



**12 April 2019**

**For immediate release**

**Uncertainty around legislation & difficulty accessing finance continues to impact sales volumes, says REINZ**

The number of residential properties sold in March fell by 12.9% from the same time last year to 6,938 (down from 7,964) 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. The last time sales volumes fell this much on an annual basis was 17 months ago.

For New Zealand excluding Auckland, the number of properties sold fell by 10.5% when compared to the same time last year (from 5,513 to 4,932).

In Auckland, the number of properties sold in March fell by -18.2% year-on-year (from 2,451 to 2,006) – the lowest for the month of March since 2008.

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

- Gisborne: -33.3% (from 75 to 50 – 25 fewer houses)
- Marlborough: -32.2% (from 121 to 82 – 39 fewer houses)
- Northland: -24.4% (from 246 to 186 – 60 fewer houses).

Only one region saw an annual increase in sales volumes during March:

- West Coast: +2.1% (from 47 to 48 – 1 additional house sold).

Bindi Norwell, Chief Executive at REINZ says: “At a time when sales volumes are normally very strong and total sales figures for the country are typically well over the 7,000 mark, with 6,938 sales this was the lowest number of properties sold for the month of March since March 2011.

“Despite some extremely competitive mortgage rates on offer from the banks and the high chance of an OCR cut in the near future, it appears the legislative changes on the horizon and the difficulty accessing finance are now really starting to impact the housing market in terms of sales volumes. Hopefully, as we gain more certainty over the coming months – particularly in relation to CGT we’ll start to see volumes pick up. However, winter is normally a quieter time of year, so time will tell what happens with sales volumes going forward,” continues Norwell.

“Looking at the regions in more detail, 15 out of 16 regions across the country saw an annual fall in sales volumes. With listings down in both February and March, it’s little wonder that sales volumes are down so significantly,” continues Norwell.

“Sales volumes in Auckland were down 18.2% from the same time last year, with all areas bar Waitakere City, seeing a fall in volumes year-on-year. Despite, the large fall in volumes, this was the highest number of properties sold in the City of Sails for four months,” says Norwell.

## **Record median house price recorded for NZ in March**

Median house prices across New Zealand increased by 4.5% in March to a record \$585,000, up from \$560,000 in March 2018. Median price increases for New Zealand excluding Auckland were even stronger increasing by 6.7% to \$491,000 up from \$460,000 in March last year.

Median house prices in Auckland fell by 2.7% from the same time last year to \$856,000 – down from \$880,000. Despite the year-on-year fall, prices in March were the highest Auckland has seen for three months.

There were three regions that saw record median prices achieved in March:

- Southland: +25.0% to \$300,000 (up from \$240,000 at the same time last year)
- Otago: +21.6% to \$492,000 (up from \$404,500 at the same time last year)
- Hawke's Bay: +10.8% to \$493,000 (up from \$445,000 at the same time last year).

“March saw 14 out of 16 regions experience an annual increase in the median price and record prices for New Zealand, Hawke's Bay, Otago and Southland again showing the impact that a lack of listings has on price. The only two regions to experience an annual decrease in median price were Auckland and the West Coast,” says Norwell.

“Looking into the regions in more detail, Hastings District, Wellington City and Invercargill have all had record median prices two months in a row, showing the continued strength in these areas. Interestingly, the Kaikoura District also saw a record median in March – the last time the Kaikoura District had a record median price was more than 14 years ago!” points out Norwell.

“Auckland's 2.7% decrease in median price to \$856,000 is partly a result in the number of properties sold for more than \$2 million which fell from 8.1% of the market in March 2018 to 5.5% in March 2019. Looking at the Auckland picture, the median price has just continued to hover around the \$850,000 mark – the same thing we've seen for nearly three years now suggesting that perhaps the Auckland market has found its 'new normal' for the time being,” says Norwell.

## **REINZ House Price Index (HPI) increases 2.3% annually**

The REINZ House Price Index for New Zealand, which measures the changing value of property in the market, increased 2.3% year-on-year to 2,770.

The HPI for New Zealand excluding Auckland increased 7.2% from March 2018 to a new record high of 2,727. The Auckland HPI decreased -2.9% year-on-year to 2,823.

The REINZ HPI saw 6 out of 12 regions experience a record high level over the past 12 months, highlighting the overall continued strength of the property market in some regions.

In March, the Southland region had the highest annual growth rate, a 16.8% increase to a new record high of 2,901, followed by Manawatu/Wanganui in second place with an annual growth rate of 16.7% to a new record high of 2,984 and in third place was Gisborne/Hawke's Bay with an 11.4% annual increase to 2,732 – down -0.8% from its peak in February 2019.

## **Days to Sell drops significantly since February**

In March the median number of days to sell a property increased by 2 days from 34 to 36 when compared to March last year, but it fell by 11 days from February 2019 where the median number of days to sell was 47.

For New Zealand excluding Auckland, the median days to sell increased by 1 day to 34, but fell by 9 days when compared to February.

Auckland saw the median number of days to sell a property increase by 5 days from 37 to 42 when compared to the same time last year, but this was a drop of 15 days when comparing to the previous month.

Manawatu/Wanganui again had the lowest days to sell of all regions at 25 days, down 5 days from 30 at the same time last year. The West Coast again had the highest days to sell of any region at 69 an increase of 5 days since March 2018, but a fall of 22 days since February.

“We’re hearing that vendors are starting to readjust their pricing expectations, which has contributed to the significant fall in the median number of days to sell a property in March compared to February this year,” says Norwell.

### **Auctions**

Auctions were used in 13.2% of all sales across the country in March, with 918 properties selling under the hammer – this is down from the same time last year, when 15.6% of properties (1,243 were sold via auction.

Gisborne again had the highest percentage of sales by auction across the country with 30.0% (or 15 properties) in the region sold under the hammer – down marginally from 30.7% (23 properties) in March 2018.

Auckland saw the second largest percentage of sales by auction on 25.1% (503 properties) down from 29.1% in March 2018 (714 properties). Bay of Plenty remained in its usual third place in March with 12.7% (60 properties) sold under the hammer, down from 15.7% (85 properties) in March 2018.

### **Inventory**

The total number of properties available for sale nationally increased by 4.5% from 27,018 to 28,228 – an increase of 1,210 properties compared to 12 months ago – the first annual increase in inventory levels in 5 months.

March saw 7 regions with an annual increase in inventory levels. Regions with the largest percentage increases were:

- Marlborough: +15.3% from 339 to 391 – an additional 52 properties.
- Auckland: +15.2% from 9,572 to 11,026 – an additional 1,454 properties
- Waikato: +11.9% from 1,941 to 2,172 – an additional 231 properties.

Regions with the biggest percentage decrease in inventory were:

- West Coast: -24.8% from 584 to 439 – 145 fewer properties
- Manawatu/Wanganui: -19.6% from 1,074 to 864 – 210 fewer properties
- Otago: -19.4% from 717 to 578 – 139 fewer properties.

Wellington once again saw the lowest number of weeks’ inventory with only 8 weeks inventory available to prospective purchasers. This was closely followed by Otago and Hawke’s Bay on only 9 weeks’ inventory, followed by Manawatu/Wanganui on 10 weeks’ inventory available.

## Price Bands

The number of homes sold for less than \$500,000 across New Zealand fell from 41.8% of the market (3,328 properties) in March 2018 to 38.5% of the market (2,668 properties) in March 2019.

The number of properties sold in the \$500,000 to \$750,000 bracket increased from 29.0% in March 2018 (2,307 properties) to 30.5% in March 2019 (2,113 properties).

At the top end of the market, properties sold for \$1 million or more decreased from 15.5% in March 2018 (1,232 houses) to 14.8% in March 2019 (1,029 houses).

## New listings

During March, new listings fell 3.1% nationally when compared to the same time last year, from 12,490 to 12,102. The only regions to experience an uplift in new listings were Wellington (+7.3%), Southland (+5.4%), Auckland (+4.6%) and Waikato (+3.9%).

Vanessa Taylor, realestate.co.nz spokesperson says: "In March, the three main regions of Wellington, Auckland and Waikato dominated new listing increases. This has been particularly good news for home hunters in the Wellington region who have been long starved for choice."

## ENDS

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

## Price distribution breakdown

	March 2018		March 2019	
<b>\$1 million plus</b>	1,232	15.5%	1,029	14.8%
<b>\$750,000 to \$999,999</b>	1,097	13.8%	1,128	16.3%
<b>\$500,000 to \$749,999</b>	2,307	29.0%	2,113	30.5%
<b>Under \$500,000</b>	3,328	41.8%	2,668	38.5%
<b>All Properties Sold</b>	<b>7,964</b>	<b>100.0%</b>	<b>6,938</b>	<b>100.0%</b>



# KEY DATA SUMMARY

## MEDIAN HOUSE PRICE YEAR-ON-YEAR

National	●————○	\$585,000 - up from \$560,000 + 4.5% year-on-year
New Zealand Ex Auckland	●————○	\$491,000 - up from \$460,000 + 6.7% year-on-year
Auckland	●————○	\$856,000 - down from \$880,000 - 2.7% year-on-year

## MEDIAN HOUSE PRICE MONTH-ON-MONTH

National	●————○	\$585,000 - up from \$560,000 + 4.5% since last month
New Zealand Ex Auckland	●————○	\$491,000 - down from \$493,000 -0.4% since last month
Auckland	●————○	\$856,000 - up from \$851,000 +0.6% since last month

## VOLUME SOLD YEAR-ON-YEAR

National	●————○	6,938 - down from 7,964 - 12.9% year-on-year
New Zealand Ex Auckland	●————○	4,932 - down from 5,513 - 10.5% year-on-year
Auckland	●————○	2,006 - down from 2,451 - 18.2% year-on-year

## VOLUME SOLD MONTH-ON-MONTH

National	●————○	6,938 - up from 6,084 + 14.0% since last month
New Zealand Ex Auckland	●————○	4,932 - up from 4,703 + 4.9% since last month
Auckland	●————○	2,006 - up from 1,381 + 45.3% since last month

## REINZ HOUSE PRICE INDEX

National	●————○	2,770 - up from 2,709 + 2.3% year-on-year
New Zealand Ex Auckland	●————○	2,727 - up from 2,545 + 7.2% year-on-year
Auckland	●————○	2,823 - down from 2,908 - 2.9% year-on-year

## SEASONALLY ADJUSTED MEDIAN HOUSE PRICE

National	●————○	Down 1.9%, up 4.7% on March 2018
New Zealand Ex Auckland	●————○	Down 2.2%, up 6.6% on March 2018
Auckland	●————○	Down 5.3%, down 2.5% on March 2018

## MEDIAN DAYS TO SELL

National	●————○	36 - 2 days longer than the same month last year
New Zealand Ex Auckland	●————○	34 - 1 day longer than the same month last year
Auckland	●————○	42 - 5 days longer than the same month last year

## SEASONALLY ADJUSTED SALES VOLUMES

	COMPARED TO FEBRUARY		COMPARED TO MARCH 2018	
	VOLUME CHANGE	SEASONALLY ADJUSTED CHANGE	VOLUME CHANGE	SEASONALLY ADJUSTED CHANGE
New Zealand	14.0%	-3.8%	-12.9%	-8.8%
NZ ex Akl	4.9%	-2.7%	-10.5%	-6.0%
Northland	4.5%	3.1%	-24.4%	-19.6%
Auckland	45.3%	-3.8%	-18.2%	-14.9%
Waikato	7.2%	-3.3%	-14.1%	-12.0%
Bay of Plenty	4.6%	-6.4%	-12.2%	-8.5%
Gisborne	-10.7%	-14.5%	-33.3%	-27.2%
Hawke's Bay	3.0%	-3.0%	-8.3%	-1.6%
Manawatu/Wanganui	3.6%	-1.1%	-7.1%	-4.8%
Taranaki	-8.4%	-4.8%	-15.9%	-8.0%
Wellington	1.5%	-6.3%	-10.2%	-3.3%
Nelson/Marlborough/Tasman	-6.2%	-15.1%	-24.2%	-25.1%
Canterbury	13.6%	-1.5%	-2.3%	2.5%
West Coast	4.3%	0.8%	2.1%	14.9%
Otago	4.9%	2.7%	-5.4%	0.5%
Southland	9.9%	-3.0%	-5.7%	2.4%

# SEASONALLY ADJUSTED MEDIAN PRICE

	COMPARED TO FEBRUARY		COMPARED TO MARCH 2018	
	MEDIAN CHANGE	SEASONALLY ADJUSTED CHANGE	MEDIAN CHANGE	SEASONALLY ADJUSTED CHANGE
New Zealand	4.5%	-1.9%	4.5%	4.7%
NZ ex Akl	-0.4%	-2.2%	6.7%	6.6%
Northland	-0.1%	0.1%	9.9%	11.5%
Auckland	0.6%	-5.3%	-2.7%	-2.5%
Waikato	-0.2%	-17%	3.7%	3.5%
Bay of Plenty	-0.3%	-2.7%	1.7%	2.3%
Gisborne	-2.6%	-0.7%	15.2%	12.6%
Hawke's Bay	4.3%	3.3%	10.8%	9.3%
Manawatu/Wanganui	-2.0%	-2.2%	15.5%	16.1%
Taranaki	-1.3%	0.0%	9.3%	11.6%
Wellington	-3.7%	-4.9%	5.1%	6.3%
Nelson/Mariborough/Tasman	0.0%	-1.4%	9.8%	10.1%
Canterbury	1.1%	-0.8%	2.2%	1.5%
West Coast	8.4%	1.3%	-4.2%	-7.1%
Otago	7.0%	6.0%	21.6%	22.5%
Southland	4.5%	3.0%	25.0%	25.1%

House Price Index	Index Level	1 Month	3 Months	1 Year	5 Year*	From Peak
New Zealand	2770	-0.1%	1.3%	2.3%	8.4%	-0.1%
NZ excl. Auckland	2727	0.2%	2.4%	7.2%	8.8%	New High
Northland	2765	0.3%	2.7%	3.2%	10.4%	-2.2%
Auckland	2823	-0.5%	0.1%	-2.9%	7.9%	-2.9%
Waikato	2940	0.9%	2.4%	5.6%	11.2%	New High
Bay of Plenty	2829	0.4%	2.4%	8.0%	12.0%	New High
Gisborne/Hawke's Bay	2732	-0.8%	2.9%	11.4%	11.7%	-0.8%
Manawatu-Wanganui	2984	1.1%	4.4%	16.7%	11.1%	New High
Taranaki	2916	1.4%	2.4%	7.2%	6.2%	New High
Wellington	2723	-0.4%	2.5%	9.3%	10.5%	-0.4%
Tasman/Nelson/ Marlborough/ West Coast	2336	-0.6%	1.3%	6.0%	8.3%	-0.6%
Canterbury	2492	0.4%	2.0%	1.3%	2.1%	New High
Otago	2879	-0.7%	0.6%	9.0%	11.9%	-0.7%
Southland	2901	3.6%	6.3%	16.8%	9.7%	New High

Source: REINZ

\* = Compound Growth Rate