

Harcourts MarketWatch

November 2006 Issue

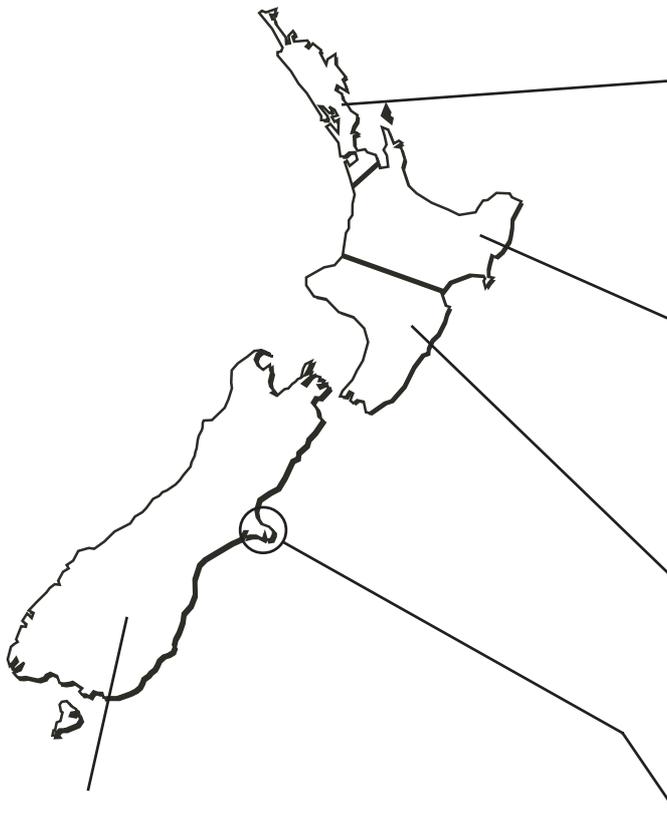
October 2006 saw some marketplaces still holding their breath waiting for Spring weather to lure the usual flush of home sellers to the marketplace while continued solid demand for most property types and locations has resulted in confident competition for new listings. The Reserve Bank's decision to leave interest rates untouched was also positive for all of us with debt, and warmly welcomed to ensure the festive season has more cheer than if we'd experienced an unwarranted lift!

Activity in today's marketplace continues to send a consistent message to those selling - buyers are keen but astute. Whereas in more frantic times, buyers almost fall over themselves to secure a property, in today's more balanced marketplace with more choice available, sellers need to ensure they and their property are correctly prepared for sale. This includes property presentation, accurately targeted and prepared

marketing plans, and realistic price expectation based on marketplace facts.

An experienced real estate company and sales consultant are the best avenues to ensure a superb result. Over recent times we've seen many new options being presented to home sellers as the 'new best thing' to sell your property with almost all focused on being cheaper than traditional real estate agencies. My advice is clear. When handling the sale and purchase of what for most of us is our largest asset, get the best available not just the cheapest. When selecting your real estate representative, be sure to ask how they will maximize your sales result, and what tools they have available to achieve your aims. When it comes to property, the only place 'cheapest' and 'best' come within regular 'cooee' is in a dictionary.

Bryan Thmoson, CEO
Harcourts New Zealand



NORTHERN	October 2006	October 2005	% Change
Exclusive Listings	638	738	-14%
Auction/Tender	135	133	=
Property on Hand	2,033	1,901	+7%
Written Sales	632	650	-3%
Average Price	\$465,000	\$417,000	+12%

New listings remain at a premium in many parts of Auckland and coupled with sales being consistent with this time last year, competition between buyers is still the norm.

CENTRAL	October 2006	October 2005	% Change
Exclusive Listings	516	581	-11%
Auction/Tender	68	146	-53%
Property on Hand	2,102	1,786	+18%
Written Sales	462	527	-12%
Average Price	\$290,000	\$303,000	-4%

A quiet month for new listings in many areas of the central North Island shows up as a lower volume of sales. A bias towards the lower price market reflected a reduction in the average sales price for the month.

WELLINGTON	October 2006	October 2005	% Change
Exclusive Listings	414	459	-10%
Auction/Tender	124	180	-31%
Property on Hand	1,623	1,540	+5%
Written Sales	438	502	-13%
Average Price	\$310,000	\$284,000	+9%

Another region that has seen a lower level of written sales reflecting a tight listing month.

SOUTH ISLAND PROVINCIAL	October 2006	October 2005	% Change
Exclusive Listings	387	299	+29%
Auction/Tender	59	63	-6%
Property on Hand	1,858	1,454	+28%
Written Sales	289	288	=
Average Price	\$268,000	\$262,000	+2%

A busy listing month in the provinces of the South Island sees the number of property on hand lifting. Sales continue in line with 2005 levels.

CHRISTCHURCH	October 2006	October 2005	% Change
Exclusive Listings	678	694	-2%
Auction/Tender	108	124	-13%
Property on Hand	2,438	2,117	+15%
Written Sales	629	566	+11%
Average Price	\$359,000	\$329,000	+9%

A big month for written sales in the Garden City reflects a market with continued positive demand across most property types.

Harcourts has been in existence since 1888 and is New Zealand's leading real estate group with over 180 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 three in Fiji. Harcourts MarketWatch is compiled by Helen Fergusson, Communications Manager, Harcourts International Ltd, tel 03-348 8784.



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Patience Could See Some Benefits – But Not For a While Yet...

Most commentators were not surprised that the RBNZ did not lift interest rates in its last round in October, although, there were some “warnings” from Dr. Bollard that we should not discount this happening before the end of the year. As a consequence, most of the major lenders are currently increasing (or have already increased) all but their three or five-year rates, by between four and 10 points.

Rising rates shouldn't be any surprise to the market and borrowers however, as the ASB Housing Confidence survey released in recent weeks showed there was an expectation of further interest rate increases from borrowers.

The economy is slowing. GDP growth has eased below 2% and forward indicators are pointing to subdued growth in most sectors. One could not be blamed for thinking this is a gloomy picture.

The slowdown (to date) however, has not been shared equally amongst the various sectors of the economy with the brunt of the slowdown absorbed by the corporate sector, leaving households, the housing market and the Government relatively insulated. The expectation then is for slower growth to dampen inflation, without the need for additional policy tightening by the Reserve Bank.

So what does it mean for you and me? If you can hang in for another 12 months or so, all indicators are that rates will come down and possibly significantly. If you are not sure what to do in the short term, consult your NZMBA mortgage broker for some comforting advice!

Andrew L'Almont, CEO
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(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).

Harcourts Rural Update

It has been great to see our rural real estate market starting to tick over as we moved through the prime Spring 'selling' season. There are currently numerous opinions as to where the rural market sits, especially value wise, which is affecting how both buyers and sellers react.

There are also numerous opinions as to how the product selling season will pan out over coming months which will influence buyers' decisions on what price they are prepared to pay for rural property. As I move around the country it is interesting to observe different regional markets reacting to these factors.

Supply and demand still has a major influence on demand for rural property and some regions are currently short of properties for sale which tends to ensure new

listings are well sought after and valued. Other regions with numerous rural properties for sale are seeing competition between sellers and choice for buyers who in some cases are achieving a reduction in sale price. Then there are the 'x' factor buyers and 'over anxious' buyers who are prepared, due to special circumstances, to pay a premium for a particular property.

If you are a current or potential seller in this market how do you evaluate the above scenarios in relation to your property? Involve well informed and suitably qualified professionals such as from the valuation profession, although ensure the valuer you employ is well versed in the current and future status of the rural real estate market both 'big picture' and in your 'patch'.

An obvious choice is to consult a knowledgeable rural

real estate consultant as to their view of the market with specific emphasis as to whether your property may have the factors to attract those premium buyers. Correct method of sale to maximise the selling opportunity is also crucial.

The value of using the right sales consultant and company was reinforced through recently attending Harcourts' regional rural 'Cell Group' meetings countrywide. As well as exchanging ideas and market news, these meetings often result in buyers and sellers being matched, which again reinforces the advantages of a nationwide rural team communicating effectively on behalf of its clients.

Kim Shannon
National Rural Manager

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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