



**MINISTRY OF HOUSING
AND URBAN DEVELOPMENT**

Landlords Pulse Survey – topline report

May 2022, 2022



KANTAR PUBLIC

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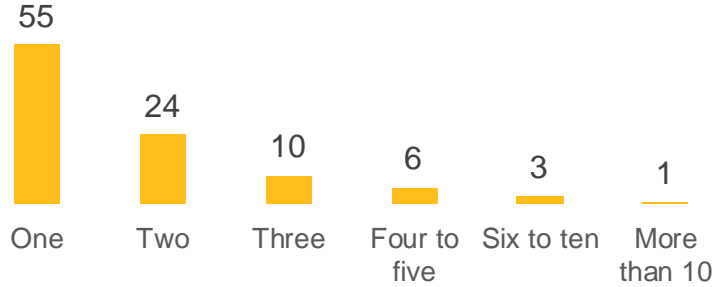
Research objectives and method

The Ministry of Housing and Urban Development has commissioned Kantar Public to undertake ‘pulse’ surveys of renters and landlords to help inform its understanding of the impacts of recent legislative changes on the residential rental market. This report provides the results for the third wave (conducted in May 2022), with comparisons made with the previous two waves where appropriate (conducted in April and October 2021).

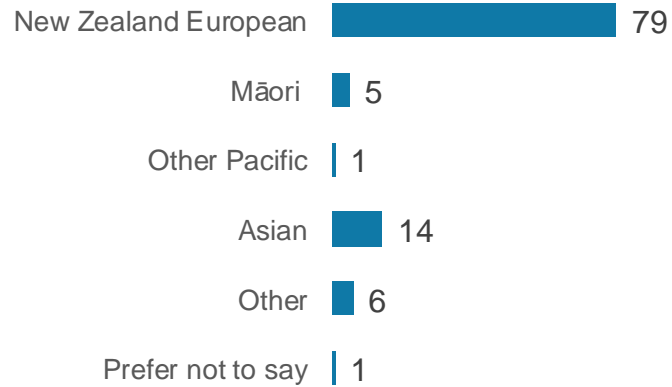
- A nationwide online survey of **700 landlords**, defined as landlords who currently receive rental payments for residential property or properties they own.
- Maximum margin of error on the total sample (at the 95% confidence level) is **+/-3.7%**.
- Fieldwork for the third wave was conducted from **2 to 13 May, 2022**.
- Statistically significant changes since Wave 1 (at the 95% confidence level) are denoted on the charts by triangles.
- Statistically significant changes since October 2021 (at the 95% confidence level) are denoted on the charts by triangles. Statistical significance has been calculated using a two column independent proportional t-test.
- Percentages in a graph or table may not add to 100% because the respondent could choose more than one answer or due to rounding. Percentages below 0.5% are shown to one decimal point. All others have been rounded to the nearest number.

Sample profile of landlords (May 2022 only)

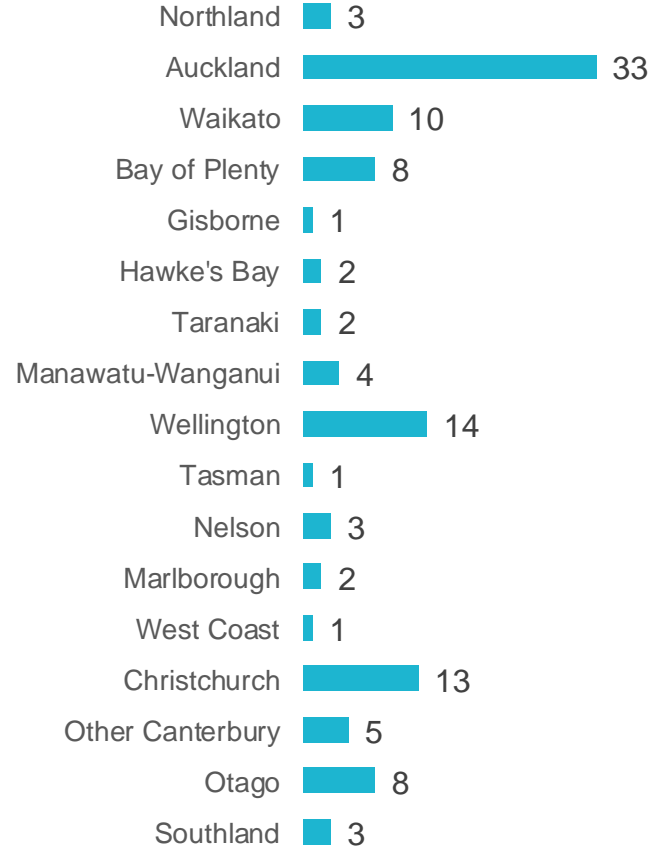
% Residential rental properties owned



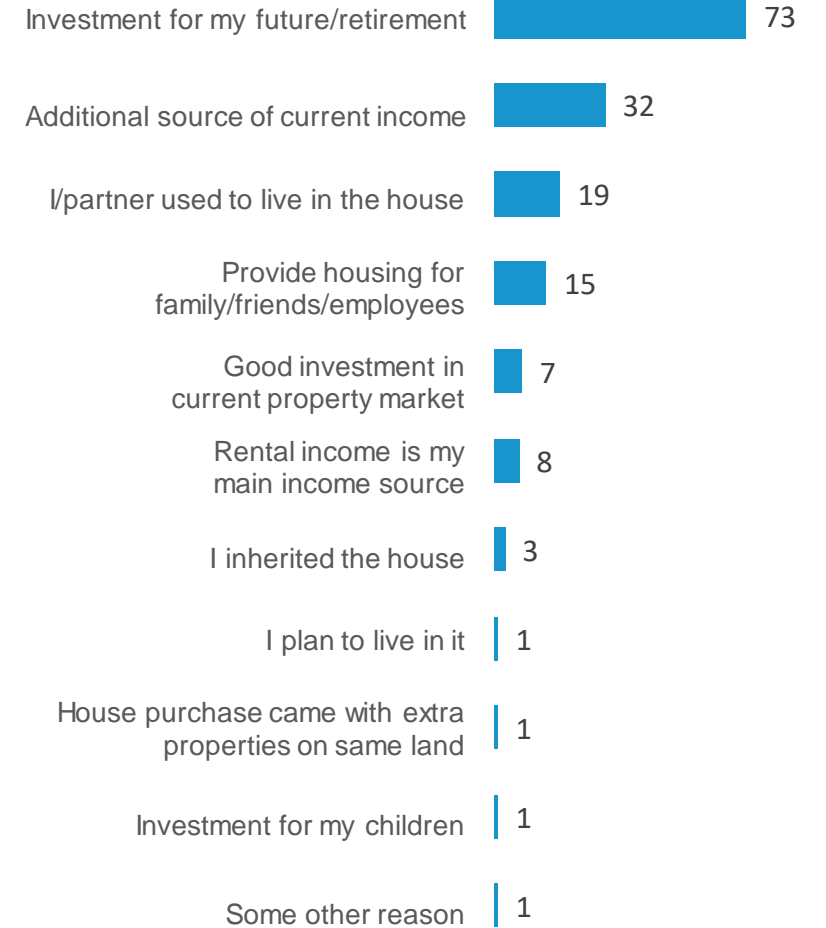
% Ethnicity**



% Region**



% Reasons for buying rental property**





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Landlord property management

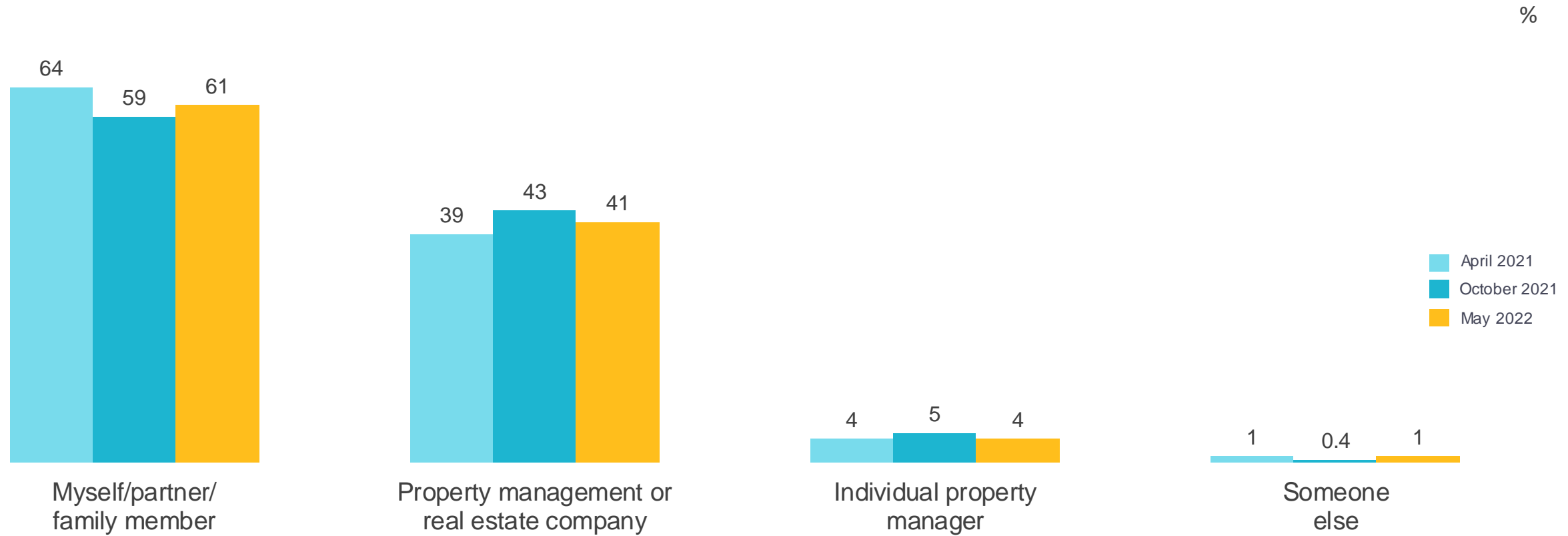


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Management of rental properties

Three in five (61%) landlords manage their rental(s) themselves and just over two in five (41%) use a property management or real estate company. Another 4% use an individual property manager. Overall, this is largely consistent with the 2021 waves.

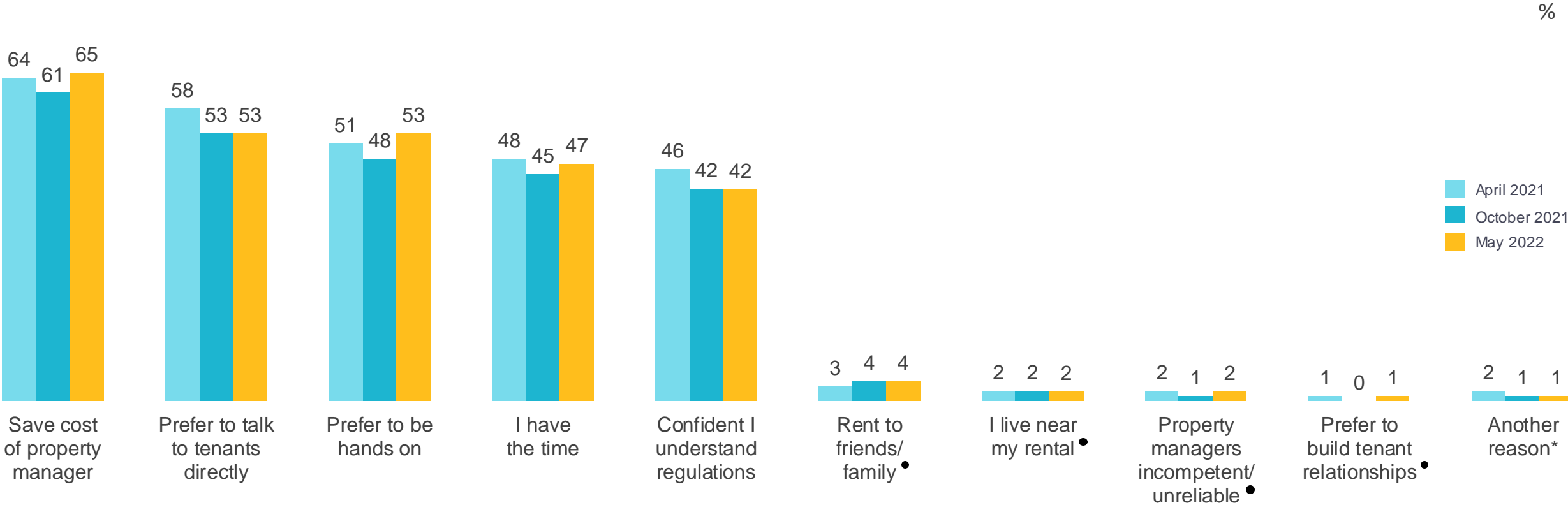
Management of rental property



Reasons for self-managing property

Landlords most commonly manage their properties themselves to save money (65%) and because they prefer to be hands on (53% prefer to talk directly to tenants, 53% prefer to be hands on generally).

Reasons landlords manage their property or properties themselves



Base: Landlords who manage their property or properties themselves (Wave 1 n=448, October 2021 n=414, May 2022 n=428).

Source: Q5. "Why do you manage the property yourself, rather than using a property manager?"

Note, less than 1% of people said 'Don't know' in each wave which is not shown on the chart above.

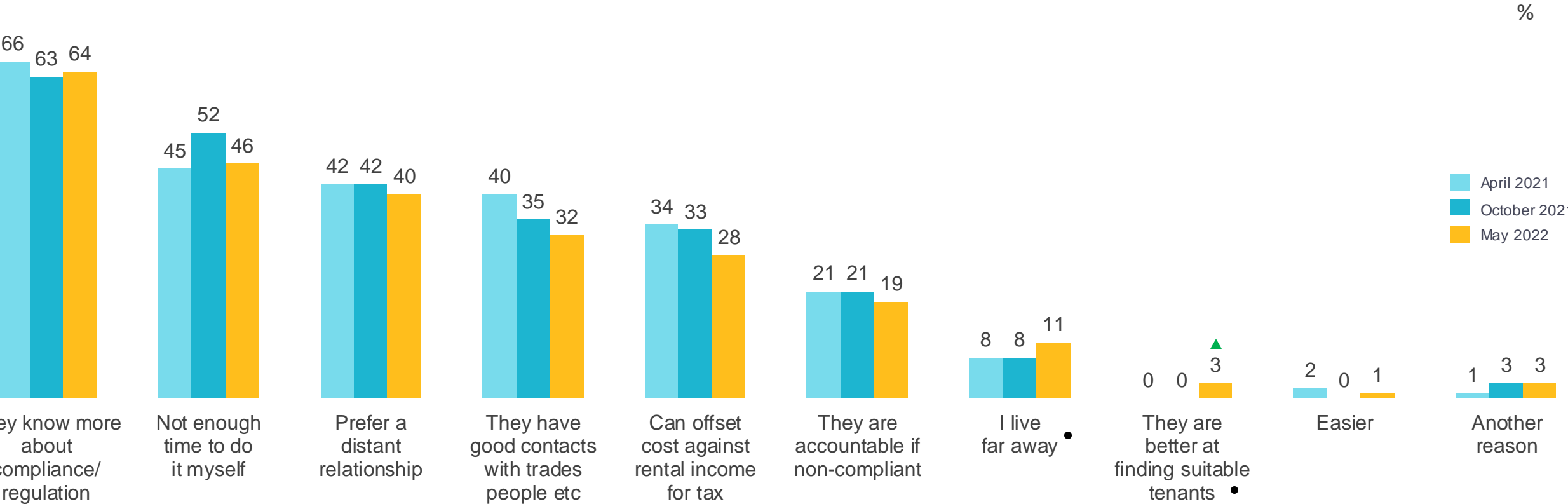
*Includes: Prefer to be hands on with maintenance/being qualified to manage the property. Multiple responses allowed so totals do not add to 100%

▲ Significant increase from previous wave
 ▼ Significant decrease from previous wave
 ● Unprompted response (coded post fieldwork)

Reasons for using property manager

Consistent with 2021, landlords most commonly cite property managers' expert knowledge about compliance/regulations (64%), time saving (46%) and preference for a distant relationship with their tenants (40%) as their reasons for using a property manager.

Reasons landlords use property managers



Base: Landlords who do not manage their property or properties themselves (April 2021 n=297, October 2021 n=331, May 2022 n=306).
 Source: Q4. "Why do you use a property management or real estate company/an individual property manager, rather than managing the property yourself?"
 *Other reasons include: Travelling frequently, requirement of complex/insurance, better ability to get market rate. Multiple responses allowed so totals do not add to 100%

▲ Significant increase from previous wave
 ▼ Significant decrease from previous wave
 ● Unprompted response (coded post fieldwork)



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Rental payments

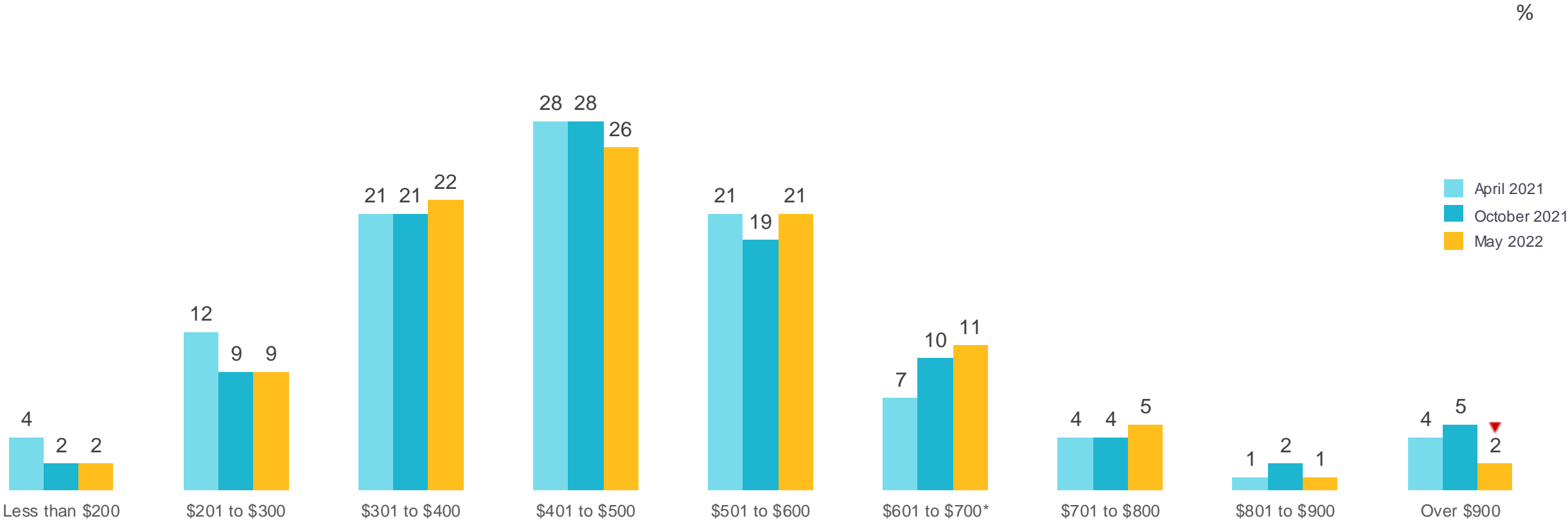


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Average rent

About three in five (59%) landlords say they charge \$500 or less per week for their rental property (which is consistent with the previous two waves).

Average weekly rent charged

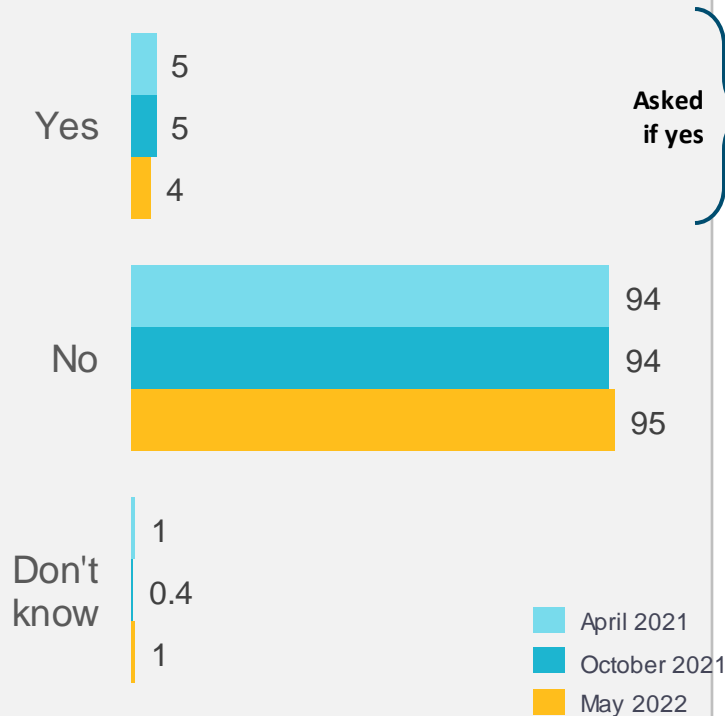


Base: All landlords (April 2021 n=701, October 2021 n=700, May 2022 n=700).
 Source: Q12. Landlords with one property: "What is the weekly rent you charge for your current rental property?"
 Landlords with multiple properties: "What is the average weekly rent for your rental properties?". Note that some totals do not add to 100% due to rounding.

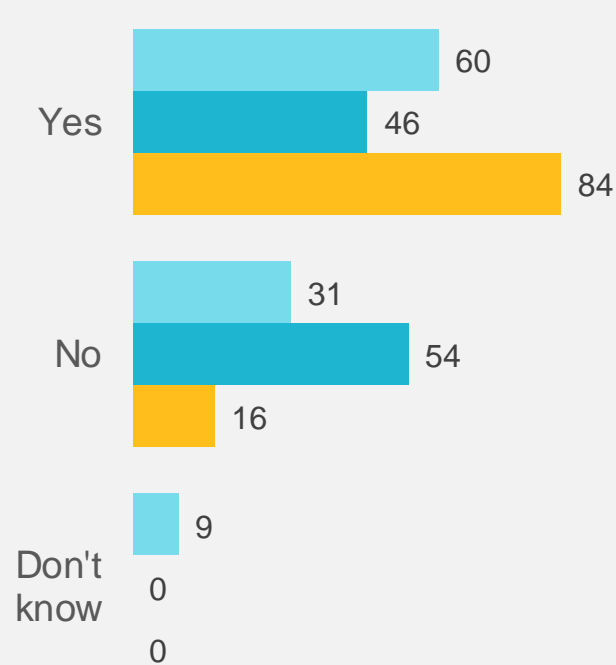
Tenants' payments in arrears

A small group (4%) of landlords say their tenants are currently behind in their rental payments. Of these landlords, a majority (84%) say they have made an arrangement with tenants (the apparent increase from October 2021 is not statistically significant). Overall, about half (52%) of tenants who are behind in payments are behind by 3 weeks or less.

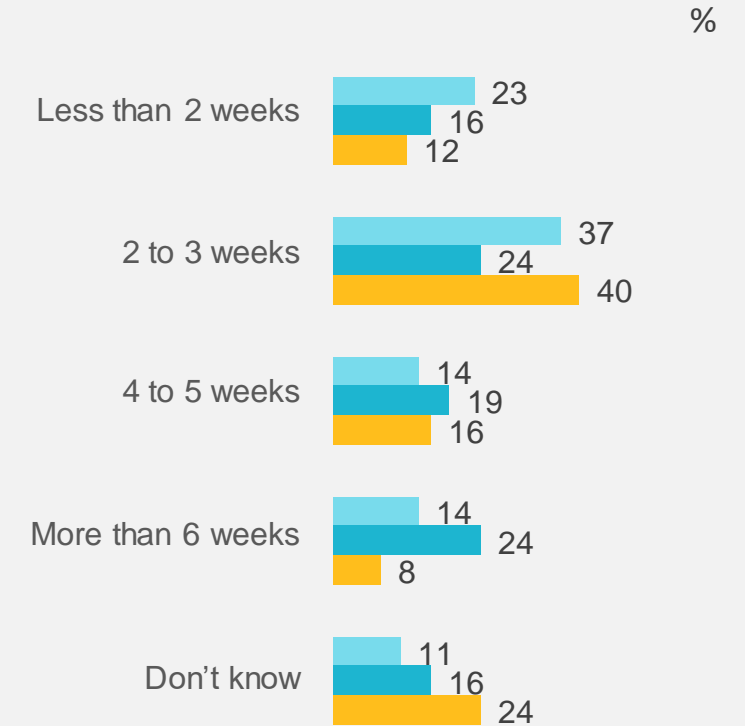
Are tenants currently behind in rent payments?



Has an arrangement been made with tenants regarding rent arrears?



Number of weeks tenants are behind in rent



Base: All landlords (April 2021 n=701, October 2021 n=700, May 2022 n=700). Source: Q9. "Are any of your tenants currently behind in their rent payments?"

▲ / ▼ Indicates a significant increase/decrease since previous wave

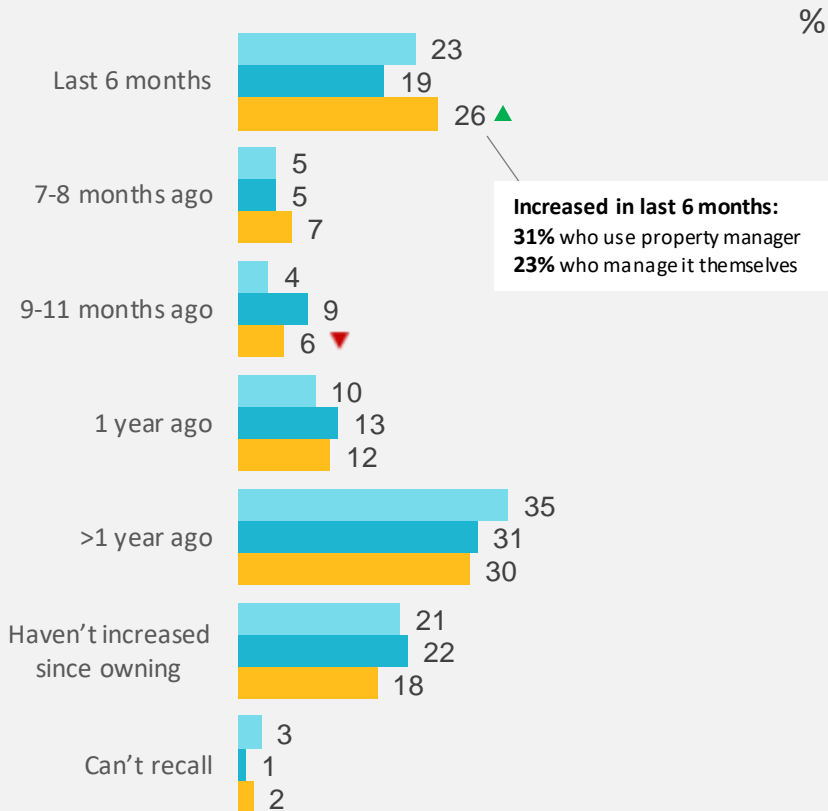
Base: Landlords with tenants with rent in arrears (April 2021 n=35, October 2021 n=37, May 2022 n=25). Source: Q10. "Have you made an arrangement with your tenants that means you agree to them being behind in their rent payments?"

Base: Landlords with tenants with rent in arrears (April 2021 n=31, October 2021 n=31, May 2022 n=19). Source: Q11. "Around how many weeks are your tenants behind in rent?" Note that some totals do not add to 100% due to rounding.

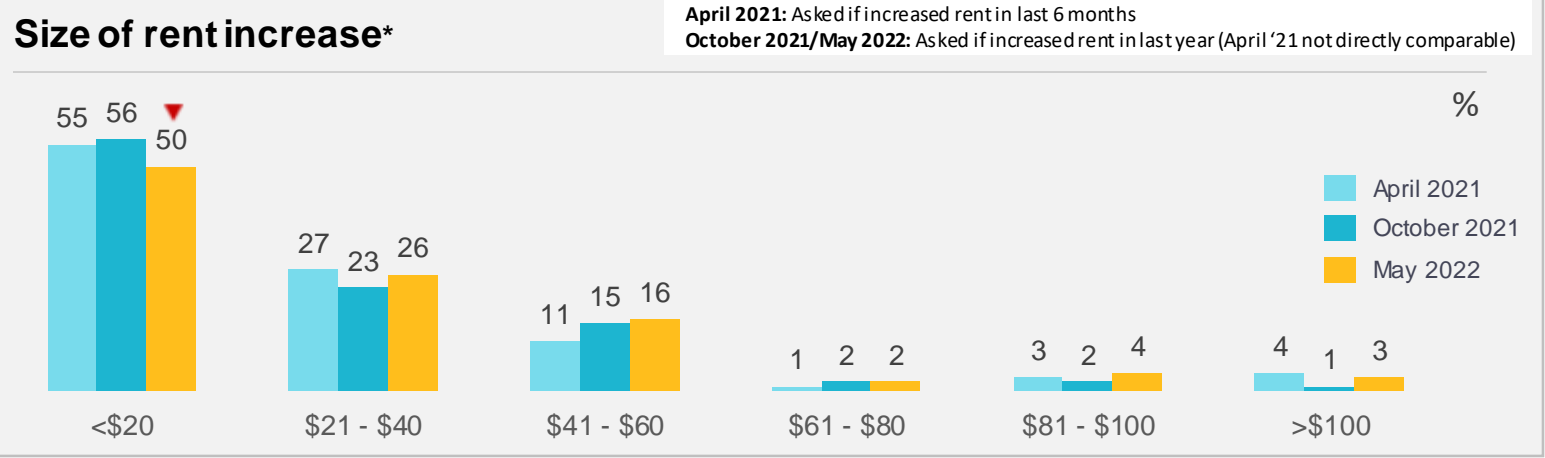
Timing and size of rent increases

More landlords increased their rent recently (26% in the last 6 months), up seven points since October 2021; landlords who use a property manager are more likely to have increased rents (31%). Increases were somewhat larger in size (half of landlords who increased rent did so by more than \$20, (vs 44% in October 2021). Landlords keep rents stable to encourage good relationships with tenants and discourage tenants from leaving.

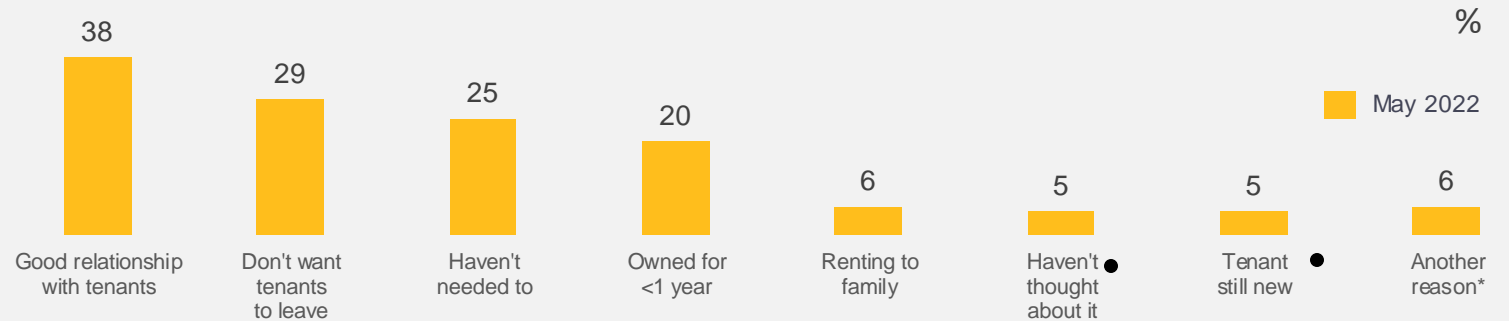
Last rent increase



Size of rent increase*



Reason for not increasing rent**



Base: All landlords (April 2021 n=701, October 2021 n=700, May 2022 n=700). Source: Q13. "When did you last increase the rent (for any of your rental properties)? Note that some totals do not add to 100% due to rounding.

Base: April 2021: Landlords who increased rent within the last six months (n=159), October 2021: Landlords who increased rent (any time period) (n=540), May 2022 n=565 Source: Q14. "Still thinking about the last increase, how many dollars did you increase the weekly rent by?". Note that some totals do not add to 100% due to rounding.

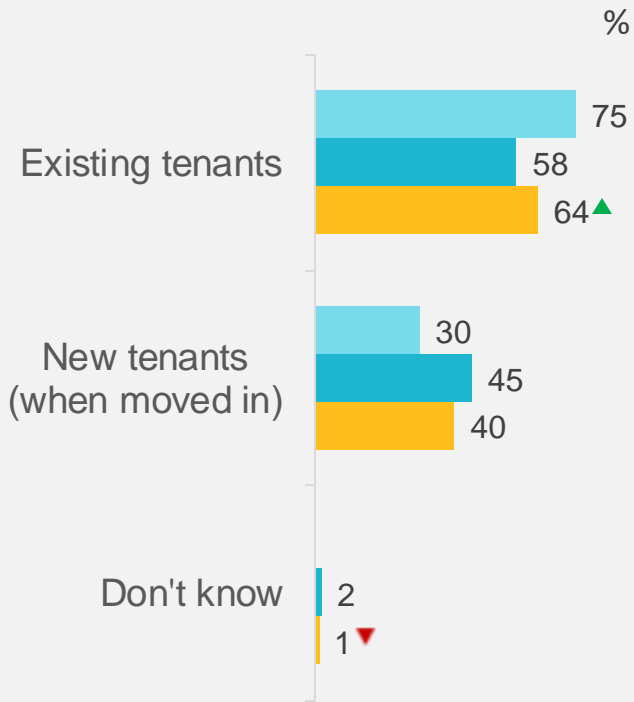
**Base: Landlords who have not increased rent since owning the property (May 2022: n=124). Source: Q13a "Why have you not increased the rent since owning the property?". Asked for first time in May 2022. Multiple responses allowed so totals do not add to 100%

▲ Significant increase from previous wave
 ▼ Significant decrease from previous wave
 ● Unprompted response (coded post fieldwork)

Reasons for rent increases

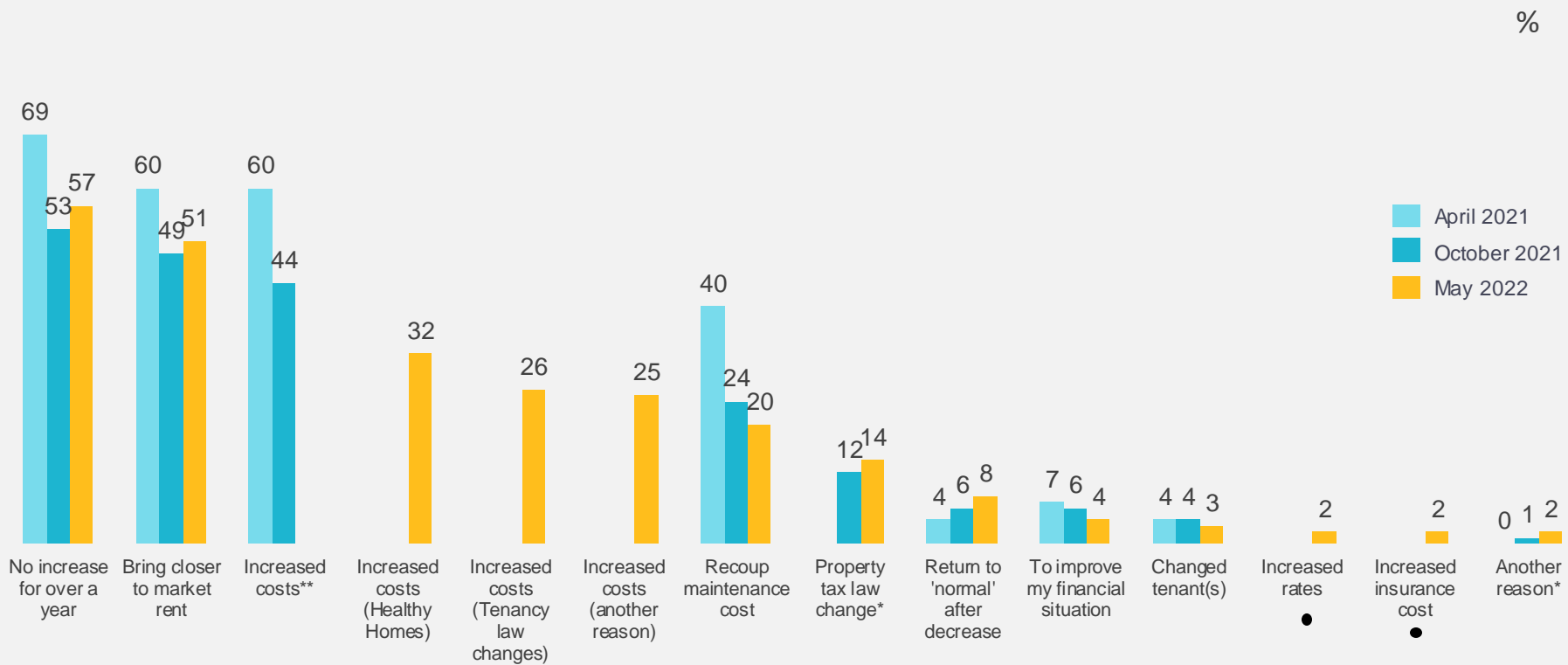
Almost two thirds (64%) of landlords who increased rent did so for existing tenants (up six points since October 2021). Landlords are most likely to say they have increased the rent because they had not done so in over a year (an increase of four points since October 2021), to bring the rent closer to market rent (51%) or their property costs have increased because of the Healthy Homes Standards (32%), tenancy law changes (26%) or other increased costs (25%).

Whether increased rent for existing or new tenants



Note: April 2021 and October 2021 results are not directly comparable with May 2022 due to the different base definitions in each wave.

Reason for last rent increase



Base: April 2021 n=159, October 2021 n=540, May 2022 n=565. Source: Q15a. "Was the last rent increase because..."

*Other reasons include: Property manager recommending increases etc. Showing responses with more than 1%

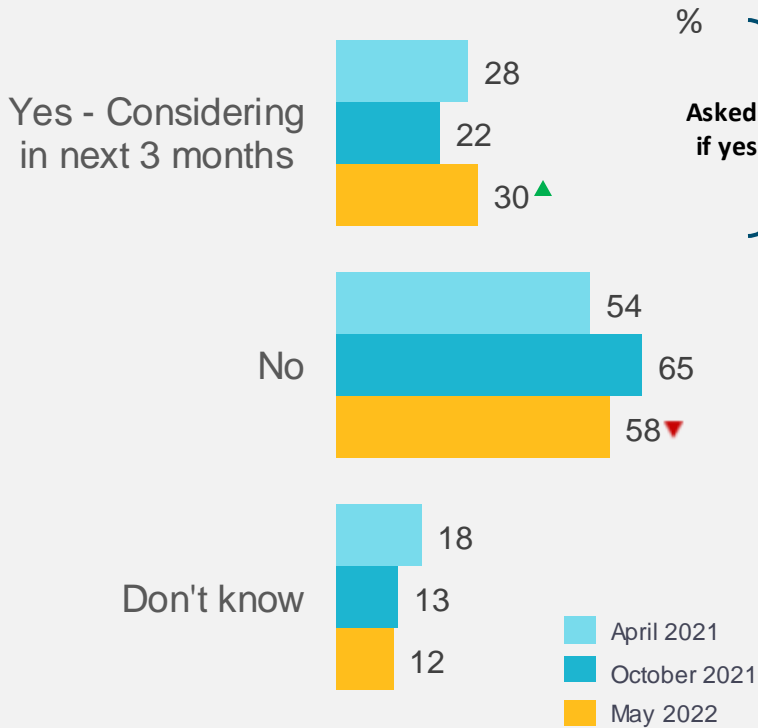
**Added in Oct 2021. **Prior to 2022, only the option for 'increased costs' was provided. In 2022, increased costs were split out into costs relating to Healthy Homes, Tenancy Law Changes and other increased costs. Multiple responses allowed so totals do not add to 100%

▲ Significant increase from previous wave
▼ Significant decrease from previous wave
● Unprompted response (coded post fieldwork)

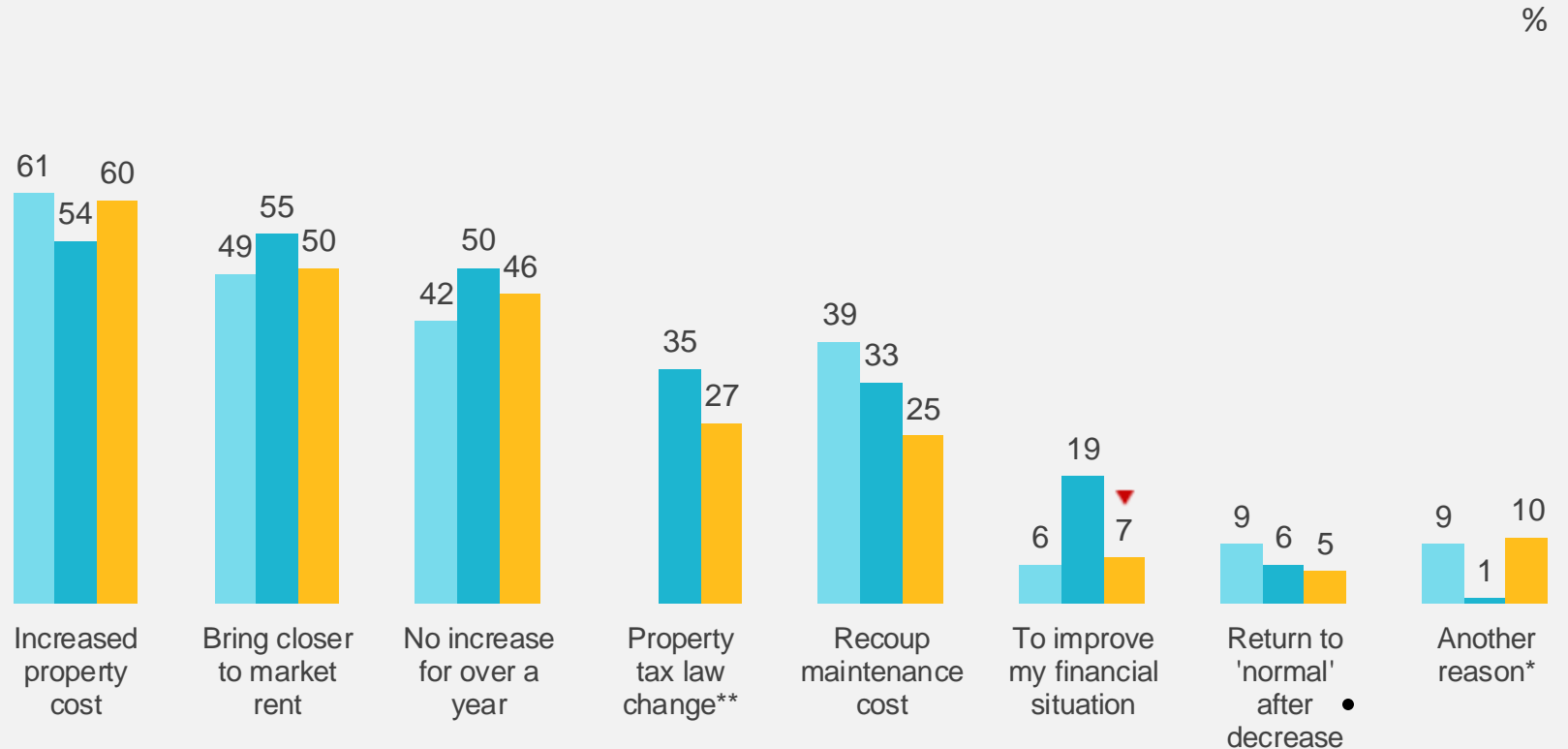
Landlord intentions for future rent increases

More landlords who haven't recently increased the rent are now considering an increase (up eight points to 30% since October 2021). As in previous waves, the main reason for doing so is due to increased property costs (60%), bringing rent closer to market rates (51%) and because the rent has not been increased for over a year (47%). Significantly fewer landlords in May 2022 said they increased the rent to improve their own financial situation (down 12 points since October 2021).

Whether considering increasing the rent in the next three months



Reason for considering rent increase in next three months



Base: Landlords who have not increased rent within the last six months (April 2021 n=542, October 2021 n=568, May 2022 n=517). Source: Q16. "Are you considering increasing the rent in the next three months?"

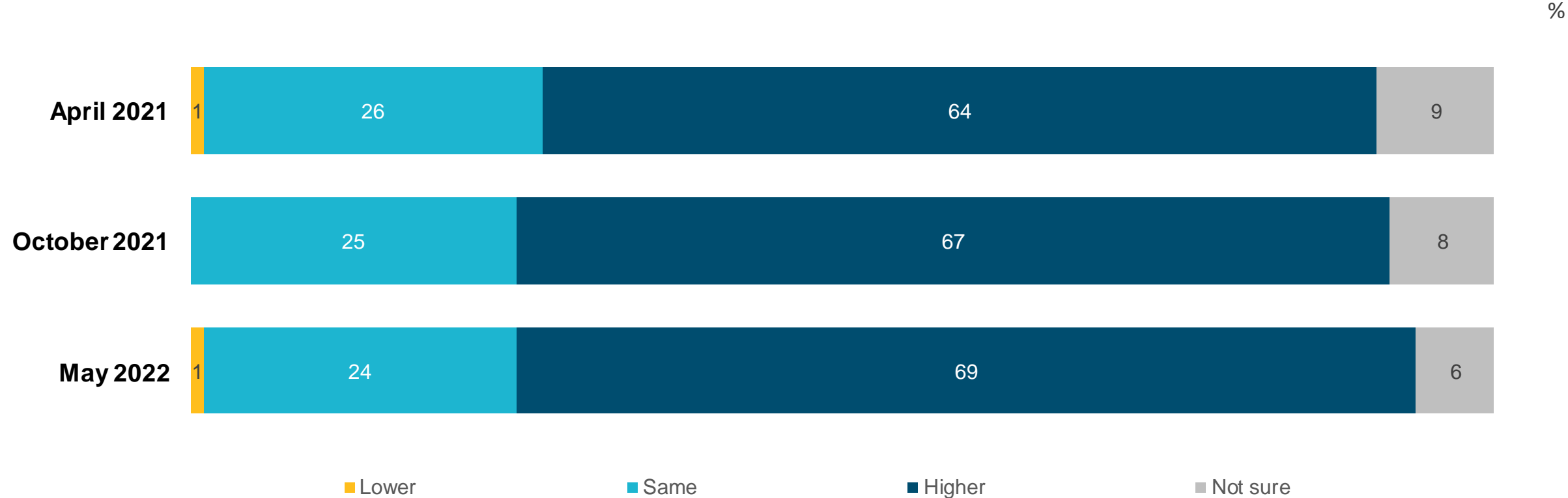
Base: Landlords who are considering increasing the rent in the next three months (April 2021 n=150, October 2021 n=125, May 2022 n=154). Source: Q17. "Why are you considering increasing the rent?" *Other reasons include: Increased insurance, increased inflation, or interest rates costs. Multiple responses allowed so totals do not add to 100% **New code added in October 2021

▲ Significant increase from previous wave
 ▼ Significant decrease from previous wave
 ● Unprompted response (coded post fieldwork)

Landlords' rent intentions for new tenants

Seven in ten (69%) landlords say they would increase the current rent for new tenants. This is broadly in line with previous waves.

Rental price for new tenants



Base: All landlords (April 2021 n=701, October 2021 n=700, May 2022 n=700).
 Source: Q18. "If you needed to get new tenants in the next month or so, would you advertise a rent amount that is higher than, lower than, or the same as your current tenants pay?"



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Recent market movements – buying, selling, and ending a tenancy



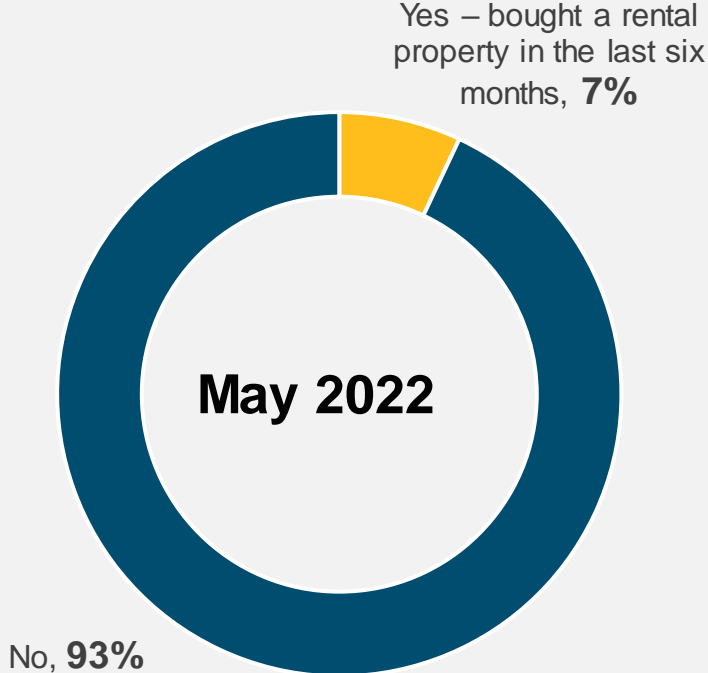
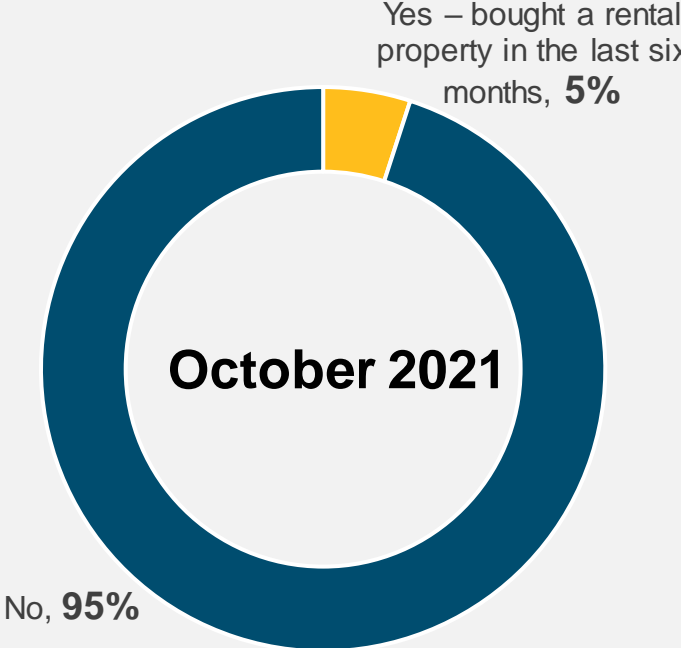
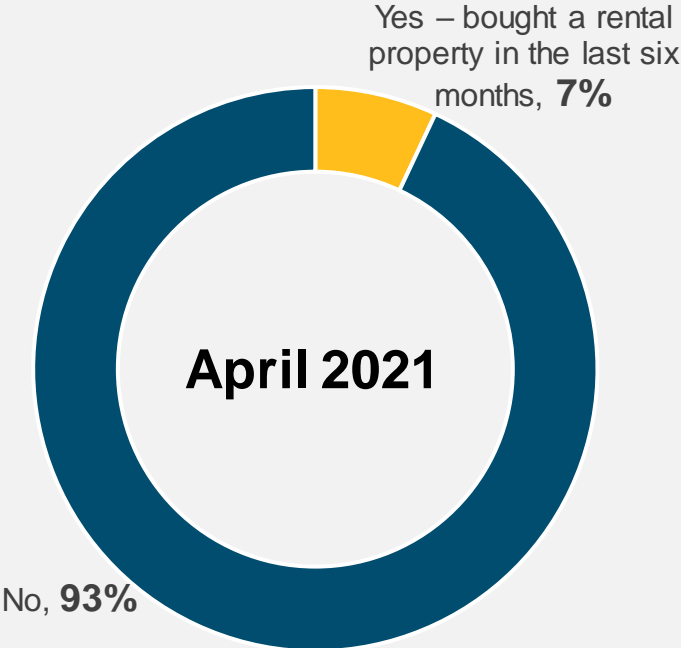
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Buying rental property

A small proportion (7%) of landlords have recently bought a rental property (in the last six months), which is consistent over time with 5% in October 2021 and 7% in April 2021.

Whether bought a rental property in the last six months

%

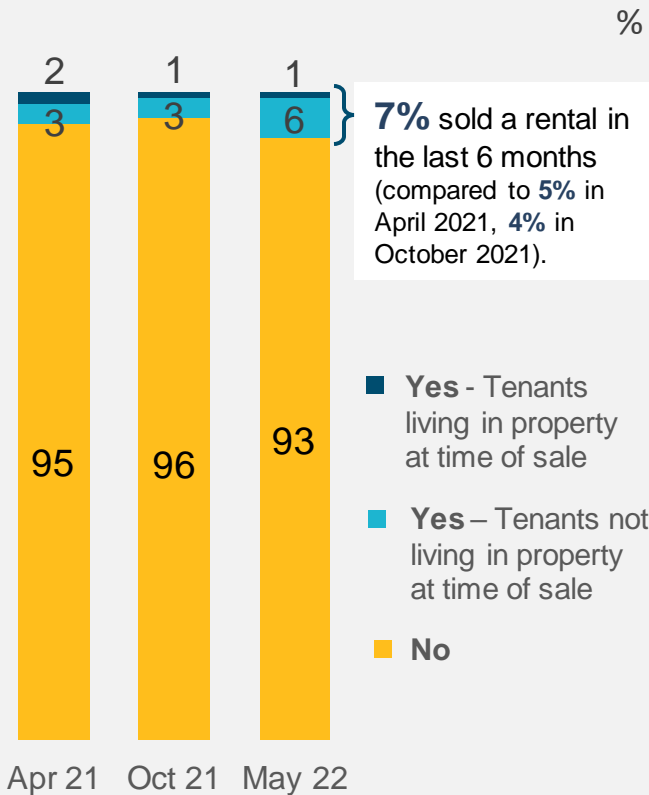


Base: All landlords (April 2021 n=701, October 2021 n=700, May 2022 n=700). Source: Q21. "Have you bought a rental property in the last six months?"

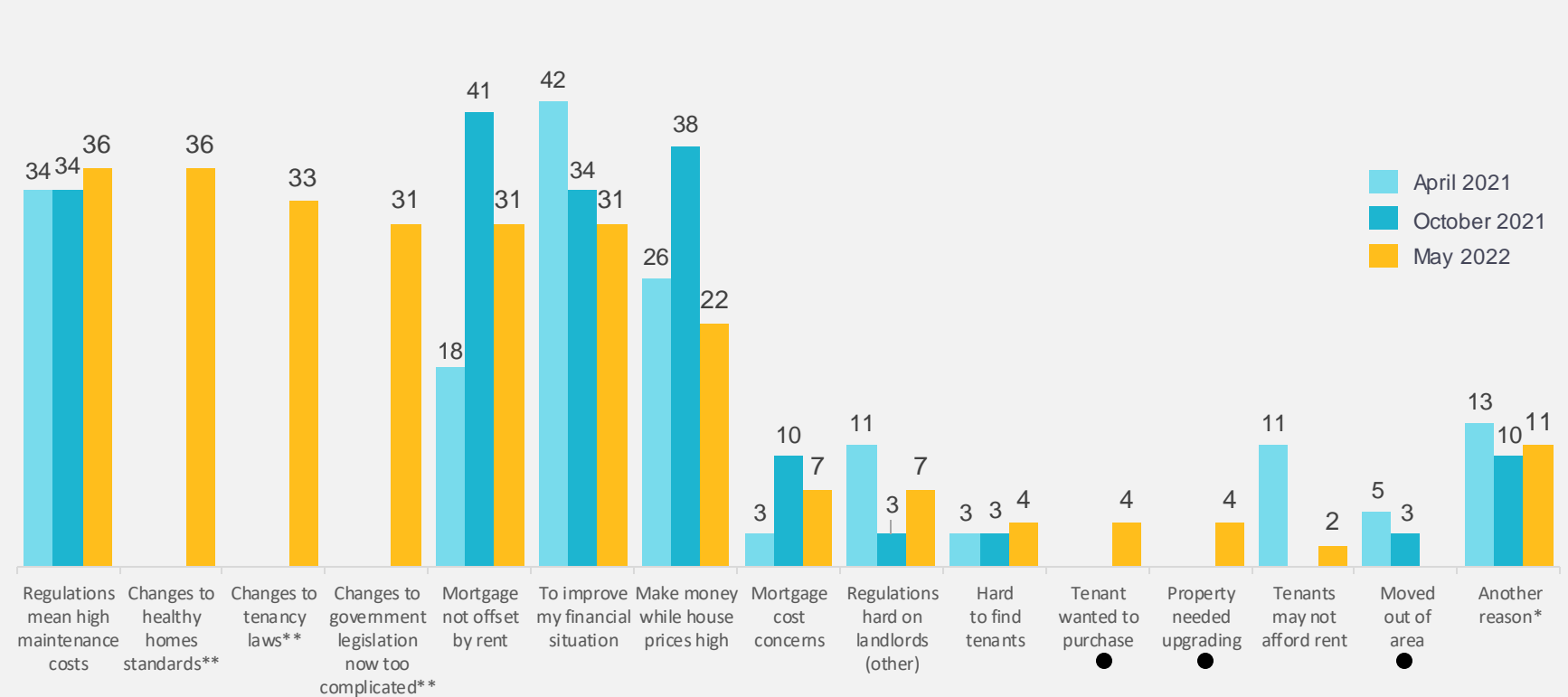
Selling rental property

Seven percent of landlords said they sold a rental property in the last six months. Concerns with regulations increasing maintenance costs (36%) and changes such as the Healthy Homes Standards (36%), tenancy laws (33%) and legislation generally being too complicated (31%) were the most common reasons for selling.

Whether sold a rental property in the last six months



Reasons for selling the property



Base: All landlords (April 2021 n=701, October 2021 n=700, May 2022 n=700). Source: Q22 "have you sold a rental property in the last six months"

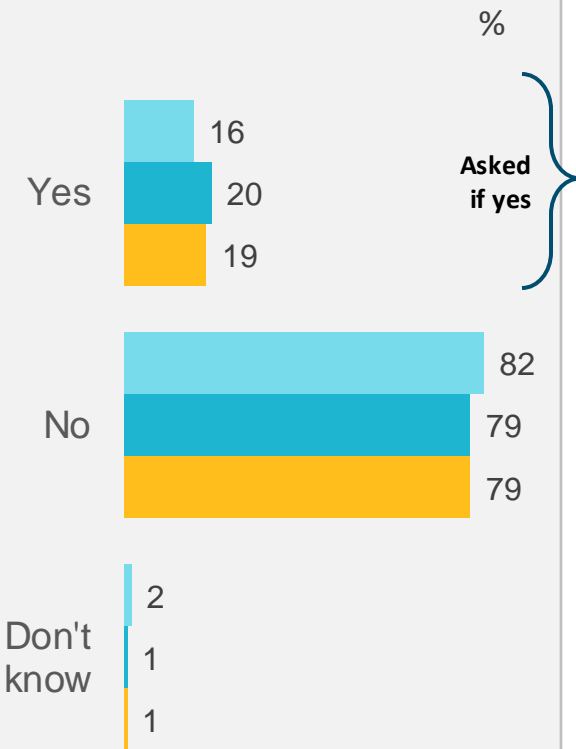
Base: Landlords who have sold a property in the last six months (April 2021 n=38, October 2021 n=29*, May 2022 n=45). Source: Q23 "Why did you sell your property?" Other reasons include: tenants want to purchase, property upgrades required. **New code added to May 2022 survey. Multiple responses allowed so totals do not add to 100%

▲ Significant increase from previous wave
▼ Significant decrease from previous wave
● Unprompted response (coded post fieldwork)

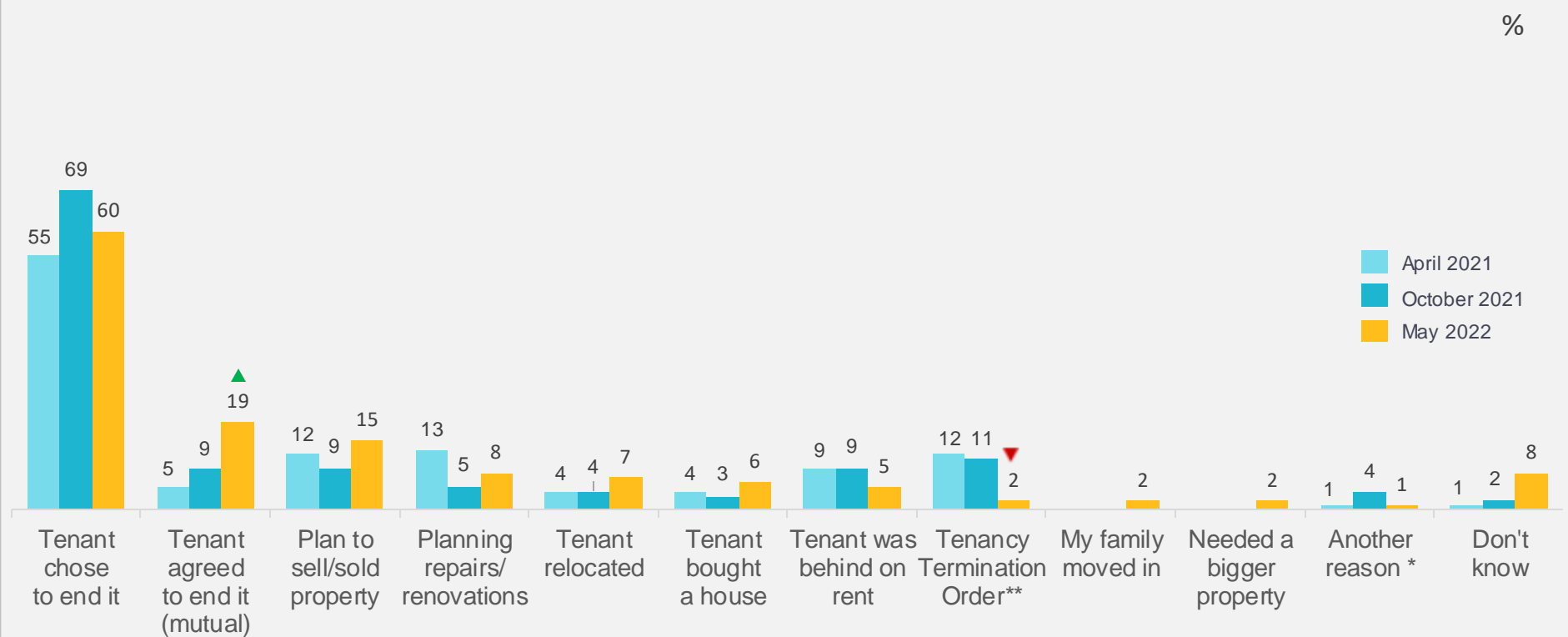
End of tenancy

Almost one in five (19%) landlords ended a tenancy in the last 12 months. The most common reason for a tenancy ending (60%) was the tenant choosing to end it. More landlords who ended a tenancy now say the tenant agreed to end it (up 10 points to 19%).

Whether ended a tenancy in the last 12 months



Reason for the tenancy ending



Base: All landlords (April 2021 n=701, October 2021 n=700, May 2022 n=700). Source: Q19. "Have you ended a tenancy since 26 June, 2020?" Multiple responses allowed so totals do not add to 100%

Base: Landlords who have ended a tenancy since 26 June, 2020 (April 2021 n=112, October 2021 n=137, May 2022 n=135). Source: Q20. "Why did you end the tenancy?" (**Changed in May 2022 from "tenant didn't look after the property" to "I obtained a tenancy termination order from the Tenancy Tribunal" Multiple responses allowed so totals do not add to 100%)

▲ Significant increase from previous wave
▼ Significant decrease from previous wave



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Landlords' plans for selling rental properties

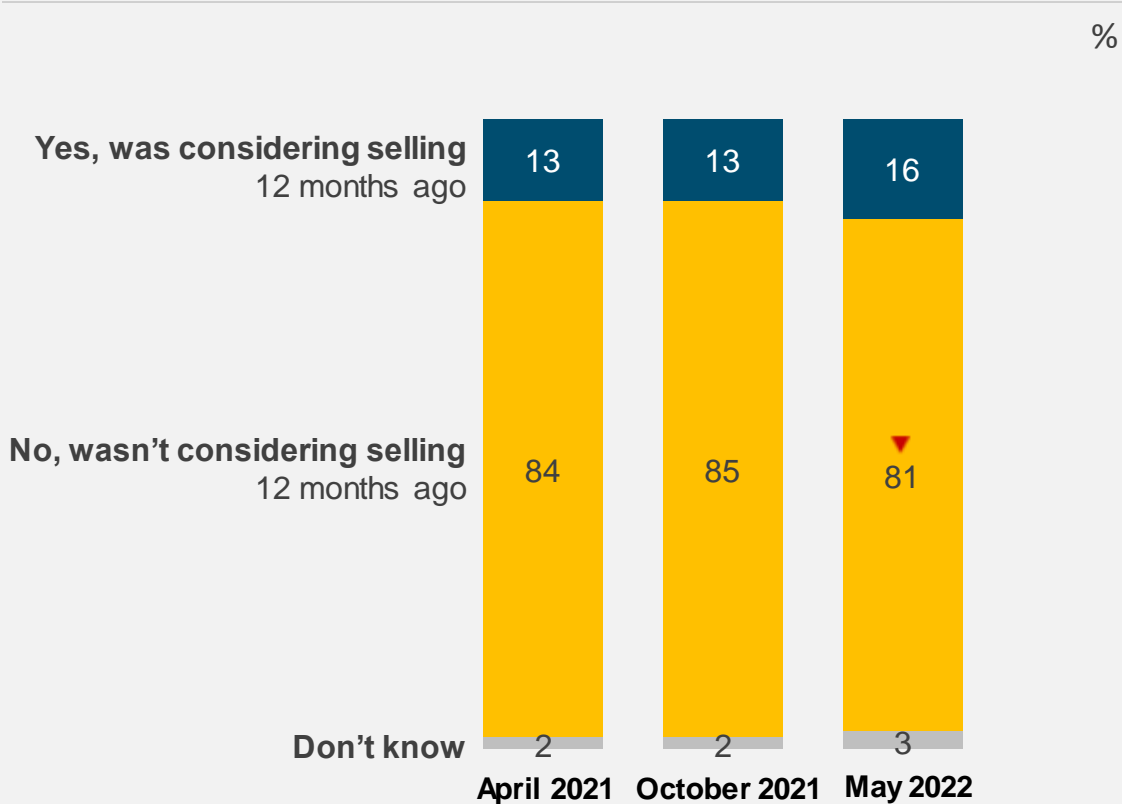


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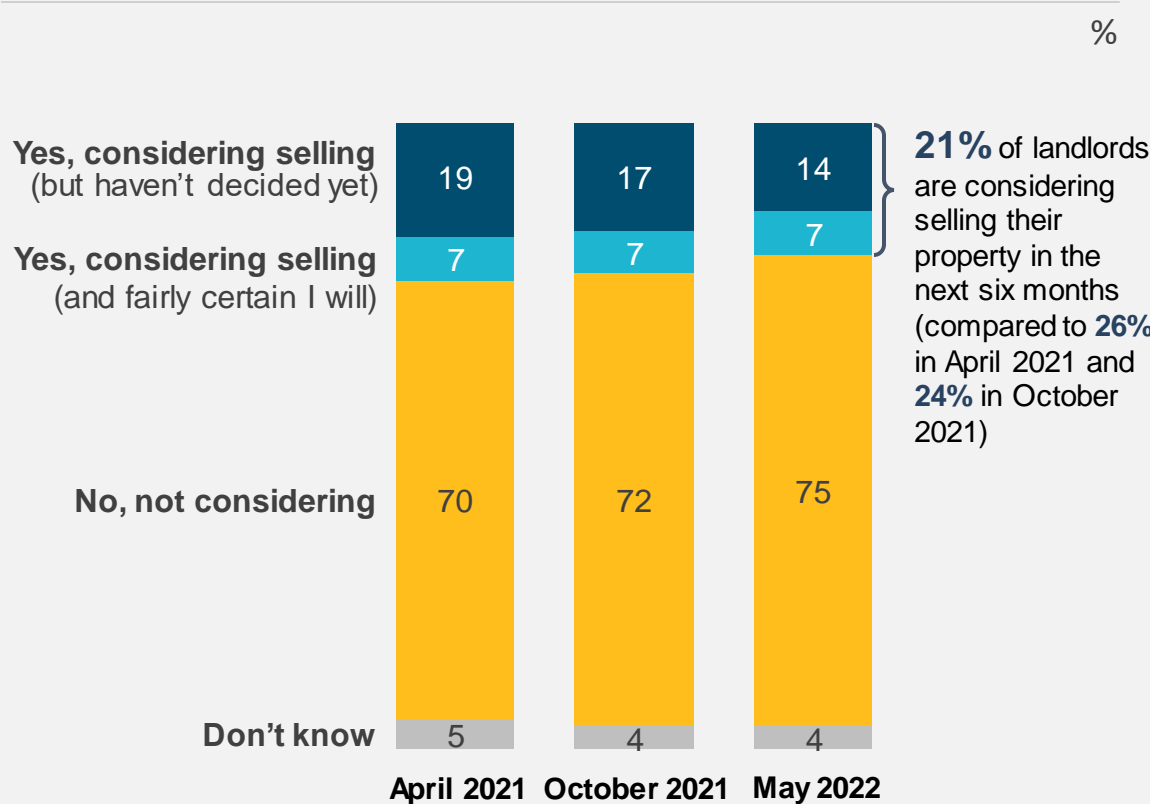
Landlord intentions for rental property

16% of landlords were considering selling their property 12 months ago. Looking forward, one in five (21%) are considering selling their property in the next 6 months (consistent with the previous two waves). Landlords who planned to sell property were more able to follow through in the six months from October 2021 - May 2022 (7% were fairly certain they would sell in the October survey and 7% had sold in the May survey) than in the previous six months (7% planned to sell and 4% actually did).

Whether considering selling property 12 months ago



Whether considering selling property in next six months



Base: All landlords (April 2021 n=701, October 2021 n=700, May 2022 n=700). Source: Q26. "Were you considering selling your (rental property/one or more of your rental properties) 12 months ago?"

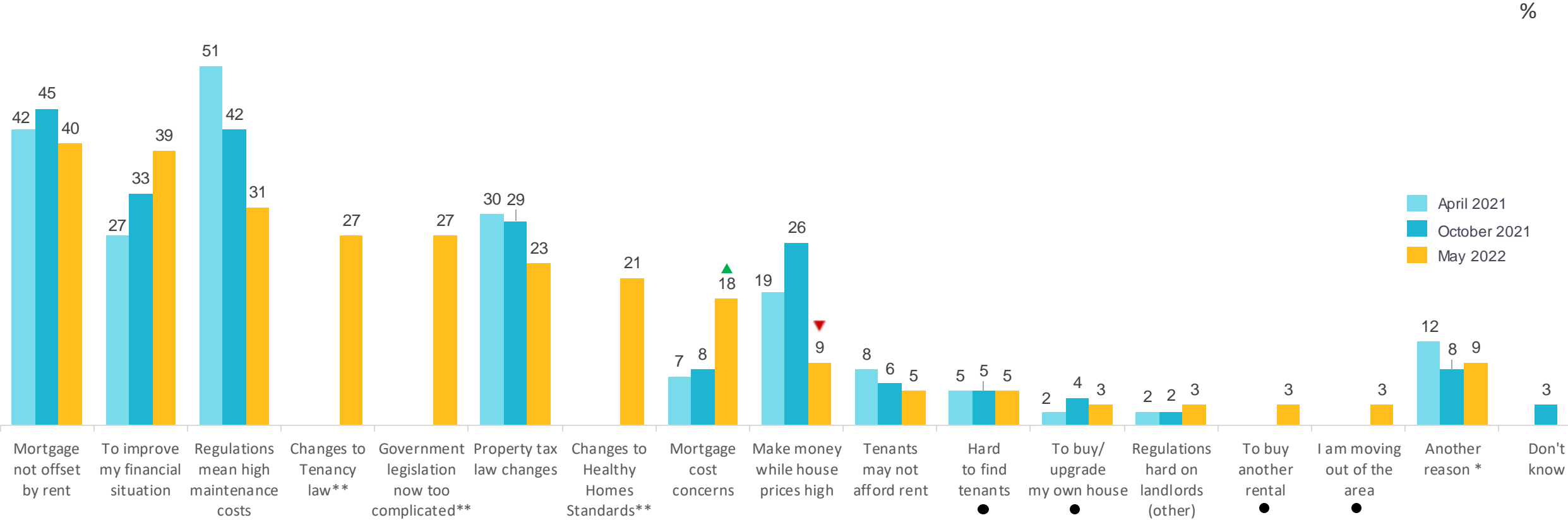
▲ Significant increase from previous wave
▼ Significant decrease from previous wave

Base: All landlords (April 2021 n=701, October 2021 n=700, May 2022 n=700). Source: Q25. "Are you considering selling your rental property/one or more of your rental properties) in the next six months?"

Enhanced motivations to sell

Landlords who are thinking about selling a property are motivated most by their financial situation, including rent no longer covering their mortgage, desire to improve their financial situation and regulations leading to higher maintenance costs. Changes to tenancy law, Healthy Homes Standards and legislation generally have also driven landlords to consider selling. There is evidence that landlords feel the market is changing, with more motivated to sell because of high mortgage costs (up ten points to 18%) and fewer motivated to sell and take advantage of high house prices (down seventeen points to 9%).

Reasons landlords are considering selling in the next six months



%

April 2021
October 2021
May 2022

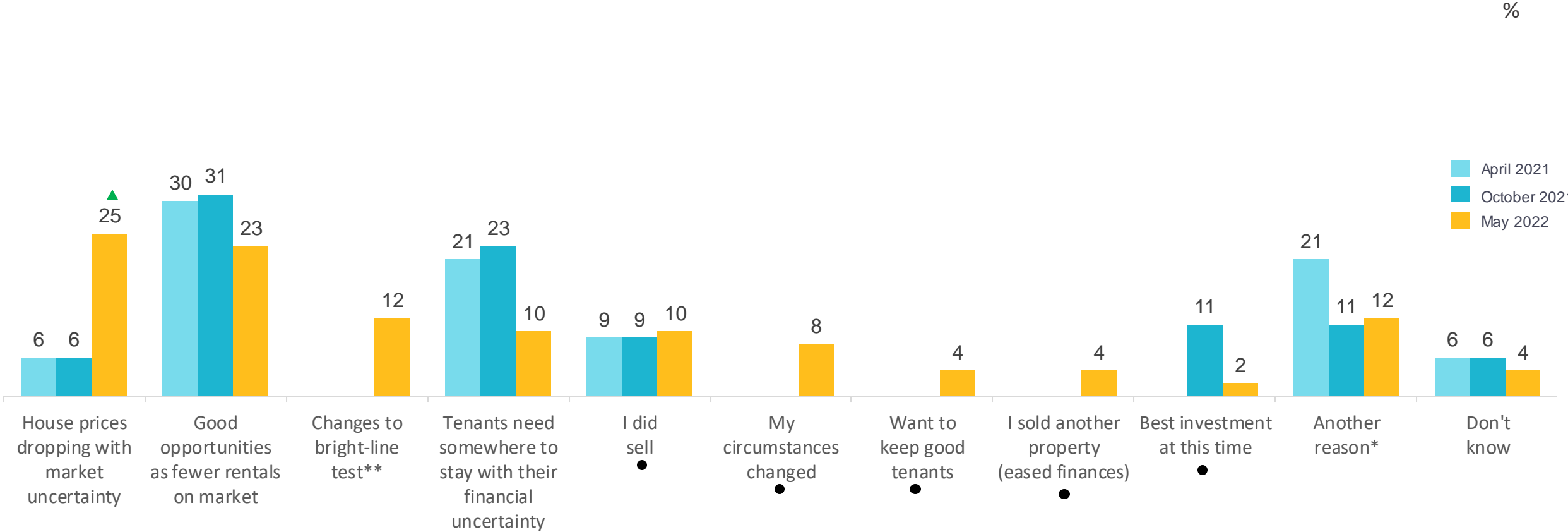
Base: Landlords who are considering selling property in the next six months (April 2021 n=177, October 2021 n=168, May 2022 n=147). Source: Q27. "Why are you now considering selling your rental property?" *Other reasons include: For health reasons, tenancy issues/hard to find good tenants, current tenants want to buy the property and retiring. Only showing responses with more than 1%. **Code added in May 2022. Multiple responses allowed so totals do not add to 100%

▲ Significant increase from previous wave
▼ Significant decrease from previous wave
● Unprompted response (coded post fieldwork)

Weakened motivations to sell

Housing market uncertainty has emerged as a key reason for landlords no longer looking to sell (25%, an increase of 19 points since October 2021), while good opportunities due to fewer rentals on the market remains a motivation for many (23%).

Reasons why landlords are no longer considering selling



Base: Landlords who were considering selling property 12 months ago, but now are not considering selling in the next six months (April 2021 n=33, October 2021 n=35, May 2022 n=52).
 Source: Q28. "Why are you no longer intending to sell (or are unsure)?" **Code added in May 2022.
 *Other reasons include: Government tax changes, purchaser no longer able to buy etc. Multiple responses allowed so totals do not add to 100%

▲ Significant increase from previous wave
 ▼ Significant decrease from previous wave
 ● Unprompted response (coded post fieldwork)



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Landlords' financial situation

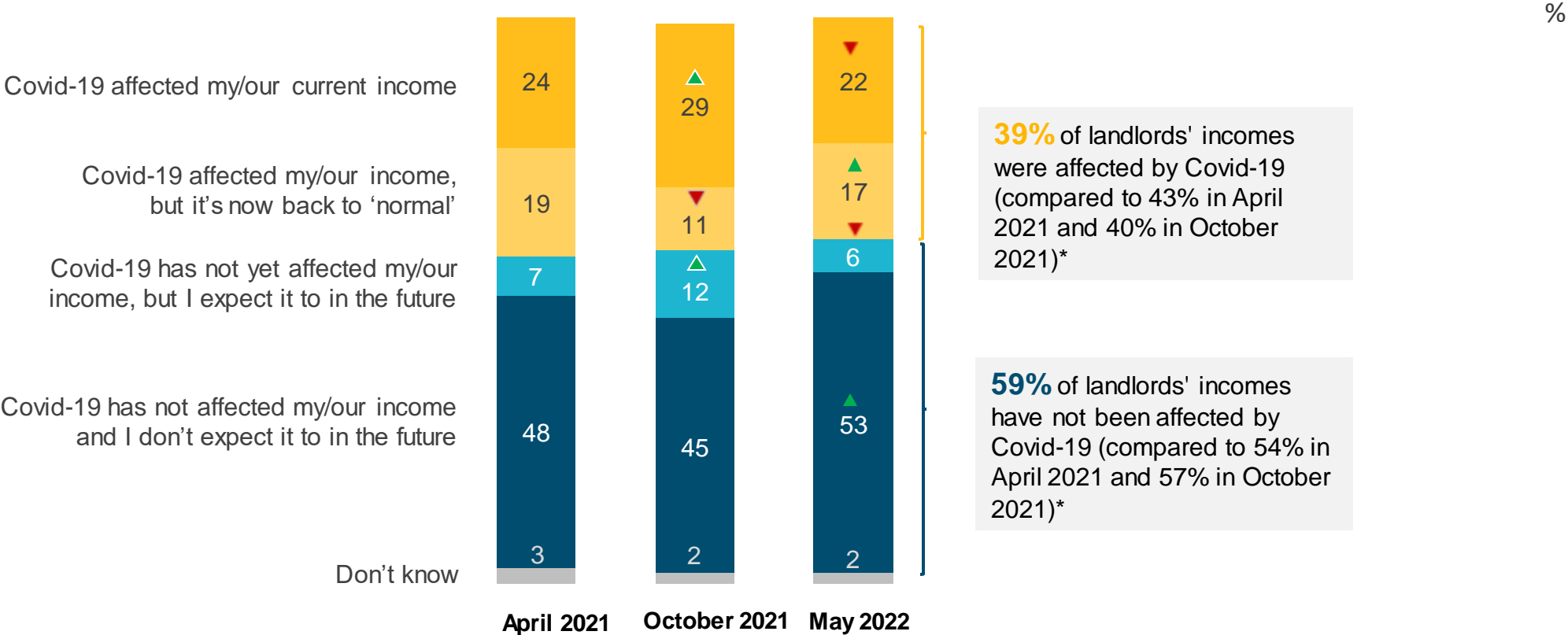


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Landlords' financial situations

Landlords are more likely to say their income has been unaffected by Covid-19 than in October 2021 (up eight points to 53%). Nearly four in ten landlords (39%) report that their income has been affected by COVID.

Impact of COVID-19 on landlords' incomes

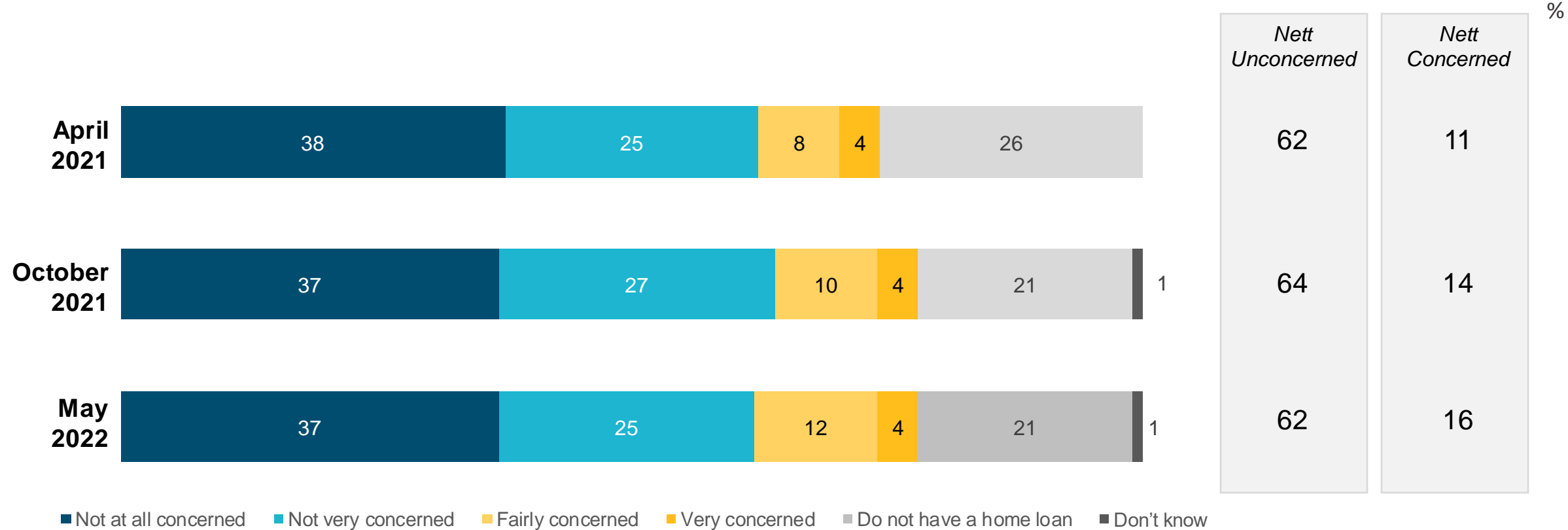


Base: All landlords (April 2021 n=701, October 2021 n=700, May 2022 n=700).
 Source: Q35. "Thinking about your (and your partner's) income from all sources, which one of these statements comes closest to your situation?"
 *Note, these differences are not statistically significant.

Concern about mortgage payments

Broadly in line with the previous two waves, 16% of landlords say they are concerned about their mortgage payments in the coming months and 62% are unconcerned.

Concern about ability to pay mortgage payments over the next few months



Base: All landlords (April 2021 n=701, October 2021 n=700, May 2022 n=700). Source: Q36. "How concerned (if at all) are you about your ability to pay your mortgage payments over the next few months (under your current arrangement with your bank)?"



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Landlords' relationships with tenants

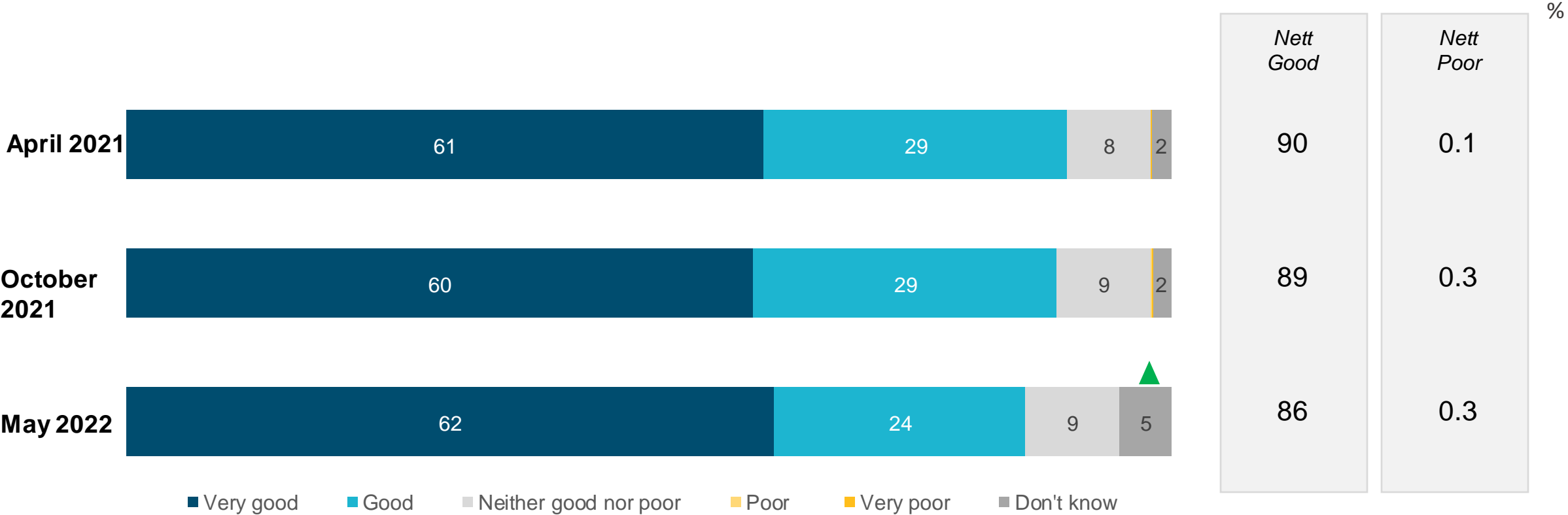


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Relationship with tenants

Most (86%) landlords feel they have a positive relationship with their tenants. Only five landlords (0.3%) in the survey felt their relationship is either poor or very poor which is consistent with the previous waves. A slightly higher proportion are unsure this wave.

Relationship with tenants



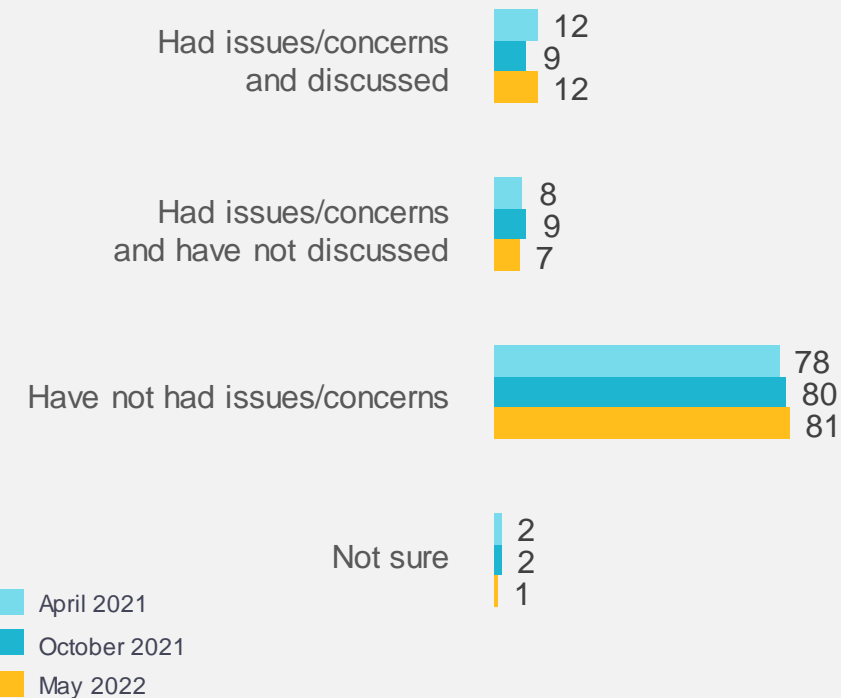
Base: All landlords (April 2021 n=701, October 2021 n=700, May 2022 n=700).
 Source: Q6. "Overall, which of these best describes your relationship with your tenants?"

▲ Significant increase from previous wave
 ▼ Significant decrease from previous wave

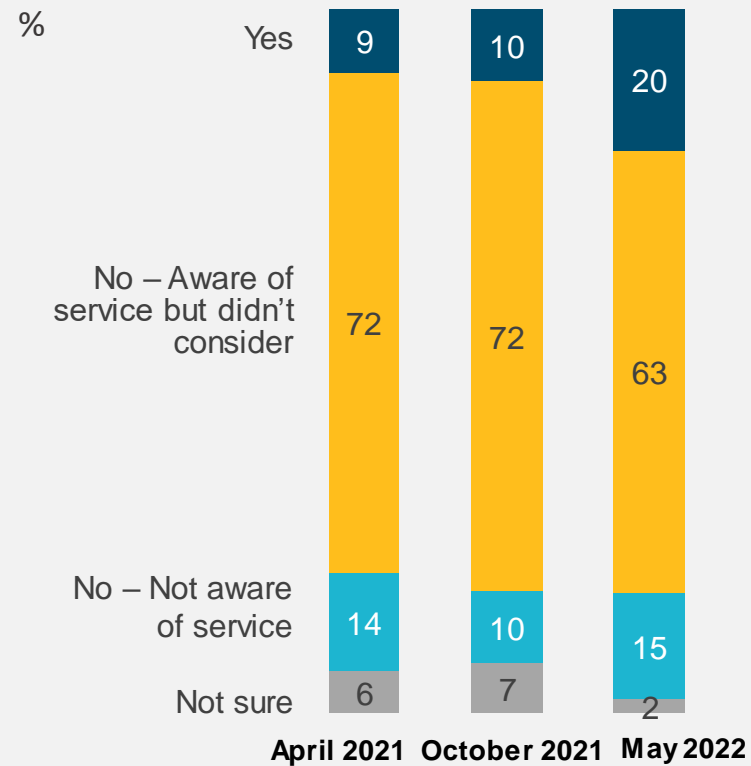
Tenancy issues

19% of landlords had concerns or issues with their tenants, with 12% discussing these with their tenants. One in five (20%) of those who have experienced issues or concerns have considered accessing mediation services by Tenancy Services and 17% have considered approaching the Tenancy Tribunal. Many landlords are aware of both services, but have not considered using them.

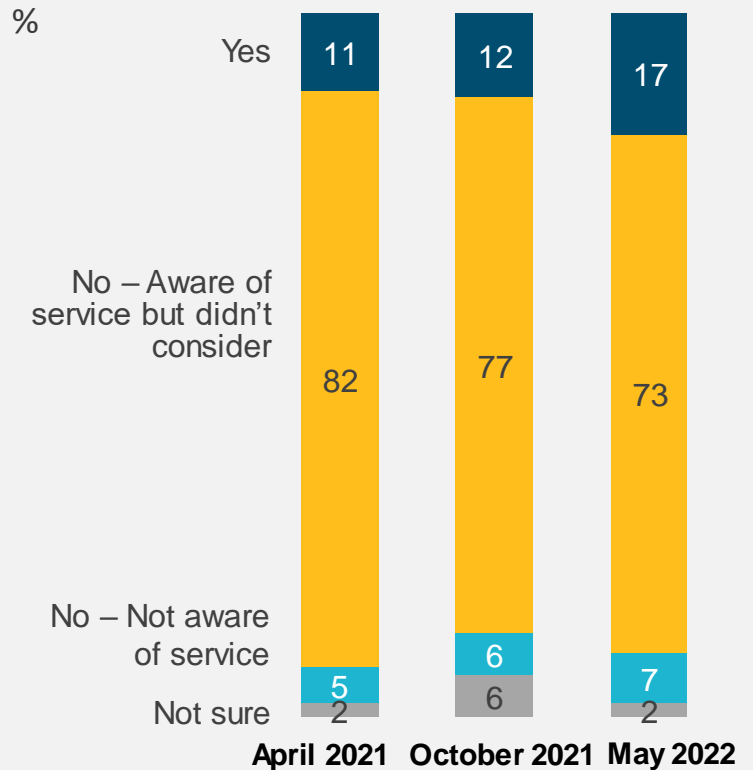
Whether discussed any significant tenancy issues with tenants



Whether seriously considered mediation service provided by Tenancy Services



Whether seriously considered approaching the Tenancy Tribunal



Base: All landlords (April 2021 n=701, October 2021 n=700, May 2022 n=700). Source: Q29. "In the last three months have you discussed any significant tenancy related concerns or issues with your tenants?" Note that some totals do not add to 100% due to rounding.

Base: Landlords with concerns or issues with tenants (April 2021 n=140, October 2021 n=126, May 2022 n=127). Source: Q30. "Had you seriously considered the mediation service that Tenancy Services provides, to assist with resolving the issues with your tenants?"

Source: Q31. "Had you seriously considered approaching the Tenancy Tribunal to help resolve the issue?". Base: April 2021 n=140, October 2021 n=126, May 2022 n=127. Multiple responses allowed so totals do not add to 100%.

▲ Significant increase from previous wave
▼ Significant decrease from previous wave



FOR FURTHER INFORMATION PLEASE CONTACT

Michael Winder

KANTAR PUBLIC

Level 1, 46 Sale Street, Auckland 1010

PO Box 33690, Auckland 0740

Phone (09) 919 9200

www.kantarpublic.com/nz

IMPORTANT INFORMATION

Research Association NZ Code of Practice

Kantar Public practitioners are members of the Research Association NZ and are obliged to comply with the Research Association NZ Code of Practice. A copy of the Code is available from the Executive Secretary or the Complaints Officer of the Society.

Confidentiality

Reports and other records relevant to a Market Research project and provided by the Researcher shall normally be for use solely by the Client and the Client's consultants or advisers.

Research Information

Article 25 of the Research Association NZ Code states:

- a. The research technique and methods used in a Marketing Research project do not become the property of the Client, who has no exclusive right to their use.
- b. Marketing research proposals, discussion papers and quotations, unless these have been paid for by the client, remain the property of the Researcher.
- c. They must not be disclosed by the Client to any third party, other than to a consultant working for a Client on that project. In particular, they must not be used by the Client to influence proposals or cost quotations from other researchers.

Publication of a Research Project

Article 31 of the Research Association NZ Code states:

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