

# Harcourts MarketWatch

May 2006 Issue

April 2006 activity throughout New Zealand continued the real estate trends of recent months. Harcourts offices maintain good enquiry from buyers motivated to secure their next property, albeit with the ability to make a more considered judgement due to the significantly higher number of properties available in many marketplaces. Interestingly enough though, the number of new listings coming to the market is below 2005 levels in many areas (particularly Northern and Central North Island), with properties generally remaining available longer.

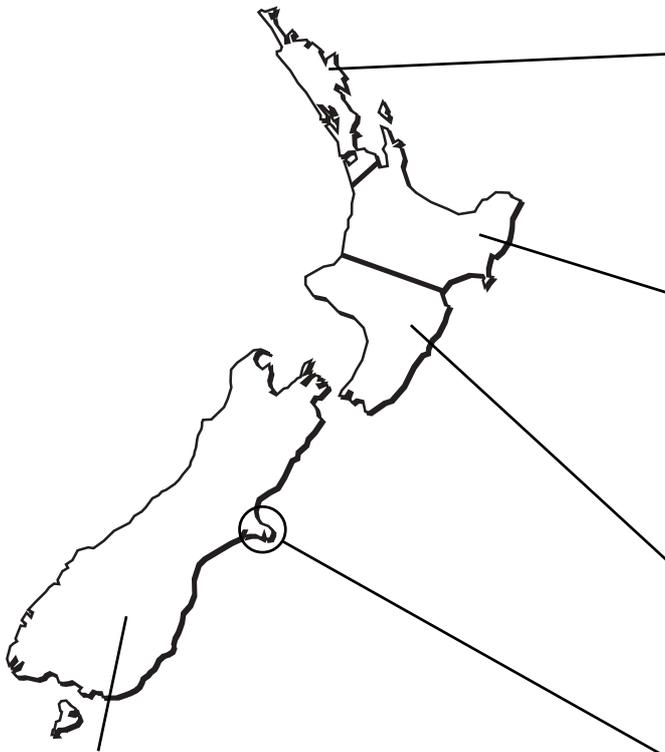
What does all this mean for those selling? The fundamentals in all markets start in the first three weeks your property is available for sale. You must combine realistic price expectation with superb marketing. If you don't secure a sale in that critical initial period, take an ongoing and proactive strategy to your marketing. Review your marketing message, sales strategy, property presentation, and price expectation.

Weekly meetings with your sales consultant to assess feedback from genuine and qualified buyers who have viewed your property will provide the information needed to make adjustments to get your property to the top of the list for buyers to seriously consider.

Alternatively you could ignore what the market is saying, and simply dig your heels in, sit tight and wait. Given the number of properties now available, if the buyers have rejected your property during the crucial first three weeks this would appear an unlikely strategy to achieve a positive result!

Well presented properties offered by realistic and responsive sellers assisted with high quality professional marketing can expect success in any market. Now is no different.

**Bryan Thomson, CEO**  
Harcourts New Zealand



NORTHERN	April 2006	April 2005	% Change
Exclusive Listings	467	616	-24%
Auction Listings	54	92	-41%
Property on Hand	1,859	1,735	+7%
Written Sales	452	573	-21%
Average Price	\$429,000	\$373,000	+15%

Listings remain tight in many key locations in this region which includes our largest city. Auction results are positive as buyers compete for new listings.

CENTRAL	April 2006	April 2005	% Change
Exclusive Listings	425	479	-11%
Auction Listings	48	63	-24%
Property on Hand	2,269	1,563	+45%
Written Sales	460	475	-3%
Average Price	\$293,000	\$273,000	+7%

A result consistent with recent months in the central North Island. Stock levels remain higher than 2005 by the same margin throughout.

LOWER NTH ISLAND	April 2006	April 2005	% Change
Exclusive Listings	362	373	-3%
Auction Listings	74	110	-33%
Property on Hand	1,714	1,269	+35%
Written Sales	409	491	-17%
Average Price	\$286,000	\$278,000	+3%

More properties available in this region enables buyers to enjoy more choice.

SOUTH ISLAND PROVINCIAL	April 2006	April 2005	% Change
Exclusive Listings	273	274	=
Auction Listings	34	47	-28%
Property on Hand	1,945	1,155	+68%
Written Sales	300	271	+11%
Average Price	\$261,000	\$236,000	+11%

High stock levels coupled with sales above April 2005 see a very good result from this region.

CHRISTCHURCH	April 2006	April 2005	% Change
Exclusive Listings	628	630	=
Auction Listings	58	71	-18%
Property on Hand	2,749	1,759	+56%
Written Sales	609	560	+9%
Average Price	\$371,000	\$330,000	+13%

A good selling month in Christchurch where proactive auction marketing in particular is achieving great results.

Harcourts has been in existence since 1888 and is New Zealand's leading real estate group with over 179 offices. In 1997 Harcourts moved into Australia where it now has over 183 offices throughout Queensland, Sydney, Western Australia, South Australia, and Tasmania. Harcourts also has 10 offices in Indonesia and two in Fiji. Harcourts MarketWatch is compiled by Helen Fergusson, Communications Manager, Harcourts International Ltd, tel 03-348 8784.

**Harcourts**  
SINCE 1888

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## The Budget and My Home Loan

Whilst the Government had some good news for selected families in the last Budget, any good news has been offset by continued price hikes in the cost of petrol and the pain for those families coming off fixed rate mortgages taken out in last two years.

Movements in fixed rates continue to be an almost daily event, with slides in both directions, over recent weeks. Some very recent upward movements in two and three year rates makes choosing the best rate difficult for home owners. The strong labour market is implying upside risk to short term retail spending expectations and the housing market. Therefore, the real chances of the Reserve Bank easing monetary policy this year are remote.

Most economists are predicting rate reductions in 2007, but with one year rates currently at relatively high levels, fixing for that period would still seem hard to justify. The medium term security of reasonable (but under pressure) two year rates, may well prove to be a better risk. There is good news on the horizon, with predictions for rates to possibly fall dramatically over the next two years, but for many sadly, that horizon is too far away. It may just be a question of riding this wave out.

Where do you go from here? Don't just listen to the 'hype' from the individual banks. Get all the information and knowledgeable advice about the best options for you and your individual situation so you can make an informed choice. Contact an NZMBA registered mortgage broker.

**Andrew L'Almont, CEO**  
**Mortgage Express**  
**Tel: 09 379 4298**

*(Mortgage Express is one of the largest NZMBA registered mortgage brokers in New Zealand. Call 0800 226 226 to speak to your local Mortgage Express broker.)*

## News Update Technology and Global Strategies

Emphasizing the crucial role of technology and global strategies to meet increasingly sophisticated customer expectations and maintain industry leadership was the focus at the Harcourts' Annual Conference in mid May.

Referring to international trends and real estate statistics, Managing Director of Harcourts International Ltd, Mike Green reinforced the importance of understanding the dynamics behind changing expectations worldwide, from the way 'Baby Boomers' through to 'Generation X' and the "digitised society of 'Generation Y'" expected to do business.

Mr Green said while traditional real estate companies continued to be "gatekeepers" of information, clients now had more access to information faster in line with their lifestyles and expectations. "The Internet is the most powerful tool in real estate both as a research device and as a marketing medium with US research forecasting that online marketing spend will exceed print spend by 2009."

"Our online presence is the most significant influence on our clients and marketplace," he said. Harcourts' ongoing investment in technology has seen it consistently dominate online with [www.harcourts.co.nz](http://www.harcourts.co.nz) the most visited real estate group website in the country.

## Top Consultants Announced

Over 1,000 Harcourts delegates attended the annual Harcourts Conference in mid May. Following three days of speakers from the US, Australia and New Zealand, the concluding event was a black tie awards dinner, to announce the top individuals and offices for the 2005-2006 year including:

- Top Sales Consultant: Shaun Cosgrave (Harcourts Hamilton – Glenview)
- Top Rural Sales Consultant: Grant Lange (Harcourts Avonhead, Christchurch)
- Top Commercial Sales Consultant: Noel Mouldley (Harcourts Wanganui)
- Top National Auctioneer: Grant Child (Harcourts Tauranga)

- Most Promising Auctioneer: Mark Hawthorne (Harcourts Bishopdale, Christchurch)

Well-known and respected Harcourts Nelson Business Owner, Paul Hedwig, was inducted into the Harcourts Hall of Fame which recognizes individuals who have had a significant impact on Harcourts International as part of maintaining industry leadership. Born and bred in Nelson, Paul Hedwig entered real estate in 1979, eventually moving into business ownership and partnership. In 1991 when Harcourts was undergoing franchising, Mr Hedwig and his then two partners became the first Harcourts franchise owners in the South Island with the Nelson office.

Mr Hedwig is recognised industry-wide for maintaining a powerful team of independent, long-term, and highly successful business individuals in residential, commercial, rural, lifestyle, developments, business broking, and auction. Highly regarded by his peers, in 2002 Mr Hedwig was elected on to the Harcourts Franchise Council and in 2004 he opened an office in Golden Bay following shortly afterwards with the purchase of Harcourts Richmond with partners.

While every effort has been made to ensure that the information in this publication is accurate we recommend that, before relying on this information, you seek independent specialist advice.

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