

Post-election bounce back

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House prices in all but one of New Zealand's 15 regions increased year-on-year in November, according to Trade Me Property's latest data.

The real estate website's Property Price Index shows that eight of those regions reached record average asking prices.

It also shows that the national average asking price climbed 2.5% to \$639,150, as compared to October.

Head of Trade Me Property Nigel Jeffries says it is the second month in a row they have seen the average asking price warm up after an unusually slow five months,

"It's a good sign that the property market has finally bounced back after the election."

Additionally, they have seen a 5% increase in new listings on this time last year, yet the number of total listings onsite is actually down 7.7% on last year, he says.

"This is because properties are coming on and off the market much faster than usual. It's a clear indication that demand is outstripping the number of available properties."

In his view, supply is struggling to meet demand and, if it continues, there's likely to be some big jumps in the coming months.

Meanwhile, the data shows that it is regional markets which have been running particularly hot with notable year-on-year price growth.

Southland, Hawkes Bay and Wanganui were among those that reached record average asking prices, rising 13.1% to \$286,600, 12.2% to \$495,450 and 11.6% to \$322,850 respectively.

They were followed by Wellington (up 10.8% \$563,850), Waikato (up 7.5% to \$538,600), Nelson (up 4.4% to \$558,900), Auckland (up 3% to \$938,800) and Canterbury (up 1.8% to \$478,650).

Only Gisborne showed a dip with the average asking price down by 8.1%.

Jefferies says Northland and Taranaki are the regions to watch heading into the New Year with over 30% more views on each listing than last year.

“Properties in Hawkes Bay, Nelson and Southland are also in hot demand with average views up 26, 23 and 22% respectively.”

Auckland saw its average asking price climb 3% to reach a new high of \$938,800 in November.

But, of the three big city markets, it was Wellington that was the star.

The capital’s property market heated up in November with the average asking price rising 10.8% on last year to a new record of \$563,850.

Jefferies says that, over the last two months the region has seen a surge of new listings as sellers shake off their election jitters and put their house up for sale.

“We’re also seeing plenty of buyers in the windy city. The number of views per listing was up 12% and total listings onsite at the end of November were 3.6% lower than 2016.

It is not just central Wellington areas that are performing strongly, he adds.

“The average asking price in Upper Hutt climbed 20.1% to \$507,800 and Porirua, Kapiti Coast and South Wairarapa saw increases of more than 15% since November 2016.”