



November 2016 – Lower end of the market wavering – maybe due to impact of LVRs

Last week the Real Estate Institute of New Zealand (REINZ) released their October data. It shows, as expected, that sales are down around the country. But prices continue by and large to rise. The data shows that Auckland's median house price has risen 16% year-on-year to \$868,000 – lifting \$119,750 over the year. This rise also represents a 5% increase on September 2016 and a seasonally adjusted 4% on September (up 17% year-on-year).

REINZ spokesperson Bryan Thomson says “Auckland experienced a lot of strength in the upper end of the market but the lower end appears to be wavering due to the impact of LVRs. The national sales volumes fell by 14% in October compared to the same time last year and the number of properties for sale as measured by realestate.co.nz has fallen by almost 7,400 over the past year. Our data suggests that the impact of the revised LVR rules is having more of an effect on lower-priced sales compared to higher priced sales, with a surge in the percentage of sales over \$1 million and a noticeable decline in the number of sales below \$500,000 compared to 12 months ago. Some of this change may be reflective of the overall uplift in prices over the past year as the market for higher-priced properties is continuing as normal, but the market for lower priced properties is becoming more difficult for both buyers and sellers.” For the full report go to [reinz.co.nz](http://reinz.co.nz)

Jono Ingerson, Head of Research NZ, Corelogic NZ Ltd commented in his blog earlier this month “The continued increase in values and the dominance of investors was partly why the Reserve Bank introduced new loan restrictions, announced with immediate effect in late July 2016. In response to those new lending restrictions we have seen signs of the heat coming out of the market. So values are slowing. Is that the last piece of the puzzle in confirming whether lending restrictions have done the trick? Well, it would be if demand and listings hadn't rebounded. Just in the last few weeks, new listings and demand have suddenly surged upwards and what was looking like a very sad Spring is now beginning to look a bit healthier. A surge in new listings giving increased choice for buyers will theoretically ease upward price pressure. An increase in demand, as seen in people visiting their bank, doesn't mean that will translate to actual sales, despite the fact that it has always done so in the past. The game is different now. The volatility in these various market measures suggests to me that the dust is still settling. I will expect many people to hold out until well into the New Year to assess the state of the market. That said, prediction in this market is a near impossibility.” For Jono's full blog, go to [QV.co.nz](http://QV.co.nz)

## Eastern Beaches area figures for October 2016

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.

	Oct 2016	Sept 2016	% change	Oct 2015	% change
Total number of sales	191	185	↑ 3%	179	↑ 7%
Average Price	1,201,000	1,174,000	↑ 2%	1,034,000	↑ 16%

Total sales for the 12 months to October 2016 for the Eastern Beaches

- 2407 sales, of which 86% were houses. The top sale in the area last month was in Bucklands Beach, for a sale price of \$3,250,000.

Property Values -	
Less than \$400,000	0.5%
\$400,000 - \$600,000	4.8%
\$600,000 - \$800,000	16.3%
\$800,000 - \$1,000,000	27.8%
\$1,000,000 - \$1,500,000	38.6%
More than \$1,500,000	12%



Our salespeople are reporting that open homes numbers have been declining on many properties over the past few weeks. This means it could be a good time to try and secure your first or next home with less competition from other buyers and before the rush in the new year.

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Howick 538 0688	Bucklands Beach 535 0858	Half Moon Bay 535 8128	Pakuranga 576 4099	Botany Town Centre 273 2228	Flat Bush 272 8023
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