

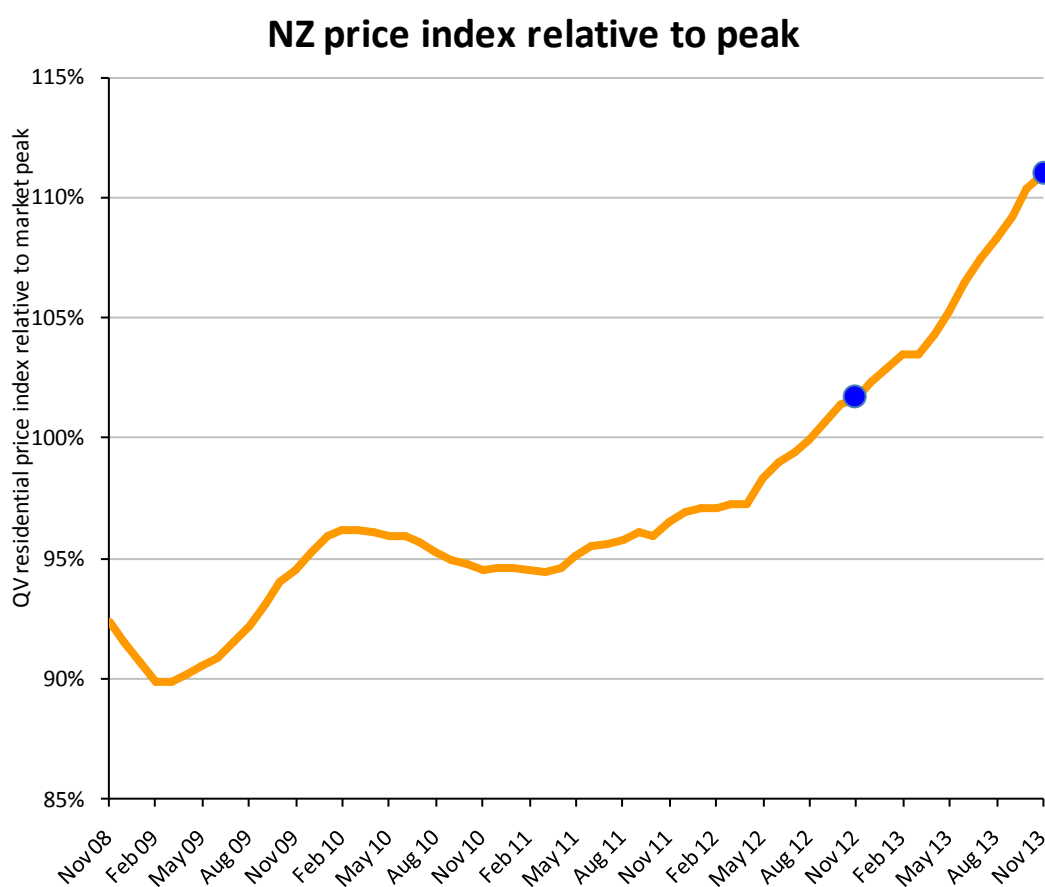
Media release

9th December

LVR changes starting to have an influence

The latest monthly property value index shows that nationwide residential values for November have increased 9.2% over the past year, and 2.5% over the past three months. This means they are now 11% above the previous market peak of late 2007. When adjusted for inflation the nationwide annual increase drops slightly to 7.7% and values remain below the 2007 peak by 4.3%.

The Auckland market has increased 15.2% year on year and values are 25.4% above the previous peak. When adjusted for inflation values are up 13.7% over the past year and are 8.1% above the 2007 peak.



Jonno Ingerson, QV.co.nz Research Director said "While it is still too early to see any definitive effect on values from the LVR changes, there are signs of changes in the market. There are reports of fewer potential buyers at open homes, longer marketing periods, and fewer auctions selling on the day."

"In the last three months there has been an increase in the number of completed sales to first home buyers. Some of this activity will have been due to people trying to purchase before their pre-approval expired. While there is anecdotal evidence of far fewer first home buyers in the market this has yet to come through in the statistics."

"A slowdown in activity in Auckland may be due to people sitting back to assess the impact of the LVR caps on the market. There remains a fundamental imbalance between supply and demand, with an increasing population and not enough houses. This should continue to fuel activity so this current slowdown may be temporary."

"In areas of the country outside Auckland and Canterbury, where there is not as much of an imbalance between supply and demand, the LVR changes are likely to have a more marked impact. The reduction in first home buyers will lessen activity and the reduced demand should see values slow down."

"Christmas is usually a time of the year when property market activity slows down dramatically and people use the holiday period to reconsider their intentions. It should start to become clear by March which direction the market is heading."

Auckland

Values across Auckland are still increasing, with the supercity now up 15.2% above last year. Waitakere still has the fastest annual increase of 19%, with North Shore the next closest at 16.8%.

Over the past three months, growth has continued across the entire city, with Rodney in the north seeing the least growth at 3.5%, and Waitakere seeing the most at 6.8%. Papakura is next in line with 6.1% growth over the last three months, whilst North Shore is sitting at 5.6%, old Auckland City at 5.3% and Manukau at 5.0%.

Within these areas, North Shore Onewa is still performing strongly having seen a 6.5% increase over the past three months, with Auckland City East and Manukau East the best performing areas in their regions, both seeing a 5.3% increase over the past three months.

QV Valuer Bruce Wiggins said "Although there has not yet been any distinct impact of the LVR changes in the Auckland market, we are starting to see some changes with open home numbers decreasing and more sales by negotiation as opposed to auction. Investors are also in the market, however they are only progressing on properties where they will see good returns."

Hamilton and Tauranga

Values in Hamilton are still steadily growing, now up 1.8% over the past three months, and 5.5% over the past year.

QV Valuer Richard Allen said "The LVR changes might be taking a slight toll in the western areas of Hamilton, which traditionally attracts first home buyers, as we have seen demand start to drop here."

Tauranga remains patchy, with values now 3.5% above this time last year and 1.5% over the past three months.

"Although interest from first home buyers is lacking, investors and holiday home buyers still appear to be in the market" said Richard Allen.

Wellington

Values across the Wellington area have been pretty flat with only a slight increase to see the region sitting 3% above this time last year.

Lower Hutt, Upper Hutt and Porirua continue to fluctuate, all having seen a 0.2% decline over the past three months. Annually, these regions are hovering around the 2-3% mark.

In the city, things aren't much better with increases at their highest in Wellington East, which saw 1.8% growth over the past three months.

QV Valuer Pieter Geill said "Both the Wellington and Hutt Valley markets remain pretty flat, with buyers seemingly taking a lot of caution."

Christchurch and Dunedin

Values in Christchurch still continue to grow, with fluctuations throughout the different suburbs. Values are now 12.4% above last year and 3.2% up over the past three months. Apart from Banks Peninsula, which is down 1.1% over the past three months, all other areas have increased with the Central and North area of the city seeing the highest increase of 3.6% increase.

QV Valuer Daryl Taggart said "The market remains active but the LVR changes have removed some of the hype, and this is best seen in the activity at auctions."

Dunedin remains fairly steady, with values now 3.5% above last year having seen a 1.3% increase over the past three months.

QV Valuer Duncan Jack said "Although we are seeing an improvement in listing numbers, the LVR changes are potentially the reason behind the slight drop in first home buyers in the market."

Provincial centres

Most of the provincial centres are still experiencing growth, although it is limited in some areas. In the North Island, Whangarei, Thames-Coromandel, Taupo, Rotorua, Gisborne and Palmerston North are all up over the past three months. Gisborne has seen the highest increase of those regions, having grown 2.9%.

In the South Island, nearly all regions seem to have experienced growth over the past three months, with one of the exceptions being Queenstown Lakes, with a 0.8% decline. Southland and Gore have seen some of the larger increases, with 4.4% and 3.9% increases respectively.

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For further specific comment on local areas:

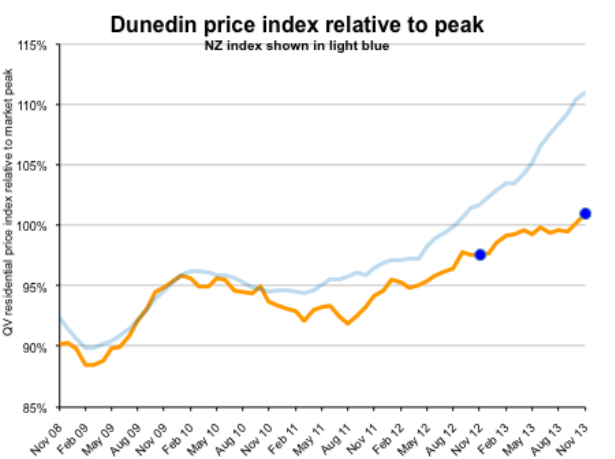
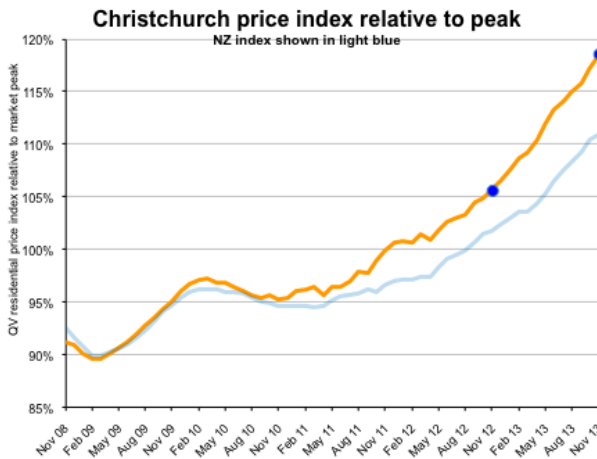
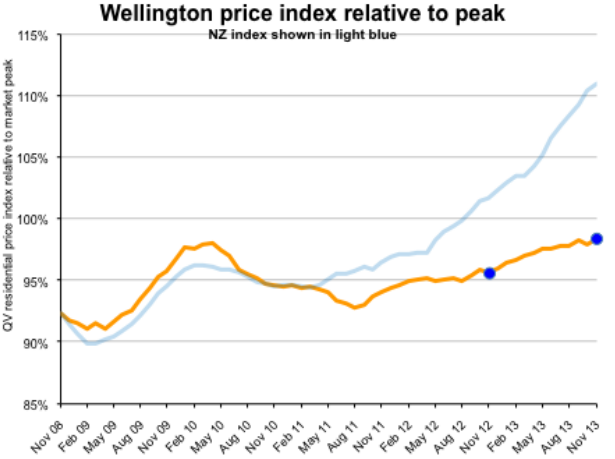
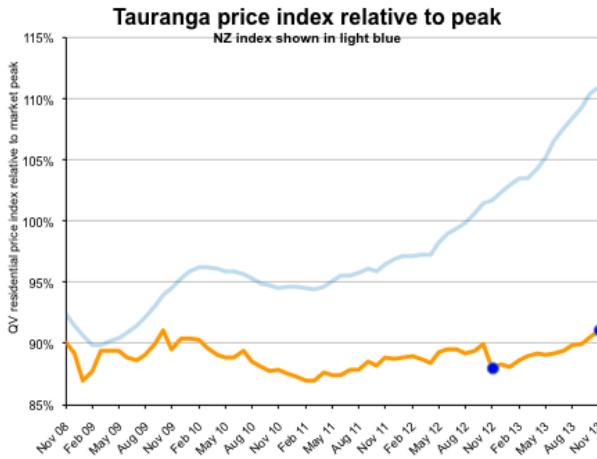
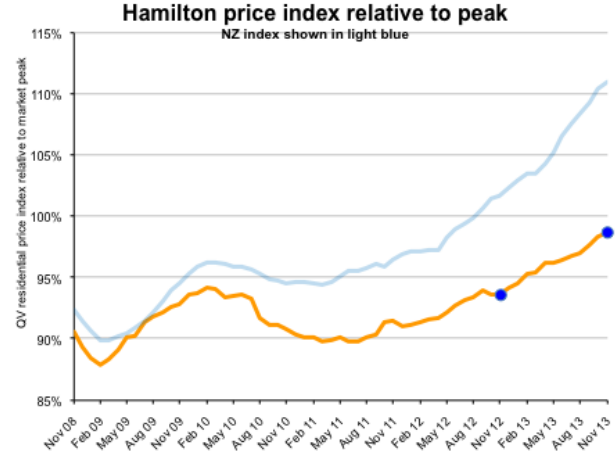
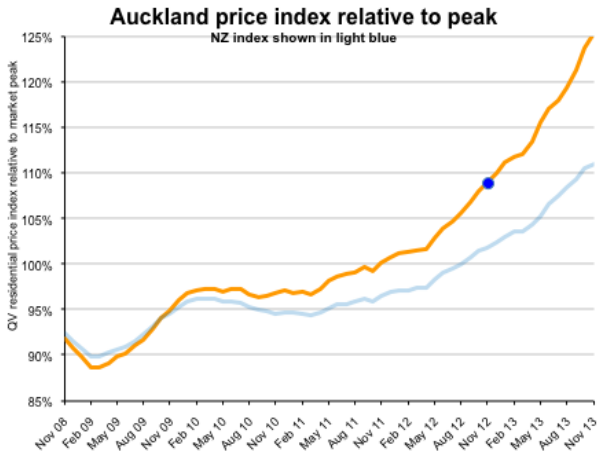
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PropertyIQ Value Index - Residential Property

Time period: as at November 2013					
	Territorial authority	Average current value	12 month change%	3 month change %	Since 2007 market peak change %
	Far North	300,517	-5.5%	-3.2%	-24.5%
	Whangarei	333,681	3.0%	0.9%	-15.8%
	Kaipara	331,148	6.8%	5.6%	-16.5%
	Auckland - Rodney	630,365	9.0%	3.8%	7.5%
	Rodney - Hibiscus Coast	626,233	8.2%	3.9%	6.6%
	Rodney - North	634,157	9.9%	3.5%	5.6%
#A	Auckland - North Shore	813,154	16.8%	5.6%	26.0%
	North Shore - Coastal	934,022	16.3%	5.7%	24.0%
	North Shore - Onewa	655,243	18.3%	6.5%	32.1%
	North Shore - North Harbour	779,854	16.7%	5.0%	28.3%
#A	Auckland - Waitakere	533,865	19.0%	6.8%	25.9%
#A	Auckland - City	816,952	15.5%	5.3%	31.2%
	Auckland City - Central	726,728	12.5%	5.0%	27.6%
	Auckland_City - East	1,017,808	16.8%	5.3%	27.7%
	Auckland City - South	726,248	16.0%	4.8%	34.9%
	Auckland City - Islands	720,907	12.0%	4.5%	12.8%
#A	Auckland - Manukau	564,045	15.0%	5.0%	23.2%
	Manukau - East	758,805	15.5%	5.3%	27.3%
	Manukau - Central	427,294	14.2%	4.4%	13.7%
	Manukau - North West	459,179	15.7%	5.2%	24.3%
#A	Auckland - Papakura	409,843	14.4%	6.1%	13.9%
	Auckland - Franklin	433,265	9.6%	2.4%	9.5%

	Thames Coromandel	498,891	0.3%	1.1%	-14.2%
	Hauraki	245,343	3.9%	0.7%	-12.1%
	Waikato	278,887	6.0%	3.8%	-7.9%
	MatamataPiako	263,661	1.2%	-0.5%	-9.6%
#	Hamilton	356,829	5.5%	1.8%	-1.3%
	Hamilton - North East	448,582	7.0%	2.0%	-0.2%
	Hamilton - Central & North West	333,670	4.5%	0.9%	-6.8%
	Hamilton - South East	329,169	4.8%	2.1%	-5.8%
	Hamilton - South West	315,561	3.6%	1.8%	-7.8%
	Waipa	326,425	3.0%	-0.1%	-0.8%
	Otorohanga	N/A	N/A	N/A	N/A
	South Waikato	130,174	-2.4%	0.3%	-20.2%
	Waitomo	N/A	N/A	N/A	N/A
	Taupo	351,215	1.2%	2.2%	-12.3%
	Western BOP	397,338	-0.9%	-0.7%	-11.8%
#	Tauranga	438,540	3.5%	1.5%	-8.9%
	Rotorua	274,366	0.6%	0.4%	-6.6%
	Whakatane	293,170	-2.1%	-1.0%	-15.7%
	Kawerau	N/A	N/A	N/A	N/A
	Opotiki	203,405	-6.5%	-4.1%	-28.4%
	Gisborne	235,917	3.4%	2.9%	-20.7%
	Wairoa	N/A	N/A	N/A	N/A
	Hastings	300,855	2.9%	-0.5%	-3.5%
#	Napier	322,922	2.1%	0.3%	-5.1%
	Central Hawkes Bay	197,613	-6.3%	1.4%	-25.4%
	New Plymouth	343,184	5.9%	2.1%	3.8%
	Stratford	199,605	1.4%	4.1%	-8.7%
	South Taranaki	188,265	0.9%	4.4%	-4.8%

	Ruapehu	140,618	-3.1%	0.1%	-22.0%
	Wanganui	188,971	-1.0%	0.5%	-15.7%
	Rangitikei	148,392	2.6%	2.1%	-18.0%
	Manawatu	237,219	3.8%	-1.3%	-6.7%
#	Palmerston North	287,683	2.4%	0.6%	-3.6%
	Tararua	153,221	1.4%	-1.6%	-13.1%
	Horowhenua	203,201	3.6%	1.7%	-14.6%
	Kapiti Coast	366,853	2.2%	0.3%	-4.2%
#W	Porirua	375,347	1.9%	-0.2%	-1.7%
#W	Upper Hutt	335,828	3.2%	-0.2%	-4.4%
#W	Hutt	371,398	2.7%	-0.2%	-5.4%
#W	Wellington	529,888	3.1%	1.0%	-0.5%
	Wellington - Central & South	537,462	3.2%	0.8%	-4.1%
	Wellington - East	570,607	2.7%	1.8%	-1.0%
	Wellington - North	465,017	2.8%	1.0%	-0.2%
	Wellington - West	609,708	3.9%	0.4%	0.4%
	Masterton	240,726	0.5%	1.4%	-15.8%
	Carterton	249,188	2.1%	-2.9%	-10.6%
	South Wairarapa	293,496	3.4%	1.5%	-13.2%
	Tasman	409,159	3.3%	1.8%	1.9%
#	Nelson	399,827	3.6%	0.7%	4.4%
	Marlborough	345,206	2.1%	-1.2%	-11.5%
	Kaikoura	N/A	N/A	N/A	N/A
	Buller	213,817	-4.8%	-4.4%	4.1%
	Grey	219,012	-0.2%	0.6%	-10.4%
	Westland	227,982	2.2%	0.0%	-5.0%
	Hurunui	336,659	5.0%	0.8%	7.7%
	Waimakariri	394,012	8.4%	1.6%	23.0%

#	Christchurch	450,049	12.4%	3.2%	18.6%
	Christchurch - East	341,194	10.8%	2.3%	10.2%
	Christchurch - Hills	616,392	9.8%	0.9%	11.4%
	Christchurch - Central & North	521,717	13.2%	3.6%	17.8%
	Christchurch - Southwest	423,049	14.4%	4.0%	24.6%
	Christchurch - Banks Peninsula	486,248	3.1%	-1.1%	1.2%
	Selwyn	486,612	11.7%	2.7%	30.5%
	Ashburton	310,411	8.1%	2.2%	10.9%
	Timaru	277,227	6.2%	1.7%	10.5%
	MacKenzie	290,124	9.2%	2.6%	1.3%
	Waimate	191,084	10.1%	0.7%	1.3%
	Waitaki	213,053	-1.4%	1.6%	-6.7%
	Central Otago	305,358	3.1%	0.6%	-3.7%
	Queenstown Lakes	638,630	4.0%	-0.8%	-7.1%
#	Dunedin	288,993	3.5%	1.3%	1.0%
	Dunedin - Central & North	300,967	5.0%	2.2%	-0.2%
	Dunedin - Peninsular & Coastal	258,949	-0.3%	-3.0%	-4.3%
	Dunedin - South	274,118	1.6%	0.8%	-4.0%
	Dunedin - Taieri	299,464	4.0%	1.6%	1.9%
	Clutha	167,416	4.8%	4.5%	-7.6%
	Southland	207,937	2.8%	4.4%	-9.7%
	Gore	181,754	2.8%	3.9%	3.4%
#	Invercargill	205,273	0.1%	0.4%	-6.9%
	Auckland Area	685,350	15.2%	5.1%	25.4%
	Wellington Area	448,325	3.0%	0.6%	-1.6%
#	Main Urban Areas	534,852	11.5%	3.6%	16.4%
	New Zealand	460,067	9.2%	2.5%	11.0%

Notes on the above data:

1. The information included in the above table is based on the monthly property value index. This index is calculated based on the sales data entered into PropertyIQ's system in the previous 3 month period. For example, information for the period ending June will be calculated based on sales entered between April 1 and June 30.

2. The average current value is the average (mean) value of all developed residential properties in the area based on the latest index. It is not an average or median sales price, as both of those only measure what happens to have sold in the period.

3. The percentage change over three months, twelve months and since the 2007 market peak are based on the change in the property value index between that time and the current.

4. Any of the statistical data shown in italics are calculated based on a sample set of data that is less than the recommended minimum. These results should be used with caution. Those showing N/A had too few sales to generate an index

With the relaunch of QV.co.nz in July came a new way we calculated the statistics for Auckland Area. Auckland Area is now calculated based on the super city, covering the entire Auckland region. You can see all the historical data for Auckland Area and how it has tracked over time by using our [Monthly Residential Value Index](#) tool on QV.co.nz.