



STRONG END TO 2017, WITH HOUSE PRICES UP 5% IN DECEMBER

Median house prices across New Zealand rose by 5.8% year-on-year to \$550,000 – up from \$520,000 in December 2016 and median prices for New Zealand excluding Auckland increased by 6.6% to \$450,000 (up from \$422,000 in December 16) according to the latest data from the Real Estate Institute of New Zealand (REINZ).

13 out of 16 regions saw prices increase in December, with three of those regions experiencing record prices:

- Waikato – up 11.7% year-on-year to \$525,000 (a \$35,000 increase since November 17 and a \$55,000 increase since December 16)
- Bay of Plenty – up 20.4% year-on-year to \$598,000 (a \$23,000 increase since November 17 and a \$101,500 increase since December 16)
- Wellington – up 4.7% to \$560,000 (a \$10,000 increase since November 17 and a \$25,000 increase since December 16).

Three regions saw a price decrease year-on-year:

- Marlborough (down 2.1% to \$372,000)
- West Coast (down 1.6% to \$185,000)
- Canterbury (down 0.7% to \$439,000)

Volumes Still Struggling

The number of properties sold in December across New Zealand decreased by 10.1% to 5,903

Auckland volumes decreased by 6.4% to 1,693 and Nelson was the only region to experience an increase year-on-year with 76 sales compared with 71 sales in December 2016.

Regions with the biggest decrease were:

- Gisborne – a decrease of 30.6%
- Northland – a decrease of 23.4%
- Southland – a decrease of 21.4%
- West Coast - a decrease of 20.6%

December represented a continuation of the theme seen throughout 2017, whereby the number of properties sold across New Zealand decreased every month when compared with the same month in 2016.

It's a tough comparison, because 2015 and 2016 were very strong years for the industry, and set quite a high bar, so any comparison was always going to be more moderate beside these earlier years.

**NATIONAL
MEDIAN
DAYS TO SELL**

32

Days To sell

The median number of days to sell a property nationally increased by 1 day (from 31 to 32) when compared to December 2016.

Regionally, West Coast saw the biggest increase in the number of days to sell (up 26 days to 189), followed by Taranaki (up 9 days to 36), Nelson (up 8 days to 29) and Tasman (up 7 days to 30).

Regions with the biggest decreases included Gisborne and Southland (both down 3 days to 28 days) and Hawke's Bay (down 2 days to 27).

Inventory

The number of properties available for sale nationally increased by 9.3% (from 22,521 to 24,610) compared to 12 months ago, and for New Zealand excluding Auckland, the number of properties available for sale increased by 2.1% (from 15,784 to 16,113).

Regions with the largest increase in the number of properties for sale were Auckland (up 26.1%), Wellington (up 21.0%) and Canterbury (up 18.6%). Regions with the biggest decrease in the number of properties available for sale were Taranaki (-17.7%), Hawke's Bay (-14.9%) and West Coast (-12.2%).

Even though Wellington saw one of the biggest increases in inventory, there is still only 7 weeks inventory left, the least in the country which is a pattern the region has been experiencing for some time now. Additionally, the Hawke's Bay only has 9 weeks' inventory available, highlighting the popularity in these areas.

December 2017 Price Breakdown		
Under \$500,000	2,577	43.7%
\$500,000 - \$749,999	1,656	28.1%
\$750,000 - \$999,999	837	14.2%
\$1,000,000 Plus	833	14.1%
Total	5,903	100.0%

Auctions

In December, auctions represented 14% of all properties sold in New Zealand, down from 18% in December 2016. This represents 827 properties sold under the hammer, down from 1,154 properties in December 2016.

Price Bands

In the past 12 months the number of homes sold fell in every price bracket except for the \$2million to \$2.99million category which increased by 4.3%. During December, 96 properties were sold for between \$2million - \$2.99million, up from 92 properties in December 2016. The number of dwellings sold for less than \$500,000 in December 2017 fell by 18% compared to December 2016 from 3,148 to 2,577 representing 43.7% of all homes sold across the country. Only 560 properties across the country sold for less than \$250,000. This was the lowest number of properties in this bracket on record, showing how price increases are impacting across the regions.

Source: REINZ.co.nz

TOP QUESTIONS TO ASK AN AGENT AT AN OPEN INSPECTION FOR SALE

2018 - HELPING YOU BUY YOUR DREAM HOME

It's a new year and a fresh start for many who are choosing to purchase a new home. Spring and summer bring the warmer weather and are the most popular months to sell a home! Many more properties will be on the market looking for a new homeowner and one of these might be just the perfect fit for you. If you are looking to buy, be prepared, and know the questions you should be asking at the open home to start off on the right foot!



1. Why is the vendor selling?

The more informed you are as a buyer, the greater your ability to make an educated decision about pursuing the property. A homeowner may have many reasons to sell, but you want to ascertain these reasons aren't based too heavily on the property itself. The more you know about the vendor's mindset, the greater chance you have of making a winning offer.

2. Why is the price what it is? Do you have a recent comparable sales report?

This will give you a rough idea of how the price guide came to be. A Comparable Sales Report will clarify, and hopefully eliminate, the question marks you may have regarding what the reasonable person should pay. It may also help you justify those painful, but necessary, mortgage repayments!

3. How long has the property been on the market?

This question is a frontrunner come negotiation time. It puts in perspective the degree of urgency a vendor might have to sell. Scouting a property that has been on the market for months on end works in your favour when it comes to negotiating. The longer a property has been on the market, the more desperate the vendor is to sell, and the greater the advantage you have when negotiating a price!

4. Are there any offers on the property?

Having knowledge on whether any offers have been made on the property gives you a clear indication if the home is reasonably priced for the quality it boasts and the lifestyle it offers. It also influences your decision to make an offer and at what stage in the marketing campaign to do so. Keep in mind the possibility of receiving several offers will push up the price of the property.

5. Are there any surrounding amenities and infrastructure?

The response to this question may be the make or break of your decision as a buyer, depending on what complements your lifestyle. If you're a religious user of public transport, or have a young family, it may be important that you're in close proximity to public transport hubs, childcares and schools.

6. Are there any known issues with the property?

It is important that you are made fully aware of any structural issues, faults and defects in the property. During the open inspection, be on the lookout for subtle (but expensive) faults and flaws like mould, any sign of termites and any faults in tiling finishes. Not only will this potentially cost you large sums of money in the future, but it also helps determine the price versus value component of purchasing property.

7. Are there currently similar properties for sale on the market?

This asserts your position as a genuine buyer who is serious about pursuing 'The' property. It also a valuable way of developing a lasting relationship with the agent, and may even score you a home more suited to your preferences and lifestyle.

8. Will the owner consider selling prior to auction?

Although many properties are advertised to go to Auction, many of them are sold before the Auction date. Always make sure to ask if the owner is willing to sell prior to Auction. If they are, it is best to make an offer based on the information you have gathered on the property and the owner through all the previous questions you have asked.

Happy New Year! We are here to assist you throughout 2018 and beyond with any and all questions you may have.



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