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&

Tony Alexander

MORTGAGE ADVISERS SURVEY

March 2026

Buyer's market remains in force

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 49 responses.

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

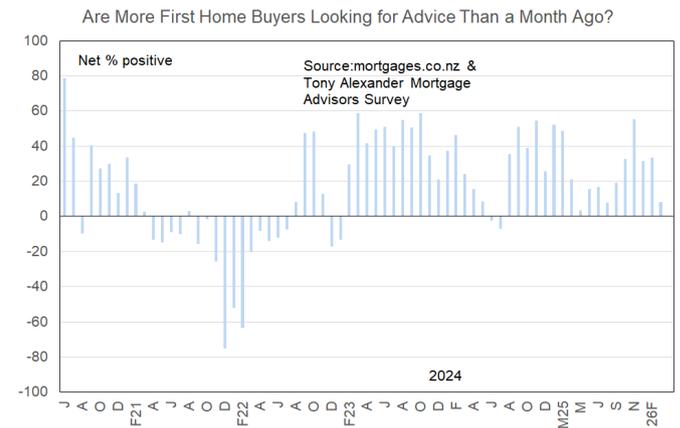
- There are few major issues with finance availability at the moment although one large lender has just pulled back on some low deposit lending.
- There has been a general easing in activity in recent weeks seemingly in reaction to some rises in interest rates but also buyer awareness of plentiful listings. They feel time is on their side.
- Investors continue to have a generally low presence.
- Borrowers have their strongest interest in fixing for three years since early-2022.

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

There has been a strong fall this month in the net percent of mortgage advisors seeing more first home buyers in the market to 8% from 33% a month ago. This is the lowest reading since August last year and well down from the strong 55% recorded in our early-November survey.

First home buyers show high awareness that the market is in their favour and continue to take their time making a deal.

Brokers did not volunteer much information regarding exactly why there has been an easing off of the growth in demand but one or two cited events in the Middle East and uncertainty created by recent fluctuations in borrowing costs.



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

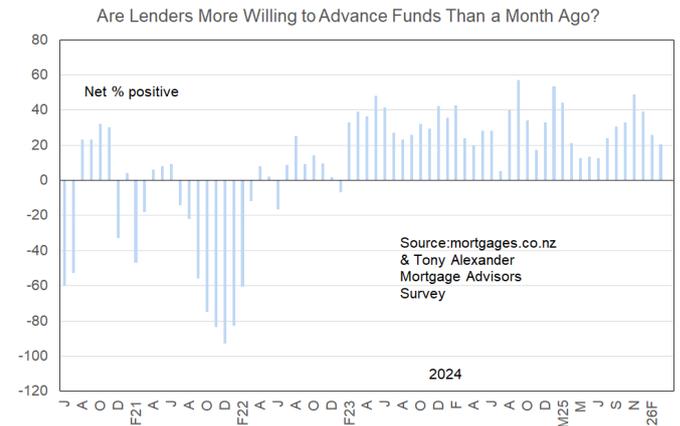
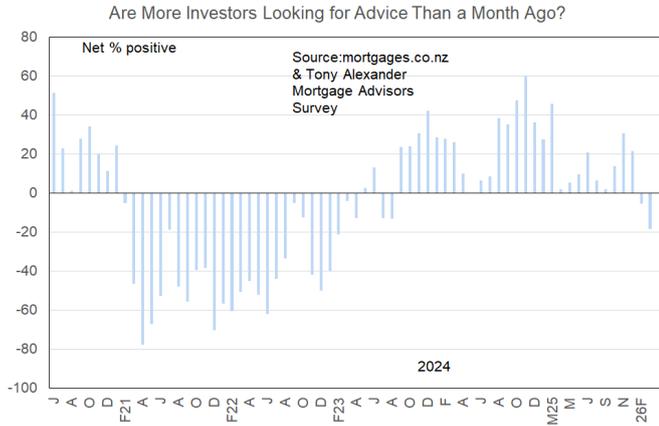
- Doesn't seem to be much change in the lending criteria. A new lender with the Kainga Ora scheme is a good thing.
- One of the larger banks appear to be making small adjustments to credit policy to make things easier for some clients. Small changes to things like return from maternity leave etc.
- No real changes other some small tweaks. Nice to see some pre-approvals but it would be good for this to be more widespread to give buyers more choice.

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

Last month we noted that for the first time since August 2023 more mortgage brokers felt that there were fewer investors in the market than more. Now that net proportion has deteriorated further to a net 18% seeing fewer investors from a net 6% last month.

Advisors have noted an increase in the number of investors looking to sell their properties at the same time as fresh demand is constrained.

It looks like there has been a pullback in the strong competition for business using generous cashback offers. Low deposit lending availability seems to vary considerably from one bank to another.



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

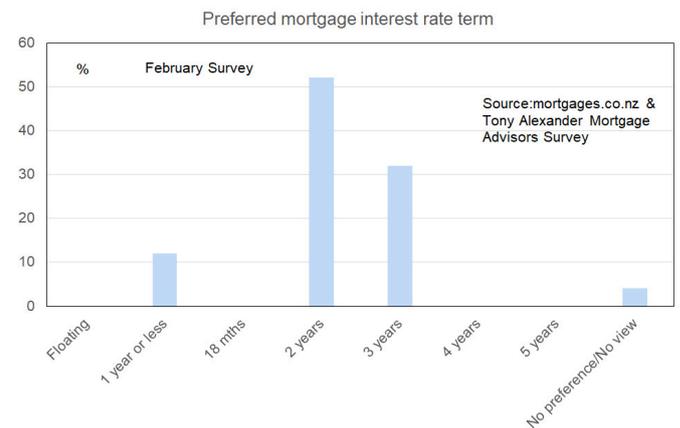
- A major lender just now withdrew from lending over 70% LVR due to volumes risking them exceeding their limit.
- Drilling into expenses, and taking a close look at the value of any existing investment properties. Strong exit plans for "older" investors.
- Some banks have been actively providing above 70% LVR for investors however that has pulled back with reserve bank limits being reached.
- The investor market hasn't changed much, and conditions still feel relatively flat. We're continuing to see a trend where more investors are selling properties, consolidating their portfolios, and reducing debt rather than expanding.

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

Most borrowers are showing a preference for fixing their mortgage interest rate for either two years or three years. The five year term attracts essentially zero business but the one year period continues to attract some interest.

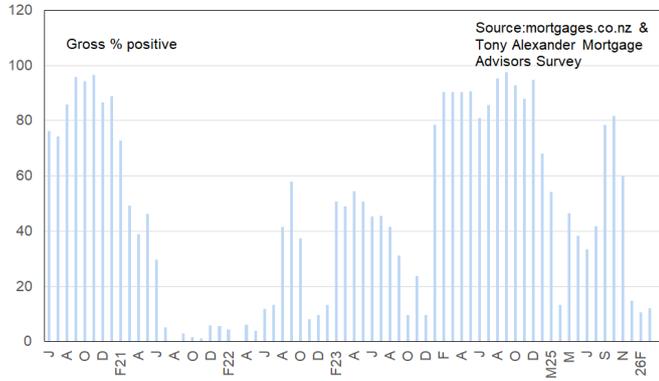
COMPARED WITH A MONTH AGO, ARE YOU FINDING LENDERS MORE OR LESS WILLING TO ADVANCE FUNDS?

A net 2% of advisors have this month reported that banks are more willing to advance funds. Credit availability does not appear to have been much of a problem for buyers since early-2023 although there continue to be frequent changes in the criteria applied by different lenders.



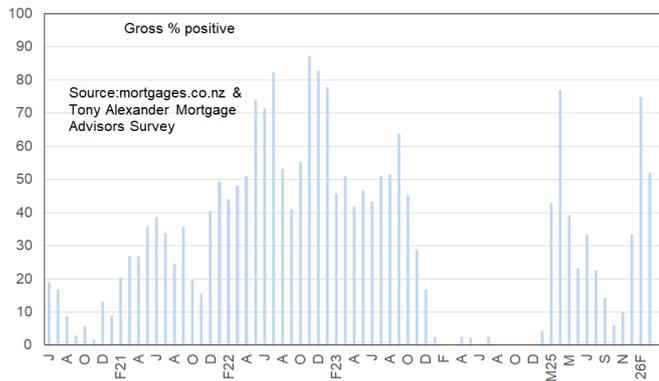
Demand for one year fixed rates has been on the low side for three months now.

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



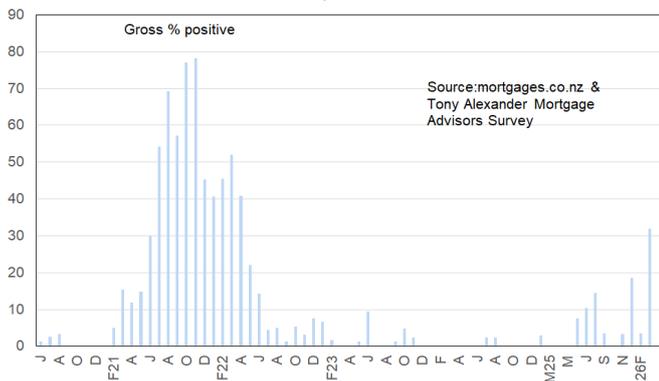
The preference for two year fixing jumped strongly last month but has eased off slightly in this month's survey.

Gross % of mortgage advisors saying borrowers are locking in two-year fixed



The greatest point of interest in this month's survey is the jump in the proportion of brokers noting that borrowers prefer to fix their mortgage rate for three years. This percentage has risen to 32% from just 4% a month ago and this is the highest reading since early in 2022.

Gross % of mortgage advisors saying borrowers are locking in three-year fixed

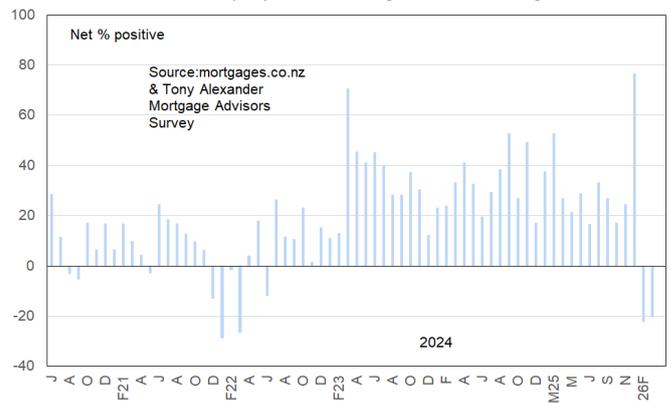


Widespread discussion of rising interest rates in response to higher than expected inflation and now perhaps rising oil prices likely lies behind the increased desire of borrowers for greater interest rate certainty.

ARE MORE PROPERTY OWNERS ASKING ABOUT REFINANCING?

With the unusually strong competition between banks for business using cashback offers now easing off we have seen further weakness in the net proportion of brokers saying they are seeing more refinancing enquiries. This month's result is -20% from -22% last month.

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.

- Buyers seem to be taking a back seat. There are first home buyers with a pre approval but they do not seem to commit to the purchase, the interest rate hikes and then drops is confusing some of the first home buyers. Even the investors are finding it difficult to do the purchase as they are not sure if they are going to find tenants with good rents. Rents in most of the suburbs have come down over the last 3 months or so. Experienced developers seem to be on the look out for good quality land in anticipation demand might pick up by the end of the year or early next year. Overall, it is a little bit quiet in the market.
- Lots on the market in Auckland and buyers are getting some discount from the reserve at auction

or asking price on properties by negotiation. It remains a buyers market.

- Market feels sluggish after a good January early Feb - hoping wind hasn't already come out of our sails!
- Buyers seem to be taking more time before deciding what they are going to purchase.
- Whilst I said less fhb's since last month, it is still busy with lots of enquiry. Just not at the insane enquiry that we have had since the start of the year. Buyers seem to be keeping up with the increase in listings. Certainly plenty of activity out there and an increase multi offers and auctions.
- First 6 weeks of the year were a bit slow but a lot of activity since then. More refinance activity than I was expecting. More buyers losing out because another buyer made a higher offer.
- Been a slowdown of sorts over the last couple weeks after an extremely busy start to the year. Its now steady. Banks' turnaround times are good for once. All applications are being approved, although some assessors need further training.
- Seeing an increase in construction loan requests. Banks very inconsistent with cash retention offers
- Seeing FHB's being more active in terms of getting ready to buy and also offering quickly once pre-approved.
- General consensus is it is quieter in enquiry, people are more nervous with volatility of a war and also an election year.
- Enquiries are noticeably down - probably the quietest I've ever been. Buyers seem in no rush and somewhat nervous about buying now.
- Feels like the market is getting slower and confidence is cooling again. Not sure if it relates to global events or upcoming elections and uncertainty.
- We've had a busy spell with first home buyers and existing property owners, this has now dried up with the uncertainty on interest rates and the world.
- First home buyer space very busy, clients managing to get deals over the line.
- Banks seem to be struggling to keep up with demand, turnaround times are again far too long.

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This publication is written by Tony Alexander, independent economist.

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