



# Million-dollar suburbs

Our five areas tipped to top the million-dollar homes mark by 2021



Zoe  
Hunter

**T**AURANGA could have five \$1m suburbs within four years if prices continue to climb the way they have so far this year, says a Homes.co.nz spokesman.

Jeremy O'Hanlon said it was clear Tauranga was not taking off like it did in 2015 and 2016, but there had still been a solid growth of 9 per cent over 2017.

"If prices keep moving the way they have been this year, ignoring their aggressive growth prior to this, we would still see Tauranga have five suburbs in the million-dollar club within four years."

Homes.co.nz looked at each suburb's average HomesEstimate — which is the estimated market value based on council records published freely on the website each month.

They then considered the growth rate of Tauranga over the last six months to see how long it would take before an average home would cost \$1m in each suburb.

Tauriko's estimated average house price is \$1,137,675 and could grow to \$1,617,740 by 2021.

"The reason is the area is full of beautiful lifestyle properties on good-sized sections," Mr O'Hanlon said.

He said the analysis only included residential properties and excluded commercial.

The next suburb expected to enter the million-dollar club was Mount Maunganui, which had a current estimated value of \$877,851 that could grow to \$1,248,278 in four years.

Mr O'Hanlon said Mount Maunganui was an obvious contender.

"It is a holiday hot spot, is well known to Aucklanders, and comes with an incredible beach lifestyle within close proximity to work centres."

The average land size in Tauriko was about 4000sq m, which was much bigger

than the Mount at 300sq m.

He said the data was based on 386 Tauriko properties and 83 sales, compared with a little over 9000 properties in the Mount and 964 sales.

"You are not comparing apples with apples," Mr O'Hanlon said. "But at the end of the day, there are always different features that cause areas to be more expensive."

"The Mount has the beach and Tauriko has its lifestyle properties."

An average home in Matua was tipped to hit \$1m next, with a current estimated value of \$803,277 that could grow to \$1,142,236 in four years.

"It is a peninsula suburb within close proximity to town, offering an element of safety and exclusivity on par with the likes of Devonport in Auckland," Mr O'Hanlon said.

"There are beautiful views to be had across the sea to the Mount, too."

Mr O'Hanlon said there could be five \$1m suburbs by 2021.

Bethlehem's current estimated value of \$754,727 could reach \$1,073,200 in four years and Otumoetai's \$718,934 might climb to \$1,022,303 by 2021.

"While it is impossible to give a sure indication of property values that far out, there has been a lot of growth in Tauranga over the last three years, and its economy seems to be really heating up," Mr O'Hanlon said.

"As a city, there is obvious pressure that comes from continual house price hikes, you just have to look at Auckland to see the aftermath being generated."

"It is a good reminder to ensure there is ongoing focus on keeping housing supply up with demand."

Tarn Close resident Diana Marshall was one of the first residents in the area when she moved into her three-bedroom, single-storeyed home in 2009.

"I was one of the first five houses here," she said. "I love it here."

Ms Marshall said there had been many changes since she moved to Tauriko.

"There used to be farmland and swamp, but now there are just houses and houses. The growth and the price here has been astounding," Ms Marshall



said. Her home was “well under” \$1m, but she was surrounded by million-dollar homes.

She pointed to a neighbouring home that “hit the million-dollar mark” and several others that were just above \$900,000.

“A lot of them are \$1m or close to \$1m up on the ridges.”

Ms Marshall said what made Tauriko a million-dollar suburb was its beautiful homes which were surrounded by nature and “wonderful” walkways.

“There are little suburbias and then there is plenty of nature, and the walkways are fantastic,” she said. “Whereas Papamoa is all flat.”

Mount Maunganui’s Jonathan McAlpine of Thorne Group Architecture agreed there were a number of factors that made Tauriko a million-dollar suburb.

Mr McAlpine won a Residential Interiors Architectural Design Award in the 2017 Bay of Plenty Regional ADNZ Resene Architectural Design Awards on July 7 for a Tauriko home.

“Being a showhome it has to be a little bit special and appeal to a lot of people,” he said. “It is not a standard home but it has a very nice fit-out.”

“It gives people an idea of what can be achieved.”

He said the single-storey, three-bedroom home featured pitched ceilings and solid oak interior with a big barn door and timber floors.

“The interiors are a combination of organic materials and a modern interpretation of traditional design.”

“It has got a lot of natural elements to it.”

Anton Jones from Tauranga First National Realty agreed Tauriko, Mount Maunganui, Matua, Bethlehem and Otumoetai would be the areas to reach \$1m

first. “How long it takes will depend on the market, but it certainly looks like that it will continue to grow,” he said.

“Tauranga is becoming a lot more popular with buyers coming from Auckland. They have got the cashflow to buy some of the more high-end homes.”

Mr Jones said Tauriko was a popular area and was growing in value due to the sought-after lifestyle.

“It has good access to the city by the expressway, it is being in the country without being in the country.”

He said Mount Maunganui had the million-dollar beachfront properties and the general demand for the area was still

“very good”.

Matua continued to be a popular destination, as did Bethlehem, which showed an increase over the past few years, Mr Jones said.

Simon Anderson, chief executive of Realty Services, which operates Bayleys and Eves, was surprised Tauriko was a million-dollar suburb.

But he did say it was certain some areas of Mount Maunganui and Tauranga were “extremely popular”.

“Real estate is about location and quality of the home,” he said.

He agreed that many people were moving into the area, particularly people coming to Tauranga from Auckland with money to spend.

“I cannot see any reason why the population would slow . . . but the market can change.”



	Average Homes Estimate	1-year	2-year	3-year	4-year
<b>Tauriko</b>	\$1,137,675	\$1,242,341	\$1,356,636	\$1,481,446	\$1,617,740
<b>Mt Maunganui</b>	\$877,851	\$958,613	\$1,046,805	\$1,143,112	\$1,248,278
<b>Matua</b>	\$803,277	\$877,179	\$957,879	\$1,046,004	\$1,142,236
<b>Bethlehem</b>	\$754,727	\$824,162	\$899,985	\$982,784	\$1,073,200
<b>Otumoetai</b>	\$718,934	\$785,076	\$857,303	\$936,175	\$1,022,303
<b>Papamoa Beach</b>	\$688,439	\$751,775	\$820,938	\$896,465	\$978,940
<b>Ohauti</b>	\$683,272	\$746,133	\$814,777	\$889,736	\$971,592
<b>Matapihi</b>	\$659,777	\$720,477	\$786,761	\$859,143	\$938,184
<b>Pyes Pa</b>	\$645,343	\$704,715	\$769,549	\$840,347	\$917,659
<b>Tauranga South</b>	\$617,784	\$674,620	\$736,685	\$804,460	\$878,470



**'I LOVE IT HERE'** Tauriko resident Diana Marshall.

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