



# The NZHL Property Report

by Tony Alexander.

November 2024

FINANCIAL FREEDOM. FASTER.

## 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.

[nzhl.co.nz](http://nzhl.co.nz)

## Input to your Strategy for Adapting to Challenges

Feel free to pass on to friends and clients wanting independent economic commentary

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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.

## No end of year frenzy

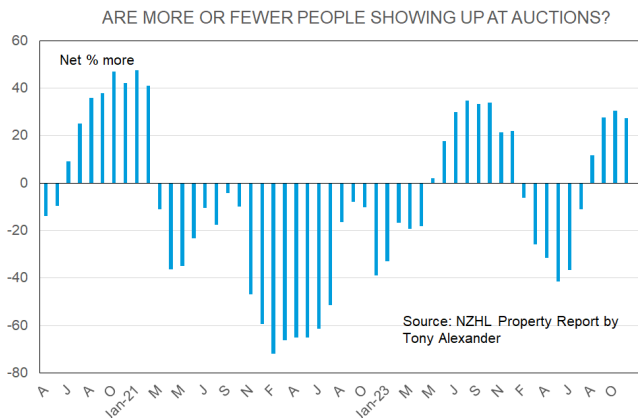
Welcome to the NZHL Property Report by Tony Alexander. This survey gathers together the views of licensed real estate agents all over New Zealand regarding how they are seeing conditions in the residential property market in their areas. We ask them how activity levels are changing, what the views of 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 268 responses include the following.

- The proportion of agents feeling that buyers are fearful of missing out (FOMO) remains at relatively low levels amidst signs that prices are only just moving upward.
- More vendors are looking to step forward to take advantage of the improving market amidst expectations of stimulus from interest rate falls.
- Buyers remain concerned about their incomes but worries about interest rates have almost completely disappeared according to agents.

### Are more or fewer people showing up at auctions?

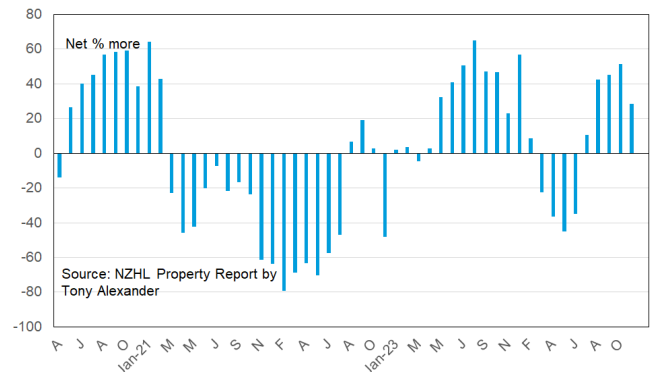
In our final survey of residential real estate agents for 2024 a net 27% of agents around the country have said that more people are showing up at auctions. This measure jumped up in August and has held near 28% for three months in a row now. People are going to auctions but no rush of activity is apparent.



### Are more or fewer people attending open homes?

Similarly, the net 28% of agents saying that more people are attending open homes tells us that no fresh floods of concerned buyers are entering the market. In fact, this measure is down from a net 52% at the end of October and 45% at the end of September. Does this mean the market in fact is backing off? No, every year in our survey there is a drop of -21% to -51% in this measure. The 23% drop this year is relatively mild.

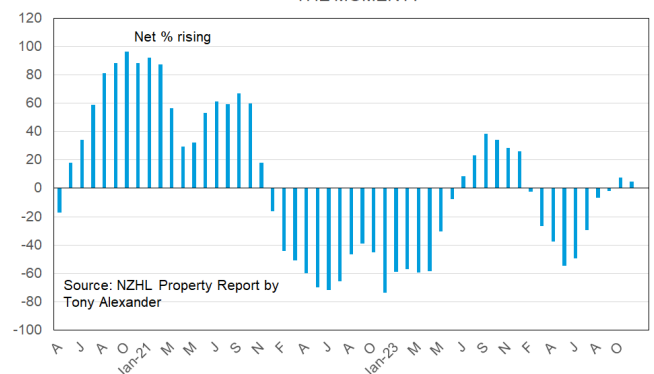
ARE MORE OR FEWER PEOPLE SHOWING UP AT OPEN HOMES?



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

A net 5% of agents feel that prices are rising in their area of activity. This is a slight decrease from a net 8% last month and tells us that although prices are edging higher, they are doing so at a slow pace with no indication of accelerating upward pressure as yet.

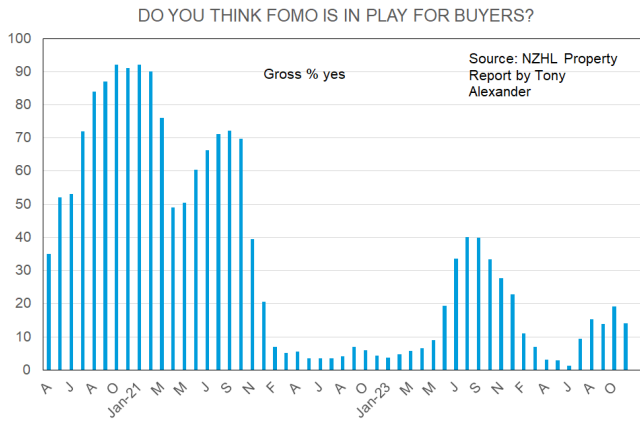
HOW DO YOU FEEL PRICES ARE GENERALLY CHANGING AT THE MOMENT?



## Do you think FOMO is in play for buyers?

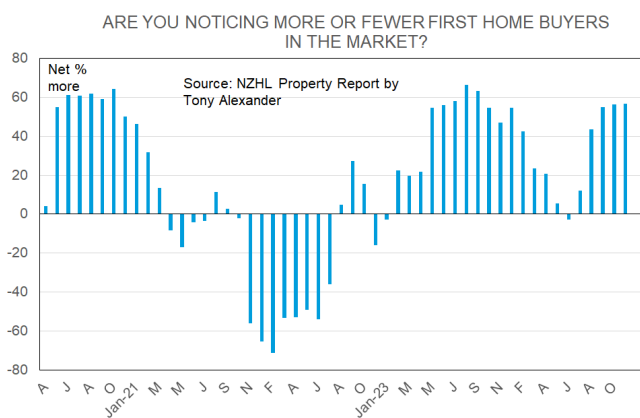
FOMO = Fear of missing out

Only 14% of agents in this month's survey have said that they feel buyers are fearful of missing out. As the graph here clearly shows this is a relatively low reading which serves simply to tell us that buyers are eyeing the market as they were not doing so mid-year, but they do not feel that there is a need for rapid decision making.



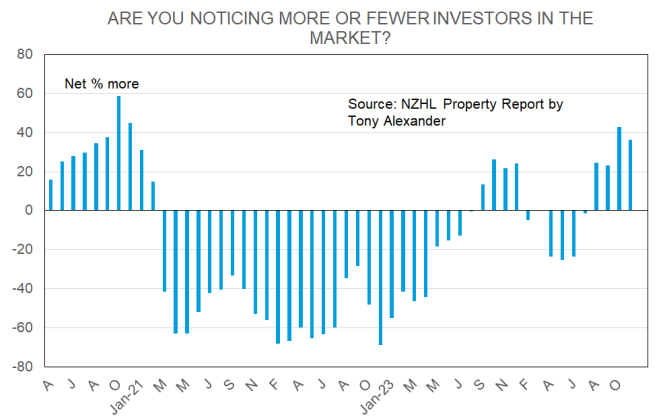
## Are you noticing more or fewer first home buyers in the market?

A still very strong net 57% of agents report that they are seeing more first home buyers in the market. This section of the population has been the key driver of market movements since early in 2023. This tells us that despite the high debt which such buyers have to take on to make a purchase it is not accurate to say that young people cannot buy a house in New Zealand. Over one-quarter of sales have been to first time buyers since early-2023.



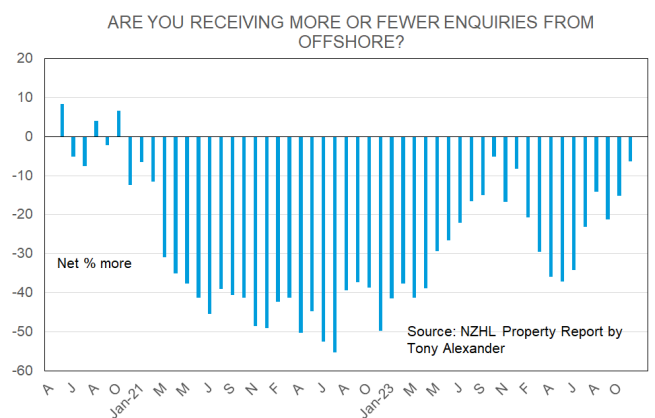
## Are you noticing more or fewer investors in the market?

The pattern of investor buying interest over the past two years has been one of following the market rather than leading it. That is, they followed first home buyers after a few months in 2023 and have done so again this year. A net 36% of agents report that they are seeing more investor buyers in the market and that is a relatively firm result in the context of our four-and-a-half-year-old survey.



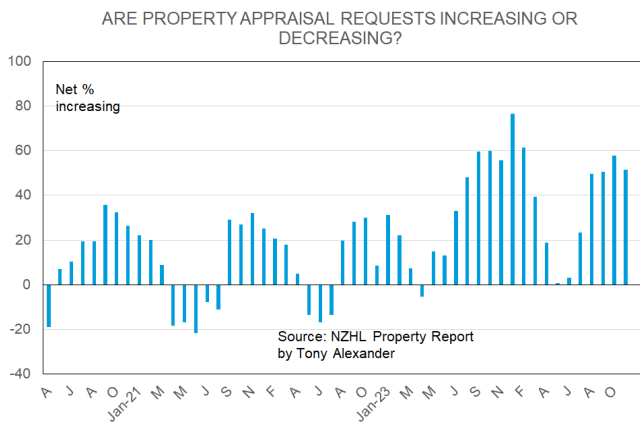
## Are you receiving more or fewer enquiries from offshore?

There has been a relatively strong easing in the net negative results for this question since July. A net 6% of agents still say that they are receiving fewer enquiries from people located offshore. But this is the second weakest such result since October 2020. It is impossible to say with any certainty whether or not the US Presidential election outcome of November 6 NZ time accounts for the improvement from a net 15% negative at the end of October.



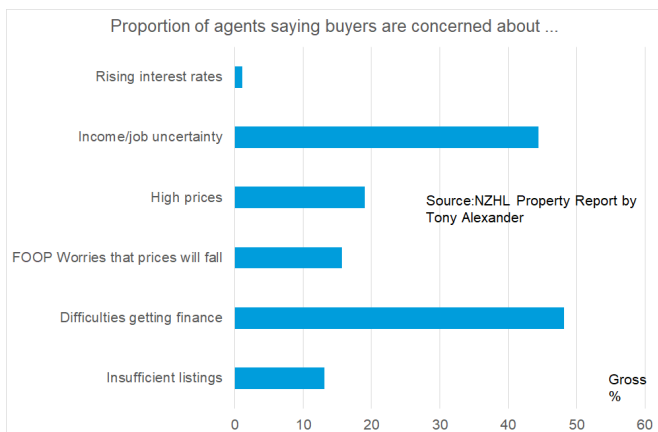
## Are property appraisal requests increasing or decreasing?

A key characteristic of the NZ property market over the past two years has been that just as investors have followed the two bouts of first home buyer-led strength, so too have vendors followed signs of market strength with increased presence. That is, with a lag higher demand is being met with higher supply. A net 51% of agents report receiving more requests for property appraisals. This is likely to be a key factor constraining the strength of price gains.

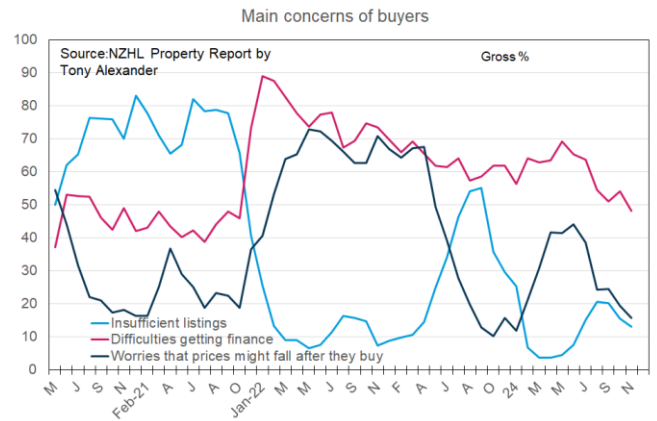


## What are the main concerns of buyers?

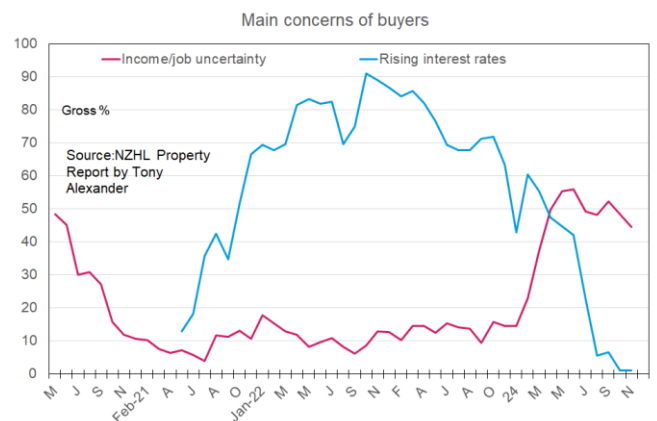
Each month in this section we start with an all-encompassing graph showing the things which are of concern to buyers. The top two concerns of buyers continue to be getting the finance they want and maintaining their income.



Worries about getting finance are on a slow downward trend and with 48% of agents citing this factor its significance as a problem is the smallest since October 2021 just before the intense credit crunch commenced. Worries about prices falling continue to edge lower (black line) and a rise in concerns about there not being enough listings over July – September has now backed off as more vendors have appeared.



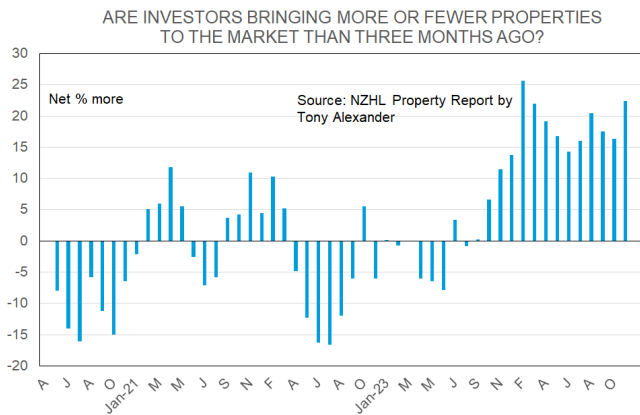
There is a mild downward trend underway in the proportion of agents saying that buyers are worried about their incomes. But at 44% the proportion citing this worry remains high and well away from the below 21% average of 14% seen in January this year. Interest rate worries are cited now by only 1% of agents. My pick? Watch for this concern to reappear in the form of disappointment about the limited magnitude of interest rate falls at some stage next year.





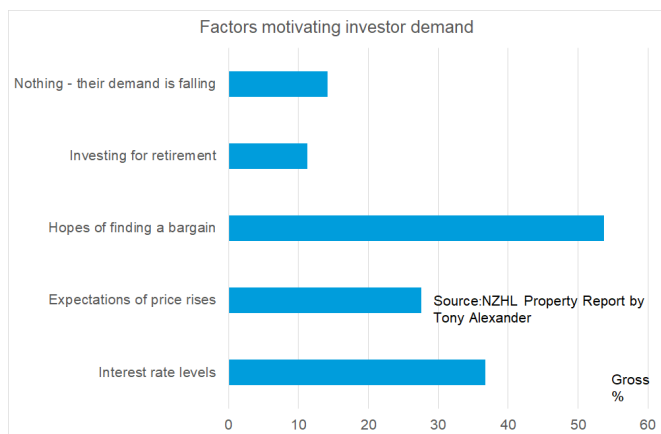
## Are investors bringing more or fewer properties to the market to sell than three months ago?

Investors are looking to take advantage of the lift in housing market activity by selling some of their assets. A net 22% of agents say that they are seeing more investors looking to sell. This is the second highest result in the history of our survey after the spike to 26% in February of this year. Investor sellers pulled back when signs of weakness emerged amidst a fresh surge in interest rate worries from that month.

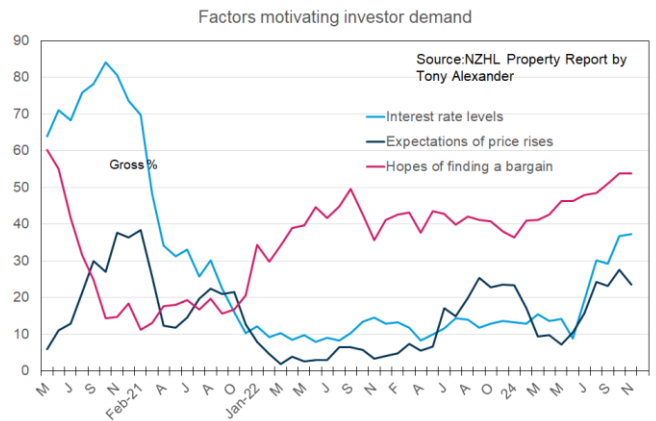


## What factors appear to be motivating investor demand?

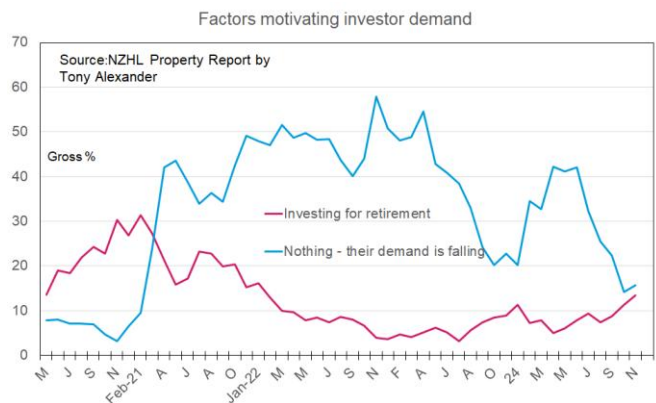
Investors are motivated by hopes of finding a bargain and levels to which interest rates have fallen and presumably are expected to fall.



Bargain hopes have been trending up since the start of the year, but the bigger jumps have been for expectations that prices will rise alongside interest rates.



There is a slight upward trend underway in the proportion of agents saying investors are motivated by a desire to prepare for their retirement.



## Regional Results

The following table breaks down answers to the numerical questions above by region. No results are presented for regions with fewer than 7 responses as the sample size is too small for good statistical validity of results. The three top of the South Island regions are amalgamated into one and Gisborne is joined with Hawke's Bay.

Best use of the table is achieved by picking a variable and comparing a region's outcome with the national result shown in bold in the bottom line. For instance, whereas nationwide a net 8% of agents feel that prices are rising, in Auckland a net 15% feel that they are going up.

The table shows net percentages apart from the FOMO question in column F. The net percent is calculated as the percentage of responses saying a thing will go up less the percentage saying it will go down.

|                    | A          | B          | C         | D         | E        | F         | G         | H         | I         | J            |
|--------------------|------------|------------|-----------|-----------|----------|-----------|-----------|-----------|-----------|--------------|
|                    | #obs       | Appraisals | Auction   | Open H.   | Prices   | FOMO      | FHBs      | Invest.   | O/seas    | Inv. selling |
| Northland          | 15         | 53         | 7         | 27        | -7       | 7         | 47        | 27        | 13        | 0            |
| Auckland           | 95         | 53         | 34        | 27        | 2        | 15        | 53        | 33        | 1         | 19           |
| Waikato            | 23         | 17         | 48        | 30        | 13       | 17        | 57        | 52        | 0         | 30           |
| Bay of Plenty      | 23         | 52         | 35        | 26        | -13      | 4         | 57        | 48        | -22       | 26           |
| Hawke's Bay        | 15         | 60         | 40        | 40        | 27       | 33        | 73        | 53        | -13       | 13           |
| Taranaki           | 4          | 0          | 0         | 0         | 0        | 0         | 0         | 0         | 0         | 0            |
| Manawatu-Wanganui  | 11         | 73         | 9         | 55        | 18       | 18        | 55        | 55        | -9        | 36           |
| Wellington         | 28         | 54         | 21        | 7         | 0        | 14        | 68        | 14        | -14       | 43           |
| Nelson/Tasman      | 14         | 64         | 0         | 36        | -7       | 7         | 86        | 29        | 0         | 14           |
| Canterbury         | 22         | 50         | 32        | 41        | 23       | 18        | 50        | 50        | -32       | 9            |
| Queenstown Lakes   | 6          | 0          | 0         | 0         | 0        | 0         | 0         | 0         | 0         | 0            |
| Otago exc. Qtown   | 10         | 40         | 20        | 10        | 10       | 0         | 50        | 40        | 0         | 50           |
| Southland          | 1          | 0          | 0         | 0         | 0        | 0         | 0         | 0         | 0         | 0            |
| <b>New Zealand</b> | <b>268</b> | <b>51</b>  | <b>27</b> | <b>28</b> | <b>5</b> | <b>14</b> | <b>57</b> | <b>36</b> | <b>-6</b> | <b>22</b>    |

- |   |  |
|---|--|
| A. # of responses   | G. Are you noticing more or fewer first home buyers in the market? |
| B. Are property appraisal requests increasing or decreasing?    | H. Are you noticing more or fewer investors in the market?         |
| C. Are more or fewer people showing up at auctions?             | I. Are you receiving more or fewer enquiries from offshore?        |
| D. Are more or fewer people attending open homes?               | J. Are investors bringing more or fewer properties to the market?  |
| E. How do you feel prices are generally changing at the moment? | to sell than three months ago?                                     |
| F. Do you think FOMO is in play for buyers?                     |  |

\*Please note –Tony Alexander is an independent economist. His views are his own and not necessarily shared by NZHL or vice versa. The NZHL Property Report by Tony Alexander is based on the findings of a monthly survey of real estate agents conducted by Tony and is brought to you by NZHL in a sponsored capacity.

This publication is written by Tony Alexander, independent economist. You can contact me at [tony@tonyalexander.nz](mailto:tony@tonyalexander.nz)

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