



LOWEST NUMBER OF PROPERTIES SOLD IN DECEMBER FOR 7 YEARS

The 2018 year ended with a fizz rather than a bang, with the lowest number of residential properties sold for the month of December for 7 years, according to the latest data from the Real Estate Institute of New Zealand (REINZ).

In December 2018, the number of houses sold across New Zealand decreased by -12.9% year-on-year to 5,330, down from 6,117 – 787 fewer houses.

For New Zealand excluding Auckland, the number of properties sold decreased by -8.2% when compared to December 2017, from 4,352 down to 3,994 – 358 fewer houses and the lowest for the month of December in 5 years.

In Auckland, the number of properties sold decreased by -24.3% year-on-year and was the lowest for the month of December in 10 years.

Regions with the largest annual fall in volumes were:

- Auckland: -24.3% (from 1,765 to 1,336 – 429 fewer houses)
- Taranaki: -23.0% (from 161 to 124 – 37 fewer houses) – the lowest for the month of December since December 2013
- Wellington: -16.2% (from 792 to 664 – 128 fewer houses)
- Otago: -14.6% (from 391 to 334 – 57 fewer houses)
- Southland: -13.4% (from 142 to 123 – 19 fewer houses) – the lowest since April 2017.

However, there were some regions that saw an annual increase in sales volumes during December including:

- West Coast: +42.9% (from 28 to 40 – an additional 12 houses)
- Tasman: +29.4% (from 51 to 66 – an additional 15 houses)
- Gisborne: +15.2% (from 46 to 53 – an additional 7 houses)
- Hawke's Bay: +7.2% (from 195 to 209 – an additional 14 houses).

December Breakdown - Number of properties sold:

• \$1million plus	• 687	• 12.9%
• \$750,000 to \$999,999	• 834	• 15.6%
• \$500,000 to \$749,999	• 1,596	• 29.9%
• Under \$500,000	• 2,213	• 41.5%
• All Properties Sold	• 5,330	• 100%

December saw the national median increase by 1.5% from \$551,750 in December 2017 to \$560,000 in December 2018. Prices for New Zealand excluding Auckland increased by 6.4% to \$480,000 up from \$451,000 in December 2017.

In Auckland, prices rose by 0.2% to \$862,000 up from \$860,000 in December 2017.

Only one region experienced a record median price – the Bay of Plenty with a 2.0% increase taking the median to \$610,000 up from \$598,000 in December 2017.

Days To Sell

The median number of days to sell a property nationally increased by 3 days from 32 to 35 when compared to December last year.

For New Zealand excluding Auckland, the median days to sell increased on an annual basis by 2 days from 31 to 33. Auckland saw the median number of days to sell a property increase by 5 days from 34 to 39 – the highest days to sell for the month of December since December 2001. For the sixth month in a row, Southland has the lowest days to sell of all regions at 23 days, down from 27 at the same time last year.

Inventory

The number of properties available for sale nationally decreased by -1.8% from 24,610 to 24,158 – a decrease of 452 properties compared to 12 months ago. This is the largest decrease in 5 months. December again saw 7 regions with an annual increase in inventory levels.

Regions with the largest increase were:

- Marlborough: +9.9% from 333 to 366 – an additional 33 properties
- Taranaki: +7.6% from 603 to 649 – an additional 46 properties
- Northland: +7.5% from 1,338 to 1,439 – an additional 101 properties.

Regions with the biggest falls in inventory were:

- Gisborne: -48.1% from 160 to 83 – 77 fewer properties
- Otago: -33.3% from 676 to 451 – 225 fewer properties
- Manawatu/Wanganui: -24.4% from 1,088 to 822 – 266 fewer properties.

Price Bands

The number of homes sold for less than \$500,000 across New Zealand fell from 43.5% of the market (2,663 properties) in December 2017 to 41.5% of the market (2,213 properties) in December 2018.

The number of properties sold in the \$500,000 to \$750,000 bracket increased from 28.3% in December 2017 (1,730 properties) to 29.9% in December 2018 (1,596 properties).

At the top end of the market, properties sold for more than \$1 million decreased from 13.9% in December 2017 (852 houses) to 12.9% in December 2018 (687 houses).

Auctions

Auctions were used in 11.0% of all sales across the country in December, with 584 properties selling under the hammer – this is down from the same time last year, when 13.7% of properties (836) were sold via auction. This is the lowest percentage of auctions for 11 months.

Source: REINZ.co.nz

ANTI MONEY LAUNDERING (AML) WHAT IT MEANS TO YOU



New Zealand is a target for money launderers. It is estimated that well over \$1 billion a year from drug dealing and fraud is laundered through New Zealand businesses.

From 1 January 2019 Real Estate agents will, among other things, be required to verify the identity of their clients in accordance with AML/CFT legislation. This is called Customer Due Diligence (CDD).

This means they are required to identify who their clients are (i.e. who they are acting for). This could be individuals, companies, trusts, or other client types like societies and government departments etc. This means asking for information to verify your full name, date of birth, and residential address. This can be done in several ways and they will ask to see identity documents like your Passport, Driver Licence, utility bill etc. In some cases, they have obligations to establish source of funds and wealth.

If your real estate agent cannot verify your identity in line with the legislation, they may not be able to act for you.

WHAT INFORMATION WILL THEY NEED TO GET? As a starting point, the following identity information must be obtained:

- the person's full name;
- the person's date of birth;
- if the person is not the client, the person's relationship to the client;
- any additional information prescribed by regulations.

SOURCE OF FUNDS/WEALTH In some cases the Real Estate agent will need to establish the source of the funds for the transaction (i.e. where the funds have actually come from) and source of wealth (i.e. how those funds got there in the first place and how was that money obtained)

DOCUMENTATION YOU MAY BE ASKED FOR The below gives an indication of some of the documents your real estate agent may ask you to present in person or as certified documents as part of this process:

INDIVIDUALS: Passport, NZ Firearms Licence or NZ Driver Licence with another document such as a bank statement or statement issued by a Government agency. You will also need to provide a document with your residential address (for example, a utility bill).

TRUSTS: The Trust Deed and, for trustees, and settlors, the information required for individuals as noted above, together with information regarding the Trust's source of funds or wealth. Additional information may also be required for beneficiaries. Information regarding source of funds or wealth may also be required.

COMPANIES: Details of the company, together with the information for individuals noted above for every individual with more than a 25% shareholding, all individuals with effective control of the company and all individuals acting on behalf of the company. Information regarding source of funds or wealth may also be required.

This is a major change for the industry, and we understand that some of these questions may seem quite intrusive, however all real estate agents in New Zealand have legal obligations to comply with the AML/CFT legislation and will be requesting more documents and information than they have in the past. Businesses are not doing this because they think you are laundering money – they are doing it, not only because it's law, but to help put an end to the over 1 billion dollars that is laundered through New Zealand every year. If you require any further information, please do not hesitate to contact your First National Agent.



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