



New Zealand's new build townhouse market in 60 seconds

Residential market outlook remains neutral



Sales activity has increased across the wider residential market, but prices remain flat in most regions. Markets in the South Island are generally performing better than those in the North Island. In the near term, prices are likely to remain steady.

Interest rates are the key watchpoint



While interest rates have reduced substantially from recent peaks, the market saw minor increases in some home loan rates towards the end of 2025. The pathway for interest rates remains uncertain. Inflation and pockets of positive economic data may place upward pressure on rates, but the employment market remains soft.

Inside the townhouse buyer mindset



Bayleys' survey of buyers shows affordability and low maintenance are key drivers for buyers considering townhouses. Buyers are typically concerned about disruptions from neighbours, constrained space, and insufficient parking. Interior cooling / ventilation and charging for electric vehicles are expected to become higher priority features in coming years.

Development recovery gaining momentum



Developer sentiment has improved compared with a year ago. Early signs of a recovery are being observed, with a rise in building consents over the past 12 months. Off the plan sales remain soft for generic product, but stronger activity is being seen on product that has been differentiated to resonate with its target market.

Rethinking product mix



Buyer feedback is prompting a rethink in product design. The market is pivoting from narrow three-level to wider two-level layouts. Zero-lot standalone homes are also gaining traction in schemes that might have previously favoured attached housing. Higher end projects are increasingly incorporating lifts to broaden appeal to downsizers.

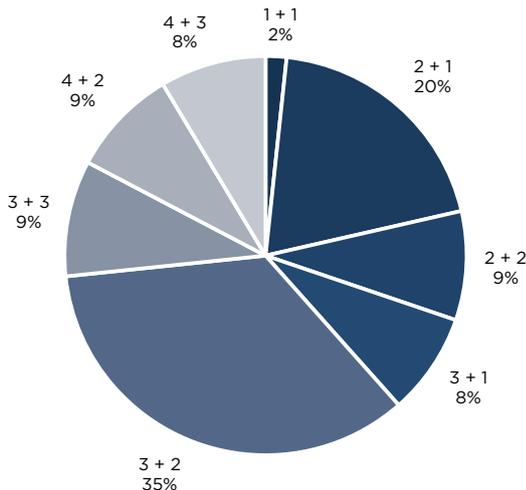
South Island leads while Auckland absorbs stock



Townhouse markets in the lower South Island are generally performing stronger than the North Island. The Auckland market continues to face elevated inventory, with price expectations often set above achievable levels and high land costs constraining feasibility for new projects.

Overall distribution by configuration

Bedrooms + Bathrooms



Townhouses as proportion of all new homes consented

45.3%

Typical internal GFA for 3 bedroom 2 bathroom townhouses

105 – 133 sqm

Typical asking price (psqm) for 3 bedroom 2 bathroom townhouses

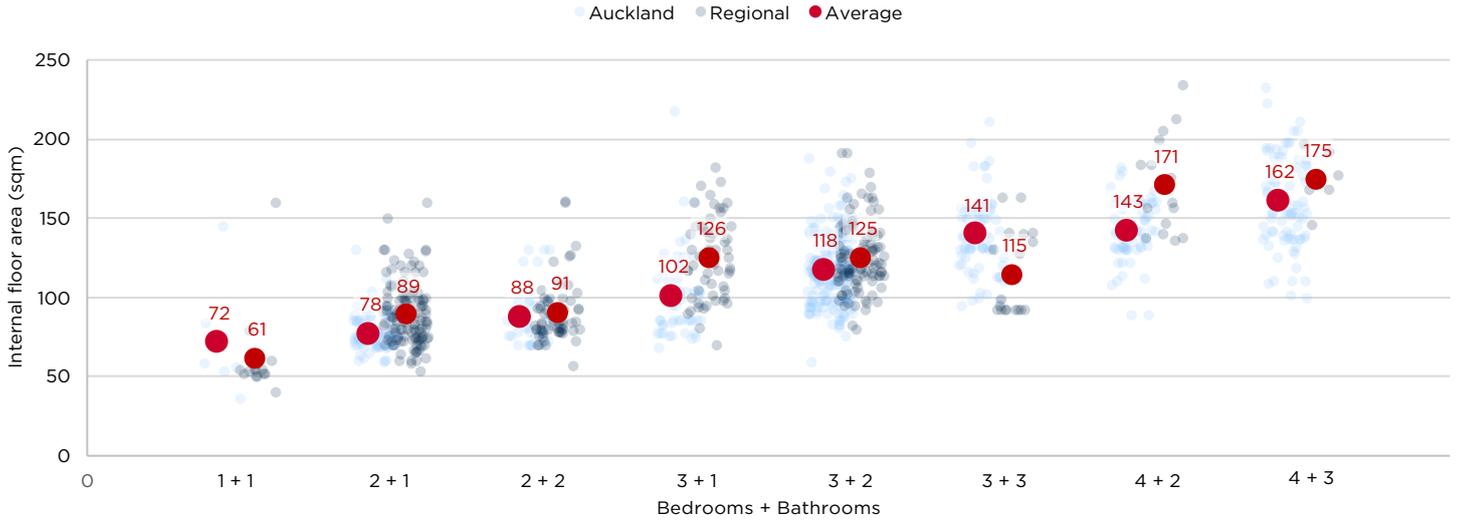
\$5,999 – \$8,189

1 January 2025 – 31 December 2025

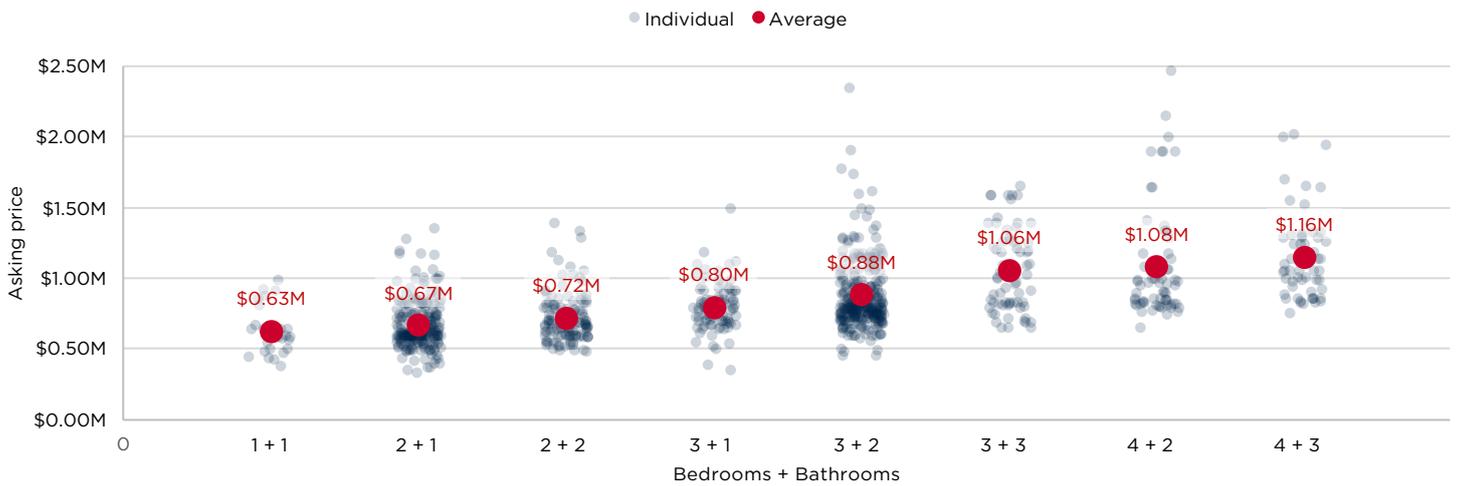
Data: Bayleys Insights & Data. Excludes prices above \$2.50M for ease of viewing.

Metrics

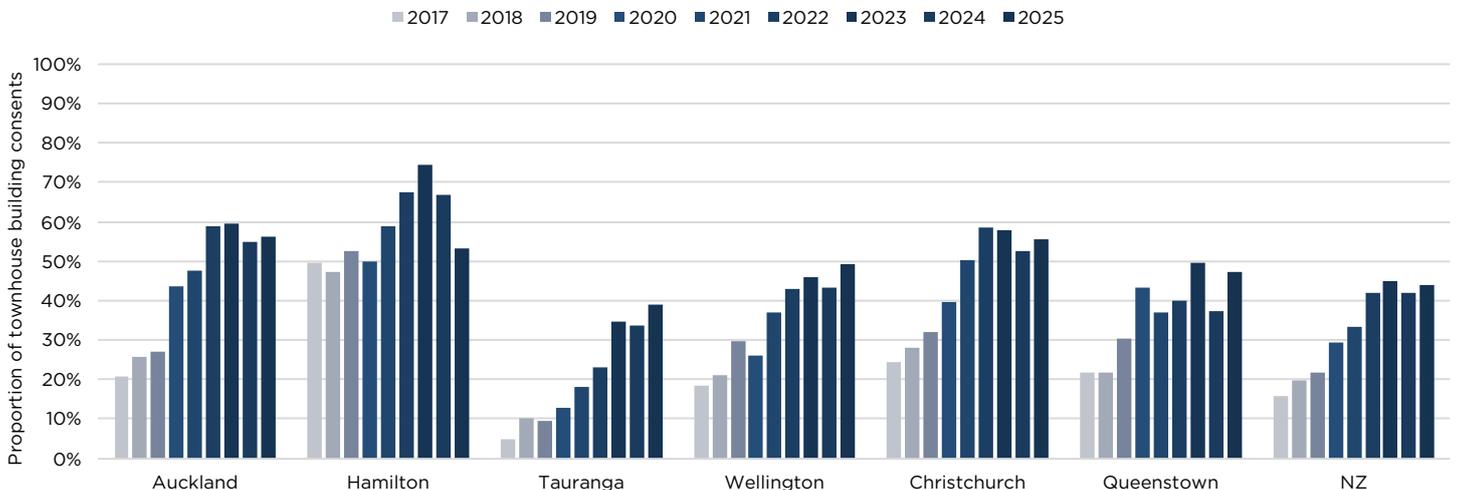
Internal floor area by region and configuration



Asking price by configuration



Townhouses as a proportion of all homes consented over time



Data: Bayleys Insights & Data. Stats NZ. Sample of individual homes within new build townhouse projects (n>3,000). Projects sampled based on being advertised for sale within the past 12 months.

Notable projects



Newmarket Quarter, Auckland

Address 11-15 Edgerley Avenue
Unit count 50
Completion 2027 forecast



Huapai Triangle, Huapai, Auckland

Address 136-142 Vintry Drive
Unit count 20
Completion 2025



Oaken Residences, Howick, Auckland

Address Corner of Fencible Drive and Moore Street
Unit count 31
Completion 2025



Karaka Homes, Karaka, Auckland

Address Hampshire & Ryeland Lanes, Karaka Village
Unit count 82
Completion 2025



Fitzgerald Lane, Lincoln, Selwyn

Address 3 Fitzgerald Lane
Unit count 34
Completion 2026



The Links Wanaka, Wanaka

Address Wanaka-Luggate Highway
Unit count 257
Completion 2028 forecast



The Grove, Wooring Tree Estate, Cromwell

Address Wooring Tree Avenue
Unit count 46
Completion 2026



Stage 2, Kawarau Villas, Queenstown

Address 7 Juniper Place
Unit count 93
Completion 2025

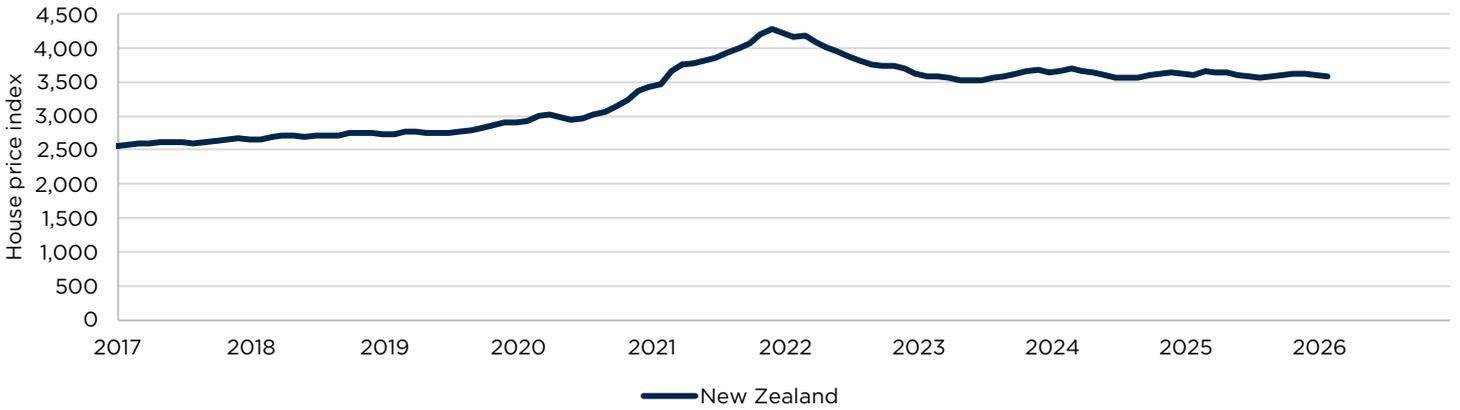


Alpine Quarters, Queenstown

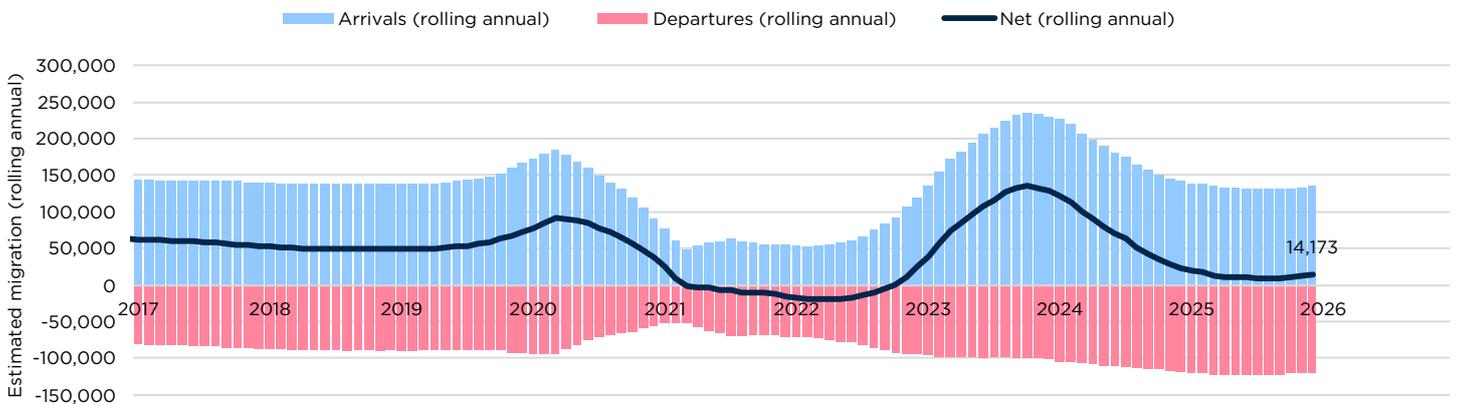
Address 9-13 Hallenstein Street and 1 York Street
Unit count 22
Completion 2027 forecast

Lead indicators

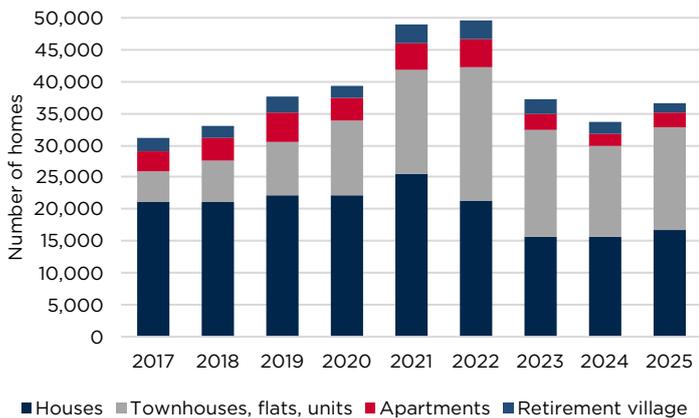
House price index over time: New Zealand



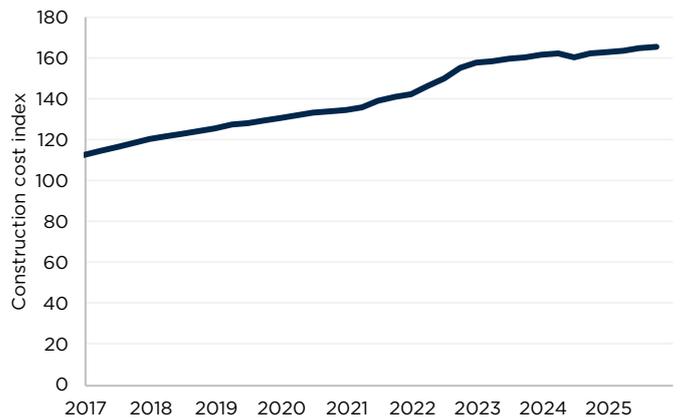
Migration



Residential building consents: New Zealand



Cordell Construction Cost Index: New Zealand



Data: Stats NZ, Cotality, REINZ. Building consents 2025 YTD ends December 2025.

Suzie Wigglesworth
National Director
Residential Projects
suzie.wigglesworth@bayleys.co.nz

Johnny Sinclair
National Director
Residential
johnny.sinclair@bayleys.co.nz

Chris Farhi MRICS
Head of Insights
Data & Consulting
chris.farhi@bayleys.co.nz

Eos Li CFA
Senior Analyst
Insights, Data & Consulting
eos.li@bayleys.co.nz

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