

# MARKET UPDATE

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Chinese Brands make strong progress



# The Continued Rise of Chinese Brands

## Led by BYD, Chinese brands continue to make strong progress into the NZ market.

Three years ago there were two Chinese brands in the Top 50, with four models. By the end of Q2 2025 there are six brands and eleven models in the Top 50 new vehicle registrations.

This momentum will only continue to grow with Chery releasing the Tiggo range this month, competitive MG offerings, the Omoda 9 is due, and Leapmotor has announced the B10 will be released later in 2025.

## Used registrations down, more internal trading.

Year-to-date on year-to-date new registrations are up 1.3% and used registrations are down 20%. The drop in used car registrations seems alarming but when you look deeper the

numbers of vehicle transactions has increased year-on-year by 6%, public to public sales are up 1.2% and Trader to Public are up 11.3%.

Times are tough, this increased activity means that dealer trade-ins are increasing (up 12.4%) resulting in higher stocks of traded stock, another part of the reason there are less imports coming into the country.

## EVs on the rise - but maybe a blip

EVs made up about 6.8% of all new vehicle registrations in Q2 2025, this is up from 5.6% in Q1 2025. The numbers are however skewed somewhat by a shipment of the new model Tesla Model Y. It is likely that many of these deliveries relate to orders taken earlier in the year.

## Motor Vehicle Traders

Source: MBIE



# Market Volumes

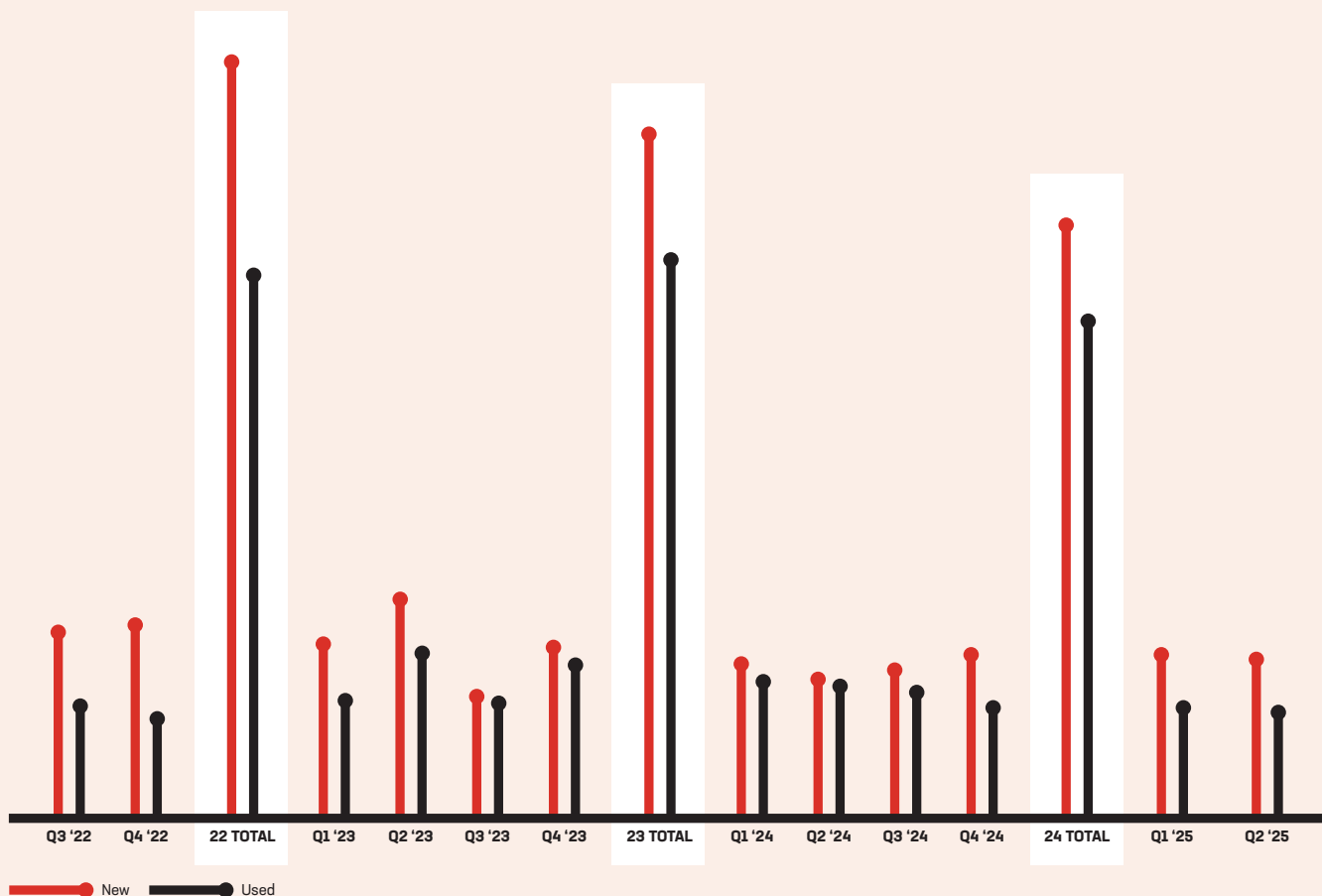
## Key Models

- The second quarter of the year is often low in terms of new vehicles registered as the onset of winter slows the market and public holidays around Easter, Anzac, King's Birthday and Matariki slow sales down. The second quarter of 2025 is no exception with 30,910 new vehicles registered in the quarter. This is 5% lower than the first quarter but, encouragingly, is 7.4% better than Q2 2024.
- Utes made their comeback to the top spots with Ford's Ranger in first spot with 2,600 units registered and Hilux in second with 2,212 units registered.
- After 2 quarters at the top Toyota's RAV4 slipped to third in Q2 2025 with 2,141 units registered.
- The Mitsubishi ASX (1,266) takes 4th. The rental car companies are starting to ramp up and a quarter of these registrations are into the rental market.
- The Kia Seltos (937) is 5th, then the utes return with the Nissan Navara (695) 6th and the Mitsubishi Triton 7th (662).
- Mitsubishi also takes 8th spot with the Outlander (603) and once again a quarter of these to the rental market.
- Utes make up 50% of the Top 10 as the BYD Shark (580) is 9th. This ute was released in December 2024 and proved popular with 539 units registered in Q1 2025.
- The Ford Everest (573) takes 10th spot, another one buoyed by rental sales with a quarter of the registrations going to rental companies.

MAKE	Q3 '23	Q4 '23	Tot'23	Q1 '24	Q2 '24	Q3 '24	Q4 '24	Tot'24	Q1 '25	Q2 '25
Toyota	6,109	9,045	<b>32,376</b>	6,988	6,710	6,824	9,670	<b>30,192</b>	7,321	6,933
Ford	3,466	4,168	<b>16,181</b>	4,916	4,038	3,916	5,000	<b>17,870</b>	3,016	3,794
Mitsubishi	2,296	2,980	<b>13,418</b>	3,974	3,160	3,400	3,613	<b>14,147</b>	3,273	2,912
Kia	1,644	1,989	<b>10,071</b>	2,217	1,852	2,383	2,221	<b>8,673</b>	2,382	1,995
Nissan	838	888	<b>4,345</b>	1,540	885	1,108	800	<b>4,333</b>	1,488	1,375
BYD	440	1,441	<b>3,720</b>	125	181	309	354	<b>969</b>	915	1,170
Suzuki	1,010	1,348	<b>6,936</b>	1,389	1,399	1,304	1,162	<b>5,254</b>	1,321	1,010
GWM	108	679	<b>899</b>	798	722	701	679	<b>2,900</b>	899	918
Hyundai	956	1,598	<b>7,592</b>	998	1,132	1,016	932	<b>4,078</b>	781	913
Mazda	662	904	<b>4,178</b>	940	835	1,005	1,103	<b>3,883</b>	1,089	892
MG	865	2,289	<b>6,110</b>	725	625	857	859	<b>3,066</b>	1,154	872
Subaru	302	279	<b>1,961</b>	492	489	428	591	<b>2,000</b>	605	640
Honda	482	1,059	<b>3,683</b>	970	502	698	1,005	<b>3,175</b>	1,183	619
Tesla	1,068	1,268	<b>4,905</b>	378	250	331	328	<b>1,287</b>	263	552
Volkswagen	729	759	<b>3,850</b>	921	666	931	845	<b>3,363</b>	653	550
Mercedes-Benz	689	651	<b>2,546</b>	599	482	647	751	<b>2,479</b>	553	462
BMW	459	399	<b>1,767</b>	452	310	376	348	<b>1,486</b>	535	402
Lexus	296	336	<b>1,310</b>	359	302	280	387	<b>1,328</b>	405	383
LDV	74	326	<b>1,218</b>	181	214	190	166	<b>751</b>	294	378
Isuzu	403	419	<b>2,399</b>	774	707	587	526	<b>2,594</b>	489	335
Audi	376	270	<b>1,375</b>	335	250	258	259	<b>1,102</b>	277	309
Others	3,612	4,091	<b>18,266</b>	3,761	3,071	3,596	3,418	<b>13,846</b>	3,655	3,496
New	<b>26,884</b>	<b>37,186</b>	<b>149,106</b>	<b>33,832</b>	<b>28,782</b>	<b>31,145</b>	<b>35,017</b>	<b>128,776</b>	<b>32,551</b>	<b>30,910</b>
Used	<b>25,336</b>	<b>33,413</b>	<b>121,012</b>	<b>28,560</b>	<b>26,881</b>	<b>25,795</b>	<b>22,686</b>	<b>103,922</b>	<b>22,575</b>	<b>21,395</b>



# New Zealand Car Registrations





# Used Import Market

The top 10 used vehicle registrations for Q2 2025 are listed (right) and when compared to the top 10 in Q1 2025 the mix sees the Subaru XV drop to 11th with the Mazda Demio taking 10th spot. Toyota leads the pack once again with the hybrid drivetrains proving popular with both importers, paying lower or no Clean Car Scheme charges and with consumers, battling the ever-increasing cost of fuel.

MAKE	MODEL	Q2 2025
Toyota	Aqua	2058
Toyota	Prius	1569
Toyota	Corolla	1018
Nissan	Note	910
Mazda	Axela	877
Honda	FIT	817
Toyota	C-HR	714
Subaru	Impreza	660
Nissan	X-Trail	592
Mazda	Demio	515



# The New Zealand Economy. Stick or Twist?

## Last week the Reserve Bank of New Zealand 'stuck' with the OCR @ 3.25%.

This reflects the reality of current economic indicators such as house sales, retail card spending, and employment.

According to Westpac this all points to a weakening demand and sluggish growth through the next few months, '... with many businesses continuing to report tough trading conditions, especially in sectors like construction, retail and hospitality'.

Westpac also point to 'ongoing uncertainties about changes in US trade policy, including what level of tariffs may be imposed on New Zealand and its major trading partners.'

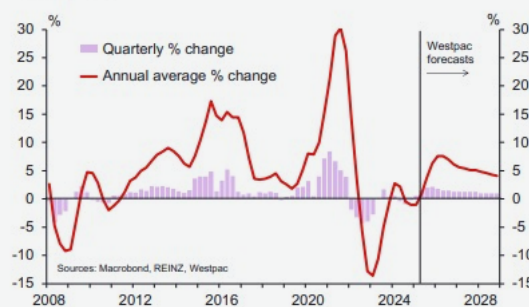
## Key views

	Last 3 months	Next 3 months	Next year
Global economy	→	↘	→
NZ economy	↘	↗	↗
Inflation	↗	↗	↘
2 year swap	→	→	↗
10 year swap	→	→	↗
NZD/USD	↗	→	↗
NZD/AUD	↗	↘	↘

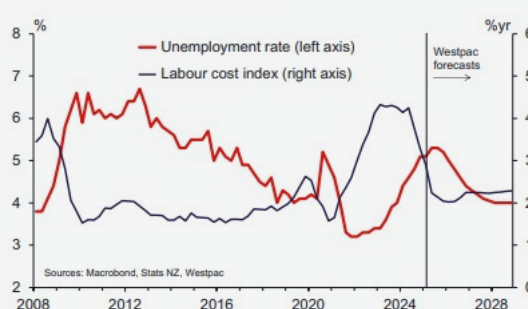
## GDP growth



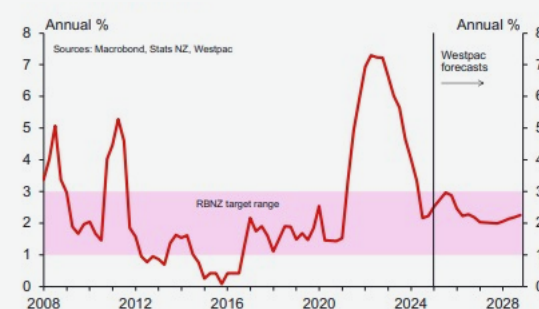
## House Prices



## Unemployment and wage growth



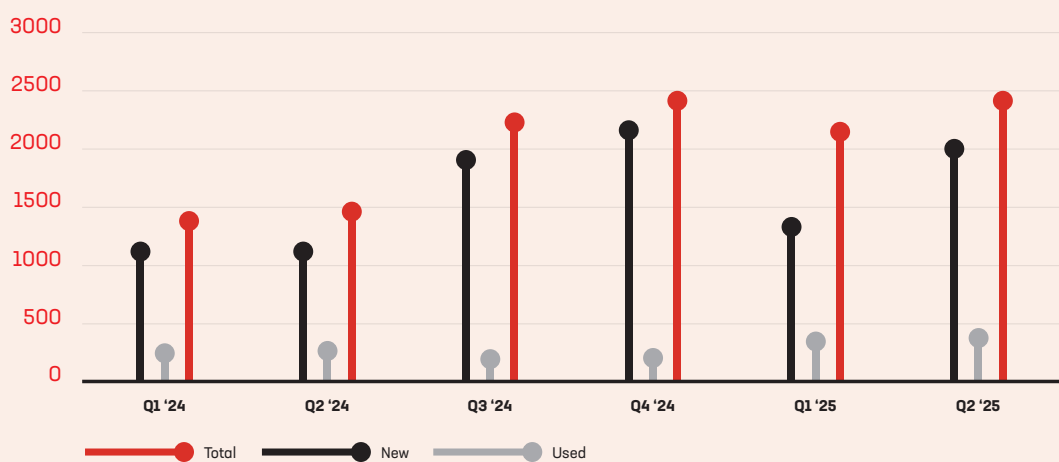
## Consumer price inflation



# The Road to Electrification

The numbers of pure EVs registered in Q2 2025 (2,510) are up 13% on Q1 2025 (2,214).

## EV Sales by Quarter

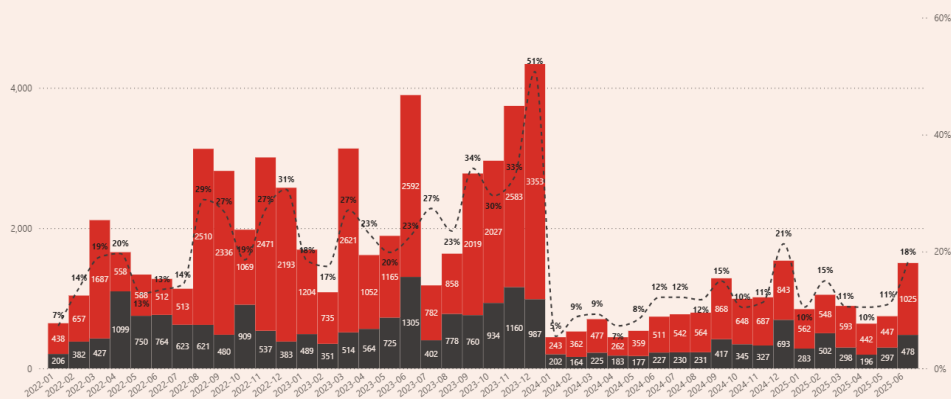


June 2025 saw the arrival of the first shipment of the new Project Juniper Tesla Model Y. Most of the shipments were pre-ordered over the course of the year so it's difficult to attribute the sales to June.

## New Vehicle Registration - EV Passenger Car only

- PHEV
- BEV
- Motive Power Percentage

Registrations of pure EVs have increased but still only make up 6.2% of YTD new vehicle registrations. At the same time last year pure EVs made up 4% of all new vehicle registrations.



The Tesla Model Y, mentioned above has been the biggest seller YTD with 634 units registered. On the right is the table of the Top 10 new pure EVs registered YTD. Tesla also leads the manufacturer race with 814 units, BYD in second with 634 and Polestar are third with 403 units.

Make / Model	YTD new pure EV Registrations
Tesla Model Y	634
Polestar 2	332
BYD Atto 3	309
Tesla Model 3	180
BYD Dolphin	154
BYD Sealion 7	128
BMW 1	126
Kia EV5	123
Kia EV3	105
Toyota Bz4X 93	93

## The New Zealand automotive market



# The Journey Since COVID-19

**The New Zealand automotive market has been on a wild ride since COVID-19 hit our shores at the beginning of 2020. The lockdown at the end of March 2020 resulted in virtually no vehicle sales in April 2020 and stunted the years' vehicle sales numbers.**

### 'Unprecedented'

The media buzzword during the lockdowns of the COVID pandemic was "unprecedented".

A common misconception was that during the dragging periods of lockdown vehicle values would plummet as social concern and market uncertainty led to cautiousness and thrift. As it turned out, quite the opposite happened. Kiwis came out of lockdowns with their wallets open. There was reluctance to hastily return to international travel, and our enforced savings ended up being largely spent locally.

Demand for vehicles increased to the point where suppliers were unable to supply new

vehicles in a reasonable time. The supply chain was blocked with similar soaring demand in overseas markets and New Zealand as a market is very small and very removed. Certainly not a significant enough market to prioritise supply.

To compound this the global lockdowns led to a surge in demand for home-based technology and entertainment (e.g. TV and Laptops) and during COVID semiconductor chips were prioritised away from automotive use. With over 1,000 - 3,000 semiconductors in each new vehicle, automotive production was strapped, waiting for supply of these chips.

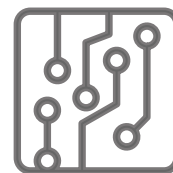
Combined with port congestion, vessel shortages, increased demand, and labour shortages in international trade and logistics, there were also shipping delays and increased costs in getting supplies to New Zealand.

The upshot of the restricted supply was that new vehicle purchasers looked to the second-hand market to buy near-new vehicles. We saw

near-new secondhand cars selling for extreme premiums, rather than a prospective customer wait 6 to 12 months for a new car. This increase in value of near-new cars then flowed through to all secondhand cars and values increased not long after the lockdowns slowed in 2021.

Demand and low supply were the recipe for continued price increases and for the traditional cycles of depreciation to be turned on their head.

**Unprecedented indeed.**





Special Features

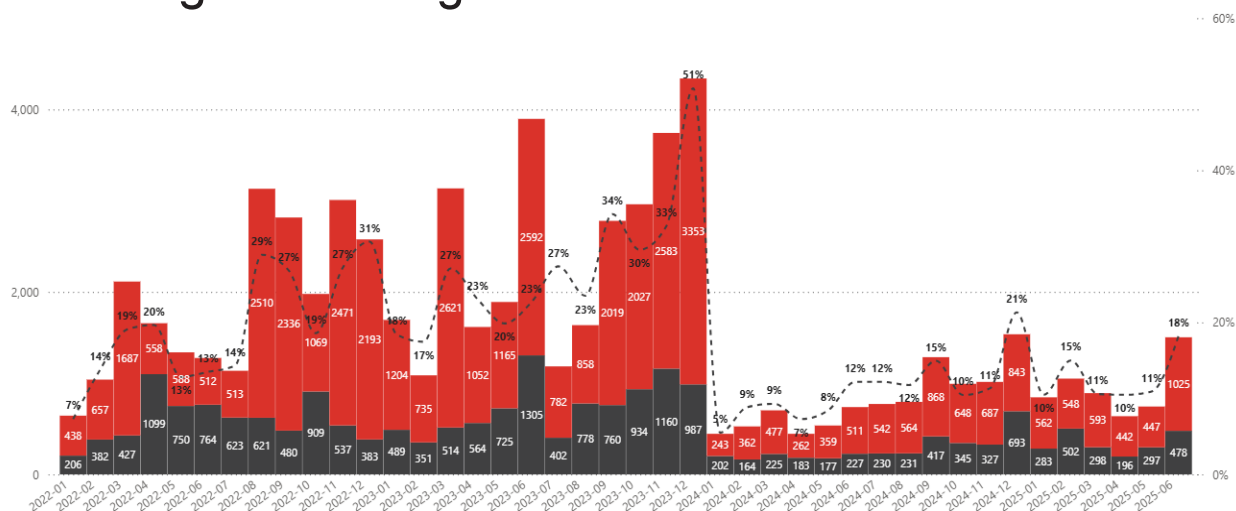
## The Journey Since COVID-19

# Incentive schemes - in then out

During the same period the Government used incentives to encourage EV uptake, offering \$7k - \$8k rebates to buyers of EVs and \$3k - \$4k to hybrid purchasers. Again, demand increased, and we saw sales of EVs going from 7.7% of new vehicle registrations in 2021 to 19.8% in 2023.

## New Vehicle Registration - EV Passenger Car only

- PHEV
- BEV
- Motive Power Percentage



# The Bubble Bursts



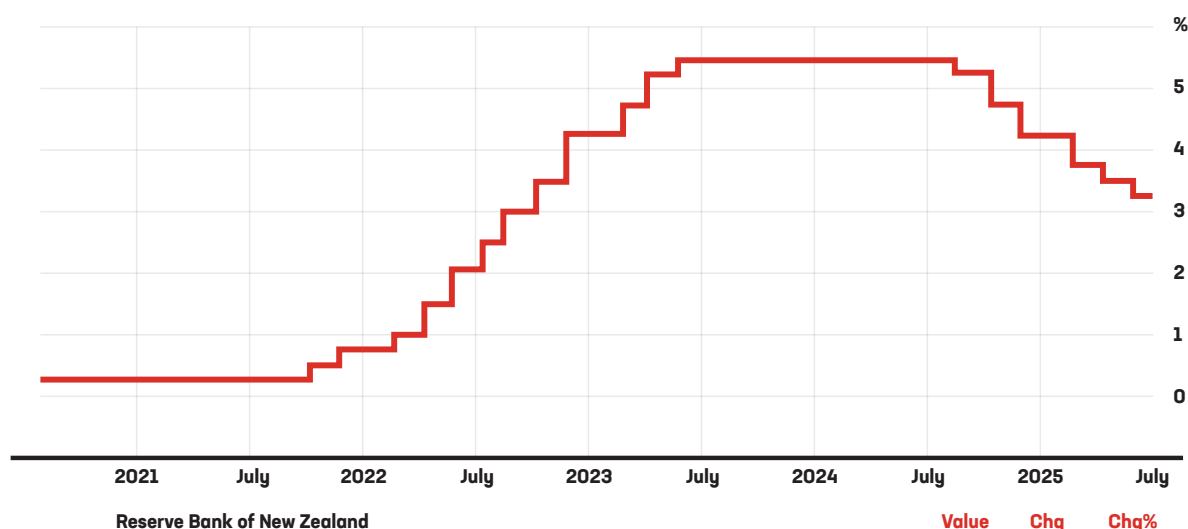
New Zealand had to repay spending during COVID. The Government changed in late 2023 and immediately axed the EV incentive scheme taking sales plummeting back down to pre-incentive levels (7.7% of new vehicles registrations in 2024).

The state service sector got a shakedown, and thousands of jobs were lost. GDP went backwards by 0.5% in 2024 and increasing prices over the last couple of years were starting to hit consumers.

The car market slowed down with new car registrations down 27% year-on-year in 2024.

The response from the market was to reduce interest rates, the below graph shows the Official Cash Rate ("OCR") over the last 5 years, the growth in the interest rates during the spending frenzy is quite evident, but since July 2024 a controlled dropping of interest rates has happened.

## Official Cash Rate



# New Zealand Car Prices Fall



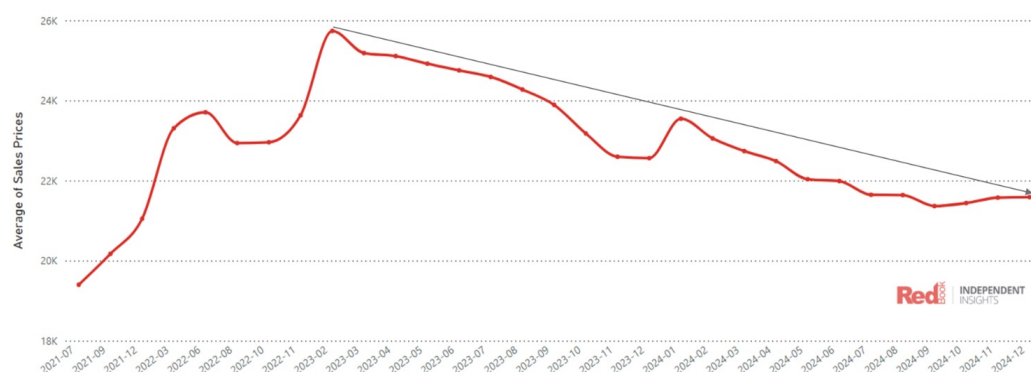
At Redbook we monitor the market and provide the market prices of used vehicles.

These values reflect the market values that we see from various sales channels, advertisements both retail and wholesale, auction data, publications, websites, etc.

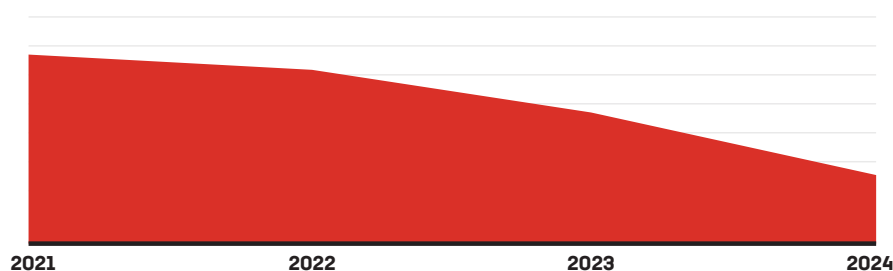
We maintain the average price, which

we refer to as our 'Price Index', which helps show the changes in market prices. As illustrated below, the average used car sales price soared from 2021 to the end of 2022, at which point prices started to decrease quite consistently as the market started to move back to traditional depreciation rates.

## Average Sales Price



## Average Selling Price - Top 400



Year on year drops are illustrated (left) and show the average value of the Top 400 vehicles sold at 31 December of each year.



# Looking Forward

**“The new game is competition for our hard-earned cash in a sluggish economy, a race for technology and for performance efficiency. The new wave of ‘super’ Hybrid and PHEVs represents a robust conduit to wider electric vehicle adoption.”**

Inflation has continued to drop, but it is still quite high. Interest rate cuts are only just starting to encourage the housing market. Unfortunately, the world is again in turmoil with wars in Ukraine and the Middle East creating international uncertainty.

In the NZ automotive marketplace, we are seeing the continuing rise of Chinese manufacturers, who have led the way by introducing us to affordable, well-made EVs, as well as an increasing selection of lower priced plug-in hybrids and mild hybrids.



**Inconsistent US Tarriff policies are not encouraging fiscal certainty.**

Ongoing competitive pressures over the last 18 months have seen manufacturers initiate price drops to stimulate EV demand globally, not just locally, and those have had a significant impact on the values of used EVs.

The ute market took a hit while the EV incentive scheme was in place, as they were heavily taxed. Since the beginning of 2024 the ute market has rebounded and prices have stayed relatively steady. New movers and shakers like the BYD Shark will continue to impact the market through the year and give the empowered players a sharp hurry up.

Market values have fallen relatively steeply from their peak during COVID, as we return to the new normal. Demand has softened and supply has eased. The new game is competition for our hard-earned cash in a sluggish economy, a race for technology and for performance efficiency. The new wave of ‘super’ Hybrid and PHEVs represents a robust conduit to wider electric vehicle adoption.

