



The NZHL Property Report

by Tony Alexander.

June 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.

Bouncing off the bottom

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.

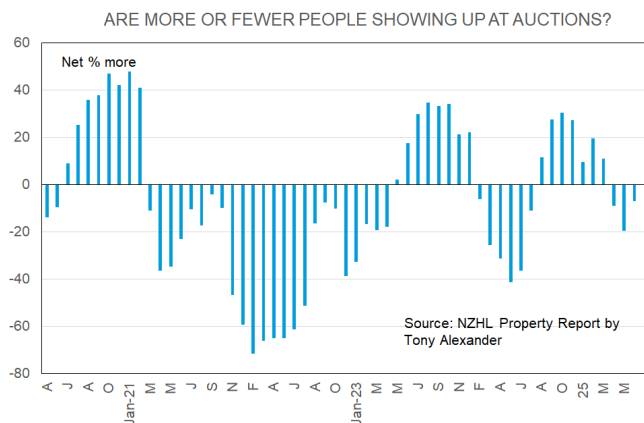
The key results from this month's survey which yielded 393 responses include the following.

- Most indicators this month have pulled back from the quite depressed levels of late-May. But most also remain in weak territory signalling a market still strongly in favour of buyers.
- First home buyers remain active, but investors are still cautious.
- Among the list of things which buyers are concerned about employment remains a key worry. Interestingly, concerns have grown about the availability of listings.

Are more or fewer people showing up at auctions?

A net 7% of agents around the country responding in this month's survey have reported observing fewer people showing up at auctions. While this is better than the net 20% result of a month earlier it remains the case that auction attendance is still generally seen as weak.

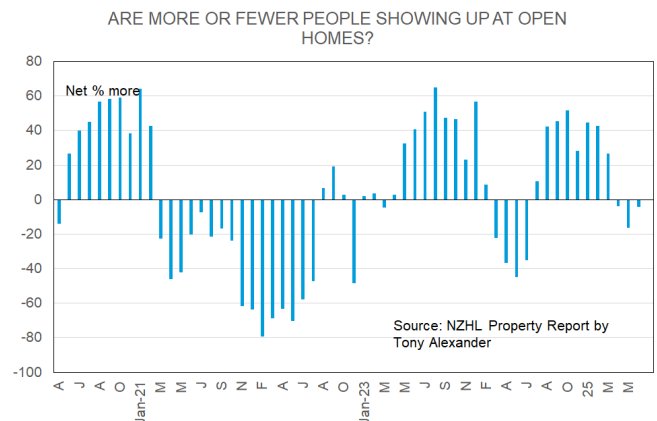
It is not the case that attendance tends to naturally decline as we go through the winter months so we can interpret this result as telling us buyers are still not entirely willing to commit to this area of market research as a precursor to making one's own bid.



Are more or fewer people attending open homes?

A net 4% of agents have reported that fewer people are showing up at open homes. This is the third negative month in a row for this gauge and the latest result, while better than -16% net last month, is still far removed from the net 27% who at the end of March said that more people were out visiting open houses.

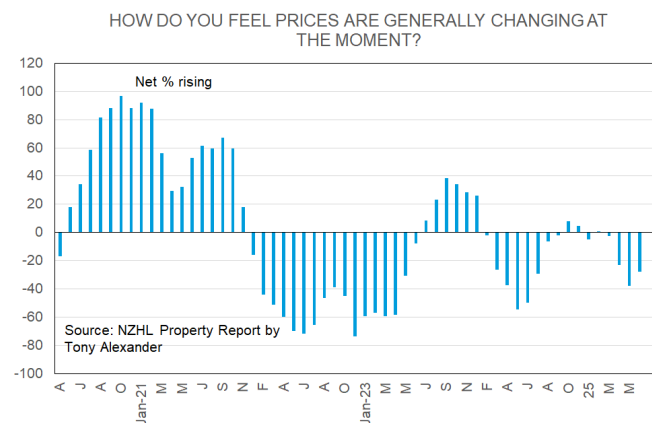
Again, this tells us that for the moment buyers do not feel highly encouraged to enter the market. But it pays to note that a year ago this measure sat at a net 35% negative, so the latest result of -4% is not all that bad.



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

For the fourth month in a row more agents have reported that they feel prices are falling in their area of operation than have reported they feel they are rising. The net 28% doing so is better than -38% in our late-May survey and the -50% of June last year. But it still tells us that on average nationwide the pressure on prices generally remains downward.

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

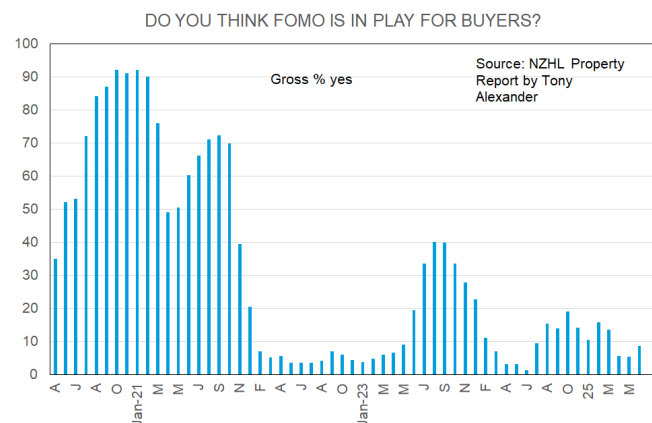


Do you think FOMO is in play for buyers?

FOMO = Fear of missing out

There has been a slight rise this month in the proportion of agents who feel that buyers are worried about missing out in the current market. This measure has lifted to 9% from 5% last month. Two months ago, the measure was just 6% and we have to go back to the latter part of 2023 to find a period when FOMO seemed to be quite prevalent.

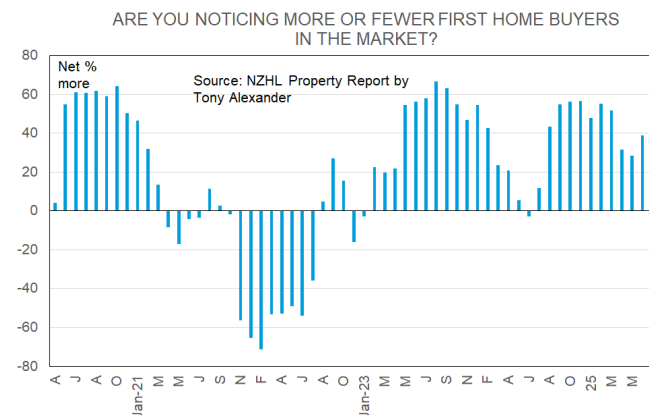
But even then, the readings at 40% were very low compared with those above 80% which prevailed during the peak of the pandemic frenzy over late-2020 to late-2021.



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

A net 39% of agents have reported this month that they are seeing more first home buyers in the market. This is an improvement from a net 29% last month and is the strongest of all measures gathered in our monthly survey.

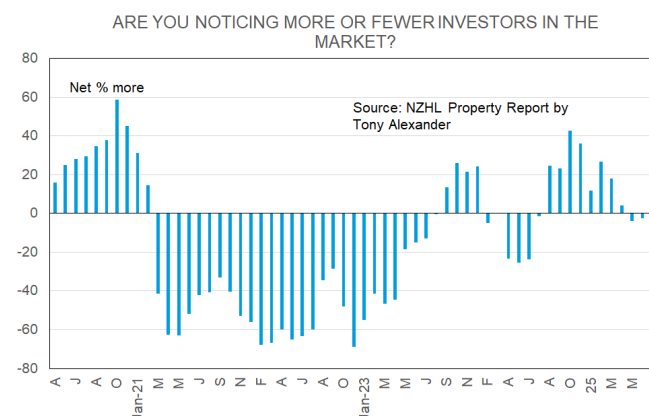
The decline from a net 52% late in March is minor and the graph shows how young buyers have been a key market force since the start of 2023 with a meaningful falling away happening only in mid-2024 when the economy slid back into recession.



Are you noticing more or fewer investors in the market?

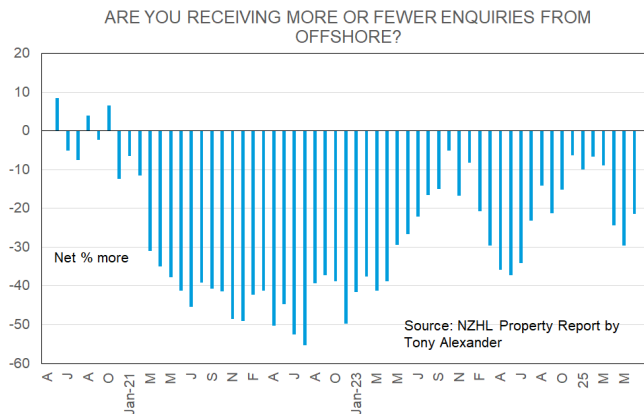
While young people may still be out in force this is not the case for investors. A net 3% of agents have this month reported seeing fewer investors looking to make a purchase. The drop from March's net 18% positive is more than the easing recorded for first home buyers and tells us that recent developments have had more of an impact on investors than young purchasers.

These developments include shortages of good tenants and reduced ability to raise rents, yet continuing increases with more expected in key costs such as for council rates, maintenance, upgrading, and insurance.



Are you receiving more or fewer enquiries from offshore?

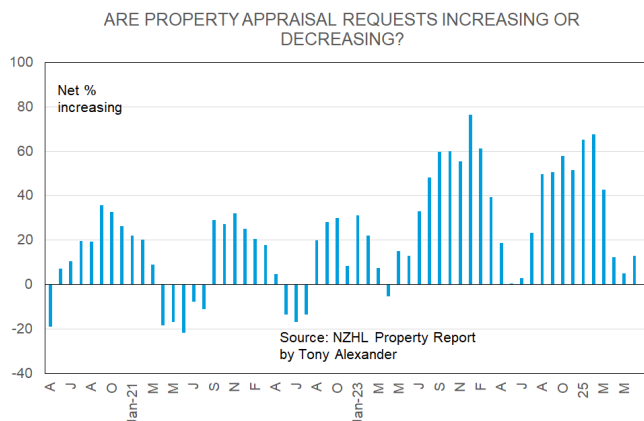
A net 21% of agent's have this month reported receiving less enquiry for New Zealand property from offshore. This result is slightly better than -30% last month. But it strongly remains the case that since the early part of 2021 people located offshore – Kiwis or not – have not been a driving force in the country's residential real estate sector.



Are property appraisal requests increasing or decreasing?

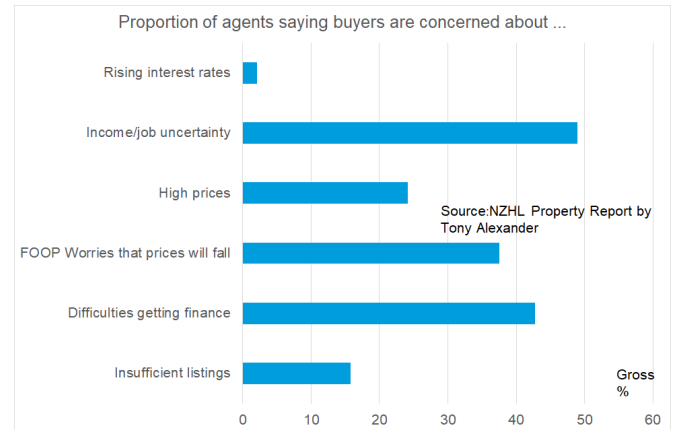
This month a net 13% of agents have reported that they are receiving more requests for property appraisals. While this is an improvement from a net 5% last month the reading is still on the low side by standards of the past year.

This suggests that the lift in property listings over the second half of last year as interest rates fell and buyers returned to the market is not continuing. One or two agents making comments in this month's survey noted the appearance here and there of some listings shortages and it will be interesting to see how stock for sale tracks in coming months.

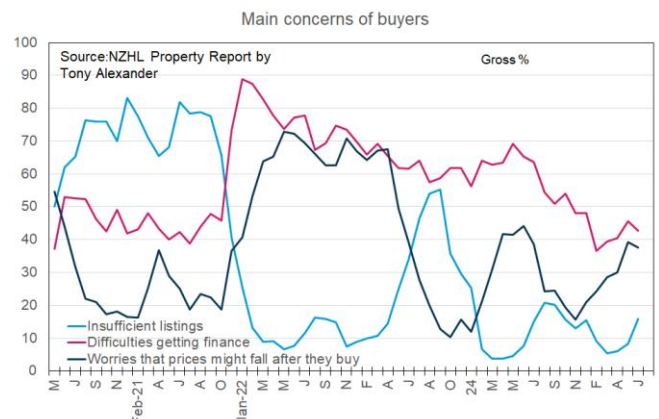


What are the main concerns of buyers?

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.



There have been slight reductions this month in agent perceptions of buyer concerns about prices falling after making a purchase and availability of finance. But for three months in a row now worries about listings have increased

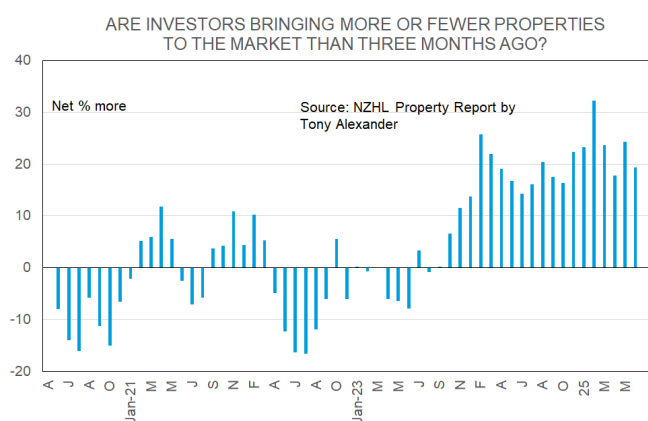


Concerns about employment remain at elevated levels with 49% of agents citing this concern as evident among buyers. Hardly anyone is concerned about interest rates.

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

A net 19% of respondents in this month's survey have said that investors are bringing more properties to the market to sell. This is only a slight decline from a net 24% observing this last month and it remains the case that since late-2023 investors have shown some firm inclination towards selling some of their holdings.

This is a phenomenon which tends not to get picked up by other gauges of investor activity in the NZ housing market which focus exclusively on demand for investment property – not supply.

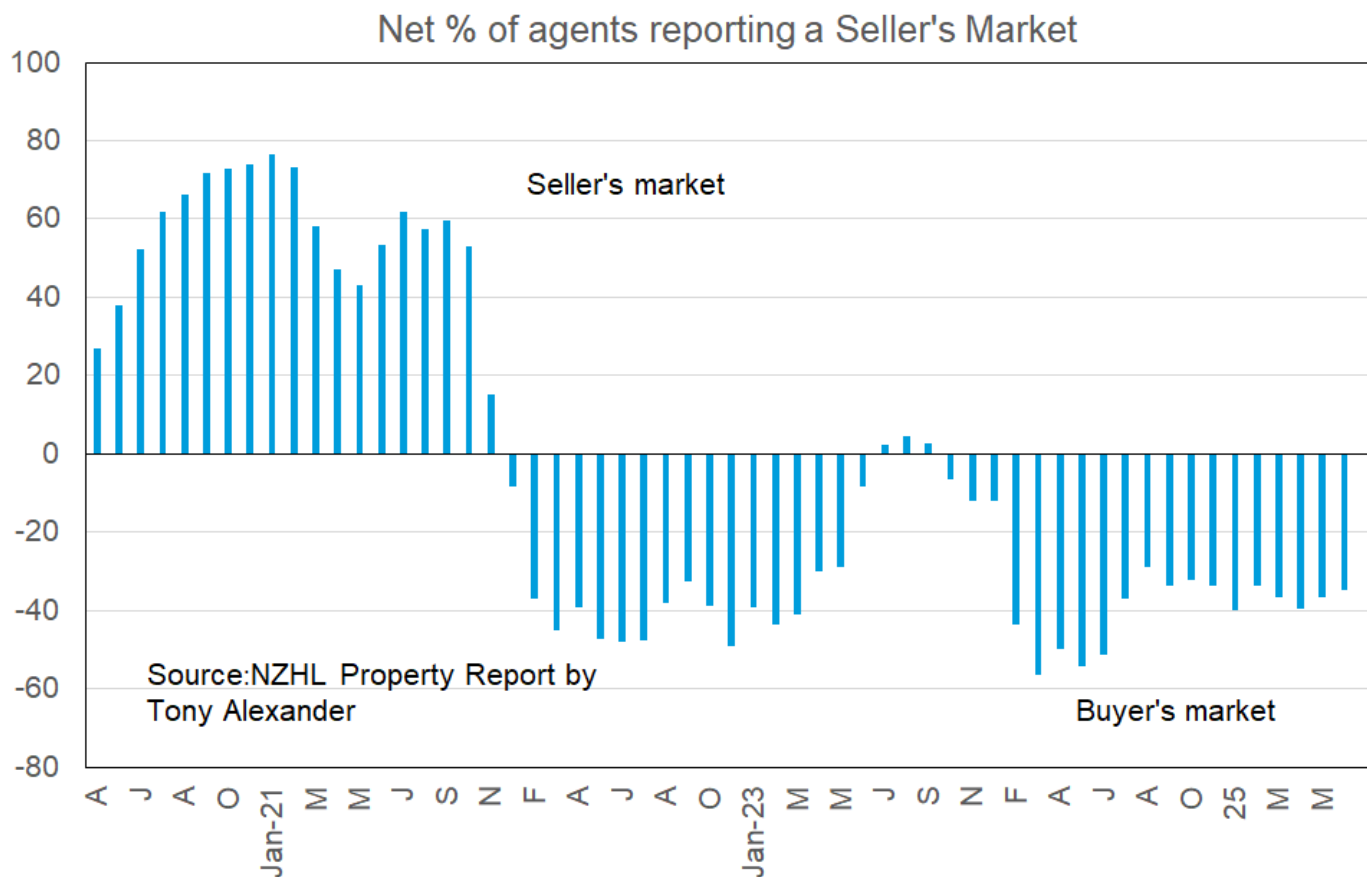


Are we in a buyer's or seller's market?

Putting everything together, when asked which of the parties in the property transaction shows greater determination to get a deal over the line, a net 35% of

agents say the sellers. This is another way of saying that a net 35% of agents feel that we are in a buyer's market.

Barring some excitement in the middle of 2023 the market has been solidly in favour of buyers since the start of 2022.



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

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