The NZHL Property Report

by Tony Alexander.

August 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 worried about price falls

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.

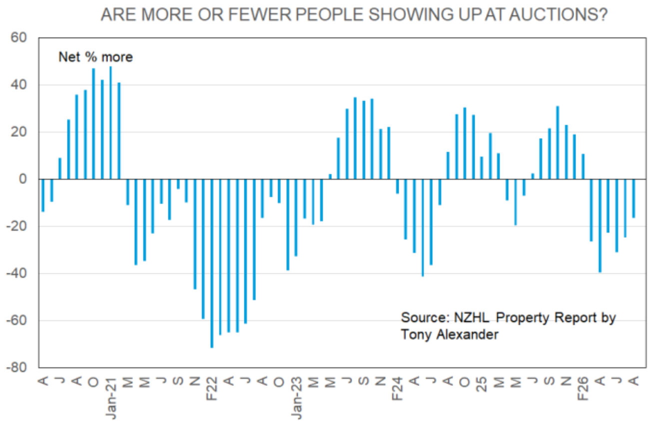
The key results from this month's survey which yielded 277 responses include the following.

- Buyer worries about prices falling after making a purchase have reached their highest level in over three years. Employment concerns however have decreased to a two and a half year low.
- For the seventh month in a row more agents feel prices are falling than rising, with this month's net proportion of 41% virtually unchanged for five months now.
- The country remains solidly in a buyer's market, and it continues to be the case that first home buyers are taking advantage of that situation.

Are more or fewer people showing up at auctions?

In our survey this month a net 17% of agents have reported that they are seeing fewer people attending auctions. This is the least weak result since late-February when a net 11% said that more people were in auction rooms. It is an improvement from the net 40% seeing fewer people at the end of April.

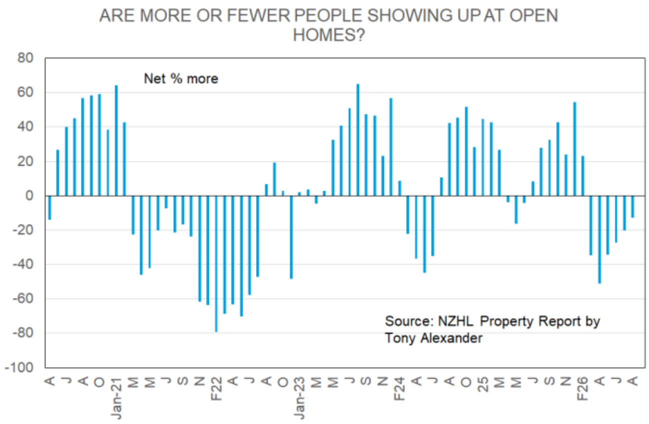
However, the result is still negative and tells us that as we exit winter agents continue to experience quiet times overall for auctioned properties. The trend at least is one of improvement and spring might give us some good indications of whether the cyclical upturn has taken hold again. Then again, the approaching general election on November 7 and subsequent period of a few weeks for coalition negotiations suggests we may not truly get this indication until summer starts.



Are more or fewer people attending open homes?

A net 13% of agents have reported that fewer people are attending open homes. This is the fourth month in a row that this measure has improved though the reading remains well below the net 55% in January who reported more people visiting home openings.

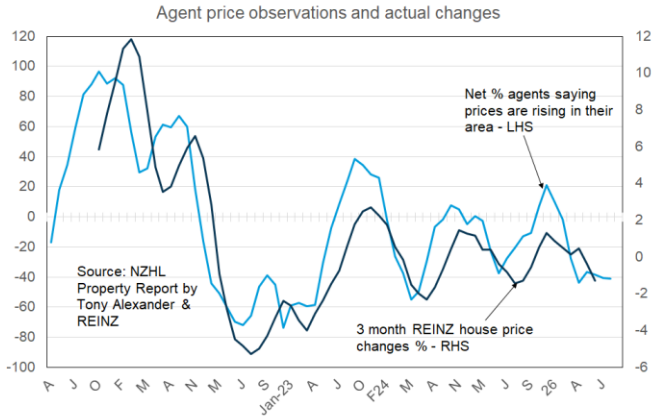
This gauge of buyer interest along with the one discussed above for auction attendance tells us that the period of weakness which regripped the residential real estate market in March as fuel prices soared has yet to dissipate to a substantial degree. Many buyers are choosing to remain on the sidelines for now.



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

For the second month in a row a net 41% of agents have reported that house prices are falling in their area of operations. This measure is little changed from the net 44% reporting falling prices in April and general discussion of property in the media suggests there is greater awareness now of the nationwide pullback in average prices which has been underway since March.

This graph shows the net proportion of agents observing price changes as the blue line. The black line shows the three month average change in the REINZ's nationwide House Price Index. The close correlation between these two measures tells us that until our monthly measure of agent price observations substantially changes it is unlikely that the official data will show rising average house prices in New Zealand.



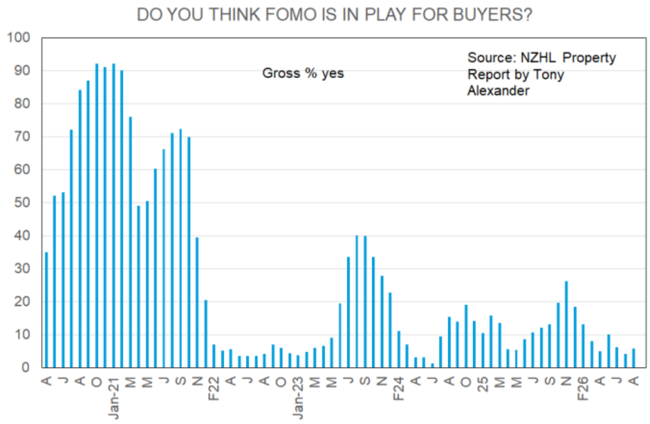
Do you think FOMO is in play for buyers?

FOMO = Fear of missing out

There is essentially no FOMO in New Zealand's housing market. This month just 6% of agents have said that buyers are indicating worries about missing out on making a purchase of something they desire.

This reading is consistent with others since March and well down from the brief rise to 26% seen late in November last year as the Reserve Bank continued to cut interest rates and hopes were high for a sustained upturn in the New Zealand economy.

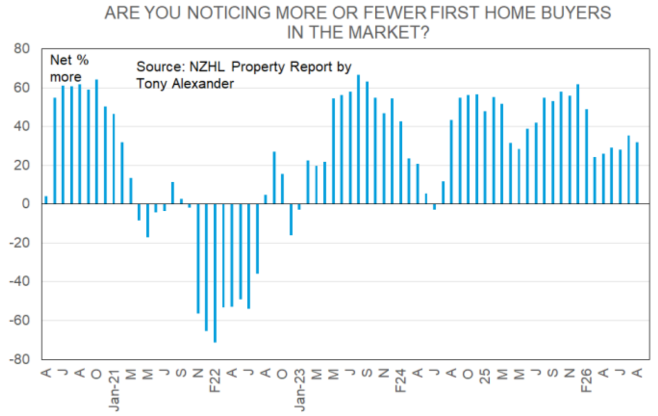
FOMO peaked at over 90% back late in 2020 when the excessive easing of fiscal and monetary policies to address expected covid-related economic weakness caused a 46% spike in house prices by late in 2021.



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

Apart from a brief period towards the middle of 2024 as the economy shrank 2% over a six month period, young buyers have had a strong presence in New Zealand's residential real estate market. That presence remains with a net 32% of agents reporting that they are seeing more first home buyers in the market.

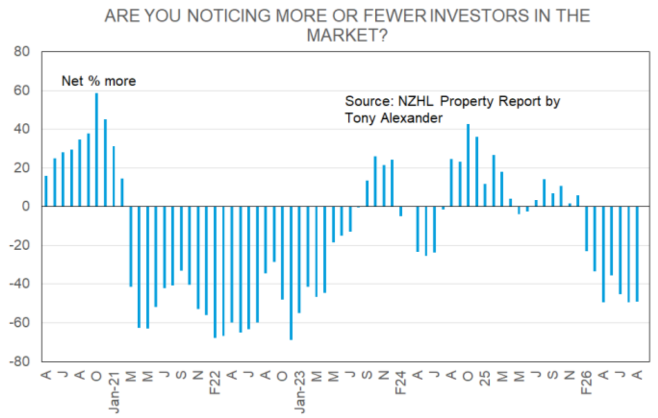
This reading is consistent with a small upward trend in young buyer presence underway since the initial fall from 49% to 24% caused by the Middle East war. But the level of demand nonetheless is still not back to where it was, possibly because of growing worries about prices falling further - discussed later on when we look at agent observations of buyer concerns.



Are you noticing more or fewer investors in the market?

There is no indication from our monthly survey of any broad recovery in property purchasing interest from investors. For the second month in a row a net 49% of agents have reported that they are seeing fewer investors in the market contemplating a fresh purchase.

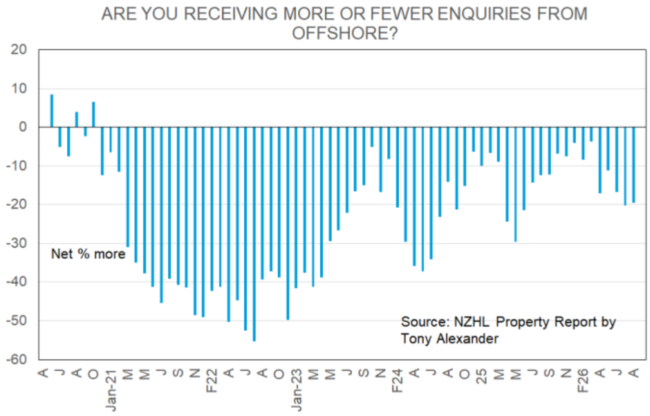
This is almost the only reading in our survey which has continued to worsen after the initial shock of the Middle East war starting on February 28. A key issue noted by agents is that investors have concerns about the general election outcome and the potential for removal again of interest expense deductibility (along with a promised stronger capital gains tax regime) should there be a change of government.



Are you receiving more or fewer enquiries from offshore?

It remains the case that despite some excited stories a few months ago relating to Australian investors deserting their home country in preference for NZ because of tax changes, there is no evidence of such a shift occurring.

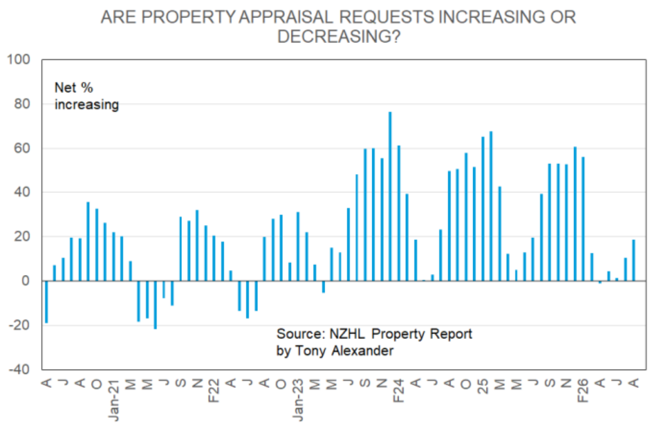
This month a net 19% of agents have reported receiving fewer property enquiries from offshore. This measure has been negative every month since November 2020.



Are property appraisal requests increasing or decreasing?

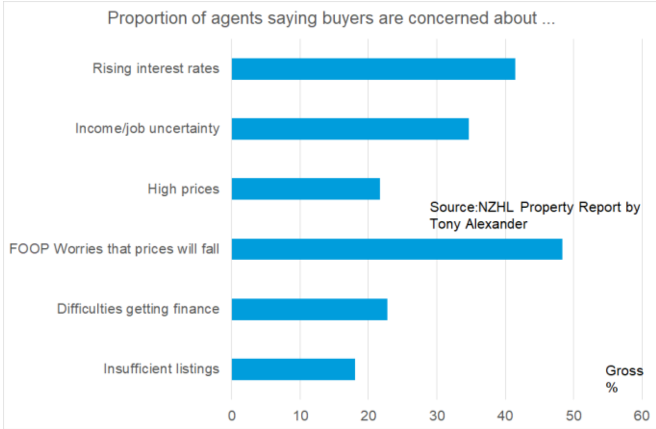
There is an interesting recovery underway in the net proportion of agents reporting that they are seeing more requests for property appraisals. Late in February a net 56% of agents said that more appraisal requests were coming through. But this weakened to a net 1% seeing fewer such requests at the end of April.

Now, a net 19% of agents from 10% last month have reported that more property appraisal requests are being received. This may suggest that listings could improve through spring.

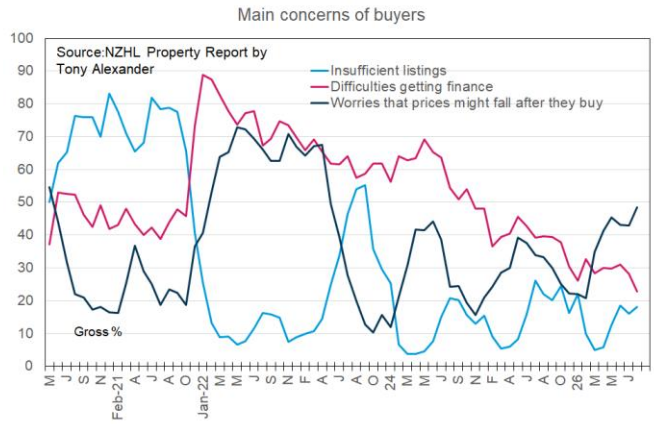


What are the main concerns of buyers?

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 that prices may fall along with interest rates rising and the state of the labour market.

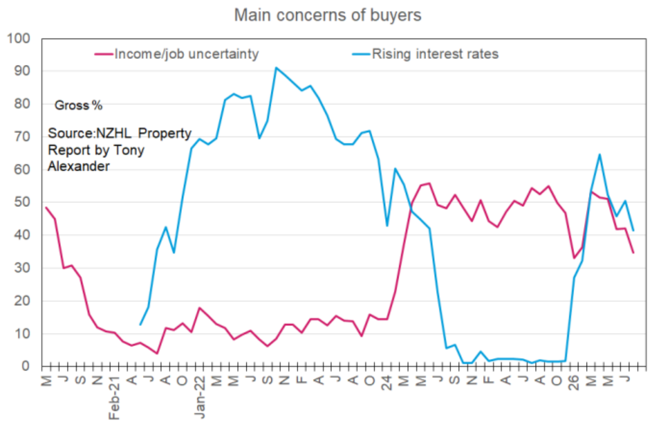


This next graph tells us that there is no improving trend underway in concerns about prices falling after purchase. The key thing to note is that worries about prices falling after making a purchase – represented by the black line – are trending firmly upward with 48% of agents saying they observe this concern from just 21% before the Middle East war started.



Despite widespread discussion of interest rates rising and a recent round of bank increases in fixed mortgage rates, agents perceive that buyers are becoming slightly less concerned about interest rates going up. This is shown by the blue line in the following graph trending down for the moment.

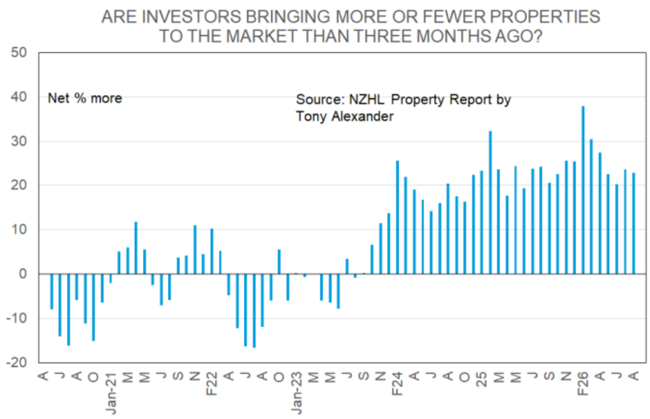
Of strong interest also however is the easing of agent observations about buyers having employment concerns. 35% of agents noted this area of concern from a peak of 53% in March.



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

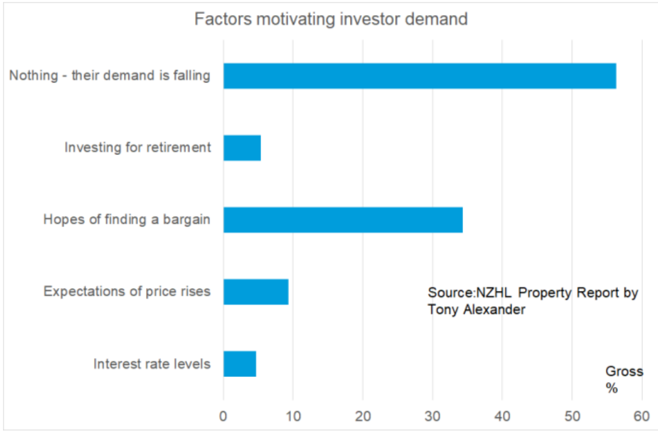
Since the start of 2024 there has been a consistently high net proportion of real estate agents in our survey reporting that they are seeing more investors looking to sell their property or properties. This is consistent with anecdotal feedback on investor behaviour from a number of sources and our survey shows that there is no improving trend underway in this measure.

Part of the desire of investors to sell will be driven by long-held plans to sell in order to fund retirement along with the extra need to do so caused by some sharp increases in key expenses such as council rates and insurance.

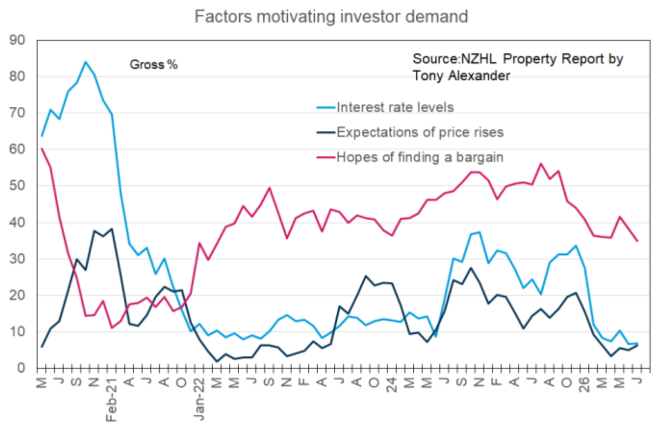


What factors appear to be motivating investor demand?

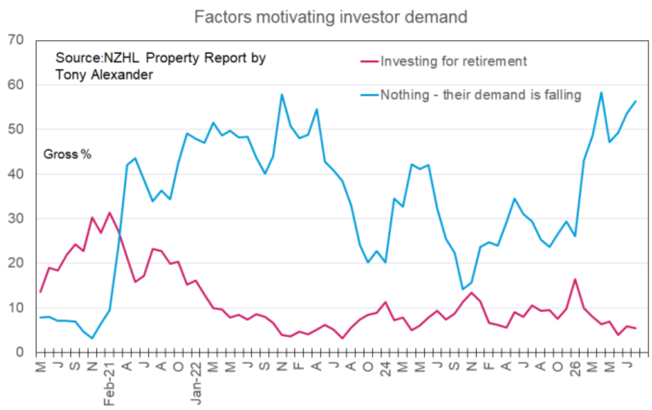
A near record 56% of agents have reported that there is nothing motivating demand by investors for property. The record is 58% recorded in our late-April survey.



Investor hopes of being able to find a bargain have trended down in recent months despite nationwide average house prices falling.

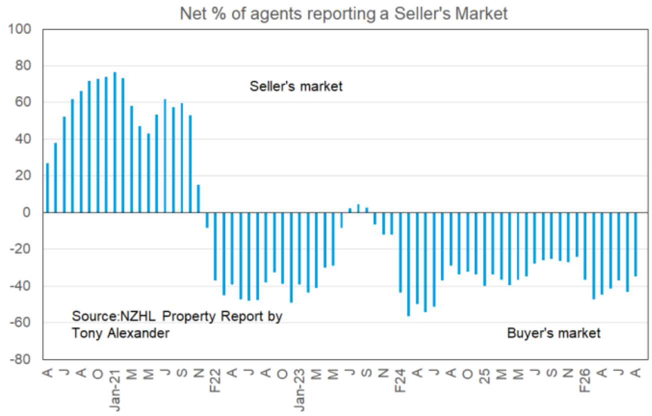


The desire to purchase in order to help finance retirement was very strong when the pandemic boom was underway. But since the middle of 2022 this motivating factor has been relatively weak and if anything getting weaker.



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

The country is solidly in a buyer's market according to a net 35% of agents reporting in our survey this month. This is consistent with most other monthly readings since the start of 2022 apart from the brief period seen in the middle of 2023 when excitement surrounded the increased presence of first home buyers in the market.



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