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OneRoof
PROPERTY REPORT

FEAR AND LOATHING IN THE HOUSING MARKET

WHY 2022 IS PUTTING THE SQUEEZE ON EVERYONE

PLUS: Affordable NZ? *How the boom shook up your city* ***Cooling off:*** *New values for every suburb*

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OWEN VAUGHAN
Note from the editor

Have the Government and Reserve Bank gone too hard and too fast in their efforts to cool the housing market? There will no doubt be many who believe they haven't done nearly enough to stop runaway house prices - and a look at our affordability maps inside would certainly reinforce that view. But three interest rate rises and tougher credit controls have made buying a house all-but impossible for the very people we want to get onto the housing ladder. The Government, to its credit, has softened its CCCFA legislation, but further rate rises are on the cards, and while rising house prices have been a source of stress for Kiwis, a sharp drop in prices would be stressful for many people too.

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INSIDE

Expect 2022's house price correction to be short-lived

Further sharp declines are unlikely, but restraining factors are at play in the market, writes **TONY ALEXANDER**

"THE LARGE BACKLOG OF FRUSTRATED BUYERS WILL REMAIN ENGAGED WITH THE MARKET, WAITING FOR SIGNS OF STABILITY TO RE-ENTER THE AUCTION ROOMS."

IN JUNE last year a net 9% of the mortgage advisers I survey each month with mortgages.co.nz said that banks were more willing to lend for property purchases. This was a big improvement on the sentiment in February 2021, when LVRs were reintroduced and a net 47% said lending was harder to get.

The turnaround in sentiment, however, proved short-lived. In July 2021 a net 14% said things were getting tougher; in September it was a net 56%, and in December it was a net 93%.

These numbers tell us that the credit crunch started in July last year, initiated partly by some banks introducing debt to income restrictions ahead of any mandate by the Reserve Bank. The credit crunch then deepened as banks started cutting low deposit lending in anticipation of the amount they could do so falling from a maximum 20% of all home lending from November 1 to 10%. During November itself banks realised that unless they took drastic action, they would risk breaching the limit and that is when we saw a wave of pre-approvals to young buyers in particular being cancelled.

But the credit crunch really got deep-seated in December when the CCCFA changes came into force. The Government has announced it will soften some of amendments made to the act but the lesson to young buyers over the last three months has been that they needed to show strong spending restraint and high spare income each month for the previous three months to get a mortgage.

That is why the credit crunch has been at its worst over the summer period. Young people have been cutting their spending to get those statements and we can anticipate that fairly soon those who have completed the process will re-engage with the housing market as buyers (and that more buyers will do so once the Government's CCCFA U-turn comes into effect in June).

Does this mean that nationwide falls in prices over December and January will soon reverse? No, but repeats of the 1.5% then 1.1% declines are not highly likely and smaller average monthly decreases look likely through 2022 with a general flat price trend eventually settling in.

One restraining factor will be the ongoing difficulty which older borrowers are likely to find accessing finance. Banks have to take into account likely future income for debt servicing purposes under the new legislation. For anyone over 50 that means assuming retirement at 65 and allowing for a sharp reduction in income for most. This impediment to financing of older buyers is unlikely to change much when the legislation gets slightly tweaked this year.

The more obvious restraining factor is the increase in interest rates. The Reserve Bank has increased its official cash rate from 0.25% to 1.0% and projects a rise to 3.25% come the middle of 2023. Once completed, this series of rate rises will see floating mortgage rates peak above 6.5% and the likes of the often-popular one-year fixed rate get close to and perhaps above 6%.

These rates are still very low by standards of all the past four decades apart from the past seven years. We had such rates in place over 2014-15 and back then average NZ house prices rose by 9% and 14% respectively.

However, there are other restraining factors on prices also in play. House supply is booming, the opening of the borders will likely see a lot of young Kiwis shift offshore for higher incomes, and the fast increase in people's cost of living will denude money left over for building a deposit.

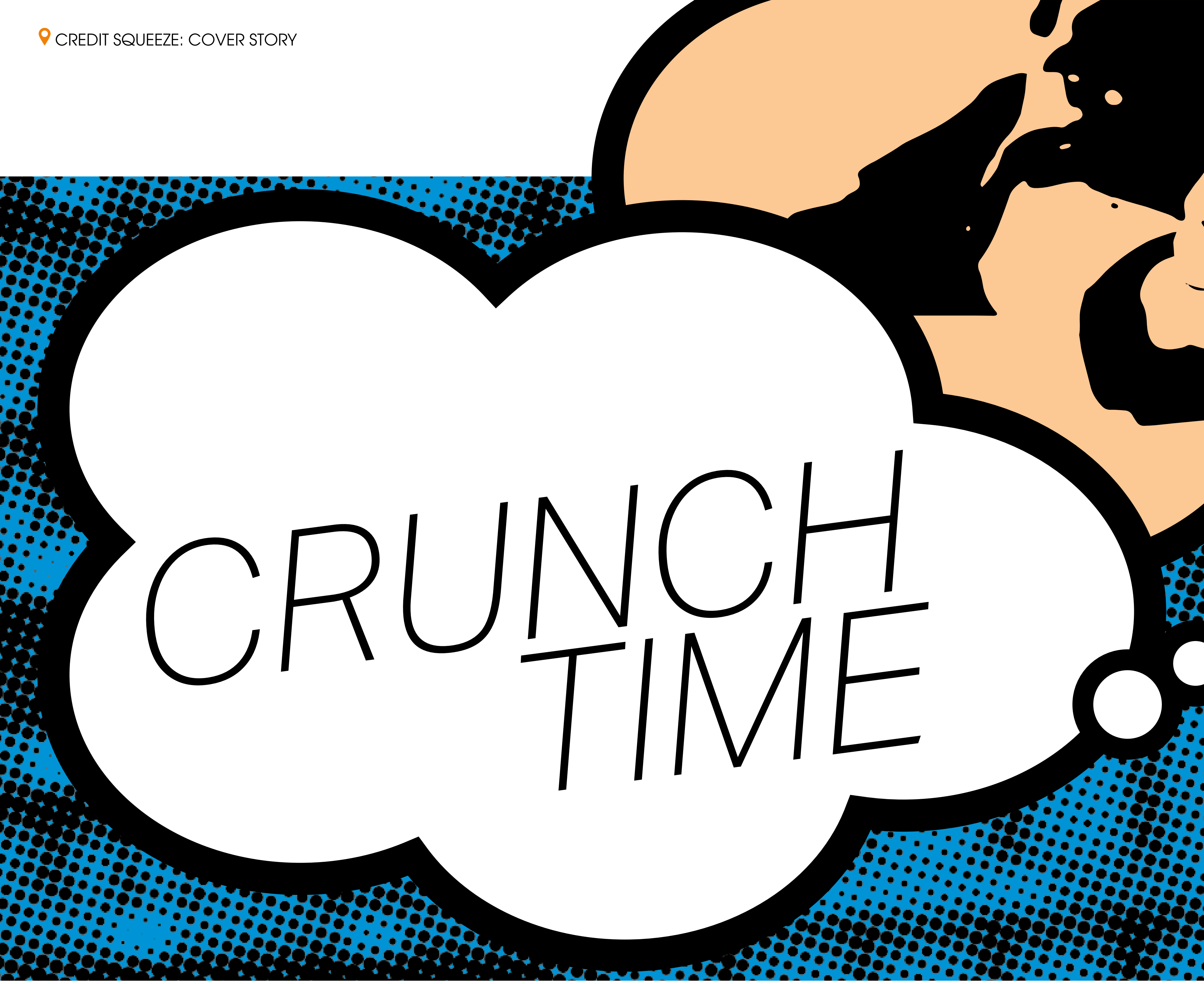
Finally, FOMO – fear of missing out – has gone and in January we entered into a buyer's market. We can see that from the monthly survey of real estate agents I run; in late January only 22% of agents, a record low, felt that buyers were displaying FOMO, and a net 8% said that sellers were now more motivated to get a transaction completed than buyers.

So is it all downhill for prices from here? Not really. Economics is all about equilibrating and stabilising forces which can come into play when everything seems to be moving in the one direction. Amongst those forces now we have rising construction costs, which will keep many buyers looking at the now growing number of listings for existing properties.

Also, based on an excessive belief that property shortages exist all around New Zealand, many people have set up their own development projects. A large number of such projects will be cancelled this year.

Finally, and most importantly, the outlook for labour demand in New Zealand is good. High job security is a key factor which will keep people interested in buying a home and servicing an existing mortgage. Ultimately, this will mean the large backlog of frustrated buyers which has built up over the past few years will remain engaged with the market, waiting for signs of stability to re-enter the auction rooms. Until then, we have a short-lived period of price correction back from the unsustainable levels of late-2021 to get through.

• Tony Alexander is an independent economist. Additional commentary from him can be found at www.tonyalexander.nz



CRUNCH TIME

A deepening credit squeeze is making it harder to get a mortgage, with regulators and banks cranking up the restraints on a rampant housing market and rising inflation. **CATHERINE MASTERS** reports on a worsening situation for first home buyers.

AT THE end of 2020, the Reserve Bank advised the main trading banks it could bring in negative interest rates. A little more than a year later and the housing scene has changed dramatically.

This year is looking like the year of the big squeeze, with pressure on pockets coming from every direction – rises in inflation, interest rates and rents are all coming on the back of a near 30% annual rise in house prices.

Filling the car is costing more; filling the supermarket trolley is costing more; saving for a deposit for many is harder and the deposit required is bigger because house prices have shot up so much across the nation.

Coupled with much tougher bank lending through the CCCFA (Credit Contracts and Consumer Finance Act) and deposit size restrictions, some agents are already reporting far fewer buyers and say some of those left looking are getting desperate.

One mortgage broker in south Auckland told how people who might have saved hard for a 10% deposit were resorting to non-bank lenders to loan them an 80% mortgage, with that lender then topping the remainder up with a personal loan.

While the interest charged is much higher than a bank it's still cheaper than renting, he said.

Another agent reported some sellers who took advantage of the huge sums being paid last year by developers - by agreeing to super-long settlements – are now being caught out, with deals expected to fall through, partly because developers can no longer get the funding.

The game has changed so much so quickly, especially in the first home buyer market. Another agent predicts up to 30% of real estate agents who joined during the lucrative Covid boom will quit the industry this year.

So what happened in the space of a year? Economists and policy-makers point to various reasons, including the expectation this time last year that inflation would be more like 2.5% to 3%, rather than the almost 6% it is now.

"Pushing up to 4% or 5% felt like a pretty extreme scenario, let alone pushing up to the 6%-plus that we might be seeing as well. It's almost like the models can't cope with what's being thrown at them, really," says Infometric's Gareth Kiernan.

Interest rates, too, have risen much faster than expected, plus a year ago the housing market was so strong that there was a lot of pressure on the Government and the Reserve Bank to do what they could to alleviate those galloping prices.

The economy also bounced back harder and faster than expected after the lockdowns, but now we are in a period of rapid inflation being seen globally.

Of all the measures the Government has put in place, such as LVRs, none come close to the impact the CCCFA is having, where banks have to be responsible lenders or face potential fines, the experts say.

The Act was never intended to curb the housing market but to stop the likes of payday loan sharks taking

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advantage of low-income borrowers who spend an eternity paying back a small loan – one case mortgage broker Rupert Gough came across was a man loaned $1000 "by someone with a gmail address" who was having to pay back $300 a month.

There have been many reports of people being turned down for a mortgage for spending too much on so-called luxury items as banks go through their statements line by line.

As the outcry mounted, David Clark, the Minister of Commerce and Consumer Affairs, ordered a review of how the Act was being implemented and then on March 11 announced that the Government was tweaking the legislation.

Clark said the softening of the CCCFA rules, which will come into effect in June, would allow more otherwise credit-worthy borrowers to get a mortgage.

"The amendments we are making are informed by the feedback I received from banks, other lenders and consumers and sit comfortably within the intent of the Act," he said.

"These initial changes ensure borrower-ready Kiwis can still access credit while we continue to protect those most at risk from predatory and irresponsible lending."

OneRoof asked Clark back in February if the damping down of the housing market frenzy was an unintended consequence of the legislation. He said banks, the Opposition and the Government were all on the same page when it came to supporting the intention of the CCCFA: "We want to stop vulnerable people from finding themselves in unaffordable debt."

The intention behind the CCCFA was not to make it unnecessarily hard for first home buyers, Clark said, and he noted that commentators had attributed the damping down of the housing frenzy to a range of factors.

Finance Minister Grant Robertson told OneRoof that the Government's actions had been taken in response to an unprecedented economic shock, and to keep New Zealanders safe and protect livelihoods.

"The uncertainty created by the fast-evolving nature of the virus has meant we have constantly altered our response to the situation as it has emerged.”

He also said higher inflation was a global phenomenon, with much of it related to Covid, including supply chain disruptions and rising international shipping costs pushing up prices of building materials, petrol and other imported goods.

“The Treasury and Reserve Bank expect inflation will ease over 2022 towards the Reserve Bank’s 1% to 3% target band,” he told OneRoof in February.

The housing market, Robertson said, had been driven by demand outstripping supply - a decades-long problem the Government is addressing through a number of actions to reduce the shortage, with record house building and consents being seen in recent times.

“However, tackling long-standing issues to deliver a more sustainable housing market are complex, and no one thing alone will fix it.”

Kiernan, Infometrics’ chief forecaster, said this year was a different beast to the last two.

Households came through well during the first two years of the pandemic because of the low interest rates, which made servicing mortgages less onerous, but mortgage rates are now heading in the other direction and pretty much everything is more expensive.

On the other hand, banks have been plugging 6% interest rates into their calculations when deciding whether to lend so the fact that the rate has lifted from 2.5% to four% will squeeze discretionary spending but the mortgage should still get paid.

And with low unemployment, people should keep their jobs.

Kiernan pointed out that while the CCCFA had made it very tough for people trying to get a house, the irony was it looked like being the most effective measure to quell house price inflation and cramp down on buyer demand.

“… when you’ve been going through a situation where you’ve got an affordability crisis in the housing market, it’s probably a bit nice for the Government that it has actually found something that’s dampened things down a bit.”

The LVR changes would still have a bit of an impact, he said, but they would pale in comparison to the crunch in lending.

The rising interest rate environment made it harder for first home buyers to service a mortgage anyway, he said.

New builds are exempt so buyers can sometimes get a 5% deposit, but for an $800,000 mortgage the size of the deposit doesn’t matter if the bank won’t write the loan, Kiernan said.

The spin-off is those who can’t afford to buy in the cities heading out to the regions and inflating prices there. This makes it harder for locals to buy, and because rents have also pushed up as people are forced out of larger cities it’s harder to rent, too.

State house waiting lists in some of those provincial areas have risen the fastest “because those are the people that end up being at the bottom of the pile”.

“There’s no housing available for them at a price they can afford,” said Kiernan.

The big concern is rising inequality. “Unless the Government or policy-makers engineer a massive slowdown or correction you’re not going to resolve that inequity for 20 or 30 years,” he said.

Kiernan doesn’t think, though, the market will crash any time soon, despite the pressures. The most negative of the range of forecasts is about a nine% fall over the next two years, but he points out there’s been a 40%-45% rise in prices over the last two years.

“Even with the most pessimistic forecast you’re not talking about really a correction in property prices compared to where they’ve come from.”

KiwiBank’s chief economist, Jarrod Kerr, agrees that this is the year the wind comes out of the housing market.

The consequences of the CCCFA weren’t thought through, he said, but one of his big frustrations is the attention that’s always focused on curbing demand when demand is not the problem – the real problem is the chronic shortage and supply of housing.

If the country had invested properly in access to housing through building, infrastructure and the supply of land, the country would not be in this position, he said.

“House prices would not have gone up 30% in the last year and home-ownership rates would be higher. People wouldn’t be taking out $1m mortgages. they would be a lot less, and I think a lot of that is the supply of land and the supply of affordable homes.”

Other factors that will be at play this year could include high absenteeism from Omicron through people having to isolate, which will impact nearly all industries.

“It will be a tough year, confidence won’t be what it was, people will be uncertain about the future – but we will wake up this time next year and I’m pretty confident the New Zealand economy will have performed reasonably well and the housing market won’t have collapsed.”

Kerr said the five-year outlook for the housing market was not that bad, but that comes with a caveat.

The low population growth with the borders closed has given room for supply to catch up a bit and the market should become more balanced, which is a win for everyone, he thinks.

While the country should have addressed housing supply much earlier than it has, Kerr does not see generations being shut out of homeownership – but that’s only if the right-priced homes are built.

Kerr said New Zealand needs a “massive” supply of $500,000 homes, not $1m homes.

Without those affordable homes being built, home ownership will remain a dream for many.

The biggest challenge first home buyers face is saving a deposit, and where $200,000 might be out of reach, $100,000 might be doable. “You need to make that $200,000 deposit $100,000 - and that’s buying a $500,000 home rather than a $1m home,” Kerr said.

Telling people to save more is tinkering around the

Finance Minister Grant Robertson says “no one thing alone” will fix the issues affecting the housing market. Photo / Getty Images

KiwiBank chief economist Jarrod Kerr says the real problem is the real problem “the chronic shortage and supply of housing”. Photo / Supplied

“IT WILL BE A TOUGH YEAR, CONFIDENCE WON’T BE WHAT IT WAS, PEOPLE WILL BE UNCERTAIN ABOUT THE FUTURE – BUT WE WILL WAKE UP THIS TIME NEXT YEAR AND I’M PRETTY CONFIDENT THE NEW ZEALAND ECONOMY WILL HAVE PERFORMED REASONABLY WELL AND THE HOUSING MARKET WON’T HAVE COLLAPSED.”
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edges – the real problem is the lack of those $500,000 homes to buy, he said.

Independent economist Tony Alexander said reality checks were on their way for various sectors of the market and that first home buyers also have possible Debt to Income Ratios to look out for if the Reserve Bank brings those in.

Investors will have a rude awakening in April with the tax changes that will take place around their ability to deduct the interest payments on their properties and therefore limiting their cash flow.

Limited cash flows for investors means upward pressure on rents, and Alexander thinks an acceleration of rent rises will come. "That's a vicious cycle for first home buyers trying to save a deposit, along with inflation, higher interest rates and more expensive homes over the last two years," he said.

The sellers' market is now a buyers' market, he says, but from the buyer frenzy disappearing rather than prices crashing.

Anyone who held off selling so that they could get a "ridiculous" price for their house has missed the peak and need to get more realistic, but buyers have missed out too, unless they bought at the start of 2020.

Builders are also likely to feel the pain because while they are going strong, that doesn't mean they will make a profit with labour and materials in short supply and finance harder to get, Alexander said.

And Kiwis probably generally under-estimated the period of time during which interest rates would be low.

Alexander said he "jumped up and down like an idiot" when the five-year rate was at 2.99%, advising people to lock in because that environment couldn't last. But people were swept up in the Covid-related FOMO (fear of missing out) and the weirdness of having a global pandemic.

ASB senior economist Nick Tuffley said inflation was outstripping wage growth, at least in the short term, which means people's purchasing power is being eroded by the cost of living faster than incomes going up.

The housing cycle was definitely turning, he said, with prices likely to fall slightly this year and with further interest rate rises likely to come.

Anyone with property debt is likely to be impacted at some stage but it's discretionary spending that might be stretched because most people who bought when the rate was lower did so with a 6.5% calculation buffer.

And many people probably can hunker down and tighten their belts because they have already bought most of the working-from-home goodies and new items they wanted, he said.

"There are only so many fridges, TVs, cars and motorbikes we can keep piling up."

TALES OF FRUSTRATION FROM THE MORTGAGE FRONTLINE

The CCCFA punished first home buyers for takeaway coffees and trips to Kmart. **DIANA CLEMENT** reports.

LESS than four months after the changes to the Credit Contracts and Consumer Finance Act come into force, and sparked widespread criticism, the Government has reversed course. It's clear why.

The law, which was designed to protect vulnerable people from rogue lenders, saw scores of Kiwis turned down for mortgages, with figures from credit bureau Centrix showing mortgage lending had dropped by nearly a third since December.

Squirrel Mortgage Brokers executive officer John Bolton launched a petition calling on the Government to amend the updated act, which he described as "reckless and dangerous".

When Katrina Shanks, chief executive of Financial Advice New Zealand, contacted her members about the act at the start of the year she was inundated with stories of hardship and frustration.

One such tale was of an airline pilot, who with his partner had a baby and had applied for a $15,000 top-up of their home loan for a new heating system in their home.

"They had strong equity and income," Shanks said. "He received a meal allowance as he travels to different locations. The bank's analytical bank statement system picked up that he had large number of coffees and takeaways. It declined the loan and said to come back in three months when the borrower could show they had stopped spending so much.

"The prescriptive matter of the new regulations meant there was no consideration for their circumstances. No consideration that his wife would go back to her job in six months, or that a maternity payment or Working for Families could be applied."

Since December 1, the CCCFA has fast overtaken smashed avocado and greedy investors as the top reason many first home buyers are locked out of the market.

Lenders have been required to scour through customer statements and scrutinise spending, said Loan Market mortgage advisor Aaron Cooke. "To protect vulnerable borrowers, the onus has been on the lender to ensure they have accurately checked the clients' expenses."

The proportion of mortgage loan applications successfully converted into new home loans significantly reduced from 39% in October 2021 to just 27% in January, according to figures from Centrix and new figures from CoreLogic show that first home buyers' share of purchases has slid from from 26% in late 2021 to 23% now.

The irony is that mortgage arrears have dropped significantly in the past two years. Centrix chief executive Keith McLaughlin pointed out that New Zealand had already imposed measures to protect borrowers. "We introduced comprehensive credit reporting, which gave lenders far more information

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[about how borrowers handle their money]. Then we had the Responsible Lending Code [in 2015], which put the onus on lenders to make sure that they've gone through due diligence. If you go back to January 2020, arrears were 1.5% of mortgages. Today it's 0.9%."

New Zealand's arrears situation was already better than that of Australia even before the tightened CCCFA rules came in, said Shanks. "If you look at the ANZ home loans arrears in New Zealand, it's 0.5% of their portfolio. That's half the rate of ANZ's Australian home loan arrears. There's no evidence [the CCCFA] needed to be changed."

The sudden handbrake on mortgage and consumer lending is unprecedented, according to McLaughlin. Demand dropped off in the first lockdown in 2020, but this is the first time McLaughlin has seen such a dramatic reduction in loan approvals.

Bolton added: "We can all debate the merits; whether we're spending too much on housing and whether Kiwis borrow too much. But it's reckless and dangerous, just going through change without really understanding the consequences of that change."

Among the slew of mortgage hell stories recounted to OneRoof, Cooke cited a client who was living with his parents in order to save for a mortgage. Cooke's client didn't pay board, but contributed to the family with roughly $1000 per month in groceries. If Cooke hadn't front-footed this with the bank, he said, the algorithm would have picked up this spending and declined the loan.

Another example from Shanks' members involved a family whose original pre-approval lapsed. They managed to get pre-approval for a land-and-build package before their Christmas holiday, but were fearful, should they need a further extension, that their holiday spending would be misinterpreted by the bank.

Bolton had one client recently who he accepts readers won't necessarily feel sympathy for because he has a $12m net worth. "The bank went all the way through their expenses and critiqued them for spending $2000 on groceries over Christmas. The critique went all the way down to them spending $50 a month on cat food. Bear in mind this is someone worth $12m."

Independent economist Tony Alexander estimates that nine out of 10 first home buyers have been directly impacted by the new CCCFA changes. Banks were also rejecting owner occupiers with less than a 20% deposit and investors with less than 40%, said Alexander. Movers, those building homes, and borrowers needing top-ups were also sent packing by lenders.

Jeff Royle, mortgage adviser at iLender, said the squeeze was a double whammy for a couple who were caught by both the tightened LVR restrictions and the CCCFA, despite being what would have been model applicants a year ago.

"They were young first home buyers. They had saved with KiwiSaver and their own savings a 15% deposit. They had very strong incomes, a little bit of consumer debt, but nothing excessive, and wanted to buy that first home," he said.

"They banked with ANZ, which initially approved the loan back in October. The approval lapsed, and then ANZ stopped all applications from any source at over 80% LVR. The clients came to us and said 'can we get a bank loan of 80%?' But the other banks were not accepting new applications."

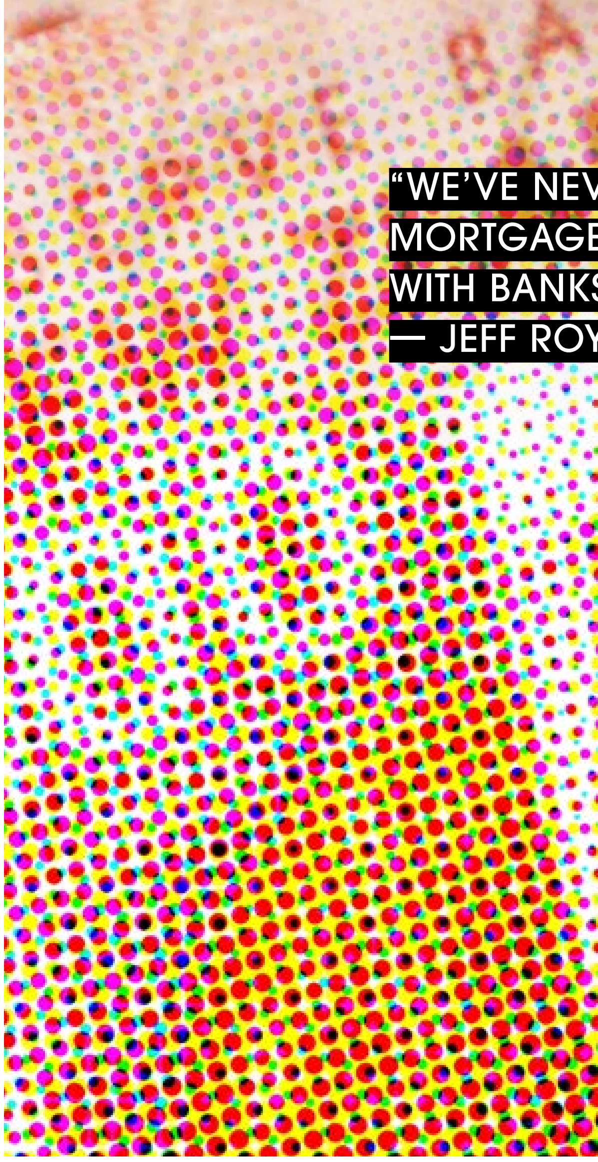
They still wanted to buy and Royle arranged a non-bank lender loan of 80% of the $1.3m purchase price, paying 0.5% above bank lending rates for the 80% loan.

Having to take out the $65,000 personal loan at 14% over seven years means they now can't remortgage later with a bank, thanks to the CCCFA restrictions. "So they were a victim of the new CCCFA," Royle said.

Loan Market mortgage adviser Lisa Meredith was speechless when a bank turned her clients down for a $150,000 loan to replace the roof on their home and build an artist's studio. The couple earn $260,000, and have two rental properties. The husband, however, is self-employed in construction. "Builders have credit facilities at the likes of PlaceMakers or Mitre10. They need that because that's how they run their business. But that was the sticking point for the bank. They've never had issues [borrowing] before." Meredith was so shocked that she questioned the young bank staff member, who promptly hung up on her.

"Some of the stories almost defy logic," said Shanks. "A couple were seeking to purchase at auction and had moved to Auckland on a new salary in excess of $200,000. The pair had a double income with no children. They were repaying an investment loan rapidly, and staying with family for free.

"They had significant disposable incomes so they were eating out at restaurants and enjoying life. The bank assessed on the existing expenditure and discounted the



"WE'VE NEVER HAD RECKLESS MORTGAGE LENDING IN NEW ZEALAND WITH BANKS AND EVEN NON-BANKS. — JEFF ROYLE, ILENDER

bonus received by 50%. The lender requested six months of bank statements to dive deeper into personal living costs.

"The approval for finance was $240,000 less than requested and what would normally have been approved before the changes to the CCCFA occurred. The bank then had to request a whole new submission based on lower food costs due to internal audit requirements which needed to be fulfilled to meet the new CCCFA regulations."

Royle said the CCCFA had no place in residential mortgages. "We've never had reckless mortgage lending in New Zealand with banks and even non-banks. There was nothing wrong with the existing framework. We've already got the Responsible Lending Code, which came into place in June 2015. So this is just a sledgehammer to crack a nut and the nut doesn't actually exist. The Government was warned three years ago by the New Zealand Bankers' Association that if you do this, you will adversely affect mortgage lenders."

He estimated that mortgage lending from non-banks would likely to double from to 9%, thanks to the LVR, CCCFA and other rule changes. "The blame lies fairly and squarely with the Reserve Bank, and the ill-conceived and badly worded changes to CCCFA."

CREDIT SQUEEZE

HOW MUCH CAN YOU SPEND

before you are turned down for a mortgage?

What buyers need to do to improve their home loan applications. By **RUPERT GOUGH**

A LOT HAS been made of the recent changes to how home-buyers get (or don't get) a mortgage, specifically with regards to how expenses are taken into account in the application.

We've all heard stories about small purchases have stopped applicants from getting a new mortgage. This can be frustrating for home buyers as they know that they can reduce spending in the future. The Government announced this month that it would soften the blow of the CCCFA (Credit Contracts and Consumer Finance Act) but until the regulatory pressure is removed from banks in June mortgage applicants will still need to play the game by the rules or continue to be frustrated.

The question then is, how much can someone spend in a month before ruining their chances of a mortgage? To calculate this, we need to understand how the bank calculates your ability to afford a mortgage.

The bank assesses your ability to purchase a property based on you being able to afford a mortgage of around 7% per annum (it ranges from bank to bank but this is a good benchmark to work with). So, to calculate how much you can spend in a month without torpedoing your mortgage application, we need to start with that number.

As an example, let's say a couple brings home $10,000 of net income per month between them. That is, $10,000 after all tax, student loans, and, importantly, KiwiSaver deductions. They are looking to borrow $800,000 which, at 7% per annum over 30 years, would mean payments of around $5300 per month.

In theory, this should leave the couple approximately $4,700 to spend freely however to really ensure they meet the bank's criteria, they should probably add an additional $500 to $1000 to the monthly cost (so, in this example, a total of $6300 per month). This is particularly important if the couple has less than a 20% deposit.

After that has been removed from their salary, monthly spending for this couple needs to be approximately $3700 including food, utilities, future rate payments, hire purchases, car loans, and minimum payments on credit cards. If expenses are more than that, this couple will find getting an application much more difficult.

So, what's the best way to make sure this couple doesn't spend beyond their limit? The couple could make their rental payments (or current mortgage if they're looking to upgrade) plus their savings total the required $6300. Importantly, this is cash savings and doesn't include KiwiSaver because the bank assumes their KiwiSaver payments will continue after they have a mortgage.

If this couple is paying $3300 in rent per month, they would need to put a further $3000 into a savings account. Their current rent plus their savings is now the same as their future mortgage at 7% plus ~$1000 and the bank will likely trip over themselves to offer them a mortgage.

I've used this "mock mortgage" with clients in the past. At the time, a mock mortgage was an optional strategy to best present yourself to the bank as a good candidate. But under the amendments to the CCCFA that came into force in December, it went from optional to a requirement.

In summary, to set up a mock mortgage:
- Calculate what your future mortgage will be per month at 7% per annum over 30 years;
- Add $1000 per month to that payment;
- Set up automatic payments so your rental costs and your cash savings are equal to the total number above; and
- The remaining amount that you have in your take-home income is what you can spend throughout the month.

A final note on the extra savings: it's important not to touch these savings or use them in your monthly expenses. To prove you can afford the mortgage under the bank criteria, you need to show you can have put the savings aside and not touch them. The minute you withdraw money from the savings, you're indicating to the bank you can't afford the high-interest mortgage that they are assessing you on.

Is it fair that a mortgage application can't allow for the fact that spending will change once someone gets a mortgage? I don't think so. I think it's completely reasonable to think that luxury spending changes once people own their own homes. Thankfully, the Government has changed tack and announced changes to the CCCFA that will improve life for borrowers. But until regulatory pressure reduces for the banks, these are the rules we have to play by. Run your own mock mortgage for at least three months and you'll likely be at the front of a very short queue at open homes in no time.

- Rupert Gough is the founder and CEO of Mortgage Lab and author of The Successful First Home Buyer.

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THE CCCFA: HOW A GOOD LAW TURNED BAD

IF EVER there was a law designed to do good that has fallen on its face, it's the CCCFA.

Following widespread criticism over the changes it made to the Credit Contracts and Consumer Finance Act last year, the Government announced on March 11 that it would make tweaks to the amendments that have resulted in Kiwis being turned down for loans for shopping trips to Kmart.

It's a stunning U-turn and it's unlikely to be the final word on a piece of legislation law that dates right back to 2003, when the government of the day saw the need to protect consumers from poor lending practice.

"The CCCFA was a substantial revision of the lending laws from the 1970s and 1980s to better reflect the needs of both consumers and lenders and to align with international trends," says Banking Ombudsman Nicola Sladden.

"The purpose of the CCCFA was to protect to the interests of consumers entering credit contracts, consumer leases and buy-back transactions of land. Some key changes [on previous laws], such as information disclosure, were designed to ensure that consumers were able to make informed decisions before entering into contracts.

"Other changes operated to protect consumers through the life of contract – for example, by requiring that fees be reasonable, allowing early repayment, and giving consumers the right to request changes when they were experiencing unforeseen hardship."

Lenders who broke the rules faced damages and penalties that could be enforced by the Commerce Commission.

The 2003 law gave consumers more protection. However by the early 2010s many were complaining that loan sharks and mobile traders were rife in poor communities and the CCCFA wasn't doing its job of protecting vulnerable people. As a result the law was reformed in 2014/2015 adding responsible lending obligations for lenders, says Sophie East, partner at Bell Gully.

The law changes required lenders to ensure that their loans were suitable and affordable for borrowers, "The obligations included new requirements on lenders to make 'reasonable inquiries' of borrowers before issuing loans, and to assist borrowers to make 'informed decisions'," says East.

The principles were so broad it made it difficult for lenders to know precisely what was required of them, or for the Commerce Commission to identify specific breaches. As a result, the principles were very rarely enforced, says East.

Widespread criticism that the 2015 reforms hadn't gone far enough led to the overhaul that came into effect on December 1, 2021. That imposed more stringent regulations around the suitability and affordability of loans.

UNDER THE DECEMBER RULES:

- Directors and senior managers must exercise due diligence to ensure their organisation complies with the CCCFA;
- Advertising must meet new standards set by the regulations;
- Lenders are required to keep better records of how they satisfy affordability and suitability requirements and how they calculate the fees; and
- Lenders and mobile traders who offer credit need to be certified by the Commerce Commission.

The central problem of how the new update led to consumers being refused loans was that directors and senior managers at lending institutions could be personally fined as much as $200,000 for breaching the act, while companies could be fined up to $600,000. That big stick made banks overly cautious around requirements that they must ensure there is a "reasonable surplus" after borrower's expenses.

In fear of breaching the regulations, banks and other lenders have been drilling down into every single entry in borrower's bank statements stretching back three months or longer. Borrowers have found themselves denied mortgages as a result of Netflix subscriptions, eyebrow waxing, or café visits.

The current rules do have an exemption where it is "obvious in the circumstances" that the borrower can afford the loan, says East. But the code only gives one example of a customer who has more than $1m in net assets, a $350,000 salary, and is seeking a credit card limit of $10,000 in order to collect Airpoints on purchases.

This is the grey area that the Government hopes to bring clarity with its new changes.

The amendments, which will come into effect in June, include:

- Clarifying that when borrowers provide a detailed breakdown of future living expenses there is no need to inquire into current living expenses from recent bank transactions.
- Removing regular "savings" and "investments" as examples of outgoings that lenders need to inquire into.
- Clarifying that the requirement to obtain information in "sufficient detail" only relates to information provided by borrowers directly rather than relating to information from bank transaction records.
- Providing alternative guidance and examples for when it is "obvious" that a loan is affordable.

However, not everyone is convinced the changes go far enough.

Roger Beaumont, chief executive of the New Zealand Bankers' Association, told the New Zealand Herald shortly after the changes were announced that it wasn't clear they would "make a difference".

• ***Report by Diana Clement***

WINNERS AND LOSERS:

'Anybody looking to get a mortgage will find it tougher'

Where does the balance of power sit in 2022's housing market? **KELVIN DAVIDSON** finds the answer isn't clear cut.

A real estate sale sign in the Christchurch suburb of Mt Pleasant. Housing market conditions have shifted quite quickly. Photo / Peter Meecham

C**LEARLY THE** mortgage lending environment has taken an abrupt turn in the past 3-6 months, from being a driving factor in the wider property market's upswing to now being a restraint on both sales activity and value growth. What are the key trends and implications?

Let's start by looking at the key regulatory changes. First, it's the loan to value ratio rules (LVRs). Investors have clearly been facing increased deposit requirements for quite some time now (officially 40% from 1st May last year, although the banks acted much earlier than that), but owner occupiers are now facing tougher restrictions too. In December, only about 9% of loans to owner occupiers were done with less than a 20% deposit, the first foray below the new 10% speed limit that became official on November 1.

But don't just assume that's as tough as it gets for owner occupier deposits. In fact, the last time that the speed limit was set at 10%, the banks themselves held the figure down at 5% (or in other words kept a 5% safety buffer), and there's a good chance that some could go even lower this time around, possibly all the way to 0%. A complete shutdown for low deposit lending would sting first home buyers (FHBs) in particular, as they've been the dominant users of the previous allowance.

Second, the December changes to the Credit Contracts and Consumer Finance Act (CCCFA). The Government has said it will tweak the legislation following an outcry over its impact. The CCCFA has no doubt shut out several would-be borrowers who may otherwise have got a mortgage. Anecdotally, the CCCFA changes seem to have hit FHBs the hardest, although some early insights from

> "IT'S ALSO ON THE CARDS THAT VENDORS WILL LOSE SOME PRICING POWER THIS YEAR AND WE COULD SEE SOMETHING OF A SWITCH TO A BUYER'S MARKET."

Centrix (the credit risk monitoring firm) on indicators such as credit demand and mortgage approvals suggest that the real impact has perhaps been a bit less than some headlines suggest.So based on what we've noted so far, you'd be forgiven for thinking that housing policymakers are actually trying to hamper FHBs rather than help them. However, investors are not emerging unscathed either. On top of the previous changes to LVRs and the phased removal of interest deductibility, there's now the looming possibility of a cap on debt to income ratios (DTIs) later in the year, at a figure of perhaps seven. Of course, some banks are already applying DTIs too.

On the latest data we have to hand, less than 8% of FHB loans are done at a DTI >7, while for other owner occupiers without investment property collateral the figure is about 13%. But for other owner occupiers with investment property collateral (i.e. those borrowing against a rental property to fund their next home purchase or build), the figure is 35% and for investors it's 37%. Clearly, these figures suggest that a broad-based DTI system would hit investors the hardest.

As a slight aside, let's just take a quick look at interest-only lending (something which faced regulation in Australia). This type of loan has escaped the regulatory tightening in NZ so far, even though it's still popular and potentially viewed by some as 'risky', given that there's no principal being repaid. Recently about 22% of lending flows to owner occupiers has been interest-only and 39% to investors. These figures might still seem high to some, but at least they've already come down a lot – back in 2015-16, more than 50% of investor lending was interest-only, with more than 30% to owner occupiers.

Although this type of lending hasn't been formally restricted, there is likely to be some self-regulation underway on the part of borrowers themselves (and possibly by the retail banks too). After all, with mortgage interest deductibility being phased out, this gives investors an even stronger incentive to get their equity levels up as quickly as possible – or in other words, go with a principal and interest mortgage.

Now, on top of the changes to general credit conditions, you've also got to factor in the cost of a mortgage too. And as the official cash rate has started to increase, so too have mortgage rates jumped sharply – whereas a fairly typical one year special fixed rate used to be less than 2.5%, it's now more than 3.5%, and could well be 4.5% or more by the end of 2022. To illustrate what this means, going from a rate of 2.5% to 4.5% on a standard repayment mortgage over a 30-year term (fortnightly repayments) equates to an extra $1350 in payments every year per $100,000 of debt.

That said, just a small word of warning here; we can't rule out the possibility that the OCR actually ends up being raised by less than is currently predicted, simply because lower spending in the economy as people divert more money towards the mortgage does a lot of the work of subduing inflation.

Of course, the bulk of mortgages in NZ are on fixed rates, so this gives some near term protection to the borrower. However, with 11% of loans actually floating and another 54% fixed but due to be refinanced in 2022, this protection from higher mortgage rates won't last too long. So what sort of change in rates might people be exposed to?

The increase that borrowers will be facing as they roll off their old terms and onto a new agreement could be about 1.5% for anybody refinancing a one-year fix in the middle of the year, before rising towards 2.5% for borrowers rolling off a two-year fix late in 2022.

You might also ask why all the fuss and rule changes. After all, even if the shorter term fixed mortgage rates rise to 4.5% or more this year, that's still below the serviceability test rates banks use (typically reported to be 6.5% or more). In other words, provided people keep their jobs, most should be able to adjust their finances without too much pain.

In addition, although the Reserve Bank data shows that provisions that the banks have on their balance sheets for bad mortgage debts rose sharply in the middle of 2020, they've since trended downwards – hinting that the lenders aren't overly stressed about any risks in the system. Similarly, the non-performing housing loan ratios (up to 90 days overdue plus more than 90 days/impaired loans as % of total) across the banks are also super low and mortgagee sales very rare. On the latest figures we have, only 0.2% of housing loans in the banking system are non-performing.

Either way, when all is said and done, the changes have nevertheless been made and everybody will need to adjust. And certainly, a prudent approach to mortgage lending can't be a bad thing if it prevents excessive risk taking which might sow the seeds of a future financial crisis.

It's hard to see anything other than a slowdown this year, especially when you also factor in pre-existing affordability problems. Everything points to a drop in sales volumes from around 97,500 in 2021 to about 91,000 this year and 88,500 in 2023 (compared to long-run norm of about 97,000). If anything, the difficulty of capturing credit conditions in a numerical model suggests that the risks are to the downside too.

As sales volumes slide lower but new listings flows at the start of the pipeline hold up (or perhaps even increase further if say some investors can't make the sums work with rising costs but low gross rental yields), it's also on the cards that vendors will lose some pricing power this year and we could see something of a switch to a buyer's market – especially with the amount of new construction still so high. Put another way, more choice for buyers implies less upwards price pressure. Indeed, value growth looks set to slow from more than 25% in 2021 to low single digits this year, with a fall in values also possible if unemployment started to rise.

Who might win or lose in this environment? Clearly, anybody looking to get a mortgage will find it tougher going as credit supply tightens and interest rates go up – including first home buyers, mortgaged investors, but also even other owner occupiers with already-large mortgage who are looking to trade up to a bigger or better-located property.

On the flipside, owner occupiers with plenty of equity who are perhaps looking to downsize or move to a cheaper location could come out nicely, while there could also be opportunities for cash investors. True, gross rental yields for investors are still low, whether you have lots of equity or lots of debt. But some cash investors will still no doubt view the yields on particular property deals as better than the alternatives (e.g. term deposits), especially if they can get a sneaky offer accepted to buy the property in the first place.

• ***Kelvin Davidson is chief economist at CoreLogic***

CoreLogic chief economist Kelvin Davidson says the CCCFA changes seem to have hit first home buyers the hardest. Photo / Peter Meecham

TAKEN BY SURPRISE

Real estate agents say the housing market has changed a lot in a very short space of time, writes **CATHERINE MASTERS**

AUCKLAND'S DAVID DING expects an exodus of real estate agents this year.

The top-selling Harcourts agent for North Shore suburbs such as Glenfield and Bayview deals with a lot of first home buyers as well as investors and developers.

Fewer people are out there buying, he says, which means agents will have to work harder and some will leave the profession.

"I guess when the market goes booming everyone comes and takes a piece of pie but when the market's going down people get a more experienced agent to work with.

"Maybe 20 or 30% of people are going to leave."

Ding also expects developer activity to slow down, partly because lending institutions have become cautious but also because the quick money is not there anymore.

Adam Thomson, director of Ray White Manukau, says the market couldn't be more different to this time last year and those record low interest rates didn't last very long.

"You just blinked and it was already doubled," he said.

Buyers and sellers were taken by surprise "big time" and confidence has dropped out of the market.

"All of a sudden people who would have bought a home six months ago compared to today are up for about 30%more on repayments."

The South Auckland market has already gone down by at least 10% in the last few months, Thomson says, and a lot of the development sites, so fought over last year, leading to dramatically high prices, have gone from 10 buyers per property to just two.

Some developers who bought last year are running into trouble this year, too, Thomson says.

That affects people who sold to them because some people who signed up for a six- or 12- month settlement in order to secure a great price are finding out that the transaction is not going to settle.

"We've already seen some of that starting to happen. If they (the developer) have paid a 5% deposit, the market has dropped by 10% and they can't get their finance anymore because of changes in rules, there are going to be some properties that won't settle.

"It's unfortunate for people that have felt they have sold their house and then it doesn't settle. They've got to go through the whole process again and it may not achieve that price."

The purpose of long settlements is so that developers don't have to pay holding costs on a property and can go through the consenting process, getting the ball rolling before settling.

"It became quite a trend," says Thomson. "Everyone was advertising 'oh, we will do a long settlement and you'll get more money.

"There were cases where we would advise people that you would want a bigger deposit to be taking that sort of thing."

But Thomson says the market isn't crashing, it's just the heat coming out, and that had to happen.

Loan Market mortgage broker Sanjeev Jangra also works mainly in Auckland's south and predicts this is the year of the non-bank lender.

LVRs (Loan to Value Ratios), which mean people must have a 20% deposit (with exemptions for new builds), are problematic for some.

While banks will only lend 80%, some non-bank lenders will still lend that 80% but top that up with a personal loan.

The drawback is people paying a lot more through higher interest rates but in Jangra's patch people are desperate enough to seek out such deals.

"Say you're buying a house for $600,000 and you have only, say, $80,000 for the deposit, the non-bank lender will lend you up to 80% of the purchase price. They will still give you up to 80% as a mortgage but they will do another loan to cover the rest of it."

That loan will be at a really high interest rate, of 15% or 16%, however, he says.

"The options are still there but it's very expensive for buyers. It's only for the ones who are desperate to buy a house - they will obviously find a way."

On the North Shore, Ding has seen fewer auctions being held because banks are preferring price-by-negotiation deals.

Auctions – all the rage last year - are seen as too risky because they are cash and unconditional, he says.

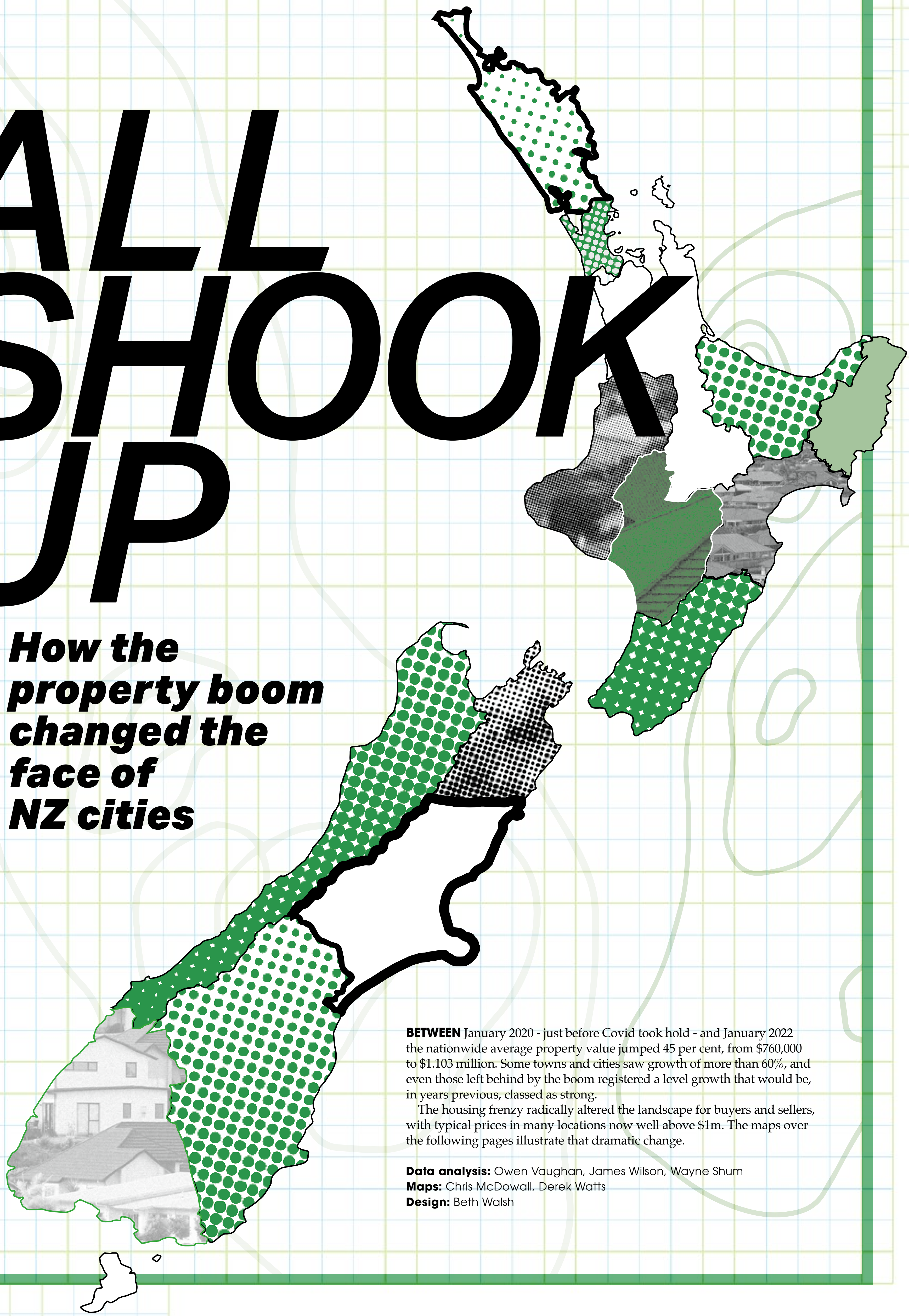
"There's no comeback, and they're a bit worried that the buyer actually overpays as well."

An open home sign in Auckland.
Photo / Fiona Goodall

"IT'S UNFORTUNATE FOR PEOPLE THAT HAVE FELT THEY HAVE SOLD THEIR HOUSE AND THEN IT DOESN'T SETTLE. THEY'VE GOT TO GO THROUGH THE WHOLE PROCESS AGAIN AND IT MAY NOT ACHIEVE THAT PRICE."

ALL SHOOK UP

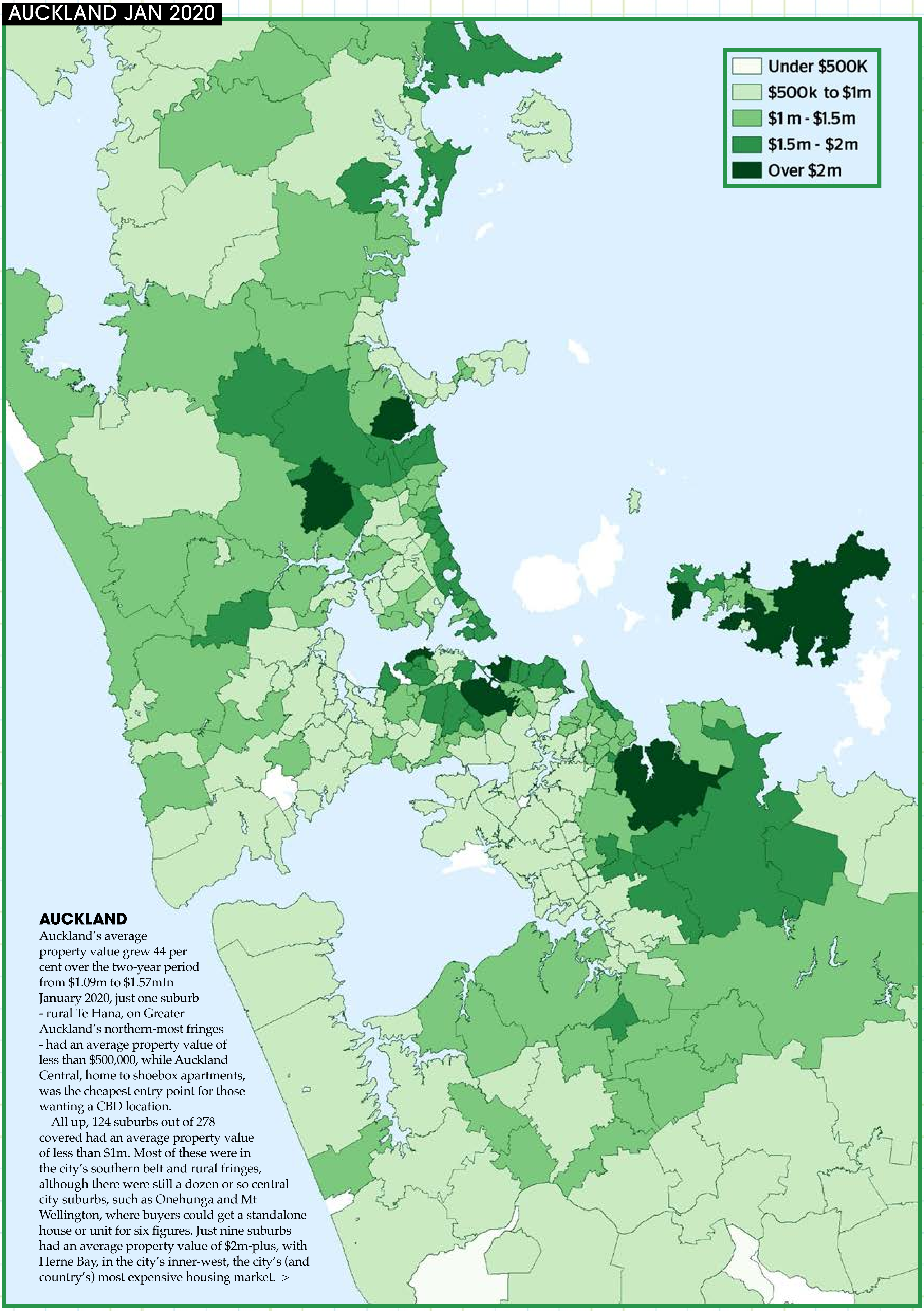
How the property boom changed the face of NZ cities



BETWEEN January 2020 - just before Covid took hold - and January 2022 the nationwide average property value jumped 45 per cent, from $760,000 to $1.103 million. Some towns and cities saw growth of more than 60%, and even those left behind by the boom registered a level growth that would be, in years previous, classed as strong.

The housing frenzy radically altered the landscape for buyers and sellers, with typical prices in many locations now well above $1m. The maps over the following pages illustrate that dramatic change.

Data analysis: Owen Vaughan, James Wilson, Wayne Shum
Maps: Chris McDowall, Derek Watts
Design: Beth Walsh

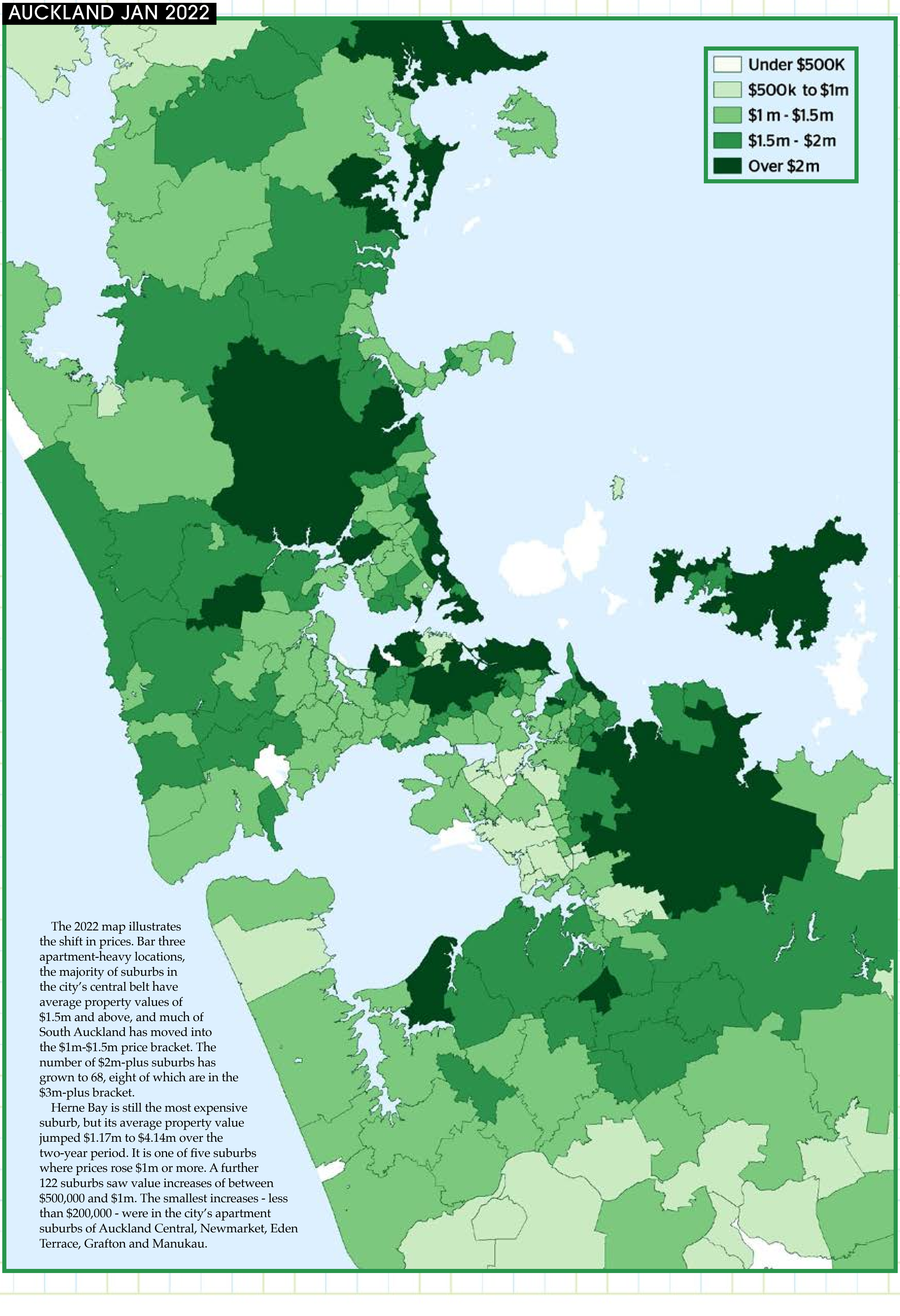


AUCKLAND

Auckland's average property value grew 44 per cent over the two-year period from $1.09m to $1.57mIn January 2020, just one suburb - rural Te Hana, on Greater Auckland's northern-most fringes - had an average property value of less than $500,000, while Auckland Central, home to shoebox apartments, was the cheapest entry point for those wanting a CBD location.

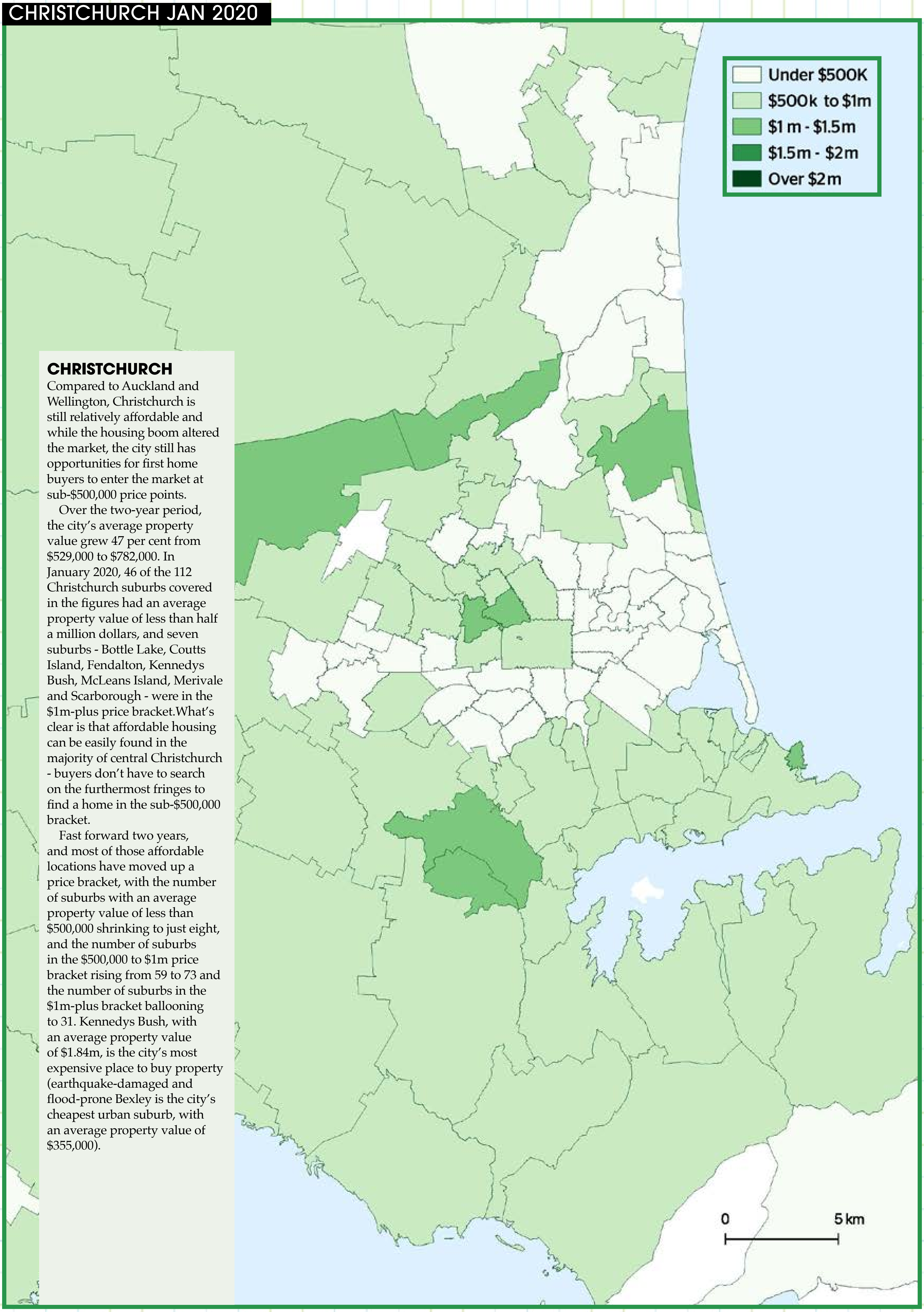
All up, 124 suburbs out of 278 covered had an average property value of less than $1m. Most of these were in the city's southern belt and rural fringes, although there were still a dozen or so central city suburbs, such as Onehunga and Mt Wellington, where buyers could get a standalone house or unit for six figures. Just nine suburbs had an average property value of $2m-plus, with Herne Bay, in the city's inner-west, the city's (and country's) most expensive housing market. >

AUCKLAND JAN 2022



The 2022 map illustrates the shift in prices. Bar three apartment-heavy locations, the majority of suburbs in the city's central belt have average property values of $1.5m and above, and much of South Auckland has moved into the $1m-$1.5m price bracket. The number of $2m-plus suburbs has grown to 68, eight of which are in the $3m-plus bracket.

Herne Bay is still the most expensive suburb, but its average property value jumped $1.17m to $4.14m over the two-year period. It is one of five suburbs where prices rose $1m or more. A further 122 suburbs saw value increases of between $500,000 and $1m. The smallest increases - less than $200,000 - were in the city's apartment suburbs of Auckland Central, Newmarket, Eden Terrace, Grafton and Manukau.

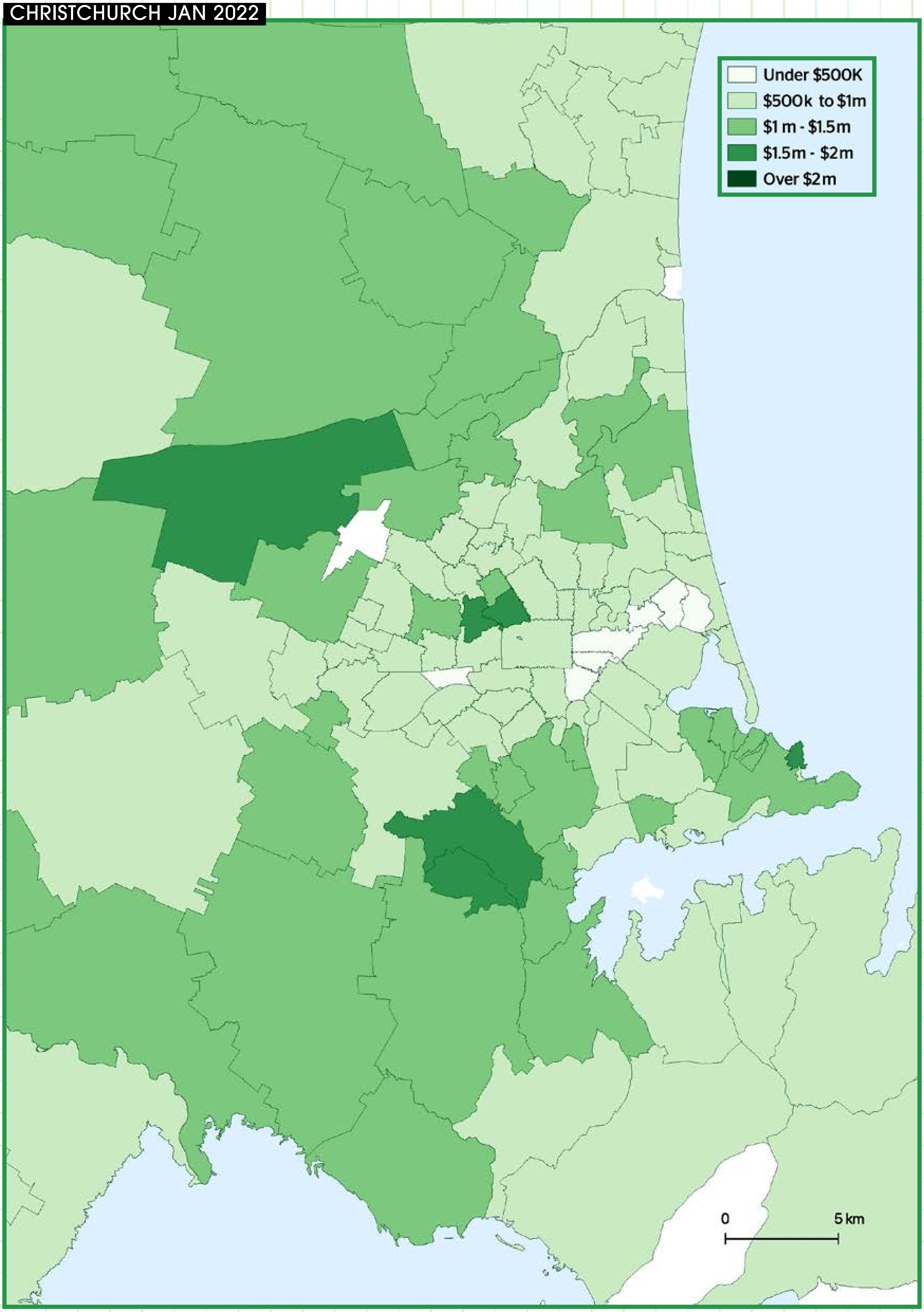


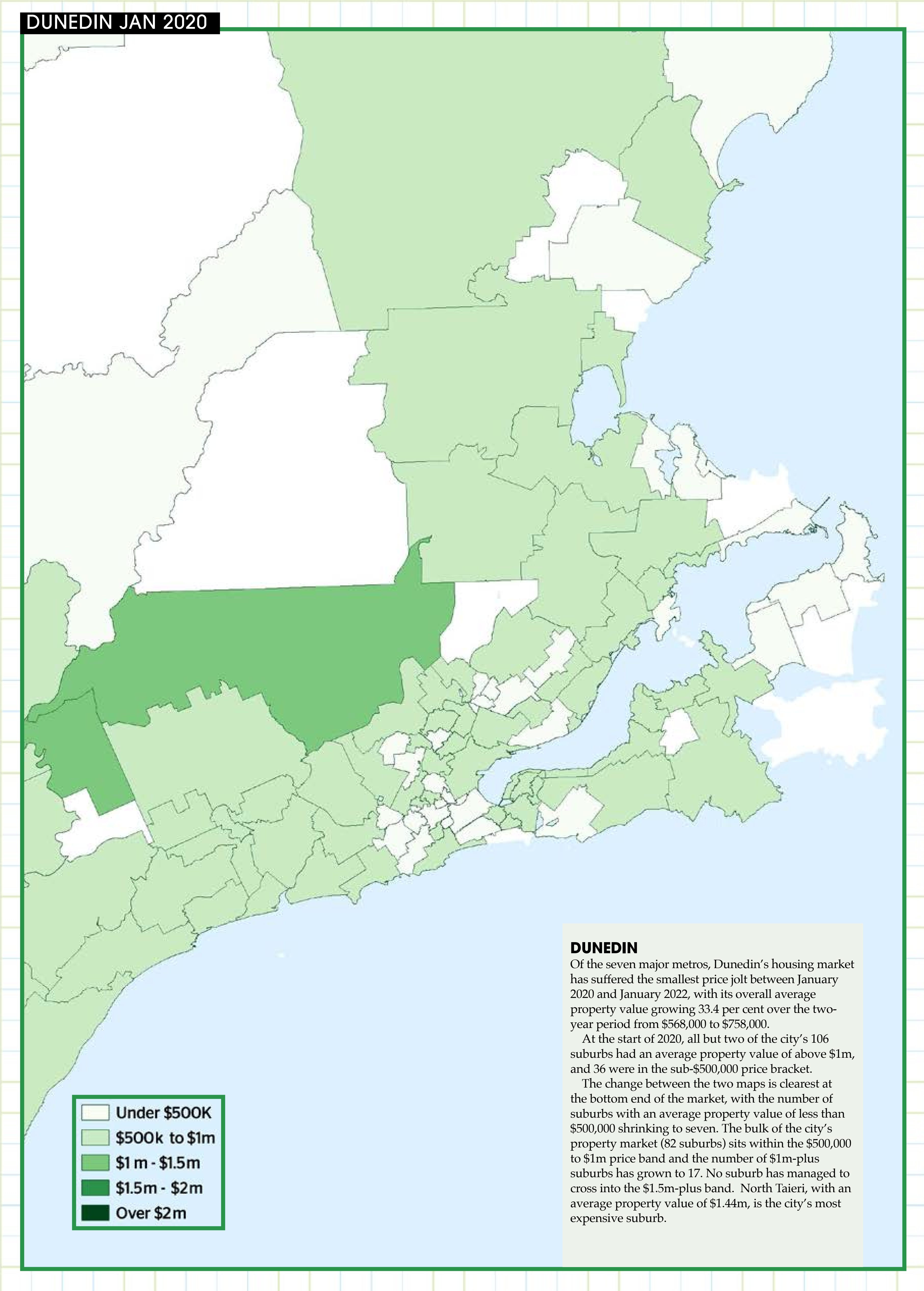
CHRISTCHURCH

Compared to Auckland and Wellington, Christchurch is still relatively affordable and while the housing boom altered the market, the city still has opportunities for first home buyers to enter the market at sub-$500,000 price points.

Over the two-year period, the city's average property value grew 47 per cent from $529,000 to $782,000. In January 2020, 46 of the 112 Christchurch suburbs covered in the figures had an average property value of less than half a million dollars, and seven suburbs - Bottle Lake, Coutts Island, Fendalton, Kennedys Bush, McLeans Island, Merivale and Scarborough - were in the $1m-plus price bracket.What's clear is that affordable housing can be easily found in the majority of central Christchurch - buyers don't have to search on the furthermost fringes to find a home in the sub-$500,000 bracket.

Fast forward two years, and most of those affordable locations have moved up a price bracket, with the number of suburbs with an average property value of less than $500,000 shrinking to just eight, and the number of suburbs in the $500,000 to $1m price bracket rising from 59 to 73 and the number of suburbs in the $1m-plus bracket ballooning to 31. Kennedys Bush, with an average property value of $1.84m, is the city's most expensive place to buy property (earthquake-damaged and flood-prone Bexley is the city's cheapest urban suburb, with an average property value of $355,000).


CHRISTCHURCH JAN 2022
Under $500K
$500k to $1m
$1 m - $1.5m
$1.5m - $2m
Over $2m
0
5 km

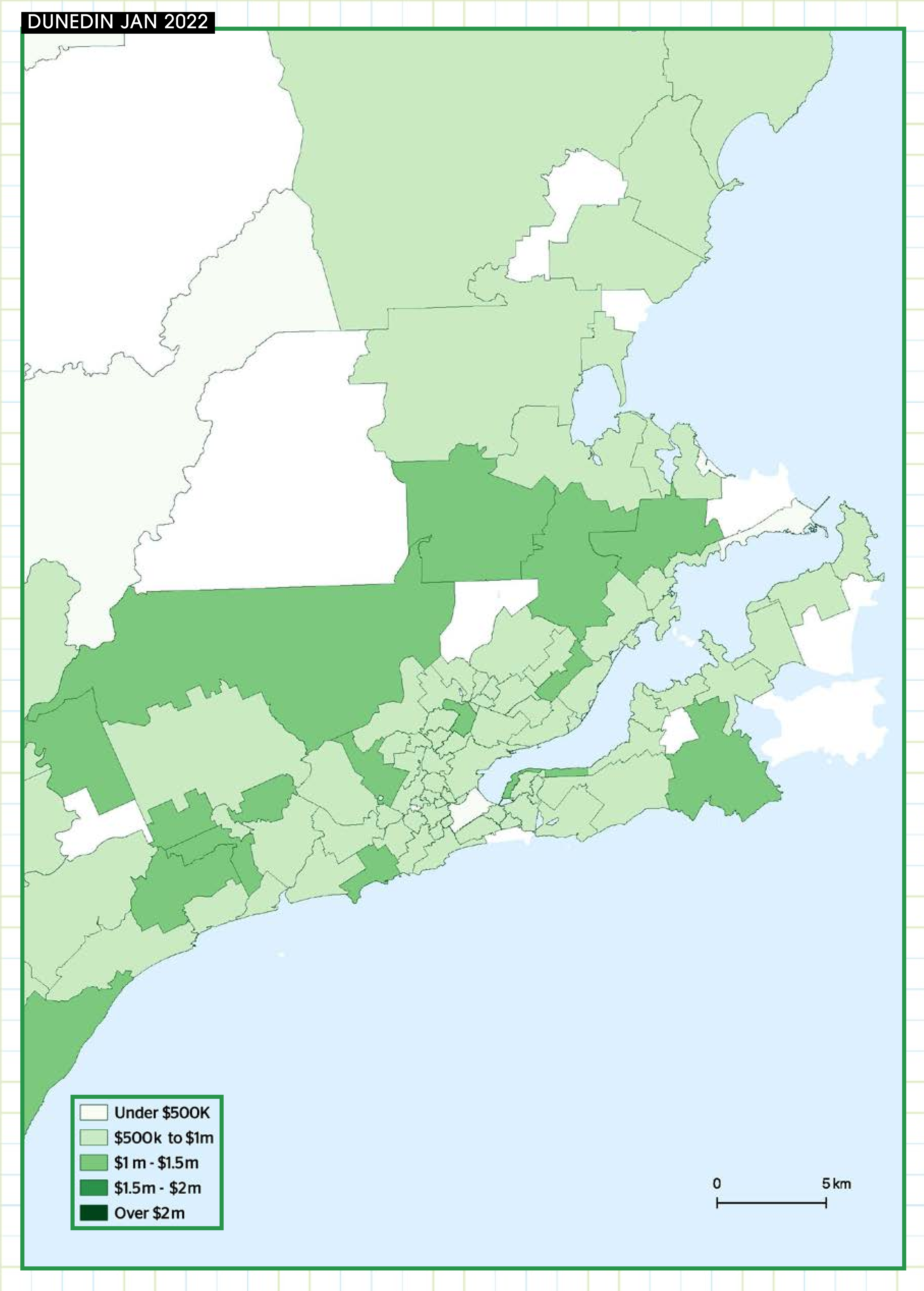


DUNEDIN

Of the seven major metros, Dunedin's housing market has suffered the smallest price jolt between January 2020 and January 2022, with its overall average property value growing 33.4 per cent over the two-year period from $568,000 to $758,000.

At the start of 2020, all but two of the city's 106 suburbs had an average property value of above $1m, and 36 were in the sub-$500,000 price bracket.

The change between the two maps is clearest at the bottom end of the market, with the number of suburbs with an average property value of less than $500,000 shrinking to seven. The bulk of the city's property market (82 suburbs) sits within the $500,000 to $1m price band and the number of $1m-plus suburbs has grown to 17. No suburb has managed to cross into the $1.5m-plus band. North Taieri, with an average property value of $1.44m, is the city's most expensive suburb.


DUNEDIN JAN 2022
Under $500K
$500k to $1m
$1 m - $1.5m
$1.5m - $2m
Over $2m
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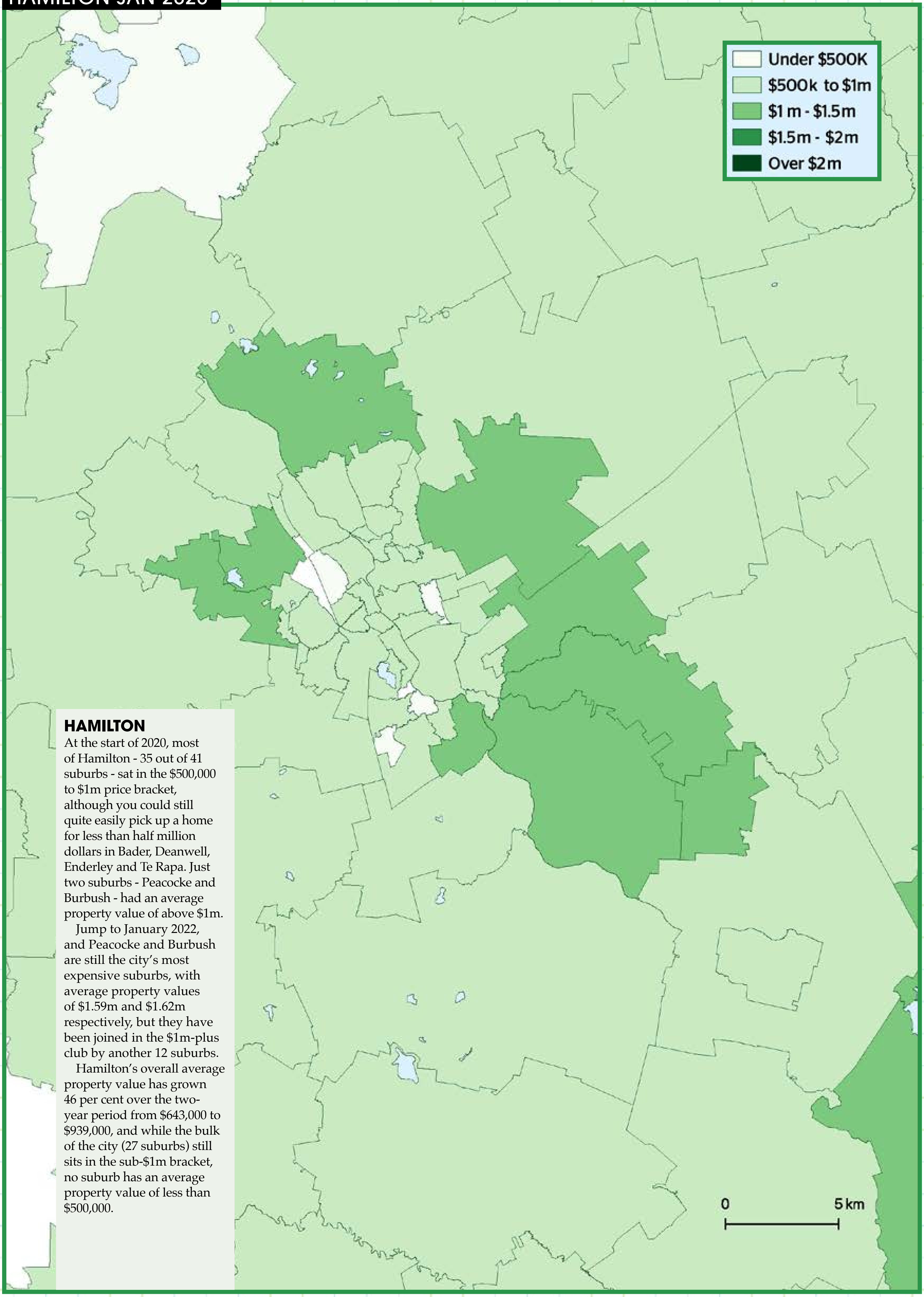
5 km

HAMILTON JAN 2020

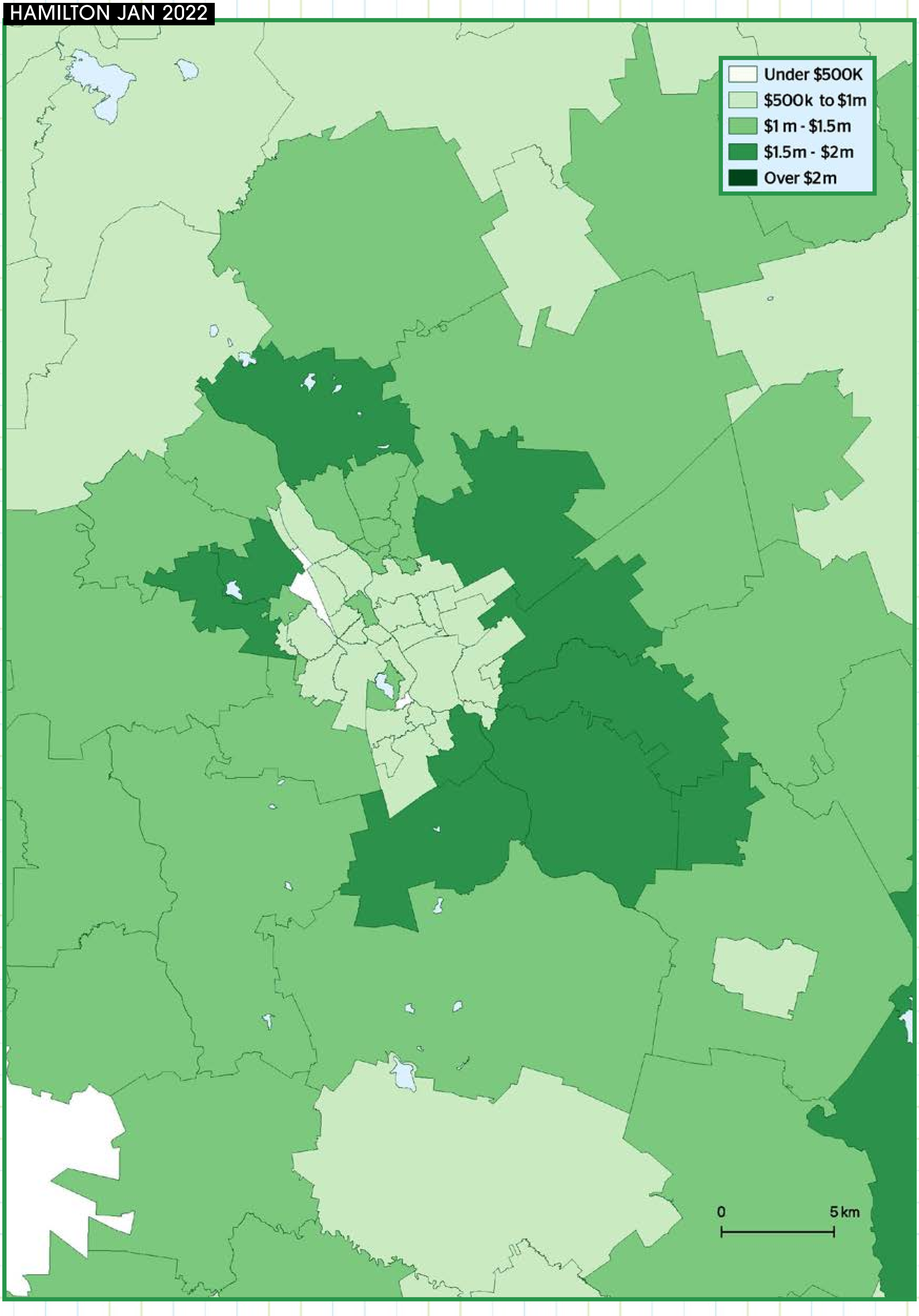


HAMILTON

At the start of 2020, most of Hamilton - 35 out of 41 suburbs - sat in the $500,000 to $1m price bracket, although you could still quite easily pick up a home for less than half million dollars in Bader, Deanwell, Enderley and Te Rapa. Just two suburbs - Peacocke and Burbush - had an average property value of above $1m.

Jump to January 2022, and Peacocke and Burbush are still the city's most expensive suburbs, with average property values of $1.59m and $1.62m respectively, but they have been joined in the $1m-plus club by another 12 suburbs.

Hamilton's overall average property value has grown 46 per cent over the two-year period from $643,000 to $939,000, and while the bulk of the city (27 suburbs) still sits in the sub-$1m bracket, no suburb has an average property value of less than $500,000.


HAMILTON JAN 2022
Under $500K
$500k to $1m
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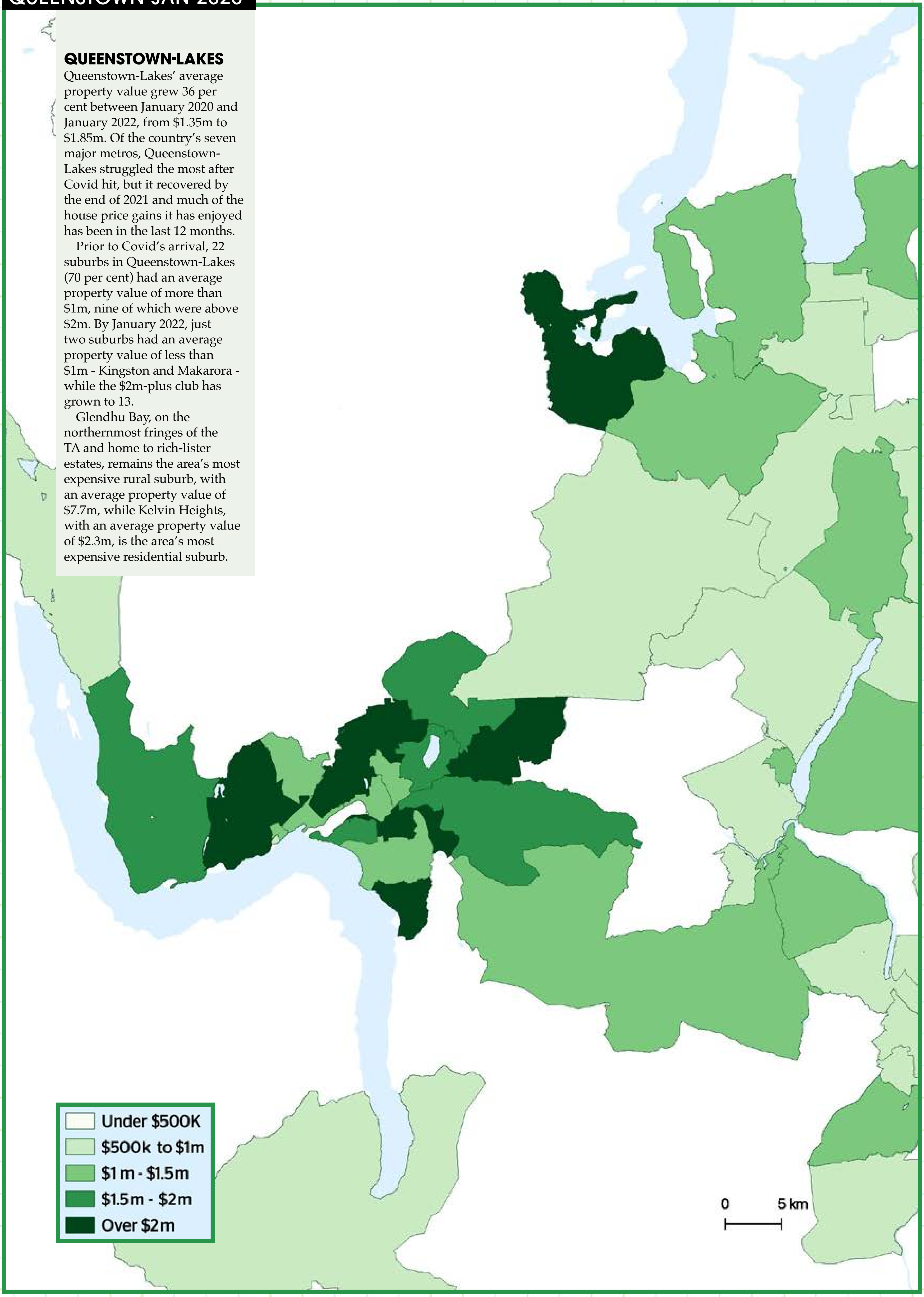
QUEENSTOWN JAN 2020



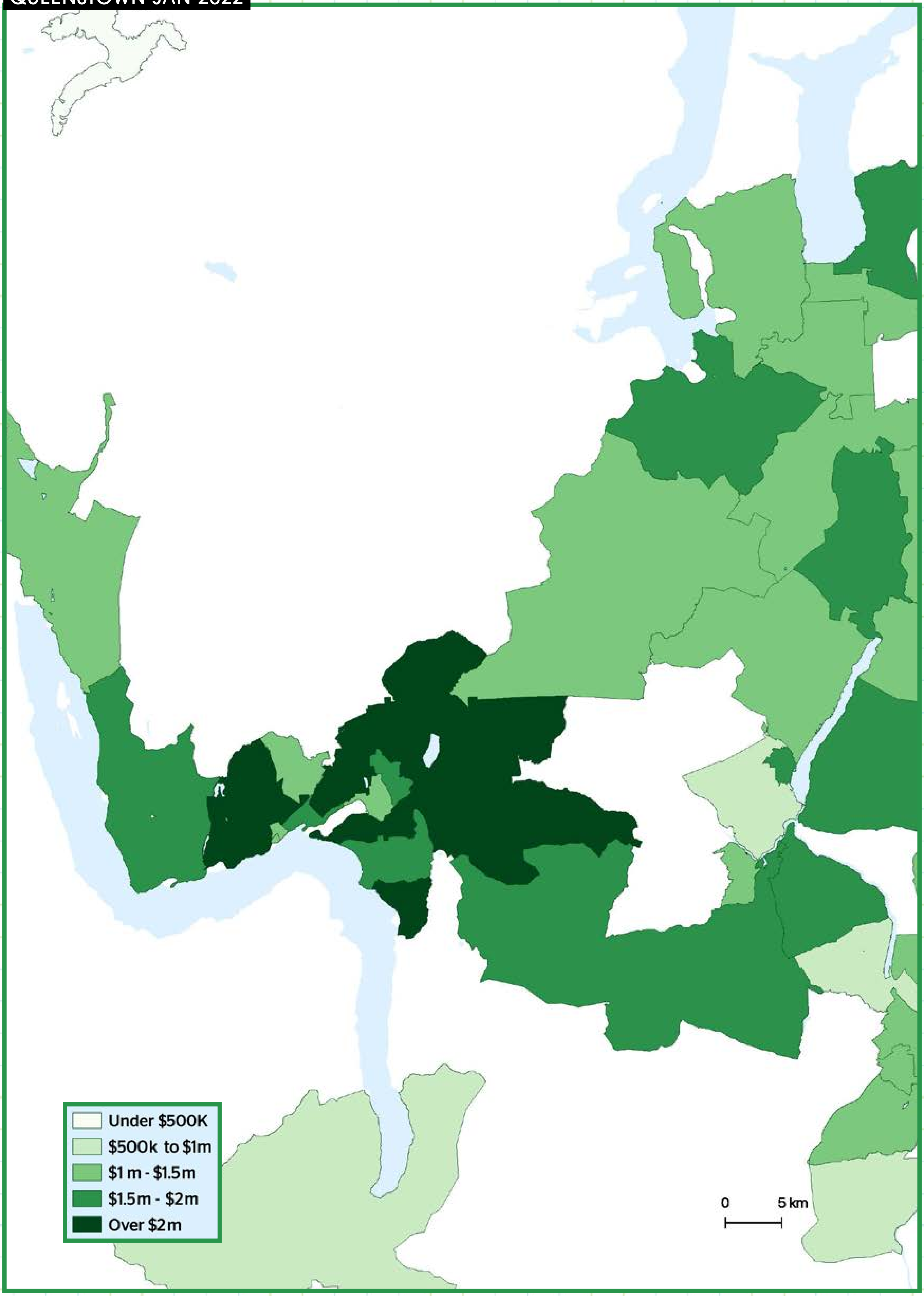
QUEENSTOWN-LAKES

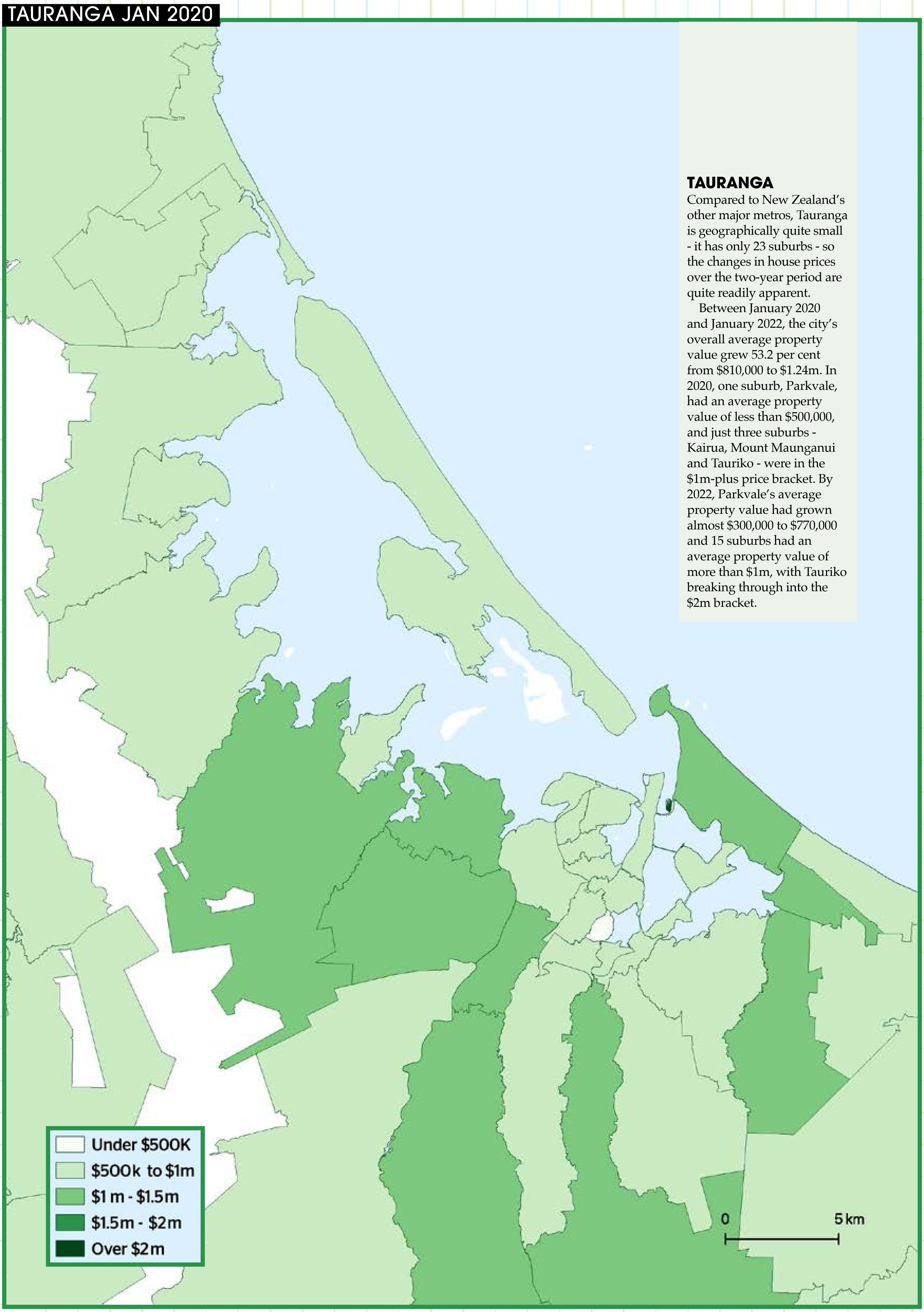
Queenstown-Lakes' average property value grew 36 per cent between January 2020 and January 2022, from $1.35m to $1.85m. Of the country's seven major metros, Queenstown-Lakes struggled the most after Covid hit, but it recovered by the end of 2021 and much of the house price gains it has enjoyed has been in the last 12 months.

Prior to Covid's arrival, 22 suburbs in Queenstown-Lakes (70 per cent) had an average property value of more than $1m, nine of which were above $2m. By January 2022, just two suburbs had an average property value of less than $1m - Kingston and Makarora - while the $2m-plus club has grown to 13.

Glendhu Bay, on the northernmost fringes of the TA and home to rich-lister estates, remains the area's most expensive rural suburb, with an average property value of $7.7m, while Kelvin Heights, with an average property value of $2.3m, is the area's most expensive residential suburb.

QUEENSTOWN JAN 2022

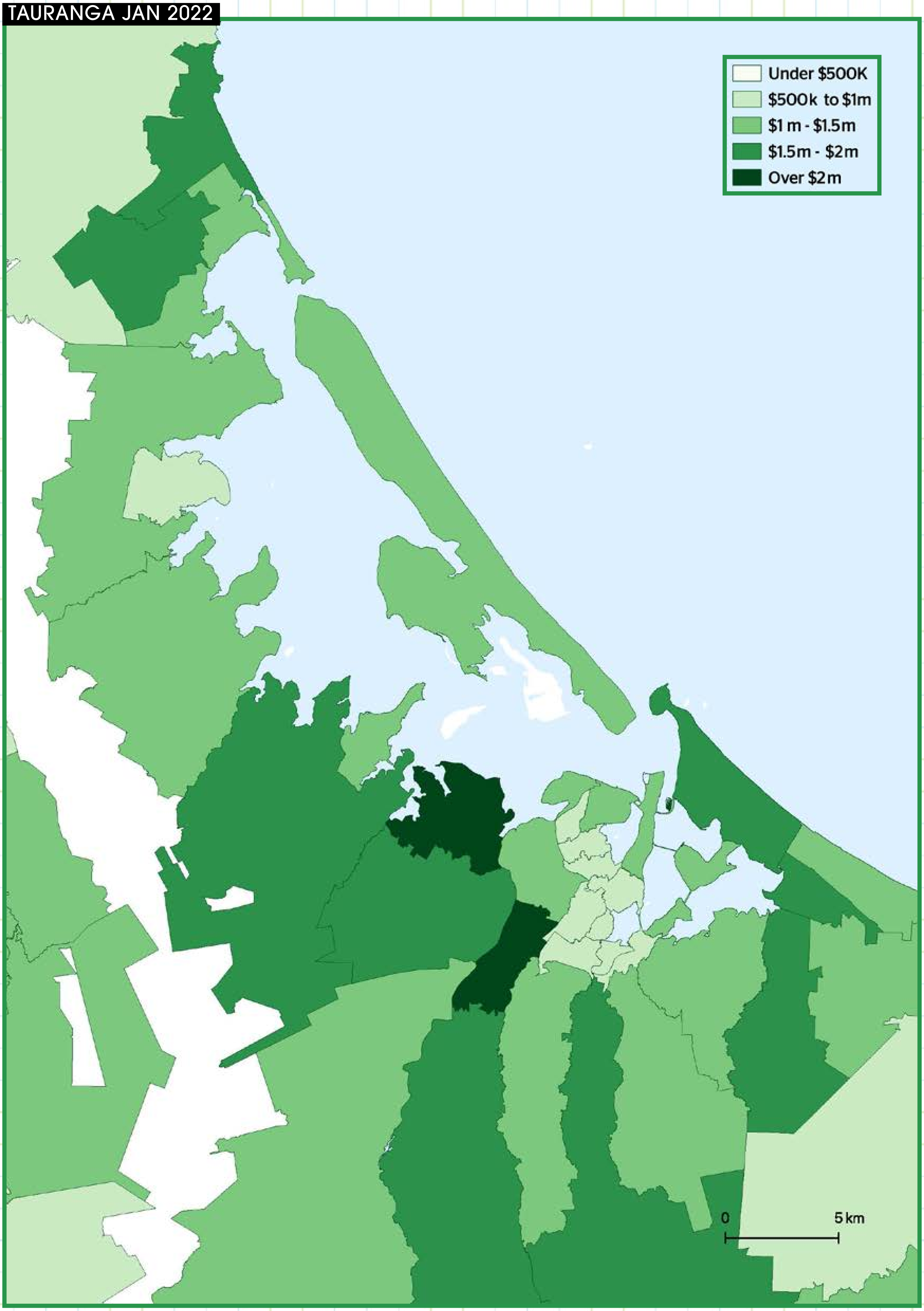




TAURANGA

Compared to New Zealand's other major metros, Tauranga is geographically quite small - it has only 23 suburbs - so the changes in house prices over the two-year period are quite readily apparent.

Between January 2020 and January 2022, the city's overall average property value grew 53.2 per cent from $810,000 to $1.24m. In 2020, one suburb, Parkvale, had an average property value of less than $500,000, and just three suburbs - Kairua, Mount Maunganui and Tauriko - were in the $1m-plus price bracket. By 2022, Parkvale's average property value had grown almost $300,000 to $770,000 and 15 suburbs had an average property value of more than $1m, with Tauriko breaking through into the $2m bracket.


TAURANGA JAN 2022
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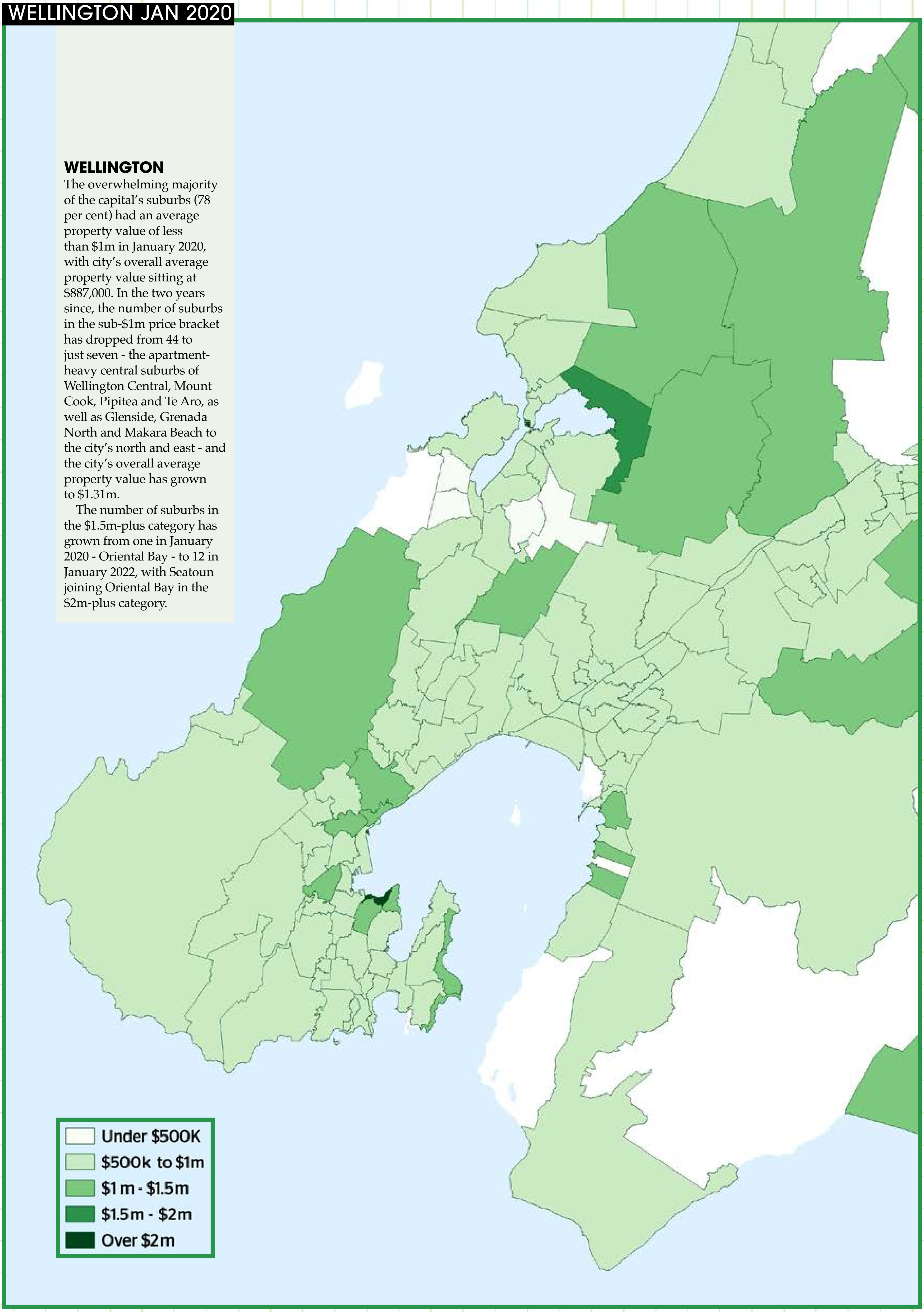
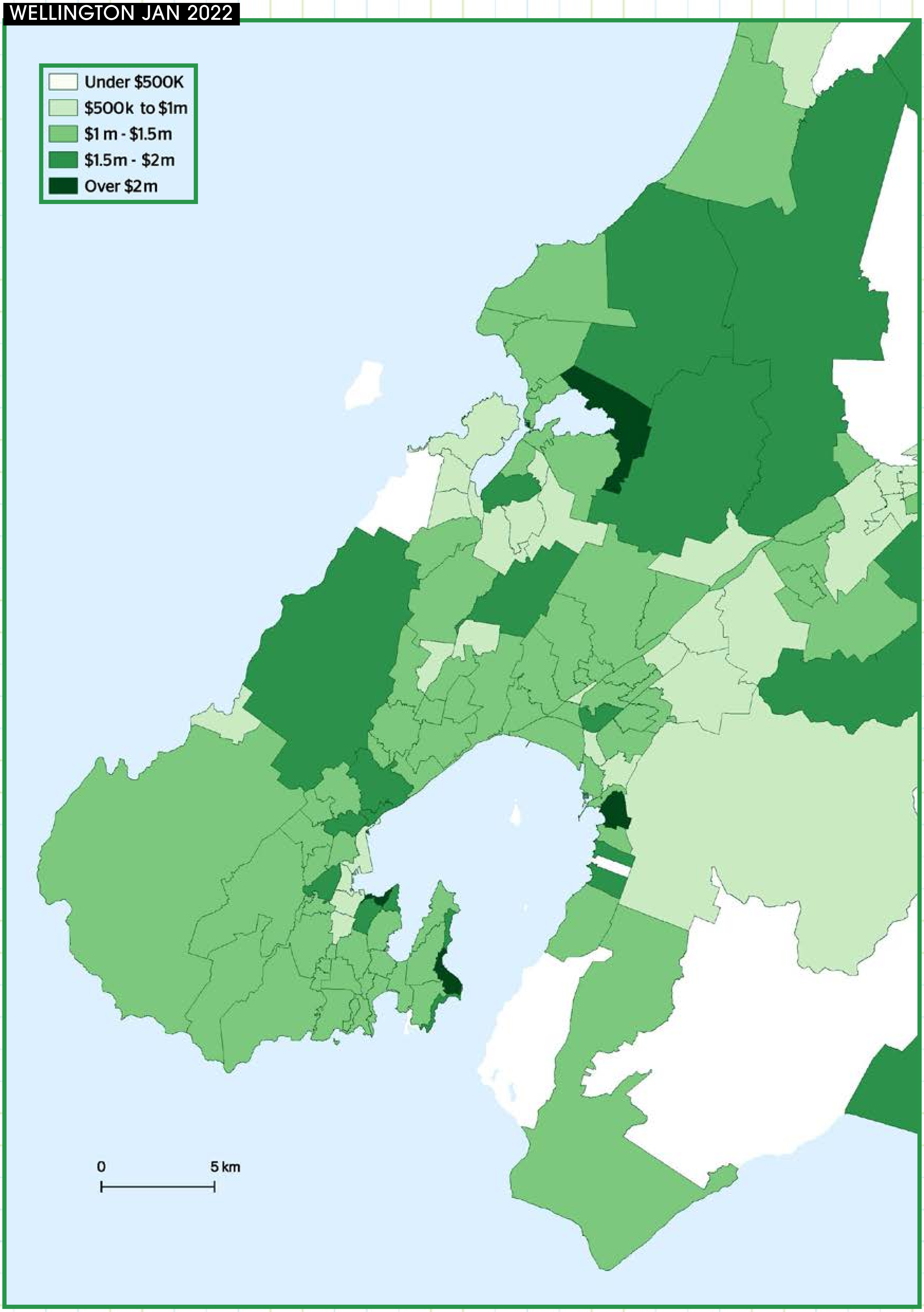


WELLINGTON

The overwhelming majority of the capital's suburbs (78 per cent) had an average property value of less than $1m in January 2020, with city's overall average property value sitting at $887,000. In the two years since, the number of suburbs in the sub-$1m price bracket has dropped from 44 to just seven - the apartment-heavy central suburbs of Wellington Central, Mount Cook, Pipitea and Te Aro, as well as Glenside, Grenada North and Makara Beach to the city's north and east - and the city's overall average property value has grown to $1.31m.

The number of suburbs in the $1.5m-plus category has grown from one in January 2020 - Oriental Bay - to 12 in January 2022, with Seatoun joining Oriental Bay in the $2m-plus category.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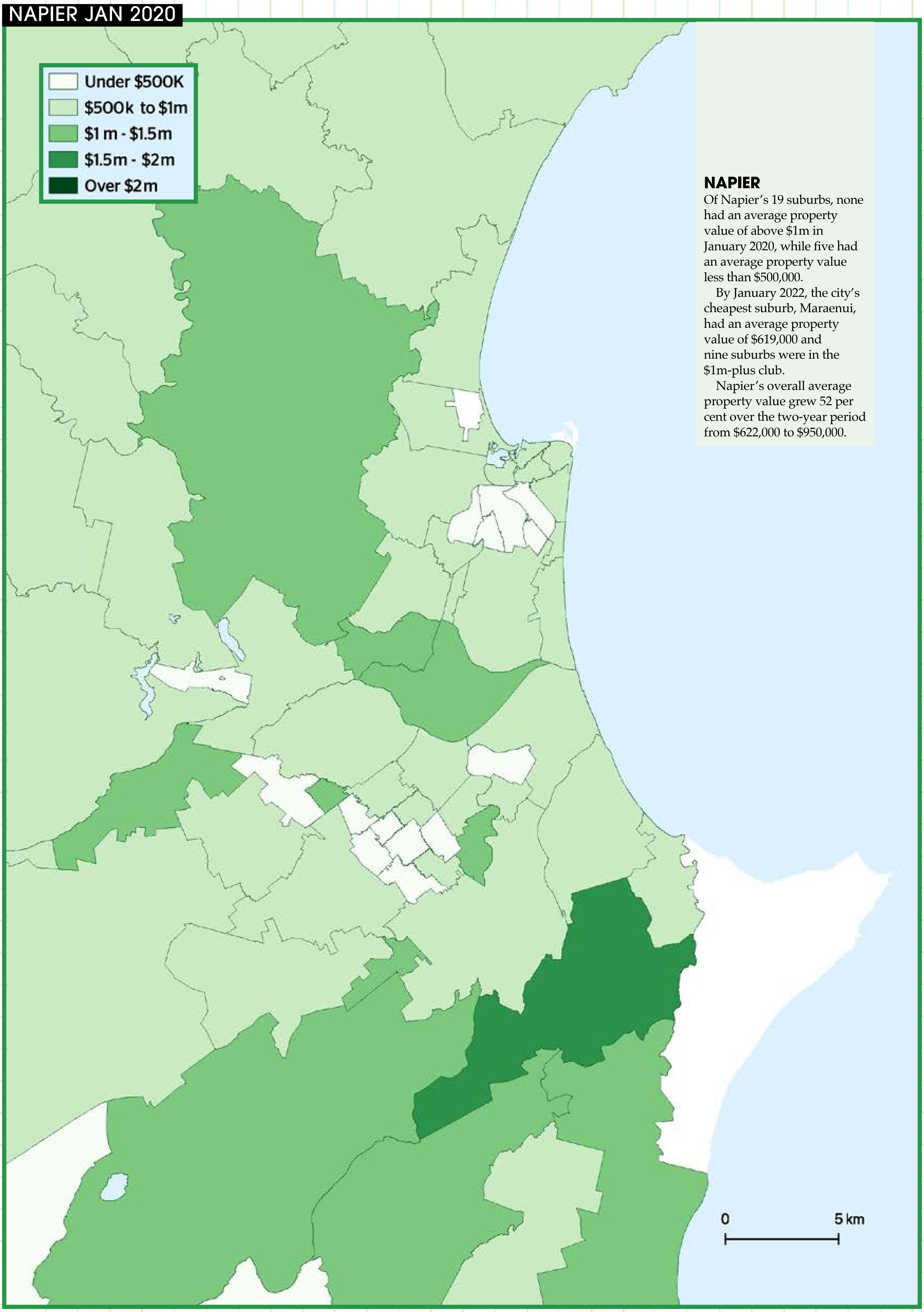
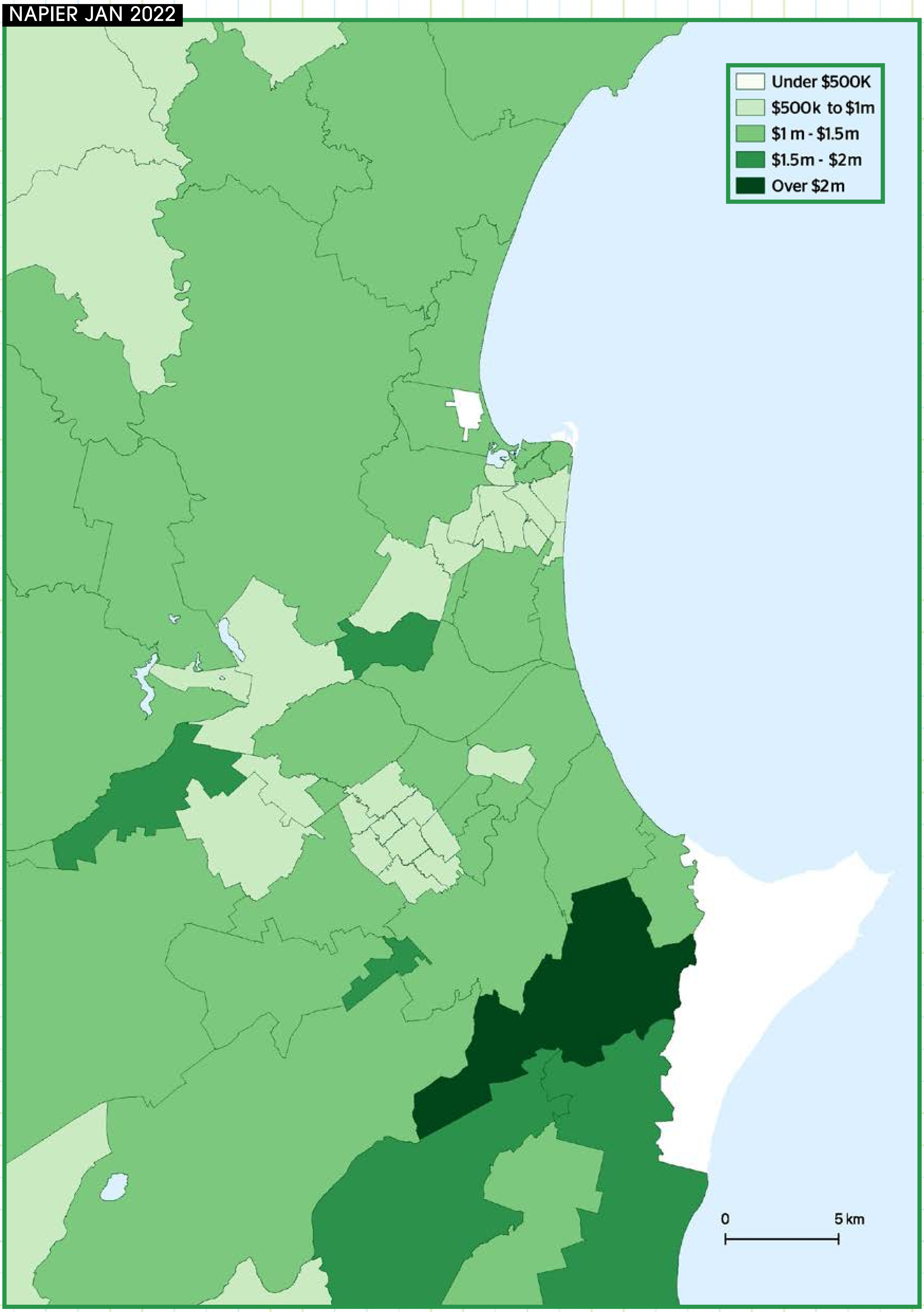


NAPIER

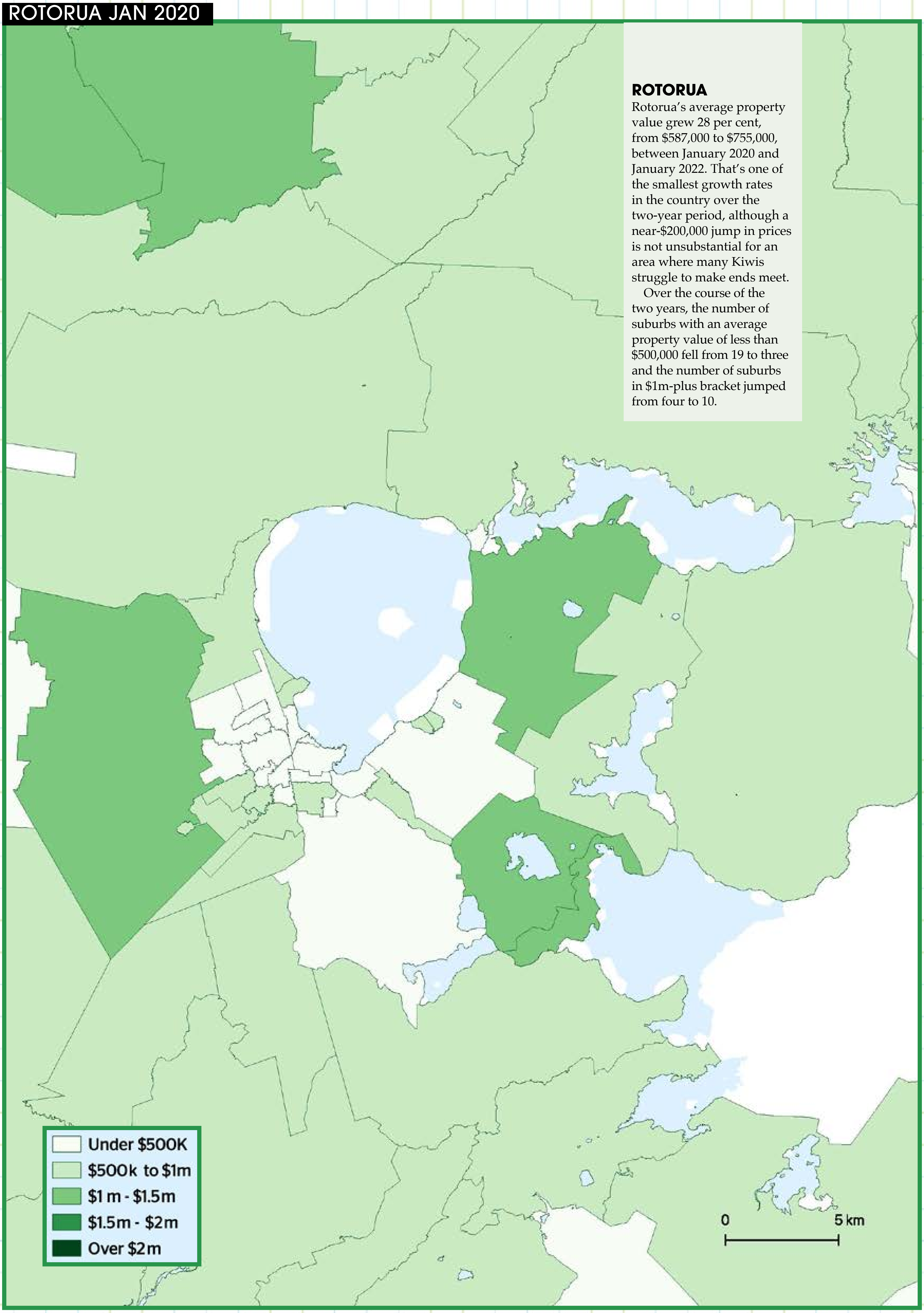
Of Napier's 19 suburbs, none had an average property value of above $1m in January 2020, while five had an average property value less than $500,000.

By January 2022, the city's cheapest suburb, Maraenui, had an average property value of $619,000 and nine suburbs were in the $1m-plus club.

Napier's overall average property value grew 52 per cent over the two-year period from $622,000 to $950,000.


NAPIER JAN 2022
Under $500K
$500k to $1m
$1 m - $1.5m
$1.5m - $2m
Over $2m
0
5 km

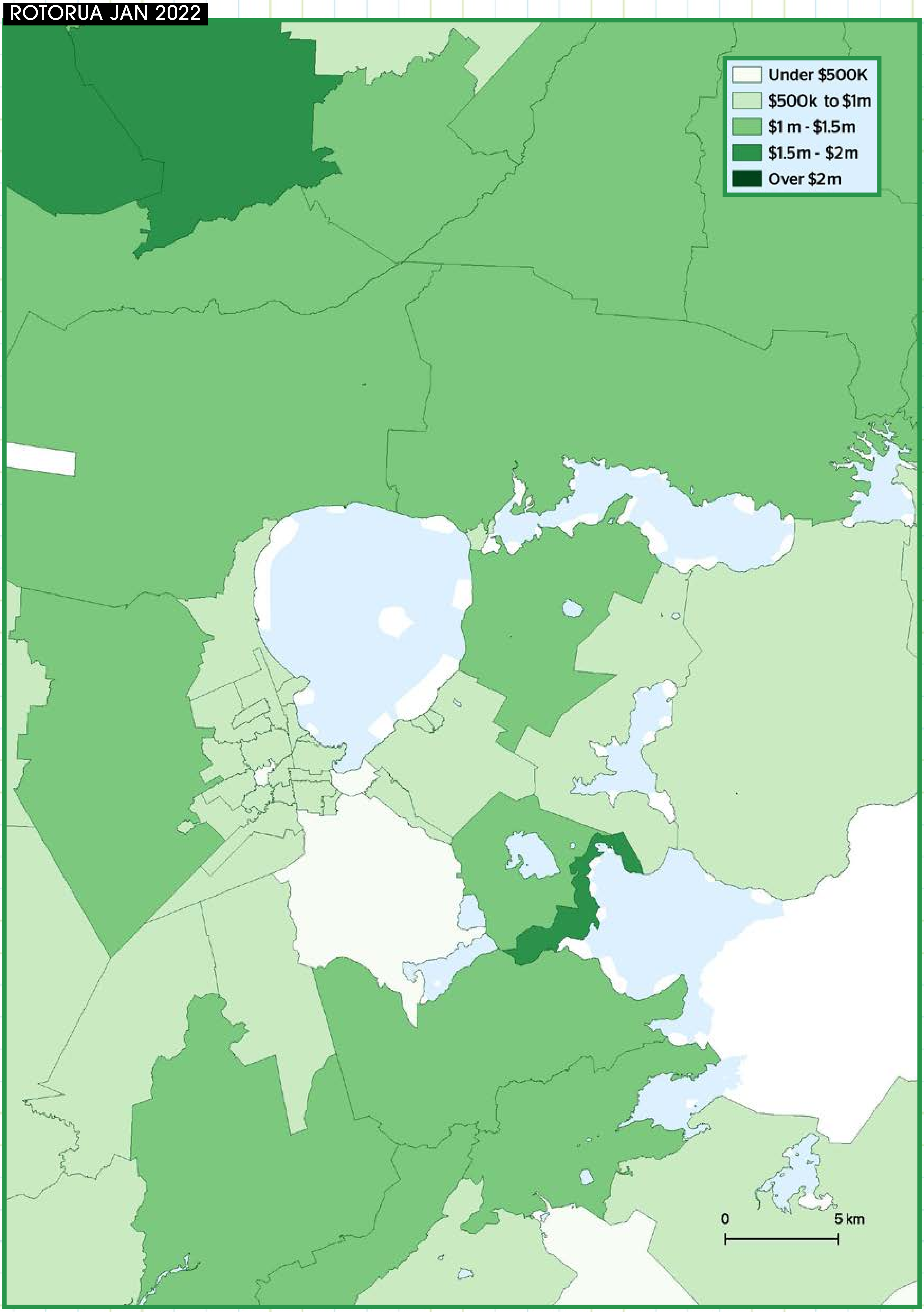
ROTORUA JAN 2020



ROTORUA

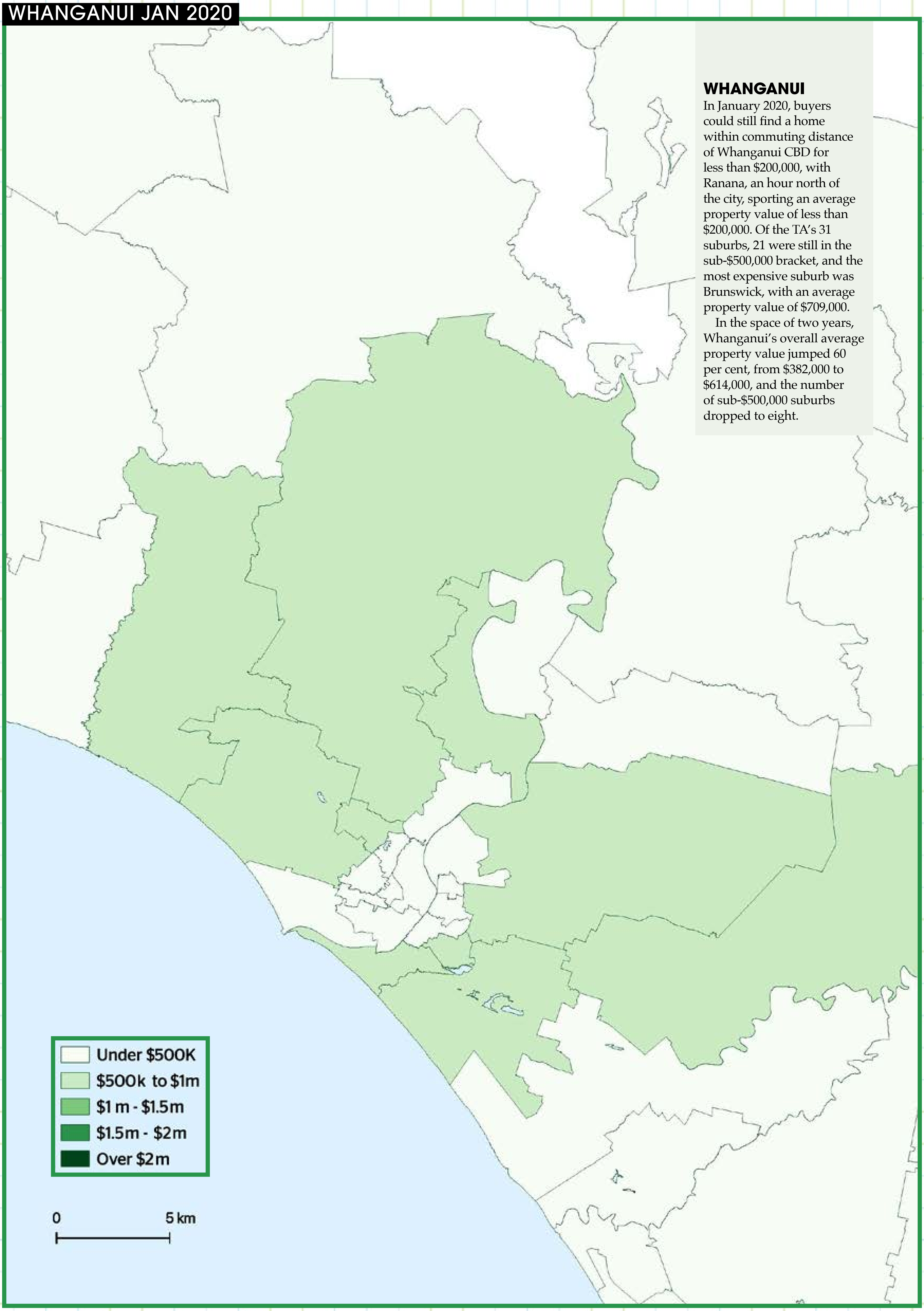
Rotorua's average property value grew 28 per cent, from $587,000 to $755,000, between January 2020 and January 2022. That's one of the smallest growth rates in the country over the two-year period, although a near-$200,000 jump in prices is not unsubstantial for an area where many Kiwis struggle to make ends meet.

Over the course of the two years, the number of suburbs with an average property value of less than $500,000 fell from 19 to three and the number of suburbs in $1m-plus bracket jumped from four to 10.



ROTORUA JAN 2022
Under $500K
$500k to $1m
$1 m - $1.5m
$1.5m - $2m
Over $2m
0
5 km

WHANGANUI JAN 2020

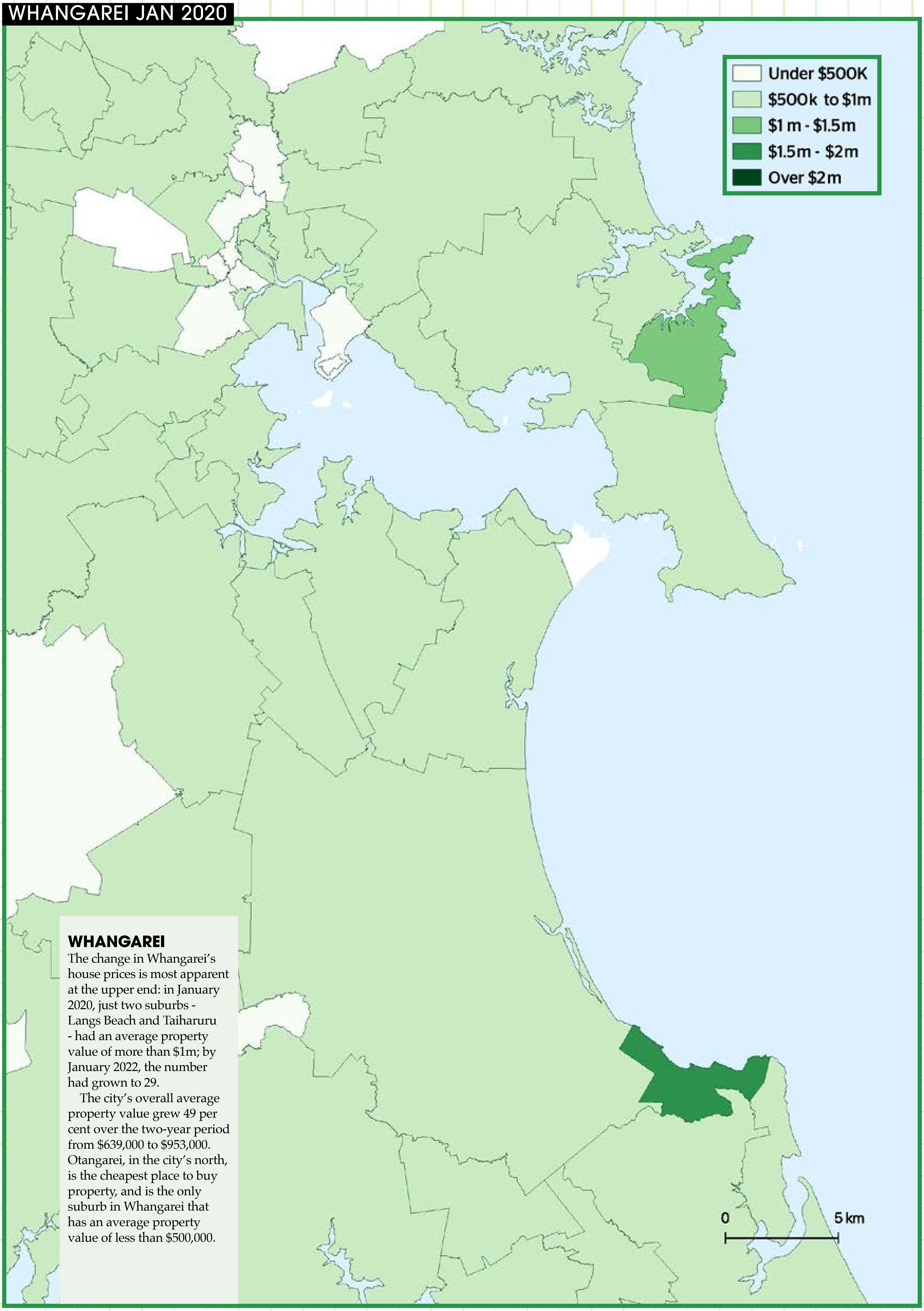


WHANGANUI

In January 2020, buyers could still find a home within commuting distance of Whanganui CBD for less than $200,000, with Ranana, an hour north of the city, sporting an average property value of less than $200,000. Of the TA's 31 suburbs, 21 were still in the sub-$500,000 bracket, and the most expensive suburb was Brunswick, with an average property value of $709,000.

In the space of two years, Whanganui's overall average property value jumped 60 per cent, from $382,000 to $614,000, and the number of sub-$500,000 suburbs dropped to eight.

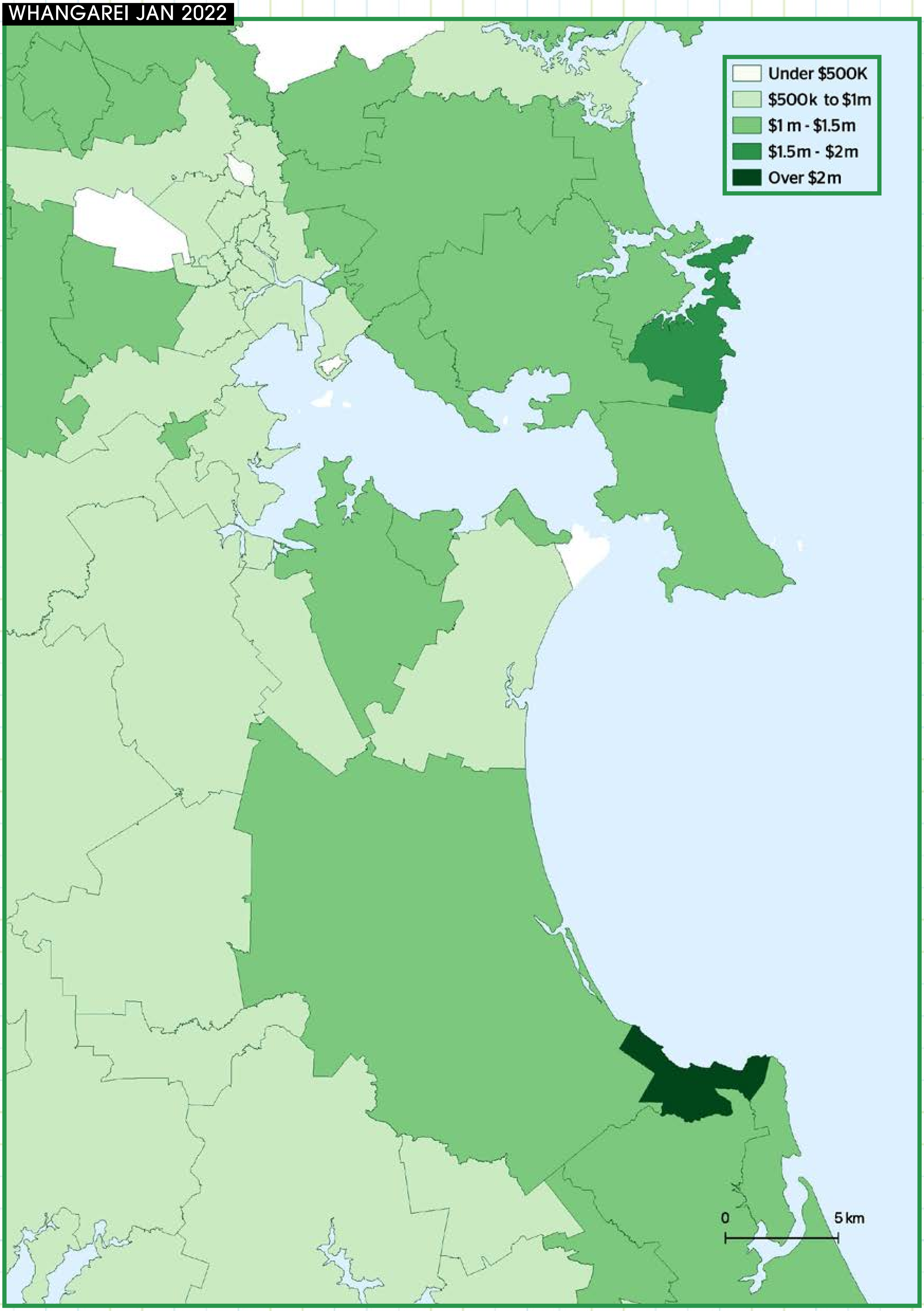

WHANGANUI JAN 2022
Under $500K
$500k to $1m
$1 m - $1.5m
$1.5m - $2m
Over $2m
0
5 km



WHANGAREI

The change in Whangarei's house prices is most apparent at the upper end: in January 2020, just two suburbs - Langs Beach and Taiharuru - had an average property value of more than $1m; by January 2022, the number had grown to 29.

The city's overall average property value grew 49 per cent over the two-year period from $639,000 to $953,000. Otangarei, in the city's north, is the cheapest place to buy property, and is the only suburb in Whangarei that has an average property value of less than $500,000.


WHANGAREI JAN 2022
Under $500K
$500k to $1m
$1m - $1.5m
$1.5m - $2m
Over $2m
0
5 km

RENTAL CRISIS:
The country's poorest are getting squeezed the hardest

Just keeping a roof over your head has become a financial nightmare for many, says **BRAD OLSEN**

KEEPING A ROOF over your head keeps getting more expensive, and it doesn't look like any respite is coming in 2022. Recent inflation numbers showed nationwide rents rose 3.8% per annum last year, the fastest growth in the current rental series since it began in 1999. High levels of residential building activity haven't yet caught up with the demand for housing, and landlords' costs associated with owning rental property are rising. It's the bottom of the market that's being squeezed the most, but real long-lasting solutions for New Zealand's rental woes won't be quick fixes.

After creating headlines in recent years for eyewatering rents, you'd think Auckland might again be leading the rental price pack higher. You'd be wrong.

Although still rising at 2% a year, Auckland actually saw the slowest growth in rents by region in December. A slight fall in population, more central city apartments becoming available, with fewer international students, inner-city workers, and less demand for Airbnbs all prevented a more substantial rental rise in the Super C city.

But the weaker Auckland growth masked rising rents around the rest of New Zealand. Compared to pre-pandemic levels (December 2019), Auckland rents are only up 3.3%, less than half the 6.8% increase nationally. Better economic activity, more regional migration and intense housing market pressures have seen rents across the provincial North Island rise 13% and 11% in Wellington.

Of grave concern is the pressure being felt at the bottom end of the rental market. At the end of December 2021, there were 25,525 families on the Housing Register nationally, more than five times higher than the 4,771 recorded in December 2016.

It's becoming clearer why the Housing Register has exploded, as renters on limited incomes are pushed out of the rental market as prices rise at the bottom end. Infometrics analysis of MBIE data shows that lower quartile rents (rents towards the lower end of the market) have risen 34% since 2016. This increase is far faster than the 29% increase in median rents, and the 23% rise in upper quartile rents (towards the top end of the market).

Essentially, lower-income families, in cheaper rentals, are getting squeezed the hardest, and many can't afford the increases. As rents have risen across the board and regional migration remains high, renters are moving further away from the main centres to find accommodation, increasing demand, and pushing up rents across the provinces, and displacing previous tenants who paid lower rent.

Even with this displacement occurring, and the population rising, a lack of rentals means turnover of rentals is slowing. This slowdown in turnover has been happening since 2017. The number of bonds lodged annually has fallen from a peak of 178,236 in the year to September 2016 to 157,614 in the year to February 2020.

By November 2021, bond lodgements were lower still, driven by lockdowns and incomplete reporting for the year. But even in mid-2021, annual bond numbers were still down 12% from the levels seen five years ago. The total number of active bonds in the rental market grew at a paltry 1.5% over the year to November 2021, less than one third of the 4.7% a year average growth in active bonds over the last 27 years.

We're simply not creating enough rental stock to house everyone. With rents rising, and mortgages becoming harder to get, it's taking longer to save for a deposit, meaning Kiwis are finding it even harder to pole vault onto the bottom rung of the housing ladder. With broader inflation picking up, just keeping a roof over your head is a financial nightmare for many.

Fast- rising rents are a critical issue to address, but any actions must actually address the problem, rather than the symptoms, and not create even more headaches.

At its simplest, prices for rents go down when there are options out there for renters, and landlords have to compete to get tenants into their property. If someone won't rent a house, the price will have to drop until someone will take it, or the landlord will sell as they won't have money coming in to pay a mortgage.

Current policy settings will help. Tax incentives now heavily favour new builds for investors, with retained interest deductibility, less stringent lending requirements, and a shorter bright-line test period. We need to keep this focus on adding more, not playing musical chairs with our existing stock.

A prioritisation on building more housing is needed, with a sustained commitment to build up and out across the country. There's a lot of building planned, but with resources stretched, setting out that housing comes before other lofty building projects might be needed. Access to building products, speedier and less onerous consenting, and actual money for pipes and infrastructure, not just consenting paperwork, would be good too.

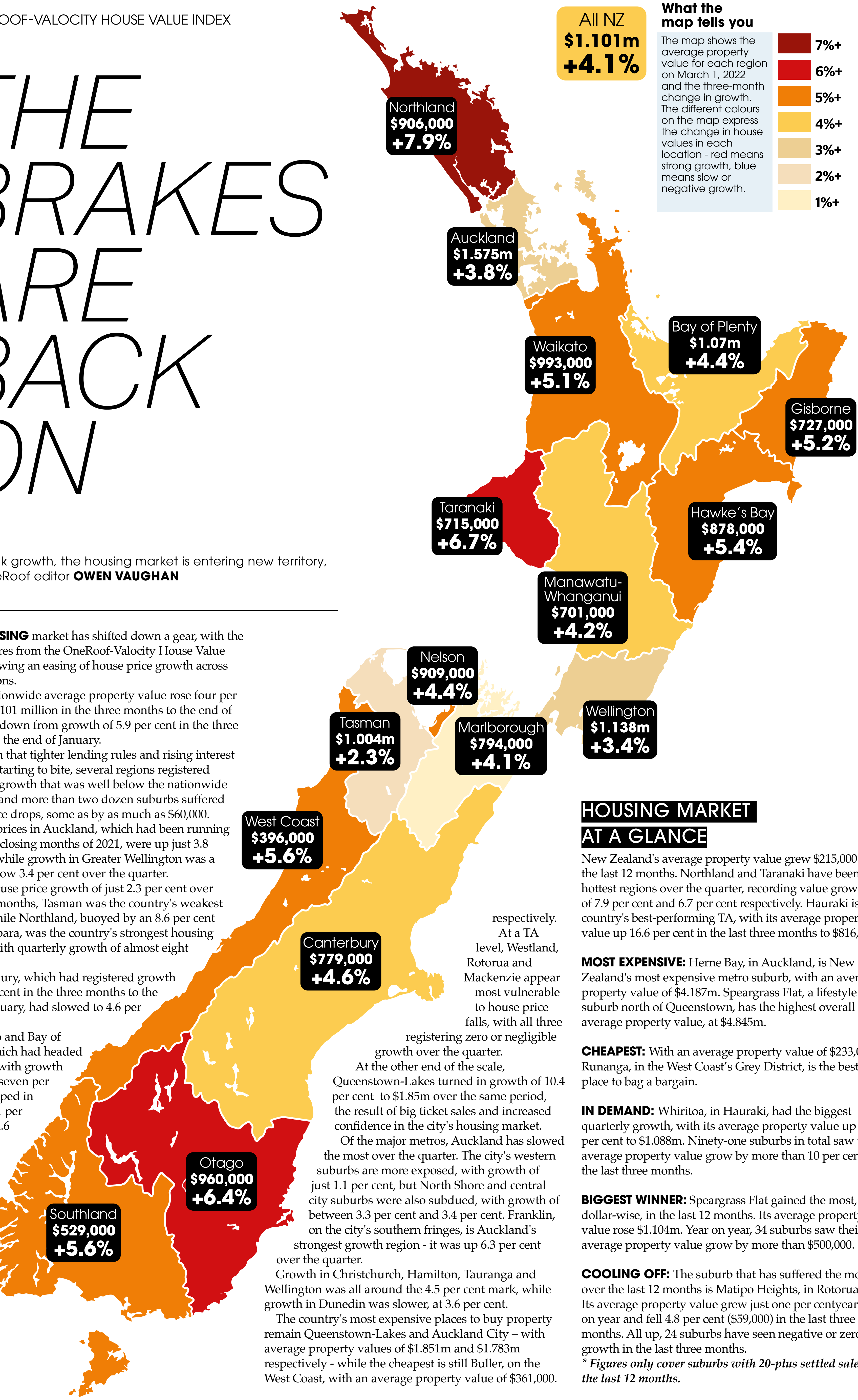
None of these solutions are quick fixes. Policymakers are likely to face some tough choices in 2022 about the short-term support they can provide to help pay for rising rents for those at the bottom. But we've got to keep going with the longer-term solutions to ensure we actually solve our housing problems, not just plaster over them with short-term patch-up jobs.

• Brad Olsen is principal economist and director at data analysts Infometrics.

A rental sign in Auckland. Fast-rising rents have made it hard for Kiwis to move onto the housing ladder, or even keep afloat.
Photo / Ted Baghurst

THE BRAKES ARE BACK ON

Past peak growth, the housing market is entering new territory, says OneRoof editor **OWEN VAUGHAN**



THE HOUSING market has shifted down a gear, with the latest figures from the OneRoof-Valocity House Value Index showing an easing of house price growth across most regions.

The nationwide average property value rose four per cent to $1.101 million in the three months to the end of February, down from growth of 5.9 per cent in the three months to the end of January.

In a sign that tighter lending rules and rising interest rates are starting to bite, several regions registered quarterly growth that was well below the nationwide average - and more than two dozen suburbs suffered house price drops, some as by as much as $60,000.

House prices in Auckland, which had been running hot in the closing months of 2021, were up just 3.8 per cent, while growth in Greater Wellington was a similarly low 3.4 per cent over the quarter.

With house price growth of just 2.3 per cent over the three months, Tasman was the country's weakest region, while Northland, buoyed by an 8.6 per cent lift in Kaipara, was the country's strongest housing market, with quarterly growth of almost eight per cent.

Canterbury, which had registered growth of 6.7 per cent in the three months to the end of January, had slowed to 4.6 per cent.

Waikato and Bay of Plenty, which had headed into 2022 with growth of almost seven per cent, dropped in pace to 5.1 per cent and 4.6 per cent respectively.

At a TA level, Westland, Rotorua and Mackenzie appear most vulnerable to house price falls, with all three registering zero or negligible growth over the quarter.

At the other end of the scale, Queenstown-Lakes turned in growth of 10.4 per cent to $1.85m over the same period, the result of big ticket sales and increased confidence in the city's housing market.

Of the major metros, Auckland has slowed the most over the quarter. The city's western suburbs are more exposed, with growth of just 1.1 per cent, but North Shore and central city suburbs were also subdued, with growth of between 3.3 per cent and 3.4 per cent. Franklin, on the city's southern fringes, is Auckland's strongest growth region - it was up 6.3 per cent over the quarter.

Growth in Christchurch, Hamilton, Tauranga and Wellington was all around the 4.5 per cent mark, while growth in Dunedin was slower, at 3.6 per cent.

The country's most expensive places to buy property remain Queenstown-Lakes and Auckland City – with average property values of $1.851m and $1.783m respectively - while the cheapest is still Buller, on the West Coast, with an average property value of $361,000.

HOUSING MARKET AT A GLANCE

New Zealand's average property value grew $215,000 in the last 12 months. Northland and Taranaki have been the hottest regions over the quarter, recording value growth of 7.9 per cent and 6.7 per cent respectively. Hauraki is the country's best-performing TA, with its average property value up 16.6 per cent in the last three months to $816,000.

MOST EXPENSIVE: Herne Bay, in Auckland, is New Zealand's most expensive metro suburb, with an average property value of $4.187m. Speargrass Flat, a lifestyle suburb north of Queenstown, has the highest overall average property value, at $4.845m.

CHEAPEST: With an average property value of $233,000, Runanga, in the West Coast's Grey District, is the best place to bag a bargain.

IN DEMAND: Whiritoa, in Hauraki, had the biggest quarterly growth, with its average property value up 23.8 per cent to $1.088m. Ninety-one suburbs in total saw their average property value grow by more than 10 per cent in the last three months.

BIGGEST WINNER: Speargrass Flat gained the most, dollar-wise, in the last 12 months. Its average property value rose $1.104m. Year on year, 34 suburbs saw their average property value grow by more than $500,000.

COOLING OFF: The suburb that has suffered the most over the last 12 months is Matipo Heights, in Rotorua. Its average property value grew just one per centyear on year and fell 4.8 per cent ($59,000) in the last three months. All up, 24 suburbs have seen negative or zero growth in the last three months.

** Figures only cover suburbs with 20-plus settled sales in the last 12 months.*

March 2022

HOUSE PRICE REPORT

The OneRoof Property Report House Value Index, powered by OneRoof's data partner Valocity, shows the latest average property value for every suburb* in New Zealand.

The tables below are arranged by region, starting at the top of the North Island and finishing at the bottom of the South Island (with the territorial authorities and suburbs within each region shown in alphabetical order).

WHAT DO THE TABLES SHOW?

The tables below show for each suburb, territorial authority and region:

- The average property value at March 1, 2022;
- The average property value at December 1, 2021;
- The average property value at March 1, 2021;
- The quarterly change (QoQ) in the average property value; and
- The annual change (YoY) in the average property value.

WHAT DO THE NUMBERS MEAN?

The average property value in the index is a good indicator of house prices in an area because it is not affected by outliers. The QoQ and YoY changes indicate how well property values are tracking in the given area. If the percentage change is upwards, then it means the market in the area may be hot and that homes there are selling quickly and for more money.

If the percentage change is downwards, then it is a sign that the market in the area is soft or cold, and that properties are selling slowly and for less.

Together these figures give a good overview of what's happening in the housing market in each region, TA and suburb, and what buyers can expect to pay and sellers can expect to make.

HOW ARE THE SUBURB VALUES CALCULATED?

The index takes into account recorded property attributes and historical property sales data to estimate the value of every residential property value in a suburb. The model is intended to provide an estimate of value at the date it was run.

* Only suburbs with 20 sales or more in the 12 months to March, 2022 have been included in the print tables below. The latest property values for every suburb can be found in the interactive at OneRoof.co.nz/property-report. You can also find out the value of your own property – and those of your neighbours – at OneRoof.co.nz/estimate.

If you have a question about the data, please contact support@oneroof.co.nz

NORTHLAND

$891,000 AVERAGE VALUE

▲ 27.5% YEAR ON YEAR CHANGE

NORTHLAND is the country's strongest housing market, with the region's average property value growing 7.9% in the three months to the end of February, up from 6.9% growth in the three months to the end of January.

The region has enjoyed strong buying activity across the board, but Kaipara has led the pack, with its average property value up 8.6% QoQ to $983,000.

The TA is likely to continue to benefit from Aucklanders seeking a bach at more affordable price points, with the jump in activity from multi-homeowners and investors across the region a strong indicator that it is growing popularity as a location for holiday homes.

First home buyers continued to be active in the region, registering 35.6% of all mortgage registrations, although this is down from 38.5% in the previous quarter. Investors' share of mortgage registrations remained relatively stable at 21.7% compared to three months prior at 21.4%.

With an average property value of $2.235m, Langs Beach, north of Mangawhai, is Northland's most expensive suburb, while Kaikohe, in the Far North, is the region's cheapest, with an average property value of $390,000.

LOCATION	MARCH 2022	DECEMBER 2021	MARCH 2021	QoQ CHANGE	YoY CHANGE
FAR NORTH	**$795,000**	**$741,000**	**$623,000**	**7.3%**	**27.6%**
AHIPARA	$672,000	$595,000	$495,000	12.9%	35.8%
CABLE BAY	$847,000	$774,000	$660,000	9.4%	28.3%
COOPERS BEACH	$894,000	$813,000	$678,000	10.0%	31.9%
HARURU	$877,000	$800,000	$680,000	9.6%	29.0%
KAEO	$827,000	$742,000	$619,000	11.5%	33.6%
KAIKOHE	$390,000	$358,000	$297,000	8.9%	31.3%
KAITAIA	$430,000	$405,000	$366,000	6.2%	17.5%
KARIKARI PENINSULA	$763,000	$690,000	$592,000	10.6%	28.9%
KAWAKAWA	$505,000	$481,000	$402,000	5.0%	25.6%
KERIKERI	$1,137,000	$1,091,000	$894,000	4.2%	27.2%
MANGONUI	$820,000	$731,000	$629,000	12.2%	30.4%
OKAIHAU	$764,000	$701,000	$589,000	9.0%	29.7%
OPONONI	$568,000	$517,000	$438,000	9.9%	29.7%
PAIHIA	$837,000	$751,000	$647,000	11.5%	29.4%
PUKENUI	$736,000	$671,000	$588,000	9.7%	25.2%
RAWENE	$463,000	$436,000	$393,000	6.2%	17.8%
RUSSELL	$1,551,000	$1,409,000	$1,243,000	10.1%	24.8%
TAIPA	$751,000	$684,000	$577,000	9.8%	30.2%
WAIPAPA	$1,117,000	$1,033,000	$851,000	8.1%	31.3%
KAIPARA	**$983,000**	**$905,000**	**$756,000**	**8.6%**	**30.0%**
BAYLYS BEACH	$724,000	$672,000	$544,000	7.7%	33.1%
DARGAVILLE	$585,000	$554,000	$440,000	5.6%	33.0%
KAIWAKA	$1,027,000	$954,000	$755,000	7.7%	36.0%
MANGAWHAI	$1,393,000	$1,278,000	$1,069,000	9.0%	30.3%
MANGAWHAI HEADS	$1,439,000	$1,313,000	$1,133,000	9.6%	27.0%
MAUNGATUROTO	$781,000	$744,000	$592,000	5.0%	31.9%

LOCATION	MARCH 2022	DECEMBER 2021	MARCH 2021	QoQ CHANGE	YoY CHANGE
PAPAROA	$778,000	$729,000	$608,000	6.7%	28.0%
RUAWAI	$500,000	$481,000	$389,000	4.0%	28.5%
TE KOPURU	$542,000	$505,000	$412,000	7.3%	31.6%
TINOPAI	$669,000	$634,000	$524,000	5.5%	27.7%
WHANGAREI	**$960,000**	**$890,000**	**$742,000**	**7.9%**	**29.4%**
AVENUES	$664,000	$618,000	$510,000	7.4%	30.2%
HIKURANGI	$658,000	$618,000	$518,000	6.5%	27.0%
HORAHORA	$788,000	$744,000	$605,000	5.9%	30.2%
KAMO	$818,000	$785,000	$681,000	4.2%	20.1%
KAURI	$1,281,000	$1,145,000	$935,000	11.9%	37.0%
KENSINGTON	$741,000	$688,000	$572,000	7.7%	29.5%
LANGS BEACH	$2,235,000	$2,160,000	$1,834,000	3.5%	21.9%
MAUNGAKARAMEA	$990,000	$908,000	$751,000	9.0%	31.8%
MAUNGATAPERE	$1,254,000	$1,154,000	$948,000	8.7%	32.3%
MAUNU	$1,114,000	$1,043,000	$874,000	6.8%	27.5%
MORNINGSIDE	$648,000	$611,000	$514,000	6.1%	26.1%
NGUNGURU	$1,132,000	$1,065,000	$920,000	6.3%	23.0%
ONE TREE POINT	$1,179,000	$1,118,000	$972,000	5.5%	21.3%
ONERAHI	$733,000	$689,000	$620,000	6.4%	18.2%
OTANGAREI	$411,000	$381,000	$325,000	7.9%	26.5%
PARAHAKI	$874,000	$820,000	$667,000	6.6%	31.0%
PARUA BAY	$1,249,000	$1,155,000	$1,000,000	8.1%	24.9%
POROTI	$1,181,000	$1,068,000	$897,000	10.6%	31.7%
RAUMANGA	$580,000	$539,000	$452,000	7.6%	28.3%
REGENT	$817,000	$745,000	$614,000	9.7%	33.1%
RIVERSIDE	$833,000	$793,000	$688,000	5.0%	21.1%
RUAKAKA	$1,009,000	$941,000	$790,000	7.2%	27.7%
RUATANGATA WEST	$1,151,000	$1,048,000	$865,000	9.8%	33.1%
TAMATERAU	$1,295,000	$1,229,000	$895,000	5.4%	44.7%
TIKIPUNGA	$705,000	$651,000	$534,000	8.3%	32.0%
TUTUKAKA	$1,332,000	$1,260,000	$1,092,000	5.7%	22.0%
WAIPU	$1,277,000	$1,153,000	$990,000	10.8%	29.0%
WHANGAREI HEADS	$1,232,000	$1,145,000	$934,000	7.6%	31.9%
WHAREORA	$1,191,000	$1,087,000	$911,000	9.6%	30.7%
WHAU VALLEY	$789,000	$736,000	$628,000	7.2%	25.6%
WOODHILL	$693,000	$644,000	$544,000	7.6%	27.4%

GREATER AUCKLAND

$1,575,000
AVERAGE VALUE

▲ 23.4%
YEAR ON YEAR CHANGE

THE DOWNWARDS shift in Auckland's housing market is a concern. The overall QoQ growth figure for Greater Auckland is 3.8% is one of the lowest for the period, and some areas in the city are in far weaker position. Waitakere's growth over the period is just 1.1%, while the North Shore and central city suburbs have also been subdued.

House values fell in five Auckland suburbs - Torbay (-4%), Avondale (-3.7%), Auckland Central (-3%), Glen Eden (-1.3%), Te Atatu Peninsula (-0.3%) and New Lynn (-0.1%). Expect more suburbs to join them in the negative growth club (Browns Bay, Forrest Hill, Okura Bush, Te Atatu South and Sunnynook are looking vulnerable) as buyers and sellers adjust to the new market realities.

Of the Auckland suburbs that registered 20 or more settled sales over the 12 months to the end of February, 24 saw value growth of more than 10%, houses on Waiheke Island enjoying growth of more than 15%.

Just 16 suburbs with 20 or more sales over the last 12 months have an average property value of less than $1m, down from 24 three months ago, while 54 have an average property value of $2m-plus.

First home buyers' share of mortgage registrations for the quarter was 40%, unchanged from the previous quarter. They were particularly active in Waitakere (47.4%), and Papakura (42.2%).

Investors' share of the Auckland market dropped from 28.2% to 26.1%, with many repositioning their portfolios to adapt to the new interest deductibility rules. The buyer group was most active in Manukau (29.4%) and Papakura (31.4%), where rental yields are still attractive.

Building Consent activity in Auckland is at a record level; however, the shortage of labour and materials are delaying the completion of these homes.

Herne Bay is Auckland's most expensive suburb. Its average property value of $4.18m is six and a half times more expensive than the city's cheapest suburb, Auckland Central, which has an average property value of $644,000.

LOCATION	MARCH 2022	DECEMBER 2021	MARCH 2021	QoQ CHANGE	YoY CHANGE
AUCKLAND CITY	**$1,783,000**	**$1,725,000**	**$1,478,000**	**3.4%**	**20.6%**
AUCKLAND CENTRAL	$644,000	$664,000	$613,000	-3.0%	5.1%
AVONDALE	$1,160,000	$1,204,000	$1,019,000	-3.7%	13.8%
BLOCKHOUSE BAY	$1,426,000	$1,377,000	$1,206,000	3.6%	18.2%
EDEN TERRACE	$920,000	$881,000	$809,000	4.4%	13.7%
ELLERSLIE	$1,543,000	$1,469,000	$1,293,000	5.0%	19.3%
EPSOM	$2,607,000	$2,426,000	$2,204,000	7.5%	18.3%
FREEMANS BAY	$1,969,000	$1,835,000	$1,672,000	7.3%	17.8%
GLEN INNES	$1,483,000	$1,422,000	$1,148,000	4.3%	29.2%
GLENDOWIE	$2,723,000	$2,654,000	$2,129,000	2.6%	27.9%
GRAFTON	$778,000	$754,000	$715,000	3.2%	8.8%
GREAT BARRIER ISLAND (AOTEA IS.)	$820,000	$773,000	$658,000	6.1%	24.6%
GREENLANE	$2,265,000	$2,164,000	$1,832,000	4.7%	23.6%
GREY LYNN	$2,130,000	$2,072,000	$1,833,000	2.8%	16.2%
HERNE BAY	$4,187,000	$4,058,000	$3,484,000	3.2%	20.2%
HILLSBOROUGH	$1,593,000	$1,527,000	$1,302,000	4.3%	22.4%
KINGSLAND	$1,695,000	$1,640,000	$1,431,000	3.4%	18.4%
KOHIMARAMA	$2,627,000	$2,534,000	$2,146,000	3.7%	22.4%
LYNFIELD	$1,635,000	$1,534,000	$1,307,000	6.6%	25.1%
MEADOWBANK	$2,035,000	$1,994,000	$1,639,000	2.1%	24.2%
MISSION BAY	$2,717,000	$2,519,000	$2,114,000	7.9%	28.5%
MORNINGSIDE	$1,602,000	$1,544,000	$1,334,000	3.8%	20.1%
MOUNT ALBERT	$1,667,000	$1,630,000	$1,324,000	2.3%	25.9%
MOUNT EDEN	$2,116,000	$2,064,000	$1,782,000	2.5%	18.7%
MOUNT ROSKILL	$1,417,000	$1,367,000	$1,198,000	3.7%	18.3%
MOUNT WELLINGTON	$1,212,000	$1,146,000	$985,000	5.8%	23.0%
NEW WINDSOR	$1,520,000	$1,454,000	$1,209,000	4.5%	25.7%
NEWMARKET	$1,063,000	$1,028,000	$959,000	3.4%	10.8%
ONE TREE HILL	$1,621,000	$1,584,000	$1,325,000	2.3%	22.3%
ONEHUNGA	$1,379,000	$1,355,000	$1,169,000	1.8%	18.0%
ORAKEI	$2,772,000	$2,709,000	$2,365,000	2.3%	17.2%
OTAHUHU	$982,000	$899,000	$769,000	9.2%	27.7%
PANMURE	$1,256,000	$1,236,000	$1,038,000	1.6%	21.0%
PARNELL	$2,438,000	$2,248,000	$2,046,000	8.5%	19.2%
POINT CHEVALIER	$2,292,000	$2,244,000	$1,857,000	2.1%	23.4%
POINT ENGLAND	$1,472,000	$1,419,000	$1,094,000	3.7%	34.6%
PONSONBY	$2,711,000	$2,680,000	$2,203,000	1.2%	23.1%
REMUERA	$3,225,000	$3,129,000	$2,638,000	3.1%	22.3%
ROYAL OAK	$1,708,000	$1,624,000	$1,401,000	5.2%	21.9%
SAINT JOHNS	$1,801,000	$1,765,000	$1,491,000	2.0%	20.8%
SAINT MARYS BAY	$3,299,000	$3,189,000	$2,699,000	3.4%	22.2%
SANDRINGHAM	$1,689,000	$1,633,000	$1,402,000	3.4%	20.5%
ST HELIERS	$2,649,000	$2,572,000	$2,154,000	3.0%	23.0%
STONEFIELDS	$1,806,000	$1,766,000	$1,484,000	2.3%	21.7%
THREE KINGS	$1,426,000	$1,342,000	$1,250,000	6.3%	14.1%
WAI O TAIKI BAY	$1,910,000	$1,854,000	$1,552,000	3.0%	23.1%
WATERVIEW	$1,288,000	$1,271,000	$1,085,000	1.3%	18.7%
WESLEY	$1,430,000	$1,411,000	$1,159,000	1.3%	23.4%
WESTMERE	$3,044,000	$2,836,000	$2,401,000	7.3%	26.8%
FRANKLIN	**$1,263,000**	**$1,188,000**	**$945,000**	**6.3%**	**33.7%**
AWHITU	$905,000	$839,000	$692,000	7.9%	30.8%
BOMBAY	$1,992,000	$1,743,000	$1,346,000	14.3%	48.0%
CLARKS BEACH	$1,437,000	$1,292,000	$1,058,000	11.2%	35.8%
GLENBROOK	$1,430,000	$1,293,000	$1,060,000	10.6%	34.9%
HUNUA	$1,766,000	$1,558,000	$1,237,000	13.4%	42.8%
KINGSEAT	$2,005,000	$1,751,000	$1,460,000	14.5%	37.3%
MANUKAU HEADS	$1,107,000	$1,025,000	$829,000	8.0%	33.5%
PAERATA	$1,575,000	$1,414,000	$1,201,000	11.4%	31.1%
PATUMAHOE	$1,486,000	$1,348,000	$1,105,000	10.2%	34.5%
POLLOK	$1,139,000	$1,044,000	$864,000	9.1%	31.8%
PUKEKOHE	$1,095,000	$1,035,000	$817,000	5.8%	34.0%
RAMARAMA	$2,023,000	$1,784,000	$1,515,000	13.4%	33.5%
WAIUKU	$1,005,000	$956,000	$772,000	5.1%	30.2%
MANUKAU (SOUTH AND EAST AUCKLAND)	**$1,436,000**	**$1,363,000**	**$1,136,000**	**5.4%**	**26.4%**
BEACHLANDS	$1,822,000	$1,718,000	$1,420,000	6.1%	28.3%
BOTANY DOWNS	$1,529,000	$1,505,000	$1,282,000	1.6%	19.3%
BUCKLANDS BEACH	$2,054,000	$1,835,000	$1,596,000	11.9%	28.7%
BURSWOOD	$1,491,000	$1,417,000	$1,138,000	5.2%	31.0%
CLENDON PARK	$931,000	$857,000	$689,000	8.6%	35.1%
CLEVEDON	$2,349,000	$2,221,000	$1,909,000	5.8%	23.0%
CLOVER PARK	$1,061,000	$987,000	$836,000	7.5%	26.9%
COCKLE BAY	$1,961,000	$1,849,000	$1,548,000	6.1%	26.7%
DANNEMORA	$1,982,000	$1,903,000	$1,642,000	4.2%	20.7%
EAST TAMAKI	$1,325,000	$1,266,000	$1,078,000	4.7%	22.9%
EAST TAMAKI HEIGHTS	$2,134,000	$2,018,000	$1,694,000	5.7%	26.0%
EASTERN BEACH	$2,240,000	$2,161,000	$1,839,000	3.7%	21.8%
FARM COVE	$2,101,000	$2,031,000	$1,668,000	3.4%	26.0%
FAVONA	$1,001,000	$926,000	$819,000	8.1%	22.2%
FLAT BUSH	$1,568,000	$1,538,000	$1,273,000	2.0%	23.2%
GOLFLANDS	$1,600,000	$1,547,000	$1,296,000	3.4%	23.5%
GOODWOOD HEIGHTS	$1,368,000	$1,269,000	$1,091,000	7.8%	25.4%
HALF MOON BAY	$1,886,000	$1,772,000	$1,546,000	6.4%	22.0%

LOCATION	MARCH 2022	DECEMBER 2021	MARCH 2021	QoQ CHANGE	YoY CHANGE
HIGHLAND PARK	$1,378,000	$1,343,000	$1,156,000	2.6%	19.2%
HILLPARK	$1,151,000	$1,089,000	$904,000	5.7%	27.3%
HOWICK	$1,463,000	$1,436,000	$1,216,000	1.9%	20.3%
MANGERE	$1,064,000	$992,000	$849,000	7.3%	25.3%
MANGERE BRIDGE	$1,482,000	$1,398,000	$1,169,000	6.0%	26.8%
MANGERE EAST	$1,031,000	$979,000	$850,000	5.3%	21.3%
MANUKAU	$729,000	$700,000	$652,000	4.1%	11.8%
MANUREWA	$1,017,000	$961,000	$811,000	5.8%	25.4%
MANUREWA EAST	$910,000	$893,000	$799,000	1.9%	13.9%
MARAETAI	$1,960,000	$1,803,000	$1,488,000	8.7%	31.7%
MELLONS BAY	$2,608,000	$2,453,000	$2,077,000	6.3%	25.6%
NORTHPARK	$1,743,000	$1,671,000	$1,415,000	4.3%	23.2%
OTARA	$958,000	$888,000	$727,000	7.9%	31.8%
PAKURANGA	$1,428,000	$1,325,000	$1,152,000	7.8%	24.0%
PAKURANGA HEIGHTS	$1,441,000	$1,334,000	$1,141,000	8.0%	26.3%
PAPATOETOE	$1,037,000	$975,000	$860,000	6.4%	20.6%
RANDWICK PARK	$957,000	$922,000	$726,000	3.8%	31.8%
SHELLY PARK	$1,950,000	$1,857,000	$1,535,000	5.0%	27.0%
SOMERVILLE	$1,833,000	$1,760,000	$1,504,000	4.1%	21.9%
SUNNYHILLS	$1,991,000	$1,888,000	$1,577,000	5.5%	26.3%
THE GARDENS	$1,551,000	$1,462,000	$1,214,000	6.1%	27.8%
TOTARA HEIGHTS	$1,267,000	$1,196,000	$1,013,000	5.9%	25.1%
TOTARA PARK	$2,802,000	$2,447,000	$1,977,000	14.5%	41.7%
WATTLE DOWNS	$1,270,000	$1,191,000	$963,000	6.6%	31.9%
WEYMOUTH	$974,000	$918,000	$755,000	6.1%	29.0%
WHITFORD	$3,870,000	$3,541,000	$3,149,000	9.3%	22.9%
WIRI	$854,000	$823,000	$683,000	3.8%	25.0%
NORTH SHORE	**$1,741,000**	**$1,686,000**	**$1,434,000**	**3.3%**	**21.4%**
ALBANY	$1,294,000	$1,186,000	$1,076,000	9.1%	20.3%
ALBANY HEIGHTS	$1,590,000	$1,516,000	$1,363,000	4.9%	16.7%
BAYSWATER	$2,099,000	$2,030,000	$1,674,000	3.4%	25.4%
BAYVIEW	$1,240,000	$1,205,000	$991,000	2.9%	25.1%
BEACH HAVEN	$1,324,000	$1,293,000	$1,076,000	2.4%	23.0%
BELMONT	$1,888,000	$1,792,000	$1,526,000	5.4%	23.7%
BIRKDALE	$1,171,000	$1,150,000	$974,000	1.8%	20.2%
BIRKENHEAD	$1,552,000	$1,475,000	$1,322,000	5.2%	17.4%
BROWNS BAY	$1,448,000	$1,447,000	$1,199,000	0.1%	20.8%
CAMPBELLS BAY	$2,782,000	$2,648,000	$2,304,000	5.1%	20.7%
CASTOR BAY	$2,272,000	$2,196,000	$1,929,000	3.5%	17.8%
CHATSWOOD	$1,883,000	$1,772,000	$1,495,000	6.3%	26.0%
DEVONPORT	$2,585,000	$2,440,000	$2,139,000	5.9%	20.9%
FAIRVIEW HEIGHTS	$1,915,000	$1,797,000	$1,569,000	6.6%	22.1%
FORREST HILL	$1,664,000	$1,663,000	$1,388,000	0.1%	19.9%
GLENFIELD	$1,272,000	$1,200,000	$1,055,000	6.0%	20.6%
GREENHITHE	$2,084,000	$1,890,000	$1,621,000	10.3%	28.6%
HAURAKI	$2,414,000	$2,283,000	$1,804,000	5.7%	33.8%
HILLCREST	$1,488,000	$1,443,000	$1,231,000	3.1%	20.9%
LONG BAY	$1,960,000	$1,859,000	$1,626,000	5.4%	20.5%
MAIRANGI BAY	$2,137,000	$2,028,000	$1,743,000	5.4%	22.6%
MILFORD	$2,174,000	$2,049,000	$1,740,000	6.1%	24.9%
MURRAYS BAY	$2,196,000	$2,034,000	$1,747,000	8.0%	25.7%
NARROW NECK	$2,346,000	$2,287,000	$1,968,000	2.6%	19.2%
NORTHCOTE	$1,479,000	$1,401,000	$1,265,000	5.6%	16.9%
NORTHCOTE POINT	$2,048,000	$1,990,000	$1,707,000	2.9%	20.0%
NORTHCROSS	$1,552,000	$1,496,000	$1,258,000	3.7%	23.4%
OTEHA	$1,334,000	$1,272,000	$1,109,000	4.9%	20.3%
PAREMOREMO	$2,363,000	$2,171,000	$1,640,000	8.8%	44.1%
PINEHILL	$1,972,000	$1,885,000	$1,614,000	4.6%	22.2%
ROTHESAY BAY	$1,970,000	$1,898,000	$1,644,000	3.8%	19.8%
SCHNAPPER ROCK	$1,923,000	$1,823,000	$1,610,000	5.5%	19.4%
STANLEY POINT	$2,947,000	$2,878,000	$2,434,000	2.4%	21.1%
SUNNYNOOK	$1,422,000	$1,418,000	$1,220,000	0.3%	16.6%
TAKAPUNA	$2,600,000	$2,405,000	$2,250,000	8.1%	15.6%
TORBAY	$1,429,000	$1,488,000	$1,211,000	-4.0%	18.0%
TOTARA VALE	$1,241,000	$1,188,000	$1,031,000	4.5%	20.4%
UNSWORTH HEIGHTS	$1,463,000	$1,349,000	$1,141,000	8.5%	28.2%
WAIAKE	$1,984,000	$1,863,000	$1,605,000	6.5%	23.6%
WINDSOR PARK	$1,630,000	$1,549,000	$1,361,000	5.2%	19.8%
PAPAKURA	**$1,207,000**	**$1,152,000**	**$933,000**	**4.8%**	**29.4%**
CONIFER GROVE	$1,269,000	$1,195,000	$966,000	6.2%	31.4%
DRURY	$1,632,000	$1,437,000	$1,168,000	13.6%	39.7%
KARAKA	$2,030,000	$1,823,000	$1,542,000	11.4%	31.6%
OPAHEKE	$1,307,000	$1,218,000	$978,000	7.3%	33.6%
PAHUREHURE	$1,212,000	$1,159,000	$934,000	4.6%	29.8%
PAPAKURA	$1,013,000	$964,000	$765,000	5.1%	32.4%
RED HILL	$946,000	$898,000	$760,000	5.3%	24.5%
ROSEHILL	$1,073,000	$1,005,000	$813,000	6.8%	32.0%
TAKANINI	$1,076,000	$1,025,000	$850,000	5.0%	26.6%
RODNEY	**$1,615,000**	**$1,531,000**	**$1,276,000**	**5.5%**	**26.6%**
ALGIES BAY	$1,592,000	$1,534,000	$1,271,000	3.8%	25.3%
ARKLES BAY	$1,375,000	$1,291,000	$1,094,000	6.5%	25.7%

LOCATION	MARCH 2022	DECEMBER 2021	MARCH 2021	QoQ CHANGE	YoY CHANGE
ARMY BAY	$1,399,000	$1,325,000	$1,121,000	5.6%	24.8%
COATESVILLE	$3,569,000	$3,234,000	$3,034,000	10.4%	17.6%
DAIRY FLAT	$2,632,000	$2,357,000	$1,982,000	11.7%	32.8%
GULF HARBOUR	$1,222,000	$1,141,000	$962,000	7.1%	27.0%
HATFIELDS BEACH	$1,353,000	$1,283,000	$1,046,000	5.5%	29.3%
HELENSVILLE	$1,403,000	$1,295,000	$1,054,000	8.3%	33.1%
HUAPAI	$1,498,000	$1,394,000	$1,145,000	7.5%	30.8%
KAUKAPAKAPA	$1,567,000	$1,468,000	$1,247,000	6.7%	25.7%
KAWAU ISLAND	$1,107,000	$1,019,000	$864,000	8.6%	28.1%
KUMEU	$1,909,000	$1,791,000	$1,469,000	6.6%	30.0%
LEIGH	$1,667,000	$1,545,000	$1,267,000	7.9%	31.6%
MAKARAU	$1,414,000	$1,259,000	$1,046,000	12.3%	35.2%
MANLY	$1,439,000	$1,382,000	$1,166,000	4.1%	23.4%
MATAKANA	$2,117,000	$1,941,000	$1,598,000	9.1%	32.5%
MURIWAI	$1,802,000	$1,704,000	$1,398,000	5.8%	28.9%
OKURA BUSH	$3,201,000	$3,195,000	$2,430,000	0.2%	31.7%
OMAHA	$2,832,000	$2,722,000	$2,356,000	4.0%	20.2%
OREWA	$1,384,000	$1,329,000	$1,150,000	4.1%	20.3%
PARAKAI	$916,000	$851,000	$777,000	7.6%	17.9%
POINT WELLS	$2,330,000	$2,198,000	$1,876,000	6.0%	24.2%
PUHOI	$1,721,000	$1,557,000	$1,290,000	10.5%	33.4%
RED BEACH	$1,485,000	$1,377,000	$1,135,000	7.8%	30.8%
RIVERHEAD	$2,041,000	$1,950,000	$1,560,000	4.7%	30.8%
SILVERDALE	$1,618,000	$1,523,000	$1,265,000	6.2%	27.9%
SNELLS BEACH	$1,316,000	$1,217,000	$972,000	8.1%	35.4%
SOUTH HEAD	$1,313,000	$1,248,000	$1,181,000	5.2%	11.2%
STANMORE BAY	$1,262,000	$1,181,000	$993,000	6.9%	27.1%
STILLWATER	$1,828,000	$1,729,000	$1,431,000	5.7%	27.7%
TAUPAKI	$2,630,000	$2,413,000	$1,993,000	9.0%	32.0%
TE ARAI	$1,438,000	$1,297,000	$1,128,000	10.9%	27.5%
TINDALLS BEACH	$1,974,000	$1,821,000	$1,566,000	8.4%	26.1%
WAIMAUKU	$1,900,000	$1,727,000	$1,506,000	10.0%	26.2%
WAINUI	$1,866,000	$1,673,000	$1,446,000	11.5%	29.0%
WAITOKI	$2,360,000	$2,106,000	$1,889,000	12.1%	24.9%
WARKWORTH	$1,381,000	$1,264,000	$1,014,000	9.3%	36.2%
WELLSFORD	$960,000	$893,000	$760,000	7.5%	26.3%
WAIHEKE ISLAND	**$2,270,000**	**$2,069,000**	**$1,657,000**	**9.7%**	**37.0%**
OMIHA	$1,412,000	$1,317,000	$1,008,000	7.2%	40.1%
ONEROA	$2,540,000	$2,294,000	$1,881,000	10.7%	35.0%
ONETANGI	$2,268,000	$2,128,000	$1,678,000	6.6%	35.2%
OSTEND	$1,680,000	$1,573,000	$1,224,000	6.8%	37.3%
PALM BEACH	$2,291,000	$2,136,000	$1,692,000	7.3%	35.4%
SURFDALE	$1,690,000	$1,549,000	$1,230,000	9.1%	37.4%
WAIHEKE	$4,036,000	$3,500,000	$2,848,000	15.3%	41.7%
WAITAKERE (WEST AUCKLAND)	**$1,243,000**	**$1,229,000**	**$1,017,000**	**1.1%**	**22.2%**
GLEN EDEN	$1,047,000	$1,061,000	$849,000	-1.3%	23.3%
GLENDENE	$1,181,000	$1,116,000	$921,000	5.8%	28.2%
GREEN BAY	$1,484,000	$1,434,000	$1,156,000	3.5%	28.4%
HENDERSON	$1,189,000	$1,128,000	$942,000	5.4%	26.2%
HENDERSON VALLEY	$1,644,000	$1,525,000	$1,162,000	7.8%	41.5%
HOBSONVILLE	$1,289,000	$1,259,000	$1,046,000	2.4%	23.2%
KELSTON	$1,158,000	$1,091,000	$875,000	6.1%	32.3%
LAINGHOLM	$1,269,000	$1,193,000	$1,027,000	6.4%	23.6%
MASSEY	$1,162,000	$1,132,000	$933,000	2.7%	24.5%
NEW LYNN	$1,022,000	$1,023,000	$918,000	-0.1%	11.3%
ORATIA	$1,811,000	$1,764,000	$1,444,000	2.7%	25.4%
PIHA	$1,596,000	$1,509,000	$1,211,000	5.8%	31.8%
RANUI	$1,090,000	$1,039,000	$874,000	4.9%	24.7%
SUNNYVALE	$1,091,000	$1,040,000	$881,000	4.9%	23.8%
SWANSON	$1,387,000	$1,284,000	$1,046,000	8.0%	32.6%
TE ATATU PENINSULA	$1,409,000	$1,413,000	$1,206,000	-0.3%	16.8%
TE ATATU SOUTH	$1,082,000	$1,080,000	$964,000	0.2%	12.2%
TITIRANGI	$1,497,000	$1,429,000	$1,210,000	4.8%	23.7%
WAIATARUA	$1,550,000	$1,509,000	$1,143,000	2.7%	35.6%
WAITAKERE	$1,738,000	$1,571,000	$1,247,000	10.6%	39.4%
WEST HARBOUR	$1,555,000	$1,453,000	$1,200,000	7.0%	29.6%
WESTGATE	$1,212,000	$1,140,000	$905,000	6.3%	33.9%
WHENUAPAI	$1,588,000	$1,480,000	$1,194,000	7.3%	33.0%

WAIKATO

$993,000
AVERAGE VALUE

▲ 28.1%
YEAR ON YEAR CHANGE

WAIKATO'S AVERAGE property value is just $7000 shy of hitting $1m, with the region enjoying QoQ value growth of 5.1%, although down on the 6.4% growth registered in the three months to the end of January.

Hauraki is the region's hottest housing market; its average property value jumped 16.6% over the quarter to $816,000. Nipping at its heels with QoQ growth of 13.3% is Waitomo. Both markets were fuelled by strong buyers demand and limited supply.

Hamilton's QoQ growth held steady at 5.3%, with its average property value rising to $937,000. However, mortgage registration figures show changing dynamics within the city. First home buyers' share of purchases over the quarter fell from 40.1% to 34.7%, as tougher lending restrictions took effect. There was a slight increase in investor activity, with their share of purchases up from 28.6% to 30.9% on the back of attractive rental yields.

In Hamilton, there is an abundance of brownfield redevelopments providing townhouses in the established suburbs. However, it may take time for buyers to adjust to townhouse or apartment-living, as evidenced by the value growth of new standalone home in the city's north-eastern suburbs.

New build activity in Huntly and Pokeno will look to net city buyers seeking lower prices and larger land parcels. Much needed new housing at the Sleepyhead Estate in Ohinewai will also commence in 2022. However, the shortage of materials and labour will impact their completion dates.

Of the suburbs with 20 of more sales, Tamahere, on the outskirts of Hamilton, is the region's most expensive suburb, with an average property value of just over $2m. Tokoroa, south west of Rotorua, is Waikato's cheapest housing market, with an average property value of $470,000.

LOCATION	MARCH 2022	DECEMBER 2021	MARCH 2021	QoQ CHANGE	YoY CHANGE
HAMILTON	**$937,000**	**$897,000**	**$750,000**	**4.5%**	**24.9%**
BADER	$704,000	$641,000	$547,000	9.8%	28.7%
BAVERSTOCK	$1,163,000	$1,036,000	$859,000	12.3%	35.4%
BEERESCOURT	$1,097,000	$1,017,000	$878,000	7.9%	24.9%
CHARTWELL	$960,000	$898,000	$738,000	6.9%	30.1%
CHEDWORTH	$1,043,000	$965,000	$826,000	8.1%	26.3%
CLAUDELANDS	$865,000	$811,000	$697,000	6.7%	24.1%
DEANWELL	$762,000	$699,000	$590,000	9.0%	29.2%
DINSDALE	$827,000	$791,000	$659,000	4.6%	25.5%
ENDERLEY	$694,000	$648,000	$574,000	7.1%	20.9%
FAIRFIELD	$849,000	$810,000	$685,000	4.8%	23.9%
FAIRVIEW DOWNS	$816,000	$768,000	$653,000	6.3%	25.0%
FITZROY	$877,000	$831,000	$711,000	5.5%	23.3%
FLAGSTAFF	$1,282,000	$1,251,000	$991,000	2.5%	29.4%
FOREST LAKE	$838,000	$786,000	$676,000	6.6%	24.0%
FRANKTON	$753,000	$695,000	$601,000	8.3%	25.3%
GLENVIEW	$846,000	$825,000	$705,000	2.5%	20.0%
GRANDVIEW HEIGHTS	$1,023,000	$942,000	$821,000	8.6%	24.6%
HAMILTON CENTRAL	$860,000	$811,000	$716,000	6.0%	20.1%
HAMILTON EAST	$809,000	$791,000	$664,000	2.3%	21.8%
HAMILTON LAKE	$1,111,000	$1,026,000	$872,000	8.3%	27.4%
HILLCREST	$922,000	$846,000	$753,000	9.0%	22.4%
HUNTINGTON	$1,223,000	$1,155,000	$932,000	5.9%	31.2%
MAEROA	$816,000	$757,000	$643,000	7.8%	26.9%
MELVILLE	$747,000	$700,000	$624,000	6.7%	19.7%
NAWTON	$768,000	$736,000	$603,000	4.3%	27.4%
PUKETE	$943,000	$902,000	$743,000	4.5%	26.9%
QUEENWOOD	$1,148,000	$1,037,000	$879,000	10.7%	30.6%
ROTOTUNA	$1,155,000	$1,079,000	$883,000	7.0%	30.8%
ROTOTUNA NORTH	$1,271,000	$1,192,000	$981,000	6.6%	29.6%
SAINT ANDREWS	$963,000	$912,000	$735,000	5.6%	31.0%
SILVERDALE	$838,000	$783,000	$683,000	7.0%	22.7%
WESTERN HEIGHTS	$1,089,000	$1,016,000	$870,000	7.2%	25.2%
WHITIORA	$728,000	$674,000	$586,000	8.0%	24.2%
HAURAKI	**$816,000**	**$700,000**	**$591,000**	**16.6%**	**38.1%**
NGATEA	$774,000	$696,000	$595,000	11.2%	30.1%
PAEROA	$638,000	$552,000	$478,000	15.6%	33.5%
WAIHI	$804,000	$674,000	$558,000	19.3%	44.1%
WHIRITOA	$1,088,000	$879,000	$778,000	23.8%	39.8%
MATAMATA-PIAKO	**$878,000**	**$819,000**	**$670,000**	**7.2%**	**31.0%**
MATAMATA	$868,000	$826,000	$676,000	5.1%	28.4%
MORRINSVILLE	$887,000	$811,000	$675,000	9.4%	31.4%
TE AROHA	$762,000	$700,000	$572,000	8.9%	33.2%
WAHAROA	$709,000	$641,000	$491,000	10.6%	44.4%
OTOROHANGA	**$741,000**	**$696,000**	**$567,000**	**6.5%**	**30.7%**
KAWHIA	$643,000	$597,000	$484,000	7.7%	32.9%
OTOROHANGA	$702,000	$671,000	$548,000	4.6%	28.1%
SOUTH WAIKATO	**$558,000**	**$531,000**	**$430,000**	**5.1%**	**29.8%**
PUTARURU	$596,000	$564,000	$459,000	5.7%	29.8%
TIRAU	$731,000	$703,000	$569,000	4.0%	28.5%
TOKOROA	$470,000	$444,000	$342,000	5.9%	37.4%
TAUPO	**$965,000**	**$913,000**	**$720,000**	**5.7%**	**34.0%**
ACACIA BAY	$1,441,000	$1,388,000	$1,074,000	3.8%	34.2%
HILLTOP	$966,000	$917,000	$729,000	5.3%	32.5%
KINLOCH	$1,382,000	$1,289,000	$987,000	7.2%	40.0%
KURATAU	$903,000	$865,000	$680,000	4.4%	32.8%
MANGAKINO	$523,000	$483,000	$378,000	8.3%	38.4%
MOTUOAPA	$833,000	$797,000	$605,000	4.5%	37.7%
NUKUHAU	$973,000	$901,000	$690,000	8.0%	41.0%
OMORI	$821,000	$796,000	$608,000	3.1%	35.0%
ORUANUI	$1,413,000	$1,354,000	$1,037,000	4.4%	36.3%
RANGATIRA PARK	$1,072,000	$999,000	$782,000	7.3%	37.1%
RICHMOND HEIGHTS	$841,000	$817,000	$626,000	2.9%	34.3%
TAUHARA	$633,000	$610,000	$470,000	3.8%	34.7%
TAUPO	$786,000	$752,000	$583,000	4.5%	34.8%
TURANGI	$509,000	$476,000	$389,000	6.9%	30.8%
TWO MILE BAY	$1,002,000	$956,000	$756,000	4.8%	32.5%
WAIPAHIHI	$1,164,000	$1,088,000	$862,000	7.0%	35.0%
WAIRAKEI	$1,103,000	$1,042,000	$806,000	5.9%	36.8%
WHAREWAKA	$1,493,000	$1,372,000	$1,055,000	8.8%	41.5%
THAMES-COROMANDEL	**$1,266,000**	**$1,219,000**	**$1,018,000**	**3.9%**	**24.4%**
COOKS BEACH	$1,457,000	$1,397,000	$1,149,000	4.3%	26.8%
COROMANDEL	$903,000	$874,000	$712,000	3.3%	26.8%
HAHEI	$1,758,000	$1,664,000	$1,421,000	5.6%	23.7%
MATARANGI	$1,198,000	$1,149,000	$929,000	4.3%	29.0%
OPITO BAY	$1,784,000	$1,701,000	$1,496,000	4.9%	19.3%
PAUANUI	$1,519,000	$1,472,000	$1,191,000	3.2%	27.5%
TAIRUA	$1,200,000	$1,183,000	$928,000	1.4%	29.3%
THAMES	$797,000	$754,000	$615,000	5.7%	29.6%
WHANGAMATA	$1,506,000	$1,411,000	$1,231,000	6.7%	22.3%
WHAREKAHO	$1,698,000	$1,629,000	$1,310,000	4.2%	29.6%
WHITIANGA	$1,108,000	$1,072,000	$890,000	3.4%	24.5%
WAIKATO	**$1,125,000**	**$1,084,000**	**$881,000**	**3.8%**	**27.7%**
BUCKLAND	$1,409,000	$1,357,000	$1,164,000	3.8%	21.0%
HOROTIU	$1,071,000	$1,041,000	$822,000	2.9%	30.3%
HUNTLY	$602,000	$576,000	$456,000	4.5%	32.0%
MANGATAWHIRI	$1,281,000	$1,202,000	$1,048,000	6.6%	22.2%
MATANGI	$1,747,000	$1,654,000	$1,335,000	5.6%	30.9%
MEREMERE	$507,000	$495,000	$428,000	2.4%	18.5%
NEWSTEAD	$1,695,000	$1,628,000	$1,346,000	4.1%	25.9%
NGARUAWAHIA	$799,000	$785,000	$623,000	1.8%	28.3%
ONEWHERO	$995,000	$950,000	$838,000	4.7%	18.7%
POKENO	$1,092,000	$1,112,000	$858,000	-1.8%	27.3%
PUKEKAWA	$1,122,000	$1,065,000	$943,000	5.4%	19.0%
PUKETAHA	$1,591,000	$1,515,000	$1,207,000	5.0%	31.8%
RAGLAN	$1,280,000	$1,183,000	$934,000	8.2%	37.0%
RANGIRIRI	$1,161,000	$1,078,000	$948,000	7.7%	22.5%
TAMAHERE	$2,049,000	$1,953,000	$1,580,000	4.9%	29.7%
TAUPIRI	$1,143,000	$1,089,000	$867,000	5.0%	31.8%
TE KAUWHATA	$858,000	$841,000	$677,000	2.0%	26.7%
TE KOWHAI	$1,419,000	$1,337,000	$1,072,000	6.1%	32.4%
TUAKAU	$902,000	$840,000	$707,000	7.4%	27.6%
WHATAWHATA	$1,283,000	$1,214,000	$1,008,000	5.7%	27.3%
WAIPA	**$1,115,000**	**$1,070,000**	**$848,000**	**4.2%**	**31.5%**
CAMBRIDGE	$1,298,000	$1,260,000	$1,008,000	3.0%	28.8%
KARAPIRO	$1,607,000	$1,551,000	$1,172,000	3.6%	37.1%
KIHIKIHI	$806,000	$763,000	$642,000	5.6%	25.5%
LEAMINGTON	$999,000	$972,000	$784,000	2.8%	27.4%
NGAHINAPOURI	$1,497,000	$1,415,000	$1,116,000	5.8%	34.1%
OHAUPO	$1,381,000	$1,322,000	$1,013,000	4.5%	36.3%
PIRONGIA	$1,134,000	$1,075,000	$857,000	5.5%	32.3%
RUKUHIA	$1,596,000	$1,482,000	$1,123,000	7.7%	42.1%
TE AWAMUTU	$840,000	$804,000	$667,000	4.5%	25.9%
TE MIRO	$1,463,000	$1,400,000	$1,066,000	4.5%	37.2%
WAITOMO	**$487,000**	**$430,000**	**$346,000**	**13.3%**	**40.8%**
MOKAU	$520,000	$432,000	$329,000	20.4%	58.1%
TE KUITI	$478,000	$416,000	$340,000	14.9%	40.6%

BAY OF PLENTY

$1,070,000
AVERAGE VALUE

▲ 26.6%
YEAR ON YEAR CHANGE

VALUE GROWTH in the Bay of Plenty has slowed from 5.7% in the three months to the end of January to 4.4% in the three months to the end of February.

The region's still solid performance has largely been driven by buying activity in Western Bay of Plenty (up 8.1% QoQ to $1.32m) and Tauranga (up 4.5% to $1.244m) and Whakatane (up 4.4% to $812,000).

House price growth in Kawerau and Opotiki has stalled, but Rotorua is the real concern, where the average property value rose a negligible 0.4% QoQ to $758,000, on the back of a retreat from the market by investors.

House prices in 26 of the 49 suburbs in Rotorua territorial authority dropped over the quarter - some by as much as $86,000 (Lake Tarawera's average property value fell by 5.3% from $1.622m to $1.536m).

In Tauranga, suburbs dominated by lifestyle properties have performed the best, Tauriko and Ohauiti recording value growth of more than 10%, well above the city's overall QoQ growth figure of 4.5%.

Demand continues to outpace supply in the city, leading to 15 of its 23 suburbs having an average index value over $1m, up from five suburbs a year ago. Buyers unable to buy in the city have been forced to search in the neighbouring Western Bay of Plenty, which has driven the market there.

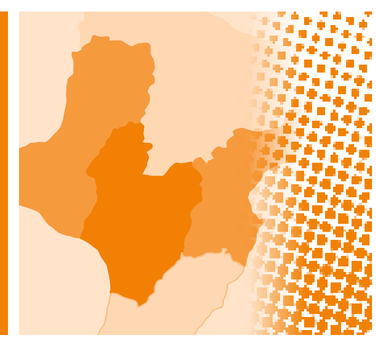
First home buyers continued to be active in the Bay of Plenty, but their share of the market has dropped from 39.2% to 36% over the quarter. Investors' share of new mortgage registrations meanwhile eased from 23.9% to 22% over the same period.

In Tauranga, purchases by movers and multi-homeowners rose, reflecting the city's attraction to outsiders as a place to live or as a place to have a holiday home.

With an average property value of $2.275m, Tauriko is the Bay of Plenty's most expensive housing market, while Ruatahuna, south of Whakatane, is the cheapest, with an average property value of $110,000.

LOCATION	MARCH 2022	DECEMBER 2021	MARCH 2021	QoQ CHANGE	YoY CHANGE
KAWERAU	**$433,000**	**$421,000**	**$359,000**	**2.9%**	**20.6%**
OPOTIKI	**$634,000**	**$628,000**	**$499,000**	**1.0%**	**27.1%**
OPOTIKI	$476,000	$470,000	$386,000	1.3%	23.3%
WAIOTAHE	$1,075,000	$1,071,000	$812,000	0.4%	32.4%
ROTORUA	**$758,000**	**$755,000**	**$670,000**	**0.4%**	**13.1%**
FAIRY SPRINGS	$605,000	$589,000	$510,000	2.7%	18.6%
FORDLANDS	$383,000	$388,000	$328,000	-1.3%	16.8%
GLENHOLME	$704,000	$702,000	$623,000	0.3%	13.0%
HAMURANA	$1,248,000	$1,224,000	$1,028,000	2.0%	21.4%
HANNAHS BAY	$610,000	$615,000	$557,000	-0.8%	9.5%
HILLCREST	$655,000	$646,000	$558,000	1.4%	17.4%
KAWAHA POINT	$795,000	$808,000	$757,000	-1.6%	5.0%
KOUTU	$539,000	$547,000	$487,000	-1.5%	10.7%
LYNMORE	$940,000	$932,000	$860,000	0.9%	9.3%
MAMAKU	$551,000	$561,000	$483,000	-1.8%	14.1%
MANGAKAKAHI	$553,000	$560,000	$475,000	-1.3%	16.4%
MATIPO HEIGHTS	$1,009,000	$1,060,000	$999,000	-4.8%	1.0%
NGONGOTAHA	$722,000	$729,000	$635,000	-1.0%	13.7%
OWHATA	$690,000	$694,000	$582,000	-0.6%	18.6%
POMARE	$758,000	$767,000	$671,000	-1.2%	13.0%
PUKEHANGI	$659,000	$666,000	$581,000	-1.1%	13.4%
ROTORUA	$582,000	$586,000	$517,000	-0.7%	12.6%
SPRINGFIELD	$834,000	$835,000	$733,000	-0.1%	13.8%
SUNNYBROOK	$754,000	$748,000	$640,000	0.8%	17.8%
UTUHINA	$635,000	$635,000	$548,000	0.0%	15.9%
VICTORIA	$561,000	$559,000	$496,000	0.4%	13.1%
WESTERN HEIGHTS	$551,000	$550,000	$463,000	0.2%	19.0%
TAURANGA	**$1,244,000**	**$1,190,000**	**$965,000**	**4.5%**	**28.9%**
BELLEVUE	$937,000	$886,000	$725,000	5.8%	29.2%
BETHLEHEM	$1,293,000	$1,223,000	$963,000	5.7%	34.3%
BROOKFIELD	$926,000	$888,000	$715,000	4.3%	29.5%
GATE PA	$770,000	$739,000	$600,000	4.2%	28.3%
GREERTON	$839,000	$797,000	$654,000	5.3%	28.3%
HAIRINI	$909,000	$869,000	$705,000	4.6%	28.9%
JUDEA	$872,000	$825,000	$677,000	5.7%	28.8%
MATUA	$1,417,000	$1,352,000	$1,045,000	4.8%	35.6%
MAUNGATAPU	$1,070,000	$1,009,000	$815,000	6.0%	31.3%
MOUNT MAUNGANUI	$1,657,000	$1,591,000	$1,244,000	4.1%	33.2%
OHAUITI	$1,320,000	$1,197,000	$953,000	10.3%	38.5%
OTUMOETAI	$1,233,000	$1,143,000	$940,000	7.9%	31.2%
PAPAMOA	$1,095,000	$1,019,000	$833,000	7.5%	31.5%
PAPAMOA BEACH	$1,266,000	$1,190,000	$943,000	6.4%	34.3%
PARKVALE	$779,000	$739,000	$587,000	5.4%	32.7%
POIKE	$785,000	$768,000	$619,000	2.2%	26.8%
PYES PA	$1,278,000	$1,207,000	$982,000	5.9%	30.1%
TAURANGA	$1,209,000	$1,104,000	$921,000	9.5%	31.3%
TAURANGA SOUTH	$1,030,000	$960,000	$784,000	7.3%	31.4%
TAURIKO	$2,275,000	$2,014,000	$1,581,000	13.0%	43.9%
WELCOME BAY	$1,045,000	$978,000	$789,000	6.9%	32.4%
WESTERN BAY OF PLENTY	**$1,320,000**	**$1,221,000**	**$986,000**	**8.1%**	**33.9%**
AONGATETE	$1,494,000	$1,315,000	$1,078,000	13.6%	38.6%
ATHENREE	$1,201,000	$1,082,000	$911,000	11.0%	31.8%
BOWENTOWN	$1,435,000	$1,251,000	$1,022,000	14.7%	40.4%
KATIKATI	$873,000	$821,000	$660,000	6.3%	32.3%
MINDEN	$1,917,000	$1,679,000	$1,388,000	14.2%	38.1%
OMANAWA	$1,602,000	$1,413,000	$1,175,000	13.4%	36.3%
OMOKOROA	$1,256,000	$1,163,000	$966,000	8.0%	30.0%
OROPI	$1,759,000	$1,547,000	$1,296,000	13.7%	35.7%
PAENGAROA	$1,143,000	$1,050,000	$873,000	8.9%	30.9%
PUKEHINA	$1,321,000	$1,171,000	$966,000	12.8%	36.7%
TAHAWAI	$1,438,000	$1,270,000	$1,032,000	13.2%	39.3%
TE PUKE	$881,000	$862,000	$687,000	2.2%	28.2%
TE PUNA	$2,105,000	$1,876,000	$1,559,000	12.2%	35.0%
WAIHI BEACH	$1,593,000	$1,410,000	$1,160,000	13.0%	37.3%
WHAKAMARAMA	$1,769,000	$1,619,000	$1,324,000	9.3%	33.6%
WHAKATANE	**$812,000**	**$778,000**	**$649,000**	**4.4%**	**25.1%**
COASTLANDS	$1,011,000	$967,000	$789,000	4.6%	28.1%
EDGECUMBE	$656,000	$629,000	$513,000	4.3%	27.9%
MATATA	$863,000	$828,000	$660,000	4.2%	30.8%
OHOPE	$1,321,000	$1,185,000	$977,000	11.5%	35.2%
WHAKATANE	$707,000	$703,000	$583,000	0.6%	21.3%

CENTRAL NORTH ISLAND



GISBORNE, HAWKE'S BAY, MANAWATU-WHANGANUI AND TARANAKI

The mid-North Island regions have recorded solid QoQ value growth of between 4.2% (Manawatu-Whanganui) and 6.7% (Taranaki), with little in the way of change since January's QoQ figures, reflecting the regions' lifestyle and employment opportunities.

In Manawatu-Whanganui, the share of purchases by first home buyers over the quarter increased from 34% to 36.6%, but the share of investor purchases dropped from 25.6% to 19.9%. The decline in investor activity was more evident in Palmerston North, with their share of purchases plummeting from 29.8% to 16.6%.

Investors have also retreated from Gisborne, with their share of purchases over the quarter from 29% to 20%, a worry since much of the value growth in the region since the end of the first Covid lockdown in 2020 has been driven by investors seeking out cheap stock with high yield potential.

In Hawke's Bay, growth was stronger in Hastings (up 7% QoQ to $1.014m) and Central Hawke's Bay (up 9.1% QoQ to $747,000), mostly driven by owner-occupiers seeking lower-priced properties away from the main centres. First home buyers increased their purchases in Napier and Hastings, highlighting both cities continued attraction.

Taranaki's QoQ growth rate outperformed the New Zealand average, rising 6.7% to $715,000. For years, house price growth in the region's largest city, New Plymouth, lagged behind the rest of New Zealand, but this quarter the growth rate was a strong 6.8%, pushing its average property value to $791,000.

Demand has continued to outpace supply in the region, with future stages of development brought forward to meet buyer appetite. However, buying activity by first home buyers and investors has slid - which may indicate softer growth ahead.

GISBORNE	**$727,000**	**$691,000**	**$599,000**	**5.2%**	**21.4%**
ELGIN	$531,000	$506,000	$442,000	4.9%	20.1%
GISBORNE	$601,000	$580,000	$515,000	3.6%	16.7%
INNER KAITI	$796,000	$748,000	$632,000	6.4%	25.9%
KAITI	$543,000	$501,000	$425,000	8.4%	27.8%
LYTTON WEST	$996,000	$931,000	$810,000	7.0%	23.0%

ONEROOF-VALOCITY HOUSE VALUE INDEX

LOCATION	MARCH 2022	DECEMBER 2021	MARCH 2021	QoQ CHANGE	YoY CHANGE
MANGAPAPA	$695,000	$670,000	$559,000	3.7%	24.3%
OUTER KAITI	$514,000	$491,000	$427,000	4.7%	20.4%
RIVERDALE	$875,000	$828,000	$703,000	5.7%	24.5%
TE HAPARA	$638,000	$608,000	$505,000	4.9%	26.3%
WAINUI	$1,646,000	$1,540,000	$1,311,000	6.9%	25.6%
WHATAUPOKO	$944,000	$883,000	$736,000	6.9%	28.3%
HAWKE'S BAY	**$934,000**	**$881,000**	**$730,000**	**6.0%**	**27.9%**
CENTRAL HAWKE'S BAY	**$747,000**	**$685,000**	**$564,000**	**9.1%**	**32.4%**
OTANE	$854,000	$802,000	$653,000	6.5%	30.8%
WAIPAWA	$716,000	$656,000	$538,000	9.1%	33.1%
WAIPUKURAU	$715,000	$641,000	$531,000	11.5%	34.7%
HASTINGS	**$1,014,000**	**$948,000**	**$783,000**	**7.0%**	**29.5%**
AKINA	$737,000	$705,000	$580,000	4.5%	27.1%
CAMBERLEY	$632,000	$593,000	$496,000	6.6%	27.4%
CLIVE	$1,057,000	$962,000	$795,000	9.9%	33.0%
ESKDALE	$1,509,000	$1,380,000	$1,154,000	9.3%	30.8%
FLAXMERE	$546,000	$514,000	$443,000	6.2%	23.3%
FRIMLEY	$1,012,000	$950,000	$766,000	6.5%	32.1%
HASTINGS	$694,000	$673,000	$558,000	3.1%	24.4%
HAUMOANA	$1,238,000	$1,155,000	$958,000	7.2%	29.2%
HAVELOCK NORTH	$1,456,000	$1,331,000	$1,040,000	9.4%	40.0%
MAHORA	$836,000	$796,000	$653,000	5.0%	28.0%
MARAEKAKAHO	$1,346,000	$1,273,000	$1,004,000	5.7%	34.1%
MAYFAIR	$724,000	$686,000	$570,000	5.5%	27.0%
PARKVALE	$787,000	$752,000	$620,000	4.7%	26.9%
PUKETAPU	$1,504,000	$1,410,000	$1,169,000	6.7%	28.7%
RAUREKA	$753,000	$712,000	$596,000	5.8%	26.3%
SAINT LEONARDS	$744,000	$710,000	$579,000	4.8%	28.5%
WAIMARAMA	$1,660,000	$1,544,000	$1,272,000	7.5%	30.5%
NAPIER	**$951,000**	**$916,000**	**$762,000**	**3.8%**	**24.8%**
AHURIRI	$1,225,000	$1,133,000	$983,000	8.1%	24.6%
AWATOTO	$1,088,000	$1,031,000	$851,000	5.5%	27.8%
BAY VIEW	$1,232,000	$1,166,000	$954,000	5.7%	29.1%
BLUFF HILL	$1,257,000	$1,187,000	$958,000	5.9%	31.2%
GREENMEADOWS	$977,000	$922,000	$753,000	6.0%	29.7%
HOSPITAL HILL	$1,195,000	$1,127,000	$932,000	6.0%	28.2%
MARAENUI	$620,000	$598,000	$470,000	3.7%	31.9%
MAREWA	$707,000	$680,000	$565,000	4.0%	25.1%
NAPIER SOUTH	$820,000	$796,000	$653,000	3.0%	25.6%
ONEKAWA	$712,000	$697,000	$590,000	2.2%	20.7%
PIRIMAI	$767,000	$740,000	$608,000	3.6%	26.2%
PORAITI	$1,424,000	$1,342,000	$1,097,000	6.1%	29.8%
TAMATEA	$756,000	$738,000	$610,000	2.4%	23.9%
TARADALE	$990,000	$966,000	$788,000	2.5%	25.6%
TE AWA	$984,000	$933,000	$765,000	5.5%	28.6%
WESTSHORE	$1,280,000	$1,217,000	$1,035,000	5.2%	23.7%
WAIROA	**$470,000**	**$408,000**	**$332,000**	**15.2%**	**41.6%**
MAHIA	$806,000	$748,000	$572,000	7.8%	40.9%
WAIROA	$346,000	$300,000	$257,000	15.3%	34.6%
TARANAKI	**$715,000**	**$670,000**	**$570,000**	**6.7%**	**25.4%**
NEW PLYMOUTH	**$791,000**	**$742,000**	**$637,000**	**6.6%**	**24.2%**
BELL BLOCK	$765,000	$711,000	$598,000	7.6%	27.9%
BLAGDON	$612,000	$578,000	$489,000	5.9%	25.2%
EGMONT VILLAGE	$872,000	$836,000	$677,000	4.3%	28.8%
FITZROY	$940,000	$892,000	$769,000	5.4%	22.2%
FRANKLEIGH PARK	$735,000	$685,000	$580,000	7.3%	26.7%
GLEN AVON	$785,000	$730,000	$634,000	7.5%	23.8%
HIGHLANDS PARK	$962,000	$881,000	$778,000	9.2%	23.7%
HURDON	$818,000	$760,000	$659,000	7.6%	24.1%
HURWORTH	$1,167,000	$1,089,000	$937,000	7.2%	24.5%
INGLEWOOD	$645,000	$611,000	$526,000	5.6%	22.6%
LEPPERTON	$978,000	$927,000	$807,000	5.5%	21.2%
LOWER VOGELTOWN	$737,000	$696,000	$603,000	5.9%	22.2%
LYNMOUTH	$727,000	$680,000	$593,000	6.9%	22.6%
MARFELL	$492,000	$445,000	$385,000	10.6%	27.8%
MERRILANDS	$818,000	$772,000	$653,000	6.0%	25.3%
MOTUROA	$763,000	$709,000	$621,000	7.6%	22.9%
NEW PLYMOUTH	$900,000	$846,000	$743,000	6.4%	21.1%
OAKURA	$1,288,000	$1,185,000	$1,073,000	8.7%	20.0%
OKATO	$660,000	$632,000	$536,000	4.4%	23.1%
SPOTSWOOD	$574,000	$544,000	$454,000	5.5%	26.4%
STRANDON	$1,007,000	$930,000	$834,000	8.3%	20.7%
UPPER VOGELTOWN	$703,000	$654,000	$574,000	7.5%	22.5%
VOGELTOWN	$657,000	$612,000	$526,000	7.4%	24.9%
WAITARA	$525,000	$485,000	$407,000	8.2%	29.0%
WAIWHAKAIHO	$1,111,000	$1,048,000	$934,000	6.0%	19.0%

LOCATION	MARCH 2022	DECEMBER 2021	MARCH 2021	QoQ CHANGE	YoY CHANGE
WELBOURN	$752,000	$697,000	$593,000	7.9%	26.8%
WESTOWN	$659,000	$632,000	$512,000	4.3%	28.7%
WHALERS GATE	$791,000	$729,000	$627,000	8.5%	26.2%
SOUTH TARANAKI	**$517,000**	**$465,000**	**$379,000**	**11.2%**	**36.4%**
ELTHAM	$451,000	$423,000	$314,000	6.6%	43.6%
HAWERA	$570,000	$514,000	$440,000	10.9%	29.5%
MANAIA	$397,000	$364,000	$264,000	9.1%	50.4%
NORMANBY	$528,000	$502,000	$378,000	5.2%	39.7%
OPUNAKE	$511,000	$467,000	$352,000	9.4%	45.2%
PATEA	$334,000	$300,000	$202,000	11.3%	65.3%
WAVERLEY	$399,000	$379,000	$286,000	5.3%	39.5%
STRATFORD	**$560,000**	**$539,000**	**$444,000**	**3.9%**	**26.1%**
STRATFORD	$540,000	$515,000	$421,000	4.9%	28.3%
MANAWATU-WHANGANUI	**$701,000**	**$673,000**	**$559,000**	**4.2%**	**25.4%**
HOROWHENUA	**$731,000**	**$697,000**	**$576,000**	**4.9%**	**26.9%**
FOXTON	$607,000	$570,000	$465,000	6.5%	30.5%
FOXTON BEACH	$724,000	$679,000	$572,000	6.6%	26.6%
LEVIN	$703,000	$673,000	$548,000	4.5%	28.3%
MANAKAU	$1,023,000	$971,000	$814,000	5.4%	25.7%
OHAU	$1,067,000	$998,000	$838,000	6.9%	27.3%
SHANNON	$589,000	$560,000	$447,000	5.2%	31.8%
WAITARERE BEACH	$785,000	$734,000	$601,000	6.9%	30.6%
MANAWATU	**$758,000**	**$743,000**	**$626,000**	**2.0%**	**21.1%**
FEILDING	$730,000	$722,000	$602,000	1.1%	21.3%
HIMATANGI BEACH	$614,000	$579,000	$474,000	6.0%	29.5%
RONGOTEA	$777,000	$734,000	$621,000	5.9%	25.1%
SANSON	$750,000	$706,000	$594,000	6.2%	26.3%
PALMERSTON NORTH	**$819,000**	**$792,000**	**$655,000**	**3.4%**	**25.0%**
AOKAUTERE	$1,294,000	$1,204,000	$989,000	7.5%	30.8%
ASHHURST	$827,000	$800,000	$660,000	3.4%	25.3%
AWAPUNI	$756,000	$737,000	$605,000	2.6%	25.0%
BUNNYTHORPE	$984,000	$918,000	$796,000	7.2%	23.6%
CLOVERLEA	$698,000	$674,000	$554,000	3.6%	26.0%
FITZHERBERT	$1,117,000	$1,085,000	$867,000	2.9%	28.8%
HIGHBURY	$647,000	$613,000	$500,000	5.5%	29.4%
HOKOWHITU	$955,000	$912,000	$749,000	4.7%	27.5%
KELVIN GROVE	$940,000	$924,000	$747,000	1.7%	25.8%
MILSON	$747,000	$730,000	$605,000	2.3%	23.5%
PALMERSTON NORTH	$751,000	$736,000	$593,000	2.0%	26.6%
ROSLYN	$695,000	$649,000	$533,000	7.1%	30.4%
TAKARO	$685,000	$661,000	$541,000	3.6%	26.6%
TERRACE END	$787,000	$757,000	$618,000	4.0%	27.3%
WEST END	$730,000	$710,000	$579,000	2.8%	26.1%
WESTBROOK	$687,000	$663,000	$548,000	3.6%	25.4%
RANGITIKEI	**$558,000**	**$537,000**	**$436,000**	**3.9%**	**28.0%**
BULLS	$637,000	$596,000	$489,000	6.9%	30.3%
HUNTERVILLE	$498,000	$490,000	$389,000	1.6%	28.0%
MARTON	$597,000	$572,000	$458,000	4.4%	30.3%
TAIHAPE	$420,000	$411,000	$329,000	2.2%	27.7%
RUAPEHU	**$436,000**	**$417,000**	**$365,000**	**4.6%**	**19.5%**
MANUNUI	$361,000	$362,000	$300,000	-0.3%	20.3%
NATIONAL PARK	$503,000	$498,000	$421,000	1.0%	19.5%
OHAKUNE	$550,000	$550,000	$467,000	0.0%	17.8%
RAETIHI	$364,000	$357,000	$309,000	2.0%	17.8%
TAUMARUNUI	$352,000	$339,000	$284,000	3.8%	23.9%
TARARUA	**$541,000**	**$526,000**	**$411,000**	**2.9%**	**31.6%**
DANNEVIRKE	$540,000	$521,000	$411,000	3.6%	31.4%
EKETAHUNA	$501,000	$473,000	$342,000	5.9%	46.5%
PAHIATUA	$549,000	$547,000	$422,000	0.4%	30.1%
WOODVILLE	$509,000	$481,000	$376,000	5.8%	35.4%
WHANGANUI	**$615,000**	**$576,000**	**$488,000**	**6.8%**	**26.0%**
ARAMOHO	$536,000	$494,000	$416,000	8.5%	28.8%
CASTLECLIFF	$475,000	$426,000	$366,000	11.5%	29.8%
COLLEGE ESTATE	$701,000	$662,000	$558,000	5.9%	25.6%
DURIE HILL	$682,000	$637,000	$544,000	7.1%	25.4%
GONVILLE	$482,000	$456,000	$375,000	5.7%	28.5%
OTAMATEA	$983,000	$910,000	$767,000	8.0%	28.2%
SAINT JOHNS HILL	$767,000	$716,000	$608,000	7.1%	26.2%
SPRINGVALE	$655,000	$617,000	$511,000	6.2%	28.2%
TAWHERO	$607,000	$568,000	$472,000	6.9%	28.6%
WHANGANUI	$464,000	$435,000	$373,000	6.7%	24.4%
WHANGANUI EAST	$523,000	$490,000	$408,000	6.7%	28.2%

GREATER WELLINGTON

$1,138,000
AVERAGE VALUE

▲ 23.6%
YEAR ON YEAR CHANGE

HOUSE PRICES in the region have softened, with the average property value up 3.4% over the three months to the end of February to $1.138m - a drop from the 4.3% growth recorded over the three months to the end of January.

Within Greater Wellington, growth was weakest in Porirua, up 1.8% QoQ to $1.071m, with Lower Hutt (+2.3%) and Kapiti Coast (+2.6%) in a similarly prone position.

House price growth in the capital held steady at 4.4%, down only slightly on January's figures, but in line with its growth trajectory over the past six months.

Carterton saw the strongest growth over the quarter, with its average property value up 6.6% to $891,000. Masterton, up 5.1%, also performed better than the national average.

The change in the region's sales composition, with lower-priced homes dominating, appears to have had an impact on the value trend for the wider region.

First home buyers' share of purchases in the capital rose over the quarter from 44.7% to 45.6%, while investors continued their exit from the market, with their share of purchases sliding from 21.5% to 16.9%.

First home buyers also dominated in Lower and Upper Hutt, accounting for 45.7% and 40.8% of purchases over the quarter. Porirua had the highest share of purchases by first home buyers over the quarter at 49.2%.

Demand currently outpaces supply in Wellington and the Hutt Valley. Many older homes in established suburbs are being demolished or removed for townhouse developments, but the shortage of materials and labour may have an impact on completion dates.

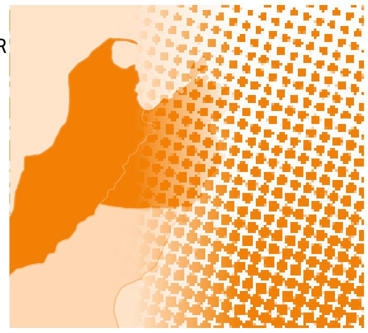
Prices fell in two suburbs, and barely grew at all in a further two. The average property value in Thorndon, in central Wellington, dropped 4.1% ($50,000) to $1.159m, and in Wainuiomata, in Lower Hutt, a 0.3% drop pushed the average property value down $2000 to $798,000.

On the watch list are Mount Cook and Wellington Central, in the capital. Value growth in both was just 0.3% over the quarter.

Of the Greater Wellington suburbs that recorded more than 20 settled sales in the last 12 months, the cheapest and most expensive were two that are dominated by apartments, although at either end of the housing market. Oriental Bay, in Wellington, is at the top with an average property value of $2.658m and Wellington Central is at the bottom with an average property value of $643,000

LOCATION	MARCH 2022	DECEMBER 2021	MARCH 2021	QoQ CHANGE	YoY CHANGE
CARTERTON	**$891,000**	**$836,000**	**$689,000**	**6.6%**	**29.3%**
CARTERTON	$783,000	$743,000	$600,000	5.4%	30.5%
FLAT POINT	$918,000	$853,000	$749,000	7.6%	22.6%
KAPITI COAST	**$1,077,000**	**$1,050,000**	**$856,000**	**2.6%**	**25.8%**
OTAKI	$860,000	$826,000	$675,000	4.1%	27.4%
OTAKI BEACH	$791,000	$764,000	$628,000	3.5%	26.0%
PAEKAKARIKI	$1,179,000	$1,138,000	$940,000	3.6%	25.4%
PARAPARAUMU	$973,000	$948,000	$774,000	2.6%	25.7%
PARAPARAUMU BEACH	$1,060,000	$1,028,000	$843,000	3.1%	25.7%
RAUMATI BEACH	$1,077,000	$1,027,000	$874,000	4.9%	23.2%
RAUMATI SOUTH	$1,098,000	$1,060,000	$873,000	3.6%	25.8%
TE HORO	$1,481,000	$1,395,000	$1,120,000	6.2%	32.2%
TE HORO BEACH	$990,000	$952,000	$780,000	4.0%	26.9%
WAIKANAE	$1,132,000	$1,094,000	$864,000	3.5%	31.0%
WAIKANAE BEACH	$1,197,000	$1,149,000	$964,000	4.2%	24.2%
LOWER HUTT	**$1,040,000**	**$1,017,000**	**$848,000**	**2.3%**	**22.6%**
ALICETOWN	$1,094,000	$1,059,000	$866,000	3.3%	26.3%
AVALON	$976,000	$927,000	$770,000	5.3%	26.8%
BELMONT	$1,201,000	$1,156,000	$938,000	3.9%	28.0%
BOULCOTT	$1,192,000	$1,178,000	$983,000	1.2%	21.3%
EASTBOURNE	$1,502,000	$1,391,000	$1,194,000	8.0%	25.8%
EPUNI	$1,083,000	$1,040,000	$849,000	4.1%	27.6%
FAIRFIELD	$1,047,000	$1,016,000	$836,000	3.1%	25.2%
HUTT CENTRAL	$1,458,000	$1,350,000	$1,111,000	8.0%	31.2%
KELSON	$1,094,000	$1,047,000	$864,000	4.5%	26.6%
KOROKORO	$1,257,000	$1,192,000	$1,023,000	5.5%	22.9%
MAUNGARAKI	$1,196,000	$1,121,000	$888,000	6.7%	34.7%
MOERA	$785,000	$765,000	$635,000	2.6%	23.6%
NAENAE	$826,000	$810,000	$661,000	2.0%	25.0%
NORMANDALE	$1,157,000	$1,123,000	$935,000	3.0%	23.7%
PETONE	$1,136,000	$1,092,000	$902,000	4.0%	25.9%
STOKES VALLEY	$846,000	$809,000	$656,000	4.6%	29.0%
TAITA	$814,000	$786,000	$649,000	3.6%	25.4%
WAINUIOMATA	$798,000	$800,000	$680,000	-0.3%	17.4%
WAIWHETU	$1,016,000	$969,000	$812,000	4.9%	25.1%
WATERLOO	$1,165,000	$1,118,000	$897,000	4.2%	29.9%
WOBURN	$1,576,000	$1,488,000	$1,242,000	5.9%	26.9%
MASTERTON	**$790,000**	**$752,000**	**$616,000**	**5.1%**	**28.2%**
KURIPUNI	$670,000	$633,000	$535,000	5.8%	25.2%
LANSDOWNE	$757,000	$730,000	$604,000	3.7%	25.3%
MASTERTON	$652,000	$634,000	$513,000	2.8%	27.1%
RIVERSDALE BEACH	$1,046,000	$993,000	$832,000	5.3%	25.7%
SOLWAY	$738,000	$694,000	$573,000	6.3%	28.8%
TE ORE ORE	$1,248,000	$1,172,000	$971,000	6.5%	28.5%
PORIRUA	**$1,071,000**	**$1,052,000**	**$893,000**	**1.8%**	**19.9%**
AOTEA	$1,509,000	$1,465,000	$1,186,000	3.0%	27.2%
ASCOT PARK	$838,000	$821,000	$694,000	2.1%	20.7%
CAMBORNE	$1,159,000	$1,115,000	$945,000	3.9%	22.6%
CANNONS CREEK	$733,000	$705,000	$588,000	4.0%	24.7%
KENEPURU	$1,061,000	$1,043,000	$927,000	1.7%	14.5%
PAPAKOWHAI	$1,169,000	$1,128,000	$944,000	3.6%	23.8%
PAREMATA	$1,227,000	$1,176,000	$993,000	4.3%	23.6%
PLIMMERTON	$1,259,000	$1,232,000	$1,076,000	2.2%	17.0%
PUKERUA BAY	$1,118,000	$1,072,000	$918,000	4.3%	21.8%
RANUI	$817,000	$793,000	$657,000	3.0%	24.4%
TITAHI BAY	$926,000	$899,000	$767,000	3.0%	20.7%
WAITANGIRUA	$726,000	$697,000	$559,000	4.2%	29.9%
WHITBY	$1,180,000	$1,150,000	$996,000	2.6%	18.5%
SOUTH WAIRARAPA	**$1,056,000**	**$1,011,000**	**$831,000**	**4.5%**	**27.1%**
FEATHERSTON	$749,000	$712,000	$588,000	5.2%	27.4%
GREYTOWN	$1,145,000	$1,091,000	$889,000	4.9%	28.8%
MARTINBOROUGH	$1,193,000	$1,154,000	$941,000	3.4%	26.8%
TAUHERENIKAU	$1,217,000	$1,152,000	$941,000	5.6%	29.3%
UPPER HUTT	**$1,037,000**	**$1,004,000**	**$816,000**	**3.3%**	**27.1%**
BIRCHVILLE	$938,000	$912,000	$751,000	2.9%	24.9%
BROWN OWL	$1,043,000	$1,002,000	$801,000	4.1%	30.2%
CLOUSTON PARK	$912,000	$881,000	$708,000	3.5%	28.8%
EBDENTOWN	$909,000	$885,000	$719,000	2.7%	26.4%
ELDERSLEA	$974,000	$942,000	$768,000	3.4%	26.8%
MAORIBANK	$864,000	$825,000	$681,000	4.7%	26.9%
PINEHAVEN	$1,017,000	$973,000	$794,000	4.5%	28.1%
RIVERSTONE TERRACES	$1,345,000	$1,284,000	$1,014,000	4.8%	32.6%
SILVERSTREAM	$1,164,000	$1,123,000	$894,000	3.7%	30.2%
TE MARUA	$1,033,000	$970,000	$792,000	6.5%	30.4%
TIMBERLEA	$1,036,000	$987,000	$811,000	5.0%	27.7%
TOTARA PARK	$914,000	$880,000	$731,000	3.9%	25.0%
TRENTHAM	$917,000	$880,000	$714,000	4.2%	28.4%
WALLACEVILLE	$985,000	$957,000	$776,000	2.9%	26.9%
WELLINGTON	**$1,318,000**	**$1,263,000**	**$1,077,000**	**4.4%**	**22.4%**
ARO VALLEY	$1,312,000	$1,251,000	$1,041,000	4.9%	26.0%
BERHAMPORE	$1,157,000	$1,112,000	$922,000	4.0%	25.5%
BROADMEADOWS	$1,193,000	$1,123,000	$910,000	6.2%	31.1%
BROOKLYN	$1,428,000	$1,336,000	$1,092,000	6.9%	30.8%
CHURTON PARK	$1,392,000	$1,316,000	$1,080,000	5.8%	28.9%
CROFTON DOWNS	$1,350,000	$1,270,000	$1,054,000	6.3%	28.1%
GRENADA VILLAGE	$1,313,000	$1,243,000	$1,023,000	5.6%	28.3%
HATAITAI	$1,515,000	$1,444,000	$1,214,000	4.9%	24.8%
ISLAND BAY	$1,484,000	$1,399,000	$1,176,000	6.1%	26.2%
JOHNSONVILLE	$1,080,000	$1,047,000	$840,000	3.2%	28.6%
KARORI	$1,426,000	$1,410,000	$1,135,000	1.1%	25.6%
KELBURN	$1,956,000	$1,822,000	$1,611,000	7.4%	21.4%
KHANDALLAH	$1,667,000	$1,619,000	$1,330,000	3.0%	25.3%
KILBIRNIE	$1,194,000	$1,128,000	$959,000	5.9%	24.5%
LYALL BAY	$1,278,000	$1,227,000	$999,000	4.2%	27.9%
MAUPUIA	$1,151,000	$1,096,000	$968,000	5.0%	18.9%
MIRAMAR	$1,334,000	$1,266,000	$1,065,000	5.4%	25.3%
MOUNT COOK	$991,000	$988,000	$878,000	0.3%	12.9%
MOUNT VICTORIA	$1,591,000	$1,510,000	$1,373,000	5.4%	15.9%
NEWLANDS	$1,076,000	$1,042,000	$850,000	3.3%	26.6%
NEWTOWN	$1,260,000	$1,240,000	$1,041,000	1.6%	21.0%
NGAIO	$1,422,000	$1,335,000	$1,105,000	6.5%	28.7%
NORTHLAND	$1,473,000	$1,391,000	$1,168,000	5.9%	26.1%
ORIENTAL BAY	$2,658,000	$2,607,000	$2,502,000	2.0%	6.2%
PAPARANGI	$1,125,000	$1,060,000	$870,000	6.1%	29.3%
ROSENEATH	$2,015,000	$1,933,000	$1,745,000	4.2%	15.5%
SEATOUN	$2,226,000	$2,053,000	$1,782,000	8.4%	24.9%
STRATHMORE PARK	$1,364,000	$1,250,000	$1,043,000	9.1%	30.8%
TAWA	$1,095,000	$1,063,000	$873,000	3.0%	25.4%
TE ARO	$861,000	$839,000	$740,000	2.6%	16.4%
THORNDON	$1,159,000	$1,209,000	$1,059,000	-4.1%	9.4%
WADESTOWN	$1,657,000	$1,608,000	$1,399,000	3.0%	18.4%
WELLINGTON CENTRAL	$643,000	$641,000	$593,000	0.3%	8.4%
WILTON	$1,293,000	$1,209,000	$1,001,000	6.9%	29.2%
WOODRIDGE	$1,228,000	$1,162,000	$952,000	5.7%	29.0%

UPPER SOUTH ISLAND



MARLBOROUGH, NELSON, TASMAN AND WEST COAST

Most of the regions in the Upper South Island saw modest value growth over the quarter of around 4%, slightly down on the 5% growth recorded in the three months to the end of January.

There are two outliers though: Tasman's average property value grew just 2.3% QoQ, nudging it just over the $1m mark, but still a big drop on the 5.1% growth seen in the January figures. And West Coast's average property value - the country's lowest - grew 5.6% QoQ to $396,000, slightly down on the previous quarter's 6% growth rate.

In Nelson, Marlborough and Tasman demand was driven by buyers looking to relocate to attractive lifestyle suburbs, whereas the surge in West Coast's house prices was driven by first home buyers and investors looking to take advantage of the region's low prices.

While West Coast's performance looks strong, it is off a low-value base and based on a very low sales volume.

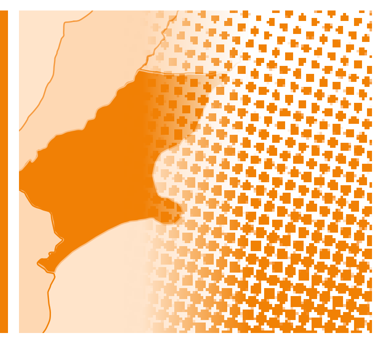
LOCATION	MARCH 2022	DECEMBER 2021	MARCH 2021	QoQ CHANGE	YoY CHANGE
MARLBOROUGH	**$794,000**	**$763,000**	**$660,000**	**4.1%**	**20.3%**
BLENHEIM	$639,000	$626,000	$531,000	2.1%	20.3%
HAVELOCK	$706,000	$678,000	$543,000	4.1%	30.0%
KAIUMA BAY	$781,000	$749,000	$665,000	4.3%	17.4%
MAYFIELD	$617,000	$601,000	$524,000	2.7%	17.7%
PICTON	$662,000	$641,000	$558,000	3.3%	18.6%
REDWOODTOWN	$632,000	$622,000	$532,000	1.6%	18.8%
RENWICK	$800,000	$765,000	$643,000	4.6%	24.4%
RIVERSDALE	$600,000	$586,000	$498,000	2.4%	20.5%
SPRINGLANDS	$883,000	$829,000	$692,000	6.5%	27.6%
WAIKAWA	$960,000	$904,000	$801,000	6.2%	19.9%
WITHERLEA	$794,000	$771,000	$657,000	3.0%	20.9%
NELSON	**$909,000**	**$871,000**	**$745,000**	**4.4%**	**22.0%**
ANNESBROOK	$776,000	$734,000	$617,000	5.7%	25.8%
ATAWHAI	$1,058,000	$1,010,000	$853,000	4.8%	24.0%
BISHOPDALE	$833,000	$797,000	$671,000	4.5%	24.1%
BRITANNIA HEIGHTS	$1,664,000	$1,555,000	$1,314,000	7.0%	26.6%
ENNER GLYNN	$994,000	$934,000	$779,000	6.4%	27.6%
MARYBANK	$987,000	$958,000	$846,000	3.0%	16.7%
NELSON	$1,247,000	$1,184,000	$995,000	5.3%	25.3%
NELSON SOUTH	$865,000	$822,000	$699,000	5.2%	23.7%
STEPNEYVILLE	$1,370,000	$1,308,000	$1,098,000	4.7%	24.8%
STOKE	$816,000	$792,000	$678,000	3.0%	20.4%
TAHUNANUI	$771,000	$715,000	$615,000	7.8%	25.4%
THE BROOK	$810,000	$761,000	$651,000	6.4%	24.4%
THE WOOD	$917,000	$870,000	$731,000	5.4%	25.4%
TOI TOI	$640,000	$612,000	$516,000	4.6%	24.0%
WAKATU	$811,000	$770,000	$658,000	5.3%	23.3%
WASHINGTON VALLEY	$726,000	$691,000	$586,000	5.1%	23.9%
TASMAN	**$1,004,000**	**$981,000**	**$824,000**	**2.3%**	**21.8%**
APPLEBY	$1,285,000	$1,228,000	$1,125,000	4.6%	14.2%
BRIGHTWATER	$1,030,000	$987,000	$840,000	4.4%	22.6%
HOPE	$1,381,000	$1,288,000	$1,107,000	7.2%	24.8%
KAITERITERI	$1,490,000	$1,402,000	$1,207,000	6.3%	23.4%
MAPUA	$1,177,000	$1,117,000	$946,000	5.4%	24.4%
MOTUEKA	$803,000	$791,000	$650,000	1.5%	23.5%
POHARA	$986,000	$934,000	$765,000	5.6%	28.9%
REDWOOD VALLEY	$1,632,000	$1,557,000	$1,321,000	4.8%	23.5%
RICHMOND	$927,000	$908,000	$767,000	2.1%	20.9%
RUBY BAY	$1,530,000	$1,482,000	$1,278,000	3.2%	19.7%
TAKAKA	$735,000	$703,000	$588,000	4.6%	25.0%
TASMAN	$1,566,000	$1,530,000	$1,289,000	2.4%	21.5%
UPPER MOUTERE	$1,337,000	$1,282,000	$1,087,000	4.3%	23.0%
WAKEFIELD	$987,000	$930,000	$784,000	6.1%	25.9%

LOCATION	MARCH 2022	DECEMBER 2021	MARCH 2021	QoQ CHANGE	YoY CHANGE
WEST COAST	**$396,000**	**$375,000**	**$313,000**	**5.6%**	**26.5%**
BULLER	**$361,000**	**$336,000**	**$292,000**	**7.4%**	**23.6%**
CARTERS BEACH	$458,000	$432,000	$362,000	6.0%	26.5%
CHARLESTON	$429,000	$422,000	$355,000	1.7%	20.8%
GRANITY	$251,000	$244,000	$210,000	2.9%	19.5%
KARAMEA	$369,000	$357,000	$303,000	3.4%	21.8%
REEFTON	$285,000	$273,000	$227,000	4.4%	25.6%
WESTPORT	$363,000	$339,000	$299,000	7.1%	21.4%
GREY	**$401,000**	**$370,000**	**$301,000**	**8.4%**	**33.2%**
BLAKETOWN	$290,000	$250,000	$193,000	16.0%	50.3%
COBDEN	$266,000	$234,000	$179,000	13.7%	48.6%
GREYMOUTH	$375,000	$355,000	$294,000	5.6%	27.6%
KARORO	$516,000	$469,000	$395,000	10.0%	30.6%
MARSDEN	$660,000	$600,000	$509,000	10.0%	29.7%
MOANA	$606,000	$562,000	$469,000	7.8%	29.2%
PAROA	$616,000	$569,000	$478,000	8.3%	28.9%
RUNANGA	$233,000	$217,000	$166,000	7.4%	40.4%
WESTLAND	**$434,000**	**$434,000**	**$361,000**	**0.0%**	**20.2%**
ARAHURA VALLEY	$588,000	$579,000	$501,000	1.6%	17.4%
BLUE SPUR	$664,000	$647,000	$534,000	2.6%	24.3%
FRANZ JOSEF GLACIER	$472,000	$465,000	$383,000	1.5%	23.2%
HOKITIKA	$392,000	$388,000	$327,000	1.0%	19.9%
KUMARA	$328,000	$319,000	$265,000	2.8%	23.8%
ROSS	$294,000	$281,000	$257,000	4.6%	14.4%

CANTERBURY

$779,000
AVERAGE VALUE

▲31.6%
YEAR ON YEAR CHANGE



HOUSE PRICE growth in Canterbury took off in the last half of 2021, reaching highs of more than 9% in October and November, but the market has slowed, with growth in the last three months dropping to 4.6%.

Of the region's nine TAs, Selwyn has best managed to hold onto last year's momentum, with its average property value rising 5.9% QoQ to $1.002m (the first Canterbury TA to break the $1m mark).

Much of that growth has been the result of new-build activity and spill-over buyers from neighbouring Christchurch.

At risk is Mackenzie, where QoQ value growth was just 0.8% to $767,000. Sales activity in the TA has been low, with most of the buying activity in Twizel, where QoQ growth was a low 1.7%.

Christchurch's housing market has started to cool, but house prices in the city are still relatively affordable, with the city's average property value half of what buyers are facing in Auckland. Several Christchurch suburbs are over-performing: Upper Riccarton registered QoQ value growth of 11.7%; Strowan's average property value rose 11.1%; and North New Brighton was up 9.5% to $565,000.

First home buyers were responsible for 44.9% of purchases in the city over the quarter, slightly up from 44.2% in the previous three months, while investors' share of purchases dropped from 27.6% to 22.9%.

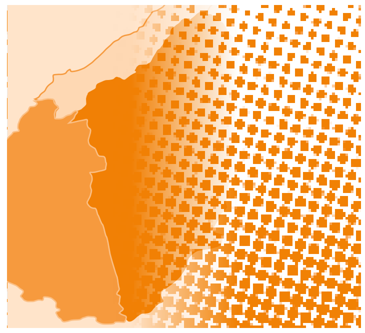
Of the Canterbury suburbs that recorded more than 20 settled sales in the last 12 months, the most expensive is Kennedys Bush, in Christchurch. It has an average property value of $1.85m. The cheapest Canterbury suburb is Hampstead, in Ashburton, where the average property is $436,000.

ASHBURTON	**$597,000**	**$567,000**	**$479,000**	**5.3%**	**24.6%**
ALLENTON	$601,000	$564,000	$485,000	6.6%	23.9%
ASHBURTON	$499,000	$472,000	$396,000	5.7%	26.0%
ELGIN	$983,000	$945,000	$848,000	4.0%	15.9%
HAMPSTEAD	$436,000	$405,000	$343,000	7.7%	27.1%
HUNTINGDON	$1,027,000	$1,025,000	$834,000	0.2%	23.1%
METHVEN	$653,000	$649,000	$555,000	0.6%	17.7%
NETHERBY	$542,000	$513,000	$423,000	5.7%	28.1%
RAKAIA	$536,000	$518,000	$431,000	3.5%	24.4%
TINWALD	$593,000	$559,000	$472,000	6.1%	25.6%

LOCATION	MARCH 2022	DECEMBER 2021	MARCH 2021	QoQ CHANGE	YoY CHANGE
CHRISTCHURCH	**$786,000**	**$752,000**	**$594,000**	**4.5%**	**32.3%**
ADDINGTON	$570,000	$529,000	$416,000	7.8%	37.0%
AIDANFIELD	$933,000	$896,000	$692,000	4.1%	34.8%
AKAROA	$1,023,000	$955,000	$767,000	7.1%	33.4%
ARANUI	$462,000	$433,000	$341,000	6.7%	35.5%
AVONDALE	$537,000	$493,000	$402,000	8.9%	33.6%
AVONHEAD	$804,000	$754,000	$650,000	6.6%	23.7%
AVONSIDE	$549,000	$510,000	$417,000	7.6%	31.7%
BECKENHAM	$877,000	$802,000	$639,000	9.4%	37.2%
BELFAST	$687,000	$650,000	$519,000	5.7%	32.4%
BISHOPDALE	$692,000	$662,000	$525,000	4.5%	31.8%
BROMLEY	$522,000	$486,000	$387,000	7.4%	34.9%
BROOMFIELD	$715,000	$685,000	$533,000	4.4%	34.1%
BRYNDWR	$798,000	$770,000	$605,000	3.6%	31.9%
BURNSIDE	$894,000	$880,000	$671,000	1.6%	33.2%
BURWOOD	$677,000	$632,000	$493,000	7.1%	37.3%
CASEBROOK	$832,000	$780,000	$627,000	6.7%	32.7%
CASHMERE	$1,071,000	$1,049,000	$878,000	2.1%	22.0%
CHRISTCHURCH CENTRAL	$673,000	$652,000	$542,000	3.2%	24.2%
CLIFTON	$1,294,000	$1,209,000	$962,000	7.0%	34.5%
DALLINGTON	$593,000	$559,000	$444,000	6.1%	33.6%
DIAMOND HARBOUR	$838,000	$756,000	$588,000	10.8%	42.5%
DUVAUCHELLE	$814,000	$760,000	$605,000	7.1%	34.5%
EDGEWARE	$563,000	$525,000	$418,000	7.2%	34.7%
FENDALTON	$1,825,000	$1,669,000	$1,379,000	9.3%	32.3%
HALSWELL	$876,000	$833,000	$640,000	5.2%	36.9%
HAREWOOD	$1,109,000	$1,026,000	$817,000	8.1%	35.7%
HEATHCOTE VALLEY	$832,000	$765,000	$612,000	8.8%	35.9%
HEI HEI	$606,000	$577,000	$457,000	5.0%	32.6%
HILLMORTON	$697,000	$649,000	$521,000	7.4%	33.8%
HILLSBOROUGH	$810,000	$765,000	$595,000	5.9%	36.1%
HOON HAY	$653,000	$623,000	$496,000	4.8%	31.7%
HORNBY	$605,000	$568,000	$437,000	6.5%	38.4%
HUNTSBURY	$1,132,000	$1,081,000	$853,000	4.7%	32.7%
ILAM	$989,000	$931,000	$756,000	6.2%	30.8%
ISLINGTON	$576,000	$537,000	$438,000	7.3%	31.5%
KAINGA	$560,000	$512,000	$404,000	9.4%	38.6%
KENNEDYS BUSH	$1,851,000	$1,735,000	$1,330,000	6.7%	39.2%
LINWOOD	$473,000	$462,000	$369,000	2.4%	28.2%
LYTTELTON	$776,000	$725,000	$579,000	7.0%	34.0%
MAIREHAU	$635,000	$614,000	$484,000	3.4%	31.2%
MARSHLAND	$1,089,000	$1,000,000	$792,000	8.9%	37.5%
MERIVALE	$1,546,000	$1,512,000	$1,187,000	2.2%	30.2%
MONCKS BAY	$1,205,000	$1,134,000	$877,000	6.3%	37.4%
MOUNT PLEASANT	$1,125,000	$1,061,000	$819,000	6.0%	37.4%
NEW BRIGHTON	$520,000	$488,000	$390,000	6.6%	33.3%
NORTH NEW BRIGHTON	$565,000	$516,000	$417,000	9.5%	35.5%
NORTHCOTE	$595,000	$563,000	$447,000	5.7%	33.1%
NORTHWOOD	$1,131,000	$1,049,000	$822,000	7.8%	37.6%
OPAWA	$803,000	$743,000	$584,000	8.1%	37.5%
PAPANUI	$782,000	$765,000	$605,000	2.2%	29.3%
PARKLANDS	$740,000	$711,000	$555,000	4.1%	33.3%
PHILLIPSTOWN	$450,000	$439,000	$345,000	2.5%	30.4%
REDCLIFFS	$1,174,000	$1,126,000	$889,000	4.3%	32.1%
REDWOOD	$678,000	$625,000	$504,000	8.5%	34.5%
RICCARTON	$772,000	$719,000	$593,000	7.4%	30.2%
RICHMOND	$547,000	$508,000	$419,000	7.7%	30.5%
RUSSLEY	$740,000	$684,000	$550,000	8.2%	34.5%
SAINT MARTINS	$766,000	$701,000	$560,000	9.3%	36.8%
SHIRLEY	$650,000	$622,000	$509,000	4.5%	27.7%
SOCKBURN	$638,000	$606,000	$492,000	5.3%	29.7%
SOMERFIELD	$756,000	$723,000	$560,000	4.6%	35.0%
SOUTH NEW BRIGHTON	$589,000	$565,000	$436,000	4.2%	35.1%
SOUTHSHORE	$697,000	$642,000	$515,000	8.6%	35.3%
SPREYDON	$637,000	$617,000	$484,000	3.2%	31.6%
ST ALBANS	$914,000	$850,000	$665,000	7.5%	37.4%
STROWAN	$1,270,000	$1,143,000	$946,000	11.1%	34.2%
SUMNER	$1,183,000	$1,106,000	$853,000	7.0%	38.7%
SYDENHAM	$557,000	$530,000	$433,000	5.1%	28.6%
TEMPLETON	$814,000	$749,000	$591,000	8.7%	37.7%
UPPER RICCARTON	$717,000	$642,000	$551,000	11.7%	30.1%
WAIMAIRI BEACH	$975,000	$917,000	$719,000	6.3%	35.6%
WAINONI	$488,000	$471,000	$380,000	3.6%	28.4%
WALTHAM	$504,000	$463,000	$375,000	8.9%	34.4%
WESTMORLAND	$1,121,000	$1,060,000	$831,000	5.8%	34.9%
WIGRAM	$904,000	$837,000	$655,000	8.0%	38.0%
WOOLSTON	$518,000	$499,000	$408,000	3.8%	27.0%
YALDHURST	$1,058,000	$975,000	$803,000	8.5%	31.8%
HURUNUI	**$649,000**	**$622,000**	**$517,000**	**4.3%**	**25.5%**
AMBERLEY	$675,000	$642,000	$532,000	5.1%	26.9%
CHEVIOT	$449,000	$444,000	$350,000	1.1%	28.3%

LOCATION	MARCH 2022	DECEMBER 2021	MARCH 2021	QoQ CHANGE	YoY CHANGE
HANMER SPRINGS	$761,000	$735,000	$599,000	3.5%	27.0%
LEITHFIELD	$639,000	$606,000	$501,000	5.4%	27.5%
KAIKOURA	**$721,000**	**$687,000**	**$566,000**	**4.9%**	**27.4%**
KAIKOURA	$666,000	$627,000	$518,000	6.2%	28.6%
KAIKOURA FLAT	$833,000	$786,000	$643,000	6.0%	29.5%
SOUTH BAY	$750,000	$696,000	$586,000	7.8%	28.0%
MACKENZIE	**$767,000**	**$761,000**	**$661,000**	**0.8%**	**16.0%**
BEN OHAU	$986,000	$928,000	$893,000	6.3%	10.4%
FAIRLIE	$519,000	$486,000	$432,000	6.8%	20.1%
LAKE TEKAPO	$1,103,000	$1,124,000	$943,000	-1.9%	17.0%
TWIZEL	$713,000	$701,000	$614,000	1.7%	16.1%
SELWYN	**$1,002,000**	**$946,000**	**$720,000**	**5.9%**	**39.2%**
DARFIELD	$841,000	$782,000	$603,000	7.5%	39.5%
KIRWEE	$1,046,000	$951,000	$744,000	10.0%	40.6%
LEESTON	$784,000	$733,000	$575,000	7.0%	36.3%
LINCOLN	$1,006,000	$957,000	$764,000	5.1%	31.7%
PREBBLETON	$1,322,000	$1,216,000	$943,000	8.7%	40.2%
ROLLESTON	$926,000	$890,000	$663,000	4.0%	39.7%
SOUTHBRIDGE	$670,000	$623,000	$491,000	7.5%	36.5%
TAI TAPU	$1,500,000	$1,344,000	$1,112,000	11.6%	34.9%
WEST MELTON	$1,366,000	$1,270,000	$987,000	7.6%	38.4%
WINDWHISTLE	$740,000	$683,000	$551,000	8.3%	34.3%
TIMARU	**$568,000**	**$552,000**	**$484,000**	**2.9%**	**17.4%**
GERALDINE	$571,000	$539,000	$471,000	5.9%	21.2%
GLENITI	$780,000	$762,000	$681,000	2.4%	14.5%
GLENWOOD	$541,000	$528,000	$462,000	2.5%	17.1%
HIGHFIELD	$590,000	$570,000	$508,000	3.5%	16.1%
KENSINGTON	$443,000	$434,000	$376,000	2.1%	17.8%
MAORI HILL	$570,000	$561,000	$496,000	1.6%	14.9%
MARCHWIEL	$511,000	$497,000	$423,000	2.8%	20.8%
OCEANVIEW	$616,000	$593,000	$534,000	3.9%	15.4%
PARKSIDE	$444,000	$435,000	$376,000	2.1%	18.1%
PLEASANT POINT	$561,000	$536,000	$471,000	4.7%	19.1%
SEAVIEW	$469,000	$448,000	$392,000	4.7%	19.6%
TEMUKA	$493,000	$469,000	$414,000	5.1%	19.1%
WAIMATAITAI	$500,000	$481,000	$421,000	4.0%	18.8%
WATLINGTON	$462,000	$456,000	$393,000	1.3%	17.6%
WEST END	$485,000	$462,000	$413,000	5.0%	17.4%
WAIMAKARIRI	**$822,000**	**$786,000**	**$622,000**	**4.6%**	**32.2%**
BURNT HILL	$905,000	$847,000	$682,000	6.8%	32.7%
CUST	$1,034,000	$956,000	$790,000	8.2%	30.9%
EYREWELL	$1,008,000	$914,000	$753,000	10.3%	33.9%
FERNSIDE	$1,236,000	$1,133,000	$935,000	9.1%	32.2%
KAIAPOI	$678,000	$654,000	$519,000	3.7%	30.6%
LOBURN	$1,063,000	$975,000	$802,000	9.0%	32.5%
OHOKA	$1,411,000	$1,296,000	$1,066,000	8.9%	32.4%
OXFORD	$692,000	$641,000	$523,000	8.0%	32.3%
PEGASUS	$851,000	$804,000	$613,000	5.8%	38.8%
RANGIORA	$697,000	$681,000	$538,000	2.3%	29.6%
SEFTON	$935,000	$875,000	$736,000	6.9%	27.0%
SWANNANOA	$1,223,000	$1,091,000	$900,000	12.1%	35.9%
WAIKUKU BEACH	$657,000	$628,000	$513,000	4.6%	28.1%
WEST EYRETON	$1,029,000	$954,000	$787,000	7.9%	30.7%
WOODEND	$749,000	$716,000	$554,000	4.6%	35.2%
WAIMATE	**$479,000**	**$466,000**	**$386,000**	**2.8%**	**24.1%**
WAIMATE	$464,000	$448,000	$375,000	3.6%	23.7%

LOWER SOUTH ISLAND



OTAGO AND SOUTHLAND

Both regions saw below-average house price growth for much of last year but both have picked up in the last three months, with Otago's average property value up 6.4% to $960,000 and Southland's up 5.6% to $529,000.

Much of Otago's overall growth is being driven by Queenstown-Lakes, where the average property value jumped 10.4% ($180,000) over the quarter to $1.851m, thanks to big ticket sales and strong buyer activity. Investors dominate in the TA, and increased their share of the market from 33.4% to 37.1% over the quarter.

Otago's other main centre, Dunedin, the country's cheapest major metro, has not fared as well, turning in QoQ value growth of 3.6%. However, suburbs with a higher volume of sales saw value growth above the national average.

First home buyers continued to thrive in the city, with their share of purchases over the quarter rising from 40.7% to 43.9%.

Southland TA led Southland in value growth, with the largely rural territory's average property value up 7.8% to $566,000, but much of that growth is off low sales and a low value base.

Growth in Gore and Invercargill over the quarter was solid, largely driven by the locations' low prices.

LOCATION	MARCH 2022	DECEMBER 2021	MARCH 2021	QoQ CHANGE	YoY CHANGE
OTAGO	**$529,000**	**$501,000**	**$436,000**	**5.6%**	**21.3%**
CENTRAL OTAGO	**$868,000**	**$819,000**	**$708,000**	**6.0%**	**22.6%**
ALEXANDRA	$740,000	$692,000	$608,000	6.9%	21.7%
BRIDGE HILL	$884,000	$835,000	$734,000	5.9%	20.4%
CLYDE	$897,000	$843,000	$710,000	6.4%	26.3%
CROMWELL	$942,000	$871,000	$761,000	8.2%	23.8%
MOUNT PISA	$1,232,000	$1,167,000	$1,022,000	5.6%	20.5%
NASEBY	$463,000	$444,000	$375,000	4.3%	23.5%
RANFURLY	$382,000	$376,000	$316,000	1.6%	20.9%
ROXBURGH	$437,000	$425,000	$365,000	2.8%	19.7%
SPRINGVALE	$1,227,000	$1,134,000	$938,000	8.2%	30.8%
CLUTHA	**$455,000**	**$438,000**	**$379,000**	**3.9%**	**20.1%**
BALCLUTHA	$459,000	$441,000	$379,000	4.1%	21.1%
KAITANGATA	$288,000	$270,000	$253,000	6.7%	13.8%
MILTON	$456,000	$440,000	$367,000	3.6%	24.3%
TAPANUI	$371,000	$351,000	$300,000	5.7%	23.7%
WAIHOLA	$710,000	$674,000	$569,000	5.3%	24.8%
DUNEDIN	**$758,000**	**$732,000**	**$650,000**	**3.6%**	**16.6%**
ABBOTSFORD	$727,000	$703,000	$617,000	3.4%	17.8%
ANDERSONS BAY	$790,000	$758,000	$667,000	4.2%	18.4%
BALACLAVA	$703,000	$675,000	$598,000	4.1%	17.6%
BELLEKNOWES	$912,000	$860,000	$764,000	6.0%	19.4%
BRIGHTON	$830,000	$797,000	$693,000	4.1%	19.8%
BROCKVILLE	$600,000	$578,000	$500,000	3.8%	20.0%
CALTON HILL	$552,000	$541,000	$462,000	2.0%	19.5%
CAVERSHAM	$528,000	$522,000	$454,000	1.1%	16.3%
CLYDE HILL	$551,000	$537,000	$465,000	2.6%	18.5%
CONCORD	$667,000	$654,000	$562,000	2.0%	18.7%
CORSTORPHINE	$686,000	$655,000	$579,000	4.7%	18.5%
DUNEDIN CENTRAL	$809,000	$758,000	$705,000	6.7%	14.8%
EAST TAIERI	$1,156,000	$1,081,000	$959,000	6.9%	20.5%
FAIRFIELD	$846,000	$799,000	$718,000	5.9%	17.8%
FORBURY	$527,000	$520,000	$465,000	1.3%	13.3%
GREEN ISLAND	$679,000	$663,000	$582,000	2.4%	16.7%
HALFWAY BUSH	$722,000	$689,000	$609,000	4.8%	18.6%
HELENSBURGH	$816,000	$781,000	$679,000	4.5%	20.2%
KAIKORAI	$673,000	$658,000	$583,000	2.3%	15.4%
KARITANE	$759,000	$689,000	$597,000	10.2%	27.1%
KENMURE	$720,000	$688,000	$600,000	4.7%	20.0%
KEW	$769,000	$729,000	$648,000	5.5%	18.7%
LIBERTON	$567,000	$555,000	$483,000	2.2%	17.4%
MACANDREW BAY	$898,000	$838,000	$729,000	7.2%	23.2%
MAORI HILL	$1,187,000	$1,098,000	$992,000	8.1%	19.7%
MORNINGTON	$666,000	$654,000	$570,000	1.8%	16.8%
MOSGIEL	$783,000	$772,000	$681,000	1.4%	15.0%
MUSSELBURGH	$744,000	$711,000	$635,000	4.6%	17.2%
NORMANBY	$631,000	$609,000	$525,000	3.6%	20.2%
NORTH DUNEDIN	$843,000	$808,000	$738,000	4.3%	14.2%
NORTH EAST VALLEY	$614,000	$608,000	$538,000	1.0%	14.1%
OPOHO	$806,000	$777,000	$670,000	3.7%	20.3%
OUTRAM	$891,000	$844,000	$748,000	5.6%	19.1%
RAVENSBOURNE	$586,000	$583,000	$512,000	0.5%	14.5%
ROSLYN	$1,009,000	$953,000	$851,000	5.9%	18.6%
SAINT CLAIR	$1,014,000	$940,000	$838,000	7.9%	21.0%
SAINT KILDA	$575,000	$561,000	$493,000	2.5%	16.6%
SAWYERS BAY	$732,000	$679,000	$602,000	7.8%	21.6%
SHIEL HILL	$899,000	$855,000	$769,000	5.1%	16.9%
SOUTH DUNEDIN	$475,000	$462,000	$422,000	2.8%	12.6%
TAINUI	$708,000	$681,000	$603,000	4.0%	17.4%
WAIKOUAITI	$564,000	$535,000	$454,000	5.4%	24.2%
WAKARI	$696,000	$672,000	$598,000	3.6%	16.4%
WAVERLEY	$900,000	$856,000	$762,000	5.1%	18.1%
QUEENSTOWN-LAKES	**$1,851,000**	**$1,676,000**	**$1,465,000**	**10.4%**	**26.3%**
ALBERT TOWN	$1,449,000	$1,343,000	$1,137,000	7.9%	27.4%
ARROWTOWN	$2,331,000	$2,081,000	$1,717,000	12.0%	35.8%
ARTHURS POINT	$1,493,000	$1,411,000	$1,312,000	5.8%	13.8%
FERNHILL	$1,252,000	$1,167,000	$1,076,000	7.3%	16.4%
FRANKTON	$1,177,000	$1,090,000	$990,000	8.0%	18.9%
GLENORCHY	$1,289,000	$1,134,000	$1,014,000	13.7%	27.1%
JACKS POINT	$1,807,000	$1,631,000	$1,437,000	10.8%	25.7%
KELVIN HEIGHTS	$2,489,000	$2,282,000	$2,019,000	9.1%	23.3%
KINGSTON	$783,000	$699,000	$638,000	12.0%	22.7%
LAKE HAWEA	$1,218,000	$1,080,000	$884,000	12.8%	37.8%
LAKE HAYES	$2,187,000	$2,037,000	$1,762,000	7.4%	24.1%
LOWER SHOTOVER	$1,527,000	$1,444,000	$1,247,000	5.7%	22.5%
LUGGATE	$1,088,000	$1,029,000	$844,000	5.7%	28.9%
MOUNT CREIGHTON	$2,051,000	$1,818,000	$1,642,000	12.8%	24.9%
QUEENSTOWN	$1,615,000	$1,477,000	$1,369,000	9.3%	18.0%
QUEENSTOWN HILL	$2,868,000	$2,629,000	$2,356,000	9.1%	21.7%
SPEARGRASS FLAT	$4,845,000	$4,231,000	$3,741,000	14.5%	29.5%
WANAKA	$2,078,000	$1,820,000	$1,513,000	14.2%	37.3%
WAITAKI	**$548,000**	**$528,000**	**$455,000**	**3.8%**	**20.4%**
HAMPDEN	$456,000	$426,000	$354,000	7.0%	28.8%
HOLMES HILL	$576,000	$556,000	$478,000	3.6%	20.5%
KAKANUI	$610,000	$576,000	$512,000	5.9%	19.1%
KUROW	$461,000	$447,000	$398,000	3.1%	15.8%
OAMARU	$446,000	$426,000	$375,000	4.7%	18.9%
OAMARU NORTH	$490,000	$478,000	$414,000	2.5%	18.4%
OTEMATATA	$555,000	$527,000	$470,000	5.3%	18.1%
PALMERSTON	$429,000	$412,000	$354,000	4.1%	21.2%
SOUTH HILL	$534,000	$506,000	$446,000	5.5%	19.7%
WAIAREKA JUNCTION	$854,000	$804,000	$673,000	6.2%	26.9%
WESTON	$713,000	$664,000	$573,000	7.4%	24.4%
SOUTHLAND	**$529,000**	**$501,000**	**$436,000**	**5.6%**	**21.3%**
GORE	**$450,000**	**$431,000**	**$372,000**	**4.4%**	**21.0%**
EAST GORE	$364,000	$350,000	$299,000	4.0%	21.7%
GORE	$462,000	$448,000	$389,000	3.1%	18.8%
MATAURA	$245,000	$240,000	$202,000	2.1%	21.3%
INVERCARGILL	**$528,000**	**$505,000**	**$441,000**	**4.6%**	**19.7%**
APPLEBY	$348,000	$323,000	$286,000	7.7%	21.7%
AVENAL	$517,000	$493,000	$430,000	4.9%	20.2%
BLUFF	$348,000	$331,000	$281,000	5.1%	23.8%
CLIFTON	$404,000	$383,000	$325,000	5.5%	24.3%
GEORGETOWN	$393,000	$378,000	$321,000	4.0%	22.4%
GLADSTONE	$647,000	$615,000	$539,000	5.2%	20.0%
GLENGARRY	$449,000	$429,000	$367,000	4.7%	22.3%
GRASMERE	$493,000	$469,000	$407,000	5.1%	21.1%
HARGEST	$539,000	$505,000	$456,000	6.7%	18.2%
HAWTHORNDALE	$500,000	$474,000	$417,000	5.5%	19.9%
HEIDELBERG	$421,000	$401,000	$352,000	5.0%	19.6%
KINGSWELL	$415,000	$394,000	$344,000	5.3%	20.6%
NEWFIELD	$454,000	$441,000	$385,000	2.9%	17.9%
OTATARA	$762,000	$722,000	$642,000	5.5%	18.7%
RICHMOND	$513,000	$488,000	$426,000	5.1%	20.4%
ROCKDALE	$453,000	$433,000	$374,000	4.6%	21.1%
ROSEDALE	$723,000	$683,000	$622,000	5.9%	16.2%
SEAWARD BUSH	$939,000	$886,000	$767,000	6.0%	22.4%
STRATHERN	$388,000	$374,000	$318,000	3.7%	22.0%
TURNBULL THOMSON PARK	$398,000	$385,000	$334,000	3.4%	19.2%
WAIHOPAI	$1,080,000	$1,024,000	$914,000	5.5%	18.2%
WAIKIWI	$618,000	$601,000	$524,000	2.8%	17.9%
WAVERLEY	$578,000	$552,000	$485,000	4.7%	19.2%
WINDSOR	$604,000	$577,000	$507,000	4.7%	19.1%
SOUTHLAND	**$566,000**	**$525,000**	**$459,000**	**7.8%**	**23.3%**
EDENDALE	$479,000	$439,000	$368,000	9.1%	30.2%
LUMSDEN	$348,000	$328,000	$298,000	6.1%	16.8%
MAKAREWA	$734,000	$695,000	$594,000	5.6%	23.6%
OTAUTAU	$382,000	$345,000	$281,000	10.7%	35.9%
RIVERSDALE	$475,000	$429,000	$377,000	10.7%	26.0%
RIVERTON	$647,000	$582,000	$531,000	11.2%	21.8%
TE ANAU	$712,000	$656,000	$604,000	8.5%	17.9%
WINTON	$582,000	$549,000	$484,000	6.0%	20.2%

WHY HELPING
first home buyers should be the priority of any government

None of the major parties seem to be serious about confronting the biggest obstacle to home-ownership, writes **ASHLEY CHURCH.**

COMMENT: ***"When bad news is riding high and despair (is) in fashion, when loud mouths and corruption seem to own centre stage, when some keep crying that the country is going to the dogs, remember it's always been going to the dogs in the eyes of some, and that 90%, or more, of the people are good people, generous-hearted, law-abiding, good citizens who get to work on time, do a good job, love their country, pay their taxes, care about their neighbours, care about their children's education, and believe, rightly, as you do, in the ideals upon which our way of life is founded."***

So said American historian David McCullough in his 2017 book The American Spirit: Who We Are and What We Stand For. And although McCullough was describing the United States, his book could equally have been written to a Kiwi audience. Most of us go about our daily lives doing our best to get ahead and make the world a better place for our kids, and while we can't ignore the constant diet of bad news served up to us through social media, we do our best to consign it to a place where it doesn't affect us too much.

CAPITAL GROWTH IS A GOOD THING AND HAS MADE THE MAJORITY OF KIWIS WEALTHY.

But if you have kids who are trying to buy a home, that's becoming more and more difficult. At a time when the cost of renting is rising more quickly than at any other time in our history, when the percentage of an average household income required to service a mortgage is almost as high as it was in the 1980s, and when house prices are accelerating away at a rate so fast that many young couples are struggling to put together a deposit, it would be easy to believe the constant barrage of bad news stories telling us that home-ownership is now out of the reach of most young Kiwis.

But is it true? Statistically, no. With the exception of a period in the 1990s, when rates spiked upward, home-ownership in New Zealand has remained remarkably consistent for more than century and about 65% of Kiwis own their own home, despite big increases in house prices over the past four decades. We also know that first home buyers have been the single largest group of borrowers for most of the past eight years, according to data from the banks – so, so far at least, the rhetoric doesn't match the reality.

But, regardless of these figures, should we be doing more to help first home buyers?

The answer to that question is a resounding yes. Last year I wrote an open letter to the Prime Minister, Jacinda Ardern, on the topic. The crux of my advice to her was that home-ownership should be the primary focus of the Government because most social issues are resolved when people own their own home. I said that she was wasting her time trying to control house prices and wouldn't be able to do so (house prices have increased by around 20% since I wrote this), and that, in any case, capital growth is a good thing and has made the significant majority of Kiwis wealthy. I believe we should be lifting the remainder up not pulling the majority down, and the Prime Minister can make her mark by promoting positive initiatives to help young Kiwis buy a house rather than punishing those of us who have already done so.

To her credit, the Prime Minister has subsequently made a couple of statements in which she has alluded to the importance of first home ownership and expressed a view that the needs of first home buyers should be a priority, but, sadly, the Government has continued to persevere in their King Canute-type attempts to control house price inflation, punish landlords, address a non-existent housing shortage and introduce or threaten various other measures which confuse ideology with practical solutions.

So perhaps we should be looking across the aisle to see what a National Government might do to help first home buyers where Labour has been unable to do so? Sadly, no. So far, National's ideas to help first home buyers look like a dusted off version of Labours 2017 Election Manifesto – big on virtue signalling and slogans but light on any ideas that would actually make a difference and move the dial on home ownership for young people.

Until one of the two major parties finds the courage to confront the major obstacle facing first home buyers – the deposit – young Kiwis will find it increasingly difficult to get on to a ladder that previous generations have been able to climb as a rite of passage.

• Ashley Church is a property commentator for OneRoof.co.nz. Email him at Ashley@nzmemail.com

Photo / Ted Baghurst

MARKET MOVING IN FIRST HOME BUYERS' FAVOUR

Barfoot & Thompson managing director says 2022 will have a more stable pricing environment.

Q: At the end of last year, you had expected there to be Covid-driven stop and starts in the markets, but that the number of properties selling would hold and price increases would slow. Three months in, do you think prices are holding or dropping?

The major changes that have occurred since I made that comment is that mortgage interest rates have started to increase, and the banks have introduced tougher lending criteria following new legislation around lending.

March sales data, which will not be available until early April, will show us just what effect these changes are causing to market activity, but the consensus is that we are approaching a period of stable pricing earlier than might otherwise have occurred.

Our average sales price in February at $1.196 million was the highest ever for a February, as was the median price at $1.122 million. It means across the board prices are holding up.

Year-on-year they are up, but compared to the last quarter prices have edged lower.

Sales numbers are down compared to last year, but last year's sales were abnormally high as we were coming off the back of an extended lockdown period. When compared to sales numbers for the first two months of 2020 and 2019, they are similar.

Overall, I think vendors that are basing their price expectations on prices houses were selling for in the last quarter of 2021, and are not prepared to trim their expectations, will have greater difficulty selling than those that read the market as heading for a more stable position.

Q: With genuine buyers and genuine sellers - as opposed to speculators - still in the market, do you see first home buyers getting more of a look in?

There are a few factors starting to move in first time buyers' favour. A more stable pricing environment will be of great assistance by keeping deposit requirements reasonably constant; new builds hitting the market are starting to give buyers more options; and several developers/builders/financiers are starting to focus their attention on this sector of the market.

At present, we have more properties on our books than at any time in the past three years, and in February more than 20% of the homes we sold were valued at under $750,000.

One bit of advice I would give to first home buyers is don't restrict your search to just internet sites. While these sites are fantastic and extensive, add to it the old-fashioned way of getting to know and keeping in touch with local agents and be prepared to look at long shots.

Our profession abounds with stories of potential buyers rejecting a property when viewing it online, only to completely change their mind when viewing it in person.

Getting your first home has always been, and is always likely to be, a daunting challenge for most people. But every day it is being achieved by people. It can be done.

Q: At the end of last year, buyers were hit hard by new bank lending rules, such as the CCCFA. How have buyers and sellers (and prices) adjusted to reflect that?

The new lending rules have certainly affected the ability of some buyers to obtain a mortgage, or the level of mortgage they want. There have even been reports of existing mortgage holders being unable to renew their mortgage. This is unlikely to affect prices or sales volumes overall. It will be more a case of more individuals finding their home ownership dreams frustrated.

More recently, we've seen the Government make modifications to the requirements after some of the unintended consequences on borrowers have emerged.

I hold to the view that, in the main, the best people to make a decision as to whether a person can adequately handle home mortgage repayments are the main trading banks.

Q: How did this summer compare to previous summers?

2021 will go down as one of the golden years for home-owners in terms of property value gains but there are few who do not see that it is inevitable the rate of price increases will decline.

Based on our yearly average price for the 2021 year, the price gain was $162,000, or 16%. For the period 2021 over 2011, the gain was $610,000 or 112%.

These are averages across all the sales we made, and within those individual properties would have fared far better, and others not as well.

My mantra, which I quote often, is that if you hold a property for seven years (the Real Estate Institutes' average time for home ownership) time will take care of price. The real issue home owners need to focus on is their ability to meet mortgage repayments over a seven-year period.

Q: What would your advice be to sellers now? Is auction still the strongest sales method with fewer buyers, or buyers with lower budgets?

Auction is normally the best way to maximise the price you will receive for your property - regardless of price category - and achieve a quick sale. The marketing period is compressed, it reaches the maximum number of potential buyers and if you are fortunate in that your property appeals to two or more buyers, competition can add to the price paid.

Even if your property does not sell at auction, the opportunity exists to sell at a negotiated price post auction, and you also open up the sale to those who are not in a position to make an unconditional auction bid but can make a conditional offer.

Vendors should keep a close watch on prices in the coming months by watching auctions (available online) and get a feel as to whether the reserve prices are being met. When prices stabalise, vendors who are prepared to trim their price expectations are more successful than those who hold fast to their predetermined expectation.


Barfoot & Thompson managing director Peter Thompson. Photo / Supplied