



FIVE REGIONS HIT NEW RECORD MEDIAN HOUSE PRICES AS SUPPLY TIGHTENS FURTHER

40% Drop in properties available for sale year-on-year

House prices in the regions continue to grow faster than in Auckland at the same time as the number of properties available for sale across New Zealand drops fast, according to June 2016 data released by REINZ.

Five regions hit new record high median sale prices, while the national median price eased slightly (1%) to \$500,000 from \$506,000 last month. The Waikato/Bay of Plenty region recorded its fifth record median sale price for 2016, reaching \$438,000, with the median price in Auckland reaching \$821,000. Northland recorded a new record median of \$360,000, while Otago reached \$295,000 and Central Otago Lakes hit \$730,050.

According to the latest figures released today by REINZ, source of the most recent, complete and accurate real estate data in New Zealand, the number of sales for June 2016 was 7,864, a drop of 13% on May, in line with the general trend at this time of the year although an increase of 6% on June 2015. Real Estate Institute of New Zealand (REINZ) spokesperson Bryan Thomson says, "Although the onset of winter means that June is generally a quieter month for the real estate market, there has been no

let-up in the rate of price increases across the country, with five regions recording new record median prices. The 'usual suspects' of Waikato/Bay of Plenty, Central Otago Lakes and Northland once again saw new prices reached, and Auckland and Otago chimed in with their own record highs.

"Although there is much discussion about the housing market and increasing new build supply, the fact remains that the vast majority of the supply comes from the sale of existing properties. The inventory data continues to show rapid declines in the volume of properties available for sale right across the country, with a number of regions, such as Wellington and Hawke's Bay, recording very low levels of properties for sale. **"While Auckland continues to be the largest single region, its influence on the national picture is waning due to its own weaker sales and strong growth in sales in other regions, particularly Waikato/Bay of Plenty and Northland. Auckland's peak share of national sales was 39.7% in January 2014, however, its share is now just over 33.8%. Over the same period Waikato/Bay of Plenty's share of national sales has increased from 14.3% to 19.0%."**

NATIONAL MEDIAN PRICE YEAR-ON-YEAR AUCKLAND MEDIAN SEASONALLY ADJUSTED MEDIAN PRICE CHANGE MONTH-ON-MONTH MEDIAN

MEDIAN DAYS TO SELL

OTHER CHANGES TO NOTE

National	\$500,000 - up from	+11.1% year-on-
National ex Auckland	\$385,500 - up from	+13.4% year-on-year
Auckland	\$821,000 - up from	+8.7% year-on-year
National	Down 1.0% on May 2016	+10.5% year-on-
Auckland	Up 2.9% on May 2016	+8.9% year-on-year
National	\$500,000	-1.2% on May:
National ex Auckland	\$385,500	+0.1% on May:
Auckland	\$821,000	+2.0% on May:
National	31	Down 3 days year-on-
Auckland	30	Up 1 day year-on-year

Inventory continues to rapidly fall nationwide, with a 40% decline in properties available for sale year-on-year and six regions seeing falls of greater than 50%. Auckland, Wellington and Hawke's Bay each have less than 10 weeks of supply available.

Auckland's annual rate of increase in median price (of 8.7%) is now well below



FIVE REGIONS HIT NEW RECORD MEDIAN HOUSE PRICES AS SUPPLY TIGHTENS FURTHER (continued)

Sales volumes increase

There were 7,864 unconditional residential sales in June, a 6% increase on June 2015 and a 13% decline on May. On a seasonally adjusted basis, the number of sales fell 3% from May to June, indicating that sales were weaker than expected for this time of year.

Median prices jump, led by the regions

The national median house price rose \$50,000 (+11%) to \$500,000 from June 2015 to June 2016. Compared to May the national median house price fell \$6,000 (-1%). Central Otago Lakes recorded the largest percentage increase in median price compared to June 2015, at 42%, followed by Waikato/Bay of Plenty at 26% and Otago at 19%.

Auction sales up, Auckland auctions decline

There were 1,916 dwellings sold by auction nationally in June,

representing 24% of all sales and an increase of 306 (+19%) on the number of auctions in June 2015. Transactions in Auckland represented 62% of national auction sales, a significant drop from the 76% of national auction sales in June 2015. The number of auctions in Waikato/Bay of Plenty has increased by 95% compared to June 2015, while the number of auctions has increased by 320% in Wellington, albeit off a small base, and by 117% across the rest of New Zealand.

Pressure on stock grows, inventory and days to sell fall

The number of properties available for sale across all regions in New Zealand has continued to fall between June 2015 and June 2016. Wellington has the fewest properties for sale with just over seven weeks of supply, closely followed by Hawke's Bay with nine weeks supply and Auckland with just under 10 weeks of supply.

The number of days to sell has only improved by three days at the national level over the past 12 months, although the

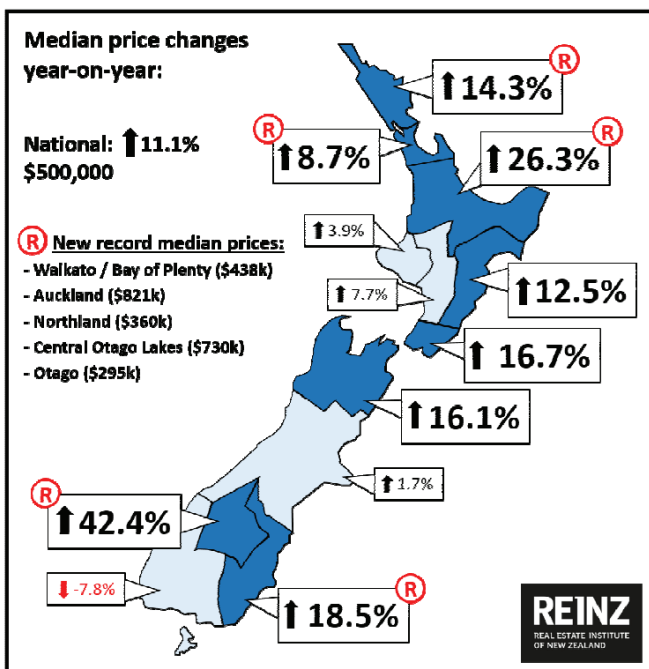
regions have seen some significant improvements with nine regions seeing a decrease of 20% or more in the number of days to sell.

Auckland was the only region to see a lengthening of the number of days to sell over the past 12 months.

Million dollar homes show largest increase in volumes

Between June 2015 and June 2016, the number of homes sold for more than \$1m increased by one third. The proportion of sales of homes under \$600,000 has declined from 66.4% to 60.6% (a drop of 5.8%). The proportion of sales of homes under

\$400,000 declined by 6.1% year-on-year.



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P 04 212 3568 M 021 950 71 E chris.day@redcoats.co.nz

