

Property BULLETIN

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NZ Property Market surges ahead in March 2015! 8803 DWELLINGS SOLD NATIONALLY

20.3 % rise in total house sales in March 2015 over March 2014

27.6% rise in total house sales over February 2015

3.6% rise in national median house price over the 12 month period to March 2015

\$475,000 national median price UP \$35,000 on March 2014 and \$45,000 on February 2015

National median price excluding Auckland is FLAT compared to February 2015 at \$350,000 and up \$5,000 compared to March 2014

604 more auctions in March nationally compared to March 2014. Auctions now constitute 50% of all Auckland sales and 25% of all sales nationwide. Auckland is now the auction city of the world! Beating Sydney and Melbourne in % terms

A rise of 13% in Auckland median price from \$637,000 in March 2014 to \$720,000 in March 2015.

Hi, Welcome to my April 2015 edition of "The Property Bulletin". My focus in the publication is to provide local, relevant content, which is well researched. Having been in the real estate market for over 25 years, talking real estate 24/7, and generally having an interest in all things around it, I get a good picture of what's up, which is quite often a good idea of the future but nothing is certain. "Knowledge is power", I have always said and if this newsletter helps you towards a better understanding of all things property then that's just great and achieving its purpose.

**Thanks Malc and the Team
Leaders MREINZ**

Keeping you informed in 2015

The March figures are a standout and come after a strong surge in sales in December 2014 and February 2015.

My Times have changed!

If we look back to prior to the election of September 2014 we had eight consecutive months of lower house sales over the corresponding 2013 month. During this time we had the usual pre-election slowdown, considerable global market uncertainty, commodity price falls amongst a whole host of things. Further the Reserve Bank was talking of an increase in the OCR and that our currency was considerably overpriced and needed to adjust to a better value against our trading partners.

A lot of these issues and uncertainties have now filtered through the market. People seem to have a lot more confidence and act accordingly. We now are told we have a strong domestic economy with economic growth of approximately 3.5% with our inflation probably falling to zero in the March 2015 Quarter and predicted to be lower than 1% annually.

What has the Reserve Bank done during this time of change?

The Reserve Bank adopted a very cautious approach to monetary policy as they

watched and measured these effects flow through the economy. Whether this policy will prove to be good over time will be seen in the results through 2015/2016. They have lots of things to consider and seem to have a good grip on the inflation target but they are clearly worried about the property market and the risk it poses to the economy and the banking system.

Where to for the property market?

I personally believe the rise since September 2014 in the number of house sales will even out and present a more stable pattern in Wellington over the balance of 2015. We should see stock numbers falling over time and continued demand for property. As a result of this we should see prices edging ahead particularly in the first home buyers' market. There is a paucity of other options to invest in and even the way property is presented on TV through programmes such as My First Home presents a rosy picture.

In the mortgage market competitive interest rates are on offer with interest rates back under 5% with all manner of sweeteners being offered by the banks. Changes that came in to effect on the 1st of April for KiwiSaver will further push the first home buyer market allowing people to utilise more of their balance for withdrawal and purchase of their first home.

EXCELLENCE IN REAL ESTATE MARKETING

Wellington

Regional Roundup

The Median price for the Wellington Region rose by \$21,000 (+5.3%) compared to March 2014 with prices rising 17% in Central Wellington and 12% in North Wellington. Compared to February the median price rose \$11,000 (+2.7%) with Central Wellington rising 28%, Pukerua Bay/Tawa rising 13% and North Wellington rising 10%.

Wellington Sales Volumes

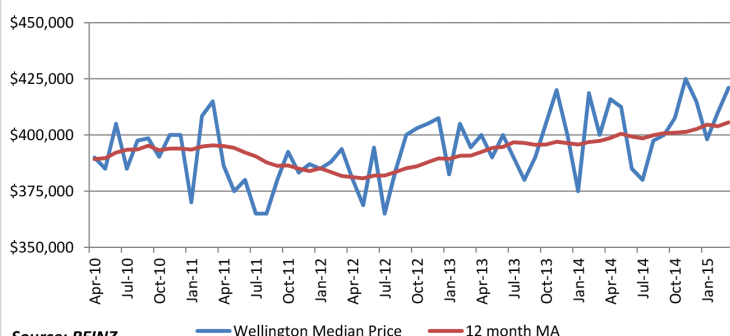
Compared to February 2015 sales volume rose 20% across the region with sales up 46% in the Hutt Valley, 31% in Upper Hutt and 26% in Southern Wellington. Compared to March 2014 sales volumes rose 19% with sales rising 44% in Pukerua Bay/Tawa, 41% in Central Wellington, 35% in Upper Hutt and 31% in Eastern Wellington.

Wellington Region Trends			Price ↓	Volumes ↓	Days to Sell ↓	Overall ↓
Median Price			Volume Sold			
	Mar-15	Feb-15	Mar-14	Mar-15	Feb-15	Mar-14
Upper Hutt	\$334,000	\$362,000	\$312,000	77	59	57
Hutt Valley	\$370,000	\$380,250	\$371,250	201	138	164
Northern Wellington	\$527,000	\$478,000	\$470,000	95	90	81
Central Wellington	\$534,000	\$417,500	\$457,500	83	66	59
Eastern Wellington	\$595,000	\$585,000	\$584,000	47	41	36
Western Wellington	\$621,500	\$617,250	\$580,000	53	43	44
Southern Wellington	\$521,278	\$537,500	\$525,000	48	38	44
Pukerua Bay / Tawa	\$439,000	\$389,500	\$413,500	104	86	72
Wellington	\$421,000	\$410,000	\$400,000	897	747	753
Vs...			Feb-15	Mar-14	Vs...	Feb-15
Upper Hutt			-7.7%	7.1%		30.5%
Hutt Valley			-2.7%	-0.3%		45.7%
Northern Wellington			10.3%	12.1%		5.6%
Central Wellington			27.9%	16.7%		25.8%
Eastern Wellington			1.7%	1.9%		14.6%
Western Wellington			0.7%	7.2%		23.3%
Southern Wellington			-3.0%	-0.7%		26.3%
Pukerua Bay / Tawa			12.7%	6.2%		20.9%
Wellington			2.7%	5.3%		20.1%

Source: REINZ

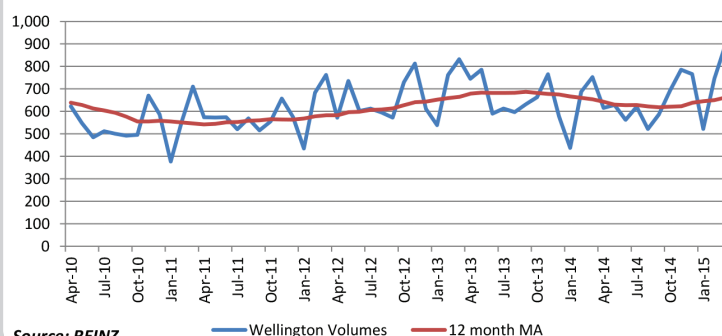
Wellington Region Median Price

Past 5 Years



Wellington Region Sales Volumes

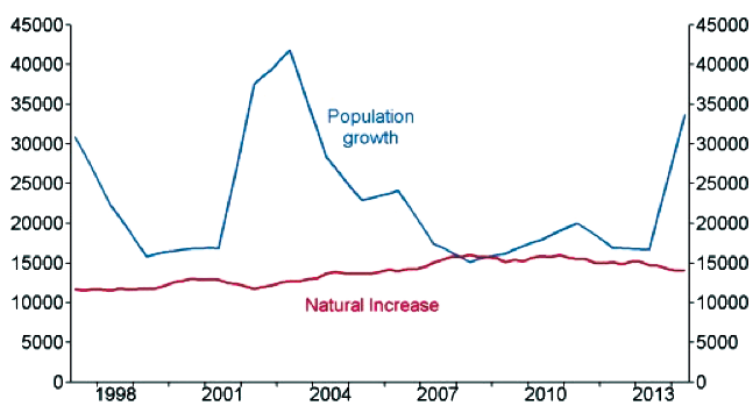
Past 5 Years



Immigration a big driver in housing demand

Migration inflows reached a record rate of over 55,000 in the year to February 2015 – boosting the population by over 1%. There has also been a significant slowdown in the number of New Zealanders migrating, currently at its lowest level for over a decade.

Over 50% of the net migrant inflow has settled in Auckland. This is boosting Auckland's population, growing by nearly 34,000 people in the year to June 2014. Building consent for new housing in Auckland has increased to 7,700 in the year to February 2015 but this clearly doesn't add up and match the numbers required to keep up with the demands.



Auckland Annual Nett Population Change.

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Are you interested in receiving our newsletter or house sales information on a monthly basis of your local area? We produce sales stats of Postcode 6021, 6022 and 6023 on a monthly basis and is available to clients by email. Email Kirsty@malcolmmorris.co.nz or phone (04)3900132 to receive just good content. Your privacy will be respected and I confirm your email address and details will not be passed to any third party or people trying to sell you things!

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