The NZHL Property Report

by Tony Alexander.

July 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.

First home buyers remain dominant

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 287 responses include the following.

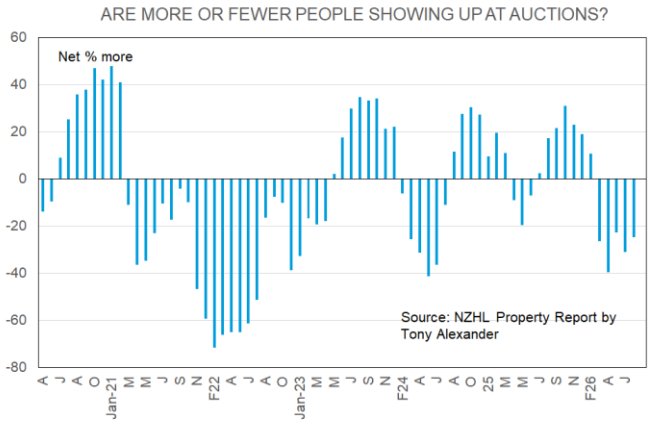
- Market conditions remain firmly in favour of buyers, as has been the case now for two and a half years.
- First home buyers continue to strongly take advantage of a market in their favour, but investors remain hesitant to buy.
- Agents feel on average that prices are still falling while buyers are concerned about further falls after they might make a purchase. They also have concerns about employment and rising interest rates.

Are more or fewer people showing up at auctions?

Earlier this year in our survey undertaken at the end of March a net 27% of agents reported that fewer people were showing up at auctions. This was a substantial switch around from the net 11% at the end of February reporting greater auction attendance.

The cause of the decline was clearly the onset of hostilities in the Middle East with soaring fuel prices, and worries about various shortages and much weaker economic activity. Since then agents have continued overall to report weak auction attendance and this month a net 25% have done so.

This is little changed from the net 31% reporting weakness a month ago and tells us that although many measures in this month's survey are slightly better than last month, weakish conditions remain.

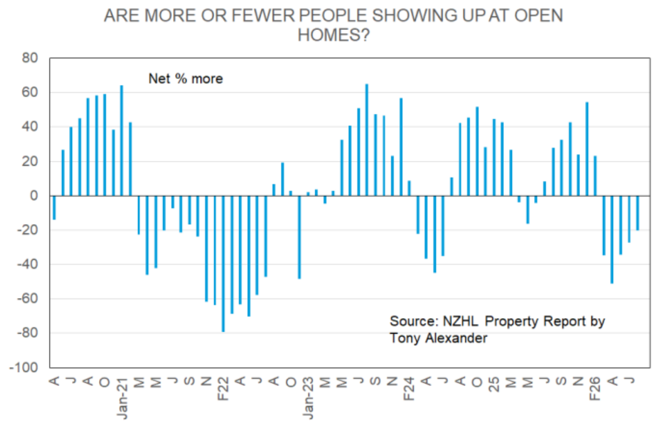


Are more or fewer people attending open homes?

A net 20% of agents have reported seeing fewer people showing up at open homes. This measure gives some cause for hope because one would expect improvement in this time series to precede improvement in auction attendance.

The cause for hope arises from this latest reading of -20% being the best since just before the February 28 outbreak of war with improvement from -27% last month and -34% at the end of May. The low was -51% in April.

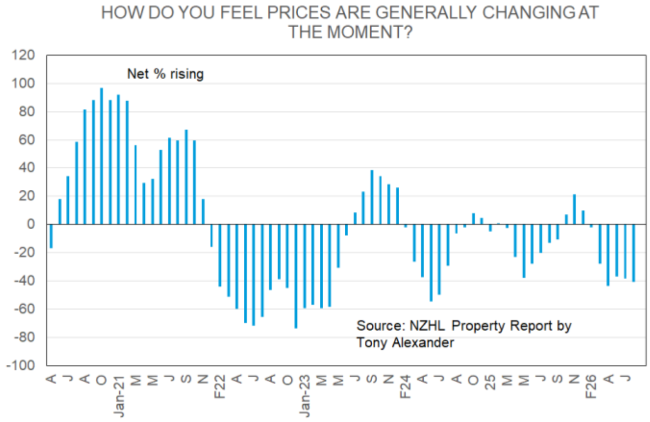
Nonetheless, at -20% the measure, like that for auctions, continues to tell us that market conditions remain weak.



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

A net 41% of agents this month have reported that they feel average house prices are falling in their region. The result is consistent with others since the outbreak of war and helps explain why the REINZ's nationwide House Price Index has fallen in each of the four months to June.

With plenty of properties listed for sale in most parts of the country and buyers feeling little need to be in a hurry to make a purchase, it does not seem that upward movements in prices outside some notably firm locations down south are imminent.

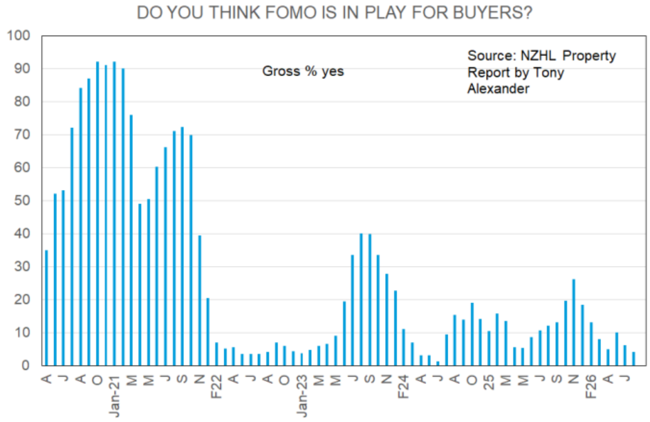


Do you think FOMO is in play for buyers?

FOMO = Fear of missing out

Only 4% of our 287 respondents this month have reported that they are observing buyers displaying concerns about missing out. This is the lowest reading since 1% in June 2024 when monetary policy according to the Reserve Bank was still at risk of tightening further even though the economy was in the process of shrinking 2% over a six-month period.

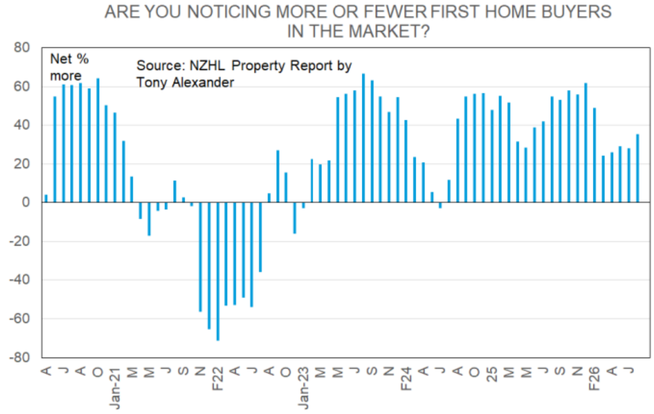
At the end of last year 26% of agents said they were seeing FOMO and the measure had already decreased to 13% before the February 28 Middle East war began. Buyers are aware that market power for the moment lies with them and there seems little reason for expecting this situation to change much until the labour market improves in a strong and obvious manner.



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

There appears to be a strengthening presence of first home buyers in the market with a net 35% of agents reporting this month that they are seeing more such people – up from a net 28% a month ago and the best result since the pre-war net 49%.

Young buyers have been taking advantage of a market which shifted firmly in their favour from the early part of 2023.



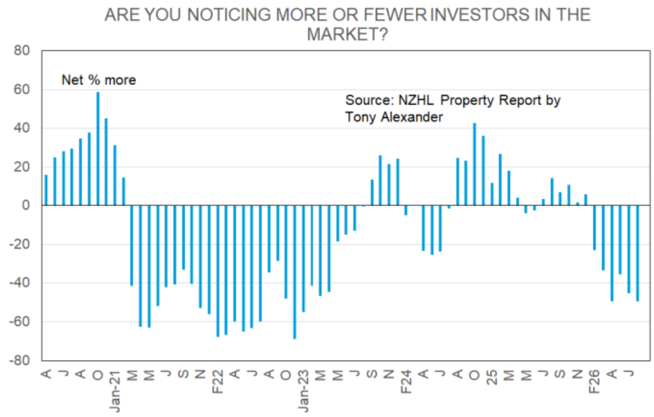
Are you noticing more or fewer investors in the market?

In contrast to the strong presence of first-time buyers there has been diminishing activity from the investor part of the market for a number of years now. Our latest survey shows that a net 49% of real estate agents are seeing fewer investors in the market looking to make a purchase.

This measure was at -50% in April, and it is fair to say that while most other measures in our survey have improved since the initial war shock, this one remains in highly depressed territory.

As highlighted here and in my other commentary for some years now, there has been a structural shift in investor demand for property. This shift does not mean a wholesale withdrawal of investors but the absence of a feeling by the less informed and lowly capitalised that failing to purchase an investment property would be a mistake.

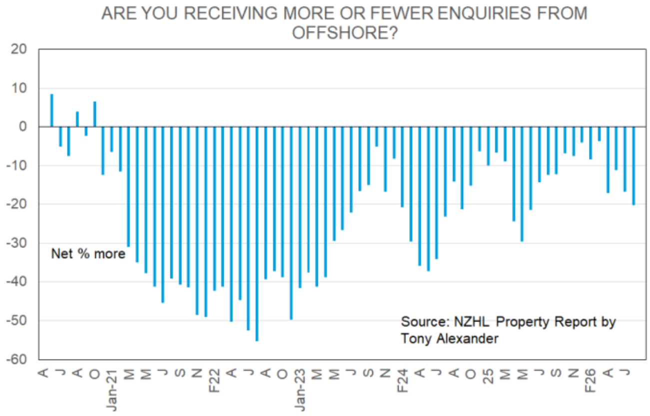
Most investors in fact remain in the market, and after all, historically 32% of New Zealand housing has been devoted to accommodation for people renting and that situation is unlikely to change.



Are you receiving more or fewer enquiries from offshore?

There is no evidence that persons located overseas are showing increasing interest in New Zealand real estate on average – be they seeking a property over $5mn or escaping tax changes in Australia.

A net 20% of real estate agents this month have reported receiving fewer enquiries from overseas. This is the weakest such result since June last year and as the graph here shows the trend is one of slow deterioration.

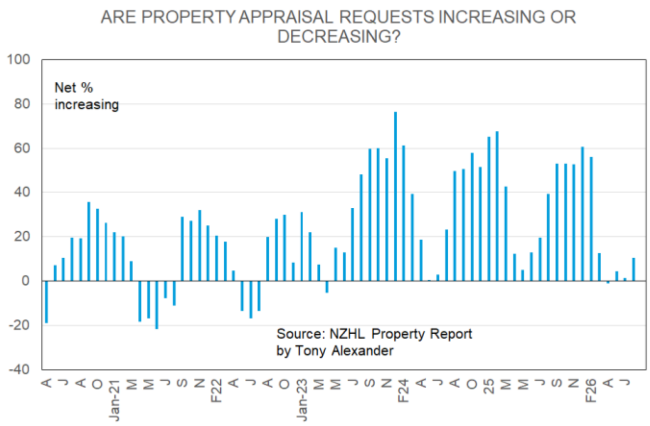


Are property appraisal requests increasing or decreasing?

After three weak months there has been a lift this month in the net proportion of our responding real estate agents saying that they are receiving more requests for property appraisals. The result this month is a net positive 10% from just 1% last survey.

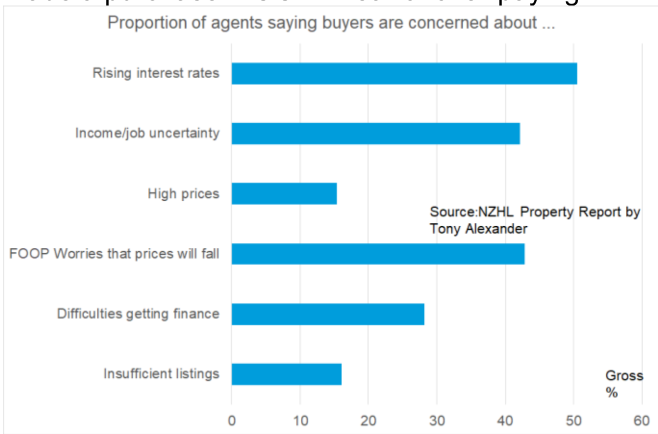
This result is however still well below results above a net 50% on average from September through to February and tells us that potential vendors are wary of bringing their property to the market at the moment. That is useful information to consider in the context of property listings sitting already at a reasonably high level.

If one believes that buyers will return to the market come spring and summer one should also allow for increased numbers of sellers as well.

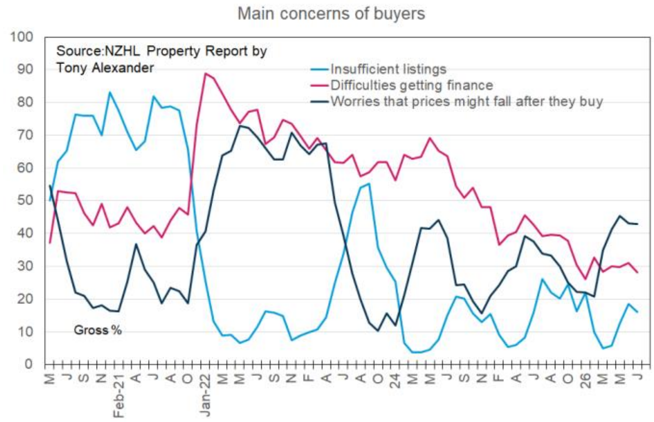


What are the main concerns of buyers?

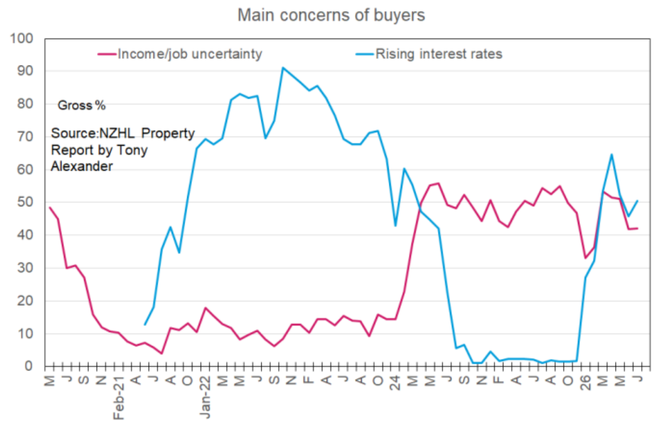
Each month in this section we start with an all-encompassing graph showing the things which are of concern to buyers. Buyers are mainly worried about rising interest rates, employment, and the chance that prices will continue to fall after they have made a purchase. FOOP = fear of over-paying.



This next graph tells us that there is no improving trend underway in concerns about prices falling after purchase.



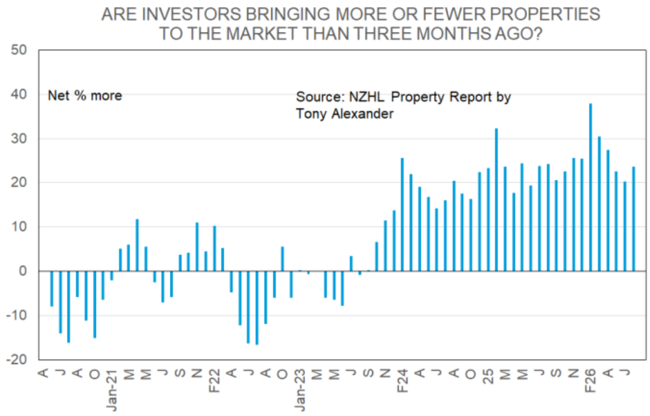
Similarly, it would be hard to say that worries about interest rates and employment are on a clear easing trend. Things are less worrisome than immediately after the onset of war, but that is all.



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

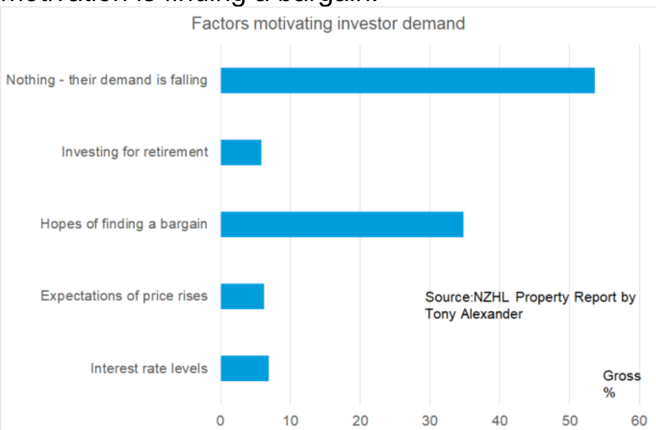
A net 24% of agents have reported this month that they are seeing more investors looking to sell their property. This outcome is broadly consistent with most other months since the start of 2024 and illustrates one key characteristic of the structural shift in the investor part of the real estate market.

Few investors looking to sell are frantic about doing so. Interest rates are still at below average levels and for most the capital gains in early years mean they remain in price profit territory. Many are older and looking to finance their retirement as had been the plan from the start, though some will be selling earlier than anticipated because of the higher-than-expected costs being encountered in retirement.

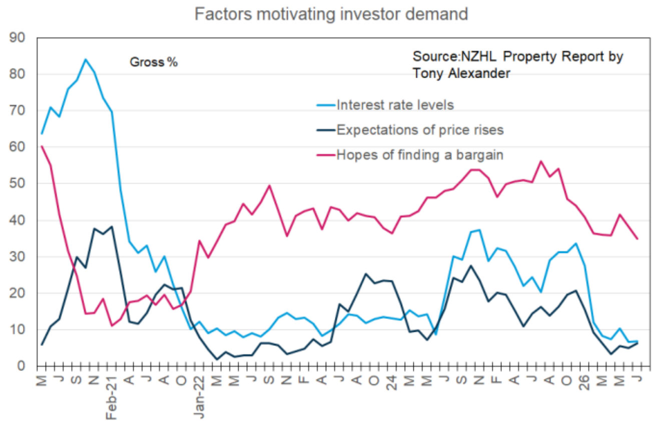


What factors appear to be motivating investor demand?

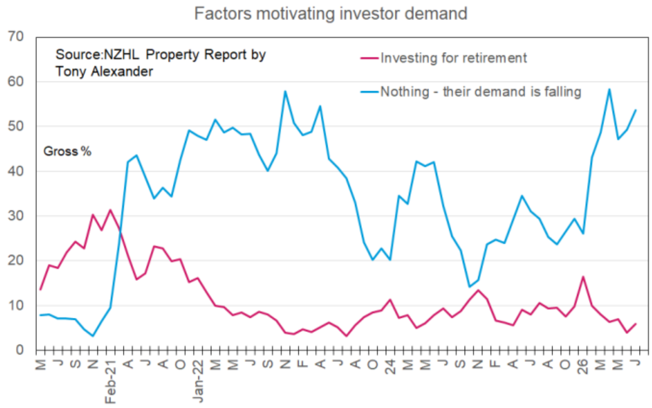
Over 50% of agents report that the factors which motivate investor purchasing are irrelevant – they have no buying interest. However, for those who are looking at an investment property purchase the main motivation is finding a bargain.



For a one-and-a-half-year period, low interest rates were a key factor motivating investor interest in making a property purchase. That is solidly not the case now.

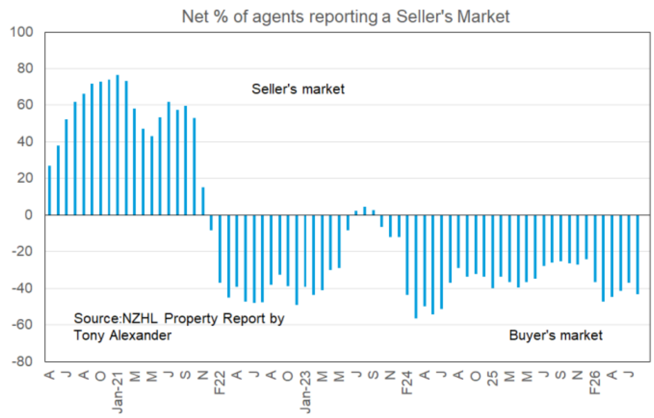


Investor motivation overall is weak.



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

Taking all the factors into account a net 43% of agents report that the country on average is in a buyer's market where the pressure is on the sellers to get a deal across the line – not the buyers. The market has been firmly in this state now for over two and a half years.



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