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HOME LOANS | INSURANCE

The NZHL Property Report

by Tony Alexander.

October 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.

Weak activity heading into summer

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 213 responses include the following.

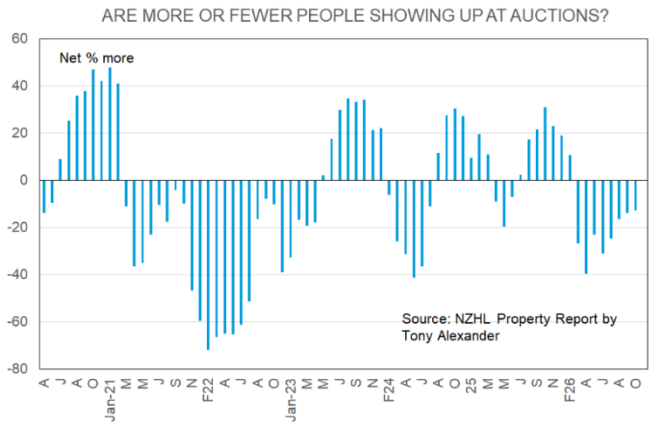
- The market remains largely driven still by first home buyers as investors remain on the sidelines amidst continuing low levels of FOMO.
- A net 36% of agents still feel that prices are falling in their area of activity.
- The seasonal lift in requests for property appraisals from potential vendors is unusually small this year, suggesting that no surge in listings heading into summer is likely.

Are more or fewer people showing up at auctions?

A net 13% of agents responding in our monthly survey have reported seeing fewer people attending auctions. This result is essentially the same as the net 14% last month and 17% two months ago.

Agents report generally quiet activity at auctions with buyers in most instances aware that the country is in a buyer's market and bidding less willingly than in earlier times.

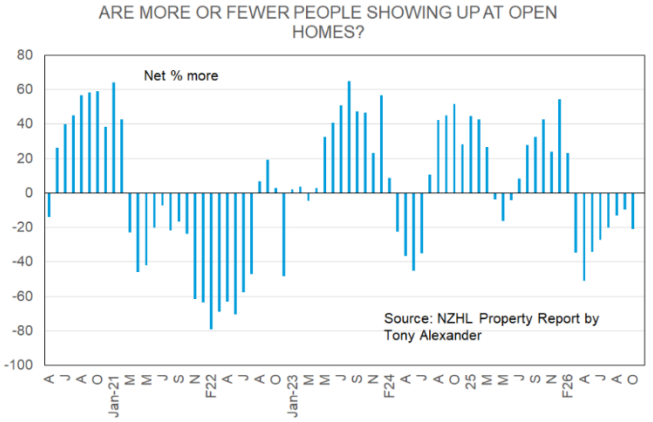
There is however a small easing trend underway for this measure and once the election is out of the way there could be a return of some greater interest. Then again, by the time coalition formation discussions are concluded we could be close enough to the summer break that both buyers and vendors sit things out until February.



Are more or fewer people attending open homes?

A net 21% of agents have reported seeing fewer people attending open homes. This is a deterioration from the net 9% result of last month and the weakest result since our late-June survey.

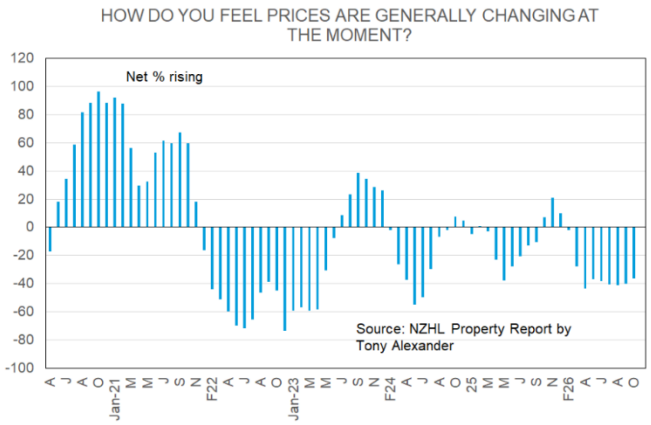
The upcoming general election appears to be having an impact on people's willingness to peruse the market for a purchase, especially given common talk in some locations of an over-supply of particular types of property and still generally easing prices – though not everywhere.



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

On average around the country at the end of October more agents said they felt prices were falling in their area of operations than rising. This reading has been recording net negative price change observations since late-February and over that period of time average NZ house prices as measured by the REINZ House Price Index have fallen 0.6%.

At some stage our measure will turn back up and NZ house prices on average will start rising again. But for now, buyers feel that time is on their side, they remain concerned about employment, interest rates, and risk of capital loss, and many are using the approaching election as a good excuse to stay out of the market a while longer.

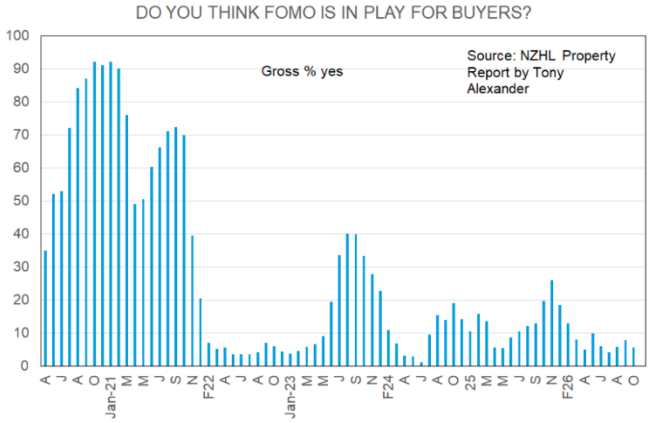


Do you think FOMO is in play for buyers?

FOMO = Fear of missing out

Only 6% of agents feel that buyers are displaying worries about missing out on a purchase. This result is consistent with all others since March this year and appreciably down from the 26% result of late-November last year.

Back then interest rates in the wholesale markets had yet to rise and push mortgage rates higher, and the upward shock to fuel prices was still three months away.

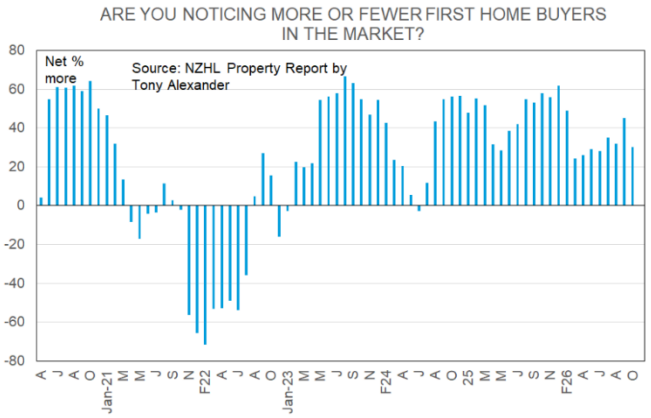


Are you noticing more or fewer first home buyers in the market?

Since early-2023 first home buyers have been active in the real estate market, taking advantage of a pullback of investor demand, rise in investor supply, high listings, easier bank lending conditions, and firm construction levels.

Our latest survey shows that a net 30% of responding agents are seeing more young buyers in the market. This reading is down from 45% last month but almost the same as late-August's 32%. The strength of this demand is not back to where it was before the latest Middle East war commenced.

But activity by first home buyers still remains strong.

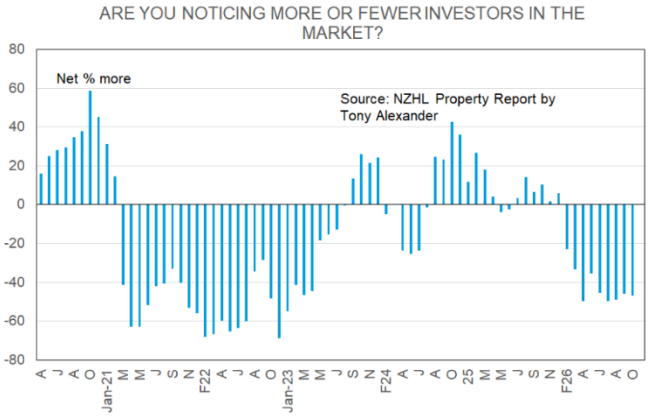


Are you noticing more or fewer investors in the market?

Investor demand for residential property in New Zealand has been buffeted by numerous changes over recent years aimed usually at reducing investor demand and providing buying space for others such as first home buyers. The numerous changes include ring fencing of property losses away from wage and salary income for tax purposes, reduced depreciation allowances, higher deposit requirements, as well as rule changes favouring tenants.

On a number of occasions over 2023-24 agents did overall notice more investors in the market despite these rule changes – assisted late in 2024 specifically by falling interest rates. But since February this year the net observation of agents has been that there are fewer investor buyers.

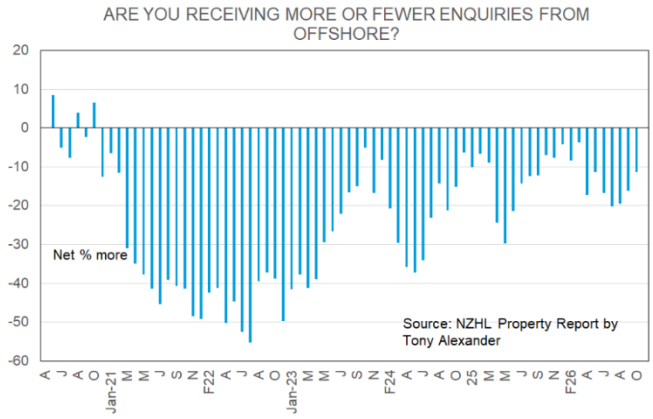
This month's result is a net 47% of agents seeing fewer investors – a result very similar to others since April. No improving trend in investor demand is evident.



Are you receiving more or fewer enquiries from offshore?

A net 11% of agents this month have reported seeing fewer enquiries from offshore. At no point since the end of 2021 have more agents reported seeing more enquiries than fewer.

There has been a slight improvement in this measure over the past three months. But this has happened a number of times before and not led to a net positive result, even though in some parts of the country such as Northland agents have noted some good enquiry from overseas.



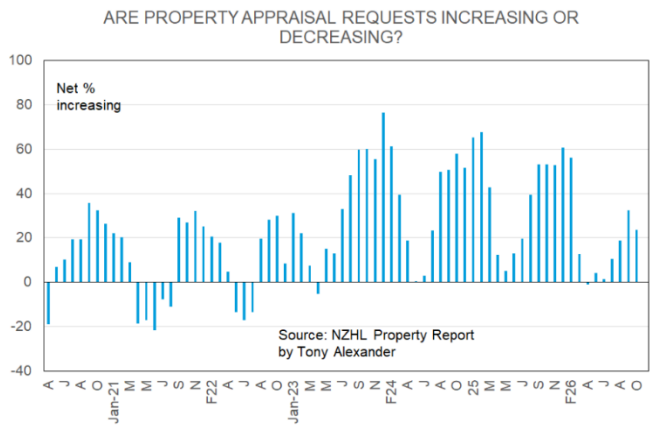
Are property appraisal requests increasing or decreasing?

There is a very seasonal pattern for this measure of potential property supply on the market. As we approach summer more agents report increased appraisal requests from people presumably considering placing their property on the market.

Four months ago, only a net 1% of agents reported more appraisal requests. The latest result is a net 23%. The seasonal lift is underway. However, this late-October result is down from 32% a month earlier.

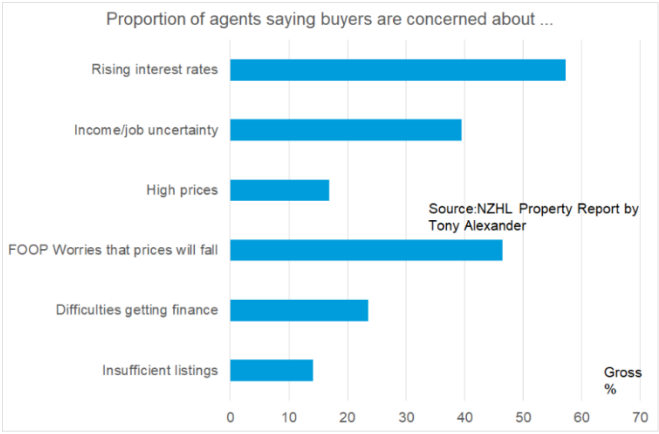
Also, while the change between June and October this year is a rise of 22% for this measure, last year the gain was 40%, two years ago 55%, three years back 47%, and in 2022 again 47%.

The seasonal lift in appraisal requests is small. There is no evidence from this measure of a surge in property listings lying just around the corner.

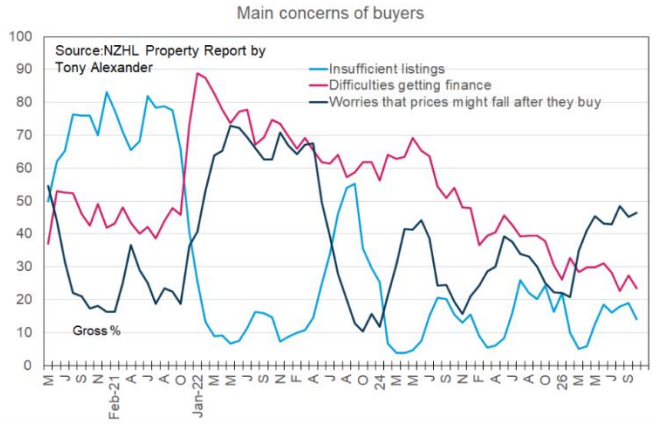


What are the main concerns of buyers?

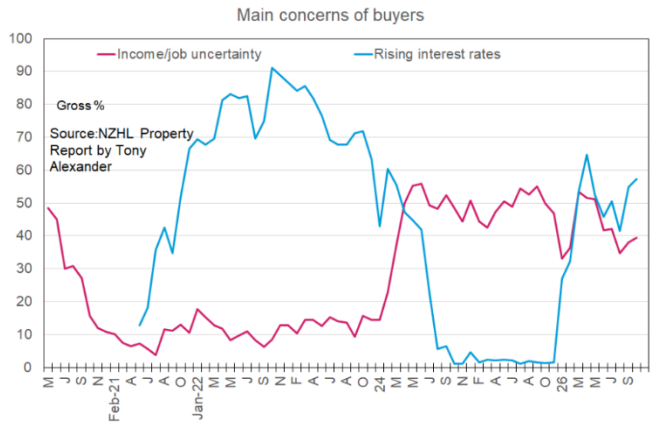
Each month in this section we start with an all-encompassing graph showing the things which are of concern to buyers. Buyers are again mainly worried about rising interest rates and the risk that prices will fall after they make a purchase.



There continues to be a downward trend in buyer concerns about getting the finance they need to make a purchase, few have worries about the availability of listings, but concerns about prices falling after making a purchase have been high since March.



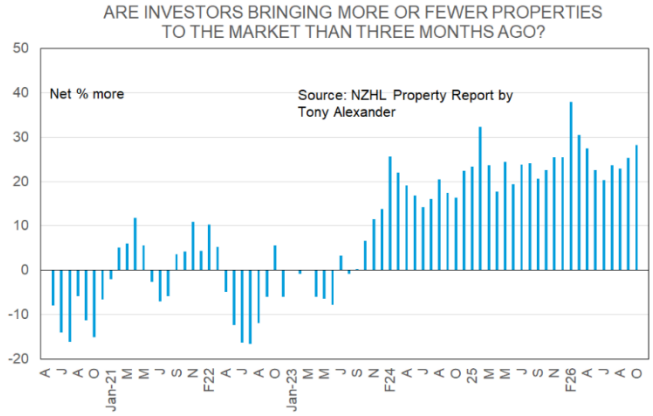
There has been a rebound in worries about where interest rates are headed, and no indication yet from our survey of any strong easing of worries about employment.



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

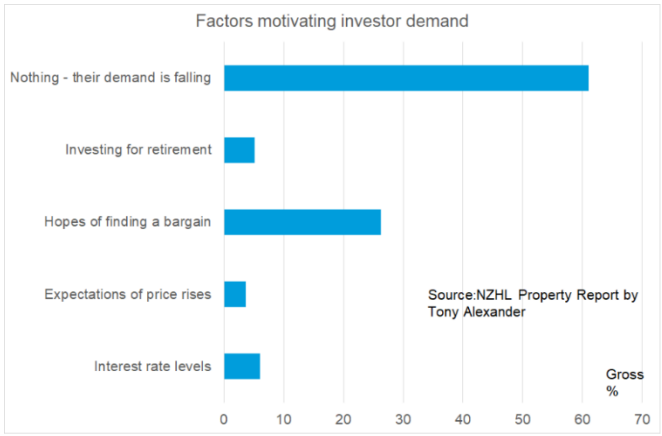
Ever since the latter part of 2023 agents around the country have reported a relatively strong desire by property investors to sell their existing property or properties. The net proportion of agents feeling that investor stock supply is rising has increased over the past four months and looking at the graph here we can discern a continuing upward trend for this measure.

Some investors selling will be responding to tax changes in recent years, some to cost increases, and some simply the passage of time bringing them into the period when they log anticipated selling in order to finance their retirement.

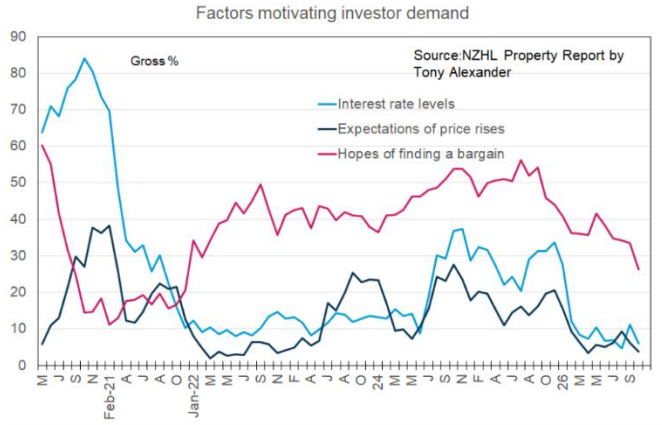


What factors appear to be motivating investor demand?

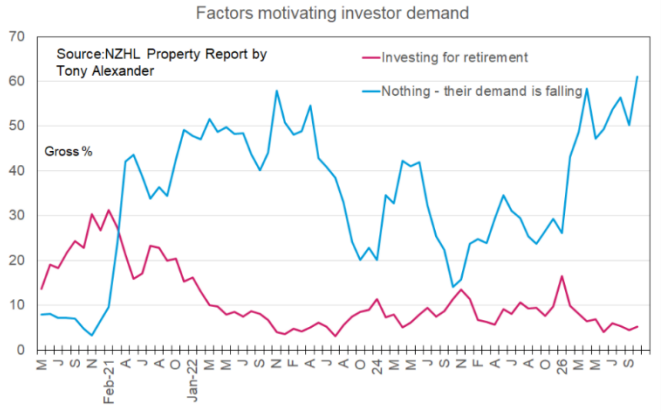
Over 60% of investors report that there is nothing motivating investor demand. But where this demand does exist then the main driver is the hope of finding a bargain. Few investors appear to be motivated to buy on the basis of some anticipation of capital gain.



Hopes of finding a bargain have been falling away reasonably quickly for a year now.



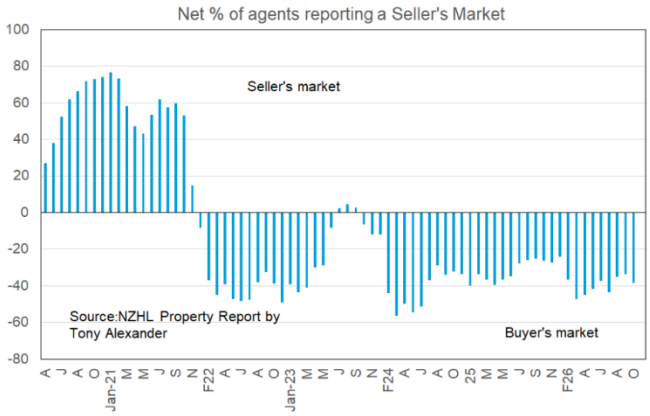
A record proportion of agents now say that nothing is motivating investor demand.



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

A net 38% of agents feel that we are in a buyer's market. This result is close to others since the start of 2024, and no up or down trend is evident for this gauge of the relative strength of negotiating power between the buyers and vendors.

It remains the case that it is the vendors who need most to adjust their expectations in order to gain a sale, not the buyers.



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

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