



Housing market update

May 2022

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Orderly price retreat sees Auckland house sales increase

Auckland house prices are continuing their orderly retreat from their peak in November last year.

"Sales prices are definitely starting to fall, but not dramatically," said Peter Thompson, Managing Director of Barfoot & Thompson.

"May sales results show vendors are accepting that if they want to sell, they must reappraise their price expectations while buyers are realising that prices are not falling off the cliff edge.

"In May, the average selling price was \$1,189,779. Compared to the same month last year this is an increase of 6.8 percent, but when compared to last month's average it was down 1.9 percent and 2 percent lower than the average for the previous three months.

"The same trend is there for the median price, which was \$1,125,000 in May. This is 4.9 percent higher than in May last year, 1.4 percent lower than last month and 2 percent lower than the median price over the previous three months.

"May's average price is 7 percent lower than the peak average sales price achieved in November last year (\$1,278,647) and the median price is 9.3 percent lower than at its peak (\$1,240,000) also achieved in November last year.

"The realisation by buyers that prices are edging lower rather than falling rapidly resulted in sales numbers for the month reaching 782, up more than a quarter on those for April. However, turnover remained lower than is normal for May.

"New listings at 1416 were in line with expectations and at month end we had 4701 homes on our books. While this is 50.6 percent higher than in May last year it is 3 percent lower than last month.

"The combination of solid new listings, modest sales and lower month end listings indicates that some vendors not able to achieve the price they want for their property have delisted rather than lower their asking price.

"Of the homes sold, 15.2 percent were for less than \$750,000 while 9.2 percent of properties sold for more than \$2 million and 2.7 percent for more than \$3 million.

"Rural and lifestyle sales activity also increased on that for April, with property sales numbers increasing two thirds to 40, for a combined sales value of \$86.2 million.

"Top end bare land and lifestyle building platforms have been attracting keen buyer interest."

Barfoot & Thompson makes strategic investment in Hamilton real estate

Last week, Barfoot & Thompson made a strategic, 50 percent investment in Hamilton's leading real estate company, Lodge Real Estate Limited. This is our second strategic move to have a greater profile in the Auckland, Hamilton, Tauranga triangle as these cities become more interdependent and more closely aligned economically.

The economic development of the top half of the North Island is increasingly centring around the 'golden triangle'. It will lead to greater business and people movement, population growth and business opportunities. As a business we plan to participate in that business growth.

Growing regionally will also make us less dependent on the Auckland market, which makes good business sense. The other 50 percent shareholding will continue to be held by Lodge's Managing Director, Jeremy O'Rourke.

The Lodge brand is Hamilton's equivalent of Barfoot & Thompson and is its market leader.

Lodge will continue to operate under its existing name, branding and senior management team. Barfoot & Thompson's representation will be at board level.