



News Release

14 July 2014

## ***Sales volumes continue to trend down as winter settles in to residential real estate market***

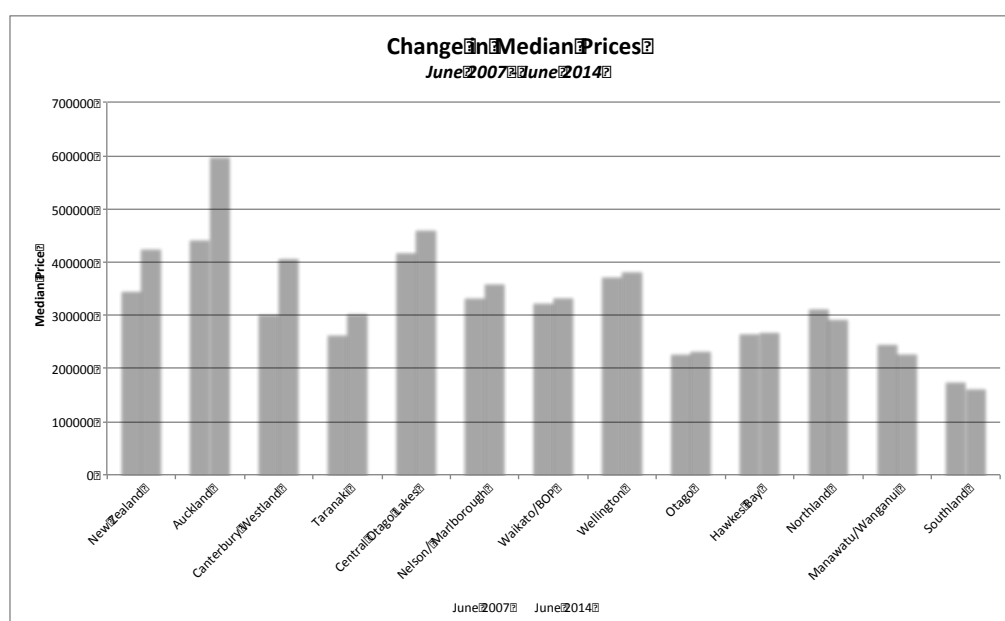
### ***Summary***

- 5,763 dwellings sold in June 2014, down 12.3% on May and down 6.1% on June 2013
- National median price of \$427,250, down \$2,750 (-0.6%) on May and up \$33,250 (+8.4%) on June 2013
- All regions saw sales fall compared to May, and only two regions saw sales increase compared to June 2013

REINZ, the most up to date source of real estate data in New Zealand, announced today that there were 5,763 dwelling sales in the month of June, down 6.3% on June 2013 and down 12.3% compared to May. The national median price was \$427,250 for the month of June, an increase of \$33,250 compared to June 2013, but a fall of \$2,750 from May.

Real Estate Institute of New Zealand (REINZ) Chief Executive Helen O'Sullivan says, "Volumes continued to trend down in June, as they have done for the past several months. We are starting to see a number of regions record annual falls in the number of sales at around 20%, with only modest increases in those regions where sales numbers are rising. At the same time it is now taking five days longer to sell a property than it did 12 months ago."

There is also a marked difference in the price performance for the Auckland and Canterbury/Westland regions compared to the rest of New Zealand as the chart below shows.



“Over the past seven years the national median price has increased by 23%, however, only Auckland and Canterbury/Westland have seen prices rise by more than the national median at 35% and 34% respectively. Combined, Auckland and Canterbury/Westland represent over half of the New Zealand real estate market and have dominated the increase in the national median price.

In contrast, a number of regions have either seen very small changes in their median price over the past seven years or falls in the median price. Eight regions, representing over 43% of the New Zealand real estate market, saw their median price increase by less than the change in the Consumer Price Index over the same period.”

### ***Sales Volumes***

REINZ data shows there were 5,763 unconditional residential sales in June, a 12.3% fall on sales recorded for May, and a 6.1% fall from June 2014. May is typically the third weakest sales month after January and December, however on a seasonally adjusted basis the level of sales was up 1.9% compared to May and down 9.8% compared to June 2013.

All regions recorded a fall in sales volume compared to May with Otago recording the largest fall of 26.5%, followed by Hawkes Bay with 25.5% and Central Otago Lakes with a fall of 18.3%. Compared to June 2013 all but two regions recorded a fall in sales volume with Otago recording the largest fall of 20.7%, followed by Taranaki with a fall of 19.3% and Central Otago Lakes with a fall of 19.1%.

While the total number of sales was down 6.1% compared to June 2013, the number of sales below \$400,000 fell by 17.3%. This follows a fall in sales below \$400,000 of 25.0% between May 2013 and May 2014. This may be indicative of fewer sales in the lower price brackets since the imposition of the LVR restrictions.

### ***Prices***

The national median house price fell by \$2,750 (-0.6%), from \$430,000 in May, to \$427,250 in June. Compared to June 2013 the national median house price increased by \$33,250 (+8.4%), with eight regions recording an increase in the median price. 68% of the increase in the national median price compared to June last year occurred in Auckland, with Canterbury/Westland contributing 23% of the increase and Waikato/Bay of Plenty contributing 9%. Together these three regions accounted for all of the increase in the median price between June 2013 and June 2014.

Central Otago Lakes recorded the largest increase in median price compared to June 2013, with a 12.9% increase, followed by Canterbury/Westland with a 12.3% increase and Auckland and Taranaki with an 8.1% increase. Compared to May, Taranaki recorded the largest increase in median price, up 13.4%, followed by Manawatu/Wanganui with 6.0% and Nelson/Marlborough with 3.4%.

The REINZ Stratified Housing Price Index, which adjusts for some of the variations in the mix that can impact on the median price, is 6.2% higher than June 2013, at 3913.3. The Auckland Index has risen 6.5% compared to June 2013, with the Christchurch Index up 5.5% and the Wellington Index down 3.1%.

### ***Days To Sell***

Dwellings took one day longer to sell in June compared to May at 39 days. Compared to June 2013, the median number of days to sell was five days longer. Three regions saw an improvement in the number of days to sell between June 2013 and June 2014, with Taranaki recording the largest improvement of 24 days. Auckland saw its number of days to sell ease by four days.

For the month of June, Canterbury/Westland recorded the shortest days to sell at 33 days, followed by Auckland at 34 days and Otago at 41 days. Northland recorded the longest number of days to sell at 71 days, followed by Manawatu/Wanganui with 64 days and Hawkes Bay with 59 days. Over the past 10 years the median days to sell for the month of June has averaged 39 days across New Zealand.

### ***Auctions***

Nationally there were 977 dwellings sold by auction in June representing 17.3% of all sales, and a reduction of 206 on the number of dwellings sold by auction in June 2013. For the 12 months to June 2014 the total number of sales by auction reached 15,233 or 20.1% of all sales, compared to 14,762 or 18.9% of all sales for the 12 months to June 2013.

Transactions in Auckland again dominated the auction market in March, representing 69.1% of the national total of auction sales. 29.6% of all dwelling sales in Auckland were by auction in June, compared to 37.0% of sales by auction in June 2013. Sales by auction in Waikato/Bay Of Plenty accounted for 10.3% of the national total, Canterbury/Westland accounted for 13.8% of the national total, and all other regions combined accounted for the remaining 6.7% of auction sales in June 2014.

<b><i>Summary Auction Statistics for June 2014</i></b>			
	<b>Jun-14</b>	<b>May-14</b>	<b>Jun-13</b>
Total Auctions for Month	997	1,141	1,203
Auctions as % of Total Sales	17.3%	17.4%	19.6%
Total Auctions for Year Ended...	15,233	15,440	14,762
Auctions as % of Total Sales	20.1%	20.3%	18.9%
Annual Growth in Auctions %	3.2%	10.6%	65.7%
<b><i>Breakdown by Regions...</i></b>			
Auckland Region	69.1%	70.1%	76.4%
Waikato/BOP Region	10.3%	9.6%	8.5%
Wellington Region	1.7%	1.6%	2.0%
Canterbury/Westland Region	13.8%	13.8%	8.5%
Rest of NZ	5.0%	4.9%	4.7%
<b><i>Source: REINZ</i></b>			

### ***Further Data***

Across New Zealand the total value of residential sales, including sections was \$3.082 billion in June, compared to \$3.553 billion in May, and \$3.055 billion in June 2013. For the 12 months ended June the total value of residential sales was \$39.582 billion.

The breakdown of the value of properties sold in June 2014 compared to June 2013 is:

	June 2014		June 2013	
\$1 million plus	406	7.0%	341	5.6%
\$600,000 to \$999,999	1,159	20.1%	1,090	17.8%
\$400,000 to \$599,999	1,615	28.0%	1,579	25.7%
Under \$400,000	2,583	44.8%	3,125	50.9%
<b>All Properties Sold</b>	<b>5,763</b>	<b>100.0%</b>	<b>6,135</b>	<b>100.0%</b>

There were 542 fewer (-17.3%) sales under \$400,000 in June 2014 compared to June 2013, compared to a drop of 372 sales (-6.1%) for all price brackets between the two periods.

### REINZ Stratified Median Housing Price Index

The REINZ Housing Price Index fell 0.3% compared with May to sit at 3,913.3. Auckland rose 1.6% in June, Christchurch fell 1.9%, and Wellington fell 4.3%. For the 12 months to June, the Auckland Index rose 6.5%, the Christchurch Index rose 5.5% and the Wellington Index fell 3.1%. The National Index increased 6.2% compared to June last year.

	Index Level	1 Month	3 Months	12 Months	5 Years (CAGR)	From Peak
<b>New Zealand</b>	<b>3,913.3</b>	-0.3%	-1.3%	6.2%	4.8%	-1.5%
<b>Auckland</b>	<b>4,812.0</b>	1.6%	0.4%	6.5%	8.1%	-1.6%
<b>Wellington</b>	<b>3,323.2</b>	-4.3%	-5.4%	-3.1%	-0.2%	-9.6%
<b>Christchurch</b>	<b>3,714.3</b>	-1.9%	0.1%	5.5%	6.1%	-4.1%
<b>Other North Island</b>	<b>3,315.9</b>	-0.3%	-1.3%	4.0%	1.3%	-2.7%
<b>Other South Island</b>	<b>3,707.2</b>	-1.2%	0.1%	2.2%	3.1%	-1.6%
<b>Sections</b>	<b>5,216.4</b>	-4.2%	4.9%	11.5%	4.1%	-8.5%

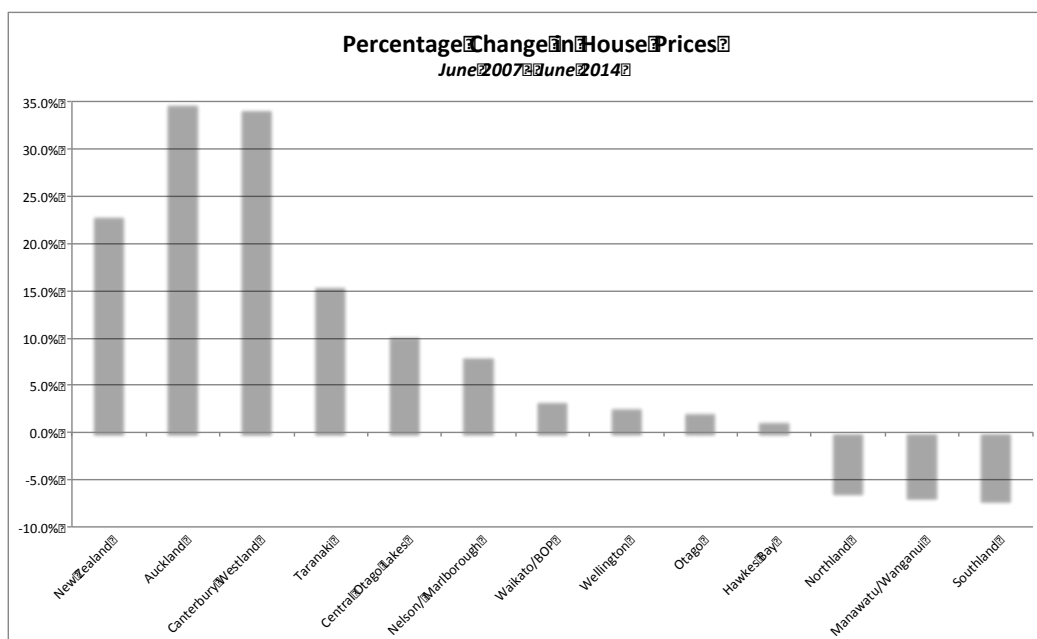
\* CAGR is Compound Annual Growth Rate

\* The Christchurch data needs to be treated with some caution due to compositional changes in the suburb mix caused by the earthquakes in the city

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### Additional Data

#### Change In Median Prices Ranked by Percentage Change



For more real estate information and market trends data, visit [www.reinz.co.nz](http://www.reinz.co.nz). For New Zealand's most comprehensive range of listings for residential, lifestyle, rural, commercial, investment and rental properties, visit [www.realestate.co.nz](http://www.realestate.co.nz) - REINZ's official property directory website.

**Editor's Note:**

*The monthly REINZ residential sales reports remain the most contemporary and up-to-date 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 and includes sales as of 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 by the Territorial Authority.*

*The REINZ Monthly Housing Price Index is calculated using a technique known as stratification, which provides an averaging of sales prices for common groups of houses. This approach is considered a more robust analysis of actual house price trends and was developed in conjunction with the Reserve Bank.*

*The REINZ Monthly Housing Price Index is based on a value of 1000 in January 1992, the first month for which electronic information is available. Changes in the index represent movements in housing prices, where the mix of sales between the groups is held constant and are more likely to reflect genuine property price movements.*