



Talk of an “election slowdown” in the housing market comes up in almost every election year. It is often treated as a given, but when we looked at the historic sales data, the evidence was much less clear-cut than the market narrative suggests.

To test the idea, we split sales activity into quarterly periods and compared the election quarter (“E”) with the same quarter in the year before and the year after. We also looked at the quarter before the Election quarter (“E-1”) on the basis that any effect may begin to show as campaigning starts to build.

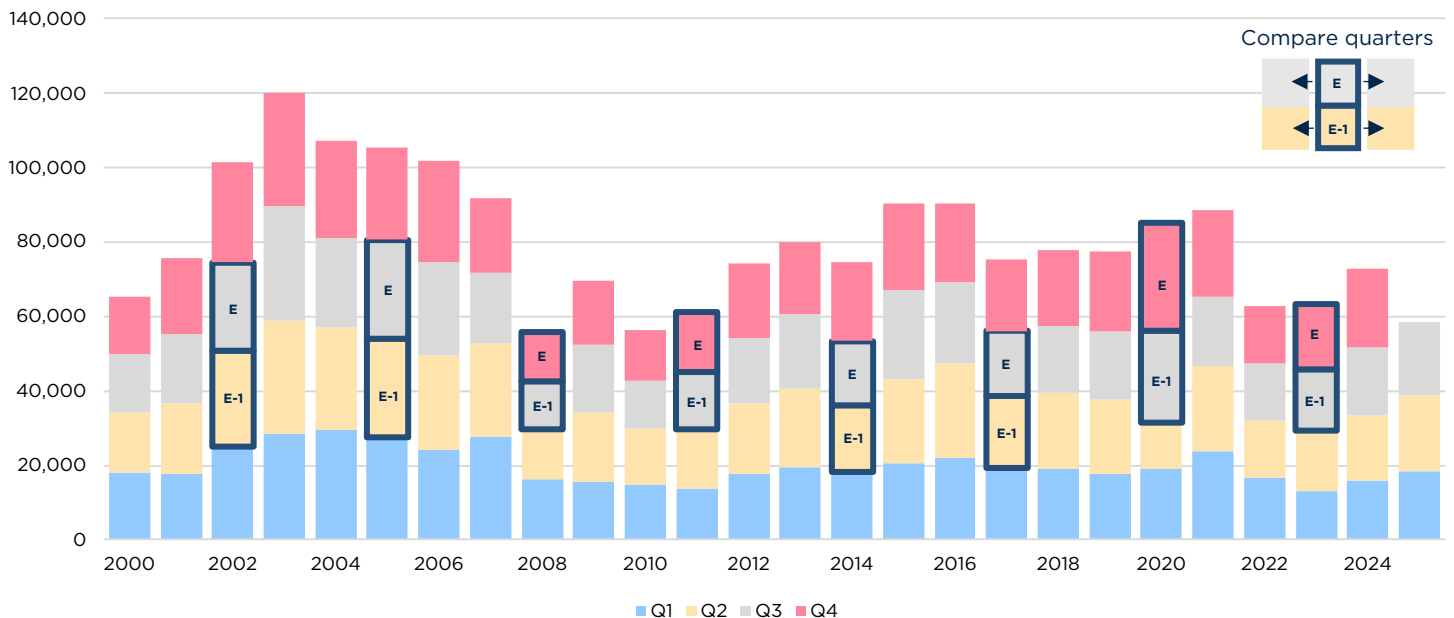
What we found was a mixed picture. Across past election cycles, there is no single pattern. Some elections were linked with higher sales activity, some showed little change, and others were softer.

A common thread appears to be how prominent housing was in the political debate. In elections such as 2014 and 2017, housing affordability and property-related policies were more visible, and activity was slower. In other periods, including 2023, property issues were less contentious and the market continued without any material impact.

At this stage, our view is the 2026 Election is likely to have no more than minor impact on the housing market. Housing affordability is currently a less heated political issue due to prices and rents being relatively stable. Although capital gains tax may be debated, we expect that discussion to be fairly contained and less likely to unsettle the broader market. Far more important in 2026 will be the direction of interest rates, which have been the dominant force shaping housing activity over the past two years.

Number of house sales (quarterly): New Zealand

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



Data: Bayleys analysis of REINZ data

What the data shows

Analysis of sales volumes: New Zealand

	Quarter before Election	Quarter of Election	Comments
Year	Sales % for E-1	Sales % for E	
2002	105%	96%	
2005	100%	109%	
2008	71%	70%	Global Financial Crisis was in early phase with market downturn underway.
2011	101%	98%	
2014	82%	78%	Policy debate included capital gains tax.
2017	85%	87%	Policy debate included bright line test and foreign buyer ban.
2020	132%	130%	Low interest rates during COVID-19 caused market to boom.
2023	100%	96%	

Technical notes:

Bayleys analysis of REINZ data.

Sales % calculation is $E/\text{average}(D,F)$ where:

- E is the number of sales in the quarter of the Election.
- D is the number of sales in the same quarter the prior year.
- F is the number of sales in the same quarter in the following year.

Same calculations apply for E-1 being the quarter before the Election quarter.

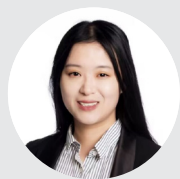
Normal is defined as 95% to 105%.

Legend:

Weaker activity	Normal activity	Stronger activity
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What our experts are saying

“Our analysis shows there is no consistent ‘election effect’ on housing market turnover. The bigger factor is whether housing policy becomes a major part of the political debate.”



Eos Li CFA

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“Marketing will come into focus if buyers become cautious around the Election. Solid preparation and strong marketing will set your property apart.”



James Phelan

National Marketing Manager – Residential
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“If you genuinely want to transact, it is better to be in the market than sitting on the sidelines. There are always serious buyers out there.”



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