

Monthly NZ Housing Chart Pack

October 2025



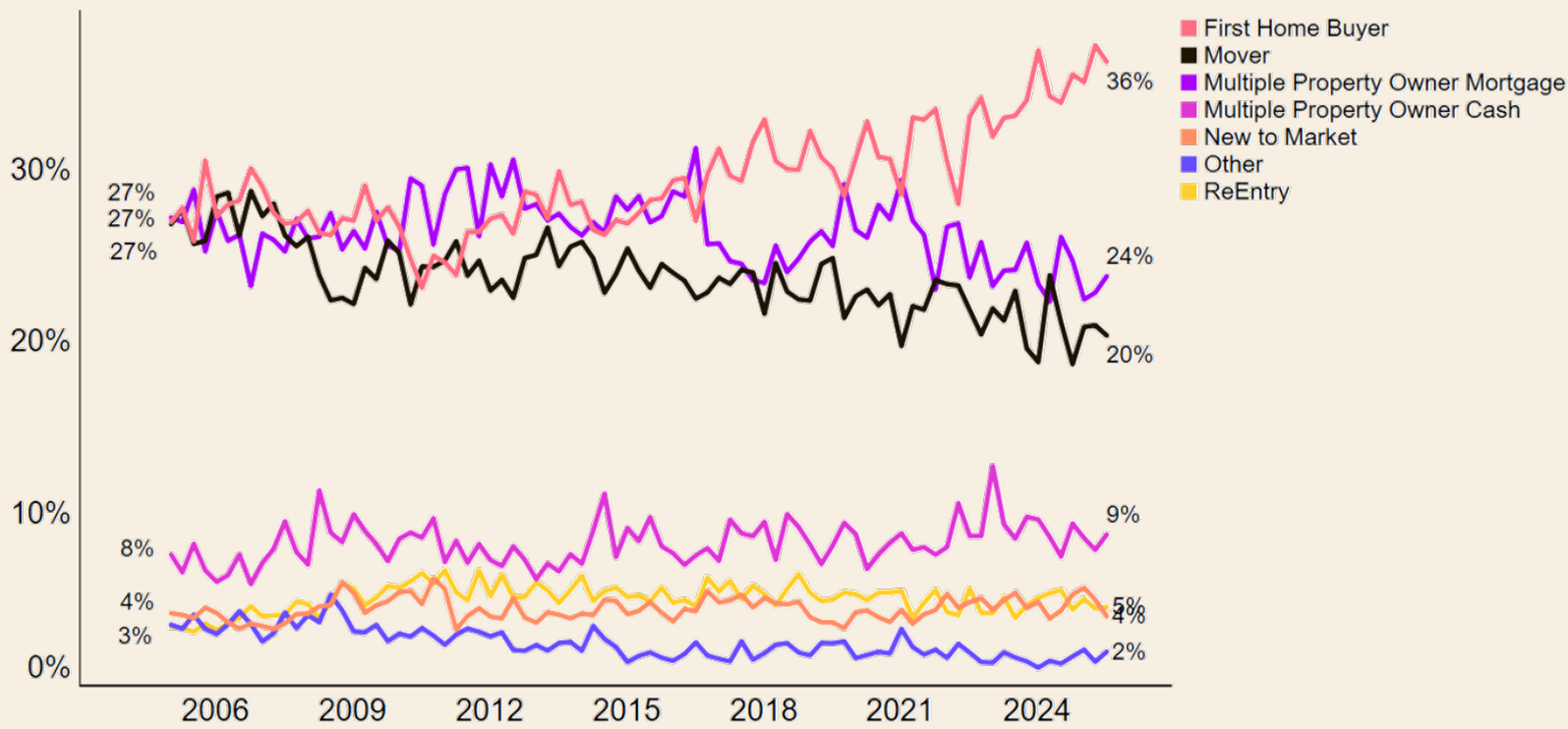
Looser LVRs may not do much straightaway

- As expected, the small dip in property sales volumes in August did prove to be temporary, with the upwards trend resuming in September. Sales last month were almost 4% higher than September 2024, the 27th rise in the past 29 months from the lulls in 2022 and early 2023. As new listings rise through Spring, we're seeing stock levels drift slightly higher, but the rise is being capped by the lift in agreed sales at the other end of the pipeline.
- Property values generally remain pretty subdued across the country, even falling further in Auckland and Wellington in September. Of course, other areas are proving a bit more resilient, with modest growth in Christchurch and Tauranga, as well as Gisborne, New Plymouth, and Invercargill. The latest 0.5% OCR cut and further mortgage rate falls may see values start to rise into 2026, especially if and when the economy and labour market turn around too.
- For now, however, property buyers are enjoying conditions. In particular, first home buyers set a new record share of activity in September, at more than 28% of purchases. With the LVR rules set to loosen from 1st December, there may be headroom for FHBs to take advantage. But it's worth noting that they're already strong, even though the overall share of owner-occupier lending being done at low deposit remains well below the current, lower speed limits. In other words, even the current LVRs aren't really binding.
- For investors, however, it's currently much more difficult to secure low deposit finance, so the new LVRs from 1st December could be more noteworthy for them. Even so, other credit restraints are still in place, such as the debt to income ratio limits and banks' own internal serviceability tests, hence a fresh surge in investor activity off the back of looser LVRs seems unlikely.
- All in all, the property market is largely tracking sideways for now. But with affordability better, listings lower than last year, more existing borrowers repricing loans down to market interest rates, and the unemployment rate set to drop next year, 2026 may look stronger for both property sales volumes and values.

CHART OF THE MONTH

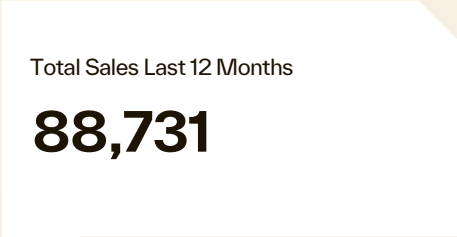
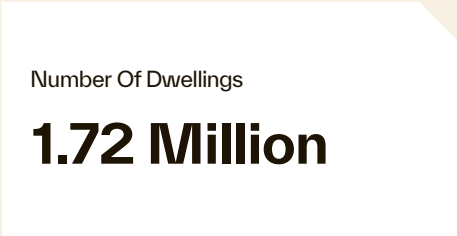
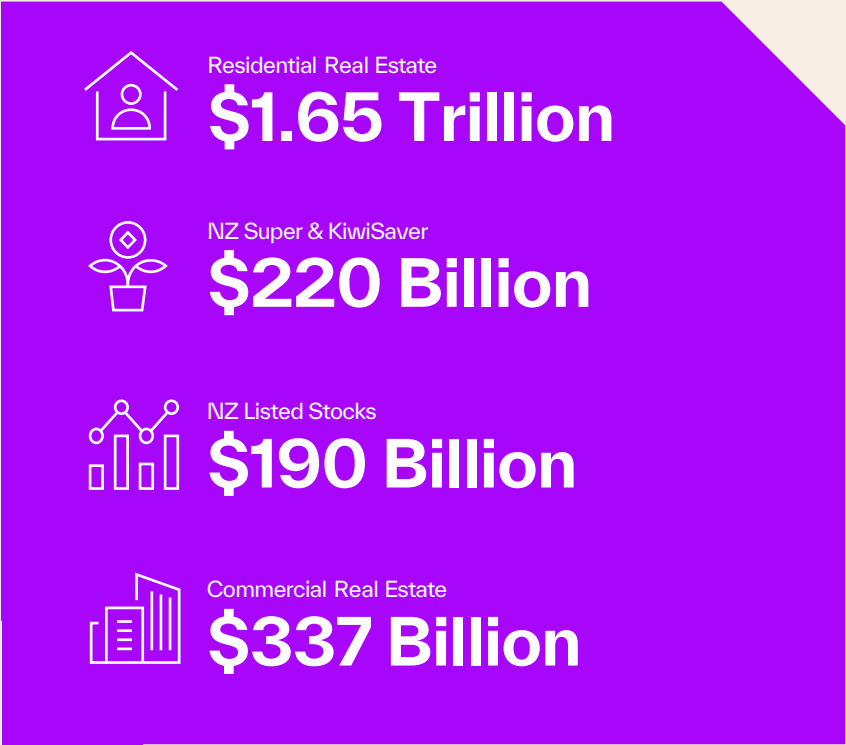
First home buyers remain strong, especially in Wellington

Quarterly % share of property purchases in wider Wellington (City, Upper & Lower Hutt, Porirua)



Source: Cotality

Residential real estate is a key part of NZ's household wealth



Source: Cotality, Reserve Bank of NZ, Stats NZ, NZX, NZ Super Fund

New Zealand property values

Overview

3 months

-0.7%

Taking the three months to September combined, there was a -0.7% dip in median property values across NZ.

12 months

-0.2%

Values edged down by -0.2% in the year to September, the 'strongest' figure since a +0.3% rise in August 2024.

From Peak

-17.3%

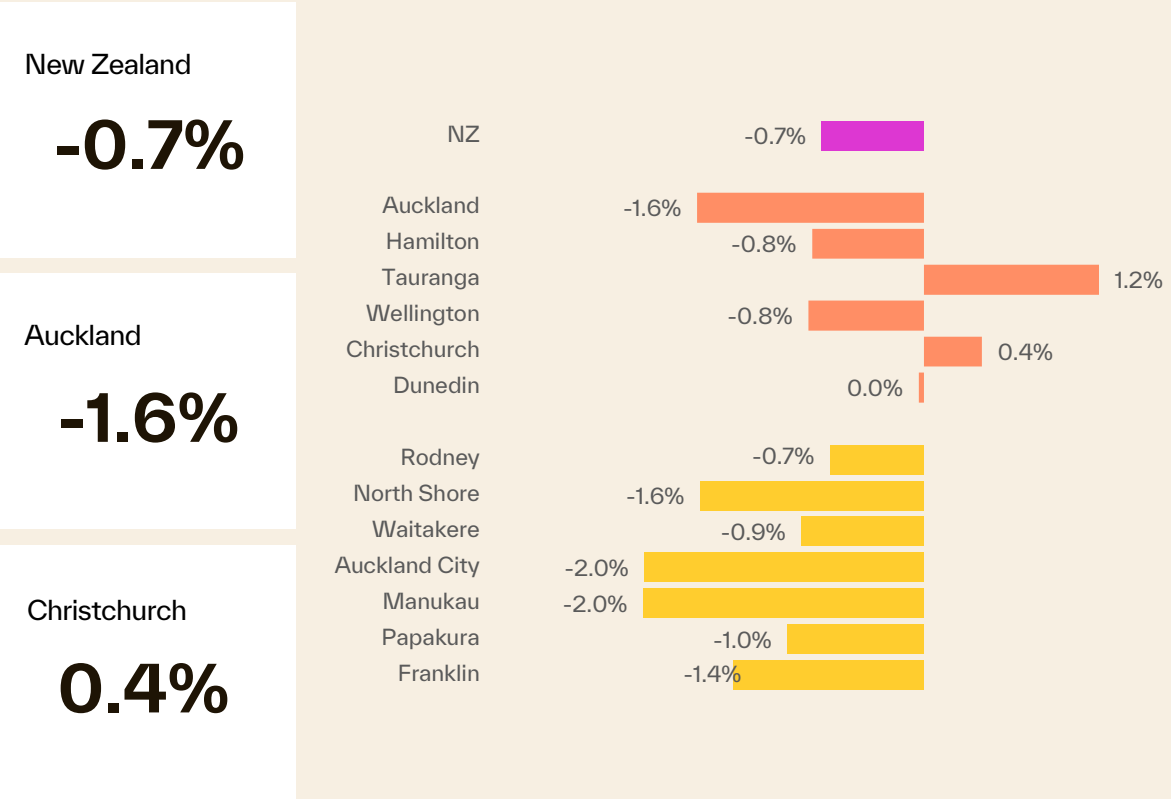
Falls from the peak are still sitting at around 17% nationally, but some areas are much larger (and some smaller).

Source: Cotality

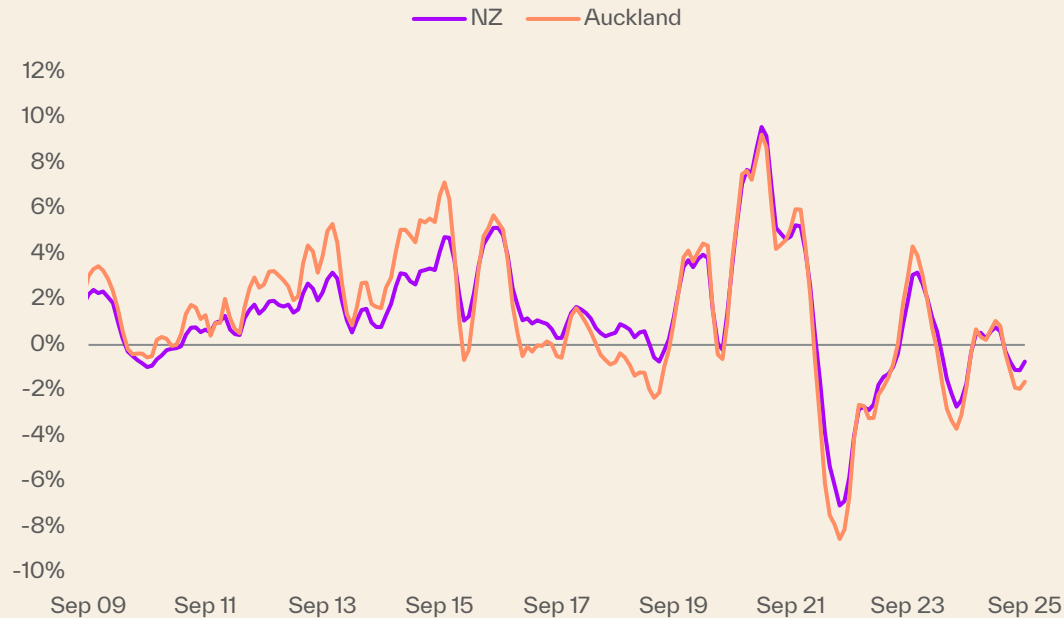
NEW ZEALAND PROPERTY VALUES

3 Month Changes

Change in median property values, three months to September 2025



Rolling quarterly change in median values

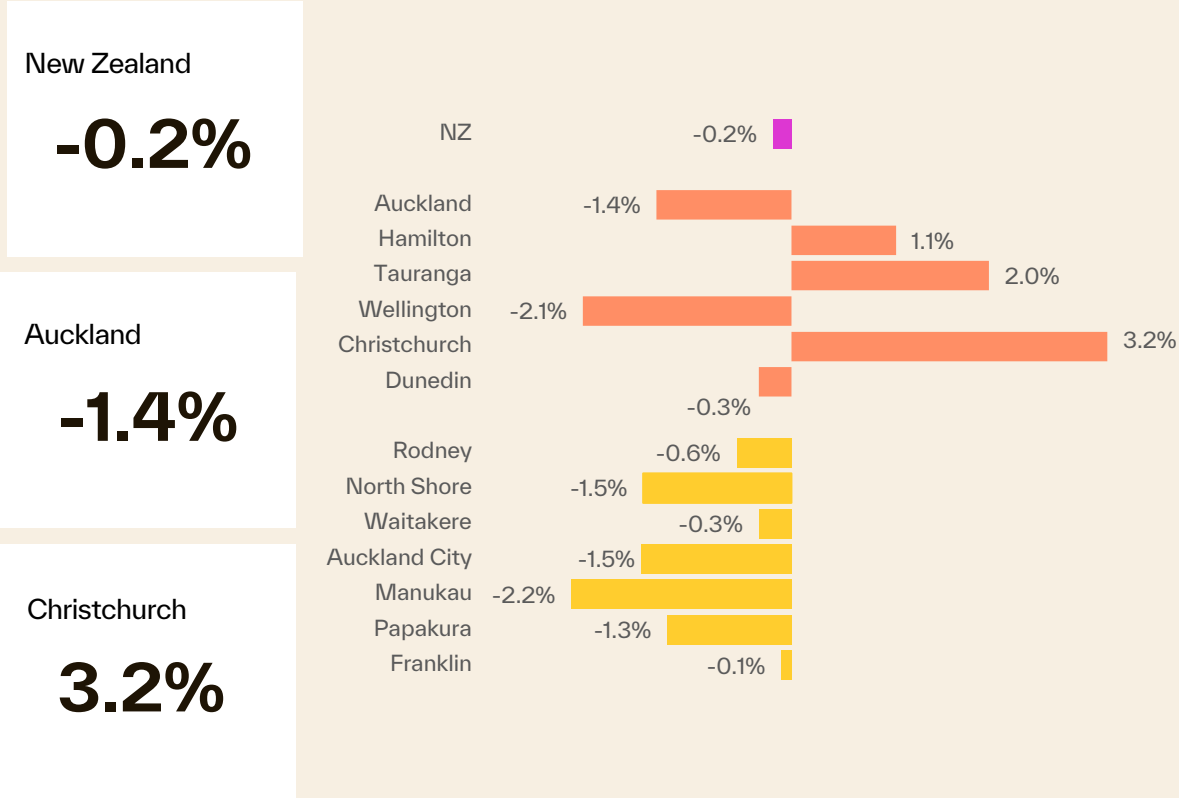


Source: Cotality

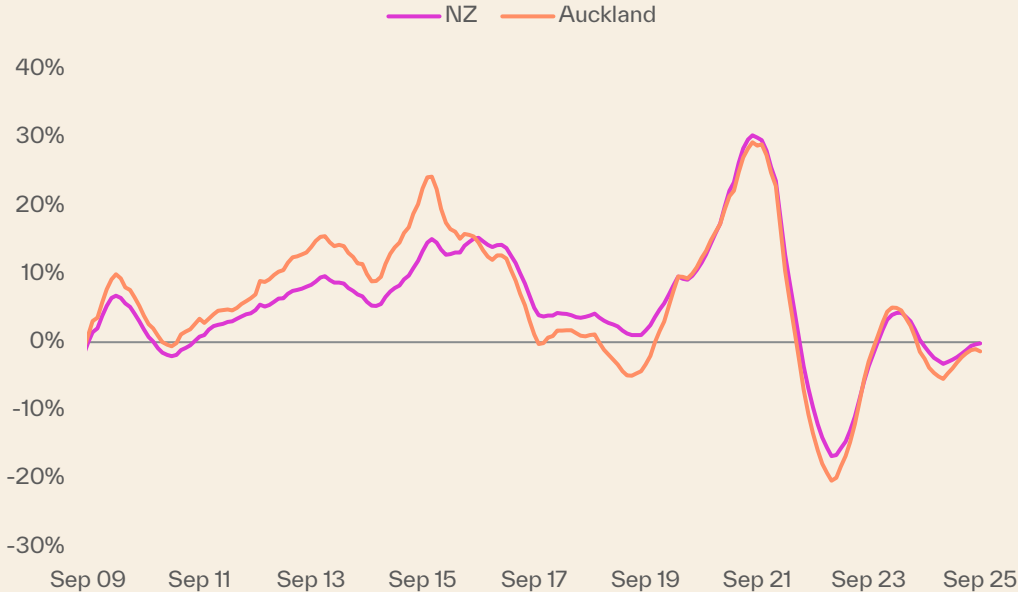
NEW ZEALAND PROPERTY VALUES

12 Month Changes

Change in median property values, 12 months to September 2025



Rolling annual change in median values



Source: Cotality

Main centres – median values

NZ fall from peak:

-17.3%

Largest main centre decline:

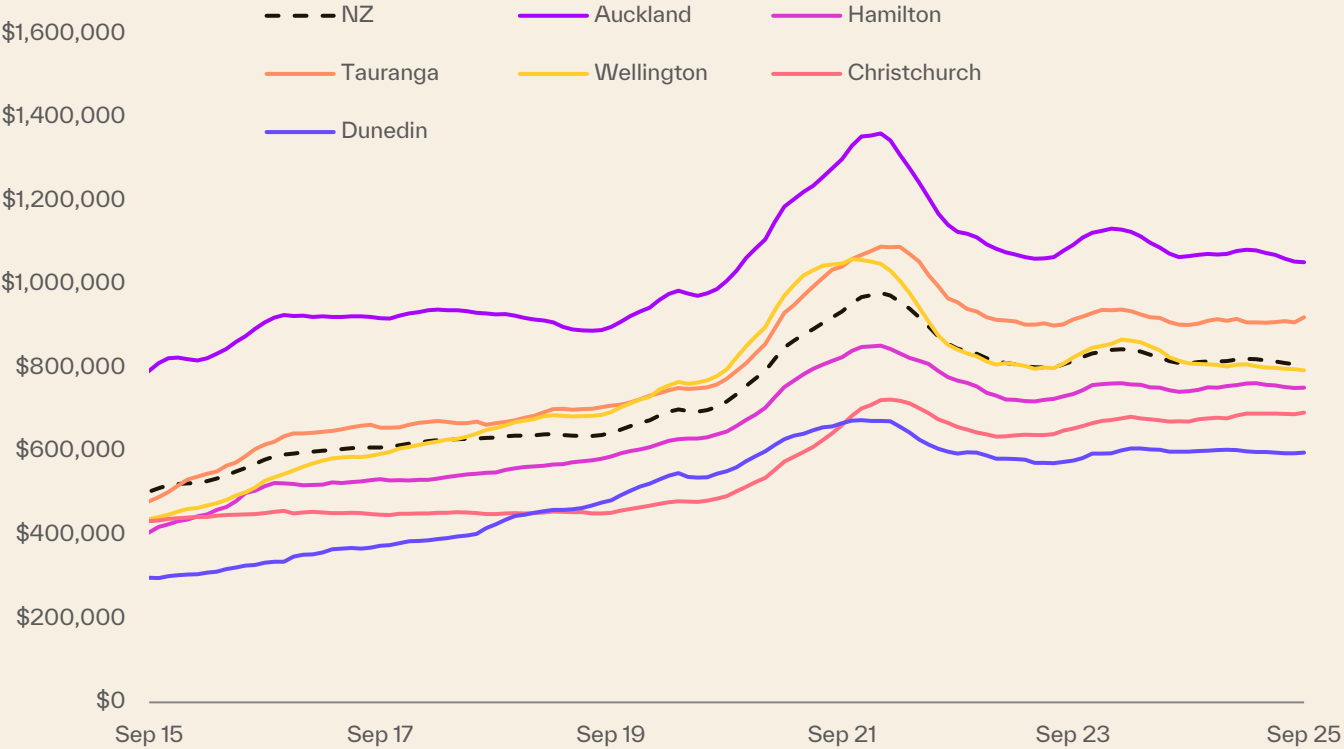
-25.1%

Wellington

Smallest main centre decline:

-4.3%

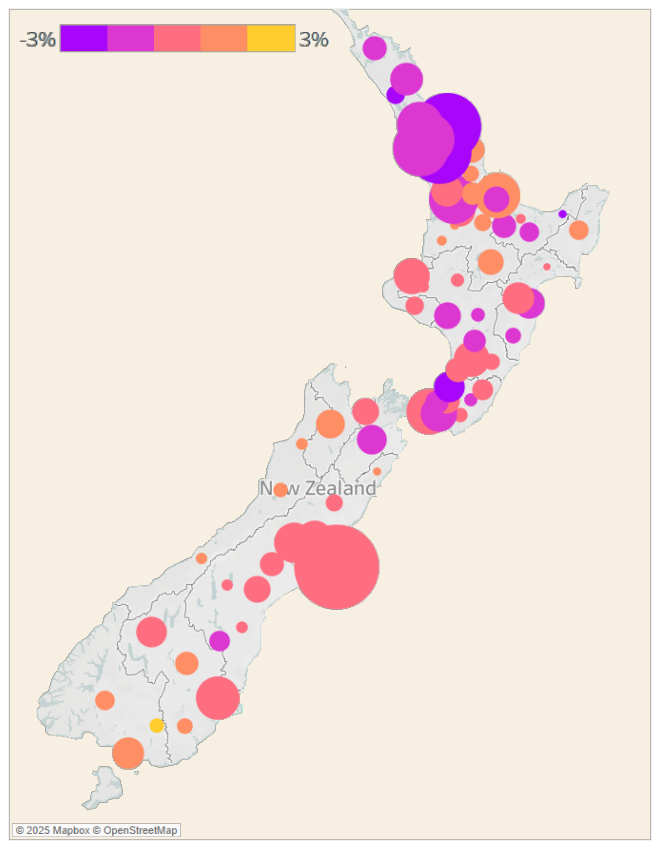
Christchurch



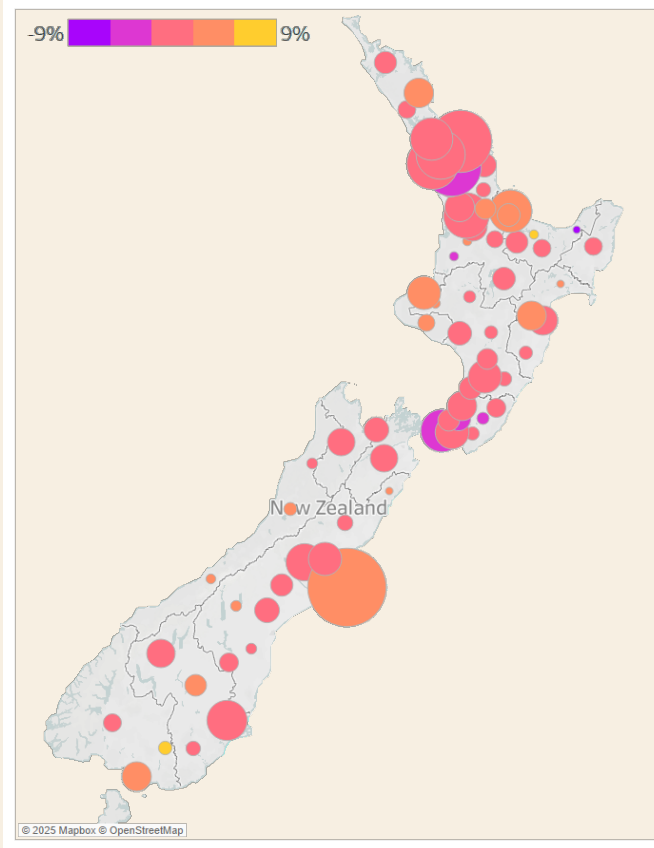
Source: Cotality

Regional changes

Change in median property values, 3 months to September 2025



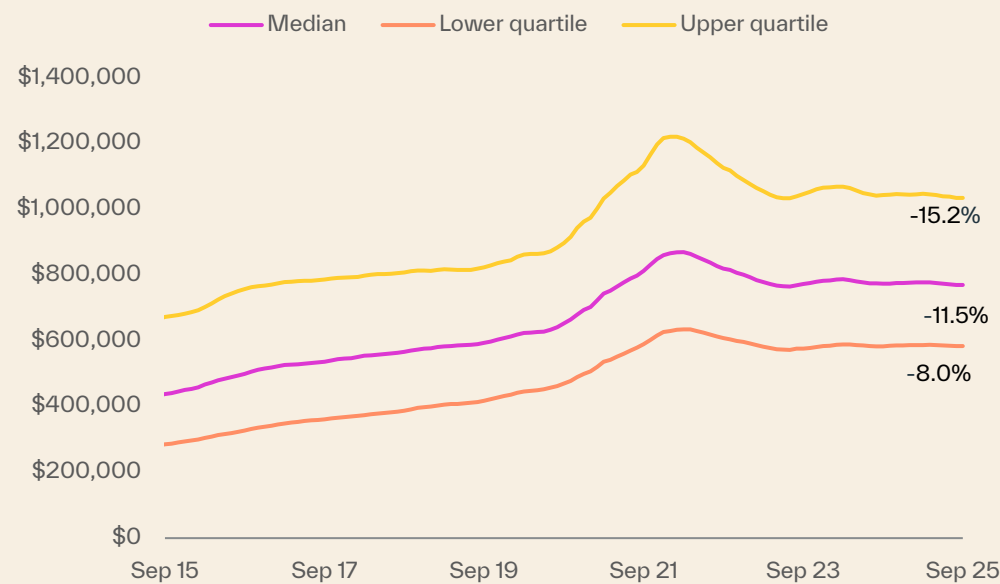
Change in median property values, 12 months to September 2025



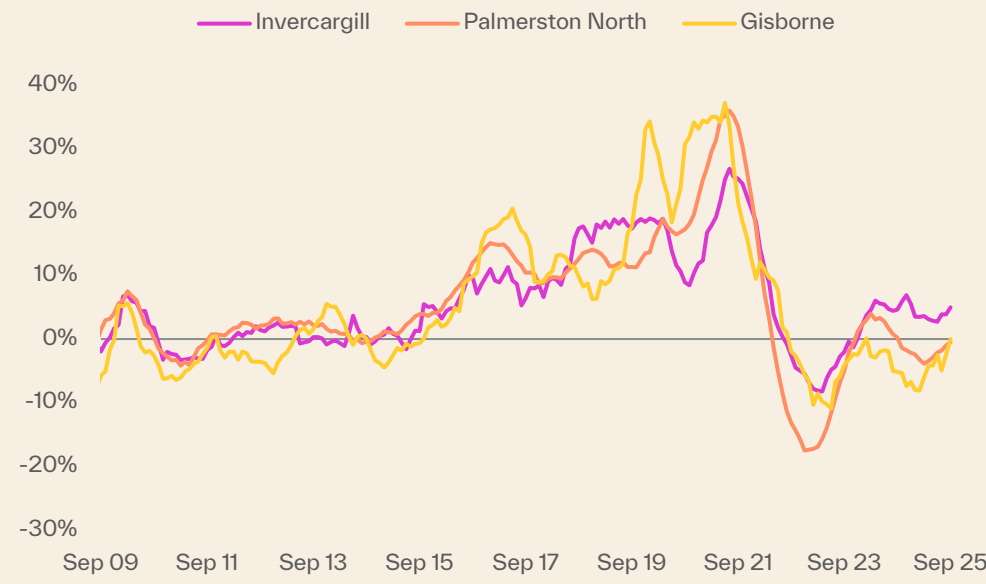
Source: Cotality

By value band and selected markets

NZ \$ values median and upper & lower quartile*



Rolling annual change in median property values in selected markets



Source: Cotality

Sales and Listings

NATIONAL SALES

Sales volumes in September, measured across both private deals and real estate agents, were almost 4% higher than the same month in 2024, after a temporary blip in August. The latest rise was the 27th in the past 29 months and it continued the upwards trend in the number of agreed sales from cyclical lows in 2022 and early 2023. With mortgage rates continuing to edge lower, further growth in sales activity seems likely.

Change in sales volumes over past 12 months compared to year earlier

New Zealand

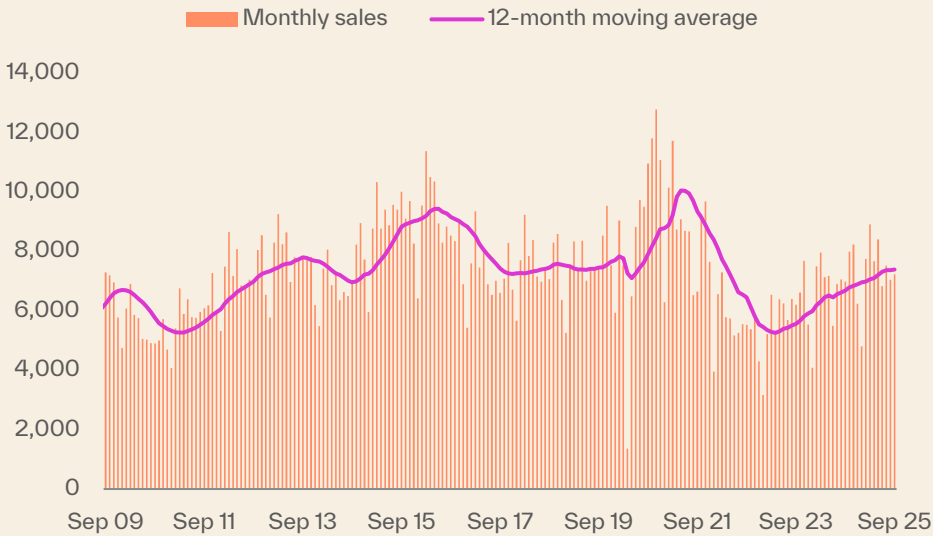
10.6%

Main Centres

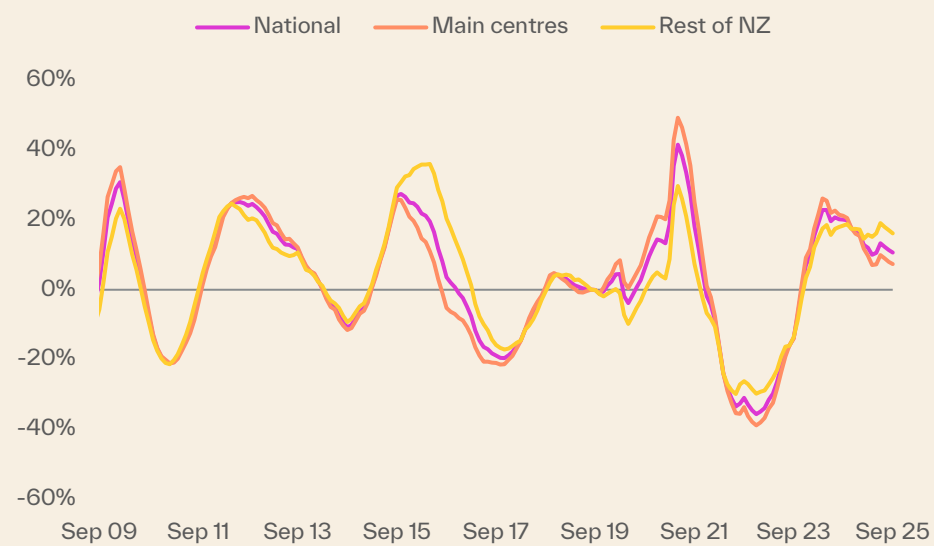
7.3%

Rest of NZ

16.2%



Monthly sales with 12-month moving average, national



Source: Cotality

NEW LISTINGS

New listings activity has remained fairly solid in recent months, at least compared to where it has normally sat during the Winter lull and Spring lift in previous years. There hasn't been any meaningful evidence that the shortening of the Brightline Test over a year ago has produced a marked sell-off by investors. The final few months of 2025 will be a really interesting period for the market - to assess whether the increase in sales is enough to outweigh the normal seasonal lift in new listings.

New listings over the 4 weeks ending 5th October

13,293

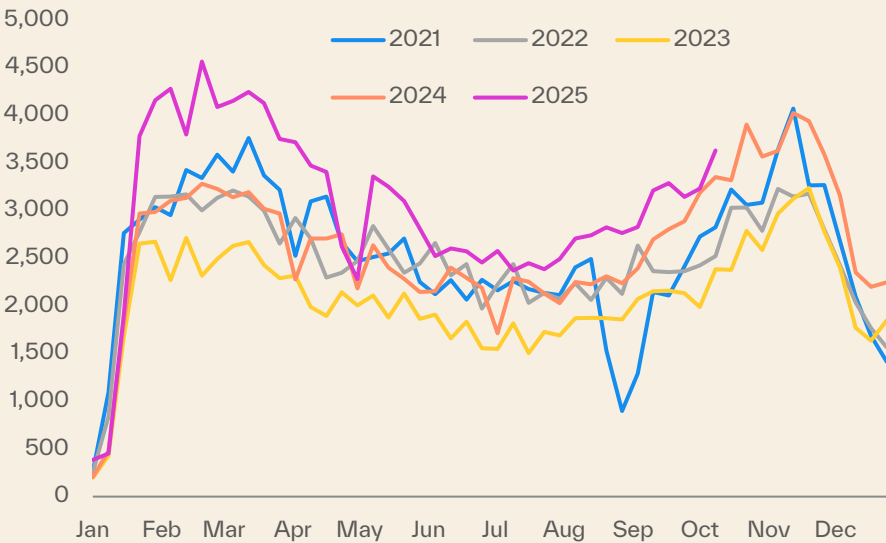
Same time last year

12,229

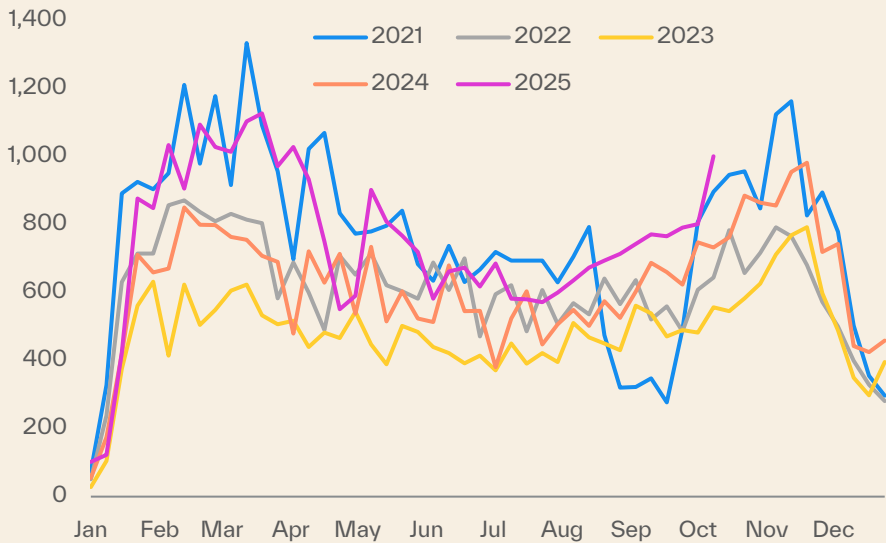
Five year average

11,037

New listings, national



New listings, Auckland



Source: Cotality

TOTAL LISTINGS

The total number of properties listed on the market remains relatively high, although the recent lift in property sales is starting to erode stock levels (as well as potentially some vendors pulling their properties off the market). Indeed, the number of available listings is now about 12% below this time last year, although above the levels of 2020-23 (for the time of year). All parts of the country have started to see stock levels fall, albeit not by much for West Coast.

Total listings on the market

27,565

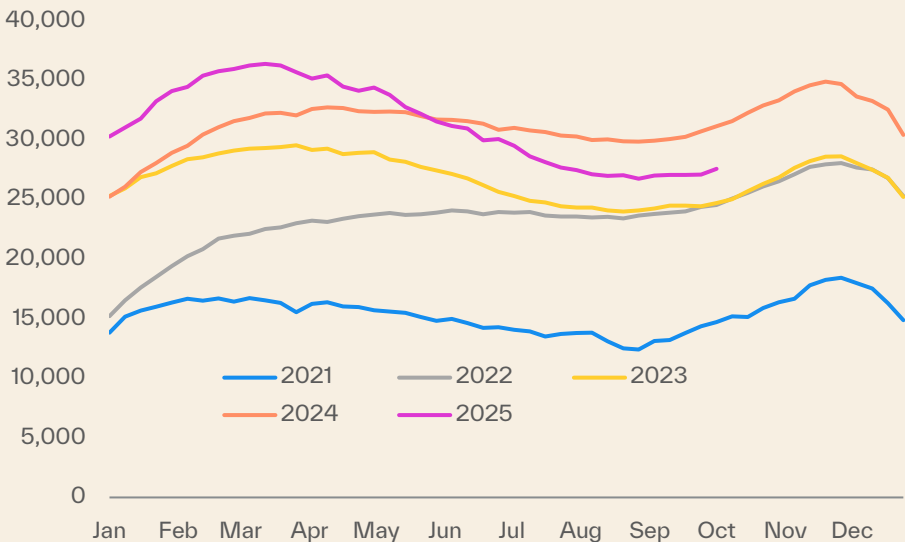
Same time last year

31,158

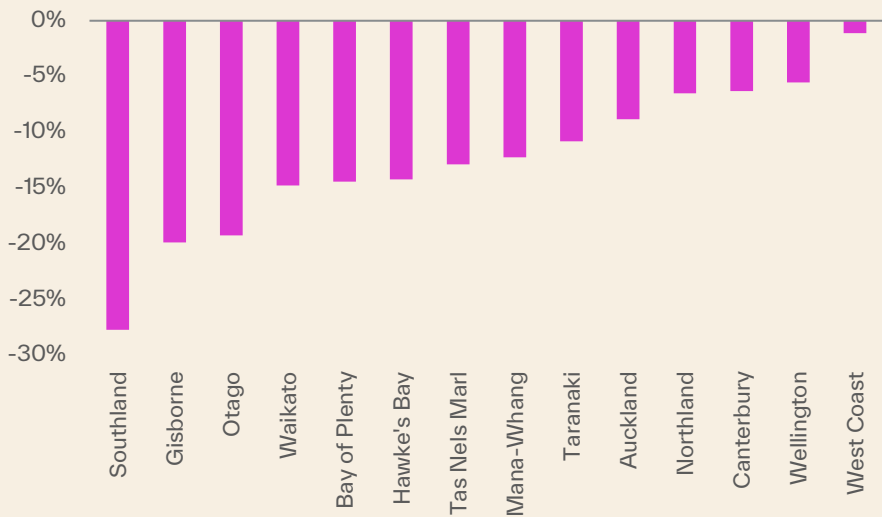
Five year average

23,460

Total listings, national



Total listings, change from equivalent period last year



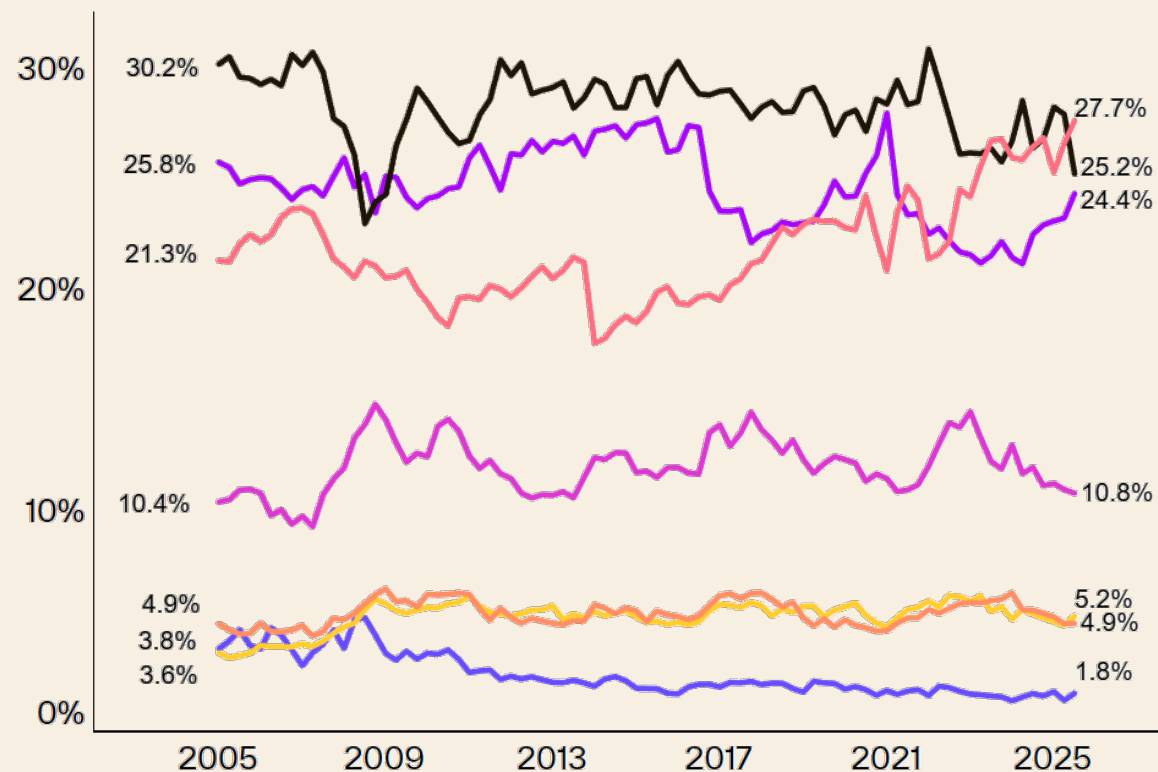
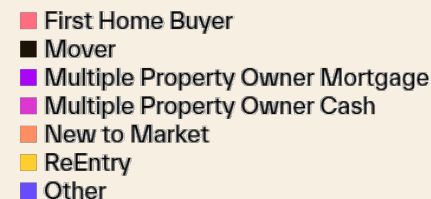
Source: Cotality

Buyer classification

BUYER CLASSIFICATION

% market share of property purchases

- First home buyers (FHBs) are still a strong presence in the property market, accounting for 28.2% of purchases in September – a new record high for a single month. Over Q3 as a whole, their share was 27.7%.
- The raw number of deals is rising too, with many FHBs accessing KiwiSaver for at least part the deposit and also tapping into the low-deposit lending allowances at the banks.
- Perhaps the most notable shift in the data over the past year or so, however, has been the comeback by mortgaged multiple property owners (including investors). Their share was 24.4% over Q3, the highest since early 2021.
- This has been driven by smaller/new investors, who are looking at lower price bands and existing properties (albeit new-builds remain popular too). Lower mortgage rates and reduced cashflow top-ups are a key factor.
- Finally, relocating owner-occupiers (‘movers’) remain quieter than normal, but might be poised to return, as wider market activity levels continue to rise.



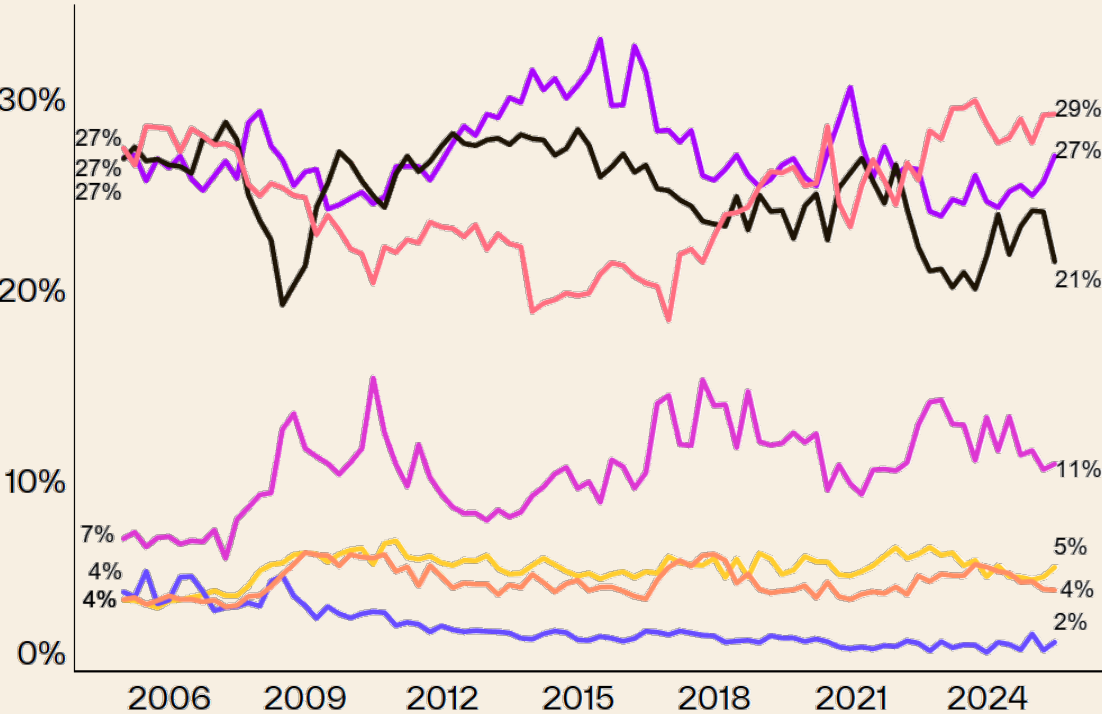
Source: Cotality

BUYER CLASSIFICATION - % MARKET SHARE OF PROPERTY PURCHASES

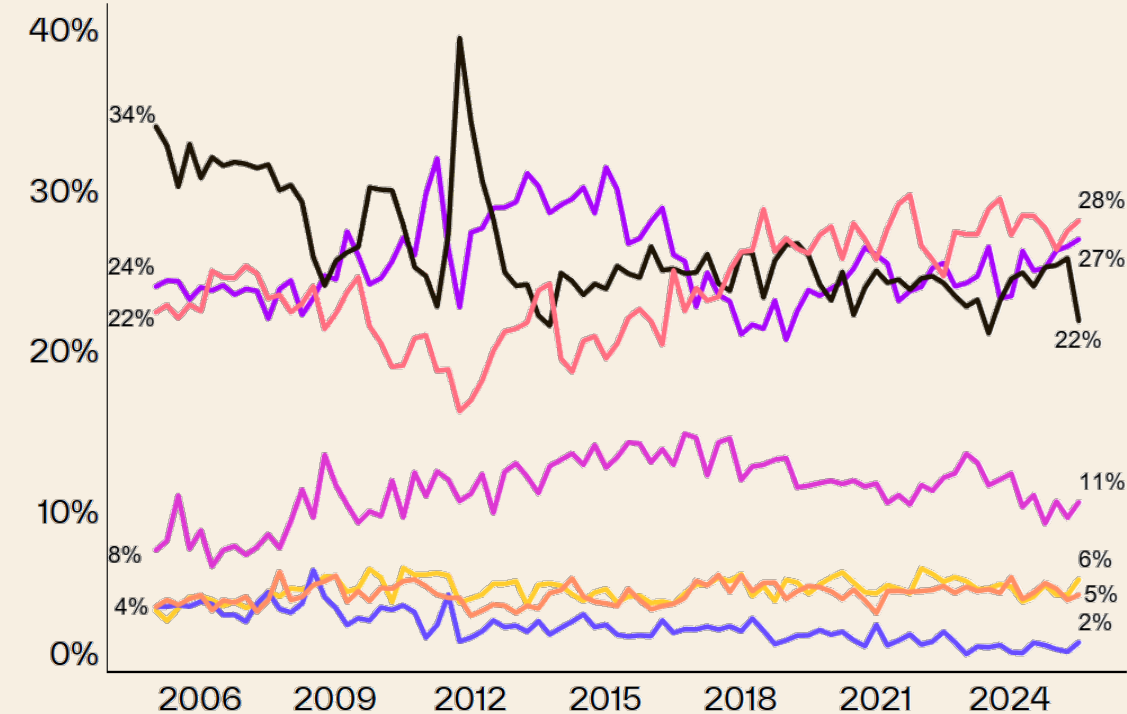
Selected main centres

- First Home Buyer
- Mover
- Multiple Property Owner Mortgage
- Multiple Property Owner Cash
- New to Market
- ReEntry
- Other

Auckland



Christchurch

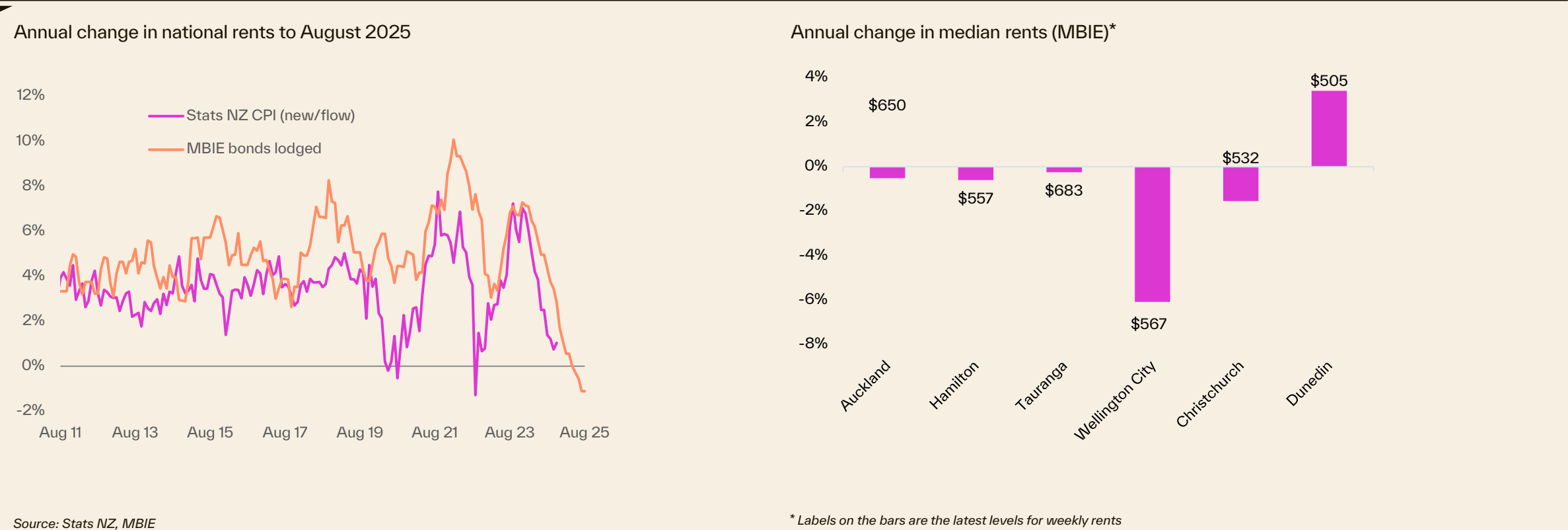


Source: Cotality

Rental Market

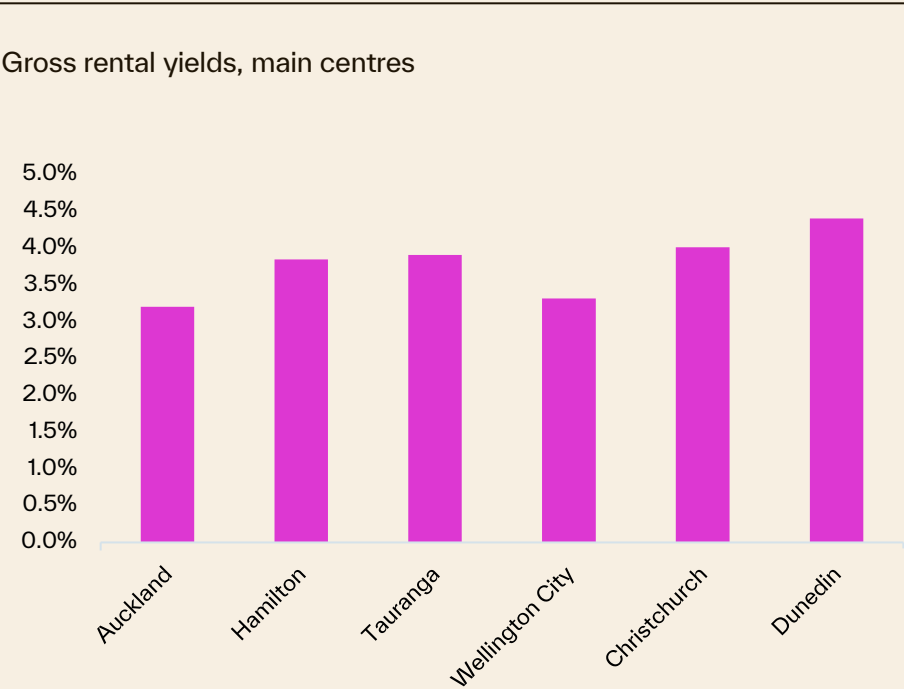
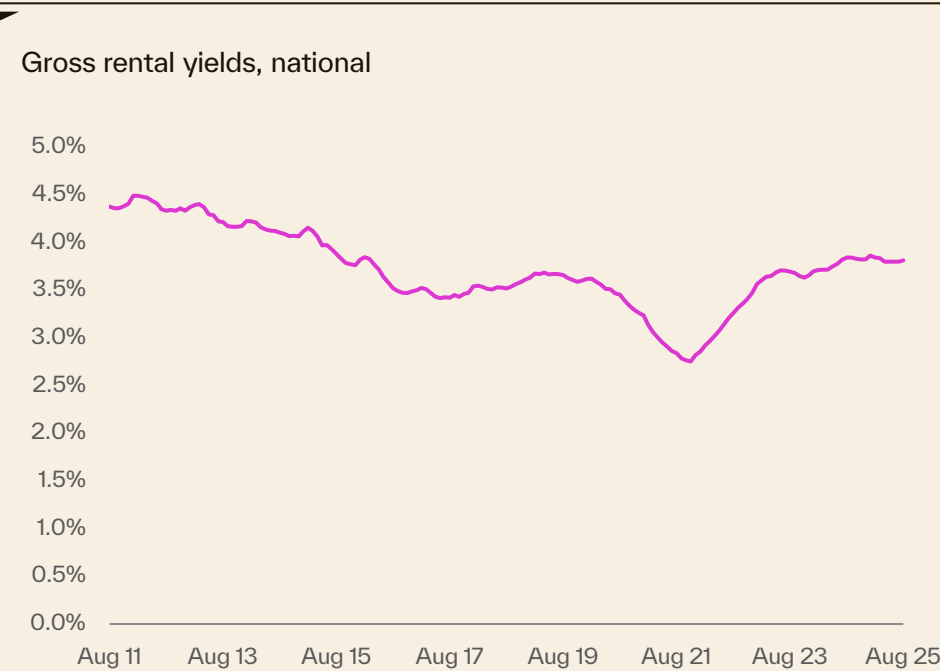
RENTAL RATES

Turning to rents, conditions remain subdued, with net migration having fallen a long way from its peak and the stock of available rental listings on the market still elevated. There’s also another constraint on rental growth, given that their level is already high in relation to households’ incomes – at the same time, wage growth is slowing too. The weakness is illustrated by the MBIE bonds data, with the median national rent in the three months to August falling by 1.1% from the same period in 2024 – one of the first declines since late 2009. It’s difficult to see a strong return to growth in the near term.



RENTAL YIELDS

Over the past few years, gross rental yields have been trending slowly higher, as property values have weakened and rents have risen (albeit they've slowed recently). From a floor of 2.8% in late 2021, they now stand at 3.8%, which is around the highest level since mid-2016. Auckland sits at 3.2%, while Wellington City has 3.3%, with Hamilton (3.8%), Tauranga (3.9%), and Christchurch (4.0%) a touch higher. Dunedin is higher still at 4.4%. Increased rental yields, but more importantly lower mortgage rates, have meant that an investment property purchase now requires a much smaller top-up from other income than has been needed for at least a couple of years.

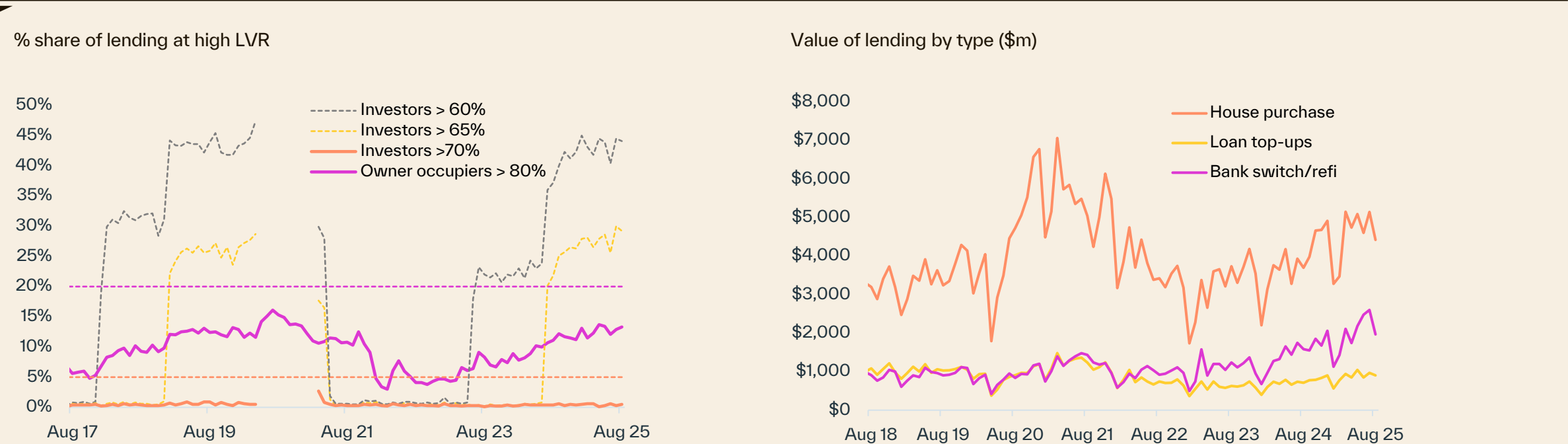


Source: Cotality, MBIE

Credit conditions

Lending flows

There still appears to be some caution from both banks and borrowers when it comes to the loan to value ratio rules at present, with the share of owner-occupier activity at a high LVR (or low deposit) sitting fairly consistently at 12-13% lately – well below the 20% speed limit or cap. It remains difficult for investors to secure debt for an existing property without a 30% deposit, although at lower LVRs this borrower group is steadily growing. Looking at lending by type, house purchase activity is rising, but bank switching has recently hit record highs, as more existing borrowers chase cash-backs at the new bank.

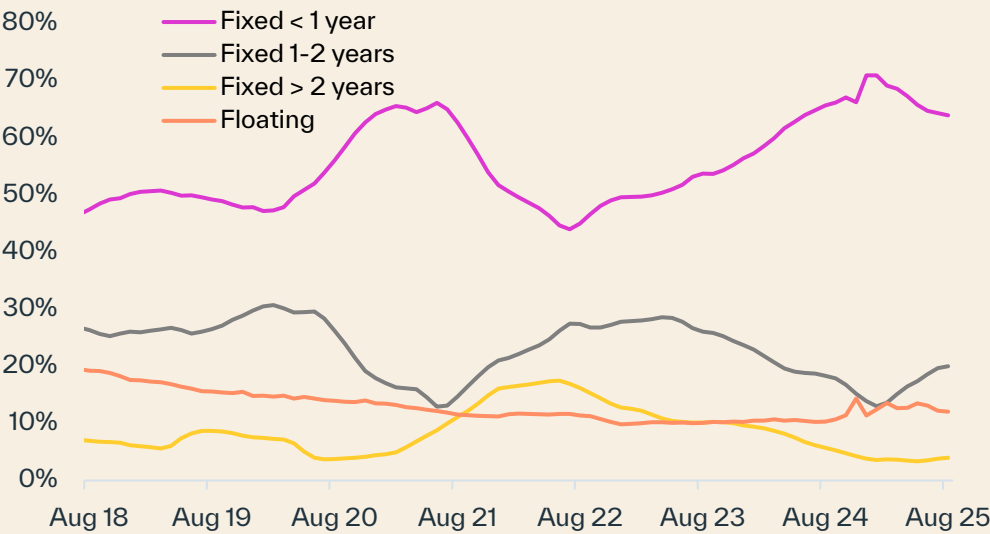


Source: Reserve Bank NZ

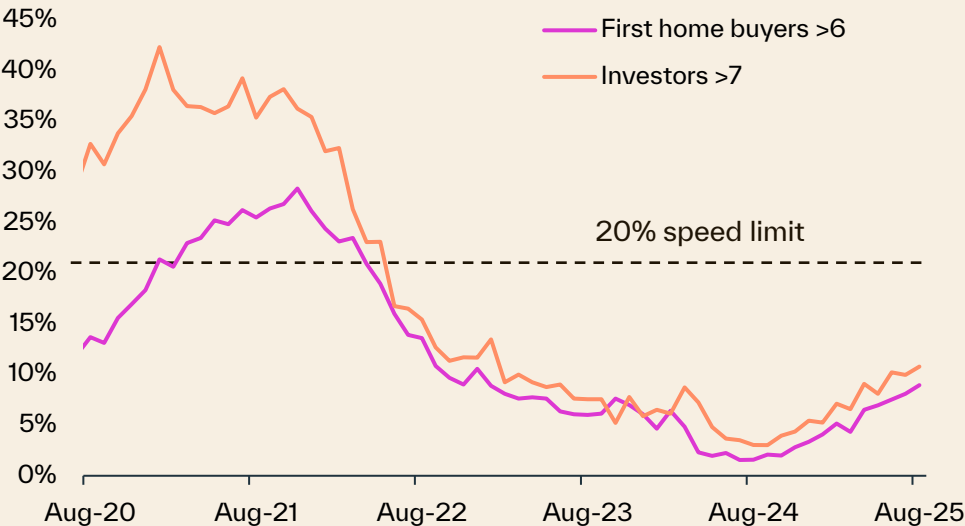
Lending flows

Around 64% of NZ’s existing mortgages by value are currently fixed but due to reprice onto a new mortgage term over the next 12 months (and about 32% within six months), with another 12% floating. In other words, the bulk of mortgage-holders will see reduced repayments in the near term, which will give them a choice – possibly spend in the economy, but others may choose to save the extra cash and/or keep their repayments the same and reduce the debt faster. Meanwhile, even though the internal servicing test rates at the banks are falling, loan sizes remain fairly low in relation to incomes, i.e. DTIs are ‘under control’.

% share of existing loans on various terms to repricing



% share of lending at high debt to income ratio (DTI)

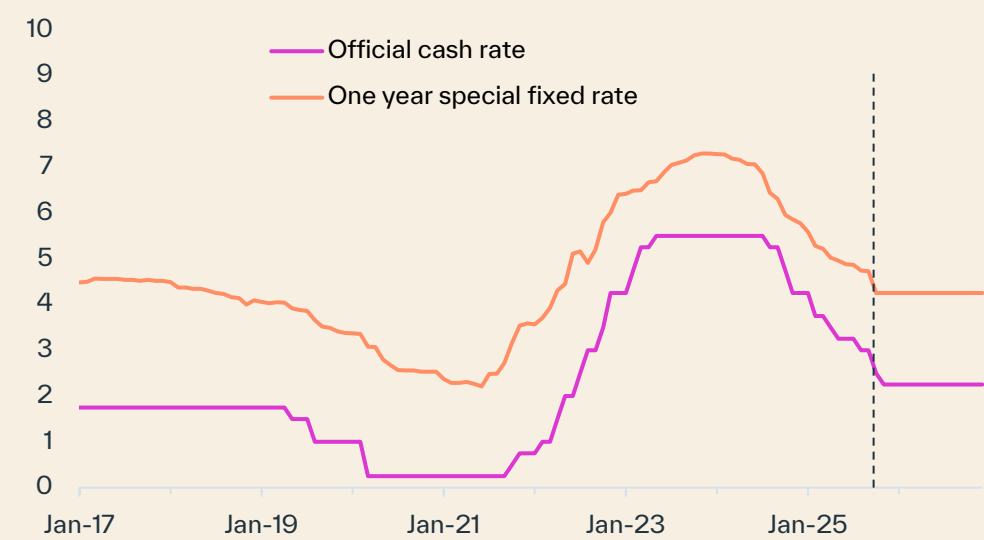


Source: Reserve Bank NZ

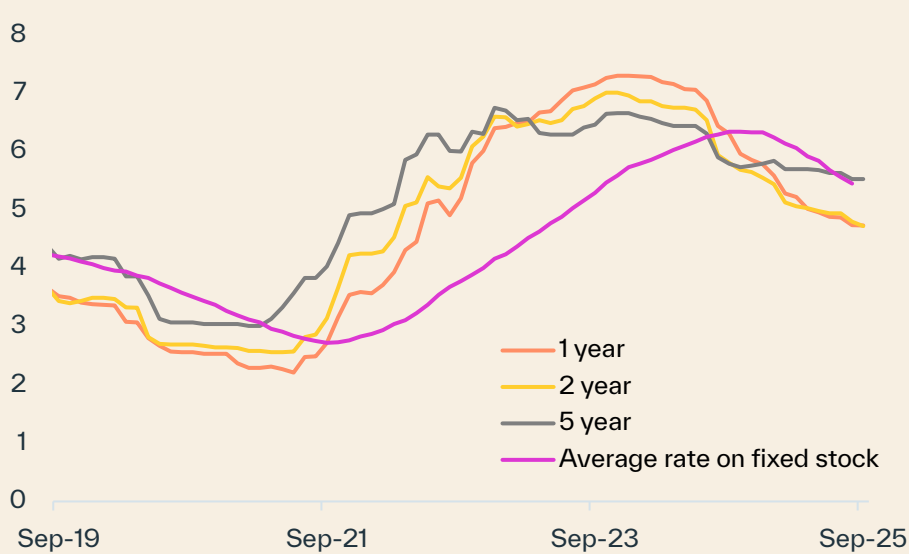
The OCR and mortgage rates

The economy remains broadly subdued and with headline inflation still inside the policy target range of 1-3% - albeit slightly rising from 2.5% in Q1 to 2.7% in Q2 - the Reserve Bank’s monetary policy easing programme is probably not finished just yet. Indeed, after the 0.5% OCR cut in early October, there could be one more in this cycle, on 26th November, as the RBNZ looks to shore up the economy and reduce the scope for an inflation target undershoot further down the track.

Official cash rate and 1-year special fixed rate



Current special mortgage rates and average on existing stock



Source: Reserve Bank NZ

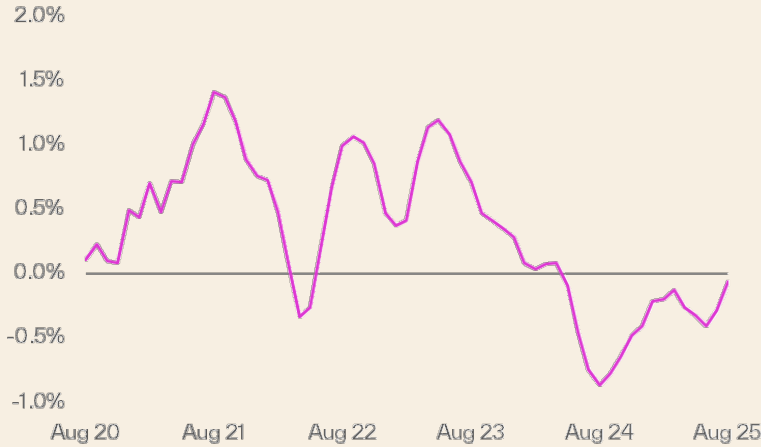
Economic indicators

ECONOMIC INDICATORS

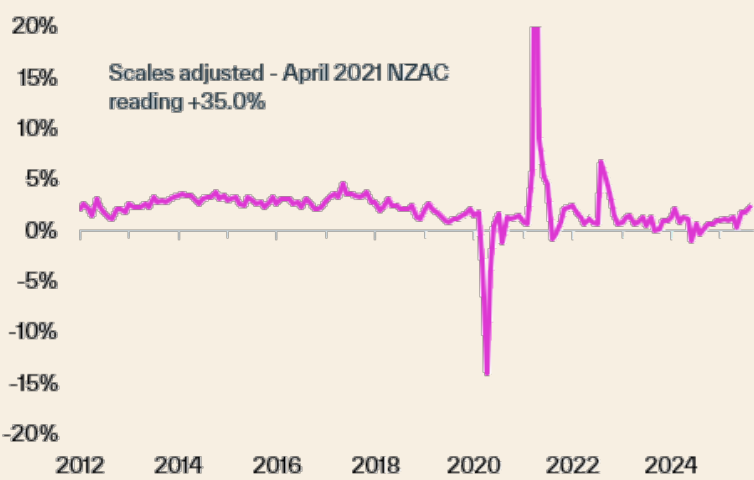
Unemployment rate



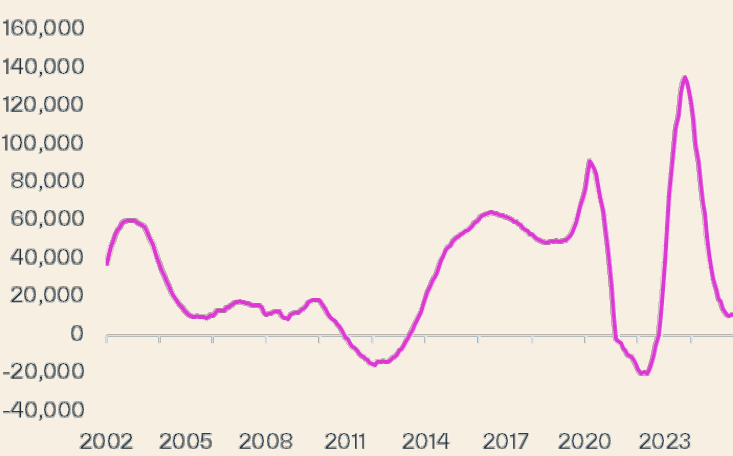
% three month change in filled jobs



% annual change NZ Activity Index



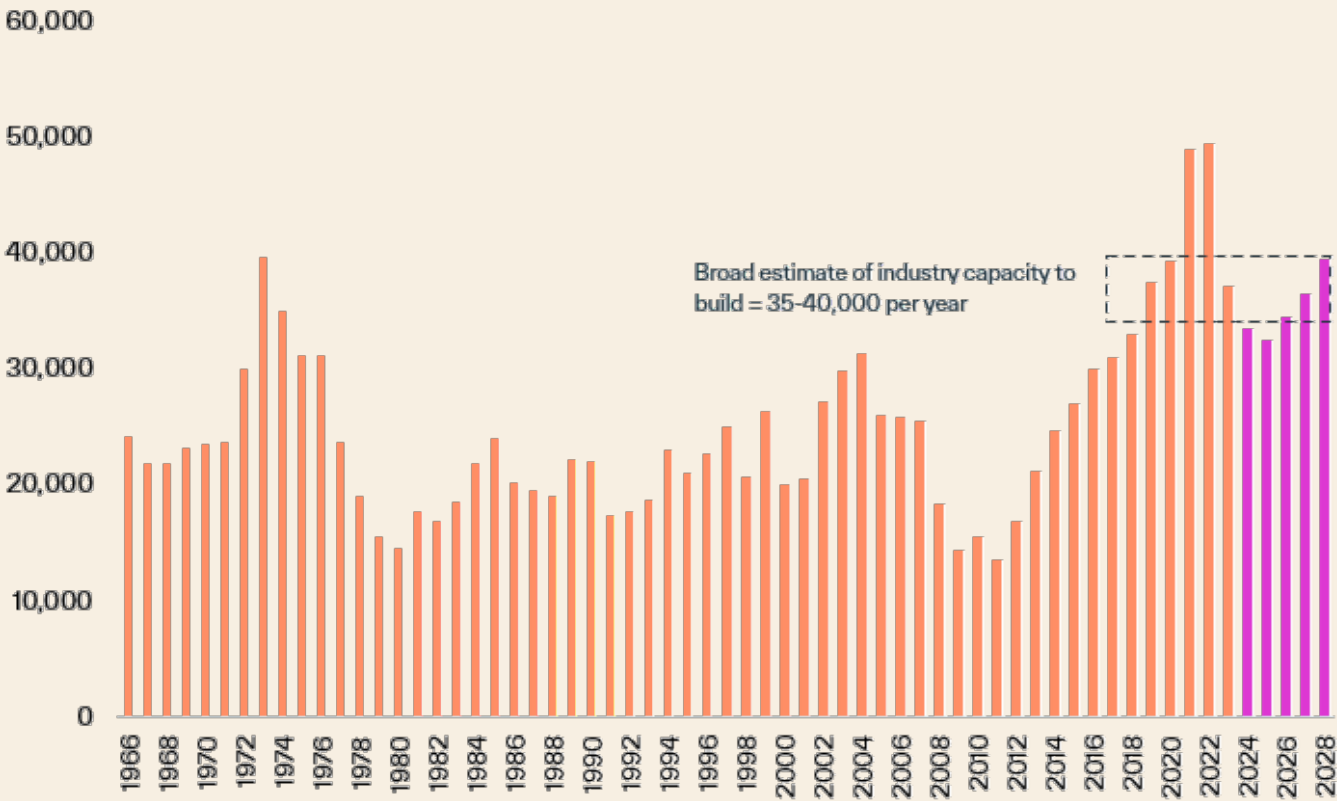
Annual net migration flow



Source: Stats NZ

ECONOMIC INDICATORS

New dwellings consented, annual totals – history (coral) and forecast (violet)



Source: Stats NZ, MBIE, BRANZ, Pacifecon

Get in Touch

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Tune into the NZ Property Market podcast for regular market updates



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