



1st May 2011

New peak asking price – the market has pushed ahead to establish a new asking price high for listings.

Asking prices reaches new high

- Asking price for new property listings rose again by a seasonally adjusted 2% in April to \$429,249. The April truncated mean surpassed the prior peak of \$429,033 in October 2007.

Inventory of unsold homes remains high

- The stock of unsold houses nudged higher in April as the slow start to the year in sales volumes impacts stock clearance rate. Total inventory now stands at over 53 weeks – some of the highest levels recorded.

New listings fall

- New listings fell by 7% on a seasonally adjusted basis between March and April with just 10,181 new properties brought to the market.

Auckland property market leading

- The Auckland market was the only region to show a significant fall in inventory matched to a 17% year-on-year fall in new listings. At the same time the asking price for Auckland property rose again to its recent peak levels.

	Feb 2011	Mar 2011	Apr 2011
Property Asking Price (truncated mean)	\$420,265	\$421,940	\$429,249
% change from previous month	+ 3%	+ 0%	+ 2 %
% change from prior 3 months	+ 2%	+ 2%	+ 3%
Number of New Listings	11,395	12,247	10,181
% change from previous month	+ 37%	+ 8%	- 17%
% change from same month last year	- 20%	- 15%	- 17%
Inventory - Number of weeks	48.9	53.1	53.7
% change from previous month	+ 2%	+ 9%	+ 1%
% change from same month last year	+ 11%	+ 5 %	+ 4%

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 115,000 listings at any one time, representing over 95% of all listings currently marketed by real estate professionals.

Commentary

The NZ Property market certainly is showing signs of renewed activity, far from the levels of the mid 2000's the current activity is measured and very much centered on the Auckland region. Whilst in overall terms the level of inventory weighs heavy on all regions the levels of sales reported in March show that buyers are certainly back in the market and beginning to clear some of this high inventory.

By the nature of the way inventory is reported (actual stock divided by 3 month average sales) the very low levels of sales in January and February is in some way holding back the reporting of this trend of greater activity. It is likely that with the reporting of the April sales that the next inventory report for May will show a significant fall in inventory levels of unsold houses.

The market amongst sellers is certainly not showing any impact of inventory levels, as a function of such seller confidence the national truncated mean asking price has risen in April to a new record high of recorded stats going back to the start of 2007.

As a further lead indicator to the market, the levels of new listings continue to track well below prior year. In fact we have seen 10 consecutive months of falls in listings numbers year-on-year.

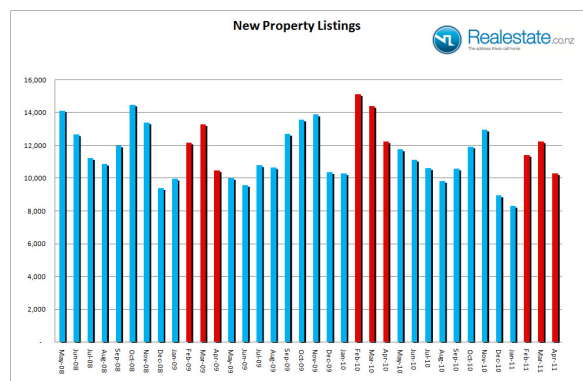
Asking Price

The truncated mean asking price for all new listings in April rose to establish a new peak at \$429,249 up from \$421,940 in March. On a seasonally adjusted basis the asking price rose 2% in the month indicating a continued confidence amongst sellers. The trend of the past 2 years shows continued strength in asking price expectation.



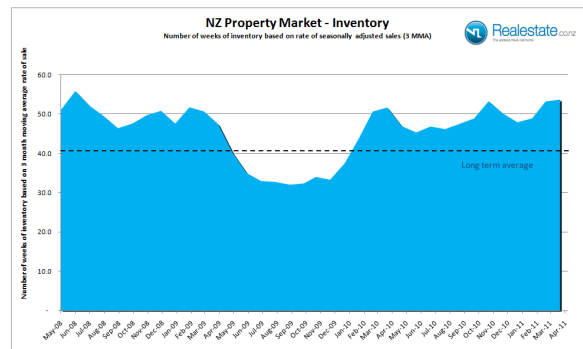
New Listings

The level of new listings coming onto the market in April fell to 10,181 in April. This represented a 17% year on year decline and an 8% seasonally adjusted decline from March. On a 12 month moving basis the number of new listings in the past year totals 129,678 as compared 142,635 for the same period a year ago – a fall of 9%.



Inventory

The level of unsold houses on the market at the end of April continued to fall from prior months. April reported 50,398 down from 51,980 in March and 52,672 in February. This steady decline in the physical number of new listings is not being reflected in the representation of inventory as measured in rate of sales as the recent 3 month period (Jan – March 2011) contained two of the lowest sales months recorded.



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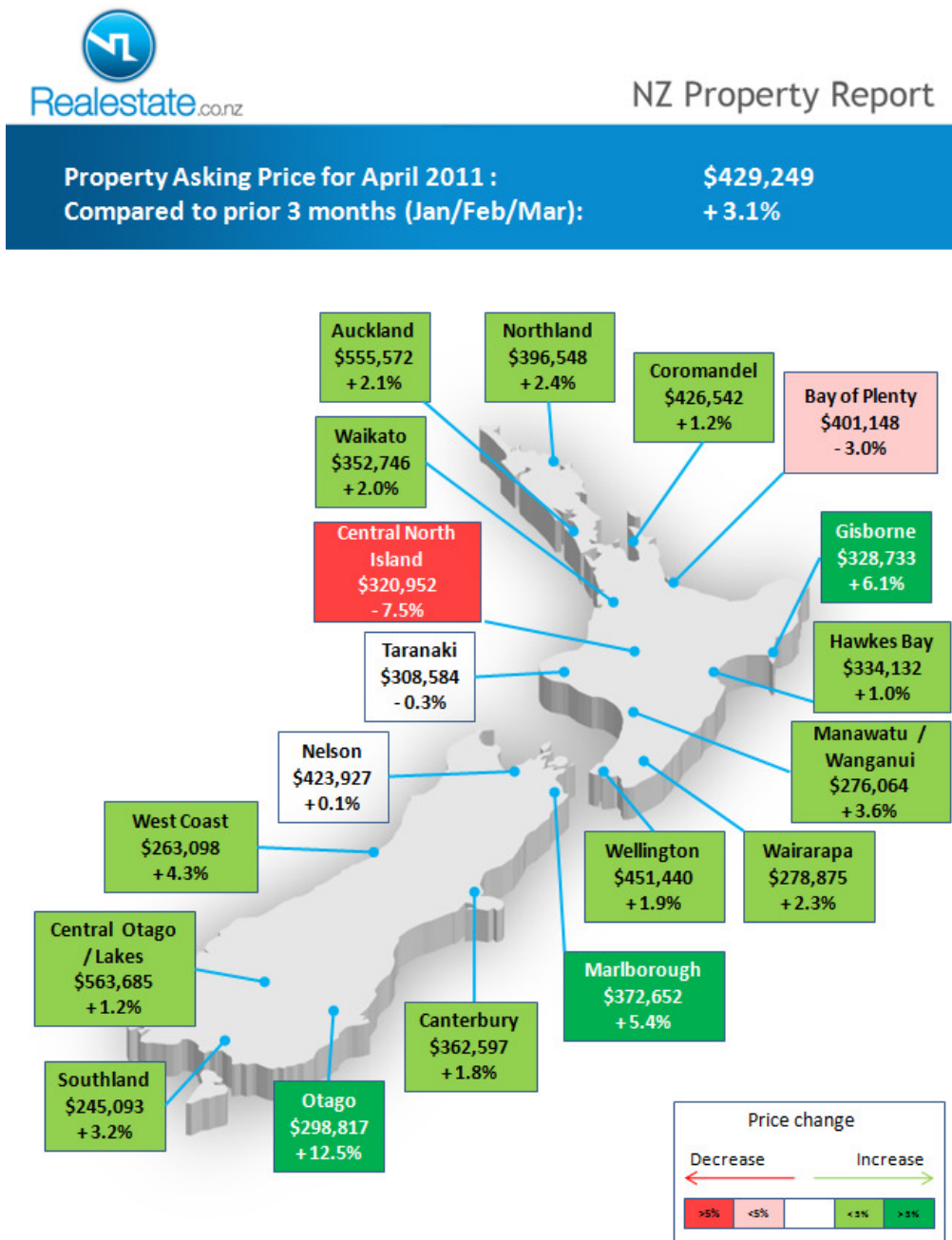
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Regional Summary – Asking price expectations

The national asking price rising to a new peak at \$429,249 was mirrored across the country as can be seen from the chart with a significant growth in all but 2 regions. The highest rising region was Otago which with a 12.5% increase to \$298,817 has itself hit a new peak of asking price.

The Auckland market at \$555,572 whilst not quite hitting the peak, continues to track at all time highs close to the peak set in December 2010 at \$564,853. The April asking price was up 5% on April last year and showed a 1% seasonally adjusted rise from March.

Those regions that showed falls, Bay of Plenty with a 3% fall and the Central North Island with a 7% fall, both had seen strong asking prices through the latter part of 2010 and into early 2011.



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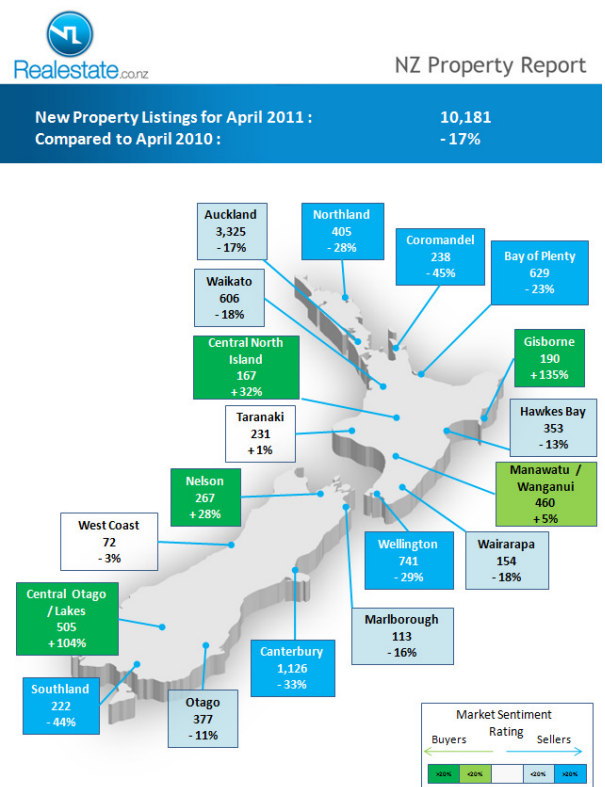
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Regional Summary – Listings

The picture for new listings across the country continues to show that there is weakness in bringing new properties to the market. There were 13 of the 19 regions that reported new listing down on prior year with 6 reporting falls of over 20%; both Coromandel and Southland over 40%. The former region has been suffering under a significant weight of inventory of unsold houses for many months.

In the main metro areas listings are low with the impact of the earthquake restricting new listings in Canterbury (down 32%), Wellington was weak with just 741 new listings, down 29% and Auckland down 17% with 3,325 new listings.

Two regions did see very strong growth in listings; of particular note was the Queenstown Lakes area which saw a raft of new listings including a large collection of apartments.

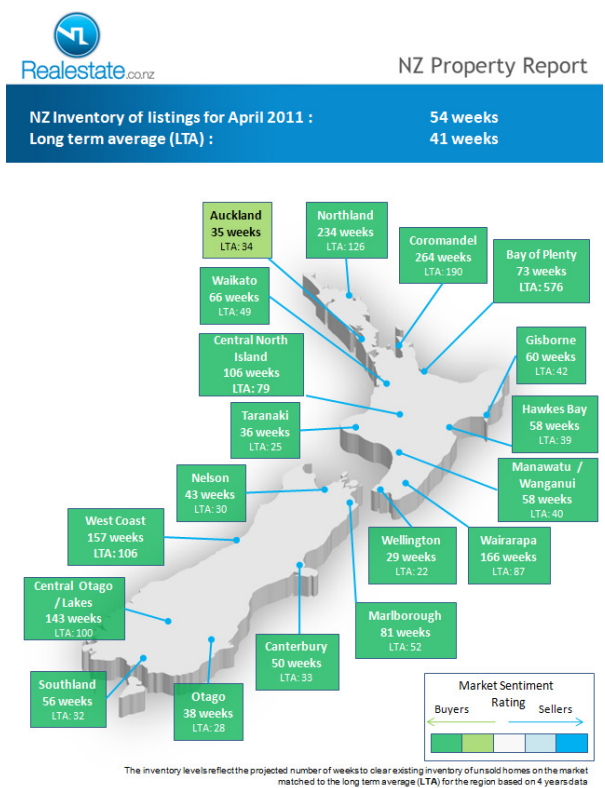


Regional Summary – Inventory

The regional map of inventory of unsold houses shows a very consistent picture of high inventory in all but the one region that of Auckland. This scale of inventory at levels well above long term average is very much a function of very low sales at the start of the year which despite the actual fall in properties on the market is making the evaluation of the market point to very high inventory based on rate of sale.

The Auckland market is very much on the boundary of moving from a buyer's market to one favouring sellers. The Auckland market has seen a reduction of properties on the market from around 14,100 just before Christmas to currently 12,376.

Around the rest of the country the inventory levels reached new peaks in the Hawkes Bay, Manawatu/Wanganui, Northland, Otago and Southland.



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

	Feb 2011	Mar 2011	Apr 2011
Property Asking Price (truncated mean)	\$549,057	\$551,7250	\$555,572
% change from previous month	+ 3%	+ 1%	+ 1%
% change from prior 3 months	+ 0%	+ 1%	+ 2%
Number of New Listings	3,891	4,073	3,325
% change from previous month	+ 52%	+ 5%	- 18%
% change from same month last year	- 15%	- 11%	- 17%
Inventory - Number of weeks	37.5	38.0	34.8
% change from previous month	+ 6%	+ 1%	- 9%
% change from same month last year	+ 16%	- 2%	- 14%

Wellington

	Feb 2011	Mar 2011	Apr 2011
Property Asking Price (truncated mean)	\$448,484	\$453,021	\$451,440
% change from previous month	+ 5%	+ 1%	- 0%
% change from prior 3 months	+ 3%	+ 4%	+ 2%
Number of New Listings	1,068	1,166	741
% change from previous month	+ 66%	+ 9%	- 36%
% change from same month last year	- 11%	+ 6%	- 29%
Inventory - Number of weeks	25.5	27.9	29.1
% change from previous month	+ 13%	+ 9%	+ 5%
% change from same month last year	- 6%	+ 4%	+ 6%

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Canterbury

	Feb 2011	Mar 2011	Apr 2011
Property Asking Price (truncated mean)	\$365,596	\$357,986	\$362,597
% change from previous month	+ 6%	- 2%	+ 1%
% change from prior 3 months	+ 3%	+ 0%	+ 2%
Number of New Listings	1,177	1,297	1,126
% change from previous month	+ 24%	+ 10%	- 13%
% change from same month last year	- 44%	- 36%	- 32%
Inventory - Number of weeks	35.6	41.2	50.4
% change from previous month	- 3%	+ 16%	+ 22%
% change from same month last year	+ 7%	+ 7%	+ 21%

Waikato

	Feb 2011	Mar 2011	Apr 2011
Property Asking Price (truncated mean)	\$347,584	\$355,016	\$352,016
% change from previous month	+ 4%	+ 2%	- 1%
% change from prior 3 months	+ 1%	+ 4%	+ 2%
Number of New Listings	717	994	606
% change from previous month	+ 42%	+ 39%	- 39%
% change from same month last year	- 23%	+ 9%	- 18%
Inventory - Number of weeks	74.7	83.5	66.3
% change from previous month	- 2%	+ 12%	- 21%
% change from same month last year	+ 45%	+ 37%	+ 8%

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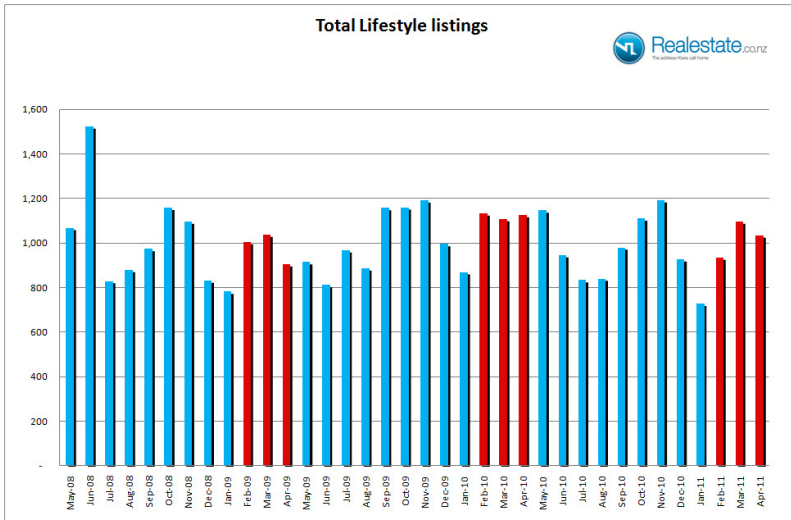
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Lifestyle

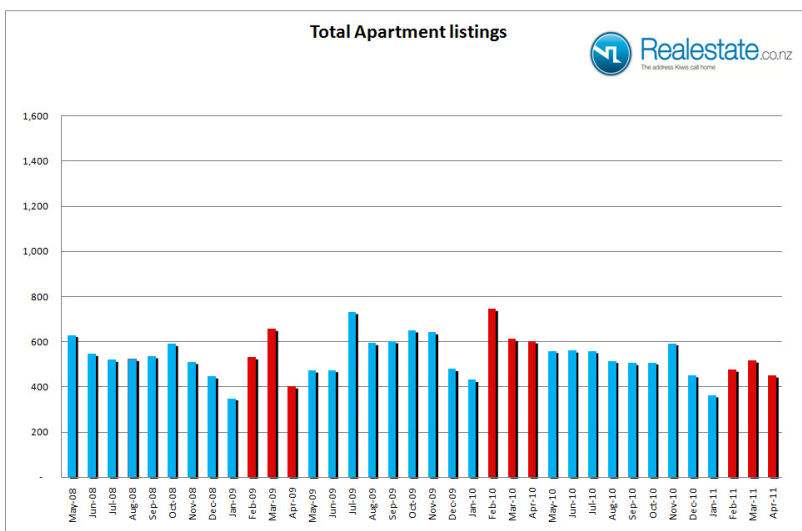
The level of new listings of lifestyle property coming onto the market in April fell just 1% on a seasonally adjusted basis from March. A total of 1,032 new properties were listed with a truncated mean asking price of \$571,611. The asking price was up 5% as compared to the recent 3 month average, but up just 1% as compared to prior year. On a rolling 12 month average basis new listings are down 4.5% with 11,764 listed in the past 12 months compared to 12,314 last year.



Apartments

Listings of apartments showed a 9% rise on a seasonally adjusted basis as compared to March with 452 new apartments coming onto the market. The truncated mean asking price for these new listings was \$399,927 which was up 8.5% on the recent 3 month average, but down 4.1% as compared to April 2010.

In the Auckland apartment market which represents over 60% of the market there were 285 new listings with an asking price of \$350,306. The new listings shows a rise of 24% on a seasonally adjusted basis, although when judged on a year-on-year basis they are down 22%.



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Index Comparison

	Feb 2011		Mar 2011		Apr 2011	
	House Price	Annual Change	House Price	Annual Change	House Price	Annual Change
Mean Asking Price: Realestate.co.nz	\$420,265	+ 0%	\$421,940	- 0%	\$429,249	+ 2%
Mean Sales Price: REINZ	\$359,675	- 1%	\$359,675	- 1%	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 1,010 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 10,181 new listings in the month of April, a total of 127 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 licensed real estate agent listings 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 1,010 offices, the website features over 95% of all listings from licensed real estate agents in NZ. Realestate.co.nz was visited by over 380,000 unique browsers in the month of April from both domestic and international visitors. The website is the most popular website for international visitors enquiring of NZ real estate, with over 105,000 unique browsers in the month of April from more than 200 countries.

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