



24 July 2023

For immediate release

Real estate market slow but showing signs of an upturn

Data released today by the Real Estate Institute of New Zealand (REINZ) shows there were 94 fewer lifestyle property sales (-6.8%) for the three months ended June 2023 than for the three months ended May 2023. Overall, there were 1,284 lifestyle property sales in the three months ended June 2023, compared to 1,613 lifestyle property sales for the three months ended June 2022 (-20.4%), and 1,378 lifestyle property sales for the three months ended May 2023.

In the year to June 2023, 5,685 lifestyle properties were sold, 2,346 (-29.2%) less than were sold in the year to June 2022. The value of lifestyle properties sold was \$6.60 billion for the year to June 2023.

The median price for all lifestyle properties sold in the three months to June 2023 was \$995,000 and was \$30,000 higher compared to the three months ended June 2022 (-2.9%). The median price for Bare land Lifestyle properties sold in the three months to June 2023 was \$430,000 and was \$65,000 higher compared to the three months ended June 2022 (-13.1%). The median price for Farmlet Lifestyle properties sold in the three months to June 2023 was \$1,100,000 and was \$125,000 higher compared to the three months ended June 2022 (-10.2%).

Shane O'Brien, Rural Spokesman, at REINZ says, "Sales volumes once again followed the trend of much of 2023 and were predictably back on sales volumes for the corresponding 3-month period in 2022, but only slightly down on the previous month."

"Median values are consistent with the same period last year being just 2.9% down. The median for bareland lifestyle properties is however down 13.1%, perhaps reflecting the increased building and development costs being felt across much of New Zealand. With these cost rises and interest rate rises, buyers are taking a considered approach to purchases."

"The slowdown in sales activity in the residential sector will also be impacting both the sales volumes and sale values of lifestyle properties as buyers reconcile their movement between these property sectors. The rapid increase in the volume of lifestyle sales across all of New Zealand in the post covid reset is now abating as the economy consolidates with noticeable interest rate and inflation rises."

No regions recorded an increase in sales compared to June 2022, with Nelson/Marlborough and West Coast (-1 sales) observing the smallest decreases. Canterbury (-82 sales) and Northland (-73 sales) recorded the biggest decreases in sales in the three months to June 2023 compared to the three months to June 2022. Compared to the three months to May 2023, three regions recorded an increase in sales.



Six regions saw the median price of lifestyle blocks increase between the three months ending June 2022 and the three months ending June 2023. The most notable examples were in West Coast (+54.4%) and Gisborne/Hawkes Bay (+34.3%) with the biggest decreases being in Otago (-32.2%) and Auckland (-23.3%).

The median number of days to sell for lifestyle properties was 22 days more in the three months to June 2023 than in the three months to June 2022, sitting at 69 days. Canterbury (53 days) recorded the shortest number of days to sell in June 2023. Gisborne/Hawkes Bay (92 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 June 2023 refer to the period from 1 April 2023 to 30 June 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 which is 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 Farmlots.*

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