



1st November 2012

Listings rebound, as sellers set a new record high in asking price expectations

Asking prices reach new high

- Asking prices rose to a new high of \$445,529 up 4% in the month and up 5% as compared to a year ago. Record high asking prices were also seen in both Auckland and Canterbury.

Significant rise in new listings

- New listings rose significantly in October with 12,688 bought to the market. As compared to October last year, new listings are up 12%. And listings are up 14% from September.

Inventory levels rise

- The stock of unsold houses in October rose slightly to 33.1 weeks of stock (based on the rate of sale). This increase was witnessed by 17 of the 19 regions. However is still well down on the long-term average of 39 weeks (9 months), and down 19% on October 2011.

Market still favours sellers

- Across the country the inventory levels eased in October, but continue to sit below long-term averages indicating a continuing tight market; this is more pronounced in Auckland and Canterbury.

	Aug 2012	Sep 2012	Oct 2012
Property Asking Price (seasonally adjusted - truncated mean)	\$430,443	\$429,312	\$445,529
% change from previous month	+ 0.3%	- 0.3%	+ 4%
% change from same month last year	+ 2%	+ 1%	+ 5%
Number of New Listings	10,365	11,514	12,688
% change from previous month	+ 10%	+ 8%	+ 14%
% change from same month last year	+ 2%	+ 0.3%	+ 12%
Inventory - Number of weeks of equivalent sales (seasonally adjusted)	30.9	30.5	33.1
% change from previous month	+ 0%	- 1%	+ 9%
% change from same month last year	- 23%	- 21%	- 19%

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 110,000 listings at any one time, representing over 97% of all listings currently marketed by real estate professionals.

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021 618 537

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Commentary

The property market continues to show signs of confidence and heightened activity as compared to the past few years. The confidence amongst sellers bringing their properties onto the market has pushed up the (seasonally adjusted) truncated mean asking price to a new high of \$445,529 – the highest level since the collection of data began in 2007. This rise in asking price was noticeable right across the country, with Auckland reaching a new record high of \$611,864, and Canterbury reaching a new high of \$414,070.

October saw a good rise in new listings (up 12% on October 2011), and this rise has led to some balancing of the property market in both Wellington and a number of provincial regions.

While inventory levels across the country balanced in October, the market remains a firm sellers market across 12 of NZ's 19 regions. Overall stocks of unsold houses rose slightly to 33 weeks of inventory (long term average = 40 weeks). Both Auckland and Canterbury remain firmly sellers markets, with overall inventory levels continuing to remain well below long-term averages.

The next data for November will be interesting to review as to the final flush of new listings coming onto the market in Spring – November is traditionally one of the biggest listings months of the year. Last year that total was just over 13,000 – that at a time when inventory was considerably higher than today.

Asking Price

The seasonally adjusted truncated mean asking price for listings rose 4% (from September) to an all time high of \$445,529 in October. This new record asking price level was up from the prior peak of \$435,887 reached in May this year.

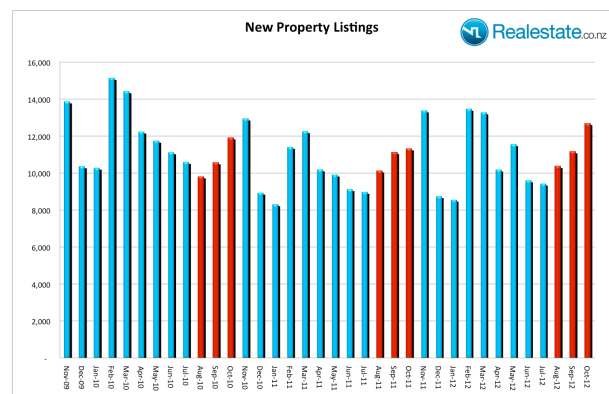
The trend as seen in the chart opposite continues to show strength in seller expectation and strong demand in the main centers.



New Listings

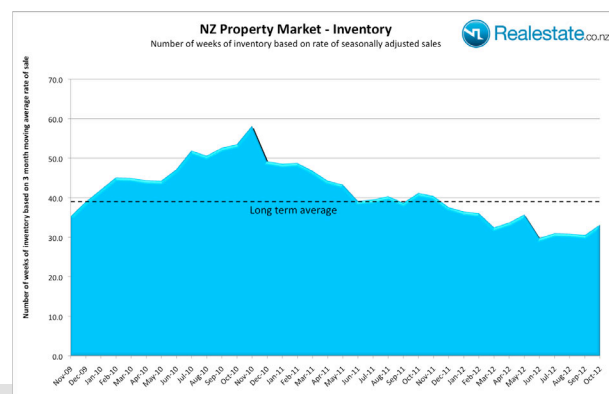
The level of new listings coming onto the market in October continued to increase, with 12,688 listings in the month - up from 11,514 in September (14% increase). October also saw big increases on last year, with an increase of 12% in listings.

On a 12 month moving total basis the number of new listings that have come onto the market in the last year totals 132,291, as compared to 124,503 in the prior 12 month period, this represents a rise of 6.3%.



Inventory

The level of unsold houses on the market at the end of October (43,921) remained stable, when compared to September (44,063) as measured on a seasonally adjusted basis. The inventory as measured in terms of equivalent weeks of sales rose last month to 33.1 weeks last month. This rise was witnessed across 17 of the 19 regions. But overall inventory levels still fell well below the long-term average of 39 weeks.



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Regional Summary – Asking price expectations

The national (seasonally adjusted) truncated mean asking price expectation among sellers rose 3.8% in October to a new peak of \$445,529. This exceeds the prior peak of \$435,887 reached in May this year.

Following the new record high for the national asking price figure, both Auckland and Canterbury also posted record highs in October. This is the first time that the seasonally adjusted mean asking price has topped the \$600,000 mark in Auckland (\$611,864), and the \$400,000 mark in Canterbury (\$414,070).

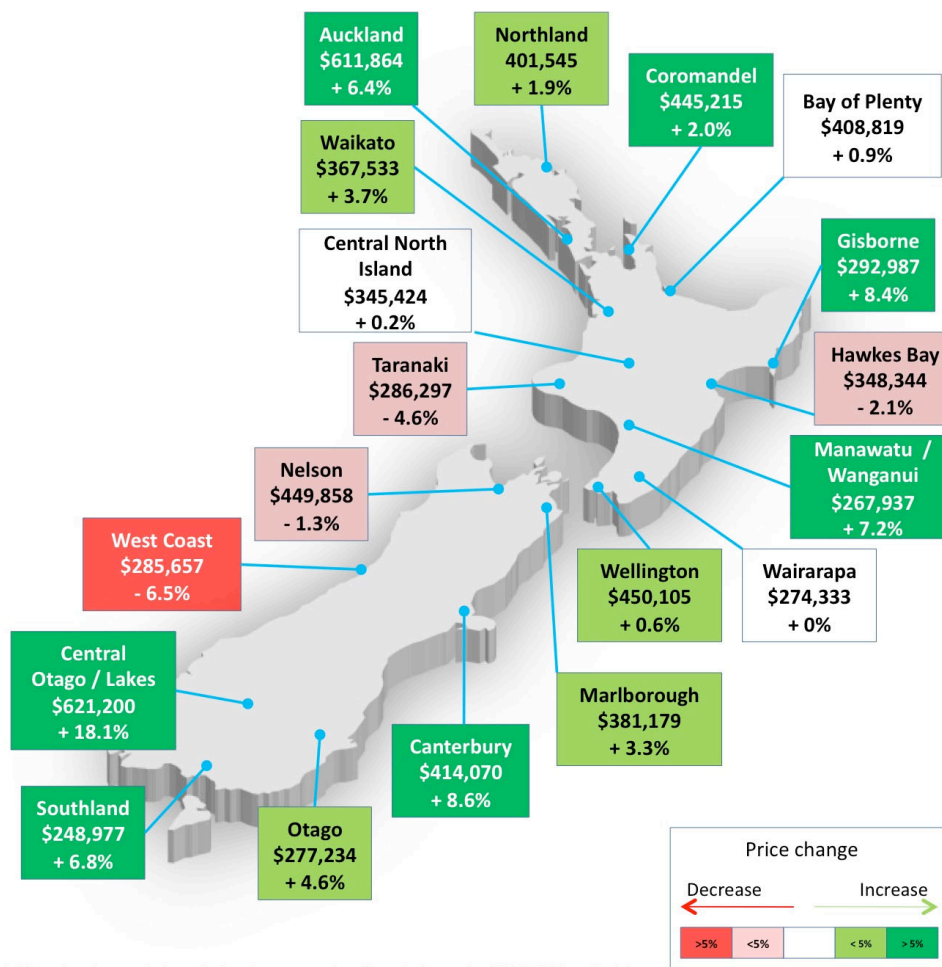
In total 15 regions reported asking price increases, and 7 regions saw rises greater than 5%. The most significant rises were seen in the Central Otago/Lakes, Canterbury, Gisborne, Manawatu/Wanganui, Southland, and Auckland regions, with Central Otago/Lakes showing the largest increases, up 18% to \$621,200 (the highest seen since November 2007). Of the 4 regions witnessing asking price falls on a seasonally adjusted basis there was just 1 reporting a fall greater than 5% with West Coast seeing a fall of 6.5%.



NZ Property Report

Property Asking Price for October 2012 :
Compared to prior month:

\$445,529
+ 3.8%



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

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Regional Summary – Listings

Overall new listings increased on a national basis, as seen in the adjacent chart however across the regions there were slightly more regions showing increases than falls.

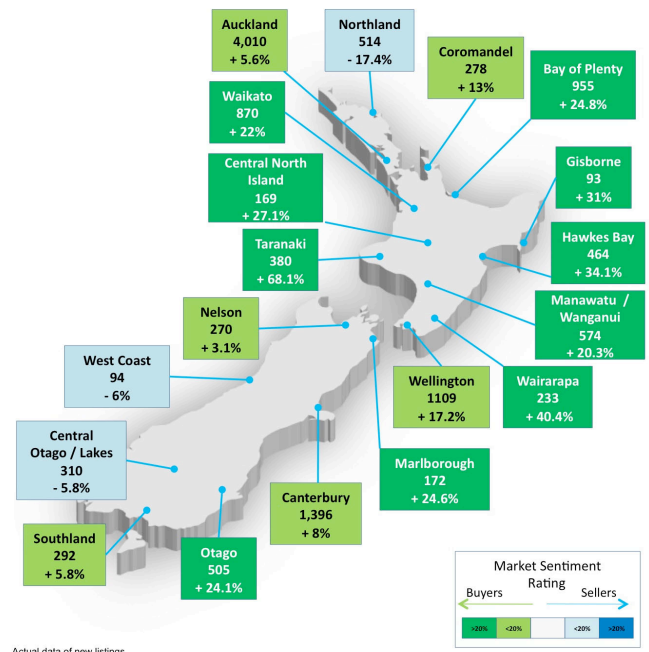
There were 16 regions reporting year-on-year rises, with significant increases (over 20%) seen in 10 regions. The largest increases were in Taranaki (68%), Wairarapa (40%), Hawkes Bay (34%) and Gisborne (31%)

Only 3 regions reported lower new listings than October last year with Northland being the region to report the highest fall off of 17.4% when compared to October 2011.



NZ Property Report

New Property Listings for October 2012: **12,688**
 Compared to October 2011 : **+ 12.2%**



Actual data of new listings

Regional Summary – Inventory

The inventory of unsold homes on the market eased in October, rising 9% from September to 33 weeks of stock, and shows the market re-balancing.

This re-balancing is however not occurring in the two major markets of Canterbury and Auckland where the inventory continues to remain low.

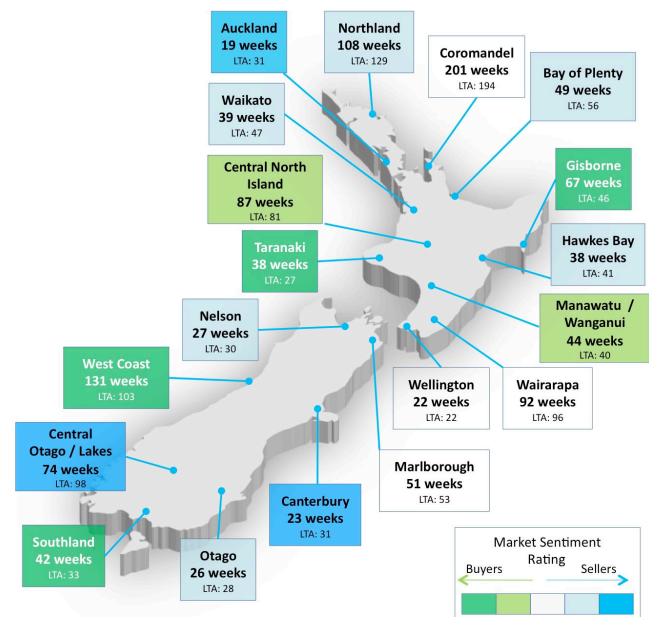
Five regions (Taranaki and West Coast) showed increases in inventory of homes on the market taking them above their respective long-term average. In addition four other regions (Central North Island, Southland, and Otago) sit close to their respective long term averages indicating a more balanced market.

Market sentiment continues to favour sellers in the remaining 10 regions, with the greatest strain being felt in the 3 regions which are marked in dark blue, which includes the main metro areas of Auckland, and Canterbury, which remain under pressure from low listings as measured against sales activity.



NZ Property Report

NZ Inventory of listings for October 2012 : **33 weeks**
 Long term average (LTA) : **39 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 2012	Sep 2012	Oct 2012
Property Asking Price (seasonally adjusted - truncated mean)	\$585,482	\$574,798	\$611,864
% change from previous month	+ 2%	- 2%	+ 6%
% change from same month last year	+ 8%	+ 3%	+ 9%
Number of New Listings	3,707	3,666	4,010
% change from previous month	+ 11%	-1%	+ 9%
% change from same month last year	+ 0.1%	0.2%	+ 6%
Inventory - Number of weeks	18.0	17.4	19.4
% change from previous month	- 4%	- 3%	+ 11%
% change from same month last year	- 34%	- 35%	- 35%

Wellington

	Aug 2012	Sep 2012	Oct 2012
Property Asking Price (seasonally adjusted - truncated mean)	\$434,493	\$447,388	\$450,105
% change from previous month	- 2%	+ 3%	+ 1%
% change from same month last year	+ 2%	+ 4%	+ 5%
Number of New Listings	727	918	1,109
% change from previous month	+ 18%	+ 26%	+ 20%
% change from same month last year	+ 3.7	+ 3%	+ 18%
Inventory - Number of weeks	19.4	20.4	21.7
% change from previous month	- 6%	+ 5%	+ 6%
% change from same month last year	- 14%	- 8%	- 15%

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Canterbury

	Aug 2012	Sep 2012	Oct 2012
Property Asking Price (seasonally adjusted - truncated mean)	\$374,732	\$381,345	\$414,070
% change from previous month	- 5%	+ 2%	+ 9%
% change from same month last year	+ 3%	+ 4%	+ 13%
Number of New Listings	1,026	1,208	1,396
% change from previous month	- 9%	+ 18%	+ 16%
% change from same month last year	- 9%	- 9%	+ 8%
Inventory - Number of weeks	19.6	20.1	22.8
% change from previous month	+ 7%	+ 3%	+ 13%
% change from same month last year	- 34%	- 22%	- 10%

Waikato

	Aug 2012	Sep 2012	Oct 2012
Property Asking Price (seasonally adjusted - truncated mean)	\$355,707	\$354,417	\$367,533
% change from previous month	+ 2%	- 0.4%	+ 4%
% change from same month last year	+ 8%	+ 3%	+ 5%
Number of New Listings	684	862	870
% change from previous month	+ 15%	+ 26%	+ 1%
% change from same month last year	+ 2.2%	+ 17%	+ 6%
Inventory - Number of weeks	39.9	35.1	39.0
% change from previous month	+ 14%	- 12%	+ 11%
% change from same month last year	- 7%	- 17%	- 24%

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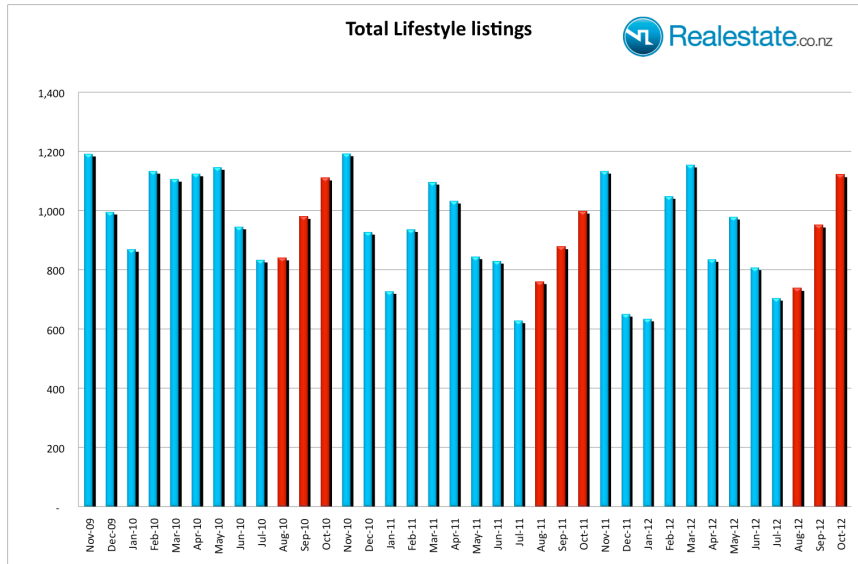
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Lifestyle

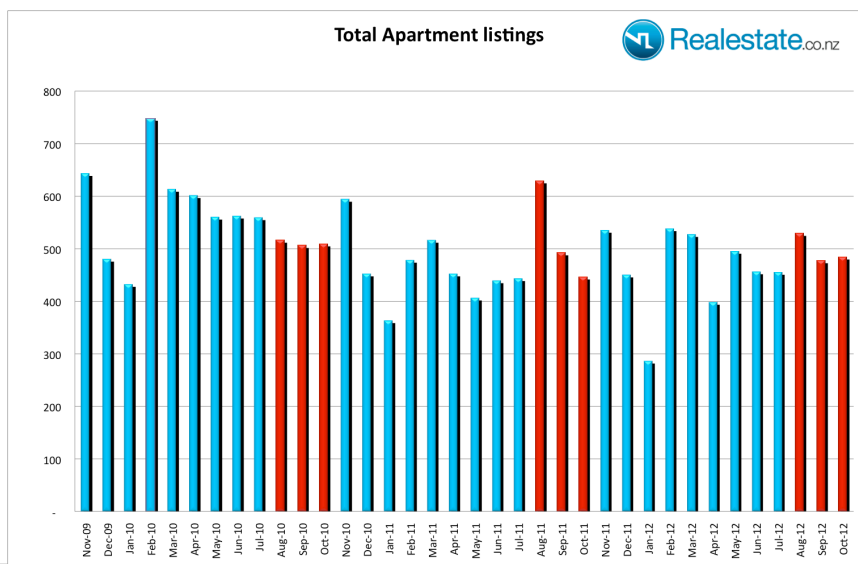
New lifestyle property listings had another boost across the country in October, rising a further 18% when compared to September. A total of 1,121 listings came onto the market, showing an increase of 12% when compared to October last year. The truncated mean asking price for these listings was up by 7% as compared to the recent 3-month average to a record high asking price of \$689,375 (up 13% when compared to October 2011). This record high was reflected across 4 regions in New Zealand (Northland, West Coast, Canterbury, and Central North Island).



Apartments

New listings for apartments in October were up 1.5% when compared to September, with 484 being brought to the market (on a year-on-year basis listings were up 9%). The truncated mean asking price of new apartment listings fell slightly to \$398,121 in October from \$399,489 in September, but was still up 8% on the recent 3-month average.

The Auckland apartment market followed the national trend with 300 new listings coming onto the market, up 7.1% when compared to October last year. The truncated mean asking price of new listings in Auckland rose again to \$382,303 (October) from \$366,057 (September) representing a 9.8% increase on the prior 3 months.



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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 110,000 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 410,000 unique browsers visited Realestate.co.nz in the month of October both domestic and international visitors. The website is the most popular website for international visitors enquiring of NZ real estate, with over 115,000 unique international browsers in the month of October from more than 200 countries.

In addition Realestate.co.nz receives over 25% of all traffic to property listings from mobile devices, including their iPhone and Android applications. To date these applications have been downloaded by over 117,000 users making the app the most popular property app in NZ.

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