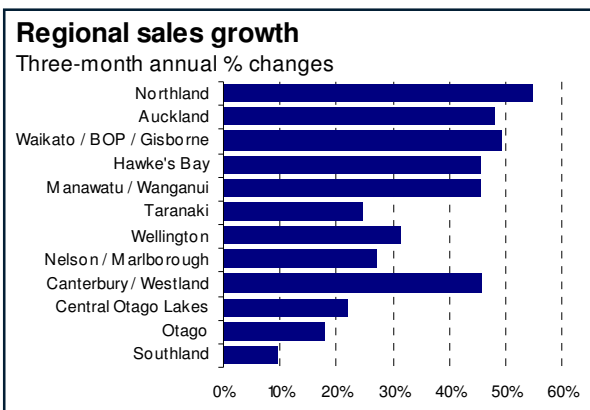
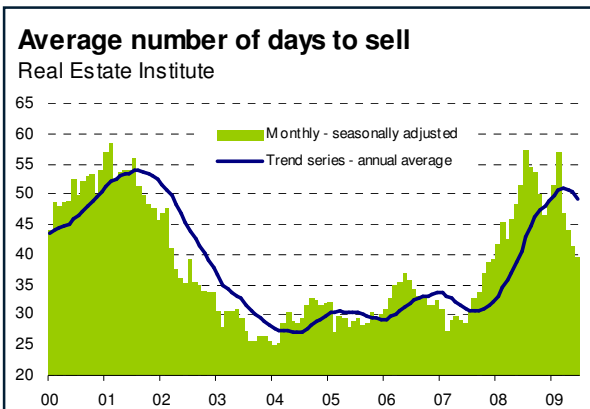
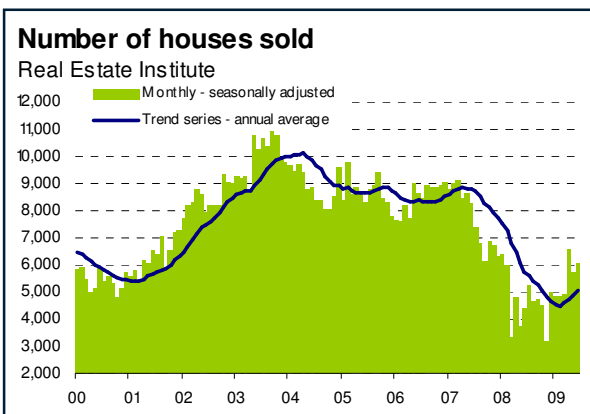




	Number of sales		Median house price (\$000)	
	Jun-09	May-09	Jun-09	May-09
Actual	6,040	6,291	340.0	337.5
<i>Annual % Change⁽¹⁾</i>	40.3%	43.9%	0.0%	-2.2%
Seasonally adjusted	6,093	5,710	338.5	334.6
<i>Monthly % Change⁽²⁾</i>	6.7%	-13.4%	1.2%	-0.4%

(1) Month on same month previous year, unadjusted (2) Month on previous month, seasonally adjusted

Data source: Real Estate Institute of New Zealand



House sales lift carries into June

House sales in the June quarter rose a seasonally adjusted 26% on March, as low interest rates and improving buyer sentiment drove up sales. Three-monthly sales totals are now up 48% on their November trough. Given the dearth of new listings being reported, we do not expect house sales to rise much further on a seasonally adjusted basis over the second half of 2009.

House sales growth remained positive in all 12 of New Zealand's regions over the June quarter. The sharpest increase on June 2008 was recorded in Northland, up 55%.

The average number of days it takes to sell property has continued to decline, falling to 41 days in June. In seasonally adjusted terms this is the fastest rate of turnover rate for property since December 2007.

The median house price increased slightly to \$340,000 in June. For the first time since March 2008 annual house price growth was not negative, with house prices unchanged on June 2008.

The housing market recovery intensified over the June quarter, with rising sales and falling average days to sell indicating that buyer demand is returning. However, rising unemployment and increasing mortgage affordability (stemming from lower interest rates) is actually reducing the number of properties being put on the market. With listing levels expected to stay low, monthly house sales are unlikely to move far above current (seasonally adjusted) levels over the rest of 2009.