NEW ZEALAND APARTMENT RESIDENTIAL MARKET UPDATE

New Zealand's new build apartment 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, price growth is constrained by relatively high levels of homes for sale, a softer economic backdrop, and subdued population growth. These conditions point to broadly stable prices through 2026.

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 near-term direction for interest rates remains uncertain. Inflation and pockets of positive economic data may place upward pressure on rates, although broader economic conditions remain difficult to predict.

Inside the apartment buyer mindset
Bayleys' buyer surveys show that low maintenance, affordability and security are key attractions for apartment buyers. Key concerns include limited space and storage, neighbour-related issues, and rising body corporate costs. Concerns around ventilation and cooling are also likely to grow in importance following recent media coverage.

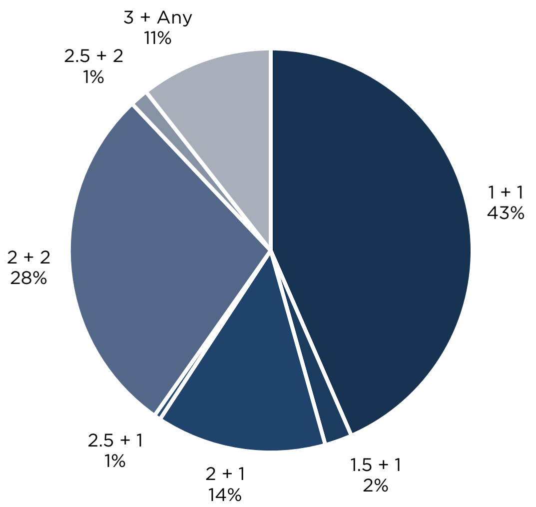
Development cycle yet to gain momentum
The next development cycle remains in its early stages. Off-the-plan sales rates are subdued, reflecting the reasonable supply of existing properties for sale and limited pressure on the wider residential market. Many developers from the previous cycle still have capital tied up in existing projects, constraining new launches. Current activity is largely led by larger players with less constrained funding, skewing the pipeline towards larger-scale schemes suited to corporate developers.

Product design continues to evolve
Recent apartment designs are delivering more storage, along with greater provision of electric vehicle charging and secure mailroom systems. Developers are placing greater emphasis on marketability alongside profitability, resulting in fewer two-bedroom, one-bathroom layouts and fewer flexi-room designs.

Competing products target the downsizer market
The high-end apartment market is facing increased competition from the expansion of retirement villages into more neighbourhoods, as well as townhouse designs being adapted for older buyers, particularly through the inclusion of lifts. As a result, developers face increased pressure to differentiate their schemes through design and features.

Overall distribution by configuration

Bedrooms + Bathrooms



Data: Bayleys Insights & Data.

Apartments as proportion of all new homes consented

6.4%

Typical internal GFA for 2 bedroom 2 bathroom apartments

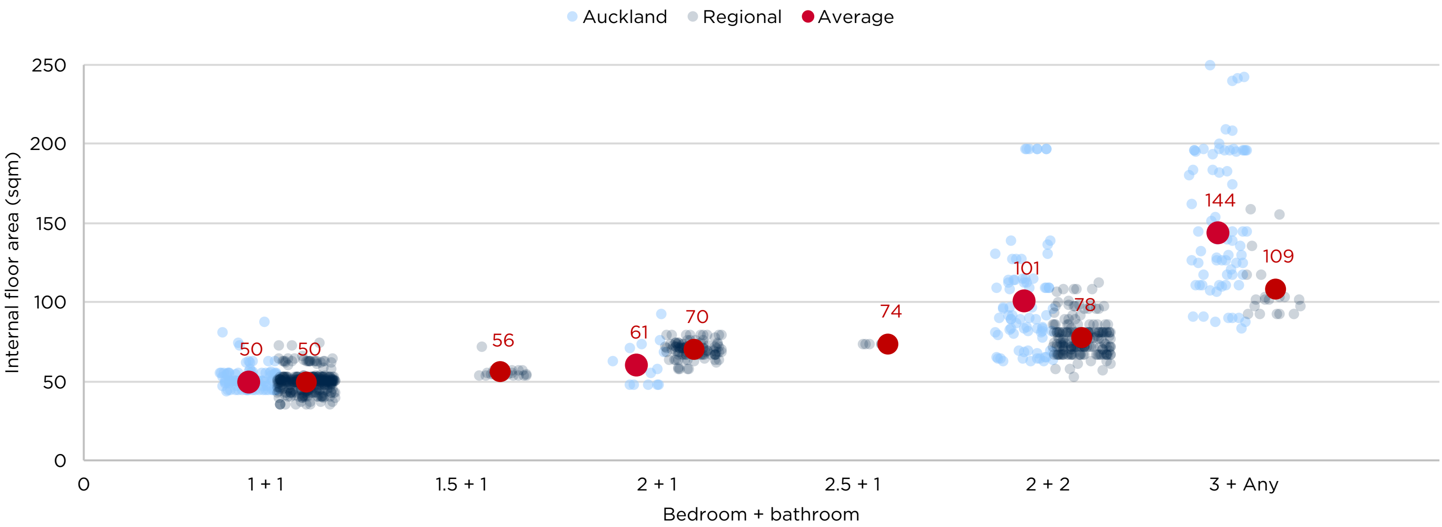
72 - 92 sqm

Typical asking price (psm) for 2 bedroom 2 bathroom apartments

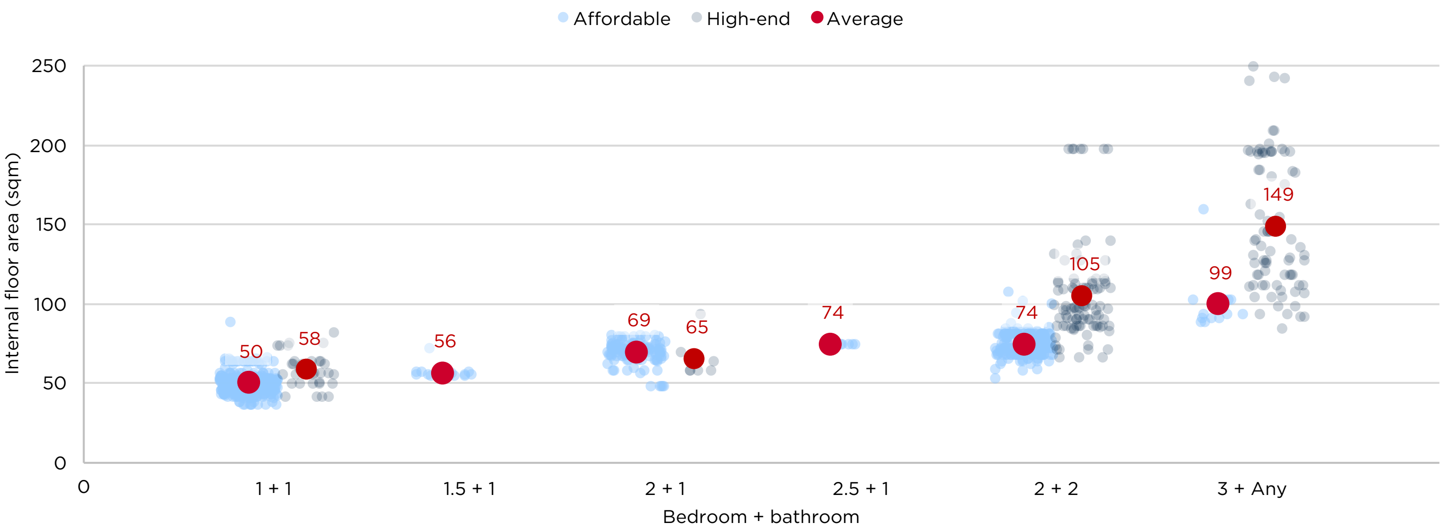
$12,500 – $28,390

Metrics

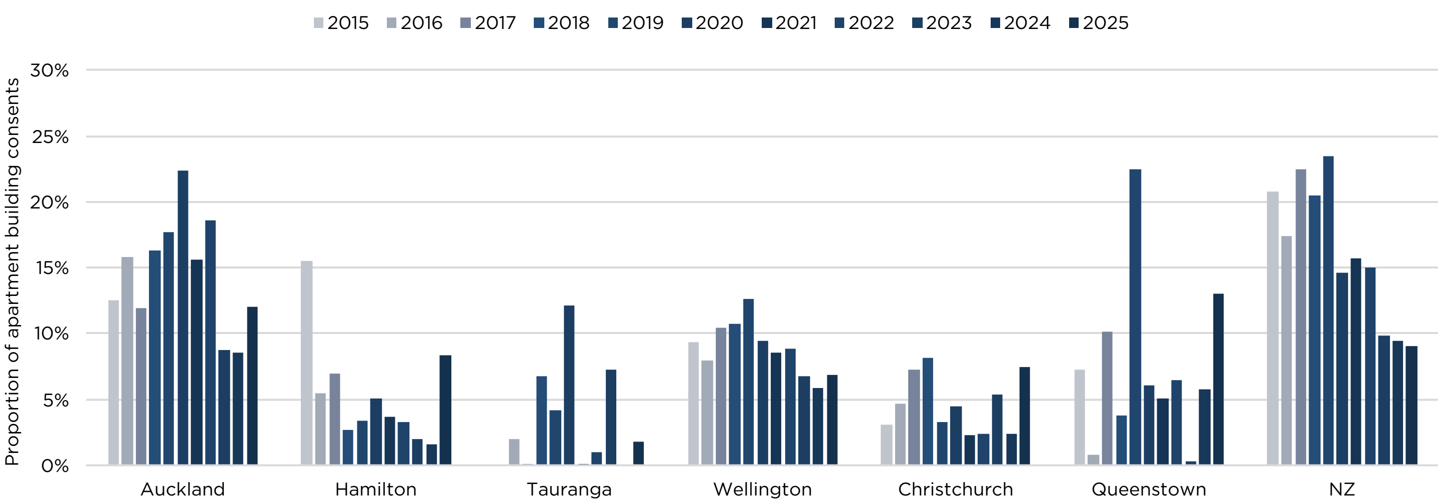
Internal GFA by configuration and region



Internal GFA by configuration and quality



Apartment as a proportion of all homes consented over time



Data: Bayleys Insights & Data. Sample of individual units within new build apartment projects across New Zealand (n>1,000).
Projects sampled based on either being marketed, under construction or completed within the past 12 months.

Notable projects

2 New Street, St Marys Bay, Auckland

Address 2 New Street
Unit count 15
Completion 2027 forecast

Pillars, St Marys Bay, Auckland

Address College Hill & Dublin Street
Unit count 20
Completion 2028 forecast

Seascape, Auckland Central, Auckland

Address 83 Customs Street East
Unit count 221
Completion 2027 forecast

The Stables, Epsom, Auckland

Address 229 Green Lane West
Unit count 130
Completion 2028 forecast

Ode Residences, Remuera, Auckland

Address 515 Remuera Road
Unit count 14
Completion 2027 forecast

The Kingsview, Mt Eden, Auckland

Address 599 Mt Eden Road
Unit count 13
Completion 2027 forecast

Lido Apartments, Wellington

Address 260 Wakefield Street
Unit count 138
Completion 2027 forecast

The Lodges, Cardrona Valley, Wanaka

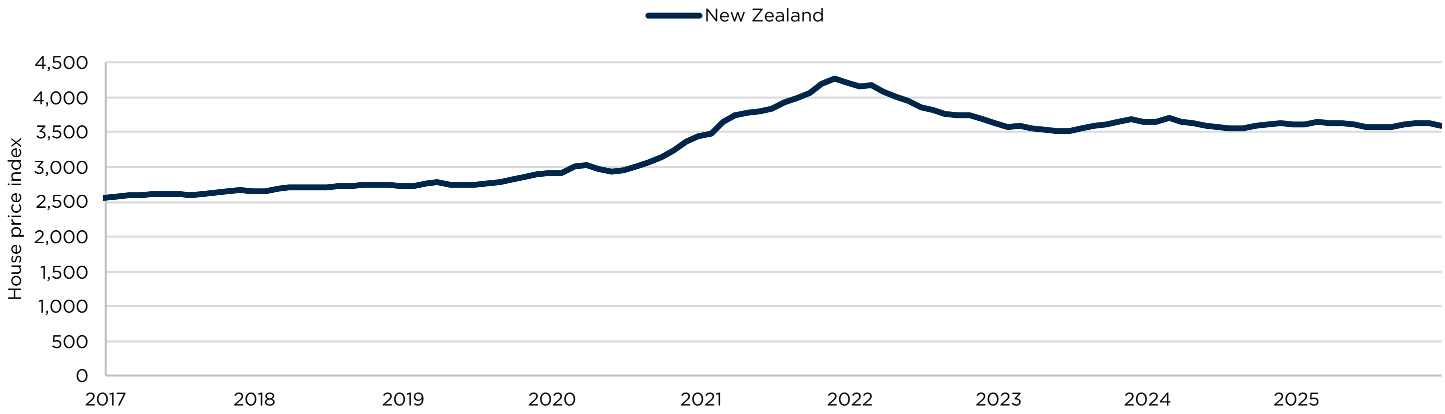
Address Mt Cardrona Station
Unit count 33
Completion 2028 forecast

Mountain Oak, Queenstown

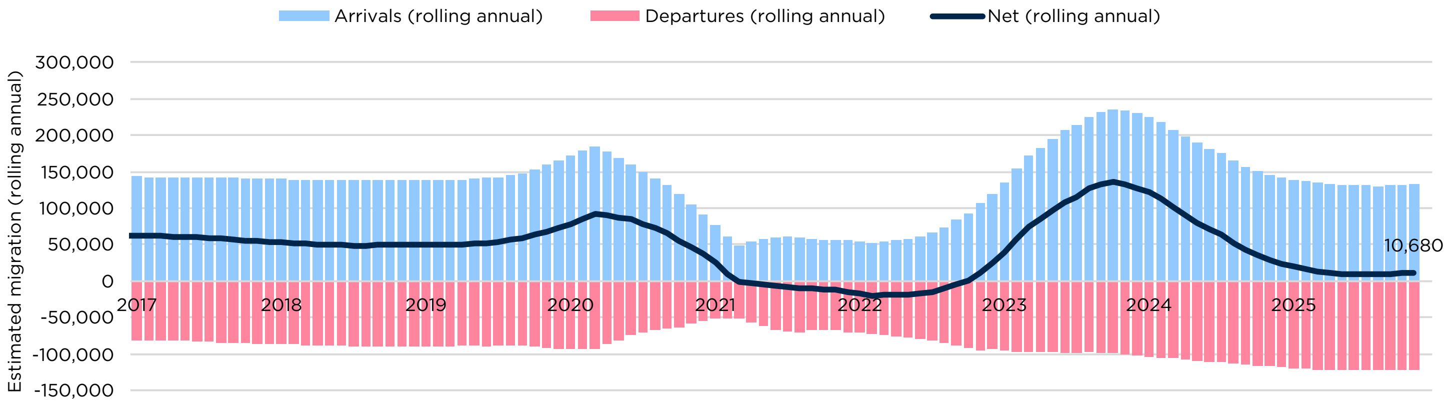
Address 7 Market Street
Unit count 141
Completion 2026 forecast

Lead indicators

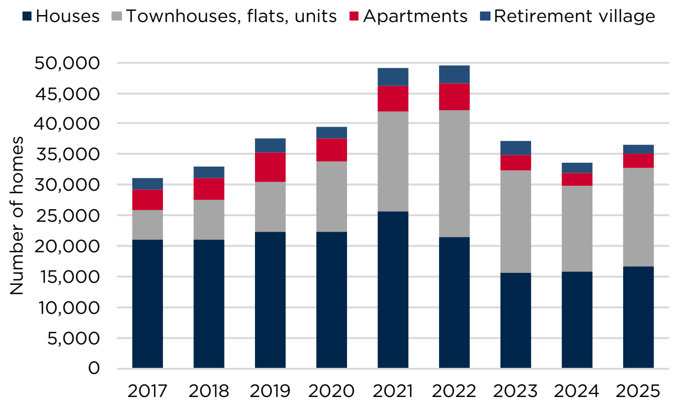
House price index over time: New Zealand



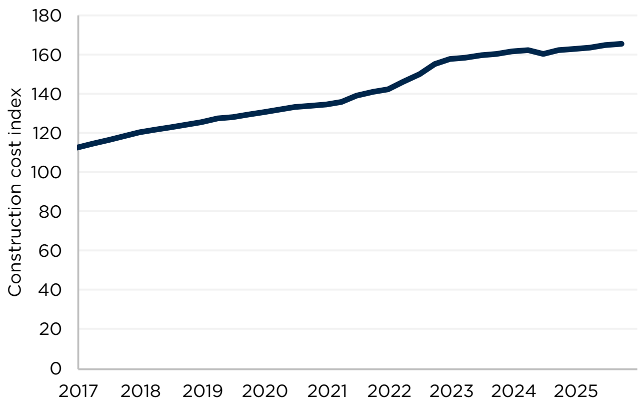
Migration



Residential building consents: New Zealand



Construction prices



Data: Stats NZ, Cotality. 2025 building consent numbers up to December 2025.

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