



The NZHL Property Report

by Tony Alexander.

March 2026

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About NZHL

NZHL is a passionately Kiwi, passionately local home loan and insurance network currently helping more than 50,000 New Zealanders collectively save millions of dollars in interest costs every year.

Part of Kiwi Group Capital Ltd (KGC) which are 100% Government owned, NZHL operates with an Independent Board and 70 local business owners nationwide. NZHL believes in helping Kiwis achieve financial freedom, faster and takes a structured, personalised approach to bring this to life.

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My Aim

To help Kiwis make better decisions for their businesses, investments, home purchases, and people by writing about the economy in an easy-to-understand manner.

Market recovery goes into reverse

Welcome to the NZHL Property Report by Tony Alexander. This survey gathers together the views of licensed real estate agents all over New Zealand regarding how they are seeing conditions in the residential property market in their areas. We ask them how activity levels are changing, what the views of first home buyers and investors are, and the factors which are affecting sentiment of those two large groups.

The key results from this month's survey which yielded 300 responses include the following.

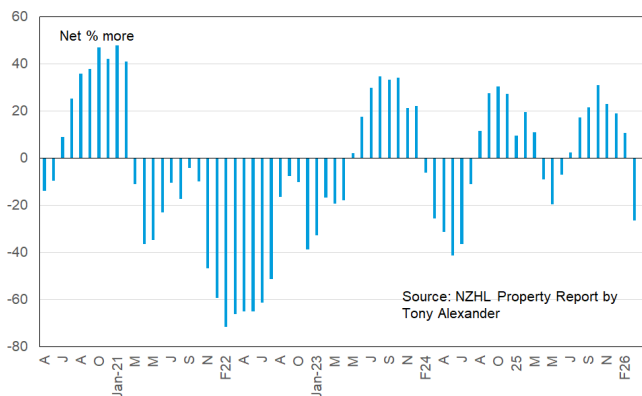
- For the third time since early-2023 an upturn in the residential real estate market has paused then gone into reverse.
- Agents see prices as currently falling in their areas of operation with fewer people attending open homes and auctions.
- Buyers are newly worried about employment and interest rates but have few concerns about listings or access to finance.

Are more or fewer people showing up at auctions?

The net proportion of real estate agents saying that they are seeing more people showing up at auctions has fallen to -27% from a small 11% positive last month. The comments submitted by agents indicate that activity levels and growth rates in auction rooms were growing quite well up until a few weeks ago until widespread fears grew of the impact on the economy of the Middle East war.

The -27% result is the weakest since June 2024's survey when the economy was in the middle of shrinking 2%. That is not happening at the moment given support coming from higher farm incomes and easy monetary policy. However the high level of uncertainty created by the Iran conflict is causing people to back away from some major decisions currently.

ARE MORE OR FEWER PEOPLE SHOWING UP AT AUCTIONS?

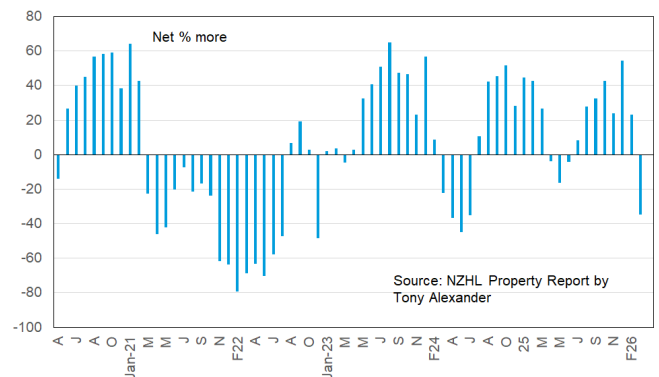


Are more or fewer people attending open homes?

There has been a big decline in open home attendance over the past month as people have grown concerned about the impact of soaring oil prices. The net proportion of agents seeing more people at open homes has fallen to -35% from +23% late in February and a high and healthy +55% late in January.

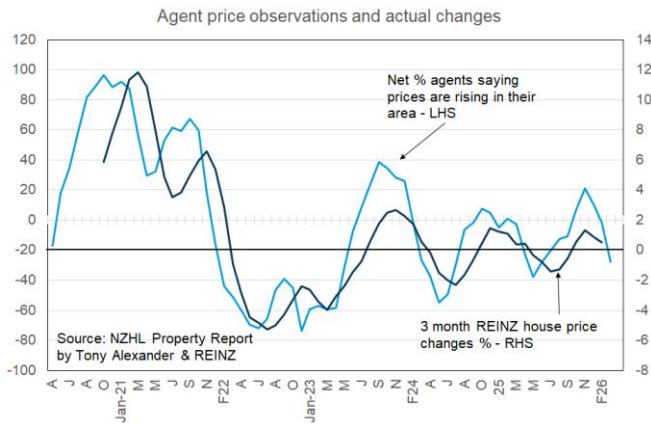
Over a short period of time the residential real estate market has reversed direction. Presumably, if and when the situation offshore calms down, we may see measures such as this one go back up again – depending on what is happening with inflation and monetary policy.

ARE MORE OR FEWER PEOPLE SHOWING UP AT OPEN HOMES?



How do you feel prices are generally changing at the moment?

A net 28% of agents feel that prices are falling in their area of operations. Given the close correlation between this measure and a three month smoothed average of the REINZ's nationwide House Price Index it seems reasonable to say that actual prices are in fact easing off.

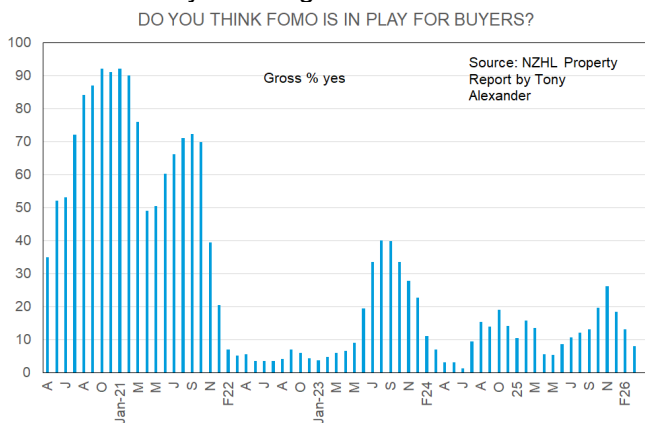


Do you think FOMO is in play for buyers?

FOMO = Fear of missing out

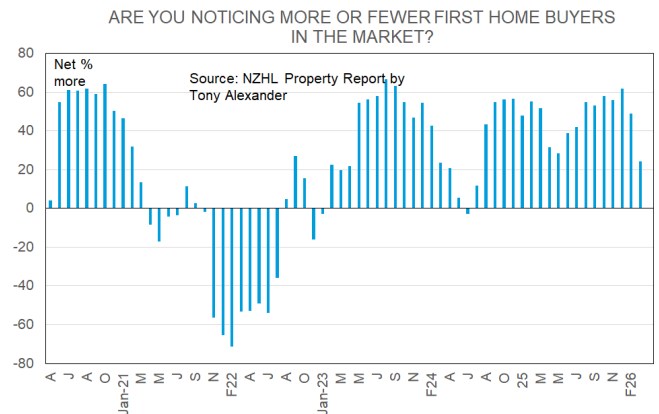
For the third time since the market began a recovery in 2023 a rise in feelings of buyers that they may be missing out if they do not act quickly has disappeared. The proportion of agents saying that buyers are displaying FOMO has fallen to just 8% from 13% last month, 18% at the end of January, and 26% at the end of November.

The level of FOMO is now almost consistent with the depressed environment in place over 2022 into early-2023. Buyers firmly feel that they can take their time making a purchase and the comments submitted by real estate agents this month show that buyers will quickly walk away from a transaction in the event of any intransigence from the vendor.



Are you noticing more or fewer first home buyers in the market?

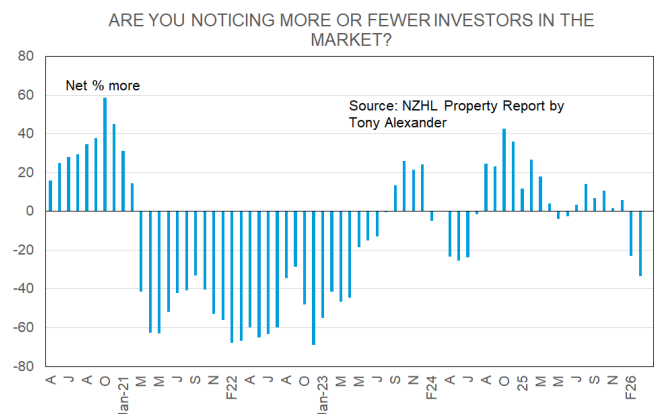
Despite the strong reversal of strength in the real estate market a net 24% of agents still report that they are seeing more first time buyers. These buyers have had a strong presence in the market since early-2023 as they take advantage of strong listings, flat prices, easier credit access, reasonable employment confidence, and lower interest rates since the end of 2024.



Are you noticing more or fewer investors in the market?

The strong decline in the net proportion of agents reporting that they are seeing more investors in the market is evidence of the jitteriness of this section of the real estate market. In this month's survey a net 33% of agents have reported seeing fewer investors looking to make a purchase. This is a deterioration from -23% last month and the small +6% recorded late in January.

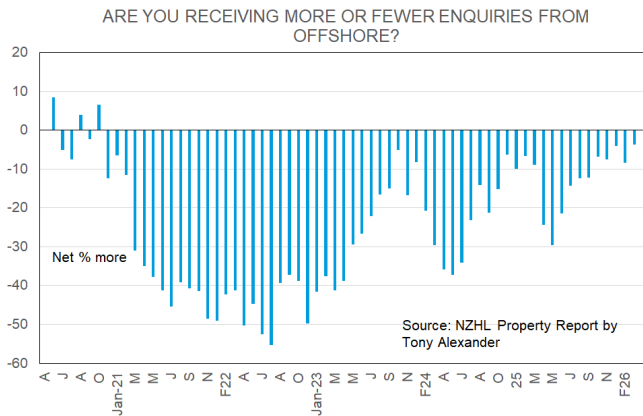
The -33% result is the worst reading for this particular measure of investor demand since April 2023.



Are you receiving more or fewer enquiries from offshore?

There has been a small improvement in this least relevant gauge of demand in the residential real estate market, to -4% from -8%. That is, we still have a net 4% of real estate agents saying that they are seeing fewer people located offshore looking to make a purchase.

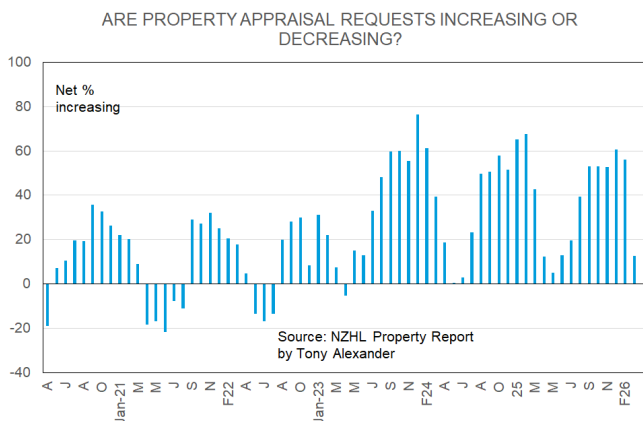
The small improvement may reflect a traditional element of Kiwis offshore looking to return during a crisis, alongside some small interest in high-priced houses from foreigners.



Are property appraisal requests increasing or decreasing?

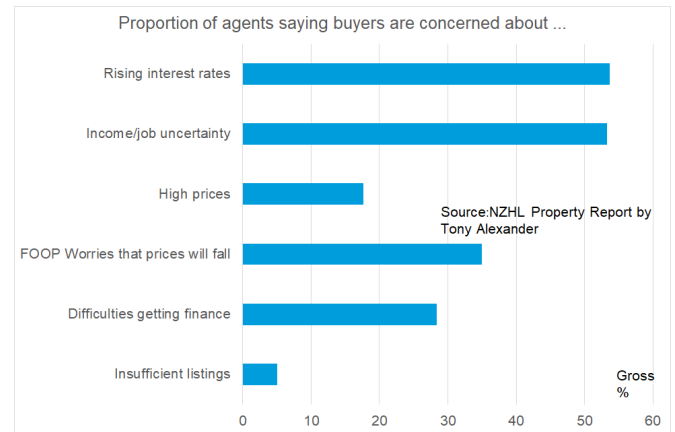
Just as buyers are freshly backing away from the real estate market, so too are some potential vendors stepping back from trying to sell their property in the near future. The net proportion of agents saying that they are seeing more requests for property appraisals has fallen sharply to just 13% from 56% last month and 61% two months ago.

The decline is much greater than can be explained by seasonal changes and perhaps understandable considering the discussions of interest rates rising and potential fuel shortages.

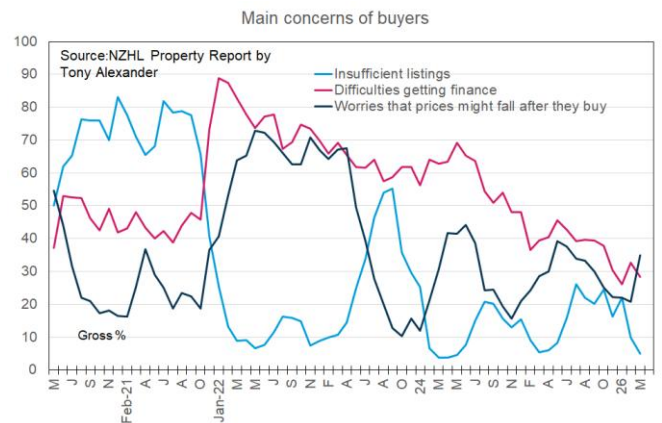


What are the main concerns of buyers?

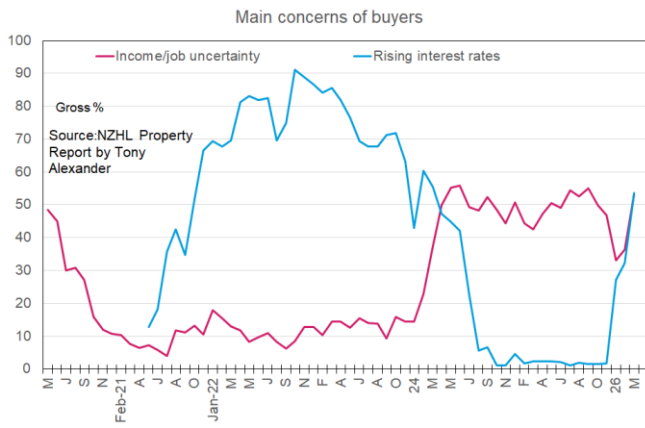
Each month in this section we start with an all-encompassing graph showing the things which are of concern to buyers. The top three concerns of buyers are employment, rising interest rates, and worries that prices may fall after one makes a property purchase.



The black line in the following graph shows a rise in FOOP – fear of over-paying – with 35% of agents citing this as a concern for buyers from 21% a month ago. Worries about an insufficiency of listings have almost completely disappeared with just 5% of agents noting this as a concern for buyers. Finance access does not appear to be of much fresh concern.



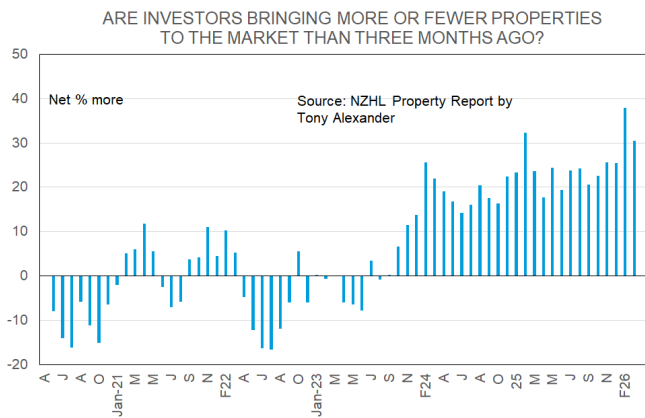
Worries about the impact on our economy of soaring oil prices have produced sharp increases in the proportions of real estate agents saying that buyers are worried about their employment and interest rates. The numbers are 53% and 54% respectively from 36% and 32% a month ago.



Are investors bringing more or fewer properties to the market to sell than three months ago?

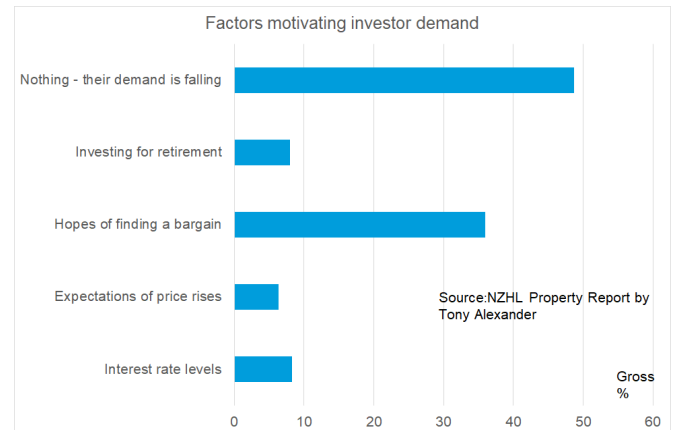
After the rather unusual jump last month in the net proportion of agents seeing more investors looking to sell – to 38% from 25% at the end of January – there has been an easing this month to a reading of 30%. This reading is more consistent with the rising trend in place for this measure.

Many existing property investors are looking to sell in order to fund a retirement which is turning out to be more expensive than ever anticipated. Others are selling because of reduced expectations of capital gains in the next few years and soaring costs widening weekly cash deficits.

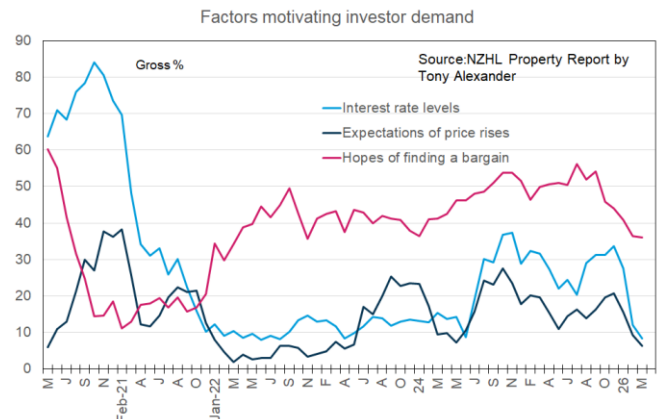


What factors appear to be motivating investor demand?

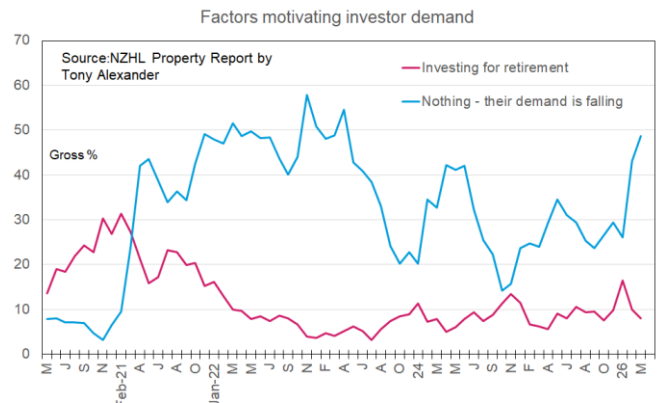
Almost 50% of agents say that investors are not motivated at all to make another purchase.



Hopes of finding a bargain have been trending down since the latter part of last year, and since wholesale interest rates started rising over November financing costs are decreasing as a source of buying motivation. Only 6% of agents say that investors are motivated to purchase by their expectations of prices going up.

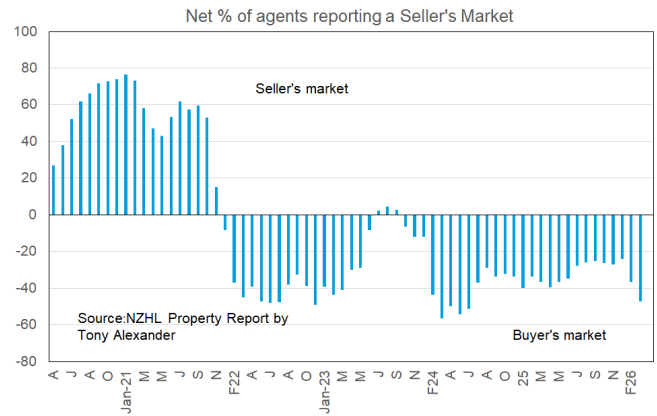


There has been the sharpest jump in the proportion of agents saying nothing is motivating investors to buy since early in 2021 when interest deductibility was removed and minimum deposits returned.



Are we in a buyer's or seller's market?

A net 47% of agents from 37% last month feel that it is the buyer who have the strongest hand in negotiations. A strong buyer's market has been in place since late-2023 and if we exclude the brief seller's market of mid-2023 when the rush of first home buyers was occurring, the market has been strongly in favour of buyers for four and a half years now.



This publication is written by Tony Alexander, independent economist. You can contact me at tony@tonyalexander.nz

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