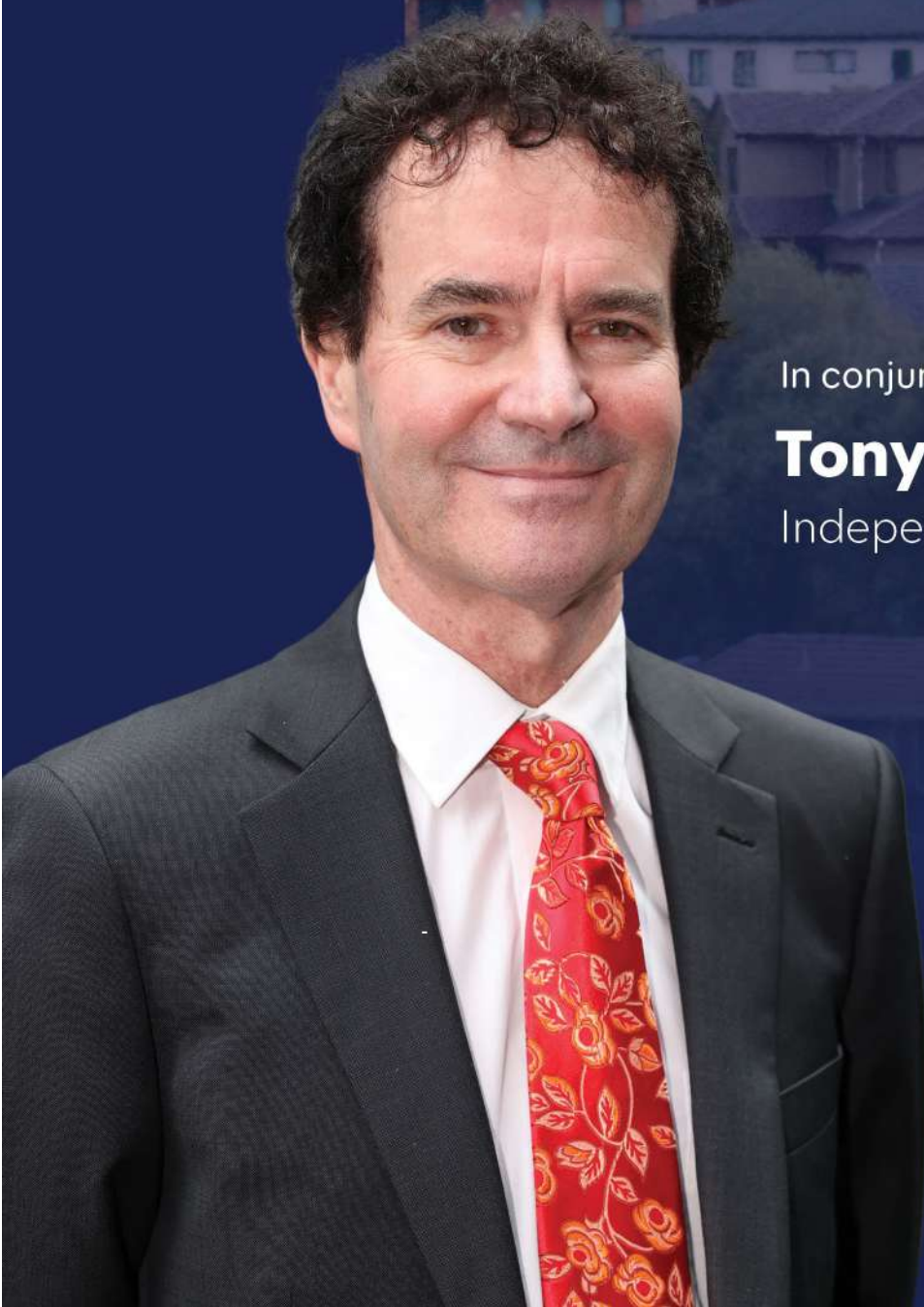


2026
April

Crockers 
PEOPLE & PROPERTY

Investor Insight



In conjunction with

Tony Alexander

Independent Economist

MANAGEMENT
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Interest rate worries grow

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 162 responses include the following.

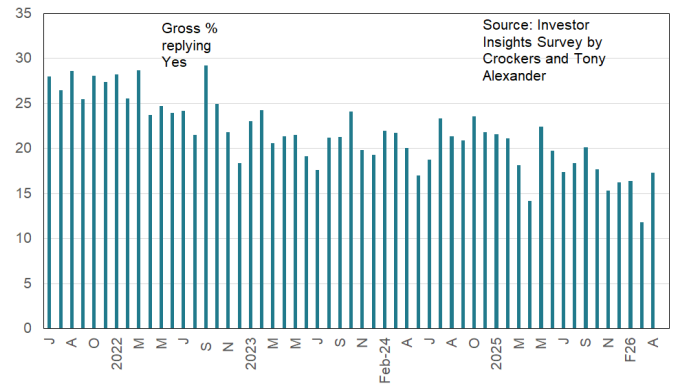
- Most of the results this month are close to where they were in March apart from a slight improvement in the net proportion of investors thinking about making another property purchase.
- The preference of investors looking to buy again is to purchase an existing property rather than to get a new one built.
- As a one-off we asked investors planning to sell what their motivation is. Mostly they cited retirement and inadequate returns.

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

After recording an unusually large fall last month we have in April seen a recovery in the proportion of existing property investors thinking about purchasing another property in the coming year. This month's percentage is 17% from 12% last month and 16% in February.

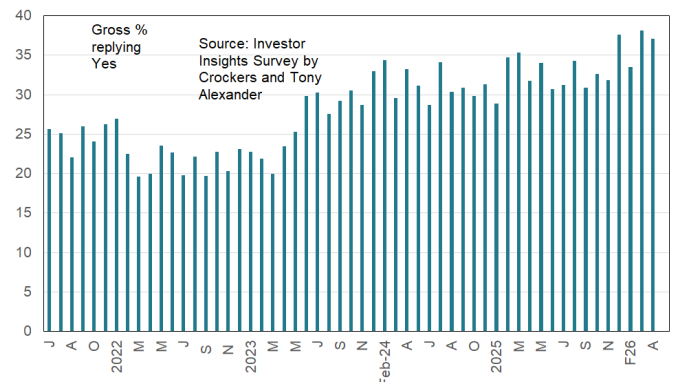
There has been a slow downward trend in this gauge of demand for investor property since early in 2022 and that decline may still be in place.

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



The proportion of investors thinking about selling a property in the coming year edged down slightly in this month's survey to 37% from 38% in March

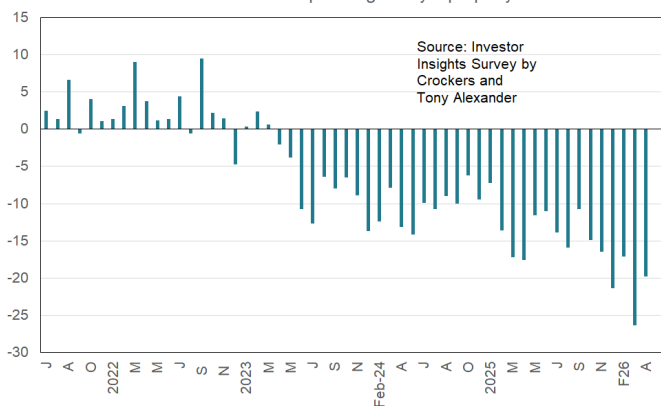
Are you thinking about selling one or all of your properties within the next 12 months?



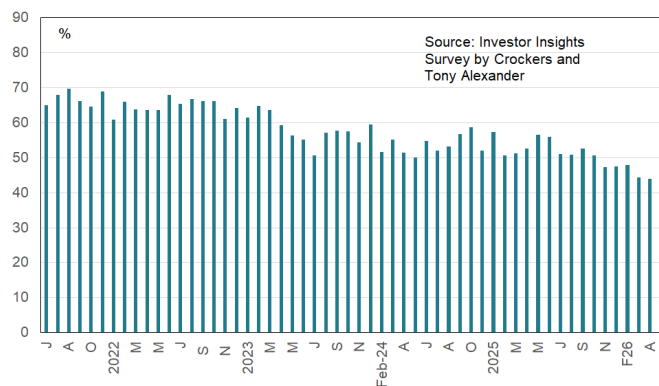
Offsetting these two measures against each other we get a rough gauge of the net impact which existing investors may be having in the real estate market. A net 20% of existing investors say they are looking to sell. This is better than the unusually large and aberrant net 26% of last month but still consistent with a deteriorating trend.



Net % of investors planning to buy a property



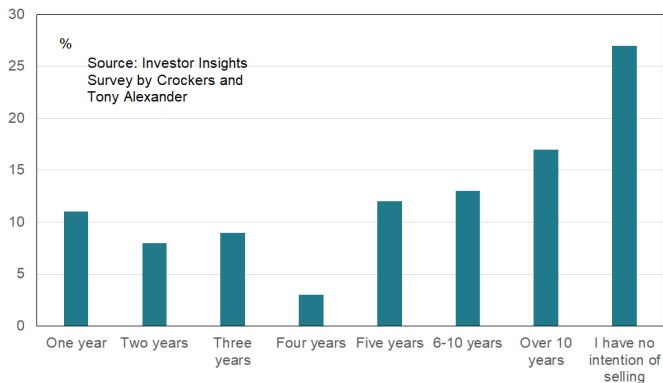
Gross % of investors planning to hold at least ten years or never sell



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

Some 27% of existing investors have no plans to sell, 17% intend holding for at least ten years, 12% five years and 11% one year – as shown along with other holding terms in the following graph.

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

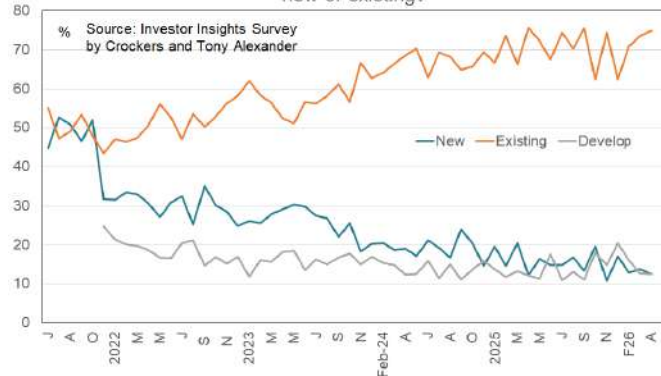


There remains a slow downward trend in the proportion of investors planning to hold for the very long-term.

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

From 2022 to early-2025 there was an upward trend in the proportion of existing investors looking to buy again who said they would focus on securing an existing property. This trend has been flat on average for the past year but it will be interesting to see if the widespread discussion of newly rising construction costs stemming from the Iran War causes a further lift in this measure.

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?

A net 46% of existing investors plan raising their rents over the coming 12 months. This measure has plateaued since the middle of last year amidst



a general increase in discussion about rising inflation – especially now following the oil market disturbance.

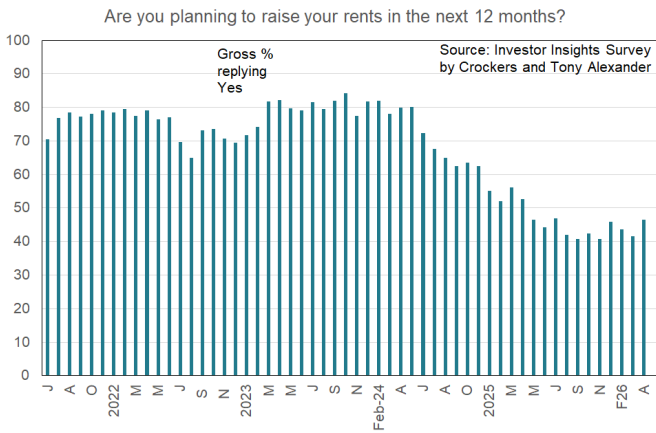
HOW ARE YOU FINDING THE ATTITUDE OF YOUR BANK AT THE MOMENT?

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.

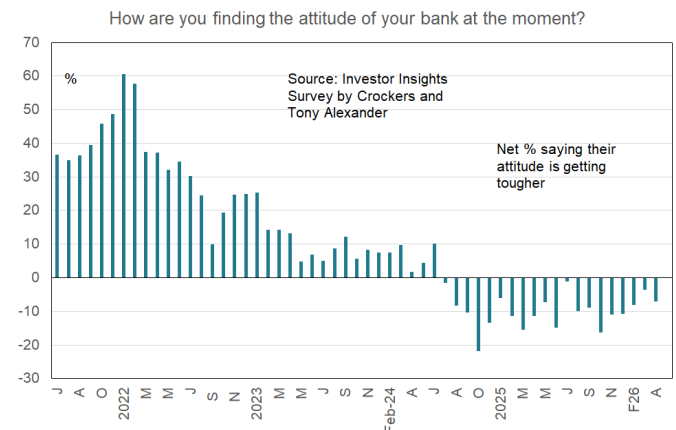
On average existing residential property investors have been saying that access to credit has been reasonably good since the middle of 2024. Note the large difficulties of 2021-22 when a credit crunch was applied by the Reserve Bank.



IF YOU PLAN RAISING YOUR RENTS, HOW MUCH BY?

The average rise in rent desired by landlords has interestingly fallen to a low for our survey of 3.7% from 4% over the previous three months.

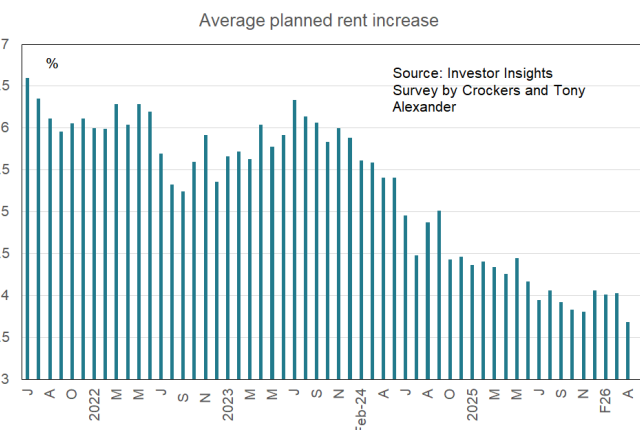
At a time when costs are anticipated to rise anew this likely reflects the high supply of rental property set against relatively weak demand for accommodation from tenants.



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

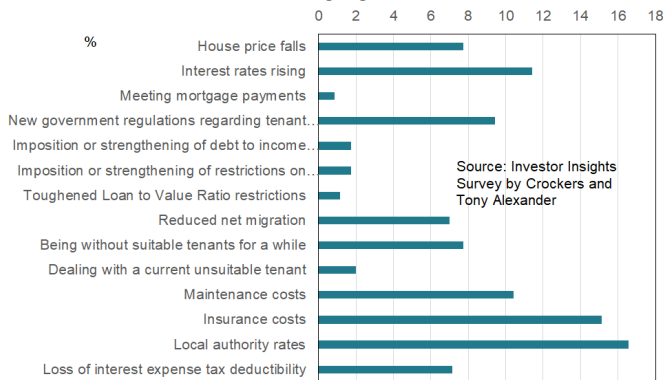
Respondents are able to choose more than one response to this question and results for all choices are shown in the following graph.

The two top concerns are still council rates and insurance costs.

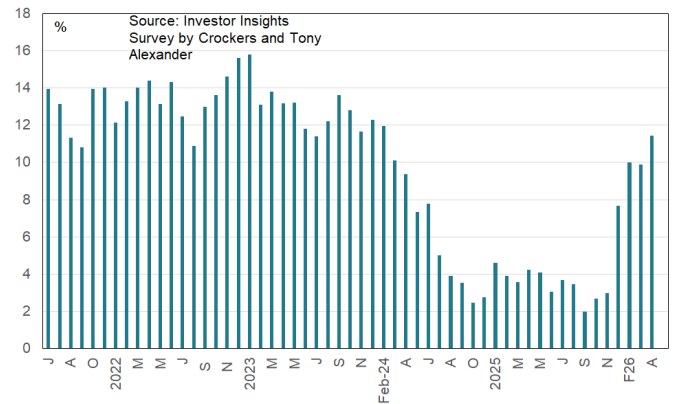




Which things concern you most regarding returns on your investment going forward?

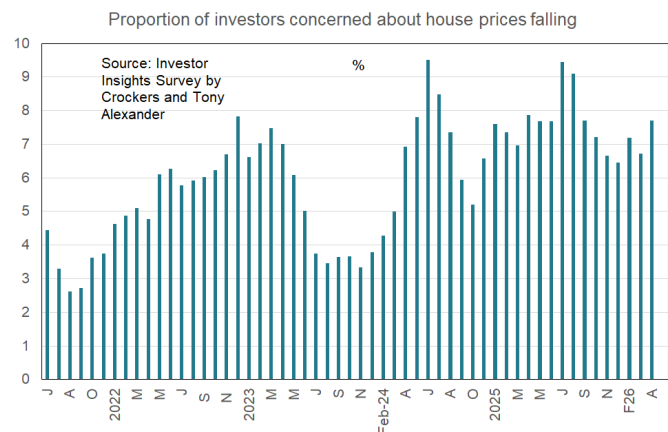


Proportion of investors concerned about interest rates rising



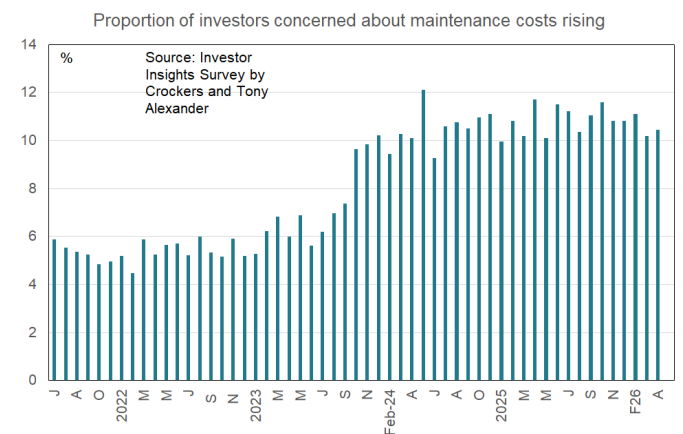
But what we are really interested in are the trends in these measures which we now turn to in no particular order.

There is a small upward trend underway in investor worries that house prices might fall.

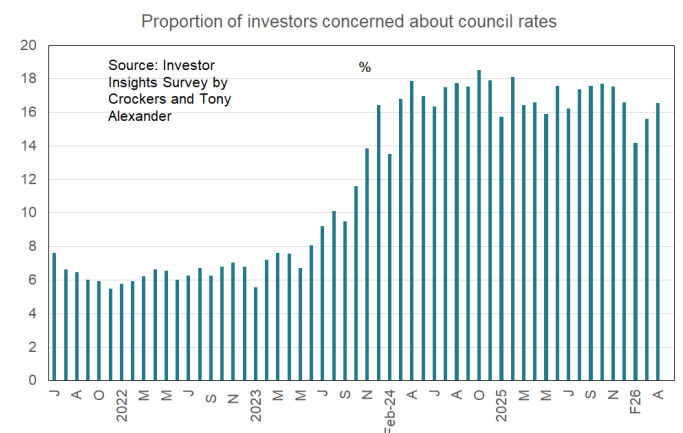


Concerns about interest rates however have soared over the past four months – initially amidst general discussion of a cyclical rise in rates as the economy recovered, and now more recently because of higher inflation set to come from developments in the Middle East.

As ever, concerns about high maintenance costs remain firm.

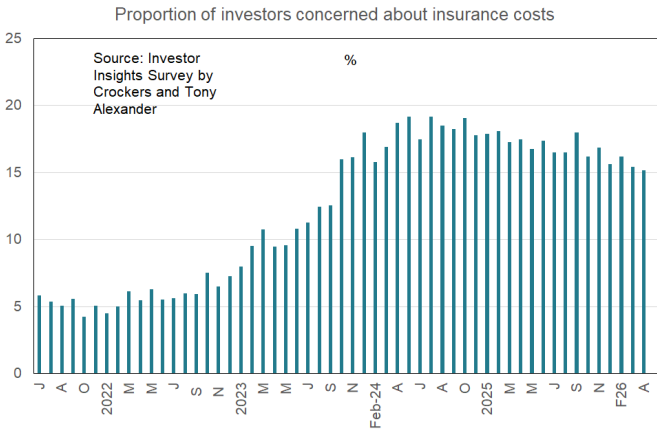


Same for council rates.

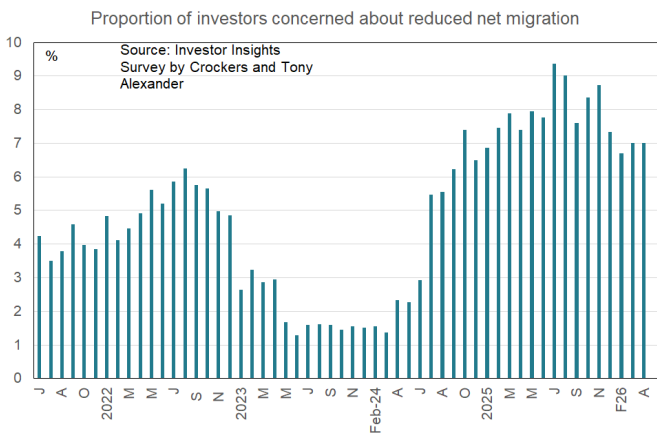




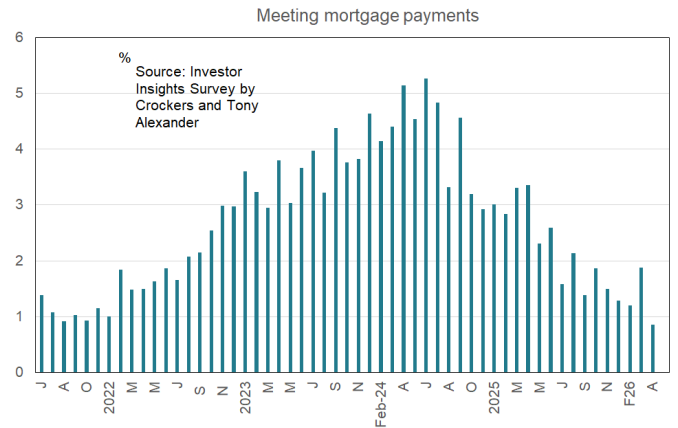
And insurance costs - although a slow downward trend in this area of worry is underway.



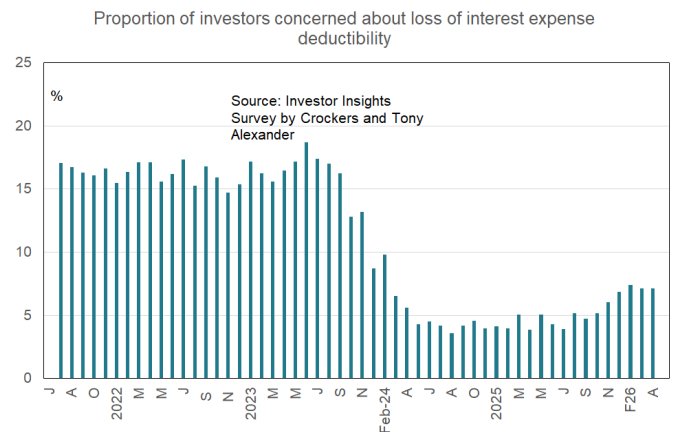
Worries about migration flows are easing slowly as the data from Statistics NZ show an improving movement in the migration cycle towards higher net gains.



Here is something interesting. Despite recent interest rate rises and growing fears of more to come, there remains a downward trend in the proportion of existing investors concerned about meeting their mortgage payments.



Worries about once again losing interest expense deductibility have edged higher in recent months. It will be interesting to see how this measure develops as we get closer to the November general election.

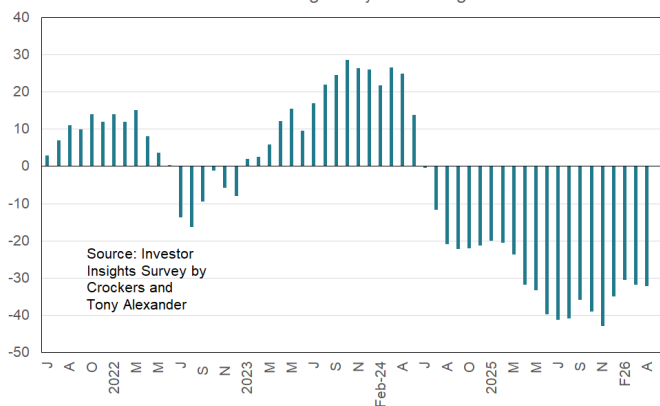


HOW EASY IS IT TO FIND GOOD TENANTS AT THE MOMENT?

Since the middle of 2024 investors have reported high difficulties in securing the type of tenants they may want. As yet it is not certain that this trend is reversing.



Net % of investors finding it easy to secure good tenants



Source: Investor Insights Survey by Crockers and Tony Alexander

There were 162 responses received in this month's survey, with respondents located as follows.

Region	%
Northland	1.9
Auckland	45.7
Bay of Plenty	5.6
Waikato	6.8
Hawkes Bay/Gisborne	4.3
Taranaki	1.2
Manawatu-Wanganui	3.7
Wellington	9.3
Nelson, Tas., Marl	4.3
Canterbury	11.7
Dunedin City	3.7
Queenstown Lakes	1.9
Southland	0.1

IF SELLING, WHY?

As a one-off this month we invited respondents who are considering selling a property in the next 12 months to give some insight into the main factor motivating their decision. The two main factors cited were funding retirement and returns from residential property investment no longer stacking up.

15% however said they were selling in order to invest in another property. Just under 7% cited worries about tax changes under a potential future government and the same percentage also noted concerns about potential capital gains going forward.

	%
Fund retirement	28
Returns no longer adequate	27
Reinvest in another residential property	15
Free up cash for alternative investments	7
Fears of tax changes if a change in govt.	7
Pay down debt	7
Limited price gains expected	7
Tired of tenants	4

Note, rounding means the percentages sum to over 100.

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- Find out how Crockers can assist your Residential Society

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