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For immediate release

March sees record house prices for NZ driven by regions. Volumes down year-on-year says REINZ

The median house price for New Zealand rose 1.8% in March 2018 to reach a new record high of \$560,000 up from \$550,000 in March 2017 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.

Median prices for New Zealand excluding Auckland increased by 6.2% year-on-year to a record high of \$460,000.

Additionally, three regions achieved record prices:

- Gisborne - up 17.9% to \$330,000 (up from \$280,000)
- Hawke's Bay – up 11.7% to \$445,000 (up from \$398,500)
- Wellington - up 10.0% to \$583,000 (up from \$530,000).

Other regions that saw strong increases in price during March were Manawatu/Wanganui (up 12.3% to \$292,000) and Otago (up 11.1% to \$405,500).

Prices in Auckland fell 2.2% year-on-year to \$880,000 but this was compared to March 2017 which saw the region experience the record price of \$900,000. It's also due to the mix of properties sold - the under \$750,000 price band had 4% more sales this March and the \$750,000-\$2 million price band had 5% fewer sales. On a month-on-month basis, prices in Auckland increased 2.9%. The REINZ HPI demonstrated a 1.0% increase indicating a more stable market.

Bindi Norwell, Chief Executive at REINZ says: "March was a very strong month from a price perspective with record prices achieved for New Zealand, New Zealand excluding Auckland, Gisborne, the Hawke's Bay and Wellington. Looking at the whole country, median house prices increased in 13 out of 16 regions – the only regions not to experience an increase were Northland, Auckland and Taranaki.

"This is the third month in a row now that the Hawke's Bay has seen a record median price for the region. This increase has been driven by a high level of demand across the region which is driving prices up particularly in the Nelson Park Ward in Napier (+27.7%), Ruataniwha Ward in Central Hawke's Bay (+25.8%) and Heretaunga Ward in Hastings (+24.7%)," she continues.

"As New Zealand's second largest city, Wellington continues to shine as an attractive place to live with much of the growth being driven by areas outside Wellington's CBD including South Wairarapa's Martinborough Ward (+57.4%), Porirua's Eastern Ward (+48.0%), Carterton District Ward (+27.3%) and Upper Hutt City Ward (+25.6%)," continues Norwell.

Volumes down for March

The number of properties sold in March across New Zealand fell by 9.9% when compared to the same time last year with 7,768 properties sold in comparison to 8,622 in March 2017 which saw the highest month for sales volume in 2017.

The number of properties sold in Auckland during March decreased by 12.0% year-on-year with 2,386 sold in comparison to 2,712 in March 2017 – again off the back of a high comparative figure.

However, there were some strong regional increases in the number of properties sold year-on-year including:

- West Coast – up 18.9% from 37 sales to 44 – the highest number of sales for the month of March in 6 years
- Gisborne – up 8.7% from 69 sales to 75 - the highest sales count since May 2016
- Nelson – up 7.1% from 99 to 106
- Taranaki – up 3.1% from 196 sales to 202
- Marlborough – up 2.7% from 113 sales to 116 – the highest sales count since May 2016.

Regions with the largest year-on-year decline were Otago (-19.1%), Wellington (-17.7%) and Manawatu/Wanganui (-14.7%).

“Volumes were down across the country 9.9% year-on-year and while at face value this looks like a low number, however, March 2017 was an extremely strong month in terms of the number of properties sold. March 2017 saw the highest number of properties sold of any month in 2017. Whilst the seasonally adjusted figure was also down by 7.8% year-on-year, this is just one month’s worth of data following two solid months of sales, so we’re not overly concerned about this month’s volume,” says Norwell.

“Again, we’ve seen a number of the regions post stronger results than some of the major centres, highlighting the buoyant economies in these areas,” she concludes.

REINZ House Price Index (HPI)

The REINZ House Price Index for New Zealand, which measures the changing value of property in the market, increased 4.2% year-on-year to 2,710 – a new record high. The HPI for New Zealand excluding Auckland increased 7.2% from March 2017 to a new high of 2,546 and Auckland’s HPI increased 1.0% to a new high of 2,909 for the same period.

The REINZ HPI showed that 10 out of 12 regions experienced an increase in their HPI and all of those 10 regions saw a new high in March, highlighting the strength of the property market.

Regions with the highest growth year-on-year were Gisborne/Hawke’s Bay +14.1%, Manawatu/Wanganui and Southland both on +11.4%, and Tasman/Nelson/Marlborough/West Coast up by 10.1%.

Days to sell

The median number of days to sell a property nationally increased by 1 day from 33 days in March 2017 to 34 days in March 2018. This is 10 days fewer to sell a property than it took in February this year.

Auckland saw the median days to sell a property increase by 1 day to 36 (up from 35 in March 2017) but down from 49 days in February 2018.

Regions with the biggest decrease in the median number of days to sell were Southland (-5 days, the lowest number of days to sell in 16 months), Gisborne (-3 days) and Taranaki (-3 days).

Regions with the biggest increase in the median number of days to sell were Otago (+6 days to 30), Nelson (+5 days to 27), Northland (+3 to 42) and Wellington (+3 to 29).

Auctions

Auctions were used in 16% of all sales across the country in March, with 1,225 properties selling under the hammer. This is down slightly from March 2017, when 19% of properties were sold via auction.

Gisborne again saw the highest percentage of auctions across the country with 31% of properties in the region sold under the hammer, followed by Auckland on 29% and the Bay of Plenty on 16%.

In Auckland, 698 properties were sold by auction in March compared to 957 properties in March 2017.

Inventory

The number of properties available for sale nationally increased by a marginal 1.0% (from 26,742 to 27,018) compared to 12 months ago. This figure was buoyed by inventory increases in Nelson (+13.5% - an additional 54 properties), Waikato (+9.0% - an additional 161 properties) and Auckland (+6.0% - an additional 546 properties).

A decrease in inventory in 11 regions saw the New Zealand excluding Auckland level of inventory fall by 1.5% from 17,716 in March 2017 to 17,446 in March 2018 highlighting the effect Auckland had on the overall picture.

Regions with the biggest falls in inventory were:

- Southland – down 15.3%
- West Coast – down 13.4%
- Wellington – down 9.1%
- Taranaki – down 8.7%
- Manawatu/Wanganui – down 7.4%.

Highlighting the lack of inventory across the country, the Wellington region only has 7 weeks' inventory available to those looking to purchase in the area and the Hawke's Bay only has 9 weeks' inventory.

Price Bands

Between March 2017 and March 2018, the number of homes sold for less than \$500,000 across New Zealand fell from 44.2% of the market (3,810 properties) to 41.9% of the market (3,255 properties) which is reflected by the overall increasing median price.

Interestingly, the exact same number of properties sold for between \$2 million and \$2.99 million in March 2018 and March 2017 (158 properties sold in this price bracket), and just one fewer property sold for in excess of \$3 million (64 sales) when compared to the same time last year (65 sales).

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, Head of Communications at REINZ, on 09 356 1753 or 021 953 308.

Key Data Summary

MEDIAN HOUSE PRICE YEAR-ON-YEAR	NATIONAL \$560,000 - up from \$550,000 + 1.8% year-on-year NEW ZEALAND EX AUCKLAND \$460,000 - up from \$433,000 + 6.2% year-on-year AUCKLAND \$880,000 - down from \$900,000 -2.2% year-on-year
SEASONALLY ADJUSTED MEDIAN HOUSE PRICE	NATIONAL Down 2.2%, up 1.9% on March 2017 NEW ZEALAND EX AUCKLAND Up 0.1%, up 5.9% on March 2017 AUCKLAND Down 3.6%, down 2.4% on March 2017
MEDIAN HOUSE PRICE MONTH-ON-MONTH	NATIONAL \$560,000 - up from \$530,000 + 5.7% since last month NEW ZEALAND EX AUCKLAND \$460,000 - up from \$450,000 + 2.2% since last month AUCKLAND \$880,000 - up from \$855,000 + 2.9% since last month
MEDIAN DAYS TO SELL	NATIONAL 34 - 1 day longer than same month last year NEW ZEALAND EX AUCKLAND 33 - 2 days longer than same month last year AUCKLAND 36 - 1 day longer than same month last year
REINZ HOUSE PRICE INDEX	NATIONAL 2710 - up from 2602 + 4.2% year-on-year NEW ZEALAND EX AUCKLAND 2546 - up from 2374 + 7.2% year-on-year AUCKLAND 2909 - up from 2879 +1.0% year-on-year



SEASONALLY ADJUSTED SALES VOLUMES

	COMPARED TO FEBRUARY		COMPARED TO MARCH 2017	
	VOLUME CHANGE	SEASONALLY ADJUSTED CHANGE	VOLUME CHANGE	SEASONALLY ADJUSTED CHANGE
New Zealand	18.8%	-6.1%	-9.9%	-7.8%
NZ ex Aki	10.0%	-3.7%	-8.9%	-7.0%
Northland	2.6%	-2.5%	-5.2%	-3.5%
Auckland	45.1%	-8.9%	-12.0%	-9.9%
Waikato	17.6%	2.8%	0.7%	3.8%
Bay of Plenty	16.6%	-4.1%	-10.1%	-9.1%
Gisborne	19.0%	1.2%	8.7%	9.8%
Hawke's Bay	13.4%	-2.5%	-11.2%	-8.5%
Manawatu/Wanganui	1.2%	-7.6%	-14.7%	-14.6%
Taranaki	7.4%	-1.9%	3.1%	7.8%
Wellington	6.4%	-14.3%	-17.7%	-17.2%
Nelson/Marlborough/Tasman	12.6%	-1.0%	2.6%	3.7%
Canterbury	13.5%	-7.0%	-7.7%	-7.5%
West Coast	-4.3%	-20.8%	18.9%	17.5%
Otago	-3.3%	-8.7%	-19.1%	-16.6%
Southland	18.7%	-3.6%	-6.9%	-0.7%



SEASONALLY ADJUSTED MEDIAN PRICE

	COMPARED TO FEBRUARY		COMPARED TO MARCH 2017	
	MEDIAN CHANGE	SEASONALLY ADJUSTED CHANGE	MEDIAN CHANGE	SEASONALLY ADJUSTED CHANGE
New Zealand	5.7%	-2.2%	1.8%	1.9%
NZ ex Aki	2.2%	0.1%	6.2%	5.9%
Northland	-2.2%	-1.9%	-0.3%	0.5%
Auckland	2.9%	-3.6%	-2.2%	-2.4%
Waikato	1.0%	-1.0%	5.5%	6.6%
Bay of Plenty	4.9%	0.8%	7.1%	7.8%
Gisborne	6.5%	9.3%	17.9%	20.3%
Hawke's Bay	0.2%	1.9%	11.7%	10.5%
Manawatu/Wanganui	1.9%	-0.1%	12.3%	10.7%
Taranaki	-1.0%	-2.7%	-7.3%	-8.0%
Wellington	6.0%	2.7%	10.0%	8.6%
Nelson/Marlborough/Tasman	1.6%	-1.3%	5.5%	5.7%
Canterbury	0.6%	-1.1%	0.2%	0.4%
West Coast	19.4%	15.5%	7.5%	7.8%
Otago	1.4%	2.2%	11.1%	10.6%
Southland	0.8%	-0.2%	5.2%	5.7%

PRICE DISTRIBUTION BREAKDOWN

	March 2017		March 2018	
\$1 million plus	1,371	15.9%	1,198	15.4%
\$750,000 to \$999,999	1,211	14.0%	1,064	13.7%
\$500,000 to \$749,999	2,230	25.9%	2,251	29.0%
Under \$500,000	3,810	44.2%	3,255	41.9%
All Properties Sold	8,622	100.0%	7,768	100.0%

REINZ House Price Index (HPI)

House Price Index	Index Level	1 Month	3 Months	1 Year	5 Year*	From Peak
New Zealand	2710	0.7%	2.1%	4.2%	9.4%	New High
NZ excl. Auckland	2546	0.9%	3.0%	7.2%	8.1%	New High
Northland	2668	0.3%	4.0%	7.4%	10.4%	New High
Auckland	2909	0.4%	1.3%	1.0%	10.8%	New High
Waikato	2782	1.1%	3.0%	7.6%	10.6%	New High
Bay of Plenty	2628	1.0%	2.6%	6.5%	11.2%	New High
Gisborne/Hawke's Bay	2457	1.0%	5.2%	14.1%	9.8%	New High
Manawatu-Wanganui	2553	1.9%	4.8%	11.4%	7.6%	New High
Taranaki	2717	0.0%	0.7%	4.7%	5.2%	0.0%
Wellington	2491	0.4%	3.3%	9.1%	8.9%	New High
Tasman/Nelson/Marlborough/West Coast	2206	2.3%	1.9%	10.1%	7.3%	New High
Canterbury	2457	0.2%	1.7%	1.2%	3.5%	-0.6%
Otago	2648	2.2%	3.8%	9.3%	10.0%	New High
Southland	2480	0.3%	1.2%	11.4%	5.5%	New High

Source: REINZ

* = Compound Growth Rate