



NEWS RELEASE

14 November 2016

Auckland leads price rises as volumes continue to fall

Despite a nationwide drop in sales volumes, Auckland is one of four regions to hit record high median sale prices in October, while the national median price eased by \$5,000 to \$510,000, according to the latest figures released today by REINZ, source of the most recent, complete and accurate real estate data in New Zealand.

Data released by REINZ for October 2016 shows that Auckland’s median house price has risen 16% year-on-year to \$868,000 - lifting \$119,750 over the year. This rise also represents a 5% increase on September 2016, and a seasonally adjusted 4% on September (up 17% year-on-year). Three other regions posted record median sale prices in October with Northland reaching \$399,000, Waikato/Bay of Plenty lifting to \$460,750 and Southland equalling its record high of \$225,000 reached in January 2008. At the same time, the national median price was \$510,000, up 10.9% year-on-year, although down slightly (1%) on the record \$515,000 in September 2016.

All of this occurred in spite of a nationwide drop in sales volumes. The number of sales for October 2016 was 6,727, a fall of 9% on September. Compared to October 2015, sales volumes nationally fell 14% with Auckland experiencing a 16% drop and Waikato/Bay of Plenty seeing a 25% decrease.

KEY DATA SUMMARY:

National median house price year-on-year	National	\$510,000 - up from \$460,000 +10.9% year-on-year
	National ex Auckland	\$400,175 - up from \$370,000 +8.2% year-on-year
Auckland median price		\$868,000 - up from \$748,250 +16.0% year-on-year
Seasonally adjusted median house price	National	Down 1% on September 2016 and up 1% year-on-year
	Auckland	Up 4% on September 2016 and up 17% year-on-year
Month-on-month median house price	National	\$510,000 – down 1% on September: \$515,000
	National ex-Auckland	\$400,175 - up 0% on September: \$400,000
	Auckland	\$868,000 – up 5% on September: \$825,000
Median days to sell	National	32 – up one day year-on-year
	Auckland	34 – up three days year-on-year
Other changes of note	Inventory is continuing to rapidly fall nationwide, with a 17% decline in properties available for sale year-on-year and four regions with less than 12 weeks of supply, representing almost 22% of sales volumes. Wellington has six weeks of supply available, with Hawke’s Bay under 10 weeks supply, Nelson/Marlborough and Otago with 11 weeks supply.	

Real Estate Institute of New Zealand (REINZ) spokesperson Bryan Thomson says: “Auckland experienced a lot of strength in the upper end of the market but the lower end appears to be wavering due to the impact of LVRs. The national sales volumes fell by 14% in October compared to the same time last year and the number of properties for sale as measured by realestate.co.nz has fallen by almost 7,400 over the past year.

“Our data suggests that the impact of the revised LVR rules is having more of an effect on lower-priced sales compared to higher priced sales, with a surge in the percentage of sales over \$1million and a noticeable decline in the number of sales below \$400,000 compared to 12 months ago. Some of this change may be reflective of the overall uplift in prices over the past year as the market for higher-priced properties is continuing as normal, but the market for lower priced properties is becoming more difficult for both buyers and sellers.

“There is some evidence that the normal spring ‘bounce’ in the number of listings has so far been quite weak this year. One possible reason for this is that the revised rules could be making it harder for people to know whether to sell, as they wonder if there are buyers about, so they hold their properties back from the market. This could have the result that we’re seeing, which is that supply falls but the demand is still there, so prices keep rising.”

Sales volumes declining

There were 6,727 unconditional residential sales in October, a 14% decrease on October 2015 and a 9% decrease on September. On a seasonally adjusted basis, the number of sales fell 2% from September to October indicating that sales were lower than what would be expected for this time of year.

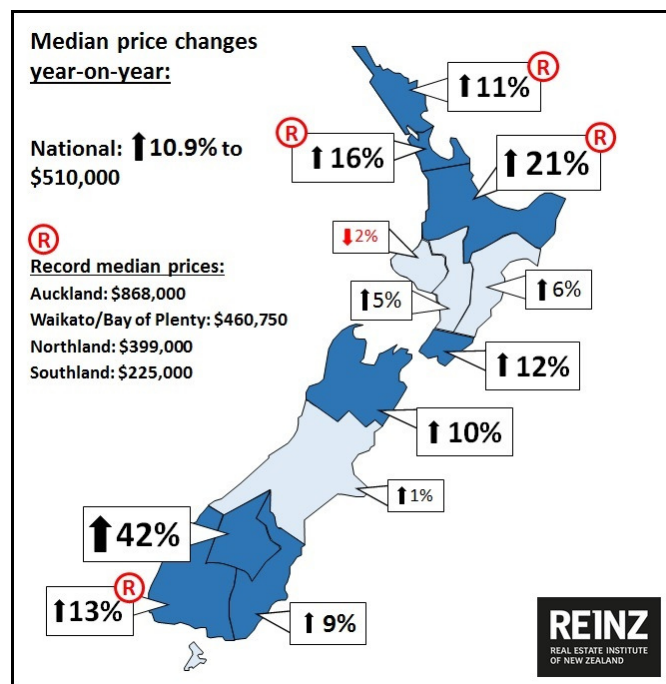
Median prices jump, led by the regions

The national median house price rose \$50,000 (+11%) to \$510,000 from October 2015 to October 2016. Compared to September the national median house price fell \$5,000 (-1%). Central Otago Lakes recorded the largest percentage increase in median price compared to October 2015, at 42%, followed by Waikato/Bay of Plenty at 21% and Auckland at 16%.

Auction sales up, Auckland auctions decline

There were 1,475 dwellings sold by auction nationally in October, representing 22% of all sales and a decrease of 436 (-23%) on the number of auctions in October 2015.

Transactions in Auckland represented 56% of national auction sales, with the number of auctions in Waikato/Bay of Plenty representing 18% of national auction sales. The number of auction sales outside of Auckland, Wellington, Canterbury/Westland and Waikato/Bay of Plenty increased 82% compared to October 2015.



Pressure on stock grows, inventory and days to sell falls

The number of properties available for sale across all regions in New Zealand fell 7,391 (-24%) between October 2015 and October 2016. Wellington has the fewest properties for sale with six weeks of supply, closely followed by Hawke’s Bay with under 10 weeks supply, Otago and Nelson/Marlborough with 11 weeks of supply.

The number of days to sell eased one day to 32 days compared to October 2015, although the regions have seen some significant movements with five regions seeing an increase in the number of days to sell and seven regions a decrease. Otago and Nelson/Marlborough had the shortest number of days to sell in October at 23 days followed by Wellington and Manawatu/Wanganui at 27 days.

Million dollar homes show largest increase in volumes

Between October 2015 and October 2016, the number of homes sold for more than \$1m rose by 22% to 977 homes to equal almost 15% of all dwellings sold. The number of dwellings sold under \$600,000 has declined by 1,216 between October 2015 and October 2016 compared to a fall of 1,111 for all dwellings.

For further data, tables and charts on prices, volumes, inventory, days to sell, auctions – and 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.

Further Data

Across New Zealand the total value of residential sales, including sections, was \$4.497 billion in October, compared to \$4.677 billion in October 2015 and \$4.894 billion in September. For the 12 months ended September 2016 the total value of residential sales was \$58.019 billion. The breakdown of the value of properties sold in October 2016 compared to October 2015 is:

	October 2016		October 2015	
\$1 million plus	977	14.5%	804	10.3%
\$600,000 to \$999,999	1,749	26.0%	1,817	23.2%
\$400,000 to \$599,999	1,643	24.4%	2,031	25.9%
Under \$400,000	2,358	35.1%	3,186	40.6%
All Properties Sold	6,727	100.0%	7,838	100.0%

Seasonally Adjusted Sales Volumes

Seasonally Adjusted Sales Volumes

	Compared to September		Compared to October 2015	
	Volume Change	Seasonally Adjusted Change	Volume Change	Seasonally Adjusted Change
New Zealand	-9.1%	-1.6%	-14.2%	-9.0%
Auckland	-11.9%	-0.5%	-16.1%	-11.4%
Wellington	-8.0%	-6.0%	-7.3%	0.9%
Canterbury	-11.3%	-8.4%	-14.8%	-8.0%
Waikato/BOP	-9.3%	-1.7%	-25.4%	-20.3%
NZ ex Akl	-7.7%	-4.2%	-13.2%	-7.5%

Seasonally Adjusted Median Price

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.

Seasonally Adjusted Median Prices

	Compared to September		Compared to October 2015	
	Median Change	Seasonally Adjusted Change	Median Change	Seasonally Adjusted Change
New Zealand	-1.0%	-0.6%	10.9%	10.8%
Auckland	5.2%	4.3%	16.0%	16.6%
Wellington	-0.6%	-1.6%	11.6%	12.8%
Canterbury	-2.1%	-1.9%	1.2%	1.3%
Waikato/BOP	0.5%	-1.1%	21.3%	20.1%
Northland	2.3%	-0.7%	10.8%	8.7%
Hawkes Bay	0.7%	-1.0%	5.8%	7.2%
Manawatu/Wanga	2.2%	-1.6%	4.9%	4.2%
Taranaki	-12.3%	-4.3%	-1.9%	-0.4%
Nelson/Marlborough	-4.4%	-7.2%	10.3%	10.6%
Central Otago	-5.1%	-4.9%	-4.9%	0.0%
Otago	-0.3%	0.7%	9.3%	10.0%
Southland	12.5%	10.8%	7.7%	8.6%