



30 April 2023

For immediate release

Lifestyle blocks' sales follow residential market.

Data released today by the Real Estate Institute of New Zealand (REINZ) shows there were 100 more lifestyle property sales (8.7%) for the three months ended April 2023 than for the three months ended March 2023.

Overall, there were 1,256 lifestyle property sales in the three months ended April 2023, compared to 1,792 lifestyle property sales for the three months ended April 2022 (-29.9%), and 1,156 lifestyle property sales for the three months ended March 2023.

Shane O'Brien, Rural Spokesman, at REINZ says the decline in sales activity being reported is being played out in the neighbouring lifestyle property markets across much of New Zealand with sales volumes falling from the previous highs of 2021 and 2022.

"The first four months of 2022 have showed a steady decline in the number of both bareland and established lifestyle properties as markets reset following the increase in interest rates and wider economic conditions affecting many potential buyers."

"Agents continue to report good numbers at open homes and enquiry on listings, however many buyers are adopting a wait and see approach against interest rates and if they have peaked and watching to see how the election plays out later this year. This general uncertainty is impacting on most market sectors including the commercial, rural and lifestyle property market."

5,830 lifestyle properties were sold in the year to April 2023, -2,724 (-31.8%) less than those sold in April 2022. The value of lifestyle properties sold was \$6.89 billion for the year to April 2023.

The median price for all lifestyle properties sold in the three months to April 2023 was \$975,000 and was \$-102,000 higher compared to the three months ended April 2022 (-9.5%).

The median price for Bare land Lifestyle properties sold in the three months to April 2023 was \$390,000 and was \$-110,000 higher compared to the three months ended April 2022 (-22.0%). The median price for Farmlet Lifestyle properties sold in the three months to April 2023 was \$1,112,500 and was \$-167,500 higher compared to the three months ended April 2022 (-13.1%).

Recent policy announcements around the subdivision of productive land have started to impact the flow of bareland onto the market with reduced listings and corresponding falls in sale numbers across New Zealand.

O'Brien says many South Island agents are continuing to report steady enquiry from Auckland buyers looking at making a lifestyle change particularly into the Canterbury and Central Otago markets.



“Recent weather events in the traditional popular areas of Hawkes Bay and regional Auckland has impacted sales activity in these popular areas but this is expected to change in the later part of the year as the traditional Spring markets develop,” comments O’Brien.

One region recorded an increase in sales compared to April 2022, with Manawatu-Wanganui (+2 sales) observing the biggest increase. Northland (-110 sales) and Auckland (-96 sales) recorded the biggest decreases in sales in the three months to April 2023 compared to the three months to April 2022. Compared to the three months to March 2023, 9 regions recorded an increase in sales.

Four regions saw the median price of lifestyle blocks increase between the three months ending April 2022 and the three months ending April 2023. The most notable examples were in Gisborne/Hawkes Bay (+17.6%) and Taranaki (+8.5%) with the biggest decreases being in Bay of Plenty (-22.2%) and Wellington (-19.9%).

The median number of days to sell for lifestyle properties was 24 days more in the three months to April 2023 than in the three months to April 2022, sitting at 67 days. Auckland and Canterbury (56 days) recorded the shortest number of days to sell in April 2023. Gisborne/Hawkes Bay and Otago (87 days) recorded the longest number of days to sell.

ENDS

Real Estate Institute of New Zealand

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.

Editors Note:

The information provided by REINZ in relation to the lifestyle real estate market covers the most recently completed three-month period; thus, references to April 2023 refer to the period from 1 February 2023 to 30 April 2023.

From April 2021 there has been a change in the methodology for calculating rural statistics. To date, the rural statistics have referred to a Return Period, the month in which a sale record was submitted to REINZ. Going forward, the rural statistics will refer to an Unconditional Month i.e., the month in which the sale went unconditional. This change in methodology ensures that sales that took place in April, for instance, are recorded against April even if they were submitted to REINZ late. The change also brings Rural statistics calculation into line with the Residential statistics calculation, where the Unconditional Month approach has been used successfully to calculate Residential Statistics for several years now. The Unconditional Month methodology also ensures that the most up-to-date state of the REINZ database is reported at the time the data is released with revision of prior months statistics often occurring to reflect the submission of late data or sale amendments that took place after the prior statistics release.

In addition to the calculation period change there are two additional changes to the data worth noting:

- 1. 12 Districts have been replaced by 13 Regions. These are consistent with the parts of the residential press release and it has been done to be consistent with regional definitions outside REINZ e.g., Statistics NZ*
- 2. Dairy Support is a new farm category and we now have the ability to separate Lifestyle Blocks into Bareland and Farmlets.*

If you have any questions regarding this change in methodology, please email statistics@reinz.co.nz.