

HARCOURTS MARKET WATCH.

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REGIONAL OVERVIEW

The latest residential housing figures from New Zealand's largest real estate group, Harcourts shows written sales were up strongly across most of the country in May.

Most regions recorded increases in written sales volumes of between 22% and 40.8% last month, compared to May 2014. The only region recording a smaller increase was Christchurch at 3.0% compared to the same period last year.

Supply remains the biggest issue in most areas. While it is encouraging to see new listings in the Auckland/Northern region up 19% on May 2014, overall inventory is down 15.2% in the area compared to May 2014. Only Christchurch is showing an improvement on inventory compared to last year, likely caused by more rebuild stock coming on to the market.

Wellington enjoyed continued signs of increased investor activity with sales volumes up 22.5%, though the average sale price was down 1.0% indicating a higher volume of sales at the lower end of the market.

Harcourts CEO Hayden Duncan says huge sales volumes in Auckland/Northern last month, backed up by strong increases in the Central, Wellington and South Island regions, have resulted in the company recording its best May on record. And the second best month in the history of Harcourts.

"So far, we've seen little sign of the seasonal slow-down that traditionally comes with the onset of winter. In fact the opposite is true.

"The economic conditions, competitive interest rates and high demand are continuing to fuel the market in Auckland. But it is gratifying to see our other regions also doing well.

"With good growth in average price sales in most regions, buyers are clearly keen to enter the market. The only barrier we still have is an ongoing shortage of supply."

Hayden Duncan, CEO
Harcourts New Zealand



South Island Provincial	May 2015	May 2014	Change
Total listings	245	243	0.8%
New Auctions	27	18	50%
Property on Hand	1425	1707	-16.5%
Written Sales	188	211	-10.9%
Average Sale Price	\$386,574	\$259,053	49%

Sales activity in the South Island dropped in May, with written sales down 10.9% on May last year. The average sale price however, grew by an impressive 49% continuing the recent trend, while the number of properties going to auction doubled. All of these are likely a reflection of an inventory shortage, with property on hand down 16.5% on May 2014.

Auckland/Northland	May 2015	May 2014	Change
Total listings	748	628.5	19%
New Auctions	310.5	251	23.7%
Property on Hand	1581	1865	-15.2%
Written Sales	745	529	40.8%
Average Sale Price	\$796,558	\$696,188	14.4%

An increased level of buyer activity has continued into May with written sales in Auckland/Northland up 40.8% compared to last year. Inventory levels for this time of year remain low and we expect the average price to remain close to 15% above last year's value throughout winter. It's encouraging to see new listings up 19% as more investors and home owners look to realise the capital gains they've accrued on their properties over the past two years.

Central	May 2015	May 2014	Change
Total listings	406	385	5.5%
New Auctions	107	48	122.9%
Property on Hand	1647	2197	-25%
Written Sales	505	362	39.5%
Average Sale Price	\$342,993	\$341,488	0%

After a very strong March and April, property sales in the Central Region were up again in May compared to last year. Though it's encouraging to see new listings up on May 2014, another noticeable decrease in property on hand will start to put pressure on the market if demand continues at the current level. Average sales prices are holding steady, but the shortage of inventory should start to see them move upwards. There's also been a huge increase in the number of auctions as vendors seek to capitalise on competition caused by a shortage of supply.

Wellington	May 2015	May 2014	Change
Total listings	281	324	-13.3%
New Auctions	31	35	-11.4%
Property on Hand	1252	1596	-21.6%
Written Sales	337	275	22.5%
Average Sale Price	\$372,969	\$377,656	-1.0%

It was another busy month in the Wellington Region with a 22.5% increase in written sales compared to May 2014. The small drop in the average sale price indicates more action in the lower end of the market, reflecting an increase in investor activity. Inventory remains a crucial area in the region with notable drops in both new listings and total inventory. High demand and low supply should be reflected in increasing average prices in the coming months.

Christchurch Metro	May 2015	May 2014	Change
Total listings	443	499	-11.2%
New Auctions	143	170	-15.9%
Property on Hand	2040	1721	18.5%
Written Sales	410	398	3.0%
Average Sale Price	\$528,459	\$508,388	4.0%

The Christchurch market is holding steady with a 3.0% increase in written sales in May, compared to last year. Inventory levels are continuing to rise in the region however, up 18.5% on May 2014, which should begin to attract buyers back to the market. The average sale price in April hit a five-year high at \$529,436. Last month was only just short of that, and still up 4% on May 2014, indicating there is still plenty of life in the market.