



1<sup>st</sup> January 2013

## Shortage of new listings in key cities drives a sellers market start to the New Year.

### Inventory drops to new record low

- The stock of unsold houses on the market fell further in December. As compared to a year ago the inventory of houses on the market has fallen from 37.5 weeks supply to just 26.6 weeks.

### Asking prices fall

- The seasonally adjusted asking price fell in December to \$422,636 down 5% for the month, but rose by 1% as compared to a year ago.

### Fall in new listings

- Traditionally a quiet month of the year, new listings fell in December with 8,482 brought to the market. As compared to the November listing surge, new listings fell 37.5% in December. With the main centers of both Auckland and Wellington reporting record lows.

### Market firmly favours sellers

- Across the country the inventory levels consistently slipped below long term averages, with new record low inventory seen in Auckland, Waikato, and Otago.

	Oct 2012	Nov 2012	Dec 2012
<b>Property Asking Price</b> (seasonally adjusted - truncated mean)	\$445,529	\$446,277	<b>\$422,636</b>
% change from previous month	4%	0.20%	<b>-5%</b>
% change from same month last year	5%	6%	<b>1%</b>
<b>Number of New Listings</b>	12,688	13,571	<b>8,482</b>
% change from previous month	14%	7%	<b>-37%</b>
% change from same month last year	12%	1.50%	<b>-3%</b>
<b>Inventory - Number of weeks of equivalent sales</b> (seasonally adjusted )	33.1	28.7	<b>26.6</b>
% change from previous month	9%	-13%	<b>-7%</b>
% change from same month last year	-19%	-29%	<b>-29%</b>

*Realestate.co.nz is the official website of the New Zealand real estate industry, and provides the most comprehensive selection of listings from licensed real estate agents across all categories.*

*Realestate.co.nz features over 110,000 listings at any one time, representing over 97% of all listings currently marketed by real estate professionals.*

## Commentary

The property market saw a further tightening of supply in December, more especially in the 3 major cities where the market remains very firmly as a sellers market. In overall terms the number of new listings coming onto the market in December was considerably lower than expected given the surge in November. Overall stocks of unsold homes fell to a 5 year low of 26.6 weeks of inventory (long term average = 39 weeks).

Auckland, Waikato and Otago were most affected by low inventory levels, with stocks of unsold homes falling to a new record lows of 13.9 weeks of inventory in Auckland, 31.5 weeks in Waikato, and 20.4 weeks in Otago, each well below their long term inventory levels.

Inventory levels across the country remain low and the market remains a firms sellers market across 16 of NZ's 19 regions.

### Asking Price

The seasonally adjusted truncated mean asking price for listings in December eased from the record high of \$446,277 set in November to a December level of \$422,636. The month-on-month decrease of 5% takes the month level to 1% up on December last year.

As can be seen from the chart that the fall in the month does not significantly affect the trend line which continues to show a steady rise over the past 2 years.



### New Listings

The level of new listings coming onto the market in December fell on a seasonally adjusted basis by 8.4%. A total of 8,482 new listings came onto the market representing a 3% year-on-year fall.

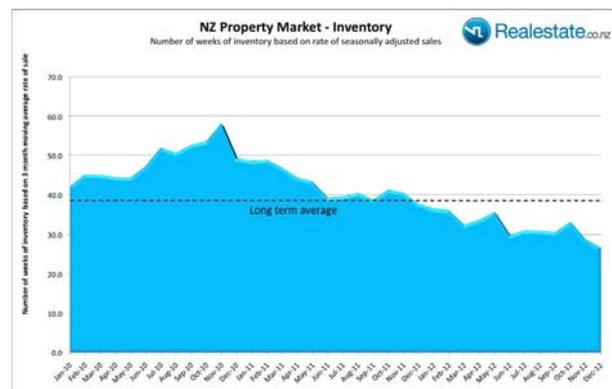
For the calendar year of 2012 a total of 132,243 new listings came onto the market as compared to 124,748 for calendar year 2011 – a rise of 6%. By comparison the prior years stats were 2007: 177,529; 2008: 163,488; 2009: 135,416; 2010: 138,789. So as compared to the peak of the market on 2007 listings are down 26%.



### Inventory

The level of unsold houses on the market at the end of December (42,513) was down, when compared to November (45,228). The inventory as measured in terms of equivalent weeks of sales fell to a 5 year low last month to 26.6 weeks last month. This fall was witnessed across 16 of the 19 regions.

With the rising rate of property sales, the inventory on the market has seen a significant drop over 2012 pushing it well below the long-term average of 39 weeks of equivalent sales.



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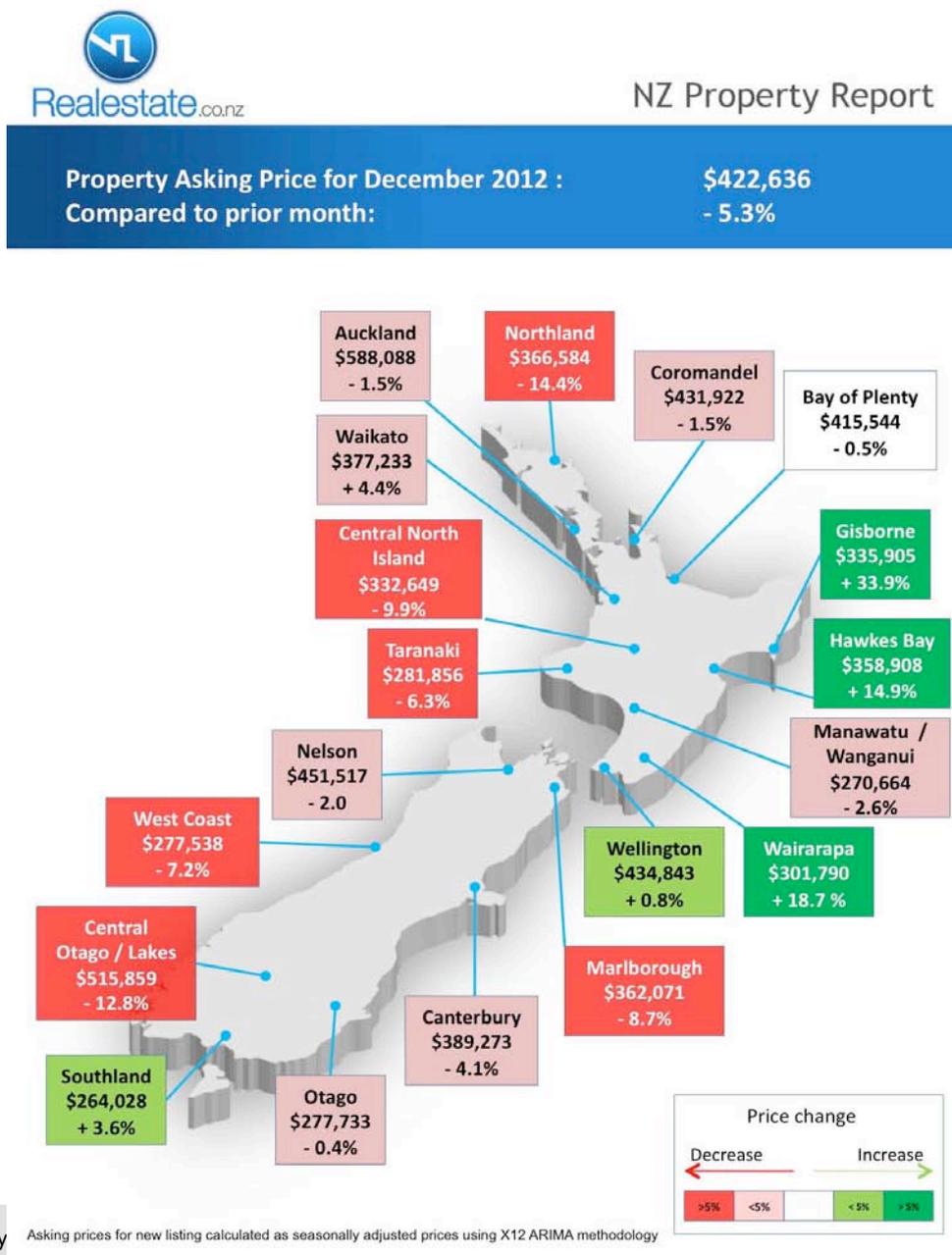
## Regional Summary – Asking price expectations

The national (seasonally adjusted) truncated mean asking price expectation among sellers fell by 5.3% in December to \$422,636.

In the main centers, Auckland, and Christchurch reported a fall in the asking price in December. Auckland fell 1.5% to \$588,088, and Canterbury fell 4.1% to \$389,273. Wellington reported a rise in asking price of 0.8% to \$434,843.

In total 5 regions reported asking price increases, and 3 regions saw rises greater than 5%. The most significant rises were seen in Gisborne, Wairarapa, and Hawkes Bay with Gisborne showing the largest increase, up 33.9% to \$335,905. Of the 13 regions witnessing asking price falls on a seasonally adjusted basis there were 6 that reported a falls of greater than 5% with Northland falling by 14.4% to \$366,584, Central Lakes / Otago falling by 12.8% to \$515,859, Central North Is falling by 9.9% to \$332,649, Marlborough falling 8.7% to \$362,071, West Coast fell 7.2% to \$277,538 and Taranaki fell 6.3% to \$281,856.

A new record high asking price was seen in Southland, rising by 3.6% to \$264,028.



Released: 1<sup>st</sup> January      Asking prices for new listing calculated as seasonally adjusted prices using X12 ARIMA methodology

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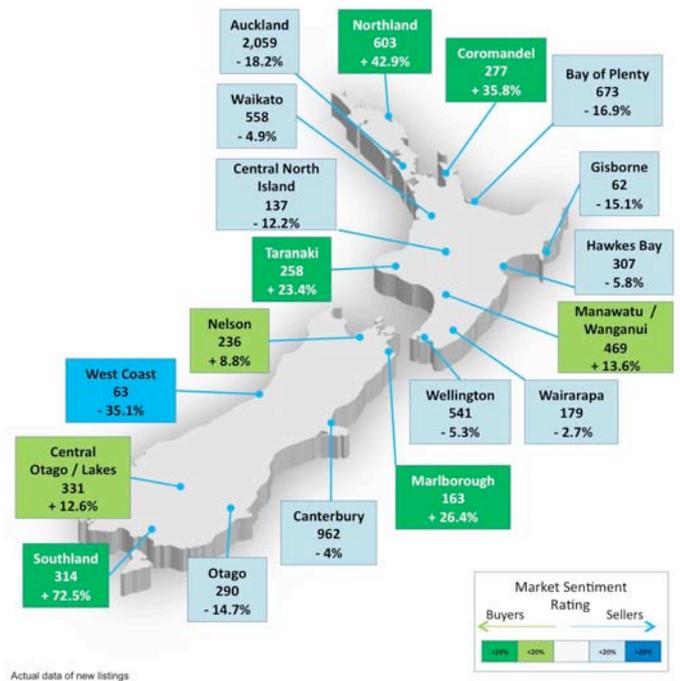
### Regional Summary – Listings

Overall new listings decreased on a national basis, as seen in the adjacent chart and across the regions there were slightly more regions showing increases than falls.

There were 11 regions reporting year-on-year falls, with significant falls (over 20%) seen in just 1 region, West Coast – falling by 35.1% when compared to December 2011.

Record low numbers of new listings were seen in West Coast, Auckland, and Wellington, putting more pressure on the already low number of listings in the main centers

8 regions reported higher new listings than December last year with Southland being the region to report the highest increase of 72.5% when compared to December 2011, Followed by Northland who saw a increase of 42.9%, and Coromandel who saw a increase of 35.8%.



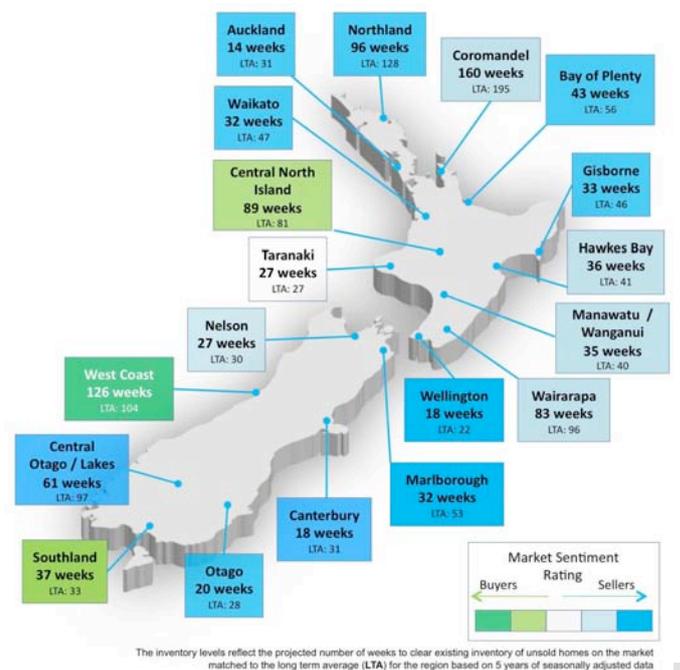
### Regional Summary – Inventory

The inventory of unsold homes on the market tightened significantly in December – Falling to a new record low of 26.6 weeks of equivalent sales from 29 weeks (on a seasonally adjusted basis).

Three regions (West Coast, Southland, and Central North Island) showed increases in inventory of homes on the market taking them above their respective long-term average. In addition one other region (Taranaki) sits close to it's respective long term average.

Market sentiment now favours sellers in 14 regions, with the greatest strain being felt in the 10 regions which are marked in darker blue, which includes the main metro areas of Auckland, Wellington, and Canterbury which remain under pressure from low listings as measured against sales activity.

Auckland, Otago, and Waikato all reported record low numbers on Inventory (based on weeks of equivalent sales), with Auckland reporting an all time low of 14 weeks of equivalent sales.



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## Major Centers

### Auckland

	Oct 2012	Nov 2012	Dec 2012
<b>Property Asking Price</b> (seasonally adjusted - truncated mean)	\$611,864	\$596,759	<b>\$588,088</b>
% change from previous month	6%	-2%	<b>-1%</b>
% change from same month last year	9%	9%	<b>8%</b>
<b>Number of New Listings</b>	4,010	4,632	<b>2,059</b>
% change from previous month	9%	16%	<b>-56%</b>
% change from same month last year	6%	4%	<b>-18%</b>
<b>Inventory - Number of weeks</b>	19.4	15.5	<b>13.9</b>
% change from previous month	11%	-20%	<b>-11%</b>
% change from same month last year	-35%	-43%	<b>-43%</b>

### Wellington

	Oct 2012	Nov 2012	Dec 2012
<b>Property Asking Price</b> (seasonally adjusted - truncated mean)	\$450,105	<b>\$431,259</b>	<b>\$434,843</b>
% change from previous month	1%	<b>-4%</b>	<b>1%</b>
% change from same month last year	5%	<b>-1%</b>	<b>1%</b>
<b>Number of New Listings</b>	1,109	<b>1,154</b>	<b>541</b>
% change from previous month	20%	<b>4%</b>	<b>-53%</b>
% change from same month last year	18%	<b>-2%</b>	<b>-5%</b>
<b>Inventory - Number of weeks</b>	21.7	<b>17.5</b>	<b>17.6</b>
% change from previous month	6%	<b>-19%</b>	<b>0%</b>
% change from same month last year	-15%	<b>-21%</b>	<b>-18%</b>

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## Canterbury

	Oct 2012	Nov 2012	Dec 2012
<b>Property Asking Price</b> (seasonally adjusted - truncated mean)	\$414,070	\$405,913	<b>\$389,273</b>
% change from previous month	9%	-2%	<b>-4%</b>
% change from same month last year	13%	10%	<b>5%</b>
<b>Number of New Listings</b>	1,396	1,475	<b>962</b>
% change from previous month	16%	6%	<b>-35%</b>
% change from same month last year	8%	1%	<b>-4%</b>
<b>Inventory - Number of weeks</b>	22.8	20.1	<b>18.4</b>
% change from previous month	13%	-12%	<b>-8%</b>
% change from same month last year	-10%	-22%	<b>-18%</b>

## Waikato

	Oct 2012	Nov 2012	Nov 2012
<b>Property Asking Price</b> (seasonally adjusted - truncated mean)	\$367,533	\$361,192	<b>\$377,233</b>
% change from previous month	4%	-2%	<b>4%</b>
% change from same month last year	5%	4%	<b>6%</b>
<b>Number of New Listings</b>	870	874	<b>558</b>
% change from previous month	1%	0.50%	<b>-36%</b>
% change from same month last year	6%	2.50%	<b>-5%</b>
<b>Inventory - Number of weeks</b>	39	32.8	<b>31.5</b>
% change from previous month	11%	-16%	<b>-4%</b>
% change from same month last year	-24%	-33%	<b>-29%</b>

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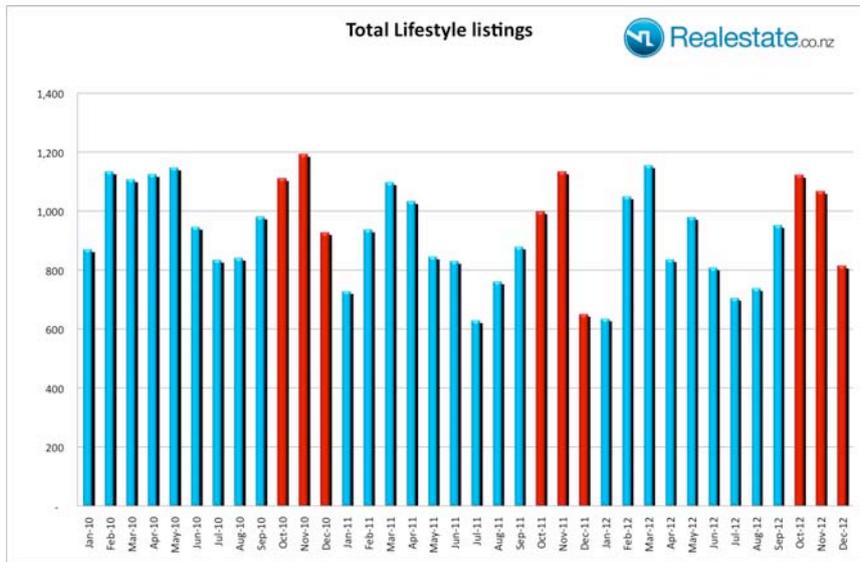
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### Lifestyle

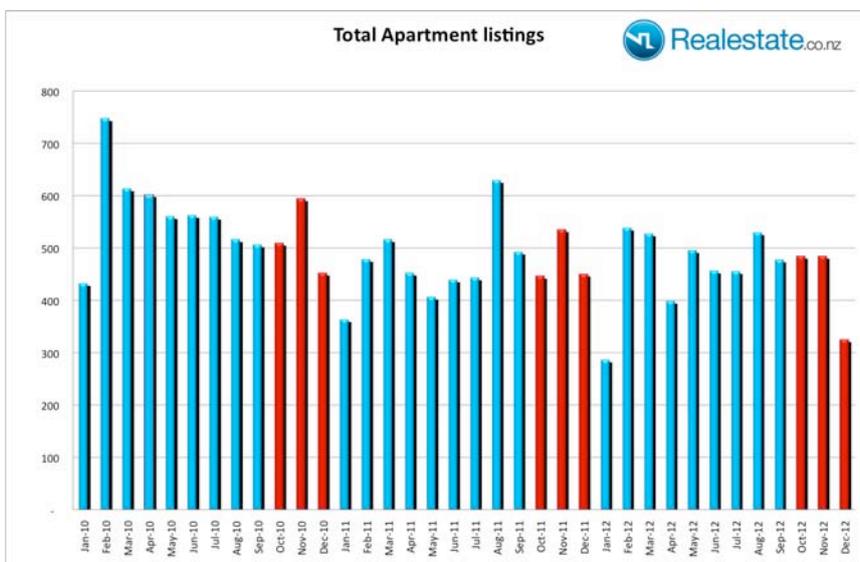
New lifestyle property listings fell across the country in December, dropping 23.7% when compared to November. A total of 813 listings came onto the market, showing a fall of 3.8% when compared to December last year. The truncated mean asking price for these listings was down by 4.8% as compared to the recent 3-month average to an asking price of \$624,860 (up 13.6% when compared to December 2011). New record high asking prices were seen in 1 region in New Zealand (Hawkes Bay \$765,375).



### Apartments

New listings for apartments in December were down 6.1% on a year on year basis, with 325 being brought to the market. The truncated mean asking price of new apartment listings fell 3.9% to \$378,750 in December from \$394,282 in November, and was down 4.5% on a year on year basis.

The Auckland apartment market had 163 new listings coming onto the market, down 17% when compared to December last year. The truncated mean asking price of new listings in Auckland fell to \$352,786 (December) from \$386,818 (November) representing a 5.7% fall on the prior 3 months.



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## 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 97% 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 10,000 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 1<sup>st</sup> 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 of the real estate industry of New Zealand, it is an industry owned website providing 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 110,000 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 just under 1,000 offices, the website features over 97% of all listings from licensed real estate agents in NZ. Over 450,000 unique browsers visited Realestate.co.nz in the month of December both domestic and international visitors. The website is the most popular website for international visitors enquiring of NZ real estate, with over 115,000 unique international browsers in the month of December from more than 200 countries.

In addition Realestate.co.nz receives over 25% of all traffic to property listings from mobile devices, including their iPhone and Android applications. To date these applications have been downloaded by over 126,000 users making the app the most popular property app in NZ.