



**MINISTRY OF HOUSING
AND URBAN DEVELOPMENT**

Landlords Pulse Survey – topline report

Wave 1, 2021



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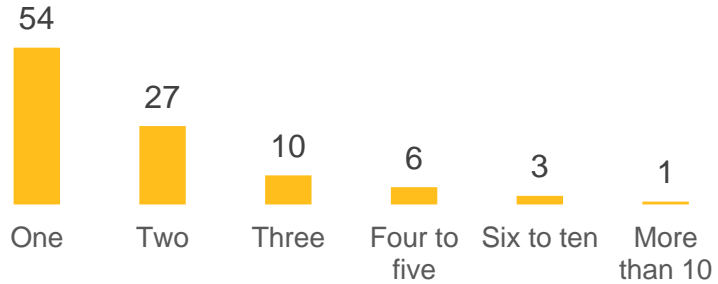
Research objectives and method

The Ministry of Housing and Urban Development has commissioned Colmar Brunton to undertake 'pulse' surveys of renters and landlords twice a year to help inform its understanding of the impacts of recent legislative changes on the residential rental market. This report provides the results of the first pulse survey in 2021 with landlords.

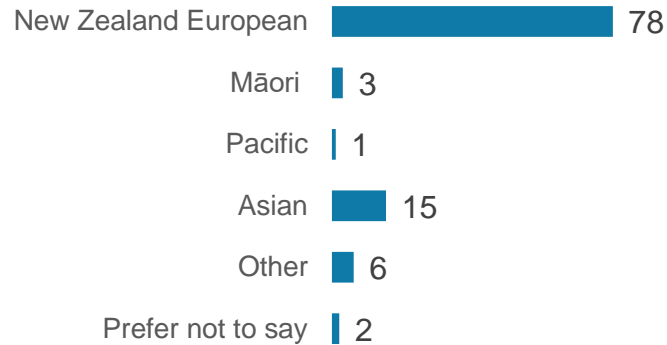
- A nationwide online survey of **701 landlords**. The population of interest was defined as landlords who are currently receiving rental payments for residential property or properties they own.
- Maximum margin of error on the total sample (at the 95% confidence level) is **+/-3.7%**.
- Fieldwork for this survey was conducted from **15 to 22 April, 2021**.

Sample profile of landlords

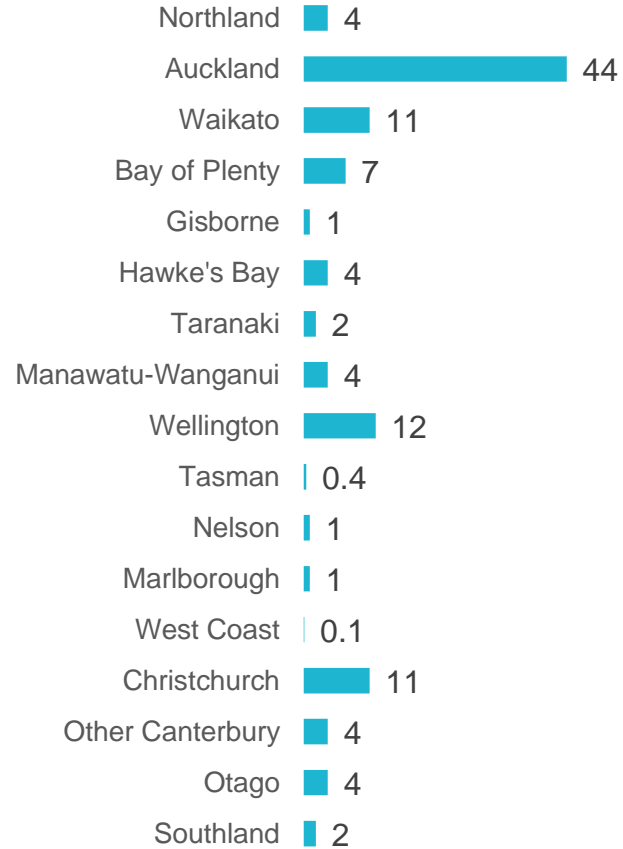
% Residential rental properties owned



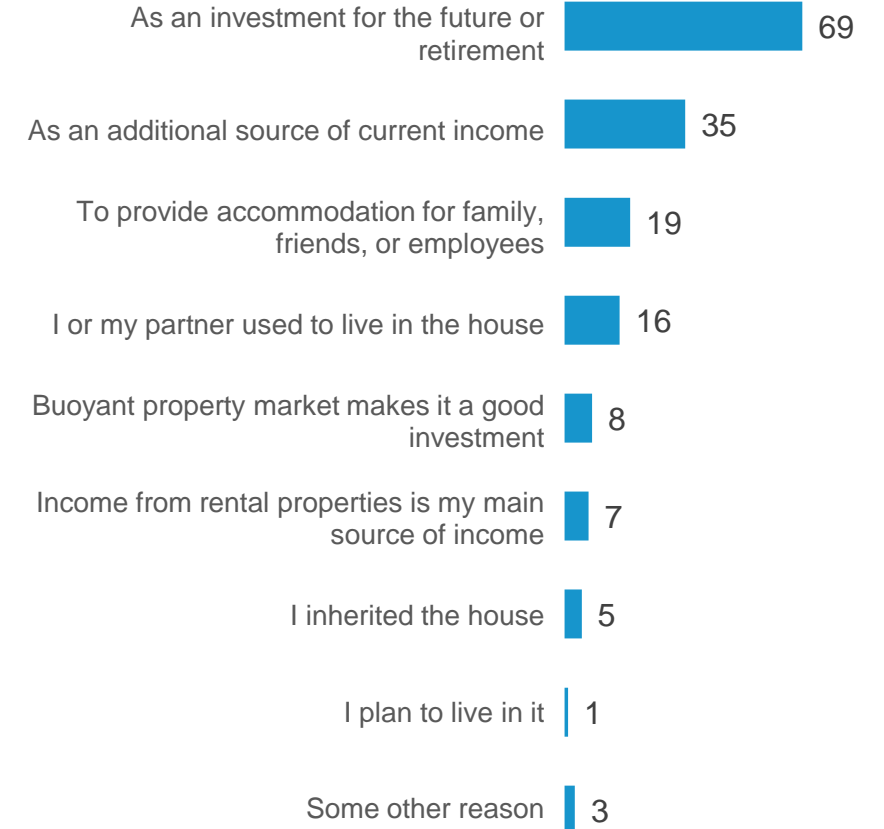
% Ethnicity



% Region



% Reasons for buying rental property





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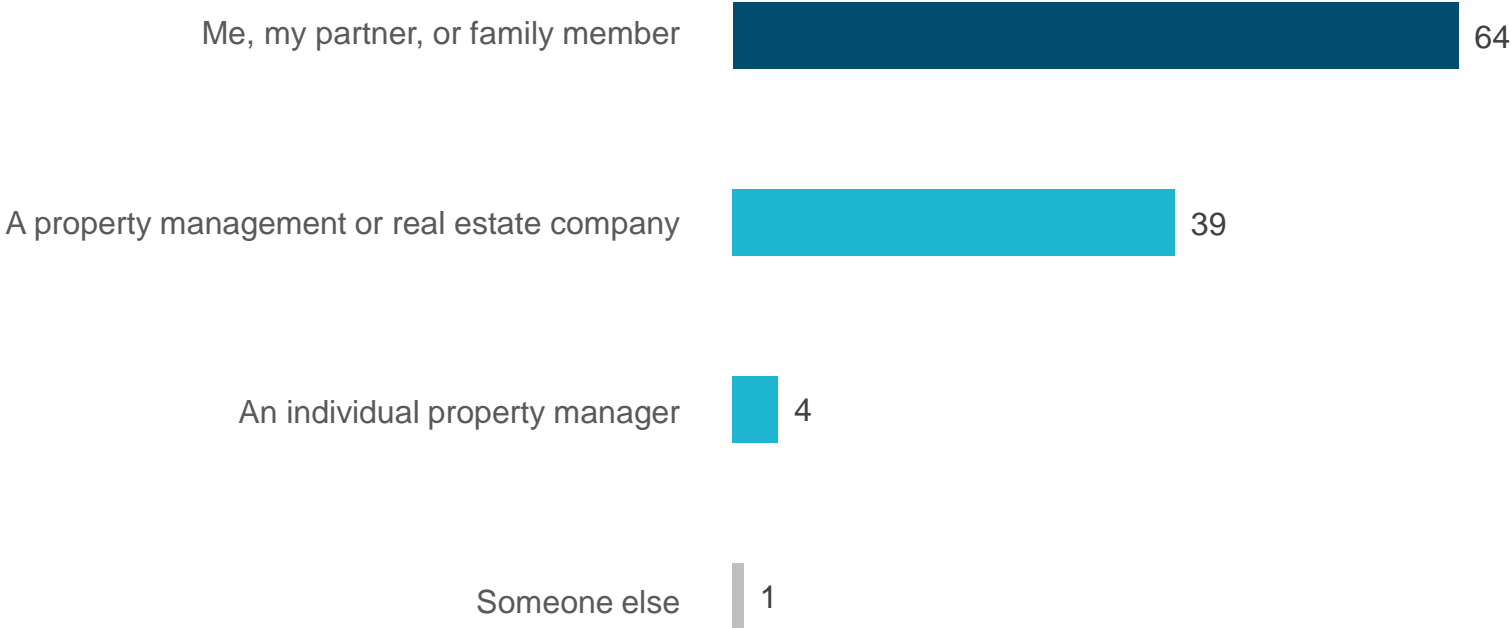
Landlord property management

Management of rental properties

Almost two thirds (64%) of landlords manage their rental(s) themselves, though four in ten (39%) use a property management or real estate company.

Management of rental property

%



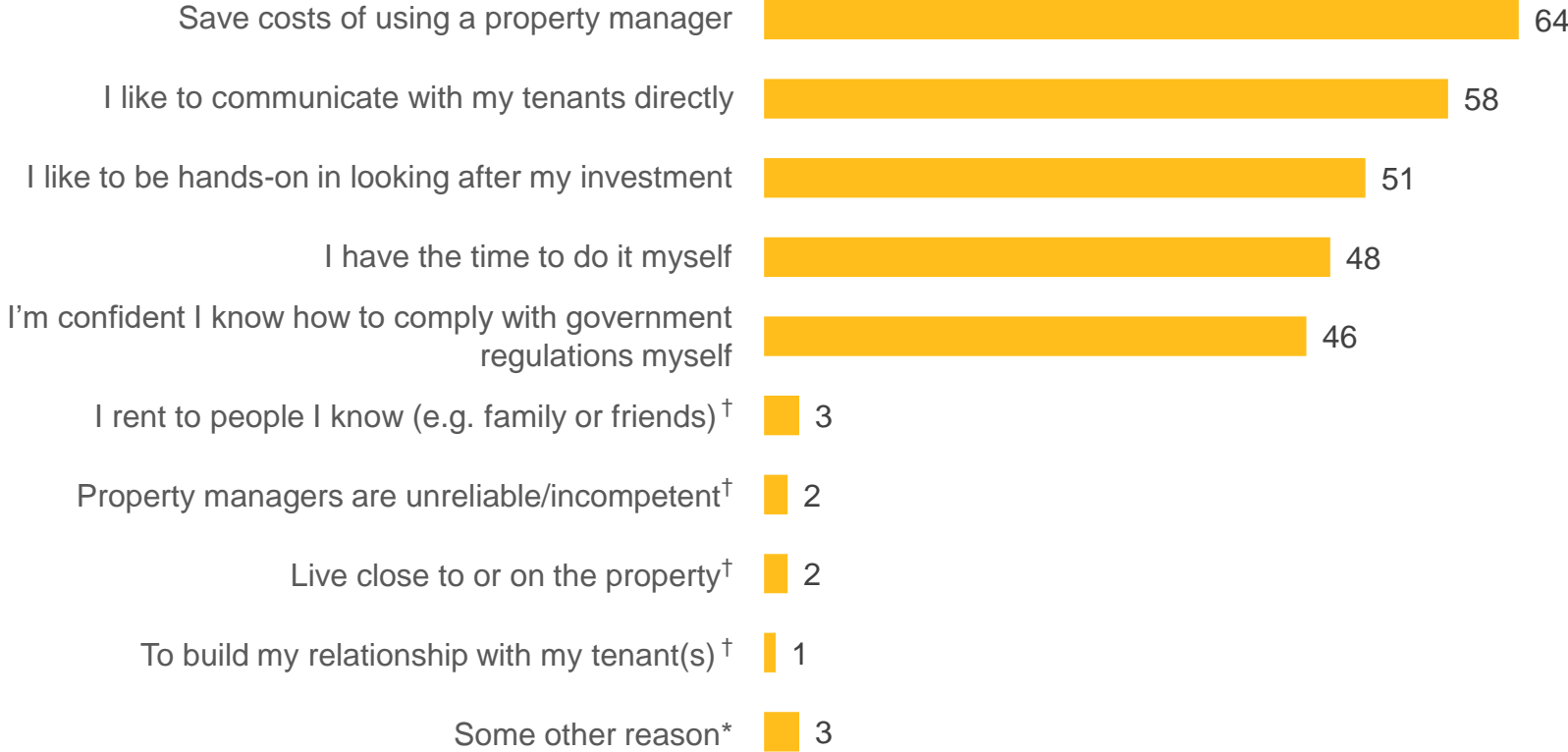
Base: All landlords (n=701). Source: Q3. "Who manages your rental property/properties?" Multiple responses were allowed for multiple property owners. Therefore results sum to more than 100%.

Reasons for self-managing property

Cost savings, and a desire for direct communication with the tenants and management of the investment, are the most common reasons for self-management.

Reasons landlords manage their property or properties themselves

%



†Unprompted response (coded post fieldwork).

Base: Landlords who manage their property or properties themselves (n=448).

Source: Q5. "Why do you manage the property yourself, rather than using a property manager?"

Note, less than 1% of people said 'Don't know' which is not shown on the chart above. *Other reasons include: Like to be hands on with maintenance, and I'm qualified to manage the property.

Reasons for using property manager

Lack of time is the most common reason for using a property manager, with preference for a distant relationship with tenants and a desire to transfer compliance responsibilities to someone with more expertise also coming into play.

Reasons landlords use property managers

%



Base: Landlords who do not manage their property or properties themselves (n=297).
Source: Q4. "Why do you use a property management or real estate company/an individual property manager, rather than managing the property yourself?"
[†]Unprompted response (coded post fieldwork).



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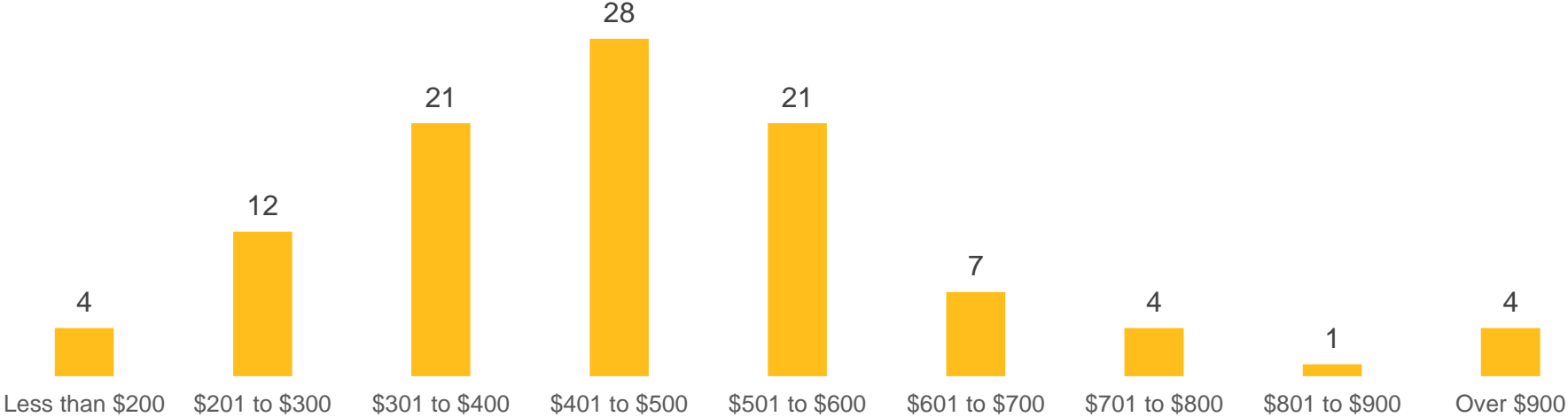
Rental payments



Average rent

Six in ten (63%) landlords charge \$500 or less per week for their rental property.

Average weekly rent charged

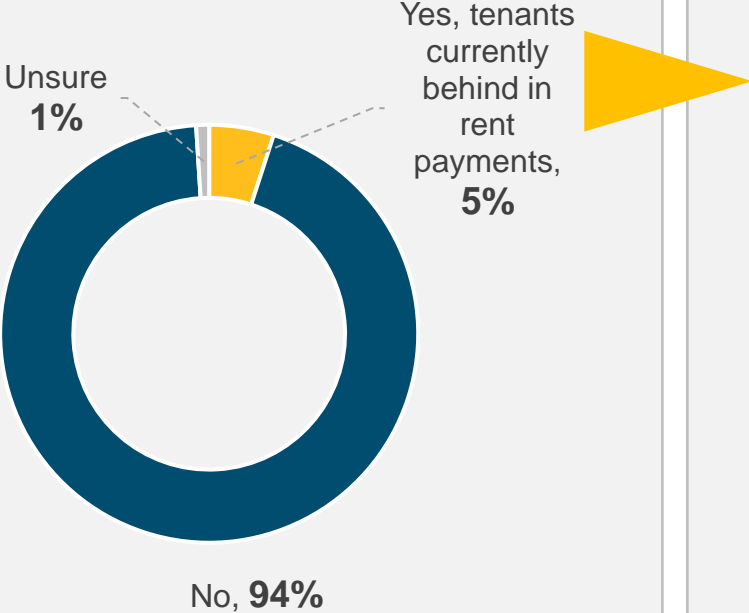


Base: All landlords (n=701).
Source: Q12. Landlords with one property: "What is the weekly rent you charge for your current rental property?"
Landlords with multiple properties: "What is the average weekly rent for your rental properties?"

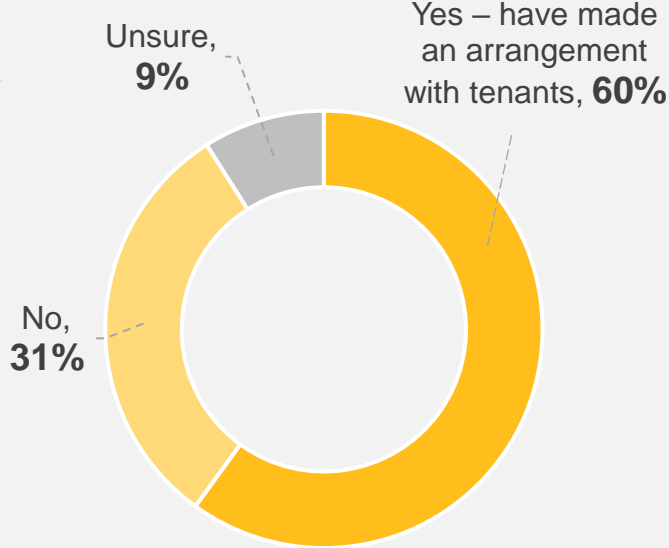
Tenants' payments in arrears

Of the small group (5%) of landlords who say their tenants are currently behind in their rental payments, three in five have an agreement with their tenants to this effect. A small majority (60%) of landlords with rent arrears say their tenants are three weeks or less behind in their rent.

Whether tenants are currently behind in rent payments



Arrangement made with tenants regarding rent arrears



Number of weeks tenants are behind in rent



Base: All landlords (n=701). Source: Q9. "Are any of your tenants currently behind in their rent payments?"

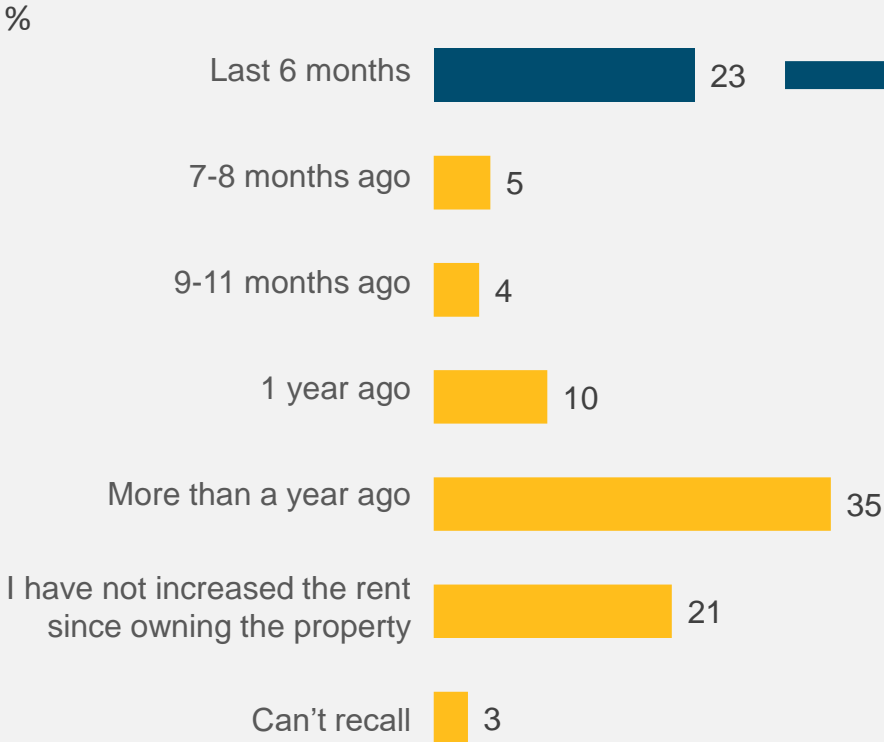
Base: Landlords with tenants with rent in arrears (n=35). Source: Q10. "Have you made an arrangement with your tenants that means you agree to them being behind in their rent payments?"

Base: Landlords with tenants with rent in arrears (n=35). Source: Q11. "Around how many weeks are your tenants behind in rent?"

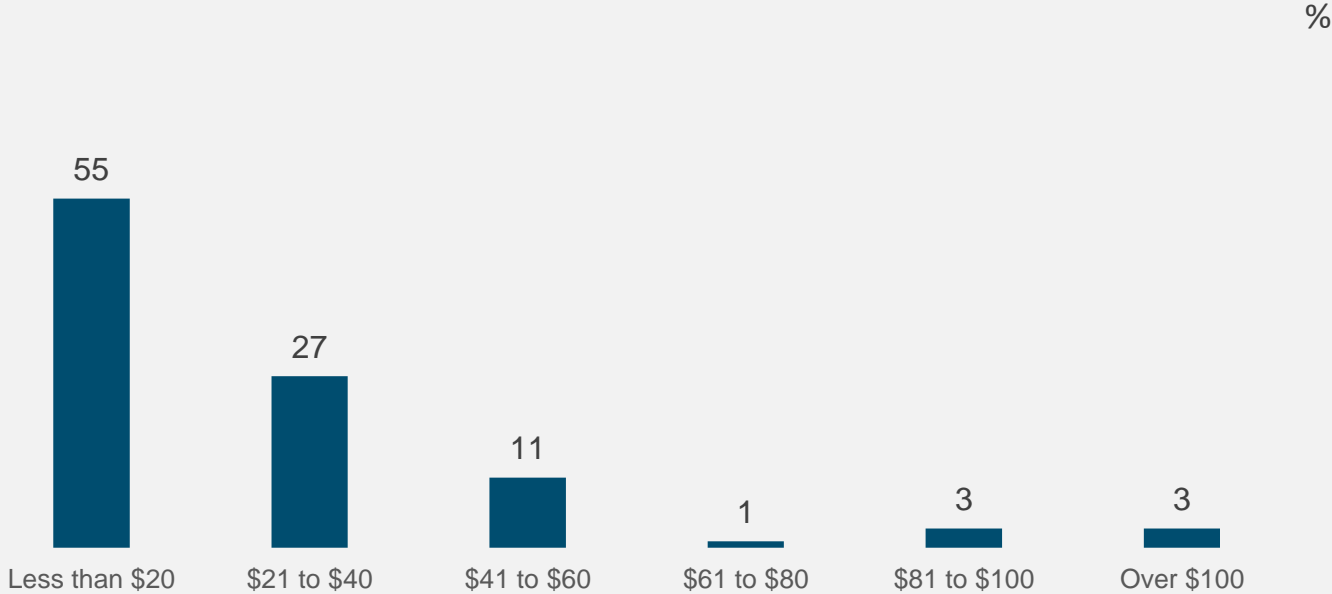
Timing and size of rent increases

Around one quarter (23%) of landlords have increased rent in the last six months. The majority (82%) of these landlords increased the rent by \$40 per week or less.

When landlords last increased the rent



Size of rent increase



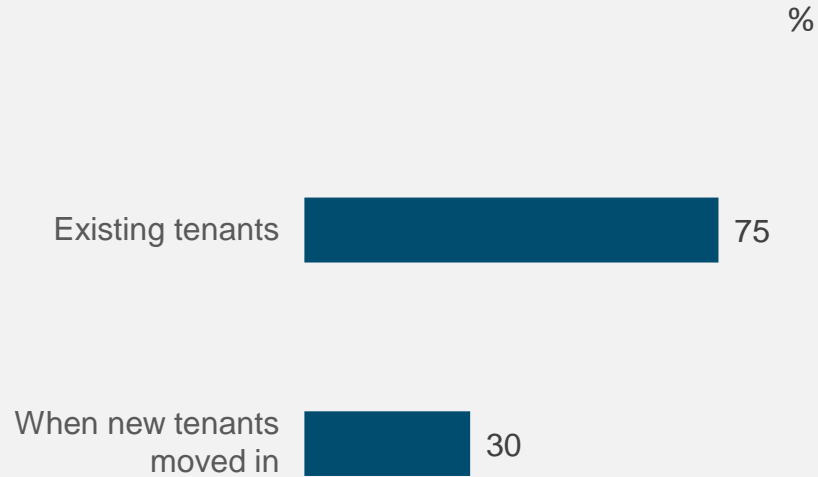
Base: All landlords (n=701).
Source: Q13. "When did you last increase the rent (for any of your rental properties)?"

Base: Landlords who increased rent within the last six months (n=159).
Source: Q14. "Still thinking about the last increase, how many dollars did you increase the weekly rent by?"

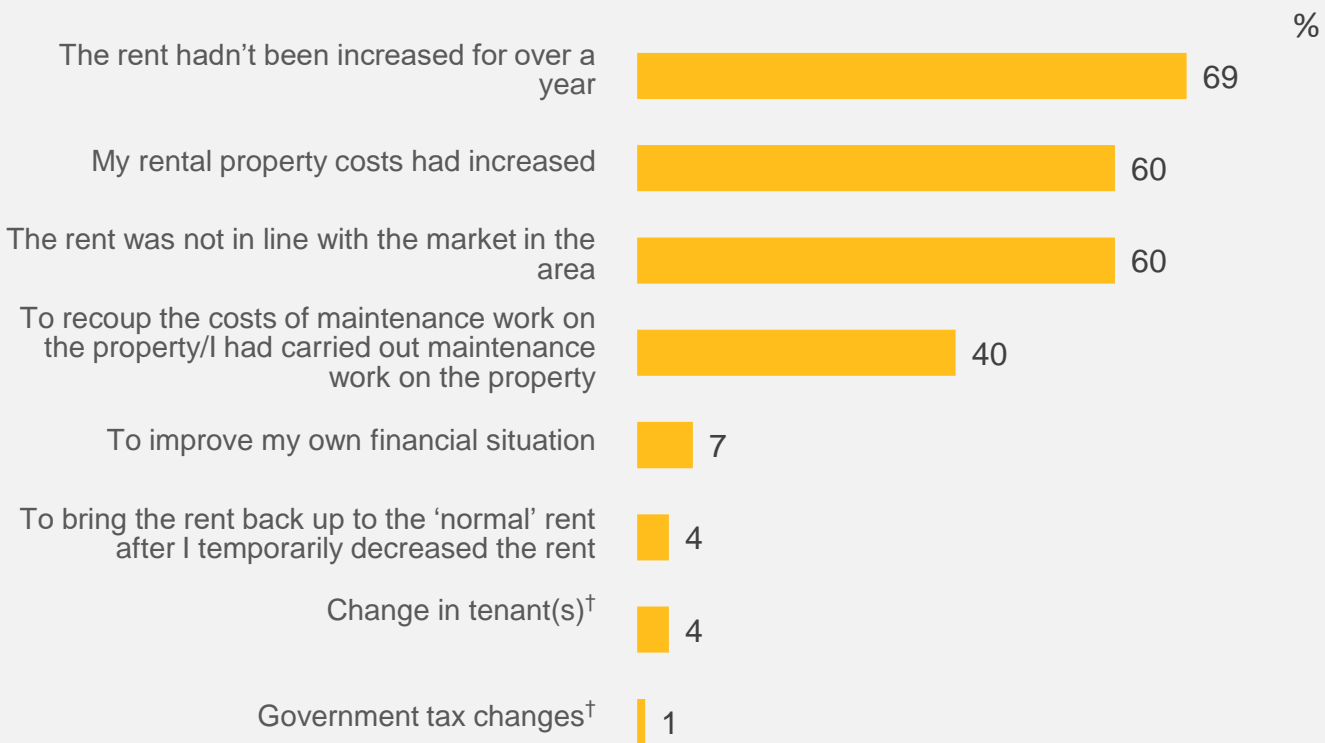
Reasons for rent increases

Three quarters of landlords increased the rent in the last six months for existing tenants, while 30% took the opportunity to increase the rent for a new tenancy. Landlords most commonly cite time since the last increase and market adjustment as key drivers behind the increase. Recouping increased rental costs (including maintenance work) is also a key reason.

Whether rent increased for existing or new tenants



Reason for last rent increase



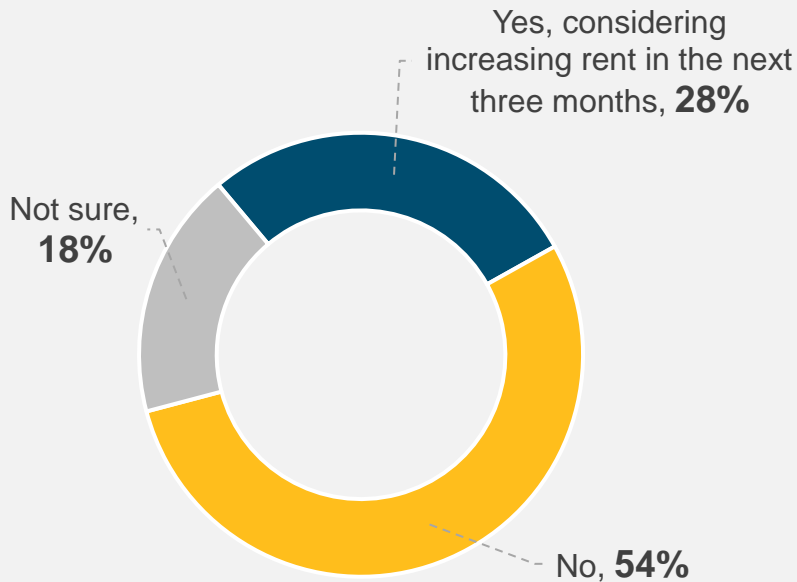
Base: Landlords who increased rent within the last six months (n=159).
 Source: Q15b. "Was the rent increased for existing tenants or when a new tenant moved in?" Results add to more than 100% as multiple property owners could give more than one answer.

Base: Landlords who increased rent within the last six months (n=159).
 Source: Q15a. "Was the last rent increase because..."
[†]Unprompted response (coded post fieldwork).

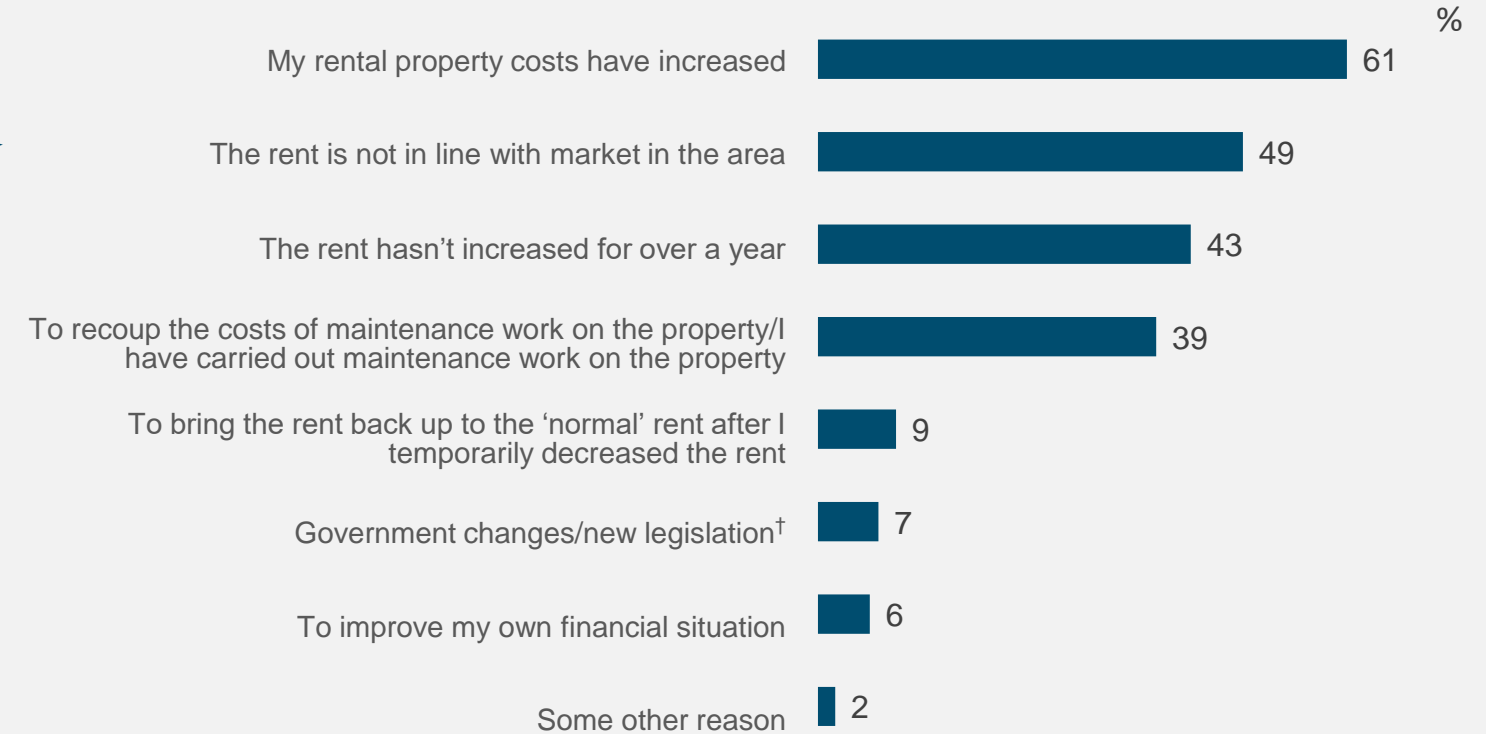
Landlord intentions for future rent increases

Nearly three in ten (28%) landlords who haven't recently increased the rent are considering an increase in the next three months. This is being driven by higher property costs (including maintenance costs), market adjustment, and feeling like an increase is overdue.

Whether considering increasing the rent in the next three months



Reason for considering rent increase in next three months



Base: Landlords who have not increased rent within the last six months (n=542).
Source: Q16. "Are you considering increasing the rent in the next three months?"

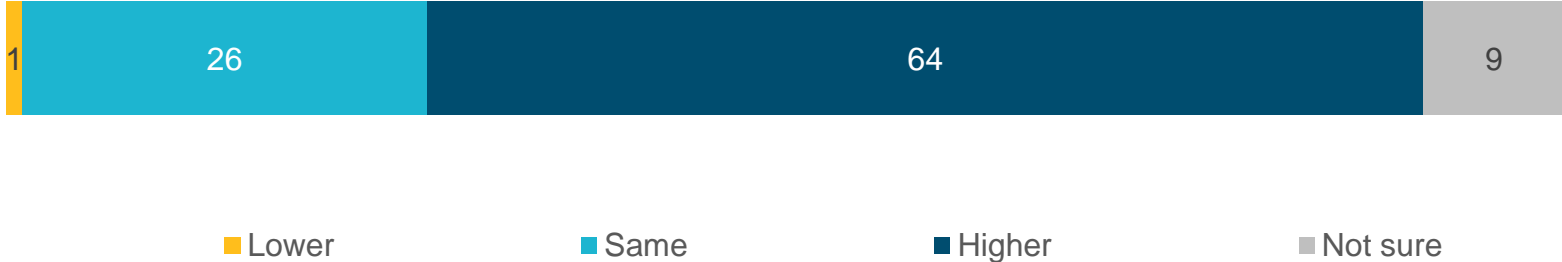
Base: Landlords are considering increasing the rent in the next three months (n=150).
Source: Q17. "Why are you considering increasing the rent?"
†Unprompted response (coded post fieldwork).

Landlords' rent intentions for new tenants

Nearly two thirds (64%) of landlords say they would increase the current rent for new tenants.

Rental price for new tenants

%



Base: All landlords (n=701).
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?"



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

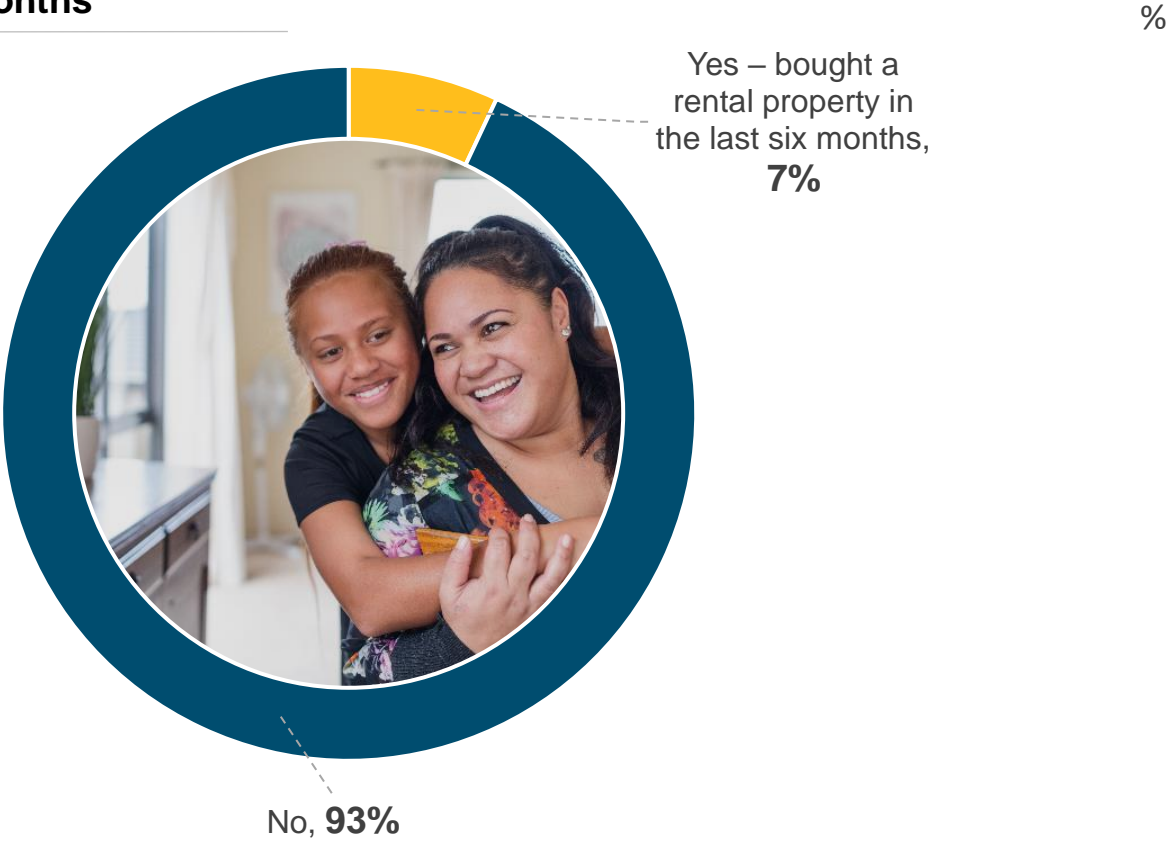


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Buying rental property

A small proportion (7%) of landlords have bought a rental property in the last six months.

Whether bought a rental property in the last six months

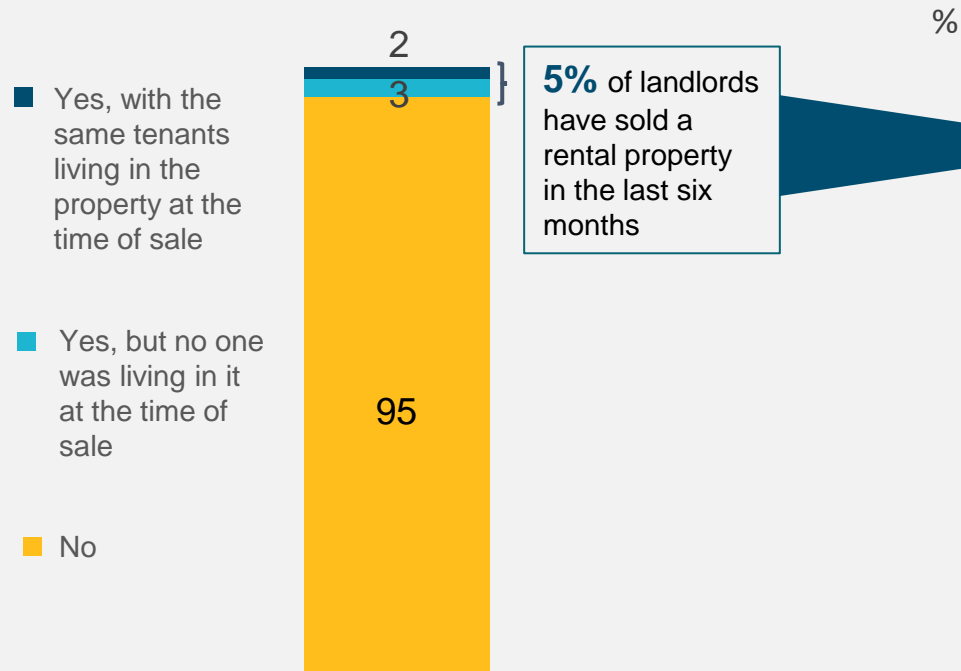


Base: All landlords (n=701).
Source: Q21. "Have you bought a rental property in the last six months?"

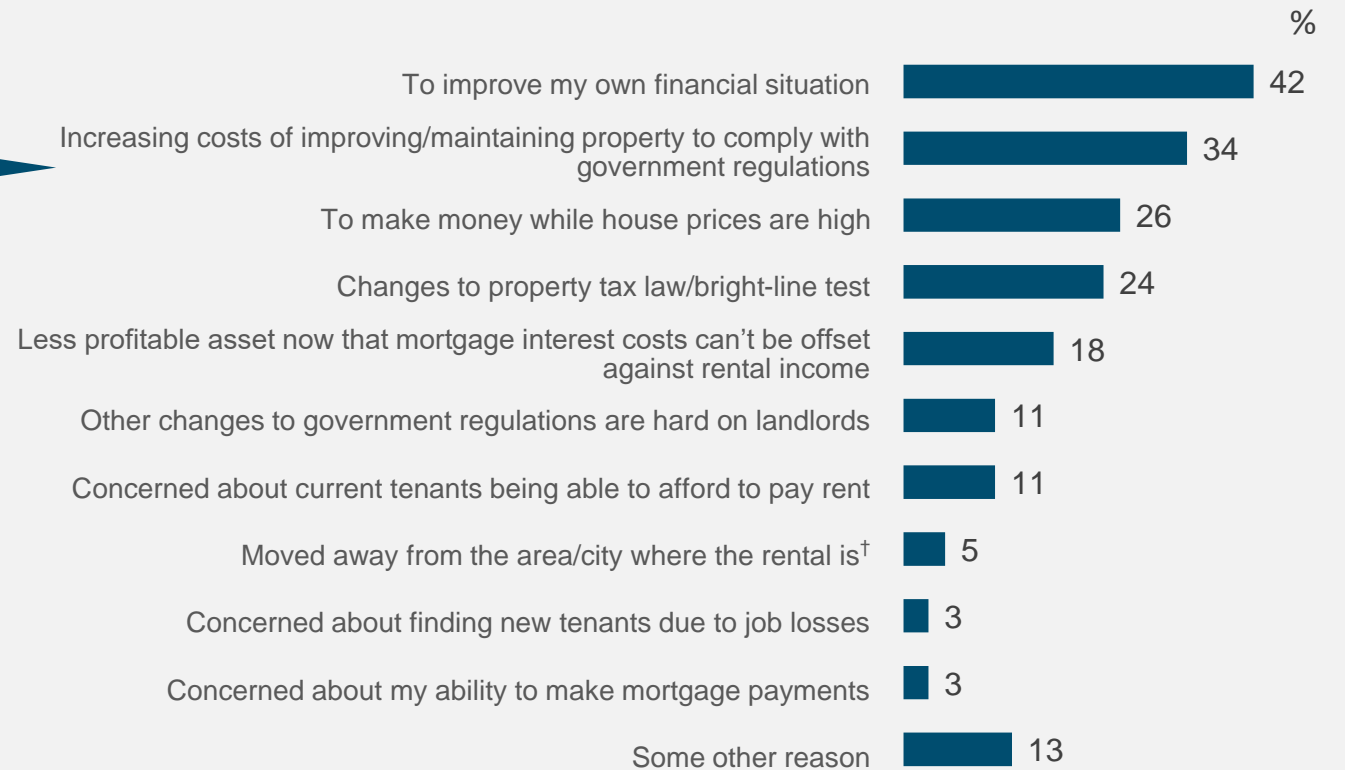
Selling rental property

One in twenty (5%) landlords have sold a rental property in the last six months. Most of these 5% of landlords cite financial reasons for doing this including increased compliance costs and changes to property tax law.

Whether sold a rental property in the last six months



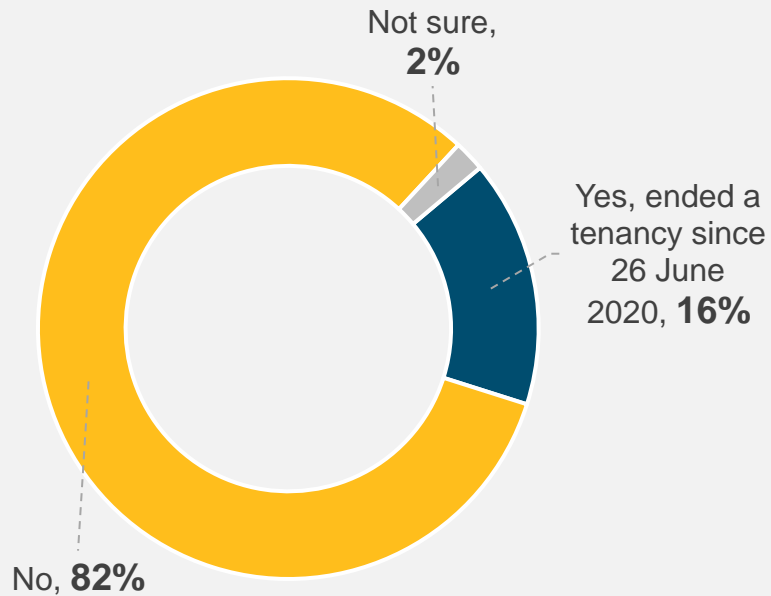
Reasons for selling the property



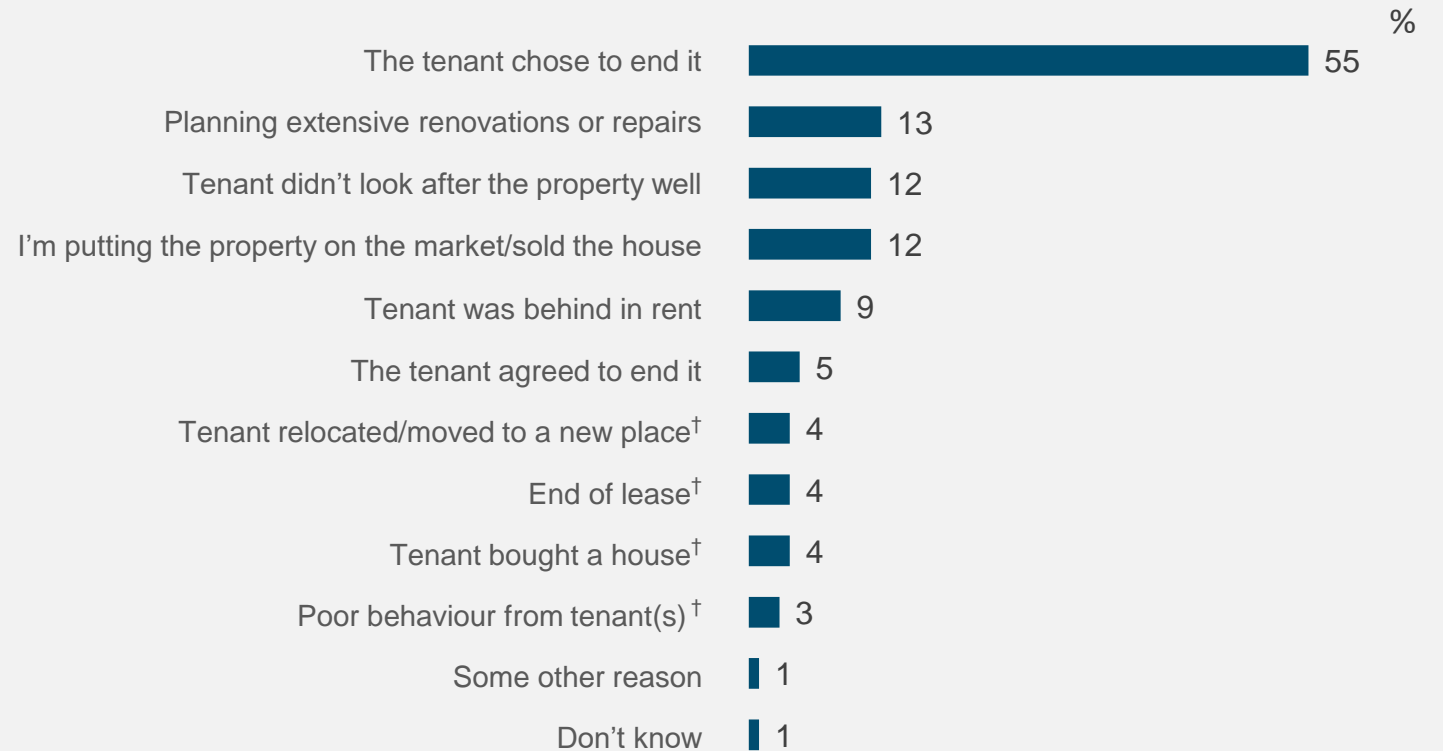
End of tenancy

Around one in six (16%) landlords have ended a tenancy since 26 June 2020. Over half of these landlords say the tenant chose to end it, while upcoming renovations/repairs, wanting to sell the property and poor tenants are among other less common reasons.

Whether ended a tenancy since 26 June 2020



Reason for ending the tenancy





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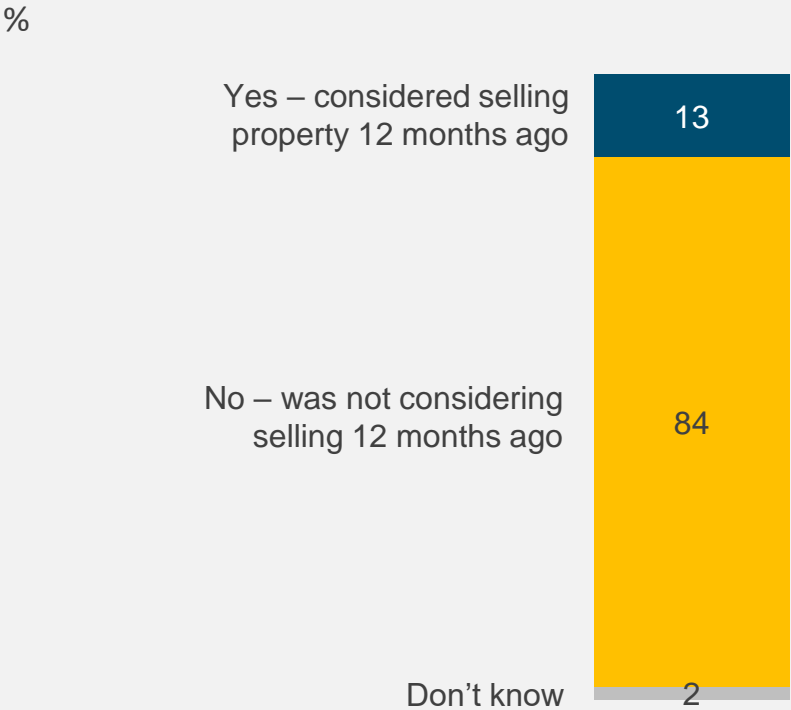
Landlords' plans for selling rental properties



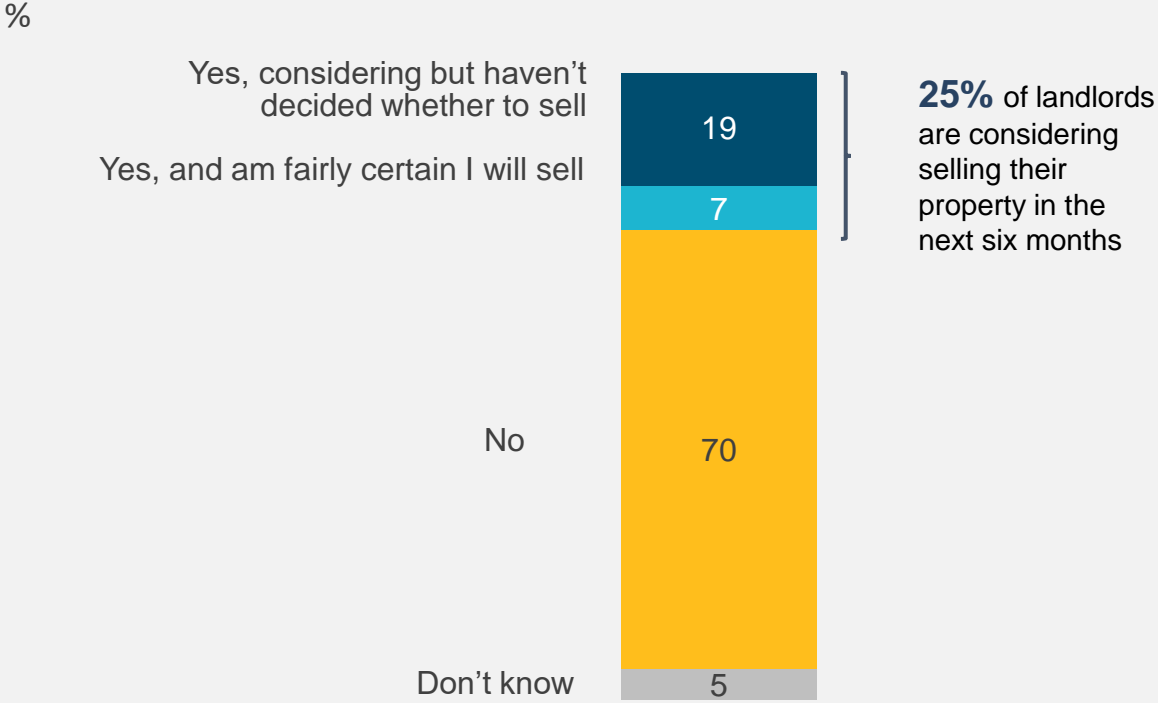
Landlord intentions for rental property

More landlords are now considering selling a property in the next six months than were thinking about selling 12 months ago.

Whether considering selling property 12 months ago



Whether considering selling property in next six months



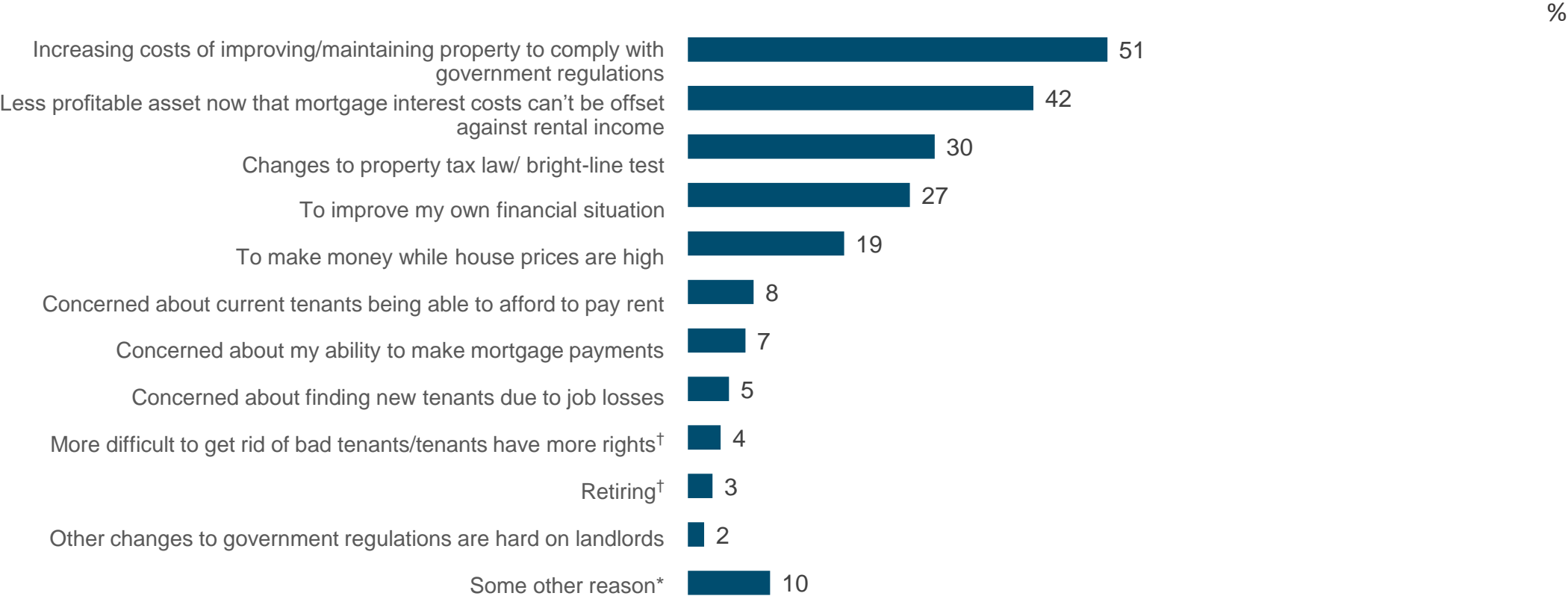
Base: All landlords (n=701).
Source: Q26. "Were you considering selling your (rental property/one or more of your rental properties) 12 months ago?"

Base: All landlords (n=701).
Source: Q25. "Are you considering selling (your rental property/one or more of your rental properties) in the next six months?"

Enhanced motivations to sell

Half of the 25% of landlords who are thinking about selling a property in the next six months cite increased compliance costs as a key driver for this. Changes to property tax laws are also key motivations to sell.

Reasons why landlords are considering selling in the next six months



Base: Landlords who are considering selling property in the next six months (n=177).

Source: Q27. "Why are you now considering selling your rental property?"

*Other reasons include: For health reasons (2%), tenancy issues/hard to find good tenants (2%), current tenants want to buy the property (2%) and to buy another house (2%). [†]Unprompted response (coded post fieldwork).

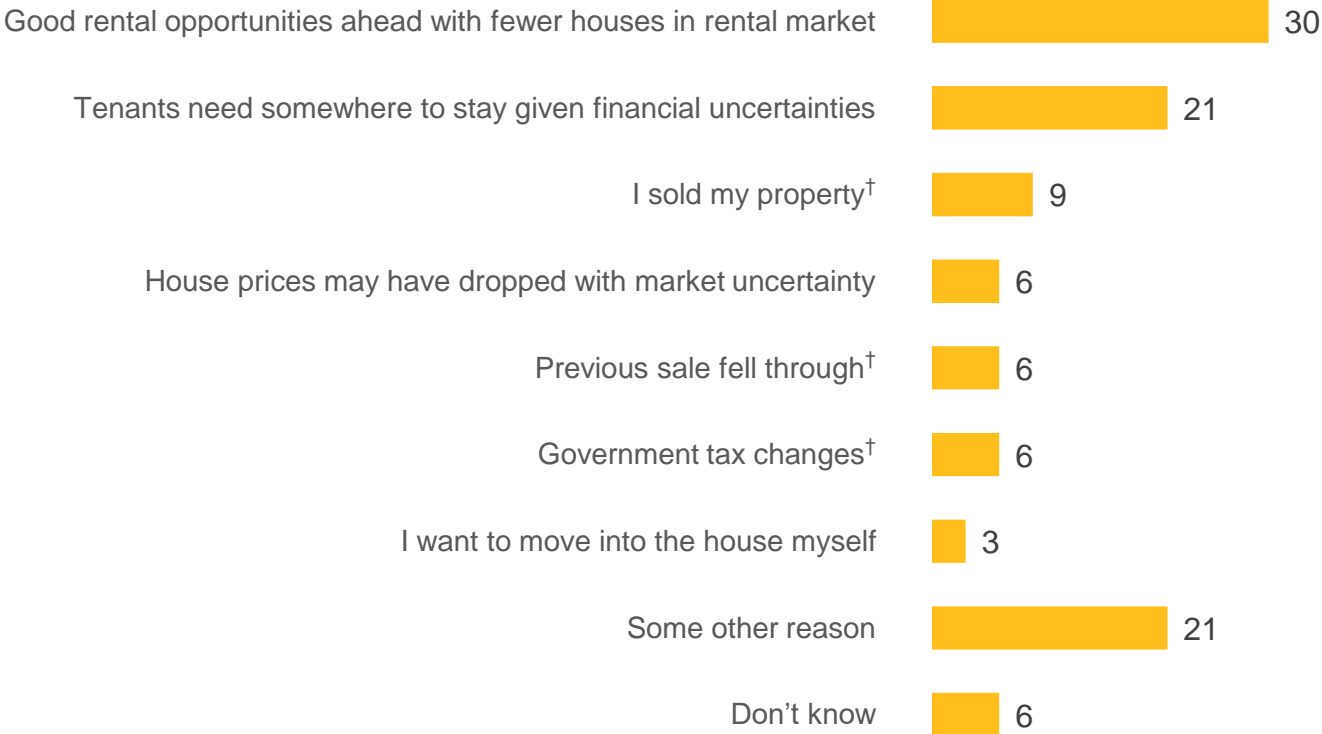
Weakened motivations to sell

5% of landlords were considering selling property 12 months ago but now no longer are.

The most common reasons for this change of mind relate to belief that the future of the rental market is bright and a desire to give tenants financial certainty.

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 (n=33).

Source: Q28. "Why are you no longer intending to sell (or are unsure)?"

[†]Unprompted response (coded post fieldwork).



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Landlords' financial situation

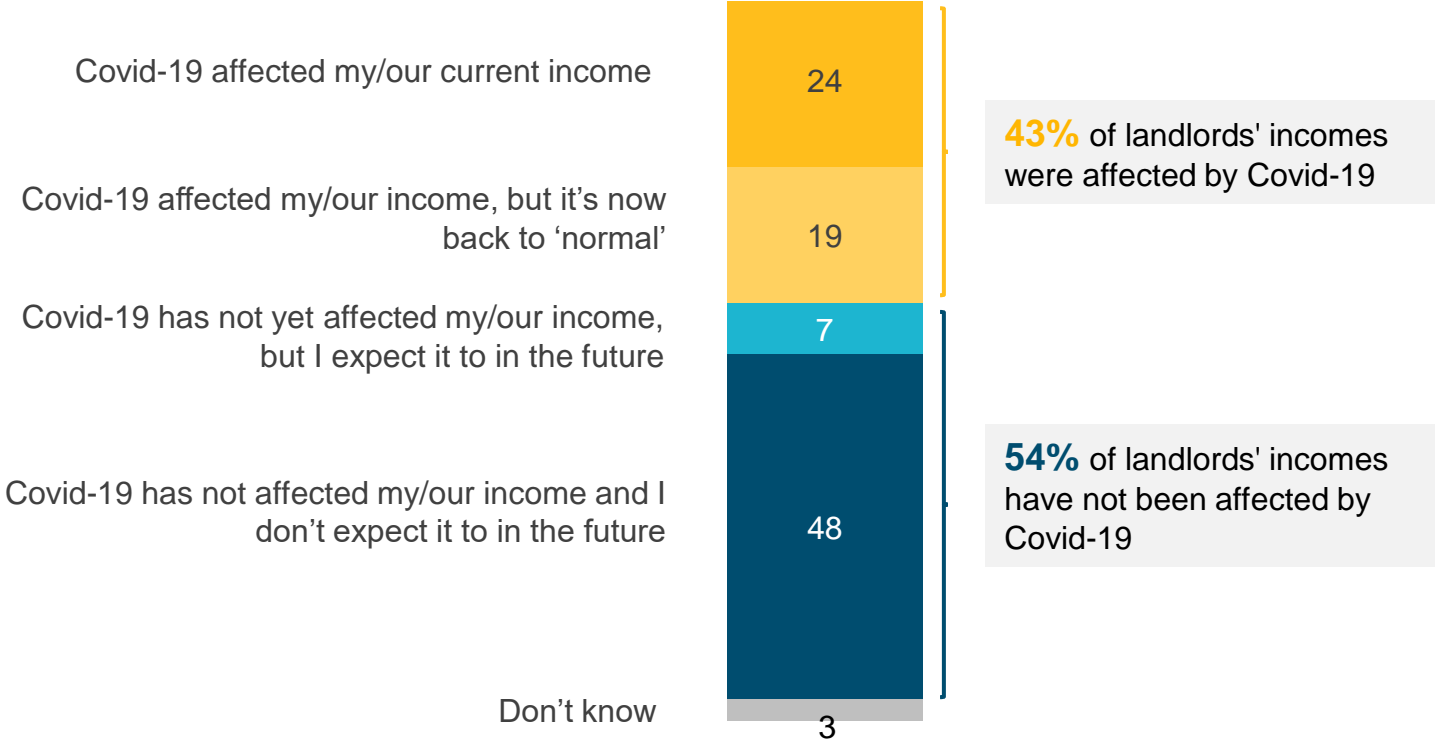


Landlords' financial situations

Around one in four (24%) landlords say their income is still affected by COVID-19.

Impact of COVID-19 on landlords' incomes

%



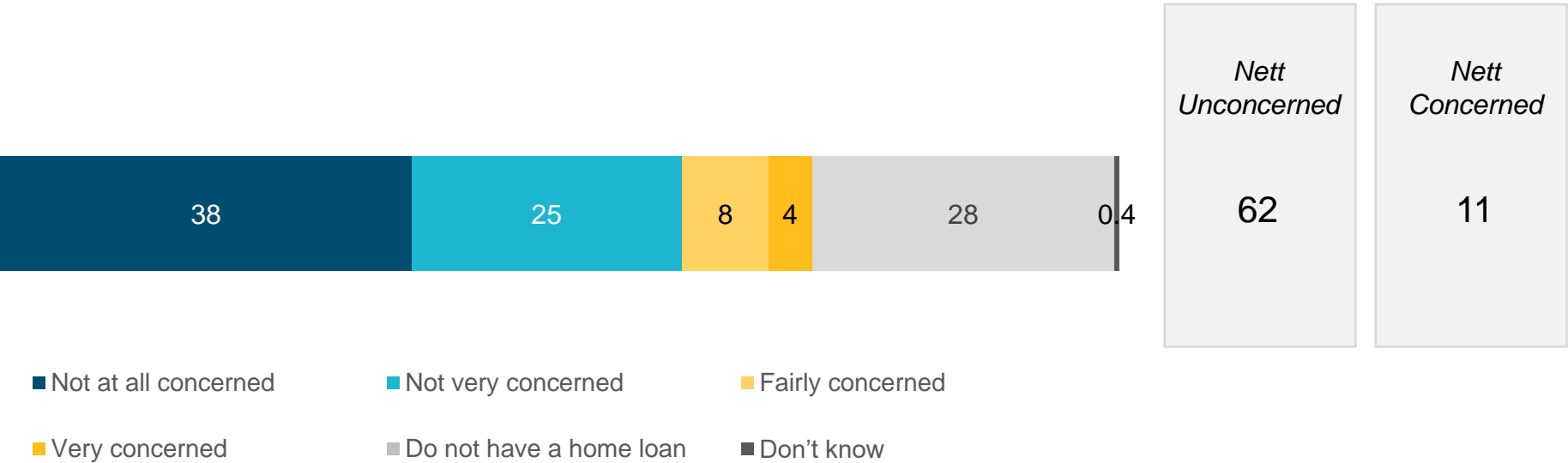
Base: All landlords (n=701).
Source: Q35. "Thinking about your (and your partner's) income from all sources, which one of these statements comes closest to your situation?"

Concern about mortgage payments

Around one in ten (11%) landlords are concerned about their mortgage payments in the coming months.

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

%



Base: All landlords (n=701). 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)?"



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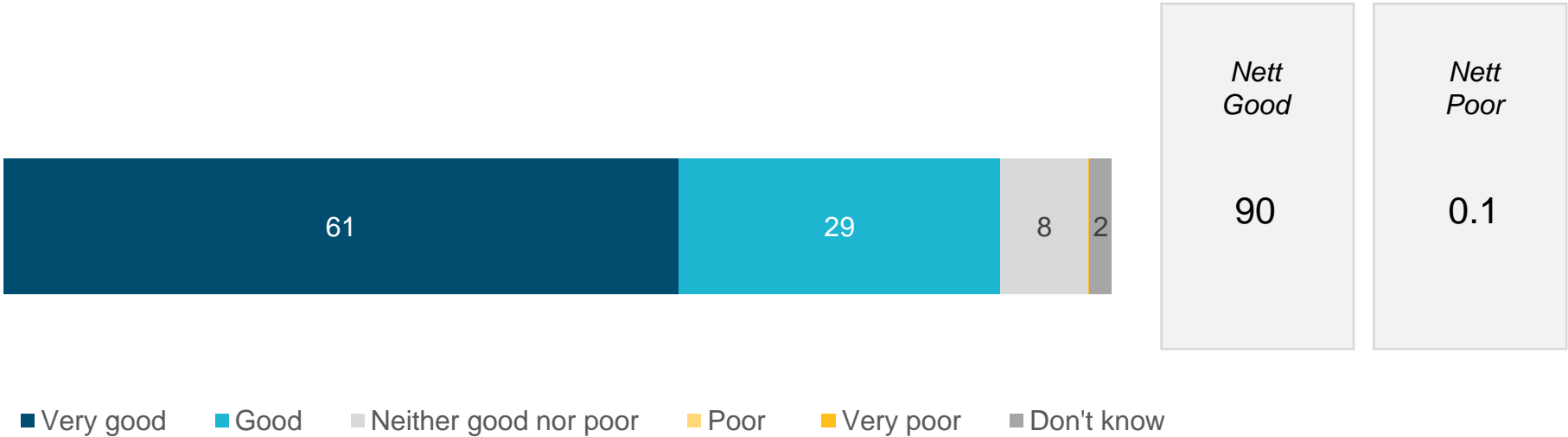
Landlords' relationships with tenants

Relationship with tenants

The vast majority (90%) of landlords feel they have a positive relationship with their tenants.

Relationship with tenants

%

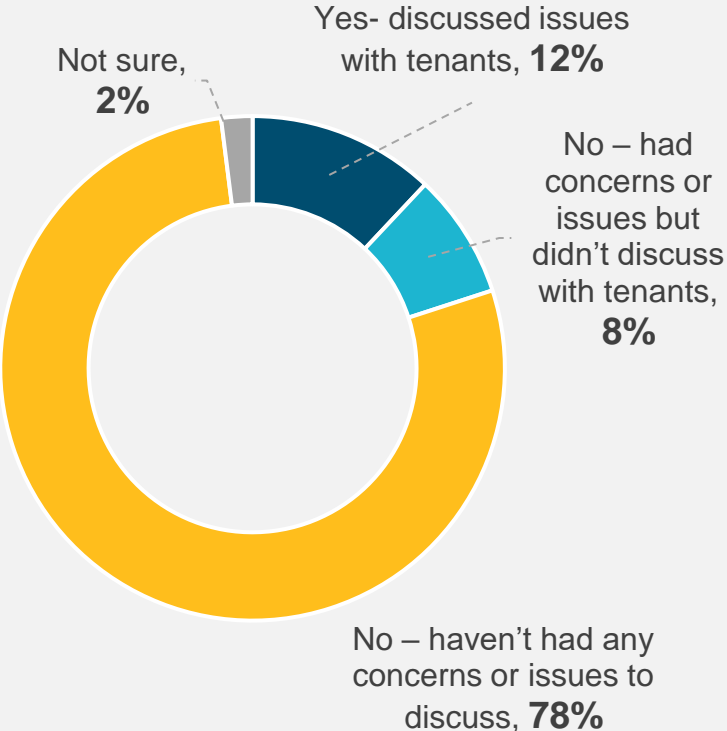


Base: All landlords (n=701). Source: Q6. "Overall, which of these best describes your relationship with your tenants?"

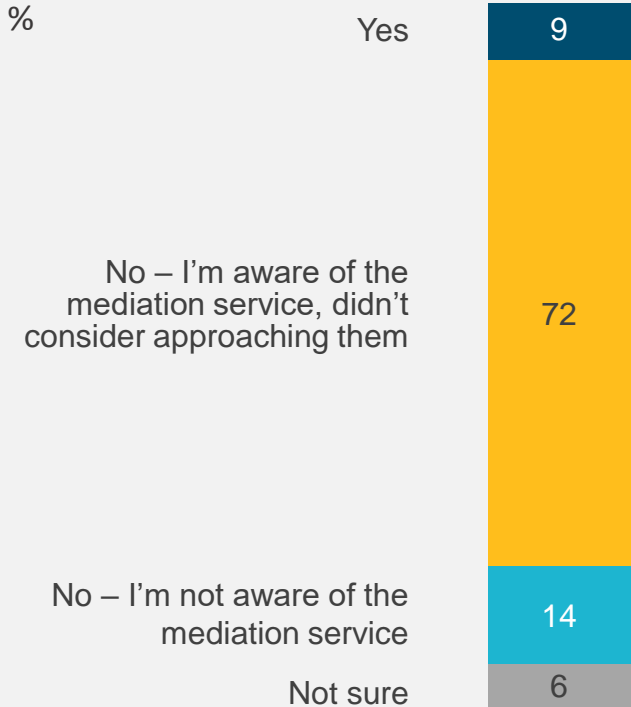
Tenancy issues

20% of landlords had concerns or issues with their tenants. Only 9% of these landlords considered the Tenancy Service’s mediation service (despite most being aware of it). Likewise, few (11%) seriously considered approaching the Tenancy Tribunal to help resolve the issue or dispute.

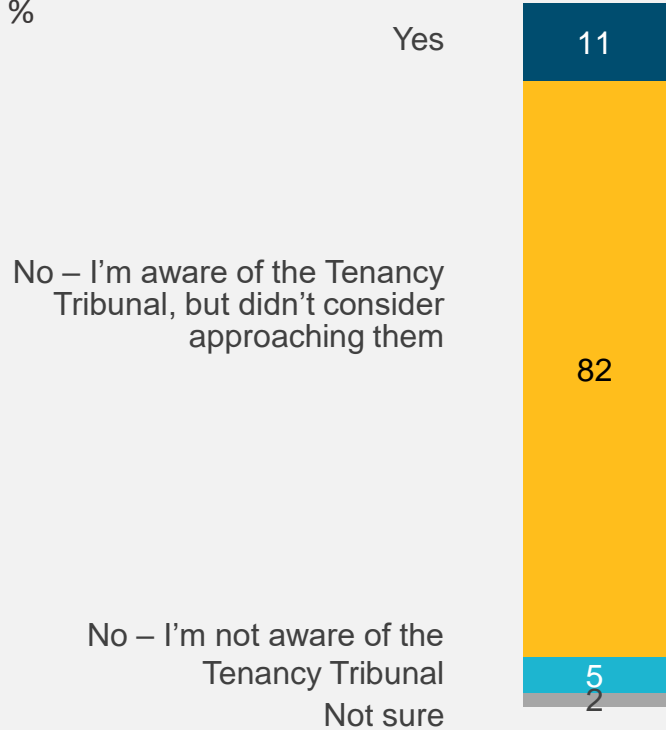
Whether discussed any significant tenancy issues with tenants



Whether seriously considered mediation service provided by Tenancy Services



Whether seriously considered approaching the Tenancy Tribunal



Base: All landlords (n=701). Source: Q29. "In the last three months have you discussed any significant tenancy related concerns or issues with your tenants?"

Base: Landlords with concerns or issues with tenants (n=140). Source: Q30. "Had you seriously considered the mediation service that Tenancy Services provides, to assist with resolving the issues with your tenants?"

Base: Landlords with concerns or issues with tenants (n=140). Source: Q31. "Had you seriously considered approaching the Tenancy Tribunal to help resolve the issue?"



FOR FURTHER INFORMATION PLEASE CONTACT

Jocelyn Rout or Emma Appleton

Colmar Brunton, a Kantar Company
Level 1, 46 Sale Street, Auckland 1010
PO Box 6621, Victoria Street West Auckland 1142
Phone (09) 919 9200
www.colmarbrunton.co.nz

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