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Media statement

Three month advance in house prices eases in April

The three-month uninterrupted increase in Auckland house prices ended in April, with the average sales price dipping to \$643,089, down a little under half of a percent on March's all time high of \$645,928.

"April's decline in the average sales price confirms that buyers are taking a measured approach to what they are prepared to pay for property," said Peter Thompson, Managing Director of Barfoot & Thompson.

"Buyers are only prepared to pay what they believe to be fair value, and they have not adopted a buy at any price approach.

"That there was a definite pause in the upward movement in house prices in April is reinforced by the median sales price, which at \$566,000 was down \$14,000 or 2.4 percent on the median price for March."

Mr Thompson said that the number of new listings in April was excellent, with 1532 new properties being listed, up 3.8 percent on those for March and up 21 percent on those for April last year.

"This created a modest increase in the choice of properties for sale over those in March, but it was not a major contributor to the downward pressure on prices.

"In historical terms, choice is still severely limited and it was price that was more the deciding factor in April.

"Price acted as a self-regulator and buyers were not prepared to pay over the top prices."

Sales at 1062 properties were the highest in an April for 11 years, but were still down by more than a quarter on March's 1430.

Mr Thompson said that 40 percent of all the sales in April were for under \$500,000, up from 38.5 percent in March.

"While 103 properties sold for in excess of a million dollars, this was a modest number compared to the 637 homes that sold for under \$500,000.

"Demand for property outside the inner ring of suburbs around the central city area is still attracting solid buyer support."

At month end Barfoot & Thompson had 3467 properties on its books, its second lowest number in more than a decade and down 6.8 percent on the number at the end of March.

Ends

Barfoot & Thompson knows Auckland best. It is the city's leading real estate company, selling around one in three Auckland residential homes, significantly ahead of all other competitor brands.

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