

Heat in Christchurch rental market remains

The heat in the Christchurch rental market shows no signs of abating, but the rest of the country has cooled off, according to Trade Me Property's analysis for the three months from April to June.

In Christchurch, the number of enquiries from potential tenants soared 47 per cent compared to the same period in 2011, even higher than the 42 per cent increase observed last quarter.

Brendon Skipper, head of Trade Me Property, said acute pressure on the Christchurch market was flowing through to "steepening" rents from landlords. "The news for prospective Christchurch tenants is still grim, with rent sky-rocketing an average of 26 per cent, in stark contrast to the national rise of just 4 per cent."

Mr Skipper said there were three "pressure cooker" suburbs: the central city, Linwood and St Albans. "We've seen the number of properties available for rent in these three suburbs plummet more than 40 per cent on a year ago. And on the flipside, the properties that do get listed are attracting huge volumes of enquiry. For example, in Linwood the level of demand is up 101 per cent on last year."

Mr Skipper said there was no doubt the state of the market in these suburbs was going to force people to look at other areas for a place to rent.

The national picture

The rest of the country was more subdued, with asking rents and the number of properties available for rent both up 4 per cent on a year ago, and tenant demand remaining flat.

Mr Skipper said there had been a listing surge in Auckland (+20%) and Dunedin (+17%). "Autumn has wound down and the winter hibernation period sees tenants hunker down, so we often see listing numbers swell and demand taper off."

One surprise emerged in central Auckland, where the increase in listings and reduced demand from tenants had not translated into downward movement in asking rents. "We'd expected to see some good news for tenants on the rent front, but it has held steady. This is an indication that Auckland renters are more settled than they were this time last year," Mr Skipper said.

The property for sale market was also playing a role as tenants considered becoming home owners. "Over the quarter we've seen a 16 per cent increase in enquiries from potential buyers compared to this time in 2011, but they'll be finding the market challenging too. Listings are flat and there's plenty of healthy competition in Auckland in particular. Of course, that means it's a good time to list your property if you're thinking of selling."

Mr Skipper said even with demand static, landlords "shouldn't panic" as more than half of all rental listings stayed onsite for 20 days or less. His hot tip for landlords is simple: "Well-priced and well-presented properties continue to be snapped up quickly, so do your homework on rents, and make it easy for tenants to fall in love with your property."

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Tables: Rentals on Trade Me Property

1. Quarterly comparison for Q2 by area

Area	April-June 2012 vs April-June 2011		
	Supply (listings)	Average rent	Demand (enquiries)
Auckland	20%	0%	-18%
Manukau	21%	4%	-4%
North Shore	7%	5%	-2%
Waitakere	-10%	4%	7%
Christchurch	-34%	26%	47%
Palmerston North	30%	3%	-14%
Dunedin	17%	3%	4%
Hamilton	-2%	1%	1%
Wellington	1%	-2%	-4%
Lower Hutt	15%	0%	-4%
National Total	4%	4%	0%

2. Quarterly comparison for Q2 in suburbs with the most listings

Area	Suburb	April-June 2012 vs April-June 2011		
		Supply (listings)	Average rent	Demand (enquiries)
Auckland	Central	26%	1%	-32%
	Remuera	14%	-6%	-23%
	Mt Eden	9%	1%	-21%
	Parnell	51%	6%	-11%
	Epsom	16%	14%	-18%
Christchurch	Central	-52%	26%	76%
	St Albans	-41%	26%	56%
	Merivale	-6%	36%	18%
	Riccarton	-3%	26%	40%
	Linwood	-53%	15%	101%
Wellington	Central	26%	-4%	-12%
	Newtown	-13%	-5%	11%
	Karori	-5%	-6%	-18%
	Hataitai	-17%	-5%	33%
	Te Aro	-34%	-10%	13%
National Total		4%	4%	0%

Notes

- Includes houses and apartments
- Supply is based on total listings onsite, not new listings.