

REINZ is delighted to present this research report which will provide data relating to Christchurch's housing market to inform the consideration and selection of geographical areas where intensification will be enabled. Data has been sourced from the REINZ database which combines data from unconditional sales from real estate companies, settled sales from councils, data from LINZ, NZ Post, and realestate.co.nz. This report is based on the questions put to us within Section 3 of the Housing Demand in Christchurch Consultant Brief and those questions will form the different sections within this report.

New Builds – What is being built?

To begin we will look at your own data but maybe in a way that you have not viewed it before. District Valuation Record (DVR) data from councils has an indication of the Building Age of each property the council knows of. This indication is only at a decade level but given we are only 1.25 years into the current decade, we can look at the data marked for this decade and know that it is a new build, one that has been built in 2020 or early 2021. Looking at this data gives us a sense of the new build activity that has happened already.

REINZ purchases Christchurch City Council DVR records, and we add our own extra information to that data, such as suburb and category. This allows us to map your data against Fire Service localities and the following map (Figure 1) shows you where the most dwellings have been built since the beginning of last year.

Figure 1 – New Builds built since 2020

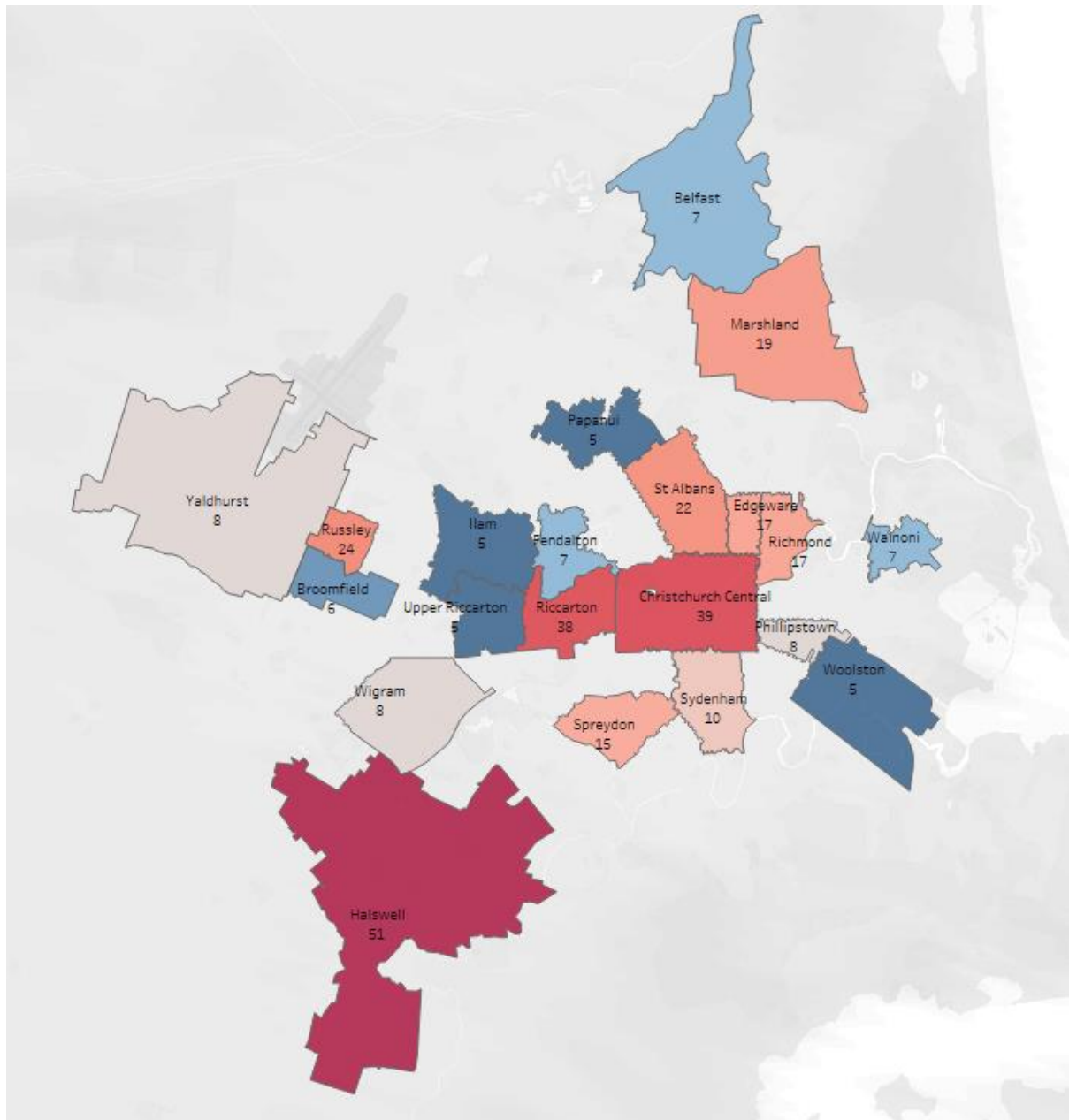


Figure 1 shows the suburbs where 5 or more dwelling units of use (a unit of use is an area that someone can live in) have been built since the beginning of 2020. We see that the Central City and adjacent suburbs have seen most of the new builds in this time. However, there are some farther out satellite areas of note. First and foremost is Halswell which saw approximately 13% of new build activity by itself. To the west of the city, we see a Russley/Yaldhurst/Broomfield cluster with Russley being boosted by one construction of 16 Units of Use. To the north of the city we see a Marshland/Belfast cluster.

From the same data we can see that

- 56% of all units of use were stand alone residences, 26% were attached Units (a.k.a. Flats), 17% were Townhouses and the remaining 1% were Apartments
- 32% of the Units of Use had one parking spot available and 33% had two
- 43% of the Units of Use had a deck, 40% did not and 17% were unknown
- 98% of the Units of Use had no view and 98% were built on level ground (as opposed to a slope)
- 43% of the Units of Use had a floor area of between 50-99 metres squared, 41% between 100-199 metres squared and 11% between 200-299 metres squared.

The second part of the analysis for this section is to look at what New Builds have been sold in the same period. We do not expect there to be the same number as some new builds are built by those intending to live in them and not sell. Some of the sales are sales off a plan and therefore the buildings are not yet in the Council data. REINZ new build data also has a risk of being understated as the field to indicate new build status is not a compulsory one. The data is collected via a tick box so an unticked box could mean it is not a new build or that it is unanswered. This field therefore relies on the diligence of our member agents to fill it out correctly. Nonetheless, it can give an insight into what is happening in the Christchurch New Build market as there is no reason to believe any potential under-reporting would be specific to one or two areas of the city.

The following map (Figure 2) shows what suburbs are seeing sales of dwellings marked as new builds.



Figure 2 – New Builds sold since 2020

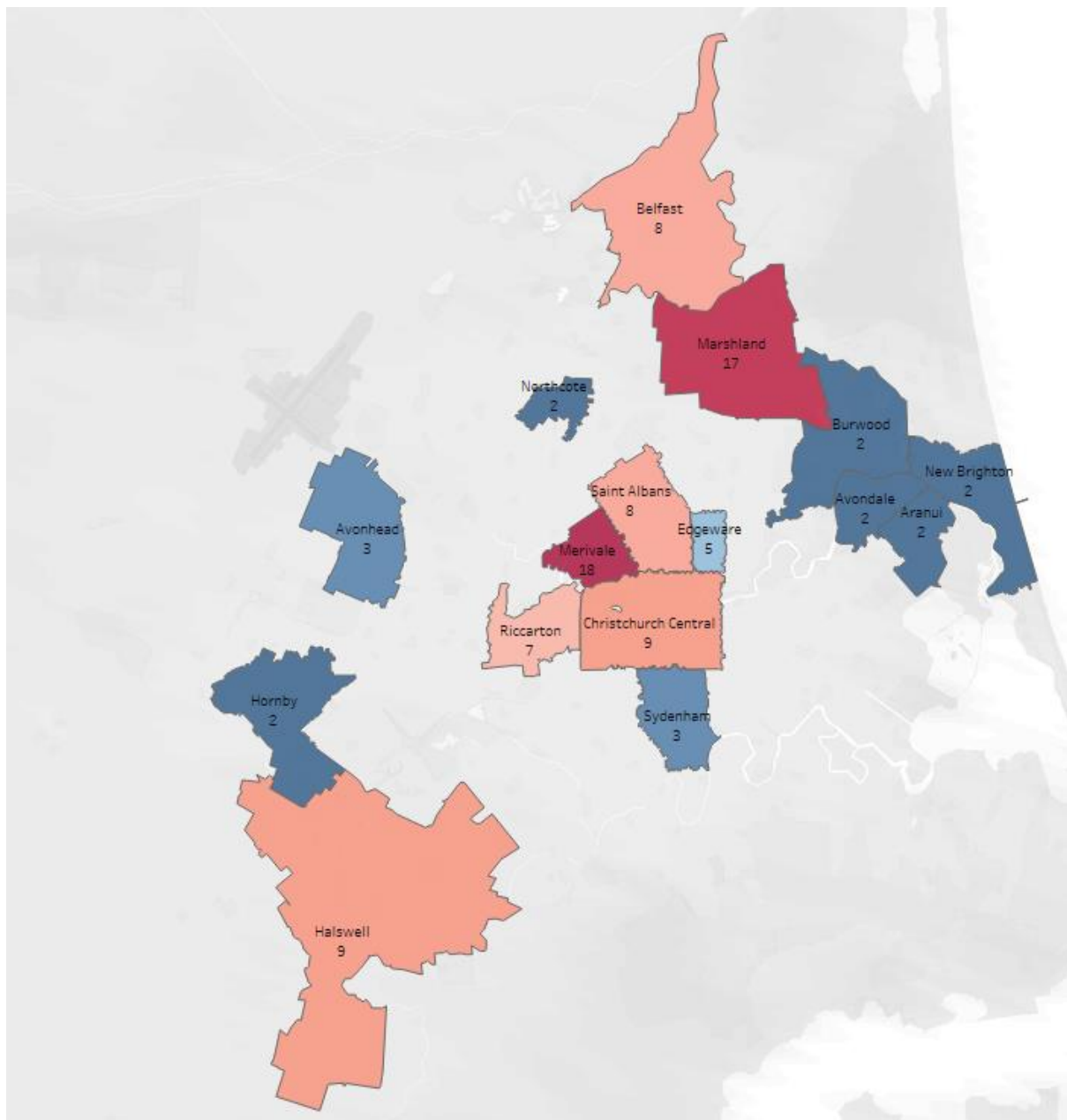


Figure 2 shows suburbs where 2 or more sales of New Builds have taken place since the beginning of 2020. Firstly, we note that the central city and adjacent suburbs are where the bulk of this activity is taking place. It is interesting to note that Merivale has had the most sales out of all the suburbs and yet was not represented on the council new build map. This could indicate many sales happening off the plan in this area. The west of Christchurch is not as represented in the sales map as in the prior map but Halswell in the southwest once again is shown to be an area of notable activity. To the north we see Marshland as the suburb with the second highest number of new build sales and along with Belfast it is well represented on both maps. The sales map reveals some activity in the northeast which indicates some demand in that area.

From the same data we can see that

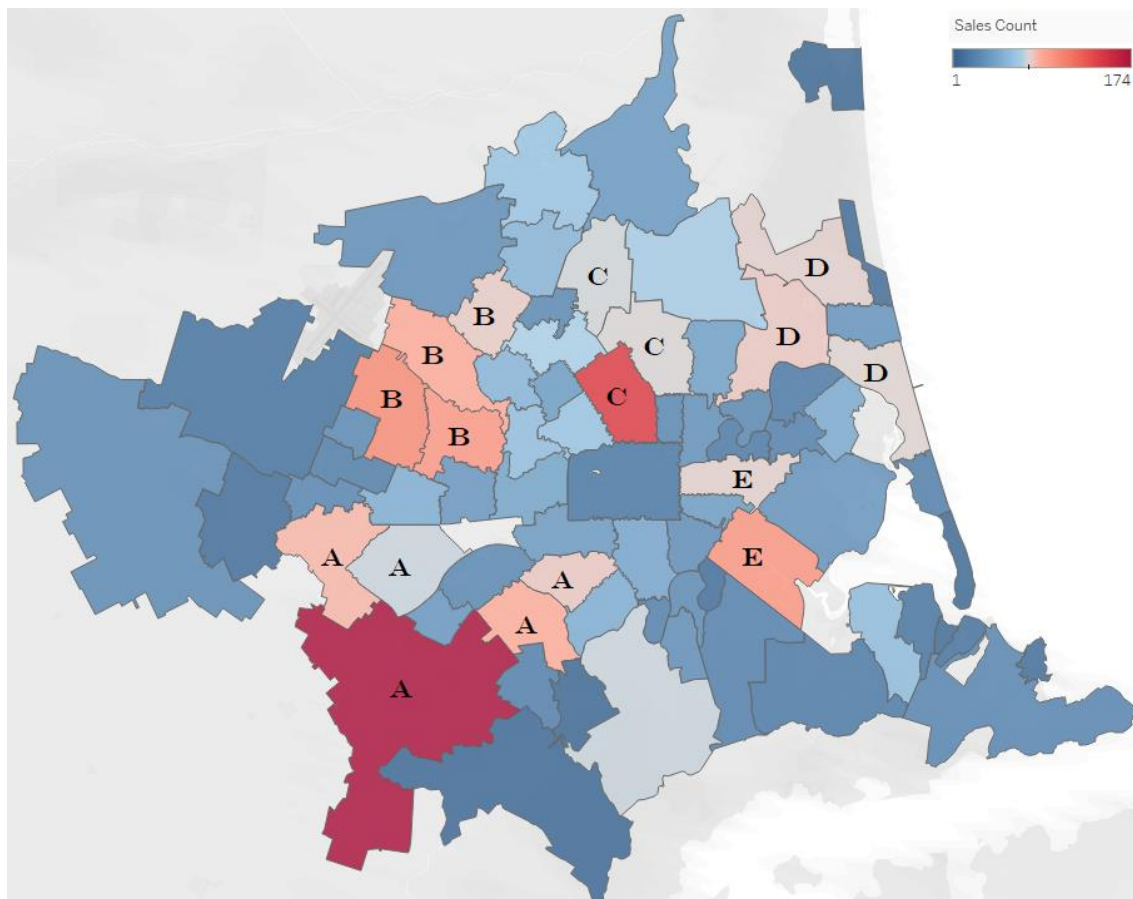
- 57% of sales were for stand-alone houses (Residences), 18% for Apartments, 18% for Townhouses and 7% for Units
- 40% of sales were for three-bedroom dwellings, 29% for two-bedroom dwellings and 23% for four-bedroom dwellings
- 62% of sales were for two-bathroom dwellings, 27% were for one-bathroom dwellings
- 37% of sales were for dwellings that had a floor area of between 100-199 metres squared, 27% between 50-99 metres squared and 19% between 200 -299 metres squared
- 30% of sales took eight or more weeks to sell. 26% took two or less weeks, 23% took two to four weeks and 21% took four to eight weeks to sell.

All Dwellings - What typologies are selling and where? What values are different types of homes achieving?

Residences

When it comes to looking at all dwellings, whether they be new builds or not, the clear predominance in Christchurch, as it is in most other parts of New Zealand, are stand-alone houses – what REINZ refer to as Residences. Figure 3 below shows where the most sales of these houses have been taking place in the six months ending February 2021.

Figure 3 – Sales of All Dwellings for Six Months Ending February 2021



There appear to be a few different clusters that have been notated with the letters A through E.

Cluster A is led by Halswell and joined by the adjacent suburbs of Hornby, Wigram, and Hoon Hay. It have also included Spreydon in this cluster as it is adjacent to Hoon Hay. Halswell had over twice as many sales as the next most active suburb in this cluster. Cluster A accounted for 14% of all Christchurch Residence sales in this period. 57% of Residences in this cluster were 3-bedroom dwellings and had a median price of \$527,000. 30% were for 4-bedroom dwellings and had a median price of \$670,000. 10% were for 2-bedroom dwellings and had a median price of \$435,500.

Cluster B was led by Avonhead and had the adjacent suburbs of Ilam and Burnside in it, along with Bishopdale which is adjacent to Burnside. Cluster B accounted for 11% of Residence sales in Christchurch in this period. 44% of Residences in this cluster were 3-bedroom dwellings and had a median price of \$588,000. 39% were for 4-bedroom dwellings and had a median price of \$770,500. 8% were for 2-bedroom dwellings and had a median price of \$495,500.

Cluster C was led by St Albans and joined by Mairehau and Redwood. St Albans had almost twice as many sales as the next most active suburb in this cluster. Cluster C accounted for 8% of all Christchurch Residence sales in this period. 53% of Residences in this cluster were 3-bedroom dwellings and had a median price of \$550,000. 32% were for 4-bedroom dwellings and had a median price of \$677,500. 7% were for 2-bedroom dwellings and had a median price of \$460,000.

Cluster D was led by Burwood and joined by Parklands and New Brighton. Cluster D accounted for 7% of all Christchurch Residence sales in this period. 47% of Residences in this cluster were 3-bedroom dwellings and had a median price of \$490,000. 34% were for 4-bedroom dwellings and had a median price of \$612,000. 15% were for 2-bedroom dwellings and had a median price of \$380,000.

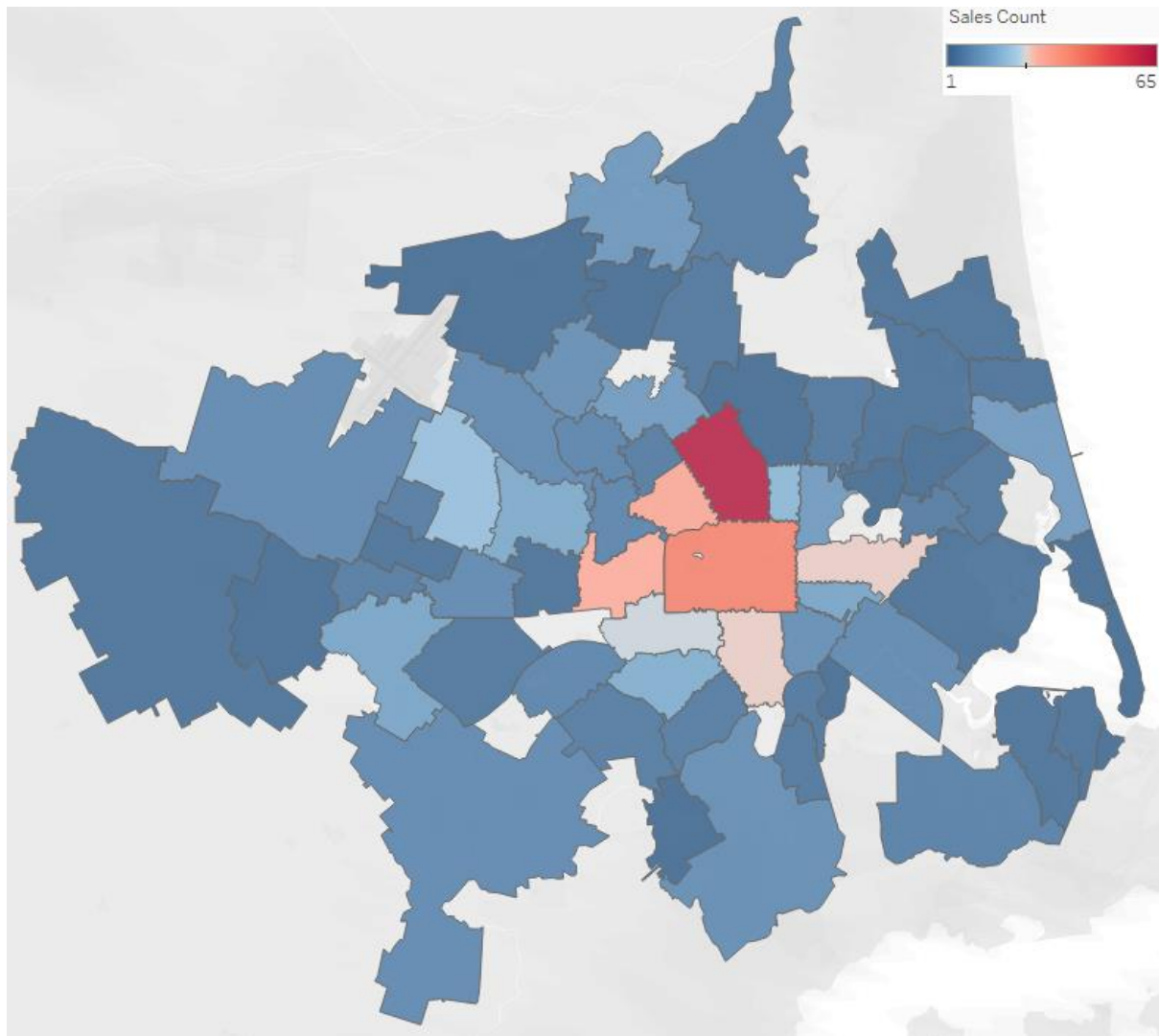
Cluster E was led by Woolston and joined by Linwood. Cluster E accounted for 5% of all Christchurch Residence sales in this period. 55% of Residences in this cluster were 3-bedroom dwellings and had a median price of \$425,000. 17% were for 4-bedroom dwellings and had a median price of \$443,000. 22% were for 2-bedroom dwellings and had a median price of \$356,250.

There are a total of 16 suburbs in these clusters which accounts for 16% of the number of suburbs that had sales in Christchurch over this period but was responsible for 45% of all Residence sales.

Townhouses

Figure 4 shows the prevalence of Townhouse sales in Christchurch for the six months ending February 2021.

Figure 4 – Sales of Townhouses for Six Months Ending February 2021



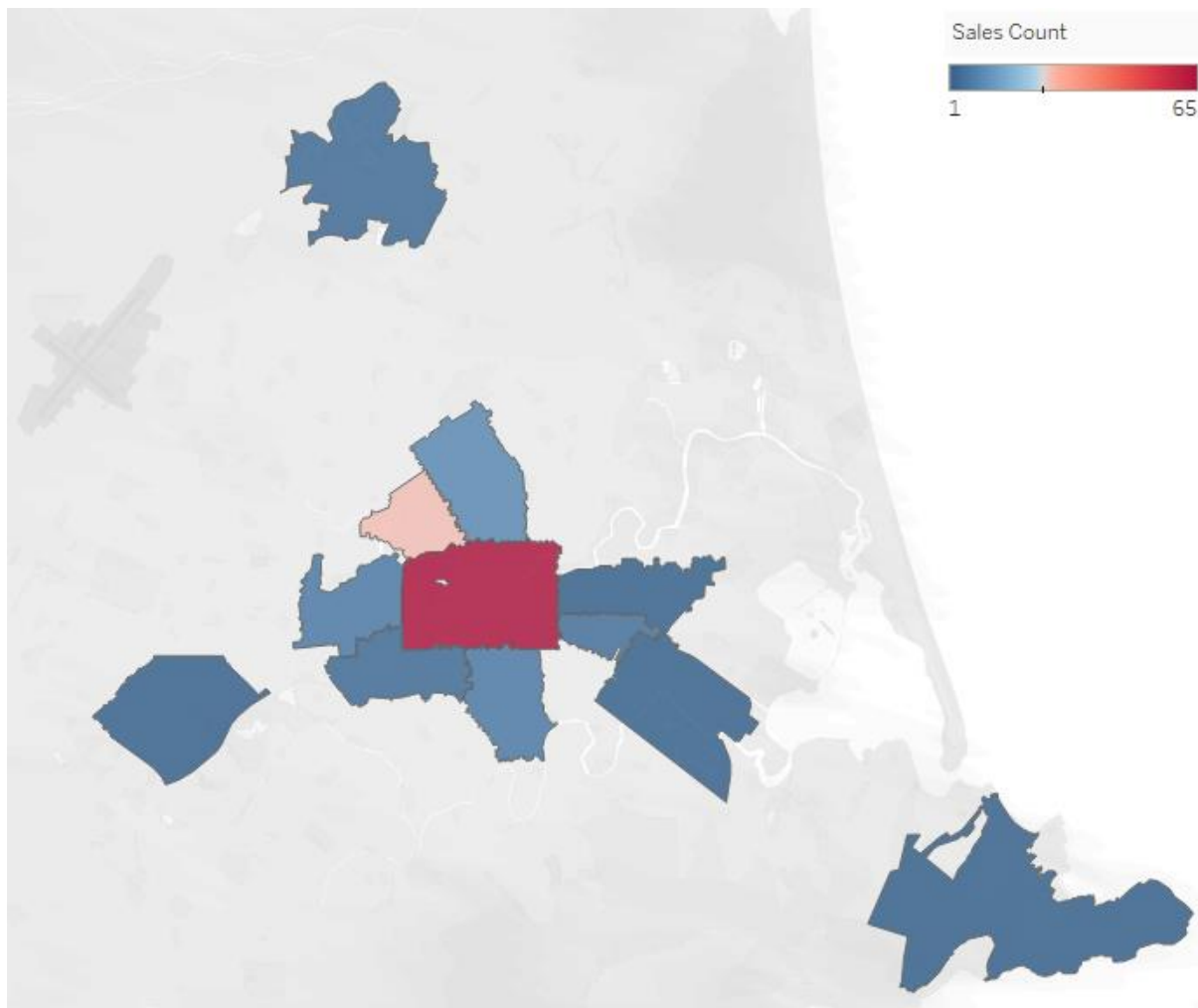
It is very clear to see that Townhouse sales are most prevalent in Christchurch Central and the adjacent suburbs with St Albans having the most Townhouse sales of all suburbs over this period.

The seven suburbs (Christchurch Central, St Albans, Linwood, Sydenham, Addington, Riccarton, and Merivale) in this dominant cluster accounted for 45% of all Townhouse sales in Christchurch over this period. 52% of the Townhouses sold in this cluster were for 3-bedroom dwellings and had a median sale price of \$588,000. 39% of sales were for 2-bedroom dwellings and had a median sale price of \$490,000. Only 5% of sales were for 4-bedroom Townhouses and they had a median sale price of \$732,500.

Apartments

Figure 5 shows the prevalence of Apartment sales in Christchurch for the six months ending February 2021.

Figure 5 – Sales of Units for Six Months Ending February 2021



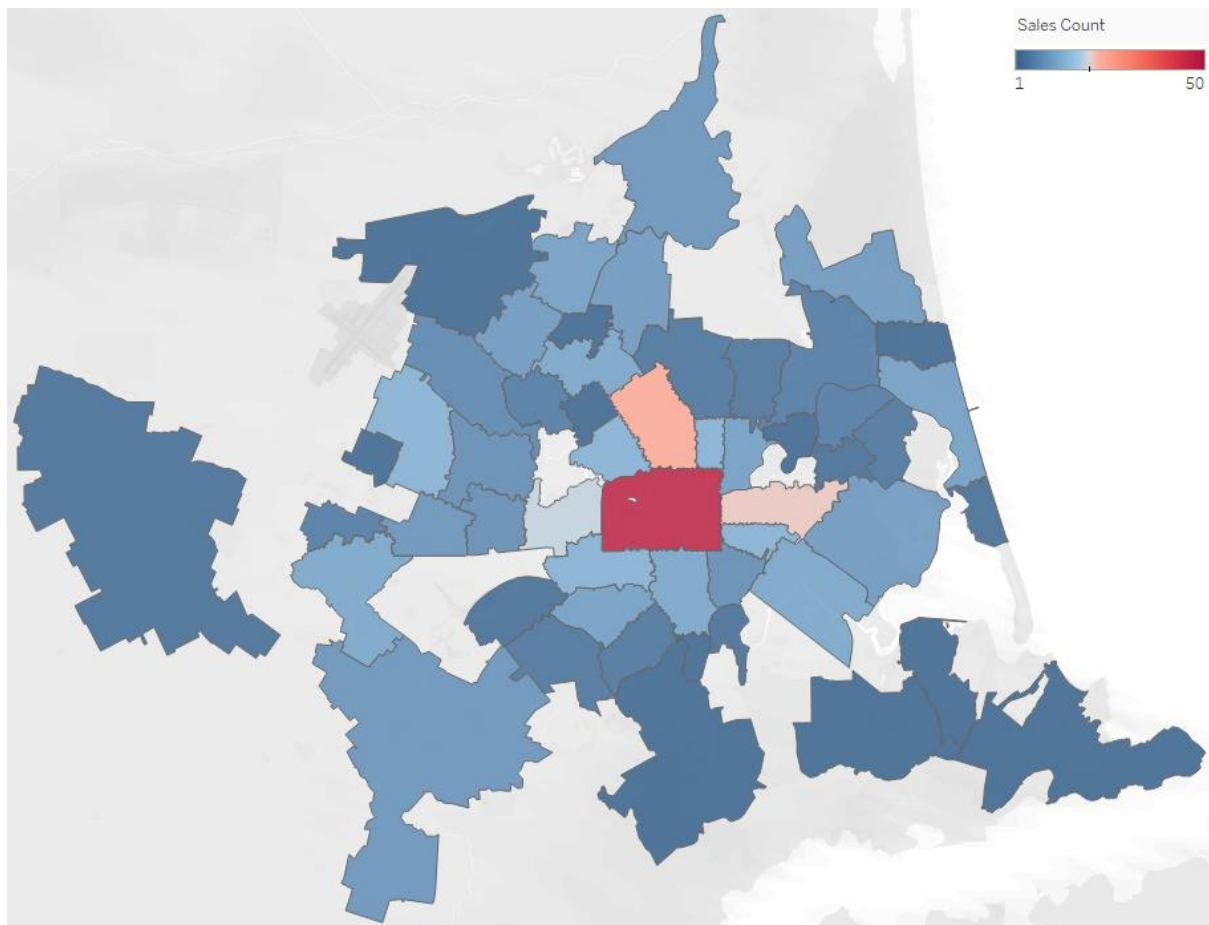
It is clear to see that beyond Christchurch Central and Merivale there are not many Apartment sales in Christchurch with no other suburb exceeding 10 Apartment sales during this period. 69% of Apartment sales took place in those two suburbs alone.

Within those two suburbs, 67% of Apartment sales were for 2-bedroom dwellings and had a median sale price of \$556,500. 23% of Apartment sales were for 1-bedroom dwellings and had a median sale price of \$406,000.

Units

Units are semi-attached dwellings, usually with one shared wall to another unit. They are sometimes referred to as 'flats'. Figure 6 shows the prevalence of Unit sales in Christchurch for the six months ending February 2021.

Figure 6 – Sales of Units for Six Months Ending February 2021



Whilst there is a concentration of Unit sales in the Christchurch Central suburb and a few adjacent suburbs, Unit sales tend to be spread around Christchurch with no other clear suburbs.

If we look at Christchurch City, St Albans, Linwood, and Riccarton as being an ‘upside down T shaped’ cluster, we note this cluster accounts for 27% of all Unit sales in Christchurch. 73% of Unit sales were for 2-bedroom dwellings and had a median sale price of \$382,000. 16% of Unit sales were for 1-bedroom dwellings and had a median sale price of \$344,000.

What is the speed of sales?

At REINZ we measure the speed of sales by looking at median Days to Sell. Days to Sell is the difference between the List Date and the Agreement (Conditional Sale) Date. Table 1 shows the median Days to Sell in Christchurch for various Categories over the 6 months ending February.

Table 1 – Days to Sell by Category

Category	6ME Feb 2020	6ME Feb 2021
Apartment	47	49
Residence	31	27
Townhouse	35	28
Unit	34	25

Looking at this table we notice several things. Firstly, property in Christchurch is showing signs of excessive demand over supply with median Days to Sell dropping by 4 days for Residences, 7 days for Townhouses and 9 days for Units. Only Apartments have had an increase in the Days to Sell over the past year. Furthermore, a Days to Sell of under 30 days is typically associated with a very strong market and we have 3 of the 4 major property types with median Days to Sell under 30 days.

To dig a little deeper where there is more data, we will now look at the Residence Clusters identified above and see if the speed of sales of Residences is consistent across clusters and bedroom sizes. Table 2 presents this information for the 6 months ending February 2021.

Table 2 – Days to Sell by Bedroom by Cluster

Bedrooms	Cluster A	Cluster B	Cluster C	Cluster D	Cluster E
Two	24	24	22	23	30
Three	22	25	25	22	27
Four	22	28	23	27	30

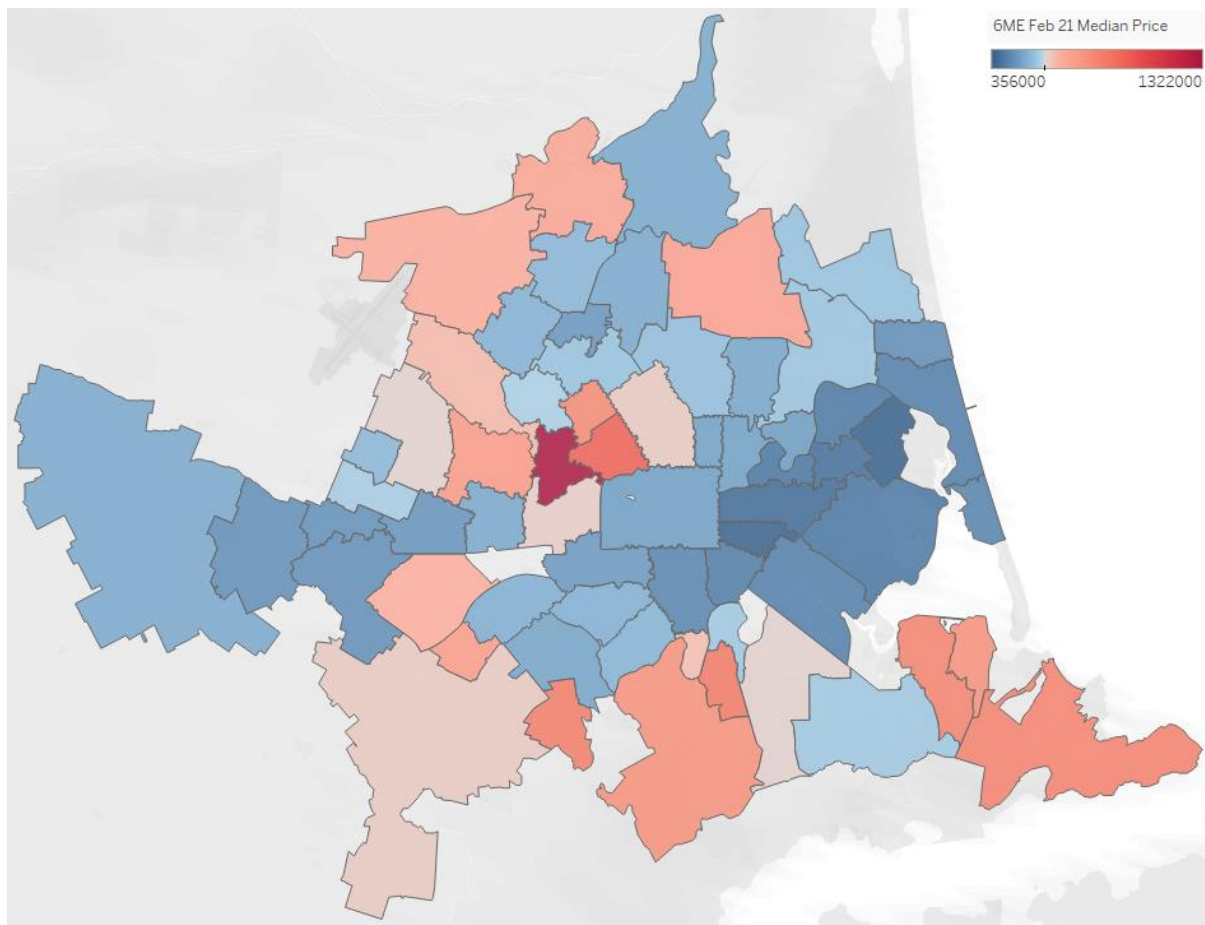
With the overall Residence median Days to Sell being 27 days we note that most of these combinations produce a median Days to Sell less than that which reinforces their popularity as areas. The exception here is Cluster E (Linwood and Woolston) where the median Days to Sell is at or above the overall median.

Medium-Large Residences in the southwest cluster A seem the highest in demand compared to supply along with smaller residences in the central north cluster C and medium sized residences in the northeast cluster D. These all achieved an extremely quick median Days to Sell of 22 days.

How have sale prices changed over 5 years in Christchurch?

Before looking at how parts of Christchurch have changed in price over the past 5 years, it is worth taking an overall snapshot of what the price landscape looks like right now. Figure 7 looks at median price of dwelling by suburb for the 6 months ending February 2021. Only suburbs with 10 or more sales in this period are represented.

Figure 7 – Median Price of Dwellings by Suburb for Six Months Ended February 2021



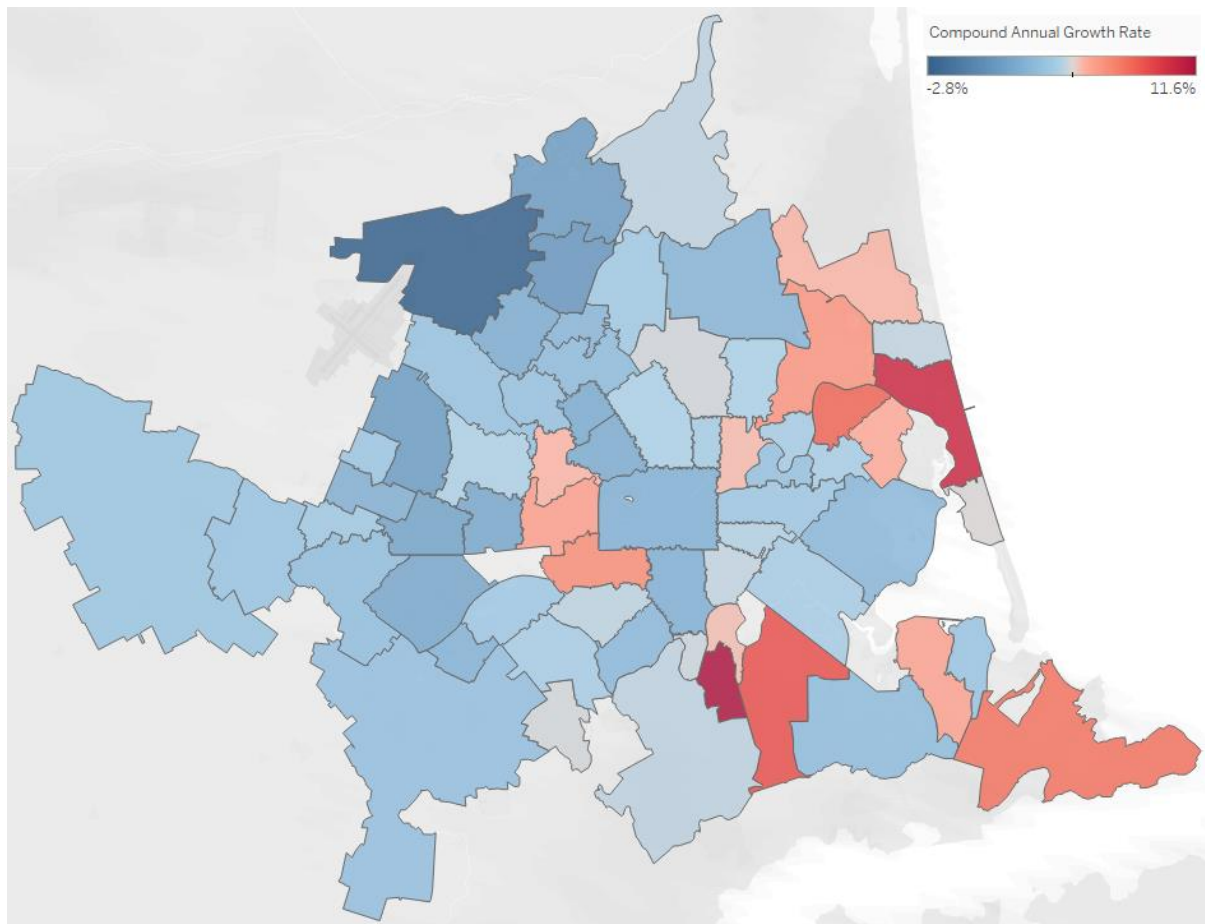
Immediately we can see the clusters of more expensive suburbs and the clusters of less expensive suburbs. Locals may instinctively know these patterns, but it is worth covering for the sake of completeness. Fendalton had the top median sale price of \$1.32 million with the neighbouring suburb of Merivale a distant second at \$969,000. There are a group of suburbs heading northwest that also have quite high median sales prices. We also see clusters of suburbs with medians over \$600,000 in the (as identified above) popular suburb cluster of Halswell and adjacent suburbs. Directly south of the city we have Cashmere and Huntsbury turning out reasonably high median prices and Sumner, Mount Pleasant and Redcliffs to the southeast of the city.

At the other end of the scale, the most affordable suburbs seem to be to the East of the city with many of those suburbs showing a median price less than \$400,000. There are also a group of suburbs directly west of the city showing median prices around the \$460,000 mark. Finally, a group of suburbs immediately south-southwest of the city are showing median prices around the \$500,000 mark.

Knowing the current market, we turn our attention to how prices have changed over the past 5 years. One way to measure change is to look at a measure called the Compound Annual Growth Rate, or CAGR. This answers the question, what percentage would the price have to grow by each period to get from the start period to the end period. In our case we are looking at years so we are looking to understand what the percentage change in price would have to be each year to get from the 6 months ending February 2016 price to the 6 months ending February 2021. CAGR is useful for smoothing growth over time rather than looking at each trough and peak along the way. When

looking at the Christchurch CAGR data it helps frame that data by observing that the CAGR for New Zealand over the same period was 10.1%. Figure 8 shows the CAGR for suburbs in Christchurch over the past 5 years.

Figure 8 – Compound Annual Growth Rate by Suburb Over Five Years



The first thing worth noting is that there were only two suburbs that had a CAGR more than the NZ median: Huntsbury at 11.6% and New Brighton at 10.4%. By Christchurch standards these two suburbs were the rock stars when it came to price movement over the past 5 years whereas by national standards they were only slightly above the midpoint.

In contrast, the suburb of Harewood was the only suburb to show a median price decrease over the past 5 years. As we have seen from Figure 7 though, Harewood still remains an expensive suburb compared to other Christchurch suburbs.

The area of New Brighton and adjacent suburbs catches the eye because we have noted the area before. It was one of the identified clusters where there was an increased number of sales. Figure 7 tells us that these suburbs are affordable compared to other parts of Christchurch whereas Figure 8 tells us that this is an area where prices have increased over the past 5 years more so than many other areas of Christchurch. The low days to sell completes a picture suggesting this is a very popular area for people to purchase property, particularly compared to 5 years ago.

The western adjacent suburbs to the city, Fendalton, Riccarton and Addington are another cluster of suburbs where price growth has been strong compared to many other parts of Christchurch. This

cluster is a unique mix of an expensive suburb, a moderately priced suburb and a more affordable suburb. Regardless of that mix, these central western suburbs have shown good price growth.

Two other clusters worth noting are Huntsbury/Hillborough/St Martins and Sumner/Mt Pleasant. These two clusters are ones where price growth has been strong, and this has contributed to these suburbs being quite expensive compared to the current Christchurch market. Neither of these groups of suburbs have shown amazing activity over the past 6 months in terms of number of sales so it is possible there has been a lack of listings which has pushed prices up.

On the flipside it is interesting to note that the popular area around Halswell identified earlier for its strong sales activity has not shown great price increases over the past 5 years yet are reasonably expensive areas. This may indicate that the supply of listings is OK for now, but also that prices might increase quickly should the supply side become an issue.

Are there are any trends for particular buyers in particular locations?

The primary source for answering this question are some very limited reports from realestate.co.nz that look at search activity on their website for a given location in each month. These reports cannot run any month except the prior month nor produce any information other than that which is given. The insights within are still very interesting and, for what it is worth, we have encouraged them to keep building the capability of this report for future work. Unfortunately, no improvements were able to be made prior to this report being written.

Since we began talking about the possibility of doing this report, we were able to obtain the November 2020 report, the January 2021 report, and the March 2021 report. This at least allows us to get a feel for if data changes much over the course of several months. This a summary of what these reports show.

Demographics of Searchers

Looking first at the gender of searchers, the three reports show that more females are searching for property in Christchurch than males. In chronological order the percentage representation of female searchers was 57%, 66%, and 66%.

Next, the age of searchers. This data is presented as a basic chart and I have combined the three basic charts (November on the left, March on the right) into one picture as follows.



Figure 9 – Age Brackets of People Searching for Property in Christchurch

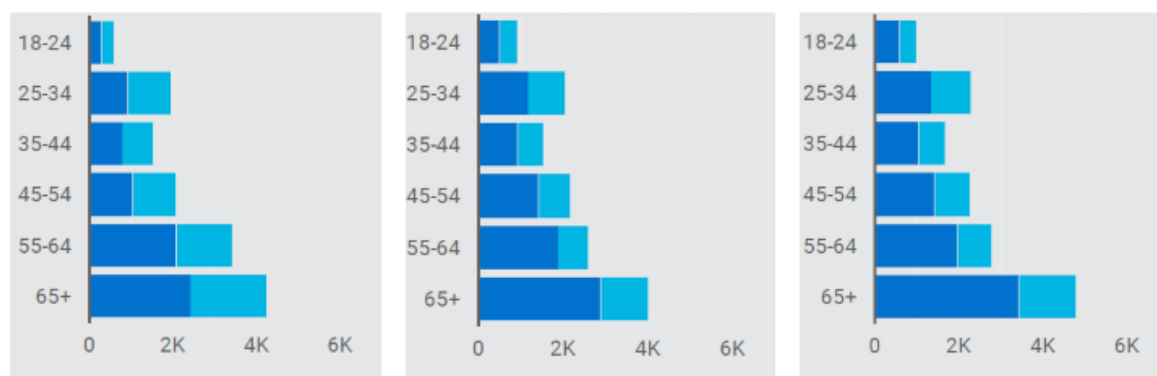


Figure 9 shows that the most active searchers for property in Christchurch are the retirement age 65+ age group. This is followed (closely in November, not too closely in January and March) by the age group below it, the 55–64-year-olds. For the most part, the 25–34-year-olds and the 45-54 years olds are roughly as active as each other. Then you have the 35–44-year-olds and finally, a distant last, the 18–24-year-olds.

Given the predominant nature of older searchers, does this indicate that there is a demand for more ‘retirement age appropriate’ dwellings? Or are these investors looking for the next property to add to their portfolio. This report does not answer these questions, but they are worth keeping in mind.

Where are people looking for property in Christchurch located? I have been able to source data on the top 10 locations of searchers in the three months already mentioned. Table 3 shows this data

Table 3 – Top Locations of People Searching for Property in Christchurch

Region	Nov-20	Jan-21	Mar-21
Canterbury	23,027	24,087	23,784
Auckland	5,947	6,390	6,449
Wellington	2,358	2,410	2,484
Otago	1,564	1,735	1,493
England	1,107	2,016	1,333
New South Wales	982	1,223	1,333
Queensland	793	1,147	1,216
Victoria	775	818	920
Bay of Plenty	616	665	696
Waikato	601	618	705

It will be no surprise that people in Canterbury are the leading searchers of property in Christchurch by a long way. Potentially more interesting insights are further down the table where England comes in as the 5th most searched from location in November 2020 and March 2021, and fourth in January 2021. We then have Australia strongly represented from its three most populous states – if combined then Australia would sit comfortably third in January and March, fourth in November. Searchers in Bay of Plenty and Waikato round out the top 10. We note that if the number of searches compared to the underlying population were calculated for each of these regions, Bay of Plenty and Waikato would be well up the list.

Nonetheless, this Top 10 list shows there is an awareness of Christchurch overseas and an interest from these people to own property there. It also indicates a strong interest from the North Island in property located in Christchurch.

What are people searching for?

Next, we turn our attention to the part of the report which looks at what people are searching for. It is a very high-level look at this important question, but it does offer some valuable insight.

Table 4 looks at rank of the top 10 Christchurch suburbs searched for on the RealEstate.co.nz property portal and Table 5 looks at the actual number of searches.

Table 4 - Top Suburb Searched by People Searching for Property in Christchurch - Rank

Region	Nov-20	Jan-21	Mar-21
Christchurch Central	1	1	1
Fendalton	2	5	7
Cashmere	3	4	6
Halswell	4	3	4
Merivale	5	6	5
Sumner	6	2	2
Saint Albans	7	8	8
Avonhead	8	9	9
Ilam	9	-	-
Christchurch Surrounds	10	7	3
New Brighton	-	10	10

Table 5 - Top Suburb Searched by People Searching for Property in Christchurch - Count

Region	Nov-20	Jan-21	Mar-21
Christchurch Central	2,492	2,718	2,468
Fendalton	1,861	1,716	1,437
Cashmere	1,840	1,797	1,468
Halswell	1,796	1,824	1,734
Merivale	1,755	1,716	1,475
Sumner	1,711	1,950	2,155
Saint Albans	1,233	1,276	1,192
Avonhead	1,082	1,025	815
Ilam	977		
Christchurch Surrounds	955	1,325	1,857
New Brighton		902	795

Table 4 allows us to quickly track the popularity and the changes in popularity of the searched suburbs over the 3 months observed. Table 5 gives us a sense of how close the searches are for each

suburb, something accentuated by the colour coding where a deeper green is for the higher numbers and the paler numbers are at the lower end of the number of searches within the top 10 suburbs.

Christchurch Central is the most popular suburb for people to search for property in, with a notable distance between that and the second placed search result. This is strong indication again that being close to the city is high on the list of factors that are important to people looking to buy in property. Sumner catches the eye as one that was middle of the table in November but rose to second place in the following months, increasing in the amount of searches each month as well. We noted strong price growth in Sumner above, so this supports the theory that this is a popular area for purchasers.

Cashmere and Halswell also feature highly in these tables and Halswell in particular has featured in the above analysis quite strongly. The other search that stands out is Christchurch Surrounds – the number of searches for this suburb has almost doubled from November through to March to be sitting as the third most popular search in March 2021. This shows a recent trend towards the outer areas of Christchurch, perhaps in search of affordable property. Conversely, search volume for the relatively expensive properties of Fendalton and Merivale has dropped away somewhat, albeit they are still firmly ensconced in the top 10 list of most searched suburbs in Christchurch.

With regards to the price bands that people search for, most searches are done without a price band selected. When a price band is selected however, roughly 35% of searches are for properties less than \$500,000, roughly 27% search for properties with a price less than \$600,000, roughly 23% search for properties with a price less than \$400,000 and the remaining 15% search for properties with a price less than \$700,000.

The final part of these reports covers the top 5 keywords used when searching for property in Christchurch. This is where we get a little insight into what specific terms people have in mind when searching on the property portal.

Table 6 - Top Keywords Searched by People Searching for Property in Christchurch - Rank

Keywords	Nov-20	Jan-21	Mar-21
pool	1	1	2
garage	2	4	5
beach	3	2	-
double garage	4	-	-
view	5	5	-
sheldon	-	3	3
christchurch	-	-	1
canterbury	-	-	4

Table 7 - Top Keywords Searched by People Searching for Property in Christchurch - Count

Keywords	Nov-20	Jan-21	Mar-21
pool	2,228	1,577	1,012
garage	621	502	619
beach	472	811	
double garage	371		
view	265	388	
sheldon		605	859
christchurch			1,437
canterbury			804

Using the same approach as in Tables 4 and 5, Tables 6 and 7 allow us to quickly get a sense of what people are looking for when they look to buy Christchurch property and how that has trended over the four-month period we are observing. The most searched for term at this time is 'pool' which presumably refers to a swimming pool and, if it were ever going to trend, would do so as the weather got hotter. As the summer passes into autumn, we see the number of searches for this term fall, but still stay dominant. Unfortunately, we do not have data from June/July to confirm whether this is a seasonal search term or not.

People want space to put their car. They are specifically searching for property with garage space so we would expect listings that mention this to do very well. Also, of interest to searchers, particularly moving into summer, were properties near the beach. Again, this may be a seasonal term, but we do not have enough data to say so conclusively. There is interest in having a view as well, but we would suggest this is not a desire specific to Christchurch and so not particularly surprising.

Possibly the most interesting term to make it into the top 5 in both January and March was 'sheldon', presumably relating to Sheldon Park in Belfast. This is a short-term trending keyword which potentially coincides with the increased interest in Christchurch Surrounds over the same period. Potentially, people are looking at property further away from the city and hoping for cheaper prices, and in Sheldon Park they found a nice place to live nearby.

What do the local experts say?

Given the importance of this overarching question and the two that follow to the overall report, we reached out to some contacts in the real estate industry and were able to obtain some feedback from senior professionals at Harcourts Grenadier, Mike Pero and RayWhite.

When we asked them if there were any trends for particular buyers in particular locations it was observed that all locations in and around Christchurch have seen very strong interest over the last few months. Particularly strong competition amongst first home buyers has been noticed with a lift in those prices around 500k; the higher end has not seen drastic price changes, however.

Another expert observed that it has been more budget than area preference that has determined where purchasers are looking. School zones are usually another factor that dictates where family purchasers look. They have not noticed any major drivers for people wanting to get into the CBD. Some buyers are preferring new builds and are happy to compromise on areas for this, for example moving out to Rolleston. This aligns with another commentator who said that people moving to

Christchurch are showing more interest in post-quake builds in areas like Rolleston (Selwyn) and Rangiora and Kaiapoi (North Canterbury).

Are there any preferences for property types and particular locations that are not currently being met?

For this question I again turned to our local market experts. One noted that there are many developers looking to get their hands on RMD or transitional zoned land as these can be developed for multiple townhouses which have been very profitable for the companies doing so.

Another noted that smaller sections are becoming very appealing as are newer homes as well. There is a lot of appeal for property located near amenities such as parks, schools, and shops – especially where sections are smaller access to parks is high on the list of wants.

Good schools, like Burnside and Christchurch Boys and Girls in the north, are attracting people to the area like Burnside, Ilam and Strown. Similar in the south with Somerfield Primary and Cashmere High, for example, attracting people to Cashmere and surrounding areas. They also felt re-zoning could free up opportunities in Waltham, Sydenham, Beckenham, Woolston and Addington.

Finally, it was suggested that it all comes down to budget v location v want to have v would like to have. They thought single level three-bedroom double garage properties would be very popular whereas they think two-bedroom with a carpark only is in good supply. There are many people nearing retirement age that are looking to downsize, but they are very particular on what they will compromise and prefer to stay in their own communities.

Are there any clear short, medium or long-term trends?

We have seen over the course of this report that the medium to long term trend of the Christchurch market has been price growth well under that of NZ overall, but in the short term there have been price increases and other metrics suggesting that the market sentiment has changed and there has been a definite swing from buyer market to seller market.

The availability of land may be a driving force behind these trends. One of our commentators said that buyers want land but for the first time since the earthquakes it is very difficult to find a section anywhere, and another suggested land is 'so expensive'. It is reasonable to think that the availability of land post-earthquake has been greater in Christchurch than in other parts of NZ generally, which aligns with price growth trends over the medium-longer term.

Although Christchurch is not experiencing a property crisis (one commentator noted that there is plenty of property and they are having open homes with less than 5 through) it would be prudent to think about the future and whether price rises akin to the rest of the country is what the council wants for its city. Given that activity around land availability takes time to potentially have any effect on dwelling prices, strategy around development is a very timely subject.

As mentioned above, re-zoning is a suggestion put forward by one of our local real estate experts and reducing the restrictions around building on the back of sections would be helpful for building the city up rather than out. Another suggested a more 'outside the box' kind of idea which may be worth assessing. They suggested re-developing Christchurch's RedZone land. They felt that areas like

Avonside for example are prime spots for redevelopment, noting that if it is possible to build skyscrapers in Dubai on sand, the right people could remediate the red zone land.

In the meantime, whilst the CBD remains popular there does seem to be a short-term push to areas that are further out from the city. This is likely budget driven, with areas such as Halswell benefiting from these changing market conditions. When looking at what to build, stand alone homes are still what are being predominantly sought out with good garaging options high on the list of required features. The challenge will be to provide these properties at a price point that is considered affordable. One of our local experts noted that three-bedroom, double garage with a bit of a section would fly out the door in the \$580,000-\$650,000 range but she suspected the profits on that would not justify the developers building homes of that size.

In closing

This concludes the requested report into the Christchurch real estate market. The questions put to us within Section 3 of the Housing Demand in Christchurch Consultant Brief have been addressed directly with answers being based on either quantitative or qualitative research. We hope this information proves useful when it comes time for the Council to make decisions in this area.

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