

# Average residential property values move sideways over winter as the market hunkers down with Auckland experiencing a return to 'normal' market conditions

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The days when the value of people homes increased every year appear to be drawing to a close, with average property values starting to decline in many areas, according to the latest Quotable Value figures.

According to QV, the average value of all residential properties throughout the country declined for the third consecutive month in July.

However the size of the decrease was small, with the national average dropping \$5,059 to \$673,797 in July from \$678,856 in April. It remains 5.1% above where it was in July last year.

That suggests the trend is for more of a flattening in values than a serious decline, however it also marks an absence of capital gains.

## **A return to 'normal' market conditions**

It is a similar story in Auckland, where July's average property value of \$1,050,778 was down 0.1% from three months earlier, with falling average values over the same period in Rodney -1.1%, North Shore -0.7%, Waitakere -0.1% and Franklin -0.8%.

Going against the trend were Central Auckland +0.5%, Manukau +0.2% and Papakura +0.2%.

However the average residential property value in Auckland is still up 0.5% compared to July last year.

QV's Auckland senior consultant James Steele said Auckland was experiencing a return to "normal" market conditions with values remaining stable under depressed levels of activity.

"With less demand, sellers are adjusting expectations and are more open to negotiation in order to get their property sold," Steele said.

"In general, this has limited the value growth seen over the previous period and kept prices stable with some softening occurring in properties that have issues or are poorly maintained."

In other centres changes in property values have been more mixed.

In Hamilton the average residential property value was \$558,615 in July, up 0.8% compared to July and up 3.3% compared to a year earlier.

In Tauranga the average value was down 0.2% compared to April but up 1.7% compared to a year earlier.

"The rate of [value] growth has dropped compared to this time last year," QV Tauranga consultant Steven Dunn said.

"We're seeing prices moderate, as many buyers consolidate after a period of sustained growth."

### **Wellington & Christchurch**

In the Wellington Region the average value was \$651,725 in July, up 1.5% on three months ago and up 7.4% for the year, with rising values evident in all parts of the region.

"Overall, Wellington is currently seeing stable values and it's now a much more balanced market after several years of strong growth," QV Wellington senior consultant David Cornford said.

In Christchurch the average value was \$495,692 in July, up 0.5% over the last three months, but up just 0.1% on a year earlier.

"The Christchurch market remains steady, with values remaining relatively flat or increasing slightly," QV Christchurch property consultant Hamish Collins said.

"Overall market activity is subdued, with listings down and prospective buyers, particularly investors, keeping pretty quiet due to modest value growth," he said.

Dunedin has had one of the hottest markets in the country over winter, with July's average value of \$411,669 up 1.8% over the last three months and up 10.1% over the last year.

However QV Dunedin property consultant Tim Gibson said value growth in many parts of the city had dropped recently after a sustained period of growth.

<b>QV House Price Index July 2018</b>			
<b>Territorial authority</b>	<b>Average current value</b>	<b>12 month change%</b>	<b>3 month change %</b>
Auckland Region	1,050,778	0.6%	-0.1%
Wellington Region	651,725	7.4%	1.5%
<b>Total New Zealand Nationwide</b>	<b>673,797</b>	<b>5.1%</b>	<b>-0.7%</b>
Far North	408,092	0.6%	-5.0%

Whangarei	528,543	6.9%	3.2%
Kaipara	539,471	3.4%	2.8%
Auckland - Rodney	947,336	-0.2%	-1.1%
Rodney - Hibiscus Coast	926,604	-0.1%	-1.4%
Rodney - North	968,829	-0.3%	-0.9%
Auckland - North Shore	1,224,301	1.8%	-0.7%
North Shore - Coastal	1,399,765	1.4%	-1.3%
North Shore - Onewa	971,037	2.0%	0.0%
North Shore - North Harbour	1,209,171	2.4%	-0.4%
Auckland - Waitakere	824,055	0.6%	-0.1%
Auckland - City	1,238,979	0.3%	0.5%
Auckland City - Central	1,070,104	-1.2%	-1.5%
Auckland_City - East	1,570,660	1.6%	1.3%
Auckland City - South	1,104,286	-0.1%	1.2%
Auckland City - Islands	1,147,678	3.8%	0.5%
Auckland - Manukau	901,504	0.3%	0.2%
Manukau - East	1,152,975	-1.2%	0.0%
Manukau - Central	698,565	1.7%	0.1%
Manukau - North West	781,699	1.9%	0.4%
Auckland - Papakura	702,466	4.0%	0.2%
Auckland - Franklin	665,311	1.0%	-0.8%
Thames Coromandel	736,604	3.5%	1.2%
Hauraki	408,817	3.2%	4.8%
Waikato	473,429	5.2%	-1.0%
Matamata Piako	445,932	5.4%	2.5%
<b>Hamilton</b>	<b>558,615</b>	<b>3.3%</b>	<b>0.8%</b>
Hamilton - North East	709,263	4.0%	1.3%
Hamilton - Central & North West	512,416	1.7%	-0.2%
Hamilton - South East	513,016	4.7%	1.9%
Hamilton - South West	488,901	1.6%	-0.8%
Waipa	554,658	7.1%	3.4%
Otorohanga	276,214	-0.6%	-11.0%
South Waikato	213,434	2.6%	-6.1%
Waitomo	207,575	8.3%	9.5%
Taupo	481,229	8.1%	2.6%
Western BOP	629,627	1.9%	-0.2%
Tauranga	702,850	1.7%	-0.2%

Rotorua	428,063	7.3%	0.4%
Whakatane	431,957	7.0%	1.0%
Kawerau	201,367	11.1%	4.0%
Opotiki	265,490	-7.1%	-16.1%
Gisborne	312,693	6.9%	0.8%
Wairoa	N/A	N/A	N/A
Hastings	460,373	8.6%	0.2%
Napier	513,670	14.2%	2.7%
Central Hawkes Bay	324,646	13.4%	2.8%
New Plymouth	446,524	5.2%	0.4%
Stratford	271,281	15.0%	3.8%
South Taranaki	221,197	10.9%	0.2%
Ruapehu	192,731	18.5%	4.0%
Whanganui	254,889	11.2%	4.3%
Rangitikei	207,598	9.5%	2.9%
Manawatu	344,214	12.4%	2.5%
Palmerston North	394,966	9.9%	2.9%
Taranua	205,922	18.6%	7.1%
Horowhenua	320,966	13.7%	4.1%
Kapiti Coast	562,112	9.4%	0.9%
Porirua	564,541	9.9%	3.0%
Upper Hutt	489,021	8.9%	0.4%
Hutt	540,653	5.5%	0.6%
<b>Wellington</b>	<b>775,711</b>	<b>7.1%</b>	<b>1.9%</b>
Wellington - Central & South	773,346	6.9%	2.4%
Wellington - East	818,341	3.7%	0.6%
Wellington - North	703,964	9.4%	2.3%
Wellington - West	895,242	7.3%	1.4%
Masterton	350,019	12.9%	3.4%
Carterton	396,395	13.9%	2.2%
South Wairarapa	481,825	14.4%	0.8%
Tasman	573,760	7.5%	1.4%
Nelson	559,023	5.1%	-0.7%
Marlborough	463,332	5.7%	1.2%
Kaikoura	N/A	N/A	N/A
Buller	186,963	2.7%	4.3%
Grey	213,390	3.1%	0.5%

Westland	241,010	-3.1%	-2.2%
Hurunui	381,368	2.4%	-2.0%
Waimakariri	438,481	0.8%	-0.7%
<b>Christchurch</b>	<b>495,692</b>	<b>0.1%</b>	<b>0.5%</b>
Christchurch - East	373,367	0.7%	1.1%
Christchurch - Hills	675,208	1.7%	1.9%
Christchurch - Central & North	584,471	0.0%	0.8%
Christchurch - Southwest	471,948	-0.6%	-0.7%
Christchurch - Banks Peninsula	513,447	0.7%	0.0%
Selwyn	551,073	1.0%	0.2%
Ashburton	349,930	1.1%	-0.7%
Timaru	358,718	2.3%	0.9%
MacKenzie	502,010	6.8%	-1.8%
Waimate	245,191	11.7%	3.9%
Waitaki	303,970	7.1%	-0.2%
Central Otago	496,616	9.0%	1.7%
Queenstown Lakes	1,168,728	7.0%	3.4%
<b>Dunedin</b>	<b>411,669</b>	<b>10.1%</b>	<b>1.8%</b>
Dunedin - Central & North	430,663	11.3%	2.8%
Dunedin - Peninsular & Coastal	377,858	12.1%	2.5%
Dunedin - South	390,097	10.6%	0.9%
Dunedin - Taieri	425,549	8.1%	1.4%
Clutha	209,002	6.6%	-2.0%
Southland	275,369	10.2%	0.7%
Gore	219,692	2.6%	-4.0%
Invercargill	266,950	9.9%	0.9%
<b>Main Urban Areas</b>	<b>784,958</b>	<b>4.2%</b>	<b>-1.3%</b>