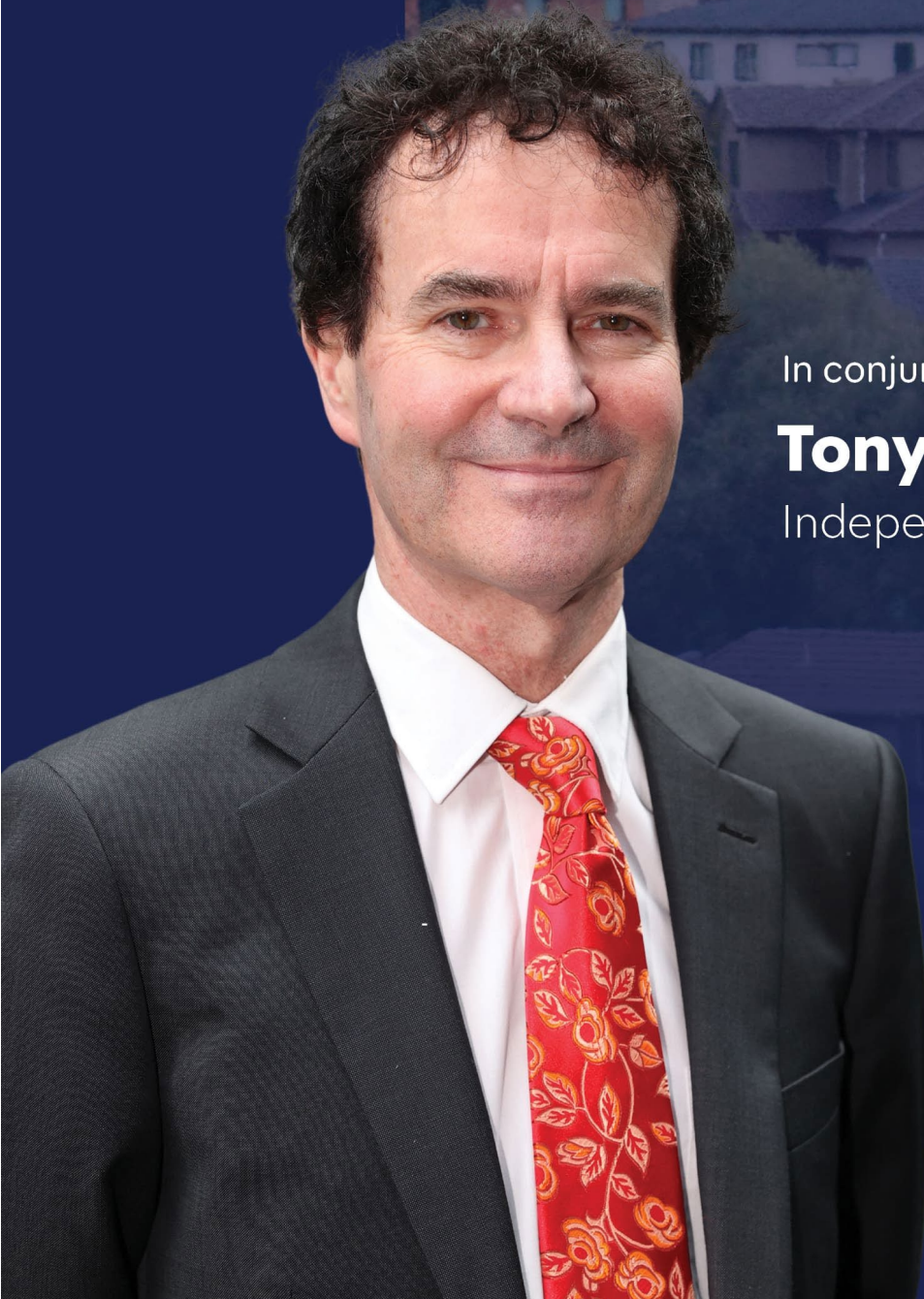


2025
April

Crockers 
PEOPLE & PROPERTY

Investor Insight



In conjunction with

Tony Alexander

Independent Economist

MANAGEMENT
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Decreasing investor demand for new-builds

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.

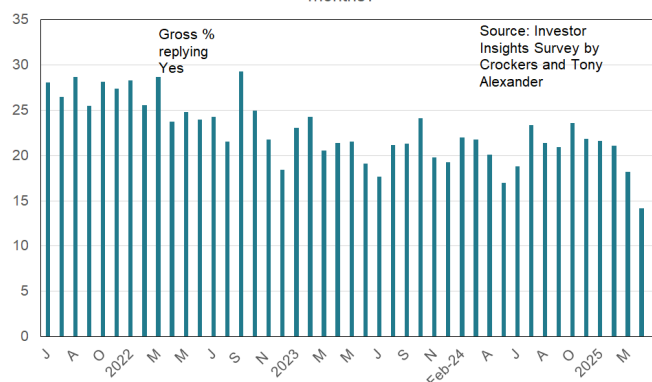
Key points of interest from this month's survey, which received 275 responses include the following.

- The interest of existing investors in buying another property is falling away rapidly.
- For those who are planning another purchase there is decreasing interest in buying a new-build.
- Landlords are experiencing deep difficulties in finding good tenants.

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

In our survey this month 14% of respondents (largely investors already) reported that they are thinking about buying another property in the next 12 months. This is the lowest level of buying intentions in the four years during which our survey has been running.

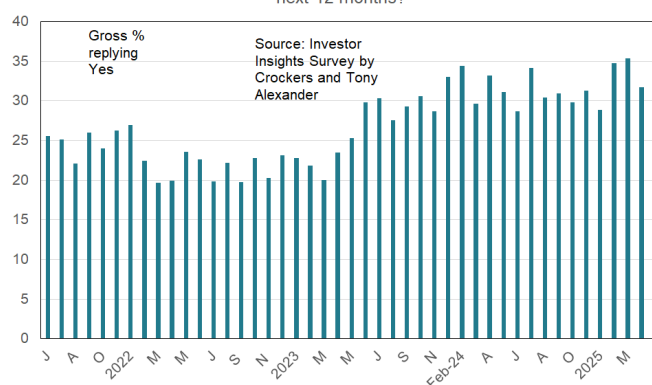
Are you thinking about buying another property within the next 12 months?



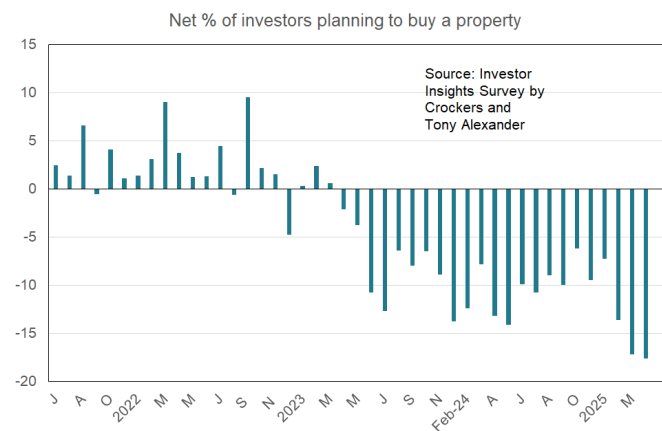
The outcome is a notable drop from last month's 18% and the 24% of October last year. But it is a continuation of a downward trend in place since the middle of 2022.

Offsetting this buying intention is the 32% of investors saying they are looking to sell within the next 12 months. This proportion is down slightly from 35% in March and February. The trend however is up.

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



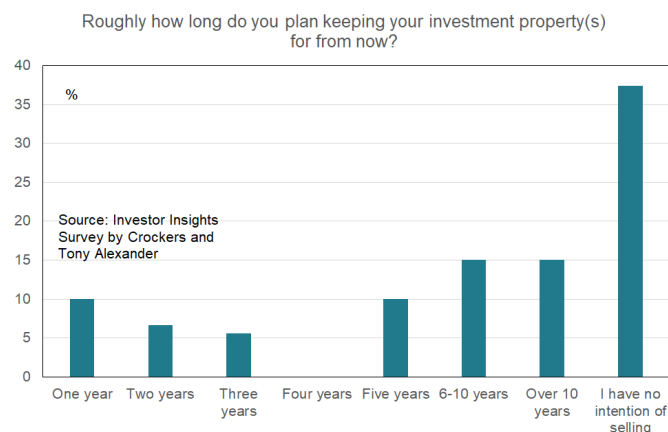
The result of these measures is that a net 18% of existing investors say they are looking to sell a property. As the following graph shows, this is the largest level of net selling intentions on record and well distanced from the net 10% indicating they would buy a property late in 2022.



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

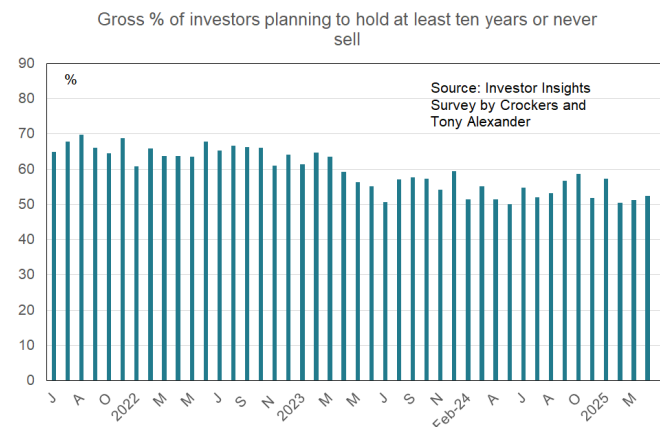
Many people are erroneously of the view that investors buy property in order to quickly flick it on – despite frequent articles in the media discussing how some investors have grown their portfolios over an extended period of time.

Each month we ask existing investors how long they intend holding their properties for and each month the results (unsurprisingly) do not change all that much. Only 10% say they intend holding for less than one year and 7% for 1-2 years.



The proportion who say they intend holding for at least ten years or never selling stands at 53%. This is little changed from 51% in March and 51% a year ago. However, a clear structural decline

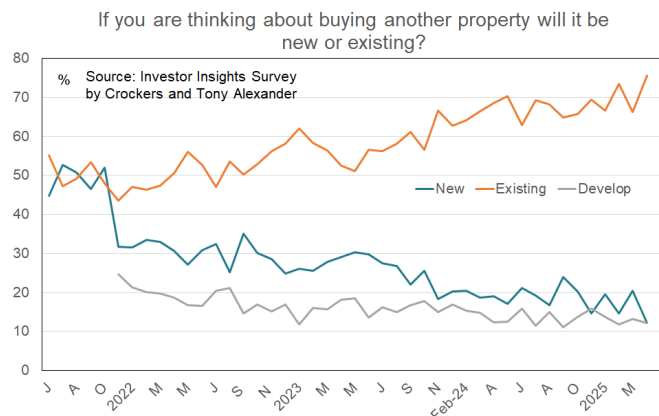
occurred over 2023 in this long-term proportion.



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

One of the clearest trends in our survey is shown by the orange line in the following graph. Since early-2022 there has been a rising tendency for those investors looking to make a purchase to say their preference is for an existing property.

That proportion now stands at a record 76% compared with 69% one year ago, 53% two years back, and 51% four years ago in April 2021.

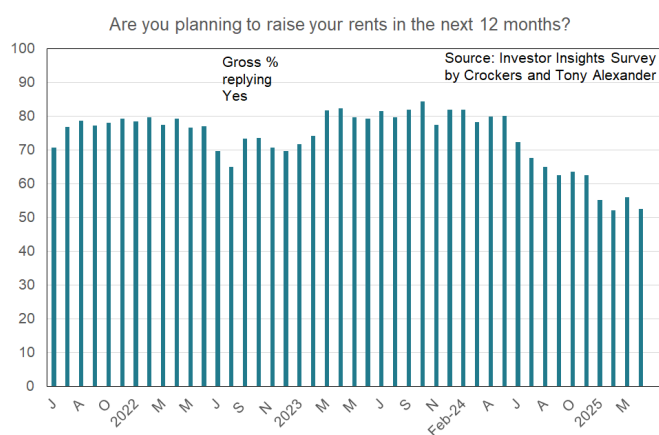


In contrast, interest in buying a new-build has trended down over this period of time. Note that we introduced the option shown in grey of developing one's own property only in November 2021.



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

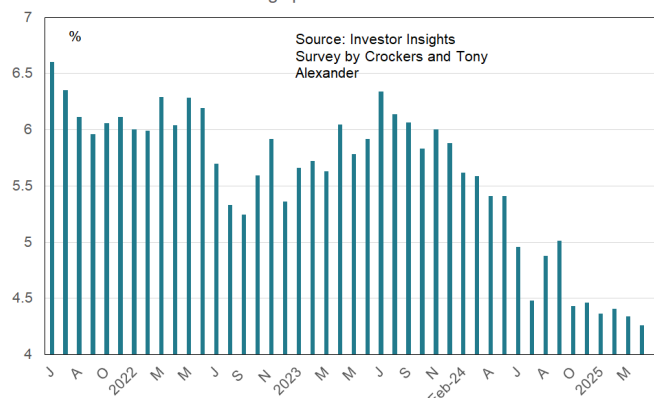
Since June of last year there has been a downward trend in place in the proportion of investors who say they intend raising their rents over the coming year. In this month's survey just 53% said this is their plan as compared with 80% in May 2024.



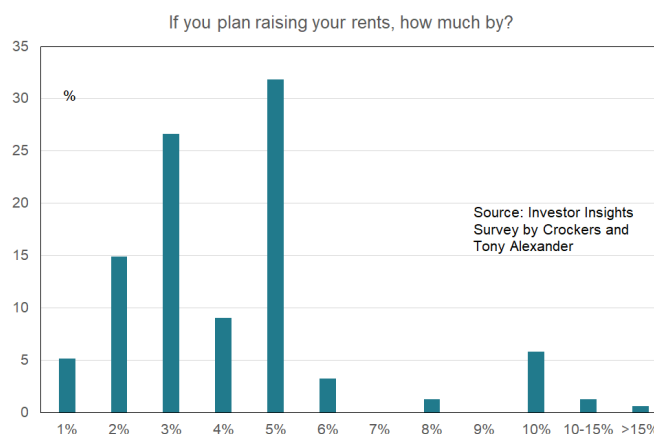
IF YOU PLAN RAISING YOUR RENTS, HOW MUCH BY?

The average rental increase which investors are seeking has fallen to a low for our survey's four year history of 4.2% from 4.4% late last year, 5.4% a year ago, and a peak of 6% in November 2023.

Average planned rent increase



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.

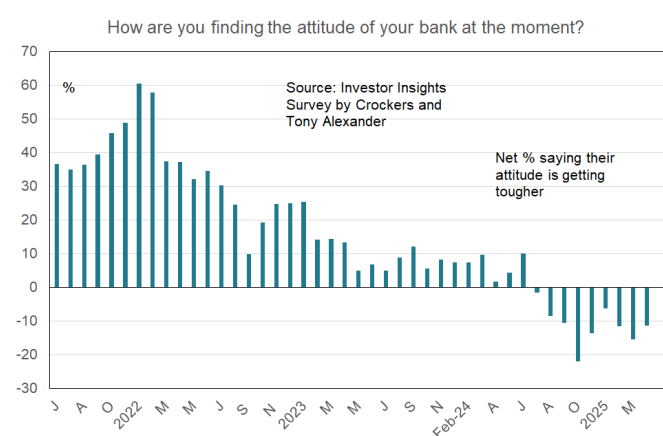
We can calculate the net proportion feeling that things are getting tougher and show the result in the following graph.

One of the clearest results to come through from my range of surveys over recent months has been an increased willingness of banks to lend



for housing purposes. In this month's survey of existing property investors a net 11% have reported that they are finding their bank more willing to advance funds. This is a turnaround from a net 2% a year ago who said their bank was becoming more restrictive.

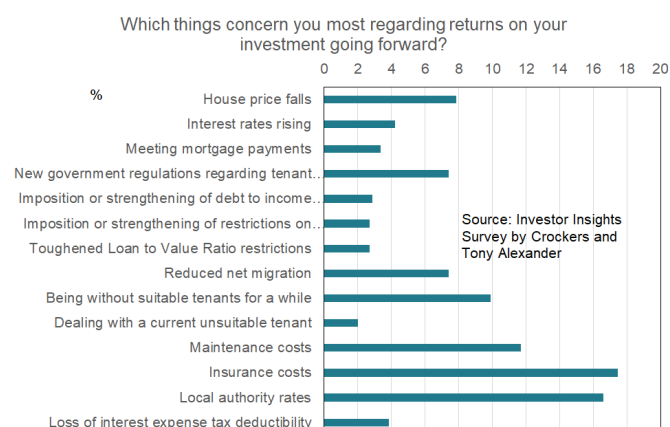
The restrictive peak for this measure of credit availability came in November 2021 when a net 60% said that access to funds was getting more difficult.



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

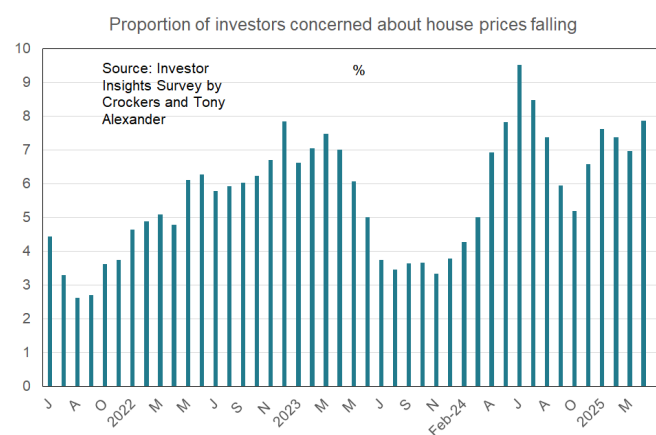
Respondents are able to choose more than one response to this question and results for all choices are shown in the following graph.

The biggest concerns of landlords continue to be insurance, council rates, then maintenance costs.



Looking at some of the individual areas of concern we see the following.

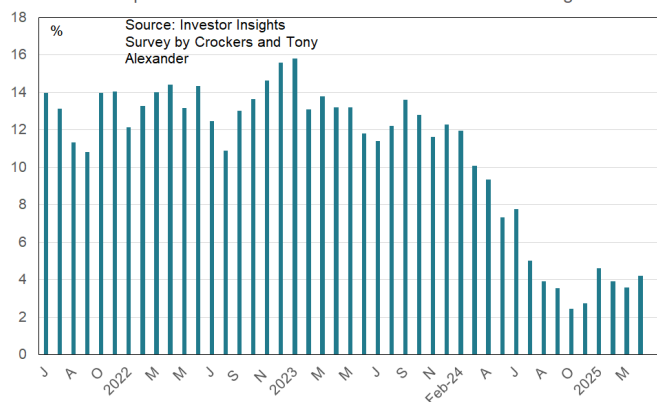
Concerns that prices might fall have been rising again in recent months after easing substantially last year as monetary policy began to be eased. 8% of existing investors worry that house prices might fall.



The optimism engendered by falling interest rates appears to have passed, assisted perhaps by a rise in the proportion of investors concerned that interest rates may in fact rise.

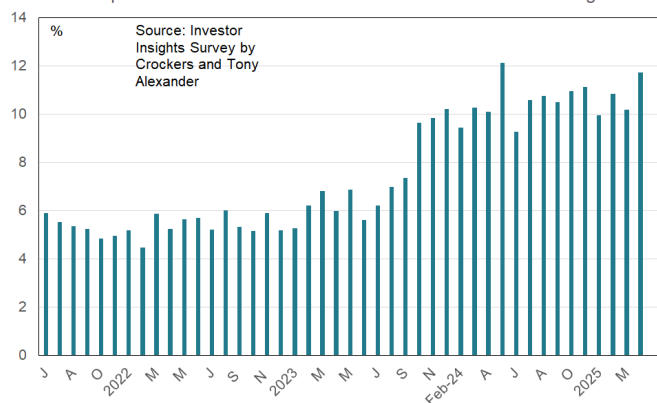


Proportion of investors concerned about interest rates rising



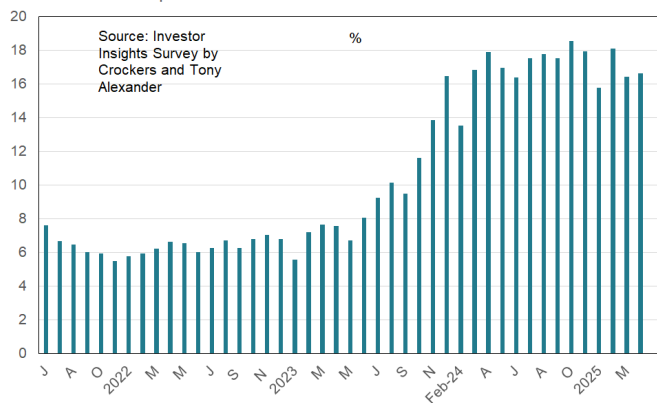
Worries about rising maintenance costs remain elevated having lifted strongly over 2023.

Proportion of investors concerned about maintenance costs rising



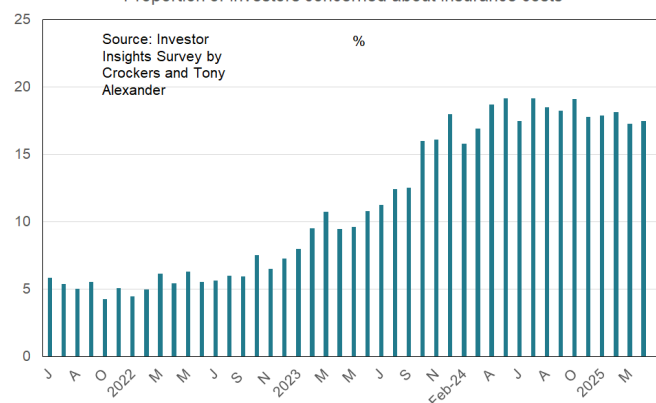
There is also no easing of concerns about escalating council rates.

Proportion of investors concerned about council rates



There is a small easing underway in the proportion of investors concerned about rising insurance costs. But the trend down is very minor.

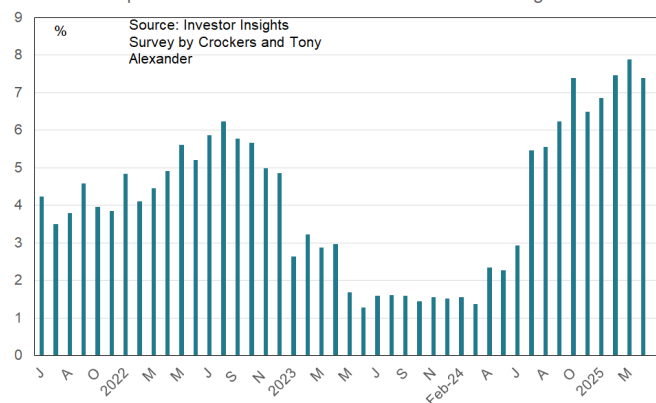
Proportion of investors concerned about insurance costs



These strong negative impacts on investor cashflows probably go a long way to explain the decline in net purchasing intentions discussed above.

The ending of the net migration boom appears to have been well noticed by investors.

Proportion of investors concerned about reduced net migration

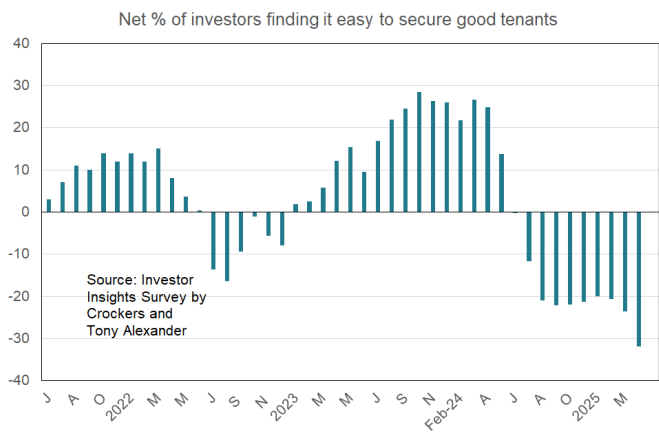


HOW EASY IS IT TO FIND GOOD TENANTS AT THE MOMENT?

For the second month in a row a record has been set in the net proportion of existing



landlords saying that they are having difficulty finding a good tenant. A record net 32% this month have said finding such a person is hard. A year ago in April 2024 a net 25% had said this was easy. The market has strongly turned in favour of tenants and against investors this past year – another factor therefore helping to explain the decline in investor net property purchasing intentions.



There were 275 responses received in this month's survey, with respondents located as follows.

Region	%
Northland	1.8
Auckland	52.9
Bay of Plenty	4.7
Waikato	6.1
Hawke's Bay/Gisborne	3.0
Taranaki	1.8
Manawatu-Wanganui	1.8
Wellington	14.4
Nelson, Tas., Marl	1.8
Canterbury	8.3
Dunedin City	2.2
Queenstown Lakes	1.1
Southland	0.4

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