



1<sup>st</sup> May 2012

## Auckland's asking prices sets a new record high as listing volumes fail to respond to demand

### New listings insufficient to meet demand

- A total of 3,159 new listings came onto the market in April down 28% from last month and down 14% on a seasonally adjusted basis. This clearly indicating that the market is not responding to shortages of inventory in many areas of the region.

### Inventory remains low

- The stock of unsold houses on the market remains at a 4 year low in April. As compared to a year ago the inventory of houses on the market has fallen from 27.6 weeks supply to 21.7 weeks.

### Asking prices breaks new high again

- The seasonally adjusted asking price rose again to a new high of \$568,820 up 2% for the month and up 2% as compared to a year ago.

### Market firmly favours sellers

- Across the region the inventory levels are consistently slipping below long term averages indicating a tightening of the market, especially as property sales across the region in the first 3 months were up 24% whilst listings were only up 9%.

	Feb 2012	Mar 2012	Apr 2012
<b>Property Asking Price</b> (seasonally adjusted - truncated mean)	\$554,094	\$559,369	<b>\$568,820</b>
% change from previous month	+ 3%	+ 1%	<b>+ 2%</b>
% change from same month last year	+ 4%	+ 4%	<b>+ 2%</b>
<b>Number of New Listings</b>	4,505	4,375	<b>3,159</b>
% change from previous month	+ 76%	- 3%	<b>- 28%</b>
% change from same month last year	+ 16%	+ 7%	<b>- 5%</b>
<b>Inventory - Number of weeks of equivalent sales</b> (seasonally adjusted )	24.1	21.7	<b>21.7</b>
% change from previous month	- 2%	- 10%	<b>+ 0%</b>
% change from same month last year	- 33%	- 31%	<b>- 21%</b>

*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 96% of all listings currently marketed by real estate professionals.*



## Commentary

The Auckland property market continues to drive ahead, even as the remainder of the country sees some rebalancing of the market. The market is firmly in the seller's camp and this is evident by the pressure of constrained inventory which continues to hold at levels well below long term average and a year ago. In fact the levels are the lowest seen since the start of the property market slow-up in 2007.

Sales of property remain strong with the 2,806 properties sold in March across the region, this is up 18% as compared to the prior year, but was very slightly down from February on a seasonally adjusted basis by 1%. This level of demand has driven the asking price higher as sellers read the market signals and recongise the potential for a stronger selling price than a year ago.

The weakness of listings remains of concern, the 3,159 new properties coming onto the market in April were down 5% on a year ago and 14% down on February on a seasonally adjusted basis.

The next 3 month traditionally represent a quieter time for new listings as sellers feel the summer peak appeal period has passed, this is however not the case when it comes to demand from buyers who remain active through this winter period, the key will be if astute sellers recognize this and capitalize on what appears to be sustained demand to seek the best outcome for their property sale.

### Asking Price

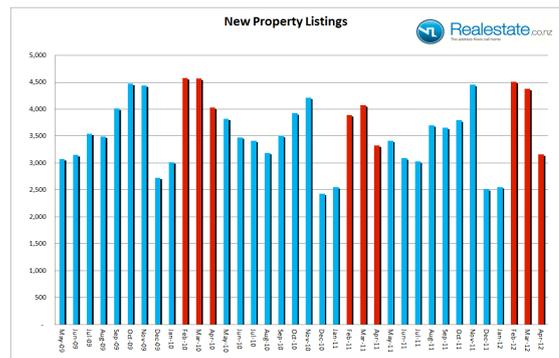
The seasonally adjusted truncated mean asking price for listings in April rose again to a new record level of \$568,820 up 1.7% on the March level and up 2.5% from April last year. Auckland asking prices are second only to the Queenstown region which is nudging the \$600,000 asking price mark at \$595,766 in April.



### New Listings

The level of new listings coming onto the market in April fell significantly with a total of 3,159. This represents a fall of 5% as compared to April last year. On a seasonally adjusted basis the April figure was down 14% from March.

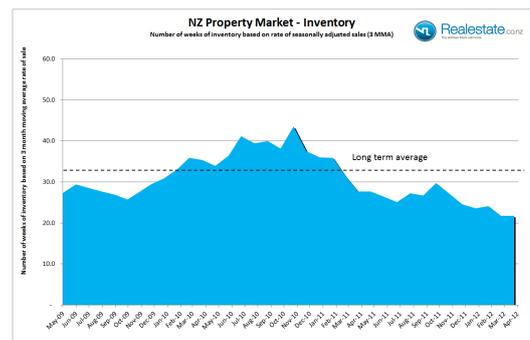
On a 12 month moving average basis a total of 42,272 new listings have come onto the market since May 2011 as compared to 41,850 in the prior 12 month period, a slight increase of just 1%. This compares to sales up 22% on the same 12 month comparable basis



### Inventory

The level of unsold houses on the market at the end of April as measured on a seasonally adjusted basis at 10,941 was down 1% as compared to March. A year ago the inventory totaled 12,001.

As measured in weeks of equivalent sales the April level of 21.7 remained the same as March. The long term average for Auckland is 33 weeks and a year ago the level was 28 weeks.



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This report can be accessed at [www.unconditional.co.nz](http://www.unconditional.co.nz)

## Major Categories

### Houses - Auckland

	Feb 2012	Mar 2012	Apr 2012
<b>Property Asking Price</b> (truncated mean)	\$573,558	\$576,125	<b>\$577,298</b>
% change from previous month	+ 3%	+ 0%	<b>+ 0%</b>
% change from same month last year	+ 9%	+ 4%	<b>+ 5%</b>
<b>Number of New Listings</b>	3,917	3,792	<b>2,714</b>
% change from previous month	+ 76%	- 3%	<b>- 28%</b>
% change from same month last year	+ 17%	+ 7%	<b>- 3%</b>

### Apartments - Auckland

	Feb 2012	Mar 2012	Apr 2012
<b>Property Asking Price</b> (truncated mean)	\$390,021	\$338,046	<b>\$359,196</b>
% change from previous month	+ 24%	- 13%	<b>+ 6%</b>
% change from same month last year	+ 20%	- 1%	<b>+ 2%</b>
<b>Number of New Listings</b>	329	314	<b>252</b>
% change from previous month	+ 84%	- 5%	<b>- 20%</b>
% change from same month last year	- 1%	- 5%	<b>- 12%</b>

### Lifestyle Property - Auckland

	Feb 2012	Mar 2012	Apr 2012
<b>Property Asking Price</b> (seasonally adjusted - truncated mean)	\$937,977	\$988,860	<b>\$1,030,972</b>
% change from previous month	+ 10%	+ 5%	<b>+ 4%</b>
% change from same month last year	+ 8%	+ 16%	<b>+ 14%</b>
<b>Number of New Listings</b>	204	224	<b>143</b>
% change from previous month	+ 68%	+ 10%	<b>- 36%</b>
% change from same month last year	- 7%	+ 6%	<b>- 40%</b>

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## 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 1<sup>st</sup> 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 13,265 new listings in the month of April, a total of 377 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.

### Seasonally adjustment

The core data for the NZ Property Report is seasonally adjusted to better represent the core underlying trend of the property market in NZ. In preparing this seasonally adjusted data Realestate.co.nz is grateful for the assistance of the New Zealand Institute of Economic Research (NZIER) who use an X12 ARIMA methodology to calculate seasonally adjusted data.

### 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 96% of all listings from licensed real estate agents in NZ. Over 400,000 unique browsers visited Realestate.co.nz in the month of March both domestic and international visitors. The website is the most popular website for international visitors enquiring of NZ real estate, with over 105,000 unique browsers in the month of March from more than 200 countries.

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