

New Zealand Property report



October 2016

2016 property market “The Year of Unpredictability” Spring property market is not blooming

The traditional lift in housing market activity during September failed to eventuate, highlighting the unpredictable nature of the property market in 2016, says realestate.co.nz spokesperson Vanessa Taylor.

Real-time market statistics from realestate.co.nz show new property listings across the country down by 12.2 per cent on the same time the previous year, and the total housing stock down 23 per cent.

“Typically we can see trends around what happens during the different phases of a year, such as a slow-down in the winter months and a resurgence in spring, but 2016 is The Year of Unpredictability,” says Vanessa.

“Traditional seasonal behaviour is diminishing as sellers appear to be more focused on selling at a premium particularly in markets like Auckland, while buyers are considering all their options and properties are now taking a longer time to turn over.”

MAIN CENTRES TELL IT ALL

New asking price high for Auckland but fewer listings and longer to sell

Auckland was the only region in the whole of the country where total housing stock levels increased (by 4 per cent). However new property listings in September were 17.8 per cent lower than the same month in 2015.

While Auckland asking prices hit another all-time high at \$933,435 (a 2.8 per cent increase on the previous month), properties are spending longer on the market.

“With fewer new listings coming onto the market, it appears that sellers are looking to command higher prices,” says Vanessa.

“On the other hand, if there were no new listings coming onto the Auckland market, all existing properties would now take 12 weeks to sell, which indicates a slow-down in activity,” she says.

By comparison, in the same period last year (September 2015), if there were no new listings

coming onto the Auckland market, all existing properties in Auckland would have taken 9.6 weeks to sell.

Vanessa says it could be that the buyer sentiment has shifted from a “must buy now mentality at all cost” to a more

considered view of options, particularly with prices continuing to rise and a limited choice of properties for sale.

Significant fall in new housing stock in Waikato, asking prices up

Waikato’s total housing stock level plunged 31.9 per cent compared to the same month last year which is a massive drop compared with neighbouring Auckland which was the only region where total housing stock levels rose.

“ (On Auckland) it could be that the buyer sentiment has shifted from a “must buy now mentality at all cost” to a more considered view of options”



Vanessa Taylor
Head of Marketing,
Realestate.co.nz

“Aucklanders have been active in the Waikato region for quite some time and have perhaps absorbed the first round of property offered by Waikato sellers who capitalised on the demand.”

New property listings coming onto the market in September in the Waikato fell by 20.1 per cent compared to the same time last year and asking prices lifted by 3.0 per cent on the previous month, which is slightly higher than Auckland.

If no new listings came onto the market, all existing properties would be sold in 10 weeks in the Waikato region.

[Wellington new listings fall, following a strong August](#)

It's a similar picture in the Wellington region where new property listings fell 8.1 per cent in September compared to the same time last year.

“However Wellington is an example of the unpredictable nature of the industry at this time, given that in August 2016 new listings increased by

36.8 per cent compared to August 2015,” says Vanessa Taylor.

Total housing stock in September 2016 was 37.7 per cent lower than the same month the previous year. Property asking prices in Wellington rose 1.4 per cent compared with the prior month.

[Property asking prices and new listings fall in Canterbury and Otago](#)

While asking prices in the North Island main centres continued to rise, in Canterbury and Otago they fell by 2.5 per cent and 1.7 per cent respectively compared to the prior month.

New listings were also down compared with the previous year, with Canterbury falling by 4.7 per cent and Otago by 12.6 per cent compared to September 2015.

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 per cent 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.

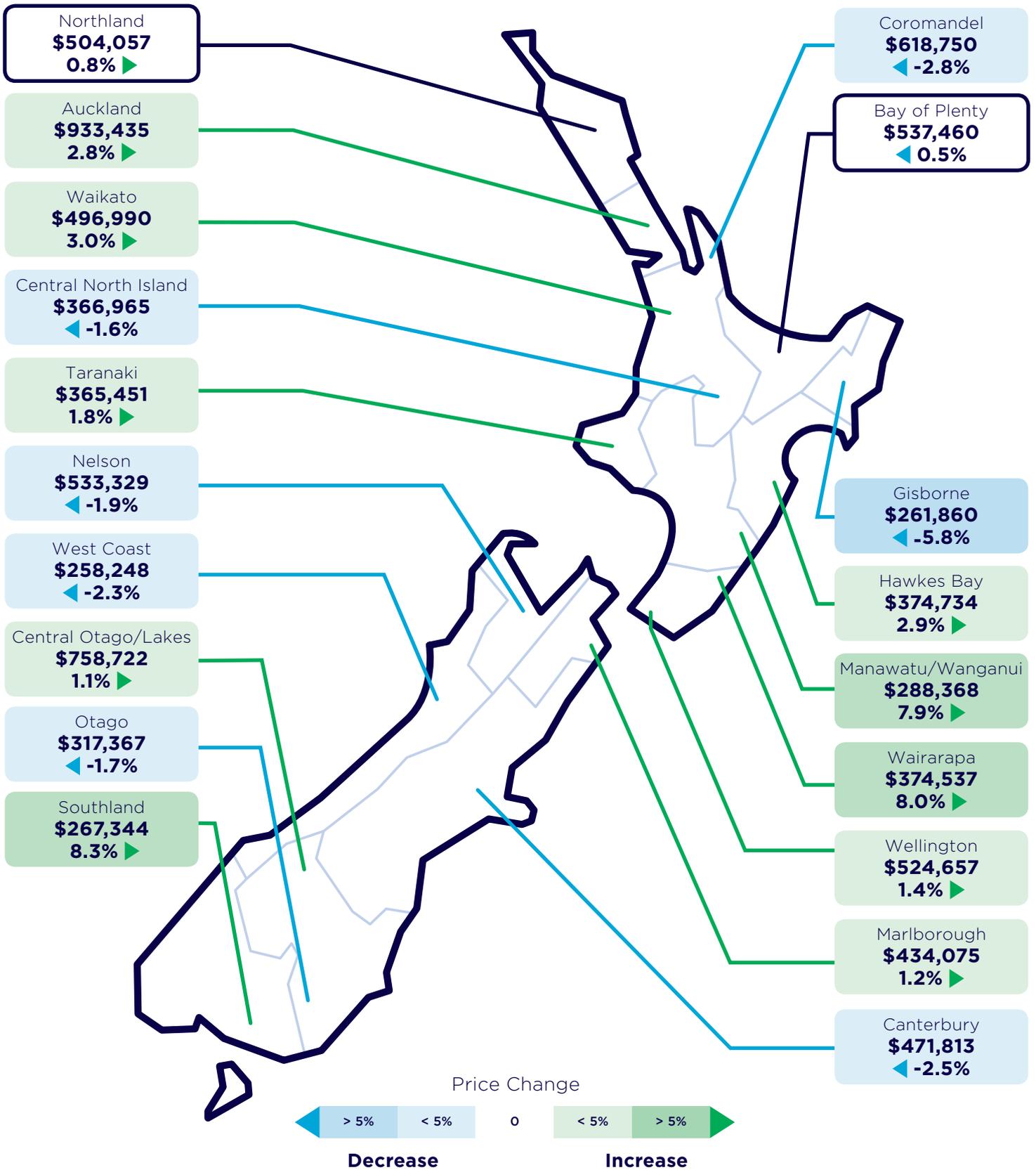
- **Average asking price** gives an indication of current market sentiment. Statistically, asking prices tend to correlate closely with the sales prices recorded in future months when those properties are sold. As it looks at different data, average asking prices may differ from recorded sales data released 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 per cent 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 per cent of listings in each area are removed before the average is calculated, to prevent exceptional listings from providing false impressions.



Property asking price

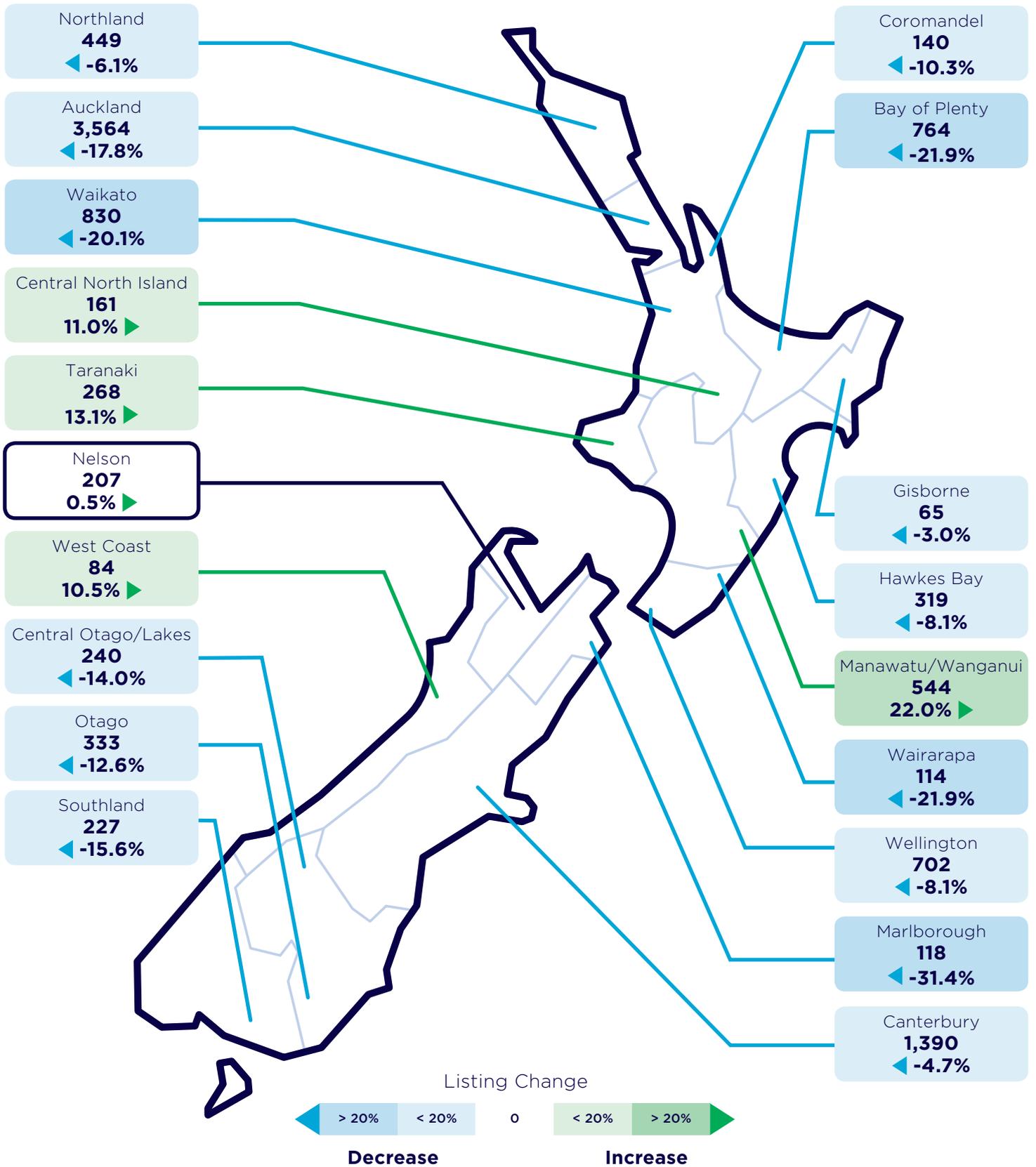
Property Asking Price for September 2016 **\$594,821**
Compared to prior month **+0.3%**





Property new listings

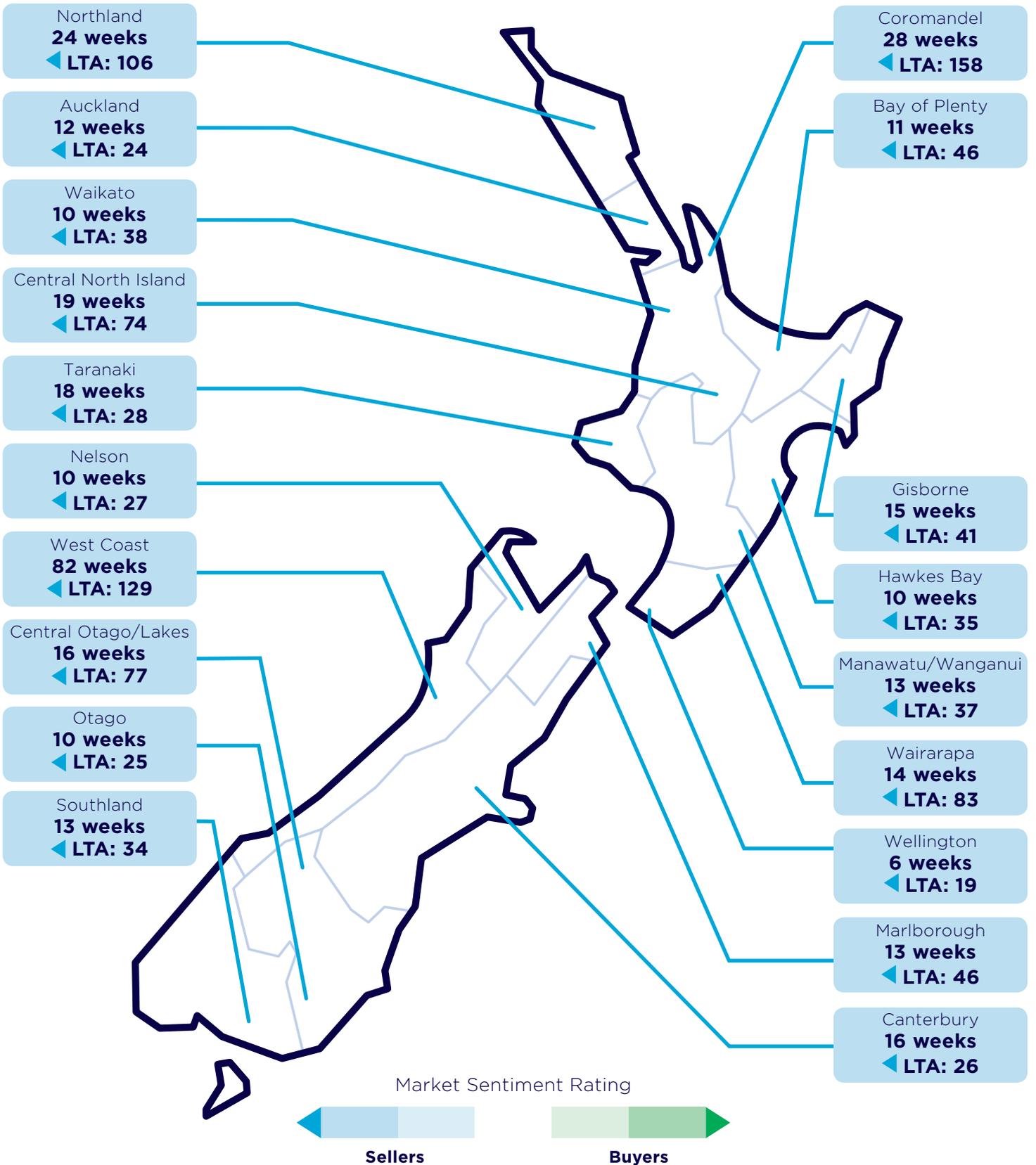
New Property Listings for September 2016 **10,519**
Compared to September 2015 **-12.2%**





inventory of listings

NZ Inventory of Listings for September 2016 **13 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.

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