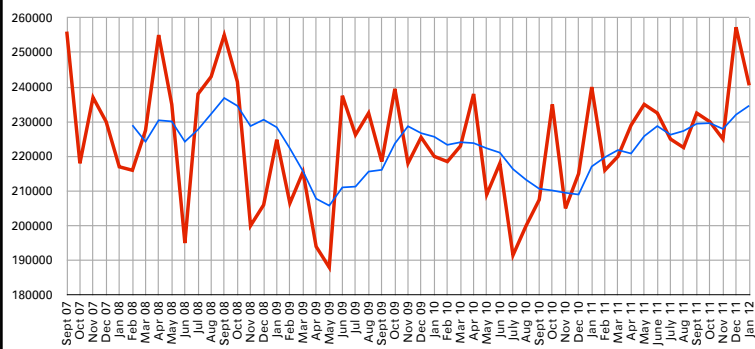


Timaru Property Report - February 2012

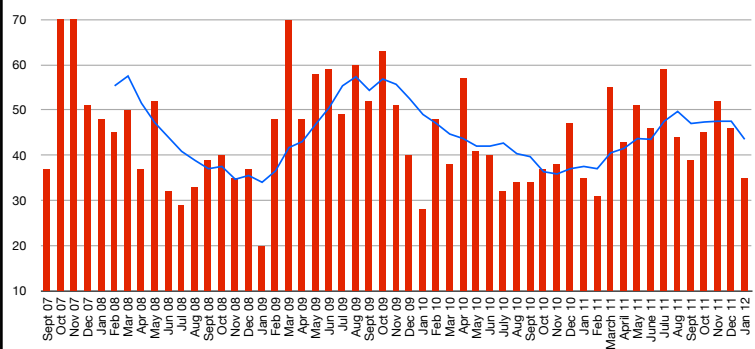
Median House Price - Timaru


The median house price for Timaru dropped significantly January 2012 to \$240,500 compared to the spike of \$257,250 in December 2011.

This is a very similar level as January last year (Jan 11) and considerably higher than January 2010 (\$220,000). You will note that the 6 month moving average is showing a steady climb in median price since the beginning of last year.

Please note that because of the small size of our market, our median tends to fluctuate substantially. Therefore the long-term trend line tends to be a more helpful indication of what prices are doing.

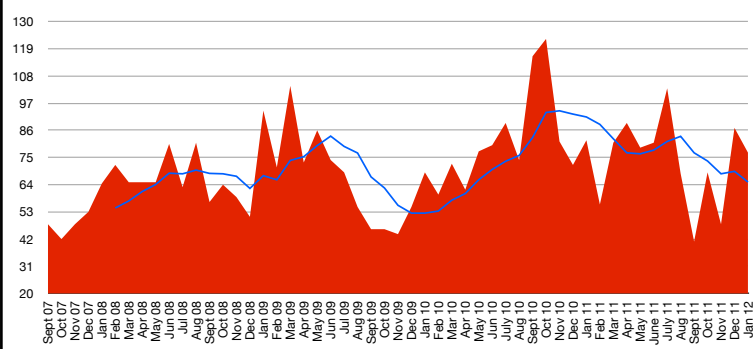
The blue trend line represents a 6 monthly moving average.

Number of House Sales - Timaru


There were 35 recorded residential house sales in the Timaru market for January 2012. This is the same level as the 35 recorded in January 2011. As you can see January is traditionally a low volume month - so nothing really unexpected here.

For the 2011 calendar year we recorded 546 residential house sales (avg of 45.5 per month) compared to 475 sales for the 2010 calendar year.

If activity in our office is anything to go by, we expect to see a large increase in sales for February. Buyer enquiry has been very strong since mid January and the number of contracts written has risen significantly compared to this time last year.

Median Days to Sell - Timaru


The median days to sell was 77 days in January 2012 compared to 87 days in December. Please note that we found a mistake in our spreadsheet which gave incorrect figures for the last few months reports. This has now been rectified.

According to a quick search on realestate.co.nz, we estimate there are currently 274 residential houses being advertised for sale in the Timaru residential market. This is a further drop from the estimated 284 last month and is considerably below the 385 back in March 11.

You will note that the 6 month moving average trend line is showing a steady decline in the days to sell since late 2010. At the same time the number properties available for sale has also been dropping.

Listings getting short - balance of market changing.

Last month we commented ... *"We have noticed a marked increase in enquiry from Christchurch buyers which could explain the shift in activity. Our best guess is that we will see more of these buyers coming into our market over the next few months. However, we believe they will come through like a wave, with the market quickly settling back down to normal. If you have been holding off selling and want to catch that wave before it passes - you need to be getting your property onto the market soon. We also currently have the lowest levels of listings available for quite some time, so your timing could be perfect."*

Our views have not changed - in fact if anything, we believe the further drop in available listings for sale and increased local buyer activity has made this an even better time to sell. We are currently selling more properties than are being listed for sale. So right at this point in time we are achieving some premium prices with buyers competing for the good stock. If you have been holding off - now's good :-)