

# Harcourts MarketWatch

September 2014

The property market has taken a pause around the country as people wait for the end of winter and the outcome of the election. This is always the case around election time, with a drop off in listings and sales expected.

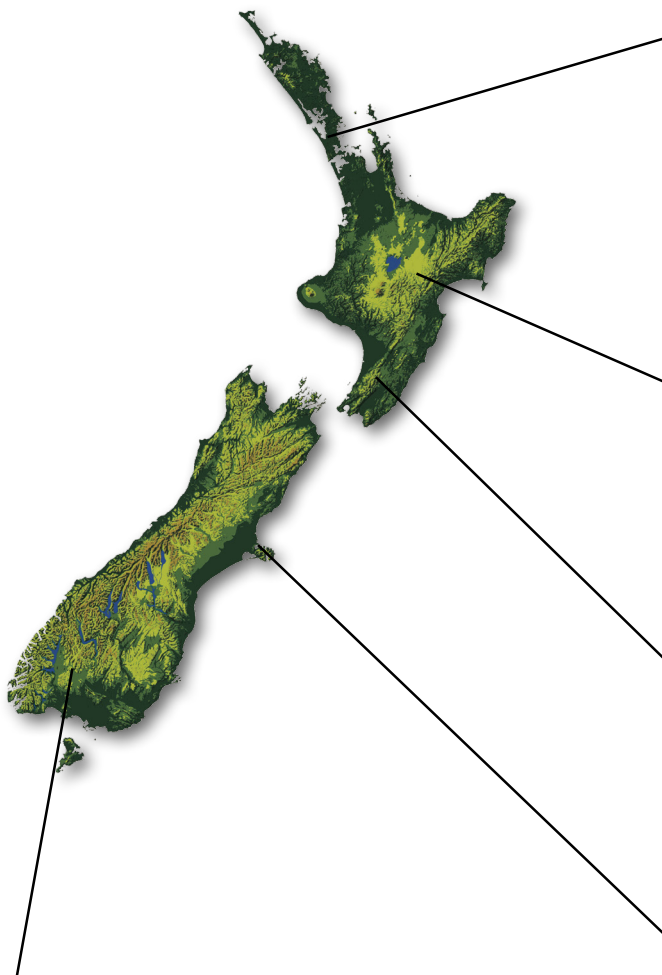
Nationally the average house price sits at \$471,586 which is almost identical to where it was 12 months ago. Meanwhile prices continue to rise in Auckland and Christchurch, where housing shortages are driving the market.

Election year policies have not addressed the fundamental issue facing Auckland and Christchurch, which is the need to remove bureaucratic barriers that make

developers shy away from widespread construction - high fees and building costs and a drawn out consents process.

The provinces remain hard hit by LVR restrictions, and Harcourts hopes the Reserve Bank will look to remove these by the end of the year.

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<b>NORTHERN</b>	<b>August 2014</b>	<b>August 2013</b>	<b>Change</b>
Total New Listings	651.5	669.5	-2.7%
New Auction / Tender Listings	225	327	-31.2%
Property on Hand	1764	1395	26.5%
Written Sales	471	575	-18.1%
Average Price	\$657,859	\$604,952	9%

The upcoming election is taking its toll on listings and sales, with the figures for August showing a decline in both. This is a pattern that regularly occurs in election year, with people holding back from making decisions around buying and selling until after the government for the next three years is determined. We will expect a recovery post September 20, which will also be aided by the warmer spring weather. The average sales price in Auckland and Northland sits at \$657,859, which is up 9% on the same time last year.

<b>CENTRAL</b>	<b>August 2014</b>	<b>August 2013</b>	<b>% Change</b>
Total New Listings	423	373	13.4%
New Auction/Tender Listings	62	60	3.3%
Property on Hand	2109	2082	1.3%
Written Sales	324	328	-1.2%
Average Price	\$327,904	\$321,955	2%

Sales are down slightly on the same time last year, but have improved on the previous two months. New listings are have also jumped, meaning buyers have more choice as we head into spring. Average prices are still slowly improving, giving good returns to vendors.

<b>WELLINGTON</b>	<b>August 2014</b>	<b>August 2013</b>	<b>% Change</b>
Total New Listings	336	409.5	-17.9%
New Auction/Tender Listings	44	62	-29%
Property on Hand	1418	1456	-2.6%
Written Sales	233	282	-17.4%
Average Price	\$387,718	\$346,576	12%

Sales and listings are both down significantly. Nowhere feels the approach of an election more keenly than Wellington and we hope these numbers will improve after September 20. However, Wellington has also been hit hard by LVR restrictions and these will need to be removed before there is a full recovery. Average prices, however, remain buoyant, indicating the drop off in sales has been at the lower end of the market.

<b>CHRISTCHURCH METRO</b>	<b>August 2014</b>	<b>August 2013</b>	<b>Change</b>
Total New Listings	434	585	-25.8%
New Auction/Tender Listings	145	173	-16.2%
Property on Hand	1876	1411	33%
Written Sales	330	427	-22.7%
Average Price	\$488,734	\$428,005	14%

Sales are down by 22.7% indicating a hesitancy that has been creeping into the market. Buyers are displaying caution when it comes to making a purchase, and are not prepared to pay more than what they think is fair market value. This is requiring vendors to readjust their price expectations if they wish to sell. There has been a drop in the number of new listings and auctions in the Christchurch Metro region, which is due to the expected winter dip and also a "wait and see" approach until after the election.

<b>SOUTH ISLAND PROVINCIAL</b>	<b>August 2014</b>	<b>August 2013</b>	<b>% Change</b>
Total New Listings	231	309	-25.2%
New Auction/Tender Listings	18	30	-40%
Property on Hand	1581	1741	-9.2%
Written Sales	168	254	-33.9%
Average Price	\$298,746	\$312,190	-4%

The final month of winter, LVR restrictions and the imminent election have made for a flat August in the South Island Provincial market. We hope for an improvement after September 20 and as the weather improves.

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.

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