



1st April 2011

Asking price of new listings rises again despite continued high levels of unsold properties on the market.

Asking prices rise again

- Asking price for new property listings rose a seasonally adjusted 1% in March to \$421,940.

Inventory of unsold homes now tops 1 year

- The stock of unsold houses grew further in March as sales volumes remain lackluster. Total inventory now stands at over 53 weeks – some of the highest levels recorded.

New listings rise 9%

- New listings rise a seasonally adjusted 9% in March with 12,247 properties brought to the market; however volumes are still 15% below March 2010.

Asking price just 2% below peak

- The current asking price expectation of vendors (\$421,940) is now just 1.7% below the peak of the market back in October 2007 – at that time \$429,033.

	Jan 2011	Feb 2011	Mar 2011
Property Asking Price (truncated mean)	\$406,525	\$420,265	\$421,940
% change from previous month	- 2%	+ 3%	+ 0 %
% change from prior 3 months	- 3%	+ 2%	+ 2%
Number of New Listings	8,300	11,395	12,247
% change from previous month	- 7%	+ 37%	+ 8%
% change from same month last year	- 19%	- 20%	- 15%
Inventory - Number of weeks	47.9	48.9	53.1
% change from previous month	- 5%	+ 2%	+ 9%
% change from same month last year	+ 28%	+ 11 %	+ 5%

Realestate.co.nz is the official website of the New Zealand real estate industry, and provides the most comprehensive selection of listings from licensed real estate agents across all categories. Realestate.co.nz features over 115,000 listings at any one time, representing over 95% of all listings currently marketed by real estate professionals.

Commentary

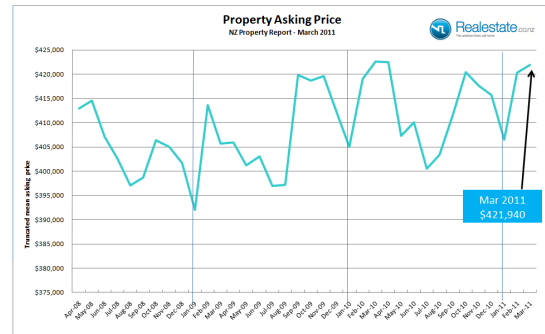
Any analysis of the NZ property market for March would be incomplete without reference to the impact of the Christchurch earthquake. The Canterbury region is the second biggest property region representing around 15% of the market. In March the level of new listings in the region fell 36% compared to a year ago, whilst the country excluding Canterbury fell only 11%. Based on a representation of the national total it is likely that around 480 less properties were listed in the Canterbury region in the month than would have been anticipated at this time of year.

Nationally the rise in asking price was the most significant single piece of data from the overall report. The asking price nationally is now hovering close to all time highs and is particularly strong in the major cities. Auckland at \$551,720 is up 1% as compared to prior month and prior year; with Wellington at \$453,021 up 2.5% on last year and 1% from last month. Canterbury at this time shows no significant change in price in line with recent 3 month average.

The level of inventory of unsold homes on the market continues to grow, recording its 3rd consecutive month of rise to break through the psychological level of one year, reaching 53 weeks. Given this high level of inventory, matched to slow levels of new listings it is becoming clear that the high asking price is more likely to be the result of keen interest focused purely on new listings; leaving older listings somewhat “languishing on the shelf” at what could be unrealistic prices or presentation that needs refreshing to attract buyers.

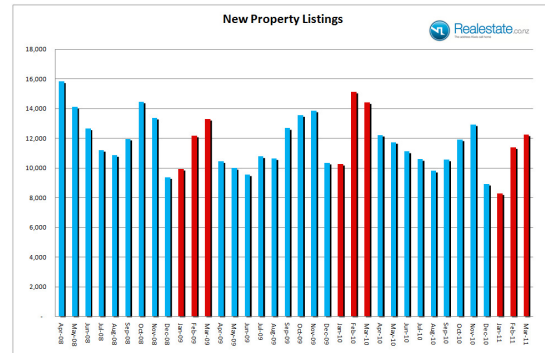
Asking Price

The truncated mean asking price for all new listings in March rose again to \$421,940 up from \$420,265 in February. On a seasonally adjusted basis the asking price rose 1% indicating a continued confidence amongst sellers. The trend of the past 2 years shows continued strength in asking price expectation.



New Listings

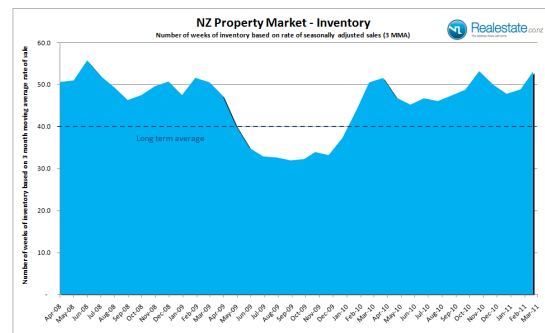
The level of new listings whilst rising in March was still 15% down compared to March last year. The current 12 month moving average total shows 131,722 new listings down 6% as compared to the prior 12 month period. The market continues to remain quiet in terms of listings and sales as has been seen in the REINZ sales reports for the last few months with both January and February reporting record lows. February sales totaled 4,502.



Inventory

The level of unsold houses on the market at the end of March actually fell from 52,672 in February to 51,980 in March. This represented the equivalent of 53.1 weeks of equivalent sales, as assessed on a seasonally adjusted basis.

The key driver of this rising inventory is more a reflection of somewhat lackluster sales than excessive new listings. The absolute level though at over a year of equivalent sales will continue to impact the market and maintain the “buyers-market” perspective.



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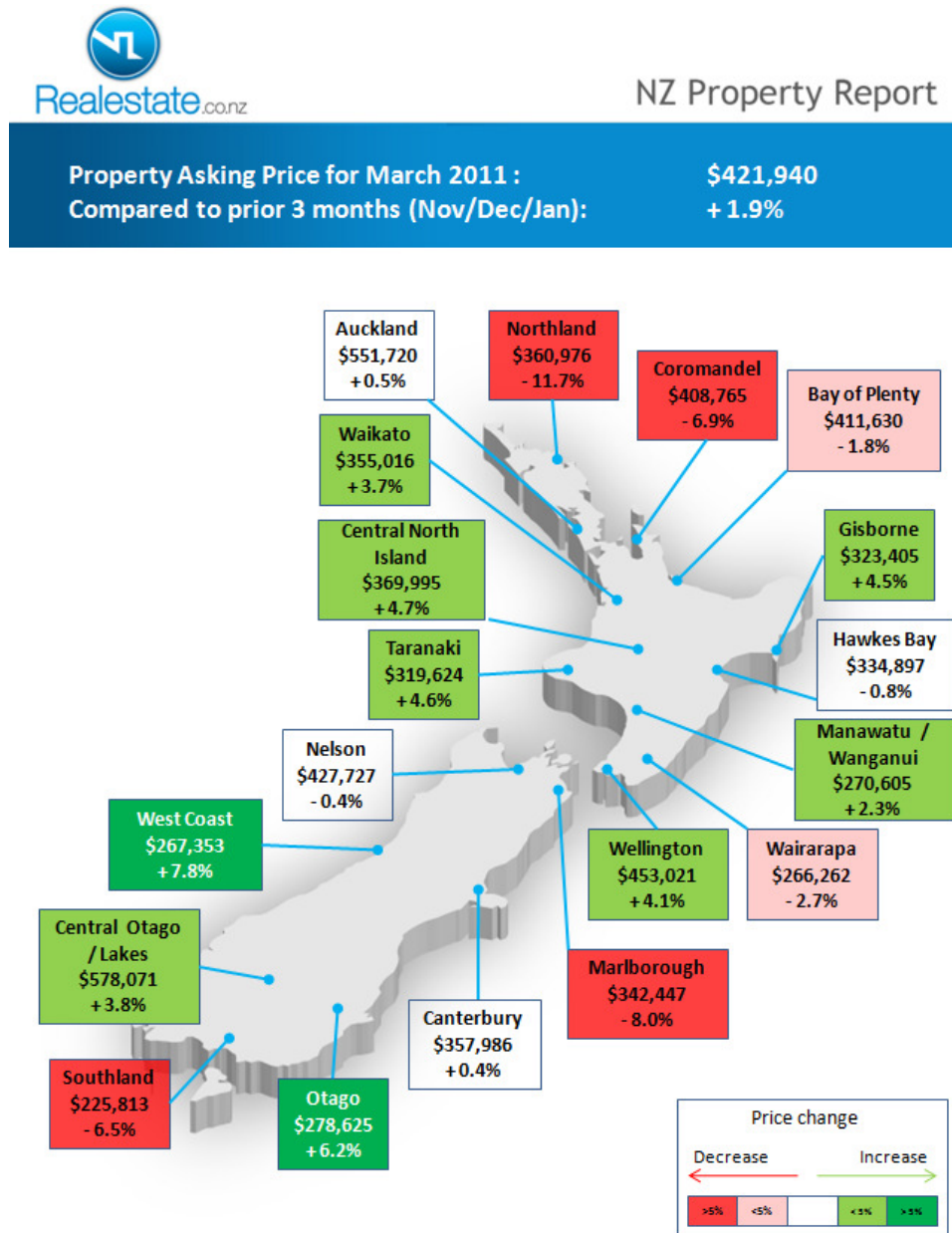
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Regional Summary – Asking price expectations

With a strong national asking price growth of 1.9% as compared to the recent 3 month average, the expectation would be to see a consistent trend across the country. The fact is that 11 regions of the 19 did post rises in asking price, however there were some significant falls. The majority of the falls were in provincial regions.

Both Wellington and Auckland saw asking price rise close to peak, with Wellington particularly strong with a 4.1% increase to come within \$2,500 of the peak asking price indicating confidence in vendor expectations.

By contrast the situation in Northland and Marlborough, which both showed significant falls in asking prices taking those regions to record low asking price levels.



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Regional Summary – Listings

Recent months has seen a consistent decline in listing numbers when judged on a year-on-year basis, this month of March shows some change.

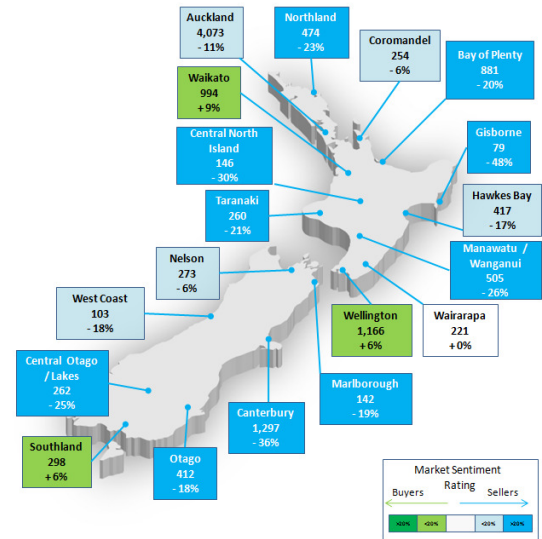
Four regions posted an increase in new listings with Waikato the standout showing a 9% increase to 994 new listings, the highest level in over 3 years.

As previously noted the Canterbury region saw a 36% fall. Over the past 7 months since September a total of 8,558 new listings have been brought to the market across the region. This is down 30% from the 12,232 recorded in the same period in the prior year.

Wellington regions showed a strong performance with a 6% increase. This region has been active with increases consistently over recent months taking the 12 month average up 6% on the prior year.

NZ Property Report

New Property Listings for March 2011 :	12,247
Compared to March 2010 :	-15%



Regional Summary – Inventory

A consistent picture of high inventory of unsold house on the market pervades the region map. There are pockets where levels are moderate, particularly in Bay of Plenty and Central North Island, however the remainder sit well above long term average.

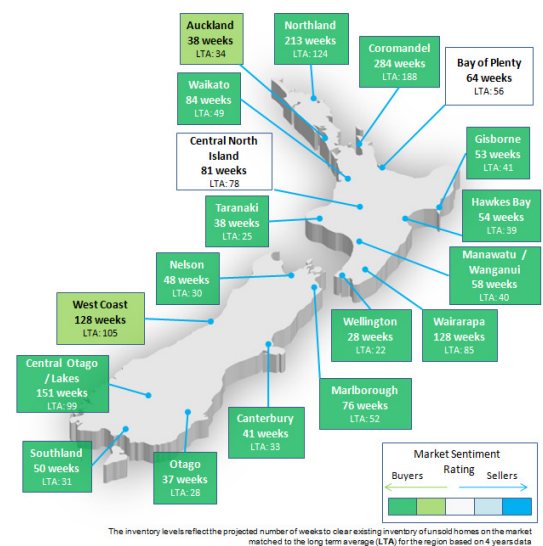
Of the 19 regions a full 8 of them are now sitting at record high levels of inventory – Central Otago, Hawkes Bay, Manawatu / Wanganui, Nelson, Northland, Otago, Taranaki and the Waikato.

In total provincial NZ which comprises all of the regions excluding the main centres of Auckland, Wellington and Canterbury reached a record peak of inventory of 76.7 weeks which compares with 36.6 weeks in the metropolitan areas.

These record highs as noted earlier are as much a factor of slows sales, are clearly offering a broad range of options to buyers active in the market.

NZ Property Report

NZ Inventory of listings for March 2011 :	53 weeks
Long term average (LTA) :	41 weeks



Major Centers

Auckland

	Jan 2011	Feb 2011	Mar 2011
Property Asking Price (truncated mean)	\$532,271	\$549,057	\$551,720
% change from previous month	- 6%	+ 3%	+ 1%
% change from prior 3 months	- 3%	+ 0%	+ 1%
Number of New Listings	2,554	3,891	4,073
% change from previous month	+ 5%	+ 52%	+ 5%
% change from same month last year	- 15%	- 15%	- 11%
Inventory - Number of weeks	35.5	37.5	38.0
% change from previous month	- 3%	+ 6%	+ 1%
% change from same month last year	+ 28%	+ 16%	- 2%

Wellington

	Jan 2011	Feb 2011	Mar 2011
Property Asking Price (truncated mean)	\$427,237	\$448,484	\$453,021
% change from previous month	- 0%	+ 5%	+ 1%
% change from prior 3 months	- 4%	+ 3%	+ 4%
Number of New Listings	645	1,068	1,166
% change from previous month	+ 8%	+ 66%	+ 9%
% change from same month last year	- 14%	- 11%	+ 6%
Inventory - Number of weeks	22.6	25.5	27.9
% change from previous month	- 11%	+ 13%	+ 9%
% change from same month last year	+ 29%	- 6%	+ 4%

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Canterbury

	Jan 2011	Feb 2011	Mar 2011
Property Asking Price (truncated mean)	\$344,464	\$365,596	\$357,986
% change from previous month	- 4%	+ 6%	- 2%
% change from prior 3 months	- 4%	+ 3%	+ 0%
Number of New Listings	948	1,177	1,297
% change from previous month	- 16%	+ 24%	+ 10%
% change from same month last year	- 38%	- 44%	- 36%
Inventory - Number of weeks	36.7	35.6	41.2
% change from previous month	- 7%	- 3%	+ 16%
% change from same month last year	+ 34%	+ 7%	+ 7%

Waikato

	Jan 2011	Feb 2011	Mar 2011
Property Asking Price (truncated mean)	\$334,516	\$347,584	\$355,016
% change from previous month	- 3%	+ 4%	+ 2%
% change from prior 3 months	- 5%	+ 1%	+ 4%
Number of New Listings	506	717	994
% change from previous month	- 8%	+ 42%	+ 39%
% change from same month last year	- 25%	- 23%	+ 9%
Inventory - Number of weeks	76.4	74.7	83.5
% change from previous month	+ 6%	- 2%	+ 12%
% change from same month last year	+ 75%	+ 45%	+ 37%

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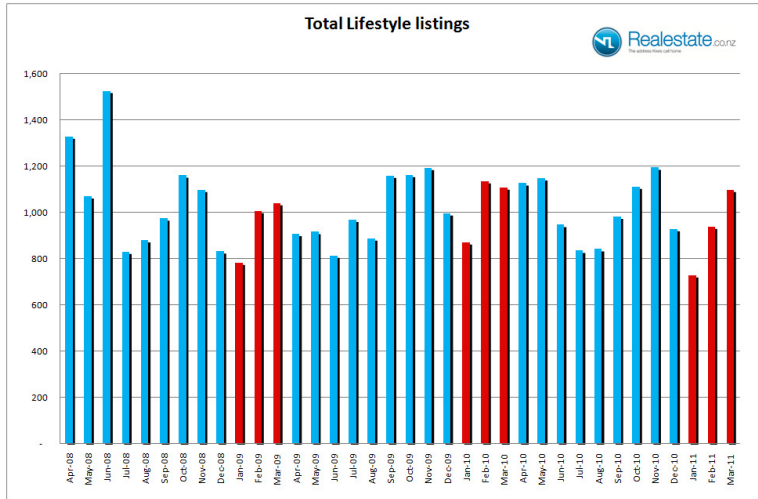
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Lifestyle

Lifestyle property performed fairly strongly in respect of new listings with a total of 1,096 coming onto the market in March up 17% from February and in line with March last year. The asking price expectation fell by 2% in the month from \$552,591 to \$542,975 which was down 8% as compared to March 2010.

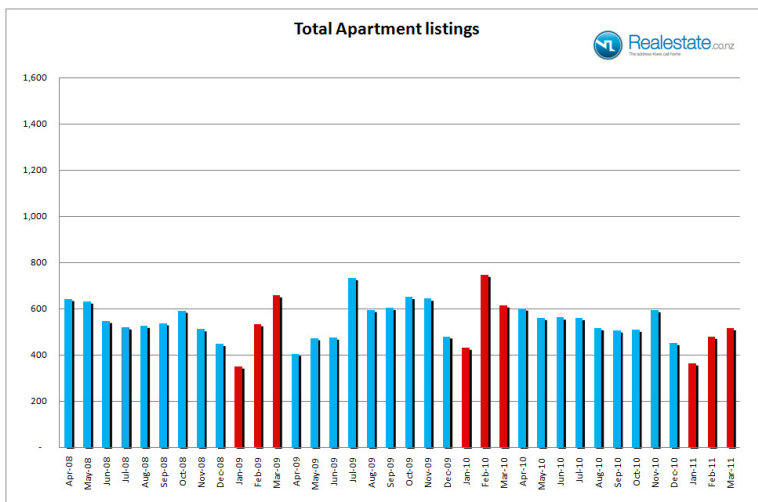
Despite the overall levels in Canterbury lifestyle listings remained steady with 130 new listings as compared to 144 in March 2010, the reality would be that almost all of the lifestyle properties in the region would be well outside of the immediate vicinity of Christchurch city.



Apartments

Apartment listings grew in March but at 516 failed to reach the level of 613 seen a year ago. Based on a 12 month moving average volumes of apartment listings continue to fall with 6,216 in the most recent year down 9%. In Auckland the trend is down with 5% decline on a 12 month moving average basis. March saw 332 new apartment listings in Auckland down 8% from a year earlier.

The asking price expectation rose 4% in March from \$365,150 to \$378,494. This level though is down 3% as compared to a year ago and down 4% as compared to the recent 3 month average. Auckland apartment listings reflected a similar trend down 4% year-on-year.



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Index Comparison

	Jan 2011		Feb 2011		Mar 2011	
	House Price	Annual Change	House Price	Annual Change	House Price	Annual Change
Mean Asking Price: Realestate.co.nz	\$406,525	+ 0%	\$420,265	+ 0%	\$421,940	- 0%
Mean Sales Price: REINZ	\$351,450	- 3%	\$359,675	- 1%	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 12,247 new listings in the month of March, a total of 156 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 licensed real estate agent listings in NZ, currently hosting over 120,000 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 1,020 offices, the website features over 95% of all listings from licensed real estate agents in NZ. Realestate.co.nz was visited by over 425,000 unique browsers in the month of March from both domestic and international visitors. The website is the most popular website for international visitors enquiring of NZ real estate, with over 115,000 unique browsers in the month of March from more than 200 countries.

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