

1st December 2011

Active property market still favours sellers as strong flow of new listings enhances selection.

Asking price expectation remains high despite seasonal slip

- Confidence amongst sellers has seen the asking price expectation of new listings in November remain above \$425,000.

Inventory of unsold homes stabilises

- The stock of unsold houses on the market fell back slightly in November having headed up in October; this sees levels continue to track below long term average indicating a continuation of a sellers market.

Flow of new listings onto the market surges

- New listings of property coming onto the market in November was the highest in over 18 months, indicating that October listings may have been held back by the Rugby World Cup

Market still favours sellers

- Across the country the inventory levels in many regions are below long term average indicating a continuing tight market. Auckland and Canterbury are the main regions witnessing the greatest extent of this trend.

	Sep 2011	Oct 2011	Nov 2011
Property Asking Price (truncated mean)	\$425,565	\$434,161	\$425,956
% change from previous month	+ 2%	+ 2%	- 2%
% change from prior 3 months	+ 4%	+ 5%	+ 0%
Number of New Listings	11,117	11,312	13,369
% change from previous month	+ 10%	+ 2%	+ 18%
% change from same month last year	+ 5%	- 5%	+ 3%
Inventory - Number of weeks	37.2	38.5	38.1
% change from previous month	+ 1%	+ 4%	- 1%
% change from same month last year	- 22%	- 21%	- 27%

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 market is now firmly in the active Summer season with a strong surge of new listings coming onto the market to provide variety for the prospective buyers who have certainly been more active over the winter and spring period of this year. This current level of activity is likely to result in full calendar year sales in excess of 60,000. This would be up 7% on the prior year; however this level of sales is far below the peak of the property market (now a somewhat distant memory) of 2004 when in excess of 120,000 properties were sold in that year.

The slightly lower level of listings in October are now judged to have been influenced by the Rugby World Cup with sellers possibly hesitant to list at that time preferring to wait until the event was over before marketing their properties. It is still though noticeable the extent to which this year has seen a much lower level of new listings than 2010, so far this year 116,016 new listings have been brought to market 11% lower than last year.

With this new flow of listings has come what can be considered to be a confident position by sellers on asking price; which whilst slipping slightly in the month continues to show a slow but steady increase over the past few years. This confidence on the part of sellers is certainly supported by the rate of sale of property which is being shared by real estate agents in their daily contact with the public, and can also be seen in traffic to online listing sites which has seen an aggregated increase this year of 6% with over 187,000 daily visitor sessions across all sites (Nielsen Online).

Asking Price

The truncated mean asking price of \$425,956 for all new listings in November eased slightly from the peak in October of \$434,161. On a seasonally adjusted basis the asking price fell 2% indicating that whilst expectations are rising the rate of increase is not as high as seasonal factors would expect.

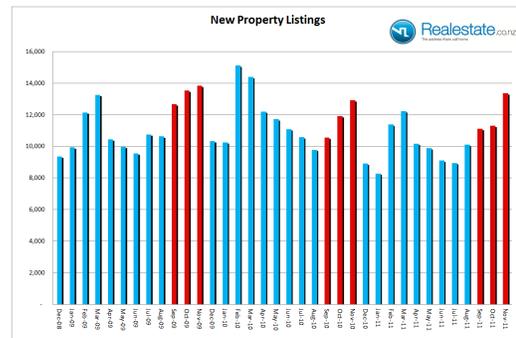
The long term trend as seen in the chart has been a steady increase in asking price over the past 3 years. The seasonal trend each year tends to see asking prices rise through from mid winter to October before falling back.



New Listings

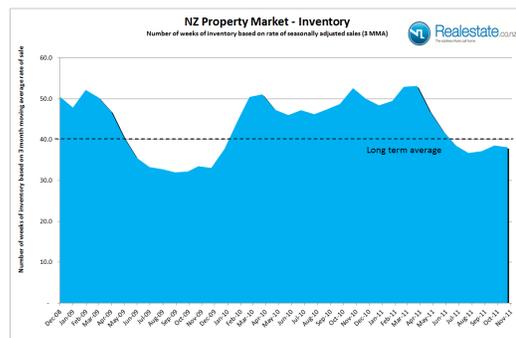
The level of new listings coming onto the market in November rose on a seasonally adjusted basis by 17%. A total of 13,369 new listings came onto the market representing a 3% year-on-year rise.

On a 12 month moving total basis the number of new listings in the past year totals 124,412 as compared 140,214 for the same period a year ago. a fall of 11%.



Inventory

The level of unsold houses on the market at the end of November turned down slightly in what was a somewhat unexpected trend. At the end of the month there were 48,647 houses, apartments and lifestyle properties on the market barely up from 46,597 in October and down from 54,365 a year ago. This current level of inventory represents 38.1 weeks of equivalent sales.



Released: 1st December 2011

Copyright © 2011, Realestate.co.nz Ltd

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

Regional Summary – Asking price expectations

The national truncated mean asking price expectation among sellers eased slightly in November to \$425,956. This price trend has been seen for each of the past 4 years as rising asking prices begin to ease as the summer approaches.

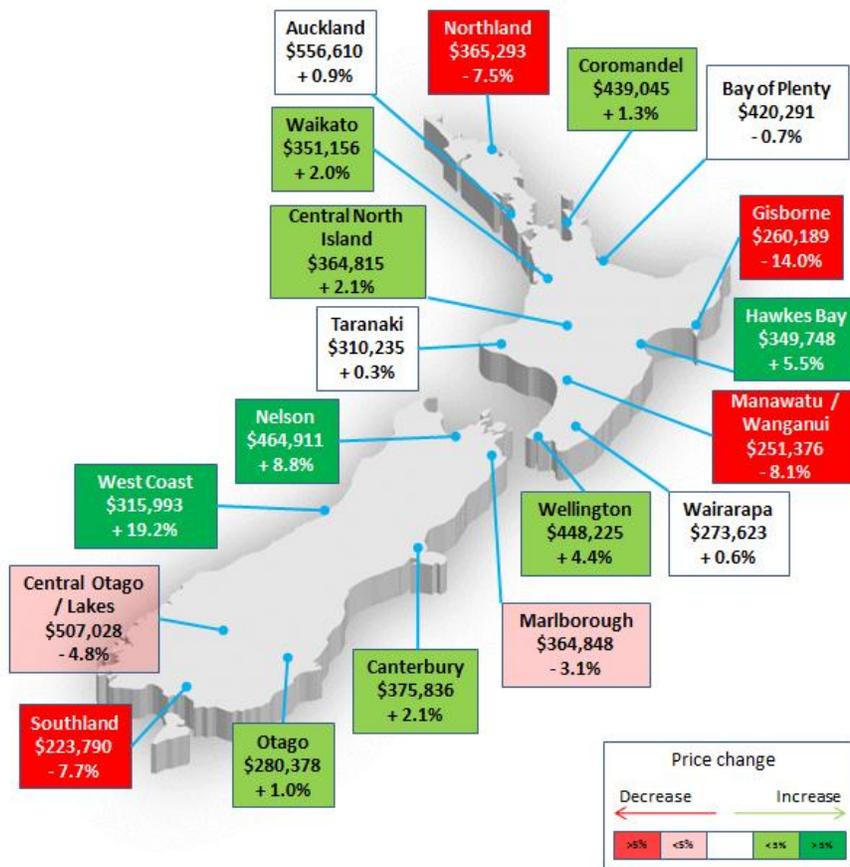
Across the 19 regions the view is generally of increasing prices with 12 regions reporting increases as measured against the recent 3 month average. There were 3 regions with rises of over 5% - Hawkes Bay, Nelson and the West Coast, the latter of these reporting a new record high up 25% over the prior year to \$315,993.

Amongst the 7 regions showing a fall in asking price there were 4 regions where the fall was over 5% - Northland, Gisborne, Manawatu / Wanganui and Southland. The largest of these falls was in Gisborne which saw asking price fall by 29% vs. November last year, this level at \$260,189 is approaching a record low last seen in early 2009.



NZ Property Report

Property Asking Price for Nov 2011 : **\$425,956**
 Compared to prior 3 months (Aug/Sep/Oct): **+ 0.2%**



Released: 1st December 2011

Copyright © 2011, Realestate.co.nz Ltd

For media enquiries and interviews please contact: Alistair Helm CEO Realestate.co.nz

021 610 510

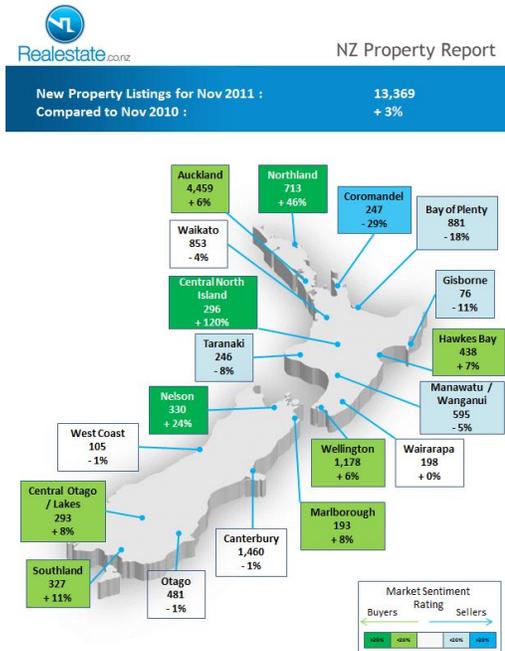
This report can be accessed at www.unconditional.co.nz

Regional Summary – Listings

New listings rose across most of the country in November with just 5 of the 19 regions seeing falls in listings of greater than 5%. The biggest fall was in the Coromandel which was down 29% with just 247 new listings, this compares with levels of over 400 in prior years.

Contrasting these regions were Nelson reporting 24% increase, Northland with a 46% increase and the Central North Island with an enormous 120% increase. This latter region has seen a consistently low level of new listings this year. In the first 10 months of this year only 1,284 listings came onto the market, whilst 296 new listing hit the market in the single month of November.

The remainder of the country seems to reflect a balance with 6 regions reporting barely changed levels of new listings which would indicate a balance between buyers and sellers.



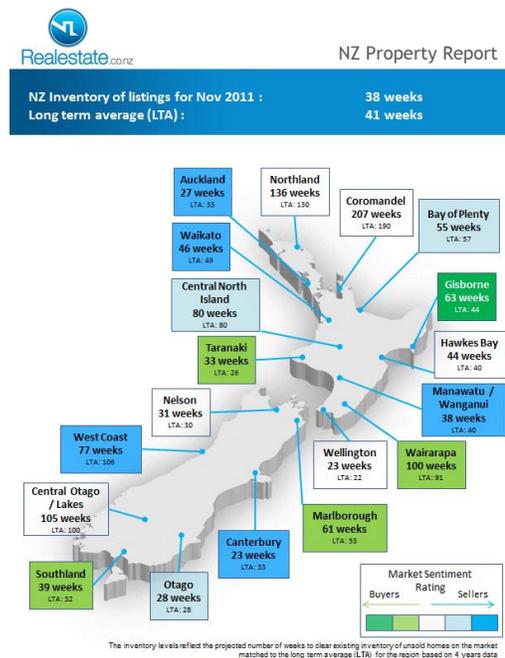
Regional Summary – Inventory

The inventory of unsold homes on the market eased slightly this month having seen a slight upturn in October; given the rise in new listings this would indicate a strong rate of sale.

Across the country there were a total of 8 regions where the advantage is to sellers. Of these the 5 regions of Auckland, Manawatu/Wanganui, Canterbury, West Coast and the Waikato remain very much in strong sellers markets. If anything the past month has seen a degree of rebalancing of the market overall in all but these extreme market-condition-affected regions.

There are however still 5 regions (Marlborough, Wairarapa, Southland, Taranaki and Gisborne) where the market is certainly favouring buyers with high levels of inventory set against long term average.

The market is now firmly in the peak summer season and with the more balanced market in terms of inventory of unsold properties on the market the options seem more open for both active buyers and sellers.



Major Centers

Auckland

	Sep 2011	Oct 2011	Nov 2011
Property Asking Price (truncated mean)	\$558,604	\$568,778	\$556,610
% change from previous month	+ 6%	+ 2%	- 2%
% change from prior 3 months	+ 6%	+ 6%	+ 1%
Number of New Listings			
	3,659	3,796	4,459
% change from previous month	- 1%	+ 4%	+ 18%
% change from same month last year	+ 4%	- 3%	+ 6%
Inventory - Number of weeks			
	25.0	27.2	26.9
% change from previous month	+ 3%	+ 9%	- 1%
% change from same month last year	- 32%	- 26%	- 32%

Wellington

	Sep 2011	Oct 2011	Nov 2011
Property Asking Price (truncated mean)	\$426,612	\$439,369	\$448,225
% change from previous month	+ 1%	+ 3%	+ 2%
% change from prior 3 months	+ 2%	+ 4%	+ 4%
Number of New Listings			
	894	946	1,178
% change from previous month	+ 28%	+ 6%	+ 24%
% change from same month last year	+ 7%	- 4%	+ 6%
Inventory - Number of weeks			
	20.2	23.2	23.4
% change from previous month	- 4%	+ 15%	+1%
% change from same month last year	- 16%	- 9%	- 17%

Released: 1st December 2011

Copyright © 2011, Realestate.co.nz Ltd

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

Canterbury

	Sep 2011	Oct 2011	Nov 2011
Property Asking Price (truncated mean)	\$373,169	\$372,616	\$375,836
% change from previous month	+ 4%	- 0%	+ 1%
% change from prior 3 months	+ 6%	+ 3%	+ 2%
Number of New Listings	1,326	1,293	1,460
% change from previous month	+ 18%	- 2%	+ 13%
% change from same month last year	- 10%	- 1%	- 1%
Inventory - Number of weeks	28.3	24.8	22.7
% change from previous month	- 6%	- 12%	- 8%
% change from same month last year	- 17%	- 36%	- 48%

Waikato

	Sep 2011	Oct 2011	Nov 2011
Property Asking Price (truncated mean)	\$347,651	\$356,746	\$351,156
% change from previous month	+ 6%	+ 3%	- 2%
% change from prior 3 months	+ 2%	+ 6%	+ 2%
Number of New Listings	736	713	853
% change from previous month	+ 10%	- 3%	+ 20%
% change from same month last year	+ 17%	+ 7%	- 4%
Inventory - Number of weeks	40.4	43.8	46.1
% change from previous month	+ 0%	+ 8%	+ 5%
% change from same month last year	- 38%	- 35%	- 37%

Released: 1st December 2011

Copyright © 2011, Realestate.co.nz Ltd

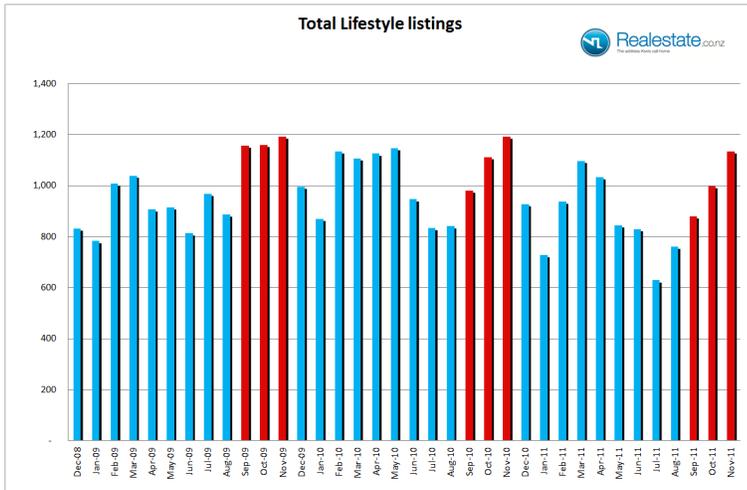
For media enquiries and interviews please contact: Alistair Helm CEO Realestate.co.nz 021 610 510

This report can be accessed at www.unconditional.co.nz

Lifestyle

Lifestyle property listings shot up in November with 1,133 listings in the month, this represented a 15% seasonally adjusted increase but was down 5% on the same month last year. The truncated mean asking price at \$574,507 was up 3% from last year but down 3% down on the recent 3 month average.

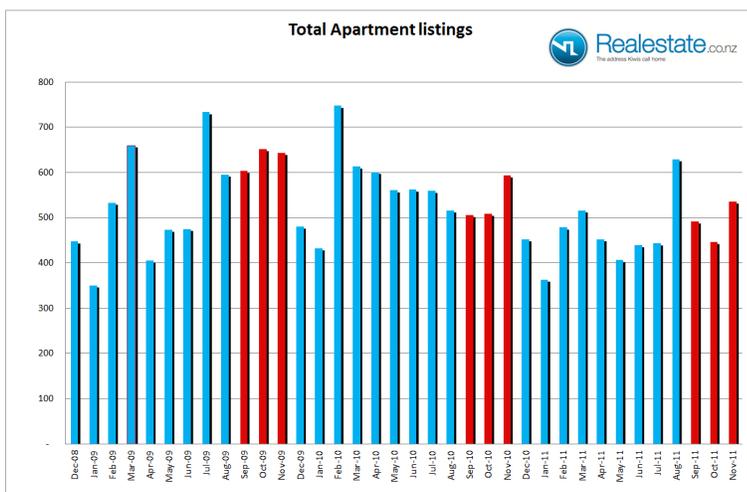
Across the country strength in new listings was seen in Northland (125, up 67% Yr. on Yr.) and the Waikato (120, up 13% Yr. on Yr.). Whilst the Bay of Plenty, Hawkes Bay and Wellington all saw year on year falls of over 25%.



Apartments

New listings for apartments picked up in November with 535 apartments coming onto the market up 20% from October but 10% down on last year. The truncated mean asking price of \$370,532 was up 2% from prior month and in line with last year.

The Auckland market which dominates the apartment market saw a stronger performance with 350 new listings which was 25% up on prior month and just 1.4% down on last year. The asking price was \$352,407 which was up nearly 15% on last year and 2% up from October.



Released: 1st December 2011

Copyright © 2011, Realestate.co.nz Ltd

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

Notes

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.

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 13,369 new listings in the month of November, a total of 138 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 380,000 unique browsers visited Realestate.co.nz 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 100,000 unique browsers in the month of October from more than 200 countries.

In addition Realestate.co.nz regularly receives over 10% of all traffic to property listings from the new mobile application platform available on the iPhone and Android. To date these applications have been downloaded by over 45,000 users making the app the most popular geo-locational real estate app in NZ.

Released: 1st December 2011

Copyright © 2011, Realestate.co.nz Ltd

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