

BNZ-REINZ Residential Market Survey

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Mission Statement

To help Kiwi businesspeople and householders make informed financial decisions by discussing the economy in a language they can understand.

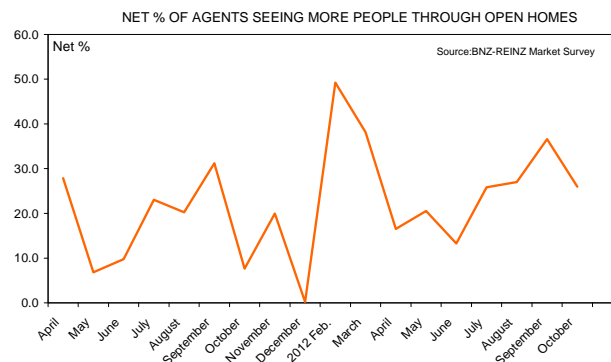
Market Strong

This month's survey of over 10,000 licensed real estate agents throughout New Zealand has found continuing strong property demand from young buyers and investors, prices perceived to be rising, and sellers having the upper hand. None of the main measures we track has shown a particularly strong change over the month and this accords with official data from the REINZ showing upwardly trending but not rapidly changing dwelling sales and prices.

Is the number of people going through Open Homes increasing or decreasing?

Good interest

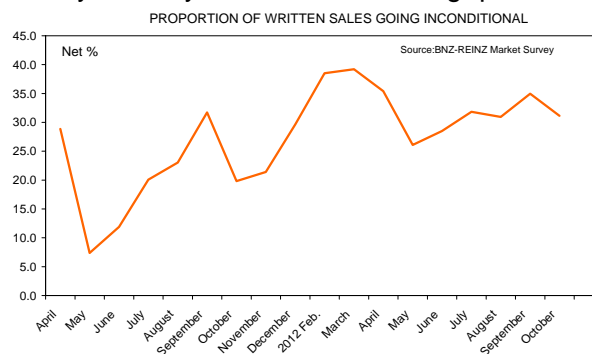
A net 26% of agents feel that more people are going through Open Homes which is a small decrease from last month but in line with results in recent months and not suggestive of any particularly new trend.



Is the proportion of Written Sales going unconditional increasing or decreasing?

Sales firm

This particular result does not show much variation from month to month but like some others we shall keep it in the survey because it may one day be useful in catching quick market changes.

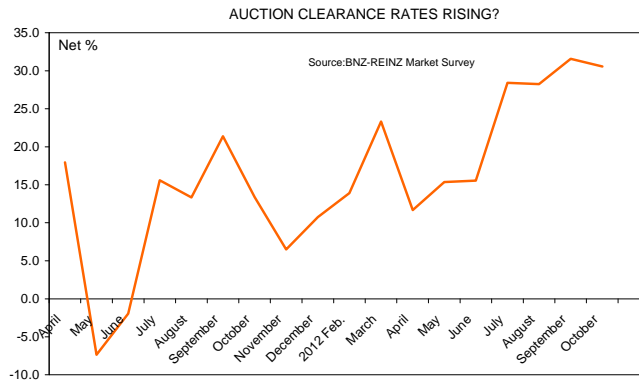


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Are auction clearance rates increasing or decreasing?

Strong clearance

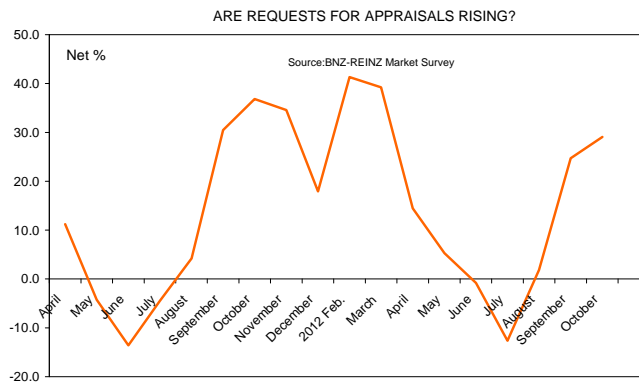
Success at auctions is perceived by agents to have been improving strongly for many months now.



Are requests for appraisals increasing or decreasing?

Vendors out there?

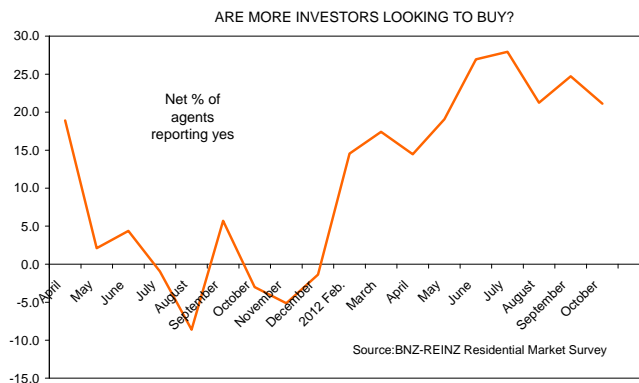
For the second month in a row a strong net percent of agents report that they are noticing more people asking for appraisals of their property. But we have been here before and anecdotal evidence does not yet suggest any particularly large rise in property supply is on the offering.



Is the number of investors looking to buy increasing or decreasing?

Strong

A still high net 21% of agents report that more investors are appearing, thus strongly cementing in 2012 as a year of firm investor demand when compared with 2011.

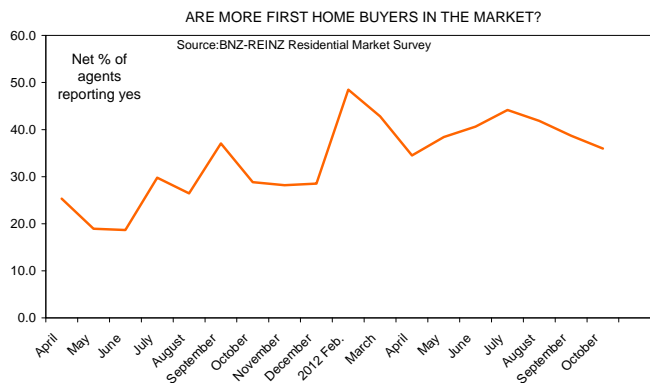


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Is the number of first home buyers increasing or decreasing?

Strong also

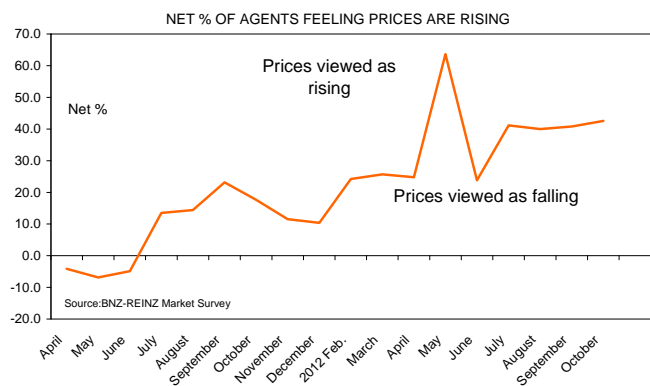
A net 36% of agents note more young buyers around. This result is just above the average reading of 36% and although the reading has fallen for three months in a row we don't yet read this as a new interesting development.



Do prices appear to be increasing, flat or decreasing?

Prices up

Prices are very strongly perceived to be rising with a net 43% of agents noting this compared with a net 41% in September.

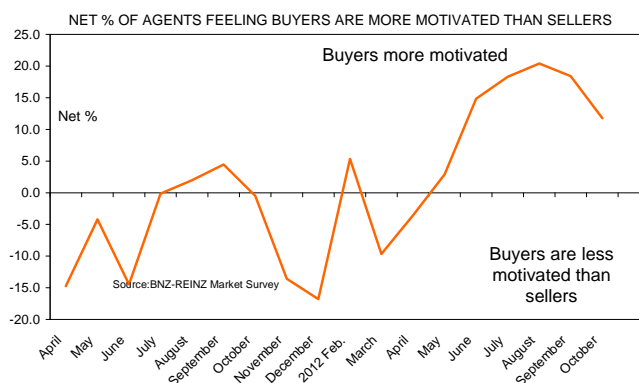


Who appear more motivated to transact – the buyers or the sellers?

A sellers market

Although a net 12% of agents report that buyers are more motivated than sellers this is the lowest result in five months and could suggest some calming down on the part of the buyers.

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What are the main factors holding buyers back?

No interesting results here I am afraid.

	Latest %	Month Ago %	Average %
They feel prices will decline	14.9	12.6	20.9
Worries about securing finance	16.0	16.3	17.7
Not confident they can sell their house	16.3	14.6	17.5
Poor quality of listings	43.7	47.5	33.9
Other	9.1	9.1	10.0

What are the main reasons people are buying?

Good interest rates and buying a first home remain the two biggest reasons why people are looking to buy a property.

	Latest %	Month Ago %	Average %
Fear of missing out/Feel time is right for prices	10.1	10.1	10.8
Trading up	10.1	10.4	13.7
Trading down	10.8	10.8	15.5
Shifting into town	11.6	12.0	14.9
Arriving from overseas	5.9	4.3	5.5
Relationship breakdown	7.8	8.5	11.6
Commuting costs	1.8	1.2	2.3
Schooling	6.1	6.7	8.0
Want closer proximity to shops	1.3	1.3	2.0
Want closer proximity to relatives	2.4	2.1	2.6
Want closer proximity to health care services	1.3	1.4	2.0
Investing	0.0	0.3	0.4
First home	14.8	14.7	3.6
Earthquake	0.0	0.3	1.4
Good interest rates	14.0	14.2	2.8
Other	2.0	1.7	3.0

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What are the main reasons Written Sales fail to go unconditional?

Finance is decreasingly a worry.

	Latest %	Month Ago %	Average %
Finance	27.8	28.8	35.4
LIM report	7.2	5.6	6.2
Builders report	57.4	53.2	50.5
Earthquake/insurance	2.6	3.6	2.8
Can't sell own house	0.9	0.9	1.1
Other	4.1	8.0	4.3

What are the main factors motivating vendors to sell?

Nothing stands out except maybe a downward trend in relationship breakdown as a reason for selling (and buying above).

	Latest %	Month Ago %	Average %
They think prices are going to fall	2.8	1.7	2.9
Need the money	12.5	13.2	18.2
Trading up	11.9	11.7	11.6
Trading down	15.2	15.2	16.3
Leaving town	12.8	13.1	13.7
Leaving the country	7.3	6.5	7.5
Relationship breakdown	11.1	13.4	15.1
Commuting costs	1.2	0.8	1.2
Schooling	3.0	2.8	3.2
Want closer proximity to shops	1.6	1.1	1.2
Want closer proximity to relatives	1.2	1.6	1.7
Want closer proximity to health care services	2.3	1.3	2.2
Earthquake	0.2	0.1	0.3
Bank request, job loss	0.0	0.0	0.1
Retirement	10.9	10.1	1.9
Estate sales	4.6	6.0	1.1
Other	1.3	1.5	1.9

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REGIONS

Prices are perceived to be rising in all regions except Taranaki and Southland, but sellers are seen as more motivated to transact than buyers in a greater number of regions (last column) including Northland, Waikato, and Wellington. Be careful in reading too much into data from regions where few agents have not bothered to show some initiative and send in replies – Southland and Taranaki mainly.

	# of Responses	# of people through Open Homes	% of Written Sales Unconditional	Auction Clearance rate	Requests for Appraisals	Investors buying	First home buyers	Prices	Buyers more motivated?
Northland	18	16.7	55.6	8.3	38.9	5.6	16.7	11.1	-16.7
Auckland	96	27.1	42.7	42.4	20.8	29.2	47.9	70.8	39.6
Waikato	28	28.6	25.0	36.8	32.1	39.3	28.6	14.3	-10.7
Bay of Plenty	31	29.0	48.4	42.9	38.7	12.9	29.0	25.8	-9.7
Hawkes Bay/Gisborne	16	50.0	18.8	0.0	43.8	31.3	62.5	25.0	0.0
Taranaki	8	12.5	25.0	-40.0	0.0	-50.0	0.0	-12.5	12.5
Manawatu/Wanganui	10	50.0	10.0	33.3	60.0	30.0	70.0	20.0	-10.0
Wellington	22	22.7	36.4	33.3	59.1	40.9	59.1	40.9	-13.6
Nelson/Marl. W. Coast	12	25.0	-8.3	-12.5	25.0	-16.7	-8.3	33.3	-8.3
Canterbury	32	15.6	12.5	31.8	6.3	6.3	25.0	62.5	37.5
Otago	12	33.3	16.7	40.0	58.3	41.7	25.0	33.3	-8.3
Southland	4	-50.0	-50.0	-50.0	-50.0	-25.0	-50.0	-25.0	-50.0
All	289	26.0	31.1	30.6	29.1	21.1	36.0	42.6	11.8

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The BNZ-REINZ Market Survey is run (usually) on the first Tuesday of the month after the first Thursday. In the email sent to REINZ member email addresses respondents are asked to click on a URL which takes them to a survey site. Respondents are asked if they feel various measures of real estate market activity are increasing or decreasing and to identify various factors in play influencing buyer and vendor behaviour. Results are collated within 48 hours and this report is distributed to all BNZ Weekly Overview recipients, REINZ members, and the media.

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