

NZ housing recovery still limp in October, REINZ says

1:00 PM Friday Nov 11, 2011



Photo / Greg Bowker NZ Herald

New Zealand's housing market is still limping along as buyers refuse to over-pay for properties, keeping the volume of sales muted.

The number of sales rose 28 per cent to 5,007 last month compared to October last year when the market was plumbing 20-year lows, but was 4.4 per cent down from September, according to the Real Estate Institute.

On a seasonally adjusted basis, volumes fell 0.5 per cent in the month.

"The volume figures for October suggests that the spring 'lift' widely expected in the real estate market has been muted," said chief executive Helen O'Sullivan, in a statement.

"Properties perceived by prospective buyers as over-priced are not generating much interest at all."

Quotable Value data this week showed property values are still on the rise, and are 4.4 per cent from the 2007 peak on a nationwide basis. The bulk of that improvement is emanating from Auckland, which has underpinned the market which has struggled to recover from depressed values and prices in the wake of the global financial crisis.

Still, October was a tough month for Auckland house sales, which fell 4.7 per cent last month, though are still up 35 per cent from the same month a year ago.

The national median sale price rose 2.6 per cent to \$359,000 last month compared to both September prices and October 2010 prices, while average number of days to sell a house shortened to 35 days from 35 days in September and 41 days a year ago.

The REINZ stratified median house price index, constructed with the Reserve Bank to iron out peaks and troughs in pricing information, fell 0.3 per cent in October and is up 3.4 per cent from the same month a year ago. The index is 3.3 per cent below the peak recorded in 2007.

