### Media release

10th January

**Nationwide values driven by Auckland**

Nationwide residential property values increased further in December according to the latest monthly property value index. Values are up 1.5% over the past three months, 5.7% up over the past year, and 2.0% above the previous market peak of late 2007.



Jonno Ingerson, QV.co.nz Research Director said “Looking back over 2012 the increase in national values was predominantly driven by Auckland and to a lesser extent Christchurch. These were also the only two areas to have consistently increased while the rest of the country varied throughout the year.”

“The year began with the number of sales in January 29% higher than the previous year, the highest January since 2008. The trend continued throughout the year with most months 20% to 30% higher than 2011 and higher than any year since 2007”.

“However, to put that in context, after the 2007 peak sales volumes were particularly low, so although volumes are now up from 2008 they are still 30% to 40% lower than during that 2003 to 2007 period when the market was flourishing. Furthermore, the increase in sales volumes was largely in the main centres, especially Auckland, as sales numbers in the smaller centres remained subdued” said Jonno Ingerson.

“One of the defining features of 2012 was the low number of properties on the market. Many willing buyers found it hard to find suitable properties and this to some extent constrained sales volumes. As has been the case for the past several years, quality properties in desirable areas tended to sell quickly for good prices, while properties with perceived flaws either sat on the market or needed to be discounted” Jonno Ingerson said.

**Main centre comparison**



When comparing the main centres, it is clear that the national increase of 5.7% over the past year does not represent increasing value across most of the country, but rather increases in Auckland. North Shore, Waitakere and Manukau all increased by 8% to 9% and old Auckland City increased 11%.

Across most of Auckland values are now well above the previous market peak of 2007, with old Auckland City 14.7% up. When adjusted for inflation this makes values in old Auckland City equal to the 2007 peak.

Values in Christchurch also increased slightly more than the national average, driven by the post earthquake demand for undamaged houses. The areas surrounding Christchurch were about equal to Auckland in their value growth.

The general trend for rest of the main centres was a flat start to the year, growth around mid-year then a faltering finish. As a result, most were little more than flat, with Dunedin increasing the most at 2.9% and Tauranga ending the year 0.3% down.

**Provincial centres**

Over the course of 2012 most of the provincial centres increased slightly in value, with all certainly well below the national figure of 5.7%. Palmerston North increased the most at 3.6%, followed by Queenstown Lakes at 2.9%. Whangarei dropped slightly in value while Gisborne slid for much of the year to end the year 5.3% down.

There were no consistent trends throughout the year, however, several of the provincial centres showed signs of value increase in the middle to latter part of the year. However, like the main centres this faltered in the last few months of the year.

Sales volumes also picked up in most of the provincial centres compared to 2011 but generally remained well below peak volumes seen in 2003 to 2006. The major exceptions were Queenstown Lakes and Nelson where sales volumes are very close to previous peak levels.



**The outlook for 2013**

The year has begun with supply still constrained due to a low number of new listings. In Auckland in particular people are in a vicious cycle where they won’t put their properties on the market until they find a new house, but they can’t find a new house as there are few on the market. With supply low and strong competition for quality properties many would-be buyers are missing out so their houses are not yet on the market. This dynamic would need to change in order for the number of sales to pick up.

With Auckland likely to continue to get more internal and external migration than other parts of the country the demand for housing is not likely to ease in the short term. Values in Auckland are likely to keep rising, particularly in the middle value range. We have already seen values in many of the more expensive suburbs ($900k+ average value) begin to level off.

The Wellington area has suffered in the last few years from a lack of confidence in the housing market, at least in part relating to uncertainty for some around public service restructuring. It is unlikely that mood will change in Wellington in the short term so values are likely to stay relatively flat.

Values in Christchurch and the surrounding areas are likely to keep growing as demand continues to outstrip supply.

The rest of the country looks to remain variable in response to local economic conditions, but in most areas values will remain relatively flat.

The housing market does ebb and flow in response to consumer confidence. In the last few years we have seen a change in confidence in the New Year, either positive or negative, and this has flowed into the property market. Changes in consumer confidence are hard to predict but by the end of February we should have a clearer idea of where the market is heading in 2013.

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| **Residential Property - Monthly price index** |
| Time period: as at December 2012 |
|  |  |  |  |  |  |
|  | **Territorial authority** | **Average current value** | **12 month change%** | **3 month change %** | **Since 2007 market peak change %** |
|  | Far North | 317,887 | 2.5% | 1.0% | -22.0% |
|  | Whangarei | 326,051 | -0.7% | 1.4% | -17.6% |
|  | Kaipara | *307,421* | *-4.3%* | *-1.3%* | *-23.3%* |
|  | Auckland - Rodney | 580,608 | 5.0% | 2.1% | -1.9% |
|  |      Hibiscus Coast | 579,506 | 6.1% | 2.4% | -1.3% |
|  |      Rodney (North) | 580,799 | 3.6% | 1.5% | -3.3% |
| #A | Auckland - North Shore | 703,580 | 9.0% | 3.6% | 9.7% |
|  |      Coastal North Shore | 807,757 | 8.1% | 3.2% | 7.2% |
|  |      North Shore Onewa | 562,274 | 11.3% | 4.3% | 13.4% |
|  |      North Harbour | 676,689 | 8.4% | 3.2% | 11.4% |
| #A | Auckland - Waitakere | 453,636 | 8.6% | 3.2% | 6.5% |
| #A | Auckland - City | 715,408 | 11.0% | 3.1% | 14.7% |
|  |      Auckland City (Central) | 647,449 | 11.7% | 2.2% | 13.7% |
|  |      Auckland City (East) | 885,621 | 8.4% | 3.2% | 11.1% |
|  |      Auckland City (South) | 633,684 | 13.5% | 3.8% | 17.7% |
|  |      Islands | *653,648* | *8.1%* | *3.3%* | *2.2%* |
| #A | Auckland - Manukau | 494,573 | 8.7% | 2.8% | 7.6% |
|  |      Manukau East | 665,119 | 9.7% | 3.5% | 11.6% |
|  |      Manukau Central | 375,009 | 7.4% | 1.7% | -0.2% |
|  |      Manukau North West | 400,735 | 9.0% | 3.0% | 8.5% |
| #A | Auckland - Papakura | 360,476 | 7.0% | 2.2% | 0.2% |
|  | Auckland - Franklin | 401,980 | 6.6% | 2.8% | -0.9% |
|  | Thames Coromandel | 497,632 | 1.5% | 2.3% | -15.0% |
|  | Hauraki | *239,452* | *-0.1%* | -1.4% | -16.1% |
|  | Waikato | 264,524 | 2.1% | 1.9% | -18.4% |
|  | Matamata Piako | 263,408 | 0.5% | 0.9% | -12.0% |
| # | Hamilton | 340,344 | 3.3% | 0.3% | -8.1% |
|  |      Hamilton North East | 421,783 | 3.2% | -0.3% | -6.2% |
|  |      Central City/North West | 320,302 | 2.8% | 0.7% | -10.5% |
|  |      Hamilton South East | 316,448 | 3.2% | 0.3% | -9.5% |
|  |      Hamilton South West | 306,315 | 3.3% | 0.3% | -10.5% |
|  | Waipa | 317,480 | 3.6% | 1.5% | -6.1% |
|  | Otorohanga | N/A | N/A | N/A | N/A |
|  | South Waikato | 135,667 | 0.9% | 0.2% | -16.9% |
|  | Waitomo | *146,364* | *-2.5%* | *2.7%* | *-33.9%* |
|  | Taupo | 352,160 | 1.5% | 2.2% | -13.2% |
|  | Western BOP | 399,575 | 0.7% | 1.5% | -12.2% |
| # | Tauranga | 424,882 | -0.3% | -1.2% | -11.5% |
|  | Rotorua | 269,546 | 1.9% | -1.4% | -13.2% |
|  | Whakatane | 295,839 | -0.6% | -0.6% | -14.8% |
|  | Kawerau | N/A | N/A | N/A | N/A |
|  | Opotiki | N/A | N/A | N/A | N/A |
|  | Gisborne | 222,216 | -5.3% | -2.8% | -26.5% |
|  | Wairoa | *149,141* | -5.3% | -5.4% | -42.4% |
|  | Hastings | 292,391 | 1.5% | 0.2% | -6.9% |
| # | Napier | 316,864 | 0.5% | 0.4% | -7.2% |
|  | Central Hawkes Bay | *209,729* | *-1.0%* | *-1.1%* | *-21.7%* |
|  | New Plymouth | 322,119 | 1.9% | -0.2% | -3.7% |
|  | Stratford | *192,389* | *-1.3%* | *-4.7%* | *-11.5%* |
|  | South Taranaki | 184,582 | 1.5% | 2.8% | -7.1% |
|  | Ruapehu | *143,108* | *-0.1%* | *-3.7%* | *-21.1%* |
|  | Wanganui | 191,416 | 1.0% | 1.4% | -12.7% |
|  | Rangitikei | *149,045* | *0.7%* | *-1.7%* | *-17.1%* |
|  | Manawatu | 231,044 | 1.4% | 1.0% | -9.0% |
| # | Palmerston North | 283,290 | 3.6% | 1.2% | -5.7% |
|  | Tararua | *149,326* | *-3.9%* | *-0.1%* | *-14.3%* |
|  | Horowhenua | 197,163 | -3.7% | 1.3% | -17.5% |
|  | Kapiti Coast | 359,842 | 1.5% | 0.8% | -6.2% |
| #W | Porirua | 369,516 | 2.3% | -0.1% | -3.5% |
| #W | Upper Hutt | 325,023 | 0.5% | -0.7% | -8.5% |
| #W | Hutt | 363,621 | 1.7% | 1.7% | -8.4% |
| #W | Wellington | 516,574 | 1.5% | 0.7% | -3.9% |
|  |      Wellington City & Southern Suburbs | 522,881 | 0.1% | -0.3% | -6.7% |
|  |      Eastern Suburbs | 558,505 | 1.6% | 1.8% | -3.1% |
|  |      North Wellington | 455,294 | 2.3% | 0.8% | -2.3% |
|  |      Western Suburbs | 589,817 | 0.6% | 0.6% | -2.9% |
|  | Masterton | 235,304 | -1.8% | -1.2% | -18.7% |
|  | Carterton | *245,105* | *-0.4%* | *1.6%* | *-11.2%* |
|  | South Wairarapa | *284,751* | *2.2%* | *0.6%* | *-16.9%* |
|  | Tasman | 396,104 | 2.9% | 0.9% | -0.6% |
| # | Nelson | 388,712 | 2.2% | 2.1% | 1.8% |
|  | Marlborough | 337,459 | 1.3% | 0.6% | -13.6% |
|  | Kaikoura | *352,146* | *0.8%* | *3.0%* | *-19.6%* |
|  | Buller | *220,297* | *7.5%* | *-4.9%* | *6.1%* |
|  | Grey | *219,843* | *-1.3%* | *-1.4%* | *-8.8%* |
|  | Westland | *217,054* | *-6.0%* | *-5.2%* | *-12.5%* |
|  | Hurunui | *323,116* | *7.9%* | *2.5%* | *2.1%* |
|  | Waimakariri | 366,147 | 10.9% | 2.0% | 14.8% |
| # | Christchurch | 404,004 | 6.4% | 2.0% | 5.4% |
|  |      East | 312,228 | 4.4% | 1.8% | 0.9% |
|  |      Hills | 569,044 | 7.1% | 2.0% | 2.9% |
|  |      Central City and North | 465,932 | 6.8% | 2.9% | 5.2% |
|  |      Southwest | 372,459 | 8.4% | 1.9% | 9.7% |
|  |      Banks Peninsula | *462,865* | *4.4%* | *2.0%* | *-3.7%* |
|  | Selwyn | 441,251 | 11.4% | 3.5% | 17.0% |
|  | Ashburton | 291,452 | 11.4% | 3.5% | 4.0% |
|  | Timaru | 261,389 | 5.3% | 1.7% | 3.5% |
|  | MacKenzie | *266,225* | *1.1%* | *1.1%* | *-10.0%* |
|  | Waimate | *173,141* | *3.0%* | *-4.3%* | *-9.7%* |
|  | Waitaki | 216,067 | 0.8% | 0.2% | -5.5% |
|  | Central Otago | 296,371 | 3.3% | 0.9% | -6.7% |
|  | Queenstown Lakes | 615,867 | 2.9% | -0.6% | -13.8% |
| # | Dunedin | 279,525 | 2.9% | -0.1% | -2.5% |
|  |      Central/Northern City | 289,944 | 1.7% | 1.6% | -3.9% |
|  |      Peninsula/Coastal Dunedin | 257,398 | 1.7% | -2.5% | -4.9% |
|  |      Southern City | 267,670 | 4.0% | -1.2% | -6.2% |
|  |      Taieri | 286,775 | 3.4% | -1.1% | -2.4% |
|  | Clutha | *158,457* | *-2.3%* | *-6.6%* | *-12.6%* |
|  | Southland | 202,316 | -3.6% | -2.1% | -13.1% |
|  | Gore | 179,501 | 1.0% | -2.9% | 1.5% |
| # | Invercargill | 205,542 | 2.0% | -0.1% | -8.3% |
|  |  |  |  |  |  |
|  | Auckland Area | 608,205 | 9.6% | 3.1% | 11.1% |
|  | Wellington Area | 437,456 | 1.7% | 0.6% | -4.9% |
| # | Main Urban Areas | 483,011 | 6.9% | 1.9% | 5.3% |
|  | **Total NZ** | **423,708** | **5.7%** | **1.5%** | **2.0%** |
|  |  |  |  |  |  |
| **Notes on the above data:** |
| 1. The information included in the above table is based on the monthly property value index. This index is calculated based on the sales data entered into PropertyIQ'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 |

