

# TONY ALEXANDER Regional Property Insights

DECEMBER 2021

SPONSORED BY



**FIRST MORTGAGE TRUST**  
INVESTMENTS | PROPERTY FINANCE



## Contents

Introduction .....	2
Northland .....	4
Auckland .....	5
Bay of Plenty .....	6
Waikato .....	7
Gisborne .....	8
Hawke's Bay .....	9
Manawatu-Wanganui .....	10
Taranaki .....	11
Wellington .....	12
Nelson, Tasman, Marlborough .....	13
West Coast .....	14
Canterbury .....	15
Dunedin City .....	16
Queenstown Lakes .....	17
Southland .....	18



# Regional Property Insights

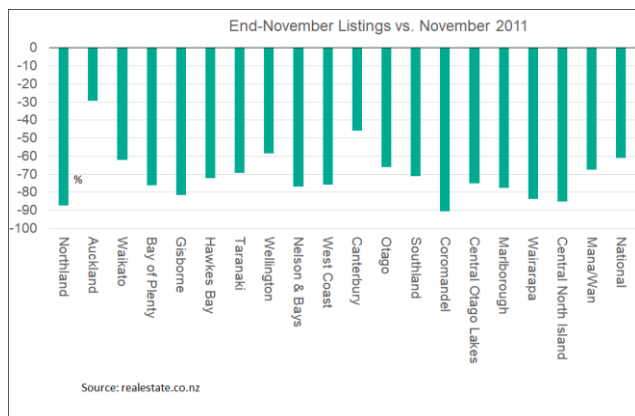
## Introduction

Welcome to the final issue of Regional Property Insights for 2021, prepared by Tony Alexander with the support of First Mortgage Trust.

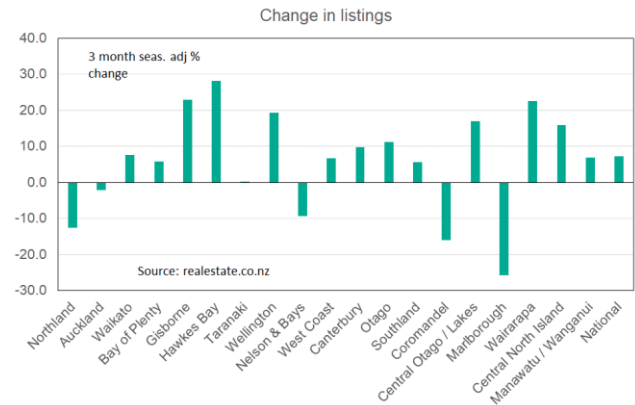
In each issue we examine developments in regional residential property markets with a focus (usually) on the long-term trends rather than just the most recent developments in the likes of prices, sales volumes, days to sell etc. Our aim is to help people to see the underlying trends which are relevant to areas where they might own property or are contemplating owning it, with the hoped-for outcome being a better match between people's ownership desires and potential outcomes.

In this month's issue we set the scene for developments over 2022 by looking at changes in the availability of properties in each region. One indicator of availability is listings data from realestate.co.nz. Another is the volume of consents for new dwellings being issued. Also, for some regions we can gain insights from agent feedback on appraisal requests received in each region in the most recent survey of real estate agents undertaken by Tony Alexander and REINZ. For some regions we can also look at agent indications of investor attitudes towards selling.

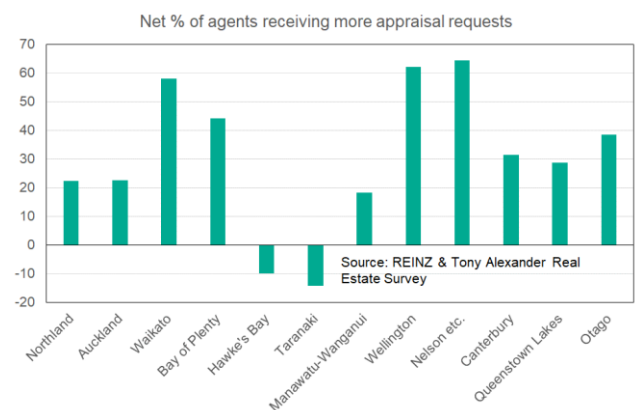
The availability of listings compared with ten years ago is very poor in some smaller locations, but least so in Auckland where people believe there is a property shortage.



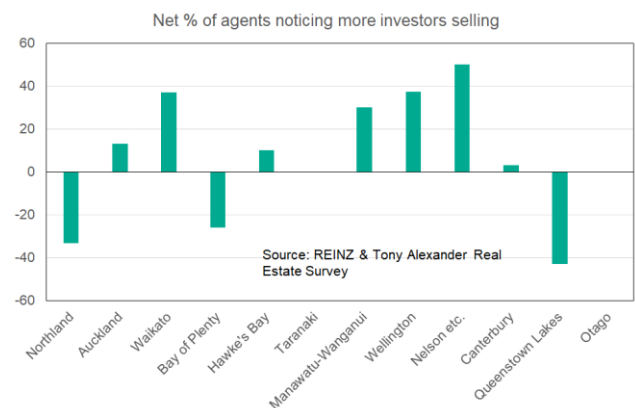
The number of new listings received by realestate.co.nz has risen in almost all regions over the past three months.



In the regions for which sufficient responses are received in the REINZ & Tony Alexander Real Estate Survey, we can see rising appraisal requests for most.



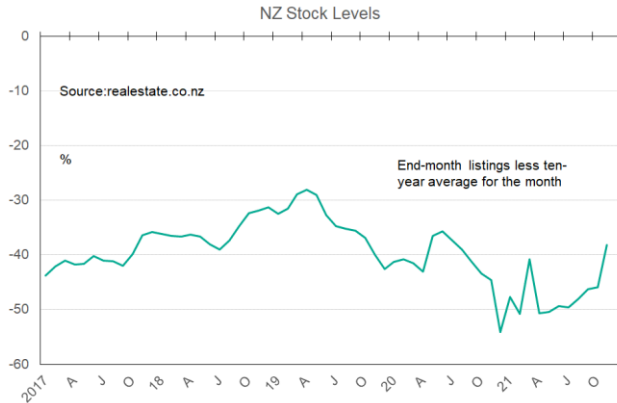
The survey also tells us that in many regions more agents are noticing more investors stepping forward to sell their property.





# Regional Property Insights

The upshot is that the extent to which numbers of listings are below the ten-year average for the relevant month has been easing recently.



But the change is fairly small so far. It will take quite a few months before listing stocks get comfortable from the perspective of a buyer.

The other most recent issues of Regional Property Insights have examined the following trends for each

## May 2021

We examined the extent of construction growth in each region with reference to the ratio of consent numbers to the population base, along with occupancy rate changes between the censuses of 1991 and 2019.

[RPI May 2021](#)

## June 2021

We looked at changes in the number of properties listed for sale in each region, trying to see where things are improving for buyers and where availability continues to worsen.

[RPI June 2021](#)

## July 2021

We looked at how regional real estate markets have changed since the March 23 tax announcement and slightly earlier return of LVRs.

[RPI July 2021](#)

## August 2021

We looked at data sourced from the various monthly surveys run by Tony Alexander.

[RPI August 2021](#)

## September 2021

We looked at median rents plus growth in consent numbers compared with population growth.

[RPI September 2021](#)

## October 2021

By examining a wide range of measures we can rank each region by its recent real estate strength.

[RPI October 2021](#)

## November 2021

In this month's issue we update our long-term price trend graphs last looked at in July, taking into account the recent acceleration in price rises seemingly associated with the lockdowns from August 18.

[RPI November 2021](#)

Further extensive discussion of house price movements and factors affecting prices can be found in the weekly Tony's View publication available from [www.tonyalexander.nz](http://www.tonyalexander.nz)



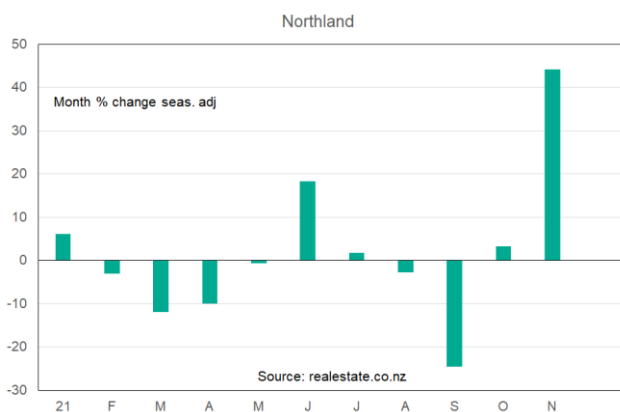
# Regional Property Insights

## Northland

### Good listings growth recently

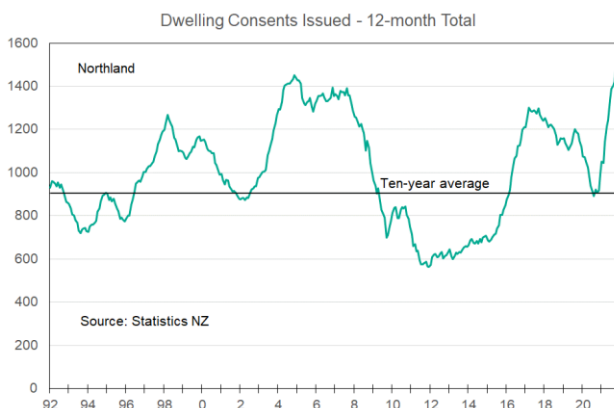
In Northland at the end of November, the number of properties listed for sale was down by 87% from ten years before, compared with a 61% decline nationwide. Compared to a year ago, listings were down 20% versus a 2% rise nationwide. In Northland listings availability is very poor.

But in seasonally adjusted terms the number of new listings received by website realestate.co.nz during November was ahead 44% from October which was up 3% from September. Excluding lockdown-affected Auckland the change in new listings nationwide in November was 17% and in October 12%.

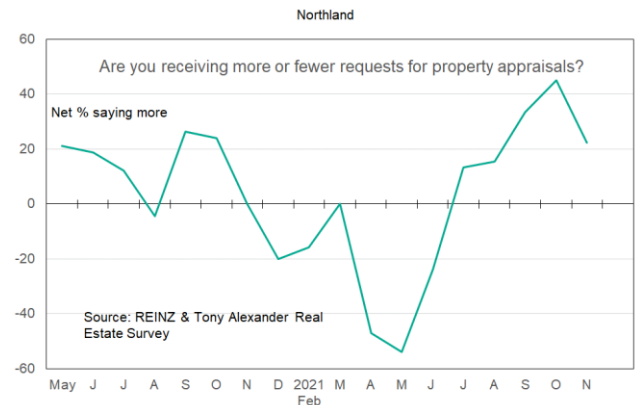


Therefore we can see that for the moment the rise in new listings in Northland is exceeding the national growth.

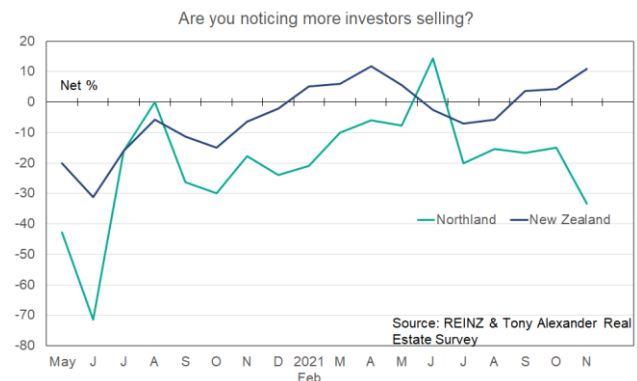
Over the past year the number of dwelling consents issued in Northland has jumped by 63% compared with a 26% rise nationwide.



And from the REINZ & Tony Alexander Real Estate Survey for late-November we can see that there has been a strong lift in recent months in the net proportion of agents seeing more potential vendors asking for property appraisals.



However, unlike many other regions discussed below, there is no upward movement in the proportion of agents noticing more investors stepping forward to sell their properties.



Property availability looks like firmly improving for buyers in Northland in the coming year. But the region is starting from a very low number of listings and with no wave of investors looking to sell, it would not seem reasonable to expect any particularly strong weakness in prices from supply-side movements in Northland over 2022.



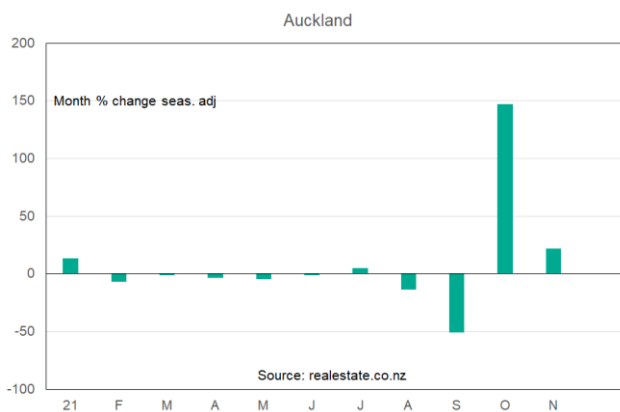
# Regional Property Insights

## Auckland

### Listings rise clouded by the lockdown impact

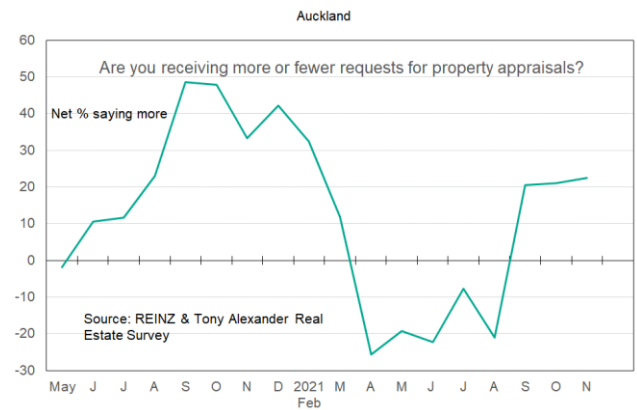
Because of the impact of Auckland's extended lockdown from August 18 we have to be very careful when analysing data for the housing market over recent months and even more careful about making any strong conclusions. With that warning in mind we can see the following.

In seasonally adjusted terms the number of new property listings in Auckland was ahead 22% in November compared with October. But October's rise was 147% after a fall of 51% in September. This sort of monthly change measure is not useful for us at the moment.

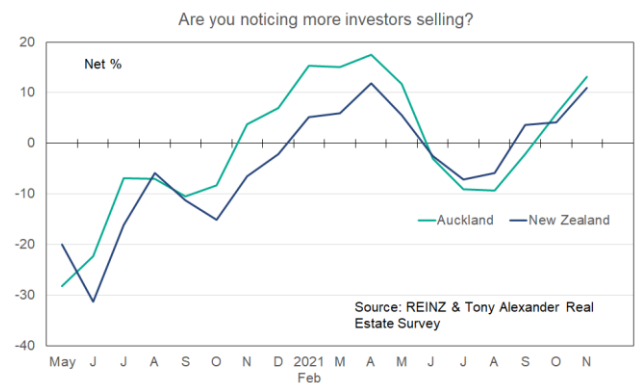


But the stock of listings at the end of November was 3% ahead of a year earlier and new listings 3% also stronger than a year before. It looks like listings numbers are rising - slowly.

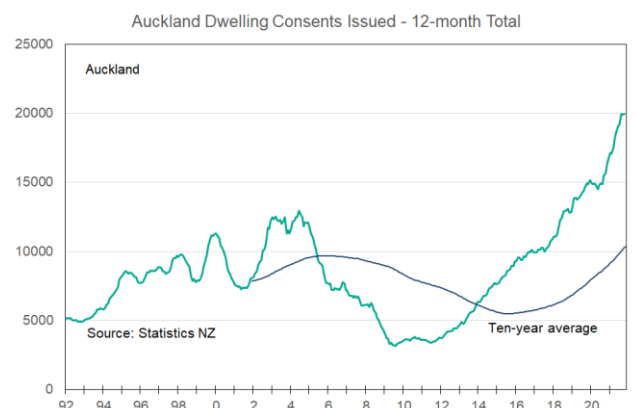
The net proportion of real estate agents noting that they are seeing more requests for property appraisals was the highest in nine months in November, but not as strong as late last year when the surging market brought forth many people looking to sell their properties.



Are there signs that investors are looking to sell? Real estate agents say there are. But again, in the past we have seen higher proportions of agents noting more investors seeking to sell.



One standout measure for Auckland is the surge in the number of dwelling consents being issued each year since multi-decade weakness in 2011.



Auckland is experiencing a construction boom and it will be interesting to see the impact which the wave of new builds has on listings of existing properties.

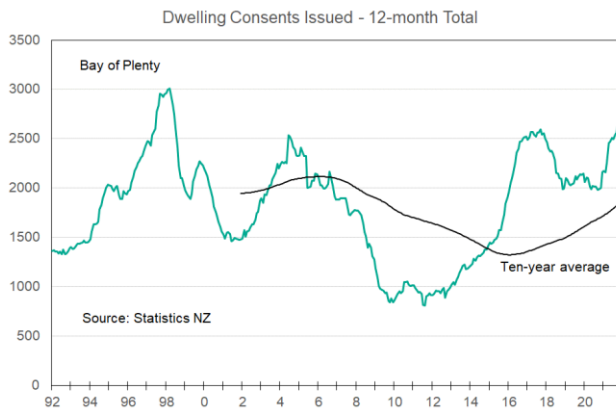


# Regional Property Insights

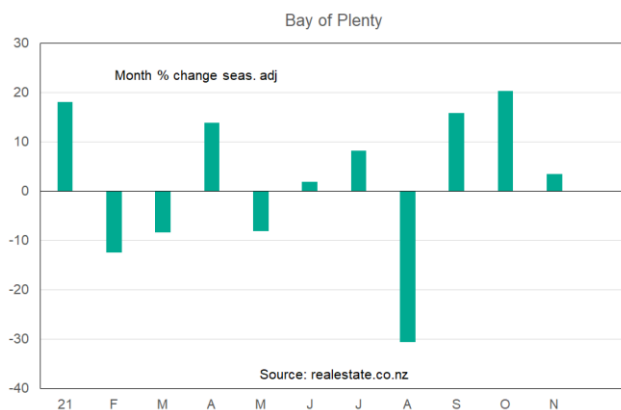
## Bay of Plenty

### No particular surge in property availability yet

The supply of new houses is growing rapidly in the Bay of Plenty, but not as rapidly as in Auckland. Buyers looking for new property are likely to have greater success in our biggest city than throughout Bay of Plenty on average.

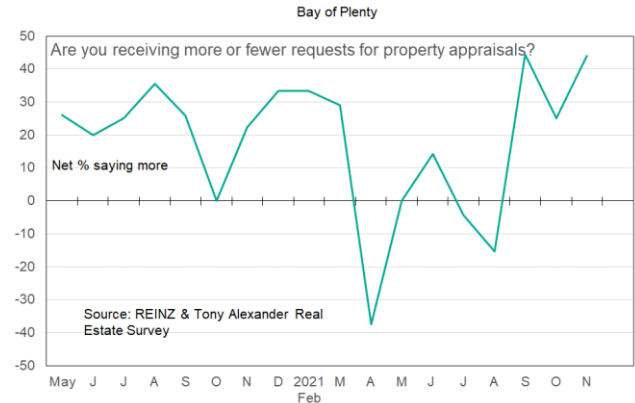


The number of new property listings in seasonally adjusted terms has been rising for three months in a row for the Bay region.

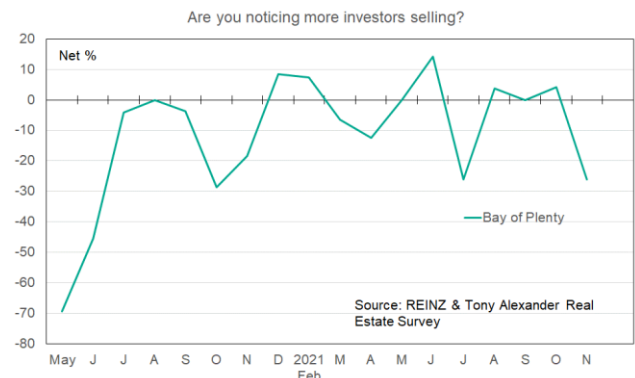


But compared with a year ago the stock of listings is ahead by just 1.5% while new listing numbers for November were 2.2% weaker than November 2020. These changes are very similar to those for Auckland and not suggestive of the lack of an exceptionally large surge in new builds being compensated for by a surge in property listings.

However, there has been strong growth recently in the number of real estate agents saying that they are receiving more requests for property appraisals.



But at the same time there is no sign of investors rushing for the doors. Contrast this graph below with the same ones for Northland – showing falling perceptions of investors looking to sell – and Auckland and Waikato where more investors are looking to sell.



The Bay of Plenty region has enjoyed strong population growth in recent years and especially the past two years as many people have sought a different lifestyle out of Auckland, perhaps bringing relocation plans forward in time. The stock of properties for sale at the end of November was 76% down from ten years earlier which is a far greater reduction in numbers than for Auckland, off by 29%, yet about in line with the country excluding Auckland.

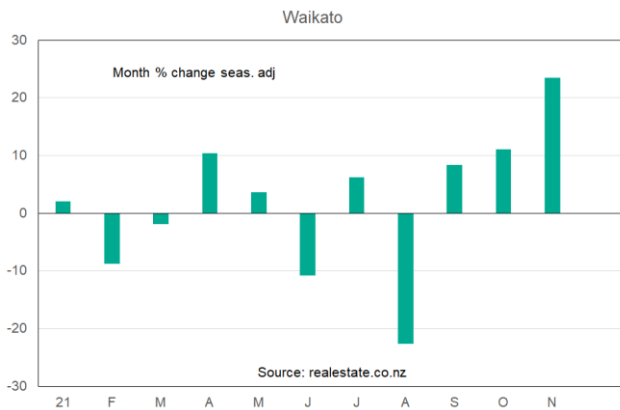


# Regional Property Insights

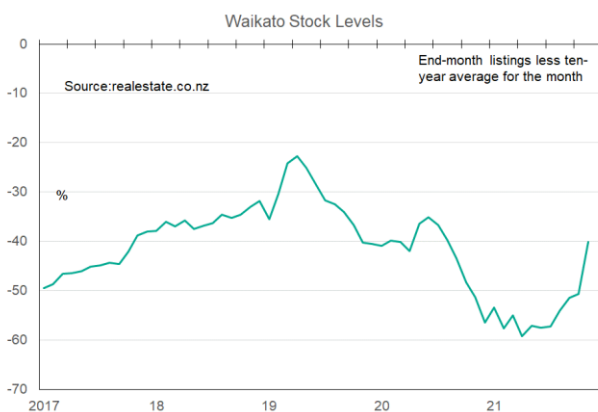
## Waikato

### Listings firmly rising

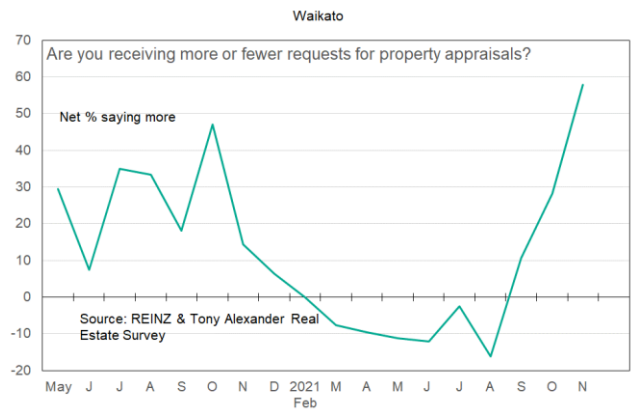
There has been a noticeable upward trend recently in the number of properties being newly listed for sale in the Waikato region. Listings rose by 24% in November, 11% in October, and 8% in September.



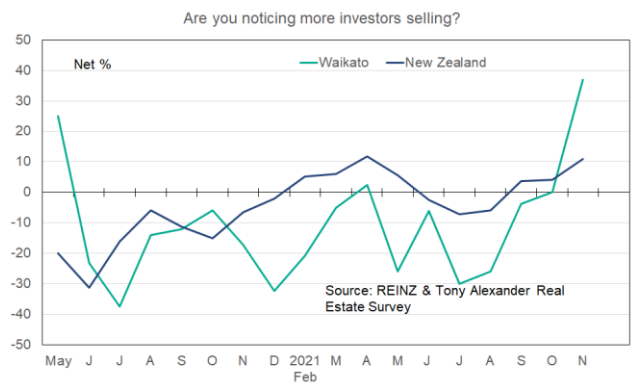
The total stock of listings was 4% ahead of a year ago at the end of last month and down 61% from ten years earlier. But if we look only at each month's average, we see a strong reduction underway in the extent to which end-month listings are below average.



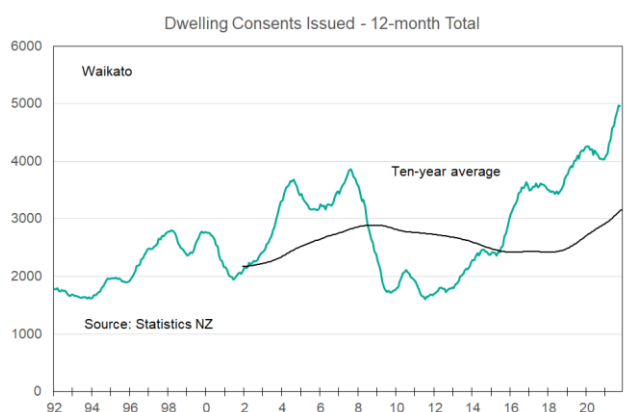
It looks like listings growth will continue with the REINZ & Tony Alexander Real Estate Survey for the end of November showing a strong rise in the net proportion of agents in the region seeing more people asking for property appraisals.



There has also been a firm rise in the net proportion of agents saying that they are seeing more investors stepping forward to sell.



The supply of new dwellings coming forward is also well above average, as seen in the next graph.



All of our measures of listings availability change are pointing upward. For prospective home buyers in the Waikato things are looking better.

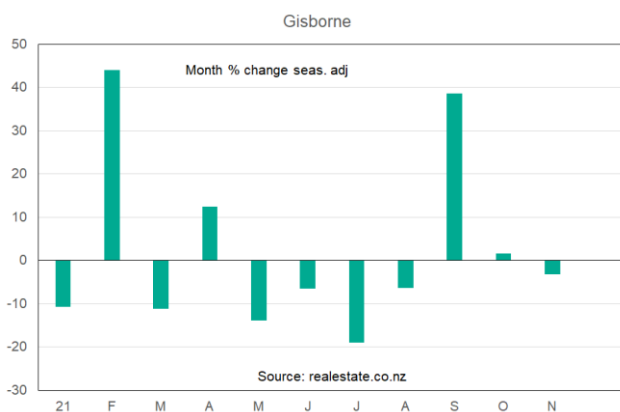


# Regional Property Insights

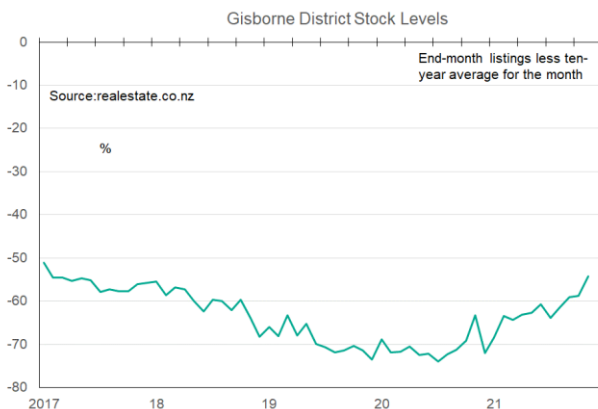
## Gisborne

### No listings surge apparent

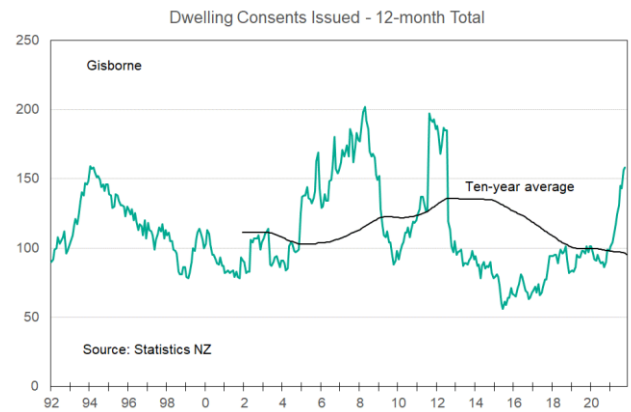
Being a very small region we have less data available to analyse for Gisborne than for most other parts of New Zealand. But what we do see tells us that unlike Waikato for instance, there is no surge in listings as yet. In seasonally adjusted terms new listings received by real estate agents in November were down slightly from October which was near flat after a surge in September.



The extent to which listings stocks are below average has been easing since late last year. But the pace of easing is very mild and again, nowhere as rapid as in Waikato for instance.



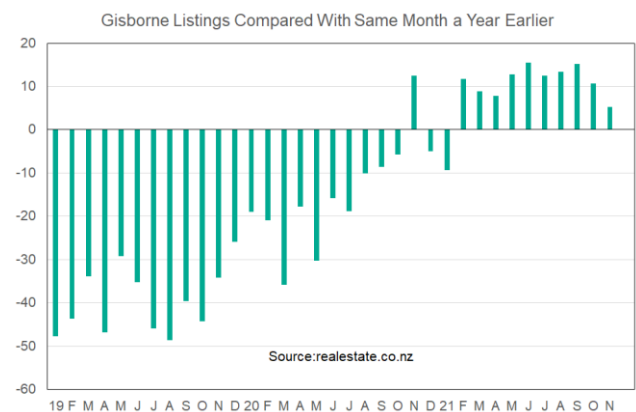
There has recently been a surge in new dwelling construction in Gisborne.



But the region has a history of construction jumps not being sustained.

Lack of sufficient responses means we cannot produce data from the REINZ & Tony Alexander Real Estate Survey to gauge whether investors are selling and whether more appraisals are being requested of real estate agents.

But we can reconfirm the lack of a listings surge in realestate.co.nz data with this following graph comparing listing stocks with a year earlier.



The trend towards greater numbers of listings seems mild so far in Gisborne.

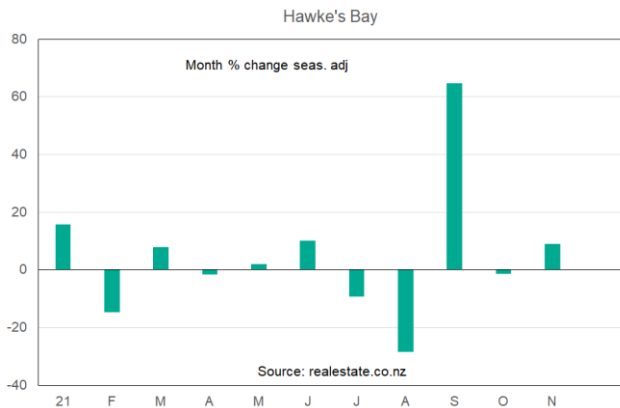


# Regional Property Insights

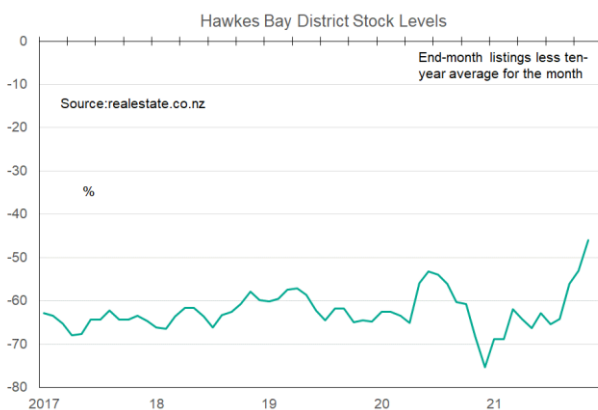
## Hawke's Bay

### No listings surge quite yet

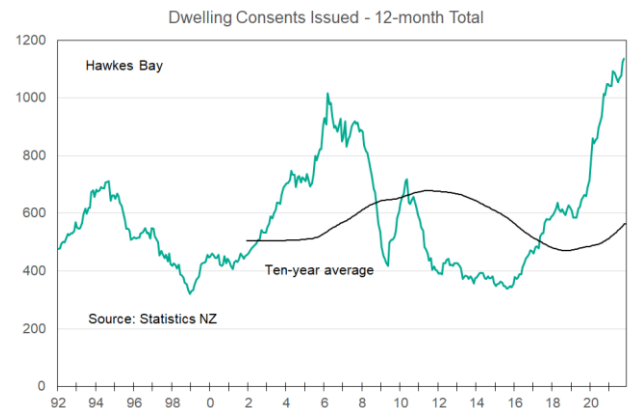
Similar to Gisborne, in Hawke's Bay there is only mild evidence of an upward trend in new listings. Listings rose 9% in November after a 1% fall in October.



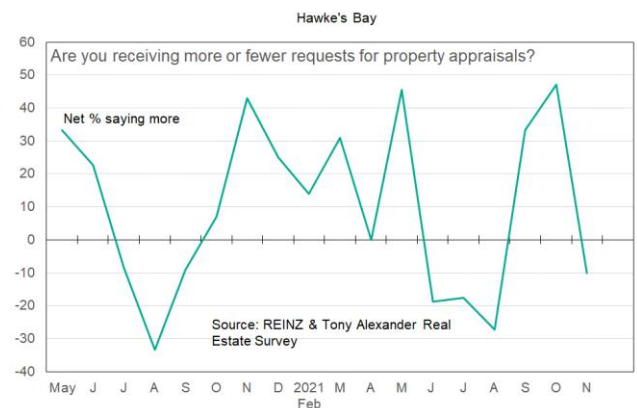
But if we step back and look at how the stock of listings compares with ten year averages for each month, we do get a picture of things becoming less dire for buyers at a faster pace than for Gisborne.



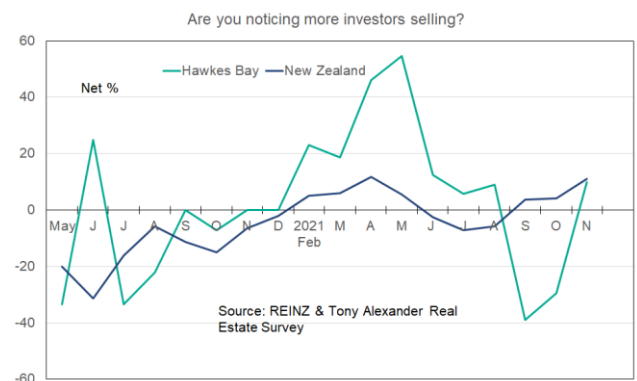
New dwelling supply is running quite strongly above the ten-year average – seen in this next graph.



Unlike Waikato, Bay of Plenty, Northland, and Auckland however, there is no firm upward trend as yet in the proportion of real estate agents saying they are receiving more requests for property price appraisals.



From the same survey we can also see no firm upward trend in agents reporting more investors as looking to sell – though we will be able to conclude that if our next survey in January is as strong as late-November's.



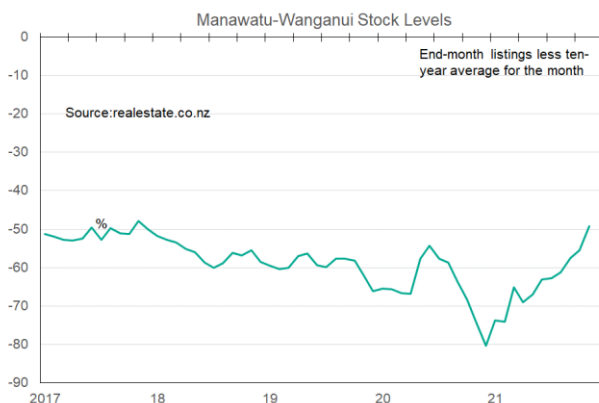
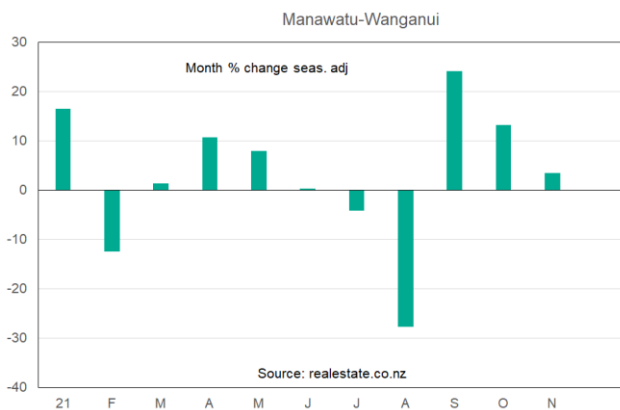


# Regional Property Insights

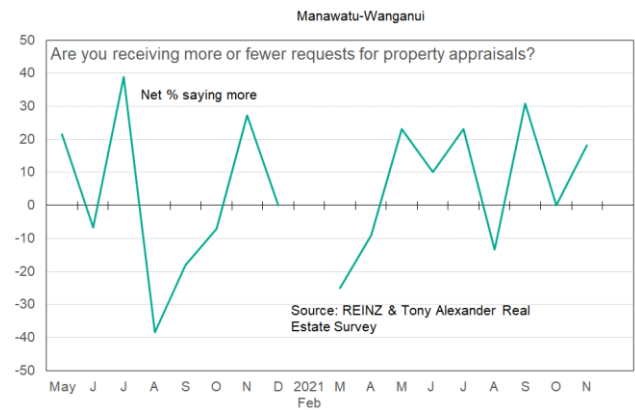
## Manawatu-Wanganui

### Listings surge feels imminent

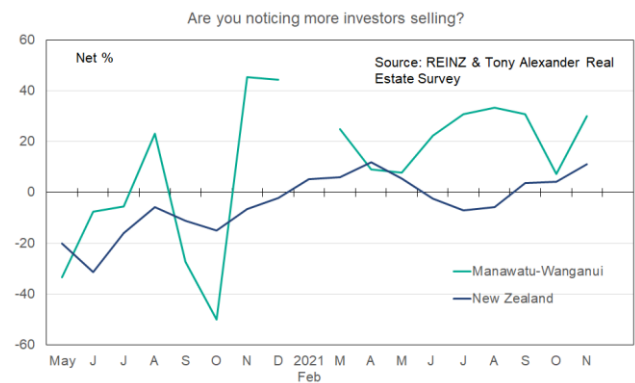
After falling 28% in August then rising 24% in September the number of properties newly listed for sale rose 10% in October then 3% in November in the Manawatu-Wanganui region. The listings trend is upward, but not yet at a strong pace.



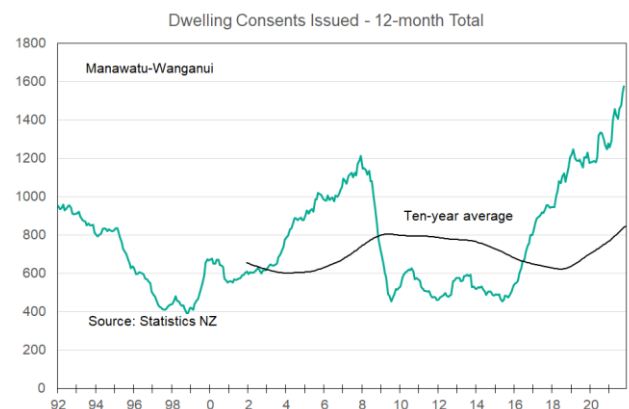
This may however be about to change. According to the REINZ & Tony Alexander Real Estate Survey a net 18% of responding agents in the region in November said that they are receiving more requests for property appraisals.



In addition, a well above average proportion of agents say that they are seeing more investors stepping forward to sell their properties.



The level of house construction in the region is also well above average.



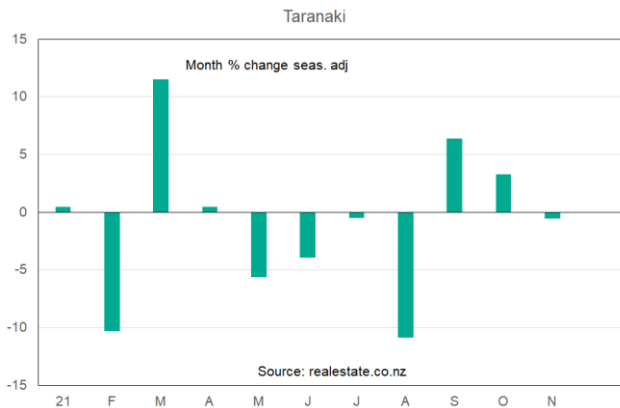


# Regional Property Insights

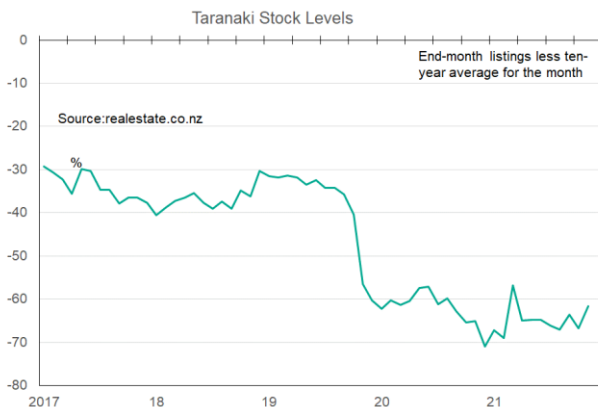
## Taranaki

### No listings rush

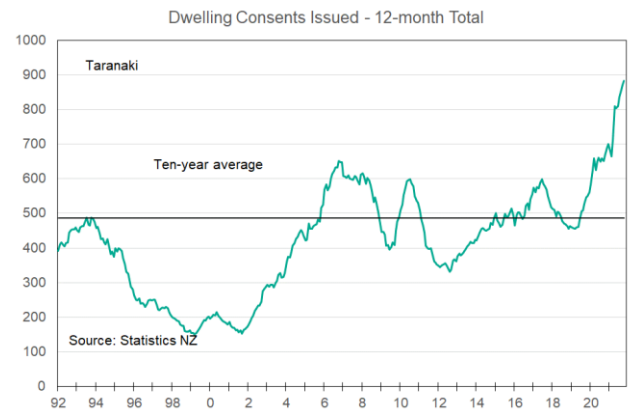
There is as yet no firm upward trend in the number of properties being newly listed for sale in the Taranaki region.



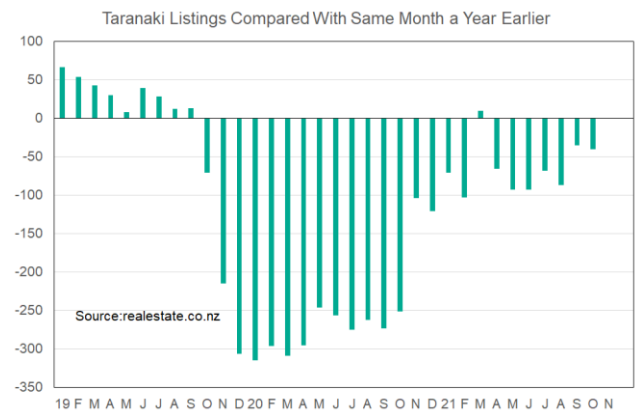
In fact, even comparing the stock of listings with the monthly average for the past ten years reveals no improving trend. Virtually all graphs for the other regions are lifting towards the right side so this is a clear difference for Taranaki.



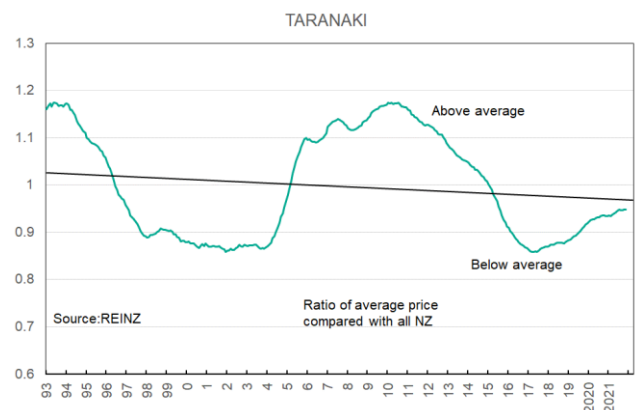
We do not have sufficient responses from agents in the region to discuss changes in perceptions of investors looking to sell or numbers of property appraisal requests coming through. But there has been a strong lift recently in the number of consents being issued for new dwellings to be built.



Yet all this construction is not as yet causing the stock of listings to grow from a year earlier.



Ultimately, Taranaki tends not to attract the sometimes wild inflows and outflows of investor funds as many other regions. It has also not seen the same flows of people escaping Auckland (retiring early etc.) caused by the pandemic. And that helps explain why prices are not above trend. The region is among the least vulnerable to a price correction over 2022-23.



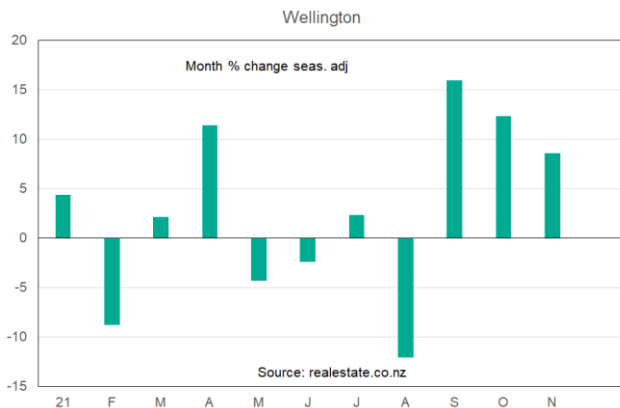


# Regional Property Insights

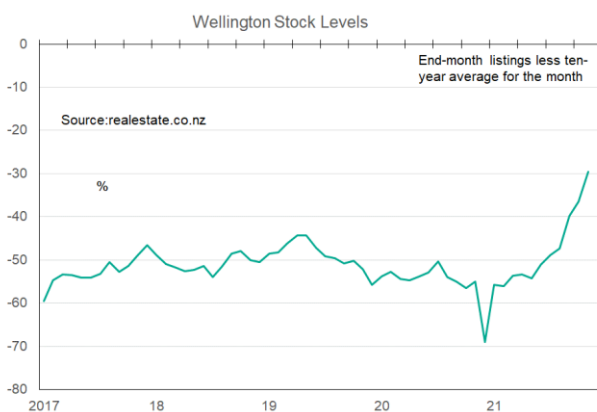
## Wellington

### Price correction looks imminent

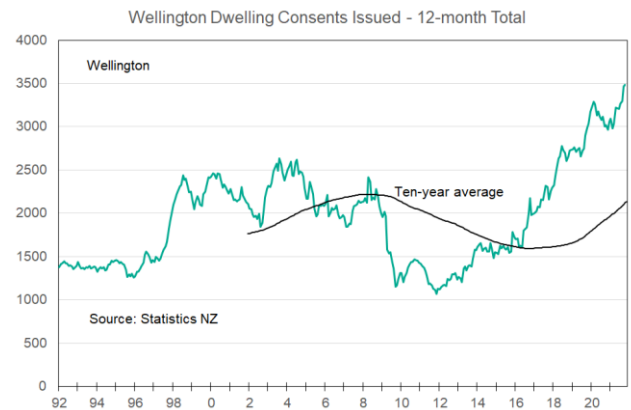
There is a firm rise underway in the number of properties being listed in the Wellington region. In seasonally adjusted terms new listings rose by 16% in September, 12% in October, and 9% in November.



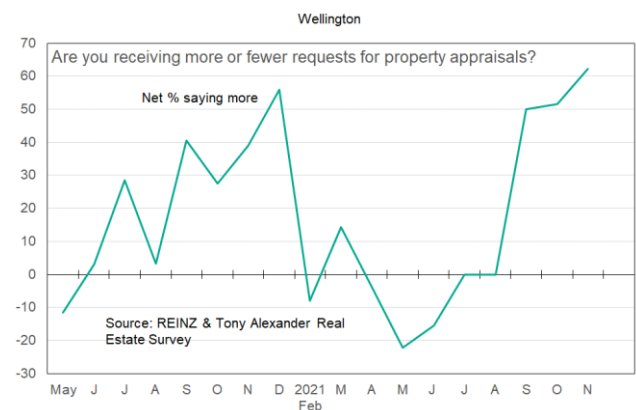
The stock of listings at the end of last month was 40% up from a year earlier compared with a nationwide rise of 2.4%. The following graph shows end of month stocks versus the average for the relevant month. The trend is strong.



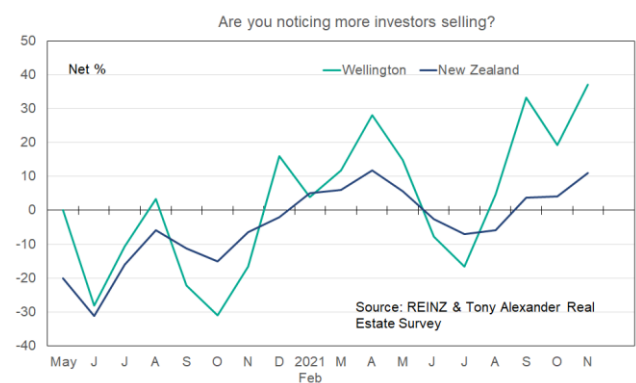
There is a very strong surge in new construction underway.



Requests for property appraisals are soaring.



And investors are looking to sell.



These measures are stark. Wellington is seeing a listings surge with more to come and with prices well above trend, a downward correction is highly likely – especially considering that population growth is below average.

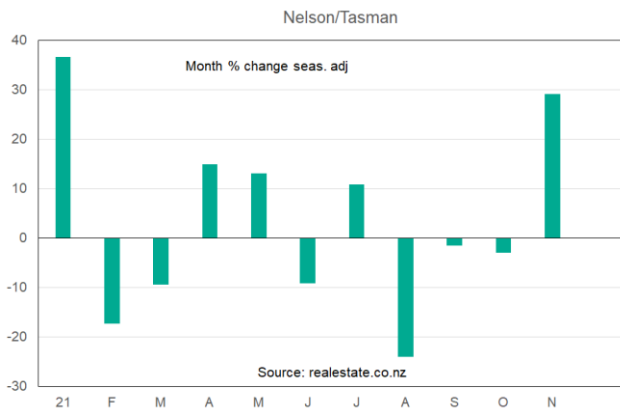


# Regional Property Insights

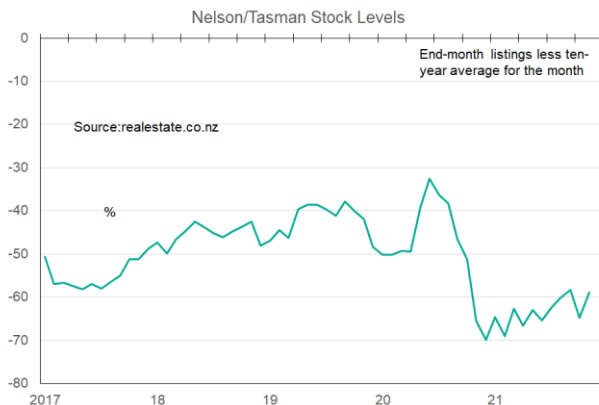
## Nelson, Tasman, Marlborough

### More listings set to come

The number of properties newly listed for sale jumped by a strong 29% in November after small falls in the previous three months. On this basis one could not conclude that a rising trend for listings is in place.

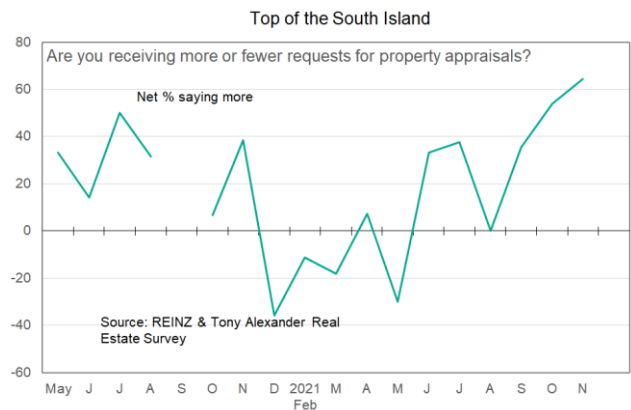


Similarly, when we compare the stock of listings with the monthly average, we see no trend towards being less below average. Not many other regions display this lack of easing in the poor stock of listings.

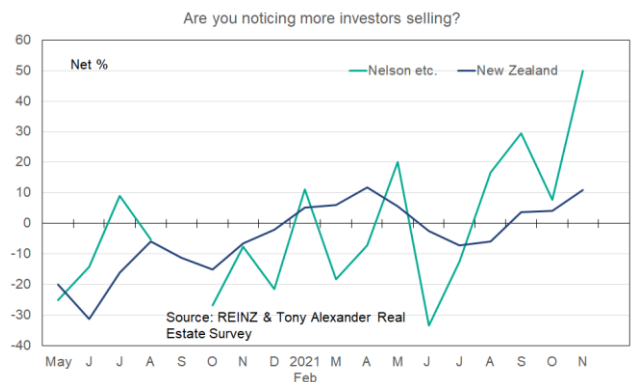


However, the level of stock at the end of November was 1.4% higher than a year ago and this was the first such annual increase since June last year.

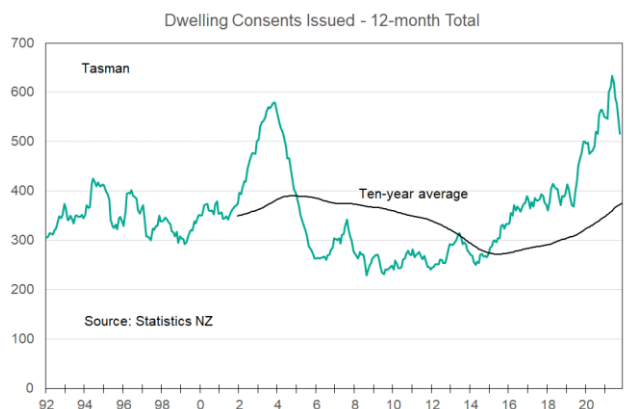
The REINZ & Tony Alexander Real Estate Survey shows that for three months in a row the proportion of local agents noticing more requests for property appraisals has been rising.



More agents are also reporting that they are seeing more investors stepping forward to sell.



In the Tasman Region dwelling consent numbers have risen strongly recently, but this is not the case for Nelson or Marlborough.



The data in hand suggests that listings will be growing firmly soon, and November is probably the first of many months of increases.

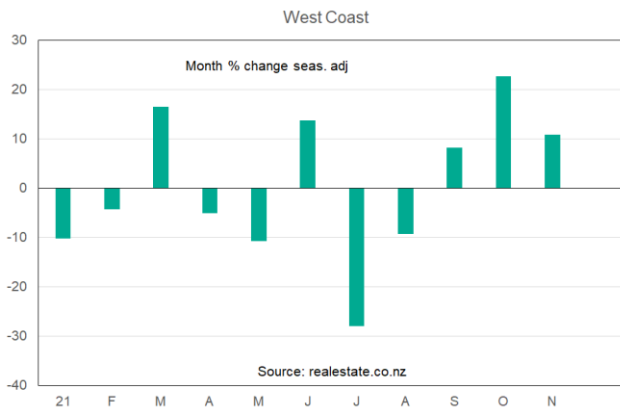


# Regional Property Insights

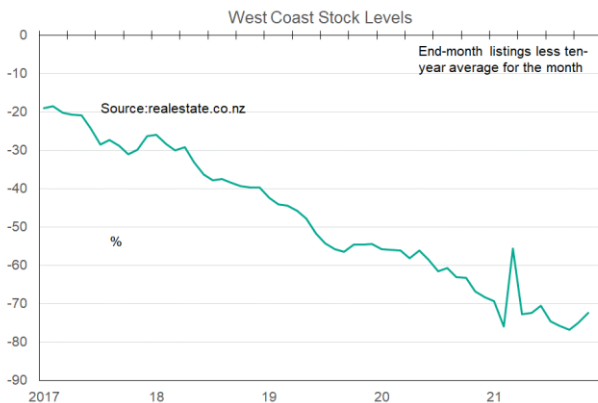
## West Coast

### Listing stocks extremely low

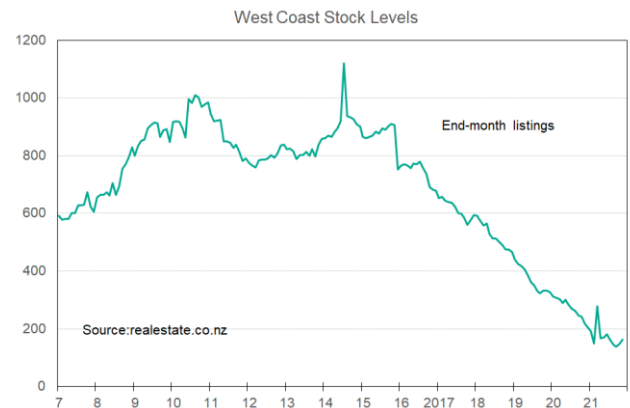
The number of residential properties listed for sale on the West Coast has risen over the past three months.



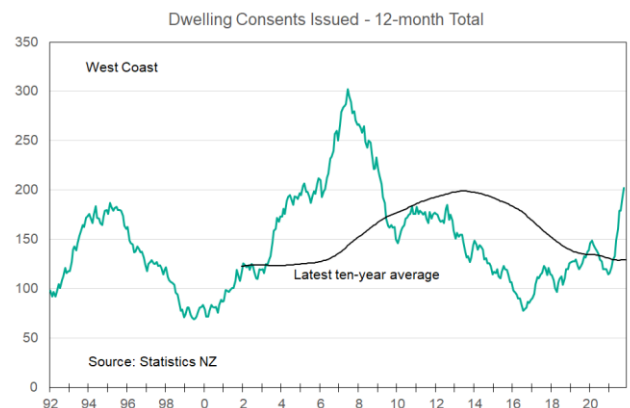
The stock of listings at the end of November however was 25% lower than a year earlier and as yet it is not clear that listings availability is necessarily becoming less dire according to the following graph.



To put the dearth of listings into perspective, this graph shows the extreme decline in stock numbers over recent years.



The number of consents issued for construction of new dwellings has firmed over the past year. But this surge is quite small compared with most other parts of the country.



We lack sufficient survey responses to discuss what real estate agents are seeing on the ground on the West Coast. But based on the data in hand we can probably best say that listings are rising but they are a long way from approaching historical norms and may not get there until 2023.

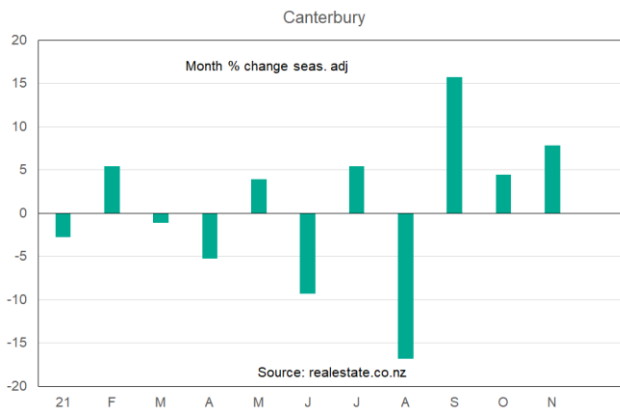


# Regional Property Insights

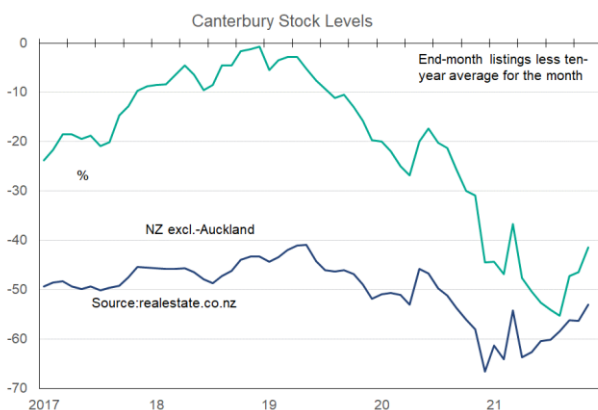
## Canterbury

### Listings slowly improving

The number of new property listings received for the Canterbury region by realestate.co.nz rose in seasonally adjusted terms by 8% in November to deliver three increases in a row.

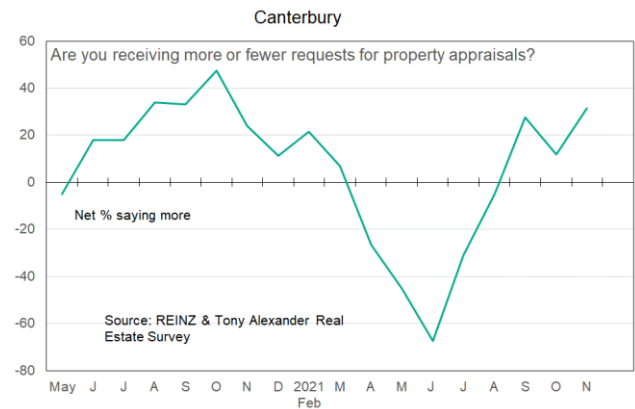


The stock of listings at the end of November was 20% lower than a year ago compared with a nationwide rise of 2.4%. In the following graph we show as the green line the extent to which end of month listings are below average for the relevant month over the past ten years. But unlike the other regions' graphs for this measure we also include a blue line showing this measure for all of NZ excluding Auckland.

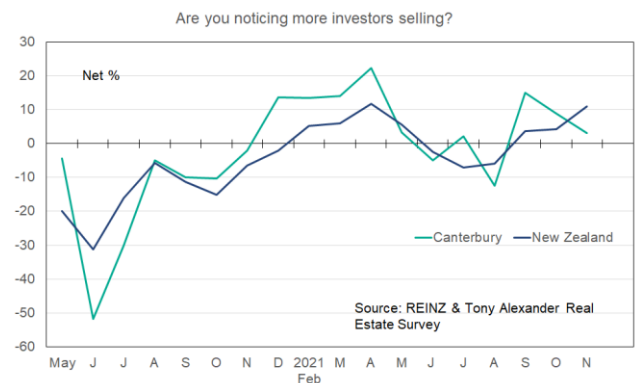


This allows us to easily see how stock availability in Canterbury has been far less constrained than most other parts of the country for an extended period of time. But we can also see that in line with the rest of NZ the degree to which stock levels are below average is starting to ease.

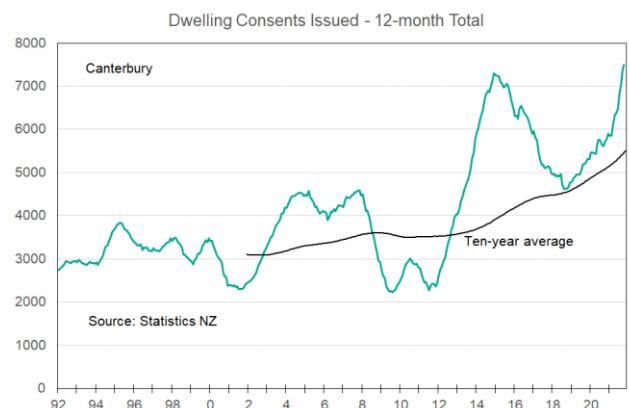
This looks like continuing as more agents are reporting requests for property appraisals.



But there is no firm growth in the proportion of agents saying they are seeing more investors stepping forward to sell their property.



Taking into account the renewed surge in construction, it seems reasonable to expect some further improvement in Canterbury listings availability over summer.



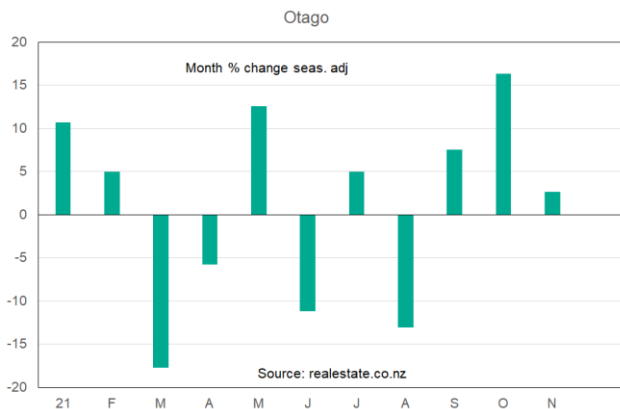


# Regional Property Insights

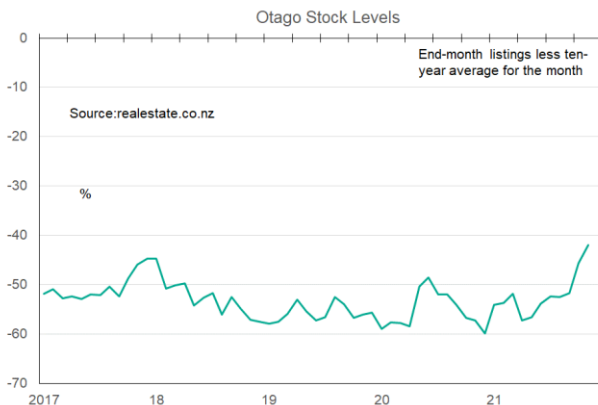
## Dunedin City

### Stock availability improving

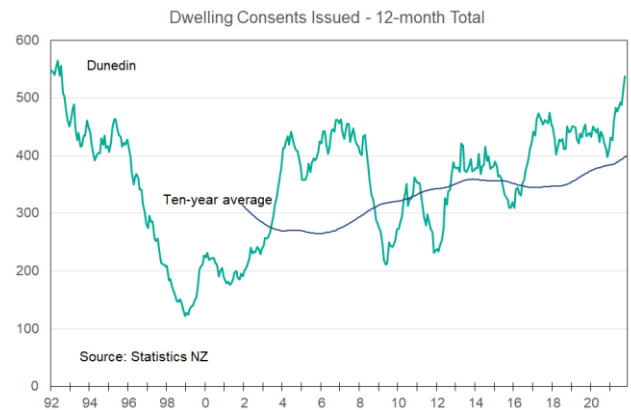
New property listings for Otago (excludes Central Lakes District) have risen slightly over the past three months.



The rise has been such that the stock of listings at the end of November was 22% up from November 2020. This is much stronger growth than the 2.4% nationwide annual rise. The extent to which listings numbers are below average is easing rapidly according to the following graph.



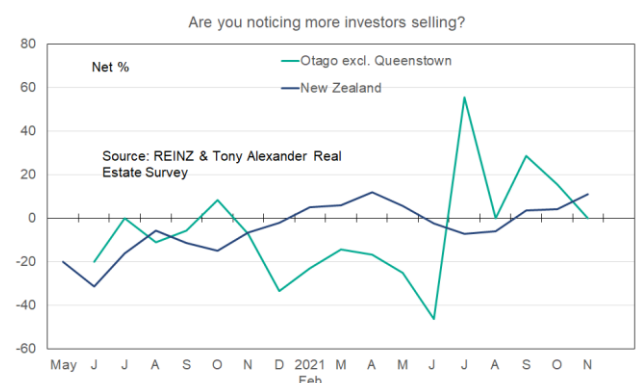
The strong growth in consents issued for new dwellings to be built will contribute to more listings becoming available.



In fact we have been seeing firm numbers of agents reporting more people seeking appraisals of their properties for a few months now.



But there is no flood of investors looking to sell.



The data in hand suggest listings availability will continue to improve but perhaps more from owner occupiers moving around rather than investors quitting the city.

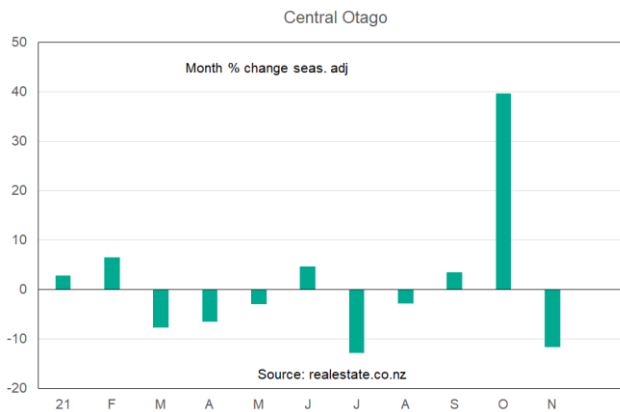


# Regional Property Insights

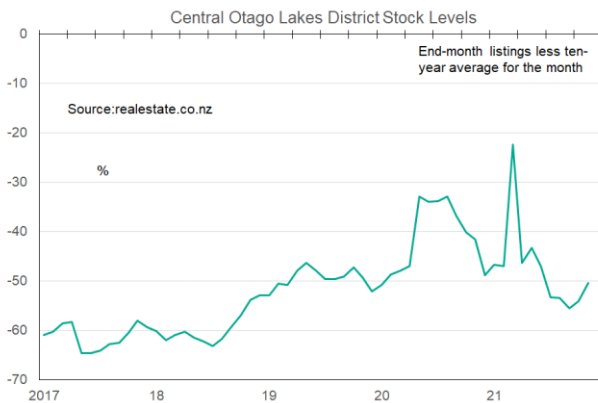
## Queenstown Lakes

### Listings rising

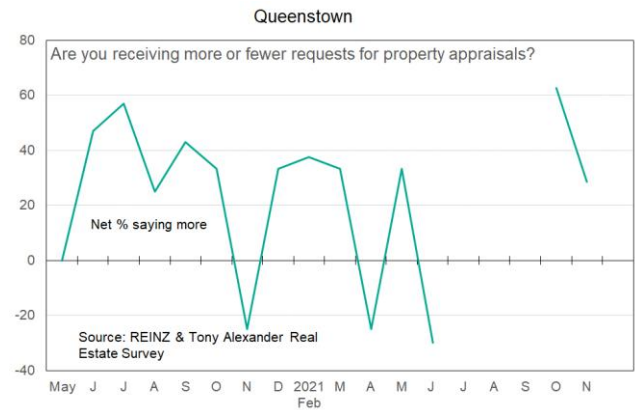
After soaring almost 40% in October, the number of new property listings in the central Otago area fell 12% in November. A trend towards higher listings therefore is not apparent.



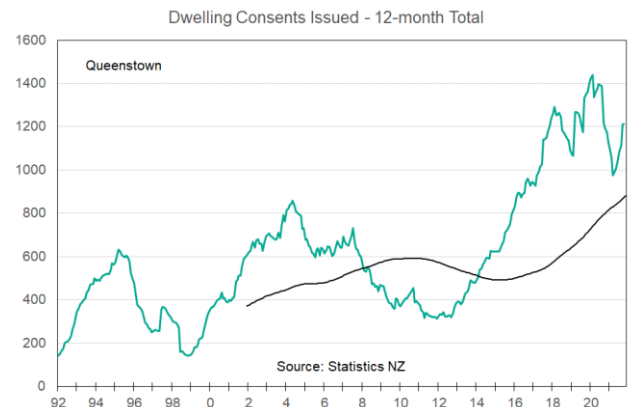
We reach the same conclusion by comparing the end-month stock of listings with the month average.



There is a strongly positive net proportion of agents reporting that more people are seeking appraisals for their properties (there are insufficient responses to this particular survey in some months).



And there is plenty of construction underway.



But there is no rush of investors looking to sell, and other data not presented here show very strong interest in Queenstown from buyers in NZ and offshore.

It seems reasonable to expect listings numbers will slightly firm. But the extent to which this causes a flattening of prices is likely to be considerably less than in virtually all other parts of NZ.

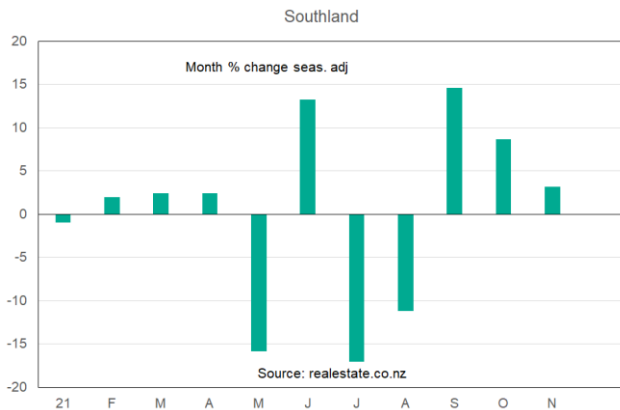


# Regional Property Insights

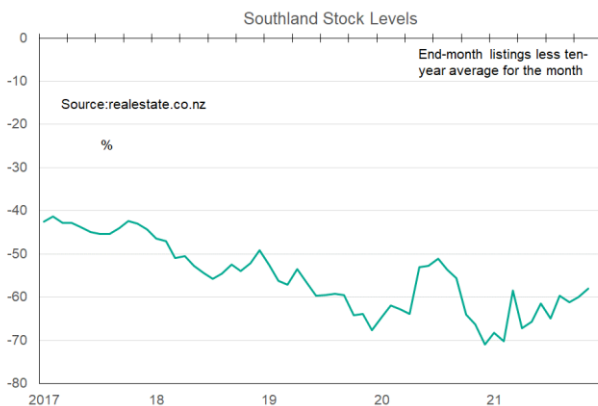
## Southland

### Mild rise in listing numbers

In Southland the number of properties listed for sale has improved over the past three months following large falls in July and August.

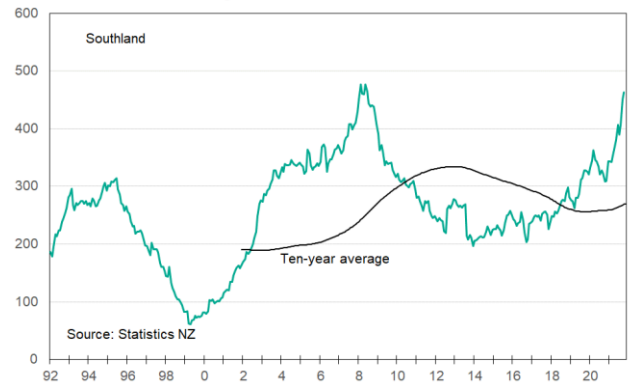


These offsetting movements mean that there is only a slight alleviation underway in the extent to which stock levels are below average.



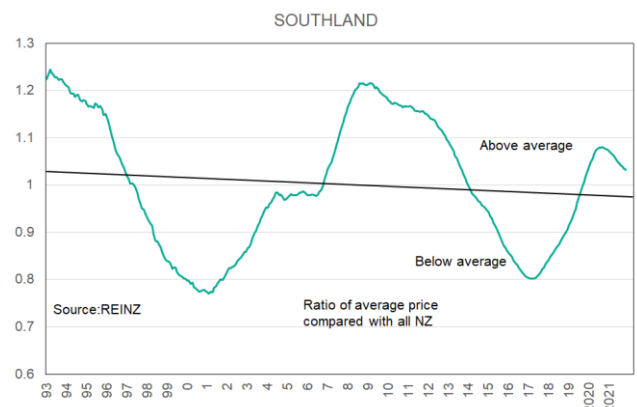
But the level of house building in Southland is well above average.

Dwelling Consents Issued - 12-month Total



Compared with a year ago the stock of listings is up 12% which is stronger than the gain for all New Zealand of just 2.4%.

We don't have sufficient responses from real estate agents in Southland to discuss changes in requests for appraisals or whether more investors seem to be looking to sell. But it is worth noting as we have already done in this publication, a correction in the divergence of Southland price levels from their average ratio with the rest of the country has been underway for some time. Prices are now not grossly away from trend and with listings not surging, the region is one in which the price level impact of restraining forces over the coming two years is likely to be milder than average.





# Regional Property Insights

---

This publication is written by Tony Alexander, independent economist. You can contact me via LinkedIn or email [tony@tonyalexander.nz](mailto:tony@tonyalexander.nz)

Subscribers to Tony Alexander's free weekly "Tony's View" receive additional information on the economy and housing markets to that contained here, through such add-ons as the monthly Spending Plans Survey, mortgages.co.nz & Tony Alexander Mortgage Advisors Survey, and REINZ & Tony Alexander Real Estate Survey. Subscribe for free here.

<https://forms.gle/qW9avCbaSiKcTnBQA>

This publication has been provided for general information only. Although every effort has been made to ensure this publication is accurate, the contents should not be relied upon or used as a basis for entering into any products described in this publication. To the extent that any information or recommendations in this publication constitute financial advice, they do not take into account any person's particular financial situation or goals. We strongly recommend readers seek independent legal/financial advice prior to acting in relation to any of the matters discussed in this publication. No person involved in this publication accepts any liability for any loss or damage whatsoever which may directly or indirectly result from any advice, opinion, information, representation or omission, whether negligent or otherwise, contained in this publication.



FIRST MORTGAGE TRUST

INVESTMENTS | PROPERTY FINANCE

# Your non-bank mortgage lender

## Loans from \$250,000

Terms: 3 months - 4 years

First Mortgage Trust provides competitive interest rates, flexible loan terms, and quick turn-around on first mortgage finance.

- › Development & Construction Loans
- › Residential & Rural Loans
- › Commercial & Industrial Loans
- › Bridging
- › Equity Release



**Talk to our  
lending  
team today**



Bruce Smith  
*Strategic Partnership Manager*  
bruces@fmt.co.nz  
027 222 8911



Geoff Allen  
*Auckland*  
geoffa@fmt.co.nz  
027 544 0011



Jono Singh  
*Auckland*  
jonathans@fmt.co.nz  
027 522 6606



Caroline Olagues  
*Auckland*  
carolineo@fmt.co.nz  
027 544 5590



Cameron McLachlan  
*Auckland*  
cameronm@fmt.co.nz  
027 544 5569



Lawrence Russo  
*BOP / Waikato /  
Central North Island*  
lawrencer@fmt.co.nz  
027 573 5554



Jeremy Finch  
*Southern Regional  
Manager*  
jeremyf@fmt.co.nz  
027 742 8004



Mark Beams  
*Wellington /  
Lower North Island*  
markb@fmt.co.nz  
027 544 5561



Sacha Doyle  
*South Island*  
sachad@fmt.co.nz  
027 544 5510

0800 321 113 | [fmt.co.nz](https://fmt.co.nz)

**WINNER**

**NZ MORTGAGE  
AWARDS  
2021**

**NON-BANK  
OF THE  
YEAR**

Lending is from the First Mortgage Trust Group Investment Fund. First Mortgage Managers Limited, the issuer, is not a registered bank under the Reserve Bank of New Zealand Act. For a copy of our Product Disclosure Statement visit [fmt.co.nz](https://fmt.co.nz) or contact us on 0800 321 113.

# TONY ALEXANDER

## Regional Property Insights

SPONSORED BY



FIRST MORTGAGE TRUST  
INVESTMENTS | PROPERTY FINANCE

This publication is written by Tony Alexander, independent economist. You can contact me via LinkedIn or email [tony@tonyalexander.nz](mailto:tony@tonyalexander.nz)

Subscribers to Tony Alexander's free weekly "Tony's View" receive additional information on the economy and housing markets to that contained here, through such add-ons as the monthly Spending Plans Survey, Mortgage Advisors Survey, and REINZ & Tony Alexander Real Estate Survey.

Subscribe for free here. <https://forms.gle/qW9avCbaSiKcTnBQA>

*This publication has been provided for general information only. Although every effort has been made to ensure this publication is accurate, the contents should not be relied upon or used as a basis for entering into any products described in this publication. The material in this report is obtained from various sources (including third parties) - neither First Mortgage Trust nor Tony Alexander warrant the accuracy, reliability or completeness of the information provided in this report, nor do they accept liability for any omissions, inaccuracies or losses incurred, either directly or indirectly, by any person arising from or in connection with the supply, use or misuse of the whole or any part of this report. Any and all third party data or analysis in this report does not necessarily represent the views of First Mortgage Trust or Tony Alexander. To the extent that any information or recommendations in this publication constitute financial advice, they do not take into account any person's particular financial situation or goals. We strongly recommend readers seek independent legal/financial advice prior to acting in relation to any of the matters discussed in this publication. No person involved in this publication accepts any liability for any loss or damage whatsoever which may directly or indirectly result from any advice, opinion, information, representation or omission, whether negligent or otherwise, contained in this publication.*