

NZ Home Value Index

Regional resilience but weaker main centres in May

Property values in Aotearoa New Zealand edged down by -0.1% in May and remain -1.6% below a year ago.

The latest slight fall in values on the Cotality hedonic Home Value Index comes after some previous months of modest gains, with the national median now at \$818,132. That remains 16.3% below the January 2022 peak.

Values were patchy around the main centres in May, with Kirikiriroa Hamilton inching up by +0.1%, but Ōtepoti Dunedin and Tauranga both edging down by -0.1%. Tāmaki Makaurau Auckland dipped by -0.3%, Te Whanganui-a-Tara Wellington by -0.4%, and after a period of resilience, Ōtautahi Christchurch fell by -0.8%.

Cotality NZ (formerly CoreLogic) Chief Property Economist Kelvin Davidson said May's figures were a reminder that any emerging housing upturn could well remain slow and variable for the time-being, both from month to month and across regions.

"Lower mortgage rates are clearly going to be bolstering households' confidence as well as their wallets, and there were signs of higher loan-to-value and debt-to-income ratio lending activity in the latest Reserve Bank figures."

"But it's not one-way traffic. After all, housing isn't necessarily affordable in absolute terms, while the economy and labour market remain subdued too. Indeed, filled jobs edged lower again in April. These are certainly restraints on buyers' willingness to push ahead with property deals or to pay higher prices."

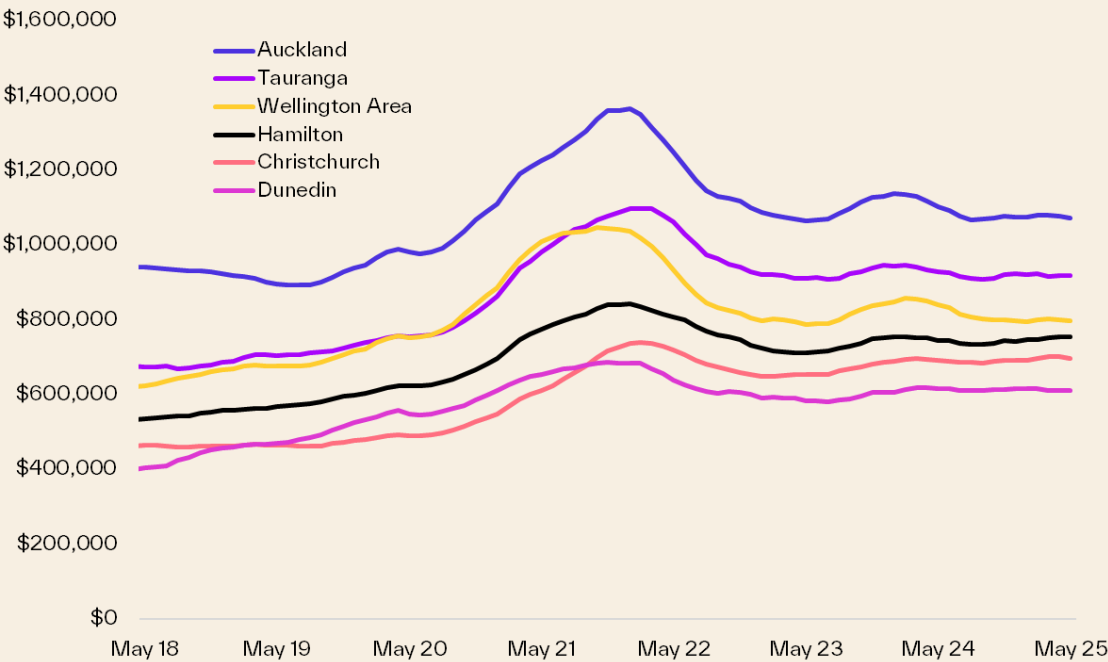
"May's drop in values at the national level was fairly trivial and could be reversed next month. But anybody who was anticipating a sharp or widespread increase in property values as we got further into 2025 continues to be disappointed."

Region	Change in dwelling values				
	Month	Quarter	Annual	From peak	Median value
Tāmaki Makaurau Auckland	-0.3%	-0.6%	-2.7%	-21.4%	\$1,073,222
Kirikiriroa Hamilton	0.1%	1.0%	1.4%	-10.5%	\$754,800
Tauranga	-0.1%	-0.5%	-1.0%	-16.3%	\$918,320
Te-Whanganui-a-Tara Wellington*	-0.4%	-0.2%	-5.2%	-23.9%	\$797,126
Ōtautahi Christchurch	-0.8%	-0.2%	0.6%	-6.0%	\$695,117
Ōtepoti Dunedin	-0.1%	-0.8%	-0.9%	-10.9%	\$610,669
Aotearoa New Zealand	-0.1%	-0.1%	-1.6%	-16.3%	\$818,132

* The Wellington area includes Wellington City, Porirua, Upper Hutt, and Lower Hutt

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Main Centre median dwelling values over time



Tāmaki Makaurau Auckland

May was a patchy month for the various sub-markets across Tāmaki Makaurau Auckland, with Rodney recording a +0.4% rise, Franklin up by +0.2%, and Waitakere holding steady. But Auckland City and Manukau both fell by -0.3%, with Papakura (-0.6%) and North Shore (-1.0%) registering even larger drops.

Franklin and Rodney remain higher than three months ago, but the rest of Auckland’s sub-markets have seen values drop since February (albeit only -0.1% in Manukau).

Mr Davidson said, “Auckland is a pretty good example of the wider forces that are playing out across the housing market at present. In an environment where lower interest rates are being counteracted by other restraints, the trends for property values remain inconsistent across various time periods and locations.”

Region	Change in dwelling values				
	Month	Quarter	Annual	From peak	Median value
Rodney	0.4%	0.5%	-2.5%	-19.6%	\$1,227,830
Te Raki Paewhenua North Shore	-1.0%	-1.6%	-1.4%	-18.4%	\$1,283,925
Waitakere	0.0%	-0.6%	-1.7%	-23.3%	\$940,295
Auckland City	-0.3%	-0.9%	-4.0%	-22.2%	\$1,149,279
Manukau	-0.3%	-0.1%	-2.6%	-22.6%	\$1,000,134
Papakura	-0.6%	-0.8%	-1.8%	-22.0%	\$840,185
Franklin	0.2%	1.3%	0.1%	-19.3%	\$969,887
Tāmaki Makaurau Auckland	-0.3%	-0.6%	-2.7%	-21.4%	\$1,073,222

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Te Whanganui-a-Tara Wellington

The wider Te Whanganui-a-Tara Wellington area is another market showing inconsistent growth patterns for property values.

Lower Hutt scraped in with a small increase in May, but Upper Hutt edged down, as did Kapiti Coast and Porirua. Wellington City itself recorded a -0.7% drop in May, with values in the capital still -0.8% down from February too.

“As we’ve been suggesting for a while now, the really sharp falls in Wellington property values seem to have petered out, but that doesn’t mean a fresh boom lies in store. Indeed, economic confidence remains soft, and as with many other parts of the country, available listings are high, which means buyers aren’t in a rush to compete or bid up prices sharply,” said Mr Davidson.

Region	Change in dwelling values				
	Month	Quarter	Annual	From peak	Median value
Kāpiti Coast	-0.2%	0.3%	-2.8%	-19.5%	\$827,671
Porirua	-0.3%	0.7%	-1.6%	-21.9%	\$767,059
Te Awa Kairangi ki Uta Upper Hutt	-0.1%	-0.1%	-5.2%	-23.4%	\$725,456
Te Awa Kairangi ki Tai Lower Hutt	0.1%	0.9%	-3.6%	-23.8%	\$699,921
Wellington City	-0.7%	-0.8%	-6.5%	-24.4%	\$882,876
Te-Whanganui-a-Tara Wellington	-0.4%	-0.2%	-5.2%	-23.9%	\$797,126

Regional results

Compared to the main centres, property values were generally a little more resilient around the provincial markets in May, with Queenstown rising by +1.2% (reversing modest declines in March and April), Invercargill by +0.5%, with Rotorua, New Plymouth, and Hastings also increasing. Most other regional centres were either flat or down only slightly.

“May saw a mild divergence in property performance when you look at the main centres versus regional areas, with better affordability always a support for the provinces to some degree. But with the underlying economy still relatively subdued, it’s certainly still much too early to suggest that property values in regional NZ are about to pull away,” added Mr Davidson.

Region	Change in dwelling values				
	Month	Quarter	Annual	From peak	Median value
Ahuriri Napier	-0.1%	0.6%	0.4%	-17.1%	\$734,776
Te Papaioea Palmerston North	0.0%	-0.8%	-2.7%	-18.8%	\$599,978
Heretaunga Hastings	0.2%	0.1%	-0.6%	-17.8%	\$704,405
Whangārei	-0.1%	-0.2%	-1.2%	-18.1%	\$733,421
Whanganui	-0.1%	0.2%	0.4%	-11.8%	\$487,940
Rotorua	0.3%	0.9%	2.1%	-11.2%	\$630,148
Tūranganui-a-Kiwa Gisborne	-0.2%	1.8%	-3.6%	-16.5%	\$598,246
Whakatū Nelson	-0.1%	-0.7%	3.0%	-11.8%	\$727,169
Ngāmotu New Plymouth	0.2%	0.4%	1.6%	0.0%	\$704,752
Waihōpai Invercargill	0.5%	1.5%	4.2%	0.0%	\$490,333
Tāhuna Queenstown	1.2%	0.1%	2.4%	-2.7%	\$1,694,923

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Property market outlook

Looking ahead, Mr Davidson noted that 2025 still seems likely to be ‘the year of conflicting forces’ in the housing market, with factors such as lower interest rates bolstering activity and prices, but other restraints dampening those effects.

“The return to some kind of normality for sales volumes should start to eat into the overhang of available listings on the market in the coming months. But listings are starting from such a high level that buyers are likely to continue to have the upper hand for most of the year, with the associated restraint on house prices.”

“Based on recent trends, even our modest expectation for a 5% rise in national values in 2025 is looking a bit strong, although the year still has quite a long way to run.”

“Either way, a subdued or ‘balanced’ market is probably what we’ve been needing for a while now – opportunities for different buyer groups, first home buyers and investors included, with reduced risk of prices running away from them again,” Mr Davidson concluded.



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About Us

Cotality accelerates data, insights and workflows across the property ecosystem to enable industry professionals to surpass their ambitions and impact society. With billions of real-time data signals across the life cycle of a property, we unearth hidden risks and transformative opportunities for agents, lenders, carriers and innovators.

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Methodology

The Cotality 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>

Cotality 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. Cotality 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 Cotality Hedonic Home Value Index.



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