



News Release

20 January 2016

Regional Markets Continue to Strengthen

Summary

- *7,313 dwellings sold in New Zealand in December 2015, up 3.5% on December 2014, but down 9.1% on November*
- *National median price of \$465,000, up \$15,000 (+3.3%) on December 2014 and up 1.2% on November*
- *A new record national median price excluding Auckland of \$379,000, (+8.0%) compared to December 2014 and up 1.1% on November; this is the fourth consecutive record median in 2015*
- *New record median prices also for Waikato/Bay of Plenty, Hawke's Bay, Wellington, Nelson/Marlborough and Otago*
- *A rise of \$92,000 (+13.6%) in Auckland's median price, between December 2014 to December 2015 – from \$678,000 to \$770,000, and a rise of \$5,000 (+0.7%) compared to November*
- *Nationally a 20% rise in the number of sales over \$1 million between December 2014 and December 2015 – from 629 to 755*
- *20,070 dwellings sold by auction in the 12 months to December 2015, representing 22.2% of all sales, an increase of 45% in the number sold by auction in the 12 months to December 2014.*

Real Estate Institute of New Zealand (REINZ), the most up to date source of real estate data in New Zealand, announced today that there were 7,313 dwelling sales across the country in December 2015, up 3.5% on December 2014, but down 9.1% compared to November. Excluding Auckland, the number of sales compared to December 2014 increased by 17.5%, but fell 8.1% compared to November.

The national median price was \$465,000 for December, an increase of \$15,000 or 3.3% on December 2014, and up 1.2% compared to November. Excluding the impact of the Auckland region, the national median price rose \$28,000 to \$379,000 compared to December 2014 to reach its fourth record high in a row, and rose 1.1% compared to November. New record median prices were also reached in Waikato/Bay of Plenty, Hawke's Bay, Wellington, Nelson/Marlborough and Otago.

REINZ Chief Executive Colleen Milne says, "Regional markets, particularly Northland, Waikato/Bay of Plenty, Hawkes Bay and Central Otago Lakes are now setting the pace for the New Zealand real estate market, with Auckland, in a relative sense, now in the middle of the pack. The decline in sales volume in Auckland, while noticeable, is likely transitory as the region gets to grips with the new LVR rules for investors, although the median price continues to firm.

"Over the past six months regional markets have demonstrated: large declines in the levels of inventory, a significant decline in the number of days to sell, and noticeable increases in the median price, with a number of regions setting new median price records more than once over 2015. In addition to the four regions already noted, Wellington, Manawatu /Wanganui and Otago

are also seeing positive movements in days to sell and median prices. This breadth of the improvement across New Zealand suggests that there is more is at play than just an Auckland ‘halo effect’, although that has contributed in the northern regions.”

Sales Volumes

There were 7,313 unconditional residential sales in December, a 3.5% increase on December 2014 and an fall of 9.1% on November. On a seasonally adjusted basis, the number of sales rose 2.9% from November to December, indicating December sales were stronger than would normally be expected at that time of year.

Seasonally Adjusted Sales Volumes

	Compared to November		Compared to Dec 2014	
	Volume Change	Seasonally Adjusted Change	Volume Change	Seasonally Adjusted Change
New Zealand	-9.1%	2.9%	3.5%	3.9%
Auckland	-11.5%	8.3%	-18.6%	-18.1%
Wellington	-1.7%	10.4%	18.4%	16.3%
Canterbury	-6.8%	-3.5%	-0.1%	1.5%
Waikato/BOP	-8.2%	0.3%	29.6%	30.3%
NZ ex Akl	-8.1%	5.4%	17.5%	16.7%

Sales volumes excluding Auckland were down 8.1% from November but up 17.5% on December 2014. On a seasonally adjusted basis, Auckland’s sales volumes were up 8.3% compared to November, indicating that while the headline number showed a sharp drop in sales compared to November, after taking into account seasonal effects, sales were in fact stronger than would have been expected. Northland, Waikato/Bay of Plenty and Hawke’s Bay continued to see the most robust sales growth.

Aside from Auckland, Hawke’s Bay was the only region to record increased sales volumes compared to November, with volumes growing 0.4%. Compared to December 2014, nine regions recorded increases in sales volume, with Northland recording the largest increase of 39%, followed by Waikato/Bay of Plenty with 30% and Taranaki with 27%.

Prices

The national median house price rose \$5,500 (+1.2%) to \$465,000 from November to December. In comparison with December 2014 the national median house price increased by \$15,000 (+3.3%), with all regions recording increases. Excluding the Auckland region, the national median price rose \$28,000 (+8.0%) compared to December 2014 to reach a new record high. On a seasonally adjusted basis, the national median house price rose 1.6% indicating that prices increased slightly faster than would normally be expected at this time of year compared to the historic trend.

Seasonally Adjusted Median Prices

	Compared to November		Compared to Dec 2014	
	Median Change	Seasonally Adjusted Change	Median Change	Seasonally Adjusted Change
New Zealand	1.2%	1.6%	3.3%	3.4%
Auckland	0.7%	1.8%	13.6%	14.1%
Wellington	0.2%	0.3%	5.1%	4.1%
Canterbury	0.0%	0.6%	5.3%	5.0%
Waikato/BOP	0.6%	0.3%	11.0%	12.1%

Waikato/Bay of Plenty, Hawke's Bay, Wellington, Nelson/Marlborough and Otago all reached new record median prices in December. Central Otago Lakes recorded the largest percentage increase in median price compared to December 2014, at 20.4%, followed by Northland at 20% and Southland at 13.9%. Central Otago Lakes recorded the largest percentage increase in median price compared to November, with a 16.2% increase, followed by Northland with a 6.9% increase and Manawatu/Wanganui with a 5.3% increase.

Auctions

There were 1,383 dwellings sold by auction nationally in December, representing 18.9% of all sales but a decline of 56 (-4%) on the number for a year earlier, December 2014. The 20,070 sales by auction in the 12 months to December 2015 represented 22.2% of all dwelling sales, compared to 18.5% (13,800 sales) for the year ending December 2014.

Summary Auction Statistics for December 2015			
	Dec-15	Nov-15	Dec-14
Total Auctions for Month	1,383	1,790	1,439
Auctions as % of Total Sales	18.9%	22.2%	20.4%
Total Auctions for Year Ended...	20,070	20,126	13,800
Auctions as % of Total	22.2%	22.3%	18.5%
Annual Growth in Auctions %	45.4%	48.0%	-16.4%
Breakdown by			
Auckland Region	51.0%	56.2%	74.6%
Waikato/BOP Region	27.0%	21.6%	7.4%
Wellington Region	3.6%	4.1%	2.0%
Canterbury/Westland	11.9%	11.4%	11.0%
Rest of NZ	6.5%	6.8%	4.9%
Source: REINZ			

Transactions in Auckland continue to represent the majority of national auction sales. However, the dominance of Auckland has declined significantly over the past 12 months, from 75% of all auction sales in December 2014 to 51% in December 2015. In contrast the number of auction sales in Waikato/Bay of Plenty has increased from 107 (7.4%) in December 2014 to 373 (27.0%) in December 2015, a year-on-year increase of 249%. Over the same period the number of auctions has increased by 72% in Wellington and by over 340% in Central Otago Lakes.

Further Data

Across New Zealand the total value of residential sales, including sections, was \$4.321 billion in December, compared to \$4.737 billion in November and \$4.025 billion in December 2014. For the 12 months ended December 2015 the total value of residential sales was \$53.686 billion. The breakdown of the value of properties sold in December 2015 compared to December 2014 is:

	December 2015		December 2014	
\$1 million plus	755	10.3%	629	8.9%
\$600,000 to \$999,999	1,760	24.1%	1,577	22.3%
\$400,000 to \$599,999	1,867	25.5%	1,902	26.9%
Under \$400,000	2,931	40.1%	2,956	41.8%
All Properties Sold	7,313	100.0%	7,064	100.0%

----- ENDS -----

For more real estate information and market trends data, visit 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 - REINZ's official property directory website.

Editor's Note:

The monthly REINZ residential sales reports remain the most contemporary and up-to-date 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.