nz property report

The monthly survey of the residential property market

by Realestate.co.nz Ltd

Lowest level of new listings in 4 years sees inventory of unsold homes on the market start to fall.

Lowest level of new listings

- December saw the lowest recorded level of new listings since 2007 with just 8,924 coming onto the market in December.

Inventory of unsold homes slips as sales rise

- The stock of unsold houses dipped for the first time in 6 months as November sales showed some strength. Total inventory now stands at 50 weeks.

New property asking price shows no price movement

- The expected selling price of new listings remained stable in December at $415,750

Asking price still 3% below peak

- The current asking price expectation of vendors remains 3.1% below the peak of the market back in October 2007 – at that time $429,033.

	Oct 2010	Nov 2010	Dec 2010
Property Asking Price (truncated mean)	$420,451	$417,660	**$415,750**
% change from previous month	+ 2%	- 1%	**- 0 %**
% change from prior 3 months	+ 4%	+ 1%	**- 0%**
Number of New Listings	11,911	12,932	**8,924**
% change from previous month	+ 13%	+ 9%	**- 31%**
% change from same month last year	- 12%	- 7%	**- 14%**
Inventory - Number of weeks	48.8	53.2	**50.1**
% change from previous month	+ 3%	+ 9%	**- 6%**
% change from same month last year	+ 51%	+ 57 %	**+ 51%**

Realestate.co.nz is the official website of the New Zealand real estate industry, and provides the most comprehensive selection of listings across all categories of real estate. Realestate.co.nz lists over 100,000 properties at any one time, representing over 90% of all listings currently marketed by real estate professionals.

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For media enquiries and interviews please contact:
Alistair Helm CEO Realestate.co.nz 021 610 510
This report can be accessed at www.unconditional.co.nz

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Commentary

December traditionally is the quietest month of the year for listing of new properties for sale. The run up to Christmas tends to curtail the listing period to a part-month rather than a full-month with the consequential lower listing count. On a seasonally adjusted basis December this year shows no percentage change as compared to November, indicating the seasonal trend was expected, however the absolute level of listings is significant at this new low level.

The 2010 year has seen a consistent lower level of listings as the sales of properties has slowed through the year. In the full year 138,789 new listings were added to the market which began the year with 52,817 listings (at the time equivalent to 37 weeks of sales). The year ended with 53,077 barely a discernible difference in absolute number of properties on the market yet with a lower rate of sale the inventory of unsold houses now amounts to 50 weeks.

The recent sales report for from REINZ for November of 5,138 properties sold, did show a significant increase of 28% on a seasonally adjusted basis indicating that the market was showing some signs of life as the stability of interest rates and economic indicators moved into more positive territory.

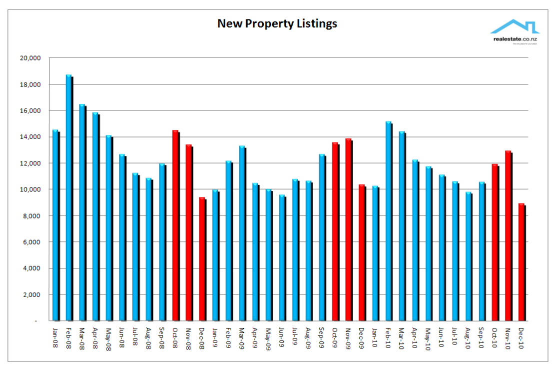
The indicator of asking price expectation has shown a repetition of 2009 with a couple of peaks; currently returning down to a midpoint reflecting the fact that in the past 3 years vendors expectations of price increases have as yet not found a firm footing.

Asking Price

The truncated mean asking price for all new listings coming onto the market in December fell very slightly from $417,660 to $415,750. On a seasonally adjusted basis the asking price actually rose by 1.3%. Asking prices seem to be showing volatility especially with such low levels of listings coming onto the market.
The current asking price continues to drift down below the peak of Oct 2007, currently off 3.1%.

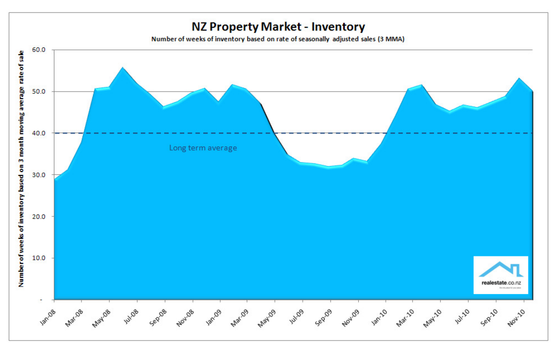
New Listings

The traditional seasonal fall in December was as expected, but when coming off a slower level of preceding months the actual level of 8,924 hit a record low. No single month since Jan 2007 has seen a total of less than 9,000 per month.
On a moving annual basis the past 12 months have seen 138,789 new listings compared to 135,416 in the prior year an increase of just 2.5%.



Inventory

The level of unsold houses on the market at the end of December fell to 53,077 from 54,365 in November. This represented the equivalent of 50.1 weeks of equivalent sales, as assessed on a seasonally adjusted basis.
The inventory of unsold houses, whilst dipping slightly as a consequence of a strong November sales continues to sit well above the long term average of 40 weeks of equivalent sales, this still sees the market showing a “buyers-market” inclination.



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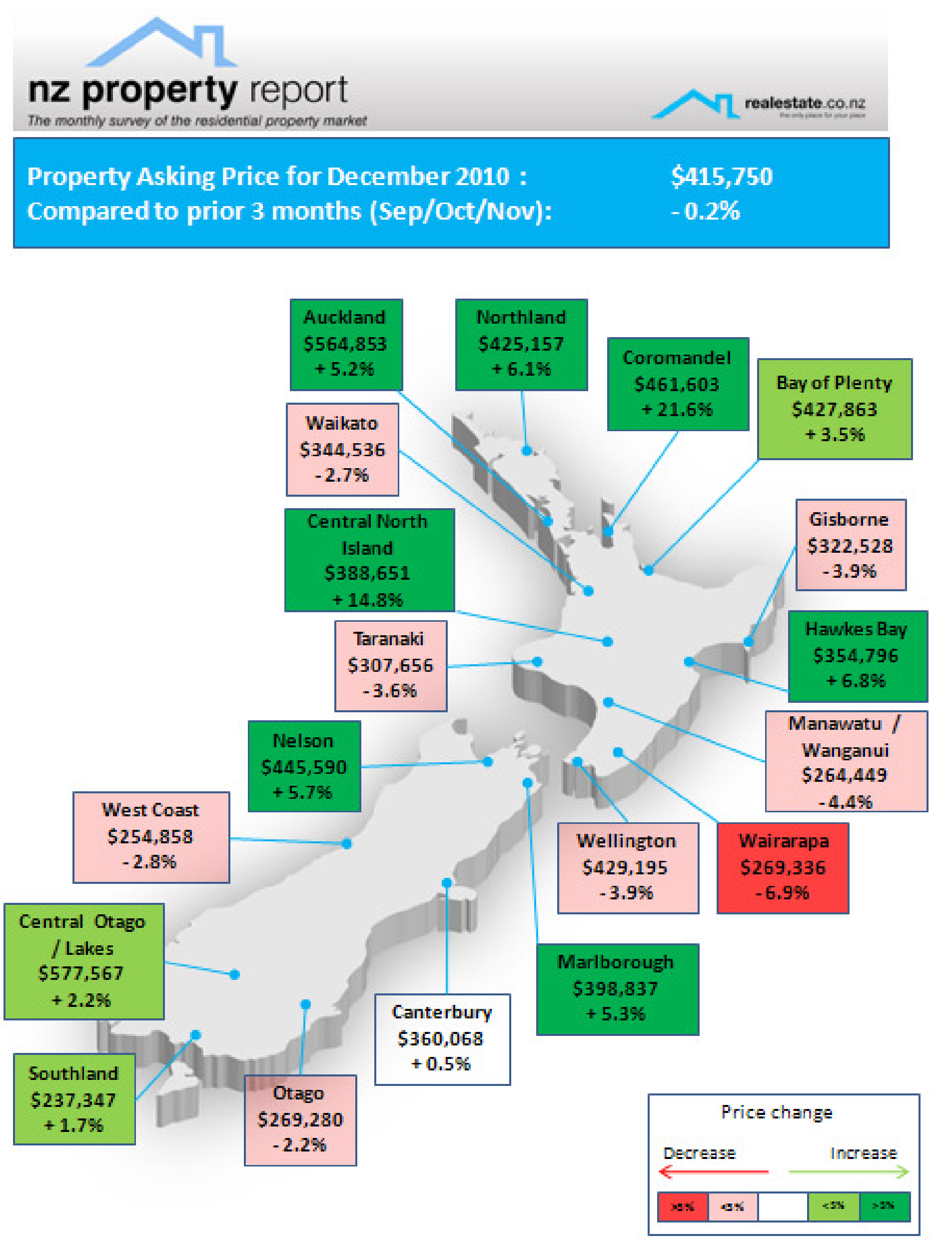
Regional Summary – Asking price expectations

Whilst the national asking price expectation remained steady with just a small fall from prior month, the regional analysis shows some significant variances.

Amongst the 19 regions almost half showed a rise whilst the remained showed a fall. Strong increases in asking prices were seen in the North Island with Auckland showing a significant 5.2% increase as compared to recent 3 month average. The Hawkes Bay and Central North Island also showed strong increases, although in the latter region the volume of new listings was low.

Price movements in asking prices across the South Island were less significant with the Nelson / Marlborough region showing increases of over 5%.



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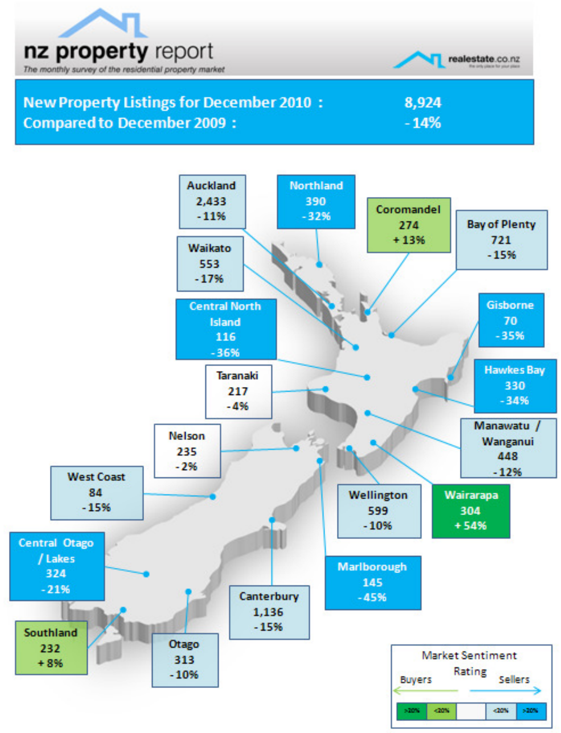
Regional Summary – Listings

With the record low level of new listings in the month the sentiment of the market based on new properties fresh to the market would seem to show an inclination to a seller's market. This however takes no account of existing inventory of unsold houses on the market

In spite of the overall fall in new listings across the country, both the Coromandel and the Wairarapa both saw rises in new listings as compared to December last year.

There were 5 regions of the 19 across the country that saw year on year falls of more than a third – Northland, Gisborne, Hawkes Bay, Marlborough and Central North Island. With the exception of the latter region all of the others still have a relatively high inventory of unsold houses on the market.

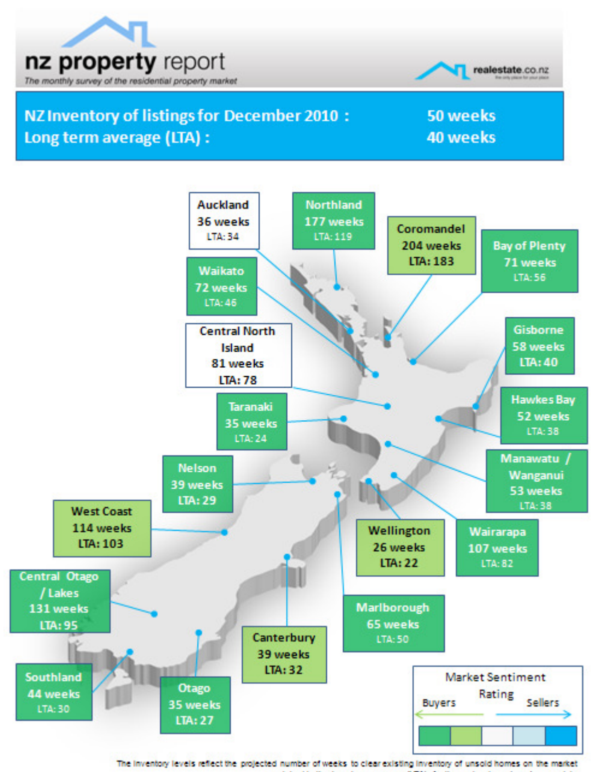


Regional Summary – Inventory

Despite the record low level of new listings and the relatively strong sales of properties in November the overall level of inventory of unsold houses on the market is still significantly above the long terms average (50 weeks as compared to 40 weeks).

The Auckland region now sitting with 36 weeks of unsold houses as compared to a long term average of 34 weeks is more finely balanced and with a 25% seasonally adjusted increase in property sales in November is certainly a more active market than other areas of the country.

Also of note is the Canterbury region which whilst suffering a significant initial impact of the September earthquake reported a 38% seasonally adjusted increase in sales in November – such levels seeing a reduction in available inventory edging the region towards a more balanced market.



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Major Centers

Auckland

	Oct 2010	Nov 2010	Dec 2010
Property Asking Price (truncated mean)	$539,020	$544,699	**$564,853**
% change from previous month	+ 2%	+ 1%	**+ 4%**
% change from prior 3 months	+ 3%	+ 3%	**+ 5%**
Number of New Listings	3,927	4,219	**2,433**
% change from previous month	+ 12%	+ 7%	**- 42%**
% change from same month last year	- 12%	- 5%	**- 11%**
Inventory - Number of weeks	36.8	39.7	**36.4**
% change from previous month	- 1%	+ 8%	**- 8%**
% change from same month last year	+ 45%	+ 50%	**+ 42%**

Wellington

	Oct 2010	Nov 2010	Dec 2010
Property Asking Price (truncated mean)	$455,442	$451,491	**$429,195**
% change from previous month	+ 5%	- 1%	**- 5%**
% change from prior 3 months	+ 5%	+ 2%	**- 4%**
Number of New Listings	991	1,112	**599**
% change from previous month	+ 18%	+ 12%	**- 46%**
% change from same month last year	+ 2%	- 0%	**- 10%**
Inventory - Number of weeks	25.6	28.6	**25.5**
% change from previous month	+ 6%	+ 12%	**- 11%**
% change from same month last year	+ 73%	+ 71%	**+ 55%**

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Canterbury

	Oct 2010	Nov 2010	Dec 2010
Property Asking Price (truncated mean)	$361,992	$360,174	**$360,088**
% change from previous month	+ 3%	- 1%	**- 0%**
% change from prior 3 months	+ 3%	+ 1%	**+ 0%**
Number of New Listings	1,312	1,477	**1,136**
% change from previous month	+ 8%	+ 13%	**- 23%**
% change from same month last year	- 26%	- 20%	**- 15%**
Inventory - Number of weeks	39.1	45.7	**39.2**
% change from previous month	+ 17%	+ 17%	**- 14%**
% change from same month last year	+ 62%	+ 83%	**+ 58%**

Waikato

	Oct 2010	Nov 2010	Dec 2010
Property Asking Price (truncated mean)	$361,471	$351,279	**$344,536**
% change from previous month	+ 3%	- 3%	**- 2%**
% change from prior 3 months	+ 3%	- 1%	**- 3%**
Number of New Listings	668	890	**553**
% change from previous month	+ 6%	+ 33%	**- 38%**
% change from same month last year	- 25%	+ 6%	**- 17%**
Inventory - Number of weeks	67.2	75.0	**71.8**
% change from previous month	+ 2%	+ 11%	**- 4%**
% change from same month last year	+ 93%	+ 89%	**+ 89%**

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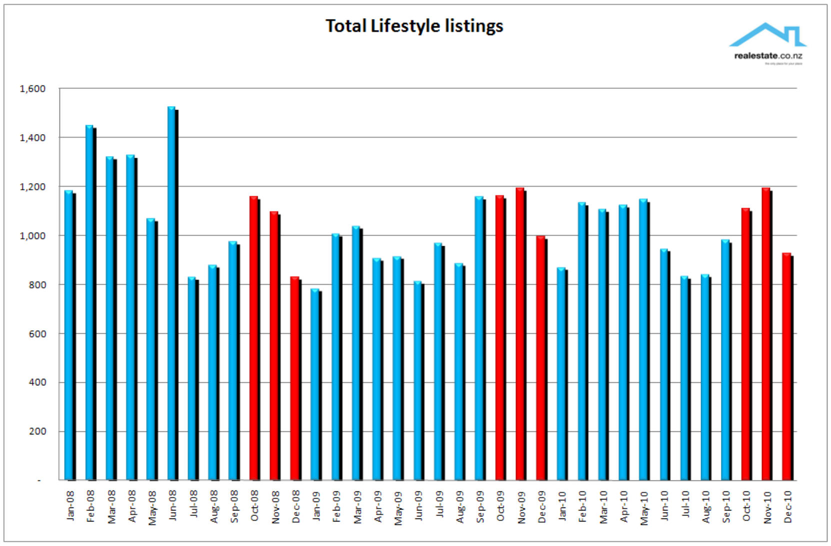
Lifestyle

Lifestyle property listings In December totaled 927 – not a record low as compared to the total of all property listings seen in the month. In fact the total was 20% up on the low of January 2009.

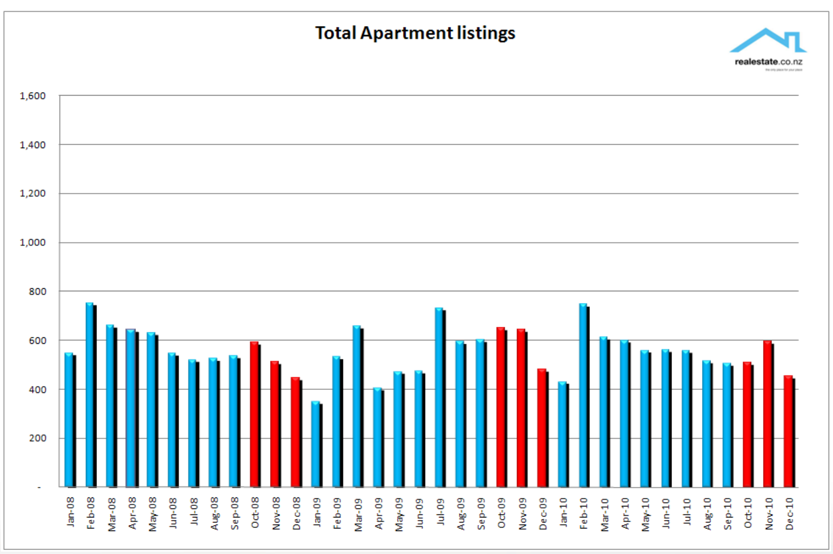
In terms of asking price expectation the truncated mean for the month was $537,368 which was 13% down on the same period last year and 4% below the recent 3 month average. The current asking price is 15% below the peak asking price which was in February 2009.



Apartments

Listings for apartments fell in December from 594 in November to 452, again not a record low, that being 352 in January 2009. Over the past 12 months a total 6,651 new apartments have come onto the market – up 3.7% as compared to the total of 2009 at 6,416. The asking price (truncated mean) rose in December by a significant 26% as compared to the recent 3 month average.

The Auckland apartment market showed a degree of activity with 268 new listings at an asking price of $479,258. This asking price was significantly up on the recent 3 month average of $315,410. This asking price is the highest level of asking price recorded going back to January 2007.



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Index Comparison

	Oct 2010		Nov 2010		**Dec 2010**	
	House Price	Annual Change	House Price	Annual Change	**House Price**	**Annual Change**
Mean Asking Price: **Realestate.co.nz**	$420,451	+ 0%	$417,660	- 0%	**$415,750**	**- 0%**
Mean Sales Price: **REINZ**	$356,142	- 4%	$362,898	- 2%	**N/A**	**N/A**

Realestate.co.nz: data is compiled from asking prices of new residential listings as they come onto the market via subscribers to the realestate.co.nz website. The Realestate.co.nz website currently has over 95% of all licensed real estate offices subscribing and providing all of their listings onto the website. The asking price is presented as a truncated mean price at a 10% interval.

REINZ: data is compiled from reported unconditional residential sales from all members of the Real Estate Institute of New Zealand representing all licensed real estate offices. The sale price is published as a stratified mean house price and is developed in association with the Reserve Bank of NZ.

Notes:

Truncated mean
The monthly asking price for new listings presented in this report utilises the measure of 'truncated mean'. This measure is judged to be a more accurate measure of the market price than average price as it statistically removes the extremes that exist within any property market that can so easily introduce a skew to traditional average price figures.
The truncated mean used in this report removes the upper 10% and the lower 10% of listings in each data set. An average or mean of the balance of listings is then calculated.

Methodology
With the largest database of properties for sale in NZ, realestate.co.nz is uniquely placed to immediately identify any changes in the marketplace. The realestate.co.nz *NZ Property Report* is compiled from new listings coming onto the market from the more than 1,050 licensed real estate offices across NZ, representing more than 95% of all offices.
With an average monthly level of over 10,000 new listings, the realestate.co.nz *NZ Property Report* provides the largest monthly sample report on the residential property market, as well as a more timely view of the property market than any other property report. The data is collated and analysed at the close of each month, and the Report is compiled for the 1st day of the following month. This provides a feedback mechanism as to the immediate state of the market, well in advance of sales statistics which by the very nature of the selling process can reflect activity with a lag of between 2 and 4 months.

In analysing the details of the 8,924 new listings in the month of December, a total of 117 listings have been excluded due to anomalies. The categorisation of Lifestyle property is defined by the land area of the property. The criterion is a property having in excess of 0.3 hectares and being situated outside metropolitan areas.

Background to Realestate.co.nz
Realestate.co.nz is the official website of the real estate industry of New Zealand, it is an industry owned website providing online marketing services to the real estate industry. The shareholders in the website comprise the REINZ (50%) and six of the largest real estate companies (50%). The website is the most comprehensive website for real estate in NZ, currently hosting over 122,000 listings, covering residential property for sale and rent, commercial property for sale and lease, rural properties and farms, as well as businesses for sale. With a subscriber base of over 1,050 offices, the website features over 95% of all listings from licensed real estate agents in NZ. Realestate.co.nz was visited by over 376,000 unique browsers in the month of November from both domestic and international visitors. The website is the most popular website for international visitors enquiring of NZ real estate, with over 110,000 unique browsers in the month of November from more than 200 countries.

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