



If anyone out there can tell us what happened to summer this year please let us know. It's been abysmal! The entire country has suffered at various times over the past 3 months. By comparison to other parts of the country Christchurch and surrounds have come off reasonably well - though the rain overnight has created serious issues for many Cantabrians.

(The editor spent his Christmas holidays for over 20 years at Mount Maunganui. He played on the land that slipped away over the holidays. It was not a motor camp back in the 50's. The camp was split on two – harbour side and ocean side – but the bit in the middle was paddocks. The Mount is his favourite place but he has to admit that the tragedy over summer has taken some of the gloss off).

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Despite the weather the year has started off reasonably strongly. Christchurch continues to prosper, the population continues to grow, and demand for rentals is steady. There has been an influx of new builds through 2025 which has catered in part for the increased demand in 2026. Some properties are taking a little longer to move. With some properties we have had to reduce the rent slightly to meet competition but for many others we have been able to negotiate small increases. We have always said that the actual rent received is only part of a successful rental investment. Quality tenants and managed maintenance also contribute to portfolios over time.

All eyes are on the Reserve Bank this week as it reviews the OCR. Commentators believe the rate will stay 2.25% but they are more interested in the wording that surrounds the announcement. It is

the first adjustment under the new Governor, Anna Breman, and they are keen to see if she prepares us for future upward changes as the year progresses. Previously the RB has suggested that rates will remain stable throughout 2026 but some are predicting that there will be an increase during this year.

On the matter of interest. There has been a dramatic shift in mortgage terms over the past 3 months. In November 49% of all new mortgages were on floating interest. In December that dropped to 22%. Fixed terms of between 2-3 years has been the trend.

Pain continues to be felt by some vendors. In the 4<sup>th</sup> quarter of 2025 88% of sales made a gross gain. This means that 12% of properties were sold at a loss to the vendor. The average loss was \$55,000. Almost entirely the losses were on properties purchased within the past 4 years. Given that average property values have fallen by 18% during that period this is not surprising. Many would not have intended to sell but sadly circumstances changed.

Migration figures for 4<sup>th</sup> quarter 2025 show a slight increase in immigrant arrivals and a slight decrease in citizen departures. This should please landlords.

Residential property investors increased their mortgages by over \$7billion in 2025 and are taking up mortgage money at a proportionately faster rate than owner-occupiers. Total mortgages to investors totalled \$100.736 billion as at December 2025. Owner-occupier mortgages at the same period totalled \$284.901 billion.

Its election year and members of the Property Investors Federation are concerned by how they are perceived by politicians.

Some politicians think that an investor is someone with a 'massive portfolio', playing the market like monopoly and buying up houses from under first home buyer's feet.

Some facts that dispute that view:

- There are 317,000 property investors in New Zealand
- The average number of properties owned is 1.8
- Most property investors still work full time jobs.

Property investors in the main are people who run a small business providing homes for others and security for themselves. They are every-day people. There is nothing sinister about them. They are not speculators.

So concerned is the NZPIF that they are asking their members to complete a survey the results from which will be published prior to the elections. They are trying to build an accurate picture of investors as people – who investors really are.

(ED. Politicians need to better understand this issue. As said many times over many years in our newsletter private investors provide over 75% of all rental properties within the country. If private investors were not in the market the Government would be totally unable to house our people. It is time politicians treated private investors with more respect).

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From the NZPIF web page we note that they are also concerned about the Planning Bill currently before the Government (Government Bill 235-1). Accordingly, they have made an extensive submission to the Environment Committee outlining concerns and suggesting improvements.

Their full submission can be read on their website. [NZPIF.co.nz](http://NZPIF.co.nz)

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As mentioned earlier this is election year and it is a certainty that real estate will become a political football in the lead-up to the elections.

It may be a double-whammy for the market given an anticipated OCR rate rise and the traditional slowing of the market leading into the polls.

Labour has already announced a proposed 28% capital gains tax (to fund free doctor's visits) and to improve overall housing affordability. Economic experts have already cast doubt on the accuracy and effectiveness of such a policy.

The coalition has not made any promises as yet but it is focussing (and becoming bogged down) on changes to the Planning Act. It is also opening the doors to foreign buyers from March 6<sup>th</sup>.

So, what do industry experts and politicians see in the lead up to the elections.

Infometrics forecaster Gareth Keirnan.

Sees housing as an election issue but not perhaps at the same level as previous elections given that house prices have fallen and mortgage interest rates have improved. He sees the housing market continuing to be stable with limited prospect of capital gains.

Independent economist Tony Alexander.

Also does not see housing as being a major issue leading into the election saying it “will be lost in the wash” with voters unlikely to be rushing to make a purchase anyway. They know time is on their side. Affordability has also improved with the market currently favouring first home buyers. Should the OCR go up prior to the election that would be viewed as a negative but also validation of what the market is expecting. He predicts a strong job market. Businesses are scrambling to find good people and the unemployment rate will fall. FOMO will fall way – something the market has been waiting for 3 years.

Auckland real estate agent Steve Koerber.

He sees the key issue being Government plans to keep young New Zealanders at home. To stop the tide of departures to Australis and elsewhere. These people are often also home buyers / owners. The housing market is currently heavily lop-side with there being far more sellers than buyers. Buyers have lost any sense of urgency.

Housing Minister Chris Bishop.

States that the Government is committed to improving housing affordability and boosting home ownership. Changes to the Resource management Act are cited as proof of this intention. Building houses easier is the way forward. He also claims changes to the tax rules around rental properties made in 2024 (reversing changes made by the previous Government) has worked. Rents have remained largely flat or have fallen, more owners are renting out properties, 28.4% of all home purchases were by first home owners. He (of course) compares this to the previous Government under which rents went up by \$180 per week, house prices went up by 30% (2021), Kainga Ora delivered new houses at higher cost than the private sector, KiwiBuild failed delivering only 3,000 of the 100,000 new homes promised.

Labour acting housing spokesperson Arena Williams.

Said the party would make housing policy announcements ‘in due course’. Indicated that the

party was open to retaining some of the policy changes introduced by the coalition.

Green Party housing spokesperson Tamatha Paul.

Paul says that the Greens are the only party with a credible plan to treat housing as a human right. She said decent, affordable, secure housing was still a problem in New Zealand. She indicated that the Greens will build public housing at scale (no mention of how), remove barriers to Maori building on their own land and introduce a wealth tax so that the economy was ‘not a real-life game of Monopoly’. The Greens would be launching a private members bill that would protect tenants right, cap rental increase, get rid of no-cause evictions and introduce a rental ‘warrant of fitness’.

So, there we are. As we head into the elections no doubt some or all of these points will be raised and debated. Watch this space.

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The December quarter saw a significant increase in residential rental activity but at the same time rents have softened slightly. According to the Tenancy Services bond office the national median rent is not \$595 – down from \$600 in the same quarter 2024.

The trends locally however show a slightly different outcome: -

- Christchurch average \$565 – up from \$550
- Selwyn average \$630 – up from \$620
- Waimakariri average \$590 – no change

The big movement was in the number of properties tenanted with Tenancy Services receiving 40,344 bonds from across the country in Q\$ - up 15.1% on same quarter 2025.

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Best wishes to all

Sharon