



Homebound Kiwis push up house prices

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New Zealanders returning home had a greater impact on house prices than new immigrants, a study released today shows.

The report into housing markets and migration found a 1 per cent increase in an area's population was associated with a 0.2 to 0.5 per cent increase in house prices.

"Although international migration flows are an important contributor to population fluctuations, we find no evidence that the inflow of foreign-born immigrants to an area are positively related to local house prices," the report's authors said.

However, the study said there was a "strong positive relationship" between New Zealanders who had lived abroad coming home and the appreciation of house prices.

In this case, a 1 percent increase in population "resulting from higher inflows of returning kiwis associated with a 6 to 9 per cent increase in house prices".

The report said the findings suggested factors others than differences in population growth across areas might be more important in determining the rate of local house price appreciation.

The paper used population data from the 1986, 1991, 1996, 2001 and 2006 censuses, house sales price data from Quotable Value and rent data from the Department of Building and Housing.

Another report looked at housing supply, and looking at scenarios for Auckland in 2016, it found that demand was not expected to exceed supply.

However, the report said the type of dwelling built might need to be adjusted to reflect growing demand for flats and apartments.

While the majority of Aucklanders would continue to live in houses, the rate of growth would slow compared to the number of households living in flats or apartments, it said.

- NZPA