### Media release

9th August 2012

**Main cities up, provincial centres flat**

Nationwide residential property values have risen again in July according to the latest QV index. Values are up 2.2% over the past three months, 4.6% up over the past year, and are now only 0.8% below the previous market peak of late 2007. In inflation adjusted terms values are 13.1% below peak.

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Jonno Ingerson, QV.co.nz Research Director said “the relatively strong increase in nationwide values can be attributed primarily to an increase in the main centres, particularly Auckland and Christchurch. There are initial hints in this latest data that values may be levelling in Tauranga and Dunedin after increasing for the past few months, while values in Wellington remain flat” said Ingerson.

“Across most of the main centres listings remain relatively tight leading to less choice for buyers. In Auckland this has led to a sellers’ market with prices pushing upwards, while Wellington is showing the first signs of heading that way too.”

“First home buyers are also active, spurred by low mortgage interest rates. This is starting to encourage property investors and small developers back into the market, although investors are now careful to ensure their purchases return a decent yield rather than relying on capital gain. There has also been an increase in activity in the middle to upper range of the market which can possibly be attributed to people coming back into the market after having held off for several years” said Ingerson.

“For much of this year sales activity has been well above the previous two years. A measure of confidence seems to have returned for many buyers, albeit measured confidence. Looking back over the last 30 years, the number of sales usually reaches a low point in June before increasing every month from now until November. We expect sales volumes to follow that trend again this year, although if the lack of quality listings continues then this may prevent otherwise enthusiastic buyers from purchasing” said Ingerson.

**Auckland**

Values in the wider Auckland area are up 6.3% over the past year, with the pace of the increase picking up since April. In the last three months values have increased 3.1%.

Values have increased the most in old Auckland city, up 7.1% over the past year, and up 3.2% over the past three months. North Shore, Waitakere and Manukau aren’t far behind rising 6.2%, 5.9% and 6.0% over the past year respectively. In the past three months North Shore values have increased by 3.5%, while Waitakere and Manukau are both up 2.8% in that time.

Values in the wider Auckland area are now 5.6% above the 2007 market peak, with the old Auckland City leading the way at 8.4% above. When inflation is taken into account old Auckland city values remain 5.2% below the peak although at the current rate of increase will soon be above the previous peak in inflation adjusted terms also.

QV Valuer Jan O’Donohue said “Auckland continues to be a sellers’ market with limited listings in most areas. The market has changed in the North Shore over the past couple of months with buyers now acting with more confidence and a sense of almost certainty that the market was heading upwards. This is leading to increased competition and prices are edging up accordingly. Prices are also rising south of the Harbour Bridge with Avondale, Blockhouse Bay, Mt Roskill, Pakuranga and Howick popular. Many vendors are also opting to sell by auction, with the auction dates being brought forward when interest is high”.

“Property investors and small developers are coming back into the market to the point whereby first home buyers are struggling to match them and second home buyers with equity. More investors are continuing to add to their portfolio in the west, where values continue to be steady” said O’Donohue.

**Hamilton and Tauranga**

Values in Hamilton have risen 1.7% over the past three months, and are now 3.5% higher than the same time last year. In Tauranga values have been flat for most of the past year, with most of the 1.6% increase over that time occurring in the last three months. Those rises may be short lived however as the latest month shows values flattening again. In contrast to Auckland, values in both Hamilton and Tauranga remain well below the 2007 market peak, by 9.1% and 10.3% respectively.

**Wellington**

Values in the Wellington area have increased by 2.1% over the past year, although almost all of that increase took place in the second half of 2011 with the last three months showing no change. Values in the Wellington area are currently 5.7% below the previous market peak.

**Christchurch**

Values in Christchurch have risen 5.8% over the past year and 2.1% over the past three months to now sit 1.9% above the previous market peak of late 2007.

The Waimakariri and Selwyn Districts continue to increase in value faster than anywhere else in the country, with both now well above the previous market peak. Waimakariri is up 13.9% over the past year and 13.0% above the 2007 peak, while Selwyn is up 13.0% over the past year and is 12.9% above peak.

QV Valuer Daryl Taggart said “having come a long way over the past year, Christchurch experienced another vibrant month in July. There is a strong interest in well priced properties in suburban Christchurch with Selwyn and Waimakariri continuing to lead the way as demand grows. A shortage of listings does continue however, with investors and developers entering the market spurred by increased returns.”

**Dunedin**

Values in Dunedin have increased 1.2% in the past three months after dropping slightly at the start of the year. Values are now 3.8% up on the same time last year and 4.0% below the 2007 peak.

QV Valuer Tim Gibson said “values are being driven by an undersupply of listings, whilst good locality and presentation are key to properties getting snapped up. The majority of buyers are owner occupiers although there is still evidence of some investors in the market”.

**Provincial centres**

Values in most of the provincial centres have been relatively stable for the past year, with values lying within a 1.5% band. The exceptions are Napier (down 1.7%), Palmerston North (up 2.2%) and Nelson (up 1.9%) although all three have flattened in recent months. Gisborne has dropped 4.2% over the past year and is now more than 25% below peak.

**For media enquiries and interview, and for further information contact:**

Jonno Ingerson. Research Director QV.co.nz

Tel: 04 802 1239

Mobile: 027 454 6642

Email: jonno.ingerson@propertyiq.co.nz

**For further specific comment on local areas:**

Auckland. Jan O’Donohue 027 4977 348

Hamilton. Richard Allen 0272 307 290

Tauranga. Paul Thomas 027 544 4602

Wellington. Kerry Buckeridge 021 476 287

Christchurch. Daryl Taggart 027 304 9815

Dunedin. Tim Gibson 021 151 2887

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| **Residential Property - Monthly price index** |  |  |
| Time period: as at July 2012 |  |  |
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|  | **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 | 306,089 | -0.5% |
|  | Whangarei | 302,925 | 0.6% |
|  | Kaipara | *313,380* | *-11.0%* |
|  | Auckland – Rodney | 517,354 | 2.5% |
|  |      Hibiscus Coast | 508,590 | 3.3% |
|  |      Rodney (North) | 529,557 | 2.5% |
| #A | Auckland - North Shore | 636,130 | 6.2% |
|  |      Coastal North Shore | 726,808 | 4.7% |
|  |      North Shore Onewa | 504,768 | 7.8% |
|  |      North Harbour | 663,674 | 6.7% |
| #A | Auckland - Waitakere | 428,589 | 5.9% |
| #A | Auckland - City | 656,846 | 7.1% |
|  |      Auckland City (Central) | 558,935 | 9.7% |
|  |      Auckland City (East) | 833,459 | 5.5% |
|  |      Auckland City (South) | 592,346 | 8.4% |
|  |      Islands | *559,191* | *-0.9%* |
| #A | Auckland - Manukau | 488,467 | 6.0% |
|  |      Manukau East | 610,985 | 6.5% |
|  |      Manukau Central | 364,092 | 5.7% |
|  |      Manukau North West | 438,570 | 4.2% |
| #A | Auckland - Papakura | 387,376 | 4.3% |
|  | Auckland - Franklin | 406,489 | 5.9% |
|  | Thames Coromandel | 435,082 | -0.5% |
|  | Hauraki | *255,900* | *-2.3%* |
|  | Waikato | 265,778 | -7.0% |
|  | Matamata Piako | *276,922* | *-0.3%* |
| # | Hamilton | 350,384 | 3.5% |
|  |      Hamilton North East | 427,930 | 3.6% |
|  |      Central City/North West | 310,232 | 3.0% |
|  |      Hamilton South East | 325,096 | 3.2% |
|  |      Hamilton South West | 307,654 | 3.6% |
|  | Waipa | 346,784 | 0.3% |
|  | Otorohanga | N/A | N/A |
|  | South Waikato | *145,490* | *3.0%* |
|  | Waitomo | N/A | N/A |
|  | Taupo | 347,834 | -1.3% |
|  | Western BOP | 362,062 | -7.3% |
| # | Tauranga | 401,678 | 1.6% |
|  | Rotorua | 288,428 | -0.7% |
|  | Whakatane | 337,477 | -2.0% |
|  | Kawerau | N/A | N/A |
|  | Opotiki | N/A | N/A |
|  | Gisborne | 233,872 | -4.2% |
|  | Wairoa | N/A | N/A |
|  | Hastings | 313,869 | 0.6% |
| # | Napier | 331,759 | -1.7% |
|  | Central Hawkes Bay | *223,381* | *0.3%* |
|  | New Plymouth | 324,494 | 1.4% |
|  | Stratford | *195,225* | *-1.9%* |
|  | South Taranaki | 223,065 | 2.5% |
|  | Ruapehu | *176,117* | *-11.6%* |
|  | Wanganui | 215,616 | 0.3% |
|  | Rangitikei | *185,097* | *-5.1%* |
|  | Manawatu | 254,138 | 3.3% |
| # | Palmerston North | 292,511 | 2.2% |
|  | Tararua | *162,013* | *-6.2%* |
|  | Horowhenua | 189,279 | -4.0% |
|  | Kapiti Coast | 347,195 | -1.0% |
| #W | Porirua | 402,015 | 2.2% |
| #W | Upper Hutt | 353,503 | 1.9% |
| #W | Hutt | 370,590 | 1.2% |
| #W | Wellington | 512,580 | 2.4% |
|  |      Wellington City & Southern Suburbs | 528,330 | 1.2% |
|  |      Eastern Suburbs | 555,409 | 5.3% |
|  |      North Wellington | 452,622 | 1.8% |
|  |      Western Suburbs | 568,314 | 2.3% |
|  | Masterton | 234,358 | -2.4% |
|  | Carterton | *248,225* | *6.1%* |
|  | South Wairarapa | *311,649* | *3.1%* |
|  | Tasman | 370,504 | -1.3% |
| # | Nelson | 367,092 | 1.9% |
|  | Marlborough | 338,536 | 3.5% |
|  | Kaikoura | N/A | N/A |
|  | Buller | *205,192* | *12.4%* |
|  | Grey | *235,554* | *-0.8%* |
|  | Westland | *228,988* | *-1.9%* |
|  | Hurunui | *306,643* | *7.7%* |
|  | Waimakariri | 369,669 | 13.9% |
| # | Christchurch | 385,564 | 5.8% |
|  |      East | 303,900 | 5.9% |
|  |      Hills | *517,388* | *3.8%* |
|  |      Central City and North | 435,143 | 4.0% |
|  |      Southwest | 372,898 | 9.1% |
|  |      Banks Peninsula | *399,814* | *3.7%* |
|  | Selwyn | 436,957 | 13.0% |
|  | Ashburton | 280,960 | 6.7% |
|  | Timaru | 251,630 | 5.6% |
|  | MacKenzie | *267,556* | *-1.8%* |
|  | Waimate | *176,773* | *4.4%* |
|  | Waitaki | 214,774 | 4.3% |
|  | Central Otago | 295,763 | 3.5% |
|  | Queenstown Lakes | 562,912 | 0.1% |
| # | Dunedin | 276,930 | 3.8% |
|  |      Central/Northern City | 290,263 | 2.5% |
|  |      Peninsula/Coastal Dunedin | *229,572* | *5.0%* |
|  |      Southern City | 272,791 | 5.2% |
|  |      Taieri | 282,661 | 4.3% |
|  | Clutha | *175,777* | *2.2%* |
|  | Southland | 205,470 | 3.8% |
|  | Gore | 195,438 | 5.4% |
| # | Invercargill | 219,359 | 1.2% |
|  |  |  |  |
|  | Auckland Area | 566,329 | 6.3% |
|  | Wellington Area | 446,437 | 2.1% |
| # | Main Urban Areas | 470,446 | 5.3% |
|  | **Total NZ** | **423,667** | **4.6%** |
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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 |





