



nz property report

The monthly survey of the residential property market

by Realestate.co.nz Ltd

February sees a more active summer property market with strong surge in new listing with confident asking price.

Listings rise with summer activity

- Following record low months at the start of the summer, February saw strong rise in new listings, up 10% on a seasonally adjusted basis.

Inventory of unsold homes creeps back up as sales remain low

- The stock of unsold houses rose again as new listings far outpaced sales. There are currently over 52,000 properties for sale on the market.

Asking price rises in line with new listings

- The asking price for new listings in February rose 2% from the recent average to \$420,265.

Asking price remains 2% below peak

- The current asking price expectation of new property vendors came back to within 2% of the peak of the market back in October 2007 – at that time \$429,033.

	Dec 2010	Jan 2011	Feb 2011
Property Asking Price (truncated mean)	\$415,750	\$406,525	\$420,265
% change from previous month	- 0%	- 2%	+ 3 %
% change from prior 3 months	- 0%	- 3%	+ 2%
Number of New Listings	8,924	8,300	11,395
% change from previous month	- 31%	- 7%	+ 37%
% change from same month last year	- 14%	- 19%	- 20%
Inventory - Number of weeks	50.1	47.9	48.9
% change from previous month	- 69%	- 5%	+ 2%
% change from same month last year	+ 51%	+ 28 %	+ 11%

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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Commentary

After seeing the first two months of summer result in record low levels of new listings; the month of February saw a strong rise with 11,395 new listings come onto the market. This level, whilst up a seasonally adjusted 9.5% as compared to January was still well down on the February levels of 2010 (14,329) and 2009 (12,164). This clearly shows that the overall sentiment in the market is quiet as was witnessed by the January sales levels reported by REINZ of 3,252, the lowest month on record.

The rise in new listings coupled with the low sales saw the inventory of unsold homes on the market rise again as measured on an equivalent number of weeks of sale basis. Having fallen for 3 months in a row the inventory levels rose to 48.9 weeks – well over 11 months supply. This level as compared to a long term average of 40 weeks means the property market is still very much in the camp of a buyer's market with ample selection of properties to review.

Asking Price

The truncated mean asking price for all new listings coming onto the market in February rose by over \$13,000 from \$406,525 to \$420,265.

On a seasonally adjusted basis the asking price actually fell by 1.1% to \$412,128. The summer peak of new listings traditionally sees a rise in asking price.

The current asking price edged closer to the peak of asking price back in October 2007, it is currently just 2% below that peak.



New Listings

The record lows seen in the months of December and January when in total 17,224 new listings came onto the market, have been replaced by a surge in listings in February with 11,395 new listings coming onto the market. This level whilst relatively strong as judged by recent months, is significantly lower than prior years. The February total shows a 20% decline as compared to February last year.

On the most recent 12 month period a total of 133,883 new listings have come onto the market which represents a 3% decline compared to the same period last year.

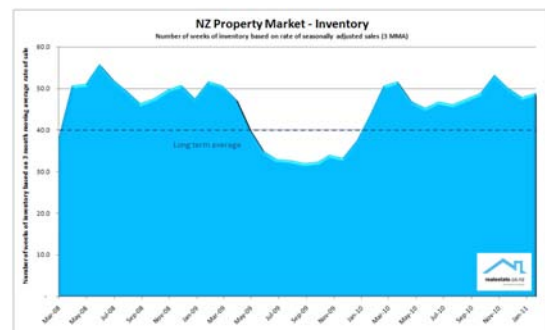


Inventory

The level of unsold houses on the market at the end of February fell slightly to 52,673 from 53,297 at the end of January. This represented the equivalent of 48.9 weeks of equivalent sales, as assessed on a seasonally adjusted basis.

The inventory of unsold houses remains high in absolute terms as the level of sales activity continues to be so weak.

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



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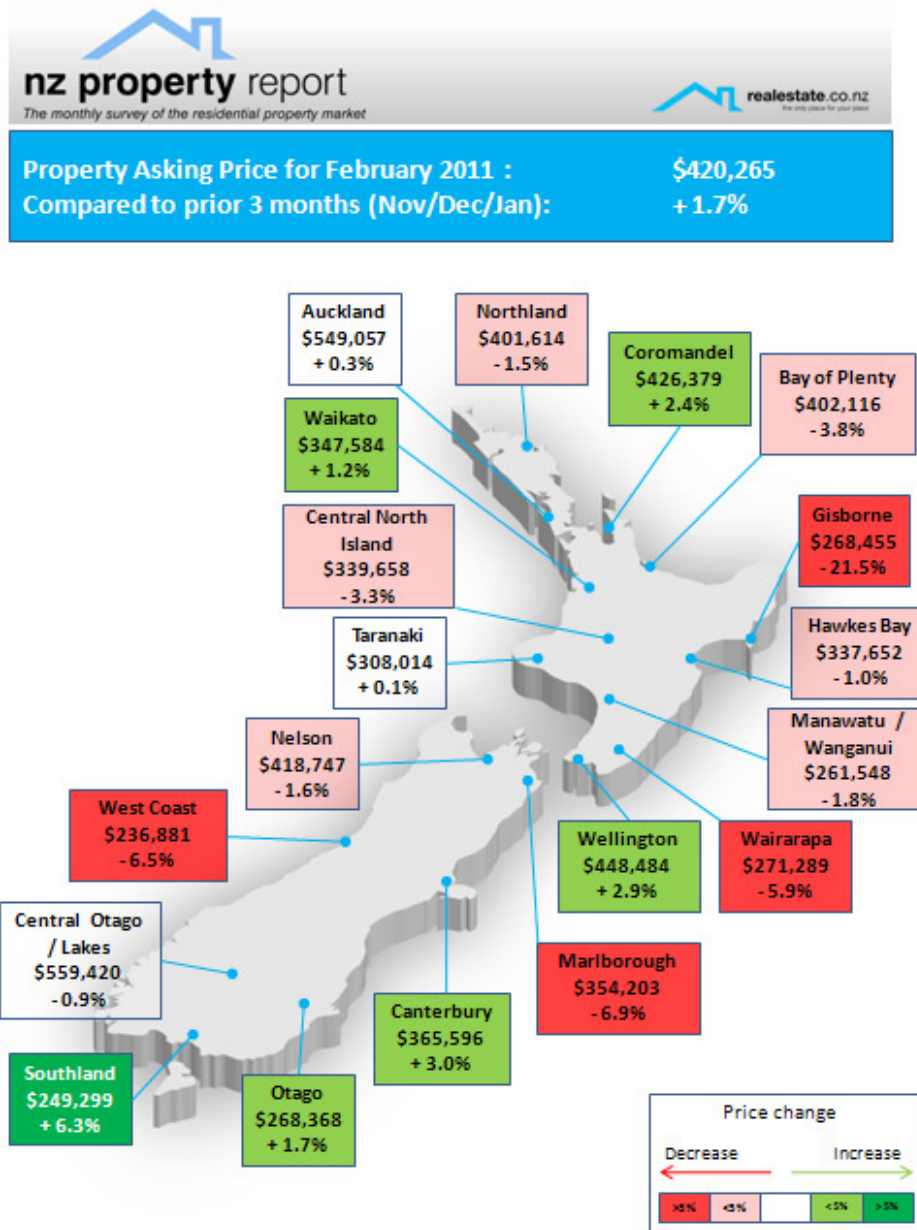
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Regional Summary – Asking price expectations

In spite of the overall rise in asking price nationally from \$406,525 to \$420,265 the regional picture shows significant variance. Just 7 of the 19 regions are showing increases in asking price. Of the remaining 12, four regions are showing falls in asking price of greater than 5% when judged against the recent 3 month average.

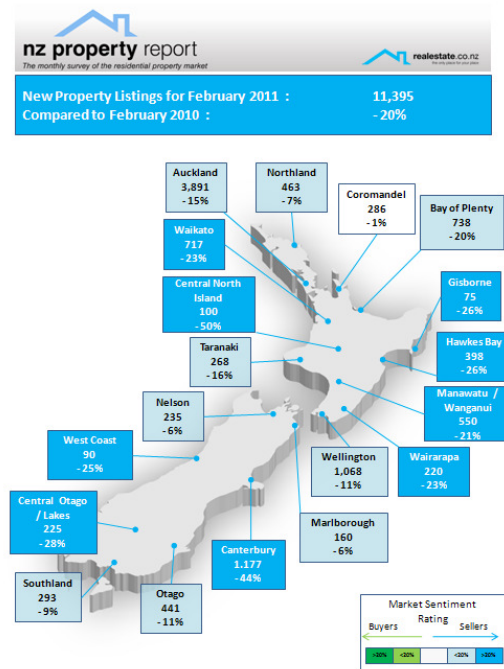
The significance in the price movement in the national asking price is the fact that the 3 major metro areas of Canterbury, Wellington and Auckland collectively representing 54% of all listings and in the month all saw increases in asking prices of up to 3%. In the case of Auckland and Wellington the February asking price was within 3% of the peak pricing which was reached towards the end of last year, this would indicate that the local markets in these key cities are more active with pressure on prices more noticeable than in provincial areas of the country.



Regional Summary – Listings

Judging the regional property market based on the number of new listings and the change over the past 12 months potentially presents a misleading picture as all regions are showing a significant year-on-year decline. This picture presented in the chart would normally indicate a move to a sellers' market when listings are in short supply, however at this time the governing factor is the weakness of sales. So despite the low volume of listings the rate of sale still means that inventory of unsold properties in overall terms is growing.

In total 9 of the 19 regions are showing volumes of new listings over 20% down as compared to February last year. The issue could arise in the coming months when if sales were to be stimulated by seasonal factors matched to favourable lending rates the lack of new listings may result in pressure in local markets.

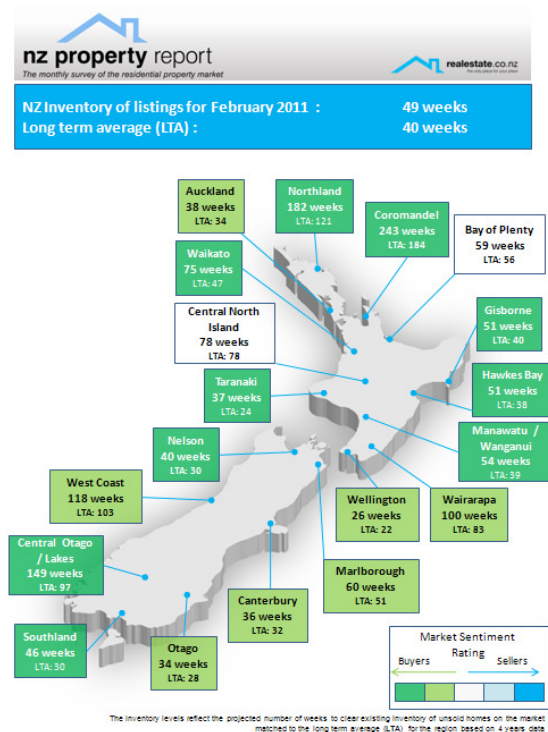


Regional Summary – Inventory

The inventory of unsold houses on the market rose in February after seeing 3 consecutive months of falls through the new year period. At 48.9 weeks this represents over 11 months of equivalent sales of property on the market. This results in 52,673 properties on the market (excluding sections).

Across the country there are just 2 regions (Central North Island and Bay of Plenty) that have a fair balance between inventory and sales. The remaining 17 regions comprise 10, which are significantly having an inventory well above long term average with the remaining 7 regions having level just above long term average. Such levels of inventory above long term average highlight a buyers' market with ample selection of property for sale.

It is now over 12 months since the market last showed an inventory level below long term average as was seen through the 2009 year.



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 4 years data



Major Centers

Auckland

	Dec 2010	Jan 2011	Feb 2011
Property Asking Price (truncated mean)	\$564,853	\$532,271	\$549,057
% change from previous month	+ 4%	- 6%	+ 3%
% change from prior 3 months	+ 5%	- 3%	+ 0%
Number of New Listings	2,433	2,554	3,891
% change from previous month	- 42%	+ 5%	+ 52%
% change from same month last year	- 11%	- 15%	- 15%
Inventory - Number of weeks	36.4	35.5	37.5
% change from previous month	- 8%	- 3%	+ 6%
% change from same month last year	+ 42%	+ 28%	+ 16%

Wellington

	Dec 2011	Jan 2011	Feb 2011
Property Asking Price (truncated mean)	\$429,195	\$427,237	\$448,484
% change from previous month	- 5%	- 0%	+ 5%
% change from prior 3 months	- 4%	- 4%	+ 3%
Number of New Listings	599	645	1,068
% change from previous month	- 46%	+ 8%	+ 66%
% change from same month last year	- 10%	- 14%	- 11%
Inventory - Number of weeks	25.5	22.6	25.5
% change from previous month	- 11%	- 11%	+ 13%
% change from same month last year	+ 55%	+ 29%	- 6%

Canterbury

	Dec 2010	Jan 2011	Feb 2011
Property Asking Price (truncated mean)	\$360,088	\$344,464	\$365,596
% change from previous month	- 0%	- 4%	+ 6%
% change from prior 3 months	+ 0%	- 4%	+ 3%
Number of New Listings	1,136	948	1,177
% change from previous month	- 23%	- 16%	+ 24%
% change from same month last year	- 15%	- 38%	- 44%
Inventory - Number of weeks	39.2	36.7	35.6
% change from previous month	- 14%	- 7%	- 3%
% change from same month last year	+ 58%	+ 34%	+ 7%

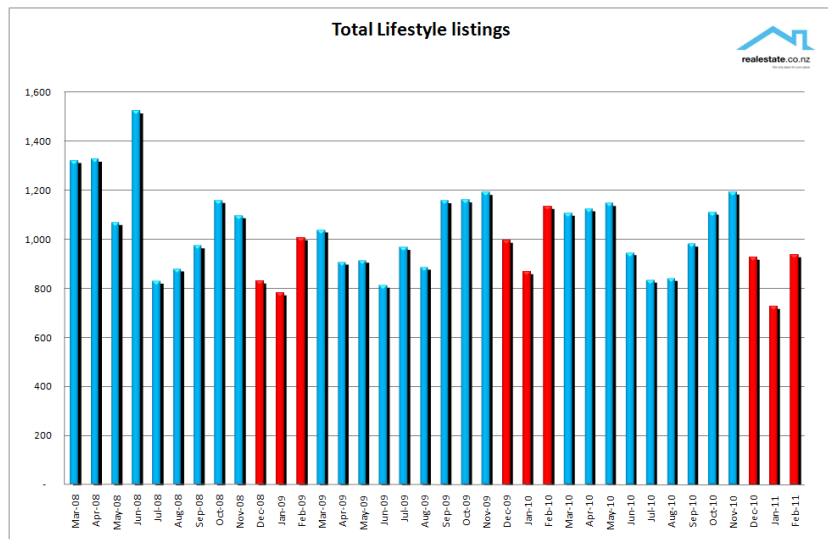
Waikato

	Dec 2010	Jan 2011	Feb 2011
Property Asking Price (truncated mean)	\$344,536	\$334,516	\$347,584
% change from previous month	- 2%	- 3%	+ 4%
% change from prior 3 months	- 3%	- 5%	+ 1%
Number of New Listings	553	506	717
% change from previous month	- 38%	- 8%	+ 42%
% change from same month last year	- 17%	- 25%	- 23%
Inventory - Number of weeks	71.8	76.4	74.7
% change from previous month	- 4%	+ 6%	- 2%
% change from same month last year	+ 89%	+ 75%	+ 45%

Lifestyle

A total of 936 new listings of lifestyle properties came onto the market in February. This represented a 6% increase on a seasonally adjusted basis from the prior month, when seen against February last year it represents a 17% decline indicating that the lifestyle sector is performing in line with the overall property market.

The truncated mean asking price rose by 2.2% from January to a level of \$552,591. This level still remains well below the peak of asking price seen in February 2009 at \$633,811

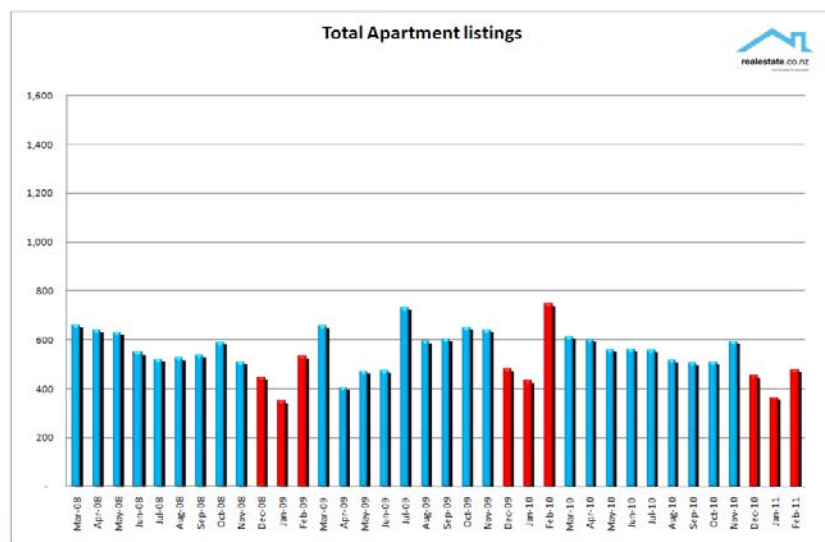


Apartments

The number of new apartment listings coming onto the market in February totaled 478 a rise of 32% as compared to January although on a seasonally adjusted basis it represented a 4% fall. As with other sectors the relative level of new apartment listings remains subdued with the February 2011 level showing a 36% year on year decline.

The truncated mean asking price rose very slightly to \$365,150 from \$362,041 in January, this level is down 8% as compared to the recent 3 month average.

The representation of Auckland listings for apartment of the total for the country rose to over two thirds with 321 new listings with an asking price expectation of \$324,716.



Index Comparison

	Dec 2010		Jan 2011		Feb 2011	
	House Price	Annual Change	House Price	Annual Change	House Price	Annual Change
Mean Asking Price: Realestate.co.nz	\$415,750	- 0%	\$406,525	+ 0%	\$420,265	+ 0%
Mean Sales Price: REINZ	\$360,660	- 2%	\$351,450	- 3%	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 11,395 new listings in the month of January, a total of 133 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 400,000 unique browsers in the month of February from both domestic and international visitors. The website is the most popular website for international visitors enquiring of NZ real estate, with over 110,000 unique browsers in the month of February from more than 200 countries.