

Momentum gradually builds in market upturn

Property values in Aotearoa New Zealand rose by +0.3% in April, continuing the string of modest gains since the start of the year.

April's rise on the **Cotality hedonic Home Value Index (HVI)** took values to \$819,096, the highest since June last year (\$822,175), but still down by about -16% from the January 2022 peak of \$974,045.

Around the main centres, April was a stronger month for most, with Kirikiriroa Hamilton up by +0.8%, Ōtautahi Christchurch by +0.5%, and Tāmaki Makaurau Auckland rising +0.3%. Ōtepoti Dunedin, Te Whanganui-a-Tara Wellington, and Tauranga each saw a mild lift of +0.1% in April.

The hedonic methodology also allows for an analysis by property type, which shows the turning point is now evident for more segments too. Flats (townhouses) have risen by +0.9% nationally since January, standalone houses by +1.0%, and lifestyle properties by a more minor +0.2%.

Cotality NZ (formerly CoreLogic NZ) Chief Property Economist Kelvin Davidson said that the fourth consecutive rise in property values confirms the upturn is unfolding as expected, though a degree of caution remains warranted.

“Clearly, lower mortgage rates have been a strong support for property values in recent months, giving more buyers the confidence and ability to enter the market. Perhaps in a slightly perverse way, the recent global uncertainty about tariffs and trade protectionism could also see interest rates fall further.”

“That said, a fresh boom in property values seems unlikely. For a start, the stock of listings on the market remains high, giving buyers plenty of power when it comes to price negotiations.”

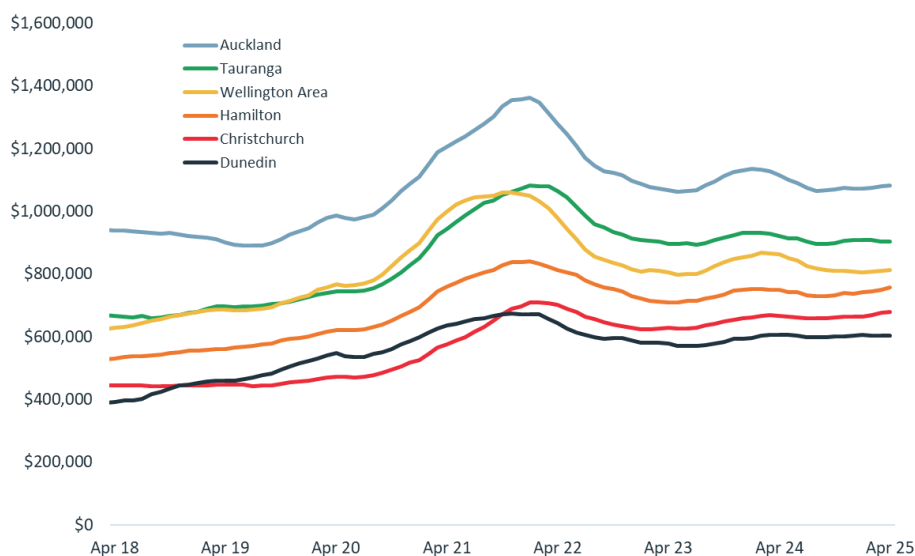
“Meanwhile, as interest rates for internal serviceability tests at the banks fall to less than 7%, the caps on debt-to-income ratios (DTIs) for mortgage lending are reportedly becoming a bigger consideration for more borrowers.”

“It's also worth keeping in mind we had a ‘mini upturn’ in values over the second half of 2023 and first few months of 2024 which then partially reversed out again. This latest emerging phase of growth seems to have stronger fundamentals than the previous one, but even so, a subdued economic backdrop still looms as a restraint.”

National and Main Centres

	Month	Quarter	Annual	From peak	Median value
Aotearoa New Zealand	0.3%	0.9%	-2.0%	-15.9%	\$819,096
Tāmaki Makaurau Auckland	0.3%	0.9%	-3.1%	-20.7%	\$1,081,729
Kirikiriroa Hamilton	0.8%	2.1%	1.1%	-10.0%	\$756,686
Tauranga	0.1%	-0.4%	-1.8%	-16.4%	\$904,602
Te-Whanganui-a-Tara Wellington	0.1%	0.7%	-5.8%	-23.5%	\$811,829
Ōtautahi Christchurch	0.5%	2.1%	1.9%	-4.4%	\$678,745
Ōtepoti Dunedin	0.1%	-0.1%	-0.3%	-10.1%	\$604,664

Main Centre Median Values



Tāmaki Makaurau Auckland

	Month	Quarter	Annual	From peak	Median value
Rodney	0.3%	-0.6%	-5.2%	-21.1%	\$1,226,785
North Shore	0.4%	1.0%	-0.5%	-16.5%	\$1,313,091
Waitakere	0.3%	0.7%	-2.3%	-22.8%	\$938,747

Auckland City	0.3%	1.2%	-4.2%	-21.0%	\$1,162,488
Manukau	0.0%	1.2%	-3.0%	-21.9%	\$1,020,445
Papakura	-0.1%	0.2%	-3.3%	-22.0%	\$843,503
Franklin	0.3%	1.1%	-1.3%	-20.5%	\$926,141

April was generally a month of increases for the various sub-markets across Tāmaki Makaurau, although there were some exceptions. Consistent increases of +0.3% to +0.4% were seen in North Shore, Rodney, Waitakere, Auckland City, and Franklin. Manukau was flat and Papakura edged down by -0.1%.

Clearer signs of growth are also evident across a broader three-month horizon, with North Shore, Franklin, Manukau, and Auckland City all up by at least +1.0% since January. Rodney is lagging a little, however, down by -0.6%.

Mr Davidson said, “In any part of the cycle there are different areas that either underperform or outperform, and with buyers still holding the bulk of negotiating power, it’s not all one-way traffic for property values in Auckland. However, the impact of lower mortgage rates does seem to be spreading across the super-city.”

Te Whanganui-a-Tara Wellington

	Month	Quarter	Annual	From peak	Median value
Kāpiti Coast	1.4%	1.7%	-2.5%	-18.5%	\$833,629
Porirua	0.0%	0.2%	-3.8%	-22.3%	\$785,714
Upper Hutt	0.1%	-0.5%	-5.6%	-23.6%	\$703,101
Lower Hutt	0.4%	1.1%	-5.5%	-24.3%	\$696,764
Wellington City	0.0%	0.9%	-6.4%	-23.4%	\$910,452

Across the wider Te Whanganui-a-Tara Wellington area, Kapiti Coast stood out with a +1.4% rise in values in April, while Lower Hutt also recorded a reasonable gain of +0.4%. However, Upper Hutt only edged up by +0.1%, and Porirua and Wellington City itself were stable.

Kapiti Coast has also shown relative strength over a broader three-month period (+1.7% since January), with Lower Hutt also up by 1.1% in the quarter. Porirua and Upper Hutt have been a little more subdued since January.

“The large falls in property values around the Wellington area in recent years seem to have come to an end, and significantly improved affordability may be piquing the interest of more buyers. But as with many other parts of the country, available listings remain high, so buyers aren’t in a rush to compete or bid up prices sharply,” said Mr Davidson.

Regional results

The emerging upturn in property values can be seen across many of the key provincial markets. Whangarei, Rotorua, and Napier each rose by at least +0.5% in April, with Whanganui and Invercargill both at +0.4%. But Nelson dropped by -0.5%, Hastings was down by -0.6%, and Queenstown -1.0%.

“In the current environment where listings are higher than normal in many parts of the country and some sectors of the economy are yet to rebound, a bit of variability across the provinces is to be expected. But lower interest rates are a significant support, so the outlook for a modest recovery in values this year is likely to be replicated across regional markets too,” added Mr Davidson.

Other Main Urban Areas

	Month	Quarter	Annual	From peak	Median value
Ahuriri Napier	0.5%	2.1%	-0.3%	-17.0%	\$714,079
Te Papaioea					
Palmerston North	0.1%	-0.5%	-2.7%	-18.5%	\$606,647
Heretaunga					
Hastings	-0.6%	-0.5%	-2.3%	-18.6%	\$725,007
Whangārei	0.7%	1.7%	-0.9%	-16.8%	\$748,308
Whanganui	0.4%	1.0%	0.8%	-11.9%	\$494,838
Rotorua	0.5%	1.0%	2.1%	-10.9%	\$627,344
Tūranganui-a-Kiwa Gisborne	-0.2%	1.3%	-4.7%	-17.3%	\$583,194
Whakatū					
Nelson	-0.5%	-1.1%	1.1%	-11.9%	\$736,003
Ngāmotu New Plymouth	0.1%	0.6%	0.9%	-	\$711,699
Waihōpai					
Invercargill	0.4%	1.2%	2.4%	-0.9%	\$473,967
Tāhuna					
Queenstown	-1.0%	-1.5%	1.3%	-5.2%	\$1,658,111

Property market outlook

Looking ahead, Mr Davidson noted that property values nationally remain on track for a rise of around 5% in 2025, a figure broadly consistent with the recent pace of growth (i.e. just short of 1% in the three months since January).

“That rate of increase looks relatively modest by past standards and given that we’re still about 16% below the record highs from early 2022. Some people may well be disappointed with such an outlook.”

“But it’s always worth noting there are two sides to the housing market coin, and any aspiring first home buyers, or investors, who are progressing towards saving a deposit will no doubt be pleased with a flatter patch for values.”

“Of course, there’s now quite a range of lending hurdles which also need to be negotiated, and it’s going to be fascinating to see how the impact of DTIs plays out over the next year or two”, he concluded.

For more property market news and insights: www.corelogic.co.nz/news-research

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For more information or interview requests, please contact nzmedia@cotality.com

About Cotality (formerly CoreLogic)

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.

Notes to Editors

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.