

Market Comment **October 2018**



Written by Jim Davis, Lifestyle/Rural & Christchurch/South Island Business Development Manager

With Spring well underway the local real estate market is continuing to perform in a strong steady manner.

The just released REINZ figures relating to the September sales show us there were 511 residential properties sold in Christchurch City during the month of September.

The median sale price achieved was \$452,500 with an average sale time of 36 days on the market.

The sales volume is up 7% on the same time last year and marginally down on the sales volumes reported for August, creating the very steady market I have been referring to for so long now.

Overall the volume of sold properties is tracking at expected and anticipated levels, and as a result this type of market favours neither the buyer or the seller, but what it does do is show case the Sales consultant who isn't working and trying a bit harder to get results for all those involved. This type of market highlights the benefits of working with the active, high profile sales consultant who relish's a bit of a challenge.

In terms of property values, the median sales price of \$452,500 while up on previous months is identical to the reported median recorded in September 2016. This is not surprising to me and is yet another strong indicator that prices and values in Christchurch have remained very flat over the last couple of years. Something we have been commenting on for a while now. This is an important point to note, for sellers who purchased in the last few years and who are now looking to resell their property for whatever reason. Capital growth has not occurred to the average property in the last couple of years unless it has had significant modifications.

Harcourts offices in Christchurch during the month of September have seen a big increase in newly listed property as the "traditional spring activity lift" kicks in.

Once again this is normal and anticipated, at this time of year (as well as hoped for).

This increased availability of stock will no doubt flow through into sales and sold properties over the next month or two, provided property owners are realistic in their expectations. There is no doubt that there are plenty of buyers available in the market place, however they are very certain of where they see value in the current environment. It is an exceptional situation now that sees buyers prepared to pay almost "anything" to secure their chosen property. Instead with this balanced market and plenty of newly listed property available, a lot of buyers will simply move on to the next property that catches their attention where they believe the owners expectations are unrealistic.

Auction numbers continue to build again across the region and attract a lot of interested parties into our Harcourts Auctions Rooms. In fact, the auction room is a great environment to see exactly what I have just referred to played out in real life. We are seeing good numbers attending our auction rooms, but sometimes for no apparent reason the Auction clearance rates are coming through erratically. We know and can see interested parties sitting in the room, who are choosing in some cases not to bid to high or in fact decide not to bid at all, but then find themselves involved in a multi offer process immediately after with other potential buyers. It is making for interesting times at the moment for all concerned.

The need for well-trained, well resourced, sales consultants who can do more than just breath, at the moment is more important than ever. Equally having access to a large number of them who all have potential buyers on their books is vital for you to achieve a good result in this current market. I'm sure you won't be surprised to hear that your local Harcourts office provides such people. Give them a call there is a reason why the vast majority of people in Christchurch choose to work with Harcourts.