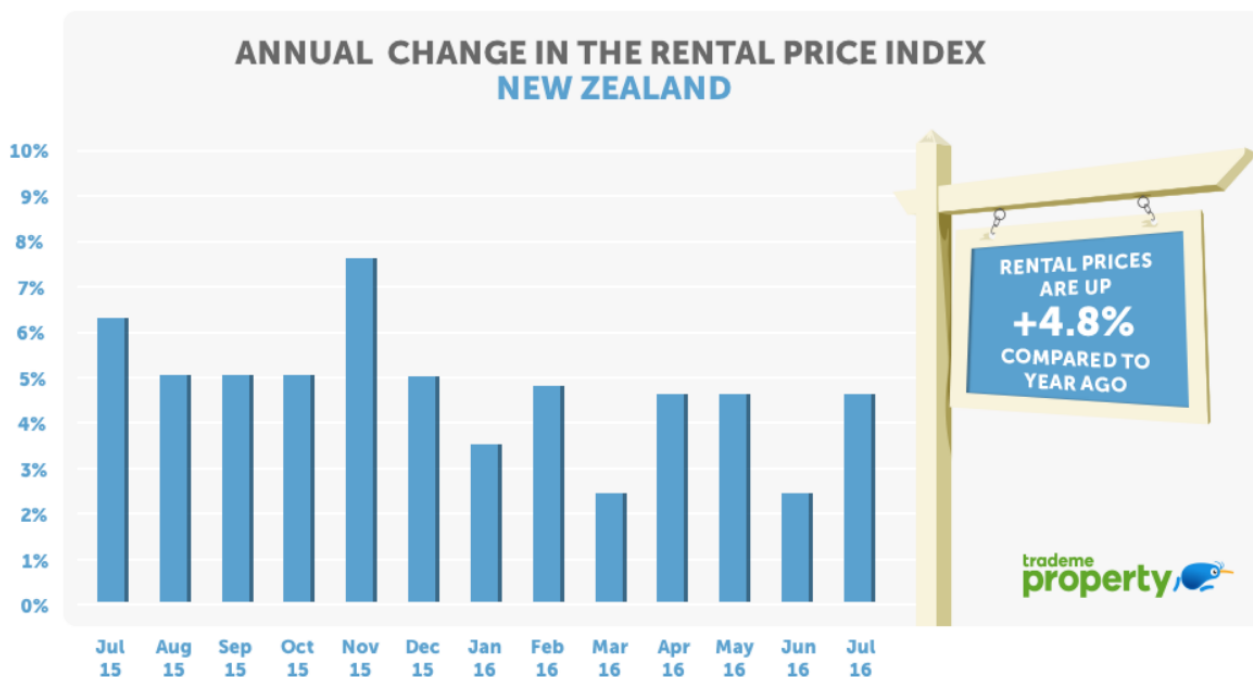


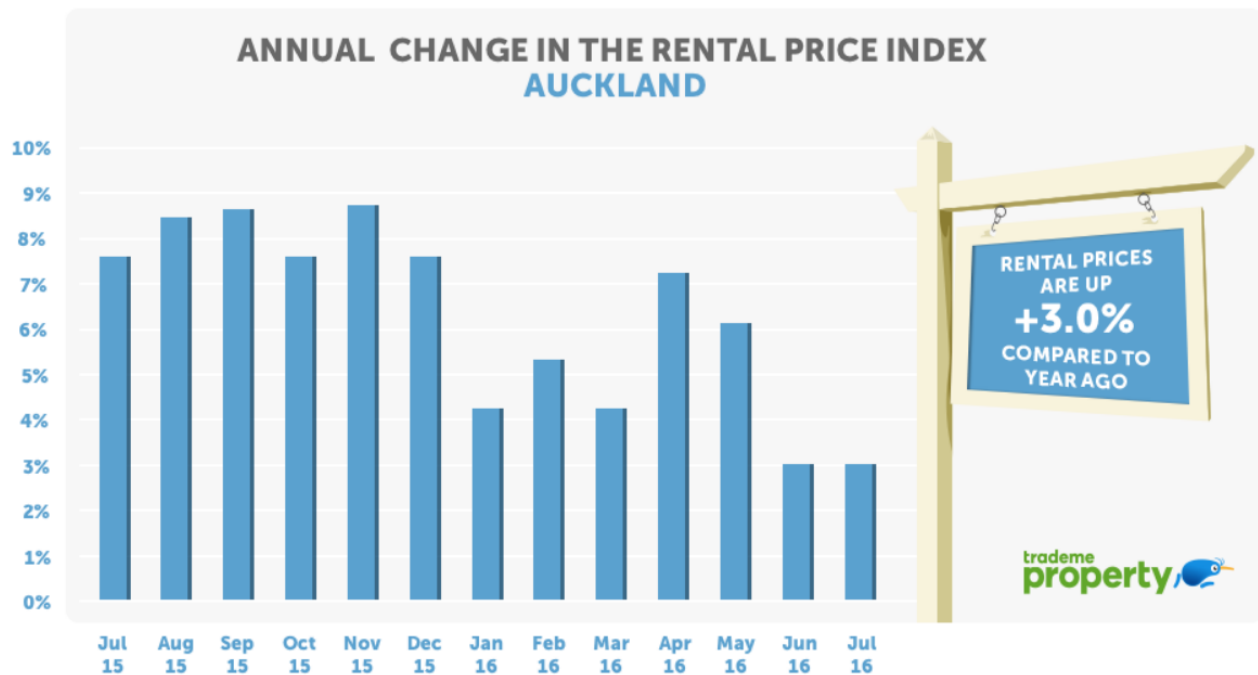
Tenants winning in slow rental market

Tenants are benefiting from a very lacklustre rental market while those looking to break into the property market watch prices continue to rise. Median weekly rents rose just \$10 across New Zealand in July to \$440, according to the latest Trade Me Property Rental Index.

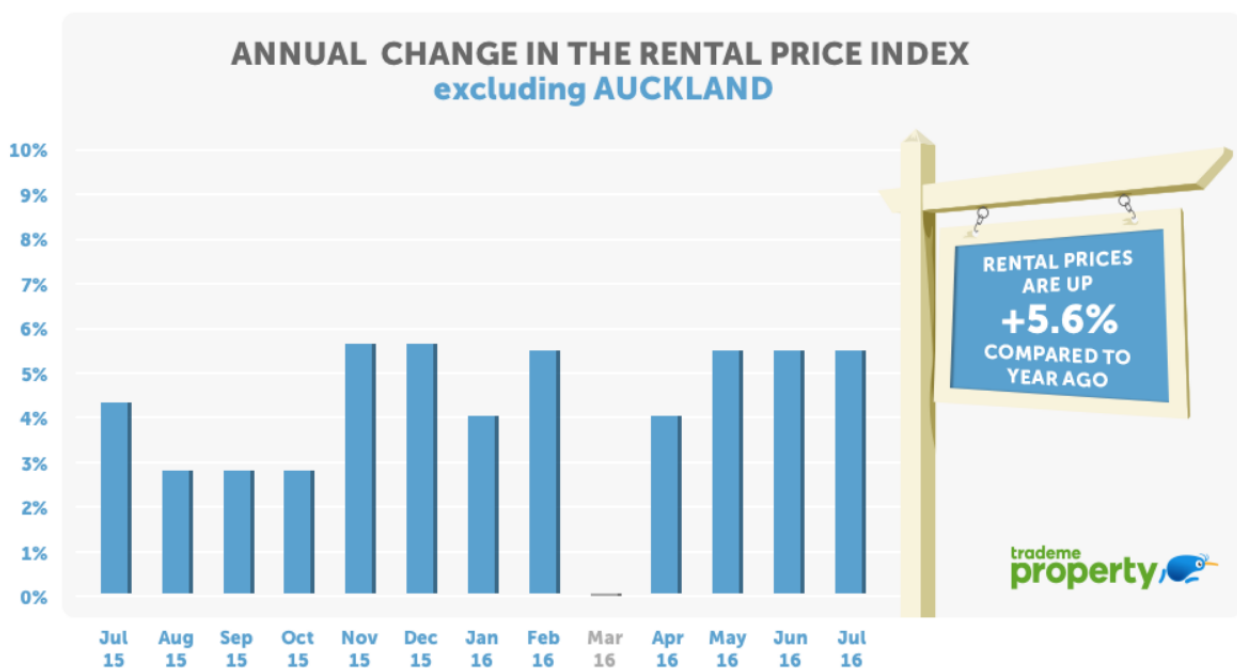
Head of Trade Me Property Nigel Jeffries said it was a 'very modest' 4.8 per cent increase on a year ago. "In Auckland this growth has been even lower, at just 3 per cent. Rents in the Super City have risen just \$15 in the last year to \$510 a week and didn't budge between June and July.

He said there was "a stark contrast" between the residential for sale market and the state of the rental market. "Over the past two years we've seen the national average asking price across leap more than \$100,000, while the median rent has gone up just \$45 from \$395 to \$440 per week. In Auckland, it is even more pronounced with average asking prices up more than \$200,000 since July 2014, alongside median rent that has only ticked up just \$50 per week over the same period."





Excluding Auckland, the rental market has remained stable for the last six months with median weekly rents staying put at \$380, but up 5.6 per cent year-on-year.



Rents surging in the regions

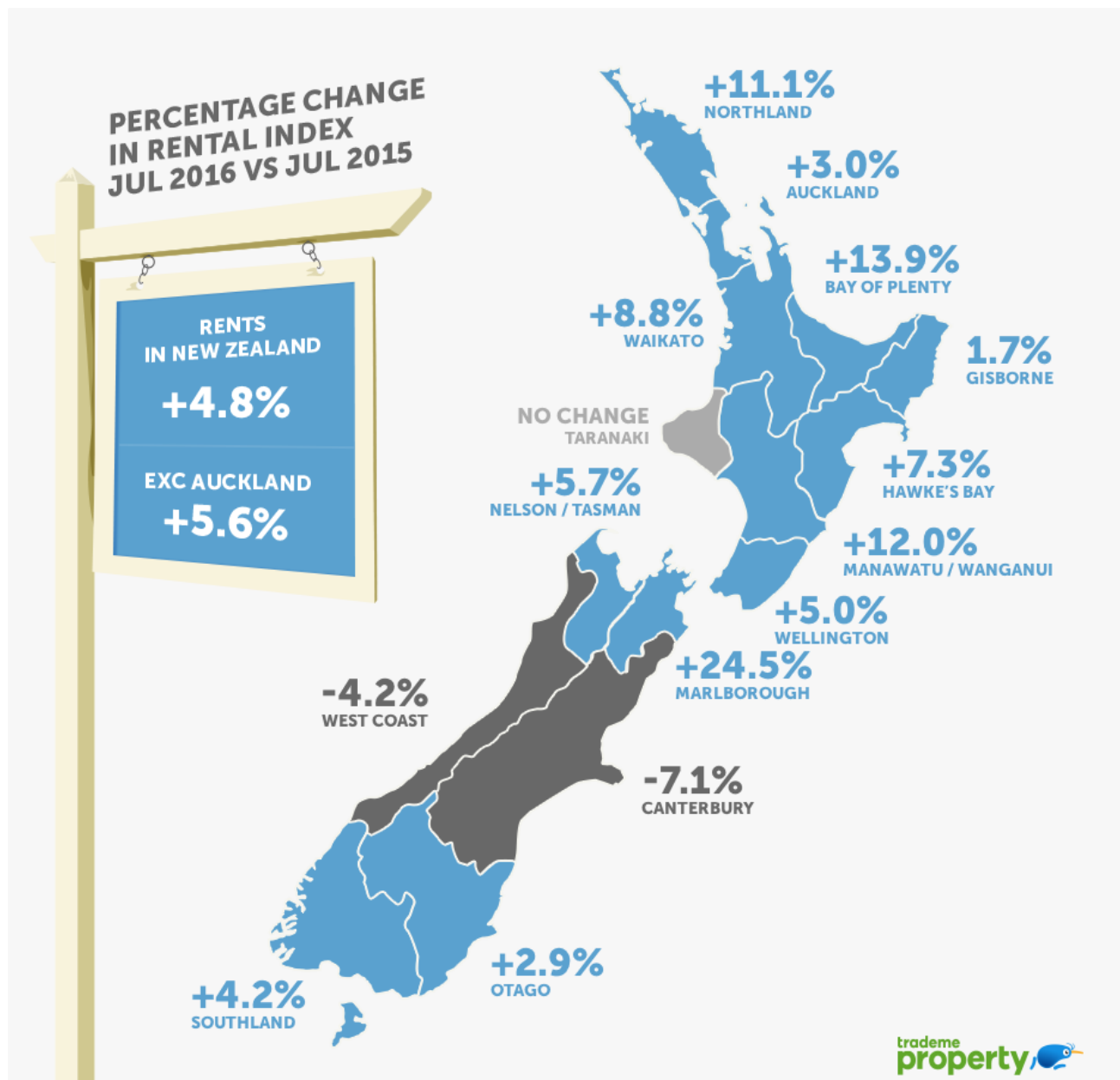
All the regions except Taranaki (no change), the West Coast (down 4.2 per cent) and Canterbury (down 7.1 per cent) reported median weekly rent increases compared to July last year. The 'halo' regions around Auckland all increased significantly with Waikato up 8.8 per cent, Bay of Plenty up 13.9 per cent and Northland up 11.1 per cent.

Mr Jeffries said the number of rental properties in Canterbury had continued to grow, particularly in Christchurch, and strong supply meant it was "a tenant's market" with median asking rents falling for the

15th consecutive month in the Garden City, down from a peak of \$495 per week to the current level of \$400 per week.

“Now that Christchurch has a stable supply of available rental properties we’re seeing much more realistic rents,” he said. “It’s been solid at \$400 per week for the last three months and we don’t see this changing significantly any time soon.”

Marlborough reported a strong rise in median weekly rents across 2016 and has reached \$330, up 24 per cent on a year ago. The Waikato was the only region to establish a new record high of \$370 a week, up 8.8 per cent year-on-year.



Little movement in rent by property size

Rents are stagnant across all property types: the national median asking rent for all house sizes has not changed since February.

The only market to see any movement was Wellington. In July the weekly median rent moved up from \$400 to \$420 a week, taking it to a new record high.

Mr Jeffries said Wellington is traditionally a very seasonal market with strong rises in the final quarter of the calendar year, preceded by some easing in winter. “It’s unusual for rents to rise in July and comes off the back of pretty limited rental property availability in the capital.”

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

| | All properties | Large houses 5+ bedrooms | Medium houses 3-4 bedroom | Small houses 1-2 bedroom |
|-----------------------------------|-----------------|-----------------------------|------------------------------|-----------------------------|
| New Zealand | \$440 + 4.8% | \$700 + 2.9% | \$480 + 4.3% | \$350 + 6.1% |
| New Zealand excluding Auckland | \$380 + 5.6% | \$595 + 0.8% | \$420 + 6.3% | \$300 + 3.4% |
| Auckland | \$510 + 3.0% | \$780 + 4.0% | \$570 + 3.6% | \$420 + 5.0% |
| Wellington | \$420 + 5.0% | \$698 - 5.7% | \$470 + 4.4% | \$350 No change |
| Christchurch | \$400 - 7.0% | \$592 - 8.8% | \$435 - 9.4% | \$350 No change |

Urban rents remain steady

Like houses, urban properties were very quiet over July with little or no significant movement. Most have barely moved at all since the beginning of the year after some a lot of activity last year.

The only significant trend is in the Auckland apartment market which peaked at \$490 per week in April. After easing back in May and June, the median weekly rent bounced back to \$470 in July, up 4.4 per cent on a year ago. Mr Jeffries said this showed “continued strength in demand” despite a large number of new apartments coming on to the market in Auckland.

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

| | All urban properties | Apartments | Townhouse | Units |
|-----------------------------------|-------------------------|-----------------|--------------------|-----------------|
| New Zealand | \$400 + 2.6% | \$440 + 7.3% | \$450 - 1.0% | \$355 + 7.6% |
| New Zealand excluding Auckland | \$340 + 3.0% | \$375 + 4.2% | \$395 - 1.3% | \$290 + 7.4% |
| Auckland | \$450 + 4.7% | \$470 + 4.4% | \$565 No Change | \$410 + 3.8% |
| Wellington | \$385 + 2.7% | \$428 + 1.8% | \$460 + 9.5% | \$312 + 4.2% |
| Christchurch | \$350 - 7.8% | \$350 - 6.7% | \$395 - 10.7% | \$325 + 1.6% |

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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 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 or phone (04) 803 2702.