

New Zealand Housing Market Analysis

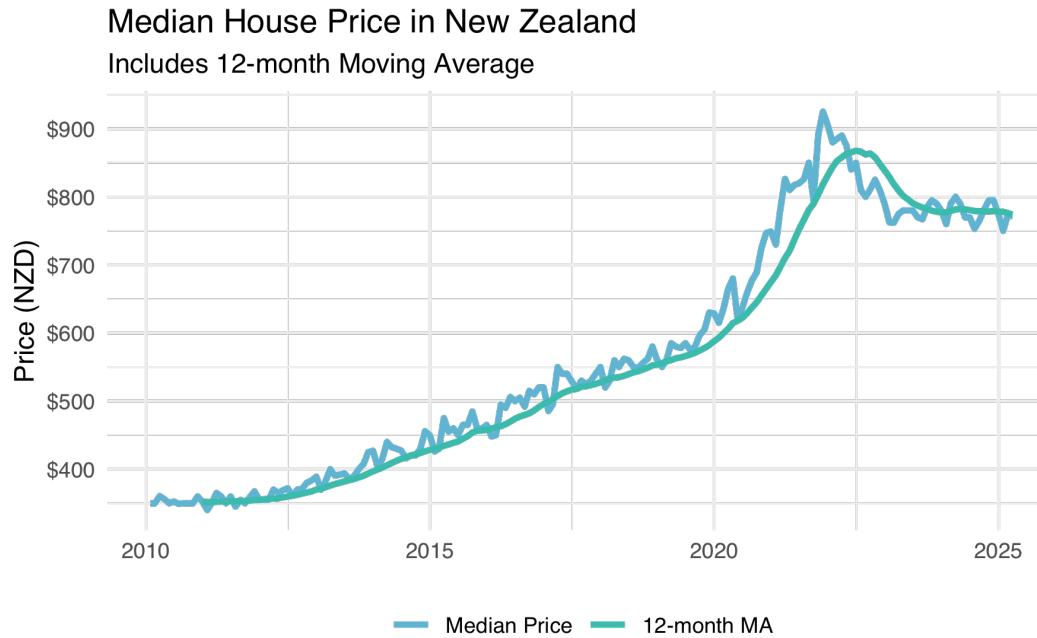
Visualizing Regional Housing Market Trends (2010-2025)

Yung-Shan Chen · April 2025

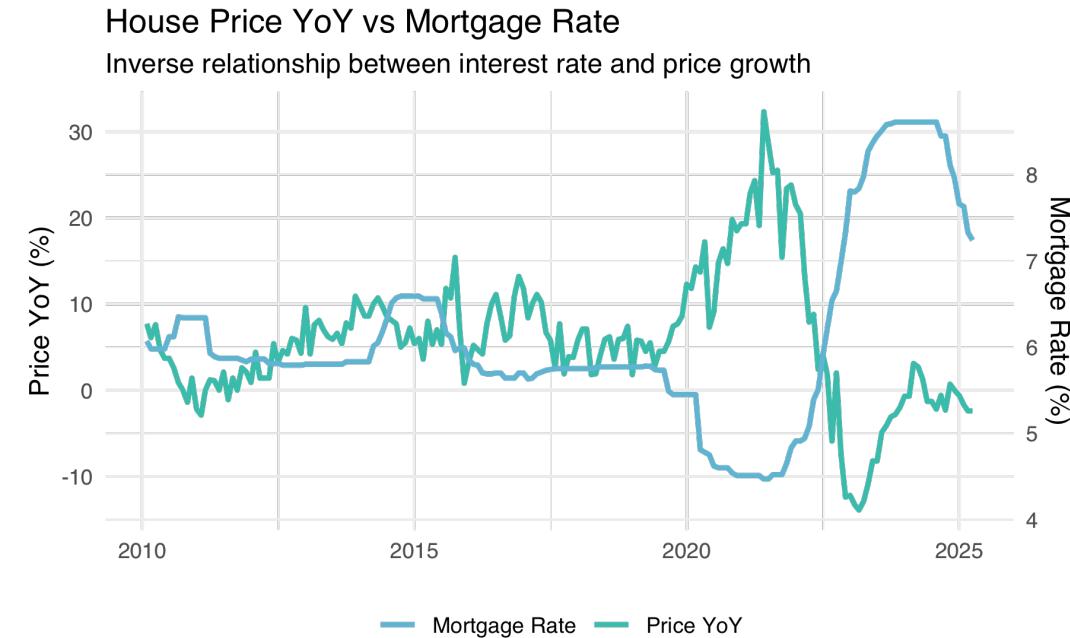


New Zealand Housing Market Overview

Median Prices, Interest Rates, and YoY Trends (2010-2025)



Source: Bloomberg

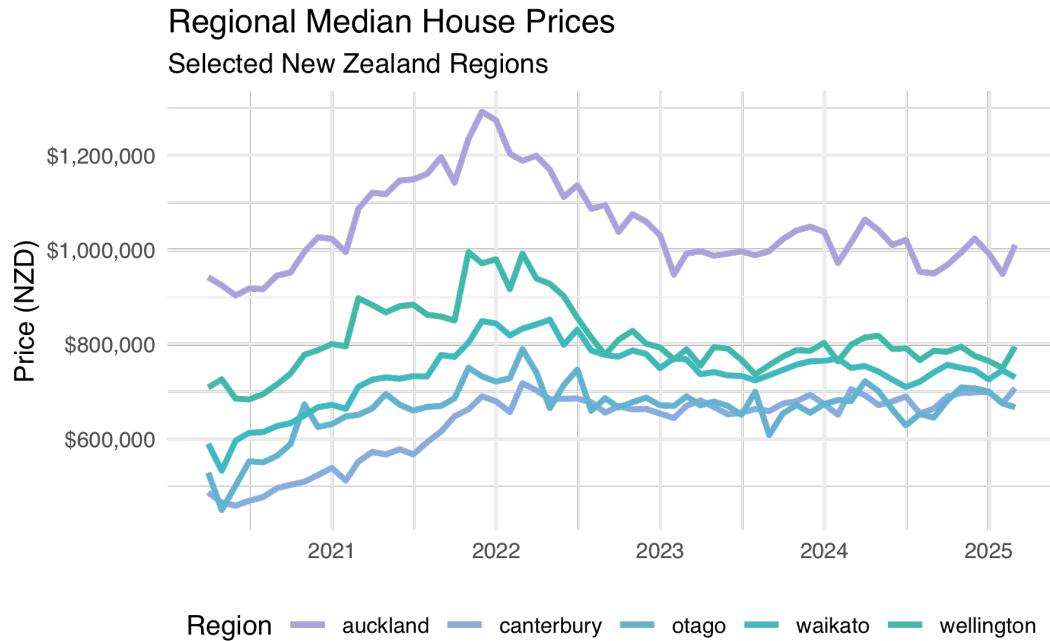
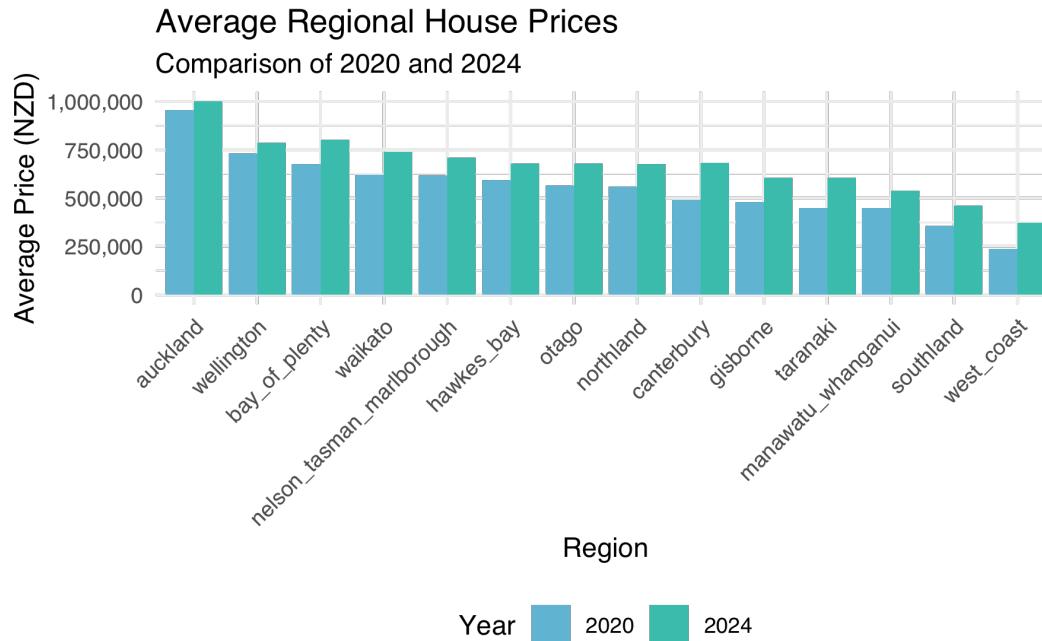


Source: Bloomberg

- New Zealand house prices rose steadily from 2010, peaking in late 2021. Since then, prices have declined by approximately 16.5% from the peak.
- In response to the COVID-19 outbreak, the central bank slashed interest rates to support the economy, triggering a sharp rise in house prices. However, from 2022 onward, rate hikes to combat inflation led to a steep price correction. Recently, with easing interest rates, housing prices have stabilized.

Regional House Price Trends

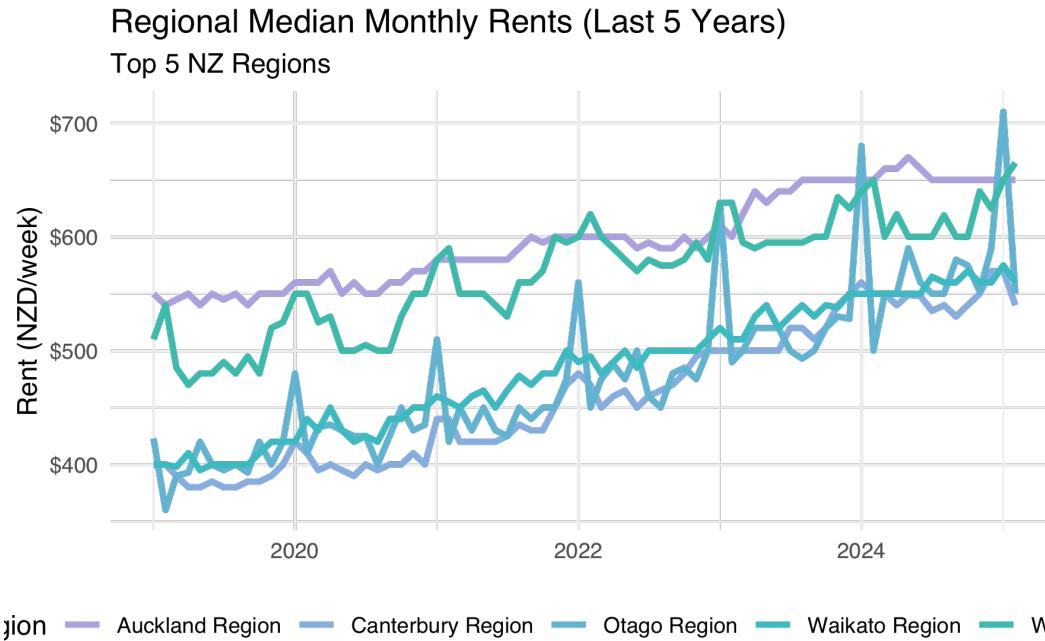
Comparing Trends and Levels Across Key NZ Regions



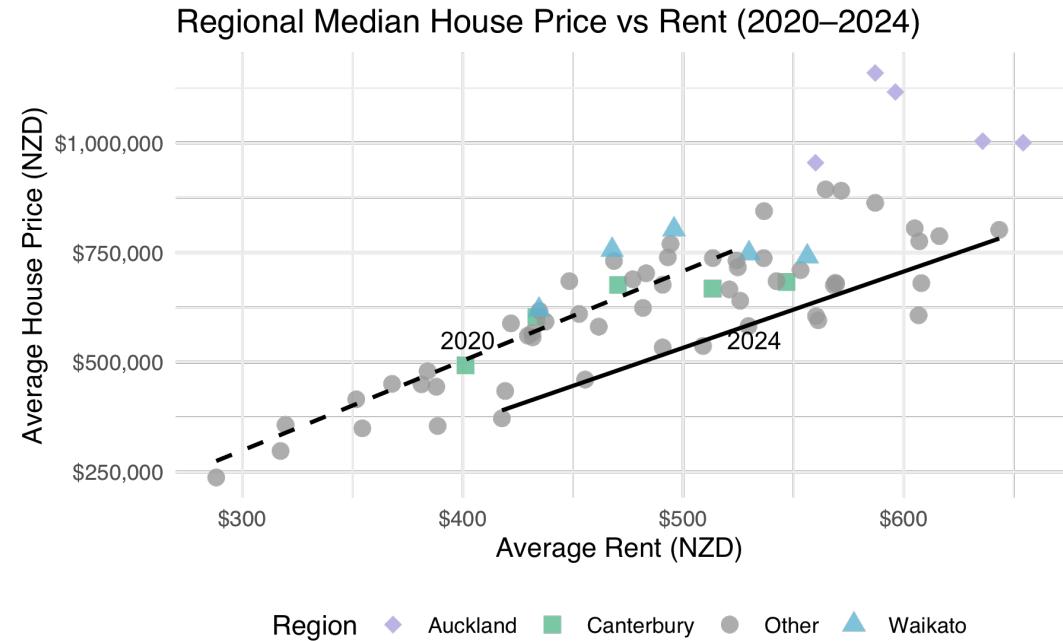
- Auckland prices remain the highest. Bay of Plenty saw a 19.6% increase and now has the second-highest median rent, indicating strong rental demand. West Coast prices grew the most from 2020 to 2024 (+56.9%), followed by Canterbury (+38.6%).
- Regions show different trends. Auckland and Wellington share similar price and rent trajectories — both peaked around late 2021 and have remained relatively flat with minor fluctuations since. In contrast, Canterbury and Otago have exhibited more stable growth over time.

Regional Rent Patterns

Including Key Patterns in Otago and Annual Rent Shifts



Source: MBIE



Source: MBIE & REINZ

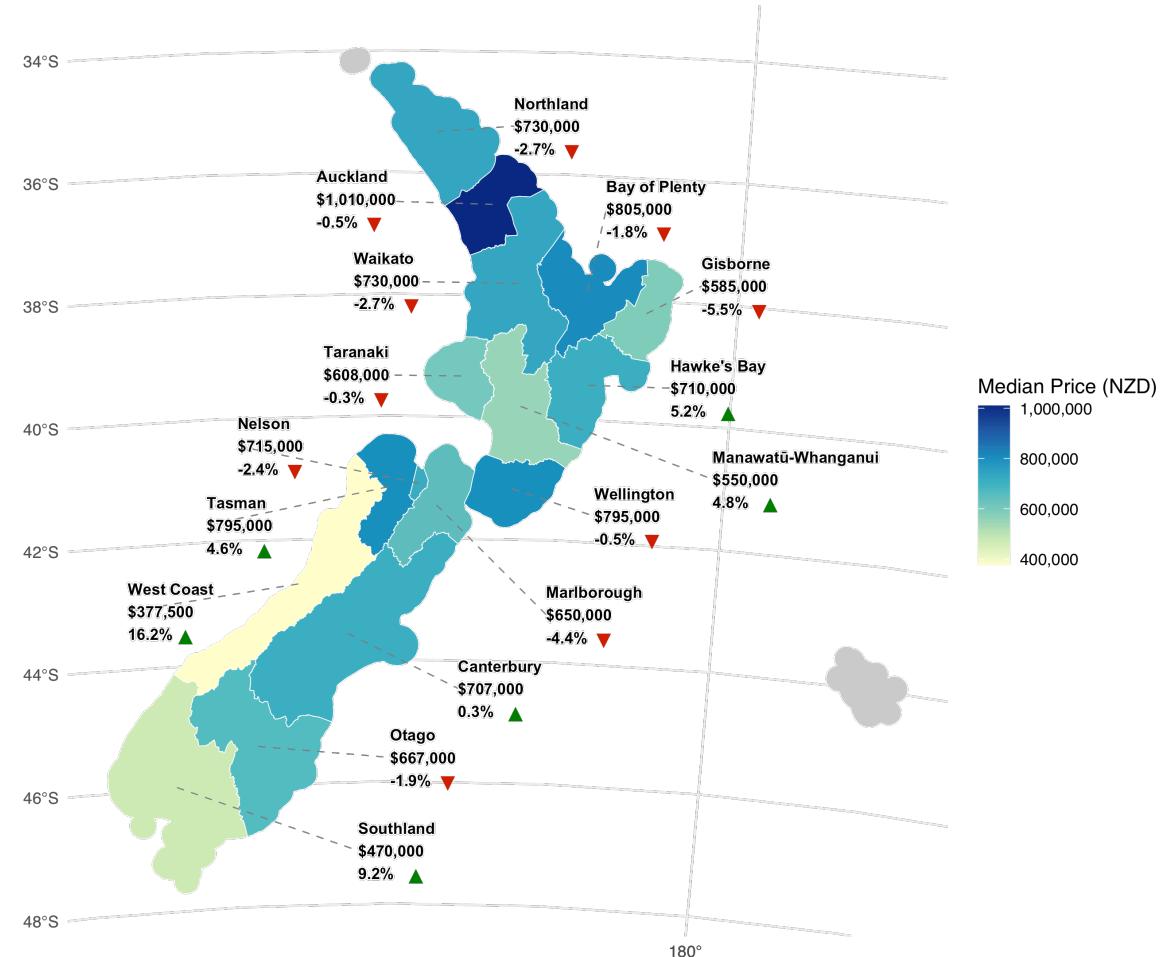
- Otago shows seasonal rental patterns. Rent levels rose steadily post-2020.
- Rents and house prices remain positively correlated. However, from 2020 to 2024, the upward shift of the regression lines suggests rents have outpaced house prices—likely driven by increased rental demand as homeownership became less affordable.
- Canterbury and Waikato saw moderate shifts — from 2020 to 2022, both prices and rents rose together, but from 2023 to 2024, prices flattened while rents kept climbing. Auckland prices declined even as rents rose.

Regional House Prices - Feb. 2025

Current Median Price and MoM Changes

- In February 2025, **Auckland** remained the most expensive region with a median price of \$1.11M, though it saw a slight 0.5% decline.
- Wellington** and **Waikato** also dipped modestly (both -0.5% and -2.7% respectively), continuing a gradual softening in urban markets.
- Canterbury** stood out among major cities with a 0.3% increase, showing more resilience in price levels.
- West Coast** (+16.2%) and **Southland** (+9.2%) recorded the largest gains, suggesting growing demand in lower-priced regional areas.
- Price declines in **Nelson**, **Marlborough**, and **Gisborne** reflect a broader correction outside major centers.

Median House Prices by Region – February 2025
Values in NZD. Includes regional price and monthly change.



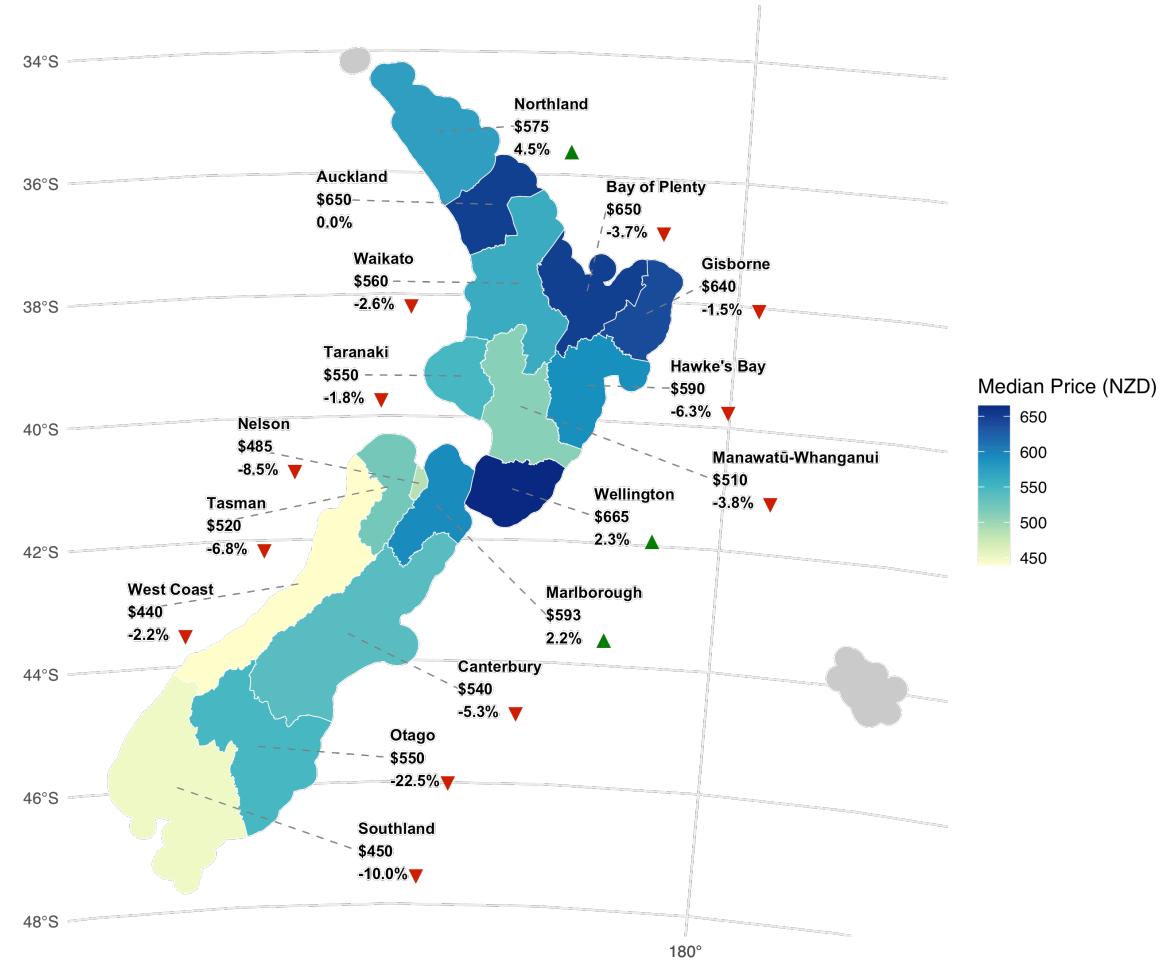
Source: REINZ

Regional Rent Levels - Feb. 2025

Current Median Rent and MoM Changes

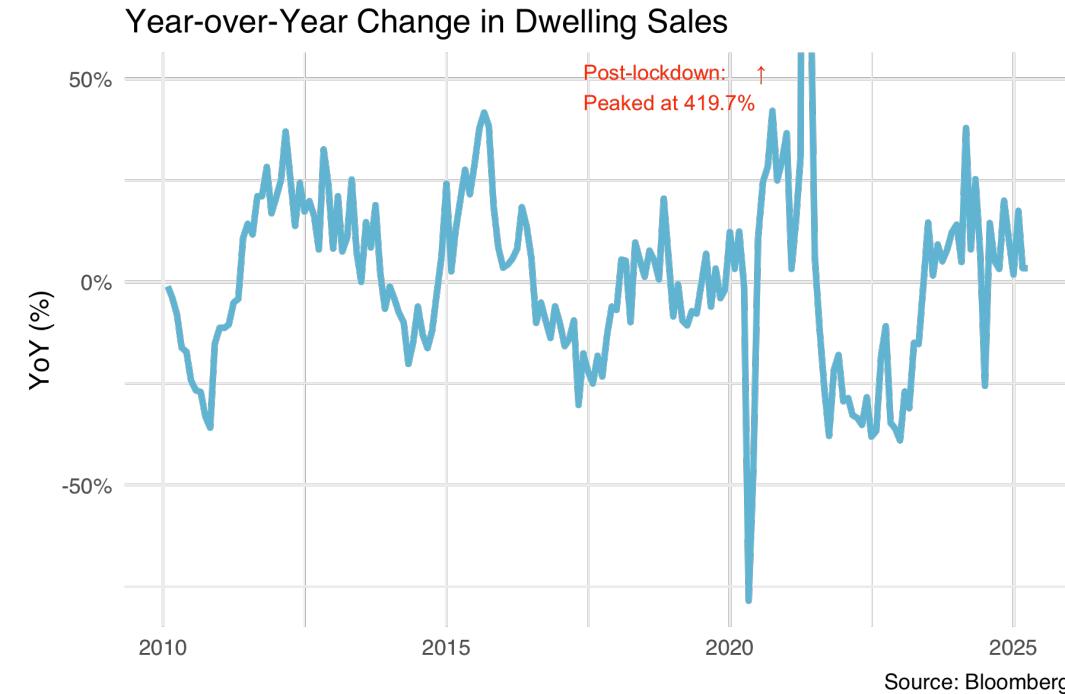
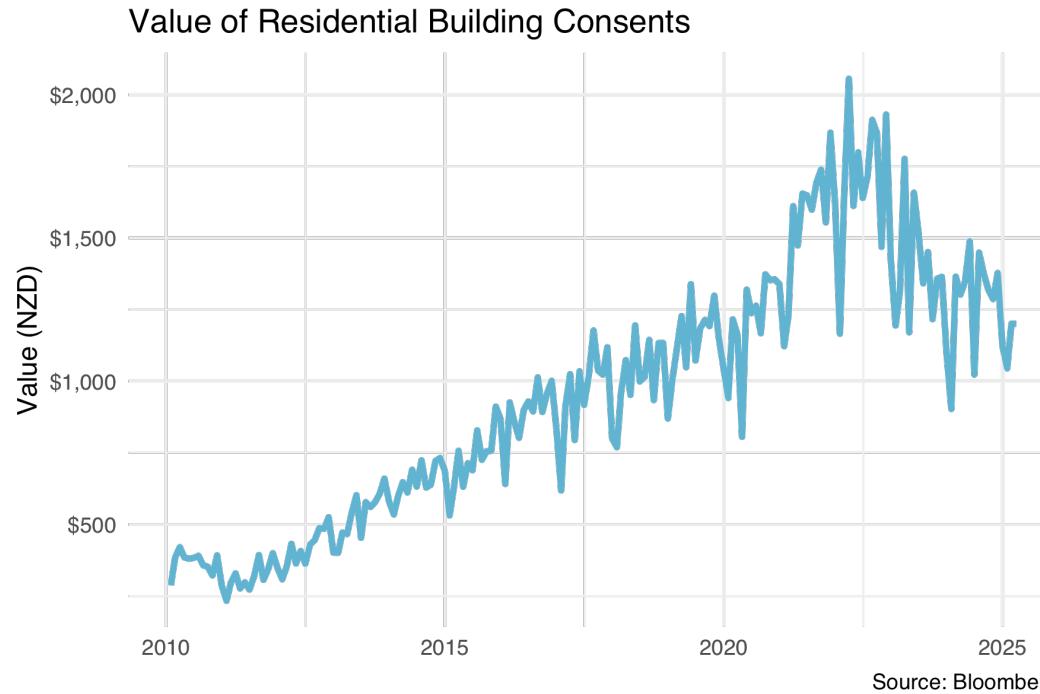
- In February 2025, **Auckland** recorded the highest median rent at \$650, unchanged from the previous month.
- Wellington (+2.3%)** and **Canterbury (-3.3%)** showed divergent trends, while **Waikato** rents fell 2.6%.
- Northland (+4.5%)** and **Marlborough (+2.2%)** had modest gains, despite slowing house prices.
- Otago (-22.5%)** and **Southland (-10.0%)** saw sharp declines, likely reflecting seasonal adjustments.
- Rental patterns were mixed across regions, with urban centers mostly stable and rural areas showing more volatility.

Median Rent by Region – February 2025
Values in NZD. Includes regional median rent and monthly change.



Building Activity and Market Dynamics

Trends in Building Consents and Sales



- Building consents peaked in 2021, closely following the trend in housing prices before entering a sustained decline.
- Sales rebounded sharply after the lockdown but have remained volatile since.
- The post-lockdown surge in sales may reflect pent-up demand, yet persistent volatility — despite falling consents — suggests the market may be undergoing adjustment.