

## 2018 Review: Sales & Rentals in Main Metros

In 2018, median sales prices saw a steady increase at the start of the year, especially in Auckland and Wellington, but this growth flattened out as the year went on. Therefore, although Auckland and Christchurch posted a slight increase in median annual sale price, more recent changes are negative in direction.

In contrast, Wellington and Dunedin posted the highest proportional growth in 2018, with median sales prices increasing from \$515k in January to \$615k in December and \$362k in January to \$430k in December respectively. The growth in Wellington was experienced through large fluctuations between some months. Dunedin's median sale price increased steadily with minor fluctuations. In contrast, Christchurch experienced a steady median sales price with a couple of spikes in July and October.

Rental prices were quite steady in Auckland and Christchurch in 2018 compared to Wellington and Dunedin. Two-bedroom rental prices in Auckland rose 18 points between January and December 2018, while the 3-bedroom rental price increased only by 12 points.

Rental prices in Wellington rose 52 points for 2-bedroom properties over 2018 – this is higher than 2017 (43 points), perhaps due to the increasing trend of people moving out of Auckland and into other parts of New Zealand. The establishment of various new government departments may have also fuelled Wellington growth.

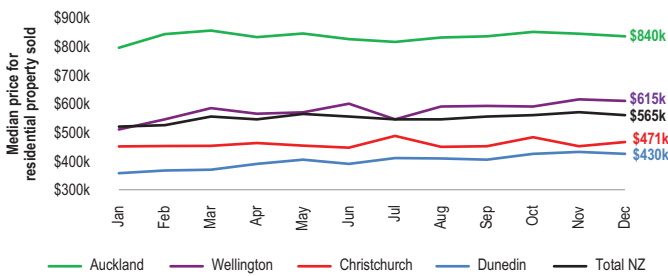
3-bedroom rentals in Wellington also posted an increase of 41 points. Dunedin 2-bedroom rental prices increased by 29 points over 2018, perhaps indicating increased demand, while 3-bedroom property prices increased by 31 points after witnessing no increase in 2017. Christchurch is quite steady, with just a 13 point increase for 2-bedroom properties and 9 points for 3-bedroom properties over the past year.

In 2018, the average selling price in New Zealand increased by 30% (\$127k) since 2014. These increases were most driven by shifts in Wellington and Dunedin. Auckland average sales prices are very similar to 2017. Dunedin experienced a large growth of 51% (\$136k) since 2014, due to a steady increase. Wellington also witnessed a growth in sales price, up 44% (\$179k) compared to 2014. Christchurch sales price saw a slight drop in 2018 at (\$3k) since last year; the average selling price was quite similar to the period 2016-18. Since 2014, the city has seen a 9% (\$38k) rise in selling prices.

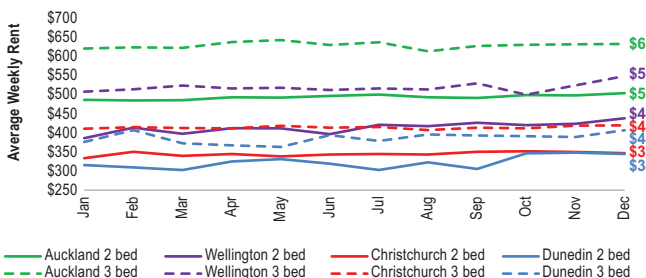
Rental prices for Auckland have increased by 20% (\$83) for 2-bedroom and 17% (\$96) for 3-bedroom dwellings since 2014. Christchurch has witnessed a drop in rental prices by 2% (\$7) for 2-bedroom and 5% (\$23) since 2014. The rental prices in Christchurch have remained quite similar to the period 2016-18.

Wellington rental prices have again increased substantially over the past four years. Since 2014, 2-bedroom dwellings have shown an increase of 27% (\$89) and 3-bedroom dwellings have shown an increase of 24% (\$101). Dunedin has also experienced an increase in rental prices in the past four years – 20% (\$55) for 2-bedroom dwellings and 22% (\$69) for 3-bedroom dwellings.

Median Sales Prices - By Month Over 2018

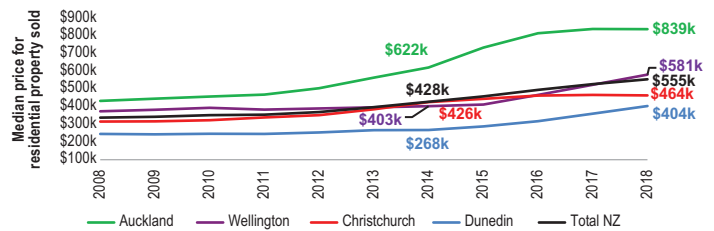


Average Rental Levels - By Month Over 2018

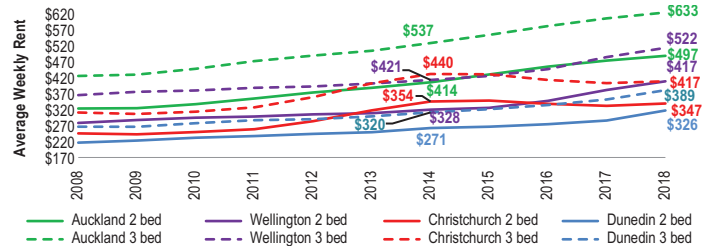


Source: REINZ

Average Sales Price - By City By Year

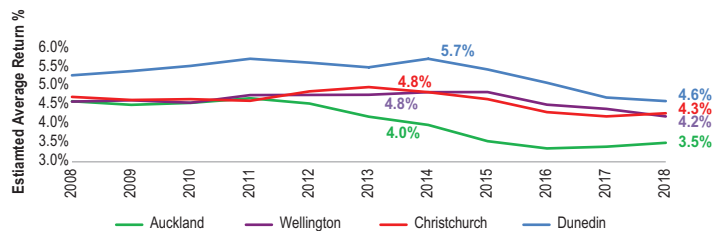


Average Rental Levels - By City By Year



An estimation of the rental return (yearly rental income divided by house price) indicates that returns across Auckland and Christchurch have bounced back after several years of falling returns resulting from sales prices increasing faster than rents. In contrast, Wellington and Dunedin rental returns have continued to fall.

Estimated Average Rental Return



Source: REINZ



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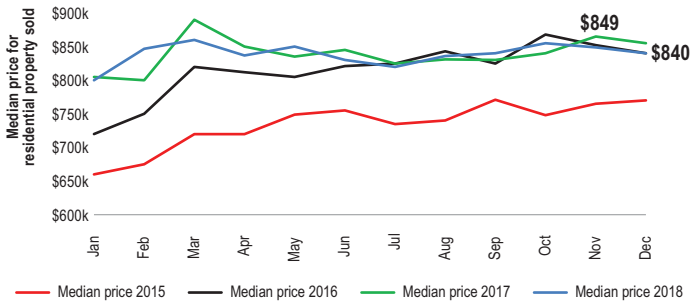
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# Auckland Sales & Rental Update

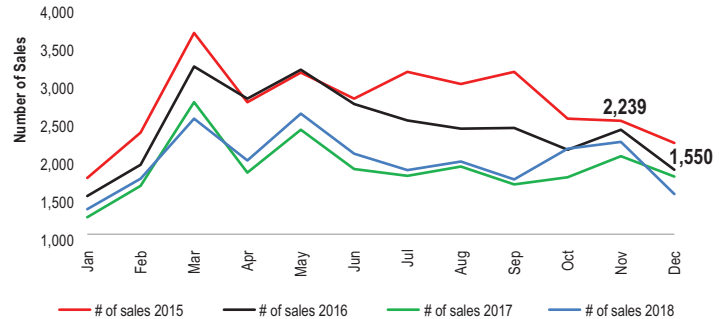
## Auckland Median Prices & Sales Numbers

The median sales price for Auckland residential properties dropped from \$849,000 in November to \$840,000 in December, slightly lower than the same time last year (\$855,000). Sales volume also dropped from 2,239 in November to 1,550 in December. This is a sharper drop compared to the one witnessed in December 2017.

**Auckland Residential Property Sales Median Price**



**Auckland Residential Property Sales Number**

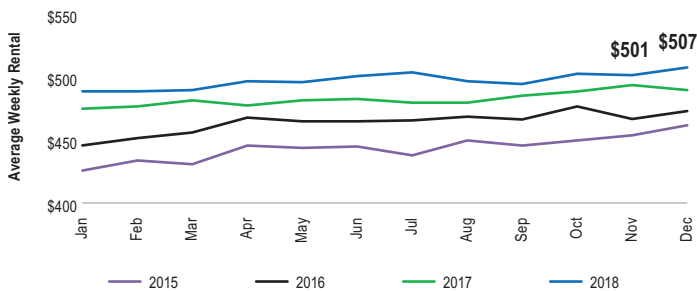


## Auckland Rental Prices

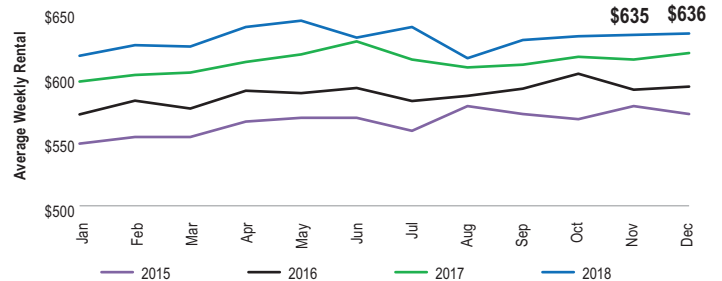
The average Auckland rent for 2-bedroom residential properties has increased from \$501 in November to \$507 in December, while the average 2-bedroom rental across New Zealand has increased from \$415 in November to \$420 in December. The Auckland 2-bedroom premium is steady at 21%.

The average rent for 3-bedroom properties in Auckland has marginally increased from \$635 in November to \$636 in December, whilst average 3-bedroom rents across New Zealand have increased from \$495 in November to \$500; this is the first time 3-bedroom rent has touched \$500 across New Zealand. This has resulted in the Auckland 3-bedroom premium dropping marginally from 28% in November to 27% in December.

**Auckland Residential Property Weekly Rentals - 2 Bedroom**



**Auckland Residential Property Weekly Rentals - 3 Bedroom**



Source: REINZ

Source: REINZ

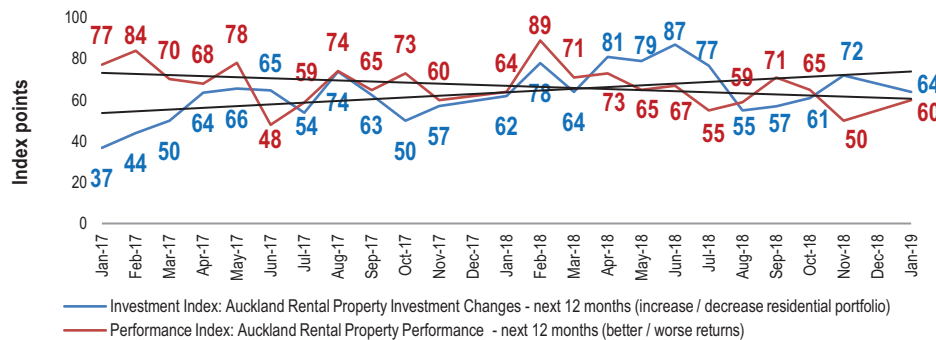
# Crockers Property Investment Index



In the latest Crockers Property Investment Index (CPII) survey in association with IPSOS, the **Auckland Rental Property Investment Index**

has dropped this month after witnessing a steady increase in Aug-Nov '18.

However, the **Auckland Rental Property Performance Index** has picked up after witnessing a drop in Sep-Nov '18, thus indicating that more investors are expecting their rental property performance over the next 12 months to get better.



Source: CPII Survey January 2019

**Crockers Property** | PO Box 74054 Greenlane, Auckland 1546 | 525 Manukau Road, Epsom, Auckland 1023 | T 09 630 8890  
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