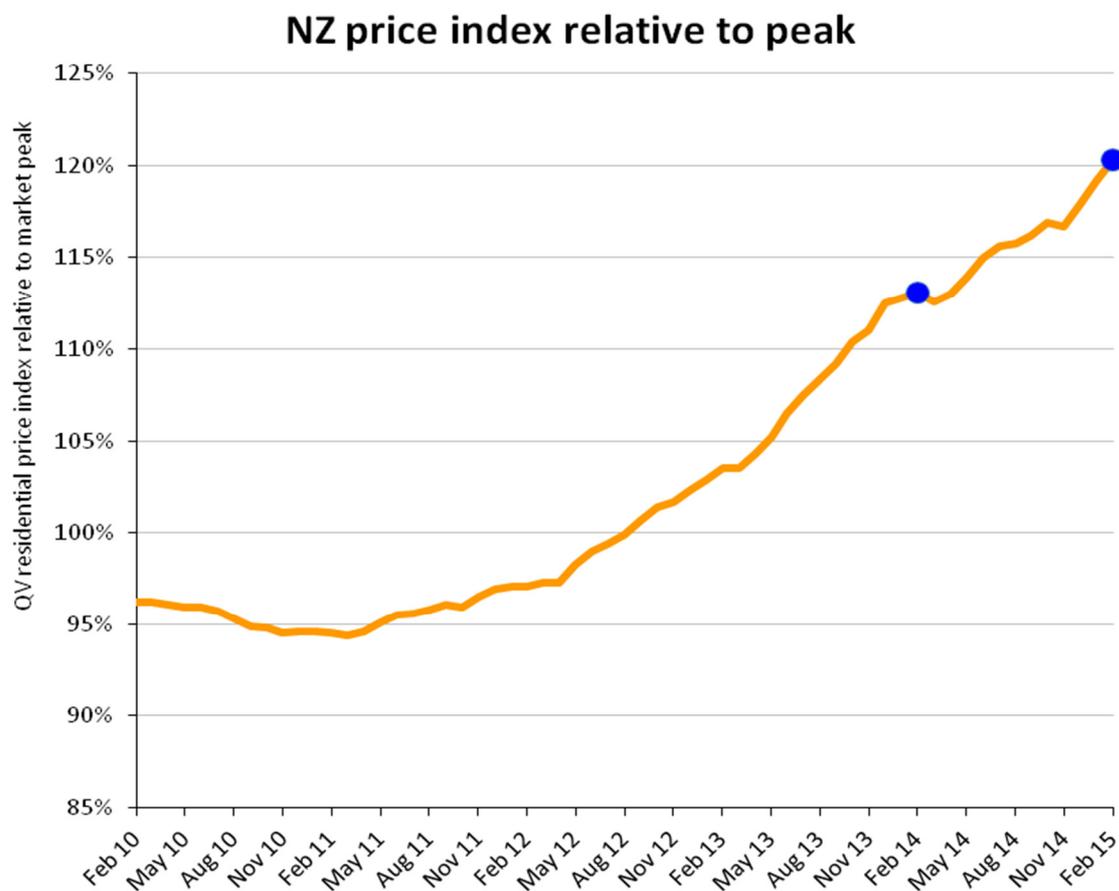


Auckland values continue to surge ahead of other centres

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The latest monthly QV Residential Price Movement Index shows that nationwide residential property values for February have increased 6.4% over the past year and 3.1% over the past three months. This means they are now 20.3% above the previous market peak of late 2007. When adjusted for inflation the nationwide annual increase drops slightly to 5.6% and values are now 2.9% above the 2007 peak.

The Auckland market has increased 13.0% year on year, 5.0% over the past three months and 43.8% since 2007. When adjusted for inflation values are 12.2% over the past year and are 23.0% above the 2007 peak.



QV National Spokesperson Andrea Rush said, “The seemingly insatiable demand for Auckland property has resulted in the upward trend steepening on the QV Residential Price Movement Index.”

“Values in Hamilton, Tauranga, Wellington, Christchurch and Dunedin are all showing moderate increases but nothing compared to the pace of Auckland values which continue to surge ahead.”

“The new build market across the country is in high demand, particularly amongst first home buyers, as the LVR requirement for a 20% deposit does not apply to “turn key” home and land packages, making it easier to secure finance to buy a new build than an existing home.”

“The listings shortage appears to have eased a little as more homes have come onto the market during February, however sales and mortgage approvals are also up since January.”

Auckland

Home values in parts of Auckland continue to soar particularly in the suburbs as the boom spreads to more affordable homes further out of the city centre.

Waitakere City is one such area where values have started to accelerate again rising 6.0% over the past three months.

Auckland City Islands values rose 9.0% over the past three months; Auckland City – South was also up 5.7%; Auckland City East rose 4.9% and Auckland City Central values rose by 4.5% over the same period.

In Manukau, Papakura District increased the most up 5.3% over the past three months, possibly driven by the popularity of the new developments in the area; Manukau North–West values rose 4.9%; Manukau East was up 4.7% and Manukau Central was up 4.0% over the same period.

On the North Shore, North Shore – Coastal home values surged ahead, up 6.4% since December; North Shore – Onewa rose 4.9% and North Shore – North Harbour values increased 3.5% over the same period.

Rodney District values also rose more than they have for some time, with Rodney–Hibiscus Coast up 4.3% and Rodney North up 3.5% over the past three months.

QV homevalue Auckland Valuer James Wilson said, “Properties are selling more quickly and there are reports of more than 80% of properties meeting reserve and selling at mass auction events.”

“New developments continue to sell well and are increasingly popular with first home buyers wanting to buy off the plan to capitalise on the fact that new builds are exempt from the LVR 20% deposit rules.”

“We are seeing price increases of up to 10% over three months for each new stage release within new developments such as Addison, Stonefields and Flatbush.”

“In some of the more established new developments two tier markets are starting to appear where buyers are paying a premium for new homes off the plans. These buyers are then

often unable to sell for the same value levels when they attempt to sell the properties within a short time frame.”

“The lifestyle market is showing signs of further strengthening, especially in urban fringe localities and the popularity of new developments appears to be influencing. Examples of this can be seen in Karaka.”

“Values in desirable school zones continue to increase, of note are some recent very high sales being recorded in the Rangitoto College and Westlake Boys School zones.”

Hamilton and Tauranga

Residential property values in Hamilton City increased by 1.7% over the past three months, 3.0% year on year and they are now 3.4% higher than the previous peak of 2007.

Home values in Hamilton–South East increased the most, up 2.6% since December; Hamilton Central and North West rose 2.3%; Hamilton–North East also increased by 1.6% and Hamilton–South West was flat with values up slightly by 0.3% over the same period.

Values continued to rise in the Waipa District, up 2.3% over the past three months, 5.7% year on year and they are now 7.3% higher than the previous peak of 2007.

QV homevalue Hamilton Registered Valuer, Nicky Harris said, “January was unusually busy with a lot of sales and activity and this has continued throughout February which indicates that the year ahead may see continued buoyancy in the Hamilton housing market.”

“Investors are very active in the market which has led to the lower value end of the market picking up following the lull we saw last year after the LVR restrictions were introduced.”

“There’s still a shortage of properties listed for sale which is leading to a lack of choice for buyers and listings have not increased much during February.”

Home values in Tauranga City have risen by 1.4% over the past three months; 4.8 % year on year and they are now 4.1% below the previous peak of 2007.

Values in the Western Bay of Plenty are also up 1.2% over the past three months, 6.2% year on year, and they are now 5.2% lower than 2007 levels.

QV homevalue Registered Valuer Mairi Macdonald said, “The Tauranga housing market appears strong in general, with increasing interest from buyers and a lack of supply especially in the middle range price bracket.”

“Sales volumes have increased over the past month and are up on December and January with good demand seen especially for properties priced at between \$400,000 and \$600,000.”

“There is also increasing demand and interest in high price bracket in the suburbs of Matua and Bethlehem in Tauranga and in Mount Maunganui.”

“There is a lack of good rental properties meaning rents are increasing throughout Tauranga and the Mount, and people with less than perfect records are missing out on securing homes to rent.”

“We are noticing some increased activity from first home buyers as many have now either saved the necessary deposit or are able to get loans now that some banks are easing some of the lending restrictions.”

Wellington

Home values in the Wellington region overall have increased 1.6% over the past three months, 0.9% year on year and they are now 0.4% higher than the previous peak of 2007.

Wellington–North values increased the most over the past three months, up 2.3%; Wellington – Central and South rose 1.9%; Wellington–East was also up 0.9% while Wellington–West values remained steady increasing slightly by 0.2% over the same period.

In the Hutt Valley, Lower Hutt values increased 1.6% over the past three months and Upper Hutt was also up 0.5% over the same period.

QV homevalue Wellington Registered Valuer Pieter Geill said, “In the Hutt Valley listings levels are increasing but this is not matched by an equal rise in sales and the market remains steady at best.”

“First home buyers don’t seem to want to buy homes they can afford in the outer suburbs or homes that require some work and instead are continuing to rent or live at home so they can save up a deposit to buy a more desirable property.”

“New house and land packages at the new Taita subdivision “Riverside Gardens” that has been built on former Housing New Zealand land cleared for redevelopment are proving popular with buyers. Sales there are steady and the average sale price achieved is rising as a result.”

“The fact new builds are not subject to the LVR 20% deposit rule may be a factor in the higher demand for these “turn–key” properties as it’s easier for buyers to get finance to buy them.”

Christchurch and Dunedin

Home values in Christchurch City increased 1.3% over the past three months, 3.4 % year on year and are now 24.7% higher than in the previous peak of 2007.

A closer looks shows Selywn District rose the most up 1.5% over the past three months; Christchurch–Central and North was also up 1.3% as was the Waimakariri District values up 1.0% over the same period.

Christchurch–East was flat and values there rose slightly by 0.8%; as was Christchurch–Hills where values rose by 0.7%; and Christchurch–Banks Peninsula where values did not rise over the last three months.

QV Christchurch Registered Valuer Daryl Taggart said, “There appears to be good interest and activity in the market and it has an air of optimism about it. Well presented homes in popular areas, or affordable areas on the fringe of more desirable localities continue to sell well and we are seeing a reasonable number of properties selling at the auctions while some are being passed in.”

“There are a lot of new homes completed and up for sale in Rolleston and each new stage to be completed are selling at a slightly higher price than the previous stage, so there appears to be moderate value increases occurring there.”

“Despite the high numbers of new housing stock on the market homes still appear to be selling steadily, despite buyers having plenty of choice, showing that there’s a good balance between supply and demand.”

Home values in Dunedin City as a whole have increased by 0.2% over the past three months, 1.2% year on and values are now 2.1% higher than they were the previous peak of 2007.

Taking a closer look, Dunedin–Peninsula and Coastal values increased the most, rising 1.9% over the past three months; Dunedin–Central and North values were flat rising slightly by 0.5% over the past three months; Dunedin–Taieri values decreased by 0.2% over the same period; and Dunedin–South values decreased slightly by 0.1% since December.

QV homevalue Dunedin Registered Valuer Duncan Jack said, “The Dunedin market is fairly positive with buyers appearing to show more confidence than in the previous 12 to 18 months. The continuing low interest rates are likely to be a factor and contributing to the level of confidence and resulting demand.”

“First home buyers are particularly likely to be affected by the lower rates which and they have always been a large and important part of the residential market in Dunedin. Generally there seems to be more sales activity around and there is good demand across most value ranges particularly for those properties in the \$200,000 to \$300,000 range.”

“There does seem a bit more buoyancy in home values across the city and they are continuing to show slow steady increases across most parts of the city.”

Provincial centres

Residential property values in most provincial centres have risen or been steady over the past three months apart from a few parts of the lower North Island as well as the West Coast of the South Island where values are flat or have decreased slightly.

In the North Island, areas close to Auckland are seeing values rise faster than other provincial areas around the country most likely due to the ‘Auckland effect’ as buyers look outside the super city for more affordable property. These include Hauraki District up 6.5%

since December; the Waikato District up 3.9%, the Kaipara District up 3.0%; and the Thames–Coromandel District up 2.3% over the past three months.

In the South Island, the areas showing the largest residential property increases over the past three months are Invercargill City where values rose 2.3%; Queenstown Lakes District also up by 2.0% and the Tasman District where values increased by 1.7%.