

HARCOURTS MARKET WATCH.

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REGIONAL OVERVIEW

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

Most regions recorded increases in written sales volumes of between almost 80% and 30% last month, compared to June 2014. Only Christchurch, with 2.9% and the rest of the South Island with 4.1% recorded smaller increases on last year.

Supply remains the biggest issue in all areas, with only Christchurch recording an increase, of 11.77%, in property on hand. While it is encouraging to see new listings in the Auckland/Northern region up a healthy 46.7% on June 2014, overall inventory is down 14% in the area compared to the same period last year.

Wellington enjoyed continued signs of increased investor activity with sales volumes up 30.5%, though the average sale price is holding steady, with just a 1.0% increase on last year, indicating a higher volume of sales at the lower end of the market.

Harcourts CEO Hayden Duncan says the consistently high demand for residential property in Auckland/Northland, backed up by strong increases in other parts of the country, particularly the central region, have resulted in the company recording its best June on record, at a time of year when the market traditionally slows down.

"May was also a record month for us, and while last month's figures are down a little on that thanks to the usual seasonal dip, the market in key areas of the country continues to go from strength to strength.

"It's particularly good to see the strong sales volumes in other areas beside Auckland. The Central region of the North Island, which includes the Waikato and Bay of Plenty, is also turning in some outstanding results.

"It's possible that with demand far outstripping supply in Auckland, potential buyers are turning their attention to other areas. That's great news, although it will begin to impact supply in those areas, where inventory is also taking a hit, and that will impact on average prices.

"It's definitely the right time to sell, whatever region you're in."

Hayden Duncan, CEO
Harcourts New Zealand

South Island Provincial	June 2015	June 2014	Change
Total listings	217	210	3.3%
New Auctions	19	24	-20.8%
Property on Hand	1378	1635	-15.7%
Written Sales	203	195	4.1%
Average Sale Price	\$316,516	\$309,132	2%

Sales activity in the South Island life in June, with written sales up 4.4% on last year. The average sale price however also grew slightly, up 2% on June 2014, indicating the market conditions are so far holding steady during the winter period, after a large sales increase in May. There was a significant decline in auctions, tied to a drop in overall inventory of 15.7% compared to June 2014.

Auckland/Northland	June 2015	June 2014	Change
Total listings	738	503	46.7%
New Auctions	351	185	47.6%
Property on Hand	1483	1725	-14%
Written Sales	641	471	36.1%
Average Sale Price	\$827,679	\$721,633	15%

The strong demand experienced over the past two months is continuing. At 641 written sales for June were up 36.1% on the same period in 2014. The figure is down very slightly on last month's figure of 738, reflecting the traditional winter slowdown. The most encouraging news is that new listings were up on the same period last year by 46.7%, though overall inventory was down 14% indicating a continued overall tightening of supply.

Central	June 2015	June 2014	Change
Total listings	426	341	24.9%
New Auctions	88	46	91.3%
Property on Hand	1552	2117.5	-26.7%
Written Sales	514	286	79.7%
Average Sale Price	\$345,381	\$305,982	13%

June was a fantastic month on the Central region with written sales up 79.7% on the same period last year. New listings are continuing to grow, up 24.9% on June 2014, though as with other regions, overall inventory is down by 26.7%, which will start to put pressure on the market if current levels of demand continue. That shortage of supply is already having an impact on the average sales, which was up to \$345,381 in June, a 13% increase on the same period in 2014. Auction figures also shot up by 91.3% on last year as buyers looked to capitalise on the demand.

Wellington	June 2015	June 2014	Change
Total listings	286	347	-17.6%
New Auctions	38	35	-8.6%
Property on Hand	1150	1539	-25.3%
Written Sales	311	238.8	30.4%
Average Sale Price	\$354,394	\$349,994	1.0%

Chilly weather in Wellington didn't deter buyers in June with a 30.4% increase in written sales compared to June 2014. However the fact the average sale price is up only 1.0% on the same period last year, despite a noted tightening in both new listings and overall inventory, indicates many of the sales were likely still at the lower end of the market. Though if the supply conditions continue we should begin to see more of an impact on price.

Christchurch Metro	June 2015	June 2014	Change
Total listings	400	543	-26.3%
New Auctions	134	155.5	-13.8%
Property on Hand	2011	1800	11.7%
Written Sales	392	381	2.9%
Average Sale Price	\$491,990	\$529,092	-7.0%

New listings in Christchurch in June dropped 26.3% on the figure for the same period last year, and down 22.3% down on last month's figure of 514.5. Those figures are a clear demonstration that a lack of inventory remains the big issue facing the industry. Though the traditional onset of a winter slow-down partly explains the listing dip, it also reflects a drop in the number of new-build or earthquake-repaired homes coming on to the market. The good news property on hand increased by 11.7%.