

WELLINGTON RENT ANALYSIS & FUTURE FORECASTS

Rent Data Analysis 1993 - 2019 & Rent Forecasts Until 2029



INTRODUCTION

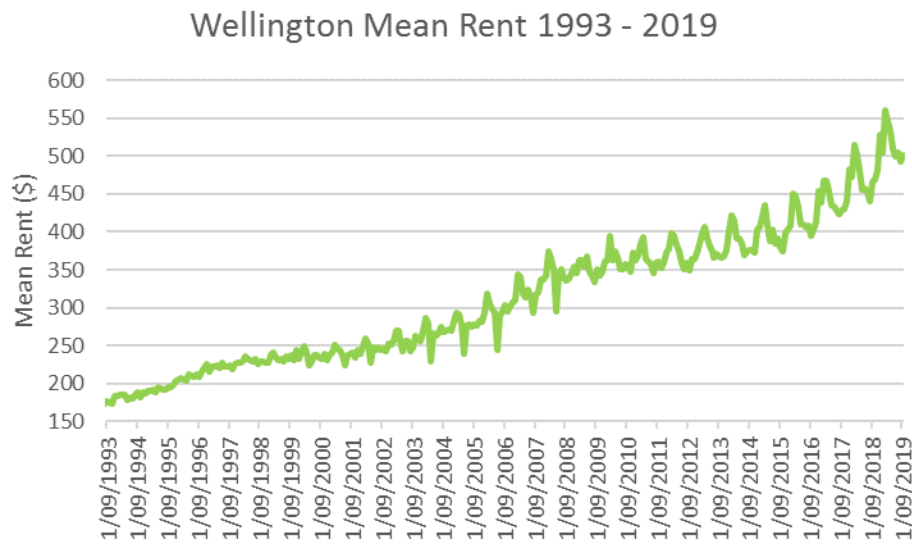
Make informed decisions before you invest and when looking at the rent of your current rental properties.

Our research on the residential rental property market analyses the monthly mean rent from 1993 to 2019, to help generate the compound annual growth rate, allowing us to forecast expected rent movements in the coming decade*

At Quinovic Kent Terrace we're experts on the New Zealand rental market and welcome any enquiries should you require further information about market conditions and rental property management.

www.quinovickentterrace.co.nz

Wellington Historic Rent Data 1993-2018



First we'll look at the overall history of rents in Wellington since 1993.

Over the past 26 years the mean rent in Wellington has been steadily increasing. In January 1993, mean rent was \$171. This has since grown to \$502 in September 2019, showing 194% growth.

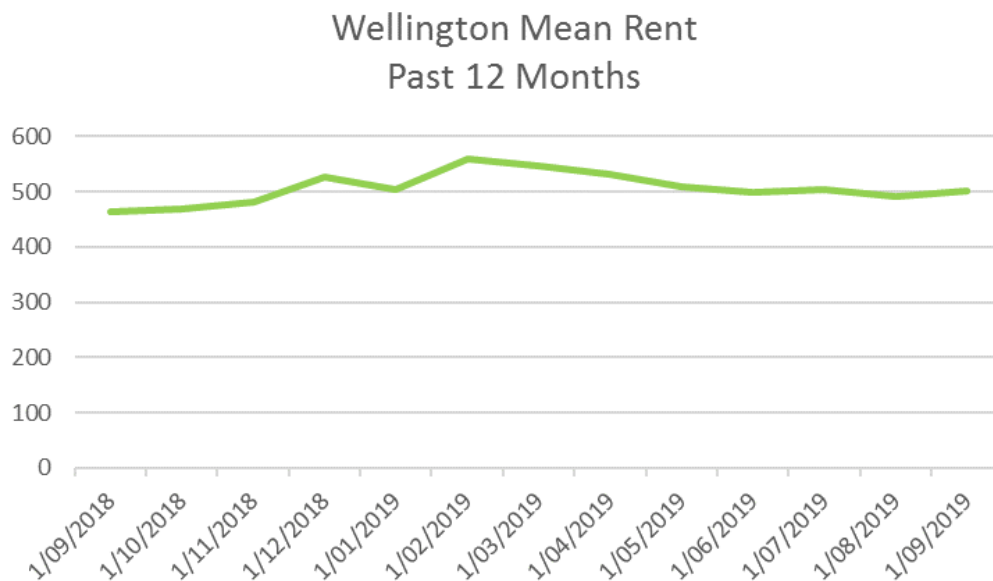
During this time, there have been a few notable decreases in the years 2003 to 2008, but despite, this Wellington rents have continued to grow, and even experienced a particularly large spikes each year since 2015.

Key Statistics

- Mean Rent in January 1993: \$171
- Mean Rent in September 2019: \$502
- Rent Growth Between 1993 - 2019: 194% Increase (\$331)

Wellington Historic Rent Data

Past 12 Months



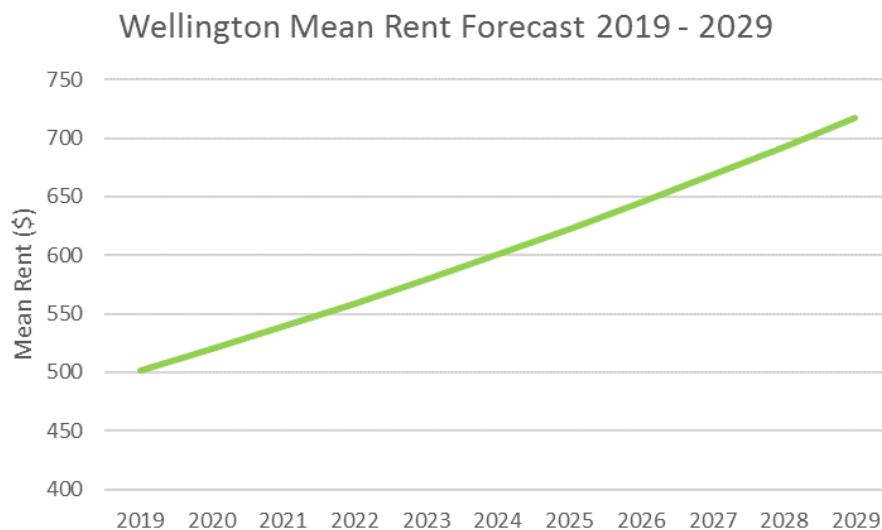
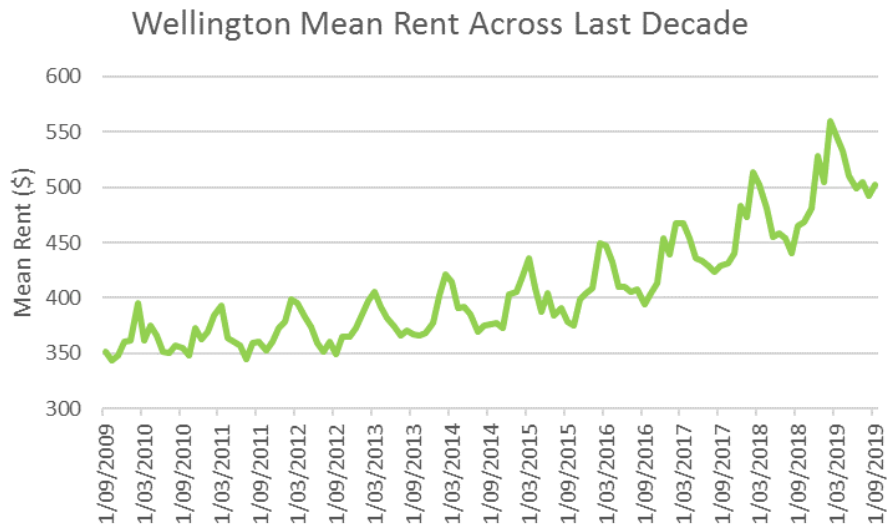
Looking at this growth during a much shorter period, over the past 12 months the weekly mean rent in Wellington has experience a few dips in value, reaching a yearly low of \$465 during September 2018, just as Wellington is beginning to leave the winter market.

Seeing dips during the winter months when tenant demand is low isn't unusual. Neither is it unusual to see a sharp rise in rent near the end of the year as the city approaches the summer market. Last year this familiar rise saw a 13% rent increase from \$466 to \$527 during the last four months of 2018.

Key Statistics

- 12 Month High: \$560 in February 2019
- 12 Month Low: \$465 in September 2018
- Mean Rent in January 2019: \$505
- Mean Rent in June 2019: \$499
- Mean Rent in September 2019: \$502
- Rent Growth between September 2018 and September 2019: 8% Increase

Wellington Rent Data & Forecast



Wellington Rent Forecasts 2019 - 2029

Predictions for Coming 12 Months

Early signs indicate an average market rent increase of around 6% this Summer. The past month has seen strong demand from prospective tenants hoping to obtain a rental property available in January and February.

This is driven by the continuing shortage in supply of rental properties in Wellington caused by population growth. In Wellington alone, the population is estimated to increase by 4,083 in 2019-2020 according to the City Council. Statistics NZ population projections also show the region's population will grow by 65,000 over the next 30 years, with 46,000 of those people living in the Wellington City area. It's unlikely enough developments will be built in time to accommodate this growth.

Predictions for 2020-2029

Mean rent in Wellington has consistently been rising over the last decade, growing by 49% from \$354 to \$527 between December 2008 and December 2018 alone.

The monthly mean rent over the last 10 years shows a 3.64% Compound Annual Growth Rate. Based on this rate and the expectation that the Wellington population will continue to grow at a faster pace than developments can be built, we forecast rents will increase to \$600 by 2024, and then further grow to \$718 by 2029.

Information about this report: We (the property managers) have endeavoured to show all rents reported by all property managers and individual's as listed on publicly available sources for the mentioned period. We believe this information to be accurate, whilst all care has been taken, no representation on their own enquires. Properties displayed are only those which have been publicly listed and let by property managers within our company. We advise you seek independent advice on your area statistics if you are thinking about buying and renting an investment property