



# 2017

## Property Investor's Guide to the Market



**POSITIVE**  
real estate

# 2016 was another rollercoaster year for property investors.

We listed Wellington as one of our Top 6 Hot Spots For 2016 at the beginning of the year... but even we have been surprised by its overwhelmingly good performance. In September, Wellington ended up overtaking Auckland's 12-month growth.

In fact, in the 2016 capital growth race, only 4 districts in the whole country reporting a decrease in housing value, all of which were in either the Nelson or Southland region (*Source: Corelogic 12-month to Sep 2016 report*).

While there were ups (a lot of them), there were also some downs. For example, the 60% LVR restriction for investors was a setback for many investors, who were suddenly faced with an equity shortage.

## The 2017 Investor's Guide to The Property Market

We've compiled The 2017 Investor's Guide to the Property Market so you have all the research and data for all the main centres you need in one place.

Inside this PDF is a compilation of research, detailing each and every location's investment indicators. You'll be able to easily navigate this collection of third party data and expert commentary in one portable document – and if you want to do any further reading of your own, all sources are listed too.

### Contents:

1. Auckland | Tāmaki Makaurau
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5. Christchurch | Ōtautahi
- 6 Queenstown | Tāhuna

	12 month change	Average Value
1. Whangarei	21.9%	\$441,244
2. Auckland Region	15.0%	\$1,031,253
3. Tauranga	28.1%	\$644,297
4. Hamilton	27.1%	\$529,236
5. Rotorua	25.0%	\$354,278
6. New Plymouth	9.9%	\$398,091
7. Napier	18.1%	\$393,672
8. Hastings	17.8%	\$367,227
9. Palmerston North	12.0%	\$331,617
10. Wellington Region	21.2%	\$553,023
11. Nelson	14.1%	\$476,817
12. Christchurch	4.4%	\$495,723
13. Queenstown Lakes	30.7%	\$959,282
14. Dunedin	12.1%	\$339,201
15. Invercargill	9.7%	\$229,991
NEW ZEALAND	14.3%	\$619,660



September was the month that the Wellington Region's 12-month growth overtook the Auckland Region's growth.

Source:  
Corelogic

A photograph of the Auckland skyline, featuring the Sky Tower as the central landmark. The city is densely packed with modern skyscrapers and commercial buildings. In the foreground, a large blue banner contains the title. The background shows a clear blue sky and distant mountains.

# 1. AUCKLAND

## TĀMAKI MAKĀURAU

Auckland, in the North Island of New Zealand, is the largest and most populous urban area in the country. Auckland has a population of 1,454,300, which constitutes 32% of New Zealand's population.

It is part of the wider Auckland Region—the area governed by the Auckland Council—which also includes outlying rural areas and the islands of the Hauraki Gulf, resulting in a total population of 1,570,500.

At the beginning of 2016, Auckland was the main focus of rising house prices. Auckland's recent house price rises were unprecedented, up 52% in the last four years (to February 2016) compared with elsewhere up only 11%.





## In The Press

"Housing Minister Nick Smith says there are tentative signs that the Auckland housing market could be cooling down, but he will not be confident until prices have eased for six months or more." – [Source: The Herald](#)

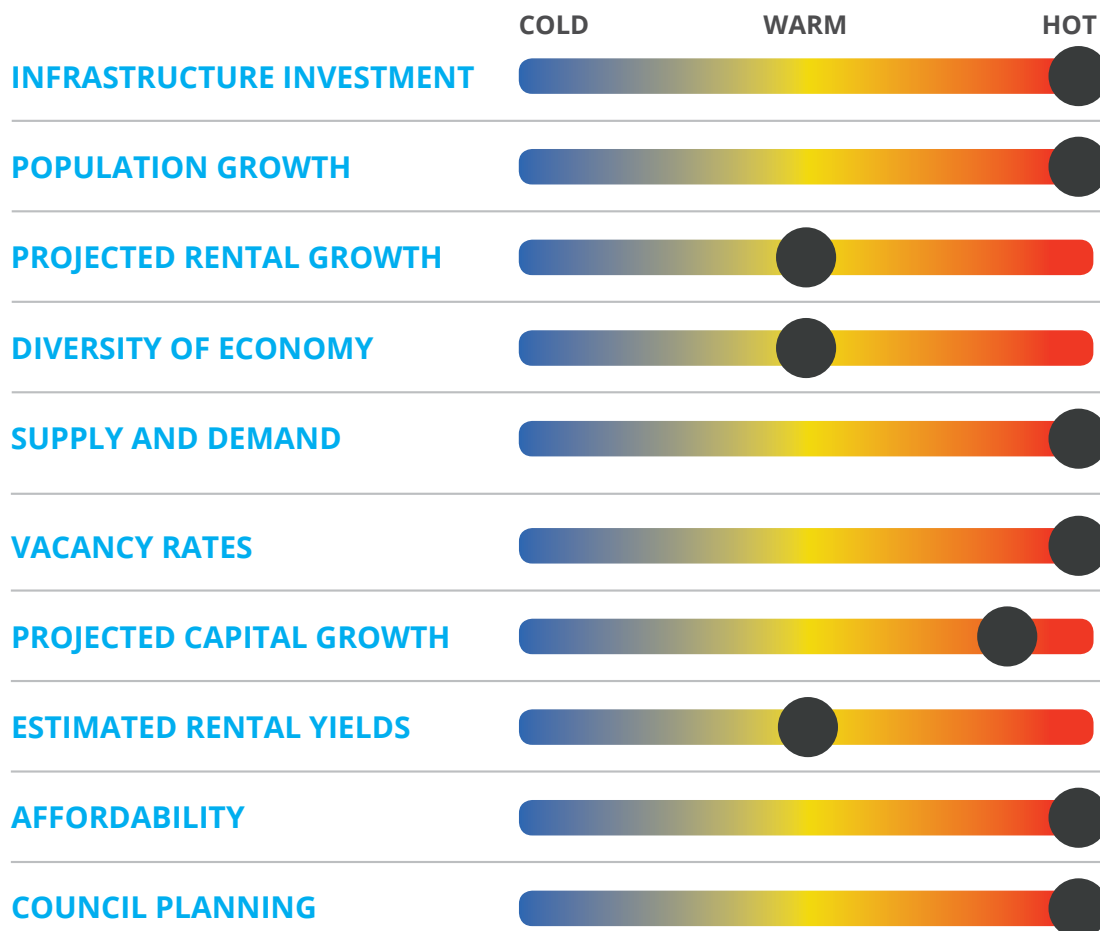
"The price rises of the past four years could be just the start. BNZ chief economist Tony Alexander said there were a number of things that were putting pressure on Auckland's house prices, and showing no sign of letting up." – [Source: Stuff](#)

"Signals from the property market that investor loan to value ratios are working

to pull house prices down, but economists warn figures will remain strong." – [Source: NewstalkZB](#)



## Market Drivers



## People

### POPULATION GROWTH

The Auckland region is projected to account for three-fifths of New Zealand's population growth between 2013 and 2043, with an increase of 740,000 from just under 1.5 million to 2.2 million (medium projection).

Auckland's population is estimated to have surpassed 1.5 million in the year ended June 2014, and is projected to reach 2 million around 2033. In 2028, Auckland would be home to 37% of New Zealand's population, compared with 34% in 2013. By 2043, the population of Auckland could make up 40% of New Zealand's population.

Source: Statistics NZ - Estimates and Projections from 2013 census.

### DEMOGRAPHICS

The median personal income for adults in Auckland was \$29,600 per annum and the median household income was \$76,500 per annum (the highest household median across all regions in New Zealand)

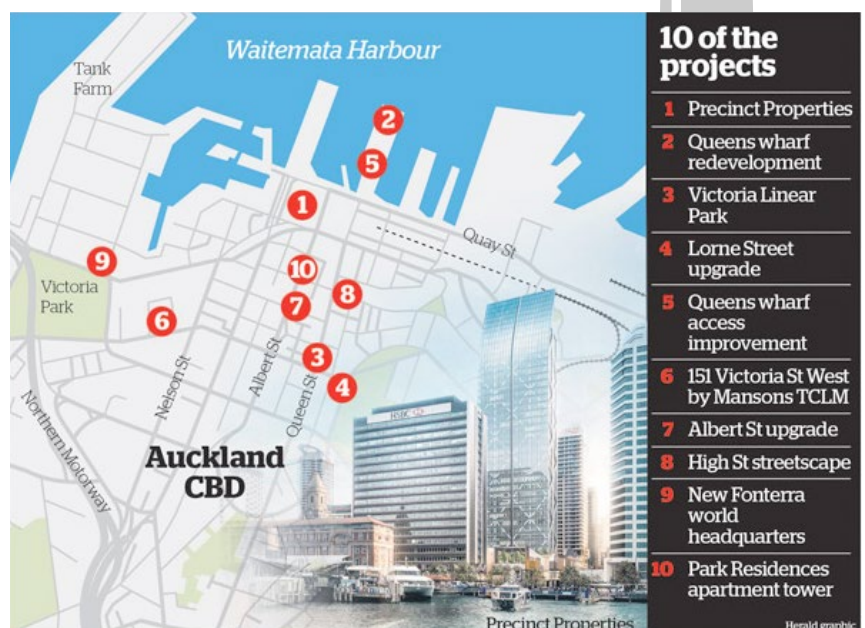
The largest proportions of those employed in Auckland were employed in the professional, scientific and technical services (11.4%), manufacturing (9.9%) and retail trade (9.7%) sectors (Statistics NZ).

## Infrastructure Spending

**Auckland Council Infrastructure spending over the next ten years is budgeted at \$17.7 billion.** The Council is committed to improving the transport challenges they currently face.

### 10 YEAR BUDGET 2015 -2025:

- \$7.9bn Transport
- \$4.7bn Water supply and wastewater
- \$2.4bn Parks Community and Lifestyle
- \$1.3bn Governance and Support
- \$1bn Environmental Management and Regulation
- \$1bn Auckland Development
- \$0.4bn Economic and Cultural Development



## Infrastructure Spending

Forecast population growth and the need for improved public transport are proving the catalyst for **an estimated \$10 billion of private investment within the Auckland CBD and city fringes** as well as considerable additional civic infrastructure investment by Auckland Council, Auckland Transport and Panuku Development Auckland to provide for more residential accommodation, commercial office space, student accommodation and improved public amenity & urban environment.

Private investment together will see Auckland City enter a period of intense development and urban renewal over the coming few years.

The private and public development and infrastructure spend will contribute to reshaping our city from how we see it today into a very different metropolitan Auckland City Centre between 2020-2023.

At this stage of Auckland's evolution, we can expect to realise that 'world's most liveable city' status we often hear referred to.

### Between 2020-2023 Auckland City will likely include:

- An additional 167,000sqm of commercial office space; and
- Approximately **7,000 new residential apartment units and townhouses**.
- The world class New Zealand International Convention Centre (*right*)
- The initial stages of a Light Rail Network completed or well into construction
- A well advanced **Wynyard Quarter incorporating luxury urban living, retail and commercial space including a modern innovation hub, and leading marine industry**
- A completed **Metro Rail Link and upgraded commuter rail network** providing a significantly improved rail experience for all Aucklanders
- Walkway and cycle paths to the North Shore via a completed Skypath & Seapath
- **An upgraded world class Auckland City Centre urban environment**, reshaped with people oriented streetscapes, laneways, public squares, parks, commons and pedestrian prioritised shared spaces

([Source: Emerging Auckland](#))



Above: Artist render of the new SkyCity International Convention Centre  
Right: Britomart station design, and the new City Rail Link. (Source: Auckland Transport)



## Infrastructure Spending

### NEW CITY RAIL LINK

The City Rail Link is the top transport priority for Auckland. Construction started in June 2016.

- The CRL will extend Auckland's passenger rail system past Britomart to connect to the existing regional rail network at Mt Eden.
- Britomart will become a through station with new stations near Aotea Square and Karangahape Road, and a redeveloped station at Mount Eden.
- The CRL will use twin 3.4km long tunnels up to 42 metres below the city centre streets.
- It's estimated to take 5-and-a-half years to build.

### Benefits of the City Rail Link

- More frequent trains with more direct services to the city centre.
- Allow 30,000 people an hour in peak.
- Allow on average better than a train every 10 minutes at peak for most Auckland stations.
- Better integration across all transport types.
- More shared space and a people-friendly city.

(Source: Auckland Transport website)



*Pages 8 - 14 of the 2017 Property Investor's Guide to the Market are unavailable in this preview.*

*To access the full 63-page report, attend a Property Investor Night in November or December 2016.*



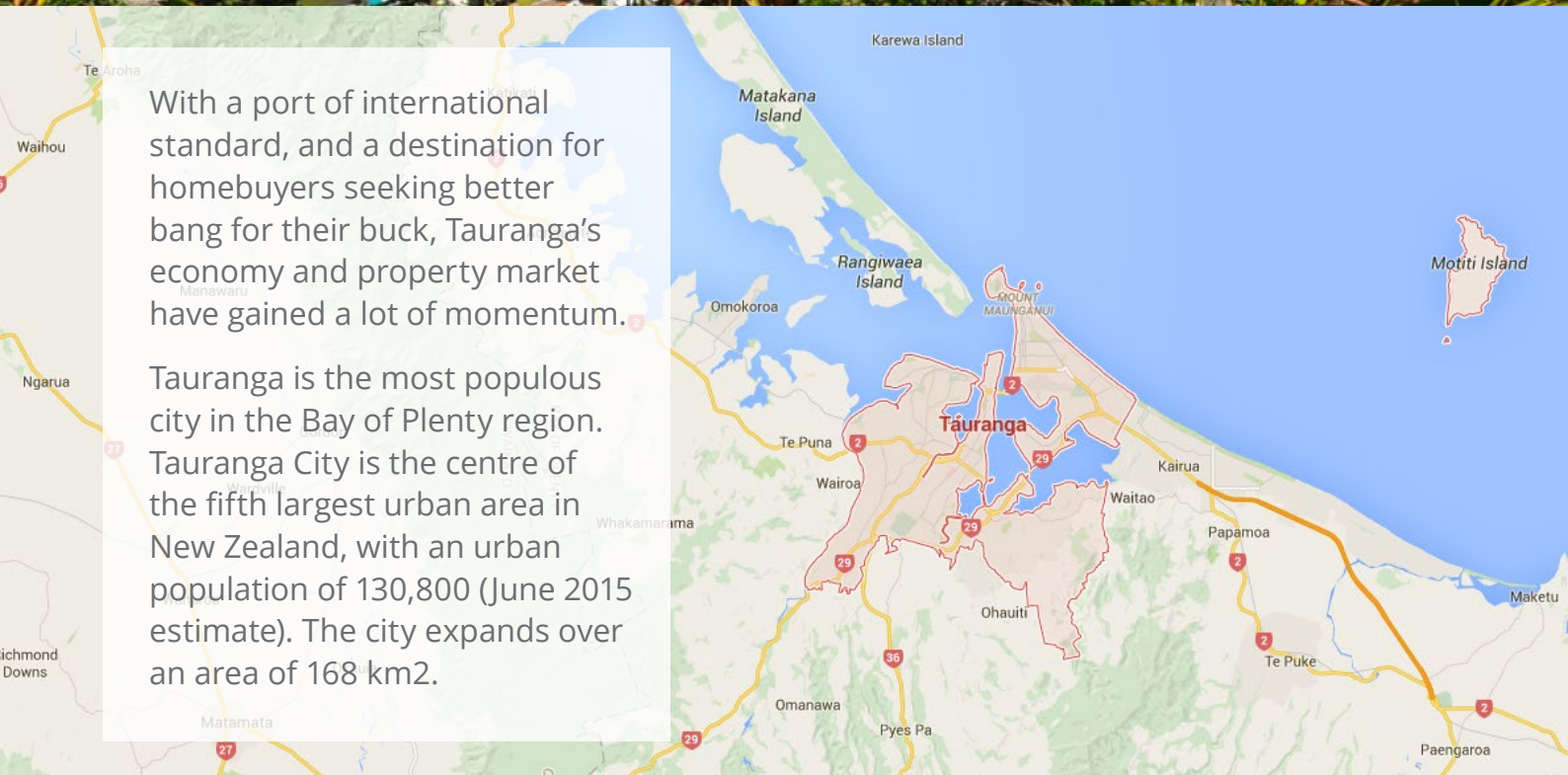


## 2. TAURANGA

### BAY OF PLENTY

With a port of international standard, and a destination for homebuyers seeking better bang for their buck, Tauranga's economy and property market have gained a lot of momentum.

Tauranga is the most populous city in the Bay of Plenty region. Tauranga City is the centre of the fifth largest urban area in New Zealand, with an urban population of 130,800 (June 2015 estimate). The city expands over an area of 168 km<sup>2</sup>.



## In The Press

Tauranga's housing market activity and demand has slowed, but home values continue to increase.

QV statistics showed Tauranga City home values had risen 28.1 per cent in the year to September 2016, and 7.4 per cent in the last three months (to September).

The average value of Tauranga sat at \$644,297, and Western Bay of Plenty district was \$574,993.

Western Bay home values had increased 29.3 per cent in the year since September 2015, and 9.2 per cent in the last three months. ([Source: NZ Herald](#))

### Bay of Plenty Times

Local News Opinions Sport Business Rural Life & Leisure Photos

#### Tauranga's housing market slowing, but values still rising

12:01 PM Tuesday Oct 4, 2016

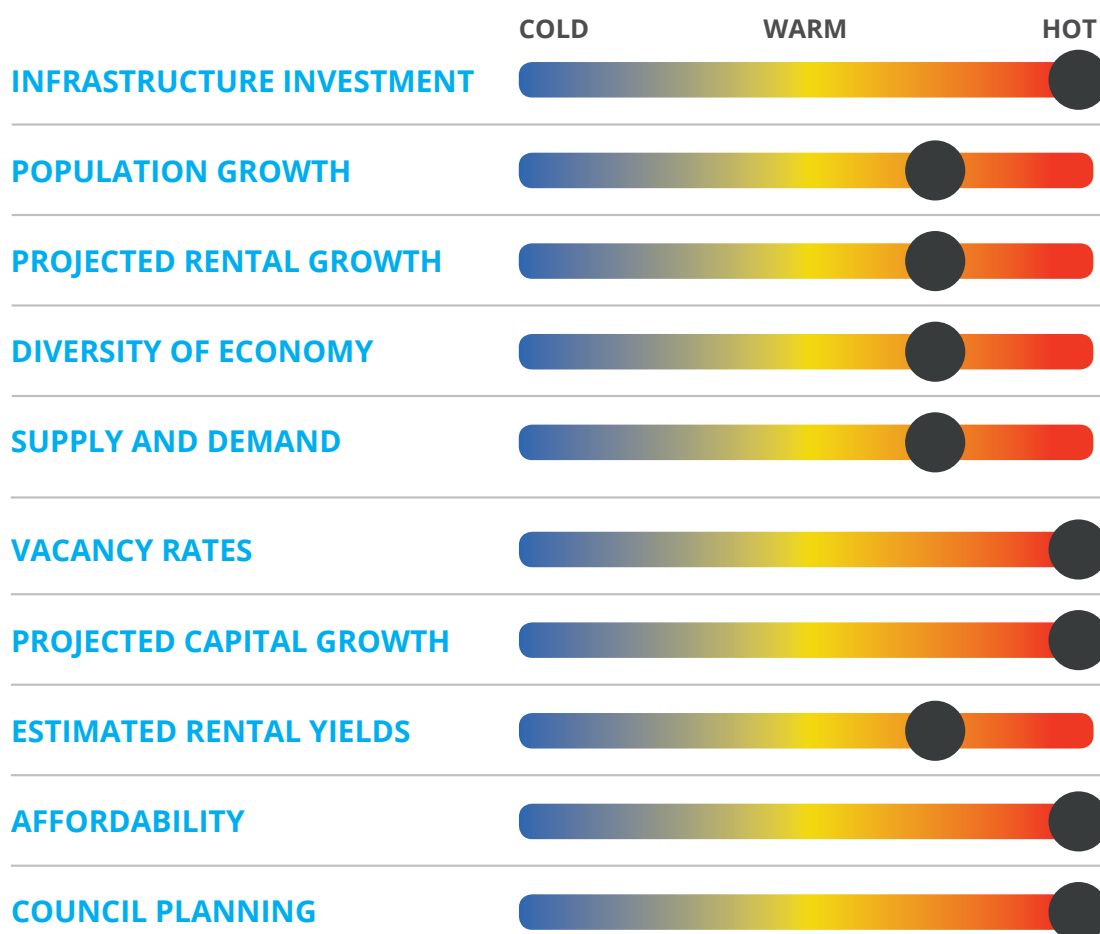
Add a comment

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Tauranga's housing market activity and demand has slowed, but home values continue to increase. PHOTOFILE

## Market Drivers





## People

### POPULATION GROWTH

The 2013 Census data shows the population of the Tauranga City grew by 10,500 or 10.5% between 2006 and 2013. This is significantly higher than the nation-wide growth rate of 5.3% over the same period.

Under the SmartGrowth 2014 Projection it is estimated that the population of Tauranga will reach 195,852 people by June 2063.

Source: [http://econtent.tauranga.govt.nz/data/documents/reports/stats/statistical\\_information\\_report2014.pdf](http://econtent.tauranga.govt.nz/data/documents/reports/stats/statistical_information_report2014.pdf)

### DEMOGRAPHICS

In 2006, 17.4% of the population was aged 65 or over, compared to 12.3% nationally. Tauranga is home to a large number of migrants, especially from the UK, attracted to the area by its climate and quality of life.



## Infrastructure Spending

*"Tauranga has been one of New Zealand's fastest growing cities for the last 30 years. It is one of the few cities in New Zealand that is still growing and expected to grow over the next 30 years. This growth puts significant pressure on the need to build and maintain infrastructure"*  
- Tauranga City Council

### Transportation Spend

**Estimated Spend: \$359 million**

The Tauranga City Council has \$359 million worth of large transportation projects planned between now and 2045. Among other things, the purpose of these changes is to provide new infrastructure for new urban growth areas and provide an efficient transportation network which promotes economic growth and productivity.

### Parks and Recreation

**Estimated Spend: \$37 million**

Notable projects between now and 2045 include the development of the Parau Farms

Active reserve (2016-2019), Te Tumu Active reserve (2029), and the development of the Wairakei Community Centre (2044).

### Port of Tauranga Development

**Estimated Spend: \$150 million**

Port of Tauranga is planning to spend \$150 million over the next three years to position the port for the new generation of mega container ships. The money will be spent on the first stage of deepening the port's shipping channels, buying two new tugs and two additional cranes.



## Economics

Much of the countryside surrounding Tauranga is horticultural land, used to grow a wide range of fresh produce for both domestic consumption and export. The Port of Tauranga is New Zealand's largest export port, with brisk but seasonal shipping traffic. It is a regular stop for both container ships and luxury cruise liners.

Ten major New Zealand companies have their head office in Tauranga, including Brother NZ, Ballance Agri-Nutrients, TrustPower and Port of Tauranga.

### ECONOMIC OUTLOOK

The data from Infometrics and commissioned by Priority One reveals Tauranga's economy grew by 3.5 per cent over the year to March 2016 and was broad-based across all indicators of spending and investment. The statistics showed the unemployment rate fell to 5 per cent - the lowest since 2009 while Jobseeker support dropped 9 per cent. Net migration more than doubled to 1126 people in a year and retail spending increased by 6 per cent compared to 2.8 per cent in New Zealand.

(Source: Bay of Plenty Times)

### GROSS DOMESTIC PRODUCT

Both total and per capita gross domestic product (GDP) are at all-time highs, with GDP growing 8 per cent in the last two years. Tauranga Chamber of Commerce chief executive Stan Gregec said the figures were pleasing but he wasn't surprised.

"Tauranga's the place where it's all happening at the moment. We've got growth in jobs as well as economic activity, and we can't see this picture changing anytime soon," said Mr Gregec. "We've had boom times here for the 12 months to 2 years, and we're still in that very buoyant, high growth phase."

Total GDP rose to \$12.29 billion for the 2015 financial year, up from \$12.02 billion a year earlier and \$11.37 billion in 2013.

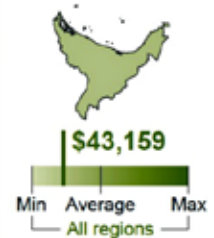
(Source: NZ Herald)

#### Bay of Plenty Regional GDP, 2015

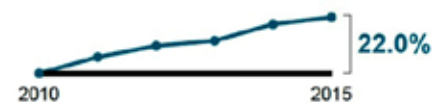
GDP value, (billion)



GDP per capita



Change in GDP, 2010-15



### GOLDEN TRIANGLE

Tauranga is part of "The Golden Triangle". The area contains 2.46 million people, with a \$117 billion GDP in 2015 which made up over half of the NZ economy. Over 50 per cent of all filled jobs in New Zealand are also split up between the three cities.

The aptly named 'Golden Triangle' has also seen an average annual population growth of 1.4 per cent over the last 10 years - twice the rate of the rest of New Zealand.

(Source: SunLive)

## Living in Tauranga

### **CBD**

Over \$60 million has been invested in commercial developments in Tauranga's city centre over the past two years alone stimulating business investment, relocations and economic development.

### **AIRPORT**

Tauranga Airport is the fifth busiest airport in New Zealand. The airport is less than

a fifteen minute commute from the CBD at peak hour. The airport offers daily direct flights to Auckland, Wellington and Christchurch, and connections to all other areas.

### **RETAIL HUBS**

Tauranga's main shopping mall is Bayfair, in Mount Maunganui. Many of the city's shopping centres are located in the suburbs.



## Supply and Demand

### **LAND AVAILABILITY**

In Tauranga City Council's Long Term Plan 2012-2022, Council agreed to sell a number of properties during the next 5 years (*see more at: <https://www.tauranga.govt.nz/council-a-z/council-property-sales.aspx#sthash.eaGP6B8j.dpuf>*).

Sales of surplus land could boost the coffers of the Tauranga City Council by at least \$29 million over the next five years.

The 59 properties and lots on the list range in size from tiny suburban strips of land to a 470-hectare block of steep hillsides covered in native bush.

([Source: NZ Herald](#))



*Pages 21 - 22 of the 2017 Property Investor's Guide to the Market are unavailable in this preview.*

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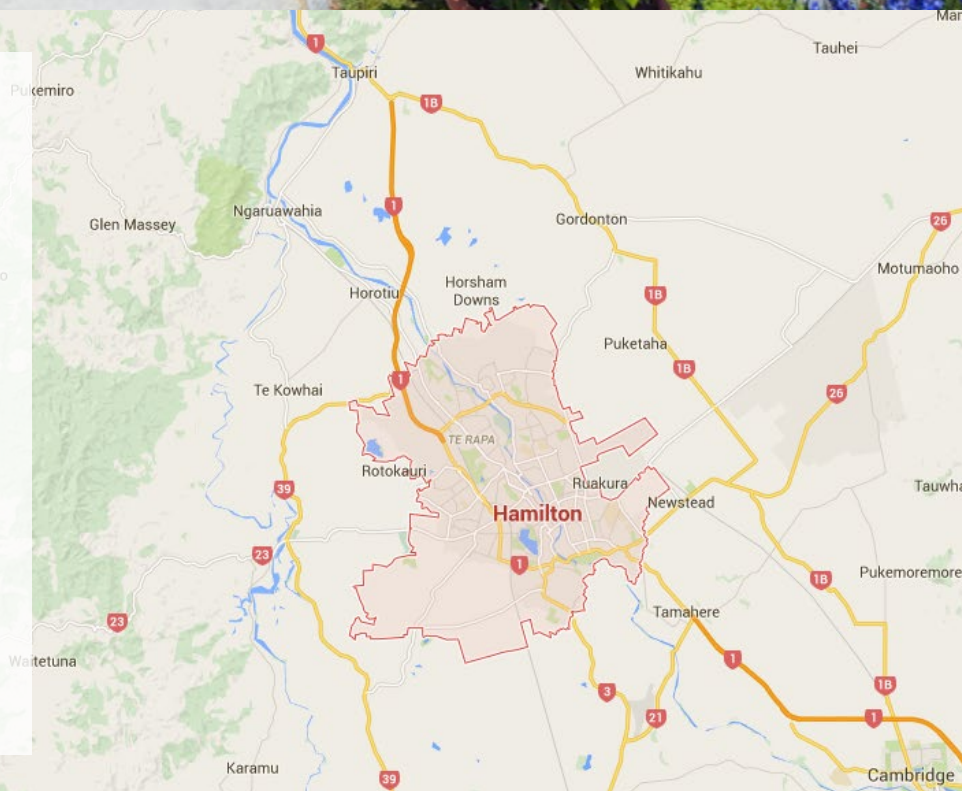


## 3. HAMILTON

### KIRIKIRIROA

Hamilton is making its mark as an infrastructure and logistics hub and offers more affordable property than Auckland while benefiting from its proximity.

Hamilton city has the biggest urban population in the Waikato Region. New Zealand's fourth most populous city, 156,800 people call Hamilton home. The city encompasses a land area of about 110 km<sup>2</sup> on the banks of the Waikato River.



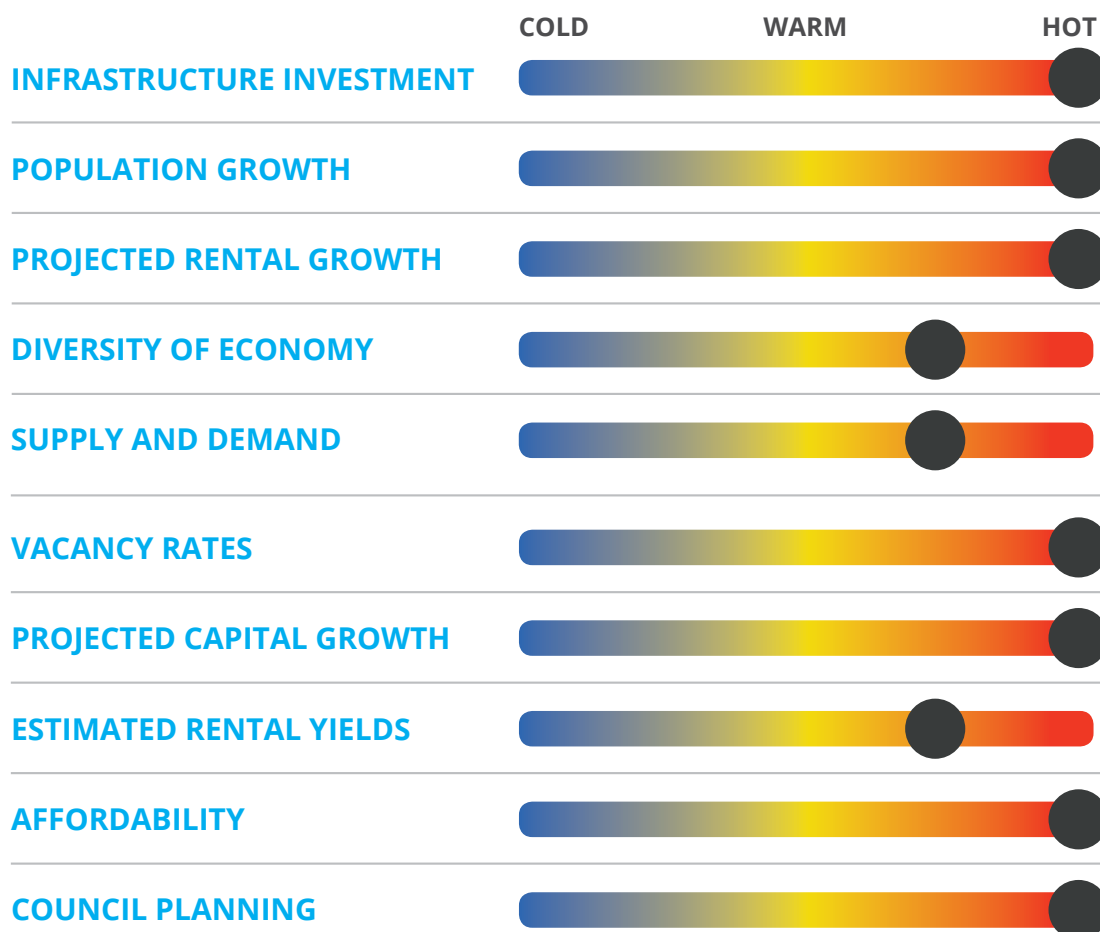
## In The Press

The Waikato/Bay of Plenty region was one of six to reach new record high median prices in September, according to the latest figures by Real Estate Institute of New Zealand (REINZ). Waikato/Bay of Plenty jumped to \$458,500 last month, compared to \$390,000 for the same month last year.

Hamilton's median prices shot up by 20 per cent to \$510,750 compared to last year. The trend in sales volume has been easing with dropping from 463 in September last year to 306 this year.

(Source: [Stuff NZ](#))

## Market Drivers



## People

### POPULATION GROWTH

Hamilton is growing annually, with a population of 141,612 recorded in the 2013 census. The population is projected to grow to over 224,000 (+58%) by 2041.

Source: [http://www.futureproof.org.nz/file/hcc\\_subregion\\_finalreport.pdf](http://www.futureproof.org.nz/file/hcc_subregion_finalreport.pdf)

### DEMOGRAPHICS

Hamilton is the second fastest growing population centre after Auckland. According to official census figures, Hamilton's population is 69.5% Pākehā/European, 21.3% Māori, the remainder comprising a range of other ethnic groups. There is a large tertiary student population of approximately 40,000 students.



## Infrastructure Spending

The rapid growth of Hamilton has brought with it the side effects of urban sprawl especially to the north east of the city in the Rototuna area.

Development is focused on the northern end of the city, although in 2012 the council made a decision to balance the city's growth by approving an urban development to the south.

### Wairere Drive

**Estimated Spend: \$2.92 million**

The Hamilton City Council is building an arterial road, Wairere Drive, through the northern and eastern suburbs to form a 25 km suburban ring road with State Highway 1. The final stage of this project, linking the road to Cobham Drive, is expected to be complete in July this year.

### Waikato Expressway

**Estimated Spend: \$972.94 million**

The New Zealand Transport Agency plans to complete the Hamilton section of the Waikato Expressway by 2019, easing congestion by taking State Highway 1 out of the city and bypassing it to the east. Once complete, the Waikato Expressway will be the key transport corridor for the region, connecting Auckland to the agricultural and business centres of Waikato and Bay of Plenty.

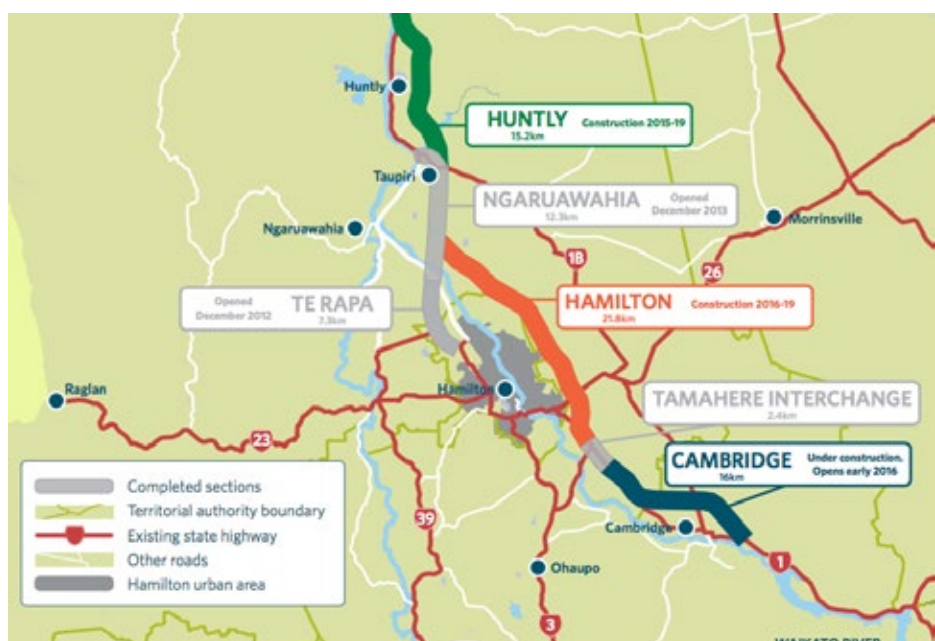
### Inland Port

**Estimated Spend: \$3 billion**

A multi-billion dollar inland port is planned to be built in stages over the next 50 years. Consent applications have been lodged for the initial 78 hectares of the development. 48 hectares of this will be designated to freight and logistics. It aims to capitalise on Hamilton's location as one of the corners in the golden triangle between Auckland and Tauranga ports (<http://www.stuff.co.nz/business/industries/72599085/Tainui-takes->

[next-step-in-3b-Ruakura-inland-port-project](#)).

Developer Tainui Group Holdings (Waikato's largest landowner) expects the port to generate 11,000 jobs and pump \$5 billion into the Waikato economy.



### New Central City Park

**Estimated Spend: \$2.6 million**

Initially bought for commercial development, testing showed the ground was not fit for its intended purpose. The Hamilton Council fixed the site immediately for \$4.15 million, and are spending a further \$2.6 million to transform the lot into an amphitheatre-style park.

Mayor Julie Hardaker is now pleased that this park will occupy the space of a previously-imagined commercial development. The park be a much greater benefit to the city, connecting the city to the river in a new and creative way, and is relatively low-cost for what it will deliver.



*Pages 26 - 30 of the 2017 Property Investor's Guide to the Market are unavailable in this preview.*  
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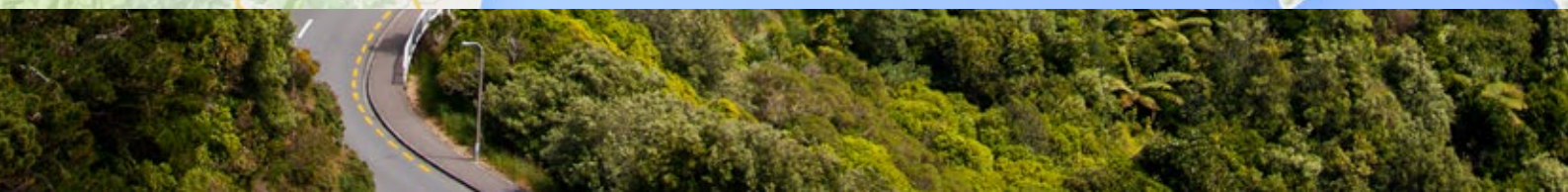
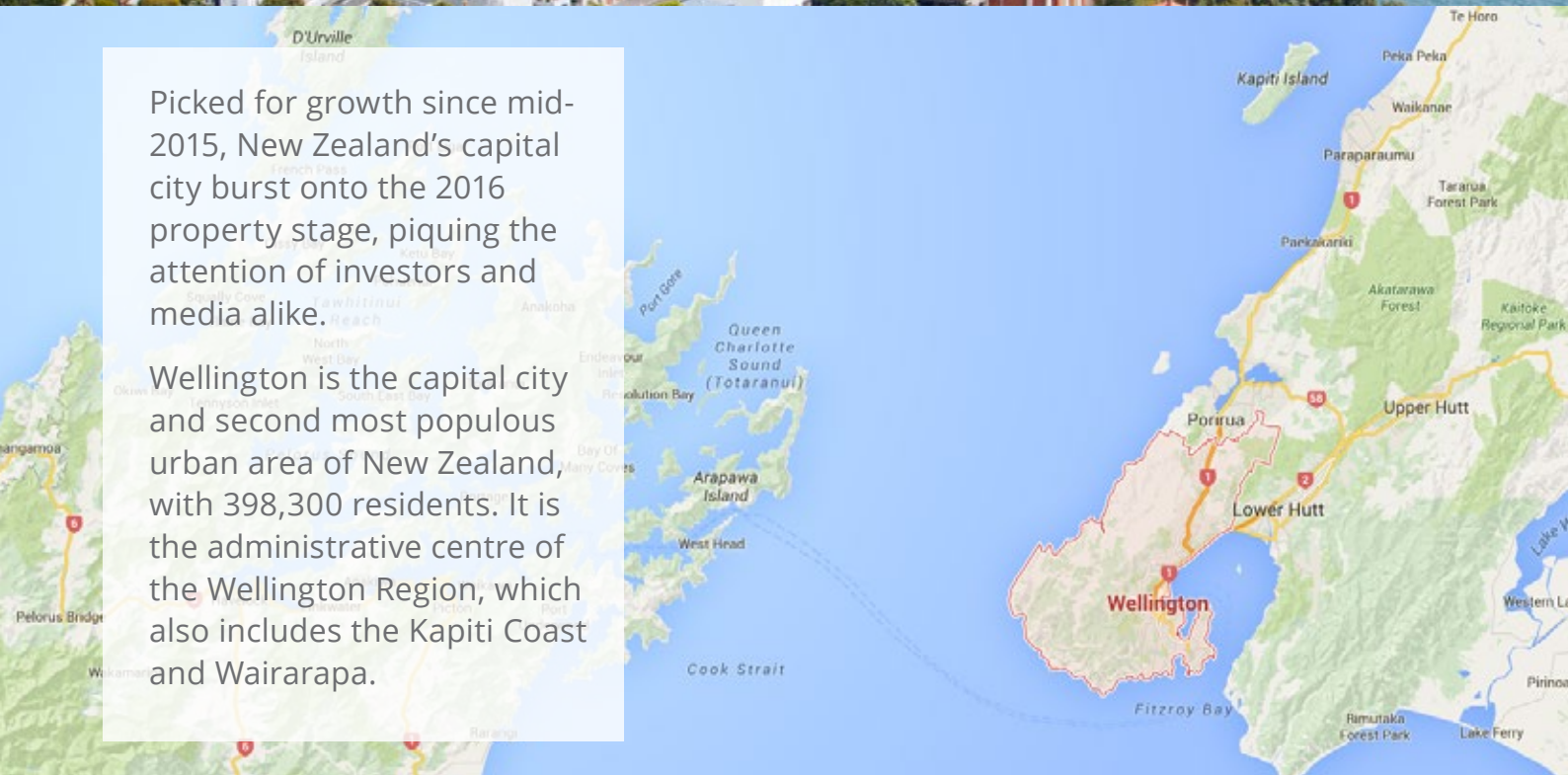


## 4. WELLINGTON

TE ŪPOKO O TE IKA A MĀUI

Picked for growth since mid-2015, New Zealand's capital city burst onto the 2016 property stage, piquing the attention of investors and media alike.

Wellington is the capital city and second most populous urban area of New Zealand, with 398,300 residents. It is the administrative centre of the Wellington Region, which also includes the Kapiti Coast and Wairarapa.



## In The Press

Growth in the Wellington housing market has overtaken Auckland, according to the latest figures from QV.

House sales and prices in the capital have risen more than 21% over the past year.

QV national spokesperson Andrea Rush said the Wellington property market was playing catch-up with increased demand.

“Values in the capital have risen faster than the Auckland region over the past three months and year on year.”

The average Wellington house price now sits at \$553,023.

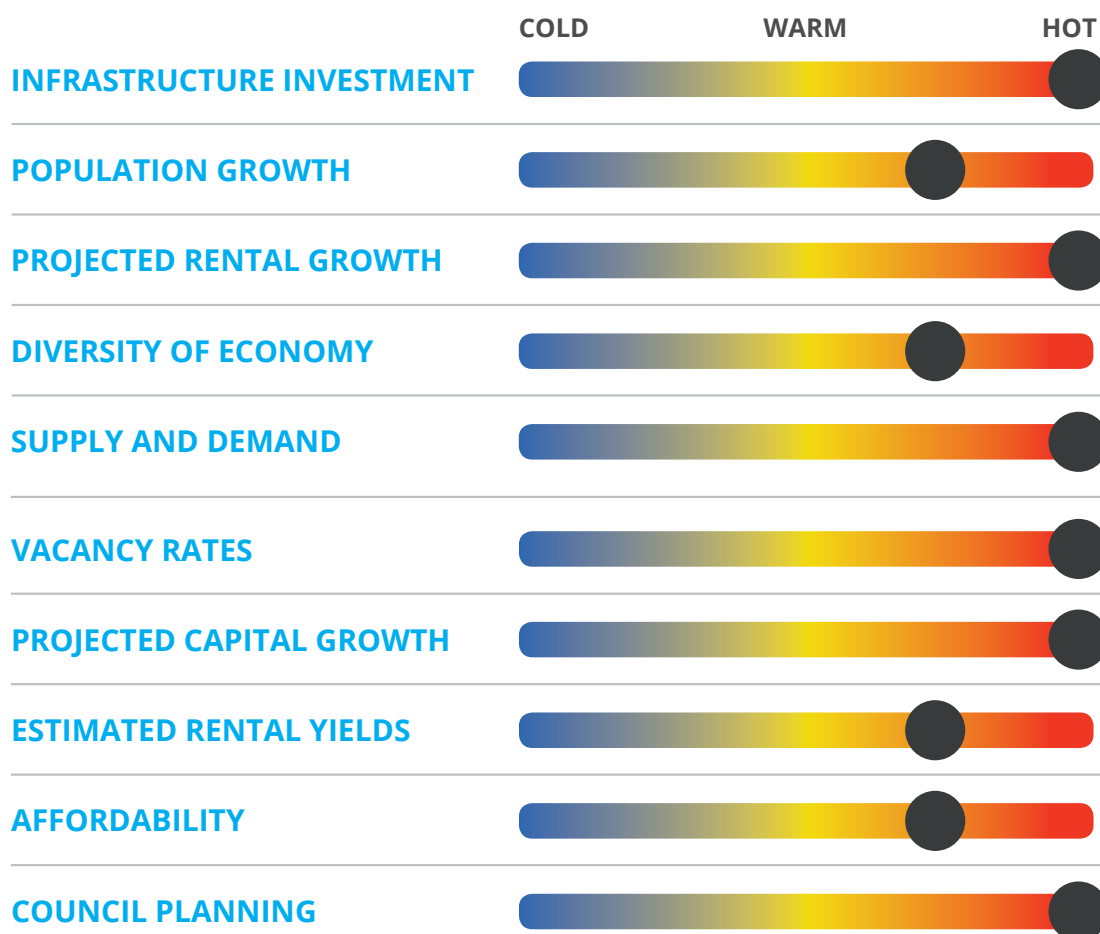
The QV house price index for September 2016 has risen 14.3% over the past year, to an average nationwide price of \$619,660. That compares with 14.6% annual growth in August.

(Source: [RadioNZ](#))

[In August 2016], 24% of all New Zealand properties sold were by auction and there was a 113% increase in the number of Wellington properties sold by auction.

(Source: [Stuff NZ](#))

## Market Drivers





## POPULATION GROWTH

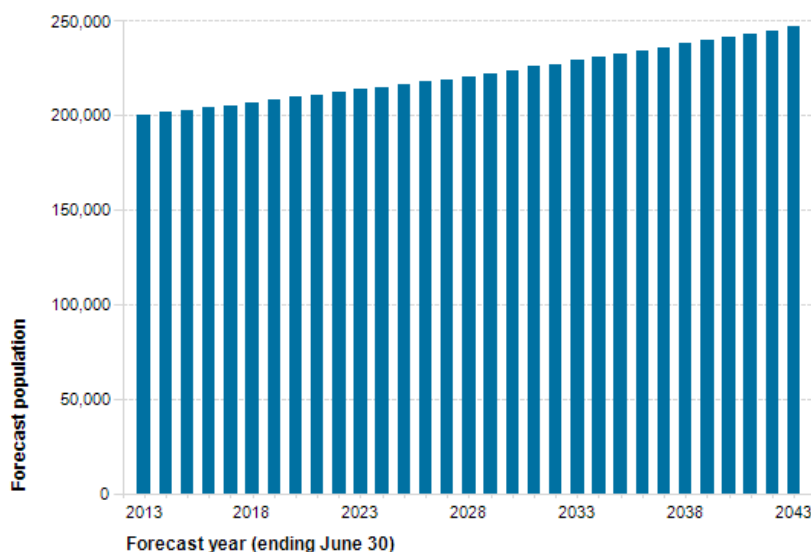
Source: IDNZ

### DEMOGRAPHICS

24% of the Wellington City's households contained only one person, with the most dominant household size being 2 persons per household in 2013.

### Forecast population

Wellington City



## Infrastructure Spending

### Transmission Gully

**Estimated Spend: \$850 million**

Transmission Gully will be 27km of 4-lane motorway opening up a new corridor to the capital. This will reduce reliance on the Kapiti Coast as the sole route to Wellington from the West Coast. The Gully will reduce congestion, reducing commuter travel time. The Gully is expected to be open for traffic in 2020.

### Wellington Airport Improvements & Runway Extension

**Estimated Spend: \$358 million**

Wellington Airport has started work on a \$58 million extension to the main terminal building and apron. The terminal will cater for the expected increase of busy-hour passengers from 1250 today to 1500 in 2021. This work began in 2014 and will be completed this year.

Wellington Airport has lodged a consent application for a \$300 million runway extension, allowing more international



flights to add Wellington to their list of global destinations. The extension, once complete, could bring \$2 billion into the Wellington economy.

Source: <http://www.stuff.co.nz/business/74347054/Wellington-Airports-runway-extension-could-pump-2b-into-the-economy>

## Economics

### GROSS DOMESTIC PRODUCT

Wellington's GDP (year ended 2015) had the second biggest increase from the previous year at 3.7%. (Source: Statistics NZ)

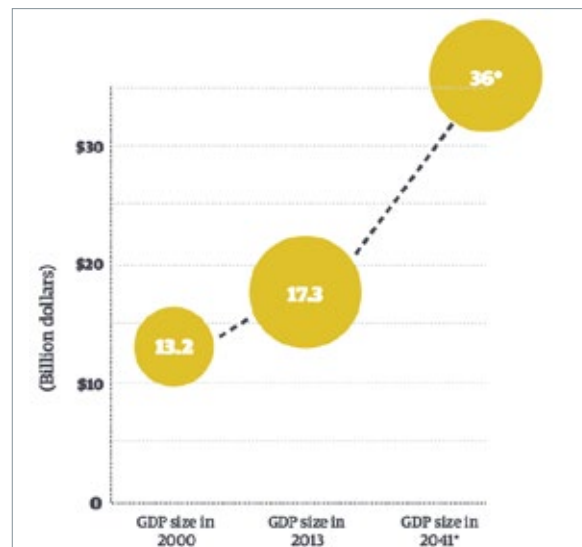
### PRIMARY INDUSTRIES

105,243 people living in the Wellington City in 2013 were employed, of which 79.3% worked full-time and 20.7% part-time.

(Source: IDNZ)

More Wellington City residents worked in professional, scientific and technical services or Public Administration and Safety sector in 2013 than any other industries (Source: IDNZ).

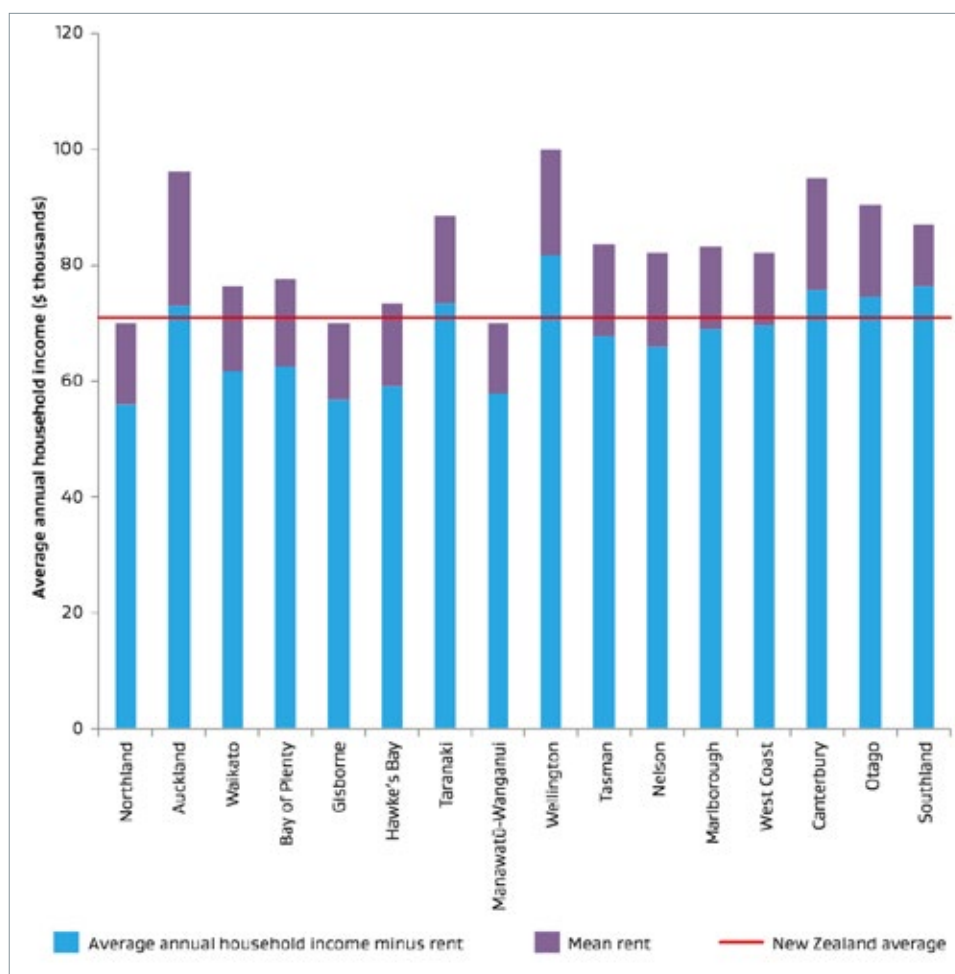
### Wellington's Expected GDP Growth (As % of National GDP)



\*Aspirational forecast for 2041. Source: Infometrics

### HOUSEHOLD INCOME

#### Regional Average Household Income and Rent



Household incomes are highest in Wellington. Wellington also has a higher proportion of employment in highly-skilled occupations, and the population tends to have higher levels of qualifications.

(Source: MBIE)

*Pages 35 - 41 of the 2017 Property Investor's Guide to the Market are unavailable in this preview.*  
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## 5. CHRISTCHURCH

### ŌTAUTAHĪ

Christchurch is the largest city in the South Island of New Zealand.

The Christchurch urban area lies on the South Island's east coast, just north of Banks Peninsula. It is home to 381,800 residents, making it New Zealand's third most-populous urban area behind Auckland and Wellington.

The city has a shortage of listings and the market is being described as "relatively flat" compared to strong growth in Auckland, Wellington and even Dunedin.





## In The Press

Subdivisions and new homes are outstripping traditional suburbs in popularity as the Christchurch housing market cools off.

The city has a shortage of listings and the market is being described as “relatively flat” compared to strong growth in Auckland, Wellington and even Dunedin.

Christchurch QV valuer **Damian Kennedy** said the new build and subdivision market was experiencing the greatest level of sales activity and interest in Christchurch.

(Source: [Stuff NZ](#))

However, leading home building company says recent QV figures showing Christchurch’s property market is “relatively flat” is masking

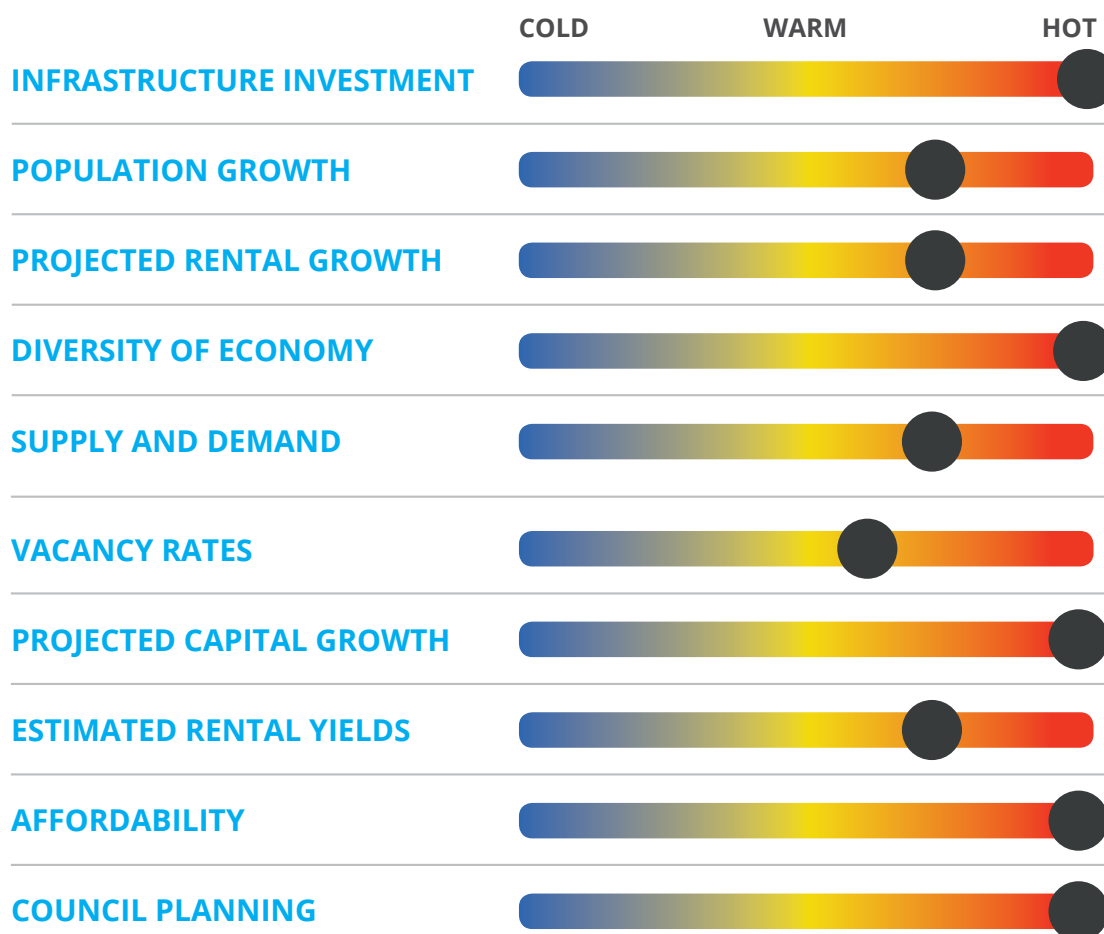
the real truth – that homeowners are shunning earthquake-repaired homes in favour of building new.

**Golden Homes South Island principal Pavlos Van Aalst** says recent media reports that Christchurch’s housing market is cooling off (with home values only rising 3.5%) are extremely misleading because demand for new homes has never been greater.

“What’s astounding is that the rest of New Zealand think there’s not a lot of growth going on in Christchurch but clearly there is.”

(Source: [Scoop NZ](#))

## Market Drivers



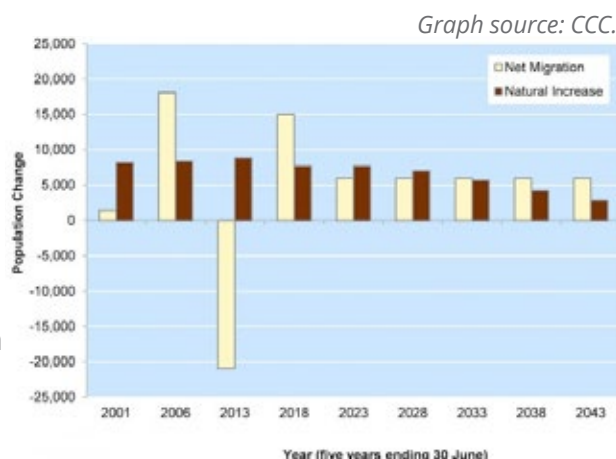
## People

### POPULATION GROWTH

At June 2015, Christchurch City's estimated resident population was 367,800. This was an increase of 5900 people from June 2014.

The earthquakes resulted in a net loss of around 20,000 migrants, but the city's ongoing recovery and rebuild opportunities have since resulted in net migration gains.

By 2043 the city's population is projected to reach 436,800. This is 69,000 more people than at June 2015 (using Statistics New Zealand's medium projection series). (Source: CCC)



### DEMOGRAPHICS

The unemployment rate in Christchurch City was 3.8 percent in the March 2016 quarter. The distribution of household income is relatively even, however a small majority of 17.6% of households earn a combined income of between \$30,000 - \$50,000.

## The Christchurch Rebuild

The Canterbury earthquakes caused sizeable and widespread damage in Christchurch and nearby districts. The Reserve Bank currently estimates the total construction cost of the rebuild to be about \$40 billion (in 2015 dollars), comprised of slightly more than \$16 billion each for residential and commercial construction and around \$7 billion for infrastructure.

Public reports and conversations with those involved in the rebuild suggest that while the infrastructure work has been largely completed and the rebuild of residential properties is well under way, the bulk of commercial building reconstruction has yet to start.

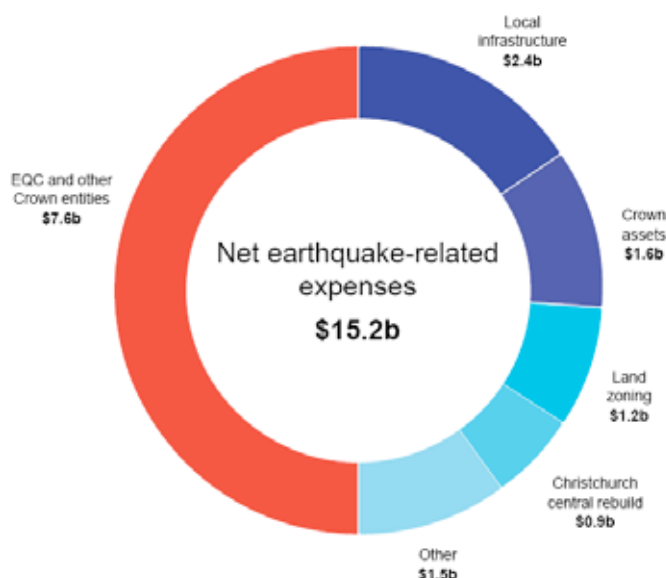
(Source: RBNZ)

### COST OF THE REBUILD

The Crown's contribution to earthquake recovery was estimated at around \$15.2 billion in 2013.

- \$7.6 billion incurred by the Earthquake Commission and other Crown entities.
- Direct Government support, which also totals \$7.6 billion.


(Source: Treasury)





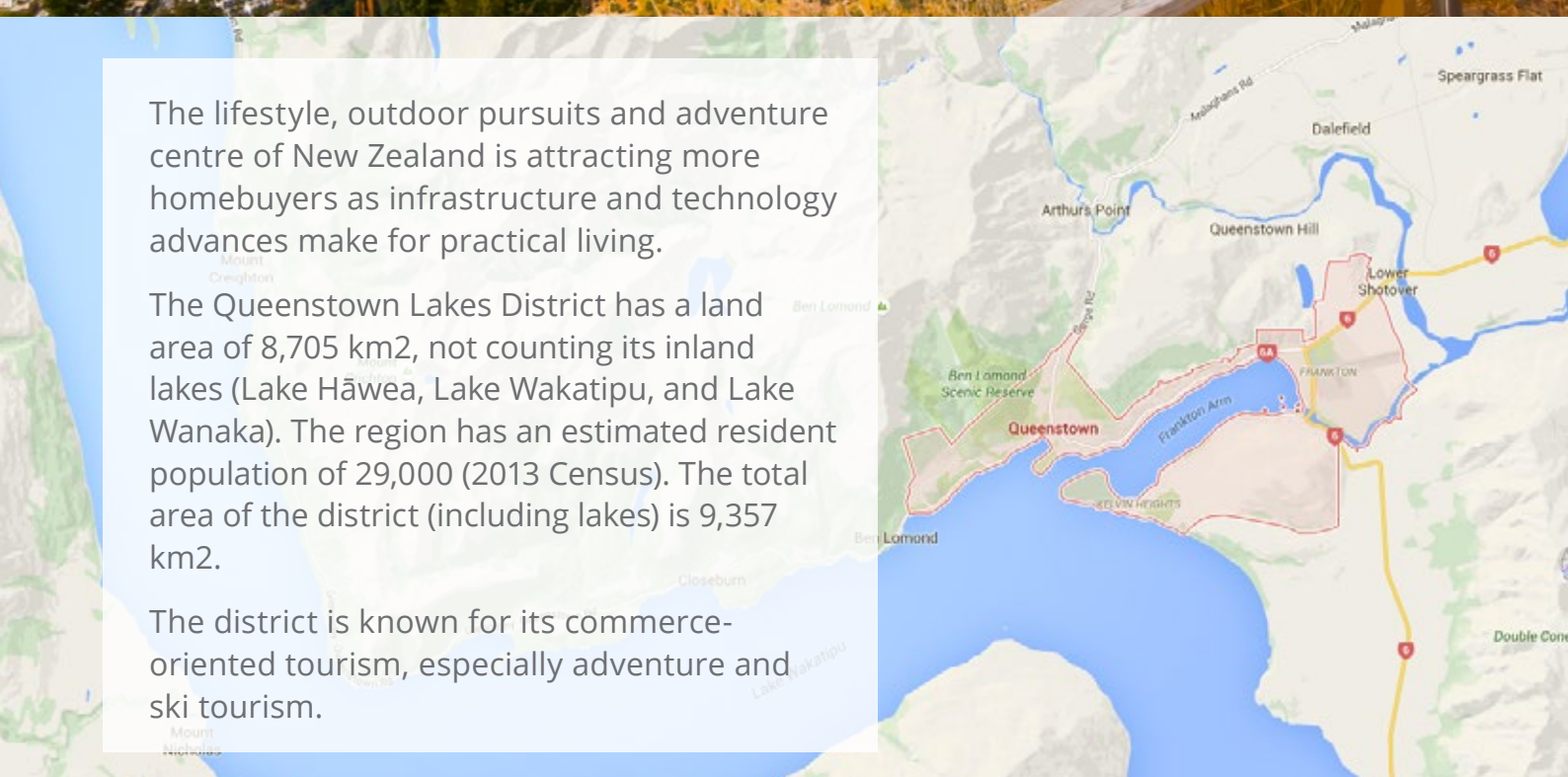


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## 6. QUEENSTOWN

### TĀHUNA



The lifestyle, outdoor pursuits and adventure centre of New Zealand is attracting more homebuyers as infrastructure and technology advances make for practical living.

The Queenstown Lakes District has a land area of 8,705 km<sup>2</sup>, not counting its inland lakes (Lake Hāwea, Lake Wakatipu, and Lake Wanaka). The region has an estimated resident population of 29,000 (2013 Census). The total area of the district (including lakes) is 9,357 km<sup>2</sup>.

The district is known for its commerce-oriented tourism, especially adventure and ski tourism.

## In The Press

House-price growth in parts of the lower South Island are starting to shade other areas as Auckland prices continue to pressure the rest of the country, according to QV figures released on 4 October 2016.

Mackenzie District prices rose 22.3% in the year ended September, Central Otago prices rose 20.6%, **Queenstown Lakes was up 30.7%**, Dunedin was up 12.1% and Invercargill nearly reached double-digit growth for the year on 9.7%.

Queenstown Lakes had the highest annual rate of value growth of anywhere in the country.

(Source: [Otago Daily Times](#))

Otago Daily Times

Send us news & photos

Wednesday, 5 October 2016

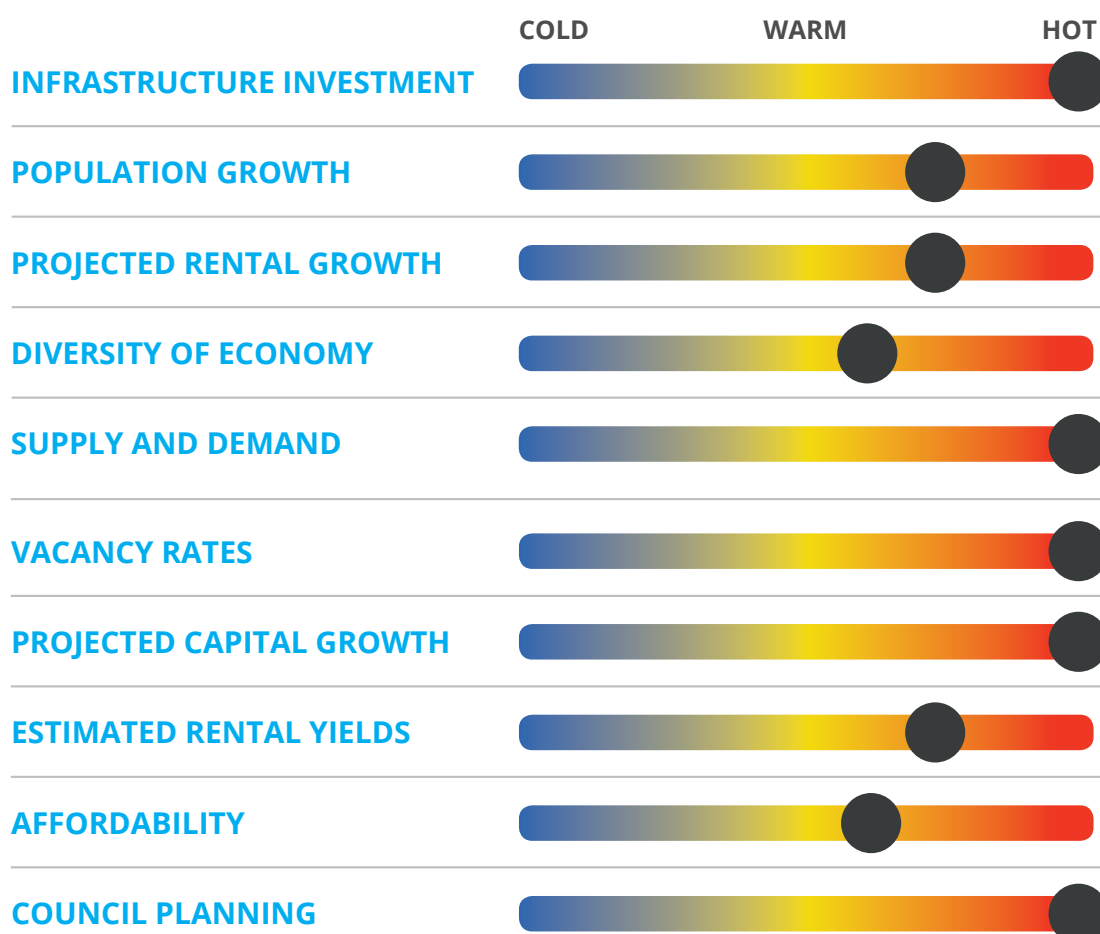
### Southern prices soaring

By Dene Mackenzie

Business



## Market Drivers





## POPULATION GROWTH

Resident population growth in the district has typically been around 4.1% per year since 1996, while dwelling growth has been around 3.6% per year. This rate of growth is high when compared to most other towns in New Zealand.

Detailed population projections for the district have been completed as part of the Council's long term planning process. The district-wide results are summarised below:

- **Usually Resident** – increase of 26.4% from 29,500 (2013) to 37,300 (2025).
- **Average Day** – increase of 22.8% from 46,400 (2013) to 57,000 (2025).
- **Peak Day** – increase of 23.9% from 93,200 (2013) to 115,500 (2025).

Source: <http://www.qldc.govt.nz/assets/Uploads/Council-Documents/Asset-Management-Plans/Community-Water-Services.pdf>

## DEMOGRAPHICS

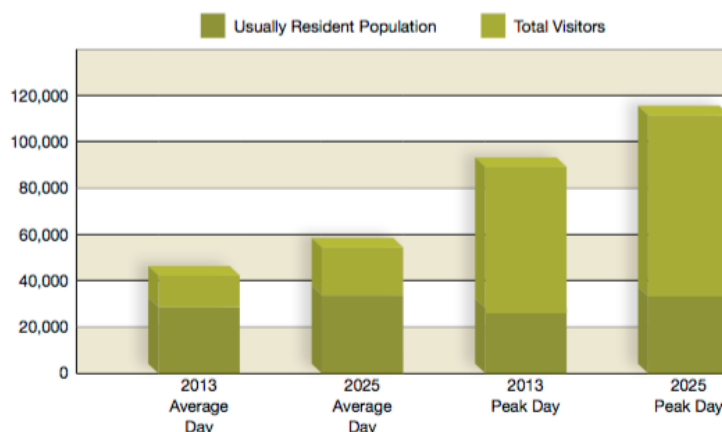
The predominant age group in Queenstown is 20-29 years, whilst Wanaka's is 30-39 years. Households are primarily one family.

Business demographic data for the year ended February 2013 showed that:

- There were 6,461 business locations (geographic units) in Queenstown-Lakes District compared with 507,908 for all of New Zealand. This is an increase of 18.4 percent from the year ended February 2006 for Queenstown-Lakes District.
- There were 17,180 paid employees in Queenstown-Lakes District compared with 1,941,040 for all New Zealand. This is an increase of 13.5 percent from the year ended February 2006 for Queenstown-Lakes District.

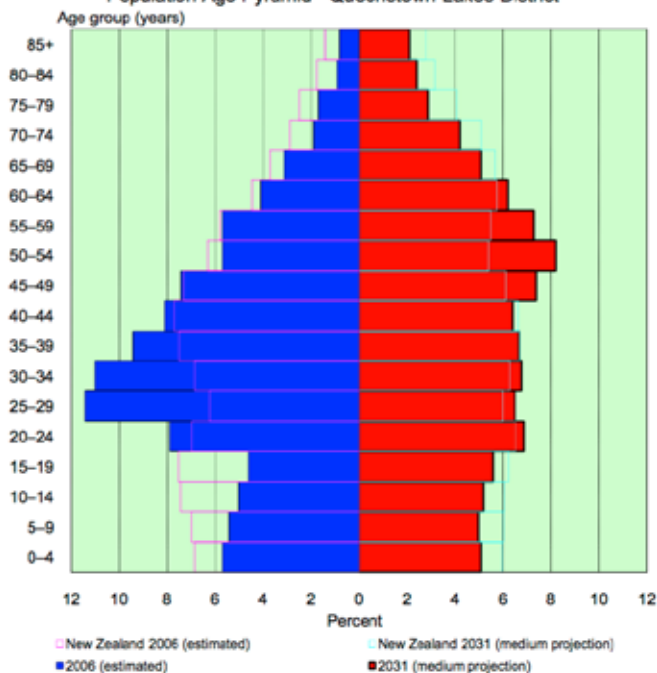
Source: Statistics NZ

Growth Forecasts for the District as a Whole



(Source: Queenstown Lakes District Growth Projections for 2015)

Population Age Pyramid - Queenstown-Lakes District



(Source: Statistics NZ)

## Infrastructure Spending

Public and private infrastructure and construction spending in the Queenstown Lakes District over the coming 10 years is expected to be in excess of \$675m. There is currently \$250 million worth of construction underway or due to start in the next 18 months. The majority of the \$250 million is being spent in Frankton. 700-800 new jobs will have been created once these commercial projects are complete.

**Planned projects in the Queenstown Lakes District include:**

### **Queenstown Convention Centre**

**Estimated Spend: \$55-60 million**

There are plans to develop a Lakeview site with a convention centre, hot pools and accommodation. The site would overlook Lake Wakatipu once constructed.

### **Wanaka Sports Facility & Swimming Pool**

**Estimated Spend: \$17.84 million**

Siteworks are underway for the new **Wanaka Sports Facility** at Three Parks, and the facility is due to open in July 2016. The Council is bringing forward construction of a new swimming pool and learners pool alongside the Sports Facility so the two projects will be designed and built together.

### **Queenstown to Remarkables**

#### **Ski Area Gondola**

**Estimated Spend: \$50 million**

Plans are afoot for a 9.8km gondola from Queenstown's Remarkables Park Town Centre to the Remarkables Ski Area.

The gondola would operate from a Gondola Events Plaza, adjacent to the centre in Frankton, and link to NZSki's base building at the ski field. The ride would take about 27 minutes.

### **Wakatipu High School**

**Estimated Spend: \$298 million\***

Wakatipu High School in Queenstown will replace the existing school but in a new location. The school is due to open in its new location in Remarkables Park in 2018. It will cater for years 9 to 13 and be built on a 7 hectare site. It will have capacity for 1,200 students.

Source: <http://www.stuff.co.nz/southland-times/news/68195164/New-Queenstown-high-school-plan-moves-forward-with-contract-signed>

\*\$298 million is the cost of the entire project, which comprises the construction of four new schools across the country, one of which is Wakatipu High School.



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