

13 August 2019

For immediate release

Highest number of properties sold across NZ in month of July for 3 years, says REINZ

The number of residential properties sold across New Zealand in July increased by 3.7% from the same time last year to 6,118 (up from 5,897), the highest for the month of July in 3 years, 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.

For New Zealand excluding Auckland, the number of properties sold increased by 2.5% when compared to the same time last year (to 4,224 up from 4,120).

In Auckland, the number of properties sold in July increased by 6.6% year-on-year (to 1,894 up from 1,777).

Regions with the greatest increase in annual sales volumes during July were:

- Nelson: +25.0% (from 68 to 85 – 17 more houses sold) the highest for month of July for 4 years
- Gisborne: +14.9% (from 47 to 54 – 7 more houses sold)
- Canterbury: +14.6% (from 735 to 842 – 107 more houses sold) the highest for the month of July for 3 years
- Marlborough: +13.7% (73 to 83 – 10 more houses sold) the highest for the month of July for 3 years.

Regions with the greatest decrease in annual sales volumes during July were:

- West Coast: -19.4% (from 36 to 29 – 7 fewer houses) – the lowest for 19 months
- Tasman: -18.9% (from 74 to 60 – 14 fewer houses)
- Southland: -17.0% (from 194 to 161 – 33 fewer houses).

Bindi Norwell, Chief Executive at REINZ says: “This is the first time in eight months that we’ve seen the number of properties sold around the country increase on an annual basis suggesting that we’re starting to see some early signs of growth. Some of this can be attributed to more certainty post the removal of the Capital Gains Tax, but it’s also about pockets of renewed confidence and parts of the market finding its new normal in terms of pricing.

“With August’s surprise 50 basis points drop in the OCR, going forward we expect to see even more signs of growth – especially as we move towards the warmer weather when we tend to see more activity in the market,” she continues.

“Looking around the country, 9 out of 16 regions saw annual increases in sales volumes with strong growth recorded at the top of the South Island and the middle of the North Island. Overall, we saw the highest number of properties sold for the month of July across the country in 3 years,” continues Norwell.

“The Auckland region also saw the highest number of properties sold in the month of July for 3 years and the first annual volume growth in 8 months. Much of the annual growth was led by strong sales volumes in the Papakura District (+19.8%), but there was also strong growth seen in Manukau City (+18.5%) and Waitakere City (+14.8%). The only area in Auckland to see a major slowdown in the number of properties sold in July was Franklin District with a -19.4% fall from the same time last year,” continues Norwell.

Record median prices seen again in Manawatu/Wanganui, Otago and Southland

Median house prices across New Zealand increased by 4.5% in July to \$575,000, up from \$550,000 in July 2018. These results are in line with the REINZ House Price Index (HPI) which saw property values increase 1.5% annually.

Median price increases for New Zealand excluding Auckland were even stronger, increasing by 6.1% to \$485,000, up from \$457,000 in July last year.

Median house prices in Auckland remained flat at \$830,000 – the same price as July last year.

Record median prices were recorded in:

- Otago with a 21.7% increase to \$505,000 up from \$415,000 at the same time last year
- Southland with a 20.0% increase to \$300,000 up from \$250,000 at the same time last year.
- Manawatu/Wanganui region saw a record equal median price achieved of \$370,000 the same as June this year, up from \$295,000 at the same time last year.

Regions with the greatest annual decrease in median price during July were:

- West Coast: -24.4% to \$170,000 down from \$225,000 – the lowest median price for 6 months
- Marlborough: -5.9% to \$432,635 down from \$460,000
- Taranaki: -4.0% to \$360,000 down from \$375,000.

“Median prices across the country continue to increase with 10 out of 16 regions seeing an increase in median price since the same time last year, and 5 of those regions seeing double-digit growth,” says Norwell.

“Prices in the Manawatu/Wanganui region increased the most with a 25.4% lift since the same time last year to \$370,000, led by strong double-digit growth in all 7 Districts across the region and a 12.5 percentage point increase in properties sold in the \$250,000-\$499,999 price bracket,” continues Norwell.

“July saw a continuation of the strong growth in median prices in Otago, thanks to growth in all Districts across the region bar the Queenstown Lakes District. A 12.6 percentage point uplift in properties sold between \$500,00-\$999,000 meant that this was the first time the Otago region’s median price went over the \$500,000 mark making it the seventh region in the country to have a median go over the half a million dollar mark,” points out Norwell.

“While the median price for Auckland remained exactly the same as this time last year at \$830,000, it’s the lowest median price we’ve seen in the City of Sails in six months which is a result of drops in the proportion of properties sold between \$500,000-\$799,000 and between \$1 million and \$1.99 million. Interestingly, there was a slight uplift in the percentage of properties sold for in excess of \$2 million from 4.1% to 4.8%,” she continues.

REINZ House Price Index (HPI) increases 1.5% annually

The REINZ House Price Index for New Zealand, which measures the changing value of property in the market, increased 1.5% year-on-year to 2,761.

The HPI for New Zealand excluding Auckland increased 5.9% from July 2018 to 2,739 a new record high. The Auckland HPI decreased -3.3% year-on-year to 2,789 although the 3-month trend of +0.5% is starting to show signs of green shoots.

In July, the Southland region had the highest annual growth rate with a 19.5% increase to 3,048, followed by Manawatu/Wanganui in second place with an annual growth rate of 18.0% to a new record high of 3,146 and in third place was Gisborne/Hawke's Bay with an 11.2% annual increase to a new record high of 2,798.

Taranaki, Bay of Plenty and Tasman/Nelson/Marlborough/West Coast also experienced new record high index levels during July showing the strength of the housing market in these regions.

In July, the REINZ HPI saw 11 out of 12 regions experience an annual increase in their index level, Auckland was the only region to experience a decrease.

Days to Sell increases YOY but falls MOM

In July the median number of days to sell a property nationally increased by 3 days from 37 to 40 when compared to July last year. However, this was down on last month's figure of 41 days.

For New Zealand excluding Auckland, the median days to sell increased by 3 days from 36 to 39. Auckland also saw the median number of days to sell a property increase by 3 days from 41 to 44 when compared to the same time last year.

Gisborne and Hawke's Bay both had the lowest days to sell of all the regions at 30 days, down 8 days and 4 days respectively from July last year. West Coast again has the highest days to sell of any region at 90 days, up 21 days on July last year. Northland had the second highest median days to sell across the country at 60 days – up 11 days on the same time last year.

Auctions

Auctions were used in 8.7% of all sales across the country in July, with 535 properties selling under the hammer – this is down from the same time last year, when 11.3% of properties (665) were sold via auction.

Gisborne again had the highest percentage of sales by auction across the country with 31.5% (or 17 properties) in the region sold under the hammer – down from 38.3% (18 properties) in July 2018.

Auckland saw the second largest percentage of sales by auction on 14.0% (265 properties) down from 20.4% in July 2018 (362 properties). Bay of Plenty remained in its usual third place in July with 8.7% (38 properties) sold under the hammer, down from 13.5% (58 properties) in July 2018.

Inventory

The total number of properties available for sale nationally increased by 2.6% from 21,288 to 21,843 – an increase of 555 properties compared to 12 months ago.

July again saw 8 regions with an annual increase in inventory levels. Regions with the largest percentage increases were:

- Northland: +16.7% from 1,201 to 1,402 – an additional 201 properties
- Marlborough: +13.1% from 259 to 293 – an additional 34 properties

- Wellington: +11.6% from 811 to 905 – an additional 94 properties.

Regions with the biggest percentage decrease in inventory were:

- Gisborne: -41.8% from 122 to 71 – 51 fewer properties
- West Coast: -31.5% from 496 to 340 – 156 fewer properties
- Otago: -17.2% from 476 to 394 – 82 fewer properties.

Otago and Gisborne had the lowest number of weeks' inventory with 7 weeks' inventory available to prospective purchasers. This was closely followed by Hawke's Bay on 8 weeks' inventory available.

The West Coast had the highest number of week's inventory with 41 weeks' inventory available to prospective purchasers.

Price Bands

The number of homes sold for less than \$500,000 across New Zealand fell from 42.4% of the market (2,498 properties) in July 2018 to 39.5% of the market (2,419 properties) in July 2019.

The number of properties sold in the \$500,000 to \$750,000 bracket increased from 30.5% in July 2018 (1,798 properties) to 31.3% in July 2019 (1,914 properties).

At the top end of the market, the percentage of properties sold for \$1 million or more remained at exactly 12.9% with 762 houses sold for \$1 million or more in July 2018 compared to 792 houses in July 2019.

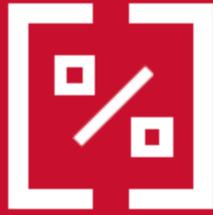
“This is the first time in 8 months where we've seen increases across the country in both the number of properties sold and the median price when compared to the same time last year, suggesting that the housing market is in a stable place at the moment. With the added stimulus of the OCR drop, we expect the market to pick up even more as we head into spring,” concludes Norwell.

ENDS

For further information, please contact Dee Crooks, Head of Communications at REINZ, on 021 953 308.

Price distribution breakdown				
	July 2018		July 2019	
\$1 million plus	762	12.9%	792	12.9%
\$750,000 to \$999,999	839	14.2%	993	16.2%
\$500,000 to \$749,999	1,798	30.5%	1,914	31.3%
Under \$500,000	2,498	42.4%	2,419	39.5%
All Properties Sold	5,897	100.0%	6,118	100.0%

House Price Index	Index Level	1 Month	3 Months	1 Year	5 Year*	From Peak
New Zealand	2761	0.2%	0.7%	1.5%	8.0%	-0.5%
NZ excl. Auckland	2739	0.4%	0.8%	5.9%	8.9%	New High
Northland	2797	0.0%	-1.2%	4.2%	11.0%	-1.8%
Auckland	2789	0.1%	0.5%	-3.3%	7.0%	-4.1%
Waikato	2926	-0.8%	-0.1%	3.0%	11.3%	-0.8%
Bay of Plenty	2845	2.4%	2.2%	6.5%	12.1%	New High
Gisborne/Hawke's Bay	2798	2.1%	3.8%	11.2%	12.7%	New High
Manawatu/Wanganui	3146	1.9%	3.6%	18.0%	12.4%	New High
Taranaki	2991	2.7%	4.9%	9.1%	6.4%	New High
Wellington	2715	0.1%	-0.5%	5.8%	10.5%	-0.5%
Tasman/Nelson/ Marlborough/West Coast	2377	1.1%	1.9%	6.4%	8.5%	New High
Canterbury	2451	-0.3%	-1.2%	0.7%	1.6%	-1.5%
Otago	2893	-1.3%	1.5%	7.9%	11.6%	-1.3%
Southland	3048	-0.3%	7.7%	19.5%	10.2%	-0.3%
Source: REINZ	* = Compound Growth Rate					



KEY DATA SUMMARY

MEDIAN HOUSE PRICE YEAR-ON-YEAR

National	●	○	\$575,000 - up from \$550,000 + 4.5% year-on-year
New Zealand Ex Auckland	●	○	\$485,000 - up from \$457,000 + 6.1% year-on-year
Auckland	●	○	\$830,000 - same as July 2018 + 0.0% year-on-year

MEDIAN HOUSE PRICE MONTH-ON-MONTH

National	●	○	\$575,000 - down from \$585,000 - 1.7% since last month
New Zealand Ex Auckland	●	○	\$485,000 - same as June 2019 + 0.0% since last month
Auckland	●	○	\$830,000 - down from \$850,000 - 2.4% since last month

VOLUME SOLD YEAR-ON-YEAR

National	●	○	6,118 - up from 5,897 + 3.7% year-on-year
New Zealand Ex Auckland	●	○	4,224 - up from 4,120 + 2.5% year-on-year
Auckland	●	○	1,894 - up from 1,777 + 6.6% year-on-year

VOLUME SOLD MONTH-ON-MONTH

National	●	○	6,118 - down from 6,156 - 0.6% since last month
New Zealand Ex Auckland	●	○	4,224 - down from 4,120 - 1.4% since last month
Auckland	●	○	1,894 - up from 1,871 + 1.2% since last month

REINZ HOUSE PRICE INDEX

National	●	○	2,761 - up from 2,721 + 1.5% year-on-year
New Zealand Ex Auckland	●	○	2,739 - up from 2,586 + 5.9% year-on-year
Auckland	●	○	2,789 - down from 2,884 - 3.3% year-on-year

SEASONALLY ADJUSTED MEDIAN HOUSE PRICE

National	●	○	Up 0.6%, up 4.5% on July 2018
New Zealand Ex Auckland	●	○	Up 1.2%, up 6.2% on July 2018
Auckland	●	○	Down 0.9%, down 0.4% on July 2018

MEDIAN DAYS TO SELL

National	●	○	40 - 3 days longer than the same month last year
New Zealand Ex Auckland	●	○	39 - 3 days longer than the same month last year
Auckland	●	○	44 - 3 days longer than the same month last year

SEASONALLY ADJUSTED SALES VOLUMES

	COMPARED TO JUNE		COMPARED TO JULY 2018	
	VOLUME CHANGE	SEASONALLY ADJUSTED CHANGE	VOLUME CHANGE	SEASONALLY ADJUSTED CHANGE
New Zealand	-0.6%	-5.4%	3.7%	0.5%
NZ ex Aki	-1.4%	-7.2%	2.5%	-1.1%
Northland	-5.6%	-11.0%	-5.1%	-9.9%
Auckland	1.2%	-1.9%	6.6%	4.0%
Waikato	5.0%	-0.9%	-0.8%	-2.3%
Bay of Plenty	-4.4%	-11.9%	0.9%	-1.7%
Gisborne	-3.6%	-0.7%	14.9%	4.8%
Hawke's Bay	13.6%	0.9%	8.5%	1.7%
Manawatu/Wanganui	-4.2%	-6.5%	-5.0%	-7.5%
Taranaki	14.4%	3.3%	11.3%	7.4%
Wellington	-11.9%	-7.3%	2.8%	-0.6%
Nelson	10.4%	-3.8%	25.0%	15.3%
Marlborough	-2.4%	-8.7%	13.7%	10.2%
Tasman	-6.3%	0.8%	-18.9%	-17.5%
Canterbury	3.6%	-0.9%	14.6%	7.2%
West Coast	-12.1%	-19.5%	-19.4%	-19.1%
Otago	-12.9%	-16.0%	-1.9%	-5.3%
Southland	3.9%	-11.9%	-17.0%	-21.5%

SEASONALLY ADJUSTED MEDIAN PRICE

	COMPARED TO JUNE		COMPARED TO JULY 2018	
	MEDIAN CHANGE	SEASONALLY ADJUSTED CHANGE	MEDIAN CHANGE	SEASONALLY ADJUSTED CHANGE
New Zealand	-1.7%	0.6%	4.5%	4.5%
NZ ex Aki	0.0%	1.2%	6.1%	6.2%
Northland	-0.6%	-2.6%	-1.9%	-2.1%
Auckland	-2.4%	-0.9%	0.0%	-0.4%
Waikato	1.3%	0.2%	3.1%	2.7%
Bay of Plenty	-3.0%	-3.0%	-0.3%	-0.9%
Gisborne	5.8%	-1.9%	16.2%	9.0%
Hawke's Bay	-1.2%	0.3%	9.3%	10.6%
Manawatu/Wanganui	0.0%	1.4%	25.4%	26.5%
Taranaki	-4.0%	-3.2%	-4.0%	-3.5%
Wellington	1.6%	7.1%	14.5%	13.6%
Nelson	1.6%	1.4%	1.9%	0.9%
Marlborough	-0.5%	0.1%	-5.9%	-7.3%
Tasman	-6.2%	-2.5%	8.3%	7.4%
Canterbury	0.2%	1.8%	3.7%	4.5%
West Coast	-7.1%	-13.5%	-24.4%	-23.1%
Otago	11.7%	8.0%	21.7%	21.0%
Southland	5.7%	3.5%	20.0%	19.8%