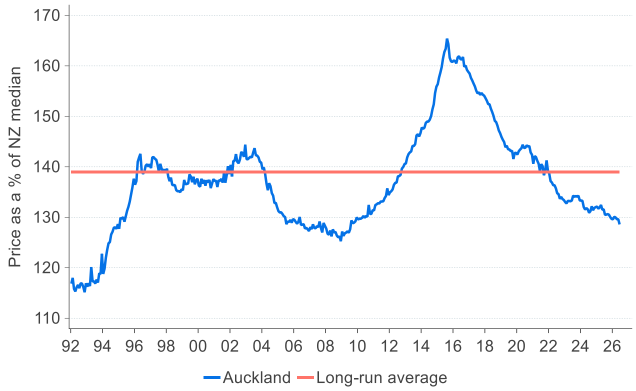
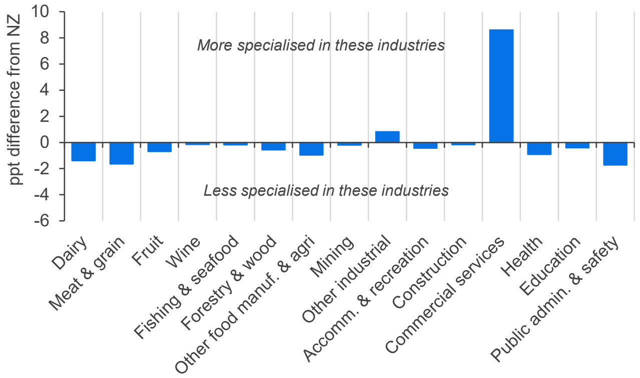


Figure 16. How Auckland's employment mix differs from the New Zealand average



Source: Stats NZ, MBIE, REINZ, Infometrics, Macrobond, ANZ Research

Waikato: House prices flat and still somewhat elevated

House prices in the Waikato region have fallen slightly over the past year and are 1% lower than a year ago.

Despite a 13% fall in house prices from the 2021/22 peak, the region's house prices remain elevated relative to incomes and the national average house prices. The house price to income ratio is still just over 6, whereas it sat around 5 before house prices started rising sharply in 2016 (figure 18). The median house price in the Waikato is close to the national median, whereas historically it has sat somewhat below (figure 19). That appears to be driven mainly by regional parts of the Waikato, given that Hamilton's prices appear around more historically typical levels.

The Waikato economy is performing better than most other regions in the North Island. Employment growth is above the national average (figure 20), supported by income from its key dairy and agricultural industries.

Waikato	
Population	532,000 (10.0% of NZ)
Main centres	Hamilton City (192,000)
Median house price	$754,200
House price index change	
– Past year	-1.0% y/y (3mma)
– From 2021/22 peak	-13% nominal; -28% inflation-adjusted
Major industries	Quite diversified. Focused on dairy, meat, forestry, and related manufacturing.

Figure 17. House price index annual % change

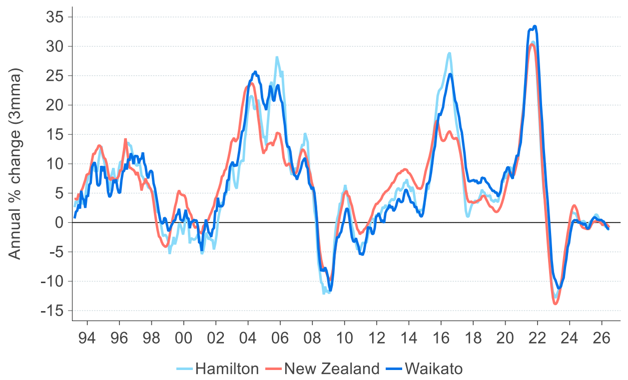


Figure 20. Employment growth and rent inflation

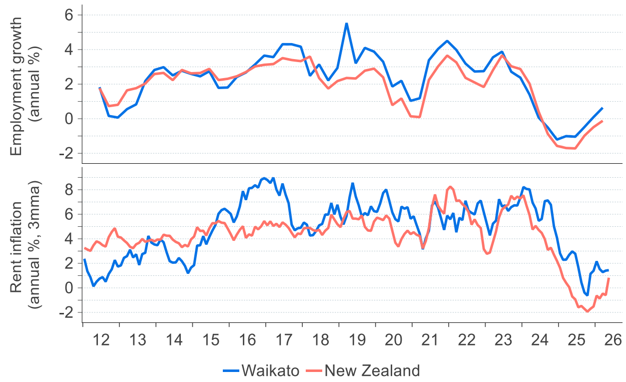


Figure 18. House price to income ratio

Figure 21. Dwelling consents per 1000 residents (qtrly)

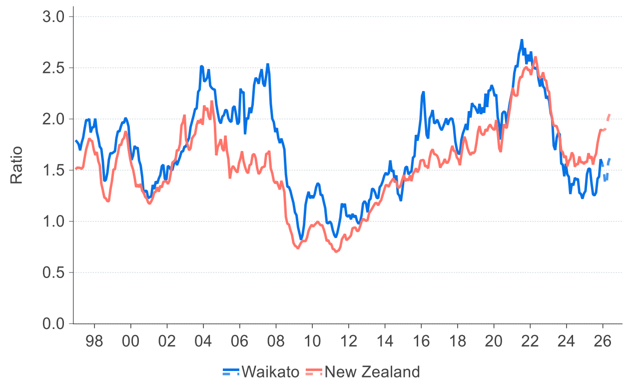


Figure 19. Waikato's house price level as a % of NZ

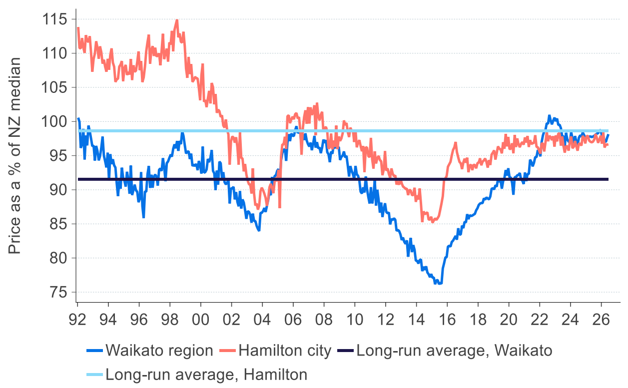
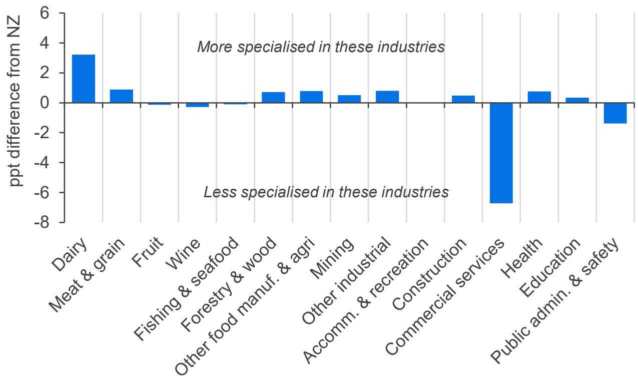


Figure 22. How Waikato's employment mix differs from the New Zealand average



Source: Stats NZ, MBIE, REINZ, Infometrics, Macrobond, ANZ Research

Bay of Plenty: House prices flat and still somewhat elevated

House prices in the Bay of Plenty have been broadly flat over the past year, having risen 0.5% y/y. Prices in the region's two largest cities – Tauranga and Rotorua – are both holding steady.

The house price to income ratio is still somewhat elevated, at just below 7, whereas it was closer to 6 before house prices started rising sharply in 2016 (figure 24). Likewise, house prices in the Bay of Plenty are around 10% above the national median, whereas over the past cycle they have typically been close to the national average (figure 25). That indicates prices are still somewhat above their historic norm. The economy of the Bay of Plenty has faced a mix of headwinds and tailwinds recently. It will have benefited from strong growth in the kiwifruit industry, but it also has high exposure to the weaker forestry industry. Employment growth has been subdued and near the national average (figure 26).

Bay of Plenty	
Population	351,500 (6.6% of NZ)
Main centres	Tauranga/Western Bay of Plenty (221,000) Rotorua District (78,000)
Median house price	$816,700
House price index change	
– Past year	0.5% y/y (3mma)
– From 2021/22 peak	-13% nominal; -28% inflation-adjusted
Major industries	Kiwifruit, forestry, logistics.

Figure 23. House price index annual % change

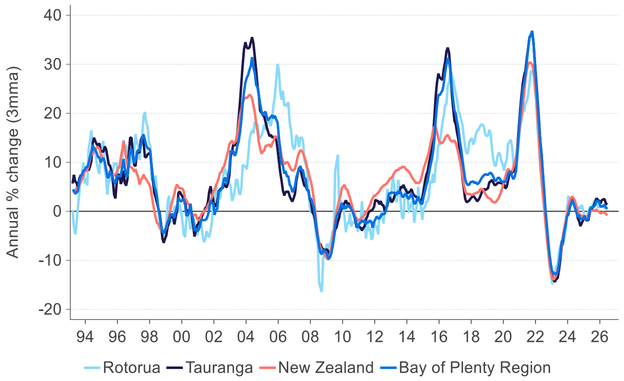


Figure 26. Employment growth and rent inflation

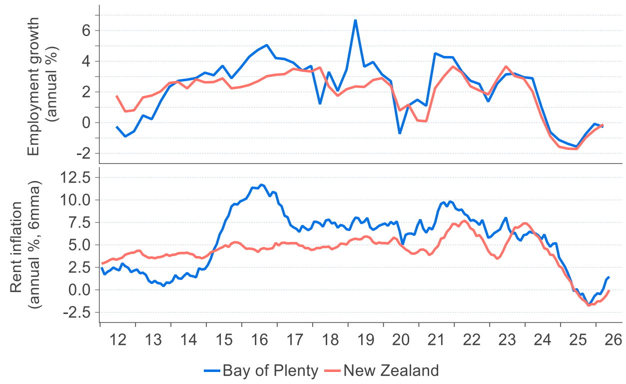


Figure 24. House price to income ratio

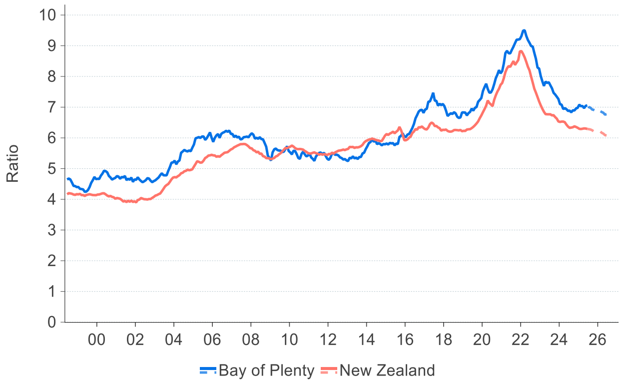


Figure 27. Dwelling consents per 1000 residents (qtrly)

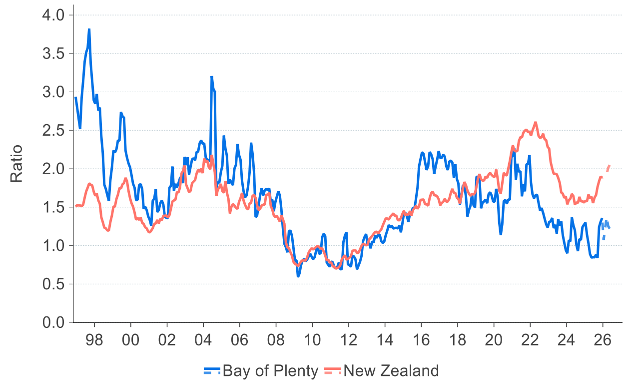


Figure 25. Bay of Plenty's house price level as a % of NZ

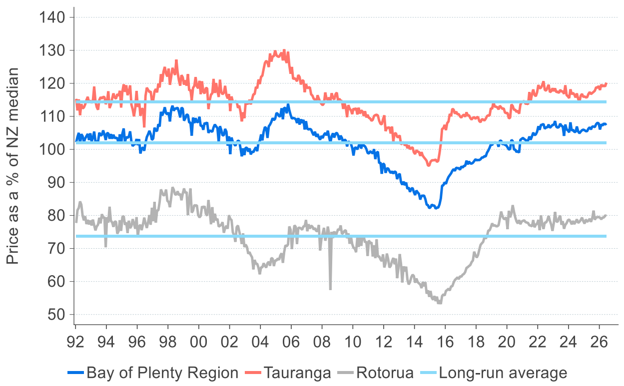
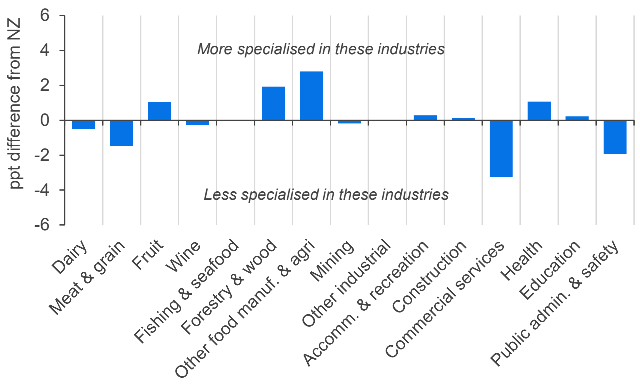


Figure 28. How Bay of Plenty's employment mix differs from the New Zealand average



Source: Stats NZ, MBIE, REINZ, Infometrics, Macrobond, ANZ Research

Feature article: Regional review

Gisborne: Elevated house prices despite a subdued local economy

Gisborne's housing market has been surprisingly strong in light of what appears to be a relatively subdued local economy. House prices are little changed over the past year (down 0.6% y/y), and while they are down 11% from their 2021/22 peak, that's a smaller correction than the national average of 15%.

Gisborne's house price to income ratio remains around 5, whereas it was typically closer to 4 before house prices started rising sharply in 2016. Likewise, Gisborne's median house price is around 80% of the national median, somewhat above the long-run average of around 70%. Both metrics suggest that Gisborne's house prices remain higher than you might typically expect.

Despite employment growth in Gisborne being below the national average for several years, rent inflation has been relatively high (figure 32). Supportive conditions in the meat and horticulture sectors are a tailwind for Gisborne's economy, helping to offset soft conditions in the forestry industry. Reconstruction from Cyclone Gabrielle will also have supported activity.

Gisborne	
Population	52,700 (1.0% of NZ)
Median house price	$615,100
House price index change	
– Past year	-0.6% y/y (3mma)
– From 2021/22 peak	-11% nominal; -26% inflation-adjusted
Major industries	Meat, forestry, horticulture.

Figure 29. House price index annual % change

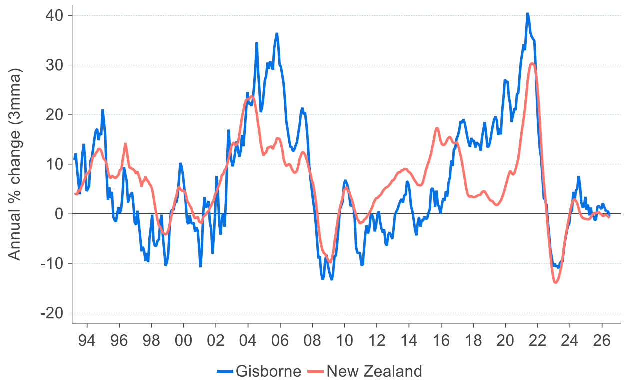


Figure 32. Employment growth and rent inflation

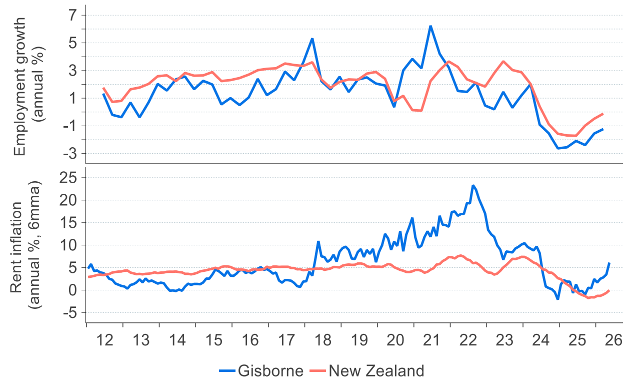


Figure 30. House price to income ratio

Figure 33. Dwelling consents per 1000 residents (qtrly)

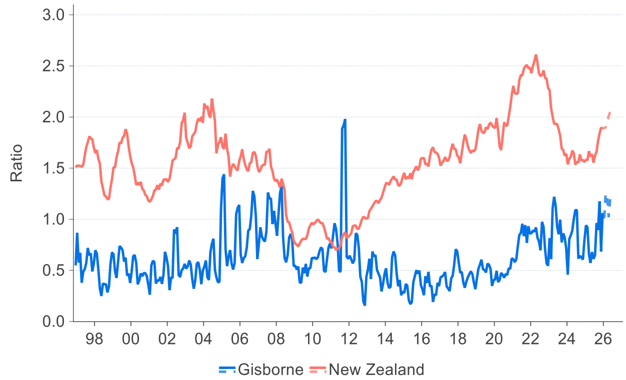


Figure 31. Gisborne's house price level as a % of NZ

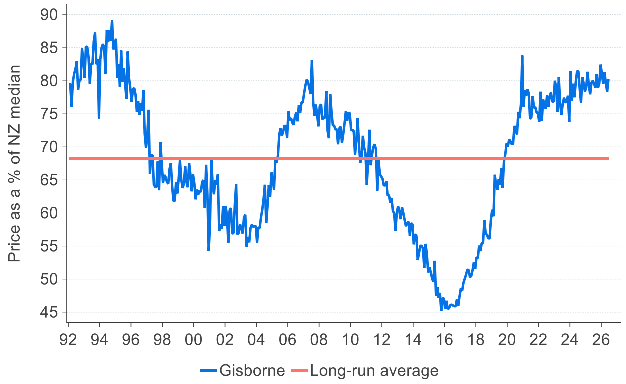
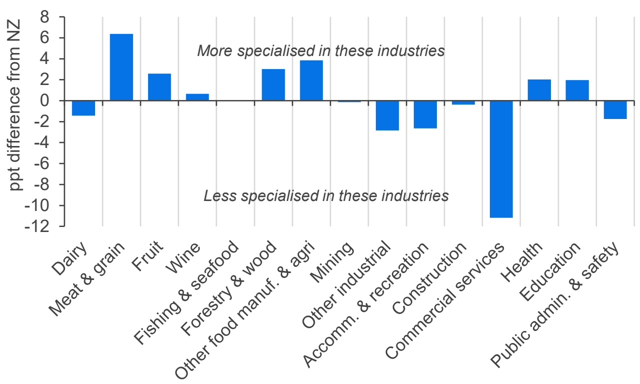


Figure 34. How Gisborne's employment mix differs from the New Zealand average



Source: Stats NZ, MBIE, REINZ, Infometrics, Macrobond, ANZ Research

Feature article: Regional review

Hawke's Bay: In neutral

House prices in Hawke's Bay have drifted down 2.4% over the past year, a slightly larger fall than the national average of a 0.9% decline. This is likely related to a weak local economy, as shown by employment growth and rent inflation both being softer than the national average (figure 38).

Nonetheless, the level of house prices in Hawke's Bay is looking close to typical levels relative to both incomes and the rest of New Zealand. The house price to income ratio is around 5, close to where it was before house prices started rising rapidly in 2016 (figure 36). Hawke's Bay's median house price is around 90% of the national median, only slightly above its long-run average (figure 37).

Hawke's Bay will be benefitting from positive conditions in its large red meat and fruit industries.

Hawke's Bay	
Population	179,700 (3.4% of NZ)
Main centres	Hastings District (88,000) Napier City (66,000)
Median house price	$673,800
House price index change	
– Past year	-2.4% y/y (3mma)
– From 2021/22 peak	-18% nominal; -32% inflation-adjusted
Major industries	Fruit and meat.

Figure 35. House price index annual % change

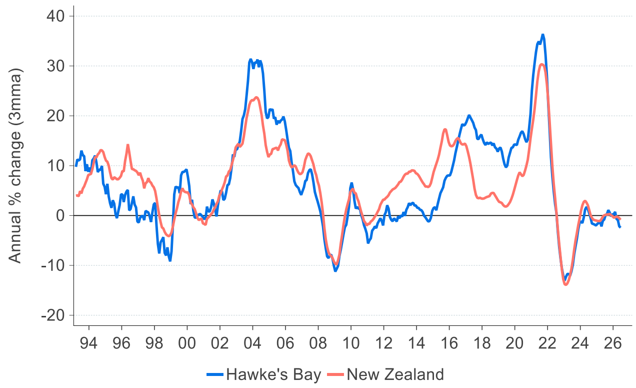


Figure 38. Employment growth and rent inflation

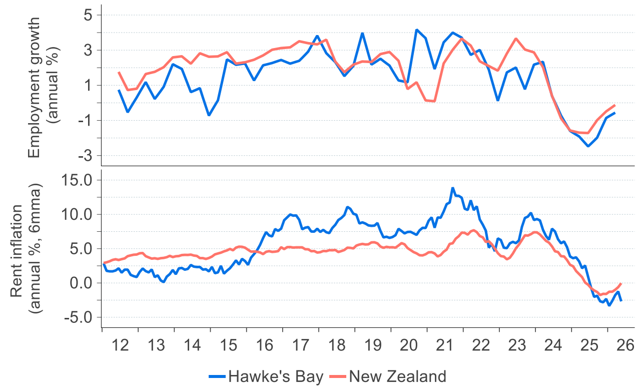


Figure 36. House price to income ratio

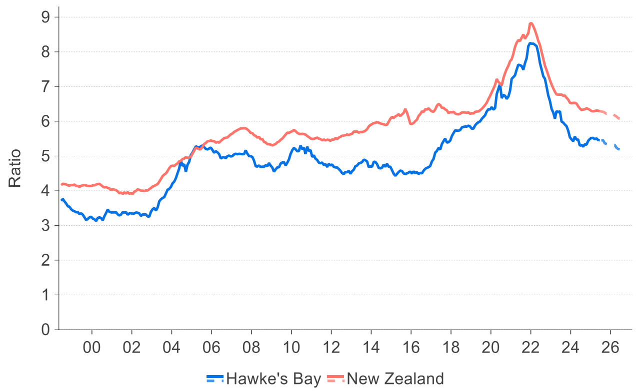


Figure 39. Dwelling consents per 1000 residents (qtrly)

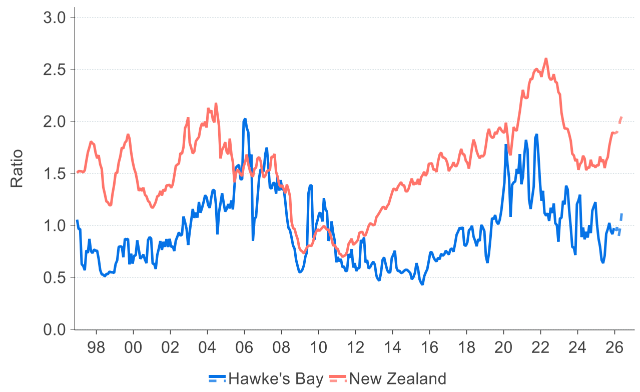


Figure 37. Hawke's Bay's house price level as a % of NZ

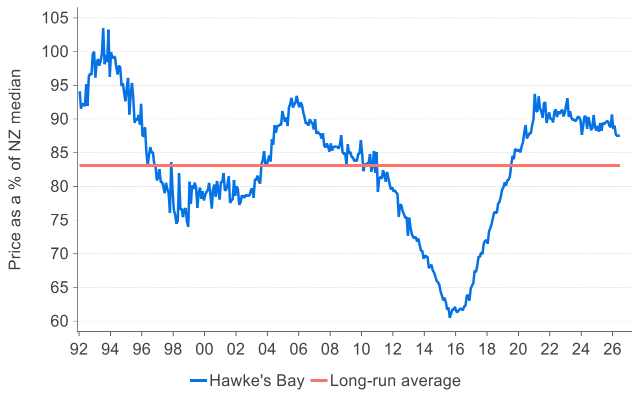
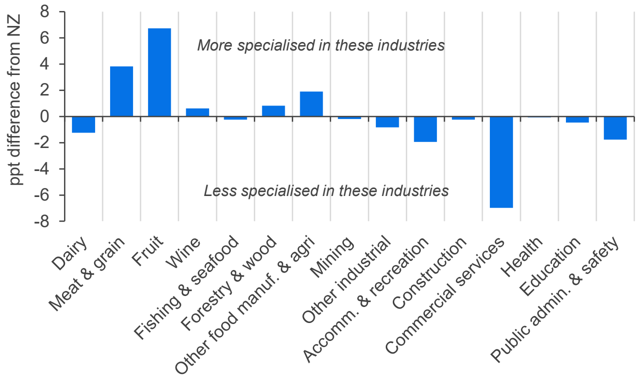


Figure 40. How Hawke's Bay's employment mix differs from the New Zealand average



Source: Stats NZ, MBIE, REINZ, Infometrics, Macrobond, ANZ Research

Manawatu-Whanganui: The previous housing boom has nearly unwound

Manawatu-Whanganui's house prices increased by an astonishing 50% at the height of the 2021 housing boom (figure 41). They have now fallen 18% from the peak, but are still slowly drifting down, having fallen 1.3% over the past year.

Despite the large correction to date, the region's house prices are still a little elevated relative to incomes and the national average house price. The house price to income ratio is around 4.7, which is affordable compared to many other regions, but still above the level of around 4.0 which prevailed before the boom (figure 42). Likewise, its house prices are still around 70% of the national median, compared to a long-run average of around 65%.

The local economy has been subdued recently, despite supportive conditions for its meat and dairy industries, and rising government spending in sectors which the region is exposed to such as defence and corrections.

Manawatu-Whanganui	
Population	260,700 (4.9% of NZ)
Main centres	Palmerston North City (90,500) Whanganui District (49,200)
Median house price	$531,800
House price index change	
– Past year	-1.3% y/y (3mma)
– From 2021/22 peak	-18% nominal; -32% inflation-adjusted
Major industries	Meat and dairy, education and research, defence

Figure 41. House price index annual % change

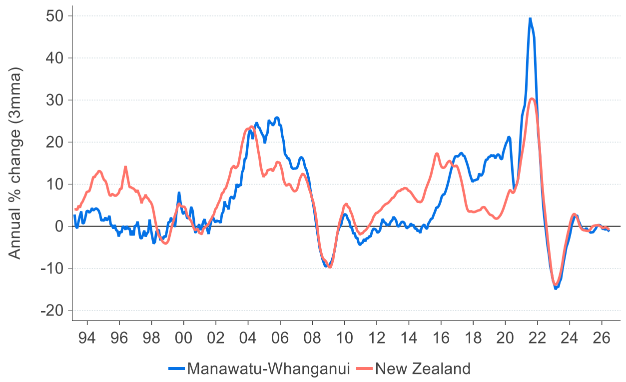


Figure 42. House price to income ratio

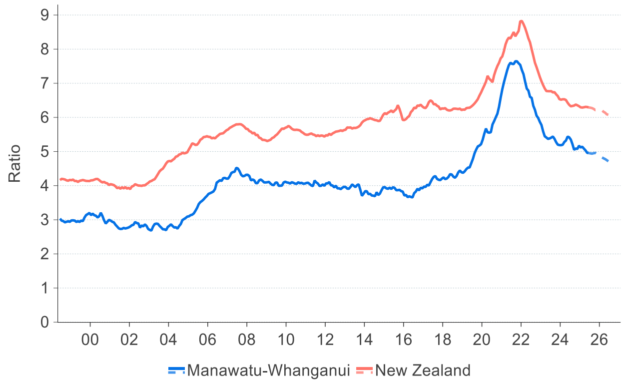


Figure 43. Manawatu-Whanganui's house price, % of NZ

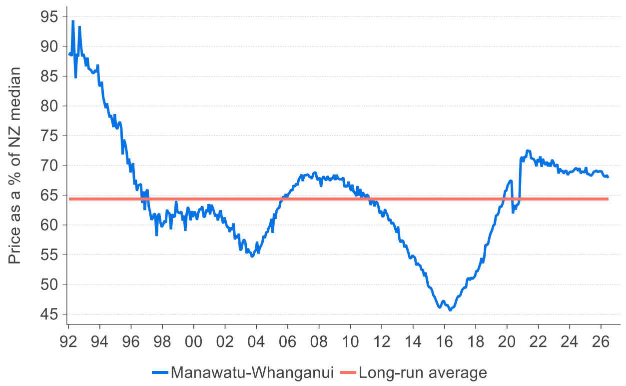


Figure 44. Employment growth and rent inflation

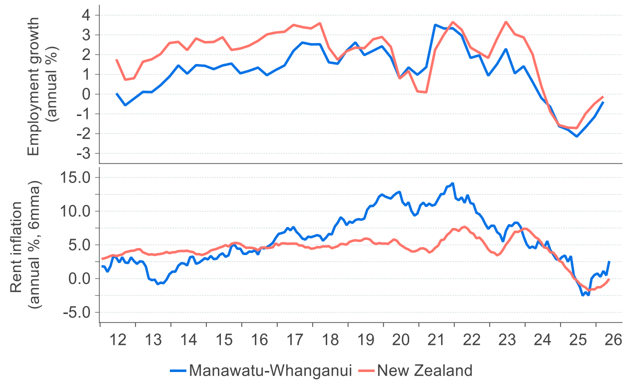


Figure 45. Dwelling consents per 1000 residents (qtrly)

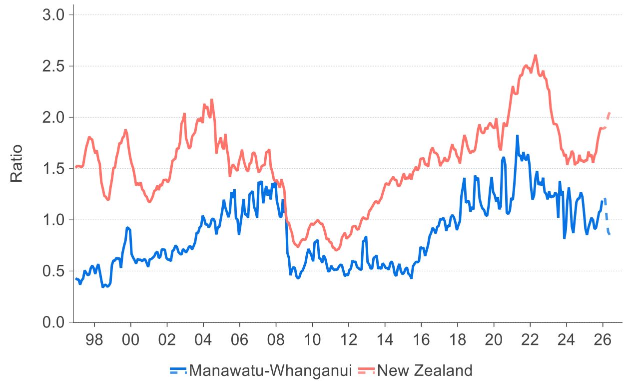
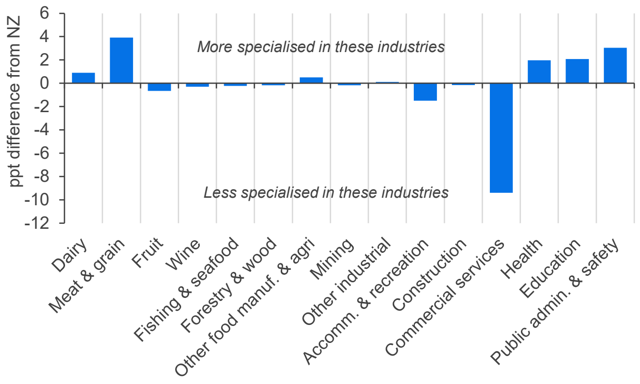


Figure 46. How Manawatu-Whanganui's employment mix differs from the New Zealand average



Source: Stats NZ, MBIE, REINZ, Infometrics, Macrobond, ANZ Research

Taranaki: Resilient in the face of declining oil and gas production

Taranaki's house prices have been roughly flat over the past year, up 0.3% y/y. Still, this is stronger than the national average of a 0.9% decline. Likewise, house prices are only down 5% from the 2021/22 peak, a much smaller decline than the national average of 15%.

This resilience may in part be due to Taranaki's house prices reaching less extreme levels at the 2021/22 peak, having generally increased more slowly than the national average in the decade up to that (figures 47). Smaller boom; smaller bust. It may also be due to good conditions in its key dairy and meat industries, despite the gradual long-term decline of its oil and gas industry.

Taranaki's house prices are still somewhat elevated compared to incomes, with a house price to income ratio currently around 5.2, compared to a typical level of just over 4 before house prices surged from 2016 (figure 48). Taranaki's house prices are around 75-80% of the national median, somewhat above their typical level, but not extreme compared to history (figure 49).

Taranaki	
Population	130,000 (2.4% of NZ)
Main centres	New Plymouth District (90,000)
Median house price	$615,700
House price index change	
– Past year	0.3% y/y (3mma)
– From 2021/22 peak	-5% nominal; -22% inflation-adjusted
Major industries	Dairy, meat, oil and gas.

Figure 47. House price index annual % change

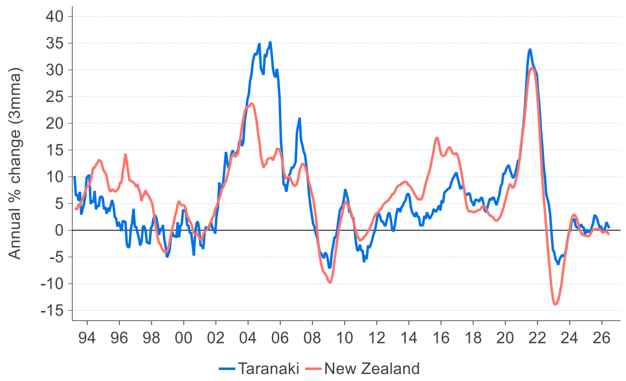


Figure 50. Employment growth and rent inflation

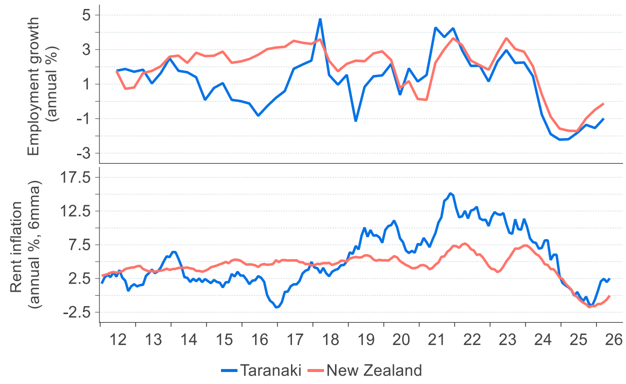


Figure 48. House price to income ratio

Figure 51. Dwelling consents per 1000 residents (qtrly)

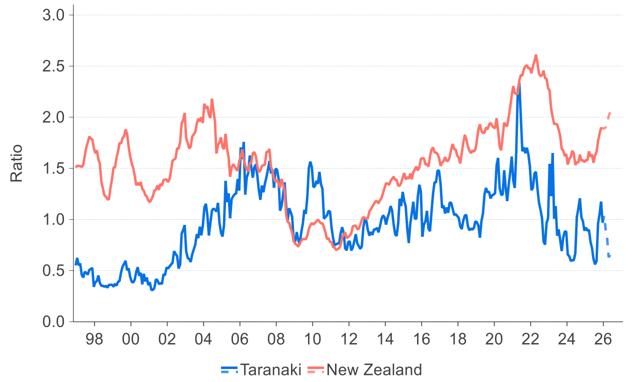


Figure 49. Taranaki's house price level as a % of NZ

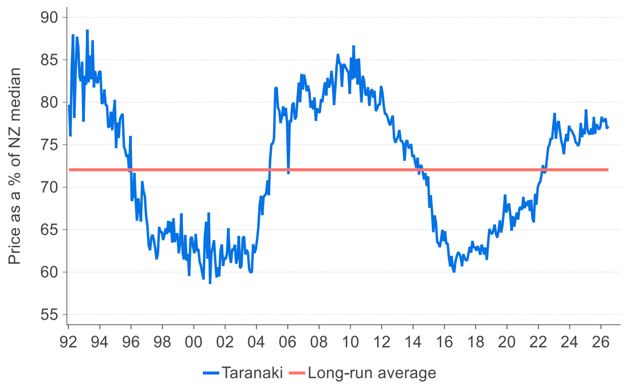
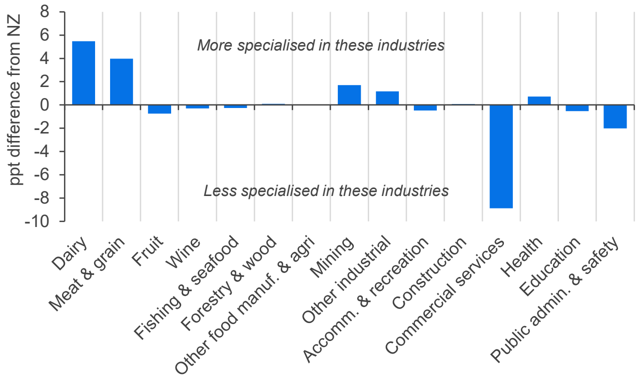


Figure 52. How Taranaki's employment mix differs from the New Zealand average



Source: Stats NZ, MBIE, REINZ, Infometrics, Macrobond, ANZ Research

Wellington: Continued weakness likely until the public sector stabilises

Wellington's economy and housing market boomed from 2016 to 2021, driven by growth in public sector headcount, low interest rates, and housing being relatively affordable compared to other regions at the start of that period. Since 2021 Wellington's housing slump has been the sharpest of any region. Prices are down 28% from the peak (41% after adjusting for inflation) and fell by 3.5% over the past year. The correction has taken the house price to income ratio towards 20-year lows (figure 54), and Wellington's median house price is now around 5% below the national median, whereas it has historically tended to be slightly above it (figure 55).

Wellington faces structural challenges from a steady drift in private sector activity to other regions (as we discussed in this insight note). Further public sector downsizing is likely to keep downward pressure on its house prices for several years yet. High insurance costs are also weighing. However, low levels of housebuilding (figure 57) and the relatively low level that its prices are now reaching present a risk that upward pressure on house prices emerges in the long term when the city's economy recovers.

Wellington	
Population	543,400 (10.2% of NZ)
Median house price	$756,800
House price index change	
– Past year	-3.5% y/y (3mma)
– From 2021/22 peak	-28% nominal; -41% inflation-adjusted
Major industries	Government administration

Figure 53. House price index annual % change

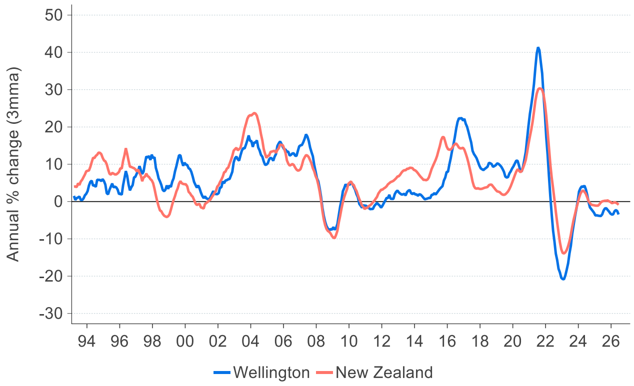


Figure 56. Employment growth and rent inflation

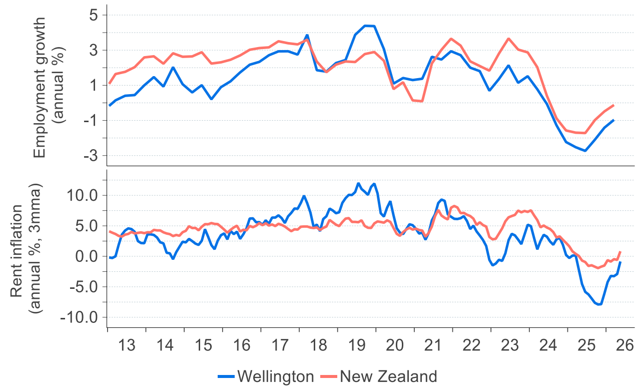


Figure 54. House price to income ratio

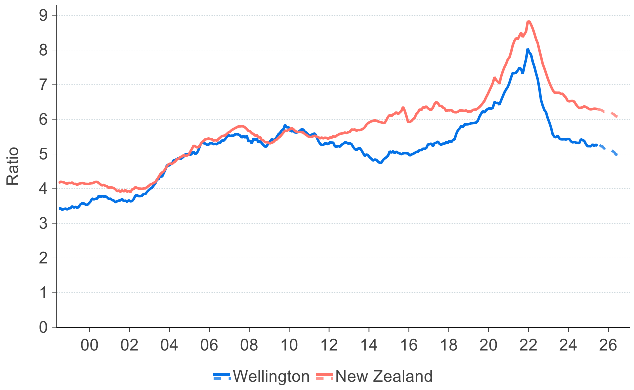


Figure 57. Dwelling consents per 1000 residents (qtrly)

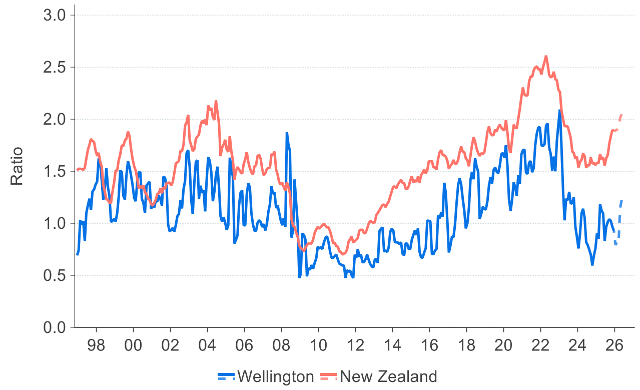


Figure 55. Wellington's house price level as a % of NZ

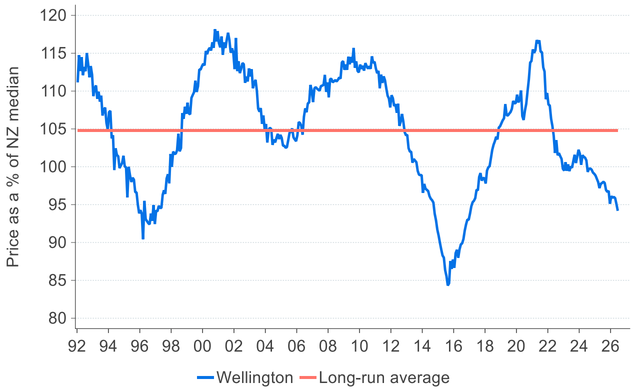
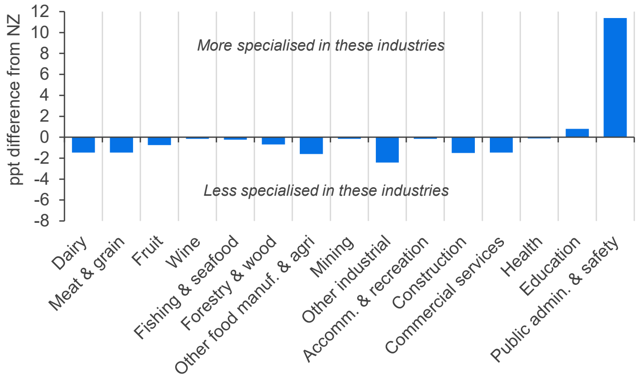


Figure 58. How Wellington's employment mix differs from the New Zealand average



Source: Stats NZ, MBIE, REINZ, Infometrics, Macrobond, ANZ Research

Nelson, Tasman, and Marlborough: Lagging the rest of the South Island

Nelson, Tasman and Marlborough haven’t shared in the strong economic and housing market conditions seen in regions further south over the last few years. Although its economy is export-oriented, it has less exposure to the most buoyant industries of dairy and international tourism, and more exposure to industries that have been struggling (or just plodding along) such as wine, forestry and fishing.

House prices have been broadly flat and are close to typical levels relative to both incomes (figure 60) and relative to the national average house price (figure 61). Employment growth and rent inflation have also been close to the national average (figure 62) and housebuilding has been subdued (figure 63).

Nelson, Tasman, and Marlborough	
Population	165,000 (3.1% of NZ)
Main centres	Nelson (54,300) Tasman (59,900) Marlborough (50,800)
Median house price	$694,900
House price index change	
– Past year	-0.6% y/y (3mma)
– From 2021/22 peak	-14% nominal; -30% inflation-adjusted
Major industries	Fruit, wine, fishing, forestry, tourism.

Figure 59. House price index annual % change

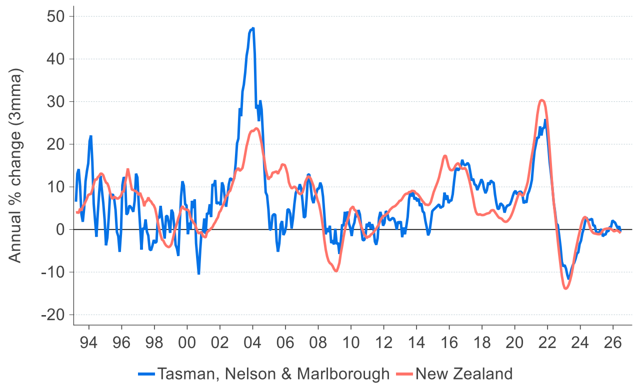


Figure 62. Employment growth and rent inflation

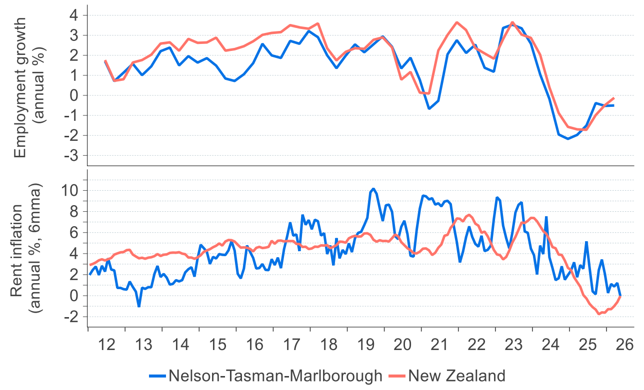


Figure 60. House price to income ratio

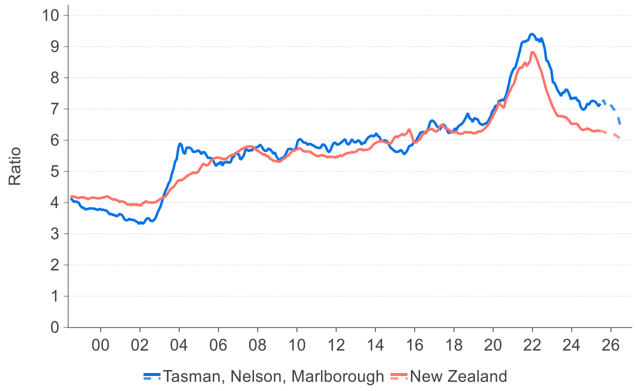


Figure 63. Dwelling consents per 1000 residents (qtrly)

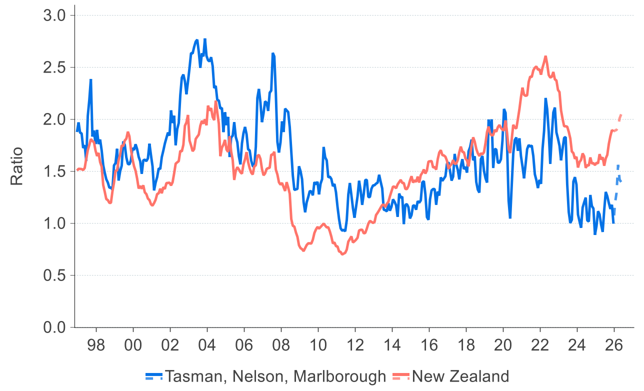


Figure 61. Nelson, Tasman, and Marlborough house price, % of NZ

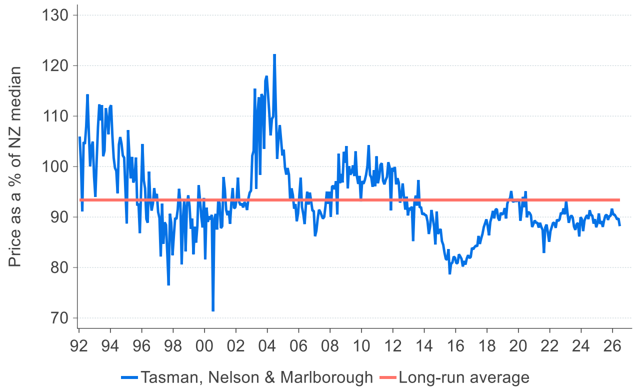
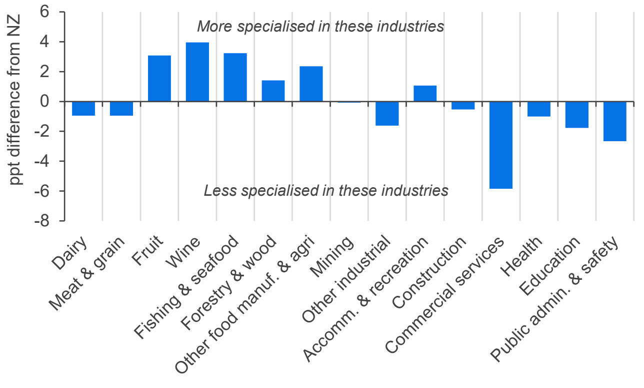


Figure 64. How Nelson-Tasman-Marlborough’s employment mix differs from the New Zealand average



Source: Stats NZ, MBIE, REINZ, Infometrics, Macrobond, ANZ Research

Canterbury: A positive economic backdrop and plenty of housing supply

Canterbury's housing market has been more resilient over recent years than those further north. House prices have increased by 3.2% over the past year and are now 2% above the 2021/22 peak (in nominal terms).

One reason Canterbury's house prices have been rising has been catch-up dynamics. Prices had become very low relative to other regions towards the end of the 2010s as homes built post-earthquake hit the market. Canterbury's house prices are now back around their typical level of 90% of the national median (figure 67). While the house price to income ratio is a little above its 2010s level, it doesn't look dramatically above the norm (figure 66). Canterbury's house prices continue to be supported by a positive regional economy, underpinned by strong agriculture and international tourism income and a general post-rebuild rebound. Although house prices are trending up, house price inflation is likely to be contained by strong growth in housing supply (figure 69) and the level of house prices not being especially low relative to incomes.

Canterbury	
Population	698,200 (13.1% of NZ)
Main centres	Greater Christchurch (576,600)
Median house price	$721,600
House price index change	
– Past year	3.2% y/y (3mma)
– From 2021/22 peak	+2% nominal; -15% inflation-adjusted
Major industries	Diversified, with an industry mix close to the national average

Figure 65. House price index annual % change

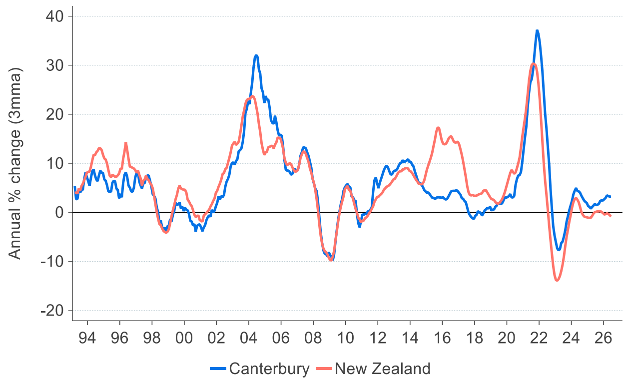


Figure 66. House price to income ratio

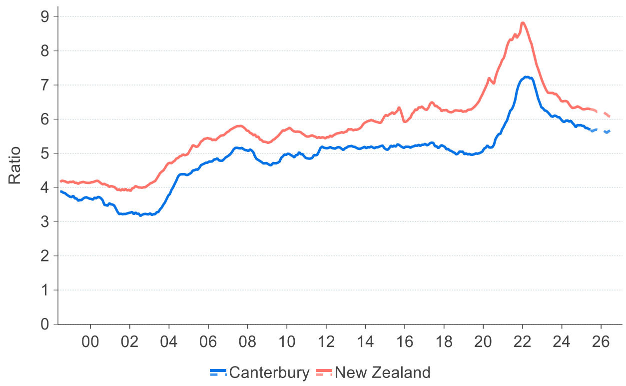


Figure 67. Canterbury's house price level as a % of NZ

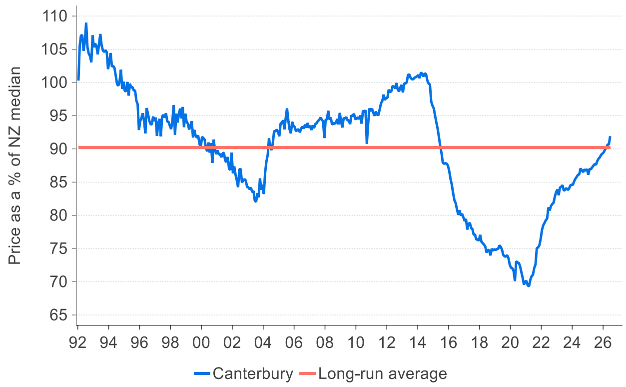


Figure 68. Employment growth and rent inflation

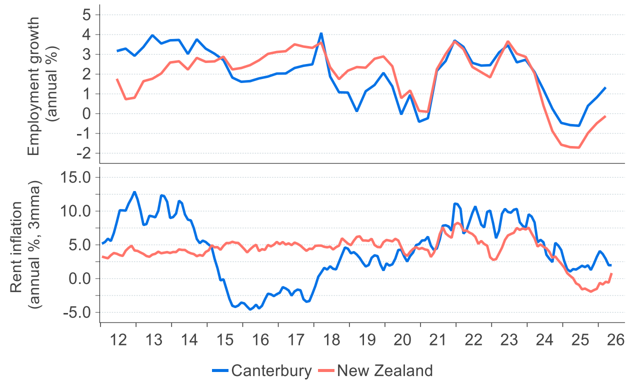


Figure 69. Dwelling consents per 1000 residents (qtrly)

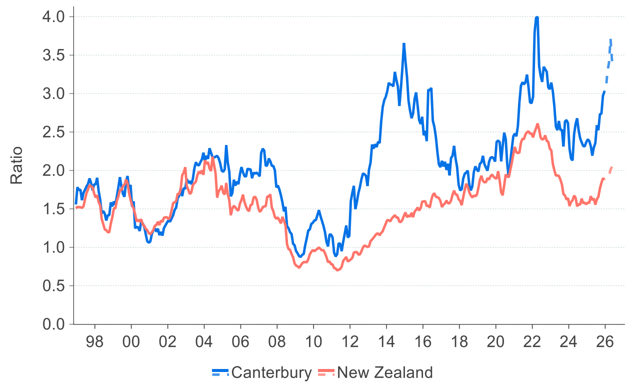
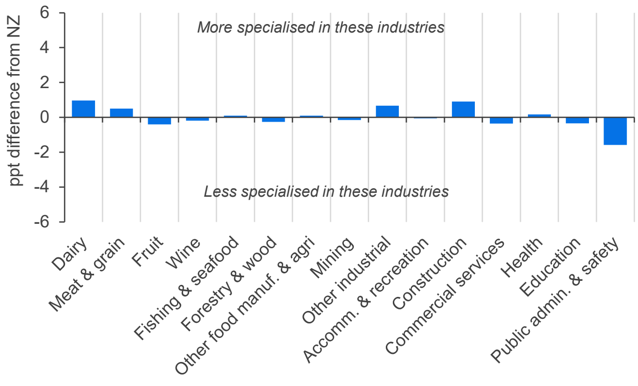


Figure 70. How Canterbury's employment mix differs from the New Zealand average



Source: Stats NZ, MBIE, REINZ, Infometrics, Macrobond, ANZ Research

Feature article: Regional review

West Coast: A positive regional economy

House prices on the West Coast have been broadly flat over the past year and are down 9% from their 2021/22 peak (a smaller fall than the national average of a 15% decline). Rents have also been rising (figure 74). Demand for housing has been underpinned by a positive local economy, which is highly exposed to tourism, dairy farming and mining.

Housing remains affordable on the West Coast compared to most other parts of the country. The region's house price to income ratio is just below 4, compared to a national average around 6 (figure 72). Likewise, its house prices are currently just 45% of the national average, which is close to where they have sat over history (figure 73).

West Coast	
Population	34,700 (0.7% of NZ)
Median house price	$418,100
House price index change	
– Past year	-0.6% y/y (3mma)
– From 2021/22 peak	-9% nominal; -26% inflation-adjusted
Major industries	Tourism, dairy and mining.

Figure 71. House price index annual % change

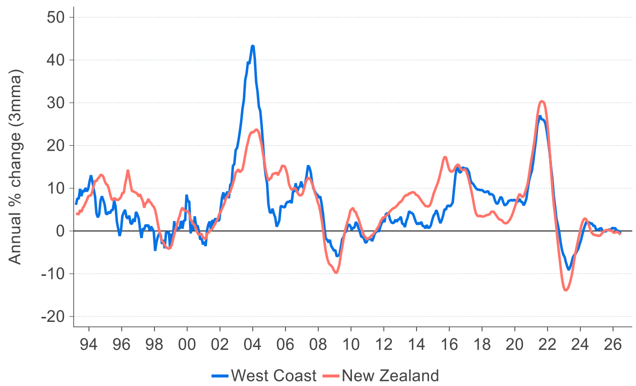


Figure 74. Employment growth and rent inflation

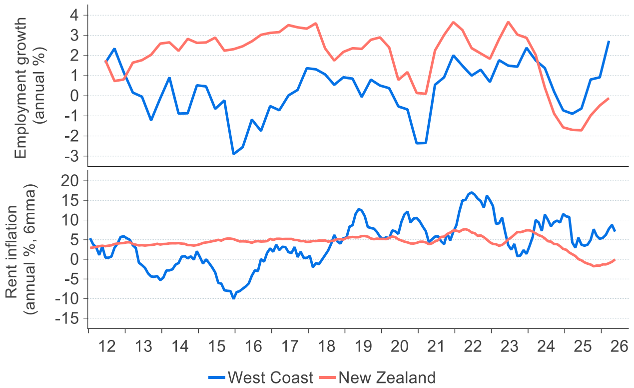


Figure 72. House price to income ratio

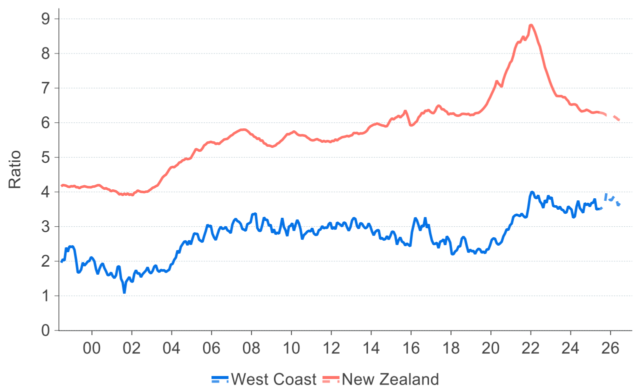


Figure 75. Dwelling consents per 1000 residents (qtrly)

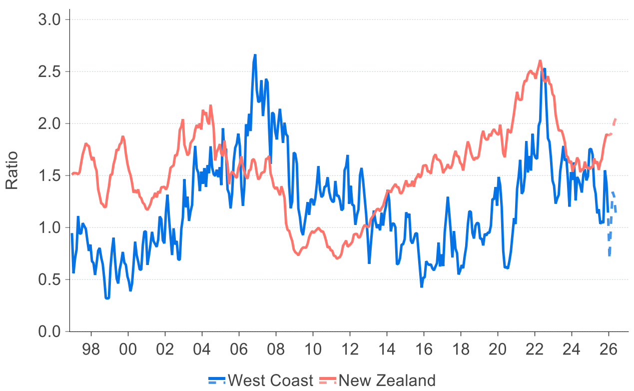
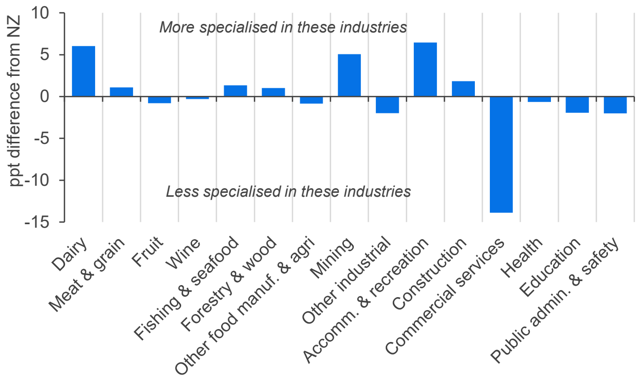


Figure 73. West Coast's house price level as a % of NZ

Figure 76. How the West Coast's employment mix differs from the New Zealand average



Source: Stats NZ, MBIE, REINZ, Infometrics, Macrobond, ANZ Research

Queenstown-Lakes: How much longer can house prices keep rising?

Queenstown-Lakes' house prices have risen relentlessly over the past 30 years as the town has grown rapidly. The REINZ house price index for Queenstown-Lakes District has increased at an average rate of 8.4% per year since 1992, compared to an average of 6.0% for New Zealand overall. Prices have increased by 3.9% over the past year and are 14% above 2021/22 levels. That's pushed the house price to income ratio to ever-higher extremes (figure 78). Queenstown-Lakes' house prices are now double the New Zealand average, compared to historical levels around 1.5x (figure 79).

The region's appeal to tourists and lifestyle migrants can't be disputed. However, its house prices are now exceptionally high, and there's a lot of new supply in the pipeline. That suggests a growing chance that the rapid escalation in prices seen to date fades from here, particularly for generic property types such as apartments and townhouses. Unique and well-located properties could see continued demand, however, supported by scarcity value if the region keeps growing quickly.

Queenstown-Lakes	
Population	53,800 (1.0% of NZ)
Median house price	$1.59m
House price index change	
– Past year	+3.9% y/y (3mma)
– From 2021/22 peak	+14% nominal; -3% inflation-adjusted
Major industries	Tourism and construction.

Figure 77. House price index annual % change

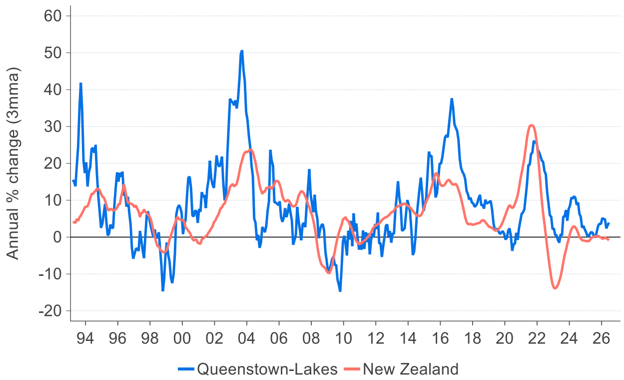


Figure 80. Employment growth and rent inflation

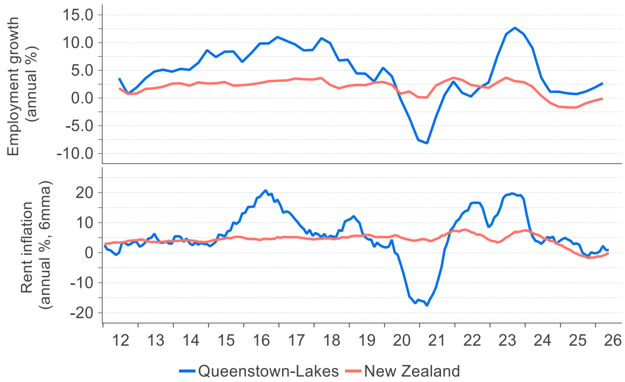


Figure 78. House price to income ratio

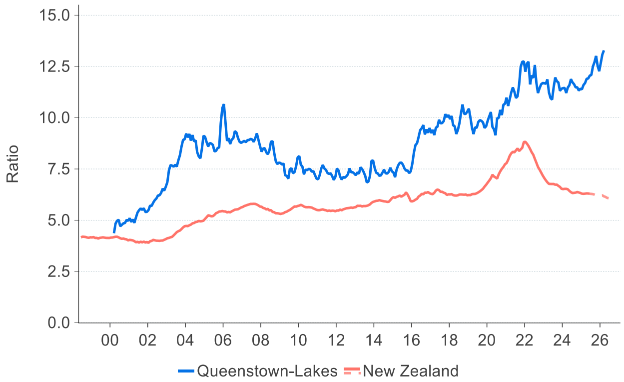


Figure 81. Dwelling consents per 1000 residents (qtrly)

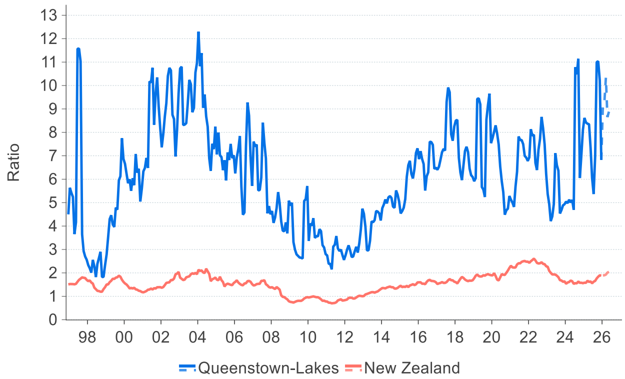


Figure 79. Queenstown-Lakes' house prices as a % of NZ

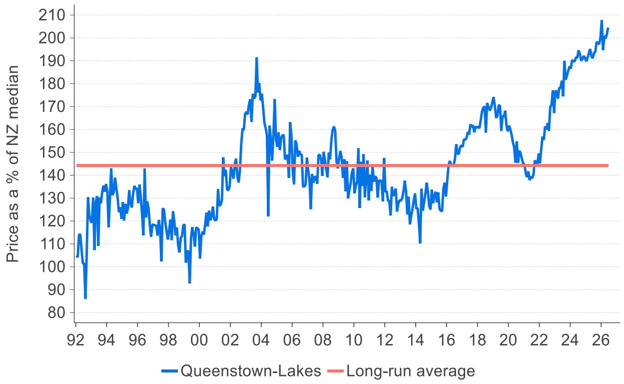
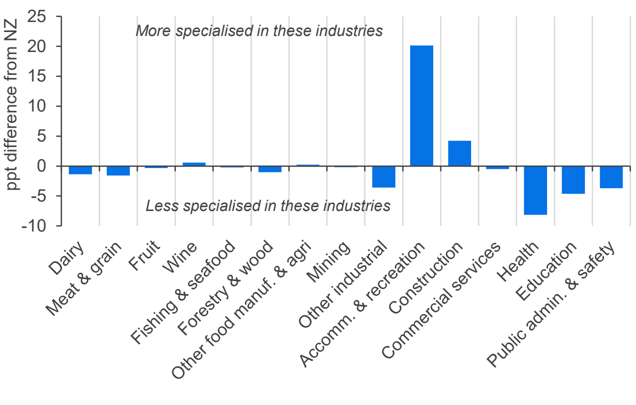


Figure 82. How Queenstown-Lakes' employment mix differs from the New Zealand average



Source: Stats NZ, MBIE, REINZ, Infometrics, Macrobond, ANZ Research

Dunedin: The previous boom is yet to fully unwind

House prices in Dunedin have increased by 2.1% over the past year and are 8% below their 2021/22 peak (a smaller decline from the peak than the national average of 15%). Dunedin's house price to income ratio is around 6, which is somewhat higher than the level of 4 to 5 that prevailed before house prices started rising sharply from 2016 (figure 84). Likewise, Dunedin's house prices are now around 80% of the national average, which is a little higher than the long-run average of around 70-75% (figure 85). Employment growth and rent inflation in Dunedin has slowed over recent years, but not as sharply as it has for the country as a whole (figure 86). All of this is consistent with a resilient local economy supporting demand for housing in Dunedin.

Dunedin City	
Population	132,800 (2.5% of NZ)
Median house price	$619,400
House price index change	
– Past year	2.1% y/y (3mma)
– From 2021/22 peak	-8% nominal; -25% inflation-adjusted
Major industries	Education and health.

Figure 83. House price index annual % change

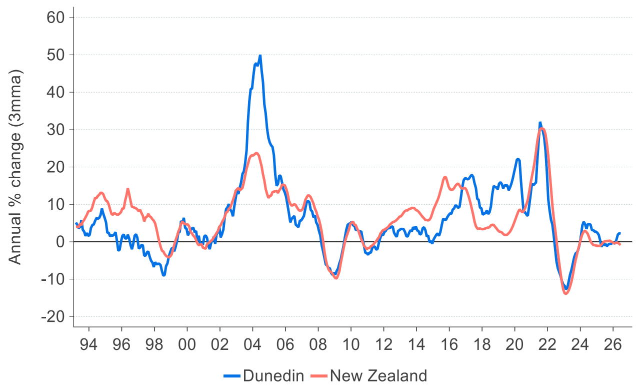


Figure 86. Employment growth and rent inflation

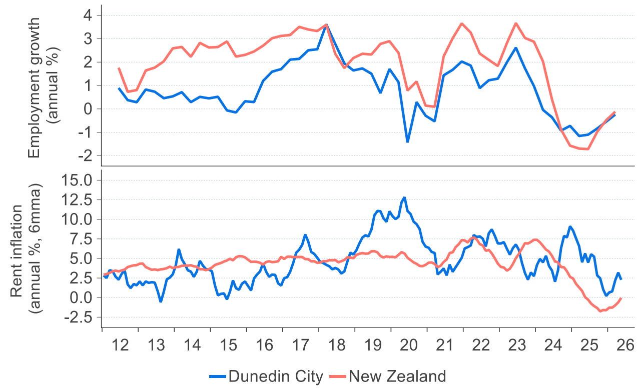


Figure 84. House price to income ratio

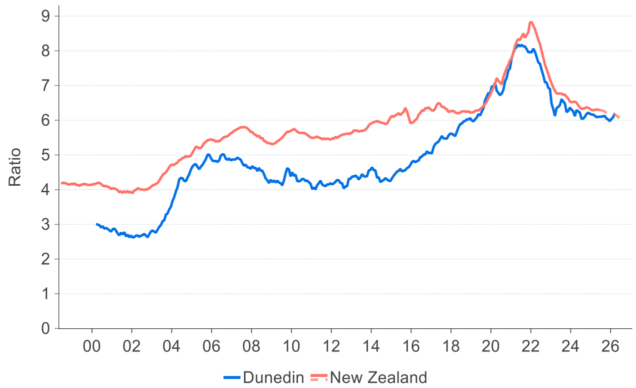


Figure 87. Dwelling consents per 1000 residents (qtrly)

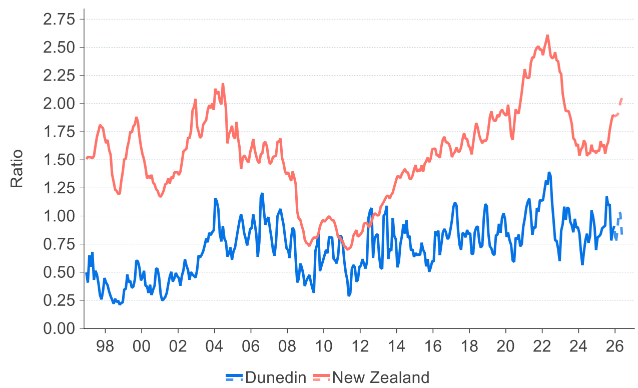


Figure 85. Dunedin's house price level as a % of NZ

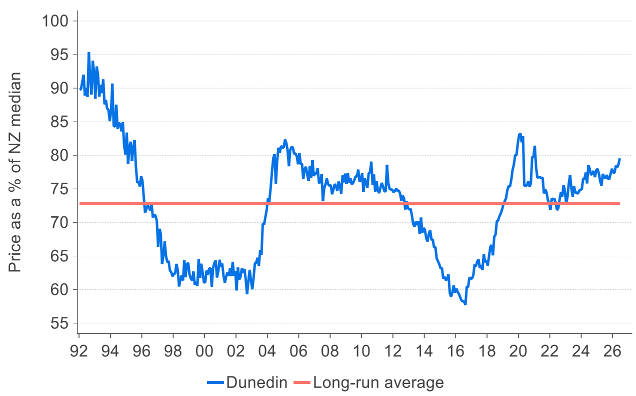
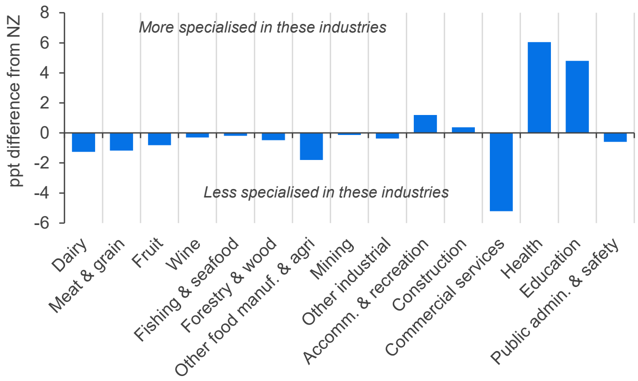


Figure 88. How Dunedin's employment mix differs from the New Zealand average



Source: Stats NZ, MBIE, REINZ, Infometrics, Macrobond, ANZ Research

Southland: A strong local economy has pushed house prices well up from low levels

The Southland economy has been the star of the show. Employment has grown solidly over the last two years at rates well above the national average (figure 92). Income growth has been strong in the key industries of dairy, red meat and tourism. The Tiwai Point smelter's commitment to remain open until at least 2044 has further supported confidence in the region. Southland's housing market has been correspondingly strong, with house prices rising 7.4% over the past year, to now be 10% higher than the 2021/22 peak. So positive has been the constellation of events that the risk is that this is as good as it gets. The house price to income ratio is still well below the national average, but above historical levels for Southland (figure 90). Likewise, house prices in Southland are now around 65% of the national average, compared to typical levels around 50% (figure 91). Should Southland's economic cycle and housing market return to its long-run average over time, there is a risk that house prices ease, or at least grow more slowly than those in other regions.

Southland region	
Population	104,800 (2.0% of NZ)
Main centres	Invercargill City (58,000)
Median house price	$519,500
House price index change	
– Past year	7.4% y/y (3mma)
– From 2021/22 peak	+10% nominal; -9% inflation-adjusted
Major industries	Dairy, meat, tourism, aluminium smelting.

Figure 89. House price index annual % change

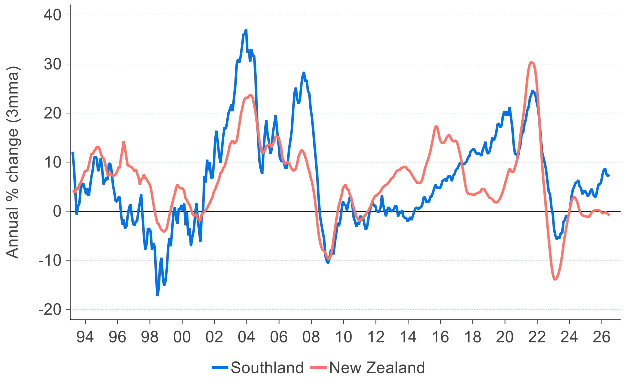


Figure 92. Employment growth and rent inflation

Figure 90. House price to income ratio

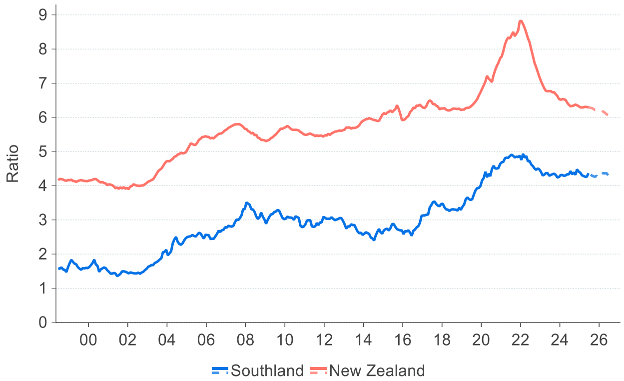


Figure 93. Dwelling consents per 1000 residents (qtrly)

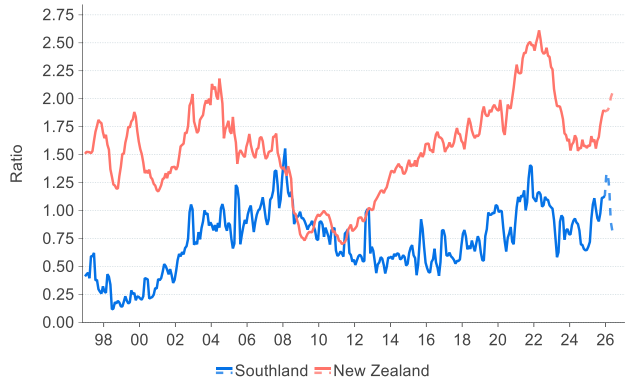


Figure 91. Southland's house price level as a % of NZ

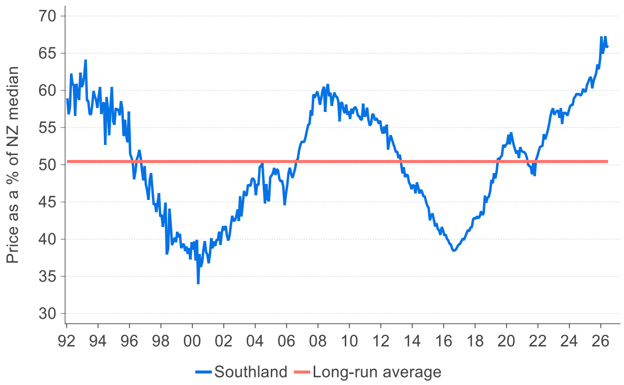
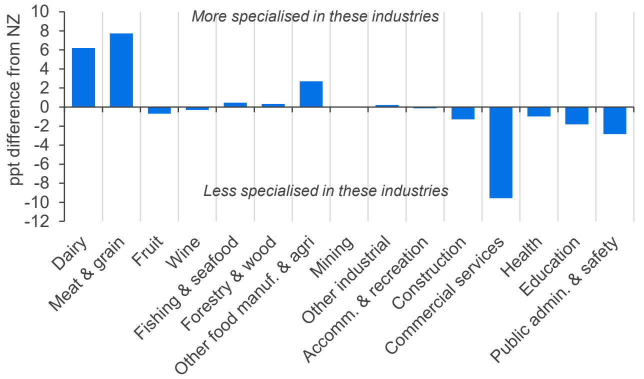


Figure 94. How Southland's employment mix differs from the New Zealand average



Source: Stats NZ, MBIE, REINZ, Infometrics, Macrobond, ANZ Research

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Summary

There were mixed moves in mortgage rates this month, with median floating and shorter-term fixed rates up slightly, 2-year rates little changed, and longer-term rates lower. As a consequence, the mortgage curve is now much flatter, with just 0.8ppt separating median 1-year and 5-year rates (vs 1.2ppt separating them last month). Given the recent rise in longer-term wholesale interest rates, longer rates may rise again. But for now, the flatter mortgage curve makes the decision to fix for longer less punitive, and that is likely to be music to the ears of those that are worried about upside risks to interest rates stemming from higher oil prices and inflation. We certainly see the risks as being skewed towards higher interest rates and thus view the fall in longer-term mortgage rates as an opportune development. But that is less about beating the market and more about hedging tail risks. We say that as our OCR forecasts have not changed, and we are not projecting a significant rise in mortgage rates. However, the risks are building, and in the wrong direction for borrowers.

Recent developments, and our thoughts

We have seen mixed moves in mortgage rates this month. While the median floating rate is up 0.25%, matching the RBNZ's 25bp OCR hike, and shorter-term rates between 6 months and 2 years are up, longer-term rates 3 years and longer are all lower. As we noted in our summary, given recent moves in longer-term wholesale interest rates (and global bond yields), these new, lower longer-term mortgage rates may not persist. That isn't a call to action, but it does present a potential opportunity for those that felt they missed the boat earlier. Regular readers may recall that last month we felt the cost of fixing for longer was a bit high. If you felt the same, but would have preferred a longer term, now may be your chance. We'd also characterise the recent fall in longer-term rates as an opportunity to spread one's risk, rather than a sure-fire way to beat the market. Obviously, there is no such thing as a sure bet when it comes to predicting the future – and thus when picking interest rates – but with higher oil prices persisting and inflation popping up across various sectors of the economy, the risks around interest rates seem skewed higher to us.

But while the risks are skewed higher – and that stems as much from what's going on with global interest rates as it does from how we expect the RBNZ to respond – we have not changed our OCR forecasts. As has been the case for some time, we are mindful that inflation expectations remain well-anchored and there is still spare capacity in the economy. All else equal, those two factors should allow the economy to grow without the need for the OCR to be lifted into restrictive territory above 3%. The risk is that "all else" doesn't stay equal, and that "all else" is in fact net inflationary. But we'll give the economy the benefit of the doubt and for now we are sticking to our forecast for two more hikes this year, followed by a long pause. Without doubt, there is a risk that more hikes will be needed in 2027, but equally, if global and domestic growth falters, cuts may be required. It'll ultimately come down to how the data fares.

When it comes to choosing what term to fix for (noting that floating is more expensive and may therefore appeal primarily to people who are moving or expecting a lump sum), the decision remains a choice between cost and certainty. That is, shorter terms are lower and longer terms are more expensive. Throw in the fact that in a broad sense, mortgage rates for most terms are close to their respective 10-year averages, and it's clear there's no free lunch at the moment. It is always difficult to "beat the market". But with less separating shorter term rates than longer term rates than has been the case for a while, and the risks skewed toward higher rates, a longer term may have some appeal. If you aren't sure, a mix of terms may be appropriate.

If a shorter term fix appeals more, the steeper curve at the short end means that breakevens tend to favour the 1-year over the 2-year. We note, for example, the 1-year rate would need to rise by 1.00% from its current level of 4.79% to 5.79% in a year's time before back-to-back 1-year fixes cost more than a single 2-year term of 5.29%. Our forecasts don't envisage that extent of rises, leaving us leaning more towards the 1-year than the 2-year.

But uncertainty is high, and as noted earlier, rates for some longer terms have just come down, creating an opportunity to buy certainty at a lower cost than previously.

Figure 1. Carded special mortgage rates*

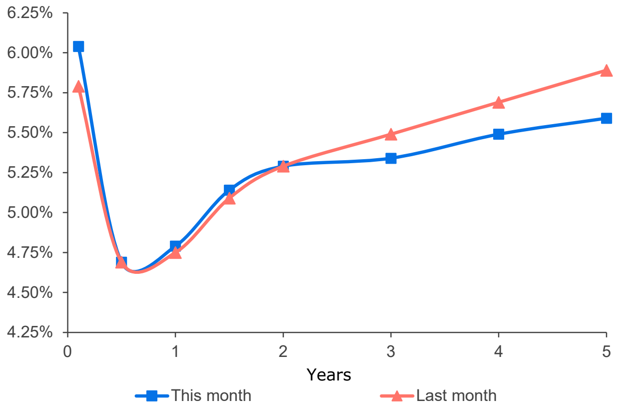


Table 1. Carded special mortgage rates*

Term	Current	Last month
Floating	6.04%	5.79%
6 months	4.69%	4.49%
1 year	4.79%	4.69%
18 months	5.14%	4.97%
2 years	5.29%	5.25%
3 years	5.34%	5.49%
4 years	5.49%	5.69%
5 years	5.59%	5.89%

Source (figure 1 and table 1): interest.co.nz, ANZ Research

*Median of the five largest banks

Breakevens

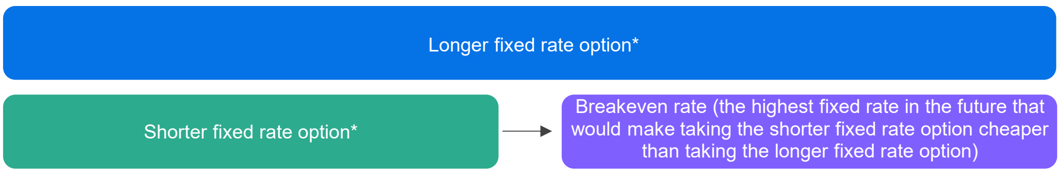
Table 1. Special mortgage rates and breakevens*^

		Breakevens for 20%+ equity borrowers					
Term	Current	in 6mths	in 1yr	in 18mths	in 2 yrs	in 3 yrs	in 4 yrs
Floating	6.04%	3.54%					
6 months	4.69%	4.89%	5.84%	5.74%			
1 year	4.79%	5.37%	5.79%	5.58%	5.44%	5.94%	5.99%
18 months	5.14%	5.49%		5.54%			
2 years	5.29%	5.47%	5.62%	5.62%	5.69%	5.97%	
3 years	5.34%	5.54%	5.72%	5.74%	5.79%		
4 years	5.49%	5.65%	5.79%				
5 years	5.59%		*Median of the five largest banks				

Source: interest.co.nz, ANZ Research

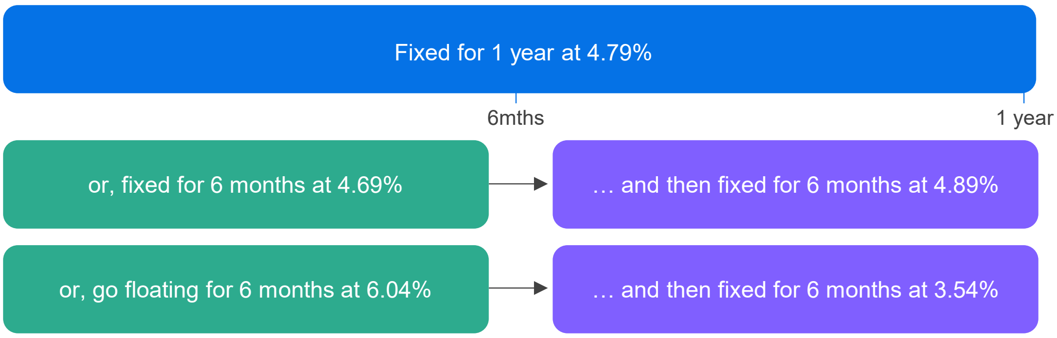
^ Floating rate breakeven assumes the floating rate won't change. If it falls, the breakeven will be higher; if it rises, the breakeven will be lower.

Key – how to read our infographics

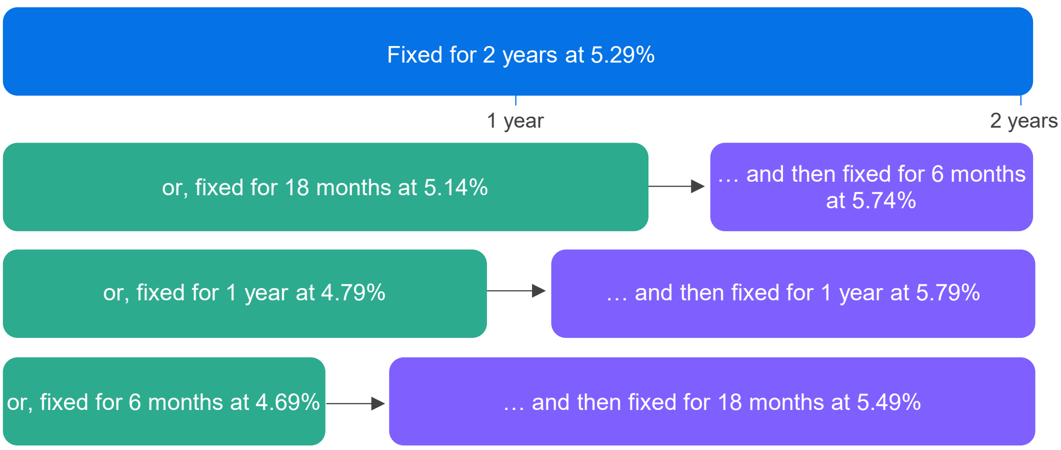


* Current advertised special mortgage rate, median of 5 largest banks

1 year horizon^

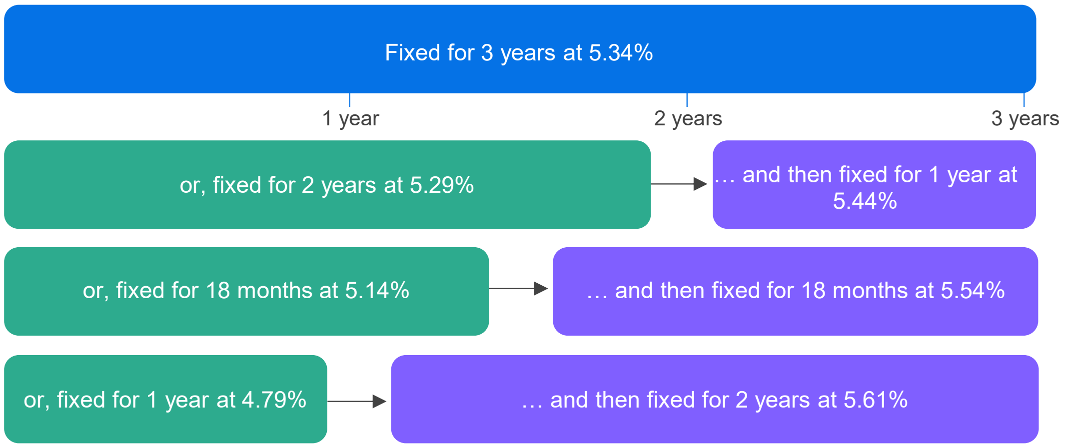


2 year horizon

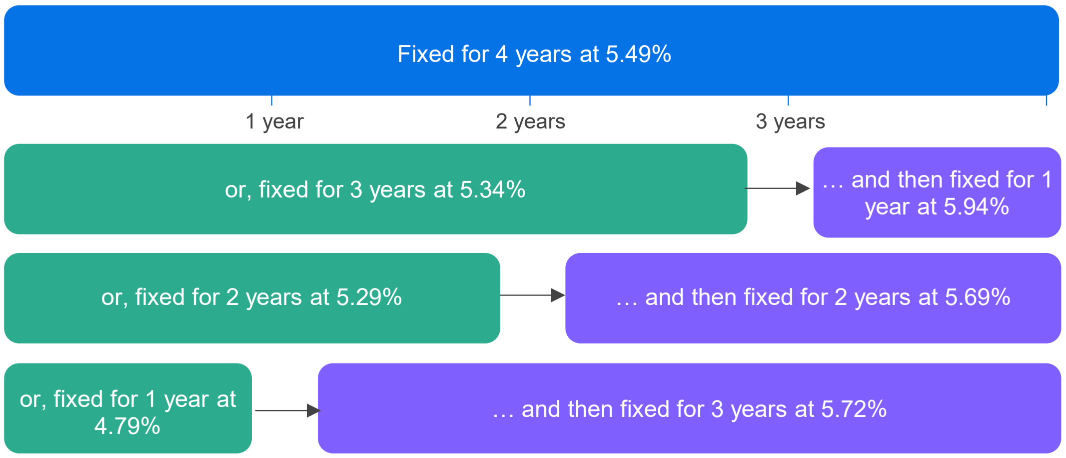


Breakevens

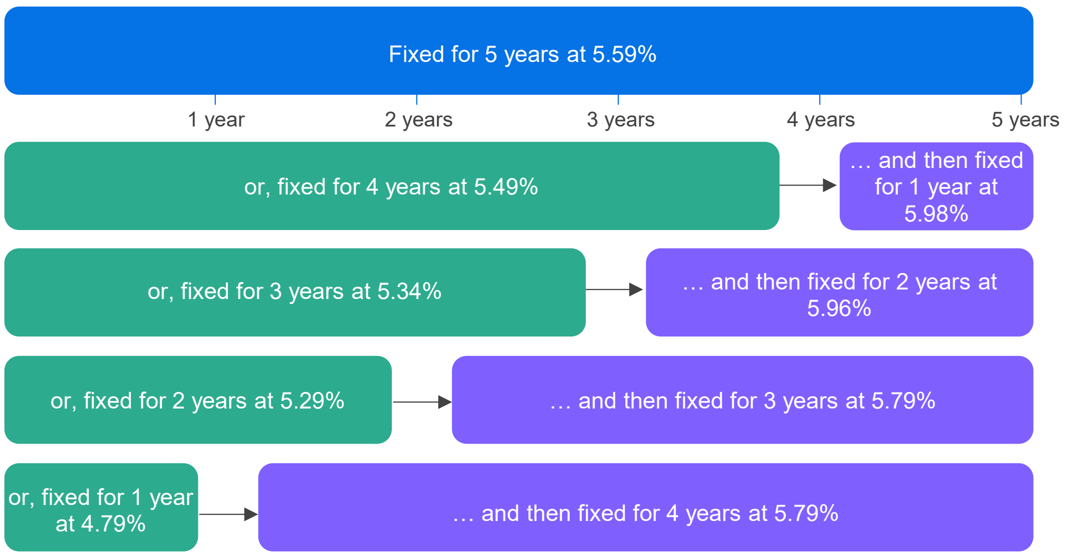
3 year horizon



4 year horizon



5 year horizon



Source: interest.co.nz, ANZ Research calculations

Key forecasts

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

	Mortgage Rate (%)													
Mortgage Size ($000)	4.25	4.50	4.75	5.00	5.25	5.50	5.75	6.00	6.25	6.50	6.75	7.00	7.25	7.50
200	227	234	241	248	255	262	269	277	284	292	299	307	315	323
250	284	292	301	309	318	327	336	346	355	364	374	384	393	403
300	340	351	361	371	382	393	404	415	426	437	449	460	472	484
350	397	409	421	433	446	458	471	484	497	510	524	537	551	564
400	454	467	481	495	509	524	538	553	568	583	598	614	629	645
450	511	526	541	557	573	589	606	622	639	656	673	690	708	726
500	567	584	601	619	637	655	673	691	710	729	748	767	787	806
550	624	643	662	681	700	720	740	760	781	802	823	844	865	887
600	681	701	722	743	764	786	807	830	852	875	897	921	944	968
650	737	760	782	805	828	851	875	899	923	947	972	997	1,023	1,048
700	794	818	842	867	891	917	942	968	994	1,020	1,047	1,074	1,101	1,129
750	851	876	902	928	955	982	1,009	1,037	1,065	1,093	1,122	1,151	1,180	1,209
800	908	935	962	990	1,019	1,048	1,077	1,106	1,136	1,166	1,197	1,227	1,259	1,290
850	964	993	1,023	1,052	1,082	1,113	1,144	1,175	1,207	1,239	1,271	1,304	1,337	1,371
900	1,021	1,052	1,083	1,114	1,146	1,178	1,211	1,244	1,278	1,312	1,346	1,381	1,416	1,451
950	1,078	1,110	1,143	1,176	1,210	1,244	1,278	1,313	1,349	1,385	1,421	1,458	1,495	1,532
1000	1,134	1,168	1,203	1,238	1,273	1,309	1,346	1,383	1,420	1,458	1,496	1,534	1,573	1,613

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

	Actual			Projections						
	Mar-26	Jun-26	Current	Sep-26	Dec-26	Mar-27	Jun-27	Sep-27	Dec-27	Mar-28
Floating Mortgage Rate	6.2	6.2	6.0	6.6	6.8	6.8	6.8	6.8	6.8	6.8
1-Yr Fixed Mortgage Rate	4.5	4.7	4.8	4.9	5.1	5.1	5.1	5.1	5.1	5.1
2-Yr Fixed Mortgage Rate	5.0	5.1	5.3	5.3	5.3	5.2	5.2	5.2	5.2	5.2
3-Yr Fixed Mortgage Rate	5.3	5.3	5.3	5.5	5.5	5.4	5.4	5.4	5.4	5.4
5-Yr Fixed Mortgage Rate	5.7	5.6	5.6	5.7	5.7	5.6	5.6	5.6	5.6	5.6

Source: RBNZ, ANZ Research

Wholesale interest rate forecasts

	Actual			Forecasts						
	Mar-26	Jun-26	Current	Sep-26	Dec-26	Mar-27	Jun-27	Sep-27	Dec-27	Mar-28
Official Cash Rate	2.25	2.25	2.50	2.75	3.00	3.00	3.00	3.00	3.00	3.00
90-Day Bank Bill Rate	2.54	2.72	2.93	3.27	3.35	3.35	3.35	3.35	3.35	3.35
NZ 2-yr swap	3.43	3.35	3.69	3.60	3.55	3.45	3.45	3.45	3.45	3.45
10-Year Bond	4.72	4.36	4.71	4.50	4.25	4.25	4.25	4.25	4.25	4.25

Economic forecasts

	Actual			Forecasts						
	Sep-25	Dec-25	Mar-26	Jun-26	Sep-26	Dec-26	Mar-27	Jun-27	Sep-27	Dec-27
GDP (Annual % Chg)	1.1	1.5	1.5	1.9	1.6	1.7	1.7	2.7	2.9	3.0
CPI Inflation (Annual % Chg)	3.0	3.1	3.1	4.1(a)	3.9	3.5	2.9	1.7	1.7	1.9
Unemployment Rate (%)	5.3	5.4	5.3	5.5	*Under review*					
House Prices (Quarter % Chg)	-0.5	-0.3	0.2	-0.2	-0.8	-1.1	-0.3	0.6	1.3	1.4
House Prices (Annual % Chg)	0.2	-0.1	-0.2	-0.9	-1.2	-2.0	-2.5	-1.7	0.4	3.0

Source: RBNZ, Statistics NZ, REINZ, Bloomberg, ANZ Research

Meet the team

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

Sharon Zollner
Chief Economist, New Zealand

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

General enquiries:
research@anz.com

Update your subscription
www.research.anz.com

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

Matt Dilly
Agricultural Economist

Primary industry developments and outlook, structural change and regulation, liaison with industry.

Telephone: +64 21 221 6939
Email: matthew.dilly@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

Matthew Galt
Senior Economist

Macroeconomic forecasting, economic developments, GDP, housing and credit dynamics.

Telephone: +64 21 633 469
Email: matthew.galt@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

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