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For immediate release

Spring sprouts into action with highest number of sales in 5 months, says REINZ

The number of residential properties sold across New Zealand increased by 15.5% year-on-year – the highest number of sales in 5 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 nationally increased from 5,880 in October 2017 to 6,791 in October 2018 – an increase of 911 houses.

For New Zealand excluding Auckland, the number of properties sold increased by 15.6% – 654 more properties when compared to October 2017 (from 4,189 to 4,843).

In Auckland, the number of properties sold increased by 15.2% or 257 more properties, from 1,691 in October 2017 to 1,948 in October 2018.

Regions with the largest increases in sales volumes were:

- Marlborough: +46.2% (from 78 to 114 – an additional 36 houses)
- Southland: +32.9% (from 146 to 194 – an additional 48 houses)
- Canterbury: 28.7% (from 757 to 974 – an additional 217 houses)
- Otago: 23.4% (from 342 to 422 – an additional 80 houses).

Bindi Norwell, Chief Executive at REINZ says: “October saw the real estate market spring back into action with the volume of sales increasing nationally by 15.5% when compared to the same time last year. This is the highest number of sales for a month of October in 2 years and is the equivalent of an additional 29 houses sold each day across the whole month. It should also be noted that last year’s sales volumes were impacted by the election.

“Regionally, we saw increased sales volumes in 13 out of 16 regions with 10 of those 13 regions seeing double digit increases. But the stand out results belong to the South Island with the highest volume growth seen in the southern half of the country – particularly in Marlborough which saw a 46.2% increase when compared to the same time last year which is a significant increase.

“September was very quiet in terms of the number of properties sold and we predicted that with the increase in listings coming to the market that October’s sales would be much stronger than September’s. With strong sales this month, it’s our belief that in the current market that New Zealand is taking a different path to what we’re seeing across the Tasman at this point in time.

“October also saw the introduction of the foreign buyer ban and while there have been pockets around the country of people talking about a rush ahead of the ban. With Statistics New Zealand’s September quarter figures showing the lowest level of foreign buyers since they began keeping records, we’re confident that most of October’s lift in volume is attributable to the spring lift rather than a rush of foreign buyers looking to get in ahead of the ban,” continues Norwell.

NZ sets another record median price & 5 regions see record prices achieved in October

Prices continue to hold up around the country with the median price for residential homes reaching a national record of \$562,000 in October – a 6.0% increase on the same time last year.

Similarly, New Zealand excluding Auckland experienced a record median price of \$479,250 an 8.9% increase since October 2017.

The median price in Auckland increased by 1.8% year-on-year to \$865,000 – this is the highest median price for the region in 7 months.

Additionally, 5 regions achieved a record median price during October:

- Manawatu/Wanganui: +20.2% to \$344,000 (up from \$286,250 at the same time last year)
- Otago: +18.2% to \$480,000 (up from \$406,000 at the same time last year)
- Hawke's Bay: +17.4% to \$464,123 (up from \$395,500 at the same time last year)
- Taranaki: +8.6% to \$380,000 (up from \$350,000 at the same time last year)
- Canterbury: +3.3% to \$465,000 (up from \$450,000 at the same time last year).

“The constraint on supply has continued to drive up house prices across much of the country with record prices achieved for New Zealand, New Zealand excluding Auckland and five different regions. Until we seriously address the fundamental housing supply issues, record price increases is something that we're going to continue to see around the country – particularly as Aucklanders continue to move out of the city for both lifestyle and affordability reasons,” says Norwell.

“This is the highest number of record median prices in a month since November last year, showing just how strong October's results are from a price perspective. Interestingly, when we break the data down even further to look at prices from a city perspective, we see that Hamilton, Tauranga, Christchurch and Dunedin Cities all had record median prices too,” points out Norwell.

“October also saw Auckland's median price rise by 1.8% to \$865,000 – the highest median price for 7 months. It's too early to say if this is the start of the next price increases for Auckland, but traditionally we do tend to see increases in October and November as we move into the warmer weather,” 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 2,756 a new record high for the country.

The HPI for New Zealand excluding Auckland increased 7.9% from October 2017 to a new record high of 2,649. The Auckland HPI decreased -0.4% year-on-year to 2,885 – the first decrease in 12 months.

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

This month the Manawatu/Wanganui region had the highest annual growth rate of 15.6%, followed by Southland in second place with an annual growth rate of 15.1% and in third place was Gisborne/Hawke's Bay with a 12.6% annual increase.

Days to Sell

The median number of days to sell a property nationally increased by 1 day from 34 to 35 when compared to October last year.

For New Zealand excluding Auckland, the median days to sell increased on an annual basis by 2 days from 32 to 34.

Auckland saw the median number of days to sell a property decrease by 1 day to 36 days (down from 37 in October 2017). This is the lowest median days to sell since December 2017.

Auctions

Auctions were used in 15.8% of all sales across the country in October, with 1,071 properties selling under the hammer – this is up from the same time last year, when 14.9% of properties (878) were sold via auction. This is the first annual increase in auction figures we've seen in 28 months.

For the ninth month in a row, Gisborne had the highest percentage of auctions across the country with 41.8% (or 23 properties) in the region sold under the hammer – up from 28.3% (15 properties) in October 2017. Auckland saw the second largest percentage of auctions on 28.3% (552 properties) up marginally from 28.0% in October 2017 (474 properties) – this is the second annual increase in auctions for the Auckland region showing the renewed strength in the market.

The Bay of Plenty maintained its spot of having the third highest level of auctions in the country with 18.3% (73 properties) sold under the hammer, up from 17.3% (70 properties) for the same period last year.

Inventory

The number of properties available for sale nationally increased by 5.6% from 24,307 to 25,673 – an increase of 1,366 properties compared to 12 months ago. This is the highest level of inventory for 6 months.

October saw 7 regions with an annual increase in inventory levels. Regions with the largest increase were:

- Auckland: +17.0% from 8,465 to 9,906 – an additional 1,441 properties
- Northland: +9.8% from 1,247 to 1,370 – an additional 123 properties
- Nelson: +8.3% from 374 to 405 – an additional 31 properties.

Regions with the biggest falls in inventory were:

- Southland: -25.0% from 612 to 459 – 153 fewer properties
- Manawatu/Wanganui: -19.4% from 1001 to 806 – 195 fewer properties
- Otago: -19.1% from 645 to 522 – 123 fewer properties.

Wellington again has the lowest level of inventory with 9 weeks' inventory alongside Otago also with 9 weeks' inventory. This is followed by Hawke's Bay on 10 weeks' inventory available to prospective purchasers.

Price Bands

The number of homes sold for less than \$500,000 across New Zealand fell from 46.1% of the market (2,710 properties) in October 2017 to 41.0% of the market (2,784 properties) in October 2018.

The number of properties sold in the \$500,000 to \$750,000 bracket increased from 27.5% in October 2017 (1,617 properties) to 29.5% in October 2018 (2,003 properties).

At the top end of the market, properties sold for more than \$1 million increased from 12.6% in October 2017 (741 houses) to 14.1% in October 2018 (957 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 021 953 308.



Price distribution breakdown

	October 2017		October 2018	
\$1 million plus	741	12.6%	957	14.1%
\$750,000 to \$999,999	812	13.8%	1,047	15.4%
\$500,000 to \$749,999	1,617	27.5%	2,003	29.5%
Under \$500,000	2,710	46.1%	2,784	41.0%
All Properties Sold	5,880	100.0%	6,791	100.0%

SEASONALLY ADJUSTED SALES VOLUMES

	COMPARED TO SEPTEMBER		COMPARED TO OCTOBER 2017	
	VOLUME CHANGE	SEASONALLY ADJUSTED CHANGE	VOLUME CHANGE	SEASONALLY ADJUSTED CHANGE
New Zealand	20.4%	5.5%	15.5%	11.4%
NZ ex Akl	21.9%	4.0%	15.6%	11.2%
Northland	38.5%	22.8%	21.7%	15.3%
Auckland	16.7%	6.8%	15.2%	11.4%
Waikato	11.9%	1.1%	18.5%	15.8%
Bay of Plenty	10%	-9.0%	-1.2%	-2.9%
Gisborne	12.2%	12.3%	3.8%	3.9%
Hawke's Bay	14.1%	-2.1%	3.2%	-2.4%
Manawatu/Wanganui	19.7%	7.4%	8.8%	6.1%
Taranaki	9.4%	-6.4%	-1.1%	-5.2%
Wellington	46.2%	15.5%	10.4%	5.9%
Nelson/Marlborough/Tasman	39.0%	7.6%	19.3%	16.9%
Canterbury	21.8%	4.6%	28.7%	21.3%
West Coast	17.6%	7.6%	21.2%	17.2%
Otago	30.7%	1.3%	23.4%	19.5%
Southland	9.6%	-8.4%	32.9%	25.8%

SEASONALLY ADJUSTED MEDIAN PRICE

	COMPARED TO SEPTEMBER		COMPARED TO OCTOBER 2017	
	MEDIAN CHANGE	SEASONALLY ADJUSTED CHANGE	MEDIAN CHANGE	SEASONALLY ADJUSTED CHANGE
	New Zealand	0.5%	1.0%	6.0%
NZ ex Akl	2.6%	1.2%	8.9%	9.0%
Northland	-3.5%	-1.5%	17.5%	17.0%
Auckland	1.5%	0.4%	1.8%	1.0%
Waikato	0.2%	-0.4%	4.6%	4.6%
Bay of Plenty	5.5%	5.2%	10.3%	9.6%
Gisborne	-9.5%	-14.1%	0.0%	-2.5%
Hawke's Bay	5.2%	3.9%	17.4%	19.1%
Manawatu/Wanganui	7.5%	4.1%	20.2%	21.4%
Taranaki	10.1%	11.8%	8.6%	8.3%
Wellington	-0.4%	0.7%	14.3%	13.7%
Nelson/Marlborough/Tasman	-8.9%	-6.5%	10.9%	10.5%
Canterbury	3.9%	4.0%	3.3%	3.9%
West Coast	-17.5%	-5.3%	-26.7%	-24.7%
Otago	14.8%	12.0%	18.2%	17.2%
Southland	-12%	-3.6%	8.5%	8.6%

House Price Index	Index Level	1 Month	3 Months	1 Year	5 Year*	From Peak
New Zealand	2756	0.5%	1.3%	3.8%	8.7%	New High
NZ excl. Auckland	2649	1.1%	2.4%	7.9%	8.4%	New High
Northland	2810	-0.4%	4.7%	9.9%	13.0%	-0.4%
Auckland	2885	-0.1%	0.0%	-0.4%	9.0%	-0.8%
Waikato	2880	1.8%	1.4%	7.7%	10.7%	New High
Bay of Plenty	2717	0.0%	1.7%	7.2%	11.3%	New High
Gisborne/Hawke's Bay	2602	0.8%	3.4%	12.6%	11.0%	New High
Manawatu-Wanganui	2800	0.6%	5.0%	15.6%	9.6%	New High
Taranaki	2794	2.7%	1.9%	2.9%	5.1%	New High
Wellington	2621	0.8%	2.1%	9.6%	9.7%	New High
Tasman/Nelson/Marlborough/West Coast	2242	0.3%	0.3%	5.9%	7.4%	New High
Canterbury	2470	2.2%	1.5%	2.1%	2.5%	0.0%
Otago	2823	0.2%	5.3%	11.6%	11.4%	New High
Southland	2736	2.9%	7.3%	15.1%	8.1%	New High

Source: REINZ

*=Compound Growth Rate