



3rd March 2014

Sellers set a new record national asking price

Asking prices reach new high

- Nationally average asking prices of new listings rose to record levels in February. The seasonally adjusted asking price rose by 1% to \$483,099, and is up 9% as compared to February last year. Auckland drove the national increase, reaching a new record average asking price of \$677,370.

Listings low in comparison to 2013

While new listings showed an increase from January levels, the number of new listings in February (12,167) was below predicted levels, with 7% less properties than February last year.

Inventory levels fell slightly

- Inventory levels fell in February, with the number of available homes for sale on the market easing to 26 weeks of stock. This remains well below the long term average of 37 weeks, indicating that the market remains in the sellers court.

Record website traffic

- Realestate.co.nz sites recorded record website traffic in February (over 1.7 million visits*), indicating that there continues to be an increase in buyer interest and demand for homes.

	Dec-13	Jan-14	Feb-14
Property Asking Price (seasonally adjusted - truncated mean)	\$451,448	\$476,797	\$483,099
% change from previous month	-5.7%	5.6%	1.3%
% change from same month last year	7%	8%	9%
Number of New Listings	8,010	9,267	12,167
% change from previous month	-40%	16%	31%
% change from same month last year	-6%	5%	-7%
Inventory - Number of weeks of equivalent sales (seasonally adjusted)	26.3	26.8	25.9
% change from previous month	6%	2%	-3%
% change from same month last year	-1%	-7%	-1%

Realestate.co.nz Ltd provides the most comprehensive selection of property listings from licensed real estate agents in New Zealand. At any one time over 100,000 listings are featured on their websites, which represent over 97% of all listings currently marketed by licensed real estate professionals

Commentary

Seller confidence has driven asking prices of new listings to record levels in February; with the national (seasonally adjusted) mean reaching a new high of 483,099. The rise in asking price was noticeable across more than half of New Zealand, with 11 regions reporting a rise in asking price.

Record high asking prices were also seen in Auckland (\$667,370 – up 12% Year on Year), Wairarapa (\$329,396 – up 24% year on year) and West Coast (\$320,245 – up 8% year on year)

Indications of higher buyer demand are already being seen by Realestate.co.nz, website traffic in February reached record levels, with over 1.7 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.

However the number of new listings may not keep up with the potential increase in buyer demand, as February saw just 12,167 new homes come on the market, 7% less than the number of new listings seen in February 2013.

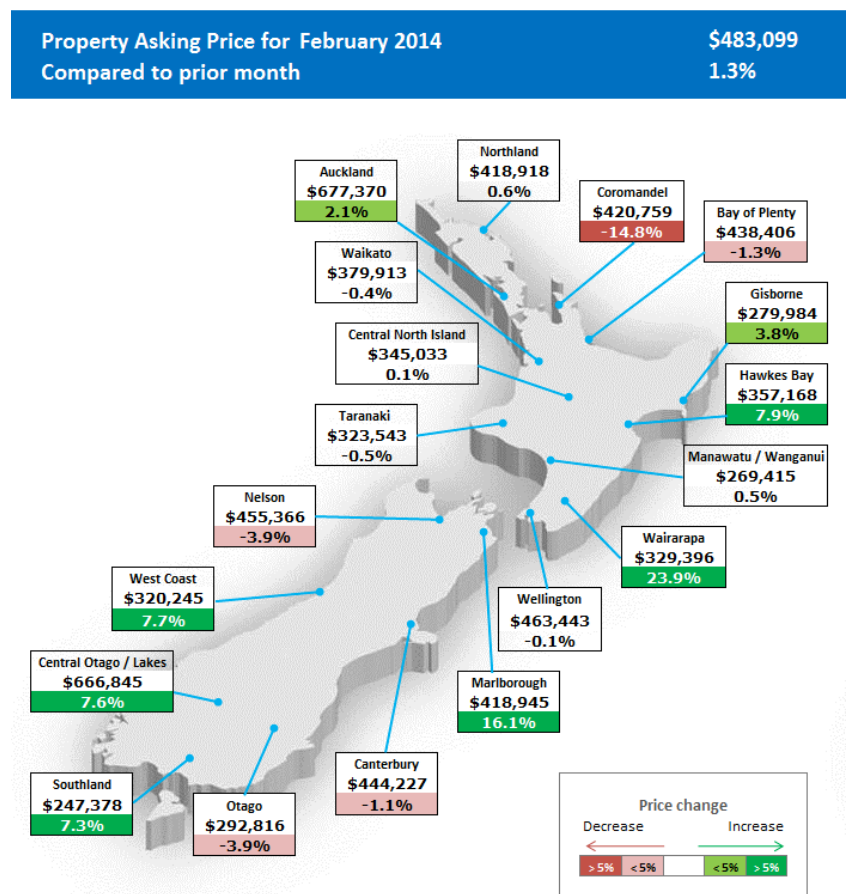
Regional Summary – Asking Price

National asking prices reached a new record in February to \$483,099 (Seasonally Adjusted Truncated Mean)

Record high asking prices were seen in 3 regions in New Zealand; Auckland, where the average asking price reached a new high of \$677,370 (up 12% on February 2013); West Coast, where asking prices reached \$320,245 (up 13% on February 2013); and Wairarapa where asking prices reached \$329,396 (up 24% on February 2013).

In total 11 regions saw asking price increases, with 6 regions reporting asking price increases greater than 5%. Wairarapa reported the largest increase, up 24% from January to \$329,396, followed by Marlborough, which rose by 16% to \$418,945.

Of the 8 regions witnessing asking price falls there was just 1 that reported a fall greater than 5%, Coromandel fell 15% to \$420,759.



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

Regional Summary – Listings

February followed seasonal trends, with 12,167 new homes come on the market, an increase of 31% from January.

However the number of homes for sale was lower than predicted and well down on prior years with 16 of the 19 regions seeing a fall in new listings on a year-on-year basis.

Of the 16 regions that reported lower new listings than February last year the most significant fall was seen in Coromandel and Otago, falling 29% and 26% respectively.

There were just 3 regions reporting year on year increase with West Coast reporting the biggest increase of listings (up 21%).

In the main centers, Auckland, and Wellington followed that national trend, Auckland reported 4,098 new listings, down 5% from February 2013, and Wellington reported 1,141 new listings, down 1% from last year.

Bucking the national trend, Canterbury saw a 3% rise in listings, with 1,399 new listings coming on the market.

Regional Summary – Inventory

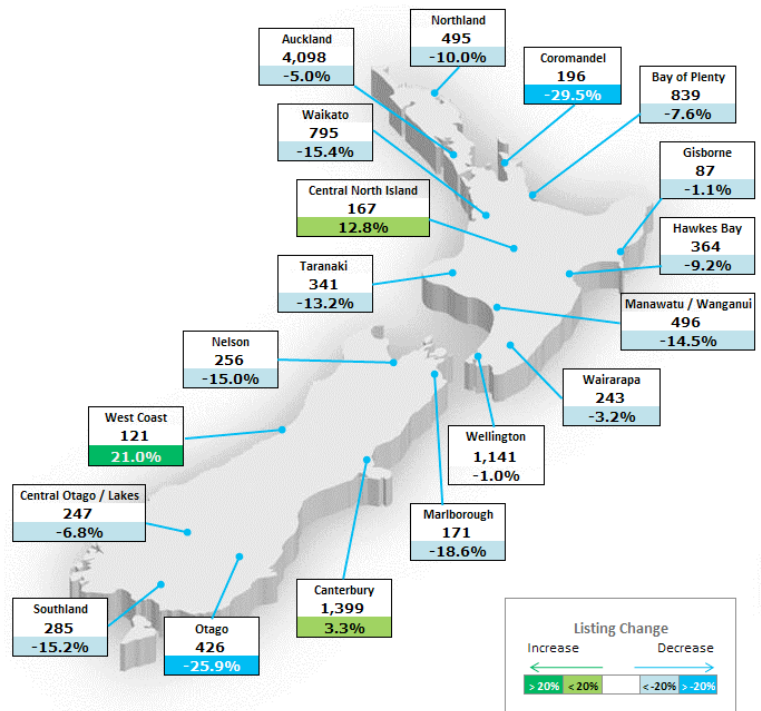
The level of unsold houses on the market at the end of February (41,731) was up, when compared to January (40,219). The inventory as measured in terms of equivalent weeks of sales fell in February to 25.9 weeks.

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.

The fall in inventory during the last month was seen in 14 of the 19 NZ regions with record low levels of 44 weeks of stock seen in Central Otago / Lakes, well below the long term average of 91 weeks.

New Property Listings for February 2014
Compared to February 2013

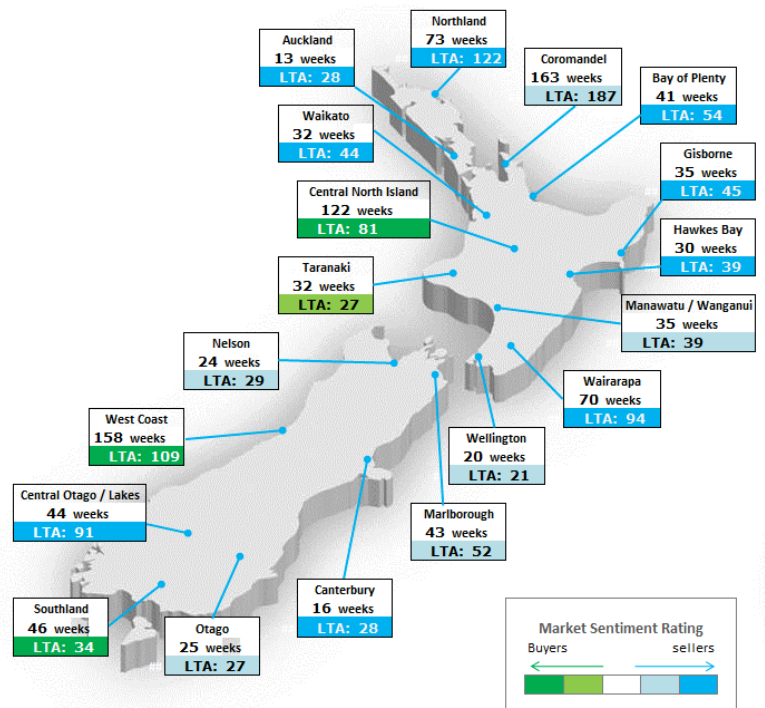
12,167
-7.4%



Actual data of new listings

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

26 weeks
37 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

Major Centers

Auckland

	Dec-13	Jan-14	Feb 2014
Property Asking Price (seasonally adjusted - truncated mean)	\$656,702	\$663,372	\$677,370
% change from previous month	0%	1%	2%
% change from same month last year	12%	9%	12%
Number of New Listings	1,897	2,723	4,098
% change from previous month	-57%	44%	50%
% change from same month last year	-8%	1%	-5%
Inventory - Number of weeks	12.4	13	12.7
% change from previous month	-3%	5%	-2%
% change from same month last year	-11%	-12%	-10%

Wellington

	Dec-13	Jan-14	Feb 2014
Property Asking Price (seasonally adjusted - truncated mean)	\$445,351	\$463,912	\$463,443
% change from previous month	-3%	4%	0%
% change from same month last year	2%	7%	2%
Number of New Listings	467	836	1141
% change from previous month	-58%	79%	36%
% change from same month last year	-14%	5%	-1%
Inventory - Number of weeks	16.6	18.5	20.1
% change from previous month	-4%	12%	9%
% change from same month last year	-6%	-5%	20%

Canterbury

	Dec-13	Jan-14	Feb 2014
Property Asking Price (seasonally adjusted - truncated mean)	\$443,750	\$449,149	\$444,227
% change from previous month	2%	1%	-1%
% change from same month last year	14%	12%	10%
Number of New Listings	987	1082	1399
% change from previous month	-37%	10%	29%
% change from same month last year	3%	8%	3%
Inventory - Number of weeks	17.1	16.7	16.1
% change from previous month	2%	-2%	-4%
% change from same month last year	-7%	-8%	-2%

Waikato

	Dec-13	Jan-14	Feb 2014
Property Asking Price (seasonally adjusted - truncated mean)	\$349,928	\$349,928	\$379,913
% change from previous month	-10%	-10%	-0.4%
% change from same month last year	-7%	-7%	5%
Number of New Listings	624	624	795
% change from previous month	-32%	-32%	15%
% change from same month last year	12%	12%	-15%
Inventory - Number of weeks	32.3	32.3	32.5
% change from previous month	16%	16%	-3%
% change from same month last year	3%	3%	8%

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 97% 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 company of the real estate industry of New Zealand, it runs a number of industry owned websites, which provide 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 654,000 unique browsers visited Realestate.co.nz in the month of February both domestic and international visitors (Source: Effective Measure).

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 198,000 users, making the app the most popular property app in NZ.