

**21 August 2019**

**For immediate release**

### **A Solid Market Sprinkled with Inconsistencies**

Data released today by the Real Estate Institute of New Zealand (REINZ) shows there were 57 more lifestyle property sales (+3.0%) for the three months ended July 2019 than for the three months ended June 2019. Overall, there were 1,933 lifestyle property sales in the three months ended July 2019, compared to 1,883 lifestyle property sales for the three months ended July 2018 (+2.7%), and 1,876 lifestyle property sales for the three months ended June 2019.

6,932 lifestyle properties were sold in the year to July 2019, 319 (-4.4%) fewer than were sold in the year to July 2018. The value of lifestyle properties sold was \$5.55 billion for the year to July 2019.

The median price for all lifestyle properties sold in the three months to July 2019 was \$700,000 and was \$40,000 higher compared to the three months ended July 2018 (+6.1%).

Brian Peacocke, Rural Spokesman, at REINZ says: "Results for the 3 month period ending July 2019 were solid from a national perspective, albeit peppered by inconsistent volumes of sales in a number of the regions.

What is consistent however, are the reports from around the country confirming a much harder approach to lending from all banks, this in spite of the drop in the Official Cash Rate (OCR) to 1%, supported by a directive from the Reserve Bank for all trading banks to reflect that reduction in the interest rates being charged to their client base.

The outcome will be recorded in due course but in the meantime, sales volumes have firmed from the equivalent period 12 months ago, albeit not yet to a level equal to 2 years ago, and the median price has lifted again to a record \$700,000," he concludes.

Data provided coupled with verbal reports confirm the following:

- **Upper North Island** - an improvement in sales volumes from the month of June 2019 in the Auckland region and the Bay of Plenty where strong prices are being paid around Tauranga, but an easing of volumes in Northland and Waikato. Reports from the Waikato indicate a lack-lustre market with a shortage of purchasers, numerous listings and vendors currently reluctant to reduce prices, particularly in the \$1m to \$1.3m price range. The vendors achieving sales are those who are accepting the more conservative appraisals
- **Central North Island** - an easing in volumes in Taranaki and Gisborne, but a more consistent, solid market in Hawke's Bay, particularly around Havelock North and the west to south-west fringes of Hastings City
- **Lower North Island** - a general easing of volumes also in the lower north, particularly in the Manawatu/Wanganui region which experienced a 30% drop from the previous month; in the main, moderate prices apply apart from particular strength in the localities on the northern fringes of Wellington City

- **Upper South Island** - easing volumes but some strong prices in both the Nelson and Marlborough regions; a robust recovery from last month in Canterbury with Selwyn district leading the charge and some great prices being achieved in the Kirwee, Prebbleton, Tai Tapu and Ashburton districts to the west and south of Christchurch City
- **Lower South Island** - a good recovery in sales volumes in Southland compared to last month but a distinct easing in volumes in the Otago region, albeit strong prices continue to be achieved throughout the Central Otago and Queenstown/Lakes districts.

Seven regions recorded an increase in sales compared to July 2018. Waikato recorded the most substantial increase in sales (+60 sales) in the three months to July 2019 compared to July 2018. Compared to June 2019, seven regions recorded an increase in sales.

Eleven regions saw the median price of lifestyle blocks increase between the three months ending July 2018 and the three months ending July 2019. The most notable examples were in Hawke's Bay (+64%), Manawatu-Wanganui (+22%) and Wellington (+11%) and the most notable exceptions were West Coast (-20%) and Auckland (-7%).

The median number of days to sell for lifestyle properties was one day longer in the three months to July 2019 than in the three months to July 2018, sitting at 64 days. Compared to the three months ended June 2019 the median number of days to sell was two days longer. Southland and Wellington recorded the shortest number of days to sell in July 2019 at 50 days, followed by Hawke's Bay (51 days) and Manawatu/Wanganui (54 days). West Coast recorded the longest number of days to sell at 177 days, followed by Northland at 85 days, Canterbury at 77 days and Auckland at 75 days.

## **ENDS**

### **Real Estate Institute of New Zealand**

For more real estate information and market trends data, visit [www.reinz.co.nz](http://www.reinz.co.nz). For New Zealand's most comprehensive range of listings for residential, lifestyle, rural, commercial, investment and rental properties, visit [www.realestate.co.nz](http://www.realestate.co.nz) - REINZ's official property directory website.

#### **Editors Note:**

*The information provided by REINZ in relation to the lifestyle real estate market covers the most recently completed three-month period; thus references to July refer to the period from 1 May 2019 to 31 July 2019.*