



May 2017 - Tony Alexander's advice for first home buyers

The Real Estate Institute of New Zealand (REINZ) released their monthly Property Report last week. CEO Bindi Norwell commented “the Auckland region has seen a continued increase in the level of inventory with almost 2,500 more homes for sale in April compared to 12 months ago and the number of weeks of inventory now the third highest in the country. Auckland’s median price increased by 3% since April 2016, which suggests that Auckland is further through the property market cycle than the rest of New Zealand, which continues to see strong sales volume and price growth and an accompanying decline in inventory levels.”



Graph Commentary: The trend in the median price is now steady with the volume trend continuing to fall. The days to sell trend continues to ease. The overall trend for the region is now also easing.

Tony Alexander, Chief Economist for the Bank of New Zealand, analysed the recent REINZ data and commented that “over the past three month period, in rough seasonally adjusted terms, sales have fallen about 5% after falling 10% three months earlier and 5% three months before that. So there is a firm downward trend underway in number of sales. The Auckland decline was 21%, Waikato 24%, Bay of Plenty 27% and Wellington 14%. In almost all regions dwellings are starting to take longer to sell or improving at a slowing rate. As for prices, on average in the three months to April, Auckland was ahead just 6% from 14% growth one year back, 14% two years ago, and 12% three years in the past.”

Tony’s expert opinion is that “for the next wee while prices will likely sit flat as various groups of buyers pull back from chasing anything and a large part of the FOMO (fear of missing out) element exits the market. For young buyers, watch for price declines in the lower socioeconomic locations which have been heavily targeted by investors these past few years. Some of these investors will get more and more nervous and will right now be looking to get rid of their purchase. It is in such areas which young first home buyers might want to start looking – but without being in a hurry. Once the first few reports emerge of prices easing in these specific locations FOMO will kick in with owners looking to sell before prices decline even further. That is where I would be looking were I a struggling buyer.”

For Tony’s full report, go to <http://tonyalexander.co.nz/wp-content/uploads/2017/05/WO-May-18-2017.pdf>

Eastern Beaches area figures for April 2017

These figures include all sales by all agencies for the suburbs of Bucklands Beach, Eastern Beach, Half Moon Bay, Howick, Cockle Bay, Shelly Park, Highland Park, Farm Cove, Sunnyhills, Pakuranga, Edgewater, Botany Downs, Northpark, Dannemora, East Tamaki, Flat Bush, Whitford, Beachlands & Maraetai.

	April 2017	March 2017	% change	April 2016	% change
Total number of sales	139	232	↓ 40%	263	↓ 47%
Average Price	1,173,000	1,083,000	↓ 6%	xxxxxxx	↑ 6%

Total sales for the 12 months to April 2017 for the Eastern Beaches

- 2123 sales, of which 86% were houses. The top sale in the area last month was in Bucklands Beach, for a sale price of \$3,950,000.

Property Values -

Less than \$400,000	0.5%
\$400,000 - \$600,000	3.7%
\$600,000 - \$800,000	13.0%
\$800,000 - \$1,000,000	25.1%
\$1,000,000 - \$1,500,000	42.7%
More than \$1,500,000	15.0%



Remember, if you are buying or selling in the same market, value is relative. It is your decision and if it is the time to move.....MOVE! If it is the time to buy....BUY!

If there is any further information you require or if we can be of any assistance, please don't hesitate to contact us.

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538 0688

Bucklands Beach
535 0858

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535 8128

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576 4099

Botany Town Centre
273 2228

Flat Bush
272 8023