

QV House Price Index, February 2024: Annual growth back in black despite flat February

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Property values are slightly higher on average annually for the first time since August 2022.

This comes despite the latest QV House Price Index for February 2024 showing the rate of home value growth has largely flattened across New Zealand Aotearoa's main urban centres this quarter, with the average home value increasing by just 1.3% nationally to \$925,812 – down from 2% quarterly growth in our previous index.

The national average home value is now 0.6% higher than the same time last year and 13% below the market's peak in late 2021.

“This small but significant return to positive year-on-year growth means that all the value softening we have experienced over the last 12 months has now been reversed at a national level,” said QV operations manager James Wilson. “However, the slow but steady growth that we have been experiencing since June last year now appears to be flattening even further.”

Just three of the main urban areas we monitor experienced more positive home value growth this quarter than last – Tauranga (3.1%), Nelson (1.2%), and Marlborough (3.1%) – with Auckland's three-month rolling average going into negative territory (-0.1%) for the first time since August last year. Values in Wellington (2.5%) and Christchurch (2.4%) continued to grow, albeit at a reduced rate.

“This flattening trend is largely being driven by diminishing demand. In some areas, it appears that the increase in the number of new listings that came onto the market in late January and in February appears to have met market demand, cooling competition in places like Auckland in particular, and therefore flattening home value growth,” Mr Wilson said.

“This trend is expected to continue over the next few months. Strong value declines are unlikely, even as we start moving into autumn and then eventually winter, when sales volumes are likely to reduce even further. But with such strong economic headwinds in place, we’re also unable to pinpoint anything that would spark a return to strong value growth over the next 3-6 months.”

Meanwhile, the Reserve Bank’s decision to leave the Official Cash Rate unchanged means that short-term mortgage rates will remain broadly as they are for the foreseeable future.

“There is still a reasonable amount of uncertainty about what the Reserve Bank will do next – whether we’ll see it cut the OCR late this year, or whether we might even see it rise further. Either way, the real estate market doesn’t tend to like this sort of uncertainty,” Mr Wilson concluded.



Keep reading for a regional breakdown of the latest QV House Price figures — or [search here to discover the latest value of your home.](#)
Northland

Slow and steady growth continues across the top of the North Island.

The latest QV House Price Index shows home values have increased across the wider Northland region by an average of 1.5% this quarter. Far North District (3.2%) experienced more growth on average, while Whangarei (0.4%) and Kaipara (1.4%) experienced less.

The average home value is \$717,189 in the Far North, \$735,032 in Whangarei, and \$857,906 in Kaipara.

Auckland

Auckland's hitherto slow-but-steady home value growth stalled in February.

The Super City's average home value reduced by 0.4% to \$1,285,996 last month, lowering its average three-month rolling rate of growth into negative territory (-0.1%) for the first time since August last year.

Now three of Auckland's seven former territorial authorities have posted home value reductions on average this quarter – Waitakere (-0.5%), Papakura (-1.7%), and Franklin (-1.3%) – up from just one in the previous index.

Local QV registered valuer Hugh Robson commented: "Some bumps in the road are to be expected as the market continues its very slow recovery from the 2022 downturn, especially while mortgage rates remain so high.

"This is continuing to impact on first-home buyers in particular, who have been the most active participants in the market to this point. Many owner-occupiers who want to upgrade to bigger or better properties appear to still be hesitant – as are investors, despite rents continuing to rise."

Tauranga

Home value growth remains relatively robust in Tauranga compared to most other main centres.

The city's average home value increased 3.1% to \$1,040,514 this quarter, up from the 2.2% growth reported for the January quarter. The average value is now just 0.5% less than at the same time last year, and 31.1% higher than at the outset of Covid-19 back in March 2020.

Waikato

Home value growth remains slow going in Hamilton.

The city's average home value has grown 1.1% to \$791,356 this quarter – including by just 0.2% during the month of February – which is slightly slower than the 1.8% growth reported for the January quarter.

The average home value is now just 0.5% lower than the same time last year, and 23.2% higher than at the outset of Covid-19 in March 2020.

Local QV property consultant Marshall Wu commented: “The housing market has started the year on a similar footing to where it left off at the end of last year, with values generally trending higher. The key factors shaping the outlook for 2024 are diverse – the path of inflation, interest rates, credit policy, and migration trends are all central to the direction of the housing market.”

“The cash rate still stands out as a crucial factor contributing to the housing market, as it appears to have already reached the ceiling, with no changes following the recent RBNZ announcement at 5.5%,” Mr Wu added.

Meanwhile, values have increased across the wider Waikato region by an average of 1.3% this quarter, with just the districts of Otorohanga, South Waikato, and Waitomo recording average reductions throughout this period.

Taranaki

Values continue to slowly nudge upward across the Taranaki region.

New Plymouth recorded just modest home value growth this quarter, with the city's average home value increasing by 0.2% to \$713,515.

Neighbouring Stratford saw a more significant average increase of 3.9% for the quarter, but relatively low sales volumes are still causing value levels to peak and trough outside of the main centres. The average value in South Taranaki also increased by 1.5%.

Hawke's Bay

It was a mixed bag across the Hawke's Bay region this quarter.

The average home value did little better than break even across the wider Hawke's Bay region, increasing by just 0.2% since 1 December. The average home in Napier increased in value by 0.6% to \$756,480 this quarter, while the average value in Hastings decreased by 0.3% to \$785,814.

QV Hawke's Bay manager Damian Hall commented: "The market has been reasonably flat over the past few months, showing only slight up and down movements – especially throughout the main centres of Napier and Hastings."

"It's still very much a buyers' market. According to local real estate agents, property investors have been active but mostly just looking at this stage. First-home buyers appear to be the most active locally, up to about the \$650,000 mark," Mr Hall added.

Palmerston North

Property values have largely stabilised in Palmerston North this quarter.

Residential property values have risen across the city by only an average of 0.5% this quarter – down on the 1.5% quarterly growth reported in our previous QV House Price Index – with the average home value now sitting at \$642,118.

That figure is 1.6% higher than the same time last year, and 23.1% higher than in March 2020, at the outset of the Covid-19 pandemic in New Zealand Aotearoa.

Local QV registered valuer Olivia Betts commented: "The overall statistics continue to show a stable pattern since June 2023. This has come after a significant drop in house prices. We are not yet seeing a clear pathway for the market with inflationary pressure easing, interest rates remaining stable and new government regulations in regard to investment property."

"The government appears strong on their commitment to relax the Brightline tax from 10 years to two years. This could bring more supply of houses available for sale," she added.

Wellington

Home values in Wellington continue to slowly push upward.

The latest QV House Price Index shows the region's average home value increased by 2.5% to \$874,295 during the February quarter – slightly down on the 2.8% growth reported for the January quarter. That figure is now 2.4% higher than the same time last year.

Kapiti Coast (4.5%) and Wellington City (2.6%) experienced the largest average home value increases this quarter; Porirua (0.4%) recorded the smallest.

QV senior consultant David Cornford commented: “Despite a new wave of listings coming to the market over February the region has continued to experience modest value growth, with the exception of Hutt City, where values were more or less flat over the month.

“First-homes buyers continue to be active and have the benefit of greater choice with more properties now on the market. Well-presented and maintained properties without issues continue to sell relatively well, while properties that require work or have detrimental features have more of a challenge in the current market.”

Nelson

Nelson has experienced yet another modest increase in average home value.

The QV House Price Index for February shows the average home in Nelson has increased in value by 1.2% this quarter to \$779,115 – up on the 0.4% quarterly growth recorded back in January, but down slightly from the 1.5% growth recorded back in December.

“These modest value level increases have come on the back of improved market sentiment,” said QV Nelson/Marlborough manager Craig Russell. “However, we are continuing to operate in a low sales volume environment and the average number of days to sell remains high. There appears to be an oversupply of higher-valued properties for sale in the district, with a number of properties listed asking in excess of \$2,000,000.”

“Owner-occupiers are still the most prevalent group active in the market currently. Investor activity still remains relatively modest,” Mr Russell added.

West Coast

Low sales volumes on the West Coast are still causing home value levels to peak and trough.

The latest QV House Price Index shows that residential property values in Buller have reduced by 1.2% this quarter, with Grey experiencing 9.5% growth over the same period. Meanwhile, value levels in Westland have also increased by 2.3% this quarter.

On an annual basis, the average home value in Buller is now 2.7% higher than the same time last year at \$340,632. In Grey, it’s currently 13.6%

higher at \$418,090; Westland's average home value is \$444,722, which is 4.8% higher than at the end of February 2023.

Canterbury

Home values have continued to grow in Canterbury – albeit at a slightly reduced pace compared to our previous QV House Price Index.

The latest index shows residential property values increased across the overall Canterbury region by 2% this quarter, which is down on the 2.9% growth recorded in the quarter to the end of January. Annually, the average home value is 1.9% higher than at the same time last year.

In Christchurch, the average home value has increase by 2.4% to \$760,373 this quarter – down from the 3.4% growth recorded to the end of January 2024 – with annual growth of 1.9%.

In the wider Christchurch region, the adjoining Selwyn District recorded an average quarterly increase of 0.8% and an average value of \$833,633, less growth than the 2% recorded in the January quarter. The Waimakariri District recorded an average quarterly increase of 1.3% and an average value of \$712,450, also down slightly on the 1.6% quarterly growth recorded in the previous index.

Local QV registered valuer Rod Thornton said with regards to Christchurch and the surrounding Districts that latest quarterly index figures were positive, albeit pulling back. “What the next few months will bring is uncertain with the possibility of higher interest rates and cost of living concerns still being present.”

Otago

Home values have risen across the wider Otago region by an average of 3.4% this quarter.

Of all the Otago districts, Dunedin saw the smallest amount of growth within this period, with its average home value increasing by 1.8% to \$634,326. That figure is now just 0.2% lower than the same time last year, but 14.5% higher than at the outset of the Covid-19 pandemic in New Zealand in March 2020.

On an annualised basis, home values in Queenstown (8.8%), Central Otago (3.7%) and Waitaki (2%) are all now higher than at the same time last year. This compares to an average annual increase of 0.6% nationally.

Local QV registered valuer Rebecca Johnston said the greatest growth in Dunedin over the past 12 months had been in the upper quartile, where home values were now 2.5% higher on average than they were last year, compared to small average annual reductions further down the property ladder.

“Dunedin has continued to track positive growth overall for six months now since the house selling season commenced in September, albeit at a slower rate in February. Real Estate Agents are reporting increased open home attendance and multi-offer situations, along with a reappearance of investors, who are starting to get their eye back in the market.”

Queenstown

Home values continue to climb upward in Queenstown.

The latest QV House Price Index shows the average home value increased by 4.2% this quarter to \$1,825,579. That figure is now 8.8% higher than at the same time last year.

Local QV registered valuer Greg Simpson commented: “The Reserve Bank has maintained the Official Cash Rate (OCR) at 5.5%, in line with market expectations. Most economists expect that the OCR, which determines mortgage interest rates, will not be raised further in the short term and are predicting an end to the hikes to mortgage interest rates in 2025.”

“In the long term, this may have a steadying effect on the housing market during 2024,” he added.

Invercargill

Residential property values have reduced by an average of 0.5% this quarter.

It's the second consecutive QV House Price Index to show a modest decline in Invercargill's three-month rolling growth rate, with the average home value now sitting at \$471,243.

However, the average value is still 1.5% higher than the same time last year.

QV registered valuer Andrew Ronald commented: “Despite a small reduction in average home value this quarter, there is healthy demand from first-home buyers, and investors are beginning to return to the market with the restoration of interest tax deductibility rules over the next three years.”