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MORTGAGE ADVISERS SURVEY

July 2026

Finance Demand is still relatively quiet

Each month we invite mortgage advisors around the country to give insights into developments in the residential real estate market from their unique perspective. Our latest survey has attracted 58 responses.

The main themes to come through from the statistical and anecdotal responses include the following.

- Overall demand for financing is low reflecting quiet times in the real estate market.
- There has been a slight lift in borrower preference for fixing their mortgage interest rate three years. But the two year term remains the overwhelming favourite.
- The investor part of the market remains far quieter than that for first home buyers.
- Bank willingness to advance finance appears strong.

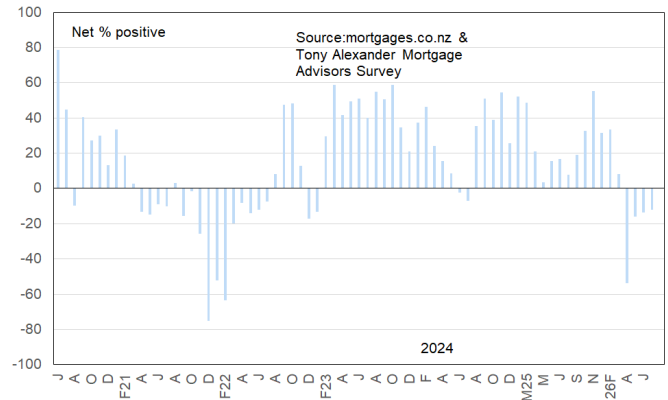
COMPARED WITH A MONTH AGO, ARE YOU SEEING MORE OR FEWER FIRST HOME BUYERS LOOKING FOR MORTGAGE ADVICE?

Broker observations of the number of first home buyers in the market for finance advice fell away sharply in the two months after the US attacks on Iran. Since then they have recovered slightly but remain at levels weaker than before late-February.

A net 12% of mortgage advisors this month have said that they are seeing fewer first home buyers, little changed from 14% last month and 16% two months ago. The early-April result was a net 54% negative.

First home buyers recognise that time is on their side, and banks are responding to their hesitancy with continuing mild easing of lending criteria.

Are More First Home Buyers Looking for Advice Than a Month Ago?



Comments on bank lending to first home buyers submitted by advisors include the following.

- Banks are more willing to workshop tight deals to get across the line. Doors open for new-to-bank high LVR approvals.
- I have not noticed any changes, but bank test rates have increased slightly so that will have a minor restricting outcome.
- There are a few more pre-approval options for buyers with less than 20%, but very few real changes.
- It is getting easier to get a loan approval for above 80%.

COMPARED WITH A MONTH AGO, ARE YOU SEEING MORE OR FEWER INVESTORS LOOKING FOR MORTGAGE ADVICE?

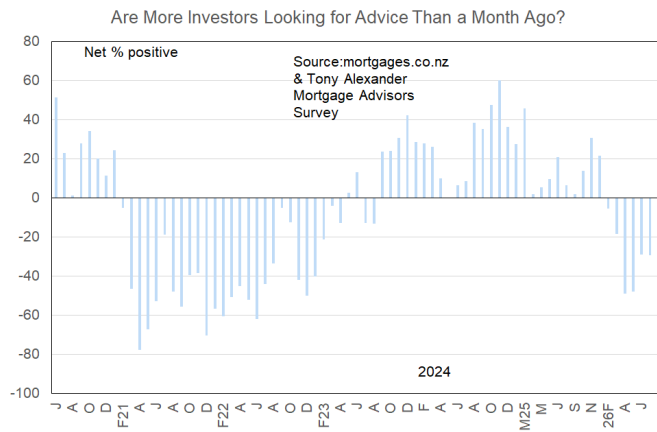
A net 29% of advisors in this month's survey have said that they are seeing fewer investors in the market. This is unchanged from last month but better than the net 48% negative results of April and May.

Investor interest in purchasing property and refinancing existing arrangements rose in 2023 after first home buyers entered the market to take advantage of conditions favourable to them.

But once interest rates started creeping higher late last year that interest relatively quickly backed off. Further pulling back followed the outbreak of war in the Middle East.

With the monetary policy tightening part of the interest rates cycle now underway and hostilities clearly not fully over in Iran, weakness in the investor part of the financing market looks likely to continue for some time.

But as one broker notes, the weakness is mainly from the group of investors focussed largely on capital gain as opposed to those approaching the market with somewhat better capital and attitudes towards yield.



Comments made by advisors regarding bank lending to investors include the following.

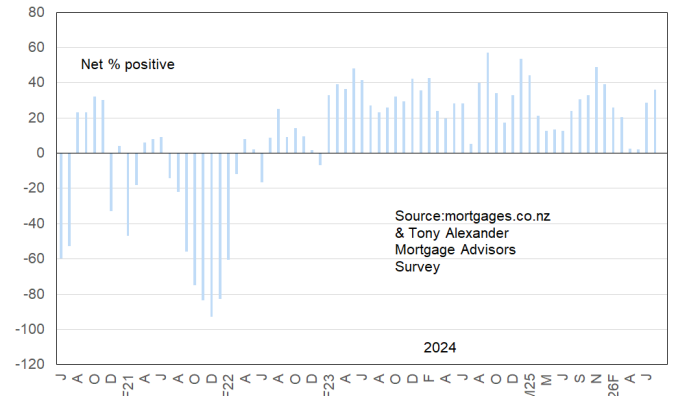
- Haven't seen many investors but the ones who are looking have got good equity and a long term plan rather than speculation to sell for capital gains.
- Banks are happy to lend money over DTI of 7
- Banks are digging into the security especially if it may not be Healthy Homes compliant, as well as the costs to bring up to standard.
- Much stricter on assessing the security.
- 10 year interest-only lending getting popular.

COMPARED WITH A MONTH AGO, ARE YOU FINDING LENDERS MORE OR LESS WILLING TO ADVANCE FUNDS?

The lender caution which appeared immediately following the outbreak of hostilities in the Middle East has eased off over the past two months as oil prices have eased and perhaps as it has become clear to banks that their mortgage sale targets will likely not be met this financial year.

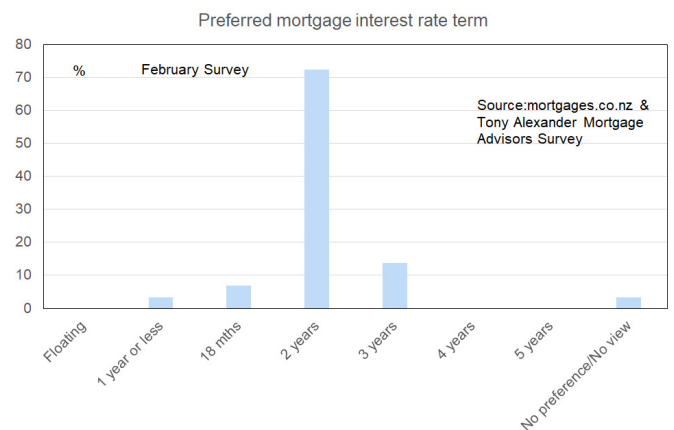
This month a net 36% of brokers have said that banks are more willing to advance funds, up from 29% a month ago and just 2% two months back.

Are Lenders More Willing to Advance Funds Than a Month Ago?



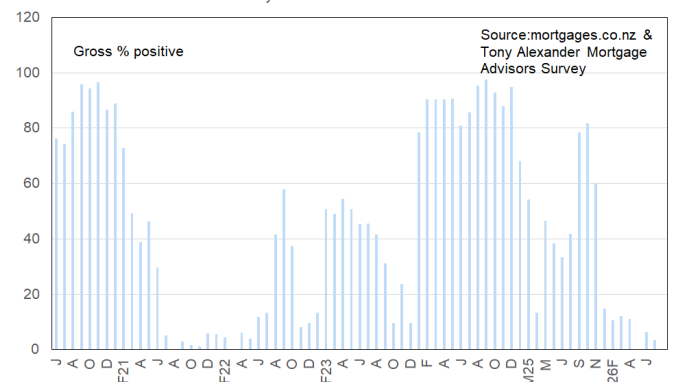
WHAT TIME PERIOD ARE MOST PEOPLE LOOKING AT FIXING THEIR INTEREST RATE?

The focus of borrowers remains very strongly on the two year time period according to 72% of brokers responding in our monthly survey.



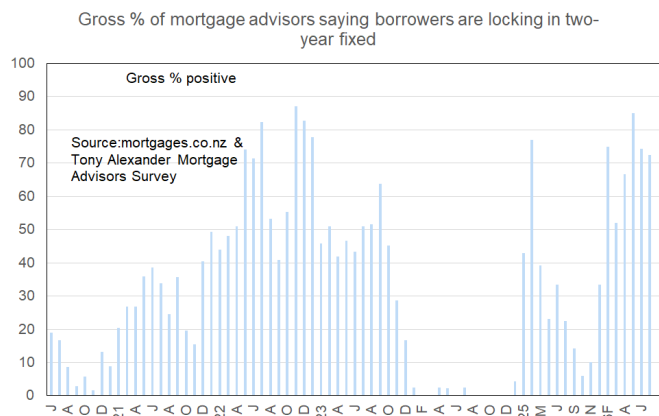
Very few borrowers favour the traditionally popular one year term.

Gross % of mortgage advisors saying borrowers are locking in one-year fixed or shorter

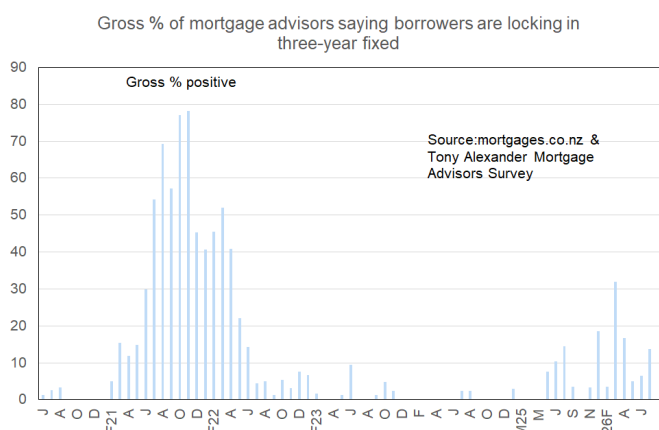


The two year term for fixing one's mortgage interest rate has been highly popular since December last

year as people observed fixed mortgage rates coming off their lows.



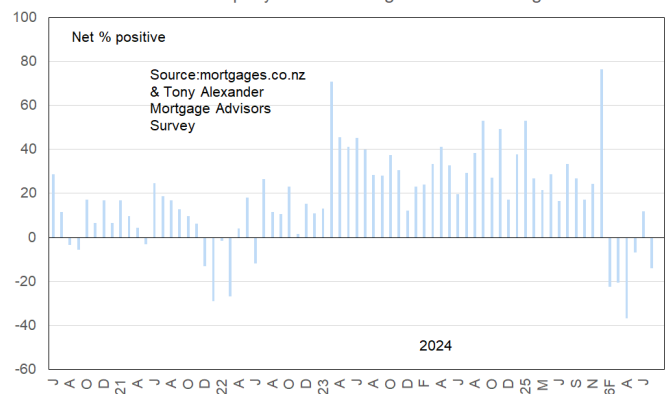
Of interest this month is a small lift in preference for the three year term, cited by 14% of brokers compared with 6% last month.



ARE MORE PROPERTY OWNERS ASKING ABOUT REFINANCING?

A net 14% of brokers have this month said that they are receiving fewer requests for refinancing. This year so far, the level of refinancing interest has been noticeably lower than for the entire period from mid-2023 until the end of 2025.

Are More Property Owners Asking About Refinancing?



Mortgage Advisors' Comments

Following are some of the general comments which mortgage advisors volunteered in this month's survey.

- Much more widespread feedback of slowing new enquiries across agents and brokers.
- Election driving uncertainty in property market in Wellington.
- Banks finally getting proactive with adviser channel now that they need business.
- Couple of main banks appear to have availability window for new to bank low equity lending
- Business is just ticking along. No real change in enquiry from a month ago. Typical winter activity levels. Banks more cautious with self-employed clients, especially if they are in hospitality, construction, retail.
- In general, caution seems the most common behaviour, potential borrowers are very cautious about the current environment, with positive and not so positive views being told.
- First home buyers still good space but even they can be fickle in terms of commitment to purchase. A lot of tyre kickers.
- The market is definitely quieter than it was at the start of the year. Buyers have less urgency due to having more choice. Banks appetite is largely the same. I suspect we may also be seeing the effects of the election run up now too.
- Very slow turnarounds from lenders. One bank has taken 20 working days for a preapproval.

- Nothing has changed in the criteria applied. The smaller banks are not willing to lend over 80% LVR to customers who own a current residential property. Their above 80% LVR lending is exclusively reserved for first home buyers. The big banks are willing to lend in this space when the application is a live deal. One bank is now doing preapprovals in this space. Flatmate income from 2 boarders for above 80% LVR is now accepted across the big banks. Turnaround times are again ballooning.
- Irrespective of what happens with the OCR, there are fewer transactions happening. Lot of new townhouses going for a lot lower price than what the developers would have expected. Lot of choice for buyers, they are not in a rush to commit towards the purchase. Lot of preapprovals being done but not converting them into settlements. Refinancing is going on, keeping the business afloat.
- All first home buyers still, banks seem helpful in getting customers over the line.
- A general sense that the banks are fighting harder to win business - have had follow up from one bank seeking feedback on why deals didn't settle with them, also noticed banks that had previously made mountains out of molehills with issues on building reports for FHB's are now taking a more pragmatic approach to understand the actual risk and plan for repairs. Turnaround times are wildly different.
- Activity is bubbling along but little urgency and does feel like there is a risk it slows further over next few winter months. OCR increase will not help as it creates further uncertainty even if just media driven.
- Still fairly quiet in AKL. Out of AKL clients a bit more active. Very busy with rate and refix conversations.
- Slowdown this month on new enquiries. I think this will continue until elections have passed.
- Demand from home buyers still appears to be patchy. More clients have sold subject to selling their own homes, but this is proving to be difficult for some.

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This publication is written by Tony Alexander, independent economist.

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