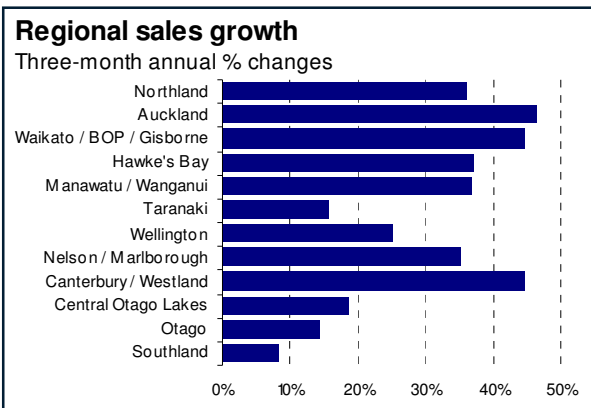
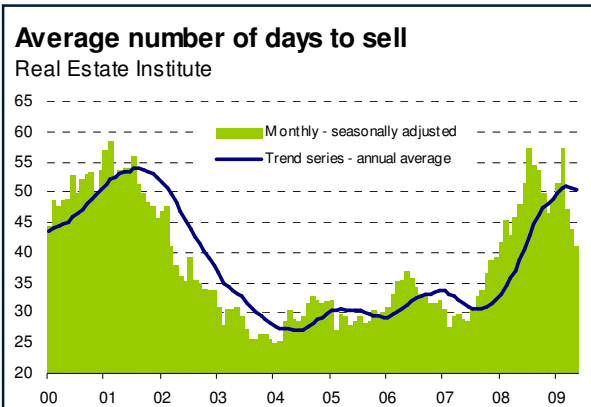
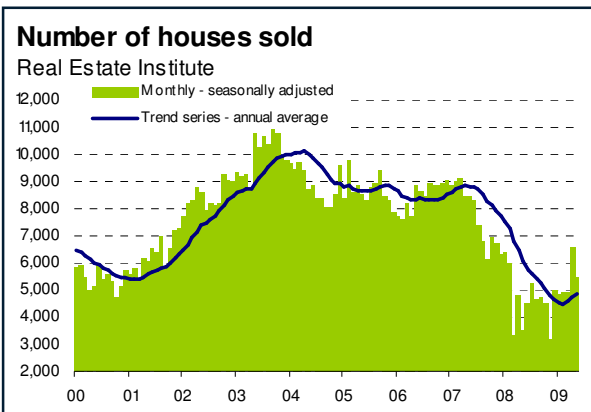




	Number of sales		Median house price (\$000)	
	May-09	Apr-09	May-09	Apr-09
Actual	6,291	6,210	337.5	340.0
<i>Annual % Change⁽¹⁾</i>	43.9%	39.6%	-2.2%	-1.4%
Seasonally adjusted	5,434	6,603	334.4	335.7
<i>Monthly % Change⁽²⁾</i>	-17.7%	34.7%	-0.4%	1.1%

(1) Month on same month previous year, unadjusted (2) Month on previous month, seasonally adjusted
 Data source: Real Estate Institute of New Zealand



Housing market recovery intensifies

House sales in May gave up some of their April gains, falling a seasonally adjusted 18%. However, excluding April this was still the strongest seasonally adjusted month since February 2008. Over the three months to May house sales rose 38% on a year earlier, the sharpest increase since May 2002. Rising house sales combined with low interest rates will see house prices stabilise over 2009.

In the three months to May house sales rose in all 12 of New Zealand's regions relative to a year earlier. The sharpest increase was recorded in Auckland, with sales up 47% on a year ago.

The number of days it takes to sell property remained steady in May at 42. In seasonally adjusted terms this was down slightly on April, and indicates that listed properties are selling at their fastest rate since December 2007.

Median house prices slid slightly in May, falling to \$337,500. However, in the three months to May, house prices were on average down 2.6% on a year earlier – the smallest decline since July 2008.

A monthly correction in the number of house sales was expected, as the temporary rush of buyers in April petered out. However, interest rates remain low and buyer demand remains stronger than at any time since early 2008, helping to provide a base of activity for the real estate market. With listing levels likely to stay low we expect house sales to remain around current levels over 2009 while house prices lift mildly.