



NEW ZEALAND – January 2021

CONTENTS

WELLINGTON PROPERTY VALUES GROW FASTEST OUT OF NEW ZEALAND MAIN CENTRES IN 2020.....1

Wellington property values grow fastest out of New Zealand main centres in 2020

Wellington’s property values recorded the fastest growth out of the main centres in 2020, with prices rising as the capital’s housing stock plumbs the lowest level in decades.

Property data and analytics provider CoreLogic yesterday released its House Price Index for December, showing property values around the country rose by 2.6 per cent in the last month of 2020, taking the average national value to \$788,967.

But of the six main centres, Wellington saw the strongest annual growth, said CoreLogic head of research Nick Goodall. Property values in the capital rose 15.4 per cent in the year to December, taking the average price to \$861,794 across all property types.

For residential property specifically, the average current value for Wellington City as a whole was \$970,669.

Over the coming year, the average property price for Wellington would cross the \$1 million mark, said Nicki Cruickshank, a real estate agent with Tommy’s Wellington. “You can’t really get a three-bedroom house in Wellington under \$1m now, anyway.”

Certain areas within the capital had already crossed the \$1m threshold – the average residential property in Wellington’s eastern suburbs was \$1.045m, while the western suburbs average was \$1.116m.

Porirua City experienced a 20.8 per cent annual growth in residential property values, Lower Hutt and Upper Hutt cities both experienced 17.2 per cent growth, and Kāpiti Coast 18.3 per cent.

Further north, Masterton experienced a whopping 29.6 per cent annual growth in residential property value, Carterton 18.0 per cent and South Wairarapa 26.7 per cent.

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Napier had 14.0 per cent growth, Hastings 13.5 per cent, and Gisborne also experienced a huge annual growth in residential property value of 30.4 per cent.

Goodall said Masterton and Gisborne being stand-outs reflected the fact that more people were able to buy residential properties in affordable regions.

With residential properties at an average of \$519,437 and \$514,212 respectively, this was still some \$200,000 cheaper than the most inexpensive city to buy a property in the Wellington region.

At an average of \$707,138, Upper Hutt City was the cheapest for residential property out of all the Wellington region's cities, including the Kāpiti district.

The high values for Wellington City reflected the city's high average income, with both government and many public sector workforces based in the city, Goodall said.

Cruickshank at Tommy's said the city's house stock numbers at the moment were the lowest she had seen in her nearly two decades of work.

"There's absolutely nothing out there at the moment," she said, adding that she believed there would be a big influx of houses coming onto the market through January.

She said prices would steady because of the added supply, but the demand would remain high as there was still many people returning to New Zealand from overseas, who would continue to seek employment in Wellington City.

Steve Fejos, sales manager at Harcourts Wellington City, said he also had an "incredible" run-up to Christmas.

As of Tuesday, there were about 230 properties for Wellington City listed, he said. "It's never, ever been that low."

The price increase was driven by the property shortage and a consistently large number of buyers, he said. There was also still strong competition for property.

Even if there was a huge flow of property onto the market, "back-pressure" would not help prices decrease as the stock was starting from such a low base, he said.

In terms of the \$1m average mark, Fejos said Wellington was "probably already there, it's just the statistics are behind".

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