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For immediate release

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

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), source of the most complete and accurate real estate data in New Zealand.

The number of properties sold in New Zealand during January 2018 increased by 2.7% when compared to January 2017 (4,366 up from 4,251). The number of properties sold in Auckland increased 0.9% year-on-year to 1,157 up from 1,147.

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

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

Bindi Norwell, Chief Executive at REINZ says: “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,” continues Norwell.

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 down from \$830,000 at the same time last year. The only other region to experience a price decrease year-on-year was West Coast, down 10.0% to \$135,000.

January also saw two regions experience record prices:

- Otago – up 32.9% to \$475,000
- Hawke’s 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. Otago’s record price for January was driven by a strong increase in Clutha and the Central Otago District – up 53.4% and 39.4% respectively,” says Norwell.

“Looking at the decrease in median price in Auckland, much of the reduction is attributable to the decreases in Manukau City, Rodney District and Waitakere City which were down -10.2%, -4.3% and -2.8% respectively. Manukau City’s median price is the lowest since January 2016, Rodney’s is the lowest median price since September 2017 and Waitakere’s is the lowest since March 2016, so you can see why this has pulled the overall Auckland median down,” she continues.

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.

REINZ House Price Index (HPI)

The REINZ House Price Index for New Zealand, which measures the changing value of property in the market, increased 3.4% year-on-year to 2,655. The HPI for New Zealand excluding Auckland increased 6.6% from January 2017 to a new high of 2,491 and Auckland’s HPI increased 0.1% for the same period.

The REINZ HPI also showed that 6 out of 12 regions experienced a new high in January – Northland, Waikato, Bay of Plenty, Manawatu/Wanganui, Otago and Southland.

Regions with the highest growth year-on-year were Gisborne/Hawke’s Bay 13.7%, Southland 13.2% and Manawatu/Wanganui 11.6%.

Auctions

Auctions were used in 6% of all sales across the country in January, the same percentage as January 2017, with 246 properties selling under the hammer.

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.

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).

“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,” 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

MEDIAN HOUSE PRICE YEAR-ON-YEAR

NATIONAL

\$520,000 - up from \$485,500 + 7.1% year-on-year

NEW ZEALAND EX AUCKLAND

\$432,500 - up from \$398,000 + 8.7% year-on-year

AUCKLAND

\$820,000 - down from \$830,000 -1.2% year-on-year

SEASONALLY ADJUSTED MEDIAN HOUSE PRICE

NATIONAL

Up 0.6%, up 7.0% on January 2017

NEW ZEALAND EX AUCKLAND

Up 0.6%, up 8.9% on January 2017

AUCKLAND

Down 1.2%, down 1.8% on January 2017

MEDIAN HOUSE PRICE MONTH-ON-MONTH

NATIONAL

\$520,000 - down from \$550,000 - 5.5% since last month

NEW ZEALAND EX AUCKLAND

\$432,500 - down from \$450,000 - 3.9% since last month

AUCKLAND

\$820,000 - down from \$861,000 - 4.8% since last month

MEDIAN DAYS TO SELL

NATIONAL

46 - 5 days longer than same month last year

NEW ZEALAND EX AUCKLAND

46 - 5 days longer than same month last year

AUCKLAND

44 - 3 days longer than same month last year

REINZ HOUSE PRICE INDEX

NATIONAL

2655 - up from 2568 + 3.4% year-on-year

NEW ZEALAND EX AUCKLAND

2491 - up from 2336 + 6.6% year-on-year

AUCKLAND

2855 - up from 2851 +0.1% year-on-year

PRICE DISTRIBUTION BREAKDOWN

	January 2017		January 2018	
\$1 million plus	445	10.5%	496	11.4%
\$750,000 to \$999,999	549	12.9%	590	13.5%
\$500,000 to \$749,999	1,073	25.2%	1,213	27.8%
Under \$500,000	2,184	51.4%	2,067	47.3%
<i>All Properties Sold</i>	4,251	100.0%	4,366	100.0%



SEASONALLY ADJUSTED SALES VOLUMES

	COMPARED TO DECEMBER 2017		COMPARED TO JANUARY 2017	
	VOLUME CHANGE	SEASONALLY ADJUSTED CHANGE	VOLUME CHANGE	SEASONALLY ADJUSTED CHANGE
New Zealand	-28.2%	-3.0%	2.7%	-0.6%
NZ ex Akl	-25.6%	-2.5%	3.7%	-0.2%
Northland	-20.3%	-9.0%	-1.4%	-6.4%
Auckland	-34.0%	-8.2%	0.9%	-2.0%
Waikato	-27.0%	-0.8%	2.0%	-0.3%
Bay of Plenty	-28.7%	-6.6%	0.3%	-2.9%
Gisborne	-21.7%	5.0%	12.5%	17.7%
Hawke's Bay	-11.8%	-1.6%	2.4%	-3.6%
Manawatu/Wanganui	-14.9%	-6.1%	-7.1%	-8.1%
Taranaki	-19.4%	-22.3%	-14.0%	-17.7%
Wellington	-46.5%	-12.1%	-1.9%	-4.3%
Nelson/Marlborough/Tasman	-9.0%	-0.9%	15.6%	9.9%
Canterbury	-22.5%	5.8%	18.1%	4.6%
West Coast	-14.3%	-5.4%	-14.3%	-15.8%
Otago	-26.6%	-7.5%	7.6%	5.0%
Southland	-5.0%	-1.0%	4.7%	-0.8%



SEASONALLY ADJUSTED MEDIAN PRICES

	COMPARED TO DECEMBER 2017		COMPARED TO JANUARY 2017	
	MEDIAN CHANGE	SEASONALLY ADJUSTED CHANGE	MEDIAN CHANGE	SEASONALLY ADJUSTED CHANGE
New Zealand	-5.5%	0.6%	7.1%	7.0%
NZ ex Akl	-3.9%	0.6%	8.7%	8.9%
Northland	-2.3%	-2.2%	7.5%	7.3%
Auckland	-4.8%	-1.2%	-1.2%	-1.8%
Waikato	-6.3%	-2.3%	9.9%	9.9%
Bay of Plenty	-10.5%	-10.0%	2.5%	1.4%
Gisborne	-3.7%	-4.8%	4.0%	0.8%
Hawke's Bay	4.8%	5.0%	18.4%	19.3%
Manawatu/Wanganui	0.4%	2.6%	12.2%	12.2%
Taranaki	4.3%	-0.5%	4.3%	4.9%
Wellington	-10.7%	-1.1%	9.9%	9.2%
Nelson/Marlborough/Tasman	9.6%	8.5%	8.7%	7.2%
Canterbury	0.0%	1.0%	2.4%	2.9%
West Coast	-27.0%	-30.1%	-10.0%	-8.6%
Otago	18.8%	16.5%	32.9%	31.9%
Southland	-2.8%	0.3%	10.3%	10.2%

REINZ House Price Index (HPI)

House Price Index	Index Level	1 Month	3 Months	1 Year	5 Year*	From Peak
New Zealand	2655	0.1%	0.0%	3.4%	9.7%	-0.3%
NZ excl. Auckland	2491	0.7%	1.5%	6.6%	8.0%	New High
Northland	2594	1.1%	1.4%	7.9%	10.2%	New High
Auckland	2855	-0.6%	-1.5%	0.1%	11.6%	-1.5%
Waikato	2738	1.3%	2.3%	7.6%	11.0%	New High
Bay of Plenty	2591	1.1%	2.2%	5.7%	10.7%	New High
Gisborne/Hawke's Bay	2329	-0.1%	0.7%	13.7%	8.5%	-0.6%
Manawatu-Wanganui	2494	2.4%	2.8%	11.6%	6.6%	New High
Taranaki	2691	-0.3%	-0.8%	4.5%	5.4%	-0.8%
Wellington	2408	-0.1%	0.7%	8.0%	8.2%	-0.4%
Tasman/Nelson/Marlborough/West Coast	2150	-0.6%	1.6%	9.1%	7.2%	-0.6%
Canterbury	2444	1.3%	1.1%	0.2%	4.3%	-1.2%
Otago	2560	0.3%	1.2%	8.8%	10.2%	New High
Southland	2484	1.3%	4.5%	13.2%	6.0%	New High

Source: REINZ

* = Compound Growth Rate