



News Release

11 June 2009

CONSOLIDATION IN RESIDENTIAL MARKET

There has been a slight fall in the value of properties sold in May across the country, but volumes remain steady as does the length of time required to sell a home. All these are signs which point to market stability says Mike Elford, president of the Real Estate Institute of New Zealand (REINZ).

The REINZ May sales figures released today show people are prepared to pay market rates for properties, and the rise in the number of properties in the upper end of the market indicates a level of confidence.

Mr Elford said the biggest issue currently facing the industry is a shortage of stock.

“With an apparent reluctance to sell in what is perceived to be a buyers’ market, people are tending to hunker down and sit tight on their properties. This, combined with a seasonal trend for people to hibernate rather than put their home on the market in the winter months, has led to an acute shortage of houses on the market.”

He believes this trend will continue through June and July.

“Traditionally, people start thinking about selling around August and September as the weather warms up, but until then, we expect turnover to remain consistent with the number of properties that are put on to the market.”

Mr Elford’s comments are backed up by the volume of homes sold in May which repeats last month’s improvement on the previous year’s turnover, although slightly down in May 2009 compared with April totals.

The total number of homes sold nationwide has remained steady in May (6,291) which is marginally up on the April 2009 figure of 6,210. However, this compares with 4,372 in May 2008 which is a pleasing trend, Mr Elford said.

Following last month's pattern, turnover continues to be strong in Auckland where 2,114 properties changed hands in May 2009 compared with 1,388 in May 2008. Turnover is consistent with last month's figures across the country.

The total value of sales nationally in May 2009 was \$2,601 million, (up from \$2,538 million in April). Of these, \$1,151 million worth of sales took place in Auckland, \$293.5 million in Wellington and \$314 million in Canterbury/Westland.

Sales of properties in the \$1 million + category rose from 151 to 180 in May 2009 compared with April 2009. There was an increase in property sales in the \$600k - \$999,999 bracket from 631 to 657. Properties in the under \$400,000 and the \$400k - \$599,999 bands remained consistent from April to May.

The median price for homes across New Zealand remains constant over the past two months with the May 2009 national median of \$337,500 compared with April 2009 at \$340,000. This represents a 2.17 per cent drop on the national median house price in May 2008.

Regionally, there have been insignificant drops in median house prices in most regions with the exception of Auckland and Waikato/Bay of Plenty where the median property prices rose by .55 per cent and .64 per cent respectively. The greatest falls in May 2009 were Taranaki (-8.42 per cent), Central Otago Lakes (-12.75 per cent) and Southland (-10.00 per cent) compared with May 2008.

The length of time it took to sell a house in May (a median of 42 days nationally) is the same as April and faster than the 49 days in May 2008. Regionally, houses are turning over fastest in Auckland (37 days), Otago (34 days), Southland (37 days) and Wellington (41 days). Days to sell are longest in Northland (65), Central Otago Lakes (85) and Manawatu / Wanganui (55).

"The May figures are very much a sign of the times and the season," Mr Elford says. "Like everyone else, the real estate industry looks forward to spring."

ENDS

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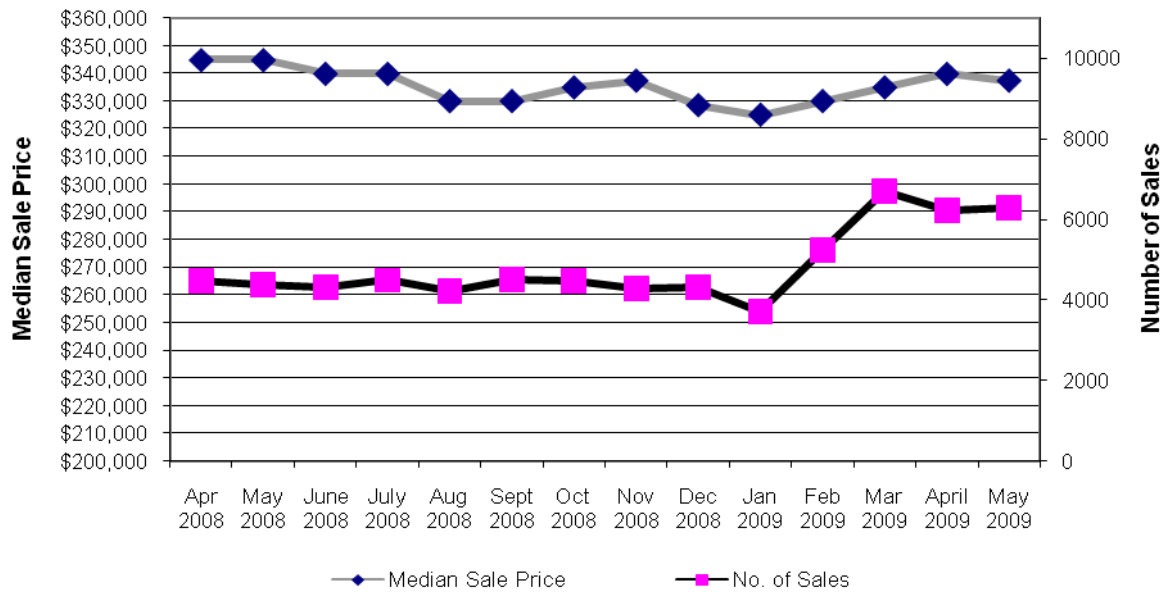
Explanatory Note:

The monthly REINZ residential sales reports remain the most contemporary and up-to-date statistics on house prices and sales in New Zealand. They are based on actual sales reported by real estate agents. These sales are taken as of the date that a transaction becomes unconditional.

Other surveys of the residential property market are estimates only of property value, based on information from Territorial Authorities regarding settlement and the receipt of documents by the Authority from a solicitor. As such, this information involves a lag of four to six weeks before the sale is recorded by the Territorial Authority.

REINZ sales figures are recorded on the day a transaction is concluded and includes sales as of 5:00pm on the last business day of the month.

National Sale Trends to May 2009



Residential Highlights – May 2009

Northland

In total, 177 houses sold in Northland in May (April 2009: 139; May 2008: 103). The median price increased to \$306,500 from \$290,000 in April (May 2008: \$310,000).

28 houses sold in the Whangarei County area (April 2009: 20; May 2008: 10). The median price dropped to \$413,500 from \$450,000 in April (May 2008: \$428,000).

95 houses sold in Whangarei City in May, up on the 68 sold in April (May 2008: 52). The median was up at \$289,000 (April 2009: \$275,500; May 2008: \$288,500).

Auckland

The median house price in Auckland was up at \$450,000 in May (April 2009: \$435,000 May 2008: \$447,500). 2,114 houses sold in May, compared with 2,081 sold in April (May 2008: 1,388).

The median sale price for a North Shore City home increased to \$505,500 in May. (April 2009: \$493,500; May 2008: \$495,000). 424 houses sold during the month, down on the 459 sold in April 2009. (May 2008: 250).

Sales volume was up in Waitakere City in May with 265 sold (April 2009: 248; May 2008: 171). The median price decreased to \$357,500 (April 2009: \$369,750; May 2008: \$380,000).

The median price for an Auckland City house increased to \$519,750 in May (April 2009: \$460,000 and May 2008: \$504,500). 726 houses sold in May, up on the 650 sold in April 2009 (May 2008: 522).

405 houses sold in Manukau City in May (April 2009: 430; May 2008: 255). The median price was up at \$450,000 from \$440,000 in April (May 2008: \$400,000).

The number of sales in Papakura was down with 62 houses sold in May 2009. (April 2009: 68; May 2008: 37). The median price also down at \$331,000 (April 2009: \$356,500; May 2008: \$312,500).

The median price for a Metropolitan Auckland house was up at \$465,000 in May, from \$442,500 in April (May 2008: \$451,000). 1,882 houses sold (April 2009: 1,855; May 2008: 1,235).

121 houses sold in Rodney District, up from the 117 sold in April (May 2008: 69). The median price was down at \$410,000, from \$431,000 in April (May 2008: \$475,000).

The median price for a Franklin District home was up at \$370,000 in May, from \$354,000 in April (May 2008: \$365,000). 69 houses sold, up on the 60 sales in April 2009 (May 2008: 44).

42 houses sold in Thames/Coromandel in May, down on the 49 sold in April (May 2008: 40). The median price was up at \$377,500 from \$351,000 in April (May 2008: \$317,500).

The median price for an Outer Auckland home dropped to \$380,000 in May, from \$400,000 in April (May 2008: \$405,000). Sales volume was up with 232 houses sold, compared with the 226 sold in April (May 2008: 153).

Waikato/Bay of Plenty/Gisborne

The median price for a house in the Waikato/Bay of Plenty/Gisborne district eased to \$312,000 in May (April 2009: \$315,000; May 2008: \$310,000). 897 houses sold, an increase on the 880 sold in April 2009 (May 2008: 582).

Sales were up in Waikato Country in May with 164 houses sold (April 2009: 133; May 2008: 111). The median price eased slightly to \$264,500 (April 2009: \$266,000; May 2008: \$250,000).

The median price for a Hamilton City house rose to \$330,500 in May. (April 2009: \$320,000; May 2008: \$337,500). Sales volume was down, with 221 houses sold in May 2009 (April 2009: 259; May 2008: 160).

Sales volume was down in Western Bay of Plenty Country with 46 houses sold, a decrease on the 54 sold in April. The median price rose to \$366,000 from \$350,000 in April. In May 2008, 30 houses sold with a median sale price of \$377,500.

The median price for a house in Mt Maunganui/Papamoa decreased to \$399,000 in May, from \$406,500 in April (May 2008: \$395,500). 78 houses sold, down on the 87 sold in April 2009 (May 2008: 41).

113 houses sold in Tauranga in May, down on the 121 sold in April (May 2008: 83). The median price eased to \$335,000, from \$339,000 in April (May 2008: \$376,500).

Rotorua's median price dropped to \$239,000 in May, from \$269,000 in April (May 2008: \$247,000). 94 houses sold, up from the 76 sold in April (May 2008: 69).

43 houses sold in Taupo in May, down on the 57 sold in April (May 2008: 32). The median price also decreased to \$340,000 in May from \$344,000 in April (May 2008: \$315,000).

The median price for a King Country home rose to \$195,000 in May (April 2009: \$170,000; May 2008: \$173,000). 11 houses sold, down on the 15 sold in April (May 2008: 7).

The median price for a Gisborne City home fell to \$231,500 from \$250,000 in April (May 2008: \$200,000). Sales volume was up with 64 houses sold, compared with the 43 sold in April (May 2008: 27).

The median price for a house in Eastern Bay of Plenty Country decreased to \$295,000 in May, down from \$300,000 in April (May 2008: \$383,000). 61 houses sold, a rise in numbers from the 33 sold in April. 21 sold in May 2008.

Hawkes Bay

Sales volume was down one in the Hawkes Bay in May with 230 houses sold (April 2009: 231; May 2008: 173). The median price decreased to \$259,750 (April 2009: \$270,000; May 2008: \$265,000).

The median price for a house in Napier City increased to \$302,250 in May (April 2009: \$287,000; May 2008: \$298,000). 92 houses sold in May (April 2009: 108; May 2008: 64).

92 houses sold in Hastings City in May 2009, down from 95 in April 2009 (May 2008: 79). The median price was down at \$259,750 from \$270,000 in April (May 2008: \$275,000).

Hawkes Bay Country's median price dropped to \$150,000 in May, from \$375,000 in April (May 2008: \$330,000). 17 homes sold in May (April 2009: 12; May 2008: nine).

Manawatu/Wanganui

The median price for a house in the Manawatu/Wanganui district was steady at \$220,000 in May (April 2009: \$220,000; May 2008: \$224,500). 324 houses sold in May, up on the 322 sold in April (May 2008: 226).

The median sale price for a house in Palmerston North City increased to \$257,500 in May. (April 2009: \$250,000; May 2008: \$295,000). 148 houses sold (April 2009: 139; May 2008: 85).

Sales volume was down in Manawatu Country with 21 houses sold (April 2009: 49; May 2008: 19). The median price fell to \$185,000 from \$207,000 in April (May 2008: \$185,000).

The median sale price in the Manawatu was up at \$230,000 in May (April 2009: \$225,000; May 2008: \$246,000). The number of sales was down with 256 houses sold (April 2009: 259; May 2008: 156).

41 houses sold in Wanganui City in May, down from the 46 sold in April (May 2008: 47). The median price was also down at \$160,000 from \$177,500 in April (May 2008: \$182,500).

The median sale price in Wanganui remained steady at \$180,000 in May. (April 2009: \$180,000; May 2008: \$166,500). 68 houses sold, up on the 63 sold in April 2009 (May 2008: 70).

Taranaki

The median price for a house in Taranaki decreased to \$261,000 in May (April 2009: \$270,000; May 2008: \$285,000). 197 houses sold, up from the 188 sold in April (May 2008: 158).

29 houses sold in the Taranaki Country area in May (April 2009: 22; May 2008: 16). The median price fell to \$205,000 from \$241,250 in April (May 2008: \$292,500).

The median sale price for a New Plymouth City house rose to \$310,000 (April 2009: \$290,250; May 2008: \$332,500). The number of sales decreased with 91 houses sold in May (April 2009: 102; May 2008: 84).

Wellington

Wellington's median price rose to \$380,000 in May from April 2009's \$367,500. (May 2008: \$389,500). The number of sales was down at 673 for May, compared with 691 sold in April 2009. (May 2008: 534).

76 houses sold in the Wairarapa in May (April 2009: 59; May 2008: 38). The median price was up at \$247,500 from \$236,000 in April (May 2008: \$268,500).

The median price for an Upper Hutt house rose to \$320,000 (April 2009: \$313,500; May 2008: \$339,500). 51 houses sold, down on the 64 sold in April (May 2008: 64).

124 houses sold in the Hutt Valley (April 2009: 121; May 2008: 95). The median price was up at \$345,000 from \$335,000 in April 2009 (May 2008: \$365,000).

The median price for a house in Otaki/Paekakariki dipped to \$315,000 in May (April 2009: \$339,000; May 2008: \$355,500). 92 houses sold (April 2009: 100; May 2008: 76).

77 houses sold in Pukerua Bay/Tawa in May, down two on the 79 sales in April (May 2008: 56). The median price was steady at \$370,000 (April 2009: \$370,000; May 2008: \$387,500).

Sale numbers in Central Wellington were up one to 52 from 51 in April 2009. (May 2008: 28). The median price rose to \$405,500 from \$385,000 in April (May 2008: \$448,584).

Nelson/Marlborough

The median price for a Nelson/Marlborough house increased to \$330,250 in May (April 2009: \$312,000; May 2008: \$337,000). 252 houses sold (April 2009: 241; May 2008: 179).

91 houses sold in Nelson City in May (April 2009: 75; May 2008: 54). The median price increased to \$340,000 (April 2009: \$295,500; May 2008: \$321,425)

The median price for a Nelson Council zone house was up at \$346,250 in May (April 2009: \$320,500; May 2008: \$335,500). 154 houses sold (April 2009: 142; May 2008: 106).

98 houses sold in Marlborough in May (April 2009: 99; May 2008: 73). The median price eased up slightly to \$297,000 from \$295,000 in April (May 2008: \$345,000).

Canterbury/Westland

Sales volume was down in Canterbury/Westland with 955 houses sold in May (April 2009: 965; May 2008: 619). The median sale price decreased to \$285,000. (April 2009: \$295,000; May 2008: \$296,000).

The median price for a house in Christchurch City was down at \$306,000 in May, from \$317,500 in April (May 2008: \$315,000). 609 houses sold (April 2009: 667; May 2008: 392).

The median price for a home in Rangiora decreased to \$271,000 in May (April 2009: \$274,750; May 2008: \$296,000). Sale numbers were up with 50 houses sold. (April 2009: 36; May 2008: 25).

The median price for a North Canterbury house was up to \$289,500 in May, from \$281,750 in April (May 2008: \$355,500). 26 houses sold, up two on the 24 sold in April (May 2008: 15).

The median price for a Canterbury Country home dropped to \$327,500 in May, from \$350,000 in April (May 2008: \$395,000). 50 houses sold (April 2009: 54; May 2008: 27).

The number of houses sold in Mid Canterbury in May was up with 51 sales recorded. (April 2009: 47; May 2008: 28). The median price was up at \$270,000 from \$245,000 in April. (May 2008: \$275,000).

Sales volume rose in Timaru in May, with 59 houses sold (April 2009: 50; May 2008: 49). The median price decreased to \$186,000 in May, from \$194,000 in April (May 2008: \$240,000).

The median price for a house on the West Coast was up at \$215,000 in May from \$166,500 in April (May 2008: \$180,000). 29 houses sold, down on the 32 sold in April (May 2008: 46).

346 houses sold in Outer Canterbury in May (April 2009: 298; May 2008: 227). The median price increased to \$255,000 in May from \$249,100 in April (May 2008: \$255,250).

Central Otago Lakes

84 houses sold in May, down from the 95 sold in April (May 2008: 79). The median price was up at \$427,500. (April 2009: \$400,000; May 2008: \$490,000).

The median price for a house in Central Otago increased to \$399,000 in May (April 2009: \$370,000; May 2008: \$420,000). 39 houses sold (April 2009: 31; May 2008: 41).

Sales volume was down in Queenstown with 45 houses sold in May, compared with the 64 sold in April (May 2008: 38). The median price was up at \$500,000 (April 2009: \$421,250; May 2008: \$540,000).

Otago

215 houses sold in Otago in May, down on the 226 sold in April (May 2008: 183). The median price eased up slightly to \$220,000 from \$221,250 in April (May 2008: \$240,000).

Sales volume was up in North Otago with 35 houses sold (April 2009: 29; May 2008: 23). The median sale price was also up at \$190,000 from \$179,000 in April (May 2008: \$230,000).

The median price in Dunedin City was down at \$235,000 in May from \$240,000 in April (May 2008: \$259,000). 164 houses sold (April 2009: 179; May 2008: 145).

The number of sales was up in South Otago with 13 houses sold (April 2009: 11; May 2008: 15). The median price fell to \$115,000 from \$125,500 in April (May 2008: \$160,000).

Southland

Sales volume was up in Southland with 173 houses sold (April 2009: 151; May 2008: 148). The median price decreased to \$180,000 from \$190,000 in April (May 2008: \$200,000).

Sales volume was up in Invercargill at 138 for May (April 2009: 108; May 2008: 99). The median price decreased to \$181,000 (April 2009: \$188,780; May 2008: \$205,000).

The median price for a house in Gore increased to \$170,000 in May from \$152,000 in April (May 2008: \$154,500). 18 houses sold during the month (April 2009: 18; May 2008: 23).