



8th January 2014

## 2014 starts with lowest number of new listings in 7 years, but an ease in asking prices

### New listings fall to record lows

- The number of new listings coming to the market in December fell to record low levels with just 8,010 new listings, down 6% from the same time last year, and down 40% from last month. Both Auckland, and Wellington followed the trend, reported record low new listings in December.

### Still a sellers market

- The overall market is firmly pointed in favour of sellers across the majority of New Zealand, with 16 of the 19 regions below the long-term average inventory levels.

### National asking prices ease

- National asking prices of new listings eased from last month to prices not seen since June 2013, down 6% for the month to \$451,448, this still remains remained up 7% compared to a year ago. Canterbury bucked the trend, recorded a new peak average asking price of \$443,750.

### Inventory levels recover slightly

- December inventory levels recovered slightly with the number of available homes for sale on the market rising to 26 weeks of stock. This is still well down on the long term average of 37 weeks.

|   | Oct-13    | Nov-13    | Dec-2013         |
|---|-----------|-----------|------------------|
| <b>Property Asking Price</b> (seasonally adjusted - truncated mean)           | \$482,063 | \$478,931 | <b>\$451,448</b> |
| % change from previous month  | 3.30%     | -0.60%    | <b>-5.7%</b>     |
| % change from same month last year  | 8%        | 7%        | <b>7%</b>        |
| <b>Number of New Listings</b>   |           |           |                  |
|   | 13,978    | 13,311    | <b>8,010</b>     |
| % change from previous month  | 27%       | -5%       | <b>-40%</b>      |
| % change from same month last year  | 10%       | -2%       | <b>-6%</b>       |
| <b>Inventory - Number of weeks of equivalent sales</b> (seasonally adjusted ) |           |           |                  |
|   | 24.2      | 24.8      | <b>26.3</b>      |
| % change from previous month  | 0%        | 3%        | <b>6%</b>        |
| % change from same month last year  | -27%      | -13%      | <b>-1%</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 100,000 listings at any one time, representing over 97% of all listings currently marketed by real estate professionals.*

## Commentary

December traditionally is the quietest month of the year for listing of new properties for sale, however last month we saw a significantly lower number of new listings, and recorded the lowest number of new listings coming to the market in 7 years.

The number of new listings coming to the market in December fell to a new record low, with just 8010 listings coming onto the market, down 6% on the same time last year. This decrease in new listings was particularly apparent in Auckland, Wellington, Otago, Taranaki, and Hawkes Bay where the number of new listings also fell to record low levels.

Asking prices of new listings also eased significantly in December, to \$451,448 (down 5.7% from November, but still up 7% year on year). This fall is the biggest we have recorded in the last 7 years. In the main centres, Auckland, and Wellington asking witnessed a fall in December to \$656,702 (Auckland), and \$445,351 (Wellington). However asking prices in Canterbury rose to a record high of \$443,750.

### Asking Price

The seasonally adjusted truncated mean asking price for listings fell significantly in December, down 5.7% to \$451,448 (from November), but still remained up 6.8% on December 2013.

As can be seen from the chart (right), the fall for the month does not significantly affect the trend line, which continues to show a steady rise over the past 3 years.



### New Listings

The level of new listings coming onto the market in December fell to a record low 8,010 listings from 13,311 in November. This represents a fall of 40%, and is also down 6% when compared to December last year.

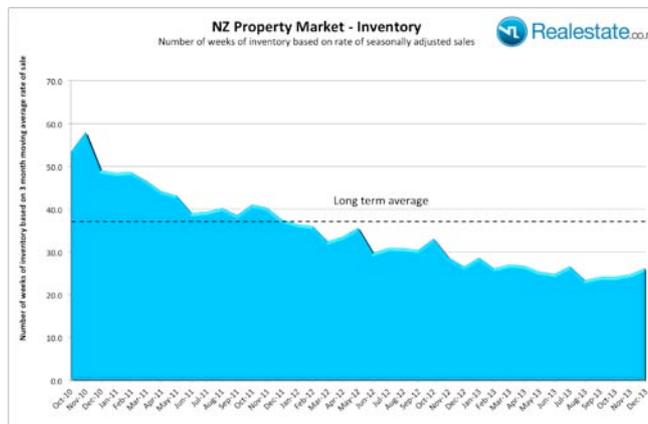
For the calendar year of 2013 a total 131,474 new listings came onto the market, as compared to 132,243 in 2012 – a fall of 0.4%. By comparison the prior years stats were 2007: 177,529; 2008: 163,488; 2009: 135,416; 2010: 138,789; 2011 124,748. So as compared to the peak of the market in 2007 listings are down 26%.



### Inventory

The level of unsold homes on the market at the end of December (38,804) remained well down as compared to December last year (42,513), a drop of 9%.

The inventory as measured in terms of equivalent weeks of sales was slightly higher than last month, with 26.3 weeks of stock now available.



## Regional Summary – Asking price expectations

The national (seasonally adjusted) truncated mean asking price expectation among sellers fell by 5.6% in December to an asking price of \$451,448.

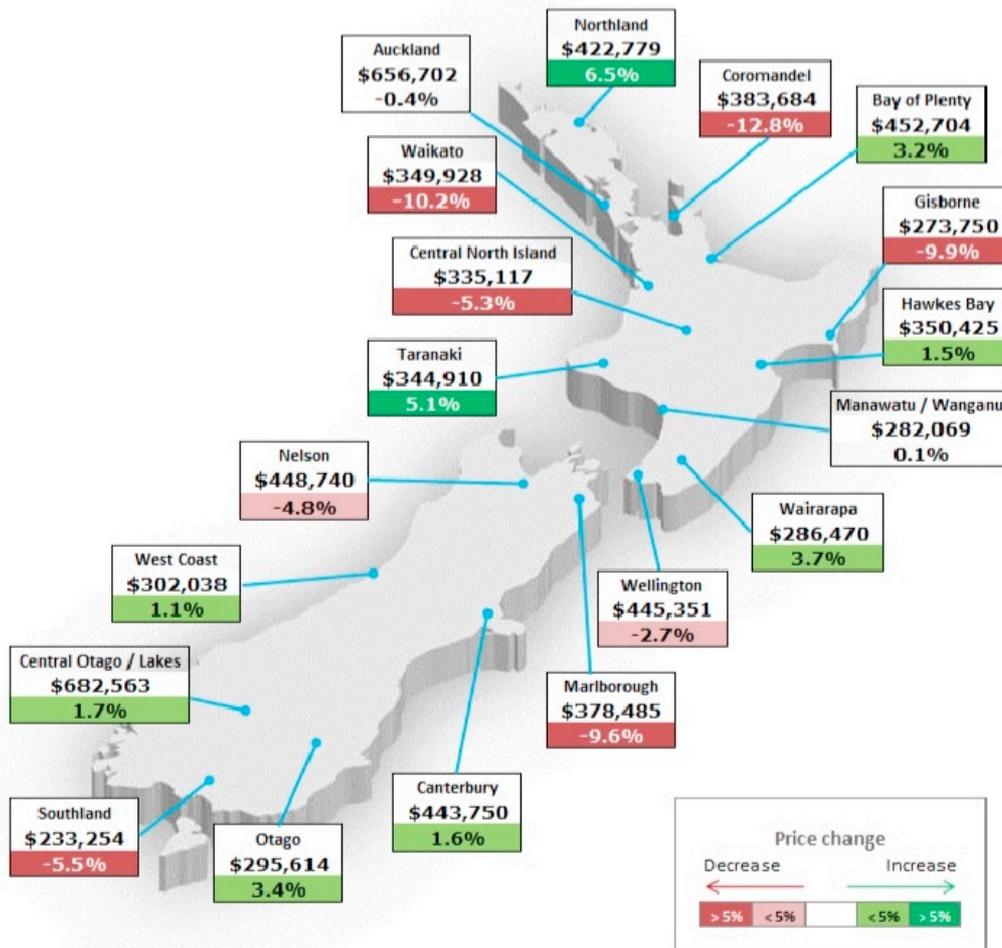
Record high asking prices were seen in 2 regions in New Zealand; Canterbury, where the average asking price reached a new high of \$443,750 (up 14% on December 2012); and Taranaki, where asking prices reached \$344,910 (up 22% on December 2012).

In the other main centers, both Auckland and Wellington reported a fall in average asking prices, Auckland fell just 0.4% to \$656,702, and Wellington fell 2.7% to \$445,351.

In total 10 regions saw asking price increases, with 2 regions reporting asking price increases greater than 5%. Northland reported the largest increase, up 6.5% from November to \$422,779, followed by Taranaki, which rose by 5.1% to \$344,910.

Of the 8 regions witnessing asking price falls there were 6 that reported a falls greater than 5%, the most significant falls were recorded in Coromandel, Waikato, Marlborough, and Gisborne. Coromandel fell by 13% to \$383,684, Waikato fell 10% to \$349,928, Gisborne fell 10% to 273,750, and Marlborough fell 10% to 378,485.

**Property Asking Price for December 2013 :** **\$451,448**  
**Compared to prior month:** **-5.7%**



## Regional Summary – Listings

New listings fell across most of the country in December to record low levels, with 13 of the 19 regions seeing a decrease in listings on a year-on-year basis.

Of the 13 regions that reported lower new listings than December last year the most significant drop in listings was seen in Taranaki, falling 30.6%, and Northland, which fell by 26.2%

Record low numbers of new listings were seen in Taranaki, Hawkes Bay, Otago, Auckland, and Wellington.

There were 6 regions reporting year on year increases with Gisborne reporting the biggest increase of listings (up 41.9%).

In the main centers, Auckland, and Wellington saw a fall in new listings to record low levels. Auckland reported 1,897 new listings, down 8% from December 2012, and Wellington reported 467 new listings, down 14% from last year. Canterbury, saw a 3% rise in listings, with 987 new listings coming on the market.

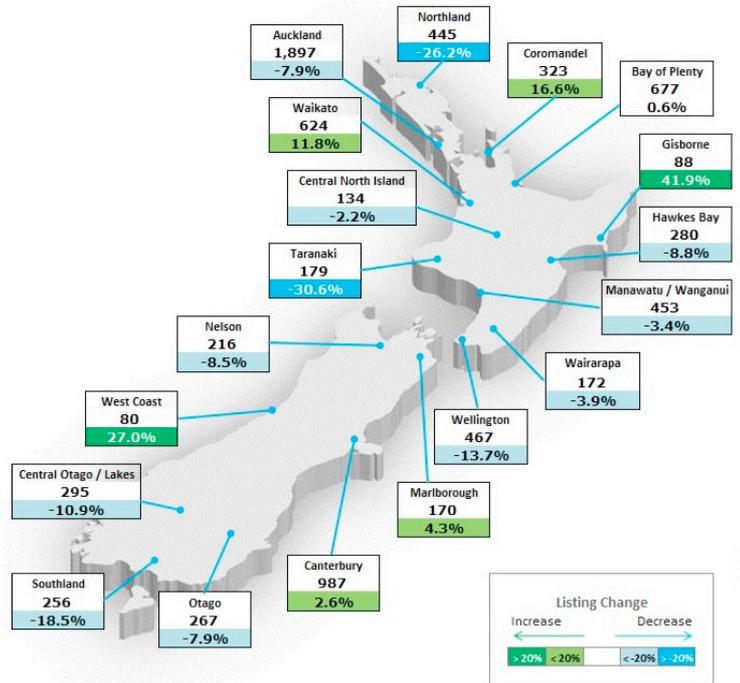
## Regional Summary – Inventory

The inventory of unsold homes on the market recovered slightly in December to 26 weeks of equivalent sales.

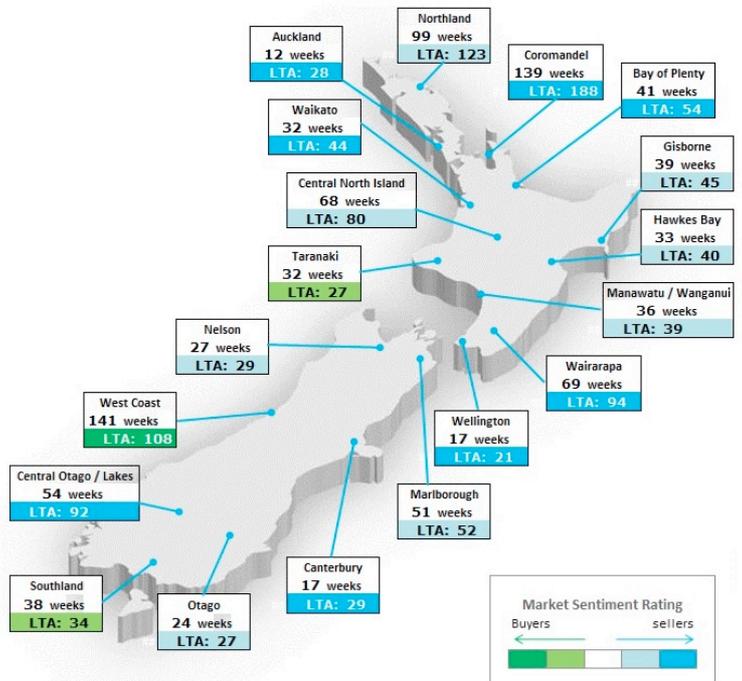
Market sentiment continues remains firmly in favour of sellers in 16 regions, with the greatest strain continuing to be felt in the 8 regions that are marked in darker blue. This includes the main metro areas of Auckland, Wellington, and Canterbury, which remain under pressure from low listings as measured against sales activity.

Three regions (West Coast, Taranaki, and Southland) showed an increase in inventory of homes on the market, taking them above their respective long-term average.

New Property Listings for December 2013: **8010**  
Compared to December 2012 : **-5.6%**



NZ Inventory of listings for December 2013 : **26 weeks**  
Long term average (LTA) : **37 weeks**



## Major Centers

### Auckland

|   | Oct-13    | Nov-13    | Dec-2013         |
|---|-----------|-----------|------------------|
| <b>Property Asking Price</b> (seasonally adjusted - truncated mean) | \$666,126 | \$659,300 | <b>\$656,702</b> |
| % change from previous month  | 3%        | -1%       | <b>0%</b>        |
| % change from same month last year                                  | 9%        | 10%       | <b>12%</b>       |
|   |           |           |                  |
| <b>Number of New Listings</b>                                       | 4,783     | 4,432     | <b>1,897</b>     |
| % change from previous month  | 28%       | -7%       | <b>-57%</b>      |
| % change from same month last year                                  | 19%       | -4%       | <b>-8%</b>       |
|   |           |           |                  |
| <b>Inventory - Number of weeks</b>                                  | 12.1      | 12.8      | <b>12.4</b>      |
| % change from previous month  | 5%        | 5%        | <b>-3%</b>       |
| % change from same month last year                                  | -37%      | -18%      | <b>-11%</b>      |

### Wellington

|   | Oct-13    | Nov-13    | Dec-2013         |
|---|-----------|-----------|------------------|
| <b>Property Asking Price</b> (seasonally adjusted - truncated mean) | \$465,050 | \$457,701 | <b>\$445,351</b> |
| % change from previous month  | 4%        | -2%       | <b>-3%</b>       |
| % change from same month last year                                  | 3%        | 6%        | <b>2%</b>        |
|   |           |           |                  |
| <b>Number of New Listings</b>                                       | 1049      | 1110      | <b>467</b>       |
| % change from previous month  | 30%       | 6%        | <b>-58%</b>      |
| % change from same month last year                                  | -5%       | -4%       | <b>-14%</b>      |
|   |           |           |                  |
| <b>Inventory - Number of weeks</b>                                  | 16.1      | 17.2      | <b>16.6</b>      |
| % change from previous month  | -7%       | 6%        | <b>-4%</b>       |
| % change from same month last year                                  | -26%      | -2%       | <b>-6%</b>       |

## Canterbury

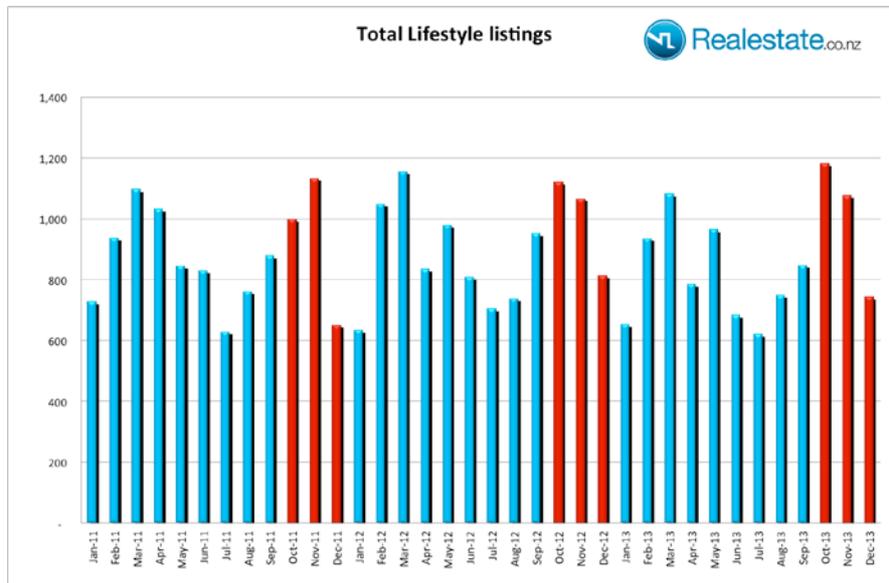
|   | Oct-13    | Nov-13    | Dec-2013         |
|---|-----------|-----------|------------------|
| <b>Property Asking Price</b> (seasonally adjusted - truncated mean) | \$441,908 | \$436,823 | <b>\$443,750</b> |
| % change from previous month  | 6%        | -1%       | <b>2%</b>        |
| % change from same month last year                                  | 7%        | 8%        | <b>14%</b>       |
|   |           |           |                  |
| <b>Number of New Listings</b>                                       | 1549      | 1566      | <b>987</b>       |
| % change from previous month  | 31%       | 1%        | <b>-37%</b>      |
| % change from same month last year                                  | 11%       | 6%        | <b>3%</b>        |
|   |           |           |                  |
| <b>Inventory - Number of weeks</b>                                  | 16        | 16.7      | <b>17.1</b>      |
| % change from previous month  | 8%        | 4%        | <b>2%</b>        |
| % change from same month last year                                  | -30%      | -17%      | <b>-7%</b>       |

## Waikato

|   | Oct-13    | Nov-13    | Dec-2013         |
|---|-----------|-----------|------------------|
| <b>Property Asking Price</b> (seasonally adjusted - truncated mean) | \$379,543 | \$389,886 | <b>\$349,928</b> |
| % change from previous month  | -1.30%    | 2.70%     | <b>-10.2%</b>    |
| % change from same month last year                                  | 3.30%     | 7.90%     | <b>-7.2%</b>     |
|   |           |           |                  |
| <b>Number of New Listings</b>                                       | 882       | 923       | <b>624</b>       |
| % change from previous month  | 14%       | 5%        | <b>-32%</b>      |
| % change from same month last year                                  | 1%        | 6%        | <b>12%</b>       |
|   |           |           |                  |
| <b>Inventory - Number of weeks</b>                                  | 25.8      | 27.9      | <b>32.3</b>      |
| % change from previous month  | -6%       | 8%        | <b>16%</b>       |
| % change from same month last year                                  | -34%      | -15%      | <b>3%</b>        |

### Lifestyle

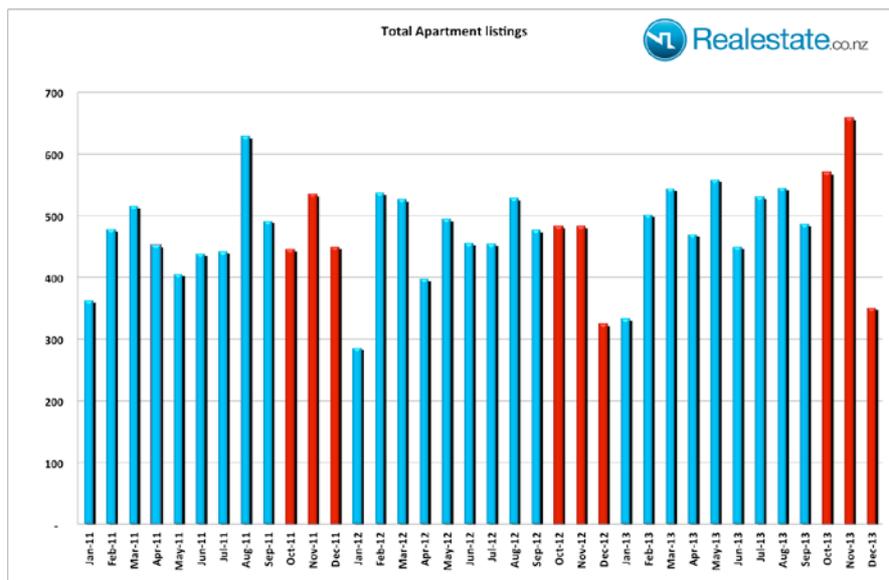
New lifestyle property listings fell across the country in December, dropping 31% when compared to November. A total of 743 listings came onto the market, showing a fall of 8.6% when compared to December last year. The truncated mean asking price for these listings was down by 2.3% as compared to the recent 3-month average to an asking price of \$681,453 (up 9.1% when compared to December 2012). New record high asking prices were seen in 2 regions in New Zealand (Waikato \$674,119, and Wellington \$804,255)



### Apartments

New listings for apartments in December were up 8% on a year on year basis, with 351 being brought to the market. The truncated mean asking price of new apartment listings rose 4.5% to \$422,712 in December from \$404,457 in November, and was up 11.6% on a year on year basis.

The Auckland apartment market had 193 new listings coming onto the market, down 17% when compared to December last year. The truncated mean asking price of new listings in Auckland rose to \$391,795 (December) from \$387,972 (November), and was 11% up on December 2012.



## 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 11,000 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 100,000 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 483,000 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 130,000 unique international browsers in the month of December 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 185,000 users, making the app the most popular property app in NZ.