

NZ Home Value Index

EMBARGOED: 00:01am, Thursday, 4 June 2026

Housing values tread water as buyer caution dominates

New Zealand property values stalled in May, as a cautious stance from both buyers and sellers kept the housing market in neutral.

Cotality NZ's latest Home Value Index (HVI) shows the national median value in May of \$808,187 was flat compared to the previous month and -0.1% lower than three months ago. Values were also -0.6% down from a year ago and still -17.0% below the peak in early 2022 of \$974,002.

Across the main centres, Ōtautahi Christchurch rose by 0.4% in May, while Ōtepoti Dunedin and Tauranga both edged up by 0.2%. Kirikiriroa Hamilton saw a minor 0.1% rise, but Tāmaki Makaurau Auckland (-0.2%) and Te-Whanganui-a-Tara Wellington (-0.3%) both fell again.

Cotality NZ Chief Property Economist, Kelvin Davidson said that May's flat result was a continuation of the sluggish property market trends seen so far in 2026, with no clear directional change in sight.

"Property values are generally stuck in neutral at the national level, with buyers in no major rush, but sellers not having to capitulate either."

"There are differing patterns beneath the surface. Key areas, including Auckland and Wellington are still subdued, while even 'strong' markets such as Christchurch or Invercargill aren't racing away."

"Interest rates have already lifted in recent months and there's likely to be more to come the longer the Iran conflict continues."

"At the same time, consumer and business confidence has been hit hard, and there are other signs of economic weakness coming through, such as falls in retail spending."

"It all adds up to significant headwinds for sales activity and property values in the coming months."

"The marked improvement in housing affordability in the past 4-5 years will tend to limit any further downside for the market. Nevertheless, renewed, modest declines in property values in the coming months would not be a surprise."

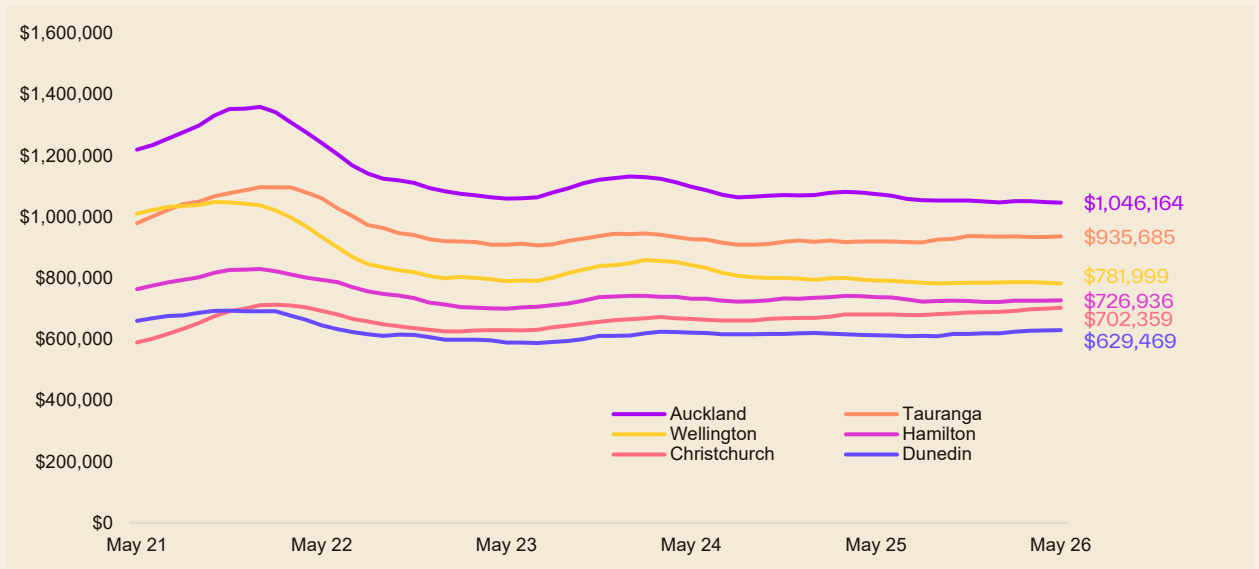
Index results for May 2026	Change in dwelling values				
	Month	Quarter	Annual	From peak	Median value
Tāmaki Makaurau Auckland	-0.2%	-0.5%	-2.6%	-23.0%	\$1,046,164
Kirikiriroa Hamilton	0.1%	0.2%	-1.4%	-12.3%	\$726,936
Tauranga	0.2%	-0.1%	1.7%	-14.7%	\$935,685
Te-Whanganui-a-Tara Wellington*	-0.3%	-0.6%	-1.2%	-25.4%	\$781,999
Ōtautahi Christchurch	0.4%	1.4%	3.2%	-1.4%	\$702,359
Ōtepoti Dunedin	0.2%	0.8%	2.7%	-9.2%	\$629,469
Aotearoa New Zealand	0.0%	-0.1%	-0.6%	-17.0%	\$808,187

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

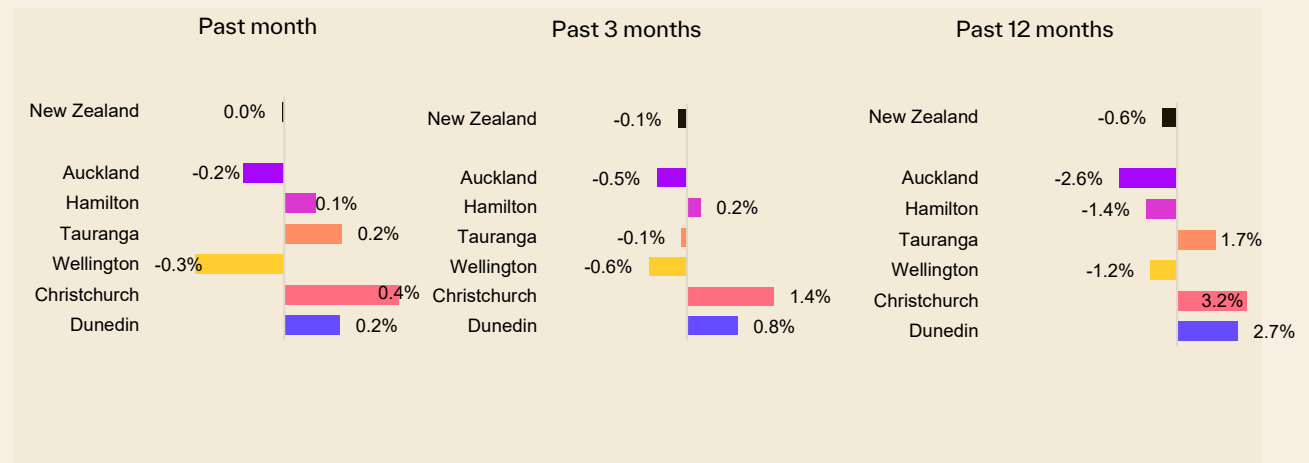
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Main centre median property values



Change in property values to May 2026



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Tāmaki Makaurau Auckland

The small drop in values in May for Tāmaki Makaurau Auckland as a whole reflected pretty consistent falls in each sub-market, other than Rodney (+0.2%) and Franklin (0.0%). Elsewhere, there were consistent drops of either -0.2% or -0.3%.

The gaps aren't huge, but Auckland City has still underperformed over slightly longer horizons of three months (-0.8%) and twelve months (-4.1%), although the drops from the peak have been ever so slightly larger in Manukau (-24.5%) and Waitakere (-24.9%).

Mr Davidson said, "May brought more of the same for property values in Auckland – a general drift downwards, with market sentiment seemingly remaining very subdued."

"It's true that housing affordability has improved significantly and this will tend to dampen the speed or size of any further drops in values."

"But the supply pipeline of new townhouses across the super-city remains appreciable and this means purchasers are still in the box-seat, whether they're first home buyers, or even investors looking to expand their portfolio."

	Change in dwelling values				Median value
	Month	Quarter	Annual	From peak	
Rodney	0.2%	0.4%	-1.0%	-20.3%	\$1,213,529
Te Raki Paewhenua North Shore	-0.2%	-0.7%	-0.4%	-18.5%	\$1,283,437
Waitakere	-0.3%	-0.5%	-2.1%	-24.9%	\$910,416
Auckland City	-0.2%	-0.8%	-4.1%	-24.4%	\$1,114,879
Manukau	-0.2%	-0.2%	-2.7%	-24.5%	\$964,836
Papakura	-0.3%	-0.6%	-2.9%	-24.2%	\$804,839
Franklin	0.0%	-0.4%	-2.7%	-22.9%	\$925,552
Tāmaki Makaurau Auckland	-0.2%	-0.5%	-2.6%	-23.0%	\$1,046,164

Te Whanganui-a-Tara Wellington

It was a mixed bag across the Te Whanganui-a-Tara Wellington area in May, with Kāpiti Coast rising by 0.7%, Te Awa Kairangi ki Uta Upper Hutt seeing a 0.3% gain, and 0.2% in Porirua. Yet Te Awa Kairangi ki Tai Lower Hutt dipped by a minor -0.1%, with Wellington City itself showing a more significant -0.6% monthly decline.

That being said, only Wellington City has (just) avoided a drop over the past 12 months, while all sub-markets in this area are still showing falls of more than 21% from peak. Lower Hutt at -27.3% has seen the largest fall of any territorial authority in the country.

Mr Davidson noted, "an increase in physical property supply in some parts of the wider Wellington area will have played a role in the weakness of values in recent years. But it seems that the far bigger factors will have been the previous boom and sharp reduction in affordability, which created the scope for subsequent large falls in property values, and then just the underlying weakness of the area's economy – as the public sector now faces even more cuts."

"Of course, there's always two sides to the housing market and first home buyers who are confident of their own financial resilience are taking full advantage."

	Change in dwelling values				Median value
	Month	Quarter	Annual	From peak	
Kāpiti Coast	0.7%	1.0%	-1.7%	-21.8%	\$819,808
Porirua	0.2%	-0.4%	-2.1%	-24.1%	\$763,455
Te Awa Kairangi ki Uta Upper Hutt	0.3%	0.4%	-0.7%	-24.1%	\$715,294
Te Awa Kairangi ki Tai Lower Hutt	-0.1%	-0.9%	-4.0%	-27.3%	\$668,450
Wellington City	-0.6%	-0.7%	0.1%	-25.1%	\$871,120
Te-Whanganui-a-Tara Wellington	-0.3%	-0.6%	-1.2%	-25.4%	\$781,999

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Regional results

By contrast with some of the larger centres, many provincial markets saw flat or slightly higher results for values in May. Granted, Heretaunga Hastings edged down by -0.4% and Whangārei saw a minor -0.1% dip.

But there were gains of 0.2% or slightly more in Tāhuna Queenstown, Tairāwhiti Gisborne, and Waihōpai Invercargill, while Rotorua (0.6%) and Whanganui (0.8%) recorded stronger increases.

Over a 12-month horizon, the growth in values has been at least 4% in Tairāwhiti Gisborne, Tāhuna Queenstown, and Waihōpai Invercargill, although negative in some other areas, including Whakatū Nelson, Ahuriri Napier, and Heretaunga Hastings.

“It’s not easy to put a blanket over all of these areas and say that one or two factors explain everything – after all, primary industries are generally faring well, yet parts of Hawke’s Bay are still showing sluggish property values.”

“But the strength of the farming sector no doubt helps to explain continued growth in property values in many parts of Southland, while Queenstown is probably still riding the tourism rebound and the continued wider appeal of the area to wealthy buyers.”

Region	Change in dwelling values				
	Month	Quarter	Annual	From peak	Median value
Heretaunga Hastings	-0.4%	-2.6%	-3.3%	-20.7%	\$692,110
Ahuriri Napier	0.1%	-1.2%	-1.6%	-19.3%	\$696,067
Whangārei	-0.1%	-0.7%	-1.3%	-19.2%	\$714,981
Te Papaioea Palmerston North	0.1%	-0.3%	1.2%	-18.2%	\$606,124
Whakatū Nelson	0.1%	-0.5%	-1.6%	-13.8%	\$716,765
Tairāwhiti Gisborne	0.2%	0.9%	4.3%	-13.4%	\$622,768
Rotorua	0.6%	0.4%	0.5%	-11.8%	\$648,493
Whanganui	0.8%	-0.7%	0.7%	-11.4%	\$506,755
Ngāmotu New Plymouth	0.0%	-0.1%	-1.1%	-6.5%	\$696,387
Tāhuna Queenstown	0.2%	-0.4%	5.1%	-1.9%	\$1,757,937
Waihōpai Invercargill	0.3%	1.5%	7.6%	At peak	\$523,472



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Property market outlook

Looking ahead, Mr Davidson noted that there's still a tricky balancing act for the Reserve Bank to pull off, which will have effects on the property market.

“The longer the OCR stays on hold the greater the chances inflation is harder to rein back in again – which will tend to put more upwards pressure on mortgage rates.”

“But the quicker they move, the higher are the chances of a marked weakening in the economy, with associated knocks to household confidence, the labour market, and also property sales and house prices.”

“Clearly, the housing market is not a direct consideration for monetary policy anyway. But in these uncertain times, it may still be caught in the cross-fire – with an OCR rise now looking likely in July – especially as more existing borrowers start to roll off older mortgage terms and onto higher rates.”

“Of course, what's potentially disappointing for some is great news for others, and first home buyers confident about their income and financial resilience should continue to find good opportunities in a market where listings remain elevated.”

“To some extent that applies to investors as well. But this group has other concerns, such as the looming election and scope for capital gains tax if we see a change of government, as well as interest deductibility potentially being phased out again too.”

“All in all, housing market conditions remain challenging. Having previously anticipated sales volumes rising from around 90,000 in 2025 to 100,000 this year, the market may actually do well to hold at similar levels to last year. This points to a sluggish outlook for values too,” Mr Davidson concluded.



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About Cotality

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.cotality.com/nz/our-data/indices>

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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A decorative graphic in the bottom right corner consisting of a dense field of small triangles. The triangles are arranged in a roughly triangular shape, pointing upwards and to the right. The color of the triangles transitions from a light orange at the bottom left to a bright pink at the top right.