



2nd September 2013

Inventory reaches new record low, as national asking price remains high

Asking prices remain strong

- National asking prices remain strong, up 8% compared to a year ago, and down just 0.4% for the month to \$463,142. Auckland recorded a new peak average asking price of \$650,114.

Inventory levels hit record low

- The stock of unsold houses on the market fell sharply to a new record low of 23.4 weeks. A year ago the level was 31 weeks. Auckland, Bay of Plenty, and Waikato also fell to record low inventory.

Early lift in new listings

- A lift in new listings in August has given the New Zealand property market a healthy start for spring, with 10,715 new listings coming on the market (the highest for August in 5 years). However, high levels of sales have kept inventory low.

Still a sellers market

- The overall market is firmly pointed in favour of sellers across the majority of New Zealand, with 17 of the 19 regions below the long-term average inventory levels.

	Jun 2013	Jul 2013	Aug 2013
Property Asking Price (seasonally adjusted - truncated mean)	\$450,178	\$465,191	\$463,142
% change from previous month	-1.0%	3.3%	-0.4%
% change from same month last year	6%	8%	8%
Number of New Listings			
	9,082	9,857	10,715
% change from previous month	-18%	9%	9%
% change from same month last year	-5%	5%	3%
Inventory - Number of weeks of equivalent sales (seasonally adjusted)			
	24.9	26.7	23.4
% change from previous month	-2%	7%	-12%
% change from same month last year	-16%	-14%	-24%

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 100,000 listings at any one time, representing over 97% of all listings currently marketed by real estate professionals.

Commentary

Overall stocks of unsold homes fell significantly to a new record low of 23.4 weeks of inventory (Long Term Average = 38 weeks) and when measured by inventory, the market remains firmly in the hand of sellers across 16 of New Zealand's 19 regions. Auckland is the most affected by the low inventory, with unsold homes falling to a new record low of just 11 weeks.

In spite of low inventory the property market finished winter strongly, with 10,715 new homes coming on the market. Although this is up 3% on last year, the level of new listings is not keeping up with buyer demand, as sales are up almost 15% year on year (As reported by the REINZ July sales statistics).

Asking prices stabilised in August to \$463,142 nationally, however record high asking prices were seen in Auckland, and Coromandel regions; The new high of \$650,114 in Auckland represents a 1.6% increase on its previous high, set in July. While in Coromandel the new asking price high was set at \$498,660 up 3.4% on the previous record, set in January 2008

Asking Price

The seasonally adjusted truncated mean asking price for listings remained high, rising 9% to \$463,142 (from August 2012), and down just 0.4% from the record high set in July.

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



New Listings

The level of new listings coming onto the market in August rose to 10,715 from 9,857 in July. This represents a rise of 9%, and is up 3.4% when compared to August last year

On a 12 month moving average basis a total of 131,343 new listings have come onto the market since September 2012 as compared to 130,878 in the prior 12 month period, a rise of just 0.4%.

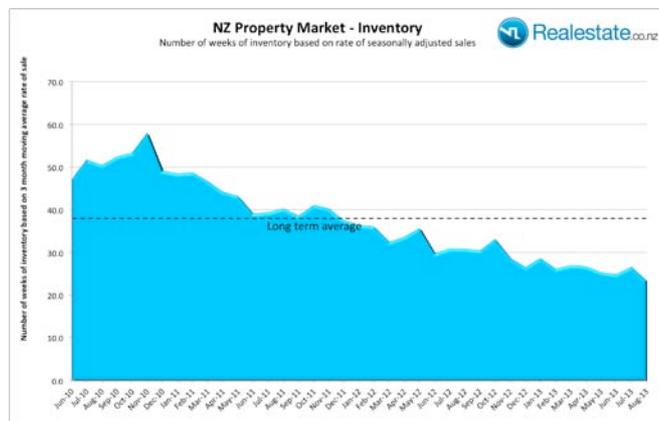


Inventory

The level of unsold homes on the market at the end of August (35,592) was well down as compared to August last year (41,056), a drop of 14%.

The inventory as measured in terms of equivalent weeks of sales shows a significant drop from 26.7 last month to an all time low of 23.4 weeks this month.

The market remains firmly a seller's market; with 16 of the 19 regions showing inventory levels that are well below long term averages.



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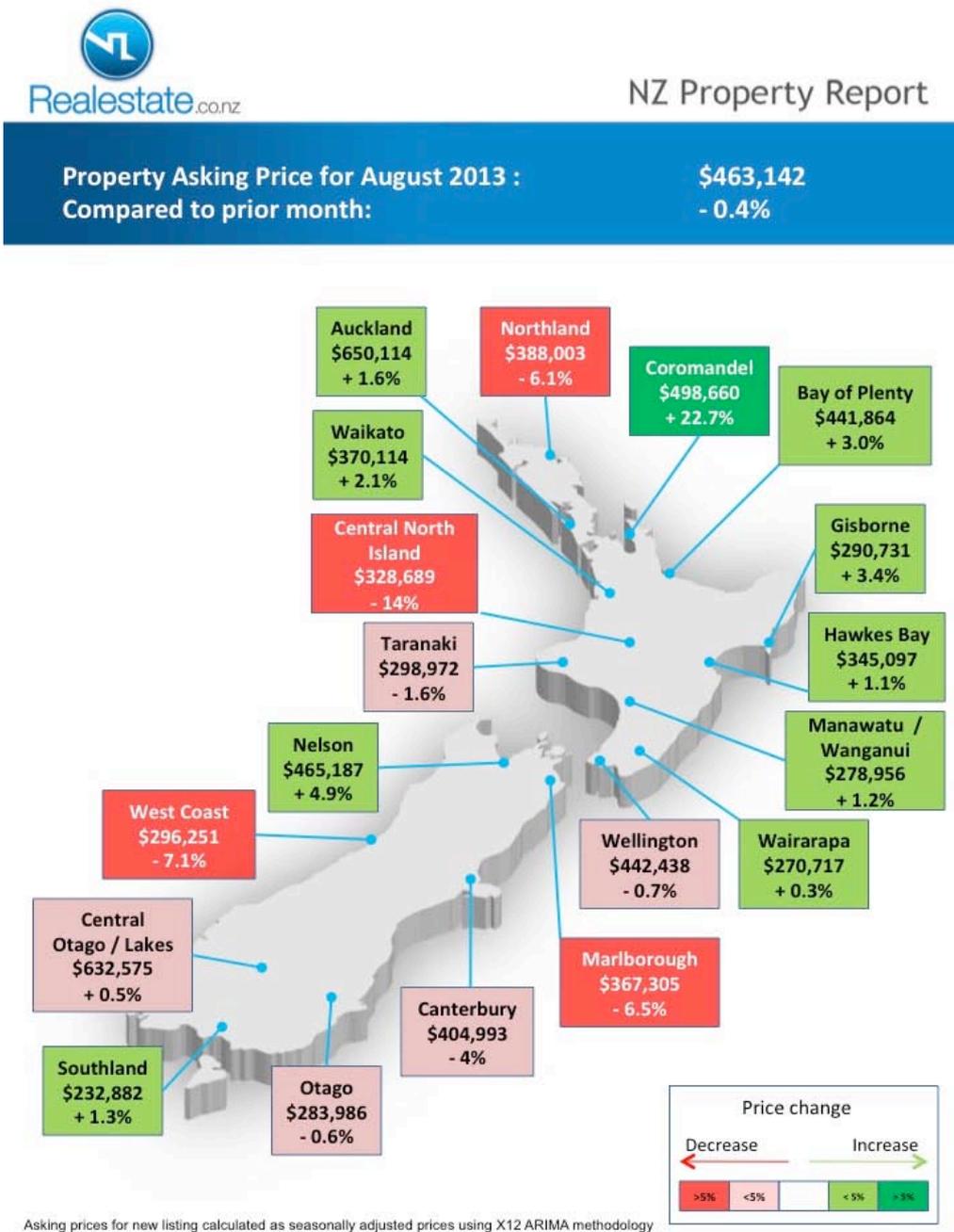
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Regional Summary – Asking price expectations

The national (seasonally adjusted) truncated mean asking price expectation among sellers fell slightly in August to \$463,142, down just 0.4% from the record high seen in July.

In the main centres, Auckland posted a new record high of \$650,114, up by over \$10,000 from the prior high of \$639,685 reported last month. The asking price in both Wellington and Canterbury fell in August to \$442,438, and \$404,993 respectively.

In total 10 regions reported asking price increases, with Coromandel the largest increase, up 22.7% to a new record of \$498,660. Of the 9 regions witnessing asking price falls on a seasonally adjusted basis there were 4 that reported a fall greater than 5%. The biggest fall was seen in Central North Island (down 14% to \$328,689) and the West Coast (down 7.1% to \$296,251).



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Regional Summary – Listings

Spring listings flowed onto the market early last month, with 10,715 new homes coming on the market, the highest August result since 2008.

There were 12 regions reporting year on year increases with Marlborough reporting the biggest increase of listings (up 17.7%), followed by Nelson, where a 17% increase was recorded.

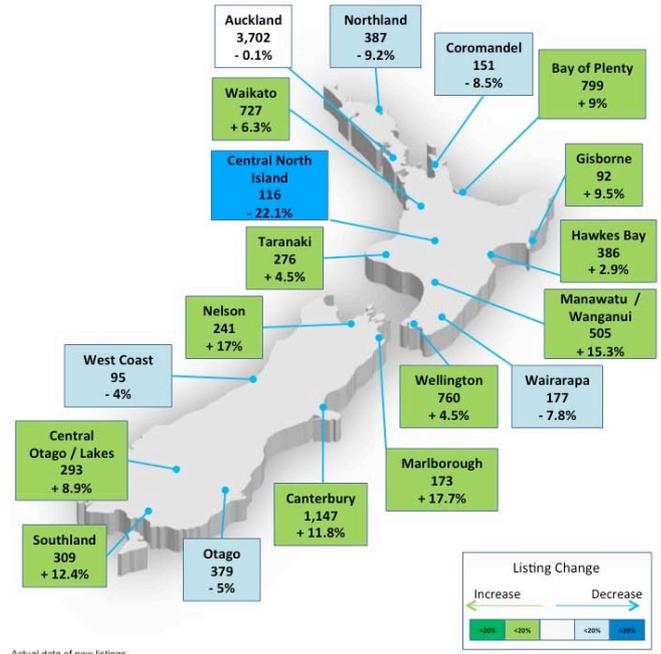
Of the 7 regions that reported lower new listings than July last year Central North Island was the region to report the highest fall -22% when compared to August 2012, followed by Northland, which saw a fall of 9.2%.

In the main centers, Auckland had a similar number of new listing as August 2012. Both Wellington, and Christchurch saw a healthy increase of listings; with Canterbury reporting a 11.8% year on year increase, and Wellington reporting a 4.5% increase on August 2012.



NZ Property Report

New Property Listings for August 2013: 10,715
Compared to August 2012 : + 3.4%



Actual data of new listings

Regional Summary – Inventory

The inventory of unsold homes on the market tightened significantly in August to a record low of 23 weeks of equivalent sales.

Auckland, hit record low inventory level in August; falling to 11 weeks, 61% below its long term average. Both Waikato, and Bay of Plenty also hit a record low, falling to 27 weeks, and 35 weeks respectively.

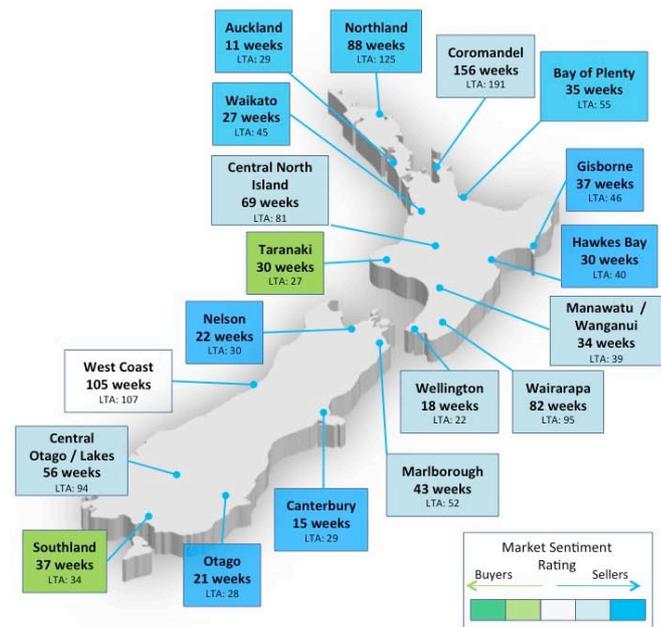
Market sentiment remains firmly in favour of sellers in 16 regions, with the greatest strain being felt in the 9 regions that are marked in darker blue. This includes the main metro areas of Auckland, and Canterbury, which remain under pressure from low listings as measured against sales activity.

Two regions (Southland, and Taranaki) showed an increase in inventory of homes on the market, taking them above their respective long-term average. In addition 1 other region (West Coast) sits close to its long-term average.



NZ Property Report

NZ Inventory of listings for July 2013 : 23 weeks
Long term average (LTA) : 38 weeks



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 5 years of seasonally adjusted data

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Major Centers

Auckland

	Jun 2013	Jul 2013	Aug 2013
Property Asking Price (seasonally adjusted - truncated mean)	\$623,471	\$639,685	\$650,114
% change from previous month	-1%	3%	2%
% change from same month last year	12%	11%	11%
Number of New Listings	3,162	3,526	3,702
% change from previous month	-15%	12%	5%
% change from same month last year	-7%	6%	0%
Inventory - Number of weeks	12.3	13.4	11.1
% change from previous month	3%	9%	-17%
% change from same month last year	-32%	-29%	-38%

Wellington

	Jun 2013	Jul 2013	Aug 2013
Property Asking Price (seasonally adjusted - truncated mean)	\$451,622	\$445,531	\$442,438
% change from previous month	1%	-1%	-1%
% change from same month last year	5%	1%	2%
Number of New Listings	640	648	760
% change from previous month	-26%	1%	17%
% change from same month last year	-6%	5%	5%
Inventory - Number of weeks	15.4	17.8	17.5
% change from previous month	-7%	16%	-2%
% change from same month last year	-18%	-14%	-10%

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Canterbury

	Jun 2013	Jul 2013	Aug 2013
Property Asking Price (seasonally adjusted - truncated mean)	\$410,723	\$422,043	\$404,993
% change from previous month	1%	3%	-4%
% change from same month last year	5%	7%	8%
Number of New Listings	955	1177	1147
% change from previous month	-21%	23%	-3%
% change from same month last year	-8%	4%	12%
Inventory - Number of weeks	13.9	15.0	15.0
% change from previous month	-3%	8%	0%
% change from same month last year	-15%	-18%	-24%

Waikato

	Jun 2013	Jul 2013	Aug 2013
Property Asking Price (seasonally adjusted - truncated mean)	\$363,768	\$362,461	\$370,114
% change from previous month	2.0%	-0.4%	2.1%
% change from same month last year	3.2%	3.8%	4.1%
Number of New Listings	630	672	727
% change from previous month	-29%	7%	8%
% change from same month last year	-5%	13%	6%
Inventory - Number of weeks	29.6	31.8	27.2
% change from previous month	-8%	7%	-15%
% change from same month last year	-20%	-9%	-32%

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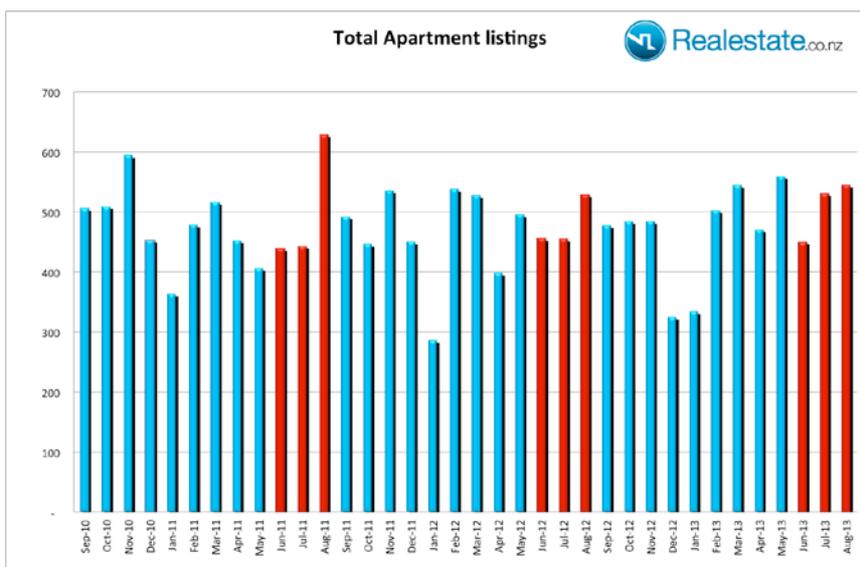
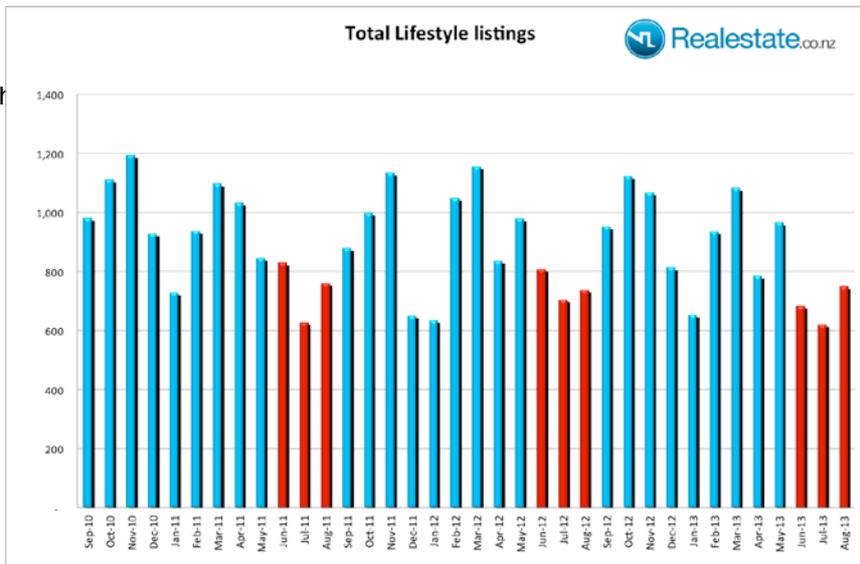
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New lifestyle property listings had a boost across the country in August. A total of just 749 listings came onto the market, showing a jump of 21% when compared to July, and a rise of 1.6% when compared to August last year. Canterbury again saw record low numbers of new lifestyle listings for a 3rd month, with just 56 coming to the market. The national truncated mean asking price for these listings was down 0.3% to \$668,711 (and up 5% when compared to August 2012). Record high asking prices were reported in Wellington, and Canterbury.

to the recent 3-month



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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 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 100,000 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 550,000 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 120,000 unique international browsers in the month of August 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 170,000 users, making the app the most popular property app in NZ.