

**3. KEY CITY TRENDS -  
RESIDENTIAL PROPERTY SALE VOLUME AND VALUES**

RR 11015

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Corporate Plan Output: Monitoring	

The purpose of this report is to provide Committee Members with information relating to residential property sales volume and values in Christchurch this decade.

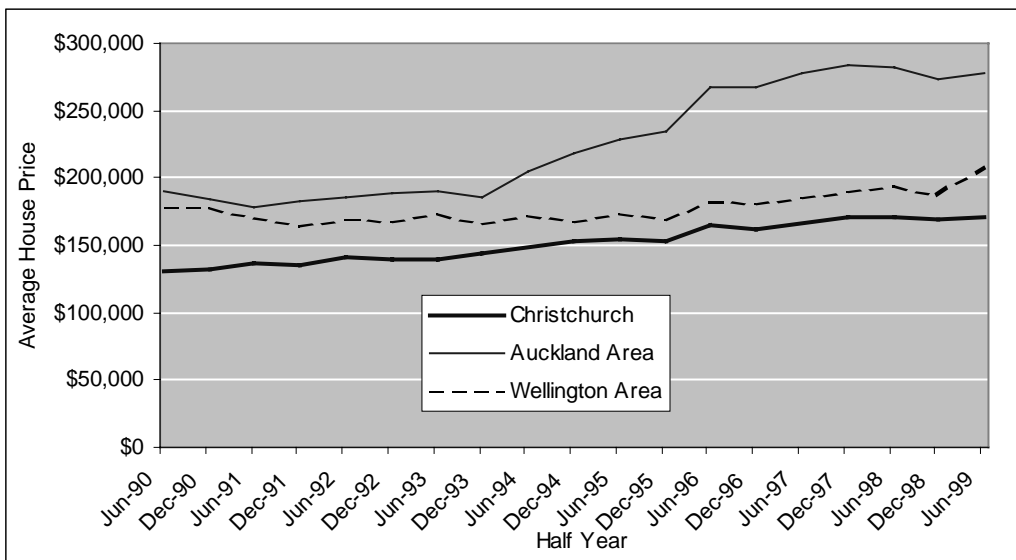
**RESIDENTIAL HOUSES**

The average real price of residential houses in Christchurch has increased from \$130,566 in June 1990 to \$171,144 in June 1999 (June 1999 dollars). This represents a 31% increase in the average price of houses in Christchurch during this period.

During the same period average house prices in the Auckland area increased by 46% from \$189,635 to \$277,642, while in Wellington prices increased by only 16% from \$178,451 to \$207,569 (Figure 1).

Between 1990 and 1999, 72,941 residential houses changed hands in Christchurch (Figure 2). This compares with 160,249 and 53,316 in the Auckland and Wellington areas respectively.

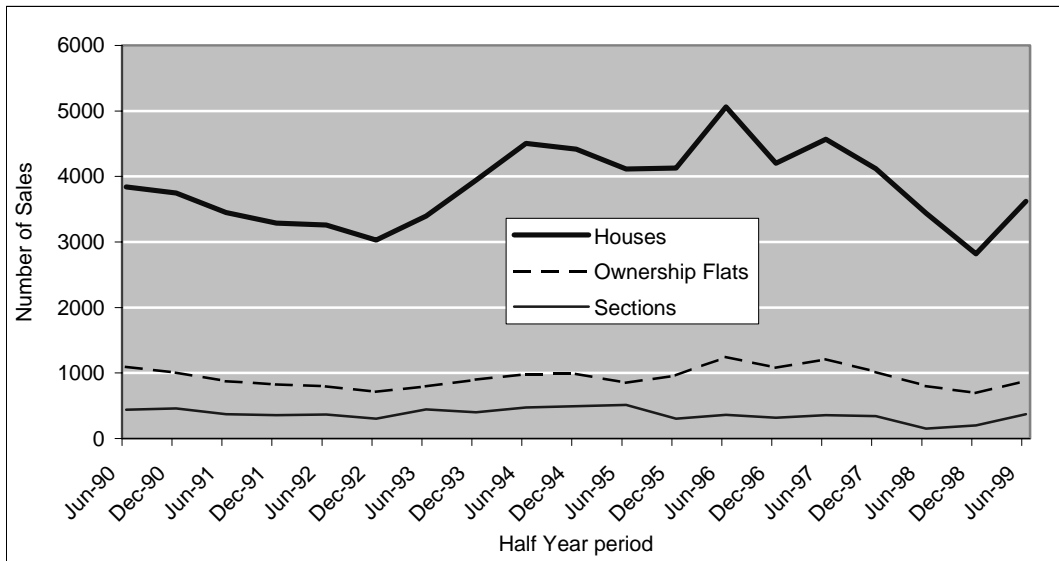
**Figure 1. Average Price of Residential Houses (June 1999 Dollars)**



Source: Quotable Value New Zealand (Previously Valuation New Zealand) Half Yearly Residential Sales Summary.

House sales volume in Christchurch peaked during 1996 reflecting the combined affect of an expanding population and a rapidly growing economy. The property market then slumped during 1997 and 1998. Latest June 1999 figures show that the market has recovered somewhat with sales up 28.4% over the six months to December 1998 (Figure 2). However, this may be short lived as mortgage interest rates are now on the increase.

**Figure 2. Number of Residential Property Sales**

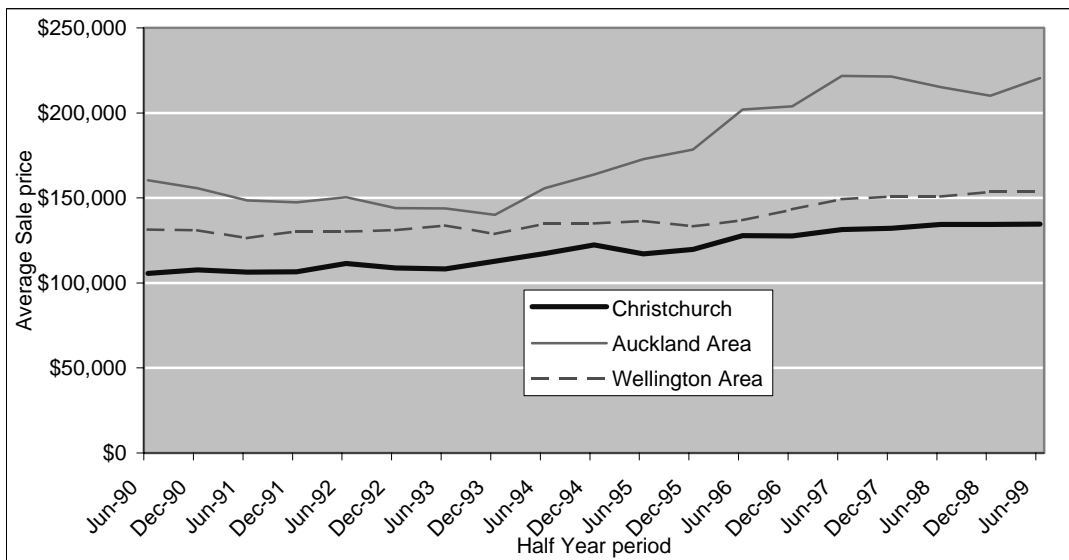


Source: Quotable Value New Zealand (Previously Valuation New Zealand) Half Yearly Residential Sales Summary.

**OWNERSHIP FLATS**

The average real price of an ownership flat in Christchurch increased from \$105,519 in June 1990 to \$134,630 in June 1999 (June 1999 dollars), a 28% increase. Average sales prices in Auckland increased by 37% this decade from \$160,365 to \$220,445. In Wellington prices grew by 17% from \$131,374 to \$153,783. This was noticeably lower than in the other two centres (Figure 3).

**Figure 3. Average Price of Ownership Flats (June 1999 Dollars)**



Source: Quotable Value New Zealand (Previously Valuation New Zealand) Half Yearly Residential Sales Summary.

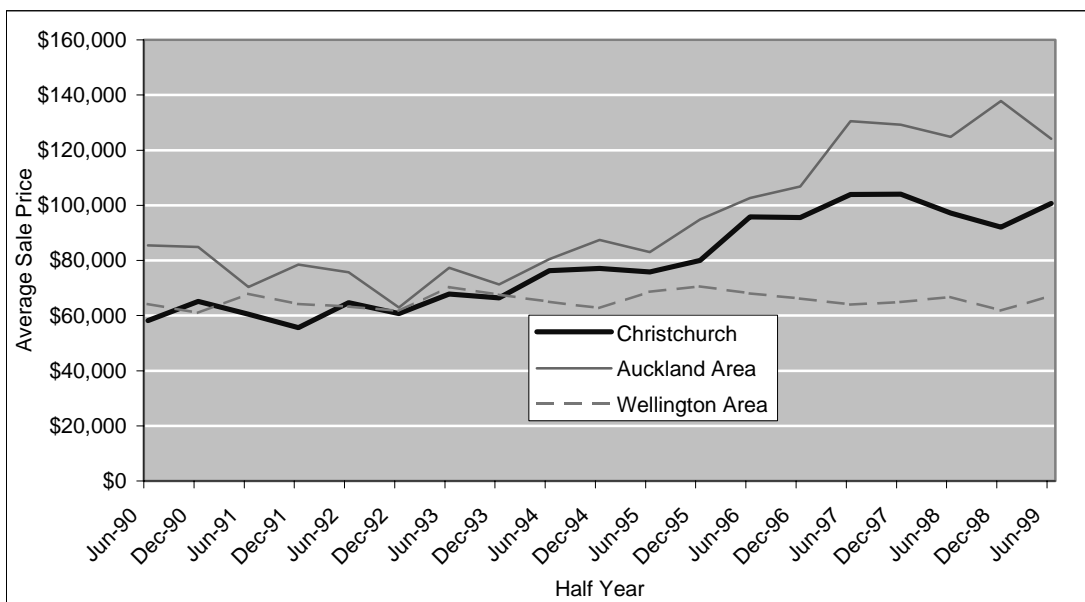
The volume of ownership flat sales in Christchurch this decade peaked in June 1996 then generally decreased through to December 1998. Like the residential housing market, sales picked up in June 1999 with a 27% increase over the previous six-month period (Figure 2).

#### RESIDENTIAL SECTIONS

Real average section prices in Christchurch have also grown markedly this decade. During the period June 1990 to June 1999, the average price increased from \$58,214 to \$100,646 (June 1999 dollars) or 73% in real terms (Figure 4). The growth in average sale price in Christchurch was significantly higher than that recorded in both Auckland (ie 45% from \$85,445 to \$124,165) and Wellington (ie 5% from \$64,188 to \$67,187) at the same time.

Overall, 7022 section were sold in the City this decade (Figure 2). Interestingly, average section prices in Christchurch peaked at \$103,997 in December 1997 and have subsequently fluctuated slightly during 1998 and 1999 (Figure 4). This may indicate that average prices have now stabilised at around \$100,000.

**Figure 4. Average Price of Residential Sections (June 1999 Dollars)**



Source: Quotable Value New Zealand (Previously Valuation New Zealand) Half Yearly Residential Sales Summary.

#### Chairman's

**Recommendation:** That the information be received.