# The Long View | Finance Intelligence Newsletter

20 August 2026 | Vol. 1 | Issue 4

FROM THE DESK OF

**MICHAEL LONG**

*My read — August 2026*

- **Inflation overshot the RBNZ's own forecast** — annual CPI printed 4.1% for the June quarter on 21 July, not the 3.9% the Bank had pencilled in. Petrol +27.5% and diesel +71% did the damage; strip fuel out and it's 2.9%, inside the band.
- **Every major bank repriced fixed rates in four weeks** — Westpac 27 Jul, ANZ 4 Aug, BNZ 5 Aug, ASB 6 Aug, Kiwibank 10 Aug, +10 to +26 bps, with the 1-year now 4.99% at ANZ, ASB and BNZ — all *without* an OCR move. **Non-banks have started moving too:** Pepper lifted floating +25 bps from 17 July. Development and construction pricing hasn't shifted yet, so the bank–non-bank spread has narrowed this month — but with wholesale costs still climbing and a live 2 September call, my expectation is that non-bank pricing firms into Q4. If you have terms on the table, lock them.
- **The labour market is the counterweight** — unemployment hit 5.6% in the June quarter, the highest since March 2014, and 6.0% in the North Island against 3.7% in the South. That split is showing up directly in regional market performance.
- **RBNZ held LVR and DTI settings on 14 August** — the bank-only DTI regime is confirmed unchanged for roughly another year, and non-bank development lending stays outside it.
- **Supply has overtaken demand, and it is now in the prices — 13.1% of Q2 resales sold below what the owner paid**, the highest since 2012; roughly 20% of townhouses and 41% of apartments. Consents are still running +19% against net migration of just 17,600, well under the 31,200 long-run average. Christchurch is the exception at 5.3% — detail on page 2.

***— Got a project or refi on your mind? Give me a ring anytime on +64 27 6666 170***

## ▸ RATES & MACRO

**OCR**
**2.50%**
*Held since 8 Jul — next call 2 Sep*

**CPI (JUN QTR)**
**4.1%**
*2-year high — RBNZ had forecast 3.9%*

| Bank | Announced | Move |
|---|---|---|
| Westpac | 27 Jul | first mover |
| ANZ | 4 Aug | +10–26 bps |
| BNZ | 5 Aug | 1yr → 4.99% |
| ASB | 6 Aug | +10–26 bps |
| Kiwibank | 10 Aug | +10–20 bps |

*Source: 1News / NZ Herald / interest.co.nz, 27 Jul – 10 Aug 2026 — carded rates; actual pricing depends on LVR, security and project risk*

- **1-year fixed now 4.99%** at ANZ (+20 bps), ASB (+24 bps) and BNZ. ASB's steepest move was the 18-month, +26 bps to 5.35%.
- **All five cited the same cause** — wholesale funding costs driven by the Middle East conflict, not the OCR.
- **Non-bank dev/construction pricing unchanged** since July's survey (~7.50% construction, ~8.50% dev/land), so the bank–non-bank spread has narrowed this month.

## ▸ CONSTRUCTION COSTS

**CORDELL CCCI**
**+3.5%**
*p.a. Q2 2026 — still latest; Q3 due late Sep*

**BRENT CRUDE**
**~$89**
*+6% in the week to 12 Aug*

| Build type | $/m² |
|---|---|
| Standard house | $1,800–2,800 |
| Townhouse (multi) | $2,000–2,800 |
| Medium spec | $2,800–3,500 |
| High spec | $3,500–5,000+ |

*Source: QV CostBuilder Jun 2026 — bands little changed on last month*

- **Hormuz talks have stalled.** Brent gained more than 6% in the week to 12 Aug as attacks on shipping resumed; the US EIA does not expect Middle East output back near pre-conflict levels until early 2027 and sees Brent averaging $87 across 2026.
- **Fix-price contracts** — a full construction season of elevated fuel and freight is now the base case, not the risk case. Test escalation clauses over a 12-month horizon, not three.

## ▸ AUCKLAND MARKET

**MEDIAN (JUL)**
**$940K**
*REINZ — ↓4.1% MoM; HPI ↓1.7% YoY*

**B&T STOCK**
**5,943**
*↓1.6% MoM — REINZ listings 3,075, ↑9.4% YoY*

| Metric | Jul 2026 | vs Jun |
|---|---|---|
| B&T median | $945,000 | +$5,000 |
| B&T average | $1,102,469 | –0.5% |
| Homes sold | 845 | –11.7% YoY |
| New listings | 1,551 | +6.4% |

*Source: Barfoot & Thompson Jul 2026 | REINZ Jul 2026*

- **845 sold** — a three-year low for July at Auckland's largest agency. B&T's own word for the month was "hibernation"; Peter Thompson notes selling prices have been flat for the time of year for four years running.
- **Cotality has Auckland values –0.6%** in July, the largest fall of the main centres bar Tauranga.
- **Median days to sell is the highest for a July since 2008** (NZ, Auckland and Waikato). Put the extra time into the sell-down assumption, not the price.

## ▸ CHRISTCHURCH MARKET

**CANTERBURY HPI**
**+4.0%**
*YoY Jul 2026 — 3rd strongest region*

**SALES (JUL)**
**1,085**
*4th-highest July since records began in 1992*

| Metric | Jul 2026 | Signal |
|---|---|---|
| Canterbury HPI | +4.0% YoY | vs NZ –0.4% |
| Chch values (Cotality) | +0.1% MoM | one of only two centres up |
| Consents (yr to Jun) | 8,647 | +33% — fastest in NZ |

*Source: REINZ Jul 2026 | Cotality Jul 2026 | Stats NZ Jun 2026*

- **The South Island is running a different cycle** — Southland HPI +6.0%, Otago +4.9% at an all-time high index, Canterbury +4.0%, against Auckland –1.7%. Employment explains most of it: 3.7% unemployment in the South Island vs 6.0% in the North.
- **But watch the supply side.** Canterbury consented 8,647 homes (+33%) and 12.4 per 1,000 residents — the highest per-capita rate in the country. Price strength and a 33% supply surge do not coexist indefinitely.

## ▲ BUILDING CONSENTS

**YR TO JUN 2026**
**40,581**
*↑19% — first time above 40,000 since 2023*

**AUCKLAND**
**17,097**
*↑20% — 42% of the national total*

- **Multi-unit 21,954 (+21%)** vs stand-alone houses 18,627 (+17%) — attached typologies still lead the rebound.
- **Canterbury 8,647 (+33%)** is the fastest-growing region, at 12.4 consents per 1,000 residents; Otago is second at 11.7.
- **Consents are not completions.** Auckland Council expects roughly a 90% eventual completion rate — on 17,097 that is around 15,400 homes landing across 2027–28. Projects exiting after H2 2027 should not lean on today's tight completion pipeline.

*Source: Stats NZ — Building consents issued: June 2026 (released 3 Aug 2026) | Auckland Council Chief Economist Unit*

## ▲ RENTAL MARKET & YIELDS

**NATIONAL MEDIAN RENT**
**$620**
*flat MoM and flat YoY — Trade Me Jun 2026*

**AUCKLAND**
**$660**
*↓1.5% YoY — about –5.5% in real terms*

| Region | Rent/wk | YoY |
|---|---|---|
| Auckland | $660 | –1.5% |
| Wellington | $595 | –0.8% |
| Canterbury | $580 | +5.5% |
| Otago | $650 | +8.0% |

*Source: Trade Me Rental Price Index Jun 2026. Yields are our calculation — Trade Me asking rent against REINZ Jul 2026 regional sale median; caliber differs, treat as indicative*

- **Demand is up and Auckland rents still fell.** Search activity +15% YoY against listings +4%. On 4.1% CPI, a –1.5% nominal move is roughly –5.5% real. That is a stock problem, not a demand problem.
- **Gross yields:** Auckland **3.65%** ($660/wk on the $940K median), Canterbury **4.40%** ($580 on $685K). At 4.99% an Auckland investor at 70% LVR clears interest by only ~$1,500 a year and is ~$3,200 short at 80% — *before* rates, insurance, maintenance and management. Allow 30% opex and both centres go negative.
- **Shadow supply:** developers who cannot sell new builds are letting them instead — suppressing rents in the same submarkets carrying the townhouse overhang, and deferring that sale stock rather than removing it.

## ▲ MARKET PULSE

**NATIONAL MEDIAN**
**$760K**
*↓0.7% YoY — REINZ Jul 2026*

**DAYS TO SELL**
**50**
*↑2 days YoY — 5th-slowest July since 1992*

- **Sales 6,090, –10.0% YoY**, down in 13 of 16 regions. The national HPI is –0.4% YoY; Cotality's index has values –0.3% in July and –17.5% below the early-2022 peak.
- **Inventory 33,252 (+9.3%)** — the highest July stock since 2014 — driven by slow sales rather than new listings, which were 7,698 (–0.5%).
- **Average asking price $828,345** — down $70,332, or 7.8%, across five consecutive months from February's $898,677. Vendors are moving on price; buyers are not yet responding.
- **Auction clearance ran 38–45% through August** on three-year-low volumes.

*Source: REINZ Jul 2026 | Cotality HVI Jul 2026 | realestate.co.nz Jul 2026 | interest.co.nz auction results Aug 2026*

| NAME | COMPANY | PHONE | EMAIL | SPECIALISED IN |
|---|---|---|---|---|
| **Michael Long** | **Reesby & Co** | **+64 27 6666 170** | **michael@reesby.co.nz** | **Property finance** |

✦ I aim to reply to all queries within one business day ✦

## ★ INFLATION OVERSHOOTS — THE 2 SEPTEMBER CALL

**ANNUAL CPI**
**4.1%**
*Jun qtr — 2-year high; RBNZ had forecast 3.9%*

**EX-FUEL**
**2.9%**
*inside the 1–3% target band*

- Headline CPI rose **1.5% in the June quarter alone**; petrol was up 27.5% and diesel 71% over the year, close to a quarter of the 4.1%. The RBNZ's July MPS had inflation peaking at 3.9% and easing to 3.3% by the September quarter — the June print puts that path in question.
- **Major bank economists have converged on a September start**, with Westpac picking the OCR at 3.00% by year-end. Since the CPI print the consensus has firmed from evenly split toward a hike on 2 September.
- **Action:** the fuel component is genuinely transitory and the 2.9% core is not the Bank's problem. That's a fair argument to run when negotiating a longer fix — but don't build the feasibility on it.

*Source: Stats NZ — CPI June 2026 quarter (21 Jul 2026) | RBNZ MPS 8 Jul 2026 | interest.co.nz*

## ★ RBNZ HOLDS LVR & DTI — CARVE-OUT INTACT

**LVR (UNCHANGED)**
**25% / 10%**
*owner-occ >80% / investor >70% speed limits*

**DTI CAP**
**6x / 7x**
*registered banks only — next review ~Aug 2027*

- The Financial Policy Committee's annual macroprudential review on **14 August left both LVR and DTI settings unchanged**. Its reasoning: housing risks are "currently contained" — prices broadly flat, lending growth modest, the high-risk share manageable.
- **DTI restrictions still apply to registered banks only.** Non-bank lenders funding development and construction remain outside the regime entirely.
- Cotality's Q2 data shows first-home buyers at a **record 28.3%** of purchases while mortgaged multiple property owners fell to **22.5%** (from 24.3% in Q4 2025) — the pull-back is concentrated in larger investors.
- **Action:** the carve-out is now confirmed for roughly another twelve months. That is a defined, dateable window — put it in front of any client whose bank deal is failing on DTI rather than LVR.

*Source: RBNZ Financial Policy Committee 14 Aug 2026 | interest.co.nz | Cotality NZ Housing Chart Pack Jul 2026*

## ⚡ FUNDING COSTS — THE FULL REPRICING ROUND

**1-YEAR FIXED**
**4.99%**
*ANZ, ASB and BNZ — up +20 to +24 bps*

**OCR MOVES SINCE**
**Zero**
*all of this happened without the RBNZ*

- **27 Jul Westpac → 4 Aug ANZ → 5 Aug BNZ → 6 Aug ASB → 10 Aug Kiwibank.** Moves of +10 to +26 bps, concentrated on 6-month to 3-year terms.
- Every bank named the same cause — wholesale funding costs pushed up by the Middle East conflict. ASB's Adam Boyd: "volatility in wholesale interest rates, which have climbed over the past month."
- Specifics worth knowing: **ASB's 18-month +26 bps to 5.35%**; **Kiwibank's 6-month special +10 bps to 4.75%**; BNZ's two-year now 5.45%.
- **What it means for non-bank:** wholesale-driven repricing reaches non-banks too, but with a lag and different transmission. Expect development and construction pricing to firm into Q4 if Hormuz stays closed.

*Source: 1News, NZ Herald and interest.co.nz, 27 Jul – 10 Aug 2026 | Al Jazeera 12 Aug 2026 | CNBC 11 Aug 2026*

## ⚠ STRESSED SALES WATCH — TWO CASES TO READ

**MORTGAGE ARREARS (JUN)**
**1.20%**
*19,600 accounts — lowest since Dec-22, –15% YoY*

**CONSTRUCTION LIQUIDATIONS**
**755**
*0.9% of the sector, 12 months to Jun*

- **Household stress keeps improving; business failure is where the risk sits.** Company liquidations rose 15% to 3,073 in the year to June, construction the largest single contributor. Mortgagee sales were 111 in Q2, up from 74 in Q1.
- **Case 1 — Soho Hotel (completion risk).** IPG Capital into receivership 10 June owing **$66.1m**; the seven-level Mt Roskill hotel has traded since mid-2024 with **no Code Compliance Certificate**. A finished, occupied, non-compliant building is not a saleable security.
- **Case 2 — Diamond Homes (counterparty risk).** In liquidation 28 July on a shareholder resolution. Per the liquidators' first report: IRD is owed **$4.26m** in GST and PAYE and employees **$596,720** — both preferential, both ahead of a GSA holder. On the asset side the $4.42m receivables book includes a **$1.44m loan to insolvent sister company Diamond Construction**, the $1.40m inventory is valued off journal entries more than **12 months old**, and fixed assets include plant already returned to financiers. Every realisable value reads "unknown", and note 11 warns PMSI/GSA parties appear twice — treat the reported $16–18m group total with care.
- **Action:** PPSR search at every *drawdown*, not just onboarding, and ask any builder for an IRD statement of account rather than a management P&L. Diamond's failure started in 2024 when a single principal contractor cut its work — concentration, not the property market, was the first cause.

*Source: Diamond Homes Limited (In Liquidation) — Liquidators' First Report, filed 4 Aug 2026, NZ Companies Register (co. 6592553) | Centrix Credit Indicator Jun/Jul 2026 | BusinessDesk | b2bnews.co.nz*

## ★ SUPPLY HAS OVERTAKEN DEMAND — AND IT SHOWS

**LOSS-MAKING RESALES**
**13.1%**
*Q2 2026 — highest since 2012; under 1% in early 2022*

**AUCKLAND DWELLINGS**
**+10.3%**
*2019–24, against population +7.0%*

- **The structural measure.** Cotality's dwelling stock versus population, 2019–24: nationally +7.5% against +6.4%; **Auckland +10.3% against +7.0%**, easing occupancy from 3.45 to 3.34; Wellington's population *fell* 1.0% while stock rose 4.3%. Waimakariri, Selwyn and Queenstown-Lakes also built past their population growth.
- **The price consequence.** 13.1% of Q2 resales went below purchase price — median loss **$60,000**, before commission — and the loss-makers had held a median 4.3 years, i.e. 2021–22 peak buyers. It is concentrated in our product: roughly **20% of townhouses** resold at a loss (median $49,500) and about **41% of apartments**.
- **But supply alone doesn't set price.** Loss-making resales run **20.9% in Auckland** and 18.4% in Wellington against 8.0% in Dunedin and just **5.3% in Christchurch** — even though Canterbury consents are +33% and Selwyn and Waimakariri are oversupplied. Supply dominates where demand is already impaired: North Island unemployment 6.0% vs South Island 3.7%, and entry prices within reach of local income.
- **Underwriting read:** deals must work on margin at today's values. Cotality's Kelvin Davidson, in NBR's 3 Aug series: "if there's going to be any point in time where actually the housing market has changed, it feels like this could be it."

*Source: Cotality — dwelling stock vs population 2019–24 (published Sep 2025, latest available vintage) and Q2 2026 resale analysis | RNZ | interest.co.nz | NBR Focus 3 Aug 2026*

## ▲ MIGRATION & THE ELECTION

**NET MIGRATION (YR TO JUN)**
**17,600**
*up from 10,300 a year earlier*

**ELECTION**
**7 Nov**
*advance voting opens 26 Oct*

- 130,700 arrivals against 113,100 departures — the improvement came from a **5% fall in departures**, not a surge in arrivals. NZ citizens: net loss of **37,700**; non-NZ citizens: net gain of **55,300**. Still well below the 31,200 long-run June-year average — don't over-forecast rental absorption on new stock.
- REINZ members report a **"wait and see" posture building ahead of 7 November**; Cotality sees the same in the investor data. Labour's policy is a **28% CGT on residential and commercial investment property gains accruing from 1 July 2027** — family home, farms, shares and KiwiSaver excluded. Cotality's read is that investors fear the unwinding of interest deductibility more than the CGT itself: deductibility hits cashflow now, CGT hits an exit that may never happen.

*Source: Stats NZ — International migration: June 2026 | Elections NZ | REINZ Jul 2026 | Cotality Chart Pack Jul 2026*

## DEVELOPER'S TIP — AUGUST 2026

- **Don't wait for 2 September to fix.** Banks have already repriced +10 to +26 bps on wholesale costs; the RBNZ is a second, separate move on top.
- **Stress the sell-down period, not the coupon.** Days to sell is the highest for a July since 2008 and stock is at a 12-year high. Six extra months at full drawdown costs several times a 50 bps rate rise.
- **The DTI carve-out is confirmed to roughly August 2027** — a dateable structural edge for non-bank development finance.
- **Two checks this month.** Audit CCC status across the book (Soho: two years trading, $66.1m, no CCC), and re-run PPSR plus an IRD statement of account on every builder (Diamond: $4.26m of GST and PAYE ranking ahead of your GSA).
- **Test the rent, not just the price.** Auckland gross yield is 3.65% against a 4.99% one-year rate — negative after opex at any realistic LVR. Canterbury at 4.40% is the better cashflow story.
- **Underwrite to today's values.** Election 7 November, CGT on the table from 1 July 2027 — a feasibility relying on capital growth is carrying political risk it isn't paid for.

NAME
**Michael Long**

COMPANY
**Reesby & Co**

PHONE
**+64 27 6666 170**

EMAIL
**michael@reesby.co.nz**

SPECIALISED IN
**Property finance**

✦ I aim to reply to all queries within one business day ✦