

# CONFIDENCE SURVEY

**Westpac McDermott Miller Consumer  
Confidence, December quarter 2025.**

17 December 2025



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# SUMMARY

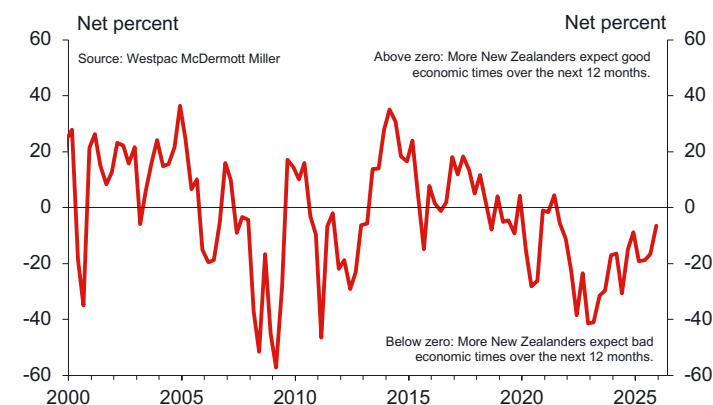
## A little bit of festive cheer.

- The countdown to Christmas is on. The weather is warming up. Barbeques are being fired up. And consumer confidence has taken a step higher in our latest survey of New Zealand households.
- Our Westpac-McDermott Miller Consumer Confidence index rose 5.6 pts in December, taking it to a level of 96.5. While that's still a little below long-run averages, this is the highest level of confidence that we've seen this year. (Note: A level below 100 indicates that there are more households who are pessimistic about the outlook than those who are optimistic).
- Underpinning that lift in confidence, households are feeling more optimistic about the outlook for the economy over the coming years. In fact, the proportion of people who expect economic conditions will improve over the coming year is the highest it's been since 2021. And that growing optimism has also given spending appetites a boost.

## Consumer Confidence



## Do you expect good or bad economic times over the next 12 months?



# CONSUMER CONFIDENCE INDICES

## Nationwide

	Dec-25	Sep-25	Change	Average (past ten years)
Consumer Confidence Index	96.5	90.9	5.6	98.7
Present Conditions Index	86.1	82.2	3.9	94.8
Expected Conditions Index	103.4	96.8	6.6	101.2
Current financial situation	-24.4	-25.0	0.6	-12.7
Expected financial situation	5.6	3.3	2.3	4.9
1-year economic outlook	-6.5	-16.6	10.1	-10.0
5-year economic outlook	11.1	3.6	7.5	8.8
'Good time to buy'	-3.5	-10.6	7.1	2.4

## Consumer confidence by region

	Dec-25	Sep-25	Average (past ten years)
Northland	91.2	86.1	96.2
Auckland	106.9	97.5	100.6
Waikato	86.6	92.1	97.5
Bay of Plenty	96.2	88.4	99.0
Gisborne/Hawke's Bay	100.9	92.6	98.1
Taranaki/Manawatu-Whanganui	85.7	81.4	96.1
Wellington	83.8	84.9	100.2
Nelson/Marlborough/West Coast	103.0	78.9	95.9
Canterbury	93.1	92.1	97.7
Otago	98.2	84.6	96.5
Southland	85.2	90.9	95.6
Nationwide	96.5	90.9	98.7

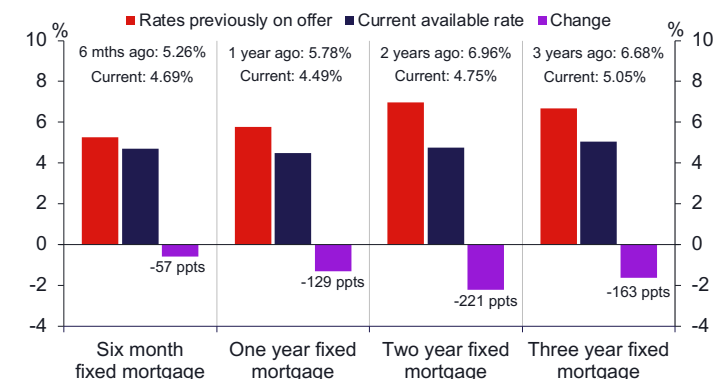


# BORROWING COSTS

## There's something in the air, and it's lower interest rates.

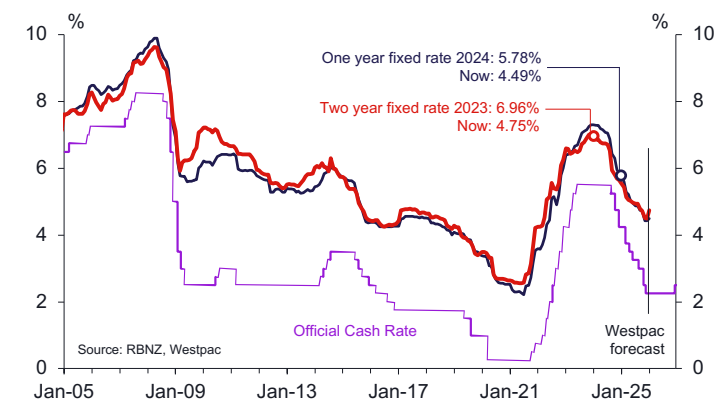
- It's not unusual to see a lift in confidence at this time of year. And to be fair, confidence is only back around the levels we saw last December. However, we think that there is reason to expect some of the Christmas cheer will continue into 2026.
- The big thing that has changed over the past few months has been households' interest costs. While interest rates have been falling for over a year now, those reductions have taken a while to flow through to borrowers' back pockets. That's because many borrowers were still on the relatively high fixed mortgage rates that had previously been on offer.
- However, that picture is now changing. Large numbers of borrowers have already rolled on to lower fixed mortgage rates, and that process will continue as we move into the new year.
- Importantly, while we have seen some upwards pressure on borrowing rates recently, most borrowers who are refixing now will still be rolling onto lower rates. For instance, one-year fixed mortgage rates are around 130bps lower than this time last year, while two-year fixed mortgage rates are 220bps lower than in 2023. Those falls will help support a lift in disposable incomes as we head into 2026.

## How much relief could borrowers see?



Source: RBNZ data for borrowers with over 20% equity. Current rates on offer from Westpac from 15 December 2025.

## Official Cash Rate and mortgage rates



Source: RBNZ, Westpac

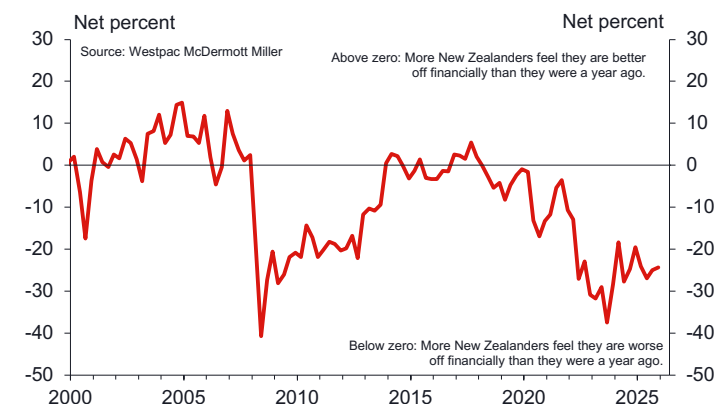
Westpac forecast

# HOUSEHOLD FINANCES

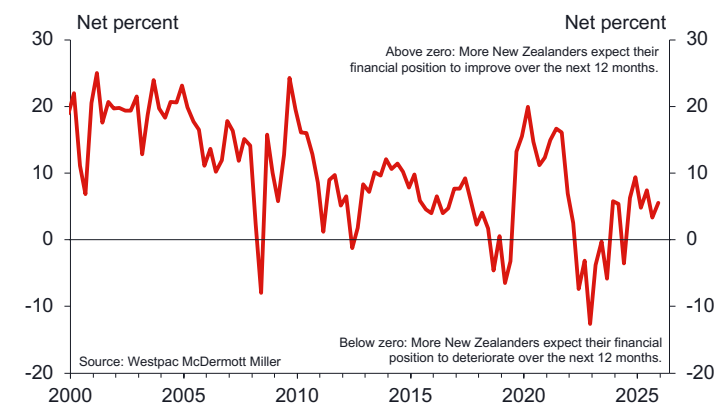
## Cautiously optimistic.

- While households are starting to feel a bit more upbeat, it's still been a tough year for a lot of us. The number of households who told us that their financial position deteriorated over the past year remains high, with the ongoing cost of living crisis and softness in the labour market still key concerns.
- However, households are feeling a bit more upbeat about how their finances will fare over the coming year. That increased optimism reflects growing confidence about the economy's trajectory over the coming years. Along with a continued boost from firm commodity prices, lower interest rates are helping to boost sentiment among households across the country.
- The lift in confidence has been strongest among those households on higher incomes. These same households are also more likely to be homeowners and to be feeling the benefit of lower interest rates.
- Confidence is up across all age groups.

## Do households feel better or worse off financially compared to a year ago?



## Do you expect to be better or worse off financially in a year's time?

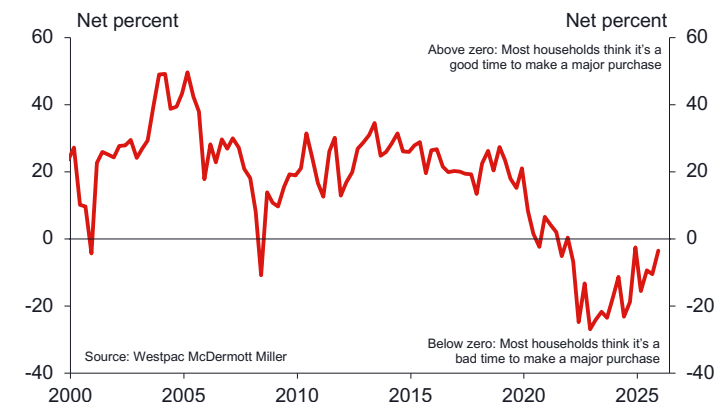


# SPENDING APPETITES

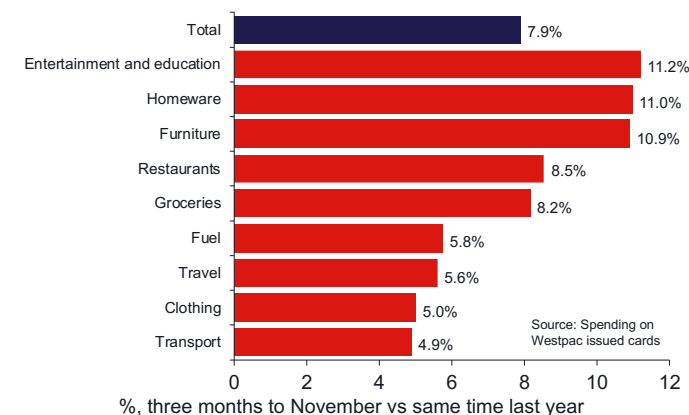
## Christmas treats.

- With interest rates down and confidence about the economic outlook up, spending appetites have also been on the rise.
- The past few months have seen a pickup in the number of households who think that it's a good time to make a major purchase. There's also been a lift in the number of households who have told us that they're spending more on entertainment.
- That pickup in spending appetites was seen particularly clearly in November's retail sales figures, which included strong increases in discretionary spending categories, like furnishings, apparel and dining out.

## Is this a good or bad time to buy a major household item?



## Spending growth by category (three months to November vs same time last year)

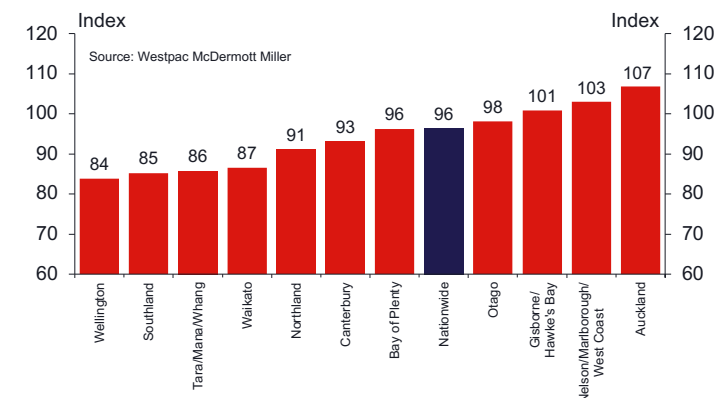


# REGIONAL CONFIDENCE

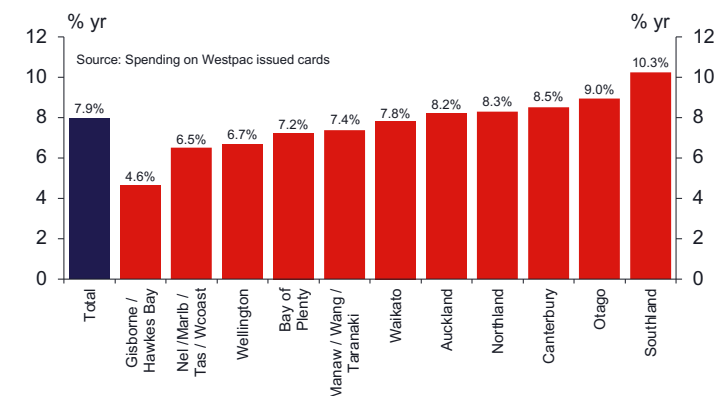
## Oh come all ye faithful!

- Confidence has taken a step higher in most regions since our last survey. That highlights that the large interest rate cuts over the past year are helping to boost households' disposable incomes right across the country.
- That widespread lift in confidence has been reflected in recent spending trends. Spending remains strongest in the lower South Island. But in contrast to the past year, we're now seeing spending appetites firming right across the country. That includes Auckland, which is now the most upbeat part of the country.
- There were a few regions where confidence dropped back this quarter, including Waikato and Southland. That potentially reflects some of the easing in dairy prices in recent months. Even so, economic conditions in rural regions generally remain firm.
- We're continuing to see low confidence in Wellington, with many of those we've spoken to in the Capital recently continuing to highlight softness in economic activity and the jobs market.

Consumer confidence by region



Spending growth (three months to November vs same time last year)





# TECHNICAL DETAILS

## Survey description.

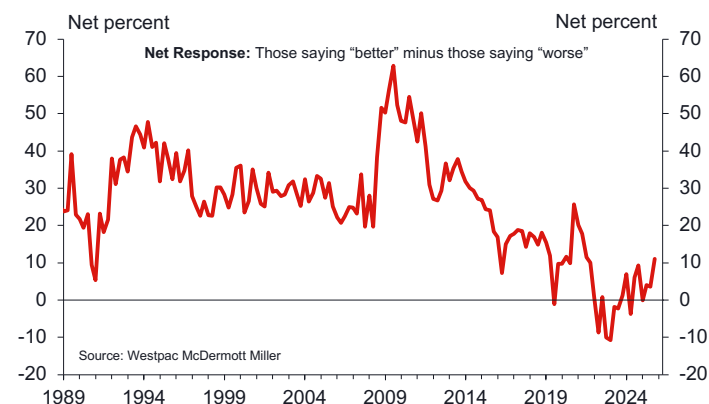
The Westpac McDermott Miller Consumer Confidence Index summarises the net balance of optimistic/pessimistic responses to five questions: how households' financial situation has changed over the past year; whether now is a good time to buy a major household item; how households expect their financial situation to change over the coming year; and near term and longer-term prospects for the New Zealand economy as a whole.

The first two of these questions are summarised in the Present Conditions Index, and the last three are summarised in the Expected Conditions Index. An index number over 100 indicates that optimists outnumber pessimists, though the series may be above or below 100 on average. The survey also includes questions on respondents' spending on entertainment and eating out, and on what they would do with a \$10,000 windfall.

Survey interviews were conducted over the period 1-11 December 2025. The sample size was 1,550.

## Summary charts.

**Do you expect good or bad economic times over the next five years?**



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