



May 2016 – Reserve Bank closely monitoring the housing market

The Reserve Bank released their six monthly Financial Stability Report on 11th May, in which they repeated that they are keeping an eye on three risks – global financial weakness, the dairy sector, and the housing sector. Even though they noted that they have seen some rebound in the Auckland housing market and strength elsewhere, they say that as yet they are not announcing any new restraining measures. “The Reserve Bank is closely monitoring developments to assess whether further financial policy measures would be appropriate.”

The REINZ monthly data released later on the same day indicated a market that continues to rise. In Auckland average prices rose by another 1.8% in March after rising 4.3% in February and 5.5% in January. Prices are up 11% since December but ahead a more reasonable 2.4% since the previous peak in October last year. REINZ Chief Executive, Colleen Milne noted that, “The Auckland region has seen a rebound in sales over the past two months with continuing strong demand across most of the region. The listing situation has tightened again, with the number of weeks of inventory dropping back to 10 weeks, a near record low. Demand remains strong and the adjustment period after the introduction of new LVR rules is over.”

Tony Alexander, Chief Economist of the BNZ, questions whether it is likely that the Reserve Bank will introduce debt to income rules? He thinks probably not as such rules will disproportionately hit first home buyers. As many of these buyers are already locked out of the housing market anyway this double hit will not have the sort of price restraining impact the Reserve Bank would like. Tony believes the chances are that the existing investor-focused deposit requirement of 30% will be spread to the rest of the country and in Auckland raised to 50%.

Eastern Beaches area figures for April 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.

	April 2016	March 2016	% change	April 2015	% change
Total number of sales	263	258	↑ 2%	246	↑ 7%
Average Price	1,104,000	1,079,000	↑ 2%	950,000	↑ 16 %

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

- 2683 sales, of which 84% were houses. The top sale in the area last month was in Bucklands Beach, for a sale price of \$5,388,800.

Property Values -

Less than \$400,000	0.5%
\$400,000 - \$600,000	7.2%
\$600,000 - \$800,000	22.3%
\$800,000 - \$1,000,000	30.1%
\$1,000,000 - \$1,500,000	31.6%
More than \$1,500,000	8.2%



Some real estate companies are reporting a slowing down of the market as we move towards winter. However, the Ray White Eastern Group has not experienced this at all. We continue to hold successful Auction evenings watched by a large crowd of people each Monday night. Our FREE marketing package will run throughout winter, giving you an excellent chance to receive the best possible price for your property in the shortest possible time.

Don't hesitate to contact us for any information about the current market, or what we can offer you as a seller or a buyer.

Mountfort Estate Agents Ltd Licensed (REAA 2008) - 6 local offices to serve you.

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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