



PRESS RELEASE

May 2018

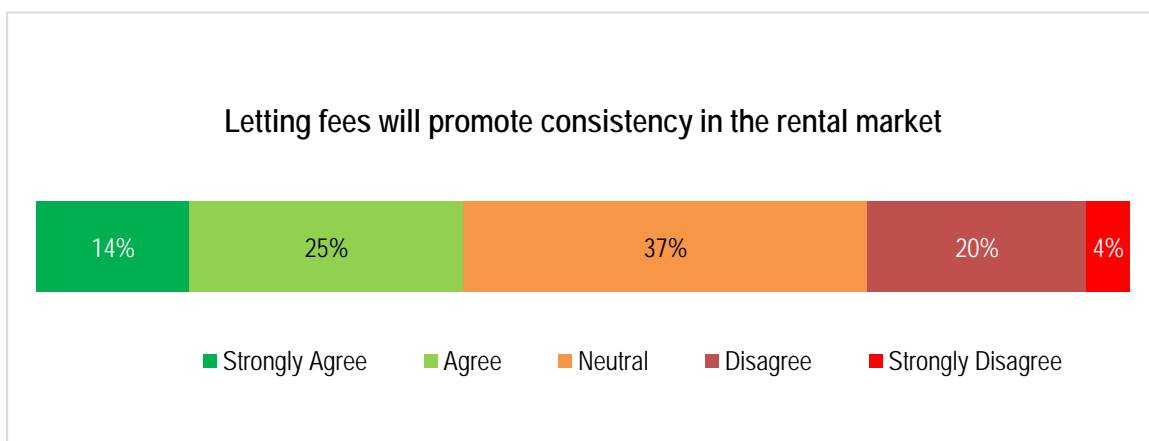
Crockers Property management has announced the latest results of the monthly survey of Auckland property investors it conducts in partnership with independent market research firm Ipsos.

- Only 39% of property investors believe that the government’s proposed bill to remove letting fees will achieve its desired outcomes of promoting fairness and consistency in the New Zealand rental market. The majority of investors (55%) believe that this law change will lead to an increase in rental prices in order for investors to absorb their increased costs.
- The **Auckland Rental Property Investment Index** has remained stable this month as the overall upward trend in this measure continues.

Letting Fees

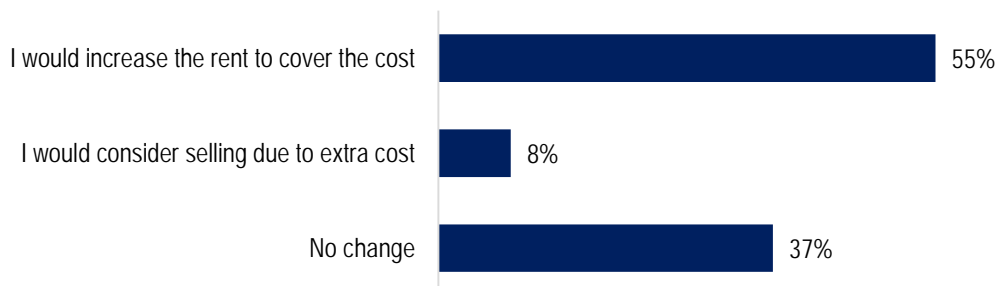
The new government has proposed to prohibit letting fees, with the intention to reduce the price barriers that might make it harder for some tenants to find a suitable rental, and to encourage consistency in the rental market by ensuring tenants do not face different up-front costs depending on who they rent through.

This month, we asked survey participants about letting fees in response to this government’s proposed bill. When investors were asked whether they believed that prohibiting letting fees would promote consistency in the rental market, 39% agreed that it would promote consistency in the rental market, whilst 24% believed that these outcomes would not be achieved, indicating that investors who believe that the bill will achieve its intended outcome are in the minority.



Some commentators believe that if the bill were passed and the law implemented, the cost of owning an investment property will increase. Those was borne out in our survey responses, in which 55% of investors said they would increase the rent to cover the increased cost, whilst 37% would absorb the cost.

Consequence of Letting Fees being removed



Note: Excludes 'does not apply' answers.

Crockers Property Investment Index

This month the **Auckland Rental Property Investment Index** is largely unchanged, although the long term upward trend continues.

In contrast, the **Auckland Rental Property Performance Index** has decreased this month, due to fewer investors expecting 'better' returns, and more expecting the 'same' returns.

