### Media release

13th March 2012

**Nationwide values continue to increase**

Nationwide residential property values have continued to gradually increase according to the QV index for February. Values are up 1.1% over the past three months, 2.9% up over the past year, and are now 2.9% below the previous market peak of late 2007.



QV.co.nz Research Director, Jonno Ingerson said “although national values have increased 2.9% over the past year this needs to be compared to previous periods of value growth. During 1993 to 1997 values increased between 8% and 14% per year. Then in the 2002 to 2007 boom values generally increased by 10% to 15% per year, and increased by a staggering 25% during 2003 alone. In comparison the current rate of value increase is very modest and in inflation adjusted terms is only just above level”.

Ingerson said “there has been a noticeable increase in activity in the market over the last month, which is typical for this time of the year. While this level of activity may be higher than the last few years, it is still below long term average. There is still a shortage of properties for sale in some areas, and in general buyers are acting cautiously and carefully”.

**Auckland**

The Auckland area remains the fastest growing of the main centres, up 1.7% over the past 3 months and 4.8% up over the past year. Values are now above the previous market peak by 2.3%. This increase across Auckland is being led by the old Auckland City which has increased in value by 6.5% over the past year and is 5.1% above the 2007 market peak.

“There appears to be strong demand in the central areas of old Auckland City such as Ponsonby, Grey Lynn and Sandringham. Healthy sales prices are being achieved, with good properties coming to the market. Some buyers are staying cautious and sticking to their upper limit whereas others seem to have few financial constraints and as a result auction prices are setting new levels” said QV Valuer Glenda Whitehead.

“Buyers in the North Shore are being driven by location, as opposed to price, with activity patchy. Some suburbs are experiencing good turnover of properties whilst others are quite stagnant. The number of private sales is also noticeable” said Whitehead.

“In the West more renovations are noticeable, with people wanting to upgrade or extend their homes to meet their needs as opposed to incurring buying and selling costs. In comparison, the market in the Manukau area is active around the $500,000 - $800,000 range, even up to $1 million. Houses in the typically desirable areas such as old Howick properties with sea views, and houses in sought after school zones are experiencing good sales” said Whitehead.

**Hamilton**

Values in Hamilton remain relatively stable, rising 0.9% over the past year, but are currently 11.1% below the 2007 peak.

“The number of sales appears to be the highest for five years, with homes in the mid to upper bracket appearing to be selling well especially. This renewed interest however, is not stimulating prices with values remaining consistently static” said QV Valuer Richard Allen.

**Tauranga**

Tauranga values have also remained relatively static, up 1.0% over the past year but remaining 11.3% below the 2007 peak.

QV Valuer Shayne Donovan-Grammer said “many homes, particularly in the better regarded suburbs, are slightly overpriced in this market. Buyers are still looking to pay a sharp price, which is reflected in the fact that realistically priced well presented homes in the low to mid value range are selling at a good rate”.

**Wellington**

Values in the Wellington area are the same as they were a year ago, having dropped 2.0% for the first six months, then steadily increasing for the last 6 months.

“Across Wellington, prices seem to be firming and more listings are coming to the market. Buyers are still being cautious, especially with the public sector restructuring and its effect on job security in the region” said QV Valuer Pieter Geill.

**Christchurch**

Apart from Auckland City values in Christchurch have grown faster over the past year than any of the other main centres, rising 4.0% and are now level with the 2007 market peak.

Waimakariri District has increased 12.0% over the past year and Selwyn District 10.8%. Both areas are by far the fastest increasing parts of the country. They are also the highest about the 2007 market peak at 6.5% and 5.9% respectively.

QV Valuer Richard Kolff said “Rents continue to rise with high demand placed on rental properties from people whose homes were uninhabitable due to earthquake damage, people who need to relocate whilst they carry out repairs, or from those who are moving to the city to help with the rebuild. This is making property investors look at what potential some properties now have”.

“Lifestyle properties are also seeing high demand, with agents saying there is an undersupply of properties for sale in the $700,000 to $1 million range” said Kolff.

**Dunedin**

Dunedin values are 2.3% above the same time last year, although the growth of 4.0% over the past six months is even faster than Auckland City.

“The lower end of the market is still seeing reasonable demand with purchasers now prepared to take on more risk with lower priced houses. This is in contrast to six months ago when most of the demand was for well presented dwellings with no deferred maintenance issues” said QV Valuer Tim Gibson.

**Provincial centres**

Values in most of the provincial centres have stayed relatively stable for the past three months, with the exception of Gisborne (-3.5%) and Wanganui (-2.0%). Over the past year values are within 2% of last year’s value in all centres apart from Napier (-2.2%), Wanganui (-5.2%) and Queenstown Lakes (‑2.7%).

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| --- | --- | --- | --- |
| **Residential Property - Monthly price index** | |  |  |
| Time period: as at February 2012 | |  |  |
|  |  |  |  |
|  | **Territorial authority** | **Average sale price**  **over the past 3 months** | **Property Value Growth**  **Over the past 12 months**  **based on the QV index** |
|  | Far North | 336,905 | -0.1 |
|  | Whangarei | 328,340 | 1.6 |
|  | Kaipara | *286,914* | *-5.7* |
|  | Auckland - Rodney | 525,431 | 2.1 |
|  | Hibiscus Coast | 506,973 | 1.6 |
|  | Rodney (North) | 548,740 | 3.4 |
| #A | Auckland - North Shore | 586,173 | 3.7 |
|  | Coastal North Shore | 645,563 | 2.2 |
|  | North Shore Onewa | 474,424 | 6.3 |
|  | North Harbour | 665,323 | 4.0 |
| #A | Auckland - Waitakere | 406,849 | 3.2 |
| #A | Auckland - City | 620,268 | 6.5 |
|  | Auckland City (Central) | 545,780 | 5.8 |
|  | Auckland City (East) | 791,849 | 5.7 |
|  | Auckland City (South) | 563,541 | 8.1 |
|  | Islands | *497,553* | *-4.0* |
| #A | Auckland - Manukau | 466,445 | 3.2 |
|  | Manukau East | 567,373 | 5.1 |
|  | Manukau Central | 357,513 | 2.3 |
|  | Manukau North West | 418,847 | 0.8 |
| #A | Auckland - Papakura | 352,043 | 3.9 |
|  | Auckland - Franklin | 379,646 | 3.1 |
|  | Thames Coromandel | 411,846 | -3.1 |
|  | Hauraki | *226,738* | *4.3* |
|  | Waikato | *274,726* | *-2.2* |
|  | Matamata Piako | 267,196 | -5.2 |
| # | Hamilton | 345,101 | 0.9 |
|  | Hamilton North East | 424,970 | 0.9 |
|  | Central City/North West | 300,341 | 0.7 |
|  | Hamilton South East | 318,353 | 1.5 |
|  | Hamilton South West | *294,040* | *-0.1* |
|  | Waipa | 322,877 | -0.7 |
|  | Otorohanga | N/A | N/A |
|  | South Waikato | *155,076* | *-0.8* |
|  | Waitomo | N/A | N/A |
|  | Taupo | 371,462 | -0.1 |
|  | Western BOP | *364,124* | *-1.8* |
| # | Tauranga | 392,316 | 1.0 |
|  | Rotorua | 259,493 | -1.6 |
|  | Whakatane | *320,678* | *-5.3* |
|  | Kawerau | N/A | N/A |
|  | Opotiki | N/A | N/A |
|  | Gisborne | 254,633 | -2.0 |
|  | Wairoa | N/A | N/A |
|  | Hastings | 322,481 | 0.0 |
| # | Napier | 330,502 | -2.1 |
|  | Central Hawkes Bay | *212,294* | *-2.5* |
|  | New Plymouth | 325,180 | -1.3 |
|  | Stratford | *220,853* | *0.3* |
|  | South Taranaki | *209,238* | *2.7* |
|  | Ruapehu | *150,472* | *-6.8* |
|  | Wanganui | 207,470 | -5.2 |
|  | Rangitikei | *208,138* | *-0.8* |
|  | Manawatu | 245,899 | -0.9 |
| # | Palmerston North | 283,251 | 0.9 |
|  | Tararua | *149,816* | *-2.1* |
|  | Horowhenua | 203,043 | -1.8 |
|  | Kapiti Coast | 363,520 | -1.0 |
| #W | Porirua | 402,536 | 1.7 |
| #W | Upper Hutt | 349,571 | 0.4 |
| #W | Hutt | 357,345 | -2.6 |
| #W | Wellington | 508,336 | 0.7 |
|  | Wellington City & Southern Suburbs | 515,305 | 1.1 |
|  | Eastern Suburbs | 563,610 | 3.0 |
|  | North Wellington | 452,323 | 0.5 |
|  | Western Suburbs | 586,182 | -0.5 |
|  | Masterton | 222,198 | -2.8 |
|  | Carterton | *230,632* | *-5.0* |
|  | South Wairarapa | *326,156* | *-4.4* |
|  | Tasman | 366,082 | 1.2 |
| # | Nelson | 371,224 | 2.0 |
|  | Marlborough | 326,497 | -2.4 |
|  | Kaikoura | N/A | N/A |
|  | Buller | *228,699* | *7.6* |
|  | Grey | *223,378* | *-4.6* |
|  | Westland | *203,855* | *-0.8* |
|  | Hurunui | *320,508* | *6.1* |
|  | Waimakariri | 356,182 | 12.0 |
| # | Christchurch | 388,807 | 4.0 |
|  | East | 311,748 | 3.2 |
|  | Hills | 504,859 | 0.6 |
|  | Central City and North | 436,208 | 4.3 |
|  | Southwest | 363,247 | 4.8 |
|  | Banks Peninsula | *491,141* | *4* |
|  | Selwyn | 410,480 | 10.8 |
|  | Ashburton | 269,313 | 8.7 |
|  | Timaru | 248,494 | 4.8 |
|  | MacKenzie | N/A | N/A |
|  | Waimate | N/A | N/A |
|  | Waitaki | *206,327* | *3.7* |
|  | Central Otago | *278,172* | *0.8* |
|  | Queenstown Lakes | 491,091 | -2.7 |
| # | Dunedin | 273,872 | 2.3 |
|  | Central/Northern City | 281,194 | 2.6 |
|  | Peninsula/Coastal Dunedin | *242,988* | *2.4* |
|  | Southern City | 253,161 | 3.4 |
|  | Taieri | 302,673 | 0.9 |
|  | Clutha | *163,930* | *1.2* |
|  | Southland | 199,592 | 4.3 |
|  | Gore | *185,435* | *2.0* |
| # | Invercargill | 213,948 | -0.6 |
|  |  |  |  |
|  | Auckland Area | 536,478 | 4.8 |
|  | Wellington Area | 440,143 | 0.0 |
| # | Main Urban Areas | 450,573 | 3.4 |
|  | **Total NZ** | **408,669** | **2.9** |
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| **Notes on the above data:** | |  |  |
| 1. The information included in the above table is calculated based on the sales data entered into QV's system for the previous 3 month period. For example, information for the period ending June will be calculated based on sales entered between April 1 and June 30. | | | |
| 2. Property Value Growth is the annual % change in residential property values, calculated using QV's House Price Index methodology. The residential sales entered into QV's system for previous 3 month period are compared to the same period of the previous year to identify the annual % change in residential property values. Average Sale Prices are calculated based on residential sales entered into QV's system for the previous 3 month period. | | | |
| 3. Any of the statistical data shown in italics are 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 | | | |

