



**MINISTRY OF HOUSING
AND URBAN DEVELOPMENT**

Landlords Pulse Survey – topline report

Wave 2, 2021



KANTAR PUBLIC



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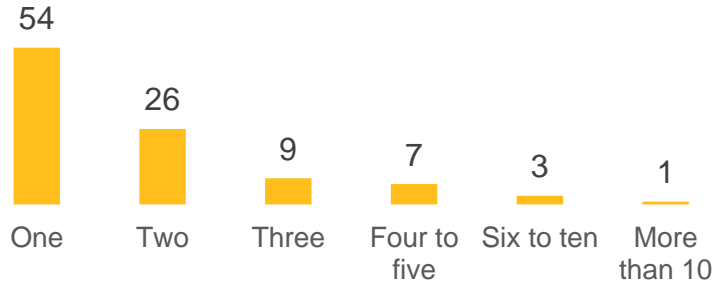
Research objectives and method

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 second pulse survey in 2021 with landlords (with comparisons made with the first wave where appropriate).

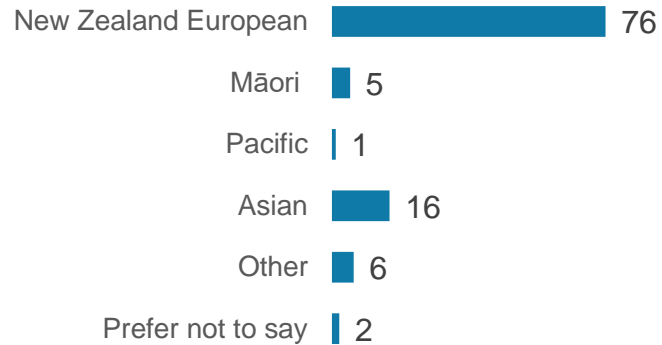
- A nationwide online survey of **700 landlords**. The population of interest was defined as landlords who are currently receiving rental payments for residential property or properties they own.
- Maximum margin of error on the total sample (at the 95% confidence level) is **+/-3.7%**.
- Statistically significant changes since Wave 1 (at the 95% confidence level) are denoted on the charts by triangles.
- Fieldwork for the second wave was conducted from **12 to 21 October, 2021**.

Sample profile of landlords (Wave 2 only)

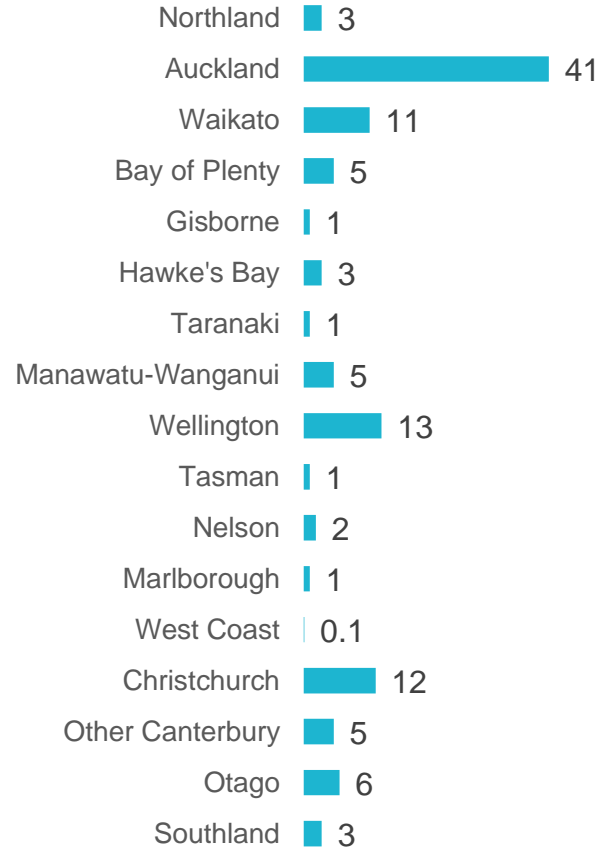
% Residential rental properties owned



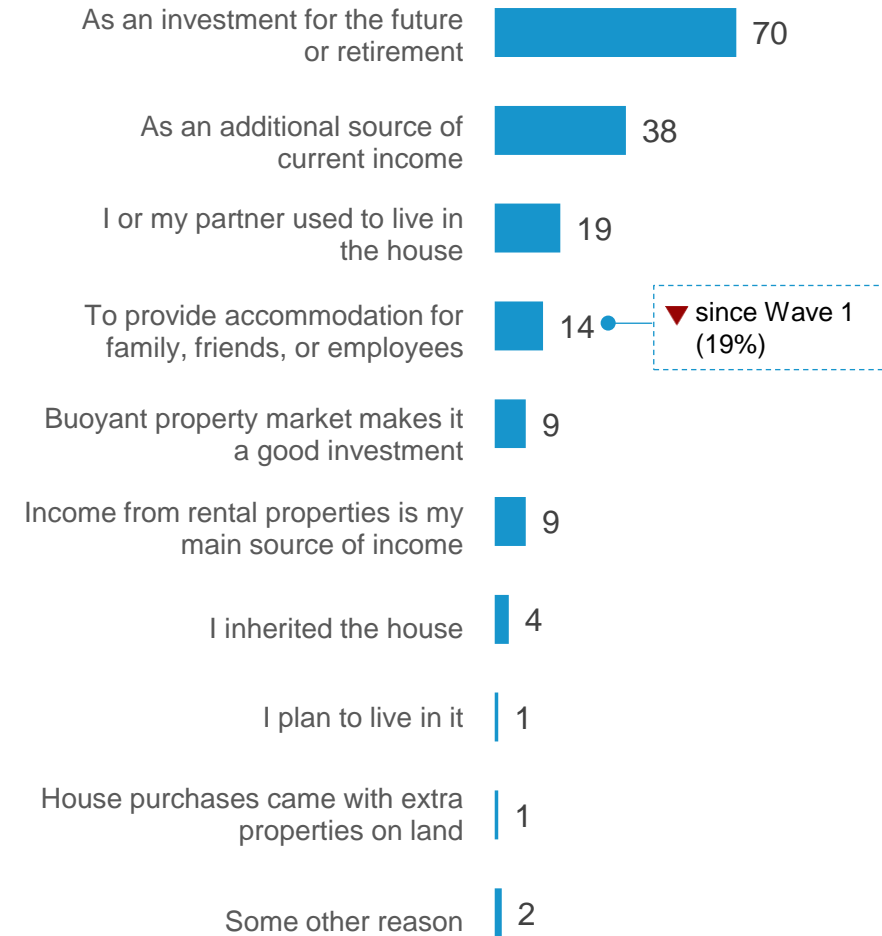
% Ethnicity



% Region



% Reasons for buying rental property





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Landlord property management



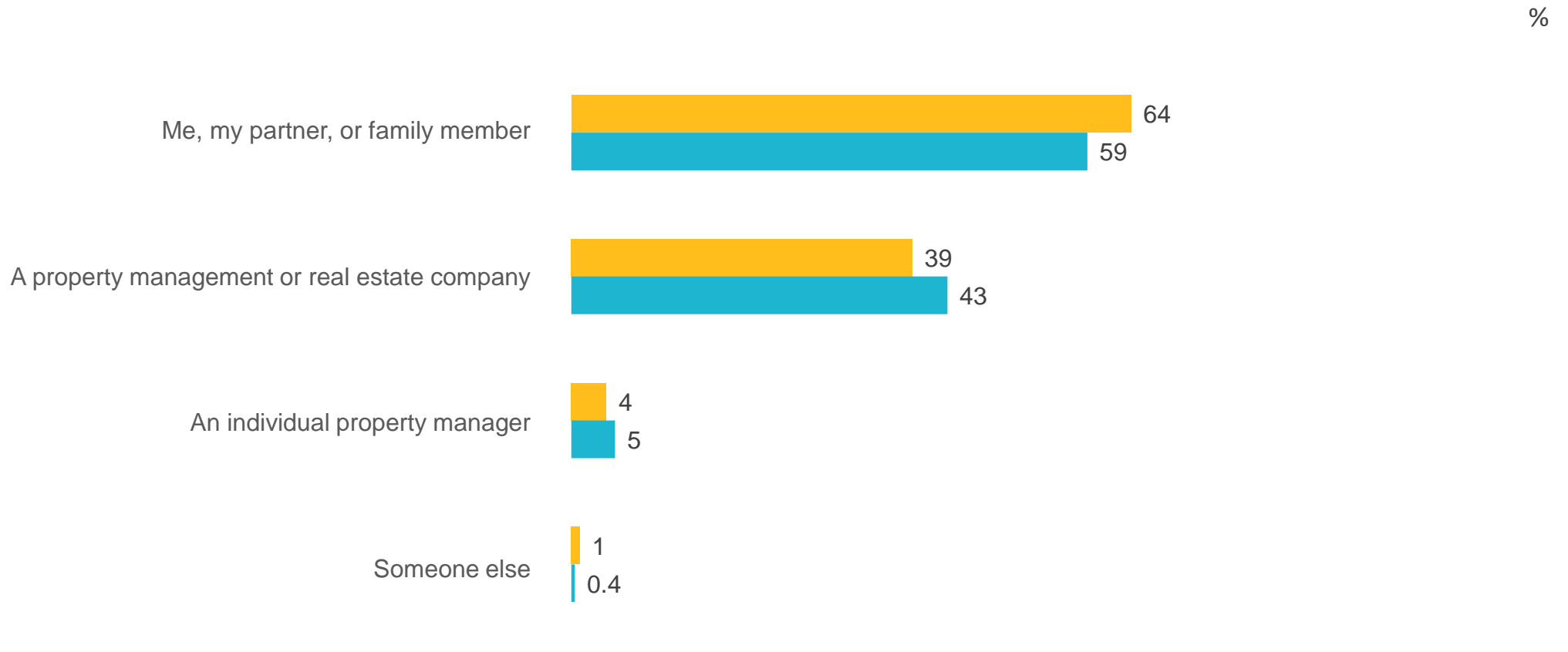
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Management of rental properties

Six in ten (59%) landlords manage their rental(s) themselves, down five percentage points from Wave 1 (this decrease is significant at the 90% confidence level). Just over four in ten (43%) say they use a property management or real estate company, largely consistent with last wave.

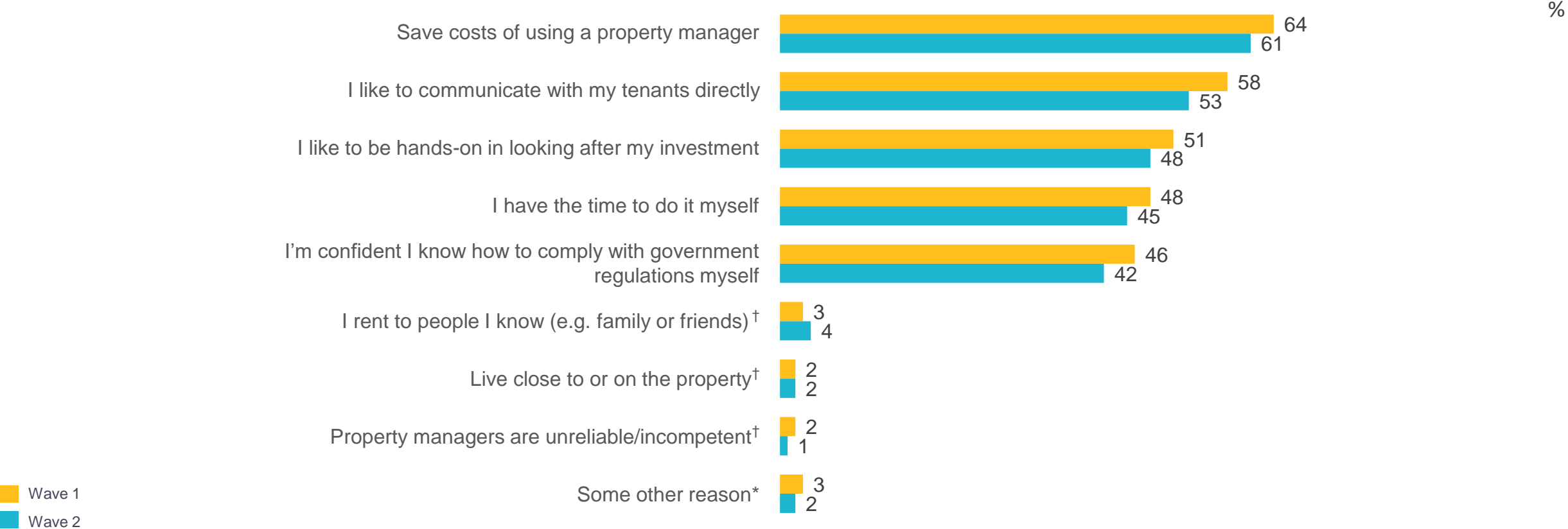
Management of rental property



Reasons for self-managing property

Saving money, and being hands-on with the care of their investment and their tenants, remain top of mind for landlords who prefer to self-manage their rental(s).

Reasons landlords manage their property or properties themselves



†Unprompted response (coded post fieldwork).

Base: Landlords who manage their property or properties themselves (Wave1 n=448, Wave 2 n=414).

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

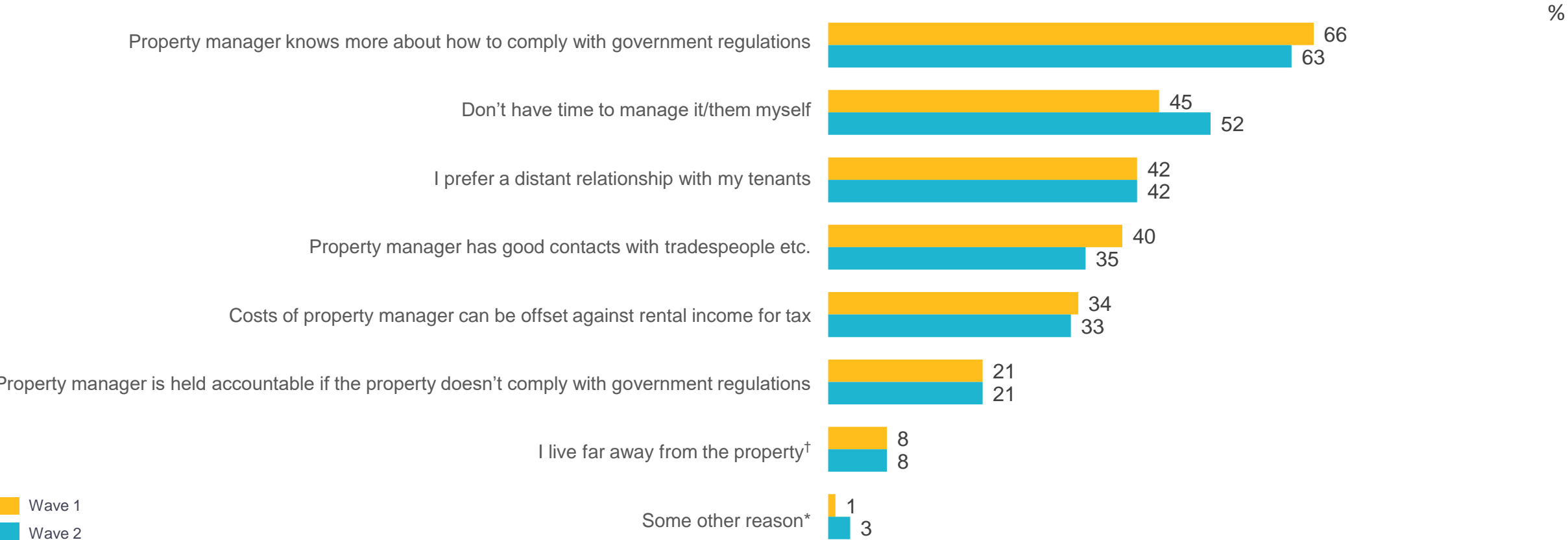
Note, less than 1% of people said 'Don't know' in each wave which is not shown on the chart above.

*Other reasons include: To build relationship with tenants, like to be hands on with maintenance, and I'm qualified to manage the property.

Reasons for using property manager

In line with Wave 1, landlords most commonly cite property managers' expert knowledge as their main motivation for using them. Time pressures, and preferring a more distant relationship with tenants, also remain key drivers.

Reasons landlords use property managers



Wave 1
Wave 2

%

Base: Landlords who do not manage their property or properties themselves (Wave 1 n=297, Wave 2 n=331).
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). *Other reasons include: To make life easier..



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Rental payments



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Average rent

Six in ten (60%) landlords say they charge \$500 or less per week for their rental property. This is broadly in line with the Wave 1 result (63%).

Average weekly rent charged

%

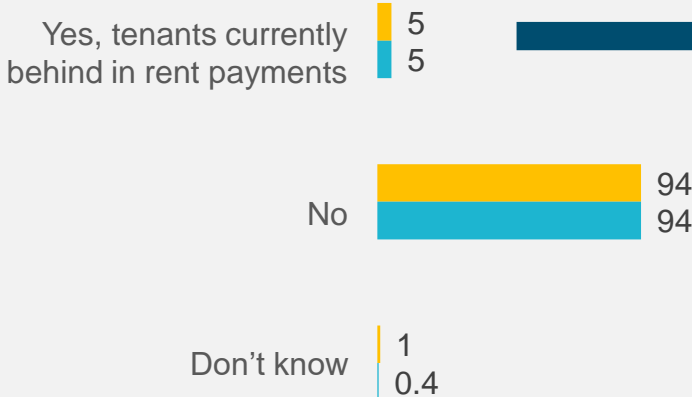


Base: All landlords (Wave 1 n=701, Wave 2 n=700).
 Source: Q12. Landlords with one property: "What is the weekly rent you charge for your current rental property?"
 Landlords with multiple properties: "What is the average weekly rent for your rental properties?"

Tenants' payments in arrears

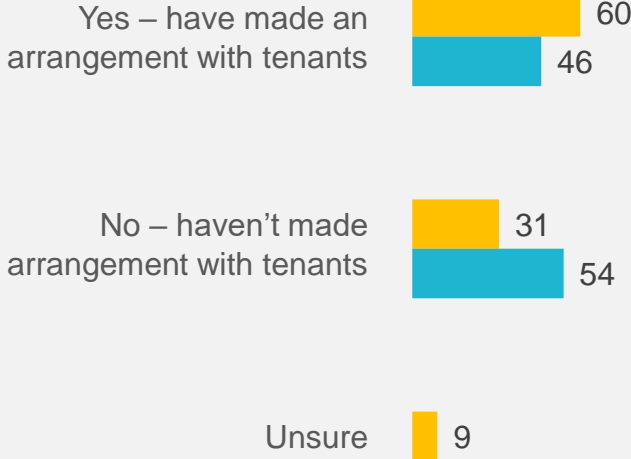
Of the small group (5%) of landlords who say their tenants are currently behind in their rental payments, just under half (46%) say they have an agreement with their tenants to this effect. 43% of landlords with rent arrears say their tenants are four weeks or more behind in rent payments, up from 29% in Wave 1 (though the small base sizes mean this increase is not statistically significant).

Whether tenants are currently behind in rent payments

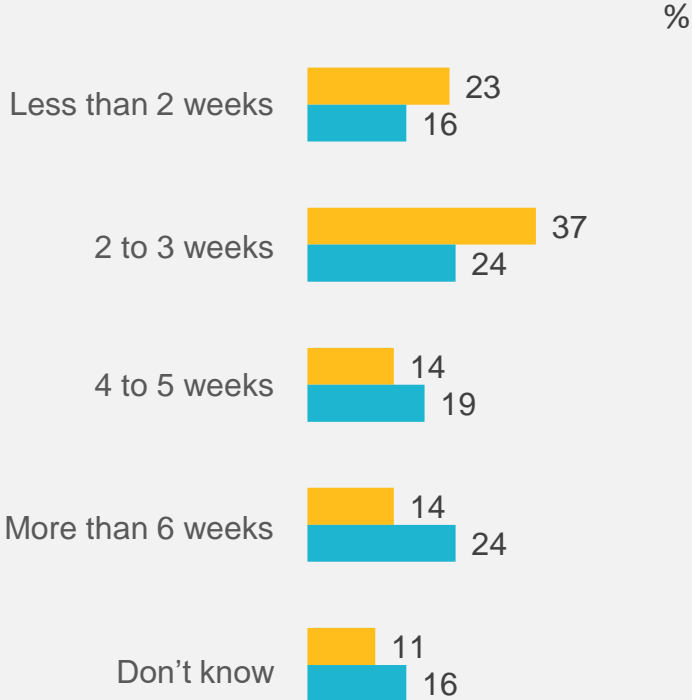


Wave 1
Wave 2

Arrangement made with tenants regarding rent arrears



Number of weeks tenants are behind in rent



%

Base: All landlords (Wave 1 n=701, Wave 2 n=700).
Source: Q9. "Are any of your tenants currently behind in their rent payments?"

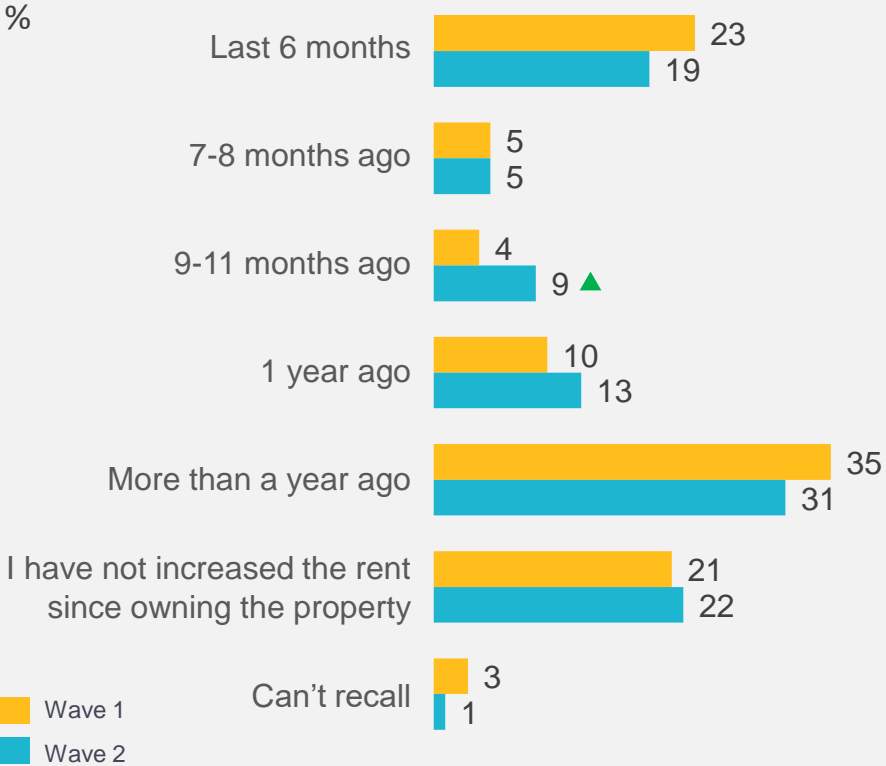
Base: Landlords with tenants with rent in arrears (Wave 1 n=35, Wave 2 n=37).
Source: Q10. "Have you made an arrangement with your tenants that means you agree to them being behind in their rent payments?"

Base: Landlords with tenants with rent in arrears (Wave 1 n=35, Wave 2 n=37).
Source: Q11. "Around how many weeks are your tenants behind in rent?"
▲ / ▼ Indicates a significant increase/decrease since Wave 1

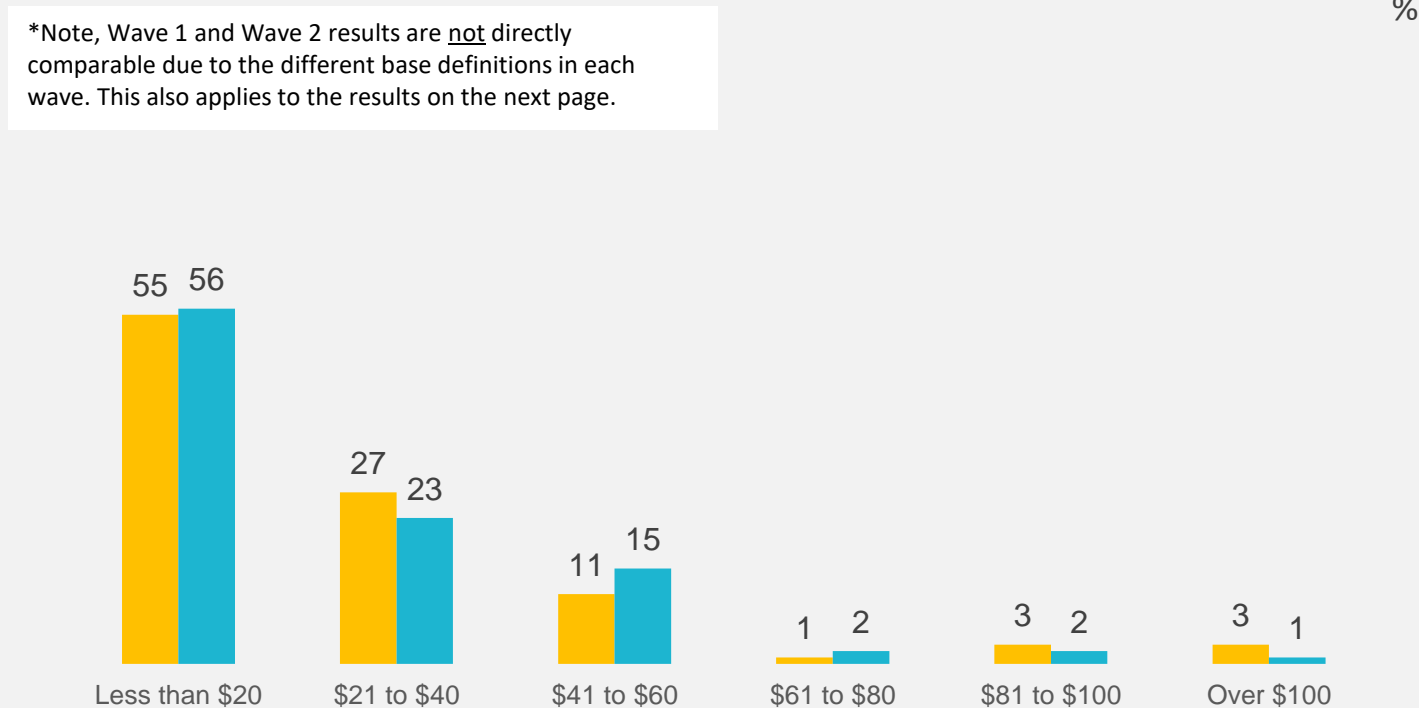
Timing and size of rent increases

One in five (19%) landlords increased the rent in the last six months. In Wave 2, most (80%) landlords who increased the rent since owning the property did so by \$40 per week or less.

When landlords last increased the rent



Size of rent increase



Base: All landlords (Wave 1 n=701, Wave 2 n=700). Source: Q13. "When did you last increase the rent (for any of your rental properties)?"

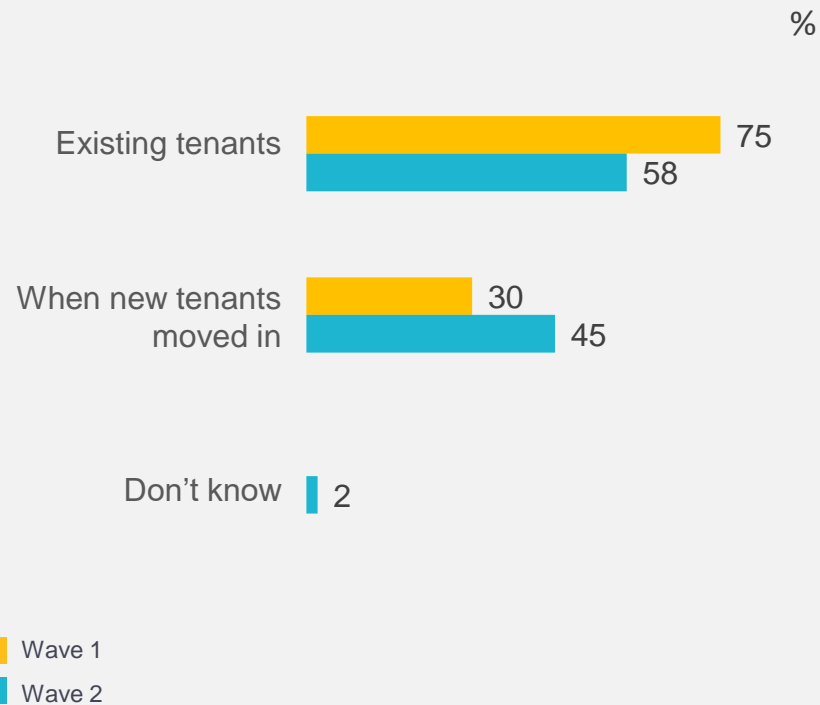
Base: Wave 1: Landlords who increased rent within the last six months (n=159), Wave 2: Landlords who increased rent (any time period) (n=540). Source: Q14. "Still thinking about the last increase, how many dollars did you increase the weekly rent by?"

▲ / ▼ Indicates a significant increase/decrease since Wave 1

Reasons for rent increases

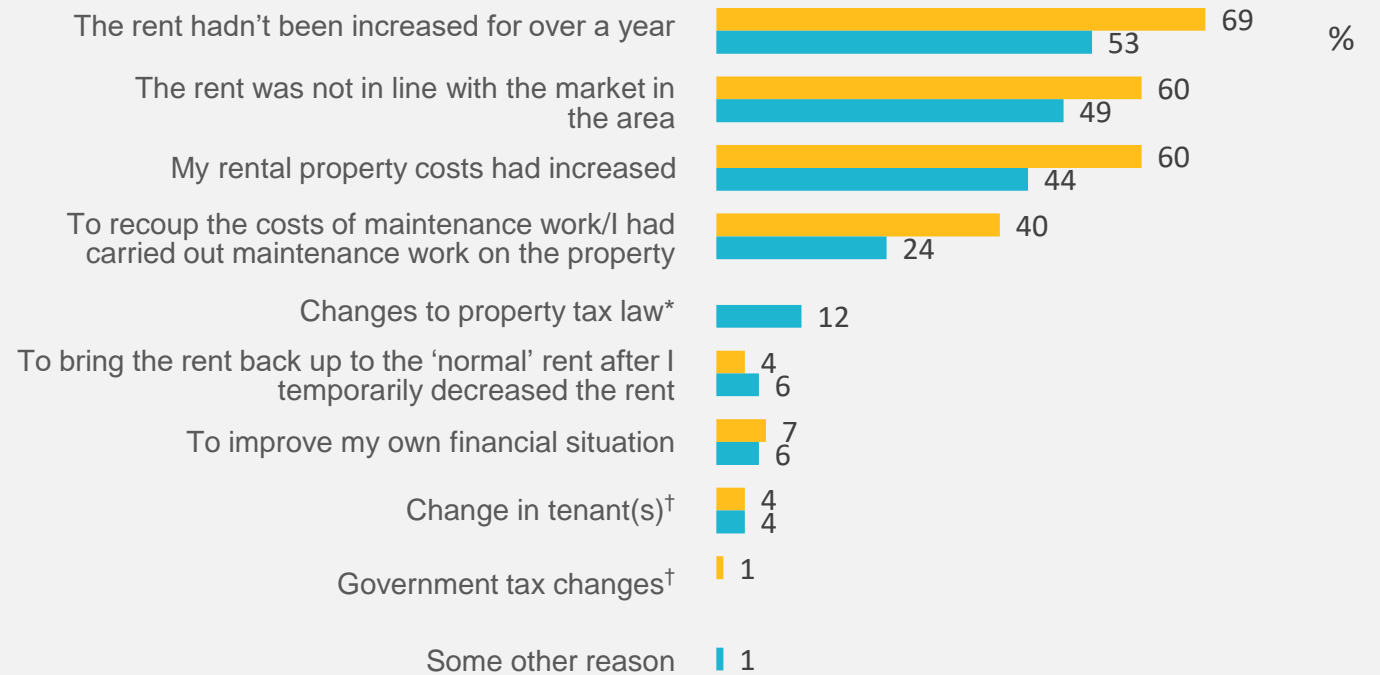
In Wave 2, six in ten (58%) landlords increased the rent for existing tenants, while 45% increased the rent for a new tenancy. As seen in Wave 1, landlords' key reasons for doing so include it being over a year since the last increase, wanting to match market rent rates, and wanting to cover increased rental costs including maintenance work.

Whether rent increased for existing or new tenants



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.

Reason for last rent increase

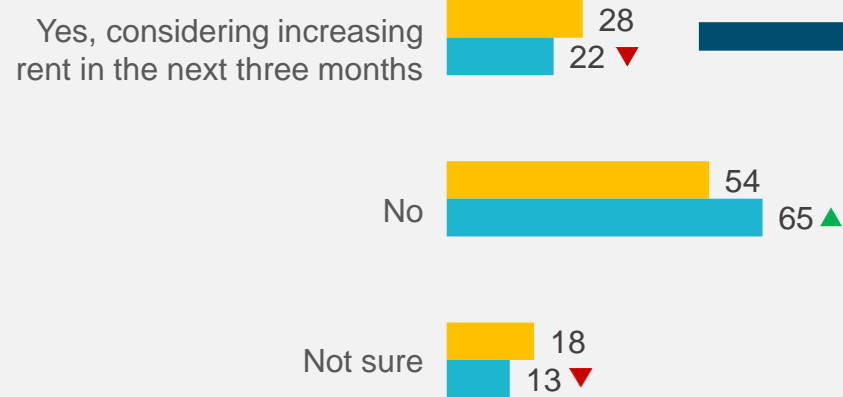


Source: Q15a. "Was the last rent increase because..."
†Unprompted response (coded post fieldwork). * New category added in Wave 2.

Landlord intentions for future rent increases

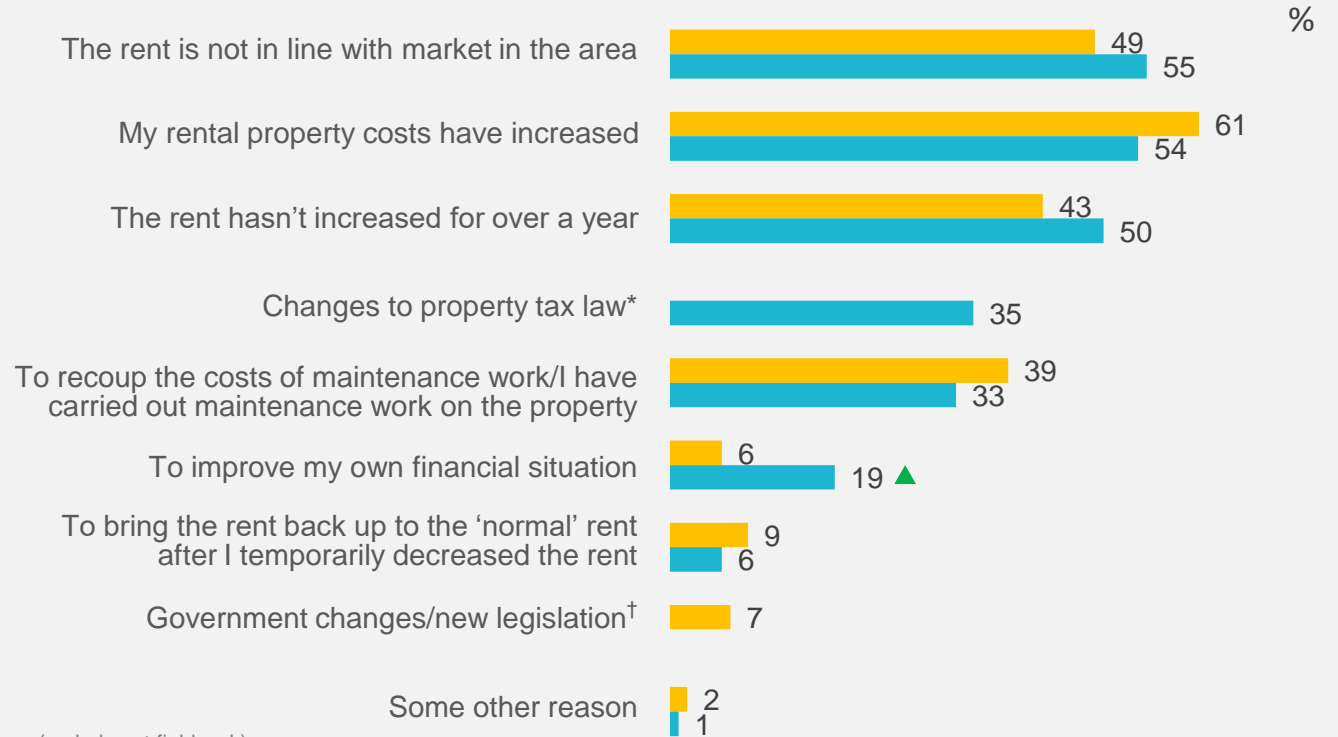
Around one in five (22%) landlords who haven't recently increased the rent are considering an increase in the next three months, down 6 percentage points since Wave 1. In line with the first wave, these landlords are motivated by increased market rents, higher property costs, and feeling like it is 'time' for an increase. 35% cited changes to property tax law, a new category added this wave.

Whether considering increasing the rent in the next three months



Wave 1
Wave 2

Reason for considering rent increase in next three months

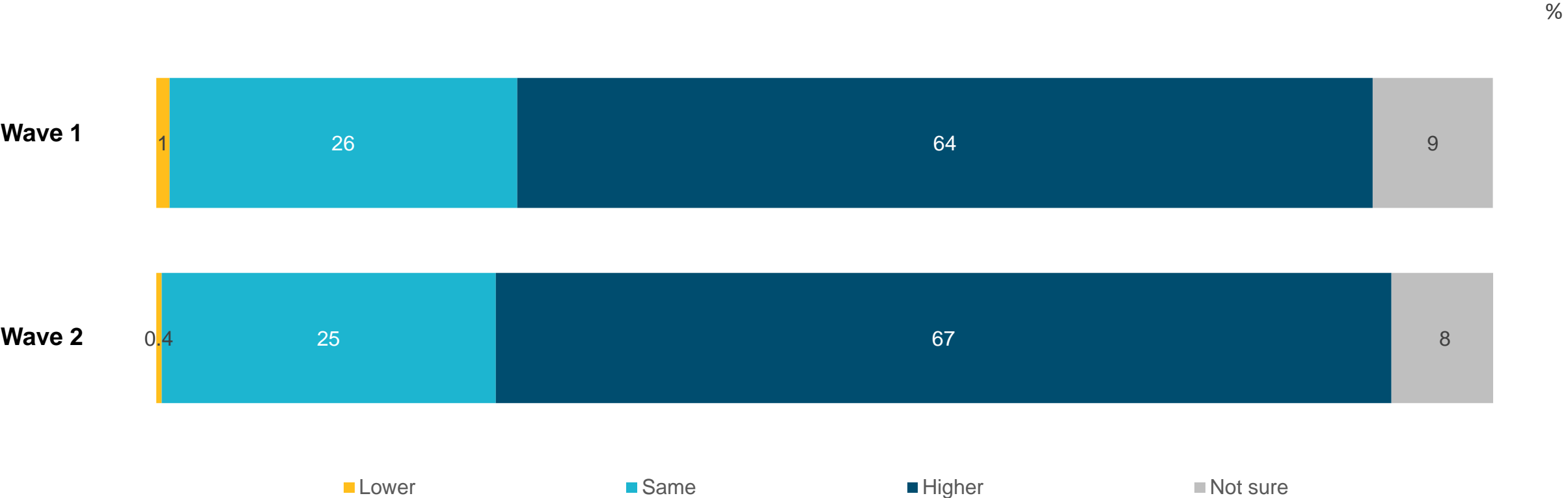


†Unprompted response (coded post fieldwork).
* New category added in Wave 2.

Landlords' rent intentions for new tenants

Two thirds (67%) of landlords say they would increase the current rent for new tenants. This is broadly in line with the Wave 1 finding (64%).

Rental price for new tenants



Base: All landlords (Wave 1 n=701, Wave 2 n=700).
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



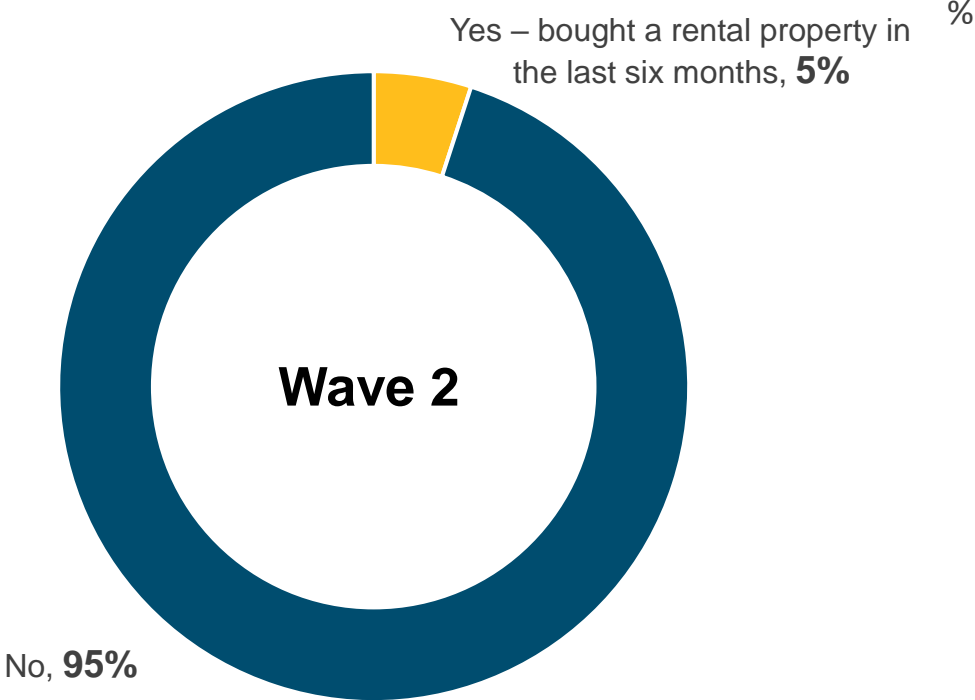
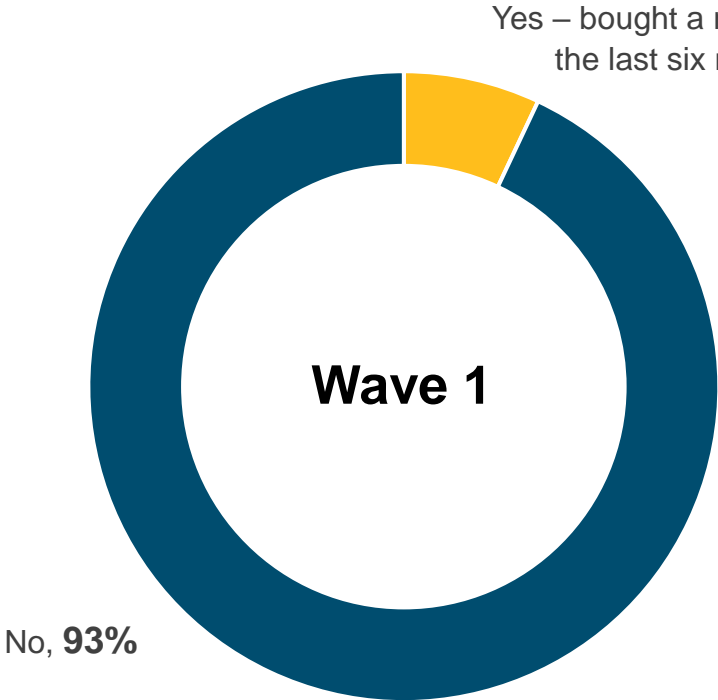
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Buying rental property

A small proportion (5%) of landlords have bought a rental property in the last six months. This is consistent with Wave 1 (7%).

Whether bought a rental property in the last six months

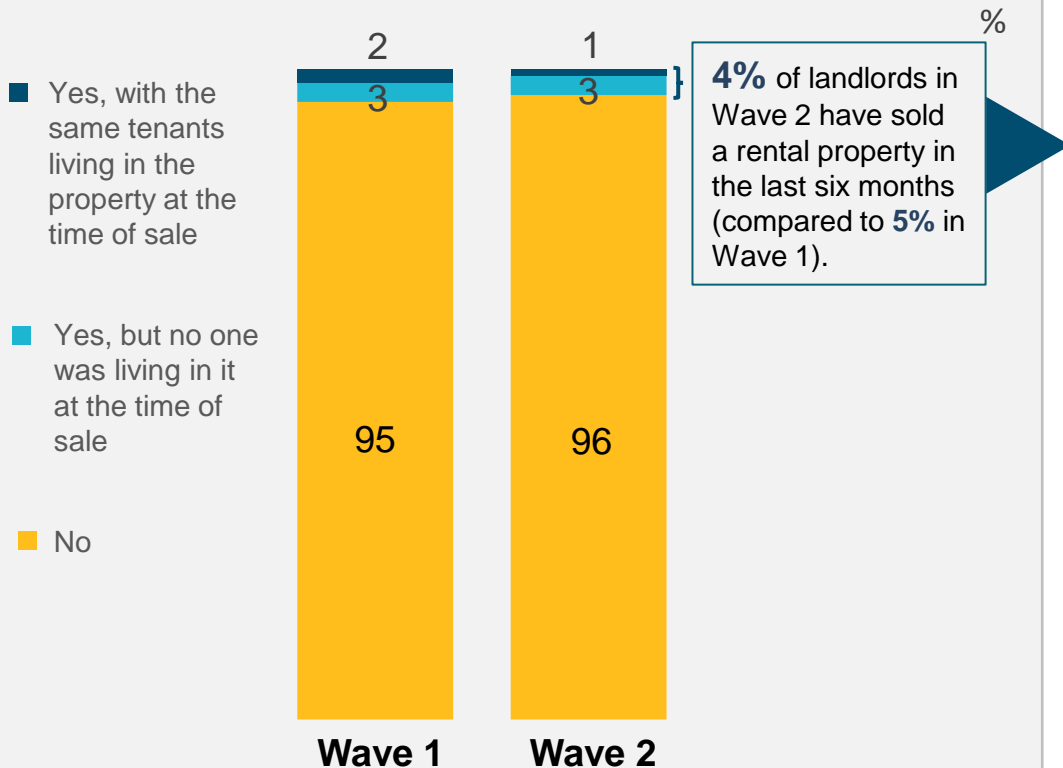


Base: All landlords (Wave 1 n=701, Wave 2 n=700).
Source: Q21. "Have you bought a rental property in the last six months?"

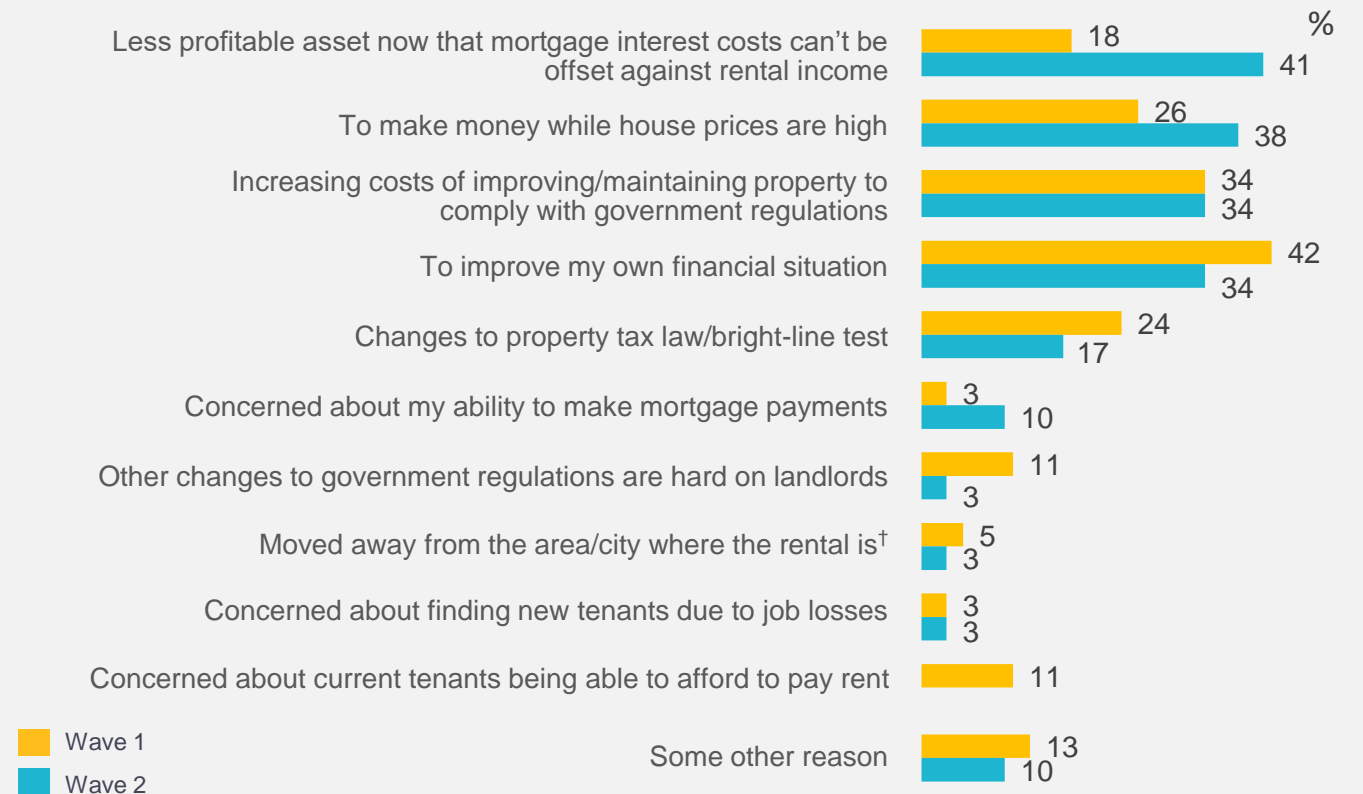
Selling rental property

One in twenty (4%) landlords have sold a rental property in the last six months. Most of these 4% of landlords cite financial reasons for doing so, including feeling that housing is less profitable now, wanting to making the most of high house prices and increased financial burden of compliance and maintenance costs.

Whether sold a rental property in the last six months



Reasons for selling the property



Base: All landlords (Wave 1 n=701, Wave 2 n=700).
Source: Q22 and Q24.

▲ / ▼ Indicates a significant increase/decrease since Wave 1

Note, 0.1% of landlords sold the property but are unsure of the occupancy at the time of sale in Wave 1. No landlords said this in Wave 2. This is not shown on the chart.

Base: Landlords who have sold a property in the last six months (Wave 1 n=38, Wave 2 n=29*).

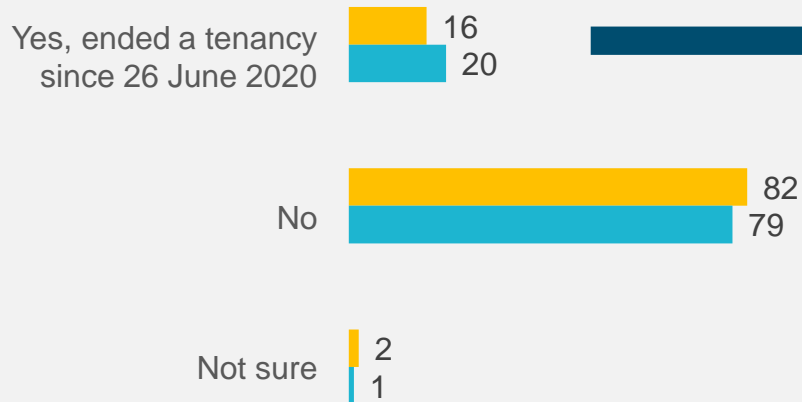
[†]Unprompted response (coded post fieldwork).

*Caution: Small base size.

End of tenancy

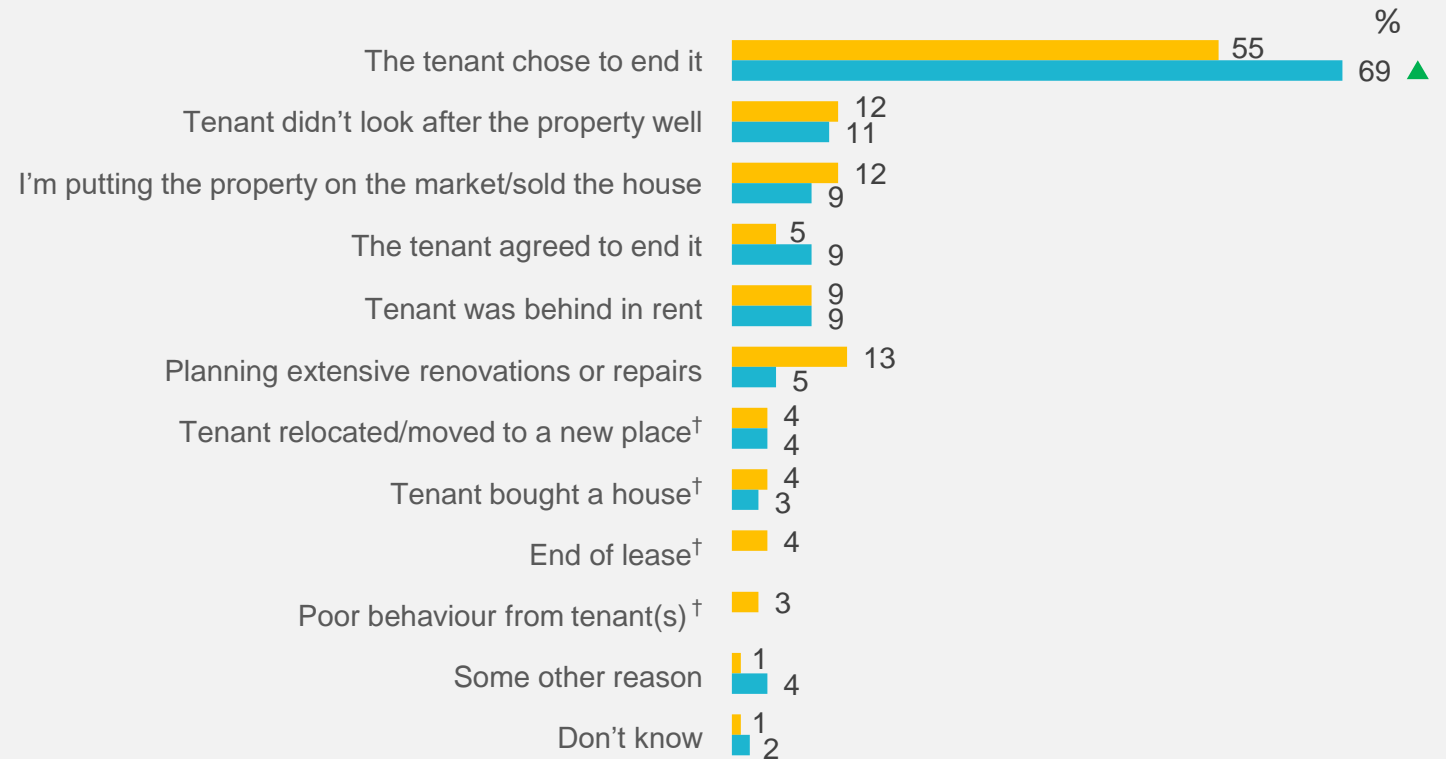
Two in ten (20%) landlords have ended a tenancy since 26 June 2020; the increase of four points since Wave 1 is statistically significant at the 90% confidence level. Seven in ten (69%) landlords say the tenant chose to end it, a significant increase since Wave 1 (55%). Irresponsible tenants, wanting to sell the house and rent arrears are among the less common reasons.

Whether ended a tenancy since 26 June 2020



Wave 1
Wave 2

Reason for ending the tenancy



†Unprompted response (coded post fieldwork).



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Landlords' plans for selling rental properties



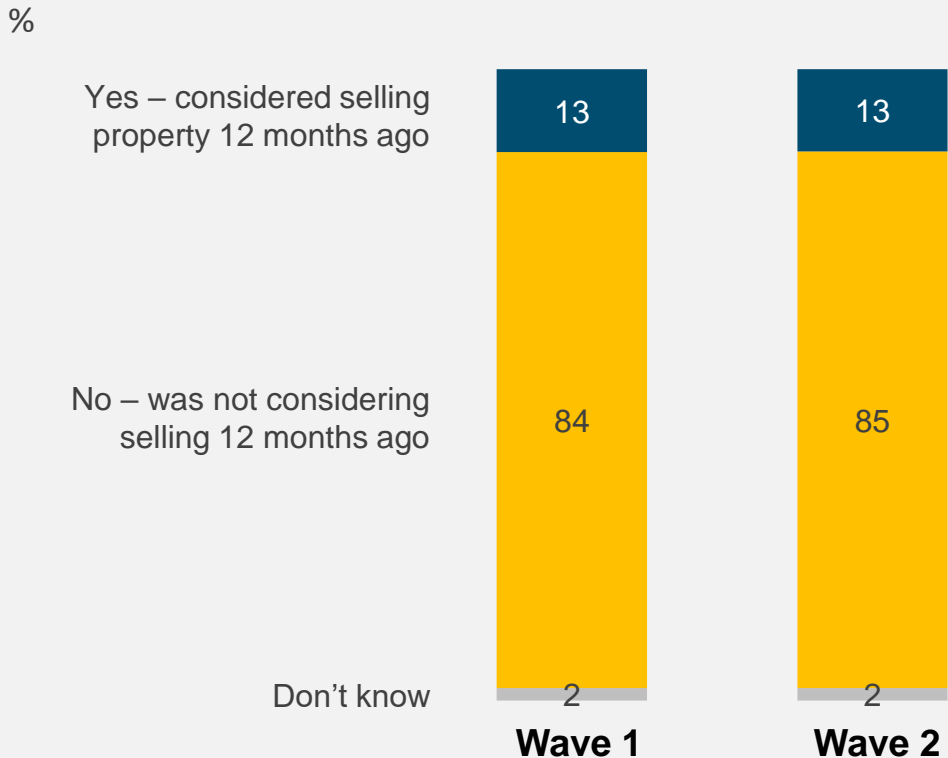
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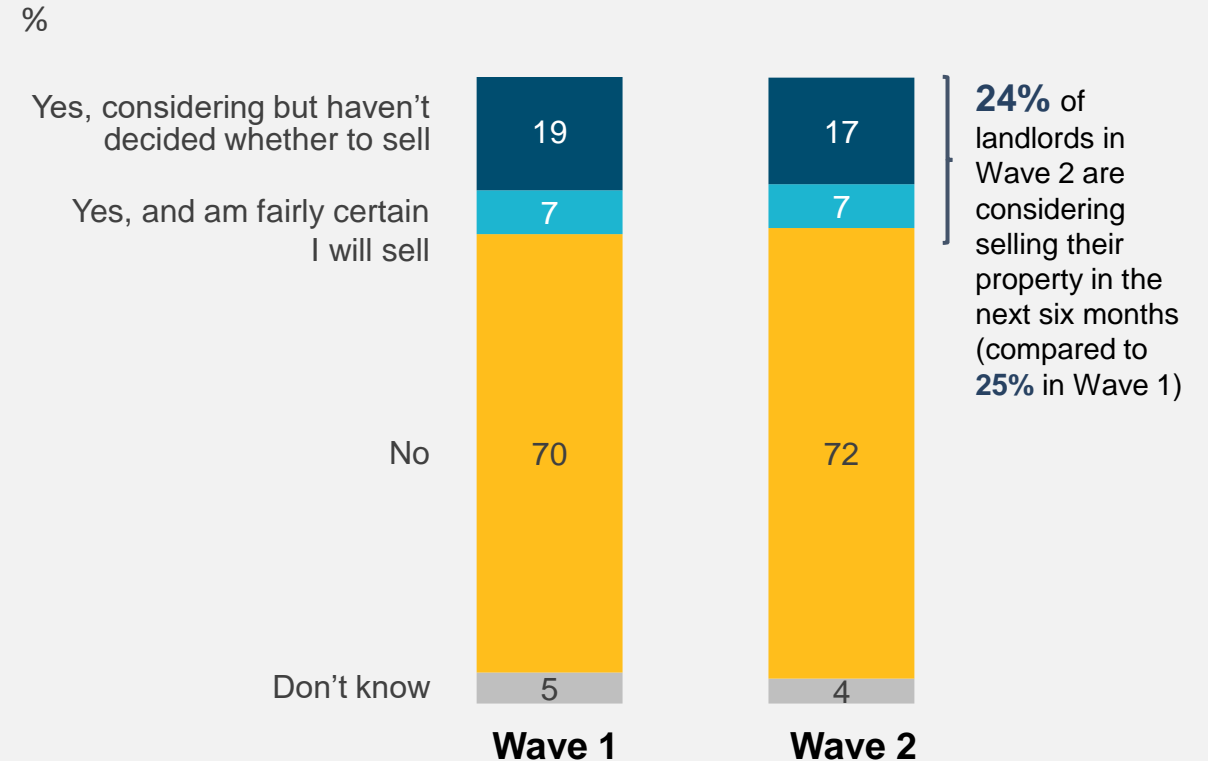
Landlord intentions for rental property

Consistent with Wave 1 findings, more landlords (24%) are now considering selling a property in the next six months than were thinking about selling 12 months ago (13%).

Whether considering selling property 12 months ago



Whether considering selling property in next six months



Base: All landlords (Wave 1 n=701, Wave 2 n=700).
Source: Q26. "Were you considering selling your (rental property/one or more of your rental properties) 12 months ago?"

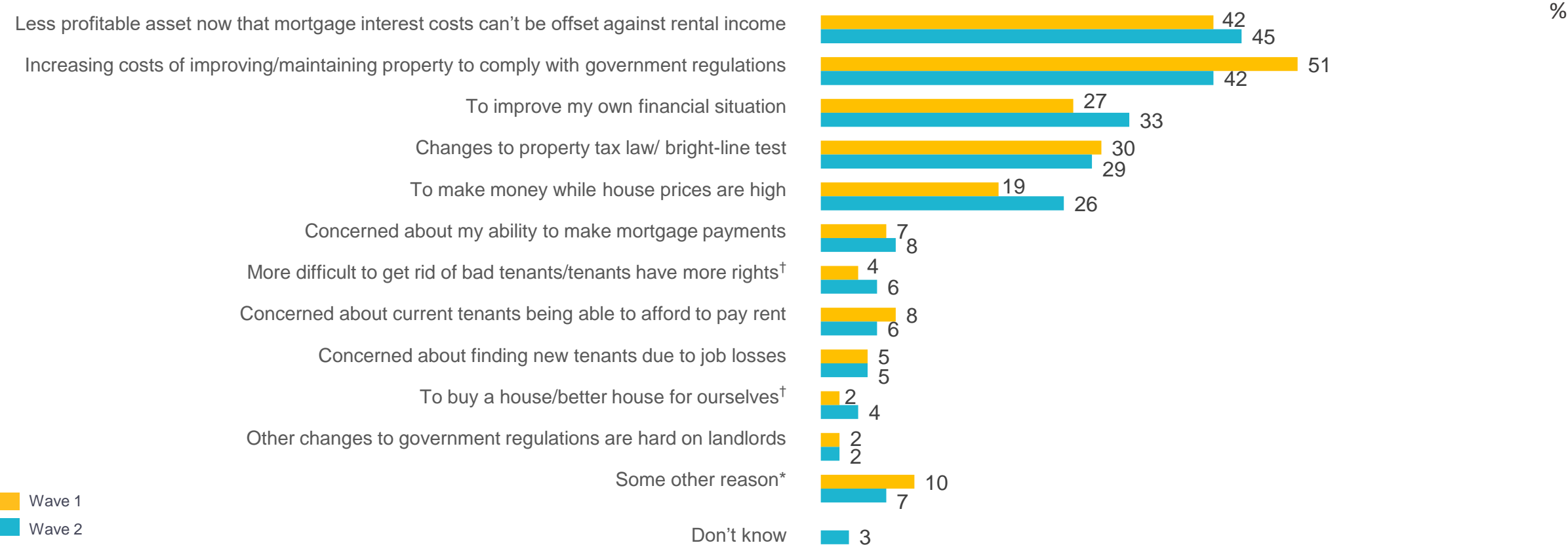
▲ / ▼ Indicates a significant increase/decrease since Wave 1

Base: All landlords (Wave 1 n=701, Wave 2 n=700).
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

Just under half of the 24% of landlords who are thinking about selling a property in the next six months feel property is a less profitable investment given the changes in rules around mortgage interest rates. Increased compliance costs are also top of mind for landlords.

Reasons why landlords are considering selling in the next six months



Wave 1
Wave 2

%

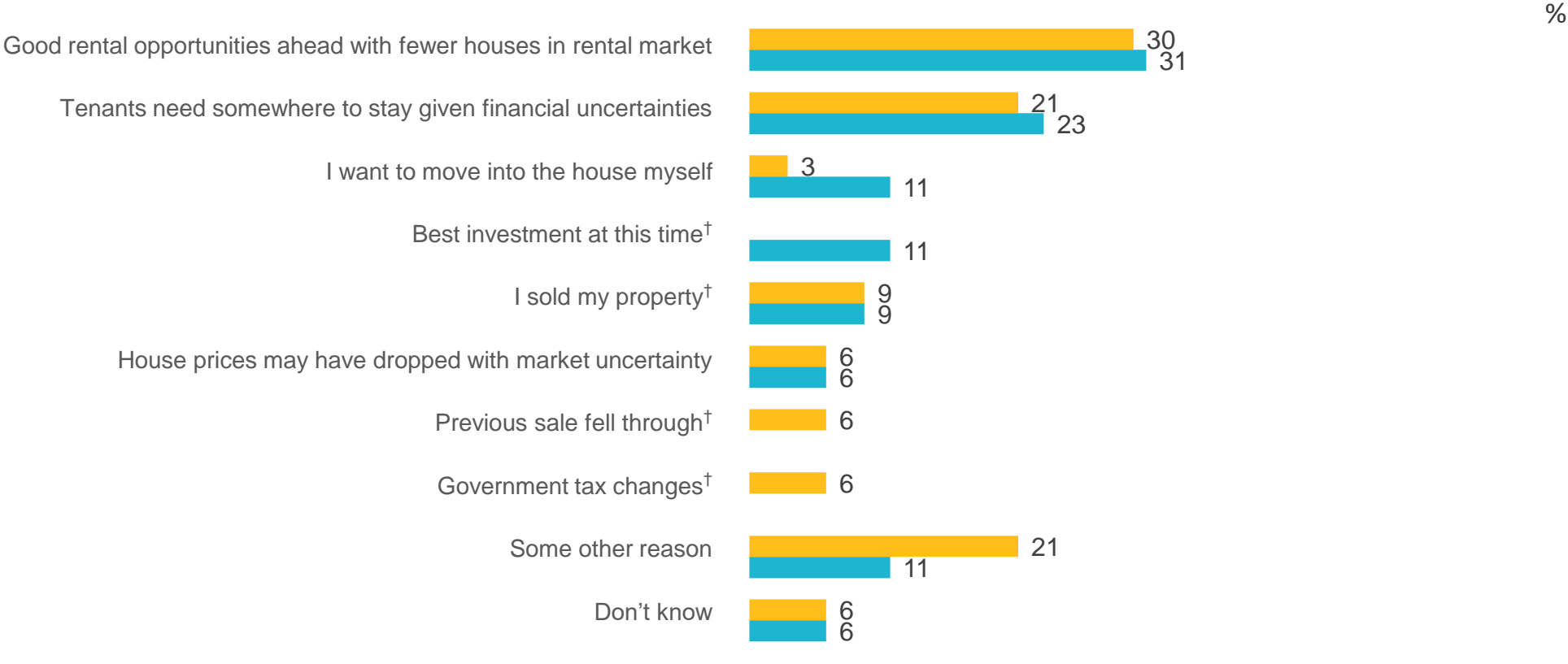
Base: Landlords who are considering selling property in the next six months (Wave 1 n=177, Wave 2 n=168).
 Source: Q27. "Why are you now considering selling your rental property?"
 *Other reasons include: For health reasons, tenancy issues/hard to find good tenants, current tenants want to buy the property and retiring... †Unprompted response (coded post fieldwork).

Weakened motivations to sell

As in Wave 1, 5% of landlords were considering selling property 12 months ago but now no longer are.

The most common reasons for landlords' reconsideration remain optimism about the future of the rental market, and a desire to provide housing for tenants during uncertain times.

Reasons why landlords are no longer considering selling



Wave 1
Wave 2

Base: Landlords who were considering selling property 12 months ago, but now are not considering selling in the next six months (Wave 1 n=33, Wave 2 n=35).
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



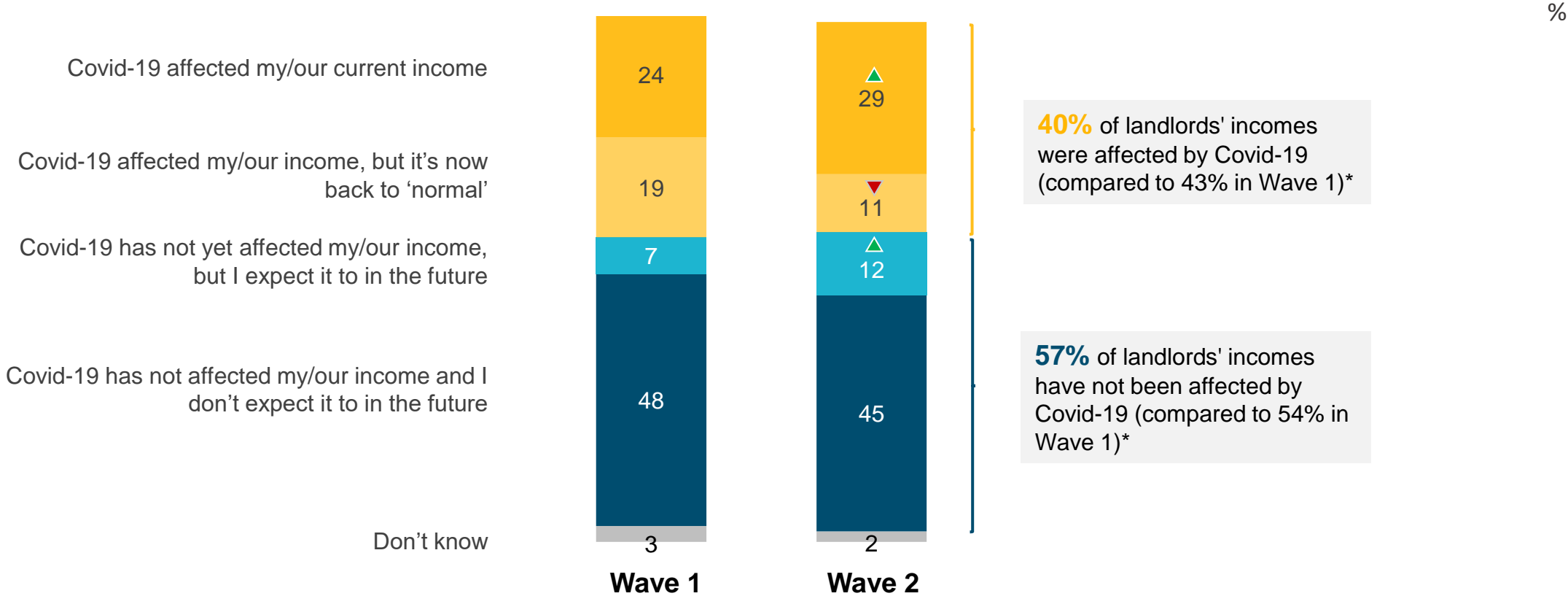
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Landlords' financial situations

Three in ten (29%) landlords say their current income is impacted by COVID-19, a significant increase from Wave 1 (24%).

Impact of COVID-19 on landlords' incomes



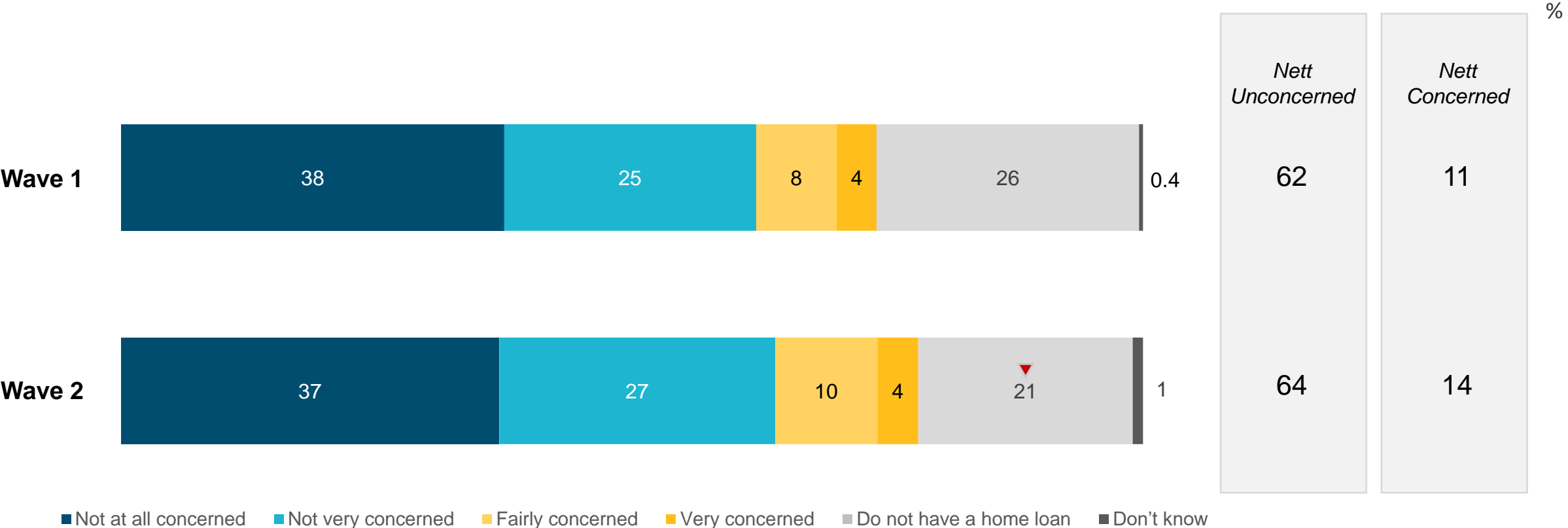
Base: All landlords (Wave 1 n=701, Wave 2 n=700).
 Source: Q35. "Thinking about your (and your partner's) income from all sources, which one of these statements comes closest to your situation?"
 *Note, these differences are not statistically significant.

▲ / ▼ Indicates a significant increase/decrease since Wave 1

Concern about mortgage payments

Broadly in line with Wave 1, 14% of landlords say they are concerned about their mortgage payments in the coming months. The proportion of landlords who do not have a home loan has decreased significantly (21%, compared to 26% in Wave 1).

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



Base: All landlords (Wave 1 n=701, Wave 2 n=700).
 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



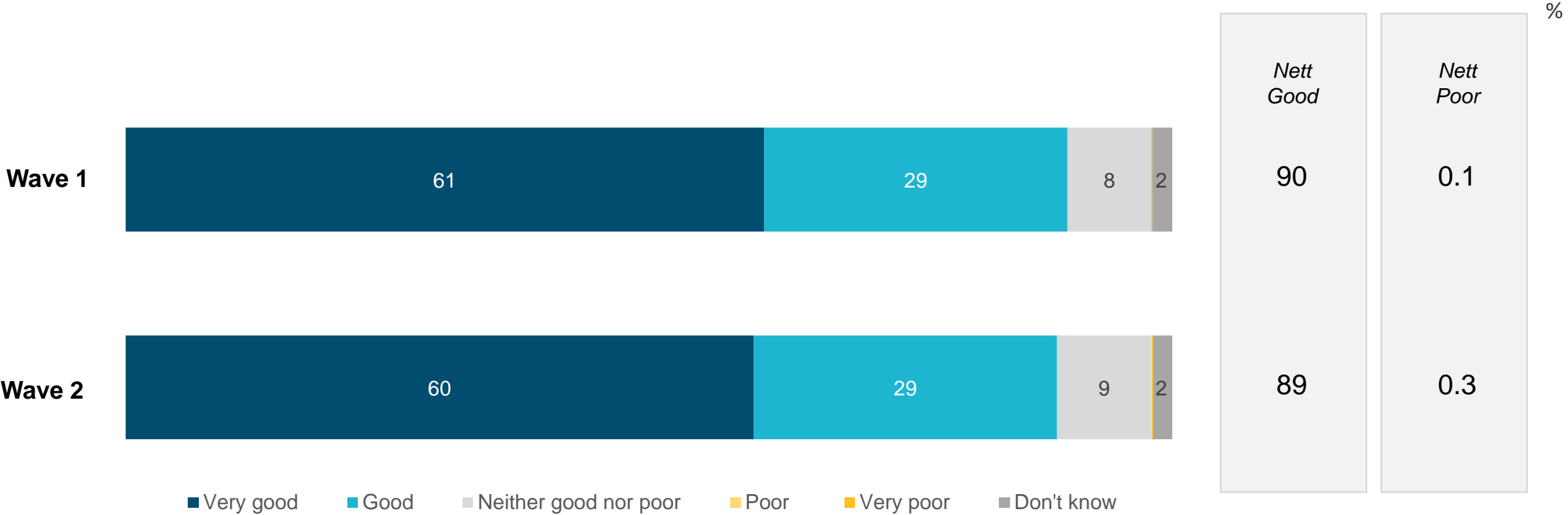
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Relationship with tenants

Most (89%) landlords feel they have a positive relationship with their tenants, consistent with Wave 1.

Relationship with tenants

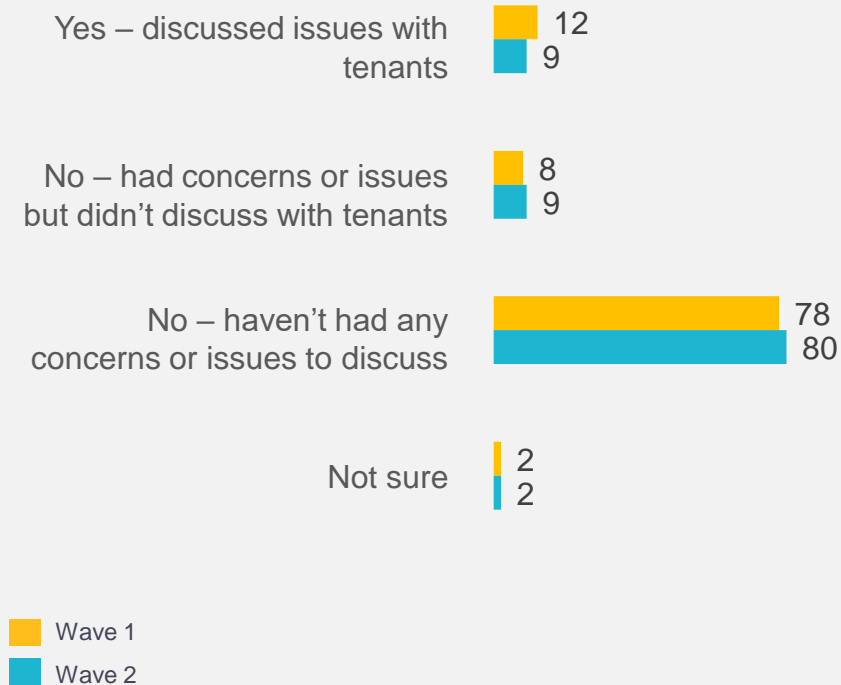


Base: All landlords (Wave 1 n=701, Wave 2 n=700). Source: Q6. "Overall, which of these best describes your relationship with your tenants?"

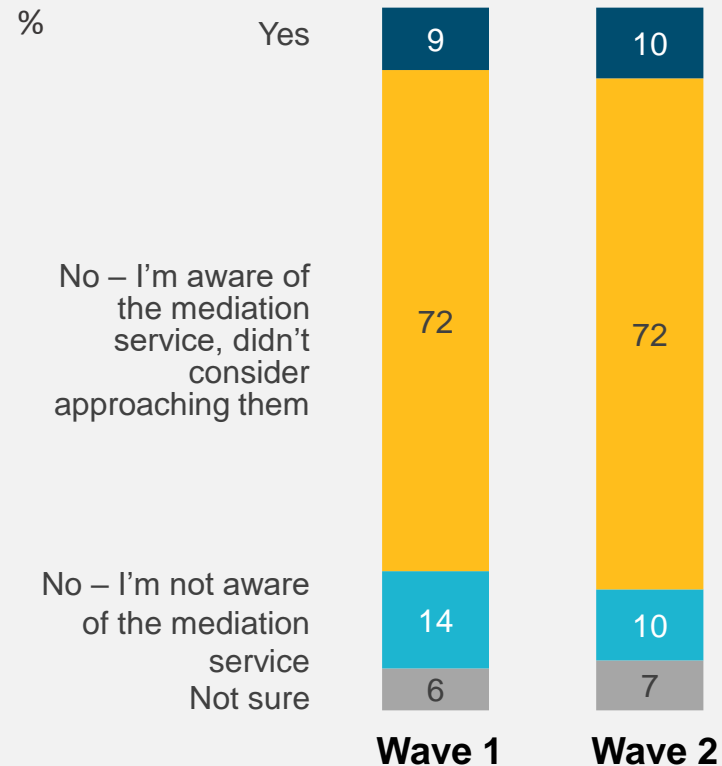
Tenancy issues

18% of landlords had concerns or issues with their tenants. Though most of these landlords are aware of the Tenancy Service's mediation service, only 10% considered it. Likewise, few (11%) seriously considered approaching the Tenancy Tribunal to help resolve the issue or dispute. These results remain largely unchanged since Wave 1.

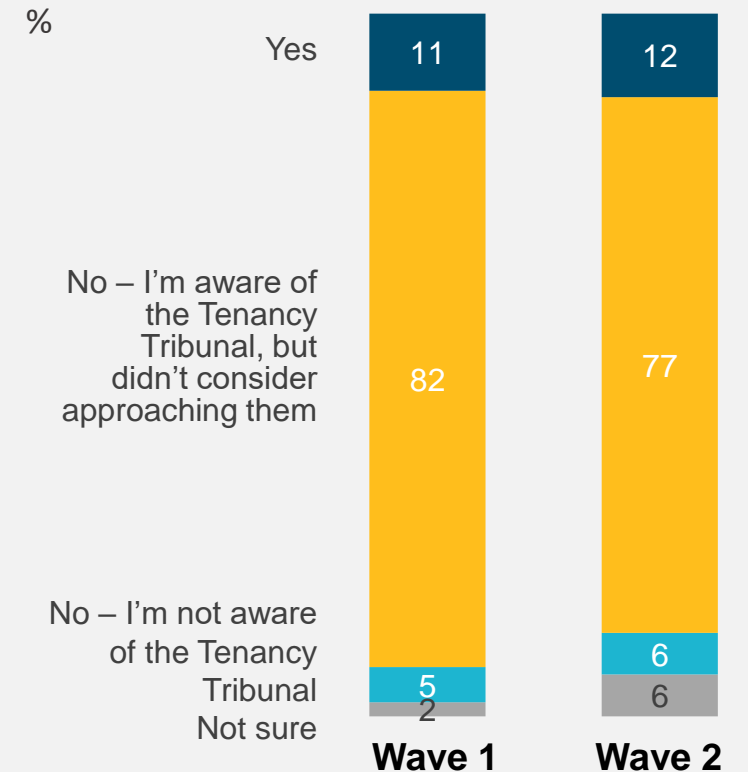
Whether discussed any significant tenancy issues with tenants



Whether seriously considered mediation service provided by Tenancy Services



Whether seriously considered approaching the Tenancy Tribunal



Base: All landlords (Wave 1 n=701, Wave 2 n=700).
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 (Wave 1 n=140, Wave 2 n=126).
Source: Q30. "Had you seriously considered the mediation service that Tenancy Services provides, to assist with resolving the issues with your tenants?"

Source: Q31. "Had you seriously considered approaching the Tenancy Tribunal to help resolve the issue?"

▲ / ▼ Indicates a significant increase/decrease since Wave 1



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