

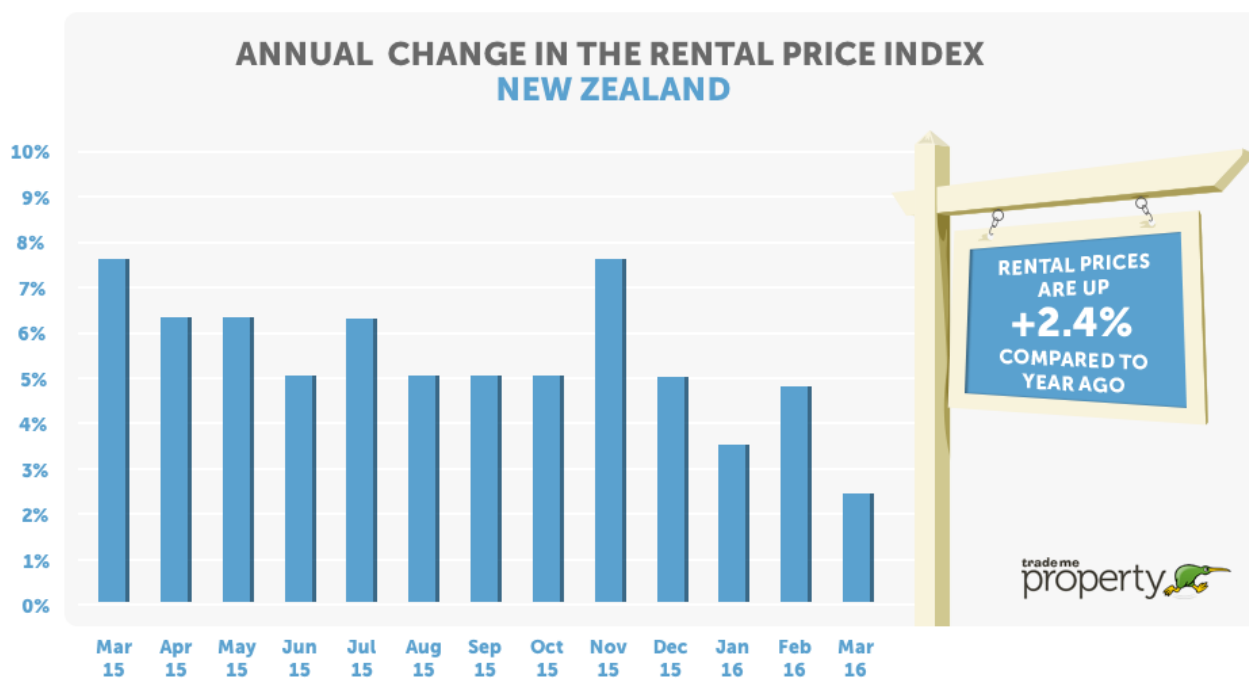
## Gap widens between national for sale and rental markets

As the 'for sale' market continues to charge ahead, there is some good news for tenants as rents stagnate in Auckland, Wellington and Christchurch, according to the latest Trade Me Property Rental Index.

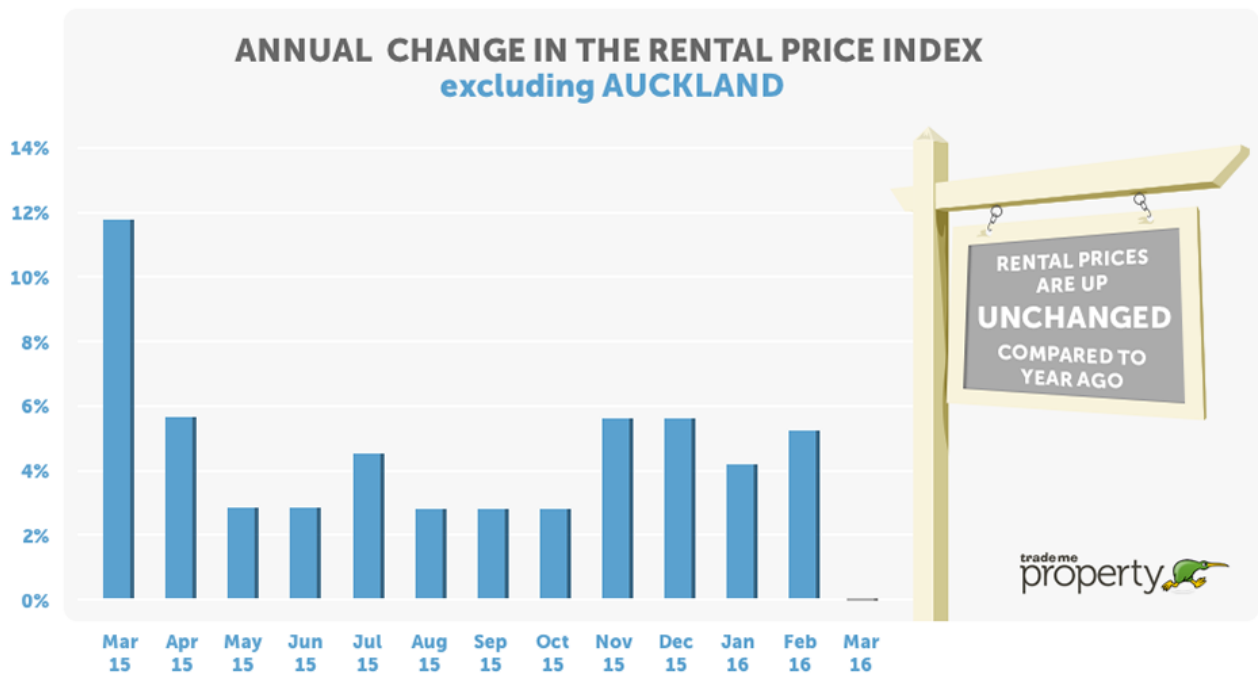
Head of Trade Me Property Nigel Jeffries said the national median weekly rent across the country in March was \$430, unchanged from February and up just \$10 a week compared to a year ago.

"It's not an easy time to be a landlord, particularly one who has bought a rental property recently as they won't be getting the assistance they want with their mortgage. Of course, tenants will be happy because they're seeing very stable rents in most parts of the country."

Mr Jeffries said rents and prices had "drifted apart" significantly. "We've crunched the numbers and a tenant in Auckland would need to pay rent of \$500 per week for 32 years before spending as much as someone buying a typical property at the city's average asking price of \$834,500."



Excluding Auckland, the rest of NZ saw weekly median rents stay at \$380 a week, the same as February and also the same as the median weekly rent figure in March 2015. This is in stark contrast with the \$25,000 annual increase in the average asking price for a property outside of Auckland.

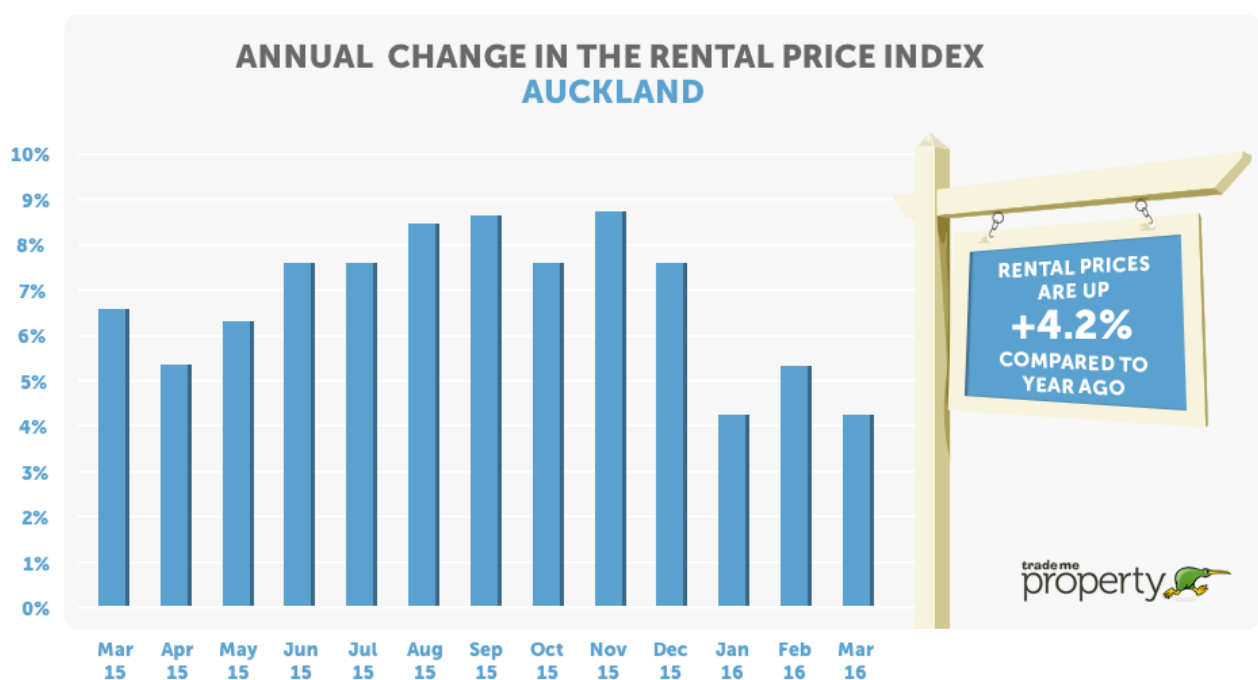


#### Auckland rental market stagnant

Mr Jeffries said it was good news for Auckland renters with median weekly rents staying at \$500 for the third consecutive month and up only \$20 on last year.

“While the enormous demand in the Auckland for sale market is driving prices through the roof, the same can’t be said in terms of rent where we’re seeing a very stable rental market with strong supply.

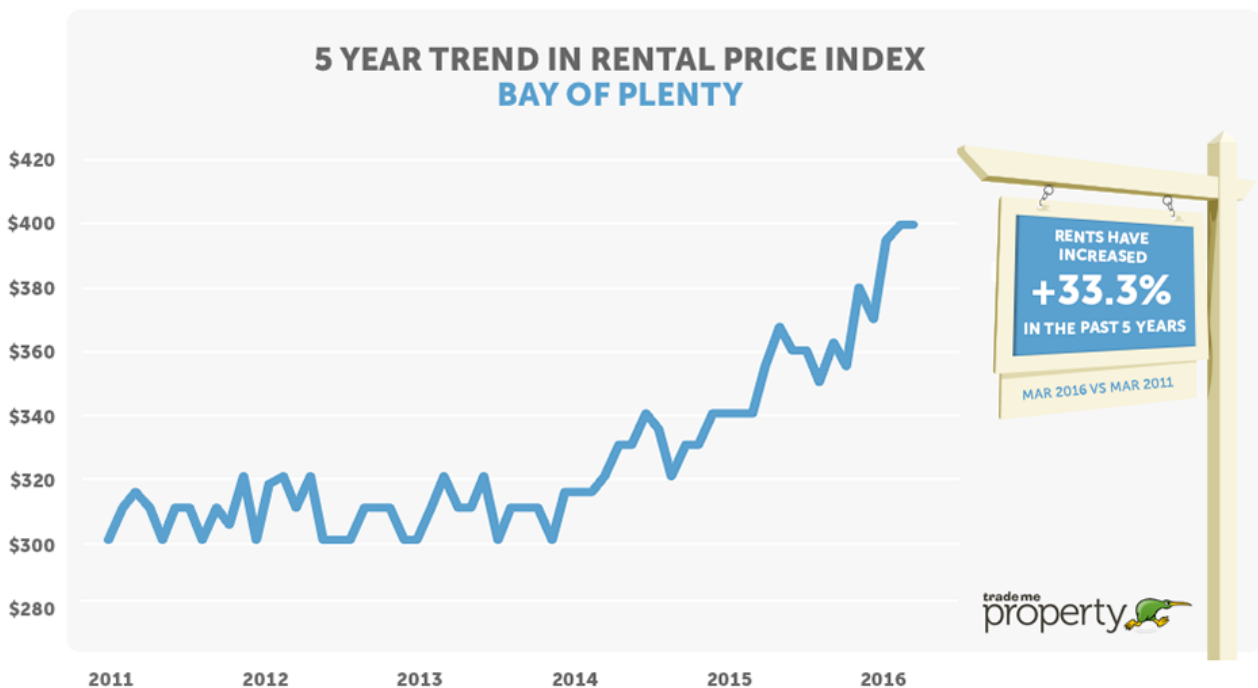
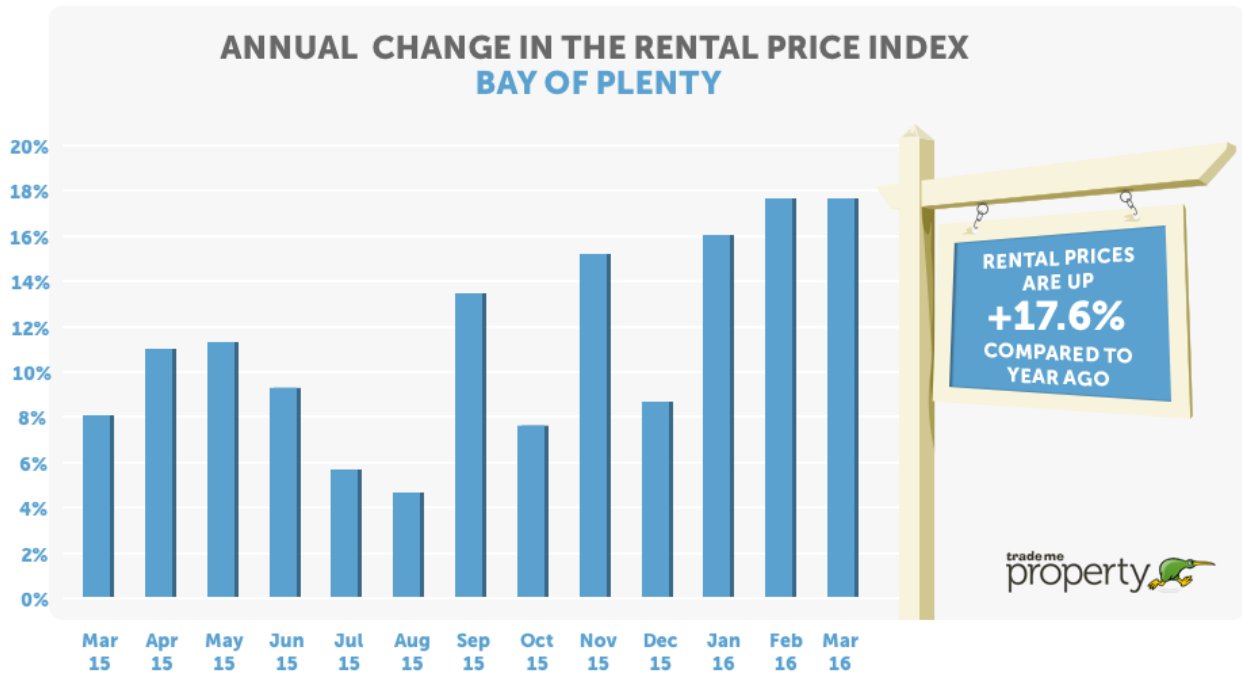
“It’s extraordinary to see the divide between the rise in property prices and the rental market. The stability in the Auckland market is one small mercy for renters looking to get onto the property ladder as they’ve had reliable rents to plan around saving for that ever-increasing deposit.”



## The Auckland halo effect

While our largest cities have shown very stable rents compared to last year, the so-called 'halo effect' is having a major impact in the regions around Auckland where Bay of Plenty, Waikato and Northland have seen record jumps in rents over the last year.

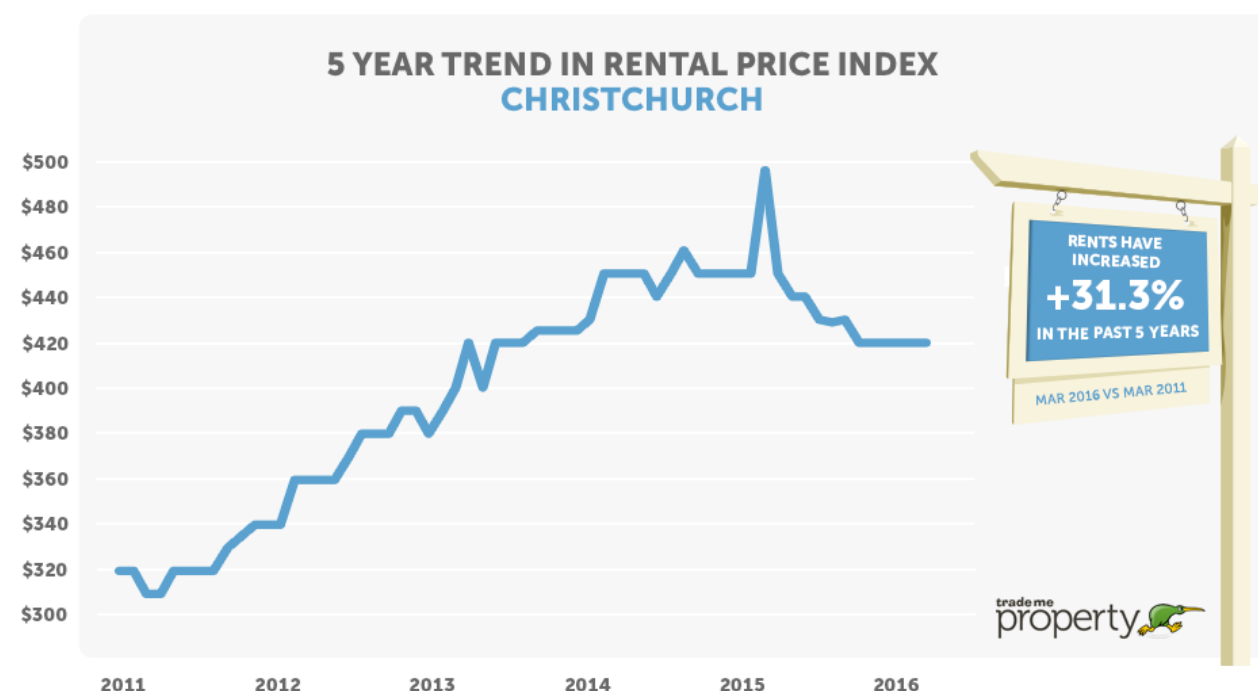
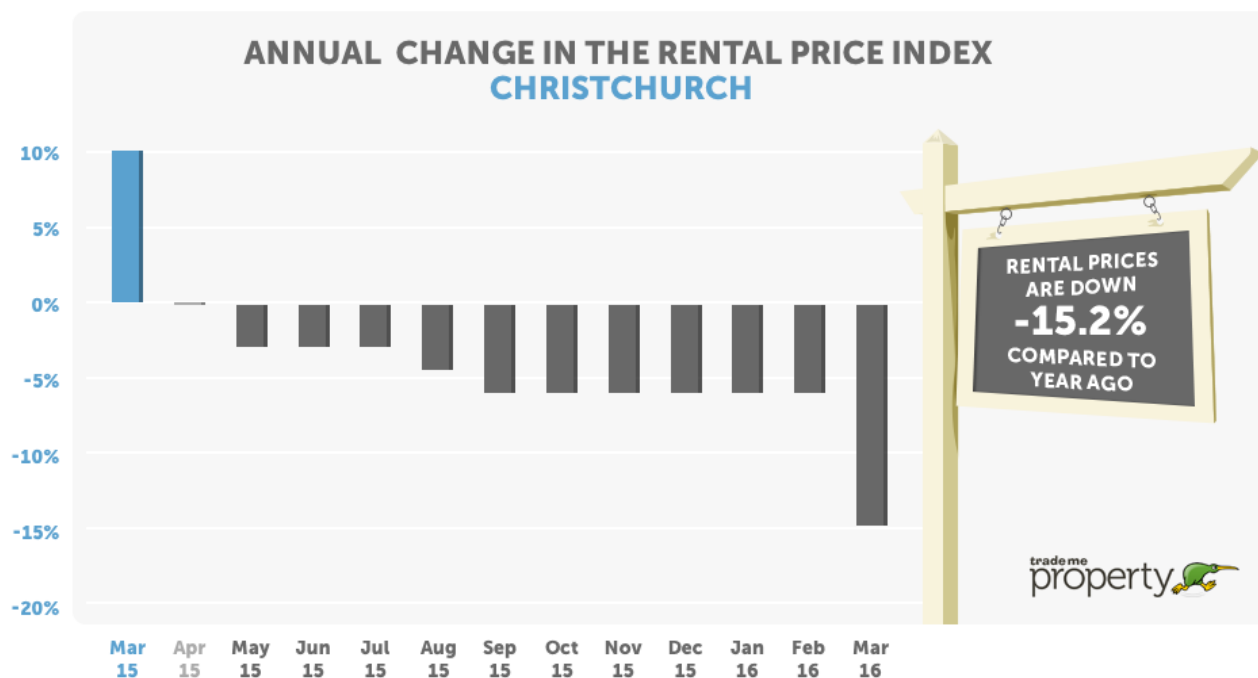
Auckland's median weekly rents have risen just 4.2 per cent in the last year, while the Bay of Plenty is one of the strongest in the country with a 17.6 per cent year-on-year jump adding over \$3,000 to the typical annual rent.



The Waikato remained at the record median weekly rent of \$360, set last month. This represents a 12.5 per cent increase over the past year. Equally, Northland hit a new record weekly rent of \$345, up \$25 in the month and up 9.5 per cent over the past year.

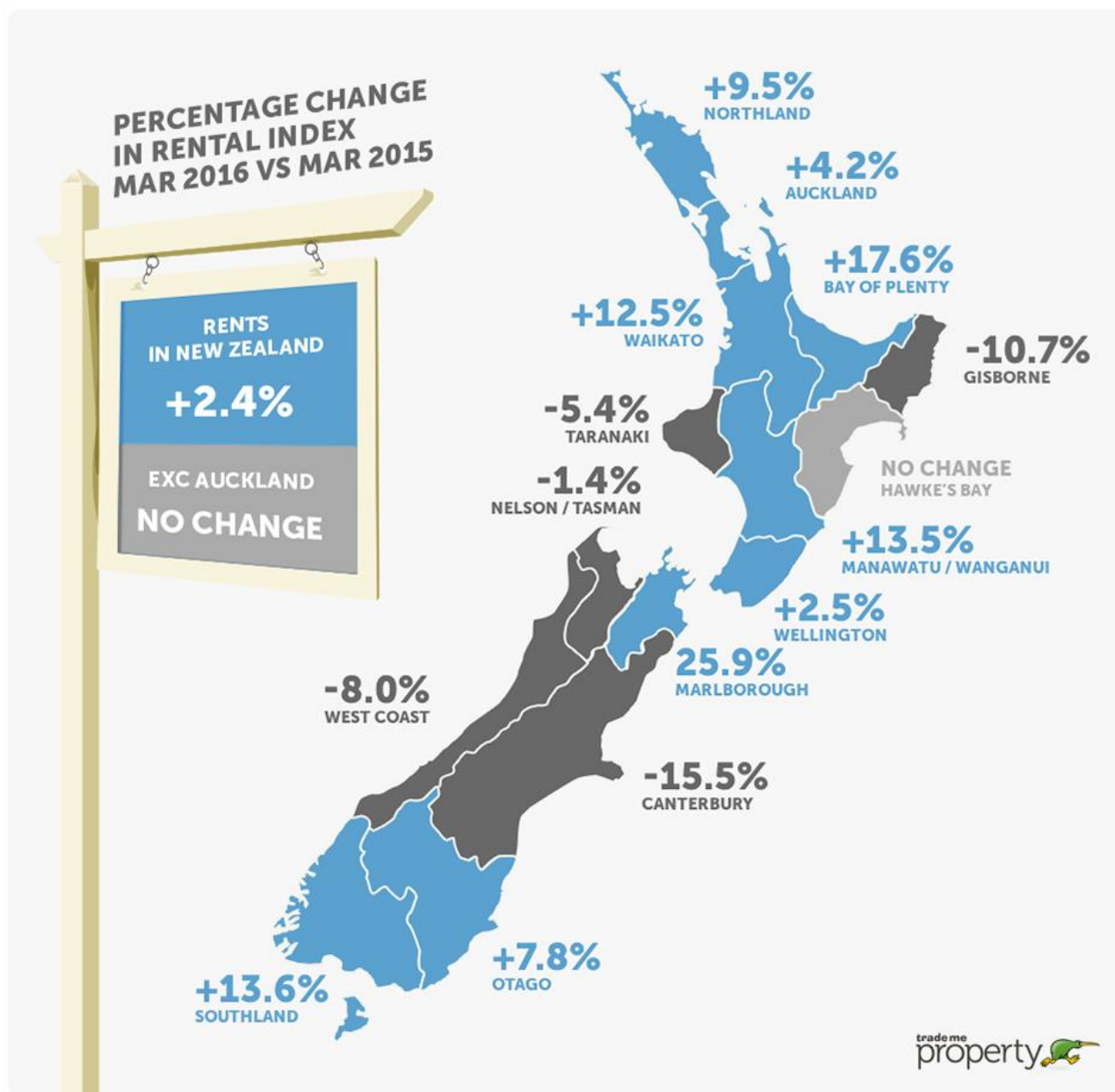
At the other end of the spectrum, the Christchurch market continues to struggle to recover from what has been a significant fall in rents.

Mr Jeffries said Christchurch’s median weekly rent for March was \$420, where it has been stuck for six months and down 15.2 per cent on a year ago. “It’s worth pointing out that March 2015 was the absolute peak of the Christchurch rental market, and we’re now seeing the market settle into a more sustainable and realistic rent bracket as supply in the region returns to normal.”



Across the rest of the country, Gisborne (down 10.7 per cent) and Taranaki (down 5.4 per cent) were both down on last year, and Hawke's Bay was unchanged.

In the South Island there were year-on-year median weekly rental declines in West Coast (down 8 per cent), Nelson/Tasman (down 1.4 per cent) and Canterbury (down 15.5 per cent), while Southland saw a steady rise through the first quarter of 2016 to a record high of \$250 a week in March (up 13.6).



### Strength in rents for smaller houses

The only housing sector with a significant rise in median weekly rent was in relation to small houses (1-2 bedrooms). All of the main centers hit record highs for smaller properties, except Christchurch which was down 6.7 per cent to \$350 per week year-on-year.

Table 1: Median weekly rent by property size & region: Mar 2016 vs Mar 2015

	All Properties	Large houses 5+ bedroom	Medium houses 3-4 bedroom	Small houses 1-2 bedroom
<b>New Zealand</b>	<b>\$430</b> + 2.4%	<b>\$700</b> + 2.9%	<b>\$480</b> + 2.1%	<b>\$350</b> + 9.4%
<b>New Zealand excluding Auckland</b>	<b>\$380</b> No Change	<b>\$580</b> - 10.8%	<b>\$420</b> - 0.7%	<b>\$300</b> + 5.3%
<b>Auckland</b>	\$500 + 4.2%	\$795 + 8.5%	\$560 + 1.8%	\$420 + 7.7%
<b>Wellington</b>	\$410 + 2.5%	\$700 - 6.7%	\$475 - 1.0%	\$350 + 2.9%
<b>Christchurch</b>	\$420 - 15.2%	\$595 - 20.7%	\$450 - 19.6%	\$350 - 6.7%

### Units continue to be in demand

Units continue to show strong rises in median rents with Auckland increasing by 12.2 per cent year-on-year to a record high of \$415 per week. Since March 2011, the annual cost of renting a unit in the City of Sails has risen by just under \$5,000 from \$16,640 to \$21,580.

Christchurch median rents fell compared to this time last year as the market edged closer to its peak.

Table 2: Median weekly rent by property type & region: Mar 2016 vs Mar 2015

	All Urban Properties	Apartments	Townhouse	Units
<b>New Zealand</b>	<b>\$399</b> + 5.0%	<b>\$430</b> + 7.5%	<b>\$450</b> - 2.2%	<b>\$350</b> + 12.9%
<b>New Zealand excluding Auckland</b>	<b>\$340</b> + 3.0%	<b>\$380</b> + 1.3%	<b>\$395</b> - 7.6%	<b>\$290</b> + 7.4%
<b>Auckland</b>	\$450 + 7.1%	\$450 + 2.3%	\$570 + 7.0%	\$415 + 12.2%
<b>Wellington</b>	\$380 + 2.7%	\$425 + 6.3%	\$400 No Change	\$320 + 6.7%
<b>Christchurch</b>	\$370 - 14.0%	\$380 - 13.6%	\$420 - 16.0%	\$332 - 5.0%

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### NOTES

- **About the Trade Me Property Rental Price Index:** This report provides a comprehensive monthly insight into the rental market covering price trends by type and size of property across New Zealand. The index is produced from Trade Me Property data of properties that have been rented in the month by property managers and private landlords. On average over 11,000 properties are rented each month and the report provides a comprehensive insight into this part of the property market for tenants, landlords and investors. The index is calculated using *the median rent* in the month, this being an accurate statistical assessment of the current rent being charged by landlords and property managers.
- **More info:** For information about the differences between the Trade Me Property data and bond data collected by Tenancy Services, please read this post by Dr Lucy Telfar-Barnard from the University of Otago: <http://onetwothreehome.org.nz/2015/05/11/how-high-is-the-rent/>
- **Regional data:** If you are after information for a particular region, please email Logan Mudge via [mediaenquiries@trademe.co.nz](mailto:mediaenquiries@trademe.co.nz) and we will see what we can unearth for you. We can also provide the graphs and tables.

## CONTACT

**Nigel Jeffries is available for interviews. To tee up a time that suits, please email Logan Mudge via [mediaenquiries@trademe.co.nz](mailto:mediaenquiries@trademe.co.nz) or phone (027) 477 9486.**