

Wild ride over for Auckland

Wednesday 22 February 2017 *By Miriam Bell*

Average asking prices dropped in Auckland for the second month in a row in January, according to Trade Me Property's latest data. The Super City's average asking price was down by 1.5% to \$895,000 in January, as compared to \$908,850 in December.

But December's average asking price also declined, by 0.3%, on November.

Head of Trade Me Property Nigel Jeffries said it was the first back-to-back monthly decrease since June 2012.

"We're seeing definite signs that the Super City is taking its foot off the gas after a very wild ride.

"Homeowners in Auckland don't need to panic though, and will take some comfort that the average asking price in the city is still up almost 12% over that past year."

Jeffries said Auckland's year-on-year growth was still incredible, but the region's property market is continuing to cool.

However, the quieter Auckland market was not reflected in Trade Me Property's data on the rest of the country.

The average asking price nationally was up by 0.2% to \$475,700 in January, as compared to in December.

This was an 11.4% year-on-year increase, which equates to a \$48,500 increase since January 2016.

Six regions reported strong double-digit year-on-year increases in their average asking price.

They were Northland (up 20.9%), Waikato (up 24.6%), Bay of Plenty (up 12.8%), Nelson/Tasman (up 20.5%), Wellington (up 12.6%) and Otago (up 22.1%).

Jeffries said the dollar increases for each of these regions were 'eye-popping'.

"When you look at the jumps around the country you can understand the Kiwi preoccupation with investing in property - the increase in expectations over just twelve months has been incredible."

He singled out the Waikato region as the current star market.

"It smashed its own record average asking price this month, hitting \$511,750. That's a staggering increase of more than \$100,000 in the past 12 months.

"The average asking price in the Waikato has soared by 43% since January 2012."

The data also shows that New Zealand's apartment market is expanding and hitting new price levels.

Jeffries said the only viable option many of the country's cities are seeing is to go up rather than go out. "We're seeing more and more apartments come on to the market, particularly in Auckland where there are some major building projects in play."

Average asking prices for apartments in Christchurch and Wellington have skyrocketed over the last year. They are up 26.6% to \$446,950 and 22.9% to \$488,600 respectively. Average asking prices for Auckland apartments have also grown healthily. They are up by 8.3% year-on-year to \$592,950.

Jeffries said this reflects a changing market with larger numbers of high quality and larger apartments on offer.