

**17 July 2018**

**For immediate release**

**Winter chill impacts real estate sales volumes, but not house prices, says REINZ**

The winter chill has impacted real estate sales volumes across the country in June but has done little to halt price rises in most regions, 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.

In June the median price across the country rose by 5.7% to a record equal median of \$560,000 up from \$530,000 the same time last year. Additionally, the New Zealand excluding Auckland median price remained at a record equalling figure of \$460,000 in June up 7.0% on June 2017. However, Auckland's median price decreased by 0.7% year-on-year to \$850,000 down from \$856,000 last year.

New Zealand's most expensive three territorial authorities are Auckland City with a median of \$1,010,000, North Shore City with a median of \$975,000 and Queenstown Lake District with a median of \$908,000.

Three regions saw record median prices during June – Waikato (+11.7% to \$525,000), Wellington (+12.3% to \$595,000) and Marlborough (+11.4% to \$440,000). Additionally, regions with strong annual increases included Gisborne (+26.9% to \$330,000) and Hawke's Bay (+15.3% to \$430,000).

However, the number of properties sold across the country decreased by 1.6% to 6,034, down from 6,131 in June 2017. This was the result of significant decreases in sales volumes in 8 out of 16 regions and a 9.9% decrease in new property listings year-on-year.

Bindi Norwell, Chief Executive at REINZ says: "While Jack Frost may have got his icy grip on sales volumes, he has not been able to extend this to prices as New Zealand's median price increased by 5.7% year-on-year. The lack of housing supply continues to put pressure on prices in the majority of regions across New Zealand, with 12 out of 16 regions seeing a price increase since June last year. Until we solve the supply issue, house prices are likely to continue rising, particularly as the OCR remains low and the banks continue dropping interest rates.

"Again, we're seeing this two-tier market across the country where prices are remaining stable in Auckland and Canterbury but rising in most other parts of the country," continues Norwell.

"From a volume perspective, we've seen the usual winter slowdown impact the market. Sales volumes fell significantly year-on-year on the West Coast (-25.7%) which was the lowest sales count for 14 months, Waikato (-14.0%) also the lowest sales count for 14 months, Wellington (-10.6%) the lowest number of properties sold for 5 months and Otago (-8.3%) the lowest sales count for 11 months.

"Despite this, there were some regions that saw a strong increase in sales including Hawke's Bay (+23.0%), Tasman (+22.8%) and Manawatu/Wanganui (+14.1%)," continues Norwell.

## **REINZ House Price Index (HPI)**

The REINZ House Price Index for New Zealand, which measures the changing value of property in the market, increased 3.8% year-on-year to 2,706. The HPI for New Zealand excluding Auckland increased 6.7% from June 2017 to a new record high of 2,561.

The Auckland HPI increased 0.9% year-on-year to 2,883 showing that despite the annual decrease in median price the market is still in a strong position.

The REINZ HPI again saw 11 out of 12 regions experience an increase in their HPI over the past 12 months, highlighting the continued strength of the property market.

Again, the only region not to experience an increase was Canterbury, which experienced a decrease of 1.1% year-on-year.

This month the Gisborne/Hawke's Bay region had the highest annual growth rate of 14.0%, followed by Otago and Southland in second equal place with both regions seeing annual growth rates of 10.7%.

## **Days to sell**

The median number of days to sell a property nationally increased by 2 days from 36 days in June 2017 to 38 days in June 2018. For New Zealand excluding Auckland, the median days to sell increased by 1 day from 36 to 37.

Auckland saw the median number of days to sell a property increase by 2 days to 40 days (up from 38 in June 2017), but it remained the same as last month.

Regions with the biggest decrease in the median number of days to sell were West Coast -68 (from 128 to 60), Gisborne -6 days (from 39 to 33) and Taranaki -2 (from 37 to 35).

Regions with the biggest increase in the median number of days to sell were Southland +8 (from 31 to 39), Tasman +7 (from 33 to 40) and Waikato +6 (from 36 to 42).

## **Auctions**

Auctions were used in 11.3% of all sales across the country in June, with 684 properties selling under the hammer – this is down slightly from June 2017, when 14.2% of properties (870) were sold via auction.

For the fifth month in a row, Gisborne had the highest percentage of auctions across the country with 27% (or 15 properties) in the region sold under the hammer – down from 32% (19 properties) in June 2017. Auckland saw the second largest percentage of auctions on 21% (386 properties) down from 24% in June 2017 (446 properties) and the Bay of Plenty on 12% (54 properties) down from 25% (100 properties) in June 2017.

## **Inventory**

The number of properties available for sale nationally decreased by 3.8% from 23,507 to 22,605 – a decrease of 902 properties compared to 12 months ago. This is the lowest level of inventory for 9 months (since September 2017).

Only 3 regions across New Zealand saw annual increases in inventory levels. For the fourth month in a row, Nelson saw the largest percentage increase in inventory levels with a 24.0% annual increase

(from 310 to 385), followed by Waikato (+9.9% - an additional 153 properties) and Canterbury (+2.6% - an additional 86 properties).

Auckland's annual inventory decreased by 2.4% (from 8,560 to 8,356 – 204 fewer properties) – the lowest level of inventory for 9 months.

Regions with the biggest falls in inventory were:

- Gisborne – down 28.7%
- Manawatu/Wanganui – down 25.6%
- Southland – down 22.2%
- West Coast – down 17.9%
- Taranaki – down 13.9%.

Again, the Wellington region has had the lowest number of weeks' inventory across the whole country with only 7 weeks' inventory available to those looking to purchase in the area – although this is up 10.4% on the same time last year.

Inventory in the Hawke's Bay region continues to remain scarce with only 8 weeks' inventory and Gisborne and Manawatu/Wanganui don't fare much better with only 9 weeks' inventory each.

### **Price Bands**

The number of homes sold for less than \$500,000 across New Zealand fell from 46.3% of the market (2,839 properties) in June 2017 to 41.9% of the market (2,527 properties) in June 2018 which is reflected by the overall increasing median price across the country.

The number of properties sold in the \$500,000 to \$750,000 bracket increased from 26.5% in June 2017 (1,622 properties) to 29.4% in June 2018 (1,773 properties). At the top end of the market, properties sold for more than \$1 million increased marginally from 13.3% of the market in June 2017 (815 houses) to 14.4% of the market this year (868 houses).

### **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

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## MEDIAN HOUSE PRICE YEAR-ON-YEAR

### NATIONAL

\$560,000 - up from \$530,000 + 5.7% year-on-year

### NEW ZEALAND EX AUCKLAND

\$460,000 - up from \$430,000 + 7.0% year-on-year

### AUCKLAND

\$850,000 - down from \$856,000 - 0.7% year-on-year

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## SEASONALLY ADJUSTED MEDIAN HOUSE PRICE

### NATIONAL

Up 0.9%, up 5.2% on June 2017

### NEW ZEALAND EX AUCKLAND

Up 1.3%, up 6.6% on June 2017

### AUCKLAND

Up 0.5%, down 1.6% on June 2017

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## MEDIAN HOUSE PRICE MONTH-ON-MONTH

### NATIONAL

\$560,000 - the same as last month

### NEW ZEALAND EX AUCKLAND

\$460,000 - up from \$455,000 + 1.1% since last month

### AUCKLAND

\$850,000 - up from \$845,500 + 0.5% since last month

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## MEDIAN DAYS TO SELL

### NATIONAL

38 - 2 days longer than same month last year

### NEW ZEALAND EX AUCKLAND

37 - 1 day longer than the same month last year

### AUCKLAND

40 - 2 days longer than same month last year

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## REINZ HOUSE PRICE INDEX

### NATIONAL

2706 - up from 2607 + 3.8% year-on-year

### NEW ZEALAND EX AUCKLAND

2561 - up from 2400 + 6.7% year-on-year

### AUCKLAND

2883 - up from 2857 +0.9% year-on-year

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## SEASONALLY ADJUSTED SALES VOLUMES

|                           | COMPARED TO<br>MAY |                                  | COMPARED TO<br>JUNE 2017 |                                  |
|---------------------------|--------------------|----------------------------------|--------------------------|----------------------------------|
|                           | VOLUME<br>CHANGE   | SEASONALLY<br>ADJUSTED<br>CHANGE | VOLUME<br>CHANGE         | SEASONALLY<br>ADJUSTED<br>CHANGE |
| New Zealand               | -23.2%             | -5.4%                            | -1.6%                    | 1.5%                             |
| NZ ex Akl                 | -22.3%             | -4.9%                            | -2.5%                    | 0.4%                             |
| Northland                 | -20.3%             | -8.9%                            | 2.2%                     | 7.7%                             |
| Auckland                  | -25.0%             | -6.9%                            | 0.7%                     | 3.8%                             |
| Waikato                   | -24.1%             | -10.7%                           | -14.0%                   | -11.5%                           |
| Bay of Plenty             | -20.8%             | -5.1%                            | 6.9%                     | 10.5%                            |
| Gisborne                  | -19.1%             | -10.5%                           | -6.8%                    | 2.1%                             |
| Hawke's Bay               | 0.0%               | 14.7%                            | 23.0%                    | 25.3%                            |
| Manawatu/Wanganui         | -16.0%             | -1.7%                            | 14.1%                    | 17.2%                            |
| Taranaki                  | -3.6%              | 11.7%                            | 12.7%                    | 19.5%                            |
| Wellington                | -20.7%             | -4.9%                            | -10.6%                   | -7.6%                            |
| Nelson/Marlborough/Tasman | -24.6%             | -4.9%                            | 5.1%                     | 10.6%                            |
| Canterbury                | -29.5%             | -16.8%                           | -7.7%                    | -7.1%                            |
| West Coast                | -58.1%             | -50.2%                           | -25.7%                   | -21.6%                           |
| Otago                     | -32.9%             | -3.7%                            | -8.3%                    | -3.1%                            |
| Southland                 | -18.0%             | -0.0%                            | 0.0%                     | 8.1%                             |



## SEASONALLY ADJUSTED MEDIAN PRICE

|                           | COMPARED TO<br>MAY |                                  | COMPARED TO<br>JUNE 2017 |                                  |
|---------------------------|--------------------|----------------------------------|--------------------------|----------------------------------|
|                           | MEDIAN<br>CHANGE   | SEASONALLY<br>ADJUSTED<br>CHANGE | MEDIAN<br>CHANGE         | SEASONALLY<br>ADJUSTED<br>CHANGE |
| New Zealand               | 0.0%               | 0.9%                             | 5.7%                     | 5.2%                             |
| NZ ex Akl                 | 1.1%               | 1.3%                             | 7.0%                     | 6.6%                             |
| Northland                 | -5.1%              | -1.1%                            | 5.9%                     | 7.8%                             |
| Auckland                  | 0.5%               | 0.5%                             | -0.7%                    | -1.6%                            |
| Waikato                   | 2.9%               | 2.9%                             | 11.7%                    | 11.0%                            |
| Bay of Plenty             | -1.6%              | -0.1%                            | 4.0%                     | 3.9%                             |
| Gisborne                  | 15.8%              | 14.2%                            | 26.9%                    | 23.7%                            |
| Hawke's Bay               | 0.0%               | 2.0%                             | 15.3%                    | 15.3%                            |
| Manawatu/Wanganui         | -1.6%              | -2.5%                            | 7.1%                     | 6.9%                             |
| Taranaki                  | -2.8%              | 0.7%                             | 3.0%                     | 4.6%                             |
| Wellington                | 2.9%               | 2.9%                             | 12.3%                    | 10.5%                            |
| Nelson/Marlborough/Tasman | 2.0%               | 0.8%                             | 2.2%                     | 1.3%                             |
| Canterbury                | -2.4%              | -0.6%                            | -0.1%                    | 0.5%                             |
| West Coast                | -2.3%              | -5.0%                            | -8.7%                    | -9.3%                            |
| Otago                     | -5.7%              | -2.8%                            | 7.8%                     | 7.6%                             |
| Southland                 | 3.8%               | 5.9%                             | 8.3%                     | 8.9%                             |

| House Price Index                    | Index Level | 1 Month | 3 Months | 1 Year | 5 Year* | From Peak |
|--------------------------------------|-------------|---------|----------|--------|---------|-----------|
| New Zealand                          | 2706        | 0.1%    | -0.1%    | 3.8%   | 9.0%    | -0.1%     |
| NZ excl. Auckland                    | 2561        | 0.3%    | 0.6%     | 6.7%   | 8.1%    | New High  |
| Northland                            | 2663        | -1.6%   | -0.6%    | 5.7%   | 10.0%   | -1.6%     |
| Auckland                             | 2883        | 0.0%    | -0.9%    | 0.9%   | 10.0%   | -0.9%     |
| Waikato                              | 2802        | 0.2%    | 0.7%     | 6.9%   | 11.3%   | New High  |
| Bay of Plenty                        | 2637        | 0.6%    | 0.7%     | 6.4%   | 10.8%   | New High  |
| Gisborne/Hawke's Bay                 | 2512        | 1.2%    | 2.4%     | 14.0%  | 10.0%   | New High  |
| Manawatu-Wanganui                    | 2612        | -0.9%   | 2.2%     | 9.8%   | 8.1%    | -0.9%     |
| Taranaki                             | 2755        | -0.3%   | 1.3%     | 6.5%   | 5.8%    | -0.3%     |
| Wellington                           | 2543        | 1.7%    | 2.0%     | 9.8%   | 9.4%    | New High  |
| Tasman/Nelson/Marlborough/West Coast | 2200        | -0.6%   | -0.2%    | 7.3%   | 7.1%    | -0.6%     |
| Canterbury                           | 2398        | -1.2%   | -2.5%    | -1.1%  | 2.4%    | -3.0%     |
| Otago                                | 2703        | 1.7%    | 2.3%     | 10.7%  | 11.2%   | New High  |
| Southland                            | 2540        | 0.0%    | 2.3%     | 10.7%  | 6.0%    | New High  |

Source: REINZ

\* = Compound Growth Rate

## PRICE DISTRIBUTION BREAKDOWN

|                            | June 2017    |               | June 2018    |               |
|----------------------------|--------------|---------------|--------------|---------------|
| \$1 million plus           | 815          | 13.3%         | 868          | 14.4%         |
| \$750,000 to \$999,999     | 855          | 13.9%         | 866          | 14.3%         |
| \$500,000 to \$749,999     | 1,622        | 26.5%         | 1,773        | 29.4%         |
| Under \$500,000            | 2,839        | 46.3%         | 2,527        | 41.9%         |
| <b>All Properties Sold</b> | <b>6,131</b> | <b>100.0%</b> | <b>6,034</b> | <b>100.0%</b> |