The Long View | Finance Intelligence Newsletter

22 June 2026 | Vol. 1 | Issue 2

Prepared exclusively for: Valued Client

FROM THE DESK OF
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My read — June 2026

- The OCR held at 2.25% on a knife-edge 3–3 split vote — Governor Breman's casting vote kept rates on hold, but the market is pricing a 75% chance of a hike on 9 July. If you're planning a development or refinance, locking in non-bank finance now while rates are still competitive makes sense.
- Budget 2026 delivered a $400M consent incentive — councils paid per consent issued, a structural tailwind for developers targeting Christchurch, Selwyn and Tauranga.
- The Strait of Hormuz peace deal is signed but diesel, steel and aluminium are still repricing through H2; fix-price build contracts are essential.
- Stressed sales are at record levels — 109 mortgagee listings per quarter, creating real opportunity for capitalised buyers who know their comps.

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

‣ RATES & MACRO

OCR	Next MPS
2.25%	**9 Jul**
On hold — Jul hike live	*75% hike probability*

Loan type	Bank	Non-Bank
Home 1yr fix	4.65%	7.25–8.25%
Home 2yr fix	5.19%	7.50–8.75%
Resi invest.	5.40–5.89%	8.0–9.5%
Construction	5.80–6.50%	7.50–10.5%
Dev / land	6.50–7.50%	8.5–12.0%

Source: ANZ/ASB/BNZ/Westpac Jun 2026

- **Non-bank** from 7.25% resi, 7.50% construction.
- **Lock now** — rates moving before 9 Jul MPS.

‣ CONSTRUCTION COSTS

Townhouse/m²	Cost inflation
$2,000–2,800	**+1.6% p.a.**
Multi-unit	*Cordell CCCI Q1 2026*

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

Material	12-mth change
Structural timber	+5.2%
Diesel	+4.1%
Steel / aluminium	+3.8%

Source: Cordell CCI Q1 2026

- **Hormuz** adding further pressure on diesel & steel through H2.

‣ AUCKLAND MARKET

Median (May)	Active listings
$980K	**~6,400**
B&T — ↑2.6% on Apr	*Elevated — buyer's mkt*

Property type	Days	vs List
3BR Townhouse (done)	~21	+1–2%
New build ≤$850K	~28	At list
2BR Townhouse	~28	At list
Section (good loc.)	~35	At list
CBD Apartment	60+	–3–5%

Source: Barfoot & Thompson May 2026

Suburb	Med	YoY
Mangere	$780K	+4%
Flat Bush	$925K	+4%
Glen Innes	$870K	+3%
CBD Apts	—	–2%

Source: CoreLogic / OneRoof May 2026

‣ CHRISTCHURCH MARKET

Median (May)	Days on market
$720K	**~35**
+6.7% YoY — REINZ	*↓ tightening*

Property type	Days	vs List
3BR New build ≤$700K	~18	+1–3%
2BR Townhouse S-belt	~22	At list
Section (Rolleston)	~25	At list
4BR Family home	~32	At list
CBD Apartment	50+	–2–4%

Source: Harcourts Gold / CoreLogic May 2026

Suburb	Med	Signal
Cracroft	$1.02M	+24% 24mo
Rolleston	$710K	Vol. leader
Halswell	$780K	Family demand
Sockburn	—	⚠ Hi stock

Source: Harcourts Grenadier / OneRoof May 2026

▲ BUILDING CONSENTS

Yr to Apr 2026	April alone
39,087	**3,692**
↑16% — first annual rise in 3 years	*s.adj. +11% MoM*

- **Auckland** +14% | Canterbury +21%. Townhouses & multi-unit led the surge.
- **May data** releases 2 July 2026.

Source: Stats NZ — Building consents issued: April 2026 (released 4 Jun 2026)

▲ MARKET PULSE

National median	Best segment
$775K	**New builds**
↓0.6% YoY — REINZ May 2026	*≤$900K moves fastest*

- **Auckland** $980K (B&T May) — rate sensitivity visible month-to-month.
- **Christchurch** $720K +6.7% YoY — strongest major market nationally.

Source: REINZ May 2026 | Barfoot & Thompson May 2026 | Harcourts May 2026

★ OCR SPLIT — MOST HAWKISH HOLD ON RECORD

Vote	Jul hike prob.	End-FY26 OCR
3 – 3	**75%**	**~3.00%**
Governor Breman's casting vote held	*Market pricing 17 Jun*	*RBNZ track*

- **Voted to HOLD:** Breman (Gov), Silk, Conway — Governor's casting vote held at 2.25%.
- **Voted to HIKE:** Hansen, Gourley, Gai — wanted 25 bps increase immediately.
- **CPI 4.1%** — above 1–3% target. Hormuz adding ~1 pp. Hike path to ~3.00% by year-end.
- **Action:** lock dev facility now — hedges 25–50 bps mid-build.

Source: RBNZ May 2026 MPS (27 May) | interest.co.nz | ASB, Westpac Jun 2026

★ BUDGET 2026 — $400M HOUSING INCENTIVE

Consent incentive	Platform reform
$400M	**$294M**
Paid to councils per consent	*Centralised system*

- **$400M** — councils earn more the more they consent. Fixes longstanding supply blocker.
- **$294M** centralised consenting platform — replaces patchwork council systems.
- **$30M** dev levy oversight — potential cap on $40K–$80K/unit Auckland levies.
- **Action:** enter pipeline now — first movers benefit most from reform.

Source: Budget 2026, 22 May 2026 — budget.govt.nz

⚡ STRAIT OF HORMUZ — UPDATE & NZ IMPACT

Brent crude	NZ diesel surcharge
~$80	**+30–35%**
↓ from $120+ peak; deal signed 14 Jun	*vs pre-closure Mar 2026*

- **4 Mar 2026** — Iran closes Strait. IEA: largest supply disruption on record.
- **14 Jun 2026** — US-Iran MOU signed. Strait reopening; 60-day free passage agreed.
- **Recovery slow** — 600 ships backlogged. Flows at 70% pre-war levels for weeks.
- **NZ impact** — Hormuz adds ~1 pp to CPI. Diesel & steel repricing persists through H2.

Source: Al Jazeera 17 Jun 2026 | CNBC 18 Jun 2026 | PBS NewsHour | RBNZ Jun 2026

⚠ STRESSED SALES WATCH

Mortgagee listings	Distressed discount
109/qtr	**~19%**
Record high — was 24/qtr in early 2024	*Median below market value*

- **Auckland rates arrears** $106M as at Jul 2025 (+41% from 2023). NZ total: $166M+ (Akl + Wgtn + Chch).
- **Receiverships active** — Onehunga, South Auckland, Canterbury.
- **Opportunity:** incomplete builds & land lots at forced-sale pricing.
- **Risk:** distressed sales pull down comparable values for neighbours.

Source: Cotality Q3 2025 Pain & Gain | interest.co.nz | RBNZ S50 Feb 2026

DEVELOPER'S TIP — JUNE 2026

- **Fix-price contract** — lenders price 25–50 bps better. Hormuz repriced diesel & steel; lock builder now.
- **Non-bank = speed** — decisions in 3–5 days vs 3 weeks. Don't wait for the bank.
- **3BR townhouse $750K–$950K** — Auckland's fastest-moving product (~21 days).
- **Budget incentive** — target fast-consent markets: Christchurch, Selwyn, Tauranga.
- **Stressed stock** — mortgagee lots 19% below market. Know your comps.
- **9 Jul MPS** — likely OCR hike. Move on funding before that date.

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