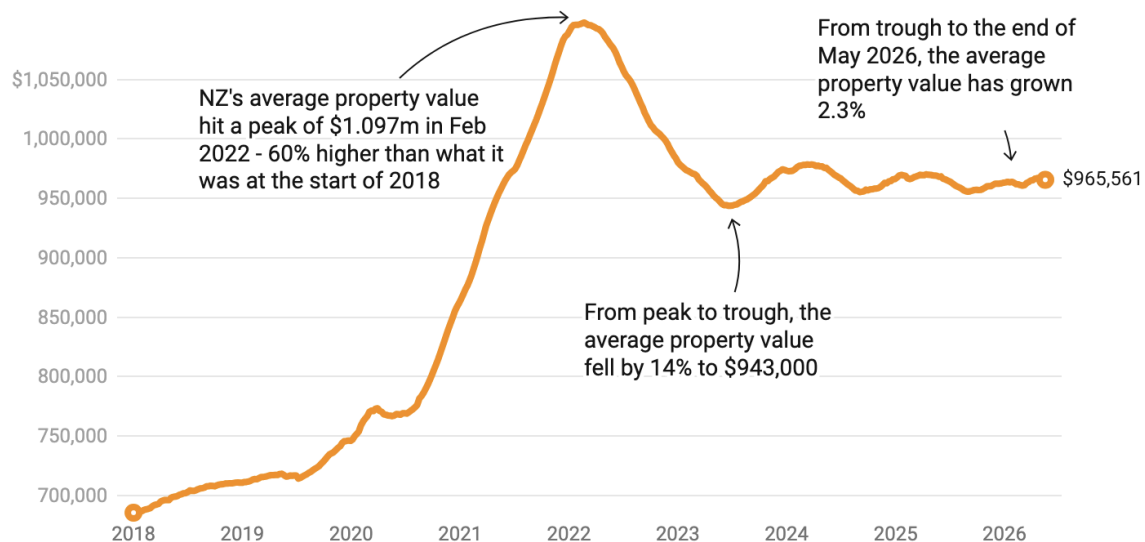


One in Three Kiwi Suburbs Still Trapped in the Housing Slump

Three years after the housing market was declared to have bottomed out, new data reveals a stark divide across New Zealand. While some areas have rebounded strongly, one in three suburbs remains stuck in the slump, with property values today lower than they were in June 2023.

According to the latest OneRoof-Valocity House Value Index, the nationwide average property value has only managed a modest 2.3% gain since the official trough. In contrast, many homeowners in Auckland, Wellington, and parts of the upper North Island are still nursing losses from the post-Covid correction.

NZ's Average Property Value Since 2018



Property value data derived from the OneRoof-Valocity House Value Index, taken at the end of May 2026.

Chart: OneRoof.co.nz • Source: OneRoof / Valocity • [Get the data](#) • Created with [Datawrapper](#)

The Numbers Behind the Divide

Of the 778 suburbs analysed (those with sufficient sales data), 233 currently have lower average property values than three years ago. Even more concerning, 118 of these suburbs recorded further declines in the past three months, suggesting the pain is not yet over for many.

The worst-performing regions include:

- Auckland and Wellington: Both down 1.5% on average since June 2023.

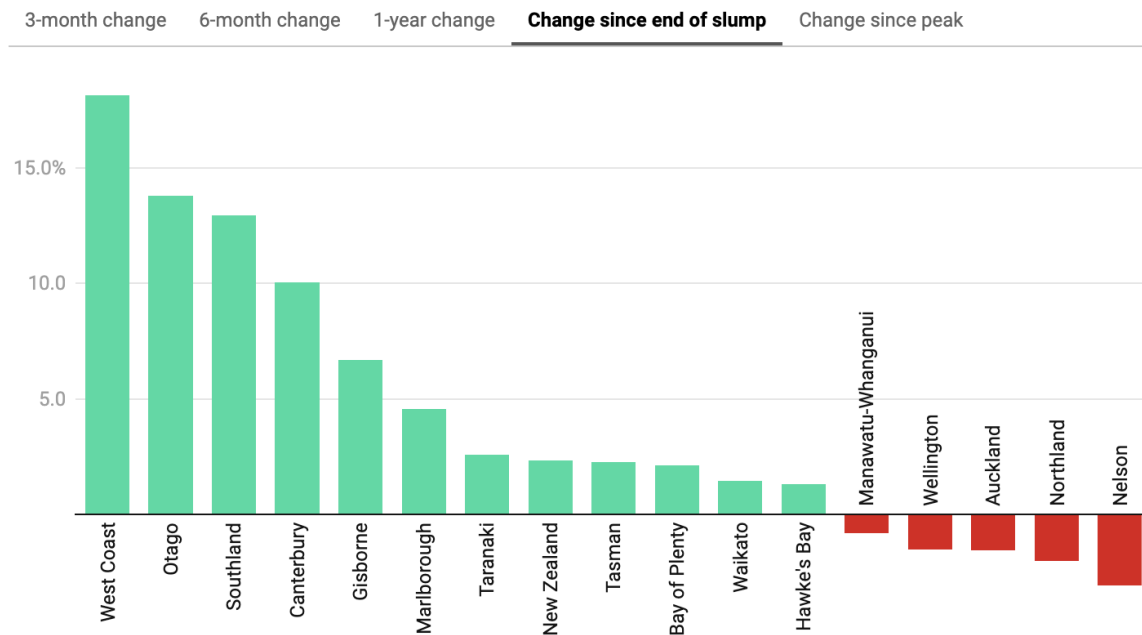
- Northland: -2%.
- Nelson: -3%.

Some suburbs have been hit particularly hard. Wellington Central has seen values drop 15.3% to around \$452,000. Other notable declines include Point England in Auckland (-14.5% to \$864,000), Ohakune (-14.3%), Wairoa (-12.2%), and Massey in West Auckland (-11.8% to \$871,000). In high-value areas like Saint Marys Bay, Ponsonby, Glendowie, and Epsom, values are up to 5% lower than three years ago — and as much as 20% below peak levels from late 2021.

These figures translate into significant equity losses for some owners who bought at the height of the market. In the most affected suburbs, homeowners could be down \$100,000 to \$164,000 or more from peak values.

Property Value Changes In NZ And The Regions

The charts show value changes in each region and New Zealand.



Data derived from the OneRoof-Valocity House Value Index, taken at the end of May 2026

Chart: OneRoof.co.nz • Source: OneRoof-Valocity • [Get the data](#) • Created with [Datawrapper](#)

Why Some Areas Continue to Struggle

Several factors are contributing to the ongoing weakness in parts of the North Island. Increased supply of townhouses and apartments in suburbs like Point England and Massey has weighed on overall values. A pullback by investors, who were highly active during the low-interest-rate

era, has also reduced demand. High interest rates and affordability challenges continue to dampen buyer enthusiasm in traditionally expensive markets.

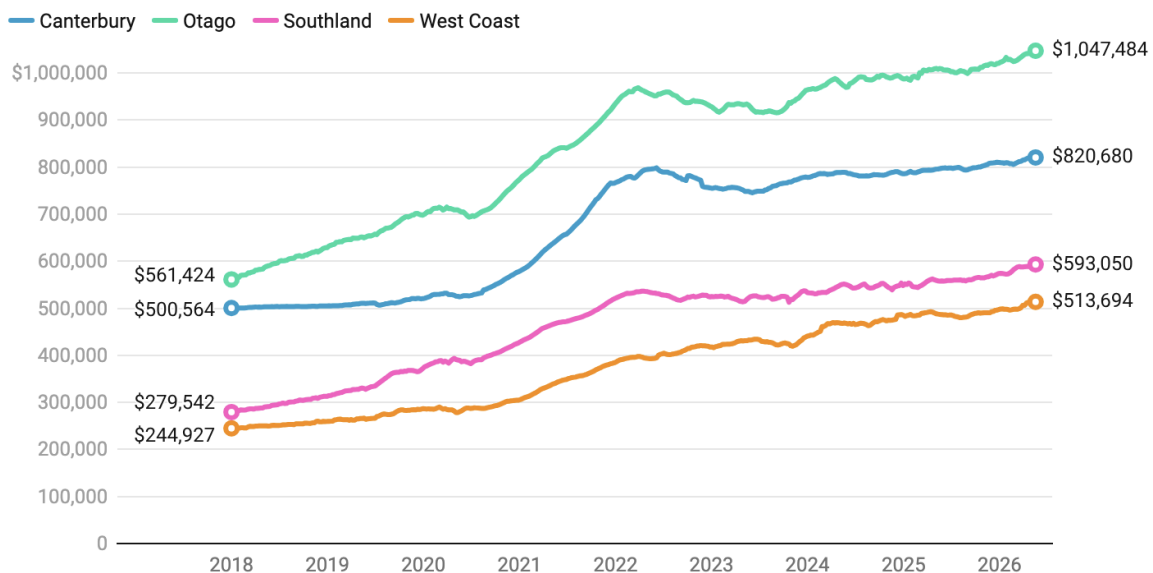
Even premium suburbs have not been immune. The downturn that began over four years ago has proven remarkably persistent in parts of Auckland and Wellington, despite some stabilisation in recent quarters.

South Island Strength Provides Contrast

The story is markedly different south of Cook Strait. Property values in 108 suburbs — almost all in the South Island — have grown more than 10% since June 2023. This growth has been driven by a combination of affordable entry points in growth areas and strong demand in premium tourist destinations.

South Island Peaks: NZ's Hottest Housing Markets

The chart shows the change in the average property value in Canterbury, Otago, Southland, and West Coast. Property values in all four regions hit new peaks at the end of May 2026



Property value data derived from the OneRoof-Valocity House Value Index, taken at the end of May 2026.

Chart: OneRoof.co.nz • Source: OneRoof / Valocity • [Get the data](#) • Created with [Datawrapper](#)

Top performers include:

- Runanga (+33.4% to \$335,000)
- Arrowtown (+32% to \$3.16 million)
- Cobden (+31%)
- Maitai (+29%)
- Fendalton in Christchurch (+25% to \$1.88 million)

Suburbs such as New Brighton, Merivale, Hanmer Springs, Geraldine, and Lake Hayes have even reached new price peaks. Christchurch and Queenstown-Lakes districts have benefited from tight supply in desirable areas and a relatively resilient rural economy supporting buyer confidence.

Recent Quarterly Trends

The last three months paint a picture of a market in two speeds. Auckland and Wellington City values were essentially flat, which may feel like a small victory after years of decline. Tauranga and Hamilton saw minor dips of 0.1% and 0.2% respectively.

Meanwhile, the South Island continued its momentum with Christchurch up 2%, Dunedin +3.4%, Invercargill +1.8%, and Queenstown-Lakes +1.2%.

What This Means for Buyers, Sellers and Investors

For sellers in struggling suburbs, realistic pricing remains crucial. Properties in oversupplied segments (particularly new townhouses) may need to compete aggressively on price or presentation. In contrast, vendors in high-growth South Island areas may benefit from strong competition and could consider listing during the traditional spring selling season.

Buyers face a market of genuine opportunity in many North Island suburbs where values remain suppressed. First-home buyers and investors might find better affordability and potential for future upside, especially if interest rates ease further. However, due diligence on local supply pipelines and economic drivers is essential.

Investors should note the clear geographic shift. While the North Island's largest cities have struggled, the South Island's combination of lifestyle appeal, tourism recovery, and more stable economic fundamentals has created stronger capital growth prospects in many areas.

Outlook for the Rest of 2026

The housing market appears headed for a challenging winter, particularly in the North Island. With values still soft in many areas, transaction volumes may remain subdued until clearer signals emerge on mortgage rates and economic growth.

However, the stark regional differences highlight New Zealand's diverse property market. While national averages suggest slow recovery, local conditions vary enormously. Suburbs with strong fundamentals — whether through lifestyle appeal, limited supply, or economic resilience — continue to perform well.

For those considering buying or selling, the current environment rewards careful research and a clear understanding of local dynamics. The housing slump may be over in name, but for many

Kiwi homeowners, true recovery is still some way off. Those willing to look beyond the headlines may find genuine opportunities in a market that remains far from uniform.