ANZ Research

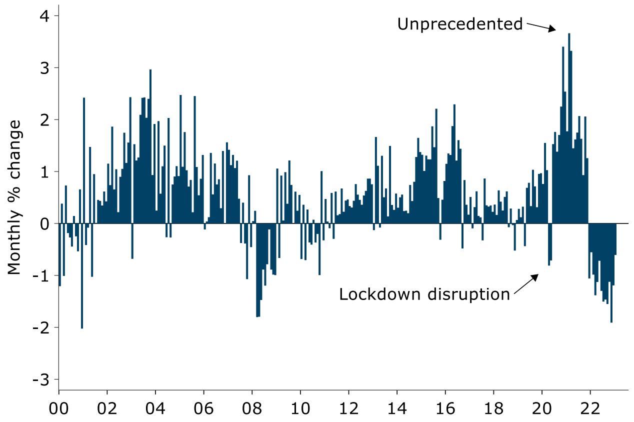
February 2023

New Zealand Property Focus

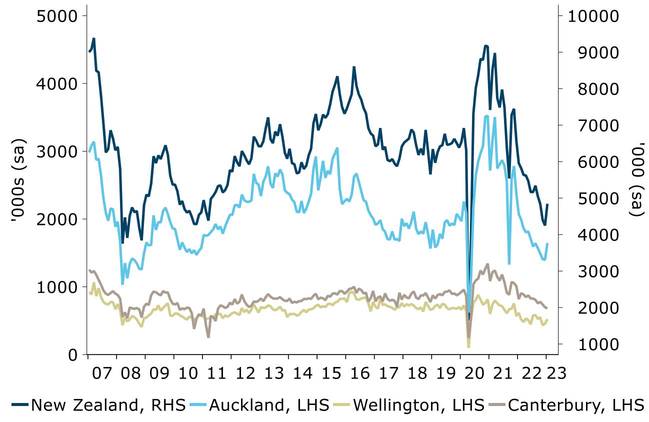
Rain check

At a glance

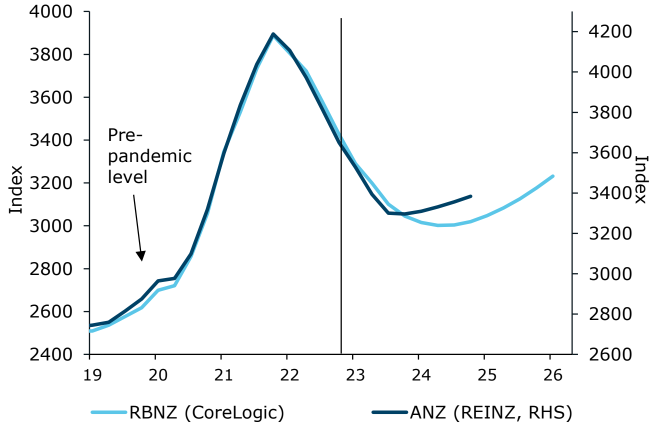
House prices fell *just* 0.6% month-on-month in January…



…and sales lifted in seasonally adjusted terms



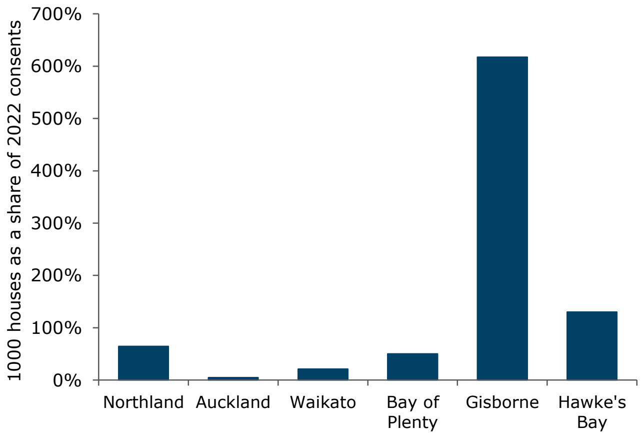
We maintain our forecast of a 22% decline overall



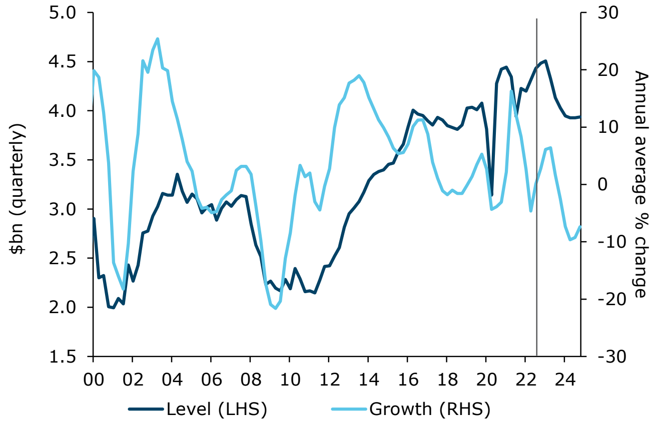
Cyclone Gabrielle presents risks to the outlook

- More pressure on construction costs and rents
- Upwards pressure on house prices in affected regions
- Upwards pressure on residential activity

Auckland is probably the only impacted region that will be able to rebuild from local resources



Our pre-Gabrielle forecasts have capacity opening up in residential investment – it'll be needed.



Source: Stats NZ, RBNZ, REINZ, Realestate.co.nz, BIS, Macrobond, ANZ Research

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Summary

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

Property Focus

House prices fell less than expected in the month of January, but it’s far too early to say if that’s the beginning of the market finding a floor a little earlier than expected or just a blip. Our outlook implies it’s the latter, as we maintain our outlook for a 22% peak to-trough decline in house prices, which if correct (a big if, to be honest) implies house prices have another 7% or so to fall from here. But cyclone Gabrielle, and to a lesser extent the Auckland flooding in late January, will certainly change the outlook for housing and residential construction in parts of the country, representing an upside risk to both house prices and construction activity. In largely unaffected regions, on the other hand, if the inflationary impacts of the weather events mean interest rates need to go higher, that would be an eventual negative for house prices and activity. That’s actually necessary, to free up resources for the rebuild. At this early stage, we don’t have a good handle on the timing or the magnitude of these impacts. We discuss some of the risks to the housing outlook that these events present, and will endeavour to incorporate more into our outlook as information comes to light. See our Property Focus.

Mortgage borrowing strategy

Recent changes in fixed mortgage rates have seen the mortgage curve flatten, with average 6-month and 1-year fixed rates up, and 2 to 5-year rates down over the past month. Although the RBNZ lifted the OCR by 0.5% in late February, thus far none of the big-4 banks have lifted their floating rates. Although we often see floating rates move with the OCR, they don’t always move in lock step, and in a subdued housing market, banks are competing hard for their share of the new-lending pie. With the RBNZ OCR hike widely expected, there was very little reaction in wholesale markets to the hike itself, and that’s helped keep short-term fixed rates steady. But there are growing fears in financial markets (both locally and globally) that stubborn and persistent inflation pressures may force central banks to keep hiking, and that’s where we see the biggest source of upside risks to fixed mortgage rates. Given these risks and the flatter mortgage curve (with less than 0.20%pts separating the lowest and highest fixed rate), it’s pretty cheap to hedge your bets. It may be worth considering fixing a portion of debt for a little longer than usual. See our Mortgage Borrowing Strategy.

Property Focus

Summary

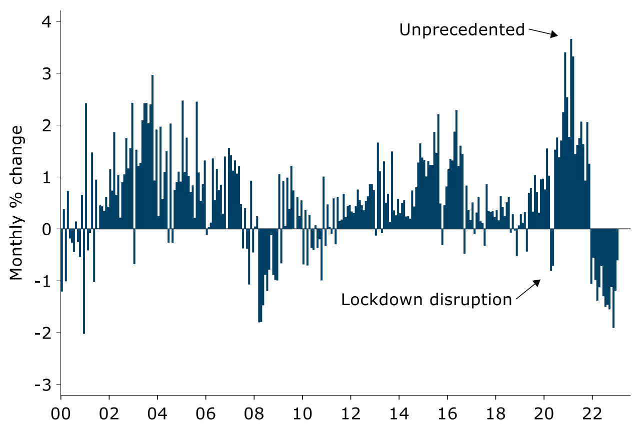
House prices fell less than expected in the month of January, but it's far too early to say if that's the beginning of the market finding a floor a little earlier than expected or just a blip. Our outlook implies it's the latter, as we maintain our outlook for a 22% peak-to-trough decline in house prices, which if correct (a big *if,* to be honest) implies house prices have another 7% or so to fall from here. But cyclone Gabrielle, and to a lesser extent the Auckland flooding in late January, will certainly change the outlook for housing and residential construction in parts of the country, representing an upside risk to both house prices and construction activity. In largely unaffected regions, on the other hand, if the inflationary impacts of the weather events mean interest rates need to go higher, that would be an eventual negative for house prices and activity. That's actually necessary, to free up resources for the rebuild. At this early stage, we don't have a good handle on the timing or the magnitude of these impacts. We discuss some of the risks to the housing outlook that these events present, and will endeavour to incorporate more into our outlook as information comes to light.

Our thoughts are with those hit hardest by these events.

Noise or signal?

After falling 0.6% m/m in January, the REINZ house price index is now a touch more than 15% off its November 2021 peak. While a 0.6% m/m fall is around half the size of the average monthly decline these past 14 months (figure 1), January typically has lower sales volumes, which can make price discovery a little blurrier.

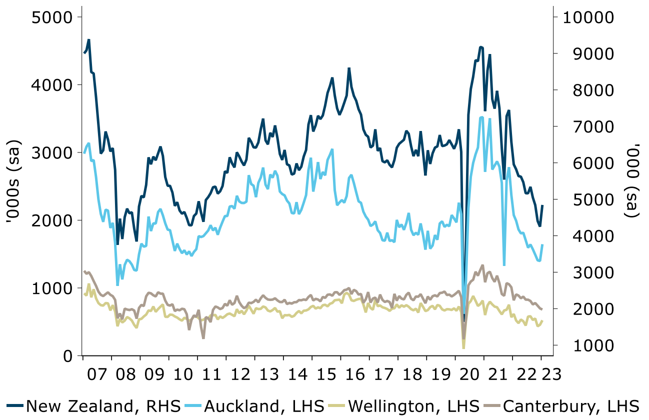
Figure 1. House price index



Source: REINZ, Macrobond, ANZ Research

That said, in seasonally adjusted terms, sales were up 14% m/m in January (but still at a low level overall, figure 2). Sales can be quite volatile on a month-on-month basis, so it's still too early to know if the January data represents the start of a turning point, or just noise in an ongoing downtrend. Our forecast for a 22% peak-to-trough decline in house prices is consistent with the latter.

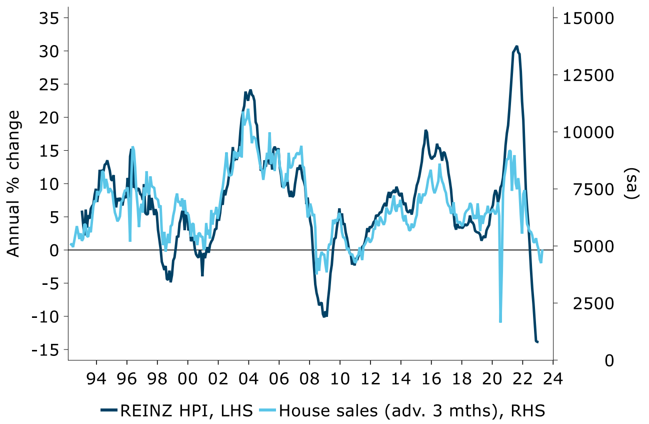
Figure 2. House sales



Source: REINZ, Macrobond, ANZ Research

House sales tend to lead prices by around three months, but a significant gap opened up when housing market nuttiness ensued in the wake of the pandemic stimulus, with price inflation exceeding growth in sales by a significant clip. And now, correspondingly, given the giddying starting point, house price inflation is undershooting. We expect the normal relationship to resume in time, but for now, all we can really conclude from the sales data is that the trend is downward sloping, but volatile.

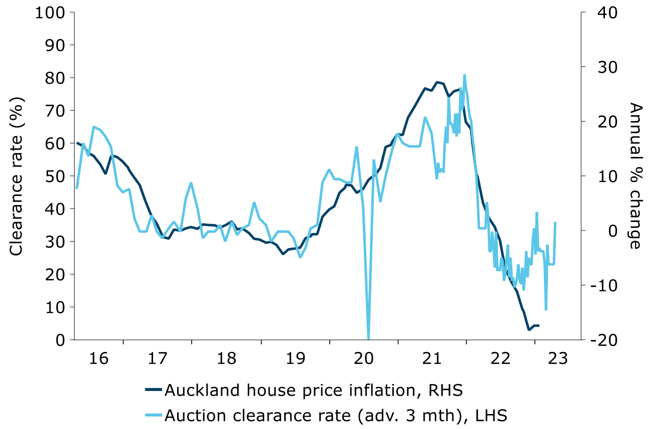
Figure 3. Sales vs prices



Source: REINZ, Macrobond, ANZ Research

Meanwhile, auction clearance rates in Auckland started 2023 with a decent lift, but remain at low levels (figure 4, over). These data can also be very volatile, but we're watching closely for potential green shoots here, given both the size of the Auckland market and the traditionally close relationship between clearance rates and prices (although you may expect that relationship to break down a bit when auction volumes are low, as auctions can become less popular as a means of sale, muddying the signal).

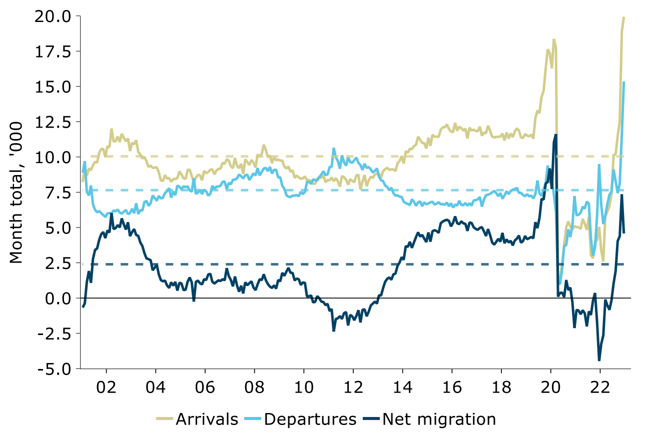
Figure 4. Auckland auction clearance rates and house prices



Source: REINZ, Barfoot & Thompson, interest.co.nz, Macrobond, ANZ Research

Taking stock, the January data show a sharp lift in seasonally adjusted sales and auction clearance rates, and a smaller monthly decline in prices than the recent average. Taken together with the recent strong uplift in net migration (which we discuss in our latest Quarterly Economic Outlook, including the necessary health warning regarding just how susceptible the net migration data is to significant revisions), surprises to our house price forecast could well land on the upside over the next few months. Cyclone Gabrielle also presents further upside risk – which we discuss later.

Figure 5. Net migration

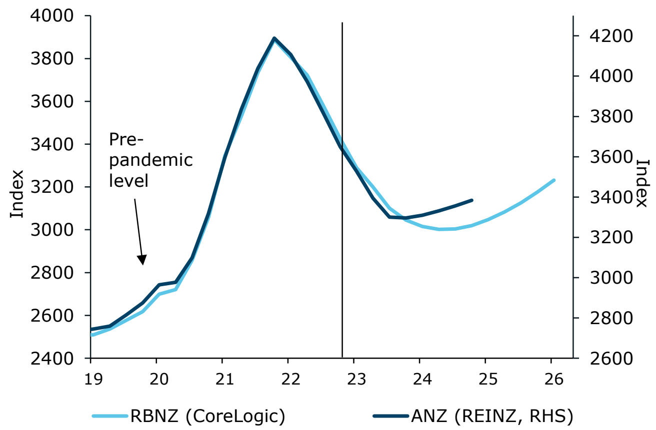


Source: Stats NZ, Macrobond, ANZ Research

But before we go getting too 'bullish' (upbeat) on the housing outlook, we should remember that a stronger housing market than expected may well be a signal that the household sector in general isn't 'cooling the jets' as much as the RBNZ needs it to in order to get inflation down. In addition, direct and indirect inflationary impacts of the cyclone may not be able to be "looked through" by monetary policy if it looks like it is starting to impact on inflation expectations and decision-making. That means the RBNZ may need to hike the OCR by more than we, or they, expect.

Not that housing is the be-all and end-all when it comes to CPI inflation, but the RBNZ's private consumption and residential investment forecasts (which influence their CPI forecast) do factor this in, and they are forecasting a slightly deeper and more prolonged downturn than we are (figure 6).

Figure 6. House price forecasts



Source: REINZ, CoreLogic, RBNZ, ANZ Research

So, as we've been saying for quite some time now, be careful what you wish for. Housing is ultra-sensitive to higher mortgage rates, and if the RBNZ concludes they need to do more, then even their relatively weak housing outlook could be an optimistic scenario.

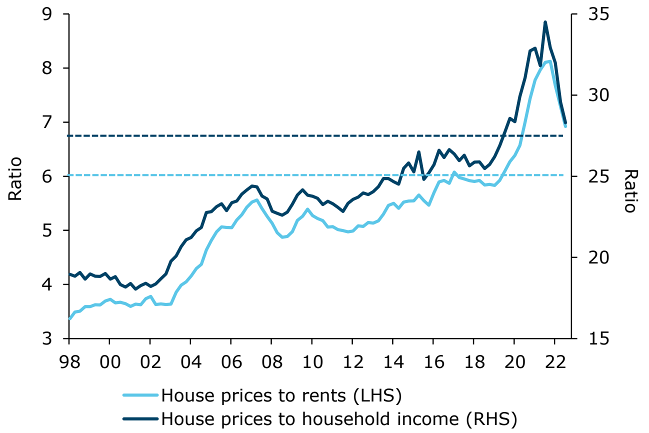
Turning away from the current housing impulse and towards the fundamentals, we see no evidence to suggest the housing market is approaching 'fair value' levels – you would need very optimistic expectations about future capital gains to make that conclusion.

House prices relative to rents are still well above pre-pandemic levels, meaning investors are unlikely to be seeing a lot of opportunity in the market – particularly given tax rules around interest deductibility, which will hurt more as interest costs rise.

The combination of household income growth and falling house prices means housing affordability as measured by house prices relative to household incomes is almost back at pre-pandemic levels[1]. That news will be welcomed by first home buyers, but it's not like pre-pandemic levels were 'affordable'. And higher mortgage rates mean they can borrow less. So getting on the housing ladder hasn't become any easier yet in the big picture.

[1] We use household median weekly income, covering up to June 2021. Income projections thereafter are based off QES wage growth.

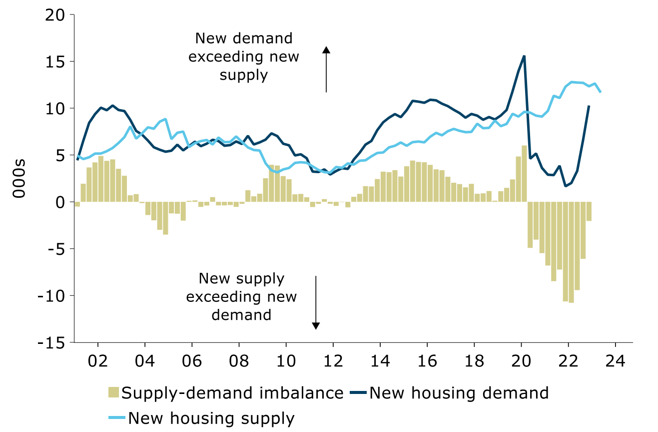
Figure 7. House prices relative to rents and household income



Source: REINZ, Stats NZ, MBIE, ANZ Research

The other fundamentals lens we have is housing supply relative to demand. There are lots of assumptions required to make a housing deficit/surplus calculation, meaning the error band is wide (tens of thousands of houses wide). But for what it's worth, as at the end of 2022 things looked pretty square. We estimate a housing deficit of around 75,000 houses emerged between late 2012 and early 2020. Then, with the closed border dampening new demand (no immigration) and the building sector going gangbusters, this deficit that took around 7.5 years to build up looks to have been fully eroded in less than the three years to December 2022. In other words, it looks like 2023 kicked off without an undersupply of houses – for the first time in around 10 years!

Figure 8. New housing supply vs new demand



Source: Stats NZ, Macrobond, ANZ Research

Looking forward, however, this part of the fundamentals story may well be about to change. Net migration, if you believe the latest data, is picking up strongly, adding to new demand at a faster pace than supply growth, meaning we could soon be back in housing deficit territory. Then there's the houses wiped out by recent weather events. We don't have an accurate figure at this stage, but it could be well into the thousands.

Cyclone Gabrielle and the Auckland flooding

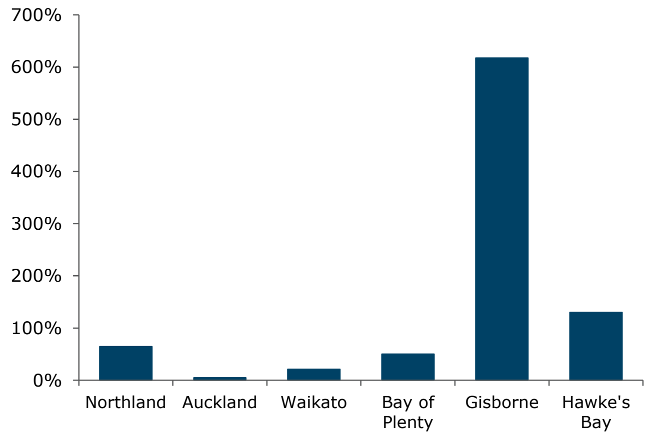
While the timing and magnitude of the impacts of these events is very uncertain at this early stage, the direction is not. Housing is now scarcer than before, and residential investment demand (to repair/rebuild) will be stronger than otherwise. We don't have official estimates of the damage, so haven't attempted to incorporate these events into our forecast just yet. But we can discuss the risks.

It's important to note that in the affected areas, the impacts on the likes of rental inflation, the housing stock, and construction costs could be quite extreme. But in aggregate terms, the impacts could be relatively muted.

In total, 49,538 new dwellings were consented in New Zealand in 2022, and of that, 21,400 were houses. Multi-unit dwellings such as apartments, townhouses, and retirement village units make up the difference. So far, from what we've been able to gauge (with the caveat that the official count is still rising), the number of red and yellow stickered properties appears to be in the low thousands. But we really are in the dark on that.

As the headlines roll in about how many houses are damaged in each region, it's useful to have a feel for what these figures represent in terms of local residential construction activity in more normal times. Figure 9 shows what 1000 houses represents as a share of total building consents issued in each region over 2022. A thousand houses in Auckland comes in a touch under 5% of 2022 consents, while in Gisborne, which issued just 162 consents in 2022, this would represent more than 600% of total consents in 2022. That is, every 1000 houses needing a full rebuild in this region represents about six years of local business as usual residential construction activity. For the Hawke's Bay, 1000 houses would be about 16 months of BAU.

Figure 9. 1000 houses as a share of 2022 consents



Source: Stats NZ, ANZ Research

In Auckland, the approximately 3,000 red or yellow stickered properties to date represent about 14% of total consents issued over 2022, but around 62% of house consents (given the large amount of multi-unit consents in Auckland).

To put that another way, let's assume construction resources (builders and materials etc) are fully flexible between houses and multi-unit dwellings, and all 3,000 stickered properties require the equivalent amount of work as an average consent (almost certainly an overestimate as we are only considering consents for new builds). With those simplifying assumptions, this disaster would add around two months to the current residential investment pipeline in Auckland. But if resource from the bigger end of town (eg apartment construction) wasn't flexible, and we estimate this based on house consents only, this could be as high as six months. On the other hand, it's likely that yellow-stickered properties (which account for around 80% of red and yellow combined), are less likely to require a full rebuild. And some stickered properties may not technically require any building work done on them at all – but the slope behind them might need a lot of expensive geotechnical work to enable the house to be lived in again. Indeed, geotechnical capacity is likely to be a bottleneck in the recovery process as a whole, given the amount of land that has been rendered unstable.

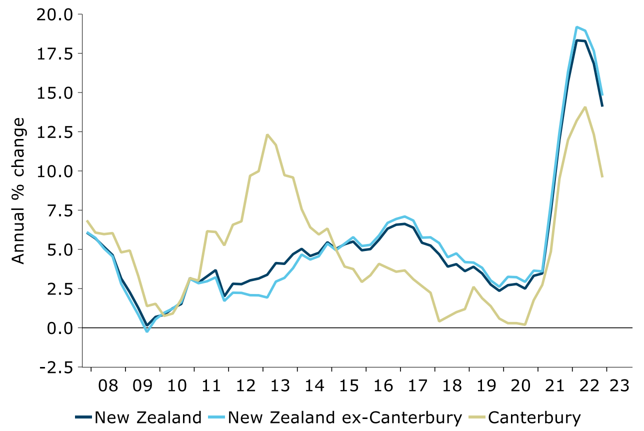
At this stage, we're thinking the impacts in Auckland are likely to be at the lower end of this 2-6-month range. If we assume yellow sticker properties require less than 50% of the work associated with an average consent, then we may only be talking a one-month addition to the current Auckland pipeline of works. Doable, is the upshot.

We're not in a position to speculate how many houses are likely to be impacted in each region. These numbers are still coming in. But relative to local productive capacity, Auckland is likely to be only affected region that will be able to repair/rebuild in a remotely acceptable timeframe out of local resources.

The work will undoubtedly put upwards pressure on construction costs. How much is a big unknown, but as we note in this recent Insight, the rebuild following the Canterbury earthquakes certainly added to construction costs as measured by the CPI (figure 10).

Rents inflation is also likely to come under intense pressure in the affected regions. These regions already had relatively tight housing supply after considerable population growth in recent years.

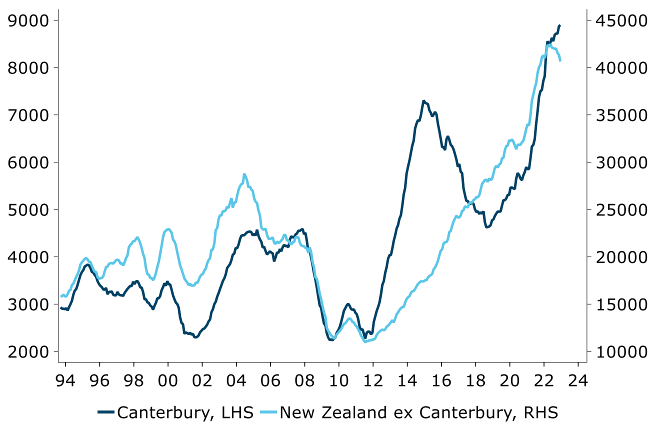
Figure 10. Construction cost inflation



Source: Stats NZ, Macrobond, ANZ Research

While we don't know how many houses will need rebuilding in the wake of Gabrielle, we do know that following the Canterbury earthquakes, around 7,000 were 'red-zoned', with thousands more needing either a full rebuild or significant repair. Annual consent issuance in Canterbury peaked at 7,000 in the year to December 2014 (figure 11) quite some time after the events of September 2010 and February 2011.

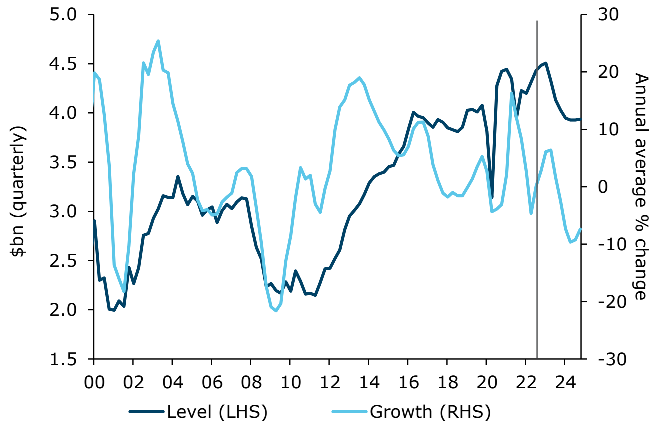
Figure 11. Annual consents



Source: Stats NZ, Macrobond, ANZ Research

It's clear we have more residential investment to factor into our forecast, but how much, and over what time horizon is unknown. Our current forecast, which doesn't factor in any impacts from the cyclone, has residential investment activity falling from mid-2023 as higher interest rates and the weaker housing market weigh. For the impacted regions, this is a mixed bag – higher interest rates are not helpful in and of themselves, obviously, but currently there is very little spare economic capacity to accommodate a decent-sized rebuild programme. By lifting the OCR now, the RBNZ is freeing up capacity for this to happen in time. But labour mobility (getting the workers to where they are needed) will be a big part of how effective this is. Net migration will certainly have a role to play. The Government has already announced a streamlined 6-month visa process for workers to help with the repair and rebuild effort.

Figure 12. Residential investment forecast



Source: Stats NZ, ANZ Research

These events also present a new upside risk to the outlook for house prices in the near term. Housing is now scarcer, and in some regions this scarcity is extreme. But once again, we don't have a good handle on the scale of the issue, nor for how long it is likely to last, so cannot reasonably factor this into our (already uncertain) house price forecast. But when we do have a bit more info, it's important to remember that upside activity and inflation risks represent an upside risk to interest rates. If these risks materialise, there would likely be offset to house prices via the interest rate channel.

All up, higher than otherwise rents, construction costs and residential construction activity are all likely. House prices could be higher in affected regions in the near term owing to increased scarcity. Over the medium term, however, if the RBNZ ends up raising the OCR by more (due to cyclone inflation impacts or anything else), that would be a downside risk for nationwide house prices. By this time next month we will hopefully be in a better position to incorporate more into our forecasts.

Our thoughts are with those most affected by these events, and we thank those who have stepped up to offer support to those in need. Kia kaha.

Housing market indicators for January 2023 (based on REINZ data seasonally adjusted by ANZ Research)

	Median house price			House price index		# of monthly sales	Monthly % change	Average days to sell
	Level	Annual % change	3-mth % change	Annual % change	3-mth % change			
Northland	$689,523	-16.7	0.0	-10.4	-4.9	125	+28%	56
Auckland	$971,216	-21.7	-6.3	-17.2	-4.4	1,646	+18%	45
Waikato	$777,609	-6.0	-3.1	-9.3	-3.8	450	+14%	54
Bay of Plenty	$755,966	-19.0	-4.9	-13.7	-4.3	287	+14%	55
Gisborne	$692,565	3.3	6.9	-12.0	-4.3	35	+45%	55
Hawke's Bay	$656,009	-16.1	-5.8	-12.0	-4.3	158	+8%	51
Manawatu-Whanganui	$527,364	-12.4	-3.0	-14.7	-3.7	251	+4%	45
Taranaki	$623,288	1.1	-0.2	-4.3	-2.5	110	-7%	47
Wellington	$792,962	-16.8	-4.0	-20.9	-4.8	523	+14%	51
Tasman, Nelson & Marlborough	$696,637	-10.1	-6.6			166	+7%	53
Canterbury	$653,898	-1.6	-1.6	-7.0	-2.0	682	-2%	38
Otago	$641,163	-11.1	-2.3	-5.2	-2.5	283	+16%	49
West Coast	$371,299	3.1	8.4	-7.7	-1.4	33	+32%	54
Southland	$422,796	-2.0	0.5	-6.0	-1.4	110	+3%	42
New Zealand	**$785,688**	**-13.2**	**-3.4**	**-13.9**	**-4.1**	**4,845**	**+14%**	**47**

Mortgage borrowing strategy

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Summary

Recent changes in fixed mortgage rates have seen the mortgage curve flatten, with average 6-month and 1-year fixed rates up, and 2 to 5-year rates down over the past month. Although the RBNZ lifted the OCR by 0.5% in late February, thus far none of the big-4 banks have lifted their floating rates. Although we often see floating rates move with the OCR, they don't always move in lock step, and in a subdued housing market, banks are competing hard for their share of the new-lending pie. With the RBNZ OCR hike widely expected, there was very little reaction in wholesale markets to the hike itself, and that's helped keep short-term fixed rates steady. But there are growing fears in financial markets (both locally and globally) that stubborn and persistent inflation pressures may force central banks to keep hiking, and that's where we see the biggest source of upside risks to fixed mortgage rates. Given these risks and the flatter mortgage curve (with less than 0.20%pts separating the lowest and highest fixed rate), it's pretty cheap to hedge your bets. It may be worth considering fixing a portion of debt for a little longer than usual.

Fixed mortgage rates have moved in both directions over the past month, with the average 6-month and 1-year rate up around 0.1%pts. By contrast, 2-year and longer fixed rates fell, in line with wholesale rate moves driven by offshore developments. Locally, one obvious development to note was the RBNZ's decision to lift the OCR by 0.5%pts this month. While that was the seventh outsized hike that the RBNZ has delivered in a row, it was clearly signalled and widely expected. Because of that, the hike was already factored into wholesale interest rates, and its actual delivery saw a very muted reaction in financial markets.

As with the last OCR hike, what happens next depends on how things pan out relative to expectations. And this is where things get interesting, because as has been the case for some months now, financial markets are pricing in cuts over the second half of the year. And these expectations aren't trivial – as we go to print, markets are pricing in 0.61%pts of cuts between August 2023 and August 2024. Markets are also pricing in a peak OCR of around 5.50%. That isn't something most forecasters (including the RBNZ) would likely quarrel with, but the idea of cuts so soon is contentious. And that, in turn, is where we see the biggest source of upside risk to wholesale interest rates, and by extension, mortgage rates.

We say that because recent news on the inflation front hasn't been encouraging at all – if anything, quite the opposite. Most people know that inflation is high at the moment, and that's the main reason why more OCR hikes are likely over coming months. But with recent data suggesting that US economic activity and inflation are starting to reaccelerate, and rebuilding in the wake of local recent weather events likely to put additional strain on already-scarce resources here, the risk is that the OCR may need to continue moving higher, rather than fall, as markets expect. Technically, what's happening in the US doesn't directly affect us here in New Zealand, but to the extent that it tells us anything about global inflation pressures, it may play into local inflation risks. And it is putting upward pressure on global interest rates, which is, in turn, having a direct impact on longer-term wholesale interest rates in NZ.

For mortgage borrowers, then, there is plenty to think about. Rates are high – with fixed rates for all tenors now at least double what they were at their respective 2021 lows. More hikes are priced in and global growth is slowing, but at the same time, it's not clear that inflation is slowing quickly enough. Given the degree of uncertainty, and the risk that policy interest rates may need to rise further, it may be worth considering fixing a chunk of debt for a little longer. Dividing your debt and staggering fixed rate terms not only hedges your bets; it can also smooth interest expenses.

With the mortgage curve as flat as it is, breakevens don't tell us much at the moment. The key judgement is instead much simpler: do you think rates will keep rising, or soon fall? Both are possible, but we think the former risk is the predominant one currently.

Figure 1. Carded special mortgage rates^

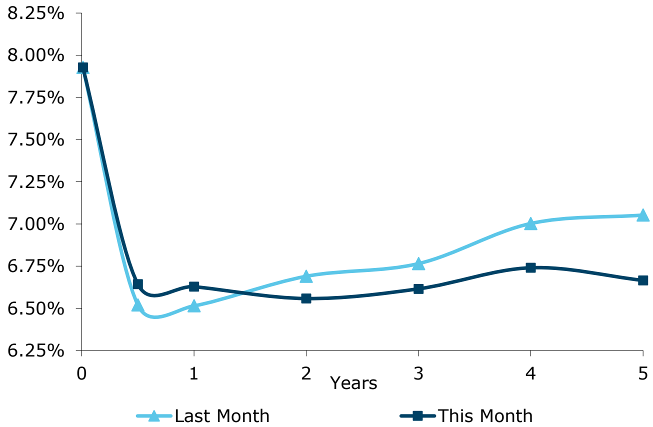

Table 1. Special Mortgage Rates

		Breakevens for 20%+ equity borrowers			
Term	Current	in 6mths	in 1yr	in 18mths	in 2 yrs
Floating	7.93%				
6 months	6.64%	6.61%	6.52%	6.46%	6.70%
1 year	6.63%	6.56%	6.49%	6.58%	6.73%
2 years	6.56%	6.57%	6.61%	6.74%	6.92%
3 years	6.62%	6.68%	6.78%	6.76%	6.74%
4 years	6.74%	6.71%	6.67%		
5 years	6.67%	#Average of "big four" banks			

^ Average of carded rates from ANZ, ASB, BNZ and Westpac.
Source: interest.co.nz, ANZ Research

Key forecasts

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

Mortgage Size ($000)	Mortgage Rate (%)													
	6.00	6.25	6.50	6.75	7.00	7.25	7.50	7.75	8.00	8.25	8.50	8.75	9.00	9.25
200	277	284	292	299	307	315	323	330	338	347	355	363	371	379
250	346	355	364	374	384	393	403	413	423	433	443	454	464	474
300	415	426	437	449	460	472	484	496	508	520	532	544	557	569
350	484	497	510	524	537	551	564	578	592	606	621	635	650	664
400	553	568	583	598	614	629	645	661	677	693	709	726	742	759
450	622	639	656	673	690	708	726	744	762	780	798	816	835	854
500	691	710	729	748	767	787	806	826	846	866	887	907	928	949
550	760	781	802	823	844	865	887	909	931	953	975	998	1,021	1,044
600	830	852	875	897	921	944	968	991	1,015	1,040	1,064	1,089	1,113	1,138
650	899	923	947	972	997	1,023	1,048	1,074	1,100	1,126	1,153	1,179	1,206	1,233
700	968	994	1,020	1,047	1,074	1,101	1,129	1,157	1,185	1,213	1,241	1,270	1,299	1,328
750	1,037	1,065	1,093	1,122	1,151	1,180	1,209	1,239	1,269	1,299	1,330	1,361	1,392	1,423
800	1,106	1,136	1,166	1,197	1,227	1,259	1,290	1,322	1,354	1,386	1,419	1,452	1,485	1,518
850	1,175	1,207	1,239	1,271	1,304	1,337	1,371	1,404	1,438	1,473	1,507	1,542	1,577	1,613
900	1,244	1,278	1,312	1,346	1,381	1,416	1,451	1,487	1,523	1,559	1,596	1,633	1,670	1,708
950	1,313	1,349	1,385	1,421	1,458	1,495	1,532	1,570	1,608	1,646	1,685	1,724	1,763	1,803
1000	1,383	1,420	1,458	1,496	1,534	1,573	1,613	1,652	1,692	1,733	1,773	1,814	1,856	1,897

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

	Actual			Projections						
Interest rates	Jun-22	Sep-22	Dec-22	Mar-23	Jun-23	Sep-23	Dec-23	Mar-24	Jun-24	Sep-24
Floating Mortgage Rate	5.9	6.7	7.8	8.0	8.7	8.9	8.9	8.9	8.9	8.9
1-Yr Fixed Mortgage Rate	5.1	5.2	6.4	6.6	6.5	6.3	6.2	6.0	5.9	5.7
2-Yr Fixed Mortgage Rate	5.6	5.6	6.6	6.6	6.4	6.3	6.1	6.0	5.8	5.7
5-Yr Fixed Mortgage Rate	6.3	6.0	6.8	6.7	6.6	6.6	6.5	6.4	6.4	6.3

Source: RBNZ, ANZ Research

Economic forecasts

	Actual			Forecasts						
Economic indicators	Mar-22	Jun-22	Sep-22	Dec-22	Mar-23	Jun-23	Sep-23	Dec-23	Mar-24	Jun-24
GDP (Annual % Chg)	0.8	0.3	6.4	3.8	4.4	2.3	-0.2	-0.9	-1.1	-0.7
CPI Inflation (Annual % Chg)	6.9	7.3	7.2	7.2(a)	7.1	6.3	6.1	5.1	4.0	3.5
Unemployment Rate (%)	3.2	3.3	3.3	3.4(a)	3.4	3.6	4.1	4.5	5.0	5.3
House Prices (Quarter % Chg)	-1.9	-3.3	-4.0	-4.3(a)	-3.4	-3.8	-2.8	-0.1	0.4	0.6
House Prices (Annual % Chg)	14.2	3.6	-5.6	-12.8(a)	-14.1	-14.6	-13.5	-9.7	-6.2	-1.9

Interest rates	Jun-22	Sep-22	Dec-22	Mar-23	Jun-23	Sep-23	Dec-23	Mar-24	Jun-24	Sep-24
Official Cash Rate	2.00	3.00	4.25	4.75	5.25	5.25	5.25	5.25	5.25	5.25
90-Day Bank Bill Rate	2.86	3.85	4.65	5.27	5.35	5.35	5.35	5.35	5.35	5.35
10-Year Bond	3.86	4.30	4.47	4.25	4.20	4.15	4.05	4.05	4.00	3.85

Source: ANZ Research, Statistics NZ, RBNZ, REINZ

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