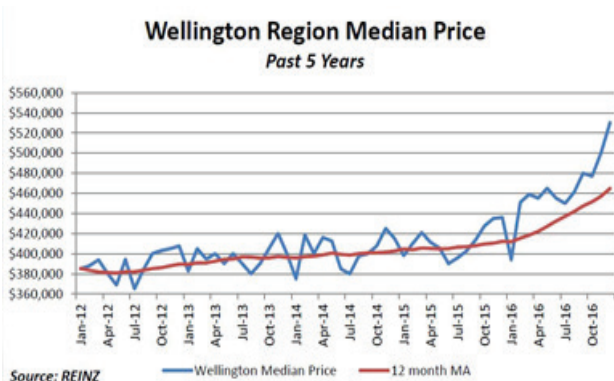




PROFESSIONALLY SPEAKING | JANUARY EDITION

REINZ Wellington Region Analysis for December 2016



The median price for the Wellington region rose \$94,175 (+22%) compared to December 2015 to reach a new record high. Prices rose 51% in Central Wellington, 30% in Southern Wellington and 27% in Hutt Valley. Compared to November the median price rose \$30,175 (+6%), with prices rising 8% in Southern Wellington, 5% in Hutt Valley and 3% in Central Wellington. On a seasonally adjusted basis the median price rose 7%, indicating that the increase in the median price was a lot stronger than expected for December.

Compared to November sales volumes rose 14% across the region, with sales rising 78% in Eastern Wellington, 58% in Southern Wellington and 34% in Northern Wellington. Compared to December 2015 sales volumes fell 7%, with sales rising 11% in Southern Wellington but falling 2% in Hutt Valley and 3% in Pukerua Bay/Tawa. On a seasonally adjusted basis sales rose 23% compared



to November indicating that the increase in sales was far larger than normal.

The number of days to sell was steady at 26 days compared to November. The number of days to sell improved by two days compared to December 2015. Over the past 10 years the average number of days to sell during December for the region has been 33 days.

REINZ Regional Director Mark Coffey noted that, "The market is very strong at the moment with a rapidly increasing median price and solid sales volumes. Fewer first home buyers and investors are active in the market, likely in response to the median price moving ahead of their expectations and continuing tight supply of new properties coming to market. The very low level of inventory is restricting buyer choice across the board."

Wellington region's house price values surged 10 per cent over winter 2016

After steep growth in winter of 2016 the Wellington region's property market is set to cool - but remain buoyant - in 2017.

Wellington's winter was a boom for property prices with a 10 per cent surge in growth from May to September in 2016.

Nick Goodall, a senior research analyst at property research firm CoreLogic, said while the Wellington region took a bit longer than Hamilton or Tauranga to get going during winter the QV house price index figures showed annual growth jumped from 10.2 per cent to 21.2 per cent – "an exceptionally steep curve, especially for the winter months".

Growth had since stalled over the past three months, with December's annual growth at 20.5 per cent.

Goodall said the region's winter boom was down to picky buyers who had held off, but then bought as desperation hit when the market began moving. Buyers being able to borrow at low interest rates and record low listings around the region also drove up prices.

Although still buoyant, Wellington's market was cooling as 2017 bedded in, with loan-to-value (LVR) restrictions, rising interest rates, a slight reduction in demand and a forecast easing of net migration putting a handbrake on 2016's property surge.

Latest CoreLogic data showed first-home buyers continued to make their mark across the region as they adjusted expectations and modified their 'must-have lists'.

First-home buyers made up 29 per cent of sales in 2016, well above the nationwide 20 per cent, Goodall said.

Nationwide residential property continues to increase in value and has now ticked over the \$1 trillion mark, but in a review of the year just gone, CoreLogic said earthquakes, Brexit, and Donald Trump's election as US president had all made the property market much more uncertain.

An election at home this year, question marks about the Auckland market being overvalued, and the threat of further borrowing restrictions were also adding to concerns.

QV home value general manager David Nagel said key drivers buoying Wellington during 2016 were an extreme shortage of listings, historically low interest rates, the market catching up after more than seven years of stagnation, the flow-on effect from Auckland, net migration increasing, Wellington's 'halo' pushing up prices in Wairarapa and new roading infrastructure driving growth on the Kapiti Coast. *Source - Stuff*

THINKING OF SELLING? CALL ME TODAY



103a Warwick Street, Wilton
RV \$360,000 | SOLD \$460,000



29 Donald Street, Karori
RV \$670,000 | 4 Bdrms | 1 Bthrm | 1 Gge

