

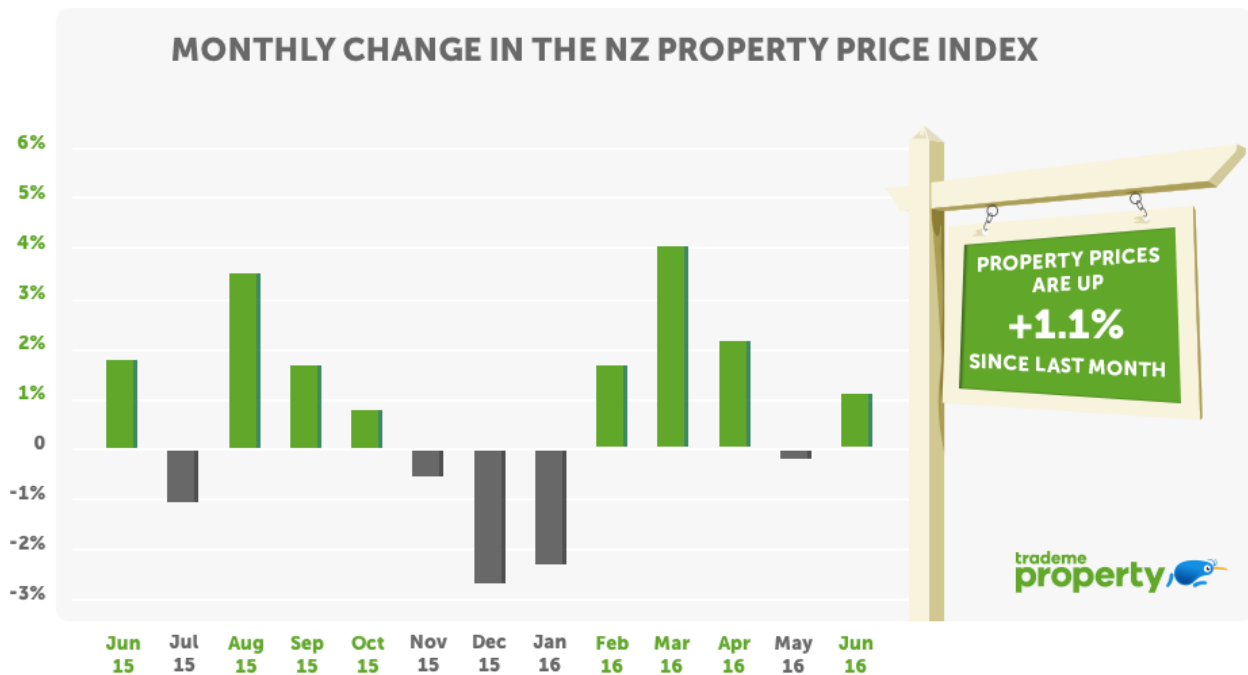
Media Release
13 July 2016

Asking prices show signs of easing

The average asking price for a New Zealand property hit a new high of \$590,850 in June but the rate of increase is easing, according to the latest Trade Me Property Price Index.

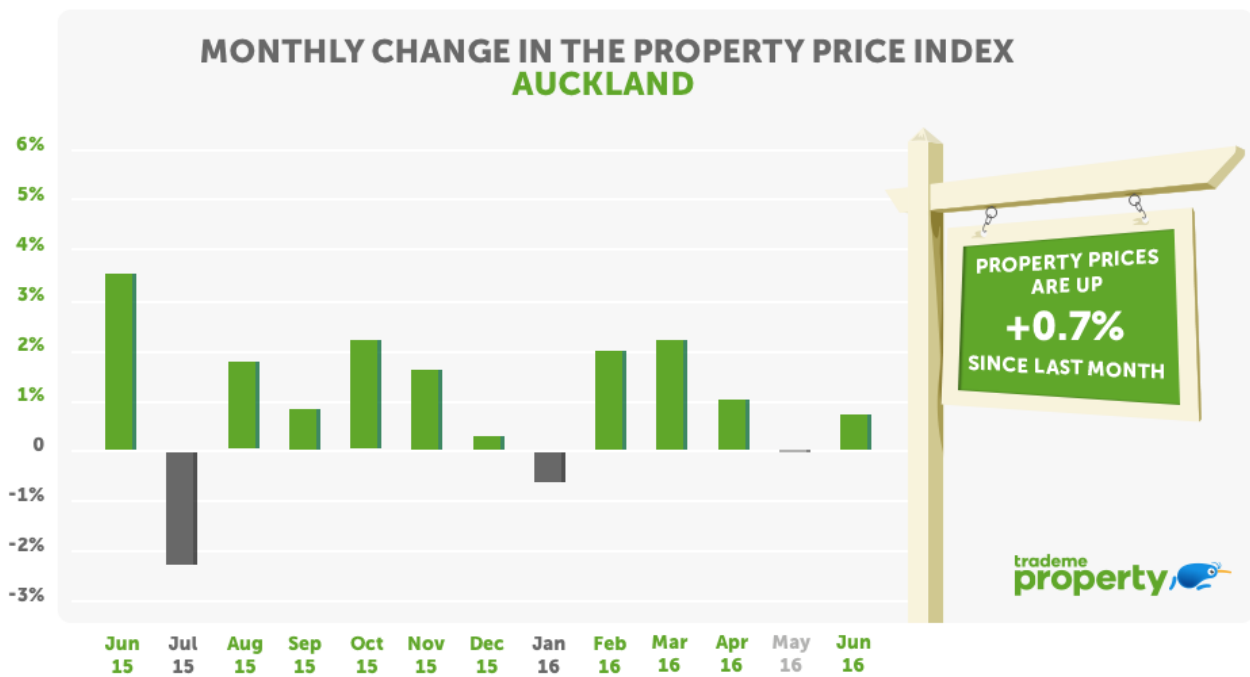
Head of Trade Me Property Nigel Jeffries said the property market was still going strong but the rate of appreciation in asking prices was easing in many parts of the country after a 'crazy' few months.

"Since June last year the average asking price has increased by over \$46,000. In a normal market that's a fantastic level of growth but in New Zealand that's an easing, for example back in September we saw a 12-month jump of over \$80,000. We'll be watching it closely, but this is a sign that the foot may be coming off the accelerator."

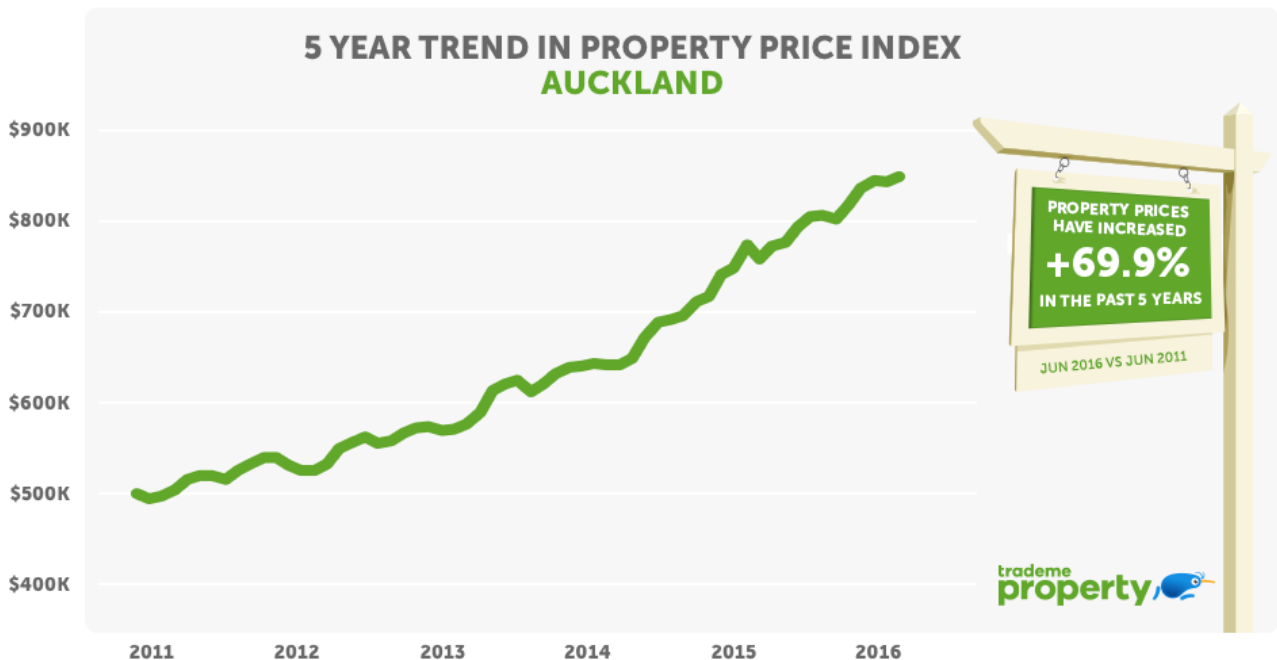


Mr Jeffries said the easing in average asking price was most noticeable in Auckland where it was up just 0.7 per cent on May, but still reached a new high of \$848,100.

"Auckland's asking prices are up almost \$75,000 on this time last year – but that is significantly down on where things were at in August 2015 where the average asking price leapt \$130,000 in a year. For now it looks like the incredible surges we've seen in Auckland may be slowing down. That's not to say the market is stalling, but we're seeing the market take a bit of a breather after sprinting ahead for months."



The last five years have seen phenomenal growth across Auckland with prices jumping nearly 70 per cent since 2011. “The average asking prices for an Auckland house has jumped \$349,000 in five years. To put that in perspective, you could have bought a 3 or 4 bed house in the Manawatu or Southland or even a 1 or 2 bedroom house in Christchurch for that sort of money”.



Around the regions

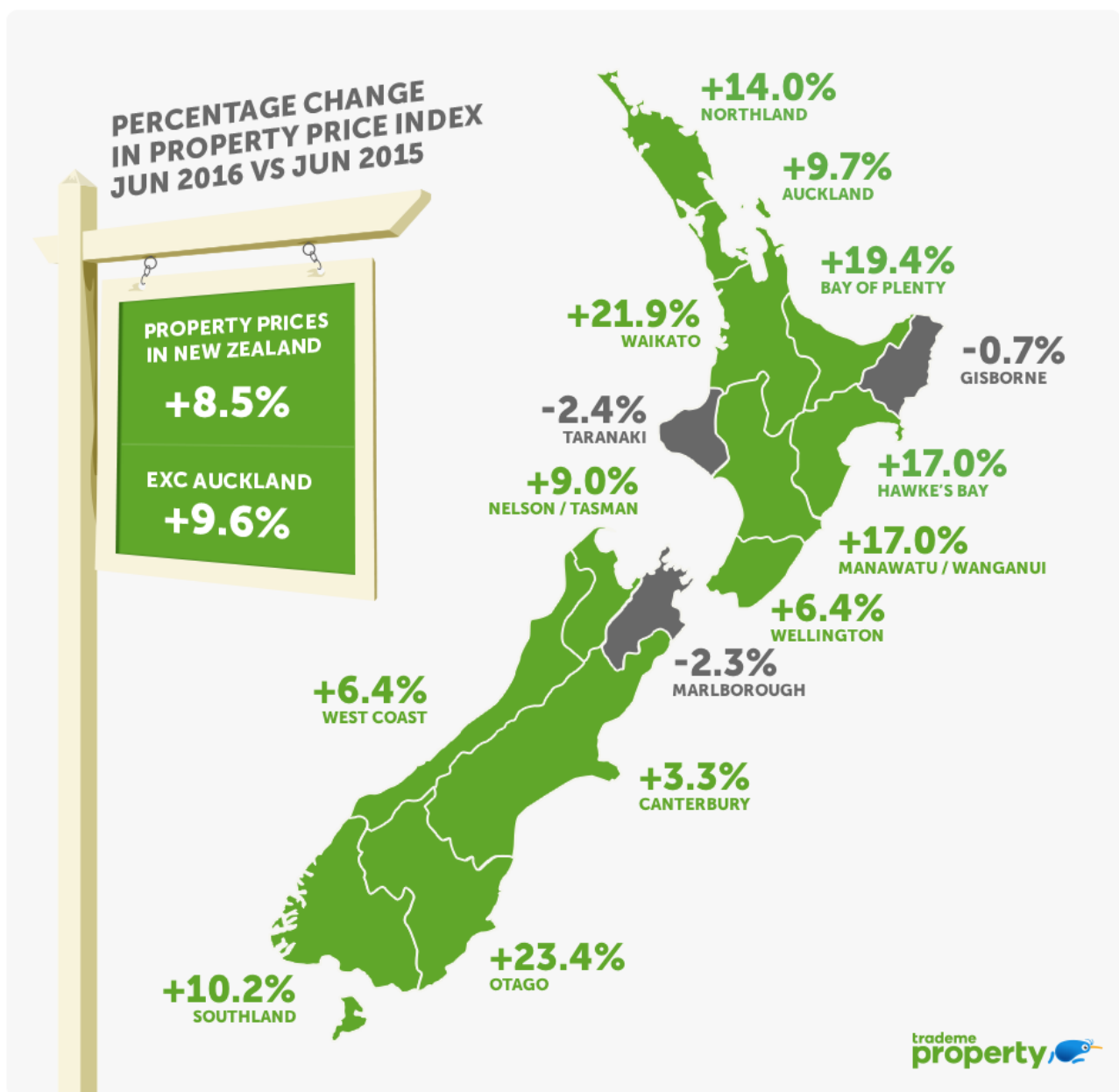
While Auckland was easing in June, the regions immediately surrounding the City of Sails continued to power on. The average asking price in the Waikato hit \$435,000 in June, up \$78,000 on a year ago. In the Bay of

Plenty, the average asking price is up \$88,400 in the past year to another record of \$543,800. And in Northland the average asking price rose 14 per cent to \$445,500, up \$54,700 over the past year.

Twelve regions reported increases in average asking prices, with three reporting a decrease. Mr Jeffries said there was strong growth outside the Auckland halo.

“In Otago the average asking price went up \$87,000 over the past year – an increase of more than 23 per cent and taking it all the way up to just under \$460,000. And in the Hawke’s Bay we saw a 17 per cent increase over the past year, taking the average asking price up to more than \$429,000.”

Gisborne (down 0.7 per cent), Marlborough (down 2.3 per cent) and Taranaki (down 2.4 per cent) showed dips in average asking prices compared to last year.



Investment properties in high demand

Small houses (1-2 bedrooms) continue to have strong appeal across the country with the average asking price up 1.4 per cent over the past 12 months, landing at \$397,450.

Auckland's small houses showed a significantly lower rate of increase, up just 3.6 per cent in the past year.

Table 1: Average asking price by property size & region, June 2016 vs June 2015

	All Properties	Large houses 5+ bedroom	Medium houses 3-4 bedroom	Small houses 1-2 bedroom
New Zealand	\$590,850 + 8.5%	\$1,048,150 + 7.2%	\$592,300 + 8.5%	\$397,450 + 11.4%
New Zealand excluding Auckland	\$443,550 + 9.6%	\$691,650 + 7.3%	\$457,700 + 9.2%	\$306,700 + 11.0%
Auckland	\$848,100 + 9.7%	\$1,284,750 + 8.1%	\$876,300 + 11.7%	\$638,150 + 3.6%
Wellington	\$472,950 + 6.4%	\$745,400 + 10.4%	\$495,550 + 8.9%	\$363,450 + 8.8%
Christchurch	\$465,350 + 2.4%	\$732,450 + 12.4%	\$491,650 + 0.7%	\$340,500 + 5.5%

Units continue to be in vogue with investors

Units continue to be in high demand around the country. "Units are popular with investors – they're cheaper than a lot of housing options but they're still popular with renters and they sell well," Mr Jeffries said. "We've seen a jump in every major city except Christchurch."

Average asking prices for a unit in Auckland set a new record in June, up 17.5 per cent to \$589,000. Units in Auckland broke the \$500,000 mark a year ago, and since then these properties have jumped \$87,000.

The average asking price for a unit in Wellington is now \$300,000, a jump of \$48,000 in the past year. In the hot Bay of Plenty market, units reached a new record of \$370,400 in June and up a staggering 27 per cent in the last year.

Table 2: Average asking price by property type & region, June 2016 vs June 2015

	All Urban Properties	Apartments	Townhouse	Units
New Zealand	\$505,350 + 8.2%	\$527,300 + 6.8%	\$556,400 + 2.4%	\$434,800 + 15.4%
New Zealand excluding Auckland	\$385,950 + 10.1%	\$490,050 + 14.6%	\$420,700 + 5.2%	\$309,050 + 14.2%
Auckland	\$607,050 + 8.4%	\$538,750 + 4.8%	\$806,900 + 9.6%	\$589,000 + 17.5%
Wellington	\$396,100 + 4.5%	\$455,300 - 2.6%	\$423,100 + 3.3%	\$300,000 + 19.1%
Christchurch	\$403,600 + 4.3%	\$444,300 + 17.8%	\$451,850 + 3.7%	\$327,100 - 0.8%

-ends-

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 (027) 477 9486.