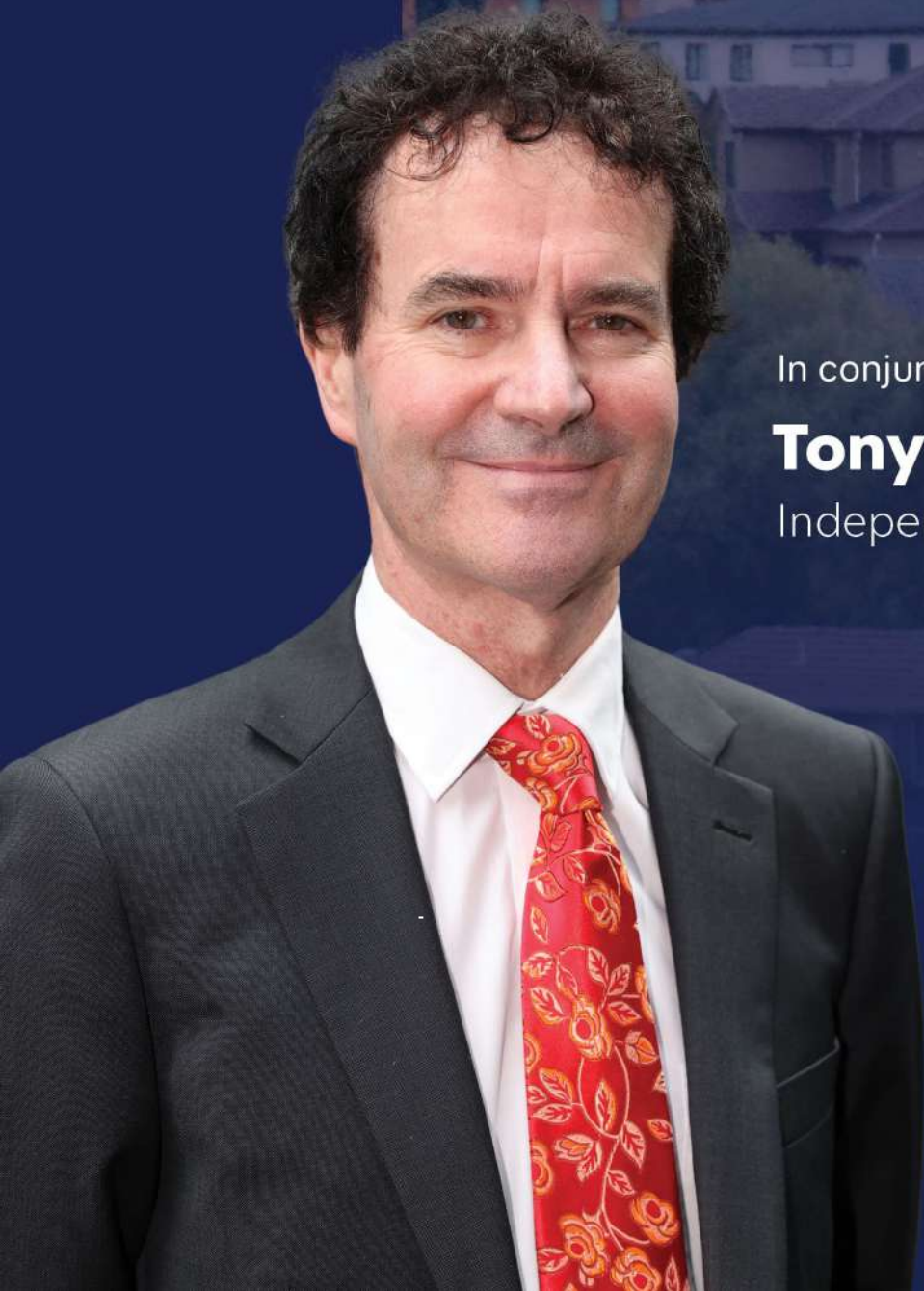


2025  
July

Crockers   
PEOPLE & PROPERTY

# Investor Insight



In conjunction with

**Tony Alexander**

Independent Economist

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MANAGEMENT  
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## Tenant scarcity curbing rent rises

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.

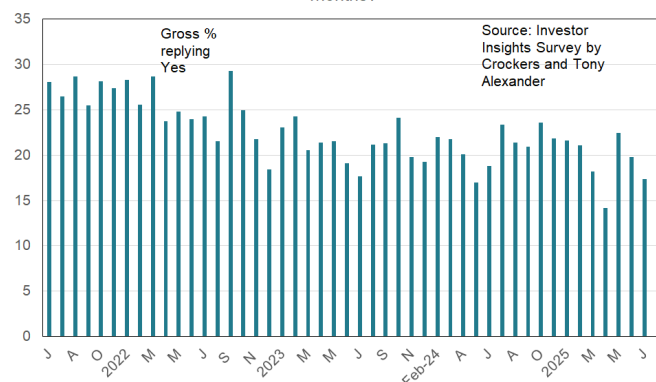
Key points of interest from this month's survey, which received 288 responses include the following.

- Whereas 15 months ago a net 25% of landlords said that it was easy to find a good tenant, now a record net 41% say it is hard.
- Planned rent rises continue to slow down.
- Investors are slowly growing less worried about insurance premium increases but are becoming more concerned about weak migration flows.

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

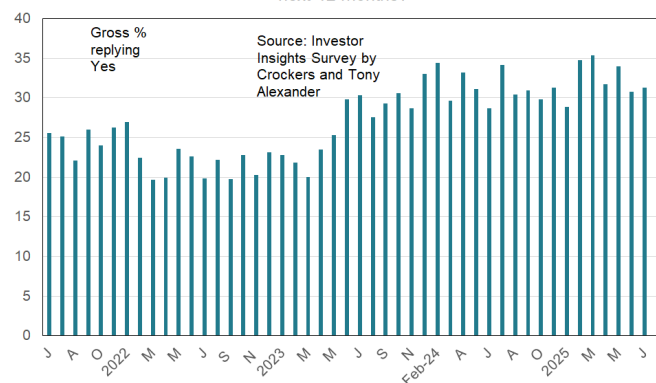
Only 17% of landlords reporting in this month's survey have said that they are thinking about buying a property in the next three months. This is down from 20% in June and 22% in May and the graph hints that there may still be a downward trend in this gauge of investor demand. Note that declines have occurred during the period of falling interest rates from mid-2024.

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



In our June survey 31% of landlords said they are thinking about selling a dwelling in the coming 12 months and that is the result also for July. The trend in this gauge has been flat for two years now following a rise over the latter part of 2023 when first home buyers returned to the market and gave vendors some pricing hopes.

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

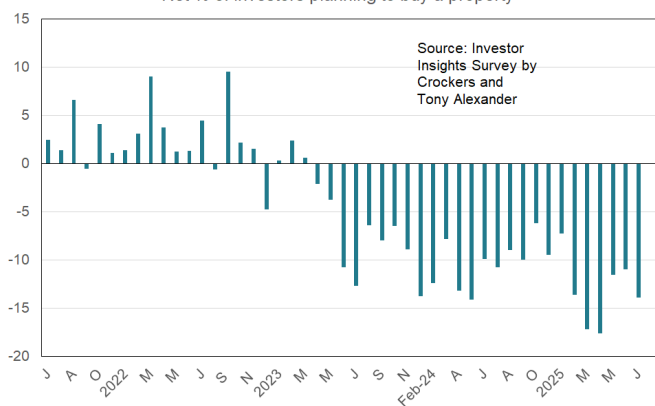


The result when we put these two measures together is a net 14% of existing landlords saying they plan selling a property. These net intentions have been negative since the middle of 2023.



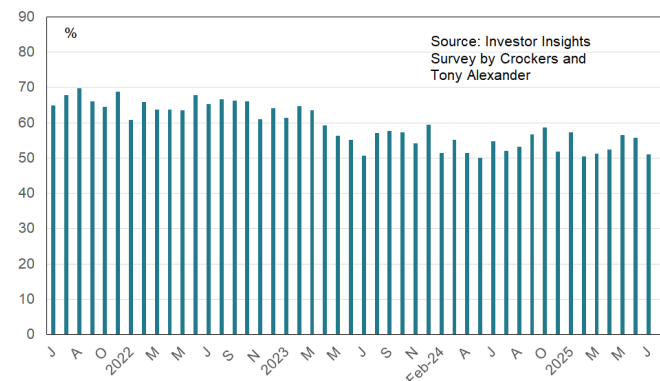


Net % of investors planning to buy a property



construction levels are running much higher on average than before when compared with the population size.

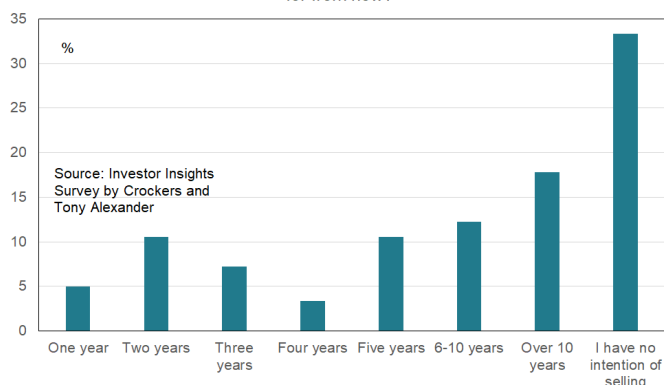
Gross % of investors planning to hold at least ten years or never sell



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

33% of investors report that they have no intention of selling their dwelling, 18% say they will hold for at least ten years, and 12% for between six and ten years. Only 5% say they will hold for less than a year.

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



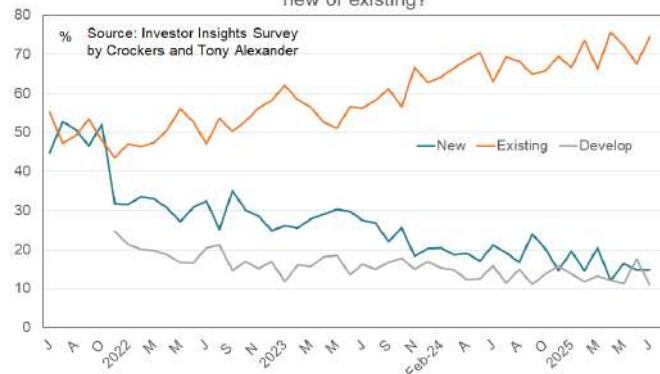
The proportion of existing landlords saying they will not sell or will hold for at least ten years was 51% in this month's survey. This gauge of willingness to hold long-term continues to slowly decline and this process is likely to be ongoing.

This is partly because of the aging cohort of the investor market which our survey captures. But also, there is likely to be growing awareness of the lower potential for ongoing capital gains compared with the past three decades now that

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

There continues to be an upward trend in the proportion of existing investors thinking about buying again who would opt for an existing property. This is understandable when we consider the high number of existing properties listed for sale, strong hikes in construction costs in recent years, and reduced incentives to build a new dwelling.

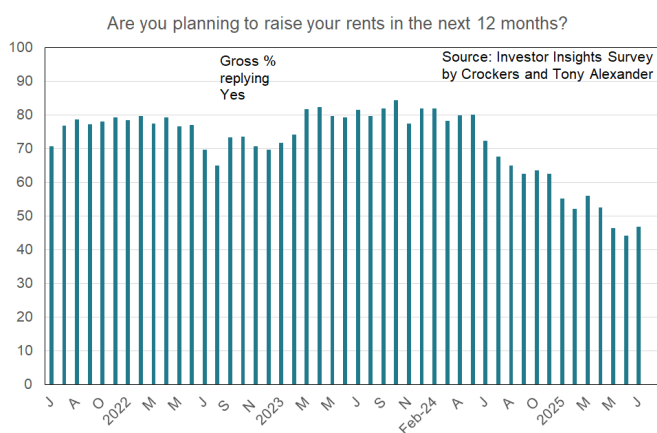
If you are thinking about buying another property will it be new or existing?





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

There has been a small rise this month in the proportion of landlords planning to raise their rents in the next 12 months – to 47% from 44% in June. But this is the same proportion as in May and it would seem premature to conclude for the moment that the downward trend in this measure has ended.

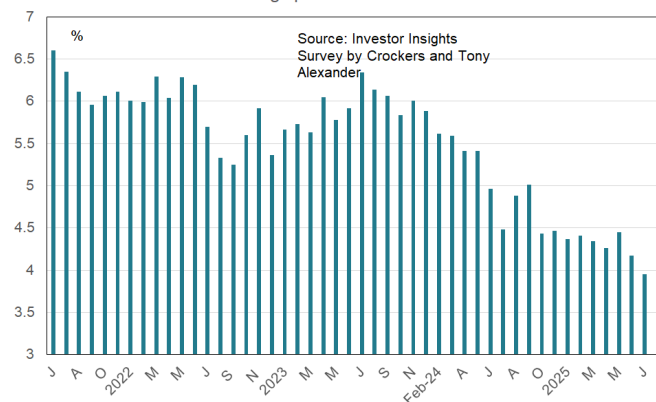


## IF YOU PLAN RAISING YOUR RENTS, HOW MUCH BY?

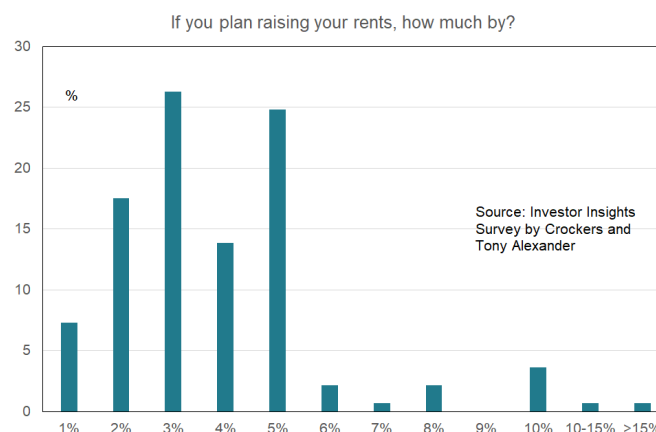
Backing up a view that the downward trend in rent rise desires may not have ended we have a further decline recorded in the average rent increase landlords will seek. The latest desired average increase is just 3.9%.

A year ago, this measure stood at 4.5% and two years ago 6.3%.

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.

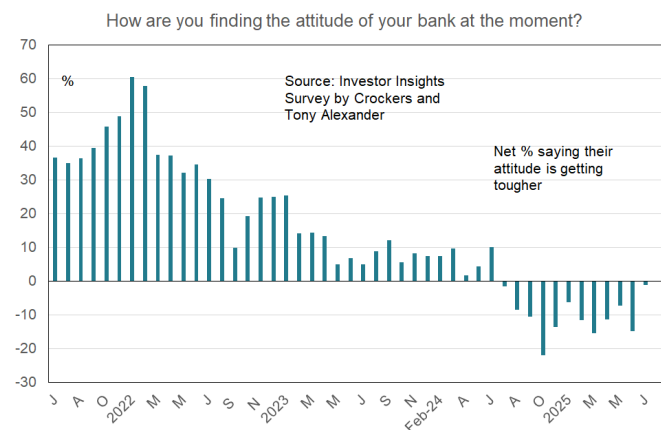
- Getting tougher
- Getting more relaxed
- No change, nothing apparent.

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

A net 1% of landlords have the view that their bank is becoming more willing to advance funds. This means slightly more landlords feel credit is



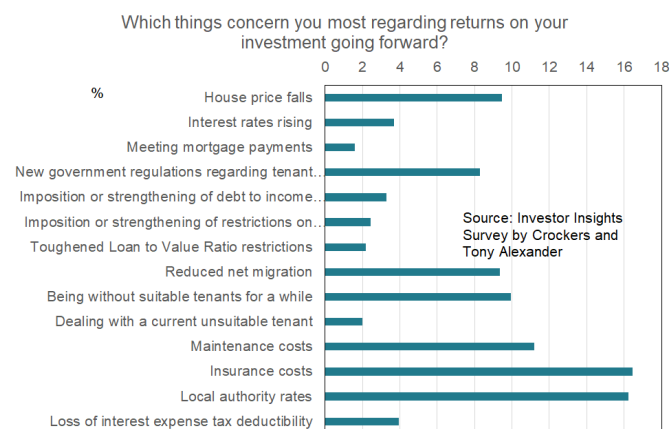
becoming more available than feel things are tightening up. However, this is the least firm such result since July last year and tells us that banks for the moment perhaps are not focussing on credit growth by targeting investors.



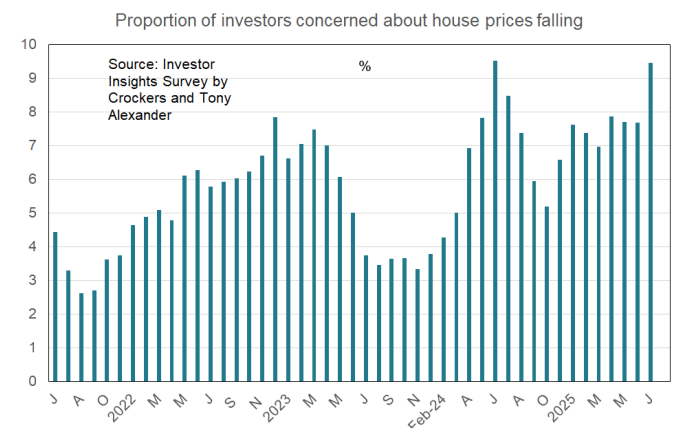
## WHICH THINGS CONCERN YOU MOST REGARDING RETURNS ON YOUR INVESTMENT GOING FORWARD?

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

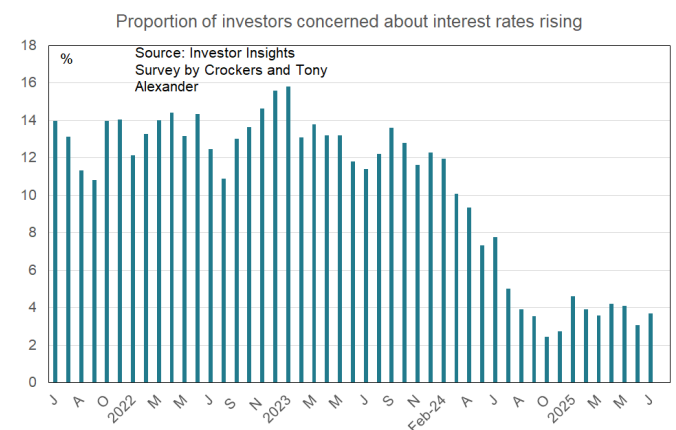
The greatest concerns which landlords have regarding their investment are rising insurance costs, closely followed by rising local authority rates. Meeting mortgage payments and dealing with bad tenants rate as only small concerns.



This month there has been a sizeable jump in investor concerns about house prices falling. Given that average NZ house prices have in fact declined over the past four months this appears understandable if somewhat a lagged area of insight into market conditions.



Very few concerns are held about interest rates rising in the near future. But happiness regarding them falling appears to have ended some time ago.

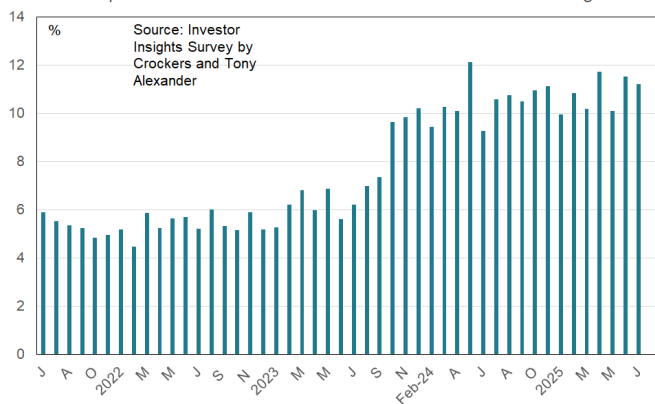


Concerns about maintenance costs jumped in 2023 and remain high.



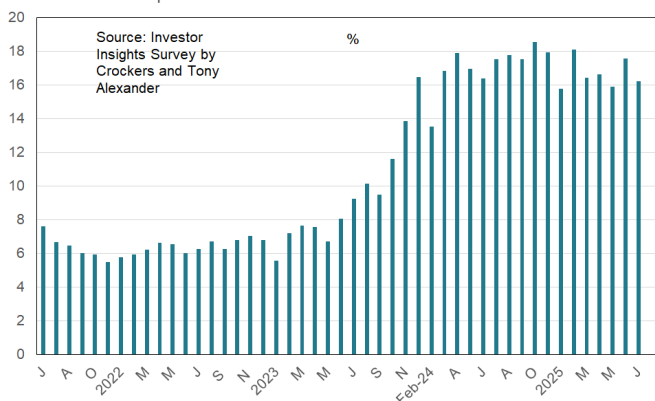


Proportion of investors concerned about maintenance costs rising



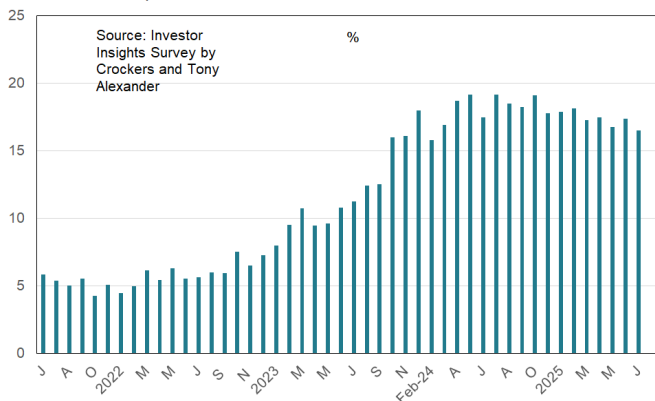
Similarly, 2023 saw a jump in worries about council rates and those concerns also remain elevated.

Proportion of investors concerned about council rates



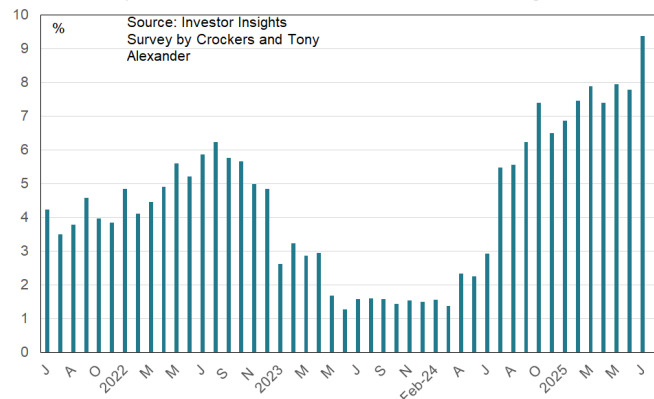
For insurance costs however there is a small declining trend underway in concerns.

Proportion of investors concerned about insurance costs



Net migration worries are beginning to occupy the minds of landlords more and more as the annual net flow falls to multi-year lows.

Proportion of investors concerned about reduced net migration

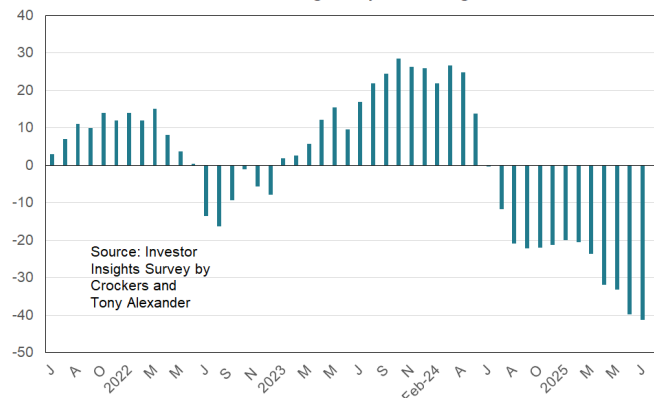


## HOW EASY IS IT TO FIND GOOD TENANTS AT THE MOMENT?

A record net 41% of landlords report that they are having difficulties sourcing good tenants. 15 months ago, this measure was a net 25% the other way. The turning of this measure is a stark gauge of how much and how quickly conditions have altered in the residential rental market.

Contributing factors to this will include slowing population growth courtesy of falling net migration at the same time new dwelling supply growth has been robust.

Net % of investors finding it easy to secure good tenants





There were 246 responses received in this month's survey, with respondents located as follows.

Region	%
Northland	1.7
Auckland	50.3
Bay of Plenty	6.5
Waikato	7.5
Hawke's Bay/Gisborne	3.7
Taranaki	1.0
Manawatu-Wanganui	1.4
Wellington	10.2
Nelson, Tas., Marl	3.3
Canterbury	9.9
Dunedin City	3.7
Queenstown Lakes	0.7
Southland	0.1

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