

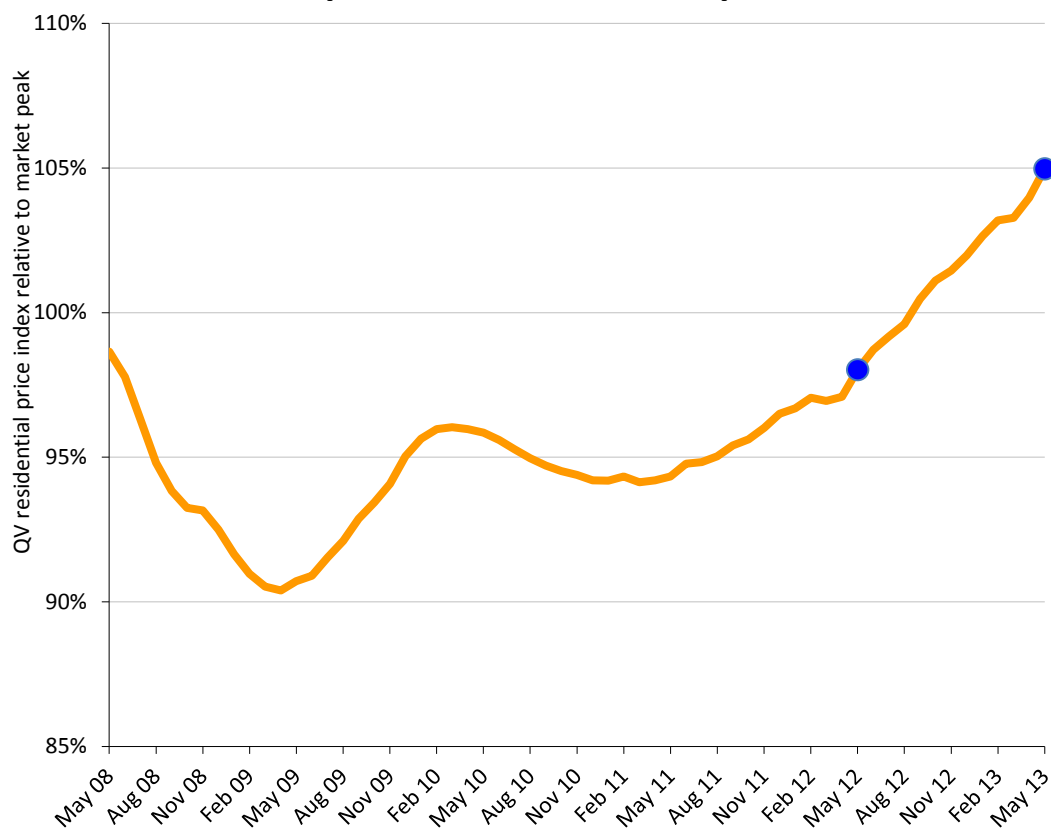
Media release

10th June

Supply and demand drive up values

The latest monthly property value index shows that nationwide residential values increased further in May. The annual change in values remains 7.1%, with an increase of 1.7% over the past three months. Values are now up 5.0% over the previous market peak of late 2007.

NZ price index relative to peak



Jonno Ingerson, QV.co.nz Research Director said “Nationwide values continue to climb strongly, but that isn’t the case right across the country. Values are increasing fastest in Auckland and to a lesser extent Christchurch, with both cities driven by a lack of supply”.

“The rest of the main centres are also increasing in value, although at a much more modest rate, reflecting a general increase in consumer confidence. Values are more variable in the rural towns in response to local economic conditions,” said Ingerson.

“Given that the current increase in values in Auckland and Christchurch is largely driven by strong demand and short supply, values are likely to continue to increase in the coming months,” said Ingerson.

Auckland

Values across Auckland have again increased, now up 12.7% over the past year. Over the past few months values in Rodney and old Auckland City had been increasing slower than the rest of

Auckland. However both have seen an increase over the past three months, 3.3% and 3.7% respectively, which now aligns with growth in the rest of the city. Waitakere has again seen the highest increase at 3.9% over the past three months. Overall, values are still rising and well above last year, with North Shore, old Auckland City, Waitakere and Manukau all around 12-13% up on last year.

QV Operations Manager Kerry Stewart said “Prices are still very high across Auckland as a somewhat desperate feel amongst buyers who are searching for good properties at reasonable prices is appearing. The speed with which people have to make an offer has seen some forego the usual due diligence, which leaves them exposed to potential risks associated with the property.”

“Buyers are still looking further afield with areas such as Mt Roskill in the central southern suburbs seeing sales up to and over \$1 million. Prices this high have previously been very uncommon,” said Stewart.

Hamilton and Tauranga

Outside of Auckland, the main cities are generally still increasing. Although improved confidence in areas such as Tauranga continues, values are still fluctuating and show little sign of increasing as much as other main cities. The small amount of growth seen in Tauranga last month has faded, now only 0.5% up over the past three months. This leaves Tauranga 0.2% down on this time last year.

QV Valuer Paul Thomas said “Although there is increased confidence this hasn’t translated to an increase in values. There is continued buyer enquiry from Aucklanders however few are actually turning into purchasers due to lack of employment opportunities.”

Hamilton has also slipped back slightly with 0.9% growth over the past three months and a 4.3% increase on last year.

QV Valuer Richard Allen said “There appears to be a steady supply and demand in the market as well as early signs of investors starting to take more interest in the market.”

Wellington

Values in the Wellington area are showing some growth, albeit steady. Values are now 2.7% above this time last year with a 0.8% growth in the last 3 months. Within Wellington, Wellington City, Hutt City and Upper Hutt all have around a 2% increase on last year, however, Porirua has seen the biggest increase, now up 4.2%.

QV Valuer Pieter Geill said “There is increased demand from buyers in the Hutt Valley for properties up to \$400,000, as well as buyers looking around the \$400,000-\$600,000 mark. Property investors are also still active, with many purchasing low value homes before making a modest profit after making only small to medium sized renovations. They are also interested in blocks of flats.”

Christchurch and Dunedin

Christchurch values have increased this month, now 10% above last year. The outlying areas such as Waimakariri and Selwyn have also continued to grow despite slowing growth rates in the past few months. Both Waimakariri and Selwyn have seen 2.9% increases over the past three months.

QV Valuer Daryl Taggart said “The market continues to go from strength to strength. We have seen some good interest in the middle to upper end of the market where buyers looking to upgrade to their second or third homes are spending \$500,000 plus. There is also a noticeable increase in popularity with modern homes in subdivisions built within the last 10 years or so.”

Dunedin has slowed slightly, with only a 0.2% increase over the past three months. Values still sit 4.2% above last year.

QV Valuer Tim Gibson said “Unlike last month, we are starting to see the affect of the normal winter slowdown starting to take place. Whereas the beginning of the month was a good one, especially for the lower end of the market, the latter half has seen a noticeable drop off in demand.”

Provincial centres

The provincial centres generally remain steady. It is mainly areas in the middle of the North Island, such as Taupo, that saw decreases in values over the past three months. Areas such as Hawke’s Bay and Wairarapa are seeing most activity in the lower end of the market with buyers cautious and sellers realistic on regard to price expectations. Whangerei and Gisborne, which have previously been declining, have continued to grow in recent months.

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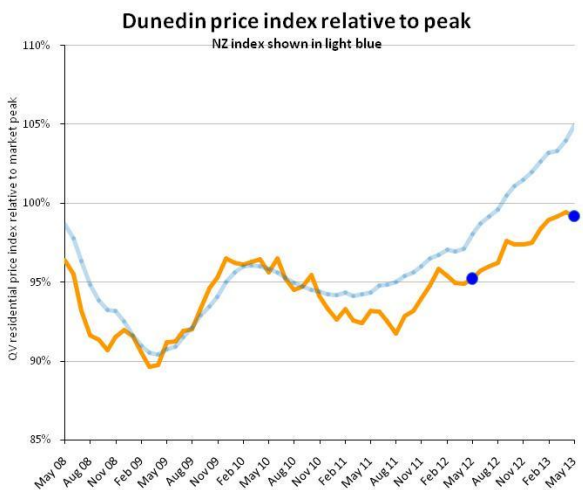
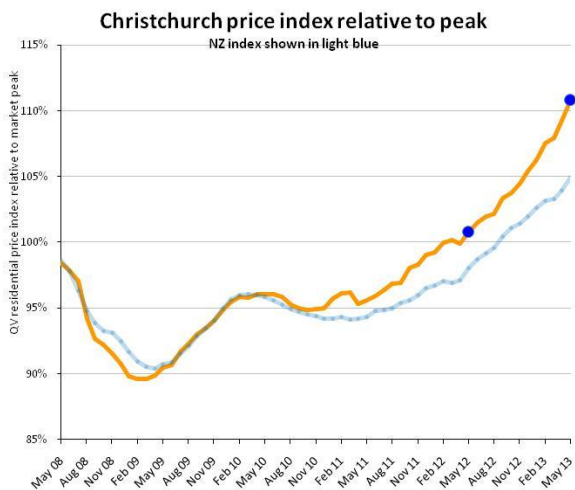
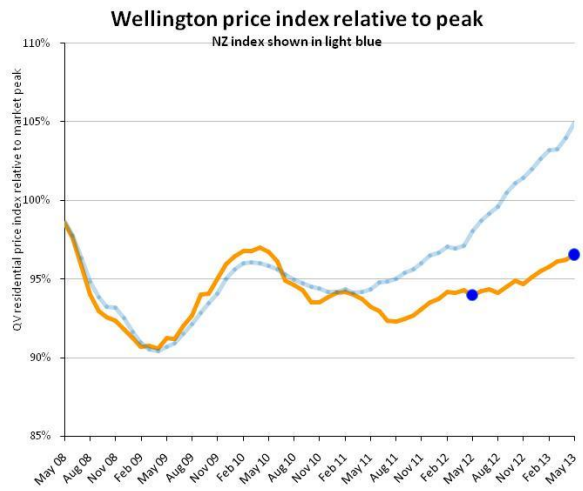
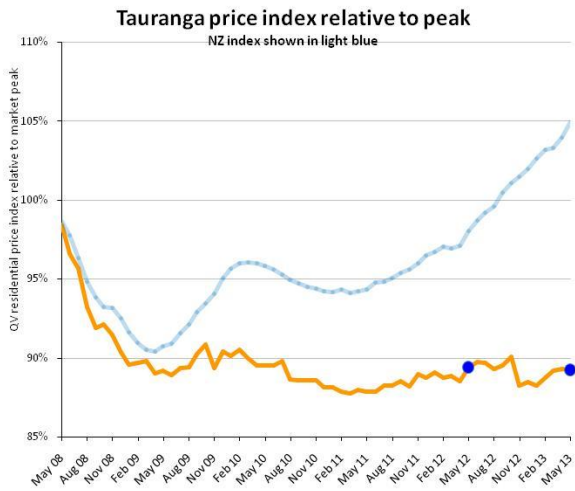
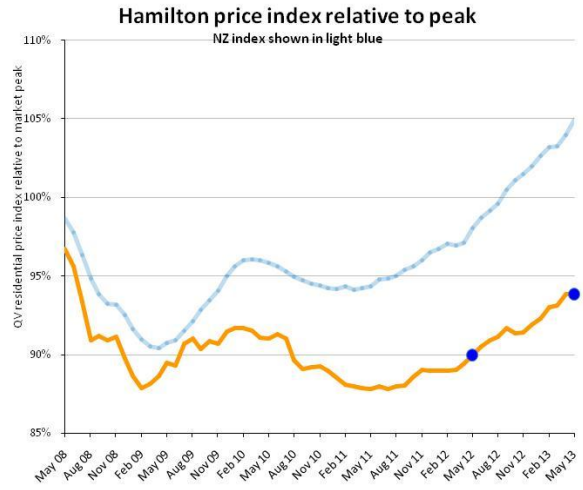
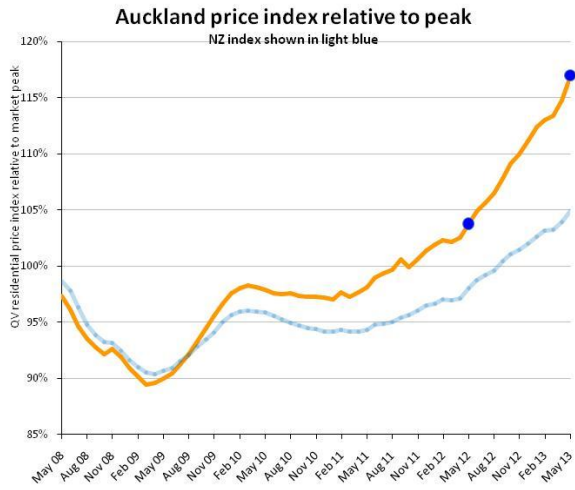
Hamilton. Richard Allen 027 230 7290

Tauranga. Paul Thomas 027 544 4602

Wellington. Pieter Geill 027 230 7291

Christchurch. Daryl Taggart 027 304 9815

Dunedin. Tim Gibson 021 151 2887



PropertyIQ Value Index - Residential Property					
Time period: as at May 2013					
	Territorial authority	Average current value	12 month change%	3 month change %	Since 2007 market peak change %
	Far North	312,993	0.3%	0.3%	-23.2%
	Whangarei	329,285	0.0%	1.6%	-16.8%
	Kaipara	315,212	3.7%	1.7%	-21.4%
	Auckland - Rodney	606,122	8.6%	3.3%	2.4%
	Rodney - Hibiscus Coast	605,938	8.9%	3.6%	3.2%
	Rodney - North	605,087	8.3%	2.6%	0.7%
#A	Auckland - North Shore	743,810	12.9%	3.6%	16.0%
	North Shore - Coastal	861,232	13.3%	4.6%	14.3%
	North Shore - Onewa	585,659	13.4%	2.1%	18.1%
	North Shore - North Harbour	715,951	11.5%	3.5%	17.8%
#A	Auckland - Waitakere	482,338	13.5%	3.9%	13.3%
#A	Auckland - City	751,429	13.1%	3.7%	20.4%
	Auckland City - Central	684,799	13.3%	4.6%	20.2%
	Auckland City - East	920,652	11.1%	2.1%	15.5%
	Auckland City - South	670,592	15.6%	4.8%	24.6%
	Auckland City - Islands	683,068	6.4%	3.5%	6.9%
#A	Auckland - Manukau	518,525	12.1%	3.3%	12.8%
	Manukau - East	694,449	12.7%	3.5%	16.5%
	Manukau - Central	395,722	11.5%	2.7%	5.3%
	Manukau - North West	420,484	12.3%	3.5%	13.8%
#A	Auckland - Papakura	378,513	8.8%	2.7%	5.3%
	Auckland - Franklin	415,855	7.7%	3.7%	2.5%
	Thames Coromandel	489,813	0.7%	-0.8%	-16.4%
	Hauraki	245,549	2.5%	2.9%	-14.0%
	Waikato	274,727	6.9%	3.4%	-15.2%
	Matamata Piako	260,405	-1.2%	-1.4%	-13.0%
#	Hamilton	347,351	4.3%	0.9%	-6.2%
	Hamilton - North East	431,705	4.2%	1.4%	-4.0%
	Hamilton - Central & North West	326,761	3.9%	0.9%	-8.7%
	Hamilton - South East	323,367	4.4%	1.0%	-7.5%
	Hamilton - South West	309,419	3.8%	-0.5%	-9.6%
	Waipa	323,254	4.7%	1.3%	-4.4%
	Otorohanga	N/A	N/A	N/A	N/A
	South Waikato	130,750	-0.3%	0.0%	-19.9%
	Waitomo	143,957	0.0%	-2.6%	-35.0%
	Taupo	348,201	-0.4%	-0.9%	-14.1%
	Western BOP	385,975	-1.5%	-4.9%	-15.2%
#	Tauranga	428,583	-0.2%	0.5%	-10.8%

	Rotorua	269,558	0.6%	0.1%	-13.2%
	Whakatane	293,590	-1.1%	0.8%	-15.4%
	Kawerau	N/A	N/A	N/A	N/A
	Opotiki	209,660	-0.2%	-0.1%	-25.4%
	Gisborne	228,571	0.4%	1.4%	-24.4%
	Wairoa	N/A	N/A	N/A	N/A
	Hastings	300,032	3.3%	1.7%	-4.5%
#	Napier	322,685	3.1%	0.7%	-5.5%
	Central Hawkes Bay	205,740	-6.1%	-5.1%	-23.2%
	New Plymouth	334,101	4.6%	1.9%	-0.1%
	Stratford	198,710	4.8%	2.4%	-8.6%
	South Taranaki	179,448	-3.3%	0.0%	-9.6%
	Ruapehu	133,800	-10.7%	-5.7%	-26.3%
	Wanganui	191,430	0.1%	-0.2%	-12.7%
	Rangitikei	148,551	1.8%	-1.1%	-17.3%
	Manawatu	234,717	0.5%	-1.3%	-7.6%
#	Palmerston North	284,808	2.3%	0.4%	-5.2%
	Tararua	153,073	-1.0%	-1.5%	-12.2%
	Horowhenua	199,738	0.2%	0.8%	-16.5%
	Kapiti Coast	362,232	0.8%	-0.2%	-5.6%
#W	Porirua	377,608	4.2%	2.5%	-1.4%
#W	Upper Hutt	332,547	2.0%	1.0%	-6.4%
#W	Hutt	367,342	2.2%	1.2%	-7.5%
#W	Wellington	524,558	2.8%	0.4%	-2.4%
	Wellington - Central & South	531,146	1.5%	0.5%	-5.2%
	Wellington - East	571,046	3.6%	-0.5%	-0.9%
	Wellington - North	458,071	2.6%	0.5%	-1.7%
	Wellington - West	604,724	4.9%	1.1%	-0.4%
	Masterton	239,437	-0.1%	3.9%	-17.3%
	Carterton	250,985	3.6%	-2.4%	-9.1%
	South Wairarapa	289,688	-0.7%	0.4%	-15.4%
	Tasman	404,285	4.2%	1.9%	1.5%
#	Nelson	393,171	3.9%	0.8%	2.9%
	Marlborough	341,912	2.1%	0.8%	-12.4%
	Kaikoura	N/A	N/A	N/A	N/A
	Buller	223,398	1.9%	-0.7%	7.6%
	Grey	218,287	-0.1%	2.4%	-9.5%
	Westland	224,733	0.2%	2.0%	-9.4%
	Hurunui	316,571	4.5%	-3.9%	0.0%
	Waimakariri	378,446	6.8%	2.9%	18.7%
#	Christchurch	424,721	10.0%	3.0%	10.8%
	Christchurch - East	324,713	8.3%	1.5%	4.9%
	Christchurch - Hills	597,257	7.8%	2.2%	8.0%

	Christchurch - Central & North	491,706	11.5%	3.5%	11.1%
	Christchurch - Southwest	392,417	10.6%	3.6%	15.6%
	Christchurch - Banks Peninsula	<i>502,194</i>	<i>16.0%</i>	<i>6.3%</i>	<i>4.5%</i>
	Selwyn	460,537	12.7%	2.9%	22.1%
	Ashburton	298,636	9.9%	1.2%	6.6%
	Timaru	265,925	4.8%	1.9%	5.2%
	MacKenzie	<i>279,484</i>	<i>8.3%</i>	<i>0.4%</i>	<i>-5.5%</i>
	Waimate	<i>188,233</i>	<i>7.1%</i>	<i>5.4%</i>	<i>-1.8%</i>
	Waitaki	220,479	4.9%	4.0%	-3.5%
	Central Otago	298,162	1.8%	1.8%	-6.1%
	Queenstown Lakes	633,197	4.5%	1.9%	-11.4%
#	Dunedin	284,346	4.2%	0.2%	-0.8%
	Dunedin - Central & North	292,031	3.7%	-0.2%	-3.2%
	Dunedin - Peninsular & Coastal	257,928	0.5%	0.5%	-4.7%
	Dunedin - South	277,305	6.7%	1.1%	-2.9%
	Dunedin - Taieri	293,913	4.3%	0.4%	0.0%
	Clutha	163,758	1.1%	-0.4%	-9.7%
	Southland	208,487	-2.2%	1.5%	-10.4%
	Gore	183,355	0.7%	-0.2%	3.7%
#	Invercargill	208,188	2.0%	1.0%	-7.2%
	Auckland Area	640,106	12.7%	3.5%	17.0%
	Wellington Area	444,085	2.7%	0.8%	-3.5%
#	Main Urban Areas	501,364	9.0%	2.3%	9.3%
	Total NZ	436,097	7.1%	1.7%	5.0%

Notes on the above data:

1. The information included in the above table is based on the monthly property value index. This index is calculated based on the sales data entered into PropertyIQ's system in the previous 3 month period. For example, information for the period ending June will be calculated based on sales entered between April 1 and June 30.

2. The average current value is the average (mean) value of all developed residential properties in the area based on the latest index. It is not an average or median sales price, as both of those only measure what happens to have sold in the period.

3. The percentage change over three months, twelve months and since the 2007 market peak are based on the change in the property value index between that time and the current.

4. Any of the statistical data shown in italics are calculated based on a sample set of data that is less than the recommended minimum. These results should be used with caution. Those showing N/A had too few sales to generate an index