

# Auckland's average home value exceeds \$900,000

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Press Release: [QV Valuations](#)

## Auckland's average home value exceeds \$900,000 pushing New Zealand average over \$550,000

The latest monthly QV House Price Index shows that nationwide residential property values for October have increased 14.0% over the past year which is the fastest rate since March 2006. Values rose 4.7% over the past three months and are now 33.3% above the previous market peak of late 2007. The average value nationwide is now \$552,345. When adjusted for inflation the nationwide annual increase drops slightly to 13.6% and values are now 13.3% above the 2007 peak.

The Auckland market has increased 24.4% year on year, 7.3% over the past three months and is now 68.0% higher than the previous peak of 2007. When adjusted for inflation values are 23.9% over the past year and are 42.8% above the 2007 peak. The average value in the Auckland region has now surpassed \$900,000 and is sitting at \$918,153.

QV National Spokesperson Andrea Rush said, "Residential property values continue to show significant increases for many upper North island centres including Auckland, Tauranga, Hamilton, the Waikato and Hauraki Districts, Whangarei and Rotorua."

"The Wellington and Dunedin markets are also now starting to show a definite upward tick, while the Christchurch market is relatively flat in comparison."

"There continues to be a shortage of listings in some areas while sales activity and demand has picked up in many parts of the country which is usual for the spring season."

"Auckland values continue to rise, fuelled by high net migration and record low interest rates, with some areas up by more than 30.0% over the past year and the average value in the region is now more than \$900,000."

"While anecdotal evidence suggests that the market may have cooled somewhat in anticipation of regulatory measures being introduced by the Government and the Reserve Bank, there is still no sign that this is having any impact on rising values in the super city region."

## Auckland

Home values across the Auckland Region continued to show massive value increases over the past year.

Values in the former Auckland City Council area rose 6.4% over the past three months and a huge 24.1% year on year with the average value for the area which includes large numbers of smaller apartment units now sitting at \$1,079,473.

Waitakere City home values also continued to accelerate massively up 7.4% since August and a whopping 27.7% since October last year. The average home value in the west is now \$737,781.

Values in Manukau also continued to escalate, rising 9.5% over the past three months alone and a massive 27.5% year on year and the average value there is now \$783,791.

The Papakura District showed the highest rise by percentage, as first home buyers raced to secure a home in one of the city's most affordable location, with values there up 11.4% over the past three months and 33.9 % year on year. Values in the nearby Franklin District even further from the city centre were also up 5.7% over the past three months and 17.6% year on year. Rodney District also rose 5.9% over the past three months and 14.5% year on year.

QV homevalue Operations Manager Northern, Jan O'Donoghue said, "Activity appears to have eased a little which could be due to uncertainty caused by the introduction of new changes aimed at curbing investors in the Auckland market."

"The new policies seem to have taken the wind out of the sales of the Auckland housing market over recent weeks however values are still rising so it may take some time before we know if these moves will have any impact on values."

"Some reports have auction clearance rates at lower than 50%, however most properties are still selling by negotiation afterwards, so this could be due to sellers setting their expectations too high – realistically priced properties are still selling under the hammer."

"Sales volumes remain more than 30.0% higher than this time last year so despite reports of fewer people attending open homes and auctions homes are still selling well across the city."

## **Hamilton**

Home values across Hamilton City have continued to accelerate over the past three months with values increasing a whopping 10.2% over the past three months and 18.2% year on year and values are now 18.9% higher than 2007 levels. The average value in the city is now \$429,829.

QV homevalue Hamilton Registered Valuer, Chris Price said, "The market is still very busy especially in the \$400,000 to \$500,000 range and auction clearance rates are still good at around 63.0%."

"In the last month real estate agents have recorded a high number of sales with the strongest suburbs being in the North, East and West of the city with the South and Central City lagging slightly."

"The Tokoroa market has been very busy and this is being driven particularly by investors looking for properties under \$100,000 with reduced stock at this level. Sales at this lower level have resulted in a good number of sales over \$200,000 as people look to upgrade their property."

"The Waipa market has had a lot of activity, particularly from people pushed out of the Hamilton market as the main towns of Cambridge and Te Awamutu are only 20 to 30 minutes' drive away, so it is an easy commute and a lot more affordable compared to Hamilton."

"The Waipa District is also becoming increasingly popular with Aucklanders looking for a change in lifestyle and to get more value for their money."

"This demand has brought down the average number of listing days and has resulted in Agents cutting their commission to gain listings due to the shortage of stock."

## **Tauranga**

Residential property values in Tauranga City have risen 4.8% over the past three months and 13.7% year on year and values there are now 6.6% higher than the previous peak of 2007. The average value in the city is now \$513,325.

Western Bay of Plenty home values have also continued to show solid increases rising 3.3% over the past three months, 6.1 % year on year and values in the district are now just 0.4% lower than 2007 levels.

QV homevalue Tauranga Registered Valuer David Hume said, "We are witnessing a continuing trend in the Tauranga market of very strong demand from local and out of town buyers."

"The majority of properties are selling at auction and those that are priced accordingly being turned over very quickly."

"The beach side suburb of Papamoa is continuing to show particularly high growth."

“There have been a number of section sales in the ‘Coast’ development there sold in the \$280,000 to \$360,000 price range, and the developer reports that 90% of sales were to out of town buyers, in particular Aucklanders.”

“The suburb of Welcome Bay is also expected to see good growth in the coming years with the recent commencement of construction on the Maungatapu underpass which is expected to be completed in 2018. The new road will alleviate congestion issues for the Hairini and Maungatapu roundabouts.”

“We are also starting to see evidence of profit taking with a number of properties being turned over in quick succession as investors look to make quick capital gains in a very buoyant market.”

## **Wellington**

Home values in Wellington City increased by 1.2% over the past three months and they are now 3.2% higher than they were in October last year and 3.9% higher than the previous peak of 2007. The average value in the capital is now \$553,291.

Values in Lower Hutt rose slightly by 0.2% over the past three months and were up by 2.3% year on year. While Upper Hutt values also rose slightly by 0.5% since August and 0.8 % year on year. The Porirua market is also showing steady increases with values up by 1.1% over the past three months and 2.9% since October last year; while values on the Kapiti Coast are also rising, up by 1.5% over the past three months and 3.4% year on year.

QV homevalue Wellington Registered Valuer Pieter Geill said, “Demand is strong in both the Hutt Valley and in Wellington.”

“Stock levels remain low and it appears there are not enough properties coming to the market which is increasing competition and in part this may be because of people holding off until they find something to buy first.”

“There is also a spin off for rental property from this, where there is also a shortage of stock and similar good demand.”

“Hutt valley do-ups are selling well. Recently a three bedroom home in central Lower Hutt, which had been untouched for around 20 years, sold at auction for \$50,000 above the expected price.”

“A high-spec town-house in central Lower Hutt is also expected to sell for between \$20,000 and \$40,000 more than an identical town-house that sold a year ago which is indicative of the popularity of newly built medium priced homes in the area.”

“There is some evidence of land banking occurring, with people buying and holding older homes on sub-dividable land for future development and we are also seeing good demand for investment flats.”

“There is some activity from Aucklanders and other out-of-town investors in Wellington and Lower Hutt and valuers are now just starting to see some evidence that values are beginning to tick upwards on the QV House Price index for the Wellington region.”

## **Christchurch**

Home values in Christchurch City increased 2.7% year on year but were relatively flat over the past three months rising just 0.2% and values in the city are now 25.5% higher than the previous peak of 2007. The average value in the city is now \$476,207.

QV Christchurch Registered Valuer Daryl Taggart said, “We have seen an increase in activity and interest in the property market lately and buyers are more active which is likely to be seasonal as people prefer to buy and sell in springtime.”

“The market is ticking along and sales levels have increased over the past few weeks but values appear to be remaining pretty steady with little change over recent months.”

“New developments are continuing across the city as part of the rebuild and new build homes continue to come to market.

“Damaged houses are still being sold as people make the decision to not rebuild but to sell their homes as is where is.”

### **Dunedin**

Residential property values in Dunedin continued to rise at a steady pace up 1.1% over the past three months and 4.2% year on year. Values are now 5.6% above the previous peak of 2007. The average value in the city is now \$302,329.

“Recent trends indicate that overall growth is positive across the city with value levels generally increasing at a slow and steady pace.”

“Listings appear to be remaining at lower than usual levels and anecdotal evidence indicates listing levels to be lower than the same time last year which means slim pickings for buyers and more competition for those properties that are on the market.”

“Demand is strong across most property types, value levels and suburbs and well-presented properties continue to sell quickly with many multiple offers however properties with deferred maintenance are taking longer to sell.”

“Anecdotal evidence also suggests that there continues to be demand from out of town buyers and there are reports of some offers from out of town buyers being made on properties ‘unseen’ by purchasers.”

### **Provincial centres**

In the North Island most places saw value increases including Rotorua where interest and demand from out of town investors is now showing in a steepening line on the QV House Price index with values there rising 6.1% over the past three months. Values in the Whangarei District are also continuing to trend upwards rising 3.7% over the past three months and 7.6% year on year; however values in the nearby Kaipara District decreased 1.1% over the winter months but are still 10.5% higher than they were this time last year. The Kawerau, Tararua, Masterton and South Wairarapa Districts were the only areas of the North Island to show value decreases over the past year.

In the South Island, the MacKenzie District showed the greatest value increases with values up 17.2% year on year – although much of this growth occurred last summer, while the Hurinui District saw values rise 8.7% year on year and Queenstown Lakes District values also continued to rise up 8.4% over the same period and the average value there is now over \$750,000 which is second only to the Auckland region in terms of price. The Grey, Buller and Westland Districts on the West Coast continued to show value decreases as did the Kaikoura and Clutha Districts.

**The full set of QV House Price Index statistics for all New Zealand for October can be downloaded by clicking this link: [QV House Price Index for October 2015](#).**

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