



North Shore Residential – Autumn 2019



All figures compare March 2019 quarter with March 2018 quarter

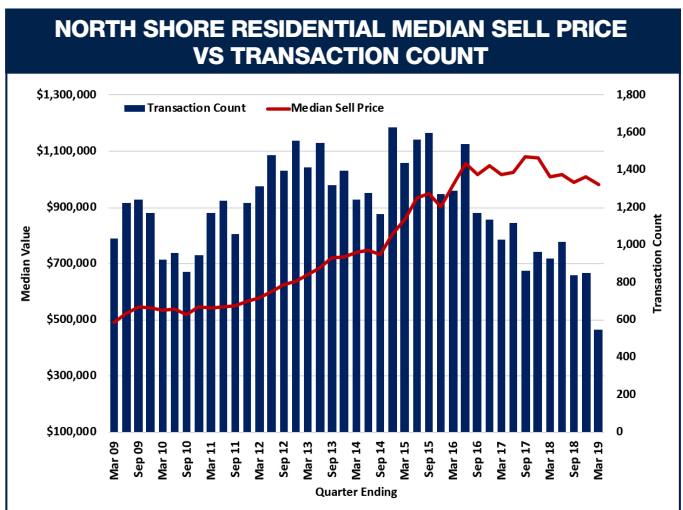
Residential median values on the North Shore continue to hold at elevated levels as we continue through the current consolidation phase. Strong market fundamentals combined with the North Shore's attractive amenity keep prices at elevated levels.

The North Shore market has witnessed continued consolidation with residential prices running relatively flat since 2016. The March 2019 quarter saw a median residential value of \$982,000, down 3% from the same period a year prior and up 0.5% when compared with the same period three years earlier (March Q 2016).

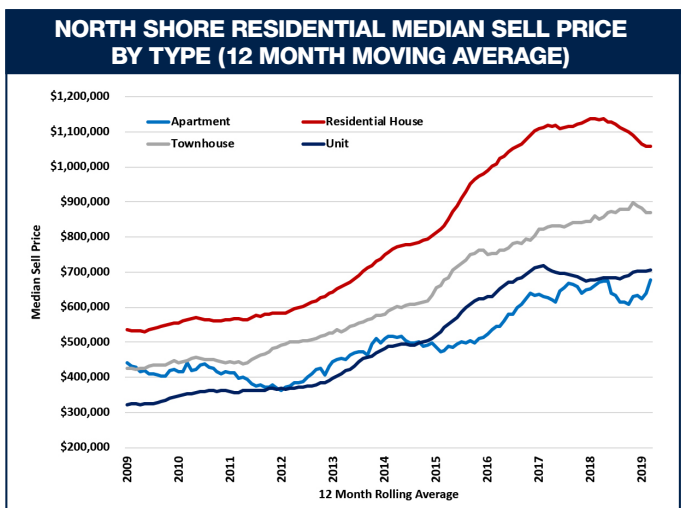
The total number of transactions in the North Shore market over the March 2019 quarter stood at 550, down 35% when compared with the prior quarter.

The decrease in transactional activity can largely be attributed to banks reigning in lending, making it harder for buyers to access credit. This coupled with low housing affordability, the ban on foreign buyers and the fear of missing out (FOMO) factor being removed from the market, are all also contributing to the slowing in sales activity.

Residential prices are however holding at elevated levels as a result of the fundamental supply and demand imbalance in the market, underpinned by a continuing housing shortage with capacity constraints in the construction sector, despite continuing high levels of net migration.



Source: REINZ



Source: REINZ

When breaking the North Shore down by property type and analysing the 12 month moving average of median values, it is evident that all property types hold their own on the North Shore market.

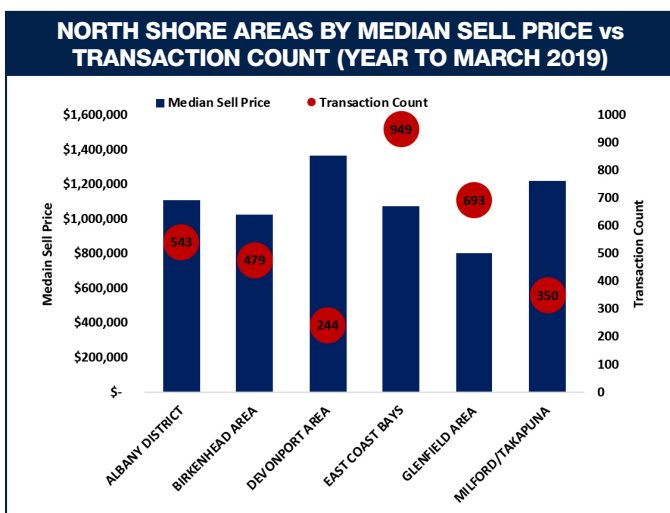
Stand-alone residential houses, continue to achieve the highest median value of all housing types, although in line with trends in the wider Auckland market, this value growth has softened over the last few years.

Residential value growth for higher density housing, in particular townhouse accommodation, has run strong throughout this period of consolidation, up 5% when compared with the 12 months to March 2019 and the same period two years earlier.

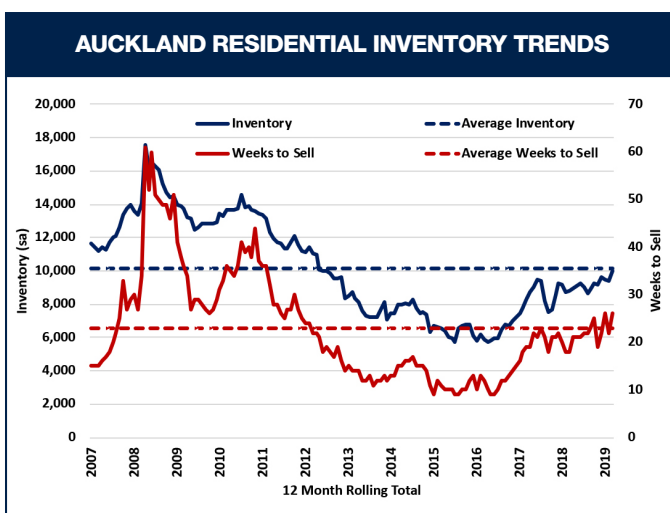
When breaking the North Shore down by area, Devonport continues to hold title as the most sought after and tightly held area with a median value of \$1,367,500 and a total of 244 transactions over the year to March 2019. The East Coast Bays was the most active of the areas witnessing 949 transactions, providing a more affordable entry point into the coastal North Shore market.

Inventory levels Auckland wide are now almost at their long term average, as the total amount of stock available to the market increases. The number of weeks inventory sits on the market currently stands at 26 weeks, which is now just above the long term average of 23 weeks. The overall increase of available stock across Auckland has removed the sense of urgency witnessed during the peak of the market, allowing people to make more timely property decisions.

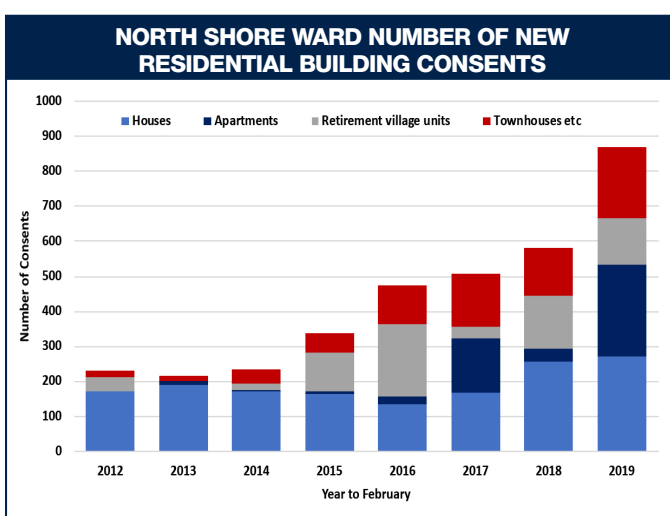
The total number of new residential building consents issued over the year to February 2019 has reached a long term peak of 870, up 50% when compared with the same period a year prior. The total share of consents issued for stand-alone houses was just 31% over the year to February 2019. Higher density housing development continues to grow as a result of the Auckland Unitary Plan. The year to February 2019 saw Apartments and Townhouses hold a 30% and 23% share respectively, of all consents issued.



Source: REINZ



Source: realestate.co.nz



Source: StatsNZ

SELECTION OF NORTH SHORE SUBURBS - YEAR TO MARCH 2019 (COMPARED WITH YEAR TO MARCH 2018)

	Median Sell Price	% Change	Transaction Count	% Change	Days on Market	% Change
Albany	\$987,500	-10%	303	-19%	48	-4%
Greenhithe	\$1,400,000	-3%	113	-6%	52	0%
Birkenhead	\$970,500	-2%	156	-5%	51	14%
Northcote Point	\$1,450,000	9%	39	-15%	50	-6%
Devonport	\$1,440,000	-9%	166	-14%	55	22%
Browns Bay	\$1,005,000	2%	187	-24%	57	21%
Campbells Bay	\$1,795,000	-7%	27	-34%	47	23%
Birkdale	\$820,500	5%	104	-33%	38	-12%
Glenfield	\$822,000	-5%	220	-25%	43	-4%
Hauraki	\$1,500,000	4%	15	-17%	53	40%
Milford	\$1,234,000	3%	124	-14%	47	2%
Takapuna	\$1,200,000	-5%	211	-20%	53	24%
Coatesville - Lifestyle	\$2,175,000	4%	105	-6%	105	3%
Dairy Flat - Lifestyle	\$1,785,000	-17%	78	4%	78	-55%

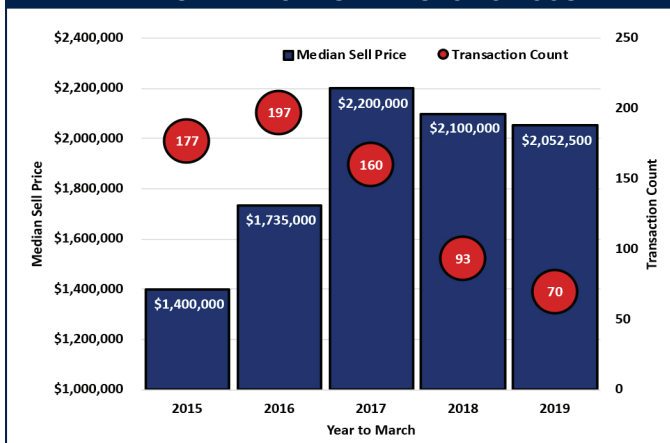
Compared with year to March 2018

Source: REINZ

Spotlight on Coatesville and Dairy Flat Lifestyle Blocks

Lifestyle blocks in the Coatesville and Dairy Flat areas recorded a median value of \$2,052,500 over the year to March 2019, down 2% when compared with the same period a year prior. Along with the wider Auckland market, a period of consolidation has been witnessed in lifestyle property median values over the past three years. Prior to this consolidation however, Coatesville and Dairy Flat lifestyle values increased significantly, rising 57% or \$800,000, when comparing the year to March 2015 with the year to March 2017.

COATESVILLE & DAIRY FLAT LIFESTYLE BLOCKS MEDIAN SELL PRICE VS TRANSACTION COUNT



Source: REINZ

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