



## The next upturn is slowly building

Property values in Aotearoa New Zealand rose by +0.5% in March, after a +0.4% lift in February, and a flat result for January. The latest figures confirm that the market is now into its next phase of growth, on the back of lower interest rates and improved affordability after the previous value falls.

March's rise on the **CoreLogic hedonic Home Value Index (HVI)** was the strongest since January last year. Property values are now sitting at \$812,195, the highest since June 2024 (\$818,649). However, values are still down by 16.3% compared to the previous January 2022 peak.

Around the main centres, Ōtepoti Dunedin (-0.1%) and Tauranga (0.0%) were still a bit more subdued in March, but Te Whanganui-a-Tara Wellington saw a +0.3% rise, with Tāmaki Makaurau Auckland up by +0.6%, Ōtautahi Christchurch +0.8%, and Kirikiriroa Hamilton at +0.9%.

**CoreLogic NZ Chief Property Economist Kelvin Davidson** said that March's result simply builds on the previous month's rise, signalling the next phase in NZ's property market has begun.

"The falls in mortgage rates since around July or August last year were always going to take a little bit of time to flow through to house prices, given the weak economic environment and subdued household confidence," he said.

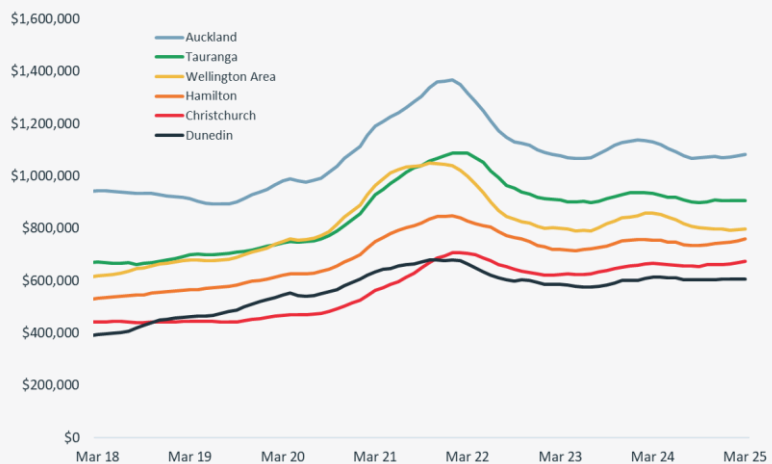
"The abundance of listings has been an extra limiting factor for property values, while some households on higher fixed interest rates from a year or two ago have also had to be patient before seeing their debt repayments drop."

"But the lags have now worked their way through the system and, with signs becoming clearer that the economy has started to turn a corner, confidence is returning to the property market."

"That said, a fresh boom in house prices seems unlikely, given additional restraints that are now in place, such as caps on debt-to-income ratios for mortgage lending."

"Undoubtedly, this cautious outlook will be welcomed by aspiring buyers who may have been concerned about property values rising beyond their reach again, provided that they can navigate the new credit rules in the first place."

CoreLogic HVI – Main Centres



\* Wellington area = City, Porirua, Upper & Lower Hutt

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

	Month	Quarter	Annual	From peak	Median value
<b>Aotearoa New Zealand</b>	<b>0.5%</b>	<b>0.9%</b>	<b>-3.0%</b>	<b>-16.3%</b>	<b>\$812,195</b>
Tāmaki Makaurau Auckland	0.6%	1.2%	-4.1%	-20.7%	\$1,083,902
Kirikiriroa Hamilton	0.9%	2.1%	0.5%	-10.4%	\$759,002
Tauranga	0.0%	0.0%	-2.9%	-16.7%	\$905,994
Te-Whanganui-a-Tara Wellington*	0.3%	0.0%	-7.1%	-24.1%	\$796,678
Ōtautahi Christchurch	0.8%	1.7%	1.0%	-4.7%	\$673,849
Ōtepoti Dunedin	-0.1%	0.0%	-1.2%	-10.9%	\$605,842

## Tāmaki Makaurau Auckland

March was a stronger month across the board in Tāmaki Makaurau, with Rodney seeing a +0.3% rise in values, Franklin at +0.5%, and then right up to +0.8% in Papakura, and +0.9% in North Shore.

Clearer signs of growth are also evident across a broader three-month horizon, with Auckland City, Papakura, and Franklin all up by 1.6% or more so far in 2025.

Mr Davidson said, “Clearly, Auckland is still a challenging market for some would-be buyers, with affordability pressures lingering. But we’ve been detecting a change in sentiment on the ground across Auckland for a few months now, and this is flowing through to the hard data.”

	Month	Quarter	Annual	From peak	Median value
Rodney	0.3%	1.0%	-4.8%	-20.0%	\$1,220,282
Te Raki Paewhenua North Shore	0.9%	1.2%	-1.4%	-16.6%	\$1,315,449
Waitakere	0.7%	0.8%	-4.1%	-23.2%	\$940,497
Auckland City	0.6%	1.6%	-5.0%	-21.1%	\$1,186,109
Manukau	0.6%	0.6%	-4.8%	-22.4%	\$1,006,516
Papakura	0.8%	1.6%	-4.0%	-21.7%	\$852,578
Franklin	0.5%	2.3%	-2.3%	-20.3%	\$951,308

## Te Whanganui-a-Tara Wellington

The wider Te Whanganui-a-Tara Wellington area also strengthened in March, albeit there was a relatively minor -0.2% drop in values in Upper Hutt. Elsewhere, Lower Hutt and Wellington City rose by +0.3% apiece, with Porirua up by +0.6%, and Kapiti Coast recording a robust increase of +1.4%.

Some areas are still slightly lower than they were three months ago, but Lower Hutt (+0.6%) and Kapiti Coast (+2.4%) have increased over the year to date.

“Wellington’s property market has underperformed over the past few years, with the previous boom meaning that some excesses needed to be worked off, and the public sector cutbacks then weighing on values too. But conditions are now turning around in the property market, with some buyers probably finding ‘value’ again.”

	Month	Quarter	Annual	From peak	Median value
Kāpiti Coast	1.4%	2.4%	-2.9%	-19.1%	\$824,293
Porirua	0.6%	-0.4%	-4.0%	-21.9%	\$747,440
Te Awa Kairangi ki Uta Upper Hutt	-0.2%	-0.3%	-6.1%	-23.5%	\$715,155
Te Awa Kairangi ki Tai Lower Hutt	0.3%	0.6%	-6.0%	-24.8%	\$702,987
Wellington City	0.3%	-0.1%	-8.3%	-24.4%	\$883,283

## Regional results

March was also a tale of emerging upturn across nearly all of the key provincial markets, with only Nelson recording a modest -0.1% fall in values. New Plymouth and Invercargill were flat, while Napier, Palmerston North, and Queenstown only saw mild increases of +0.1%.

But Whangarei and Rotorua were up by +0.5%, and Whanganui topped the charts for these areas with an increase of +0.8% in March. Each of the key regional areas is also higher than December last year, except for Nelson (-0.6%).

“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.

	Month	Quarter	Annual	From peak	Median value
Ahuriri Napier	0.1%	1.1%	-2.6%	-18.3%	\$716,964
Te Papaioea Palmerston North	0.1%	0.2%	-3.5%	-18.7%	\$604,662
Heretaunga Hastings	0.3%	0.6%	-3.9%	-19.1%	\$718,383
Whangārei	0.5%	0.6%	-2.0%	-18.3%	\$720,241
Whanganui	0.8%	1.6%	1.4%	-11.8%	\$504,787
Rotorua	0.5%	0.6%	0.2%	-12.0%	\$625,987
Tūranganui-a-Kiwa Gisborne	0.2%	0.5%	-7.5%	-18.2%	\$588,429
Whakatū Nelson	-0.1%	-0.6%	0.4%	-11.9%	\$728,142
Ngāmotu New Plymouth	0.0%	0.5%	-0.5%	-0.5%	\$700,067
Waihōpai Invercargill	0.0%	0.8%	2.7%	-1.6%	\$471,180
Tāhuna Queenstown	0.1%	0.6%	4.7%	-2.9%	\$1,677,567

## Property market outlook

Looking ahead, Mr Davidson noted that property values may remain a bit patchy or variable from month to month and across regions in the short to medium term, given the economy is not back to full growth mode. Also, buyers generally continue to hold the upper hand when it comes to negotiating on price, benefitting from the elevated number of listings that persists across the market.

“That said, even though most aspiring buyers can still be quite picky about the properties they look at, we’re also now seeing the impact that lower interest rates can have in the property market again.”

“Indeed, there’s now a broad consensus among analysts that national values will rise this calendar year by around 5% or perhaps a little more, with cheaper debt pushing housing prices upwards, but restraints such as the DTIs working in the opposite direction.”

“In the context of past upturns and given that we’re still down around 16% from the post-COVID peak, the expected growth in values this year is fairly modest.”

“No doubt, some people might be disappointed by that outlook. But as a country we don’t get materially wealthier by trading houses amongst ourselves, and a period of flatter values will be happily accepted by many others,” 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.