



1st October 2011

More active property market sees strong rise in asking price expectations.

Spring surge of new listings

- New listings of property coming onto the market in September rose 10%, this represented just a 0.3% seasonally adjusted rise.

Inventory of unsold homes stabilises

- The stock of unsold houses on the market moved slightly upward in September to 37.2 weeks. This is still well below the long term average of 41 weeks.

Overall market continues to favours sellers

- The overall market is firmly pointed in favour of sellers across the majority of NZ with 11 of 19 regions below long term average inventory levels

Asking price rises as confidence grows in the market

- The flush of new listings has been accompanied by a significant rise in asking price expectation up 2% on a seasonally adjusted basis.

	Jul 2011	Aug 2011	Sep 2011
Property Asking Price (truncated mean)	\$403,474	\$415,078	\$425,565
% change from previous month	- 3%	+ 3%	+ 2%
% change from prior 3 months	- 4%	+ 1%	+ 4%
Number of New Listings	8,966	10,120	11,117
% change from previous month	- 2%	+ 13%	+ 10%
% change from same month last year	- 15%	+ 3%	+ 5%
Inventory - Number of weeks	38.5	36.7	37.2
% change from previous month	- 8%	- 5%	+ 1%
% change from same month last year	- 18%	- 21%	- 22%

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 112,000 listings at any one time, representing over 95% of all listings currently marketed by real estate professionals.

Commentary

The property has now fully entered its traditional spring period, an active time with new listings appearing as the weather improves. This year the two uncertain variables of the RWC and the forthcoming election certainly do not appear to be affecting the supply side of the market.

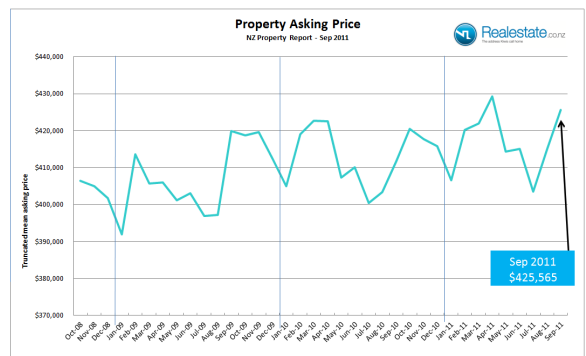
New listings continued to come onto the market – by no means a flood but in line with seasonal trends. The current rate of sale of properties has been growing and whilst in previous months this sale has been at a higher rate than listings leading to a decline in inventory, during September this balance was redressed. In the month the available inventory rose slightly.

The key measure is the asking price expectation, which rose again a significant \$10,000 to \$525,565. This is now 3.4% ahead of September last year and just 1% below the peak asking price set in April of this year.

Asking Price

The truncated mean asking price for all new listings in September rose significantly from \$415,078 in August to \$425,565. On a seasonally adjusted basis the asking price rose by 1.5% in the month indicating that there is an emerging confidence amongst sellers of stronger prices.

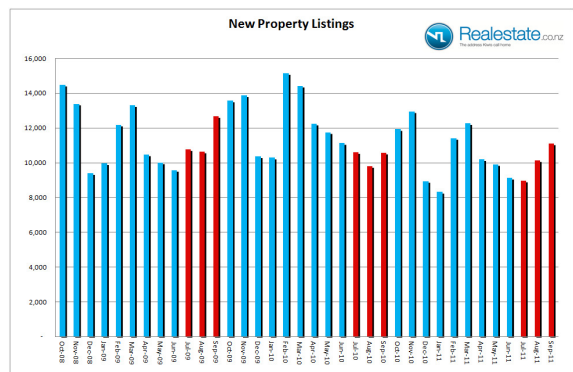
There is a seasonal trend that sees asking price rise in the early spring each year, this year that seasonal rise is somewhat more significant and could result in a new peak of asking price.



New Listings

The level of new listings coming onto the market in September rose again in line with seasonal trends. A total of 11,117 new listings came onto the market representing a 5% year-on-year increase; on a seasonally adjusted basis the rise was a more modest 0.3%.

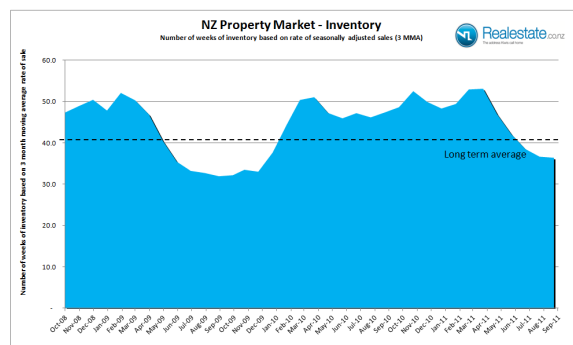
On a 12 month moving total basis the number of new listings in the past year totals 124,102 as compared 142,778 for the same period a year ago – a fall of 12%.



Inventory

The level of unsold houses on the market at the end of September rose slightly. At the end of the month there were 46,299 houses, apartments and lifestyle properties on the market up from 44,689 in August and down from 51,035 a year ago. This current level of inventory represents 37.2 weeks of equivalent sales.

From the chart the decline in inventory has been halted and a plateau is emerging.



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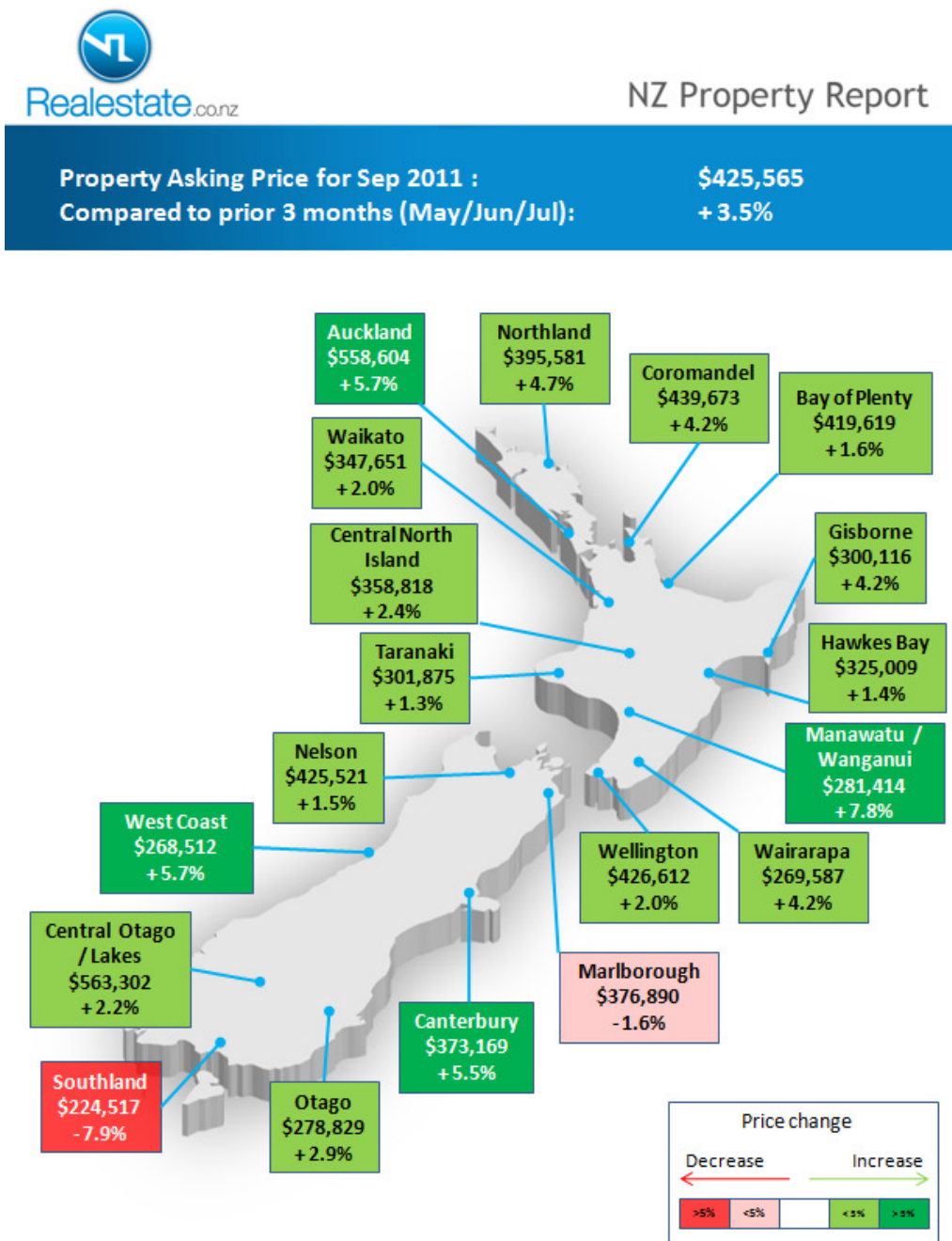
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Regional Summary – Asking price expectations

The national asking price expectation rose significantly in September due to seasonal factors. Across the country this trend was seen in 17 of the 19 regions reporting a rise in the truncated mean asking price as compared to the recent 3 month average. The most significant rises were seen in the Auckland, Manawatu/ Wanganui, Canterbury and the West Coast all of which exceeded 5% growth as compared to recent 3 month average.

There were just 2 regions which experienced falls in asking price, Marlborough down 1.6% and Southland down a significant 7.9%.



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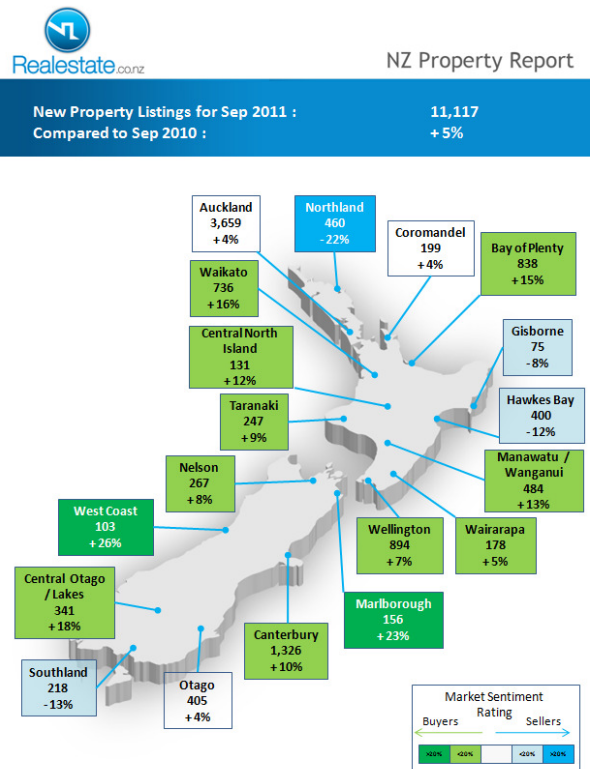
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Regional Summary – Listings

Listings flow was strong in September with 12 of the 19 regions seeing rises.

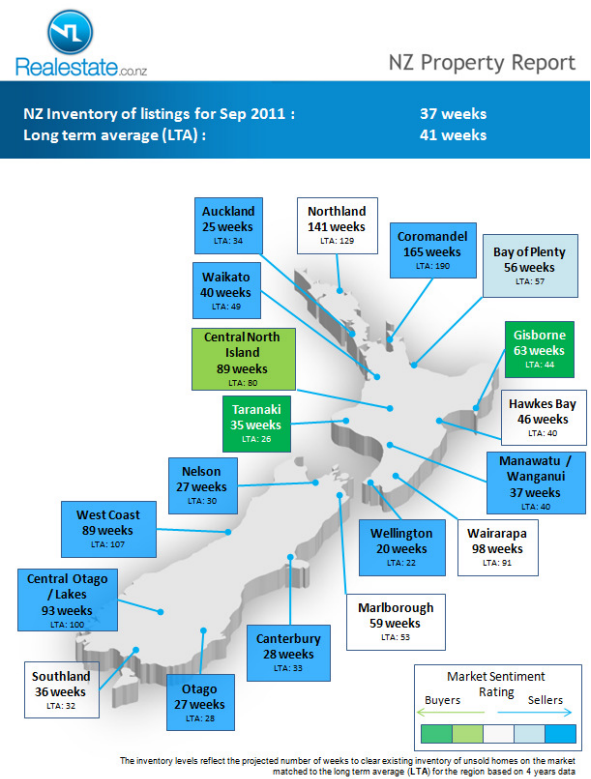
Significant rises were seen on the West Coast and in the Marlborough region. By contrast just 4 regions saw comparable year-on-year falls in new listings. Northland saw a significant 22% fall as compared to last year.



Regional Summary – Inventory

Whilst the overall state of the property market still favours sellers, the trend of the past month has seen some easing in some regions as new listing levels have outpaced sales. There are still 11 of the 19 regions of the country that have an inventory measured as weeks of equivalent sales below the long term average.

The 3 key metro areas of Auckland, Wellington and Christchurch are all sitting with inventory well below long term average and have seen very active local pockets of property buying as listings in short supply have driven some active buyer activity.



The inventory levels reflect the projected number of weeks to clear existing inventory of unsold homes on the market matched to the long term average (LTA) for the region based on 4 years data

Major Centers

Auckland

	Jul 2011	Aug 2011	Aug 2011
Property Asking Price (truncated mean)	\$522,803	\$527,979	\$558,604
% change from previous month	- 2%	+ 1%	+ 6%
% change from prior 3 months	- 3%	- 0%	+ 6%
Number of New Listings	3,031	3,705	3,659
% change from previous month	- 2%	+ 22%	- 1%
% change from same month last year	- 11%	+ 16%	+ 4%
Inventory - Number of weeks	24.5	24.2	25.0
% change from previous month	- 8%	- 1%	+ 3%
% change from same month last year	- 33%	- 32%	- 32%

Wellington

	Jul 2011	Aug 2011	Sep 2011
Property Asking Price (truncated mean)	\$413,460	\$422,100	\$426,612
% change from previous month	- 1%	+ 2%	+ 1%
% change from prior 3 months	- 4%	+ 1%	+ 2%
Number of New Listings	664	701	894
% change from previous month	- 10%	+ 6%	+ 28%
% change from same month last year	- 18%	- 4%	+ 7%
Inventory - Number of weeks	20.9	19.4	20.2
% change from previous month	- 12%	- 7%	- 4%
% change from same month last year	- 17%	- 19%	- 16%

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Canterbury

	Jul 2011	Aug 2011	Sep 2011
Property Asking Price (truncated mean)	\$349,608	\$358,386	\$373,169
% change from previous month	- 1%	+ 2%	+ 4%
% change from prior 3 months	- 3%	+ 1%	+ 6%
Number of New Listings	1,175	1,125	1,326
% change from previous month	- 17%	- 4%	+ 18%
% change from same month last year	- 23%	- 17%	+ 10%
Inventory - Number of weeks	32.8	29.9	28.3
% change from previous month	- 12%	- 9%	- 6%
% change from same month last year	- 9%	- 10%	- 17%

Waikato

	Jul 2011	Aug 2011	Sep 2011
Property Asking Price (truncated mean)	\$337,185	\$328,626	\$347,651
% change from previous month	- 6%	- 2%	+ 6%
% change from prior 3 months	- 6%	- 7%	+ 2%
Number of New Listings	551	669	736
% change from previous month	- 7%	+ 21%	+ 10%
% change from same month last year	- 8%	+ 21%	+ 17%
Inventory - Number of weeks	44.3	40.2	40.4
% change from previous month	- 12%	- 9%	+ 0%
% change from same month last year	- 27%	- 37%	- 38%

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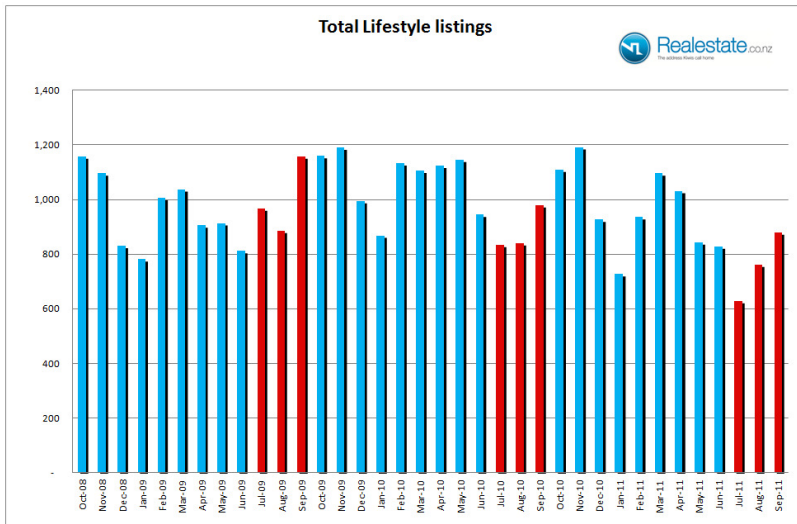
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Lifestyle

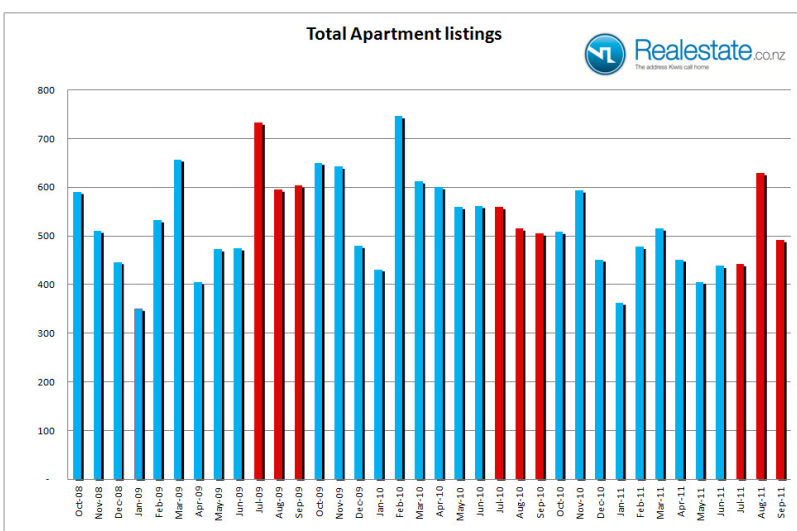
Lifestyle property listings across the country rose in September by 15% as compared to August when judged on a seasonally adjusted basis the performance showed a 4% decline. There were 878 new listings added in the month with a truncated mean asking price of \$599,813 which was up 10% on the recent 3 month average. Measured against September last year the asking price is up 14%.



Apartments

New apartment listings returned to a more normal level last month from the peak level in August. A total of 492 new apartment listings came onto the market. The truncated mean asking price at \$372,747 was up 13% on the prior month and 3% up on a year ago.

In the Auckland apartment market, which represents over 60% of the total market there were just 299 new listings which represented an 31% seasonally adjusted decline. In terms of asking price, the truncated mean in September was \$336,707 up from the prior month record low of \$302,425.



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Index Comparison

	Jul 2011		Aug 2011		Sep 2011	
	House Price	Annual Change	House Price	Annual Change	House Price	Annual Change
Mean Asking Price: Realestate.co.nz	\$403,474	+ 1%	\$415,078	+ 3%	\$425,565	+ 3%
Mean Sales Price: REINZ	\$361,460	+ 1%	\$363,150	+ 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 1,000 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 11,117 new listings in the month of September, a total of 169 listings have been excluded due to anomalies. The land area of the property defines the categorisation of Lifestyle 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 110,000 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 1,000 offices, the website features over 95% of all listings from licensed real estate agents in NZ. Over 385,000 unique browsers visited Realestate.co.nz in the month of September from both domestic and international visitors. The website is the most popular website for international visitors enquiring of NZ real estate, with over 100,000 unique browsers in the month of September from more than 200 countries.

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