

Harcourts MarketWatch

June 2008

Harcourts New Zealand's latest statistics confirm the real estate market is in a transition period, with an apparent 'stalemate' between sellers and buyers.

May 2007 was a record month for Harcourts but the picture was very different in the same month this year, following months of negative rhetoric about the property market, interest rates, the American economy and an international credit crunch plus rising food and petrol prices.

As our May 2008 figures show the volume of sales was well down on the same month last year in all of Harcourts regions, as has been the case for the past few months, while the average price comparisons were a more mixed bag.

According to anecdotal feedback from around Harcourts' nationwide network buyers are taking a breath and waiting for the significant price reductions some individuals, a number with dubious credentials, have predicted.

Many potential sellers meanwhile are holding off, while those sellers who have

listed their property but are not prepared to accept today's prices are living in hope and either keeping their property or looking to rent it out and to wait for a "better time to sell".

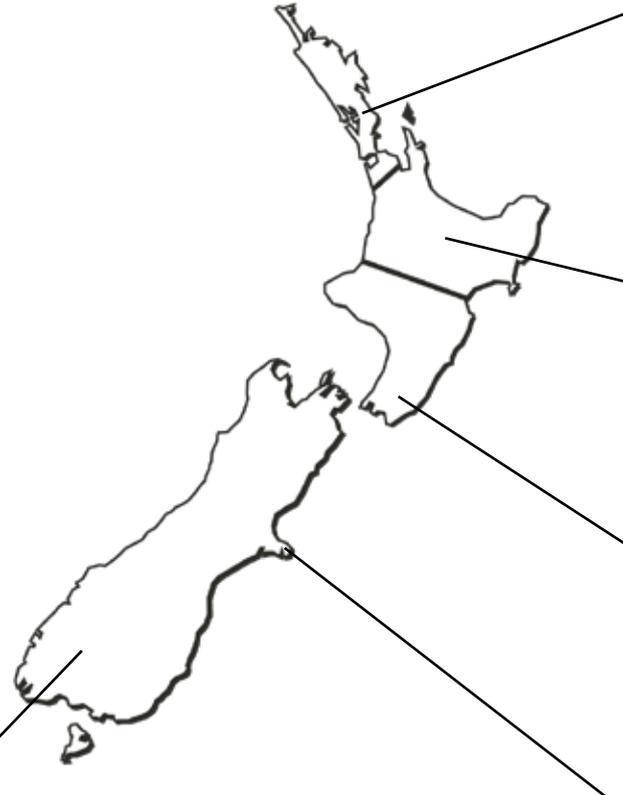
Thus we essentially have a stand-off or stalemate.

For both buyers and sellers, if you buy and sell at the same time you are protected. Sell at a peak - buy at a peak, sell at a low - buy at a low. In both these cases your investment and buying power remain the same.

Some will tell you to buy at a low and sell when at the peak, but that requires you to put your life on hold until the "perfect time" when in the vast majority of cases the only people who ever actually get it right are those looking back with the benefit of 20:20 hindsight.

Our advice is clear, buy or sell when you need and want to. If that is now then go ahead and move on with your life. Waiting makes no sense based on the facts.

Bryan Thomson, CEO, Harcourts New Zealand



	2008	2007	% Change
NORTHERN			
Exclusive Listings	451	526	-14%
Auction/Tender	65	147	-56%
Property on Hand	2,883	1,874	+54%
Written Sales	278	591	-53%
Average Price	\$480,000	\$542,000	-11%
A very tight month for sales is matched by a very tight month for new listings.			
CENTRAL			
Exclusive Listings	429	487	-12%
Auction/Tender	55	55	=
Property on Hand	2,889	2,163	+34%
Written Sales	226	474	-52%
Average Price	\$365,000	\$368,000	-1%
Sales and listings are at a premium through this area of the North Island.			
WELLINGTON			
Exclusive Listings	421	528	-20%
Auction/Tender	78	110	-29%
Property on Hand	2,580	1,807	+43%
Written Sales	293	476	-38%
Average Price	\$366,000	\$354,000	+3%
The lower North Island sees a tight market similar to further North.			
SOUTH ISLAND PROVINCIAL			
Exclusive Listings	285	385	-26%
Auction/Tender	36	36	=
Property on Hand	2,497	1,952	+28%
Written Sales	208	343	-39%
Average Price	\$372,000	\$305,000	+22%
Very tight new listing stock through the South Island. The strong rural market has influenced prices in this area.			
CHRISTCHURCH			
Exclusive Listings	734	643	+14%
Auction/Tender	72	73	-1%
Property on Hand	4,043	2,369	+71%
Written Sales	387	577	-33%
Average Price	\$395,000	\$409,000	-3%
A more positive listing month than the North Island sees sellers in a competitive market to attract buyers.			

Harcourts has been in existence since 1888 and is New Zealand's leading real estate group with more than 180 offices nationwide. Harcourts also has over 240 offices throughout every state in Australia and offices in Indonesia, Fiji, Singapore, China and Zambia. Visit: www.harcourts.co.nz



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 Harcourts

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Mortgage Express reports record number of pre-approvals

In a sign of the times Mortgage Express is reporting it has a record number of pre-approved loans on its books.

CEO Andrew L'Almont says the company, which recently announced two agreements with the Australian-based Professional Lenders Association Network (PLAN), currently has more pre-approved loans awaiting settlement than ever before in its history.

"We believe this is good news, as it's a sign that there are a lot of people out there who are in a financial position to buy."

One of the reasons for the record level of pre-approved home loans is that at the moment there are fewer sales occurring and properties are generally taking longer to sell, so many deals are taking a while to go unconditional and therefore for loans to be settled, he says.

"I'm confident that this situation will ease though and a positive chain reaction will follow," Mr L'Almont says, adding that another reason for the record is the gains in the market made by Mortgage Express, which is 90% owned by Harcourts International.

"We have been working hard to establish ourselves as the broker of choice in New Zealand and we are well on the way to achieving that," says Mr L'Almont.

In order to achieve further growth and to benefit from administrative efficiencies and economies of scale the company has recently introduced PLAN's leading-edge commission payment and broker software systems. The two companies have also entered into an alliance that will see PLAN brokers sub-contracted by Mortgage Express to manage excess demand in New Zealand.

Harcourts best known, most preferred real estate brand

According to independent, nationwide research Harcourts is the real estate agency brand best known and most preferred by New Zealand homeowners.

Conducted by The Nielsen Company (formerly AC Nielsen) recently, the research found that amongst New Zealand homeowners Harcourts has almost three times more top of mind awareness than its nearest rival.

New Zealand's largest real estate group is also the most preferred by New Zealand homeowners according to the research, achieving a significantly higher percentage of the national preference than

the other real estate agency brands mentioned by respondents.

Harcourts New Zealand CEO Bryan Thomson says the research results provide excellent endorsement of Harcourts' reputation and performance.

"Everyone who is part of the Harcourts team, including those who have joined us from other real estate groups, knows Harcourts is the top brand. These research results prove that New Zealand homeowners agree with us!

"This bodes particularly well for us in the current market, when more than ever buyers and

sellers are looking for the real estate brands and professionals with a strong reputation and proven performance," Mr Thomson says.

Established in 1888 Harcourts is New Zealand's largest real estate group, with more than 180 offices and over 1800 sales consultants nationwide. Harcourts is also the fastest growing real estate group in Australia, with a presence in every state and a combined total of more than 240 offices across the country. In addition Harcourts has offices in Fiji, Indonesia, Singapore, China and Zambia.

Google Base listings another IT first for Harcourts

Harcourts' has achieved another real estate industry-first with the addition of its property listings on Google Base, one of Google's latest online initiatives.

Harcourts Chief Technology Officer Jason Wills believes Harcourts is the first real estate group in Australasia to provide its clients properties' with automatic exposure across all of Google search websites, including the new Google Base site.

"According to comScore over 56% of all Internet searches on 'real estate' and related terms are conducted on Google and their partner sites," Mr Wills says. "So it's vital Harcourts is up at the forefront with Google's new initiatives given their sites are such a key source of enquiries."

As Google has previously stated, Google Base (see www.google.co.nz/base) is an extension of the company's existing content collection efforts like web crawl, Google Sitemaps, Google Print and Google Video. The free database service offers a new way for people to submit their content to Google and to make it searchable online.

"Harcourts property listings are being uploaded into the 'Housing' category on Google Base," Mr Wills explains. "Users who select that category can then choose from various attributes such as location and bedroom number in order to get a refined search result that includes details about relevant properties and their location on

an adjoining Google map - so all the information they need is presented there in one place."

Mr Wills says that while Google Base is still under development Harcourts has opted to get onboard because is it committed to ensuring its clients' properties have maximum exposure and that potential buyers searching online have every available option to find Harcourts' property listings.

"Google Maps has definitely proven to be a successful addition to our online offering and in time we expect Google Base will be an increasingly popular tool too, particularly when it's further integrated into the main Google search engine," Mr Wills says.

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