/Monthly Market Report

The New Zealand property market spent much of May behaving like a teenager being asked to unload the dishwasher. Plenty of movement, plenty of noise, but not always a great deal of action.

The latest figures suggest buyers are still very much engaged. Realestate.co.nz reported national average asking prices reached a record high in May, while buyer enquiries remained stronger than this time last year. Trade Me Property also recorded increased demand across several regions, particularly in provincial markets where affordability remains attractive. Yet despite the healthy levels of interest, sales volumes continue to reflect a market where buyers are taking their time.

Tony Alexander has repeatedly highlighted that confidence remains fragile. Potential purchasers are balancing falling mortgage rates against concerns about inflation, fuel prices, global instability and what may lie ahead for interest rates later this year. The result is a market where buyers are active, informed and engaged, but rarely in a hurry.

For sellers, that creates an interesting dynamic. Well-presented and realistically priced properties are attracting attention and generating competition. Properties that miss the mark on price, presentation or both are finding buyers increasingly willing to move on to the next option.

Closer to home, the Thames-Coromandel and wider Waikato markets continue to reflect this trend. Listing levels remain healthy, giving purchasers more choice than they have enjoyed for several years. While this creates competition between vendors, it also provides confidence for buyers who know there are alternatives available should negotiations stall.

Across much of the Coromandel, enquiry levels remain variable from week to week. Online viewing numbers continue to hold up well, but many buyers appear content to sit on the sidelines while they monitor interest rates, inflation and the approaching election. Open homes can be busy one weekend and surprisingly quiet the next, making the market difficult to predict from one week to the next.

The good news is that demand has not disappeared. Local purchasers, Auckland buyers and holiday home seekers are still active, particularly where properties offer strong value relative to competing destinations. Buyers are simply approaching decisions with more caution than urgency.

If there is a theme emerging as we head into winter, it is that the market remains remarkably selective. Buyers are still buying, but they are comparing more properties, conducting more due diligence and negotiating harder than they have for some time. In that environment, accurate pricing and realistic expectations remain just as important as location.

Perhaps the most noticeable feature of the current market is that buyers have rediscovered the concept of thinking before purchasing. Sellers may find this mildly inconvenient, but it is a marked improvement on the days when people were buying houses after a ten-minute open home and a quick glance at the LIM.