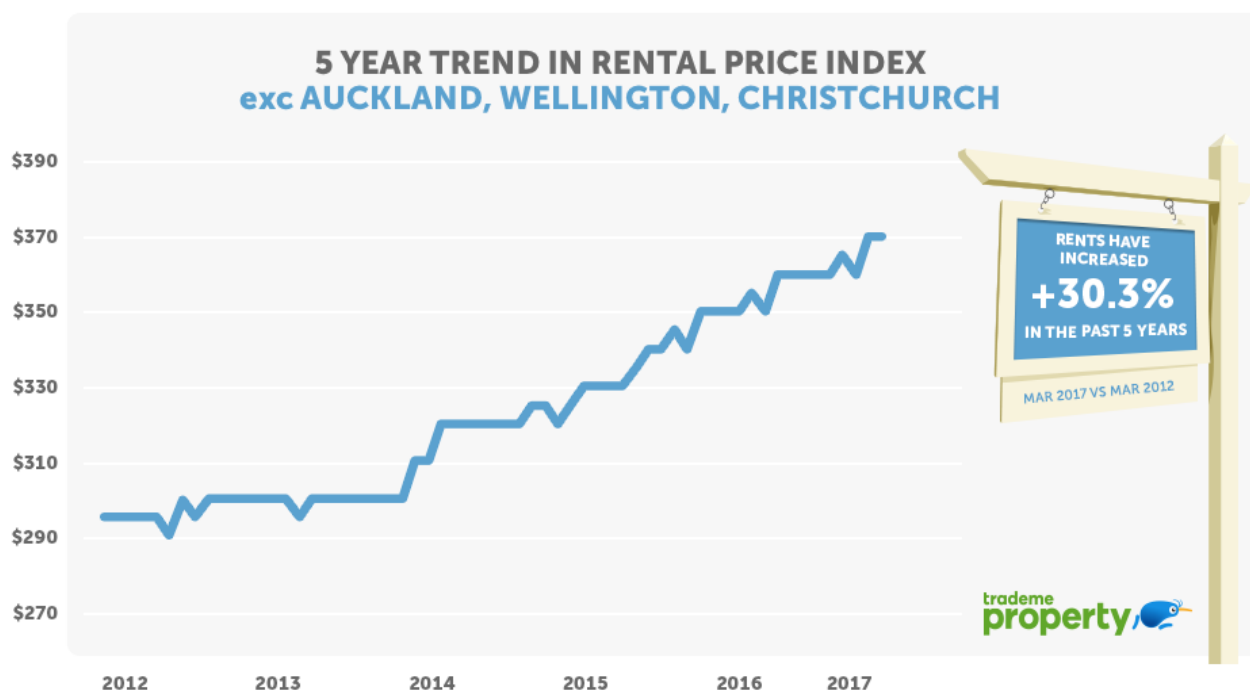


Regional rents up by \$3,000 annually in just three years

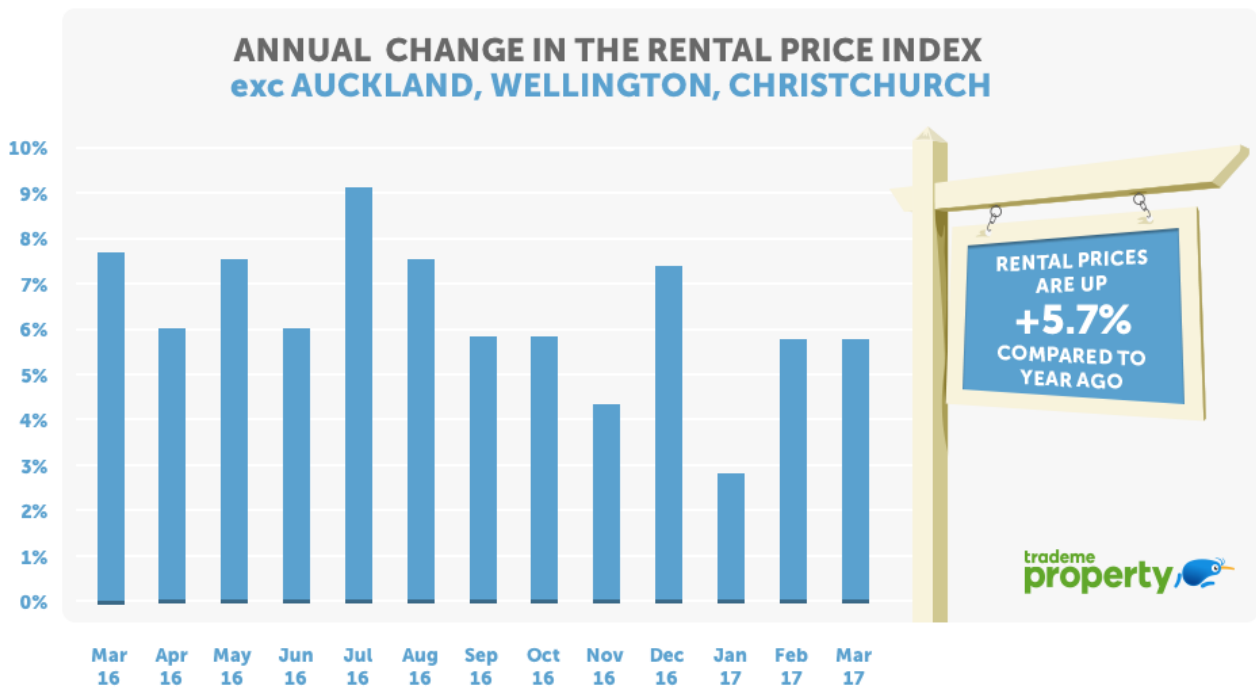
Tenants facing rising rents in Auckland and Wellington are not alone, with the smaller regions also feeling the pinch to the tune of \$3,000 a year according to Trade Me Property's latest Rental Price Index.

Head of Trade Me Property Nigel Jeffries said while recent reports have focused on rising costs in metropolitan areas, smaller regions have also seen sizeable increases. "Back in March 2014, the median weekly rent outside Auckland, Wellington and Christchurch was \$310 a week. Today, that figure has jumped to \$370 a week, up 20 per cent and adding just over \$3,000 to the annual rental bill for tenants."

By comparison, the average asking price for similar properties in the for sale market rose by 29 per cent. "This shows us that outside of the main metro areas, landlords are just as keen to make sure rents keep pace with property values to keep their investment yields steady," he said.

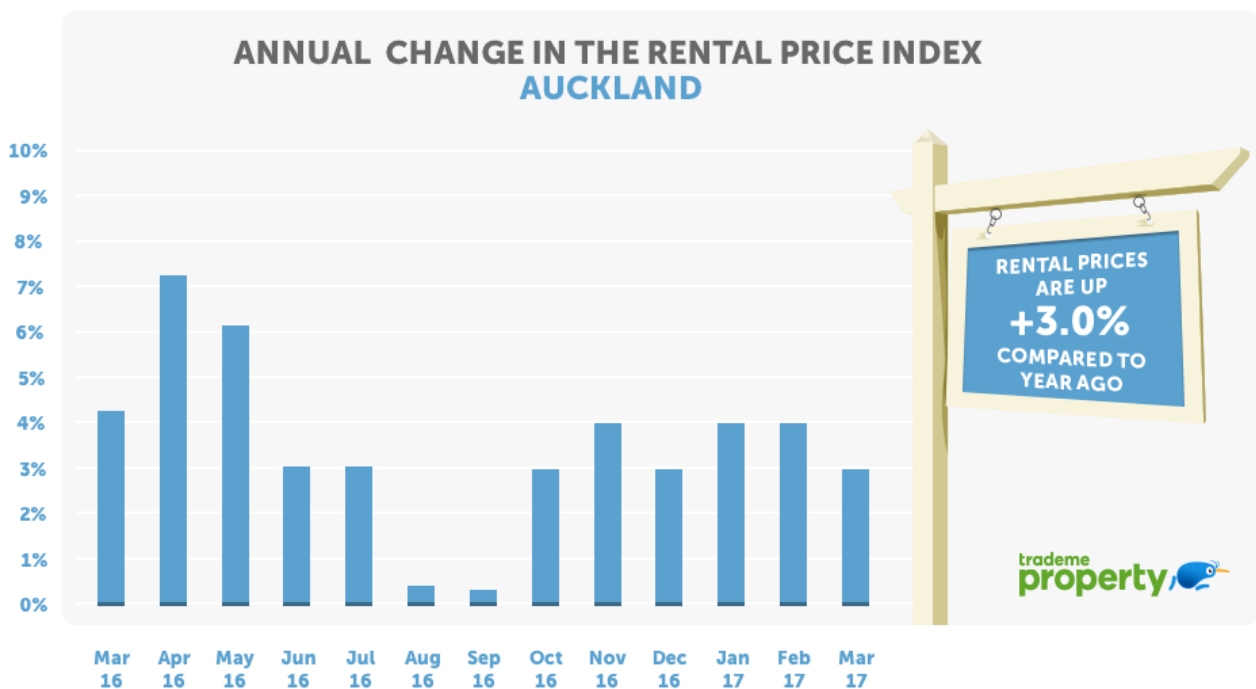


Outside the three major cities, the median rent has increased for each of the last 12 months. It was up 5.7 per cent year-on-year to a record high of \$370 a week.

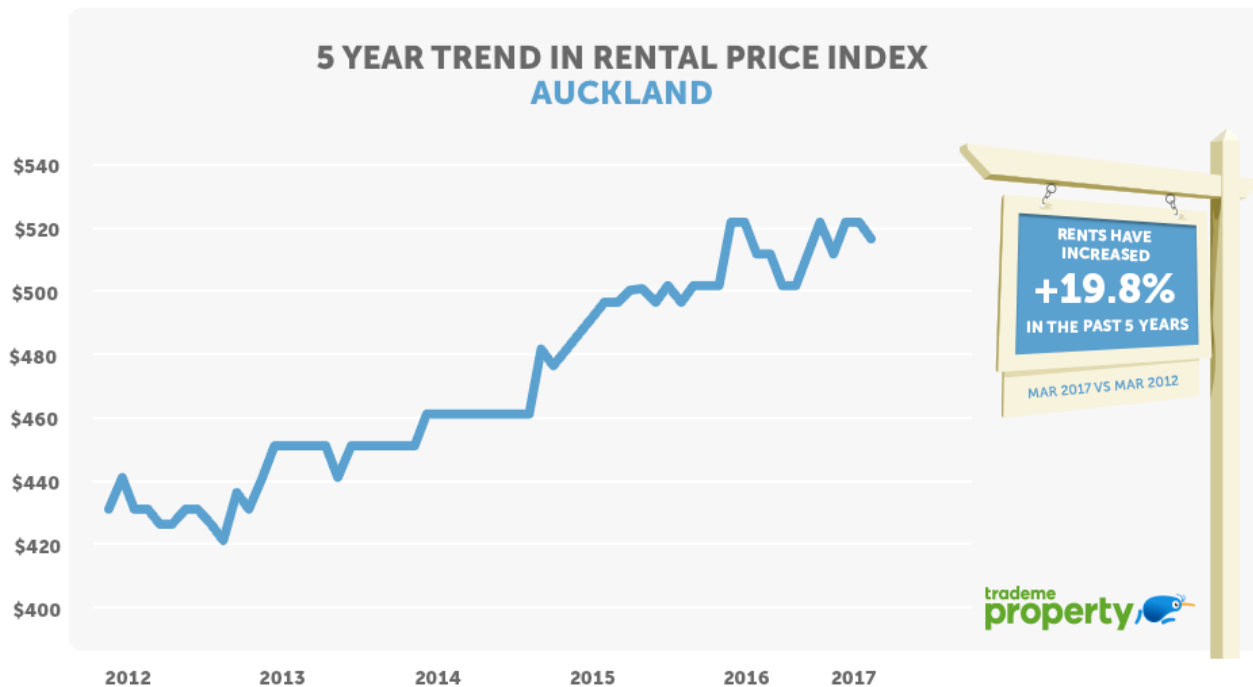


Auckland rents ease as home ownership gets harder

Mr Jeffries said despite rents in Auckland easing, aspiring first home buyers had a fight on their hands to save a house deposit. “Tenants in the City of Sails keen to step onto the property ladder continue to face a steep climb into home ownership even though the median asking rent eased \$5 a week in the past month to \$515, up only 3 per cent over the year.”



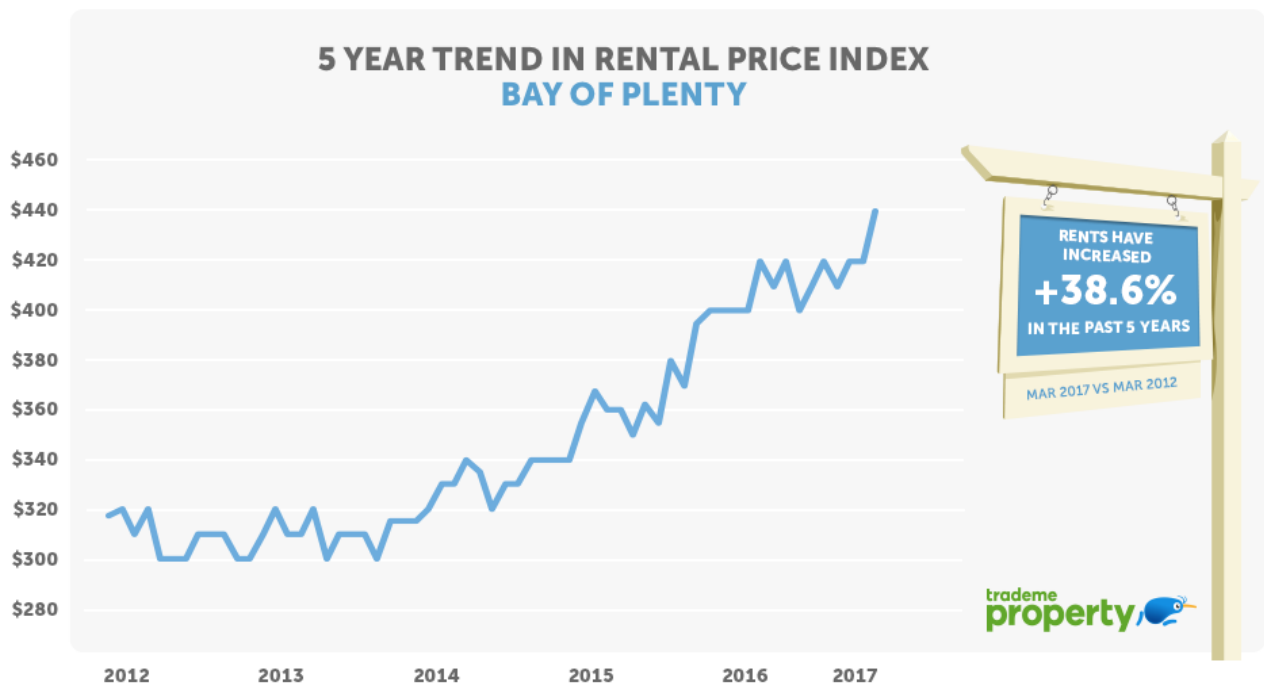
He said the tough rental market was a long way behind the property for sale market. “The maths is pretty sobering for tenants. Since 2012, the average asking price for an Auckland property is up 72 per cent or \$386,000. On the other hand, the median rent has risen just under 20 per cent. To put that in context, a 20 per cent deposit for an Auckland property in 2012 was just over \$100,000 or equivalent to 4.5 years of rent. In March 2017 that same deposit would need to be \$183,000 or 7 years of rent.”



Bay of Plenty sets new record high

Tenants in the Bay of Plenty continue to bear the brunt of higher rents thanks to the “halo effect” of the Auckland rental market. “In March, the Bay’s median weekly rent lifted another \$20 to a new record high of \$440, the third highest in the country and only just behind Wellington on \$450 and Auckland at \$515,” Mr Jeffries said.

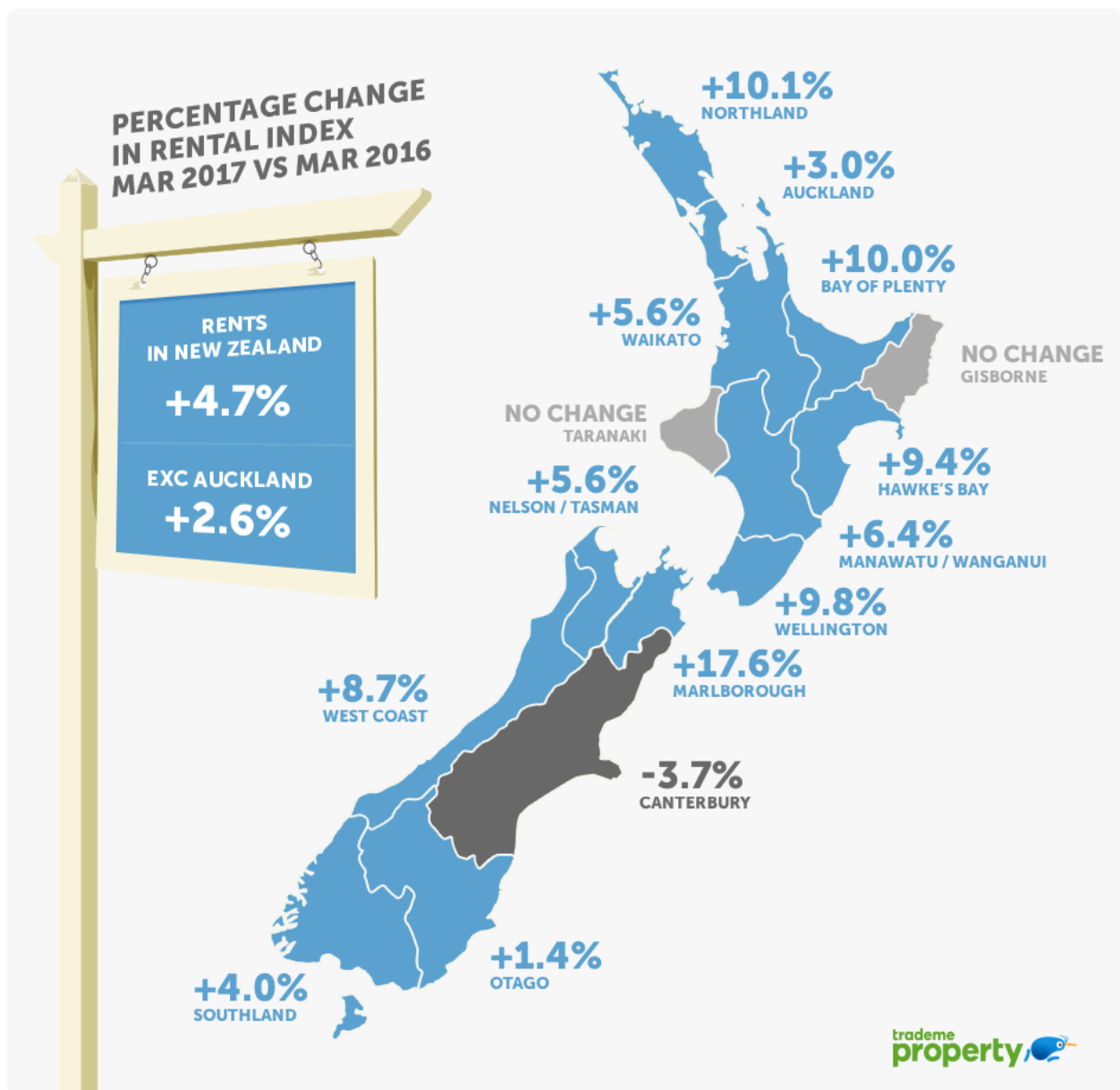
“In the past year, rents in the Bay of Plenty rose 10 per cent, adding over \$2,000 to a tenant’s annual bill. Over the last three years, rents across the region have jumped a staggering 40 per cent, up from \$315 a week back in 2014 and burdening tenants with an additional cost of \$6,500 a year.”



Around the regions

Median weekly rents continue to rise steadily across the country, with the exception of Canterbury which stubbornly defied the national trend, down 3.7 per cent to \$395. This year-on-year decline in Canterbury is now in its 20th consecutive month, with its last year-on-year rise way back in March 2015.

Weekly rent increases of 9 to 10 per cent are being seen through many of the larger regions of the North Island, specifically Northland and the Bay of Plenty, both at new record highs of \$380 and \$440 respectively. The Hawke's Bay and Wellington came in at just under 10 per cent year-on-year growth with median weekly rents of \$350 and \$450 respectively.



Tenants continue to have the upper hand in Christchurch

The rental market in Christchurch continued to move in the opposite direction to the rest of the country, with Mr Jeffries saying the flow of new rental properties replacing those demolished significantly affected the structure of the market.

“It’s become a familiar story that the Garden City’s rental market is doing its own thing. In March, the median weekly rent for 3 and 4-bedroom properties slipped back to \$435, its lowest point for four years. This is down 3.3 per cent in the past year and a staggering 22 per cent down from the most recent peak in March 2015, where it briefly topped \$560.”

Table 1: Median weekly rent by property size & region: March 2017 vs March 2016

	All properties	Large houses 5+ bedrooms	Medium houses 3-4 bedroom	Small houses 1-2 bedroom
New Zealand	\$450 + 4.7%	\$730 + 4.3%	\$495 + 3.1%	\$360 + 2.9%
New Zealand excluding Auckland	\$390 + 2.6%	\$575 - 0.9%	\$430 + 2.4%	\$320 + 6.7%
Auckland	\$515 + 3.0%	\$800 + 0.6%	\$580 + 3.8%	\$440 + 2.4%
Wellington	\$450 + 9.8%	\$850 + 21.4%	\$525 + 10.5%	\$390 + 11.4%
Christchurch	\$395 - 6.0%	\$550 - 7.6%	\$435 - 3.3%	\$340 - 2.9%

Urban living provides affordable option

Mr Jeffries said renting a townhouse or unit continues to be an affordable option, up just 2.8 per cent at \$410 a week. “Even in Auckland the rise was just \$10 to \$460 a week. Rents for urban options over the past two years has eased consistently, and back in 2015 year-on-year rent rises were only around 5 to 6 per cent.”

Table 2: Median weekly rent by property type & region: March 2017 vs March 2016

	All urban properties	Apartments	Townhouse	Units
New Zealand	\$410 + 2.8%	\$450 + 4.7%	\$460 No Change	\$360 - 2.9%
New Zealand excluding Auckland	\$350 + 2.9%	\$385 + 1.3%	\$400 + 1.3%	\$300 + 3.4%
Auckland	\$460 + 2.2%	\$475 + 5.6%	\$570 No Change	\$430 + 3.6%
Wellington	\$410 + 7.9%	\$450 + 5.9%	\$480 + 20.0%	\$345 + 7.8%
Christchurch	\$350 - 5.4%	\$350 - 7.8%	\$400 - 4.8%	\$319 - 4.1%

-ends-

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 Jeff Hunkin via mediaenquiries@trademe.co.nz and we will see what we can unearth for you. We can also provide the graphs and tables.

CONTACT

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