



# RESIDENTIAL MARKET REPORT

## RENTAL REPORT DECEMBER 2024

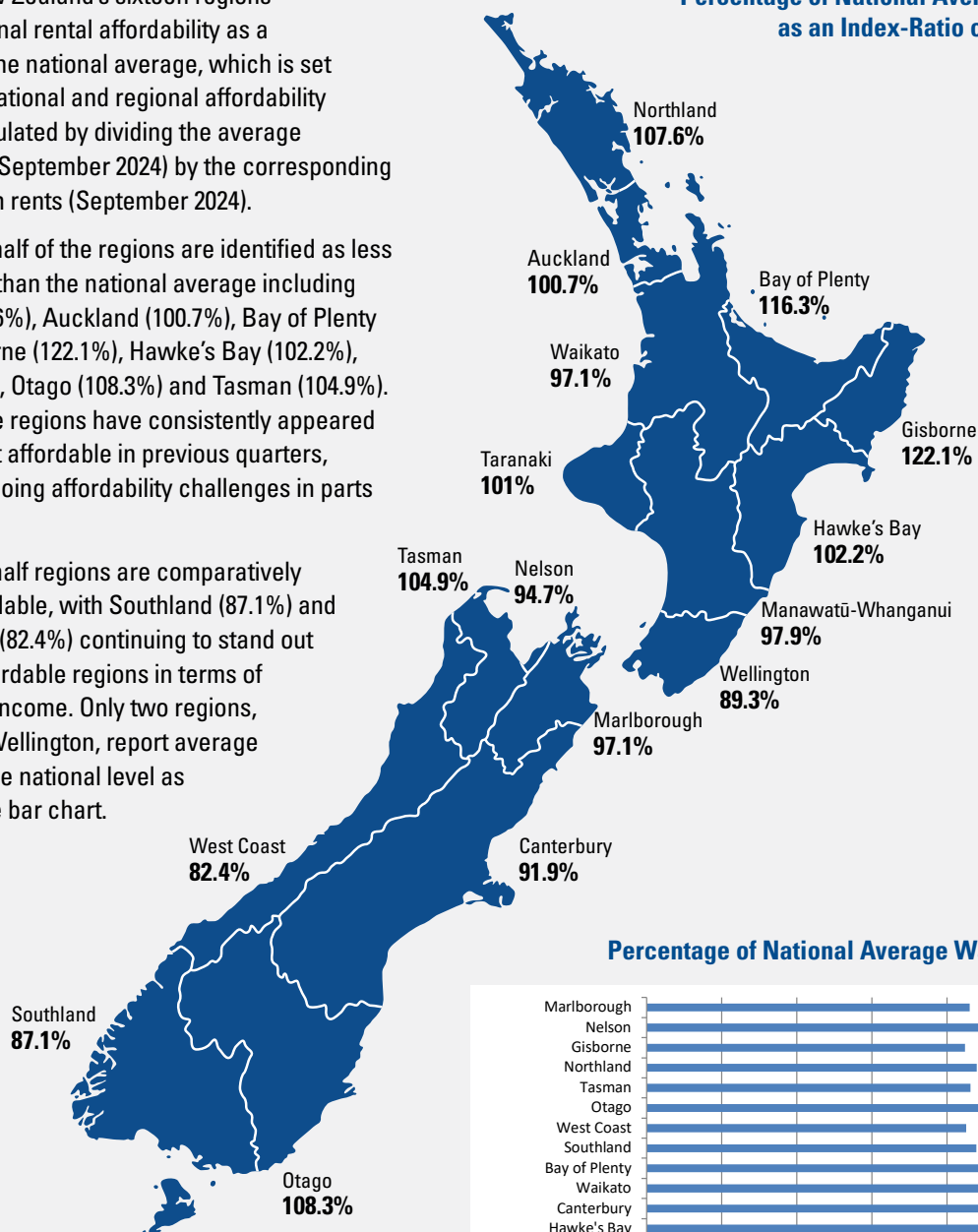
### REGIONAL RENTAL MARKET AFFORDABILITY

The map of New Zealand's sixteen regions illustrates regional rental affordability as a percentage of the national average, which is set at 100%. Both national and regional affordability have been calculated by dividing the average weekly wages (September 2024) by the corresponding geometric mean rents (September 2024).

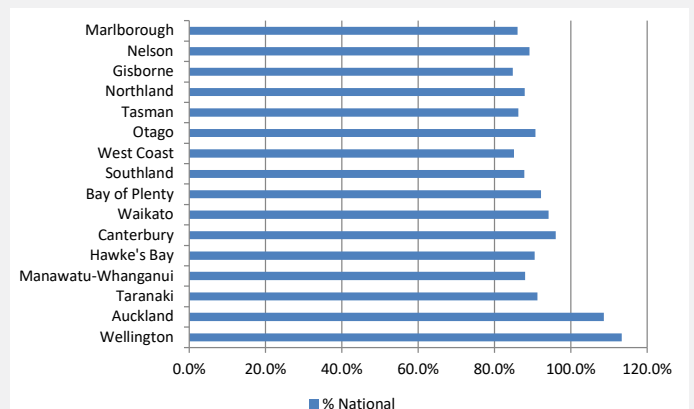
In this quarter, half of the regions are identified as less rent affordable than the national average including Northland (107.6%), Auckland (100.7%), Bay of Plenty (116.3%), Gisborne (122.1%), Hawke's Bay (102.2%), Taranaki (101%), Otago (108.3%) and Tasman (104.9%). Several of these regions have consistently appeared among the least affordable in previous quarters, highlighting ongoing affordability challenges in parts of the country.

The remaining half regions are comparatively more rent affordable, with Southland (87.1%) and the West Coast (82.4%) continuing to stand out as the most affordable regions in terms of rent relative to income. Only two regions, Auckland and Wellington, report average wages above the national level as illustrated in the bar chart.

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 2024 – SEPTEMBER 2024

### Quarterly Change in Indices (June 2024 – September 2024)

	IMPROVEMENT	DETERIORATION
Northland		3.30%
Auckland	3.47%	
Waikato		3.17%
Bay of Plenty	0.79%	
Gisborne		7.87%
Hawke's Bay	13.27%	
Taranaki	2.19%	
Manawatu-Whanganui		1.28%
Wellington		2.21%
West Coast		10.01%
Canterbury	0.91%	
Otago		2.86%
Southland		11.77%
Tasman	2.87%	
Nelson	4.84%	
Marlborough	0.06%	
National	0.91%	

Overall, a slight improvement of 0.91% in rental affordability was observed at the national level during this quarter. At the regional level, the trend was mixed, with eight regions showing an improvement and the remaining eight experiencing a decline. Notably, the Hawke's Bay region recorded a significant improvement in rental affordability this quarter, primarily driven by a decline in average rents.

## REGIONAL RENTALS

The table (right) presents rental changes across New Zealand's main regions over both the quarter (June 2024 to September 2024) and the year (September 2023 to September 2024).

Over the past quarter, ten regions recorded rental increases, while the remaining six regions experienced declines, resulting in a net national decrease of 0.7%. The most significant quarterly increase was observed in the West Coast, with rents rising by 31.3%.

On an annual basis, national rents increased by 6.7%, with all regions recording growth. The largest annual increases were seen in the West Coast by 19.8% and Marlborough by 21.1%. These figures highlight ongoing upward pressure on rental markets across the country, with particularly strong annual growth in several regional areas.

	Sep 2023	June 2024	Sep 2024	Qtrly Change	Annual Change
Northland	\$527	\$525	\$540	2.0%	8.8%
Auckland	\$629	\$643	\$625	-0.8%	6.7%
Waikato	\$499	\$504	\$522	-1.4%	8.5%
Bay of Plenty	\$585	\$603	\$612	2.0%	7.0%
Gisborne	\$568	\$543	\$591	7.8%	13.9%
Hawke's Bay	\$565	\$604	\$528	3.6%	6.6%
Taranaki	\$539	\$537	\$526	0.9%	11.0%
Manawatu-Whanganui	\$475	\$488	\$492	-1.6%	9.7%
Wellington	\$564	\$566	\$578	-4.7%	1.4%
West Coast	\$300	\$363	\$400	31.3%	19.8%
Canterbury	\$481	\$501	\$504	-8.0%	7.0%
Otago	\$494	\$538	\$561	1.4%	5.6%
Southland	\$397	\$394	\$437	3.0%	10.4%
Tasman	\$505	\$519	\$517	-1.6%	1.7%
Nelson	\$476	\$494	\$482	6.4%	8.0%
Marlborough	\$520	\$476	\$477	9.1%	21.1%
National	\$559	\$572	\$571	-0.7%	6.7%

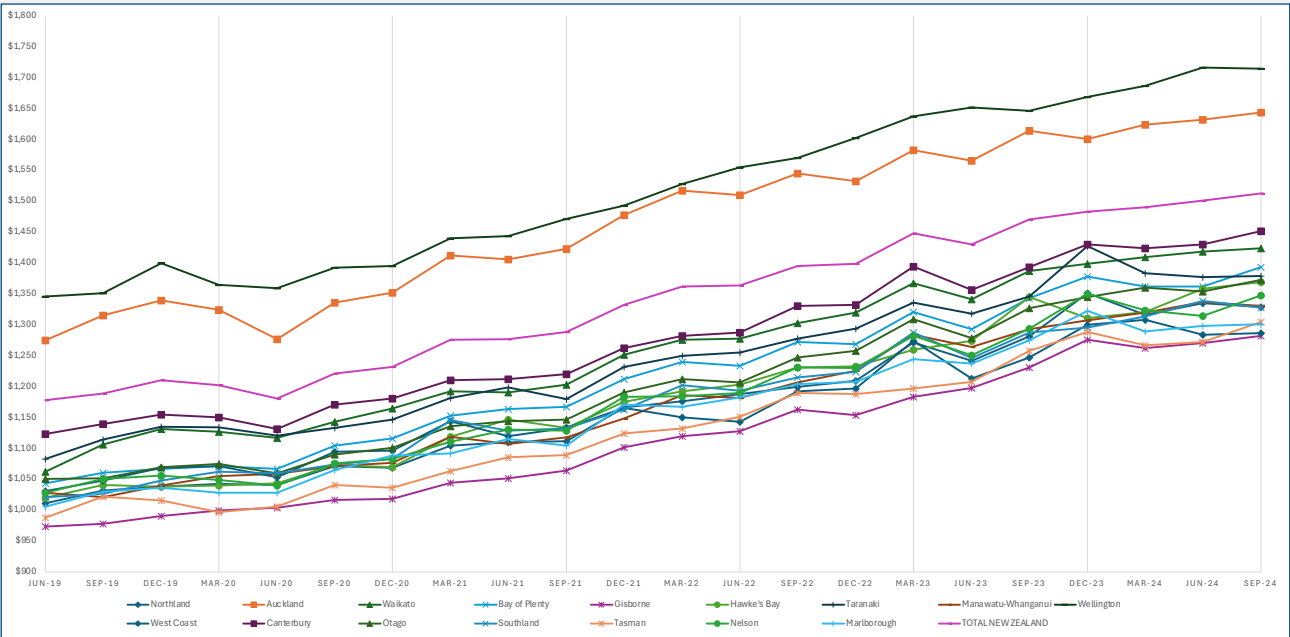


### Quarter and annual changes in average weekly earnings

	3-month change (%)	3-month change (\$)	12-month change (%)	12-month change (\$)
Northland	-0.4%	\$5.74	3.7%	\$47.97
Auckland	0.7%	\$11.30	1.8%	\$29.71
Waikato	0.4%	\$5.58	2.7%	\$37.24
Bay of Plenty	2.3%	\$31.36	3.8%	\$50.48
Gisborne	0.9%	\$11.47	4.2%	\$51.32
Hawke's Bay	0.8%	\$10.82	1.8%	\$23.85
Manawatu-Whanganui	0.1%	\$1.98	2.5%	\$33.03
Taranaki	-0.5%	\$6.08	2.9%	\$38.13
Wellington	-0.1%	\$1.56	4.1%	\$67.77
Tasman	0.2%	\$2.09	3.1%	\$38.78
Nelson	1.5%	\$21.77	4.2%	\$59.12
Marlborough	1.4%	\$18.67	3.4%	\$45.64
West Coast	-0.8%	\$10.30	3.2%	\$40.76
Canterbury	2.6%	\$32.61	3.7%	\$47.16
Otago	2.5%	\$33.33	4.2%	\$54.70
Southland	0.3%	\$3.50	2.1%	\$26.42
All Regions	0.7%	\$11.21	2.9%	\$42.20

Average incomes across New Zealand increased slightly by 0.7% over the quarter from June 2024 to September 2024. Among the sixteen regions, twelve recorded an upward trend in weekly wages, while the remaining four experienced a decline. On an annual basis (September 2023 to September 2024), average incomes increased across all sixteen regions. The most significant yearly growth was recorded in the Gisborne, Nelson and Otago regions, where average wages rose by 4.2%. These figures reflect continued national income growth, while also highlighting ongoing regional disparities in wage trends, particularly evident in the quarterly variations.

### Quarterly Average Earnings June 2019 – September 2024 (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).

## 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):

The REAU delivers cutting-edge academic consultancy for a wide range of public, private, not-for-profit, and partnership-based projects. As Director of the REAU, Dr Arshad Javed is available to speak to the media on issues related to home and rental affordability, offering expert insights in his role as both a critic and conscience of society.

Visit Real Estate Analysis Unit (REAU) at:  
<https://www.massey.ac.nz/about/colleges-schools-and-institutes/massey-business-school/research-at-massey-business-school/business-research-centres-groups-special-interest-groups/real-estate-analysis-unit/>

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