



OCR 5.50% - Official Cash Rate remains unchanged

The official cash rate (OCR) will be held at 5.5%; after the latest review on Wednesday, May 22. This decision marks the seventh consecutive time the central bank's monetary policy committee has held the rate. The OCR has now been held at 5.5% for 12 months.

NZ mortgage interest rates forecast 2024 & 2025

1 year fixed rate forecasts & OCR

	2024	2025	2026
ANZ	Start to decrease	6.4% (June)	6.0% (June)
ASB	Largely unchanged	7%	6%
CoreLogic	-	Start decreasing	5.5%
Squirrel	Below 6% (late 2024)	Below 5% (late 2025)	Below 5%
Opes	Gradual decrease	6.50% (March)	5.50% (March)
OCR	5.5% (might decrease)	Decreasing	3.0%

Source: [Trademe.co.nz](https://www.trademe.co.nz)

10 July 2024 - July Monetary Policy Review and OCR

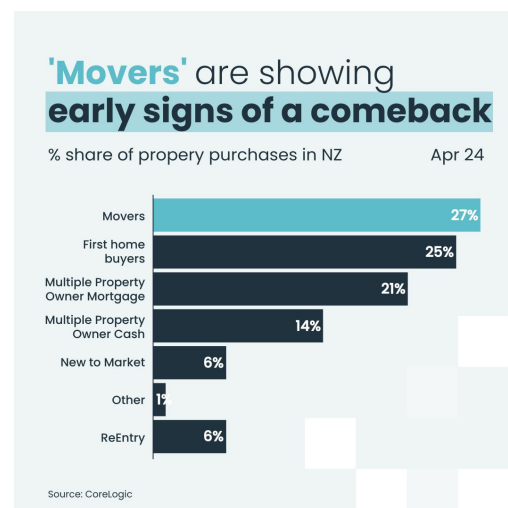
First Home Grant is no longer available for applications

- Kāinga Ora will no longer accept new applications for the First Home Grant (FHG), marking a significant shift in their support for prospective first-time homebuyers across New Zealand.
- This decision does not affect applications that are currently in progress or those with pre-approved grants. They will still be eligible for the FHG benefits for a duration of 6 months.
- There is no change to the First Home Loan program.

Fortunately, there are lots of low deposit options available for first home buyers. It's always a good idea to get professional advice.

Increased activity among movers

- The surge in available listings in New Zealand's residential housing market is reshaping buyer options, with relocating owner-occupiers showing early signs of a comeback, according to CoreLogic NZ.
- Figures from CoreLogic NZ's May Housing Chart Pack revealed the share of property purchases by movers edged up to 27% in April from 26% in Q1 2024.
- CoreLogic's May Chart Pack available to download. <https://ow.ly/kfAV50RQ2GX>

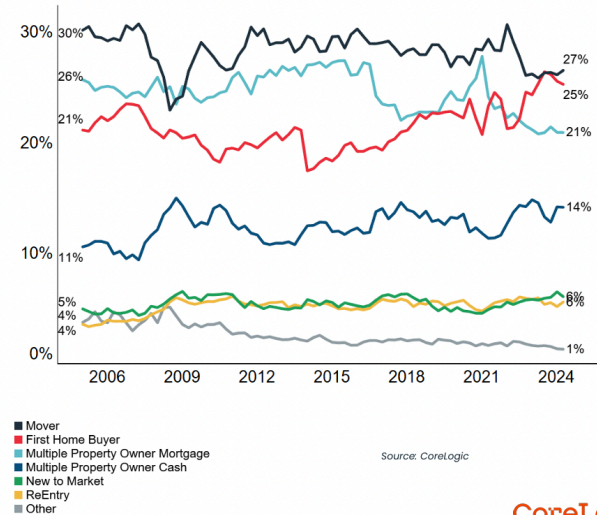


Update May 2024

Buyer classification

- First home buyers (FHBs) remain a strong presence in the property market, with a 25% share of purchases in April, after 26% across Q1 2024. The number of FHB deals is also pretty solid.
- FHBs are enjoying lower house prices than at the peak, less competition from other buyer groups, and also some other supports – such as KiwiSaver for the deposit and access to low-deposit finance at the banks.
- Relocating owner-occupiers ('movers') have had a fairly stable market share (around 26%) for about the past 18 months now, although it did tick up to 27% in April. We suspect there might be some pent-up demand to move, so this is a group to watch in the coming months.
- Meanwhile, mortgaged multiple property owners are still running at 20–21% of activity, a low level compared to past standards. Significant top-ups out of other income are still required for a 'typical' rental purchase, making it difficult for 'Mum and Dad' investors to commit.

% share of property purchases, New Zealand



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