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&

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MORTGAGE ADVISERS SURVEY

April 2026

Market quietens down amidst Middle East concerns

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 41 responses.

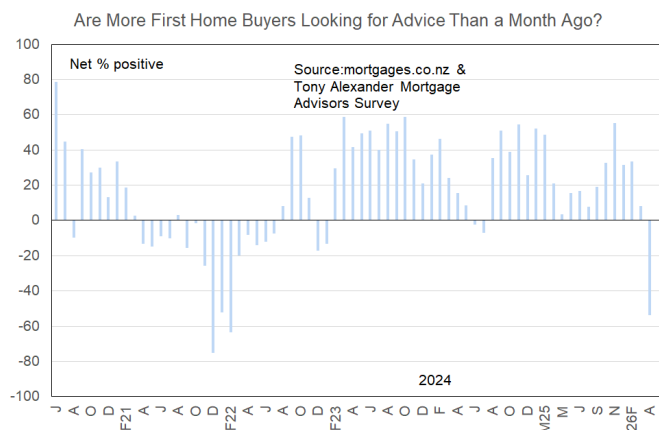
The main themes to come through from the statistical and anecdotal responses include the following.

- Many first home buyers and investors have pulled back from considering a property purchase for the moment.
- Borrowers strongly favour fixing their mortgage interest rate for two years.
- Banks are viewed as still highly willing to lend.

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

A net 54% of brokers this month have reported that they are seeing fewer enquiries for finance from first home buyers. This is a substantial turnaround from the net 8% last month seeing more such people and especially the firm net 33% in early-February reporting more enquiry.

This decline is consistent with the strong changes in other survey readings showing a big pullback in people's plans for undertaking almost all sorts of expenditure.



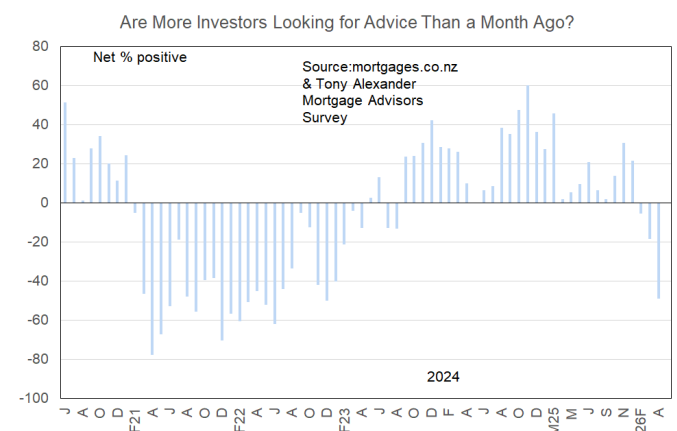
Comments on bank lending to first home buyers submitted by advisors include the following.

- Increase in test rates but this is for all applications.
- No change here. If they have a 20% deposit and incomes to support the new lending, then all of the banks are prepared to provide approvals.

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

As just reported for first home buyers there has also been a firm decline in broker observations of investor property demand. A net 49% of advisors have reported seeing fewer investors compared with a net 18% reporting a decline last month.

Early in November last year a firm net 31% of brokers said that more investors were entering the market making finance enquiries.



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

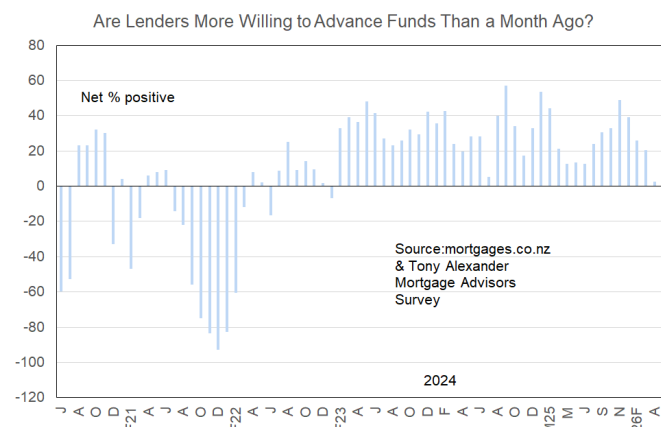
- One main bank offering 85% LVR again.
- DTI rules getting tighter.
- Making it easier for Low Investor LVR.

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

Only a net 2% of mortgage advisors this month have reported that banks are becoming more willing to advance funds. This is down from a net 20% saying this last month and a peak of a net 49% in November reporting easing lending conditions.

Nonetheless, the reading remains positive and stands out as so in comparison with the sharp declines in broker reporting of first time and investor buyers.

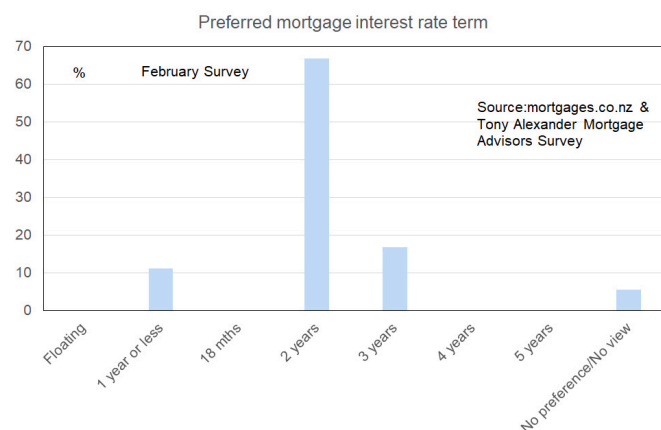
This tells us that there is no credit crunch underway as a result of the new disturbance to the country's economic outlook from the developments in the Middle East.



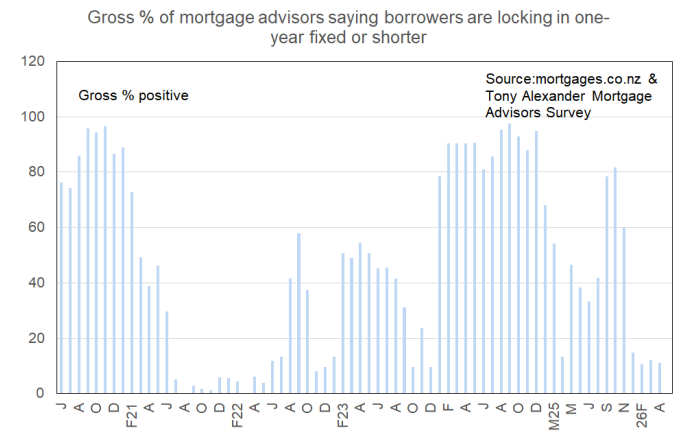
WHAT TIME PERIOD ARE MOST PEOPLE LOOKING AT FIXING THEIR INTEREST RATE?

Almost 67% of brokers have reported that the term most favoured by borrowers is two years fixed. There is some mild interest in fixing three years which is greater than people's desires to fix for just one year.

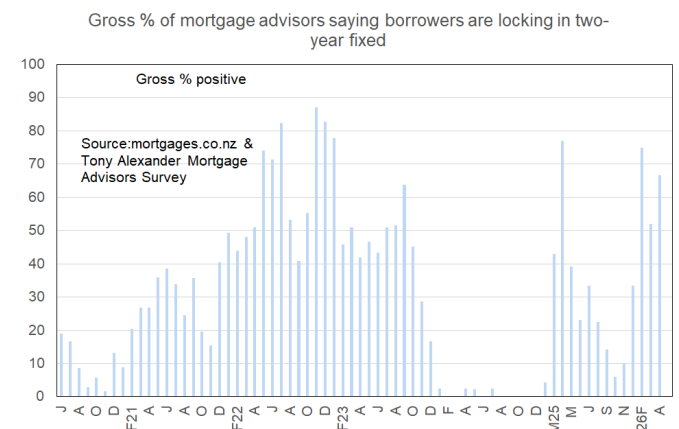
It is likely that the recent hike in expectations for tighter monetary policy to fight extra inflation from surging energy prices helps account for the limited interest in the previously higher favoured one year term.



Demand for one year fixed rates has been weak for four months now.

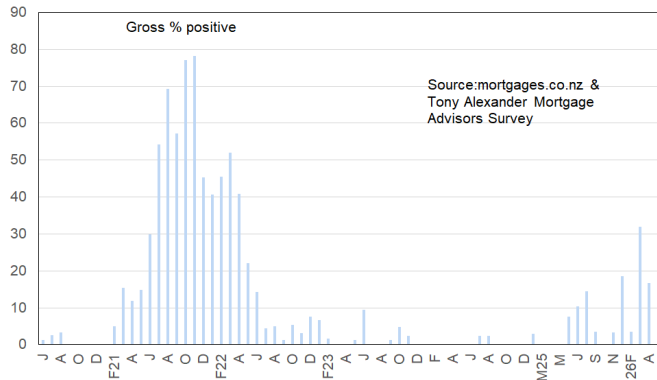


The preference for fixing two years has been strong since December.



Since June last year there has been some mild interest from borrowers in fixing their mortgage interest rate for three years. But that level of interest is well away from the strong preference for this term shown over 2021 when mortgage rates were at record lows.

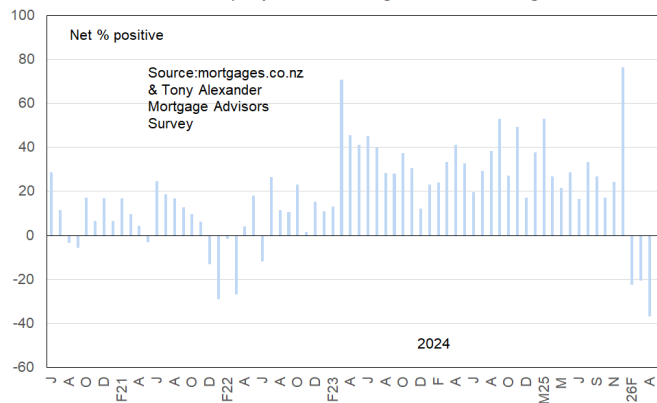
Gross % of mortgage advisors saying borrowers are locking in three-year fixed



ARE MORE PROPERTY OWNERS ASKING ABOUT REFINANCING?

For three months now mortgage advisors have reported seeing fewer people making inquiries about refinancing their mortgage. This may reflect the pullback by banks in competing for business with generous cashback dels.

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.

- Been extremely busy since July last year with first home buyers, investors, refinancing etc. Has slowed significantly in the past 2-3 weeks thanks to the conflict in Iran.
- There has been a drop of activity since the war started.
- Test rates are rising.

- I'm finding that enquires have really slowed down across all areas, customers are nervous about what's happening in the world and are sitting and waiting. I have had a couple of people decide they are holding off buying for now.
- Market feels a little quieter this last couple of weeks. A bit of uncertainty with this Iran/Trump business, cost of living - gas now included, everyone is a bit shy on making decisions. Feel like it's going to be a bit of a waiting game. Nervous rates are going to increase as well and a little hope from some that property prices might decrease.
- Huge uncertainty on interest rates, lots of clients taking the opportunity to break and refix for 3-5 years. Had a rush of buyers in March/April, seems to be quietening down.
- Two first home buyers have outlined their concern about what is happening around the world and are considering holding off buying at this time.
- Currently I have a number of preapprovals and clients are choosing not to use them in this current environment. Cost of living, fuel, Iran have all impacted on my business in enquiry level over the past two weeks. School holidays also go a little quieter than normal.
- After what has been a busy start to the year the enquiry has dropped off a little, but pre-approved buyers and still active securing home purchases now.
- Phone has been quieter. Have had a few appointments cancelled/postponed due to current conflict and fuel prices. Real estate agents I have spoken to are finding buyers very slow to make any decisions and with plenty of listing they are more particular about what they make offers on. Have seen an increase in people selling to upgrade/upsized.

ISSN: 2744-5194

This publication is written by Tony Alexander, independent economist.

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