MINISTRY OF HOUSING
AND URBAN DEVELOPMENT

Landlords Pulse Survey Topline report

December 2023

verian

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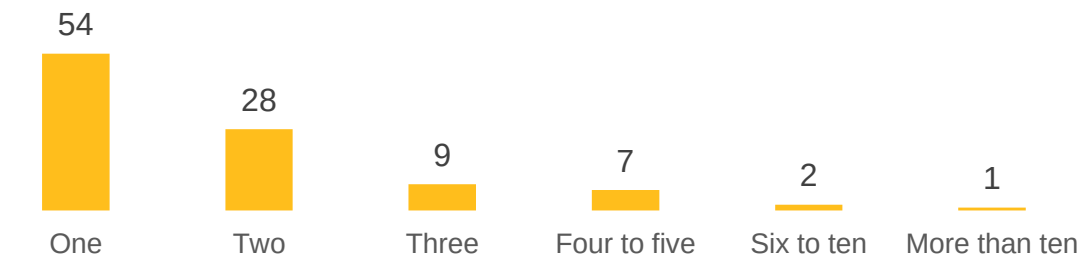
Research objectives and method

The Ministry of Housing and Urban Development has commissioned Verian (formerly Kantar Public/Colmar Brunton) to undertake pulse surveys of renters and landlords to help inform its understanding of the impacts of legislative changes on the residential rental market. This report provides the results for the sixth wave (conducted in December 2023), with comparisons made with the previous five waves where appropriate (April 2021, October 2021, May 2022, November 2022 and May 2023).

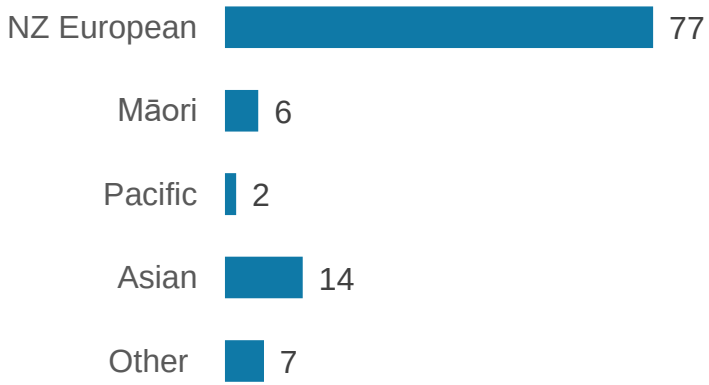
- A nationwide online survey of **702 landlords**, defined as landlords who currently receive rental payments for residential property or properties they own.
- Maximum margin of error on the total sample (at the 95% confidence level) is **+/-3.7%**.
- Fieldwork for the sixth wave was conducted from **7th – 22nd December 2023.**
- Statistically significant changes over time are denoted on the charts by triangles. Statistical significance has been calculated (at the 95% confidence level, unless otherwise stated) using a two-column independent proportional t-test.
- Percentages in a graph or table may not add to 100% because the respondent could choose more than one answer or due to rounding. Percentages below 0.5% are shown to one decimal point. All others have been rounded to the nearest number.

Sample profile of landlords (December 2023 only)

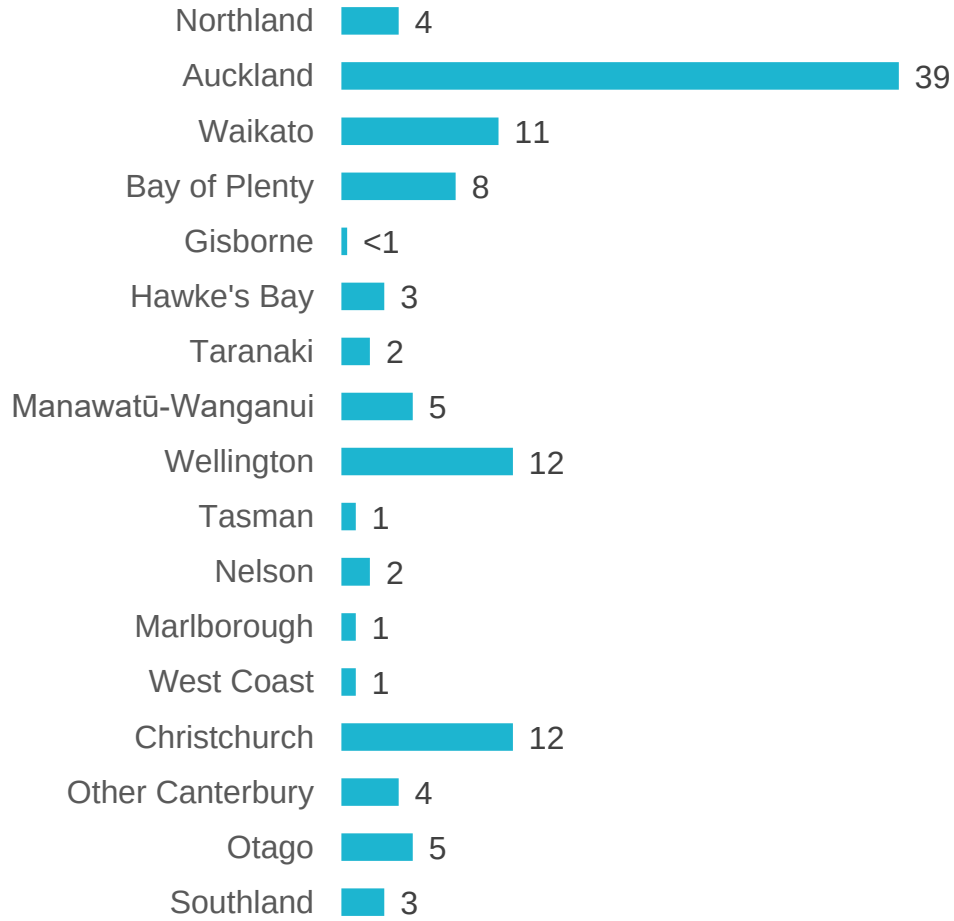
% Residential rental properties owned



% Ethnicity*



% Region*



Base: All landlords. Showing results for December 2023 only (n=702).
Source: S2, Q1, Q34.
Note: Some totals do not add to 100% due to rounding. *Multiple responses allowed so totals do not add to 100%

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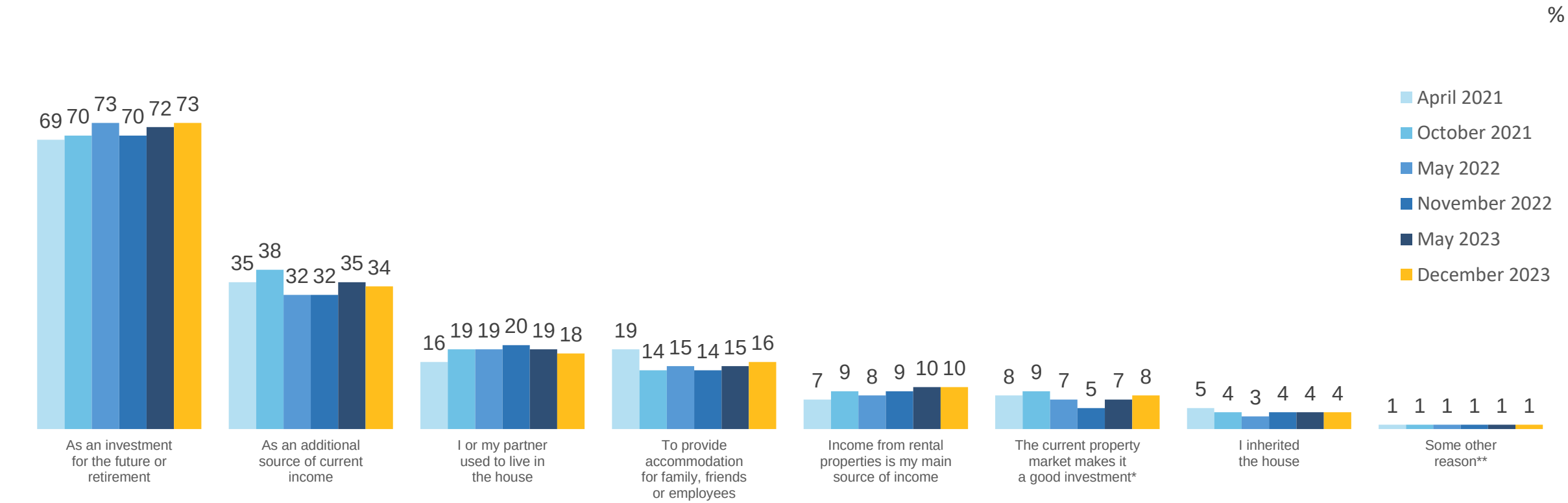
Landlord motivations

Reasons for buying a rental property

Landlords' motives have remained consistent over time, most often treating their properties as a source of income, whether for their future (73%), supplementary income (34%) or their main source of income (10%). Others become landlords more incidentally, having previously lived in the property themselves (18%) or inheriting it (4%).

Motivations for investment



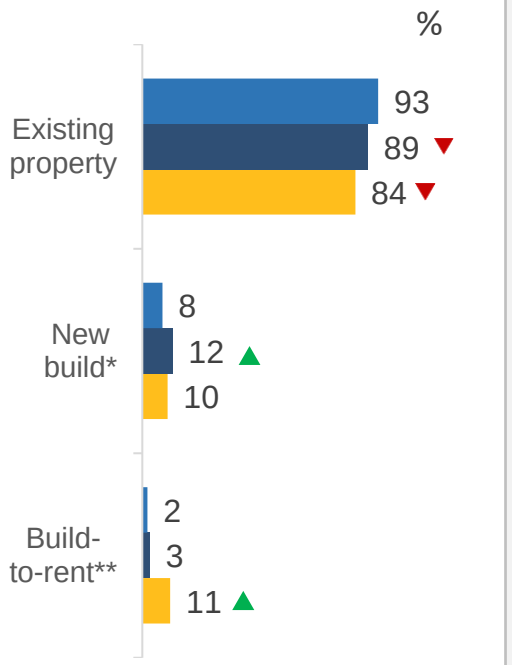
Base: All landlords (Apr '21 n=701, Oct '21 n=700, May '22 n=700, Nov '22 n=700, May '23 n=701, Dec'23 n=702).
Source: Q2. "Landlords invest in rental properties for a range of reasons. Why did you choose to do this?"
Note: Multiple responses allowed so totals do not add to 100% *In May 2023, this was changed from "Buoyant property market" to "The current property market"
Only showing results with 1% or higher. **Other reasons include providing accommodation to those who can't afford it, to get tax breaks, being unable to sell it the property etc.

▲ Significant increase from previous wave
▼ Significant decrease from previous wave

Motivation for investment in new builds or build-to-rent

Most new investments continue to be in existing property (84%). However, this has declined since mid-2023 due in part to an increase in build-to-rent investment (up eight points to 11%). Build-to-rent appeal as more financially reliable (59%) and lower-maintenance (48%) options, as well as the ability to deduct interest (28%). New-build investment remains stable, with landlords motivated by low maintenance (68%) and interest deductions (28%).

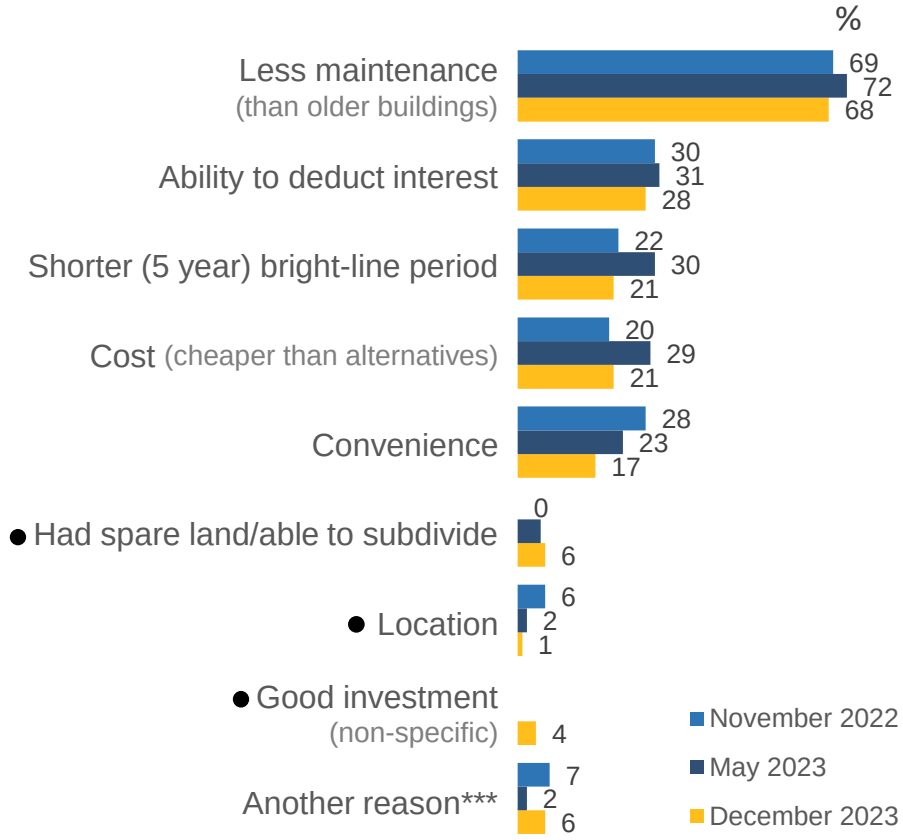
Type of rental property



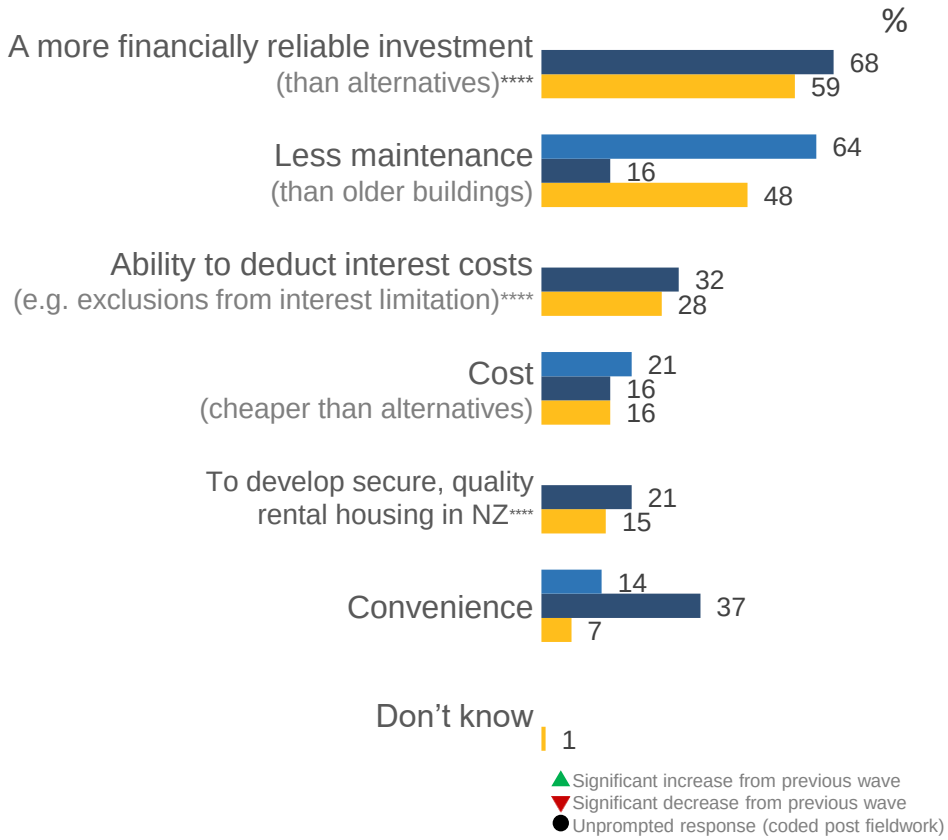
***New Build:** A self-contained residence that received a Code Compliance Certificate confirming a new residence was added to the land on or after the 27th March 2022.

****Build-to-rent:** A multi-unit, professionally managed development offering long-term rentals to tenants. Investors own shares in the development rather than an individual unit.

Reasons for buying a new build



Reasons for investing in build-to-rent property



Base: All landlords (Nov '22 n=700, May '23 n=701, Dec '23 n=702).
Source: Q2a "Which of the following best describes your rental property/properties?"

Base: Landlords who have bought a new build (Nov '22 n=54 , May '23 n=86, Dec '23 n=72).
Source: Q2b 'Why did you choose to buy a new build?'
Note: *** Other reasons include EQC payouts, easy to build at the same time as building their own house etc.

Base: Landlords who have bought a new build-to-rent property (Nov '22 n=14 , May '23 n=19 , Dec '23 n=75).
Source: Q2c 'Why did you invest in a build-to-rent property?'
Note: ****New responses added in May 2023. None of the above changes are statistically significant

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Landlord property management

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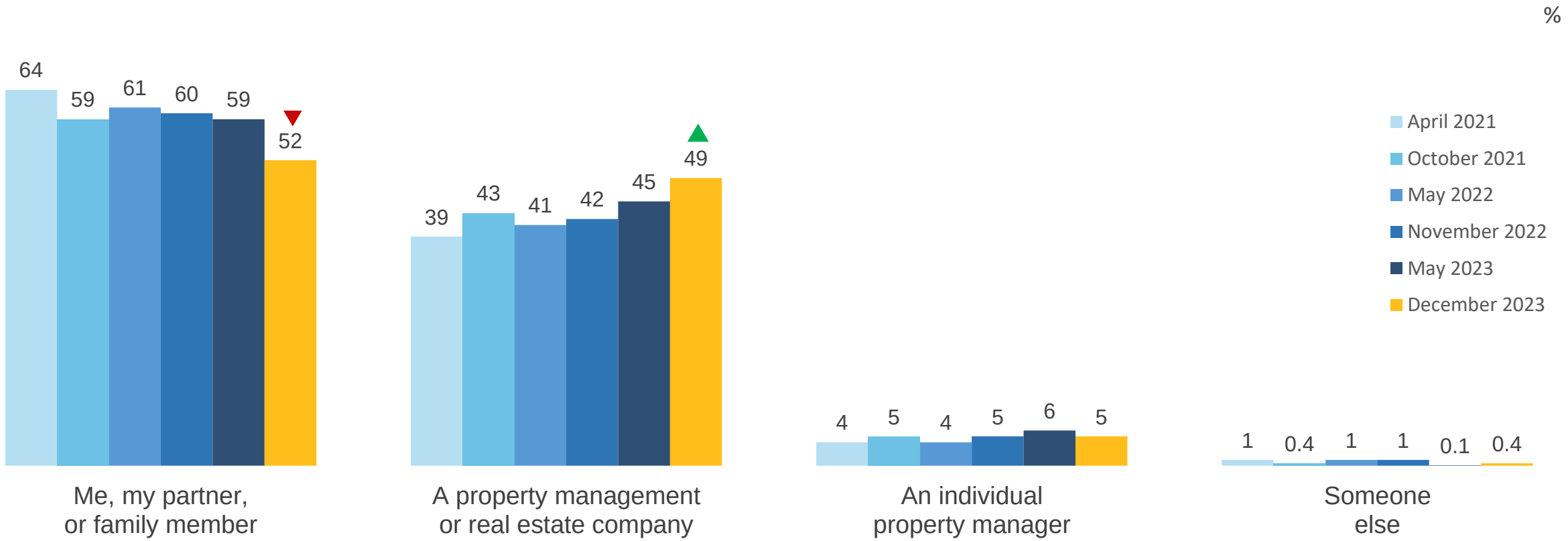
Management of rental properties

About half of landlords manage their properties themselves (52%) and over half (54%) use some form of property management (49% use a company, 5% use an individual). Compared with May 2023, there has been a decrease in personal management (down seven points) and an increase in property management or real estate company use (up four points).

Management of rental property



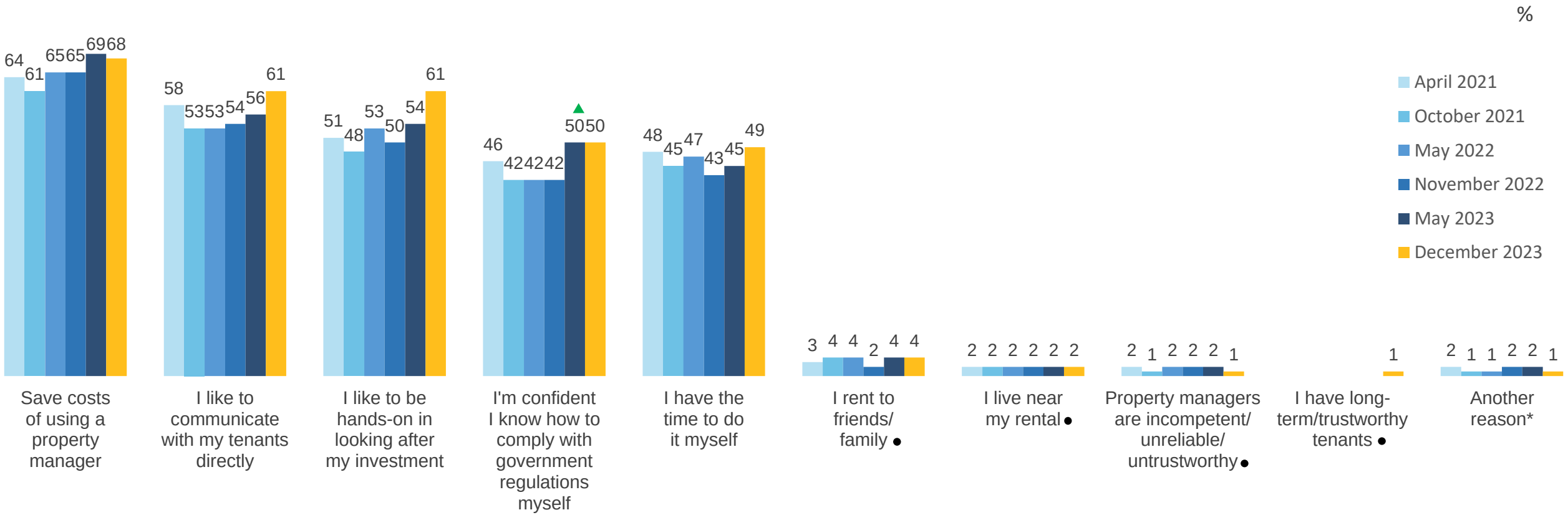
Base: All landlords (Apr '21 n=701, Oct '21 n=700, May '22 n=700, Nov '22 n=700, May '23 n=701, Dec '23 n=702).
Source: Q3. "Who manages your rental property/properties?"
Note: Multiple responses allowed so totals do not add to 100%

▲Significant increase from previous wave
▼Significant decrease from previous wave

Reasons for self-managing property

Landlords who manage their own properties do so to reduce costs (68%), because they prefer to be hands-on (61%), or they like communicating with tenants (61%). Landlords also choose to manage properties themselves because they are confident in their understanding of regulations (50%) or because they have the time (49%).

Reasons landlords manage their property or properties themselves



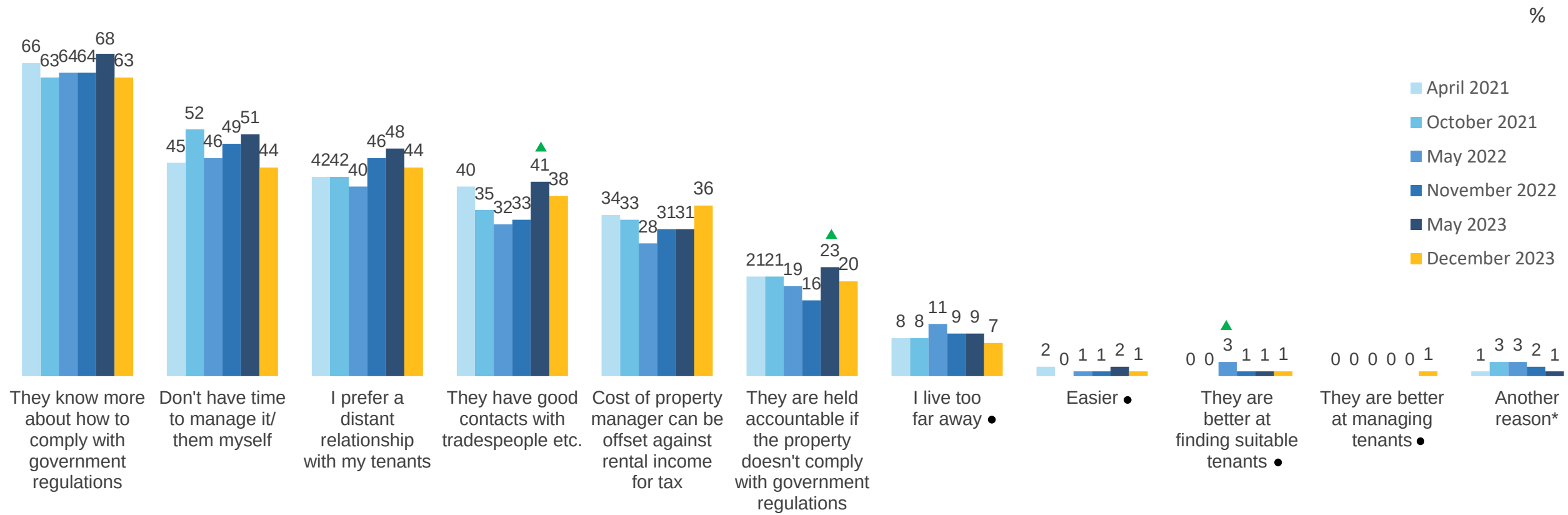
Base: Landlords who manage their property or properties themselves (Apr '21 n=448, Oct '21 n=414, May '22 n=428, Nov '22 n=417, May '23 n=411, Dec '23 n=365).
Source: Q5. "Why do you manage the property yourself, rather than using a property manager?"
Note: Multiple responses allowed so totals do not add to 100%. *Other reasons include being unaware of the option to use property managers, having no managers available in the area, or planning to transition to using a property manager soon. No changes from May23 to Dec23 are statistically significant

▲ Significant increase from previous wave
▼ Significant decrease from previous wave
● Unprompted response (coded post fieldwork)

Reasons for using property manager

Landlords' use of property managers is motivated most by the managers' regulatory know-how (63%), their saving time (44%) and maintaining a distance between the landlord and the tenants (44%).

Reasons landlords use property managers



Base: Landlords who do not manage their property or properties themselves (Apr '21 n=297, Oct '21 n=331, May '22 n=306, Nov '22 n=325, May '23 n=347 , Dec '23 n=376).
Source: Q4. "Why do you use a property management or real estate company/an individual property manager, rather than managing the property yourself?"
Note: *Other reasons include being locked into a contract etc.
No changes from May23 to Dec23 are statistically significant

▲ Significant increase from previous wave
▼ Significant decrease from previous wave
● Unprompted response (coded post fieldwork)

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Rental payments

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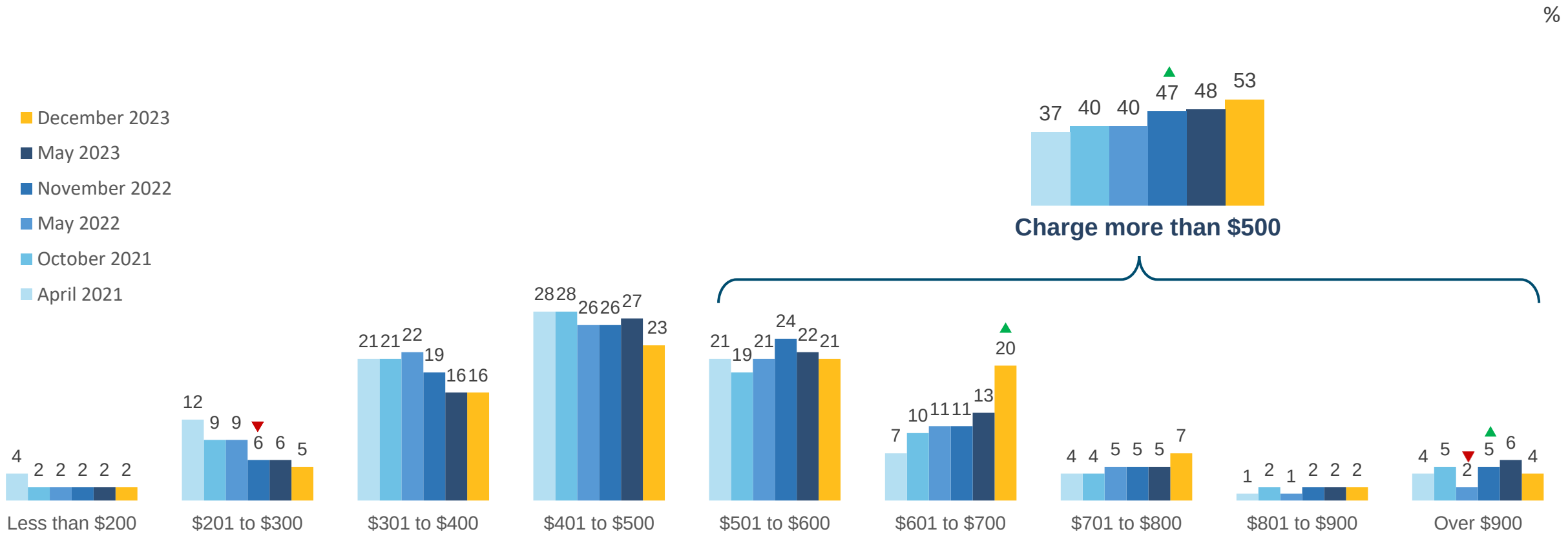
Average rent

Just over half of landlords charge over $500 a week in rent (53%). Compared with mid-2023, weekly rent payments in the $600-700 bracket have increased (up seven points).

Average weekly rent charged



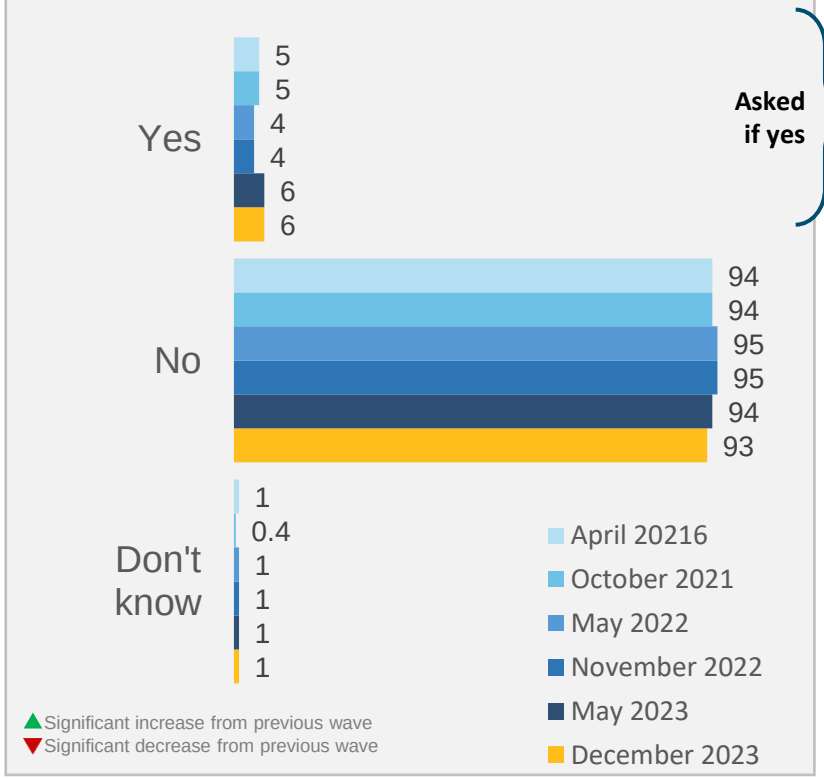
Base: All landlords (Apr '21 n=701, Oct '21 n=700, May '22 n=700, Nov '22 n=700, May '23 n=701, Dec '23 n=702).
Source: Q12. Landlords with one property: "What is the weekly rent you charge for your current rental property/properties?"
Landlords with multiple properties: "What is the average weekly rent for your rental properties?".
Note: Some totals do not add to 100% due to rounding.

▲ Significant increase from previous wave
▼ Significant decrease from previous wave

Tenants' payments in arrears

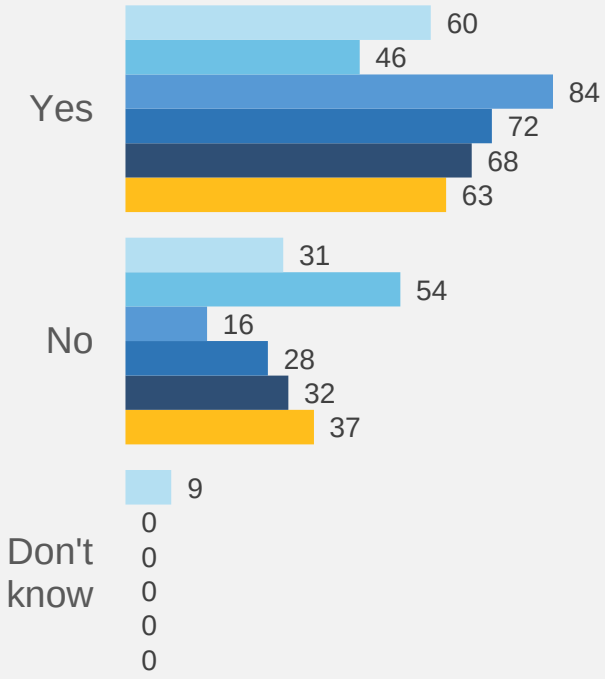
Few landlords (6%) have tenants who are currently behind on their rent. Of these landlords, three in five (63%) have made arrangements with their tenants to address this. Around a third (34%) of tenants with rent arrears are behind by four weeks or more.

Are tenants currently behind in rent payments?



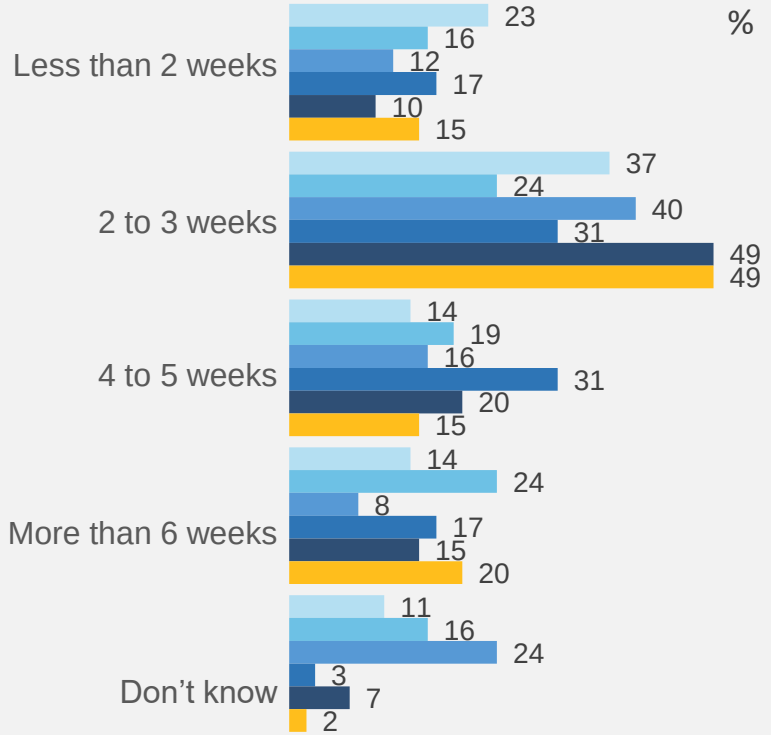
Asked if yes

Has an arrangement been made with tenants regarding rent arrears?*



*Note, none of the above changes over time are statistically significant

Number of weeks tenants are behind in rent*



*Note, none of the above changes over time are statistically significant

Base: All landlords (Apr '21 n=701, Oct '21 n=700, May '22 n=700, Nov '22 n=700, May '23 n=701 , Dec '23 n=702)
Source: Q9. "Are any of your tenants currently behind in their rent payments?"
Note: Some totals do not add to 100% due to rounding.

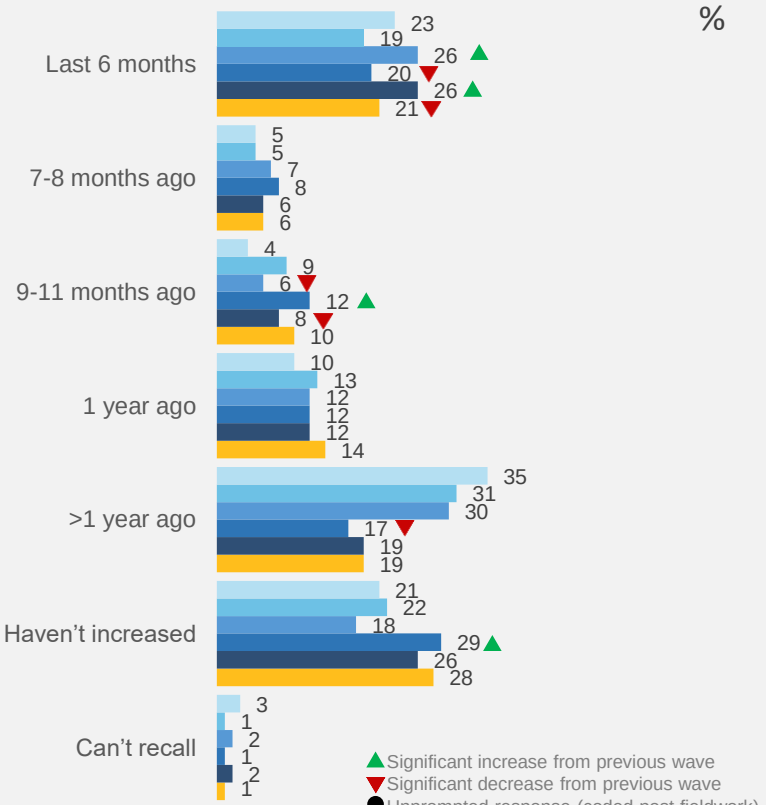
Base: Landlords with tenants with rent in arrears (Apr '21 n=35, Oct '21 n=37, May '22 n=25, Nov '22 n=29, May '23 n=41 , Dec '23 n=41).
Source: Q10. "Have you made an arrangement with your tenants that means you agree to them being behind in their rent payments?"

Base: Landlords with tenants with rent in arrears (Apr '21 n=35, Oct '21 n=37, May '22 n=25, Nov '22 n=29, May '23 n=41 , Dec '23 n=41).
Source: Q11. "Around how many weeks are your tenants behind in rent?"
Note: Some totals do not add to 100% due to rounding.

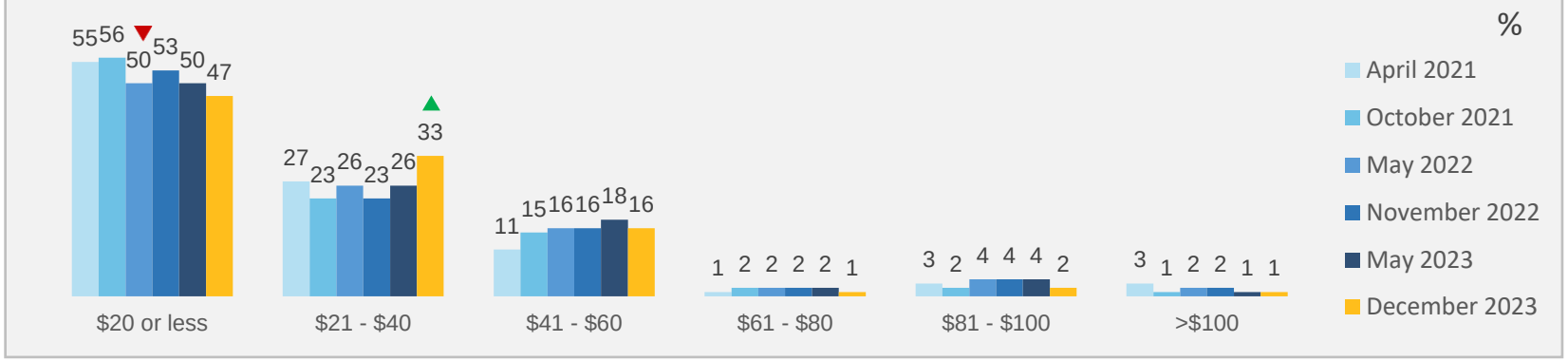
Timing and size of rent increases

One in five landlords raised rent in the last six months, following a pattern over the last two years with more rent increases in the first half of the year. A third of landlords who increased rent did so by $21-40 (up seven points from May 2023) and half did so by $20 or less. Landlords who chose not to increase the rent typically did so to maintain a good tenant relationship (40%) or avoid tenants leaving (26%), as well as acknowledging their rent is at or above market rate (15%) and they do not need to increase it (27%).

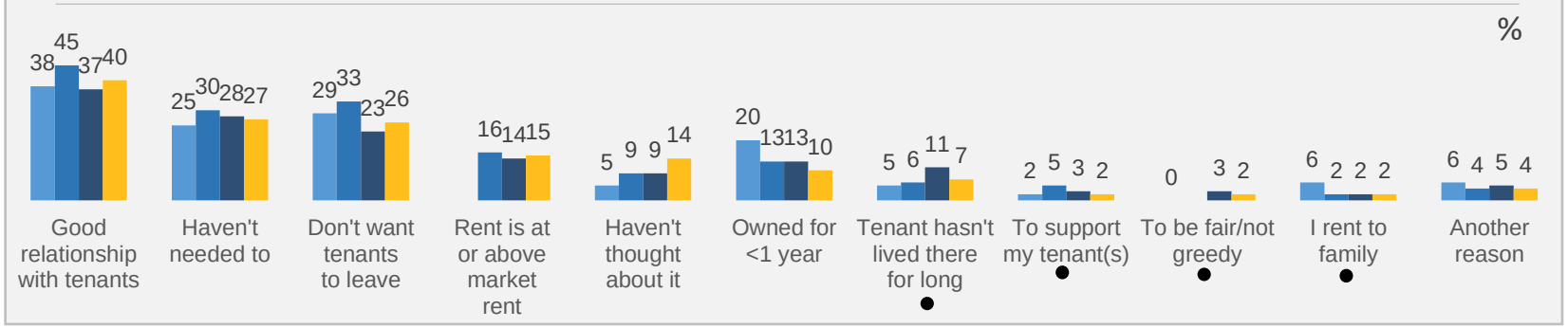
Last rent increase



Size of weekly rent increase*



Reason for not increasing rent**



Base: All landlords (Apr '21 n=701, Oct '21 n=700, May '22 n=700, Nov '22 n=700, May '23 n=701 , Dec '23 n=702).
Source: Q13. "When did you last increase the rent for the current tenants for any of your rental properties?" **Note:** Some totals do not add to 100% due to rounding.

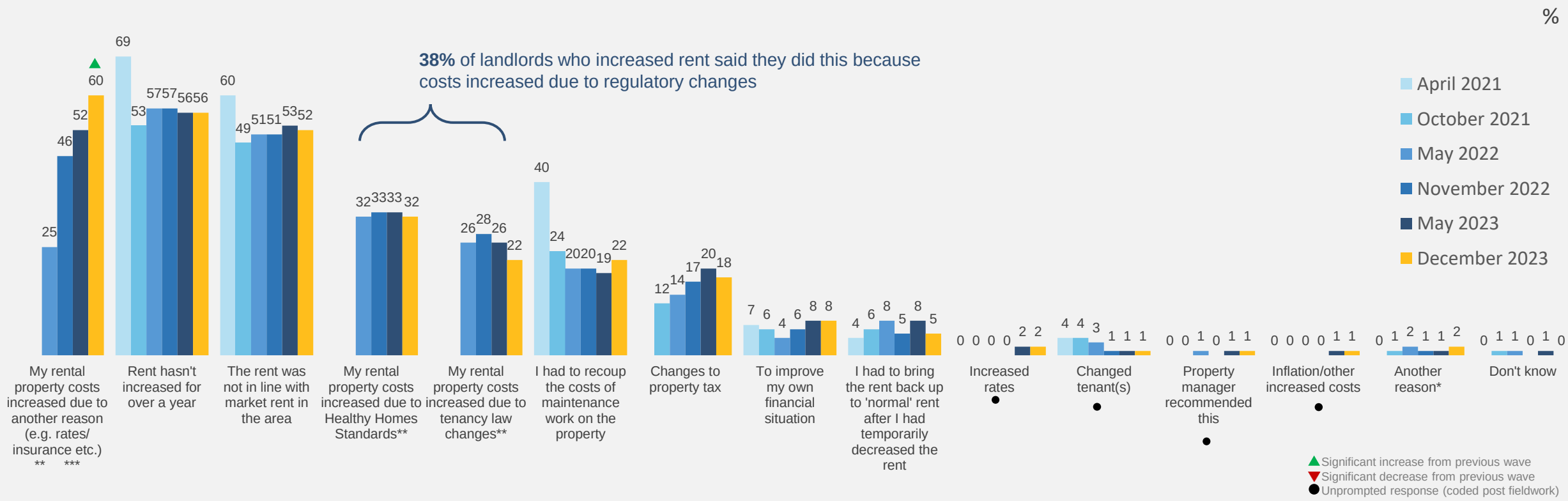
Base*: Apr '21: Landlords who increased rent in the last six months (n=159), from Oct '21: Landlords who increased rent (Oct '21 n=540, May '22 n=565, Nov '22 n=486, May '23 n=508 , Dec '23 n=496)
Source: Q14. "Still thinking about the last increase, how many dollars did you increase the weekly rent by?"
Note: Some totals do not add to 100% due to rounding.

Base:** Landlords who haven't increased rent for the current tenants in the last 6 months (May '22: n=124, Nov '22 n=205, May '23 n=181, Dec '23 n=198).
Source: Q13a "Why have you not increased the rent for the current tenants for any of your rental properties?" **Note:** Multiple responses allowed so totals do not add to 100%

Reasons for rent increases

Landlords who have increased rent recently mostly attribute this to an increase in general rental property costs (up eight points to 60%), or increased costs relating to Healthy Homes (32%) or tenancy laws (22%). Others say they increased rent because it has not increased for over a year (56%) or they want to bring it back in line with market rent (52%).

One or more reasons for landlords' last rent increase (in the last 6 months)

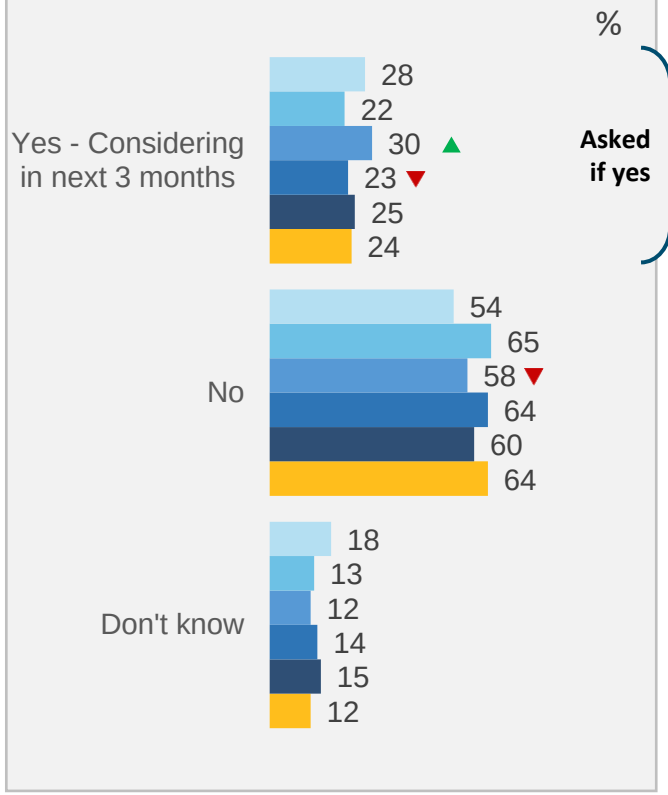


Base: Landlords who have recently increased rent (Apr '021 n=159, Oct '21 n=540, May '22 n=565, Nov '22 n=486, May '23 n=508, Dec '23 n=496). **Source:** Q15a. "Was the last rent increase because...."Multiple responses allowed so totals do not add to 100%.
Note: *Other reasons include: increasing rent as instructed by a bank, offsetting other costs like gas or electricity etc. **Prior to 2022, only the response category 'increased costs' was provided and starting in May 2022, increased costs were split out into costs relating to Healthy Homes, Tenancy Law Changes and other increased costs. ***Note this wording changed in November 2022 to remove "maintenance" and include "rates/insurance" in the example. This wording change may be partly responsible for the increase in November 2022 which has not been noted as significant due to the wording change.

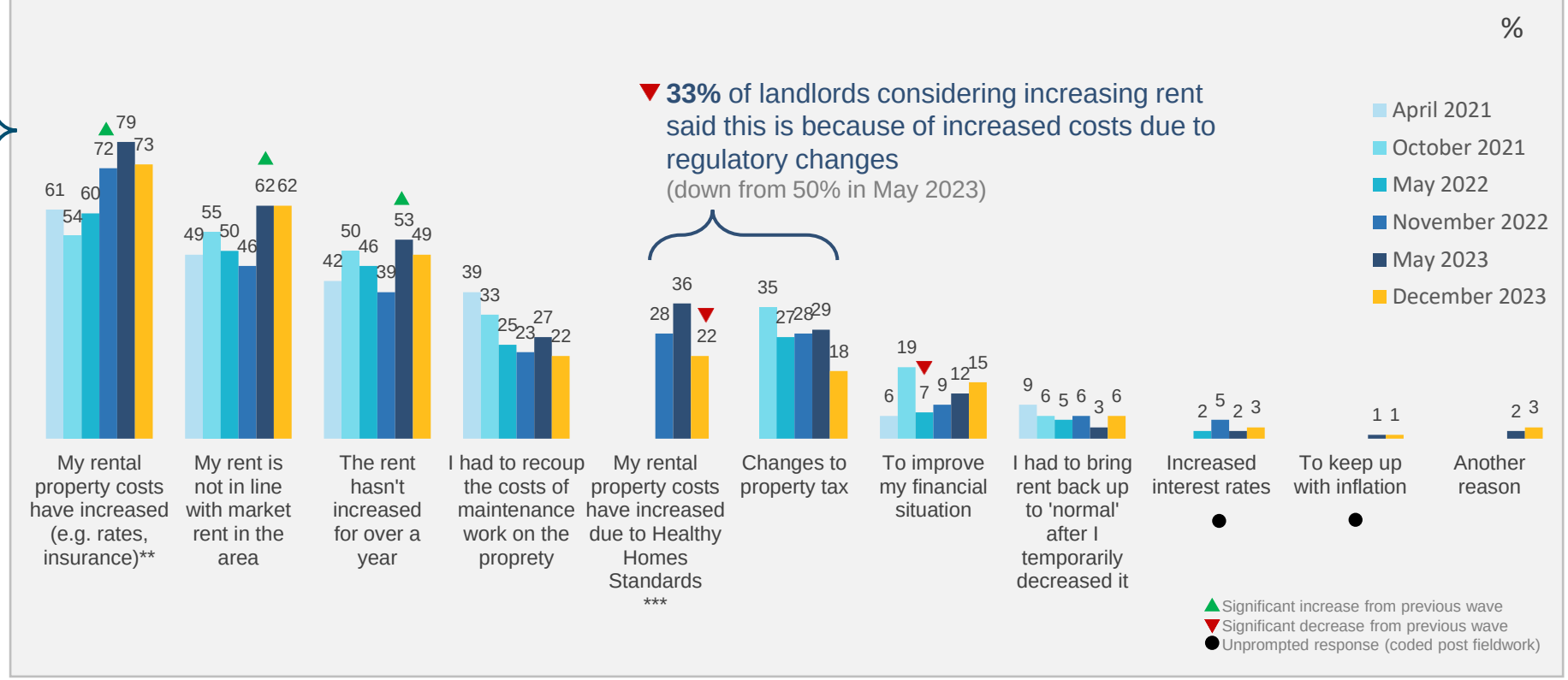
Landlord intentions for future rent increases

Around a quarter (24%) of landlords who have not recently raised rent are considering increasing it in the next three months. Landlords most often plan to increase rent due to increased property costs (73%), as well as bringing their rent in line with market rent (62%) or because it has not increased in over a year (49%). Compared with six months ago, fewer landlords attribute their planned increases to regulatory changes (down seventeen points to 33%).

Whether considering increasing the rent in the next three months



One or more reasons stated by landlords for considering rent increase in the next three months



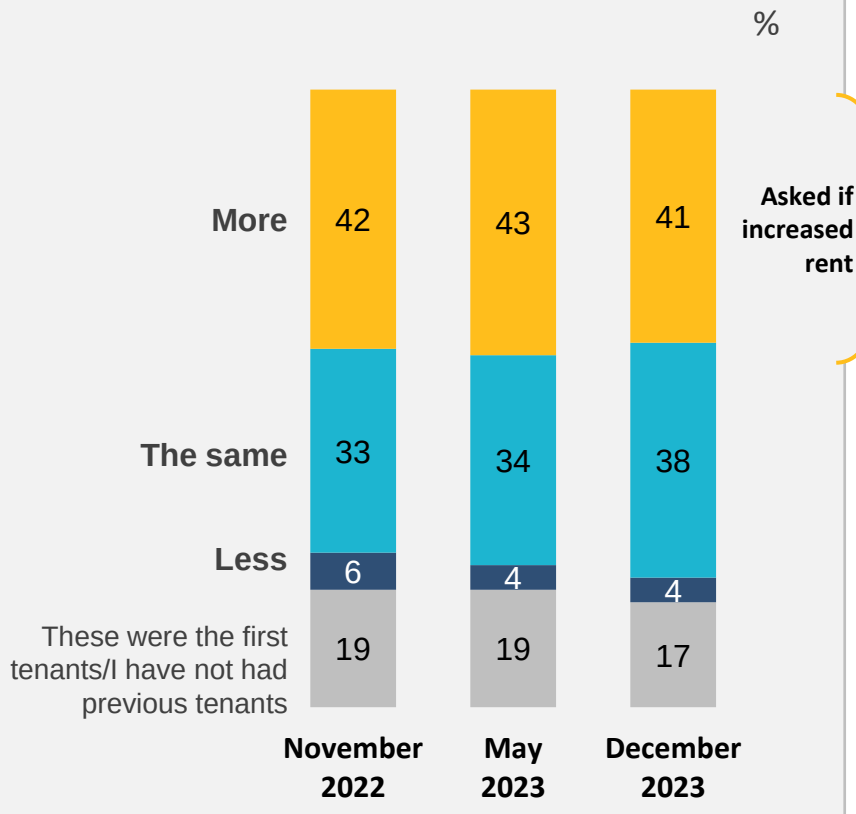
Base: Landlords who have **not** increased rent within the last six months (Apr '21 n=542, Oct '21 n=568, May '22 n=517, Nov '22 n=562, May '23 n=517, Dec '23 n=553).
Source: Q16. "Are you considering increasing the rent in the next three months?"

Base: Landlords who are considering increasing the rent in the next three months (Apr '21 n=150, Oct '21 n=125, May '22 n=154, Nov '22 n=127, May '23 n=128 , Dec '23 n=130).
Source: Q17. "Why are you considering increasing the rent?"
Note: *Other reasons include: Planning to cover possible future extreme weather events, or following agents' recommendations etc. Multiple responses allowed so totals do not add to 100%. *"e.g. rates/insurance" was added in Nov '22.***Added in Nov '22.

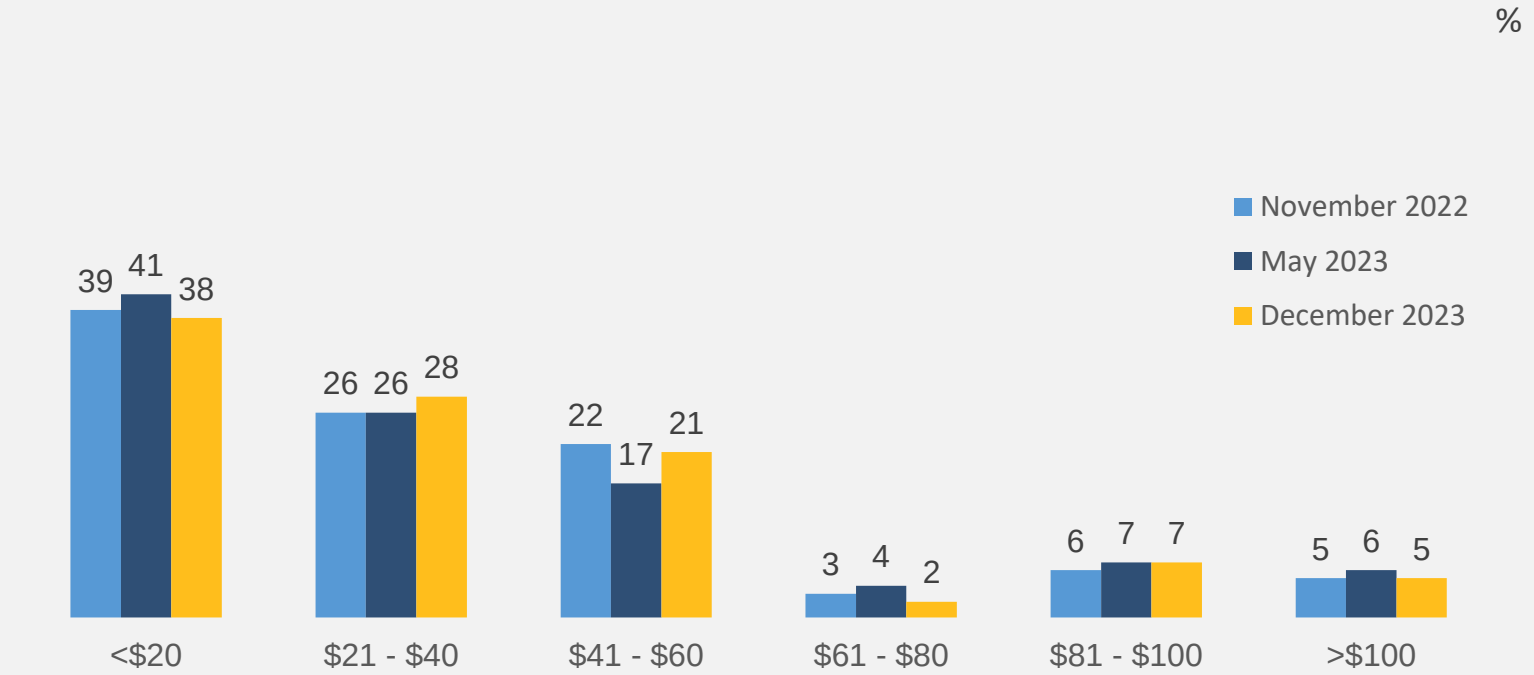
Rent increases when changing tenancies

Just over two in five landlords (41%) raised rent when their tenants change. Around three in five (62%) of these landlords increased rent by more than $20 per week.

Rent changes when changing tenants



Size of rent increase



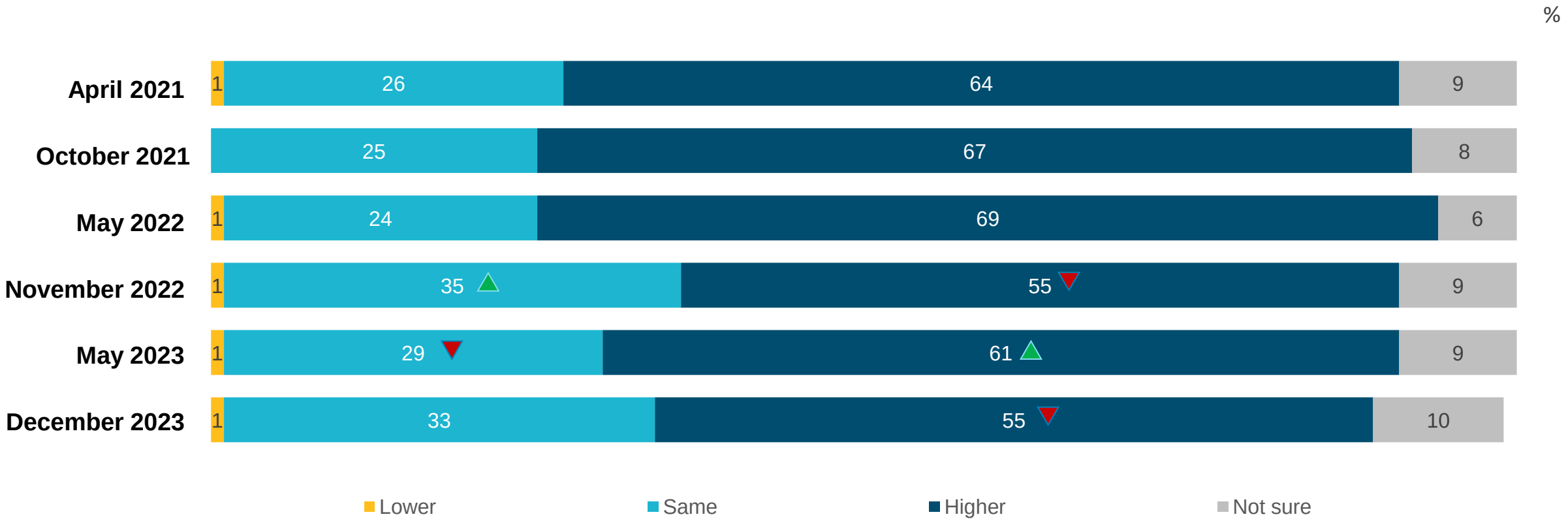
Base: All landlords (Nov '22 n=700, May '23 n=701, Dec '23 n=702)
Source: Q15c. "When your current tenants moved in, did you charge them more or less rent than you charged the most recent previous tenants?

Base: Landlords who have increased rent when changing tenancies. (Nov '22 n=293, May '23 n=304, Dec '23 n=290)
Source: Q15d 'How much did you increase the rent by?'

Landlords’ rent intentions for new tenants

Just over half (55%) of landlords said they would increase rent if they had to find new tenants, which is a return to the level measured at the end of 2022.

Rental price for new tenants



Base: All landlords (Apr ‘21 n=701, Oct ‘21 n=700, May ‘22 n=700, Nov ‘22 n=700, May ‘23 n=701, Dec '23 n=702).
Source: Q18. "If you needed to get new tenants in the next month or so, would you advertise a rent amount that is higher than, lower than, or the same as your current tenants pay?"

▲Significant increase from previous wave
▼Significant decrease from previous wave

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Recent market movements – buying, selling, and ending a tenancy

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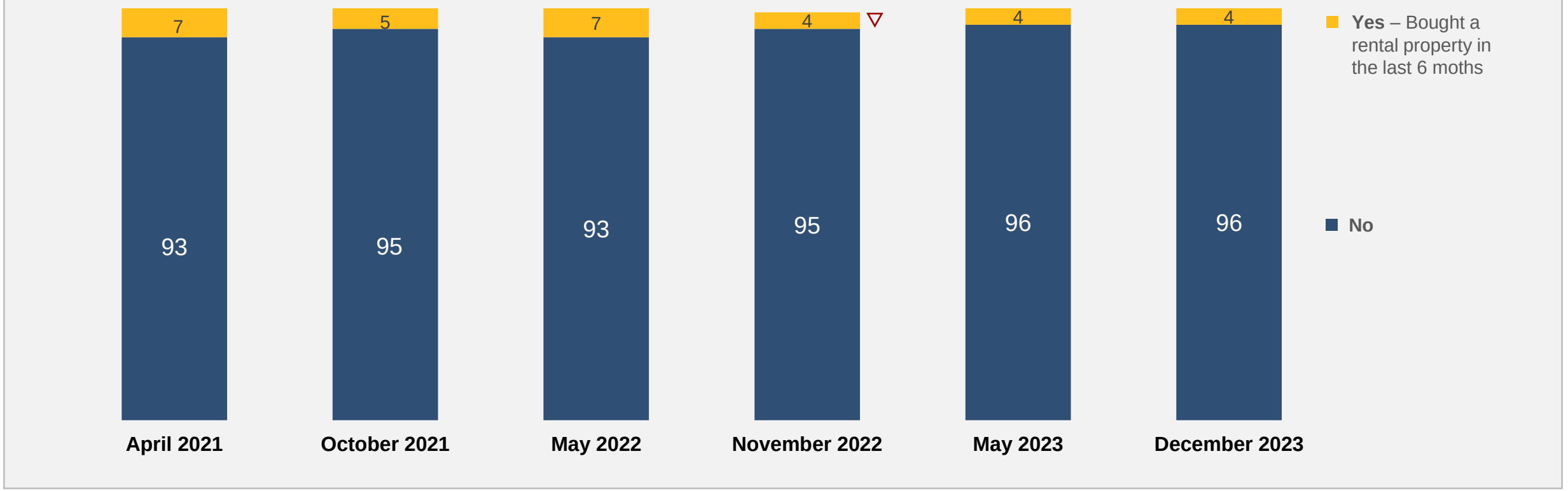
Buying rental property

Just 4% of landlords have bought a rental property in the last six months, which is consistent with last year.

Whether bought a rental property in the last six months



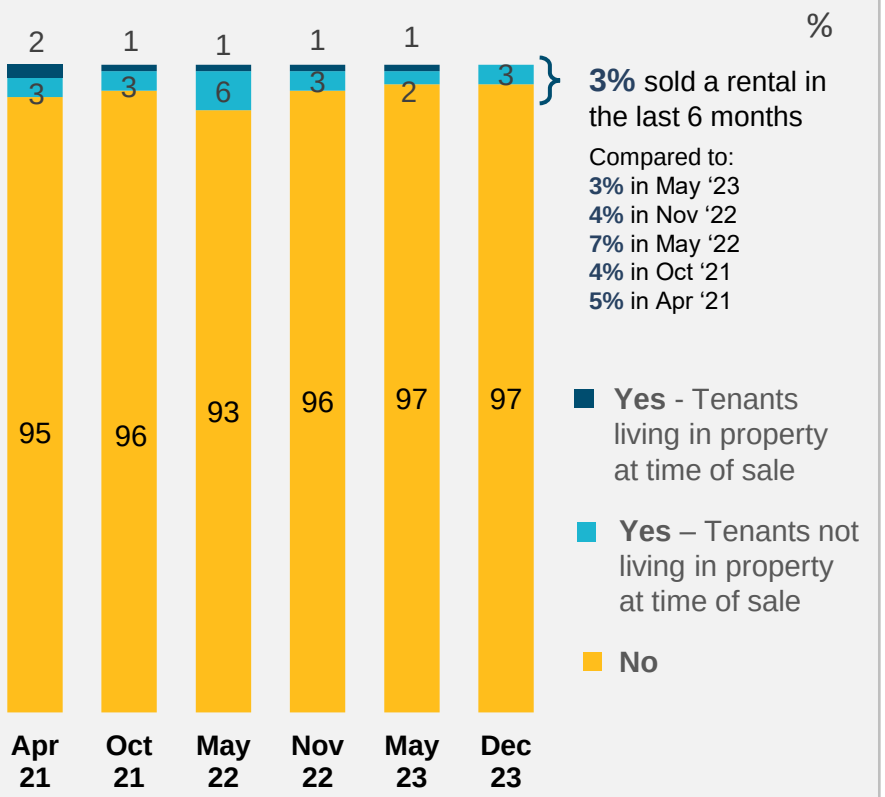
Base: All landlords (Apr '21 n=701, Oct '21 n=700, May '22 n=700, Nov '22 n=700, May '23 n=701, Dec '23 n=702).
Source: Q21. "Have you bought a rental property in the last six months?"

△ Significant increase from previous wave (at the 90% confidence level)
▽ Significant decrease from previous wave (at the 95% confidence level)

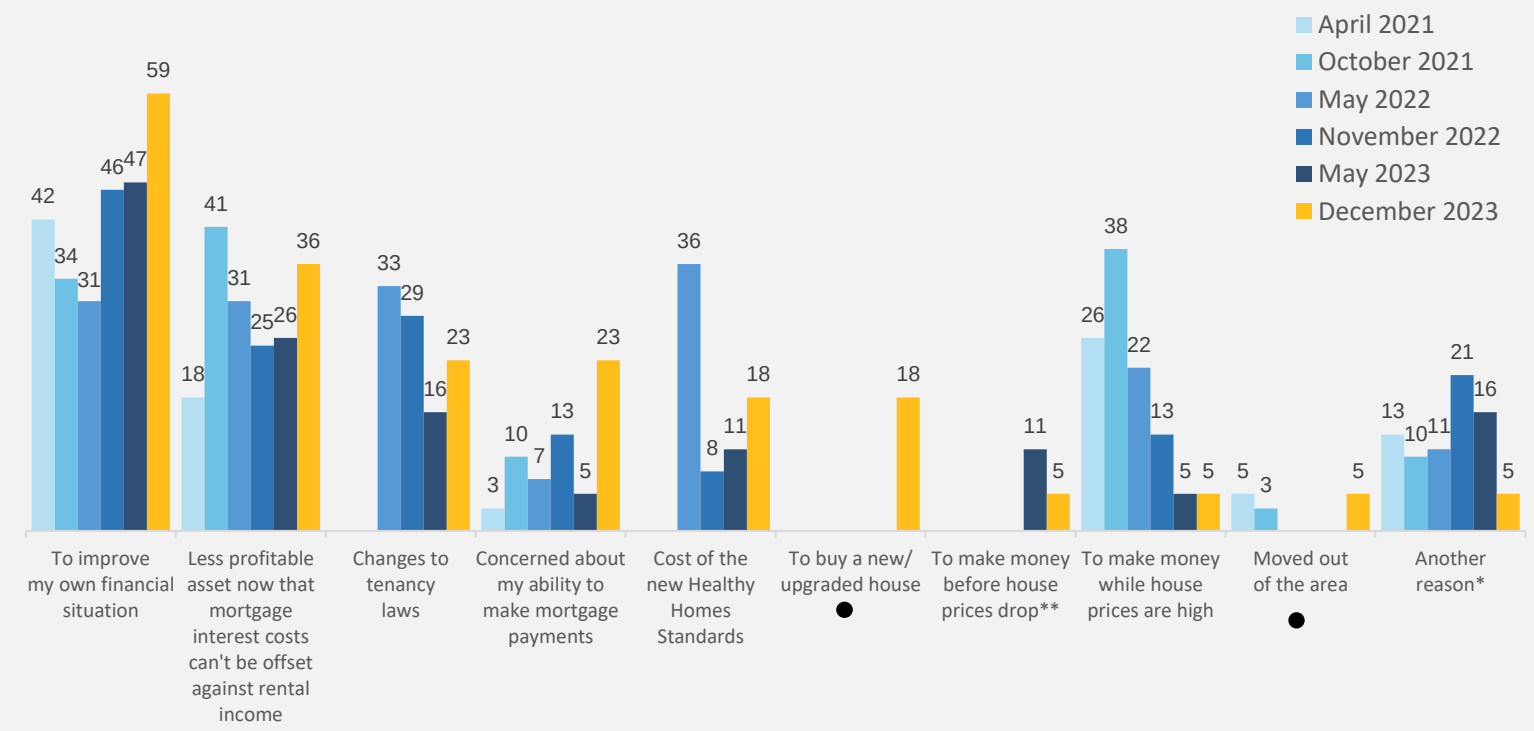
Selling rental property

A small proportion of landlords (3%) have sold a rental property in the last six months, which has remained consistent over time. Motives for selling often relate to finances, whether to improve their own financial situation (59%) or concerns around profitability (36%).

Whether sold a rental property in the last six months



Reasons for selling the property



Note, none of the above changes over time are statistically significant

Base: All landlords (Apr '21 n=701, Oct '21 n=700, May '22 n=700, Nov '22 n=700, May '23 n=701, Dec '23 n=702). **Source:** Q22 "have you sold a rental property in the last six months" & Q24 "Did you sell your rental property with existing tenants living in the property at the time of sale, or was the property sold with vacant possession?"

Base: Landlords who have sold a property in the last six months (Apr '21 n=38, Oct '21 n=29*, May '22 n=45, Nov '22 n=24, May '23 n=19 , Dec '23 n=22). **Source:** Q23 "Why did you sell your property?"

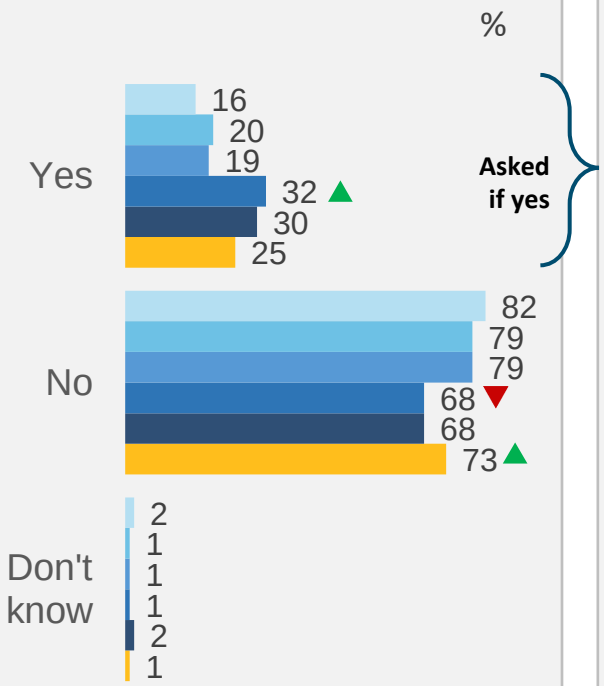
Note: *Other reasons include: landlords wanting less to worry about, concerns about extreme weather etc.. **Added in May '23. Multiple responses allowed so totals do not add to 100%

▲ Significant increase from previous wave
▼ Significant decrease from previous wave
● Unprompted response (coded post fieldwork)

End of tenancy

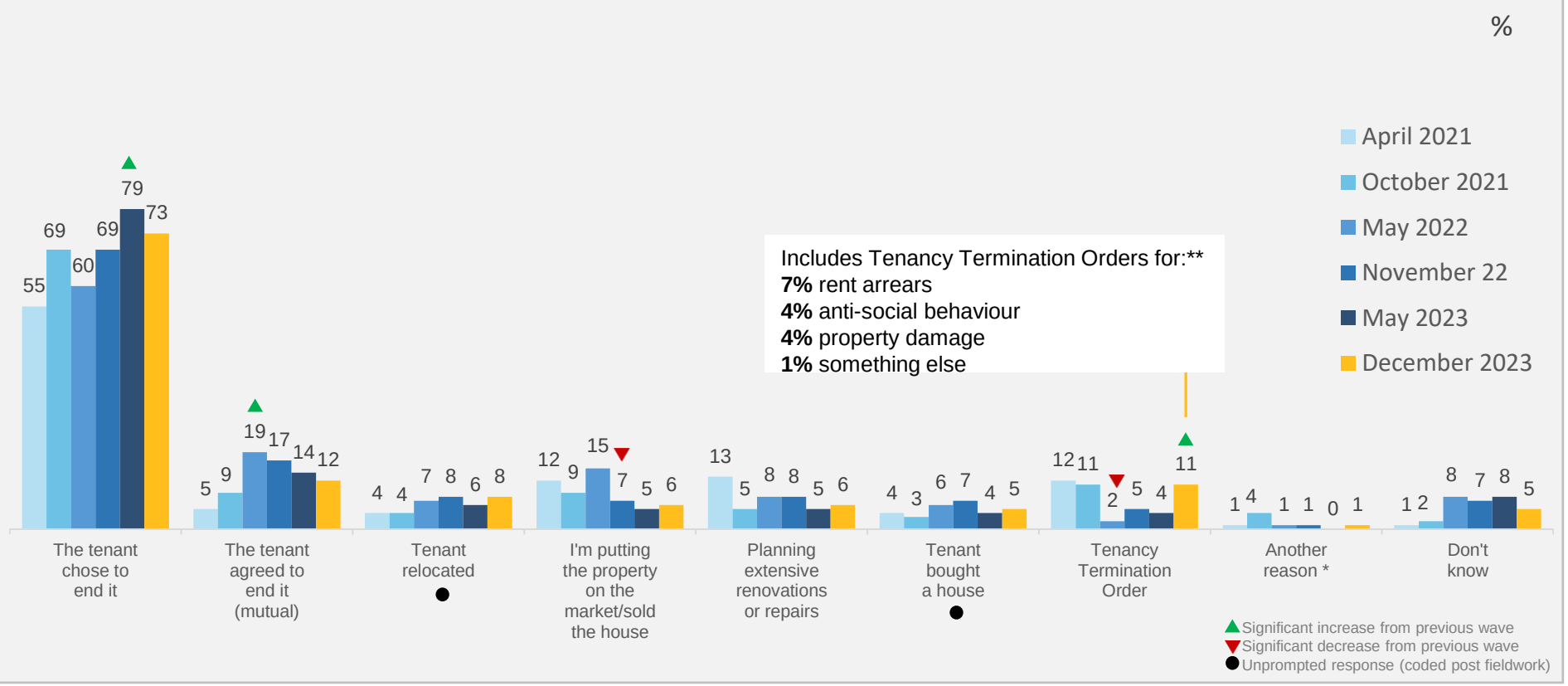
A quarter of landlords have had a tenancy end in the last 12 months. Landlords most often say this is because their tenant chose to end it (73%). Compared with mid-2023, there has been an increase in landlords saying they got a Tenancy Termination order (up seven points to 11%), with rent arrears being the most common reason for the order.

Ended tenancies in the last 12 months***



***Note, wording was changed in November 2022 from 'have you ended a tenancy' to 'have you had a tenancy end' which means results are not directly comparable.

Reason for the tenancy ending



Base: All landlords (Apr '21 n=701, Oct '21 n=700, May '22 n=700, Nov '22 n=700, May '23 n=701, Dec '23 n=702). **Source:** Q19. "Has one of your tenancies ended in the last 12 months?"
Note: Multiple responses allowed so totals do not add to 100%

Base: Landlords who have ended a tenancy since 26 June, 2020 (Apr '21 n=112, Oct '21 n=137, May '22 n=135, Nov '22 n=221 , May '23 n=210, Dec '23 n=179).
Source: Q20. "Why did the tenancy end?"
Note: **Starting in Nov '22, 'tenancy termination order' was separated out into reasons for obtaining this. *Other reasons include tenants not looking after the property. Multiple responses allowed so totals do not add to 100%.

MINISTRY OF HOUSING
AND URBAN DEVELOPMENT

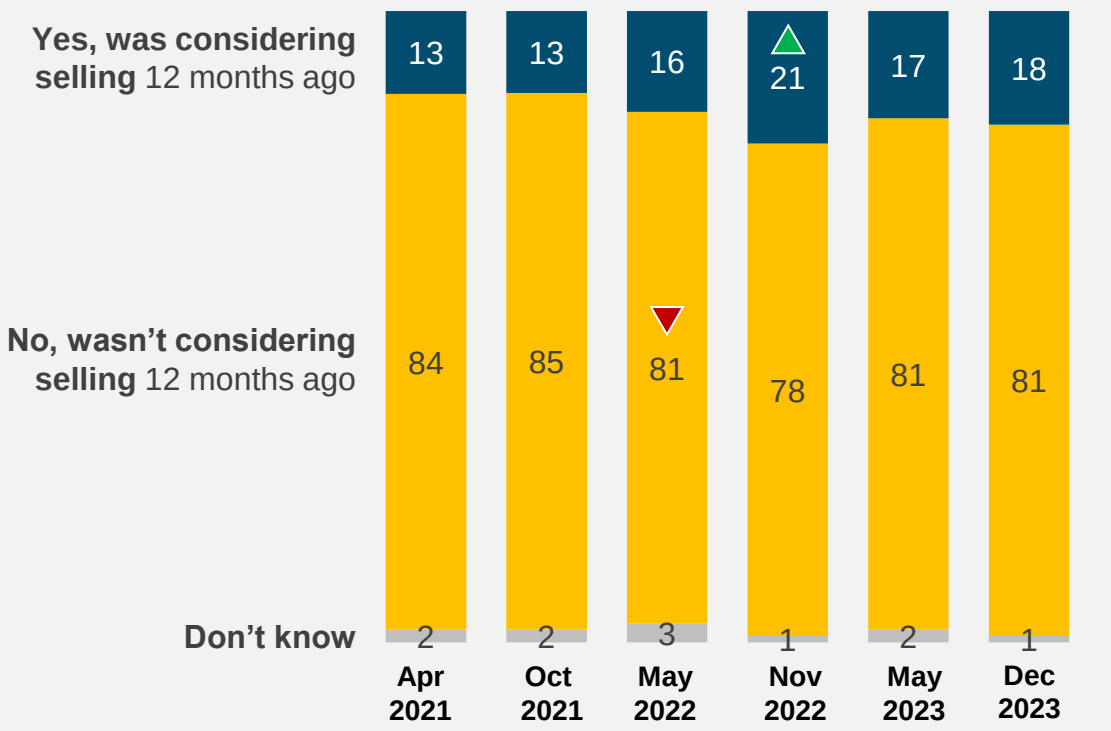
Landlords' plans for selling rental properties

verian

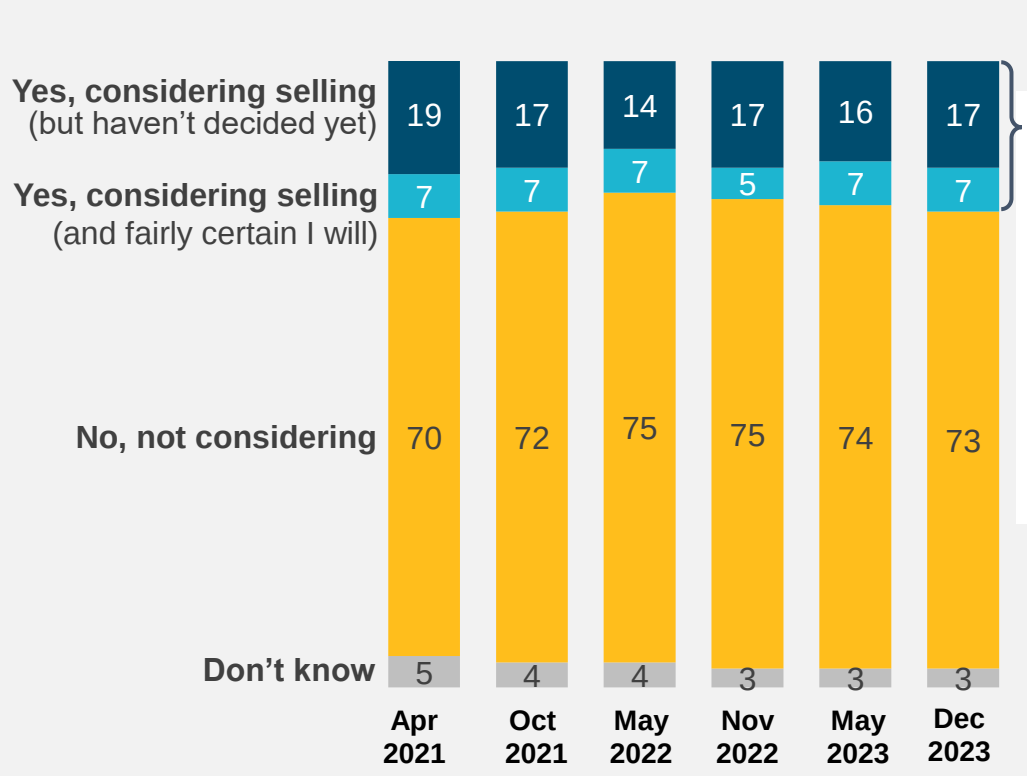
Landlord intentions for rental property

Around one in five (18%) landlords were considering selling their properties 12 months ago and around a quarter (24%) are considering selling in the next six months. These results are broadly consistent with the previous wave.

Whether considering selling property 12 months ago



Whether considering selling property in next six months



Base: All landlords (Apr '21 n=701, Oct '21 n=700, May '22 n=700, Nov '22 n=700, May '23 n=701 , Dec '23 n=702).
Source: Q26. "Were you considering selling your (rental property/one or more of your rental properties) 12 months ago?"

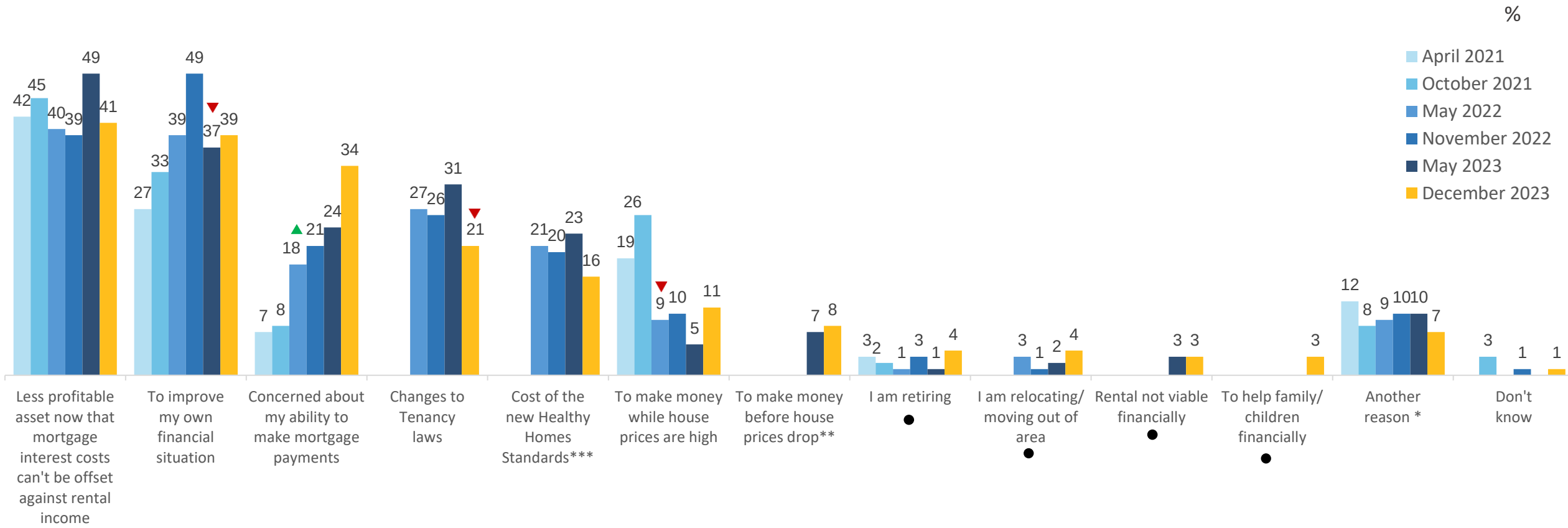
Base: All landlords (Apr '21 n=701, Oct '21 n=700, May 22 n=700, Nov '22 n=700, May '23 n=701 , Dec '23 n=702).
Source: Q25. "Are you considering selling (your rental property/one or more of your rental properties) in the next six months?"

▲ Significant increase from previous wave
▼ Significant decrease from previous wave

Enhanced motivations to sell

Landlords considering selling property are motivated most by concerns about profitability (41%) and their ability to afford mortgage payments (34%), as well as wanting to improve their own financial situation (39%). Following a peak in May 2023, there has been a decline in the number citing changes to tenancy laws (down ten points to 21%).

Reasons landlords are considering selling in the next six months



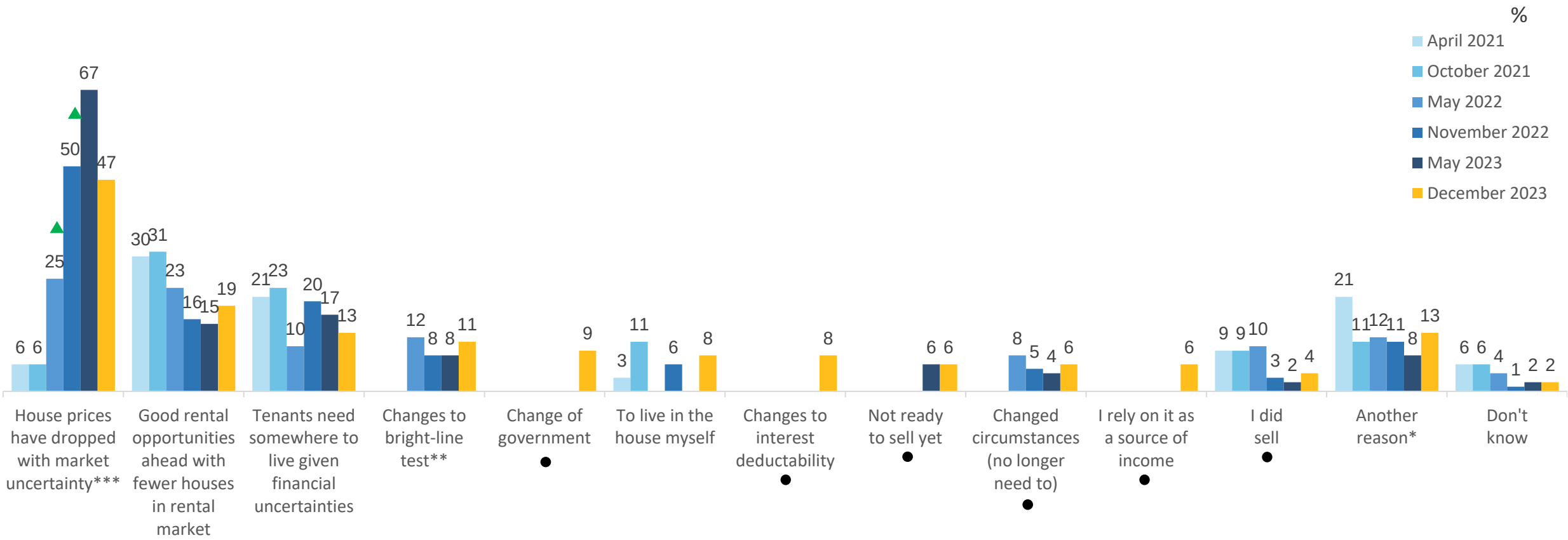
Base: Landlords who are considering selling property in the next six months (Apr '21 n=177, Oct '21 n=168, May '22 n=147, Nov '22 n=153, May '23 n=160 , Dec '23 n=168).
Source: Q27. "Why are you now considering selling your rental property?"
Note: Only showing responses with more than 2%. *Other reasons include: For health reasons, tenancy issues/hard to find good tenants, current tenants want to buy the property and relocating. **Response category added in May 2023. ***Changed from 'changes to standards' (pre Nov '22) to 'cost of standards' (starting in Nov '22). Multiple responses allowed so totals do not add to 100%.

▲ Significant increase from previous wave
▼ Significant decrease from previous wave
● Unprompted response (coded post fieldwork)

Weakened motivations to sell

About half of landlords who decided not to sell attribute this to market uncertainty (47%). About one in five also feel there are good opportunities ahead (19%).

Reasons why landlords are no longer considering selling



Base: Landlords who were considering selling property 12 months ago, but now are not considering selling in the next six months (Apr '21 n=33, Oct '21 n=35, May '22 n=52, Nov '22 n=80, May '23 n=48 , Dec '23 n=53).
Source: Q28. "Why are you no longer intending to sell (or are unsure)?"
Note: Only showing responses with more than 2%. *Other reasons include: Government tax changes, purchaser no longer able to buy etc. Multiple responses allowed so totals do not add to 100%. **Response category added in May '22. ***This increase in May 2023 and decrease in December 2023 is not statistically significant

▲ Significant increase from previous wave
▼ Significant decrease from previous wave
● Unprompted response (coded post fieldwork)

MINISTRY OF HOUSING
AND URBAN DEVELOPMENT

Landlords' financial situation

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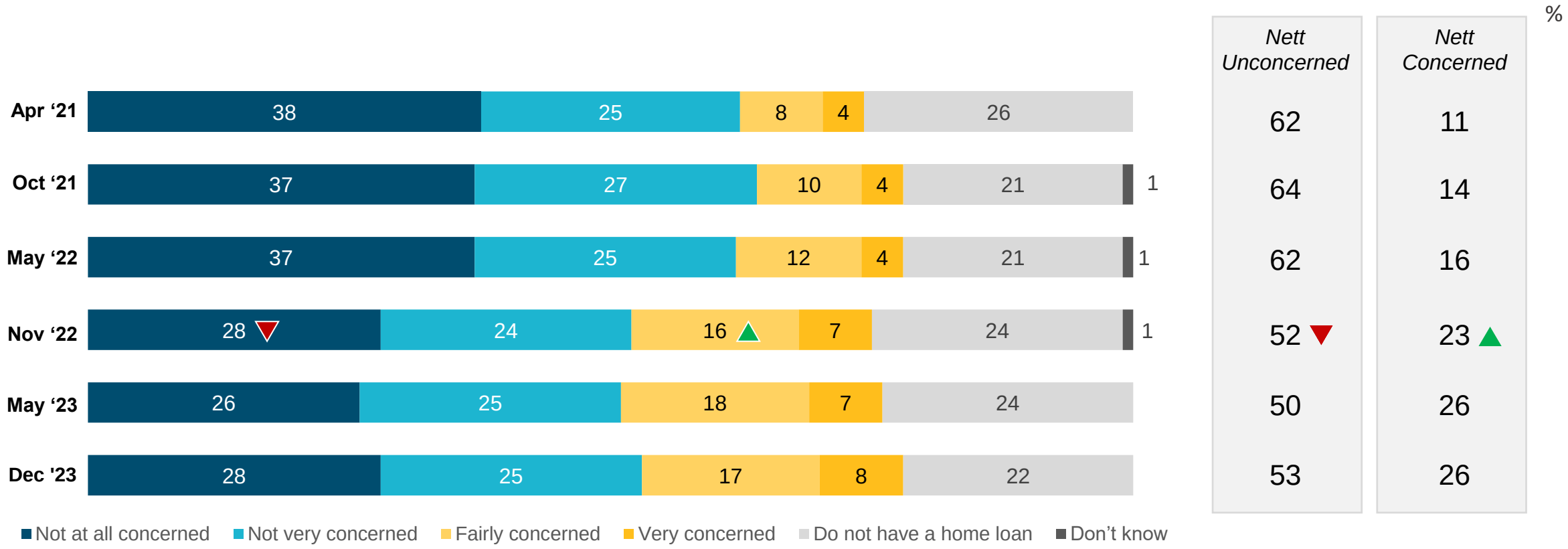
Concern about mortgage payments

Three quarters of landlords are either not concerned about mortgage payments (53%) or did not have a mortgage (22%). About a quarter of landlords are concerned about their ability to pay their mortgage (26%). Concern has plateaued over the last year after increased concerns in November 2022.

Concern about ability to pay mortgage payments over the next few months



Base: All landlords (Apr '21 n=701, Oct '21 n=700, May '22 n=700, Nov '22 n=700, May '23 n=701 , Dec '23 n=702).
Source: Q36. "How concerned (if at all) are you about your ability to pay your mortgage payments over the next few months (under your current arrangement with your bank)?"
Note: Some totals may not add to 100% due to rounding

▲Significant increase from previous wave
▼Significant decrease from previous wave

MINISTRY OF HOUSING
AND URBAN DEVELOPMENT

Landlords' relationships with tenants

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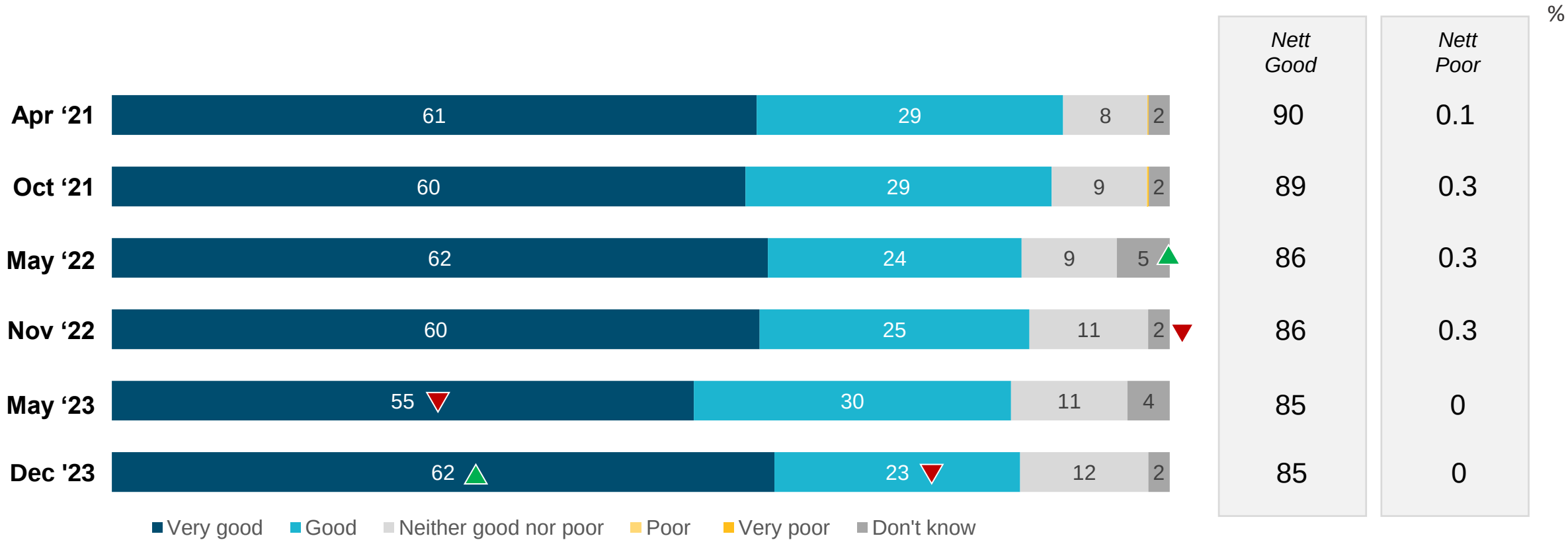
Relationship with tenants

Most landlords (85%) feel they have a positive relationship with their tenants. Following a dip in mid-2023, there has been an improvement in the perceived strength of this relationship, with a higher proportion describing their relationship as *very good* (an increase of seven points to 62).

Relationship with tenants



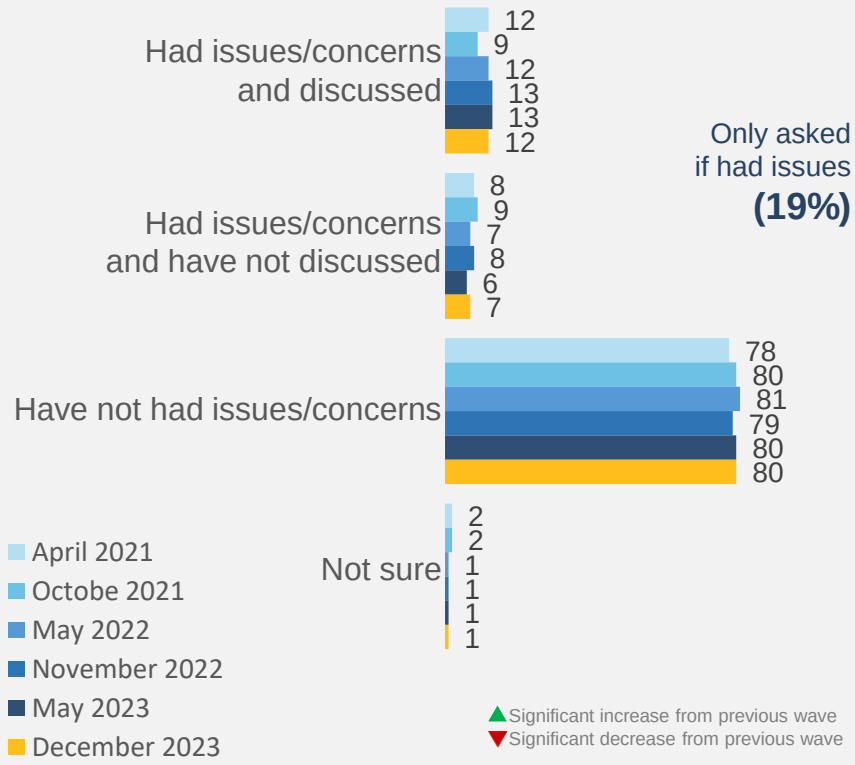
Base: All landlords (Apr '21 n=701, Oct '21 n=700, May '22 n=700, Nov '22 n=700, May '23 n=701 , Dec '23 n=702).
Source: Q6. "Overall, which of these best describes your relationship with your tenants?"
Note: Totals may not add to 100% due to rounding

▲Significant increase from previous wave
▼Significant decrease from previous wave

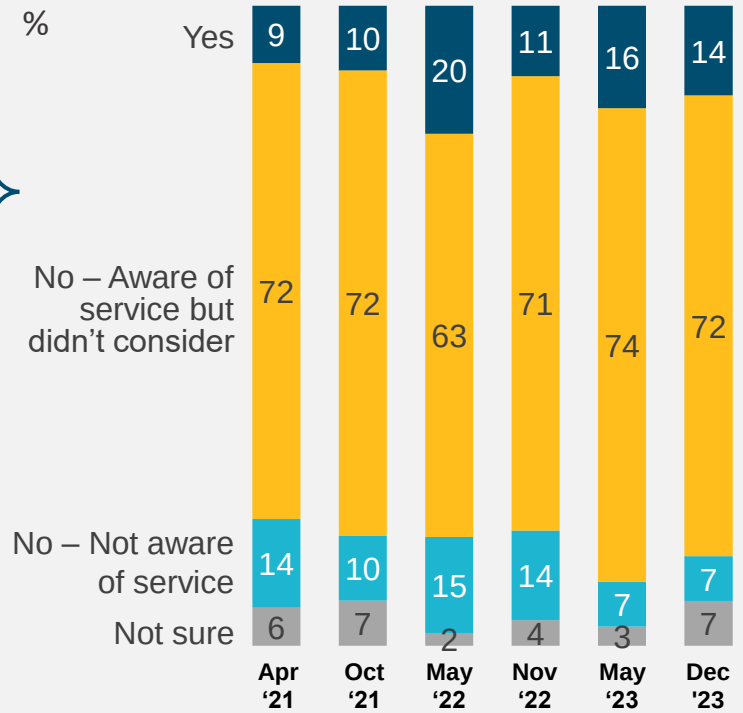
Tenancy issues

About four out of five landlords have generally had no concerns or issues with tenants throughout all waves. About one in five landlords (19%) have had issues or concerns with tenants including 12% who have discussed an issue with their tenants. Of those who have had problems or concerns, 15% have considered approaching the Tenancy Tribunal and 14% have considered using mediation services.

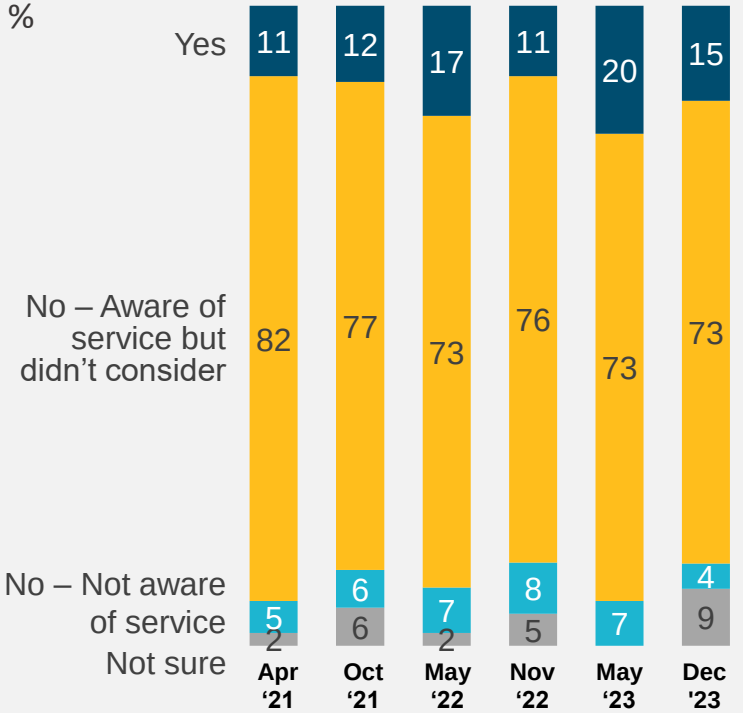
Whether discussed any significant tenancy issues with tenants



Whether seriously considered mediation service provided by Tenancy Services



Whether seriously considered approaching the Tenancy Tribunal



Base: All landlords (Apr '21 n=701, Oct '21 n=700, May '22 n=700, Nov '22 n=700, May '23 n=701 , Dec '23 n=702). **Source:** Q29. "In the last three months have you discussed any significant tenancy related concerns or issues with your tenants?"
Note: Some totals do not add to 100% due to rounding.

Base: Landlords with concerns or issues with tenants (Apr '21 n=140, Oct '21 n=126, May '22 n=127, Nov '22 n=144 , May '23 n=135 , Dec '23 n=129).
Source: Q30. "Had you seriously considered the mediation service that Tenancy Services provides, to assist with resolving the issues with your tenants?".

Base: Apr '21 n=140, Oct '21 n=126, May '22 n= 127, Nov '22 n=144 , May '23 n=135, Dec '23 n=129). **Source:** Q31. "Had you seriously considered approaching the Tenancy Tribunal to help resolve the issue?".
Note: Multiple responses allowed so totals do not add to 100%

Introducing Verian

Verian is the new name for Kantar Public (formerly Colmar Brunton).

Following our divestment from our former parent company, we are now an independent research and evaluation agency, providing evidence and advisory services to government and the public realm, across Aotearoa New Zealand and around the world.

Please get in touch if you have questions or would like to know more.

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