

Harcourts MarketWatch

January 2015

The latest residential housing figures from New Zealand's largest real estate group, Harcourts showed a strong finish to 2014 with written sales up in most parts of the country compared to last year. The Central Region experienced the biggest gains (up 25.5%) followed by the Northern Region (up 16.6%). New listings and property on hand were down in both regions compared to last year and we expect the tightening in supply to drive prices up in 2015.

The upswing we saw in the Wellington real estate market last month continued into December with average house prices breaking the \$400,000 mark for the first time. This milestone came amid steady activity in the region with listings and written sales up strongly for the December month.

Harcourts CEO Hayden Duncan says that the Harcourts real estate group experienced a busy December month across the country with buyers eager to settle purchases quickly.

"Buyers know that the strong New Zealand economy, rising net migration and steady interest rates make investment in property a sound decision. We don't expect any cooling in the market, particularly in Auckland, where the supply shortage is most prominent. Buyers understand that today's prices are the best they're likely to see," says Duncan.

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NORTHERN	Dec 2014	Dec 2013	Change
Total New Listings	458	468	-2.1%
New Auction / Tender Listings	173	99	74.7%
Property on Hand	1,610	1,668	-3.5%
Written Sales	590	506	16.6%
Average Price	\$761,194	\$675,151	13.0%

Written sales in the Northern Region for December were up 16.6% on last year with buyers eager to close purchases before the New Year. Property on hand dipped in December compared to the previous month (down 17%) and listings were down year on year. The tightening in supply will put upward pressure on house prices. Auctions were a popular form of sale this month with more vendors recognising this as the best way to get a positive result quickly in the lead up to the holidays.

CENTRAL	Dec 2014	Dec 2013	% Change
Total New Listings	356	370	-3.8%
New Auction/Tender Listings	38	30	26.7%
Property on Hand	2,110	2,188	-3.6%
Written Sales	325	259	25.5%
Average Price	\$345,751	\$319,176	8.0%

December sales figures for the Central Region were strong with written sales up 25.5% compared to last year. Buyers are eager to close purchases amid hot demand for properties. Property on hand and new listings were both down. We expect prices to continue to rise in 2015, driven by increased demand in Hamilton and the Western Bay of Plenty.

WELLINGTON	Dec 2014	Dec 2013	% Change
Total New Listings	317	246	28.9%
New Auction/Tender Listings	18	6	200%
Property on Hand	1,513	1,555	-2.7%
Written Sales	296	247	19.8%
Average Price	\$402,749	\$397,235	1.0%

The upswing we saw in Wellington last month continued into December with average house price surpassing the \$400,000 mark for the first time. This came amid strong activity for the month and indications that the Wellington market is starting to heat up after playing bridesmaid to Auckland and Christchurch in 2014. With one of the better rental-return to property-price ratios, Wellington is looking attractive to property investors.

SOUTH ISLAND PROVINCIAL	Dec 2014	Dec 2013	% Change
Total New Listings	283	230	23.0%
New Auction/Tender Listings	20	16	25.0%
Property on Hand	1,706	1,788	-4.6%
Written Sales	189	176	7.4%
Average Price	\$325,840	\$306,560	6.0%

We saw a strong end to the year in the South Island Provincial market compared to last year with listings up 23% and written sales up 7.4%. Average house prices were up 6% for December but overall for the year, prices remained steady with 2013 levels at around \$318,000. With property on hand down 4.6%, a levelling in supply may give vendors a stronger start to 2015.

CHRISTCHURCH METRO	Dec 2014	Dec 2013	Change
Total New Listings	355	342	4.0%
New Auction/Tender Listings	38	44	-12.6%
Property on Hand	2,011	1,582	27.1%
Written Sales	397	408	-2.7%
Average Price	\$499,096	\$495,961	1.0%

There was further evidence this month that Christchurch Metro is starting to achieve equilibrium between supply and demand. Against the national trend, property on hand was up 27.1% and written sales were down 2.7%. Indications are that buyers are delaying their purchasing decisions as they benefit from more choice in the market. Average prices were relatively steady for the December month, up 1%, but overall for the 2014 year prices in Christchurch were up 11%.

Disclaimer: All Harcourts MarketWatch figures are based on residential figures only and 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 has over 780 offices worldwide, located across Australia, Indonesia, Fiji, China, Hong Kong, South Africa and the USA. Visit www.harcourts.co.nz for more information.

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