

Rental market heads into hibernation

Winter hibernation has crept into the national rental market with properties available for rent and tenant enquiry levels up just 2 per cent on a year ago, according to Trade Me Property's analysis of the second quarter of 2013. Nationally, average asking rents rose by an average of \$6 to \$417 per week.

Head of Trade Me Property, Brendon Skipper said there had been some talk of a rental shortage, but the analysis suggested this was not as dire as some had suggested. "There are pockets where it's definitely tough going for tenants, but nationally the year-on-year numbers are only slightly up for demand, and this is matched by a tick up in the number of listings."

He cited Palmerston North and Wellington as pockets where it was challenging for prospective tenants, with supply tightening and the market becoming more competitive for renters. "In terms of available listings, Palmy and the capital both saw supply decline even more than Christchurch which is unusual," he said.

Skipper said the recovery effort remained "a magnet" for temporary workers and this had fuelled the other side of the equation.

"There's been continued double-digit growth in the level of enquiries from prospective tenants in Christchurch which is still the strongest of any region. The light at the end of the tunnel is that enquiry levels have decelerated and are up 16 per cent this time around, having been up 30 per cent in the first quarter."

Auckland remained the most expensive region to rent a property, with an average weekly rent of \$494, followed by Canterbury at \$480 and Wellington at \$408. The single most expensive rental property onsite in the period was a house in Takapuna available for \$5,000 per week (<http://www.trademe.co.nz/447698870>), while the cheapest was a property in Ohakune available for \$45 per week (<http://www.trademe.co.nz/608743163>).

Skipper said tenants in Christchurch were still being "squeezed" with asking rents up 22 per cent on a year ago, compared with the national rise of just 3 per cent.

"This echoes the 24 per cent year-on-year increase we saw last quarter, so Christchurch remains out of step with other parts of the country – there has been no respite for renters. The good news is that in the major rental areas, demand has come down to manageable levels after the lofty heights of last quarter when we saw these up between 50 and or 100 per cent in some suburbs. It will be interesting to see if this easing continues next quarter or is just a blip."

-ends-

More info: Stats follow

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Tables: Rentals on Trade Me Property

Notes

- Data is for houses and apartments
- "Supply" is based on total listings onsite, not new listings
- "Demand" is based on the average number of enquiry emails received per listing

1. Quarterly comparison for Q2: By city

City	Apr-Jun 2013 vs Apr-Jun 2012		
	Supply (%)	Ave rent (%)	Demand (%)
Auckland	5%	- 1%	- 2%
Manukau	14%	3%	- 2%
North Shore	18%	0%	- 8%
Waitakere	13%	4%	- 6%
Hamilton	4%	3%	- 1%
Palmerston North	- 9%	1%	11%
Wellington	- 9%	1%	13%
Lower Hutt	- 1%	6%	15%
Christchurch	- 7%	22%	16%
Dunedin	17%	6%	- 17%
National total	2%	3%	2%

2. Quarterly comparison for Q2: Top 5 suburbs in main cities (by listing numbers)

City	Suburb	Apr-Jun 2013 vs Apr-Jun 2012		
		Supply (%)	Ave rent (%)	Demand (%)
Auckland	Central	4%	- 3%	- 13%
	Mt Eden	19%	6%	8%
	Remuera	10%	- 3%	15%
	Mt Wellington	24%	6%	4%
	Epsom	- 14%	- 5%	- 11%
Christchurch	Central	- 12%	19%	19%
	St Albans	- 14%	26%	1%
	Riccarton	- 5%	19%	- 6%
	Linwood	- 9%	25%	18%
	Merivale	- 19%	17%	27%
Wellington	Central	- 22%	0%	18%
	Newtown	23%	2%	2%
	Mt Cook	7%	2%	32%
	Te Aro	- 12%	1%	29%
	Mt Victoria	11%	- 8%	5%

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