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August sales data

Auckland House Prices Increase, But Growth Restrained

Auckland house prices continued to rise in August but signs the rate of increase is slowing, which first showed up in July, were still present.

“August’s price increase was restrained, for both the average price and the median price,” said Peter Thompson, Managing Director of Barfoot & Thompson.

“The slow-down is not so obvious when comparing August data with that for July, but when you look at the average for the previous 3 months it becomes more apparent.

“The average sales price in August was \$906,560. While this was up 4.5 percent on that for July, it was up only 2.6 percent on the average price over the previous 3 months.

“Our data shows that those claiming the average price is on the verge of topping \$1 million are over inflating where prices are heading.

“While prices continue to rise, for the past 5 months buyers have not been prepared to pay more than they believe is the market price.

“The same trend can be seen with the median price, which at \$850,000 for August is up 1.2 percent on July’s, and up 2.5 percent for the average for the previous 3 months.

“Current price increases are relatively modest compared with what has occurred in recent years.

“The slowdown can also be seen when comparing August’s sales numbers, listings at month end and new listings with the average for these statistics for the previous 3 months.

“Sales numbers were down 9.2 percent, available properties up 6 percent and new listings remained at the same level.

“It has led to a small increase in the choice available for buyers.

“It all adds up to some heat coming out of the market.

“The continued rise in prices with lower sales indicates that new regulations requiring investors to have greater equity than previously, which the trading banks enforced at the start of August, has had a limited impact on prices but may have affected sales numbers.

“Sales numbers in August at 1003 were down 3 percent on those for July and 25.5 percent lower than in August last year.

“New listings in the month at 1706 were up 19.6 percent on those for July and 4 percent lower than in August last year.

“Available properties at month end at 3151 were at their highest for 5 months, and up 4 percent on those at the end of July and up 6.6 percent on those for the same month last year.

“The real test of where prices are heading will come this month with the arrival of spring. For the past 3 years, September’s average and median prices have exceeded those for August, with prices then continuing to increase to year end.

“During August 347 properties, representing 34.6 percent of properties sold for in excess of \$1 million and 109 properties, representing 10.9 percent of all sales, sold for under \$500,000.”

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	Last Month	Previous 3 Months*	August 2015
August’s Average Price \$906,560	\$867,681 +4.5%	\$883,549 +2.6%	\$821,079 +10.4%
Median Price \$850,000	\$840,000 +1.2%	\$829,500 +2.5%	\$755,000 +12.6%
Sales 1003	1034 -3%	1139 -9.2%	1388 -25.5%
New Listings 1706	1426 +19.6%	1700 =	1777 -4%
Month-End Available Stock 3151	3012 +4.6%	2987 +6%	2957 +6.6%
*Average for 3 months			