

Auckland accelerates away again

Thursday 6 November 2014 Landlords

Nationwide residential property values are increasing at the slowest rate in two years, Quotable Value says, but Auckland's price inflation looks to have had another boost.

Nationwide residential property values for October increased 5.9% over the past year in October and 1.1% over the past three months.

The Auckland market's prices were up 9.2% year-on-year and 2.5% over the past three months.

QV national spokeswoman Andrea Rush said there was a lot of variation in property prices in different parts of the country.

"Home values have accelerated again in Auckland since July, at a rate not seen since last year. Christchurch has also continued to increase but at a slightly slower rate. Wellington has also seen values rise in parts of the city after what has been a downward trend in recent months. This rise in values has been brought about by increased spring listings activity in the capital's property market," she said.

Auckland valuer Bruce Wiggins said the city's rate of increase was speeding up again. "We are seeing a definite lift from the winter quarter. It's reported that a much higher number of properties are selling at auctions than was the case during winter, and QV valuers' workload has increased which is always a sign of increased activity in the market."

Some provincial centres had also performed well in October. Wanganui and Gisborne reported an increase in prices after earlier experiencing a downward trend.

Christchurch values increased 0.5% over the past three months and 4.3% year-on-year. Christchurch valuer Darryl Taggart said: "Areas that were affordable in the past are becoming less affordable and first-home buyers now have to widen their search to find affordable housing in the price range under \$400,000. Investors are also still active in Christchurch buying in all segments of the market from brand new off the plan builds to damaged properties as rentals and developments."

Rush said home loan approval rates had still not increased and listings were lower than normal for spring. Nationwide, sales were still 12% below where they were this time last year.

She said conditions were still not great for first-time buyers.

"Banks are now offering competitive interest rates following a halt in any further hikes being signalled by the Reserve Bank. However, the LVR restrictions mean banks are targeting well-established customers rather than new borrowers. Recent research shows investors currently account for between 40% and 50% of all property sales in New Zealand."