



1st July 2013

Inventory of unsold houses drops to 6 year low

New listings stall

- After witnessing a surge of fresh listings in May, June saw listings stall, with just 9,082 listings coming to the market. Down 5% as compared to June last year, and the lowest June result for 7 years.

Market remains in favour of sellers

- Across the country the inventory levels continue to sit well below the long-term average indicating a continuing tight market as we head into winter. Auckland inventory fell below 7000 available homes for the first time to 6976 homes (down 29% from June 2012)

Inventory levels fall to record low

- The stock of unsold homes on the market fell to a record low 25 weeks, based on the rate of sale, well down on the long-term average of 38.1 weeks. Canterbury, and Waikato also reported record lows of 14 weeks, and 29.6 weeks respectively.

Asking prices ease slightly

- The seasonally adjusted asking price eased in June to \$450,178 from the record high seen in May.

	Apr 2013	May 2013	Jun 2013
Property Asking Price (seasonally adjusted - truncated mean)	\$447,275	\$454,795	\$450,178
% change from previous month	0.5%	1.7%	-1.0%
% change from same month last year	6%	4%	6%
Number of New Listings			
	10,023	11,045	9,082
% change from previous month	-21%	10%	-18%
% change from same month last year	-1%	-4%	-5%
Inventory - Number of weeks of equivalent sales (seasonally adjusted)			
	26.8	25.4	24.9
% change from previous month	-1%	-5%	-2%
% change from same month last year	-20%	-29%	-16%

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 inventory of unsold properties in New Zealand has fallen to the lowest point in six years, reporting just 24.9 weeks nationwide. The record shortage was driven by low inventory in all major regions, with Canterbury, Waikato and Central Otago all witnessing new all-time lows. Wellington also fell to just 15.4 weeks, the lowest since November 2009, while Auckland recovered slightly from last month's record low to 12.3 weeks, but still sits 58% below its long term average of 29 weeks.

The number of new listings coming to the market in June was down 5% on the same time last year to the lowest June listings in 7 years. The figure of 9,082 follows strong listing numbers in April and May.

Asking prices eased slightly in June, to \$450,178 (down just 1% from the record high figure seen in May). In the main centres, both Wellington and Canterbury asking prices rose 1% to \$451,622 (Wellington), and 410,723 (Canterbury). The asking price in Auckland witnessed a slight fall in June (down 1.3% to \$623,471). All three regions sit close to their respective asking price peaks.

Asking Price

The seasonally adjusted truncated mean asking price for listings fell slightly in June to \$450,178, down 1% on the record set in May. This represented a year on year increase of 5.7%

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

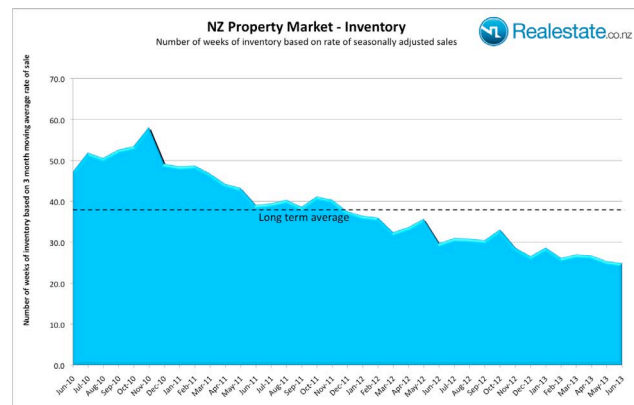
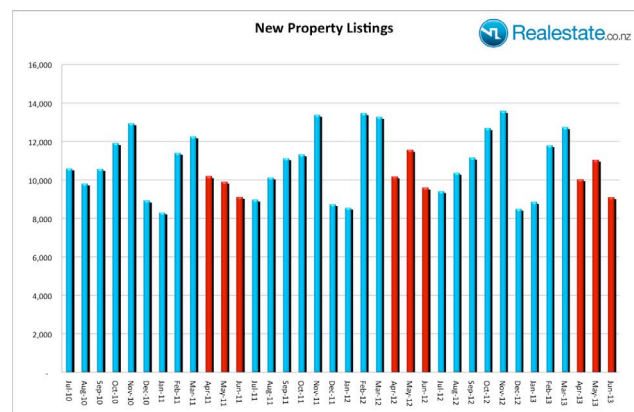
The level of new listings coming onto the market in June fell back to 9,082 from 11,045 in May. This represents a fall of 18%, and was the lowest number of June listings for 7 years, demonstrating that the sellers are still apprehensive of listing their properties despite the record low inventory.

On a 12 month moving average basis a total of 130,547 new listings have come to the market since July 2012, as compared to 130,188 in the prior 12 month period, a rise of just 0.3%. This compares to REINZ reported sales, which are up 16% on a 12 month comparable basis.

Inventory

The level of unsold houses on the market at the end of June (37,615) was down 5%, when compared to May (39,698). Inventory, as measured in terms of equivalent weeks of sales fell in May to a record low of 24.9 weeks, remaining well below the long-term average of 38 weeks.

The market remains firmly a seller's market; with 14 of the 19 regions showing inventory levels that are well below long term averages. Canterbury, Waikato, and Central Otago / Lakes continue to witness the highest extent of this, reaching record low inventory in May.



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Regional Summary – Asking price expectations

The national asking price expectation among sellers fell by just 1% in June, from the record high set in May, to an asking price of \$450,178. (seasonally adjusted truncated mean).

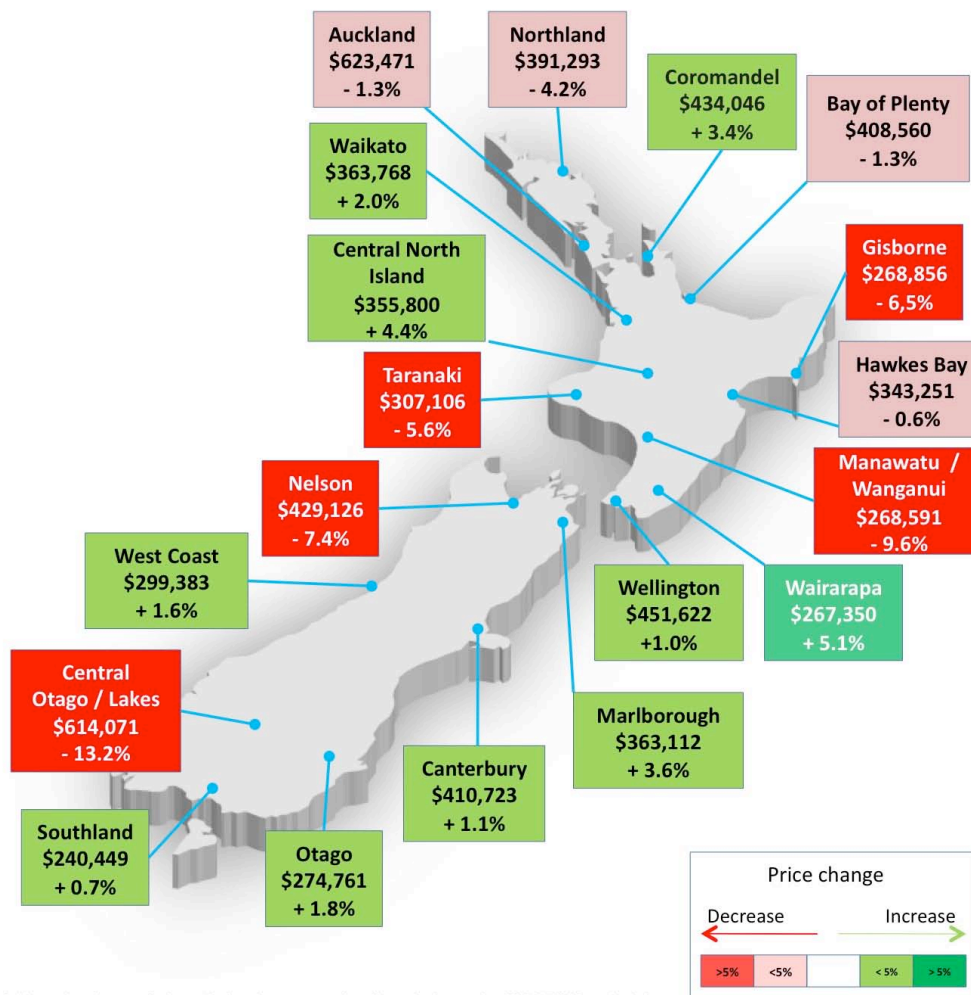
In the main centres, both Wellington and Canterbury asking prices rose 1% to \$451,622 (Wellington), and 410,723 (Canterbury). The asking price in Auckland witnessed a slight fall in September (down 1.3% to \$623,471). All three regions sit close to their respective asking price peaks.

In total 10 regions reported asking price increases, and just 1 region saw a rise of greater than 5%. The most significant rise was seen in the Wairarapa, up 5.1% to \$267,350. Of the 9 regions witnessing asking price falls on a seasonally adjusted basis there were 5 that reported a fall greater than 5%. The most significant falls were seen in Gisborne, Taranaki, Nelson, Manawatu / Wanganui and Central Otago / Lakes regions, with Central Otago / Lakes showing the largest fall, down 13% to \$614,071.



NZ Property Report

Property Asking Price for June 2013 :	\$450,178
Compared to prior month:	- 1%



Asking prices for new listing calculated as seasonally adjusted prices using X12 ARIMA methodology

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Regional Summary – Listings

The picture for new listings across the country continues to show that there is a reluctance to bring new properties to the market. There were 14 of the 19 regions that reported new listings down on the prior year, with just 1 of these reporting a fall of over 20%.

The most significant drop in listings was seen in West Coast, which fell by 26.5%.

Of the 5 regions that reported higher new listings than June last year Nelson was the region to report the highest increase 15.4% when compared to June 2012, followed by Northland which saw an increase of 7.6%.

Auckland listings were down 6.8% in June to 3,162 new listings. The lack of new listings coming to the market puts further pressure on the Auckland market, resulting in a record low available inventory of just 6976 homes (29% down from June 2012)

Regional Summary – Inventory

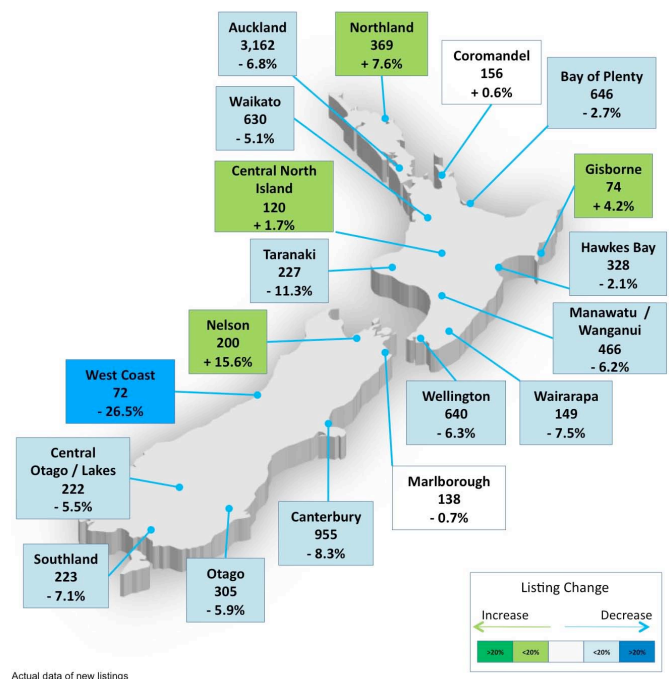
The inventory of unsold homes on the market tightened to a all time low of 25 weeks of equivalent sales in June.

Canterbury, Waikato, and Central Otago / Lakes hit record low inventory levels in June; with Canterbury falling to 13.9 weeks, 53% below its long term average; Waikato falling to 29.6 weeks, 35% below its long term average; and Central Otago falling to 61 weeks, 36% below its long term average

Market sentiment continues to favour sellers in 15 regions, with the greatest strain being felt in the 11 regions that are marked in darker blue. This includes the main metro areas of Auckland, Canterbury, and Wellington, which all remain under pressure from low listings as measured against sales activity.

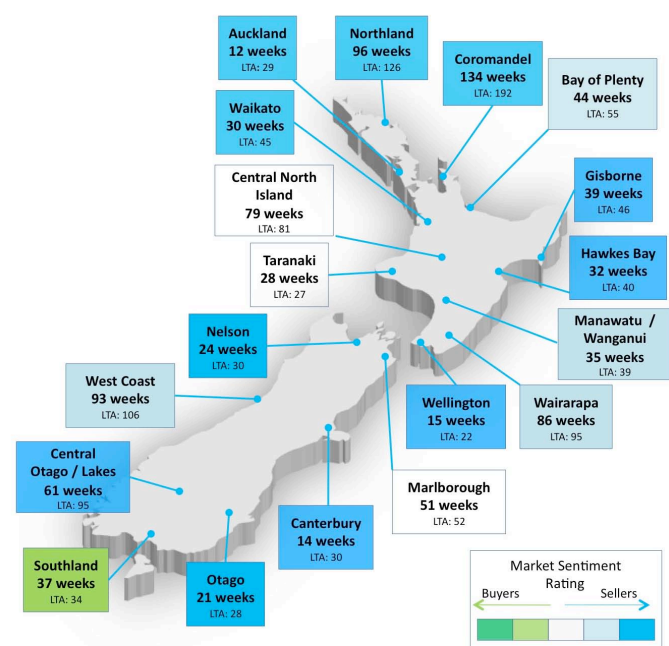
Just one region (Southland) showed an increase in inventory of homes on the market taking it above their respective long-term average. In addition 3 regions (Central North Island, Marlborough, and Taranaki) sit close to their long term averages

New Property Listings for June 2013: 9,082
Compared to June 2012 : - 5.3%



Actual data of new listings

NZ Inventory of listings for June 2013 : 25 weeks
Long term average (LTA) : 38 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

Major Centers

Auckland

	Apr 2013	May 2013	Jun 2013
Property Asking Price (seasonally adjusted - truncated mean)	\$612,167	\$631,656	\$623,471
% change from previous month	0%	3%	-1%
% change from same month last year	8%	9%	12%
Number of New Listings			
	3,453	3,719	3,162
% change from previous month	-17%	8%	-15%
% change from same month last year	9%	-3%	-7%
Inventory - Number of weeks			
	14.0	12.0	12.3
% change from previous month	-1%	-14%	3%
% change from same month last year	-35%	-42%	-32%

Wellington

	Apr 2013	May 2013	Jun 2013
Property Asking Price (seasonally adjusted - truncated mean)	\$435,791	\$447,034	\$451,622
% change from previous month	-1%	3%	1%
% change from same month last year	1%	4%	5%
Number of New Listings			
	829	869	640
% change from previous month	-19%	5%	-26%
% change from same month last year	-2%	-1%	-6%
Inventory - Number of weeks			
	18.5	16.6	15.4
% change from previous month	10%	-10%	-7%
% change from same month last year	-19%	-34%	-18%

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Canterbury

	Apr 2013	May 2013	Jun 2013
Property Asking Price (seasonally adjusted - truncated mean)	\$411,399	\$406,190	\$410,723
% change from previous month	0%	-1%	1%
% change from same month last year	8%	6%	5%
Number of New Listings	1181	1206	955
% change from previous month	-16%	2%	-21%
% change from same month last year	1%	-7%	-8%
Inventory - Number of weeks	16.0	14.3	13.9
% change from previous month	-4%	-11%	-3%
% change from same month last year	-25%	-31%	-15%

Waikato

	Apr 2013	May 2013	Jun 2013
Property Asking Price (seasonally adjusted - truncated mean)	\$364,563	\$356,560	\$363,768
% change from previous month	2.1%	-2.2%	2.0%
% change from same month last year	1.7%	0.4%	3.2%
Number of New Listings	659	883	630
% change from previous month	-21%	34%	-29%
% change from same month last year	11%	6%	-5%
Inventory - Number of weeks	33.3	32.0	29.6
% change from previous month	4%	-4%	-8%
% change from same month last year	-15%	-27%	-20%

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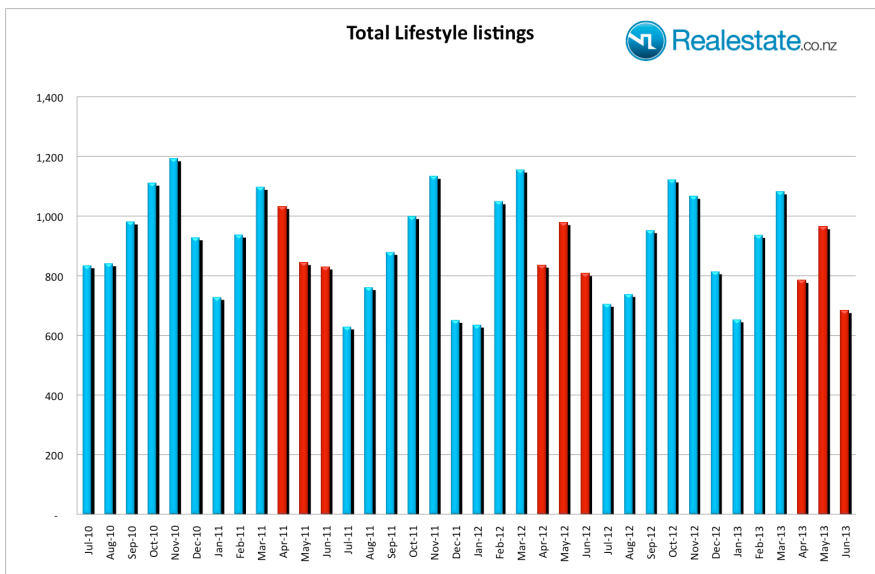
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Lifestyle

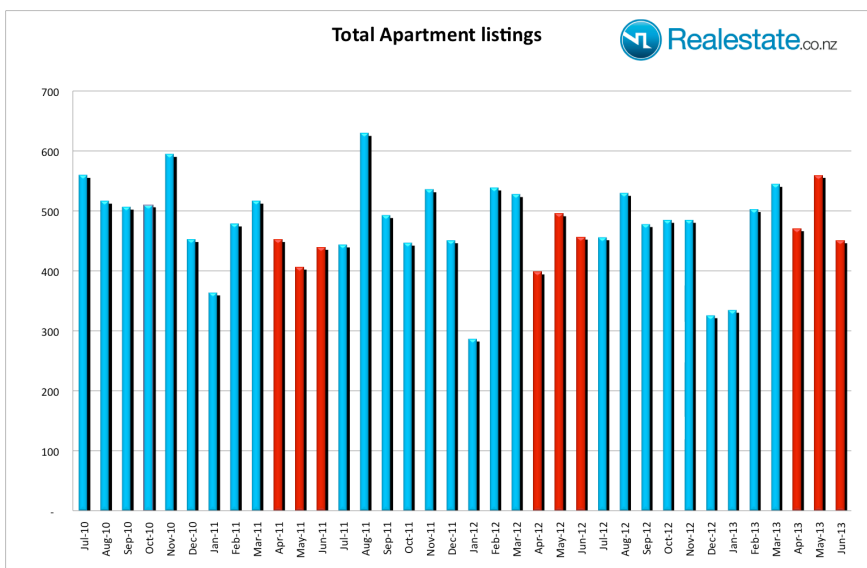
New lifestyle property listings fell across the country in June. A total of just 683 listings came onto the market, showing a fall of 29% when compared to May, and a fall of 15.4% when compared to June last year. Canterbury saw record low numbers of new lifestyle listings with just 62 coming to the market. The national truncated mean asking price of \$645,204 was down by 2.6% as compared to the recent 3-month average (but up 1.8% when compared to June 2012).



Apartments

New listings for apartments in June were down 1.3% on a year on year basis, and down 19.5% from May, with 450 being brought to the market. The truncated mean asking price of new apartment listings fell 2.5% to \$374,374 in June from \$383,953 in May, and was down 1.9% on a year on year basis.

The Auckland apartment market had 316 new listings, up 9% when compared to June last year. The truncated mean asking price of new listings in Auckland fell to \$354,882, down from \$348,476 in May. When compared to the recent 3-month average, this represents a fall of 3.2%.



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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 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.

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 500,000 unique browsers visited Realestate.co.nz in the month of June both domestic and international visitors. The website is the most popular website for international visitors enquiring of NZ real estate, with over 120,000 unique international browsers in the month of June 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 160,000 users, making the app the most popular property app in NZ.

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