

The REINZ national median selling price dropped from \$680,000 in April to \$620,000 in May

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Housing market activity came back to life in May as lockdown restrictions eased, but prices were weaker, according to the Real Estate Institute of NZ.

The REINZ recorded 3990 sales throughout the country in May, a near trebling from the 1371 recorded in April when Level 4 restrictions brought the market to a near standstill.

However, May's sales were still down by 46.6% from May last year (see chart below for sales volumes in all regions).

Prices were also weaker, with the national median selling price dropping from \$680,000 in April to \$620,000 in May (-8.8%), although that was still up by 6.9% compared to May last year.

Prices showed a more modest decline in Auckland where the median slipped from \$925,000 in April to \$910,000 in May (-1.6%).

In the Wellington region the median dropped from \$730,000 in April to \$677,510 in May (-7.2%) and in Canterbury it rose marginally from \$459,000 in April to \$460,000 in May, although it remained well below the peak of \$489,000 set in March.

Prices were firmer in many regions, with record median prices achieved in Waikato, Taranaki and Tasman in May (see chart below for the price trend in all regions).

The REINZ House Price Index, which adjusts for differences in the mix of properties sold and is considered a more reliable indicator of the movement in prices than either median or averages, declined by 0.5% in May compared to April and was down -1.6% compared to three months ago.

Over the last three months the HPI has declined by 2.1% in Auckland, in Wellington City it is down 4.1, in Christchurch it's down 2.1% and in Dunedin it's down 3.5%.

The length of time it took to sell a property also increased significantly in May, with the median number of days sell increasing from 41 in May last year to 58 last month.

In Auckland the median number of days to sell increased from 45 to 61 over the same period, which was the highest number of days to sell since records began.

For the rest of the country excluding Auckland, the median days to sell increased from 38 to 57, the highest number for the month of May in 19 years (see chart below for the full regional trends).