The NZHL Property Report

by Tony Alexander.

October 2025

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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.

Upward momentum begins to develop

Welcome to the NZHL Property Report by Tony Alexander. This survey gathers 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.

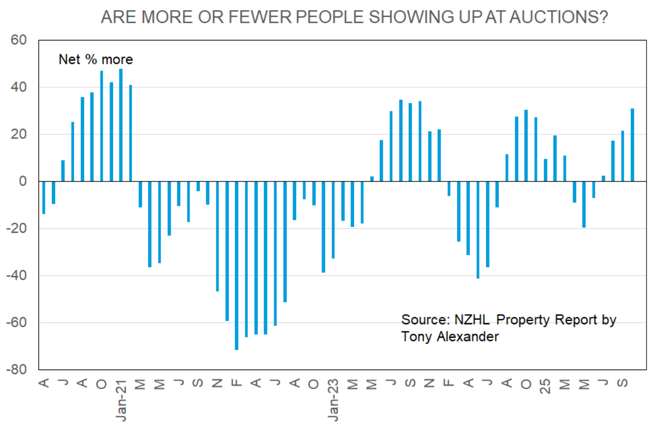
The key results from this month’s survey which yielded 275 responses include the following.

- More agents view house prices as rising than falling for the first time since February.
- First time buyers continue to be the main purchasers increasing in number whereas investors are still cautious.
- Buyers continue to display low job security but worries that prices will fall after purchasing are backing off.

Are more or fewer people showing up at auctions?

A net 31% of agents this month have reported that they are seeing more people showing up at auctions. This is up from a net 21% last month and the strongest result since October 2023.

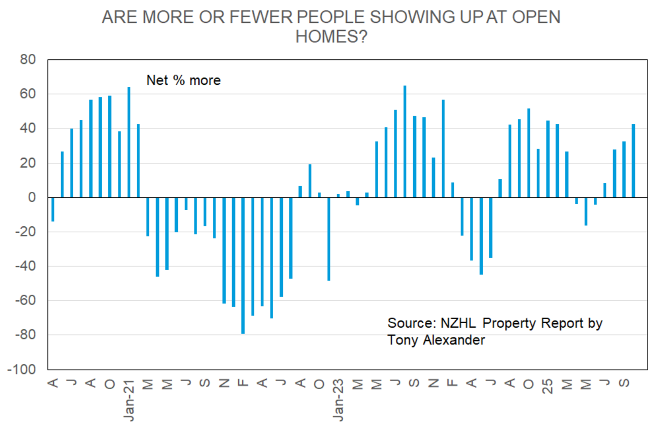
In May a net 20% of agents had reported that fewer people were at auctions, so the latest result represents a strong turnaround from the depressed market conditions of earlier this year as the country headed towards winter.



Are more or fewer people attending open homes?

A net 43% of agents have reported seeing more people attending open homes. This is up from a net 32% last month and well away from the net 16% who in May said fewer people were visiting homes for viewings.

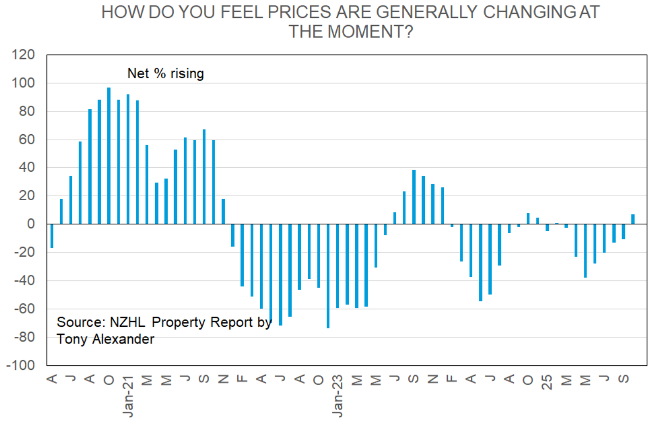
The responses to this question and the one above tell us that more buyers are in the market and perhaps looking to take advantage of low financing costs, good stock levels, and expectations for a turning in the economy from here on which will bring more buyers forward. The perceived benefits from holding off in making one’s purchase may be fading.



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

For the first time since February there are more agents who feel price are rising in their area of operations than say that they are falling. A net 7% feel this way whereas a month ago a net 11% felt that prices for falling. The weakest recent reading for this measure was a net 38% who in May felt that prices were falling.

As the graph here shows, this is now the third period of perceived rising prices to come along since the pandemic boom ended in 2021. The first two positive price growth periods in 2023 and then 2024/25 faded away as interest rates continued to rise during the former and feelings of job security ultimately sapped the strength of the latter climb.



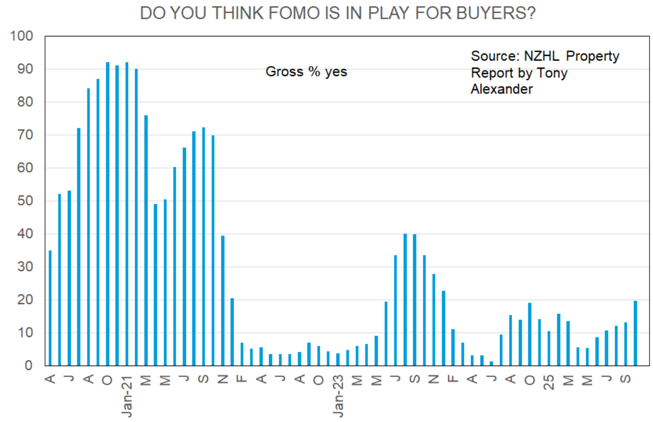
Do you think FOMO is in play for buyers?

FOMO = Fear of missing out

A gross 20% of agents throughout the country feel that buyers are showing signs of being worried that they may miss out in some way. This is up from 13% last month and is the strongest result since January 2024.

We are still a very long way away from the market conditions which existed over 2020-21 when at the peak 92% of agents said that there was FOMO in the market. And we have had two previous occasions of strength in FOMO which faded away.

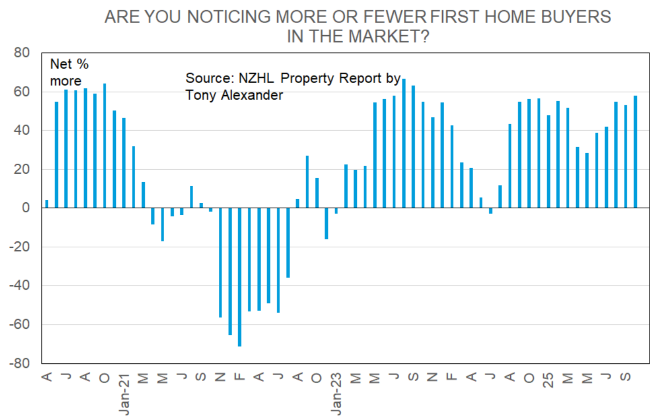
This time around however the early signs of labour market improvement alongside low interest rates may see FOMO remain firm this time around and strengthen through 2026 into 2027.



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

A strong net 58% of agents have reported that they are seeing more first home buyers in the market. This reading is up from 53% last month and the best since September 2023.

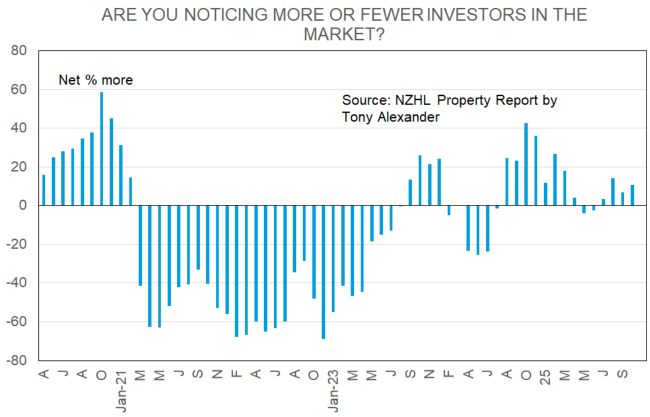
First time buyers have been strongly active in the market since early in 2023 and as yet there is no sign that their determination to take advantage of market conditions in their favour is easing.



Are you noticing more or fewer investors in the market?

There was a strong period of active investor withdrawal from the housing market over the period from early-2021 through to late-2023. At that latter time, they started entering the market following a lift in first home buyer activity which was producing some mild upward momentum to house prices.

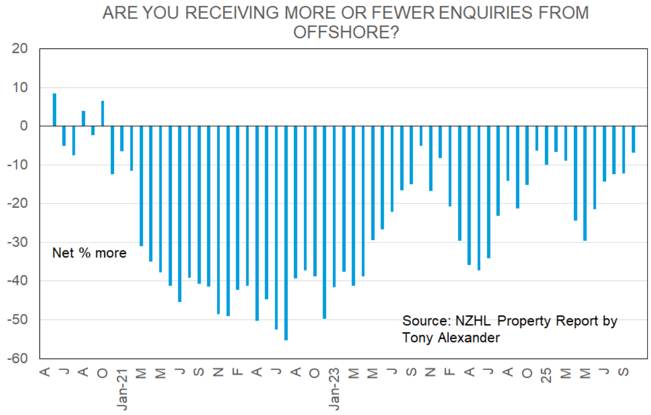
But the rise in investor demand of late-2023 failed to sustain as did the similar brief firming of late-2024. At this stage we cannot see evidence of a fresh lift in investor demand, and this may be because of rising rental operating costs, a shortage of good tenants, low to falling rents, and worries about new taxes offsetting the single positive of low financing costs.



Are you receiving more or fewer enquiries from offshore?

A net 7% of agents have reported that they are receiving fewer enquiries from offshore. This measure has been in negative territory since late-2020 but the latest reading is the least weak since February.

Given the weak state of New Zealand's labour market, poor net migration flows, restrictions on purchases by foreigners, and lack of sustained upward momentum in NZ average house prices, agents are likely to continue to experience weak levels of enquiry from people (including Kiwis) located offshore.



Are property appraisal requests increasing or decreasing?

A net 53% of agents, the same as last month, have reported receiving more requests for property appraisals. This gauge of potential vendor interest has risen strongly over the past three months, and this suggests good listings availability is likely to continue for buyers as we go through summer.

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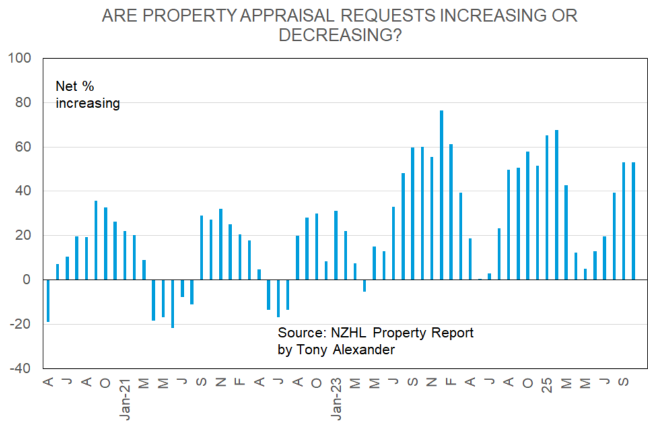
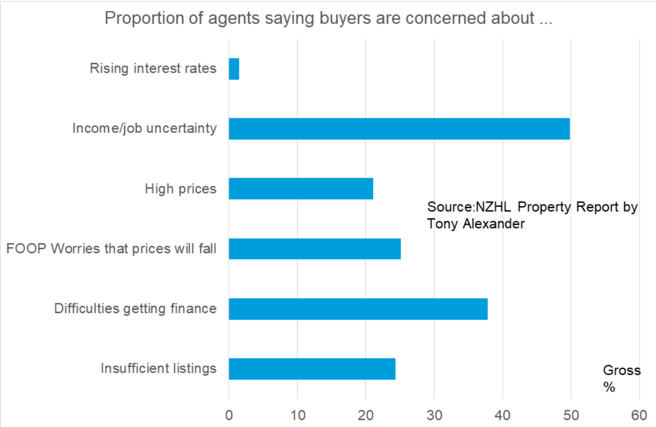


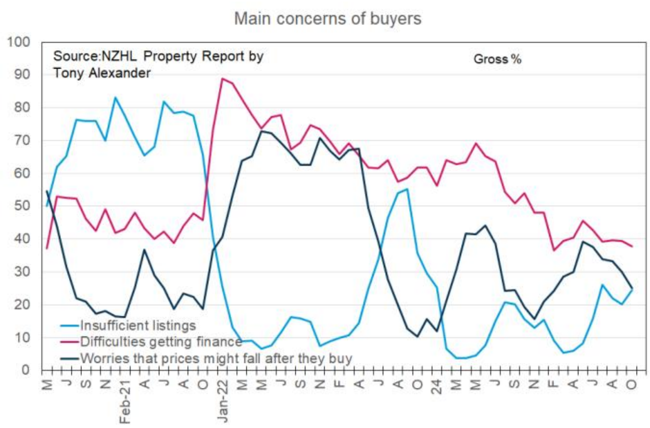
What are the main concerns of buyers?

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 are again employment and getting finance.



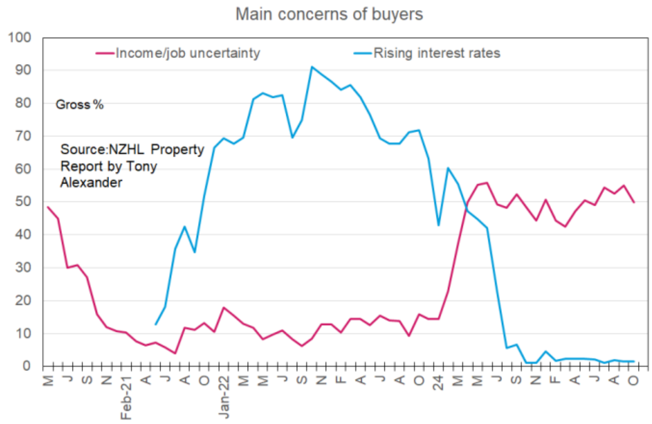
There is a downward trend underway in worries about access to finance, but a slight lift has occurred recently in concerns about the availability of property listings.

But looking at this first graph below it is clear that of the three things shown the one to change most recently has been worries that prices will fall after one has made a purchase. This measure of FOOP – Fear of Over-Paying - has eased back to levels last seen in February.



There are virtually no concerns held by buyers about financing costs. However, the main factor likely to have been keeping owner occupiers from buying then selling or selling then buying remains of deep concern – employment and income.

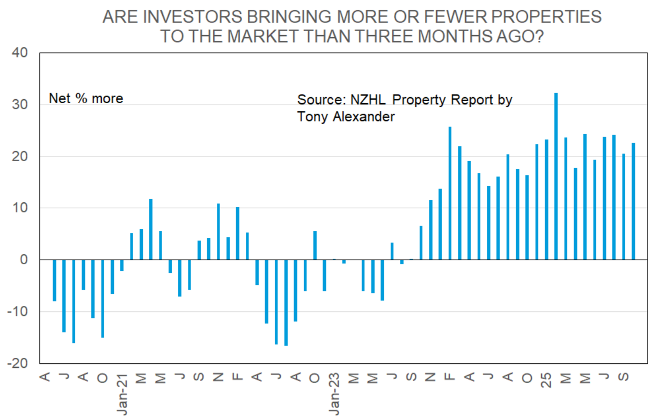
50% of agents say that potential buyers are worried about their employment. Until this changes the volume of market activity is likely to remain restrained.



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

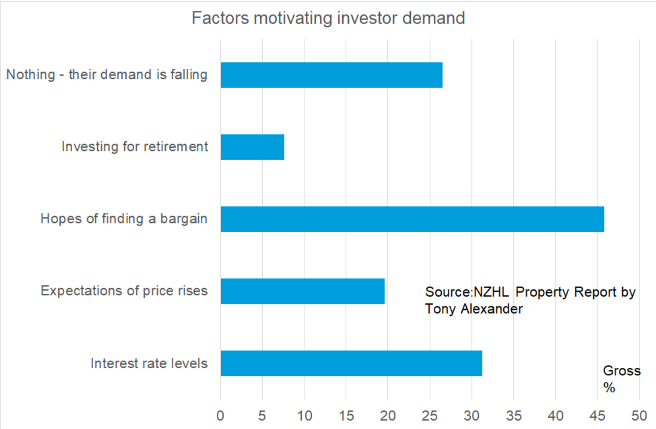
A net 23% of agents have reported that they are seeing more investors in the market looking to sell. This is little changed from the net 21% of a month ago and tells us that there is no immediate effect showing through from Labour's proposal to bring in a new tax on capital gains for all investment properties.

Net selling intentions of investors have been strong since the latter part of 2023 and there is no indication that this now two-year-old desire to reduce property exposure is easing.

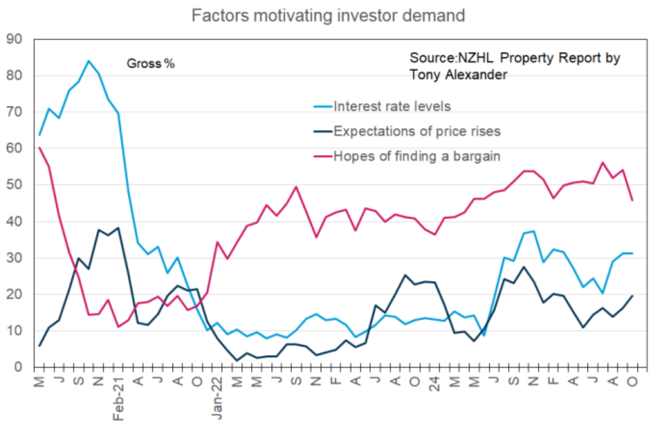


What factors appear to be motivating investor demand?

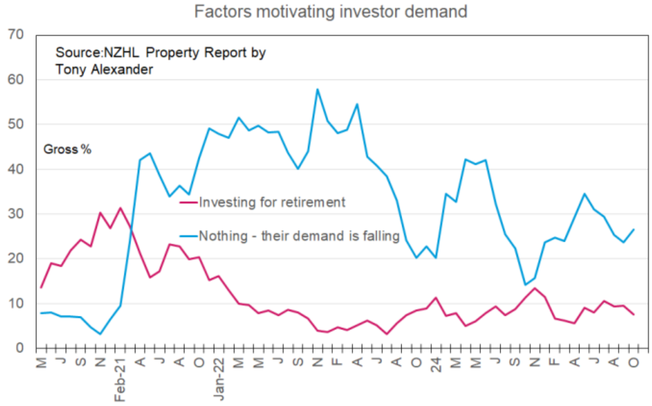
The main factor which investors cite as motivating a desire to buy – should they have such a desire – is the hope of finding a bargain.



Bargain hopes have interestingly eased over the past month as shown by the red line in the following graph. But there is a mild recovery underway in expectations of price gains and a mild extra boost to demand attributable to recent reductions in interest rates.

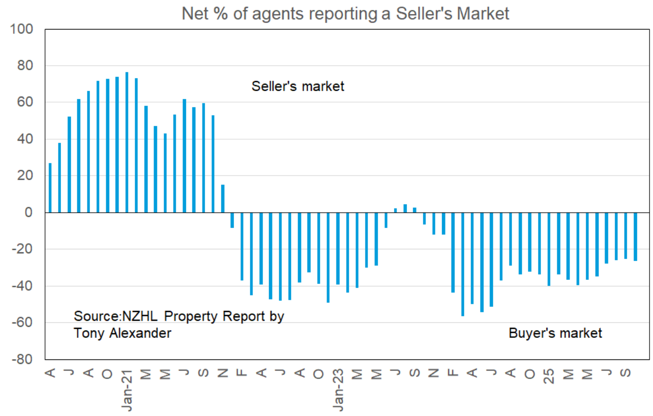


No change in buying for retirement purposes is apparent.



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

A net 26% of agents feel that the country remains in a buyer's market. Apart from a very brief period in the middle of 2023 this has been the state of play for almost four years now.



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