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For immediate release

Despite challenging conditions, residential prices increase across NZ

Median residential property prices across New Zealand have increased by 1.2% year-on-year to \$525,000 according to the latest data from the Real Estate Institute of New Zealand (REINZ) – source of the most complete and accurate real estate data in New Zealand.

Nationally, excluding Auckland, median prices increased 5.7% year-on-year and Auckland median prices remained flat at \$845,000. However, on a month-on-month basis, Auckland's median price increased by 1.2% or by \$10,000.

Contributing to the overall increase, six regions across the country experienced double-digit median price increases in September year-on-year:

- Tasman (up 19.3% to \$572,500)
- Hawke's Bay (up 18.3% to \$392,000)
- Gisborne (up 14.9% to \$270,000)
- Northland (up 14.4% to \$446,000)
- Wellington (up 10.6% to \$531,000)
- Southland (up 10% to \$220,000).

Only two regions experienced price decreases during September (compared to September 2016) – West Coast (down 15.6% to \$208,500) and Canterbury (down 3.2% to \$426,000).

Bindi Norwell, CEO at REINZ says: "Prices across the country increased in all but three regions, evidence that the market continues to grow despite some challenging conditions – including the LVR restrictions and banks continuing to tighten lending conditions. Much of the increase has been driven by the buoyancy in the regions."

Soggy start to spring impacts sales volumes

The number of properties sold during September fell 26.2% year-on-year (from 7,352 to 5,428) the lowest number of properties sold in the month of September for 6 years. Nationally, excluding Auckland, volumes decreased by 23.7% year-on-year.

Looking at the regional picture, again all 16 regions in the country experienced a decrease in the number of properties sold on a year-on-year basis. Regions with the biggest reduction in volumes were Tasman (down 37%), Southland (down 34%) and Auckland (down 31.5%). Marlborough experienced the lowest number of sales since January 2012 (down 27.4%).

The month-on-month figures provide a more positive picture, however, with a number of regions experiencing an increase in the number of sales in comparison to August, and two regions experienced double-digit growth – Gisborne (up 25%) and Taranaki (up 11.4%).

“The soggy start to spring combined with the ‘election effect’ has had a significant impact on the number of sales across the country – this is the lowest number of sales in eight months, and the lowest number of sales in the month of September for six years. However, it’s not all doom and gloom as there are pockets of the country experiencing increases month-on-month and median prices are increasing in the majority of regions across the country,” continues Norwell.

REINZ HPI reaches new high

The REINZ House Price Index for New Zealand increased 0.7% month-on-month to reach an all-time high of 2,699 during September, indicating that the ratio of sales prices when compared to CVs is at its highest point since the Index began.

The HPI also showed that all but three regions (Auckland, Taranaki & Canterbury) reached a new high during September indicating strong value growth across most of the country. Regions with the highest growth year-on-year include Gisborne/Hawke’s Bay (up 14.7% to 2,283), Manawatu-Wanganui (up 12.8% to 2,409), Wellington (up 11.8% to 2,377) and Northland (up 11.7% to 2,575).

Number of days to sell

The median number of days to sell a property nationally increased by 3 days (from 31 to 34) when compared to September 2016.

Regionally, Taranaki saw the biggest increase in the number of days to sell (up 8 days to 31), followed by Waikato and Otago (both up 5 days to 35 and 30 respectively) and Auckland and Canterbury (both up 3 days to 37 and 34 respectively).

Regions with the biggest decreases year-on-year included the West Coast (down 13 days to 105), Gisborne (down 3 to 28) and Hawke’s Bay and Nelson (both down 2 days to 28 and 23 days respectively).

Interestingly though, the median number of days to sell on a month-on-month basis, decreased for all regions bar the West Coast.

Auctions

The number of properties sold by auction continues to decline across New Zealand with 807 auction sales in September – down 54.5% on the same time last year. Auctions now only represent 14.9% of all sales nationally.

In Auckland, which traditionally sees a large portion of sales sold by auction, only 422 (26.5%) of all properties sold in September were via auction – this is a decrease of 57% in comparison to September 2016.

No regions saw an increase year-on-year in the number of properties auctioned, however, month-on-month Gisborne, Manawatu-Wanganui, Otago, Southland, Taranaki and Waikato all saw an increase in auction numbers.

Price Bands

Between September 2016 and September 2017, the number of homes sold fell in every price bracket. The number of properties sold for more than \$1million fell by 29.9% from 1,020 to 715 to equal 13.2% of all dwellings sold.

The number of dwellings sold for less than \$500,000 fell by 27.5% from 3,510 to 2,545 to equal 46.9% of all homes sold across the country.

Inventory

The number of properties available for sale nationally decreased by 2.6% (from 22,311 to 21,727) compared to 12 months ago, whereas the number of properties for sale in the Auckland region increased by 14% year-on-year (from 6,513 to 7,429). Excluding Auckland, the number of properties for sale fell by 9.5% (from 15,798 to 14,298) highlighting the impact Auckland has on the overall picture.

In addition to Auckland, three other regions experienced an increase in listings – Waikato (8.2%), Wellington (2.8%) and Canterbury (3.6%). The regions with the biggest decrease in inventory were Gisborne (29%), Taranaki (24.3%) and Manawatu-Wanganui (22.7%).

Northland, Taranaki and West Coast have the lowest levels of inventory since records began 10 years ago.

“Overall, the New Zealand housing market continues to remain in a strong position. While volumes are down, median house prices across the country have increased again. As the weather warms up we expect the market to pick up again,” concludes Norwell.

ENDS

Notes to Editors

The monthly REINZ residential sales reports remain the most recent, complete and accurate statistics on house prices and sales in New Zealand. They are based on actual sales reported by real estate agents. These sales are taken as of the date that a transaction becomes unconditional, up to 5:00pm on the last business day of the month. Other surveys of the residential property market are based on information from Territorial Authorities regarding settlement and the receipt of documents by the relevant Territorial Authority from a solicitor. As such, this information involves a lag of four to six weeks before the sale is recorded.

For further information, please contact Dee Crooks, Communications/PR Manager at REINZ, on 09 356 1753 or 021 953 308.

KEY DATA SUMMARY

Median house price year-on-year	National	\$525,000 - up from \$519,000 + 1.2% year-on-year
	National ex Auckland	\$428,000 - up from \$405,000 + 5.7% year-on-year
	Auckland	\$845,000 - same as \$845,000 year-on-year
Seasonally adjusted median house price	National	Down 1.3%, up 0.6% on September 2016
	National ex Auckland	Down 0.9%, up 5.4% on September 2016
	Auckland	Up 0.3%, down 0.8% on September 2016
Median house price month-on-month	National	\$525,000 - down from \$530,000 - 0.9% since last month
	National ex-Auckland	\$428,000 - up from \$427,000 + 0.2% since last month
	Auckland	\$845,000 - up from \$835,000 + 1.2% since last month
Median days to sell	National	34 - 3 days longer than same month last year
	National ex-Auckland	32 - 2 days longer than same month last year
	Auckland	37 - 3 days longer than same month last year
REINZ House Price Index	National	2899 - up from 2844 + 2.1% year-on-year
	National ex-Auckland	2431 - up from 2272 + 7.0% year-on-year
	Auckland	2891 - down from 2910 - 0.7% year-on-year

PRICE DISTRIBUTION BREAKDOWN

	September 2017		September 2016	
\$1 million plus	715	13.2%	1,020	13.9%
\$750,000 to \$999,999	749	13.8%	967	13.2%
\$500,000 to \$749,999	1,419	26.1%	1,855	25.2%
Under \$500,000	2,545	46.9%	3,510	47.7%
All Properties Sold	5,428	100.0%	7,352	100.0%



SEASONALLY ADJUSTED SALES VOLUMES

COMPARED TO AUGUST

COMPARED TO SEPTEMBER 2016

	Volume Change	Seasonally Adjusted Change	Volume Change	Seasonally Adjusted Change
New Zealand	-9.3%	-6.4%	-26.2%	-24.1%
NZ ex Akl	-7.6%	-5.1%	-23.7%	-21.7%
Northland	8.8%	1.7%	-28.8%	-25.9%
Auckland	-13.2%	-9.1%	-31.5%	-29.5%
Waikato	-6.2%	-3.4%	-27.0%	-24.8%
Bay of Plenty	-13.9%	-7.9%	-20.6%	-17.8%
Gisborne	25.0%	13.8%	-1.6%	5.7%
Hawke's Bay	-15.1%	-7.7%	-22.4%	-19.1%
Manawatu/Wanganui	-1.7%	0.6%	-15.9%	-12.9%
Taranaki	11.4%	19.9%	-4.0%	0.4%
Wellington	-9.9%	-6.4%	-30.7%	-28.1%
Nelson/Marlborough/Tasman	-16.3%	-7.3%	-28.0%	-23.4%
Canterbury	-12.5%	-8.7%	-24.5%	-22.6%
West Coast	-14.6%	-12.8%	-10.3%	-28.1%
Otago	-1.8%	-0.1%	-16.9%	-12.8%
Southland	-10.2%	-1.5%	-34.0%	-28.6%



SEASONALLY ADJUSTED MEDIAN PRICE

COMPARED TO AUGUST

COMPARED TO SEPTEMBER 2016

	Median Change	Seasonally Adjusted Change	Median Change	Seasonally Adjusted Change
New Zealand	-0.9%	-1.3%	1.2%	0.6%
NZ ex Akl	0.2%	-0.9%	5.7%	5.4%
Northland	3.7%	2.2%	14.4%	16.0%
Auckland	1.2%	0.3%	0.0%	-0.8%
Waikato	0.0%	-2.7%	4.7%	4.5%
Bay of Plenty	2.3%	-0.1%	7.9%	7.4%
Gisborne	14.9%	16.5%	14.9%	12.2%
Hawke's Bay	-3.2%	0.6%	18.3%	17.8%
Manawatu/Wanganui	-4.9%	-5.6%	8.4%	7.9%
Taranaki	9.4%	1.5%	4.0%	5.3%
Wellington	5.1%	2.1%	10.6%	9.8%
Nelson/Marlborough/Tasman	-0.6%	-0.0%	4.9%	3.4%
Canterbury	-0.1%	-1.0%	-3.2%	-2.6%
West Coast	9.7%	1.0%	-15.6%	-17.2%
Otago	3.2%	3.9%	6.0%	5.6%
Southland	-12.0%	-13.6%	10.0%	11.3%

House Price Index	Index Level	1 Month	3 Months	1 Year	5 Year*	From Peak
New Zealand	2699	0.7%	1.1%	2.1%	10.4%	New High
NZ excl. Auckland	2431	0.8%	1.6%	7.0%	8.0%	New High
Northland	2575	4.0%	1.5%	11.7%	10.1%	New High
Auckland	2891	0.7%	0.9%	-0.7%	12.0%	-2.3%
Waikato	2653	0.7%	1.9%	7.3%	10.4%	New High
Bay of Plenty	2507	0.4%	0.7%	3.6%	10.3%	New High
Gisborne/Hawke's Bay	2283	0.5%	2.5%	14.7%	8.6%	New High
Manawatu-Wanganui	2409	1.6%	1.7%	12.8%	6.4%	New High
Taranaki	2663	-0.7%	2.3%	6.7%	5.1%	-0.7%
Wellington	2377	1.0%	2.8%	11.8%	8.1%	New High
Tasman/Nelson/Marlborough/West Coast	2101	1.8%	3.2%	11.3%	7.2%	New High
Canterbury	2390	0.4%	-0.6%	-1.4%	4.4%	-2.7%
Otago	2455	0.5%	2.4%	10.1%	11.4%	New High
Southland	2385	3.7%	5.6%	10.4%	4.8%	New High

Source: REINZ

* = Compound Growth Rate