

## Christchurch rentals market remains tough

The Christchurch rental market is still tight while the rest of the country shows signs of easing, according to Trade Me Property's latest quarterly figures.

In Christchurch the number of enquiries from potential tenants remains strong, up 38 per cent compared to the same period last year.

Brendon Skipper, head of Trade Me Property, said the data indicated a drop in supply, leading to increased demand and price. "We're seeing a 25 per cent increase in rental asking prices, with the numbers painting the classic picture of over demand and under supply for residential properties throughout the city".

Mr Skipper said observations of the top five suburbs indicate these market trends could be set to continue. Linwood, St Albans, CBD, Merivale and Riccarton all have low supply, high demand and the inevitable increase in asking price.

"The numbers clearly show that the current supply and demand situation is not going away any time soon while the city redevelops," Mr Skipper said. While there are properties available to rent in these areas, the resilient demand puts landlords in a strong position to ask top dollar.

### The national picture

The rest of the country showed further easing of demand, down 4 per cent from the previous year while rental asking price was up a modest 3 per cent, with national supply up 8 per cent.

Supply in Auckland was up 28 per cent on the previous year, though demand was down (-20%) as a result of increased activity during the 2011 Rugby World Cup. Wellington kept pace with a similar increase in rental listings (+23%), affecting the city's average asking price (-3%). Mr Skipper anticipated an ease in rental prices as demand fell and investors gained access to cheaper credit, noting that "the next rate move could more likely be down than up".

Mr Skipper said there was plenty of talk about a strong property for sale market, especially in central Auckland. "Compared to the same time last year, we've seen a 16 per cent increase in demand from buyers nationwide, though they might find it tough going considering the currently flat supply. Of course, if you're thinking of selling then now could be a good time to put your property under the hammer".

A shift from renting to buying could have implications for the rentals market especially in the major cities, said Mr Skipper. "With the stimulation in the for sale market, it seems tenants are holding off moving rentals and considering taking the plunge into ownership".

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## Tables: Rentals on Trade Me Property

### 1. Quarterly comparison for Q3 by area

Area	July-September 2012 vs July -September 2011		
	Supply (listings)	Average rent	Demand (enquiries)
Auckland	28%	-3%	-20%
Manukau	15%	1%	-10%
North Shore	3%	2%	1%
Waitakere	- 12%	4%	10%
Christchurch	- 21%	25%	38%
Palmerston North	8%	0%	-3%
Dunedin	15%	10%	-7%
Hamilton	- 0%	1%	13%
Wellington	23%	-3%	-17%
Lower Hutt	2%	-3%	-12%
<b>National Total</b>	<b>8%</b>	<b>3%</b>	<b>-4%</b>

### 2. Quarterly comparison for Q3 in suburbs with the most listings

District	Suburb	July-September 2012 vs July -September 2011		
		Listings - supply	Average Rent change	Enquiries - Demand
Auckland City	City Centre	42%	- 8%	- 35%
	Mount Eden	15%	2%	- 12%
	Remuera	13%	- 4%	- 22%
	Epsom	27%	- 6%	- 11%
	Mount Wellington	30%	- 3%	- 10%
Christchurch City	St. Albans	- 21%	27%	63%
	City Centre	- 42%	25%	97%
	Riccarton	- 17%	13%	11%
	Linwood	- 42%	18%	124%
	Merivale	- 15%	33%	45%
Wellington	Wellington Central	41%	- 3%	- 37%
	Newtown	32%	5%	- 16%
	Karori	59%	2%	- 31%
	Johnsonville	46%	- 5%	- 17%
	Te Aro	-6%	- 0%	- 1%

#### Notes

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