



News Release

11 April 2014

Sales volumes continue to ease with prices firming in March market

Summary

- *7,315 dwellings sold in March 2014, up 19.4% on February, but down 10.0% on March 2013*
- *National median price rose \$44,000 to \$440,000 (10.0%) compared to March 2013 to a new record high*
- *Auckland and Canterbury/Westland reached new high median prices*
- *The National, Auckland and Christchurch House Price Indices all recorded record highs in March 2014*

REINZ, the most up to date source of real estate data in New Zealand, announced today that there were 7,315 dwelling sales in the month of March, down 10.0% on March last year, but up 19.4% compared to February. The national median price reached a new record high of \$440,000, which was an increase of \$44,000 compared to March 2013, and an increase of \$25,000 from February. Auckland and Canterbury/Westland both recorded new high median prices of \$637,000 and \$401,000, respectively.

Real Estate Institute of New Zealand (REINZ) Chief Executive Helen O'Sullivan says, "The results for March further define the divide between the drivers of the current residential market - Canterbury and Auckland - and the rest of the country. The low levels of stock held by agents in Canterbury and Auckland further suggests that there are not enough homes available to meet the demand from potential buyers."

"There are also clear signs that the national sales volume trend is easing, continuing the trend that began last November. Only two of twelve regions, representing only 3.9% of total sales, showed an increase in sales volumes compared to March 2013. Despite the easing trend in volumes the median price continues to reach new highs, however, this may be due to the dominance of Auckland and Canterbury in the sales data and a noticeable shift in sales towards high value properties."

"There appears to be an increasing divergence between the regions that are seeing growth in their property markets, such as Auckland, Canterbury and Waikato/Bay of Plenty and regions where the property market is far more subdued, such as Wellington, Hawkes Bay, Manawatu/Wanganui and Otago and Southland. In many of the quieter regions the impact of LVR restrictions on first home buyers is still reported as strong."

Sales Volumes

REINZ data shows there were 7,315 unconditional residential sales in March, a 10.0% fall on the exceptionally high level of sales recorded for March 2013 (8,128), but a 19.4% increase from February. March is typically the busiest month of the year for real

estate sales, however, on a seasonally adjusted basis the level of sales was about in line with sales in February, and down 9.5% compared to March 2013.

Only two regions recorded increases in sales volume compared to March with Southland recording the largest increase of 15.5%, followed by Central Otago Lakes with 0.9%. All but two regions recorded an increase in sales volume compared to February, with Auckland recording the largest increase of 41.7%, followed by Otago with an increase of 19.9% and Taranaki with an increase of 13.4%.

While the total number of sales was down 10.0% compared to March 2013, the number of sales below \$400,000 fell by 21.9%. This follows a fall in sales below \$400,000 of 17.7% between February 2014 and February 2013. 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 rose by \$25,000 (+6.0%), from \$415,000 in February, to \$440,000 in March to reach a new record high. Compared to March 2013 the national median house price increased by \$44,000 (+10.0%), with 10 regions recording an increase in the median price. 75% of the increase in the national median price compared to March last year occurred in Auckland, with Canterbury/Westland contributing 14% of the increase and Waikato/Bay of Plenty contributing 9%. Together these three regions accounted for 97% of the increase in the median price between March 2013 and March 2014.

Auckland recorded a new median high of \$637,000 and Canterbury/Westland recorded a new median high of \$401,000. Compared to March 2013 Auckland recorded the largest increase in median price, up 13.3%, followed by Canterbury/Westland with 11.7% and Waikato/Bay of Plenty with 7.4%.

The REINZ Stratified Housing Price Index, which adjusts for some of the variations in the mix that can impact on the median price, is 9.2% higher than March 2013. The Auckland Index has risen 12.1% compared to March 2013, with the Christchurch Index up 10.9% and the Wellington Index up 1.6%.

Days To Sell

Dwellings took eight days fewer to sell in March compared to February at 33 days. Compared to March 2013, the median number of days to sell eased by two days. Five regions saw an improvement in the number of days to sell between March 2013 and March 2014, with Central Otago Lakes recording the largest improvement of 17 days. Auckland saw its number of days to sell ease by two days.

For the month of March, Canterbury/Westland recorded the shortest days to sell at 27 days, followed by Otago at 29 days, Auckland at 31 days, and Wellington at 32 days. Northland recorded the longest number of days to sell at 71 days, followed by Manawatu/Wanganui with 56 days and Central Otago Lakes with 53 days. Over the past 10 years the median days to sell for the month of March has averaged 35 days across New Zealand.

Auctions

Nationally there were 1,663 dwellings sold by auction in March representing 22.7% of all sales and a reduction of 130 on the number of dwellings sold by auction in March 2013. Auctions have been increasingly favoured as a sales method in certain centres over the past year; for the 12 months to March 2014 the total number of sales by auction reached 16,127 or 20.5% of all sales, compared to 13,325 or 17.5% of all sales for the 12 months to March 2013.

Transactions in Auckland again dominated the auction market in March, representing 75.3% of the national total of auction sales. 41.2% of all dwelling sales in Auckland were by auction in March, almost equal with the 41.1% of sales by auction in March 2013. Sales by auction in Waikato/Bay Of Plenty accounted for 6.2% of the national total, Canterbury/Westland accounted for 11.6% of the national total, and all other regions combined accounted for the remaining 4.4% of auction sales in March 2014.

Summary Auction Statistics for March 2014			
	Mar-14	Feb-14	Mar-13
Total Auctions for Month	1,663	1,065	1,793
Auctions as % of Total Sales	22.7%	17.4%	22.1%
Total Auctions for Year Ended...	16,127	16,258	13,325
Auctions as % of Total Sales	20.5%	20.5%	17.5%
Annual Growth in Auctions %	21.0%	33.6%	68.2%
Breakdown by Regions...			
Auckland Region	75.3%	64.2%	76.9%
Waikato/BOP Region	6.2%	8.8%	8.3%
Wellington Region	2.5%	2.3%	1.4%
Canterbury/Westland Region	11.6%	16.3%	9.0%
Rest of NZ	4.4%	8.4%	4.4%
Source: REINZ			

Further Data

Across New Zealand the total value of residential sales, including sections was \$4.07 billion in March, compared to \$3.17 billion in February, and \$4.11 billion in March 2013. For the 12 months ended March the total value of residential sales was \$40.18 billion.

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

	March 2014		March 2013	
\$1 million plus	597	8.2%	492	6.1%
\$600,000 to \$999,999	1,616	22.1%	1,477	18.2%
\$400,000 to \$599,999	1,947	26.6%	2,117	26.0%
Under \$400,000	3,155	43.1%	4,042	49.7%
All Properties Sold	7,315	100.0%	8,128	100.0%

There were 887 fewer (-21.9%) sales under \$400,000 in March 2014 compared to March 2013, compared to a drop of 813 sales (-10.0%) for all price brackets between the two periods.

REINZ Stratified Median Housing Price Index

The REINZ Housing Price Index rose 3.4% compared with February to sit at 3,965.5. Auckland rose 0.4% in March to reach a new record high, Christchurch rose 1.9% to also reach a new record high, and Wellington fell 2.3%. For the 12 months to March, the Auckland Index rose 12.1%, the Christchurch Index rose 10.9% and the Wellington Index rose 1.6%. The National Index increased 9.2% compared to March last year.

	Index Level	1 Month	3 Months	12 Months	5 Years (CAGR)	From Peak
New Zealand	3,965.5	3.4%	3.1%	9.2%	5.3%	New Hi
Auckland	4,793.2	0.4%	4.8%	12.1%	8.5%	New Hi
Wellington	3,512.6	-2.3%	0.9%	1.6%	1.9%	-4.4%
Christchurch	3,709.6	1.9%	1.2%	10.9%	6.1%	New Hi
Other North Island	3,359.1	0.6%	-1.3%	4.2%	1.7%	-1.4%
Other South Island	3,702.4	0.9%	-1.7%	5.6%	3.1%	-1.7%
Sections	4,970.9	0.3%	-12.8%	-1.1%	2.6%	-12.8%

* 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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For more real estate information and market trends data, visit 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 - 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.