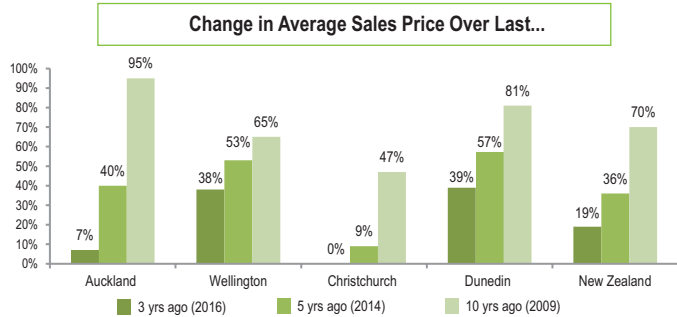


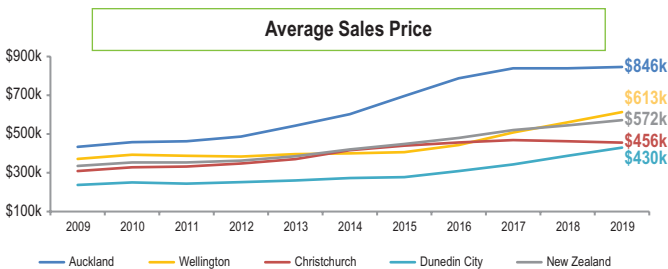
## Best Buying: A Review of the Main Centres

Over the past 3 years, Auckland has seen a small increase in average sales price in comparison with Wellington (38%) and Dunedin (39%), whilst Christchurch sales over the past year have remained flat. As expected, Auckland has seen a sharp increase in the average sales price since 2009, a growth of 95%. Other centres have also experienced solid increases – Dunedin prices growing by 81% and Wellington by 65% over the past 10 years.

Christchurch's sales prices continue to remain flat over the past 5 years (9% increase), as the city continues to rebuild and grow since the earthquake. Dunedin has shown the largest increase in the past 5 years (57%), indicating that increasing house prices in Auckland and Wellington have also had an influence on areas such as Dunedin.



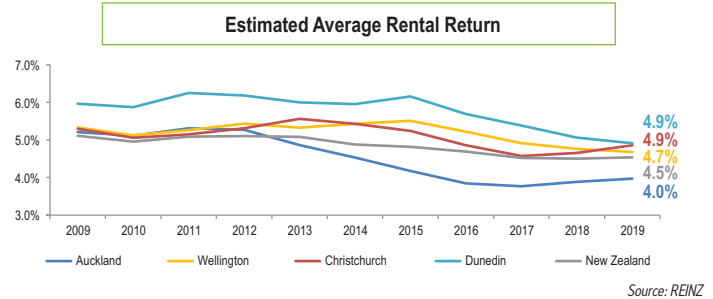
Source: REINZ - Note: Average annual sales price to August 2019. Sales prices based on 12-month rolling figures.



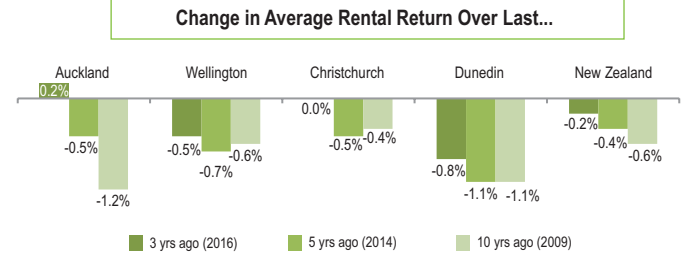
Source: REINZ

This month we also look at the estimated average rental return over time. Post 2012 there was a notable decline in the estimated average rental return as the housing boom hit, with a strong divergence from the rest of the cities occurring in the city of Auckland. After 2017 this started to flatten out as we saw the housing market cool, with an encouraging increase in average rental return in Auckland over the past 3 years (0.2%), while Christchurch remains the same (4.9%).

Although Dunedin has experienced the largest decline in rental return in the past year, of the four main centres it remains the city with the best returns along with Christchurch (4.9%), followed by Wellington (4.7%). Auckland remains the city with the worst returns (4.0%).



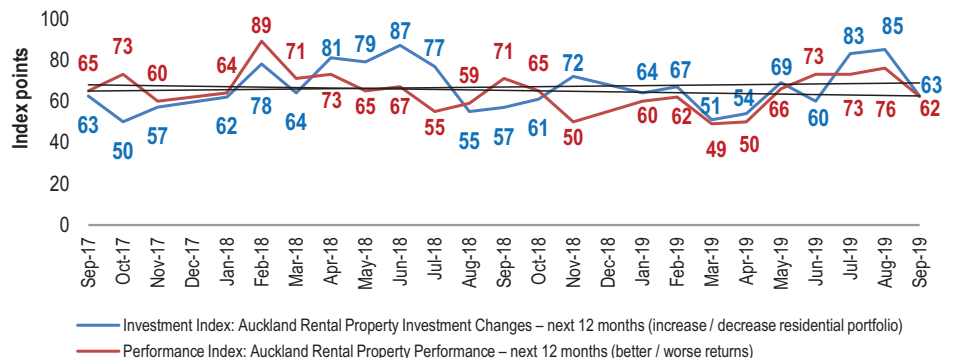
Source: REINZ



Source: REINZ - Note 1: Change in average rental returns (3 bed) to August 2019.  
Note 2: A basic calculation of rental returns – average yearly rental income [3-bedroom homes] divided by sales prices.  
Average Annual Sales Price and Average Rent (3 bed) to August 2019.

## Crockers Property Investment Index

Both the **Auckland Rental Property Investment Index** and the **Auckland Rental Property Performance Index** have declined this month, due to an increase in pessimistic investors, perhaps as a result of the Auckland housing market's flattening off in the past few months plus the increasing compliance demands placed on landlords.



Source: CPII Survey September 2019



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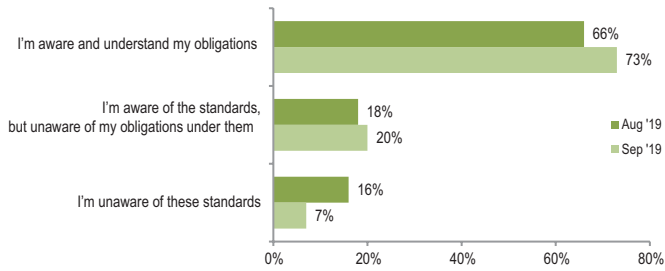
# What Our Investors & Landlords Are Saying

## Healthy Homes Standards

This month in our latest CPII survey in association with IPSOS, we again decided to ask landlords whether they were aware of the new healthy homes standards that will come into effect on 1st July, 2021. Encouragingly, there has been an increase in investors' awareness of the new standards coming into effect (93%, up 9 points on last month).



**Aware of New Healthy Homes Standards (coming into effect 1 July 2021)**

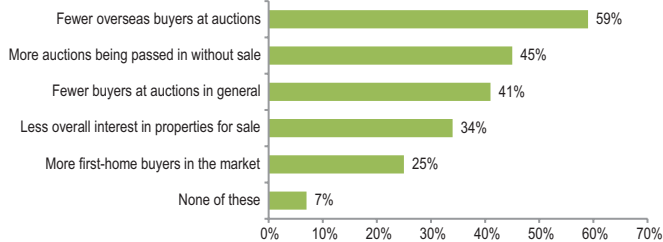


Note: Excludes those who don't own a rental property.

## Auckland Residential Housing Market

Sales activity and prices in the Auckland residential housing market have slowed down in recent months, with various reasons suggested. We asked investors what, if any, of the following changes they had noticed to the market. Some 59% of investors have seen 'fewer overseas buyers at auctions' and 45% have seen 'more auctions passed in without sale'.

**Auckland Residential Housing Market**

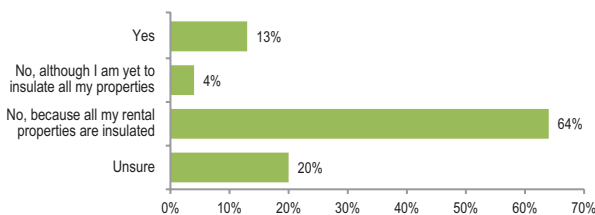


Note: Excludes 'Don't know' responses.

## Property Management

Some tenants have been in the news recently for challenging landlords and property managers who have yet to install insulation in their houses, which is now legally required for all properties where practical. This month we asked investors whether or not they had noticed an increase in tenants raising this issue with them or their property managers. Some 13% of investors have noticed an increase in tenants raising this issue.

**Property Management**



Source: CPII Survey September 2019

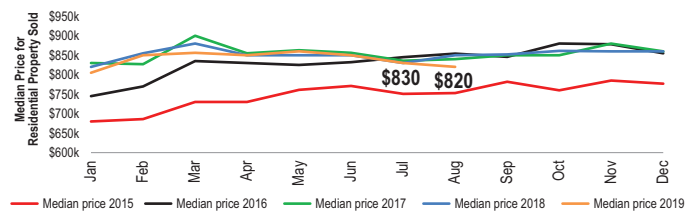
# Auckland Sales & Rental Update

## Auckland Median Prices & Sales Numbers

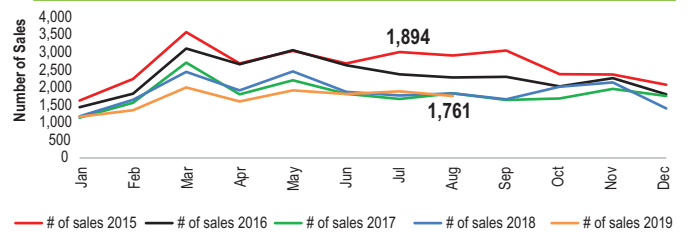
The median sales price for Auckland residential properties decreased from \$830,000 in Jul-19 to \$820,000 in Aug-19; this decrease represents a divergence from the norm and further accentuates the softening in the housing market.

The sales volume decreased from 1,894 in Jul-19 to 1,761 in Aug-19; sales volume in the market also seems to be flattening out, understandably given the decreased returns to be made by speculators.

**Auckland Residential Property Sales Median Price**



**Auckland Residential Property Sales Number**

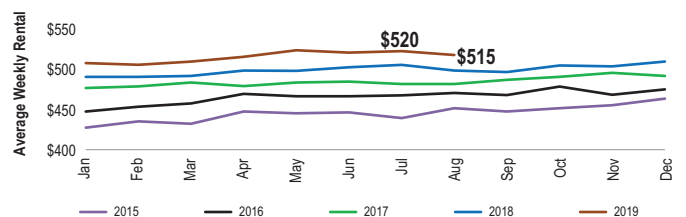


## Auckland Rental Prices

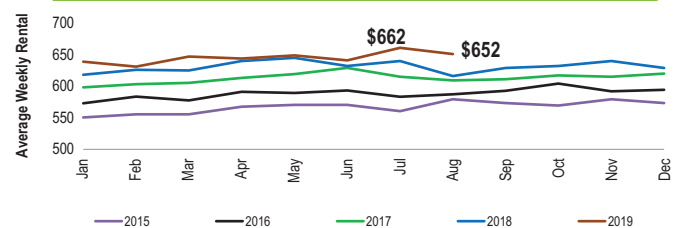
The average Auckland rent for 2-bedroom residential properties decreased from \$520 in Jul-19 to \$515 in Aug-19, while the average 2-bedroom rental across New Zealand also decreased from \$450 to \$445. This has resulted in the Auckland 2-bedroom premium remaining the same this month.

The average rent for 3-bedroom properties in Auckland decreased from \$662 in Jul-19 to \$652 in Aug-19, whilst the 3-bedroom rental prices in New Zealand increased from \$500 to \$510. This has led to a decrease in the Auckland 3-bedroom premium this month.

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



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



Source: REINZ

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