

# /Monthly Market Report



MARCH 2024



## Property Values Stabilise...and in some instances increase

Although the pace of property value growth in New Zealand was only 0.5% (+\$5,000) during the last quarter, data indicates an overall market rebound, shown by property value increases in 60% of the country's suburbs compared to the previous year.

Significant value gains were observed in higher-value Canterbury suburbs like Merivale and Fendalton, as well as lower-priced suburbs in the West Coast region. Special mention goes to Mātaura, in Gore which enjoyed the biggest surge, with its average property value up a huge 19.5% (\$50,000) to \$306,000! The largest dollar growth year-on-year occurred in Merivale, with the average property value increasing by \$252,000 to reach \$1.594 million, driven by robust sales activity in the latter half of 2023.

Encouragingly, property values experienced year-on-year growth in 481 New Zealand suburbs\* compared to this time last year, where only 114 suburbs had year-on-year increases.

## More Choice for Buyers

Nationally, March saw a 36% increase in new listings compared to the same period last year, with Auckland experiencing a surge of nearly 50%. This is great news for buyers, providing them with more options and enhancing their bargaining position compared to the last 3-4 years when the market had much less stock available.

## Local Activity

The local market exhibits a range of activity with similar distinct patterns across Hauraki-Coromandel.

All offices are busy with appraisals and new listings and most are writing contracts, but a large percentage are conditional on the sale of another property. This is slowing the sales process down and it's fair to say that negotiation is spirited on all offers presented.

Open home participation remains robust primarily for newly listed properties, indicating a preference among buyers for fresh listings. The prevailing impact of interest rates, bank lending criteria, and insurance policies continues to shape buyer behavior, fostering a perception of a buyer's market where purchasing decisions are influenced by these factors.

Auctions have yet to experience a resurgence in popularity, with marketing strategies emphasizing fixed prices or 'offers over' proving to be most effective in attracting buyer interest. Several of our offices have reported multiple offers taking place though, which is an excellent sign.

Investor sentiment is cautious, with many investors opting to wait for the upcoming Brightline changes scheduled for 1 July before considering re-entry into the market. This cautious approach reflects ongoing concerns about regulatory shifts impacting investment decisions.

Additionally, the current sluggishness in the section market can be attributed to the high costs associated with construction, deterring potential buyers from pursuing land development opportunities. These trends collectively highlight the nuanced dynamics within the local real estate market, shaped by a blend of economic conditions, regulatory influences, and buyer preferences.

\* One Roof Valocity / suburbs with 20 or more settled sales

