

# The NZHL Property Report

by Tony Alexander.

July 2025

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.

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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.

## Mild recovery in buyer presence

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.

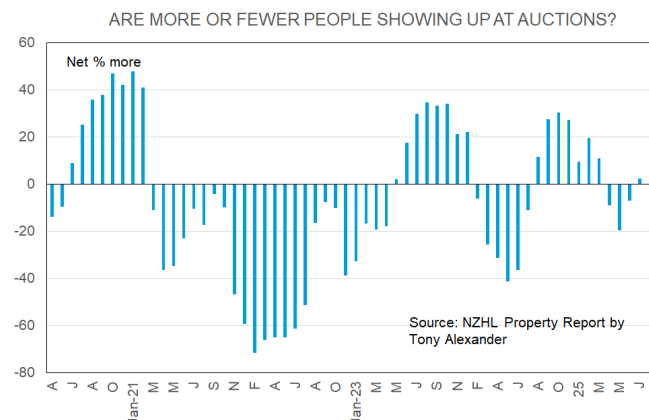
The key results from this month's survey which yielded 265 responses include the following.

- Most indicators have improved slightly this month but remain at very weak levels indicative of a market where buyers are in no rush to transact.
- FOMO is creeping higher but stands well away from the frenzied days of the pandemic
- Investors are indicating interest in selling their properties.

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

A net 2% of agents in this month's survey have reported seeing more people attending auctions. This is a slight improvement from a net 7% last month seeing fewer attendees at auctions but remains a weak result.

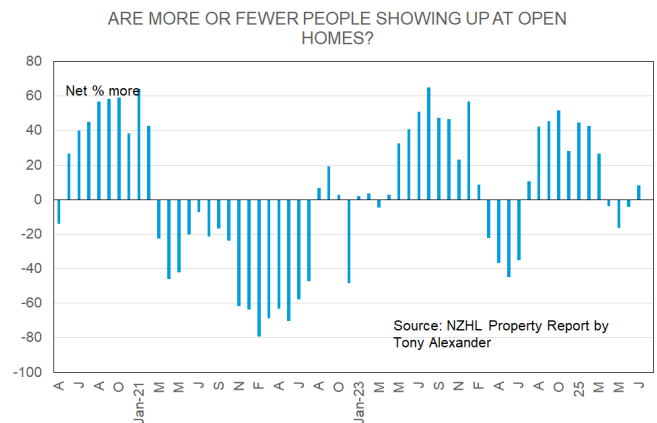
Over the past two years this measure and that for open home attendance have risen and fallen in an oscillating manner. It is tempting to interpret the improvement in this auction gauge over the past two months as suggesting another cyclical recovery. However, two times these recoveries have failed to persist since the start of 2023 and the best interpretation here is probably simply that things have stopped getting worse.



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

A net 8% of agents around the country this month have reported seeing more people attending open homes. This is an improvement from the net 16% two months ago seeing fewer people but is well below the net 27% seeing more people four months back.

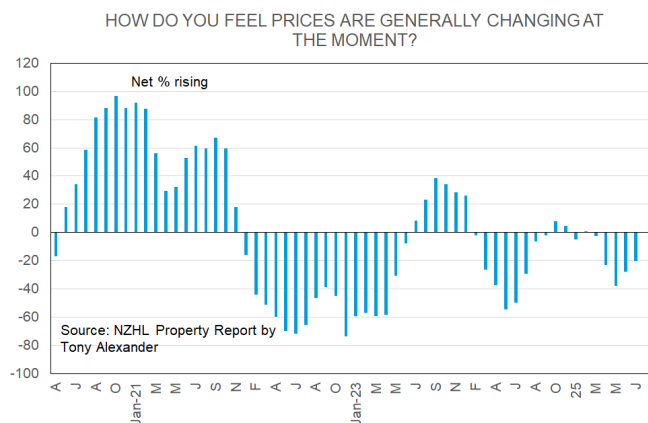
In the comments offered up by agents many noted the very limited numbers of people sometimes showing up at their weekend home openings and it is clear that while the market may be pulling back from a very weak period there is no solid recovery in momentum as yet.



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

A net 20% of agents in our survey have reported that prices are falling in their area of operations. This is better than the net 28% last month and 38% two months ago. But the result is still a negative and tells us that the dynamics in play in the market – high listings, weak migration flows, minimal FOMO – are not interacting on average to cause prices to rise.

Note that for four months in a row now the REINZ's nationwide House Price Index has fallen.

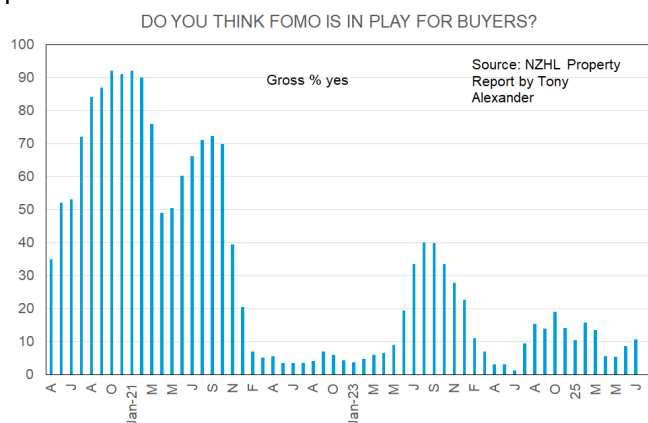


## Do you think FOMO is in play for buyers?

FOMO = Fear of missing out

This month 11% of agents responding in our survey have said that they can observe buyers displaying FOMO. This is up from 9% last month and the recent low of 5% two months back. But the 11% result is still very low, as shown clearly in the graph here.

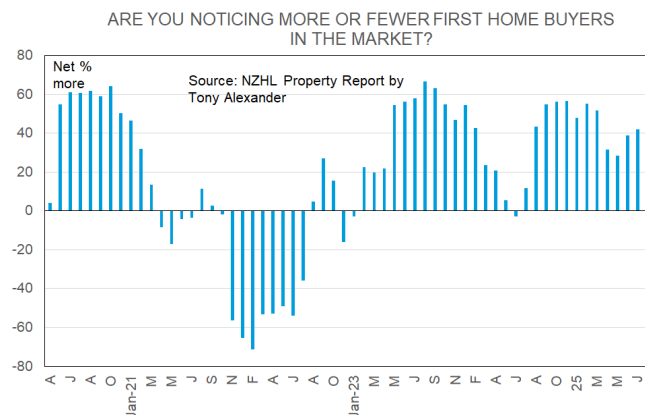
Buyers are aware of the many listings on offer and although there is evidence (discussed below) of some discontent with listings, this is not as yet translating into buyers feeling they need to hurry up and make a purchase.



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

First home buyers have been the key force in the NZ housing market since the start of 2023, and they remain dominant. A net 42% of agents have just reported that they are seeing more first home buyers.

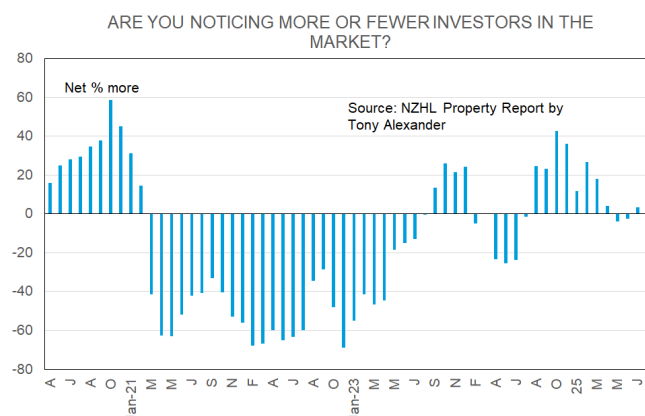
This is up slightly from the net 39% last month and broadly consistent with most months over the past two and a half years – bar the weakness of mid-2024 when the economy shrank 2% over a six-month period.



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

A net 3% of real estate agents have reported that they are seeing more investors in the market. This is an improvement from the net 3% a month ago who were seeing fewer investors out and about contemplating a purchase.

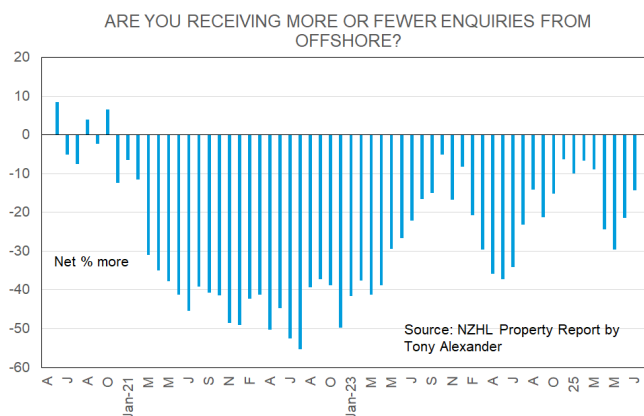
The key point to note is the new low level for this measure compared with earlier this year when there were hopes of prices rising and commentary was generally on the positive side. Now, there is increasing discussion of a structural stepping back of small-time investors from the market.



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

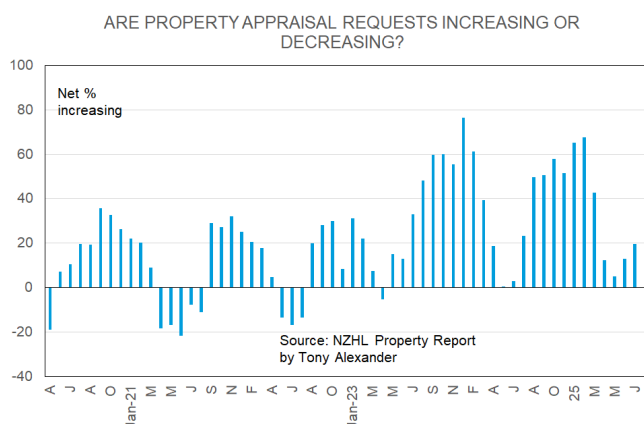
A net 14% of agents have reported reduced enquiry from people located offshore. This is better than the net 21% reporting this last month and 30% of two months ago. But unless rules for foreign buying are strongly altered these small movements mean little in the context of broad pressures in the New Zealand residential real estate market.

If legislative changes are made, we will be able to gauge the strength of any response quickly via this measure.



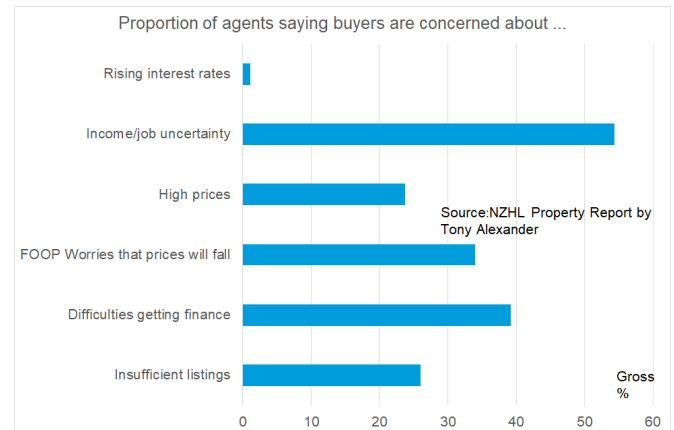
## Are property appraisal requests increasing or decreasing?

There appears to be a return of some potential vendors to the market – perhaps getting ready for the busier Spring season. A net 20% of agents have reported receiving more requests for property appraisals. This is a rise from results of a net 13% last month and 5% two months ago.



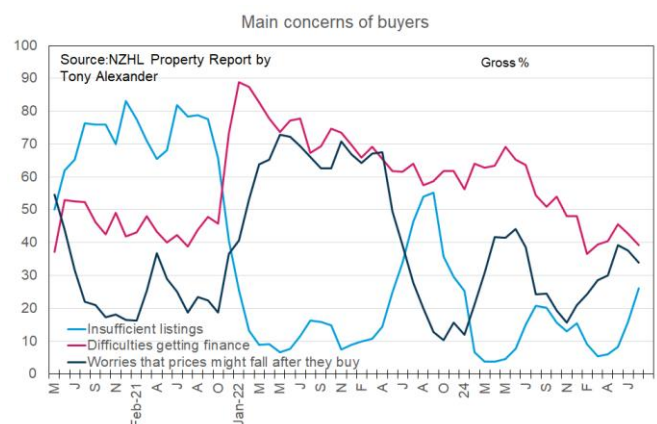
## What are the main concerns of buyers?

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 remain employment and getting finance.



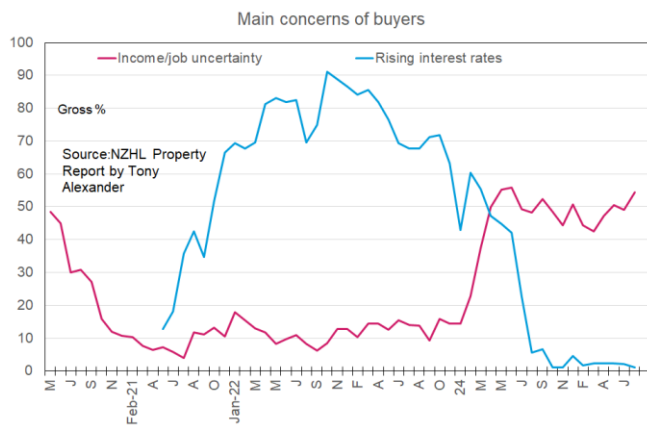
The following graph shows as the red line the general decline in concerns about access to finance since those worries soared late in 2021 as a credit crunch was imposed by the Reserve Bank and government following earlier excessively loose monetary policy settings.

The blue line tells us that recently there has been a lift in buyer concerns about the availability of listings. Feedback from agents suggests that this is more about some buyer discontent with the type and quality of properties on offer rather than necessarily the volume.



Reflecting the general discussion about layoffs and weakness in the NZ labour market we can see with the red line here that buyer concerns about employment are on a rising trend again.

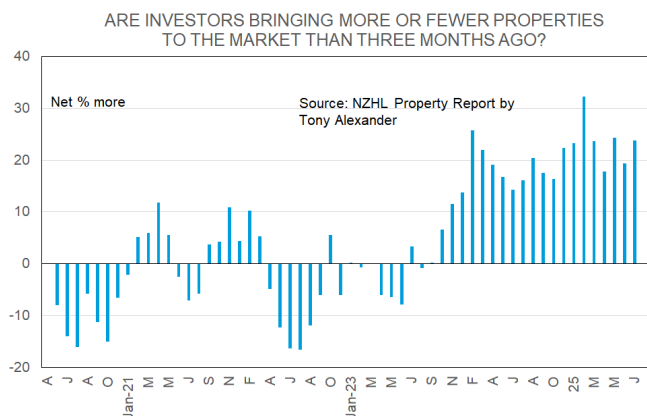




## Are investors bringing more or fewer properties to the market to sell than three months ago?

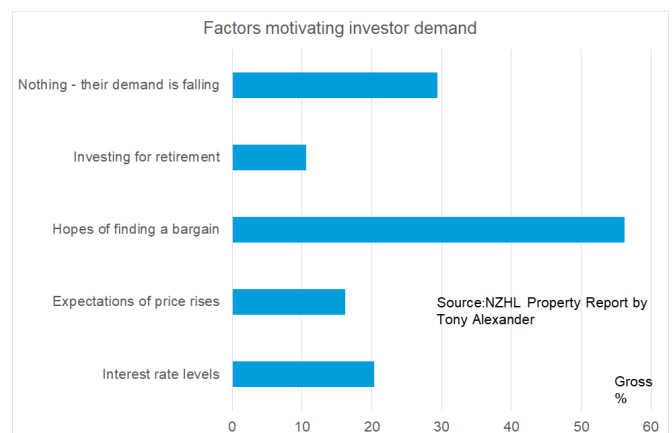
A key dynamic in the housing market which I have been discussing for some time is the increase in property selling by existing investors. Costs of running a rental business have soared, legislation has moved in favour of tenants, good tenants are increasingly difficult to find, and expectations for potential capital gains are being scaled back.

A net 24% of agents this month have reported seeing more investors looking to sell.

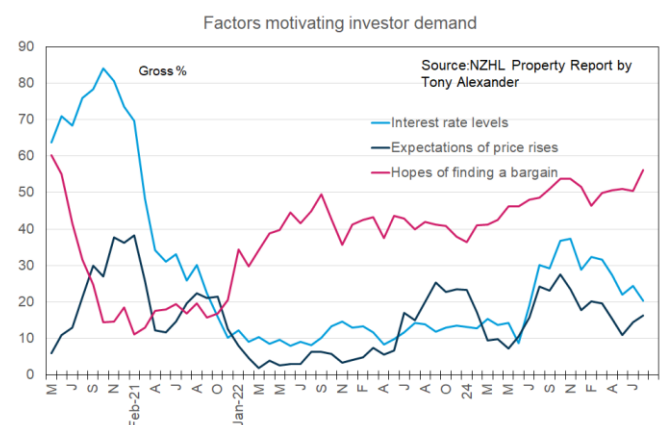


## What factors appear to be motivating investor demand?

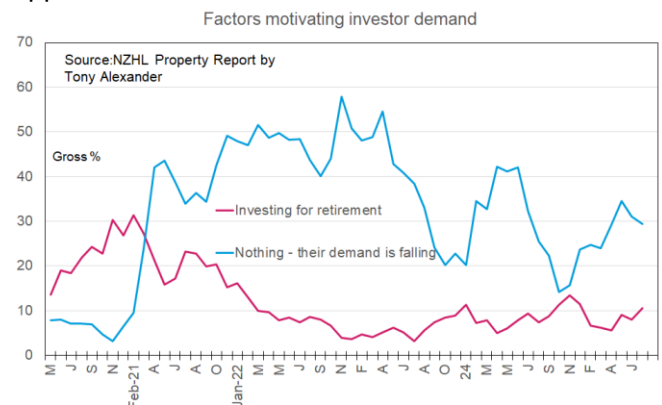
For investors looking to make a purchase the prime motivation remains the hope of finding a bargain.



Bargain hopes have been creeping up in recent months and this may reflect a feeling that surely by now vendors are becoming willing to meet the market and discount their selling price if they want to get on with their lives.



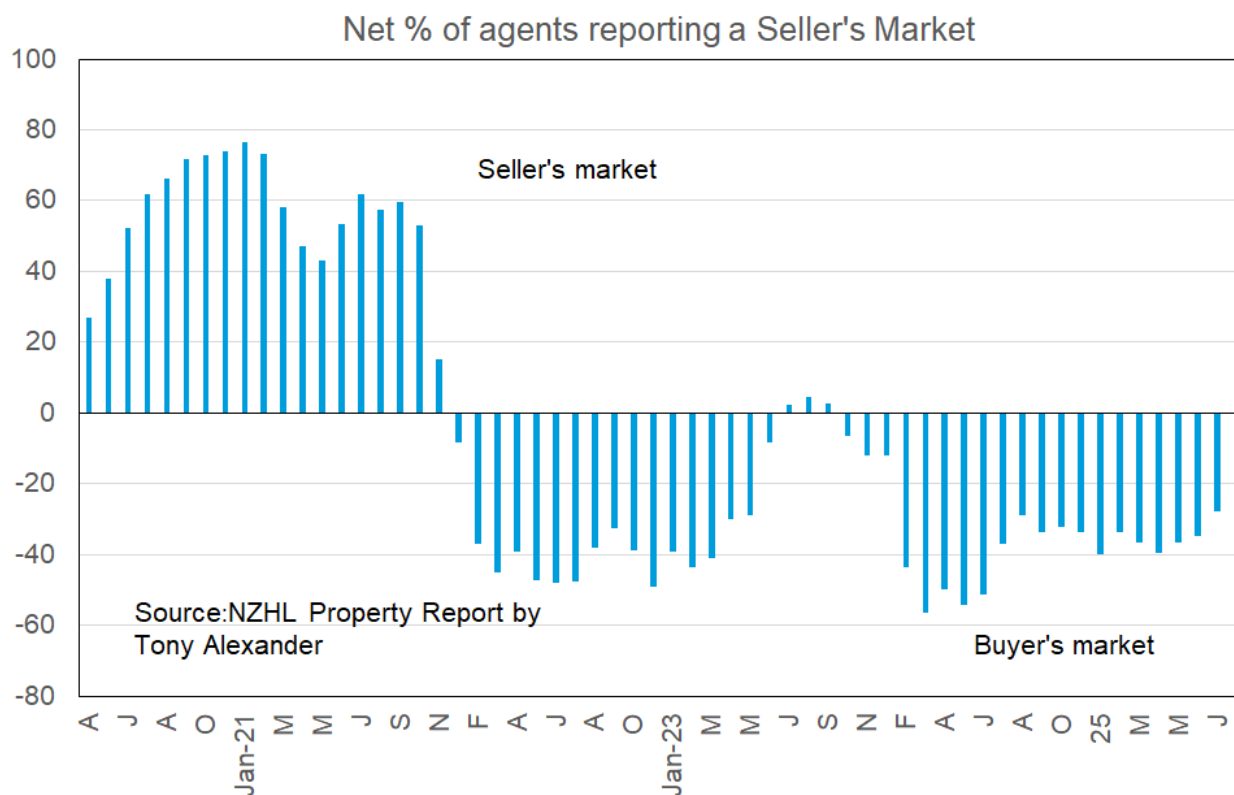
No change in buying for retirement purposes is apparent.



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

Overall, a net 28% of agents nationwide feel that the country is in a buyer's market. This is a sharp contrast

to the situation during the pandemic, and the graph shows us the market has been in favour of buyers since the start of 2022. It was at the start of 2023 that first home buyers began taking advantage of this switch in market dynamics through increasing purchasing.



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