



2nd May 2014

Inventory recovers slightly as national asking prices ease

Asking prices ease

- Nationally average asking prices of new listings eased in April. The seasonally adjusted asking price fell by 1.4% to \$477,460, but remained up 7% as compared to April last year. Auckland, bucked the national trend, and posted a new record asking price of \$685,426.

Inventory levels recover

- Inventory levels rose in April, with the number of available homes for sale on the market lifting to 29 weeks of stock. This remains well below the long term average of 37 weeks of stock, but is up 8% from April last year.

	Feb-14	Mar-14	Apr-14
Property Asking Price (seasonally adjusted - truncated mean)	\$483,099	\$484,263	\$477,460
% change from previous month	1%	0.2%	-1.4%
% change from same month last year	9%	9%	7%
Number of New Listings			
	12,167	12,488	10,245
% change from previous month	31%	3%	-18%
% change from same month last year	-7%	-2%	2%
Inventory - Number of weeks of equivalent sales (seasonally adjusted)			
	25.9	27.9	28.9
% change from previous month	-3%	8%	3%
% change from same month last year	-1%	3%	8%

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

After seeing record high asking price reported last month, the national average asking price eased in April to \$477,460 – down 1.4% from last month, but up 7% from the same time last year. Auckland bucked the national trend, and for a second month in a row posted a new record high asking price. Auckland asking prices have risen 12% in the last year, and reached \$685,426 in April.

New national listings in April showed higher levels than historic years, with 10,245 new homes come on the market. This equates to 2% more than the number of new listings seen in April 2013. However the number of new listings was significantly less (down 18%) than we reported in March this year.

The inventory of unsold homes on the market recovered again in April, rising 3% from March to 29 weeks of stock, and was up 8% on the same time last year. This shows that there continues to be rebalancing in the market, and we expect to see this continue throughout May, which historically has seen healthy listings come on the market.

While inventory (based on weeks of equivalent sales) is beginning to ease, and see some rebalancing, we are still well below the long term average inventory of 37 weeks of stock.

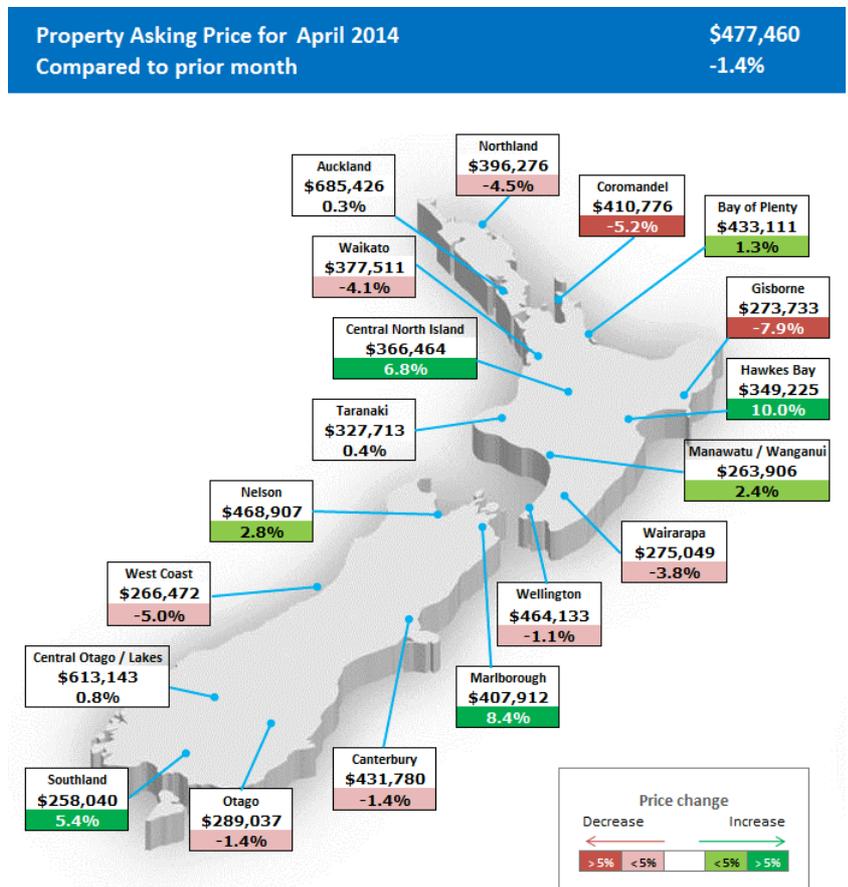
Regional Summary – Asking Price

National asking prices eased in April to \$477,460 (Seasonally Adjusted Truncated Mean), down 1.4% from last months record high, but remaining up 7% year on year.

Record high asking prices were seen again in Auckland, where the average asking price reached a new high of \$685,426, up 12% on April 2013.

In total 10 regions saw asking price increases, with just 4 regions reporting an asking price increases greater than 5%. Hawkes Bay reported the largest increase, up 10% from March to \$349,225. Followed by Marlborough which rose 8.4%, reporting an average asking price of \$407,912

Of the 9 regions witnessing asking price falls there were 2 that reported falls greater than 5%, Gisborne saw the biggest fall, down 8% from March to \$273,733. Followed by Coromandel, who witnessed a fall of 5.2% to an average asking price of \$410,776.



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

Regional Summary – Listings

April saw a 2% higher level of new listings than the same time last year, with 10,245 new homes coming on the market.

Year on year new listings rose across most of the country in April with 10 of the 19 regions seeing a listing increase, and 1 region reporting the same number as last month.

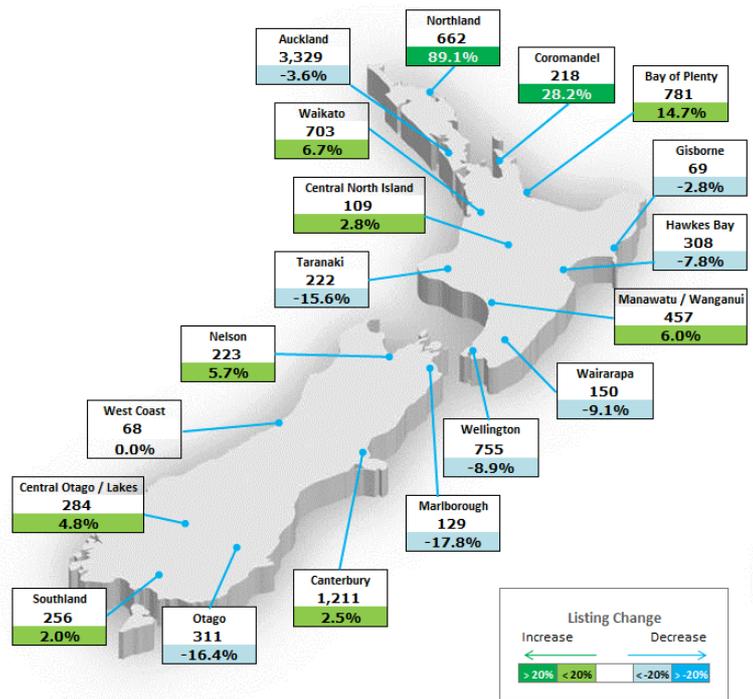
Of the 8 regions that reported lower new listings than April last year the most significant fall was seen in Marlborough and Otago, falling 18% and 16% respectively.

There were 10 regions reporting year on year increase of listings with Northland and Coromandel reporting the biggest increase of new listings

In the main centers, Auckland, reported 3,329 new listings, down 4% from April 2013, Wellington was down 9%, with just 755 new listings last month. But Canterbury reported an increase with 1,211 new listings, up 2.5% from last year.

New Property Listings for April 2014
Compared to April 2013

10,245
2.2%



Actual data of new listings

Regional Summary – Inventory

The inventory of unsold homes on the market recovered again in April, rising 3% from March to 29 weeks of stock, and shows that the market is continuing to see re-balancing.

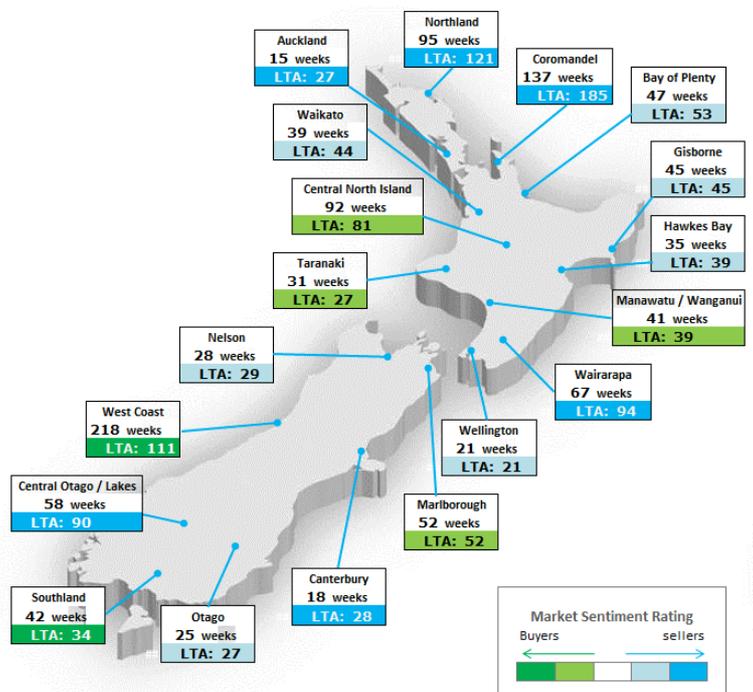
In total 17 of the 19 NZ regions are now sitting above the average inventory seen in the last 12 months. Nationally inventory (29 weeks) sits 12% above the 12 month moving average.

The rise in inventory during the last month was witnessed in 13 of the 19 NZ regions, but overall 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.

Market sentiment continues to favour sellers in 13 regions (marked in blue), with the greatest strain continuing to be felt in the 6 regions, which are marked in dark blue.

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

29 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

	Feb-14	Mar-14	Apr 2014
Property Asking Price (seasonally adjusted - truncated mean)	\$677,370	\$683,169	\$685,426
% change from previous month	2%	1%	0.3%
% change from same month last year	12%	12%	12%
Number of New Listings	4,098	4,389	3,329
% change from previous month	50%	7%	-24%
% change from same month last year	-5%	5%	-4%
Inventory - Number of weeks	12.7	15.2	15.0
% change from previous month	-2%	19%	-1%
% change from same month last year	-10%	7%	7%

Wellington

	Feb-14	Mar-14	Apr 2014
Property Asking Price (seasonally adjusted - truncated mean)	\$463,443	\$469,487	\$464,133
% change from previous month	0%	1%	-1%
% change from same month last year	2%	7%	7%
Number of New Listings	1141	1136	755
% change from previous month	36%	0%	-34%
% change from same month last year	-1%	11%	-9%
Inventory - Number of weeks	20.1	19.1	20.7
% change from previous month	9%	-5%	8%
% change from same month last year	20%	14%	12%

Canterbury

	Feb-14	Mar-14	Apr 2014
Property Asking Price (seasonally adjusted - truncated mean)	\$444,227	\$438,129	\$431,780
% change from previous month	-1%	-1%	-1%
% change from same month last year	10%	6%	5%
Number of New Listings	1399	1453	1211
% change from previous month	29%	4%	-17%
% change from same month last year	3%	4%	3%
Inventory - Number of weeks	16.1	17.8	18.2
% change from previous month	-4%	11%	2%
% change from same month last year	-2%	7%	14%

Waikato

	Feb-14	Mar-14	Apr 2014
Property Asking Price (seasonally adjusted - truncated mean)	\$379,913	\$393,612	\$377,511
% change from previous month	0%	4%	-4.1%
% change from same month last year	5%	10%	4%
Number of New Listings	795	830	703
% change from previous month	15%	4%	-15%
% change from same month last year	-15%	0%	7%
Inventory - Number of weeks	32.5	40.0	38.8
% change from previous month	-3%	23%	-3%
% change from same month last year	8%	25%	17%

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 95% 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 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 over 1,000 offices, the website features over 96% of all listings from licensed real estate agents in NZ. Over 750,000 unique browsers visited Realestate.co.nz sites in the month of April, both domestic and international visitors (Source: Nielsen Online Net UB, April 2014).

In addition Realestate.co.nz receives over 40% of all traffic to property listings from mobile devices, including their iPhone, iPad, and Android applications. To date these applications have been downloaded by over 205,000 users, making the app the #1 property app in NZ*.

*itunes & app annie download rank of property apps in New Zealand, April 2014.