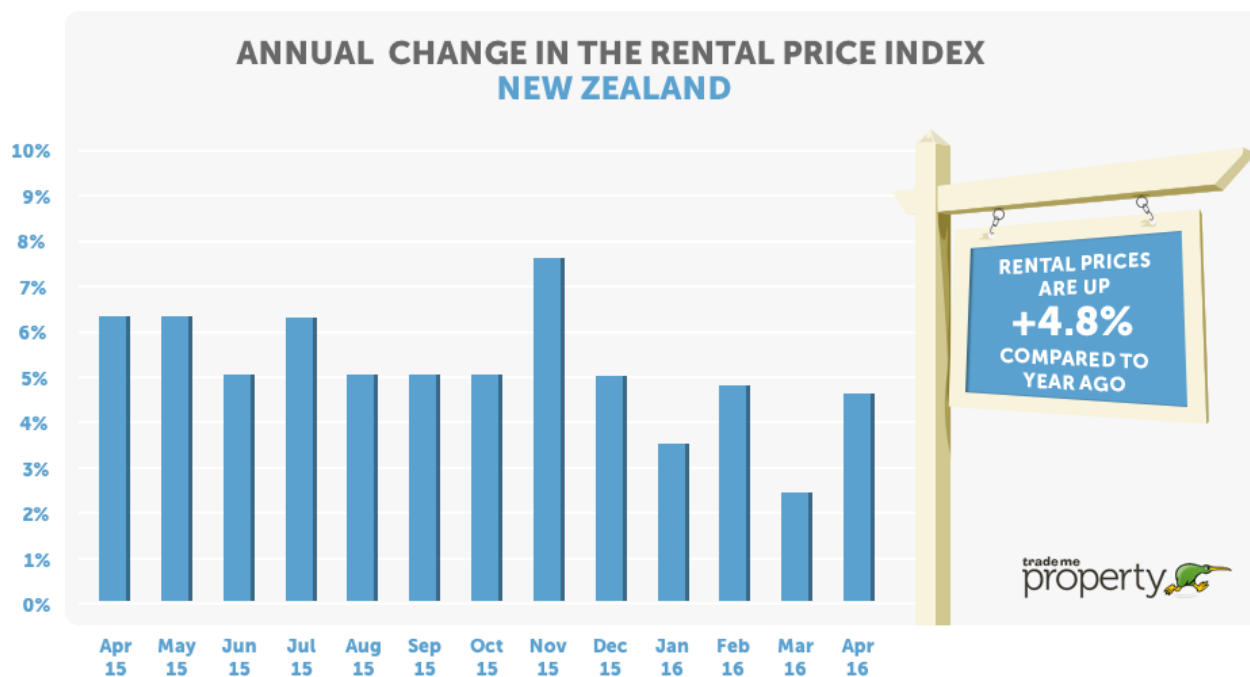


## Auckland rents kick back into gear

The New Zealand rental market kicked back into gear in April as the median weekly asking rent increased by \$10 according to the latest Trade Me Property Rental Index.

Head of Trade Me Property Nigel Jeffries said that median weekly rent hit \$440 in April. “Rents around the country are up almost five per cent on last year and renting a typical Kiwi house is now nearly \$23,000 per annum.

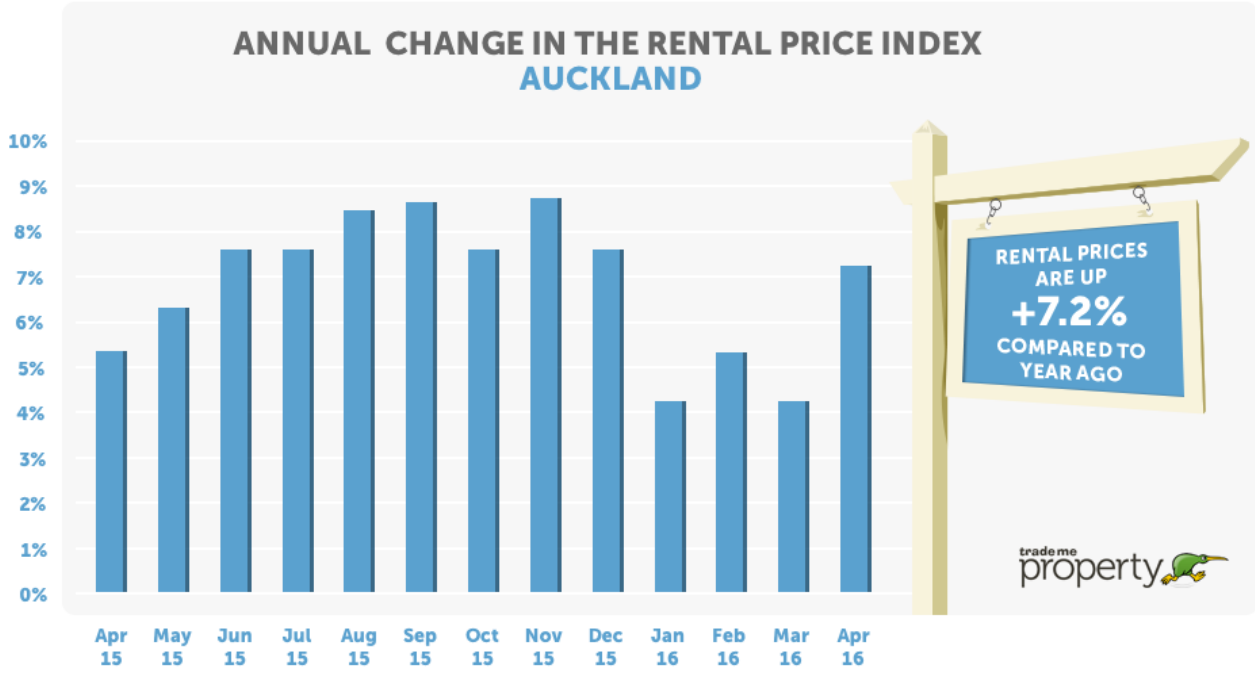
“It’s been very quiet in the rental market for a few months, but things have kicked back into gear. The Auckland juggernaut has come to life and the surrounding regions are seeing the impact of the ‘halo effect’ too.”



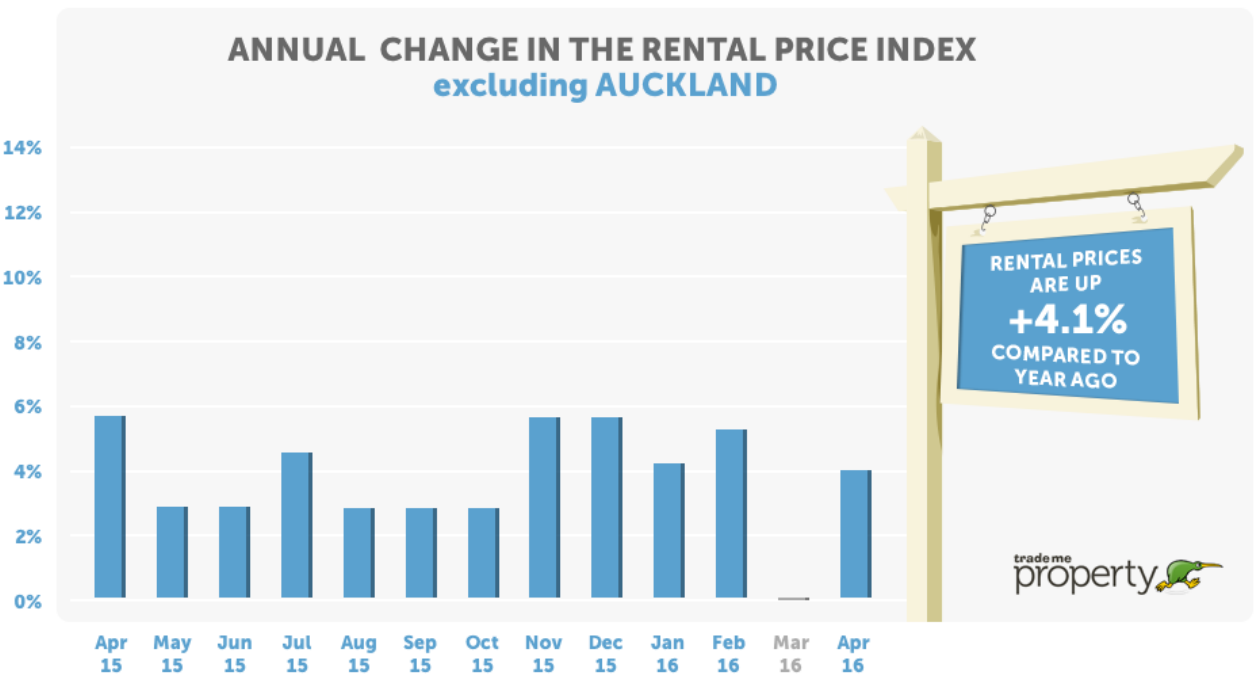
Mr Jeffries said it looked like Auckland landlords were passing on the costs of higher mortgages to tenants as the city turned in its first significant rental increase in some time.

“The median Auckland asking rent has been stagnant for the past 10 months at around \$500 a week. But in April rents jumped up \$20 a week to \$520, up just over seven per cent on last year, and a record high.

“There’s been adequate supply in Auckland for a long time which has kept the city’s rental market pretty stable but we’re seeing a shift now. Demand is clearly increasing and landlords are taking the opportunity to increase the yield on their investments, and I don’t expect this will be the last record we’ll see this year.”



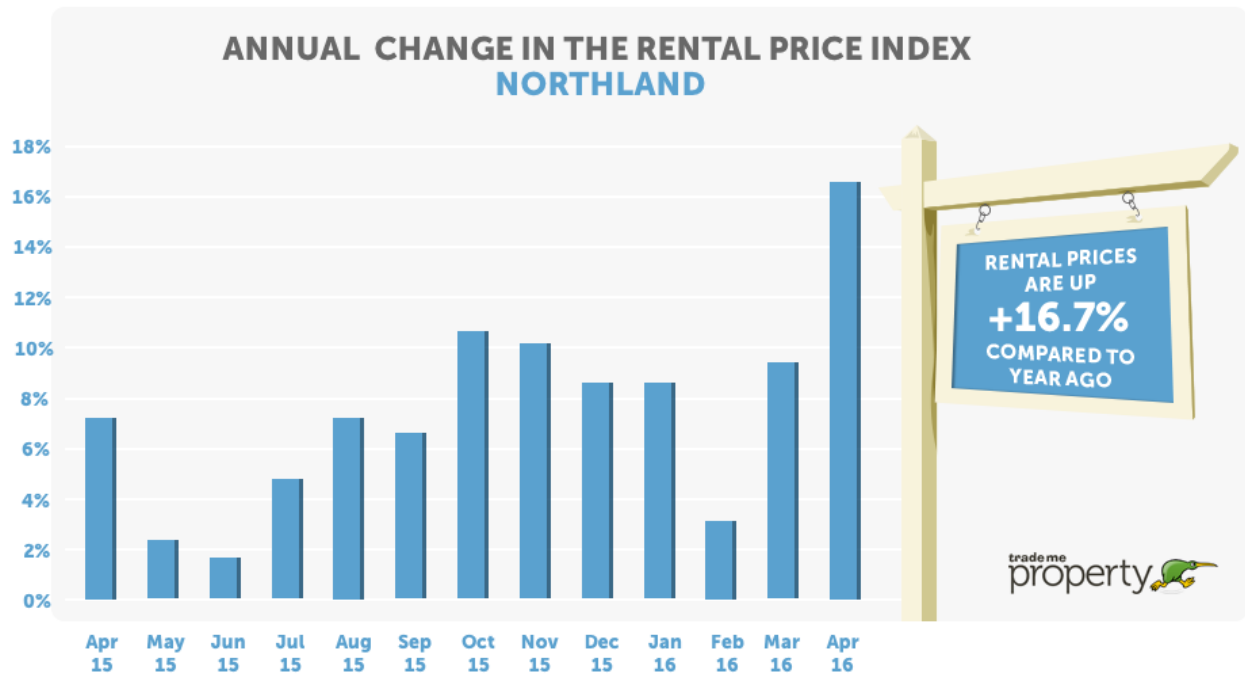
Outside the City of Sails, the rental market remained relatively quiet in April with median weekly rents unchanged between March and April, holding firm at \$380 for the third consecutive month. Compared to a year ago, median weekly rent is 4.1 per cent higher, adding \$780 a year to the annual rental cost.



### The Auckland halo effect

The halo effect has also been in effect in the ‘for rent’ market with several regions surrounding Auckland experiencing significant rent increases in the last year.

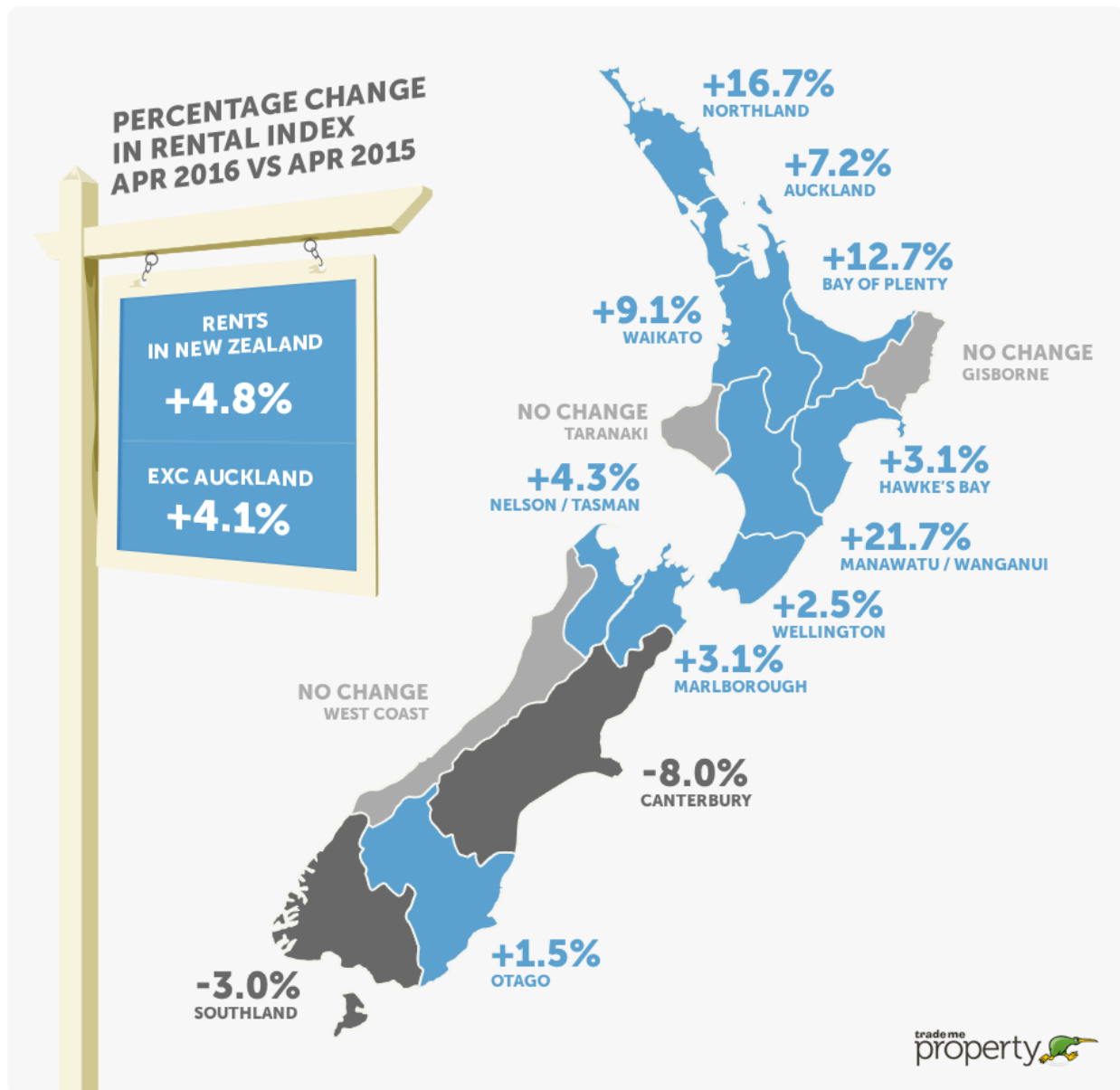
Mr Jeffries said median rent in Northland (\$350 per week, up 16.7 per cent on last year), Bay of Plenty (\$400 per week, up 12.7 per cent) and Waikato (\$360 per week, up 9.6 per cent) were seeing “huge demand”, akin to the ‘for sale’ markets in the regions.



Across the rest of the country, the North Island experienced solid rent increases on last year, except Taranaki and Gisborne.

Outside the 'halo zone', the star performer was Manawatu/Wanganui which has seen a steady rise over the past six months from \$250 per week to a new record high of \$280 per week. A year ago rents were just \$230 per week, where they have been hovering for the last five years.

In contrast, the South Island has been very quiet, with Canterbury seeing an 8 per cent year-on-year decline, in line with the trend of the past eight months. Since the peak of the market in March 2015, the median weekly rent has fallen from \$485 to \$400 a week, down 18 per cent.



### No major trend by house size

Auckland's rent increases in April were reflected across all property sizes, with each segment hitting a new high.

The bulk of rental properties in Auckland are medium-sized houses (3 & 4 bedrooms) which stepped up to \$565 a week in April, and an annual cost of \$29,380.

This remains far less than the interest-only component of a mortgage in the city. With an average asking price of \$862,300 a medium-sized home has a weekly interest of \$912 (ignoring the 20% deposit or any principal mortgage repayments).

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

	All Properties	Large houses 5+ bedroom	Medium houses 3-4 bedroom	Small houses 1-2 bedroom
New Zealand	\$440 + 4.8%	\$720 + 8.3%	\$480 + 5.5%	\$350 + 6.1%
New Zealand excluding Auckland	\$380 + 4.1%	\$580 + 0.4%	\$410 + 2.5%	\$300 + 5.3%
Auckland	\$520 + 7.2%	\$800 + 7.0%	\$565 + 2.7%	\$425 + 6.3%
Wellington	\$405 + 2.5%	\$650 + 2.4%	\$460 + 2.2%	\$340 + 3.0%
Christchurch	\$405 - 10.0%	\$590 - 9.2%	\$450 - 8.2%	\$350 - 4.8%

### Auckland apartments shoot up

Mr Jeffries said the Auckland apartment market has been stagnant over the past year with median weekly rent of \$450. However, April saw a significant increase to a new record high of \$490 per week.

“Auckland is seeing a significant flow of new inner city apartments coming onto the market, as well as apartment developments popping up in areas outside of the traditional CBD areas which are all contributing.”

The market for urban living options in the Garden City remains subdued from a landlord’s perspective – but there’s good news for tenants with all categories and sizes of rental options showing year-on-year decline in weekly asking rents.

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

	All urban properties	Apartments	Townhouse	Units
New Zealand	\$400 + 5.3%	\$450 + 9.8%	\$450 - 0.6%	\$350 + 4.5%
New Zealand excluding Auckland	\$345 + 4.5%	\$380 + 5.6%	\$400 no change	\$290 + 3.6%
Auckland	\$460 + 7.0%	\$490 + 8.9%	\$570 + 1.8%	\$410 + 3.8%
Wellington	\$380 + 5.6%	\$422 + 5.6%	\$438 + 4.2%	\$310 + 3.3%

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Christchurch	\$365 - 3.9%	\$370 - 3.9%	\$405 - 8.0%	\$320 - 5.9%
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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 (04) 803 2706.