



1st August 2013

## National asking price reaches a new record high

### Asking prices rise to record high

- The seasonally adjusted asking price rose in July to a new record high of \$465,191 (up 8% as compared to a year ago), and surpassing the prior peak of \$454,795 set in May. New record asking prices were also seen in Auckland, Canterbury, and West Coast regions.

### Inventory levels ease

- Having seen record low inventory in June, the July levels eased back to 26.7 weeks of unsold homes on the market (based on the rate of sale). This is still well down on the long-term average of 38 weeks

### New listings rise

- New listings in July recovered from the lows reported in June, with 9,857 new listings coming to the market. Up 9% when compared to June, and up 5% on last year.

### Still a sellers market

- Despite the easing in inventory, the sentiment of the market is still favouring sellers and is reflected in the high asking prices seen in July. As we head out of winter, we expect to see a healthy flow of new listings, which will help to open up the options for buyers and ease some of the market pressure.

	May 2013	Jun 2013	Jul 2013
<b>Property Asking Price</b> (seasonally adjusted - truncated mean)	\$454,795	\$450,178	<b>\$465,191</b>
% change from previous month	1.7%	-1.0%	<b>3.3%</b>
% change from same month last year	4%	6%	<b>8%</b>
<b>Number of New Listings</b>			
	11,045	9,082	<b>9,857</b>
% change from previous month	10%	-18%	<b>9%</b>
% change from same month last year	-4%	-5%	<b>5%</b>
<b>Inventory - Number of weeks of equivalent sales</b> (seasonally adjusted )			
	25.4	24.9	<b>26.7</b>
% change from previous month	-5%	-2%	<b>7%</b>
% change from same month last year	-29%	-16%	<b>-14%</b>

*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 winter months have not reduced demand for homes in New Zealand, and because of this seller confidence has pushed up the (seasonally adjusted) truncated mean asking price to a new high of \$465,191. The rise in asking price was noticeable across more than half of New Zealand, with 13 regions reporting a rise in asking price.

Record high asking prices were also seen in Auckland, Canterbury, and West Coast regions; The new high of \$639,685 in Auckland represents a 1.3% increase on its previous high, also in May. While in Canterbury and West Coast's new highs were set at \$422,043 and \$318,816 respectively.

Across the country the level of inventory of property on the market eased in July to 26.7 weeks, but remains low when measured against the historical average. The next 3 months heading out of winter and into spring will see a seasonal lift in activity of both listings and sales. The key issue will be to what extent the rise in new listings can ease the pressure that the major centers are seeing.

### Asking Price

The seasonally adjusted truncated mean asking price for listings rose 8.4% (from July 2012) and reached a new record high of \$465,191. This new record asking price was up from the prior peak of \$454,795 reached in May 2013.

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

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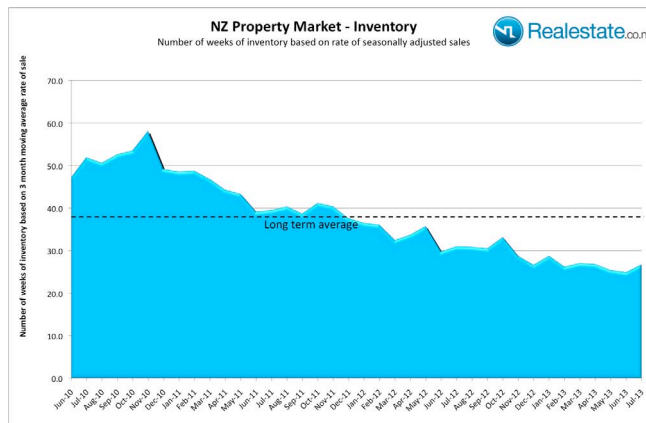
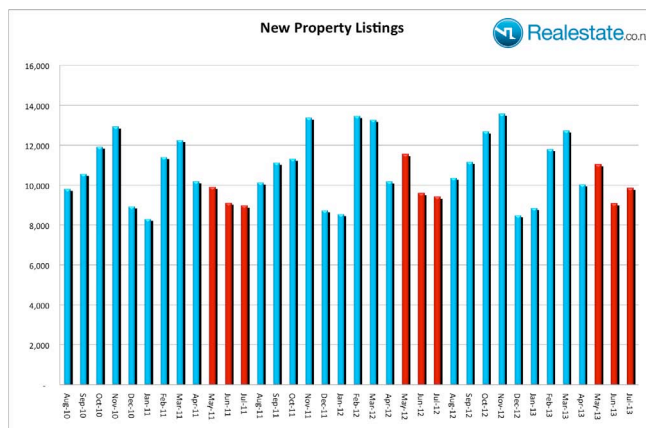
The trend as seen in the chart opposite, continues to show strength in seller price expectation, on the back of low listings, and strong demand in the main centres

### Inventory

The number of new listings helped to ease inventory pressure (as measured in weeks of equivalent sales), which sits at 26.7 weeks, up 7% on last month's record low. However, this still represents a 14% dip year on year and is well below the long-term average of 38 weeks.

The level of unsold houses on the market at the end of July (36,231) was down 4%, when compared to June (37,615).

The market remains firmly a seller's market; with 14 of the 19 regions showing inventory levels that are well below long term averages.



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## Regional Summary – Asking price expectations

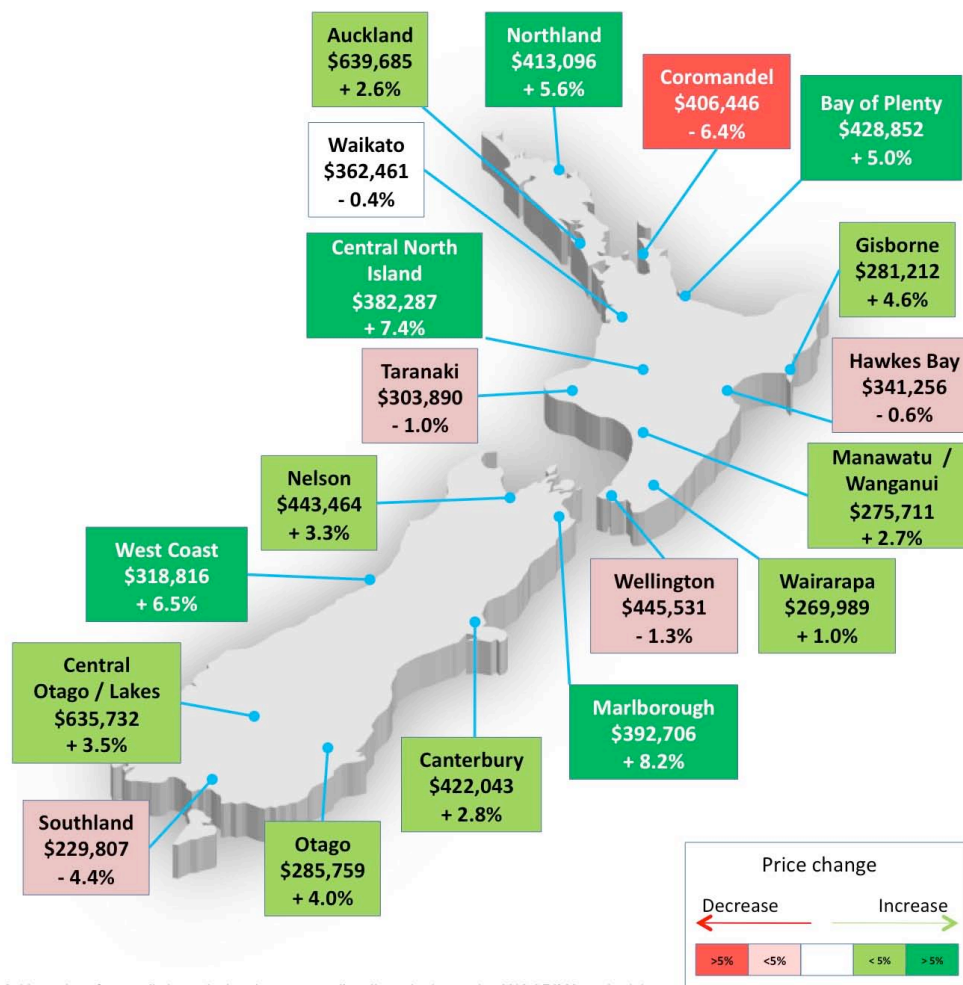
The national asking price expectation among sellers rose by 3.3% in July, to a new national record high asking price of \$465,191. (seasonally adjusted truncated mean). This was more than \$10,000 higher than the previous record of \$454,795 set in May this year.

In the main centres, both Auckland and Canterbury posted record highs of \$639,685, and \$422,043 respectively in July. In total 13 regions reported asking price increases, with 5 regions reporting a rise of greater than 5% from June. The most significant rise was seen in the Marlborough, up 8.2% to \$267,350. Of the 6 regions witnessing asking price falls on a seasonally adjusted basis there was just 1 that reported a fall greater than 5%, Coromandel showed the largest fall, down 6.4% to \$406,446.



### NZ Property Report

<b>Property Asking Price for July 2013 :</b>	<b>\$465,191</b>
<b>Compared to prior month:</b>	<b>+ 3.3%</b>



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

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## Regional Summary – Listings

Listings started to flow back into the market last month.

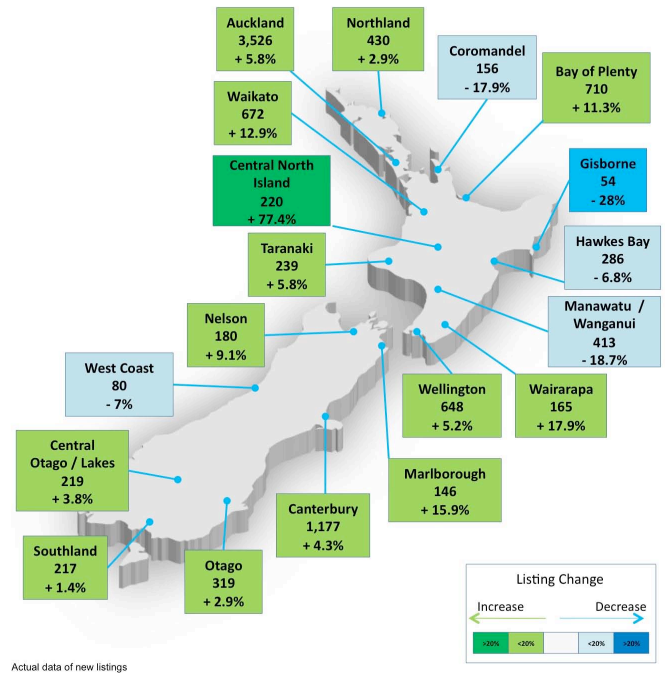
There were 14 of the 19 regions that reported an increase of new listings on the prior year, with 1 region reporting a rise of over 20%.

The most significant rise in listings was seen in Central North Island, which rose by 77.4%, a level not seen in Central North Island since November 2011.

Of the 5 regions that reported lower new listings than July last year Gisborne was the region to report the highest fall -28% when compared to July 2012, followed by Manawatu / Wanganui which saw a fall of 18.7%.

In the main centers (Auckland, Wellington, and Christchurch) the pressure eased slightly, with all three regions reporting close of 5% increases on July 2012.

New Property Listings for July 2013: 9,857  
 Compared to July 2012 : +4.7%



## Regional Summary – Inventory

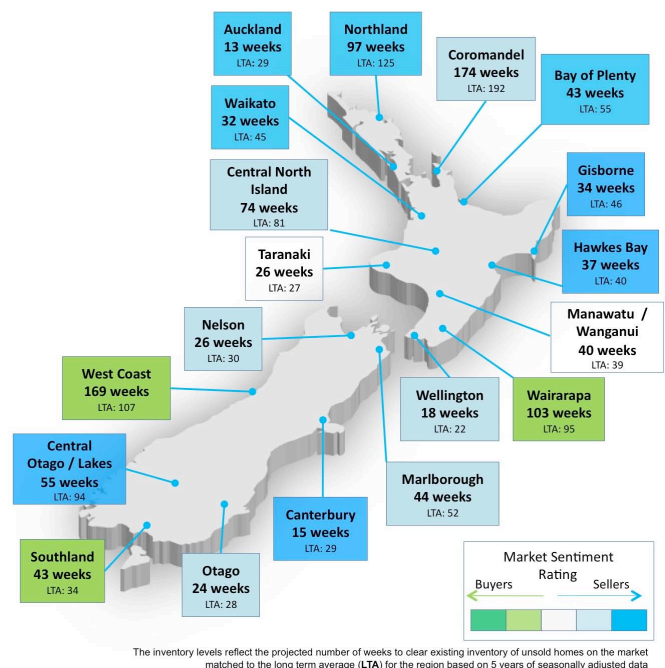
The inventory of unsold homes on the market eased slightly in July to 27 weeks of equivalent sales.

Central Otago / Lakes hit record low inventory levels in July; falling to 55 weeks, 41% below its long term average

Market sentiment remains in favour of sellers in 15 regions, with the greatest strain being felt in the 8 regions that are marked in darker blue. This continues to include the main metro areas of Auckland, and Canterbury, although there was some easing, they continue to remain under pressure from low listings.

Four regions (Southland, West Coast, Wairarapa, and Manawatu / Wanganui) showed an increase in inventory of homes on the market, taking them above their respective long-term average. In addition 1 other region (Taranaki) sits close to its long-term average.

NZ Inventory of listings for July 2013 : 27 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

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## Major Centers

### Auckland

	May 2013	Jun 2013	Jul 2013
<b>Property Asking Price</b> (seasonally adjusted - truncated mean)	\$631,656	\$623,471	<b>\$639,685</b>
% change from previous month	3%	-1%	<b>3%</b>
% change from same month last year	9%	12%	<b>11%</b>
<b>Number of New Listings</b>	3,719	3,162	<b>3,526</b>
% change from previous month	8%	-15%	<b>12%</b>
% change from same month last year	-3%	-7%	<b>6%</b>
<b>Inventory - Number of weeks</b>	12.0	12.3	<b>13.4</b>
% change from previous month	-14%	3%	<b>9%</b>
% change from same month last year	-42%	-32%	<b>-29%</b>

### Wellington

	May 2013	Jun 2013	Jul 2013
<b>Property Asking Price</b> (seasonally adjusted - truncated mean)	\$447,034	\$451,622	<b>\$445,531</b>
% change from previous month	3%	1%	<b>-1%</b>
% change from same month last year	4%	5%	<b>1%</b>
<b>Number of New Listings</b>	869	640	<b>648</b>
% change from previous month	5%	-26%	<b>1%</b>
% change from same month last year	-1%	-6%	<b>5%</b>
<b>Inventory - Number of weeks</b>	16.6	15.4	<b>17.8</b>
% change from previous month	-10%	-7%	<b>16%</b>
% change from same month last year	-34%	-18%	<b>-14%</b>

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## Canterbury

	May 2013	Jun 2013	Jul 2013
<b>Property Asking Price</b> (seasonally adjusted - truncated mean)	\$406,190	\$410,723	<b>\$422,043</b>
% change from previous month	-1%	1%	<b>3%</b>
% change from same month last year	6%	5%	<b>7%</b>
<b>Number of New Listings</b>	1206	955	<b>1177</b>
% change from previous month	2%	-21%	<b>23%</b>
% change from same month last year	-7%	-8%	<b>4%</b>
<b>Inventory - Number of weeks</b>	14.3	13.9	<b>15.0</b>
% change from previous month	-11%	-3%	<b>8%</b>
% change from same month last year	-31%	-15%	<b>-18%</b>

## Waikato

	May 2013	Jun 2013	Jul 2013
<b>Property Asking Price</b> (seasonally adjusted - truncated mean)	\$356,560	\$363,768	<b>\$362,461</b>
% change from previous month	-2.2%	2.0%	<b>-0.4%</b>
% change from same month last year	0.4%	3.2%	<b>3.8%</b>
<b>Number of New Listings</b>	883	630	<b>672</b>
% change from previous month	34%	-29%	<b>7%</b>
% change from same month last year	6%	-5%	<b>13%</b>
<b>Inventory - Number of weeks</b>	32.0	29.6	<b>31.8</b>
% change from previous month	-4%	-8%	<b>7%</b>
% change from same month last year	-27%	-20%	<b>-9%</b>

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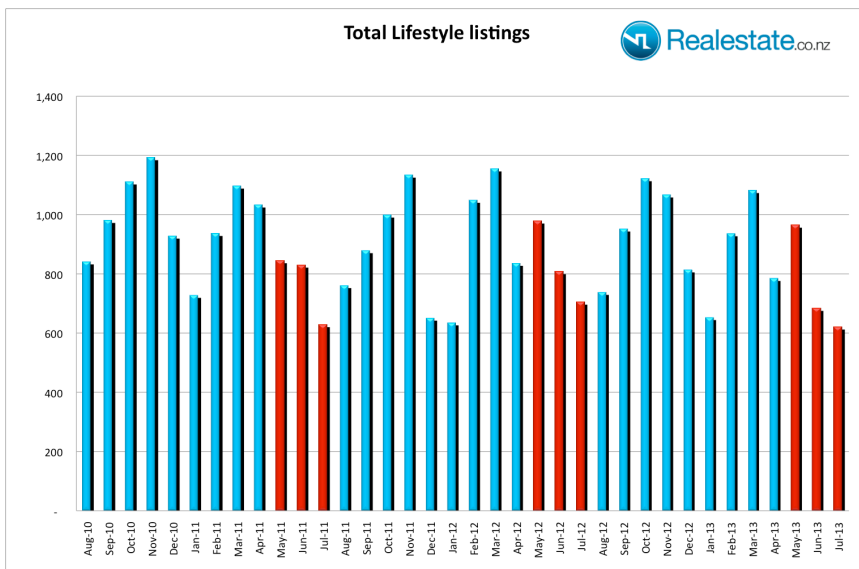
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## Lifestyle

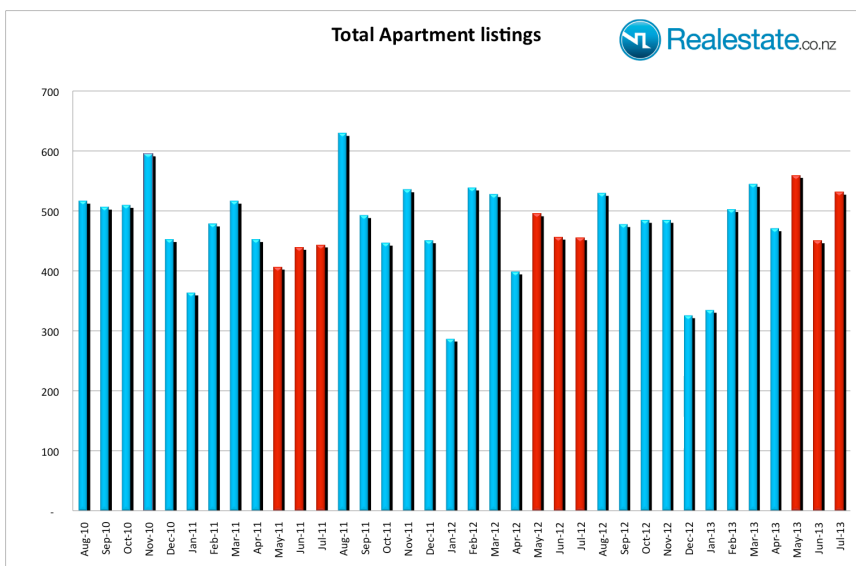
New lifestyle property listings fell across the country in July. A total of just 620 listings came onto the market, showing a fall of 9% when compared to June, and a fall of 12% when compared to July last year. Canterbury saw record low numbers of new lifestyle listings for a 2<sup>nd</sup> month, with just 58 coming to the market. The national truncated mean asking price of \$698,868 set a new record high asking price, up by 3.6% as compared to the recent 3-month average (and up 9% when compared to July 2012). Record high asking prices were also reported in Auckland, Nelson, Otago, and Central Otago / Lakes regions.



## Apartments

New listings for apartments in July were up 16.7% on a year on year basis, and up 18% from June, with 531 being brought to the market. The truncated mean asking price of new apartment listings rose 3.2% to \$386,393 in July from \$374,374 in June, and was up 8.3% on a year on year basis.

The Auckland apartment market had 373 new listings, up 16% when compared to July last year. The truncated mean asking price of new listings in Auckland rose to \$388,891, up from \$354,882 in June. When compared to the recent 3-month average, this represents an increase of 6.8%.



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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 1<sup>st</sup> 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 July 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 July 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 165,000 users, making the app the most popular property app in NZ.

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