

South Island Market Watch.

Bringing you the latest news, facts and figures specific to your local market.

What's been happening in the South Island?

South Island Provincial - August 2017

As is the case around the rest of the country, the property market has dipped in the provincial South Island in the lead up to the election.

Sales have decreased by almost 30%, with listings also down 16% compared with the same time last year.

Harcourts CEO Chris Kennedy says people tend to hold off making large financial decisions prior to general elections.

“We see the same phenomenon every three years. However, in addition to the election, there has been an overall cooling in the property market.

“This started in Auckland, is spreading south.”

Kennedy says it's due to a number of factors including a drop in the number of foreign investors, and Reserve Bank measures including the Brightline test and LVR restrictions.

However, Kennedy says a cooling market does not equate to a crash.

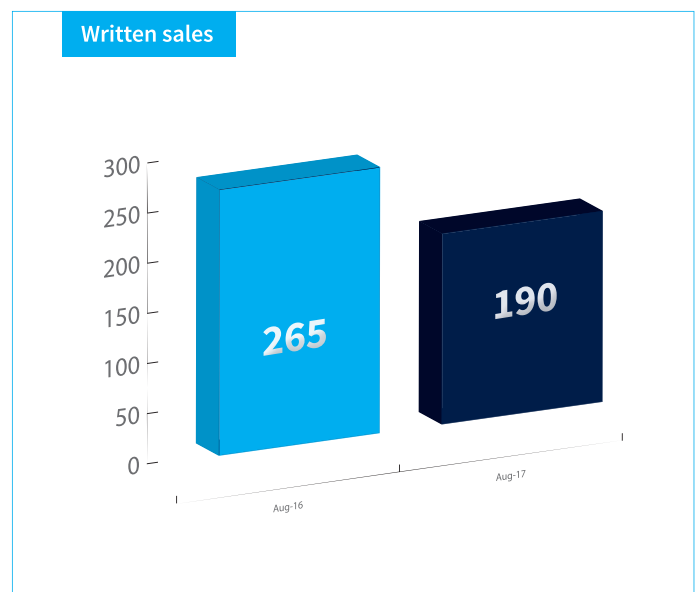
“Whatever the outcome of the election, we still have a housing shortage in New Zealand which is not going to be solved anytime soon. For that reason, I expect to see the market recover somewhat after election day.”

Meanwhile, the provincial South Island remains the most affordable part of New Zealand to live in, with the average price sitting at just under \$400,000.

For further comment contact:

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Written sales year to date



Average price year to date



Compared to last year

	Aug 2017	Aug 2016	% Change
Total listings	219	261	-16.1%
Property on hand	857	971	-11.7%
Written sales	190	265	-28.3%
Average sale price	\$398,256	\$339,612	9%

*Based on residential only figures