

# How have Hawke's Bay suburb values performed since 2007?

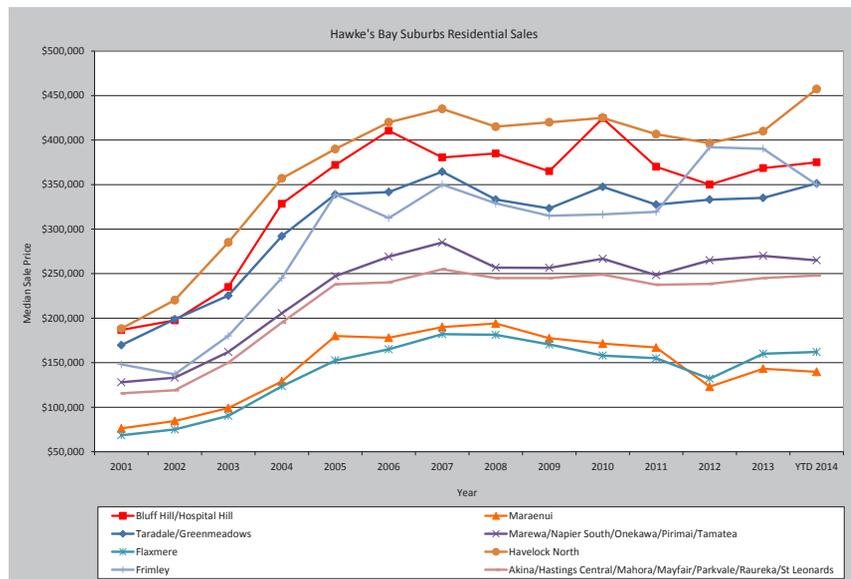
Arguably the volume of sales transactions and house values in Hawke's Bay started to climb in 2001 to unprecedented levels, with values peaking in 2007

Since then and for various well documented reasons sales activity and values have shown a downwards trend across the suburbs of Hawke's Bay. At Williams' Harvey we analyse and graph the REINZ (Real Estate Institute of New Zealand) statistics on a monthly basis. So how has your suburb performed in terms of value levels since the peak of 2007?

For the purposes of this article we have analysed and graphed the REINZ statistics Median Sale Price (MSP) since 2001 making direct comparisons between the suburbs of the twin cities and it is interesting to see how similar the cities are. In general the statistics show a trend towards easing values with a slight lift in 2010 returning back to a very steady marketplace with modest growth since 2011.

## Similarities

- Both Napier and Hastings have two standout suburbs.
- All mainstream suburbs track so closely together we have grouped those suburbs with the trends being almost identical.
- Napier's mainstream suburbs of Marewa, Napier South, Onekawa, Pirimai and Tamatea have a 2014 YTD MSP of \$265,000.



- Hastings mainstream suburbs of Akina, Hastings Central, Mahora, Mayfair, Parkvale, Raureka and St Leonard's have a 2014 YTD Median Sale Price of \$248,000 which is some 6.8% below Napier's being a fair reflection of the value levels between the two cities.
- Both cities also have their entry level suburbs in Maraenui and Flaxmere, with both suburbs showing similar trends. Both suburbs were substantially impacted in a negative manner in 2011/12 due to the depreciation tax changes introduced in April 2011 with investors taking a step back from the market. However, Flaxmere that has historically been behind Mareanui in value

terms appears to have recovered more quickly with strong growth in 2012/13 and now sitting 16% above Maraenui at MSP of \$162,000.

## The Standout Performers

### Havelock North

Havelock North being Hawke's Bay's highest valued suburb is showing exceptional recovery with 3.4% growth in 2013 and 10.9% growth in 2014 Year to Date (YTD). With a Median Sale Price (MSP) price of \$454,650 Havelock North is the only suburb to have now surpassed the value highs of 2007, with value levels being 4.5% above those at the peak.

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## Frimley

Frimley also shows growth with the 2012/13 years producing levels substantially higher than normal trend lines would have predicted. A contributing factor to these increased value levels has been the high volume of new builds in this suburb transacting through that period. Values have since settled back and the current MSP is currently recorded at \$350,000 which is on a par with 2007 value levels.

## Napier Hill (Bluff/Hospital)

Napier Hill is also showing good recovery with increased value levels showing a 5.3% growth in 2013 and 1.8% in 2014 YTD. However, still below the highs of 2006 (this suburb peaked in 2006 as opposed to 2007).

## Taradale/Greenmeadows

Again another strong performer with a steady upward trend since 2011, with 7.1% growth since 2011 and a current 2014 YTD MSP of \$351,250.

If you cannot find your suburb, for statistical accuracy reasons, suburbs with very low volumes of transactions have been excluded. Westshore, Bay View, Clive, Te Awanga, Haumoana have all been excluded due to low volumes of transactions and lack of reliability of the median sale price.

In general our residential market is stable and improving with modest growth in value levels across the board. Havelock North really does stand out as providing the strongest growth rates at present. Volumes

of transactions still continue to be a bit fragile and vary monthly with approximately 200 properties selling in Hawke's Bay every month during 2012 and 2013 with a slight softening to 186 per month 2014 YTD.

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