

# /Monthly Market Report



NOVEMBER 2024



New Zealand's housing market is beginning to stabilise, with the nationwide average property value increasing by 0.7% (\$7,000) to \$963,000 in the three months ending November 2024. This marks the end of a seven-month period of declining values, largely driven by recent reductions in the Official Cash Rate (OCR) by the Reserve Bank of New Zealand. Lower interest rates, with the OCR now at 4.25%, have fostered a competitive mortgage rate environment among major banks, encouraging renewed buyer activity and confidence.

Auckland, the country's largest housing market, saw a 0.9% rise in average property values, reversing a previous 3% decline in July. Similarly, Hamilton recorded a significant 3.1% increase (\$25,000), pushing its average property value to \$833,000. These gains illustrate a positive shift in urban markets, supported by stronger buyer sentiment and the availability of lower-cost financing.

Despite these promising trends, not all regions are experiencing the same recovery. Wellington City continues to face challenges, with average property values dropping by 1.2% in November and by 5.7% since April. The decline is attributed to factors such as public sector job cuts and a cooling holiday home market, which have compounded the difficulties in this area.

In November 2024, the Hauraki District's property market exhibited a slight decline, with average home values decreasing by 2.6% over the past three months. This downturn contrasts with the broader Waikato region, which experienced a modest 2% increase in property values during the same period.

Despite the recent decline, the Hauraki District continues to attract interest due to its strategic location within the Waikato region and its appealing lifestyle offerings. The district's proximity to major urban centres and natural attractions makes it a desirable area for potential homeowners and investors.

The Thames-Coromandel District offers a localised view of recovery, aligning with broader national trends. The district's average property value increased by 2.22% over the past three months, reaching approximately \$1.194 million. However, despite this improvement, values remain 17.78% below their April 2022 peak, indicating a gradual trajectory toward stabilisation rather than rapid growth.

A significant factor in the Peninsula's market resilience has been the reopening of State Highway 25. This has improved accessibility and likely contributed to the 22% surge in new listings in the last year. The reopening of Cathedral Cove this weekend, the anticipated return of tourism to the east coast and a renewed sense of market activity have strengthened both buyer and seller confidence in the region.

Looking ahead, lower interest rates and stabilising property values are expected to sustain buyer interest nationwide. However, broader economic pressures, including rising unemployment, subdued retail spending, and lingering affordability concerns, are likely to temper the pace of growth. The housing market recovery appears steady but cautious, with gradual improvements expected over the coming months, particularly in regions like Hauraki-Coromandel, which are benefiting from increased accessibility and seasonal market activity.

*References: OneRoof/Valocity, Opes Partners, Fitch Ratings*

