mortgages.co.nz

&

Tony Alexander

MORTGAGE ADVISERS SURVEY

September 2026

ISSN: 2744-5194

Quiet conditions continue

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 63 responses.

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

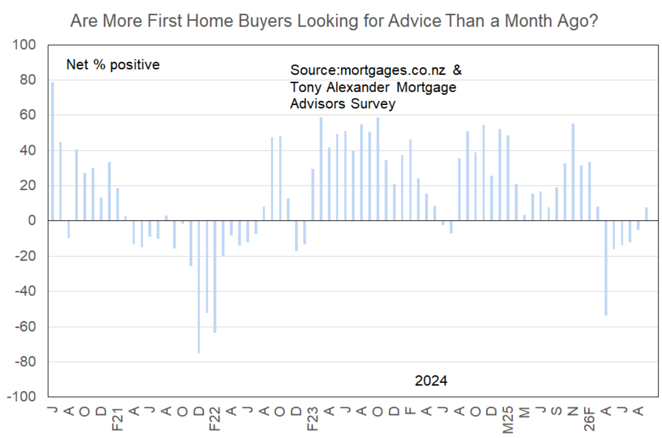
- More first home buyers are showing interest in the housing market.
- Investment demand however remains on the weak side with no improving trend evident – perhaps because of uncertainty regarding the November 7 general election.
- Borrowers continue to show greatest preference for fixing their mortgage interest rate for two years.

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

Over the past five months there has been an easing in the pullback of first home buyers from the financing market which happened soon after the Middle East war started.

At a net 8% positive the proportion of brokers reporting more young buyers in the market is back to where it was early in March. But this is still well below the net 33% in February who reported more such buyers.

The data tell us that there is a movement of increased first time buyers into the housing market but that the volume is still relatively light.



Comments on bank lending to first home buyers submitted by advisors in this month's survey include the following.

- Banks have very low application volumes and are therefore very willing to try to make deals fit
- Some of the lenders have shut the doors to over 80% new to bank borrowers. Other than that, not too much change.
- The first home buyer's criteria are getting looser day by day.
- More appetite to make it work.
- No changes. Most prefer no or very small, short term debts.
- Much the same as the last few months, there seems to be no change in the criteria as such - we are getting incredibly quick answers from applications submitted which is awesome.

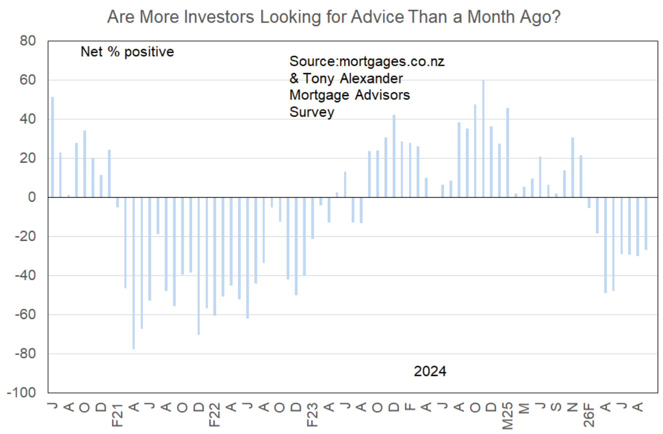
COMPARED WITH A MONTH AGO, ARE YOU SEEING MORE OR FEWER INVESTORS LOOKING FOR MORTGAGE ADVICE?

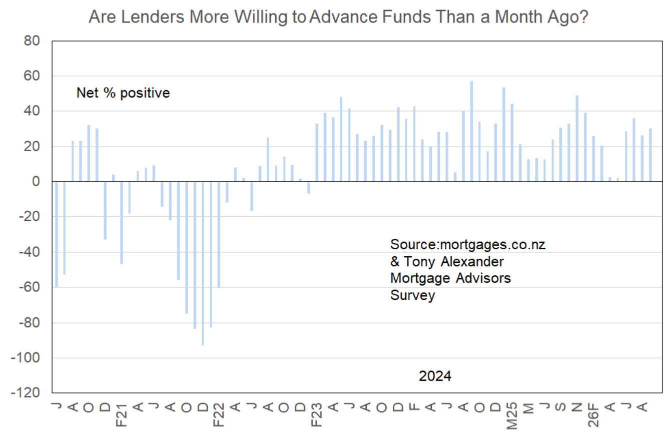
A net 27% of mortgage advisors this month have reported seeing fewer investors in the marketplace. This reading is consistent with others in the previous three months and tells us that investor demand for property remains on the weak side.

Of interest is the contrast with readings discussed just above for first home buyers. For young potential purchasers there is an improving trend in demand which has been running now for five months.

But apart from a pullback from the brink for investors which we recorded in June there is no improving trend for the investment part of the demand side in the housing market.

The approaching general election, rising financing costs, static to falling rents, and rising property costs generally are likely to be sidelining a lot of investor demand. Reduced capital gain expectations are also probably at work.





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

- Some opening of 80% LVR for investment where there is high surplus income.
- No change, just low investor numbers right now.
- New assessors are drilling into every dollar the clients have spent. Tightening up on DTI and security values.
- More applications for investment properties are coming through.
- Going slightly higher LVR.
- Based on what we are seeing with our clients, banks are still lending to investors, but they are applying tighter assessment around servicing, total debt levels and the strength of the security. For standard investment properties, lenders are generally comfortable around 65%-70% LVR where the client has stable income, acceptable existing commitments and sufficient equity.

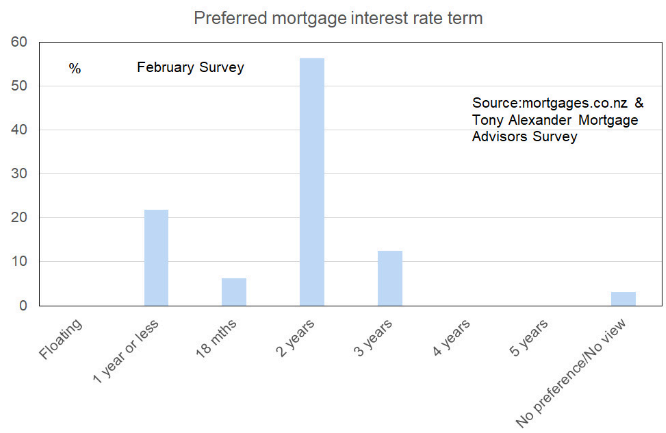
COMPARED WITH A MONTH AGO, ARE YOU FINDING LENDERS MORE OR LESS WILLING TO ADVANCE FUNDS?

A net 30% of mortgage brokers this month have reported that they feel banks are more willing to advance funds. This reading is consistent with others over the previous three months and well ahead of perceptions in our April and May surveys.

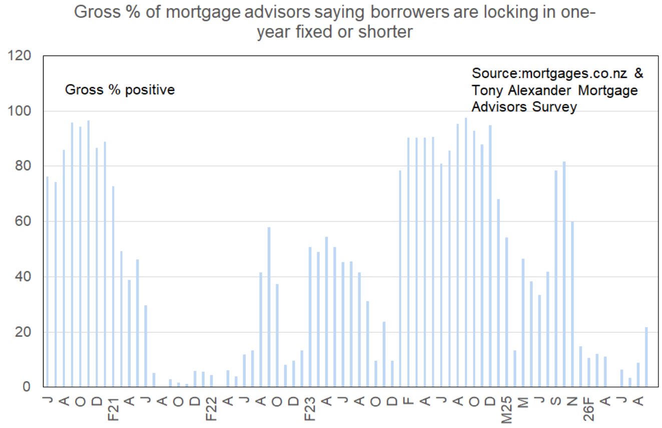
Bank willingness to lend lifted firmly through 2022 even as house prices were in the process of falling an average 16% nationwide. Since prices largely stabilised in most locations from the early part of 2023 lending availability has been rate by brokers largely as good.

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

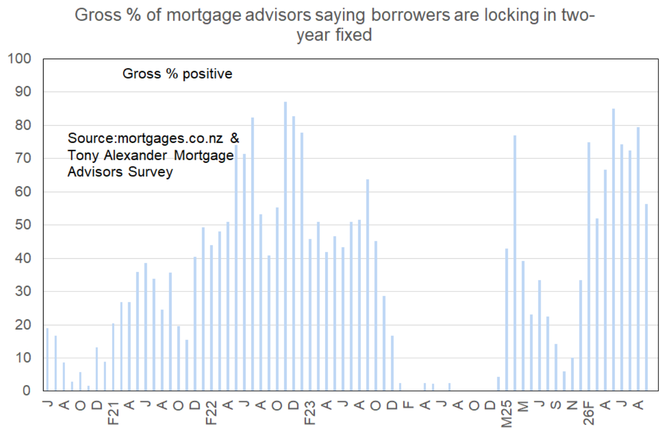
The two year period once again is the term most favoured by borrowers for fixing their mortgage interest rate. There is little interest in other terms apart from one year.



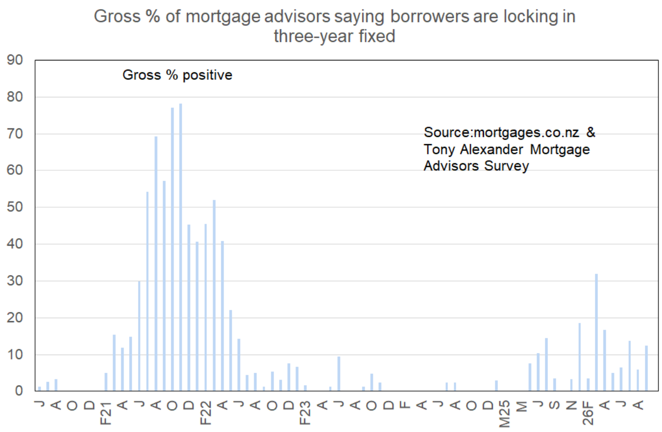
Over the past two months as interest rates have moved higher there has been a slight rise in borrower preference for the generally cheaper one year fixed rate term. But at 22% this preference is still well below the proportion of brokers saying the two year term is preferred.



For the first time in a few months there has been a reasonable easing in broker observations of borrower preference for the two year fixed mortgage rate term. This may be driven by people shifting to the chapest rate on offer as rates generally increase.

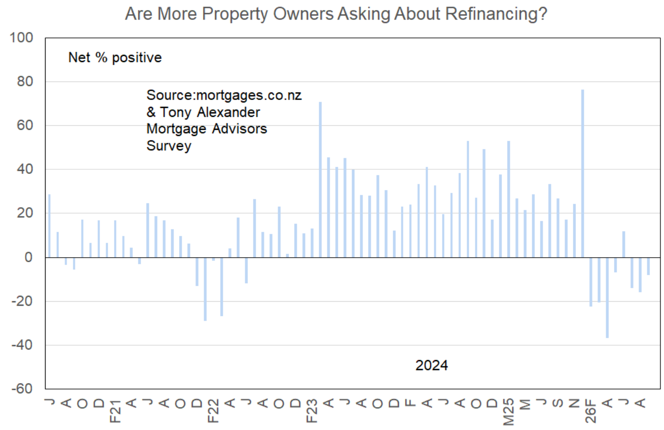


As usual demand for fixing longer than two years is low. Kiwis tend to favour whichever rate is the cheapest.



ARE MORE PROPERTY OWNERS ASKING ABOUT REFINANCING?

There has been no noticeable change in broker observations of refinancing requests since the plunge recorded over summer.



Mortgage Advisors' Comments

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

- Things have picked up a little since last month - more enquiries across the board but still low volume - similar to this time last year.
- Banks are more wary of property developer incentives e.g. "pay your mortgage for a year", "Appliance package", "gift" and discounting this off the purchase price for LVR calculation purposes.
- Banks are loosening up on criteria and have a faster turn around on applications/eager to lend. Also more property investors in the market from 1 month ago. Apartment buyers in Tauranga are spoilt for choice. Properties in the FHB price bracket are selling fast.
- People appear to "waiting" for the election. Often, we are getting same day approvals which highlights how thin application levels are.
- After a slightly quieter couple of months, enquiry levels are certainly higher. Some M&D investors looking to buy b4 the election in case the brightline changes.

- Very few incoming leads, explained by looming election, sluggish house prices (and reducing equity), rising interest rates, global uncertainty.
- I've had a pickup in enquiry, so a bit busier than usual; however, the whole year has been pretty slow.
- Market in Wellington is still weak. First home buyers' paradise.
- Banks have capacity and keen to make a deal work, buyers are cautious with low confidence and urgency.
- Overall, an increase in pre-approval enquiry. The concern is that there is little urgency to buy. Everyone is standing back. For movers this is quite problematic as they can't buy until they sell. So, I might just end up with a bunch of stale pre-approvals. Turnaround times ok, in fact some banks are coming back within 24 hours on easy deals. Huge timing variance between lenders.
- Lenders seem very keen to approve funds. Workshopping to make approvals work.
- Heck - where did all the usual level of enquiries disappear too ? A marked slowdown in new enquiry over the last month across the board off an already slower pace. Bank turnaround times very good indicating a wider step down in activity levels is underway.
- First home buyers are getting little savvier and learning to negotiate
- Investors are returning selectively rather than in the highly leveraged way seen in earlier cycles. The strongest activity is coming from investors with equity, stable cash flow and a long-term view. There is continued interest in well-located rental homes, but we are also seeing attention shift toward industrial and warehouse assets where there is a quality tenant, sound lease structure and reliable income.
- Quiet market. Everyone seems to be in holding pattern. Election, employment risk, market - house price and interest rates. All feeling a bit unknown.

ISSN: 2744-5194

This publication is written by Tony Alexander, independent economist.
Subscribe here https://forms.gle/qW9avCbaSiKcTnBQA
To enquire about having me in as a speaker or for a webinar contact me at tony@tonyalexander.nz
Back issues at https://tonyalexander.nz

Tony's Aim

To help Kiwis make better decisions for their businesses, investments, home purchases, and people by writing about the economy in an easy to understand manner.

Feel free to pass on to friends and clients wanting independent economic commentary.