

Christchurch rental prices now highest in NZ

Kiwis in Canterbury are now facing the highest average asking rents in the country, according to Trade Me Property's analysis of the third quarter of 2013. The number of properties available for rent across New Zealand in the past quarter was up 5 per cent on a year ago.

Head of Trade Me Property Brendon Skipper said the Christchurch picture was an interesting but slightly unusual one. "It's something of a rebuild phenomenon – rents are up 25 per cent on last year despite the number of short-term rentals in the city being well ahead of what we saw a year ago," he said.

"We've seen a lot of activity in short-term accommodation as families grab a place to stay while their homes are being fixed up, or workers relocate to the city temporarily for a project. With so much more to do, we don't see demand slowing anytime soon."

The national picture

Mr Skipper said average rent in Auckland was up 2 per cent, with the rest of the country also pretty quiet. "It's subdued on the national front, and if we exclude the unusual situation in Canterbury, the number of properties available for rent is up 5 per cent and the national average asking rent is up 2 per cent. It's positive but steady as she goes."

Supply in the Auckland region was up 5 per cent on last year, with the availability of 5-bedroom properties "skyrocketing" by 50 per cent. "The number of listings is trending upward in Mount Eden, Mount Roskill and Mount Wellington, but the average level of enquiry from tenants is almost static compared to this time last year."

There was a different picture in Wellington, with the number of properties available for rent down 14 per cent, driven by a drop in 2-bedroom houses and apartments. Tenant enquiry levels were up 23 per cent with the central city, Karori and Newtown all proving popular.

Pets or no pets?

Trade Me Property users hunting their next rental are seeking fully furnished properties with a garage, and flexibility with pets. Looking at the past six weeks of search data, the top five search terms used by prospective tenants are: 'furnished', 'fully furnished', 'garage', 'pets negotiable', and 'pets ok'.

"If you're a property owner, it could pay to relax animal rules for your property, for the sake of an increased tenant pool," Mr Skipper said. "On the flipside, tenants with pets are limiting their options."

The future

Mr Skipper said it was too early to see any effect from the new loan-to-value lending ratios. "We'll be keeping an eye out for the impact of the new loan restrictions – if this forces potential first home buyers back into rental properties as many expect, this would be good news for landlords."

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More info: Data tables follow

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 Q3: By city

City	July-Sept 2013 vs July-Sept 2012		
	Supply (%)	Ave rent (%)	Demand (%)
Auckland	5	2	- 1
Manukau	18	4	- 0
North Shore	21	- 2	- 11
Waitakere	8	2	- 10
Christchurch	4	25	8
Palmerston North	2	3	- 3
Dunedin	14	No change	- 11
Hamilton	11	4	- 8
Wellington	- 14	3	23
Lower Hutt	- 5	- 1	15
National total	5	4	2
National total (excluding Canterbury)	5	2	1

2. Quarterly comparison for Q3: Top 5 suburbs by listing numbers

City	Suburb	July-Sept 2013 vs July-Sept 2012		
		Supply (%)	Ave rent (%)	Demand (%)
Auckland	City Centre	- 4%	1%	- 12%
	Mount Eden	29%	3%	- 2%
	Remuera	15%	9%	0%
	Mount Wellington	22%	6%	- 15%
	Mount Roskill	23%	4%	- 12%
Christchurch	St. Albans	- 7%	26%	11%
	City Centre	- 6%	28%	14%
	Riccarton	0%	14%	4%
	Merivale	18%	28%	- 13%
	Linwood	- 17%	18%	38%
Wellington	Central	- 17%	- 1%	36%
	Newtown	2%	1%	20%
	Karori	- 16%	9%	36%
	Thorndon	14%	4%	0%
	Te Aro	1%	15%	10%