



1<sup>st</sup> February 2013

## Property market remains tight over summer as buyer interest surges to record heights

### Asking prices rise again

- The continuation of a sellers market resulted in a strong asking price in January. The seasonally adjusted asking price rose in January by 4% to \$440,507 and is up by 5% as compared to a year ago.

### Inventory levels ease

- Following the recent record low inventory levels in December, the January levels eased back to 28.7 weeks of stock based on the rate of sale. This is still well down on the long-term average of 39 weeks indicating a continuation of the sellers market.

### New listings failing to meet demand

- While new listings rose by 4% in January with 8,849 brought to the market, demand for homes continues to be ahead of supply. In the last 3 months we saw circ.30,000 new listings, equal to the same period last year, yet during the same 3-month period sales were up 30%.

### Record website traffic

- January saw record website traffic (over 1.5 million visits), indicating that there is an increase in buyer interest and demand for homes.

	Nov 2012	Dec 2012	Jan 2013
<b>Property Asking Price</b> (seasonally adjusted - truncated mean)	\$446,277	\$422,636	<b>\$440,507</b>
% change from previous month	0%	-5%	<b>4%</b>
% change from same month last year	6%	1%	<b>5%</b>
<b>Number of New Listings</b>	13,571	8,482	<b>8,849</b>
% change from previous month	7%	-37%	<b>4%</b>
% change from same month last year	2%	-3%	<b>4%</b>
<b>Inventory - Number of weeks of equivalent sales</b> (seasonally adjusted)	28.7	26.6	<b>28.7</b>
% change from previous month	-13%	-7%	<b>8%</b>
% change from same month last year	-29%	-29%	<b>-21%</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 110,000 listings at any one time, representing over 97% of all listings currently marketed by real estate professionals.*

## Commentary

The first month of the year is traditionally a quiet period, with significantly less business days, and therefore listings coming onto the market tend to be subdued. This trend continued in 2013, with the New Year starting with both low levels of inventory of properties for sale, and a sluggish flow of new listings. Website traffic in January was a different story though, with over 1.5 million visits to Realestate.co.nz, hitting a new record (source - Google Analytics). It will be interesting to see how this increase in traffic translates into the REINZ sales data for January (released in the second week of February) and into both sales and new listings in February.

Asking prices rebounded in January, with the national (seasonally adjusted) mean reaching \$440,507, just shy of the record asking prices seen in November last year of \$446,277. This asking price increase was mainly driven by the Auckland market, which reached \$607,226 (over \$600,000 for a second time in history).

While some stabilisation was seen in January, inventory levels across the country remain low and the market remains a firm seller's market across 13 of New Zealand's 19 regions.

### Asking Price

The seasonally adjusted truncated mean asking price for listings in January rose by 4% to \$440,507. It represents a 5% year-on-year growth in the asking price as compared to January last year. The highest year-on-year growth was seen in Auckland, rising 12.4% to \$607,226.

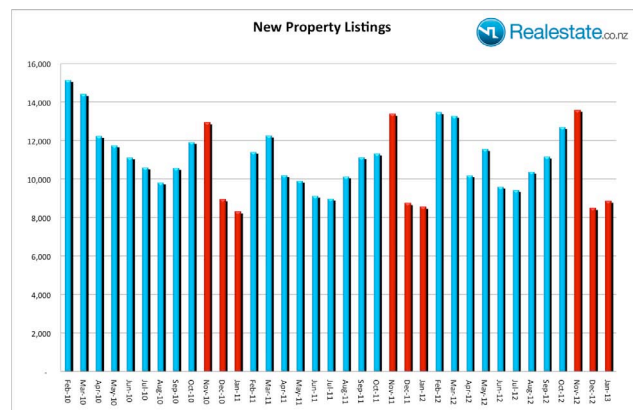
The trend as seen in the chart opposite, continues to show strength in seller expectation, on the back of low listings, and strong demand in the main centers



### New Listings

The level of new listings coming onto the market in January rose on a seasonally adjusted basis, with a total of 8,849 new listings, representing a modest 4% year-on-year raise.

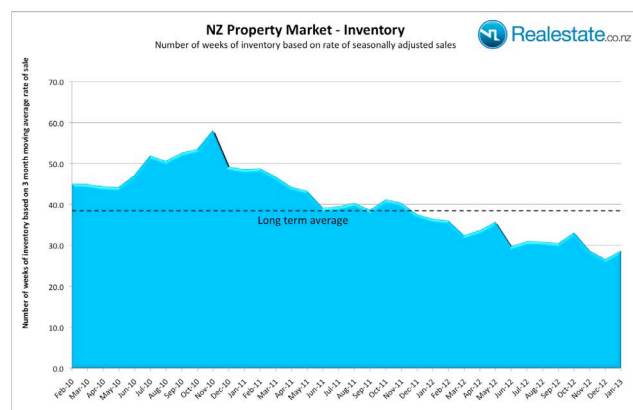
On a 12 month moving average basis a total of 132,550 new listings have come onto the market since January 2012 as compared to 124,990 in the prior 12-month period, this represents a rise of 6%.



### Inventory

The level of unsold houses on the market at the end of January (43,506) was up slightly, when compared to December (42,513). The inventory as measured in terms of equivalent weeks of sales rose in January to 28.7 weeks, the same levels seen in November last year

While this increase in the last month was seen in 13 of the 19 NZ regions, the market remains firmly a seller's market, and inventory on the market remains well below the long-term average of 39 weeks of equivalent sales.



## Regional Summary – Asking price expectations

The national (seasonally adjusted) truncated mean asking price expectation among sellers rose by 4.2% in January to \$440,507.

The main centers, Auckland, and Canterbury reported a rise in the asking price in January. Auckland rose 3.3% to \$607,226, and Canterbury rose 3.5% to \$402,742. Wellington reported a slight fall in asking price of -0.3% to \$433,347.

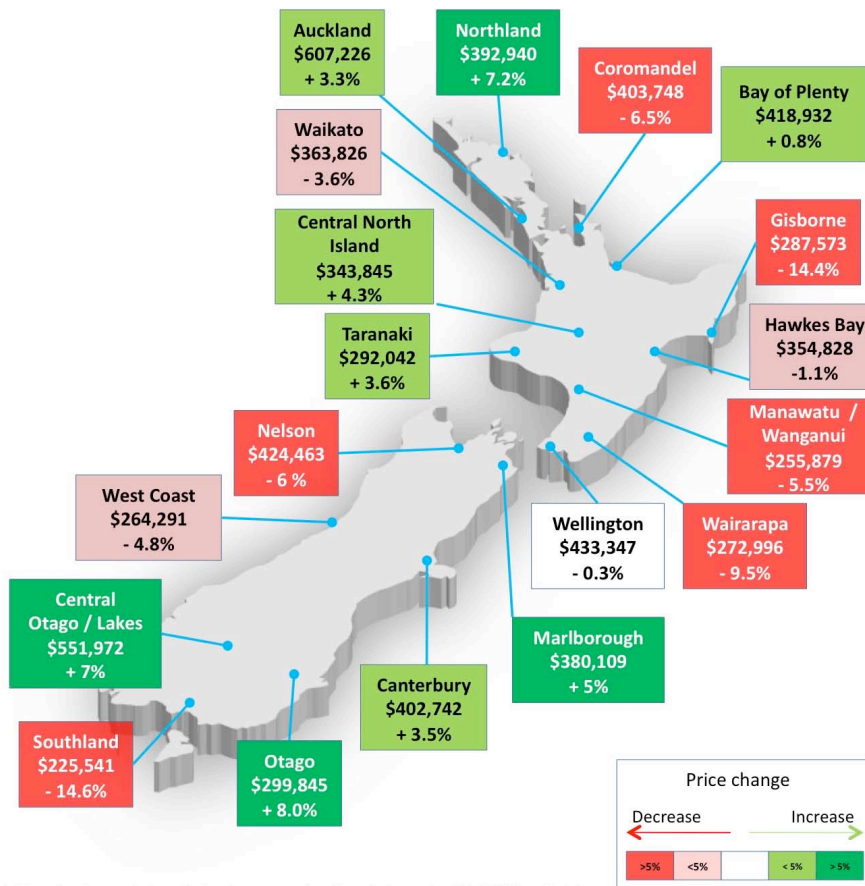
In total 9 regions reported asking price increases, and 4 regions saw rises greater than 5%. The most significant rises were seen in Otago, Central Otago / Lakes, Northland, and Marlborough, with Otago showing the largest increase, up 8% to a record high of \$299,845. Of the 10 regions witnessing asking price falls on a seasonally adjusted basis there were 6 that reported falls of greater than 5% with Southland falling by 14.6% to \$225,541, Gisborne falling by 14.4% to \$287,573, Wairarapa falling by 9.5% to \$272,996, Coromandel falling 6.5% to \$403,748, Nelson fell 6% to \$424,463 and Manawatu/Wanganui fell 5.5% to \$255,879.

A new record high asking price was seen in Otago, rising by 8% to \$299,845.



### NZ Property Report

Property Asking Price for January 2013 : **\$440,507**  
 Compared to prior month: **+ 4.2%**



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

Released: 1<sup>st</sup> February 2013

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### Regional Summary – Listings

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

There were 6 regions reporting year-on-year falls, with significant falls (over 20%) seen in just 1 region, Taranaki – falling by 30.8% when compared to January 2012.

11 regions reported higher new listings than January last year with Gisborne being the region to report the highest increase of 41.1% when compared to January 2012, followed by Otago who saw an increase of 27.2%, Central North Island with an increase of 24%, and Southland who saw an increase of 20.5%.

The data for February will be interesting to review, as it is traditionally one of the biggest listing months of the year. Last year that total was over 13,000, Auckland seeing the majority with over 4,500 coming to the market.

### Regional Summary – Inventory

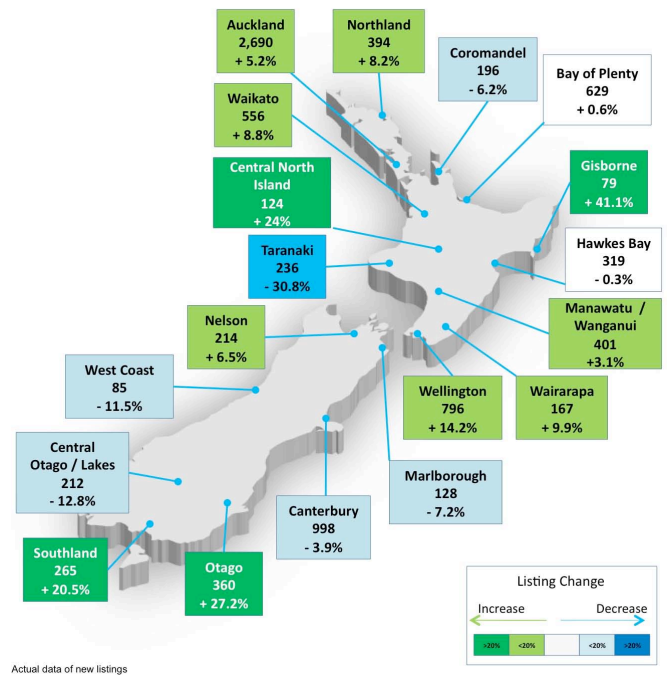
The inventory of unsold homes on the market stabilised in January – rising back to November levels of 29 weeks of equivalent sales from 27 weeks (on a seasonally adjusted basis).

Four regions (West Coast, Southland, Gisborne and Taranaki) showed increases in inventory of homes on the market taking them above their respective long-term average. In addition two other regions (Otago and Wairarapa) sit close to their respective long-term averages.

Market sentiment continues to favour sellers in 13 regions, with the greatest strain being felt in the 7 regions that are marked in darker blue. This includes the main metro areas of Auckland, and Canterbury which remain under pressure from low listings as measured against sales activity.

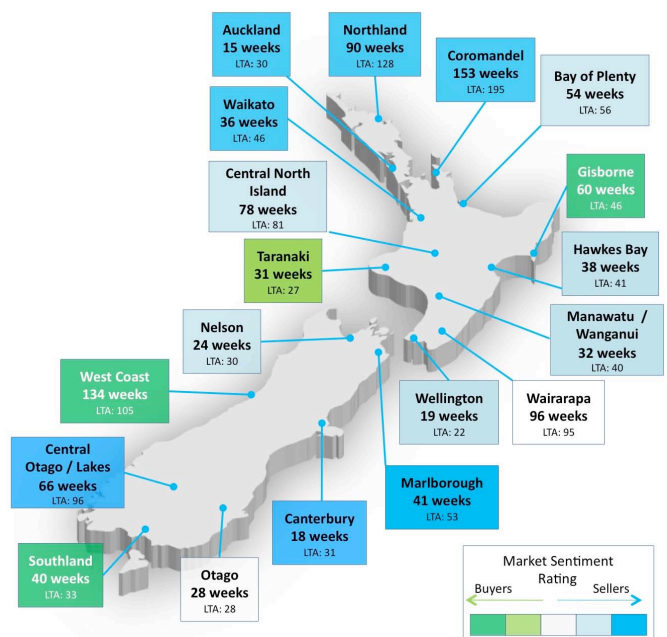
Auckland saw some stabilisation of inventory levels in January, rising from the record low seen in December of 14 weeks, to 15 weeks of inventory in January.

New Property Listings for January 2013: 8,849  
Compared to January 2012 : + 3.6%



Actual data of new listings

NZ Inventory of listings for January 2013 : 29 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

	Nov 2012	Dec 2012	Jan 2013
<b>Property Asking Price</b> (seasonally adjusted - truncated mean)	\$596,759	\$588,088	<b>\$607,226</b>
% change from previous month	-2%	-1%	<b>3%</b>
% change from same month last year	9%	8%	<b>12%</b>
<b>Number of New Listings</b>	4,632	2,059	<b>2,690</b>
% change from previous month	16%	-56%	<b>31%</b>
% change from same month last year	4%	-18%	<b>5%</b>
<b>Inventory - Number of weeks</b>	15.5	13.9	<b>14.8</b>
% change from previous month	-20%	-11%	<b>7%</b>
% change from same month last year	-43%	-43%	<b>-37%</b>

### Wellington

	Nov 2012	Dec 2012	Jan 2013
<b>Property Asking Price</b> (seasonally adjusted - truncated mean)	\$431,259	\$434,843	<b>\$433,347</b>
% change from previous month	-4%	1%	<b>0%</b>
% change from same month last year	-1%	1%	<b>-3%</b>
<b>Number of New Listings</b>	1,154	541	<b>796</b>
% change from previous month	4%	-53%	<b>47%</b>
% change from same month last year	-2%	-5%	<b>14%</b>
<b>Inventory - Number of weeks</b>	17.5	17.6	<b>19.4</b>
% change from previous month	-19%	0%	<b>11%</b>
% change from same month last year	-21%	-18%	<b>-10%</b>

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## Canterbury

	Nov 2012	Dec 2012	Jan 2013
<b>Property Asking Price</b> (seasonally adjusted - truncated mean)	\$405,913	\$389,273	<b>\$402,742</b>
% change from previous month	-2%	-4%	<b>3%</b>
% change from same month last year	10%	5%	<b>8%</b>
<b>Number of New Listings</b>	1,475	962	<b>998</b>
% change from previous month	6%	-35%	<b>4%</b>
% change from same month last year	1%	-4%	<b>-4%</b>
<b>Inventory - Number of weeks</b>	20.1	18.4	<b>18.1</b>
% change from previous month	-12%	-8%	<b>-1%</b>
% change from same month last year	-22%	-18%	<b>-16%</b>

## Waikato

	Nov 2012	Dec 2012	Jan 2013
<b>Property Asking Price</b> (seasonally adjusted - truncated mean)	\$361,192	\$377,233	<b>\$363,826</b>
% change from previous month	-2%	4%	<b>-4%</b>
% change from same month last year	4%	6%	<b>-1%</b>
<b>Number of New Listings</b>	874	558	<b>556</b>
% change from previous month	1%	-36.16%	<b>0%</b>
% change from same month last year	3%	-4.94%	<b>9%</b>
<b>Inventory - Number of weeks</b>	32.8	31.5	<b>35.6</b>
% change from previous month	-16%	-4%	<b>13%</b>
% change from same month last year	-33%	-29%	<b>-17%</b>

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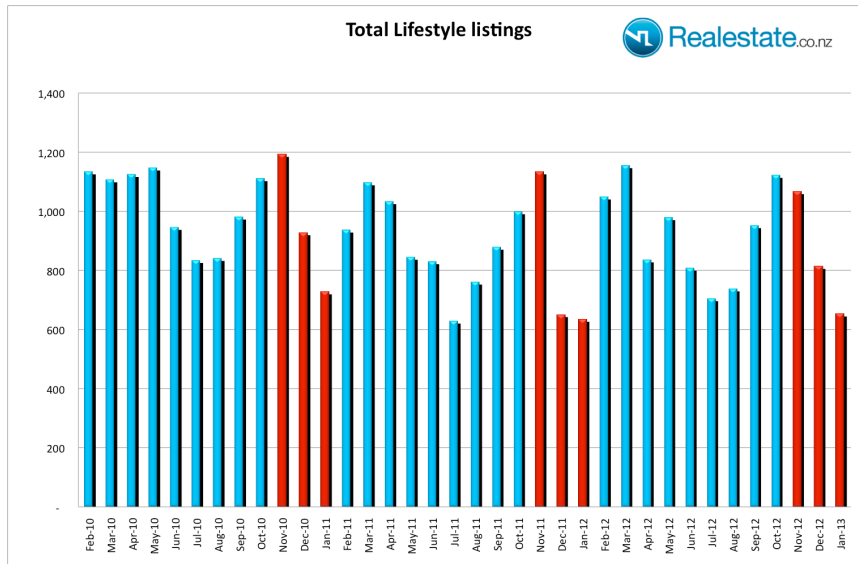
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### Lifestyle

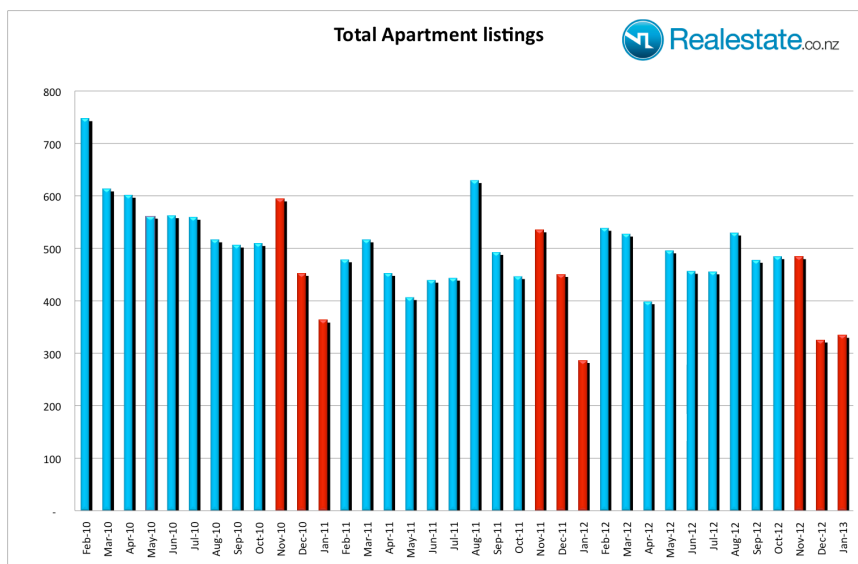
New lifestyle property listings fell across the country in January, dropping 19.8% when compared to December. A total of 652 listings came onto the market, showing a fall of 2.8% when compared to January last year. The truncated mean asking price for these listings was up by 1.4% as compared to the recent 3-month average to an asking price of \$653,269 (up 5.2% when compared to January 2012). New record high asking prices were seen in one region in New Zealand (Otago \$600,500).



### Apartments

New listings for apartments in January were up 16.8% on a year on year basis, with 334 being brought to the market. The truncated mean asking price of new apartment listings rose 1.9% to \$385,821 in January from \$378,750 in December, and was up 10.3% on a year on year basis.

The Auckland apartment market had 197 new listings coming onto the market, up 10% when compared to January last year. The truncated mean asking price of new listings in Auckland rose to \$375,887 (January) from \$352,787 (December). When compared to the recent 3-month average, this represents a rise of 0.5%.



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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 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 450,000 unique browsers visited Realestate.co.nz in the month of January 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 January from more than 200 countries.

In addition Realestate.co.nz receives 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 134,000 users making the app the most popular property app in NZ.

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