



3rd February 2014

Growth of new listings seen, as buyer interest surges to record heights

Asking prices on the rise

- National asking prices of new listings recovered from the fall seen in December to a strong asking price in January. The seasonally adjusted asking price rose in January by 6% to \$476,797, and is up 8% as compared to January last year. Record average asking prices were witnessed in Canterbury, and Otago.

Healthy number of new listings

The number of new listings coming to the market in January rose to healthy levels of 9,267 listings. This was up 16% from last month, and up 5% from January last year.

Inventory levels recovering

- January inventory levels continue to recover, with the number of available homes for sale on the market easing to 27 weeks of stock. This is still well down on the long term average of 37 weeks.

Record website traffic

- Realestate.co.nz sites recorded record website traffic in January (over 1.6 million visits*), indicating that there is an increase in buyer interest and demand for homes coming into February.

| | Nov-13 | Dec-13 | Jan-14 |
|---|-----------|-----------|------------------|
| Property Asking Price (seasonally adjusted - truncated mean) | \$478,931 | \$451,448 | \$476,797 |
| % change from previous month | -0.60% | -5.74% | 5.6% |
| % change from same month last year | 7% | 7% | 8% |
| Number of New Listings | 13,311 | 8,010 | 9,267 |
| % change from previous month | -5% | -40% | 16% |
| % change from same month last year | -2% | -6% | 5% |
| Inventory - Number of weeks of equivalent sales (seasonally adjusted) | 24.8 | 26.3 | 26.8 |
| % change from previous month | 3% | 6% | 2% |
| % change from same month last year | -13% | -1% | -7% |

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

The new Calendar year starts with a healthy flow of new listings, which will help to meet the rising demand for property that historically is seen in the coming two months of February, and March. In total January had 9,267 new properties come on the market, up 5% from the same time last year. This increase in new listings was apparent across most of New Zealand, with 13 of our 19 regions seeing an increase in listings from January last year.

Early indications of higher buyer demand are already being seen by Realestate.co.nz, website traffic in January hit record levels, with over 1.6 million visits to the Realestate.co.nz sites (Source – Google Analytics). It will be interesting to see how this increase in site traffic translates into sales in the coming months.

Asking prices of new listings rebounded in January, with the national (seasonally adjusted) mean reaching \$476,797, just short of the record asking price seen in October last year of \$482,063. Record high asking prices were seen in Canterbury (\$449,149 – up 11.5% Year on Year) and Otago (\$304,720 – up 1.6% year on year).

Regional Summary – Asking Price

National asking prices recovered in January to \$476,797 (Seasonally Adjusted Truncated Mean) from the fall seen in December, nearing record asking prices recorded in October 2013.

Record high asking prices were seen in 2 regions in New Zealand; Canterbury, where the average asking price reached a new high of \$449,149 (up 11.5% on January 2013); and Otago, where asking prices reached \$304,720 (up 1.6% on January 2013).

In the other main centers, both Auckland and Wellington reported an increase in average asking prices from last month, Auckland rose by 1% to \$663,372, and Wellington rose 4.2% to \$463,912. Both sit close to the record asking prices set in their respective regions in October 2013.

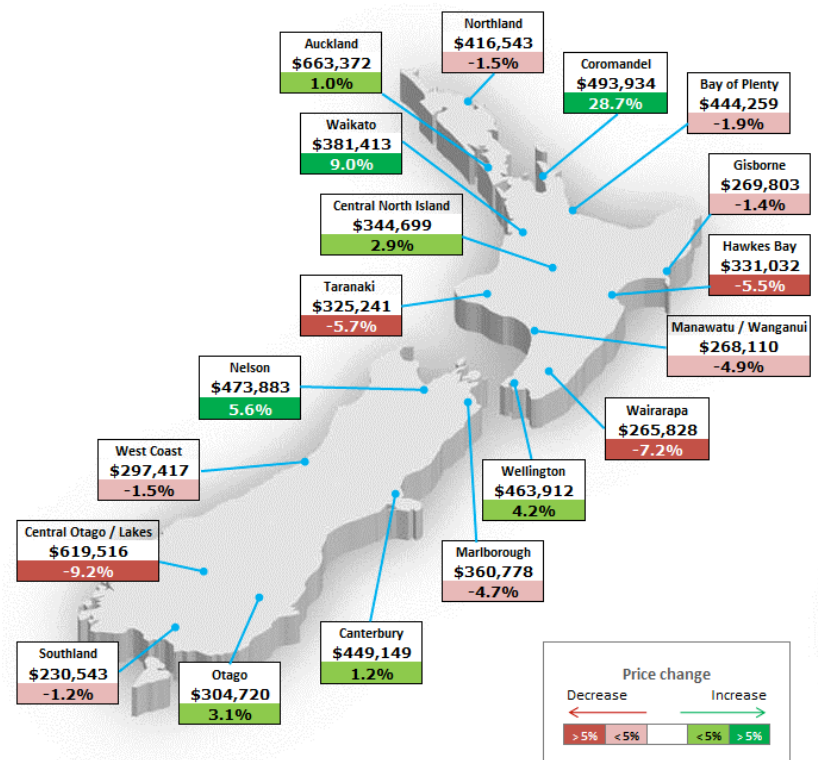
In total 8 regions saw asking price increases, with 3 regions reporting asking price increases greater than 5%. Coromandel reported the largest increase, up 28.7% from December to \$493,934, followed by Waikato, which rose by 9% to \$381,413.

Of the 11 regions witnessing asking price falls there were 4 that reported a falls greater than 5%, the most significant falls were recorded in Central Otago / Lakes, Wairarapa, Taranaki, and Hawkes Bay. Central Otago / Lakes fell by 9.2% to \$619,516, Wairarapa fell 7.2% to \$265,828, Taranaki fell 5.7% to 325,241, and Hawkes Bay fell 5.5% to \$331,032.



NZ Property Report

| | |
|--|-----------|
| Property Asking Price for January 2014 : | \$476,797 |
| Compared to prior month: | 5.6% |



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

Regional Summary – Listings

New listings rose across most of the country in January, with 13 of the 19 regions seeing an increase in listings on a year-on-year basis.

Of the 13 regions that reported higher new listings than January last year the most significant increase in listings was seen in Coromandel, rising 39.8%, Central North Island, which rose by 29%, and Waikato, where listings were up 25% year on year.

Record low numbers of new listings were seen in Gisborne – which had just 52 new homes listed in January.

There were 6 regions reporting year on year decreases with Gisborne reporting the biggest decrease of listings (down 34.2%).

In the main centers, Auckland, Wellington, and Canterbury saw an increase in new listings. Auckland reported 2,723 new listings, up 1.2% from January 2013, Wellington reported 836 new listings, up 5% from last year, and Canterbury, saw a 8% rise in listings, with 1,082 new listings coming on the market.

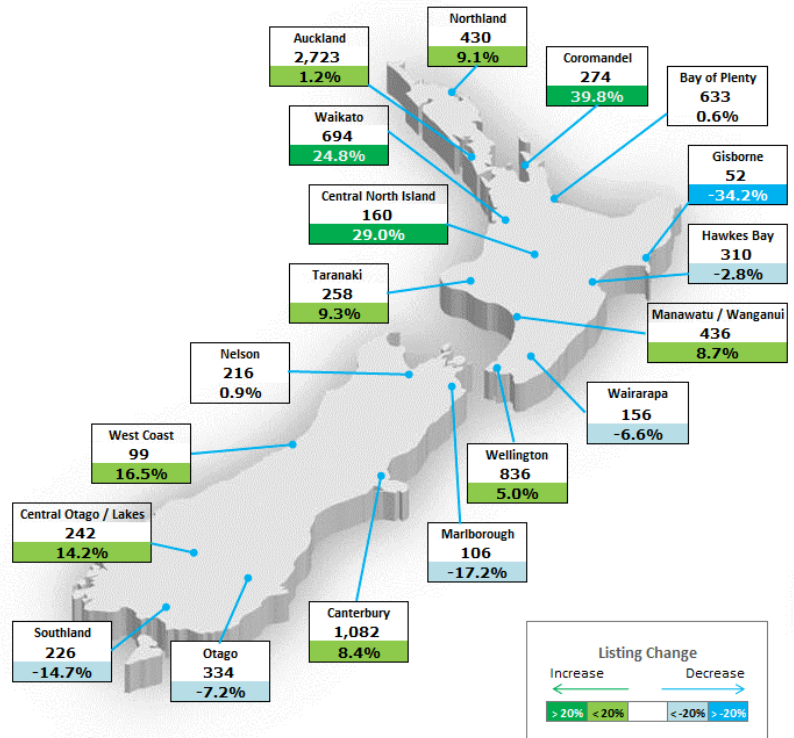
Regional Summary – Inventory

The level of unsold houses on the market at the end of January (40,219) was up, when compared to December (38,804). The inventory as measured in terms of equivalent weeks of sales rose in January to 26.8 weeks, recovering to levels not seen since April last year

While this increase in the last month was seen in 13 of the 19 NZ regions, the market remains firmly a seller's market, and inventory on the market remains well below the long-term average of 37 weeks of equivalent sales.

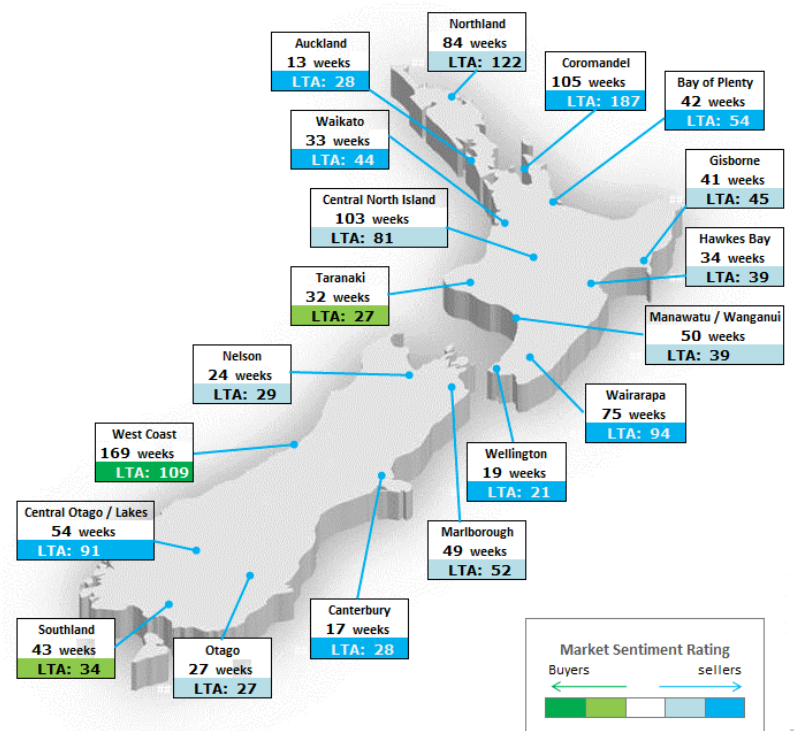
New Property Listings for January 2014:
Compared to January 2013 :

9,267
4.7%



NZ Inventory of listings for January 2014:
Long term average (LTA) :

27 weeks
37 weeks



Major Centers

Auckland

| | Nov-13 | Dec-13 | Jan 2014 |
|---|-----------|-----------|------------------|
| Property Asking Price (seasonally adjusted - truncated mean) | \$659,300 | \$656,702 | \$663,372 |
| % change from previous month | -1% | 0% | 1% |
| % change from same month last year | 10% | 12% | 9% |
| | | | |
| Number of New Listings | 4,432 | 1,897 | 2,723 |
| % change from previous month | -7% | -57% | 44% |
| % change from same month last year | -4% | -8% | 1% |
| | | | |
| Inventory - Number of weeks | 12.8 | 12.4 | 13.0 |
| % change from previous month | 5% | -3% | 5% |
| % change from same month last year | -18% | -11% | -12% |

Wellington

| | Nov-13 | Dec-13 | Jan 2014 |
|---|-----------|-----------|------------------|
| Property Asking Price (seasonally adjusted - truncated mean) | \$457,701 | \$445,351 | \$463,912 |
| % change from previous month | -2% | -3% | 4% |
| % change from same month last year | 6% | 2% | 7% |
| | | | |
| Number of New Listings | 1110 | 467 | 836 |
| % change from previous month | 6% | -58% | 79% |
| % change from same month last year | -4% | -14% | 5% |
| | | | |
| Inventory - Number of weeks | 17.2 | 16.6 | 18.5 |
| % change from previous month | 6% | -4% | 12% |
| % change from same month last year | -2% | -6% | -5% |

Canterbury

| | Nov-13 | Dec-13 | Jan 2014 |
|---|-----------|-----------|------------------|
| Property Asking Price (seasonally adjusted - truncated mean) | \$436,823 | \$443,750 | \$449,149 |
| % change from previous month | -1% | 2% | 1% |
| % change from same month last year | 8% | 14% | 12% |
| | | | |
| Number of New Listings | 1566 | 987 | 1082 |
| % change from previous month | 1% | -37% | 10% |
| % change from same month last year | 6% | 3% | 8% |
| | | | |
| Inventory - Number of weeks | 16.7 | 17.1 | 16.7 |
| % change from previous month | 4% | 2% | -2% |
| % change from same month last year | -17% | -7% | -8% |

Waikato

| | Nov-13 | Dec-13 | Jan 2014 |
|---|-----------|-----------|------------------|
| Property Asking Price (seasonally adjusted - truncated mean) | \$389,886 | \$349,928 | \$381,413 |
| % change from previous month | 2.70% | -10.25% | 9.0% |
| % change from same month last year | 7.90% | -7.24% | 4.8% |
| | | | |
| Number of New Listings | 923 | 624 | 694 |
| % change from previous month | 5% | -32% | 11% |
| % change from same month last year | 6% | 12% | 25% |
| | | | |
| Inventory - Number of weeks | 27.9 | 32.3 | 33.4 |
| % change from previous month | 8% | 16% | 4% |
| % change from same month last year | -15% | 3% | -6% |

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 11,000 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 618,000 unique browsers visited Realestate.co.nz in the month of January both domestic and international visitors (Source: Google Analytics). The website is the most popular website for international visitors enquiring of NZ real estate, with over 130,000 unique international browsers in the month of January from more than 200 countries.

In addition Realestate.co.nz receives over 40% of all traffic to property listings from mobile devices, including their iPhone and Android applications. To date these applications have been downloaded by over 190,000 users, making the app the most popular property app in NZ.