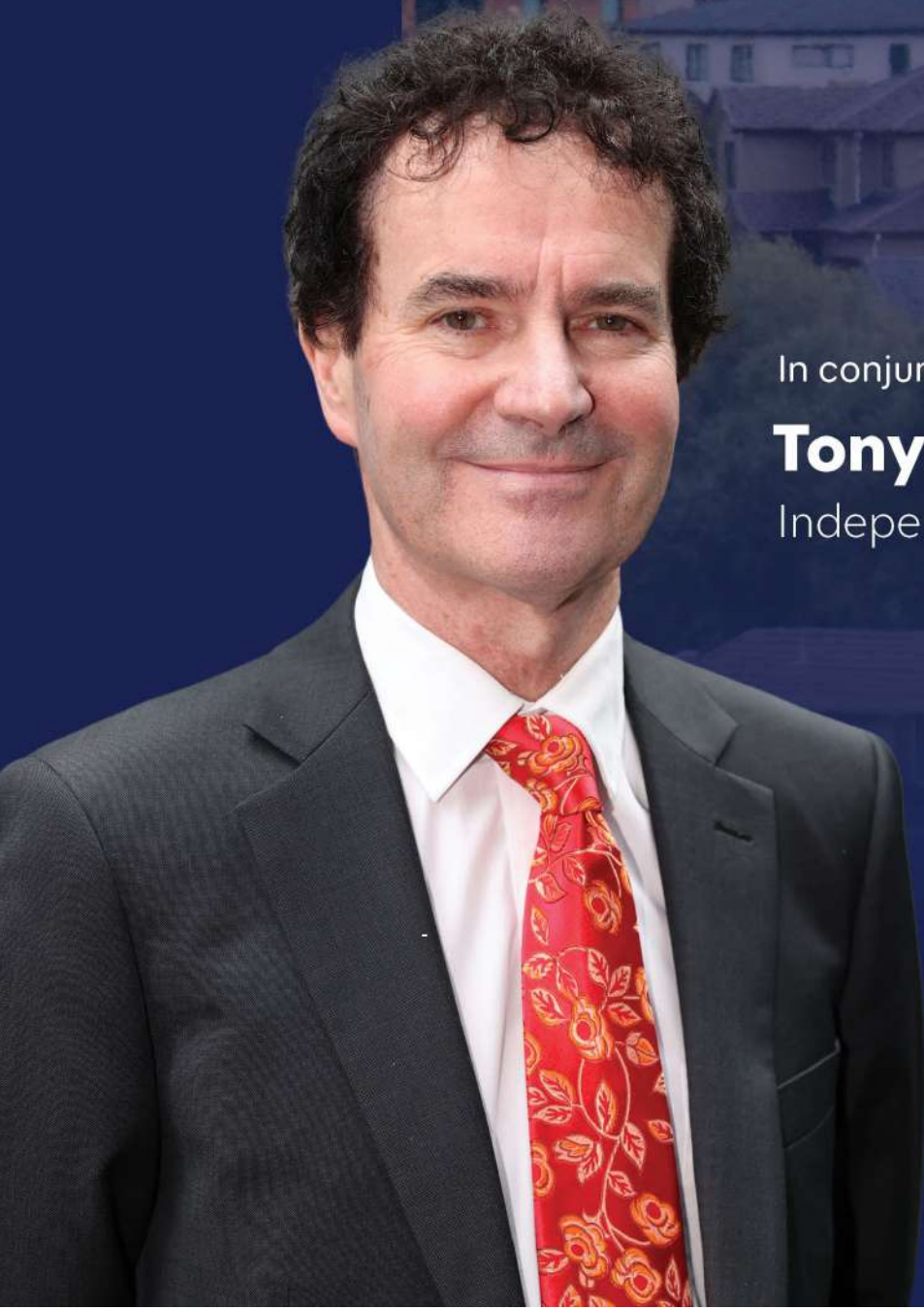


2025
November

Crockers 
PEOPLE & PROPERTY

Investor Insight



In conjunction with

Tony Alexander

Independent Economist

MANAGEMENT
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Tenants in short supply

Welcome to the latest monthly Investor Insight survey compiled by Crockers Property Management and Tony Alexander. Each month we survey a selection of the many thousands of residential property investors on our databases with a view to gauging how things are changing over time across a wide range of indicators.

For instance, we will track changes in pressures on rents, points of particular concern, and plans regarding property purchases and intentions to sell.

Key points of interest from this month's survey, which received 285 responses include the following.

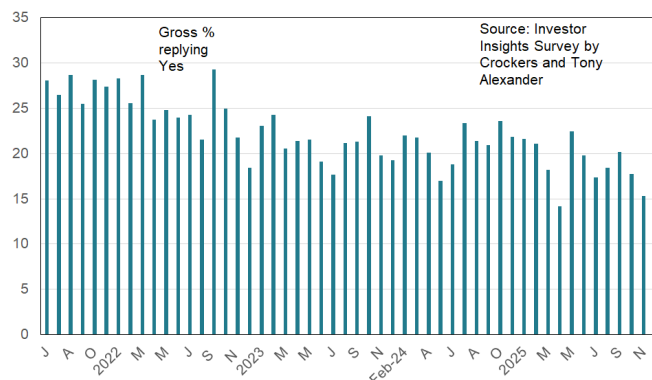
- Tenant availability has become even poorer with a record net 43% of landlords saying they are finding it difficult to secure a good tenant.
- Landlords are becoming less worried that house prices may be falling but more worried about potential changes in tenant legislation.
- Fewer investors are planning to hold their properties for at least ten years or never to sell.

ARE YOU THINKING ABOUT BUYING ANOTHER PROPERTY WITHIN THE NEXT 12 MONTHS?

In this month's survey only 15% of respondents have indicated that they are thinking about buying another property in the next 12 months. This is down from 18% in October and a recent peak of 22% in May.

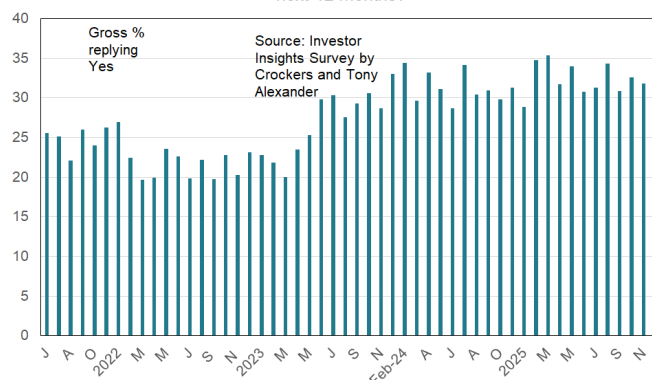
The graph suggests to us that the downward trend in buying intentions since early 2022 may remain in place despite recent signs of optimism in the economy and lower interest rates. The survey captures the period a few weeks after the Labour opposition party said they plan introducing a new capital gains tax on some properties.

Are you thinking about buying another property within the next 12 months?



The proportion of investors who are thinking about selling a property over the next 12 months has been quite steady over the past three months. This survey's outcome was 32% from 33% in October and 31% in September.

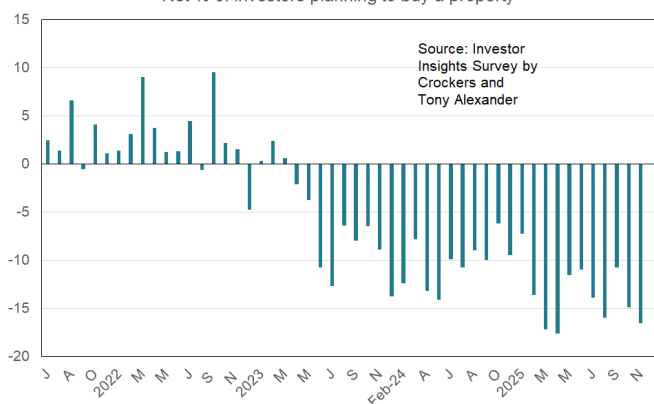
Are you thinking about selling one or all of your properties within the next 12 months?



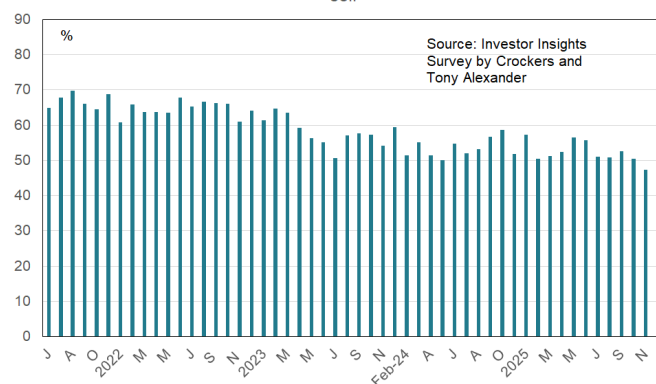
Taken together these two measures give us the result that a net 16% of existing investors are looking to sell over the coming year. There is no upward or downward trend in this gauge but it remains broadly at the depressed levels initially reached at the start of this year.



Net % of investors planning to buy a property



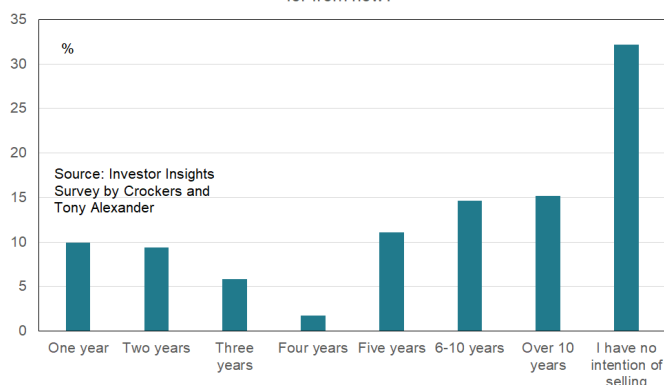
Gross % of investors planning to hold at least ten years or never sell



ROUGHLY HOW LONG DO YOU PLAN KEEPING YOUR INVESTMENT PROPERTY(S) FROM NOW?

Our first graph in this section shows the proportion of investors who opt for each time period as an indicator of how long they currently plan keeping their property for. Note just 10% plan holding for less than a year.

Roughly how long do you plan keeping your investment property(s) for from now?



The proportion who will hold for at least ten years or plan never to sell has fallen to a record low of 47% from 51% last month and 52% a year ago. There has been a downward trend in this gauge since early-2023 and one reason for this will be that the people included in this survey have been responding on and off since early-2021 and are getting older, facing living costs in retirement or ahead of it which are turning out to be higher than anticipated.

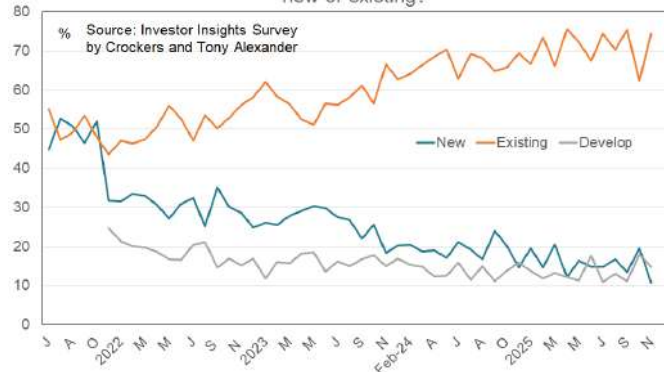
IF YOU ARE THINKING ABOUT BUYING ANOTHER PROPERTY WILL IT BE NEW OR EXISTING?

In last month's survey writeup we noted that the sharp drop in the proportion of those looking to buy who would purchase an existing property to 62% from 76% may turn out to be an aberration. Such has proved to be the case with the result this month back up to 74%.

The trend in this preference for buying something already constructed and perhaps quite a few years old was firmly upward from the end of 2021. But there has been a broad flattening in this preference since early this year.

Of importance to the building industry will be the timing for when this measure sustainably goes down and investors looking to buy start showing increasing preference for a new-build. We are not there yet.

If you are thinking about buying another property will it be new or existing?

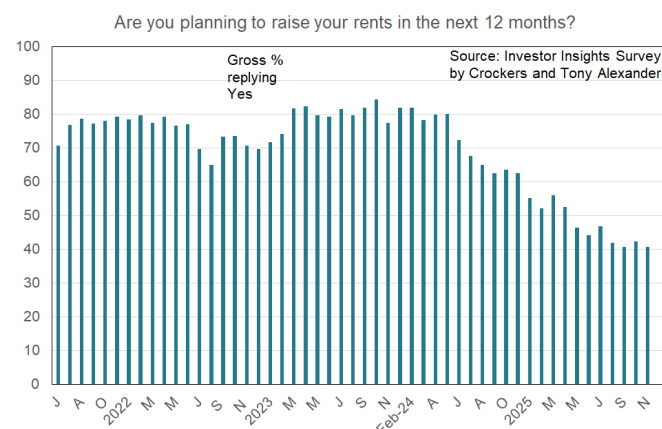




ARE YOU PLANNING TO RAISE YOUR RENTS IN THE NEXT 6 MONTHS?

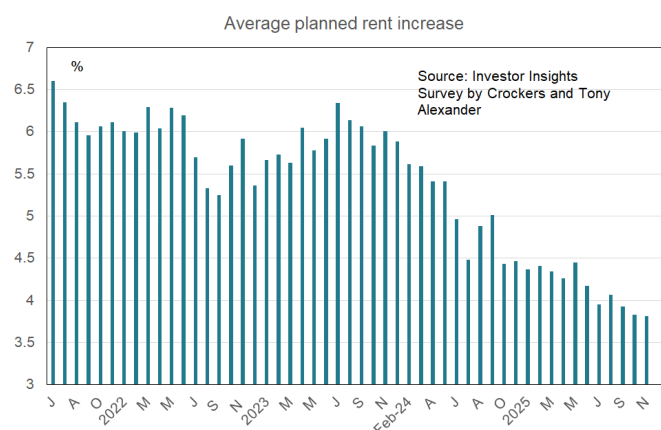
There has been a broad flattening over the past four months in the proportion of existing landlords indicating that they plan to raise their rents over the coming 12 months. This month's outcome of 41% is essentially the same as in the previous three months.

The main thing to note is the substantial decline in this measure from the middle of 2024.

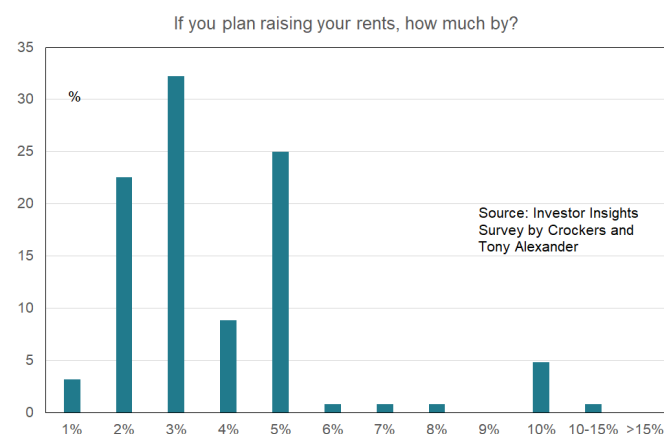


IF YOU PLAN RAISING YOUR RENTS, HOW MUCH BY?

The average increase in rents which landlords would like to achieve in the coming year is unchanged from last month at 3.8%. However, it would seem premature at this stage to conclude that the downward move in this measure since late-2023 has ended.



This graph shows the proportion of investors targeting different degrees of rent increases.



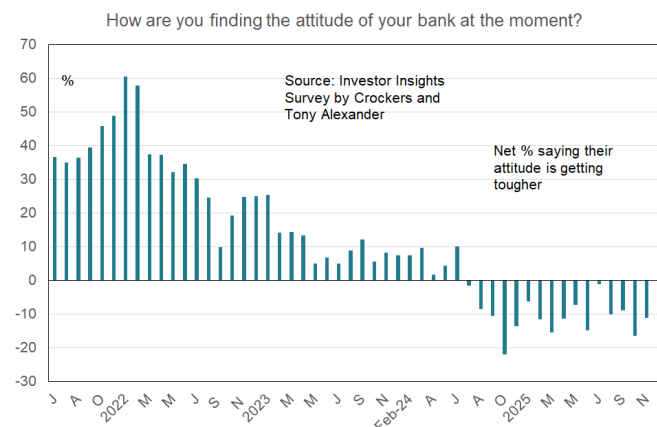
HOW ARE YOU FINDING THE ATTITUDE OF YOUR BANK AT THE MOMENT?

Respondents to this question can choose amongst three options.

- Getting tougher
- Getting more relaxed
- No change, nothing apparent.

We can calculate the net proportion feeling that things are getting tougher and show the result in the following graph.

A net 11% of investors say that they are having no great difficulty with their financier at the moment. This measure has been on the accommodative side of the ledger since the middle of last year.

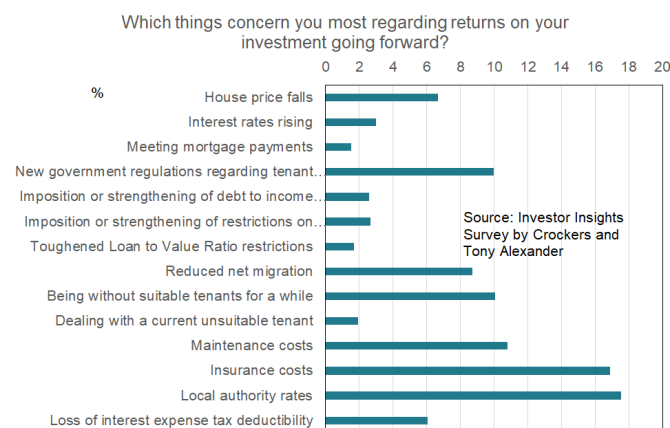




WHICH THINGS CONCERN YOU MOST REGARDING RETURNS ON YOUR INVESTMENT GOING FORWARD?

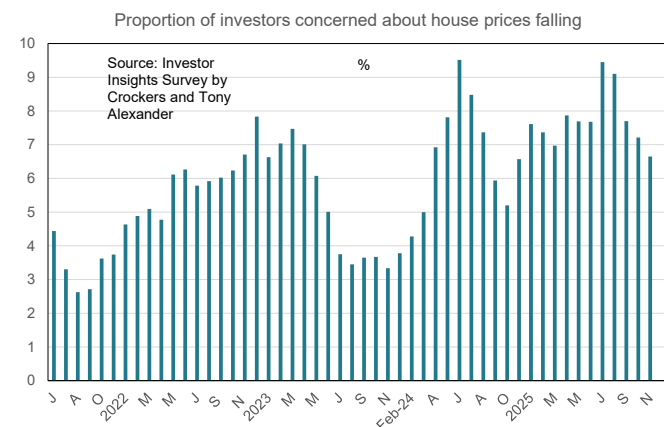
Respondents are able to choose more than one response to this question and results for all choices are shown in the following graph.

Top concerns are yet again council rates, insurance costs and maintenance costs.

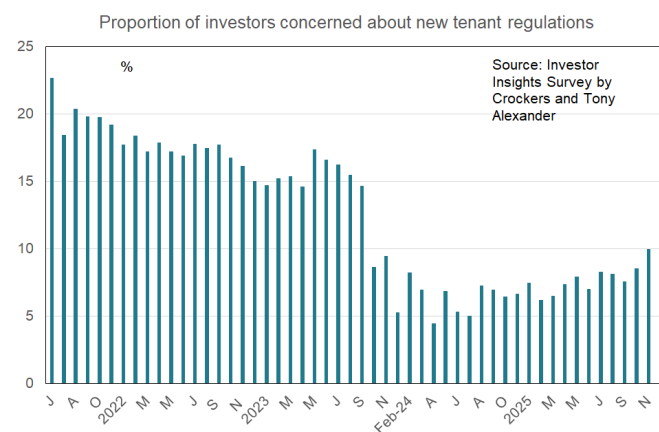


But what we are really interested in is the trends in these measures to which we now turn in no particular order.

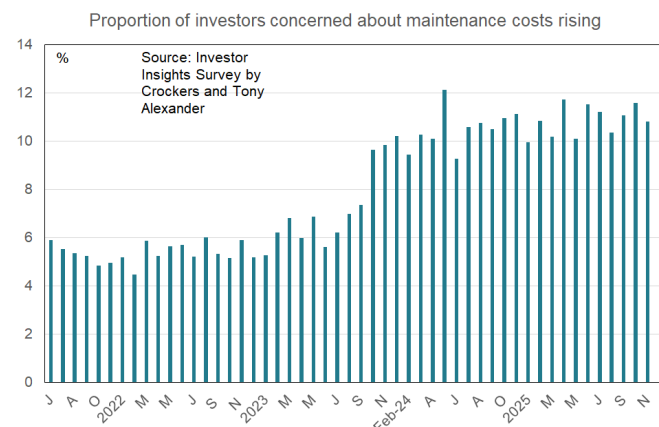
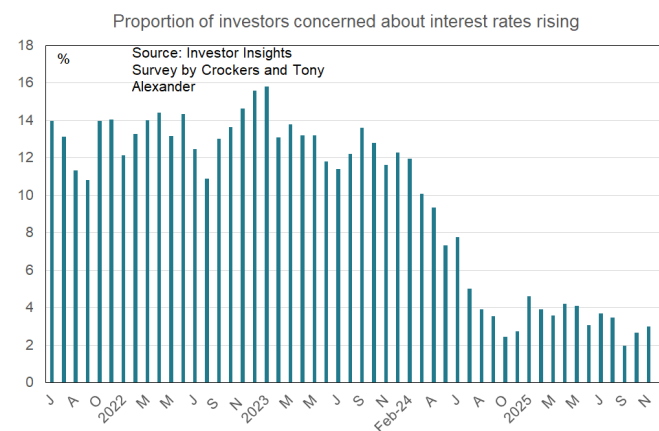
Worries about house prices falling are themselves falling away after briefly spiking higher around the middle of this year. But landlords are still far less confident of price rises (absence of price falls) than was the situation late in 2023 after first home buyers entered the market in good numbers.



Of interest this month is something we have not discussed here for some time – concerns about tenant legislation. These concerns have been creeping higher since late last year and have just spiked up to 10% of landlords from below 9% last month.

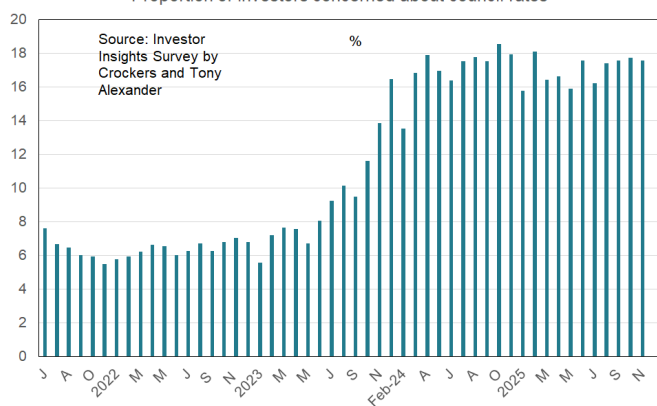


For the record, things are directionless for worries about interest rates, maintenance costs, and council rates.



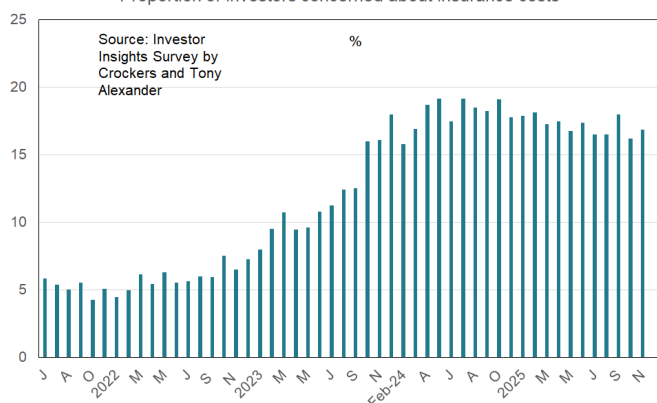


Proportion of investors concerned about council rates



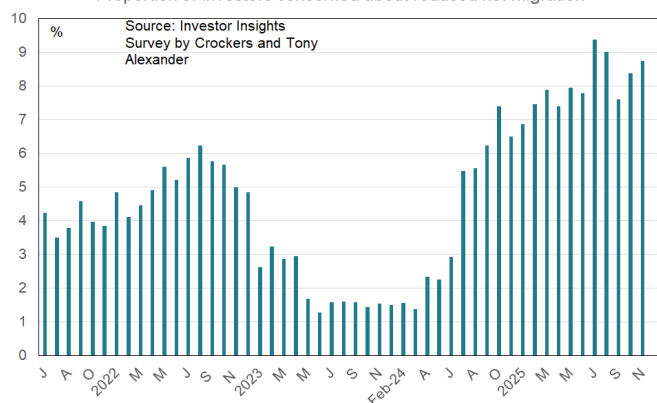
But if you squint your eyes just right a slight downward trend can be observed in concerns about insurance premiums. The drift is however quite minor.

Proportion of investors concerned about insurance costs



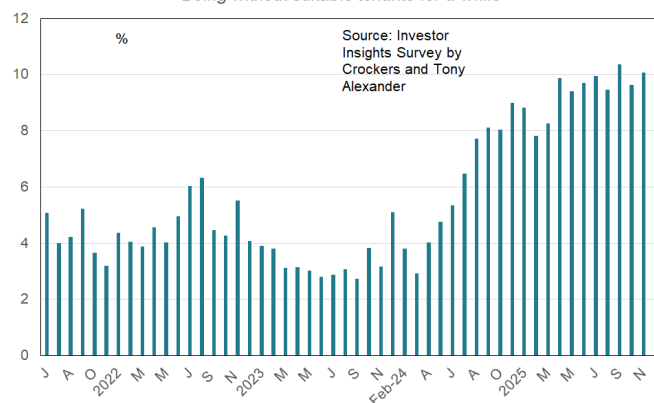
Worries about net migration flows remain elevated.

Proportion of investors concerned about reduced net migration



And there is an upward trend in concerns about not having a suitable tenant for a period of time.

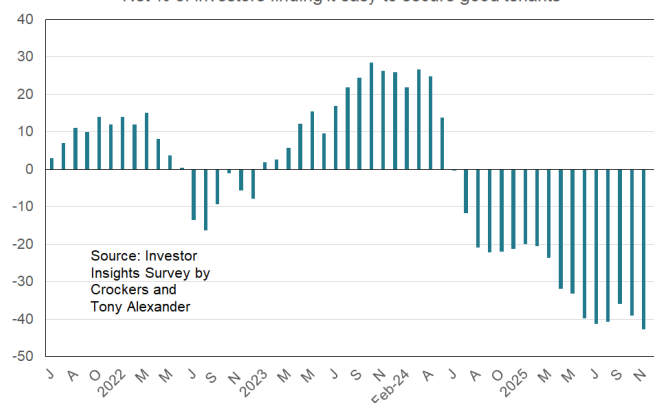
Being without suitable tenants for a while



HOW EASY IS IT TO FIND GOOD TENANTS AT THE MOMENT?

There has been a fresh deterioration this month in the proportion of existing residential property investors who are having difficulties securing a good tenant. This measure has worsened to a net 43% negative from 39% in October.

Net % of investors finding it easy to secure good tenants





There were 285 responses received in this month's survey, with respondents located as follows.

Region	%
Northland	1.1
Auckland	45.6
Bay of Plenty	4.6
Waikato	9.5
Hawke's Bay/Gisborne	4.6
Taranaki	1.8
Manawatu-Wanganui	2.1
Wellington	13.7
Nelson, Tas., Marl	2.2
Canterbury	10.2
Dunedin City	2.8
Queenstown Lakes	2.1
Southland	0.0

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