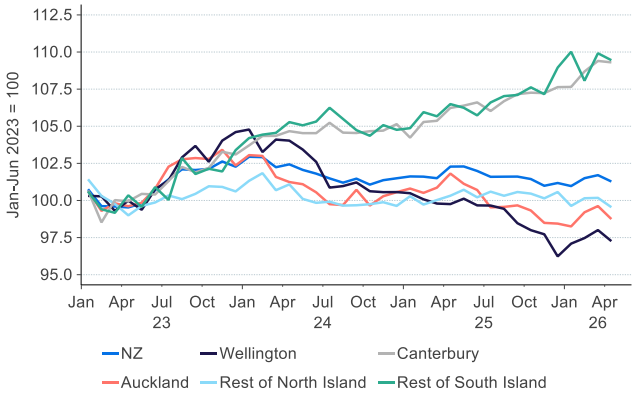
New Zealand Property Focus

What might house prices do over the next 30 years?

May 2026

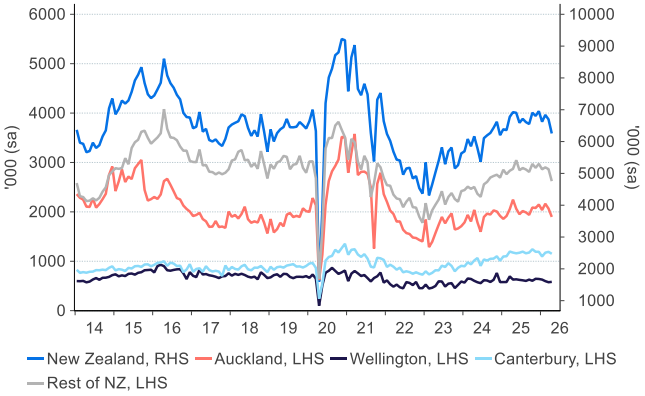
At a glance

House prices dipped in April, and the slowdown was broad-based regionally



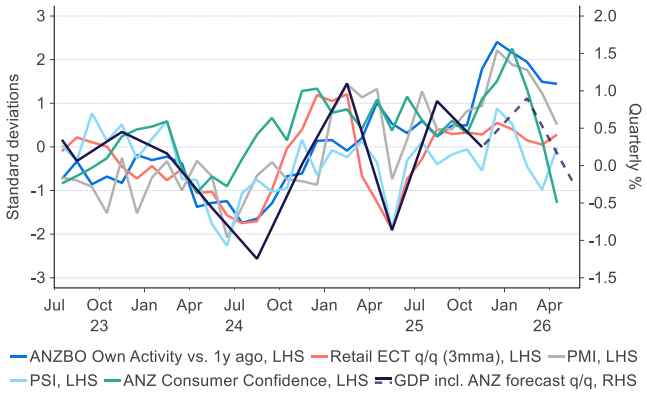
Source: REINZ, Macrobond, ANZ Research

Sales volumes fell, showing buyer caution



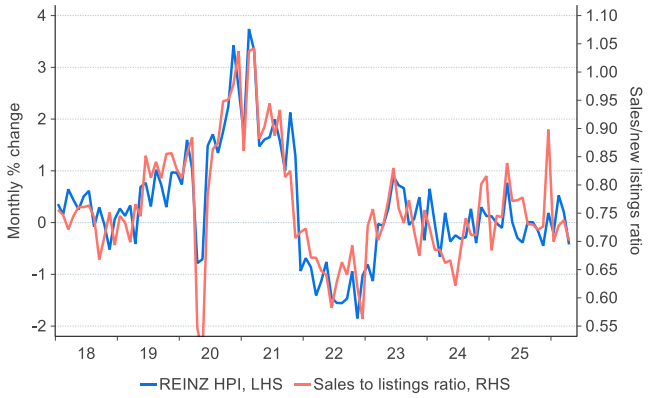
Source: REINZ, Macrobond, ANZ Research

The economic backdrop has deteriorated since fuel prices surged



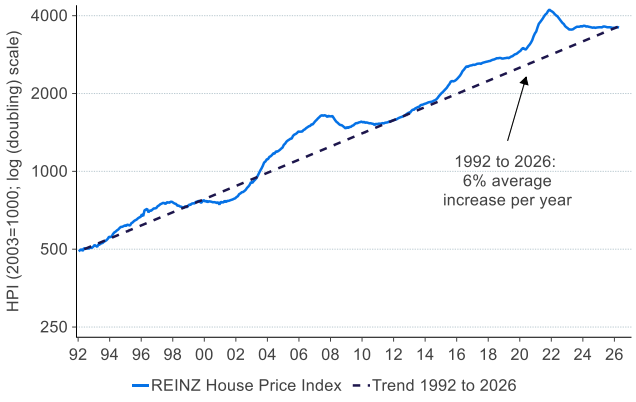
Source: Stats NZ, Business NZ, Roy-Morgan, Macrobond, ANZ Research

But overall, indicators suggest the housing slowdown is modest to date



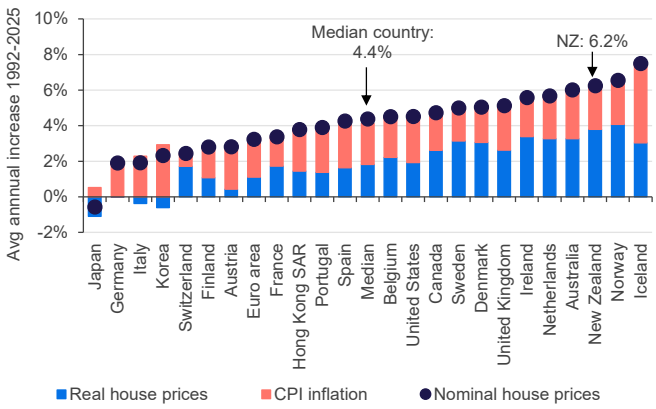
Source: REINZ, Macrobond, ANZ Research

In the feature article, we look at the long-run trend in house prices and what might happen over the next 30 years



Source: REINZ, Macrobond, ANZ Research

We think a slower rate of trend increase is likely going forward, which would be closer to the international experience



Source: BIS, ANZ Research

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See page 15

Inside

At a glance	2
Housing Market Overview	4
Regional Housing Market Indicators	6
Feature article: What might house prices do over the next 30 years?	7
Mortgage Borrowing Strategy	11
Weekly Mortgage Repayment Table	14
Mortgage Rate Forecasts	14
Economic Forecasts	14
Important Notice	16

Confused by acronyms or jargon? See a glossary here.

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Summary

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

Property Focus

The housing market is softening, in line with the deterioration in the wider economic backdrop since fuel prices surged. House prices dipped in April, and the slowdown was broad-based across regions. Sales volumes also declined, pointing to more cautious buyer behaviour. While this marks a loss of momentum, the slowdown remains modest to date, and the wider suite of indicators points to only slightly falling prices. Looking ahead, higher fuel costs, rising interest rates, and elevated uncertainty are all set to keep the housing market subdued this year. Overall, recent developments are broadly consistent with our expectation that house prices will fall modestly over 2026. See our Property Focus section.

Feature article: What might house prices do over the next 30 years?

House prices in New Zealand have increased at an average pace of 6% per year since 1992. We see prices falling slightly over 2026. But over the long term, is it reasonable to expect prices to resume increasing at the average pace they did over the last three decades? Our guess that house prices will increase more slowly in the coming decades than they have in the past – perhaps at an average pace of around 4% per year (2% real house price increase plus 2% consumer price inflation). The 6% average increase seen since 1992 is much higher than that seen in most other countries, and higher than in the decades before the 1990s. This high rate of house price growth was driven primarily by a long-running downward trend in interest rates, decent per capita income growth, and slow growth in housing supply. Chances are that these factors collectively won't provide the same amount of support to house prices going forward. An average rate of increase of 4% per year has been more typical internationally, and would broadly match income growth, which underpins both the cost to build more houses and buyers' ability to pay. Still, there's always massive uncertainty when we're talking about what might happen over several decades! The long-run trend in house prices could look very different depending on what happens to long-term interest rates, average CPI inflation, tax policy, the performance of the New Zealand economy, and housing supply. See our Feature Article.

Mortgage Borrowing Strategy

A small rise in the median 1-year fixed was the only change in mortgage rates this month. However, wholesale interest rates have continued to rise in anticipation of OCR hikes, as inflation fears percolate, and as US, UK and European bond investors worry about fiscal unsustainability. If sustained, that may, in time, put upward pressure on mortgage rates. That leaves the quandary for borrowers similar to a month ago: pay up for certainty, or choose a cheaper, shorter-term fix and accept that there is a good chance you will roll onto a higher rate when it expires. Taking our forecasts for the OCR wholesale interest rates as gospel, the 1-2 year part of the curve is the sweet spot from a pure cost point of view. However, uncertainty is high and those worried about the possibility of inflation staying elevated and the RBNZ having to hike more aggressively may want to choose a longer term, or a mix of terms. See our Mortgage Borrowing Strategy.

Summary

The housing market is softening, in line with the deterioration in the wider economic backdrop since fuel prices surged. House prices dipped in April, and the slowdown was broad-based across regions. Sales volumes also declined, pointing to more cautious buyer behaviour. While this marks a loss of momentum, the slowdown remains modest to date, and the wider suite of indicators points to only slightly falling prices. Looking ahead, higher fuel costs, rising interest rates, and elevated uncertainty are all set to keep the housing market subdued this year. Overall, recent developments are broadly consistent with our expectation that house prices will fall modestly over 2026.

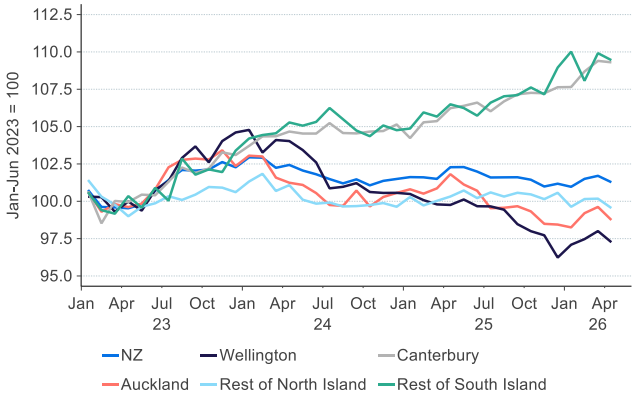
Going back into reverse

After showing some firmness early in the year, recent data suggest the market is now losing momentum as higher fuel prices, rising interest rates and increased uncertainty weigh on demand and confidence.

The seasonally adjusted REINZ House Price Index fell 0.4% m/m in April (figure 1). This followed modest gains in February and March, and shows a cooling in momentum.

The slowdown has been broad-based across regions, with prices falling over the past month in Auckland, Wellington and most other parts of the North Island. Price growth in the South Island has also eased, with prices broadly flat in April after earlier strength. Overall, this trajectory is consistent with our central view that house prices will decline modestly over 2026.

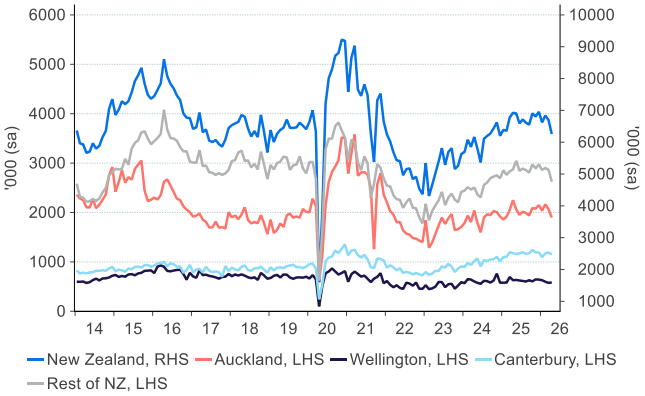
Figure 1. Change in house prices by region since the first half of 2023



Source: REINZ, Macrobond, ANZ Research

Sales volumes fell a sizable 6.6% m/m (sa) in April, and the decline was broad-based across regions, indicating a more cautious buyer environment.

Figure 2. Sales volumes (sa)

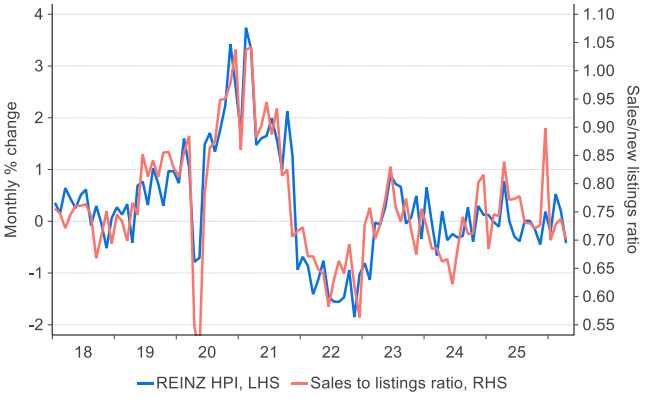


Source: REINZ, Macrobond, ANZ Research

That said, the wider suite of indicators suggests the slowdown to date remains modest, and points to only slightly falling, or potentially flat, house prices.

Looking through the volatility, the sales-to-listings ratio has eased over recent months and is consistent with modest downward pressure on house prices, but not a sharp fall (figure 3).

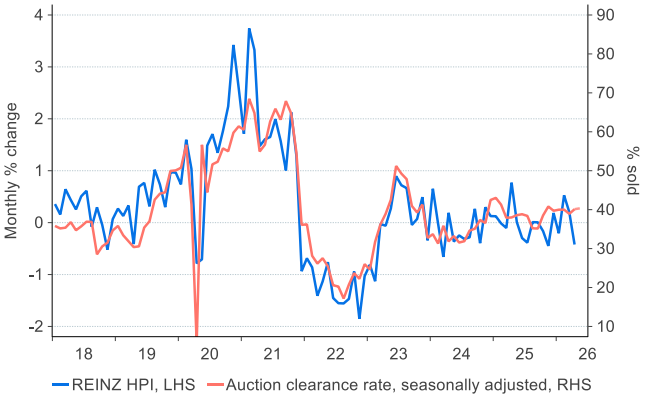
Figure 3. Monthly house price inflation vs the sales-to-listings ratio (sa)



Source: REINZ, Macrobond, ANZ Research

Similarly, the auction clearance rate has been relatively resilient once seasonal patterns are accounted for. It is pointing to a broadly flat market (figure 4).

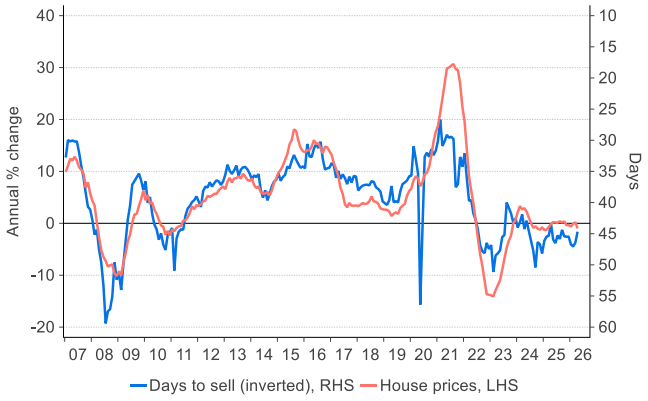
Figure 4. Auction clearance rate vs monthly house price inflation



Source: REINZ, Macrobond, ANZ Research

Median days to sell fell slightly to 45 days (sa) in April. While quicker house sales would typically indicate a tightening market, it can be volatile month-to-month. Furthermore, at current levels, days to sell remains above its long-run average of around 40 days and is still consistent with a relatively loose market and flat to slightly falling house prices (figure 5).

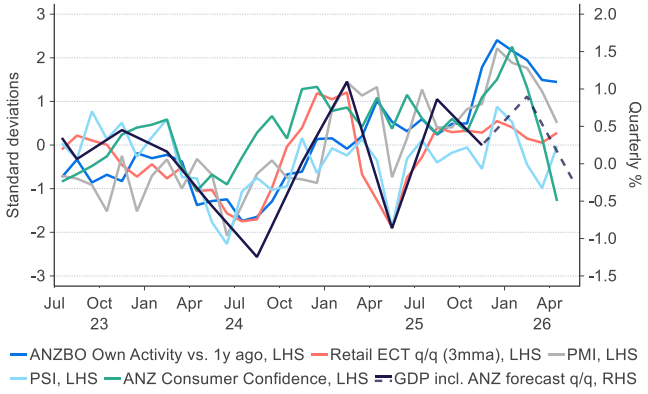
Figure 5. Days to sell vs house price inflation



Source: REINZ, Macrobond, ANZ Research

Timely measures of economic activity show the broader economic backdrop becoming less supportive (figure 6). Consumer confidence has taken the most immediate hit from the fuel price shock, but there has been a broad deterioration in other indicators of economic growth too.

Figure 6. Monthly activity indicators (standardised) and GDP growth



Source: Stats NZ, Business NZ, Roy-Morgan, Macrobond, ANZ Research

At the same time, rising interest rates are weighing on buyer demand. Wholesale interest rates have lifted in anticipation of OCR increases (figure 7). The RBNZ has a tough job weighing up the risk that high headline inflation spills over into wider price-setting behaviour versus the risk that weaker growth leads to an inflation undershoot in the years ahead. It's far from clear what the best course of action will be. But on balance, we are picking that the RBNZ will deliver three OCR hikes this year, starting in July, to take the OCR back to the RBNZ's best estimate of the neutral interest rate, 3%. Based on our forecast for the OCR, we anticipate mortgage rates will continue edging higher over the course of the year.

Figure 7. Wholesale swap rates

Source: Bloomberg, Macrobond, ANZ Research

Overall, the housing market is beginning to soften alongside the weakening economy. While indicators show a slowdown, it remains gradual at this stage.

The combination of weaker economic growth, rising interest rates, global uncertainty, and uncertainty from New Zealand's upcoming election suggests the housing market is likely to remain subdued this year. The trajectory of the market is broadly consistent with our forecast for house prices to fall by a modest 2% over 2026, although uncertainty is always high around any house price forecast. We continue to see a modest increase in house prices as likely from 2027 onwards as an economic recovery settles in.

Property Focus

Housing market indicators for April 2026 (based on REINZ data seasonally adjusted by ANZ Research)

	Median house price			House price index		Sales		Average days to sell
	Level	Annual % change	3-mth % change	Annual % change	3-mth % change	# of monthly sales	Monthly % change	
Northland	$683,000	5.9	2.2	0.1	-0.2	168	-10%	58
Auckland	$1,008,241	2.4	0.7	-3.0	0.8	1,898	-8%	46
Waikato	$755,003	3.8	0.2	-1.7	-0.6	646	-4%	49
Bay of Plenty	$814,017	0.1	0.0	0.6	0.8	407	-13%	44
Gisborne	$645,982	4.7	-3.1	-1.9	-0.9	43	+19%	44
Hawke's Bay	$662,204	-2.0	-0.5	-1.9	-0.9	164	-26%	45
Manawatu-Whanganui	$533,783	0.2	-0.2	-1.4	-0.5	269	-19%	46
Taranaki	$606,451	-1.9	2.5	1.2	1.2	167	+17%	38
Wellington	$754,930	-0.6	-0.7	-2.5	0.6	583	+1%	49
Tasman, Nelson & Marlborough	$716,142	-3.3	-1.4			201	-7%	41
Canterbury	$710,835	2.0	-0.8	2.9	1.5	1,151	-3%	44
Otago	$678,723	-6.0	-1.3	1.9	-0.3	398	-2%	46
West Coast	$460,313	41.7	4.5	-0.5	0.6	46	-5%	41
Southland	$516,594	6.2	4.1	8.0	2.3	187	+10%	36
New Zealand	**$769,263**	**-0.6**	**-0.3**	**-1.0**	**0.4**	**6,255**	**-7%**	**45**

Feature Article: What might house prices do over the next 30 years?

Summary

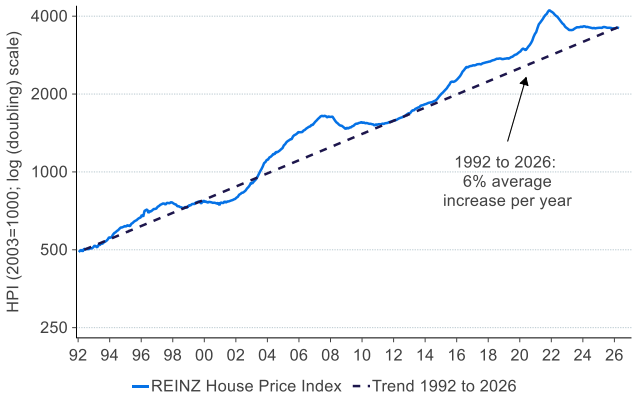
House prices in New Zealand have increased at an average pace of 6% per year since 1992. We see prices falling slightly over 2026. But over the long term, is it reasonable to expect prices to resume increasing at the average pace we saw over the last three decades? Our guess that house prices will increase more slowly in the coming decades than they have in the past – perhaps at an average pace of around 4% per year (2% real house price increase plus 2% consumer price inflation). The 6% average increase seen since 1992 is much higher than that seen in most other countries, and higher than in the decades before the 1990s. This high rate of house price growth was driven primarily by a long-running downward trend in interest rates, decent per capita income growth, and slow growth in housing supply. Chances are that these factors collectively won't provide the same amount of support to house prices going forward. An average rate of increase of 4% per year has been more typical internationally, and would broadly match income growth, which underpins both the cost to build more houses and buyers' ability to pay. Still, there's always massive uncertainty when we're talking about what might happen over several decades! The long-run trend in house prices could look very different depending on what happens to long-term interest rates, average CPI inflation, tax policy, the performance of the New Zealand economy, and housing supply.

The trend in New Zealand house prices from 1992 to now

In this article we step back from thinking about the monthly ups and downs in the housing market and look at what the very long run trend in house prices might be in the decades ahead.

Our usual measure of trends in house prices is the REINZ house price index. From the start of this series in 1992 to now, house prices have increased by an average compounding rate of 6.0% per year (figure 1 – note that we have used a doubling (log) scale on this chart. That means that equal percentage increases appear as equal vertical distances, making it far easier to visually examine changes in a growth trend over time).

Figure 1. REINZ house price index (nominal terms)



Source: REINZ, Macrobond, ANZ Research

The 6% per year average rate of increase is down from the 7.5% per year average seen from 1992 to the market peak in 2021, but is still a fairly brisk upward trend.

Can continued house price increases around this pace be expected over the next 30 years? We suspect not, and think that a trend rate of increase closer to 4% per year is more likely. But as history shows, even if we are close to being right about that trend rate of increase, the path there will not be linear; there will likely be big ups and downs along the way. The next year is a good example of that – we expect the impact of the fuel price shock will see house prices fall around 2% over 2026. After that, our forecast has house prices increasing at 3-4% per year over 2027 and 2028.

There are winners and losers from any price change, and house prices are no exception. A trend rate of increase of 4% per year would mean lower capital gains for homeowners in the coming decades than what's occurred in the previous three decades. However, a slower upward trend would keep housing more affordable than otherwise for first home buyers. That would support household financial resilience, access to home ownership, and a generally more balanced economy.

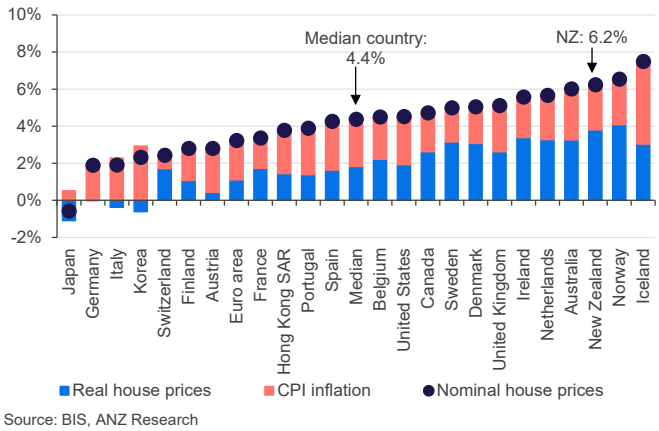
House price trends across countries over the last century

The first piece of evidence that a trend rate of increase of 6% per year might not be repeated is that it is right at the upper end of what has been seen across other countries. It's also above what was seen in the decades before the 1990s.

Looking at annual average house price increases across advanced economies since 1992, New Zealand's 6% rate of increase is the third highest of 24 countries, behind only Norway and Iceland (figure 2). Iceland's high house price inflation is probably due to a high average pace of CPI inflation of 4.5%, and Norway's rate of increase is only just ahead of New Zealand's. We sit just ahead of Australia.

Notably, the median advanced economy has had house price inflation of 4.4% since 1992 (1.8% after inflation) – much lower than New Zealand's pace of 6% nominal growth (3.8% after inflation).

Figure 2. Average annual house price increase across advanced economies from 1992 to 2025

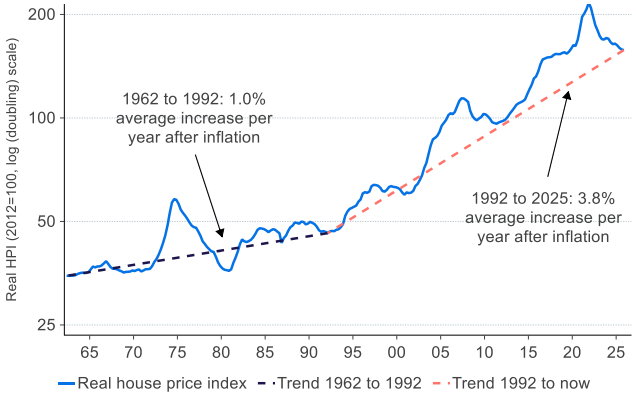


Source: BIS, ANZ Research

At the other end of the scale, in some countries real house prices are no higher now than they were in 1992. Japan's house prices have had an average rate of *decline* of 0.6% per year (-1.1% per year after inflation). This serves as a warning that house prices can at times fall for a period as long as three decades. This is certainly not something we expect though – Japan's experience is explained by a big housing bubble that peaked in 1991, followed by decades of economic stagnation, falling population growth (and since 2010 an outright declining population), and falling consumer prices.

Looking further back in time also shows that a trend rate of house price increase somewhat lower than 6% (or 4% after inflation) has been typical. Pre-1992 it is best to look at real (inflation-adjusted) measures, as CPI inflation was much higher and more variable. New Zealand experienced annual average real house price inflation of just 1% between 1962 and 1992 (figure 3). If inflation had been 2%, this would have implied a nominal rate of increase of around 3%.

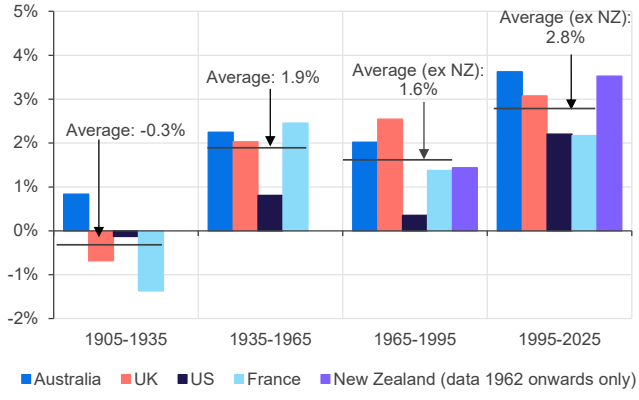
Figure 3. New Zealand real (after inflation) house price index back to 1962



Source: BIS, Macrobond, ANZ Research

Finally, looking at a few other countries prior to the 1990s further reinforces that something like 2% real house price increase is more typical. From the 1930s to the 1990s, the trend rate of real house price increase in Australia, the UK and France was around 2% per year, and it was a little lower than this still in the US. Before World War II, zero real house price inflation was the norm (this is a long time ago admittedly – a lot has changed in the world since then!).

Figure 4. Annual average real (after inflation) house price increase over 30-year periods



Source: NBER Jordà-Schularick-Taylor Macrohistory Database, BIS, ANZ Research

Overall, a rate of around 4% nominal and 2% real house price increase seems typical in the international and historical experience – much lower than New Zealand's rate of 6% nominal and 3.8% real seen since 1992.

Why New Zealand's house price inflation was so high over the past three decades

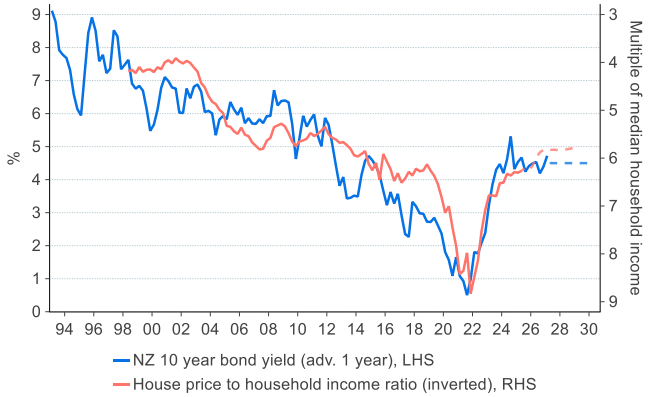
Digging into the drivers of New Zealand's house prices, interest rate trends, income growth trends, and housing supply dynamics explain why New Zealand's house price increase has been so high since 1992. But these drivers of house prices appear to have eased off more recently.

1. Lower interest rates

The first and likely most important factor was a downward trend in interest rates. Global interest rates steadily trended down from the 1990s until 2021, and New Zealand interest rates followed suit. We won't go into the drivers of that here, but in short, it was partly due to a decline in overall inflation, and partly a fall in neutral real interest rates. You don't have to be an economist to recognise that having gotten close to zero, the trend was done.

The impact of that long-running downward trend in longer-term interest rates on house prices can be clearly seen in the steady rise in the house price to income ratio until 2021. In short, lower interest rates encouraged and enabled people to borrow a lot more and thus pay much more for houses (figure 5).

Figure 5. New Zealand interest rates vs the house price to income ratio (inverted)

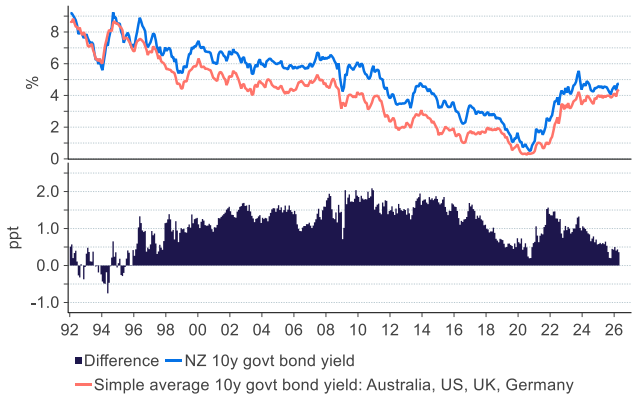


Source: REINZ, Stats NZ, RBNZ, Macrobond, ANZ Research

Since 2021, much of the previous decline in interest rates has been reversed, but long-term interest rates still sit 100-200 basis points (1-2 ppt) lower than their average 2000s levels. This means that not all of the support for house prices from the downward trend in interest rates since the 1990s has been reversed.

Interestingly, New Zealand's interest rates fell more than those in the average advanced economy, reflecting a narrowing in the premium of New Zealand's interest rates over those offshore (figure 6). The larger decline in New Zealand's interest rates compared to overseas helps to explain why New Zealand's house price increase was larger than those in most other countries.

Figure 6. New Zealand vs trading partner interest rates



Source: US Treasury, RBNZ, Macrobond, ANZ Research

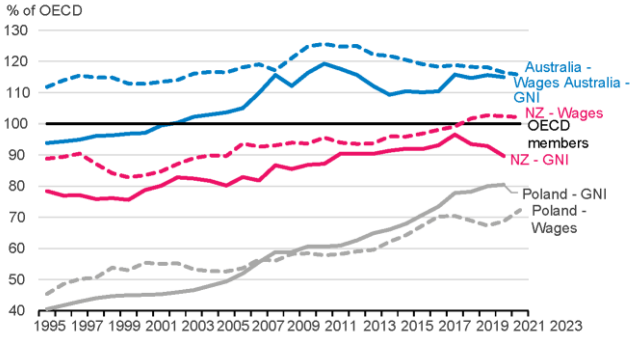
Forecasting the long-run outlook for interest rates is not easy. But we don't currently see any reason to expect a strong trend up or down in long-run interest rates from here. If we're right, the support to the long-run trend rate of increase in house prices from the long-run trend decline in interest rates has run its course.

2. Per capita income growth and population growth

The second important factor behind New Zealand's high rate of house price increase was a fairly respectable rate of per capita income growth from the 1990s to around the time of the COVID-19 pandemic, alongside population growth.

In a recent speech, the RBNZ's Chief Economist Paul Conway noted that New Zealand's real per capita income hovered around 80% of the OECD average until the mid-2000s. A period of decent growth then lifted it to around 95% of the OECD average by 2020 (figure 7). Likewise, wages in New Zealand grew faster than the OECD average from the year 2000 onward, taking them from around 85% of the OECD average to around 100% now. It might not have been the rapid catch-up growth seen in places like Poland, but it was significant.

Figure 7. New Zealand's income and wages as a percentage of the OECD average



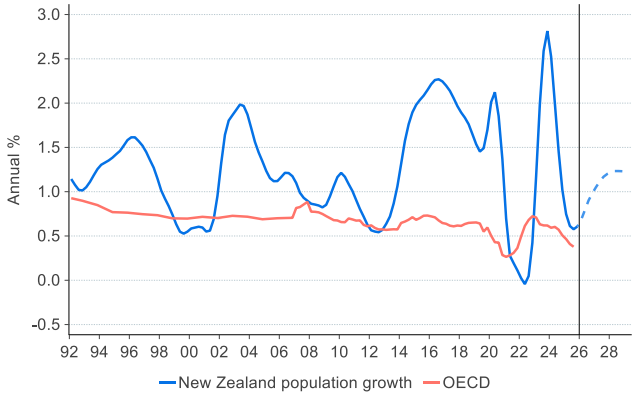
Note: This chart shows the real Gross National Income (GNI) per capita (PPP-converted) in the solid line and average annual wage (PPP-converted) in the dotted line relative to the OECD average.

Source: Speech by RBNZ Chief Economist Paul Conway, 25 March 2026

This positive story might sound surprising given the gloomy tales usually told about New Zealand's longer-run economic performance. What explains the increase in per capita income from the 1990s to the pandemic was a combination of rising terms of trade (driven by higher export prices and a changing import mix), more of the population being in employment, and some modest productivity growth. Put together, this was enough to see New Zealand income growth and wages outperform the OECD average over a period of about two decades.

We suspect stronger per capita income growth was an important part of why house prices rose so much in New Zealand in the decades up to 2021. On its own, it increased what people were able to pay for houses. It also encouraged immigration and thereby supported high population growth relative to many other countries, particularly over the 2013 to 2023 period (figure 8).

Figure 8. Population growth



Source: Stats NZ, OECD, Macrobond, ANZ Research

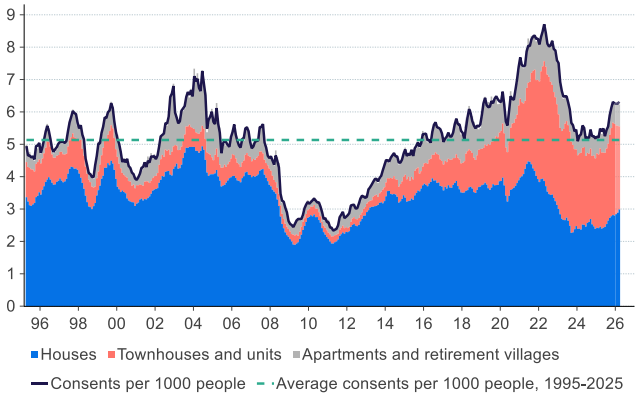
Over the last few years, however, New Zealand's per capita income growth has again started to struggle. Population growth has likewise taken a step down. Entire books could (and probably will) be written debating the reasons for this, and whether stronger trend income growth might re-emerge. But the recent trends mean there's a chance that income and population growth might not drive housing demand in the coming years to the same extent that it did over the previous 30 years.

3. New Zealand's challenges with housing supply

Strong demand for housing coming from lower interest rates, higher per capita incomes, and population growth wasn't enough on its own to drive rapid house price increases – supply struggling to keep up was also an important factor. The reasons for this are well documented: planning, consenting and infrastructure constraints, construction sector capacity constraints (including a loss of capacity during downturns), and also just the usual lags between stronger demand and an increase in house building.

However, the housing supply situation in New Zealand is looking a lot better now than it did 10 or 20 years ago. While there has been a steep drop-off in the number of homes consented from its 2022 peak, the number of consents per capita has only dropped down to its long-term average, rather than dropping well below, as it did after 2008. Reforms over the past 10-15 years that make it easier to build at higher density are paying dividends, particularly by allowing far more townhouses to be built (figure 9).

Figure 9. Residential building consents per 1000 people



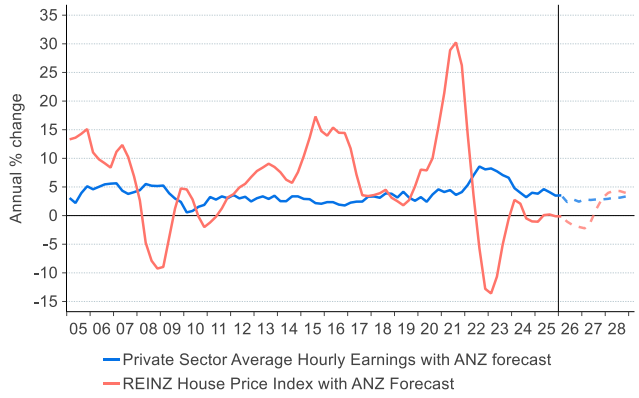
Source: Stats NZ, Macrobond, ANZ Research

What might the trend rate of house price increase be over the next 30 years?

If New Zealand's trend rate of house price increase since the 1990s was unusual internationally, and was driven by factors that might not repeat, what might a reasonable expectation be for the trend in house prices over the next 30 years?

Our best guess for a central estimate is an average rate of increase of around 4% per year over the coming decades (2% real plus 2% CPI inflation). This is around the average of what has been seen in other countries and New Zealand's own history prior to the 1990s. It would also put house price inflation broadly in line with the (assumed) trend in wage growth (figure 10). Wage growth underpins both the cost of building new housing (which is very labour-intensive), and what buyers can afford to pay.

Figure 10. Wage growth and house price growth



Source: Stats NZ, REINZ, Macrobond, ANZ Research

Combining 4% trend capital gains with our estimate of average net rental yields of around 3% (after rates, insurance and maintenance) would give a total return on housing of around 7% per year. That's a lot less than what's been seen over recent decades, but is still above current risk-free interest rates (which is appropriate, given that owning property isn't risk-free).

However, it goes without saying that there's a massive range of uncertainty around any central estimate. Who knows what's going to happen to interest rates, the global economy, and government policy (including taxation), over the next 30 years! International experience (figure 2, page 7) shows that average rates of nominal house price increases ranging from 2% to 6% are well within the realm of possibility over a period as long as 30 years. Our central assumption of 4% nominal increase also assumes the 2% inflation target holds for the next 30 years. While there's no reason to expect a change at this point, 30 years is a long time.

To illustrate what could drive different outcomes, the trend rate of increase could easily be much lower than 4% per year if:

- global interest rates trend up,
- the New Zealand economy persistently struggles,
- there are changes to housing supply that lower the cost of building, or
- there are tax changes that reduce the relative attractiveness of housing as an investment.

On the other hand, the trend rate of house price increase could easily exceed 4% if, for example:

- interest rates trend down,
- CPI inflation averages more than 2%, or
- housing supply constraints re-emerge.

Conclusion

Our analysis suggests that trends in New Zealand's housing market are likely to be different over the next generation than they have over the past one. The tailwinds that drove rapid house price growth since the 1990s – falling interest rates, strong income growth, and constrained supply – collectively seem very unlikely to repeat, at least to the same extent. That points to more modest capital gains, with house prices rising broadly in line with incomes rather than outpacing them. While that may deliver lower returns to investors and homeowners, it would improve access to home ownership and support a more balanced and resilient economy.

Mortgage borrowing strategy

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Summary

A small rise in the median 1-year fixed rate was the only change in mortgage rates this month. However, wholesale interest rates have continued to rise in anticipation of OCR hikes, as inflation fears percolate, and as US, UK and European bond investors worry about fiscal unsustainability. If sustained, that may, in time, put upward pressure on mortgage rates. That leaves the quandary for borrowers similar to a month ago: pay up for certainty, or choose a cheaper, shorter-term fix and accept that there is a good chance you will roll onto a higher rate when it expires. Taking our forecasts for the OCR and wholesale interest rates as gospel, the 1-2 year part of the curve is the sweet spot from a pure cost point of view. However, uncertainty is high and those worried about the possibility of inflation staying elevated and the RBNZ having to hike more aggressively may want to choose a longer term, or a mix of terms.

Recent developments

The only change in floating and fixed mortgage rates across the five biggest banks this month was a 0.04% increase in the median 1-year rate. Despite this stability, wholesale interest rates have continued to rise, and if sustained, that may put upward pressure on mortgage rates in the future. The catalyst has been a reassessment by markets of the outlook for the OCR (and for policy rates overseas) as the Middle East conflict has extended into its third month. Local markets are now pricing in an expectation that the OCR will rise to 3.6% by August 2027. That is a lot higher than we currently expect it to get to, but at the same time, uncertainty is extremely high and many are fearful that this oil shock may be as devastating as those in the 1970s. Making matters worse, we have seen the re-emergence of fiscal unsustainability concerns globally, with bond investors in the US, UK and Europe fearful of the potential impact of slower growth and cost-of-living relief packages on government finances. Although New Zealand has much lower government debt than most of its peers, and is taking a prudent fiscal approach to the oil shock so far, higher global bond yields are still being felt in the local market, and that is impacting mortgage rates too.

Thoughts and views

Returning to the outlook for the OCR – as mentioned, we do expect it to rise, with three 25bp hikes expected from July, ultimately taking it to 3%. That is, we expect a short, sharp series of hikes, primarily intended to contain inflation expectations. There is nothing the RBNZ can do to soften the blow of higher oil prices, but by being vigilant and pre-emptive, they can at least lessen the chances of inflation expectations becoming unanchored and and/or second- and third-round inflation impacts being more severe or sustained. But the reason we don't expect an elongated tightening cycle is that the economy is on shaky ground and went into the oil shock with ample spare capacity. Essentially, cost-push inflation is a concern, but demand-pull inflation is not.

By contrast, financial market expectations have the OCR rising to around 3.1% by year-end and 3.6% by August 2027. Our less-aggressive expectation for the OCR, implies that wholesale short-end interest rates have scope to correct lower, which implies we are wary of fixing for too long now that rates have moved higher. However, there is a huge caveat around our (anyone's) expectations and forecasts, and that is current extreme uncertainty.

So, while our projections and expectations for a limited series of OCR hikes suggest that the 1-2-year part of the mortgage curve is the sweet spot, because those rates offer a good balance of cost and certainty, we can't stress enough that things could change quickly. As we said last month, any forecast should be taken with a grain of salt at this juncture. The value of certainty is different for everyone depending on their situation and also changes through time – even though it has become more expensive, it arguably has also become more valuable.

So, more than usual, a simple expected cost comparison has its limits. Still, it is worth considering breakevens (see next few pages), as they can at least tell you where rates would need to be in the future for fixing for longer to work out to be cheaper than fixing for a shorter term and rolling into another shorter term.

Figure 1. Carded special mortgage rates*

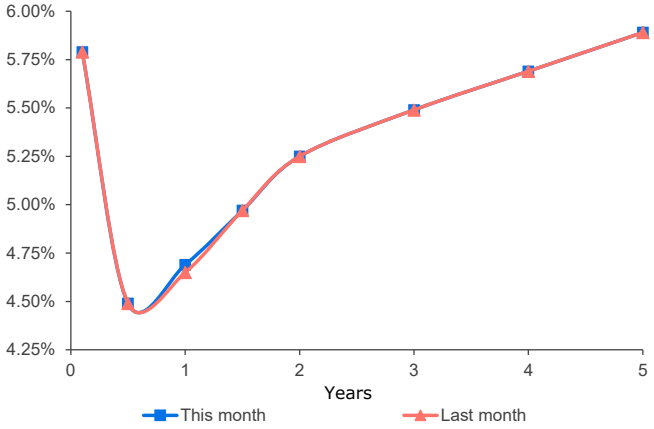


Table 1. Carded special mortgage rates*

Term	Current	Last month
Floating	5.79%	5.79%
6 months	4.49%	4.49%
1 year	4.69%	4.65%
18 months	4.97%	4.97%
2 years	5.25%	5.25%
3 years	5.49%	5.49%
4 years	5.69%	5.69%
5 years	5.89%	5.89%

Source (figure 1 and table 1): interest.co.nz, ANZ Research

*Median of the five largest banks

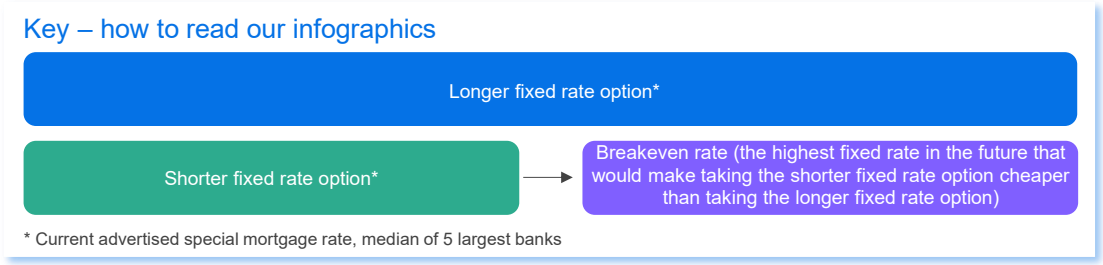
Breakevens

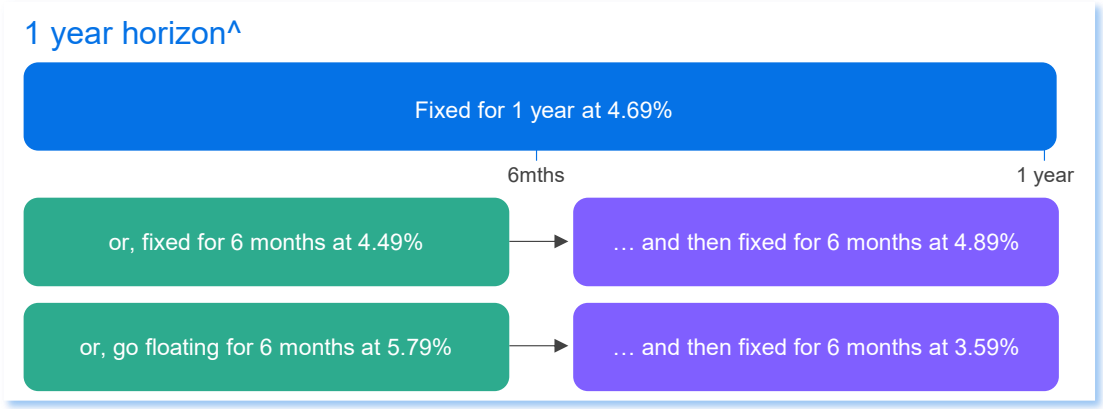
Table 1. Special mortgage rates and breakevens*^

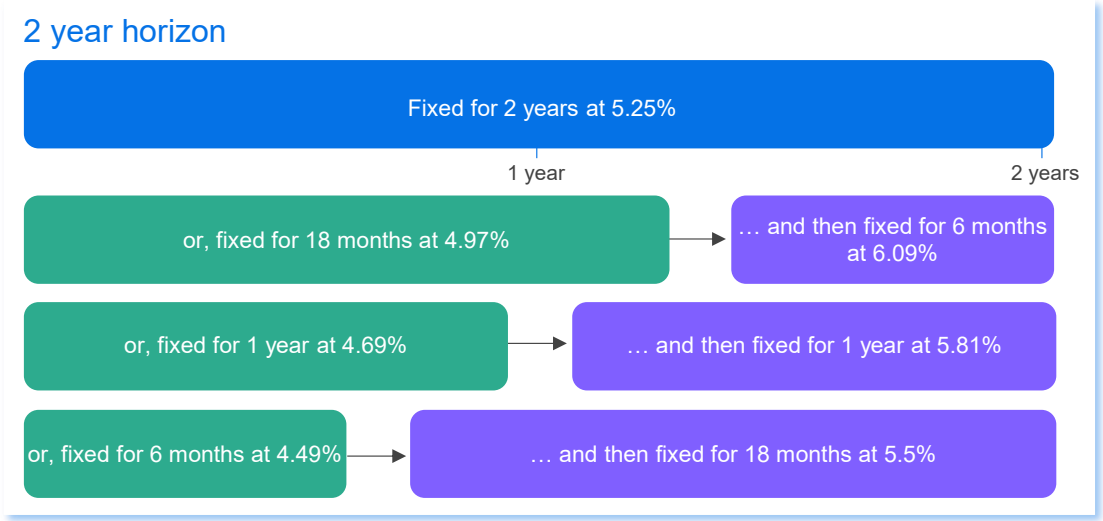
		Breakevens for 20%+ equity borrowers					
Term	Current	in 6mths	in 1yr	in 18mths	in 2 yrs	in 3 yrs	in 4 yrs
Floating	5.79%	3.59%					
6 months	4.49%	4.89%	5.53%	6.09%			
1 year	4.69%	5.21%	5.81%	5.97%	5.97%	6.29%	6.69%
18 months	4.97%	5.50%		6.01%			
2 years	5.25%	5.59%	5.89%	6.06%	6.13%	6.49%	
3 years	5.49%	5.77%	6.02%	6.20%	6.32%		
4 years	5.69%	5.95%	6.19%				
5 years	5.89%			*Median of the five largest banks			

Source: interest.co.nz, ANZ Research

^ Floating rate breakeven assumes the floating rate won't change. If it falls, the breakeven will be higher; if it rises, the breakeven will be lower.

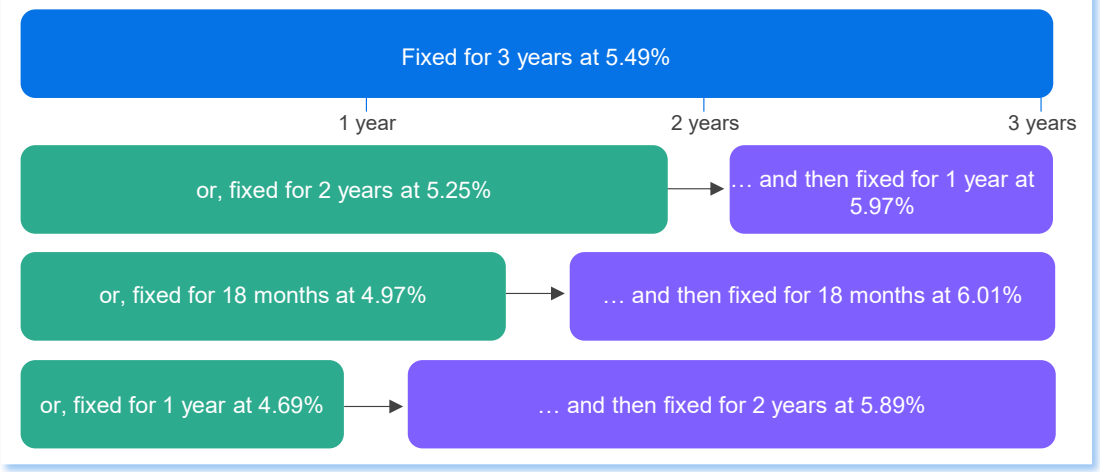




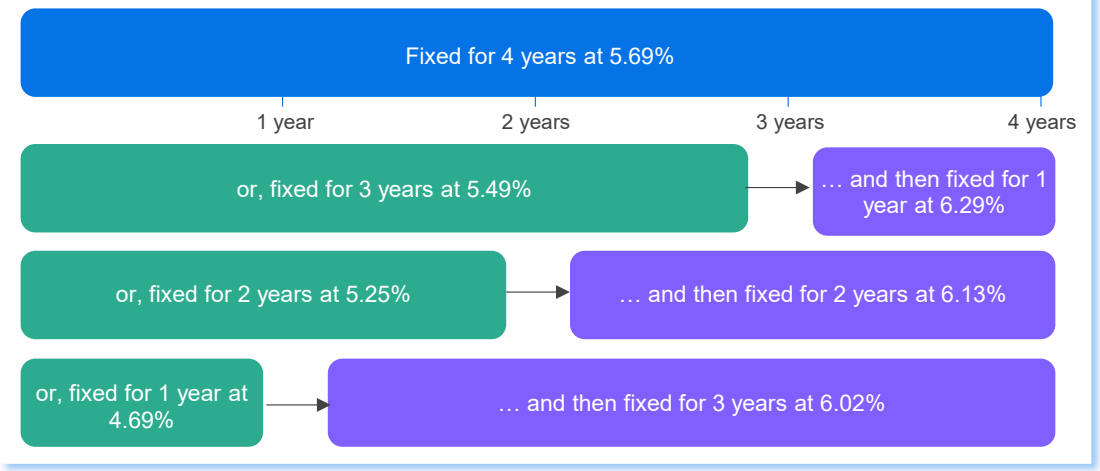


Breakevens

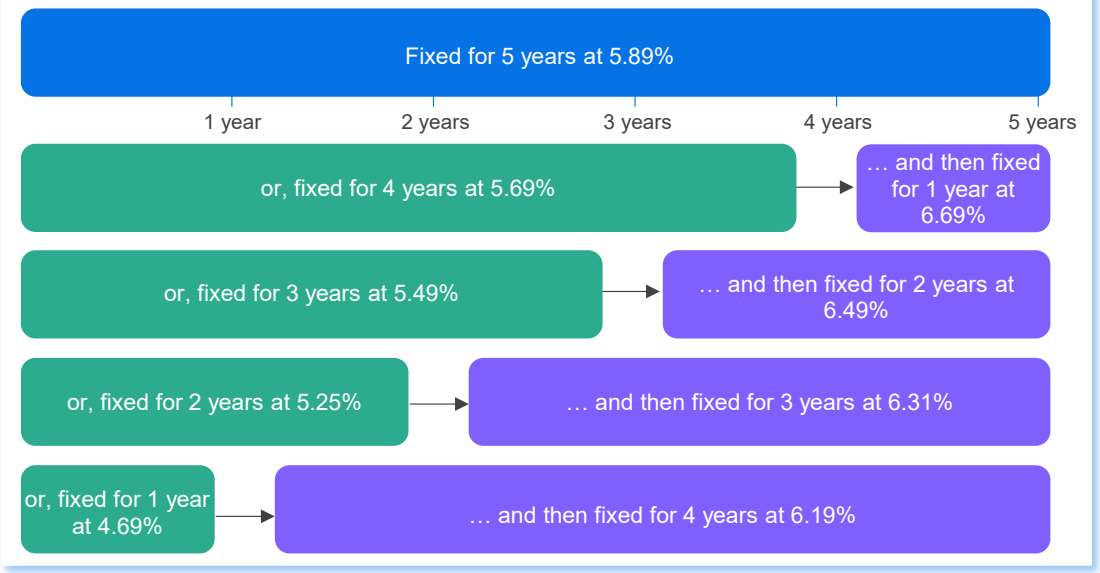
3 year horizon



4 year horizon



5 year horizon



Source: interest.co.nz, ANZ Research calculations

Key forecasts

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

Mortgage Size ($000)	Mortgage Rate (%)													
	4.25	4.50	4.75	5.00	5.25	5.50	5.75	6.00	6.25	6.50	6.75	7.00	7.25	7.50
200	227	234	241	248	255	262	269	277	284	292	299	307	315	323
250	284	292	301	309	318	327	336	346	355	364	374	384	393	403
300	340	351	361	371	382	393	404	415	426	437	449	460	472	484
350	397	409	421	433	446	458	471	484	497	510	524	537	551	564
400	454	467	481	495	509	524	538	553	568	583	598	614	629	645
450	511	526	541	557	573	589	606	622	639	656	673	690	708	726
500	567	584	601	619	637	655	673	691	710	729	748	767	787	806
550	624	643	662	681	700	720	740	760	781	802	823	844	865	887
600	681	701	722	743	764	786	807	830	852	875	897	921	944	968
650	737	760	782	805	828	851	875	899	923	947	972	997	1,023	1,048
700	794	818	842	867	891	917	942	968	994	1,020	1,047	1,074	1,101	1,129
750	851	876	902	928	955	982	1,009	1,037	1,065	1,093	1,122	1,151	1,180	1,209
800	908	935	962	990	1,019	1,048	1,077	1,106	1,136	1,166	1,197	1,227	1,259	1,290
850	964	993	1,023	1,052	1,082	1,113	1,144	1,175	1,207	1,239	1,271	1,304	1,337	1,371
900	1,021	1,052	1,083	1,114	1,146	1,178	1,211	1,244	1,278	1,312	1,346	1,381	1,416	1,451
950	1,078	1,110	1,143	1,176	1,210	1,244	1,278	1,313	1,349	1,385	1,421	1,458	1,495	1,532
1000	1,134	1,168	1,203	1,238	1,273	1,309	1,346	1,383	1,420	1,458	1,496	1,534	1,573	1,613

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

	Actual			Projections						
	Dec-25	Mar-26	Current	Jun-26	Sep-26	Dec-26	Mar-27	Jun-27	Sep-27	Dec-27
Floating Mortgage Rate	6.1	6.2	5.8	5.8	6.5	6.8	6.8	6.8	6.8	6.8
1-Yr Fixed Mortgage Rate	4.5	4.5	4.7	4.8	5.0	5.0	5.0	5.0	5.0	5.0
2-Yr Fixed Mortgage Rate	4.7	5.0	5.3	5.3	5.3	5.1	5.0	5.0	5.0	5.0
3-Yr Fixed Mortgage Rate	5.0	5.3	5.5	5.5	5.4	5.3	5.1	5.1	5.1	5.1
5-Yr Fixed Mortgage Rate	5.3	5.7	5.9	5.9	5.9	5.8	5.8	5.8	5.8	5.8

Source: RBNZ, ANZ Research

Wholesale interest rate forecasts

	Actual			Forecasts						
	Dec-25	Mar-26	Current	Jun-26	Sep-26	Dec-26	Mar-27	Jun-27	Sep-27	Dec-27
Official Cash Rate	2.25	2.25	2.25	2.25	2.75	3.00	3.00	3.00	3.00	3.00
90-Day Bank Bill Rate	2.52	2.54	2.65	2.82	3.26	3.29	3.29	3.29	3.29	3.29
NZ 2-yr swap	2.93	3.43	3.63	3.56	3.51	3.40	3.29	3.29	3.29	3.29
10-Year Bond	4.40	4.72	4.79	4.50	4.50	4.50	4.50	4.50	4.50	4.50

Economic forecasts

	Actual			Forecasts						
	Jun-25	Sep-25	Dec-25	Mar-26	Jun-26	Sep-26	Dec-26	Mar-27	Jun-27	Sep-27
GDP (Annual % Chg)	-1.0	1.1	1.3	1.1	1.8	1.4	1.7	1.6	2.6	2.9
CPI Inflation (Annual % Chg)	2.7	3.0	3.1	3.1(a)	4.4	4.3	4.1	3.2	1.6	1.4
Unemployment Rate (%)	5.2	5.3	5.4	5.3(a)	5.5	5.7	5.8	5.7	5.6	5.5
House Prices (Quarter % Chg)	0.4	-0.6	-0.4	0.4(a)	-0.5	-1.3	-0.6	0.1	0.7	1.0
House Prices (Annual % Chg)	0.1	0.2	-0.1	-0.1(a)	-1.1	-1.7	-2.0	-2.2	-1.1	1.2

Source: RBNZ, Statistics NZ, REINZ, Bloomberg, ANZ Research

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