



RESIDENTIAL MARKET REPORT

RENTAL REPORT JUNE 2025

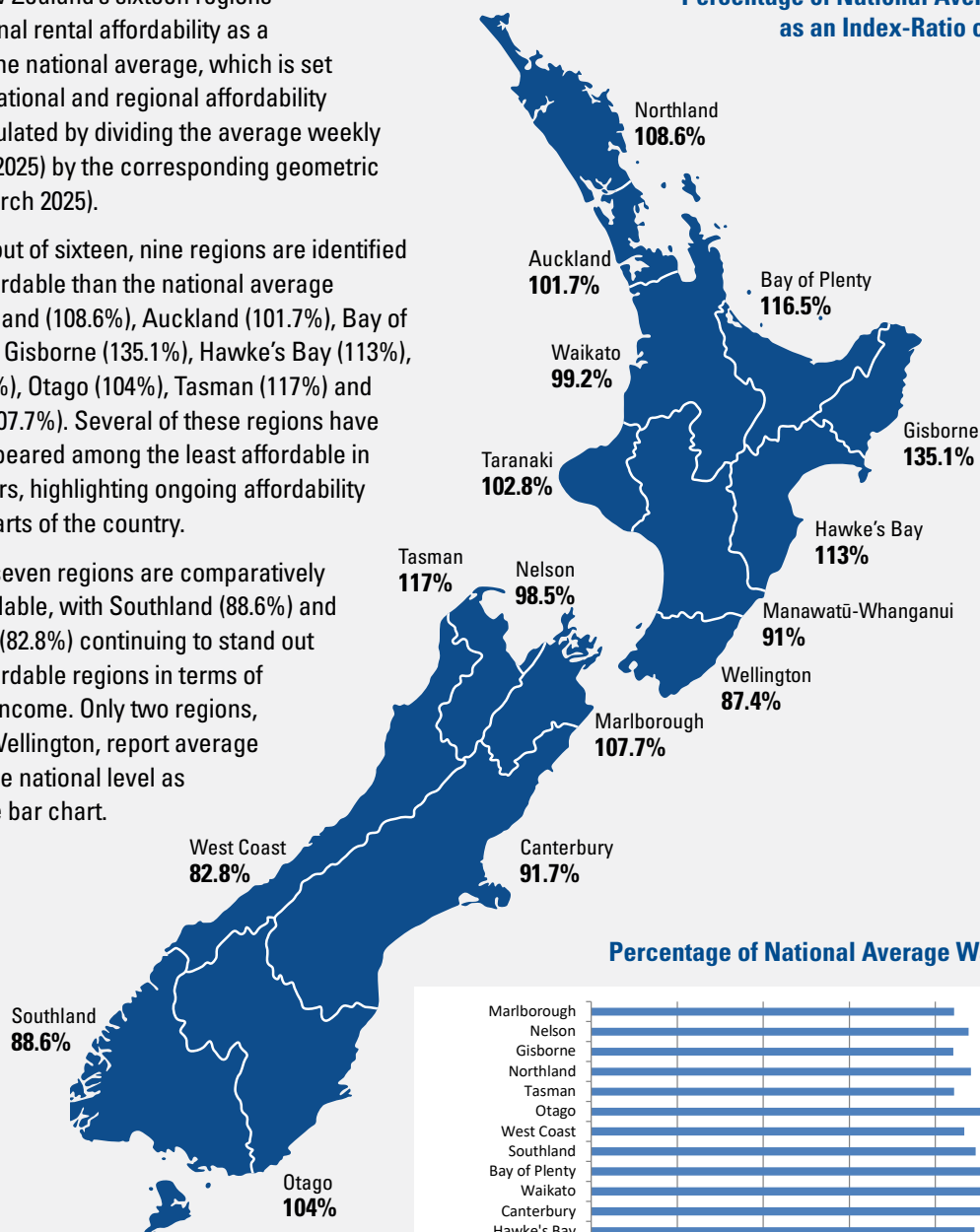
REGIONAL RENTAL MARKET AFFORDABILITY

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 (March 2025) by the corresponding geometric mean rents (March 2025).

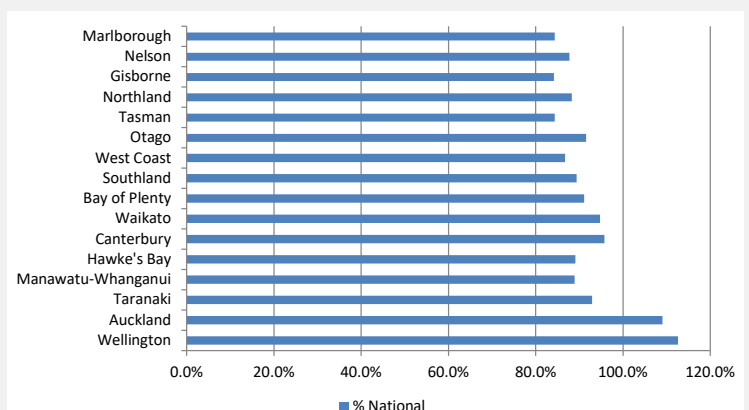
In this quarter, out of sixteen, nine regions are identified as less rent affordable than the national average including Northland (108.6%), Auckland (101.7%), Bay of Plenty (116.5%), Gisborne (135.1%), Hawke's Bay (113%), Taranaki (102.8%), Otago (104%), Tasman (117%) and Marlborough (107.7%). Several of these regions have consistently appeared among the least affordable in previous quarters, highlighting ongoing affordability challenges in parts of the country.

The remaining seven regions are comparatively more rent affordable, with Southland (88.6%) and the West Coast (82.8%) 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

DECEMBER 2024 – MARCH 2025

Quarterly Change in Indices (December 2024 – March 2025)

	IMPROVEMENT	DETERIORATION
Northland		4.02%
Auckland	3.73%	
Waikato	1.61%	
Bay of Plenty		3.59%
Gisborne		40.09%
Hawke's Bay	4.24%	
Taranaki		3.51%
Manawatu-Whanganui	10.39%	
Wellington	5.94%	
West Coast	5.96%	
Canterbury	11.08%	
Otago	3.76%	
Southland		0.98%
Tasman		0.11%
Nelson	0.97%	
Marlborough		4.41%
National	3.50%	

Overall, a slight improvement of 3.5% in rental affordability was observed at the national level during this quarter. At the regional level, the pattern was mixed, with nine regions showing an improvement and the remaining seven experiencing a decline. The most significant quarterly deterioration in rental affordability was recorded in the Gisborne region, primarily due to a sharp rise in rents.

REGIONAL RENTALS

The table (right) presents rental changes across Aotearoa New Zealand's main regions over both the quarter (December 2024 to March 2025) and the year (March 2024 to March 2025).

Over the past quarter, six regions recorded rental increases, while the remaining ten regions experienced declines, resulting in a net national decline of 1.9%. The most significant quarterly increase was observed in the Gisborne, where rents increase sharply by 41.2%.

On an annual basis, there was a slight decline recorded at the national level. However, at the regional level, a mixed pattern emerged. The largest annual increase was seen in the Gisborne, with rents rising by 10.5%, while the greatest annual decrease was observed in the West Coast, with a drop of 6.9%. These figures reflect the diverse dynamics of rental markets across the country, with some regions experiencing volatility, while others show more consistent trends.

	March 2024	Dec 2024	March 2025	Qtrly Change	Annual Change
Northland	\$519	\$513	\$543	5.8%	4.6%
Auckland	\$637	\$637	\$628	-1.4%	-1.4%
Waikato	\$510	\$533	\$532	-0.2%	4.3%
Bay of Plenty	\$609	\$577	\$601	4.2%	-1.3%
Gisborne	\$583	\$456	\$644	41.2%	10.5%
Hawke's Bay	\$581	\$591	\$570	-3.6%	-1.9%
Taranaki	\$547	\$518	\$541	4.4%	-1.1%
Manawatu-Whanganui	\$485	\$500	\$458	-8.4%	-5.6%
Wellington	\$570	\$584	\$557	-4.6%	-2.3%
West Coast	\$436	\$426	\$406	-4.7%	-6.9%
Canterbury	\$504	\$552	\$497	-10.0%	-1.4%
Otago	\$507	\$550	\$539	-2.0%	6.3%
Southland	\$414	\$431	\$448	3.9%	8.2%
Tasman	\$542	\$568	\$559	-1.6%	3.1%
Nelson	\$499	\$495	\$489	-1.2%	-2.0%
Marlborough	\$551	\$503	\$514	2.2%	-6.7%
National	\$573	\$577	\$566	-1.9%	-1.2%



Average incomes across Aotearoa New Zealand increased slightly by 1.6% over the quarter from December 2024 to March 2025, with thirteen regions recording an upward trend in weekly wages and remaining showing a slight downward trend. On an annual basis (March 2024 to March 2025), average incomes increased in all sixteen regions. The most significant year-on-year growth was observed in the West Coast region, where average wages rose by 5.2% (\$68.78). These figures reflect a pattern of continued national income growth, though regional variation remains evident.



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/>

SCHOOL OF ACCOUNTANCY, ECONOMICS AND FINANCE | TE KURA HUIINGA TAHUA

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
Property Group,
Real Estate Analysis Unit (REAU)
School of Accountancy, Economics and
Finance | Te Kura Huinga Tahua
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>