

NZ Property Pulse

Thursday, 15th October 2026

Property value falls from the peak: how relevant is that comparison?

In this Pulse, Cotality NZ Chief Property Economist, Kelvin Davidson discusses whether ‘falls from the peak’ are becoming less relevant for market context, including a look at:

- Areas where values are still well down from the 2021-22 highs, but significantly up over a longer horizon
- How Auckland’s adjustment in recent years is a timely reminder of what new construction can achieve
- Whether we’ve potentially already shifted to a new, lower growth housing market

The falls from the peak are serious for some

One comparison that has featured in a lot of property market discussion in recent years has been the change in values from the late 2021/early 2022 peaks – with this measure currently ranging very widely, from -29% in Lower Hutt and -28% in Wellington City, to a new cyclical high (or close to it) in areas such as Hurunui, Mackenzie, Central Otago, and Gore.

Clearly, for anybody who purchased a property at or close to those previous peaks in markets that have subsequently dropped significantly, it’s going to be a major consideration if they’re currently sitting on ‘paper losses’ or perhaps have even already had to sell for less than what they paid.

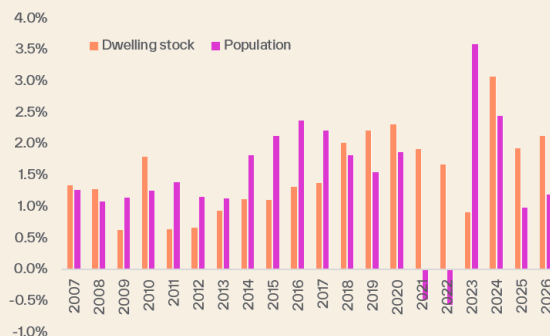
To be fair, an owner-occupier buying and selling in the same market may be a little less concerned – but it’d still weigh on the mind. And of course, it’s very real for first home buyers or new investors. In addition, in some scenarios, values may still be another 4-5 years away from regaining those previous highs in many areas.

.... but not everybody

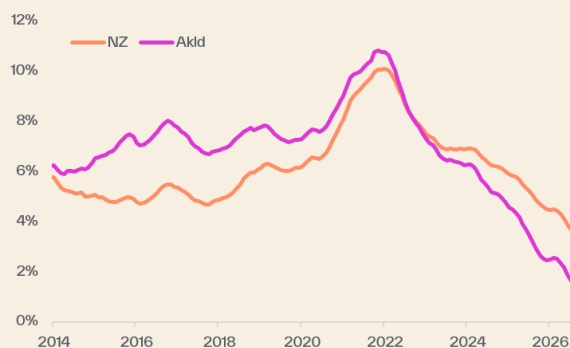
That being said, over the final six months of 2021 and first six of 2022, there were ‘only’ around 83,000 property transactions across the country, equivalent to a touch less than 5% of our housing stock. In other words, although values have generally fallen since 2021-22, most people weren’t actually buyers at the peak.

Indeed, if we broaden out a bit and look at the changes in values over 10-year horizons we can get better context for a wider cohort of property owners. As the table on the second page shows, even despite being -19% below the peak, the national median property value is still around 37% higher than it was in September 2016, or an annual average increase of 3.2%.

Auckland population and dwelling stock % changes (Sources: Stats NZ, Cotality)



Auckland and NZ rolling 10-year annual average % changes in property values (Source: Cotality)



Within that, there are 12 areas where values have at least doubled since 2016, or an annual average increase of around 7% or more – these are mostly smaller, provincial markets, but it does also include ‘urban’ areas such as Whanganui, Invercargill, and Gisborne.

There's another interesting comparison in there too. Whanganui and Gisborne, as examples, have both seen large falls from the peak (-15% and -19% respectively) yet have still shown those significant longer-term gains. By contrast, markets such as Ashburton and Christchurch are within 1% of their previous peak, yet they haven't risen nearly as much over the past 10 years – 48% and 58%.

That is to say, focusing mostly (or only) on the change from the peak means losing the longer-term context in many cases. Meanwhile, even for buyers at the peak, it's also worth noting that if they're still servicing the debt, there's also less to be concerned about. Indeed, low mortgage arrears and mortgagee sales volumes show that the vast majority of people are faring well on this front.

Auckland reinforces what supply can do

Focusing on Auckland, its recent housing trends have obviously been a key focus of much commentary and analysis, and it really is a great reminder of what a rise in supply can do – as the first chart shows, aside from the migration spike in 2023, housing stock growth has consistently outpaced Auckland's population since 2018, which was also when the Unitary Plan was enacted. In that light, it's no surprise to see that Auckland is at the bottom of the list in terms of value growth over the past 10 years as well as having had some of the largest from-peak drops.

Have we already moved into a new housing phase?

Related to all of this, it's interesting to note (see the second chart) that the rolling 10-year growth rate for the national median value has recently slowed to an historically low level – not everywhere, and Auckland can explain a lot of that national slowdown. But it's still noteworthy and is highly relevant for a discussion we're having more and more around the traps; which is, could long-term average house price growth be lower in future?

The logic for that seems sound. After all, we've already looked at the supply factor where previous land use restrictions have loosened considerably, allowing more intensified dwelling stock in well-connected areas, but more factors can also be added (and not limited to): mortgage rates have already trended significantly lower (~20% to ~5%), the tax system could be less favourable for property in future (e.g. more comprehensive capital gains tax), and there are debt to income ratio limits in force now too (restricting portfolio size and accumulation rate of investment property).

Admittedly, as the years progress and the COVID-related boom and bust 'fall out' of the calculation, the arithmetic tells us that the rolling 10-year average growth rate may lift again to some degree. And none of this is to say that shorter bursts of faster growth in property values will never be seen again.

But it's far from out of the question that recent trends are a sign of things to come. In fact, a slower average growth rate in house prices over time may already be here. Certainly, if price growth in future is more closely tied to incomes, this could see the trend rate slow from around 6-7% in the past to perhaps 3-5% in future.

Median property value changes (Source: Cotality)

Area	10-yr annual avg	10-yr total	From peak
Mackenzie District	8.4%	125%	0%
Whanganui District	8.4%	124%	-15%
Invercargill City	8.2%	121%	-1%
Rangitikei District	8.2%	120%	-18%
Central Hawke's Bay District	8.0%	116%	-17%
Southland District	7.9%	115%	-2%
Gore District	7.9%	114%	0%
South Waikato District	7.8%	112%	-15%
Gisborne District	7.5%	106%	-19%
Taranua District	7.3%	103%	-21%
Westland District	7.3%	102%	-1%
Grey District	7.2%	100%	-3%
South Wairarapa District	7.1%	99%	-26%
Ruaapehu District	7.1%	99%	-17%
Kawerau District	7.1%	98%	-15%
Manawatu District	7.0%	96%	-16%
Stratford District	6.8%	93%	-9%
Horowhenua District	6.7%	92%	-24%
Buller District	6.7%	90%	-4%
Central Otago District	6.6%	89%	0%
Waitaki District	6.5%	87%	-5%
Waitomo District	6.5%	87%	-17%
Hastings District	6.4%	85%	-22%
Waimate District	6.3%	85%	-3%
Clutha District	6.3%	84%	-7%
Masterton District	6.2%	83%	-24%
Dunedin City	6.2%	82%	-10%
Kaikoura District	6.1%	81%	-2%
South Taranaki District	5.9%	78%	-10%
Otorohanga District	5.9%	77%	-18%
Queenstown-Lakes District	5.9%	77%	-2%
Taupo District	5.8%	76%	-14%
Palmerston North City	5.7%	75%	-20%
Rotorua District	5.7%	75%	-12%
Napier City	5.7%	74%	-20%
Carterton District	5.5%	71%	-27%
Far North District	5.3%	68%	-13%
Kapiti Coast District	5.3%	68%	-23%
Opotiki District	5.2%	66%	-19%
Matamata-Piako District	5.1%	65%	-15%
New Plymouth District	5.0%	62%	-9%
Waikato District	5.0%	62%	-15%
Waipa District	4.9%	62%	-11%
Waimakariri District	4.9%	62%	-1%
Thames-Coromandel District	4.9%	62%	-16%
Tasman District	4.8%	60%	-13%
Porirua City	4.8%	60%	-26%
Upper Hutt City	4.8%	60%	-27%
Hauraki District	4.7%	58%	-18%
Christchurch City	4.7%	58%	-1%
Whakatane District	4.7%	58%	-20%
Whangarei District	4.5%	56%	-21%
Hurunui District	4.5%	56%	0%
Timaru District	4.5%	55%	-2%
Western Bay of Plenty District	4.4%	54%	-16%
Kaipara District	4.3%	52%	-24%
Selwyn District	4.3%	52%	-5%
Marlborough District	4.2%	51%	-12%
Tauranga City	4.1%	50%	-15%
Lower Hutt City	4.1%	50%	-29%
Ashburton District	4.0%	48%	-1%
Nelson City	3.9%	47%	-16%
Hamilton City	3.7%	44%	-13%
Wellington City	3.2%	38%	-28%
New Zealand	3.2%	37%	-19%
Wairoa District	2.5%	29%	-23%
Auckland - Franklin	2.5%	28%	-23%
Auckland - Rodney	2.2%	24%	-22%
Auckland - Papakura	1.9%	21%	-25%
Auckland - Manukau	1.3%	14%	-26%
Auckland - North Shore	1.0%	10%	-21%
Auckland - City	0.9%	10%	-27%
Auckland - Waitakere	0.9%	9%	-26%