

# Slower rise in Western Bay house prices

By Angela Woods

**H**OUSE values in Tauranga and the Western Bay of Plenty are still rising, but not as sharply as they once were.

Average house values in Tauranga increased by 12.3 per cent in the past year and 14.4 per cent in the Western Bay of Plenty, according to the latest monthly QV House Price Index.

The growth in Tauranga's home values was less than half the 25.7 per cent increase in the previous year, from July 2015 to July 2016.

Values in Tauranga rose by 1.9 per cent over the last three months and just 0.6 per cent last month. In the Western Bay of Plenty, the average value rose 0.9 per cent from June to July this year.

The average value of homes in Tauranga was \$691,350 last month, up from \$615,625 one year earlier. Values in the Western Bay of Plenty rose 4.6 per cent over the last three months, to \$617,754.

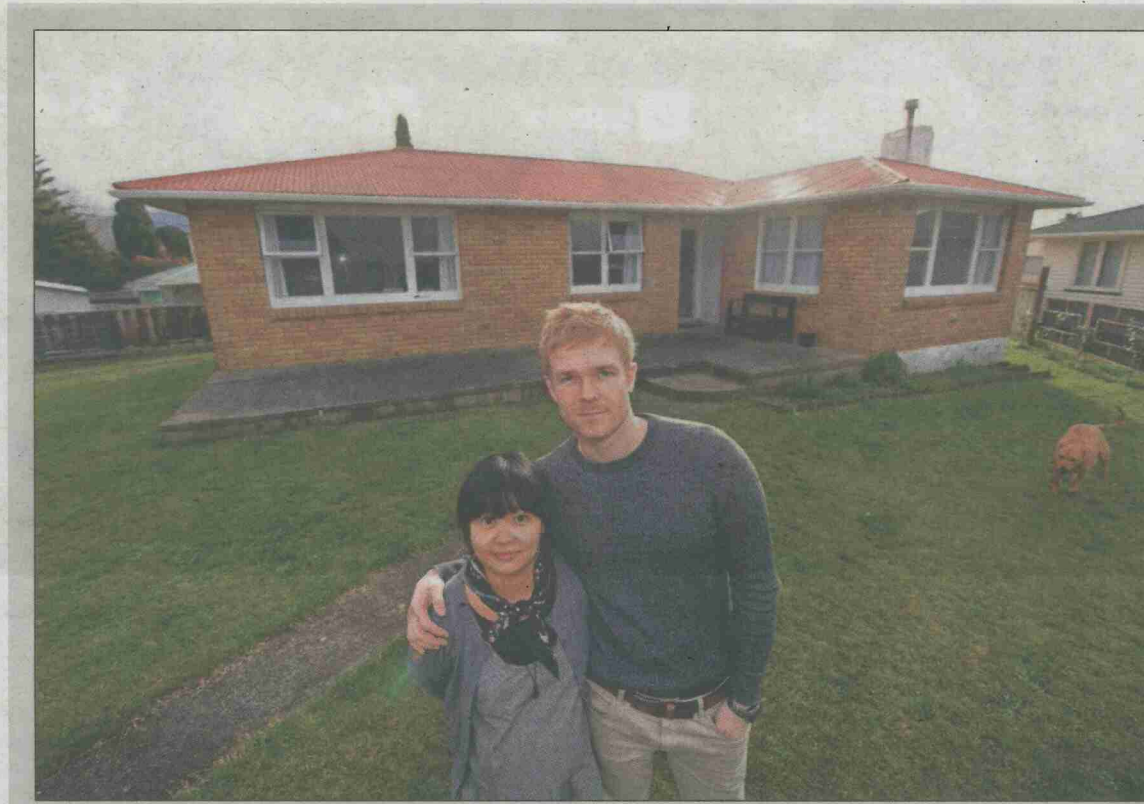
Greg Purcell from Ray White Papamoa said prices were stagnant.

"I personally think they've stood still for quite some time."

The lack of growth probably began after the restrictions on loan-to-value ratios, he said.

"We haven't had a hard fall like in '08."

Prices would likely remain fairly stable, Mr Purcell said, although there were different factors involved such as immigration levels and the amount of new housing built.



## Lucky buy beats price explosion

Aaron and Gayoung Wiggins (pictured) bought their first home in Te Puke in June last year when values were about 17 per cent lower in the Western Bay of Plenty than last month.

They were lucky to get a bargain, Mr Wiggins said, with the Te Puke house costing just \$310,000.

The average home value in the Western Bay was \$526,756 at the time and rose to \$617,754 last month.

"We got in just before house prices went crazy," Mr Wiggins said. "I think what we paid was fair."

The couple have since completed some renovations to the property, adding to its value.

Mr Wiggins said he was not worried about house prices falling or stabilising.

"I can't imagine they would just keep going up."

— Angela Woods, photo/George Novak

Anton Jones, of First National Tauranga, also said prices were remaining stable.

"I quite like this market because buyers and sellers are quite happy with the prices."

There were fewer buyers and fewer listings in recent weeks, he said, but that was usual over winter.

"Generally in the winter, they tend to wait for spring ... and you do get more buyers looking in spring," said Mr Jones.

Managing director of Mount Maunganui Harcourts, Nigel Martin, said prices were fairly stable, but the agency had a good selection of properties available and a number of buyers despite the usual winter lull.

"The market is still ticking over."

Simon Anderson, chief executive of Realty Services which operates Bayleys and Eve's Realty, said the market was returning to a "normal" level.

"Things remain positive, however, not at the levels of 2016."

Tauranga QV valuer David Hume offered one possible reason for the higher growth in the Western Bay than in Tauranga.

"The Western Bay of Plenty continues to see good growth, partly caused by reduced section sizes in new developments, continuing to make lifestyle blocks more appealing to families."

"The market in Tauranga and

Western Bay of Plenty is steady at present, with most agents reporting more normalised levels in demand," he added.

The rise in values has slowed across the country, with zero growth in some areas.

Home values in Auckland were stagnant for the second month in a row — growth was 0.0 per cent.

The average value across the country was \$641,280, a monthly increase of just 0.4 per cent.

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