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&

**Tony Alexander**

MORTGAGE ADVISERS SURVEY

June 2026

## Banks open the doors some more

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 59 responses.

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

- Banks have reignited competition between themselves with strengthened cashback offers.
- Interest in borrowing by investors is low but not absent.
- Borrowers continue to strongly favour fixing two years over all other terms.

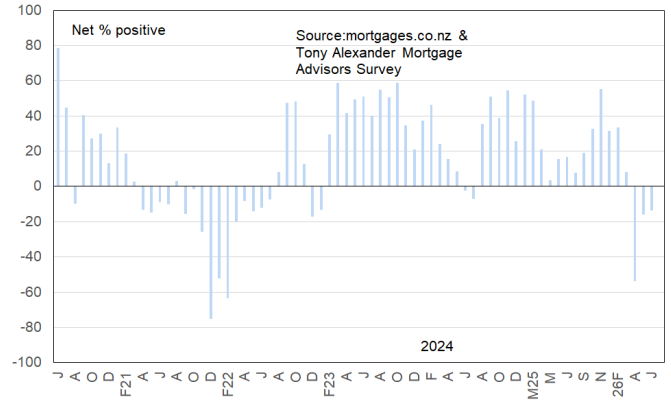
### COMPARED WITH A MONTH AGO, ARE YOU SEEING MORE OR FEWER FIRST HOME BUYERS LOOKING FOR MORTGAGE ADVICE?

Early in February this year when we conducted our first mortgage advisor survey for 2024 a strong net 33% of brokers said that they were seeing more first home buyers in the home purchasing market. That proportion fell away to a net 54% seeing fewer young people just two months later as concerns surged regarding the impact of the US attacks in the Middle East.

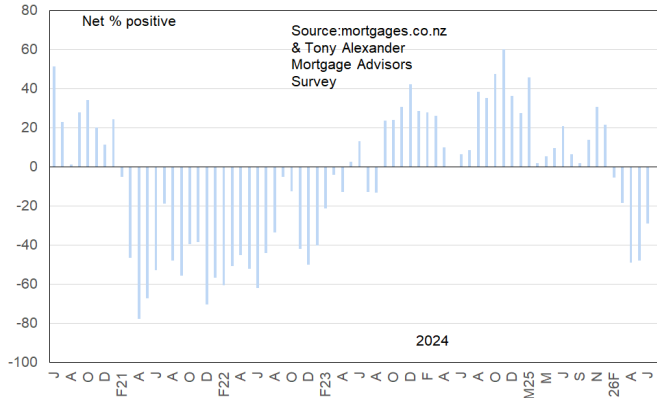
Last month this pessimism eased to a net 16% of brokers seeing fewer first home buyers and this month the result is essentially the same at a net 14%.

Comments from advisors indicate that many young buyers are keeping a close eye on where mortgage rates are headed and overall economic conditions associated with events offshore. Caution still prevails.

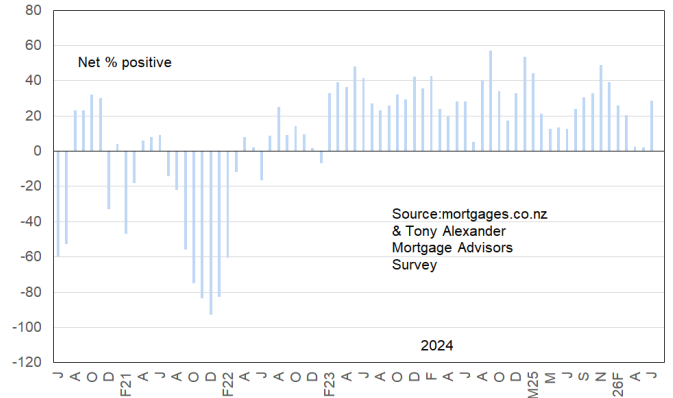
Are More First Home Buyers Looking for Advice Than a Month Ago?



Are More Investors Looking for Advice Than a Month Ago?



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



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

- Really drilling down into all expenses.
- Tighter on DTI.
- Lending up to 80% LVR for applications with a very healthy surplus with one lender.
- Not doing a lot of these deals but banks open to applications.
- There seems to be an openness to lend to investors, just not the investors willing to commit at this point.

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

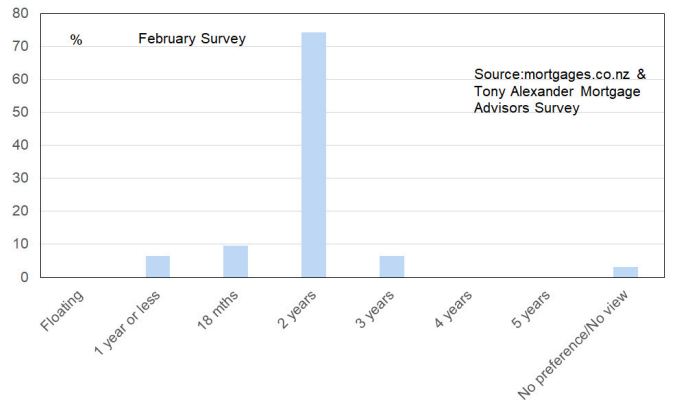
Our survey this month has recorded a strong rise in the net proportion of mortgage brokers reporting that investors are willing to lend funds. The reading sits at 29% compared with near 0% results for the previous two months.

The result is interesting in that it likely reflects an awareness by banks that lending targets may be hard to achieve over the coming year because of the shock from the US attacks in the Middle East.

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

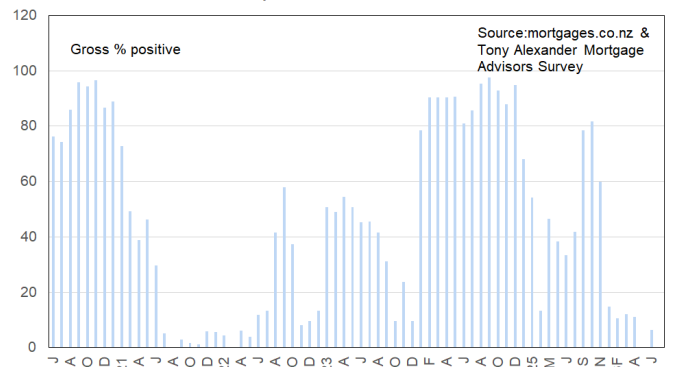
Over 70% of brokers note that borrowers prefer fixing two years and very few are observing interest in any other terms.

Preferred mortgage interest rate term

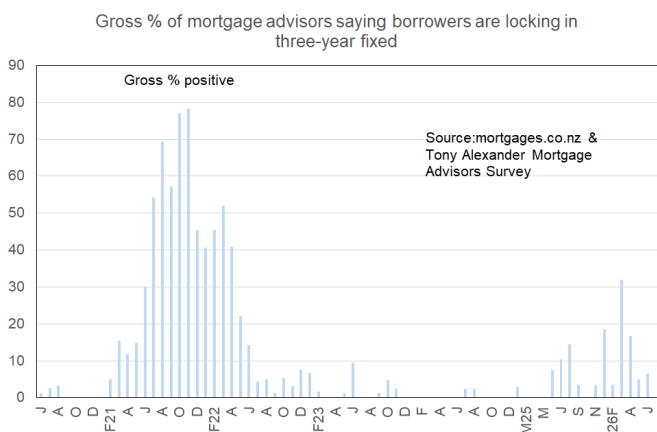
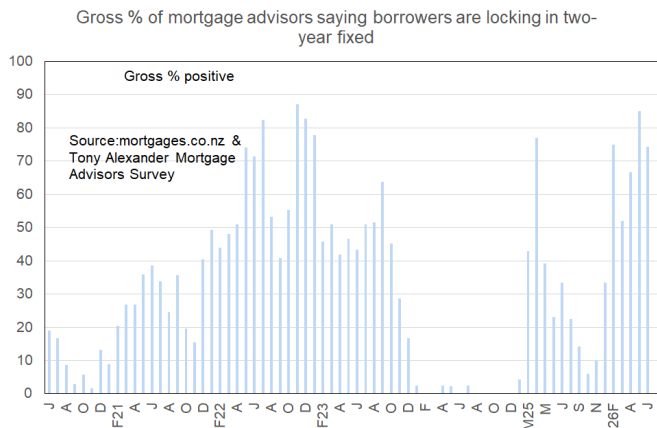


The preference to fix just one year fell sharply in December as mortgage rates began rising and has remained low ever since.

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



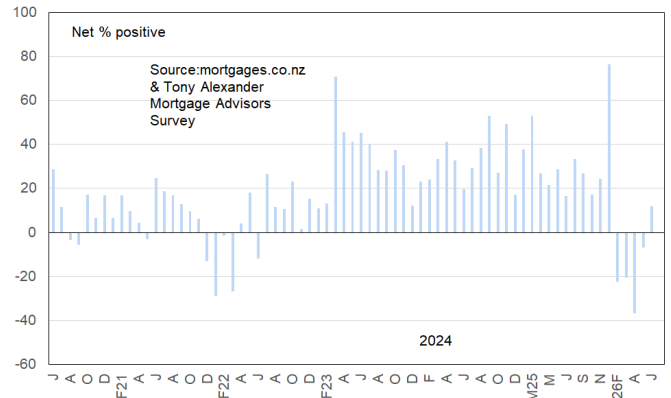
The shift away from showing a preference for one year fixing was initially towards a mix of two and three years. Now, only 6% of brokers note borrowers want to fix three years while 74% say the two year term is most favoured.



### ARE MORE PROPERTY OWNERS ASKING ABOUT REFINANCING?

There has been a recovery this month in the net proportion of brokers noting that more refinancing enquiries are appearing to 12% from -7% last month. The return of high cashback offers may explain this change in interest more than a lift in thoughts of selling one's property.

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.

- Many preapprovals are finally coming in with contracts - I think finally getting through to people that it's a good time to buy and lock in before rates get too high
- Seen a huge surge in first home purchasers. it's been quite noticeable.
- Short term increase to cash incentives is making refinancing more attractive/profitable for clients.
- Investors starting to pop up looking at well priced properties that may require some work, or vendors desperate to off load. AKL fairly quite across the group I work with. Refi has slowed down and not a lot of S&P's coming across my desk. As quite as I can remember it being over the past 13 years.
- New enquiries are significantly down from same period last year. More clients seeking green/renovation loans - improving property they are in rather than taking on a bigger mortgage for a new home? A general sense of pessimism. FHB's preapproved but taking their time to buy.
- Less enquiry & activity at the moment. People still a bit cautious I think in the current environment and will let it play out for a few months before making a big financial decision.
- Buyers approved and ready to go but not committing to a purchase is frequent at present. Rates sliding upwards will only extend this gap

with not a lot of vendor movement to meet the market in this region.

- Good options in the property market for first home buyers in the new build space, with an oversupply and developers needing sales, an evident drop in prices is occurring. Banks are offering some good options for these properties, which are RBNZ- exempt purchases and good options for low-deposit borrowers.
- Seeing more investors actively managing their portfolios - looking to add a granny flat or add a bedroom to existing stock to improve yield rather than buy new stock.
- Overall, lending seems to have slowed for us. have been doing a lot of small top ups for green energy vehicles or small renovations. Not many first home buyers committing to the purchase, they are taking the preapprovals but not moving to the purchase. Terraced townhouses have lost the shine completely, standalone brand new houses that are two levels are okay but anything that has 3 levels is out of the question even in good areas.
- Seeing fewer people wanting to get more borrowing or indeed have borrowing at the moment.

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This publication is written by Tony Alexander, independent economist.

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