



Media Release
1 March, 2010

Residential property sellers more realistic

Realism is setting in for some residential property owners as new listings come onto the market with lower prices, First National Group's monthly survey shows.

Reporting for the month of February, 44% said vendors were now more reasonable in their price expectations than before Christmas.

Half the offices noted significant increases in new listings compared with January.

First National Group (NZ) general manager John Stewart said the survey's findings gave a glimmer of hope in a very quiet market where mortgagee sales were making headlines.

"When a bunch of 'normal' properties are competing with mortgagee sales, price does have a greater influence."

Exact price reductions were unavailable at the time of the survey but 20% drops were becoming more common, Stewart said.

"With buyers so cagey at the moment, it is in a vendor's best interest to price realistically or risk waiting many months to sell.

"I know agents are accused of always saying it's a good time to buy, but with low interest rates and improving choice of properties, I would have to concur."

First National's 70 nationwide offices are surveyed on key market indicators including buyer enquiry levels (open home attendance, emails, web views, walk-ins), listings and contracts signed.

Stewart noted ongoing high website enquiry numbers indicated people were still keeping an eye on the market.

"One would imagine that at some stage that will lead to increased activity. Right now absolute lack of confidence is holding things back.

"The downstream effect of choked rural sales is having negative effects in many rural towns, Ashburton being a prime example.

"The results of business failure in many of those same rural focus centres is adding to the market slowdown in those towns."

Survey highlights:

- Asking price: Becoming more realistic in Wellington, Invercargill, South Auckland, central North Island, Northland, Cromwell, Alexandra and coastal holiday destinations.



- Asking price: Still at pre-Christmas levels in many places, with vendors in Taranaki, Blenheim, central and northern Auckland, and parts of Christchurch least prepared to budge.
- Sales volumes: Slight improvement in February sales volumes compared with January but still low.
- Buyer enquiry on par with January and quieter than usual for this time of year.

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