



Townhouses as proportion of all new homes consented

42.5%

Typical internal GFA for 3 bedroom 2 bathroom townhouses

108 – 145sqm

Typical asking price (p.s.m.) for 3 bedroom 2 bathroom townhouses

\$6,112 – \$7,790

1 October 2022 – 30 September 2024

Data: Bayleys Insights & Data

New Zealand's new build townhouse market in 60 seconds

Biggest trends

Wider residential market starting its recovery

Independent forecasters are typically predicting house prices will rise over the next two years. Migration gains and constrained housing supply are likely to continue to drive long-term price growth. In the short-term, price growth has been constrained by the impact of high supply of homes on the market for sale.



Interest rates the one to watch

The Reserve Bank has recently lowered interest rates, with further reductions anticipated over time. Interest rates remain a key pressure point for buyers so the future pathway for rates will likely be the main influence on house prices in the short-term.



Flight to quality

During the prior cycle, developers primarily focused on affordable product. Buyers are however becoming more discerning, with a clear preference towards higher quality developments, such as those within higher amenity neighbourhoods, more functional layouts (including larger homes) and higher specifications.



Outlook for the market

New housing cycle on the horizon

Sentiment amongst developers suggests a new development cycle is approaching in response to the expected recovery of the residential market. Some developers are offering stronger incentives on existing inventory to free up capital for their next projects.



Shift towards higher specifications

The specification for new build townhouse has become reasonably standardised. Some developers are pivoting to higher specifications and/or additional features. Examples include provision of electrical vehicle charging and more optionality for heat pumps. Larger developments are also typically implementing stricter controls through design guidelines and enduring resident societies.

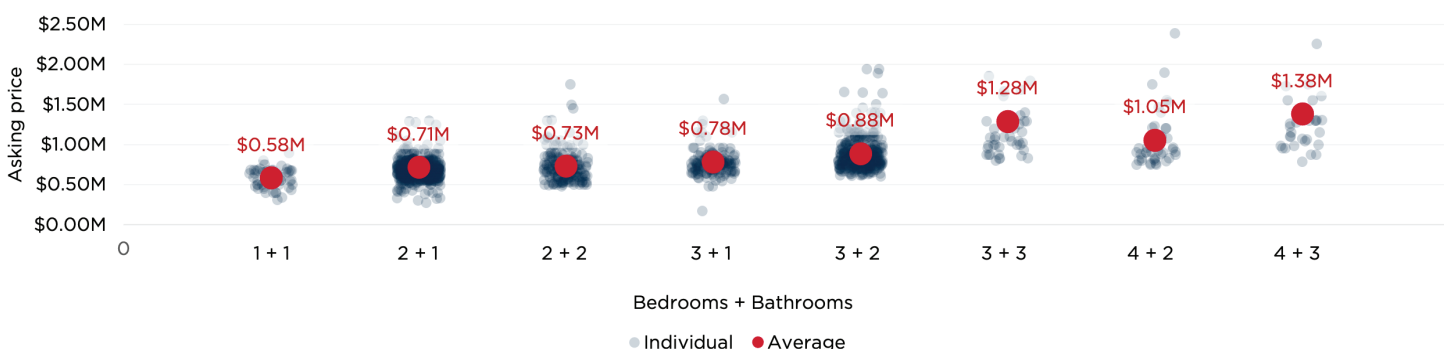


Sales rate picking up

Off-the-plan sales are improving across the market. Developments in prime locations, especially those with standout features and strong alignment with local demographics, have stronger performance. Some product typologies remain harder to sell, such as small two bedroom homes without dedicated parking.



Asking price by configuration



Data: Bayleys Insights & Data. Excludes prices above \$2.50M for ease of viewing.

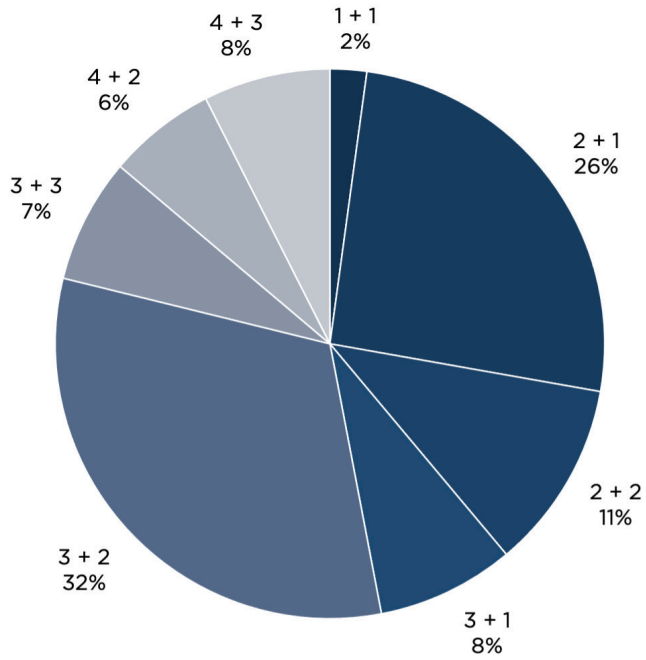
Metrics

Internal GFA by region and configuration

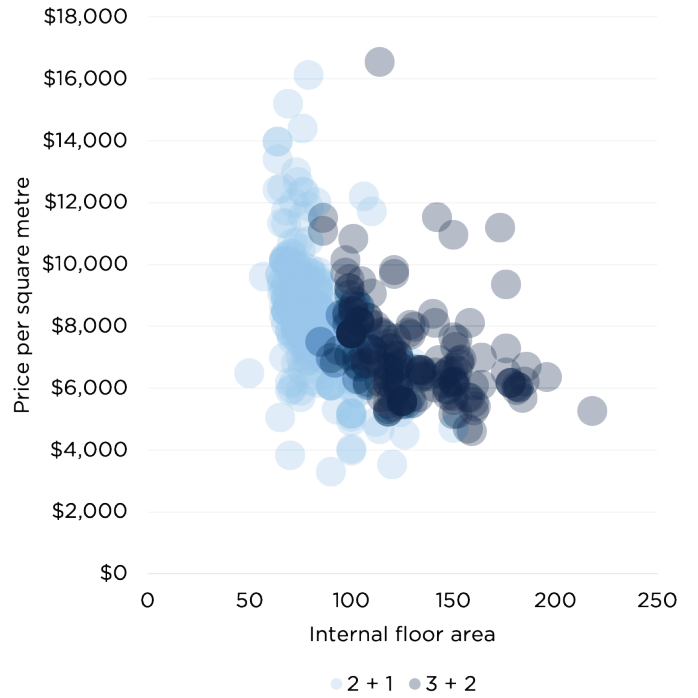


Overall distribution by configuration

Bedrooms + Bathrooms



Asking price (p.s.m.) versus internal GFA



Data: Bayleys Insights & Data. Sample of individual homes within new build townhouse projects (n>3,000). Projects sampled based on being advertised for sale within the past 24 months.



Notable projects



Artist's impression

Park Vista Terraces, Orewa, Auckland

Address 21 Makomako Drive
Unit count 39
Completion 2025 forecast



Artist's impression

Light Box, Long Bay, Auckland

Address 53 Bearing Parade
Unit count 21
Completion 2024



Artist's impression

Limeburners Bay, Hobsonville, Auckland

Address 4 Scott Road
Unit count 400
Completion 2025 forecast



Artist's impression

The Villas, Mission Bay, Auckland

Address 43-45 Comins Crescent
Unit count 10
Completed 2025 forecast



Artist's impression

Palm Spring, Tauranga, Bay of Plenty

Address The Palisades
Unit count 57
Completed 2025 forecast



Artist's impression

294 Madras Street, Christchurch, Canterbury

Address 294 Madras Street
Unit count 11
Completed 2025 forecast



Artist's impression

Waipuna Rise, Queenstown, Otago

Address 113 Frankton-Ladies Mile Highway
Unit count 21
Completed 2025 forecast



Artist's impression

Kawarau Villas, Queenstown, Otago

Address 7 Juniper Place
Unit count 39
Completed 2025 forecast



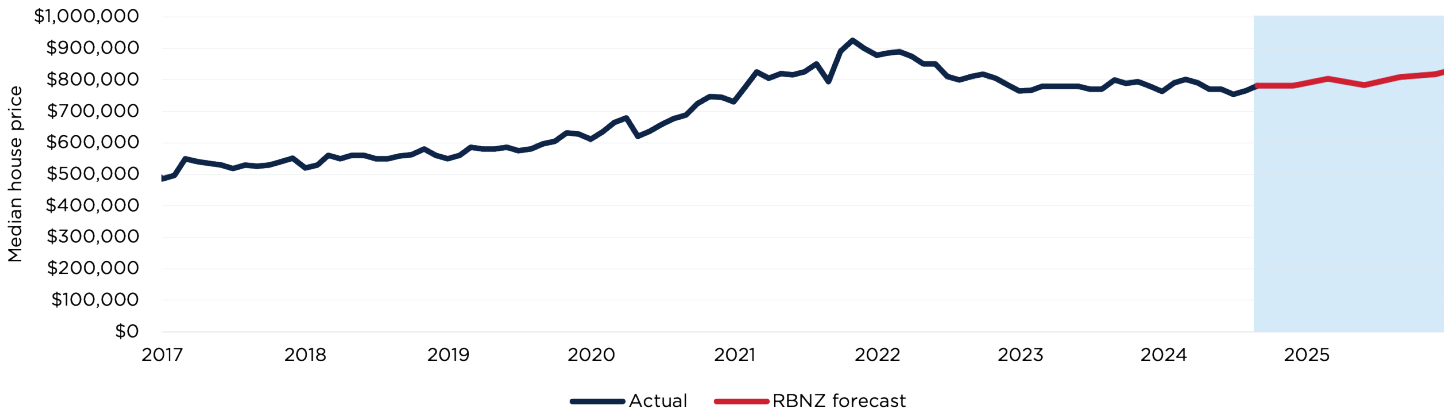
Artist's impression

Five Mile Villas, Queenstown, Otago

Address 1 & 6 Hall Street
Unit count 226
Completed 2025 forecast

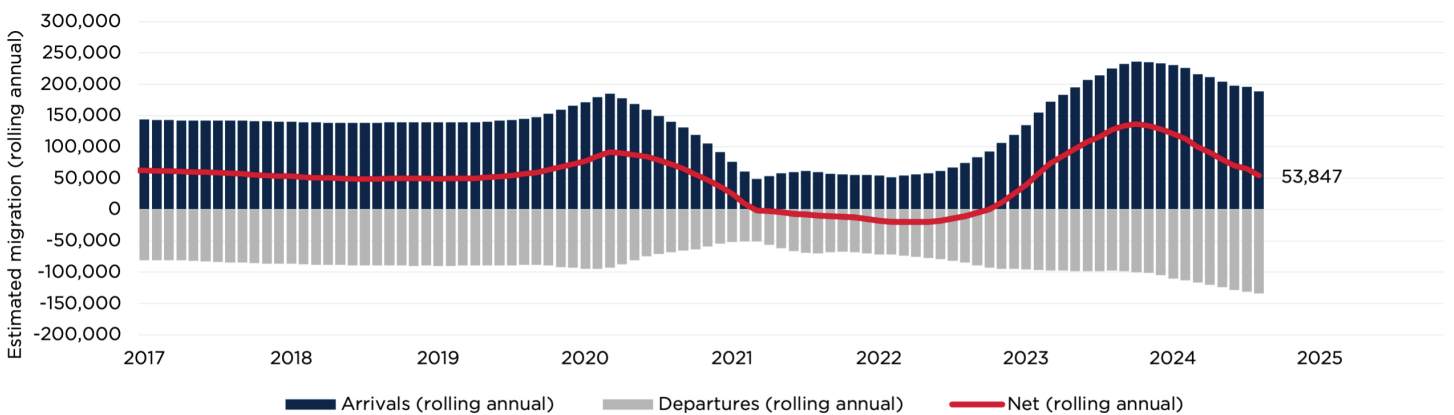
Lead indicators

Independent forecast for house prices: New Zealand



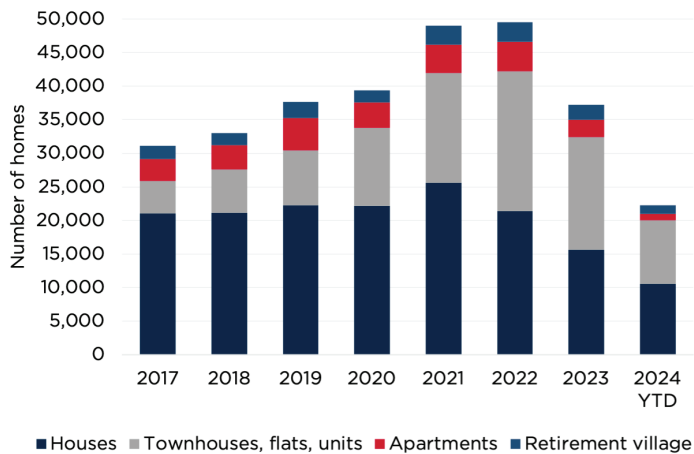
— Data: REINZ, RBNZ, Bayleys Insights & Data.

Migration

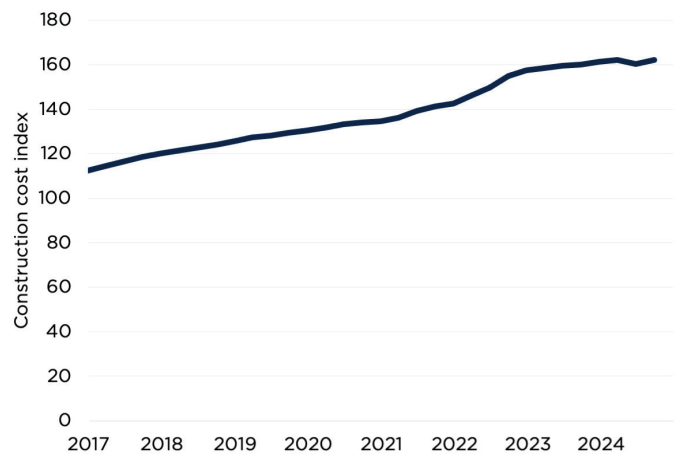


— Data: Stats NZ.

Residential building consents: New Zealand



Construction costs



— Data: CoreLogic.

Data: RBNZ's house price forecast is provided as an index - this has been refitted to the median house price. Building consents 2024 YTD ends August 2024.

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