



## PROFESSIONALLY SPEAKING | FEBRUARY EDITION

### First-home buyers make up nearly a third of all sales in Wellington



Wellington's first-home buyers are making up a record third of all sales as the average price surges to \$582,322.

The latest QV House Price Index shows prices rose 20.6 per cent in the Wellington region over the past 12 months, compared with a more subdued national increase of 13.5 per cent to an average of \$631,302.

Values in regions near Wellington such as the Kapiti Coast, Horowhenua and South Wairarapa have risen between 5 per cent and 7 per cent since November, as those priced out of the Wellington market look further out for affordable property.

QV home value registered valuer David Cornford said first-home buyer activity surged to record high levels at 30 per cent of all sales in the capital.

"Positive net migration into Wellington, relatively low interest rates and a continued shortage of

listings supply on the market are all factors which indicate the Wellington property market is likely to continue to perform well in 2017," he said.

"Rising house prices and strong demand for property has led to a shortage of rental stock in Wellington and rents have surged around 10 per cent over the last year.

"It's not uncommon to have 20-plus groups inspect a rental property and many landlords are asking applicants to submit a highest bid as part of the application process."

Mainly low interest rates and record high immigration were driving the charge, with a surge in investors from Auckland buying up in Wellington, where investment yields were still strong.

"Wellington has been very undervalued for quite some time, and we are only playing catchup.

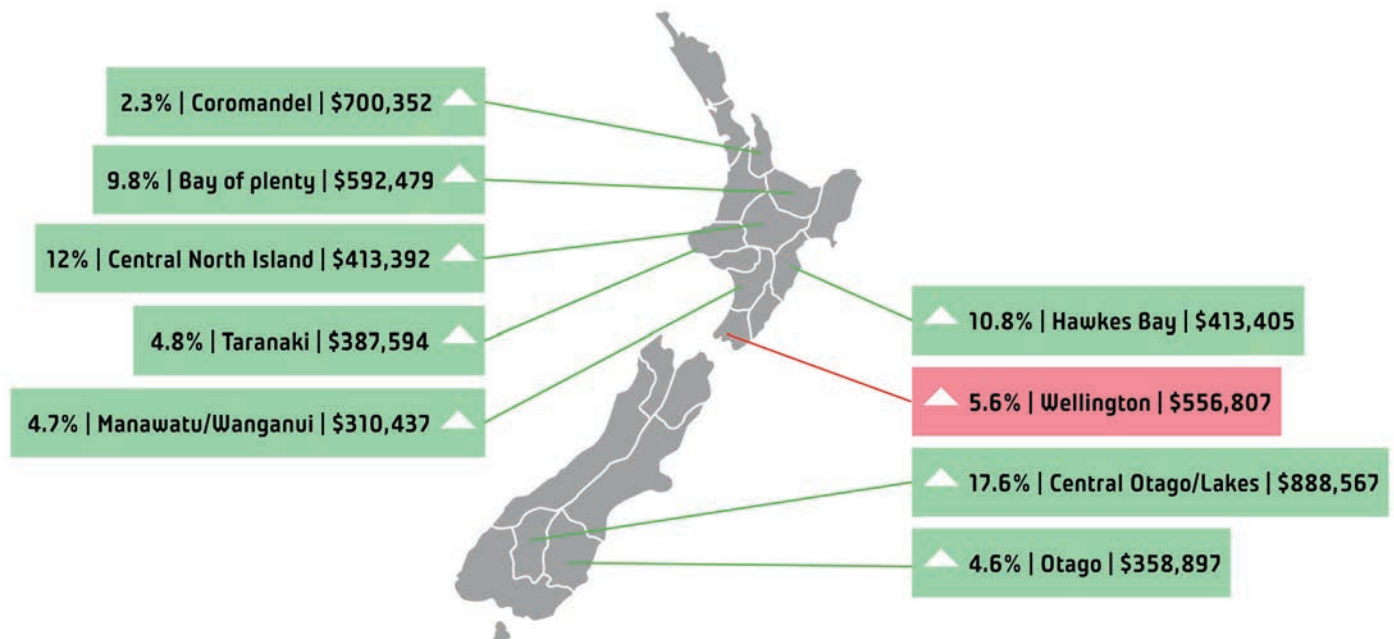
"First-home buyers have been armed with government grants up to \$20,000, combinable with KiwiSaver funds – which many have built up to significant amounts now – resulting in a large influx of first-home buyers having the necessary funds for a deposit on their first homes."

Values around the region are now 27.8 per cent higher than in the previous peak of 2007.

Source Stuff.co.nz



## Property market heats up across the regions - but Auckland isn't one of them



Nine out of 19 regions in New Zealand recorded an all-time high asking price in January, while prices in Auckland remained static.

"Several regions recorded spikes in the average asking price in January, most notably Central Otago/Lakes, where a 17.6 per cent increase saw the average asking price reach \$888,567.

"While the national average asking price climbed just 1.1 per cent last month, this is still an all-time high of \$624,709. However, the full set of statistics would suggest that seasonality is still in full swing," says realestate.co.nz CEO Brendon Skipper.

Real-time market statistics from realestate.co.nz show that Central Otago/Lakes recorded the biggest average asking price increase, followed by Central North Island at 12 per cent (\$413,392), Hawkes Bay at 10.8 per cent (\$413,405) and Bay of Plenty at 9.8 per cent (\$592,479).

"Wellington is always an interesting market to watch and in January was another region showing an all-time high in terms of asking price at 5.6 per cent (\$556,807). However, it's looking light

in terms of listings with only six weeks' worth of inventory, compared to 16 weeks in Auckland," says Brendon.

Other upward movers included Taranaki at 4.8 per cent (\$387,594); Manawatu/Wanganui up 4.7 per cent (\$310,437); Otago up 4.6 per cent (\$358,897) and Coromandel up 2.3 per cent (\$700,352).

"At this point it's too early to tell if this upward spike will be a trend for 2017," says Brendon.

The average asking price in Auckland in January was \$943,002 compared with the previous month at \$949,898.

"In Auckland it's too early to say whether asking prices have been affected by the traditional seasonality, as the asking price remained quite static in January. However, new listings are up 5.5 per cent compared to January 2016. We have seen another drop in demand in Auckland, down 25.39 per cent, meaning buyers can approach the market with more choice," says Brendon.

Source REINZ – Monthly Property report for Jan 2017

