

Harcourts MarketWatch

July 2009

Harcourts' statistics for June 2009 show the New Zealand property market is continuing to experience significantly higher levels of sales activity than 12 months ago.

Within Harcourts New Zealand, the country's largest real estate group, there was an average of 30.8% more written sales made in June 2009 than in the same month last year, continuing the trend we have been reporting for some months.

The largest increases were in Harcourts' Central region, where we recorded a 58% increase in written sales, followed by Harcourts Northern region (51% up), Harcourts' Christchurch region (34% up) and Harcourts Wellington region (29% up).

The increase in sales coupled with lower than expected numbers of new listings is seeing buyers experiencing considerable competition when looking to secure a new property and in an effort to capitalise on this increasing numbers of sellers are choosing auction campaigns, which according to feedback from Harcourts offices around the country is proving to be the most successful method of sale.

In terms of residential property prices, the competition evident over recent

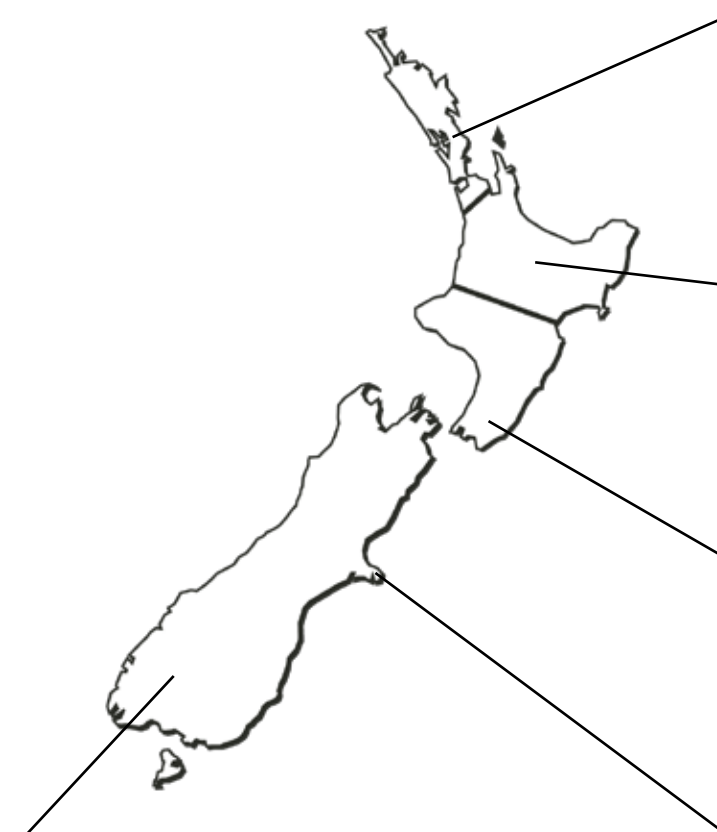
months has seen price levels stabilise and has resulted in some of the more pessimistic commentators publicly revising their predictions about house price movement over the months ahead.

Interestingly, demand for residential sections appears to be reigniting in many locations in New Zealand. Many Harcourts offices are reporting a considerable increase in enquiry in these types of property, with some experiencing a lift in section sales already and others expecting this to occur in the near future.

This trend is to be expected given the lack of houses for sale and the fact that the availability of tradespeople has improved and they are typically more negotiable on price too.

Meanwhile, as I've pointed to in some of the explanatory notes below, it's not as rosy in the rural property market where there has been a significant drop in the volume of sales and a drop in prices too.

Bryan Thomson, CEO, Harcourts New Zealand



NORTHERN	June 2009	June 2008	% Change
Exclusive Listings	404	370	+9%
Auction/Tender	126	99	+27%
Property on Hand	3,669	3,542	+3.6%
Written Sales	413	274	+51%
Average Price	\$469,000	\$522,000	-10%

A significant 51% increase in written sales is evident when comparing the June 2008 and June 2009 figures. The average price achieved was 10% lower than last year though.

CENTRAL	June 009	June 2008	% Change
Exclusive Listings	348	348	=
Auction/Tender	69	45	+53%
Property on Hand	2,832	2,761	+3%
Written Sales	357	226	+58%
Average Price	\$333,000	\$419,000	-21%

Like the Northern region, the volume of sales in June 2009 was significantly ahead of the same month last year in this region. The average price reflects the stalled farm market.

WELLINGTON	June 2009	June 2008	% Change
Exclusive Listings	328	346	-5%
Auction/Tender	83	70	+19%
Property on Hand	2,282	2,725	-16%
Written Sales	344	267	+29%
Average Price	\$302,000	\$460,000	-33%

In the lower North Island sales in June 2009 were well up on the same month last year. Large rural sales transacted in June 08 affect the average price comparison.

SOUTH ISLAND PROVINCIAL	June 2009	June 2008	% Change
Exclusive Listings	211	345	-39%
Auction/Tender	52	33	+58%
Property on Hand	2,319	2,458	-6%
Written Sales	176	215	-18%
Average Price	\$280,000	\$411,000	-32%

A very tight listing month with muted sales activity in this region. The lack of activity in the farm market is reflected in the average sale price in 2009.

CHRISTCHURCH	June 2009	June 2008	% Change
Exclusive Listings	605	635	-5%
Auction/Tender	135	86	+57%
Property on Hand	3,597	3,863	-7%
Written Sales	523	392	+34%
Average Price	\$367,000	\$373,000	-2%

The trend towards auctions is graphically displayed in this region, with sellers choosing this successful method of sale to take advantage of current buyer demand. Sales were well ahead of last year.

Harcourts has been in existence since 1888 and is New Zealand's leading real estate group with around 180 offices nationwide. Harcourts also has over 250 offices in Australia and offices in Indonesia, Fiji, Singapore, China, South Africa and Zambia. Visit www.harcourts.co.nz for more information.

