



**13 July 2017**

**For immediate release**

**REINZ statistics: Auckland price growth slowing, regional strong growth continues**

New Zealand's property market is showing all the signs of being a two-tier market with Auckland median house price increasing 2.5% year-on-year, but the rest of the country (excluding Auckland) showing growth of 11.4% year-on-year according to the latest data from the Real Institute of New Zealand (REINZ) – source of the most complete and accurate real estate data in New Zealand.

Auckland's median price increased to \$850,500 (up from \$830,000 in June 2016) and the national median excluding Auckland increased to \$431,000 (up from \$387,000).

The REINZ House Price Index (HPI) for June 2017 further supported this trend indicating that Auckland house prices have decreased slightly by -0.6% year-on-year but the rest of the country (excluding Auckland) showed growth of 9.2% year-on-year. Nationally, the HPI showed an increase of 2.8%.

Bindi Norwell, CEO, REINZ says: "While median prices in Auckland have increased slightly year-on-year, the City of Sails had the second lowest rate of growth in the country in comparison to the 8% seen in June 2016 and 27.1% increase seen in June 2015. This is evidence that the 'Supercity' has showed signs of price growth slowing down – if you look at the month-on-month figure it shows a drop of -0.8%.

"However, most regions across the rest of the country experienced double-digit (or close to it) growth and record median prices have been seen in three regions this month – Bay of Plenty (\$555,000), again in Manawatu/Wanganui (\$280,000) and Tasman (\$581,000) highlighting the buoyancy across the rest of the country and the normal property cycle where regions are typically behind Auckland in terms of the growth curve," continues Norwell.

**Volumes down**

Sales volumes across the country have continued to decline – in Auckland they are down -33.2% for the year to June and nationally they're down -24.7% for the same period. The regions that experienced increased volume this month were Tasman (which saw an increase of 25%) and the West Coast (a 3% increase year-on-year).

"We know that it's winter and the election is just two months away now which typically impacts the number of properties sold in the market. The number of properties sold across the country is the lowest we've seen in the month of June for three years now – particularly in the \$500,000 and under property price bracket," says Norwell.

“This slow-down in transactional activity, but stabilising price trend highlights the underlying dynamics between housing demand and housing supply, with population growth continuing to rise faster than building consents and dwelling supply,” she continues.

### **Days to sell up**

The median number of days to sell a property nationally increased by 5 days – from 31 to 36 days in comparison to June 2016. Regionally, Hawke’s Bay again had the shortest number of days to sell (28), followed by Wellington and Southland (both on 31 days) and property on the West Coast took the longest number of days to sell (128), followed by Northland (47 days) and Bay of Plenty (41 days). In Auckland, the number of days to sell increased by 7 days year-on-year (from 31 to 38 days).

### **So, what does it all mean?**

“The June figures show us that a number of things are happening across the residential real estate market – inventory levels are impacting pricing, LVRs are having a significant impact in terms of buyers’ ability to purchase properties (particularly for first time buyers) and that the major trading banks are being more cautious with their approach to lending particularly their view of how highly leveraged Kiwis are when it comes to properties.

“Talk of a decline in prices may be premature with the seasonally adjusted median price trends still rising across many regions in New Zealand. The Auckland market is the most mature in terms of the property cycle, however, at worst, prices in the Auckland region are steady at present. The data also shows an emerging trend of section sales in Auckland occurring more quickly than dwelling sales, highlighting that demand for sections is still rising in Auckland while demand for dwellings is easing,” continues Norwell.

“With the looming election, Auckland prices are showing all the signs of stabilising that we would normally expect and we anticipate this being a similar trend over the coming months until the election is over,” concludes Norwell.

### **Inventory**

The number of properties available for sale rose by 1,895 in June compared to 12 months ago, although the number of properties for sale in the Auckland region has increased by 3,097 (57%) providing more choice to buyers. Excluding Auckland, the number of properties for sale fell by 1,203 (-7.4%). Compared to June 2016 the number of listings rose 4.4% in Canterbury, 5.0% in Wellington and 4.5% in Waikato. The largest declines occurred in Northland (-367), Manawatu/Wanganui (-353) and Southland (-269).

### **Auction numbers continue to fall**

The number of properties sold by auction continues to decline across New Zealand with 828 auction sales in June representing 14% of all sales. This compares to 24% of all sales in June 2016 and 13% in May. For the year to June, the number of auctions has declined by 27%, or 5,706 sales.

### **Price Bands**

Between June 2016 and June 2017, the number of homes sold for more than \$1 million fell by 29% to 779 homes to equal 13.2% of all dwellings sold. The number of dwellings sold under \$500,000 has declined by 1,153 between June 2016 and June 2017 compared to a fall of 1,938 for all dwellings or a decline of 24.7%.

**ENDS**

## Notes 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.

*For further information, please contact Dee Crooks, Communications/PR Manager at REINZ, on 09 356 1753 or 021 953 308.*

### KEY DATA SUMMARY:

<b>National median house price year-on-year</b>	National	\$529,000 - up from \$500,000 +5.8% year-on-year
	National ex Auckland	\$431,000 - up from \$387,000 +11.4% year-on-year
	Auckland	\$850,500 - up from \$830,000 2.5% year-on-year
<b>Seasonally adjusted median house price</b>	National	Down 0.2% on May, up 6.3% on June 2016
	National ex Auckland	Up 0.6% on May, up 11.5% on June 2016
	Auckland	Up 1.0% on May, up 2.1% on June 2016
<b>Month-on-month median house price</b>	National	\$529,000 – down 1.1% on May: \$535,000
	National ex-Auckland	\$431,000 – up 0.2% on May: \$430,000
	Auckland	\$850,500 – down 0.8% on May: \$857,000
<b>Median days to sell</b>	National	36 – five days longer compared to June 2016
	National ex-Auckland	36 – four days longer compared to June 2016
	Auckland	38– seven days longer compared to June 2016
<b>House Price Index</b>	National	2,673 – up 2.8% on June 2016
	National ex-Auckland	2,392 – up 9.2% on June 2016
	Auckland	2,867 – down -0.6% on June 2016

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.

### Price Distribution

Price Distribution Breakdown				
	Jun-17		Jun-16	
Under \$250,000	666	11.3%	1,155	14.7%
\$250,000 - \$499,999	2,082	35.2%	2,746	35.0%
\$500,000 - \$749,999	1,567	26.5%	1,850	23.6%
\$750,000 - \$999,999	820	13.9%	1,002	12.8%
\$1,000,000 - \$1,999,999	666	11.3%	934	11.9%
\$2,000,000 - \$2,999,999	79	1.3%	121	1.5%
\$3 million and over	34	0.6%	44	0.6%

<b>Total</b>	<b>5,914</b>		<b>7,852</b>	
Under \$500,000	2,748	46.5%	3,901	49.7%
Over \$1 million	779	13.2%	1,099	14.0%

### Seasonally Adjusted Sales Volume

<i>Seasonally Adjusted Sales Volumes</i>				
Main Regions	Compared to May		Compared to June 2016	
	Volume Change	Seasonally Adjusted Change	Volume Change	Seasonally Adjusted Change
New Zealand	-20.4%	-6.3%	-24.7%	-26.3%
NZ ex Akl	-20.6%	-6.2%	-20.3%	-22.7%
Northland	-24.5%	-22.5%	-43.2%	-44.7%
Auckland	-20.0%	-5.9%	-33.2%	-34.6%
Waikato	-15.7%	-3.8%	-20.8%	-24.5%
Bay of Plenty	-19.2%	-9.5%	-33.2%	-36.7%
Gisborne	0.0%	-3.8%	-3.8%	-16.7%
Hawkes Bay	-8.1%	9.9%	-3.8%	-6.4%
Manawatu/Wanganui	-22.9%	-12.4%	-16.1%	-17.9%
Taranaki	-12.8%	1.3%	-17.6%	-19.6%
Wellington	-14.0%	-2.0%	-12.5%	-14.7%
Nelson/Marlborough	-30.9%	-19.5%	-12.4%	-11.6%
Canterbury	-27.5%	-13.0%	-22.0%	-23.0%
Westland	-26.8%	-11.1%	3.4%	-5.9%
Otago	-29.3%	-7.8%	-17.8%	-19.3%
Southland	-18.7%	-3.8%	-18.7%	-19.5%

### Seasonally Adjusted Median Price

<i>Seasonally Adjusted Median Prices</i>				
Main Regions	Compared to May		Compared to Jun 2016	
	Median Change	Seasonally Adjusted Change	Median Change	Seasonally Adjusted Change
New Zealand	-1.1%	-0.2%	5.8%	6.3%
NZ ex Akl	0.2%	0.6%	11.4%	11.5%
Northland	-5.6%	-3.5%	18.1%	19.0%
Auckland	-0.8%	1.0%	2.5%	2.1%
Waikato	-3.7%	-2.0%	8.1%	8.7%
Bay of Plenty	3.2%	5.0%	14.2%	14.5%

Gisborne	-12.2%	-4.7%	6.6%	11.0%
Hawkes Bay	-1.8%	-1.0%	16.6%	15.0%
Manawatu/Wanganui	3.7%	1.7%	19.1%	17.9%
Taranaki	-7.1%	-6.3%	3.2%	1.8%
Wellington	1.0%	2.6%	16.5%	16.4%
Nelson/Marlborough	0.0%	1.1%	19.3%	20.7%
Canterbury	0.1%	0.3%	1.0%	1.0%
Westland	41.2%	43.7%	39.1%	39.1%
Otago	1.0%	1.1%	12.6%	13.3%
Southland	-6.1%	-3.1%	21.1%	19.5%

Source: REINZ

### REINZ House Price Index Data

House Price Index	Index Level	1 Month	3 Months	1 Year	5 Year*	From Peak
New Zealand	2673	-0.3%	-0.3%	2.8%	10.6%	-0.7%
NZ excl. Auckland	2392	0.1%	1.1%	9.2%	7.7%	New High
Northland	2532	-0.4%	1.7%	15.3%	9.5%	-0.4%
Auckland	2867	-0.5%	-1.0%	-0.6%	12.5%	-3.2%
Waikato	2627	1.1%	1.4%	9.9%	10.2%	New High
Bay of Plenty	2491	-0.5%	0.4%	6.9%	10.7%	-0.5%
Gisborne/Hawke's Bay	2243	2.3%	4.1%	20.4%	8.1%	New High
Manawatu-Wanganui	2383	3.8%	4.3%	17.4%	6.5%	New High
Taranaki	2603	-0.1%	0.3%	5.3%	5.4%	-0.1%
Wellington	2310	0.8%	1.0%	13.5%	7.7%	New High
Tasman/Nelson/Marlborough/West Coast	2034	-0.2%	2.3%	10.7%	6.7%	-0.2%
Canterbury	2396	-1.4%	-0.5%	0.3%	4.6%	-2.1%
Otago	2362	-0.2%	2.3%	15.3%	9.7%	-0.2%
Southland	2281	-0.3%	1.7%	9.2%	4.7%	-0.3%

Source: REINZ

\* = Compound Growth Rate