

# Quarterly Property Market & Economic Update

New Zealand  
Quarter 2, 2018



CoreLogic®



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# About CoreLogic



CoreLogic is a leading property information, analytics and services provider in the United States, Australia and New Zealand. CoreLogic helps clients identify and manage growth opportunities, improve performance and mitigate risk, by providing clients with innovative, technology-based services and access to rich data and analytics.

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# Executive Summary

In the three months since our last Property Market & Economic Update, market conditions have if anything weakened a touch. In the incoming macroeconomic data, indicators such as GDP growth have slowed and the net migration balance continue to ease downwards (albeit from a high level). These things will tend to reduce property demand.

On the plus side, however, inflation remains low and is showing no signs of a meaningful pick-up anytime soon. This suggests that the official cash rate will stay on hold at 1.75% for some time to come (potentially late 2019 at the earliest) and with little evidence that higher offshore financing costs are affecting New Zealand, domestic mortgage rates should stay low and stable well into 2019. This will help to hold up property demand.

In the property market itself, activity levels (e.g. valuation volumes, completed sales) are generally low around the country and the outlook seems pretty flat too. Given that, as well as the fact that affordability remains a problem in many towns and cities, it's no surprise that property value growth has eased in the past few months. In April, property value growth across NZ was running at an annual rate of 7.6%, but it has now slowed to 5.7%.

Values in Auckland and Christchurch remain stagnant, and it's only Dunedin amongst the main centres that is showing any sort of strength. The previously buoyant market in Wellington has cooled pretty sharply in the past few months, with values actually dropping by 1.3% from March to June.

Our proprietary buyer classification data shows that movers generally remain cautious and have a relatively low market share at present. First home buyers, however, are still active and have slightly increased their share of purchases from 22% in Q1 to 23% in Q2. Amongst multiple property owners, those purchasing with cash have an historically high market share (13%), while mortgaged buyers are more restricted, due to the LVR rules and tightening bank credit policies. It is important to note that activity across all buyer types has fallen in terms of total numbers. It's just that some buyer groups (e.g. first home buyers) have held on better than others, so their share of the market has risen.

Overall, given the shortages of supply that have built up, and barring a big unexpected global shock, this orderly/controlled NZ property market slowdown (driven at least partly by credit restrictions) is unlikely to become a downturn. Although building consents continue to rise strongly and KiwiBuild could add a bit of cream on the top for extra supply, property values look set to stay high in the medium term.

As always, we keep a running monitor on the property market every week via our NZ Property Market Pulse articles, so be sure to check these out on our website [corelogic.co.nz/research-news](https://corelogic.co.nz/research-news)

# Macro Economic and Demographic Indicators



# New Zealand Asset Classes



Residential Real Estate

**\$1.1 trillion**

(\$253 billion in home loans)



Commercial/Industrial Real Estate

**\$204 billion**



NZ Listed Stocks

**\$138 billion**



NZ Super and KiwiSaver

**\$87 billion**

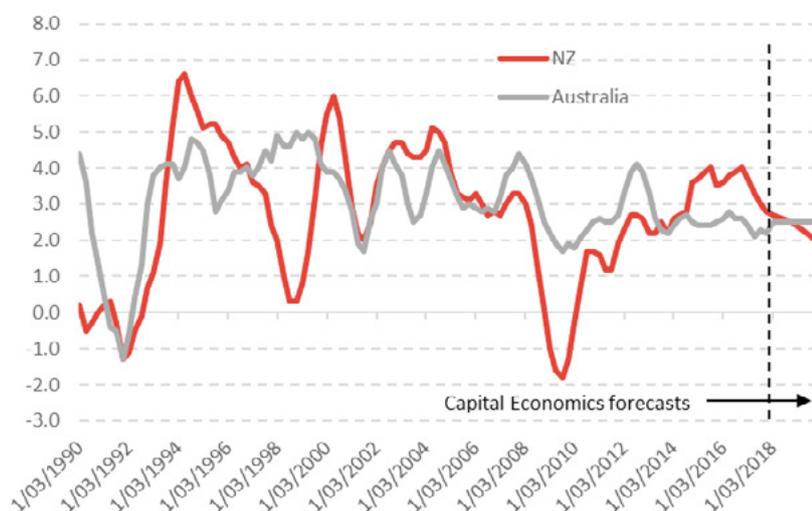
The value of residential property continues to grow beyond one trillion dollars, a much bigger scale than other asset classes. Residential mortgages are secured against 23% of this value.

After fluctuating between 8,000 and 8,500 for the first four months of the year, the NZX50 rose to around 9,000 over May and June, and has remained around that level in July.

\*Source: CoreLogic NZ, Reserve Bank of NZ, NZX, NZ Super Fund, Financial Markets Authority

# NZ and Australia GDP growth

Annual Average GDP Growth (%)

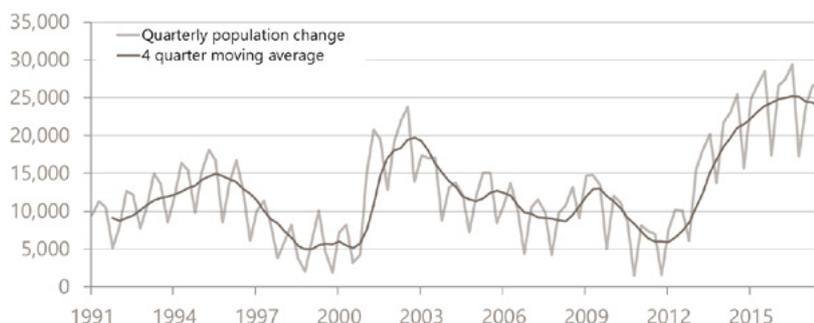


New Zealand's economic growth slowed again in the first quarter, and has now eased from 4.0% at the end of 2016 to 2.7%. That was a four-year low. By contrast, after underperforming for the past 3-4 years, Australia is now starting to pick-up and the trans-Tasman growth gap has closed. Expectations are that Australia's GDP growth will overtake NZ over the next year, and that could start to attract more foreign migrants to Australia, as well as keeping more residents at home and attracting more NZ residents to head across the ditch. In turn, this would tend to undermine demand for property in NZ.

Source: Reserve Bank of New Zealand, Capital Economics

# New Zealand Population

## Quarterly Change in National Population

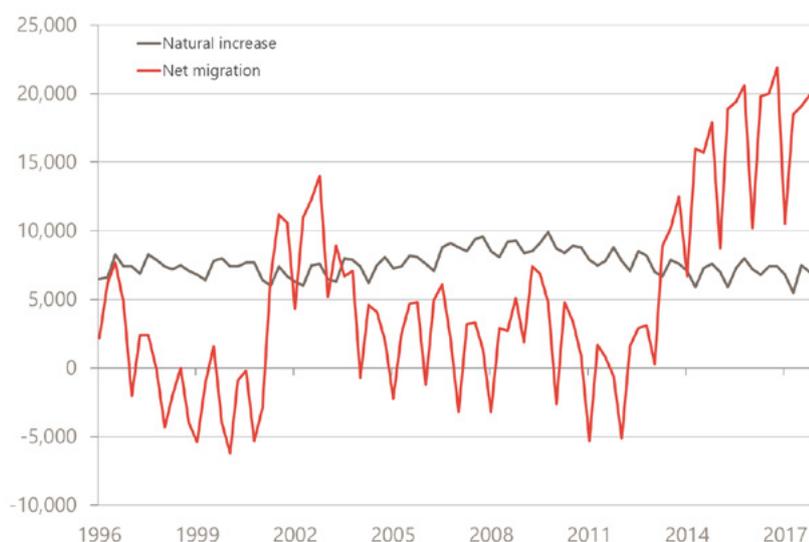


Population growth eased a little further in Q1 2018, with the annual rate now a touch below 2% (1.97%) for the first time in three years.

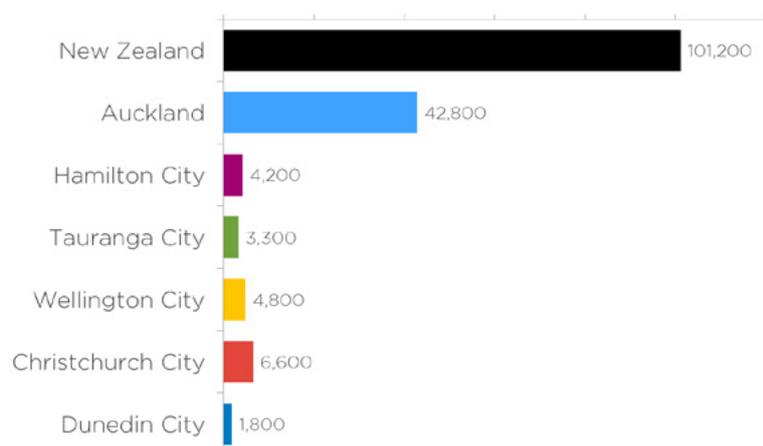
Net migration accounted for 68,000 (71.7%) of the overall population increase over the past 12 months of 94,800. Net migration is down by about 4,000 from 12 months ago.

However, natural population growth has also slowed over the past year, by 2,000 people (from 28,800 to 26,800).

## Population Change Composition



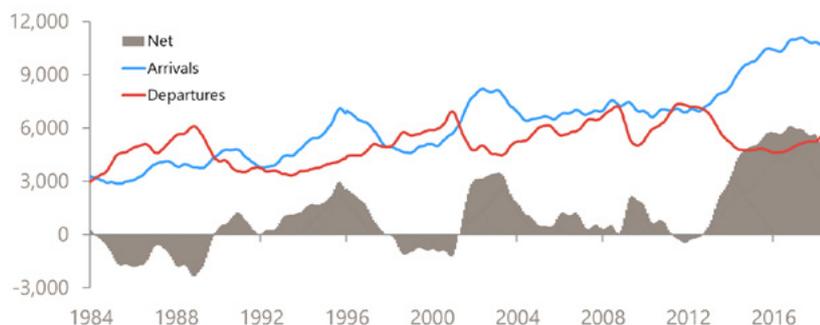
## Annual Change in Population



Source: Statistics New Zealand

# Migration

## Long Term Migration



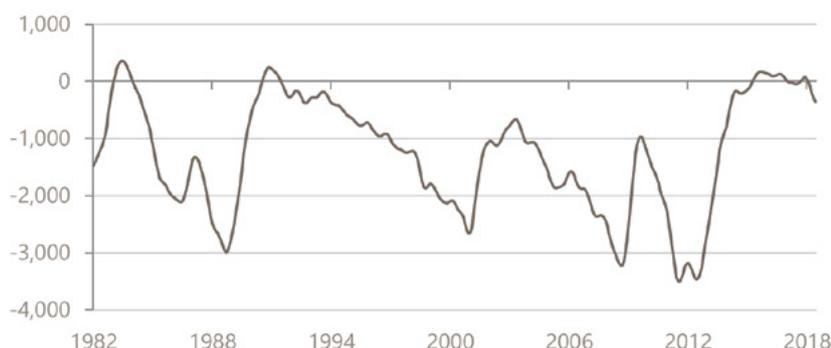
Arrivals of migrants into New Zealand are holding up relatively well, but a steady increase in departures continues to drag down the net balance. In the year to June, net migration was 64,995 – that’s still high, but the first time it’s been below 65,000 since December 2015. From the peak in July last year, the annual net migration balance has dropped by more than 7,400.

Given that many of the new migrants over the past few years have entered on time-limited visas (such as student or temporary work) it’s almost inevitable that departures will continue to rise as their visas expire, which will further pull down the net total.

Another very important aspect of the migration data to keep an eye on is the trans-Tasman balance. Until recently, we’d been in the longest and strongest period of net population gains from Australia. But with their economy starting to gather steam again, the net trans-Tasman migration balance is turning back against NZ and the trend figure for June was a loss of 350 people. That was the worst figure since March 2014.

We’ll be keeping a close eye on this in the coming months, as when the trans-Tasman balance starts to turn, it can shift significantly and quickly, affecting NZ’s regions in particular. Big losses of people to Australia would undermine demand for property in NZ, both owner-occupied and rental.

## Monthly Net Migration Between New Zealand and Australia

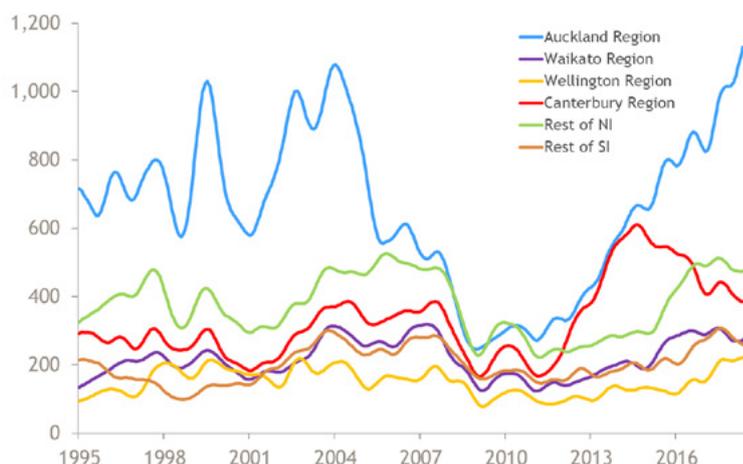


	Net Gain Last Year	% Change
<b>TOTAL ALL AREAS</b>	<b>64,995</b>	<b>-10.1%</b>
Auckland Region	33,169	-9.5%
Hamilton City	1,829	-8.0%
Tauranga City	843	-19.2%
Wellington	3,094	-9.5%
Christchurch City	4,932	-11.9%
Dunedin City	963	-6.2%
Main Urban Area (Other)	4,835	-10.8%
Rural Centres	4,077	-16.0%
Not applicable/Not stated	11,253	-8.5%

Source: Statistics New Zealand

# Regional Building Consents

## New Dwelling Consents Trend



Source: Statistics New Zealand

New Zealand is currently in the midst of one of the three biggest booms for building consents that we've ever had. Statistics NZ's trend measure (which smooths out seasonal and other fluctuations) recorded 2,963 consents in May, which was the highest figure for any month in at least 23 years. The trends towards relatively more apartments and townhouses, with relatively fewer standalone houses, has continued.

Auckland continues to drive the nationwide rise. Over the past 12 months, it has had 12,274 (unadjusted measure) new dwelling unit consents, which is almost 3,000 more than it had in the 12 months to May 2016. Over that period, Auckland's share of total national dwelling consents has risen from 33% to 38%. Even so, the shortfall of housing that has accumulated will take several years to reduce, especially given the construction industry is already facing labour/capacity shortages.

Elsewhere, residential construction activity in Wellington also continues to rise, but the Waikato and Canterbury regions have eased back. Although dwelling consents in Canterbury have fallen significantly in the past few years, the level remains pretty high compared to pre-quake norms.

# Consumer Confidence

## ANZ-Roy Morgan Confidence Consumer



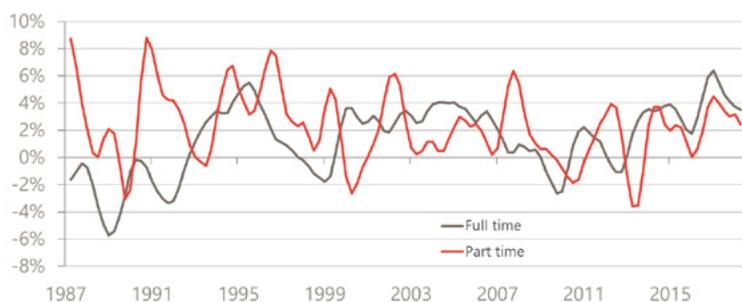
Source: ANZ NZ, Roy Morgan

Consumer confidence was pretty much flat in June, at 120 on the ANZ-Roy Morgan measure. That is bang in line with its long term average. Low interest rates and low unemployment have put a foundation under consumer confidence, but the 'normal' reading for confidence in June adds to a sense that NZ's economic performance and outlook isn't perhaps as buoyant as it looked 3-6 months ago.

ANZ reported that confidence eased down again in Auckland in June, with our largest region the least confident. To some extent, this probably reflects the low levels of housing affordability in Auckland and the downward influence this will be having on consumers' views about their financial future.

# Employment

Annual Change in Employment, Full Time and Part Time



The annual growth rate slowed for both part-time and full-time employment in the first quarter of 2018, but overall the labour market remains pretty strong. Full-time employment growth slowed from 3.7% to 3.5% in Q1 (on Stats NZ's trend measure), while part-time cooled from 3.2% to 2.4%. However, the overall rate of 3.3% was still more than double the long-term average of 1.5%.

Labour Force Participation Rate



In addition, the labour force participation rate held up at 70.8%, the third-highest reading for the 32-year history of this series. And the unemployment rate eased down to 4.4%, the lowest since the final quarter of 2008.

The broad-based strength in the labour market will continue to support the property market, and for now the risks of a spike in households struggling to meet their mortgage repayments or rent remain very low.

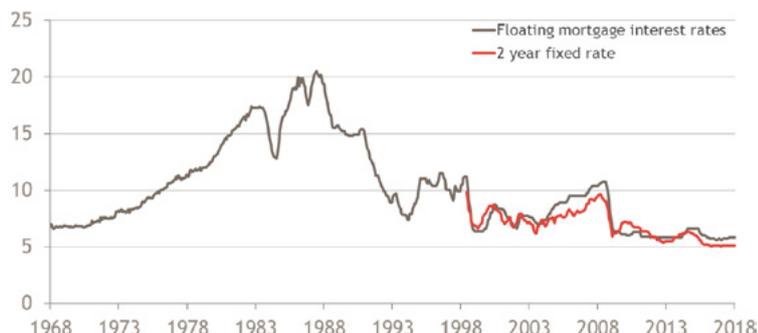
Unemployment Rate



Source: Statistics New Zealand

# Interest Rates

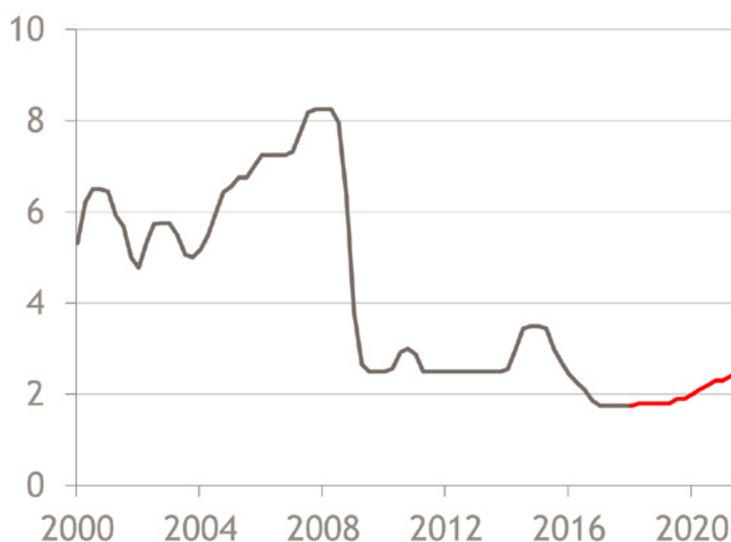
Mortgage Interest Rates - %



The banks continue to compete strongly for the best borrowers (e.g. those who have managed to raise a deposit, those who can afford a mortgage at a theoretical interest rate as high as 7%) and mortgage rates have remained flat in recent months at low levels. Some special deals have even involved small reductions in rates.

The official cash rate (OCR) remains likely to stay unchanged at 1.75% until the end of 2019 at the earliest. The next move is likely to be up, but the Reserve Bank seemingly has a pretty open mind and, if the incoming economic data were weak, a cut in rates couldn't be ruled out.

Projected Official Cash Rate - %



Average Two Year Fixed Rates - %



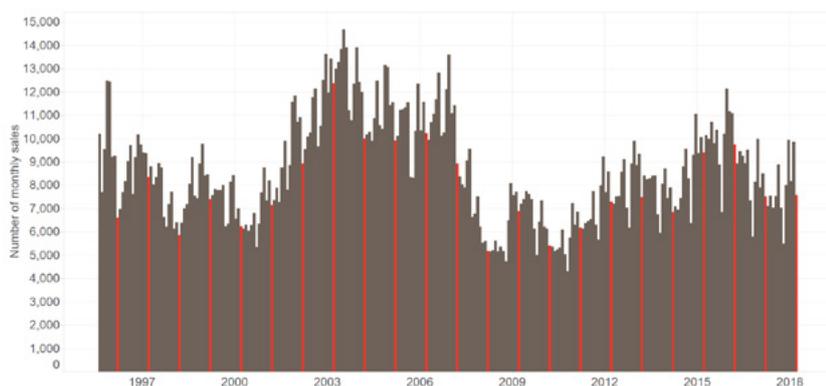
Sources: Reserve Bank of New Zealand and interest.co.nz

# Housing Overview



# Sales Volumes

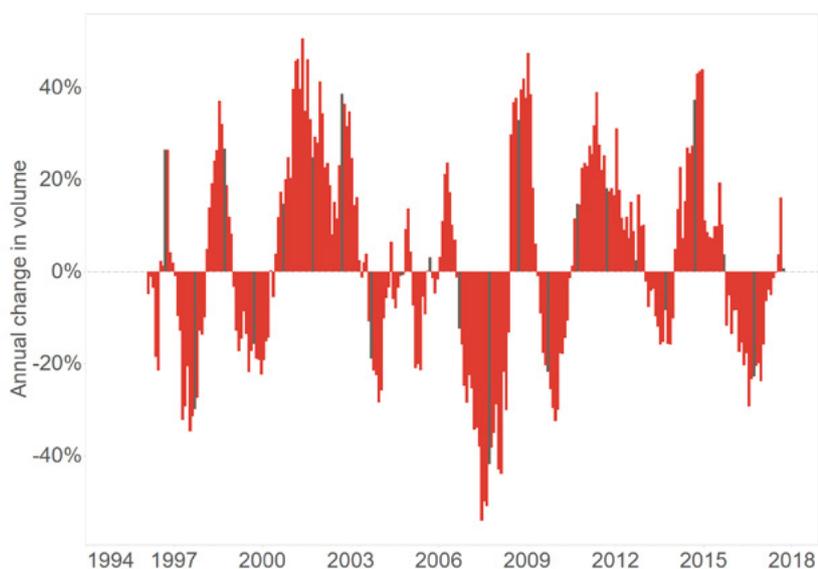
## Nationwide Sales Volumes



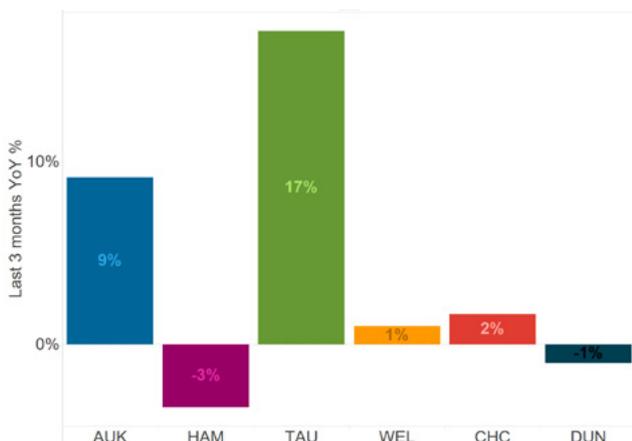
Nationwide sales volumes have seen their normal winter slowdown, but for June itself were pretty much unchanged from a year earlier (having risen year-on-year in April and May). Put another way, there are signs that sales volumes have found a floor.

Indeed, around the main centres, volumes have recently been pretty much the same as a year ago in Dunedin, Christchurch and Wellington, while there have been decent rises in Auckland and Tauranga.

## Nationwide Annual Change in Sales Volumes

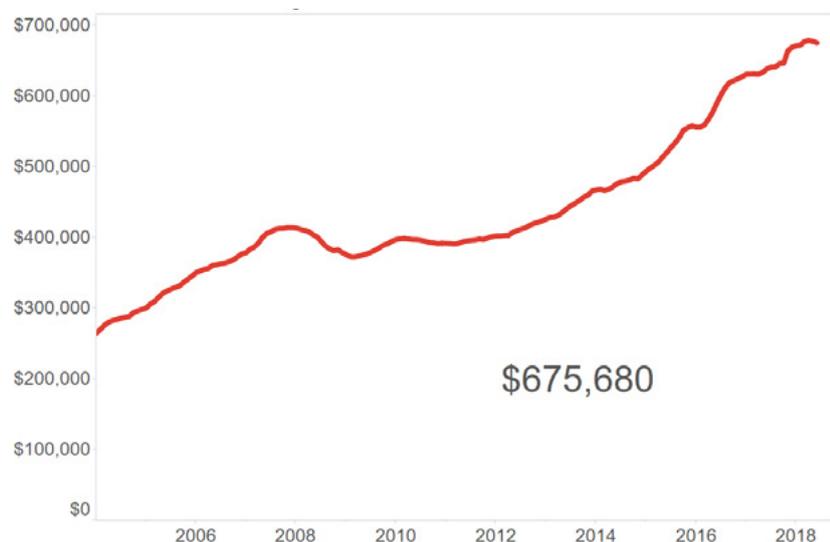


## Regional Sales Volumes Year-on-Year



# Nationwide Values

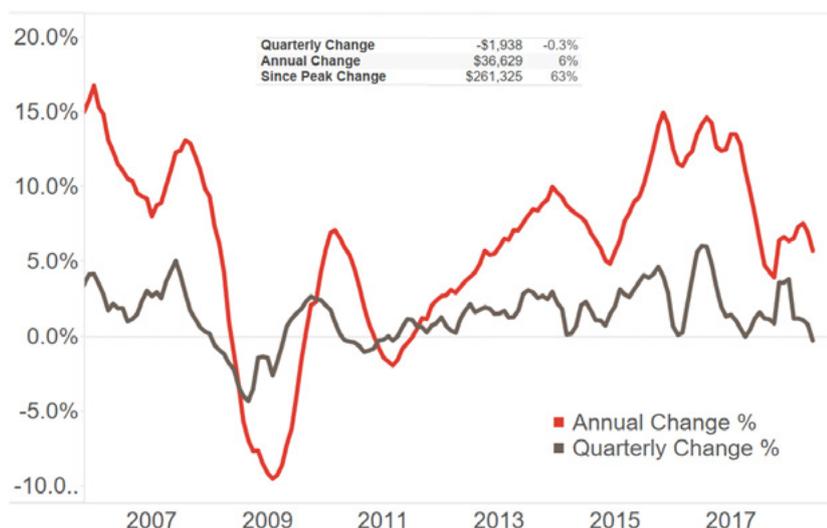
## Average Value of Housing Stock - New Zealand



The pick-up in the pace of property value growth in late 2017 and into early 2018 has lost steam in May and June. The annual growth rate has dropped from 7.6% in April to 5.7%. And looking at the timelier quarterly growth rate, values are now flat-lining or even edging a bit lower.

The national average property value now stands at \$675,680, the lowest level since February, but still almost \$37,000 higher than a year ago.

## Annual and Quarterly Change in Value



# Lending conditions

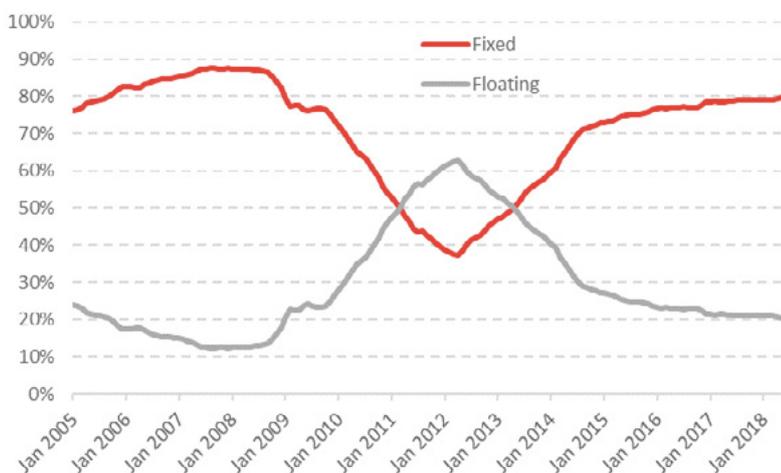
'High risk' Lending (% of new loans)



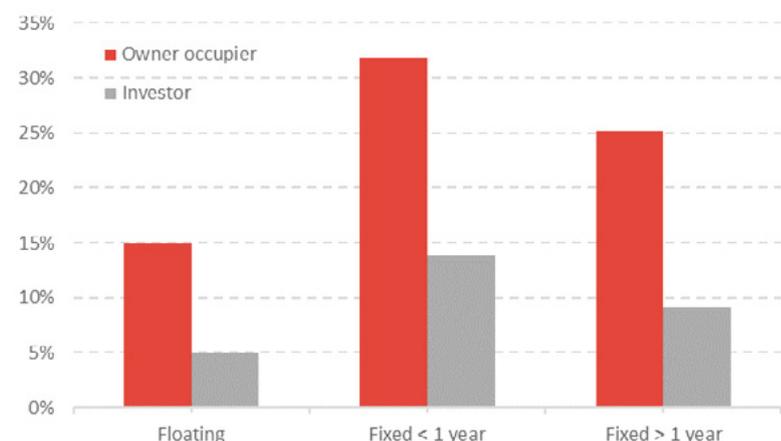
Reserve Bank figures show that 'risky' lending on 80%+ LVRs and on interest-only terms remains restricted, although there are signs that interest-only has plateaued at around 30% of new finance and that high LVR lending has actually gently increased its share of new lending in recent months.

With fixed mortgage rates competitively priced, it's no surprise that this lending makes up about 80% of the stock of mortgage debt in NZ. This gives the market some degree of insulation against higher financing costs, but it's also important to note that across owner occupiers and investors 20% of mortgages are floating and another 46% are fixed for up to one year. This means 66% of mortgage debt is exposed to higher mortgage rates over a 12-month horizon.

Proportion of Mortgage Debt on Fixed and Floating Rates



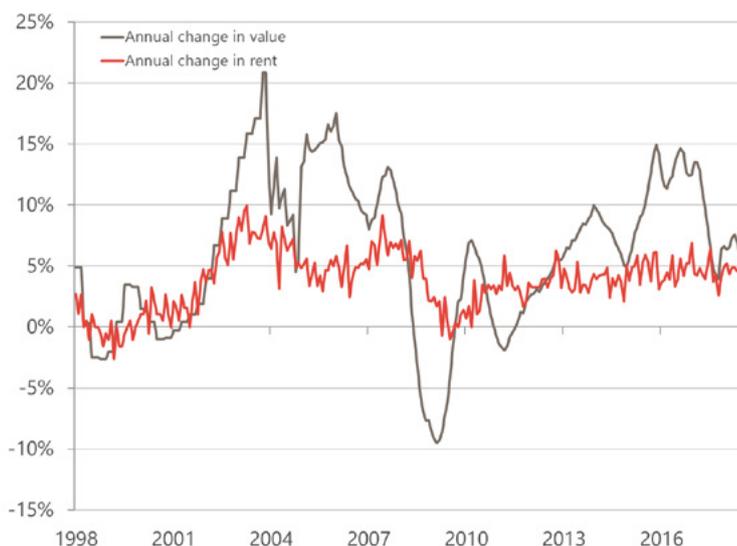
Refinancing Profile for Mortgages (% of stock)



Source: Reserve Bank of New Zealand

# Rent

## Nationwide Annual Change in Value and Rent



The nationwide level of rents dipped from \$412 in May to \$409 in June, in line with normal seasonal patterns. However, comparing on an annual basis (using a three-month average), rents grew by 4.7%.

Gross rental yields were basically unchanged at 3.1% in June. They have now been either 3.1% or 3.2% for the past 24 months. At those levels, gross yields are relatively low, given that landlords still have to deduct debt servicing and other operating costs from their gross return.

Tauranga and Dunedin are the leading main centres in terms of rental growth (7.0% and 6.0% respectively), with Hamilton, Wellington and Auckland recording smaller but still material rises in rents of 2-3% p.a. Christchurch's rental market remains soft, with only a 0.3% increase over the past year.

Only Dunedin has a gross yield >4%, with Auckland's languishing down at 2.2%.

## Gross Rental Yield - Nationwide

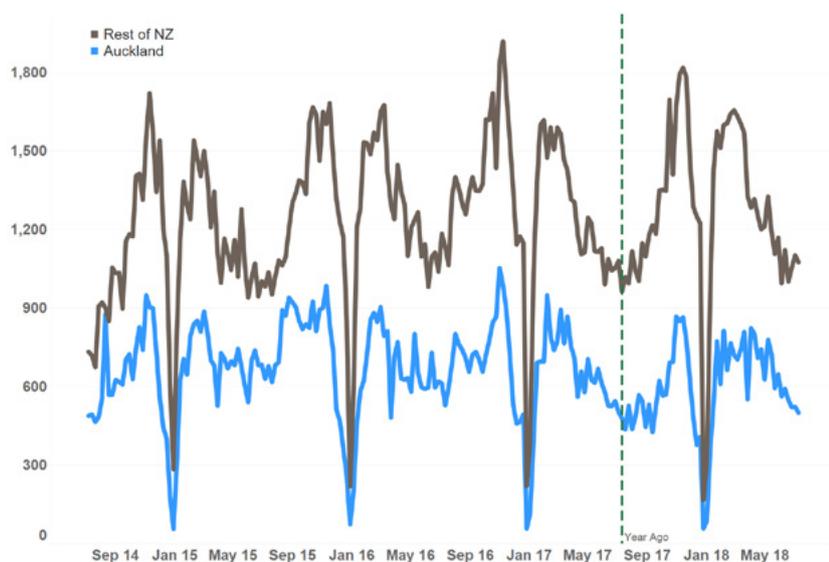


	Median Weekly Rent	Annual Change in Rent	Gross Yield
Auckland	\$515	1.8%	2.2%
Hamilton	\$365	2.8%	3.4%
Tauranga	\$452	7.0%	3.4%
Wellington	\$458	2.1%	3.1%
Christchurch	\$347	0.3%	3.6%
Dunedin	\$325	6.0%	4.1%

Sources: CoreLogic NZ and MBIE

# Listings

## New Listings

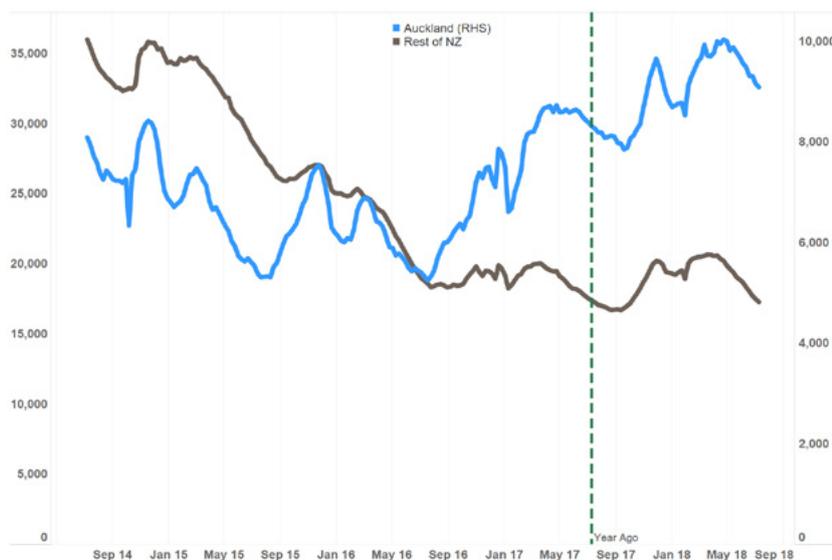


New listings are going through their usual slowdown over winter and are roughly in line with where they were the same time last year (NZ as a whole up a modest 3% year-on-year).

Bay of Plenty has recorded a strong rise in new listings over the past year, with Canterbury, Otago and Waikato also up. Wellington's new listings have slumped over the past three weeks, perhaps with the slowdown in values prompting potential sellers to instead stay where they are.

New Listings	Average last 3 weeks	1 month change	1 year change
New Zealand	1,592	-6%	3%
Auckland	515	-14%	1%
Waikato	175	13%	4%
Bay of Plenty	141	4%	17%
Wellington	114	-18%	-5%
Canterbury	229	-4%	6%
Otago	66	9%	5%

## Total Listings

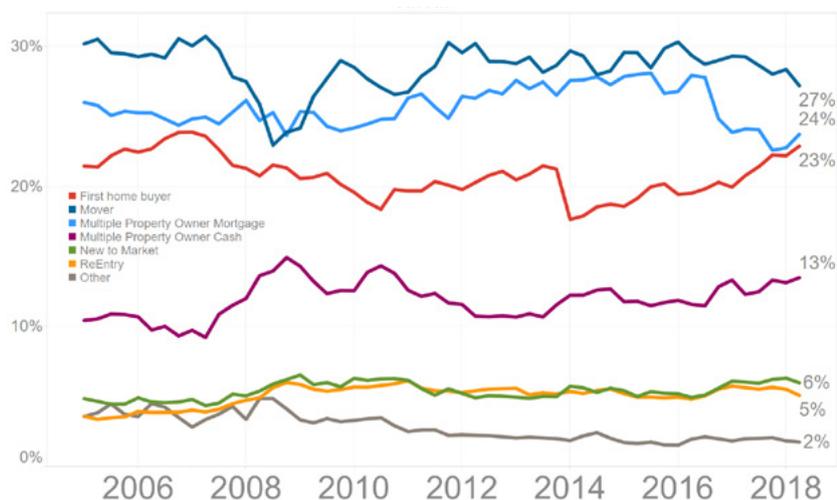


Total listings remain at low levels across NZ as a whole, although they're 3% higher than a year ago. Waikato, Auckland and Bay of Plenty have seen total listings climb over the past year, whereas Canterbury and Otago have been flatter, while Wellington's total listings have fallen by 9%.

New Listings	Average last 3 weeks	1 month change	1 year change
New Zealand	26,376	-5%	3%
Auckland	9,092	-4%	9%
Waikato	2,768	-5%	14%
Bay of Plenty	1,880	-3%	8%
Wellington	1,187	-9%	-9%
Canterbury	4,127	-6%	0%
Otago	873	-5%	3%

# Buyer Classification

## Buyer Classification - New Zealand



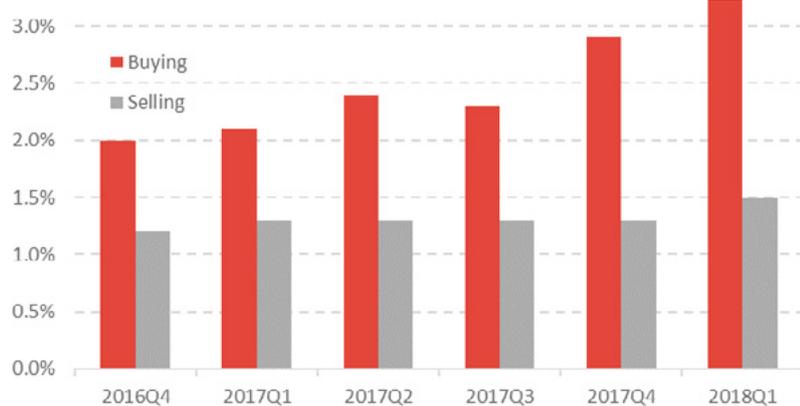
First home buyers have continued to increase their share of property market activity, accounting for 23% of purchases in Q2, up from 22% in Q1. Their share of the market is the highest since 2007. As we've noted before, the high relative cost of renting and the ability to draw down KiwiSaver funds for a deposit are factors behind the willingness and ability of first home buyers to continue to get on the property ladder. First home buyers have also been compromising on the quality of their first purchase or the location.

By contrast, movers' share of activity remains subdued, at just 27%. That's their lowest figure since mid-2011. The drop in movers' market share has been taken up by first home buyers, but also multiple property owners (investors). Multiple property owners (MPOs) buying with cash have gradually increased their share of the market over the past 3-5 years and are currently at 13% - on a par with previous historical highs.

Although MPOs with a mortgage have seen their market share drop since the introduction of the 40% deposit requirement in late 2016 ('LVR III'), they did manage to raise it from 23% in Q1 to 24% in Q2.

Meanwhile, the recently upgraded series from Statistics New Zealand on property transfers in NZ involving people without a resident visa or NZ citizenship ('foreign buyers') showed that their activity remains relatively low.

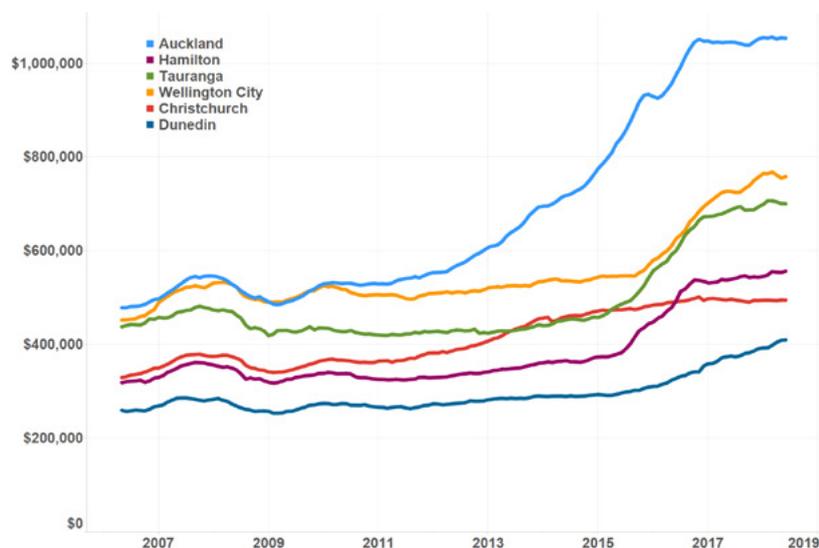
## NZ Property Transfers by Non-Citizens or no Resident Visa



Source: Statistics New Zealand

# House Price Index

## Average Dwelling Value



Property values across the main centres have cooled in the past few months, apart from in Dunedin where there are still strong gains being shown. Indeed, Dunedin's values have risen by 3% since March to sit close to \$410,000. The other five main centres have either seen values hold steady since March or fall by up to 1.3% (Wellington). Tauranga has also struggled a bit in the past three months, with values down by 0.9%.

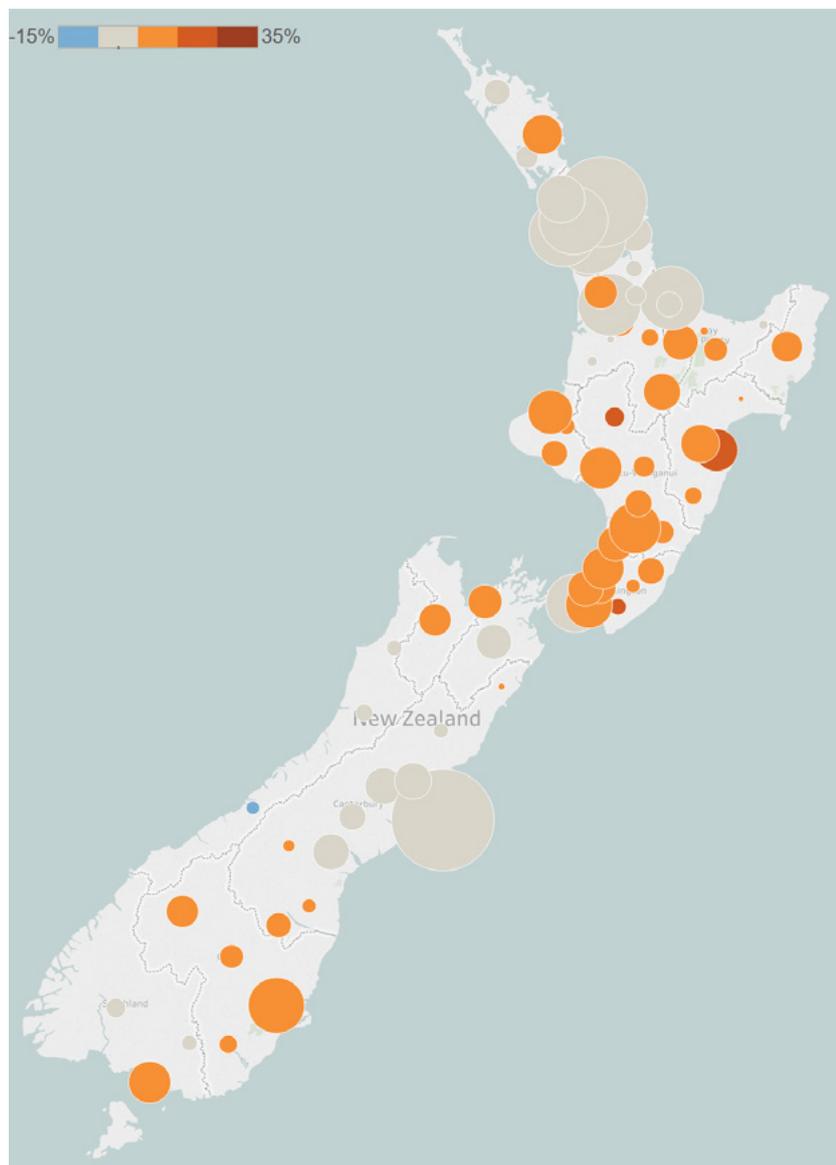
The recent weakness is also showing up in the annual growth rates, where the weakest five of the six main centres all have growth of less than 5%. Again, Dunedin remains clearly out in front, with property values having risen by 9.2% over the past 12 months.

	June 2018			
	Current Value	3 months	12 months	Since 2007 peak
New Zealand	\$675,680	-0.3%	5.7%	63%
Auckland	\$1,053,575	-0.2%	0.8%	93%
Hamilton	\$556,426	0.2%	3.2%	54%
Tauranga	\$700,305	-0.9%	1.9%	45%
Wellington	\$758,020	-1.3%	4.3%	42%
Christchurch	\$494,707	0.1%	-0.3%	30%
Dunedin	\$409,898	3.0%	9.2%	43%

Source: CoreLogic NZ QV Monthly House Price Index

# House Price Index

## Annual Value Change

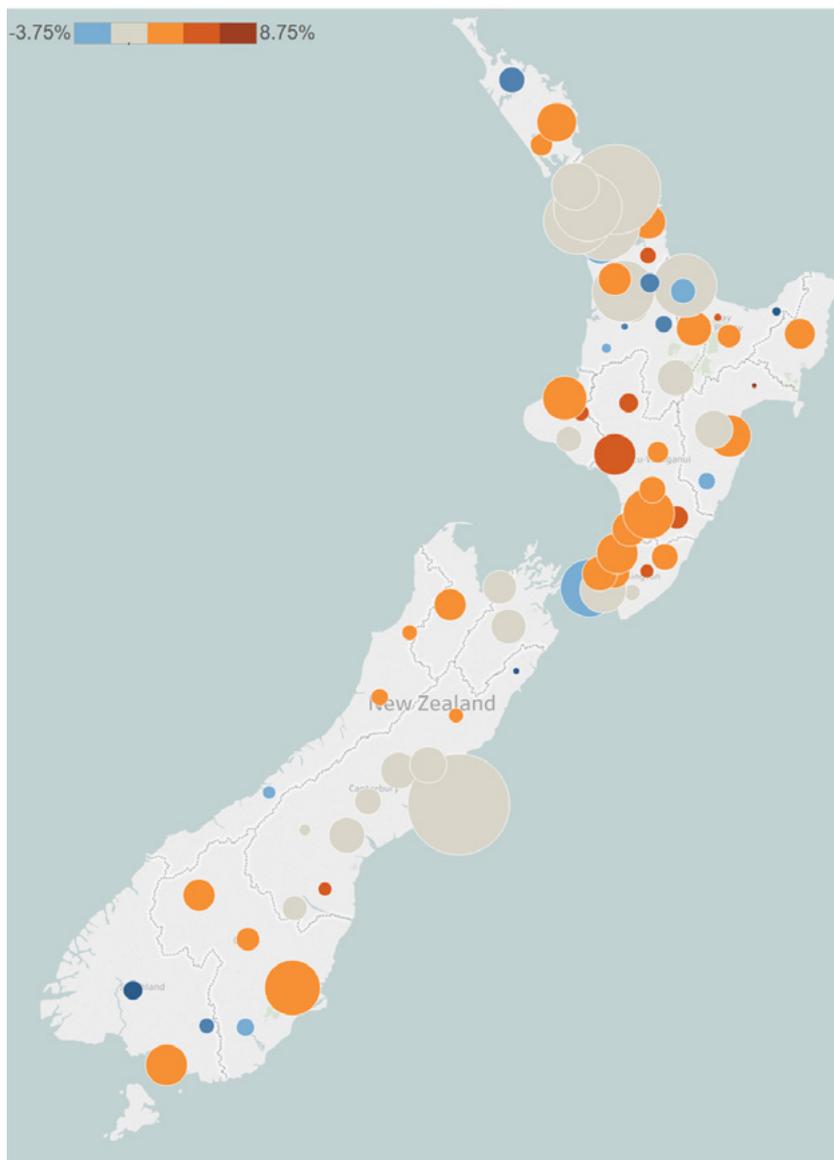


Over the past 12 months, it's been the lower half of the North Island that has shown the strongest property value performance. In particular, Napier City, Ruapehu District, and South Wairarapa District have stood out. By contrast, parts of the upper North Island, Canterbury, and the West Coast have been more sluggish.

\*Size of bubble represents the number of properties in the Territorial Authority

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### Three Month Value Change



Looking at a timelier three month change in values, the recent weakness at the national level shows up at the bottom of the South Island, Wellington, and in and around Waikato and Auckland.

\*Size of bubble represents the number of properties in the Territorial Authority

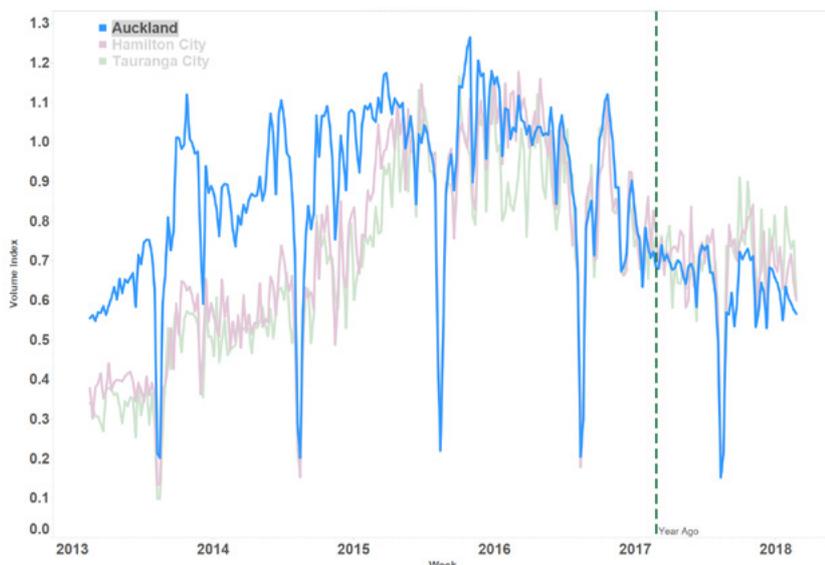
# Main Cities Housing Market Indicators





# Auckland Market Activity

## Buyer Demand - Auckland



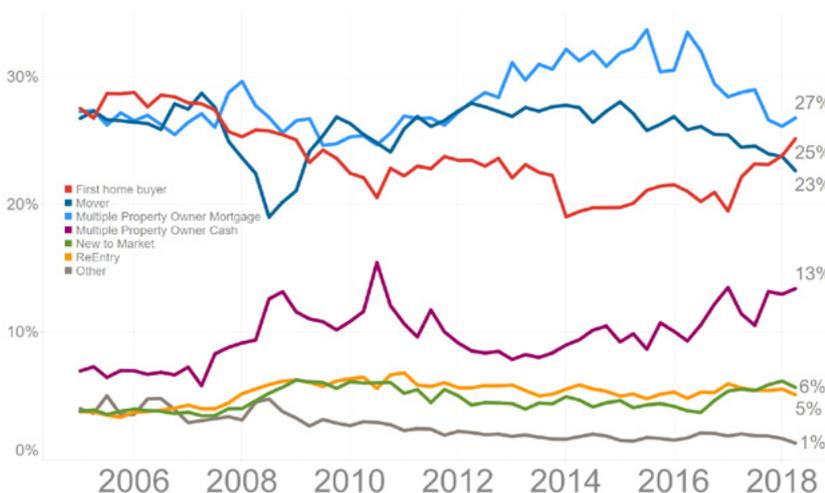
Market activity levels in Auckland are significantly below the levels a year ago, but are starting to level off.

Multiple property owners with cash, and first home buyers, in Auckland continue to raise their market shares at the expense of movers. Indeed, at 23%, the movers' share of the market is at its lowest level in nine years. We suspect that the high cost of trading up to a second or third home is keeping movers where they are.

By contrast, multiple property owners (MPOs) with cash now account for 13% of activity in Auckland, up from 8% 4-5 years ago. Held back by the LVR restrictions, however, MPOs with a mortgage account for a much smaller share of the market (27%) than they did around late 2015 and early 2016.

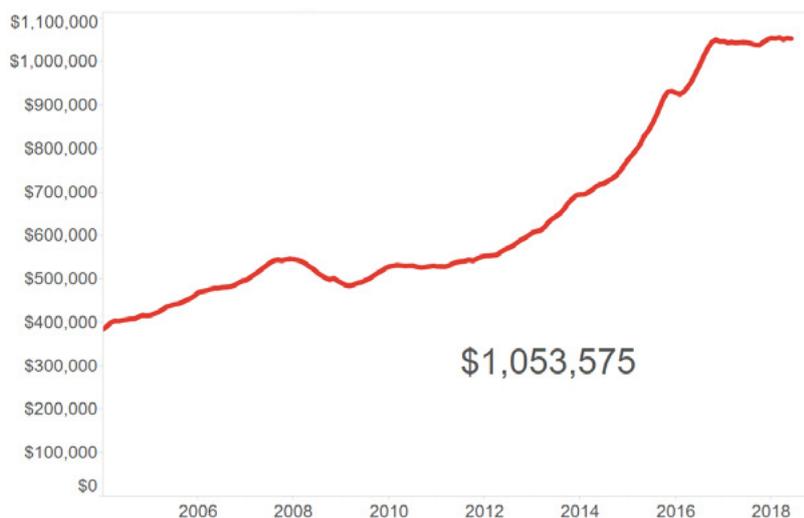
Despite the average property in Auckland costing more than \$1m, first home buyers are still finding ways into the market too, with their share continuing to trend higher to 25% in Q2. That's the highest figure since early 2009, with these buyers willing to look further afield in the south and west of the city to take that first step on the ladder.

## Buyer Classification - Auckland



# Auckland Values

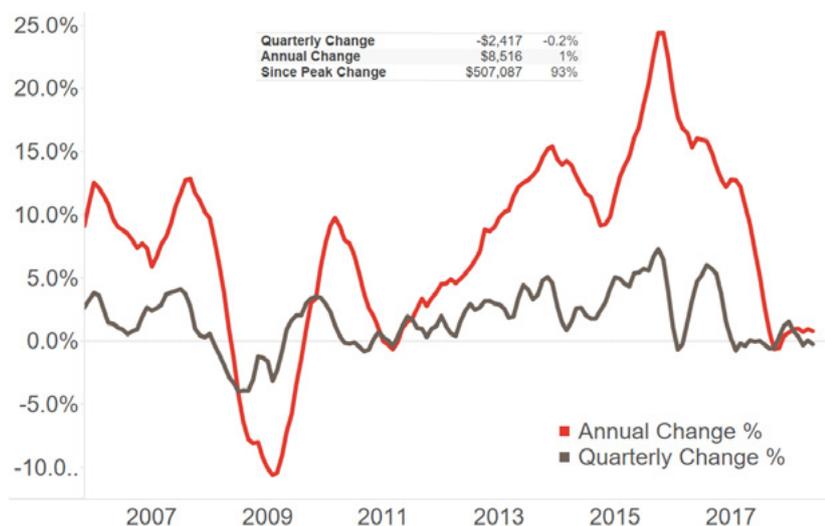
## Average Value of Housing Stock - Auckland



The quarterly rate of change in average Auckland property values has oscillated around zero for the past 3-4 months and was slightly negative (-0.2%) in June. Annual growth continues to hover at around 1%.

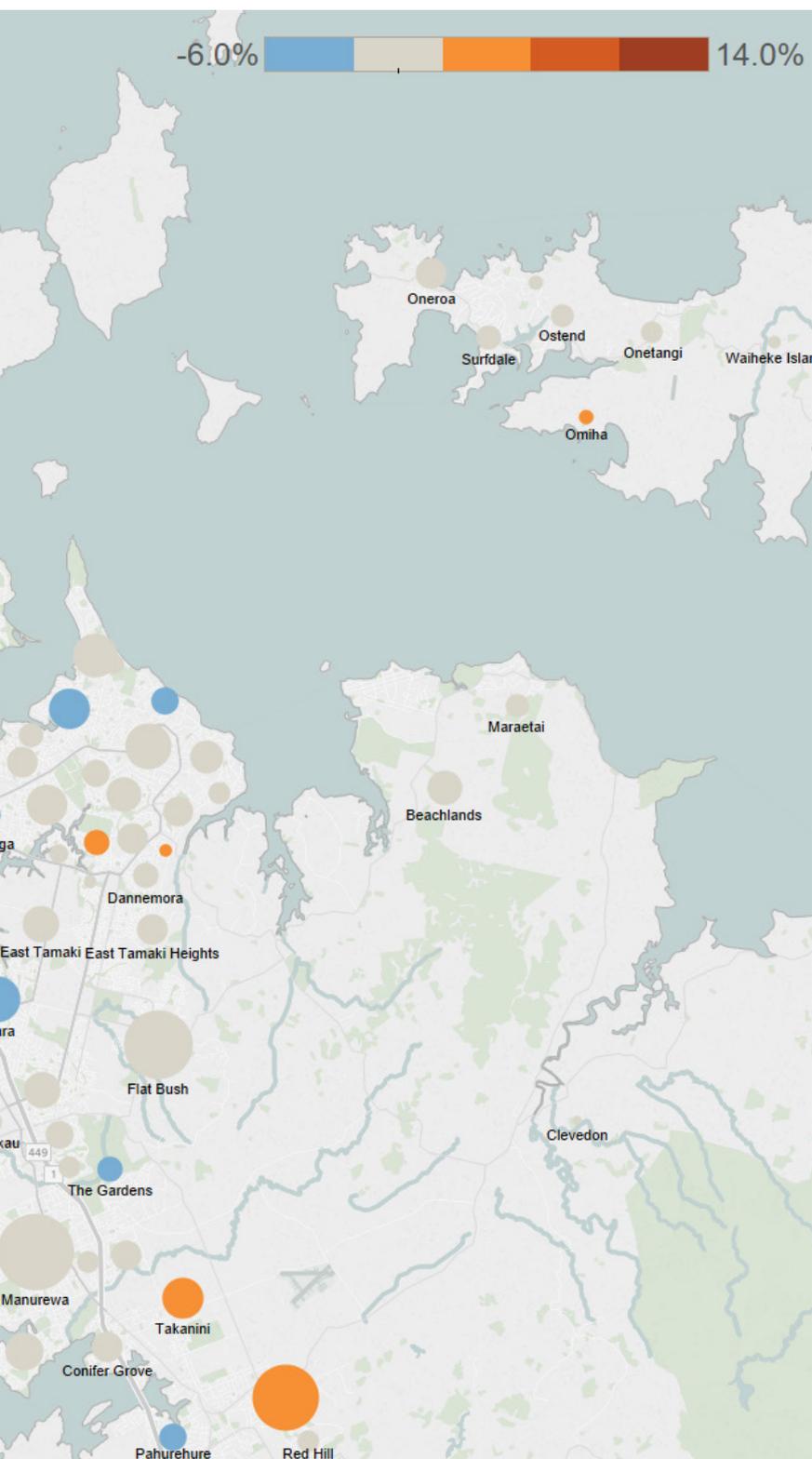
Franklin (-1.9%) and North Shore (-0.9%) were weak on the quarterly comparison in June, while the other areas of Auckland were either flat or, as in Rodney, up by a decent amount. Franklin is also showing an annual decline in values, while Papakura has recorded a reasonable increase of 4%.

## Annual and Quarterly Value Change - Auckland



	June 2018			
	Current Value	3 months	12 months	Since 2007 peak
Rodney	\$957,145	0.8%	0.0%	63%
North Shore	\$1,224,965	-0.9%	2.0%	90%
Waitakere	\$826,625	0.2%	0.0%	95%
Auckland City	\$1,243,037	-0.1%	1.0%	100%
Manukau	\$903,686	0.1%	0.0%	97%
Papakura	\$702,677	-0.1%	4.0%	95%
Franklin	\$662,417	-1.9%	-1.0%	67%





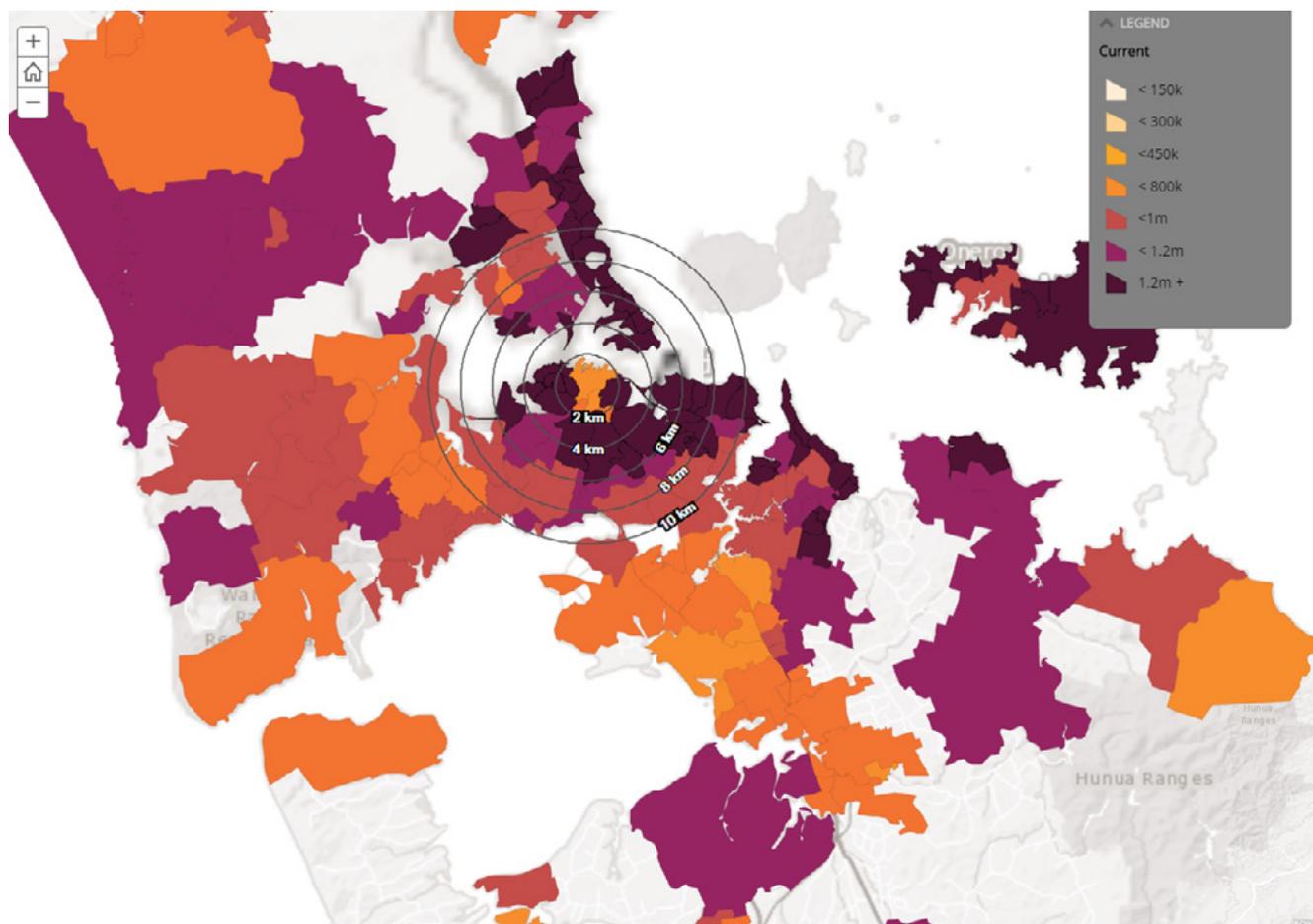
Property values across Auckland have, on average, been pretty flat for the past 12-18 months. However, there are always pockets of relative strength and weakness within that overall average. At present, areas in the north and central city are still seeing property values rise, with other parts of the city more sluggish.

\*Size of bubble represents the number of properties in the suburb.

Based on CoreLogic Median E-valuer

# Current Auckland Suburb Values

Median Value of Housing Stock



Over the past five years, almost all parts of the country have seen large rises in property values. CoreLogic's interactive 'Mapping the Market' – [www.corelogic.co.nz/mapping-market](http://www.corelogic.co.nz/mapping-market) – product shows these changes across the country, is freely available and updated quarterly. The heatmaps in Mapping the Market are point-in-time snapshots from 2013 and 2018.

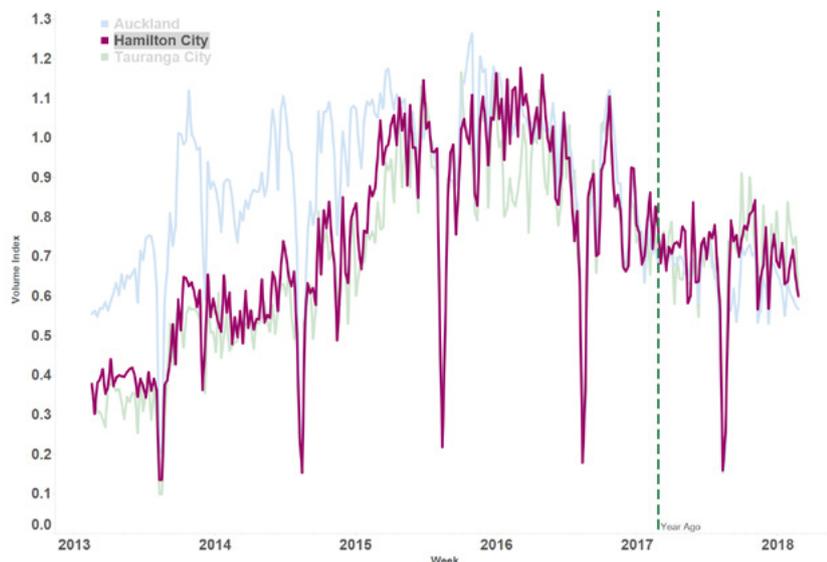
Auckland is illustrated in the heatmap. There are no longer any suburbs with a median property value below \$500,000 in Auckland. Five years ago, 23% of all suburbs were below that threshold. At the end of May 2013, 9.8% of suburbs had a median property value greater than \$1m. Today that stands at over half (51.4%).

\*Based on CoreLogic Median E-valuer



# Hamilton Market Activity

## Buyer Demand - Hamilton



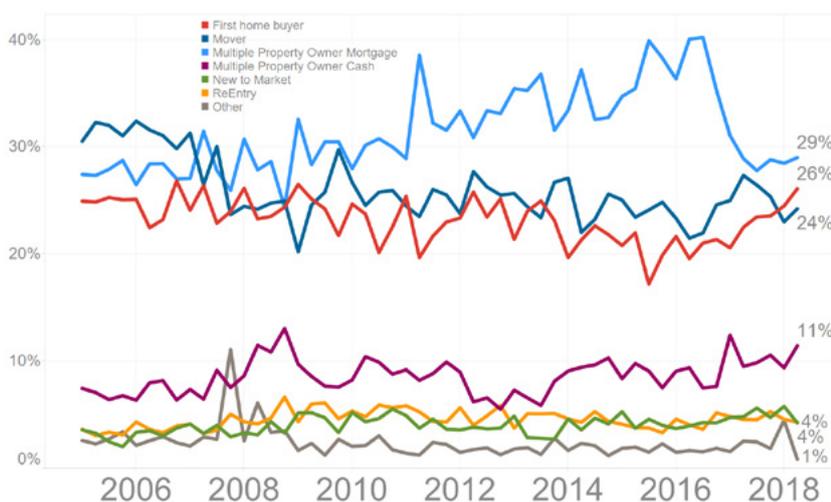
Similar to Auckland, market activity in levels in Hamilton are lower than a year ago but are also showing signs that the downward trend is starting to level off.

Market shares for the various buyer groups in Hamilton are generally mirroring the national patterns. First, movers are a steady influence in the city, not too hot, not too cold.

Multiple property owners (MPOs) with cash (11%) have raised their share of activity since 2013-14, while MPOs with a mortgage have seen their share fall post-LVRs. However, there are signs that mortgaged MPOs might be slowly working their way back in Hamilton, with their share up from 28% in mid-2017 to 29% now.

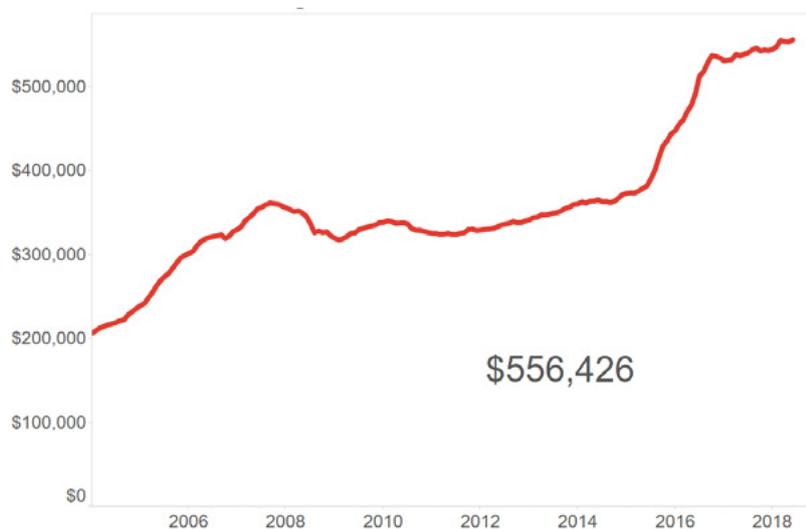
From a trough of about 17% three years ago, first home buyers have steadily increased their share of the market in Hamilton to 26%, on a par with previous peaks. As is the case elsewhere, access to KiwiSaver deposits will be a factor supporting first home buyers here.

## Buyer Classification - Hamilton



# Hamilton Values

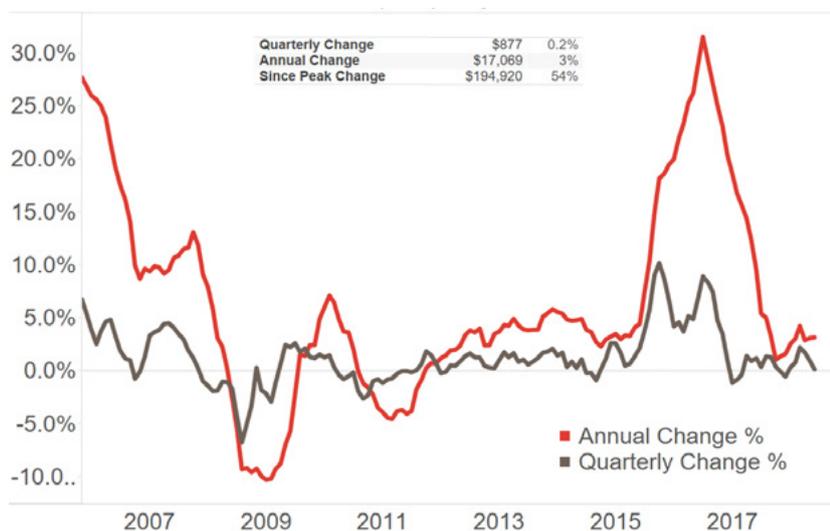
## Average Value of Housing Stock - Hamilton



Hamilton's quarterly rate of property value growth has eased back down to zero in the past few months after a spike in the first few months of the year. Annual growth is running at around 3%.

Hamilton South West (-2.3%) has dragged down the citywide three-month growth rate, with the North and South East parts of the city ticking along more steadily. Apart from South West, all parts of Hamilton have annual property value growth rates of 3-4%.

## Annual and Quarterly Value Change - Hamilton



	June 2018			
	Current Value	3 months	12 months	Since 2007 peak
Hamilton Central & North West	\$513,254	-0.5%	3.0%	43%
Hamilton North East	\$707,077	1.1%	4.0%	57%
Hamilton South East	\$507,314	1.1%	3.0%	45%
Hamilton South West	\$487,384	-2.3%	1.0%	42%

# Tauranga Market Activity

## Buyer Demand - Tauranga



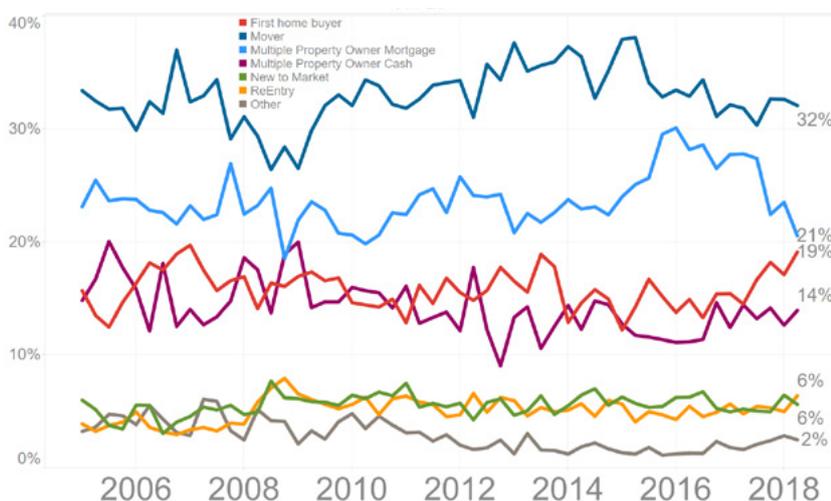
It is looking increasingly clear that market activity levels in Tauranga have found a floor, albeit at levels slightly lower than a year ago.

Tauranga remains a different market to many other parts of the country in terms of its buyer classification. Here, movers (32%) outweigh the other categories.

Underneath that high-level pattern, however, first home buyers are getting stronger. Indeed, at 19%, their share of the market is on a par with the previous peak in 2013 and only slightly below the record high of 20% in 2007.

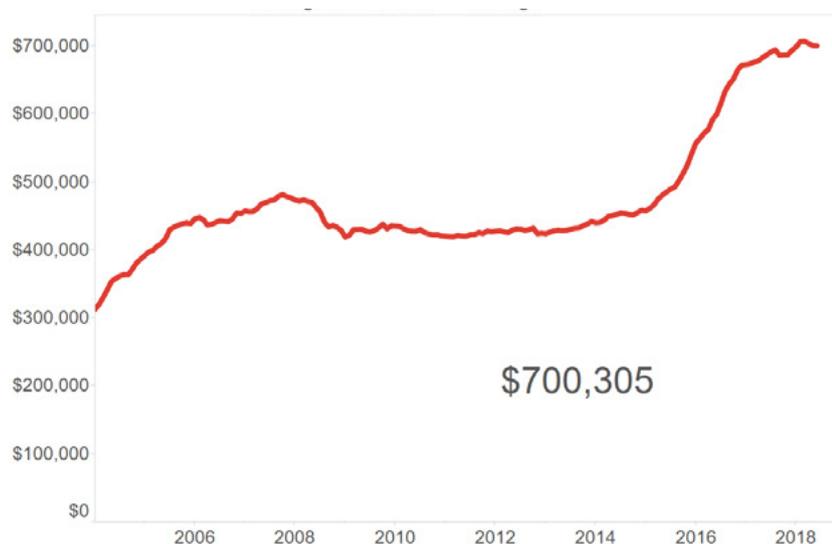
In the past year or so, first home buyers have gained market share at the expense of mortgaged multiple property owners (MPOs). Access to Kiwisaver funds will have helped first home buyers into what is still a relatively expensive market, while mortgaged MPOs may be pulling back a bit due to some doubts about the scope for capital gains to keep propping up their returns. Of course, mortgaged MPOs are also restrained by the LVR rules and stricter bank credit policies.

## Buyer Classification - Tauranga



# Tauranga Values

Average Value of Housing Stock - Tauranga



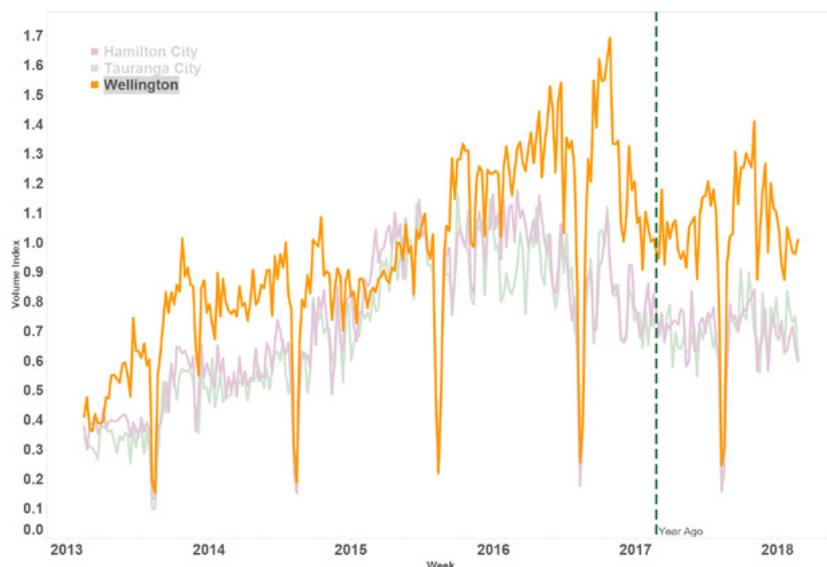
Property values in Tauranga have clearly slowed and the three-month growth rate has actually turned negative in May and June. Annual growth has also cooled down to 1.9% in June, the slowest rate since late 2013.

Annual and Quarterly Value Change - Tauranga



# Wellington Market Activity

## Buyer Demand - Wellington

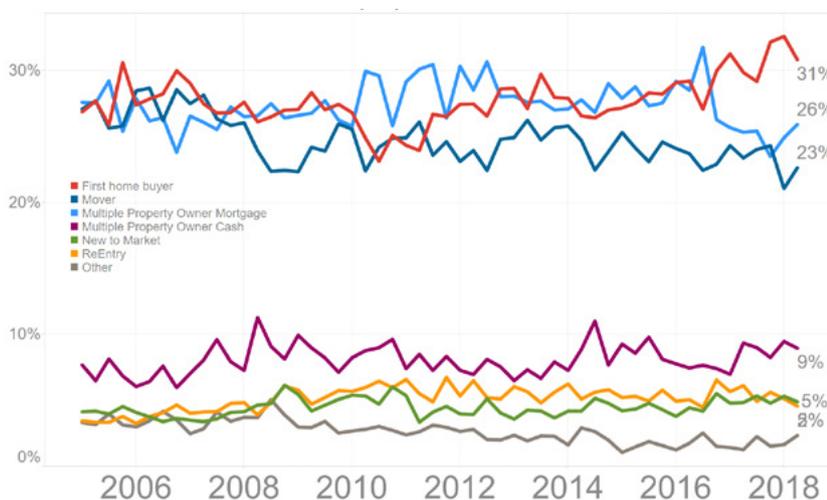


Market activity levels in Wellington have eased down in the past few months but remain broadly similar to a year ago.

First home buyers (FHBs) and multiple property owners (MPOs) with a mortgage remain the key players in the capital. FHBs saw their share of the market drop from 33% in Q1 to 31% in Q2, but that is still a very high level by historical standards. Meanwhile, mortgaged MPOs continued their early move back into the market, with their share having risen from 23% at the end of 2017 to 26% now.

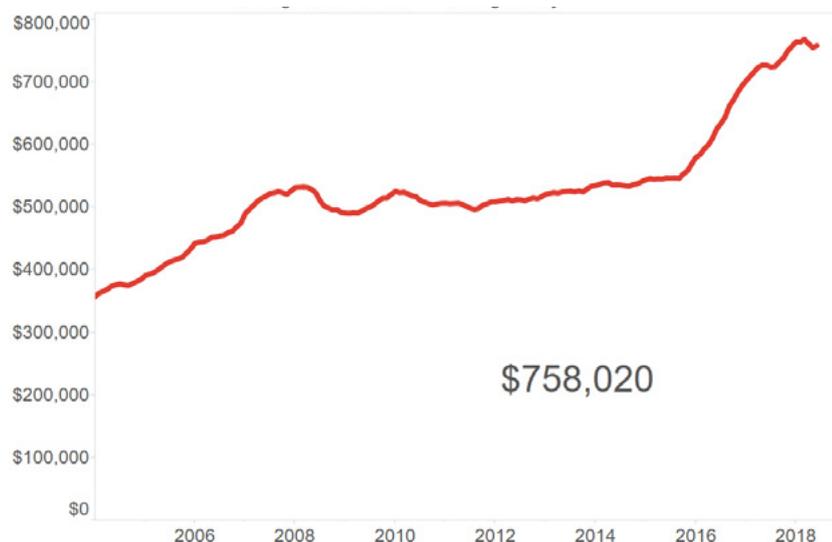
Movers in Wellington did see a small tick-up in their share of activity in Q2 from 21% to 23%, but that figure is still well down on past norms. As in other parts of the country, the high cost to trade up to a newer, bigger or better-located property may be causing movers in Wellington to stay put.

## Buyer Classification - Wellington



# Wellington Values

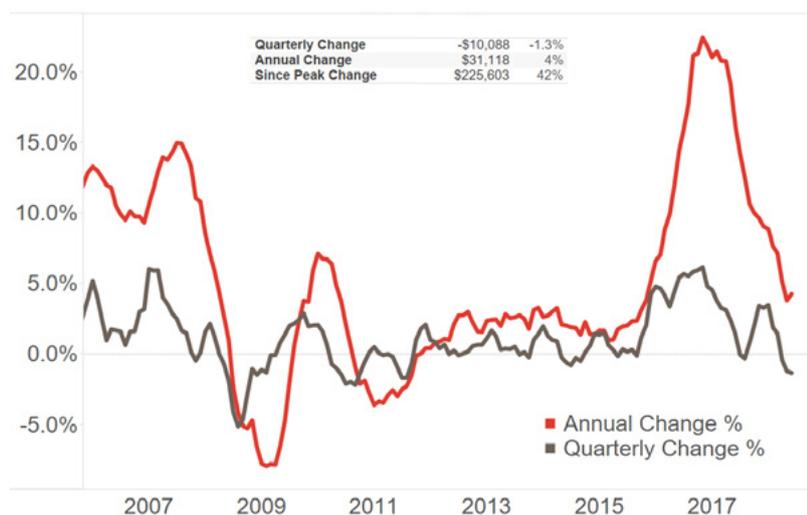
## Average Value of Housing Stock - Wellington



Consistent with the recent slowdown in activity in Wellington there has also been a pretty sharp turnaround for values. After running at more than 3% in early 2018, the quarterly growth rate for values in the city has fallen to -1.3% in June. The slowdown in the timely, recent data has also dragged down the annual growth rate to 4.3%, its lowest level since late 2015. Affordability constraints now seem to be biting in the capital.

Out in the Hutt Valley and Porirua, value growth remains stronger, particularly in Porirua - where they're up by 2.8% in the past three months and 11.0% over the past year.

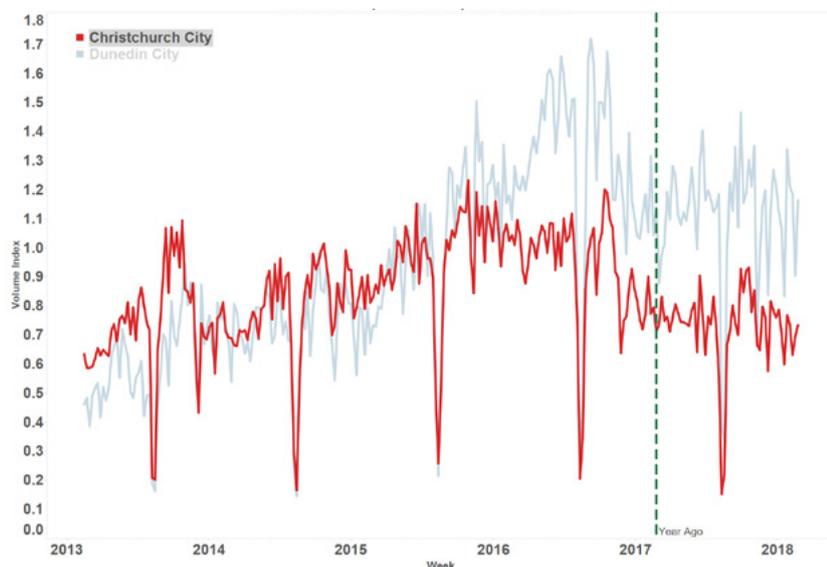
## Annual and Quarterly Change in Value - Wellington



	June 2018			
	Current Value	3 months	12 months	Since 2007 peak
Porirua	\$564,489	2.8%	11.0%	48%
Upper Hutt	\$491,812	1.9%	10.0%	40%
Lower Hutt	\$535,378	0.6%	5.0%	36%
Wellington City	\$758,020	-1.3%	4.0%	42%

# Christchurch Market Activity

## Buyer Demand - Christchurch

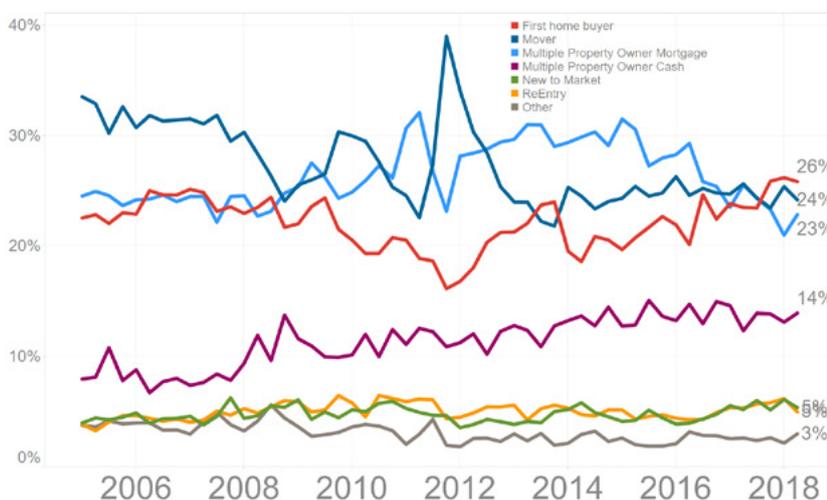


Christchurch's market activity levels have eased down a bit in the past few months, but are similar to last year's levels. Of course, it needs to be noted, that last year's levels were pretty low.

Multiple property owners (MPOs) currently have a smaller share of the market in Christchurch than they have for about the last 7-8 years, although both MPO cash and mortgage did tick up a little in Q2. Flat values over the past year or two may have created gaps for investors to make purchases they think will be profitable.

Movers' market share continues to hover and bobble about the mid-20% mark, and after a solid upwards trend, the share for first home buyers has also flattened off at 26% for the past three quarters. This group may continue to face a bit more competition from investors in the coming quarters.

## Buyer Classification - Christchurch



# Christchurch Values

## Average Value of Housing Stock - Christchurch



Christchurch's property values continue to tread water with the quarterly growth rate oscillating from slightly positive to slightly negative every few months. The annual change remains at zero.

Banks Peninsula is showing signs of an upturn in values, but the rest of the market is pretty stagnant. On an annual basis, all other areas have recorded changes in values of between 1% and -1%.

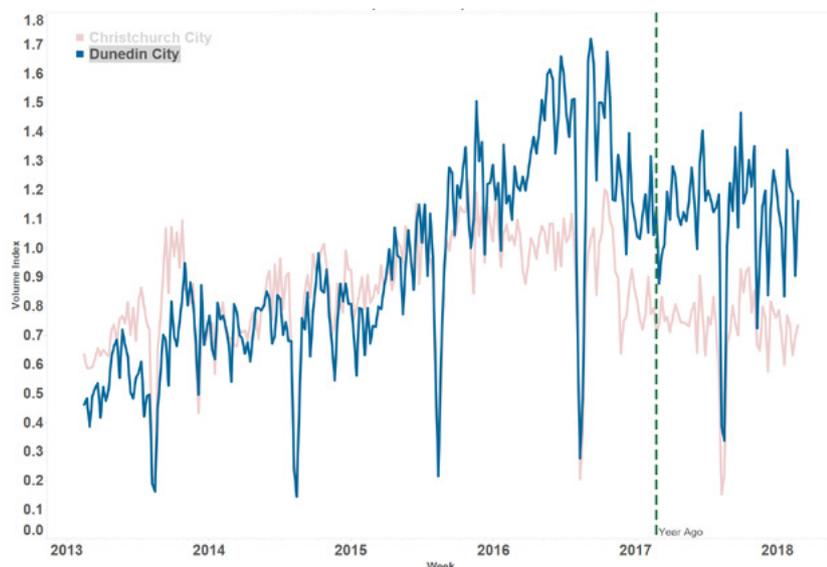
## Annual and Quarterly Value Change - Christchurch



	June 2018			
	Current Value	3 months	12 months	Since 2007 peak
Banks Peninsula	\$516,466	1.8%	2.0%	8%
Christchurch Central & North	\$583,746	0.4%	0.0%	32%
Christchurch East	\$372,273	0.3%	0.0%	20%
Christchurch Hills	\$669,350	0.1%	1.0%	21%
Christchurch Southwest	\$471,922	-0.4%	-1.0%	39%

# Dunedin Market Activity

## Buyer Demand - Dunedin

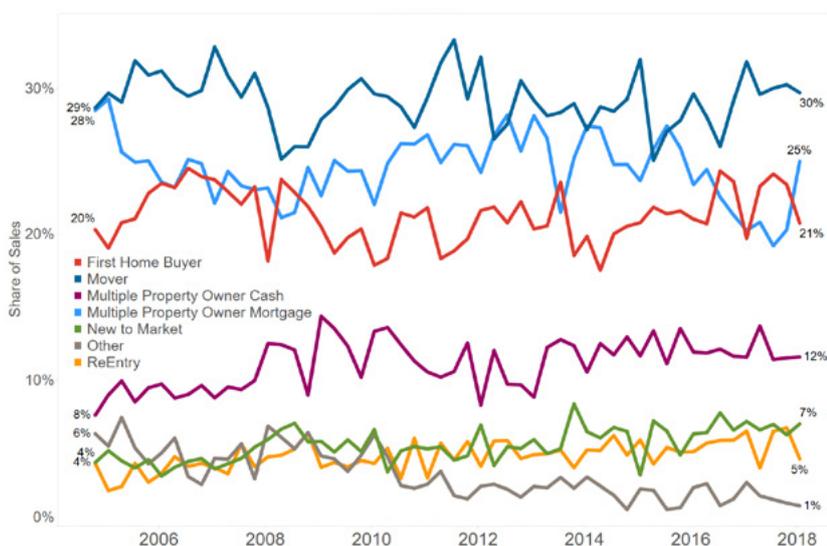


Market activity in Dunedin has been on a bit of a rising trend in the past few months and is at solid level by historical standards.

Buyer demand in the past few months has been bolstered by multiple property owners with a mortgage, perhaps attracted by lower values in Dunedin and decent rental yields. Their share of the market has surged up from 20% in Q1 to 25% in Q2. That is a two-year high and shows that they are yet to be deterred by higher regulatory costs (e.g. Healthy Homes Bill) and tax expenses (Brightline extension and negative gearing removal).

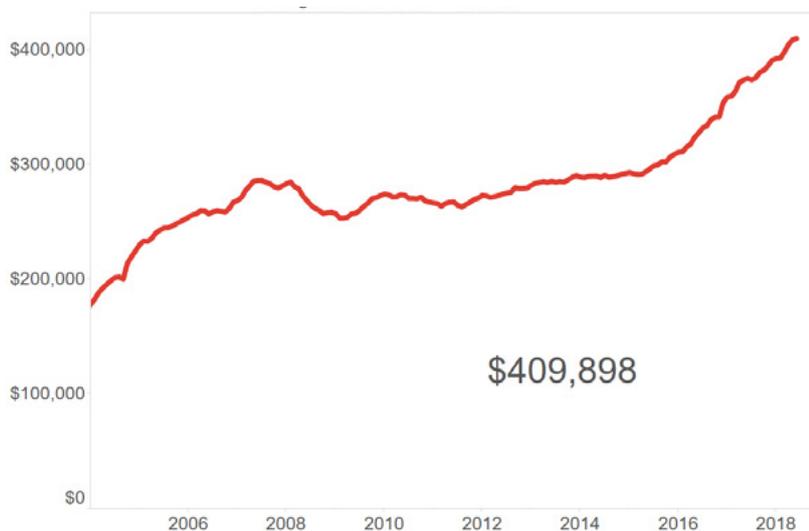
Movers have also been a stable influence in Dunedin over the past few quarters, so it has been first home buyers that have pulled back a bit. Their share of activity has been volatile in the past two years, jumping between 20% and 24%, with the latest reading back down at the bottom of that range.

## Buyer Classification - Dunedin



# Dunedin Values

Average value of stock - Dunedin



Dunedin's property values have risen by a healthy 3.0% in the past three months, and they're also up by 9.2% since June last year. That is easily the largest annual increase of any of the main centres.

Each sub-market in Dunedin has seen values rise by between 8% and 10% over the past year, with only Taieri having shown slightly weaker increases in the past three months.

Annual and quarterly change in value - Dunedin



	June 2018			
	Current Value	3 months	12 months	Since 2007 peak
Dunedin Central & North	\$426,882	3.4%	10.0%	41%
Dunedin South	\$389,289	3.7%	9.0%	36%
Peninsula and Coastal	\$380,445	3.7%	10.0%	41%
Taieri	\$422,578	1.6%	8.0%	44%

# CoreLogic Data and Analytics

## Suburb Scorecard

Detailed housing market indicators down to the suburb level, with data in time series or snapshot and segmented in most cases across houses, flats and apartments. The Suburb Scorecard data includes key housing market metrics such as median prices, median values, transaction volumes, rental statistics and vendor metrics such as median selling time.

## Market Share Reports

CoreLogic is in a unique position to monitor mortgage related housing market activity. Transaction volumes, dwelling values and mortgage related valuation events all comprise our Mortgage market report which provides an invaluable tool for mortgage industry benchmarking and strategy.

## CoreLogic Indices

The suite of CoreLogic Indices range from simple market measurements such as median prices through to our flagship house price indices – both quarterly for completeness and monthly for reactivity. The Quarterly CoreLogic House Price Index has been specifically designed to track the value of a portfolio of properties over time and is relied upon by New Zealand regulators and industry as the most accurate measurement of housing market performance.

## Sales Volumes

CoreLogic tracks sales from a number of different sources to provide up to date insights on recent sale. Where applicable CoreLogic also applies estimation for expected final sales in recent months where not all sales have been collected.

## Market Activity

Based on all valuations run through the centrally managed valuation panel CoreLogic provides an index for market activity which tracks as a lead indicator for sales in the market.

## Buyer Classification

A unique and flagship product to CoreLogic, Buyer Classification classifies all purchases into types of buyer based on their current ownership of NZ property. Used at a record level by Government organisations to assist policy decisions.

To view the latest report online and subscribe to receive it in your inbox on a monthly basis, visit;

[www.corelogic.co.nz/property-market-and-economic-update-report](http://www.corelogic.co.nz/property-market-and-economic-update-report)

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