

NZ's lowest 50 suburbs for value growth since 2007



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7 Sep 2018

Following last week's top 50, CoreLogic has now looked at the lowest 50 NZ performers for changes in property values since the pre-GFC peak. The West Coast features often in this list (reflecting weak population growth), as does the Far North (relatively high unemployment challenges). The good news is that almost all entries on the 'bottom 50 since 2007' have started to see a recovery in property values in the past few years.

In [last week's Pulse](#) we highlighted suburbs across NZ with the highest growth in residential property values since November 2007 (pre-GFC). This week, we look at the lowest 50 suburbs/towns for value growth.

Runanga, with a population 1,245 (2013 Census) and located eight kilometres North East of Greymouth, experienced NZ's weakest property values since 2007, with a drop of 14.7%. Cobden (a suburb of Greymouth) is the only other place with a fall in values of more than 10% since November 2007. The wider Grey district is also home to another five of the 'top' eight areas for weak property values since 2007, with Westport and Hokitika also popping up further down the list.

Weak population growth has been a long-term problem for the West Coast, which dampens economic activity and limits both residential property demand and values. Since 2007, the regions' population has only risen by 1% from 32,300 to 32,500. That's the lowest in the country and well behind next-lowest area for population growth of Manawatu-Wanganui (5% rise). By comparison, NZ's total population has grown by 13% over the same period.

Suburb	Local Authority	% change since Nov. 2007	% change since Nov. 2016
Runanga	Grey District	-14.7%	-2.2%
Cobden	Grey District	-10.1%	-0.8%
Paihia	Far North District	-8.9%	12.4%
Moana	Grey District	-7.6%	1.9%
Greymouth	Grey District	-6.7%	2.5%
Karoro	Grey District	-6.5%	4.6%
Akaroa	Christchurch City	-6.2%	-1.0%
Blaketown	Grey District	-6.0%	4.6%
Tolaga Bay	Gisborne District	-5.9%	4.2%
Omapere	Far North District	-5.8%	9.4%
Opuā	Far North District	-5.4%	8.9%
Coopers Beach	Far North District	-4.4%	10.4%
Kaeo	Far North District	-4.3%	14.0%
Kaikohe	Far North District	-4.2%	13.4%
Opito Bay	Thames-Coromandel District	-2.1%	10.6%
Cable Bay	Far North District	-1.7%	11.0%
Turangi	Taupo District	-1.0%	23.9%
Mangonui	Far North District	-0.9%	12.8%
Tennyson Inlet	Marlborough District	-0.7%	2.4%
Westport	Buller District	-0.2%	-0.4%
Omori	Taupo District	-0.1%	15.2%
Wairoa	Wairoa District	0.7%	12.5%
Ahipara	Far North District	1.6%	13.4%
Hihi	Far North District	2.0%	13.3%
Kaitaia	Far North District	2.7%	15.7%
Raetihi	Ruapehu District	3.3%	23.8%
Kuratau	Taupo District	3.3%	15.1%
Pukenui	Far North District	3.6%	9.1%
Karikari Peninsula	Far North District	4.9%	16.3%
Scarborough	Christchurch City	5.6%	0.0%
Hokitika	Westland District	5.8%	5.1%
Opunake	South Taranaki District	6.1%	13.6%
Patea	South Taranaki District	6.9%	26.8%
Gisborne	Gisborne District	7.1%	13.0%
Ohakune	Ruapehu District	7.9%	17.6%
National Park	Ruapehu District	8.0%	29.6%
Wainui	Christchurch City	8.6%	2.1%
Charteris Bay	Christchurch City	9.0%	-0.4%

change in median property values (ranked by change since November 2007, least to most, Source: CoreLogic)

The other part of the NZ that stands out for weak property value growth is the Far North. Paihia's median property value (\$485,450) is currently 8.9% lower than it was in November 2007, and positions 10-14 on this 'lowest performers' list are all in the Far North district. The Far North's population has actually grown quite nicely since 2007 (lifting 9%), so the low growth in property values must have been caused by other factors. One issue here will be the unemployment rate (7.5%), which is much higher than the national average of 4.5%, and will be limiting households' ability to borrow.

Our buyer classification data also shows that Far North first home buyers have been less of a presence lately (about 10% of purchases) than in 2007 (when they were closer to 20%), whereas multiple property owners buying with cash have become more prominent. It's not necessarily the case that these cash investors will have driven a harder bargain than a first home buyer would have done. But even so, if the investors have faced less competition from other buyers than normal, this may well have kept a lid on values.

The good news for these lowest performing 50 areas of NZ is that more recent years show that values are now recovering, pretty much everywhere. The second column in the table shows the change in values in the same areas since November 2016 (just after LVR III) and there are several with strong increases of 20% or more, with many more in double-digits. National Park (Ruapehu) with a rise of 29.6% since late 2016 and Patea (South Taranaki) with a rise of 26.8% lead with the strongest recent recoveries.