



## NZ property values return to growth in February

Property values in Aotearoa New Zealand rose by +0.3% in February, the clearest sign yet that 2024's 'mini downturn' has come to an end and that 2025 will likely see modest growth.

After a cumulative -4.1% decline over March to September last year, the **CoreLogic Home Value Index (HVI)** recorded modest movements from October to January. This month's result marks the strongest rise since a +0.5% gain back in January last year.

The median national value now stands at \$807,164, which is down -16.9% from the record highs in late 2021 and early 2022, but +17.1% above the pre-COVID figure of \$689,353 in March 2020.

Around the main centres, February marked a stronger month despite a -0.2% drop in Tauranga, with Ōtautahi Christchurch and Ōtepoti Dunedin both seeing increases of +0.6%, and Kirikiriroa Hamilton at +0.5%. Tāmaki Makaurau Auckland had +0.3%. Te Whanganui-a-Tara Wellington saw a +0.1% rise – a modest increase, but still quite a marked change from the average falls of -0.7% in the prior 11 months.

**CoreLogic NZ Chief Property Economist Kelvin Davidson** said the modest growth was expected given earlier signs about a return to growth. "The rise of 0.3% in the national median property value is fairly modest by past standards but nevertheless represents the first meaningful increase for more than a year," he said.

"It was always likely that the property value falls in 2024 would come to an end at some stage in early 2025, given the extent of interest rate cuts since July or August last year."

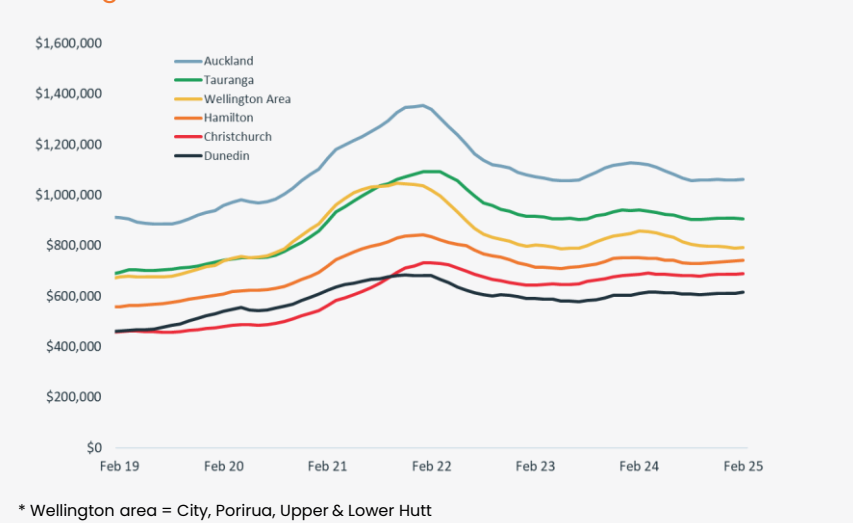
He said the overall growth figure was masking local variability. "While some markets have clearly turned a corner, there's still variability, with Tauranga edging lower in February."

"While the early signs of renewed growth for property values will be welcomed by many, the good vibes won't be universal."

"After all, there's always two sides to the coin when it comes to house prices, and aspiring buyers would no doubt be happier if they were flat or falling."

"That said, with listings still abundant and debt to income ratio limits set to be a restraint if and when banks' serviceability test rates fall further, a rampant boom in property values in 2025 seems unlikely."

CoreLogic HVI – Main Centres



### Index results for February 2025 – national and main centres

|                                 | Month       | Quarter     | Annual       | From post-COVID peak | From 2024 mini peak | From pre-COVID levels | Median value     |
|---------------------------------|-------------|-------------|--------------|----------------------|---------------------|-----------------------|------------------|
| <b>Aotearoa New Zealand</b>     | <b>0.3%</b> | <b>0.1%</b> | <b>-3.8%</b> | <b>-16.9%</b>        | <b>-3.8%</b>        | <b>17.1%</b>          | <b>\$807,164</b> |
| Tāmaki Makaurau Auckland        | 0.3%        | 0.0%        | -5.7%        | -21.6%               | -5.9%               | 9.2%                  | \$1,062,680      |
| Kirikiriroa Hamilton            | 0.5%        | 1.0%        | -1.4%        | -11.8%               | -1.4%               | 20.3%                 | \$742,670        |
| Tauranga                        | -0.2%       | -0.3%       | -3.7%        | -17.0%               | -3.7%               | 21.3%                 | \$907,034        |
| Te-Whanganui-a-Tara Wellington* | 0.1%        | -0.6%       | -7.7%        | -24.4%               | -7.7%               | 5.7%                  | \$791,879        |
| Ōtautahi Christchurch           | 0.6%        | 0.6%        | 0.5%         | -5.8%                | -0.1%               | 42.4%                 | \$690,364        |
| Ōtepoti Dunedin                 | 0.6%        | 0.9%        | 0.7%         | -9.8%                | 0.0%                | 12.3%                 | \$616,031        |

## Tāmaki Makaurau Auckland

The general re-emergence of rising property values in February was replicated across almost all of Tamaki Makaurau, with Franklin and Auckland City both recording gains of 0.5%, and North Shore 0.3%. Rodney, Waitakere, and Papakura all had a modest rise of 0.1%, although Manukau edged down by the same figure.

Over a slightly longer three-month horizon, some areas have still seen modest falls (e.g. 0.3% in Waitakere and 0.2% in Manukau), but those figures also seem likely to turn positive again in the near term.

Mr. Davidson commented: “The sentiment on the ground across Auckland has been more positive of late, and February shows this has been translating into the hard data. Elevated stock levels may mean any further near-term growth for property values remains muted, but the soft patch does now seem to be behind us.”

|                               | Month | Quarter | Annual | From post-COVID peak | From 2024 mini peak | From pre-COVID levels | Median value |
|-------------------------------|-------|---------|--------|----------------------|---------------------|-----------------------|--------------|
| Rodney                        | 0.1%  | -0.1%   | -5.8%  | -20.4%               | -5.8%               | 15.9%                 | \$1,191,524  |
| Te Raki Paewhenua North Shore | 0.3%  | 0.0%    | -2.9%  | -17.7%               | -3.2%               | 10.6%                 | \$1,296,321  |
| Waitakere                     | 0.1%  | -0.3%   | -4.7%  | -23.6%               | -4.9%               | 7.6%                  | \$930,474    |
| Auckland City                 | 0.5%  | 0.2%    | -7.1%  | -22.2%               | -7.1%               | 5.3%                  | \$1,143,162  |
| Manukau                       | -0.1% | -0.2%   | -6.2%  | -23.1%               | -6.6%               | 11.8%                 | \$984,464    |
| Papakura                      | 0.1%  | 0.1%    | -5.8%  | -22.8%               | -6.9%               | 13.4%                 | \$839,477    |
| Franklin                      | 0.5%  | 0.7%    | -3.5%  | -21.2%               | -4.0%               | 18.5%                 | \$941,108    |

## Te Whanganui-a-Tara Wellington

The wider Te Whanganui-a-Tara Wellington area also bucked its recent weak trend in February, with Porirua and Wellington City holding steady, and Kapiti Coast, Lower Hutt, and Upper Hutt all increasing.

Wellington City remains 1.1% lower than it was three months ago, but the other areas have broadly stabilised, at +/-0.1% change compared to November.

“Wellington still faces some economic challenges in the near term, given the restraint on public sector expenditure. But housing affordability across the capital is far less stretched than it was 2-3 years ago, which is likely to have played a role in helping bring some buyers back to the table in February.”

|                                   | Month | Quarter | Annual | From post-COVID peak | From 2024 mini peak | From pre-COVID levels | Median value |
|-----------------------------------|-------|---------|--------|----------------------|---------------------|-----------------------|--------------|
| Kāpiti Coast                      | 0.3%  | -0.1%   | -4.4%  | -21.2%               | -5.8%               | 14.5%                 | \$831,105    |
| Porirua                           | 0.0%  | 0.1%    | -3.9%  | -21.8%               | -3.9%               | 12.0%                 | \$754,882    |
| Te Awa Kairangi ki Uta Upper Hutt | 0.5%  | 0.1%    | -4.9%  | -22.9%               | -5.3%               | 9.0%                  | \$733,277    |
| Te Awa Kairangi ki Tai Lower Hutt | 0.4%  | -0.1%   | -6.6%  | -25.2%               | -6.7%               | 8.2%                  | \$689,718    |
| Wellington City                   | 0.0%  | -1.1%   | -9.3%  | -24.9%               | -9.3%               | 3.0%                  | \$877,792    |

## Regional results

Property values across the regional areas were a little patchy in February – a reminder that even though the general trend now seems to have turned, not everything will move at the same speed or direction from month to month.

Indeed, Whanganui’s property values dropped by 0.6% in February, with Hastings down by 0.4%, and Whangarei and Palmerston North both also edging lower. Yet other markets recorded solid increases, including 0.5% in Gisborne, 0.8% in Queenstown, and 0.9% in Invercargill.

“In the current environment where listings are higher than normal in many parts of the country, this variability is to be expected. Lower mortgage rates will tend to ‘float all ‘boats’, so the outlook for a modest recovery in values this year is likely to be replicated across regional markets too,” added Mr. Davidson.

|                              | Month | Quarter | Annual | From post-COVID peak | From 2024 mini peak | From pre-COVID levels | Median value |
|------------------------------|-------|---------|--------|----------------------|---------------------|-----------------------|--------------|
| Ahuriri Napier               | 0.4%  | 1.1%    | -3.1%  | -18.8%               | -3.3%               | 14.9%                 | \$694,223    |
| Te Papaioea Palmerston North | -0.1% | -0.4%   | -3.5%  | -18.8%               | -3.5%               | 15.5%                 | \$600,339    |
| Heretaunga Hastings          | -0.4% | -1.1%   | -4.9%  | -19.8%               | -6.0%               | 20.6%                 | \$699,017    |
| Whangārei                    | -0.2% | 0.3%    | -3.8%  | -19.5%               | -4.3%               | 14.7%                 | \$719,511    |
| Whanganui                    | -0.6% | -1.1%   | 0.9%   | -13.9%               | -2.4%               | 28.0%                 | \$481,826    |
| Rotorua                      | 0.1%  | 0.2%    | 0.9%   | -11.9%               | 0.0%                | 24.7%                 | \$620,228    |
| Tūranganui-a-Kiwa Gisborne   | 0.5%  | -0.7%   | -9.2%  | -18.5%               | -9.2%               | 22.8%                 | \$585,053    |
| Whakatū Nelson               | 0.4%  | 0.6%    | 0.7%   | -11.0%               | 0.0%                | 16.4%                 | \$736,361    |
| Ngāmotu New Plymouth         | 0.3%  | 1.0%    | -0.4%  | -0.5%                | -0.5%               | 48.9%                 | \$699,505    |
| Waihōpai Invercargill        | 0.9%  | 0.3%    | 2.6%   | -1.9%                | 0.0%                | 28.9%                 | \$474,192    |
| Tāhuna Queenstown            | 0.8%  | 0.7%    | 5.1%   | -2.4%                | 0.0%                | 35.3%                 | \$1,572,608  |

## Property market outlook

Looking ahead, Mr Davidson noted that property values may not necessarily maintain positive growth every month in all areas – especially with the stock of listings on the market at multi-year highs.

“However, conditions do now seem in favour of gradually rising values over the medium term, with mortgage rates having fallen, alongside better news from the underlying economy and labour market.”

“We’ve already seen that mortgaged investors are eyeing up the property market again after a few quieter years in 2022 and 2023.”

“Mortgage interest deductibility returning to 100% from 1st April will be a consideration, while the falls in interest rates themselves are likely to have been the dominant factor – reducing those cashflow top-ups that are typically required out of other income.”

“In a busier overall market, however, we still anticipate first home buyers having plenty of opportunities to get on the ladder – especially with values still considerably lower than the post-COVID peak in many parts of the country.”

“A more liquid and faster-moving market may also help existing owner-occupiers to get their house sold and allow them to press ahead with the next purchase too.”

“All in all, there are likely to be more property sales in 2025 than 2024, with values rising. But there are also enough reasons out there to think this upturn will be more muted than in the past,” he concluded.

For more property market news and insights: [www.corelogic.co.nz/news-research](http://www.corelogic.co.nz/news-research)

CoreLogic is the largest independent provider of property information, analytics and property-related risk management services in Australia and New Zealand.

### Methodology

The CoreLogic Hedonic Home Value Index (HVI) is calculated using a hedonic regression methodology that addresses the issue of compositional bias associated with median price and other measures. In simple terms, the index is calculated using recent sales data combined with information about the attributes of individual properties such as the number of bedrooms and bathrooms, land area and geographical context of the dwelling. By separating each property into its various formational and locational attributes, observed sales values for each property can be distinguished between those attributed to the property’s attributes and those resulting from changes in the underlying residential property market. Additionally, by understanding the value associated with each attribute of a given property, this methodology can be used to estimate the value of dwellings with known characteristics for which there is no recent sales price by observing the characteristics and sales prices of other dwellings which have recently transacted. It then follows that changes in the market value of the entire residential property stock can be accurately tracked through time.

The detailed ‘frequently asked questions’ and methodological information can be found at: <https://www.corelogic.co.nz/our-data/hedonic-index>

CoreLogic is able to produce a consistently accurate and robust Hedonic Index due to its extensive property related database, which includes transaction data for every home sale in every region and territorial authority. CoreLogic augments this data with recent sales advice from real estate industry professionals, listings information and attribute data collected from a variety of sources.

The results can be shown in index form and as a median dollar value. The median value is the middle estimated value of all residential properties derived through the hedonic regression methodology that underlies the CoreLogic Hedonic Home Value Index.