

Welcome to your monthly update from *Quinovic Merivale* and *Rolleston* on property investment news and opportunities 17 July 2025

Officially winter is now over. Compared to other parts of the country we in Christchurch have got away with a fairly dry winter – cold but dry. Spring and Summer is when the rental market really starts up again – and its started already. Things have been busy in the office the last few weeks.

Things did slow over Winter. It took longer to find tenants. There has been less competition for rental properties. Rents have fallen in some suburbs but not overall.

It's was similar in the real estate sector. Slow. Some falling prices. Competition is rising as there are now less properties on the market – some of that built up stockpile has gone. Either sold or withdrawn from the market. Realtors have found in tough. There has been an 8.9% drop in the number of registered agents since 2022.

We predict that the number of vacant rental properties will also decline over the coming months. Some of these will find their way onto the sales market. The economy may have stagnated but immigration continues to be positive in Canterbury and this is a major source of potential renters.

From Tony Alexander, Economist:

Wednesday's drop in the OCR from 3.25% to 3.00% was not unexpected. In fact, most major lenders had lowered mortgage interest rates prior to the announcement. The OCR has dropped 2.5% since this time last year.

It's hard to see any positive impact from rate cuts. House prices have fallen in each of the past five months; consumer spending is decreasing; job growth is not happening; consumer sentiment remains well below average and Kiwis are leaving the country in high numbers.

The Reserve Bank is now thinking that the

economy fell by 0.3% in the June quarter not the positive 0.3% growth it had predicted. The Bank had forecast that the cash rate would bottom out at 2.9% next year but it now believes the low will be 2.5%. This may be good news for borrowers and means that there may be a tad more downside in the 1-3 year fixed rates than was previously the case.

Will the extra rate cuts cause much change to the economy this year? Probably not. It takes a while for rate cuts to feed through to changes in household cash flows and to changes in spending. But a stimulus to the economy is coming.

Next year is far more likely to be a year of reasonable economic growth than 2025 ever had the capacity to be. But it pays to remember that there is no economic boom coming our way.

My recent survey of real estate agents showed that 54% can see that buyers are worried about job security. This level stood at 14% at the start of 2024 and peaked at 56% in the middle of last year.

Many factors are now in train for a better economy in 2026.

From the property market:

- Property values remain subdued but there are signs of improvement.
- Most activity occurring in the low to middle price range.
- First home buyers and owner occupiers the most engaged.
- Investors comment that rising council rates, insurance, maintenance coupled with falling rents (in some areas) are making investment in rental properties less attractive. Somewhat offset by lower purchase prices. (Having said this a report on Saturday showed that 3 multi-unit apartment blocks in Auckland were snapped up within hours by investors).
- A lift in sales compared to July 2024

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- suggests a solid level of interest
- Median prices have increased 1.8% year on year. Canterbury by 4.2% to \$677,600

Article by Susan Edmunds: Money Correspondent, Radio New Zealand:

Recently released rental price data from TradeMe showed that nationally rents were down by 3.0% to a median of \$620. Wellington was down by 7.7% to \$600 and Auckland 2.9% to \$660.

The number of rental listings on TradeMe were up by 13% year on year while demand was down 19%.

TradeMe spokesperson Casey Wylde said it was supply and demand driving rents down – especially in Wellington. The city had a 27% increase in rental stock and an annual 6% drop in demand. Renters have considerably more leverage. In Auckland listings were up 4% but demand was down 23%

Rental yields have improved over recent years – from a trough of 2.1% to 3.8%. (ED. But becoming harder to achieve with considerably higher increases in rates and insurance)

The major concern to investors however was political “flip-flopping”. 80% of members of the Auckland Property Investors Association stated that “their confidence depended on the next election cycle”. They felt election cycles “were too short for housing policy to mature and frequent shifts undermined confidence and slowed investment”. “A housing system that changes direction every three years isn’t enough to build on. There is a need to stop making housing policy a party-political sport and to start treating it as long-term infrastructure”. “The big barrier to adding more rentals isn’t a lack of money. It is not knowing what the rules will be in two-years’ time. Capital can take risks but not guesses. If you want more rentals built then give investors rules that they can trust will last”

Economist Shamubeel Eaqub says “Once flip-flopping starts no one believes it will stop”.

If you think tenants are unaware of the requirements of the Healthy Homes Standards then think again. Figures released by the Tenancy Tribunal show that a quarter of all tenant’s complaints to the tribunal related to Healthy Homes issues.

A total of 29,309 complaints were lodged with the tribunal over the last 12 months. Nearly 75% of these were by landlords – 66% of those regarding rent arrears.

Tenants most often sought the recovery of a bond, damages due to landlords breaching their obligations or compliance with Healthy Homes regulations.

These figures read high but we must remember. There are approximately 600,000 rental properties in New Zealand. Only 0.2% had an issue with Healthy Homes.

There has been much talk about growing listing numbers on TradeMe so let’s compare. The last time we showed TradeMe figures was in the newsletter of May 2024. At that time:

	CHCHC	Banks Peninsular	Selwyn	Waimak
Studio / 2 bed	411	7	15	10
3 bed	337	8	31	16
4 bed	121	3	41	18
5+ bed	27	0	1	2
	896	18	88	46
Total: 1048				

However, on August 22nd. 2025

	Chch	Banks Peninsular	Selwyn	Waimak
Studio / 2 bed	576	15	17	15
3 bed	400	9	59	32
4 bed	156	1	74	11
5+ bed	91	0	4	3
	1223	25	154	61
Total: 1463				

So yes, the figures do back up the commentary. A couple of things to remember though.

- In the city the big increase is in studio / 2-bedroom units. This simply reflects the number of new units being built within the city some of which have been placed on the rental market either by developers who haven't been able to sell them or by investors.
- A number of these new developments do offer 3-bedroom options and we feel that this reflects in the increase in that category.
- The 5+ bedroom increase may simply represent the fact that landlords place student units / room by room units on the market around this time in order to attract next year's tenants. They may not necessarily be currently vacant.
- When you look at Selwyn and Waimakariri the increase is in family homes. Most of the new developments in these areas are of family houses rather than apartments.

Likewise, much has been written about falling rentals. Let's compare.

May 2024:

	CHC H	Banks Pen	Selwyn	Waimaki
\$0 - \$200 pw	8	0	1	0
\$201- \$300	30	3	1	1
\$301 - \$400	46	1	2	0
\$401 - \$500	94	0	9	5
\$501 - \$600	272	5	18	16
\$601 - \$800	343	6	53	22
\$801 +	103	3	4	2
	896	18	88	46

August 25:

	CHCH	Banks Peninsular	Selwyn	Waimakariri
\$0 - \$200pw	9	0	1	0
\$201 - \$300	43	2	1	0
\$301 - \$400	35	1	0	4
\$401 - \$500	223	5	5	7
\$501 - \$600	361	9	44	22
\$601 - \$800	372	5	98	24
\$801 +	180	3	5	4
	1223	25	154	61



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- For Christchurch the increase in rent from \$400 - \$600pw would reflect the new apartments on the market.
- For Banks Peninsular and Waimakariri any changes are insignificant.
- For Selwyn it is hard to verify that rents have fallen. It supports that most rentals in Selwyn family homes and it could mean that properties have slipped from one to category to another. With a spread of \$200 a property may have slipped but remained within the same classification. A current surplus of new homes in Rolleston on the rental market has driven rent levels down.

Best wishes Sharon