

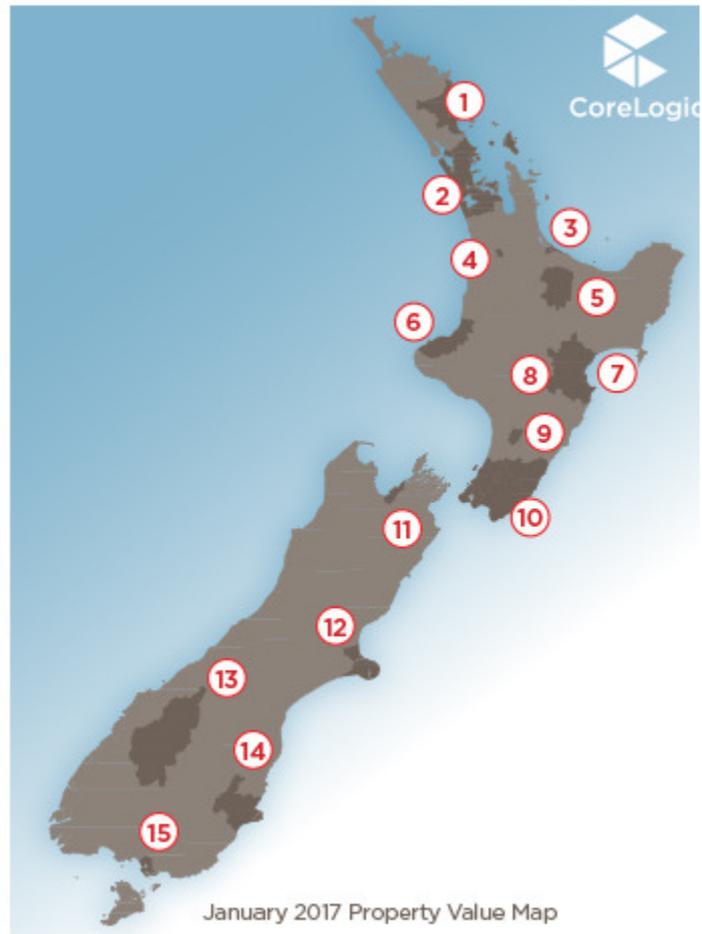


Hi Mary,

The latest QV monthly house price index has just been released. I'm looking for any signs that the latest round of lending restrictions have begun to impact values. After all, you might expect that dramatically limiting people's ability to get a mortgage would mean fewer people competing for properties and so the rate of value increase would slow, or even drop.

First of all it is worthwhile taking a look at the table below to see how much values have increased over the past year, and where that now leaves the average value of houses in each centre. **If the table you see below does not show the national values, you can view this by updating your region below.**

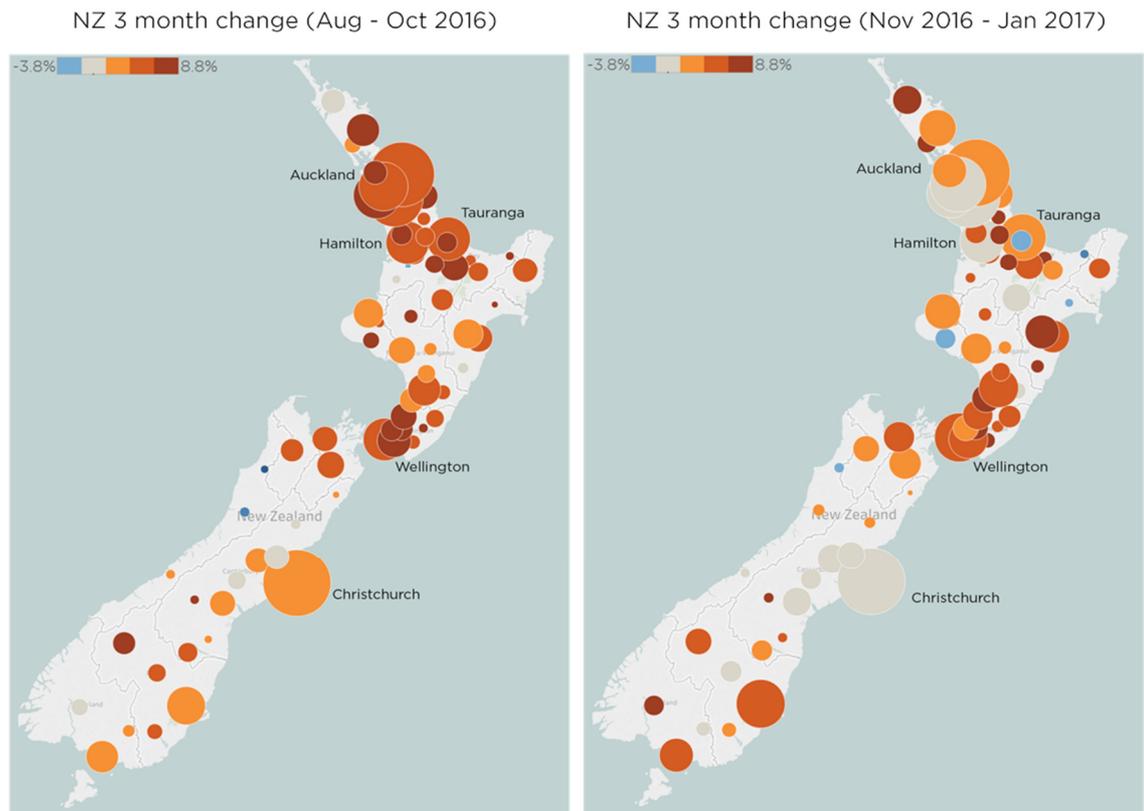
	12 month change	Average Value
1. Whangarei	19.8%	\$463,319
2. Auckland Region	12.8%	\$1,047,699
3. Tauranga	20.7%	\$672,752
4. Hamilton	18.6%	\$531,337
5. Rotorua	28.7%	\$379,865
6. New Plymouth	11.3%	\$415,761
7. Napier	20.3%	\$419,099
8. Hastings	21.1%	\$392,182
9. Palmerston North	15.1%	\$348,581
10. Wellington Region	20.6%	\$582,322
11. Nelson	16.4%	\$508,343
12. Christchurch	2.8%	\$497,539
13. Queenstown Lakes	30.7%	\$1,032,560
14. Dunedin	15.5%	\$359,055
15. Invercargill	11.0%	\$239,252
NEW ZEALAND	13.5%	\$631,302



\*The statistical data shown is calculated based on a sample set of data that is less than the recommended minimum. These results should be used with caution. Those showing N/A had too few sales to generate an index.

[Update your region here](#)

Now to look at whether things have changed in recent months. I always find something visual easier to interpret than tables of numbers, or screeds of words. Here then (below) are two maps of New Zealand showing value change over the past six months based on the monthly index.



The right hand map shows the value change over the latest three months. The left hand map shows the increase in the three months to October 2016. On both maps the larger the bubble, the more sales in that area. The colour range goes from brown being fastest increase, through orange for moderate increase, grey is flat, and blue is decrease. Both maps have the same colour scale meaning that if a colour changes from one map to the other it represents either a speeding up or slowing down.

The first thing I notice is the colour change in the Auckland area. Back in October the bubbles were dark orange to brown, showing relatively rapid increases in value. In the latest three months there is far more grey and light orange. The rate of value increase has therefore slowed or even flattened in Auckland. Likewise in Hamilton, Tauranga, the lower North Island and Christchurch.

There is still strength in the smaller centres in the Far North and Waikato, while there are a few smaller centres in the North Island dropping in value. New Plymouth, Whanganui, Napier and Nelson are all unchanged, while Dunedin and Invercargill have actually slightly picked up the pace.

My conclusion is therefore that there has definitely been an impact on the larger North Island centres. The investor restrictions are starting to

bite in Auckland, and on Auckland purchasers in Hamilton and Tauranga. Of course the big question is whether this is the beginning of a big crash or the bursting of the bubble. I think not. My opinion is that within a few months potential purchasers will find ways around the lending restrictions, then low interest rates, high migration and a housing shortage will push values upwards again.

For more insights into various other measures of the housing market, check out CoreLogic's latest [monthly property and economic update video](#).

Kind regards,

Jonno Ingerson  
**Head of Research**  
CoreLogic NZ

## Video: Monthly Property & Economic Update

Watch CoreLogic's [Monthly Property & Economic Update video](#) in which Jonno Ingerson, Head of Research, reviews what has been happening in the property market for January 2017.

