

14 June 2018

For immediate release

\$27k price increase sees NZ hit new record median price in May says REINZ

A year-on-year price increase of \$27,000 has seen New Zealand achieve a new record median house price of \$562,000 – a 5.0% increase – according to the latest data from the Real Estate Institute of New Zealand (REINZ), source of the most complete and accurate real estate data in New Zealand.

Median prices for New Zealand excluding Auckland increased by 5.8% annually to \$455,000, up from \$430,000. However, Auckland's median price decreased 1.3% from the same time last year, with May 2018 seeing a price of \$852,000 (down from \$862,800 in May 2017).

Three regions achieved record prices in May:

- Northland – up 6.7% year-on-year resulting in a median of \$475,000 (up from \$445,000)
- Tasman – up 16.2% year-on-year resulting in a median of \$612,000. This is the first time the median price for Tasman has gone over \$600,000
- Manawatu/Wanganui had a record equal median price of \$305,500 - the same as the median price in April 2018.

Other regions that saw a strong increase in price from May 2017 to May 2018 were the West Coast (+25.7% to \$220,000 – the highest price in 7 months), Otago (+14.6% to \$440,000) and Hawke's Bay (+13.2% to \$430,000).

Bindi Norwell, Chief Executive at REINZ says: "The record price for New Zealand of \$562,000 continues to highlight the buoyancy of the housing market across the country. Of the 16 regions in New Zealand 13 saw an annual price increase – 5 of which were double digit increases showing that the demand for good property continues unabated. Only three regions saw a year-on-year price decrease – Auckland, Gisborne and Southland.

"The record median price achieved in Tasman has seen the region skip both Wellington and the Bay of Plenty to become the second most expensive region in New Zealand in just a single month highlighting just how popular the region continues to be – even as we head into winter. It's staggering to think that a region of 51,000 people has more expensive property than a region of nearly 514,000* people," continues Norwell.

"Looking at Auckland, it seems like the market has found a middle ground around the \$850,000 mark, as 3 out of the past 5 months have seen a median price in this range. This suggests that the standoff between buyers wanting a bargain and sellers wanting an unrealistic price is coming to an end," she continues.

"Despite the year-on-year decrease, Auckland's median price of \$852,000 is actually up \$2,000 on April 2018. Putting the year-on-year figure into perspective, the REINZ HPI for Auckland increased 0.6% year-on-year, highlighting that despite a decrease in median price that the market is actually

not in decline – it's just a result of a decrease in \$1 million plus properties year-on-year," points out Norwell.

Volumes up

The number of houses sold in May 2018 across New Zealand increased by 1.3% (to 7,578 up from 7,482) when compared to the same time last year. However, the number of properties sold in New Zealand excluding Auckland decreased 0.5% year-on-year to 5,247 down from 5,271 in May 2017.

The number of houses sold in Auckland increased 5.4% year-on-year, from 2,211 in May 2017 to 2,331 in May 2018.

Regions with the largest increases in sales year-on-year were:

- Nelson – up 25.3% from 83 sales to 104
- West Coast – up 20.9% from 43 to 52 – the highest sales count in 6 years
- Gisborne – up 15.8% from 57 to 66
- Hawke's Bay – up 12.5% from 248 to 279 - the highest sales count in 14 months.

Regions with the biggest decreases year-on-year were Tasman (-16.9% - the lowest number of properties sold for the month of May for 9 years), Marlborough (-10.4%), Otago (-7.4%) and Northland (-6.6%).

"With 2017 seeing only year-on-year volume decreases for New Zealand, it's positive to see the number of properties sold having increased year-on-year for 4 out of the first 5 months of 2018. Further supporting this positive outlook is that across the country is that 9 out of 16 regions saw a year-on-year increase in the number of properties sold, with 4 of those regions experiencing double-digit growth," says Norwell.

"There have been some stand out results for some of the regions too, with the West Coast having seen the highest number of properties sold in 6 years – since May 2012. The Bay of Plenty, Hawke's Bay and Manawatu/Wanganui all had the highest sales count since March 2017 and Canterbury and Otago had the highest sales count in 6 months," says Norwell.

REINZ House Price Index (HPI)

The REINZ House Price Index for New Zealand, which measures the changing value of property in the market, increased 3.7% year-on-year to 2,702. The HPI for New Zealand excluding Auckland increased 6.8% from May 2017 to a new record high of 2,554.

The REINZ HPI showed that 11 out of 12 regions experienced an increase in their HPI over the past 12 months, highlighting the continued strength of the property market.

Again, the only region not to experience an increase was Canterbury, which experienced a decrease of 0.9% year-on-year – nothing for the region to be concerned about.

The Manawatu/Wanganui region had the highest annual growth rate at +14.3%, followed by Gisborne/Hawke's Bay in second place (+14.0%) and Southland in third place (+12.2%) highlighting the strength of these regions.

Days to sell

The median number of days to sell a property nationally increased by 1 day from 37 days in May 2017 to 38 days in May 2018. This is 2 days more to sell a property than it took in April this year.

Auckland saw the median number of days to sell a property remain flat at 40 days, but it increased by 3 days on April 2018.

Regions with the biggest decrease in the median number of days to sell were West Coast (-50 from 148 to 98), Taranaki (-5 days from 42 to 37) and Nelson (-3 from 35 to 32).

Regions with the biggest increase in the median number of days to sell were Gisborne (+12 from 32 to 44), Tasman (+8 from 29 to 37), Bay of Plenty (+7 from 38 to 45) and Northland (+6 from 41 to 47).

Auctions

Auctions were used in 12.7% of all sales across the country in May, with 961 properties selling under the hammer – this is down slightly from May 2017, when 13.3% of properties (996) were sold via auction.

For the fourth month in a row, Gisborne had the highest percentage of auctions across the country with just shy of a third of properties (30.3% or 20 properties) in the region sold under the hammer – down from 40.4% (23 properties) in May 2017. Auckland saw the second largest percentage of auctions on 21.1% (492 properties) down from 24.3% in May 2017 (539 properties) and the Bay of Plenty on 16.8% (91 properties) down from 19.4% (98 properties) in May 2017.

Inventory

The number of properties available for sale nationally increased by 1.0% from 24,229 to 24,477 – an increase of just 248 properties compared to 12 months ago. For the third month in a row the New Zealand figure has been buoyed by inventory increases in Nelson (+29.3% - an additional 96 properties – the largest annual inventory growth on record), Hawke's Bay (+8.9% - an additional 41 properties) and Waikato (+8.8% - an additional 140 properties).

The New Zealand excluding Auckland inventory level fell by 1.0% from 15,607 in May 2017 to 15,455 in May 2018. Auckland's annual inventory increased by 4.6% (from 8,622 to 9,022 - an additional 400 properties).

Regions with the biggest falls in inventory were:

- Southland – down 20.1%
- Gisborne – down 19.2%
- West Coast – down 16.8%
- Manawatu/Wanganui – down 13.7%.

Again, the Wellington region has had the lowest number of weeks' inventory across the whole country with only 8 weeks' inventory available to those looking to purchase in the area. The Hawke's Bay has seen a slight increase from 8 to 10 weeks' inventory year-on-year. Similarly, Otago is also sitting on 10 weeks' inventory, but this is down from 11.3 weeks' inventory when compared to May 2017.

Price Bands

The number of homes sold for less than \$500,000 across New Zealand fell from 45.6% of the market (3,409 properties) in May 2017 to 42.4% of the market (3,210 properties) in May 2018 which is reflected by the overall increasing median price.

The number of properties sold in the \$500,000 to \$750,000 bracket increased from 26.8% in May 2017 (2,003 properties) to 28.4% in May 2018 (2,155 properties). At the top end of the market, properties sold for more than \$1 million increased marginally from 14.1% of the market in May 2017 (1,053 houses) to 14.2% of the market this year (1,079 houses).

ENDS

Notes to Editors

* Statistics New Zealand Estimated resident population 2017 figures:

http://archive.stats.govt.nz/browse_for_stats/population/estimates_and_projections/SubnationalPopulationEstimates_MRAJun17.aspx

The monthly REINZ residential sales reports remain the most recent, complete and accurate 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.

For further information, please contact Dee Crooks, Head of Communications at REINZ, on 09 356 1753 or 021 953 308.

KEY DATA SUMMARY

MEDIAN HOUSE PRICE YEAR-ON-YEAR

NATIONAL

\$562,000 - up from \$535,000 + 5.0% year-on-year

NEW ZEALAND EX AUCKLAND

\$455,000 - up from \$430,000 + 5.8% year-on-year

AUCKLAND

\$852,000 - down from \$862,800 - 1.3% year-on-year

SEASONALLY ADJUSTED MEDIAN HOUSE PRICE

NATIONAL

Up 1.1%, up 4.5% on May 2017

NEW ZEALAND EX AUCKLAND

Down 0.3%, up 5.3% on May 2017

AUCKLAND

Down 0.4%, down 0.8% on May 2017

MEDIAN HOUSE PRICE MONTH-ON-MONTH

NATIONAL

\$562,000 - up from \$550,000 + 2.2% since last month

NEW ZEALAND EX AUCKLAND

\$455,000 - down from \$460,000 - 1.1% since last month

AUCKLAND

\$852,000 - up from \$850,000 + 0.2% since last month

MEDIAN DAYS TO SELL

NATIONAL

38 - 1 day longer than same month last year

NEW ZEALAND EX AUCKLAND

36 - same number of days as same month last year

AUCKLAND

40 - same number of days as same month last year

REINZ HOUSE PRICE INDEX

NATIONAL

2702 - up from 2606 + 3.7% year-on-year

NEW ZEALAND EX AUCKLAND

2554 - up from 2392 + 6.8% year-on-year

AUCKLAND

2883 - up from 2866 +0.6% year-on-year



SEASONALLY ADJUSTED SALES VOLUMES

	COMPARED TO APRIL		COMPARED TO MAY 2017	
	VOLUME CHANGE	SEASONALLY ADJUSTED CHANGE	VOLUME CHANGE	SEASONALLY ADJUSTED CHANGE
New Zealand	16.3%	-1.8%	1.3%	1.8%
NZ ex Akl	13.6%	-2.0%	-0.5%	0.4%
Northland	4.1%	-5.5%	-6.6%	-5.7%
Auckland	22.8%	1.1%	5.4%	5.2%
Waikato	20.5%	-1.7%	-5.0%	-3.3%
Bay of Plenty	8.6%	-2.0%	7.5%	7.9%
Gisborne	6.5%	6.2%	15.8%	16.2%
Hawke's Bay	26.2%	1.5%	12.5%	13.0%
Manawatu/Wanganui	10.9%	0.2%	5.5%	7.1%
Taranaki	22.4%	7.8%	1.6%	3.3%
Wellington	3.4%	-2.5%	-5.5%	-6.7%
Nelson/Marlborough/Tasman	12.0%	-1.8%	-1.5%	-3.1%
Canterbury	20.3%	0.6%	-0.2%	1.0%
West Coast	44.4%	15.9%	20.9%	23.9%
Otago	9.8%	-2.6%	-7.4%	-8.7%
Southland	16.5%	-0.3%	1.6%	5.2%



SEASONALLY ADJUSTED MEDIAN PRICE

	COMPARED TO APRIL		COMPARED TO MAY 2017	
	MEDIAN CHANGE	SEASONALLY ADJUSTED CHANGE	MEDIAN CHANGE	SEASONALLY ADJUSTED CHANGE
New Zealand	2.2%	1.1%	5.0%	4.5%
NZ ex Akl	-1.1%	-0.3%	5.8%	5.3%
Northland	5.6%	6.2%	6.7%	6.2%
Auckland	0.2%	-0.4%	-1.3%	-0.8%
Waikato	2.0%	2.2%	4.6%	4.4%
Bay of Plenty	3.5%	2.2%	9.6%	11.0%
Gisborne	-10.3%	-8.2%	-5.4%	-2.9%
Hawke's Bay	0.0%	1.5%	13.2%	12.0%
Manawatu/Wanganui	0.0%	-0.1%	13.0%	11.8%
Taranaki	-3.4%	-2.3%	0.7%	-0.3%
Wellington	1.2%	0.6%	8.0%	7.3%
Nelson/Marlborough/Tasman	-1.8%	-3.0%	1.0%	0.6%
Canterbury	0.2%	0.0%	1.8%	1.1%
West Coast	27.9%	20.4%	25.7%	25.8%
Otago	-4.6%	-4.7%	14.6%	13.9%
Southland	-2.0%	-3.8%	-1.6%	-1.8%

House Price Index	Index Level	1 Month	3 Months	1 Year	5 Year*	From Peak
New Zealand	2702	-0.1%	0.4%	3.7%	9.1%	-0.3%
NZ excl. Auckland	2554	0.4%	1.2%	6.8%	8.0%	New High
Northland	2712	1.5%	2.3%	8.3%	10.7%	New High
Auckland	2883	-0.6%	-0.4%	0.6%	10.2%	-0.9%
Waikato	2796	0.6%	1.6%	7.4%	10.7%	New High
Bay of Plenty	2622	0.5%	0.8%	4.9%	11.0%	New High
Gisborne/Hawke's Bay	2477	1.3%	2.0%	14.0%	9.7%	New High
Manawatu-Wanganui	2632	1.4%	5.3%	14.3%	8.0%	New High
Taranaki	2771	2.5%	1.9%	7.3%	5.5%	New High
Wellington	2501	0.6%	0.8%	9.4%	9.2%	New High
Tasman/Nelson/Marlborough/West Coast	2212	0.3%	2.6%	8.6%	7.1%	New High
Canterbury	2428	-1.0%	-1.1%	-0.9%	2.8%	-1.7%
Otago	2657	-0.3%	2.5%	8.4%	10.7%	-0.3%
Southland	2536	1.6%	2.1%	12.2%	6.8%	New High

Source: REINZ

* = Compound Growth Rate

PRICE DISTRIBUTION BREAKDOWN

	May 2017		May 2018	
\$1 million plus	1,053	14.1%	1,079	14.2%
\$750,000 to \$999,999	1,017	13.6%	1,134	15.0%
\$500,000 to \$749,999	2,003	26.8%	2,155	28.4%
Under \$500,000	3,409	45.6%	3,210	42.4%
All Properties Sold	7,482	100.0%	7,578	100.0%