

A message from your Property Manager

Tuesday 13th September 2022



Spring 2022 Update

Well that was a wet and painful winter! Is there any reason to think Spring will be better?

Yes, properties available for rent on Trademe in Auckland fell from a high of 6435 on May 17th to 5120 today. We are back into more normal territory.

But it has been a very hard winter. The worst winter for renting out we have ever seen in Auckland, with some quite massive vacancies. Together with the punitive rule changes for landlords this has resulted in the lowest level of investor purchasing activity for many years. And yes, as we would expect with large vacancies, rents have fallen slightly in Auckland.

The largest change has been for 1 bd properties which are now back to pre-pandemic numbers. This largely reflects the return of many small apartments to AirBnB use. Two & 3 Bd properties still have about 30% higher stock than before 2020. It's not quite so bad for 4 bd (15% up) and 5+ bd availability is about the same as 3 years ago. This last fact is a surprise as we still don't have many overseas students returning, which flows through to demand for this size properties, and younger people have been leaving as the borders open.

What does this mean? There is still a flow through of new 2 bd units being completed this year, and with falling housing prices this will lead to more "accidental landlords" who cant sell. But with less building and investors not adding to stock we are going to see available rental numbers continue to decline. If we get to below 4000 properties, then rents will jump. This may happen in early 2023, but probably will take a bit longer. Together with inflation increasing incomes and greater job security there will be scope for large increases in rents achieved by 2024.

Auckland Rentals

