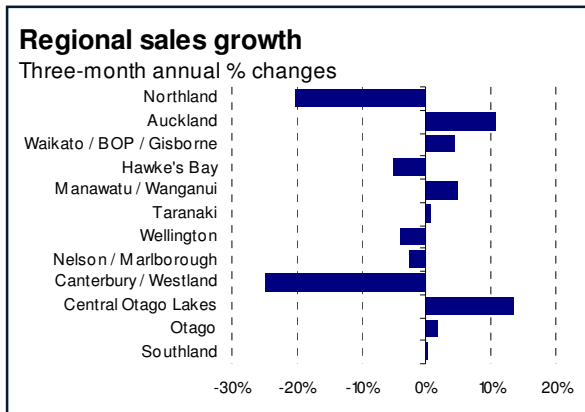
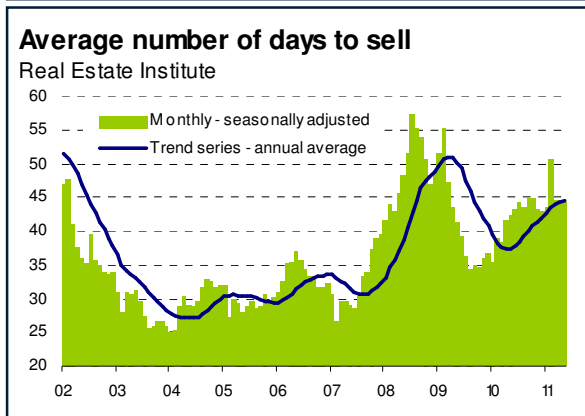
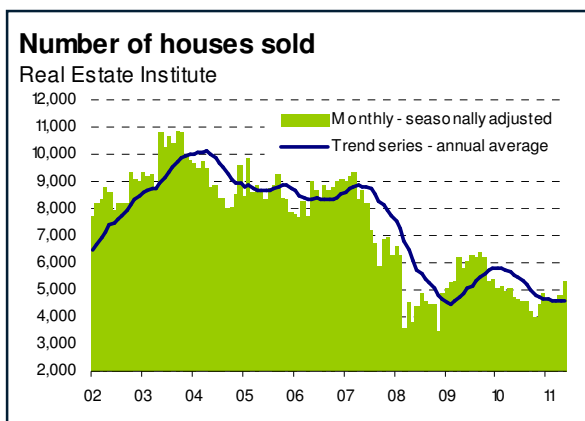


14 June 2011
May 2011 data

	Number of sales		Median house price (\$000)	
	May-11	Apr-11	May-11	Apr-11
Actual	5,766	4,987	350.0	360.0
<i>Annual % Change⁽¹⁾</i>	10.8%	-4.2%	0.0%	1.1%
Seasonally adjusted	5,316	4,799	350.8	356.3
<i>Monthly % Change⁽²⁾</i>	10.8%	2.2%	-1.5%	-1.3%

(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 recover around the country

Nationally, house sales rose sharply in May, increasing 11% from April (seasonally adjusted). Monthly housing market activity is now at its highest level since December 2009. House sales are expected to continue recovering during 2011, as New Zealand households become more willing to spend.

While house sales movements in recent months have been due solely to the Auckland and Canterbury markets, this month's boost was due to strength all around the country. The only region to record a seasonally adjusted decline in house sales in May was Northland.

Auckland was the main contributor to the increase in house sales. In the three months to May, the level of house sales in this region rose 11% from a year earlier. Waikato/BOP/Gisborne also experienced a sharp increase in sales during the May month.

Prices gave up their recent gains in May, with the stratified house price index falling 1.5% (seasonally adjusted) to its lowest level since February.

The recovery in house sales during the first half of the year has been encouraging, especially in the face of low consumer confidence and weak net migration inflows. With interest rates low, and house prices increasingly viewed as close to fair value, we expect house sales activity to continue rising throughout 2011.

Even so, sales activity is at a historically low level and is likely to recover to only a "normal level" by early 2012.