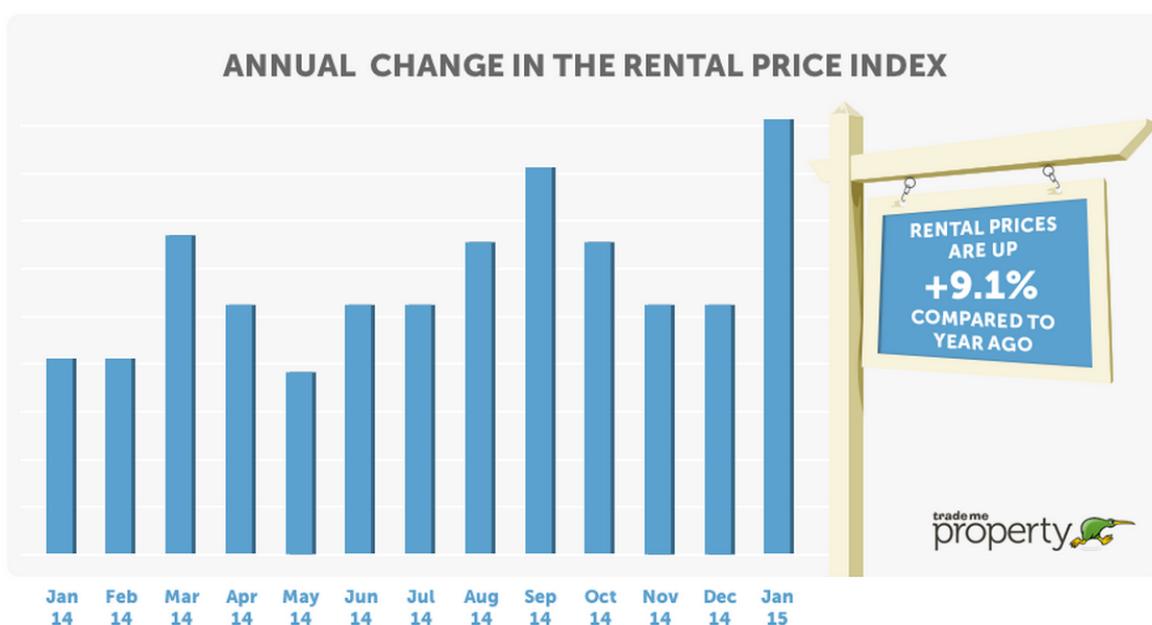


New Year kicks off with big jump in rents

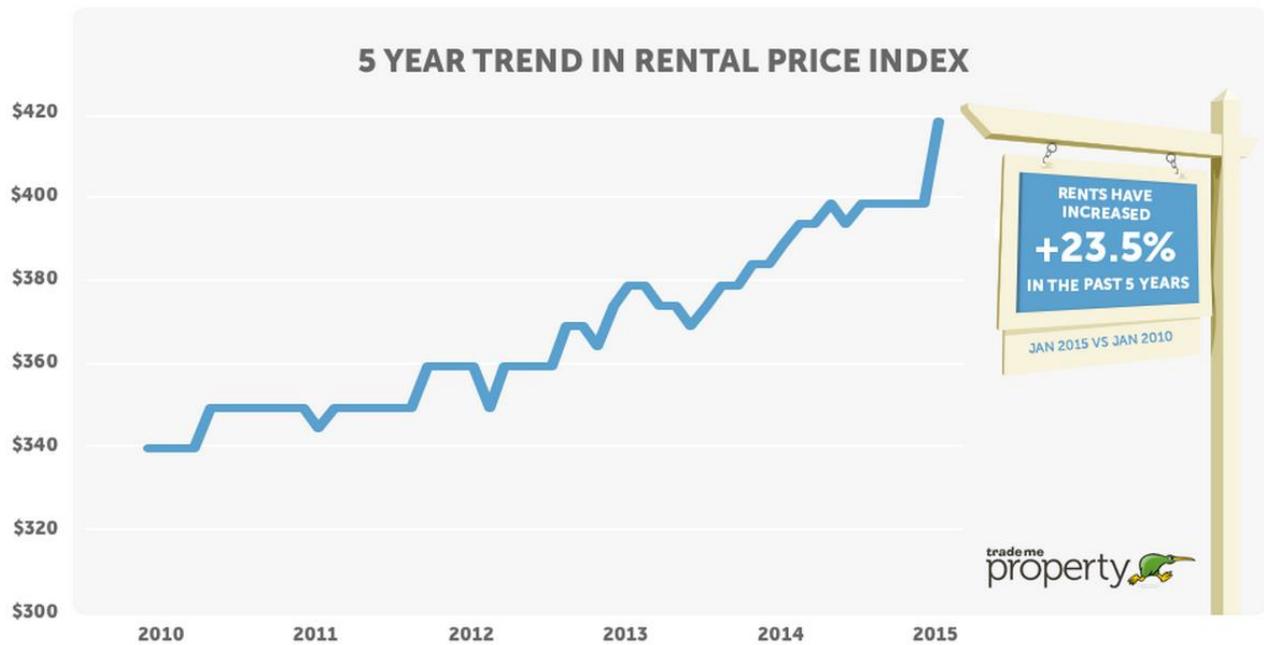
Weekly rents leapt 9 per cent in January compared to a year ago and the national median rent rose to \$420 per week, according to the Trade Me Property Rental Price Index out today.

Head of Trade Me Property Nigel Jeffries said the rental market was “stable and relatively quiet” throughout 2014 but looked to be sparking into action. “The 9 per cent year-on-year increase in January is the largest single-month rise we’ve recorded over the past five years. Median weekly rents clicked up \$20 per week between December and January to a record high of \$420 per week. That’s grim news for tenants.”

Mr Jeffries said the rental market was responding to pressure from landlords chasing better yields for investment property as a function of relentless growth in property prices. “It was more a question of when, not if, landlords were going to start recovering some level of yield. It looks like that signal has flowed into the market this month and started to sting tenants in the pocket.”



Looking at the long-term trend, the differential between median rents and property price expectations over the past five years has narrowed significantly as a result of this January rise in rents. The Trade Me Property Price Index for January reported a 25 per cent increase in asking price since 2010, with median rents rising by 24 per cent over the same period.

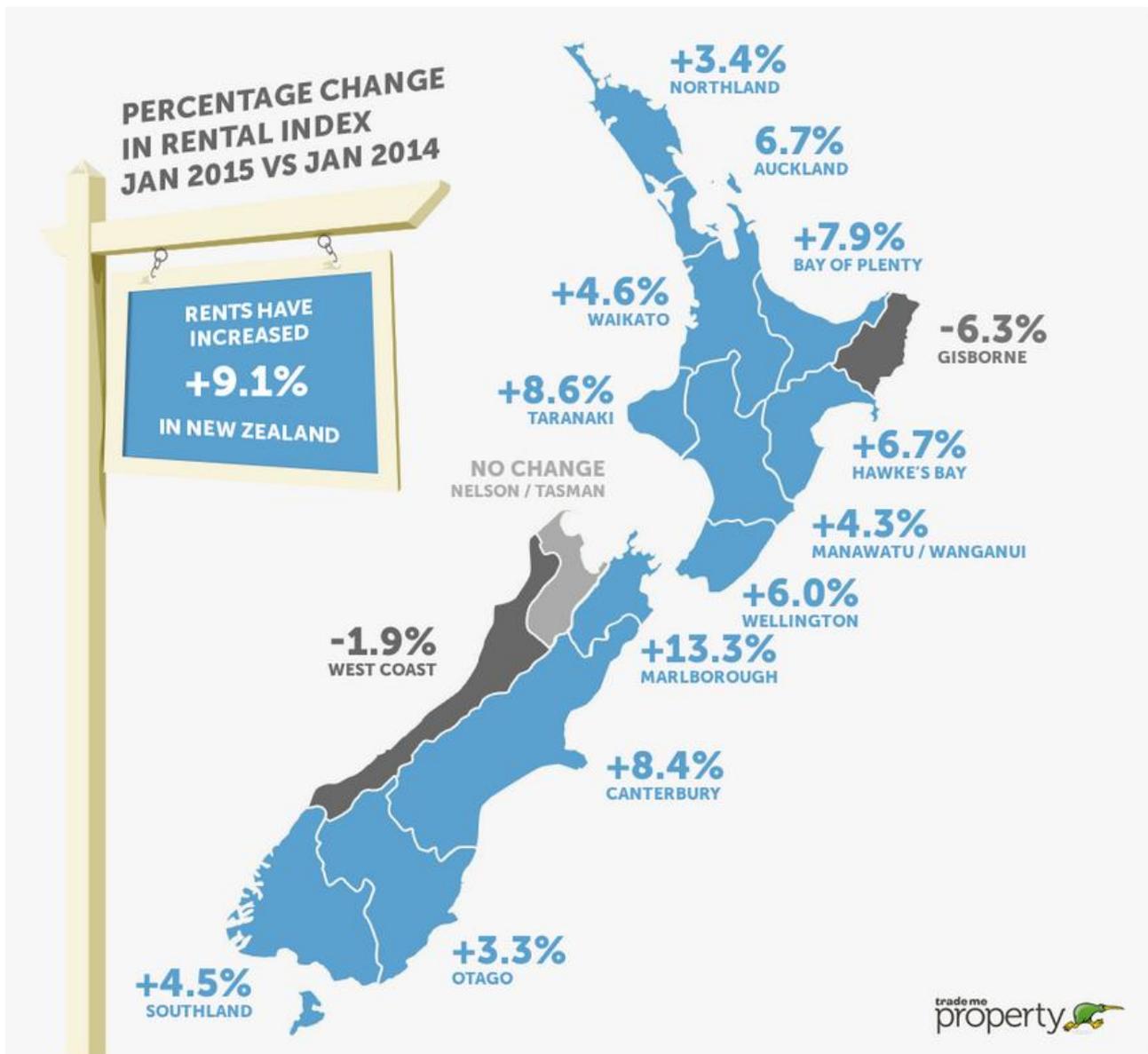


Ups and downs in the regions

Eight of the 15 regions surged to new record median rents, and another four regions reported increases compared to a year ago. The largest increase was in the Marlborough region where median weekly rents were up 13.3 per cent year-on-year to \$320 per week.

Only two regions recorded falls in median weekly rent: Gisborne was down 6.7 per cent to \$260 per week, and the West Coast was down 1.9 per cent to \$255 per week. Nelson/Tasman was unchanged.

Auckland, Wellington and Canterbury all reached new high tide marks for median weekly rent. Auckland was up 6.7 per cent to \$480 per week, Wellington landed at \$440 per week (up 6.0 per cent), and Canterbury was up 8.4 per cent to \$450 per week.



Rental demand focused on medium-sized properties

Medium-sized properties continue to show rental strength with three and four-bedroom properties rising to a median of \$460 per week, up 9.5 per cent on a year ago.

Mr Jeffries said the strength in medium-sized properties did not align with Trade Me Property's for sale data. "The asking prices of properties of one and two-bedroom houses was strong, rather than for medium-sized homes. However, when it comes to renting, smaller homes are well below the headline level in terms of overall rents."

He said there was also "noticeable strength" around asking rents for five-bedroom homes which reached a new record high of \$700 per week, up 7.7 per cent on a year ago. Auckland led the sector, hitting a new high of \$750 a week and up 7.1 per cent compared to January last year.

The Christchurch market is showing clear signs of diminishing price pressure. "Although the headline rent for all properties in the city was up 5.9 per cent to \$450 per week, this does not represent a record high," Mr Jeffries said. "And across the city, smaller homes and 5-bedroom homes both showed falls in weekly rents compared to a year ago."

Table 1: Median weekly rent by property size & region

	New Zealand	Auckland	Wellington	Christchurch
Large houses 5+ bedrooms	\$700 + 7.7%	\$750 + 7.1%	\$800 No change	\$675 - 1.8%
Medium houses 3-4 bedrooms	\$460 + 9.5%	\$530 + 6.0%	\$500 + 4.2%	\$490 + 2.1%
Small houses 1-2 bedrooms	\$320 + 6.7%	\$390 + 2.6%	\$340 + 3.0%	\$365 - 2.0%
All property types	\$420 + 9.1%	\$480 + 6.7%	\$440 + 6.0%	\$450 + 5.9%

Apartments rents on the rise

Mr Jeffries said the Auckland market – representing more than 60 per cent of all apartments – is showing solid rises in asking rents. In January, the weekly rent rose by \$10 to a new high of \$430 per week, up 7.5 per cent on a year ago.

In the Christchurch market the rents for more compact living options bucked the trend of traditional homes, with significant rises in apartment rents (up 14.4 per cent to \$378 per week) and units now renting at an all-time high of \$340 a week (up 6.3 per cent).

Table 2: Median weekly rent by property type & region

	New Zealand	Auckland	Wellington	Christchurch
Apartments	\$410 + 7.9%	\$430 + 7.5%	\$450 + 7.1%	\$378 + 14.4%
Townhouses	\$460 + 7.0%	\$538 + 3.4%	\$450 + 0.6%	\$450 + 4.7%
Units	\$330 + 6.5%	\$385 + 4.1%	\$310 - 1.6%	\$340 + 6.3%
All property types	\$420 + 9.1%	\$480 + 6.7%	\$440 + 6.0%	\$450 + 5.9%

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 (021) 778-403.