



1st October 2013

National average asking price hits new record high of \$482,063

Asking prices reach new high

- National asking prices reached new highs, up 3% from September, and up 8% compared to a year ago to a record \$482,063. The main centres of Auckland, Wellington, and Christchurch also reach new record highs

Inventory levels remain low

- October inventory remained stable with the number of available homes for sale on the market remaining at 24 weeks of stock. This is still well down on the long term average of 38 weeks.

Significant rise of new listings

- Mid spring see a healthy number of new listings coming to the market with 13,978 new listings in the month of October. This was 27% up on September, and up 10% on October 2012.

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.

	Aug 2013	Sep 2013	Oct 2013
Property Asking Price (seasonally adjusted - truncated mean)	\$463,142	\$466,526	\$482,063
% change from previous month	-0.4%	0.7%	3%
% change from same month last year	8%	9%	8%
Number of New Listings			
	10,715	11,000	13,978
% change from previous month	9%	3%	27%
% change from same month last year	3%	-1%	10%
Inventory - Number of weeks of equivalent sales (seasonally adjusted)			
	23.4	24.2	24.2
% change from previous month	-12%	3%	0%
% change from same month last year	-24%	-21%	-27%

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

The property market continues to show signs of confidence and heightened activity as compared to the last few years. Off the back of the record high asking prices seen last month, seller confidence has again pushed up the (seasonally adjusted) truncated mean asking price to a new record high of \$482,063 in October.

Record high asking prices were seen in the main centers of Auckland, Wellington, and Christchurch regions; and were also seen in Hawkes Bay, and Coromandel. The new high of \$666,126 in Auckland represents a 3% increase on September. Canterbury's record high was 6% up to \$441,908, and Wellington's high of \$465,050 was 3% higher than the previous high seen in February this year.

October saw a significant rise in the number of new listings, with 13,978 new listings (27% more listings than September); and this rise has led to some balancing of the property market in Auckland, and Canterbury.

Asking Price

The seasonally adjusted truncated mean asking price for new listings hit a new record high of \$482,063 last month, a rise of 8% from October 2012, and up 3% from September.

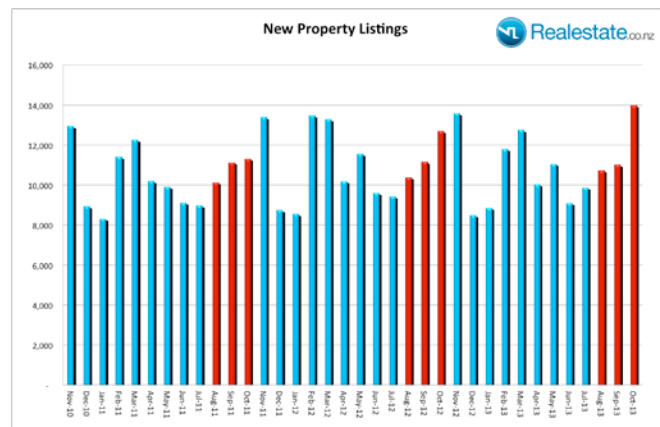
The trend as seen in the chart opposite, continues to show strength in seller price expectation, on the back of low listings, and strong demand in the main centres



New Listings

The level of new listings coming onto the market in October rose significantly to 13,978 from 11,000 in September. This represents a rise of 27%, and is up 10% when compared to October last year

On a 12 month moving average basis a total of 132,479 new listings have come onto the market since November 2012 as compared to 132,291 in the prior 12 month period, a rise of just 0.1%.

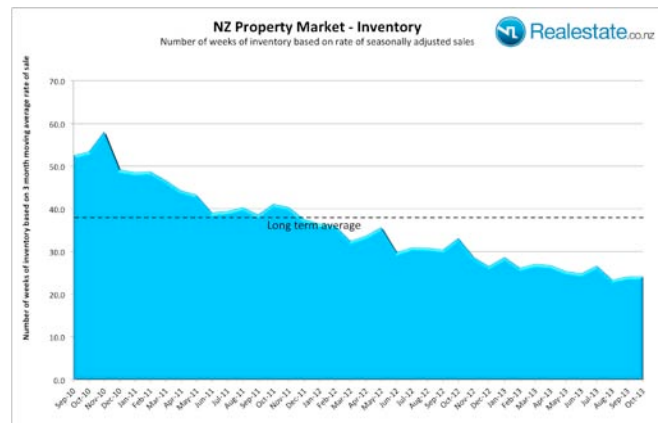


Inventory

The level of unsold homes on the market at the end of October (38,577) remained well down as compared to October last year (43,410), a drop of 11%.

The inventory as measured in terms of equivalent weeks of sales remained the same as the last month, 24.2 weeks of stock available.

The market remains firmly a seller's market; with 16 of the 19 regions showing inventory levels that are well below long term averages.



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Regional Summary – Asking price expectations

The national (seasonally adjusted) truncated mean asking price expectation among sellers rose by 3.3% in October to a new record high asking price of \$482,063

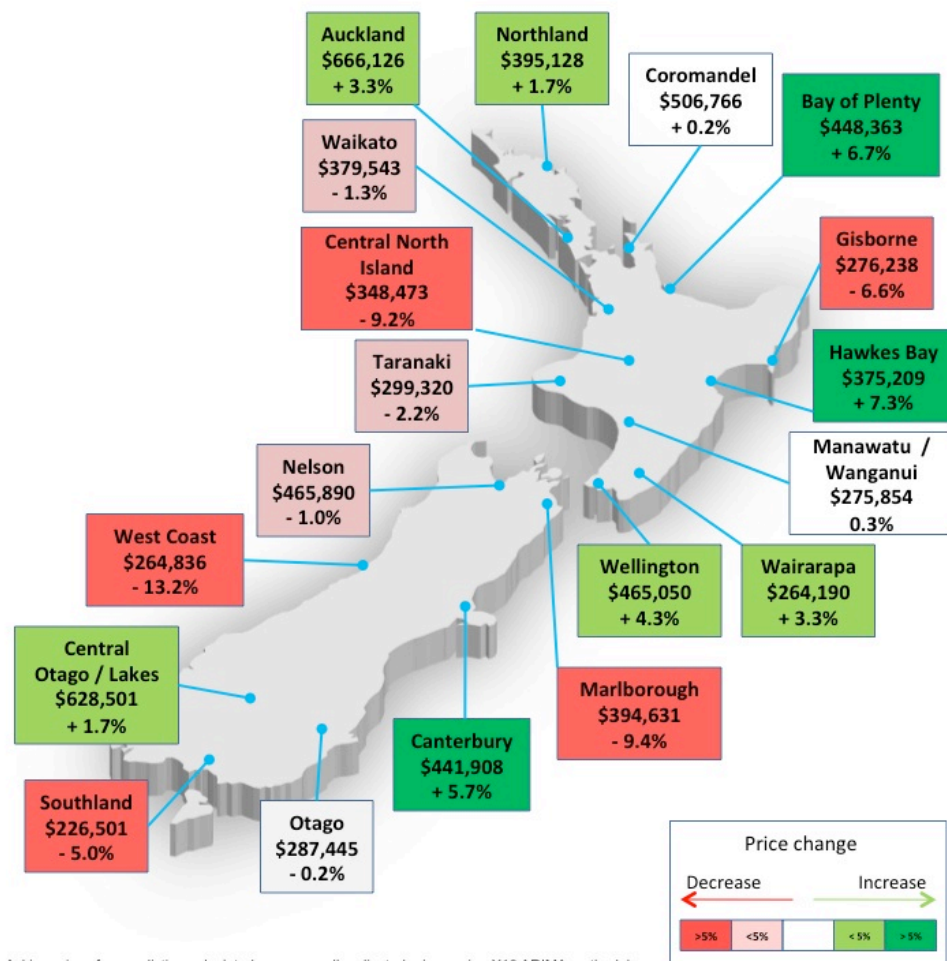
Record high asking prices were also seen 5 regions throughout New Zealand; Auckland, where the average asking price reached \$666,126 (up 9% on October 2012); Wellington, where the asking price reached \$465,050 (up 3% on October 2012), Canterbury, where the asking price reached \$441,908 (up 5.7% on October 2012); Hawkes Bay, where the asking price reached \$375,209 (up 8% on October 2012); and Coromandel, where the asking price reached \$506,766 (up 14% on October 2012);

In total 10 regions saw asking price increases, with Hawkes Bay the largest increase, up 7.3% from September to \$375,209. Of the 9 regions witnessing asking price falls there were 5 that reported a falls greater than 5%, West Coast fell by 13% to \$264,836, Marlborough fell 9% to \$394,631, Central North Island fell 9% to \$348,473, Gisborne fell 6.6% to \$276,238, and Southland fell 5% to \$226,501.



NZ Property Report

Property Asking Price for October 2013 : \$482,063
Compared to prior month: + 3.3%



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Regional Summary – Listings

Spring listings continued flowing onto the market last month, with 13,978 new homes coming on the market.

There were 14 regions reporting year on year increases with Central North Island reporting the biggest increase of listings (up 39%), followed by Nelson, where a 34% increase was recorded.

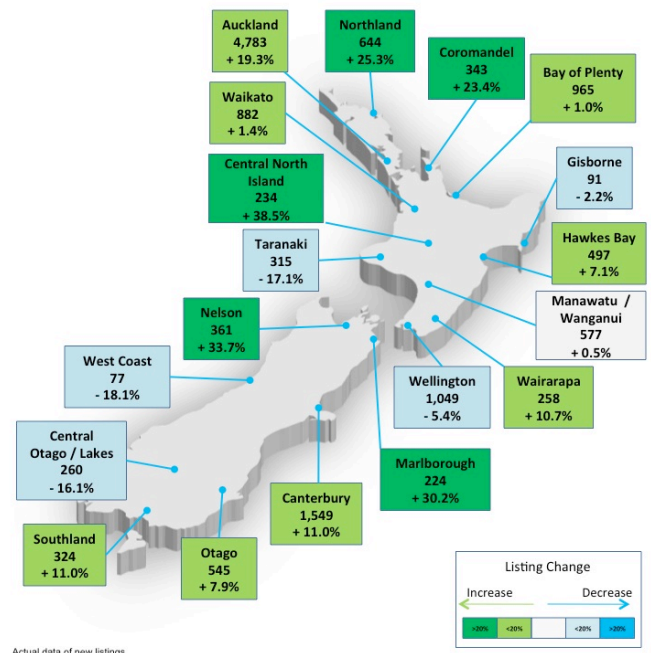
Of the 5 regions that reported lower new listings than October last year West Coast was the region to report the highest fall -18%, followed by Central Lakes, which saw a fall of 16%.

In the main centers, Auckland, and Canterbury saw a significant lift in new listings. Auckland reported 4,783 new listings, up 19% from October 2012, and Canterbury reported 1,549 new listings, up 11% from last year. Wellington, saw a 5% fall in listings, with just 1,049 new listings coming on the market.



NZ Property Report

New Property Listings for October 2013:	13,978
Compared to October 2012 :	10.2%



Regional Summary – Inventory

The inventory of unsold homes on the market remained low in October at 24 weeks of equivalent sales.

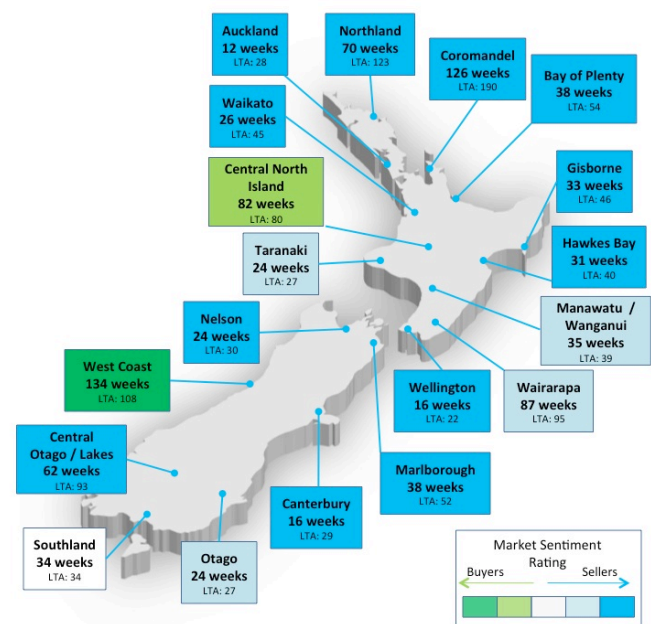
Market sentiment continues remains firmly in favour of sellers in 16 regions, with the greatest strain being felt in the 12 regions that are marked in darker blue. This includes the main metro areas of Auckland, Wellington, and Canterbury, which remain under pressure from low listings as measured against sales activity.

Two regions (Central North Island, and West Coast) showed an increase in inventory of homes on the market, taking them above their respective long-term average. In addition 1 other region (Southland) sits close to its long-term average.



NZ Property Report

NZ Inventory of listings for October 2013 :	24 weeks
Long term average (LTA) :	37 weeks



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 5 years of seasonally adjusted data

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Major Centers

Auckland

	Aug 2013	Sep 2013	Oct 2013
Property Asking Price (seasonally adjusted - truncated mean)	\$650,114	\$644,968	\$666,126
% change from previous month	2%	-1%	3%
% change from same month last year	11%	12%	9%
Number of New Listings	3,702	3,744	4,783
% change from previous month	5%	1%	28%
% change from same month last year	0%	2%	19%
Inventory - Number of weeks	11.1	11.6	12.1
% change from previous month	-17%	4%	5%
% change from same month last year	-38%	-33%	-37%

Wellington

	Aug 2013	Sep 2013	Oct 2013
Property Asking Price (seasonally adjusted - truncated mean)	\$442,438	\$446,053	\$465,050
% change from previous month	-1%	1%	4%
% change from same month last year	2%	0%	3%
Number of New Listings	760	810	1049
% change from previous month	17%	7%	30%
% change from same month last year	5%	-12%	-5%
Inventory - Number of weeks	17.5	17.3	16.1
% change from previous month	-2%	-1%	-7%
% change from same month last year	-10%	-15%	-26%

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Canterbury

	Aug 2013	Sep 2013	Oct 2013
Property Asking Price (seasonally adjusted - truncated mean)	\$404,993	\$418,125	\$441,908
% change from previous month	-4%	3%	6%
% change from same month last year	8%	10%	7%
Number of New Listings	1147	1180	1549
% change from previous month	-3%	3%	31%
% change from same month last year	12%	-2%	11%
Inventory - Number of weeks	15.0	14.9	16.0
% change from previous month	0%	0%	8%
% change from same month last year	-24%	-26%	-30%

Waikato

	Aug 2013	Sep 2013	Oct 2013
Property Asking Price (seasonally adjusted - truncated mean)	\$370,114	\$384,595	\$379,543
% change from previous month	2.1%	3.9%	-1.3%
% change from same month last year	4.1%	8.5%	3.3%
Number of New Listings	727	777	882
% change from previous month	8%	7%	14%
% change from same month last year	6%	-10%	1%
Inventory - Number of weeks	27.2	27.4	25.8
% change from previous month	-15%	1%	-6%
% change from same month last year	-32%	-22%	-34%

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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 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.

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 580,000 unique browsers visited Realestate.co.nz in the month of September 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 September 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 175,000 users, making the app the most popular property app in NZ.

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