



NEWS RELEASE

13 March 2017

Regions outpace Auckland in mixed February real estate market

Median house prices firmed slightly and sales volumes lifted across New Zealand during February as the market exited the holiday period, according to the latest figures released today by the Real Estate Institute of New Zealand (REINZ), source of the most recent, complete and accurate real estate data in New Zealand.

Two of 12 regions in New Zealand hit new record high median sale prices in February 2017 (Northland and Otago), with the national median price rising to \$495,000, up by \$5,000 from January. This represents a 14.1% year-on-year rise on a seasonally adjusted basis.

The number of sales for February 2017 was 6,253, an increase of 45% on January, although on a seasonally adjusted basis sales for February 2017 fell 8.9% compared to February 2016.

In Auckland, median prices rose a seasonally adjusted +11% (6.7% median change) year-on-year, although the median price dropped \$5,000 (-1%) during February. The median price rose an average of 10.6% over the past three months, versus 10.5% over the same period a year ago, indicating a very similar performance between the first three months of 2017 and 2016. Auckland inventory has risen by 20% (1,562) over the past year, rising sharply over the past three months. Over the same period Auckland sales volumes were 8.9% lower on a seasonally adjusted basis. Auction sales dropped from 34.8% of sales in February 2016 to 29.3% in February 2017. Days to sell rose from 41 days to 43 days (against a 10-year average of 41).

KEY DATA SUMMARY:

National median house price year-on-year	National	\$495,000 - up from \$450,000 +10.0% year-on-year
	National ex Auckland	\$411,000 - up from \$383,000 +7.3% year-on-year
	Auckland	\$800,000 - up from \$750,000 +6.7% year-on-year
Seasonally adjusted median house price	National	Up 0.3% on January and up 14.1% year-on-year
	National ex Auckland	Up 0.2% on January and up 7.2% year-on-year
	Auckland	Down 1.7% on January and up 11.0% year-on-year
Month-on-month median house price	National	\$495,000 – up 1.0% on January: \$490,000
	National ex-Auckland	\$411,000 – up 3.7% on January: \$396,500
	Auckland	\$800,000 – down 0.6% on January: \$805,000
Median days to sell	National	39 – three days longer compared to February 2016
	Auckland	43 – seven days longer compared to February 2016
Other changes of note	The number of properties available for sale continues to decline nationwide with 2,541 fewer houses for sale in February compared to 12 months ago, although the number of properties for sale in the Auckland region has increased by 1,562 (+20%). Compared to February 2016 the number of listings fell 7% in Canterbury, 20% in Wellington and 11% in Waikato/Bay of Plenty. Excluding Auckland, the number of properties for sale has fallen by 4,102 (-19%) over the past 12 months.	

REINZ CEO Bindi Norwell says: “We are seeing a mixed picture across New Zealand. Auckland is mixed: there is something in the market for buyers and sellers. For instance, although there are more houses on the market and median prices are rising on a seasonally adjusted basis year-on-year, sales volumes were down in February 9% year-on-year on a seasonally adjusted basis.

“We hear anecdotally that LVRs are having an effect and banks are reducing lending, becoming more selective about who they lend to, what properties they will lend on and the terms. Recent media has noted the lower level of cash incentives being offered by banks, and this ties in with the feedback agents across the country are hearing from their clients.”

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Sales volumes

The number of sales for February 2017 was 6,253, an increase of 45% on January, although on a seasonally adjusted basis sales for February 2017 fell 8.9% compared to February 2016.

Median prices jump, continuing to be led by the regions

The national median house price rose \$45,000 year-on-year. A seasonally adjusted rise of 14.1%. Compared to January, the national median house price rose \$5,000 (+1%). Central Otago Lakes recorded the largest percentage increase in median price compared to February 2016, at 30%, followed by Northland at 20% and Otago at 18%.

Auction sales have declined

There were 921 dwellings sold by auction nationally in February, representing 15% of all sales and a decrease of 378 (-29%) on the number of auctions in February 2016.

Transactions in Auckland represented 51% of national auction sales, with the number of auctions in Waikato/Bay of Plenty representing 19% of national auction sales and the number of auctions in Canterbury/Westland representing 15% of national auction sales. These three regions represented 85% of auction sales in February 2017.

Days to sell higher

The number of days to sell improved by two days to 39 days from January, and eased three days compared to February 2016. Otago had the fewest number of days to sell at 27 days followed by Wellington at 29 days and Manawatu/Wanganui at 32 days. Northland and Central Otago had the most number of days to sell at 53 days, while in Auckland the number of days to sell rose by two days to 43 days compared to January and rose by a week compared to February 2016.

Million dollar homes show largest increase in volumes

Between February 2016 and February 2017, the number of homes sold for more than \$1 million rose by 5% to 708 homes to equal 11% of all dwellings sold. The number of dwellings sold under \$600,000 has declined by 1,081 between February 2016 and February 2017 compared to a fall of 1,038 for all dwellings.

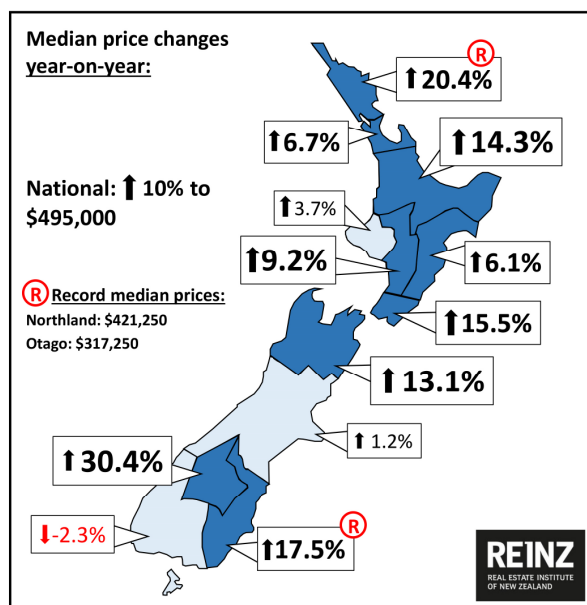
For regional commentary and tables, please see the accompanying report.

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Note 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.

**Seasonal adjustment is a statistical technique that attempts to measure and remove the influences of predictable seasonal patterns to reveal how the market changes over time.*



Further Data:

Across New Zealand the total value of residential sales, including sections, was \$4.011 billion in February 2017, compared to \$4.232 billion in February 2016 and \$2.698 billion in January. For the 12 months to February 2017 the total value of residential sales was \$58.027 billion. The breakdown of the value of properties sold in February 2017 compared to February 2016 is:

	February 2017		February 2016	
\$1 million plus	708	11.3%	675	9.3%
\$600,000 to \$999,999	1,639	26.2%	1,656	22.7%
\$400,000 to \$599,999	1,632	26.1%	1,934	26.5%
Under \$400,000	2,247	36.4%	3,026	41.5%
All Properties Sold	6,253	100.0%	7,291	100.0%

Seasonally Adjusted Sales Volumes

Seasonally Adjusted Sales Volumes				
Main Regions	Compared to January		Compared to February 2016	
	Volume Change	Seasonally Adjusted Change	Volume Change	Seasonally Adjusted Change
New Zealand	45.2%	1.4%	-14.2%	-8.9%
Auckland	33.2%	-0.7%	-14.2%	-8.9%
Wellington	65.8%	4.2%	-21.4%	-16.6%
Canterbury	58.8%	2.7%	-9.5%	-3.9%
Waikato/BOP	51.6%	-0.1%	-23.5%	-19.6%
NZ ex Akl	50.1%	3.5%	-14.2%	-8.7%
Other Regions				
	Compared to January		Compared to February 2016	
	Volume Change	Seasonally Adjusted Change	Volume Change	Seasonally Adjusted Change
Northland	66.4%	25.5%	6.1%	12.9%
Hawkes Bay	33.1%	0.4%	-17.5%	-12.2%
Manawatu/Wanga	19.6%	-6.7%	2.6%	10.2%
Taranaki	35.8%	6.8%	13.3%	22.5%
Nelson/Marlborough	53.5%	21.3%	-14.4%	-9.8%
Central Otago	47.9%	3.5%	-8.6%	-1.7%
Otago	58.9%	11.7%	-9.4%	-4.4%
Southland	27.0%	-8.3%	-22.1%	-12.4%

Seasonally Adjusted Median Price

Seasonally Adjusted Median Prices				
Main Regions	Compared to January		Compared to February 2016	
	Median Change	Seasonally Adjusted Change	Median Change	Seasonally Adjusted Change
New Zealand	1.0%	0.3%	10.0%	14.1%
Auckland	-0.6%	-1.7%	6.7%	11.0%
Wellington	13.2%	3.7%	15.5%	19.0%
Canterbury	1.7%	1.0%	1.2%	4.1%
Waikato/BOP	-0.4%	-0.7%	14.3%	19.7%
Other Regions				
	Compared to January		Compared to February 2016	
	Median Change	Seasonally Adjusted Change	Median Change	Seasonally Adjusted Change
Northland	5.4%	3.7%	20.4%	27.3%
Hawkes Bay	-4.4%	-3.6%	6.1%	9.3%
Manawatu/Wanga	-1.9%	-2.0%	9.2%	13.5%
Taranaki	-3.1%	-0.2%	3.7%	6.9%
Nelson/Marlborough	-4.3%	-3.5%	13.1%	16.5%
Central Otago	15.1%	12.7%	12.7%	0.0%
Otago	4.4%	2.0%	17.5%	20.6%
Southland	-3.2%	-2.4%	-2.3%	1.2%

Source: REINZ