

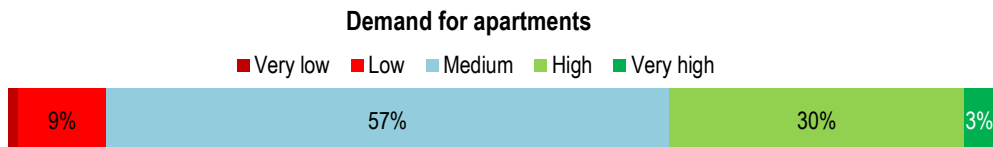
PRESS RELEASE

23 July 2013

Perception of reasonable demand for apartments

Feedback on the draft Auckland Unitary Plan is currently being assessed, with reports currently being made available on the Shape Auckland website. One of the hot topics of the plan is the proposed intensification of housing around some town centres, specifically raising height limits of buildings to allow for more apartment living. This month, the Crocker's Property Investment Index survey asked for opinions on this plan.

A total of one third of respondents felt that there was a high demand for apartments in Auckland (high + very high). Only around 1 in 10 felt that there was low demand. The majority sat on the fence, indicating a medium level of demand.



Source CPII Survey July 2013

Apartments perceived to be the domain of the young

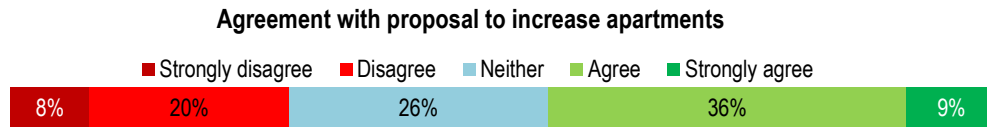
When asked what types of people are most interested in renting apartments, the main types identified were young singles or couples, either students or professionals. 'Young people' were most mentioned at 36%. 'Students' and 'professionals' were each mentioned by 29% of respondents. There is some indication of apartments being desired by those from overseas. Some also felt that there is demand amongst older couples whose children have left home.



Source CPII Survey July 2013 Note size of words relates to number of mentions.

Divided opinions over Unitary Plan

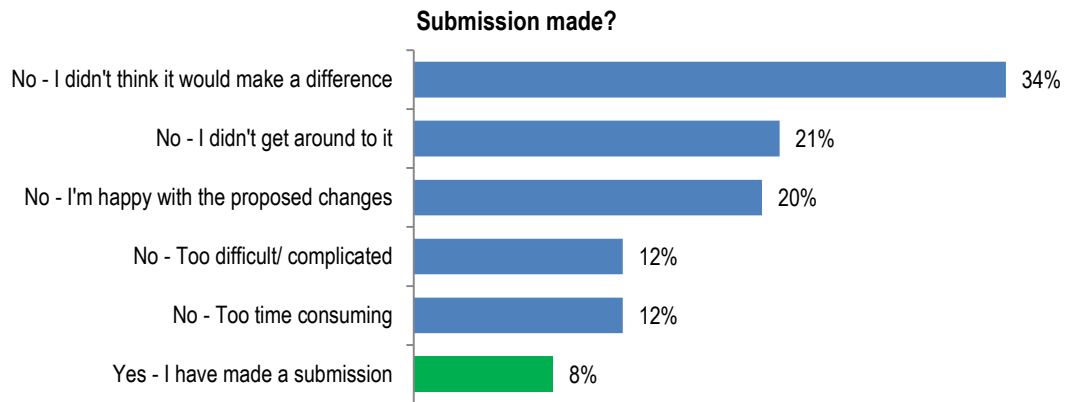
Opinions on the proposal to increase the number of apartments around town centres are mixed, with those in agreement outnumbering those with a negative opinion of the plan: 28% disagree, whilst 45% agree.



Source CPII Survey July 2013

Apathy as the predominate response

Most, 92% of respondents had not made a submission on the draft Auckland Unitary Plan. Around one third did not feel that making a submission would make a difference. This group was more likely to be ambivalent about the proposed changes (indicating that they neither agree nor disagree with the changes). Of the 8% who made a submission, there was a relatively even split between those who agreed with the proposal and those who disagreed.

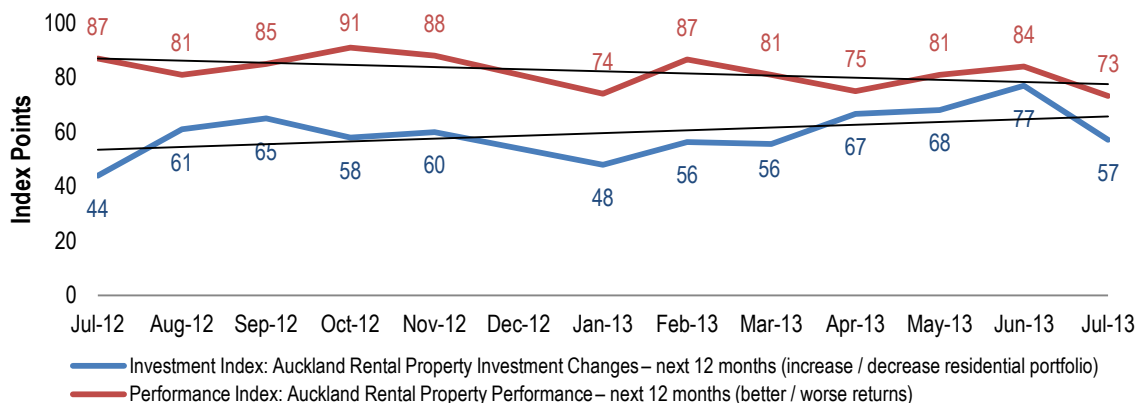


Source CPII Survey July 2013

Sharp turn for investment expectations

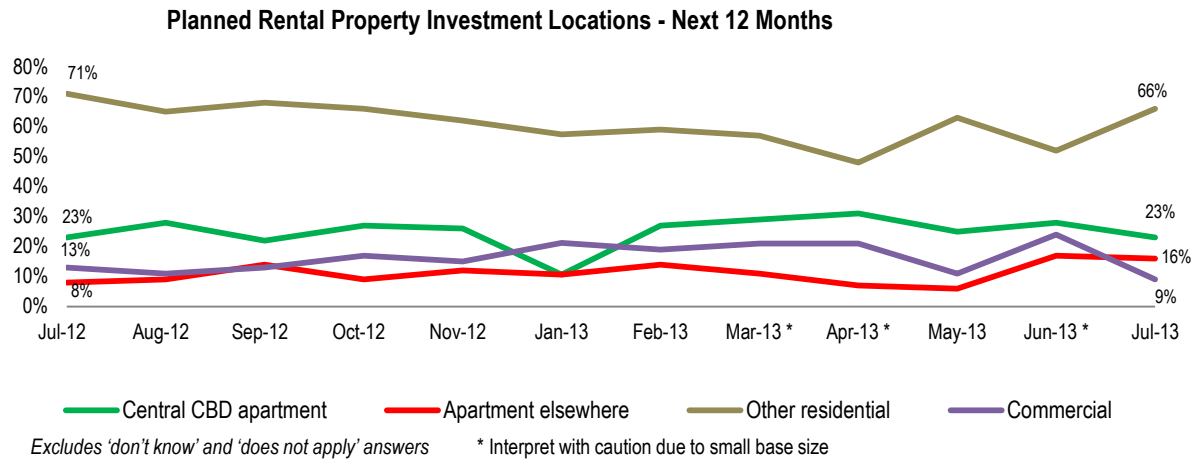
For the first time this year, the Crockers Property Investment Index has decreased, reflecting a greater number who are planning to reduce the size of their investment and fewer planning to increase it.

The Crockers Property Investment Performance Index has also decreased from 84 index points to 73 index points, with performance expectations worsening for Auckland residential rental properties.



Residential property gains appeal

Amongst those planning to invest in rental properties, intention to invest in commercial properties has seen a sharp decline this month to a twelve month low of 9%. Intention to invest in apartments outside of the CBD has held steady, whilst the appeal of those within the CBD has decreased. Non apartment residential property has increased in appeal amongst those looking to invest from just over half (52%) to two thirds (66%).



Research Details

This research, undertaken by Ipsos on behalf of Crockers, surveyed members of the Crockers Market Research subscriber's database during July 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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