

# The NZHL Property Report

by Tony Alexander.

February 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.

[nzhl.co.nz](http://nzhl.co.nz)

## Input to your Strategy for Adapting to Challenges

Feel free to pass on to friends and clients wanting independent economic commentary

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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.

## A buyer's market remains in place

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.

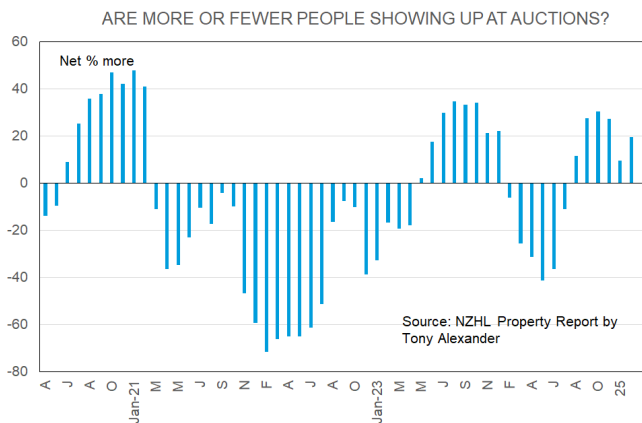
The key results from this month's survey which yielded 432 responses include the following.

- The latest official cash rate cut has encouraged more buyers into the market including some more investors.
- However, FOMO remains low, and prices look to be flat according to agents.
- A record net 32% of agents have noted that they are seeing more investors looking to sell. Also, a near record net 68% have reported receiving more request for property appraisals. Sellers are abundant with more on the way it seems.

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

There has been a small improvement this month in the net percent of real estate agents around the country saying they are seeing more people attend auctions to 19% from a five-month low of 10% at the end of January.

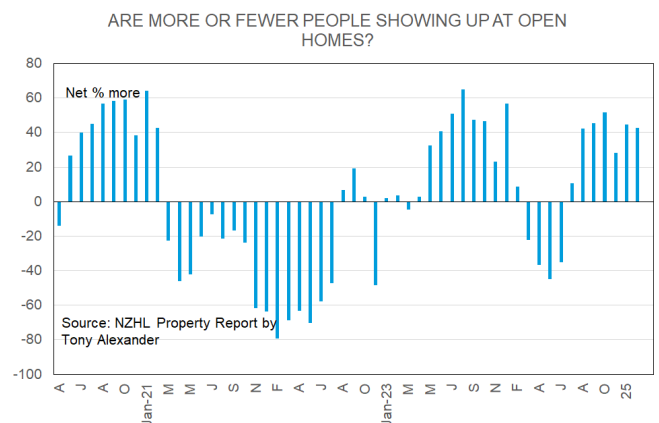
The result tells us that last month's result was probably not the start of a downward trend in this gauge of buyer interest and that would accord with feedback from agents regarding the positive sentiment impact of the most recent cut in the official cash rate of 0.5% to 3.75%.



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

The net proportion of agents saying that they are seeing more people attending open homes has remained largely unchanged from last month at 43% from 45%. This gauge of general buyer interest in purchasing a property rose strongly over our late-July and late-August survey as people's worries about interest rates were assuaged by the Reserve Bank first indicating an intention to cut interest rates then reducing the OCR by 0.25% in August.

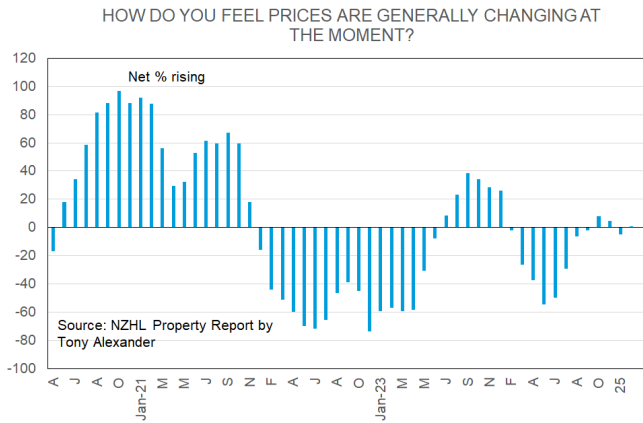
Taken in conjunction with the result above for auction attendance the latest cash rate cut may have had its greatest impact in making up the minds of people to buy (bid at an auction) rather than just physically peruse some of the listings of a weekend.



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

Last month there was a deterioration in agent perceptions of price changes in their areas of operation to the point that a net 5% felt that prices were falling. This month we are back to more agents feeling prices are in fact rising than falling but only to the extent of a net 1% having this view.

At this stage it would seem best to describe prices on average around the country as being flat.

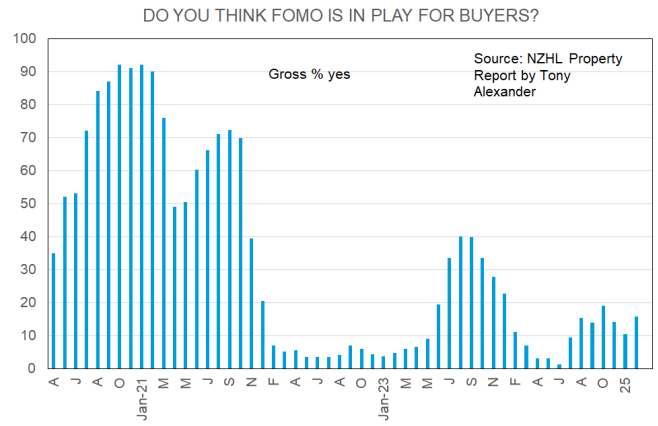


## Do you think FOMO is in play for buyers?

FOMO = Fear of missing out

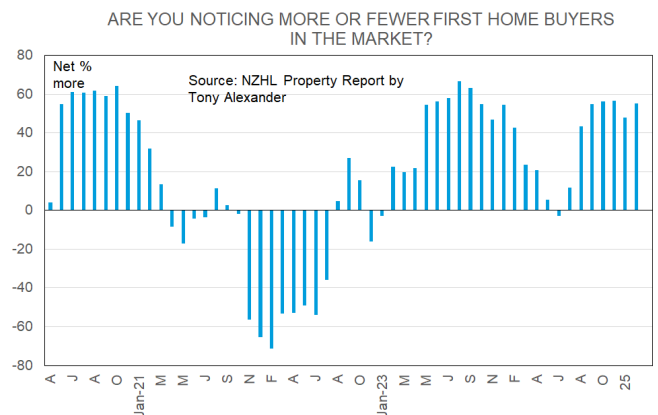
Since late-July last year just after the Reserve Bank signalled a change in monetary policy projections, the gross proportion of agents indicating that they can see buyers displaying FOMO has ranged between 9% and 19%. The latest reading is 16% and although this is toward the upper end of this range the range itself is a far cry not just from the silly days of the pandemic but even 2023 when the gauge hit 40% in August and September.

Buyers can see that there are plenty of listings, an abundance of townhouses in some locations, and are not feeling all that confident about the economy and their personal finances as the labour market remains weak (though with signs of bottoming soon) and friends and relatives go to Australia.



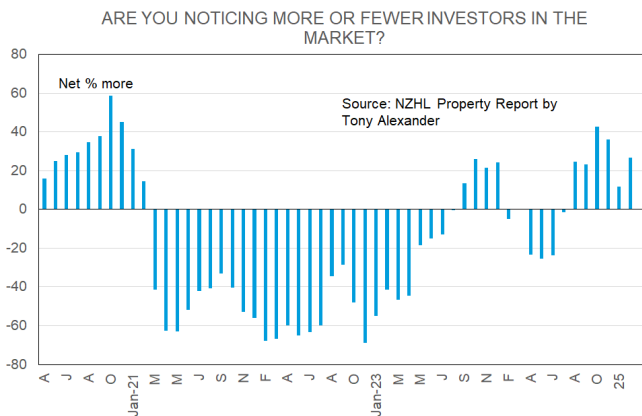
## Are you noticing more or fewer first home buyers in the market?

The net proportion of agents noting that they are seeing more first home buyers in the housing market continues to run at relatively high levels. A net 55% this month have reported seeing more FHBs, up from 48% last month but consistent with other results since August last year following the first cut in the official cash rate this easing cycle.



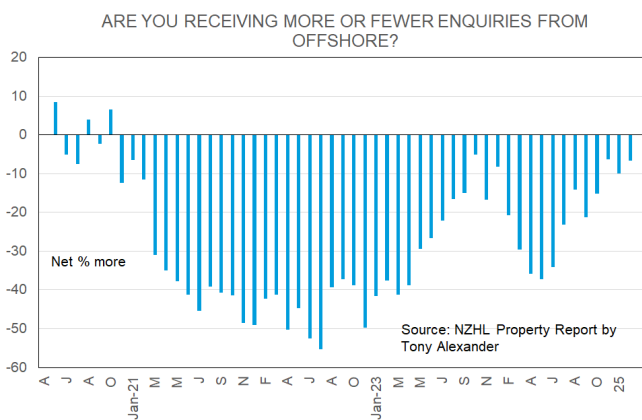
## Are you noticing more or fewer investors in the market?

There has been a recovery in the net proportion of agents noticing more investors in the market this month to 27% from the relatively low 12% of last month. This result is backed by a number of agents commenting about more investors responding to falling interest rates by re-entering the market. However, there are no signs of any feelings by investors that they need to make a purchase as quickly as possible. Perceptions are strong for almost all buyers that time remains on their side.



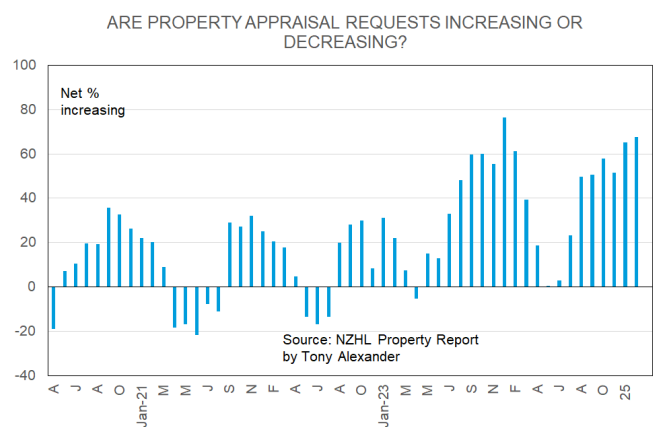
## Are you receiving more or fewer enquiries from offshore?

Consistent with the results of -10% last month and -6% at the end of November, a net 7% of agents this month have said that they are receiving fewer enquiries from offshore. All this really tells us is that there is no particular influx of offshore-located Kiwis looking to return to NZ – though such a flow always exists.



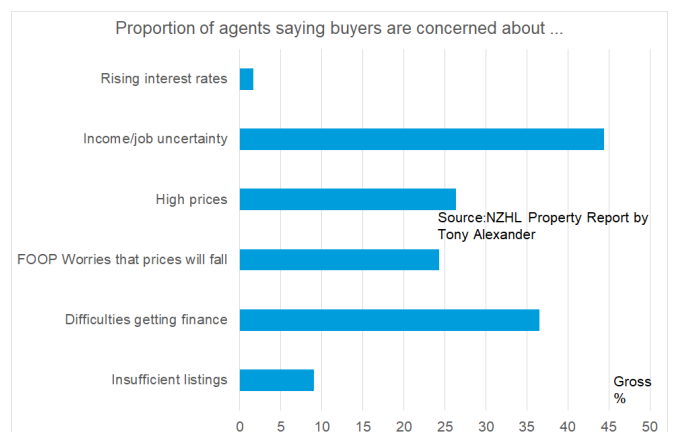
## Are property appraisal requests increasing or decreasing?

One of the strongest aspects of the upturn in the residential real estate market this cycle has been the firm flow of people looking to sell their property once they see improvement in market conditions. This happened in mid-2023 after the influx early that year of first home buyers. The vendors then backed off mid-2024 after the buyers had disappeared early that year. Now, with the buyers back in since August the reaction has been more immediate. A net 68% of agents say that they are now receiving more request for property appraisals. This is the highest reading on record bar one. Supply is abundant.



## 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 retaining employment and getting finance.



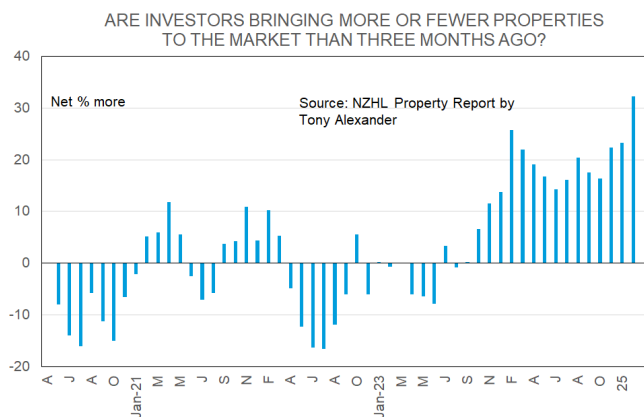
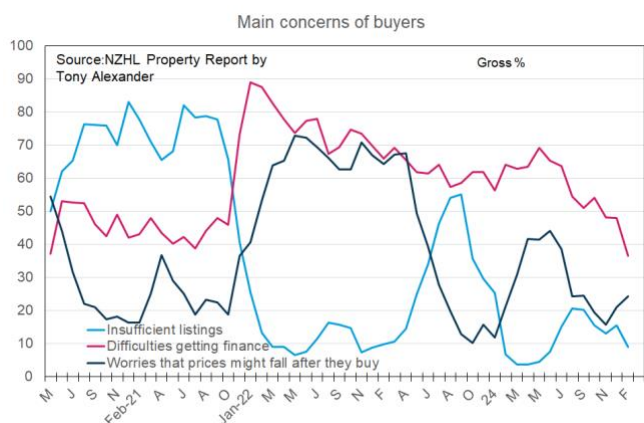


Although worries about access to finance rank second in importance, there has been a downward trend in place for this measure/concern since the middle of last year. This month the proportion of agents citing this concern of buyers has fallen sharply from 48% to 37%. This is the lowest reading since our first survey in 2021.

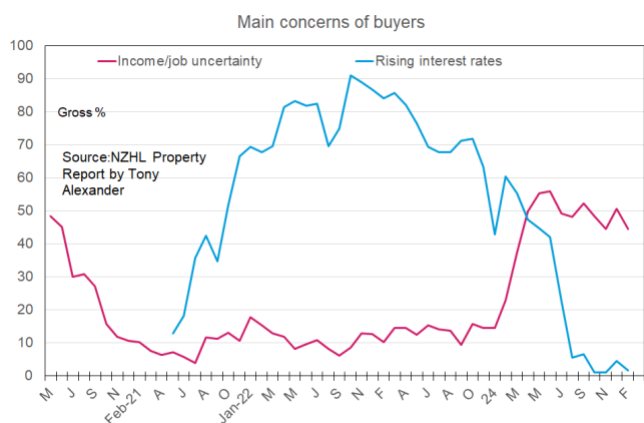
In contrast, the past two months have brought a noticeable rise in worries that prices might fall, to 24% of agents noting this (FOOP – fear of over-paying) from 16% at the end of November.

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

Although agents note that some more investors are entering the market as buyers, a record net 32% now say that they are seeing more investors looking to sell. Their comments have backed up this sentiment and my separate monthly survey of existing property investors shows the same development.

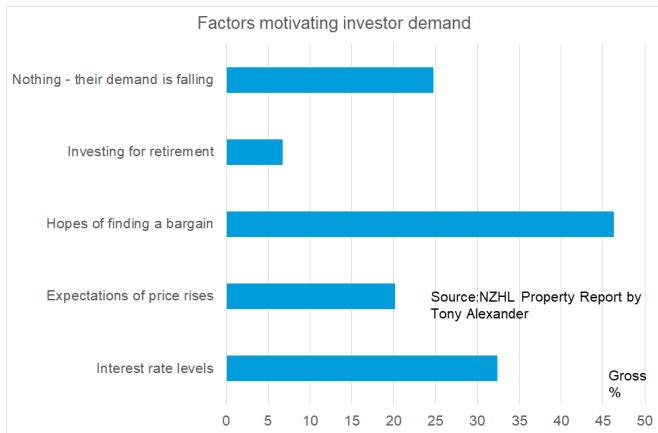


Almost no agents now say that buyers are worried about interest rates going up. I have a view that this situation will change slightly before the end of the year.

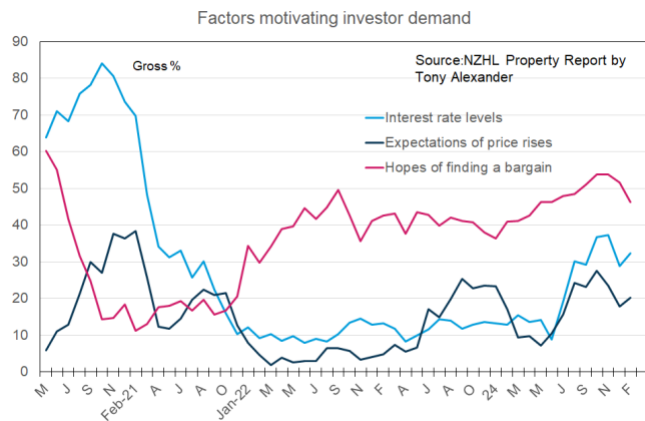


## What factors appear to be motivating investor demand?

For the investors actively considering a purchase the prime motivation remains the hope of finding a bargain.



Hopes of finding a bargain have however eased slightly over the past three months as a motivation for investors



Investing for retirement is becoming less of a motivator for investors considering making a property purchase. Realistically though, this measure is about where it has been since the middle of 2022.

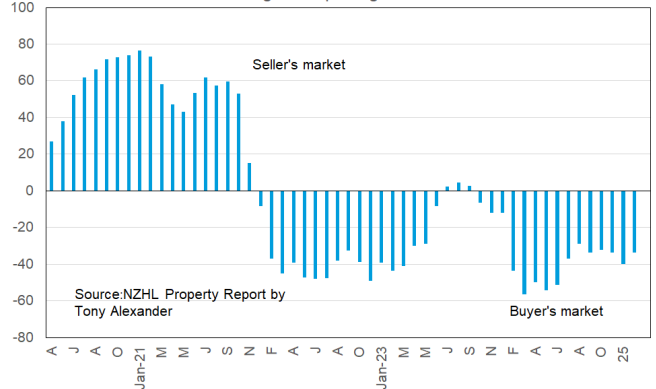
Factors motivating investor demand



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

A net 34% of agents have this month reported that sellers are more motivated to get a deal across the market in the current market than buyers. That is, they consider that we are in a buyer's market. This gauge of relative party strength has been in favour of buyers for almost all months (bar mid-2023 briefly) since late in 2021 when the credit crunch struck

Net % of agents reporting a Seller's Market



\*Please note –Tony Alexander is an independent economist. His views are his own and not necessarily shared by NZHL or vice versa. The NZHL Property Report by Tony Alexander is based on the findings of a monthly survey of real estate agents conducted by Tony and is brought to you by NZHL in a sponsored capacity.

This publication is written by Tony Alexander, independent economist. You can contact me at [tony@tonyalexander.nz](mailto:tony@tonyalexander.nz)

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