

REINZ data shows market cooling

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Property News

National median falls as Auckland records lowest sales volumes since 2011.

Prices are flattening as some of the heat evaporates from the Auckland property market, Real Estate Institute figures show.

REINZ has released data for November which show 8048 properties sold in the month, up 8.5% on the same time last year.

Much of that pick-up in activity was outside Auckland. Excluding the biggest city, turnover lifted more than 23%.

The national median price was \$459,500, up almost 1% on November 2014 but down \$500,000 from October, the second consecutive month a drop was recorded.

On a seasonally-adjusted basis, the national median house price fell 2.5%.

Excluding the impact of the Auckland region, the national median price rose \$15,000 to \$375,000 compared to November 2014 to reach a new record high, and rose 1.4% compared to October. New record median prices were also reached in Waikato/Bay of Plenty and Wellington.

In seasonally-adjusted terms, Auckland's house prices were up 0.2% on October but they were up 14% year-on-year. Within Auckland, performance was mixed with North Shore's median price down,

Waitakere's up strongly and Manukau's also rising. Rodney reported the biggest month-on-month increase, up 6.4%.

Auckland recorded its lowest sales volumes since 2011, down a seasonally-adjusted 11.5% on October.

REINZ chief executive Colleen Milne said: "The Auckland market continues to be challenged by the lack of supply which is evident in the low number of sales for November and an increase, once again, in the median price. Other influences on the market are the new IRD requirements, bank account changes and revised LVR restrictions. Understandably this has slowed down some purchase decisions while the implications of the new rules are absorbed, with a fall off in auction clearances the most prominent outworking of this. The situation should revert as the market adjusts to the new operating environment and restrictions."

She said: "Some, but not all regions across the rest of country are experiencing strong growth in sales volumes and prices, with Northland, Waikato/Bay of Plenty, Wellington, Otago and Central Otago Lakes all experiencing either or both effects. Demand is being driven by low interest rates and the relaxation of the LVR rules for these regions. Increase in listings are also improving choice for buyers."