

2nd April 2014

Available number homes for sale lifts, as record national asking price reached

Asking prices reach new high

- Nationally average asking prices of new listings rose to record levels in March. The seasonally adjusted asking price rose by 0.2% to \$484,263, and is up 9% as compared to March last year. Auckland, Waikato, and Wellington drove the national increase, each reaching record levels.

Listings low in comparison to 2013

While new listings showed an increase from February levels, the number of new listings in March (12,488) was down 2% from February last year.

Inventory levels recover

- Inventory levels rose slightly in March, driven by a healthy listings increase in Auckland. The number of available homes for sale on the market lifting to 28 weeks of stock. This remains well below the long term average of 37 weeks of stock.

Record website traffic

- Realestate.co.nz sites recorded record website traffic in March (over 1.9 million visits*), indicating that there continues to be an increase in buyer interest and demand for homes.

	Jan-14	Feb-14	Mar-14
Property Asking Price (seasonally adjusted - truncated mean)	\$476,797	\$483,099	\$484,263
% change from previous month	6%	1.3%	0.2%
% change from same month last year	8%	9%	9%
Number of New Listings	9,267	12,167	12,488
% change from previous month	16%	31%	3%
% change from same month last year	5%	-7%	-2%
Inventory - Number of weeks of equivalent sales (seasonally adjusted)	26.8	25.9	27.9
% change from previous month	2%	-3%	8%
% change from same month last year	-7%	-1%	3%

Realestate.co.nz Ltd provides the most comprehensive selection of property listings from licensed real estate agents in New Zealand. At any one time over 100,000 listings are featured on their websites, which represent over 97% of all listings currently marketed by licensed real estate professionals

Commentary

Seller confidence has again driven asking prices of new listings to record levels in March; with the national (seasonally adjusted) mean reaching a new high of 484,263. The rise in asking price was driven by Auckland, Wellington, and Christchurch which all reached new record levels.

Average Auckland asking prices have risen 12% in the last year, reaching \$683,169 in March, Wellington asking prices rose 7% Year on Year to \$469,487, and Waikato rose 10% Year on Year to \$393,169,

New national listings in March showed lower levels than historic years, with 12,488 new homes come on the market. This equates to 2% less than the number of new listings seen in March 2013. However Auckland, Wellington, and Christchurch all saw a healthy increase in new listings, providing more selection in the biggest NZ region.

The inventory of unsold homes on the market recovered slightly in March, rising 8% from February to 28 weeks of stock, and shows that the market is beginning to see re-balancing. Due to the rise in listings Auckland began to see a recovery in inventory, rising 19% from 13 weeks to 15 weeks of stock.

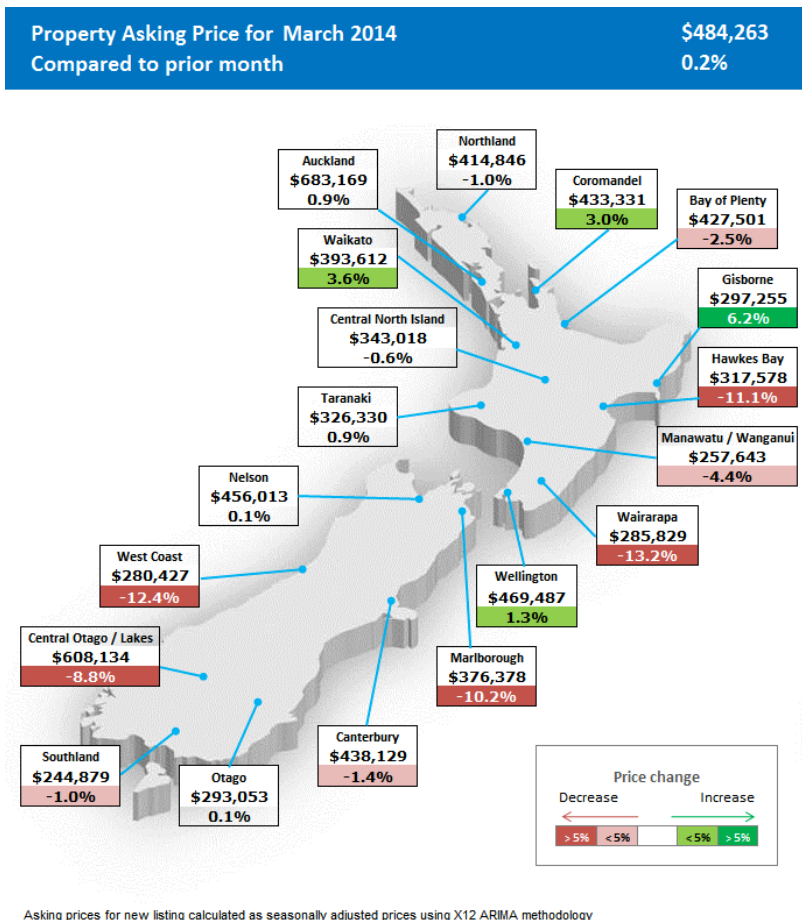
Regional Summary – Asking Price

Following the record asking prices seen last month, national asking prices again reached new records in March of \$484,263 (Seasonally Adjusted Truncated Mean)

Record high asking prices were seen in 3 regions in New Zealand; Auckland, where the average asking price reached a new high of \$683,169 (up 12% on March 2013); Wellington, where asking prices reached \$469,487 (up 7% on March 2013); and Waikato where asking prices reached \$393,169 (up 10% on March 2013).

In total 8 regions saw asking price increases, with just 1 region reporting an asking price increases greater than 5%. Gisborne reported the largest increase, up 6% from February to \$297,255.

Of the 11 regions witnessing asking price falls there were 5 that reported falls greater than 5%, Wairarapa saw the biggest fall, down 13% from February to \$285,829. Followed by West Coast, who witnessed a fall of 12.4% to an average asking price of \$280,427.



Regional Summary – Listings

March saw a lower level of new listings than expected, with 12,488 new homes coming on the market. This was down 2% from March last year to the lowest level of listings seen for March since 2009.

New listings fell across most of the country in March with just 5 of the 19 regions seeing a listing increase on a year on year basis.

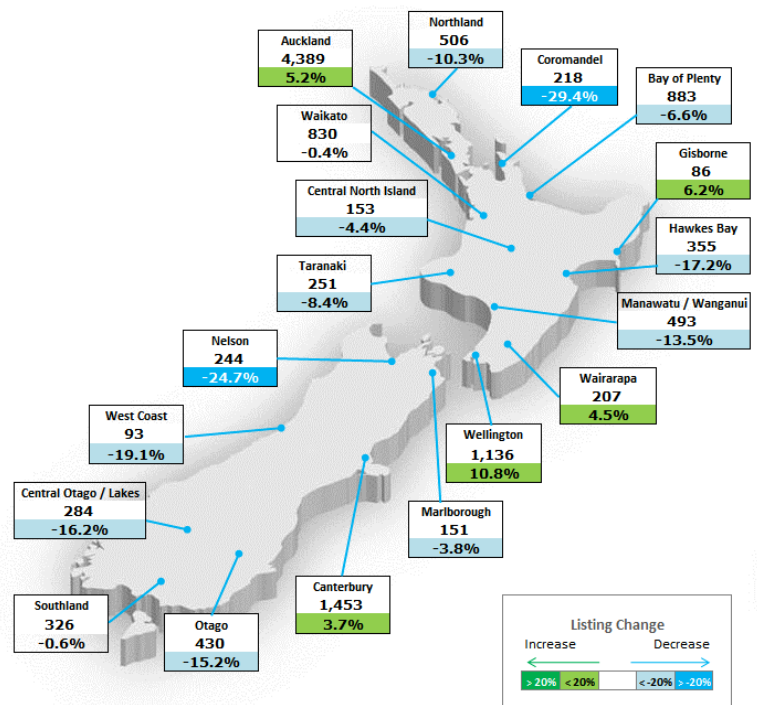
Of the 14 regions that reported lower new listings than February last year the most significant fall was seen in Coromandel and Nelson, falling 29% and 25% respectively.

There were 5 regions reporting year on year increase of listings with Wellington reporting the biggest increase of listings (up 11% from March 2013).

In the other main centers, Auckland, reported 4,389 new listings, up 5% from March 2013 and Canterbury reported 1,473 new listings, up 3.7% from last year.

New Property Listings for March 2014
Compared to March 2013

12,488
-1.9%



Actual data of new listings

NZ Inventory of listings for March 2014
Long term average (LTA)

28 weeks
37 weeks

Regional Summary – Inventory

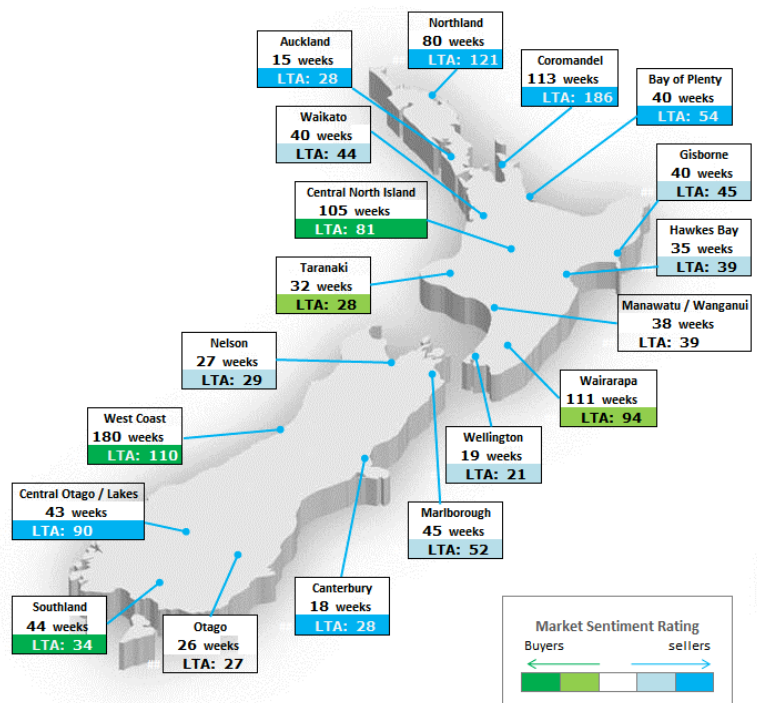
The inventory of unsold homes on the market recovered slightly in March, rising 8% from February to 28 weeks of stock, and shows that the market is beginning to see re-balancing.

The rise in inventory during the last month was witnessed in 13 of the 19 NZ regions, but overall the market remains firmly a seller's market, and inventory on the market remains well below the long-term average of 37 weeks of equivalent sales.

Market sentiment continues to favour sellers in 12 regions (marked in blue), with the greatest strain continuing to be felt in the 6 regions, which are marked in dark blue.

Due to a healthy rise in listings, Auckland began to see a recovery in inventory, rising 19% from 13 weeks to 15 weeks of stock.

The level of unsold houses on the market at the end of March (42,152) was up slightly, when compared to February (41,731).



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

Major Centers

Auckland

	Jan-14	Feb-14	Mar 2014
Property Asking Price (seasonally adjusted - truncated mean)	\$663,372	\$677,370	\$683,169
% change from previous month	1%	2%	1%
% change from same month last year	9%	12%	12%
Number of New Listings	2,723	4,098	4,389
% change from previous month	44%	50%	7%
% change from same month last year	1%	-5%	5%
Inventory - Number of weeks	13	12.7	15.2
% change from previous month	5%	-2%	19%
% change from same month last year	-12%	-10%	7%

Wellington

	Jan-14	Feb-14	Mar 2014
Property Asking Price (seasonally adjusted - truncated mean)	\$463,912	\$463,443	\$469,487
% change from previous month	4%	0%	1%
% change from same month last year	7%	2%	7%
Number of New Listings	836	1141	1136
% change from previous month	79%	36%	0%
% change from same month last year	5%	-1%	11%
Inventory - Number of weeks	18.5	20.1	19.1
% change from previous month	12%	9%	-5%
% change from same month last year	-5%	20%	14%

Canterbury

	Jan-14	Feb-14	Mar 2014
Property Asking Price (seasonally adjusted - truncated mean)	\$449,149	\$444,227	\$438,129
% change from previous month	1%	-1%	-1%
% change from same month last year	12%	10%	6%
Number of New Listings	1082	1399	1453
% change from previous month	10%	29%	4%
% change from same month last year	8%	3%	4%
Inventory - Number of weeks	16.7	16.1	17.8
% change from previous month	-2%	-4%	11%
% change from same month last year	-8%	-2%	7%

Waikato

	Jan-14	Feb-14	Mar 2014
Property Asking Price (seasonally adjusted - truncated mean)	\$349,928	\$379,913	\$393,612
% change from previous month	-10%	0%	3.6%
% change from same month last year	-7%	5%	10%
Number of New Listings	624	795	830
% change from previous month	-32%	15%	4%
% change from same month last year	12%	-15%	0%
Inventory - Number of weeks	32.3	32.5	40.0
% change from previous month	16%	-3%	23%
% change from same month last year	3%	8%	25%

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 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.

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 95% 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 company of the real estate industry of New Zealand, it runs a number of industry owned websites, which provide 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 96% of all listings from licensed real estate agents in NZ. Over 760,000 unique browsers visited Realestate.co.nz in the month of March, both domestic and international visitors (Source: Nielsen Online UB, March 2014).

In addition Realestate.co.nz receives over 40% of all traffic to property listings from mobile devices, including their iPhone and Android applications. To date these applications have been downloaded by over 200,000 users, making the app the #1 property app in NZ*.

*itunes & app annie download rank of property apps in New Zealand, March 2014.