

# Harcourts MarketWatch

June 2014

Statistics for the month of May reveal prices in Auckland and Christchurch remain strong, with consistent levels of sales achieved over the past quarter, although down on the same time last year.

In the provinces it is a different story, with sale numbers dropping off and average prices rising – an indication that LVR restrictions are affecting buyers at the entry level of the market.

Harcourts has long said LVR restrictions would not have the intended affect in Auckland and Christchurch, two markets driven by low supply of housing and high demand. The provinces have borne the brunt of the restrictions, which have prevented first home buyers from achieving home ownership.

In Auckland there is enough housing stock to last for 3.5 months at current levels of sale. In

Christchurch housing stock would last for 4.6 months. This highlights how limited the pool of housing is in these two cities, with well-priced properties sold quickly.

Harcourts CEO Hayden Duncan says Harcourts will continue to champion the fast-tracked construction of quality houses needed to keep up with our growing population in Auckland and Christchurch. Elsewhere in the provinces, Mr Duncan says Harcourts remains on the side of first home buyers, who would benefit from the removal of LVR restrictions to help them achieve the Kiwi dream of home ownership.

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<b>NORTHERN</b>	<b>May 2014</b>	<b>May 2013</b>	<b>% Change</b>
Total New Listings	624.5	618.5	1%
New Auction / Tender Listings	249	243	2.5%
Property on Hand	1865	1491	25.1%
Written Sales	529	567	-6.7%
Average Price	\$696,047	\$619,136	12%

There were 529 residential sales in the Northern Region in May, which is down by 6.7% on the same time in 2013, but an increase of 13.2% compared to April's sales. The average residential property price is \$696,047, an increase of 12% on the previous year's average of \$619,136. The average price for the past quarter has consistently sat between \$695,000 and \$697,000. The data suggests residential properties are selling well and prices have not dropped. Auctions account for 40% of all listings, with sales achieved at auction remaining constant.

<b>CENTRAL</b>	<b>May 2014</b>	<b>May 2013</b>	<b>% Change</b>
Total New Listings	385	400	-3.8%
New Auction/Tender Listings	48	62	-22.6%
Property on Hand	2197	2355	-6.7%
Written Sales	362	354	2.3%
Average Price	\$341,488	\$301,147	13%

Stock levels have declined in the Central Region, with new listings down by 3.8% and overall property available to buy down by 6.7%. The average price has increased by 13%, which suggests there has been a decrease in sales of properties at the most affordable end of the market.

<b>WELLINGTON</b>	<b>May 2014</b>	<b>May 2013</b>	<b>% Change</b>
Total New Listings	324	394	-17.8%
New Auction/Tender Listings	35	54	-35.2%
Property on Hand	1596	1631	-2.1%
Written Sales	266	314	-15.3%
Average Price	\$377,656	\$361,150	5%

Sales and new listings are down in Wellington, a region that has been adversely affected by LVR restrictions. Despite not having sales or prices anywhere approaching Auckland and Christchurch levels, Wellington has been stung, with sales down by 15.3%. Tellingly average prices are up by 5% pointing to less sales at the entry level of the market.

<b>CHRISTCHURCH METRO</b>	<b>May 2014</b>	<b>May 2013</b>	<b>% Change</b>
Total New Listings	43	397	9.1%
New Auction/Tender Listings	133	124	7.3%
Property on Hand	1721	1439	19.6%
Written Sales	369	438	-15.8%
Average Price	\$508,759	\$425,835	19%

The average selling price for a residential property in Christchurch continues to remain over half a million dollars, sitting at \$508,759. This is up 19% on the same time last year. Total written sales are down by 15.8% on the same time last year, however the market remains driven by a shortage of housing stock and we do not expect to see a drop in prices for the foreseeable future. Auctions continue to gain traction in Christchurch, with auction numbers up 7.3% on last year and now sitting at 30% of total listings.

<b>SOUTH ISLAND PROVINCIAL</b>	<b>May 2014</b>	<b>May 2013</b>	<b>% Change</b>
Total New Listings	243	292	-16.8%
New Auction/Tender Listings	18	23	-21.7%
Property on Hand	1707	1860	-8.2%
Written Sales	211	270	-21.9%
Average Price	\$259,053	\$322,601	-20%

The South Island provincial market is always slow moving, particularly in winter, however the large drop in sales on the same time last year, indicates this market, like the rest of provincial New Zealand, has been badly impacted by LVR restrictions. The 20% drop in average price is a result of the Cromwell office selling a large number of low price sections, bringing the average down considerably.

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.

