

# The Hutt Valley, Dunedin and Invercargill have shown the strongest house price growth in New Zealand over the last 12 months

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Residential property prices remained weak in Auckland in October after showing some slight improvement over the previous couple of months, according to the Real Estate Institute of New Zealand's House Price Index (HPI).

The REINZ produces two measures of market price activity every month - the median price and HPI.

Both are useful and the median is the better known of the two because it gives a dollar value, which makes it easier for people to understand.

However the median can also be affected by changes in the mix of properties sold in a particular month. For example, if more smaller and cheaper properties were sold and less in more upmarket suburbs, the median might decline even though the prices of individual properties may not have moved.

The HPI takes the mix of properties sold into account and is more likely to reflect overall price movements each month. And it clearly shows differences in price movements in Auckland compared to the rest of the country, as illustrated in the graph below.

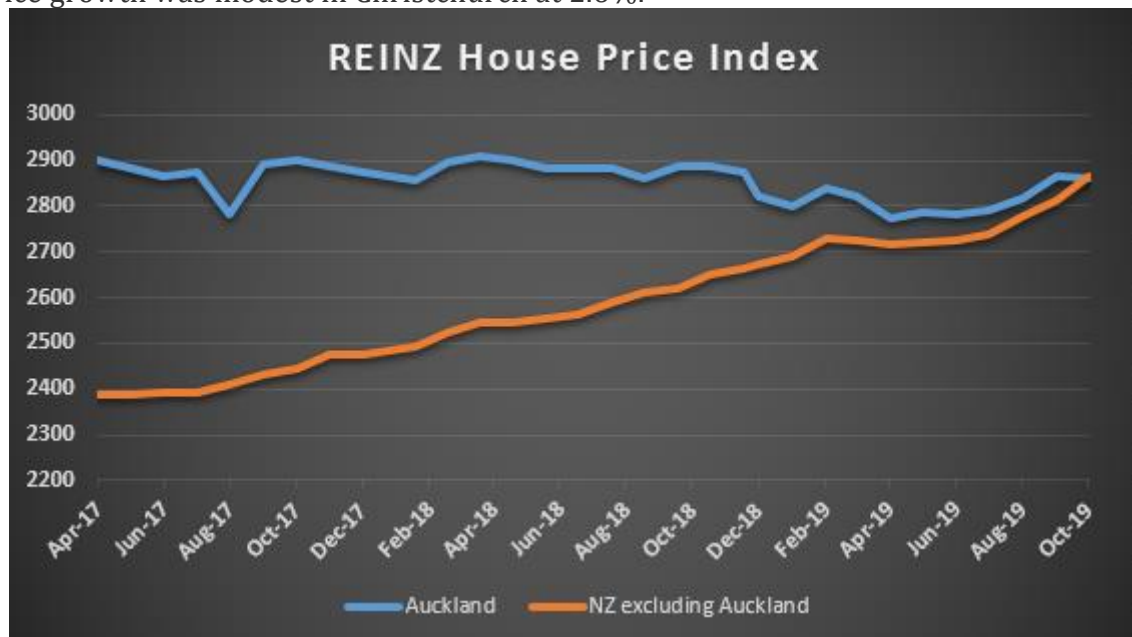
Although there have been monthly movements in Auckland prices, overall they have been largely flat, generally staying within a fairly narrow price range. And although there was a slight rise in prices from June to August, they flattened out again in September and October.

As the table below shows, prices in Auckland have risen by just 6.7% over the last five years, with growth ranging from 5.7% on the North Shore over that period to 9.4% in Papakura. Therefore any capital gains are likely to have been modest at best.

But around the rest of the country, price growth has been much more robust and is still rising. The graph shows steady upward price growth for the rest of the country excluding Auckland, and that growth has accelerated since the middle of this year.

Several centres have posted double digit price gains over the last year with the biggest gains occurring in centres where property prices are still relatively affordable, such as Invercargill +18.0%, Upper Hutt +17.2%, Dunedin +17.1%, and Palmerston North +16.5%.

Of the main centres, Wellington posted the strongest price growth with the HPI rising 9.3% in the last 12 months with the biggest gains occurring in the Hutt Valley. Annual price growth was modest in Christchurch at 2.6%.



REINZ House Price Index October 2019

House Price Index	Index Level	1 Month	3 Months	1 Year	5 Years*
New Zealand	2863	1.1%	3.7%	3.9%	8.2%
NZ excl. Auckland	2864	2.1%	4.6%	8.2%	9.6%
Auckland	2863	-0.1%	2.5%	-0.7%	6.7%
Rodney District	2851	3.7%	4.4%	-0.7%	6.8%
North Shore City	2878	-0.9%	1.5%	-3.1%	5.7%
Waitakere City	3048	-0.3%	2.7%	-0.4%	6.5%
Auckland City	2736	-0.5%	2.9%	0.4%	6.8%
Manukau City	2999	0.1%	2.4%	-1.0%	7.3%
Papakura District	3091	2.6%	1.5%	0.2%	9.4%
Franklin District	3051	-1.3%	-0.9%	-2.7%	6.7%
Other North Island					
Whangarei District	2927	0.7%	1.4%	1.6%	11.2%
Hamilton City	3131	2.9%	5.5%	8.6%	11.1%
Tauranga City	2750	1.0%	1.8%	5.7%	11.5%
Rotorua District	3361	-1.5%	1.5%	7.6%	15.6%
Hastings District	2991	2.3%	5.8%	13.1%	14.4%
Napier City	2808	3.3%	6.7%	11.3%	14.1%
New Plymouth District	3036	3.8%	3.2%	8.7%	6.4%
Palmerston North City	2962	3.1%	6.5%	16.5%	11.3%
Wellington	2866	2.6%	5.6%	9.3%	11.5%
Porirua City	2793	1.2%	5.5%	9.2%	10.6%
Upper Hutt City	3235	2.2%	3.6%	17.2%	12.4%
Lower Hutt City	3150	4.5%	7.7%	13.1%	13.1%
Wellington City	2628	2.4%	5.7%	6.7%	10.5%
South Island					
Nelson City	2377	0.0%	3.4%	7.4%	10.5%
Christchurch City	2423	2.2%	3.7%	2.6%	1.7%
Queenstown-Lakes District	2773	4.0%	7.6%	3.5%	13.5%
Dunedin City	3478	2.7%	9.6%	17.1%	13.1%
Invercargill City	3180	1.2%	4.8%	18.0%	11.9%

Source: REINZ

\* = Compound Growth Rate

REINZ/REINZ/HOUSE PRICE INDEX/H2/HOUSE