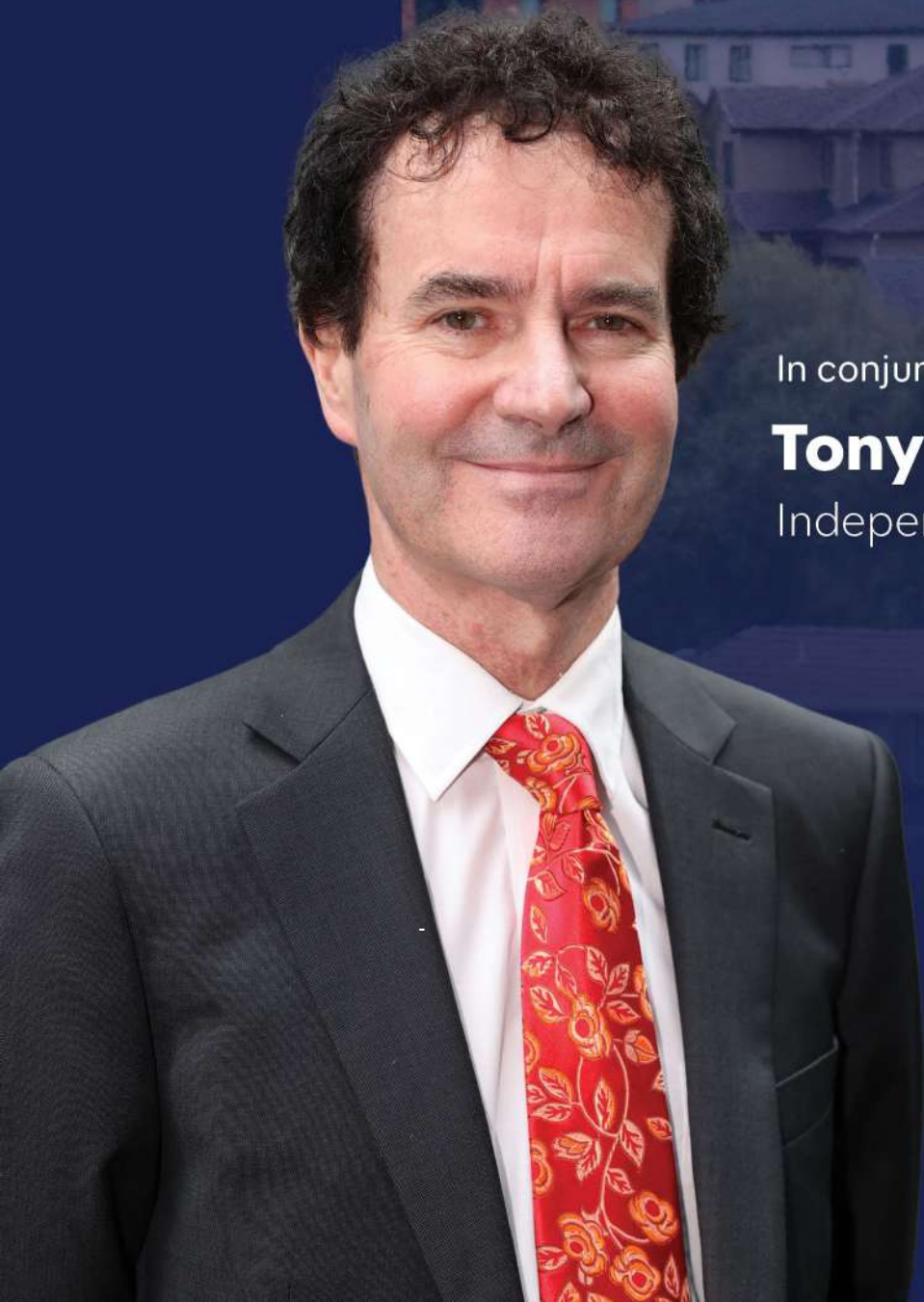


2025
September

Crockers 
PEOPLE & PROPERTY

Investor Insight



In conjunction with

Tony Alexander

Independent Economist

MANAGEMENT
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Rent increases slowing down

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 259 responses include the following.

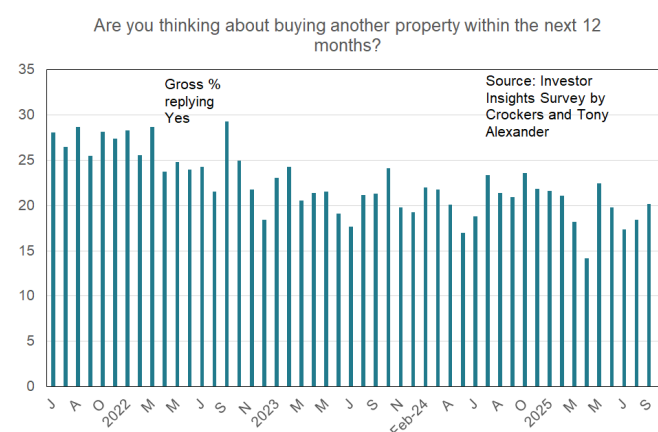
- Over half of landlords say they plan holding their property for at least ten years or never selling it.
- Investors looking to make another purchase remain strongly focused on existing dwellings rather than new ones.
- The average rent rise which landlords will attempt to achieve over the coming year is on a downward trend.

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

For the second month in a row there has been an improvement registered in the proportion of landlords indicating that they are thinking about buying another property in the next 12 months. The latest reading is 20% from 18% in August, 17% in July, and just 14% in April.

In April and May many measures in the five surveys which I run each month hit low levels and this tells us, along with the recently reported 0.9% contraction in the economy over the June quarter, that we are now on a slow improving track of recovery.

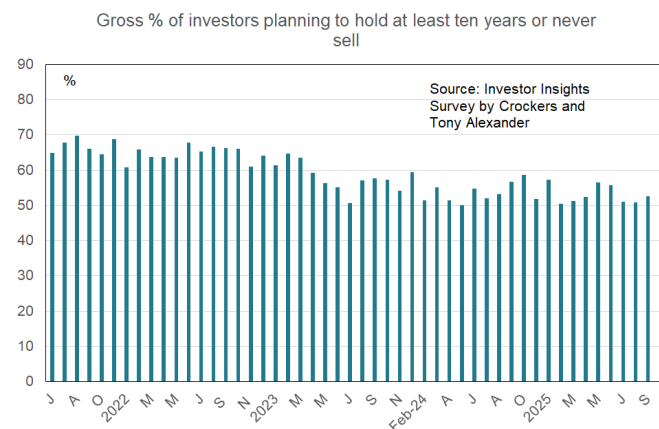
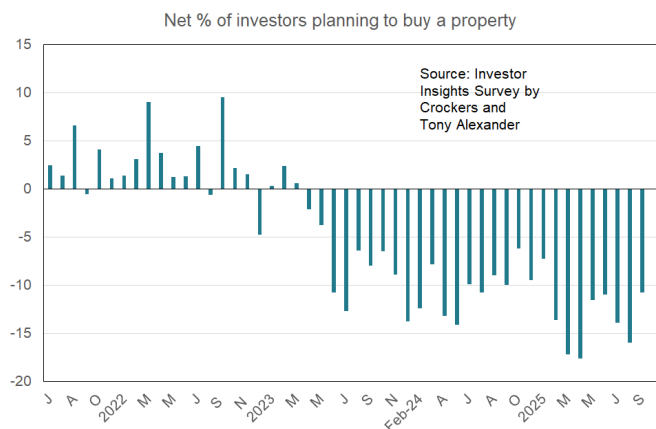
At 20% the proportion of landlords looking to buy is the best since June and that perhaps gives better perspective to the recovery since April. That is, the upward trend is very small.



After taking an unusual jump up to 34% in August the proportion of existing residential property investors looking to sell their property in the next 12 months eased back to where it was in July at 31% this month. No trend change has been apparent in this measure since the increase over 2023.

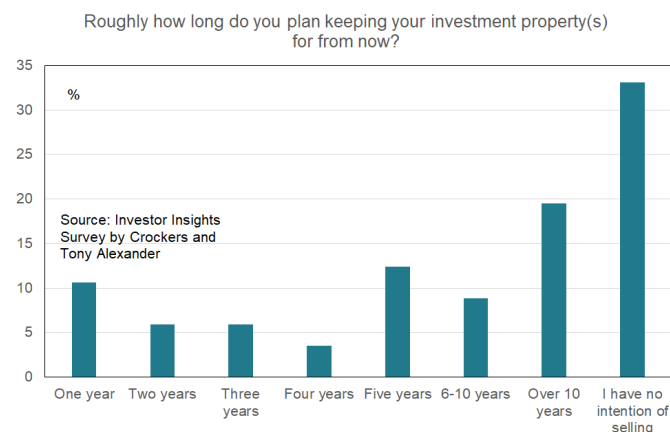


Offsetting these two readings against each other we get a net 11% of landlords looking to sell a property in the coming year. This is better than 16% in August and the high of 18% in April. But it is not apparent that an improving trend is necessarily underway.



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

The following graph shows the proportions of landlords saying they will keep their properties for the periods of time measured along the horizontal axis. We can see that one-third have no intention of selling while just 11% say they will sell in the coming year.

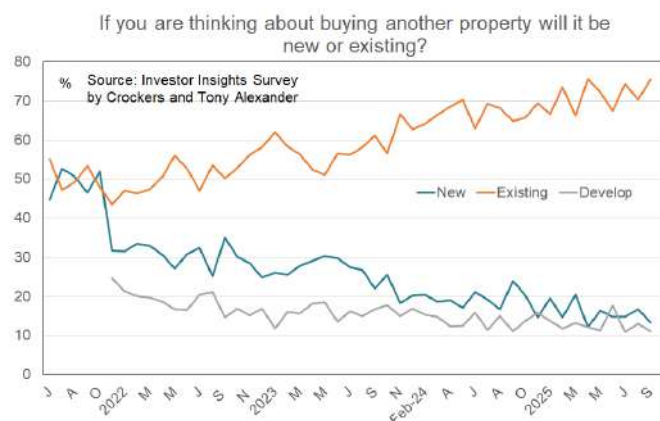


The proportion looking to hold for at least a decade or never sell sits at 53% which is little changed from other readings over the past year. No shock decrease is underway as a result of the recent reporting of price declines, falling rents, and scaling back of price appreciation predictions for the coming months.

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

Last month we noted that although the proportion of investors looking to buy who would purchase a used dwelling had dipped it still looked like the trend was upward. That has been confirmed this month with a small rise again in the orange line showing this proportion.

Investors have a high preference for buying an existing property if they are to buy again and interest in a new-build is low and still declining.



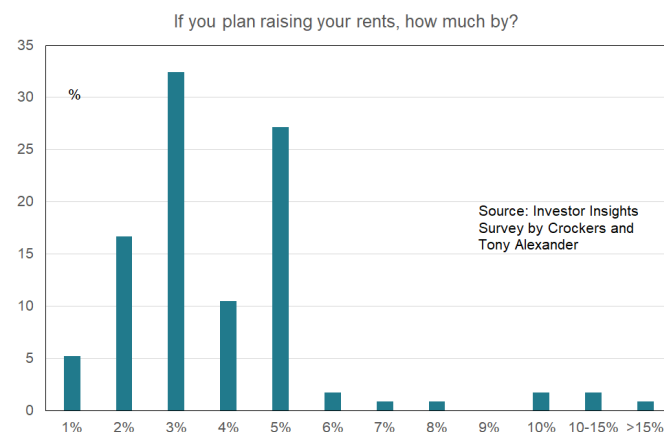
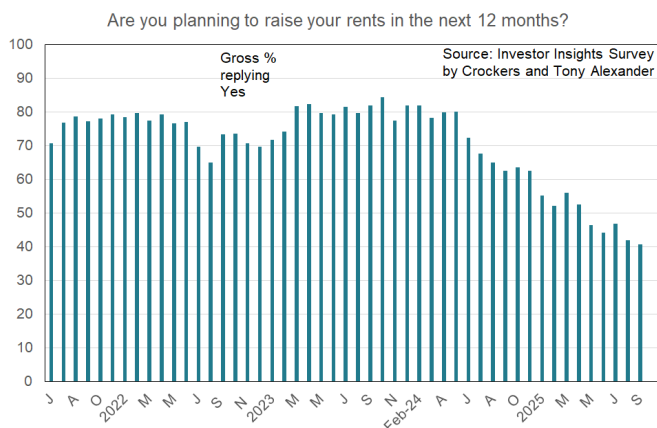
ARE YOU PLANNING TO RAISE YOUR RENTS IN THE NEXT 6 MONTHS?

A record low net 41% of landlords this month have reported they plan raising their rents over



the coming year. Considering the recent publicity given to falling rents this is not much of a decline. More realistically, this measure has been signaling slowing growth in rents since early last year and the various data series are only now truly catching up with the change.

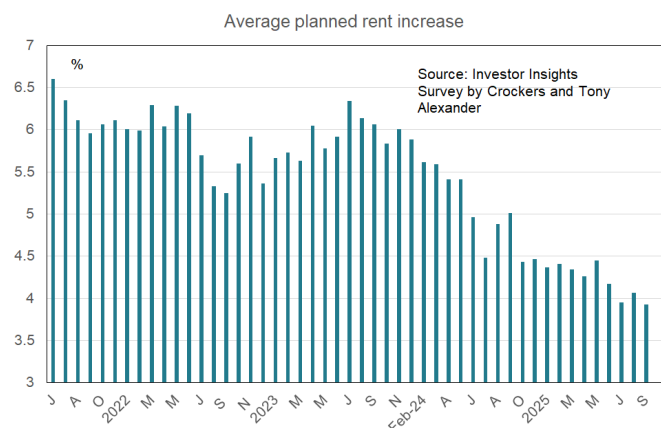
This graph shows the proportion of investors targeting different degrees of rent increases.



IF YOU PLAN RAISING YOUR RENTS, HOW MUCH BY?

The average rise in rents which landlords would like to achieve has fallen back to 3.9% after an unsustained blip up to 4.1% in August. The trend is firmly down.

A year ago, this measure stood at 5.0% and two years ago 6.0%.



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

Respondents to this question can choose amongst three options.

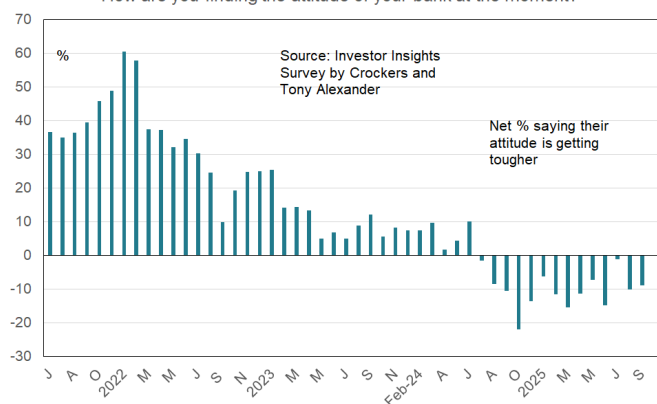
- Getting tougher
- Getting more relaxed
- No change, nothing apparent.

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

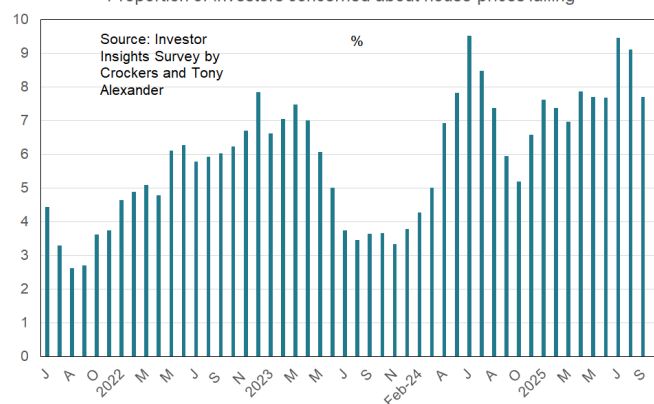
A net 9% of existing landlords have reported that they are finding their bank more accommodating. This evidence of willingness to lend has been apparent since the middle of last year and stands in strong contrast to the credit crunch years of 2021-23.



How are you finding the attitude of your bank at the moment?



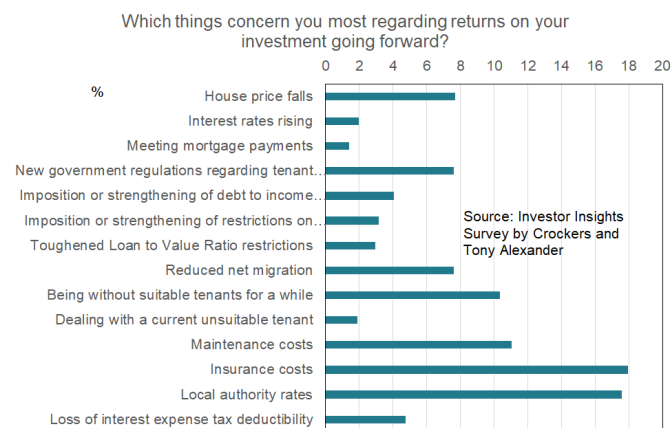
Proportion of investors concerned about house prices falling



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

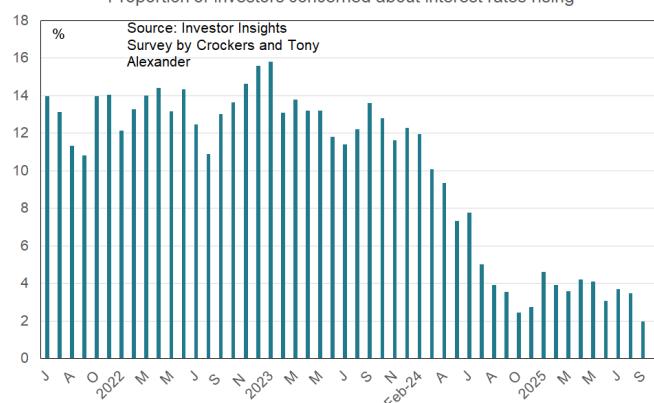
Respondents are able to choose more than one response to this question and results for all choices are shown in the following graph.

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



The recent dovish monetary policy signals from the Reserve Bank have contributed to a further reduction in investor worries about financing costs – interest rates.

Proportion of investors concerned about interest rates rising

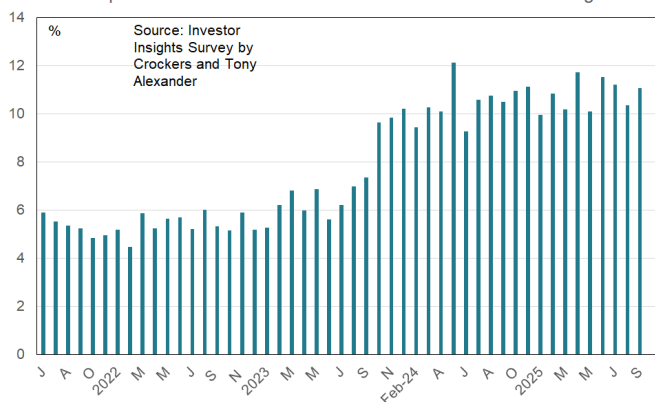


Worries about maintenance costs are as strong as ever and it is hard to imagine these worries easing – especially given the risk that as the economy improves through 2026 there will be new upward pressure on building materials prices.

Concerns about house prices falling have eased this month but the change could just be a blip. It would be best to wait for next month's result before concluding that landlords are altering their capital gain expectations.

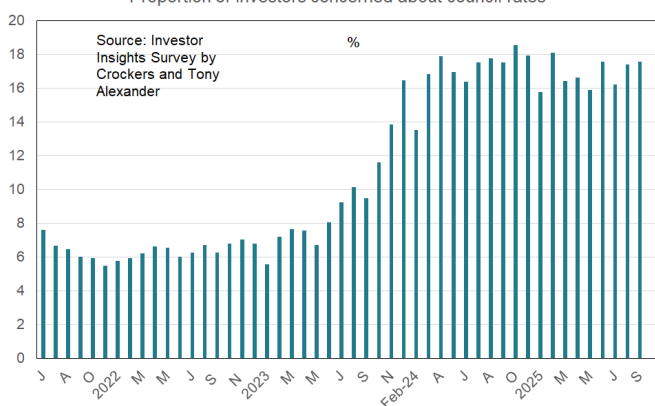


Proportion of investors concerned about maintenance costs rising



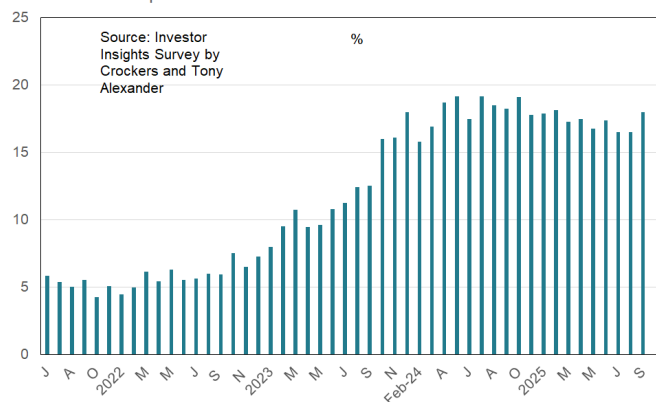
Concerns about council taxes are high and likely also set to stay that way.

Proportion of investors concerned about council rates



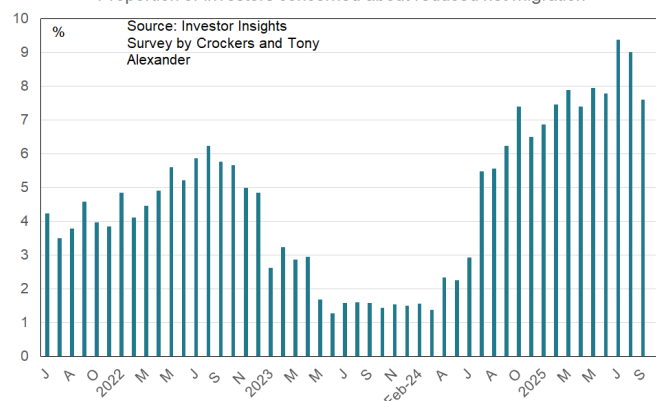
There had been a downward trend in the proportion of landlords concerned about insurance costs, but this month has brought an interruption. It would be best to wait for next month's result before concluding that things are newly worrisome. After all, anecdotal reports since early this year have indicated a flattening of premium increases with one or two reductions noted recently.

Proportion of investors concerned about insurance costs

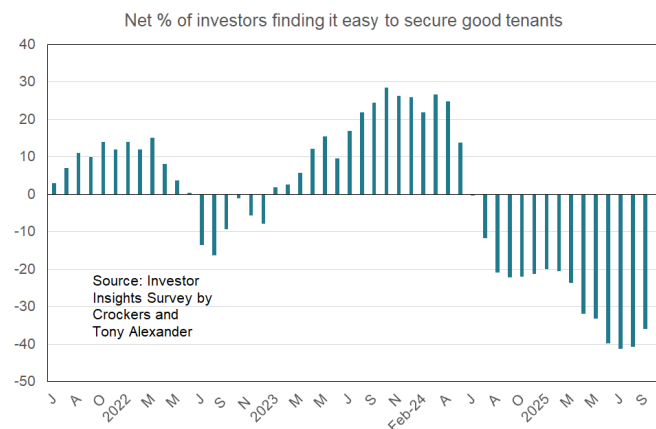
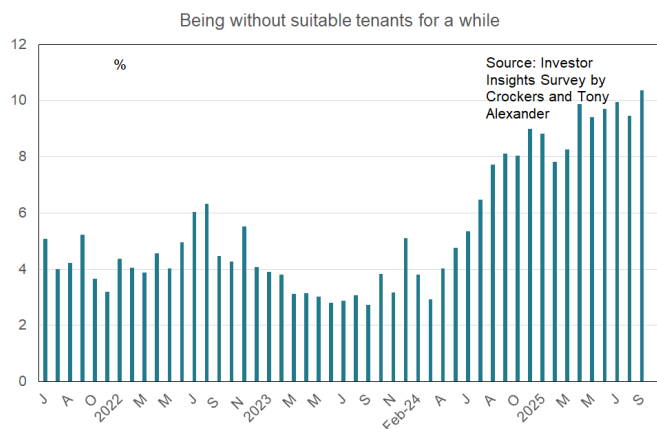


Investors are highly aware of the role which migration flows can play in the country's rental market. This month concerns have eased after a couple of months of deep concern.

Proportion of investors concerned about reduced net migration

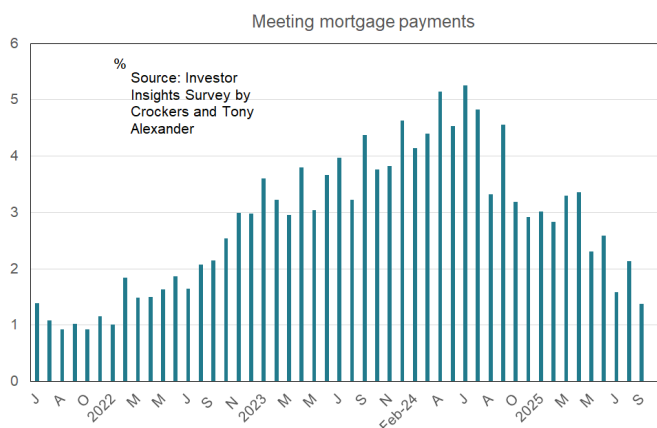


A record proportion of landlords are worried that they will experience a period without a suitable tenant.



Commensurate with the decline in interest rates is the fall in the proportion of landlords expressing concern about meeting their mortgage payments.

There were 259 responses received in this month's survey, with respondents located as follows.



Region	%
Northland	2.7
Auckland	34.0
Bay of Plenty	6.9
Waikato	10.8
Hawke's Bay/Gisborne	7.0
Taranaki	1.9
Manawatu-Wanganui	3.5
Wellington	13.5
Nelson, Tas., Marl	1.5
Canterbury	12.4
Dunedin City	3.9
Queenstown Lakes	1.9
Southland	0.1

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

After two months when a record net 41% of landlords said they were finding it difficult to secure a good tenant, this month the proportion has fallen to 36%. This is still however a very high reading and compares with 22% a year ago and a net 25% positive in April who said finding a good tenant was easy.

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Get in touch to learn about our wrap around services for management, body corporate and BTR needs for your properties and complexes.

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- Request a free rental appraisal
- Enquire about stress-free property management for your residential or commercial property

BODY CORP: bc@crockers.co.nz

- Request a free proposal for your Body Corporate
- Find out how Crockers can assist your Residential Society

BUILD-TO-RENT: btr@crockers.co.nz

- Request a free Build-to-Rent proposal
- We assist BTR developers and owners in the design, development and management of their complexes

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