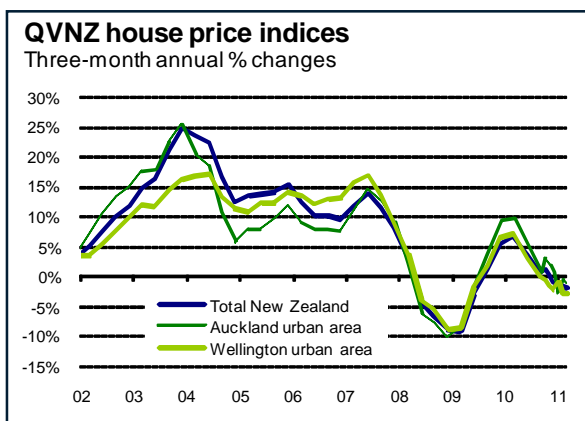




House price indices ⁽¹⁾	Mar-11	Feb-11	Jan-11	Sep-10 ⁽²⁾
Total New Zealand	-2.0%	-1.7%	-1.5%	0.5%
Auckland urban area	-1.0%	-0.4%	-2.5%	0.8%
Hamilton City	-3.8%	-3.9%	-3.4%	-1.4%
Wellington urban area	-2.9%	-2.7%	-1.1%	-0.2%
Christchurch City	NA	0.3%	0.3%	1.1%
Dunedin City	-3.8%	-2.9%	-3.7%	-1.2%

(1) Three-month annual % changes (2) Latest annual % change from QVNZ's quarterly index
Data source: Quotable Value New Zealand Ltd



Vendors meeting the market?

February's rally in house prices proved to be very short-lived as prices slipped 0.3% in March. The Auckland and Wellington market's had been underpinning the better nationwide performance over the last couple of months, but prices in both cities were less buoyant in March and dragged the national average lower.

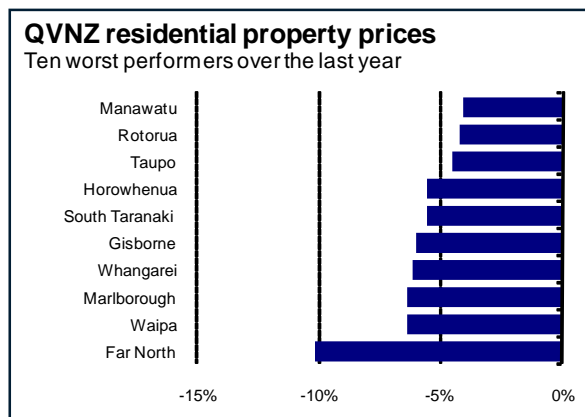
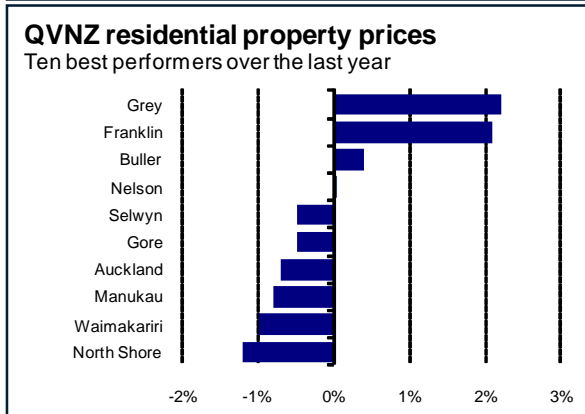
Within the Auckland and Wellington regions, the biggest easings in price growth occurred in Waitakere, Auckland, Papakura, and Lower Hutt. Average house price growth across all main urban areas deteriorated from -1.1% to -1.5%pa.

Across the rest of the country, the lower South Island was notable for its softer price performance, with a big slowdown in price growth in Waitaki, Queenstown-Lakes, Clutha, Southland, and Gore. In contrast, Selwyn, Ashburton, and Timaru all showed a sizeable pick-up in house price growth, which may be a result of increased buyer demand in these areas as people move out of damaged properties in Christchurch.

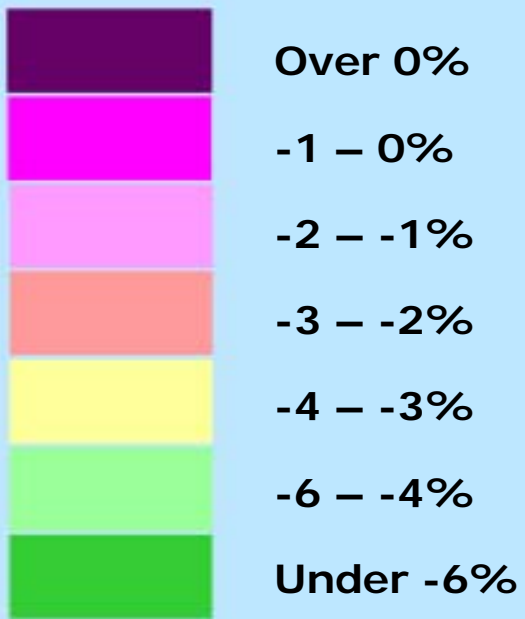
The latest softening in prices has been accompanied by an easing in listing numbers in Auckland, as measured by Barfoot & Thompson. This combination may reflect an increase in the number of vendors willing to lower their prices to meet buyer expectations in the current subdued market.

We expect to see some further downward pressure on house prices in coming months, particularly as the market adjusts to the tax changes that came into force on April 1.

Statistical property data is provided courtesy of [Quotable Value New Zealand Ltd](http://www.quotablevalue.co.nz).



Three-month annual percentage change in house prices, March 2011



NZ average -2.0%

