

MONTHLY MARKET REPORT

MARCH 2023

Heading into Autumn after a summer that NO-ONE anticipated, we spoke to our branches around the Peninsula and Hauraki Plains to discuss movements within the property market over the first quarter of 2023.

Roading issues and weather bombs contributed to lower visitor numbers to the Coromandel over this time. However, while overall sales for January in the Thames-Coromandel district dropped from December, REINZ reported a record median price of \$1,400,000 and Richardsons Real Estate saw a nearly 300% increase in sales in February compared to the previous month.

This increase slowed somewhat in March with many moving cautiously up until now however our larger city centres are starting to see a significant increase in sales with more buyers taking advantage of the stabilising of the property prices. A good indication that the market is recovering with more conditional sales being accepted in March than February. The next month is on track to continue its upward trajectory, albeit slowly at this point but it is anticipated it will continue to gain momentum.

Of note interestingly, is the Reserve Bank recently increased their official cash rate by 0.5 percentage points however there was a notable absence of increases in fixed mortgage rates. Banks have shown they are choosing to not pass on the higher cash rate to either fixed or floating mortgage rates, probably attributed to the record low real estate sales recently – mortgage businesses and banks are still having to meet their sales targets so not passing on the cost to banks of borrowing money to lend at fixed rates to their customers shows an expectation of where the cash rate will end up and not where it is currently. Therefore, could we be at the cash rate peak? (“Tony Alexander: Should homeowners be panicking right now?”)

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Lower visitor numbers have meant less attendees recorded at open homes; however, this may not always be seen as a negative as those that did attend were actively looking to buy, and there was also an increase in requests for private viewings. Movement is still predominantly local with people downsizing, retiring, or just simply relocating within their area.

We are achieving great results through sale by negotiation or fixed price over other methods traditionally seen in larger towns and cities and consistently receive feedback from the public that it is refreshing to see an actual price on listings. Enquiry from database marketing is strong which is a good indication of the strong relationships our salespeople have with their client base.

Coromandel is a complex market given the different issues faced between the east and west coast. While towns such as Ngatea and Paeroa, now on the ‘main’ route to the east coast are finding themselves busier, with an increase in some cases in enquiry and listings, others on the east coast are quieter. Unfortunately, recent media reporting on the state of our roads, travel times etc have kept some domestic visitors away yet the tourists are still ‘doing the loop’ and thoroughly enjoying all that the area has to offer.

Popular events such as Beach Hop and A Taste of Matarangi draw the crowds and the team at Richardsons are busy engaging with their local communities and groups, sponsoring events and promoting their towns while remaining in touch with their clients, keeping them abreast of local news, market updates and new listings coming up.



“The Peninsula roading issues have been less than ideal for our communities. Our Sales team have adapted much like we had to in 2020 when we couldn’t have in-person meetings due to restrictions. We have the technology, skills, and experience to operate effectively until our highways are back.

With the number of sales increasing, a more stabilised benchmark of prices, and buyer confidence returning, the market is looking positive going forward”.

EMMA ASHWORTH

Principal Director