

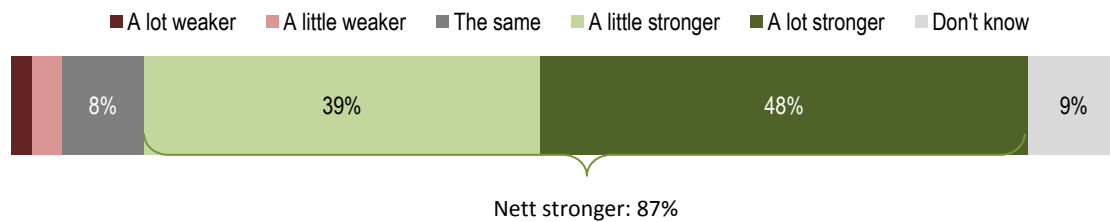
PRESS RELEASE

22 April 2013

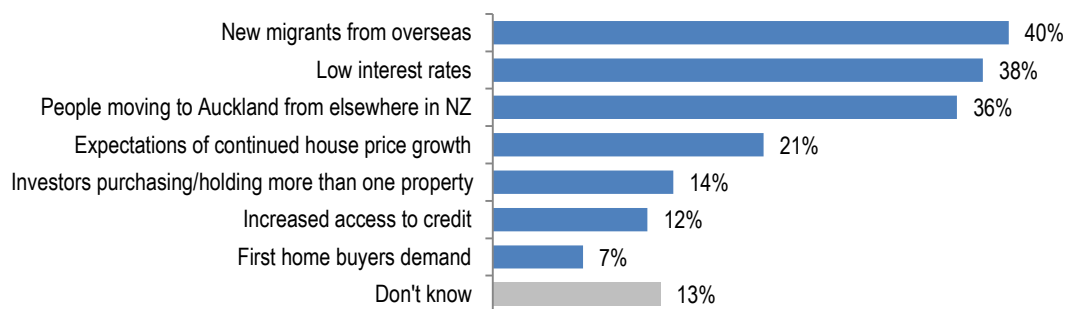
Perception of Strong Demand for Housing in Auckland

In the latest Crocker's Property Investment Index (CPII) survey in partnership with Ipsos, survey respondents were asked their perceptions regarding housing demand in Auckland. Of these, almost nine in ten feel that there is stronger demand compared to a year ago. The source of this demand is seen to be threefold; migrants to Auckland from both overseas and from elsewhere in NZ, and low interest rates.

Auckland Housing Demand in Comparison to Previous Year



Main Reason for Strong Demand



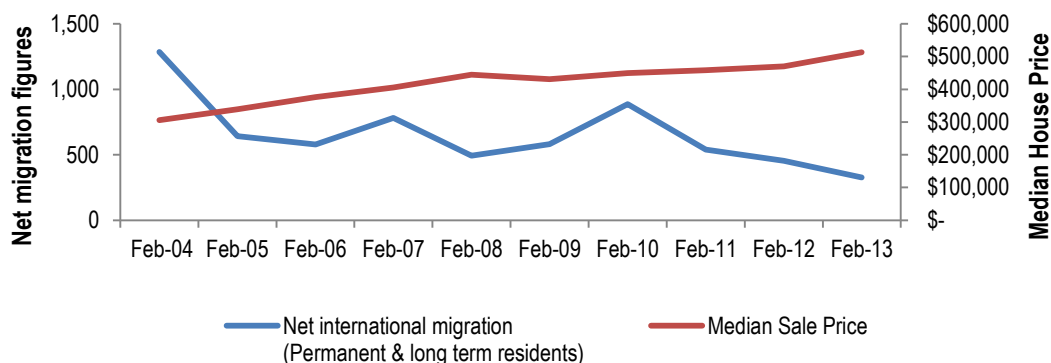
Note: Respondents were able to choose multiple reasons Source: CPII Survey April 2013

Migration

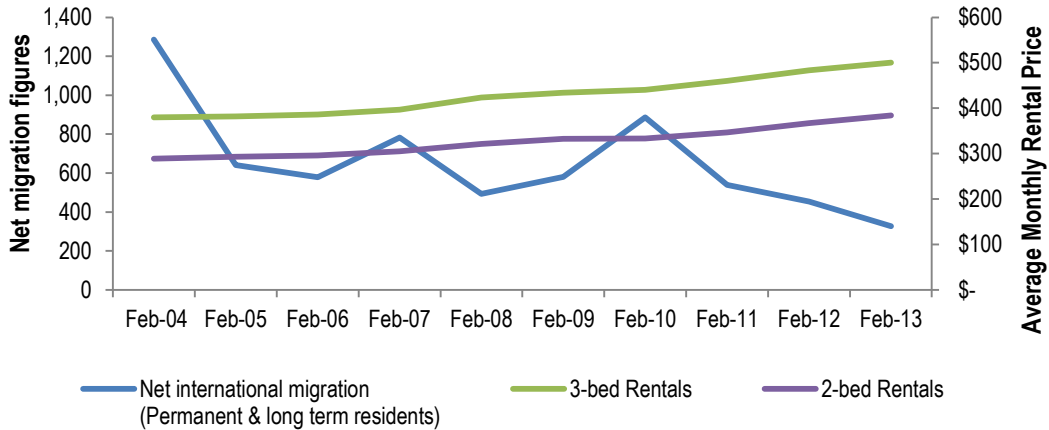
Despite international migration being seen as one of the primary drivers of housing demand, migration figures show a negative relationship with both house prices and rental figures over the past ten years. Net migration has decreased over time, whilst the median sale house price has increased. This indicates that other factors may be causing the increase in house prices rather than this commonly held belief.

Auckland Region: Net International Migration and Median House Price

12 month rolling averages



Auckland Region: Net International Migration and Average Monthly Rental Price 12 month rolling averages

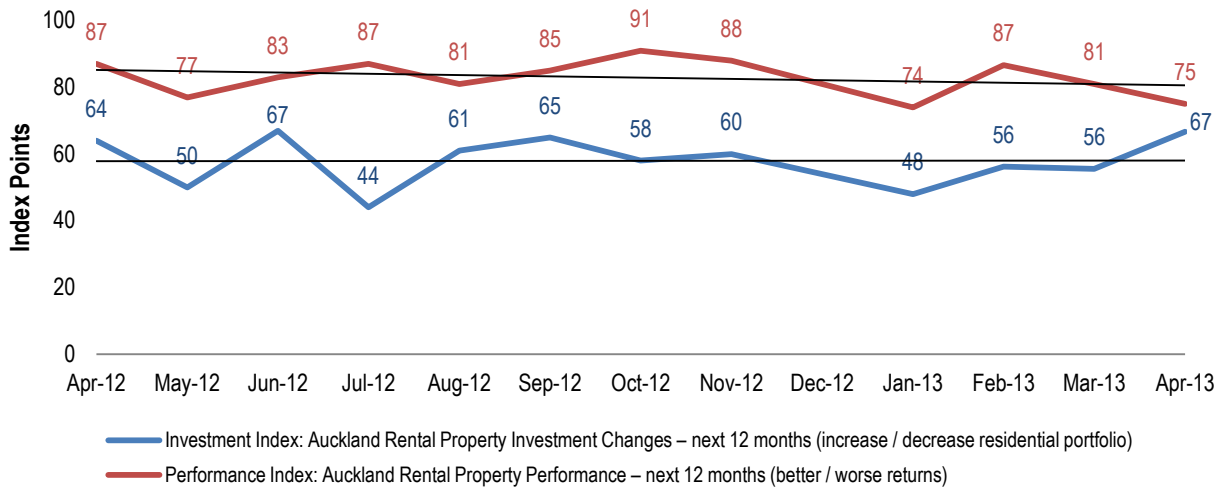


Sources: Statistics New Zealand and REINZ

Investors maintain the status quo

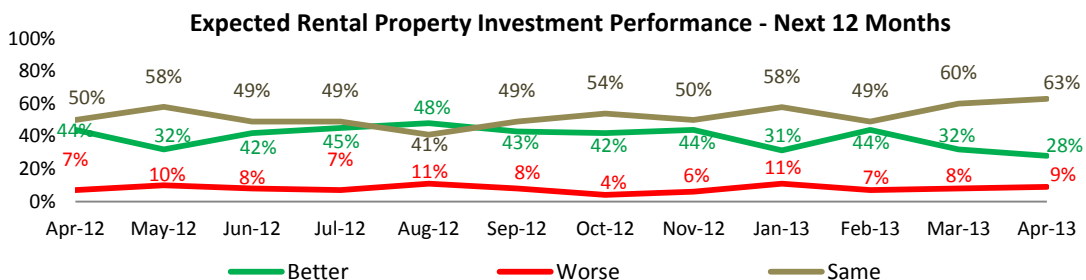
The Crockers Property Investment Performance Index, which tracks performance expectations from the Auckland residential property market over the next 12 months, indicates a reversal in levels of optimism with expectation dropping to 75 index points, near the low seen in January 2013 (74 index points).

The Crockers Property Investment Index, which tracks whether people are planning to increase or decrease their Auckland residential portfolios, shows positive movement with highest equal points recorded of 67 index points (as seen in June 2012), with few investors planning to reduce their portfolio size.



Expected Rental Property Investment Performance – Next 12 Months

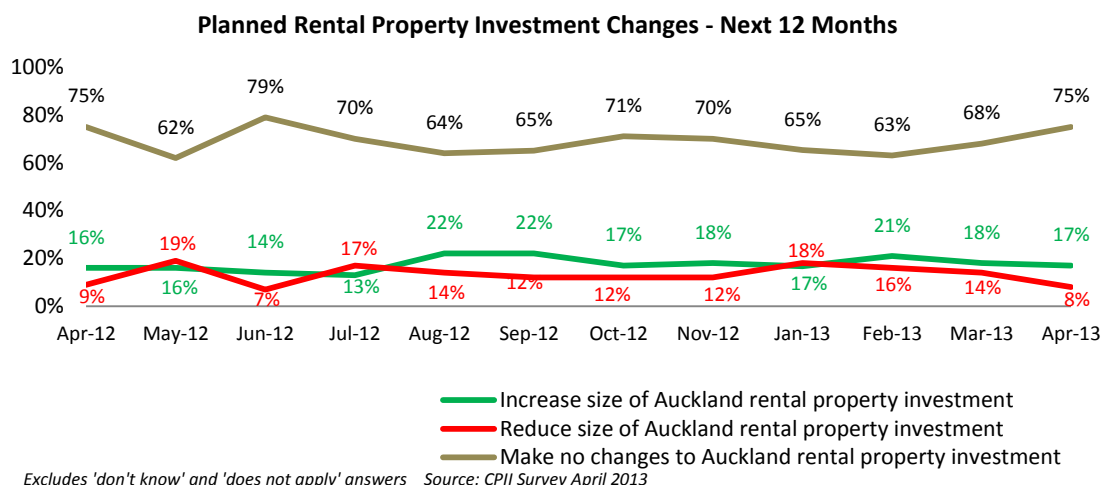
Whilst optimism has dropped below the low seen in January, the proportion expecting a worse performance has not increased dramatically. Investors are expecting the status quo with 63% (the highest level since tracking began in January 2012) expecting investment performance to remain the same over the next 12 months.



Excludes 'don't know' and 'does not apply' answers Source: CPII Survey April 2013

Planned Rental Property Investment Changes – Next 12 Months

This month we see few planning to change the extent of their Auckland rental property investments: three quarters of investors have no plan to change the size of their portfolio. Those that are planning a change are planning an increase – 17% of investors say they'll grow their investment size in the next 12 months; on par with previous figures.



Research Details

This research, undertaken by Ipsos on behalf of Crockers, surveyed members of the Crockers Market Research subscriber's database during April 2013. Respondents included property owners, residential and commercial landlords, property managers, estate agents and tenants. This is an ongoing series of monthly surveys, delivering a regular barometer of property investors' confidence in the Auckland market.

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