

House prices up \$9,000 in October

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The national median house price rose by \$9,000 in October and sales were up almost 30% on the year earlier, according to the latest Real Estate Institute of New Zealand (REINZ) report.

The national median house price rose to \$359,000 (2.6%) in October compared to September and is also \$9,000 higher than the October 2010 value.

October saw 5,007 unconditional sales, up 1,104 sales (28.3%) compared to October last year. The October figure is 228 lower than last month (4.4%), however on a seasonally adjusted basis volumes are almost flat with a 0.5% drop.

"The volume figures for October suggests that the spring 'lift' widely expected in the real estate market has been muted, but so too has any impact from the Rugby World Cup and European uncertainty," said REINZ chief executive Helen O'Sullivan.

"Volumes are up strongly compared to this time last year, but that in part reflects a very weak October 2010 when sales volumes were amongst the lowest in the past 20 years."

Only four markets showed a rise in sales volumes during October, with Taranaki, Wellington, Nelson/Marlborough and Southland all seeing increases.

Taranaki recorded the strongest lift in volumes at 15.5%, followed by Wellington (7.6%) and Southland (2.4%).

The largest drop in volumes compared to September was reported in Northland, down 28.7%, although this was after a strong lift in volumes in the previous month.

REINZ also reported an "interesting" 4.7% fall in volumes in Auckland, "whereas the normal seasonal pattern would have predicted a modest increase compared to September."

O'Sullivan said there was still lots of activity in the market, but that buyers remained price conscious.

"They will move quickly when they find a property that meets their needs, but properties perceived by prospective buyers as over priced are not generating much interest at all."

The national median 'days to sell' improved by two days from 37 days in September to 35 days in October.

The days to sell were at 41 days in October 2010, and this measure has continued a downward trend falling by 10 days over the past five months.

The shortest days to seen was seen in Otago at 30 days, followed by Southland (31) and Canterbury/Westland (32).

Central Otago Lakes recorded the longest days to sell at 57 days, followed by Northland (50).

Across New Zealand the total value of residential sales, including sections, was \$2.15 billion in September 2011, compared to \$2.27 billion in August 2011 and \$1.60 billion in October 2010.

During October 2011 the majority of properties sold were valued under \$400,000 (58.6%), followed by \$400,000 to \$599,999 (26.1%), \$600,000 to \$999,999 (12%) and \$1 million plus (3.3%).