



RESIDENTIAL MARKET REPORT

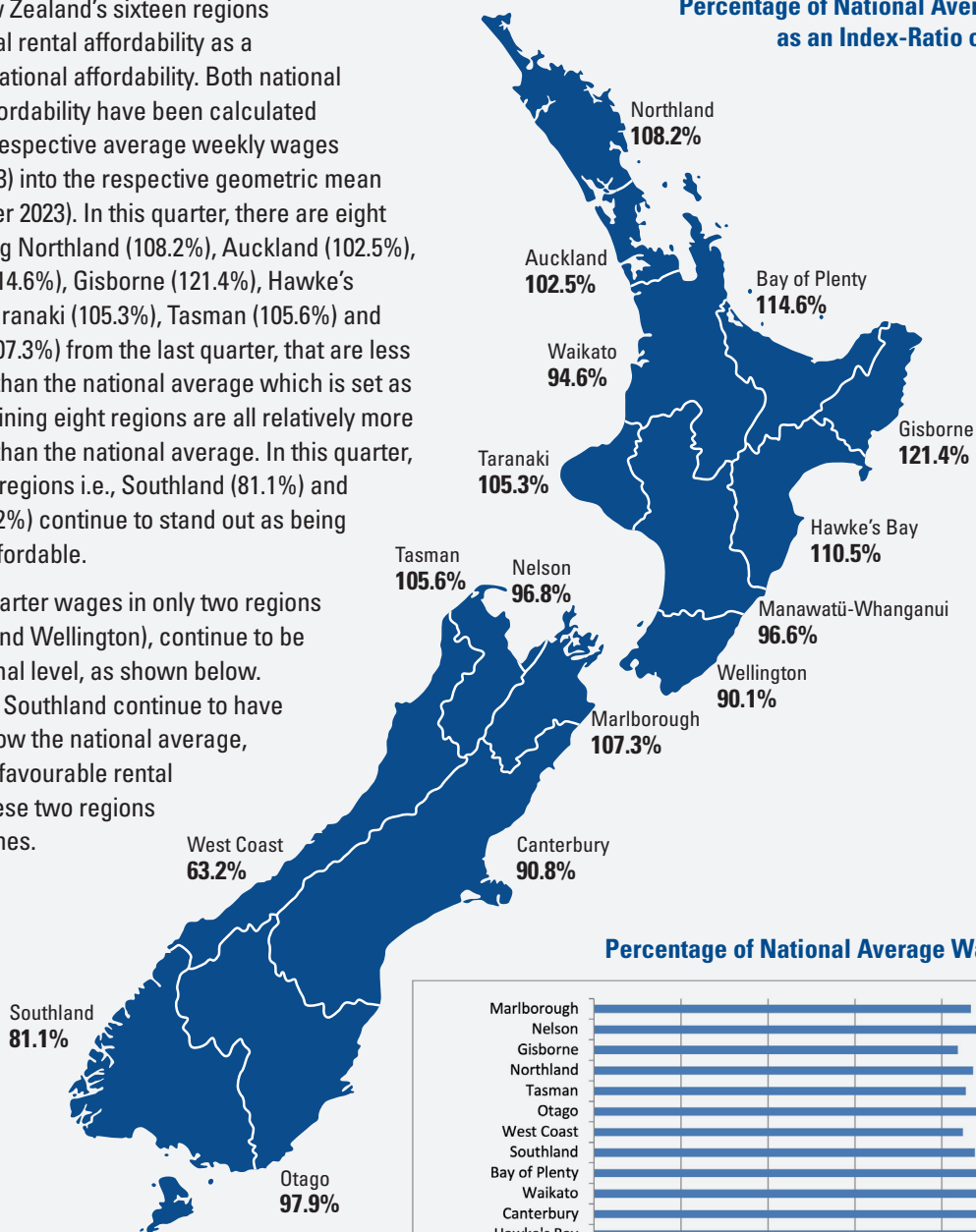
RENTAL REPORT DECEMBER 2023

REGIONAL RENTAL MARKET AFFORDABILITY

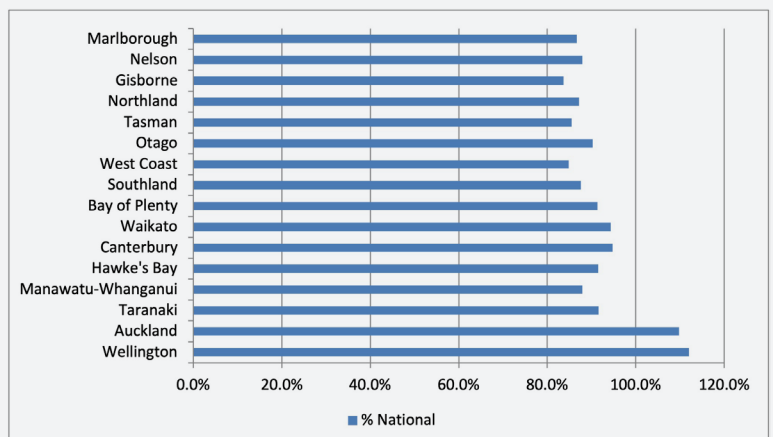
The map of New Zealand's sixteen regions showing regional rental affordability as a percentage of national affordability. Both national and regional affordability have been calculated by dividing the respective average weekly wages (September 2023) into the respective geometric mean rents (September 2023). In this quarter, there are eight regions including Northland (108.2%), Auckland (102.5%), Bay of Plenty (114.6%), Gisborne (121.4%), Hawke's Bay (110.5%), Taranaki (105.3%), Tasman (105.6%) and Marlborough (107.3%) from the last quarter, that are less rent affordable than the national average which is set as 100%. The remaining eight regions are all relatively more rent affordable than the national average. In this quarter, there were two regions i.e., Southland (81.1%) and West Coast (63.2%) continue to stand out as being the most rent affordable.

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

Percentage of National Average by Region: as an Index-Ratio of Wages/Rents



Percentage of National Average Wages by Region





QUARTERLY CHANGES IN RENTAL AFFORDABILITY INDEX JUNE 2023 – SEPTEMBER 2023

Quarterly Change in Indices (June 2023 – September 2023)

	IMPROVEMENT	DETERIORATION
Northland	0.43%	
Auckland	1.44%	
Waikato		0.94%
Bay of Plenty	1.01%	
Gisborne	1.28%	
Hawke's Bay		1.76%
Taranaki		8.59%
Manawatu-Whanganui	2.04%	
Wellington		0.29%
West Coast	10.53%	
Canterbury	1.79%	
Otago	5.15%	
Southland	0.42%	
Tasman	8.70%	
Nelson	3.30%	
Marlborough	1.24%	
National	0.40%	

Overall, in this quarter a slight improvement of 0.40% is observed at the national level. There were twelve regions showing some improvement and remaining four regions showing some deterioration in rental affordability.

REGIONAL RENTALS

The rents over the quarter (June 2023 to September 2023) and year (September 2022 to September 2023), for the main urban areas, are set out in the table. Over the past quarter, rental changes were increased in thirteen regions with a net result of 2.4% increase for the quarter.

Nationally, rents increased by 9% over the year, and this is reflected across all regions except West Coast. The largest annual rent increases in double digit were recorded in Northland (10.5%), Auckland (12.1%), Gisborne (14.7%), Hawke's Bay (16.5%), Taranaki (14.9%), Canterbury (10.1%), Southland (11.2%) and Marlborough (16.9%).

	Sept 2022	June 2023	Sept 2023	Qtrly Change	Annual Change
Northland	\$477	\$513	\$527	2.7%	10.5%
Auckland	\$561	\$619	\$629	1.6%	12.1%
Waikato	\$470	\$478	\$499	4.4%	6.2%
Bay of Plenty	\$538	\$569	\$585	2.8%	8.7%
Gisborne	\$495	\$560	\$568	1.4%	14.7%
Hawke's Bay	\$485	\$526	\$565	7.4%	16.5%
Taranaki	\$469	\$486	\$539	10.9%	14.9%
Manawatu-Whanganui	\$442	\$474	\$475	0.2%	7.5%
Wellington	\$552	\$564	\$564	0.0%	2.2%
West Coast	\$311	\$326	\$300	-8.0%	-3.5%
Canterbury	\$437	\$477	\$481	0.8%	10.1%
Otago	\$451	\$502	\$494	-1.6%	9.5%
Southland	\$357	\$386	\$397	2.8%	11.2%
Tasman	\$491	\$531	\$505	-4.9%	2.9%
Nelson	\$438	\$476	\$476	0.0%	8.7%
Marlborough	\$445	\$511	\$520	1.8%	16.9%
National	\$513	\$546	\$559	2.4%	9.0%

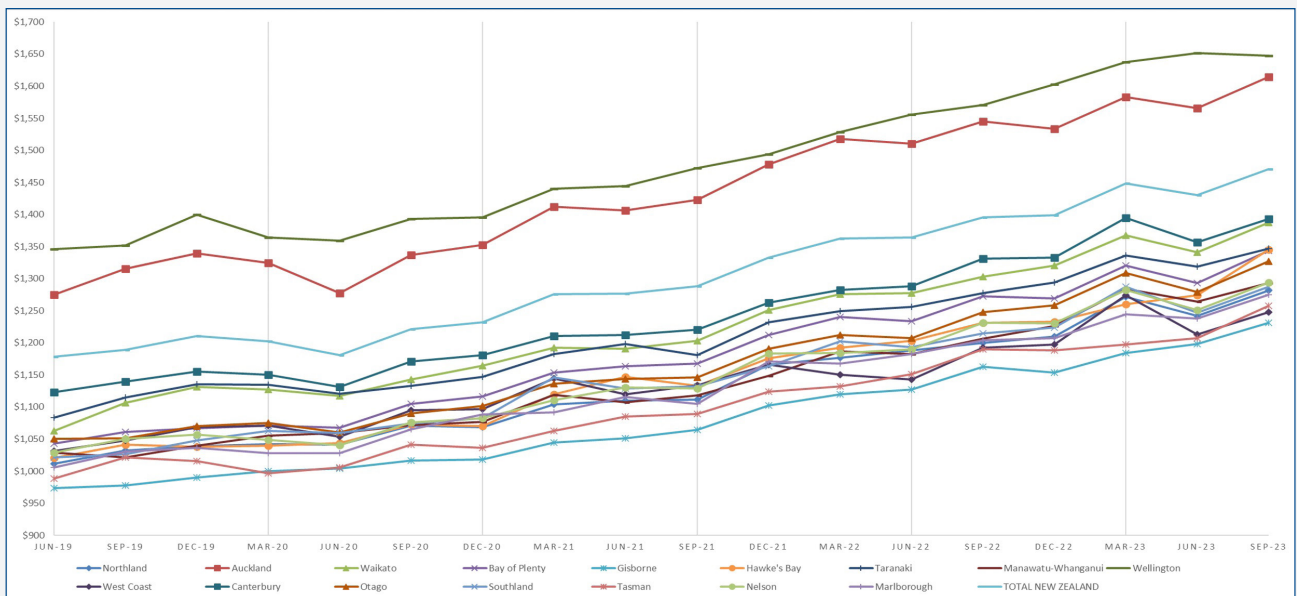


Quarter and annual changes in average weekly earnings

	3-month change (%)	3-month change (\$)	12-month change (%)	12-month change (\$)
Northland	3.2%	\$39.43	6.8%	\$81.49
Auckland	3.1%	\$48.49	4.5%	\$69.01
Waikato	3.4%	\$45.91	6.5%	\$84.44
Bay of Plenty	3.9%	\$49.99	5.5%	\$70.61
Gisborne	2.7%	\$32.87	5.9%	\$68.08
Hawke's Bay	5.6%	\$70.83	9.3%	\$114.40
Manawatu-Whanganui	2.1%	\$28.06	5.4%	\$68.66
Taranaki	2.3%	\$29.04	7.2%	\$86.41
Wellington	-0.3%	\$4.71	4.9%	\$76.73
Tasman	2.9%	\$34.67	4.7%	\$55.58
Nelson	2.7%	\$36.31	4.7%	\$62.53
Marlborough	3.8%	\$47.97	6.4%	\$79.46
West Coast	3.3%	\$40.95	6.0%	\$72.84
Canterbury	4.2%	\$50.37	5.7%	\$68.29
Otago	3.4%	\$42.66	5.1%	\$62.30
Southland	3.0%	\$37.56	5.9%	\$71.22
All Regions	2.8%	\$39.88	5.4%	\$74.77

Average incomes have increased slightly by 2.8% during the quarter (June 2023 to September 2023) and out of sixteen regions, fifteen regions are showing an increasing trend and remaining one region Wellington is showing a decline in the wages. The yearly results (September 2022 to September 2023) show that incomes have increased in all sixteen regions. The greatest increase in wages has for the last year recorded in Hawke's Bay (9.3% or \$114.40).

Quarterly Average Earnings June 2019 – September 2023 (Source: Statistics New Zealand, Monthly Employment Indicator)





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.

REAL ESTATE ANALYSIS UNIT (REAU)

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

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AUTHORED BY
Arshad Javed
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
Website: <https://www.massey.ac.nz>