

# Harcourts MarketWatch

August 2013

The statistics from New Zealand's largest real estate group Harcourts show, at current levels of sales, the country only has enough property on the market to last for 4.2 months. This is significantly down on the same time last year when there was enough stock for 6.9 months. Overall there are 12% fewer properties for sale than there were in July 2012, however written volumes of sales are up by 13.1% across New Zealand, meaning houses are selling fast and leaving the market hungry for more.

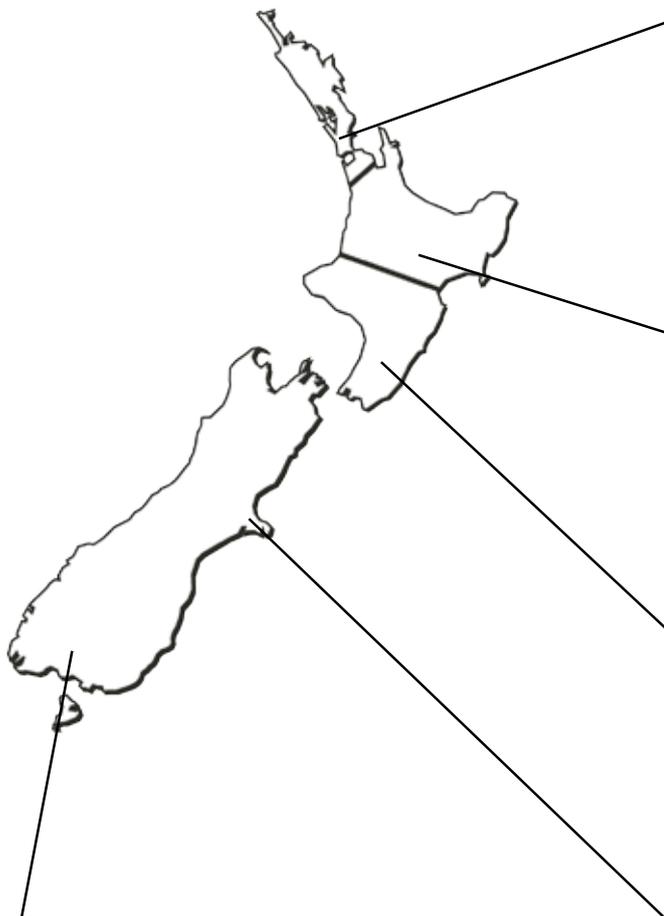
Auckland (-10.2%) and Christchurch (-22.6%) remain the worse affected by low levels of stock, but the Central Region (-6.9%), Wellington (-8.3%) and South Island Provincial (-9.3%) are not far behind.

We are seeing prices up across the board. Although Auckland prices are up by 10% this month compared with last July, overall since March 2013 there has been a clear levelling of

prices. In July the average sales price was \$615,493, compared with \$614,041 in March – a mere 0.3% variation over the past five months.

It remains evident low supply is the issue which needs to be resolved to ensure an overall settling of house prices. The expected introduction of loan-to-value ratio restrictions by the Reserve Bank will not address this, but will instead penalise first home buyers already struggling to enter the market. Those who can afford to pay more will continue to do so.

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<b>NORTHERN</b>	<b>July 2013</b>	<b>July 2012</b>	<b>% Change</b>
Total New Listings	945	759	24.6%
New Auction / Tender Listings	313	222	41%
Property on Hand	2340	2607	-10.2%
Written Sales	667	523	27.5%
Average Price	\$615,493	\$558,849	10%

In July Harcourts saw properties available for sale drop 10.2% on the same time last year, which hasn't helped buyer frustration. Written sales are up 27.5%, indicating property is selling quickly when it does go to the market. Buyer confidence is high, with older stock seen as less desirable in the past now clearing. However, the declining property on hand figure indicates stock is hard to come by, with property owners fearful about selling and re-entering the market as buyers.

<b>CENTRAL</b>	<b>July 2013</b>	<b>July 2012</b>	<b>% Change</b>
Total New Listings	470	551	-14.7%
New Auction/Tender Listings	60	72	-16.7%
Property on Hand	2927	3237	-6.9%
Written Sales	456	359.7	26.8%
Average Price	\$352,726	\$308,969	14%

Written sales are up 26.8% which suggests the Central Region is seen as an attractive and affordable location. Just two hours south of Auckland, Hamilton is becoming a real possibility for Aucklanders wanting to buy their first home or upgrade. However, with property on hand down 6.9% and total new listings down 14.7%, owners are showing signs of being less inclined to sell, despite a jump of 14% in the average sales price.

<b>WELLINGTON</b>	<b>July 2013</b>	<b>July 2012</b>	<b>% Change</b>
Total New Listings	461	411	12.2%
New Auction/Tender Listings	61	49	24.5%
Property on Hand	1927	2101	-8.3%
Written Sales	329	317	3.8%
Average Price	\$349,750	\$327,677	7%

Harcourts is seeing good movement in Wellington, with new listings, auctions and written sales all up, along with the average price which now sits at \$349,750 (up 7%). Like the rest of the country, available stock is lower than in July 2012, down 8.3%. However, with enough stock to last for 5.8 months at current buying levels, Wellington is in a better position than Auckland (3.5 months) and Christchurch (4.6 months).

<b>CHRISTCHURCH METRO</b>	<b>July 2013</b>	<b>July 2012</b>	<b>% Change</b>
Total New Listings	673	708.5	-5%
New Auction/Tender Listings	162	94	72.3%
Property on Hand	1916	2475	-22.6%
Written Sales	409	411	-0.5%
Average Price	\$445,702	\$396,117	13%

Auctions have increased a huge 72.3% on last July and now account for 24% of all listings in the city. This is a trend expected when competition for housing is fierce, with the rapid pace of the marketing campaign and the competitive bidding process achieving the best prices. This is reflected in the 13% average price increase. Property available to buy is down 22.6%, which will not improve the housing shortage facing the city. An expeditious rebuild remains the only answer.

<b>SOUTH ISLAND PROVINCIAL</b>	<b>July 2013</b>	<b>July 2012</b>	<b>% Change</b>
Total New Listings	392	369	6.2%
New Auction/Tender Listings	22	23	-4.3%
Property on Hand	2380	2624	-9.3%
Written Sales	261	258	1.2%
Average Price	\$351,432	\$292,891	20%

Property available in the South Island is down 9.3%, which is in keeping with the trend across the rest of the country. Last month's figures were down across the board in Southland, but in July Harcourts has seen a slight recovery in new listings and written sales. This is good news for buyers. The average price is up 20%, but at these low numbers the figures can be skewed by single sales.

Disclaimer: All Harcourts MarketWatch figures are current to the end of the reported month and are compared to the same month ended for the previous year. 'Written Sales' is defined by all sales brought to contract status, where 'Settled Sales' are the results of contracts completed at the close of the reported month. Written Sales are a snapshot of the markets temperature while Settled Sales show what has happened in the previous month.

Harcourts has been in existence since 1888 and is New Zealand's largest real estate group with more than 180 offices nationwide. Harcourts also has over 280 offices in Australia and offices in Indonesia, Fiji, China, Hong Kong, South Africa and the USA. Visit [www.harcourts.co.nz](http://www.harcourts.co.nz) for more information.

