



Preston Rowe Paterson

International Property Consultants and Valuers

OCR lowered to 3%

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Annual consumers price index inflation is currently around the top of the Monetary Policy Committee's 1 to 3 percent target band. However, with spare capacity in the economy and declining domestic inflation pressure, headline inflation is expected to return to around the 2 percent target midpoint by mid-2026.

New Zealand's economic recovery stalled in the second quarter of this year. Spending by households and businesses has been constrained by global economic policy uncertainty, falling employment, higher prices for some essentials, and declining house prices.

There are upside and downside risks to the economic outlook. Cautious behaviour by households and businesses could further dampen economic growth. Alternatively, the economic recovery could accelerate as the full effects of interest rate reductions flow through the economy.

The Monetary Policy Committee today voted to decrease the Official Cash Rate (OCR) by 25 basis points to 3 percent. Further data on the speed of New Zealand's economic recovery will influence the future path of the OCR. If medium-term inflation pressures continue to ease as expected, there is scope to lower the OCR further.

[Read the full statement and Record of meeting](#)

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