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&

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MORTGAGE ADVISERS SURVEY

November 2025

More buyers stepping forward

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.

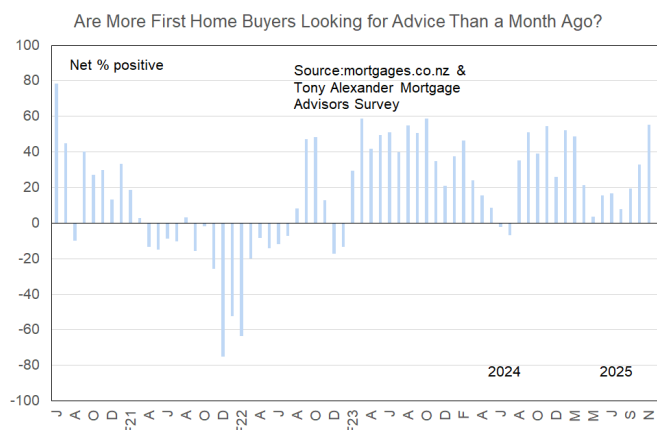
The main themes to come through from the statistical and anecdotal responses include the following.

- Brokers note seeing more first home buyers, investors, and existing owner occupiers.
- Lower interest rates are having an impact with feelings spreading that prices are unlikely to fall further from current levels.
- There has been a lift in people preferring to fix their interest rate for five years – but the numbers involved remain very small compared with those preferring to fix for just one year.

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

A net 55% of mortgage brokers this month have said that they are seeing more first time buyers in the market. This is up from 33% a month ago and a recent low of just 8% in August.

Over a three month period the market has gained considerably in strength with regard to buyer presence, but as yet there is little evidence of much upward pressure on prices.



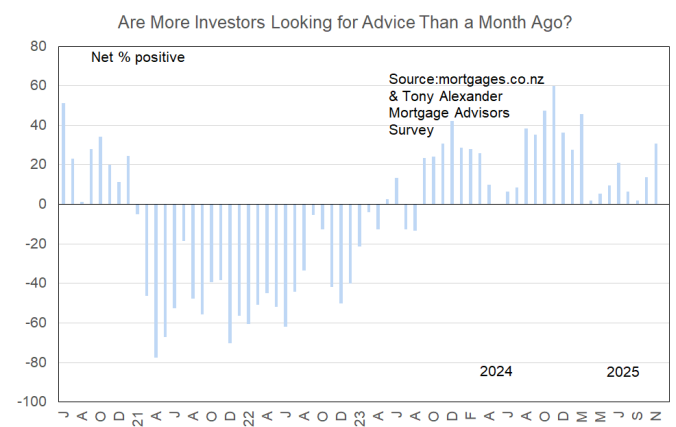
Comments on bank lending to first home buyers submitted by advisors include the following.

- Strict enforcement of 6x DTI limit for first home buyers with <20% deposit at some lenders.
- Stress test rates are dropping so that helps get more lending.
- Banks want these borrowers.
- Easier to get pre-approved with looser LVR settings.
- Banks are generally encouraging in this space, with some easing their UMI requirements.
- Banks are keen to lend to first home buyers, some of them are not doing preapprovals but still doing live deals. Test rates have also moved down a little bit making it easier for borrowers to get the loan amount they need. House prices are still stable, not going up much and auctions are starting to clear up as well.
- This week there has been a definite uptake in enquiry. The spring crazy has hit.

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

A net 31% of mortgage advisors this month have indicated that they are seeing more investors in the market looking to make a purchase. This is up from 14% in October and well ahead of just a net 2% in September.

However, as the graph here illustrates, we have seen previous periods of firm investor strength over the past two years which have failed to continue. This time around might be different given the much lower level of interest rates. But worries about capital gains tax and rising costs of operating a rental property are structural considerations which may curb some investor demand generally going forward.



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

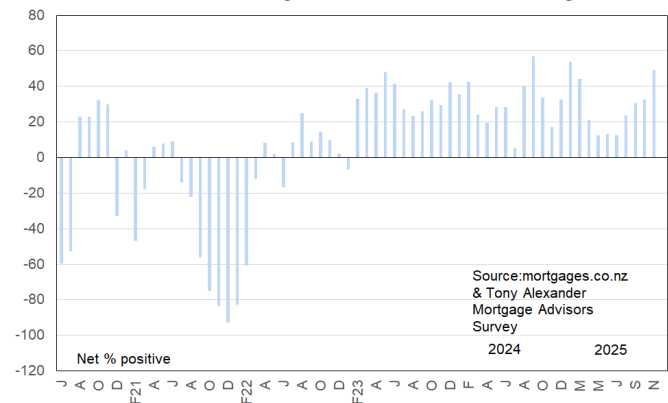
- Lower rents in the media are not a deterrent.
- Longer interest-only periods from banks - up to 10 years.
- DTI impacts getting closer.
- DTIs are starting to get up there but not stopping approvals for us (yet).
- No major changes noted from last month.
- No changes. Investors who own over 5 properties are still struggling with the bank servicing requirements and really can't apply for new lending and or extensions on interest only. The only way they can move forward is to sell 1 or more properties.
- Investors are looking for deals now and with interest rates coming down, the yield is working for some of the properties especially the home and income properties. Some of the investors are looking for long term rentals now knowing there might not be much capital gain to get over the next few years.

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

A strong net 49% of brokers have reported this month that they perceive lenders as more willing to advance funds. This is just about as high as this measure gets according to the graph supplied here.

Based on this reading and allowing for changes such as the new debt to income ratio rules, and some slight easing in Loan to Value Ratio lending restrictions, availability of finance does not present as a substantial restraint on the ability of many willing buyers to make a purchase.

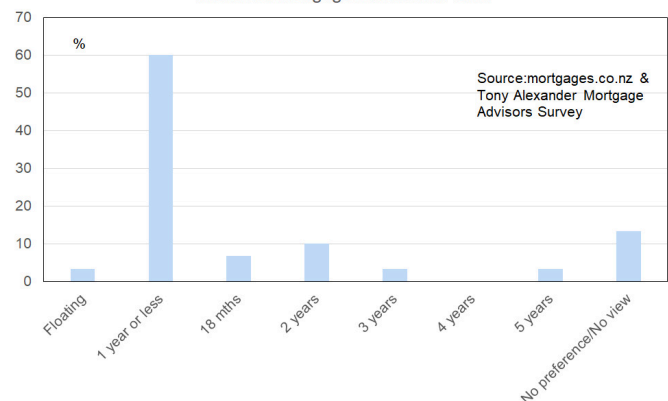
Are Lenders More Willing to Advance Funds Than a Month Ago?



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

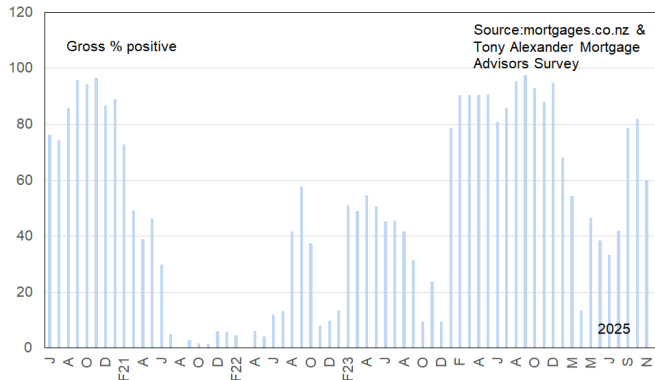
60% of brokers have reported that the term most favoured by borrowers is one year or less. The next most popular term after that is two years but only according to 10% of the brokers who responded in this month's survey. The notable thing however is the 3% saying people are opting for fixing five years, perhaps perceiving that this is as low as rates are likely to go this cycle.

Preferred mortgage interest rate term



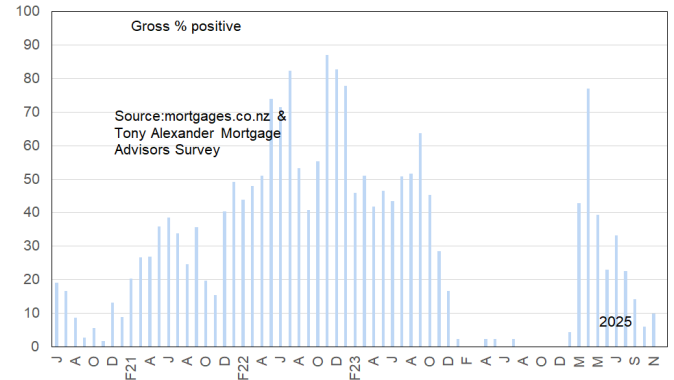
This next graph shows the roller coaster ride for preference in fixing one year or less. At 60% of brokers this term can still be considered easily the most preferred as people look to secure immediate cash outflow reductions.

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



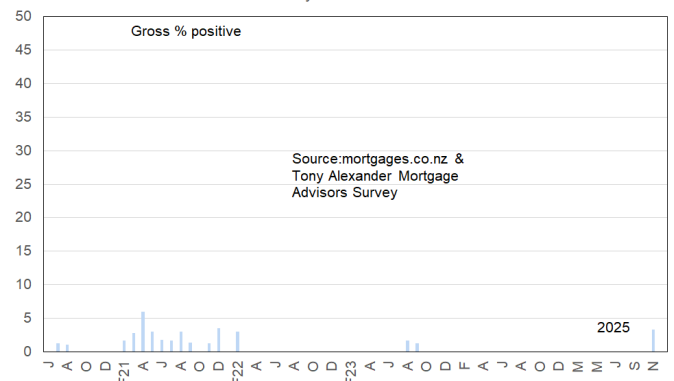
Few people are interested in fixing for two years.

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



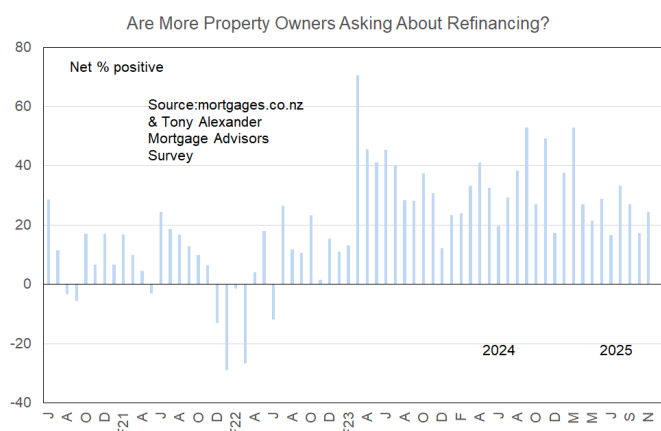
Preference for fixing five years has moved above zero percent of brokers for the first time since some minor interest late in 2023. History suggests that this preference will remain low.

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



ARE MORE PROPERTY OWNERS ASKING ABOUT REFINANCING?

A net 24% of advisors have reported that they are seeing more people asking about refinancing of their mortgage. For some the motivation appears to be taking advantage of cashback deals on offer from the main lenders.



Mortgage Advisors' Comments

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

- Servicing test rates and UMI requirements continue to reduce, banks seem keen to lend.
- More investors are looking at subdividing and building on existing properties
- Busy. A lot more people are looking to buy a new home subject to the sale of their current home.
- Plenty of activity
- I am personally finding the lenders much harder to deal with, and it is more challenging to get approvals. I believe this is due to the lenders having less experienced staff, which is adding to the workload and amount of time needing to be spent to get approvals in place.
- The last two weeks have seen a lot of everything - FHB's, refinances, and especially people wanting top-ups for cars/new kitchens that they have been putting off for the last two years. They feel they can afford the new lending.
- There's more urgency from some buyers. More multi-offer negotiations and auction competition. Not crazy but there's some signs of life in the market.
- Slight increase in activity, but nothing to get excited about. Turnaround times improving.
- I've definitely seen an uplift in first home buyers who are motivated to buy quickly.
- It has been busy for the last couple months. A great busy. Clients are buying houses. They

realise that the market is good for purchases and the interest rates are low. The banks are approving every loan that I send to them with minimal fuss.

- Massive uptick in activity for enquiries, and preapprovals seem to be progressing quickly through to finding property. First home buyer market in the BOP very hot. Anything in the first home buyer pricing bracket is getting snapped up quickly.
- Banks are generally competitive for business with service times improved and rates and cash incentives are generous.
- Market is looking slightly better than what it was couple of months ago. With OCR cut of 0.5%, people are now thinking the interest rates are as low as they could go. The cash flow is getting better for some of the existing mortgage holders although that might take some time to flow into the economy. First home buyers are now looking to do the transaction knowing that prices might be the lowest now and they would like to get the purchase done before prices start going back up again. Some of the existing investors are finding it hard to get the tenants for their properties as properties become vacant, they have been doing the reno work on the property in the hope they can get good long term tenants.

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This publication is written by Tony Alexander, independent economist.

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