

1st September 2012

Healthy level of new listings kickstarts spring as property market continues to steady

Increase in new listings

- The level of new listings bounced back in August, showing a increase of 10% on July, and a increase of 2.4% on August last year. This indicates a growing level of confidence among sellers as we move into Spring.

Inventory levels continue to ease

- Inventory levels in August followed the trend that was appearing in July, with August levels remaining steady at 31 weeks (7 months of stock) based on the rate of sale. This is still well down on the long term average of 40 weeks (9 months)

Asking prices rise slightly

- The continuance of a seller's market is resulting in a strong asking price, which has risen by just 0.3% for the month on a seasonally adjusted basis and is up 1.7% as compared to a year ago. Auckland recorded a new peak asking price of \$585,482

Market continues to reflect a sellers' market

- Steady inventory levels, and a strong flow of new listings show that the sentiment of the market still favours sellers and this is reflected in the asking price.

	Jun 2012	Jul 2012	Aug 2012
Property Asking Price (seasonally adjusted - truncated mean)	\$425,783	\$429,181	\$430,443
% change from previous month	- 2%	+ 1%	+ 0.3%
% change from same month last year	+ 2%	+ 4%	+ 1.7%
Number of New Listings	9,588	9,411	10,365
% change from previous month	- 17%	- 2%	+ 10.1%
% change from same month last year	+ 5%	+ 5%	+ 2.4%
Inventory - Number of weeks of equivalent sales (seasonally adjusted)	29.8	31.0	30.9
% change from previous month	- 17%	+ 4%	+ 0%
% change from same month last year	- 24%	- 23%	- 23%

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 110,000 listings at any one time, representing over 97% of all listings currently marketed by real estate professionals.

Released: 1st September 2012 Page 1 - Copyright © 2012, Realestate.co.nz Ltd

For media enquiries and interviews please contact: Paul McKenzie Marketing Manager Realestate.co.nz

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

021 618 537

Commentary

The property market finished winter strongly and is showing all the signs of gearing up for a strong Spring season. The market is still firmly parked as a sellers market, with inventory levels across the country remaining low. Good levels of new listings have started to come onto the market, with a 10% increase on July, bring to the market over 10,300 new listings.

The next 3 months usually represents the peak season for house sales, and the current indication is that we will continue to see good levels of activity in the market in the lead up to the end of the year.

The property market continues to show signs of confidence and heightened activity. The confidence amongst sellers bringing their properties onto the market stabilized in August, with the truncated mean asking price rising slightly to \$430,443 when compared to the last 3 months. This slight rise in asking price was noticeable in 12 of the 19 regions, with Auckland pushing a new high of \$585,482.

Asking Price

The seasonally adjusted truncated mean asking price for listings in August rose slightly. The August figure of \$430,443 was up just 0.3% on a seasonally adjusted basis from July. It represents a 1.7% year-on-year growth in the asking price as compared to August last year. The trend as seen in the chart opposite continues to show strength in seller expectation on the back of low listings and strong demand in the main centers.

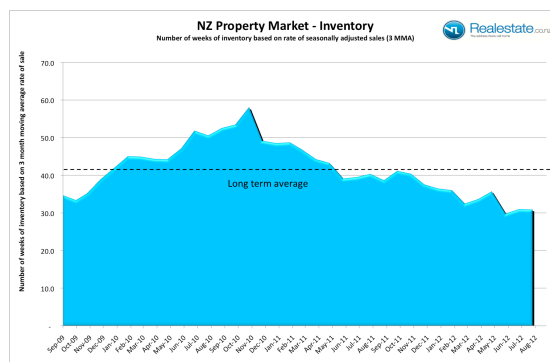
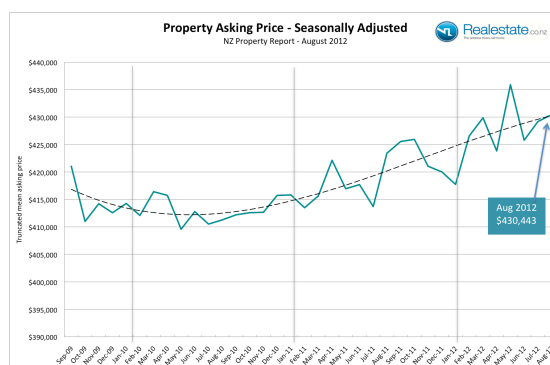
New Listings

The level of new listings coming onto the market in August increase from June with 10,365 listings in the month - up from the 9,411 in June. This represents a 6.7% increase on a seasonally adjusted basis.

On a 12 month moving average basis a total of 130,878 new listings have come onto the market since September 2011 as compared to 124,544 in the prior 12 month period, this represents a rise of just 5.1%.

Inventory

The level of unsold houses on the market at the end of August (44,291) was down slightly as compared to July (44,729) as measured on a seasonally adjusted basis. The inventory as measured in terms of equivalent weeks of sales barely changed last month to 30.9 weeks last month. Auckland showed a new record low number of unsold houses in August with levels falling to 9858, or just 18 equivalent weeks of sales (Auckland long term average = 32 weeks)



Released: 1st September 2012

Copyright © 2012, Realestate.co.nz Ltd

For media enquiries and interviews please contact: Paul McKenzie Marketing Manager Realestate.co.nz 021 618 537

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

Regional Summary – Asking price expectations

The national (seasonally adjusted) truncated mean asking price expectation among sellers rose slightly in August by 0.3% to \$430,443.

Across the 19 regions of the country asking prices showed a significant range of variances. The star of the month was Auckland, reporting a 1.8% increase and hit a new record seasonally adjusted average asking price of \$585,482. The asking price in the other main centres of Wellington & Canterbury witnessed a fall last in August, with Canterbury showing the lowest asking price since January this year (down 4.8% to \$374,732).

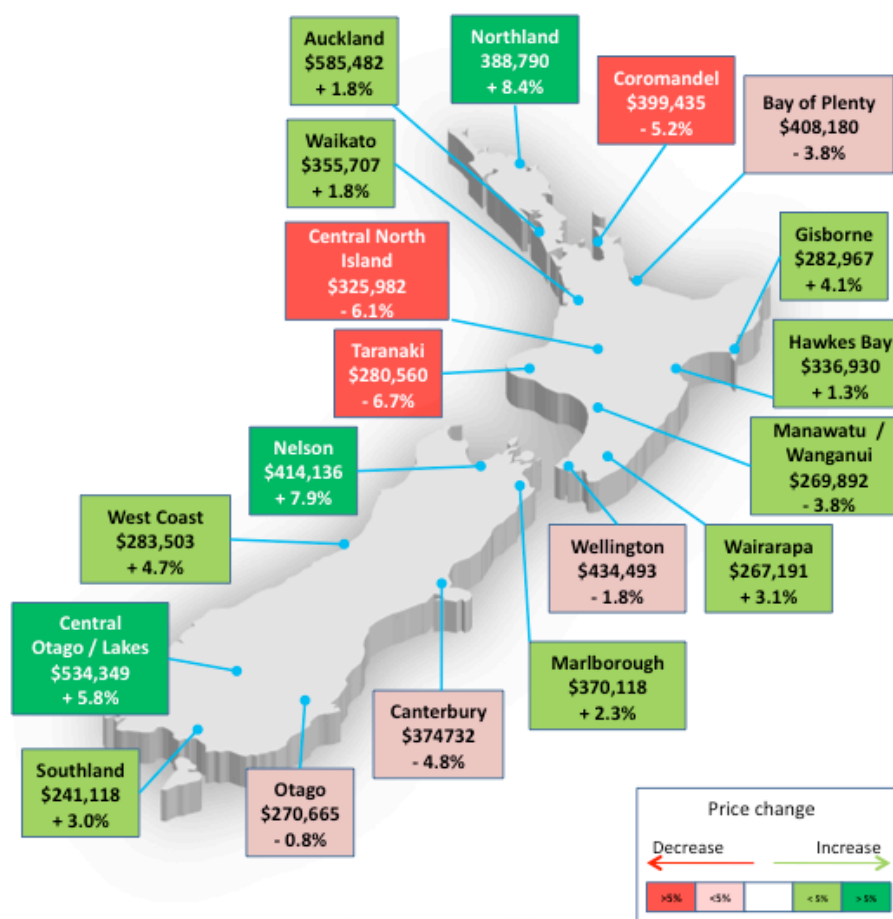
In total 12 regions reported asking price increases with Northland the largest riser up 8.6% to \$388,790. Of the 7 regions witnessing asking price falls on a seasonally adjusted basis there were 3 reporting falls greater than 5% with the biggest falls seen in Taranaki (down 6.7% to \$280,560) and the Central North Island (down 6.1% to \$325,982).



NZ Property Report

Property Asking Price for August 2012 :
Compared to prior month:

\$430,443
+ 0.3%



Asking prices for new listing calculated as seasonally adjusted prices using X12 ARIMA methodology

Released: 1st September 2012

Copyright © 2012, Realestate.co.nz Ltd

For media enquiries and interviews please contact: Paul McKenzie Marketing Manager Realestate.co.nz 021 618 537

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

Regional Summary – Listings

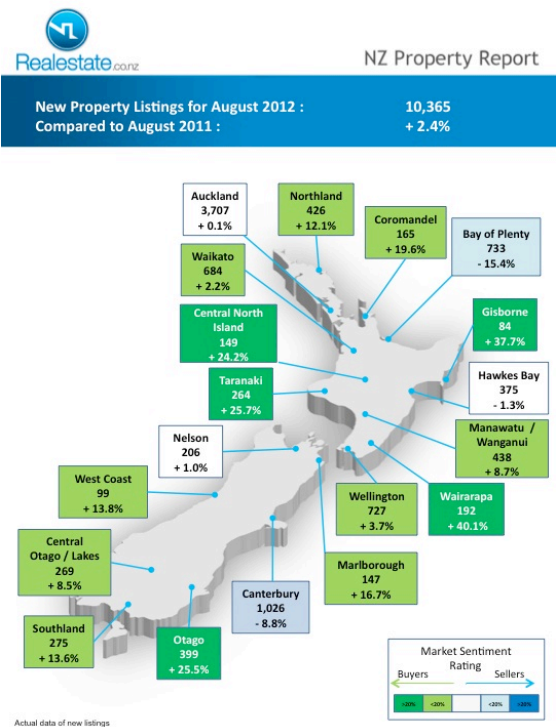
Listings started to flow back into the market last month

Overall listings volume was steady on a national basis, however across the regions there were more regions showing increases than falls.

There were 16 regions reporting year-on-year rises with Central North Island, Gisborne, Taranaki, Wairarapa, and Otago reporting increases of over 20%, with Wairarapa seeing the largest increase of listings (up 40.1%).

Just 3 regions reported new listings lower than August last year with Bay of Plenty being the region to report the highest fall off of 15.4% when compared to August 2011.

Canterbury saw new listings fall again compared to August last year and remains under pressure to meet buyer demand.

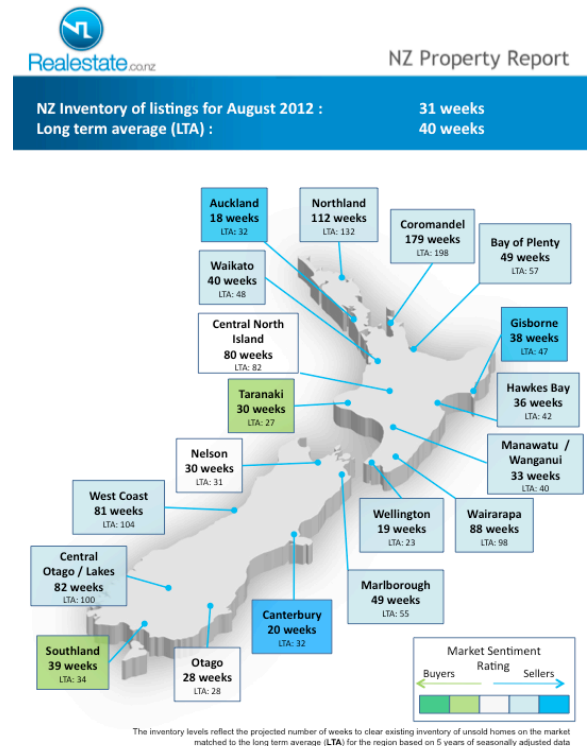


Regional Summary – Inventory

Market sentiment still favours sellers nationally with inventory of houses on the market remaining well below long term average based on equivalent rate of sale.

Two regions (Taranaki and Southland) showed increases in inventory of homes on the market taking them above their respective long-term average. In addition three other regions (Central North Island, Nelson, and Otago) sit close to their respective long term averages indicating a more balanced market.

These 5 regions aside, the remaining 14 regions all remain seller's markets with the greatest strain being felt in the 3 regions which are marked in dark blue which includes the main centres of Auckland and Canterbury which remain under pressure from low listings as measured against sales activity.



Released: 1st September 2012

Copyright © 2012, Realestate.co.nz Ltd

For media enquiries and interviews please contact: Paul McKenzie Marketing Manager Realestate.co.nz 021 618 537

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

Major Centers

Auckland

	Jun 2012	Jul 2012	Aug 2012
Property Asking Price (seasonally adjusted - truncated mean)	\$558,366	\$574,932	\$585,482
% change from previous month	- 4%	+ 3%	+ 1.8%
% change from same month last year	+ 2%	+ 6%	+ 8.2%
Number of New Listings	3,391	3,333	3,707
% change from previous month	- 11%	- 2%	+11.2%
% change from same month last year	+ 11%	+ 10%	+ 0.1%
Inventory - Number of weeks	18.1	18.9	18.0
% change from previous month	- 12%	+ 4%	- 4%
% change from same month last year	- 31%	- 25%	- 34%

Wellington

	Jun 2012	Jul 2012	Aug 2012
Property Asking Price (seasonally adjusted - truncated mean)	\$429,131	\$442,590	\$434,493
% change from previous month	- 0%	+ 3%	- 1.8%
% change from same month last year	+ 1%	+ 3%	+ 2%
Number of New Listings	683	616	727
% change from previous month	- 22%	- 10%	+ 18%
% change from same month last year	- 6%	- 7%	+ 3.7
Inventory - Number of weeks	18.8	20.6	19.4
% change from previous month	- 26%	+ 10%	- 6%
% change from same month last year	- 20%	- 2%	- 14%

Released: 1st September 2012

Copyright © 2012, Realestate.co.nz Ltd

For media enquiries and interviews please contact: Paul McKenzie Marketing Manager Realestate.co.nz 021 618 537

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

Canterbury

	Jun 2012	Jul 2012	Aug 2012
Property Asking Price (seasonally adjusted - truncated mean)	\$389,761	\$393,433	\$374,732
% change from previous month	+ 2%	+ 1%	- 4.8%
% change from same month last year	+ 9%	+ 9%	+ 3.4%
Number of New Listings	1,041	1,129	1,026
% change from previous month	- 19%	+ 8%	- 9.1%
% change from same month last year	+ 4%	- 4%	- 8.8%
Inventory - Number of weeks	16.4	18.4	19.6
% change from previous month	- 21%	+ 12%	+ 7%
% change from same month last year	- 49%	- 52%	- 34%

Waikato

	Jun 2012	Jul 2012	Aug 2012
Property Asking Price (seasonally adjusted - truncated mean)	\$352,462	\$349,303	\$355,707
% change from previous month	+ 0%	- 1%	+ 1.8%
% change from same month last year	- 1%	+ 3%	+ 8.2%
Number of New Listings	664	595	684
% change from previous month	- 20%	- 10%	+ 15%
% change from same month last year	+ 14%	+ 8%	+ 2.2%
Inventory - Number of weeks	36.9	35.1	39.9
% change from previous month	- 15%	- 5%	+ 14%
% change from same month last year	- 15%	- 17%	- 7%

Released: 1st September 2012

Copyright © 2012, Realestate.co.nz Ltd

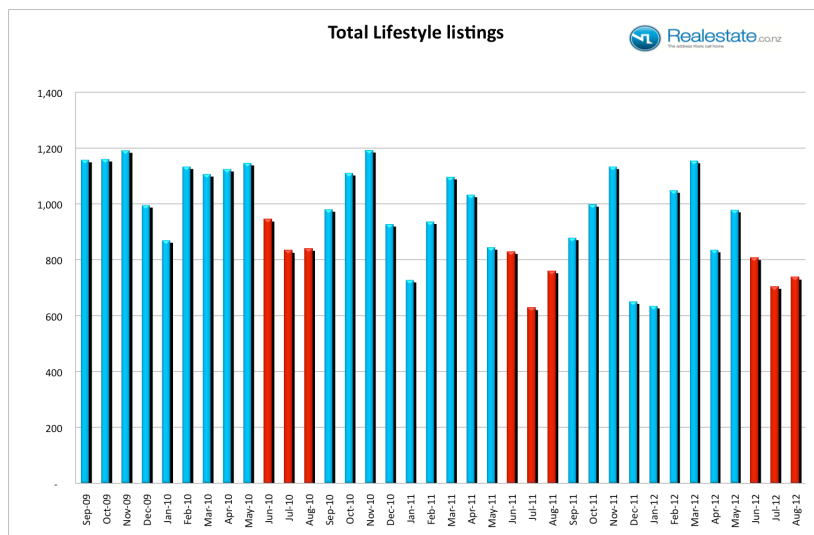
For media enquiries and interviews please contact: Paul McKenzie Marketing Manager Realestate.co.nz 021 618 537

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

Lifestyle

Lifestyle property listings remained low in August. A total of 737 listings came onto the market, down slightly by 3% year-on-year but up 4.7% as compared to July. The truncated mean asking price for these listings fell by just 0.8% as compared to the recent 3 month average to \$638,698 and also fell 0.4% below the June level of \$641,444.

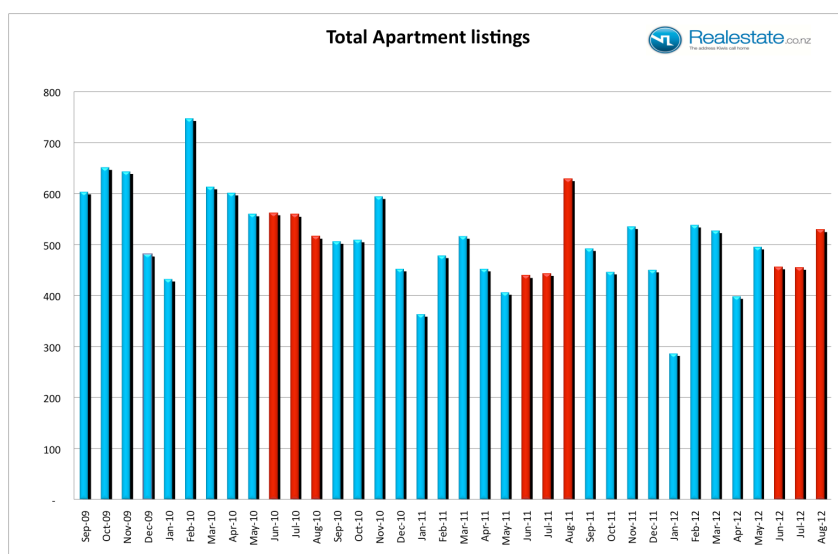
Manawatu / Wanganui was the only region to record a record high for lifestyle listings of \$533,671 (up 34.6% on August 2011). On average 67 new lifestyle listings a month are listed in the Manawatu / Wanganui region.



Apartments

Listings for apartments in August were up 16.3% when compared to July, with 529 being brought to the market, on a year-on-year basis listings were down 15.9%. The truncated mean asking price of new listings slipped again to \$349,192 in August from \$356,762 in July, representing a decrease of 5.6% on the recent 3 month average.

The Auckland apartment market followed the national trend with 385 new listings coming onto the market, up 19.2% on July 2012 and down 16.7% when compared to August last year. The truncated mean asking price of new listings in Auckland fell to \$334,150 from \$344,479 in July representing a 9.2% fall on the prior 3 months.



Released: 1st September 2012

Copyright © 2012, Realestate.co.nz Ltd

For media enquiries and interviews please contact: Paul McKenzie Marketing Manager Realestate.co.nz 021 618 537

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 97% 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 total of just less than 1,000 licensed real estate offices across NZ, representing more than 96% 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.

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 just under 1,000 offices, the website features over 97% of all listings from licensed real estate agents in NZ. Over 410,000 unique browsers visited Realestate.co.nz in the month of August 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 international browsers in the month of August from more than 200 countries.

In addition Realestate.co.nz regularly receives over 25% of all traffic to property listings from mobile devices, including their iPhone and Android applications. To date these applications have been downloaded by over 108,000 users making the app the most popular real estate app in NZ.

Released: 1st September 2012

Copyright © 2012, Realestate.co.nz Ltd

For media enquiries and interviews please contact: Paul McKenzie Marketing Manager Realestate.co.nz 021 618 537

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