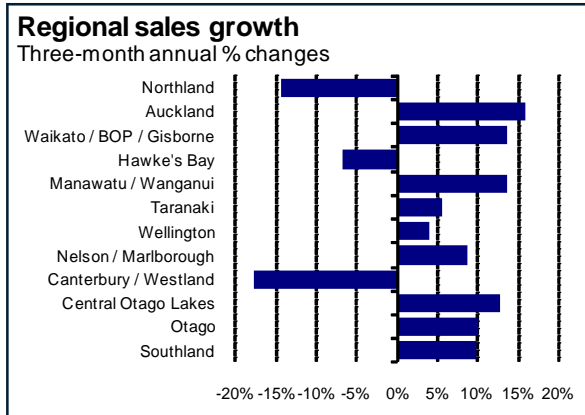
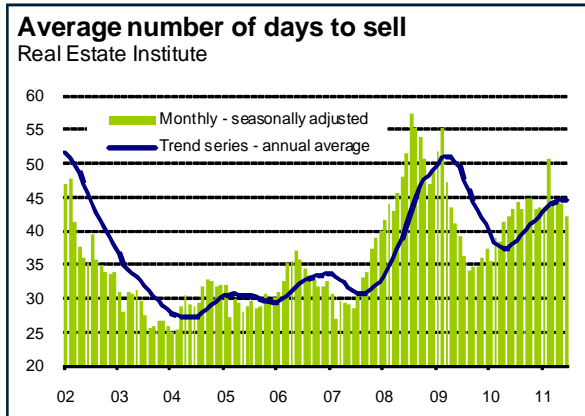
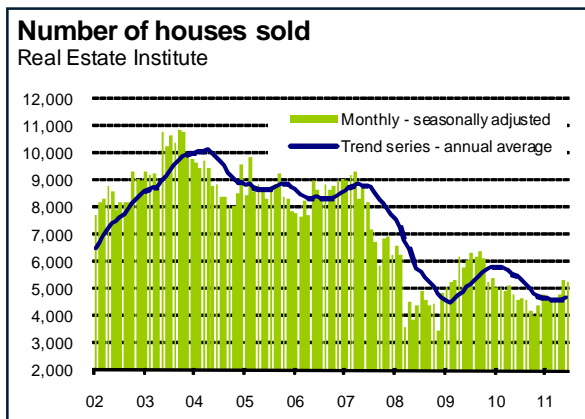




	Number of sales		Median house price (\$000)	
	Jun-11	May-11	Jun-11	May-11
Actual	5,228	5,766	360.0	350.0
<i>Annual % Change⁽¹⁾</i>	14.3%	10.8%	2.1%	0.0%
Seasonally adjusted	5,275	5,352	359.6	350.5
<i>Monthly % Change⁽²⁾</i>	-1.4%	11.3%	2.6%	-1.7%

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

Data source: Real Estate Institute of New Zealand



New Zealand follows Auckland's lead

New Zealand house sales slipped 1.4% during June (seasonally adjusted). However, this fall came on the back of an 11% rise the previous month. Excluding Canterbury sales across the country were up 22% from a year earlier in June. Despite this increase, house sales are still at a historically low level and will rise further over the coming months.

Growth in Auckland house sales continued to accelerate in July, with sales up 27% from a year earlier for the month. But the recovery in sales has spread to other regions as well. Aside from Canterbury, only Central Otago Lakes and Hawke's Bay recorded falls in house sales from a year earlier in June.

The stratified house price index rose 1.8% in June (seasonally adjusted), reversing its fall the previous month. The pickup in sales will provide some support for prices over the next year, but price growth will be constrained by lower interest from investors.

First-home buyers are beginning to enter the housing market again. With interest rates still at very favourable levels, we expect sales to pick up further over the coming months. Even as interest rates increase during 2012, an improving labour market and growing confidence in the housing market will see sales continue to recover.