

# New Zealand Property Report



June 2016

# The Overview

## **Scarcity of houses for sale nationally creates sellers' market.** **Realestate.co.nz** statistics show demand and prices up, supply down.

The average asking price for a New Zealand house hit an all-time high with stock at an all-time low for May 2016, in a market which is heavily favouring sellers.

Real-time market statistics released today by Realestate.co.nz show the May national average asking price reached \$570,971, up 7.2 per cent from the same time the previous year.

On the supply side in May, the number of new properties that came onto the market nationally dropped 7.1 per cent from the previous month and the long term average has also fallen.

"In this environment, if no new listings were to come onto the market nationally and all the existing properties sold, theoretically there would be no properties for sale in New Zealand within 12 weeks," says Realestate.co.nz spokesperson Vanessa Taylor.

"It's a classic supply and demand situation and right now it's definitely a sellers' market," she says.

Heightened real estate activity has been evident across both the North and South Islands.

The Central Otago/Lakes region and Nelson in the South Island are notable stand-outs, with Wellington, Waikato and Auckland in the North Island continuing to feature strongly.

### **SOUTH ISLAND REGIONS ON THE UP**

In May, the Central Otago/Lakes topped New Zealand in terms of percentage average asking price at 17.2 per cent, the region also recorded the largest drop in new property listings down 32.9 per cent, both compared with the same time last year.

The average asking price for Central Otago/Lakes region for May hit \$819,778.

Traffic data reveals a sharp increase in users residing in the neighbouring Otago region viewing property in Central

Otago/Lakes, with engagement up by 75.98 per cent on the same time last year.

At the other end of the South Island, it's a similar story for Nelson, which recorded a record high asking price of \$510,709 and a significant drop in new property listings (down 30.9 per cent on the same time the previous year).

### **NORTH ISLAND DOMINATED BY MAJOR CITIES**

In April, Realestate.co.nz reported an all-time low in the number of properties for sale in Wellington.

In May, inventory levels dropped even further in the capital city. Theoretically, if no new listings were to be posted to the site and the existing properties sold, there would be no properties for sale in just 5.1 weeks (compared with 5.6 weeks in April 2016).

**“It's a classic supply and demand situation and right now it's definitely a sellers' market”**

"Waikato also has an interesting profile," says Vanessa Taylor.

"Asking prices are up a healthy 6.1 per cent on the previous month, coming closely behind Nelson and Central Otago/Lakes in terms of percentage increases across the country," she says.

"At the same time new listings remain relatively static in the Waikato region.

"We could be tempted to make an assumption that Aucklanders are looking further south to the Waikato. However data shows us that we have seen a strong (75.35 per cent) increase in users from the Bay of Plenty looking at the region. In saying that, the strongest interest is actually coming from users who already reside within the Waikato region," she says.

# The Overview

“Drilling further down into the data, the hot spots in the Waikato region that are most searched are Cambridge, Te Awamutu and Morrinsville. Surprisingly, data suggests that Melville could be an up and comer with a 217.59% increase in online engagement.”

The average asking price in the Waikato is \$467,717 compared to Auckland where it stands at \$879,730.

Auckland is also suffering a fall in inventory levels, with listings down 9.2 per cent on the same time last year (May 2015).

“A fall of close to 10 per cent in listings in one year in a city the size of Auckland is very significant,” says Vanessa Taylor.

“At the same time Auckland asking prices have risen in the past month by 2.1 per cent (compared with April 2016) albeit off a high value base,” she says.

Auckland asking house prices have risen 10.9 per cent compared to the same time last year (May 2015).



**Vanessa Taylor**  
**Brand & Commercial Manager,**  
**Realestate.co.nz**

## About Realestate.co.nz

Realestate.co.nz is dedicated to property and is the official website of the New Zealand real estate industry. As a property listing site the information it draws on for its property report is in real time.

Realestate.co.nz has the country's most comprehensive selection of real estate listings online. The site presents more than 97% of all residential, commercial and rural properties currently marketed by real estate professionals. Focussed exclusively on people in need of property, Realestate.co.nz offers superior functionality, including accurate search, school zone data and a mobile app.

## Glossary of terms

Realestate.co.nz provides valuable property market data not available from other sources.

- **Average asking price** gives an indication of current market sentiment. Statistically, asking prices tend to correlate closely with the sales prices recorded in future months when those properties are sold. As it looks at different data, average asking prices may differ from recorded sales data released at the same time.

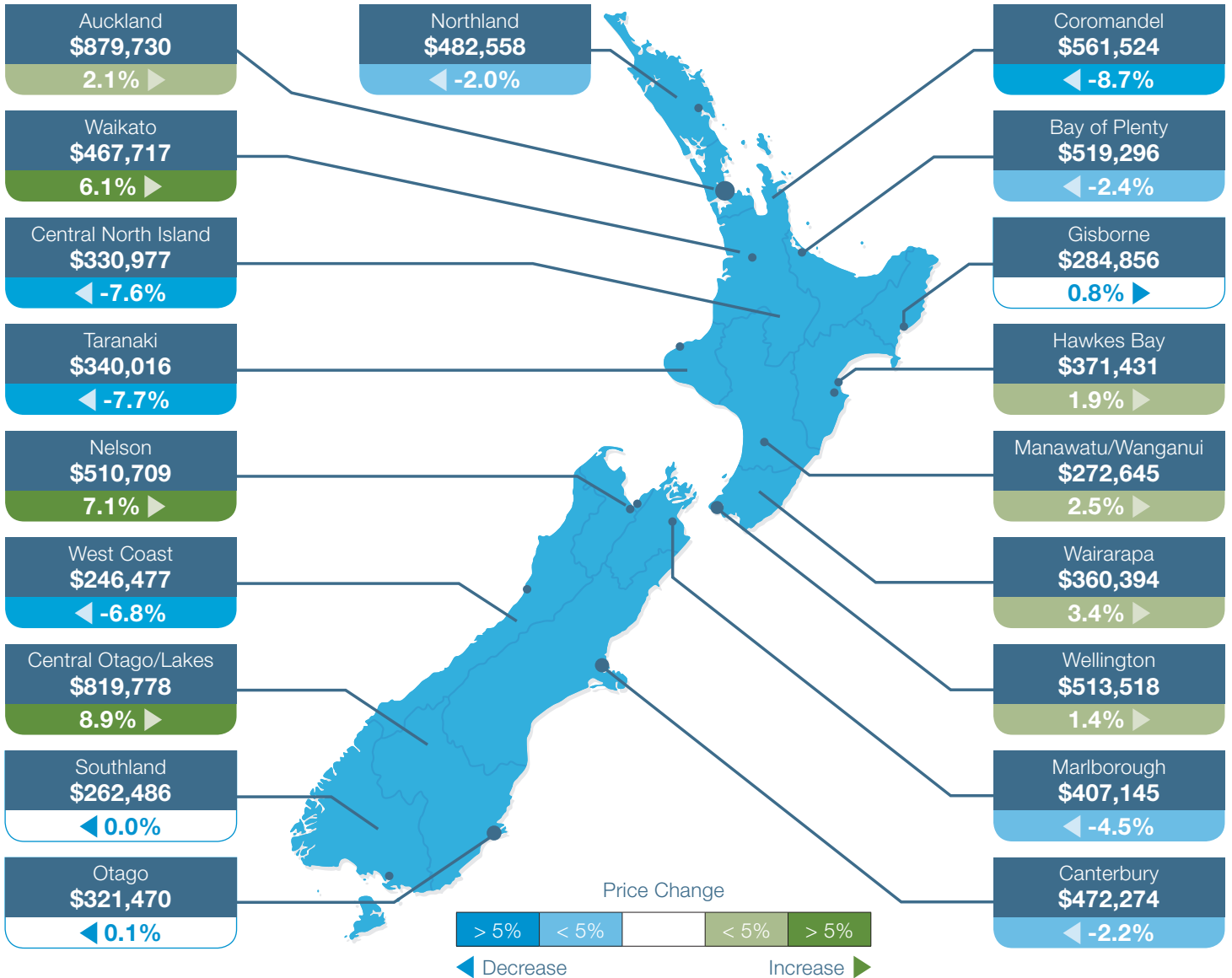
- **Inventory** is a measure of how long it would take, theoretically, to sell the current stock at current average rates of sale if no new properties were to be listed for sale. It provides a measure of the rate of turnover in the market.
- **New listings** are a record of all the new listings on Realestate.co.nz for the relevant calendar month. As we reflect 97% of all properties listed through registered estate agents in New Zealand, this gives a representative view of the market.
- **Seasonal adjustment** is a method we use to better represent the core underlying trend of the property market in New Zealand. This is done using methodology from the New Zealand Institute of Economic Research.
- **Truncated mean** is the method we use to provide statistically relevant asking prices. The top and bottom 10% of listings in each area are removed before the average is calculated, to prevent exceptional listings from providing false impressions.



# Property Asking Price

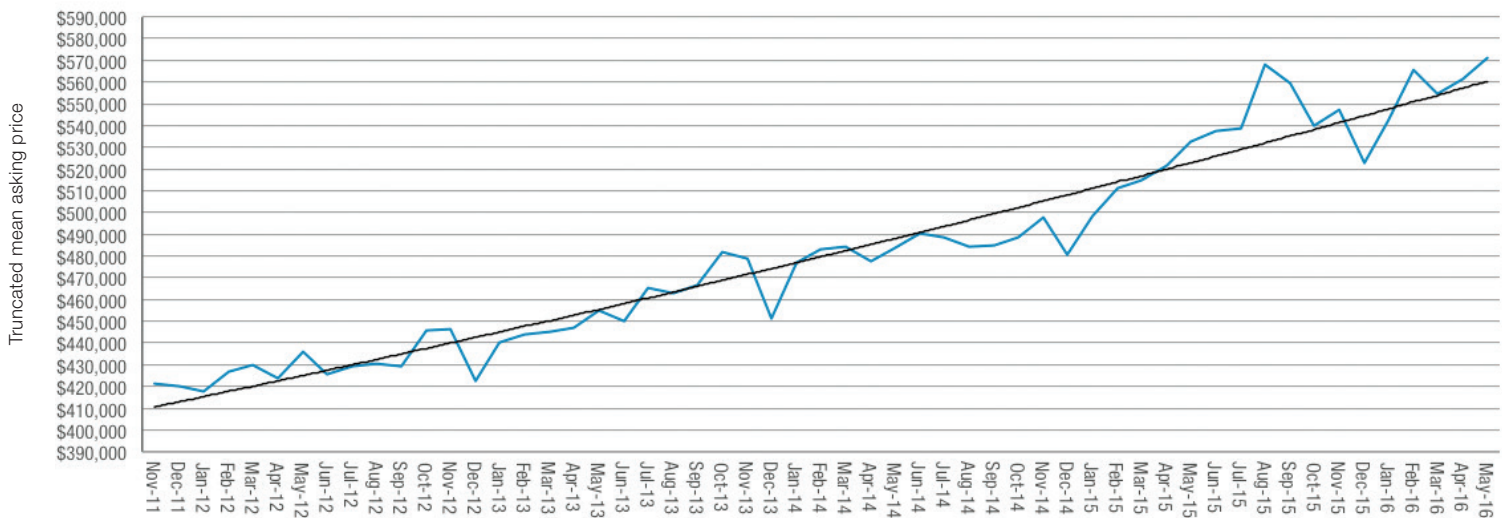
Property Asking Price for May 2016 **\$570,971**

Compared to prior month **+1.7%**



Asking prices for new listing calculated as seasonally adjusted prices using X12 ARIMA methodology

Property Asking Price for May 2016 **\$570,971**

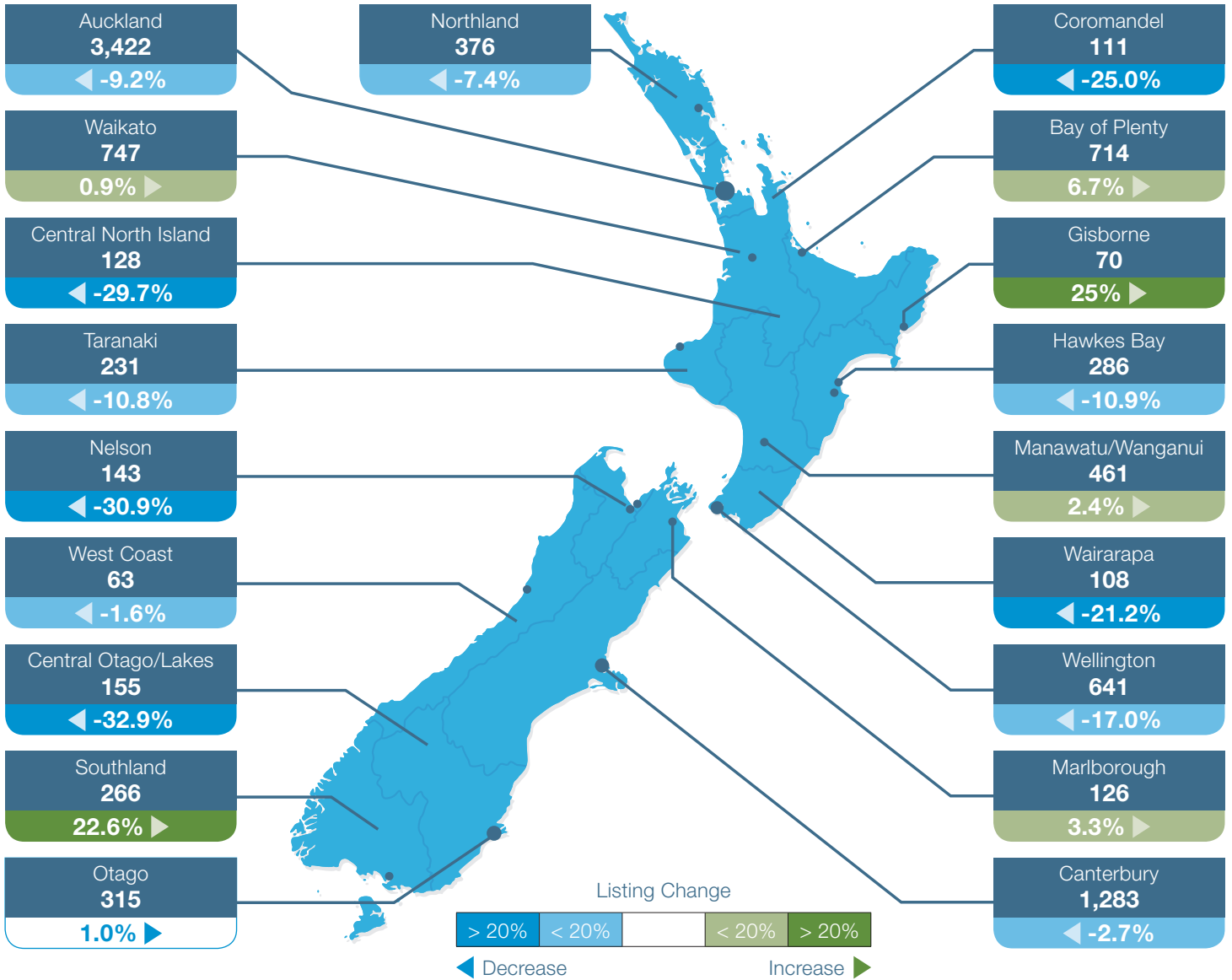




# New Property Listings

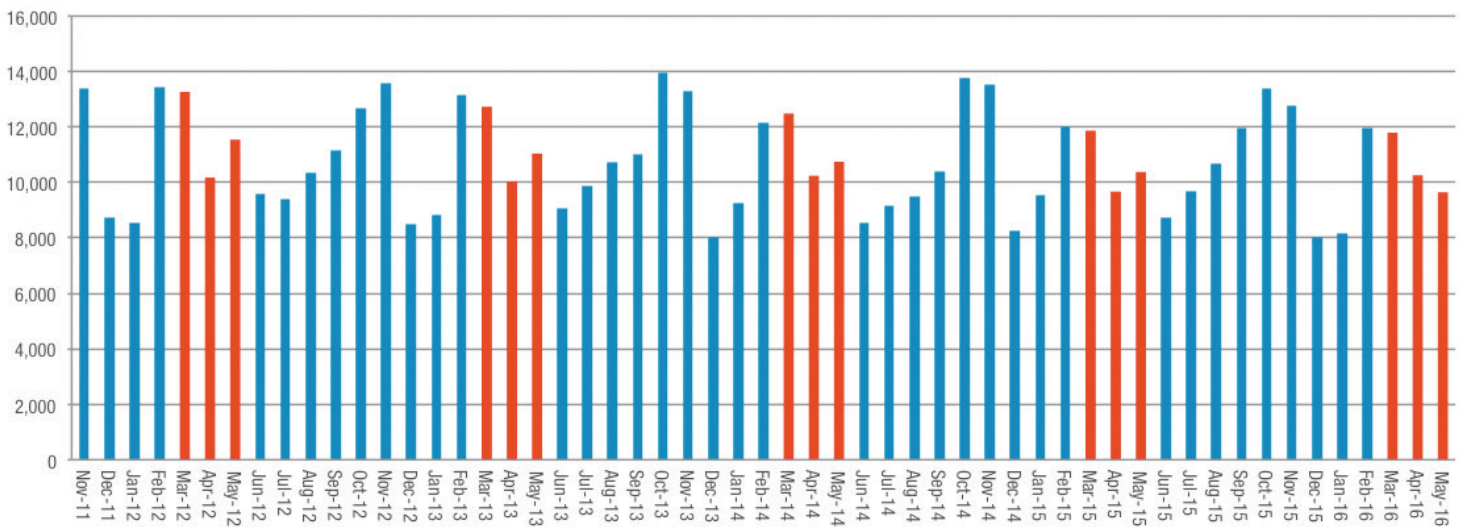
New Property Listings for May 2016 **9,646**

Compared to May 2015 **-7.1%**



Actual data of new listings

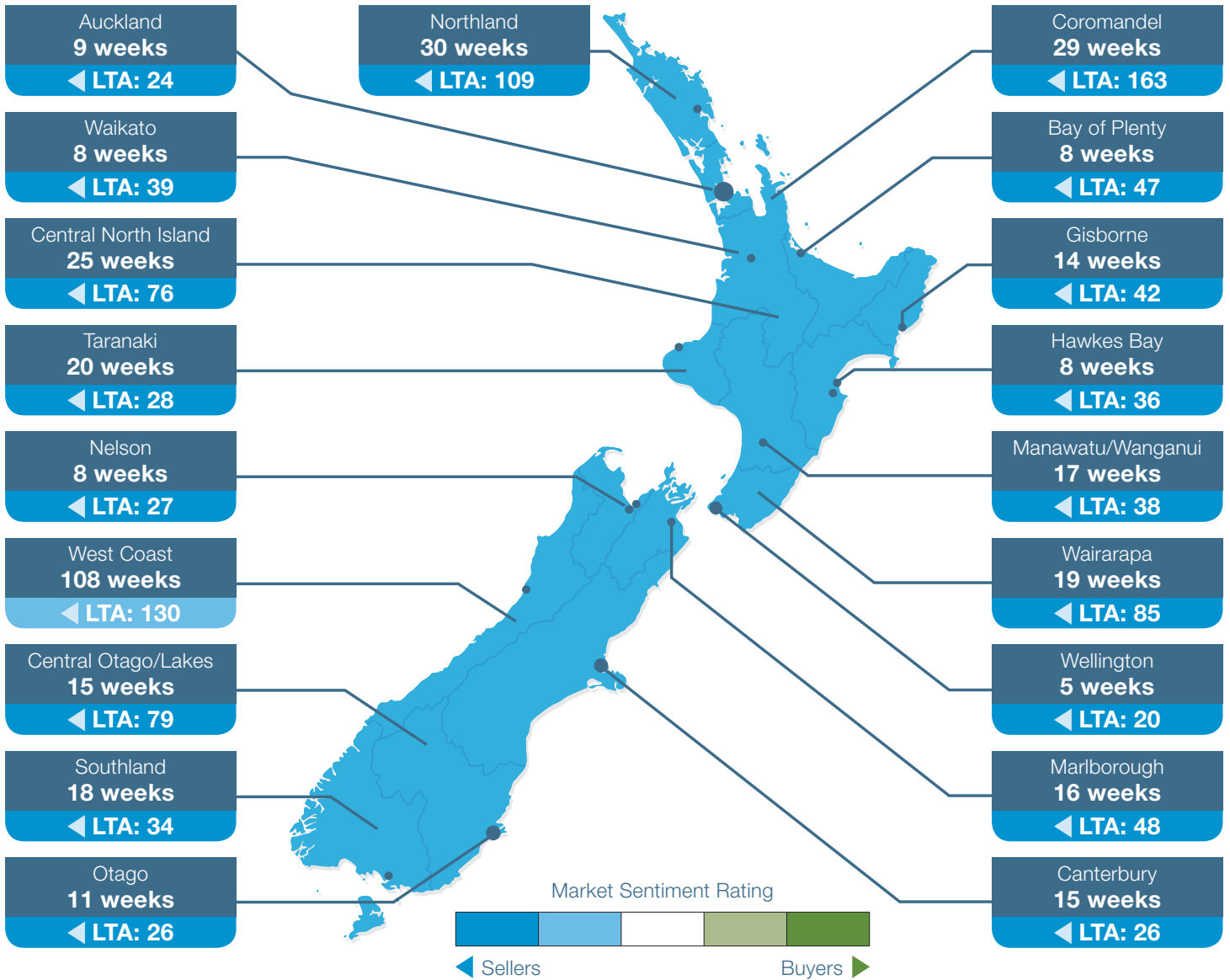
## New Property Listings for May 2016 **9,646**





# Inventory of listings

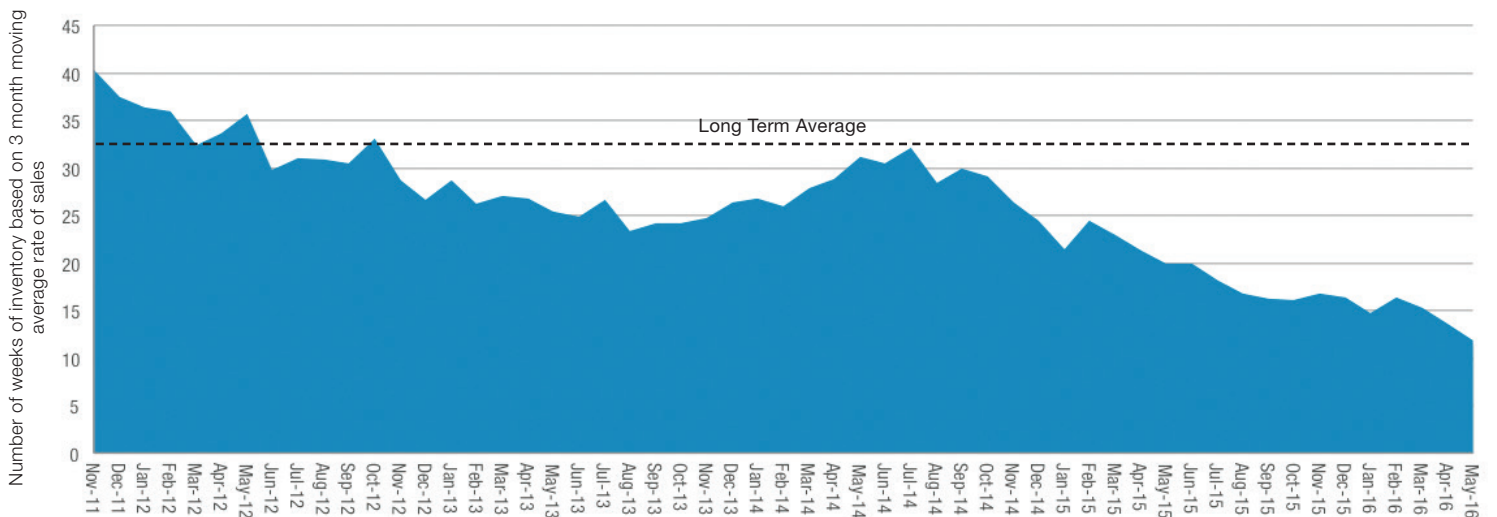
NZ Inventory of Listings for May 2016 **12 weeks** Compared to Long Term Average (LTA) **33 weeks**



The inventory levels reflect the projected number of weeks to clear existing inventory of unsold homes on the market matched to the Long Term Average (LTA) for the region based on 8 years of seasonally adjusted data.

## NZ Inventory of Listings for May 2016 **12 weeks**

NZ Property Market - Inventory - Number of weeks of inventory based on rate of seasonally adjusted sales





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