

Sales activity bounces back to life

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The number of sales nationwide was up by 15.5% year-on-year to reach the highest level in five months in October, according to the latest REINZ data.

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There were 6,791 sales nationally in October which was an increase of 911 sales from the 5,880 sales seen in the same month last year.

Four regions saw significant year-on-year increases in sales. They were Marlborough (up 46.2%), Southland (up 32.9%), Canterbury (up 28.7%) and Otago (up 23.4%).

But there were increased sales volumes in 13 out of 16 regions with 10 of those 13 regions seeing double digit increases.

Even Auckland recorded a surge in sales, with a year-on-year increase of 15.2% to 1,948 sales in October 2018 as compared to 1,691 in October 2017.

REINZ chief executive Bindi Norwell says the number of sales in October was the highest number of sales for a month of October in two years.

“September was very quiet in terms of sales and we predicted that with the increase in listings coming to the market that October’s sales would be much stronger than September’s.

“With strong sales this month, it’s our belief that in the current market that New Zealand is taking a different path to what we’re seeing across the Tasman at this point in time.”

She adds they are also confident that most of October’s lift in volume is attributable to the spring lift rather than a rush of foreign buyers looking to get in ahead of the ban.

Meanwhile, median prices around the country continue to hold up, with the national median up by 6.0% year-on-year to hit a record \$562,000 in October.

Five regions also saw strong year-on-year growth to reach record median prices in October.

They were Manawatu/Wanganui (up 20.2% to \$344,000), Otago (up 18.2% to \$480,000), Hawkes Bay (up 17.4% to \$464,123), Taranaki (up 8.6% to \$380,000) and Canterbury (up 3.3% to \$465,000)

The median price in Auckland was also up. It increased by 1.8% year-on-year to \$865,000 – which is the highest median price for the region in seven months.

Norwell says it is the highest number of record median prices in a month since November last year, which shows just how strong October’s results are from a price perspective.

“Interestingly, when we break the data down even further to look at prices from a city perspective, we see that Hamilton, Tauranga, Christchurch and Dunedin Cities all had record median prices too.”

The constraint on supply has continued to drive up house prices across much of the country, she says.

“Until we seriously address the fundamental housing supply issues, record price increases is something that we’re going to continue to see around the country – particularly as Aucklanders continue to move out of the city for both lifestyle and affordability reasons.”

There is now the highest number of properties available for sale nationally in six months, with inventory increasing by 5.6% year-on-year to 25,673 from 24,307.

Further, in October seven regions recorded a year-on-year increase in inventory levels. The regions with the largest increase were Auckland, Northland and Nelson.