
## New Zealand's residential market in 60 seconds

**New Zealand's housing market held broadly steady over the past month, continuing this year's sideways pattern. Election campaigning is now well underway, but with housing so far remaining largely outside the political crosshairs, we do not expect this to be a major disruptor to market conditions.**

House prices were slightly down over the month but still sitting within the normal spread of the sideways track we have seen so far this year. Sales activity was also softer than the same time last year, though not dramatically different. Regional performance continues to favour the South Island. Canterbury, Otago and Southland have seen the strongest price growth over the past 12 months, supported by relatively strong employment and solid internal migration.

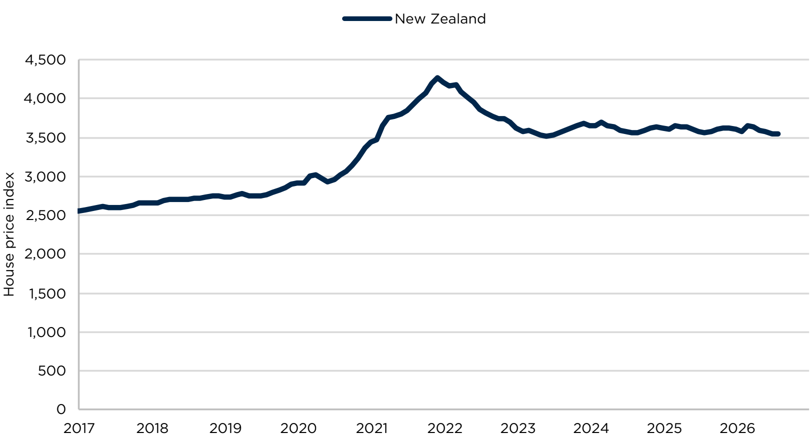
In terms of underlying drivers, the supply of homes for sale remains above the same time last year in most regions. This is limiting price pressures in the market. Home loan rates rose modestly over the past month, up 10-20 basis points across fixed terms under three years. This was largely anticipated and the market is expected to largely shrug this off.

With election campaigning underway, there has been various media discussion about election slowdowns. In past election cycles, the impact on the housing market has depended on how prominently housing features in the political debate. Election slowdowns were seen in 2014 and 2017 as the policy debate was actively targeting housing affordability. The 2020 and 2023 elections were largely ignored by the market. So far, the housing market has been largely out of the crosshairs for politicians, so the election is unlikely to be a major factor this year. We also see some scope for a lift in activity towards the end of the year due to pent up demand from buyers who hesitated during the oil shock earlier this year.

Our view is the market is likely to remain broadly neutral through the second half of 2026, with a continuation of the South Island outperforming the North Island.

In these competitive market conditions, it is critical that sales processes are set up for success through realistic price appraisals, effective marketing and dedicated salespeople.

### **House prices** tracking sideways




**Data:** Powered by REINZ and Realestate.co.nz.

**Market conditions right now**

Neutral

**Median house price: New Zealand**

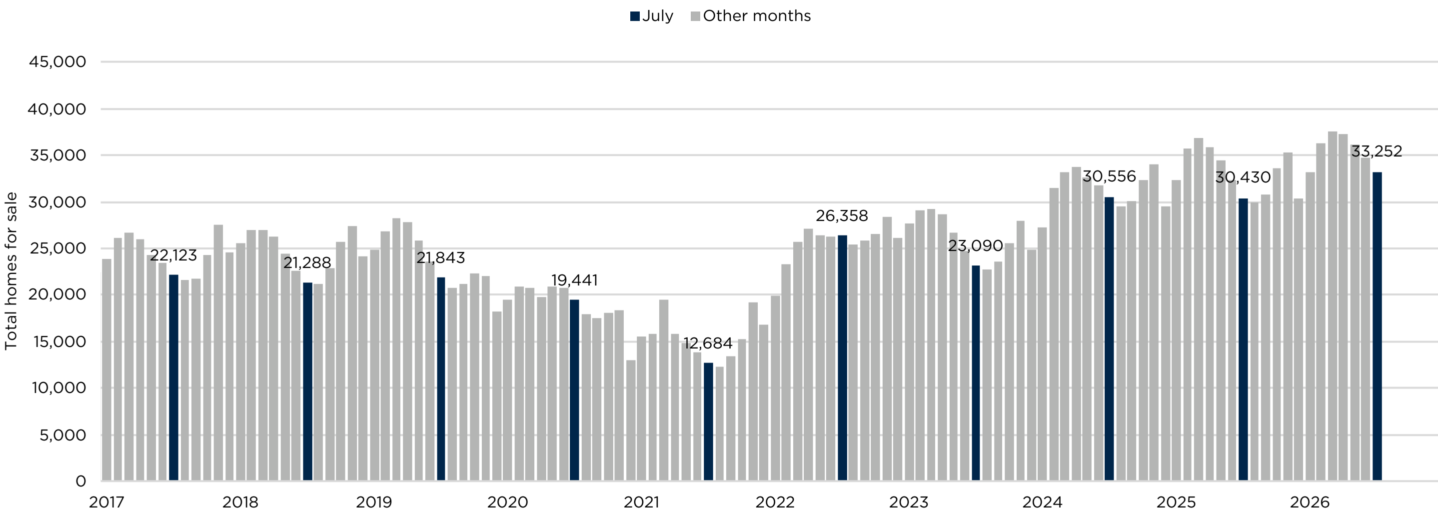
$760,000

**Change in house price index over past 12 months**

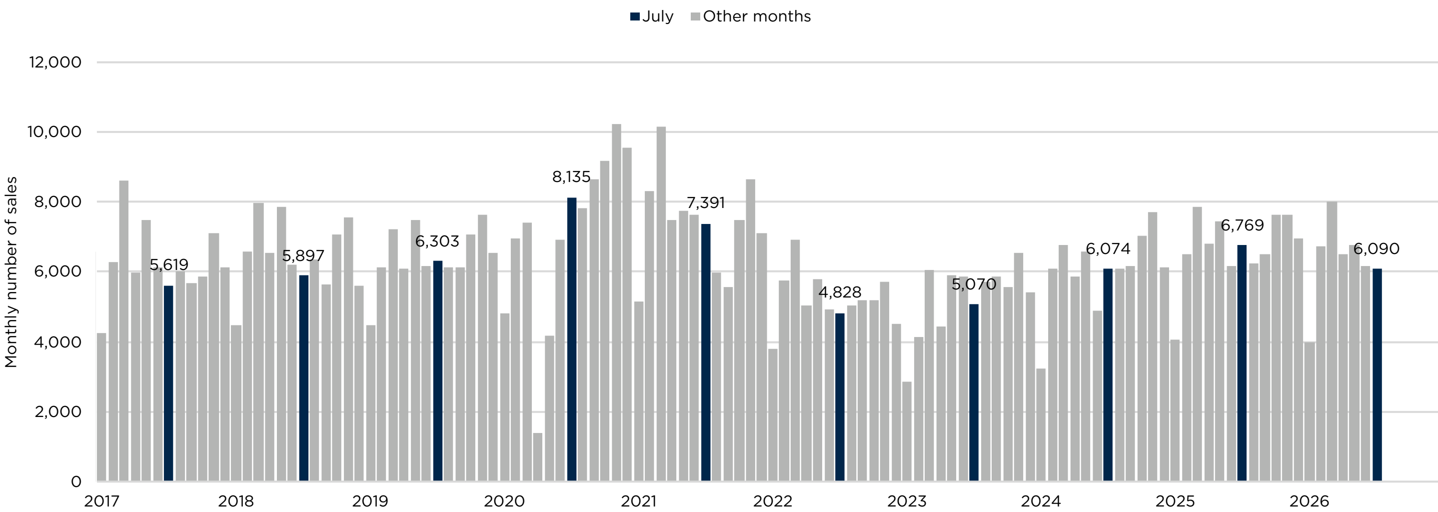
-0.4%

# Activity

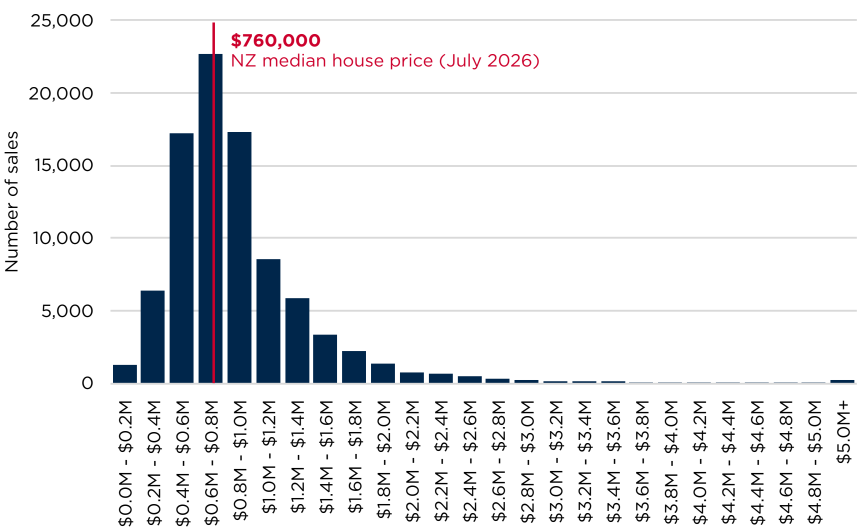
## **Total homes for sale** is high (New Zealand)

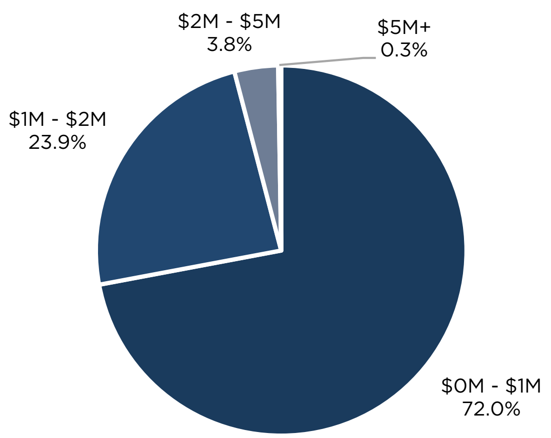



## **Sale counts** a bit soft (New Zealand)




## **Price distribution for sales over past 12 months** (New Zealand)

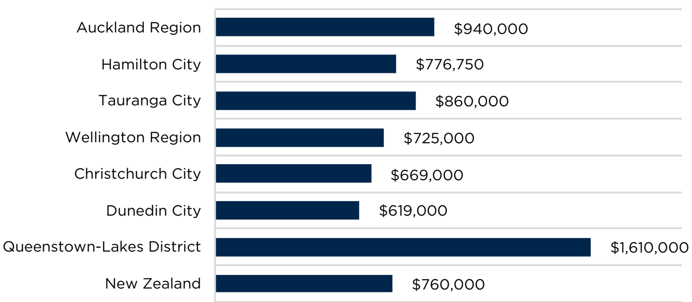


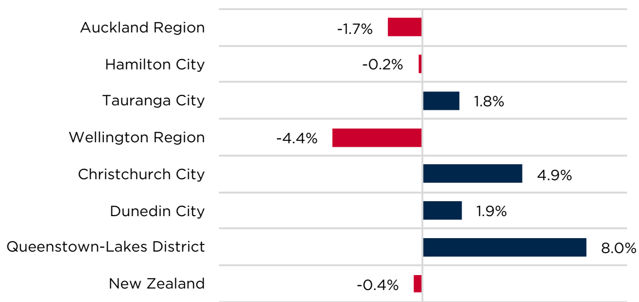

**Data:** Powered by REINZ and Realestate.co.nz. Graphs highlight comparable months to help navigate the seasonality of the market over the year.

# Major markets

### Median house price

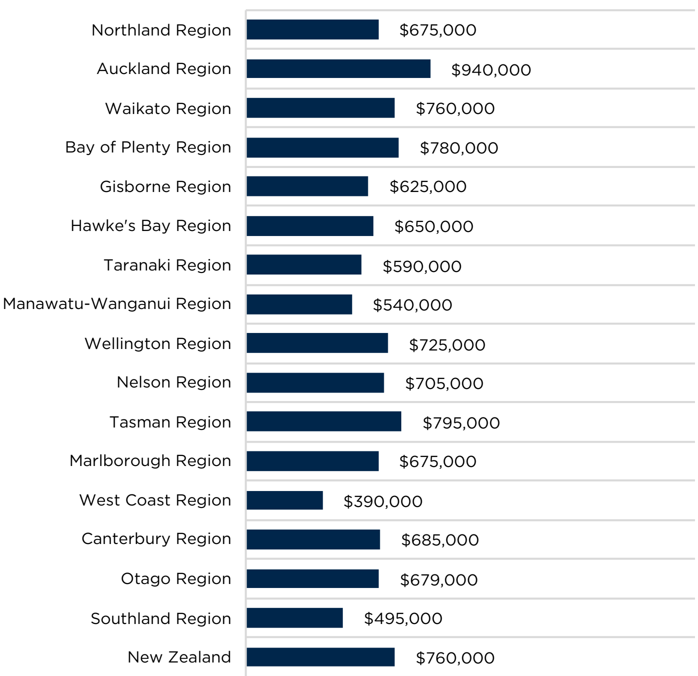



### **Change in house price index** over past 12 months

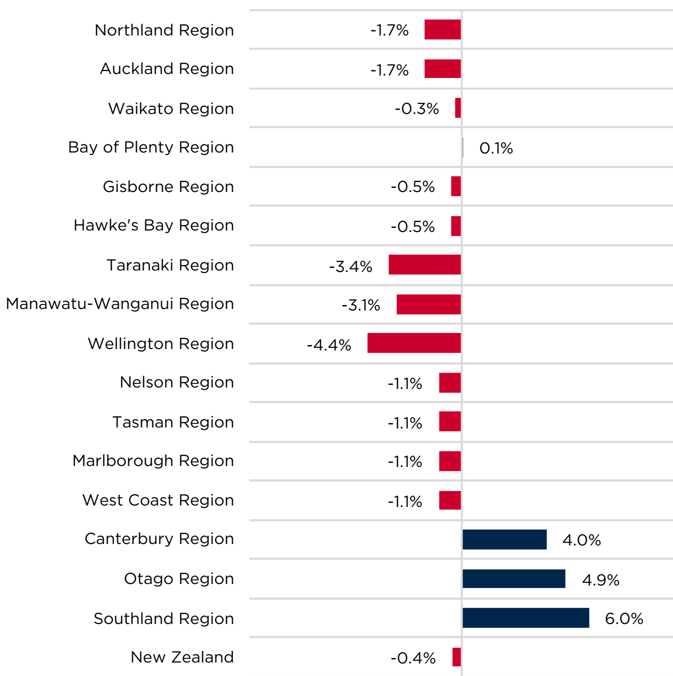



# Regional

### Median house price



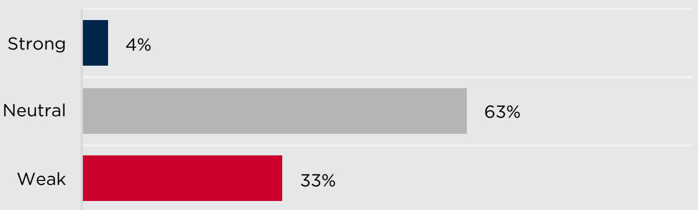

### **Change in house price index** over past 12 months



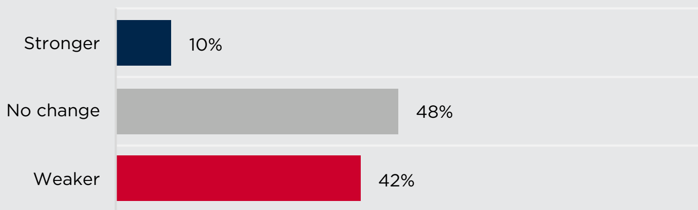

**Data:** Powered by REINZ.

# Market sentiment

### How are market conditions in your market right now?




### How are market conditions in your market changing?




### What's the most common challenge you're facing with buyers?

| | |
|---|---|
| #1 | Too much choice reducing urgency |
| #2 | Cautious of overpaying |
| #3 | Securing finance approval |

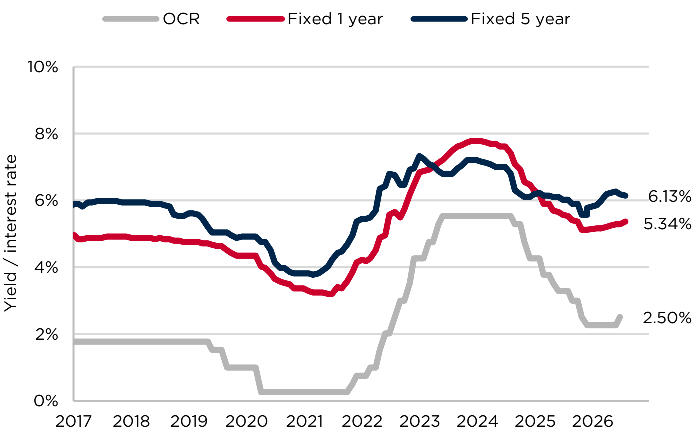
### What's the most common challenge you're facing with vendors?

| | |
|---|---|
| #1 | Price expectations higher than market |
| #2 | Frustrated at slow market |
| #3 | Lack of commitment |

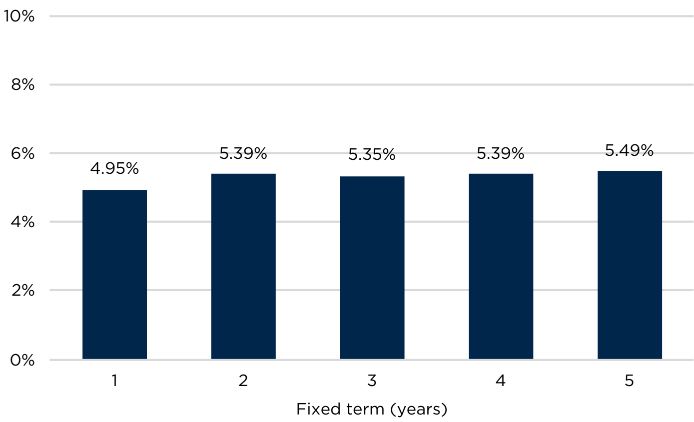
**Data:** Bayleys quarterly sentiment survey of agents, property managers and mortgage brokers. June 2026 results. n = 262 for residential agents.

# Market drivers

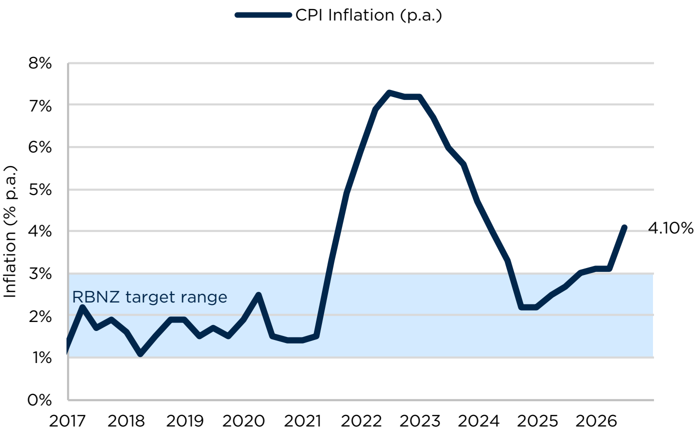
### **Interest rates** down from peak but rising



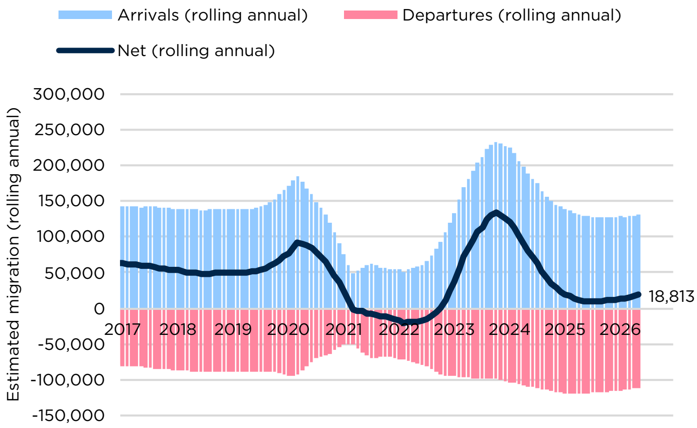

### **Home loan rates** (20%+ deposit)
Lowest carded for 5 major banks



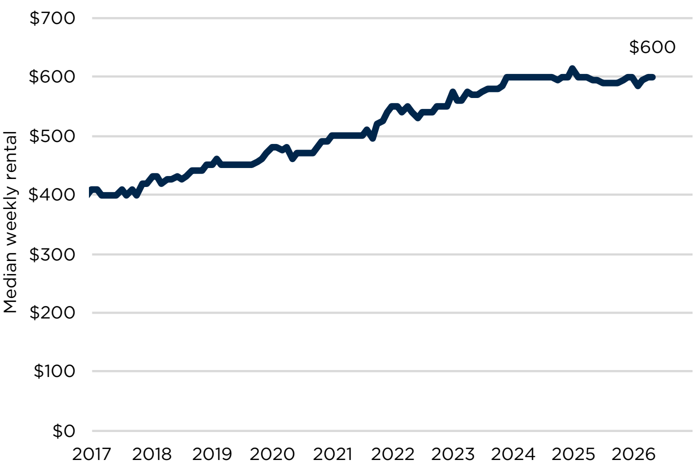

### **Inflation** running a bit hot



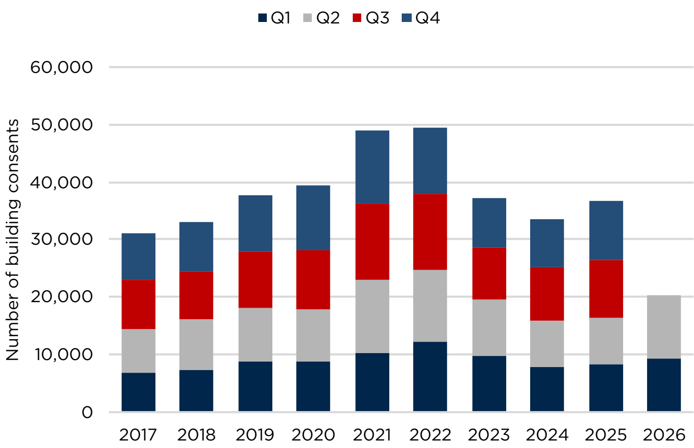

### **Migration** down but starting to recover




### **Rents** steady




### **Building** consents steady




**Data:** RBNZ, Stats NZ, MBIE.

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