



News Release

10 November 2015

## ***Auckland Pauses, Regional Markets Strengthen***

### ***Summary***

- *7,838 dwellings sold in New Zealand in October 2015, up 18.6% on October 2014 and down 4.1% on last month (September)*
- *National median price of \$460,000, up \$30,000 (+7.0%) on October 2014 and down 5.1% on last month (September)*
- *A new record national median price excluding Auckland of \$370,000, (+8.4%) compared to October 2014 and up 1.4% on last month (September)*
- *New record median prices also for Northland, Manawatu/Wanganui, Wellington and Nelson/Marlborough*
- *A rise of \$107,750 (+16.8%) in Auckland's median price from October 2014 to October 2015 ( \$640,500 to \$748,250), and a fall of \$22,500 (-3.0%) compared to last month (September)*
- *A 57% rise nationwide in the number of sales over \$1 million between October 2014 and October 2015 – from 511 to 804*
- *22,000 dwellings sold by auction in the 12 months to October 2015, an increase of 47% in the number sold by auction in the 12 months to October 2014.*

REINZ, the most up-to-date source of real estate data in New Zealand, announced today that nationwide there were 7,838 dwelling sales during October 2015, up 18.6% on October 2014 and down 4.1% compared to the previous month, September. Excluding Auckland, the number of sales increased 27.5% compared to October 2014, and rose 5.5% on the previous month, September.

The national median price for October was \$460,000, an increase of \$30,000 or 7.0% on October 2014, and down 5.1% compared to the previous month, September. Excluding the impact of the Auckland region, the national median price rose \$28,500 to \$370,000 compared to October 2014 to reach a new record high; and rose 1.4% on September. New record median prices were also reached in Northland, Manawatu/Wanganui, Wellington and Nelson/Marlborough.

Real Estate Institute of New Zealand (REINZ) Chief Executive Colleen Milne says, "The drop in the number of sales in Auckland in October is the result of a softening of demand over the past few months and the new IRD and bank account rules introduced at the start of October. However, the fundamental supply and demand drivers of the Auckland market remain in place, and the result for October is indicative of the market adjustment phase as it adapts to these new requirements.

"Elsewhere across the country we are seeing increasing demand and rising prices as buyers of all types emerge to take advantage of low interest rates. It is further evidence of the 'halo' effect of Auckland-based buyers searching for value in

regional markets. During winter and into early spring, the property markets in a number of regions have been far more active than would normally be expected, thus a slowdown or pause is not surprising following this burst of activity.”

### ***Sales Volumes***

There were 7,838 unconditional residential sales in October, an 18.6% increase on October 2014 and a fall of 4.1% on September. On a seasonally adjusted basis, the number of sales fell 5.1% from September to October, indicating October sales were generally weaker than would normally be expected at this time of year.

<b><i>Seasonally Adjusted Sales Volumes</i></b>				
	Compared to September		Compared to Oct 2014	
	Volume Change	Seasonally Adjusted Change	Volume Change	Seasonally Adjusted Change
New Zealand	-4.1%	-5.1%	18.6%	21.5%
Auckland	-19.4%	-15.3%	3.6%	8.1%
Wellington	11.7%	-1.6%	16.0%	17.7%
Canterbury	14.8%	3.9%	9.3%	10.4%
Waikato/BOP	-5.8%	-4.0%	54.0%	56.4%
NZ ex Akl	5.5%	-2.6%	27.5%	28.9%

Sales volumes excluding Auckland were up 5.5% from the previous month and up 27.5% on October 2014. On a seasonally adjusted basis, Auckland’s sales volumes were down 15.3% compared to September, indicating that sales volumes were noticeably weaker in Auckland than would normally expected for this time of year. Four regions recorded annual sales growth of around 50%, with Northland, Waikato/Bay of Plenty, Hawkes Bay and Central Otago Lakes seeing the most robust sales growth.

Ten (10) regions recorded increased sales volumes compared to September, with Central Otago Lakes volumes growing 31%, followed by Southland with 21% and Canterbury/Westland, 15%. Compared to October 2014, all regions recorded increases in sales volume, with Waikato/Bay of Plenty recording the largest increase of 54%, followed by Hawke’s Bay with 52% and Central Otago Lakes with 50%.

### ***Prices***

The national median house price fell \$24,650 (-5.1%) to \$460,000 from September to October. Compared to October 2014 the national median house price increased by \$30,000 (+7.0%), with all but one region recording increases. Excluding the Auckland region, the national median price rose \$28,500 (+8.3%) compared to October 2014 to reach a new record high. On a seasonally adjusted basis, the national median house price fell 5.5%, indicating that prices fell slightly more in October than would normally be expected at this time of year.

**Seasonally Adjusted Median Prices**

	Compared to September		Compared to Oct 2014	
	Median Change	Seasonally Adjusted Change	Median Change	Seasonally Adjusted Change
New Zealand	-5.1%	-5.5%	9.5%	7.3%
Auckland	-3.0%	-4.1%	16.8%	16.2%
Wellington	3.4%	0.7%	4.9%	4.1%
Canterbury	0.0%	-0.5%	1.9%	2.6%
Waikato/BOP	-2.6%	-2.7%	11.2%	11.8%

Northland, Manawatu/Wanganui, Wellington and Nelson/Marlborough all reached new record median prices in October. Northland recorded the largest percentage increase in median price compared to October 2014, at 18%, followed by Auckland at 17% and Taranaki at 12%. Hawke's Bay recorded the largest percentage increase in median price compared to September, with a 9% increase, followed by Northland with 7% and Nelson/Marlborough with 5%.

**Auctions**

There were 1,912 dwellings sold by auction nationally in October, representing 24.4% of all sales and an increase of 543 (+40%) on the number for October 2014. The 20,000 sales by auction in the 12 months to October 2015 represented 22% of all dwelling sales, compared to 19% (13,601 sales) for the year ending October 2014.

Northland and Wellington set new records in October for the number of sales by auction, with Waikato/Bay of Plenty recording its second highest number of auctions following its new record established the previous month.

<b>Summary Auction Statistics for October 2015</b>			
	<b>Oct-15</b>	<b>Sep-15</b>	<b>Oct-14</b>
Total Auctions for Month	1,912	2,311	1,369
Auctions as % of Total Sales	24.4%	28.3%	20.7%
Total Auctions for Year Ended...	20,000	19,458	13,601
Auctions as % of Total Sales	22.3%	22.0%	18.7%
Annual Growth in Auctions %	47.0%	35.6%	-16.3%
<b>Breakdown by Regions...</b>			
Auckland Region	59.3%	69.3%	65.1%
Waikato/BOP Region	20.9%	17.7%	11.8%
Wellington Region	3.5%	1.3%	2.6%
Canterbury/Westland Region	10.1%	7.5%	14.9%
Rest of NZ	6.3%	4.1%	5.6%
<b>Source: REINZ</b>			

Auction transactions in Auckland again dominated market in October, accounting for 59% of the national total of auction sales, although over the past few months Auckland has become less dominant as auction sales in other regions have grown. Sales by auction in Waikato/Bay Of Plenty accounted for 21% of the national total, Canterbury/Westland accounted for 10% and all other regions combined accounted for the remaining 10%.

### **Further Data**

Across New Zealand the total value of residential sales, including sections, was \$4.677 billion in October, compared to \$5.182 billion in September and \$3.578 billion a year earlier, in October 2014. For the 12 months ended October 2015 the total value of residential sales was \$52.908 billion. The breakdown of the value of properties sold in October 2015 compared to October 2014 is:

	<b>October 2015</b>		<b>October 2014</b>	
\$1 million plus	804	10.3%	511	7.7%
\$600,000 to \$999,999	1,817	23.2%	1,372	20.8%
\$400,000 to \$599,999	2,031	25.9%	1,751	26.5%
Under \$400,000	3,186	40.6%	2,974	45.0%
<b>All Properties Sold</b>	<b>7,838</b>	<b>100.0%</b>	<b>6,608</b>	<b>100.0%</b>

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For more real estate information and market trends data, visit [www.reinz.co.nz](http://www.reinz.co.nz). For New Zealand's most comprehensive range of listings for residential, lifestyle, rural, commercial, investment and rental properties, visit [www.realestate.co.nz](http://www.realestate.co.nz) - REINZ's official property directory website.

### **Editor's Note:**

*The monthly REINZ residential sales reports remain the most contemporary and up-to-date 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.*