



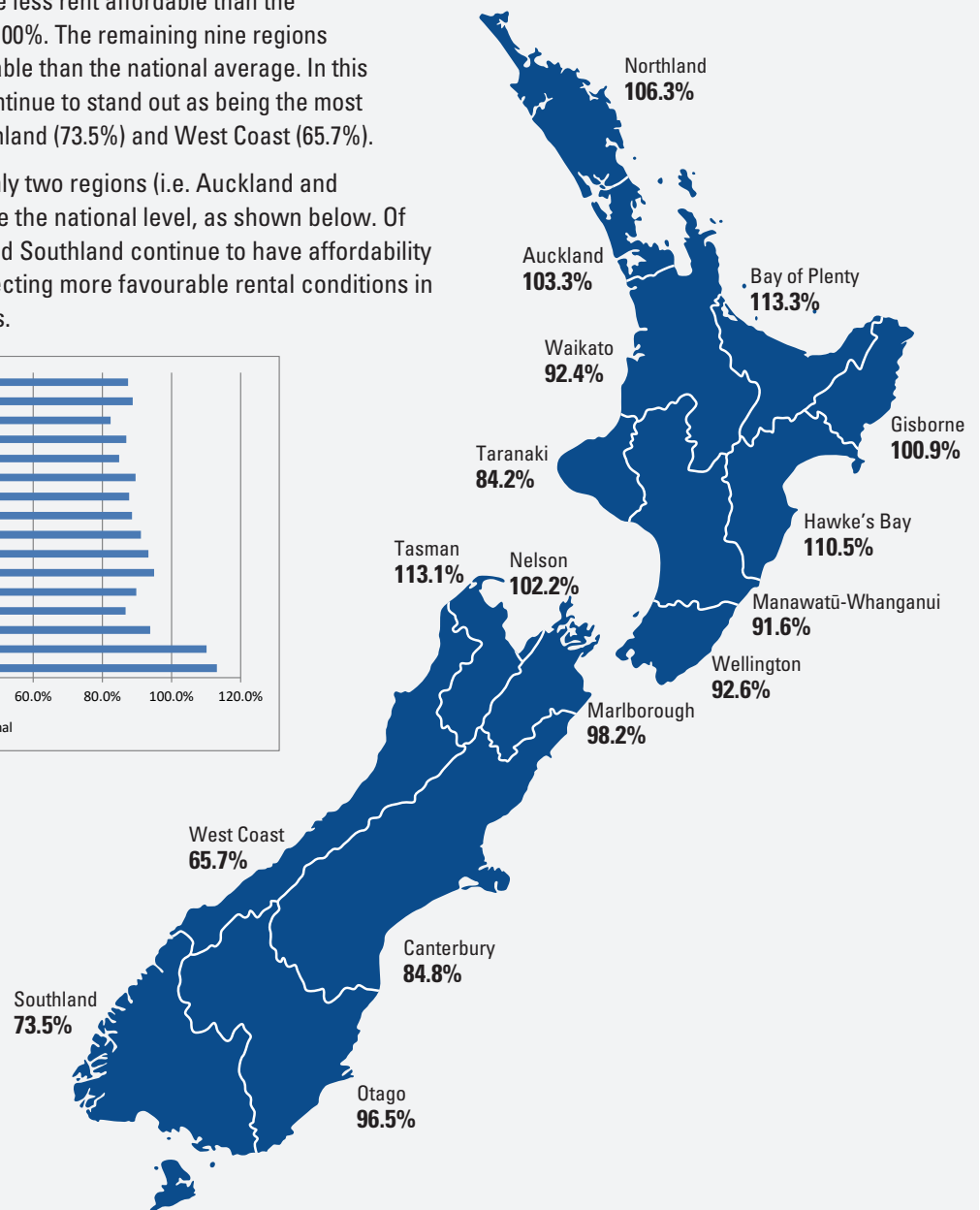
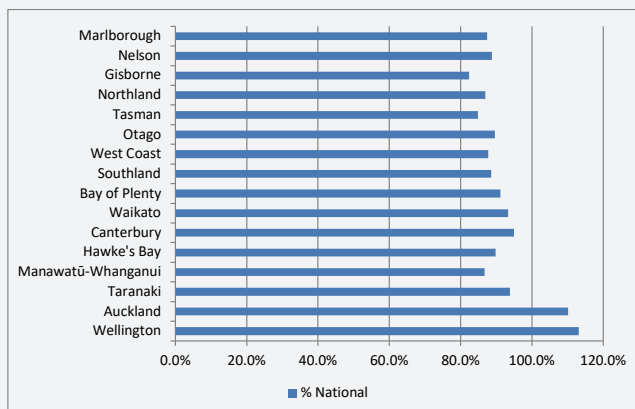
# RESIDENTIAL MARKET REPORT

## RENTAL REPORT SEPTEMBER 2021

### REGIONAL RENTAL MARKET AFFORDABILITY

The map of New Zealand's sixteen regions shows regional rental affordability as a percentage of national affordability. Both national and regional affordability have been calculated by dividing the respective average weekly wages (June 2021) into the respective geometric mean rents (June 2021). There are now seven regions including Auckland (103.3%); Northland (106.3%), Bay of Plenty (113.3%); Gisborne (100.9%); Hawke's Bay (110.5%); Tasman (113.1%) and Nelson (102.2%) from last quarter, that are less rent affordable than the national average which is set as 100%. The remaining nine regions are all relatively more rent affordable than the national average. In this quarter, there are two regions continue to stand out as being the most rent affordable. These were Southland (73.5%) and West Coast (65.7%).

Again in this quarter wages in only two regions (i.e. Auckland and Wellington), continue to be above the national level, as shown below. Of the three regions, West Coast and Southland continue to have affordability below the national average, reflecting more favourable rental conditions in these regions relative to incomes.





## QUARTERLY CHANGES IN RENTAL AFFORDABILITY MARCH 2021 – JUNE 2021

### Quarterly Change in Indices (March 2021 – June 2021)

	IMPROVEMENT	DETERIORATION
Northland		5.27%
Auckland	-1.43%	
Waikato	-0.22%	
Bay of Plenty		5.20%
Gisborne		7.17%
Hawke's Bay		6.83%
Taranaki	-1.72%	
Manawatu-Whanganui		6.58%
Wellington	-2.95%	
West Coast		13.95%
Canterbury		0.69%
Otago		2.22%
Southland	-2.96%	
Tasman		11.66%
Nelson		3.85%
Marlborough	-5.70%	
National		1.76%

Overall, in this quarter a slight deterioration of 1.76% is observed at the national level. There were six regions showing some improvement and remaining ten regions showing decrease in affordability.

## RENTALS FOR THE MAIN CITIES

The rents over the quarter (March 2021 to June 2021) and year (June 2020 to June 2021), for the main urban areas, are set out in the table. Over the past quarter, rental changes were decreased in six regions (last quarter in seven regions) and increased in the remaining ten regions with a net result of 1.9% increase for the quarter.

Nationally, rents increased by 9.4% over the year, and this is reflected across fourteen regions except West Coast (-3.1%) and Otago (0%). The largest annual rent increases in double digit were recorded in five regions including Northland (12.8%), Bay of Plenty (16.4%), Gisborne (11%), Hawke's Bay (20.4%) and Manawatu-Whanganui (14.2%). Auckland and Wellington showed a moderate increase of 3.4% and 7.8% respectively for the year.

	June 2020	March 2021	June 2021	Qtrly Change	Annual Change
Northland	\$399	\$425	\$450	5.9%	12.8%
Auckland	\$536	\$564	\$554	-1.8%	3.4%
Waikato	\$390	\$421	\$420	-0.2%	7.7%
Bay of Plenty	\$432	\$473	\$503	6.3%	16.4%
Gisborne	\$365	\$376	\$405	7.7%	11.0%
Hawke's Bay	\$401	\$441	\$483	9.5%	20.4%
Taranaki	\$353	\$386	\$385	-0.3%	9.1%
Manawatu-Whanganui	\$339	\$367	\$387	5.4%	14.2%
Wellington	\$473	\$524	\$510	-2.7%	7.8%
West Coast	\$290	\$251	\$281	12.0%	-3.1%
Canterbury	\$358	\$389	\$392	0.8%	9.5%
Otago	\$421	\$409	\$421	2.9%	0.0%
Southland	\$289	\$331	\$317	-4.2%	9.7%
Tasman	\$435	\$411	\$467	13.6%	7.4%
Nelson	\$404	\$416	\$442	6.3%	9.4%
Marlborough	\$401	\$434	\$418	-3.7%	4.2%
National	\$445	\$478	\$487	1.9%	9.4%



## DATA SOURCES

This publication has been developed from private sector rental data supplied by the Ministry of Business Innovation and Employment (Bond Centre). Information on wage rates, demographics and the structure of the rental housing stock is drawn from Statistics NZ data. House price information has been extracted from Real Estate Institute New Zealand (REINZ) and Quotable Value (QV) NZ statistics.

## TERMINOLOGY

Geometric mean rents are used in this publication as a better measure of rental trends than median and average rents because rents at the top end of the market are down weighted. For example, take three numbers 2,3, and 6.

The average is 3.66, the median is 3 and the geometric mean is 3.3. To calculate the geometric mean multiply the three numbers together and then calculate the cubed root.

## PROPERTY FOUNDATION

The Foundation is established to sponsor research and education in property related matters in New Zealand. Funding is obtained through sponsorship from corporations and firms within the property industry. The Foundation has also established a Real Estate Analysis Unit.

The Foundation works closely with the Property Studies Group at Massey University.

Visit Real Estate Analysis Unit (REAU) at:  
[http://www.massey.ac.nz/massey/learning/colleges/college-business/school-of-economics-and-finance/research/reau/reau\\_home.cfm](http://www.massey.ac.nz/massey/learning/colleges/college-business/school-of-economics-and-finance/research/reau/reau_home.cfm)

Visit The Property Foundation at:  
<https://propertyfoundation.co.nz/>

## SCHOOL OF ECONOMICS AND FINANCE MASSEY UNIVERSITY

Massey University has three campuses, located in Palmerston North, Wellington and Auckland, in New Zealand. The University has an enrolment of 33,000 students with approximately 13,000 business students. There are five schools within the Massey Business School.

## IMPORTANT DISCLAIMER

No person should rely on the contents of this report without first obtaining advice from a qualified professional person. This report is made available on the terms and understanding that Massey University and the authors of this report are not responsible for the results of any actions taken on the basis of information in this report, nor for any error in or omission from this report.

**AUTHORED BY**  
Arshad Javed and Graham Squires  
Property Group,  
Real Estate Analysis Unit (REAU)  
School of Economics and Finance  
Massey University



**ENQUIRIES MAY BE ADDRESSED TO:**  
Massey Communications Team  
Phone: 021 660 260  
Email: [communications@massey.ac.nz](mailto:communications@massey.ac.nz)  
Website: <https://www.massey.ac.nz>

# New Zealand Residential Rental Market Report: Quarterly Survey Q3 2021

Javed A

2021-09-01

---

<http://hdl.handle.net/10179/17072>

*14/03/2024 - Downloaded from MASSEY RESEARCH ONLINE*