



RECORD BREAKING HEAT SEES YEAR-ON-YEAR SALES VOLUMES

Record breaking heat sees year-on-year sales volumes lift for first time in 19 months

As the mercury rose during January to produce the hottest month on record, sales volumes across New Zealand rose when compared to the same time last year for the first time in 19 months according to the latest data from the Real Estate Institute of New Zealand (REINZ).

Regions with the biggest increase in sales count year-on-year were:

- Nelson – up 27.9% (78 compared to 61 in Jan 2017)
- Canterbury – up 18.1% (607 compared to 514 in Jan 2017)
- Tasman – 15.8% (44 compared to 38 in Jan 2017)
- Gisborne – up 12.5% (36 compared to 32 in Jan 2017)

The Institute said “January can often be a quiet month for the industry as people spend much of their time at the beach or the bach. However, clearly the warmer weather has helped sales, as it’s the first time we’ve seen a positive year-on-year sales increase in seven months.”

“There were some really positive figures from around the country, with 11 out of 16 regions experiencing an increase in sales when compared to the same time last year. Additionally, Gisborne saw the highest number of properties sold in the month of January since January 2007.”

House prices continue to be driven by strong regional growth

The median house price for New Zealand increased by 7.1% to \$520,000, up from \$485,500 in January 2017.

Auckland’s median price decreased by 1.2% to \$820,000 and West Coast, down 10.0% to \$135,000.

January also saw two regions experience record prices with Otago up 32.9% to \$475,000 and Hawkes Bay up 18.4% to \$438,000.

House prices across the country continue to hold up with 14 out of 16 regions experiencing a year- on-year price increase.

Days to sell

The median number of days to sell a property nationally increased by 5 days from 41 days in January 2017 to 46 days in January 2018. Nationally, this is the highest median number of days it’s taken to sell a property since February 2012. Regions with the biggest increase were West Coast (+87 days to 159), Taranaki (+16 days to 56) and Gisborne (+13 days to 43).

The only region with a decrease in the number of days to sell year-on-year was Northland – down 3 days to 45.

Auctions

246 properties (6% of all sales across the country) sold under the hammer in January in January.

Of those properties sold by auction, the majority (143 or 58.1%) were in Auckland. As Auckland accounts for 26.5% of all sales nationally, it accounts for the lion’s share of auctions.

The Bay of Plenty saw 31 auctions, Otago had 20 and the Canterbury region saw 12 properties sold under the hammer. The Auckland region saw a 4.4% increase in auctions year-on-year.

Inventory

The number of properties available for sale nationally increased by 7% (from 23,844 to 25,503) compared to 12 months ago, and for New Zealand excluding Auckland the number of properties available for sale increased by 1.10% (from 16,636 to 16,824).

Were it not for the 20.4% increase in listings in Auckland (up to 8,679 from 7,209) the national picture would be much lower.

December 2017 Price Breakdown		
Under \$500,000	2,067	47.3%
\$500,000 - \$749,999	1,213	27.8%
\$750,000 - \$999,999	590	13.5%
\$1,000,000 Plus	496	11.4%
Total	4,166	100.0%

Price Bands

Between January 2018 and January 2017, the number of homes sold for between \$500,000- \$750,000 increased from 25.2% of the market to 27.8% of all sales.

Additionally, the \$750,000- \$999,000 increased year-on-year (from 12.9% to 13.5%) as did the \$1 million to \$2 million category (from 9.0% of the market to 10.1% of the market).

Median house price

\$520,000

Median days to sell

46

The REINZ HPI shows that New Zealand’s housing market is in a strong position for the month of January.

Whilst people are taking more time to purchase, which is obviously a good thing in terms of due diligence, listings are still at low compared to previous years highlighting that buyers are still facing a shortage of choice – particularly in areas such as the Hawke’s Bay and Wellington.

Source: REINZ.co.nz

HOW MUCH MONEY DO I NEED TO RETIRE?

It's a tricky question to answer – especially without the help of a financial planner. How much do I need to retire, and even when can I retire? If you can break it down into some simple figures you will get a much better idea just how much money you'll need to retire, and when you'll be able to do so!

Average life expectancy

Did you know that the average life expectancy in New Zealand is probably higher than you think? For instance, if you're a 55 year old woman, you can expect to live to 89 on average! For men, the expectancy is 86. This might be considerably older than your parents, and much older than you thought you'd get to.

If you were planning on retiring at 65, when you can start receiving the NZ Super pension, you'll see that there's an average of 24 years of retirement ahead of you. This is a huge amount of time!

- Life expectancy for a woman of 55 – 89 years
- Life expectancy for a man of 55 – 86 years

Average cost of living per week

How much will you need to live on per week, as a retiree?

In a new study from the Westpac Massed Fin-Ed Centre it works out to be the following:

- No Frills lifestyle (single, metro) – \$490/week
- No Frills lifestyle (couple, metro) – \$523/week together
- No Frills lifestyle (single, regional) – \$419/week
- No Frills lifestyle (couple, regional) – \$678/week together
- Choices lifestyle (single, metro) – \$754/week
- Choices lifestyle (couple, metro) – \$1092/week together
- Choices lifestyle (single, regional) – \$782/week
- Choices lifestyle (couple, regional) – \$1012/week together

NZ Super per week

NZ Super is the pension that you're eligible to receive from the government, once you're over the age of 65 – even if you're still working. So long as you've lived 10 years in the country since age 20, with at least 5 of these years since you turned 50 – then you're eligible.

The current rates for NZ Super are:

- Single, living by yourself – \$390.20/week
- Single, sharing with others – \$360.18/week
- Couple, both qualified for NZ Super – \$600.30/week together
- Couple, only one qualifies (affected by income) – \$570.56/week together



KiwiSaver savings

Hopefully, throughout your working life, you will have accumulated some funds in a KiwiSaver account, or through other retirement investment accounts.

The amount that this account holds is purely dependent on what you (and your employer, potentially) have contributed.

How much is in your personal retirement fund?

Expected retirement age

By seeing how much you have in your personal retirement fund, how much you'll be earning from KiwiSaver per week, how much you'll need to live per week, and how long you expect to live for, you can calculate how much extra you'll need to retire.

For example, if you are a 65 year old woman living alone wanting to retire, expecting to lead a No Frills lifestyle in retirement, with current retirement savings of \$150,000 – you can expect outgoing costs of \$39,208 a year. KiwiSaver contributes \$20,290.40 per year. You'll have a gap of \$18,917.60 per year – meaning your retirement savings will stretch only for about 8 years with this lifestyle. This won't even last you until you're 73.

Do the maths to calculate just when is the best time to retire depending on your age, savings, and lifestyle choices.

LOOK AT ALL YOUR ASSETS

There are so many variables that factor into retiring with a comfortable lifestyle. Not only your \$ savings but the capital you have accumulated over the years, particularly in property which can add a valuable source of income. Take the time to look at where you are now, where you would like to see yourself and how you can enjoy your retirement. Plan now and be prepared.



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