



**MINISTRY OF HOUSING
AND URBAN DEVELOPMENT**

Landlords Pulse Survey Topline report

November 2022



KANTAR PUBLIC

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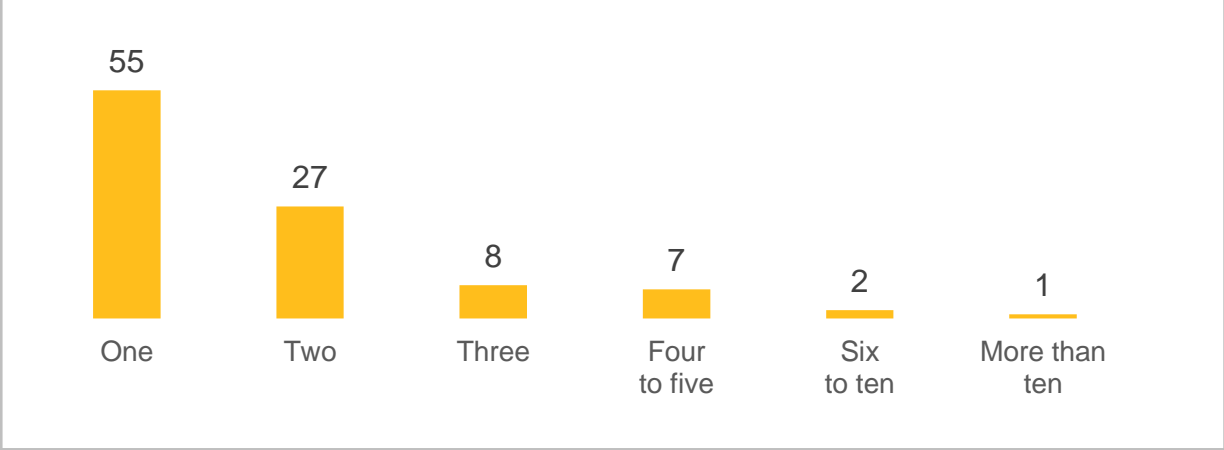
Research objectives and method

The Ministry of Housing and Urban Development has commissioned Kantar Public to undertake 'pulse' surveys of renters and landlords to help inform its understanding of the impacts of recent legislative changes on the residential rental market. This report provides the results for the fourth wave (conducted from October to November 2022), with comparisons made with the previous three waves where appropriate (conducted in April 2021, October 2021 and May 2022).

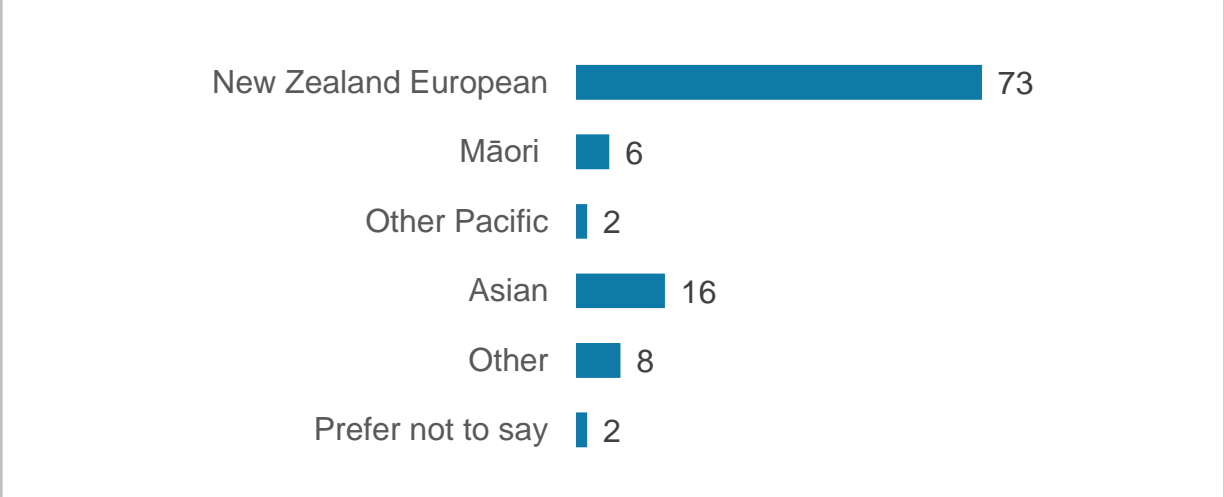
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- A nationwide online survey of **700 landlords**, defined as landlords who currently receive rental payments for residential property or properties they own.
 - Maximum margin of error on the total sample (at the 95% confidence level) is **+/-3.7%**.
 - Fieldwork for the fourth wave was conducted from **21 October to 4 November 2022**.
 - 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 (November 2022 only)

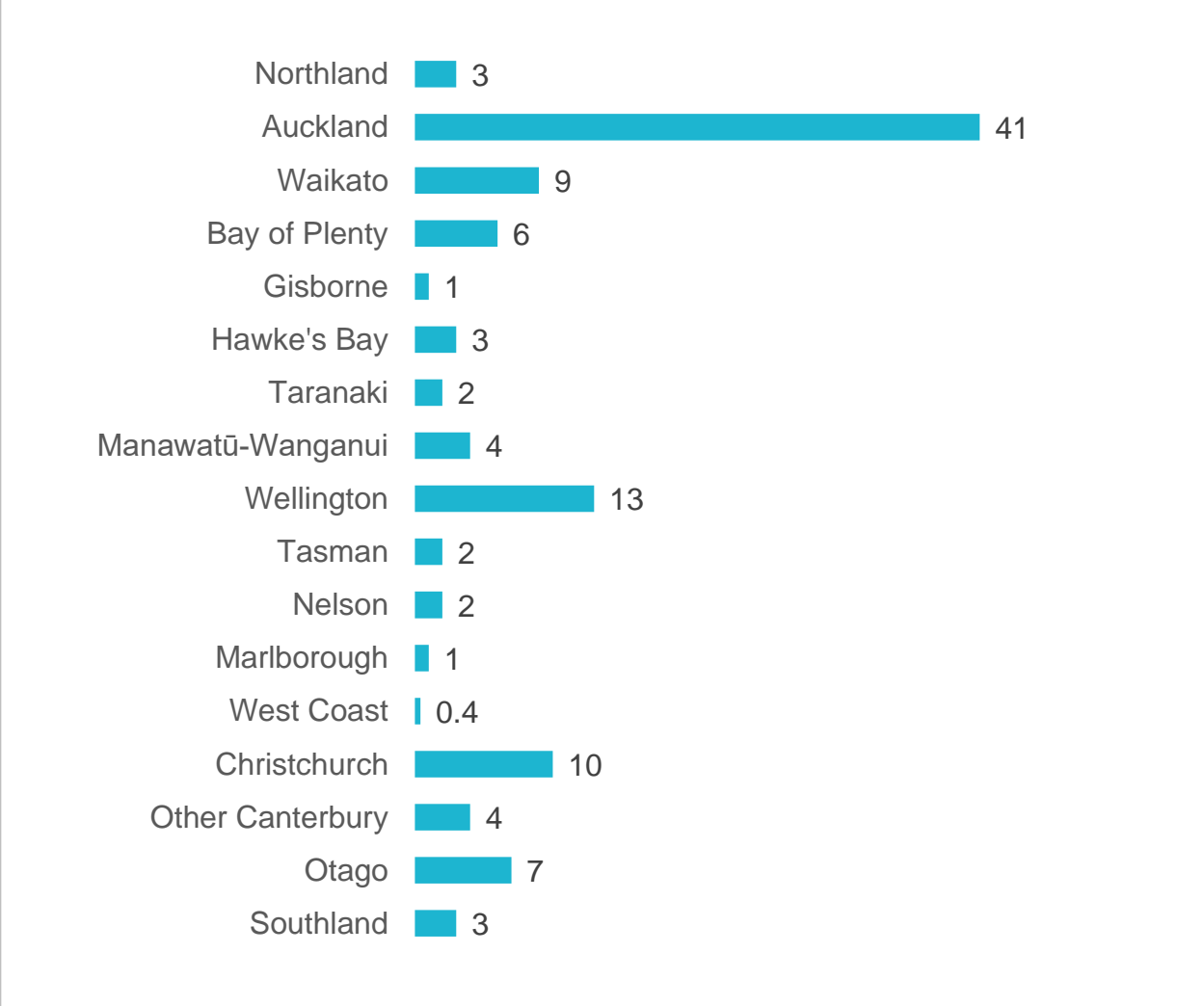
% Residential rental properties owned



% Ethnicity**



% Region**



Base: All landlords. Showing results for November 2022 only (n=700).
 Source: S2, Q1, Q34.
 Note that some totals do not add to 100% due to rounding. **Multiple responses allowed so totals do not add to 100%



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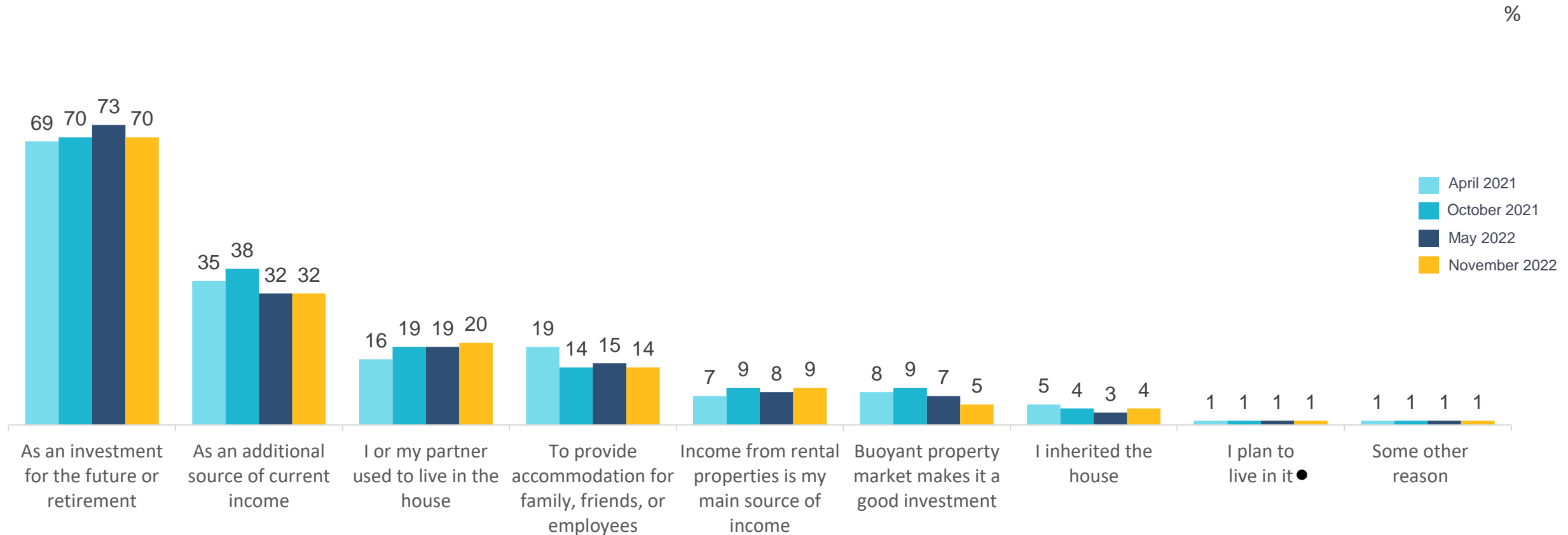
Landlord motivations

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Reasons for buying a rental property

Landlords most often chose to invest in property to provide a source of income, with seven in ten investing for their future or retirement (70%), three in ten supplementing their main source of income (32%) and one in ten saying this is their main source of income (9%). Others become landlords more incidentally, having previously lived in the property themselves (20%) or inheriting it (4%). Landlords' motivations have remained consistent over time.

Motivations for investment



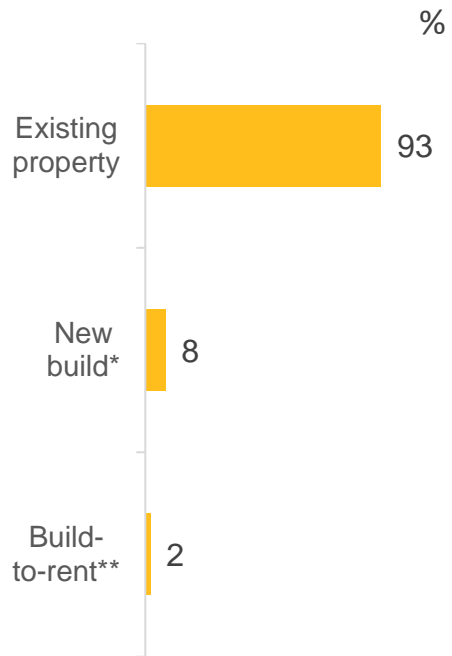
Base: All landlords (Apr '21 n=701, Oct '21 n=700, May '22 n=700, Nov '22 n=700).
 Source: Q2. "Landlords invest in rental properties for a range of reasons. Why did you choose to do this?"
 Multiple responses allowed so totals do not add to 100%

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

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

Most landlords invest in existing property (93%), with 8% investing in new builds and 2% investing in build-to-rent property. The low maintenance of new builds and build-to-rent properties are the biggest drivers (69% for new builds, 64% for build-to-rent), and they are seen as cheaper or more convenient than alternatives. Interest deductibility (30%) and a shorter bright-line period (22%) also motivate landlords to invest in new builds.

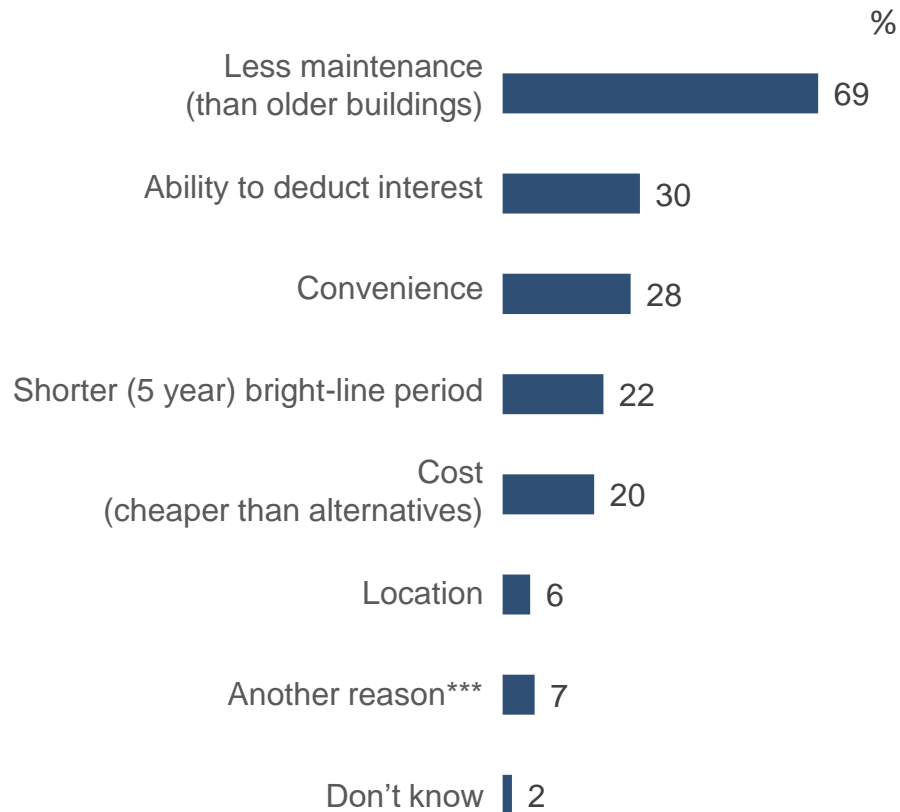
Type of rental property



***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.

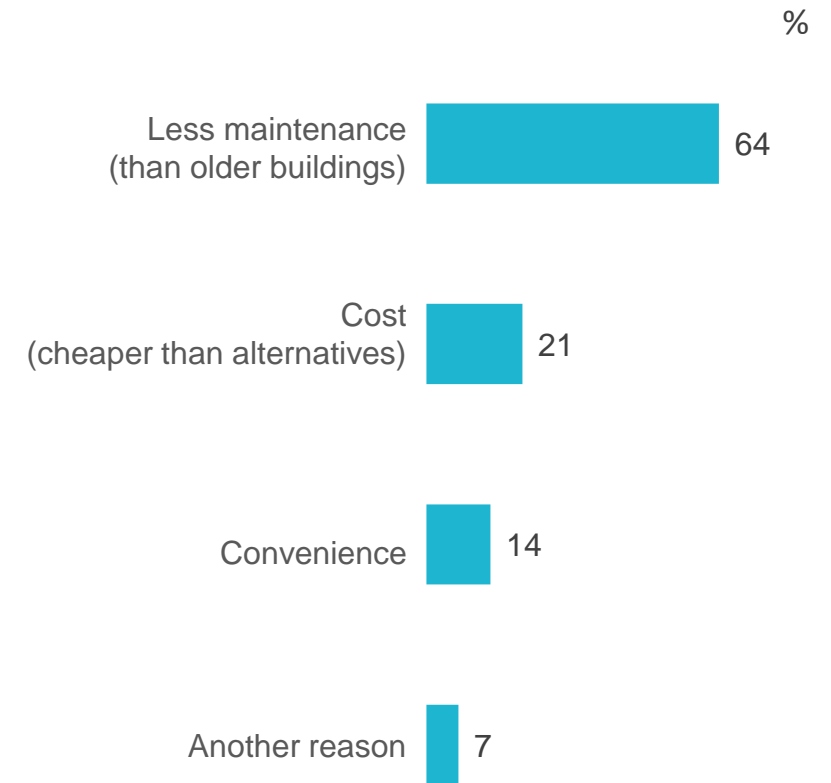
****Build-to-rent:** A multi-unit, professionally managed development offering long-term rentals to tenants. Investors own shares in the development rather than an individual unit.

Reasons for buying a new build



Base: Landlords who have bought a new build (Nov '22 n=54). Asked for the first time in Nov '22. Source: Q2a 'Which of the following best describes your rental property/properties?' *** Other reasons include higher returns, warmth and already having land available.

Reasons for investing in build-to-rent property



Base: Landlords who have bought a new build (Nov '22 n=14). Asked for the first time in Nov '22. Source: Q2c 'Why did you invest in a build-to-rent property?'



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Landlord property management

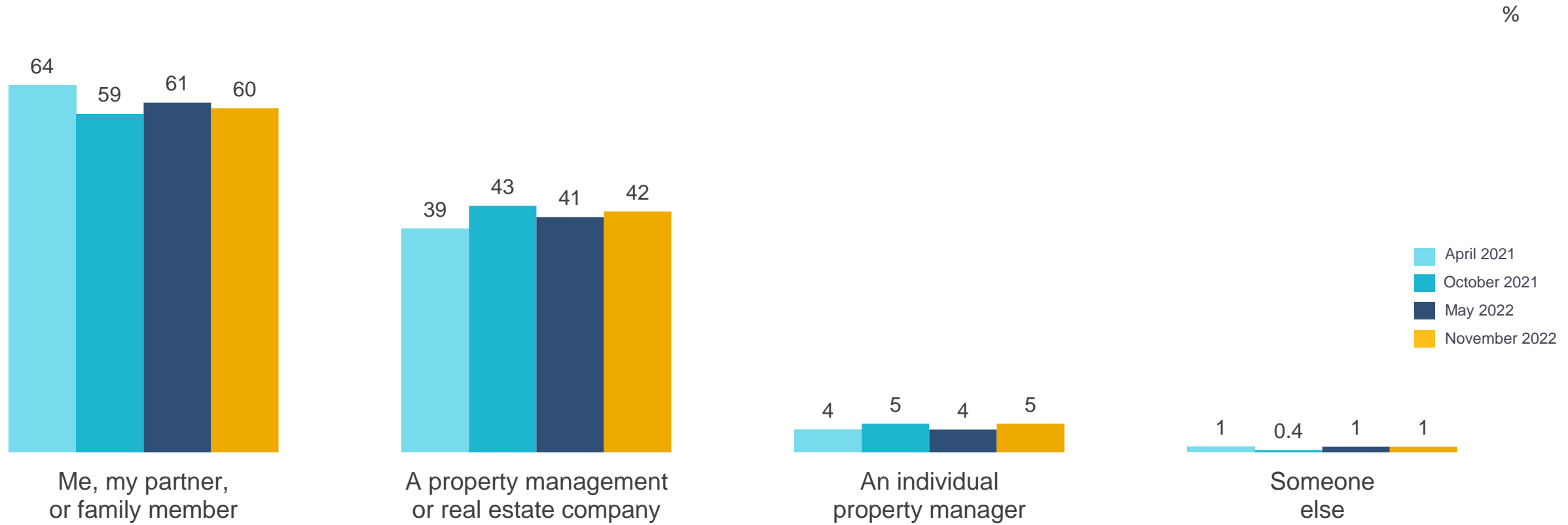


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Management of rental properties

Three out of five (60%) landlords personally manage their rental property/properties and just over two out of five (42%) use a property management or real estate company. Another 5% use an individual property manager. Overall, these results have remained fairly consistent over time.

Management of rental property

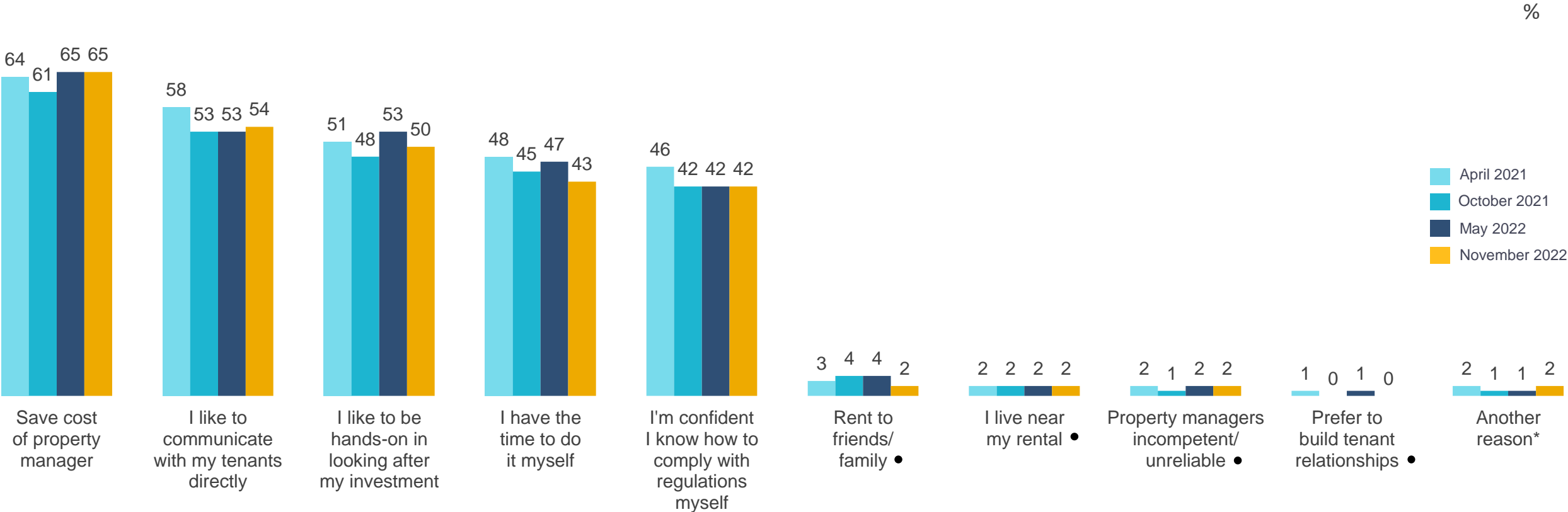


Base: All landlords (Apr '21 n=701, Oct '21 n=700, May '22 n=700, Nov '22 n=700).
Source: Q3. "Who manages your rental property/properties?"
Multiple responses allowed so totals do not add to 100%

Reasons for self-managing property

Cost savings drive landlords to self-manage (65% of landlords who self-manage), along with wanting to be more hands on (54% like to talk directly with tenants, 50% like to be hands on generally) .

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).
 Source: Q5. "Why do you manage the property yourself, rather than using a property manager?"
 Note, less than 1% said 'Don't know' in each wave which is not shown on the chart above. Multiple responses allowed so totals do not add to 100%. *Other reasons include being unaware of the option to use property managers, being interested in learning about property management, or having an uninsured property that property managers will not manage.

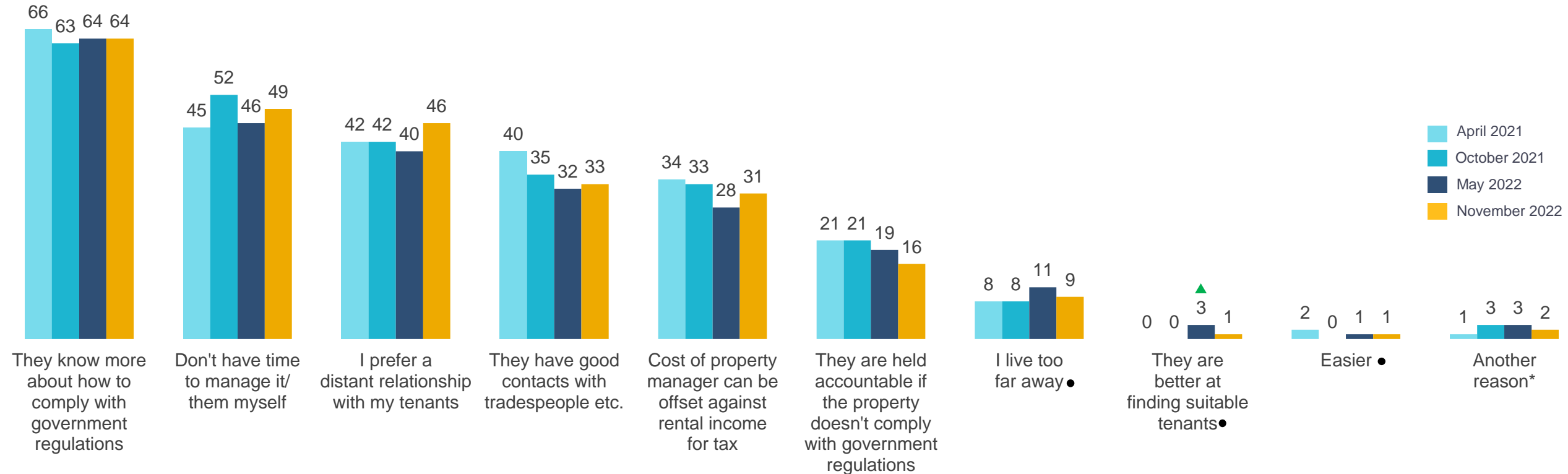
▲ Significant increase from previous wave
 ▼ Significant decrease from previous wave
 ● Unprompted response (coded post fieldwork)

Reasons for using property manager

Landlords use property managers for their regulatory/compliance expertise (64% of those who use a property manager), to save time (49%) and to encourage distant relationships with tenants (46%). Key motivations to use a property manager have remained mostly consistent with the previous three waves.

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).

Source: Q4. "Why do you use a property management or real estate company/an individual property manager, rather than managing the property yourself?"

*Other reasons include: They knows more about market rent and trends, they can vet tenants, requirement of complex/insurance. 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)



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Rental payments

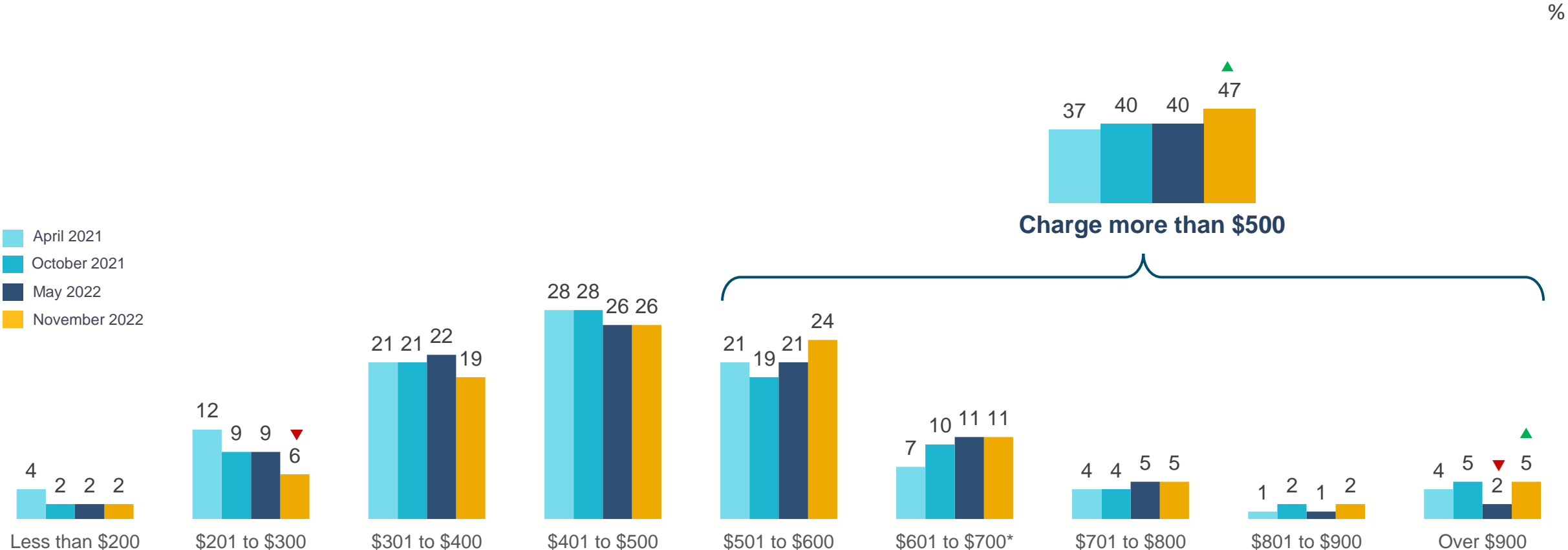


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Average rent

Landlords reported higher average rents this wave. Almost half of landlords (47%) say they charge more than \$500 per week (up seven points since the previous two waves).

Average weekly rent charged

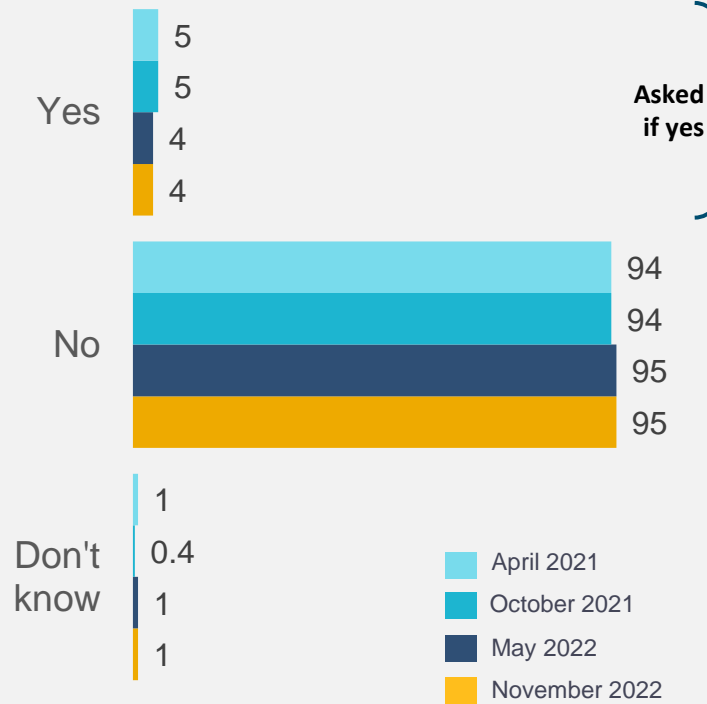


Base: All landlords (Apr '21 n=701, Oct '21 n=700, May '22 n=700, Nov '22 n=700).
 Source: Q12. Landlords with one property: "What is the weekly rent you charge for your current rental property/properties?"
 Landlords with multiple properties: "What is the average weekly rent for your rental properties?"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

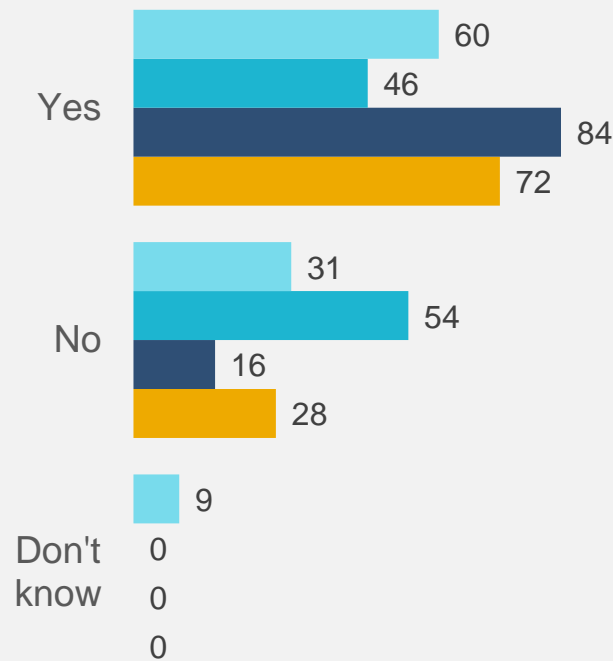
Tenants' payments in arrears

A small group of landlords (4%) have tenants who are currently behind on their rental payments. Almost three quarters (72%) of these landlords have made arrangements with their tenants regarding rent arrears. Almost half (48%) of tenants with rent arrears are behind by more than four weeks.

Are tenants currently behind in rent payments?

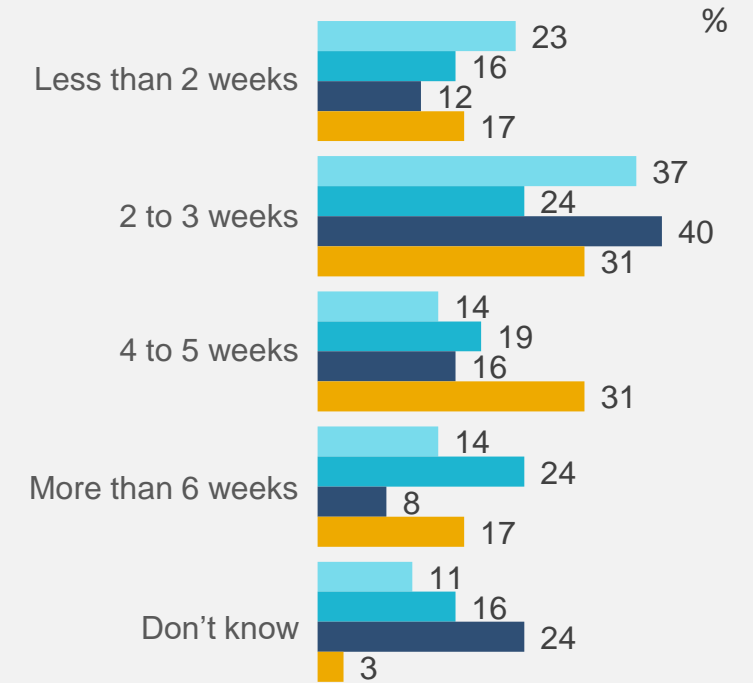


Has an arrangement been made with tenants regarding rent arrears?*



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

Number of weeks tenants are behind in rent*

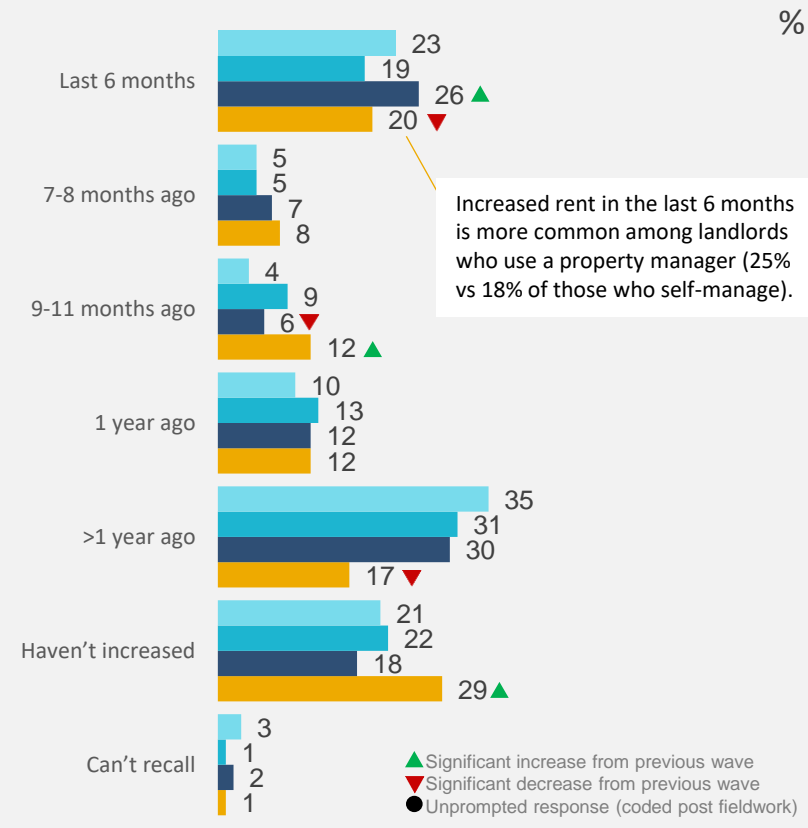


*Note, none of the above changes over time are statistically significant

Timing and size of rent increases

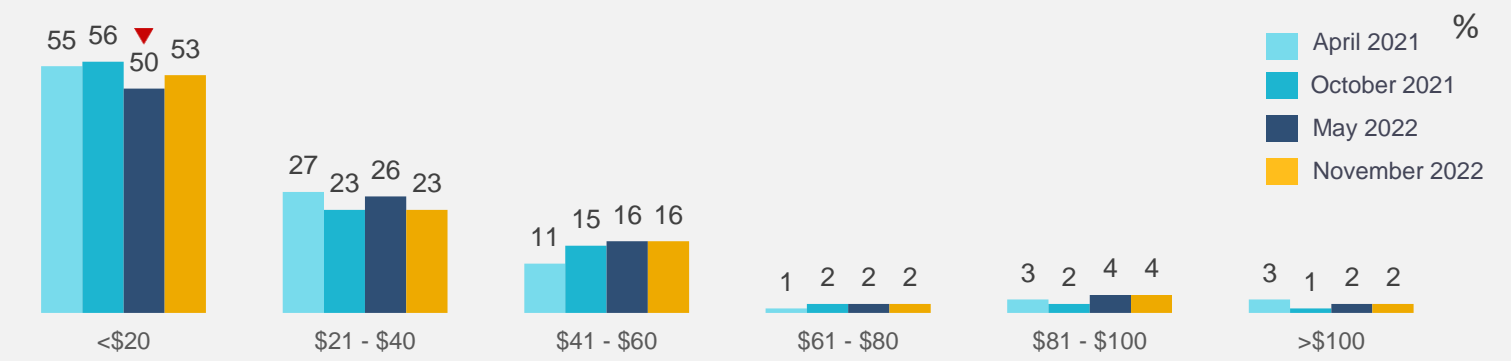
Fewer landlords raised their rent in the last six months compared to the May wave (down six points to 20%). Nearly half (47%) of these landlords raised the rent by more than \$20. The desire to maintain good landlord-tenant relationships and encourage tenants to stay in the tenancy drives some landlords to keep rent levels the same.

Last rent increase

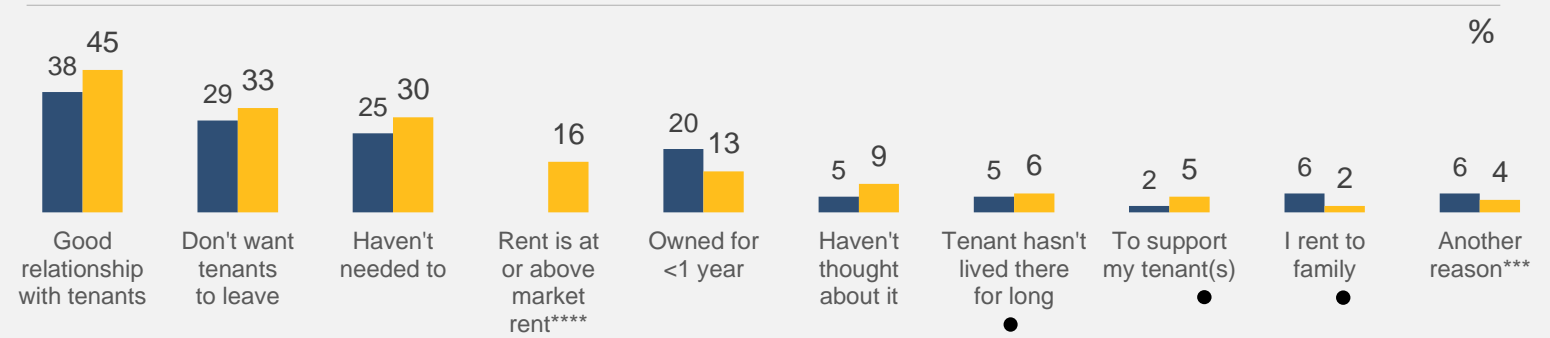


Increased rent in the last 6 months is more common among landlords who use a property manager (25% vs 18% of those who self-manage).

Size of 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). Source: Q13. "When did you last increase the rent for the current tenants for any of your rental properties?" Note that some totals do not add to 100% due to rounding.

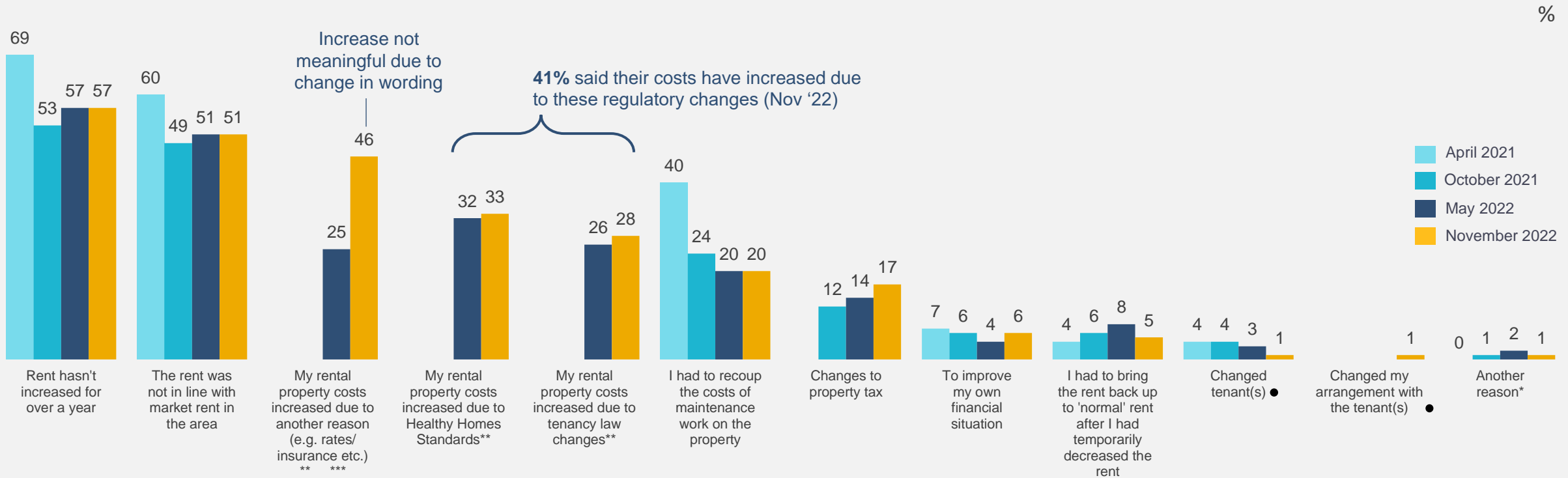
Base: Apr '21: Landlords who increased rent within the last six months (n=159), Oct '21: Landlords who increased rent (any time period) (n=540), May '22 n=565, Nov '22 n=486 Source: Q14. "Still thinking about the last increase, how many dollars did you increase the weekly rent by?" Note that some totals do not add to 100% due to rounding.

Base: Landlords who have not increased rent for the current tenants for any of your rental properties? (May '22: n=124, Nov '22 n=193). Source: Q13a "Why have you not increased the rent for the current tenants for any of your rental properties?". Asked for first time in May '22. Multiple responses allowed so totals do not add to 100% **New response option added in Nov '22

Reasons for rent increases

Landlords most commonly raised rents when more than a year lapses since a rent increase (57%), to match market rates (51%), and to cover costs incurred from regulatory changes (41%).

Reason for last rent increase



Base: Landlords who have recently increased rent (Apr '021 n=159, Oct '21 n=540, May '22 n=565, Nov '22 n=486). Source: Q15a. "Was the last rent increase because..." Multiple responses allowed so totals do not add to 100%

*Other reasons include: increasing rent as instructed by a bank, offsetting other costs like gas or electricity, or a change to tenant circumstances e.g. getting a dog. Showing responses with more than 1%

**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.

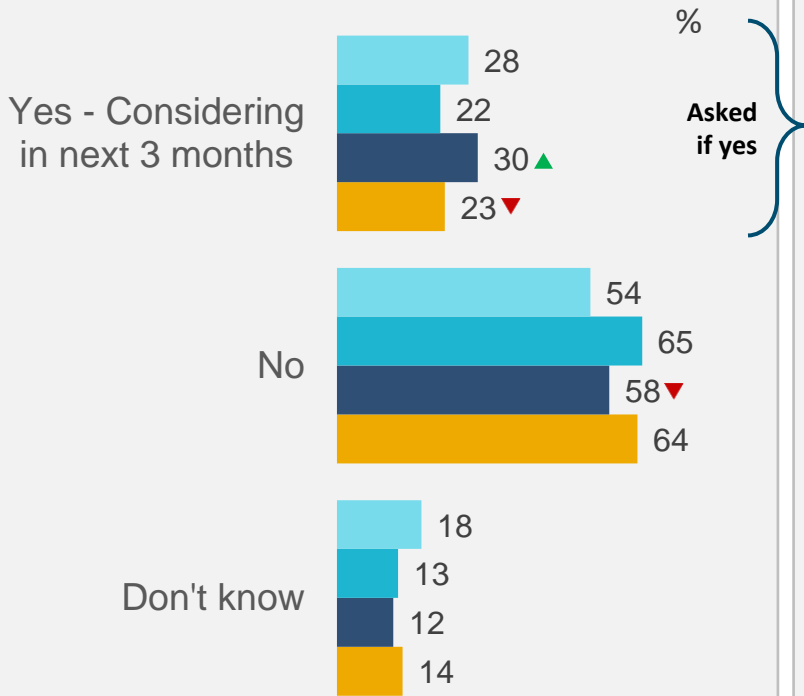
***Note this wording changed in November 2022 to remove "maintenance" and include "rates/insurance" in the example. This wording change may be partly responsible for the significant increase in November 2022.

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

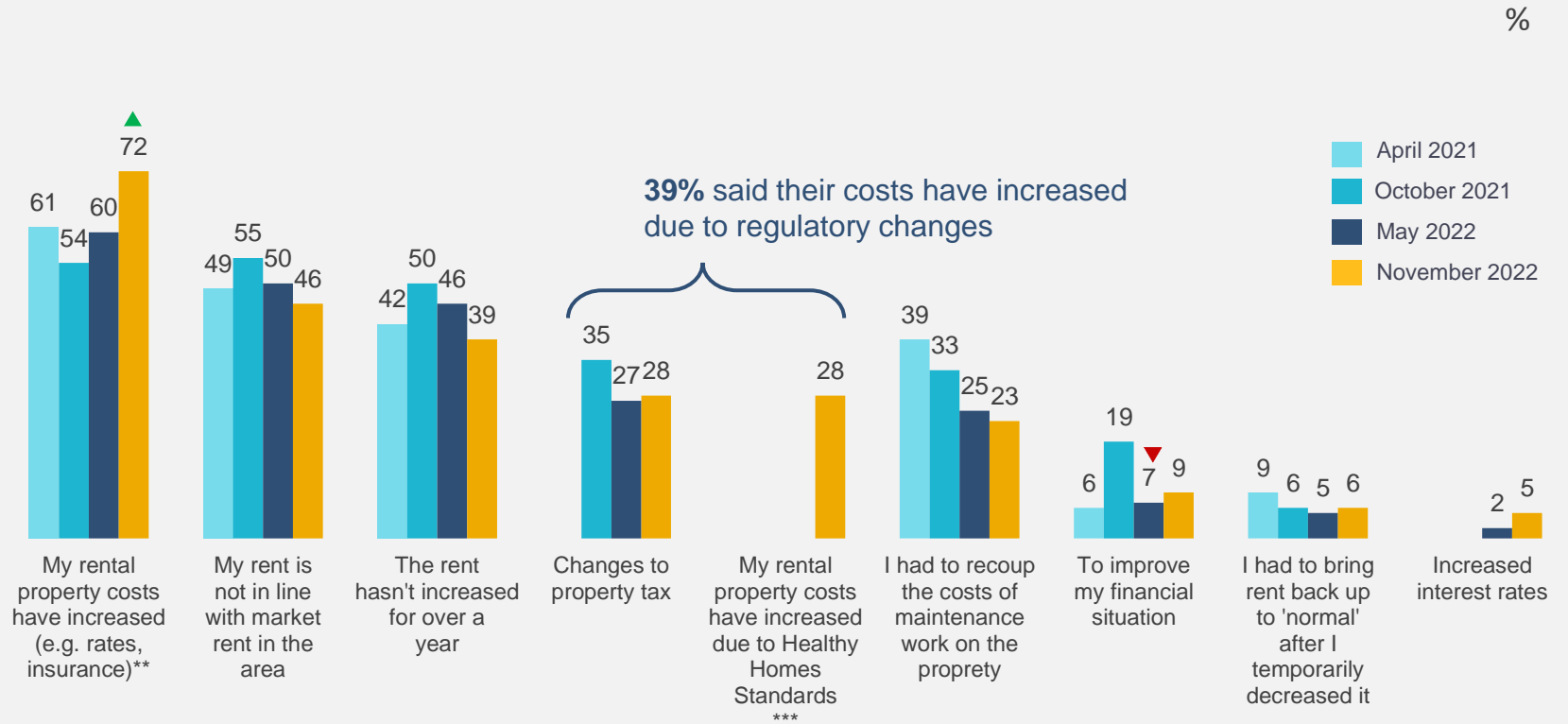
Landlord intentions for future rent increases

Of landlords who had not raised rent in the last six months, almost a quarter (23%) were considering increasing rent in the next three months. This is down seven points following a peak of 30% in May 2022. Key reasons for considering a rent increase going forward include a desire to cover increased costs (peaking this wave), matching market rates, and addressing rent after a year of no increases. Two out of five (39%) are specifically looking to cover costs resulting from regulatory changes.

Whether considering increasing the rent in the next three months



Reason for considering rent increase in next three months



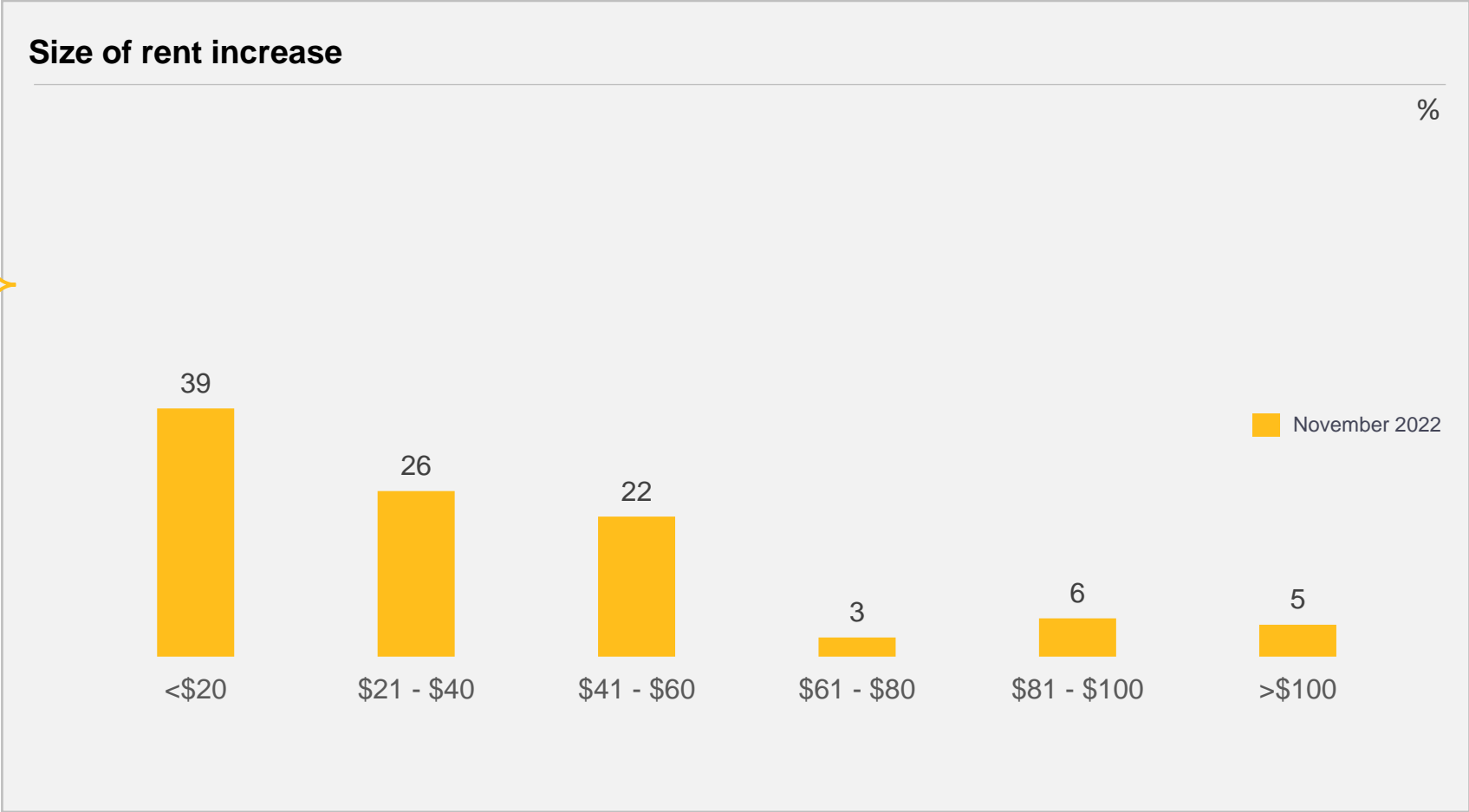
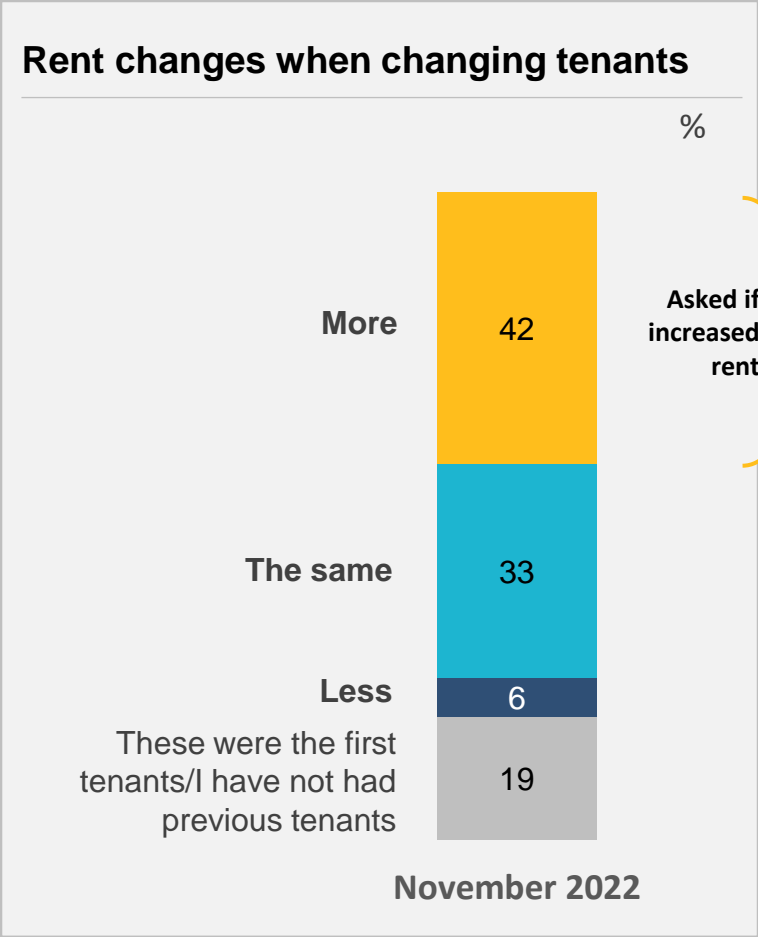
Base: Landlords who have **not** increased rent within the last six months (Apr '21 n=542, Oct '21 n=568, May '22 n=517, Nov '22 n=562). Source: Q16. "Are you considering increasing the rent in the next three months?"

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). Source: Q17. "Why are you considering increasing the rent?" *Other reasons include: Increased interest rates. Multiple responses allowed so totals do not add to 100%. **e.g. rates/insurance" was added in Nov '22.***Added in Nov '22.

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

Rent increases when changing tenancies

Just over four in ten landlords (42%) took the opportunity to increase the rent when their tenants changed. And around six in ten (61%) of these landlords increased the rent by more than \$20.



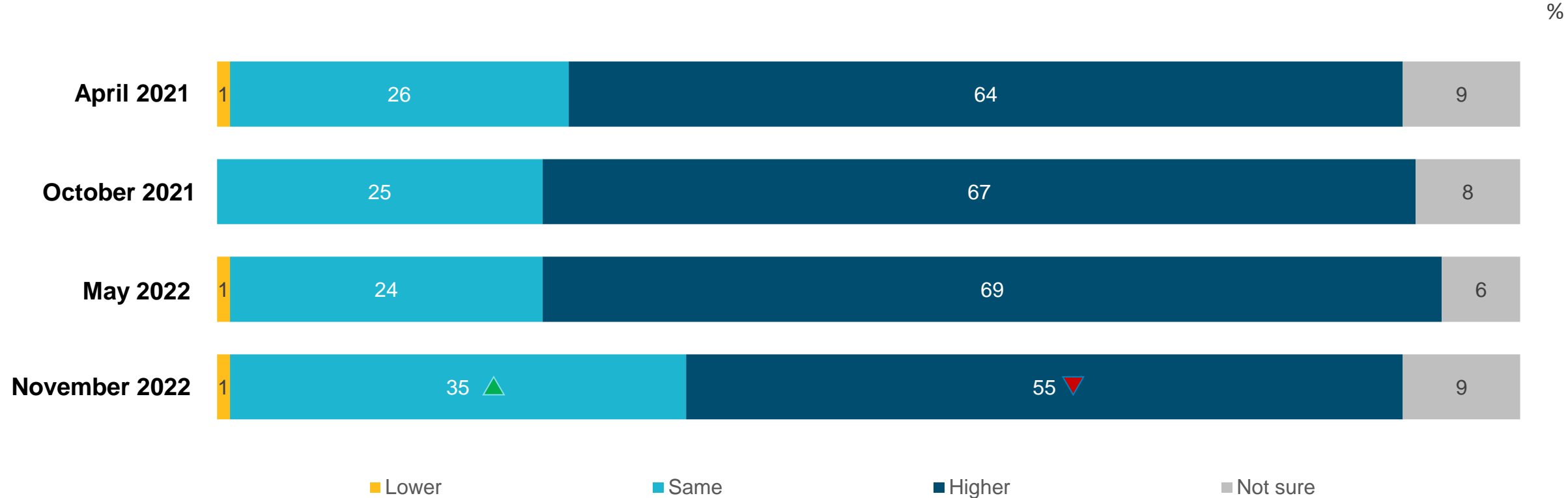
Base: All landlords Nov '22 n=700.
 Source: Q15c. "When your current tenants moved in, did you charge them more or less rent than you charged the most recent previous tenants?"
 Note, this was asked for the first time in November 2022

Base: Landlords who have increased rent when changing tenancies. Nov '22 n=293. Source: Q15d 'How much did you increase the rent by?'
 Note, this was asked for the first time in November 2022

Landlords' rent intentions for new tenants

Over half (55%) of landlords say they would increase rent if they had to find new tenants. However, this is down 14 points since the May 2022 measure.

Rental price for new tenants



Base: All landlords (Apr '21 n=701, Oct '21 n=700, May '22 n=700, Nov '22 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

Fewer landlords have bought a rental property in the last six months (a decrease of three points since May 2022, which is statistically significant at the 90% confidence level).

Whether bought a rental property in the last six months

%



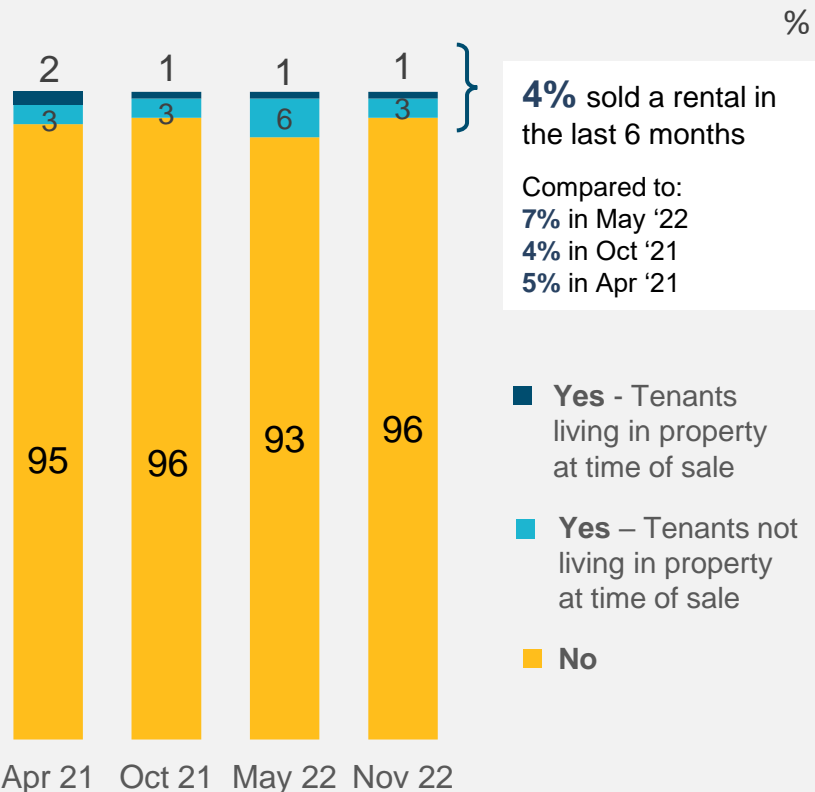
Base: All landlords (Apr '21 n=701, Oct '21 n=700, May '22 n=700, Nov '22 n=700).
Source: Q21. "Have you bought a rental property in the last six months?"

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

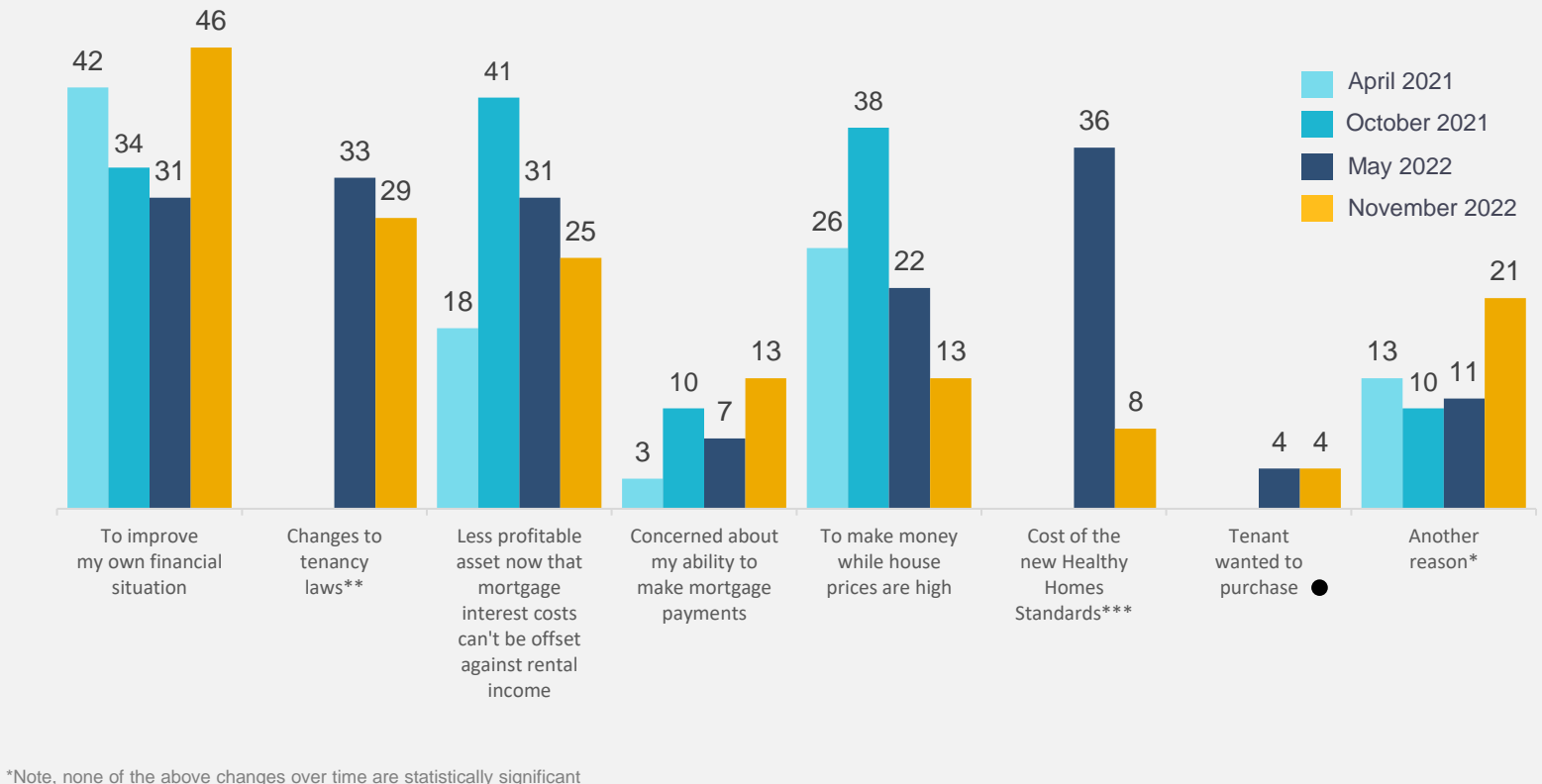
Selling rental property

A small proportion of landlords (4%) have sold a rental property in the last six months, which is consistent with the previous three waves. Reasons most commonly relate to the need to improve their own financial situation (46% of those who have sold), changes to tenancy laws (29%), and the gap between mortgage costs and rent (25%).

Whether sold a rental property in the last six months



Reasons for selling the property*



Base: All landlords (Apr '21 n=701, Oct '21 n=700, May '22 n=700, Nov '22 n=700). 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?"

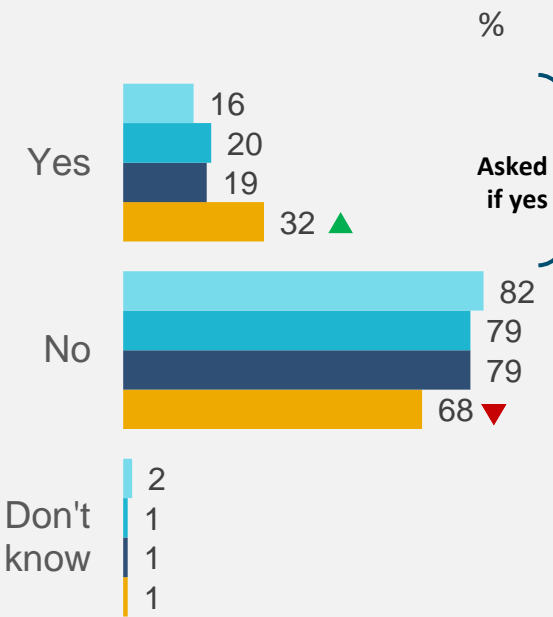
Base: Landlords who have sold a property in the last six months (Apr '21 n=38, Oct '21 n=29*, May '22 n=45, Nov '22 n=24). Source: Q23 "Why did you sell your property?" *Other reasons include: landlords moving out of area, difficulty finding tenants etc.. **Added in May '22. ***Note that this apparent decrease is not statistically significant. Note, response categories such as 'changes to government legislation are now too complicated' or 'government regulations are too hard on landlords' were removed 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)

End of tenancy

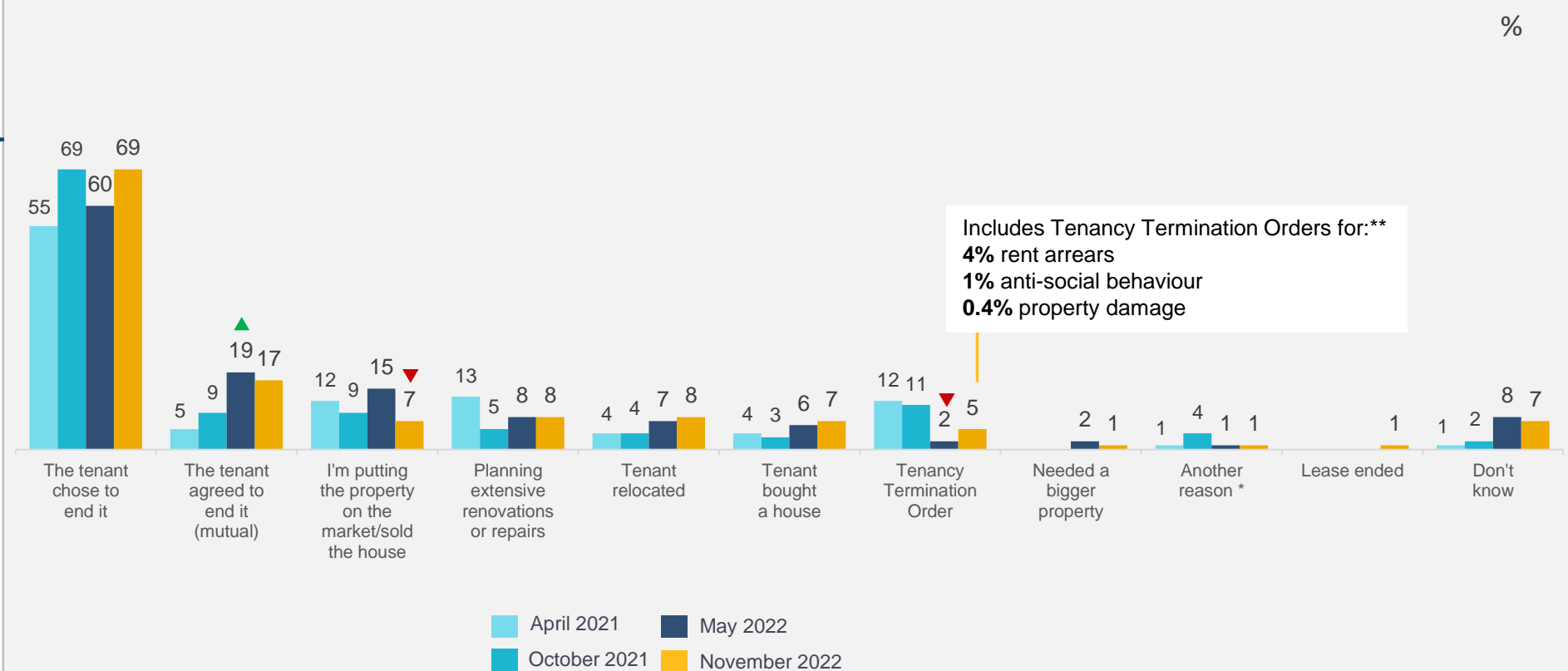
A third of landlords (32%) have had a tenancy end in the last 12 months***. Most commonly, this was because the tenant initiated (69%) or agreed to end it (17%). Compared with May 2022, fewer landlords ended tenancies because they had sold their property (7%, down 8 points).

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). Source: Q19. "Has one of your tenancies ended in the last 12 months?" 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). Source: Q20. "Why did the tenancy end?" *Other reasons include tenants not looking after the property. **Starting in Nov '22, 'tenancy termination order' was separated out into reasons for obtaining this. ▲ Significant increase from previous wave ▼ Significant decrease from previous wave



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Landlords' plans for selling rental properties

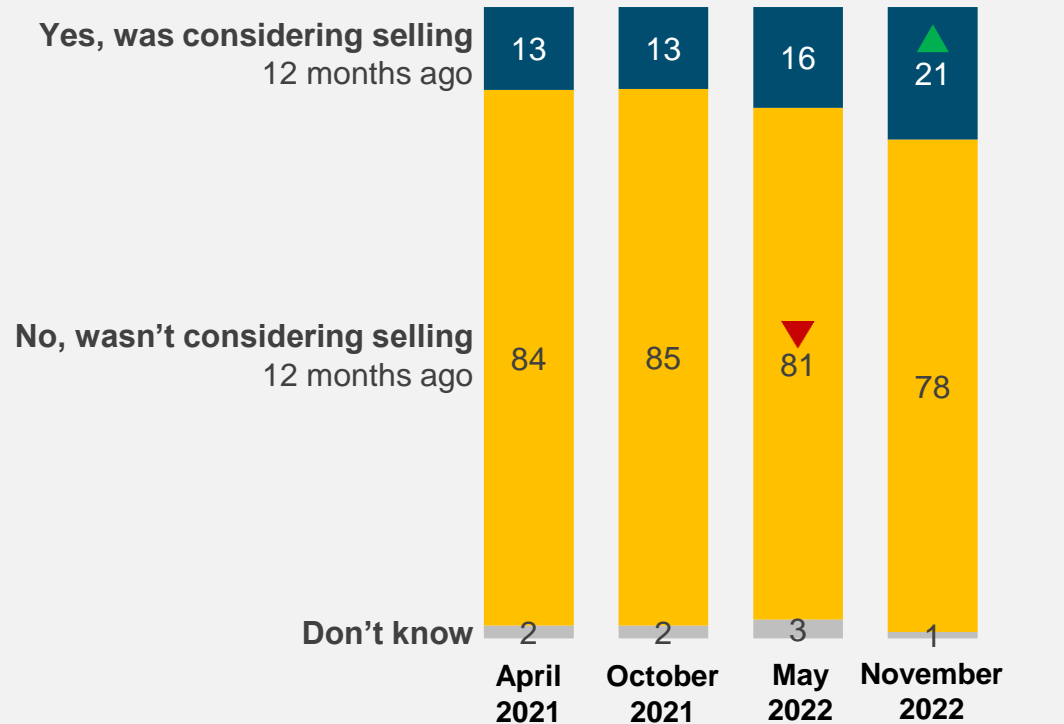


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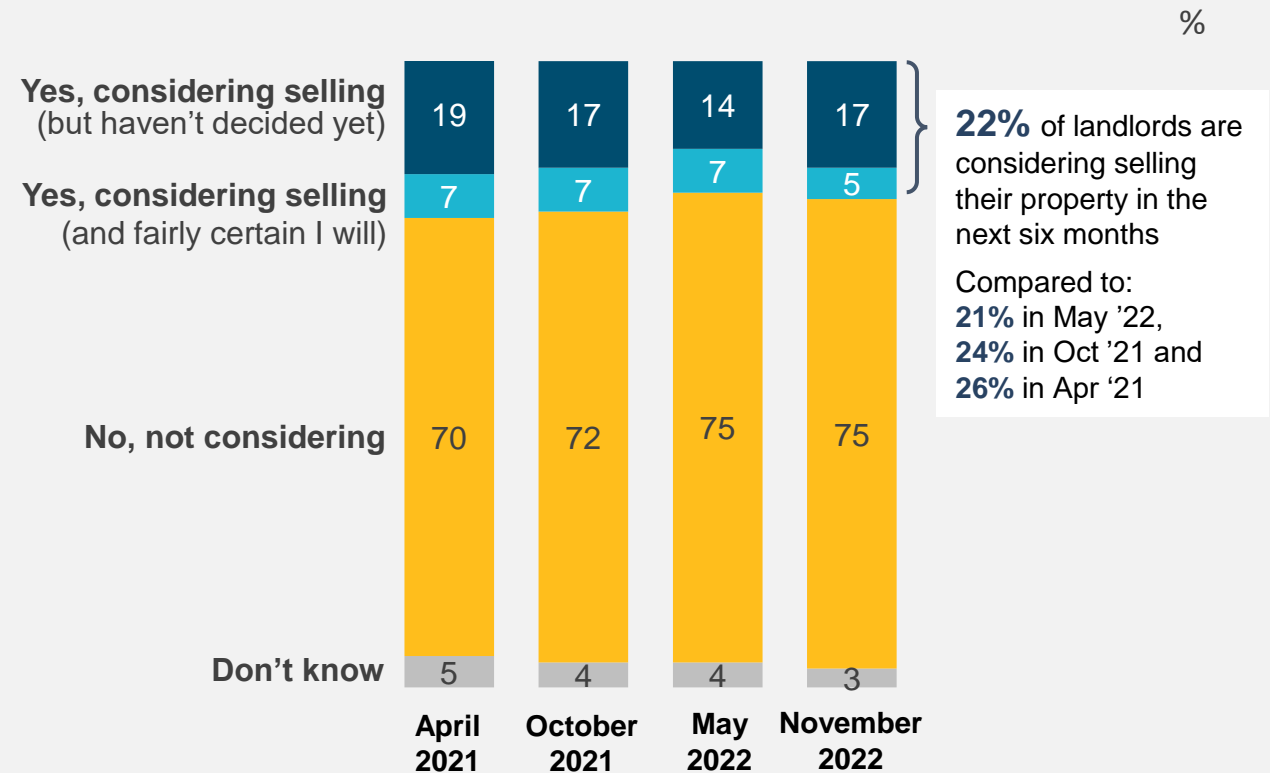
Landlord intentions for rental property

More than one in five landlords (21%) were considering selling property 12 months ago (an increase of five points on what landlords said in the last wave). Looking ahead, a similar proportion (22%) are considering selling their property in the next 6 months (fairly consistent with the previous three waves).

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

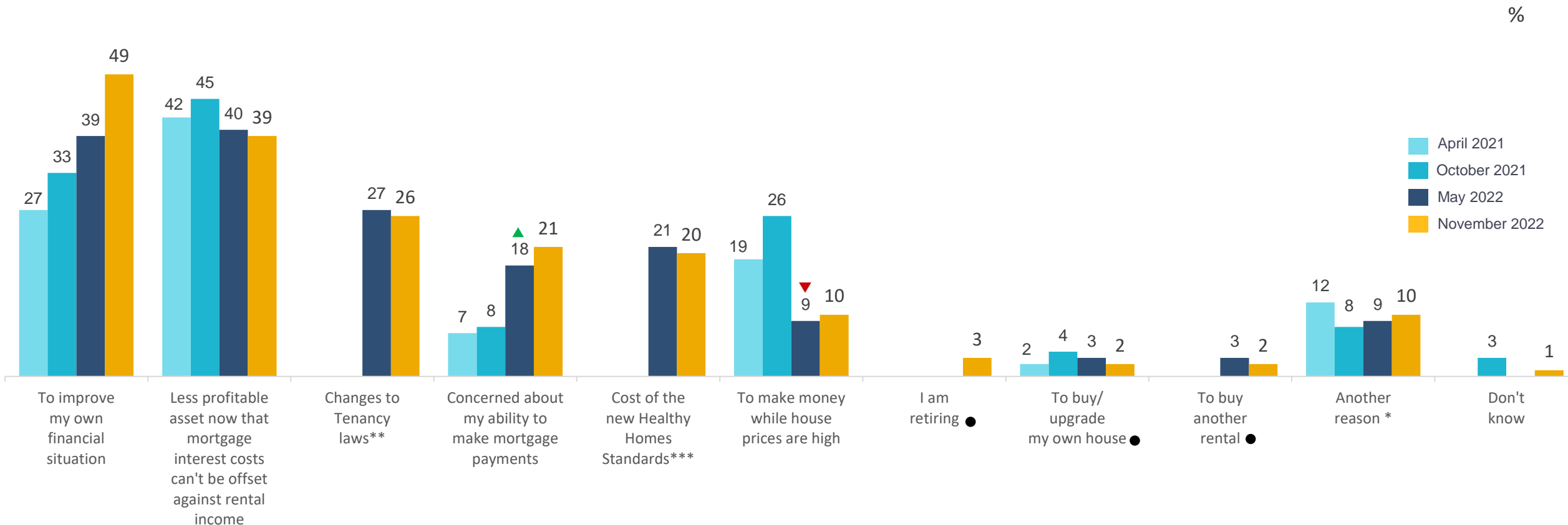
▲ Significant increase from previous wave
 ▼ Significant decrease from previous wave

Base: All landlords (Apr '21 n=701, Oct '21 n=700, May '22 n=700, Nov '22 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

Landlords who are considering selling property are most commonly motivated by a desire to improve their own financial situation (49%) and a concern that mortgage costs cannot be offset against the rental income (39%). Regulatory changes continue to motivate some landlords to sell (26% because of the tenancy law changes and 20% due to the new Healthy Homes standards).

Reasons landlords are considering selling in the next six months



%

April 2021
 October 2021
 May 2022
 November 2022

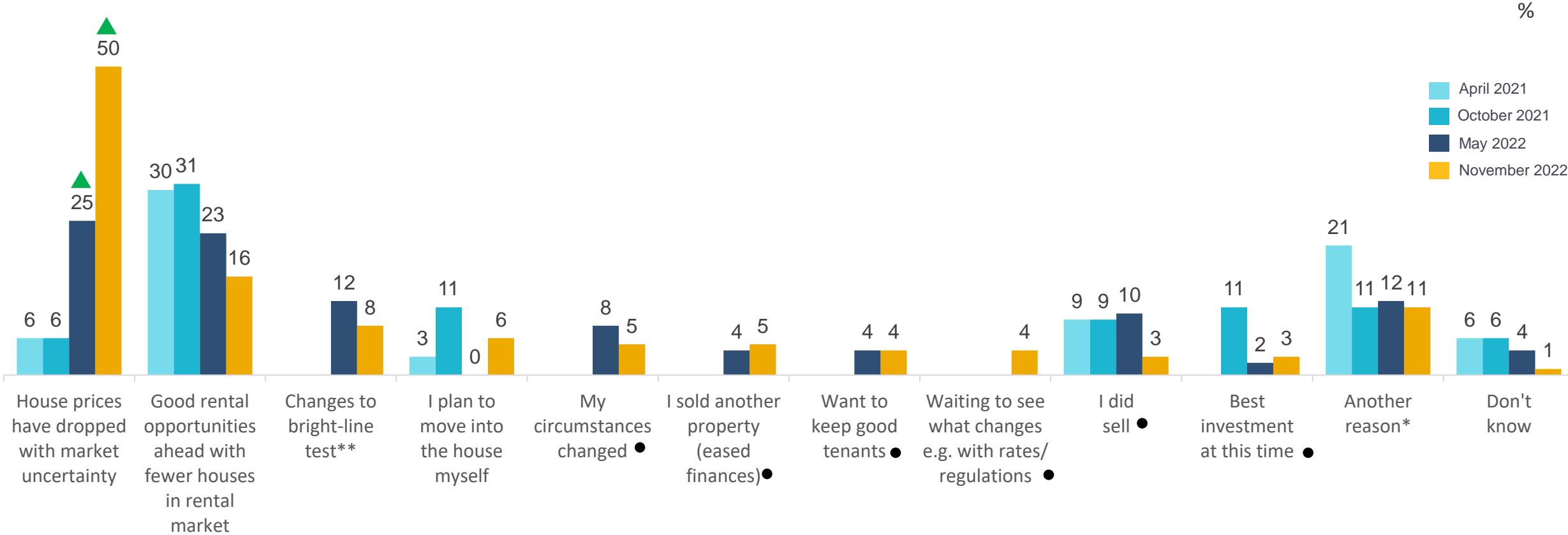
Base: Landlords who are considering selling property in the next six months (Apr '21 n=177, Oct '21 n=168, May '22 n=147, Nov '22 n=153). Source: Q27. "Why are you now considering selling your rental property?" *Other reasons include: For health reasons, tenancy issues/hard to find good tenants, current tenants want to buy the property and retiring. **Response category added in May 2022. ***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%. Note, in Nov '22, response options were removed, including concerns about finding tenants due to job losses or about tenants' ability to afford rent, increasing maintenance costs to comply with regulations, regulations being too complicated and regulations being too hard on landlords. Removing these options may have driven landlords to choose other categories.

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

Weakened motivations to sell

Falling house prices are now the main reason why landlords who had previously considered selling property are most likely to say they are holding on to their property (50%), a big jump over previous waves. Changes to the bright-line test are a reason for less than one in ten (8%).

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

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



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Landlords' financial situation

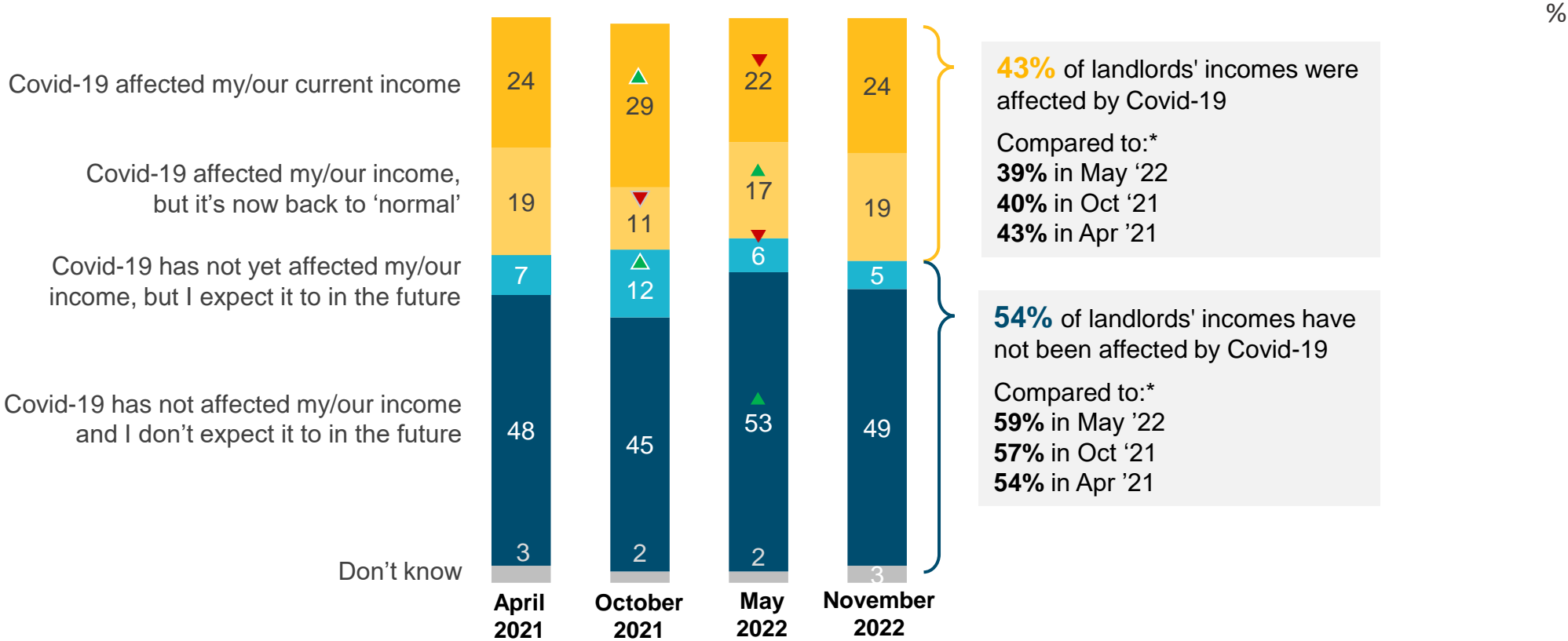


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Landlords' financial situations

Around four in ten landlords (43%) say their income has been affected by COVID-19, which is broadly in line with May 2022.

Impact of COVID-19 on landlords' incomes

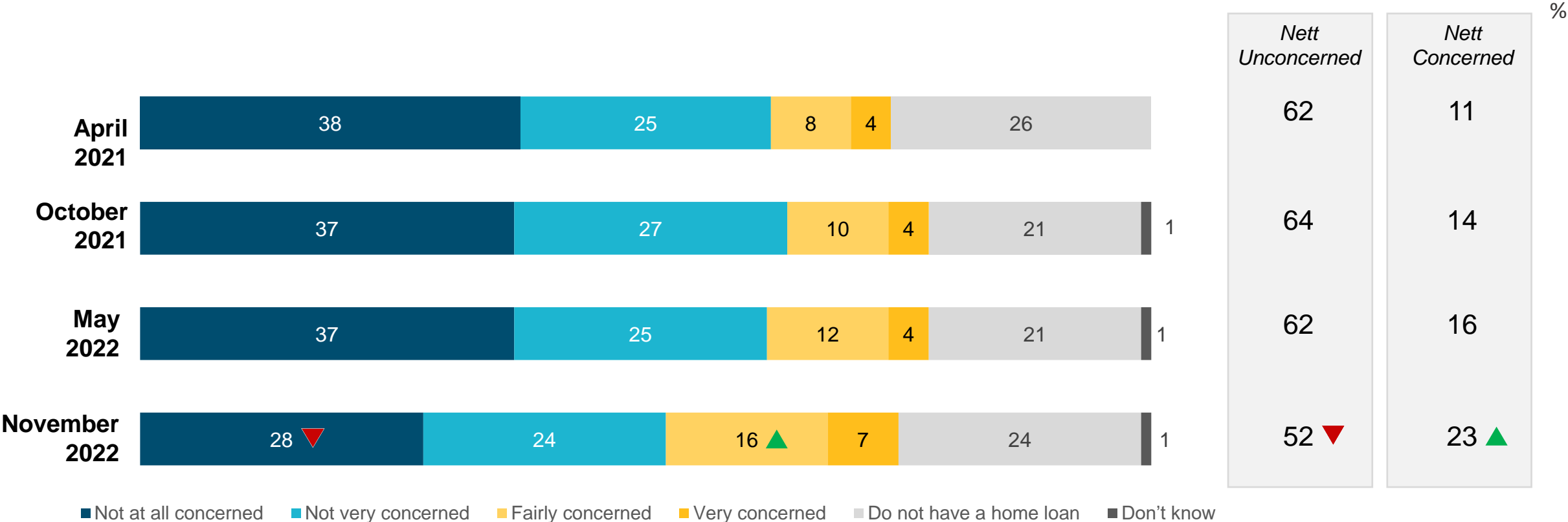


Base: All landlords (Apr '21 n=701, Oct '21 n=700, May '22 n=700, Nov '22 n=700).
 Source: Q35. "Thinking about your (and your partner's) income from all sources, which one of these statements comes closest to your situation?"
 *Note, these differences are not statistically significant.

Concern about mortgage payments

Landlords are increasingly concerned about their ability to pay their mortgage, with 23% saying they are concerned (up seven points from May 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).
 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)?"

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



**MINISTRY OF HOUSING
AND URBAN DEVELOPMENT**

Landlords' relationships with tenants

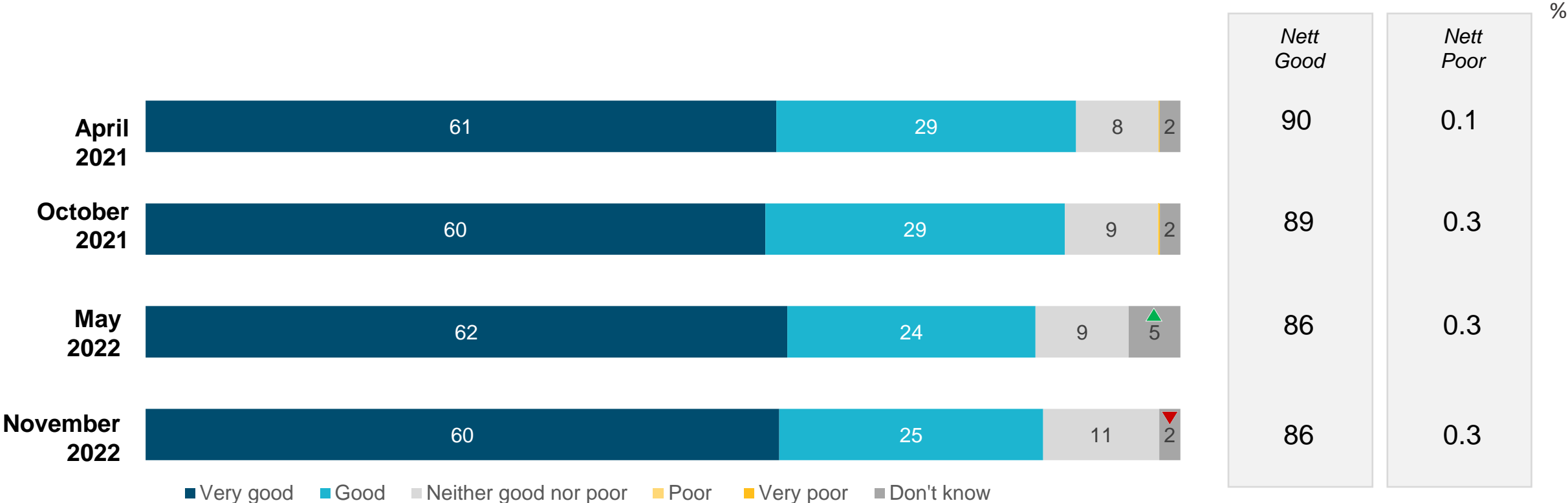


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Relationship with tenants

Most landlords (86%) feel they have a positive relationship with their tenants and just 3 respondents said they feel their relationship is poor. This has remained consistent over the previous three waves.

Relationship with tenants



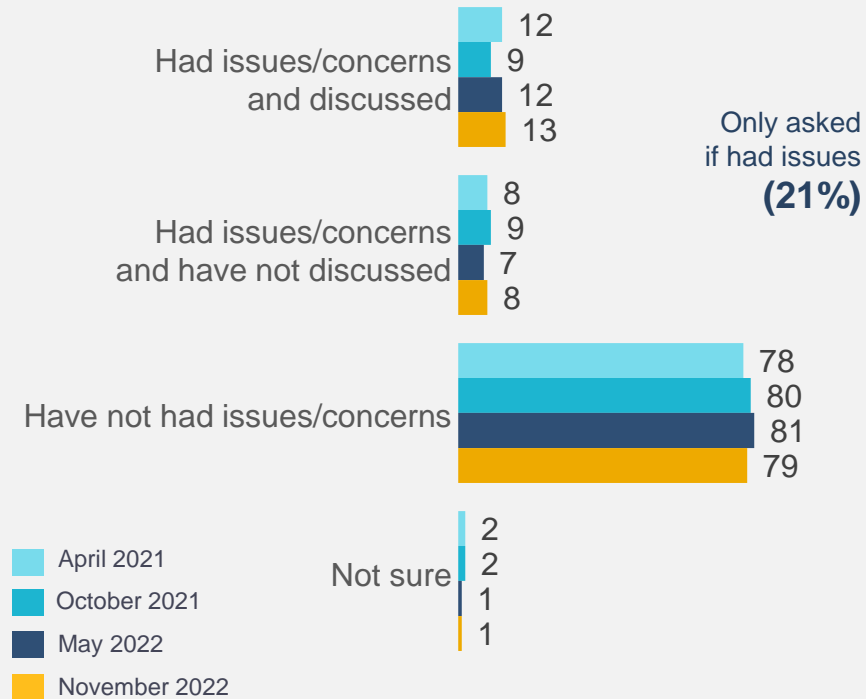
Base: All landlords (Apr '21 n=701, Oct '21 n=700, May '22 n=700, Nov '22 n=700).
 Source: Q6. "Overall, which of these best describes your relationship with your tenants?"
 Note: totals may not add to 100% due to rounding

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

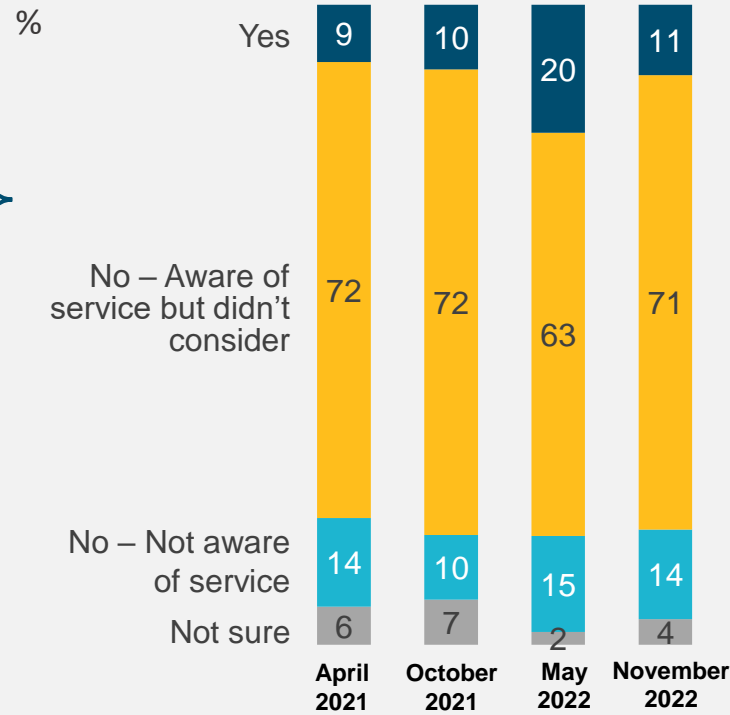
Tenancy issues

One in five landlords (21%) have had issues or concerns with their tenants. Thirteen percent of all landlords have had an issue and discussed it with their tenants. Of those who have had problems or concerns, 15% considered approaching Tenancy Services or the Tenancy Tribunal (11% for each). Awareness is high for both services, but many landlords have not considered using them.

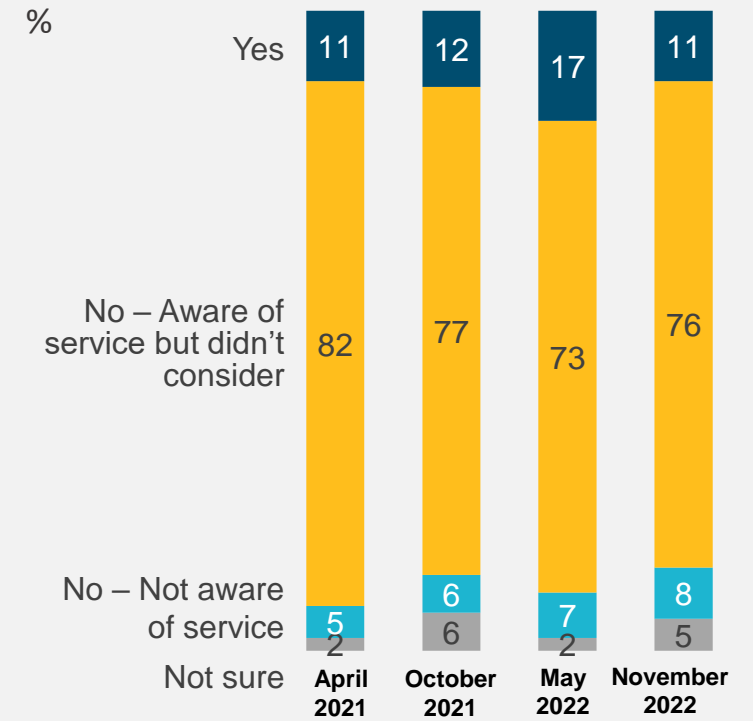
Whether discussed any significant tenancy issues with tenants



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). Source: Q29. "In the last three months have you discussed any significant tenancy related concerns or issues with your tenants?" Note that 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). 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?". Base: Apr '21 n=140, Oct '21 n=126, May '22 n=127, Nov '22 n=144. Multiple responses allowed so totals do not add to 100%

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



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