

The rental squeeze is on in Wellington

by Nick Close

Looking for a rental in Wellington? It's not an easy task and it could be getting even trickier thanks to the growth of Airbnb. Let's take a look at what's causing the rental squeeze, and what it means for landlords and those looking to rent.



What's happening with the Wellington rental market?

Securing a tenancy agreement in Wellington is like gold dust at the moment. There's been a 'perfect storm' where a number of factors are at play, including:

- The growth of house prices over recent years, keeping more people in the rental market
- Investors cashing in and selling their rental properties to buyers who are owner occupiers
- An increase in the number of students in Wellington
- A shortage of social housing
- The growth of Airbnb

How is Airbnb impacting things?

Airbnb is popular for good reason. It's an easy way of booking accommodation when you're travelling and avoiding those sometimes-pricey hotel fees.

Some landlords are seeing it as a great alternative to a standard tenancy. That means it's potentially taking a chunk of properties out of the market, leading to an even greater shortage of rentals on offer. If you're a landlord, it can sound attractive when you consider:

- Chance to charge a higher daily rental rate
- Easy to find guests
- High turnover, so you can potentially earn more
- No need to worry about a tenancy agreement

But, there are long-term implications that need to be considered – and some of those are downright scary:

- No credit or background check on your guests
- No tenancy agreement to protect you
- No guarantee you'll get regular bookings – you could have periods of vacancy with no rent coming in at all
- The high turnover of guests means there's more wear and tear on your property
- You'll need to pay for regular cleaning
- You'll still need to pay management fees
- And the most serious one – higher likelihood of methamphetamine contamination, as it would be unlikely baseline tests are being completed in between the change of occupants

As expert property managers, we believe the risks definitely outweigh the potential short-term gains.

Even if you're not using Airbnb, it could still potentially cause you a headache. There's been a recent example [where tenants sublet their rental property using Airbnb](#). Using a property management service is one way you can help avoid this.

Looking to rent? How you can stand out from the crowd

If you're looking to rent, we know it's not an easy position to be in. At Iron Bridge Property Management, we meet with prospective tenants daily and there are some simple ways you can stand out from the crowd:

- Dress the part – first impressions count
- Show you're responsible – that starts with showing up on time
- Check the property meets your requirements – but don't appear too demanding
- Prepare a smart CV of your rental history, especially if you have pets – yes, really!
- Be prepared for the credit check – it's a very good sign

You can read more about these tips [in our recent blog](#).

Where could things end up?

Unless things change dramatically, we predict that the Wellington rental market will only continue to heat up. It means that owning a rental property could be a very canny investment. Ensuring that investment is protected and nurtured through a professional property management company is an even wiser move.

If you'd like to some honest advice about how to maximise the returns of your rental property, [get in touch](#) with our team at Iron Bridge Property Management. Or, if you're looking to rent, take a browse through [our Wellington listings](#).