



RESIDENTIAL MARKET REPORT

RENTAL REPORT MARCH 2025

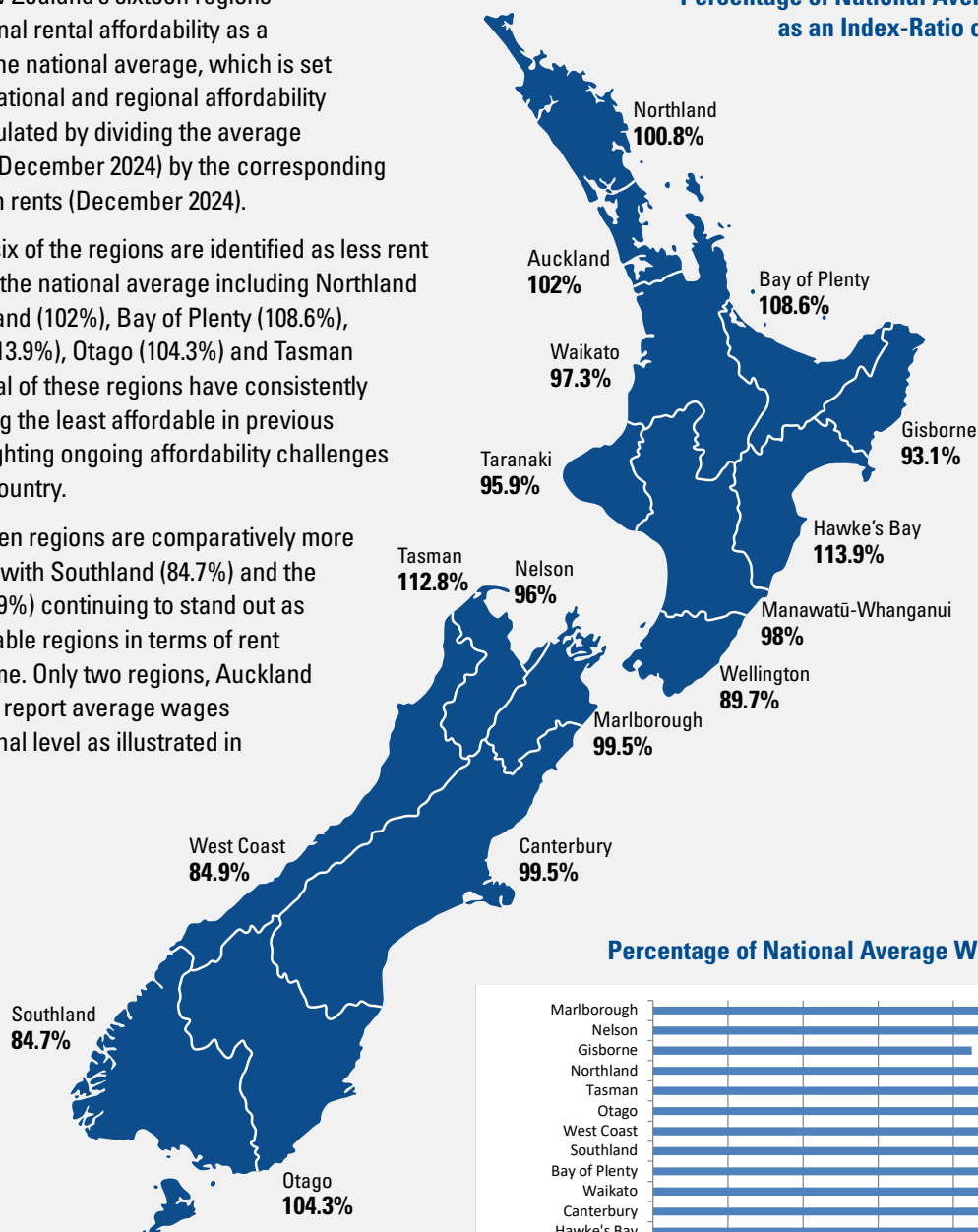
REGIONAL RENTAL MARKET AFFORDABILITY

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 (December 2024) by the corresponding geometric mean rents (December 2024).

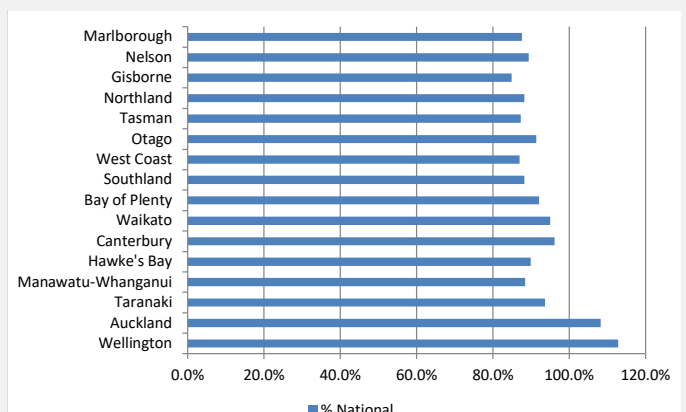
In this quarter, six of the regions are identified as less rent affordable than the national average including Northland (100.8%), Auckland (102%), Bay of Plenty (108.6%), Hawke's Bay (113.9%), Otago (104.3%) and Tasman (112.8%). Several of these regions have consistently appeared among the least affordable in previous quarters, highlighting ongoing affordability challenges in parts of the country.

The remaining ten regions are comparatively more rent affordable, with Southland (84.7%) and the West Coast (84.9%) 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 SEPTEMBER 2024 – DECEMBER 2024

Quarterly Change in Indices (September 2024 – December 2024)

	IMPROVEMENT	DETERIORATION
Northland	5.96%	
Auckland		1.66%
Waikato		0.62%
Bay of Plenty	6.28%	
Gisborne	23.47%	
Hawke's Bay		11.97%
Taranaki	4.71%	
Manawatu-Wanganui		0.53%
Wellington		0.87%
West Coast		3.52%
Canterbury		8.69%
Otago	3.28%	
Southland	2.45%	
Tasman		7.97%
Nelson		1.75%
Marlborough		2.91%
National		0.41%

Overall, a slight deterioration of 0.41% in rental affordability was observed at the national level during this quarter. At the regional level, the trend was mixed, with six regions showing an improvement and the remaining ten experiencing a decline. Notably, the Gisborne region recorded a significant improvement in rental affordability during this quarter, primarily driven by a decline in average rents.

REGIONAL RENTALS

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

Over the past quarter, ten regions recorded rental increases, while the remaining six regions experienced declines, resulting in a net national increase of 1.1%. The most significant quarterly decrease was observed in the Gisborne, where rents decrease sharply by 22.8%.

On an annual basis, there was no change recorded at the national level. However, at the regional level, a mixed pattern emerged. The largest annual decrease was again seen in the Gisborne, with a drop of 15.7%, while the greatest annual increase was observed in the West Coast, with rents rising by 28.3%. These figures reflect the diverse dynamics of rental markets across the country, with some regions experiencing volatility, while others show more consistent trends.

	Dec 2023	Sep 2024	Dec 2024	Qtrly Change	Annual Change
Northland	\$509	\$540	\$513	-5.0%	0.8%
Auckland	\$642	\$625	\$637	1.9%	-0.8%
Waikato	\$517	\$522	\$533	2.1%	3.1%
Bay of Plenty	\$597	\$612	\$577	-5.7%	-3.4%
Gisborne	\$541	\$591	\$456	-22.8%	-15.7%
Hawke's Bay	\$561	\$528	\$591	11.9%	5.3%
Taranaki	\$542	\$526	\$518	-1.5%	-4.4%
Manawatu-Wanganui	\$493	\$492	\$500	1.6%	1.4%
Wellington	\$598	\$578	\$584	1.0%	-2.3%
West Coast	\$332	\$400	\$426	6.5%	28.3%
Canterbury	\$548	\$504	\$552	9.5%	0.7%
Otago	\$500	\$561	\$550	-2.0%	10.0%
Southland	\$402	\$437	\$431	-1.4%	7.2%
Tasman	\$551	\$517	\$568	9.9%	3.1%
Nelson	\$469	\$482	\$495	2.7%	5.5%
Marlborough	\$505	\$477	\$503	5.5%	-0.4%
National	\$577	\$571	\$577	1.1%	0.0%

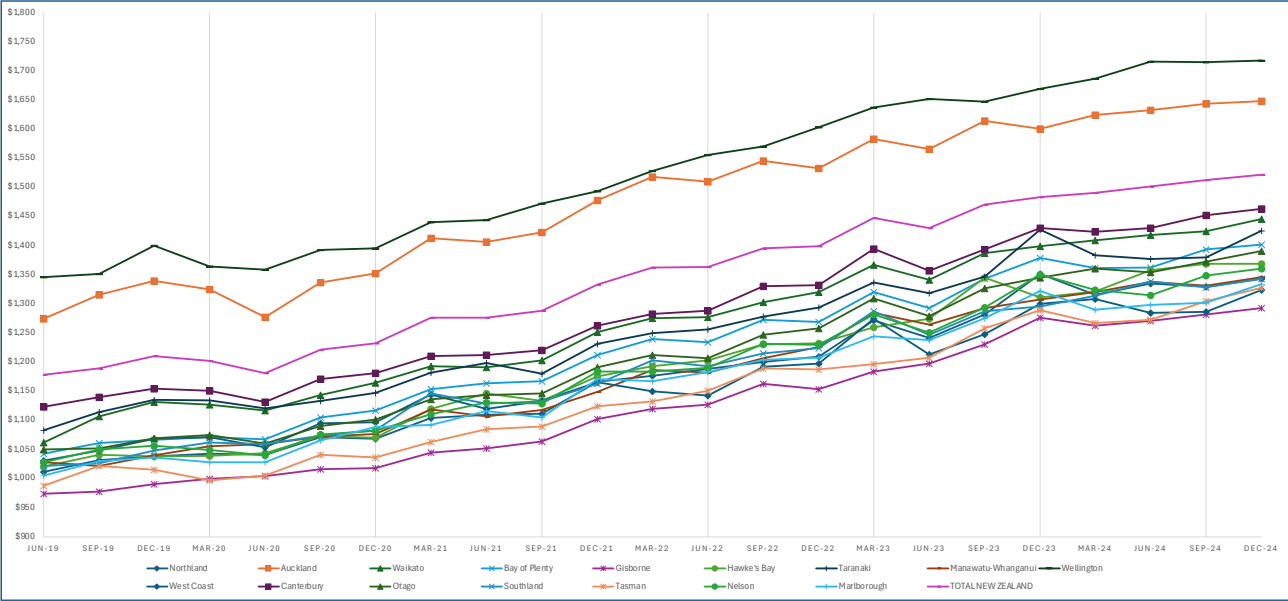


Quarter and annual changes in average weekly earnings

	3-month change (%)	3-month change (\$)	12-month change (%)	12-month change (\$)
Northland	1.0%	\$13.50	-0.7%	\$8.97
Auckland	0.3%	\$4.28	3.0%	\$47.46
Waikato	1.5%	\$21.09	3.3%	\$46.33
Bay of Plenty	0.6%	\$8.35	1.7%	\$23.45
Gisborne	0.8%	\$10.47	1.3%	\$16.68
Hawke's Bay	0.0%	\$0.41	4.4%	\$57.37
Manawatu-Whanganui	3.3%	\$46.18	-0.1%	\$1.83
Taranaki	1.1%	\$14.48	2.9%	\$38.02
Wellington	0.2%	\$2.89	2.9%	\$48.51
Tasman	2.9%	\$37.05	1.8%	\$23.62
Nelson	0.8%	\$11.09	2.3%	\$32.91
Marlborough	1.4%	\$18.71	3.4%	\$46.07
West Coast	1.1%	\$14.70	3.7%	\$47.49
Canterbury	1.8%	\$22.96	3.0%	\$39.24
Otago	0.9%	\$12.54	0.8%	\$10.21
Southland	2.5%	\$32.10	0.9%	\$11.34
All Regions	0.6%	\$9.58	2.6%	\$39.05

Average incomes across Aotearoa New Zealand increased slightly by 0.6% over the quarter from September 2024 to December 2024, with all sixteen regions recording an upward trend in weekly wages. On an annual basis (December 2023 to December 2024), average incomes increased in fourteen out of sixteen regions. The most significant year-on-year growth was observed in the Hawke’s Bay region, where average wages rose by 4.4%. These figures reflect a pattern of continued national income growth, though regional variation remains evident.

Quarterly Average Earnings June 2019 – December 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.

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