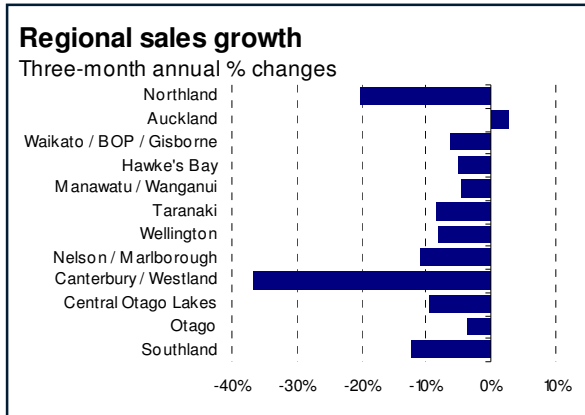
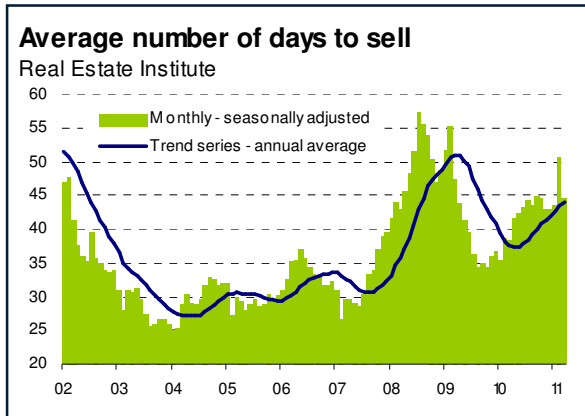
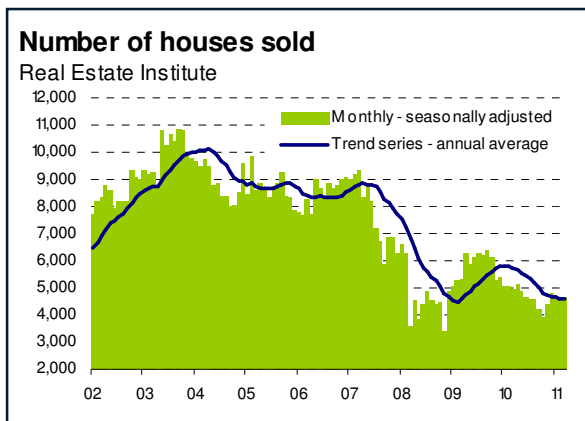




	Number of sales		Median house price (\$000)	
	Mar-11	Feb-11	Mar-11	Feb-11
Actual	5,848	4,502	365.0	350.0
<i>Annual % Change⁽¹⁾</i>	-5.1%	-10.5%	1.2%	0.0%
Seasonally adjusted	4,689	4,599	361.0	354.3
<i>Monthly % Change⁽²⁾</i>	2.0%	-0.7%	1.9%	2.4%

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

Data source: Real Estate Institute of New Zealand



A tale of two cities

The housing market remained consistently sluggish across most of the nation during March with the exception of two regions: Auckland and Canterbury. While the Christchurch quake heavily reduced house sales in the region, activity in the Auckland house market has risen significantly. We expect this trend to continue over the coming months.

A dearth of sales activity in Canterbury following the quake was the clearest negative driver of house sales in New Zealand – with sales over the rest of the country up 1.5% from March 2010. In seasonally adjusted terms, the number of house sales in Canterbury was at its lowest level on record (going back to 1989) and are at half their pre-quake level.

On the other side, Auckland’s seasonally adjusted house sales reached their highest level since October 2009 in March. Price trends in Auckland are little different to nationwide movements, but the impasse between buyers and vendors that is limiting sales around the rest of the country appears to have become less critical in Auckland.

Excluding both Canterbury and Auckland, house sales in March were down 5.4% from a year earlier – roughly in line with the 5.1% decline in total house sales.

In general, activity in the New Zealand housing market remains low – with buyers and vendors taking a cautious approach to property transactions. However, house sales in Auckland market appear to be rebounding from their prior low level on the back of record low interest rates. The disjoint between the Auckland property market performance and house sales across the rest of the country is expected to continue throughout the first half of 2011.