



nz property report

The monthly survey of the residential property market

by Realestate.co.nz Ltd

New property listings post lowest monthly total in over 4 years.

Lowest level of new listings

- Following the record low in December, January delivered a new record low. A full 19% down on a year ago with just 8,300 new listings.

Inventory of unsold homes falls as new listings dry up

- The stock of unsold houses fell below 48 weeks of equivalent inventory as the number of new listings hit an all time low.

Sharp fall in asking price of new listings

- The asking price for new listings in January fell 3% from the recent average; down over \$9,000 in the month to \$406,525.

Asking price still 6% below peak

- The current asking price expectation of new property vendors slipped to 5.2% below the peak of the market back in October 2007 – at that time \$429,033.

	Nov 2010	Dec 2010	Jan 2011
Property Asking Price (truncated mean)	\$417,660	\$415,750	\$406,525
% change from previous month	- 1%	- 0%	- 2 %
% change from prior 3 months	+ 1%	- 0%	- 3%
Number of New Listings	12,932	8,924	8,300
% change from previous month	+ 9%	- 31%	- 7%
% change from same month last year	- 7%	- 14%	- 19%
Inventory - Number of weeks	53.2	50.1	47.9
% change from previous month	+ 9%	- 6%	- 5%
% change from same month last year	+ 57%	+ 51 %	+ 28%

Realestate.co.nz is the official website of the New Zealand real estate industry, and provides the most comprehensive selection of listings across all categories of real estate. Realestate.co.nz lists over 100,000 properties at any one time, representing over 90% of all listings currently marketed by real estate professionals.

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This report can be accessed at www.unconditional.co.nz



realestate.co.nz

the official website of the New Zealand real estate industry

Commentary

The first month of the year is traditionally a quiet period with significantly less business days and therefore listings coming onto the market tend to be subdued. The level of new listings for January 2011 is significantly low as compared to long term averages. Back at the start of 2008 as the Global Financial Crisis was just starting and the property market was turning down, a total of 26,097 new listings came onto the market in the combined months of December 2007 and January 2008; a year later as the market abruptly slowed the number in Dec/Jan had fallen to 19,313. In 2009/2010 a year ago, there had been a degree of pick up to 20,621. This year over the same period the total is 17,224.

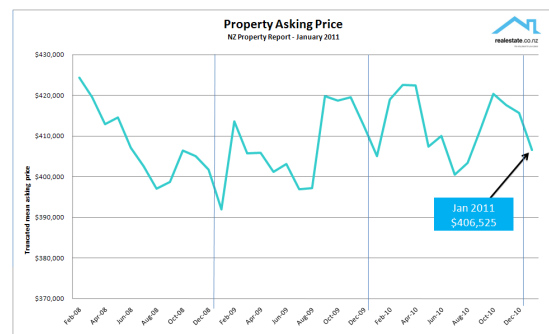
The market situation is unusual. Such low level of listings would normally reflect in a tight market where sellers would have the upper hand; however the scale of the unsold inventory, matched to still relatively low levels of sales, means that buyers have a great selection to research and a strong buyer advantage. It strangely would seem to be a market where the needs of buyers and sellers can be met. New listings tend to attract most interest in a property market and with such a recent shortage; new listings in the coming months will likely attract buyer interest. Recent new vendors with new listings are setting realistic price expectations as shown by the truncated mean asking price down to \$406,525 this month.

Set against these statistics is the news that in terms of buyer interest online it could not be more active. As measured by Nielsen Online January saw over 2,000,000 browser visits to all the real estate websites in NZ, up 25% from 2010.

Asking Price

The truncated mean asking price for all new listings coming onto the market in January fell by over \$9,000 from \$415,750 to \$406,525. On a seasonally adjusted basis the asking price remained unchanged from December at \$416,666. There is traditionally a fall in asking price in January.

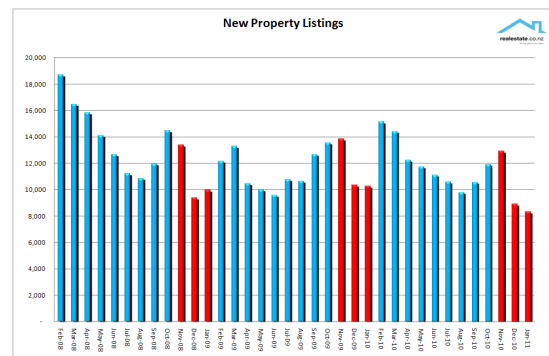
The current asking price slipped further from the peak of asking price back in October 2007, it is currently off 5.2%.



New Listings

Traditionally January is a weak month as it is a short business month; however the fall from the record low of new listing in December is significant. Just 8,300 new listings compares to 10,272 a year ago and 9,942 in January 2009.

On a moving annual basis the past 12 months have seen 136,817 new listings, just up on the 135,746 in the prior 12 month period, an increase of just 0.8%.

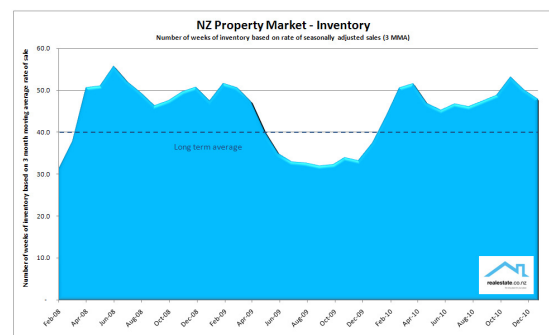


Inventory

The level of unsold houses on the market at the end of January rose slightly to 53,297 from 53,077 in December. This represented the equivalent of 47.9 weeks of equivalent sales, as assessed on a seasonally adjusted basis.

The inventory of unsold houses remains high in absolute terms as the sales activity impact is not being felt, even allowing for the significant lower level of new listings.

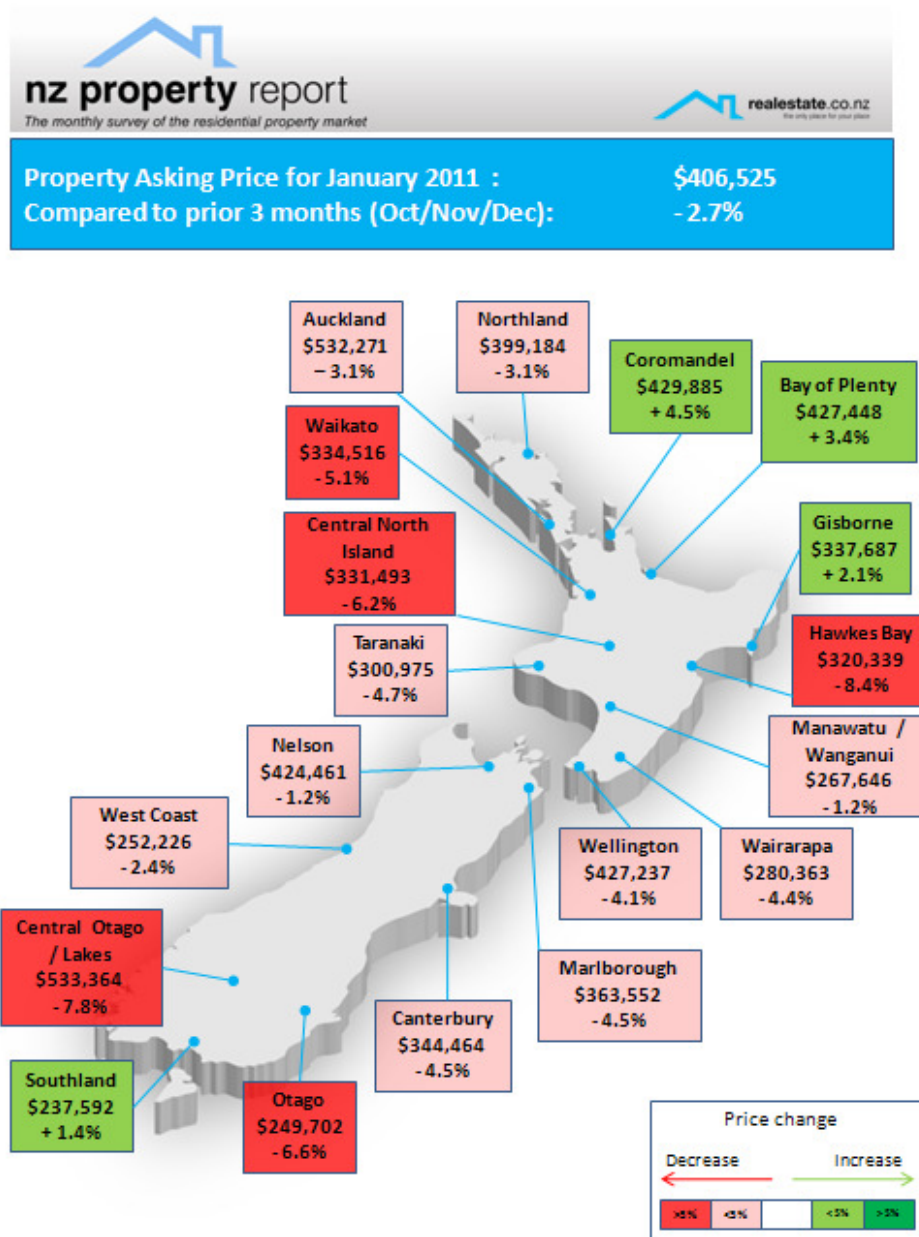
At the current level the inventory still remains well above the long term average of 40 weeks.



Regional Summary – Asking price expectations

The very clear message from the chart below showing all of the 19 regions is that the asking price expectation of sellers with new listings right around the country is that asking prices are slipping lower. Nationally asking prices are down 2.7% as compared to the recent 3 month average. The only regions bucking the trend are the three east coast regions of Coromandel, Bay of Plenty and Gisborne, together with Southland.

Significant slippage in asking prices are being seen in 5 regions - Waikato, Central North Island, Queenstown Lakes, Otago and the largest fall of 8.4% in the Hawkes Bay. The three main metropolitan regions of Auckland, Wellington and Canterbury are all showing weaker asking prices of between 3% and 4%.

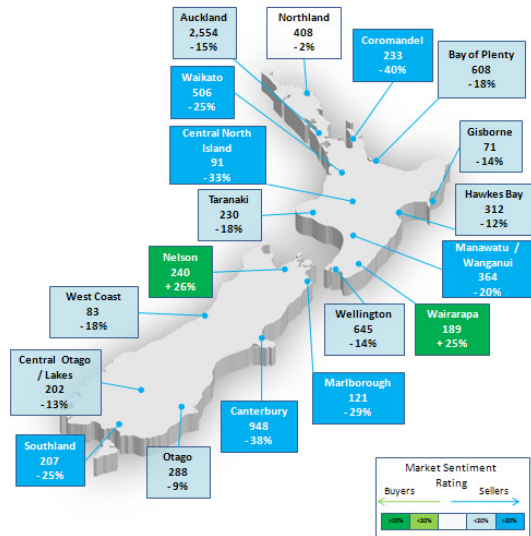


Regional Summary – Listings

The national low record level of new listings for January was reflected right across the country with all but 2 of the 19 regions showing new listings down as compared to January 2010.

There were 7 regions reporting a record low of listings – Waikato and the Bay of Plenty, Central North Island and Manawatu / Wanganui. Then in the South Island, Otago, Canterbury and the Central Otago Queenstown Lakes district.

Such low levels of listings pushes the market into a situation with a shortage of new properties to attract buyer, for despite the high inventory levels the attraction of new listings remain the lifeblood of the industry.

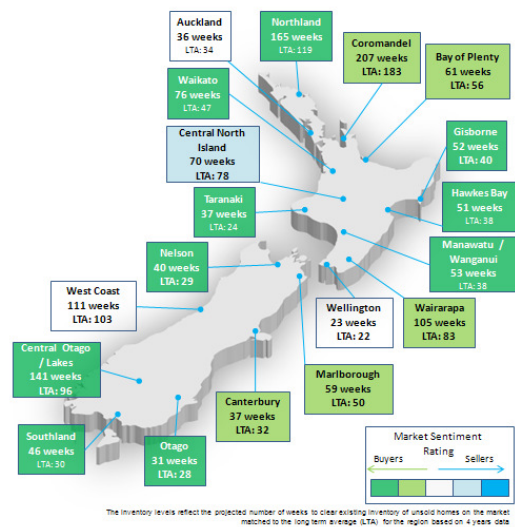


Regional Summary – Inventory

The inventory of unsold property on the market continues to ease since the latest peak in November last year when the inventory stood at 53.2 weeks of equivalent sales. It has now fallen to 47.9 weeks. Whilst this is a continuing trend of easing, the level of inventory remains stubbornly above the level at the same time last year and the long term average.

This level of inventory leads to an assessment of the market being a buyer’s market; however the shortage of new listings is lessening this effect given the dearth of new properties to attract such buyers.

Set against this overall high level of inventory there are key markets where inventory levels are pretty much now at long term averages – Auckland and Wellington as 2 key markets are fairly balances and the Central North Island is now below long term average establishing this region as being in a seller’s market situation.



Major Centers

Auckland

	Nov 2010	Dec 2010	Jan 2011
Property Asking Price (truncated mean)	\$544,699	\$564,853	\$532,271
% change from previous month	+ 1%	+ 4%	- 6%
% change from prior 3 months	+ 3%	+ 5%	- 3%
Number of New Listings	4,219	2,433	2,554
% change from previous month	+ 7%	- 42%	+ 5%
% change from same month last year	- 5%	- 11%	- 15%
Inventory - Number of weeks	39.7	36.4	35.5
% change from previous month	+ 8%	- 8%	- 3%
% change from same month last year	+ 50%	+ 42%	+ 28%

Wellington

	Nov 2010	Dec 2010	Jan 2011
Property Asking Price (truncated mean)	\$451,491	\$429,195	\$427,237
% change from previous month	- 1%	- 5%	- 0%
% change from prior 3 months	+ 2%	- 4%	- 4%
Number of New Listings	1,112	599	645
% change from previous month	+ 12%	- 46%	+ 8%
% change from same month last year	- 0%	- 10%	- 14%
Inventory - Number of weeks	28.6	25.5	22.6
% change from previous month	+ 12%	- 11%	- 11%
% change from same month last year	+ 71%	+ 55%	+ 29%

Canterbury

	Nov 2010	Dec 2010	Jan 2011
Property Asking Price (truncated mean)	\$360,174	\$360,088	\$344,464
% change from previous month	- 1%	- 0%	- 4%
% change from prior 3 months	+ 1%	+ 0%	- 4%
Number of New Listings	1,477	1,136	948
% change from previous month	+ 13%	- 23%	- 16%
% change from same month last year	- 20%	- 15%	- 38%
Inventory - Number of weeks	45.7	39.2	36.7
% change from previous month	+ 17%	- 14%	- 7%
% change from same month last year	+ 83%	+ 58%	+ 34%

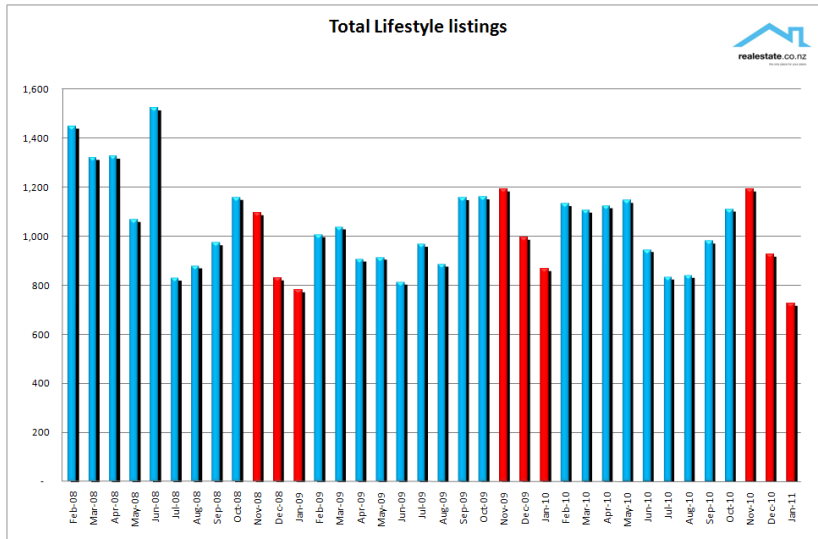
Waikato

	Nov 2010	Dec 2010	Jan 2011
Property Asking Price (truncated mean)	\$351,279	\$344,536	\$334,516
% change from previous month	- 3%	- 2%	- 3%
% change from prior 3 months	- 1%	- 3%	- 5%
Number of New Listings	890	553	506
% change from previous month	+ 33%	- 38%	- 8%
% change from same month last year	+ 6%	- 17%	- 25%
Inventory - Number of weeks	75.0	71.8	76.4
% change from previous month	+ 11%	- 4%	+ 6%
% change from same month last year	+ 89%	+ 89%	+ 75%

Lifestyle

Lifestyle property listings fell significantly in January. At 727 new listings, the month represented a new record low. As compared to January last year the level of new listings is down 22%.

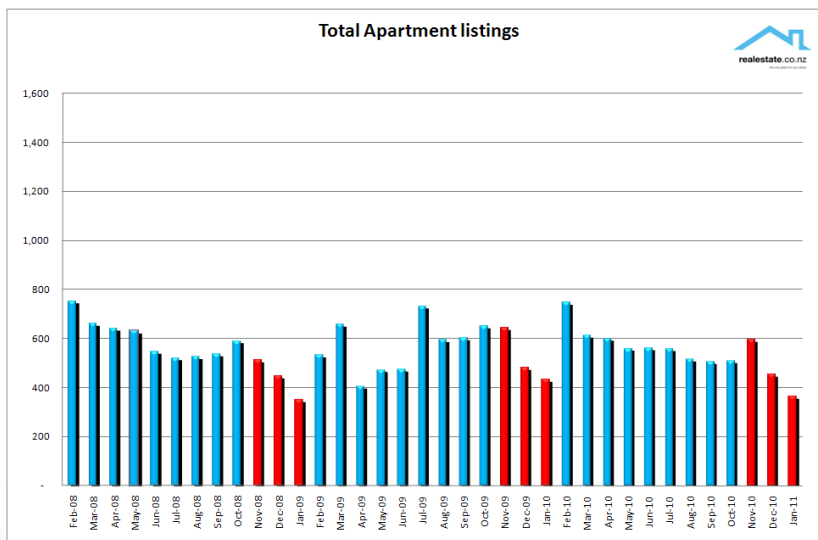
The asking price expectation for the new listings was up slightly at \$540,825 from \$537,368 in December. This represents a 3.2% decline as compared to January last year and a 3.5% decline in asking price as compared to the recent 3 month average.



Apartments

January new listings of apartments came close to beating the prior low record of 352 in January 2009. For January just 363 new apartment listings came onto the market. This represents a 16% year on year decline. The asking price expectation for apartments remains low with a figure of \$362,041 in January down 8.3% as compared to the recent 3 month average and only just up on the record low of \$356,306 in October 2010.

In Auckland just 238 new apartment listings came onto the market which represented a 5.2% year on year decline. The asking price for Auckland apartments in the month was \$342,250 which was 7% down on the recent 3 month average, but identical to the asking price expectation of a year ago.



Index Comparison

	Nov 2010		Dec 2010		Jan 2011	
	House Price	Annual Change	House Price	Annual Change	House Price	Annual Change
Mean Asking Price: Realestate.co.nz	\$417,660	- 0%	\$415,750	- 0%	\$406,525	+ 0%
Mean Sales Price: REINZ	\$362,898	- 2%	\$360,660	- 2%	N/A	N/A

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 95% 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.

REINZ: data is compiled from reported unconditional residential sales from all members of the Real Estate Institute of New Zealand representing all licensed real estate offices. The sale price is published as a stratified mean house price and is developed in association with the Reserve Bank of NZ.

Notes:

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 more than 1,050 licensed real estate offices across NZ, representing more than 95% 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.

In analysing the details of the 8,300 new listings in the month of January, a total of 81 listings have been excluded due to anomalies. The categorisation of Lifestyle property is defined by the land area of the property. The criterion is a property having in excess of 0.3 hectares and being situated outside metropolitan areas.

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 six of the largest real estate companies (50%). The website is the most comprehensive website for real estate in NZ, currently hosting over 120,000 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 over 1,060 offices, the website features over 95% of all listings from licensed real estate agents in NZ. Realestate.co.nz was visited by over 430,000 unique browsers in the month of January from 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 browsers in the month of January from more than 200 countries.