

## Property price expectations on the rise

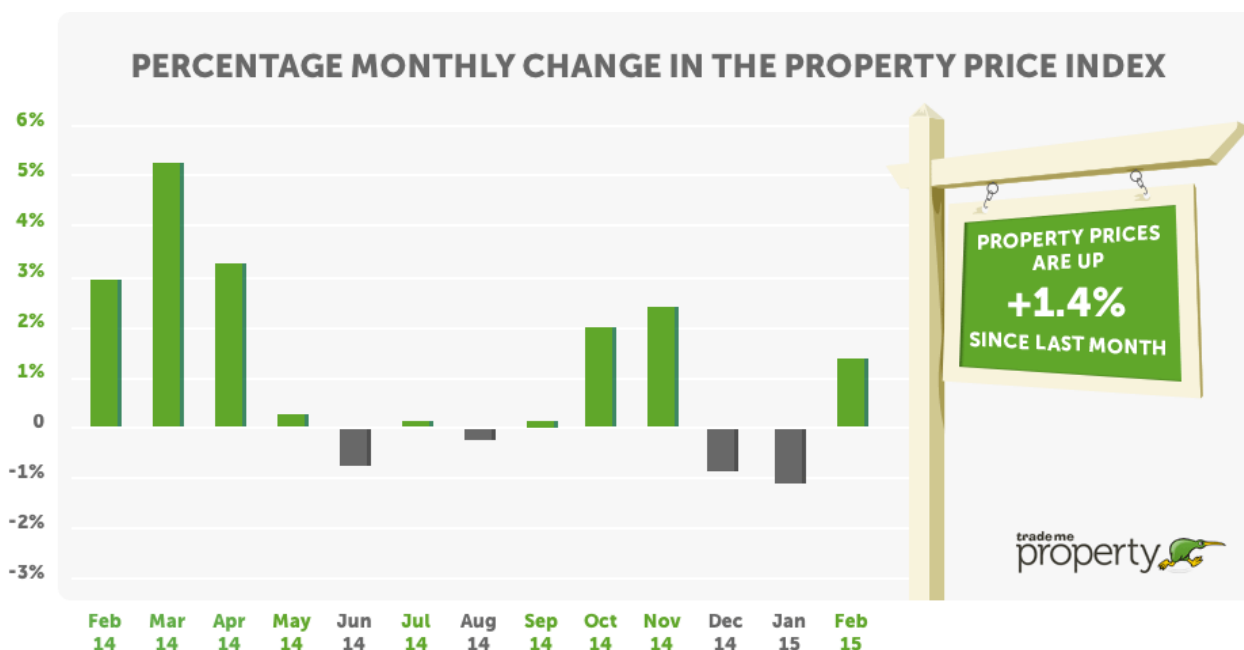
Summer confidence has infected the residential property market and asking prices ticked up just over 1 per cent, according to Trade Me Property's analysis of new listings for the three months to February 2015.

The national average asking price bounced back up above \$500,000 to \$505,350 – just below the record high set in November last year. It was up 1.4 per cent on last month and up 12.3 per cent compared with February last year.

The Trade Me Property Price Index measures trends in the expectations of selling prices for residential property listings added to Trade Me Property by real estate agents and private sellers over the past three months.

Head of Trade Me Property Nigel Jeffries said the increase in asking prices was “clearly foreshadowed” over the past couple of months. “We’ve seen plenty of speculation that interest rates will be easing rather than tightening. The upshot is that the property market appears to have re-ignited, particularly in Auckland, although things have plateaued in Christchurch.

“The trend for year-on-year price movement remains well into double figures: the 12.3 per cent increase represents a lift of over \$55,000 in average asking price. In other words, asking prices have gone up more than \$1000 every week across the country over the past year.”



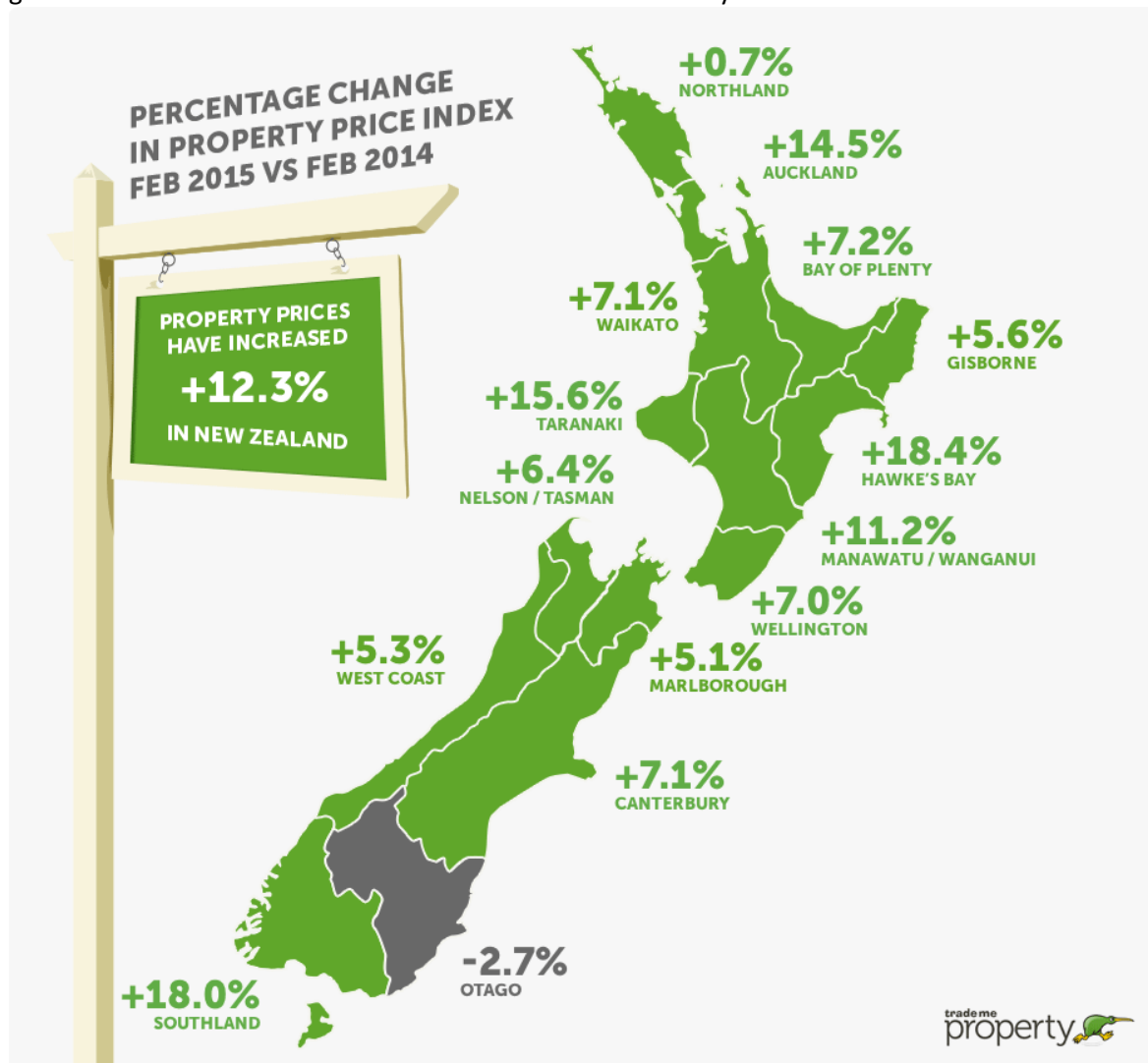
### Ups and downs in the regions

Mr Jeffries said expected selling prices had “picked up steam” in almost every area. “Looking at the year-on-year data, 13 of the 15 regions showed decent growth in average asking prices. The only exceptions were Northland which was sluggish and only up 0.7 per cent, and Otago which was the only region to swing into negative territory.”

Auckland continues to soar to record levels. In February the asking price broke through the \$700,000 level to a new high of \$710,250 – a rise of just under \$90,000 over the past year.

Mr Jeffries said the 14.5 per cent increase in average asking prices in Auckland over the past year was “certainly a standout result”, but Southland (up 18.0 per cent to \$242,200), Taranaki (up 15.6 per cent to \$367,750) and Hawke’s Bay (up 18.4 per cent to \$381,300) all grew strongly too.

In the main metro centres, Wellington continues to see steady growth in asking price expectations, up 7 per cent compared to a year ago, mirroring Canterbury’s growth. Mr Jeffries said Canterbury’s rate of asking price growth had almost halved since October and November last year.



### Smaller house price expectations drive market

Small homes showed the largest year-on-year increases: up 9.1 per cent in Wellington, up 7.5 per cent in Christchurch and up 17.2 per cent in Auckland. A small home in Auckland now has an average asking price of \$563,550 – a new record high and an increase of \$82,600 over the past 12 months.

Expectations for larger homes (5+ bedrooms) soared to a new high of \$871,950, up 6.1 per cent compared with February 2014. In Auckland, the average asking for a large home is now \$1,084,500, up 8.7 per cent year-on-year. In February 2014, the average asking price for a large home in Auckland was \$998,000, a single year rise of over \$86,500.

Mr Jeffries said the asking price trend for Christchurch had begun to ease. “With the scale of new construction occurring across the city, it’s not a huge surprise to see demand pressure better matched by new supply, leading to more modest selling price expectations.”

Table 1: Truncated mean expected sales price by property size & region

	New Zealand	Auckland	Wellington	Christchurch
<b>Large houses 5+ bedrooms</b>	\$871,950 + 6.1%	\$1,084,500 + 8.7%	\$697,800 + 2.8%	\$680,500 - 13.5%
<b>Medium houses 3-4 bedrooms</b>	\$511,950 + 11.6%	\$732,700 + 13.9%	\$463,100 + 6.9%	\$477,100 + 3.2%
<b>Small houses 1-2 bedrooms</b>	\$337,000 + 14.6%	\$563,550 + 17.2%	\$321,350 + 9.1%	\$334,350 + 7.5%
<b>All property types</b>	\$505,350 + 12.3%	\$710,250 + 14.5%	\$444,450 + 7.0%	\$444,300 + 2.8%

### Auckland apartment market keeps surging

The Auckland apartment market continued to show strong growth in expected selling price as newly constructed properties hit the market, and bolstered confidence. In the past year, the average asking price rose by \$74,150 from \$359,750 to \$433,900 (+20.6 per cent).

Units also continued to show strong growth in expected asking price. A year ago the average asking price was \$308,150, but in February 2015 the asking price expectation increased by 13.7 per cent to \$350,250.

In the sweltering Auckland market, the expected selling price for a unit hit a new record high of \$462,100, up 10.0 per cent compared to February last year, an increase of over \$40,000.

Table 2: Truncated mean expected sales price by property type & region

	New Zealand	Auckland	Wellington	Christchurch
<b>Apartments</b>	\$437,500 + 17.3%	\$433,900 + 20.6%	\$429,400 + 10.4%	\$459,400 + 20.0%
<b>Townhouses</b>	\$485,700 + 11.2%	\$690,900 + 18.3%	\$397,600 + 6.8%	\$409,700 - 1.8%
<b>Units</b>	\$350,250 + 13.7%	\$462,100 + 10.0%	\$257,800 + 4.0%	\$308,000 + 11.0%
<b>All property types</b>	\$505,350 + 12.3%	\$710,250 + 14.5%	\$444,450 + 7.0%	\$444,300 + 2.8%

## MORE INFORMATION

- **About the Trade Me Property Price Index:**
  - The Property Price Index measures trends in the expectations of selling prices for residential property listings added to Trade Me Property by real estate agents and private sellers over the past three months.
  - It provides buyers, sellers and realtors with insights into 'for sale' price trends by property type and property size.
  - The Index is produced from data on properties listed on Trade Me Property in the three months leading up to the last day of each period. Each period's value is a truncated mean of the complete three months' worth of listings. This is to better reflect trends in property prices rather than month-to-month fluctuations in housing stock.
  - The Index uses an "80% truncated mean" of the expected sale price. This excludes the upper and lower 10% of listings by price, and averages the expected sale prices of the remaining properties.
  - It provides an insight into 'for sale' price trends by type and size of property. Other reports aggregate property price data across these various properties.
  - You can find an online version of the Index here:  
<http://www.trademe.co.nz/property/price-index/for-sale/february-2015/>
- **Regional data:** If you are after information for a particular region, please email Jeff Hunkin via [mediaenquiries@trademe.co.nz](mailto:mediaenquiries@trademe.co.nz) and we will see what we can unearth for you. We can also provide the graphs and tables.
- **Contact:** Nigel Jeffries is available for interviews. To tee up a time that suits, please email Jeff Hunkin via [mediaenquiries@trademe.co.nz](mailto:mediaenquiries@trademe.co.nz) or phone (04) 803 2702.