

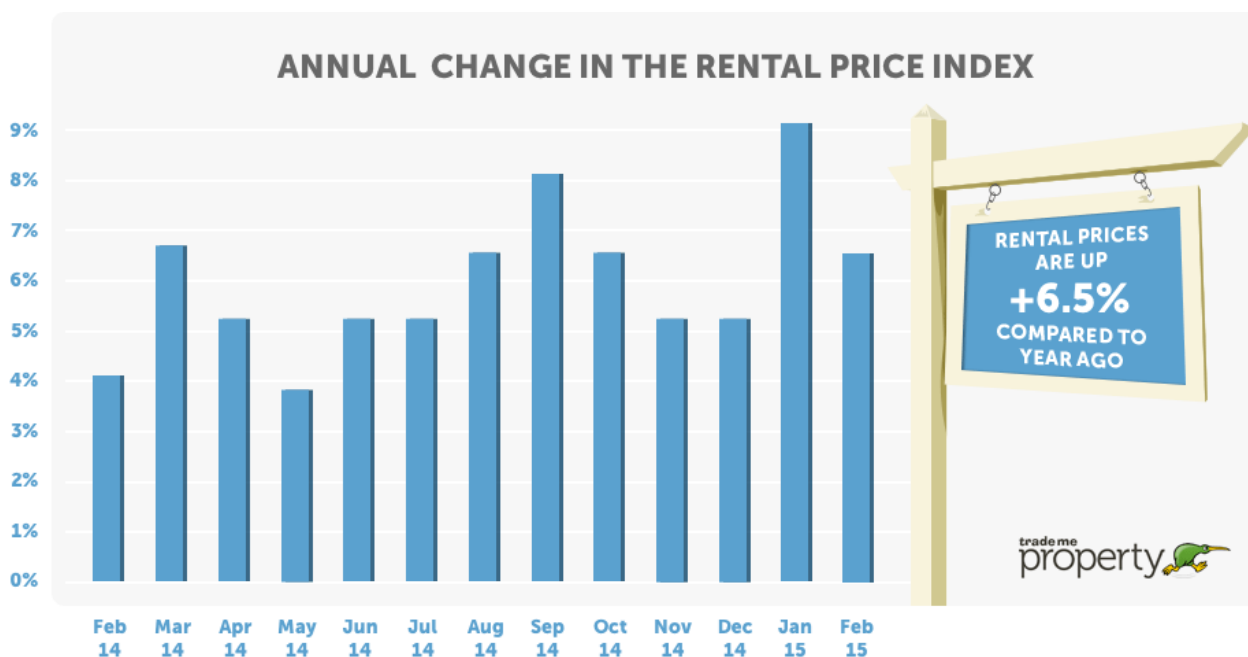
Strong demand continues to drive rents

The national median weekly rent continued to increase strongly in February landing at \$410 per week, up 6.5 per cent compared with a year ago. This is just below last month's all-time high of \$420 per week.

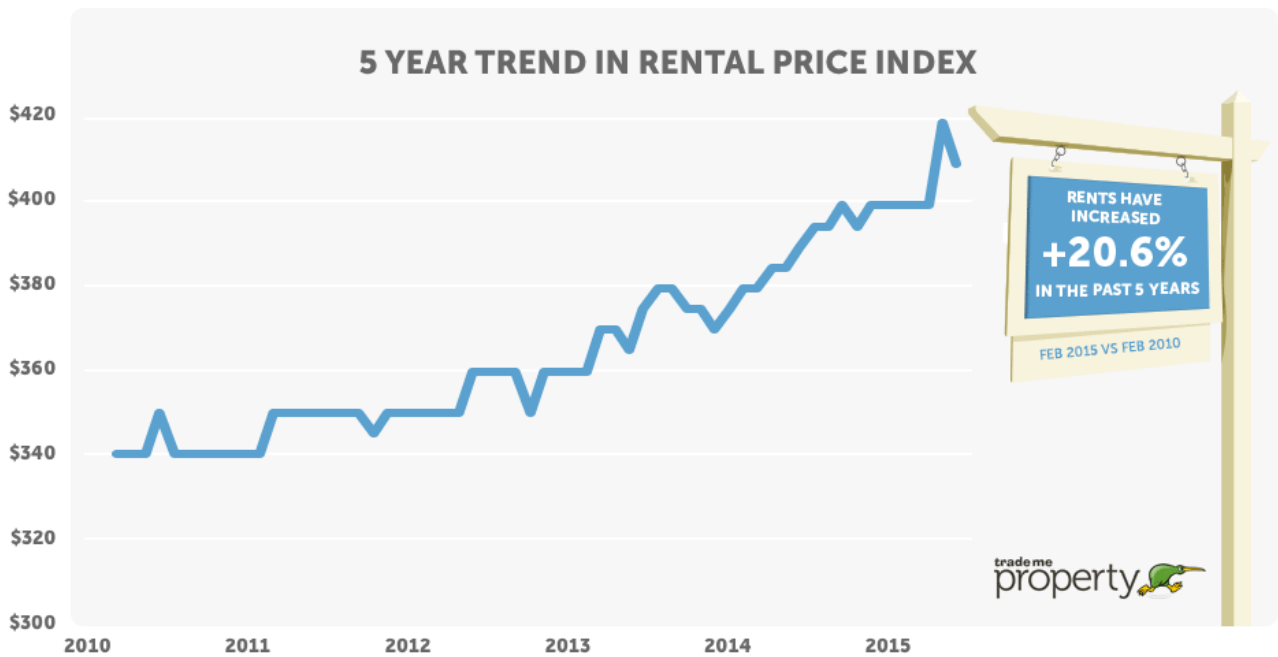
The Trade Me Property Rental Price Index examines rental market price trends by type and size of property across New Zealand, looking at the data of properties rented in the month by property managers and private landlords.

Head of Trade Me Property Nigel Jeffries said the rental market was tipped in favour of landlords. "There is strong demand from tenants, but supply is tight. We've seen a noticeable fall in new rental properties coming onto the market since the start of the year, down 12 per cent across the country. That all adds up to an annual increase for renters."

Mr Jeffries said the rental market was directly affected by the rise in property prices, especially in Auckland as landlords looked to align rents with property values and improve yields.



Over the past five years, the median weekly rent has risen by 20.6 per cent from \$340 to \$410. Mr Jeffries said the majority of this increase was in the past two years, with rents up by 10.8 per cent from \$370 in February 2013 to \$410 in February this year.



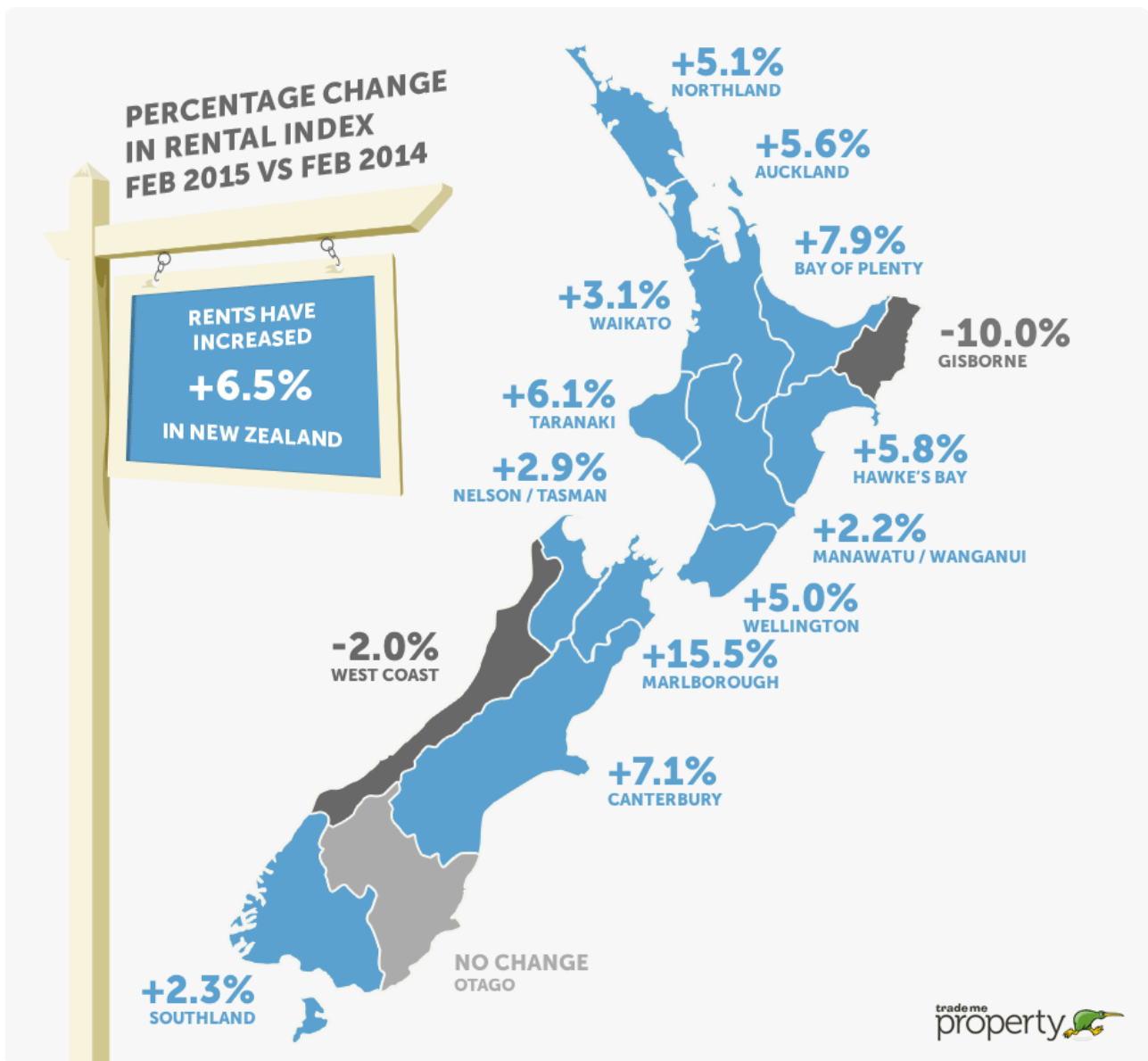
Ups and downs in the regions

Twelve regions had year-on-year increases in median weekly rents in February, with eight regions up more than 5 per cent, led by Marlborough which was up 15.5 per cent.

Only Gisborne and the West Coast showed falls in weekly rents compared to a year ago, down 10 per cent and 2 per cent respectively. Otago was stuck in the mud, unchanged.

Annual median weekly rent increases in Auckland, Wellington and Canterbury plateaued in February, having reached new high tide marks in January. Auckland was up 5.6 per cent at \$475 per week, Wellington up 5.0 per cent to \$420 per week and Canterbury was up 7.1 per cent to \$450 per week.

With a median asking rent of \$475 per week Auckland remains the most expensive place to rent a property in New Zealand, ahead of Christchurch (\$450 per week) and Wellington (\$420 per week).



Strong demand for larger properties in Auckland and Wellington leads the market

Nationwide, medium-sized properties (3 and 4 bedrooms) continue to perform strongly, renting for \$460 per week, up 9.5 per cent on a year ago.

Mr Jeffries said this strength in this corner of the market was most pronounced in Auckland and Wellington. “These properties make up the majority of the rental market and rose to a new record high of \$540 in Auckland – that’s up eight per cent on a year ago. Wellington wasn’t far behind either, up almost eight per cent to \$480 a week.”

Median rents for large homes (5+ bedrooms) in the two main cities also rose to new record highs. Auckland was up 7.1 per cent to \$750 per week, and Wellington was up a massive 16.5 per cent to \$925 per week.

Mr Jeffries said the Christchurch rental market showed signs of easing. “It’s been very tight on the supply side for a couple of years, but in February we saw that annual rental growth was pretty subdued. This is underpinned by more listings hitting the market and alleviating the pressure.”

Listings in Christchurch were up 16 per cent year-on-year in February 2015, the highest level since May 2011.

Table 1: Median weekly rent by property size & region

	New Zealand	Auckland	Wellington	Christchurch
Large houses 5+ bedrooms	\$690 + 6.2%	\$750 + 7.1%	\$925 + 16.4%	\$650 + 2.4%
Medium houses 3-4 bedrooms	\$460 + 9.5%	\$540 + 8.0%	\$480 + 6.7%	\$495 + 3.1%
Small houses 1-2 bedrooms	\$325 + 8.3%	\$390 + 2.6%	\$340 + 1.5%	\$375 + 1.4%
All property types	\$410 + 6.5%	\$475 + 5.6%	\$420 + 5.0%	\$450 + 5.9%

Apartments rents on the rise

The apartment sector was underpinned by year-on-year growth in rents in Auckland, rising by \$25 to \$420 per week, up 6.3 per cent.

Mr Jeffries said demand pressure was driving this growth as the number of rental listings fell 26 per cent in across the city in the 12 months to February 2014. "Auckland is beginning to see a stronger flow of new developments onto the market, but in the meantime this shortage of available stock will keep driving rent increases."

The market for townhouses and units across the country showed smaller levels of rent increase than for houses, with the exception being Wellington townhouses. These saw weekly rents rise to \$445 per week, up 6.6 per cent compared to a year ago.

Table 2: Median weekly rent by property type & region

	New Zealand	Auckland	Wellington	Christchurch
Apartments	\$400 + 2.6%	\$420 + 6.3%	\$430 no change	\$360 - 2.0%
Townhouses	\$450 + 4.7%	\$520 - 3.7%	\$445 + 6.6%	\$460 + 2.2%
Units	\$320 + 3.2%	\$380 + 2.7%	\$300 no change	\$335 + 4.7%
All property types	\$410 + 6.5%	\$475 + 5.6%	\$420 + 5.0%	\$450 + 5.9%

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MORE INFORMATION

About the Trade Me Property Rental Price Index: This is the first report to provide a timely and 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 14,000 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.

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: Nigel Jeffries is available for interviews. To tee up a time that suits, please email Jeff Hunkin via mediaenquiries@trademe.co.nz or phone (04) 803 2702.