



Rental Housing Report

Wellington, New Zealand

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Introduction

Wellington, New Zealand's capital, is popularly known as the Windy City and is the second most populous urban area of the country with an urban population of approximately 400,000 and a metropolitan population of 405,000. The capital is situated at the south-western tip of the North Island and includes the Kapiti Coast and Wairarapa. Wellington's urban area comprises of four cities, namely Lower Hutt, Upper Hutt, Porirua, and Wellington City.

Wellington is home to an exciting arts scene, nightlife and a unique cosmopolitan culture. The city's creative vibe and energetic atmosphere sets it apart from all other cities in New Zealand. "The world's coolest little capital city" as described by Lonely Planet, reportedly has more cafes, bars and restaurants per capita than New York!

Wellington has a wide range of housing options available across the city. There is a variety of architectural styles prevalent in different suburbs; from Art Deco and 19th century wooden cottages, to modernised apartments and family homes.

Wellington's rental property prices have featured regularly within New Zealand media in the past year. A lessening supply of rental properties has seen demand soar and with it rental prices in many areas. Existing tenants are increasingly extending their current leases, for fear of not securing a new property. This, coupled with a high number of property owners making the decision to convert to higher earning shared student accommodation, or Airbnb properties, has resulted in significantly less new rentals being listed than in previous years.

New arrivals are finding the market more and more competitive. Wellington is also particularly seasonal, with many property managers preferring to renew all tenancy agreements during traditional peak times – being the beginning of the year.

The city also enforces stringent building regulations, due to the high seismic activity, to ensure the earthquake readiness of buildings.

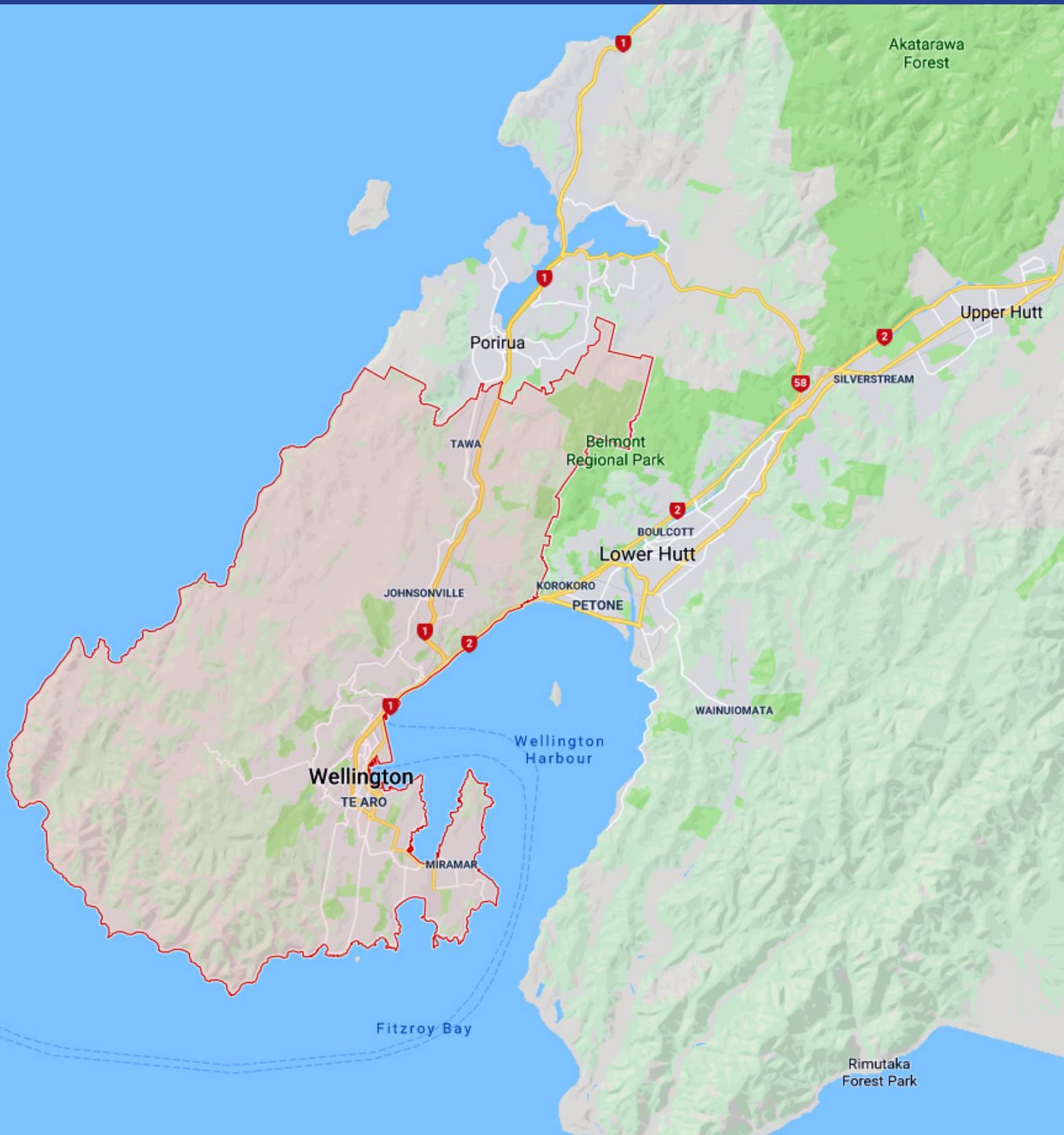
These, among other factors, have resulted in an incredibly buoyant, landlord centric rental market, making it all the more important to have some local insight and support when securing a property.

Wellington's public transport services are provided for under 'Metlink'. This includes public buses, as well as a unique trolleybus system – the only one of its kind left in Oceania. Several different train services also operate within Wellington, multiple trains run on electrified lines and are able to transport people around the city as well as on long distance trips.

Wellington's dynamic CBD has approximately 62,000 people working in it, which is only 4 thousand less than in Auckland's CBD, even though Auckland has four times the population.



Map of Wellington



Housing overview

Within 0 – 5 kilometres from Wellington CBD

Suburb	Kilometers from CBD	Driving Time (outside peak hour)	Public Transportation	Expected Walking Time
Hataitai	3.6 km	11 minutes	12 minutes – Bus	41 minutes
Thorndon	2.5 km	8 minutes	8 minutes – Bus	20 minutes
Newtown	3.3 km	11 minutes	19 minutes – Bus	41 minutes
Oriental Bay	2.5 km	9 minutes	21 minutes – Bus	25 minutes
Mount Victoria	1.9 km	4 minutes	8 minutes – Bus	21 minutes
Mount Cook	2.0 km	8 minutes	10 minutes – Bus	24 minutes

Weekly Rental Costs	Single: 1 Bedroom Apartment	Couple: 2 Bedroom Apartment	Family: 3 Bedroom House	Family: 4 Bedroom House
Junior Management	\$350 – \$500	\$400 – \$550	\$560 – \$750	\$650 – \$850
Senior Management	\$450 – \$700	\$520 – \$750	\$700 – \$1,000	\$800 – \$1,200
Senior Executive Level	\$550 – \$1,000	\$700 – \$1,200	\$900 – \$1,500	\$1,100 – \$2,000



Within 5 – 10 kilometres from Wellington CBD

Suburb	Kilometers from CBD	Driving Time (outside peak hour)	Public Transportation	Expected Cycling Time
Kilbirnie	5.3 km	17 minutes	20 minutes – Bus	24 minutes
Lyall Bay	6.4 km	16 minutes	27 minutes – Bus	23 minutes
Owhiro Bay	6.9 km	15 minutes	24 minutes – Bus	37 minutes
Wadestown	5.0 km	12 minutes	15 minutes – Bus	22 minutes
Miramar	7.1 km	12 minutes	23 minutes – Bus	23 minutes
Island Bay	6.4 km	15 minutes	28 minutes – Bus	24 minutes

Weekly Rental Costs	Single: 1 Bedroom Apartment	Couple: 2 Bedroom Apartment	Family: 3 Bedroom House	Family: 4 Bedroom House
Junior Management	\$400 – \$450	\$450 – \$600	\$500 – \$700	\$650 – \$800
Senior Management	\$450 – \$600	\$580 – \$750	\$650 – \$800	\$750 – \$950
Senior Executive Level	\$550 – \$800	\$690 – \$1,000	\$750 – \$1,200	\$900 – \$1,600



Within 10+ kilometres from Wellington CBD

Suburb	Kilometers from CBD	Driving Time (outside peak hour)	Public Transportation	Expected Cycling Time
Johnsonville	10.4 km	15 minutes	19 minutes – Bus	41 minutes
Petone	13.5 km	17 minutes	25 minutes – Bus	50 minutes
Lower Hutt	16.9 km	19 minutes	38 minutes – Bus	1 hour 5 minutes
Porirua	21.4 km	22 minutes	43 minutes – Bus	1 hour 30 minutes

Weekly Rental Costs	Single: 1 Bedroom Apartment	Couple: 2 Bedroom Apartment	Family: 3 Bedroom House	Family: 4 Bedroom House
Junior Management	\$350 – \$450	\$450 – \$550	\$550 – \$650	\$600 – \$750
Senior Management	\$400 – \$600	\$500 – \$650	\$600 – \$750	\$700 – \$950
Senior Executive Level	\$550 – \$800	\$600 – \$850	\$700 – \$1,000	\$900 – \$1,500



Rental market trends

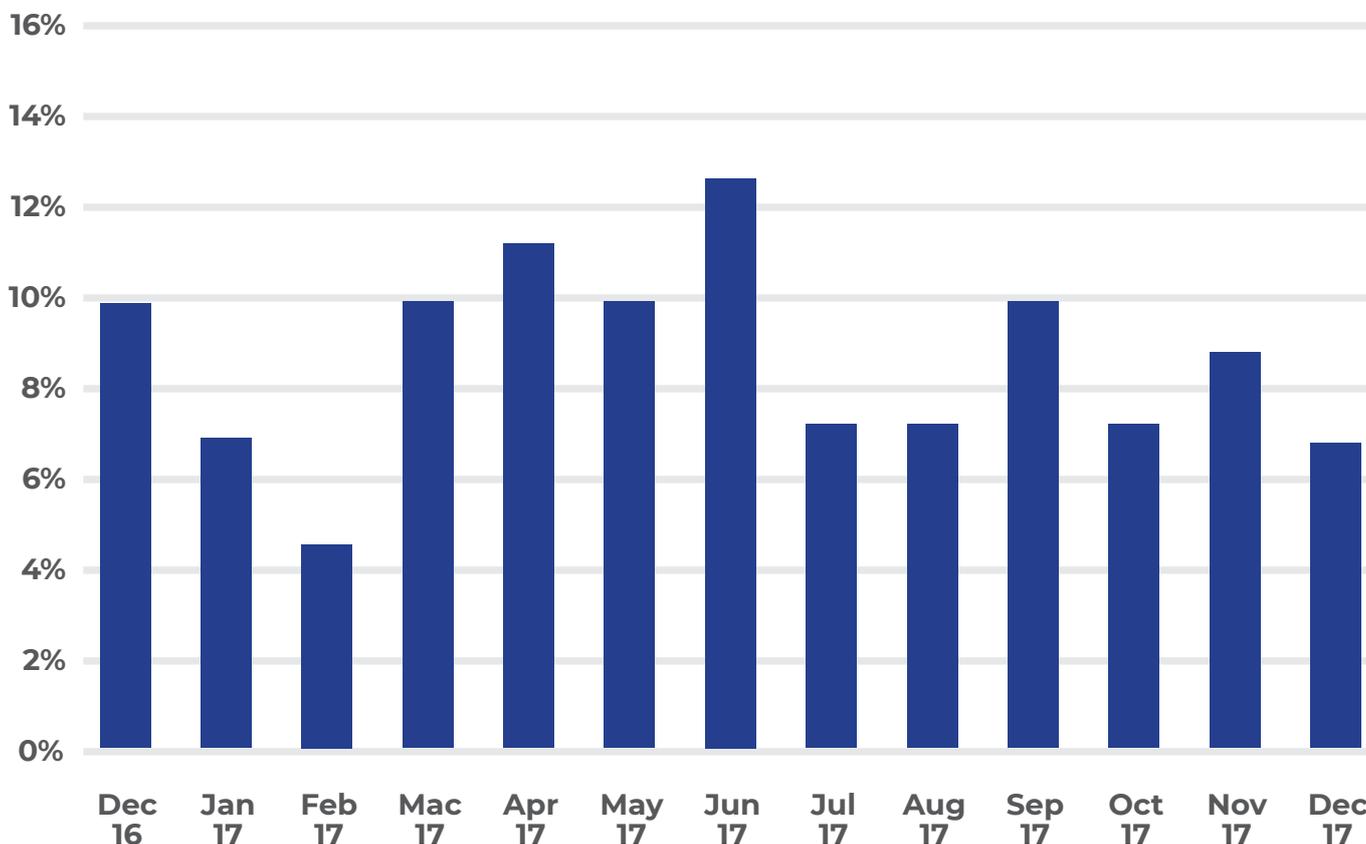
Between 2017 & 2018 to date, the average weekly rent for 2 bedroom apartments has increased by approximately 8% across the Wellington region.

3 bedroom properties increased by approximately 9% while those for five or more bedroom properties increased by nearly 13%.

It's important to note that the 'average' rental amounts reflected in statistics which have been prepared through the number of bonds lodged (for example, REINZ/Tenancy Services data), are not a reflection of actual average rental, rather a useful mechanism through which increases and

decreases can be measured. One reason for this is that often when landlords increase the annual rent for long standing tenants, the bond amount is not necessarily amended accordingly. Another is the turnover for lower priced property is traditionally much higher, therefore the proportionate number of bonds lodged is also higher. For example, one property, let at \$400.00 per week, may have four bonds lodged in one year, which impacts upon the average accordingly.

5 years trend in rental price index for Wellington



Source: TradeMe Rental Price Index

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