New Zealand's residential market in 60 seconds

The New Zealand housing market remained broadly neutral over the past month. House prices reduced slightly but continue to move broadly sideways, while sales activity during June was relatively soft.

The softer result appears partly linked to the conflict in the Middle East and the resulting oil shock. Higher oil prices and wider economic uncertainty added to cost-of-living concerns and contributed to a more cautious tone among buyers and sellers.

Our latest agent sentiment survey points to mixed but largely neutral conditions. Sentiment is showing pockets of negativity, although this appears to reflect short-term uncertainty rather than a clear shift in the underlying direction of the market.

Performance across the country remains uneven. The South Island is generally performing better than the North Island, supported by the strength of the agriculture and tourism sectors. Ongoing internal migration into parts of the South Island is also helping sustain housing demand.

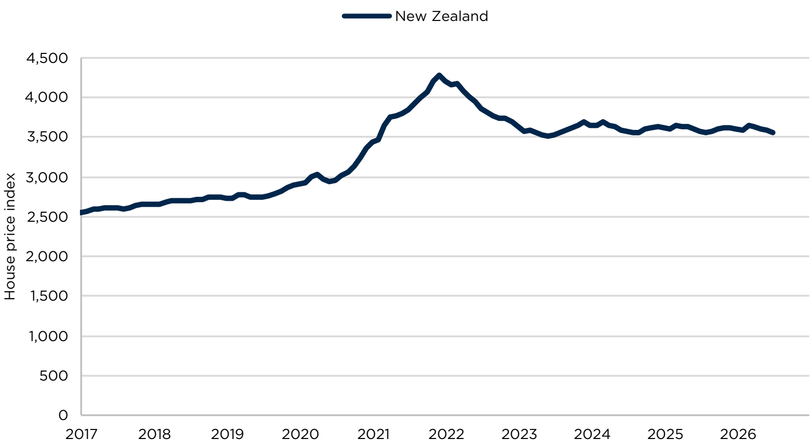
The main constraint on the market remains the large number of homes available for sale. Elevated stock levels continue to give buyers plenty of choice and are limiting price growth in most markets. Some markets in the lower South Island are seeing price growth, which is encouraging for the wider market.

Looking forward, the Reserve Bank's first increase of the Official Cash Rate during July is unlikely to materially impact the market given it was widely anticipated and largely already reflected in home loan rates.

Our view is the market is likely to remain broadly neutral through the second half of 2026, with 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

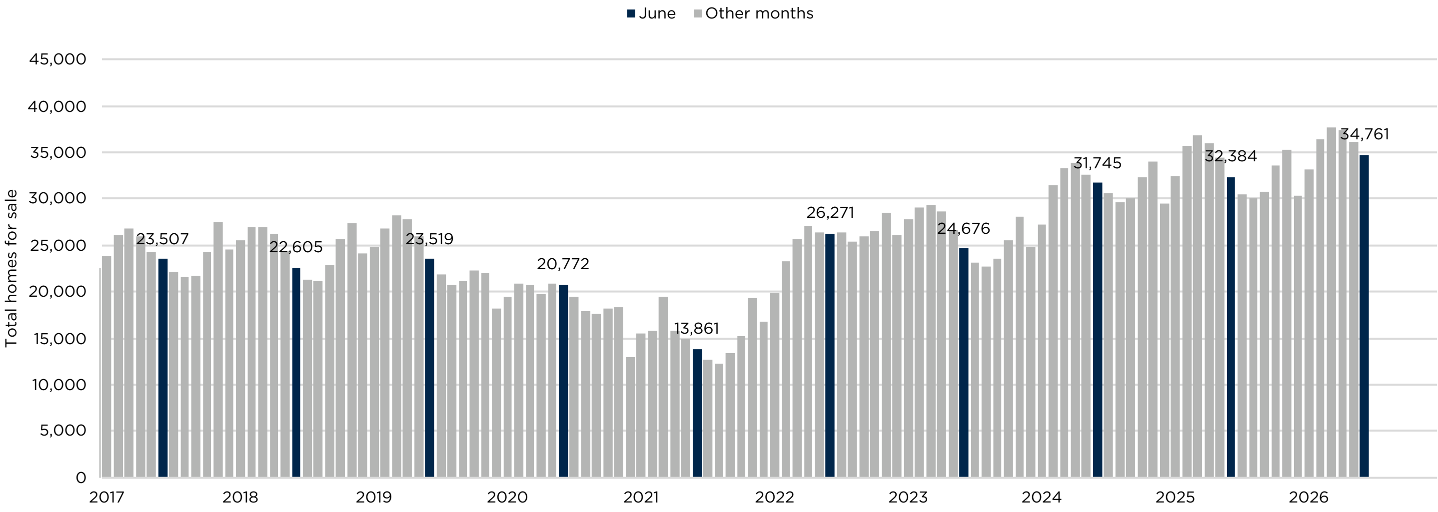
$770,000

Change in house price index over past 12 months

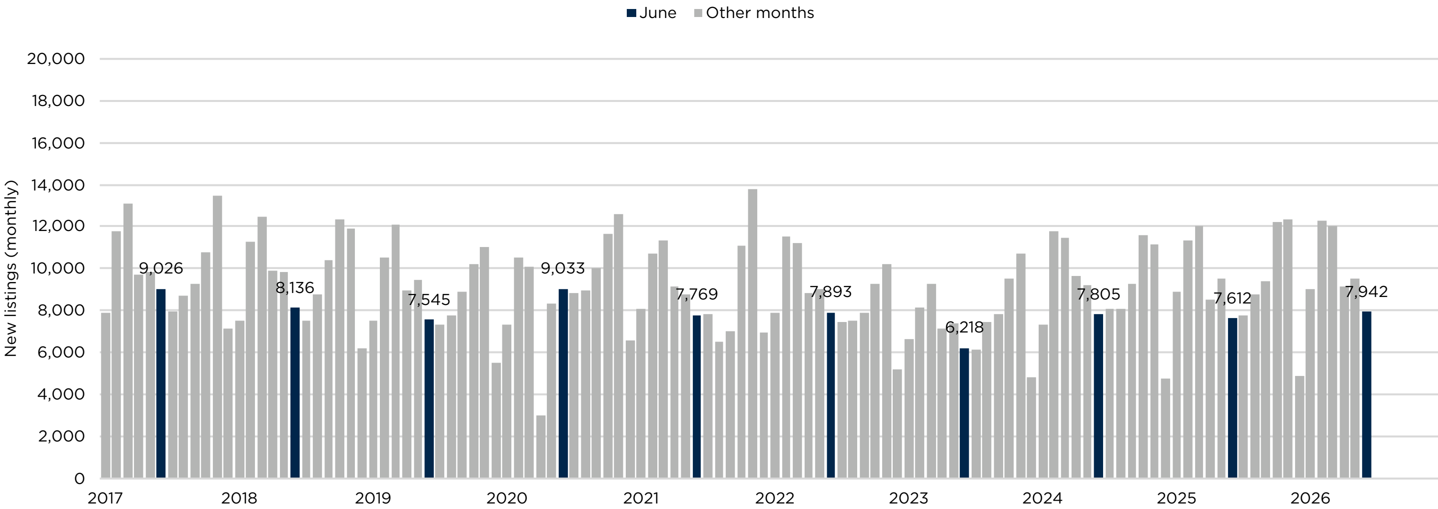
-0.8%

Activity

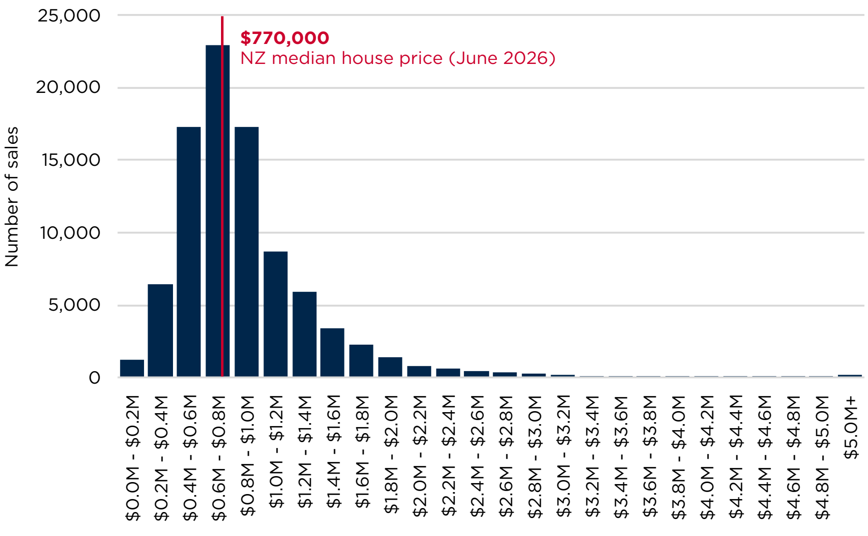
Total homes for sale is high (New Zealand)

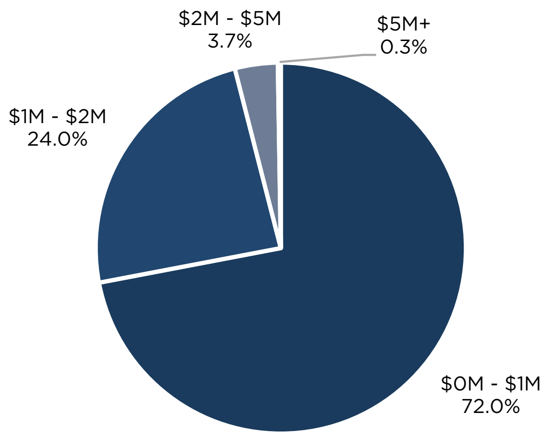


Sale counts a bit soft (New Zealand)



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

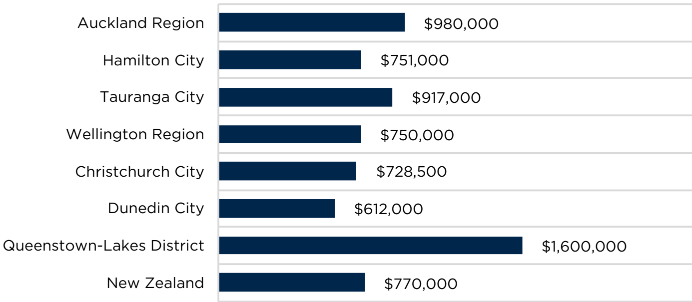




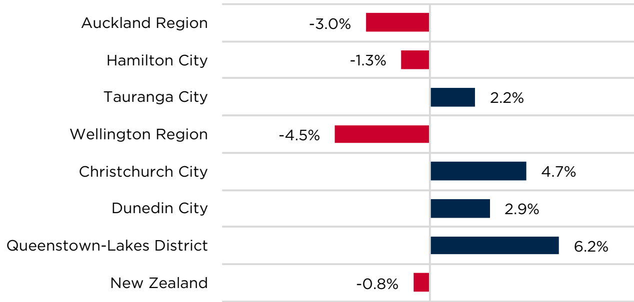
Data: Powered by REINZ and Realestate.co.nz. Graphs highlight comparable months to help navigate the seasonality of the market over the year.

Major markets

Median house price

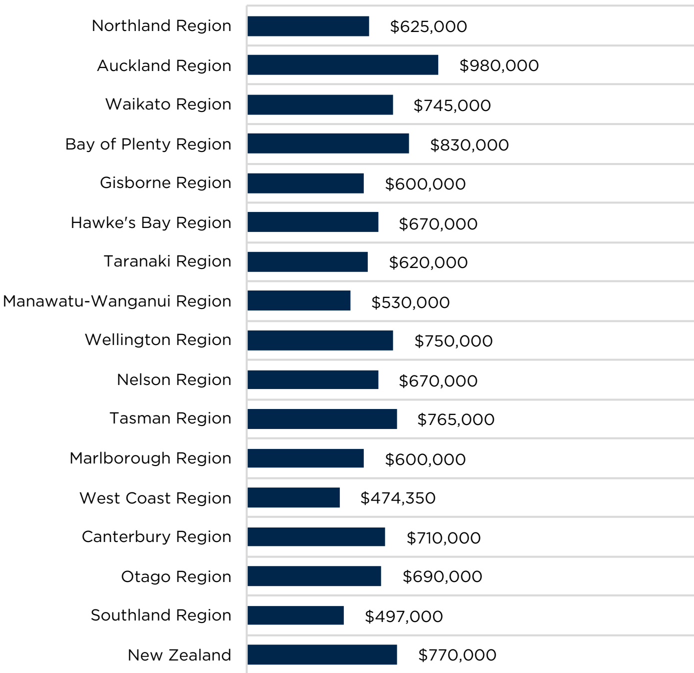


Change in house price index over past 12 months

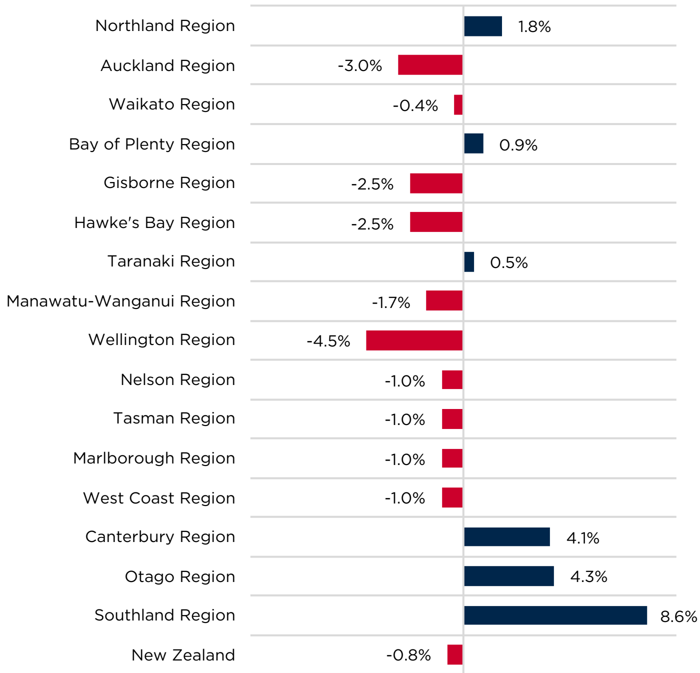


Regional

Median house price



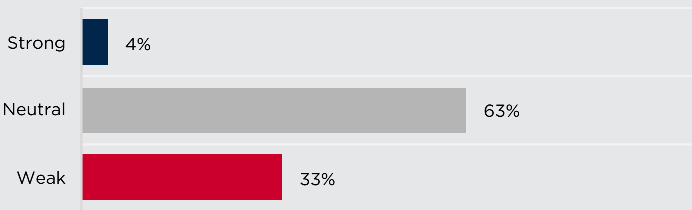
Change in house price index over past 12 months



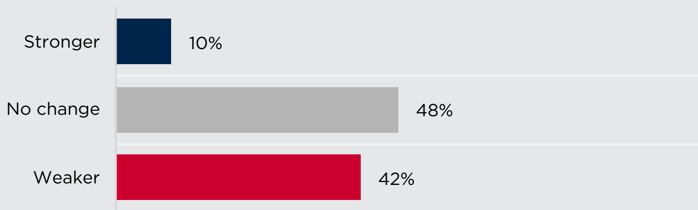
Data: Powered by REINZ.

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

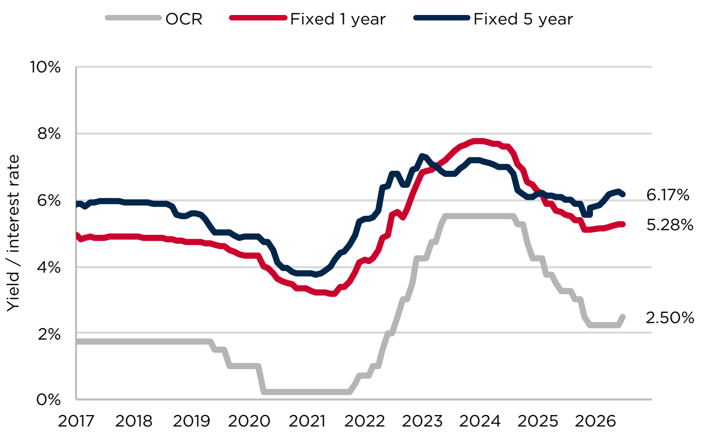
What's the most common challenge you're facing with vendors?

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

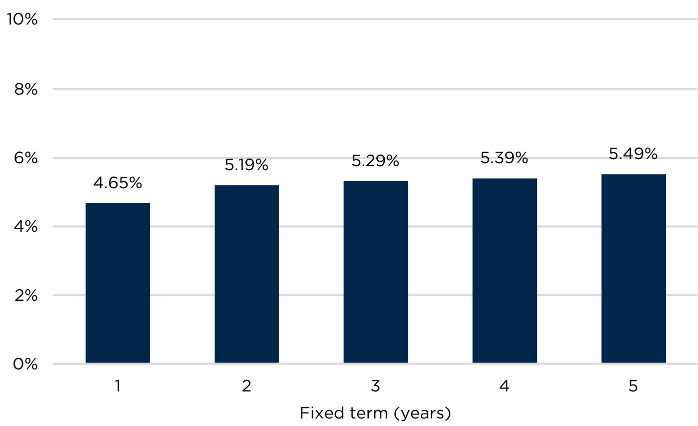
Data: Bayleys quarterly sentiment survey of agents, property managers and mortgage brokers. June 2026 results. n = 262 for residential agents

Investment indicators

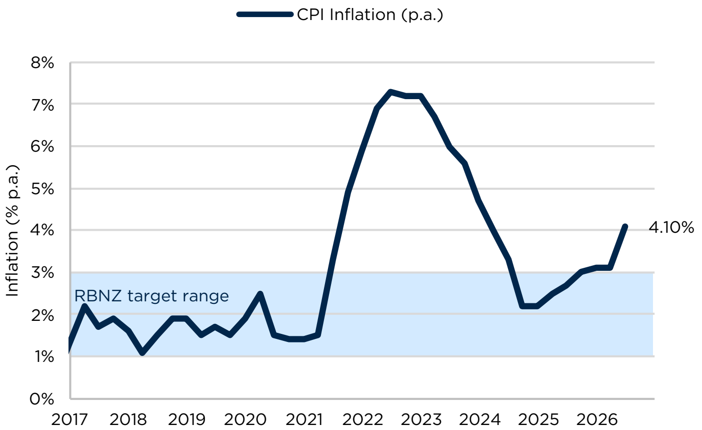
Interest rates down from peak but rising



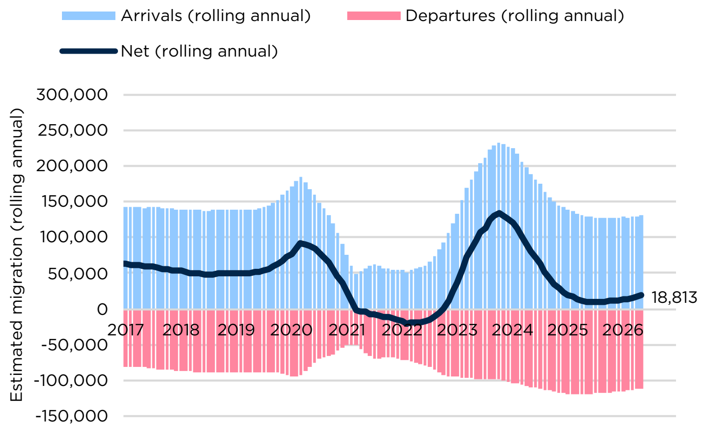
Home loan rates (20%+ deposit)



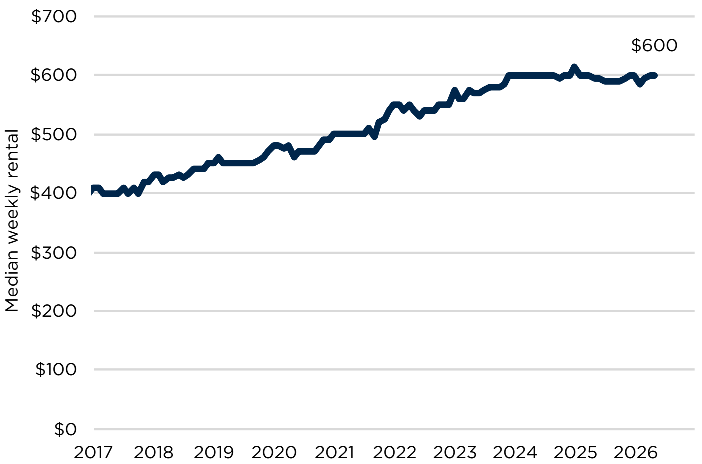
Inflation running a bit hot



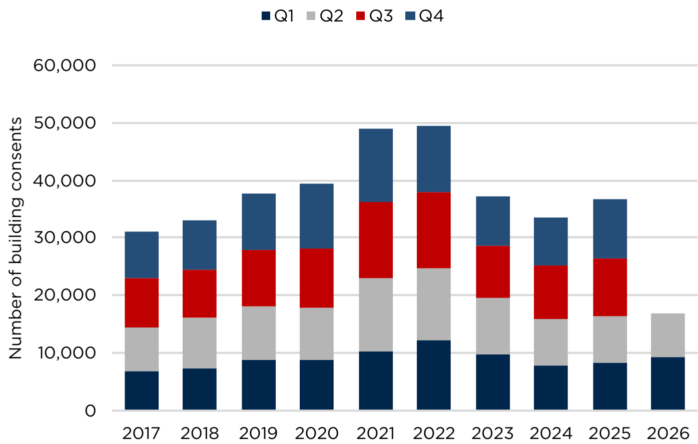
Migration down but starting to recover



Rents steady



Building consents steady



Data: RBNZ, Stats NZ, MBIE.

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