The Long View | Finance Intelligence Newsletter

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FROM THE DESK OF
MICHAEL LONG
My read — July 2026

- **RBNZ delivered the flagged hike** — OCR up 25 bps to 2.50% on 8 July, unanimous after May's 3–3 split. All four major banks lifted floating rates +25 bps within days; next MPS isn't until 2 September, but economists now see 2-3 more hikes coming (see Economist Watch, page 2).
- **The Hormuz truce collapsed the same day** — Brent has surged from ~$72 to $88.10 in ten days. Fuel and steel repricing risk is back for H2 — fix-price contracts remain essential.
- **Building consents confirmed a genuine rebound** — 39,737 dwellings consented in the year to May (+19%), Auckland +22% and Canterbury +30% the biggest movers.
- **Non-bank lenders sit outside the RBNZ's new bank-only DTI limits** — a genuine structural edge for development finance, alongside the FMA's 1 July takeover of consumer credit regulation.

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

▸ RATES & MACRO

OCR
2.50%
Hiked 8 Jul — +25bps

NEXT MPS
2 Sep
Further hikes flagged

Loan type	Bank	Non-Bank
Home 1yr fix	from 4.65%	from 7.25%
Home 2yr fix	from 5.19%	from 7.50%
Resi invest.	from 5.40%	from 8.00%
Construction	from 5.80%	from 7.50%
Dev / land	from 6.50%	from 8.50%

Source: ANZ/ASB/BNZ/Westpac Jul 2026 — lowest advertised rate; actual pricing depends on LVR, security and project risk

- **Floating up 25bps** — all 4 majors, effective mid-Jul (new floating from ~6.0%).
- **Fixed & dev/construction pricing** — little changed since June; confirm with your lender as the cycle turns.

▸ CONSTRUCTION COSTS

CORDELL CCCI
+3.5%
p.a. Q2 2026 — up from +3.0% Q1

QV COSTBUILDER
+2.4%
p.a. Jun 2026 — +1.6% 3mo to May

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

- Cordell's Q2 index shows annual growth accelerating to 3.5% (from 3.0%) — strongest since mid-2023 — with fresh pressure flagged on structural steel, plumbing components, insulation and aluminium roofing as Hormuz-related transport costs bite again.

▸ AUCKLAND MARKET

MEDIAN (JUN)
$940K
B&T — ↓4.1% MoM, ↓4.2% YoY

STOCK (EOM)
6,037
18-yr high for June

Metric	Jun 2026	vs Jun 2025
Median price	$940,000	–4.2%
Average price	$1,107,945	–2.0%
Homes sold	890	+1.6%

Source: Barfoot & Thompson Jun 2026

Suburb	Avg Value	Signal
Papakura	$761K	–7.1% (2yr)
Manurewa	$796K	–4.6% (2yr)
Flat Bush	$1.24M	–2.5% YoY

Source: OneRoof / Opes Partners 2026 (est. values, not sale medians)

- 890 sold — strongest June since 2021 — even as stock hits an 18-year June high and prices soften.

▸ CHRISTCHURCH MARKET

MEDIAN (JUN)
$720K
+6.7% YoY — held 2nd mo.

LISTINGS
1,755
↓7.8% MoM — winter easing

Metric	Jun 2026	Signal
Median price	$720,000	Held 2nd mo.
Auction clearance	72%	vs 36% other
QV / REINZ growth	+3.68% / +3.18%	YoY, index-adj.

Source: Harcourts Grenadier / QV / REINZ Jun 2026

Suburb	Avg Value	Signal
Cracroft	$1.20M	+24% (2yr)
Rolleston	$819K	Vol. leader
Sockburn	$625K	Fastest-selling (~18d)

Source: OneRoof / Opes Partners 2026 (est. values, not sale medians)

- 72% auction clearance (3mo to May) vs 36% other methods — clearest case for auction this winter.

▲ BUILDING CONSENTS

YR TO MAY 2026
39,737
↑19% — 2nd straight annual rise

NEW HOMES PER CAPITA
7.4
per 1,000 people — up from 6.3 last year

- **Multi-unit +20%** (21,466) vs stand-alone houses +17% (18,271) — attached typologies still lead.
- **Auckland +22%** (16,862) | **Canterbury +30%** (8,468) — the two biggest regional movers; Waikato +8.6%, Otago +7.8%, Wellington +17%.
- Non-residential consented value –4.0% YoY ($8.7B) — this is a residential-led rebound, not a broad-based construction boom.

Source: Stats NZ — Building consents issued: May 2026 (released 7 Jul 2026)

▲ MARKET PULSE

NATIONAL MEDIAN
$770K
↑0.7% YoY — REINZ Jun 2026

DAYS TO SELL
48
↓1 day YoY

- Quality-adjusted HPI is actually –0.8% YoY nationally — median and index tell slightly different stories; underlying prices are still soft.
- **Auckland** $940K (B&T Jun) — down 4.1% MoM as stock hits an 18-year June high.
- **Christchurch** $720K +6.7% YoY (Harcourts) — steadiest major market nationally for a second straight month.

Source: REINZ Jun 2026 | Barfoot & Thompson Jun 2026 | Harcourts Grenadier Jun 2026

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

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★ OCR DELIVERS — FIRST HIKE OF THE CYCLE

NEW OCR	PEAK CPI
2.50%	**3.9%**
+25bps, 8 Jul — as flagged	*Jun qtr (RBNZ f'cast) — actual 21 Jul*

- Committee moved 25bps to 2.50% — a unanimous 6-0 call, a sharp contrast to May's 3–3 split hold. RBNZ's rationale: the partial Hormuz reopening had briefly eased inflation, but the hike keeps NZ on track for the 2% target midpoint by mid-2027.
- Annual CPI is expected to have peaked at 3.9% in the June quarter per RBNZ's forecast (Stats NZ's actual print lands 21 July).
- **Action:** banks already repriced floating +25bps — revisit facility structure now, before the next move. Full economist analysis below.

Source: RBNZ 8 Jul 2026 MPS | interest.co.nz | Westpac IQ Jul 2026

★ NON-BANK SECTOR — DTI EXEMPTION & REGULATORY RESET

BANK DTI CAP	FMA TAKEOVER
6x / 7x	**1 Jul**
Owner-occ / investor — non-banks exempt	*CCCFA moves from ComCom to FMA*

- RBNZ's debt-to-income restrictions cap banks at no more than 20% of new lending above 6x (owner-occupier) or 7x (investor) income — and the rule applies to **registered banks only**. Non-bank lenders funding development and construction sit outside the DTI regime entirely.
- From 1 July the FMA replaced the Commerce Commission as consumer credit regulator — certified non-bank lenders auto-transition to a licence; directors' personal due-diligence duties are repealed for future lending.
- **Action:** the DTI carve-out is a genuine, durable edge for non-bank development finance — build it into capital-stack conversations now, ahead of the Deposit Takers Act convergence in Dec 2028.

Source: RBNZ DTI explainer | Bell Gully Jul 2026 | Chapman Tripp Jul 2026 | FMA Jul 2026

⚡ STRAIT OF HORMUZ — TRUCE COLLAPSES

BRENT CRUDE	CEASEFIRE STATUS
$88.10	**Ended**
+4.6% on 18 Jul; from ~$72 (13 Jul)	*Trump confirms truce is over*

- **14 Jun 2026** — US-Iran MOU signed, 60-day free passage agreed; Brent eased toward $72–80.
- **8 Jul 2026** — truce broke down the same day as the OCR call, when Iran struck multiple commercial ships in the strait.
- Since then — six consecutive nights of US strikes on Iranian targets; Iran repeatedly attacking tankers. Brent climbed from ~$72 (13 Jul) to $84.95 (15 Jul) to $88.10 (18 Jul).
- **NZ impact** — petrol +20%, diesel +51% over the June quarter already; further repricing risk for H2 builds. Fix-price contracts more important than ever.

Source: Al Jazeera 8–18 Jul 2026 | CNBC 15–18 Jul 2026 | The Hill Jul 2026

⚠ STRESSED SALES WATCH

MORTGAGE ARREARS (JUN)	MORTGAGEE LISTINGS
↓12%	**109/qtr**
~20,700 accounts — lowest since Sep-23	*Record high, Oct-25 — still the latest count*

- **The headline stress signal is actually improving** — Centrix's June 2026 data shows mortgage arrears down to ~20,700 accounts, a 3-year low, as average back-book mortgage rates ease to 4.85% (from 5.91% a year ago).
- **But mortgagee listings keep climbing** — because they're a lagging indicator. Banks give up to 3 years' warning before acting, so today's 109/qtr (still the latest published count) reflects stress baked in during 2022–24, not current conditions.
- Business failures are the real current-day risk: Centrix has construction-sector liquidations +21% YoY, hospitality +45% — often surfacing later as forced home sales where owners pledged their house against business debt.
- **Opportunity:** incomplete builds & land lots at ~19% below market remain available for capitalised buyers. **Risk:** distressed sales still pull down comparable values nearby.

Source: Centrix Jun 2026 Credit Indicator | Newswire Jul 2026 | b2bnews.co.nz | RBNZ S50

★ ECONOMIST WATCH — RATES OUTLOOK HARDENING

CONSENSUS	ANZ PRICE CALL
2–3 more	**–2%**
hikes flagged into 2027	*FY26 house prices, on rising rates*

- **Tony Alexander** (8 Jul): floating gets the full 25bps, fixed barely moves. Next hike likely Sept — recalls RBNZ's 2021 peak forecast of 2.5% vs an actual 5.5%. Fixing 3 years himself.
- **Kelvin Davidson / Cotality** (13 Jul): vote flipped from a 3-3 split to unanimous 6-0 — prepare for 2+ more hikes. Westpac 4% by Sep-27, ASB ~3.25%, Kiwibank the outlier.
- **ANZ:** holding its call of 3 hikes this year to 3.00%, plus a 2% house-price fall for FY26.
- **RNZ's Corin Dann** (15 Jul): post-truce optimism is fading as oil reruns its spike — don't wait for calm to commit to projects.

Source: Tony Alexander | Cotality | ANZ | Bagrie | RNZ Jul 2026

▲ MIGRATION & POPULATION

NET MIGRATION (YR)	MAY ALONE
18,813	**–99**
↑78% from 10,550 a year ago	*First negative month this upswing*

- **NZ citizens:** net loss of 3,738 in May alone (5,199 left, only 1,461 returned) — the Kiwi outflow continues.
- **Non-NZ citizens:** net gain of 3,640 in May — almost exactly offsetting the citizen outflow, not adding to it.
- Still well below the 46,000 ten-year average — why landlords report only gradual easing in finding good tenants (32% say it's hard, vs 40% a year ago).
- **Watch point:** annual trend is strongly up, but the latest month just turned flat/negative.

Source: Stats NZ — International migration: May 2026 | interest.co.nz | Tony Alexander

DEVELOPER'S TIP — JULY 2026

- **Rates are rising, not falling, from here** — with 2-3 more OCR hikes flagged into 2027, consider fixing longer (Tony Alexander is fixing 3 years himself) rather than repeatedly rolling 1-year terms.
- **Fix-price contracts essential again** — the 8 Jul Hormuz truce collapse is repricing fuel & steel through H2.
- **DTI limits don't apply to non-banks** — a durable structural edge for higher-leverage deals, well ahead of 2028's regulatory convergence.
- **Consent tailwind** — Budget 2026 incentive working (+19%; Auckland +22%, Canterbury +30%). Get into the pipeline now.
- **Household arrears are improving, but don't relax** — mortgagee listings and business liquidations (+21% YoY in construction) are still climbing as a lagged effect of 2022-24 rates. Vet builder and buyer financials carefully.
- **Don't over-forecast rental absorption** — net migration is still well below the 10-year average, so tenant demand for new stock is building slowly, not surging.

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