



# nz property report

The monthly survey of the residential property market

by Realestate.co.nz Ltd

## Confident sellers holding out in expectation of rising property prices

### Continued flow of new listings

- March listings grew by 26% over the same month last year, a total of 14,408 new listings came onto the market in March. The first 3 months of 2010 has seen 40,000 new listings hit the market.

### Inventory of unsold houses now exceeds the equivalent of a full year of sales

- Inventory levels broke through 53 weeks – up 10% in the month of March

### Seller's asking price expectation continues to rise

- Sellers signal a belief that prices should be rising in setting a 1% month-on-month growth in price expectation, up 3% on prior 3 months

### Asking price just 2% below peak

- The current asking price expectation of vendors is edging closer to the peak of the market back in October 2007 - \$429,033.

	Jan 2010	Feb 2010	Mar 2010
<b>Property Asking Price</b> (truncated mean)	\$404,040	\$419,015	\$422,648
% change from previous month	- 2%	+ 4%	+ 1 %
% change from prior 3 months	- 2%	+ 2%	+ 3 %
<b>Number of New Listings</b>	10,272	15,129	14,408
% change from previous month	- 1%	+ 47%	- 5%
% change from same month last year	+ 3%	+ 24%	+ 26%
<b>Inventory - Number of weeks</b>	40.1	48.2	53.0
% change from previous month	+ 17%	+ 20%	+ 10%
% change from same month last year	- 22%	- 15 %	+ 1%

*Realestate.co.nz is the official website of the New Zealand real estate industry, and provides the most comprehensive selection of listings across all categories of real estate. Realestate.co.nz lists over 100,000 properties at any one time, representing over 90% of all listings currently marketed by real estate professionals.*

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**realestate.co.nz**

the official website of the New Zealand real estate industry

## Commentary

The property market is very definitely in the defined state of a buyer's market as witnessed by the key metrics of supply; being the available stock of unsold houses on the market and the number of new listings hitting the market.

In the first 3 months of 2010 a total of just under 40,000 new listings have been added to the market. The total stock of residential property for sale at the end of 2009 was 49,149. That has grown to 55,623 – an extra 6,500 properties on the market. The current average monthly sales total is just 4,551 over the past 3 months.

Closer analysis of the data shows that seasonally adjusted, the total of new listings in March was down 3.3% at 12,595. Compared to March last year which saw a seasonally adjusted total of 10,014, the latest monthly data clearly shows the extent of the new flood of listings searching for buyers.

Breaking the total down by region shows a more significant split between provincial and metropolitan NZ. The major centers of Auckland, Wellington and Canterbury show a lower overall inventory level of unsold homes at 40 weeks as compared to 70 weeks for provincial NZ. Equally when looking at the new listings coming onto the market in March the total of new listings in provincial areas of the country actually rose in March up from 6,450 in February to 6,719. This level is the highest number of new listings for two years. The major metropolitan regions saw a 11% decline of new listings on a month-on-month basis with 7,689 new listings.

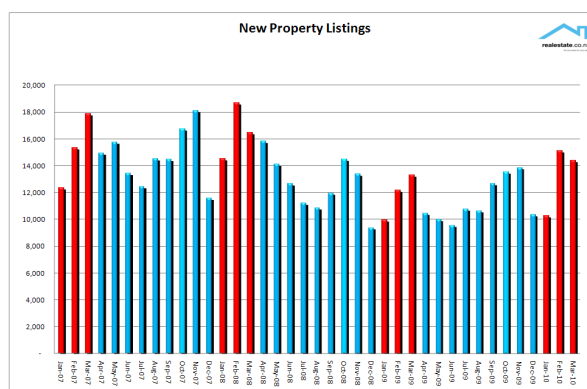
## Asking Price

Property owners placing their homes on the market are clearly signaling the belief that property prices are rising. The first two months of this year when activity of new listings have reached highs, have been accompanied by month on month price expectation rises. The truncated mean asking price in March was \$422,648 which is 4.2% up on March last year.



## New Listings

The number of new listings coming onto the market in March; whilst down slightly on the February total, was still up 26% on the prior year. A year ago the scale of the inventory of unsold houses had begun to impact the confidence of new listings coming onto the market – indicating confidence by sellers to be able to find buyers and move onto to buy another property.

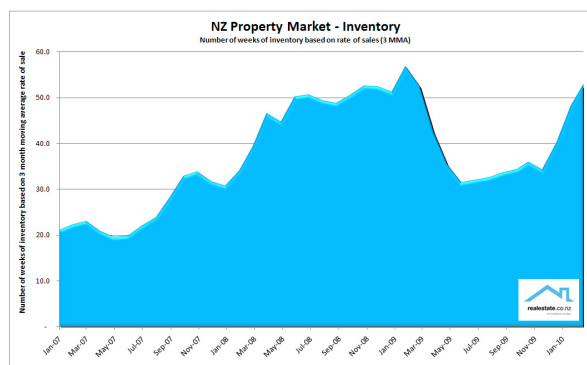


## Inventory

The level of unsold houses on the market at the end of February totaled 55,623. This represented the equivalent of 53.0 weeks.

The inventory of unsold homes has been rising steadily over the past 10 months, slowly at first then as the rate of sales has slowed the inventory levels have accelerated over the past 3 months going from 34 weeks on December to over 53 weeks in March.

At this time last year the inventory levels were on the way down having peaked at 56.9 weeks in February.

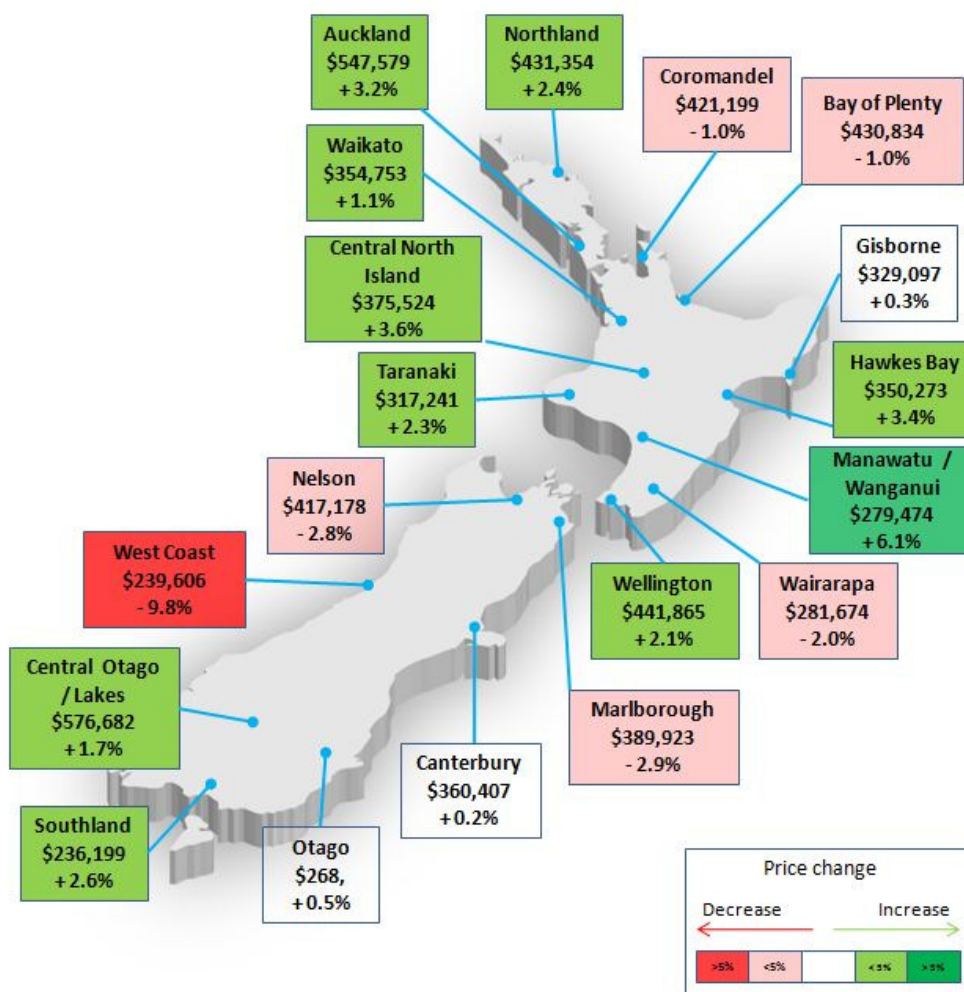


### Regional Summary – Asking price expectations

The truncated mean asking price for all new listings coming onto the market in March rose again to \$422,648, up 4.2% on February and representing a 0.9% increase on March 2009.

A key observation of the March data is that the variances in asking price across the regions of the country are considerably smaller than has been seen during the past year indicating less volatility. Within the total of 19 regions, 13 are recording an increase in March as compared to the latest 3 month average. Only one region came close to a double digit asking price change which was Central Otago / Lakes district which was down 9.8%, this was accompanying a rise in new listings with 350 in March up from 313 in February.

An interesting observation from the data is the Waikato region, which has consistently had an asking pricing in a very close range from \$342,000 to \$359,000 for over 12 months.

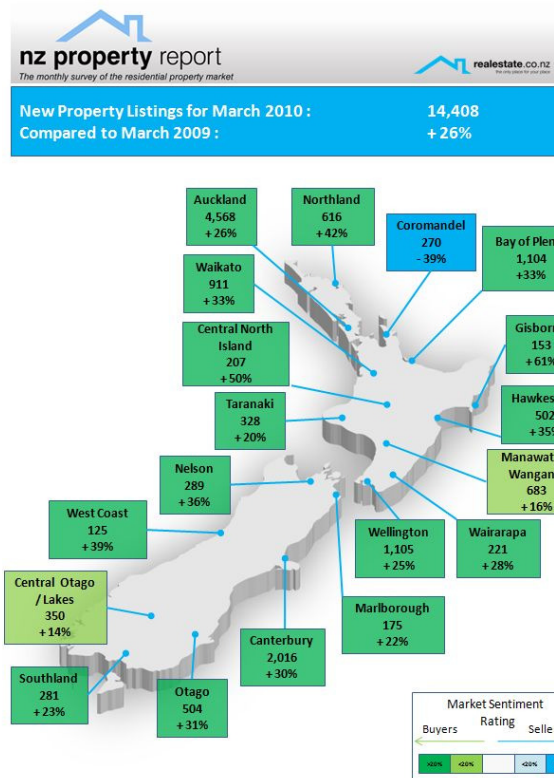


### Regional Summary – listings

The chart depicting the scale of new listing coming on the market in March across the country paints a clear picture of a strong buyers market with only one region showing a year-on-year decline in new listings – that being the Coromandel, down 39%.

The balance of the 19 regions all showed increase in new listings – 16 of them reporting year-on-year growth of more than 20% with the Gisborne showing the highest growth at 61% with Central North Island reporting 50% growth in new listings.

The total number of new listings added in the Gisborne region in the month at 153 was the largest recorded over the past 3 years. Equally the Bay of Plenty region saw 1,104 new listings up 20% on February and 33% up on March last year, the highest level of new listings in that region in the past 2 years.

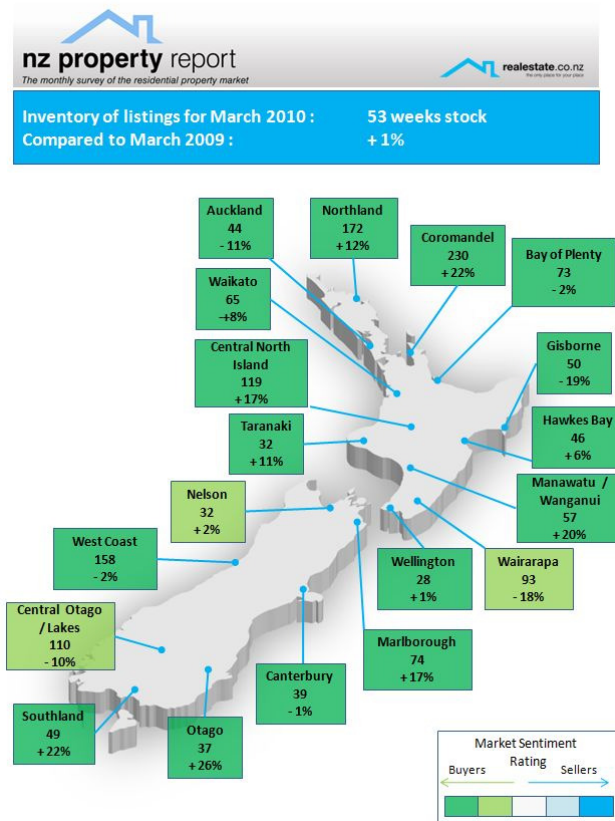


### Regional Summary – inventory

Another leap in the inventory of unsold houses took the total to a level of 53.0 weeks of equivalent sales. This is now the second highest level of inventory seen over the past 3 years. The prior high of 56.9 weeks was in February last year – a time of major global economic fragility as consumer and business confidence tumbled.

The clear impact of this level of inventory is the clear image as portrayed by the adjacent chart which depicts a blanket state of a buyer’s market. The legend for this chart uses the measure of current inventory to long term (3 year) averages to represent a buyers or a sellers market.

Out of the 19 regions, 6 reported the highest level of inventory spanning back over the past 3 years. They were Manawatu / Wanganui, Northland, Otago, Southland, Taranaki and Waikato.



## Major Centers

### Auckland

	Jan 2010	Feb 2010	Mar 2010
<b>Property Asking Price</b> (truncated mean)	\$517,602	\$542,640	<b>\$547,579</b>
% change from previous month	- 2%	+ 5 %	+ 1%
% change from prior 3 months	- 2%	+ 2 %	+ 3%
<b>Number of New Listings</b>	3,020	4,581	<b>4,568</b>
% change from previous month	+ 11%	+ 52%	- 0%
% change from same month last year	+ 8%	+ 13%	+ 26%
<b>Inventory - Number of weeks</b>	30.2	36.4	<b>43.7</b>
% change from previous month	+ 16%	+ 20%	+ 20%
% change from same month last year	- 34%	- 28%	- 11%

### Wellington

	Jan 2010	Feb 2010	Mar 2010
<b>Property Asking Price</b> (truncated mean)	\$437,856	\$430,243	<b>\$441,865</b>
% change from previous month	+ 2%	+ 5%	+ 3%
% change from prior 3 months	+ 1%	- 1%	+ 2%
<b>Number of New Listings</b>	753	2,005	<b>1,105</b>
% change from previous month	+ 13%	+ 166%	- 45%
% change from same month last year	+ 12%	+ 142%	+ 25%
<b>Inventory - Number of weeks</b>	18.2	29.2	<b>28.4</b>
% change from previous month	+ 10%	+ 61%	- 3%
% change from same month last year	- 33%	- 8%	+ 1%

## Canterbury

	Jan 2010	Feb 2010	Mar 2010
<b>Property Asking Price</b> (truncated mean)	\$355,026	\$368,847	<b>\$360,407</b>
% change from previous month	+ 0%	+ 6 %	- 2%
% change from prior 3 months	- 1%	+ 3 %	+ 0%
<b>Number of New Listings</b>	1,533	2,093	<b>2,016</b>
% change from previous month	+ 15%	+ 36%	- 4%
% change from same month last year	+ 19%	+ 34%	+ 30%
<b>Inventory - Number of weeks</b>	28.9	36.0	<b>39.2</b>
% change from previous month	+ 12%	+ 25%	+ 9%
% change from same month last year	- 28%	- 20%	- 1%

## Waikato

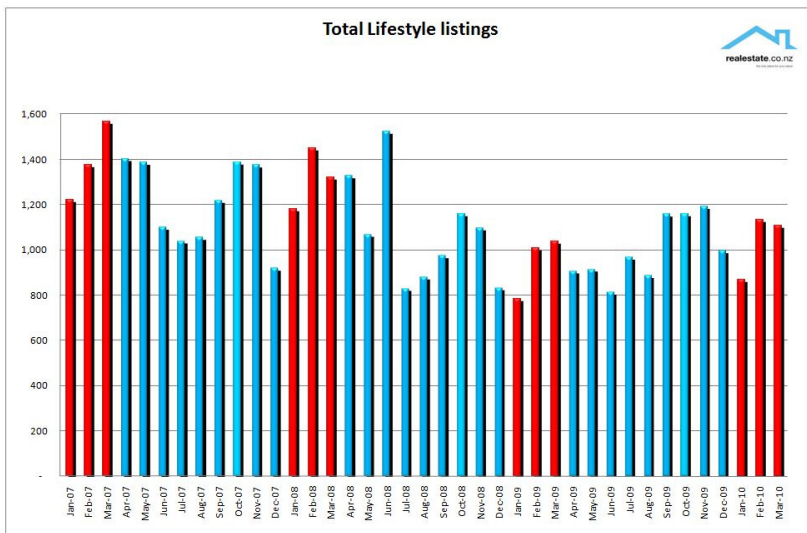
	Jan 2010	Feb 2010	Mar 2010
<b>Property Asking Price</b> (truncated mean)	\$343,427	\$354,917	<b>\$354,753</b>
% change from previous month	- 3%	+ 5%	+ 0%
% change from prior 3 months	- 2%	+ 1%	+ 1%
<b>Number of New Listings</b>	672	928	<b>911</b>
% change from previous month	+ 1%	+ 38%	- 2%
% change from same month last year	+ 17%	+ 29%	+ 33%
<b>Inventory - Number of weeks</b>	46.0	57.4	<b>64.6</b>
% change from previous month	+ 19%	+ 25%	+ 12%
% change from same month last year	- 12%	- 11%	+ 8%

## Lifestyle

A total of 1,106 new listings of lifestyle properties came onto the market in March. This represented an increase of 17% over March 2009, however reflective of the total residential sector the month saw a small fall from the February total of 1,133.

At \$592,438 the truncated mean asking price was down 2% on February and in line with the latest 3 month average.

Across the regions, Canterbury saw a large number of newly listed lifestyle properties with 144 as compared to 134 last month and 113 in March last year. The mean asking price in the region was up 12% in the year to \$581,236.

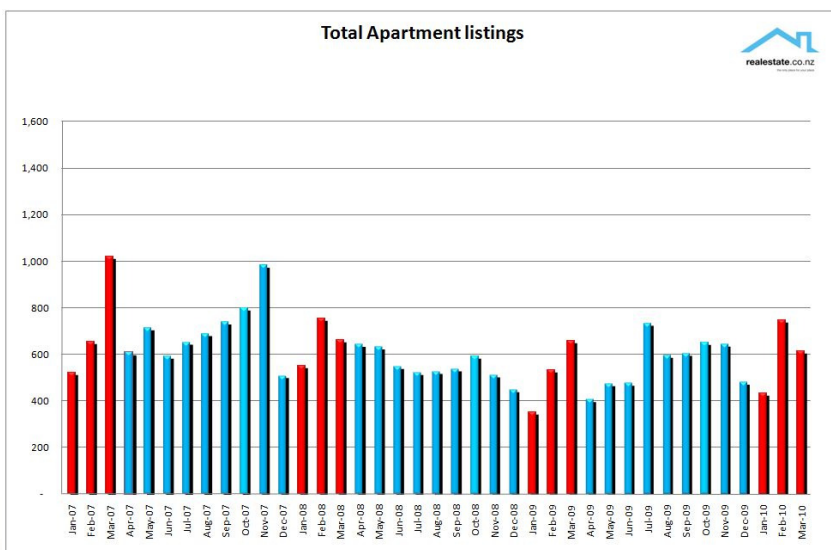


## Apartments

The number of new apartments listed fell significantly in March with 613 in total, down from 747 in February. This does represent a year on year increase of 31%. In Auckland the number of new apartments did not show such a significant fall in the month down from 368 in February to 362 in March.

The truncated mean asking price of new apartment listings at \$390,211 was up 4.4% on the latest 3 month average, however 11% down on prior year.

A large number of new apartment listings in the Wellington region in February (217) was not repeated in March with a more normal level of 93 new apartments listed.



## Index Comparison

	Jan 2010		Feb 2010		Mar 2010	
	House Price	Annual Change	House Price	Annual Change	House Price	Annual Change
Mean Asking Price: <b>Realestate.co.nz</b>	\$405,040	+ 3%	\$419,015	+1%	<b>\$422,648</b>	<b>+ 4%</b>
Median Sales Price: <b>REINZ</b>	\$360,687	+ 7%	\$362,150	+6 %	<b>N/A</b>	<b>N/A</b>

**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 94% 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.

**REINZ:** data is compiled from reported unconditional residential sales from all members of the Real Estate Institute of New Zealand representing all licensed real estate offices. The sale price is published as a stratified median house price and is developed in association with the Reserve Bank of NZ.

### Notes:

#### 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 more than 1,150 licensed real estate offices across NZ, representing more than 94% 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.

In analysing the details of the 14,408 new listings in the month of March, a total of 301 listings have been excluded due to anomalies. The categorisation of Lifestyle property is defined by the land area of the property. The criterion is a property having in excess of 0.3 hectares and being situated outside metropolitan areas.

#### 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 six of the largest real estate companies (50%). The website is the most comprehensive website for real estate in NZ, currently hosting over 120,000 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 over 1,150 offices, the website features over 94% of all listings from licensed real estate agents in NZ. Realestate.co.nz was visited by over 405,000 unique browsers in the month of February from both domestic and international visitors. The website is the most popular website for international visitors enquiring of NZ real estate, with over 126,000 unique browsers in the month of February from more than 200 countries.

