



**15 November 2017**

**For immediate release**

### **Prices rise in every region in New Zealand bar Auckland and Nelson – leading to record price for NZ ex Auckland**

Prices rose in 14 of New Zealand's 16 regions for the year to October, leading to the median house price for New Zealand, excluding Auckland, to reach a record price of \$440,000 (an 8.5% increase), according to the latest data from the Real Estate Institute of New Zealand (REINZ) – source of the most complete and accurate real estate data in New Zealand.

Contributing to the increase were record prices in four regions:

- Waikato – up 9.9% to \$500,000
- Manawatu/Wanganui – up 11.5% to \$290,000
- Canterbury – up 4.7% to \$450,000
- Otago – up 14.4% to \$412,000.

Nationally, the median price rose by 3.9% year on year to \$530,000. However, median prices in Auckland fell by 3.2% year on year to \$850,000 – the biggest fall since December 2010. The only other region across the country to experience a fall in the median price year-on-year, was Nelson, which saw a decrease of 6.8% to \$447,500 – the biggest drop since April 2012.

Bindi Norwell, CEO at REINZ says: "As we've seen for some months now, prices across the country have continued to increase, albeit at a slower rate than the increases we've seen in some regions for the last couple of years. Waikato is now the sixth region in the country to have exceeded the half a million dollar mark at least once – something, that a few months ago, we predicted would happen shortly.

"The Auckland Region's decrease of 3.2% year-on-year is predominantly the result of a large number of apartments being sold in the old Auckland City boundary which has therefore brought the median price down for the entire region. Auckland City's median fell by 17% to \$850,000 the lowest price it's been for 16 months. Interestingly, Franklin District prices increased 16% year-on-year to \$737,000 and North Shore City remains New Zealand's only million-dollar plus city," she continues.

"Looking at the REINZ House Price Index (HPI) for the legacy Auckland City it only decreased 0.8% year-on-year, whereas the median for the same period fell by 17%, highlighting that the drop in median price is not as dramatic as a first glance would suggest. This is because the HPI considers the mix and value of the property sold, not just the sales price," points out Norwell.

**Volumes still down, but showing signs of life**

The number of properties sold across New Zealand was down 16% year-on-year to 5,689. Volumes for New Zealand, excluding Auckland, were down 14% year-on-year to 4,057 and Auckland's sales count was down 21% to 1,632.

Other regions with the biggest drop in volumes year-on-year were:

- West Coast – down 31%
- Manawatu/Wanganui – down 24%
- Northland – down 21%
- Bay of Plenty – down 21%.

“For the last three months, not a single region in New Zealand experienced an increase in sales volumes year-on-year, however, this month we've seen two regions Gisborne and Southland with an increase (up 8% and 1% respectively) suggesting that we're starting to see the traditional spring increase finally kick in. This picture is even more apparent on a month-on-month basis, as 8 out of 16 (or half) of the regions across New Zealand experienced an increase in volumes. On a month-on-month basis, volumes were up 45% in Marlborough, up 18% in Wellington and up 7% in Nelson,” point out Norwell.

“However, it's clear that the volume of properties sold across the country is still significantly lower than it was this time last year. Therefore, we welcome the Reserve Bank's comments last week that they will make an announcement later this month around reviewing the restrictions and the criteria that they would adopt for the removal of LVRs. This data is evidence that the LVR restrictions have done their job of slowing the market, which is why REINZ has repeatedly called for LVRs to be reviewed for first time buyers,” continues Norwell.

### **REINZ House Price Index**

The REINZ House Price Index for New Zealand increased 0.2% month-on-month to reach an all-time high of 2,708 during October indicating that the ratio of sales prices when compared to CVs is at its highest point since the Index began. The same is true for New Zealand, excluding Auckland, with a record high of 2,445.

The REINZ HPI also showed that seven regions (Bay of Plenty, Gisborne/Hawke's Bay, Manawatu/Wanganui, Taranaki, Tasman/Nelson/Marlborough/West Coast, Otago and Southland) all reached new highs during October indicating strong value growth across most of the country. Only 3 regions saw a decrease in the Index month-on-month – Northland down 0.7%, Waikato down 0.8% and Canterbury down 0.2%.

Regions with the highest growth year-on-year were Gisborne/Hawke's Bay (up 15.5% to 2,330), Tasman/Nelson/Marlborough/West Coast (up 11.2% to 2114) and Southland (up 11.3% to 2365).

### **Days to sell**

The median number of days to sell a property nationally increased by 2 days (from 32 to 34) when compared to October 2016.

Regionally, Northland saw the biggest increase in the number of days to sell (up 10 days to 49), followed by Marlborough (up 9 days to 32), Nelson (up 6 days to 29) and Waikato (up 5 days to 36).

Regions with the biggest decreases year-on-year included the West Coast (down 69 days to 62 – the lowest figure for the month of October for 7 years), Taranaki (down 11 days to 28) and Southland (down 2 days to 28).

## **Auctions**

The number of properties sold by auction continues to decline across New Zealand with 869 auction sales in October – down 42% on the same time last year, but up 4% from last month. Auctions now represent 15% of all sales nationally.

In Auckland, which traditionally sees a large portion of sales sold by auction, 464 (28%) of all properties sold in October were via auction – this is a decrease of 44% in comparison to October 2016 but an increase of 8% month-on-month indicating a return of positivity to the Auckland market.

Other regions that saw an increase in the number of properties auctioned month-on-month were Canterbury, Marlborough, Northland and Waikato.

## **Inventory**

The number of properties available for sale nationally increased by 4% (from 23,385 to 24,307) compared to 12 months ago, whereas the number of properties for sale in the Auckland region increased by 17% year-on-year (from 7,214 to 8,465). Excluding Auckland, the number of properties for sale fell by 2% (from 16,172 to 15,843) highlighting the impact Auckland has on the overall picture.

In addition to Auckland, four other regions experienced an increase in inventory – Waikato (19%), Wellington (15%), Nelson (20%) and Canterbury (9%). The regions with the biggest decrease in inventory were Gisborne (25%), West Coast (19%) and Marlborough (15%).

## **Price Bands**

Between October 2016 and October 2017, the number of homes sold fell in every price bracket. The number of properties sold for more than \$1million fell by 25% from 974 to 726 to equal 13% of all dwellings sold.

The number of dwellings sold for less than \$500,000 fell by 19% from 3,292 to 2,676 representing 47% of all homes sold across the country. However, month-on-month the number of sub \$500,000 homes sold increased by 1%.

“With October bringing temperatures well above average for most of the country combined with more certainty in the market following the coalition announcement, the combined effect has had a positive impact on the property market. One could say that the market has returned to its usual spring state now,” concludes Norwell.

## **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>Median house price year-on-year</b>	National	\$530,000 - up from \$510,000 + 3.9% year-on-year
	National ex Auckland	\$440,000 - up from \$405,500 + 8.5% year-on-year
	Auckland	\$850,000 - down from \$878,500 -3.2% year-on-year
<b>Seasonally adjusted median house price</b>	National	Up 1.2%, up 3.3% on October 2016
	National ex Auckland	Up 0.9%, up 8.5% on October 2016
	Auckland	Up 0.8%, down 3.2% on October 2016
<b>Median house price month-on-month</b>	National	\$530,000 - up from \$525,000 + 1.0% since last month
	National ex-Auckland	\$440,000 - up from \$430,000 + 2.3% since last month
	Auckland	\$850,000 - up from \$848,000 + 0.2% since last month
<b>Median days to sell</b>	National	34 - 2 days longer than same month last year
	National ex-Auckland	32 - 1 day longer than same month last year
	Auckland	37 - 2 days longer than same month last year
<b>REINZ House Price Index</b>	National	2708 - up from 2666 + 1.6% year-on-year
	National ex-Auckland	2445 - up from 2296 + 6.5% year-on-year
	Auckland	2899 - down from 2935 - 1.2% year-on-year

#### PRICE DISTRIBUTION BREAKDOWN

	October 2016		October 2017	
<b>\$1 million plus</b>	974	14.4%	728	12.8%
<b>\$750,000 to \$999,999</b>	1,643	24.3%	773	13.6%
<b>\$500,000 to \$749,999</b>	850	12.6%	1,567	27.5%
<b>Under \$500,000</b>	3,292	48.7%	2,623	46.1%
<b>All Properties Sold</b>	<b>6,759</b>	<b>100.0%</b>	<b>5,689</b>	<b>100.0%</b>

 **SEASONALLY ADJUSTED SALES VOLUMES**

	COMPARED TO SEPTEMBER		COMPARED TO OCTOBER 2016	
	Volume Change	Seasonally Adjusted Change	Volume Change	Seasonally Adjusted Change
New Zealand	0.8%	1.5%	-15.8%	-17.3%
NZ ex Akl	1.5%	-0.7%	-13.8%	-15.8%
Northland	-9.3%	-4.5%	-20.7%	-21.9%
Auckland	-0.9%	4.3%	-20.6%	-22.2%
Waikato	3.1%	3.4%	-14.6%	-17.6%
Bay of Plenty	-5.2%	-7.3%	-20.5%	-23.7%
Gisborne	-13.3%	2.0%	8.3%	-0.0%
Hawke's Bay	2.9%	1.6%	-4.9%	-9.4%
Manawatu/Wanganui	-8.2%	-6.4%	-23.8%	-24.9%
Taranaki	2.4%	-5.0%	-2.3%	-7.6%
Wellington	18.3%	7.0%	-8.6%	-10.8%
Nelson/Marlborough/Tasman	24.9%	5.7%	-10.0%	-13.8%
Canterbury	-2.8%	-2.6%	-8.9%	-10.3%
West Coast	-17.1%	-3.5%	-31.0%	-30.8%
Otago	-5.6%	-16.3%	-25.7%	-28.7%
Southland	4.3%	-3.6%	0.7%	-1.5%

 **SEASONALLY ADJUSTED MEDIAN PRICE**

	COMPARED TO SEPTEMBER		COMPARED TO OCTOBER 2016	
	Median Change	Seasonally Adjusted Change	Median Change	Seasonally Adjusted Change
New Zealand	0.0%	1.2%	3.9%	3.3%
NZ ex Akl	2.3%	0.9%	8.5%	8.5%
Northland	-7.8%	-7.4%	4.1%	4.6%
Auckland	0.2%	0.8%	-3.2%	-3.2%
Waikato	4.2%	3.4%	9.9%	10.2%
Bay of Plenty	-5.0%	-2.6%	4.0%	4.9%
Gisborne	14.8%	6.1%	17.9%	22.9%
Hawke's Bay	2.0%	-0.2%	18.7%	17.5%
Manawatu/Wanganui	7.4%	3.4%	11.5%	12.4%
Taranaki	-2.8%	1.6%	13.6%	12.1%
Wellington	-5.4%	-3.1%	6.3%	7.3%
Nelson/Marlborough/Tasman	-4.4%	-3.9%	-0.9%	0.0%
Canterbury	4.0%	4.0%	4.7%	4.0%
West Coast	12.7%	26.8%	23.7%	21.4%
Otago	3.6%	2.3%	14.4%	14.2%
Southland	5.9%	3.3%	1.7%	2.3%

House Price Index	Index Level	1 Month	3 Months	1 Year	5 Year*	From Peak
New Zealand	2708	0.2%	1.6%	1.6%	10.2%	New High
NZ excl. Auckland	2445	0.3%	2.0%	6.5%	8.1%	New High
Northland	2561	-0.7%	0.8%	9.8%	9.3%	-0.7%
Auckland	2899	0.2%	1.3%	-1.2%	11.5%	-2.0%
Waikato	2639	-0.8%	0.7%	6.5%	10.0%	-0.8%
Bay of Plenty	2533	0.8%	1.4%	5.0%	10.6%	New High
Gisborne/Hawke's Bay	2330	1.7%	5.8%	15.5%	9.1%	New High
Manawatu-Wanganui	2424	0.6%	2.5%	10.7%	6.3%	New High
Taranaki	2737	3.2%	3.9%	6.4%	6.3%	New High
Wellington	2385	0.0%	3.8%	9.5%	8.1%	0.0%
Tasman/Nelson/Marlborough/West Coast	2114	0.7%	4.6%	11.2%	7.0%	New High
Canterbury	2396	-0.2%	-0.1%	-1.7%	4.2%	-2.5%
Otago	2494	1.5%	2.2%	10.5%	12.9%	New High
Southland	2365	1.2%	3.5%	11.3%	4.8%	New High

Source: REINZ

\* = Compound Growth Rate