BAYLEYS | Insights & Data

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ELECTION IMPACT? MARKET HOLDING STEADY SO FAR...

Talk of an "election slowdown" in the housing market comes up in almost every election year. It is often treated as a given, but the data for 2026 so far suggests the market is likely to remain reasonably steady and largely shrug off the election.

To test for an election effect, we compared sales activity in the election quarter ("E") and the prior quarter ("E-1") against the same quarters in the year before and after. Past cycles show no consistent pattern. Some years saw no impact, such as 2020 and 2023, while others saw a noticeable slowdown, such as 2014 and 2017 when housing affordability was a prominent campaign issue.

The data for 2026 so far points to a minor impact. Sales activity in the first half of the year was broadly comparable with 2025, even despite the market seeing hesitation earlier in the year due to the Middle East conflict and oil shock. Sales activity for July and August was a bit softer, although at the same time we have seen some very highly contested auctions.

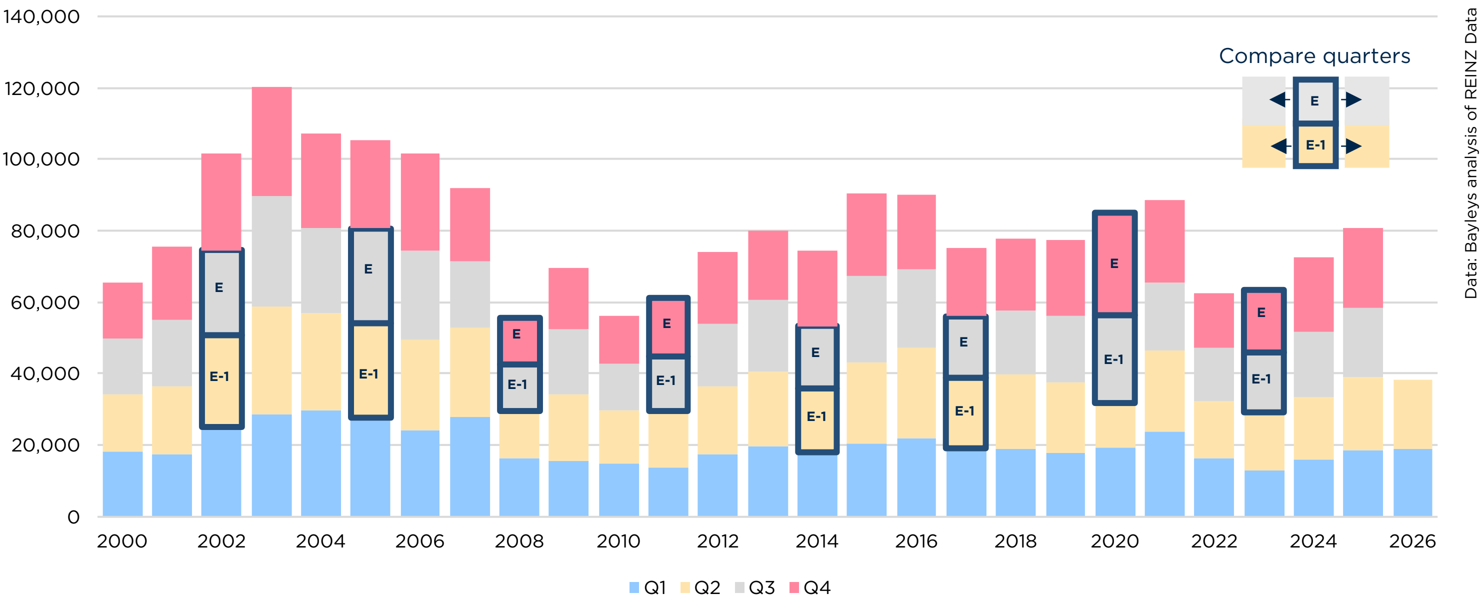
Politically, housing affordability has been largely absent from this year's campaigning, with debate focused instead on cost of living, economic management and approach to taxation.

Tax policy has the clearest overlap with the housing market, though even here debate has largely steered clear of the family home. Most proposals for change are isolated to parts of the market like rental housing. That said, there is reason to be sceptical of changes, having seen interest deductibility removed by one government and then reinstated by the next government.

On the evidence so far, the market looks set to hold reasonably steady through the election and there is little reason to alter plans. This year's election effect is likely to be subtle and set alongside other factors like interest rate movements. Rather than trying to time around it, larger gains will be had by focusing on the things that make a bigger difference: effective marketing, smart pricing strategy, and dedicated salespeople.

Number of house sales (quarterly): New Zealand

E denotes the quarter where an Election occurred. E-1 is the quarter immediately before.



What the parties are proposing

Key property policies announced for the 2026 General Election

Party	Property taxes	Housing supply and development	Rental and affordability
National	No new property taxes.	Zone land for 30 years of housing demand and reduce regulatory red tape.	Expand access to 5% deposit First Home Loans by lifting the income cap to $300,000.
Labour	Capital gains tax on residential investment and commercial property, but excluding family home, lifestyle blocks and farms.	No major announcements so far.	No major announcements so far.
Green Party	2.5% wealth tax above specified net-asset thresholds but excluding the family home.	Build 35,000 public homes over five years.	Cap annual rent increases at 2%, end no-cause evictions, and introduce rental warrant of fitness.
Act	General policy of no new taxes.	Replace the RMA with a property-rights-based system and reduce barriers to building.	No major announcements so far.
NZ First	No major announcements so far.	No major announcements so far.	No major announcements so far.
Te Pāti Māori	Stop property speculation and land-banking.	Make it easier to build on Māori and ancestral land.	Build and support more public and affordable homes
Opportunity Party	Annual land value tax on urban land and 0.50% on rural land (exemptions for specified land categories)	No major announcements so far.	Retain housing support alongside the proposed Citizen's Income.

Data: Bayleys summary of parties announcements through to 7 September 2026. Announcements have been summarised and simplified for ease of reporting. Please refer to each party's releases for full details of their policies. Order of parties is based on the 2023 General Election result, plus the addition to The Opportunity Party given their growth in polling results.

What our experts are saying

"Sales activity through the first half of 2026 shows the market has been broadly in line with last year. So far, we haven't seen an election slowdown."

Eos Li CFA
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"This year we might actually see an election bounce. Buyers who hesitated during the oil shock early in the year are still out there, and that pent-up demand could start clearing through."

Chris Farhi MRICS
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"Buyers and sellers can always find a reason to pause. Waiting for the perfect moment often means missing opportunities that are already there."

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