The Long View | Finance Intelligence Newsletter

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FROM THE DESK OF MICHAEL LONG

My read — May 2026

Keep a close eye on the OCR — June quarter inflation is forecast at 4.2% and business expectations sit at 3.41%. ASB's chief economist says hikes are 'a matter of when, not if.' A 25–75 bps rise before year end is on the cards. If you're planning a development, locking in non-bank finance now while rates are still competitive makes sense.

Lenders are backing developers who bring a solid Statement of Position — strong personal balance sheet, clear equity, proven track record. Add a fixed-price build contract and you take two big risk items off the table at once. Design quality is making a real difference too: well-spec'd townhouses and standalone/duplex product are outselling generic terraced stock.

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

▸ RATES & MACRO

OCR Apr 2026	Next review
2.25%	**27 May**
On hold	*MPS — watch this*

Source: RBNZ, 8 Apr 2026 | Next MPS: 27 May 2026

Seven cuts from 5.50% (Aug 2024) brought the OCR to 2.25% — now on hold. With June quarter CPI forecast at 4.2% (top of band is 3%), the 27 May MPS is live. Most economists lean hold for May; a hike by Q3 is increasingly priced. Banks have already started moving — lock in rates now.

Bank vs Non-Bank — Indicative Rates

Banks stick to standard fixed terms. Non-banks move faster, lend higher LVR, and are built for dev & construction deals.

Loan Type	Bank	Non-Bank
Home loan — 1yr fixed	4.65%	7.25–8.25%
Home loan — 2yr fixed	5.19%	7.50–8.75%
Residential invest.	5.40–5.89%	7.99–9.50%
Construction (resi)	5.80–6.50%	7.50–10.50%
Development / land	6.50–7.50%	8.50–12.00%
Mezzanine	N/A	12.00%+

Source: ANZ/ASB/BNZ/Westpac/Kiwibank, RateMate/MortgageLab, 19 May 2026. Indicative only.

All five major banks nudged fixed rates up in the past two weeks. Non-bank rates start from 7.25% p.a. for resi, 7.50% for construction — not bound by RBNZ LVR rules, ideal for >65% LVR dev deals.

▸ CONSTRUCTION COSTS

Build cost range	Cost inflation
$1,800–$3,500	**+2.3% p.a.**
entry to mid spec/m²	*CCCI Q4 2025*

Source: QV CostBuilder, MortgageLab, Cotality CCCI Q4 2025. Build-only, excl. site works, GST & consenting.

Cost per m² by build type

Build Type	$/m² Range
Standard house	$1,800–$2,800
Townhouse (multi)	$2,000–$2,800
Medium spec	$2,800–$3,500
High spec / custom	$3,500–$5,000+
Apartment (mid-rise)	$3,200–$5,500+

Source: QV CostBuilder, MortgageLab, builder quotes May 2026. Build-only — excl. site works, GST, consenting & landscaping.

All figures are build-only — add 20–30% for site works, landscaping, consenting & connections. Canterbury typically runs 10–15% cheaper than Auckland. Townhouses are the most cost-efficient multi-unit type for dev finance purposes.

Key material movers — yr to Dec 2025

Material	Chg
Structural timber	+5.2%
Cladding (prop.)	+5.0%
Concrete	+4.5%
Diesel	+3.0%
Paint & finishes	+2.3%

Source: Cordell CCI, QV 2026. Note: Strait of Hormuz closure (Mar 2026) adding cost pressure on steel, aluminium & diesel through H2 2026.

▸ AUCKLAND MARKET

Median (Apr)	Stock on market
$955K	**6,356**
↓ seasonal, +2.3% YoY	*18-yr high for April*

Apr sales	New listings
688 sold	**1,744**
↓18% — Easter/Anzac	*Highest Apr in 21 yrs*

Source: realestate.co.nz Apr 2026

What's moving fast

vs List: +% above asking; –% below asking.

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, CoreLogic May 2026

Hot spots vs oversupply

Suburb	Median	YoY
Mangere	$780K	+4%
Flat Bush	$925K	+4%
Glen Innes	$870K	+3%
CBD Apts	—	–2%
Manukau/Wtk	—	⚠ High stk

Source: OneRoof, CoreLogic, B&T Suburb Report Apr 2026

Rental snapshot

Size	Med/wk	Vacancy
1BR	~$400	~2.5%
2BR	~$520	~2.5%
3BR	~$650	~2.5%

Source: Tenancy Services | Ray White PM Auckland May 2026

▸ CHRISTCHURCH MARKET

Median (Mar)	Sales Mar
$710K	**868**
+1.4% YoY, HPI +3.9%	*+23.6% YoY Canterbury*

Days on mkt	Consents YoY
37 days	**+21%**
↓ from 46 in Feb	*yr to Mar 2026*

Source: Harcourts, realestate.co.nz, Stats NZ Apr 2026

What's moving fast

vs List: +% above asking; –% below asking.

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 Apr 2026

Hot spots vs oversupply

Suburb	Median	Signal
Cracroft	$1.02M	+24% 24mo
Rolleston	$710K	Vol. leader
Halswell	$780K	Fam. demand
Sockburn/Hornby	—	⚠ High stk
East suburbs	—	⚠ Softening

Source: Harcourts Grenadier, OneRoof Apr 2026

Rental snapshot

Size	Med/wk	Yield
1BR	~$330	~5.2%
2BR	~$430	~4.9%
3BR	~$540	~4.6%

Source: Tenancy Services | Harcourts Grenadier May 2026

▲ BUILDING CONSENTS

37,700 new homes consented in the year to March 2026 — up 11%, the first annual rise in three years. Auckland +14% | Canterbury +21%. March alone: 3,677 new dwellings, highest monthly figure since September 2025. Multi-unit (townhouses & apartments) continues to dominate the consent mix.

Source: Stats NZ Mar 2026 consents (released 7 May 2026) — most current data available

▲ MARKET PULSE

National median sits at $788K (Mar 2026 REINZ), up 1.3% since the market trough. Auckland $1.04M flat YoY — a buyer's market with 4–5 months of supply. Canterbury $710K +1.4% YoY with strong sales momentum (868 sales in March). National sales count rose 10.3% in 2025 vs 2024. New builds under $900K remain the strongest-moving segment.

Source: REINZ Apr 2026 HPI (released 14 May) | B&T Apr 2026 | CoreLogic May 2026

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

DEVELOPER'S TIP

- **Fix-price contracts** — lenders are pricing 25–50 bps better when you have one. It removes cost-blowout risk for both developer and funder.
- **3BR completed townhouses $750K–$950K** are Auckland's fastest-moving product right now (~3 weeks to contract).
- **A bank decline isn't the end of the road** — non-bank credit decisions in 3–5 days vs 3 weeks at the main banks. With the OCR decision on 27 May, moving quickly matters.

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