



NEWS RELEASE

17 January 2017

House prices rise, sales volumes ease

Median house prices have risen and sales volumes have stayed flat or fallen across New Zealand in December 2016 when compared to December 2015, according to the latest figures released today by REINZ, source of the most recent, complete and accurate real estate data in New Zealand.

The national median sale price rose 11% year-on-year to \$516,000, just \$4,000 from its record high of \$520,000 in November. On a seasonally adjusted basis the national median price firmed 11.8% year-on-year. Wellington led five of the 12 regions to record high median sale prices in December and almost all regions have hit new record median prices in the past three months. Outside Auckland, December saw a new record median price of \$420,000.

The volume of sales for December 2016 was 6,533, a decline of 11% compared to December 2015. On a seasonally adjusted basis sales for December fell less than 1%, in line with expectations for this time of year.

In Auckland the median sale price rose 9.1% year-on-year to \$840,000. Sales volumes across the region were 2% lower than November 2016 on a seasonally adjusted basis.

KEY DATA SUMMARY:

| | | |
|---|---|--|
| Median house price year-on-year | National | \$516,000 - up from \$465,000 +11.0% year-on-year |
| | National ex Auckland | \$420,000 - up from \$379,000 +10.8% year-on-year |
| | Auckland | \$840,000 - up from \$770,000 +9.1% year-on-year |
| Seasonally adjusted median house price | National | Up 0.4% on November 2016 and up 11.8% year-on-year |
| | Auckland | Down 1.4% on November 2016 and up 9.1% year-on-year |
| Month-on-month median house price | National | \$516,000 – down 0.8% on November: \$520,000 |
| | National ex-Auckland | \$420,000 - up 1.2% on November: \$415,000 |
| | Auckland | \$840,000 – down 1.4% on November: \$868,000 |
| Median days to sell | National | 31 – up one day year-on-year |
| | Auckland | 33 – up two days year-on-year (down 1 day on November) |
| Other changes of note | The number of properties available for sale continues to decline nationwide, although the numbers are continuing to increase in the Auckland region. Compared to December 2015 the number of new listings fell 26% in Canterbury, 20% in Wellington and 13% in Waikato / Bay of Plenty. | |

Real Estate Institute of New Zealand (REINZ) Chief Executive Bindi Norwell says: “The underlying trends we are seeing are of rising prices across New Zealand, with all regions recording year-on-year increases in the median price. By contrast we are seeing flat or falling sales volumes in many areas of the country.

“In Auckland, the long-term median price trend has been consistently rising, despite a slight easing compared to November 2016. The combination of fundamental factors, such as strong underlying population growth and a lack of supply in the market to meet Auckland’s growing population, suggests that we may be unlikely to see much change to the upward trend in prices unless these fundamentals change.

“Wellington experienced strong house price growth, as median prices in the region have risen nearly \$100,000, or 22%, over the past year to hit a new record of \$530,175, even with sales volumes rising since November.”

Median prices jump, continuing to be led by the regions

The national median house price rose \$51,000 (+11%) to \$516,000 year-on-year, just shy of the record median price of \$520,000 set in November 2016 (-1%).

Wellington recorded the largest percentage increase in median price compared to December 2015, at 22%, followed by Nelson/Marlborough at 17% and Waikato/Bay of Plenty at 17%.

Days to sell falls further

The number of days to sell increased by one day to 31 days for December 2016 compared to December 2015.

Compared to November the number of days to sell fell by one day.

Otago had the fewest number of days to sell at 21 days followed by Nelson/Marlborough at 23 days and Wellington, Taranaki and Manawatu/Wanganui all at 26 days.

Northland had the most number of days to sell at 36 days, while in Auckland the number of days to sell was 33 days.

Auction sales steady

There were 1,152 dwellings sold by auction nationally in December, representing 18% of all sales and a decrease of 231 (-17%) on the number of auctions in December 2015.

Transactions in Auckland represented 50% of national auction sales, with the number of auctions in Waikato/Bay of Plenty representing 19% of national auction sales and the number of auctions in Canterbury-Westland representing 15% of national auction sales. These three regions represented 85% of auction sales in December 2016.

Million dollar homes show largest increase in volumes

Between December 2015 and December 2016, the number of homes sold for more than \$1 million rose by 12% to 848 homes to equal almost 13% of all dwellings sold. The number of dwellings sold under \$600,000 has declined by 884 between December 2015 and December 2016 compared to a fall of 780 for all dwellings.

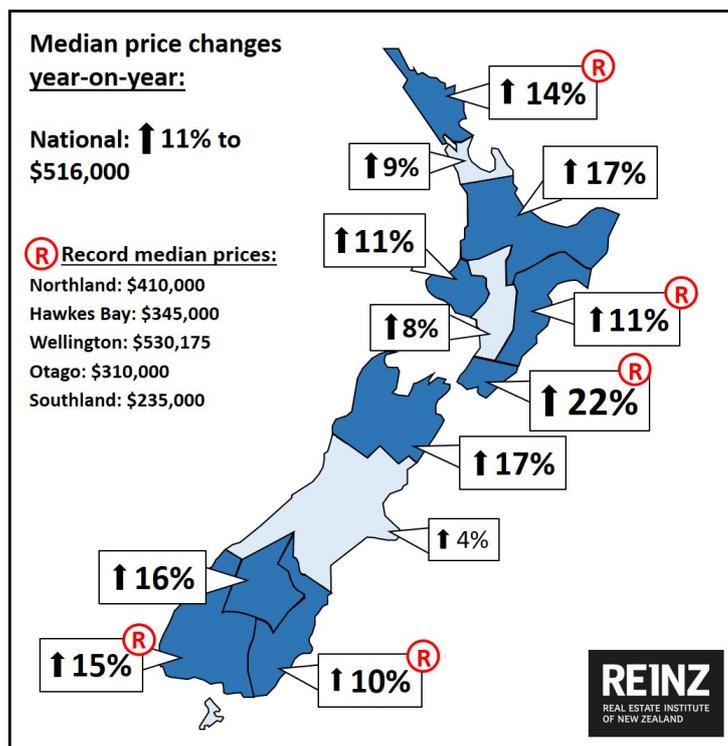
For regional commentary and tables, please see the accompanying report.

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Note to Editors:

The monthly REINZ residential sales reports remain the most recent, complete and accurate statistics on house prices and sales in New Zealand. They are based on actual sales reported by real estate agents. These sales are taken as of the date that a transaction becomes unconditional, up to 5:00pm on the last business day of the month. Other surveys of the residential property market are based on information from Territorial Authorities regarding settlement and the receipt of documents by the relevant Territorial Authority from a solicitor. As such, this information involves a lag of four to six weeks before the sale is recorded.

**Seasonal adjustment is a statistical technique that attempts to measure and remove the influences of predictable seasonal patterns to reveal how the market changes over time.*



Further Data:

Across New Zealand the total value of residential sales, including sections, was \$4.430 billion in December, compared to \$4.321 billion in December 2015 and \$5.142 billion in November. For the 12 months ended December 2016 the total value of residential sales was \$58.443 billion. The breakdown of the value of properties sold in December 2016 compared to December 2015 is:

| | December 2016 | | December 2015 | |
|----------------------------|---------------|---------------|---------------|---------------|
| \$1 million plus | 848 | 13.0% | 755 | 10.3% |
| \$600,000 to \$999,999 | 1,771 | 27.1% | 1,760 | 24.1% |
| \$400,000 to \$599,999 | 1,687 | 25.8% | 1,867 | 25.5% |
| Under \$400,000 | 2,227 | 34.1% | 2,931 | 40.1% |
| All Properties Sold | 6,533 | 100.0% | 7,313 | 100.0% |

Seasonally Adjusted Sales Volumes

| Seasonally Adjusted Sales Volumes | | | | |
|-----------------------------------|----------------------|----------------------------|---------------------------|----------------------------|
| Main Regions | Compared to November | | Compared to December 2015 | |
| | Volume Change | Seasonally Adjusted Change | Volume Change | Seasonally Adjusted Change |
| New Zealand | -13.8% | -0.8% | -10.7% | -10.4% |
| Auckland | -22.0% | -2.0% | -15.8% | -14.5% |
| Wellington | 13.9% | 23.3% | -6.7% | -8.3% |
| Canterbury | 0.6% | 5.8% | 2.2% | 1.3% |
| Waikato/BOP | -18.2% | -5.2% | -22.7% | -22.1% |
| NZ ex Akl | -10.0% | 0.8% | -8.4% | -8.7% |
| Other Regions | | | | |
| | Compared to November | | Compared to December 2015 | |
| | Volume Change | Seasonally Adjusted Change | Volume Change | Seasonally Adjusted Change |
| Northland | -21.8% | -8.2% | -4.6% | -3.7% |
| Hawkes Bay | -18.4% | -6.9% | -7.6% | -5.4% |
| Manawatu/Wanga | -18.6% | -5.9% | 9.6% | 9.1% |
| Taranaki | -16.3% | 4.0% | -3.0% | -1.8% |
| Nelson/Marlborough | -14.5% | -3.4% | -12.1% | -8.5% |
| Central Otago | -19.9% | -0.9% | -10.7% | -7.5% |
| Otago | -23.6% | -7.6% | -11.5% | -11.0% |
| Southland | -2.8% | 11.4% | 13.7% | 12.3% |

Seasonally Adjusted Median Price

| Seasonally Adjusted Median Prices | | | | |
|-----------------------------------|----------------------|----------------------------|---------------------------|----------------------------|
| Main Regions | Compared to November | | Compared to December 2015 | |
| | Median Change | Seasonally Adjusted Change | Median Change | Seasonally Adjusted Change |
| New Zealand | -0.8% | 0.4% | 11.0% | 11.6% |
| Auckland | -1.4% | -1.0% | 9.1% | 8.4% |
| Wellington | 6.0% | 6.6% | 21.6% | 20.9% |
| Canterbury | -0.5% | 0.7% | 4.0% | 4.7% |
| Waikato/BOP | -2.1% | -1.5% | 16.5% | 16.8% |
| Other Regions | | | | |
| | Compared to November | | Compared to December 2015 | |
| | Median Change | Seasonally Adjusted Change | Median Change | Seasonally Adjusted Change |
| Northland | 2.6% | -0.5% | 13.9% | 13.7% |
| Hawkes Bay | 0.0% | 1.1% | 11.1% | 10.8% |
| Manawatu/Wanga | -3.3% | -3.8% | 8.3% | 6.9% |
| Taranaki | -2.1% | -2.9% | 11.3% | 11.0% |
| Nelson/Marlborough | -2.2% | -1.1% | 16.9% | 17.1% |
| Central Otago | 2.2% | 3.9% | 3.9% | -0.5% |
| Otago | 3.3% | 3.4% | 9.9% | 10.4% |
| Southland | 3.1% | 2.3% | 14.6% | 12.4% |