

It doesn't seem like that long ago we were penning the first **White Light** of the year, back in February. At that point in time we were probably a little more optimistic about the recovery of our domestic economy and the real estate market, than has been the reality.

For those that have followed the sales numbers graph which appears on each edition of this newsletter, you can see how the first four months of the year tracked nearly parallel to the 2010 line, but with fewer sales volume than experienced in 2010. In May, sales peaked at forty-one, for the North Rodney area and then in June dropped back to the 2010 level of thirty-two. The 2011 sales levels compared to 2010 separated again and suggested a degree of recovery within the real estate market, but sales numbers have remained low and been declining over the second half of the year.

Rural sales have rarely bettered 2010 numbers and have certainly remained flat over the second half of 2011.

Rather than endeavour to dissect the year and analyse why we have not had the recovery that we anticipated, we believe most businesses in the majority of sectors, will be quietly pleased that what has been a very tough year is now behind us all.

One of our major software providers, who has been providing software solutions to the real estate industry in Australia and New Zealand for over thirteen years, recently reported that they had not seen tougher trading conditions for their clients in that thirteen year period.

It has certainly been an interesting year as we head into the festive season, where most will take a bit of a break with family and loved ones, reflecting on the lessons we have learnt over the last twelve months and how we will address them next year.

As to what will happen over 2012, we believe it is generally accepted that the market will be soft and that sales volumes will not increase to any great degree. Whether the historic upturn over the summer months and first quarter takes place, is anyone's guess at this point. The fact that interest rates will probably remain at their current rate at least until the later part of the year coupled with some encouraging economic data in recent days gives some hope for cautious optimism for the new year.

Over 2011, the Real Estate Institute of NZ (REINZ) and the BNZ combined resources to carry out a regular survey using real estate agencies throughout the country. The survey assesses the current residential market and questions trends nationwide. The questions are reasonably general and are far more indicative of trends than just sales volumes and medians.

A snapshot of the December survey which are pertinent to the real estate market nationwide, and we can relate to locally follows:

What are the main factors holding buyers back? (Top 5)

They feel prices will decline	25.4%
Poor quality of listings	24.5%

Not confident in selling own house	20.1%
Worries about securing finance	18.9%
Other	11.1%

What are the main reasons people are buying? (Top 4)

Trading down	19.1%
Shifting into town	15.5%
Relationship breakdown	13.5%
Trading up	13.4%

What are the main factors motivating vendors to sell? (Top 5)

Need the money	20.7%
Trading down	17.5%
Relationship breakdown	16.1%
Leaving town	14.4%
Trading up	11.1%

What are the main reasons written sales fail to go unconditional? (Top 3)

Builders Report	52.7%
Finance	35.0%
LIM Report	5.5%

This last question is very relevant to holiday areas where the family bach may have been added to over the years and finally became a family home.

Local vendors can be excused for thinking the 'realestate' worm has turned and that we are trading in a much more buoyant market.

Recent reports state, "New Zealand home sales jumped in November..... suggesting Auckland's strengthening market is becoming a nationwide trend". The report went on to say that, "the number of sales rose 17 percent compared to November last year and was up 20 percent from October, according to the Real Estate Institute. All regions recorded an increase in sales from October, REINZ said"

The reality, for North Rodney and South Kaipara Districts is not quite as glowing.

For North Rodney sales dropped from 29 in November 2010 to 25 for November 2011 (-13.8%) and were down on the 31 registered for October by 20 percent. South Kaipara registered 9 sales for November 2011 compared to 8 in 2010.

If only we could believe all we read from national or regional reports.

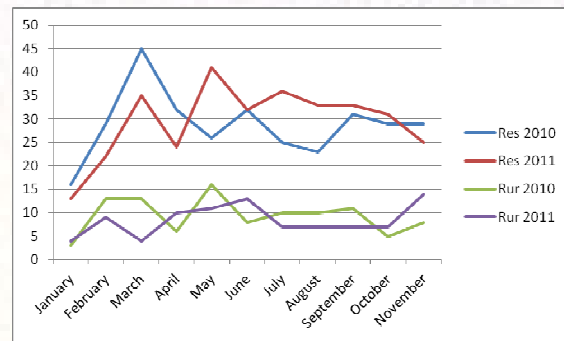
What we look to now is the possible "ripple affect" that often occurs from increased sales in Auckland City - when those successes ripple out to the outlying towns.

On behalf of our team, we wish you all a very happy festive season.





Number of residential and rural sales 2010 and 2011



Residential sales for North Rodney— November 2011

RS = Residential Section

X/L = Cross Lease

Property Address	Sale Price	Days on Market	Bedrooms	Land Area M ²	2011 CV	Sale Price Latest CV	Last Sale Price	Year
Algies Bay Gordon Craig Pl	812,500	19	3	809	1,025,000	-20.73	740,000	10/05
Leigh Kendale Dr	385,000	37	3	809	400,000	-3.75	450,000	92
Omaha								
Kokopu St	795,000	26	3	716	1,075,000	-26.0	-	
Kokopu St	2,175,000	5	3	806	1,975,000	+10.1	-	
Mangatawhiri Rd	395,000	14	RS	783	375,000	+5.3	-	
North West Anchorage	1,200,000	72	3	629	980,000	+22.5	340,000	8/00
Paua Ln	3,010,000	71	6	902	2,775,000	+8.5	-	
Point Wells Rd	485,000	37	3	809	450,000	+7.8	-	
Point Wells Rd	695,000	93	4	1,223	280,000	N/A	-	
Point Wells Rd	290,000	413	RS	1,221	N/A	N/A	-	
Success Ct	605,000	126	2	626	770,000	-21.4	130,000	90
Taumata Rd	1,600,000	248	4	741	1,775,000	-9.9	-	
Te Mana St	782,000	286	3	476	700,000	+11.7	-	
Torea Rd	439,000	130	3	1,012	540,000	-18.7	371,000	03
Snells Beach								
Arabella Ln	385,000	441	RS		N/A	N/A	-	
Fidelis Ave	543,000	37	3	710	490,000	+10.8	460,000	1/04
Snells Beach Rd	449,000	24	4	607	415,000	+8.2	400,000	9/04
Woodlands Pl	555,000	237	3	812	580,000	-4.3	480,000	09
Warkworth								
Alnwick St	500,000	17	3	720	500,000	=	550,000	4/07
Ashmore Cres	525,000	81	3	625	N/A	N/A	107,000	5/02
David William Pl	400,000	9	3	468	370,000	+8.1	294,000	7/03
McKinney Rd	161,000	491	RS	696	N/A			
Rivendell Pl	367,500	11	2	XL	370,000	-0.7	205,000	9/01
Wickens Pl	340,000	365	4	604	320,000	+6.25	360,000	11/06
Wellsford								
School Rd	223,000	49	3	664	225,000	-0.9	180,000	12/03

Rural sales for North Rodney— November 2011

Property Address	Sale Price	Days on Market	Area (Hectares)	Description	2011 CV	Sale Price Latest CV	Last Sale Price	Year
Mahurangi West								
Schollum Access Rd	700,000		11.58	3 bedroom home	560,000	+25.0	840,000	
The Bullock Track	720,000	189	1.2990	3 bedroom home	780,000	-7.7	165,000	5/92
Matakana								
Matakana Valley Rd	215,000	22	1.0000	Bare land				
Matakana Valley Rd	220,000	267	1.0000	Bare land				
Old School Rd	765,000	383	1.2000	4 bedroom home	640,000	+19.5	60,000	10/06
Tamahunga Dr	700,000	0	1.3820		430,000	+62.8		
Omaha								
Matakana Valley Rd	937,000	442	1.2430	4 bedroom home	870,000	+7.7	150,000	2/02
Warkworth								
Edgerley Rd	515,000	100	1.1620	3 bedroom home	560,000	-8.0	159,000	4/01
Sandspit Rd	2,100,000		79.34	Chestnut Farm	5,300,000	-60.4	5,400,000	11/09
Wellsford								
Marsh Rd	1,530,000	175	101.7250		N/A		159,000	4/01
Pakiri Block Rd	1,025,000	284	3.3960	4 bedroom 210m ² home	850,000	+20.6	150,000	6/05
Port Albert Rd	355,000	76	4.2720		500,000	-29.0	520,000	6/06
Whakapirau Rd	415,000	230	5.5490	3 bedroom 190m ² home	N/A		450,000	12/06
Whangaripo Valley								
Whangaripo Valley Rd	355,000	186	1.0000		320,000	+10.9	395,000	11/05