

# THE PROPERTY LINE

QUARTERLY REPORT

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[interest.co.nz](http://interest.co.nz)

# FIRST EDITION

Welcome to the first edition of The Property Line Quarterly Report, which looks at some of the major forces driving this country's property market.

A key theme of this Report is the balance between supply and demand.

It looks at how migration has pushed demand for housing in Auckland well above the supply that's coming on stream, and how the gap between the two is getting bigger by the day.

It also looks at what's happening with residential investment yields and suggests capital gain is the only game in town for Auckland investors.

We concentrate on the supply side of the equation for commercial property with a look at how much office, retail and industrial property in the three main centres was listed for sale on Realestate.co.nz last month, and summarise the building consent trends in the same categories.

As its name suggests The Property Line Quarterly Report will be published every three months and will be sent out free to subscribers of interest.co.nz's Property Newsletter, which is also free.

The Property Newsletter is emailed to subscribers 3-5 times a week and brings all of the latest commercial and residential property stories published on interest.co.nz directly to your inbox.

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BY GREG NINNESS  
Property editor

## AUCKLAND'S HOUSING SHORTAGE GETS BIGGER BY THE DAY

### Auckland's housing shortage has underpinned the rapid escalation of house prices

Auckland's housing shortage continues to worsen by the month, with current consent rates suggesting the shortage is increasing by nearly four thousand homes a year.

In December 2012 Auckland Council estimated the City had a shortfall of 20,000 to 30,000 homes and would need at least another 13,000 a year just to keep up with the current demand that was being fuelled by the city's rapid population growth.

2,267 in the second quarter of this year (see accompanying table).

Unfortunately while the increase is impressive, it's not nearly enough.

The 2,267 homes that were consented in the second quarter of this year was still nearly 1,000 homes short of the 3,250 that is needed to meet the target of 13,000 a year.

And things will get worse before they get better, because as long as Auckland's population is growing faster than the supply of homes, the shortfall will keep getting bigger.

The accompanying table (next page) compares the number of Auckland dwelling consents that have been issued in each quarter since the beginning of 2013 and the size of the shortfall from what is required to meet the target of 13,000 new homes a year.

It shows there was an accumulated shortfall of 14,525 homes over that two and a half year period alone.

That is on top of the 20,000 to 30,000 shortfall that already existed when Auckland Council made its forecasts back in December 2012, so the total shortfall would have ballooned out to between 34,545 and 44,525 homes by the end of June.

“

### THINGS WILL GET WORSE BEFORE THEY GET BETTER

”

On average that would require 3250 new homes to be built every three months, just to keep up with population growth before making any headway into reducing the 20,000 to 30,000 shortfall that existed prior to 2013.

Since the Council made those estimates the number of new homes being consented in Auckland increased by 83%, from 1,238 in the first quarter of 2013 to

The number of new dwelling consents being issued will need to increase by 43% from the 2257 issued in the June quarter if it is to hit the Council's estimate of 13,000 additional homes that are needed just to keep up with population growth, without putting any sort of dent in the growing shortfall.

Whether the Auckland Council and the government's efforts to increase the supply of new homes in Auckland will get them up to 13,000 a year is uncertain, although they've come close in the past.

From 2002 to 2004, 35,604 new dwelling consents were issued in Auckland which was an average of 11,868 a year, although that was during the last apartment building boom and over the same three years almost 10,000 of the consents issued were for apartments and many of those would have been the tiny shoebox apartments designed as student accommodation rather than long term housing.

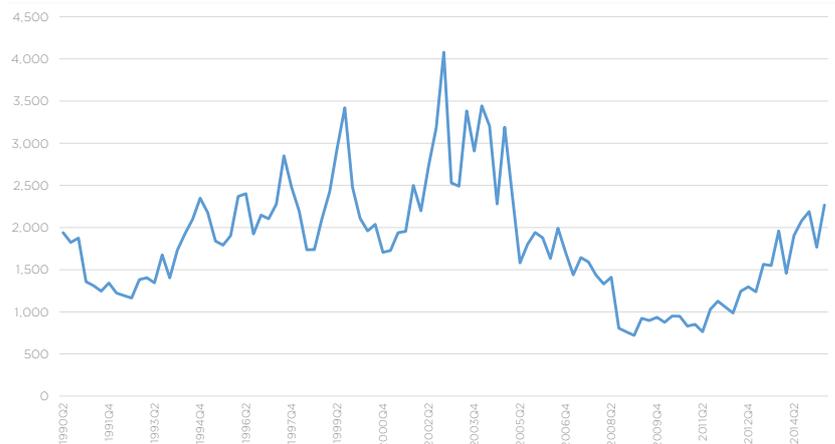
Getting the number of new homes being built in Auckland back up to those levels and more, will be no small task.

When demand for a product exceeds supply the price usually goes up and Auckland housing is no exception.

Between June 2012 and June 2015 The REINZ Auckland median price jumped from \$500,000 to \$755,000, an increase of 51% in just three years.

Although other factors would have helped push up prices, such as the enthusiasm of Chinese investors for Auckland properties, I believe the primary driver has been the failure of supply to meet demand and the resulting shortage of homes.

### AUCKLAND NEW DWELLING CONSENTS 1990-2015 (QUARTERLY)



By most of the commonly used measures, such as comparing house prices to household incomes and the rental yields being achieved on residential investment properties, Auckland housing is expensive and probably overpriced.

The longer that situation persists and the higher and more quickly prices rise, the greater the likelihood that they will fall back to earth at some stage.

But as long as a housing shortage persists, it will likely mitigate the extent of any market correction.

### TRACKING AUCKLAND'S GROWING HOUSING SHORTFALL

	1Q 2013	Q2 2013	Q3 2013	Q4 2013	Q1 2014	Q2 2014	Q3 2014	Q4 2014	Q1 2015	Q2 2015
Consents required	3,250	3,250	3,250	3,250	3,250	3,250	3,250	3,250	3,250	3,250
Consents issued	1,238	1,564	1,549	1,959	1,458	1,907	2,079	2,188	1,766	2,267
Shortfall	2,012	1,686	1,701	1,291	1,792	1,343	1,171	1,062	1,484	983
Cumulative shortfall	2,012	3,698	5,399	6,690	8,482	9,825	10,996	12,058	13,542	14,525





## RESIDENTIAL DWELLING CONSENTS

	2014 Q1	2014 Q2	2014 Q3	2014 Q4	2015 Q1	2015 Q2
Northland	189	135	176	208	171	163
Auckland	1,458	1,907	2,079	2,188	1,766	2,267
Waikato	560	671	571	567	594	681
Bay of Plenty	337	339	380	356	374	408
Gisborne	14	32	16	16	15	9
Hawke's Bay	88	91	91	90	85	82
Taranaki Region	121	109	110	146	105	123
Manawatu-Wanganui	112	130	132	111	117	101
Wellington	349	390	430	383	423	358
Tasman	53	72	70	78	78	79
Nelson	59	61	59	36	36	39
Marlborough	43	44	49	43	45	54
West Coast	29	32	24	30	34	29
Canterbury	1,654	1,782	1,728	2,144	1,572	1,520
Otago	295	357	347	321	258	373
Southland	50	57	64	54	58	39
New Zealand	5,411	6,209	6,326	6,771	5,732	6,325
Source: Statistics NZ						



# MIGRATION'S RISING TIDE FLOODS THE HOUSING MARKET

Migration is easily the biggest driver of population growth in this country which means it has a major impact on the property market.

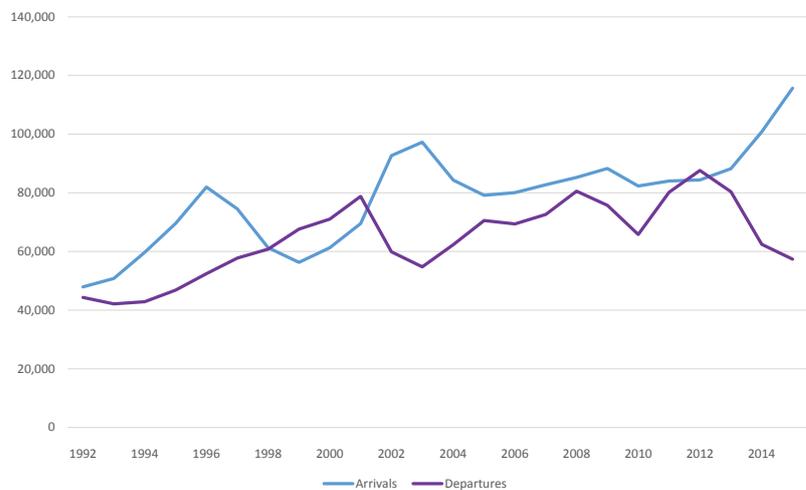
In the year to June, migration increased this country's population by 58,259 people.

While it is the effect on the residential property market that usually gets the most attention, migration driven population growth also affects the commercial property sector because migrants become employees and consumers, helping to drive demand for space in commercial buildings.

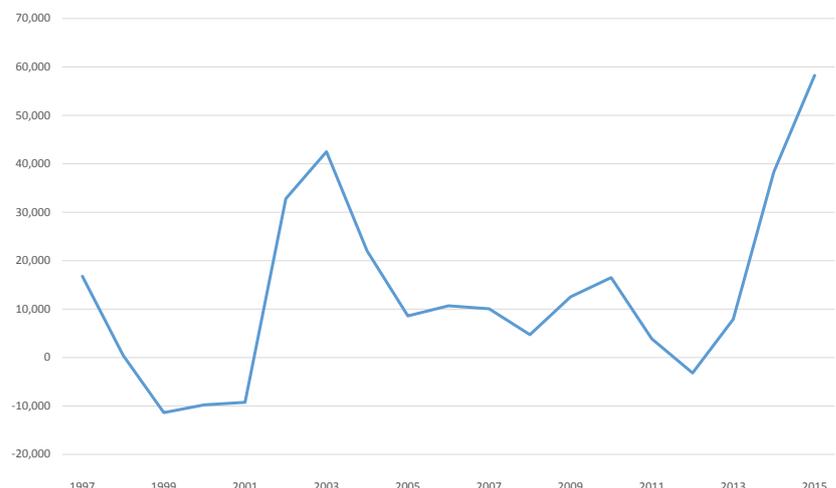
Migration delivers population growth when the number of people arriving here (on a long term basis) exceeds the number leaving to live overseas.

The accompanying graphs show the long term trends (June year 1992-2015) for both arrivals and departures and the resulting net gain in population.

MIGRATION FLOWS: PERMANENT & LONG-TERM ARRIVALS TO, AND DEPARTURES FROM NZ. YEAR TO JUNE



NET MIGRATION GAIN - YEAR TO JUNE 1992-2015



“ THAT COMBINATION OF MORE PEOPLE ARRIVING AND FEWER PEOPLE LEAVING LED TO EXPLOSIVE MIGRATION DRIVEN POPULATION GROWTH, WHICH CLIMBED FROM A GAIN OF JUST 7907 PEOPLE IN THE YEAR TO JUNE 2013 TO 58,259 IN THE 12 MONTHS TO JUNE THIS YEAR, A 637% INCREASE. ”

The most obvious recent trends are that between 2011 and 2013, the number of people arriving here was more or less matched by the number of people departing, so that over that entire three year period, population growth from migration was just 8583, or an average of 2861 people a year.

Then in 2014 the number of people arriving here long term grew sharply, rising from 88,235 in 2013 to 115,655 in 2015, an increase of 27,420 (up 31%).

Over the same period, the number of people leaving the country dropped from 80,328 in 2013 to 57,396 in 2015, a decline of 22,932 people (-29%).

That combination of more people arriving and fewer people leaving led to explosive migration driven population growth, which climbed from a gain of just 7907 people in the year to June 2013 to 58,259 in the 12 months to June this year, a 637% increase.

Such a large and sudden increase in population puts obvious pressure on the housing market, particularly in Auckland where

there was already a housing shortage and where it is believed up to 60% of migrants settle.

However to better understand how the housing market is affected, we also need to consider the type of people that are migrating to and from this country.

This has changed considerably over the last two years and one of the biggest changes has been in the number of people going to and from Australia on a long term basis.

In the year to June 2013, just over 48,000 people left this country bound for Australia while 16,781 came back, leaving a net loss of 31,246 people who headed across the ditch.

Over the following two years, the number of people leaving this country for Australia declined by 47% to 22,781, while the number coming here from Australia (around two thirds of who are New Zealand citizens) increased by 43% to 24,061, reducing the net loss to Australia to 1185.

So in approximate terms, the number of people leaving this

country long term for Australia is more or less balanced out by the number coming back.

The other major trend over the last two years has been a big increase in the number of people coming here from other countries.

Growth in migration from India has been particularly strong over the last two years, with the net gain from that country rising from 5120 in the year to June 2013 to 12,031 in the year to June 2015, an increase of 135%.

Over the same period the net migration gain from China increased by 53%, from 5224 to 7995, which means India has now overtaken China as the biggest source country for net migrant inflows to this country.

The accompanying table shows the main source countries for people migrating to New Zealand, how many people came from each of them and the types of visas they arrived under.

### NEW ZEALAND MIGRATION - WHO IS COMING AND GOING

12 months to June 2015

	Long Term Arrivals in NZ by Visa Type							Long Term Departures from NZ	Net Migration Gain
	Residency Visa	Student Visa	Visitor Visa	Work Visa	NZ & Australian Citizens	Other	Total Arrivals		
Australia	515	79	90	2,928	20,437	12	24,061	25,246	-1,185
Fiji	311	313	174	504	101	13	1,416	427	989
China	2,454	4,877	626	1,486	757	53	10,253	2,257	7,996
India	949	10,062	841	1,117	253	44	13,266	1,235	12,031
Japan	87	596	118	1,137	271	34	2,243	980	1263
Korea	237	500	215	689	290	22	1,953	1013	940
Philippines	681	1,548	255	1,918	147	27	4,576	277	4,299
Germany	104	392	103	2,874	231	10	3,714	904	2,810
UK	1,721	552	343	6,138	4,662	110	13,526	9,263	4,263
Canada	118	86	78	1,161	852	20	2,315	1,520	795
USA	292	340	296	1,820	1,206	65	4,019	3,043	976
South Africa	469	320	246	744	113	3	1,895	252	1,643
ALL COUNTRIES*	13,784	25,785	5,121	35,243	34,871	851	115,655	57,396	58,259

\*The total includes all other countries not listed above

Source: Statistics NZ



It also shows how many people departed from New Zealand for those countries and the resulting net gain in population from each country in the year to June.

Significantly 76% of the long term arrivals from India were on student visas, and 48% of arrivals from China were also on student visas.

It is often assumed that people on student visas are only in this country temporarily and will return to their homelands at the end of their studies, but that is not usually the case.

That is because government immigration policy encourages people to come here to study as a preliminary step to obtaining permanent residency.

Under the government's points system by which migrants qualify for residency, they get points according to the level of their qualifications, for example, 50 points for a bachelor degree or 60 points for a post-graduate qualification such as a master's degree.

But they also get bonus points if those qualifications are obtained in this country - 10 points for two year's full time study in NZ towards a bachelor's degree and 15 points for two years of study in NZ towards a post-graduate qualification.

This makes it easier for migrants to obtain New Zealand residency if they have studied here and the numbers suggest that most are doing so.

The table shows that in the year to June, 13,266 people came to this country from India on a long term basis but only 1235 returned in the opposite direction, suggesting that most of those who come here to study end up staying here.

A similar trend can be seen in the numbers from China, with 10,253 arriving the year to June 2015 including 4877 on student visas, but only 2257 heading back to China.

That has important implications for the housing market and the

broader economy, because 57% of migrants who settled in this country over the 12 months to June were aged from 16 to 29 (refer to the accompanying pie chart).

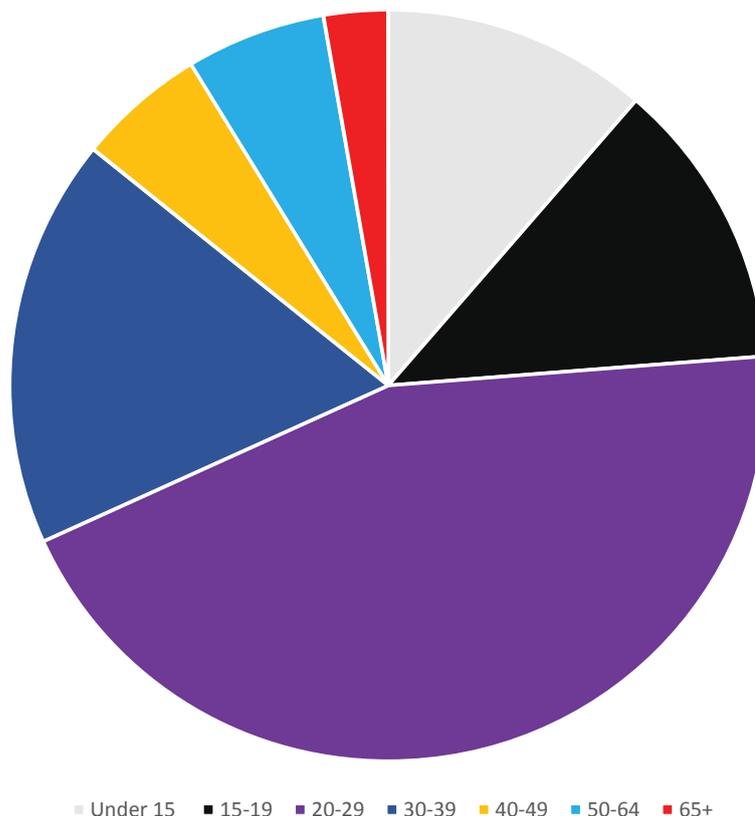
Most of those new arrivals will probably be looking for rental accommodation initially, perhaps in a flatting situation, while they complete their studies.

But once they finish their studies, get a job and look to start a family, they will likely move into the first home buyer's market.

This will be adding substantial demand pressure for cheaper housing, particularly in areas such as Auckland, where there is a large student population and a shortage of affordable housing.

In the year to June, this country's population increased by 86,900 people, with migration accounting for 58,300 of those and the natural increase in the population (the excess of births over deaths) accounting for just 28,700, according to Statistics NZ.

AGE OF NEW MIGRANTS TO NZ. YEAR TO JUNE 2015





OPENING THE DOOR TO  
MIGRATION PROVIDES AN  
IMMEDIATE ECONOMIC  
IMPACT, BY CHANNELLING  
FUNDS TO TERTIARY  
EDUCATION INSTITUTIONS,  
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AND PROVIDING A POOL  
OF SKILLED LABOUR TO  
EMPLOYERS, WHICH ALSO  
HELPS TO KEEP WAGE RATES  
DOWN.

THAT'S THE EASY PART.



That means migration is by far the biggest driver of population growth and consequently of the demand for new housing.

Opening the door to migration provides an immediate economic impact, by channelling funds to tertiary education institutions, boosting retail sales and providing a pool of skilled labour to employers, which also helps to keep wage rates down.

That's the easy part.

Making sure there's enough places for them all to live and that infrastructure such as transport, health and education services can cope with the growth in demand that migration creates, is a lot harder.

If it comes at a time when existing infrastructure is already under pressure, as it is in Auckland, it could be a case of paying for short term gains with long term pain.



# RESIDENTIAL INVESTMENT YIELDS DROP SHARPLY

**Residential property prices have far outpaced rent rises in Auckland, forcing yields down as speculation drives the market.**

Rental returns from Auckland residential investment properties have fallen sharply over the last year, according to the REINZ-Interest.co.nz Rental Yield Indicator.

The Indicator tracks the theoretical gross rental yields in 39 locations around the country where there is a high level of rental activity.

It compares the gross returns landlords would receive if they purchased a rental property at the REINZ lower quartile selling price for that district / suburb and then rented it out at the median rent in the same district.

That allows them to compare gross returns between different types of properties in different locations and also provides a rough comparison between the returns on rental properties and those provided by other types of assets.

It shows that rental yields were down sharply in most parts of Auckland monitored by the Indicator in the six months to June compared to a year earlier, as soaring house prices easily outpaced the rise in rents, significantly reducing investor returns.

In the Beachhaven/Birkdale area of the North Shore, which has traditionally been an area with a lot of rental housing, the gross rental yield dropped from 4.9% in the first half of last year to 4.0% in the first half of this year.

That was because the lower quartile selling price in that area increased from \$501,250 in the first half of last year to \$624,009 in the first half of this year, which was an increase of \$122,759 or 24.5% over

that period, while the median rent only increased from \$470 a week to \$485 over the same period, a rise of just \$15 a week or 3.2%.

Similarly, the lower quartile selling price of homes in Glen Eden, which is one of the most popular rental areas of West Auckland, increased from \$427,250 in the first half of last year to \$518,750 in the first half of this year, an increase of \$91,500 or 21.4%.

Over the same period the median rent in Glen Eden increased from \$410 to \$431, a gain of \$21 a week or 5.1%.

That pushed the gross rental yield for Glen Eden down from 5.0% in the first half of last year to 4.3% in the first half of this year (refer to accompanying table for yields in all 39 areas monitored by the Indicator).

In the Auckland suburbs monitored in the Indicator, the gross rental yields in the six months to June ranged from 3.8% at Highland Park in Auckland's eastern suburbs, to 5.5% in Papakura / Drury / Karaka.

That compares to a range of 4.2% to 6.0% in the same period of last year.

The low rental yields being achieved in Auckland are a concern because once other costs such as periods of vacancy, rates, insurance and maintenance are factored in, the yields being achieved on lower quartile-priced properties in Auckland are likely to be around 3.0% to 4.4%, compared to 4.26% to 4.61% offered by major banks on PIE term deposits of 2-5 years, and the gross dividend yields of 4.8% to 6.9% provided by the listed

property entities that make up the NZX Property Index.

The very low returns that newly purchased Auckland residential investment properties would have been likely to provide over the first half of this year suggest that many of the people buying them have been speculating on quick capital gains rather than investing to provide a long term income stream.

Around the rest of the country the residential rental market appears to be in much better shape, with higher rental returns and prices that are much more in step with the movement in rents.

In the Waikato the gross rental yields in the areas monitored by the Indicator ranged from 5.4% to 6.8%, in the Bay of Plenty they were 4.5% to 6.7%, in the Wellington region they were 5.1% to 6.6% and in Christchurch they were 5.9% to 6.8%.

What does this mean for Auckland investors?

With house prices continuing to rise in Auckland and underlying demand for homes in the region continuing to outstrip supply, speculators who have recently purchased rental properties have

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**“AROUND THE REST OF THE COUNTRY THE RESIDENTIAL RENTAL MARKET APPEARS TO BE IN MUCH BETTER SHAPE”**

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probably made a healthy pile of quick bucks, at least on paper.

The trick for them will be to pick when the market is starting to run out puff and to sell up before prices start going backwards and take their chances with the taxman.

But picking the timing and extent of any market correction is notoriously difficult.

For those investors seeking a sturdy income stream, it might be a good time to start thinking

about options such as rebalancing their portfolios by selling some Auckland properties and making their money work harder by reinvesting in other regions where the returns are better, or diversifying into other types of assets such as commercial property.

See the indicative yields for all 39 areas monitored by interest.co.nz and their changes since June last year, in the table below:



### Rental Yield Indicator

interest.co.nz

Town/region	Yield %* Jun-15	Yield %* Mar-15	Yield %* Dec-14	Yield %* Sep-14	Yield %* Jun-14
<b>Whangarei</b> - Kamo/ Tikipunga/Kensington	6.50%	6.90%	7.60%	6.40%	5.90%
<b>Rodney</b> - Orewa/Whangaparaoa	4.50%	4.50%	4.60%	4.80%	4.20%
<b>North Shore:</b>					
Beachhaven/Birkdale	4.00%	4.30%	4.30%	4.60%	4.90%
Torbay	4.00%	4.50%	4.60%	4.50%	4.50%
<b>Waitakere:</b>					
Glen Eden	4.30%	4.60%	4.90%	5.10%	5.00%
Massey/Royal Heights	4.40%	4.60%	4.90%	5.10%	5.00%
Henderson	4.40%	4.70%	4.90%	5.00%	5.30%
<b>Central Auckland:</b>					
Avondale	4.10%	4.20%	4.40%	4.50%	n/a
<b>Manukau:</b>					
Highland Park	3.80%	3.80%	4.10%	4.30%	4.60%
Papakura/Drury/Karaka	5.50%	5.60%	5.90%	6.00%	6.00%
Franklin - Pukekohe/Tuakau	5.30%	5.50%	5.60%	5.60%	5.80%
<b>Hamilton:</b>					
Deanwell/Melville/Fitzroy	6.80%	6.90%	6.90%	6.90%	6.90%
Fairfield/Fairview Downs	6.80%	6.70%	6.20%	7.00%	6.90%
Te Kowhai/St Andrews/ Queenswood	5.40%	5.40%	5.60%	5.80%	5.50%
<b>Cambridge/ Leamington</b>	5.50%	5.50%	5.60%	5.90%	5.90%
<b>Te Awamutu</b>	6.50%	6.20%	6.30%	6.40%	6.00%
<b>Tauranga:</b>					
Tauranga Central/Greerton	6.00%	6.10%	5.90%	5.90%	n/a
Bethlehem/Otumoetai	4.50%	4.80%	5.30%	5.40%	5.20%
Mt Maunganui	5.40%	5.70%	5.60%	5.20%	5.20%
Pyes Pa/Welcome Bay	5.90%	5.70%	5.70%	5.80%	5.70%
Kaimai/Te Puke	6.40%	6.20%	6.20%	5.70%	5.60%
<b>Whakatane</b>	6.70%	6.30%	6.70%	6.90%	n/a



<b>Hastings</b> - Flaxmere	12.10%	12.20%	11.70%	11.80%	12.00%
<b>Napier</b> - Taradale	5.30%	6.20%	6.30%	6.10%	6.10%
<b>Kapiti Coast:</b>					
Paraparaumu/Raumati	6.20%	6.10%	6.10%	5.90%	n/a
Waikanae/Otaki	6.60%	6.70%	5.50%	5.40%	6.10%
<b>Wellington:</b>					
Johnsonville/Newlands	5.80%	5.60%	5.70%	6.20%	5.90%
Vogeltown/ Berhampore/Newtown	5.10%	5.50%	5.20%	5.60%	5.80%
<b>Tasman:</b>					
Motueka	5.30%	5.50%	5.60%	5.50%	5.20%
Richmond/Wakefield/Brightwater	5.60%	5.60%	5.80%	5.90%	6.00%
<b>Nelson</b> - Stoke/ Nayland/Tahunanui	5.90%	5.70%	5.70%	6.00%	6.00%
<b>Blenheim</b>	6.50%	6.50%	6.60%	6.50%	6.10%
<b>Christchurch:</b>					
Hornby/Islington/ Hei Hei	6.20%	6.30%	6.50%	6.30%	6.40%
Riccarton	5.90%	5.20%	4.90%	5.10%	5.70%
Woolston/Opawa	6.80%	7.30%	7.20%	8.00%	7.90%
<b>Ashburton</b>	7.00%	6.80%	6.70%	7.20%	6.80%
<b>Timaru</b>	6.60%	6.80%	6.70%	6.30%	n/a
<b>Queenstown/ Frankton/Arrowtown</b>	4.80%	4.90%	4.70%	5.30%	5.40%
<b>Invercargill</b>	8.70%	9.00%	9.20%	9.50%	n/a

Source : REINZ / MBIE

\* Rental yield is a property's annual rent expressed as a percentage of its purchase price. The yield figures in this table are gross, and are calculated from the REINZ's lower quartile selling price for each area during the previous 6 months, and the median rent calculated from new tenancy bonds received by the Ministry of Business Innovation and Employment for the same areas/period. Some areas with high levels of rental activity, such as New Plymouth, Palmerston North and Dunedin have been excluded because the geographic areas used by the REINZ and MBIE to collate the data for suburban districts did not match.



# INDUSTRIAL BUILDING CONSENTS SURGE IN AUCKLAND

Industrial building consents surge in Auckland but office consents drop sharply while most types of commercial consents are in steady decline in Canterbury



There was a sharp rise in the value of building consents issued for new industrial buildings in Auckland in the second quarter of this year, but an equally sharp decline in Canterbury.

Consents were issued for \$94.8 million of new industrial buildings in Auckland in the June Quarter, up 66% compared to the first quarter of this year and more than double

the \$44.6m of new industrial buildings consented in the second quarter of last year (refer table).

Just over \$67 million of that was for storage buildings and the remainder was for factories

Conversely, consents for new Auckland office buildings dropped sharply to \$17.3 million in the June quarter, from \$57.1 million in the first quarter and \$44.6 million in the June quarter of last year.

The Wellington market remains subdued with only \$20.2 million of consents issued for new commercial buildings in the June quarter.

In Canterbury the value of consents being issued for most types of new commercial buildings has been in decline since the middle of last year (refer table), although the value of new work being consented remains substantial, with the combined value of new office, industrial, retail and hospitality buildings consented in Canterbury in the June quarter totalling \$175.5 million.

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**IN CANTERBURY THE VALUE OF CONSENTS BEING ISSUED FOR MOST TYPES OF NEW COMMERCIAL BUILDINGS HAS BEEN IN DECLINE SINCE THE MIDDLE OF LAST YEAR**  
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## VALUE OF NEW COMMERCIAL BUILDING CONSENTS IN AUCKLAND, WELLINGTON AND CANTERBURY

	Q1 2014	Q2 2014	Q3 2014	Q4 2014	Q1 2015	Q2 2015
AUCKLAND						
Hotels, motels, and other short-term accommodation	\$925,450	\$6,645,000	\$4,060,000	\$10,780,000	\$8,180,000	\$11,400,000
Shops, restaurants, and bars	\$31,758,000	\$90,027,685	\$34,305,999	\$43,965,000	\$31,079,745	\$38,405,526
Office, administration, and public transport buildings	\$85,382,176	\$18,627,600	\$42,425,000	\$81,218,000	\$50,369,912	\$17,315,100
Factories, industrial, and storage buildings	\$46,242,470	\$44,621,100	\$76,026,843	\$40,455,339	\$57,126,499	\$94,798,699
WELLINGTON REGION						
Hotels, motels, and other short-term accommodation	\$6,730,000	\$8,076,000	\$125,000	\$118,900	\$7,537	\$107,507
Shops, restaurants, and bars	\$1,725,000	\$3,000,000	\$1,775,000	\$240,000	\$1,685,000	\$3,495,000
Office, administration, and public transport buildings	\$31,194,000	\$860,499	\$25,147,828	\$0	\$650,000	\$8,331,500
Factories, industrial, and storage buildings	\$2,733,000	\$4,194,400	\$1,616,096	\$5,030,747	\$431,360	\$8,306,000
CANTERBURY REGION						
Hotels, motels, and other short-term accommodation	\$9,608,000	\$4,020,000	\$1,258,000	\$8,972,000	\$4,043,200	\$9,350,100
Shops, restaurants, and bars	\$13,962,000	\$33,102,740	\$63,635,000	\$39,542,077	\$12,131,952	\$23,349,000
Office, administration, and public transport buildings	\$98,051,815	\$140,045,227	\$130,046,656	\$117,746,002	\$114,193,250	\$97,006,500
Factories, industrial, and storage buildings	\$57,695,250	\$47,754,250	\$62,047,248	\$64,172,087	\$99,571,186	\$45,800,981
Source: Statistics NZ						

# LIFT IN NEW COMMERCIAL PROPERTIES FOR SALE ON REALESTATE.CO.NZ IN JULY

There was a strong lift in the number of commercial properties listed on [Realestate.co.nz](http://Realestate.co.nz) last month, with industrial property listings in Auckland and Canterbury leading the way.

There was a particularly strong jump in the number and price of Auckland industrial properties coming to market, with 95 newly listed on [Realestate.co.nz](http://Realestate.co.nz) last month, which was highest number since November last year. The average value (by vendor expectations) was also firm at \$3.88m, which combined with the high number of listings took the total value of new industrial stock coming on to the market

last month to \$369 million, the second highest value in a single month ever and only surpassed by the \$521 million of industrial stock listed in September last year. Most of the new listings were in Central Auckland (\$163 million) and Manukau (\$143 million).

Industrial property listings were also up strongly in Canterbury where 33 industrial properties were listed for sale in July, the highest number since November 2013.

Auckland retail property listings were also strong with 63 listed on the website in July, the highest number since October last year.

Canterbury office property listings also showed an improved performance compared with recent months, with 22 new listings for sale in July.

In Wellington the market was largely flat, with new listings of industrial, office and retail properties all virtually unchanged over the last couple of months.

See next page for details of listings.



	Industrial Buildings			Office Buildings			Retail Properties		
AUCKLAND									
	Avg. Price \$	No.	Total value \$	Avg. Price \$	No.	Total value \$	Avg. Price \$	No.	Total value \$
February	2,536,923	93	235,933,804	1,056,762	44	46,497,510	1,186,324	62	73,552,081
March	4,094,176	83	339,816,605	2,191,986	37	81,103,500	1,279,242	33	42,215,000
April	3,557,082	86	305,909,015	3,556,050	40	142,242,005	1,258,170	63	79,264,721
May	1,436,639	73	104,874,650	2,845,000	31	88,195,005	1,764,410	56	98,806,962
June	1,723,044	67	115,443,960	2,772,513	38	105,355,500	1,836,363	51	93,654,500
July	3,884,318	95	369,010,165	1,644,053	41	67,406,181	1,876,017	66	123,817,148
CANTERBURY									
	Avg. Price	No.	Total value \$	Avg. Price	No.	Total value \$	Avg. Price	No.	Total value \$
February	1,350,688	16	21,611,000	411,556	9	3,704,000	1,208,653	18	21,755,750
March	909,398	22	20,006,754	1,360,174	28	38,084,874	1,200,000	2	2,400,000
April	582,483	15	8,737,250	1,560,525	8	12,484,200	726,400	5	3,632,000
May	953,199	24	22,876,766	1,311,636	11	14,428,000	294,000	5	1,470,000
June	718,250	12	8,619,000	3,461,001	15	51,915,014	1,156,106	6	6,936,636
July	910,156	33	30,035,163	1,287,841	22	28,332,500	725,000	3	2,175,000
WELLINGTON									
	Avg. Price	No.	Total value \$	Avg. Price	No.	Total value \$	Avg. Price	No.	Total value \$
February	686,355	24	16,472,510	25,450,005	2	50,900,010	487,692	13	6,340,000
March	823,000	17	13,991,000	840,000	5	4,200,000	1,398,612	9	12,587,505
April	1,162,778	9	10,465,000	2,590,625	8	20,725,000	1,050,818	11	11,559,000
May	382,273	11	4,205,000	487,544	8	3,900,350	775,715	7	5,430,005
June	939,286	7	6,575,005	1,133,111	9	10,198,000	619,000	5	3,095,000
July	1,025,000	8	8,200,000	2,216,813	8	17,734,500	2,001,100	5	10,005,500