Housing Affordability Report

NEW ZEALAND | Q4 2024

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CoreLogic

About CoreLogic

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Executive Summary

Housing affordability across NZ has continued to improve in recent months, as property values have fallen and incomes have risen further. More recently, and significantly, as mortgage rates have dropped, a new normal has emerged – one in which housing isn't 'cheap', but it is more affordable than it was when the market was booming in 2021.

Starting with the value to income ratio, the national figure now stands at 7.3 (as at Q4 2024), which is still above the long-term average of 6.8. But the latest figure is well down from the peak of 10.1 in Q4 2021 and the lowest since Q3 2019 (also 7.3) – in other words, all the COVID-related deterioration in affordability on this measure has now been reversed.

A similar message applies to the measure covering years to save a deposit, which is now 9.8. That's above the average of 9.0, but much better than the worst reading of 13.5 in Q4 2021 and is the lowest figure seen since Q3 2019 (9.7). It's still not easy to save a deposit, but at least it's easier than it's been at any point in the past five years.

Meanwhile, with mortgage rates having fallen sharply since around July/August last year, debt servicing as a percentage of gross median household income has dropped (improved) as well, down from the peak of 56% to 46% now. Again, that's higher than the long-term average of 42%, but the lowest since Q2 2021 (45%).

However, there are still significant challenges for tenants, with rents now absorbing 28% of gross median household income – a record high, and a position that is replicated across most of the main centres (with the exceptions of Auckland and Wellington to a degree) as well as many provincial markets. The national long-term average here is 26%.

Moreover, to the extent that renting households actually earn an income below the typical median, the real situation for them will tend to be even more challenging than these headline figures suggest. On the flipside, any further growth in rents that landlords might be looking to push through will tend to be limited by the stretched starting point.

Overall, although housing affordability isn't quite back to 'normal', it's more favourable than it's been for several years (renters aside) – following the recent declines in house prices, alongside higher incomes and lower mortgage rates. Looking ahead, then, while it'll still tend to be a restraint to some extent, housing affordability may not be as much of a headwind for property value growth as it has been in recent years. Prices may not boom, but the downturn does seem to be over.

Wellington and Auckland certainly look more affordable (or at least less unaffordable) than has been the case for quite a few years, with Tauranga stabilising too. However, markets such as Hamilton, Christchurch, and Dunedin have seen more resilience for house prices, and hence less of an improvement in affordability.

Debt to income ratio restrictions for mortgage lending should help NZ's housing affordability challenges over the medium term. But ultimately, a marked and sustained improvement in housing affordability will require the supply of dwellings to rise in absolute terms, but also relative to demand for property. The Government is pushing hard on the supply levers at present, and these policies look encouraging. More land availability and the required infrastructure are key targets.

Executive Summary (cont'd)

Change in mortgage servicing (% of income) over the past year

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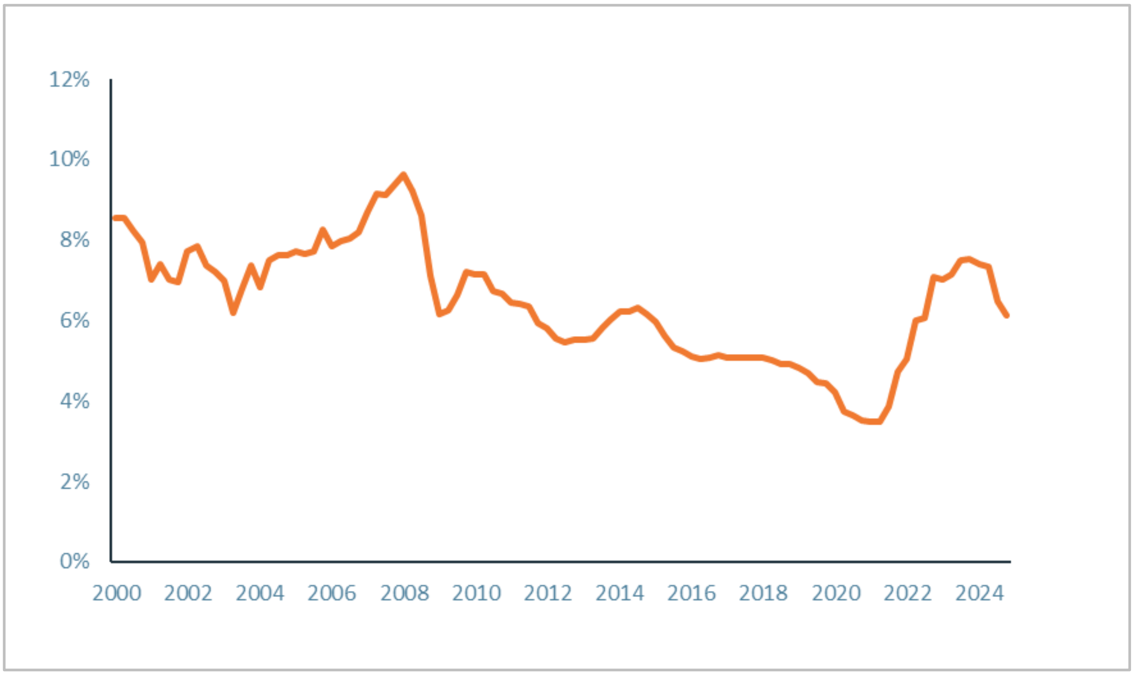
Background

The increase in property values in NZ over the longer term has become a much more prominent issue affecting housing affordability, and reflects a range of factors, including:

- Deregulation of financial markets resulting in the banking sector becoming more efficient and competitive, and credit more widely accessible
- Inflation targeting by the Reserve Bank which has resulted in significantly lower levels of inflation, contributing to generally lower mortgage rates
- High migration and population growth coupled with a generally insufficient supply response
- Construction costs which have consistently increased at a rate in excess of inflation
- High demand to live close to the major centres where infrastructure and amenity is superior

The fact that housing has seen fairly consistent growth over the decades has encouraged people to spend more on better located, larger and subsequently more expensive housing. By contrast, against the backdrop of appreciation in property values over a long period of time, household incomes have generally risen at lower rates. As a result, this has led to a divergence between the costs of housing and the proportion of household income it now takes to purchase a property.

Two-year fixed mortgage rates



Background (cont'd)

This report endeavours to provide a comprehensive measurement of housing affordability from a variety of perspectives, including the relationship between property values and household incomes, the challenge of saving for a deposit, mortgage serviceability and rental rates relative to household incomes. We believe this report provides a comprehensive, overall view of housing affordability, because it uses household income on a timely, quarterly basis, not individual incomes multiplied by two, or time series figures that are well out of date. It also has a long history for analysis (dating back to 2004) and covers granular information for every territorial authority in NZ. We use property values across all stock, not a median price for whatever happens to have sold at the time.

The four measures of housing affordability included in this report are:

1

The ratio of median property values to median gross annual household income

2

The share of household income required to service an 80% loan to value (LVR) mortgage

3

The number of years it takes to save a 20% deposit, assuming 15% of income is saved

4

The proportion of household income required to pay the rent

To compile these measures, we use our own CoreLogic data for median property values (from the hedonic Home Value Index), as well as income figures sourced from Infometrics, mortgage rates from the Reserve Bank of NZ, and MBIE's rental bonds figures.

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Methodology

The ratio of median property values to median gross annual household income

Utilising gross household income from economics consultancy, Infometrics, and property values from CoreLogic, we determine the ratio of values to income over time. For example, a city where the median property value is $500,000 and the household income is $100,000, the ratio would be 5.0 (dwelling prices are 5 times higher than gross annual household incomes).

"The Infometrics household income series is a comprehensive estimate of household incomes within each territorial authority area, and captures labour market earnings (wages, salaries and self-employment) as well as allowances (e.g. Disability Allowance), benefits (e.g. Jobseeker Support) and superannuation. Investment income is excluded.

Infometrics models the series with a top-down approach, first measuring all incomes received by households in New Zealand, then apportioning them to territorial authorities using various sources of administrative data. As there is a time lag in the availability of administrative data, contemporary indicators are used to project the estimates to the most recent quarter. Infometrics' estimates of the number of occupied private households are used to translate total income in each territorial authority area into a per household mean and median.

In late 2023, the model was revised to incorporate new data sources. There are a range of sources of individual and household income available, and the household income model incorporates the best elements of a range of sources, to overcome their individual weaknesses, including Stats NZ's new Administrative Population Census."

The proportion of household income required to service an 80% LVR mortgage

This measure looks at mortgage serviceability for households that already own a home. Based on a point in time, assuming the owner has borrowed 80% of the median property value and is paying the average two-year fixed mortgage rate (over a 25-year term with fortnightly principal and interest repayments), we measure the proportion of gross annual household income required to service the mortgage. Put another way, think of this as the repayment burden for a household that's just purchased their first home. For example, based on a property value of $500,000 and a 20% deposit, the loan principal would be $400,000. If the median gross household income was $100,000 and the current mortgage rate was 4.5%, the household would be up for $26,665 in mortgage repayments each year, or 26.7% of their gross annual household income. Mortgage rates are sourced from the Reserve Bank of New Zealand.

The number of years it takes to save a 20% deposit

Using the Infometrics median household income data we provide a measure of affordability for those households that don't yet own a home. This analysis assumes a household can save 15% of their gross annual household income. Based on these savings, the result measures how many years it would take to save a 20% deposit. For example, based on a 15% savings objective, a household earning $100,000 gross per annum would save $15,000 per annum. If the median property value was $500,000, a 20% deposit would equate to $100,000. Based on the household savings, it would take 6.7 years to save a 20% deposit.

The proportion of household income required to pay the rent

Utilising household income data together with the median weekly rent figures (expressed as a 12-month moving average to smooth out volatility) published by MBIE we measure what percentage of gross annual household income is required to pay the rent. For example, a household earning $100,000 per annum in a city where the weekly rent is $500 would be dedicating 26% of their gross annual household income towards paying their landlord.

The report does not seek to address where housing is affordable or unaffordable in its own right. The affordability measures need to be viewed relative to history (e.g. City X has become more or less affordable than in the past) or against other parts of the country (e.g. City X has a lower value to income ratio than City Y). It assumes that local people earn the median income for their area and purchase/rent property in that area; it does not account for somebody earning a high/low income in City X and buying/renting property in City Y.

National Overview

Value to income ratio:

As at Q4 2024, the median property value across NZ is 7.3 times the gross annual median household income, still above the long-term average of 6.8 since Q1 2004. That said, the trend is slowly improving, with the latest figure down a touch from 7.4 in Q3 2024, and it's also well down on Q4 2021's peak of 10.1. It's also the lowest reading since 7.3 in Q3 2019, or in other words, this measure of affordability is now back at levels not seen since the pre-COVID period.

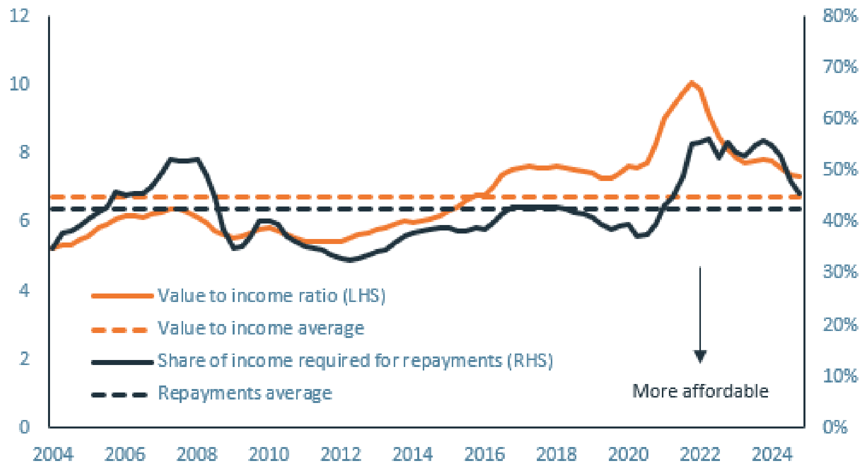
The improvement in housing affordability based on the value to income ratio of course reflects the sharp falls in property values that we've seen over the past three year or so as well as the steady growth in incomes over the same period.

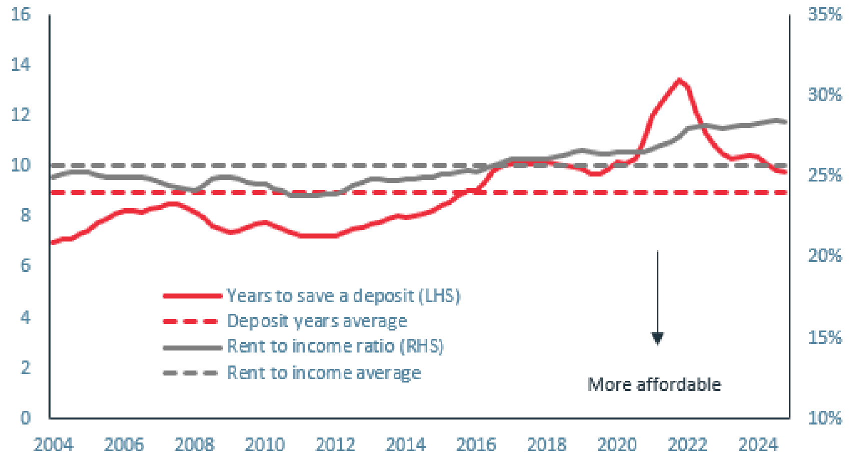
		15 years ago (Q4 2009)	10 years ago (Q4 2014)	5 years ago (Q4 2019)	Latest (Q4 2024)
Median property value	$	$366,168	$453,415	$664,940	$804,366
	% Change		23.8%	46.7%	21.0%
Median annual household income	$	$62,998	$73,376	$89,559	$109,975
	% Change		16.5%	22.1%	22.8%
Value to income ratio		5.8	6.2	7.4	7.3
Share of income for repayments		40.2%	38.8%	39.4%	45.7%
Years to save deposit		7.7	8.2	9.9	9.8
Rent to income ratio		24.6%	25.0%	26.4%	28.4%

Share of income required for repayments:

Housing affordability has also improved significantly on the value to income ratio recently, as values have dropped, incomes have risen, and most importantly mortgage rates have fallen. Indeed, at 46% in Q4 2024, the share of gross median household income required to service an 80% LVR mortgage is still above average (42%), but well below the peaks of 56% in 2022 and again in Q4 2023, and it's also the lowest level since Q2 2021 (45%).

In other words, servicing a relatively new mortgage is still more difficult than it typically is, but it's nevertheless become significantly easier in the past six months or so as interest rates have dropped. Put another way, stretched mortgage affordability is probably still a handbrake on medium term house price growth to a degree, but isn't the large barrier it might have been only a year or so ago.





Years to save a deposit:

As at Q4 2024, it's typically taking 9.8 years to save a deposit, based on median property values and household incomes. That's still above the long-term average of 9.0 years, although it's the lowest figure since Q3 2019, and also well below the peak of 13.5 years in Q4 2021.

That is to say, a similar message applies here to other measures in this report – affordability remains worse than the 'normal' situation, but it has been on an improving trend in recent quarters and is certainly more favourable than the boom period in 2020 and 2021.

Rent to income ratio:

Rents currently absorb 28% of gross household income across NZ, which is above the long-term average (26%) and actually remains at around a record high. Indeed, for the past three years or so, the rent to income share has been pretty steady at 28%, as incomes have risen but so too have rents, both at about the same pace.

Clearly, this measure suggests that although buying a house has become less unaffordable in recent quarters, the situation for renters hasn't really improved at all. It is also important to acknowledge that some will be finding it much harder than these figures suggest, given that many renting households may actually have incomes below the average. Put simply, they might pay typical rents, but have incomes towards the lower half of the spectrum.

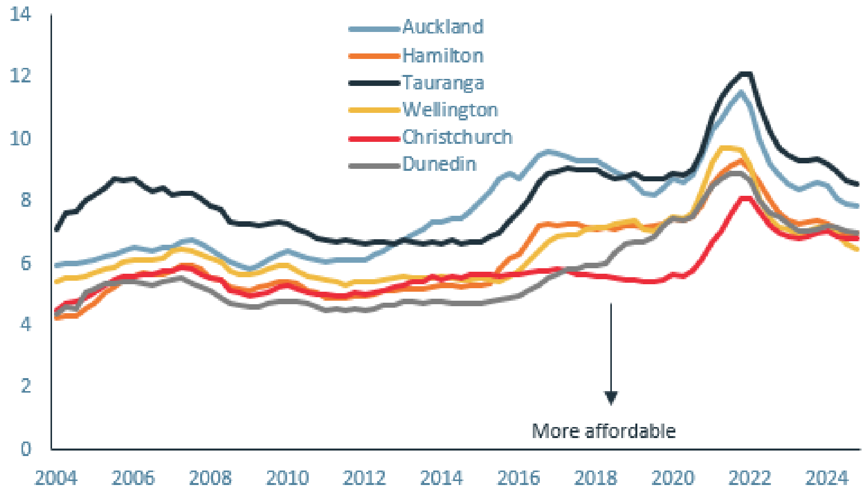
Main Centres Overview

Value to income ratio:

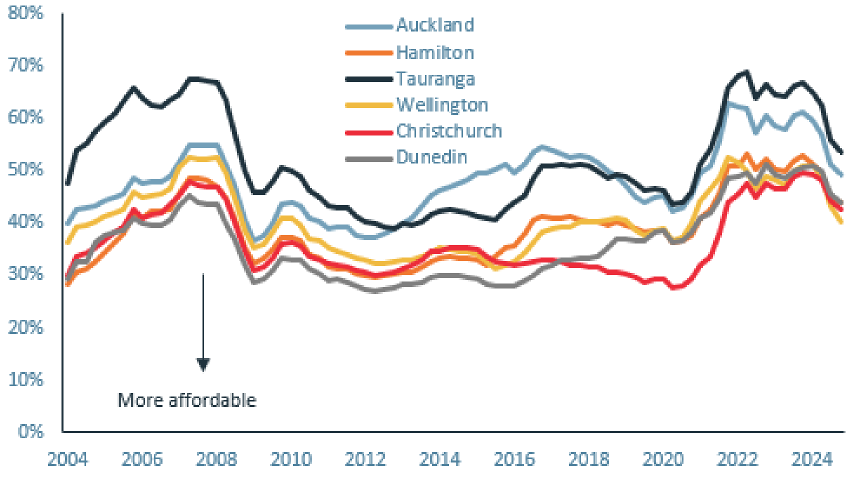
On this measure, Tauranga remains the least affordable main centre, with a value to income ratio of 8.6 in Q4 2024, although that has been trending downwards (as incomes rise and house prices remain subdued), and is currently a lot lower than late 2021/early 2022's peak of 12.1. Meanwhile, relative to its own average (8.4), Tauranga isn't as stretched as other parts of NZ, including Dunedin, Christchurch, and Hamilton – which are all at least 0.8 points above average.

At 7.9, Auckland is the second most expensive main centre, with Wellington the cheapest (ratio of 6.5). Hamilton, Dunedin, and Christchurch sit in the middle. Perhaps the most interesting market is Wellington, where that value to income ratio figure (6.5) is now back in line with its long-term average, and the lowest level since Q3 2016, i.e. more than eight years ago. Put another way, although Wellington City isn't necessarily 'cheap', it's more affordable than it's been for many years.

Value to income ratio



Share of income required for payments



Main Centres Overview *(continued)*

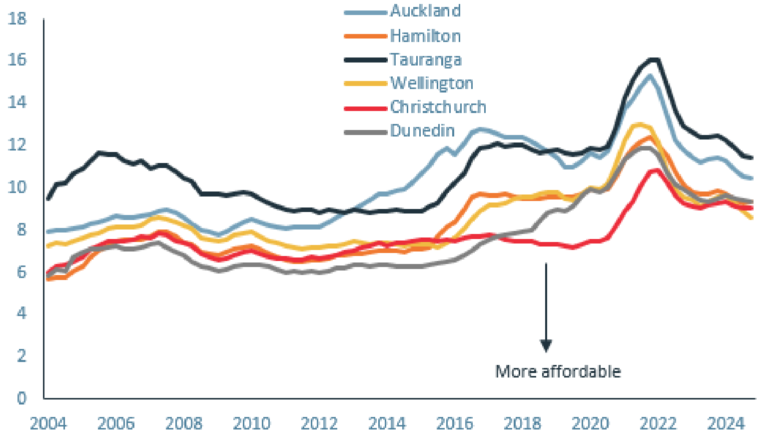
Share of income required for repayments:

Switching to mortgage payment affordability, this measure has generally been helped over the past year or two by rising household incomes and falling house prices, and now especially lower mortgage rates over the past six months or so. This pattern is seen across the main centres.

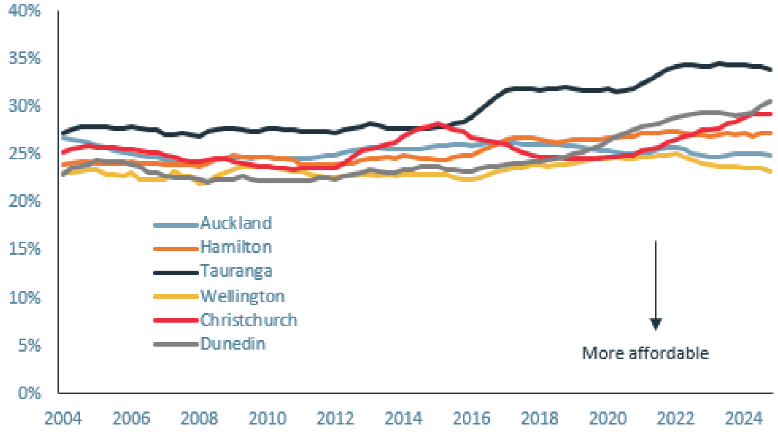
Again, Tauranga is the least affordable main centre, with mortgage payments absorbing 54% of gross median household income – but that's still the lowest figure since mid-2021, and 'only' 2%-points above Tauranga's average of 52%. Auckland is at 49% (only 1%-point above average), while Wellington sits down at 40% – a touch below its average of 41%. Hamilton, Dunedin, and Christchurch have also seen improvements on this measure of housing affordability, although they remain further above their own averages than Tauranga, Auckland, and Wellington.

More generally, this measure of affordability is effectively looking at the situation for a recent purchaser, e.g. first home buyer. However, a household that's been in the market longer (and reduced their mortgage principal) and/or has an elevated income will have a lower repayment burden. Also note that the rise in the average number of workers per household over time (partly in response to higher housing costs themselves) has played a role in raising overall household income.

Years to save a deposit



Rent to income ratio



Main Centres Overview *(continued)*

Years to save a deposit:

Around many of the main centres, the years to save a deposit measure as at Q4 2024 is pretty similar whether you look at Wellington (8.6), Dunedin and Hamilton (both 9.3), or Christchurch (9.1). In addition, each of those is below the national figure of 9.8 years. Wellington stands out, given that its figure has now fallen to its long-term average, and the lowest level since Q3 2016.

At 10.5 and 11.4 years, respectively, the time required to save a deposit in Auckland and Tauranga remain the highest of the main centres, although they've also fallen to multi-year lows and are more or less back down at their long-term averages.

Overall, it's fair to say that saving a deposit is still testing, whichever main centres you look at. But as house prices have fallen since late 2021 and incomes have risen further, affordability has nevertheless improved significantly on this measure.

Rent to income ratio:

Rental affordability tends to be the steadiest of the main measures, given a longer run tendency for rents to be anchored by tenants' wages (not landlords' costs). Indeed, it's generally been pretty stable in recent years in Tauranga (34%), Hamilton (27%), and Auckland (25%) – with the latter's figure for Q4 also sitting in line with its long-term average. Wellington again stands out for having a relatively low rental proportion of median household income (23%), in line with its average.

Perhaps the markets that might surprise some people are Christchurch and Dunedin, where rents have recently been rising relative to incomes, and now sit at 29% and 31%, respectively, behind only Tauranga amongst the main centres, and a reasonable amount above their own averages.

	Value to Income ratio		Share of income for repayments		Years to save deposit		Rent to income ratio	
Main centre	Latest (Q4 2024)	Average (2004-24)	Latest (Q4 2024)	Average (2004-24)	Latest (Q4 2024)	Average (2004-24)	Latest (Q4 2024)	Average (2004-24)
Auckland	7.9	7.7	49%	48%	10.5	10.3	25%	25%
Hamilton	7.0	6.2	44%	39%	9.3	8.3	27%	25%
Tauranga	8.6	8.2	54%	52%	11.4	11.0	34%	30%
Wellington	6.5	6.5	40%	41%	8.6	8.6	23%	23%
Christchurch	6.8	5.7	43%	36%	9.1	7.7	29%	26%
Dunedin	7.0	5.8	44%	36%	9.3	7.7	31%	25%
NZ	7.3	6.8	46%	42%	9.8	9.0	28%	26%

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Auckland

As with many other parts of the country, Auckland has seen an improvement in housing affordability over the past couple of years, as property values have fallen, incomes have continued to rise, and now mortgage rates are dropping. It's not necessarily 'cheap', but at least it's more affordable than it was a few years ago.

At 7.9 in Q4 2024, the value to income ratio is at its lowest level in around a decade, and only 0.2 points above its long-term average (7.7). The mortgage servicing figure sits at 49%, down from the worst level of 63% in late 2021, and fairly close to its average of 48%. Years to save a deposit is 10.5, again a multi-year low, and not far above the average. Renting also isn't as stretched as in previous years, with a figure of 25% of gross median household incomes.

		15 years ago (Q4 2009)	10 years ago (Q4 2014)	5 years ago (Q4 2019)	Latest (Q4 2024)
Median property value	$	$467,578	$679,481	$943,138	$1,069,816
	% Change		45.3%	38.8%	13.4%
Median annual household income	$	$74,124	$88,301	$111,616	$136,165
	% Change		19.1%	26.4%	22.0%
Value to income ratio		6.3	7.7	8.4	7.9
Share of income for repayments		43.6%	48.3%	44.8%	49.1%
Years to save deposit		8.4	10.3	11.3	10.5
Rent to income ratio		24.7%	25.7%	25.4%	25.0%

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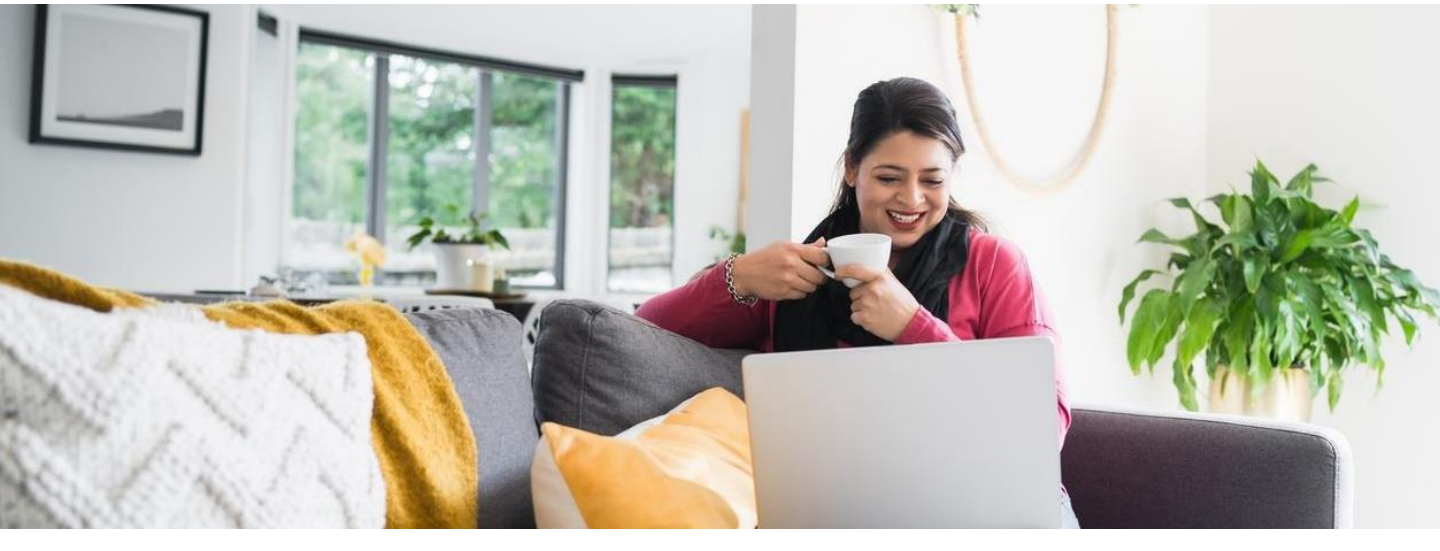
Hamilton

The generalised improvement in housing affordability has also been witnessed in Hamilton, with the value to income ratio now back down at 7.0, considerably better than the late 2021 peak of 9.3. Years to save a deposit is also trending lower (and is now 9.3), while rental affordability hasn't got any worse in recent years – although not much better either.

However, each of these housing affordability measures is still worse than its long-term average, and of course there are still challenges when it comes to actually servicing a mortgage. That measure for Hamilton still stands at 44% of the median household income, down significantly from the worst figure of 53%, but still above the average of 39%.

		15 years ago (Q4 2009)	10 years ago (Q4 2014)	5 years ago (Q4 2019)	Latest (Q4 2024)
Median property value	$	$329,662	$362,377	$603,959	$745,176
	% Change		9.9%	66.7%	23.4%
Median annual household income	$	$60,938	$68,124	$82,728	$106,403
	% Change		11.8%	21.4%	28.6%
Value to income ratio		5.4	5.3	7.3	7.0
Share of income for repayments		37.4%	33.4%	38.7%	43.8%
Years to save deposit		7.2	7.1	9.7	9.3
Rent to income ratio		24.9%	24.6%	26.7%	27.3%



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Tauranga

Tauranga has generally seen housing affordability improve in the past few years, albeit from a stretched position. The value to income ratio has fallen from a peak of 12.1 in late 2021/early 2022 to 8.6 now, with years to save a deposit also falling pretty significantly, from 16.1 at the peak to 11.4 now. A new mortgage still absorbs more than half of gross median household income, but 54% is still much better than it was in mid-2022 (69%). Rents also remain high in relation to incomes, but this ratio has at least stabilised in the past few years after a period of getting worse.

Finally, the demographics of Tauranga are important to note in relation to housing affordability. A greater proportion of older people (with more wealth and investment income, but less wage income) amongst its population can sometimes make housing affordability look a little less favourable than it actually is – although that's not to say Tauranga is 'cheap'.

		15 years ago (Q4 2009)	10 years ago (Q4 2014)	5 years ago (Q4 2019)	Latest (Q4 2024)
Median property value	$	$416,907	$439,063	$726,022	$904,080
	% Change		5.3%	65.4%	24.5%
Median annual household income	$	$56,896	$65,700	$82,921	$105,556
	% Change		15.5%	26.2%	27.3%
Value to income ratio		7.3	6.7	8.8	8.6
Share of income for repayments		50.7%	41.9%	46.4%	53.6%
Years to save deposit		9.8	8.9	11.7	11.4
Rent to income ratio		27.5%	27.8%	31.7%	34.0%

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Wellington

Wellington City has been amongst the markets where housing affordability has improved the most in the past couple of years, with the value to income ratio now back down at 6.5, in line with its average and the lowest figure since mid-2016. Years to save a deposit sits at 8.6, while rents as % of median household income are 23% (in line with average), and mortgage payments absorb 40% of incomes – a touch below this market's average.

		15 years ago (Q4 2009)	10 years ago (Q4 2014)	5 years ago (Q4 2019)	Latest (Q4 2024)
Median property value	$	$490,220	$509,464	$826,600	$892,541
	% Change		3.9%	62.2%	8.0%
Median annual household income	$	$82,834	$92,528	$113,622	$138,170
	% Change		11.7%	22.8%	21.6%
Value to income ratio		5.9	5.5	7.3	6.5
Share of income for repayments		40.9%	34.6%	38.6%	40.4%
Years to save deposit		7.9	7.3	9.7	8.6
Rent to income ratio		23.8%	23.0%	24.7%	23.3%

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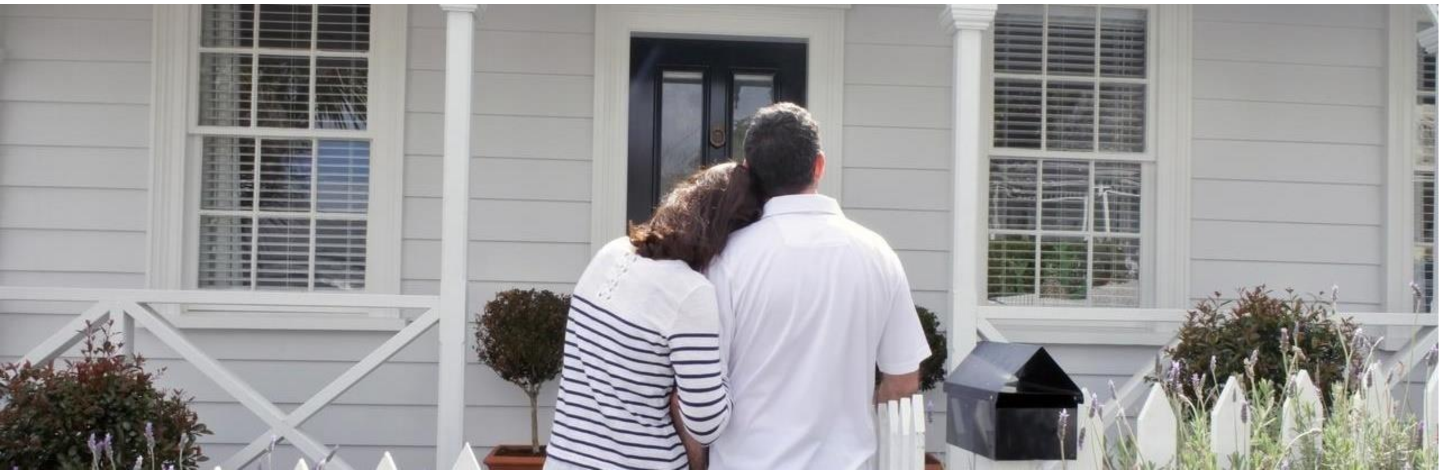
Christchurch

Christchurch's housing affordability has improved from where it was at the peak of the market in late 2021 and early 2022, with the value to income ratio having dropped from a peak of 8.1 to 6.8 now, and years to save falling from 10.8 to 9.1. As mortgages rates have dropped the debt servicing measure for housing affordability in Christchurch has also improved, from a peak of 50% to 43% now. That's still above the long-term average of 36%, but the lowest figure since Q3 2021 (38%).

Renting is perhaps the segment of the housing market where affordability is currently looking the most stretched in Christchurch, with rents now 29% of median household income, above the average of 26% since 2004, and also the post-earthquake peaks of 28% (before housing supply in Christchurch normalised again).

		15 years ago (Q4 2009)	10 years ago (Q4 2014)	5 years ago (Q4 2019)	Latest (Q4 2024)
Median property value	$	$325,879	$420,527	$457,045	$662,375
	% Change		29.0%	8.7%	44.9%
Median annual household income	$	$62,449	$74,599	$83,096	$97,227
	% Change		19.5%	11.4%	17.0%
Value to income ratio		5.2	5.6	5.5	6.8
Share of income for repayments		36.1%	35.4%	29.2%	42.6%
Years to save deposit		7.0	7.5	7.3	9.1
Rent to income ratio		23.8%	27.9%	24.5%	29.3%



Dunedin

Dunedin's housing affordability has improved over the past couple of years as prices have fallen and incomes have risen, with the ratio of values to incomes now standing at 7.0 – still above the average (5.8), but significantly below the peak/worst point in 2021 of 8.9. Years to save a deposit has come down from 11.9 to 9.3, while mortgage payments as % of median gross household incomes now stand at 44% – well down on the 2022 peak of 51%.

However, it's still tough for tenants in Dunedin, with rents sitting at 31% of median gross household income, a new record high. That's well above Dunedin's average of 25% and puts it second only to Tauranga amongst the main centres in terms of rental (un)affordability.

		15 years ago (Q4 2009)	10 years ago (Q4 2014)	5 years ago (Q4 2019)	Latest (Q4 2024)
Median property value	$	$273,116	$292,368	$524,689	$611,180
	% Change		7.0%	79.5%	16.5%
Median annual household income	$	$56,859	$61,694	$72,465	$87,324
	% Change		8.5%	17.5%	20.5%
Value to income ratio		4.8	4.7	7.2	7.0
Share of income for repayments		33.2%	29.7%	38.4%	43.8%
Years to save deposit		6.4	6.3	9.7	9.3
Rent to income ratio		22.3%	23.7%	25.9%	30.6%

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Main Urban Areas

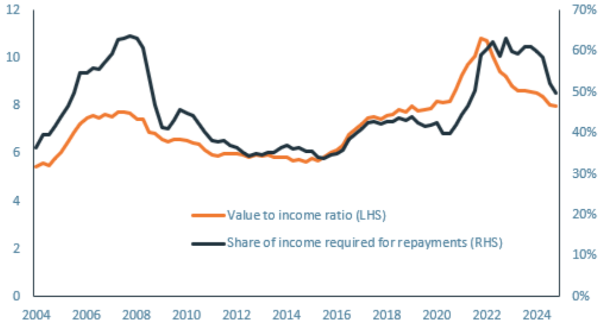
Generally speaking, the next tier of towns and cities across NZ have also seen housing affordability improve over the past couple of years, as property values have dropped and incomes have risen – emphasised by mortgage rates now being lower too.

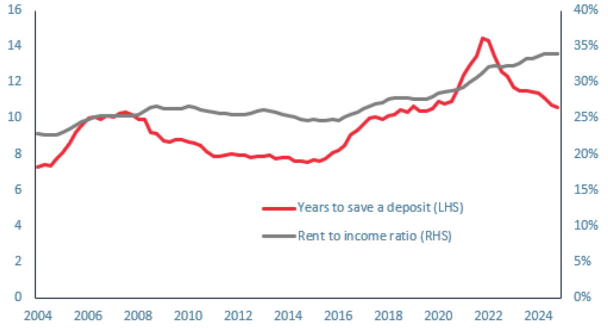
Certainly, many of the 12 'main urban areas' that we cover have seen each of these affordability measures improve (fall) in recent years and are now much closer to their long-term averages. Areas where affordability for house buyers or owners is looking better (but still a little stretched in absolute terms) include Whangarei, Rotorua, Gisborne, Napier, Hastings, Palmerston North, Kapiti Coast, and Nelson.

However, there are also areas where property values been a bit more resilient, and so in relative terms their affordability hasn't improved as much. These include New Plymouth, Whanganui, Queenstown, and Invercargill.

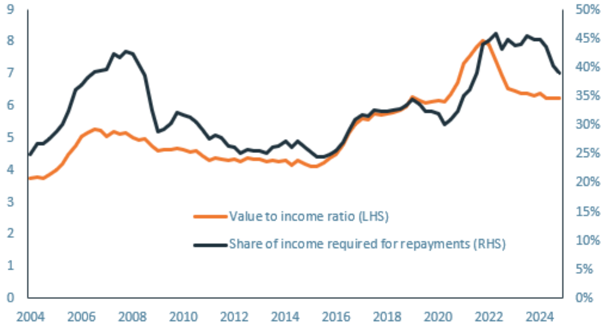
However, again perhaps the affordability measure that's the most concerning at present – whether that's a key centre or main urban area – is rents as a percentage of gross median household income, which is at a record high in many parts of the country. This obviously makes it difficult for tenants, and even more so if they're also aiming to try and save a house deposit in the meantime.

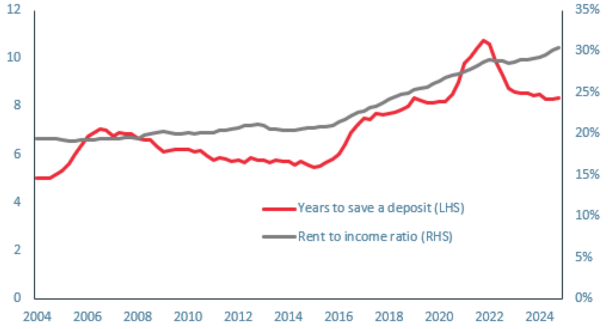
Whangarei



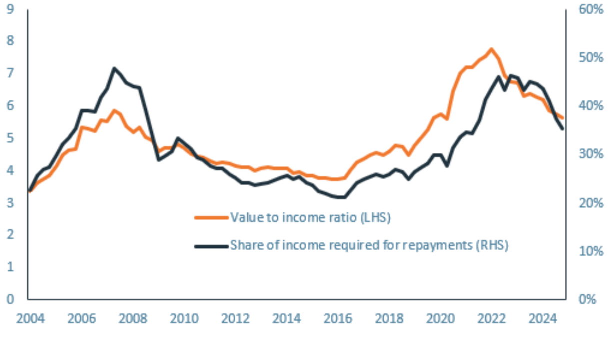


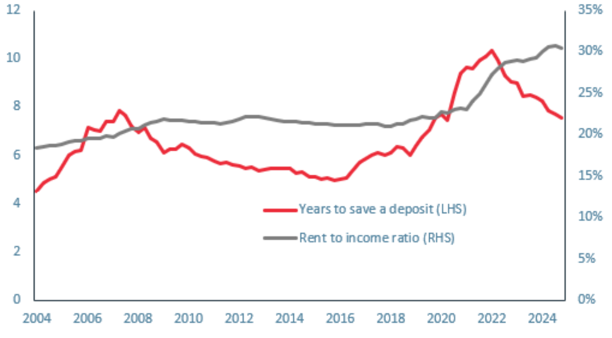
Rotorua





Gisborne





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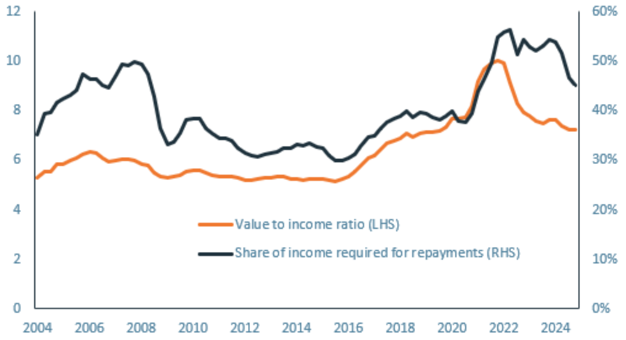
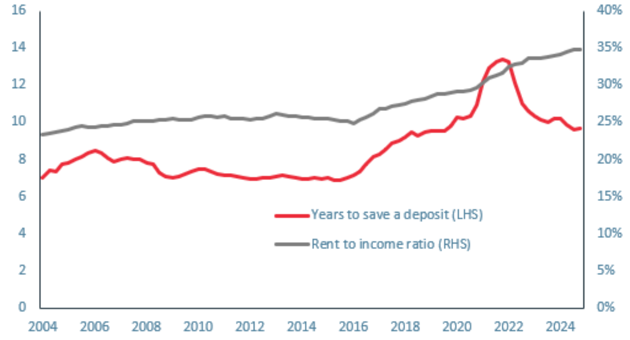
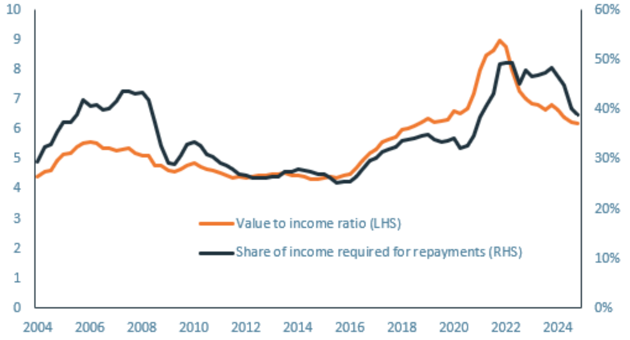
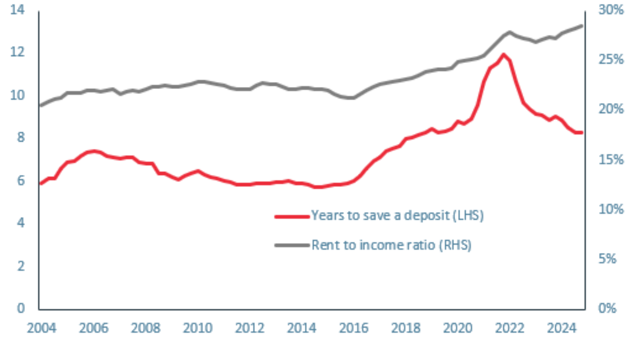
Napier



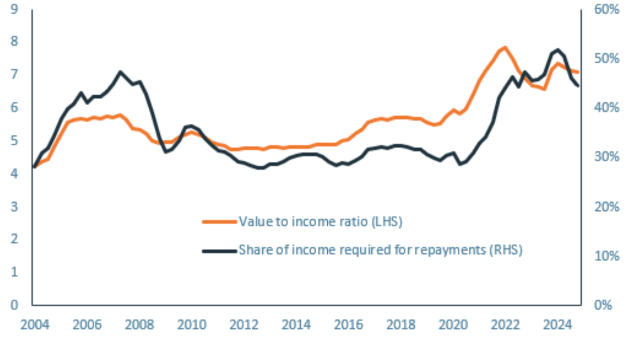


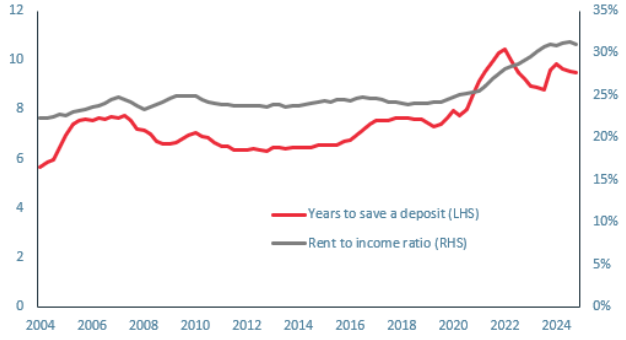
Hastings





New Plymouth





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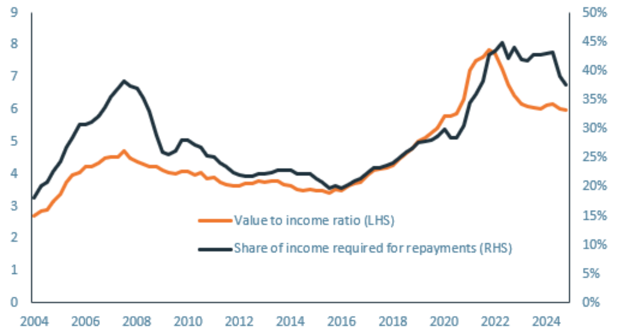
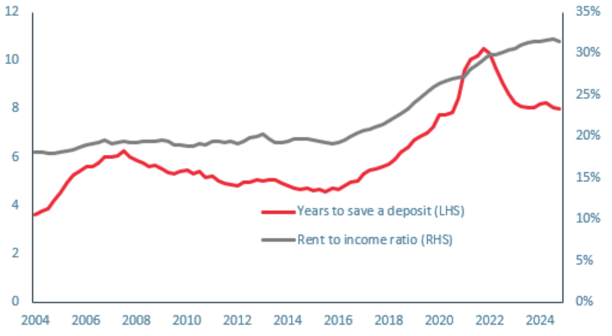
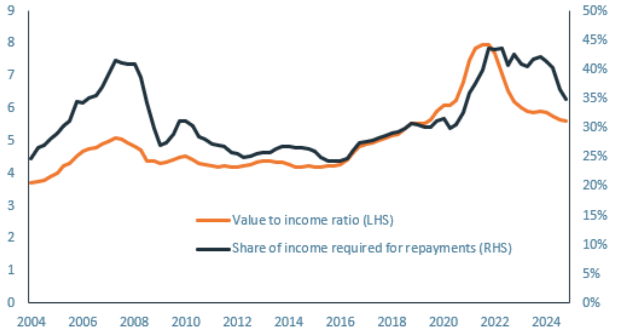
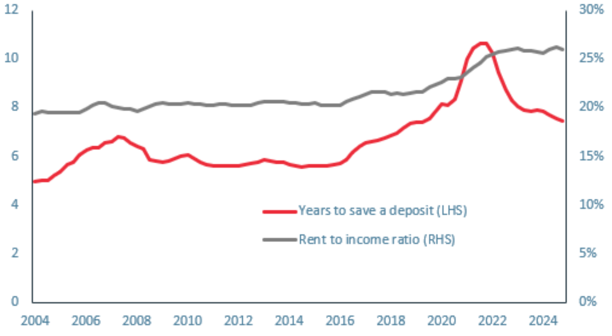
Whanganui



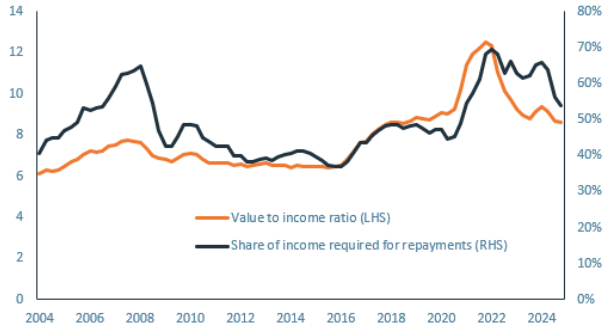


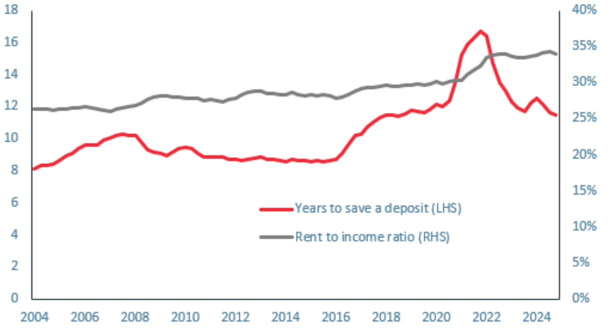
Palmerston North



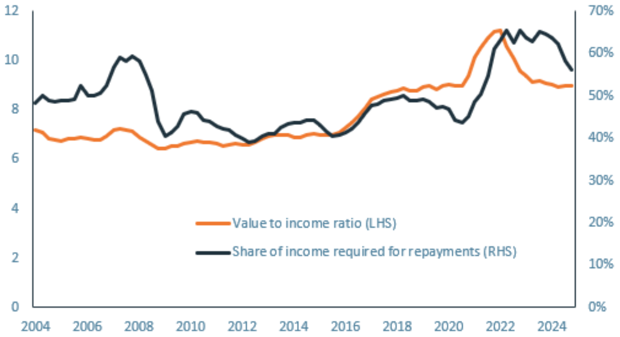


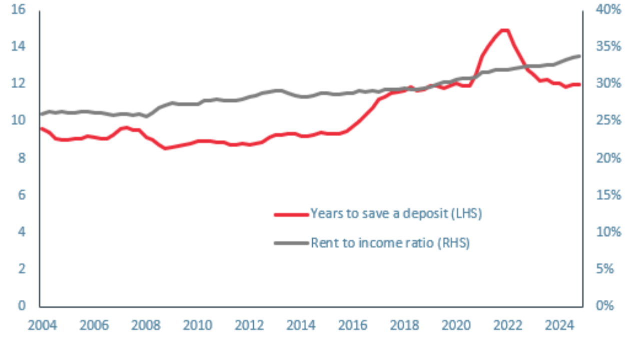
Kapiti Coast



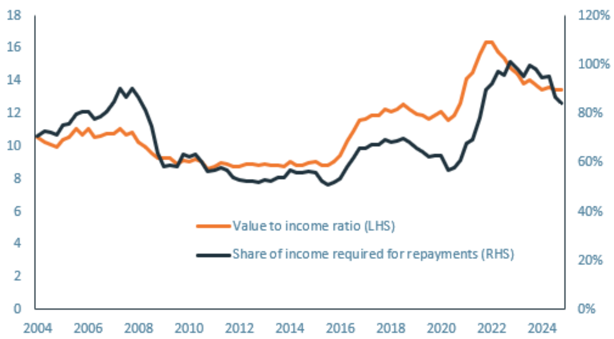


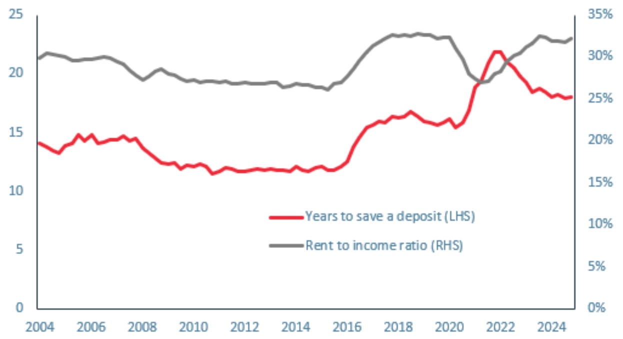
Nelson



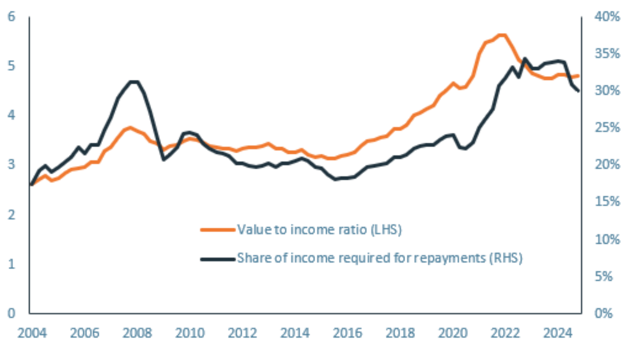


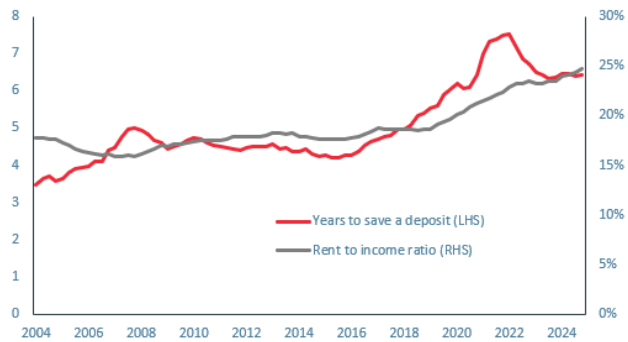
Queenstown-Lakes





Invercargill





The rest of NZ

Around the rest of the country, the key message is the same – housing affordability is generally more favourable for buyers than it was in late 2021 and early 2022, given that house prices have dropped and incomes have risen. The recent falls in mortgage rates have simply added to that housing affordability improvement, although at the same time it's not really true to say that housing is 'affordable' (just less stretched than it was before).

Areas such as Far North, Kaipara, Wairoa, Marlborough, and Kaikoura stand out with value to income ratios now at or below their own long-term averages again (along with years to save a deposit), with areas such as Western Bay of Plenty, Opotiki, and Tasman joining that list when you switch to look at mortgage payments as a share of household income.

However, the problems are again more acute for tenants, with Mackenzie District the only area of 'provincial' NZ where rents are lower in relation to gross median household income than the average. The difference compared to average is at least +10% in Thames-Coromandel, Hauraki, Kawerau, Central Hawke's Bay, and Stratford.

As a final note, areas such as Western Bay of Plenty and Thames-Coromandel stand out for the having some of the highest (worst) readings across many different affordability measures. However, we can't look at that in isolation – compared to their own averages, affordability isn't really any more stretched than elsewhere. In addition, our measure of income which excludes investment returns probably has a larger dampening effect in these areas (due to high retiree presence and higher wealth), perhaps making affordability based on incomes look worse than it really is.

			Value to income ratio			Mortgage servicing			Years to save deposit			Rent affordability		
	Median property values	Household income	Now	Average	Difference	Now	Average	Difference	Now	Average	Difference	Now	Average	Difference
Far North District	$635,832	$82,014	7.8	8.0	-0.3	48%	51%	-3%	10.3	10.7	-0.3	34%	28%	6%
Whangarei District	$716,731	$90,009	8.0	7.2	0.8	50%	46%	4%	10.6	9.6	1.0	34%	27%	7%
Kaipara District	$760,533	$89,277	8.5	9.3	-0.7	53%	59%	-5%	11.4	12.3	-1.0	32%	28%	5%
Thames-Coromandel District	$984,771	$61,017	16.1	14.3	1.8	101%	91%	10%	21.5	19.1	2.4	47%	35%	12%
Hauraki District	$668,022	$74,226	9.0	8.2	0.8	56%	52%	5%	12.0	10.9	1.1	38%	29%	10%
Waikato District	$889,841	$110,645	8.0	6.9	1.1	50%	44%	7%	10.7	9.2	1.5	27%	23%	5%
Matamata-Piako District	$669,893	$98,969	6.8	6.2	0.6	42%	39%	4%	9.0	8.2	0.8	29%	23%	6%
Waipa District	$889,743	$104,423	8.5	7.1	1.5	53%	44%	9%	11.4	9.4	1.9	31%	25%	6%
Otorohanga District	$618,259	$93,852	6.6	6.0	0.6	41%	38%	3%	8.8	8.0	0.7	27%	21%	6%
South Waikato District	$434,810	$93,704	4.6	3.7	1.0	29%	23%	6%	6.2	4.9	1.3	26%	19%	8%
Waitomo District	$453,955	$89,038	5.1	4.8	0.3	32%	31%	1%	6.8	6.4	0.4	24%	20%	4%
Taupo District	$790,728	$96,987	8.2	7.8	0.3	51%	50%	1%	10.9	10.4	0.5	31%	26%	5%
Western Bay of Plenty District	$1,067,316	$102,464	10.4	10.2	0.2	65%	65%	-0%	13.9	13.6	0.3	31%	27%	4%
Rotorua District	$608,200	$97,367	6.2	5.3	1.0	39%	33%	6%	8.3	7.0	1.3	30%	23%	8%
Whakatane District	$734,544	$98,561	7.5	7.1	0.3	47%	45%	1%	9.9	9.5	0.4	30%	25%	6%
Kawerau District	$386,506	$74,182	5.2	4.2	1.0	33%	26%	7%	6.9	5.6	1.4	35%	22%	13%
Opotiki District	$615,317	$81,859	7.5	7.4	0.1	47%	47%	-0%	10.0	9.9	0.2	29%	24%	5%
Gisborne District	$584,603	$103,203	5.7	5.0	0.7	35%	32%	4%	7.6	6.7	0.9	30%	22%	8%
Wairoa District	$373,103	$81,923	4.6	5.7	-1.1	28%	37%	-8%	6.1	7.6	-1.5	23%	19%	4%
Hastings District	$689,732	$111,037	6.2	5.5	0.7	39%	35%	4%	8.3	7.4	0.9	28%	23%	5%
Napier City	$688,406	$95,170	7.2	6.4	0.8	45%	40%	5%	9.6	8.5	1.1	35%	27%	8%
Central Hawke's Bay District	$608,114	$96,953	6.3	5.5	0.8	39%	35%	5%	8.4	7.3	1.1	29%	20%	10%
New Plymouth District	$696,811	$97,865	7.1	5.6	1.5	45%	36%	9%	9.5	7.5	2.0	31%	25%	6%
Stratford District	$501,926	$89,184	5.6	4.6	1.0	35%	29%	6%	7.5	6.2	1.3	31%	21%	10%
South Taranaki District	$403,770	$90,412	4.5	4.0	0.5	28%	25%	2%	6.0	5.3	0.6	29%	20%	9%
Ruapehu District	$391,822	$91,218	4.3	4.1	0.2	27%	26%	1%	5.7	5.5	0.2	24%	19%	6%
Wanganui District	$485,709	$80,921	6.0	4.6	1.4	38%	29%	9%	8.0	6.1	1.9	31%	22%	9%
Rangitikei District	$437,505	$98,632	4.4	4.0	0.5	28%	25%	2%	5.9	5.3	0.6	25%	19%	6%
Manawatu District	$579,555	$106,633	5.4	4.7	0.7	34%	30%	4%	7.2	6.3	1.0	27%	21%	6%
Palmerston North City	$602,980	$107,725	5.6	5.0	0.6	35%	32%	3%	7.5	6.7	0.8	26%	22%	4%
Tararua District	$434,167	$89,658	4.8	4.3	0.5	30%	27%	3%	6.5	5.7	0.7	26%	18%	8%
Horowhenua District	$513,677	$81,287	6.3	5.5	0.9	40%	34%	5%	8.4	7.3	1.1	33%	24%	9%
Kapiti Coast District	$809,273	$93,762	8.6	7.8	0.8	54%	49%	5%	11.5	10.4	1.1	34%	29%	5%
Porirua City	$753,902	$143,667	5.2	5.1	0.2	33%	32%	1%	7.0	6.8	0.2	24%	22%	3%
Upper Hutt City	$711,122	$125,373	5.7	5.5	0.2	35%	34%	1%	7.6	7.3	0.3	27%	22%	5%
Lower Hutt City	$674,334	$123,963	5.4	5.3	0.1	34%	34%	0%	7.3	7.1	0.1	26%	23%	4%
Masterton District	$549,535	$97,852	5.6	5.4	0.2	35%	34%	1%	7.5	7.2	0.3	28%	23%	5%
Carterton District	$671,611	$96,730	6.9	6.5	0.4	43%	41%	2%	9.3	8.7	0.6	27%	23%	4%
South Wairarapa District	$781,143	$98,101	8.0	6.9	1.0	50%	44%	6%	10.6	9.2	1.4	30%	24%	6%
Tasman District	$839,327	$91,196	9.2	9.1	0.1	58%	58%	-0%	12.3	12.2	0.1	33%	31%	2%
Nelson City	$742,160	$82,690	9.0	7.8	1.2	56%	49%	7%	12.0	10.4	1.5	34%	29%	5%
Marlborough District	$665,889	$107,545	6.2	6.2	-0.0	39%	40%	-1%	8.3	8.3	-0.0	26%	24%	3%
Kaikoura District	$754,178	$89,483	8.4	8.5	-0.1	53%	55%	-2%	11.2	11.4	-0.2	29%	25%	4%
Buller District	$367,580	$81,857	4.5	4.1	0.4	28%	26%	2%	6.0	5.5	0.5	28%	23%	5%
Grey District	$401,509	$103,601	3.9	3.5	0.4	24%	22%	2%	5.2	4.7	0.5	21%	20%	1%
Westland District	$459,941	$85,443	5.4	4.7	0.7	34%	30%	4%	7.2	6.2	0.9	24%	22%	2%
Hurunui District	$718,994	$89,816	8.0	7.8	0.2	50%	50%	0%	10.7	10.4	0.3	30%	25%	5%
Waimakariri District	$755,432	$96,065	7.9	6.5	1.4	49%	41%	8%	10.5	8.6	1.9	32%	26%	6%
Selwyn District	$851,188	$116,750	7.3	6.4	0.9	46%	41%	5%	9.7	8.5	1.2	28%	27%	1%
Ashburton District	$526,076	$93,804	5.6	4.9	0.7	35%	31%	4%	7.5	6.5	0.9	26%	22%	4%
Timaru District	$503,501	$89,055	5.7	4.8	0.9	35%	30%	5%	7.5	6.4	1.1	27%	22%	5%
Mackenzie District	$690,578	$82,532	8.4	6.3	2.1	52%	39%	13%	11.2	8.4	2.8	21%	22%	-1%
Waimate District	$477,641	$83,740	5.7	5.0	0.7	36%	32%	4%	7.6	6.7	1.0	24%	22%	2%
Waitaki District	$490,223	$83,560	5.9	5.1	0.8	37%	32%	4%	7.8	6.8	1.0	27%	23%	4%
Central Otago District	$879,427	$91,630	9.6	7.8	1.8	60%	49%	11%	12.8	10.3	2.5	33%	27%	7%
Queenstown-Lakes District	$1,630,358	$120,901	13.5	11.0	2.4	84%	70%	14%	18.0	14.7	3.3	32%	29%	3%
Clutha District	$402,700	$88,490	4.6	4.0	0.6	28%	25%	3%	6.1	5.3	0.8	24%	18%	6%
Southland District	$558,483	$99,570	5.6	4.7	0.9	35%	30%	5%	7.5	6.3	1.2	23%	17%	6%
Gore District	$424,979	$89,144	4.8	3.6	1.2	30%	22%	7%	6.4	4.7	1.6	26%	17%	9%
Invercargill City	$468,868	$97,507	4.8	3.8	1.0	30%	24%	6%	6.4	5.0	1.4	25%	19%	6%

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