

**Media release**

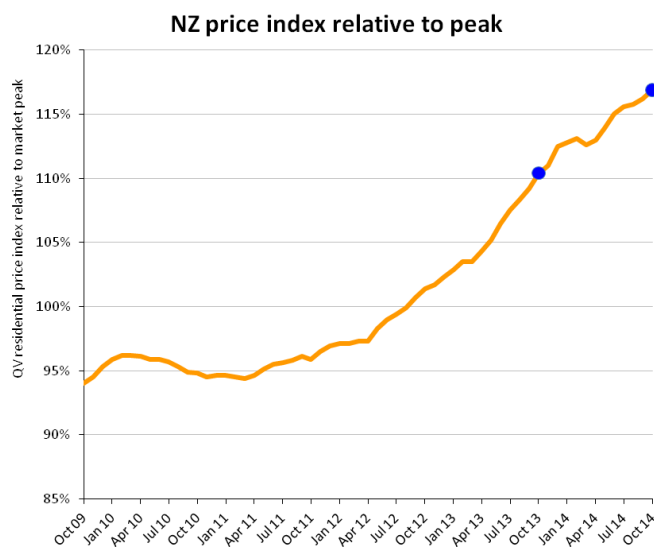
6 November, 2014

**STRICLY EMBARGOED UNTIL 12 NOON 6 NOVEMBER, 2014**

**Residential property values increase at slowest rate in two years**

The latest monthly QV Residential Price Movement Index shows that nationwide residential property values for October have increased 5.9% over the past year and 1.1% over the past three months which is the slowest rate since October 2012. This means they are now 16.9% above the previous market peak of late 2007. When adjusted for inflation the nationwide annual increase drops slightly to 4.8% and values remain 0.2% below the 2007 peak.

The Auckland market has increased 9.2% year on year, 2.5% over the past three months 35.1% since 2007. When adjusted for inflation values are up 8.1% over the past year and are 15.3% above the 2007 peak.



QV National Spokesperson Andrea Rush said, "Although residential property values have risen at the slowest rate nationally and for Auckland since October 2012 values have increased in many centres around the country over the past three months."

"Home values have accelerated again in Auckland since July at a rate not seen since last year and Christchurch has also continued to increase at a slightly slower rate."

"Wellington has also seen values rise in parts of the city following a downward trend in recent months, this has been brought about by increased spring listings activity in the capital's property market."



"A number of the provincial centres have also performed well in October and of note are Wanganui and Gisborne which have seen home values rise after showing a downward trend."

"However, home loan approval rates have not increased, listings are also lower than normal for spring and sales are around 12% below what they were this time the last year."

"Banks are now offering competitive interest rates following a halt in any further hikes being signalled by the Reserve Bank."

"However, the LVR restrictions mean banks are targeting well established customers rather than new lenders and recent research shows investors currently account for between 40 and 50% of all property sales in New Zealand."

### **Auckland**

Home values in Auckland were up across the city again over the past three months. Manukau Central values increased 4.1% over the past three months which is the highest rate seen since earlier in the year, values there are up 12.2% year on year and 26.2% since 2007; Auckland City – East values were up 3.6% over the past three months, 8.0% year on year and are now 37.1% higher than in 2007.

Auckland City was also up 3.0% over the past three months, 7.7% year on year and 39.8% since 2007. Waitakere City values are up 2.3% since July, 9.9% year on year and 36.2% since 2007; while North Shore-North Harbour values rose 3.0% over the past three months, 10.2% year on year and values there are now 39.5% higher than in the peak of 2007.

QV Home Value Registered Valuer Bruce Wiggins said, "Across Auckland the rate of increase in values is speeding up again and we are seeing a definite lift from the winter quarter."

"It's reported that a much higher number of properties are selling at auctions than was the case during winter and QV valuers' work load has increased which is always a sign of increased activity in the market."

"However, there are not as many listings coming to the market as expected and stock levels remain low for this time of year."

"While the banks are offering competitive interest rate deals and additional items like TVs but these incentives are focused at those with more than a 20% deposit so are benefitting those with equity rather than those who own one home or are trying to get into their first home."

### **Hamilton and Tauranga**

Residential property values in Hamilton City decreased by 0.2% over the past three months but they are 2.3% higher than in October last year and 0.6% above the previous peak of 2007.

Hamilton- South West is up 1.1% over the past three months and 2.8% year on year. Hamilton-South East values also rose 0.4% over the past three months and 1.9% year on year and Hamilton-North East also saw values increase 0.3% since July and 2.1% year on year.

QV Valuer Nicky Harris said, "Listings have increased throughout the city now that spring is here and this has led to an increase in sales volumes and residential property values."



"There's still a strong demand for properties in well established areas close to town but there is a shortage of listings in these areas which is leading to increased competition and values in these areas."

"Properties with good school zoning in suburbs like Hillcrest and Hamilton East also remain in high demand at this time of the year."

"First home buyer enquiry has picked up and investor activity remains steady while rents across the city are continuing to increase."

Home values in Tauranga City have decreased slightly by 0.6% over the past three months and they are 3.6% higher than they were in September last year but remain 6.2% below the peak of 2007.

Values in the Western Bay of Plenty increased 1.2% over the past three months and are 6.0% higher than in they were this time last year but are still 6.2% lower than the peak of 2007.

QV Registered Valuer Mairi Macdonald said, "The Tauranga market is steady with good level of enquiry and interest in all levels of housing however sales volumes are down from past months."

"Demand for vacant sections is good and has increased over the past six months."

"There are an increasing number of properties coming onto the market however the number of listings is still down on this time last year which is creating more competition amongst buyers."

"In the Western Bay of Plenty things are quiet and there has not been much activity."

"In Te Puke and Katikati we are seeing demand for rental property from seasonal workers especially as kiwifruit industry picked up after PSA issues."

"Omokoroa is stable and there is continued demand for well presented property there however sales volumes and values there have decreased slightly over the past few months."

### **Wellington**

Home values in the Wellington City increased slightly by 0.1% over the past three months reversing a recent downward trend and values there are now 2.3% higher than in October last year and 0.7% higher than the peak of 2007. Wellington–East home values are also up 2.4% over the past three months, 3.6% year on year and 1.2% above 2007 levels. Wellington–West values were also up 0.3% and 1.3% year on year and are now 0.9% higher than 2007.

Upper Hutt home values also increased 0.8% over the past three months and 0.9% year on year but are 4.3% below 2007. While Lower Hutt saw values decrease slightly by 0.9% over the past three months and 2.1% year on year and are 6.4% below 2007.

QV Wellington Registered Valuer, Kerry Buckeridge said, "Across the city residential property values are picking up, with the exception of Lower Hutt. It remains to be seen whether this trend is sustained."

"Wellington has seen the largest increase in new property listings of anywhere else in the country over the past few weeks."



"Over the last 12 months there has also been a higher than expected number of high end \$1million plus suburban house sales."

"It's likely that this is, at least in part, attributable to people selling up their homes in preparation for settlement of purchases in one of two new high-end apartment developments in the city – Clyde Quay and Market Lane."

"Between the two developments there are approximately 120 apartments. Many of these have sold in the \$2 million range, with some units reaching well beyond that."

"Many of the Clyde Quay apartments have now settled and only a small number have yet to sell and the Market Lane apartments are due to settle around February 2015."

"Recent research has shown that investment sales currently make up between 40-50% of all sales."

### **Christchurch and Dunedin**

Home values in Christchurch City have increased 0.5% over the past three months and 4.3% year on year and are now 22.2% higher than in the previous peak of 2007.

Christchurch – Central and North values rose 0.9% over the past three months and 5.7% year on year and are now 22.7% above 2007 levels; Christchurch-East is also up slightly by 0.3% over the past three months, 2.5% year on year and values there are 11.9% higher than in 2007; while Southwest-Christchurch values rose 0.7% over the past three months, 6.8% year on year and they are now 31.1% higher than in the previous peak of 2007.

QV Home Value Registered Valuer Daryl Taggart said, "There has been plenty of activity in the market since the arrival of spring and there is a positive feeling in the air."

"Areas that were affordable in the past are becoming less affordable and first home buyers now have to widen their search to find affordable housing in the price range under \$400,000."

"Investors are also still active in Christchurch buying in all segments of the market from brand new off the plan builds to damaged properties as rentals and developments."

"Properties coming back onto the market following repairs are commanding higher rents to account for fresh decor and new renovations."

Home values in Dunedin City as a whole have decreased by 0.2% over the past three months but they are 1.2% higher than October last year and 1.4% above the previous peak of 2007.

Dunedin – Taieri values have bucked the downward trend across the city over the past three months increasing 0.9%. They are also up 1.9% year on year and 3.0% since 2007. Dunedin-Central and North values have decreased slightly by 0.8% over the past three months and 0.8% year on year and are now 1.5% below 2007 levels; Dunedin Peninsula and Coastal values have decreased 1.5% over the past three months but are 2.0% higher than this time last year and remain 2.5% below 2007 levels.



QV Valuer Duncan Jack said, "The Dunedin market appears to be more positive than during the winter quarter. Listings have increased but are still significantly lower than what might be expected for this time of year."

"The rising interest rates during March to July could still be causing some hesitancy in the market with property owners who are considering a move, perhaps acting cautiously and being concerned about over extending themselves."

"The lack of listings could also be being caused by potential vendors looking around the market, not seeing any properties that appeal, and deciding to stay where they are, so the cycle perpetuates."

"However, well maintained properties do attract significant interest and reports of multiple offer scenarios are not uncommon. It would appear that there are a number of willing buyers out there looking for the right property."

### **Provincial centres**

Residential property values in the provincial centres are showing some signs that the coming of spring is providing some new life to the markets.

In the North Island, values in Rodney District have increased by 1.0% and are now 10.3% higher than they were in October last year and 16.8% above the peak of 2007. Values in Gisborne have increased 1.1% over the past three months but are still down 1.9% year on year and 21.9% below 2007. Wanganui values have also increased 2.0% over the past three months however values there also remain 6.2% lower year on year and 19.0% below 2007.

In the South Island, home values in Timaru have increased 2.0% over the past three months and 3.8% since October last year and 14.3% since the previous peak of 2007. The Queenstown-Lakes District is also up 2.4% over the past three months and 7.8% year on year and values there have finally ticked over the previous peak by 0.7%. While values in Invercargill city are down 2.2% over the past three months, 0.8% year on year and are 8.0% below the previous peak of 2007.

### **For media enquiries and interviews, and for further information contact:**

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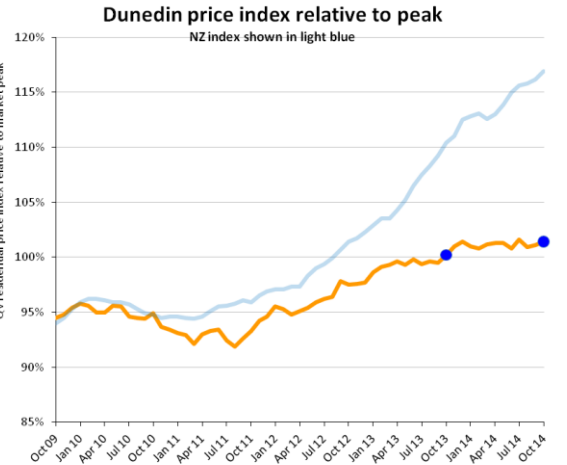
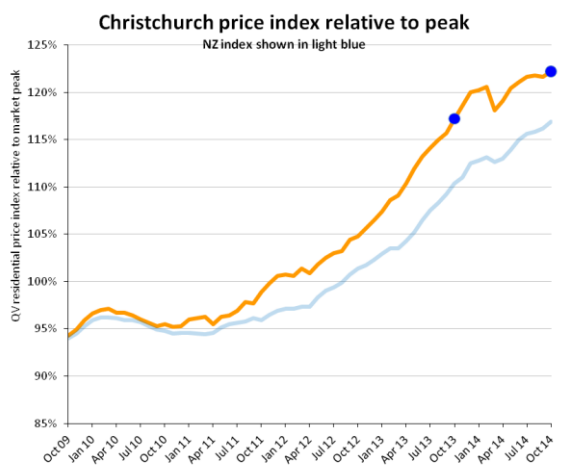
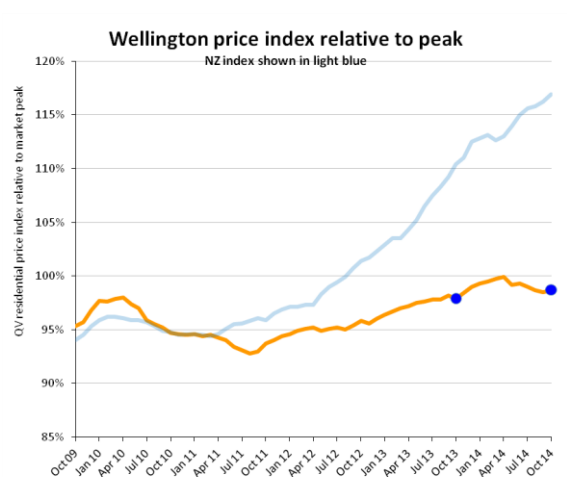
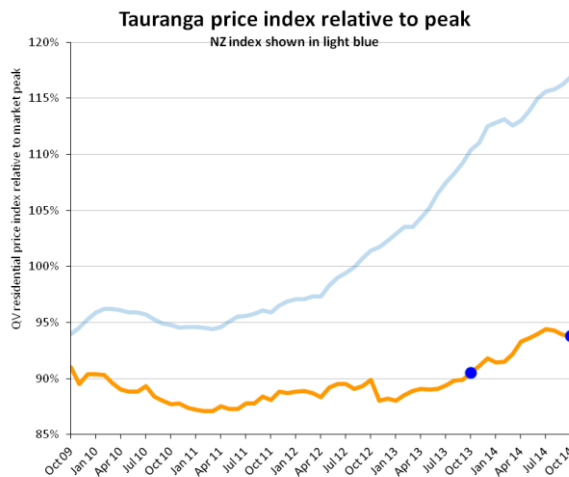
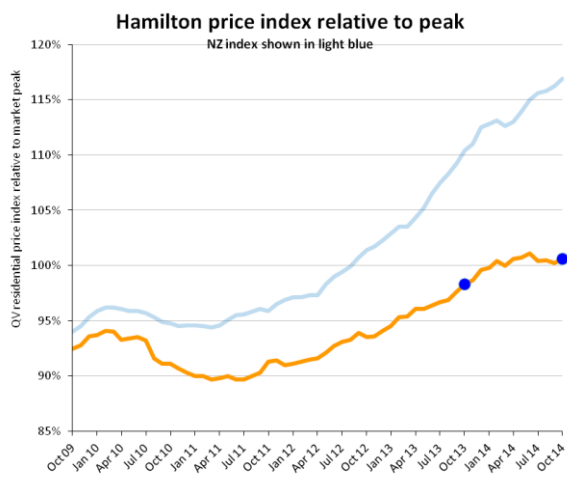
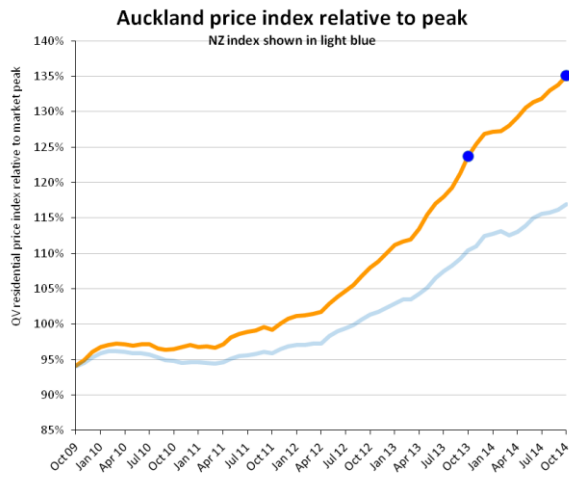
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Christchurch: Daryl Taggart 027 304 9815; Dunedin: Duncan Jack 027 213 7618





<b>QV Residential Property Price Movement Index</b>					
Time period: October 2014					
	<b>Territorial authority</b>	<b>Average current value</b>	<b>12 month change%</b>	<b>3 month change %</b>	<b>Since 2007 market peak change %</b>
	Far North	305,070	2.3%	2.8%	-23.4%
	Whangarei	338,881	2.5%	1.1%	-14.5%
	Kaipara	328,471	2.5%	-2.9%	-17.2%
	Auckland - Rodney	685,227	10.3%	1.0%	16.8%
	Rodney - Hibiscus Coast	680,184	10.4%	1.4%	15.8%
	Rodney - North	691,840	10.5%	0.6%	15.2%
#A	Auckland - North Shore	876,122	9.5%	2.2%	35.8%
	North Shore - Coastal	1,012,863	10.9%	2.2%	34.4%
	North Shore - Onewa	690,906	6.2%	1.6%	39.3%
	North Shore - North Harbour	847,407	10.2%	3.0%	39.5%
#A	Auckland - Waitakere	577,598	9.9%	2.3%	36.2%
#A	Auckland - City	870,149	7.7%	3.0%	39.8%
	Auckland City - Central	764,836	7.6%	2.3%	34.3%
	Auckland City - East	1,092,603	8.0%	3.6%	37.1%
	Auckland City - South	776,301	7.6%	2.5%	44.2%
	Auckland City - Islands	797,648	12.0%	7.5%	24.8%
#A	Auckland - Manukau	614,514	10.6%	2.6%	34.3%
	Manukau - East	813,996	9.3%	1.5%	36.6%
	Manukau - Central	474,316	12.2%	4.1%	26.2%
	Manukau - North West	504,654	11.2%	3.1%	36.6%
#A	Auckland - Papakura	438,604	8.7%	1.7%	21.9%
	Auckland - Franklin	479,161	11.8%	3.0%	21.1%
	Thames Coromandel	507,928	2.8%	-0.2%	-12.6%
	Hauraki	239,564	-1.4%	2.0%	-14.1%
	Waikato	276,071	1.6%	-3.6%	-8.8%
	Matamata Piako	271,230	3.1%	-2.7%	-7.0%
#	Hamilton	363,753	2.3%	0.2%	0.6%
	Hamilton - North East	457,587	2.1%	0.3%	1.8%
	Hamilton - Central & North West	337,596	2.0%	-0.2%	-5.7%
	Hamilton - South East	332,857	1.9%	-0.4%	-4.8%
	Hamilton - South West	324,790	2.8%	1.1%	-5.1%
	Waipa	342,400	5.8%	0.4%	4.0%
	Otorohanga	N/A	N/A	N/A	N/A
	South Waikato	125,932	-4.3%	-0.6%	-22.8%
	Waitomo	N/A	N/A	N/A	N/A
	Taupo	329,369	-7.0%	-3.8%	-17.8%



	Western BOP	422,814	6.0%	3.0%	-6.2%
#	Tauranga	451,665	3.6%	-0.6%	-6.2%
	Rotorua	271,242	-1.4%	0.2%	-7.6%
	Whakatane	290,482	-1.4%	-1.4%	-16.5%
	Kawerau	106,350	8.1%	0.6%	-33.2%
	Opotiki	N/A	N/A	N/A	N/A
	Gisborne	232,253	-1.9%	1.1%	-21.9%
	Wairoa	N/A	N/A	N/A	N/A
	Hastings	296,516	-1.9%	-0.4%	-4.9%
#	Napier	328,197	1.9%	1.4%	-3.5%
	Central Hawkes Bay	195,821	-0.9%	-7.0%	-26.1%
	New Plymouth	352,975	3.5%	1.0%	6.7%
	Stratford	202,550	3.2%	-0.2%	-7.3%
	South Taranaki	182,798	-1.4%	-0.1%	-7.6%
	Ruapehu	132,631	-3.2%	-2.5%	-26.5%
	Wanganui	181,532	-6.2%	2.0%	-19.0%
	Rangitikei	143,301	-0.4%	-2.9%	-20.8%
	Manawatu	235,903	-0.1%	-2.1%	-7.2%
#	Palmerston North	285,971	-0.3%	0.4%	-4.1%
	Tararua	152,340	1.3%	3.1%	-13.6%
	Horowhenua	202,349	0.4%	-1.8%	-14.9%
	Kapiti Coast	373,914	2.3%	-0.1%	-2.4%
#W	Porirua	375,152	-0.8%	-0.3%	-1.8%
#W	Upper Hutt	336,151	0.9%	0.8%	-4.3%
#W	Hutt	367,293	-2.1%	-0.9%	-6.4%
#W	Wellington	536,332	2.3%	0.1%	0.7%
	Wellington - Central & South	543,665	2.2%	-0.6%	-3.0%
	Wellington - East	583,520	3.6%	2.4%	1.2%
	Wellington - North	470,524	2.1%	-0.3%	1.0%
	Wellington - West	612,964	1.8%	0.3%	0.9%
	Masterton	241,174	1.2%	2.2%	-15.6%
	Carterton	270,654	11.0%	2.2%	-2.9%
	South Wairarapa	305,568	3.1%	1.2%	-9.7%
	Tasman	411,148	-0.4%	-0.6%	2.4%
#	Nelson	407,449	2.5%	1.5%	6.4%
	Marlborough	344,226	-0.6%	-0.2%	-11.7%
	Kaikoura	N/A	N/A	N/A	N/A
	Buller	200,154	-9.5%	-3.4%	-2.6%
	Grey	222,631	4.9%	4.6%	-8.9%
	Westland	234,320	2.6%	2.9%	-2.4%
	Hurunui	336,049	3.5%	0.2%	7.5%





	Waimakariri	409,265	5.1%	0.8%	27.8%
#	Christchurch	463,646	4.3%	0.5%	22.2%
	Christchurch - East	346,383	2.5%	0.3%	11.9%
	Christchurch - Hills	617,443	-0.1%	-2.2%	11.6%
	Christchurch - Central & North	543,403	5.7%	0.9%	22.7%
	Christchurch - Southwest	444,932	6.8%	0.7%	31.1%
	Christchurch - Banks Peninsula	486,449	2.1%	3.4%	1.3%
	Selwyn	506,201	5.0%	0.1%	35.7%
	Ashburton	322,364	3.9%	0.3%	15.2%
	Timaru	286,936	3.8%	2.0%	14.3%
	MacKenzie	276,246	-0.7%	-1.6%	-3.6%
	Waimate	198,933	3.7%	2.0%	5.5%
	Waitaki	224,415	5.3%	0.6%	-1.7%
	Central Otago	321,665	3.8%	0.0%	1.5%
	Queenstown Lakes	692,508	7.8%	2.4%	0.7%
#	Dunedin	290,100	1.2%	-0.2%	1.4%
	Dunedin - Central & North	297,053	-0.8%	-0.8%	-1.5%
	Dunedin - Peninsular & Coastal	263,829	2.0%	-1.5%	-2.5%
	Dunedin - South	280,059	3.3%	-0.1%	-1.9%
	Dunedin - Taieri	302,614	1.9%	0.9%	3.0%
	Clutha	166,066	-3.6%	-1.3%	-8.3%
	Southland	206,055	-0.1%	1.5%	-10.5%
	Gore	183,960	2.4%	2.1%	4.7%
#	Invercargill	202,871	-0.8%	-2.2%	-8.0%
	Auckland Area	738,083	9.2%	2.5%	35.1%
	Wellington Area	449,913	0.8%	-0.3%	-1.3%
#	Main Urban Areas	566,435	6.8%	1.5%	23.3%
	<b>Total NZ</b>	484,307	<b>5.9%</b>	<b>1.1%</b>	<b>16.9%</b>

**Notes on the above data:**

1. The information included in the above table is based on the monthly QV property value index powered by CoreLogic. This index is calculated based on the sales data entered into CoreLogic's system in 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. The average current value is the average (mean) value of all developed residential properties in the area based on the latest index. It is not an average or median sales price, as both of those only measure what happens to have sold in the period.

3. The percentage change over three months, twelve months and since the 2007 market peak are based on the change in the property value index between that time and the current.

4. 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