



News Release

12 October 2015

Auckland, Northland and Waikato/Bay of Plenty Driving Real Estate Market in September

Summary

- *8,174 dwellings sold throughout New Zealand in September 2015, up 38.3% on September 2014 and up 5.3% on August 2015*
- *A new national record median price of \$484,650, up \$64,650 (+15.4%) on September 2014 and up 4.2% on August 2015*
- *The national median price, excluding Auckland, up \$28,000 (+8.3%) to a new record of \$365,000 compared with September 2014 and up 4.7% on August 2015*
- *A rise of \$156,000 (+25.4%) for Auckland's median price, from September 2014 to September 2015 – from \$615,000 to \$771,000, and a \$31,000 (+4.2%) rise compared with August 2015*
- *New record median prices also for Waikato/Bay of Plenty and Otago*
- *A 143% rise in the number of sales over \$1 million between September 2014 and September 2015 – from 428 to 1,042*
- *Record number of auction sales at 2,311, with sales by auction reaching more than 50% of total sales in Auckland for the first time*

REINZ, the most up to date source of real estate data in New Zealand, announced today that there were 8,174 dwelling sales nationwide in September 2015, up 38.3% on September 2014 and up 5.3% on the previous month, August.

The national median price was \$484,650 for September, an increase of \$64,650 or 15.4% on September 2014, to reach a new record high, and up 4.2% compared with August. Excluding the impact of the Auckland region, the national median price rose \$28,000 to \$365,000 compared with September 2014 also to reach a new record high, and rose 4.7% compared with August. New record median prices were also reached in Auckland, Waikato/Bay of Plenty and Otago.

Real Estate Institute of New Zealand (REINZ) Chief Executive Colleen Milne says, "There is continued evidence of Auckland investors and first home buyers spreading to other regions causing a 'halo' effect, most notably in Northland and Waikato/Bay of Plenty. These regions have recorded very strong sales growth so far during 2015, and this is now starting to be seen in the median price data. There was also a very strong increase in auction sales for Waikato/Bay of Plenty.

"The new IRD number requirements may have had some dampening effect on offshore buyers in Auckland, although this is not shown in the data. However, the forthcoming relaxation of the loan-to-value-ratio (LVR) restrictions for the regions will have a positive effect for first home buyers but may add to the consequential shortage of listings in their range. The lowering of interest rates has also had a positive impact on buyer sentiment in the regions, although the effect is hard to measure in the Auckland market."

Sales Volumes

There were 8,174 unconditional residential sales in September, a 38.3% increase on September 2014 and an increase of 5.3% on August. On a seasonally adjusted basis, the number of sales rose 1.0% from August to September, indicating September sales were marginally stronger than what would normally be expected at this time of year.

Seasonally Adjusted Sales Volumes

	Compared to August		Compared to Sept 2014	
	Volume Change	Seasonally Adjusted Change	Volume Change	Seasonally Adjusted Change
New Zealand	5.3%	1.0%	38.3%	40.4%
Auckland	5.2%	-0.8%	37.8%	39.7%
Wellington	7.1%	-1.0%	22.7%	24.9%
Canterbury	-0.1%	-4.4%	9.0%	10.7%
Waikato/BOP	8.9%	1.5%	84.8%	87.9%
NZ ex Akl	5.3%	0.9%	38.6%	41.5%

Sales volumes excluding Auckland were up 5.3% from August and up 38.6% on September 2014. On a seasonally adjusted basis, Auckland's sales volumes were down 0.8% compared with August, indicating that sales volumes were marginally weaker in Auckland than normally expected for this time of year. Compared with September 2014 both Northland and Waikato/Bay of Plenty have recorded very strong sales volume growth, with Northland's 'share' of sales rising by over 11% and Waikato/Bay of Plenty's 'share' rising by over 20%.

Ten regions recorded increased sales volumes compared with August, with Central Otago Lakes volumes growing 22%, followed by Otago with 9% and Waikato/Bay of Plenty also with 9%. Compared with September 2014, all regions recorded increases in sales volume, with Waikato/Bay of Plenty recording the largest increase of 85%, followed by Northland with 69% and Central Otago Lakes with 44%.

Prices

The national median house price rose \$19,650 (+4.2%) to \$484,650 from August to September to reach a new record high. In comparison with September 2014 the national median house price increased by \$64,650 (+15.4%), with all, but one, region recording increases. Excluding the Auckland region, the national median price rose \$28,000 (+8.3%) compared to September 2014 to also reach a new record high. On a seasonally adjusted basis, the national median house price rose 3.5% indicating that prices rose faster in September than what would normally be expected at this time of year.

Seasonally Adjusted Median Prices

	Compared to August		Compared to Sept 2014	
	Median Change	Seasonally Adjusted Change	Median Change	Seasonally Adjusted Change
New Zealand	4.2%	3.5%	15.4%	14.9%
Auckland	4.2%	2.5%	25.4%	26.0%
Wellington	2.7%	0.8%	3.3%	2.8%
Canterbury	1.9%	1.8%	1.7%	0.7%
Waikato/BOP	10.5%	11.0%	16.9%	17.4%

Auckland, Waikato/Bay of Plenty and Otago all reached new record median prices in September. Northland recorded the largest percentage increase in median price compared with September 2014, at 26%, followed by Auckland at 25% and Waikato/Bay of Plenty at 17%. Manawatu/Wanganui recorded the largest percentage increase in median price compared with August 2015, increasing by 12%, followed by Waikato/Bay of Plenty with 11% and Taranaki with 7%.

Auctions

There were 2,311 dwellings sold by auction nationally, representing 28.3% of all sales and an increase of 1,239 (+116%) on the number for September 2014. The number of auction sales in September is a new record for both the total number of auction sales and the percentage of sales. The 19,458 sales by auction in the 12 months to September 2015 represented 22% of all dwelling sales, compared to 19% (13,812 sales) for the year ending September 2014.

Auction sales in Auckland reached a new milestone with the number of auctions representing a majority of sales for the first time. Auction sales in Waikato/Bay of Plenty also set a new record, representing more than one quarter of all sales for the first time.

Summary Auction Statistics for September 2015			
	Sep-15	Aug-15	Sep-14
Total Auctions for Month	2,311	1,916	1,072
Auctions as % of Total Sales	28.3%	24.7%	18.1%
Total Auctions for Year Ended...	19,458	18,219	13,812
Auctions as % of Total Sales	22.0%	21.2%	19.0%
Annual Growth in Auctions %	40.9%	22.9%	-13.7%
Breakdown by Regions...			
Auckland Region	69.3%	72.2%	70.1%
Waikato/BOP Region	17.7%	14.3%	9.7%
Wellington Region	1.3%	1.6%	1.8%
Canterbury/Westland Region	7.5%	8.1%	13.4%
Rest of NZ	4.1%	3.7%	5.0%
Source: REINZ			

Transactions in Auckland again dominated the auction market in September, representing 69% of the national total of auction sales. 51% of all dwelling sales in Auckland were by auction, compared to 33% in September 2014. Sales by auction in Waikato/Bay Of Plenty accounted for 18% of the national total; Canterbury/Westland accounted for 8%; and all other regions combined accounted for the remaining 5%.

Further Data

Across New Zealand the total value of residential sales, including sections, was \$5.182 billion in September, compared to \$4.650 billion in August and \$3.220 billion in September 2014. For the 12 months ended September 2015, the total value of residential sales was \$51.808 billion. The breakdown of the value of properties sold in September 2015 compared to September 2014 is as follows:

	September 2015		September 2014	
\$1 million plus	1,042	12.7%	428	7.2%
\$600,000 to \$999,999	1,970	24.1%	1,173	19.8%
\$400,000 to \$599,999	2,009	24.6%	1,570	26.6%
Under \$400,000	3,153	38.6%	2,740	46.4%
All Properties Sold	8,174	100.0%	5,911	100.0%

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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, up to 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.