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&

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MORTGAGE ADVISERS SURVEY

October 2025

Young buyers still dominate the market

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.

- First home buyers continuing to take advantage of the weak housing market.
- Borrowers strongly prefer to fix just one year rather than get the certainty of a slightly higher rate for a longer period of time.
- Banks are adjusting their remuneration systems for mortgage brokers and this is causing some angst.

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

For the second month in a row there has been a lift in the net proportion of mortgage brokers around the country saying that they are seeing more first home buyers in the market. The proportion now stands at a net 33% from 19% in September and a low of just 8% in August.

In their comments some brokers have noted that many first home buyers are taking advantage of the current market which involves things such as increased bank willingness to lend, low interest rates, little competition from other buyers, and a good number of listings.

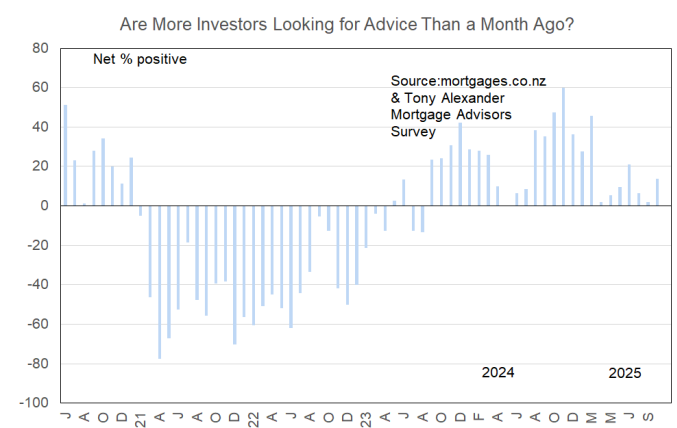
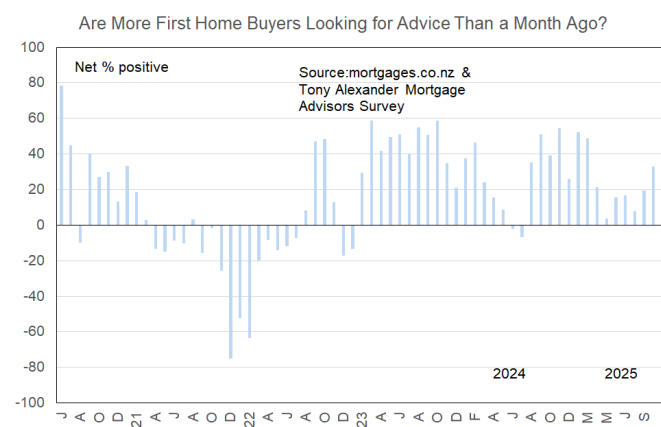
Comments on bank lending to first home buyers submitted by advisors include the following.

- Harder to get loan for over 80% LVR.
- A little more open to non-bank customers at the moment but otherwise much the same. Some are offering pre-approvals to their own clients also.
- Genuine savings, deposit, less rigid on bank statement spending in recent months, account conduct really important.
- More scrutiny of employment stability. More lenders requesting employment letters confirming hours, that the role is permanent, etc - probably a sign of the wider labour market.

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

A net 14% of brokers have reported that they are seeing more investors in the market looking to make a purchase. This is up from just 2% last month but still well below levels of earlier this year.

Although financing costs are low and still falling, investors face increases in other important costs including council taxes, maintenance, and insurance. Plus there is a shortage of good tenants and absence of a recent record of acceptable capital gains. Investors overall are not driving the housing market to any great extent.



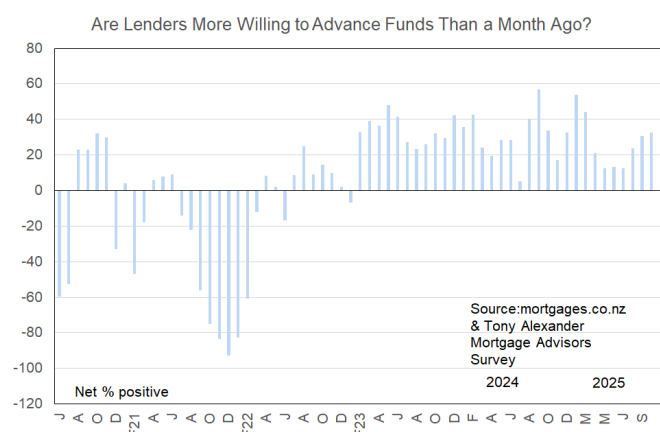
Comments made by advisors regarding bank lending to investors include the following.

- Banks have become fussier on securities, especially multi unit dwellings.
- Banks willing to move outside DTI for investors with more restrictive preapproval time frames, but seems to be going above 7x income without too much pushback at all.
- No change, although DTIs are having an effect.
- Interest rates are now at a level where DTIs are starting to 'bite'.
- Still some confusion on whether banks include rates/body corporate as outgoings for the servicing of new lending. Some do and some don't.

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

A net 33% of mortgage advisors have reported that lenders are becoming more willing to advance funds. This is little changed from last month's net 31% but is nonetheless the firmest result since March.

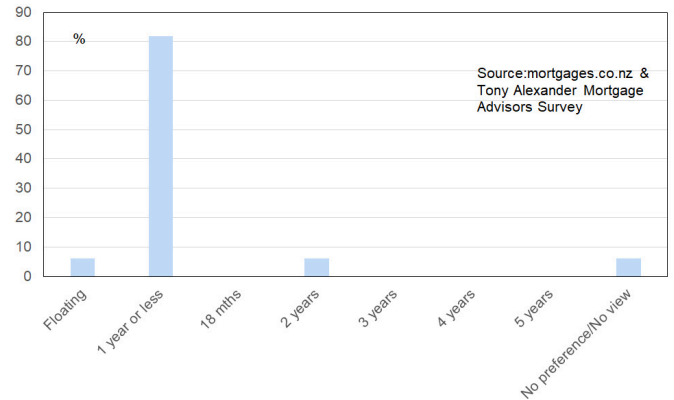
Credit is available from lenders – telling us that the missing element is mainly a lack of finance demand overall.



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

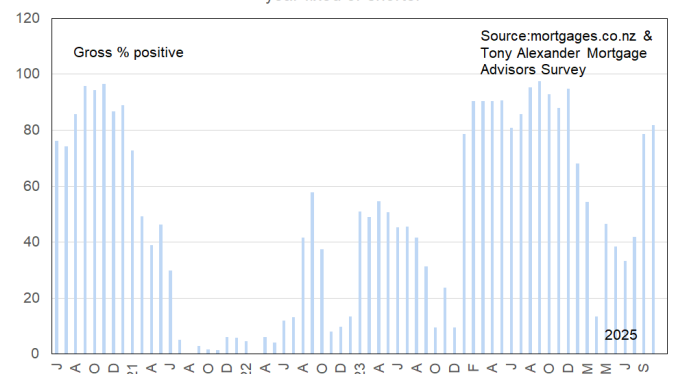
A strong 82% of mortgage brokers have reported that borrowers are mainly showing a preference for fixing their interest rate for a period of one year or less. There is little demand for fixing longer.

Preferred mortgage interest rate term



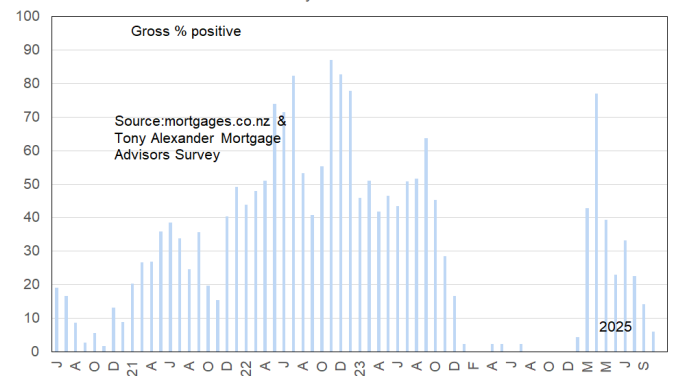
The proportion of brokers noting one year is the preferred term dipped early this year but has since recovered after falls in short rates have exceeded extra declines in the longer-term interest rates.

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



Fixing for two years was preferred by most people according to 77% of brokers in our April survey. But now, only 6% say this is the preferred term.

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



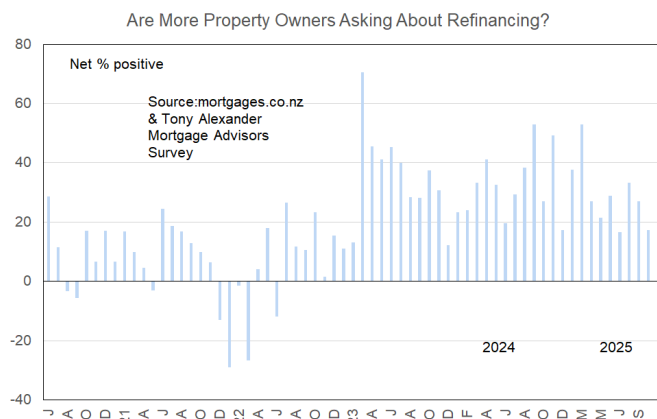
Kiwis traditionally fix at whichever term offers the lowest cost. Considerations of where interest rates

may go in the future play little role in the decision-making process.

ARE MORE PROPERTY OWNERS ASKING ABOUT REFINANCING?

A net 17% of advisors this month have said that more property owners are asking about their refinancing options. This is down from 27% last month and the graph shows us that there has been no particular trend in this measure for some time.

However, some brokers have noted that many borrowers have been taking advantage of bank switching deals in the past year.



Mortgage Advisors' Comments

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

- Banks seem to be faster with turnarounds this month.
- \$ for \$ refinancing from the banks becoming more competitive. Most people don't understand why they would fix for more than a year. First Home Buyers having a great time at the moment, spoilt for choice and if they don't have their offer accepted, they have multiple other options.
- Buyers are not willing to match the expectations of vendors. Strong resistance is seen from the buyers.
- Very quiet past few weeks, shrinking pipeline of Pre Approvals. Those with Sell/Buy approvals struggling to sell at the price they need/want in AKL to complete purchase. Most of the lenders have improved assessment times, more likely due to lower volumes than anything special the banks have done.
- New listings seem to be quite limited in my area (BOP) so not a huge amount of choice, but purchasers seem to be willing to put in more competitive offers to try to secure the contract. Definitely a significant increase in activity in terms of enquiry levels and falling interest rates are certainly assisting buyer confidence. With low deposit rates including LEM now at an affordable level, a lot of low deposit buyers getting approved and moving straight through to offers and purchase.
- Up and down period. We have a week where lots of new leads are coming through and then it's nothing for 1-2 weeks and then another good week. It's like the market can't make up its mind at the moment
- Might be a little spring momentum, paired with interest rates falling giving people confidence potentially. Waiting to see good drops then lock in long term and forget about the mortgage for a little while.
- Housing prices are flat with opportunities to buy now and ahead with some good size job losses announced. Lending affordability is the real winner with active deals pretty easy to work through where these exist. Low numbers.
- The turnaround time for assessing applications has got better with a number of lenders. Most are now down to 3-4 days to pick up an application.
- Buyers are seeming to feel more pressured to make a purchase, FOMO does seem to be returning somewhat. Particularly in the sub \$1m price range. However, clients that are selling aren't feeling the same level of demand.
- Workflow has steadied after being really busy last month.
- Turnaround times getting slightly better in general, but still waiting 3+ weeks for business applications to just start being assessed with some lenders.
- Banks' turnaround times are improving
- Renovations increasing - 'green loans' at 0% or 1% still very popular.
- Potential commission changes from xxx bank will certainly be disruptive but could be destructive.

My longstanding partnership with them has been denigrated.

- People are actually buying. Should be a solid November settlement. Large investors are refinancing again. Feels like things are on the improve. Doing builds again and commercial purchases are popular.
- A bank is under consultation to scrap trail payments so that has caused some consternation throughout the industry this past week.
- Many agents are trying to auction properties with defective titles and unconsented works.
- Generally the banks are open for business and happy to lend on good prospects - we're waiting on some upscaling of their assessment teams to come online, but turnaround times are fairly reasonable compared to a few months back. OCR rates having now dropped 3% in the last 12 months I'm expecting will convert into a more optimistic, busier market.

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This publication is written by Tony Alexander, independent economist.

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