

MONTHLY HOUSE PRICE INDEX REPORT

14 JUNE 2017

INTRODUCING REINZ HOUSE PRICE INDEX (HPI)

As one of the country's foremost authorities on real estate data, we are proud to introduce you to a new metric which is set to transform our collective understanding of what's going on in the housing market. It's called the REINZ HPI (House Price Index) and it provides a level of detail and understanding of the true movements of housing values over time to a higher standard than before.

The REINZ HPI has been developed in partnership with the Reserve Bank of New Zealand and provides a more complete picture of the New Zealand housing market.

BENEFITS OF THE REINZ HPI

Currently, data on median and average house prices are open to being skewed by market composition changes. This means observed changes in these values could be almost entirely due to the changed nature in the underlying sample (e.g. an unusually large representation of high-end housing sales) rather than changes in the true market value. The REINZ HPI takes many aspects of market composition into account resulting in greater accuracy.

ABOUT REINZ HPI

The REINZ HPI is based on the SPAR methodology and has been proven to be the most comprehensive tool to understand the housing market for four main reasons:

Timeliness - This is the number one advantage of REINZ HPI. REINZ data is based on sales as they occur (unconditional) so is the most up-to-date data source in NZ.

Accuracy - REINZ data is supplied by the actual sales prices supplied by its members so has a high-level of accuracy.

Stability - REINZ has the most data available to it so can provide the most stable and complete one-month indices.

Disaggregation - Indices can be disaggregated to a lower level than before. Disaggregation means you can focus on a smaller data set, allowing us to compare building typology and suburbs, i.e. Three bedroom houses in Manukau.

For more information visit
<https://www.reinz.co.nz/reinz-hpi>

The number one advantage between REINZ data and other housing data on the market is that REINZ has access to sales data from the time the price is locked in (unconditional data) as opposed to when the house changes hands (settlement date) which can often be weeks/months later. Therefore, the REINZ HPI is the best and most timely measure of recent housing market activity.

EXPERT INDUSTRY FEEDBACK

"I have had the opportunity to utilize the REINZ HPI website, and have been involved in advising on the HPI's preparation. The new index fills a gap in providing reliable up-to-date information on house price developments across all of New Zealand's local authorities. It's wonderful to see REINZ providing this level of detailed data for wider public use. I am already planning to use this data in my own research."

Dr Arthur Grimes

Senior Fellow, Motu Research; and Adjunct Professor, Victoria University of Wellington

"Accuracy and timeliness of information on house price movements is vital for home buyers, sellers, agents, and analysts such as myself. The new data from REINZ meets both requirements and finally gives New Zealand a collection of house price series comparable with the best overseas."

Tony Alexander

Chief Economist, BNZ

"The Real Estate Institute of New Zealand's Market Intelligence portal opens up to users the ability to interactively compare price trends amongst a wide range of local council regions. Users can pick and choose regions of interest and use the chart tools to instantly compare price performances. For those wanting to look at house prices in more depth there is the capability to download the data in spreadsheet format all the way back to 1992 when the Institute started recording sales price information."

Nick Tuffley

Chief Economist, ASB

REINZ HOUSE PRICE INDEX MAY 2017 RESULTS

The REINZ House Price Index was developed in partnership with the Reserve Bank of New Zealand.

Already being used by the Reserve Bank's forecasting and macro financial teams, plus the major banks, the REINZ HPI provides a new level of detail and understanding of the true movements of housing values over time. It does this by analysing how prices in a market are influenced by a range of attributes such as land area, floor area, number of bedrooms etc. to create a single, more accurate measure of housing market activity and trends over time. Using the Reserve Bank's preferred Sale Price to Appraisal Ratio (SPAR) methodology, the REINZ HPI uses unconditional sales data (when the price is agreed) rather than at settlement, which can often be weeks later. It is therefore more accurate and timely.

Describing the new REINZ HPI as 'the gold standard' in New Zealand house price analysis tools, REINZ CEO Bindi Norwell says:

"The REINZ HPI takes many aspects of market composition into account, and thus provides more accurate results. When applied to the May data, the HPI indicates that housing market activity nationwide year-on-year has lifted 5.0%, up in Auckland by 1.8% and outside Auckland by 11.1%. This indicates a strong price growth in some regions and a stable market in Auckland. Northland, Gisborne/Hawke's Bay, Otago and Manawatu/Wanganui all had greater than 16% annual HPI growth to May 2017."

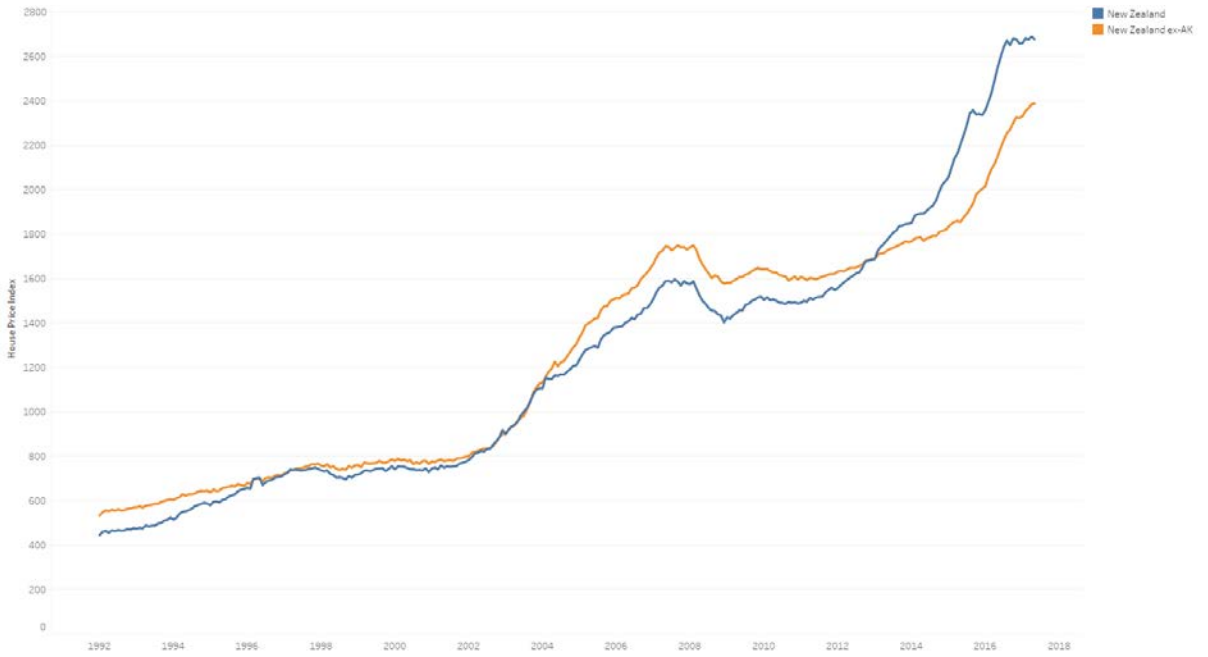
"Furthermore, the HPI numbers are backed by continued anecdotal evidence from around the country saying that investors and first home buyers are facing more challenges in securing bank lending compared to this time last year, which is lowering the number of dwellings sold in the lower price bracket. As a result, there are comparatively more sales in higher price brackets, which is lifting the median price."

Year-on-year, the HPI indicates that housing market activity nationwide has lifted 5.0%, up in Auckland by 1.8% and outside Auckland by 11.1%.



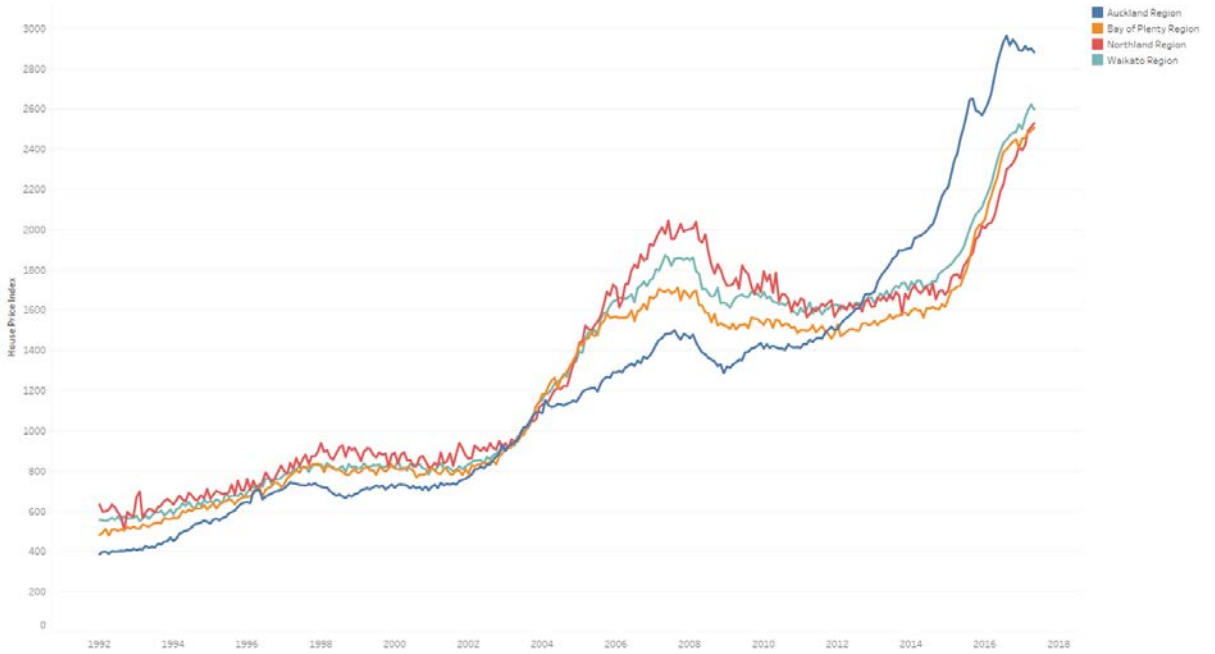


NEW ZEALAND HOUSE PRICE INDICIES

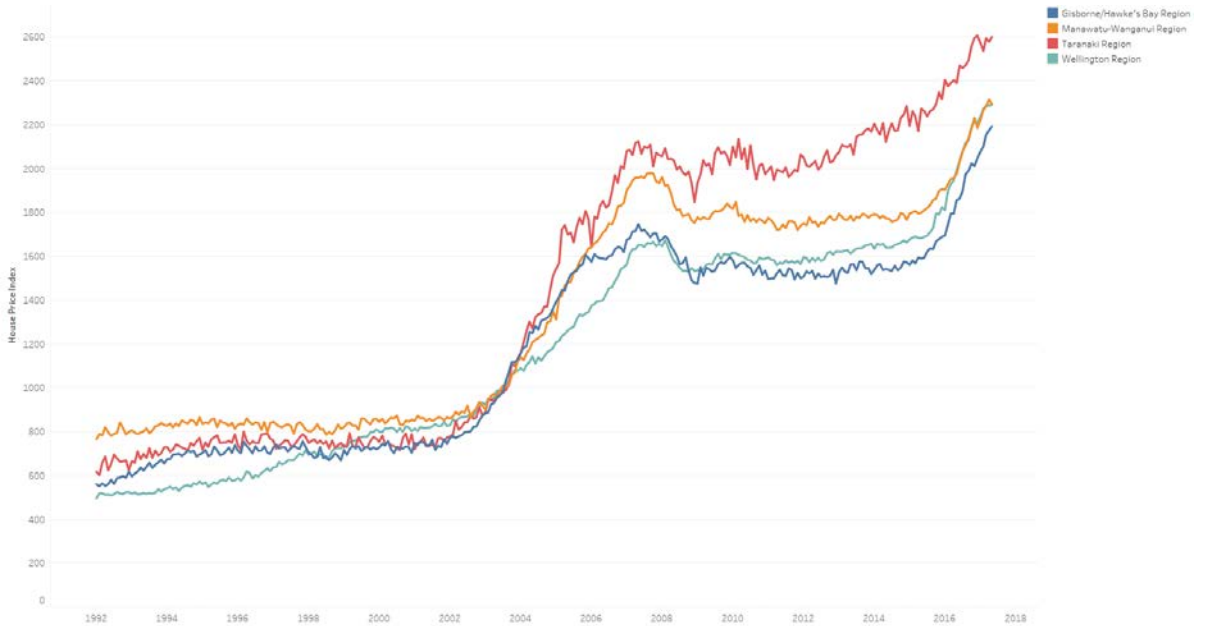




UPPER NORTH ISLAND REGIONAL HOUSE PRICE INDICIES

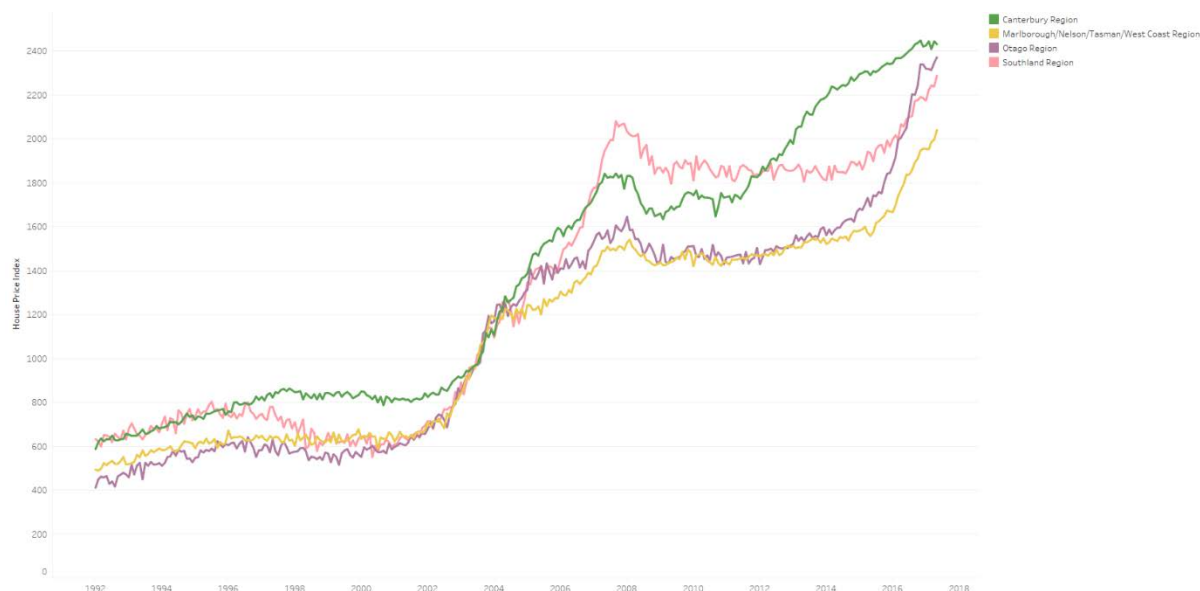


LOWER NORTH ISLAND REGIONAL HOUSE PRICE INDICIES





SOUTH ISLAND REGIONAL HOUSE PRICE INDICIES



SUMMARY OF MOVEMENTS

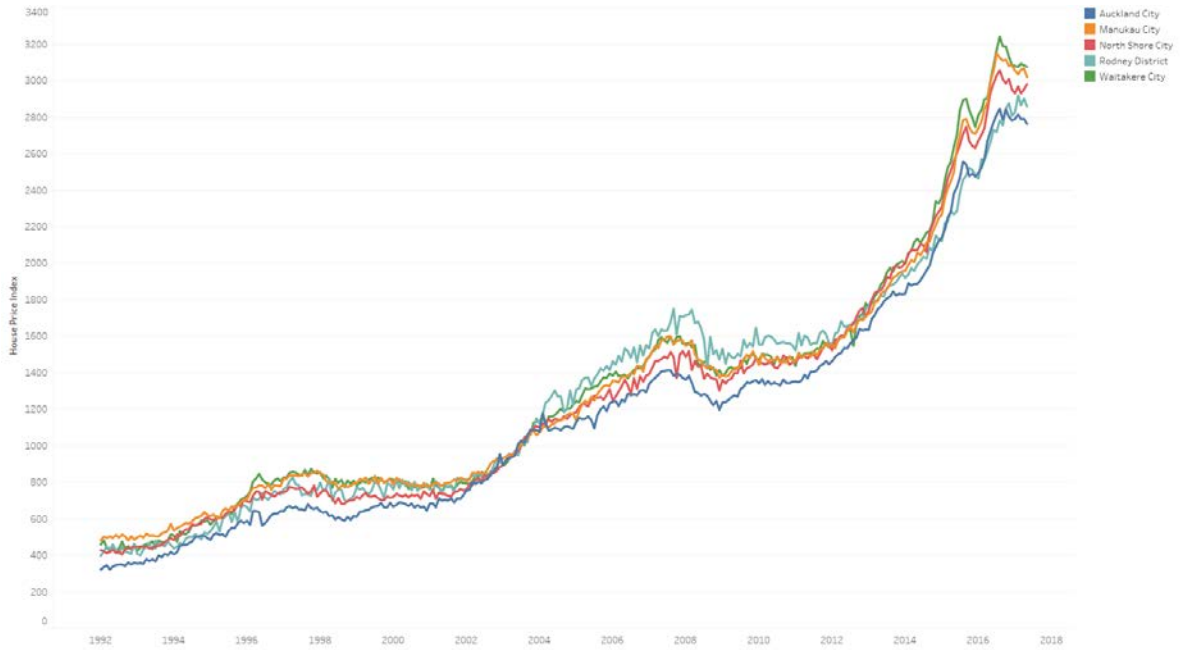
House Price Index	Index Level	1 Month	3 Months	1 Year	5 Years*
New Zealand	2680	-0.4%	-0.1%	5.0%	10.8%
New Zealand ex Auckland	2390	0.2%	1.4%	11.1%	7.7%
Auckland Region	2881	-0.7%	-1.0%	1.8%	12.9%
Rodney	2858	-1.5%	-2.1%	7.2%	11.6%
North Shore	2980	0.9%	0.4%	1.5%	13.2%
Waitakere	3076	-0.2%	0.0%	2.6%	14.0%
Auckland City	2762	-1.0%	-1.8%	1.5%	12.5%
Manukau	3019	-1.5%	-0.5%	0.8%	13.6%
Papakura	2960	-1.4%	-3.8%	1.3%	13.1%
Franklin	3068	-2.3%	-1.4%	6.3%	11.2%
Other North Island					
Whangarei	2535	0.8%	2.5%	15.8%	9.1%
Hamilton	2693	-1.9%	-1.0%	2.9%	10.0%
Tauranga	2474	0.8%	1.1%	8.3%	11.0%
Rotorua	2584	-1.4%	3.4%	18.8%	9.7%
Hastings	2283	3.9%	4.8%	21.1%	8.5%
Napier	2084	-2.1%	4.4%	15.3%	8.2%
New Plymouth	2616	1.3%	3.0%	9.1%	5.3%
Palmerston North	2172	-1.5%	0.8%	13.1%	5.3%
Wellington Region	2292	0.2%	0.8%	15.1%	7.8%
Porirua	2304	3.9%	0.0%	18.2%	8.3%
Upper Hutt	2462	-1.5%	0.5%	17.1%	7.8%
Lower Hutt	2426	-2.3%	1.6%	17.8%	7.8%
Wellington City	2193	-0.2%	-0.3%	12.6%	7.6%
South Island					
Nelson	1991	3.6%	3.7%	15.9%	7.9%
Christchurch	2361	-0.6%	-0.9%	1.9%	5.1%
Queenstown	2286	1.1%	1.7%	16.8%	11.5%
Dunedin	2514	0.7%	2.9%	17.3%	6.8%
Invercargill	2211	2.5%	2.5%	9.1%	4.3%

Source: REINZ

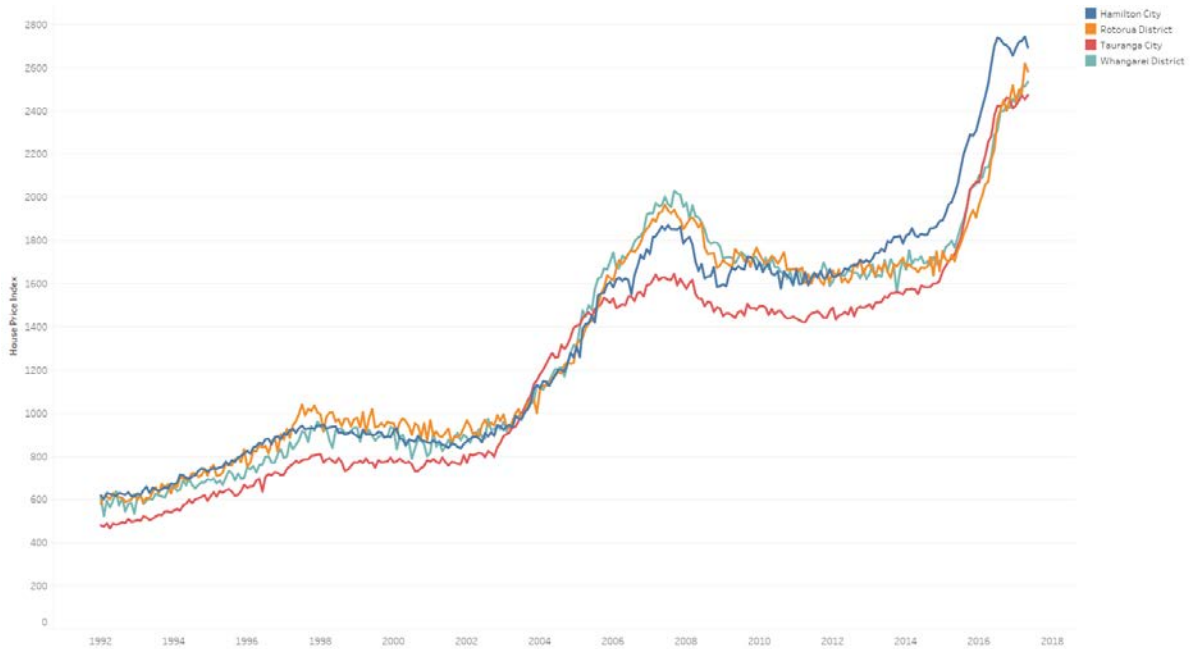
* = Compound Annual Growth Rate



AUCKLAND COUNCILS HOUSE PRICE INDICIES

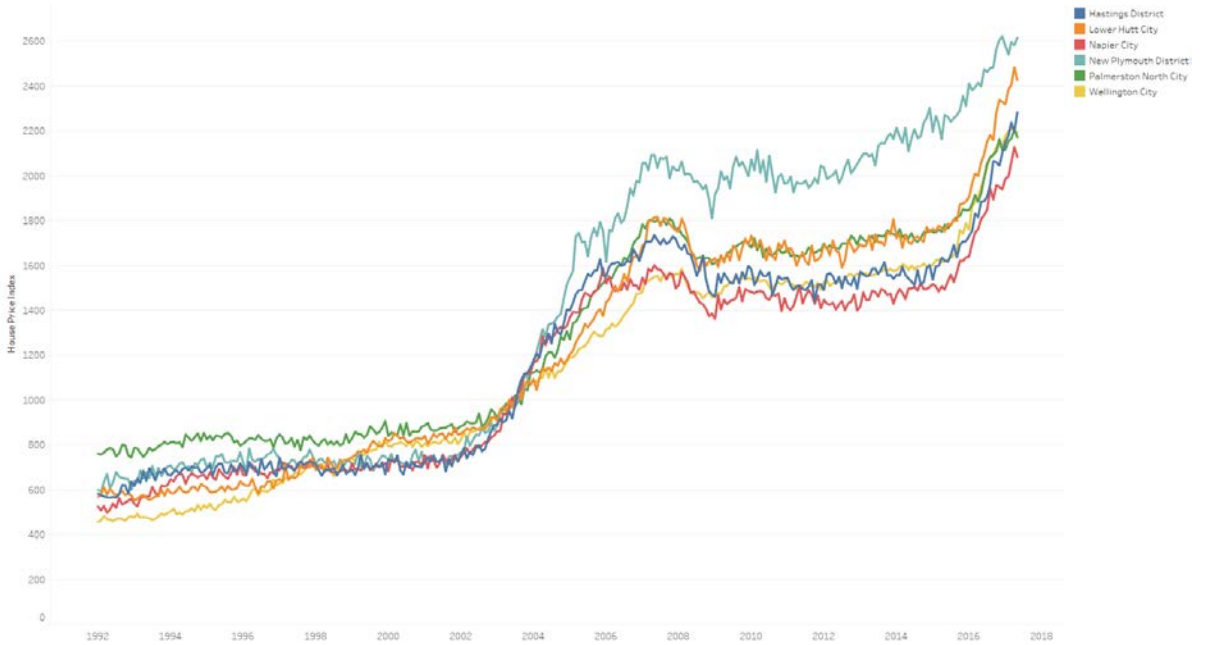


UPPER NORTH ISLAND (EX-AUCKLAND) COUNCIL HOUSE PRICE INDICIES

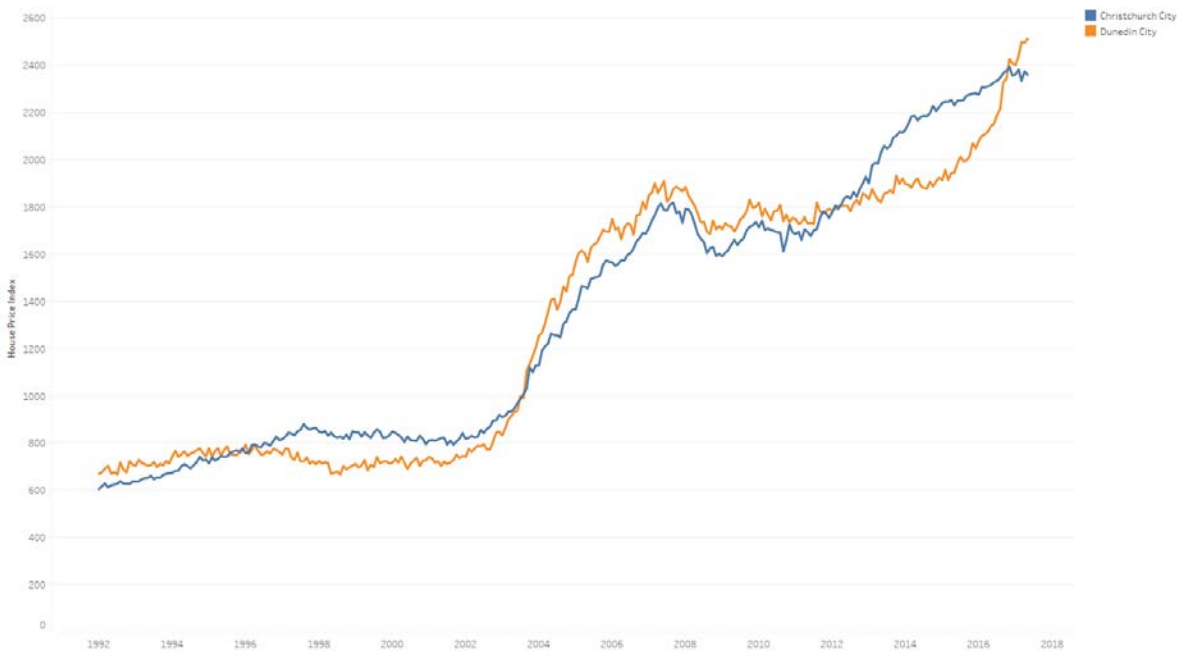




LOWER NORTH ISLAND COUNCIL HOUSE PRICE INDICIES

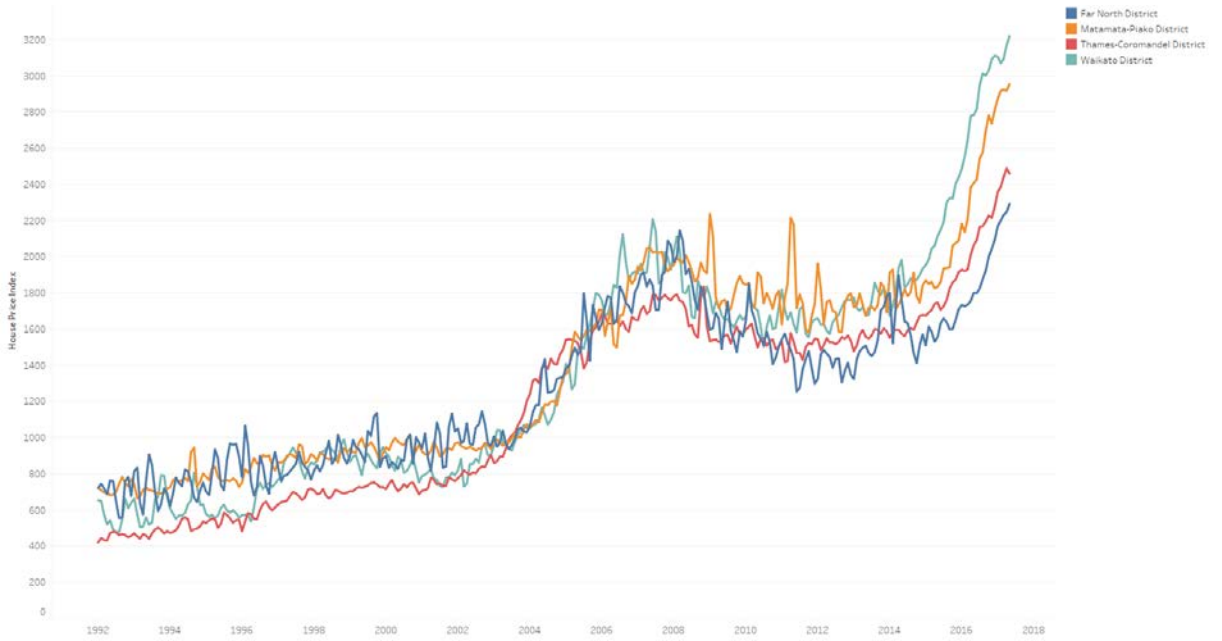


SOUTH ISLAND COUNCIL HOUSE PRICE INDICIES

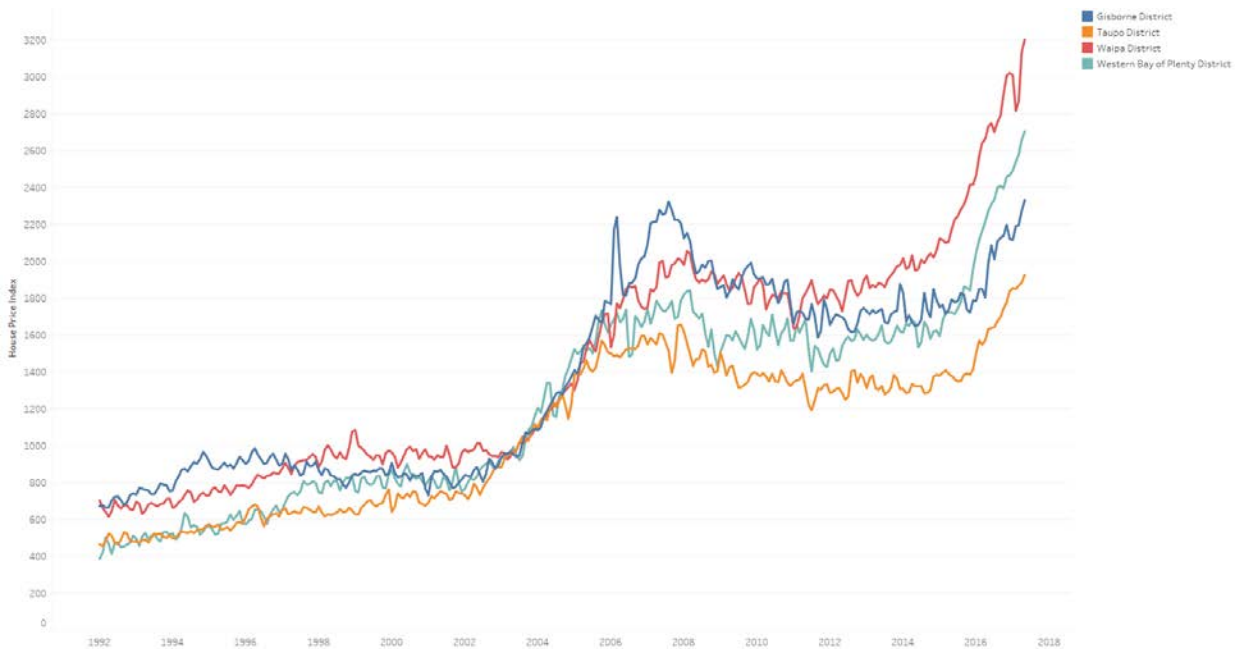




UPPER NORTH ISLAND (EX-AUCKLAND) COUNCIL HOUSE PRICE INDICIES

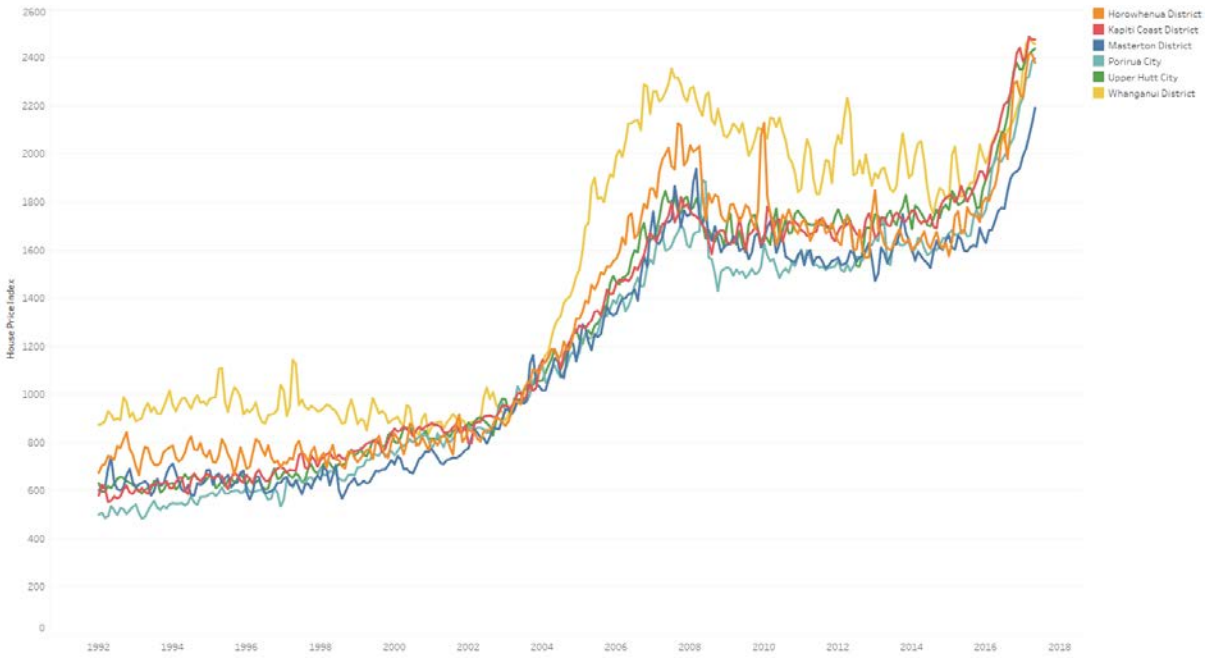


MID NORTH ISLAND COUNCIL HOUSE PRICE INDICIES

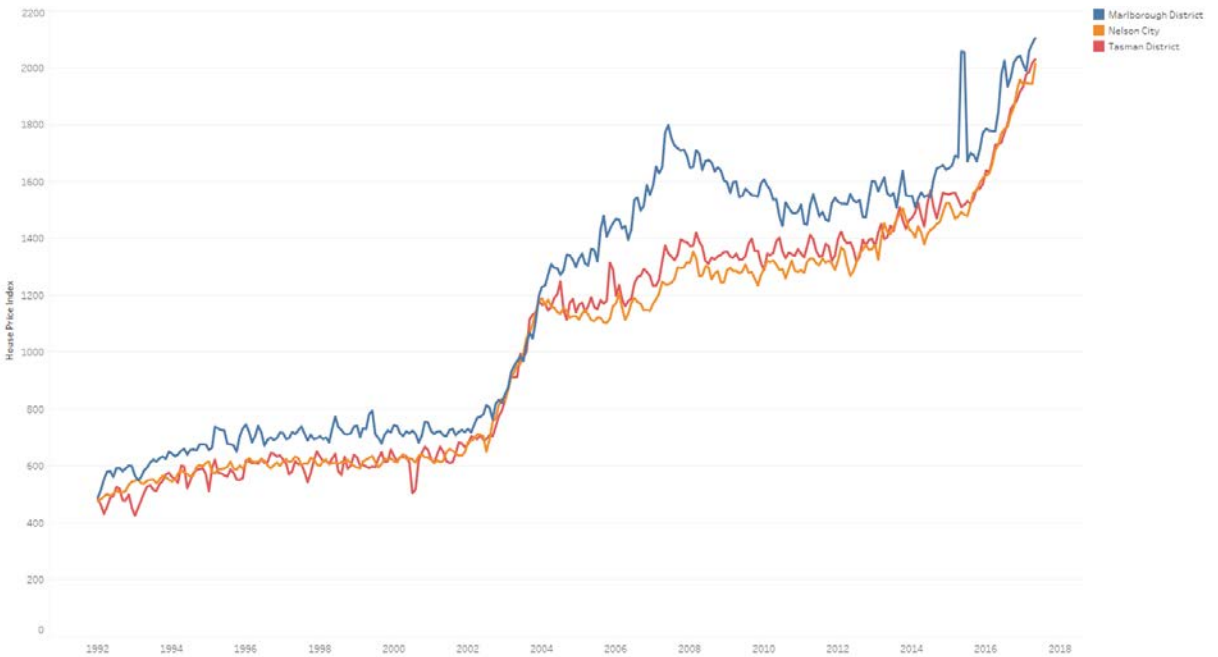




LOWER NORTH ISLAND COUNCIL HOUSE PRICE INDICIES

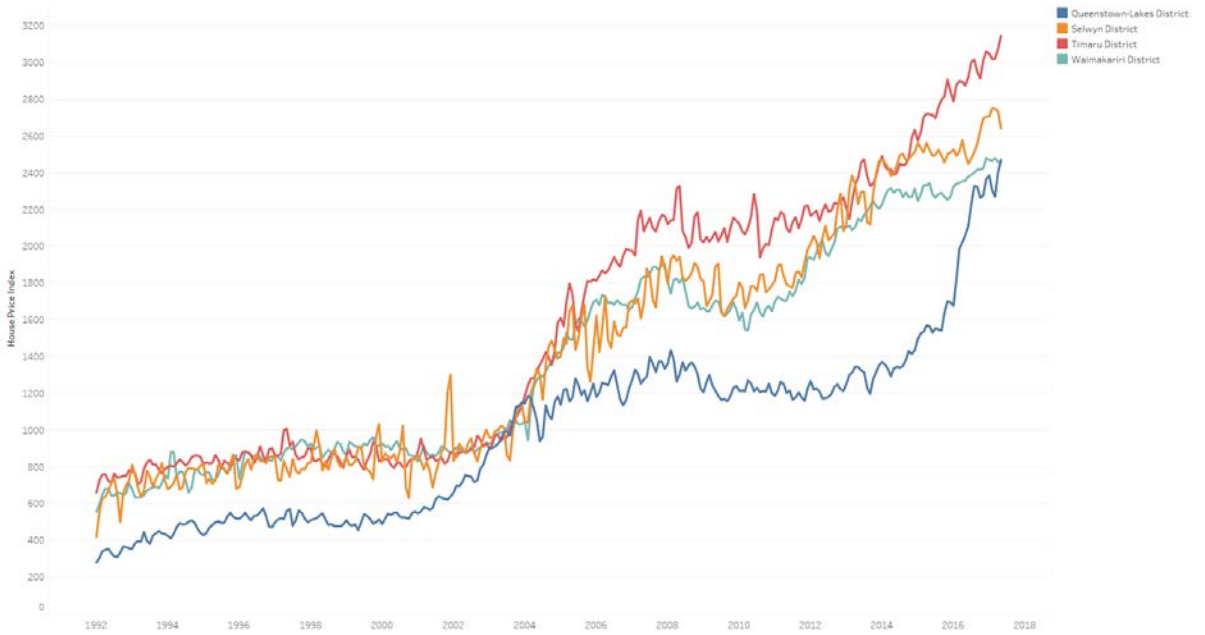


UPPER SOUTH ISLAND COUNCIL HOUSE PRICE INDICIES



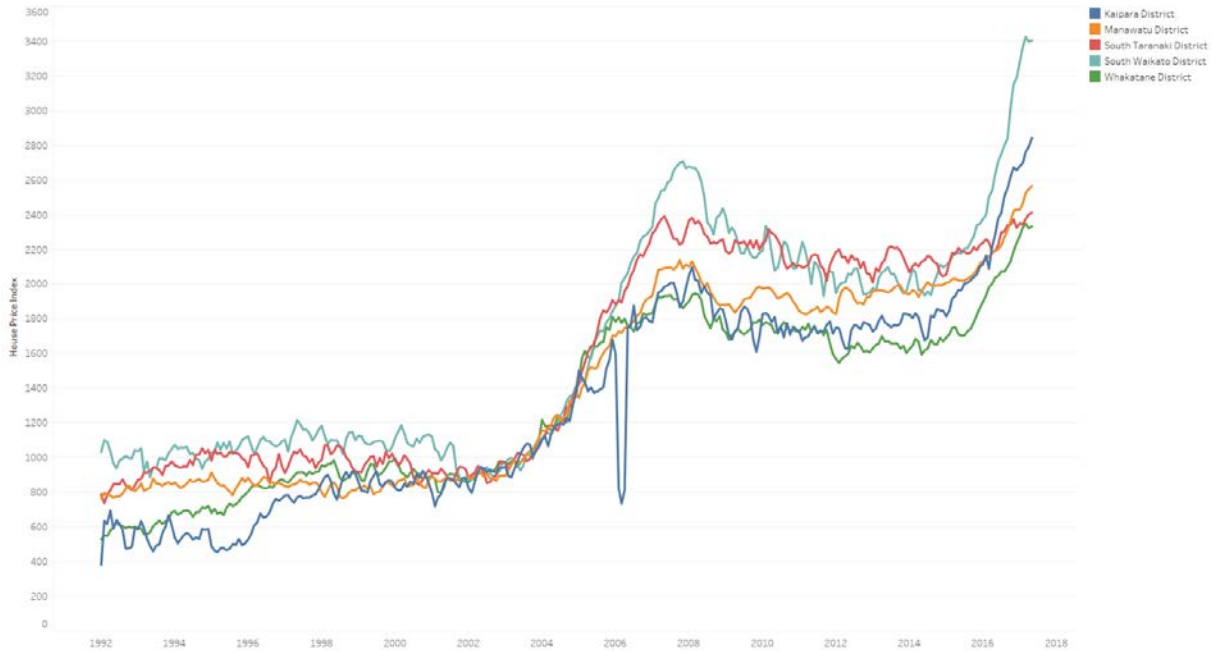


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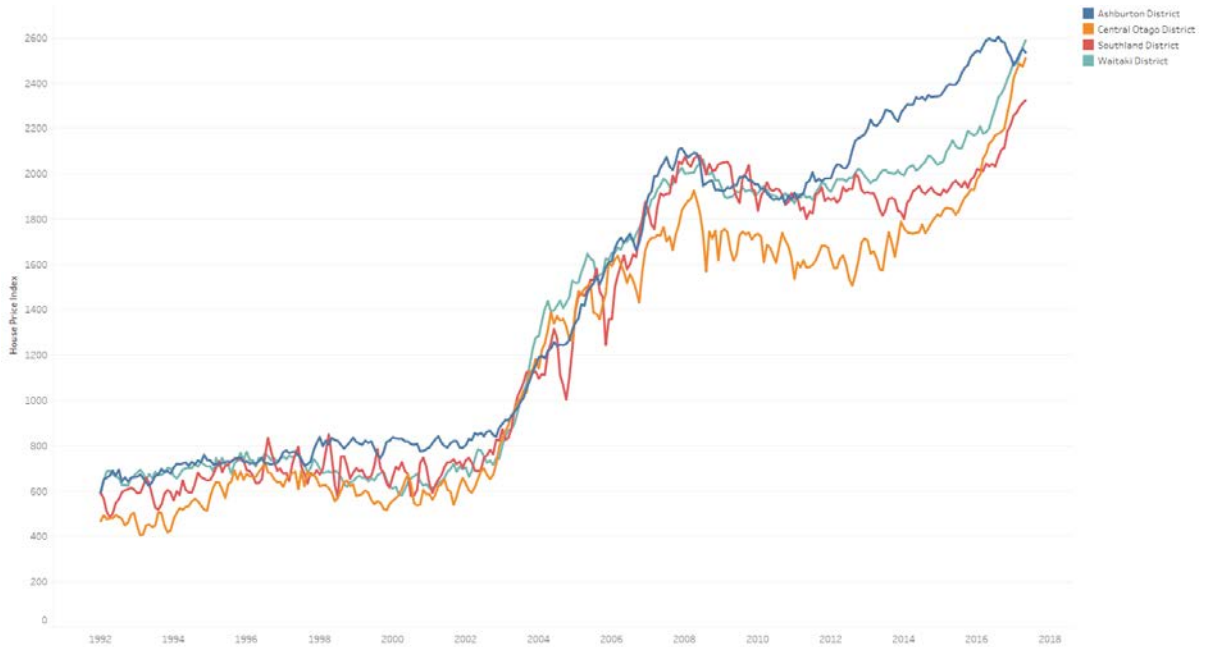




NORTH ISLAND COUNCIL HOUSE PRICE INDICIES

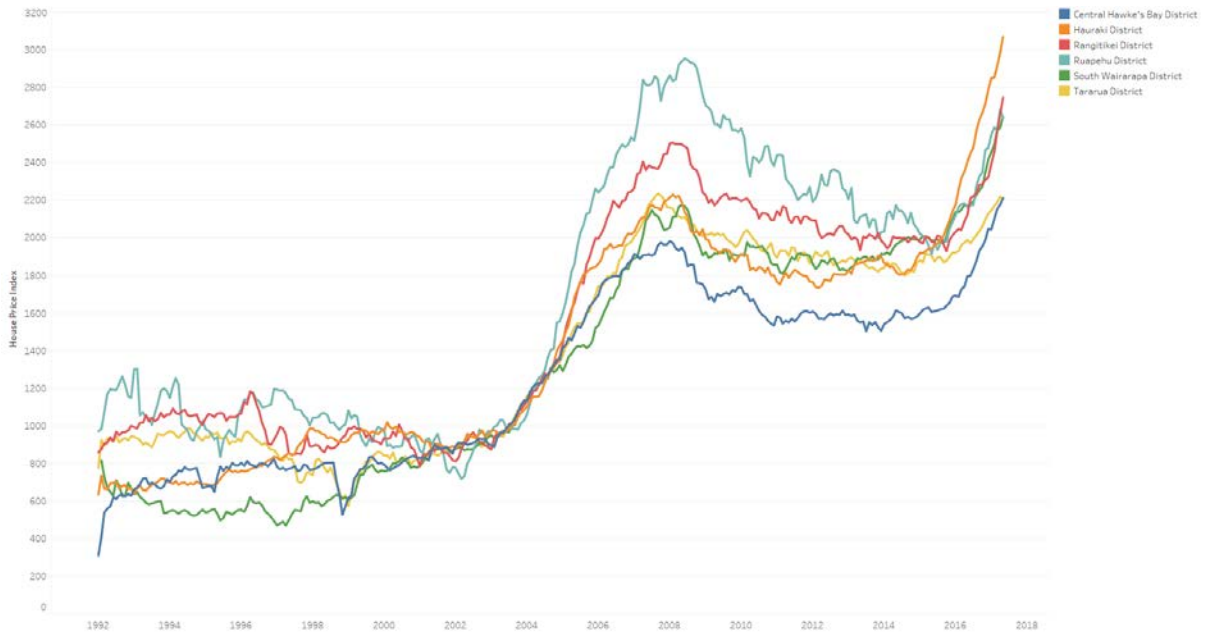


SOUTH ISLAND COUNCIL HOUSE PRICE INDICIES

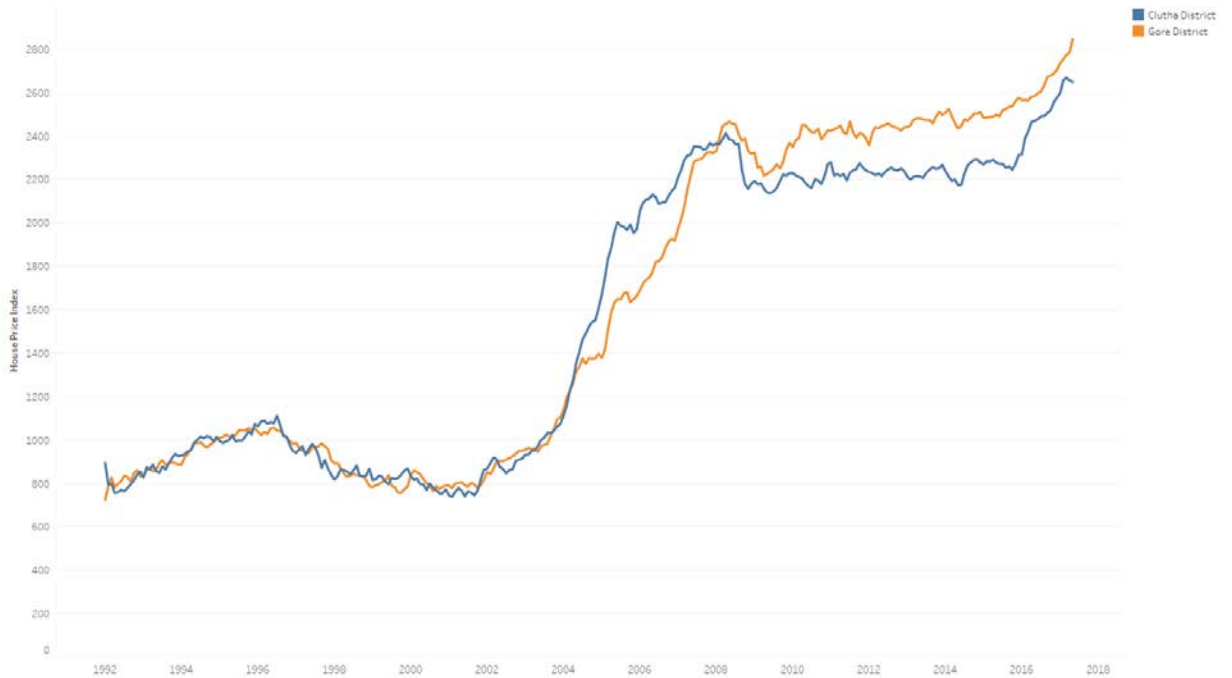




NORTH ISLAND SIX MONTH ROLLING COUNCILS



SOUTH ISLAND SIX MONTH ROLLING COUNCILS



TERRITORIAL AUTHORITY HPI VALUES

Council	Calculated	HPI	Council	Calculated	HPI
Ashburton District	3 month rolling	2534	Otorohanga District	6 month rolling	2736
Auckland City	Actual Month	2762	Palmerston North City	Actual Month	2172
Buller District	6 month rolling	2366	Papakura District	2 month rolling	2907
Carterton District	6 month rolling	2534	Porirua City	2 month rolling	2397
Central Hawke's Bay District	6 month rolling	2211	Queenstown-Lakes District	2 month rolling	2471
Central Otago District	3 month rolling	2510	Rangitikei District	6 month rolling	2746
Christchurch City	Actual Month	2361	Rodney District	Actual Month	2858
Clutha District	6 month rolling	2650	Rotorua District	Actual Month	2584
Dunedin City	Actual Month	2514	Ruapehu District	6 month rolling	2634
Far North District	2 month rolling	2293	Selwyn District	2 month rolling	2641
Franklin District	2 month rolling	2906	South Taranaki District	3 month rolling	2412
Gisborne District	2 month rolling	2333	South Waikato District	3 month rolling	3403
Gore District	6 month rolling	2847	South Wairarapa District	6 month rolling	2644
Grey District	6 month rolling	2269	Southland District	3 month rolling	2323
Hamilton City	Actual Month	2693	Stratford District	6 month rolling	3033
Hastings District	Actual Month	2283	Tararua District	6 month rolling	2204
Hauraki District	6 month rolling	3069	Tasman District	2 month rolling	2031
Horowhenua District	2 month rolling	2379	Taupo District	2 month rolling	1929
Hurunui District	6 month rolling	2785	Tauranga City	Actual Month	2474
Invercargill City	Actual Month	2211	Thames-Coromandel District	2 month rolling	2459
Kaikoura District	3 month rolling	1964	Timaru District	2 month rolling	3146
Kaipara District	2 month rolling	2808	Upper Hutt City	2 month rolling	2438
Kapiti Coast District	Actual Month	2516	Waikato District	2 month rolling	3220
Kawerau District	3 month rolling	3125	Waimakariri District	2 month rolling	2453
Lower Hutt City	Actual Month	2426	Waimate District	6 month rolling	3167
Mackenzie District	6 month rolling	4810	Waipa District	2 month rolling	3205
Manawatu District	3 month rolling	2565	Wairoa District	6 month rolling	1993
Manukau City	Actual Month	3019	Waitakere City	Actual Month	3076
Marlborough District	2 month rolling	2105	Waitaki District	3 month rolling	2589
Masterton District	2 month rolling	2192	Waitomo District	6 month rolling	2358
Matamata-Piako District	2 month rolling	2955	Wellington City	Actual Month	2193
Napier City	Actual Month	2084	Western Bay of Plenty District	2 month rolling	2706
Nelson City	2 month rolling	2014	Westland District	6 month rolling	2755
New Plymouth District	Actual Month	2616	Whakatane District	3 month rolling	2332
North Shore City	Actual Month	2980	Whanganui District	2 month rolling	2456
Opotiki District	6 month rolling	2687	Whangarei District	Actual Month	2535