



News Release

18 January 2011

Strong Finish For Real Estate Sales in December 2011

Real Estate Institute of New Zealand (REINZ) data on the New Zealand housing market for December 2011 showed 5,316 unconditional sales for the month, up 919 sales (+20.1%) compared to December last year. The December transactions figure is the best December result since 2007. The national median house price eased by \$12,500 to \$355,000 (-3.4%) in December compared to November and is up just \$3,000 (+0.9%) compared with December 2010.

All regions, with the exception of Central Otago Lakes, recorded a decline in sales volumes during December compared to November. However, on a seasonally adjusted basis (which takes into account seasonal events such as Christmas), the national total was up 5.6% and all but one region recorded an increase in sales volumes. Auckland recorded its strongest December sales volumes since 2006, with six regions (Waikato/Bay of Plenty, Manawatu/Wanganui, Taranaki, Nelson/Marlborough, Canterbury/Westland and Otago) recording their strongest December sales since 2007. Only two regions (Hawkes Bay and Wellington) had lower sales volumes than December 2010.

For the month of December, Central Otago Lakes recorded the highest lift in prices for the month (+7.4%), followed by Taranaki (+4.6%) and Wellington (+1.0%). Compared to December 2010, Central Otago Lakes also recorded the highest lift in prices (+8.7%), followed by Canterbury/Westland (+6.6%) and Auckland (+6.5%).

“December has been a strong month for real estate sales in New Zealand, with this being the strongest level of transaction figures in December since 2007, and Auckland having its strongest December since 2006”, said REINZ Chief Executive Helen O’Sullivan. “Across the country sales volume is up by over 20% compared to December last year with some regions such as Manawatu/Wanganui and Taranaki reporting increases of more than 40%.”

“While the number of transactions is rising, prices have eased back from last month’s record highs, with some exceptions in parts of Auckland and the Canterbury/Westland region.”

The national median 'days to sell' remained steady 35 days in December, and is a four day improvement on the 39 days recorded in December 2010. Over the past five years the median days to sell has averaged 41 days across New Zealand.

Canterbury/Westland recorded the shortest days to sell at 29 days (-2 days), followed by Southland with 30 days (-10 days), Auckland with 31 days (-2 days) and Otago also with 31 days (+1 day). Hawkes Bay recorded the longest number of days to sell at 61 days (+18 days), followed by Central Otago Lakes at 59 days (-8 days) and Northland at 54 days (+1 day.)

Further Data

Across New Zealand the total value of residential sales, including sections was \$2.31 billion in December, compared to \$2.67 billion in November 2011, and \$1.90 billion in December 2010.

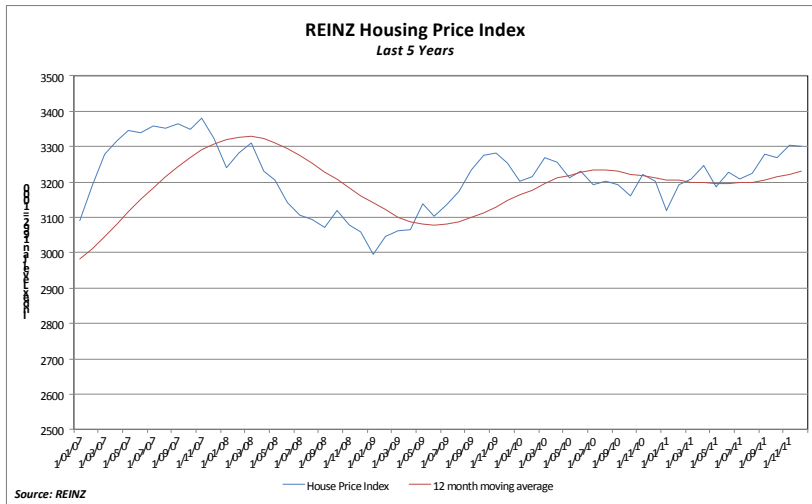
The breakdown of the value of properties sold in December 2011 is:

\$1 million plus	194	3.6%
\$600,000 to \$999,999	693	13.0%
\$400,000 to \$599,999	1,302	24.5%
Under \$400,000	3,127	58.8%
All Properties Sold	5,316	100.0%

The REINZ Housing Price Index eased 0.1% in December compared with November. The REINZ Housing Price Index recorded falls in all markets apart from Auckland and Sections. Compared to December 2010 the REINZ Housing Price Index rose 3.1%, and the Index is now 2.4% below the peak recorded in November 2007 (*see table and chart below*).

Also of note is that the REINZ Housing Price Index for Auckland is now at an all time high being 1.3% above its previous peak reached in July 2007.

REINZ Stratified Median Housing Price Index Chart



REINZ Stratified Median Housing Price Index Statistics

	Index Level	1 Month	3 Months	12 Months	5 Years (CAGR)	From Peak
New Zealand	3,301.4	-0.1%	0.7%	3.1%	1.1%	-2.4%
Auckland	3,681.6	1.3%	2.9%	7.6%	2.4%	1.3%
Wellington	3,384.5	-0.5%	1.3%	2.7%	1.2%	-3.2%
Christchurch	3,057.7	-2.4%	-0.4%	2.8%	0.9%	-1.1%
Other North Island	3,023.0	-2.2%	-1.1%	-2.0%	-0.8%	-11.3%
Other South Island	3,346.0	-0.8%	0.8%	5.2%	1.1%	-4.6%
Sections	4,683.0	2.6%	1.0%	4.4%	0.7%	-13.4%

- * CAGR is Compound Annual Growth Rate
- * The Christchurch data needs to be treated with some caution due to compositional changes in the suburb mix caused by the earthquakes in the city

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For more real estate information and market trends data, visit www.reinz.co.nz. For New Zealand's most comprehensive range of listings for residential, lifestyle, rural, commercial, investment and rental properties, visit www.realestate.co.nz - REINZ's official property directory website.

Editor’s 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 and includes sales as of 5:00pm on the last business day of the month. Other surveys of the residential property market are based on information from Territorial Authorities regarding settlement and the receipt of documents by the relevant Territorial 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.

The REINZ Monthly Housing Price Index is calculated using a technique known as stratification, which provides an averaging of sales prices for common groups of houses. This approach is considered a more robust analysis of actual house price trends and was developed in conjunction with the Reserve Bank.

The REINZ Monthly Housing Price Index is based on a value of 1000 in January 1992, the first month for which electronic information is available. Changes in the index represent movements in housing prices, where the mix of sales between the groups is held constant and are more likely to reflect genuine property price movements.

Regional Commentaries – December 2011

Northland

	Median			Number Sold		
	Dec-11	Nov-11	Dec-10	Dec-11	Nov-11	Dec-10
Whangarei City	\$261,500	\$277,000	\$277,500	46	54	51
Whangarei County	\$330,000	\$325,000	\$281,000	15	25	13
Kerikeri	\$328,000	\$399,000	\$388,050	11	13	13
Northland	\$289,000	\$305,000	\$296,000	113	136	95
	Vs...	Nov-11	Dec-10	Vs...	Nov-11	Dec-10
Whangarei City		-5.6%	-5.8%		-14.8%	-9.8%
Whangarei County		1.5%	17.4%		-40.0%	15.4%
Kerikeri		-17.8%	-15.5%		-15.4%	-15.4%
Northland		-5.2%	-2.4%		-16.9%	18.9%

The Northland region saw an increase over December 2010 volumes of almost 19%, although the Whangarei City and Kerikeri areas recorded decreases. Across all areas volumes were lower in December 2011 than in November, as is usual with December's shorter trading month.

Prices also eased across the region with the Northland region reporting the second largest fall in prices compared to November. The number of days to sell for Northland eased by one day to 54 days in December compared to 53 days in November, however, the number of days to sell improved by 34 days compared to December 2010.

Auckland Region

	Median			Number Sold		
	Dec-11	Nov-11	Dec-10	Dec-11	Nov-11	Dec-10
Rodney District	\$433,000	\$465,000	\$432,000	119	119	89
North Shore City	\$575,000	\$570,000	\$550,000	391	431	297
Waitakere City	\$418,500	\$402,250	\$365,000	234	318	182
Auckland City	\$557,500	\$565,000	\$500,000	602	808	456
Manukau City	\$475,000	\$484,000	\$455,000	317	423	295
Outer Auckland	\$415,000	\$417,500	\$410,000	227	232	161
Auckland Region	\$484,375	\$490,000	\$455,000	1,826	2,266	1,428
	Vs...	Nov-11	Dec-10	Vs...	Nov-11	Dec-10
Rodney District		-6.9%	0.2%		0.0%	33.7%
North Shore City		0.9%	4.5%		-9.3%	31.6%
Waitakere City		4.0%	14.7%		-26.4%	28.6%
Auckland City		-1.3%	11.5%		-25.5%	32.0%
Manukau City		-1.9%	4.4%		-25.1%	7.5%
Outer Auckland		-0.6%	1.2%		-2.2%	41.0%
Auckland Region		-1.1%	6.5%		-19.4%	27.9%

Compared to December 2010 sales volume was up strongly at almost 28%, with all parts of the region recording noticeable increases in sale volume, and Auckland's transaction numbers were the strongest they have been since 2006. Volumes were lower than November (as expected given the shortened working month) and were down by almost 20% on an unadjusted basis; however, on a

seasonally adjusted basis (taking into account factors such as Christmas) sales volume was up 2.4%.

After hitting a new record high median house price in November, prices eased back in December with the median house price falling \$5,625. Most parts of the region also saw an easing in prices, however, Waitakere City saw a noticeable increase in the median price. Compared to December 2010 prices across the region increased by 6.5%, giving Auckland the third strongest lift in prices over this period.

The number of days to sell for Auckland improved by two days to 31 days in December compared to 33 days in November, and also by two days compared to December 2010.

Waikato/Bay of Plenty/Gisborne

	Median			Number Sold		
	Dec-11	Nov-11	Dec-10	Dec-11	Nov-11	Dec-10
Waikato Country	\$248,000	\$275,000	\$275,000	129	159	83
Hamilton City	\$337,500	\$327,500	\$326,750	204	216	177
Mount Maunganui/Papamoa	\$418,000	\$385,000	\$410,000	75	79	49
Tauranga	\$315,500	\$369,000	\$379,500	108	113	84
Rotorua	\$242,750	\$232,500	\$220,000	68	59	55
Taupo	\$275,000	\$355,000	\$315,000	57	49	38
Eastern BOP Country	\$250,000	\$255,000	\$275,000	47	33	43
Gisborne City	\$225,000	\$245,000	\$223,000	37	29	33
Waikato/BOP Region	\$305,000	\$310,000	\$315,000	783	804	620
	Vs...	Nov-11	Dec-10	Vs...	Nov-11	Dec-10
Waikato Country		-9.8%	-9.8%		-18.9%	55.4%
Hamilton City		3.1%	3.3%		-5.6%	15.3%
Mount Maunganui/Papamoa		8.6%	2.0%		-5.1%	53.1%
Tauranga		-14.5%	-16.9%		-4.4%	28.6%
Rotorua		4.4%	10.3%		15.3%	23.6%
Taupo		-22.5%	-12.7%		16.3%	50.0%
Eastern BOP Country		-2.0%	-9.1%		42.4%	9.3%
Gisborne City		-8.2%	0.9%		27.6%	12.1%
Waikato/BOP Region		-1.6%	-3.2%		-2.6%	26.3%

Compared to December 2010 all parts of the Waikato/Bay of Plenty region saw noticeable increases in sales volume. Volumes would generally be expected to drop compared with November given the shorter working month and this effect was evident in some areas. Surprisingly though some areas – notably Rotorua, Taupo, Eastern BOP Country and Gisborne City - recorded noticeable increases in sales volume over November figures.

The median prices eased across the region, with a \$5,000 drop compared to November and a \$10,000 drop compared to December 2010.

The number of days to sell for Waikato/Bay of Plenty eased by four days to 47 days in December, compared to 43 days in November, and improved by six days compared to December 2010.

Hawkes Bay

	Median			Number Sold		
	Dec-11	Nov-11	Dec-10	Dec-11	Nov-11	Dec-10
Napier City	\$296,000	\$290,000	\$315,088	70	80	78
Hastings City	\$279,000	\$285,000	\$290,000	64	85	55
Hawkes Bay	\$271,750	\$288,750	\$285,000	164	192	169
	Vs...	Nov-11	Dec-10	Vs...	Nov-11	Dec-10
Napier City		2.1%	-6.1%		-12.5%	-10.3%
Hastings City		-2.1%	-3.8%		-24.7%	16.4%
Hawkes Bay		-5.9%	-4.6%		-14.6%	-3.0%

Sales volume in Hawkes Bay eased by almost 15% in December, after a strong lift in November, with noticeable weakness in Hastings City. Hawkes Bay was only one of two region to record lower sales volume compared to December 2010.

The median price for the region eased by almost 6%, also after a strong increase in November, with the median price falling by \$17,000 compared to November and by \$13,250 compared to December 2010. Hawkes Bay recorded the largest fall in median price compared to December 2010 of all regions in New Zealand.

The number of days to sell for Hawkes Bay rose by 18 days to 61 days in December, compared to 43 days in November, and rose by 11 days compared to December 2010.

Manawatu/Wanganui

	Median			Number Sold		
	Dec-11	Nov-11	Dec-10	Dec-11	Nov-11	Dec-10
Palmerston North City	\$272,000	\$270,000	\$258,500	109	135	72
Feilding	\$224,250	\$269,000	\$210,000	26	16	20
Levin	\$172,500	\$166,000	\$210,000	21	22	19
Wanganui City	\$170,000	\$195,500	\$175,000	44	42	29
Manawatu/Wanganui	\$220,750	\$230,000	\$220,000	258	275	177
	Vs...	Nov-11	Dec-10	Vs...	Nov-11	Dec-10
Palmerston North City		0.7%	5.2%		-19.3%	51.4%
Feilding		-16.6%	6.8%		62.5%	30.0%
Levin		3.9%	-17.9%		-4.5%	10.5%
Wanganui City		-13.0%	-2.9%		4.8%	51.7%
Manawatu/Wanganui		-4.0%	0.3%		-6.2%	45.8%

The Manawatu/Wanganui region recorded a relatively modest drop in sales volume in December compared with November, although on a seasonally adjusted basis sales volume increased by 12%. Of more note is the change in sales volumes compared to December 2010, where the region reported the largest increase in sales volume for New Zealand at 45.8%.

The median price for the region eased in December, although there was a modest increase in Palmerston North. Feilding's median price eased back after rising in both October and November, while the rest of the region reported mixed results. Compared to December 2010 the median price

across the region has increase by just \$750.

The number of days to sell for Manawatu/Wanganui improved by three days to 41 days in December, compared to 44 days in November, and improved by 12 days compared to December 2010.

Taranaki

	Median			Number Sold		
	Dec-11	Nov-11	Dec-10	Dec-11	Nov-11	Dec-10
Taranaki Country	\$245,000	\$232,500	\$232,500	27	22	16
New Plymouth City	\$295,500	\$295,000	\$325,000	62	87	52
Hawera	\$210,000	\$246,000	\$229,000	17	26	16
Taranaki	\$285,000	\$272,500	\$268,000	148	161	104
	Vs...	Nov-11	Dec-10	Vs...	Nov-11	Dec-10
Taranaki Country		5.4%	5.4%		22.7%	68.8%
New Plymouth City		0.2%	-9.1%		-28.7%	19.2%
Hawera		-14.6%	-8.3%		-34.6%	6.3%
Taranaki		4.6%	6.3%		-8.1%	42.3%

Compared to December 2010 the Taranaki region recorded the second largest increase in sales volume across New Zealand. Along with all other regions in New Zealand region reported an easing of a sales volumes in December (which is to be expected given the shorter working month) following on from a solid increase in November, although Taranaki Country recorded a noticeable increase in sales volume for the month.

The region also recorded the second largest increase in the median price across New Zealand with a \$12,500 increase compared to November, and a \$17,000 increase compared to December 2010. Throughout most of 2011 the results for the region have been rather ordinary, however towards the end of the year the Taranaki market appears to have come into its own.

The number of days to sell Taranaki remained steady at 48 days in December compared to November, and improved by 16 days compared to December 2010.

Wellington

	Median			Number Sold		
	Dec-11	Nov-11	Dec-10	Dec-11	Nov-11	Dec-10
Upper Hutt	\$355,000	\$339,000	\$310,000	65	64	75
Hutt Valley	\$354,000	\$328,500	\$372,000	111	134	111
Northern Wellington	\$461,000	\$475,275	\$492,000	75	70	62
Central Wellington	\$457,750	\$436,000	\$459,500	46	48	44
Eastern Wellington	\$505,500	\$550,000	\$585,500	24	45	34
Western Wellington	\$545,000	\$472,500	\$500,000	43	34	43
Southern Wellington	\$537,300	\$530,000	\$501,250	24	46	42
Wairarapa	\$250,000	\$220,000	\$222,500	35	42	46
Wellington	\$387,000	\$383,250	\$400,000	577	657	586
	Vs...	Nov-11	Dec-10	Vs...	Nov-11	Dec-10
Upper Hutt		4.7%	14.5%		1.6%	-13.3%
Hutt Valley		7.8%	-4.8%		-17.2%	0.0%
Northern Wellington		-3.0%	-6.3%		7.1%	21.0%
Central Wellington		5.0%	-0.4%		-4.2%	4.5%
Eastern Wellington		-8.1%	-13.7%		-46.7%	-29.4%
Western Wellington		15.3%	9.0%		26.5%	0.0%
Southern Wellington		1.4%	7.2%		-47.8%	-42.9%
Wairarapa		13.6%	12.4%		-16.7%	-23.9%
Wellington		1.0%	-3.3%		-12.2%	-1.5%

The Wellington regions sales volumes for December are something of a mixed bag with sizeable falls relative to both November 2011 and December 2010 in some parts of the region offset by noticeable increases in others. Western and Northern Wellington reported relatively strong results, while Eastern and Southern Wellington reported noticeably weaker results. Wellington was only one of two regions to report lower sales volumes in December 2011 compared to December 2010.

The median price across the region increased by \$3,750 compared to November, but eased back by \$13,000 compared to December 2010. Eastern Wellington and Northern Wellington reported lower median prices, while Western Wellington, Upper Hutt and Wairarapa all reported lifts in the median price.

The number of days to sell for Wellington improved by one day to 33 days in December, compared to 34 days in November, and improved by five days compared to December 2010.

Nelson/Marlborough

	Median			Number Sold		
	Dec-11	Nov-11	Dec-10	Dec-11	Nov-11	Dec-10
Nelson City	\$315,000	\$331,250	\$329,500	73	80	64
Richmond	\$410,000	\$382,000	\$398,500	21	29	19
Marlborough/Kaikoura	\$325,000	\$271,263	\$285,000	72	66	57
Nelson/Marlborough	\$331,500	\$330,000	\$327,000	204	224	159
	Vs...	Nov-11	Dec-10	Vs...	Nov-11	Dec-10
Nelson City		-4.9%	-4.4%		-8.8%	14.1%
Richmond		7.3%	2.9%		-27.6%	10.5%
Marlborough/Kaikoura		19.8%	14.0%		9.1%	26.3%
Nelson/Marlborough		0.5%	1.4%		-8.9%	28.3%

Sales volume in the Nelson/Marlborough region were 28.3% higher than December 2010, and eased back after increases in October and November. All parts of the region saw increased sales volume

compared to December 2010.

The median price across the region rose modestly by \$1,500 compared to November and by \$4,500 compared to December 2010, with the only drop in prices coming in Nelson City.

The number of days to sell for Nelson/Marlborough improved by one day to 37 days in December, compared to 38 days in November, and improved by five days compared to December 2010.

Canterbury/Westland

	Median			Number Sold		
	Dec-11	Nov-11	Dec-10	Dec-11	Nov-11	Dec-10
Christchurch City	\$346,000	\$355,000	\$330,500	487	470	426
Rangiora	\$349,288	\$397,500	\$327,500	36	40	24
North Canterbury	\$310,000	\$348,500	\$285,000	41	40	10
Mid Canterbury	\$255,000	\$250,000	\$213,500	35	43	18
Timaru	\$250,000	\$225,000	\$215,000	49	52	47
South Canterbury	\$195,000	\$210,000	\$207,500	29	41	34
West Coast	\$215,750	\$198,000	\$196,000	42	45	37
Canterbury/Westland	\$325,000	\$335,000	\$305,000	787	816	637
	Vs...	Nov-11	Dec-10	Vs...	Nov-11	Dec-10
Christchurch City		-2.5%	4.7%		3.6%	14.3%
Rangiora		-12.1%	6.7%		-10.0%	50.0%
North Canterbury		-11.0%	8.8%		2.5%	310.0%
Mid Canterbury		2.0%	19.4%		-18.6%	94.4%
Timaru		11.1%	16.3%		-5.8%	4.3%
South Canterbury		-7.1%	-6.0%		-29.3%	-14.7%
West Coast		9.0%	10.1%		-6.7%	13.5%
Canterbury/Westland		-3.0%	6.6%		-3.6%	23.5%

Compared to December 2010 sales volume was up in all parts of the region other than South Canterbury, with Rangiora, North and Mid Canterbury all reporting substantial increases in sales volume; due no doubt to earthquake related relocations. Christchurch City has also seen an increase in sales volume with 14% more sales in December compared to 12 months ago. Sales volume across the Canterbury/Westland region eased in December compared to November, although far more modestly than most regions in New Zealand.

The region saw a 6.6% increase in the median price (\$20,000) compared to December 2010, with most of the increase coming from Mid Canterbury, Timaru and West Coast. The increase in median price in Christchurch City has been relatively modest in comparison.

The number of days to sell for Canterbury/Westland improved by two days to 29 days in December, compared to 31 days in November, and improved by seven days compared to December 2010.

Central Otago Lakes

	Median			Number Sold		
	Dec-11	Nov-11	Dec-10	Dec-11	Nov-11	Dec-10
Central	\$360,000	\$311,000	\$355,000	53	46	27
Queenstown	\$565,000	\$447,500	\$429,000	34	39	40
Central Otago Lakes	\$435,000	\$405,000	\$400,000	87	85	67
	Vs...	Nov-11	Dec-10	Vs...	Nov-11	Dec-10
Central		15.8%	1.4%		15.2%	96.3%
Queenstown		26.3%	31.7%		-12.8%	-15.0%
Central Otago Lakes		7.4%	8.7%		2.4%	29.9%

The Central Otago Lakes region saw a modest increase in sales volume for December, the only region to record an increase in sales compared to November. Compared to December 2010 the region recorded an almost 30% increase in sales volume, including a near doubling of sales in Central.

Central Otago Lakes also recorded the strong lift in median price compared to both November and December 2010, with a \$30,000 increase compared to November and \$35,000 increase compared to December 2010.

The number of days to sell for Central Otago Lakes eased by eight days to 59 days in December, compared to 51 days in November, and eased by 15 days compared to December 2010.

Otago

	Median			Number Sold		
	Dec-11	Nov-11	Dec-10	Dec-11	Nov-11	Dec-10
Dunedin City	\$255,000	\$255,000	\$249,500	184	199	179
North Otago	\$208,000	\$209,500	\$210,000	34	32	25
Otago	\$245,000	\$245,000	\$235,000	243	253	231
	Vs...	Nov-11	Dec-10	Vs...	Nov-11	Dec-10
Dunedin City		0.0%	2.2%		-7.5%	2.8%
North Otago		-0.7%	-1.0%		6.3%	36.0%
Otago		0.0%	4.3%		-4.0%	5.2%

Sales volume in Otago fell only modestly in December compared to November, but also only rose modestly compared to December 2010. Whereas most regions saw sales volume increase by more than 20% compared to December 2010, Otago increased by just over 5%.

The median price across the region held steady at \$245,000 compared to November and managed a \$10,000 increase compared to December 2010, with North Otago reporting a slight easing in the median price.

The number of days to sell for Otago eased by one day to 31 days in December compared to 30 days in November, and improved by seven days compared to December 2010.

Southland

	Median			Number Sold		
	Dec-11	Nov-11	Dec-10	Dec-11	Nov-11	Dec-10
Invercargill	\$198,000	\$198,000	\$180,000	80	86	81
Gore	\$122,000	\$168,750	\$183,000	21	26	19
Southland	\$195,500	\$196,000	\$184,000	126	139	124
	Vs...	Nov-11	Dec-10	Vs...	Nov-11	Dec-10
Invercargill		0.0%	10.0%		-7.0%	-1.2%
Gore		-27.7%	-33.3%		-19.2%	10.5%
Southland		-0.3%	6.3%		-9.4%	1.6%

The Southland region recorded a drop in sales volume in December in line with the New Zealand market compared to November, although there was a modest increase compared to December 2010. Southland recorded the third weakest change in sales volume compared to December 2010.

The median price across the region eased by \$500 compared to November, although it increased by \$11,500 compared to December 2010. The median price in Gore fell away noticeably.

The number of days to sell for Southland improved by 10 days to 30 days in December, compared to 40 days in November, and also improved by 10 days compared to December 2010.