



News Release

12 August 2013

Sales Lift and Prices Ease In July Residential Real Estate Market

Summary

- *6,777 houses sold in July 2013, up almost 15% on July 2012*
- *New median high price in Otago; Auckland and Canterbury/Westland ease back*
- *National Stratified House Price Index eases back; Auckland House Price Index up 13.9% over July 2012*
- *1,381 houses sold by auction, representing over 20% of all sales in July.*
- *Market continues to experience a significant shortage of listings*

House sales surged in July achieving a six year high for the July month.

REINZ, the most up to date source of real estate data in New Zealand, announced today that there were 6,777 dwelling sales in the month of July, up 14.7% on July last year and 10.5% higher than June. The national median price eased back \$9,000 compared to June to \$385,000, and is now \$15,000 below the record median set in March 2013.

Real Estate Institute of New Zealand (REINZ) Chief Executive Helen O'Sullivan says, "It is the most active winter the residential real estate market has seen for a while, with the volume of sales higher than would normally be expected for this time of year. Reports from agents around the country suggest that first home buyers are moving quickly to secure properties ahead of any move by the Reserve Bank to impose lending restrictions on buyers with lower deposits."

July is usually one of the quietest months in the real estate calendar with new listings and sales at low levels.

"As far as buyers are concerned the normal winter slow down hasn't happened this year, with volumes up strongly on July last year despite school holidays occurring in the middle of month. The increase in new listings in the month contributed to buyer activity which coupled with the easing in prices suggests that the main constraint is very much one of supply. Stock levels across almost all regions are now particularly tight. "

"The issue of housing availability remains a key for Auckland and Canterbury, but this is also now being seen in other parts of the country."

Sales Volumes

REINZ data shows there were 6,777 unconditional residential sales in July, a 14.7% increase on July 2012, and an increase of 10.5% compared to June 2013. On a seasonally adjusted basis the volume of residential sales was up 3.9% compared to June, and up 11.1% compared to July 2012.

Nine regions recorded increases in sales volume compared to July last year, with Waikato/Bay of Plenty recording an increase of 29.1%, followed by Northland with 23.7% and Central Otago Lakes with 19.7%. 10 regions recorded an increase in sales volume in July compared to June, with Hawkes Bay recording an increase of 40.1%, followed by Manawatu/Wanganui with an increase of 23.3% and Southland with an increase of 22.9%.

Prices

The national median house price fell by \$9,000 (-2.3%), from \$394,000 in June, to \$385,000 in July. Compared to July 2012 the national median house price increased by \$24,000 (+6.6%), with all 12 regions recording an increase in the median price. 64.0% of the increase in the national median price compared to July last year occurred in Auckland and 9.9% occurred in Canterbury/Westland. Together these two regions accounted 73.9% of the increase in the median price between July 2012 and July 2013.

Otago recorded a new record median price of \$266,778. Compared to July 2012, Nelson/Marlborough recorded the largest increase in median price, up 14.6%, followed by Central Otago Lakes with 13.8%, and Taranaki with 13.2%.

The REINZ Stratified Housing Price Index, which adjusts for some of the variations in mix that can impact on the median price, is 8.6% higher than July 2012 and eased 0.5% compared to June. The Auckland Index has risen 13.9% compared to July 2012, the Christchurch Index is up 5.4% and the Wellington Index is up 3.7% - however, the Auckland Index was down 4.4% from June 2013 while the Christchurch Index was down 4.1%.

Days To Sell

Houses took one day longer to sell in July compared to June, easing from 34 days in June to 35 days in July. Compared to July 2012, the number of days to sell improved by three days. Seven regions saw an improvement in the number of days to sell between July 2012 and July 2013, with Central Otago Lakes recording the largest improvement of 15 days.

For the month of July, Canterbury/Westland recorded the shortest days to sell at 28 days, followed by Auckland at 29 days, and Nelson/Marlborough at 42 days. Northland recorded the longest number of days to sell at 66 days, followed by Central Otago Lakes with 61 days and Southland with 60 days. Over the past 10 years the median days to sell for the month of July has averaged 38 days across New Zealand.

Auctions

Nationally there were 1,381 dwellings sold by auction in July representing 20.4% of all sales and an increase of 63.3% on the number of dwellings sold by auction in July 2012. Auctions are increasingly favoured as a sales method in certain centres; for

the 12 months to July 2013 the total number of sales by auction reached 15,221 or 19.3% of all sales, compared to 9,319 or 13.5% of all sales for the 12 months to July 2012.

Transactions in Auckland again dominated the auction market in June, representing 75.9% of the national total of auction sales. 38.1% of all dwelling sales in Auckland were by auction in July; this was up strongly from the 29.5% of sales by auction in July 2012. Sales by auction in Waikato/Bay Of Plenty accounted for 9.3% of the national total, Canterbury/Westland accounted for 8.6% of the national total, and all other regions combined accounted for the remaining 6.1% of auction sales in July 2013.

	Jul-13	Jun-13	Jul-12
Total Auctions for Month	1,381	1,203	922
Auctions as % of Total Sales	20.4%	19.6%	15.6%
Total Auctions for Year Ended...	15,221	14,762	9,319
Auctions as % of Total Sales	19.3%	18.9%	13.5%
Annual Growth in Auctions %	63.3%	71.8%	56.9%
Breakdown by Regions...			
Auckland Region	75.9%	76.4%	73.9%
Waikato/BOP Region	9.3%	8.5%	8.8%
Wellington Region	1.7%	2.0%	2.8%
Canterbury/Westland Region	8.6%	8.5%	7.5%
Rest of NZ	4.4%	4.7%	7.1%
Source: REINZ			

Further Data

Across New Zealand the total value of residential sales, including sections was \$3.31 billion in July, compared to \$3.06 billion in June, and \$2.52 billion in July 2012. For the 12 months ended July 2013 the total value of residential sales was \$38.04 billion.

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

\$1 million plus	361	5.3%
\$600,000 to \$999,999	1,161	17.1%
\$400,000 to \$599,999	1,694	25.0%
Under \$400,000	3,561	52.5%
All Properties Sold	6,777	100.0%

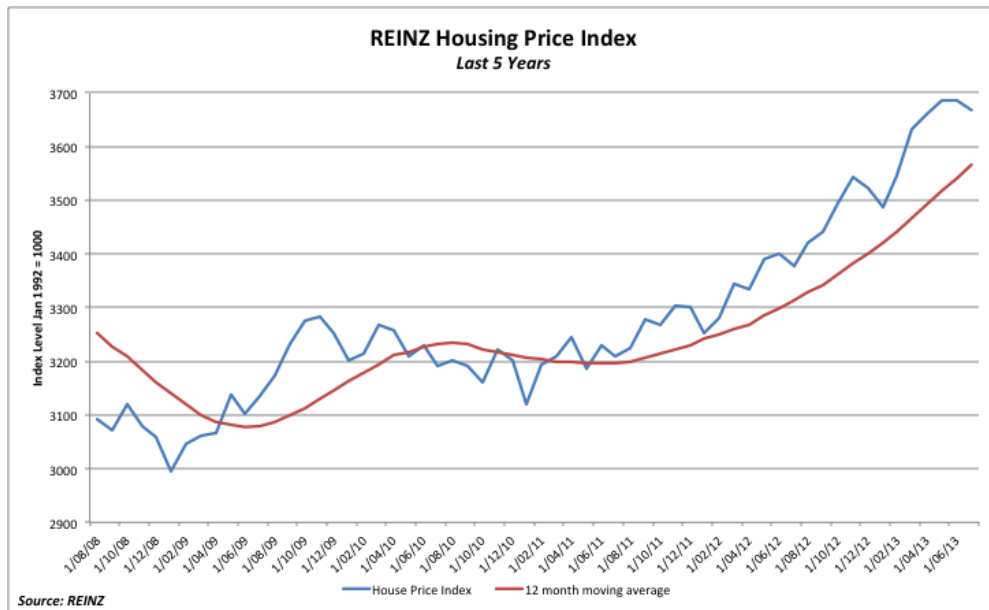
REINZ Stratified Median Housing Price Index

The REINZ Housing Price Index decreased 0.5% in July compared with June to sit at 3,669.1. Auckland fell by 4.4% in July, Christchurch fell 4.1% and Wellington fell 1.3%. For the 12 months to July, the Auckland Index rose 13.9%, the Christchurch Index rose 5.4% and the Wellington Index increased 3.7%. The National Index increased 8.6% compared to July last year.

	Index Level	1 Month	3 Months	12 Months	5 Years (CAGR)	From Peak
New Zealand	3,669.1	-0.5%	0.2%	8.6%	3.4%	-0.5%
Auckland	4,318.3	-4.4%	1.8%	13.9%	6.3%	-4.4%
Wellington	3,472.8	1.3%	-3.8%	3.7%	2.2%	-3.8%
Christchurch	3,375.1	-4.1%	-1.0%	5.4%	4.0%	-4.1%
Other North Island	3,215.1	0.8%	0.6%	4.1%	0.0%	-5.6%
Other South Island	3,552.7	-2.1%	0.0%	5.1%	1.3%	-2.1%
Sections	4,846.0	3.6%	4.4%	4.6%	-2.2%	-10.4%

- * 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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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.