

The rate at which property values are falling is speeding up, suggesting further big declines are on the way



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*Housing values are shrinking.*

The average value of homes in Auckland and Wellington has declined by more than \$250,000 since the beginning of last year, with the value declines in most North Island centres also well into six figures, according to Quotable Value.

It appears likely that further substantial declines in value are likely to hit the market because the rate at which housing values have been declining is increasing.

According to QV's House Price Index, the average value of New Zealand homes was \$907,737 at the end of March, down by \$156,028 from its peak at the start of last year.

Over the same period average values in Auckland have declined by \$272,969 while average values in the Wellington Region are down by \$250,836.

The first table below shows how much average values have fallen in each of the main urban centres since the beginning of last year, with declines ranging from -\$37,995 in Invercargill to -\$272,979 in Auckland.

The only district to record a gain over that period was Queenstown-Lakes where the average value at the end of March was up by \$62,406 compared to January last year, although values in Queenstown have also been in decline since the beginning of this year. The second table below shows the average dwelling values in all major urban centres at the end of March and the percentage change of the previous three months.

This suggests that further substantial declines in property values could be on the way, because the rate at which property values are declining is speeding up.

In January this year the national average property value had declined by -1.7% over the previous three months, in February the rate of decline had increased to -2.7% and in March it was -3.9%.

"The residential property downturn appears to be gaining momentum once more, with home values making their largest first quarter fall in more than 15 years," QV said when releasing the figures.

"Traditionally you don't see too many home value declines at this time of year due to it being one of the busier periods for buying and selling real estate," QV national spokesperson Simon Peterson said.

"But it's obviously a tough time right now for prospective buyers, who are having to deal with very significant credit constraints amidst an ongoing cost of living crisis.

"It's tough out there for sellers as well, with plenty of stock still available and fewer active buyers than normal, they're having to keep shifting their expectations downward to meet the evolving market," he said.

## Change in QV's Average Dwelling Values Since January 2022 Peak

City/District	Change since January 2022
Whangarei	-\$99,947
Auckland Region	-\$271,979
Hamilton	-\$142,808
Tauranga	-\$169,530
Rotorua	-\$121,222
Napier	-\$140,511
Hastings	-\$146,391
New Plymouth	-\$43,793
Palmerston North	-\$144,720
Wellington Region	-\$250,836
Nelson City	-\$94,695
Marlborough	-\$46,212
Christchurch	-\$52,177
Queenstown-Lakes	\$62,406
Dunedin	-\$89,906
Invercargill	-\$37,995
<b>All of Aotearoa</b>	<b>-\$156,028</b>

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