

Auckland's landlord friendly market situation to continue

Friday 20 March 2015 By *Miriam Bell* The Landlord



Landlords in Auckland are benefitting from strongly performing asking rents, according to the latest rental price data from Trade Me Property – and this situation isn't likely to end soon.

The latest Trade Me Property Rental Price Index data shows the national median weekly rent came in at \$410 per week in February, but Auckland's median asking rent hit \$475 per week.

This means Auckland remains the most expensive place to rent a property in New Zealand. Head of Trade Me Property Nigel Jeffries says that the tight supply, high demand combination driving the market looks likely to continue for a while.

The elevated demand has been exacerbated by the seasonal student market, so it will slow slightly as the students settle, he says.

“However, the underlying demand from an increasing population coupled with a slow lift in stock means we'll probably see this under-supply trend continue.”

In his view, a change to Auckland's rental demand situation could come from a couple of factors. These are:

- A change in the regulatory environment. For example, a change in immigration law could reduce demand.
- An expansion of first home buyer schemes would enable more renters to buy their own homes and would reduce demand.

On the other hand, a tightening of banking rules relating to investment property lending would further reduce the supply on the rental market.

While Auckland's rental growth is expected to continue and a flow-on effect from this is expected for other areas, there is not the same level of demand and undersupply in other markets around the country, Jefferies says.

This means that rental markets in some regions, like Dunedin, are proving to be rather flat.

The rental market in Christchurch is expected to flatten, as supply has caught up to its levels from a year ago.

“We do expect to see rental growth around other regions of New Zealand, but at lower levels compared to the main metro areas.”