



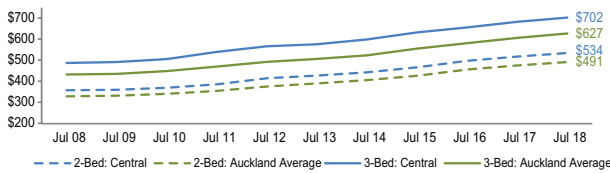
Suburb Review – Central Auckland

Rentals

Unsurprisingly, average Central Auckland rents remain above the average for the greater Auckland region (Pukekohe to Rodney). Over the past 12 months, Central Auckland 3-bedroom rentals had an average weekly rental price of \$702, 12% higher than the average greater Auckland 3-bedroom rental of \$627. Central Auckland 2-bedroom rentals had an average rental price of \$534, 9% higher compared to \$491 for greater Auckland.

Looking at the individual suburbs, rental prices for 3-bedroom properties showed the largest increase in the suburb of Remuera (up 6%). The suburbs of Ponsonby, Sandringham, Mt Roskill, One Tree Hill, and Meadowbank all grew by 4% in the past year, whilst rent prices in the City Centre recorded the only decrease of 2%. Prices for 2-bedroom rentals experienced the largest increase in the past year in Ponsonby (7%) and stagnated in the City Centre and Mt Albert / Pt Chev regions (0%).

Residential Property Weekly Rentals – Central vs. Auckland
12-Month Rolling Average



Central Auckland = City Centre, Ponsonby, Grey Lynn / Westmere, Mt Albert / Pt Chev, Sandringham, Mt Roskill, Mt Eden, Epsom, One Tree Hill, City Bays, Remuera, Meadowbank, Glen Innes

Residential Property Weekly Rentals by Suburb for Central Auckland
12-Month Rolling Average

	City Centre	Ponsonby	Grey Lynn / Westmere	Mt Albert / Pt Chev	Sandringham	Mt Roskill	Mt Eden
Av 2-bed Rent	\$548	\$661	\$653	\$481	\$478	\$457	\$527
% change July 17 to July 18	0%	7%	3%	0%	3%	2%	3%
Av 3-bed Rent	\$733	\$901	\$821	\$646	\$606	\$565	\$697
% change July 17 to July 18	-2%	4%	3%	2%	4%	4%	2%

	Epsom	One Tree Hill	City Bays	Remuera	Meadowbank	Glen Innes
Av 2-bed Rent	\$543	\$476	\$573	\$579	\$507	\$458
% change July 17 to July 18	5%	2%	3%	5%	3%	5%
Av 3-bed Rent	\$722	\$627	\$768	\$776	\$702	\$571
% change July 17 to July 18	3%	4%	2%	6%	4%	3%

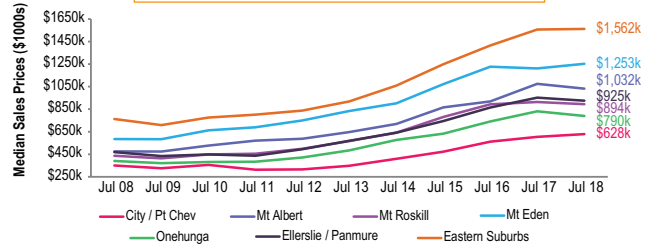
Source: REINZ

Sales

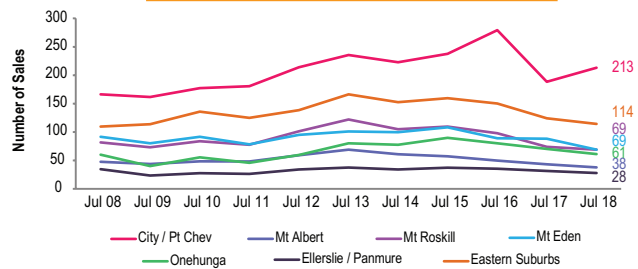
Median sales prices have shown signs of stagnating across Central Auckland over the past 12 months. City / Pt Chev has experienced the largest increase (up 4%). Eastern Suburbs has experienced a 0.38% increase in the past year, but despite this, the area sits well above other Central Auckland suburbs with an average sales price of 1,562k. Onehunga (-5%) and Mt Albert (-4%) have experienced the largest decreases in average sales prices in the past 12 months. This overall trend in the Central Auckland market indicates that effects of the housing crisis may be starting to slow.

Average sales volume has continued to fall across most of the central Auckland suburbs over the past year indicating a trend that property owners are choosing to wait until the time is better to sell. City / Pt Chev has bucked the trend and experienced a large increase in sales volume, most likely as a result of the opening of the Waterview Connection.

Median Sales Prices - Central Auckland
12-Month Rolling Average



Average Number of Sales - Central Auckland
12-Month Rolling Average

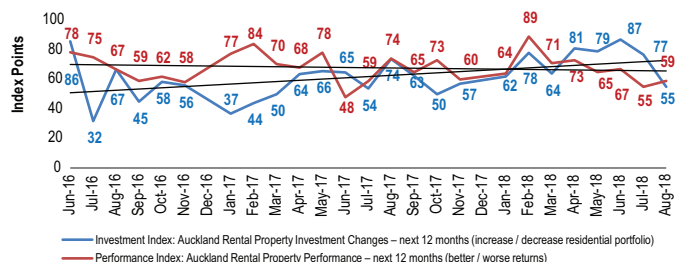


Source: REINZ

Crockers Property Investment Index

The **Auckland Rental Property Investment Index** has decreased this month, due to a further increase in those looking to sell off some of their investment portfolio and a decrease in the number of property investors looking to increase the size of their investment portfolio.

The **Auckland Rental Property Performance Index** has increased slightly this month, as a result of an increase in those who believe the Auckland rental market will remain the same.



Source: CPII Survey August 2018

Market Research

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Review of Rental Prices

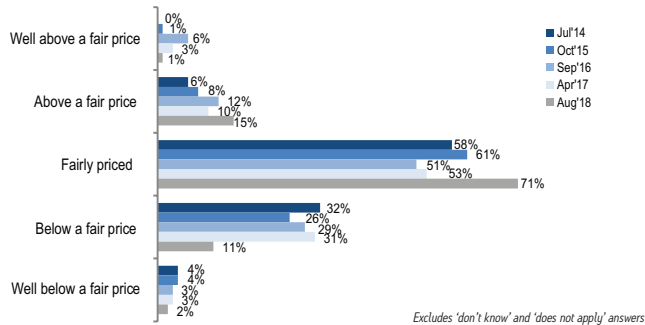
This month in our latest CPII survey in association with IPSOS, we asked investors a set of questions about their investment properties.



Opinions on Current Rent Prices

This wave there has been a substantial increase in those who believe rental prices are fairly priced (71%, up 18 points), whilst there has also been an increase in those who believe rental prices are above a fair price (15%, up 5 points). This has resulted in a substantial decrease in those who believe rental prices are below a fair price (11%, down 20 points).

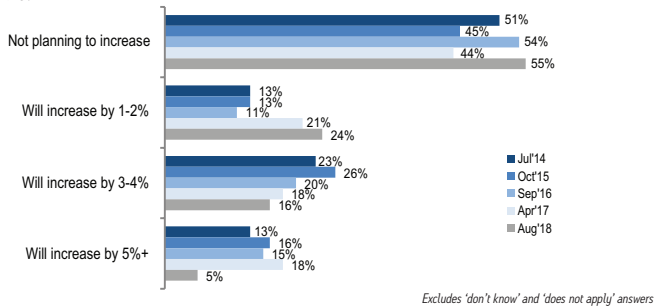
Q: Considering the current state of the rental market, the costs associated with owning a rental property, and the returns you expect to get from your investment – how fairly do you think rents are priced at the moment?



Planned Rental Price Increases

Over half of the investors interviewed are not planning to increase rents in the next 6 months (55%, up 11 points from Apr '17). There has been a substantial decrease in those who intend to increase their rent by 5%+ (down 13 points to 5%). This still means that 40% of landlords are planning a rental increase of 1%-4%.

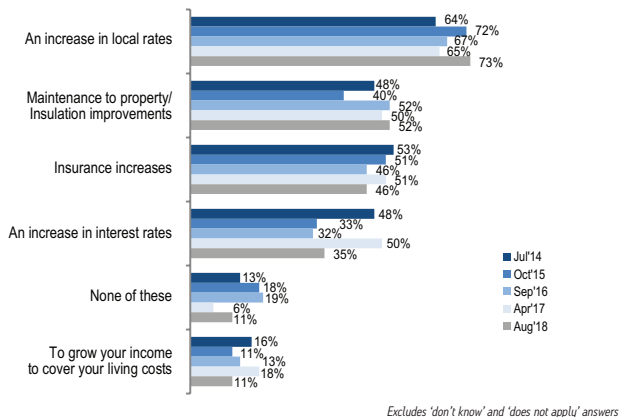
Q: Are you planning to increase the rent of your investment rental property within the next 6 months?



Factors That Would Influence an Increase in Rent

A number of factors come into play when considering rental increases. An increase in local rates remains the most likely to cause an increase in rents (73%, up 8 points). Maintenance to property (52%) and insurance increases (46%) also remain key factors for increasing rental prices.

Q: Which of the following factors would influence you to increase the rent of your rental property?

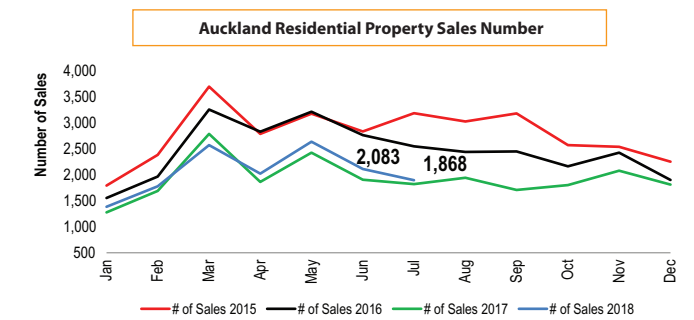
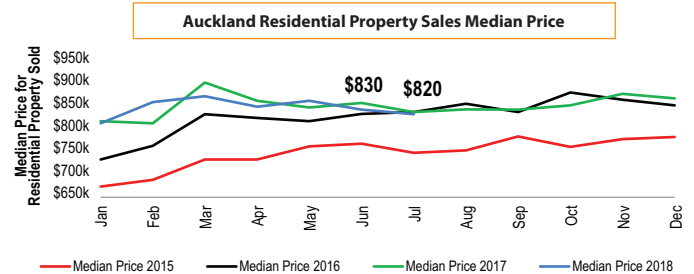


Source: CPII Survey August 2018

Auckland Sales & Rental Update

Auckland Median Prices & Sales Numbers

The median sales price for Auckland residential properties decreased from \$830,000 in June to \$820,000 in July. Meanwhile, sales volume decreased from 2,083 in June to 1,868 in July. This reflects the winter slowdown period that we see on an annual basis, probably exacerbated by the general slowing of the Auckland housing market indicated elsewhere (plus the recently reported slowing of Auckland migration).

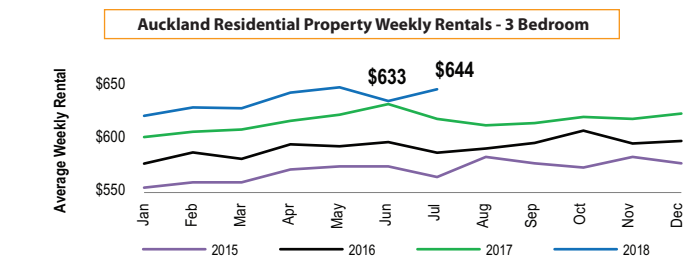
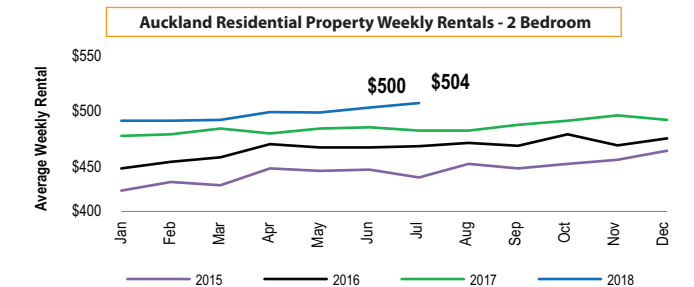


Source: REINZ

Auckland Rental Prices

The average Auckland rent for 2-bedroom residential properties has climbed to \$504 this month, while the average 2-bedroom rental across New Zealand has remained at \$410. This has resulted in the Auckland 2-bedroom premium increasing slightly from 22% to 23%. The average rent for 3-bedroom properties in Auckland has recovered this month from \$633 to \$644, whilst average 3-bedroom rents across New Zealand have remained stable at \$480. This has resulted in the Auckland 3-bedroom premium increasing from 32% to 34% this month.

This continues to reflect the disconnect between the rapidly rising nature of Auckland house prices over recent years, and the much slower rise in rental prices. This affirms the conclusion that the house prices have risen due to speculation, not simply a supply-and-demand imbalance as so incorrectly claimed by the previous government.



Source: REINZ

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