

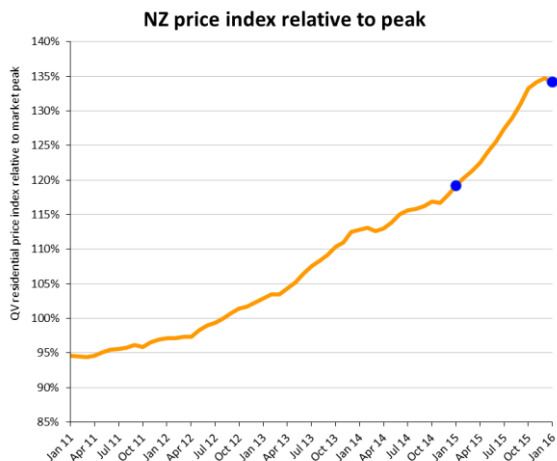
STRICLY EMBARGOED UNTIL 12 NOON 9 FEBRUARY, 2016

Auckland home values edge down while regions rise

The latest monthly QV House Price Index shows that nationwide residential property values for January have decreased by 0.3% over the past month, which is the result of a 0.5% decrease in the Auckland region in the month since December 2015.

However, nationwide values have risen 12.6% over the past year and 0.7% over the past three months. They are now 34.2% above the previous market peak of late 2007. The average value nationwide is now \$556,206. When adjusted for inflation the nationwide annual increase drops slightly to 12.5% and values are now 14.7% above the 2007 peak.

Home values in the Auckland region have also risen 19.8% year on year and 1.2% over the past three months and they are now 70.0% higher than the previous peak of 2007. When adjusted for inflation values are 19.7% over the past year and are 45.2% above the 2007 peak. The average value in the Auckland region is now \$928,921.



QV National Spokesperson Andrea Rush said, "The QV House Price Index shows home values continue to rise in outer fringe Auckland areas of Rodney, Papakura and Franklin, as well as in most other parts of the New Zealand.

"However, for the first time in more than a year values have decreased over the past month in the former Auckland City Council suburbs as well as on the North Shore, in Manukau and Waitakere."

"Wellington values are now accelerating at a pace not seen since before the previous peak of 2007 and there's a shortage of properties listed for sale in the capital with listings levels only half what they were this time last year."



"There is good activity and optimism in both the Christchurch and Dunedin housing markets which continue to see moderate value growth but at a slower rate than in the capital."

"The value decreases in parts of Auckland could be in part due to the seasonal impact of the holiday period and the housing market may pick up in the usually busiest months of the year, February and March."

"However it's more likely to be continuation of the softening in the market we saw following the introduction of new rules by the government and the Reserve Bank to curb investor activity in the Auckland and the restrictions on the flow of capital out of China that occurred late last year."

"It's possible the easing in values in Auckland may be short-lived as the under lying factors driving house prices up remain: record high net migration, record low interest rates and a lack of housing supply."

Auckland

Over the past month we are seeing values in parts of Auckland decrease and the three monthly and annual rates of growth have slowed significantly in comparison to what they were over the past 12 months.

This includes values in the former Auckland City Council suburbs which have decreased 0.3% over the past month; however they increased by 1.2% over the past three months and 17.8% year on year. The average value there is now \$1,092,459.

Waitakere City home values also decreased by 1.5% over the past month and 0.1% over the past three months. However they increased by a total of 21.6% year on year. The average home value in the west is now \$736,745.

Values in Manukau also decreased by 0.4% over the past month but showed a 1.1% increase over the past three months and 23.6% year on year. The average value in there is now \$792,505.

North Shore City saw values decrease by 0.9% over the past month, however they rose slightly by 0.3% over the past three months and were up by 18.6% year on year. The average value there is now \$1,079,445.

Home values in the Papakura District values however continued their upward trend but at a slightly slower rate rising 3.5% over the past three months and 29.1% year on year. The average value there has now ticked over \$600,000 to \$607,837.

Values in the Franklin District also rose by 3.7% over the past three months and 19.9% year on year; while values in the Rodney District continued strongly over the past three months rising 4.6% and they were up by 18.3% year on year.

QV Homevalue Registered Valuer, James Wilson said, "January has seen a continuation of the softening market conditions prevalent in the latter months of 2015, characterised by decreased activity and an easing of some Auckland sub-markets, particularly investor housing stock."



"However, demand for recently constructed dwellings or purchases off-the-plan is still extremely strong particularly for developments which offer smaller layouts such as attached townhouses or apartments as they offer more affordable options for buyers."

"The construction of minor dwellings on sections with an existing home is also on the rise and is a popular method for investors to improve rental returns across their portfolios."

"Buyers must ensure any such additions are consented and be wary of making purchase decisions based on unsustainable or illegal sources of income, such as un-consented construction or flat conversions."

"There is also continued evidence of increased land banking occurring within land zoned 'Future Urban', recent examples of which can be seen in Drury and Karaka."

"The lifestyle market is continuing to strengthen, as buyers who would traditionally seek to purchase residential property, search for lifestyle property further afield from the city centre in order to achieve 'more bang for their buck'."

"QVhomevalue Auckland is seeing an increase in people re-financing against their homes or property portfolios to purchase additional property, complete capital upgrades or free up cash for personal use."

Hamilton

Home values across Hamilton City have continued to rise over the past three months but at a slightly slower rate than the second half of last year. Values were up 4.2% over the past three months and 20.1% year on year. Values in the city are now 23.9% higher than 2007 levels and the average value is \$447,921.

QV Homevalue Hamilton Registered Valuer, Chris Price said, "The Christmas and New Year period in the Hamilton housing market were busier than usual with more buyers' active over the holiday period this year than in 2015."

"There has been a noticeable increase in investors "flipping" homes where they buy a property with the intention of renovating and selling for a profit in a short time frame. This has been particularly prevalent in fringe areas surrounding desirable suburbs within Hamilton and also in Tokoroa."

"There is also a lack of rental properties in Hamilton and we are seeing the construction of an increase in minor dwellings on established properties."

"Builder-developers have purchased a lot of the available bare sections in the city with the intention of building spec-homes to on sell which has resulted in slim pickings for the average buyer looking to build their own home."

"This trend is particularly noticeable in new developments within the Hamilton City suburbs of Flagstaff and Fitzroy."



"In northern Waikato, Pokeno is still very strong with construction and development of Pokeno Estate continuing at a rapid rate while the Huntly and Ngaruawahia markets are also continuing to experience strong demand with good prices being achieved for properties in those towns."

Tauranga

Residential property values in Tauranga City are continuing to accelerate up 8.6% over the past three months and 21.8% year on year. Values there are now 15.7% higher than the previous peak of 2007. The average value in the city is now \$557,313.

Western Bay of Plenty home values are also continuing to rise, up 5.9% over the past three months and 12.0% since January 2015. Values are now 5.4% higher than the previous peak of 2007 and the average value in the district is now \$450,068.

QV homevalue Tauranga Registered Valuer David Hume said, "Early indicators for the 2016 year are that the Tauranga market is continuing on from its strong year in 2015."

"Properties with subdivision potential or those that have been recently refurbished continue to be in strong demand."

"There are a number of frustrated home buyers out there as demand is outstripping supply and this situation was highlighted by people camping outside 'The Coast' sales office last weekend to secure a section in their latest release."

"Rents continue to increase throughout the region fuelled by strong migration to the area and investors looking for a better yield as values increase."

"QVhomevalue has also seen a noticeable increase in people wanting market valuation reports done for the bank so they can refinance and utilise recent equity gains in their properties."

Wellington

The QV House Price Index for the Wellington region shows a steepening upward trend as values in the capital have risen 4.6% over the past three months and 5.9% year on year. The average value across the wider region there is now \$482,716.

Home values in Wellington City area increased by 4.8% over the past three months, 6.6% year on year and they are now 8.9% higher than the previous peak of 2007. The average value there is now \$579,857.

Values in Lower Hutt are up 4.0% over the past three months; Upper Hutt values rose 3.3% over the same period; Porirua home values were also up 3.3% over the past three months while values on the Kapiti Coast also increased by 1.8% since November.

QV homevalue Wellington Registered Valuer Pieter Geill said, "The market has taken off since spring last year and there has been a notable increase in sales and values over the past few months."

"It is slim pickings for buyers with listing levels approximately half of what they were at the same time last year."



"More listings are now coming to market as is usual for February, but not enough meet current demand."

"The first home buyer market is very active across the Wellington region. There is good attendance at open homes and multiple offers are more and more common."

"The change in the housing market has resulted in higher demand for QVhomevalue market valuations from people wanting guidance on what to offer or what to sell for, given values are rising faster than they have for many years."

Christchurch

Home values in Christchurch City rose by 1.7% over the past three months and 2.7% year on year and values in the city are now 27.6% higher than the previous peak of 2007. The average value in the city is now \$484,118. Values in the Selwyn District rose 2.3% over the past three months; while values in Waimakariri were up 1.3% over the same period.

QVhomevalue Christchurch, Registered Valuer Darryl Taggart said, "The housing market seems to have picked up and there appears to be more confidence in the market now than there was at the end of 2015."

"In terms of values, they have not risen significantly over the past 12 to 18 months however there have been some solid prices achieved particularly at the high end of the market recently so values are holding."

"We are noticing a higher vacancy rate in rental properties and rents have shown a decreasing trend over the past 18 months following the over-inflated rental market that was occurring following the earthquakes."

"Rents however remain higher than they were prior to the earthquakes however it's likely that any investors who banked on the inflated rents for their rental returns may be finding their yields are lower than expected now that rents have come down."

Dunedin

Home values in Dunedin are continuing to show steady increases up by 2.8% over the past three months and 6.1% year on year. Values are now 8.6% above the previous peak of 2007. The average value in the city is now \$310,887. Dunedin Central and North values were up the most, rising 8.0% year on year.

QVhomevalue Dunedin Registered Valuer, Duncan Jack said, "In comparison to the last few years, the housing market is buoyant and there is a very positive feel around the city."

"There are lots of buyers around but listings are a bit light with agents on the lookout for new stock."

"Low interest rates are definitely helping people with mortgage affordability and first home buyers are always a big component in Dunedin and that section of the market remains strong."



"We are also hearing of out-of-town buyers, both owner occupiers and investors who are becoming active in the Dunedin market. This sector of the market is possibly looking to capitalise on the attractive yields the city offers relative to some of the other main centres."

"Multi-offer scenarios are very common, and we are seeing more properties being sold by auction or with deadlines on offers by negotiation."

Provincial centres

In the North Island, the over flow effect of Auckland's recent price hikes is still prevalent with values in surrounding regions seeing significant value increases over the last few months including in Whangarei where home values are now showing an acceleration in growth, up 6.1% over the past three months; the Waikato District also rose a whopping 9.2%; Otorohanga District was also up 7.8%; Matamata-Piako rose 6.6%; and the Hauraki District was up 5.7% over the same three month period.

The only place apart from some areas of Auckland to show a decrease in values over the past three months was Gisborne where values decreased slightly by 0.2% over the past three months.

In the South Island, Queenstown Lakes District saw values increase the most, up 5.2% over the past three months; followed by the nearby Clutha District where values rose 4.2% over the same period. The only parts of the South Island to show a decrease in residential property values over the past three months were the West Coast districts of Buller (down 4.8%); Grey (down 6.0%); and Westland (down 2.4%) and also the Hurunui District where values decreased by 2.4% since November.

The full set of QV House Price Index statistics for January 2016 is attached and can be downloaded on qvgroup.qv.co.nz

A video clip with commentary on market by Andrea Rush is also available by click this link: [QV House Price Index January 2016 video commentary by Andrea Rush](#).

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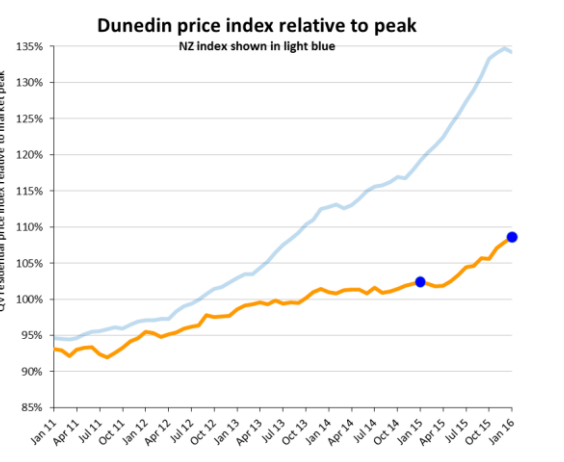
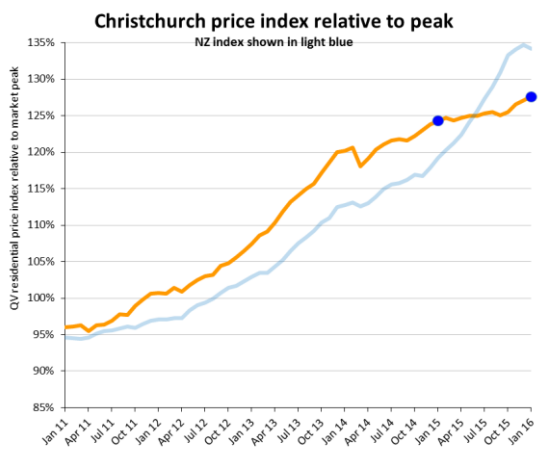
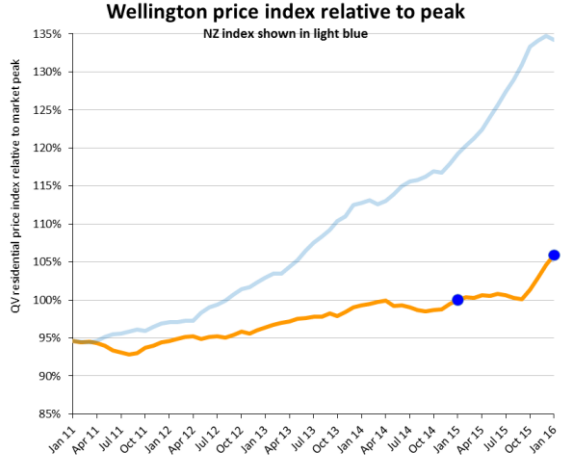
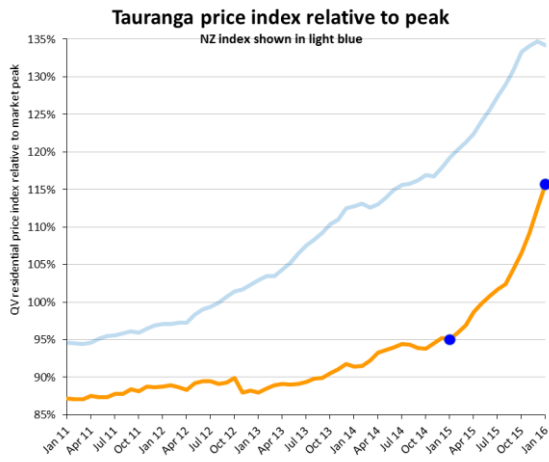
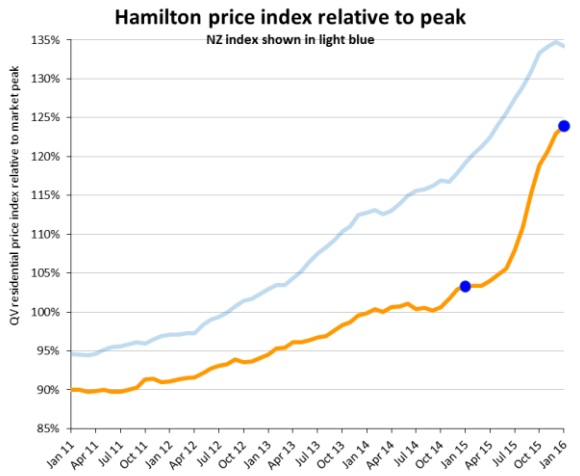
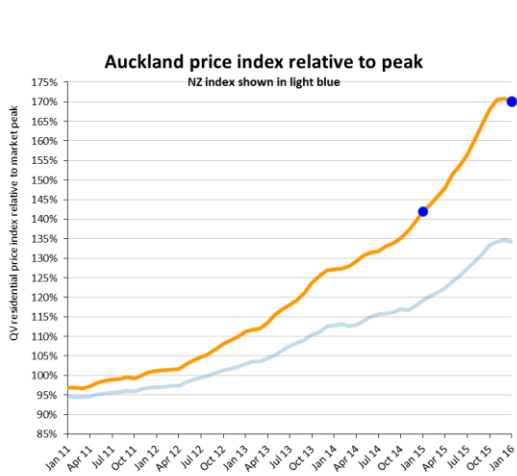
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QV House Price Index					
Time period: January 2016					
	Territorial authority	Average current value	12 month change %	3 month change %	Since 2007 market peak change %
	Auckland Region	928,921	19.8%	1.2%	70.0%
	Wellington Region	482,716	5.9%	4.6%	5.9%
#	Main Urban Areas	664,401	14.1%	0.0%	44.6%
	Total NZ	556,206	12.6%	0.7%	34.2%
	Far North	328,622	5.4%	1.9%	-17.5%
	Whangarei	386,876	13.9%	6.1%	-2.4%
	Kaipara	368,580	6.2%	1.6%	-7.1%
	Auckland - Rodney	820,973	18.3%	4.6%	40.0%
	Rodney - Hibiscus Coast	805,596	17.0%	4.6%	37.2%
	Rodney - North	839,796	19.8%	5.0%	39.8%
# A	Auckland - North Shore	1,079,445	18.6%	0.3%	67.3%
	North Shore - Coastal	1,225,307	18.0%	-0.5%	62.6%
	North Shore - Onewa	873,257	18.1%	0.4%	76.1%
	North Shore - North Harbour	1,055,300	20.8%	2.3%	73.7%
# A	Auckland - Waitakere	736,745	21.6%	-0.1%	73.8%
# A	Auckland - City	1,092,459	17.8%	1.2%	75.5%
	Auckland City - Central	951,529	18.8%	1.8%	67.1%
	Auckland_City - East	1,365,024	17.1%	1.5%	71.3%
	Auckland City - South	989,829	18.2%	0.5%	83.9%
	Auckland City - Islands	902,779	13.7%	1.8%	41.2%
# A	Auckland - Manukau	792,505	23.6%	1.1%	73.1%
	Manukau - East	1,016,882	20.9%	1.1%	70.6%
	Manukau - Central	615,402	26.5%	0.3%	63.7%
	Manukau - North West	675,355	25.6%	1.9%	82.8%
# A	Auckland - Papakura	607,837	29.1%	3.5%	69.0%
	Auckland - Franklin	584,173	19.9%	3.7%	47.7%
	Thames Coromandel	552,458	7.8%	2.3%	-5.0%
	Hauraki	275,990	14.3%	5.7%	-1.1%
	Waikato	352,992	21.2%	9.2%	16.6%



	Matamata Piako	313,960	11.3%	6.6%	7.6%
#	Hamilton	447,921	20.0%	4.2%	23.9%
	Hamilton - North East	565,063	20.1%	4.3%	25.7%
	Hamilton - Central & North West	422,465	22.1%	5.8%	18.0%
	Hamilton - South East	408,703	19.1%	3.3%	16.9%
	Hamilton - South West	396,669	20.6%	4.4%	15.9%
	Waipa	396,966	13.0%	5.5%	20.6%
	Otorohanga	N/A	N/A	N/A	N/A
	South Waikato	142,150	9.2%	0.5%	-12.9%
	Waitomo	151,970	0.1%	3.2%	-28.4%
	Taupo	368,172	8.2%	4.0%	-8.1%
	Western BOP	475,068	12.0%	5.9%	5.4%
#	Tauranga	557,313	21.8%	8.6%	15.7%
	Rotorua	295,241	8.9%	2.5%	0.5%
	Whakatane	313,353	4.1%	3.8%	-9.9%
	Kawerau	112,468	10.8%	10.5%	-29.4%
	Opotiki	N/A	N/A	N/A	N/A
	Gisborne	231,755	3.0%	-0.2%	-22.1%
	Wairoa	148,479	1.8%	0.8%	-39.3%
	Hastings	323,895	8.3%	2.9%	3.9%
#	Napier	348,348	6.0%	3.9%	2.4%
	Central Hawkes Bay	225,326	9.1%	6.0%	-15.0%
	New Plymouth	373,648	4.9%	2.0%	13.0%
	Stratford	212,980	6.7%	0.4%	-2.6%
	South Taranaki	191,636	5.5%	2.7%	-3.1%
	Ruapehu	133,977	-3.7%	0.3%	-25.7%
	Whanganui	191,516	5.4%	4.8%	-14.5%
	Rangitikei	149,959	3.1%	4.2%	-17.1%
	Manawatu	255,829	6.0%	2.9%	0.6%
#	Palmerston North	302,848	4.1%	1.9%	1.5%
	Tararua	157,146	2.5%	6.6%	-10.9%
	Horowhenua	216,862	5.9%	3.8%	-8.8%
	Kapiti Coast	393,276	3.6%	1.8%	2.7%
# W	Porirua	398,937	5.3%	3.3%	4.4%
# W	Upper Hutt	350,074	5.1%	3.3%	-0.4%
# W	Hutt	390,724	4.6%	4.0%	-0.4%
# W	Wellington	579,857	6.6%	4.8%	8.9%
	Wellington - Central & South	583,374	4.8%	3.4%	4.1%
	Wellington - East	631,237	6.8%	7.0%	9.5%



	Wellington - North	510,485	7.6%	4.9%	9.5%
	Wellington - West	671,069	8.7%	5.3%	10.5%
	Masterton	243,862	3.0%	2.7%	-14.7%
	Carterton	272,409	2.2%	3.9%	-2.2%
	South Wairarapa	320,459	7.2%	5.2%	-5.3%
	Tasman	436,054	3.8%	1.3%	8.6%
#	Nelson	436,735	6.7%	2.7%	14.0%
	Marlborough	369,532	6.7%	3.0%	-5.2%
	Kaikoura	361,772	3.0%	0.5%	-16.2%
	Buller	185,544	-7.4%	-4.8%	-9.7%
	Grey	198,600	-9.6%	-6.0%	-18.8%
	Westland	226,304	-2.5%	-2.4%	-5.7%
	Hurunui	356,507	3.0%	-2.4%	14.1%
	Waimakariri	420,339	1.3%	1.3%	31.3%
#	Christchurch	484,118	2.7%	1.7%	27.6%
	Christchurch - East	368,302	4.7%	2.0%	19.0%
	Christchurch - Hills	654,145	4.7%	2.9%	18.3%
	Christchurch - Central & North	567,761	2.3%	1.4%	28.2%
	Christchurch - Southwest	459,226	1.4%	1.3%	35.3%
	Christchurch - Banks Peninsula	494,588	2.5%	3.6%	2.9%
	Selwyn	527,063	2.6%	2.3%	41.3%
	Ashburton	341,256	4.2%	2.0%	21.9%
	Timaru	313,257	7.2%	0.4%	24.8%
	MacKenzie	331,697	8.6%	2.5%	15.8%
	Waimate	213,070	2.8%	2.8%	13.0%
	Waitaki	232,215	4.7%	0.4%	1.7%
	Central Otago	346,710	8.5%	3.0%	9.4%
	Queenstown Lakes	790,112	13.3%	5.2%	14.9%
#	Dunedin	310,887	6.1%	2.8%	8.6%
	Dunedin - Central & North	326,612	8.0%	3.6%	8.3%
	Dunedin - Peninsular & Coastal	283,655	4.9%	3.9%	4.8%
	Dunedin - South	293,108	5.0%	2.5%	2.7%
	Dunedin - Taieri	319,615	4.9%	1.6%	8.8%
	Clutha	169,549	5.0%	4.2%	-6.4%
	Southland	215,761	5.9%	3.0%	-6.3%
	Gore	186,949	2.4%	1.0%	6.4%
#	Invercargill	215,487	4.2%	0.7%	-2.3%
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 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