

Harcourts MarketWatch

April 2007 Issue

March 2007 saw a strong performance from the real estate marketplace throughout New Zealand with every region of the country producing record results for our group. The drivers of this performance are very simply, supply and demand.

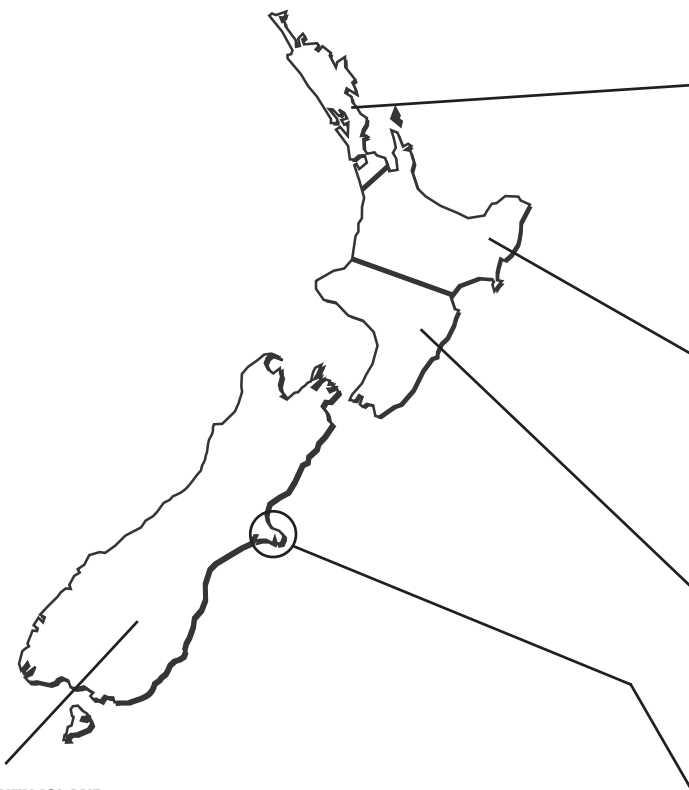
Due to the strong employment market, wage growth and positive immigration, buyers are confident about making longer term investment decisions when it comes to their housing requirements. Couple this confidence with a lower volume of new listings becoming available and you have a recipe for competition in the market which obviously leads to positive price movements.

This buoyant marketplace and the mixed messages from 'experts' who make comment on what will happen in the future mean that buyers need to remain focused on their

goals to ensure they don't miss great opportunities which always exist. Define what you actually need in your new property, what features you can't do without, fully understand your budget, then go and find the best property you can based on the criteria you have set. Ignore the "noise" in the media otherwise you are really living your life based on opinions of people who may have completely different agendas and values to you!

If you are selling, now more than ever, you must hire the consultant and company who prove to you they have the best ability to maximize competition and thus price for your property. Don't be misled by those who offer the "I'm cheaper" pitch as we all know cheapest and best are seldom happy bedfellows. Focus on knowledge, value, and end results as they will provide the foundation for your next step in life.

Bryan Thomson, CEO
Harcourts New Zealand



NORTHERN	March 2007	March 2006	% Change
Exclusive Listings	618	728	-15%
Auction/Tender	113	105	+8%
Property on Hand	1,988	2,062	-4%
Written Sales	734	654	+12%
Average Price	\$514,000	\$449,000	+15%

Our biggest city sees continued strong demand for a tight supply of stock. Higher priced "blue chip" locations in particular are very active.

CENTRAL	March 2007	March 2006	% Change
Exclusive Listings	486	575	-16%
Auction/Tender	59	71	-17%
Property on Hand	2,273	2,327	-2%
Written Sales	557	490	+14%
Average Price	\$356,000	\$320,000	+11%

A very tight listing month in this region and very active sales sees strong competition.

WELLINGTON	March 2007	March 2006	% Change
Exclusive Listings	456	588	-22%
Auction/Tender	133	107	+24%
Property on Hand	1,664	1,629	+2%
Written Sales	573	578	-1%
Average Price	\$345,000	\$310,000	+11%

The Wellington region saw a very tight month for new listings and balanced sales results.

SOUTH ISLAND PROVINCIAL	March 2007	March 2006	% Change
Exclusive Listings	425	399	+7%
Auction/Tender	64	64	=
Property on Hand	1,979	1,920	+3%
Written Sales	411	354	+16%
Average Price	\$283,000	\$248,000	+14%

The South Island provincial counties saw very strong activity with sales numbers and prices both positive against last year.

CHRISTCHURCH	March 2007	March 2006	% Change
Exclusive Listings	789	753	+5%
Auction/Tender	101	83	+22%
Property on Hand	2,551	2,767	-8%
Written Sales	761	719	+6%
Average Price	\$386,000	\$345,000	+12%

Christchurch saw another strong performance in line with what has been a very positive marketplace all year.

Harcourts has been in existence since 1888 and is New Zealand's leading real estate group with just on 183 offices. In 1997 Harcourts moved into Australia where it now has over 250 offices throughout Queensland, Sydney, Western Australia, South Australia, Victoria, Tasmania, Indonesia and Fiji. Harcourts MarketWatch is compiled by Helen Fergusson, Communications Manager, Harcourts International Ltd, tel 03-348 8784.



LEADING REAL ESTATE COMPANIES OF THE WORLD™

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Harcourts News Update

Mortgage Express and Mortgage People Join Forces

Two of New Zealand's leading mortgage broking companies; Mortgage Express and Mortgage People this month announced a new joint venture company for the nationwide distribution of Mortgages and Insurance.

Independent Mortgage & Insurance Group Ltd (IMIG) will commence operation with an annual mortgage volume already in excess of \$1.3 billion making them one of the largest mortgage brokers in the country. It is also in final negotiations with other broking firms and independent brokers who can see the benefits of being part of a national broking network and who will likely join the group.

Whilst mortgages are the immediate business, both companies have been trialing insurance broking and will now work together to ensure that this is included

in the range of services they offer the home buyer.

"It is the objective of the group to build a \$5 billion mortgage distribution network ensuring that 60 percent of this has a risk policy attached to it". They say the new group will enjoy immediate benefits and greater efficiencies through sharing of IT platforms, back end processing, management, overheads and marketing. "These savings all become possible when you talk about pooling resources".

The group will also focus on various channels that each company has been developing. This will include the multi-national Harcourts real estate group which throughout its Australasian network has annual sales in excess of \$17 billion.

"The key benefit of the new group is that we can offer instant volume for suppliers looking to grow market

share in mortgages and insurance".

www.mortgage-express.co.nz - New Zealand's largest non-franchised mortgage brokerage, **Mortgage Express**, was launched by Harcourts in 1998 in response to the increasing demand by the public for a 'one-stop-shop' service when purchasing property. Mortgage Express now has 50 Mobile Mortgage Managers operating throughout New Zealand settling in excess of \$720 million in mortgages per annum. **Contact: Andrew L'Almont, Director, Mortgage Express, tel: 021 244 6676**

www.mortgagepeople.co.nz - Mortgage People is Auckland's largest broking firm, writing well over \$600 million in loans a year from their head office on Ponsonby Road. Mortgage People has over 15 years of experience in the mortgage finance industry. **Contact Carey Brunel, Director, Mortgage People, tel: 0274 994759.**

Harcourts Rural Update

The rural real estate market is interesting currently with the latest sales statistics from the Real Estate Institute of New Zealand (REINZ) reflecting the current trends.

A seasonal surge in dairy farm sales drove the national farm median price ahead in March, dairy farm sales increasing from 27 in February to 56 in March. This was consistent with the March 2006 figure of 53 and the March 2005 figure of 58, though prices were well up this year.

The median was \$3,275,000 in March 2007 compared with \$2,950,000 in February, and the March 2006 figure of \$2,364,000 and the March 2005 figure of \$2,500,000.

As I travel round the country talking to our network of around 200 dedicated rural sales consultants, it appears

that on the whole the rural property market and especially the dairy sector continues to show strong confidence, which is being backed by the sales numbers and prices being achieved.

Overall, the REINZ noted the national median sales price for rural property was up from \$1,195,000 in February to \$1,212,500 in March, up 10.2 percent on the March 2006 median of \$1,100,000. Sales were also significantly up from 154 in February to 234 in March this year, though still below the March 2006 figure of 274 sales.

This confidence carried through to other sectors of rural property with grazing farm sales and horticultural property sales above February.

Lifestyle property sales were also strong with sales numbers up from 693 in February to 821 in March,

which was well up on the March 2006 figure of 699. The national lifestyle property median price was up from \$415,500 in February to \$450,000 in March this year which was a 9.2 percent increase over the \$412,000 median in March 2006.

While it's important to analyse the actual individual sales made during any month to understand if there are any distortions due to a very high dollar value sale or (or very low), overall it is interesting to see that most sectors of the rural industry are showing a good level of price activity.

With our dedicated Harcourts team continuing to report good activity, we expect to be busy over the next 12 months.

Kim Shannon
Harcourts 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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