



1st May 2013

Sellers set a new record high asking price, as inventory drops to near record low

Asking prices reach new high

- The seasonally adjusted asking price rose in April to a new record high of \$447,275 (up 6% as compared to a year ago), and surpassing the prior peak of \$446,277 set in November last year. New record asking prices were also seen in both Auckland and Central Lakes / Otago districts.

New listings continue to fall

- A total of 10,023 listings came onto the market in April, down 1% from the same time last year, and down 21% from March. This level of new listings is not matching demand across New Zealand where year on year sales are up 11%

Inventory levels fall slightly

- The stock of unsold houses on the market fell slightly to 26.8 weeks or 7 months of stock, based on the rate of sale. This is well down on the long-term average of 38.5 weeks. A year ago the level was 32 weeks of supply.

Market remains in the seller's court

- Across the country the inventory levels continue to sit below the long-term average indicating a continuing tight market. These low levels are reflected in the record asking price seen in April.

	Feb 2013	Mar 2013	Apr 2013
Property Asking Price (seasonally adjusted - truncated mean)	\$443,734	\$444,883	\$447,275
% change from previous month	1%	0.3%	0.5%
% change from same month last year	4%	3%	6%
Number of New Listings			
	13,145	12,732	10,023
% change from previous month	49%	-3%	-21%
% change from same month last year	-2%	-4%	-1%
Inventory - Number of weeks of equivalent sales (seasonally adjusted)			
	26.2	27.0	26.8
% change from previous month	-9%	3%	-1%
% change from same month last year	-27%	-17%	-20%

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 continues to show signs of confidence and heightened activity as compared to the past few years. The confidence amongst sellers bringing their properties onto the market has pushed up the (seasonally adjusted) truncated mean asking price to a new high of \$447,275 – the highest level since the collection of data began in 2007. This rise in asking price was noticeable in around half of New Zealand, with Auckland reaching a new record high of \$612,167, and Central Lakes Otago reaching a new high of \$679,987. A record low of \$353,474 was seen in Marlborough (down 9% on March figures)

The number of new listings fell to 10,023, down 21.5% on March and down 1.5% year on year. In the main centers, both Auckland and Canterbury experienced an increase in listings when compared to April last year of 9.3% and 0.8% respectively and Wellingtons figure fell by just 1.9%.

The next 3 months are traditionally a quieter time for the market, with lower listings ahead of the spring pick up in August. If property sales continue strongly it is likely that asking prices will continue to creep up as demand for property continues to remain high.

Asking Price

The seasonally adjusted truncated mean asking price for listings rose 5.5% (from April 2012) and reached an all time high of \$447,275. This new record asking price level was up from the prior peak of \$446,277 reached in November last year.

The trend as seen in the chart opposite, continues to show strength in seller expectation, on the back of low listings, and strong demand in the main centers



New Listings

The level of new listings coming onto the market in April fell 21.3% from March, to a total of 10,023. This represents a fall of 1.5% from April last year.

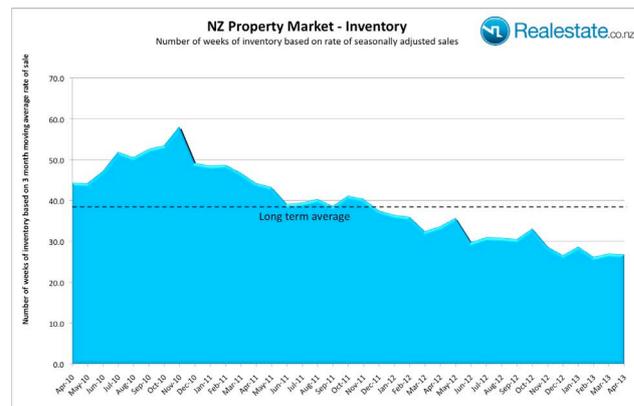
On a 12 month moving average basis a total of 131,552 new listings have come to the market since April 2012, as compared to 128,994 in the prior 12 month period, a rise of 2%. This compares to REINZ reported sales, which are up 16.7% on the same 12 month comparable basis.



Inventory

The level of unsold houses on the market at the end of April (42,225) was down slightly, when compared to March (43,930). The inventory as measured in terms of equivalent weeks of sales fell in April to 26.8 weeks, remaining well below the long-term average of 39 weeks.

The market remains firmly a seller's market; with 17 of the 19 regions showing inventory levels that are well below long term averages. Both Auckland and Canterbury continue to witness the highest extent of this. Auckland is 53% below its long term average, and Canterbury is 47% below its long term average.



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Regional Summary – Asking price expectations

The national asking price expectation among sellers rose by just 0.5% in April to a new peak of \$447,275. This exceeds the prior peak of \$446,277 reached in November last year (seasonally adjusted truncated mean).

Following the new record high for the national asking price figure, both Auckland and Central Lakes / Otago also posted record highs of \$612,167, and \$679,987 respectively in April. In contrast Marlborough asking prices fell 9% from March to a record low of \$353,474.

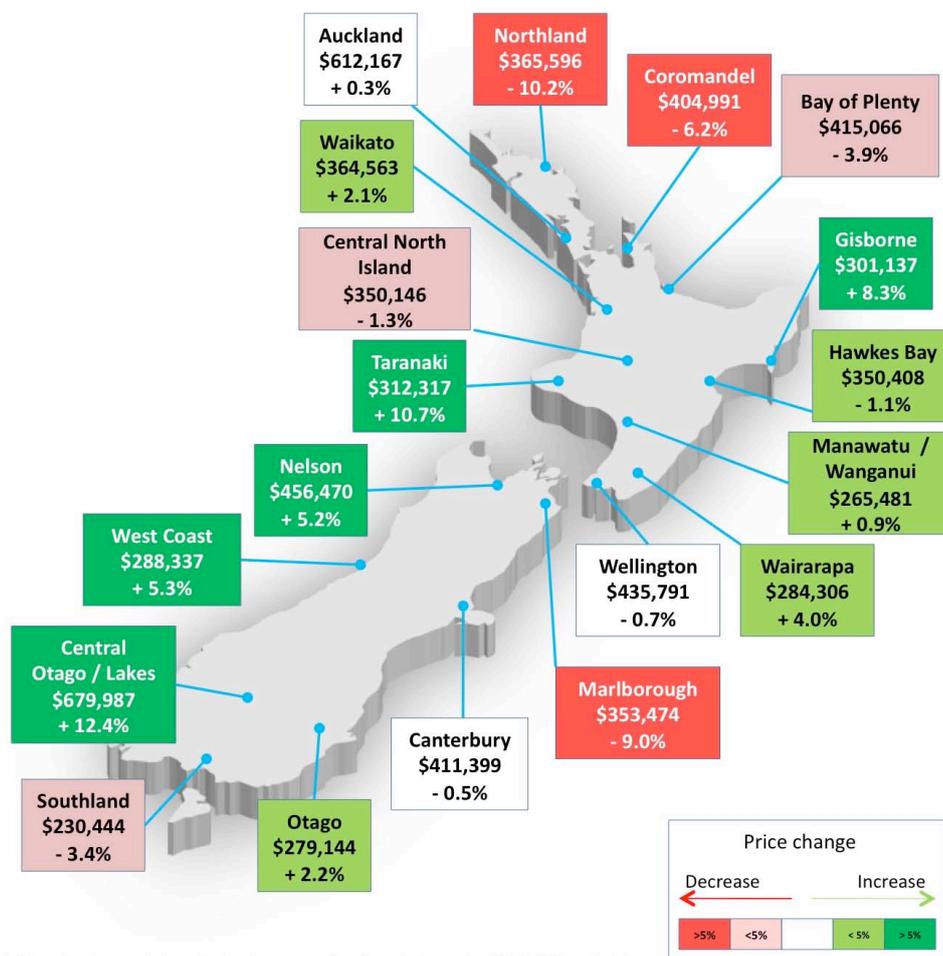
In total 11 regions reported asking price increases from March, the most significant rises was seen in the Central Lakes / Otago region, up 12.4% to a record high asking price of \$679,987. Of the 8 regions witnessing asking price falls on a seasonally adjusted basis there were three that reported a fall of greater than 5%, Marlborough fell by 9% to \$353,474, Coromandel fell 6.2% to \$404,991, and Northland witnessed the largest drop, falling by 10.2% to \$365,596.



NZ Property Report

Property Asking Price for April 2013 :
Compared to prior month:

\$447,275
+ 0.5%



Asking prices for new listing calculated as seasonally adjusted prices using X12 ARIMA methodology

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Regional Summary – Listings

The picture for new listings across the country continues to show that there is a reluctance to bring new properties to the market. There were 10 of the 19 regions that reported new listings down on the prior year, with 3 of these reporting falls of over 20%.

The most significant drop in listings was seen in Northland, falling 47.5%, and West Coast, which fell by 35.8%

Of the 9 regions reported higher new listings than April last year, just 1 region reported significant year on year increases of over 20%. Southland was the region to report the highest increase of 30% when compared to April 2012, followed by both Waikato and Bay of Plenty who both saw an increase of 11.3%.

Auckland listings were up 9.3% in April to 3454 listings. However due to high demand this region, this increase has not eased the pressure seen in the Auckland market.

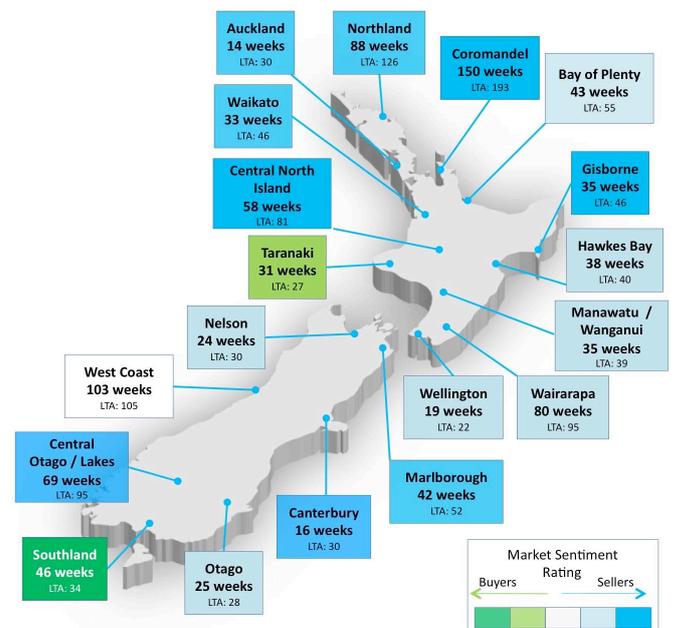
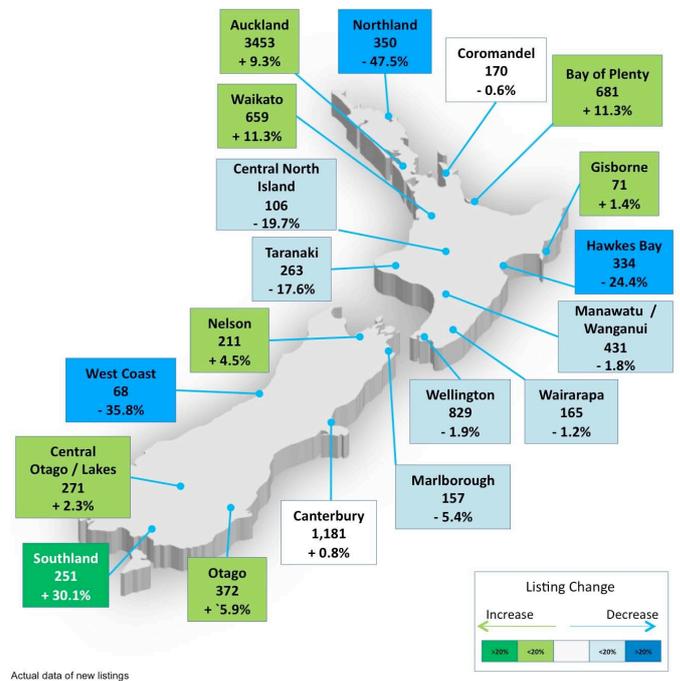
Regional Summary – Inventory

The inventory of unsold homes on the market tightened further in April, falling to 26.8 weeks of equivilant sales, just shy of the record low inventory levels seen in February this year.

Just three regions (Southland and Taranaki) showed increases in inventory of homes on the market taking them above their respective long-term average. In addition West Coast sits close to it's respective long-term average.

Market sentiment continues to favour sellers in 17 regions, with the greatest strain being felt in the 9 regions that are marked in darker blue. This includes the main metro areas of Auckland, and Canterbury, which remain under pressure from low listings as measured against sales activity.

Auckland is 53% below its long term average, and Canterbury hit an all time low of 16 weeks, 47% below its long term average.



The inventory levels reflect the projected number of weeks to clear existing inventory of unsold homes on the market matched to the long term average (LTA) for the region based on 5 years of seasonally adjusted data

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Major Centers

Auckland

	Feb 2013	Mar 2013	Apr 2013
Property Asking Price (seasonally adjusted - truncated mean)	\$603,781	\$610,628	\$612,167
% change from previous month	-1%	1%	0%
% change from same month last year	9%	9%	8%
Number of New Listings	4,315	4,173	3,453
% change from previous month	60%	-3%	-17%
% change from same month last year	-4%	-5%	9%
Inventory - Number of weeks	14.2	14.2	14.0
% change from previous month	-4%	0%	-1%
% change from same month last year	-41%	-35%	-35%

Wellington

	Feb 2013	Mar 2013	Apr 2013
Property Asking Price (seasonally adjusted - truncated mean)	\$453,220	\$438,928	\$435,791
% change from previous month	5%	-3%	-1%
% change from same month last year	1%	4%	1%
Number of New Listings	1,152	1,025	829
% change from previous month	45%	-11%	-19%
% change from same month last year	-2%	-10%	-2%
Inventory - Number of weeks	16.7	16.8	18.5
% change from previous month	-14%	0%	10%
% change from same month last year	-23%	-20%	-19%

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Canterbury

	Feb 2013	Mar 2013	Apr 2013
Property Asking Price (seasonally adjusted - truncated mean)	\$405,436	\$413,403	\$411,399
% change from previous month	1%	2%	0%
% change from same month last year	8%	8%	8%
Number of New Listings	1,354	1,401	1181
% change from previous month	36%	3%	-16%
% change from same month last year	-12%	-9%	1%
Inventory - Number of weeks	16.3	16.7	16.0
% change from previous month	-10%	2%	-4%
% change from same month last year	-35%	-20%	-25%

Waikato

	Feb 2013	Mar 2013	Apr 2013
Property Asking Price (seasonally adjusted - truncated mean)	\$362,840	\$357,119	\$364,563
% change from previous month	0%	-2%	2.1%
% change from same month last year	0%	-6%	1.7%
Number of New Listings	940	833	659
% change from previous month	69%	-11.38%	-21%
% change from same month last year	18%	1.59%	11%
Inventory - Number of weeks	30.1	32.1	33.3
% change from previous month	-15%	7%	4%
% change from same month last year	-24%	-14%	-15%

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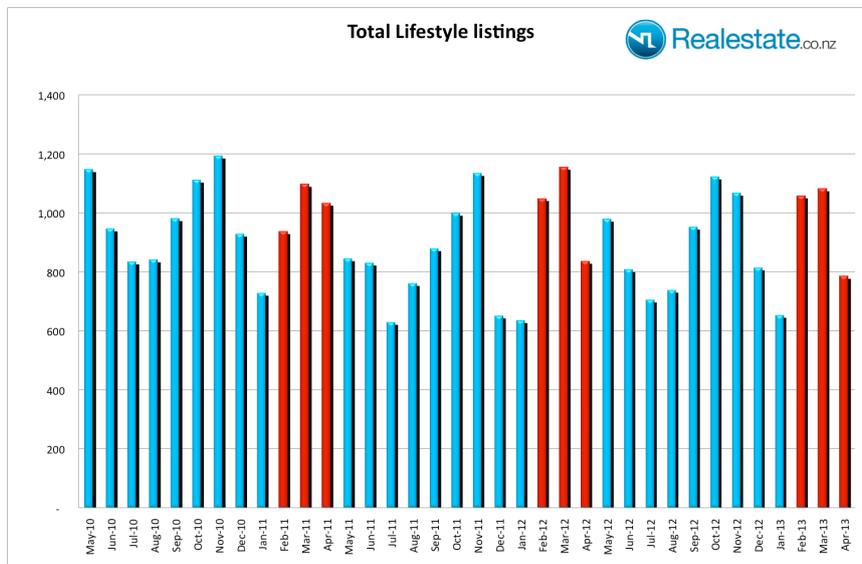
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Lifestyle

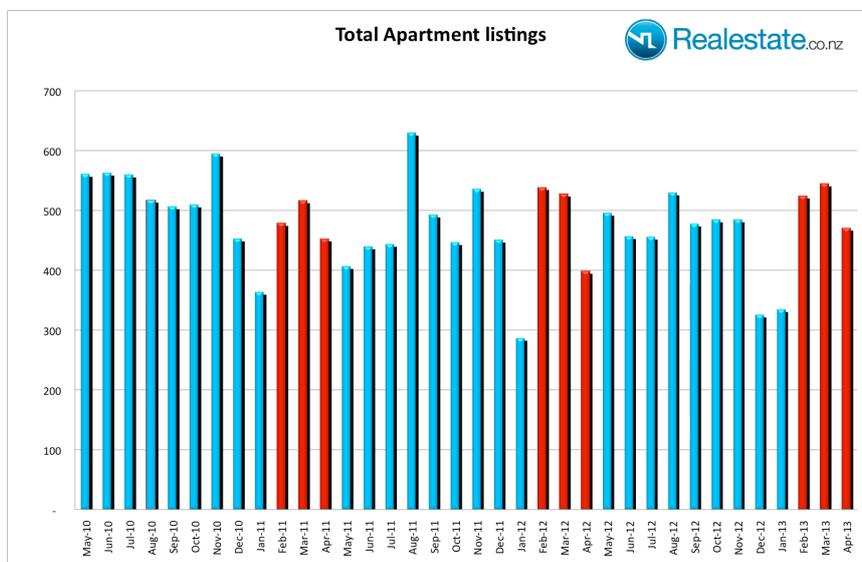
New lifestyle property listings fell across the country in April. A total of 784 listings came onto the market, showing a fall of 27.5% when compared to March, and a fall of 6.1% when compared to April last year. The truncated mean asking price for these listings was down by 1% as compared to the recent 3-month average to an asking price of \$663,152 (up 1.2% when compared to April 2012).



Apartments

New listings for apartments in April were up 18.1% on a year on year basis, with 470 being brought to the market, but were down 13.6% from March. The truncated mean asking price of new apartment listings rose 2.5% to \$402,364 in April from \$392,443 in March, and was also up 4.5% on a year on year basis.

The Auckland apartment market had 296 new listings coming onto the market, up 17.5% when compared to April last year. The truncated mean asking price of new listings in Auckland fell to \$366,355 (April) from \$380,805 (March). When compared to the recent 3-month average, this represents a fall of 2.5%.



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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 1st 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 500,000 unique browsers visited Realestate.co.nz in the month of April both domestic and international visitors. The website is the most popular website for international visitors enquiring of NZ real estate, with over 120,000 unique international browsers in the month of April from more than 200 countries.

In addition Realestate.co.nz receives over 30% of all traffic to property listings from mobile devices, including their iPhone and Android applications. To date these applications have been downloaded by over 150,000 users, making the app the most popular property app in NZ.