

Auckland growth spurt easing

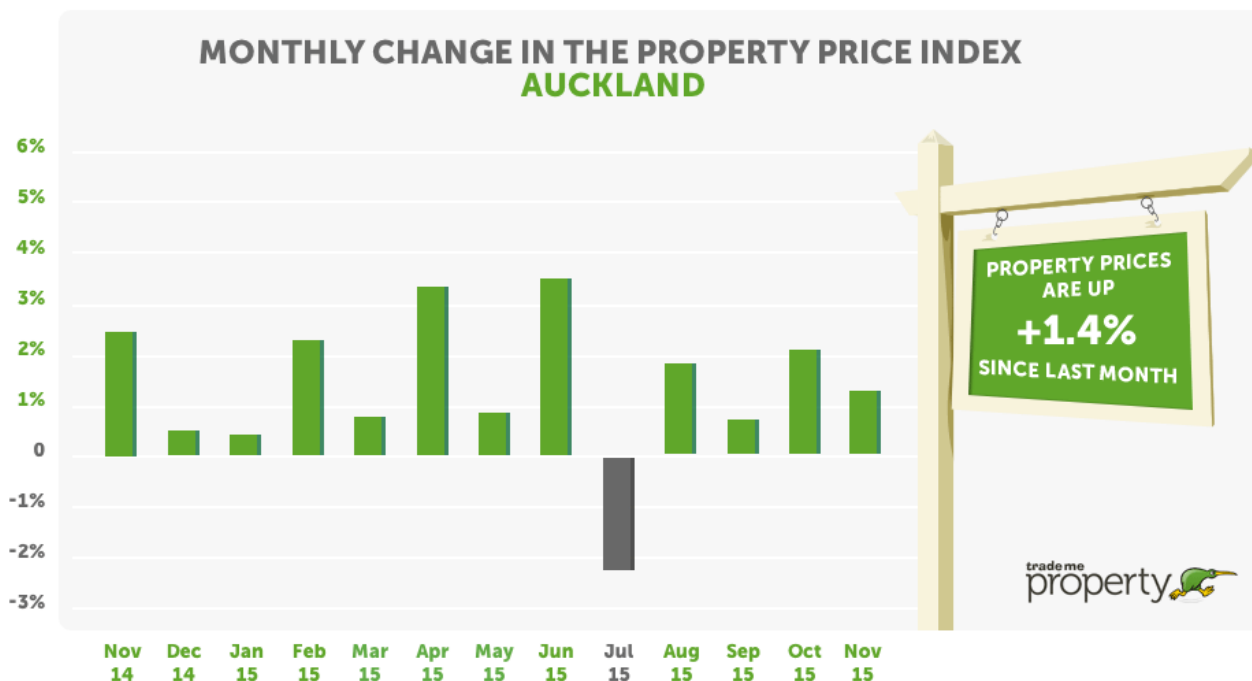
The Auckland property market's growth spurt is easing according to the Trade Me Property Index.

Head of Trade Me Property Nigel Jeffries said that for the first time the average asking price for Auckland properties has surpassed \$800,000 and is now a 'whopping' \$803,900.

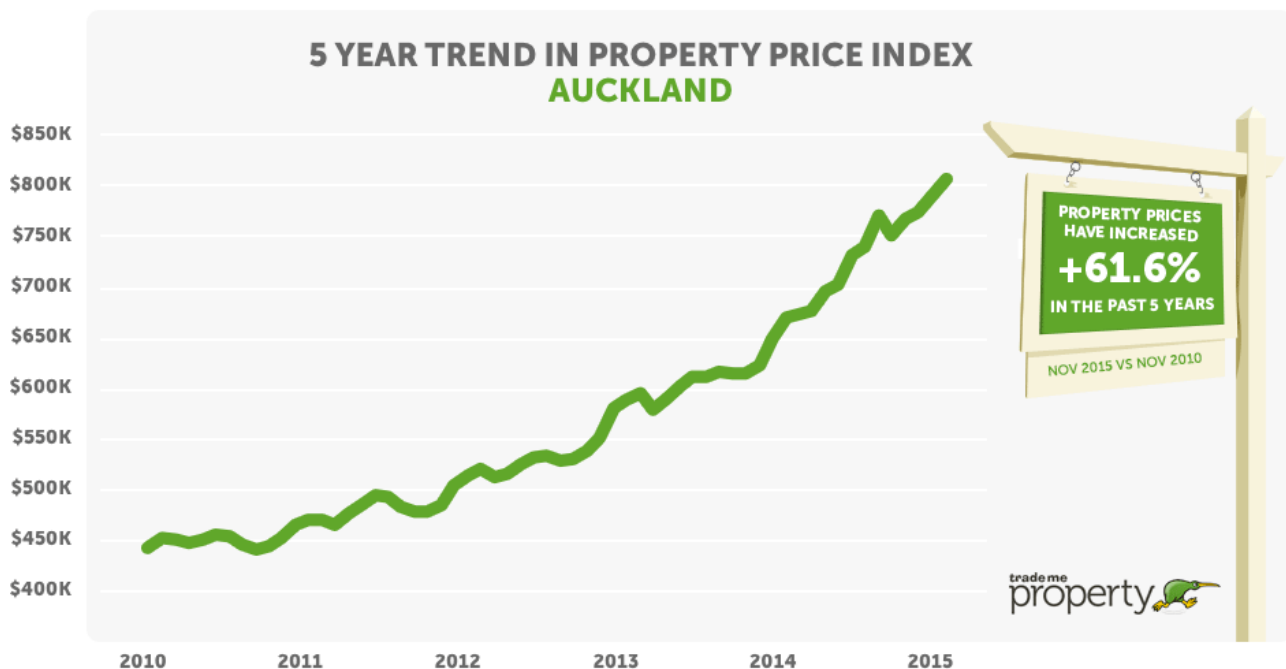
"Reaching the \$800,000 milestone is all the more incredible given how quickly the City of Sails has got there, it has only taken 10 months for average asking prices to jump \$100,000. To put that into context, it took 17 months to move from \$600,000 to \$700,000 and more than two years to shift up from \$500,000 to the \$600,000 mark.

"It's not all bad news for buyers though with the increases in average asking prices slowing down. In November, the average asking price was up almost 17 per cent on the year before, and while that's still a huge increase it's behind the 20 per cent rise we saw in the year to June."

Mr Jeffries said the market's major growth spurt looked to be slowing down and he expected that to continue for the next few months at least.

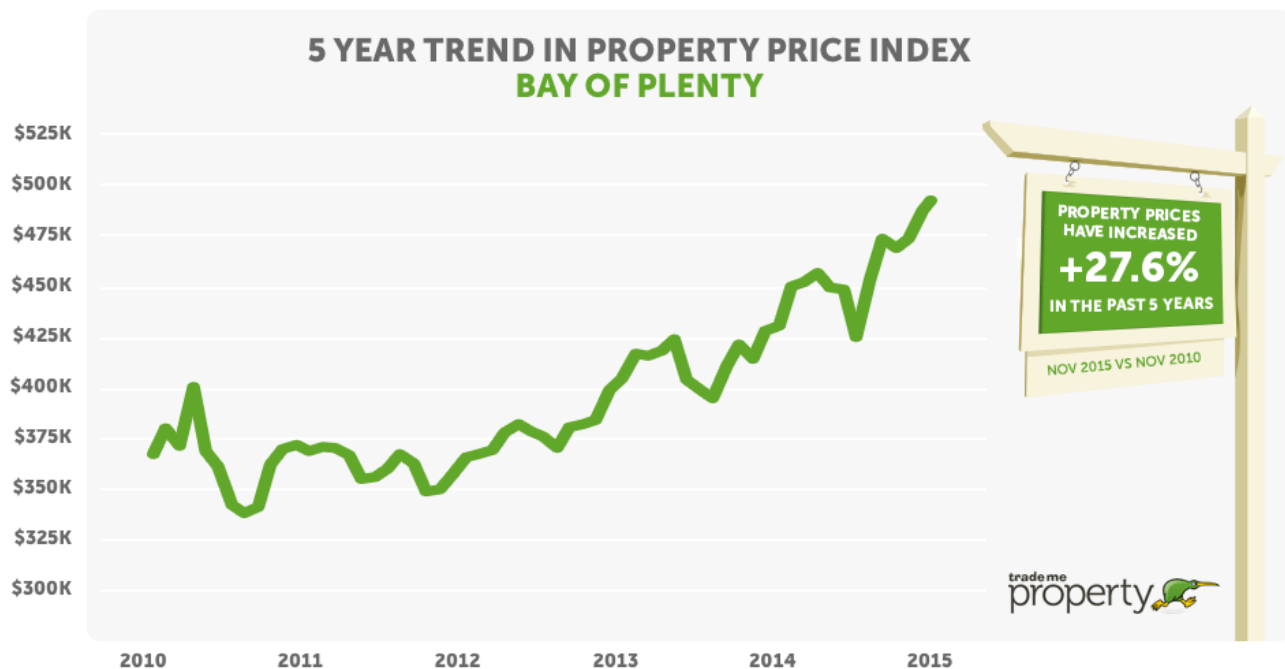


Over the last five years the average asking price for a property in Auckland has increased by 61.6 per cent, up \$306,500 since November 2010.



Bay of Plenty continues to be the most active market

Behind Auckland, the second most expensive market is the Bay of Plenty as it continues to grow impressively, adding \$9,100 to the average asking price to land at \$492,100. Over the past five years the average asking price for a Bay of Plenty property has risen by 27.6 per cent.

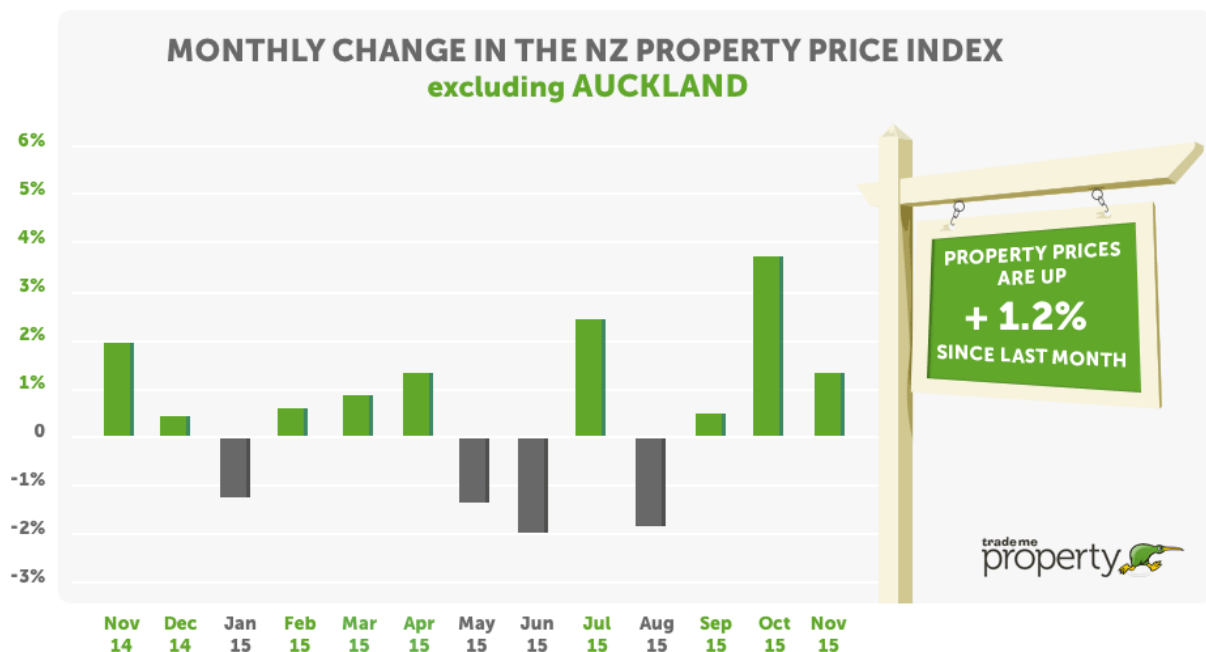


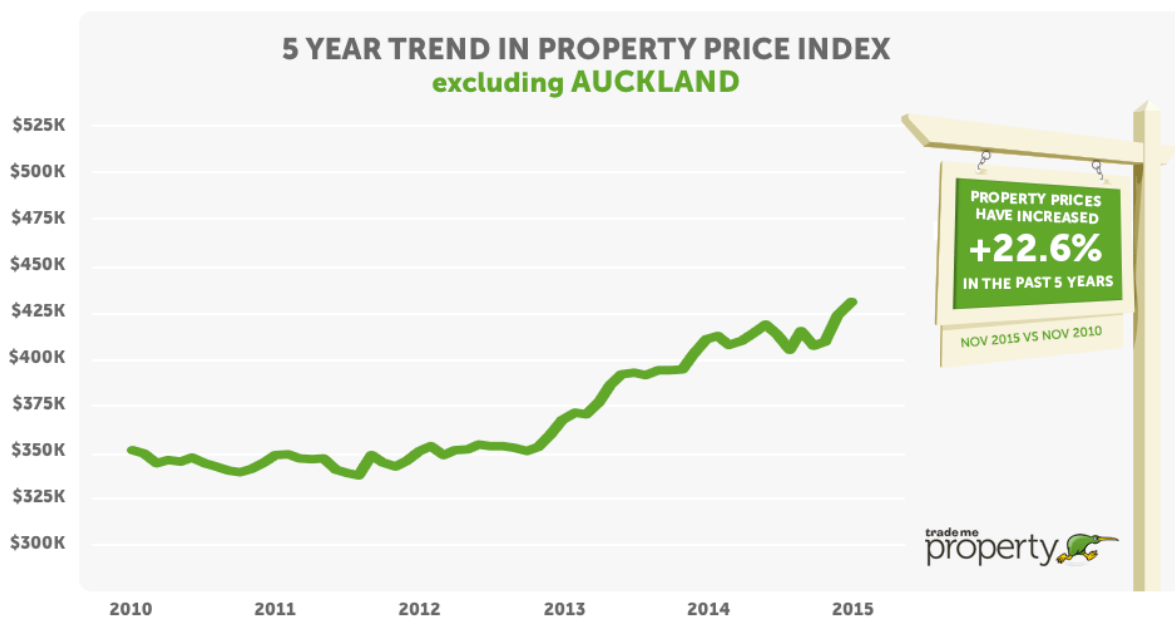
Prices are rosy outside the Super City too

Excluding Auckland, the average asking price nationwide rose 1.2 per cent in November, down on the 3.8 per cent rise last month, but another positive sign.

Over the last five years the average asking price for a property outside Auckland has increased by 22.6 per cent from \$350,000 to \$429,100. This rate of growth is the highest level seen over the past seven years and a long way from just two years ago – in November 2013 the five-year growth rate was a barely noticeable 2.1 per cent.

“Sometimes it’s important to remove the impossible Auckland yardstick and look objectively at what’s been going on around the country,” Mr Jeffries said. “The rate of growth we’re seeing for typical properties around the country is excellent.”



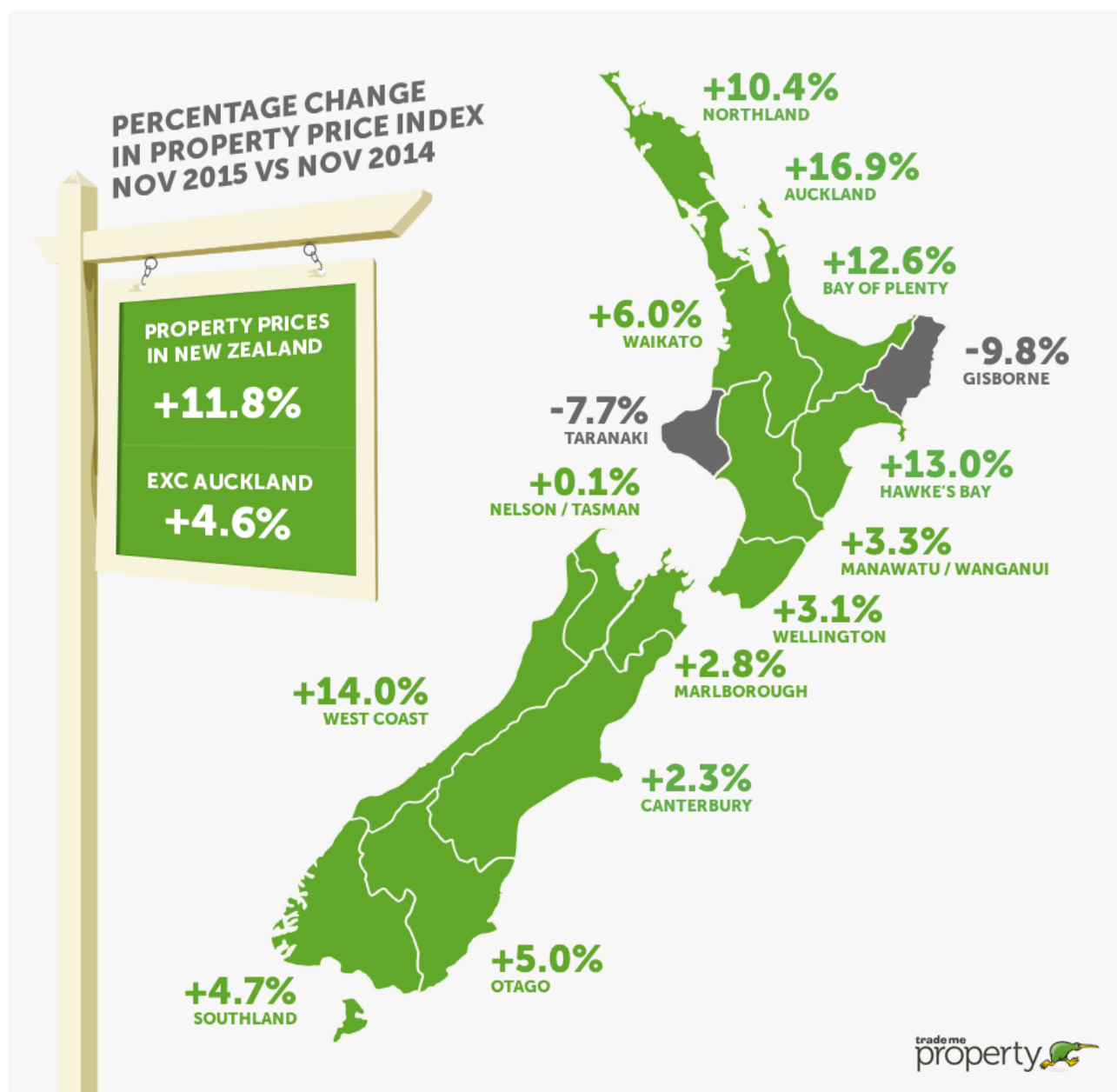


Stronger property market across the regions

Thirteen regions had an increase in average asking prices during November with Gisborne and Taranaki the exceptions, down 9.8 per cent and 7.7 per cent respectively.

“There’s been really impressive growth across the country compared to November last year,” Mr Jeffries said. “It’s pretty unusual for us to see growth almost everywhere.”

The North Island saw the majority of the gains led by Northland, Hawke’s Bay and Bay of Plenty and Auckland, all into double-digit growth. Meanwhile the South Island saw growth across the board, led by a strong increase of 14.4 per cent in the West Coast.



By house size

The average asking price for all house sizes grew considerably during November. Large houses (5+ bedrooms) edged closer to the one million dollar mark, with a 13.8 per cent increase taking the average asking price to \$987,700, an increase of \$10,000 per month over the last year.

In Auckland, large houses have been increasing even faster – up \$18,000 every month in the last year – with 5+ bedroom houses now hitting an average asking price of \$1.24 million. This is an enormous increase of \$470,000 in the last five years, or 61 per cent.

Table 1: Average asking price by property size & region, November 2015 v November 2014

	All Properties	Large houses 5+ bedroom	Medium houses 3-4 bedroom	Small houses 1-2 bedroom
New Zealand	\$568,950 + 11.8%	\$987,700 + 13.8%	\$569,850 + 11.0%	\$375,200 + 12.3%
New Zealand excluding Auckland	\$429,100 + 4.6%	\$689,550 + 4.4%	\$442,950 + 4.3%	\$291,100 + 3.6%
Auckland	\$803,900 + 16.9%	\$1,240,550 + 21.3%	\$817,800 + 16.7%	\$607,450 + 16.1%
Wellington	\$460,200 + 3.1%	\$757,000 + 5.4%	\$477,150 + 3.7%	\$322,750 - 2.0%
Christchurch	\$470,500 + 6.9%	\$726,850 + 5.0%	\$496,550 + 3.8%	\$333,750 + 1.4%

Urban living continues to lead the market

Urban options continue to see spectacular growth but have eased back from the extreme growth seen earlier in the year. The average asking price for a typical urban property increased by 22.6 per cent over the past year, a slowdown from 25 per cent in the year to August. In Auckland, growth has slipped from 30 per cent year-on-year in August to 25 per cent for the year to November.

The apartment market is dominated by Auckland and continues to hit new records, with the average asking price topping \$600,000 for the first time, up 39.6 per cent compared to last year but slipping back from the eye-popping 49 per cent reported in August.

“Over the past five years the average asking price of an Auckland apartment has more than doubled from \$283,000 to almost \$602,000,” Mr Jeffries said. “That’s a staggering average increase of over \$5,000 per month in that time.”

Table 2: Average asking price by property type & region, November 2015 vs November 2014

	All Urban Properties	Apartments	Townhouse	Units
New Zealand	\$511,550 + 22.6%	\$560,200 + 32.1%	\$555,700 + 15.9%	\$418,400 + 18.7%
New Zealand excluding Auckland	\$359,950 + 6.1%	\$435,600 + 6.4%	\$408,550 + 9.3%	\$280,550 + 4.8%
Auckland	\$621,200 + 25.0%	\$601,850 + 39.6%	\$759,050 + 18.1%	\$558,800 + 23.5%
Wellington	\$368,350 + 2.8%	\$409,750 No Change	\$409,050 + 4.3%	\$286,350 + 8.0%
Christchurch	\$392,500 + 4.5%	\$401,150 - 5.7%	\$448,600 + 7.3%	\$311,050 + 5.3%

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MORE INFORMATION

▪ About the Trade Me Property Price Index:

- The Trade Me Property Price Index measures trends in the expectations of selling prices for residential property listings added to Trade Me Property by real estate agents and private sellers over the past three months.
- It provides buyers, sellers and realtors with insights into 'for sale' price trends by property type and property size.
- The Index is produced from data on properties listed on Trade Me Property in the three months leading up to the last day of each period. Each period's value is a truncated mean of the complete three months' worth of listings. This is to better reflect trends in property prices rather than month-to-month fluctuations in housing stock.
- The Index uses an "80% truncated mean" of the expected sale price to calculate the average asking price. This excludes the upper and lower 10% of listings by price, and averages the expected sale prices of the remaining properties.
- It provides an insight into 'for sale' price trends by type and size of property. Other reports aggregate property price data across these various properties.

- **Regional data:** If you are after information for a particular region, please email Logan Mudge via mediaenquiries@trademe.co.nz and we will see what we can unearth for you. We can also provide the graphs and tables.

- **Contact:** Nigel Jeffries is available for interviews. To tee up a time that suits, please email Logan Mudge via mediaenquiries@trademe.co.nz or phone (04) 803 2706.