

MONTHLY MARKET REPORT

OCTOBER 2023

Post-election confidence hits the property market!

New Zealand's housing market downturn, marked by a significant drop in average prices from their late 2021 peaks, appears to have come to an end. The national House Price Index, considered a reliable measure of price change, has shown its first increase since March 2022, rising by 0.4% last month.

The decline from the market's peak to its lowest point averaged 13%, approximately \$138,000, according to CoreLogic's chief property economist Kelvin Davidson. However, despite this decline, average house prices in October remained high, nearly 25% above the pre-Covid levels of March 2020.

The House Price Index data compiled by OneRoof/Valocity supports the idea that the market has turned. Prices in major housing markets such as Auckland and Canterbury increased by over 2% in the three months leading up to October.

Surge in Listings

Following a sluggish start, October saw a surge in new listings, contrary to the typical spring/pre-election trend. Traditionally, spring listing numbers show around a 16.0% increase between September and October.

However, this year, they leaped by 22.0%, defying the usual pattern expected for the season or leading up to an election.

During October, new listings were up, auctions regained popularity with sellers, and the national average asking price lifted back to January 2023 levels. The national average property value also saw a growth of 1.7% to reach \$952,000.

Auctions are back In Vogue

Auctions have surpassed priced as the favoured method of sale recently. For example, in October, 28.3% of listings on realestate.co.nz* were designated for auction, while those with display prices accounted for 26.5% of all listings.



This shift would suggest a more competitive market. Auctions tend to thrive in a warmer market, so the rising number of auctions indicates increased confidence among both buyers and sellers to engage in sales under the hammer.

Richardsons preferred auctioneers, Apollo Auctions, found that in September & October their under the hammer results lifted to 43.9%, with a total of 61.1% sold unconditionally within 6 weeks.

In our region

Regions drove the rise in the national average asking price this month. Seven regions showed positive year-on-year growth with Coromandel (up 15.0%) showing the greatest increase.

Around our offices we have found enquiry and confidence has lifted, as have the number of new properties we are bringing to market. Our traditionally 'auction heavy' offices are back to recommending them as their preferred marketing method and are reporting steady enquiry.

Better yet, most of our offices are reporting robust numbers of sales. The only ones still below their usual spring activity are the East Coast offices most heavily impacted by the lack of SH25A. We are confident that this will change as soon as the new bridge opens.

Bring it on!

*Retrieved from: realestate.co.nz/blog/new-zealand-property-market-2023-october



"Penne Clayton, Licensed Agent and co-owner of our Hahei office takes her motivational words this month from economist and legend, Tony Alexander.

"There's growing acceptance that we're in the upwards leg of the cycle. It usually runs for about six years, and we are now entering month six... Expect house prices to rise 10% in 2024, and 15% in 2025..."

PENNE CLAYTON

Licensed Agent