



January 2017 – Choice returning to the Auckland market

Aucklanders are once again starting to put their houses on the market, according to figures released this week by the Real Estate Institute of New Zealand (REINZ). Numbers of listings for the past few of months have been down, but January saw the number of properties listed for sale in the region jump by 1,125 (17%) compared to January 2016. January is typically the quietest month in the Auckland market, but the number of properties for sale is certainly rising, which can mean greater choice for Auckland home buyers. REINZ CEO Bindi Norwell commented “Market fundamentals remain the same, with a rising population, housing shortage and historically low, although potentially rising, interest rates. We await the March data with interest, as a clearer picture will emerge of where the market is likely to head through 2017.”

The latest QV.co.nz monthly house price index was released by Core Logic NZ on 7th February 2017. Head of Research Jono Ingerson blogged “I’m looking for any signs that the latest round of lending restrictions has begun to impact values. After all, you might expect that dramatically limiting people’s ability to get a mortgage would mean fewer people competing for properties and so the rate of value increase would slow, or even drop.”

“Have things have changed in recent months? Here are two maps of New Zealand showing value change over the past six months based on the monthly index.”

NZ 3 month change (Aug - Oct 2016)



NZ 3 month change (Nov 2016 - Jan 2017)



“The right hand map shows the value change over the latest three months. The left hand map shows the increase in the three months to October 2016. On both maps the larger the bubble, the more sales in that area. The colour range goes from brown being fastest increase, through orange for moderate increase, grey is flat, and blue is decrease. Both maps have the same colour scale meaning that if a colour changes from one map to the other it represents either a speeding up or slowing down.”

“The first thing I notice is the colour change in the Auckland area. Back in October the bubbles were dark orange to brown, showing relatively rapid increases in value. In the latest three months, there is far more grey and light orange. The rate of value increase has therefore slowed or even flattened in Auckland. Likewise in Hamilton, Tauranga, the lower North Island and Christchurch.”

“My conclusion is therefore that there has definitely been an impact on the larger North Island centres. The investor restrictions are starting to bite in Auckland, and on Auckland purchasers in Hamilton and Tauranga. Of course, the big question is whether this is the beginning of a big crash or the bursting of the bubble. I think not. My opinion is that within a few months’ potential purchasers will find ways around the lending restrictions, then low interest rates, high migration and a housing shortage will push values upwards again.”

March bargains

Are you considering selling? For a limited time in March we will be offering special advertising bargains for anyone who lists their property for sale with us. These are in addition to all the extras we always offer as part of our free marketing programme.

This will be an excellent way to maximise your property exposure so call us for the details.

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