

Harcourts MarketWatch

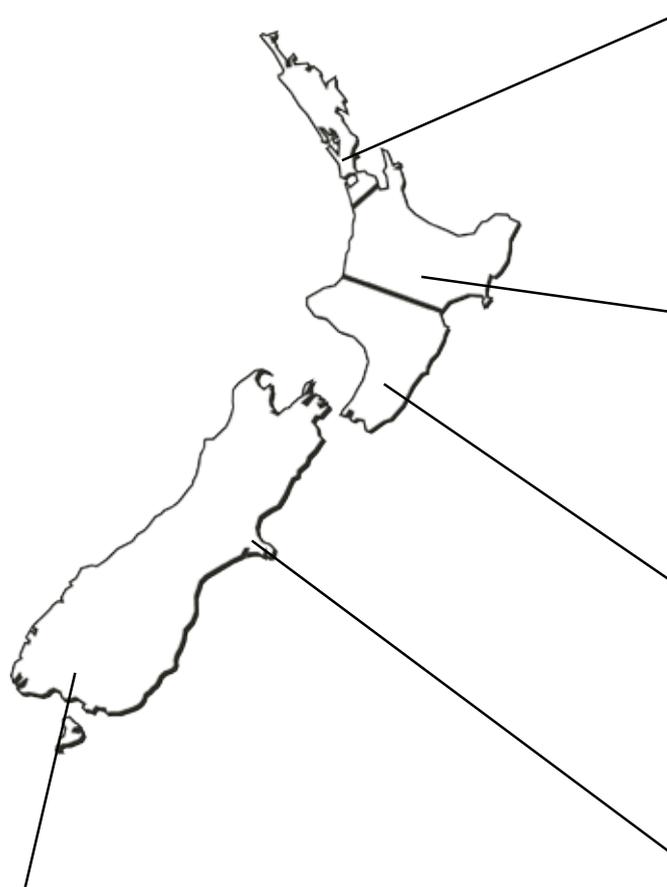
June 2013

The massive shortage in the number of properties available to people desperate to buy continues to be the overarching theme of the property market. Property on hand in our biggest cities Auckland and Christchurch is down 16.7% and 21.7% respectively on the same time last year. Given supply was already low last May and demand has increased since then, the problem is only going to get worse.

The message remains the same. The supply and demand issue needs to be fundamentally addressed. Auckland's rising house prices will only

be stalled when restrictions around the development of multi-storey dwellings are relaxed to make it an attractive prospect for developers. In Christchurch more investment is needed to expedite the rebuild and secure the city's recovery. When the pressure eases in Auckland and Christchurch we will see a flow on effect throughout the rest of the country.

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	May 2013	May 2012	% Change
NORTHERN			
New Exclusive Listings	390	487	-19.8%
New Auction/Tender Listings	249	198	25.8%
Property on Hand	2413	2897	-16.7%
Written Sales	658	612	7.5%
Average Price	\$612,475	\$579,949	6%

Auctions are the sales method of choice in Auckland, where competition for housing is high. Stock available is in decline and buyers are prepared to pay more to secure property. New multi-storey developments are required if Auckland is to meet the demands of its increasing population. Expect to see more of the same next month and into the foreseeable future until the supply issue is addressed.

	May 2013	May 2012	% Change
CENTRAL			
New Exclusive Listings	381	365	4.4%
New Auction/Tender Listings	77	88	-12.5%
Property on Hand	3185	3332	-4.4%
Written Sales	418	365	14.5%
Average Price	\$319,402	\$349,290	-9%

The central region is the only in the country to show an increase in the number of new listings. Written sales have also shown the biggest percentage improvement. There has been a slight drop in the average price, which points to buyers having more choice. Now is a good time for buyers to enter the market.

	May 2013	May 2012	% Change
WELLINGTON			
New Exclusive Listings	314	335	-6.3%
New Auction/Tender Listings	58	60	-3.3%
Property on Hand	2103	2282	-7.8%
Written Sales	334	407	-17.9%
Average Price	\$377,336	\$355,909	6%

The same supply and demand problems facing Auckland and Christchurch are evident in Wellington, albeit on a lesser scale. A lack of confidence in the capital's job market is reflected in residents' hesitancy to risk selling and re-enter an uncertain market.

	May 2013	May 2012	% Change
CHRISTCHURCH METRO			
New Exclusive Listings	331	505	-34.5%
New Auction/Tender Listings	126	106	18.9%
Property on Hand	1907	2436	-21.7%
Written Sales	484	471	2.8%
Average Price	\$424,186	\$397,730	7%

A rebuild not keeping up with the housing requirements of a city in recovery continues to drive up prices. The accommodation availability forecast was already bleak last May, but now stock to hand is down a further 21.7%. More investment in the rebuild and other development is needed, and quickly, if the city is to cope with the demands of its burgeoning population.

	May 2013	April 2012	% Change
SOUTH ISLAND PROVINCIAL			
New Exclusive Listings	285	348	-18.1%
New Auction/Tender Listings	25	52	-51.9%
Property on Hand	2549	2774	-8.1%
Written Sales	315	310	1.6%
Average Price	\$312,869	\$324,116	-3%

Auctions, listings and property to hand are all down in the south. House prices have declined slightly and it appears vendors are sitting tight as we move into the cold winter months.

Disclaimer: All Harcourts MarketWatch figures are current to the end of the reported month and are compared to the same month ended for the previous year. 'Written Sales' is defined by all sales brought to contract status, where 'Settled Sales' are the results of contracts completed at the close of the reported month. Written Sales are a snapshot of the markets temperature while Settled Sales show what has happened in the previous month.

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