

4th April 2013

Property market continues to favour sellers, with asking prices near record levels.

Asking prices remain high

- The seasonally adjusted asking price rose in March to \$444,883 (up 3% as compared to a year ago), and near the record of \$446,277 set in November last year.

New listings fall

- A total of 12,732 listings came onto the market in March, down 4% from the same time last year. The main NZ centers reported the largest fall of new listings, Wellington and Canterbury experienced falls of 9.9% and 8.6% respectively from the same time last year, with Auckland's falling by 4.6%.

Inventory levels rise slightly

- The stock of unsold houses on the market rose slightly to 27 weeks of equivalent sales in March. As compared to a year ago the inventory of homes on the market has fallen from 36 weeks of supply. The long-term average sits at 39 weeks of supply.

Market firmly favours sellers

- Across the country the inventory levels continue to sit below the long-term average indicating a continuing tight market. These low levels are more pronounced in the main centres of Auckland, Wellington, and Canterbury.

	Jan 2013	Feb 2013	Mar 2013
Property Asking Price (seasonally adjusted - truncated mean)	\$440,507	\$443,734	\$444,883
% change from previous month	4%	1%	0.3%
% change from same month last year	5%	4%	3%
Number of New Listings	8,849	13,145	12,732
% change from previous month	4%	49%	-3%
% change from same month last year	4%	-2%	-4%
Inventory - Number of weeks of equivalent sales (seasonally adjusted)	28.7	26.2	27.0
% change from previous month	8%	-9%	3%
% change from same month last year	-21%	-27%	-17%

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.

Commentary

Nationally the property market saw some stabilisation in March, with a mean asking price of \$444,883, a small increase of 0.3% on February, but a growth of 4% on the same time last year, close to the \$446,277 record set in November 2012. The average asking price (seasonally adjusted truncated mean) in both Auckland and Canterbury climbed further in March, reaching their 2nd highest recorded figures of \$610,628, and 438,298 respectively.

The number of new listings fell slightly to 12,732, down 3% on February and down 4% year on year. However, the decrease in new listings was particularly apparent in the major centres, where the number of new listings in the main centres is not keeping up with demand, Wellington and Canterbury experiencing falls of 9.9% and 8.6% respectively from the same time last year, with Auckland's figure falling by 4.6%.

The 12,732 new listings that came to market in March did little to ease the record low in inventory seen last month. Inventory – measured by weeks of equivalent sales – settled at 27 weeks. While this is a marginal increase on last month's 26.2 weeks, it is still 20% less than March 2012, and well down on the long term average of 39 weeks.

Asking Price

The seasonally adjusted truncated mean asking price for listings in March rose by 0.3% to \$444,883. It represents a 4% year-on-year growth in the asking price as compared to March last year, and is the close to the National asking price record of \$446,227 which was set in November last year.

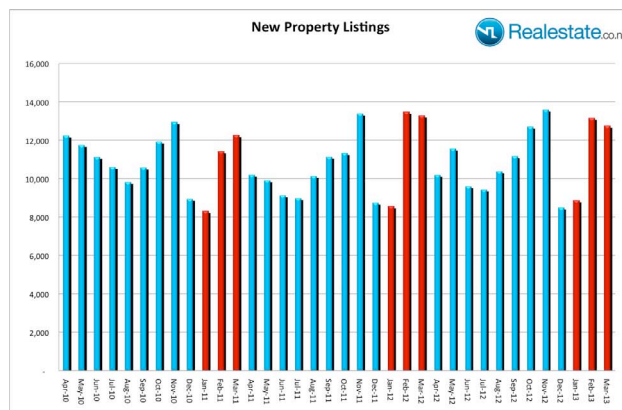
The trend as seen in the chart opposite, continues to show strength in seller expectation, on the back of low listings, and strong demand in the main centers



New Listings

The level of new listings coming onto the market in March fell 3% from February, to a total of 12,732. This represents a fall of 4% from March last year.

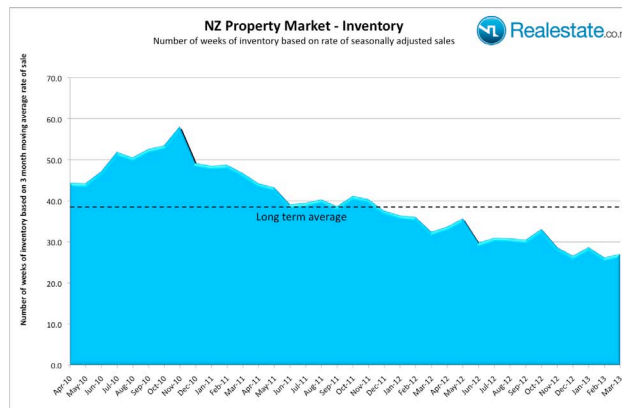
On a 12 month moving average basis a total of 131,703 new listings have come to the market since April 2012, as compared to 128,072 in the prior 12 month period, a slight rise of 2.8%. This compares to REINZ reported sales, which are up 18.1% on the same 12 month comparable basis.



Inventory

The level of unsold houses on the market at the end of March (43,930) was down slightly, when compared to February (44,698). The inventory as measured in terms of equivalent weeks of sales rose in March to 27 weeks, remaining well below the long-term average of 39 weeks.

The market remains firmly a seller's market; with 13 of the 19 NZ regions showing inventory levels that are well below long term averages. Both Auckland and Canterbury are witnessing the highest extent of this. Auckland is 53% below its long term average, and Canterbury is 45% below its long term average.



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Regional Summary – Asking price expectations

The national asking price expectation among sellers rose by just 0.3% in March to \$444,883, just below the high set in November 2012 of \$446,277 (seasonally adjusted truncated mean).

The main centers - asking prices in Auckland, and Canterbury remained strong in March, each reporting asking prices close to the record highs seen in October 2012. Auckland sellers remained confident with an asking price of \$610,628 (up 9.2% on last year), and Canterbury rose 2% from February to \$413,403 (up 7.8% on last year).

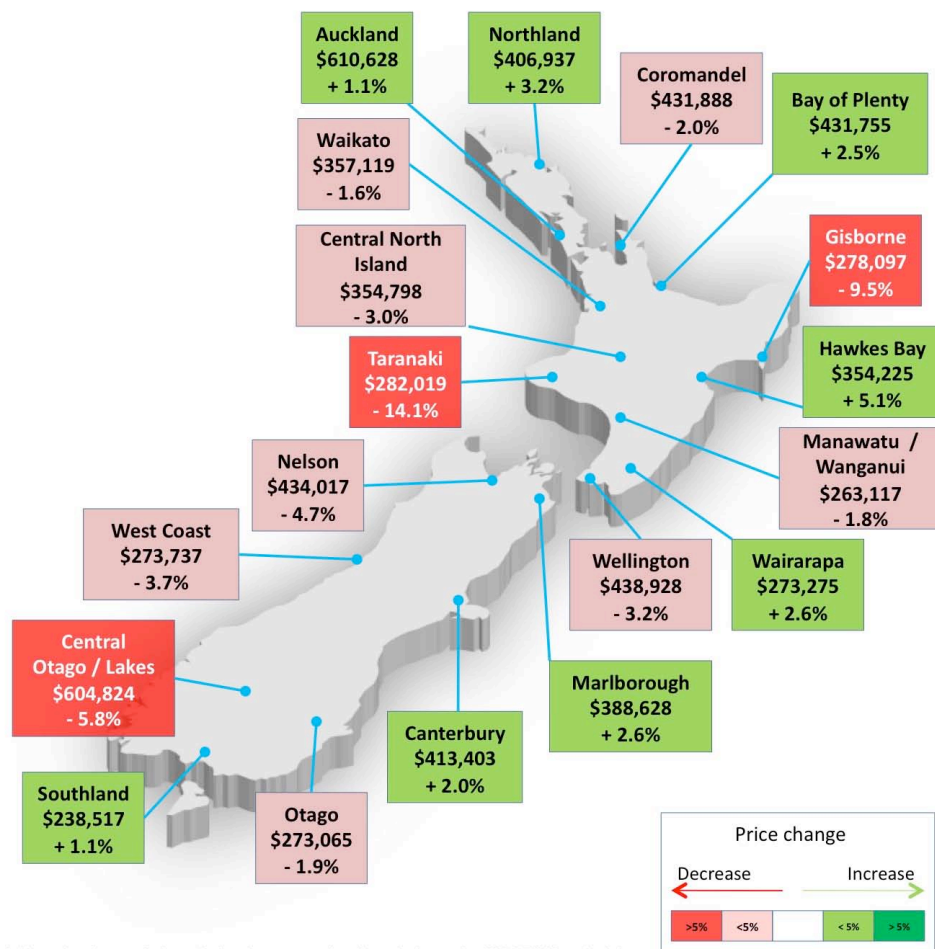
In total 8 regions reported asking price increases from February, the most significant rises was seen in the Hawkes Bay region, up 5.1% to an asking price of \$354,225. Of the 11 regions witnessing asking price falls on a seasonally adjusted basis there were three that reported a fall of greater than 5%, Central Otago / Lakes fell by 5.8% from the record set last month to \$604,824, Gisborne fell 9.5% to \$278,097, and Takanaki witnessed the largest drop, falling by 14.1% to \$282,019.



NZ Property Report

Property Asking Price for March 2013 :
Compared to prior month:

\$444,883
+ 0.3%



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

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Regional Summary – Listings

New listings fell across most of the country in March with just 5 of the 19 regions seeing an increase on a year-on-year basis.

The most significant drop in listings was seen in Gisborne, falling 19.8%, and Taranaki, which fell by 15.7%

Of the 5 regions reported higher new listings than March last year, just 1 region reported significant year on year increases of over 20%. Coromandel was the region to report the highest increase of 41.7% when compared to March 2012, followed by Otago who saw an increase of 12.7%.

The main cities continue to suffer from low levels of listings. Auckland listings were down 4.6%, Wellington was down 9.9% and Canterbury was down 8.6% year on year in March.

Regional Summary – Inventory

The 12,732 new listings that came to market in March did little to ease the record low in inventory seen last month. Inventory settled at 27 weeks (weeks of equivalent sales). While this is a marginal increase on last month's 26.2 weeks, it is still 20% less than March 2012, and well down on the long term average of 39 weeks.

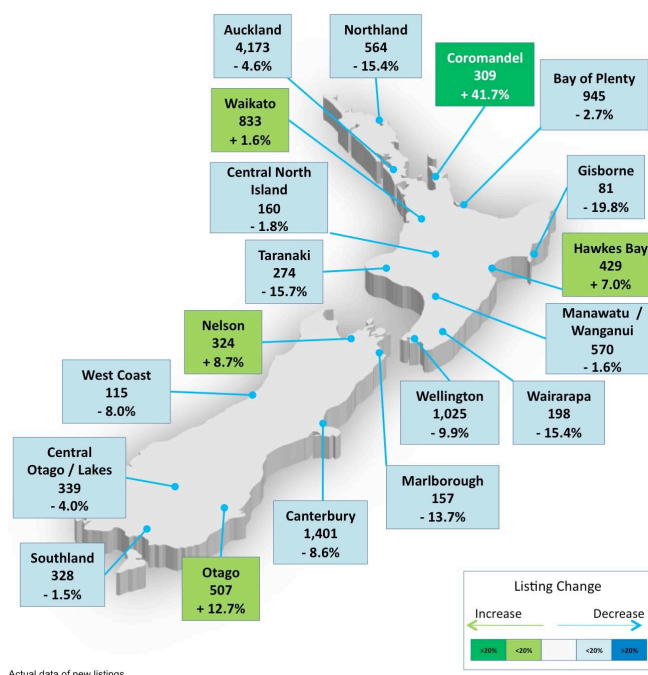
Just three regions (Gisborne, Taranaki, and West Coast) showed increases in inventory of homes on the market taking them above their respective long-term average. In addition three other regions (Central North Island, Southland, and Wairarapa) sit close to their respective long-term averages.

Market sentiment continues to favour sellers in 13 regions, with the greatest strain being felt in the 8 regions that are marked in darker blue. This includes the main metro areas of Auckland, Wellington, and Canterbury, which remain under pressure from low listings as measured against sales activity.

Auckland is 53% below its long term average, and Canterbury is 45% below its long term average.

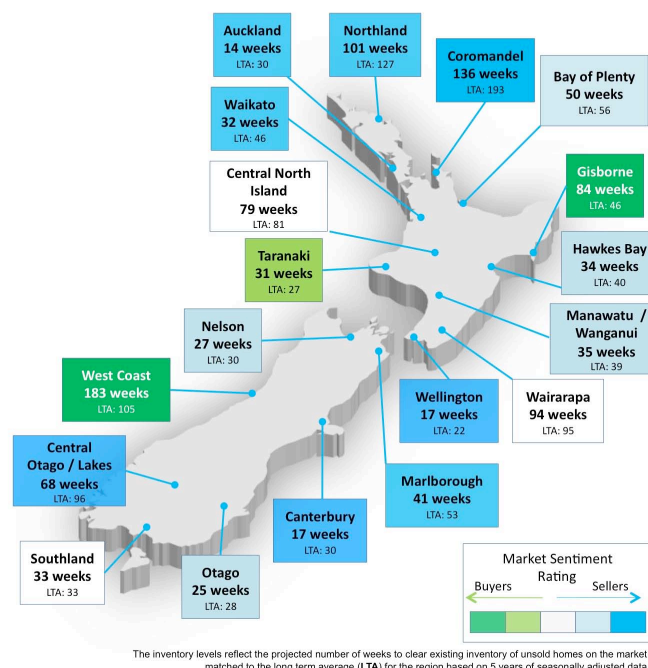
New Property Listings for March 2013:
Compared to March 2012 :

12,732
- 4.0%



NZ Inventory of listings for March 2013 :
Long term average (LTA) :

27 weeks
39 weeks



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Major Centers

Auckland

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Property Asking Price (seasonally adjusted - truncated mean)	\$607,226	\$603,781	\$610,628
% change from previous month	3%	-1%	1%
% change from same month last year	12%	9%	9%
Number of New Listings	2,690	4,315	4,173
% change from previous month	31%	60%	-3%
% change from same month last year	5%	-4%	-5%
Inventory - Number of weeks	14.8	14.2	14.2
% change from previous month	7%	-4%	0%
% change from same month last year	-37%	-41%	-35%

Wellington

	Jan 2013	Feb 2013	Mar 2013
Property Asking Price (seasonally adjusted - truncated mean)	\$433,347	\$453,220	\$438,928
% change from previous month	0%	5%	-3%
% change from same month last year	-3%	1%	4%
Number of New Listings	796	1,152	1025
% change from previous month	47%	45%	-11%
% change from same month last year	14%	-2%	-10%
Inventory - Number of weeks	19.4	16.7	16.8
% change from previous month	11%	-14%	0%
% change from same month last year	-10%	-23%	-20%

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Canterbury

	Jan 2013	Feb 2013	Mar 2013
Property Asking Price (seasonally adjusted - truncated mean)	\$402,742	\$405,436	\$413,403
% change from previous month	3%	1%	2%
% change from same month last year	8%	8%	8%
Number of New Listings	998	1,354	1401
% change from previous month	4%	36%	3%
% change from same month last year	-4%	-12%	-9%
Inventory - Number of weeks	18.1	16.3	16.7
% change from previous month	-1%	-10%	2%
% change from same month last year	-16%	-35%	-20%

Waikato

	Jan 2013	Feb 2013	Mar 2013
Property Asking Price (seasonally adjusted - truncated mean)	\$363,826	\$362,840	\$357,119
% change from previous month	-4%	0%	-1.6%
% change from same month last year	-1%	0%	-6.1%
Number of New Listings	556	940	833
% change from previous month	0%	69.06%	-11%
% change from same month last year	9%	17.94%	2%
Inventory - Number of weeks	35.6	30.1	32.1
% change from previous month	13%	-15%	7%
% change from same month last year	-17%	-24%	-14%

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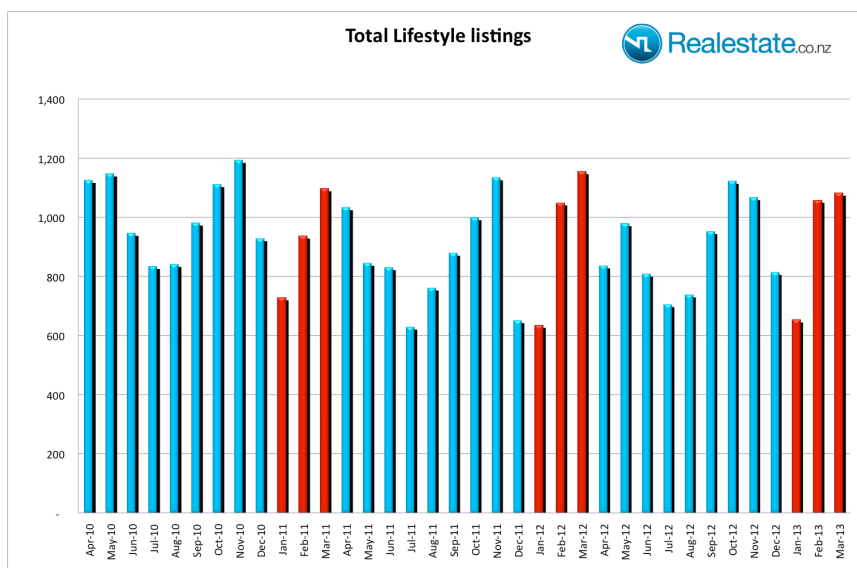
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Lifestyle

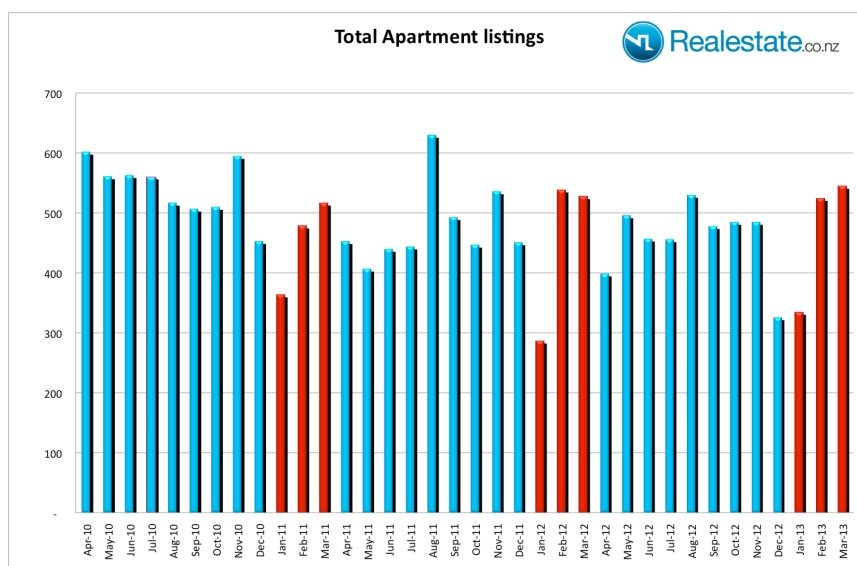
New lifestyle property listings rose across the country in March. A total of 1,081 listings came onto the market, showing an increase of 2.3% when compared to February, but a fall of 6.3% when compared to March last year. The truncated mean asking price for these listings was up by 3.5% as compared to the recent 3-month average to a record high asking price of \$689,910 (up 7.0% when compared to March 2012).



Apartments

New listings for apartments in March were up 3.2% on a year on year basis, with 544 being brought to the market. The truncated mean asking price of new apartment listings rose 2.4% to \$392,443 in March from \$383,077 in February, and was also up 7.2% on a year on year basis.

The Auckland apartment market had 369 new listings coming onto the market, up 17.5% when compared to March last year. The truncated mean asking price of new listings in Auckland rose to \$380,805 (March) from \$380,251 (February). When compared to the recent 3-month average, this represents a rise of 1.4%.



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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 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 five 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 500,000 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 120,000 unique international browsers in the month of March from more than 200 countries.

In addition Realestate.co.nz receives over 30% of all traffic to property listings from mobile devices, including their iPhone and Android applications. To date these applications have been downloaded by over 145,000 users, making the app the most popular property app in NZ.

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