



News Release

8 July 2013

Sales Growth Takes A Breather In June Real Estate Market

Summary

- *6,135 houses sold in June 2013, equal to the number sold in June 2012*
- *New median high price in Canterbury/Westland*
- *New National Stratified Index highs for Auckland, Christchurch and Other South Island*
- *1,203 houses sold by auction, representing 20% of all sales in June.*
- *Market continues to experience significant shortages of listings*

Residential property sales eased in June with REINZ data (the most up to date market snapshot –see Editor’s note at end of this release) showing the number of sales equal to the number sold in June 2012. The national median price increased \$2,000 compared to May and remains just \$6,000 below the record median set in March 2013.

Real Estate Institute of New Zealand (REINZ) Director Bryan Thomson says price levels in Auckland and Canterbury are having an increasingly significant impact on the national picture. Canterbury recorded the largest increase in median price compared with June last year, and Auckland the second largest increase in median price. Together both regions accounted for 99.6% of the \$22,000 increase in the national median between June 2013 and June 2012. Price gains in most other regions have been minimal, with the median price for the rest of New Zealand \$2,300 lower than November 2007.

"The continuing strength of house prices in Auckland and Canterbury is being driven by the rising imbalance between supply and demand, with the number of properties coming to market from new builds and existing owners falling well short of the demand for housing. The number of houses available for sale is an issue for most regions in New Zealand; however, the problem is most acute in Auckland and Canterbury."

"There appears to a change in market behaviour with rising prices and demand for housing in Auckland and Canterbury not being enough to increase the number of listings. While the growth rate in sales in Auckland has averaged around 20% for the past two years, the growth in the number of listings has been almost negligible. Normally we would expect the number of listings to increase more rapidly coming out of a downturn, but as yet, this does not appear to be happening."

Sales Volumes

REINZ data shows there were 6,135 unconditional residential sales in June, equal to the number of sales in June 2012, and a fall of 20.5% compared to May 2013. However, on a seasonally adjusted basis the volume of residential sales was up 0.6% compared to May, and up 6.1% compared to June 2012.

Six regions recorded increases in sales volume compared to June last year, with Taranaki recording an increase of 18.4%, followed by Central Otago Lakes with 15.8% and Waikato/Bay Of Plenty with 3.8%. All regions recorded a decrease in sales volume in June compared to May, with Hawkes Bay recording a decrease of 32.2%, followed by Southland with a decrease of 29.8% and Manawatu/Wanganui with a decrease of 27.6%.

Prices

The national median house price increased by \$2,000 (+0.5%), from \$392,000 in May, to \$394,000 in June. Compared to June 2012 the national median house price increased by \$22,000 (+5.9%), with seven of the 12 regions recording an increase in the median price. 80.7% of the increase in the national median price compared to June last year occurred in Auckland and 18.9% occurred in Canterbury/Westland. Together these two regions accounted for all but 0.4% of the increase in the median price between June 2012 and June 2013.

Canterbury/Westland recorded a new record median price of \$365,000. Compared to June 2012 Canterbury/Westland recorded the largest increase in median price, up 12.3%, followed by Auckland with 11.0%, and Southland with 6.9%. Central Otago Lakes recorded the largest fall, down 11.8%, followed by Northland down 4.9% and Manawatu/Wanganui down 2.2%.

The REINZ Stratified Housing Price Index, which adjusts for some of the variations in mix that can impact on the median price, is 8.4% higher than June 2012 and eased very slightly compared to May. The Auckland, Christchurch and Other South Island Stratified Housing Price Indices all hit new record highs in June, with the Auckland Index up 19.8% compared to June 2012, the Christchurch Index is up 10.6% and the Other South Island Index up 7.3%.

Days To Sell

Houses took one day less to sell in June compared to May, improving from 35 days in May to 34 days in June. Compared to June 2012, the number of days to sell improved by three days. Eight regions saw an improvement in the number of days to sell between June 2012 and June 2013, with Central Otago Lakes recording the largest improvement of 41 days.

For the month of June, Canterbury/Westland recorded the shortest days to sell at 26 days, followed by Auckland at 30 days, and Wellington at 37 days. Taranaki recorded the longest number of days to sell at 76 days, followed by Northland with 70 days and Waikato/Bay Of Plenty with 56 days. Over the past 10 years the median days to sell for the month of June has averaged 38 days across New Zealand.

Auctions

Nationally there were 1,203 dwellings sold by auction in June representing 19.6% of all sales and an increase of 65.7% on the number of dwellings sold by auction in June 2012. Auctions are increasingly favoured as a sales method in certain centres; for

the 12 months to June 2013 the total number of sales by auction reached 14,762 or 18.9% of all sales, compared to 8,911 or 13.1% of all sales for the 12 months to June 2012.

Transactions in Auckland again dominated the auction market in June, representing 76.4% of the national total of auction sales. 37.0% of all dwelling sales in Auckland were by auction in June; this was up strongly from the 27.3% of sales by auction in June 2012. Sales by auction in Waikato/Bay Of Plenty accounted for 8.5% of the national total, Canterbury/Westland accounted for 8.5% of the national total, and all other regions combined accounted for the remaining 6.7% of auction sales in May 2013.

Summary Auction Statistics for June 2013			
	Jun-13	May-13	Jun-12
Total Auctions for Month	1,203	1,567	891
Auctions as % of Total Sales	19.6%	20.3%	14.5%
Total Auctions for Year Ended...	14,762	14,450	8,911
Auctions as % of Total Sales	18.9%	18.5%	13.1%
Annual Growth in Auctions %	65.7%	78.2%	52.1%
Breakdown by Regions...			
Auckland Region	76.4%	74.5%	74.4%
Waikato/BOP Region	8.5%	8.4%	10.5%
Wellington Region	2.0%	1.6%	1.6%
Canterbury/Westland Region	8.5%	10.2%	8.5%
Rest of NZ	4.7%	5.4%	5.0%
Source: REINZ			

Further Data

Across New Zealand the total value of residential sales, including sections was \$3.06 billion in June, compared to \$3.78 billion in May, and \$2.80 billion in June 2012. For the 12 months ended June 2013 the total value of residential sales was \$37.35 billion.

The breakdown of the value of properties sold in June 2013 is:

\$1 million plus	341	5.6%
\$600,000 to \$999,999	1,090	17.8%
\$400,000 to \$599,999	1,579	25.7%
Under \$400,000	3,125	50.9%
All Properties Sold	6,135	100.0%

REINZ Stratified Median Housing Price Index

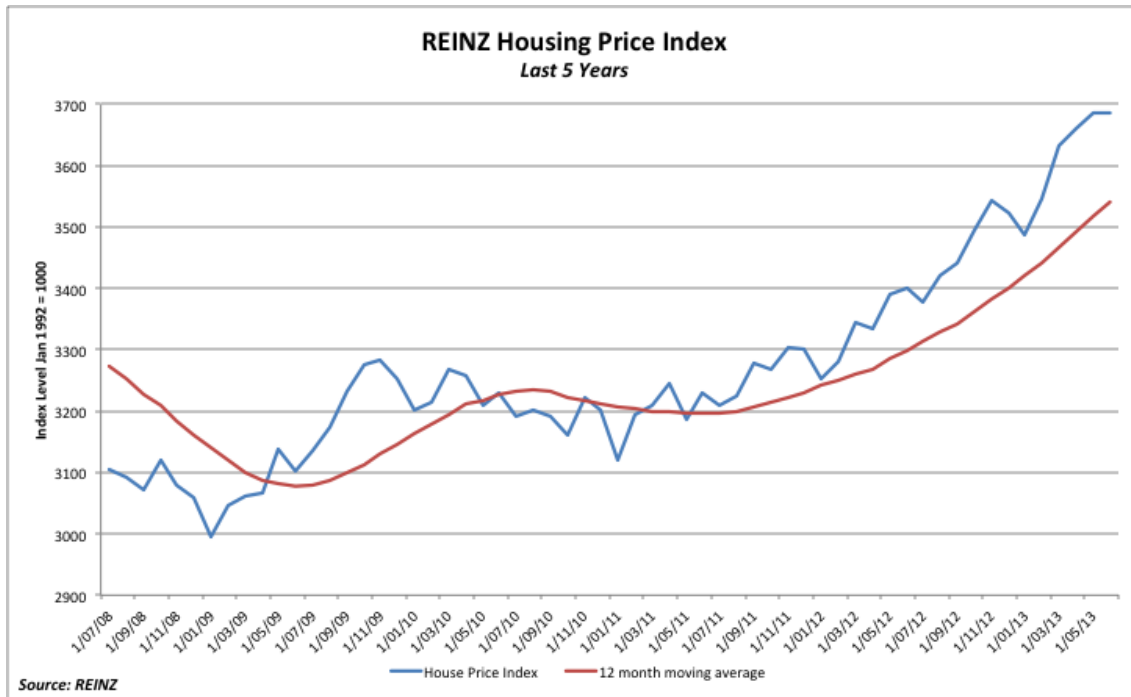
The REINZ Housing Price Index decreased 1.1 points in June compared with May to sit at 3,685.8 in June. Auckland increased by 4.4% in June to reach a new record high, as did Christchurch with an increase of 1.4% over May and Other South Island with an increase of 0.5% over May. For the 12 months to June, the Auckland Index rose 19.8%, and the Christchurch Index rose 10.6% and the Other South Island Index increased by 7.3%. The National Index increased 8.4% compared to June last year.

	Index Level	1 Month	3 Months	12 Months	5 Years (CAGR)	From Peak
New Zealand	3,685.8	0.0%	1.5%	8.4%	3.2%	0.0%
Auckland	4,519.2	4.4%	5.7%	19.8%	6.6%	New Hi
Wellington	3,427.9	-0.2%	-0.8%	3.1%	2.3%	-5.1%
Christchurch	3,520.6	1.4%	5.3%	10.6%	5.0%	New Hi
Other North Island	3,189.5	-2.1%	-1.0%	1.4%	0.2%	-6.4%
Other South Island	3,628.9	0.5%	3.5%	7.3%	1.9%	New Hi
Sections	4,678.0	-2.3%	-7.0%	-0.9%	-0.6%	-13.5%

* CAGR is Compound Annual Growth Rate

* The Christchurch data needs to be treated with some caution due to compositional changes in the suburb mix caused by the earthquakes in the city

REINZ Stratified Median Housing Price Index Chart



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Manawatu/Wanganui	Andy Stewart	027 444 3712
Wellington	Euon Murrell	027 445 8191
Nelson/Marlborough	Darryl Marshall	027 443 7205
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For more real estate information and market trends data, visit www.reinz.co.nz. For New Zealand's most comprehensive range of listings for residential, lifestyle, rural, commercial, investment and rental properties, visit www.realestate.co.nz - REINZ's official property directory website.

Editor's Note:

The monthly REINZ residential sales reports remain the most contemporary and up-to-date statistics on house prices and sales in New Zealand. They are based on actual sales reported by real estate agents. These sales are taken as of the date that a transaction becomes unconditional and includes sales as of 5:00pm on the last business day of the month. Other surveys of the residential property market are based on information from Territorial Authorities regarding settlement and the receipt of documents by the relevant Territorial Authority from a solicitor. As such, this information involves a lag of four to six weeks before the sale is recorded by the Territorial Authority.

The REINZ Monthly Housing Price Index is calculated using a technique known as stratification, which provides an averaging of sales prices for common groups of houses. This approach is considered a more robust analysis of actual house price trends and was developed in conjunction with the Reserve Bank.

The REINZ Monthly Housing Price Index is based on a value of 1000 in January 1992, the first month for which electronic information is available. Changes in the index represent movements in housing prices, where the mix of sales between the groups is held constant and are more likely to reflect genuine property price movements.