

MONTHLY MARKET REPORT

DECEMBER 2023

Nationally

New Zealand's housing market remains robust, with all regions except one experiencing quarterly value growth. According to OneRoof/Velocity statistics, the national average property value increased by 2%, or \$19,000, in the three months ending November, reaching \$968,000.

This surge is attributed to low housing stock and heightened demand, particularly evident in the strong performances of the Auckland and Wellington regions, which saw increases of 2.5% and 2%, respectively.

Despite historically low stock levels, Auckland is witnessing a rise in new listings, instilling confidence among vendors about market conditions. However, prospective sellers anticipating swift sales and substantial price hikes should exercise caution.

Recent auction results indicate that we have not yet returned to the pre-slump levels of buyer FOMO (Fear of Missing Out). Interest rates remain a key factor restraining price growth, and it is noteworthy that the Reserve Bank has not ruled out a further increase in the Official Cash Rate (OCR), which currently stands at 5.5%.

Locally

December brought a noteworthy development, particularly for the east coast beaches, with the long-anticipated opening of the SH25A Taparahi bridge. The influx of visitors and bach owners has revitalized our beaches, creating a vibrant atmosphere.

However, the prolonged closure of Cathedral Cove continues to have a significant impact on local tourism, affecting the greater Mercury Bay area businesses, despite tourists not directly contributing to property transactions.

Our East Coast offices experienced a surge in property listings leading up to Christmas. In the Coromandel region as a whole, there was a year-on-year increase of 21.9% in new

DECEMBER 2023

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listings, a 35.6% rise in stock, and average asking prices rebounded above \$1 million following a lull in November.

This region typically exhibits a distinct boost during the holidays, with the appeal of beachside living and holiday homes maintaining buoyant activity. The notable increase in new listings in this area indicates vendors capitalizing on the upswing in visitor numbers.

The conclusion of the year saw the Hauraki region achieving notable success, particularly with the Ngatea and Paeroa offices, which played a pivotal role in driving business activities throughout 2023. This accomplishment can be attributed to several factors, including the heightened through-traffic resulting from the closure of SH25A, the favorable housing affordability in both Ngatea and Paeroa compared to the Auckland region, and an influx of families relocating to the Ngatea area with the aim of enrolling their children in the well-regarded Hauraki Plains College.

What the experts say

"The upshot is that the average pace of growth in house prices is likely to be higher through 2024 than was the case through 2023 and maybe even the period since June. Gains are likely to be greatest in the cities because of pressure from net migration flows. But history shows us that even if the cities or Auckland alone leads, the rest of the country eventually enjoys firmly rising prices also as people including investors seek better purchase prices elsewhere."

Tony Alexander, Economist

"Like Coromandel's sun-kissed beaches or Marlborough's prized Sauvignon Blanc, vendor activity lit up the market in these regions during December."

Vanessa Williams, realestate.co.nz

DECEMBER HAURAKI-COROMANDEL Market Update

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