



The NZHL Property Report

by Tony Alexander.

May 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.

Buyers still hold the power

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.

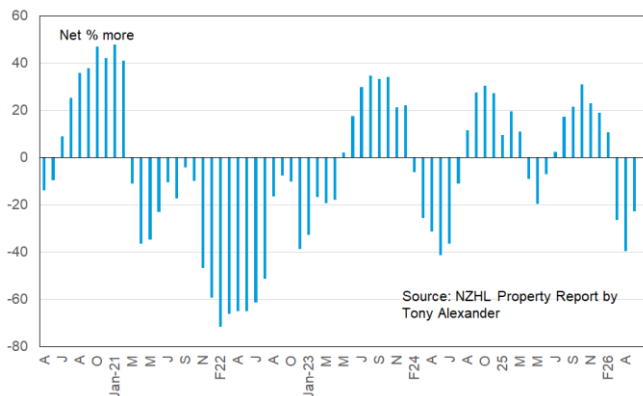
The key results from this month's survey which yielded 231 responses include the following.

- Buyers are highly discerning between homes which are well presented with zero issues and those requiring some work or having some undesired characteristics.
- Almost all measures are slightly improved from the depths of our survey four weeks ago. But the results nonetheless reveal a market still struggling and firmly in favour of buyers.
- Prices are generally seen as falling, but a number of agents noted an uptick in interest out of Australia plus some mild strength appearing in the long-beleaguered Auckland CBD apartment market.

Are more or fewer people showing up at auctions?

A net 23% of or responding agents this month have reported that they are seeing fewer people showing up at auctions. While this is an improvement from the net 40% a month ago reporting reduced attendance it still bespeaks of a market in which buyers for the moment have backed away amidst concerns about interest rates and the impact of events offshore on the NZ economy including the rising cost of living.

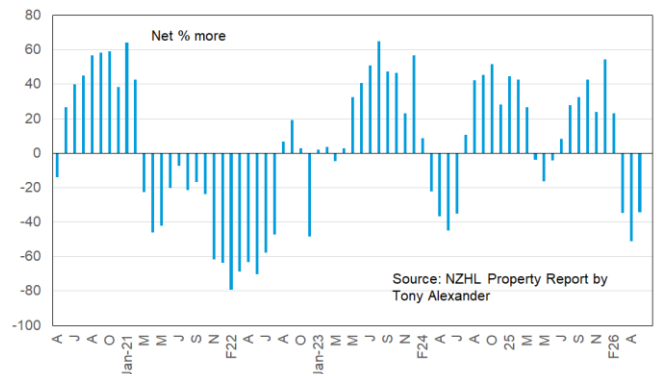
ARE MORE OR FEWER PEOPLE SHOWING UP AT AUCTIONS?



Are more or fewer people attending open homes?

Unsurprisingly, with fewer people showing up for now at auctions agents also report fewer people attending open homes. This month a net 34% have reported reduced attendance. Again, this is an improvement from last month where a large net 51% of agents reported reduced numbers. But the result nonetheless is still weak and more than seasonal in nature.

ARE MORE OR FEWER PEOPLE SHOWING UP AT OPEN HOMES?

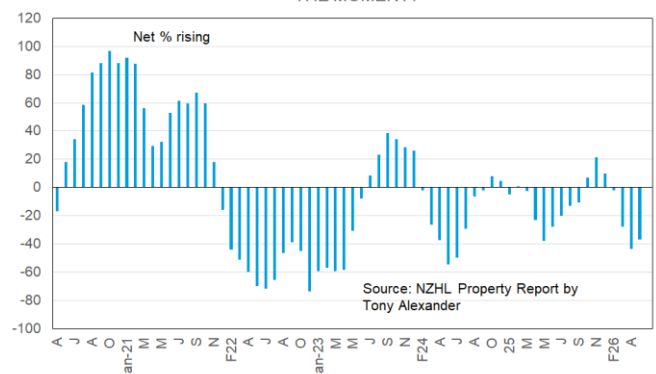


How do you feel prices are generally changing at the moment?

The nationwide House Price Index compiled by REINZ has fallen over the past two months and responses from agents in our survey suggest some additional small declines may occur in the short-term.

A net 37% of agents report that they feel prices are falling in their area of operations at the moment. This is only marginally better than the net 44% last month reporting falling prices and makes for four months in a row that agents have indicated overall price weakness.

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

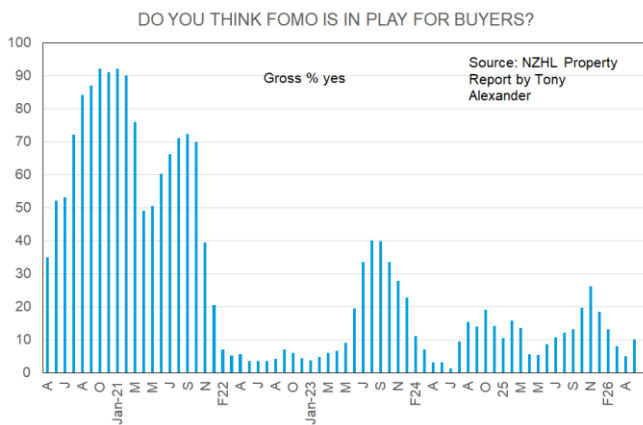


Do you think FOMO is in play for buyers?

FOMO = Fear of missing out

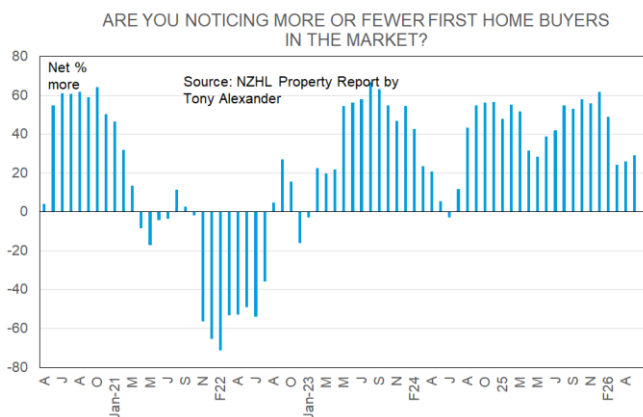
There has been a small lift in the proportion of agents reporting that buyers are displaying FOMO this month to 10% compared with an eleven-month low of 5% last month. Comments submitted by agents indicate that buyers know the balance of power lies with them and that the market overall is in their favour.

Buyers appear to have learnt to walk away from properties with issues they are unwilling to deal with and where the vendor shows little inclination to budge from their asking prices – with too many of the latter still thinking they can achieve a 2021 price.



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

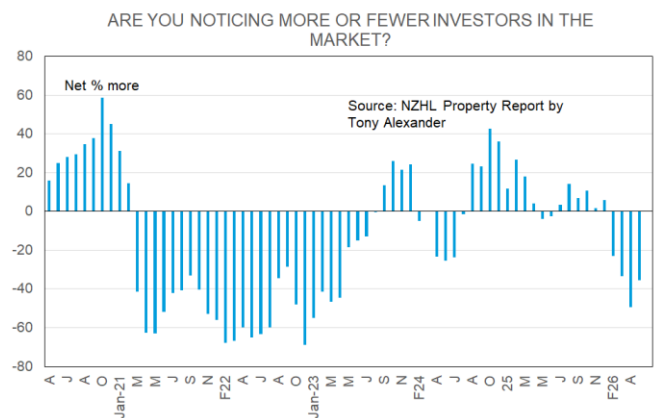
There has been a small lift in the net proportion of agents saying that they are seeing more first-time buyers in the market – to 29% from 26% last month and 24% two months ago. Young buyers have had a strong presence in the residential real estate market since the start of 2023 and continue to remain active.



Are you noticing more or fewer investors in the market?

In contrast to the continuing healthy presence of first home buyers the housing market has struggled to consistently attract the interest of investors as buyers for five years now. This month a net 35% of agents have reported seeing reduced buying interest from investors.

This is better than last month's net 50% result but still highly negative and reflective of investors having many concerns. These worries include increased costs of running a rental business for the likes of insurance and council rates, plus some difficulties in finding good tenants alongside concerns that the tax system will again at some stage down the track be changed again to disadvantage them.

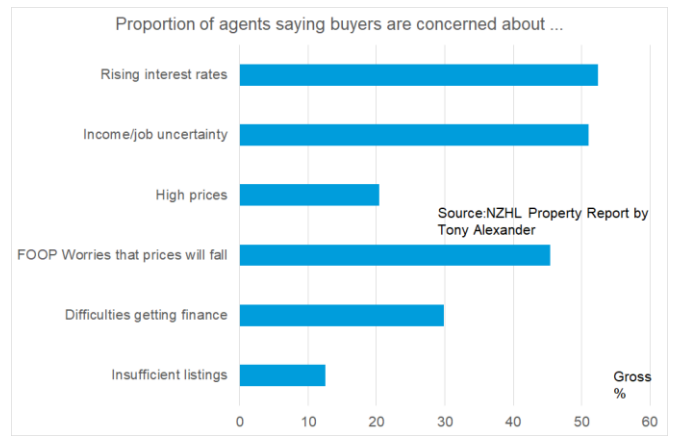
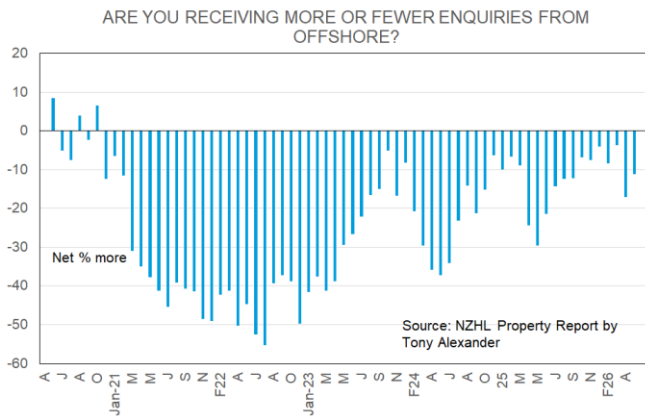


Are you receiving more or fewer enquiries from offshore?

As with our other survey measures this gauge of buyer demand has shown a small improvement over the past month to a net 11% of agents reporting reduced buying interest from 17% last month.

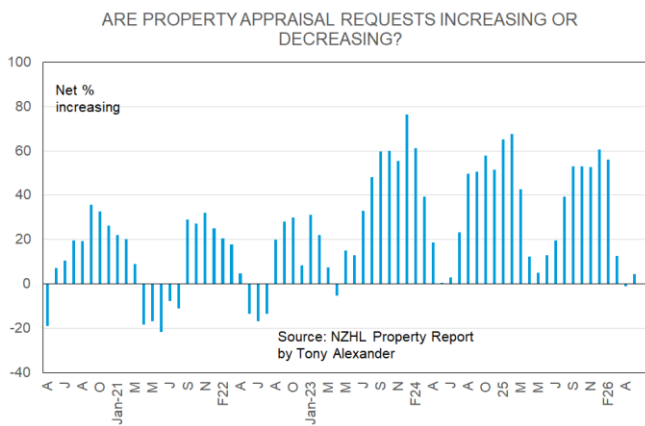
What is interesting however is that this measure still remains far less weak than most other monthly results for the past five years suggesting that there has been an underlying – though not dominating – relative shift in the degree of interest people offshore have in buying NZ property.

Of note this month has been a few agents indicating some increased buying interest coming out of Australia following tax changes announced recently in the Federal Budget, plus some rise in interest from Kiwis offshore looking at returning home.



Are property appraisal requests increasing or decreasing?

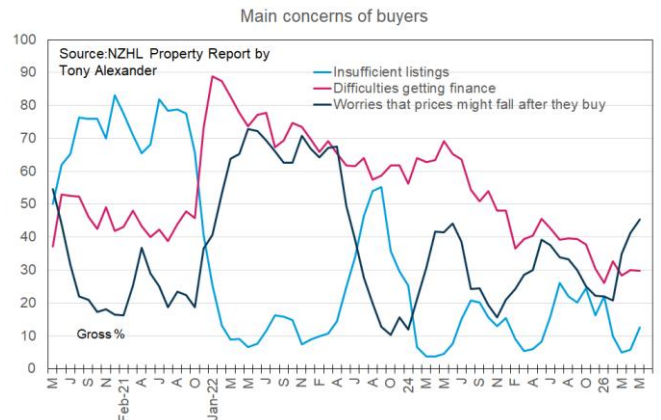
A small net 4% of agents this month have reported seeing an increase in requests for property appraisals. While this is an improvement from the net 1% who last month reported less interest the result is still weak. Note however that the seasonal fluctuations in this measure appear to dominate changes and that means we cannot read all that much into results for this measure at the moment with regard to the coming flow of properties to the market.



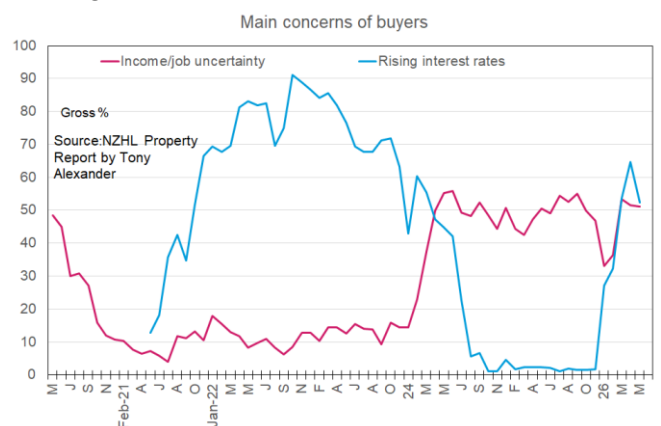
What are the main concerns of buyers?

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 rising interest rates, then employment and falling house prices - same as last month.

Our first graph of buyer concerns shows that one of the most significant changes in recent months has been a sharp lift in concerns about prices falling. This measure of FOOP – fear of over-paying – stands at 45% of agents compared with 21% before the Iran War started at the end of February

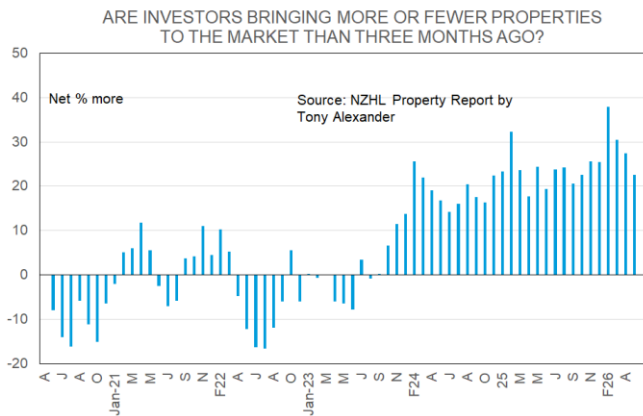


The biggest surge in buyer worries in recent months has been for interest rates. 52% of agents note that buyers have such concerns as compared with only 2% in October.



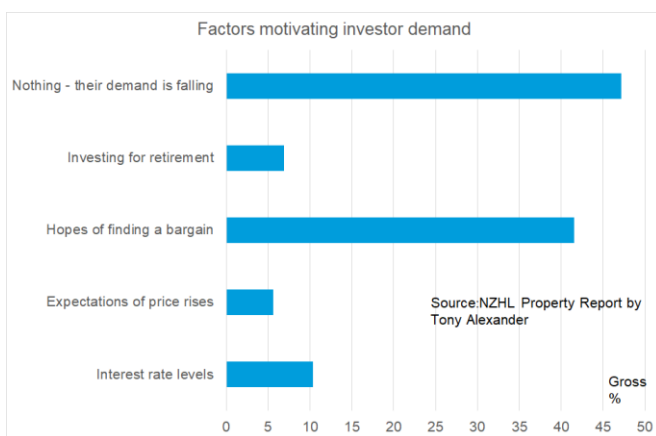
Are investors bringing more or fewer properties to the market to sell than three months ago?

Since the end of 2023 there has been a solid lift in the net proportion of real estate agents reporting that more investors are bringing their properties to the market to sell. Partly this will reflect higher costs for holding a rental property, but another factor will be the simple potentially pre-planned sales of those funding their retirement – the reason for which the property was probably bought in the first place.

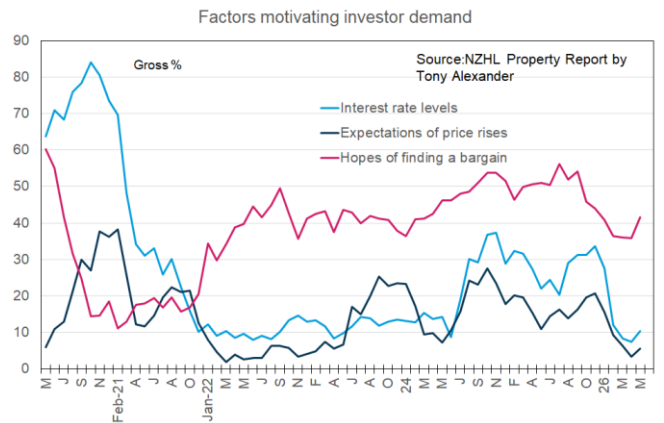


What factors appear to be motivating investor demand?

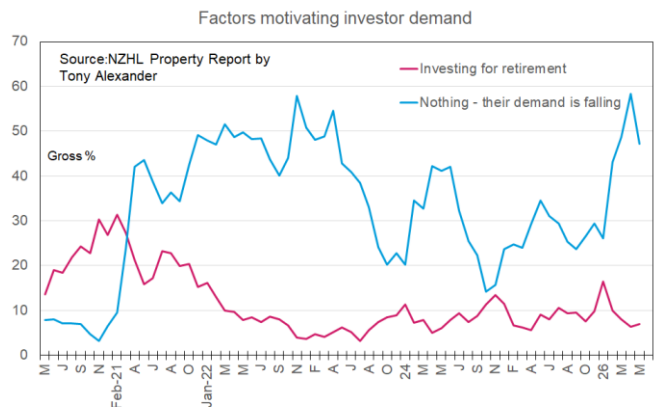
Almost 50% of agents report that nothing is motivating demand from investors – many do not wish to buy. But where buying interest exists it appears to be driven by the hope of finding a bargain.



Interest rate levels and hopes of capital gain have become less strong influences on investor demand over recent months.

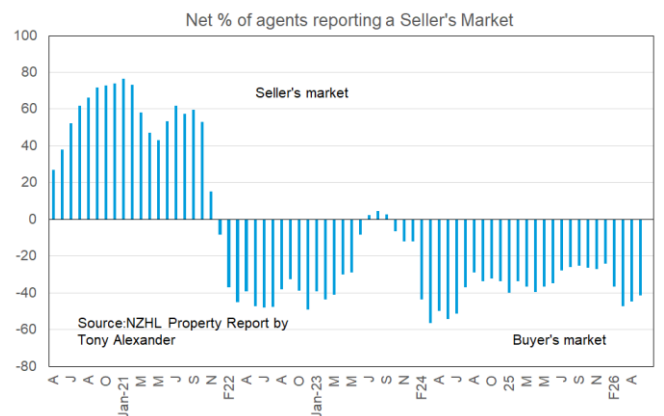


Investing for retirement was a strong driver of investor purchasing during the pandemic, but since 2022 has been of little influence.



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

A net 42% of agents feel that the country is in a buyer's market. Apart from a small switch to seller power for a very short time in 2023 as first home buyers firmly entered the market, things have been in favour of buyers since the end of 2021. Given rising interest rates there seems little chance of a switch back into a seller's market for quite some time.



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

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