

Inside this Issue • Sales prices get airborne • Auckland rental levels are on the move • Rental properties over the bridge: are they a shore thing?

## Sales prices take off in March

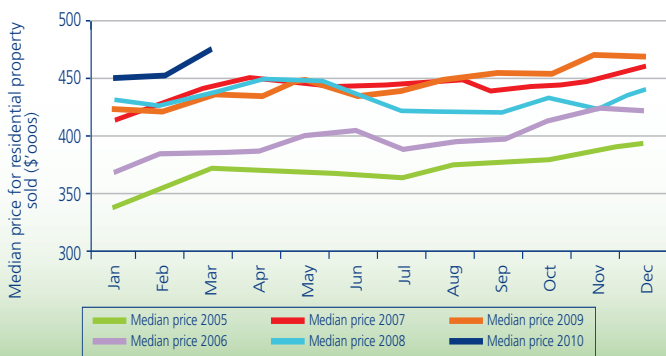
With sales numbers tracking almost exactly along 2009 levels, it's intriguing to see a major jump in median prices for residential properties in March. A moderate jump is 'normal' at this time of year, but the 5% leap on February's median price is surprising, and something not seen since 2005.

For the record, March's median sales price of \$475,000 is 9% up on March last year, while the 2,187 sales recorded are just a paltry three short of the 2,190 sales in March 2009.

Nationwide movements were more moderate, delivering a 'mere' 3% rise on February price levels and an 8% year-on-year lift for a national median price of \$360,500. Total sales, however, fell by 8% compared with the previous March, suggesting that Auckland is once again heating up ahead of the rest of the country.

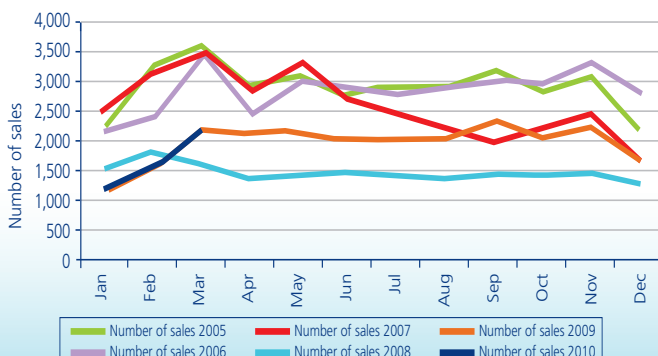
The continued recovery of upmarket areas in Auckland City and North Shore City is the main source of recent price rises, with Papakura also climbing out of the late 2008 trough. It's timely, then, that this month's detailed analysis focuses on the North Shore City area.

Auckland Residential Property Sales Median Prices



Source: Real Estate Institute of New Zealand

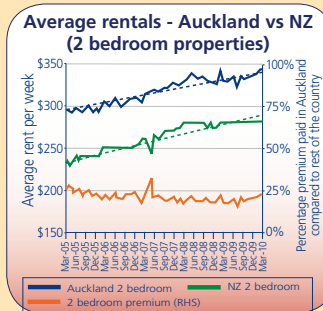
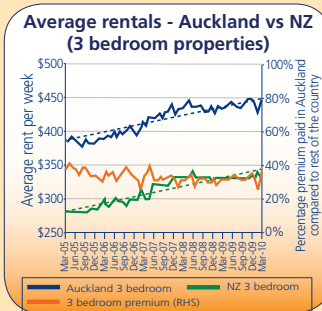
Auckland Residential Property Sales Numbers



Source: Real Estate Institute of New Zealand

## Rental levels on the move

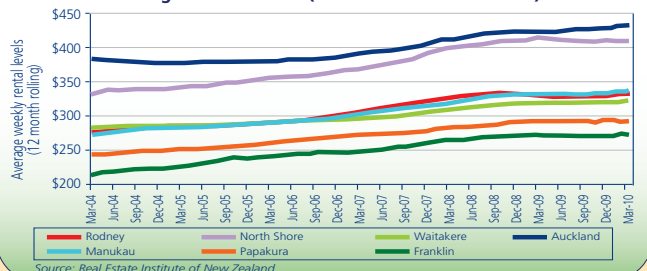
While nationwide rental levels remain flat (particularly in the two-bedroom market, where the average has remained the same at \$280 per week for 15 months), rent levels in Auckland set new records in March, reaching \$343 a week in the two-bedroom market and \$449 a week for three-bedroom properties.



Source: Real Estate Institute of New Zealand & Department of Building and Housing

Auckland City rental levels, in particular, are creeping upwards, as are those of Waitakere City and Manukau City.

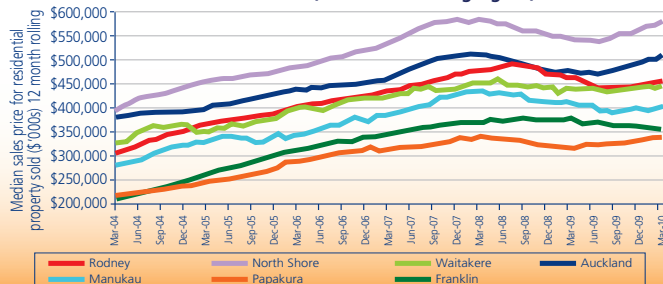
Average Rental Levels (2 & 3 bedroom combined)



Source: Real Estate Institute of New Zealand

Rental levels on the North Shore, by contrast, have remained stable for some time despite rising sales prices. In fact, they're below those of Auckland City, perhaps reflecting the relative scarcity of premium rental properties on the Shore.

Sales Median Prices (12 months rolling figure)



Source: Real Estate Institute of New Zealand

# So what's happening in North Shore City and beyond?

While prices rose almost 10% year on year in the 'inner' North Shore suburbs of Takapuna and Devonport, those in the 'far north' regions of Albany and Rodney declined. Birkenhead defied the 'inner' city trend with a relatively modest 6% rise, while Glenfield does well achieving a close to 8% rise.

Table shows year on year sales price shift for 12 months to March 2010

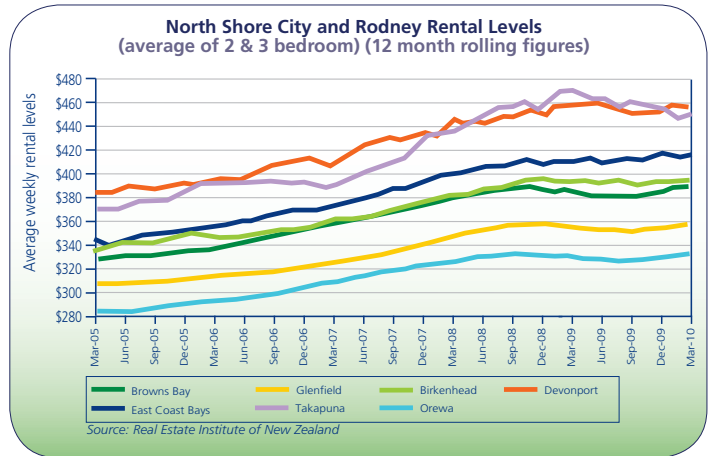
East Coast Bays	Albany	Glenfield	Birkenhead	Takapuna	Devonport	Rodney
7.1%	-0.8%	7.6%	6.2%	9.5%	9.8%	-2.0%

Even though the geographic splits used for rental statistics do not exactly reflect those used for sales data, it's still clear that rental level movements have little connection with sales prices. For example, Takapuna rental levels dropped 4% (vs a 10% lift in sales prices), while Browns Bay, East Coast Bays and Orewa showed modest rises, possibly reflecting an increased demand for rental properties in outlying areas.

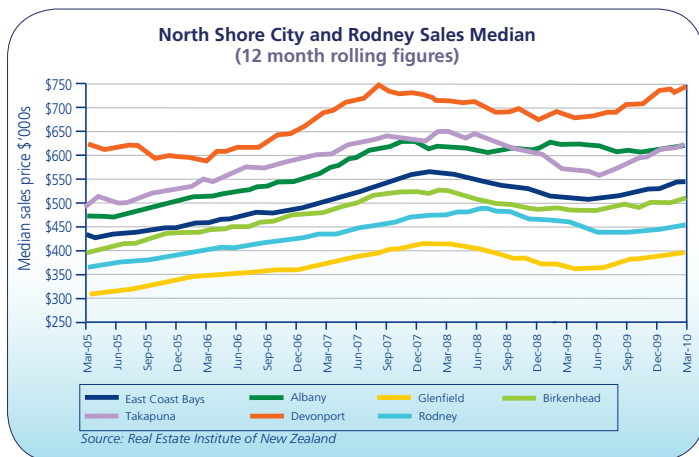
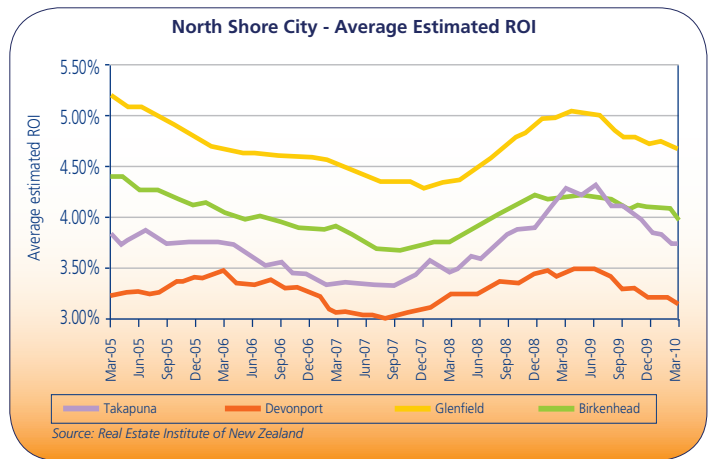
Table shows year on year weekly average rental shift for 12 months to March 2010

East Coast Bays	Browns Bay	Glenfield	Birkenhead	Takapuna	Devonport	Orewa
1.7%	1.1%	0.6%	0.3%	-4.1%	-0.3%	1.2%

Actual sales price and rental price trends are shown on the next two charts (note that each graph is to a different scale, and the curves in the rental graph are actually steeper than they appear, compared with those in the price graph). Of particular note is the wide variation in price movements. For example, Devonport prices are nearing previous highs, with Takapuna also recovering strongly. Other areas are showing only modest signs of recovery (Rodney, East Coast Bays), while Albany remains firmly in the doldrums.



Rental level rises have been more consistent across the region, although Takapuna has maintained its 2007 edge over Devonport. Where it's possible to compare rental levels to sale prices, we find that the average estimated ROI has consistently fallen since the peaks of mid-2009. Devonport delivers the lowest returns, while Glenfield is the clear star.



**See Crockers Strata Sphere for an update on the Unit Titles Act**  
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