

Harcourts MarketWatch

April 2014

The average house in New Zealand now sells for \$502,306, which is a record high, up 12% on the same time last year and 8% on October, the month LVR restrictions were introduced.

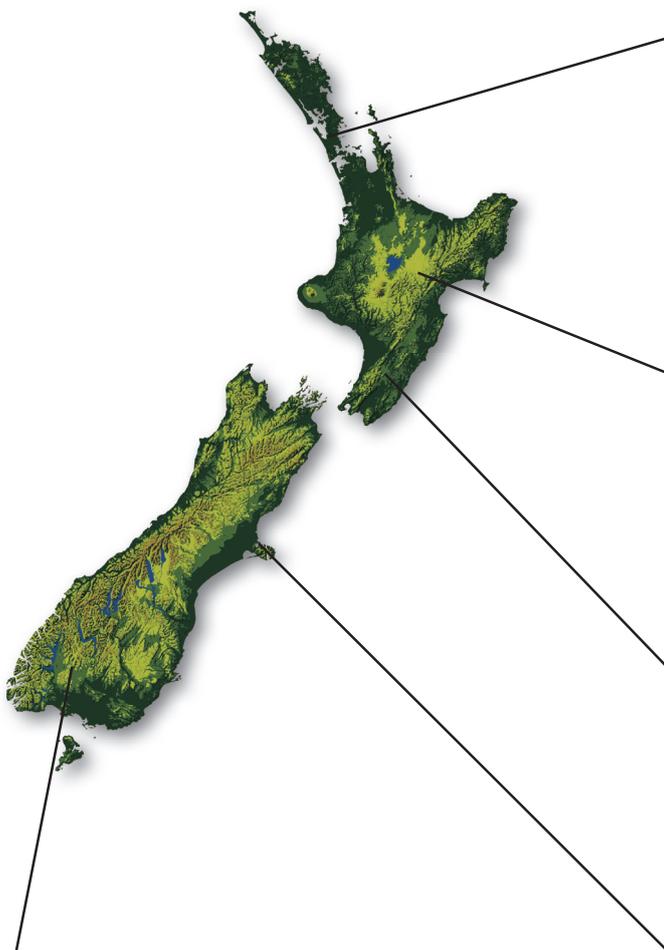
In Auckland and Christchurch the restrictions and rising interest rates are having little effect on the market, with high demand and competition countering any moderating influence of the Reserve Bank.

Provincial New Zealand is where the LVR restrictions have been felt most keenly, however even here they are starting to lose their effect, with the average price up by 10% in the Central Region and 5% in Wellington. Buyers now understand there are ways around the need for a 20% deposit and are seeking assistance from second tier lenders, family and credit card debt.

The disparity between the markets in Christchurch and Auckland compared to the rest of the country is best indicated by a comparison of average prices. In Auckland you will pay over double what you will in the provincial South Island for the average house.

It is evident from Harcourts' figures that the LVR restrictions have been a failed experiment. In the heated Christchurch and Auckland markets they have had little effect. First home buyers and investors in provincial New Zealand have been impacted upon. However, this is problematic as the LVR restrictions were not initiated to temper these already sluggish markets.

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NORTHERN	March 2014	March 2013	% Change
Total New Listings	939.5	678	38.6%
New Auction / Tender Listings	340.5	292	16.6%
Property on Hand	1968	1624	21.2%
Written Sales	614	621	-1.1%
Average Price	\$697,454	\$622,444	12%

There is still massive pressure on the housing market in Auckland and Northland, with the average sales price now sitting at a record high of \$697,454. This is up 12% on the same time last year and is a 9% jump on February's figures. It is very evident buyers are no longer hesitating about entering the market, despite LVR restrictions and rising interest rates. Harcourts is also experiencing a spike in the total number of listings. There has been a 38.6% jump in March as compared to the same time last year. This is largely due to Harcourts' growing market share.

CENTRAL	March 2014	March 2013	% Change
Total New Listings	490	493	-0.6%
New Auction/Tender Listings	80	80	0%
Property on Hand	2331	2573	-9.4%
Written Sales	325	351	-7.4%
Average Price	\$360,883	\$327,940	10%

The average price in the Central Region has increased by 10% on the same time last year. This is a reflection of the low levels of stock, with less choice leading to more competition and higher prices. Buyers now understand there are ways around the need for a 20% deposit and are looking to second tier lenders and family to make up the shortfall.

WELLINGTON	March 2014	March 2013	% Change
Total New Listings	466	410	13.7%
New Auction/Tender Listings	40	46	-13%
Property on Hand	1745	1792	-2.6%
Written Sales	310	394.6	-21.4%
Average Price	\$395,503	\$377,936	5%

There has been an increase in the number of new listings, which should translate into more written sales next month. Wellington's average residential property price has increased by 5% on the same time last year, which is encouraging for vendors wanting to make a good sale.

SOUTH ISLAND PROVINCIAL	March 2014	March 2013	% Change
Total New Listings	340	368	-7.6%
New Auction/Tender Listings	28	35	-20%
Property on Hand	1766	2047	-13.7%
Written Sales	245	254	-3.5%
Average Price	\$317,868	\$318,314	0%

There is a lack of movement in the South Island provincial market, with new listings, property available to buy and written sales all at lower levels than the same time last year. The average price has remained fairly constant compared to the same time last year, but prices are down on what they were in January (-9.2%) and February (-3.8%), indicating the Reserve Bank's LVR restrictions are having an effect where they are not needed.

CHRISTCHURCH METRO	March 2014	March 2013	% Change
Total New Listings	474	568	-16.5%
New Auction/Tender Listings	155	148	4.7%
Property on Hand	1613	1500	7.5%
Written Sales	472	415	13.7%
Average Price	\$507,681	\$425,819	19%

For the first time in history, the average selling price for a residential property in Christchurch is over half a million dollars, sitting at \$507,681. This is up 19% on the same time last year and has jumped by 2.7% from February's high. Total listings are down by 16.5% and written sales are up by 13.7%, which indicates how competitive the residential market is. Demand for housing is outstripping supply.

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 for more information.

