

External Research Report ER78 [2022]



The New Zealand Rental Sector

SHORE & Whariki Research Centre, Massey University, funded
by the Building Research Levy





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ISSN : 2423-0839

This research was funded by BRANZ Building Research Levy.

The research was conducted by Karen Witten, Penelope Carroll, Simon Opit, Karl Parker, Thomas Grayson-Guy and Taisia Huckle from SHORE & Whariki Research Centre, Massey University.

We acknowledge the support and advice for this research provided by Alison Reid and Jennifer Joynt, Auckland Council and thank Dr Bev James for her detailed and thoughtful peer review of the report. In addition, we thank the many tenants and landlords who participated in the survey and subsequent interviews.

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Executive Summary

This report details the findings of research undertaken with tenants and landlords on their experiences of the private rental sector. Data were gathered in 2021, using telephone and online surveys with tenants, a telephone survey with landlords and in-depth interviews with sub-groups of tenants and landlords. Participants resided in Auckland, Wellington, Christchurch and Dunedin. The study was designed to replicate research conducted in 2015, however an extended COVID-19 lockdown in Auckland necessitated modification to the tenant survey data collection methods. Key study findings on tenants' experiences of renting, combining all sources of data, are presented followed by findings on landlords' views on the sector.

Tenants

The tenants' survey gathered data from 812 respondents on their housing histories, the characteristics of their current rental home, future housing plans, and experiences of their tenancies and accommodation. Forty tenants took part in in-depth interviews that covered a similar range of topics.

The mean age of survey respondents was 43 years, 52% were female, and 48% male. The ethnicities of respondents (allowing reporting of multiple ethnicities) were as follows: European 66%, Māori 10.5%, Pacific 8%, Asian (including South Asian) 20% and other 3%. Of the sample, 72% were employed and 43% had a household income below \$70,000. Fifty-nine percent of respondents lived in Auckland, 15.2% in Christchurch, 14.3% in Wellington and 8.5% in Dunedin.

Trade Me was the most common route used by tenants to identify a rental property. Around 30% of tenants secured the first rental property they applied for and a further 26% after applying for one or two properties. Nine percent had applied for more than 10 properties before securing their home. A higher number of moves in the previous five years was associated with greater difficulty securing a rental home. Feeling unfairly turned down by a landlord was indicated by 29% of tenants and this was most often attributed to their ethnicity or age, followed by having pets and/or children.

Tenants had had diverse housing pathways. Rental tenure had been a long-term situation for many, but others (30.5%) had moved in and out of home ownership. Most of the latter group no longer owned a property, with the main reason for selling being the breakup of a relationship (38%). Some of these tenants had become renter-owners, unable to afford to buy in an area where they wanted to live, they had purchased an investment property elsewhere and rented a house in a location or of a size that met household needs.

A quarter of tenants surveyed had lived in their current home for less than a year, and just over half the sample for less than two years. Conversely, 12.7% had lived in their current rental home for more than 10 years. A frequent scenario in long-term tenancies was a dwelling in poor condition, retained at below market rent, with good tenant-landlord relations. This situation often led to a reticence to 'rock the boat' and risk a rent increase. Seventy-two percent of tenants had moved to their current address from another private rental property.

Mean weekly rents per dwelling were highest in Wellington (\$617) and on Auckland's North Shore (\$598). The mean rent paid per bedroom was also highest for Wellington (\$258), followed by Auckland (\$230), Christchurch (\$158) and Dunedin (\$150). Three-bedroom homes were the most common dwelling type – rented by 34% of survey respondents. Flatting, while desired by some tenants, was a compromise for others, especially older renters, who made ends meet by sharing costs.

Affordability was a concern to many tenants interviewed, and 38% of survey respondents indicated their rent was unaffordable. Of the remaining tenants, 45.5% reported their rent was affordable and 82% said their rental accommodation met their household needs. Despite the latter figure, 47% of tenants said they planned to move in the next two years, either to alternative rental accommodation or to a home they hoped to buy, or for a few, to a place they already owned.

A tenancy agreement had been signed by 88% of tenants, 87% had paid a bond on the property, and 67.5% knew their bond had been lodged with Tenancy Services. A fixed-term tenancy had been negotiated with a landlord or property manager by 45% of tenants, with one year the most common fixed time period. Rent was paid directly to a landlord by 64% of tenants and 35% paid rent to a property manager. Tenants who paid rent directly to a property manager paid \$50 per week more on average than those who paid rent to a landlord, \$560 compared to \$510 per week.

Smoke alarms were reported as installed in 93% of rental properties and absent in 6% of homes. A high percentage of tenants (76%) had contacted their landlord or property manager concerning maintenance on the property, with minor plumbing and electrical issues the main concerns. Sixty percent of issues were resolved within five days, 21% between 6 and 15 days and 18.5% took 16 days or longer to be resolved.

Just over half the tenants identified the Tenancy Tribunal as where they would go with a tenancy related problem. Only one interviewee had previously done so and found the experience time consuming and stressful. Others said they would not take a complaint to the Tenancy Tribunal for fear of reprisals such as a rent increase or loss of the tenancy.

Asked if they thought housing was related to health, 83% said yes, 10% no and 7% said they did not know. A household member regularly sleeping in a room other than a bedroom was reported by 10.5% of respondents. Ramps and rails were the most common modifications requested to assist disabled tenants.

Few tenants reported COVID-19-related impacts on their rental situation, other than a drop in property inspections. They had adapted spaces if needing to work from home and most had not approached their landlord for a reduction in rent. However, a rent hike soon after the rent freeze ended was noted, and a lack of properties advertised for rent during lockdowns contributed to the stress and uncertainty of seeking a new home.

Landlords

Four hundred and twenty landlords completed the landlords' survey, 34 of whom also participated in an in-depth interview. The mean age of respondents was 59 years (four years older than in the 2015 survey) and New Zealand European or European ethnicity was reported by 78% of landlords. A further 7% were of Indian ethnicity and 2.5% Chinese. Forty-four percent were in paid employment, 29% retired and 21% indicated they were self-employed. A household income of over \$150,000 was reported by 39% of landlords.

Half the landlords (52%) owned a single rental property, 26% owned two, 10% owned three properties, and the remaining 12% owned more than three properties. The median length of time they had been a landlord was 15 years. The most frequent reason given for purchasing a first and/or most recent rental property was as a form of retirement savings. While retirement planning was the predominant rationale there was some variation across the sample. A small number of landlords sought to build a portfolio of properties as a business and/or as a form of wealth creation. Rental investment decisions were often influenced by family considerations, for example, to provide accommodation for older relatives or to provide homes or investment capital for the next generation.

While most landlords owned properties in their city of residence and 'close to where I live' was the most common reason given for their locational choices, 22% of landlords in Auckland, 20% in Wellington, 18% in Christchurch and 14% in Dunedin owned rental properties in cities and towns other than where they lived. Two thirds of landlords expressed a preference for purchasing second-hand dwellings, a slightly lower percentage than in 2015. Their cheaper price, ease of purchase and potential to make improvements were the primary reasons given for favouring older properties. Downsides were maintenance and compliance costs. An increasing interest in new builds may be attributable to tax advantages relative to older dwellings as well as Healthy Homes Act requirements already being met and minimal maintenance being required.

Half the landlords surveyed (50.6%) indicated they had used accumulated savings to fund the deposit on their first rental property and a further third (33.6%) had used equity in an existing home to release funds for a deposit. Just under a third of landlords (31.5%) had no mortgage on their rental property, a slightly higher

figure than reported in 2015 (26%). The percentage of landlords without a mortgage increased by age from 0% for the age bands under 40 years to 53.9% for those over 65 years.

Drawing on equity in other property, buying cheaper dwellings, and interest only mortgages were strategies landlords used to start or expand their rental portfolios. Asked about the average rental yield on their rental property /properties, half (51%) said they did not know, lower than the 59% who responded similarly in 2015. Of those who indicated they did know, 11% said their average yield was either 1 or 2%, 21% said either 3 or 4%, and 11.3% said 5, 6 or 7%.

In keeping with data from the tenants' survey, mean rents reported by landlords were highest in Wellington (\$597), followed by Auckland (\$550), Christchurch (\$419) and Dunedin (\$381), and were \$50 per week higher on average when paid to property managers compared to a landlord. Of the 818 rental properties owned by survey respondents, 33 were unoccupied, all but five due to refurbishment, sale or re-tenanting.

Selecting tenants was primarily based on ability to pay rent and care for the property, with common criteria being good references, a secure job, good impression on meeting and 'gut instinct'. Most landlords (95%) had signed tenancy agreements on all rental properties and 92% said they had collected and lodged bonds (higher than the corresponding figures of 92% and 81% respectively in the 2015 survey). Fixed, long-term tenancies were favoured and used by 43% of landlords, the benefits being keeping good tenants and certainty of cashflow.

Over half the landlords (55%) managed properties themselves, 38% engaged a property manager, and 5% did both. Satisfaction with the competence of property managers was high (85%) and 78% were satisfied the service provided value for money. Of the landlords who managed properties themselves, some did so for financial reasons but others enjoyed contact with tenants. The percentage managing properties themselves was lower than the 67% recorded in 2015, possibly a reflection of the older mean age of landlords in the recent survey.

The median annual maintenance expenditure per property was estimated at \$3,000. Structured maintenance plans were more common when property managers were employed. Landlords managing properties themselves did repairs 'as and when needed', relying on tenants to let them know when repairs were needed, and inspections were rare with trusted tenants.

Most landlords (94%) thought there was a link between people's housing and health. The Healthy Homes Legislation requirements were largely accepted and met, although some dissent remained over the need to install heating. Meeting specific needs of disabled tenants was reported by 10% of landlords, with ramps and rails accounting for two thirds of modifications. When asked, 11% of landlords said they had accommodated additional tenants in their properties in response to the housing shortage.

Landlords held diverse views on more recent regulatory changes allowing tenants to make modifications to the property and the removal of no cause termination some were supportive, and others opposed. Frustration at changes to tax settings for rental properties was common, with many landlords feeling they were being scapegoated and unfairly blamed for the unaffordability of housing. The numbers of landlords intending to purchase additional rental properties dropped between 2015 and 2021, down from 26% to 15%. The most common barriers to investing in rental property were reported as uncertainty about current and proposed changes to government policy (37%), followed by rising house prices (32%) and access to finance (20%). Intention to sell rental property was also higher in 2021 (21%) than 2015 (15%), however most landlords had no plans to divest of rental property.

Landlords reported minimal disruptions attributable to COVID-19 other than being unable to inspect or re-tenant properties during lockdowns. Few tenants asked for a rent reduction and communication continued through phone and email.

Less than 4% of the landlords said they belonged to a Property Investors' Association.

Introduction

The context of this research is a shift in housing tenure patterns in Aotearoa New Zealand (NZ). Renting, formerly a transitional phase prior to homeownership for most, is becoming life-long tenure for increasing numbers of New Zealanders, as homeownership/owner-occupier¹ rates continue to decline. Renting has not traditionally been part of the Kiwi dream and is considered ‘a second-rate option’ (Eaqub & Eaqub, 2015, p. 10). Yet, a third of New Zealanders (and half of the adult population) are now renting their homes. It is estimated that of NZ’s 1,771,300 households (June 2019), 604,100 (or 34%) are renting and the overwhelming majority of these households, at around 510,000 or 85%, rent within the private rental sector (PRS) (New Zealand Property Investors’ Federation, 2022; Stats NZ, 2019a). Homeownership rates have correspondingly fallen, from a high of 74% in 1991 to 65% in 2018. While rates have decreased across all age bands, they have especially fallen for those in their late 20s and 30s (from 61-44% and 79-59% respectively (Stats NZ, 2020).

The shift in tenure has been in large part due to increases in house prices and rental costs relative to incomes, and in the investor share of the housing market. A doubling of median house prices over the past decade, compared with wage increases of only 20%, has put homeownership beyond reach for many. Housing market activity has continued to move toward property investment and away from first home buyers (Saville-Smith, 2021), with CoreLogic data suggesting only 21% of house sales were to this group in March 2022 (down from a recent high of 26% in 2020) (CoreLogic, 2022).

It is forecast that a majority of households will be dependent on the private rental sector for housing within the next two decades (Saville-Smith, 2019; Stats NZ, 2019a). In response to this situation, and the poor condition and unaffordability of rental housing, the Human Rights Commission (2021) has developed Human Rights Guidelines for a Decent Home based on United Nations standards for adequate housing.

Regulatory context

In NZ it can be argued that a rental property is regarded first and foremost as an asset to benefit the landlord, privileging ownership and determining the extent to which ‘secure occupancy’ exists for tenants (Hulse & Milligan, 2014). The concept of ‘secure occupancy’ encapsulates legislative protection, secure tenure (including affordability) and tenants having control over their living space, provided they meet their legal obligations as a tenant.

Tenants and landlords’ legal rights and obligations are covered by the Residential Tenancies Act (1986) and its 2020 amendments. Provisions cover payment of bonds and rents, termination of tenancies and recovery of possessions, and Tenancy Tribunal processes to resolve disputes between tenants and landlords. Prior to the COVID19 pandemic, tenancies could be terminated without reason by a landlord with 90 days’ notice (or 42 days if the property owner or their family planned to move into the property), and rents could be increased every six months. Reflecting the importance of people being securely housed in a COVID-19 world, provisions allowing no-fault terminations and six-monthly rent increases were suspended in March 2020. The Residential Tenancies Amendment Act (August 2020) cemented these changes: no-cause terminations are no longer legal; rents can only be increased annually (and any increase requires a 60-day notice period); fixed-term tenancy agreements automatically become periodic tenancy agreements upon expiry (unless both parties agree otherwise); and tenants now have the right to carry out ‘limited’ home-making practices to personalise their living space (in consultation with the landlord). These changes are intended to afford tenants greater ‘secure occupancy’. However, landlords still retain the right to terminate tenancies if they want to extensively renovate or sell a property (90 days’ notice) or move themselves, family members or employees in (63 days’ notice). In terms of the condition of rental accommodation, the Act states that “the landlord shall provide and maintain the premises in a reasonable state of repair” (Section 45b).

¹ ‘Homeownership’ and ‘owner-occupier’ are used interchangeably throughout the report. Homeowners/owner-occupiers are defined as people who live in a dwelling they own or part own, with or without a mortgage.

Cold damp housing in particular has been highlighted as a significant health issue in NZ (Buckett et al., 2012; Howden Chapman et al., 2007; Keall et al., 2010). Building research and industry surveys have identified widespread issues with poor maintenance, insufficient insulation and ventilation. Research has also found that rental dwellings in NZ are typically in a worse condition than owner-occupied dwellings (White et al., 2017) and twice as likely to be cold, damp and poorly maintained (Stats NZ, 2019b). The Healthy Homes standards (which became law in July 2019) aim to address these issues, requiring specific and minimum standards for heating, insulation, ventilation, moisture ingress and drainage, and draught stopping in rental properties. All private rentals were to comply within 90 days of any new or renewed tenancy, with all private rentals complying by July 1, 2024. However, on 22 November 2022, the Housing Minister announced an extension to July 1, 2025 and an increase in the compliance timeframe for new or renewed tenancies from 90 to 120 days (Woods, 2022). Whilst advocates for improving renting conditions celebrated the introduction of these standards, the requirements remain relatively limited and a strong counter-narrative has pushed back against 'excessive' government regulation of the PRS (Bierre & Howden-Chapman, 2020). Recognising the need to ensure standards are being met, the Human Rights Commission is calling for an independent housing authority to regulate the quality of rentals, including compliance with the Healthy Homes standards (Alafeshat, 2022).

Housing and health

Housing is related to health in myriad ways which, when added together, make it a key social determinant of health (Marmot & Allen, 2020; Shaw, 2004). On a physical level, poorer housing conditions, coupled with a lack of tenure security, are linked to poorer health outcomes, academic achievement, rates of employment and subjective wellbeing (Howden-Chapman & Carroll, 2007; Keall et al., 2010; Saville-Smith, 2019). On a psychosocial level, house/home is linked to 'our sense of identity; our relationships with one another; our understanding of who we are and how we fit in the greater scheme of things' (Dawson & Jordan, 2020, p. 5). Dupuis and Thorns (1998, p. 25) write of homeownership fostering 'ontological security' – a security of being. Bate (2018) identifies three factors necessary for secure occupancy: financial security, housing stability, and autonomy over homemaking practices. She argues it can be challenging for renters to achieve secure occupancy and establish a sense of home within their dwelling. Without some place to call home 'people are...essentially disenfranchised' (Kearns et al., 1991, p. 369) and their health and well-being are compromised. On both a psychosocial and physical level, rental housing is regarded as less healthy than owner occupied housing in NZ.

Historical context

In NZ homeownership continues to be seen as the best way to 'house the nation' (Ferguson, 1994), and government policies have reflected this. Historically governments have provided mortgage support for first home buyers along with funding public housing. A century ago, 50% of workers owned their own homes (Atkinson, 2005), with housing loans made available through the Reform Government's State Advances Corporation. Construction of public housing to complement private ownership began under the first Labour Government (1935), with a Housing Construction Branch of the State Advances Corporation established to build state houses (Dalley & McGibbon, 2005, p. 282). Local authorities were also funded to provide housing, which was mostly pensioner housing. The 1949 National Government moved away from a universal state housing approach, making more money available for private construction. This shift continued, with 3% building loans and capitalisation of the family benefit under the Second Labour Government (1957–60) boosting rates of homeownership. At the peak of housing activity in 1961, 52% of all new dwellings were government funded in some way (Dunstall, 1981). The easing of housing supply issues in the 1970s saw governments retreating from involvement in the construction and financing of new houses. Private institutions (banks and building societies) became the prime source of mortgage money, and the private sector were encouraged to provide rental accommodation. With the rise of neo-liberalism from the 1990s, governments continued to draw back from the funding or provision of housing. This policy environment, along with favourable mortgage market conditions, contributed to the number of rental property investors rising from 75,000 to over 200,000 between 1997 and 2007 (New Zealand Productivity Commission, 2012). The

introduction of a tenure neutral ‘accommodation supplement’ in 1993 was intended to reduce state provision of rental housing and assist the majority of low-income people into the private rental market (Murphy, 2004). The supplement was costed at almost \$2.4 billion in the 2020 budget. The current nationwide undersupply of housing (estimated by Kiwibank Chief Economist Jarrod Kerr to be around 65,000 dwellings) is an outcome of decades of underinvestment in private and public housing, says Saville-Smith (2018). Saville-Smith also notes the ‘desertion’ of lower-value segments of the market by the building industry.

An eventual government acknowledgement of a ‘housing crisis’ has seen interventions in land-use planning, increased government investment in public housing and communal infrastructure to support housing development, and the advent of KiwiBuild, all policies designed to increase housing affordability by increasing supply. However, house prices have remained ‘over-heated’ and affordability issues have spread to the rental market (Saville-Smith, 2019). According to figures reported by the OECD, 60% of NZ’s low-income renters spend more than 40% of their income on rent – the highest rate in the OECD (OECD Affordable Housing Database, 2022, p. 5).

Along with moves to increase the supply of housing for first home buyers (reduced tax deductibility for investors and extension of the ‘bright-line’ test to limit investment in housing for capital gain), the government has announced tax exemptions for developers offering long-term tenancy opportunities. While the rhetoric of owner-occupation as the norm remains, these changes recognise the need to address the recent changes in tenure patterns that have resulted in a permanent rental class – and a need to encourage long-term ‘secure occupancy’ (Hulse & Milligan, 2014) for tenants.

With housing tenure affecting a range of economic, social and health outcomes, it is important NZ has a clear understanding of the private rental sector from both tenants and landlords’ perspectives. It is also important to understand the demographic characteristics of the renting population. How has it changed over time, and does the rental stock meet the needs of its inhabitants? Following on from the prior investigation of the private rental sector in 2015 (Witten et al., 2016), this two-phase study surveyed a random sample of tenants and landlords in Auckland, Wellington, Christchurch and Dunedin in 2021; and conducted follow-up interviews with a subsample of those surveyed to understand more fully their experiences, priorities and plans within the private rental housing sector.

Report Structure

First, the research methods used to collect and/or analyse data for three study components are described: a survey of tenants that combined data collected via Computer Assisted Telephone Interviewing (CATI) and a shorter online survey; a (CATI) survey of landlords; and in-depth interviews with a subsample of the CATI survey respondents, both tenants and landlords. Study results are then presented for the analyses of data gathered from tenants, followed by results for the data gathered from landlords.

Demographic descriptions of the relevant samples of CATI, online survey and follow-up interview respondents precede a series of thematic headings that combine findings from analyses of data gathered via the surveys and in-depth interviews. Where relevant, comparisons are made to findings from an earlier New Zealand Rental Sector Study, based on data gathered in 2015–2016. In the tenants' section of the report, topics covered include tenants' experiences in the rental market, specifically finding and securing rental properties, rents, reasons for moving, property management and maintenance, expectations about property standards, tenancies, as well as future plans for accommodation and their reflections on the rental housing market. In the landlords' section, topics covered include investment rationales, portfolios and financing, property maintenance, managing tenancies, regulations and standards, future intentions and their reflections on the rental market. The results sections are followed by a discussion and concluding comments.

Methods

Replicating the 2015–2016 study, data in 2021 were gathered across four sites, Auckland, Christchurch, Wellington and Dunedin. The areas selected correspond to the Unitary authority area for Auckland; to Christchurch City, Rangiora ward and Rolleston for Christchurch; to Dunedin City for Dunedin; and to Wellington City, Porirua City, Lower Hutt City and Upper Hutt City for Wellington. The sites were chosen to enable comparisons between landlord and tenant experiences across different large urban centres.

The 2021 survey was disrupted by the COVID-19 pandemic. The CATI laboratory could not operate during the extended Auckland lockdown from August 2021. The Landlords' survey was completed by CATI interviewers set up to work remotely, but the Tenants CATI survey was terminated and a sample of tenants recruited and data collected via an online panel survey conducted by Kantar Research. The online survey format necessitated a shortened survey. A final response rate cannot be calculated due to the survey's disruption by the extended lockdown in Auckland.

Component 1: Tenant Surveys

CATI Survey: Respondent households were identified using landline and mobile phone numbers randomly selected from a large database of known numbers (by DataZoo). Landline phone numbers included listed and unlisted numbers. In the 2018 New Zealand Census, 62.5% of households reported having a landline. This was likely to be lower in rental housing and would have declined considerably between 2018 and 2021. Therefore respondents were also contacted on their mobile phones using randomly selected mobile phone numbers.

Contact and interviewing were undertaken using an in-house Computer Assisted Telephone Interviewing (CATI) system. Trained interviewers coded respondents' answers directly into a computer. A high level of quality control, essential for the collection of comparative data, can be achieved using this system.

On first contact the interviewer checked whether the household owned and rented out accommodation. Such households were classed as landlord households and invited to take part in the landlords' survey. If they were not landlord households, the interviewer then asked, "**Could you please tell me if you pay rent where you live?**" If the answer was 'yes' the interviewer then ascertained if the person they were speaking to was either the person responsible for paying the rent or their partner, and therefore eligible to answer the survey questions. They were then invited to participate in the tenants' survey. The CATI Tenants' survey commenced

in July 2021. When terminated in August 2021, 128 interviews had been completed, 59 via landline and 69 via mobile phone.

With the termination of the CATI survey due to COVID restrictions, alternative methods for recruiting tenants were explored. Kantar Research were chosen to complete the survey as they were able to recruit an adequate number of tenants in Auckland, Wellington, Christchurch and Dunedin using an online format with a survey panel. Survey item wording remained the same but a number of items were cut to reduce the overall length of the survey for delivery online.

Not all responses contained complete information. In the results reported the percentages are calculated from those who gave valid responses. The number of total responses is also given.

The surveys were carried out between July and September 2021.

Component 2: Landlord Survey

On first contact the interviewer checked whether the household owned and rented out accommodation. Such households were classed as landlord households and invited to take part in the landlords' survey.

The 420 landlords surveyed included individuals who either currently owned rental property or had done so in the last two years. The eight landlords who had owned property in the past two years but not at the time of interview were asked about their reasons for leaving the sector.

Of the landlord respondents, 188 were contacted via landline phones and 232 on mobile phones.

Component 3: In-depth interviews

To gain a more nuanced understanding of survey data, survey respondents were asked if they would be willing to participate in a follow-up interview. Of the CATI respondents, 66% of the tenants and 70% of the landlords agreed to be re-contacted – very similar figures to the 2015 survey (68% and 70% respectively). Follow-up in-depth interviews were completed with 40 tenants (27 in Auckland, 4 in Christchurch, 6 in Wellington, and 3 in Dunedin) and 34 landlords (Auckland 17, Christchurch 5, Wellington 7, and 5 in Dunedin).

Case frames were established to capture a diversity of rental property situations in Auckland, Christchurch, Wellington, and Dunedin. Categories for the tenant sample included younger and older adults and those with children. The tenants interviewed had rented for between six months and 45 years. For the landlord sample categories included number of years they had owned rental property, number of rental properties owned and types of dwellings. Among the landlords interviewed, the length of time they had owned rental property ranged from one year to 45 years and the number of rental properties from one to 12. All the follow-up interviews with the 40 tenants and 34 landlords were conducted by telephone using a semi-structured interview schedule. Interviews were conducted between August and November 2021. They were digitally recorded and transcribed. A thematic coding frame was created following multiple readings of transcripts by three members of the research team and the interviews coded using NVivo10. Thematic analyses were undertaken separately for the tenant and landlord data.

Results

Section 1: Survey and in-depth interviews with tenants

Demographic characteristics of the tenant survey sample are provided first, followed by survey data and qualitative findings presented under thematic headings. As noted above, of the 812 tenants surveyed, 128 were recruited via CATI and 684 through an online survey. Data from both tenant groups have been combined in the analyses reported. The tenants recruited for the in-depth interviews came from the CATI sample only.

Not all survey respondents provided complete information. Where percentages are reported they are calculated from those who gave valid responses to an item. The number of valid responses is given where tables are included. Differences between the cities, if statistically significant, are noted.

When excerpts from in-depth interviews with tenants are included in the text, the name given is a pseudonym, age is indicated, and city of residence is denoted by 'AKL' for Auckland; 'CHC' for Christchurch; 'DUN' for Dunedin; and 'WGL' for Wellington.

Demographic and socio-economic characteristics of the tenant sample

Age data were reported by 798 tenants. Their mean age was 43 years, and a quarter of tenants were aged over 53 years. The Dunedin sample (mean age 36) were younger than respondents in the other cities, no doubt reflecting the large student population in the city. Females made up 52% of the sample. Over half the tenants were living with a partner (53.5%), 35.3% were single and the remainder reported they had a partner they did not live with or had previously lived with a partner.

Fifty-nine percent of respondents lived in Auckland, 15.2% in Christchurch, 14.3% in Wellington and 8.5% in Dunedin. A small number living in surrounding regions were excluded from the analyses. Tenants in the Auckland sample were recruited from across the city: 36.2% were living in the central suburbs, 21.1% on the North Shore, 16.2% in West Auckland, 15.1% in South Auckland and 11.4% in East Auckland

The ethnicity breakdown (allowing for multiple ethnicities) of tenants was as follows: European 66%, Māori 10.5%, Pacific 8%, Asian (including South Asian) 20% and other 3% (Table 1). Samoan was the largest ethnic group within the Pacific category and Chinese, followed by Indian, comprised the largest groups within the Asian category.

TABLE 1: ETHNICITY OF TENANT SAMPLE

Ethnicity	n	percent
European	521	66.0
Asian	156	19.7
Māori	83	10.5
Pacific	61	7.7
Other	26	3.2

Two thirds of respondents were born in New Zealand, but this rate differed across the cities (Table 2).

TABLE 2: NEW ZEALAND BORN BY CITY – TENANTS

	Auckland	Christchurch	Dunedin	Wellington
Yes	249 (55.2%)	89 (80.9%)	57 (90.5%)	85 (78.0%)
No	202 (44.8%)	21 (19.1%)	6 (9.5%)	24 (22.0%)
Total	451 (100.0%)	110 (100.0%)	63 (100.0%)	109 (100.0%)

Most respondents were in paid employment (72%), although this also varied by city, from 51% in Dunedin, through 60% in Christchurch to 67% in Wellington and 79% in Auckland (Table 3). Over the 12 months, prior to the survey, across the four cities, 11% had been self-employed, welfare payments had been received by 16%, superannuation by 9% and interest/or other investment income by 16%.

TABLE 3: ALL SOURCES OF INCOME RECEIVED BY TENANTS IN PREVIOUS 12 MONTHS BY CITY

Sources of income	Auckland	Christchurch	Dunedin	Wellington
Wages, salary, commissions, bonuses, etc., paid by my employer	344(76.1%)	67 (60.9%)	43(68.3%)	76 (69.1%)
Self-employment, or business I own and work in (other than residential rental property)	50 (11.1%)	11 (10.0%)	12(19.0%)	11 (10.0%)
Interest, dividends, other investments	78 (17.3%)	13 (11.8%)	9 (14.3%)	18 (16.4%)
Rent	21 (4.6%)	1 (0.9%)	1 (1.6%)	5 (4.5%)
Regular payments from ACC or a private work accident insurer	3 (0.7%)	2 (1.8%)	2 (3.2%)	1 (0.9%)
New Zealand Superannuation or Veteran's Pension	34 (7.5%)	14 (12.7%)	3 (4.8%)	16 (14.5%)
Other superannuation, pensions or annuities (other than NZ Superannuation, Veteran's pension or war pensions)	6 (1.3%)	4 (3.6%)	0 (0.0%)	3 (2.7%)
Welfare benefits (unemployment, sickness, domestic purposes, invalids benefits combined)	51 (11.3%)	28 (25.5%)	18 (28.6%)	18 (16.4%)
Accommodation Supplement	41 (9.1%)	15 (13.6%)	7 (11.1%)	12 (10.9%)
Other sources of income, counting support payments from people who do not live in my household	16 (3.5%)	2 (1.8%)	3 (4.8%)	2 (1.8%)

Household income was reported in bands only: 17% reported a household income below \$40,000 and 43% a household income below \$70,000. Household income of over \$100,000 was reported by 35% of the tenants. Variation in tenant household income by city is presented in Table 4.

TABLE 4: HOUSEHOLD INCOME BY CITY – TENANTS

Household income	Auckland	Christchurch	Dunedin	Wellington
Less than \$70,001	151 (39.4%)	46 (51.7%)	29 (58.0%)	27 (31.4%)
\$70,001 or more	232 (60.6%)	43 (48.3%)	21 (42.0%)	59 (68.6%)
Total	383 (100.0%)	89 (100.0%)	50 (100.0%)	86 (100.0%)

Household size varied across the sample with 12.5% of respondents living in a single person household, 23% in a two-person household, 20% three-person, 17% a four-person, 14% five-person households, and the remaining 13% living in a dwelling with more than five people.

Renting pathways

Our survey data illustrate the diversity of New Zealanders' housing pathways. Rental tenure had been a long-term situation for many tenants, whereas others had moved into and out of home ownership. Of the tenant survey sample, 30.5% had been homeowners, slightly less than the 36% of tenants who reported having been homeowners in 2015. Nearly three quarters of these respondents had sold the home they owned, with the main reason for selling being a relationship breakup (38%). This scenario was described by a number of tenants during the in-depth interviews:

"He got the house, and I got the children." (Cheryl, 81, CHC)

"Yes, we did. We brought up our family in our own house. We owned it for about 25 years and then we divorced, so then I went renting." (Jennifer, 71, WLG)

In a few cases interviewees had become renters after the death of a partner, which left them, like Eric, struggling to afford to stay in their home, primarily due to mortgage repayments.

"I owned a house probably 20 years ago ... Basically my wife died, so my first wife died, and the costs basically blew out and we needed money, so we sold the house." (Eric, 55, WLG)

The costs associated with raising a family was the primary reason home ownership had become unaffordable for Cindy:

"We had our own house, but we sell it ... at that time we have six kids ... we [couldn't] afford it ... we regret it sometimes because ... we're getting old..." (Cindy, 57, AKL)

With rising house prices and rents, Cindy described sometimes feeling a sense of regret at missing out on the increase in capital value and now seemingly being locked into renting into later life. An inability to afford mortgage repayments was reported by 16% of the tenants who had once been homeowners. For a further 11%, moving for work was the primary reason for selling. Needing money for other things such as health care or setting up a business was also reported.

Movement between positions in the private rental market was also evident. Paul had been a homeowner and landlord in the past but was now renting.

"...when I was married, I did have rental properties, I was a landlord. So, I've been on both sides of the coin but ... when the marriage broke up, I came back to New Zealand and I was boarding." (Paul, 73, AKL)

Some interviewees were renter-owners, reflecting the diversity of contemporary housing pathways. Renter-owners are an emerging class of landlords who own a rental property but continue to be renters themselves (Hulse & McPherson, 2014). A few of these households could be considered 'rentvestors', households choosing to maximise the investment potential of their capital, while maintaining residence in a preferred location (Morris et al., 2021). However, our interviews demonstrate the complex reasons that can lead households to

rent and own concurrently. Some of these tenants commented that they were unable to afford a home either big enough for their family's needs or in the location they wished to live – often to retain social connections and/or preferred schools for their children.

“The house ... we owned was simply too small for our expanding family ... And because we wanted to stay in the area ... we were forced to rent if we wanted to stay. But what we then did was we bought a property in South Auckland that we rented out.” (Jaap, 47, AKL)

Whilst investment was mentioned as a motive for the choices made by some property-owning tenants, accommodating changing family circumstances was often a more immediate motive, as illustrated by Isabella:

“We do have a house ... it's a tiny little place ... too small for our family, so ... [we'll] keep renting while we've got kids at home and ... [when] retirement age comes ... we've actually got somewhere to live and not have to pay market rent.” (Isabella, 51, AKL)

Finding and securing a rental property

Around 30% of tenants reported having secured the first rental property they applied for, less than the approximately 50% nationally who reported doing so in 2015. Rates varied between cities, with tenants in Dunedin and Christchurch more likely to secure the first property applied for than those in Wellington or Auckland. Nationally 26% of respondents had applied for 1 or 2 properties, 22% for 3–5, 10% for 6–10 and 9% for more than 10 properties before securing their home (Table 30).

The more times tenants had moved in the previous five years, the more likely they were to have applied for a higher number of dwellings prior to securing their current home ($P < .001$). Almost half (46.4%) the tenants who had secured the first home they applied for had not moved in the previous five years, compared to only 22.5% of those who had moved three or more times. Indicating a tighter rental market in 2021 compared to 2015, both these figures were lower than the corresponding figures of 64% and 47% reported in the earlier survey.

There was no significant difference in the mean number of times tenants had moved in the last five years between the 2015 and 2021 surveys.

The number of times tenants had moved in the previous five years was significantly related to age, with older tenants less likely to have moved in the previous five years.

Trade Me was used by 45% of tenants to find a home and another 11% used some other online portal. Family and friends assisted a further 25% of tenants to find homes and property managers were used by 8.5% of respondents.

Examples of drawing on social networks to find available rental properties included getting a reference from a friend or a recommendation from a friend of a friend. Jennifer used the community app Neighbourly when struggling to find a place in the area she wanted to live, which triggered a response from someone she knew:

“The one I'm in now, I just got through word of mouth. I just put a little message up on Neighbourly, that community app, and somebody that I had worked with ...saw it and said, “I know a flat that's going vacant.” She gave me a healthy reference, so it all just worked out fine, so that's good.” (Jennifer, 71, WLG)

Asked if they felt they had been unfairly turned down by a landlord, 29% of tenants said they had. Of these, 30% said they thought their ethnicity was the reason they were turned down, and 20% said it was their age, being an older tenant. Pets (17%) and children (14%) were other factors commonly reported.

There was a statistically significant difference by ethnicity – with European (vs non-European tenants) less likely to report discrimination ($p = 0.035$). Also, older tenants were more likely to feel they had been unfairly turned down than younger age groups ($p = 0.002$).

In the in-depth interviews, finding a landlord willing to accommodate pets was mentioned more often than discrimination based on ethnicity, having children or the tenant's age when trying to find a home.

Allanna had both a cat and a dog and although she had found cats could be welcome, “*nobody really wants to deal with a dog*” (Allanna, 32, DUN). At times she had even considered whether she would have to give up her pets just to find a place to rent:

“It significantly lessens the amount of places we were able to go and view, so you think at that point about ... getting rid of the cat or dog because it’s really, really frustrating, but we love pets.” (Allanna, 32, DUN)

Isabella (51, AKL) and her family had a cat, so avoided applying to places that did not allow pets. However, in her experience, landlords looking for a family as tenants tended to allow a cat. Conversely, Rosanna had always wanted her family to have a dog, but felt it was not possible while renting because it would make finding a place too difficult.

“I always wanted a dog, because they are such good company and my son ... my family has dogs, so he always says why can’t we have a dog, but you can’t have a dog when you’re renting, you cannot have a pet.” (Rosanna, 46, AKL)

While she might not have been able to get a dog while renting, Rosanna added:

“We do have a bunny ... [the landlords think it] lives outside all the time and only comes inside at night, but he’s mostly an inside bunny now, we don’t tell them though ... the bunny doesn’t damage the house at all ... so anyway, we do the best we can for the bunny and the bunny is for mental health.” (Rosanna, 46, AKL)

A quarter of tenants surveyed had lived in their current home for less than a year, and just over half the sample for less than two years (Table 5). Longer term tenancies were also represented in the data, with 12.7% of respondents having lived in their current rental home for more than 10 years.

TABLE 5: LENGTH OF TIME AT CURRENT ADDRESS

Years at current address	n	percent
Less than 1 year	184	24.6%
1 - 2 years	212	28.3%
3 - 5 years	187	25.0%
6 - 10 years	70	9.3%
More than 10 years	95	12.7%
Don’t know	1	0.1%
Total	749	100.0%

In terms of tenure history, 72% of tenants had moved to their current address from another private rental property. Across the total sample, seeking better quality accommodation (17%), to be closer to work (16%) and the landlord having sold the property (15%) were the most frequent, and the most important reasons given for moving. However, there were differences between the cities. Seeking better accommodation was the most common reason given for moving by tenants in Christchurch (25%) and Dunedin (23%), whereas landlord having sold the property and moving for work were the two most common reasons given for moving in Auckland (17% and 19% respectively) and in Wellington (19% and 15%).

Family and friends

In the Landlord's section that follows, we note that landlord practices were often influenced by a desire to accommodate family members. In keeping with these observations, several tenant interviewees had a family member or friend as their landlord. For example, Mary was living with her partner in a house owned by her son. She had sold her house due to the complications of reduced mobility, and had been renting for about 20 years. After being forced to move twice from rental properties, she had moved into a property owned by her son to gain more security. Mary described the tenancy relationship with her son as follows:

"I don't think it's very formal, but I did tell him you're not allowed to put the rent up! So, he was quite happy about that" (Mary, 80, AKL).

Longer term her son planned to sell the property to pay for a place for Mary in a retirement village. As Mary explained:

"... we are actually moving to the village, you know, old age sort of village ... as soon as we get down to Level 2" (Mary, 80, AKL).

Jaap rented a friend's property. After a relationship breakup and the family home being sold, Jaap rented near his children and their school in a community where he had connections. Finding an affordable place in a high-rent area, with enough room for his children to stay, was challenging.

"Whenever there was three bedrooms ... it's just out of your budget. Because you know, \$1,500 a week ... for a three-bedroom ... with a garden is just crazy. But people will pay it. There's nothing available here." (Jaap, 47, AKL)

While convenient, Jaap found it wasn't always straightforward navigating the landlord and tenant roles with a friend:

"They're more friends than landlords ... it's always a fine line ... Sometimes when you think like, hey, you know, can you fix this? Or that you just do it yourself. Or it doesn't get fixed, because you just don't want to be, you know, you're thankful that you that they let you in there." (Jaap, 47, AKL)

The line between friend and landlord was not always easy to define, making Jaap hesitant to talk to his landlord about required maintenance.

Rental housing affordability and tenure security/insecurity

Affordability was a concern expressed by many tenants, both in the survey and the follow-up interviews. Data from the survey on rents paid by dwelling type in the four cities and tenants' perceptions of affordability will be presented next, followed by commentary from the tenants interviewed regarding their concerns and the trade-offs made to remain adequately housed.

Rent was paid weekly by two thirds of tenants, fortnightly by 28% and monthly by around 5%. As expected, the amount paid varied by city (and for Auckland, by location within the city), and by housing type (see Table 6). The most expensive rents per dwelling were reported in Wellington (mean \$617 per week) and within Auckland, on the North Shore (mean \$598). Separate houses were more costly to rent than semi-detached or terraced houses, which were in turn more costly than flats/apartments. Three-bedroom homes were the most common dwelling type and rented by 34% of survey respondents, followed by two-bedroom dwellings (29%), four-bedroom dwelling (17%) and single bedroom homes (13%). Larger homes, with five or more bedrooms, made up the remaining 6% of homes. Consistent with inter-city differences in the overall cost of rental properties, the mean rent paid per bedroom was highest for Wellington (\$258 per week), followed by Auckland (\$230), Christchurch (\$158) and Dunedin (\$150).

TABLE 6: TOTAL WEEKLY RENT ON PROPERTIES

City	N	Mean	Median
Auckland	438	\$552	\$528
Christchurch	113	\$382	\$380
Dunedin	61	\$475	\$400
Wellington	105	\$618	\$550
Housing type			
Semi-detached or terraced house	123	\$545	\$500
Separate house	410	\$564	\$548
Single flat/apartment	165	\$447	\$440
Auckland locations			
Central Suburbs (including CBD)	153	\$554	\$520
East Auckland	49	\$567	\$550
North Shore	94	\$599	\$600
South Auckland	65	\$513	\$500
West Auckland	70	\$515	\$500

Asked to self-report if their housing costs were affordable, 45.5% of tenants surveyed agreed or strongly agreed they were affordable and 38% disagreed or strongly disagreed (Table 7).

TABLE 7: AFFORDABILITY OF HOUSING

Housing affordable	n	percent
Agree	246	33.3%
Disagree	178	24.1%
Don't know	1	0.1%
Neither agree nor disagree	123	16.7%
Strongly agree	90	12.2%
Strongly disagree	100	13.6%
Total	738	100.0%

A number of tenants interviewed had their rent rise soon after the restrictions on rent increases during COVID-19 lockdowns were removed, and when interviewed in 2021 were struggling with the increased cost. A notable

fear for older renters, as illustrated by Malcom's comment, was that a future reduction in household income would mean their home would become unaffordable.

"It won't be [affordable] very shortly for us because my wife needs to cease work because of a health condition, so we've been reduced to one income." (Malcolm, 54, CHC)

Minimising costs was a key driver of housing decisions, and this included the decision to flat share. While the social aspects of flatting were sometimes appreciated, the decision to live with flatmates was primarily a financial one for most interviewees.

"it's really only affordable because there is four of us, and technically speaking there is only three people on the lease ..." (Tina, 26, WLG)

Aaliyah was also flatting, and she appreciated the ability to afford to rent a "nicer" home by sharing costs with others. For her, the social aspects of flatting were a bonus:

"If you choose the right people" but also noted "...it helps with expenses too, just general expenses and utilities, it does make that more affordable too." (Aaliyah, 25, AKL)

While younger renters usually accepted the need to flat, and that there were often pros and cons of doing so, it could be more challenging for older renters. For Gregory, living with flatmates was not his first choice and he missed having more space and privacy:

"It's not a choice, it's to minimise the costs, to share it ... that's why we're in this little place here." (Gregory, 50, AKL)

Keeping renting costs low was part of Gregory's plan to hopefully buy a place of his own in the future.

However, some younger renters who had been flatting for many years also mentioned they would now prefer to find a place of their own:

"I'm just not sure in general if I would want to [live with others] ... I mean if I could afford to, I would rather live alone probably." (Jake, 33, AKL)

Jake also clarified that "the flatmates aren't the issue", since he'd been living with some of them through three different flats; it was just that now he wanted more of his own space.

The housing stock available for rent was another reason given for flatting. Where predominantly larger family houses were available, single people, including older people like Mike, said they needed to fill the bedrooms to cover the rent:

"There is one other person [flatting here] ... it's actually a four-bedroom house but there's only just two of us here at the moment ... I should have at least one other person here as well, because it's quite expensive covering the balance by myself." (Mike, 62, AKL)

Single people who had found smaller single-bedroom units had sometimes made trade-offs around the quality of their home to avoid flatting with other people. For example, Larry was not really happy with where he lived, because it was a "pretty small" studio unit in a block of flats. However, when asked whether he'd considered moving somewhere else, he stated:

"No, not really, I don't want to live with other people, and I can't afford the outrageous rental prices for like a three-bedroom house or anything and anything smaller than a three-bedroom house, you're usually living in a complex with other people." (Larry, 50, WLG)

His small studio unit offered him some of the privacy and independence he desired but was far from ideal for him. As he mentioned, "You don't find detached one-bedroom places, so it would have to be a unit of some kind or a flat complex, I mean all I can do here is keep to myself."

Reducing monthly bills, in particular reducing power costs by not turning on electric heaters and wearing more clothes or a blanket, was discussed. For example, Diana was happy her house was relatively warm and dry in winter, and she was able to reduce costs by not using any heaters most of the time.

"...I just go to bed and put a blanket on to be honest. I'm not heating up the whole room just for me ... I think I only put the heater on two nights ... I only get cold at the beginning of winter ... then I get used to it." (Diana, 51, AKL)

For more financially secure renters, as mentioned earlier, higher housing costs could be a trade-off with living in desirable and familiar neighbourhoods. Julie had previously owned a home, but the house was sold after the breakdown of her marriage, leaving her with some equity from the house, but not enough to purchase a house near her children's school and friends.

"It depends how you justify the word affordable ... at the moment I am probably exceeding what I earn each month ... because I went for a particular location that is expensive yeah, I would say it's probably not that affordable, no, I just made that sacrifice ... [to be] in a location that's near their schools and near their friends ... being walking distance to school was a really big thing." (Julie, 48 AKL)

Julie's story was not uncommon, with several other interviewees discussing how they had previously been a homeowner, but had entered the private rental sector after the breakdown of their marriage, unable to afford to buy a home in a location where they had existing connections.

Returning to the survey data, regarding the adequacy of their current rental accommodation in terms of meeting household's needs, most tenants (82%) surveyed said their household's needs were being met. Of the 16% who reported their needs were not being met, the most frequently listed reasons were that the dwelling was too small, too expensive, in need of maintenance or repairs and/or unhealthy/damp (Table 53). A similarly high percentage agreed (46%) or strongly agreed (36%) that the general area or neighbourhood of their home suited their needs and those of others in their household. Only 8% of tenants indicated the neighbourhood was unsuitable, with the remaining respondents neither agreeing nor disagreeing.

In keeping with tenants' accounts in 2015, many of the tenants interviewed in 2021 expressed gratitude, saying they felt 'lucky' to be in their rental. While they believed the cost of renting was in general too high and that people were struggling, they felt relatively secure in their home. For example, Louise, who had been in the same home for seven years, commented:

"I feel myself as lucky and grateful ... [the rent] is slightly cheaper than market value ... because I've lived here since 2014, which is basically when you know, rents and all that sort of thing started to get outrageous." (Louise, 47, WLG)

This feeling of being lucky sometimes had a flip side of feeling nervous that if they ever had to move, they would face a significant increase in housing costs.

After having been forced to move house several times while raising her son, Rosanna felt 'lucky' to have found stability in a house they could afford in a neighbourhood their family loved.

"We've been so lucky, I can't believe it's been this long ... and we pay so little compared to houses in the same street ... it's a full section and the house is really old, [the landlord's] done nothing to the house ... I don't really complain because I'm happy, I don't want to move, I love it." (Rosanna, 46, AKL)

However, alongside that emotional connection to her house and the stability and happiness it had brought her, she was also nervous each time the yearly lease comes up for renewal, explaining:

"Every December I get nervous because I don't know if they're going to let me [stay another year] ... but we've been so lucky, I can't believe it's been this long, and I feel that I don't want to jinx it." (Rosanna, 46, AKL)

The stability and affordability have not been without costs however, as the house has been a challenge to maintain for Rosanna:

“...it is drafty, they’ve complied with regulations now, because it is quite damp, I always have to clean the walls often, because they get really mouldy, but it’s a roof and it’s a house and it’s a place and it’s a neighbourhood and I know my neighbours they’ve been here for so long, I don’t want to move.”
(Rosanna, 46, AKL).

A trade-off is evident here: not wanting to ‘jinx it’ and risk ending the tenancy had meant enduring a home that likely falls short of being a warm, dry and well-ventilated. This type of trade-off was not uncommon, and tenants’ views of their situation were influenced by their financial position, the rental sum, and their perception of the fairness of the rent they were being charged. Among tenants on a tight budget, there was a sentiment of not *rocking the boat* during a tenancy when they felt they were paying below market rates, especially if they had been in the dwelling for some time.

“The bathroom was yellow and turning to brown and ... [the landlord] said, we must get this painted and ... a tradie turned up and [said] ... we must do something about that ... but never got around to it. It didn’t worry me, cos it was low rent and that. You don’t shake the tree when you don’t want the apples to fall off.” (Paul, 73, AKL)

Peter had been renting his house in Dunedin for over 20 years. His arrangement with the landlord was not based on a tenancy agreement and the condition of the house was poor, with no insulation and minimal heating. However, Peter was reticent to complain about his home of two decades and instead emphasised how comfortable he was there. When asked whether he informed the landlord when something needed fixing, he stated:

“Not necessarily, it’s a kind of a trade-off ... I haven’t expected landlords to instantly do something to fix a place. I mean, I have probably always chosen places that are derelict ... [and] don’t meet all the requirements of a proper rental ... in return for a cheaper rent. On that basis, I don’t bother the landlord with minor things that go wrong.” (Peter, 71, DUN)

Peter was competent to undertake repairs and gardening and had mostly looked after the house himself without contacting the landlord, a practice that seemed to be satisfactory to both parties as his rent had remained low.

Deferring maintenance requests and avoiding discussing issues with a rental property landlord were not limited to those living in lower-rent areas. As discussed above, Jaap who was renting from friends in a high-rent area of Auckland was wary of bringing up issues, wanting to avoid trouble:

“If you get a really good deal ... you just don’t bring it up ... [The] house was quite cold and there was stuff that had to happen. But you don’t bring it up because you know, you get a very very very good deal on it.” (Jaap, 47, AKL)

As discussed later, this maintenance/rent trade-off situation appeared more common with tenants who dealt directly with a landlord rather than a property manager. However, many tenants preferred dealing directly with a landlord and many talked of the positive relationships they had developed by doing so.

Tenancies arrangements and experiences

Most tenants (88%) had signed a tenancy agreement and 87% had paid a bond on the property; figures that are very similar to the 91% and 89% respectively reported in 2015. The 67.5% of tenants who knew their bond had been lodged with Tenancy Services was also comparable to 2015. Of the remaining tenants in 2021, 29% did not know if their bond had been lodged and 3.4% reported the landlord or property manager had not lodged their bond. Tenants were also asked if they had negotiated a fixed-term tenancy with their landlord or property manager: 45% of tenants reported they had while 54% had not.

Of the surveyed tenants, 64% paid rent directly to a landlord (including to a trust or family member) and 35% paid rent to a property manager. These figures were consistent across the cities. Nationally, tenants who paid rent directly to a property manager paid \$50 more per week on average than those who paid rent to a

landlord, \$560 compared to \$510 per week. This may be attributable to factors other than tenancy management such as dwelling size, location or condition.

Smoke alarms were reported as installed in 93% of rental properties and absent in 6% of homes. Although tenancy agreements record the nature of insulation in a dwelling, many tenants said they did not know if underfloor and above ceiling insulation had been installed, with 60% indicating it had been, 6% that it hadn't while 18% did not know.

A high percentage of tenants (76%) said they had contacted their landlord or property management company concerning maintenance on the property. The most common maintenance issues reported were minor plumbing repairs (e.g., leaky taps, faulty hot water), which made up 28.5% of call outs, and electrical repairs (e.g., lighting, ventilation/heating systems), a further 17%. This was followed by leaks and major plumbing events, which each made up 9% of reported events. The remaining maintenance concerns were wide ranging and included improving security, attending to mould, weather-related repairs, whiteware repair and replacement, and maintenance of outdoor features such as fences, guttering and trees.

TABLE 8: DAYS TAKEN FOR MAINTENANCE REQUEST TO BE RESOLVED

Days	n	percent
0	7	1.6%
1	83	19.4%
2	84	19.6%
3 - 5	86	20.1%
6 - 10	57	13.3%
11 - 15	32	7.5%
16 - 30	38	8.9%
31+	41	9.6%
Total	428	100.0%

Table 8 records the number of days taken to have the repair or maintenance issue fixed or resolved. Sixty percent of issues were resolved within five days, 21% between 6 and 15 days and 18.5% took 16 days or longer to be resolved. When asked how satisfied or dissatisfied they had been with the maintenance service provided by the landlord or property manager, 39.6% of tenants had been satisfied and 29.5% very satisfied. Of the remaining tenants, 7.3% said they had been dissatisfied and 4.9% had been very dissatisfied. Satisfaction was slightly higher for tenants who dealt directly with a landlord (Table 9). Of these tenants, 33% reported being very satisfied with the maintenance service provided by their landlord and 38.5% were satisfied. For the services provided by property managers, 22.7% of tenants reported that they were very satisfied and 42% were satisfied.

TABLE 9: SATISFACTION/DISSATISFACTION WITH MAINTENANCE OF PROPERTY

Satisfaction with maintenance	Landlord (including trust)	Property management company
Very dissatisfied	18 (3.8%)	16 (6.2%)
Dissatisfied	40 (8.5%)	14 (5.5%)
Neither satisfied nor dissatisfied	73 (15.5%)	58 (22.7%)
Satisfied	181 (38.5%)	108 (42.2%)
Very satisfied	155 (33.0%)	58 (22.7%)
Don't know	3 (0.6%)	2 (0.8%)
Total	470 (100.0%)	256 (100.0%)

Table 10 records tenants' responses when asked, "If the landlord was to spend \$10,000 on improving your home, what would you most like them to spend the money on?" Various improvements were mentioned, with kitchen improvements (13.9%) and insulation (12.9%) the most frequent, followed by heating and maintenance improvements, both reported by 11.8% of the sample. These responses differ to those reported in response to the same question in the 2015 tenants' survey when insulation (26%) and heating (14%) were the priorities for capital spending. In the earlier survey, kitchen improvements were the third-ranked improvement sought by 9% of tenants. It is likely that these changing priorities reflect the impacts of the introduction of the Healthy Homes Act, which requires landlords to install heating and upgrade insulation standards.

TABLE 10: PRIORITIES FOR EXPENDITURE ON PROPERTY IMPROVEMENTS

Priority for dwelling improvements	n	percent
Kitchen (including new appliances)	102	13.9%
Insulation	95	12.9%
Heating	87	11.8%
Maintenance improvements (electrical faults, leaks, repainting, broken windows/walls etc.)	87	11.8%
Bathroom	83	11.3%
No improvement necessary	60	8.2%
External improvements (e.g., landscaping, decking, fencing, etc.)	45	6.1%
Redecorating	44	6.0%
Ventilation	28	3.8%
No preference	25	3.4%
Improving security (e.g., locks and doors)	24	3.3%
None of the above	23	3.1%
Don't know	19	2.6%
Drainage	13	1.8%
Total	735	100.0%

Tenant, landlord and property manager relationships

Accounts of having a good tenancy relationship were common amongst tenants, especially among those who dealt with their landlords directly. Having a positive relationship could increase feelings of security and a willingness to invest in making the house feel like home. Denise and Eric's accounts are illustrative.

"Actually, we have had a good relationship with [the landlord] ... They've been really nice people and yeah, definitely. We've just been incredibly lucky, I think because I've heard some horror stories from other people." (Denise, 50, AKL)

Eric felt he was lucky to have a good relationship with his landlord, but that it worked both ways, as he considered he'd also been a good tenant.

"In some ways I think I've been quite lucky, you know where I think we're good tenants and resultantly the relationship with the landlords has been good." (Eric, 55, WLG)

After 10 years living in the same property, with the same landlord, there was considerable trust between Eric and his landlord. A more formal arrangement, if it had existed, had seemingly been replaced by a relationship based primarily on trust.

"So, basically ... I'm not sure, it's been a while since I've seen it [tenancy agreement], so it's basically, I would say more a gentleman's agreement, dare I say it." (Eric, 55, WLG)

Although most tenants had signed tenancy agreements, Eric's situation was not unique.

Gail had been renting the same house for 35 years and had “*outlived the original landlord*”, with the landlord’s daughter now managing the property. Having lived in the house for so long, she felt comfortable and had made the place feel like her own. A key aspect was the good relationship she had with her landlord:

“I deal with the daughter now. We have a very nice relationship I feel. I don’t ask her much and that makes her happy ... I wouldn’t say she’s like a mate, but we do have a really good relationship and as time goes on, we’re very comfortable with each other.” (Gail, 69, AKL)

Gail had only recently asked for and signed a tenancy agreement with her new landlord. She had not had one previously; as she said, those were “different times”.

However, as discussed earlier, having a direct relationship with a landlord, especially if the rent was low, could contribute to a tenant being reticent about asking for repairs and maintenance, and a fear that asking for too much, too often might see their rent increase. Also, a good relationship does not safeguard a tenancy if there is a change in property ownership or change in management approach. While a change in ownership had thus far worked well for Gail, the change in Paul’s situation after a similarly favourable long-term relationship had not.

Paul had rented a unit from the same landlord for many years, in a low rent, poor maintenance situation. However, feeling less and less able to manage the property, the landlord eventually employed the services of a management agency. Paul recounted that one of the first actions made under management by the agency was to raise the rents: “*...the moment the agent came into it, our [weekly] rent ... went from \$180 up to \$400 very quickly once the agency took over*” (Paul, 73, AKL). A longstanding relationship dissolved into a more distanced, ‘hands-off’ approach with ‘market’ rents. It was now difficult for Paul to afford the increased rate and an equilibrium he had been comfortable with was seemingly disrupted.

Tenants reported varied experiences with property managers. The advantages most commonly stated were that agencies offered more certainty and consistency. The relationship was primarily a professional one, in which inspections were scheduled and maintenance issues could be raised and attended to.

Although experiences varied widely, tenants with property managers were less likely to feel they had freedom to personalise the property and make it feel like home than those renting directly from a landlord. One partial explanation could be that being less familiar with the owner, they were unable to develop a relationship, which, as discussed above, had enabled some tenants to feel more secure in their rental home. Diana (51, AKL) commented that while she understood “*that if you have tenants trashing the place, you’d probably want to know sooner or later*”, she found inspections were a regular reminder that someone else owned her home.

However, the diversity of tenant experiences is illustrated by Mary’s account of experiences with a property management agency.

“The agent used to come around every six months but he ... said well it looks clean ... and he didn’t even bother going round the rest of the place ... he just took it for granted that it would be the same in the other rooms, which it was basically.” (Mary, 80, AKL)

In the last few years before the owner sold the property and Mary had to move, the inspections ceased, seemingly because she had “*kept it reasonably well*” during that time so “*they didn’t bother*” coming anymore. This level of trust and *hands-off* management approach helped Mary to feel more at home in this house compared to some others she had rented.

The observation that there are good property managers and poor property managers was made by tenants and landlords alike. Contrasting experiences of property managers are shared by Larry and Tina in the following excerpts. One of the reasons Larry was unhappy with the unit in which he lived was the property management agency for the apartment building:

“[The] property manager ... is another reason to get out of here ... they’re not very good ... [there are] very long wait times to get things fixed, for instance, a simple leaky tap I’ve got, it’s been almost a year since I first reported it, it still hasn’t been fixed.” (Larry, 50, WLG)

On the other hand, Tina, had only good things to say about the agency managing the standalone house she rented:

"[The] property management company ... are actually really nice and efficient, which is great ... everything is pretty good, to be fair." (Tina, 26, WLG)

Having rented in several different countries, Allanna had considerable experience being a tenant and, for a while, was a landlord as well. She discussed how after previous encounters with an unresponsive landlord with whom she had had serious disagreements, she now actively sought out rental properties that were managed by companies. She felt dealing with a property management company more formally demarcated the tenant–landlord relationship and that this made both parties more accountable and aware of their expectations and responsibilities.

Other interviewees also appreciated the formal arrangement of having a property manager. For example, Gabriella who had been renting with her family for five years, and had had to moved three times in that period commented:

"Well, a property manager is definitely far more by the book ... for example, when we renewed our lease here, they ... [got] a Healthy Homes person in to make sure if any improvements needed to be done ... likewise when there has been any minor issues or repairs or maintenance that needed to be done that was done, so that's a good thing." (Gabriella, 29, AKL)

Along with inspections to ensure the property complied with healthy home standards and prompt maintenance work, Gabriella also felt more secure in this home. However, she resented the incremental rent creep she had experienced when dealing with property managers and lack of empathy for the stress this placed on tenants.

Private landlords who managed their own properties were also often highly responsive to tenant needs. Isabella had a very positive experience with her previous landlord, who had managed the property himself:

"That was all down to the owner.... he was very responsive ... When things went wrong, he'd get them fixed straight away. It was simple." (Isabella, 51, AKL)

Her previous experience with an agency was more frustrating, especially due to the time it took for maintenance issues to be fixed. Her landlords were living overseas and she believed this delayed the process.

"With the rental agencies ... when something goes wrong, for example, the insinkerator dies or the garage door dies or something like that, you phone up the real estate agency ... they've got to go to the owner overseas and it takes ages to get it [fixed] ... offshore owners tend to be slow to respond." (Isabella, 51, AKL)

Isabella also said she felt agencies were particularly strict on what she could and could not do in the house, and noted comments made by the agency on whether she was allowed to wear shoes inside her house:

"I think one of the hardest ones we had to deal with... cos they're just so pro- owner ... not so great for the tenant ... almost to the point ... [that] they were telling us ... not to wear shoes inside our own house." (Isabella, 51, AKL)

Although the survey data indicates reasonably favourable tenant perceptions of their rental experiences overall, the qualitative interview data highlights enormous variation in tenants' experiences, both from tenant to tenant, and from tenancy to tenancy for individuals. Achieving a satisfactory, secure, and healthy home often required negotiation and compromise. Substandard conditions or tardy maintenance were tolerated for fear that rocking the boat could risk the tenancy or lead to a rent increase. For some tenants this was a compromise they made to retain the stability of home and school and neighbourhood connections. Other tenants accepted regular inspections were part of a rental agreement while also being a reminder that they were temporary residents of a property belonging to someone else. The possibility of housing uncertainty in the future kept the ideal, and for some the possibility of home ownership alive.

Seeking tenancy advice

Survey respondents were asked where they would go for help or advice if they had problems with their landlord or property manager. Over half (54%) said they would go to the Tenancy Tribunal. Similar numbers identified Citizens Advice Bureau (25%), friends and family (24%), and a tenant protection association (21%) as sources of advice. A lawyer or community law centre was also mentioned by 14% of tenants.

Of the tenants interviewed, only one reported having taken a complaint to the Tenancy Tribunal. Although they won the case, they found it a stressful and time-consuming process.

"I had a really terrible experience with the previous property manager ... they tried to withhold... well, they did withhold the bond from us when we left because they said we didn't leave it tidy enough and we took them to the Tribunal ... It took months to even get to the Tribunal and then like another couple of months to get the bond refunded once the Court decided that obviously we had left it in a perfectly fine state and the property manager had nothing, you know, no claim to it, and that was like hugely stressful and a long drawn out ordeal ... [just] because it is literally their job as a property manager to do that, to try and get more money out of us." (Jake, 43, AKL)

Other tenants' comments indicated a reluctance to report a situation to the Tenancy Tribunal, reflecting an enduring sense of lacking power in the tenant–landlords/property manager relationship, and that making a complaint would inevitably leave them in an even less advantageous position.

"If we go to Tenancy Tribunal over it, they'll kick us out.... we put up with a lot more crap than they think we do." (Fiona, 29, AKL)

"Yeah, it's likely if I went to the Tenancy Tribunal, they'd make things difficult ... Like my rent going up large amounts, I'd start failing property inspections and so on." (Larry, 50, WLG)

Fiona and Larry both feared reprisals if they complained about their rental situation.

Health and disability

A survey question asked tenants if they had ever asked a landlord or property manager to modify a rented property to help them manage a disability, an important question given that 20–25 % of New Zealanders, depending on the definition, have a disability (Stats NZ, 2014). Only 7% of tenants said they had asked. Of these 58% indicated the requested modification was made and 37% said it had not been made. Common modifications made were installing ramps (47%) and handrails (47%).

A question was asked of both tenants and landlords whether they thought there was a link between someone's housing and their health. Of the tenant sample, 83% said yes, 10% said no and 7% said they did not know.

The current shortage of housing is likely to have contributed to household overcrowding. As an indicator of the adequacy of the number of bedrooms for those living in the dwelling, tenants were also asked if anyone in their household regularly slept in a space other than a bedroom, with 10.5% of respondents indicating that they did.

Intentions/expectations for the future

When asked, about future housing plans, 47% of tenants said they were planning to move within the next two years, 32% said they were not planning to move and 21% did not know. When those who intended moving were asked about the type of property they would move to, 40.5% said to alternative rental accommodation and 43% said to buy a property of their own. Others, while planning to move, were uncertain about the type of housing they would move to, and 16 tenants intended moving to a property they currently owned. To own their own home was a 'key' reason for wanting to move in the next two years for a third of those who said they intended moving, with other frequent responses being to secure larger (14%) or better accommodation (10%).

In keeping with the survey data, buying a house was a longer-term aspiration for many of the tenants interviewed. However, with high rents it was very difficult to save a deposit for a house. Louise felt that she was paying below market rent for her home. Even so, despite her desire to own a home, she could not imagine affording a house in the future.

*"[I'm] not even thinking about buying a house, even just ... paying the rent, that's just outrageous."
(Louise, 47, WLG)*

Eric, who had once owned his own home, hoped to do so again but recognised that to do so would be challenging.

*"I'm approaching retirement... a million-dollar mortgage or a million-dollar home, which is sort of getting close to the standard, that seems to be something that's unattainable."
(Eric, 55, WLG)*

Tenants were asked whether their household was managing to save or invest money at the time of the survey and if so, the type of savings/investments. Similar numbers were saving as not saving or investing – 46% and 47% respectively, with 7% responding they did not know. Three quarters of the tenants had joined Kiwisaver. Of these individuals 50% said they planned to withdraw their contributions to buy a home sometime in the future. Of the remaining tenants, 36% did not intend to use Kiwisaver funds for purchasing a home and 14% were uncertain. The final question relating to tenants' financial situation asked if they thought a family member could give them financial help if they were planning to buy a house. Of the 735 tenants asked, 30% indicated a family member could help, 57% said no, and the remainder did not know.

Reflections on renting

Tenure security and feeling at home in rental housing

Tenants discussed varying ways they had established or felt hampered in establishing a sense of home in rental accommodation. For some a sense of home came from a strong connection to their local community and neighbourhood and not from the house they were renting.

*"Every time I've shifted, I've always stayed in the same area ... All my family live around ... I don't have an emotional connection to this house though. It's not mine. I could move out of it tomorrow and it wouldn't stress me. I think if you own a house, you've probably got more of an emotional connection to it. But I do for the area. The area completely. I've grown up here all my life, my work is here, my family's here, my daughter's here."
(Diana, 51, AKL)*

Her minimal connection to the dwelling did not diminish Diana's connection to the local community. However, other tenants said it was difficult to feel at home in their dwellings without the security of owning the property. This viewpoint was particularly common amongst interviewees who had previously been homeowners.

*"You feel insecure in a rental place, obviously because you can get chucked out at any time ... you can't sort of make a fantastic garden or something like that, you just have to do as your told really."
(Mary, 80, AKL)*

Others again indicated they felt at home and secure in their rental housing. Notably this was often tenants who had been living in the same place for a long time. An important part of feeling more at home over time was having the chance to invest in personalising their rental through activities like decorating and gardening. Some interviewees stated they could almost forget they did not in fact own the house. Having been in the house for so long, Gail felt very much at home where she lived – her garden was a particular source of happiness.

*"It's not big, but here I am sitting in the sun, surrounded by all my pot plants, and over 35 years I've hardly planted anything in the ground, it's all in pots, so it's lovely. It's home, you know what I mean? It's like now it's home."
(Gail, 69, AKL)*

While aware she did not own the property, after living there so long, investing in personalising the house and having developed a good relationship with her landlord, she felt a high level of tenure security:

*“Even though I don’t really own it ... in a sense, I feel that my landlady’s never going to throw me out.”
(Gail, 69, AKL)*

Renting during COVID-19

Tenants and landlords were asked about the impact of the COVID pandemic and lockdowns on their experiences of the private rental sector, with most tenants reporting there had been little impact.

However, a few tenants mentioned being upset that their landlords had increased the rent (as the legal framework at the time allowed), soon after the government’s rent freeze was lifted. Diana relayed how her landlord temporarily lowered her rent during the first lockdown but increased it soon after a subsequent lockdown.

“The first lockdown, the landlord actually put the rent down by \$30 a week or something just to get over the lockdown. He hasn’t done it this time, and this is a longer one ... [but after] he put it down ... then he put it way up and you’re like, whoa.” (Diana, 51, AKL)

Other tenants shared similar accounts of rent hikes after the lockdown rent freeze had ended. For example, Allanna mentioned that:

“[Once] the rental freeze had been lifted [the landlord] felt it was fine to charge more ... it went up so much. I do wonder if she felt like, ‘oh I wasn’t able to raise it before, so I’m going to really raise it now’. So, I don’t know if that was the intention of what the rental freeze was but, yeah, we were ... definitely Covid impacted.” (Allanna, 32, DUN)

Conversely, Allanna, also reported that she was “stunned” by the kindness of their landlord who had arranged a “fresh food box” to be delivered at the beginning of the first lockdown:

“They sent like a little note ... saying that we’re in lockdown too and just thinking of you, it really just, it was very touching.” (Allanna, 32, DUN)

A few tenants mentioned that their work had been impacted by COVID. However, they had mostly not approached their landlords for any sort of rent reduction.

“We didn’t ask for a discount or anything ... we’re both in an industry that COVID did affect us, but we were lucky ... to be covered by the wage subsidy, but I mean, yeah, we ... didn’t request anything, so everything sort of just continued as normal.” (Gabiella, 29, AKL)

Another tenant was unaware of the rent freeze and reported struggling to cover the rent, which the landlord had put up around the time of the lockdowns:

“During the COVID, the rent went up ... I don’t know about the rent freeze, I didn’t hear of that ... people increased the rent, the house owners.” (Marjan, 44, DUN)

Tenants who had worked from home during lockdowns talked of making do by creating small office spaces wherever they could.

“We’ve been fine ... we just work from home, one of us just works in the girl’s room and I work on the kitchen bench. We can, if we needed to ... one of us could go down [to the garage] ... and work down there, so we’re actually, I think very lucky.” (Nicola, 47, AKL)

Flattening situations could be challenging during lockdowns, due to less personal space with all the flatmates at home.

A reduction in property inspections was another COVID impact. Some landlords occasionally kept in touch with tenants, but property management agencies reportedly took a more proactive approach to meeting their obligations, including video link inspections. However, the legality of requiring a video inspection was not clear and, according to Harata’s experience (below), requests were ignored by some tenants:

“COVID cut everything down so they were saying we’ll do a video link inspection but apparently that is a grey line that we can refuse doing a video ... inspection. We didn’t do it anyway. A lot of people ignore it.” (Harata, 68, AKL)

A couple of interviewees recounted the challenge of needing to find a new home to rent around the time of a lockdown. Isabella explained:

“I was really lucky, because [at level three] we were ... pretty much squabbling over the same properties ... [with] everybody else who was in the same boat as us. We were seeing the same people over and over again. Some of them had little kids and I was thinking, you poor buggers, it’ll be hard for you guys.” (Isabella, 51, AKL)

Few houses were advertised as available to rent during the lockdowns, which contributed to the stress and uncertainty of seeking a new home.

Section 2: Survey and In-depth interviews with landlords

The section begins with a description of the demographic characteristics of the landlord sample followed by relevant survey data and qualitative findings presented under thematic headings. The survey gathered data from 420 landlords, including eight who had been landlords in the past two years but were not at the time of interview. Prior landlords were included so that reasons for exiting the sector in 2021 could be compared to data gathered from this group in 2015. Of the landlords, 257 were from Auckland, 63 from Wellington, 71 from Christchurch, and 20 from Dunedin. In the results reported below, where there were missing data for specific questions, the percentages were calculated only from those who gave valid responses. Where significant differences between the cities were observed in either the survey data or follow-up interviews, these are noted. Excerpts from in-depth interviews with landlords are included in the text, with participants identified by a pseudonym and their city of residence denoted by 'AKL' for Auckland, 'WLG' for Wellington, 'CHC' for Christchurch and 'DUN' for Dunedin, and the number of rental properties they owned.

Demographic and socio-economic characteristics of the landlord sample

The median age of the 406 landlords who gave their age in the 2021 survey was 60 years, four years older than the 2015 landlord cohort (Table 11).

TABLE 11: MEDIAN AGE OF LANDLORD SAMPLE

Year	N	Mean age	Median age
2015	406	55.5	56
2021	397	59.7	60

While this may suggest New Zealand has an ageing cohort of landlords – ageing four years over the past six years – caution is needed in this interpretation as the changing balance between landlines versus cellphones in the survey recruitment strategy may have favoured the recruitment of older respondents. The decline in landline use has been sharp and the demographic profile of those with and without landlines at a specific point in time is not precisely known.

Women made up 55 % of the 2021 sample and men 44.8%. Across all respondents, 69.8% identified as New Zealand European and a further 8.3% as European. Of the remainder, Indian identity was reported by 7% of respondents, 2.5% indicated they were Chinese and 2.5% identified with other Asian ethnic groups. Small numbers of landlords indicated they were Māori (1.7%), Samoan (1.5%), African (0.5%) and Middle Eastern (0.5%). The majority (70.6%) were New Zealand born and 84.2% reported living with a partner.

Of all the landlord respondents, 44.3% indicated they were in paid employment, 29.2 % were retired and a further 20.7% reported being self-employed. Table 12 also shows small numbers of respondents in other categories of labour market status. In keeping with the older median age of the 2021 compared to the 2015 landlord sample, the number in paid employment had declined (from 51.7% in 2015) and retirees had increased (up from 18.5%).

TABLE 12: LANDLORD LABOUR MARKET STATUS

Labour Market Status	N	Percent
Working in paid employment	182	44.28%
Retired	120	29.20%
Self employed	85	20.68%
Parenting/caregiving or doing unpaid work at home	6	1.46%
Unemployed	7	1.70%
A school or tertiary student (tech/Uni/teacher training)	5	1.22%
Not in work because of illness	3	0.73%
Refused	3	0.73%

The median length of time respondents had been landlords was 15 years, significantly longer than the 12 years reported by landlords in the 2015 survey. A number of respondents in both the 2015 and 2021 surveys had been landlords for more than 40 years.

A household income of over \$150,000 was reported by 39.3% of landlords. Differences were recorded between the cities – Auckland (44%), Wellington (34%), Christchurch (30.5%) and Dunedin (25%) – but these differences were not statistically significant. Correspondingly, an annual household income of less than \$150,000 was reported by 60.7% of the sample overall. Table 13 indicates the various sources of income reported by landlords across the four cities in the 12 months prior to being interviewed. In addition to rent, wages and other employment related income, superannuation and earnings from self-employment were the most common income sources.

TABLE 13: ALL SOURCES OF INCOME RECEIVED BY LANDLORDS IN PREVIOUS 12 MONTHS BY CITY

Sources of income	Auckland	Wellington	Christchurch	Dunedin	Total
Rent	82.5%	88.9%	93.0%	95.0%	85.9%
Wages, salary, commissions, bonuses, etc., paid by my employer	52.5%	54.0%	45.1%	55.0%	51.6%
Other superannuation, pensions or annuities (other than NZ Superannuation, Veteran's pension or war pensions)	4.3%	11.1%	7.0%	5.0%	5.8%
New Zealand Superannuation or Veteran's Pension	22.2%	25.4%	40.8%	40.0%	26.8%
Interest, dividends, other investments	24.1%	30.2%	22.5%	25.0%	24.8%
Self-employment, or business I own and work in (other than residential rental property)	22.2%	20.6%	26.8%	20.0%	22.6%

Sources of income	Auckland	Wellington	Christchurch	Dunedin	Total
Other sources of income, counting support payments from people who do not live in my household	3.1%	1.6%	0.0%	5.0%	2.4%
Other government benefits, government income support, war pensions, or paid parental leave	1.2%	6.3%	0.0%	10.0%	2.2%
Regular payments from ACC or a private work accident insurer	0.0%	1.6%	5.6%	5.0%	1.5%
Welfare benefits (unemployment, sickness, domestic purposes and invalids combined)	1.6%	0.0%	0.0%	5.0%	1.1%

Investment rationale

Half the landlords (51.6%) surveyed owned a single rental property, a further 25.8% owned two properties, and 10.1% owned three properties. Diminishing numbers of respondents owned more than three, with 15 properties being the largest portfolio reported. The percentage of landlords who indicated they had bought property as an investment was 86.6%, the same as in 2015.

Survey respondents were asked about their original reasons for purchasing a rental property, the reasons they bought their last rental property (for some individuals this was the same property), reasons for selling if properties had been sold, and future intentions around rental property purchase.

Consistent with landlord responses in the earlier 2011 and 2015 surveys, the most common answer given for purchasing their first rental property was 'as a form of retirement saving'. As indicated in Table 14, allowing respondents to give multiple responses, the four most important reasons reported in 2021 were: as a form of retirement savings (40.6%), as a secure safe investment (34.3%), capital gain (25.5%) and rental income (23.4%). A small number of respondents (4.4%) indicated growing an investment portfolio as a reason for first purchasing a rental property. Others had become accidental landlords, for example, through an inheritance. While there was some variation in responses by age group and for those owning one or more than one rental property, no consistent pattern is evident in the data.

TABLE 14: WHAT WERE YOUR ORIGINAL REASONS FOR DECIDING TO INVEST IN RENTAL PROPERTY?

Original reason for investing	Percent
As a form of retirement savings	40.6%
Secure / safe investment	34.3%
Capital gain	25.5%
Rental income	23.4%
Originally bought to live in	11.7%
Good returns	10.0%
Pass on to family members (e.g., through inheritance)	7.3%
Possible future home	4.9%

Original reason for investing	Percent
To diversify / grow investment portfolio	4.4%
Took over from parent /partner - inheritance	3.4%
Better bet than finance companies	1.9%
Advice from others	1.5%
No confidence in the share market	1.2%
Negative gearing (maximising tax deductions)	1.2%
Ability to leverage /borrow	1.2%
Ability to add value through improving the property	1.0%
None of the above	5.4%
Don't know	0.2%
Total	411

A similar pattern of responses was evident when landlords were asked the reasons (and most important reason) for buying their most recent rental property, with the most frequent responses reported: as a form of retirement savings (37.7%), capital gain (21.2%), and rental income (18.7%). Retaining a home originally purchased to live in and providing housing for family members were other common pathways to becoming a landlord, especially for landlords with a single rental property. Providing accommodation for a family member/s was more common in older than younger landlords, peaking in the 60–64 year age band where 15.2% of landlords indicated this was the most important reason for purchasing their most recent (or only) rental property. Inheritance also featured in the data as a reason for becoming a landlord – due to inheriting from parents or a partner, and as an intention to pass property on to family members.

Only eight respondents had ceased being landlords over the past two years, lower than the 23 reported in 2015. This may suggest the few years prior to 2021 were a good time to be a landlord, with fewer deciding to exit the rental sector. There was no common reason for selling amongst this small group of landlords.

A more nuanced understanding of landlords' investment rationales was revealed through analyses of the 34 in-depth interviews with landlords. While planning for retirement was the predominant rationale across the sample, some diversity in investment rationales was discernible. Four clusters – retirement planners, rental property investors, housing service providers and accidental landlords – will be discussed. However, we are mindful in using such a typology that the clusters have fuzzy edges, with commonalities and differences that span the clusters.

Retirement planners

Investing in rental properties as part of planning for retirement was a recurring theme. New Zealand superannuation was considered inadequate to secure a comfortable retirement and investing in property was a means to that end. Acquiring property was a form of compulsory saving, and when mortgages were paid off, a store of wealth. Most landlords, including this group of retirement planners, had no significant investments outside of property.

A quarter of the landlords surveyed were retired, and a further 36.2% said they intended to continue to rent properties and live off the cash flow when they retired. Selling up on retirement was the plan for 21.3% and passing property to family members was intended by others (11.5%).

The qualitative interviews confirmed the varied current and long-term intentions of landlords. Owners of a single property, 59% of whom reported managing the property themselves, indicated that sometime in the future they would need to weigh up their capacity to continue maintaining properties and whether the capital value they would realise from selling the property would be enough to support them through retirement. The future plans of landlords with multiple properties varied and included selling a proportion of their portfolio but, if they felt capable, keeping a reduced number as an income stream into their retirement years. Half the owners of multiple rental properties in the survey managed one or more properties themselves and a further 10% indicated they did so while also using property managers for other rental properties.

Investing in property was frequently expressed as a part of the New Zealand culture, with the practice of storing wealth in property for retirement seemingly a self-evident course of action.

“Probably like every other New Zealander, it’s a more reliable place to put your money. It’s like biting the gold coin, isn’t it? You can see it and you know that it’s there, and maintenance and all those things aside, it isn’t going to go away.” (Jenny WLG 1)

For this group rental income was often a less important rationale for owning an investment property than the prospect of releasing capital for retirement.

Among the single investment property landlords, there was seldom the inclination to consider their rental as a business investment or to plan to expand their portfolio. As evidenced in the excerpt below, running investment properties as a business was a foreign concept for some.

“We’re certainly not someone with a block of flats in the sort of European mode ... the rental market in New Zealand isn’t like the European market ... Obviously, [the property] is an income at present, but yeah, there will be a point in which it will be sold. Yes.” (Jenny WLG 1)

The overwhelming sentiment voiced by this group of landlords was that rental property is a safe and doable form of investment for retirement compared to other investment options. They tended to buy properties of a standard they would live in themselves, and often located near where they lived. It was also common for these landlords to manage the tenancy and maintenance themselves.

Rental property investors

While retirement planning was the main driver of rental investment, acquiring multiple properties was explicitly a form of wealth creation and/or a business for a few interviewees. Collecting rent from tenants provided financial independence in the present and the prospect of continued independence into retirement. These landlords were more likely to talk about the profitability of their investments than retirement planners with a single property. Operating on a marginal profit basis was rationalised by viewing the properties as a long-term investment that would see costs increasingly covered as the rental income increased and the mortgages were paid off.

“It seemed logical ... that you would ... first have to put some money into the property but after a while, with rising rent and so on, you probably wouldn’t have to put in anything.” (Meredith AKL 12)

As the landlord below explains, rent collected would sustain their household through a ‘passive income’.

“My plan was to buy one more house within the range that I could afford, and then I could rent it out and I could have some passive income, that’s ... the main advantage ... having a passive income, and also, the capital gain of the rental property in the future.” (Weining AKL 2)

For others, generating an income from properties was a means to reduce or leave salaried work and have more time to follow other interests or be with family.

Housing service providers

A small number of participants saw being a landlord and maintaining their properties as a business providing housing services and a form of self-employment. However, these landlords were also inclined to position themselves as investors, underscoring the lack of clear boundaries between the different landlord categories.

Accidental landlords

There were several familiar scenarios for becoming an accidental landlord – a person who had not intended to become a landlord (except for accommodating a family member) when they acquired a rental property. For example, inheriting a parent's home, buying a property that had a second dwelling, and purchasing a property for a family member who subsequently moved on or died. Rather than selling the additional property, these interviewees had decided, at least in the interim, to retain and rent the property. They could no longer be considered an accidental landlord if they decided to remain a landlord and rented the property to non-family members at this point they would become a property investor. This is an example of the fuzzy edges between these clusters.

Family matters

Rental investment decisions were often influenced by family considerations, for example, accommodating older relatives or parents or providing for their children's future, either through the investment capital or as potential homes.

“So my eldest is single and he can't even afford to buy a house so he's renting at the moment. My plan is to buy as many houses that I can using my assets so you know all the kids can rent because in the long run it'll benefit them when I go ... that's my dream, but I don't know how that's going to happen.” (Fiona AKL 1)

It was also not uncommon to hear landlords recount that family members had lived in their rental properties for extended periods of time, paying no rent or substantially below the market rate.

Managing properties in all landlord categories was also frequently depicted as a family affair, with partners sharing the duties of being a landlord. For example, one might be looking after general maintenance and repairs while the other kept track of rental income and expenses. Family members were also an important source of information on property investment opportunities and/or motivation for buying or selling. Several older landlords mused over whether they might struggle to fulfil their role as a landlord if their health declined. Such thoughts prompted questions regarding when to sell and the potential role family members might play in this decision.

Selecting rental property

In this section the reasons landlords gave for their locational choices are discussed, as well as their preferences for new or second-hand properties. This excludes the 3.4% of landlords who inherited properties.

As noted above, over half the landlords had a single rental property and less than a quarter owned more than two rental properties. While most landlords owned rental properties in their city of residence, 22% of landlords in Auckland, 20% in Wellington, 18% in Christchurch and 14% in Dunedin owned properties in centres other than where they lived.

'Close to where I live' was the most common reason landlords gave for the location of their most recently purchased rental property (34.8%), followed by the property being close to amenities (23.8%), and thirdly that it was affordable/good price (19.2%). It is notable that the fourth most common reason provided for landlords' location choice was that 'It was or will be a family home', reported by 10.9% of respondents. This response that was more common for owners of a single rental property than those with more than one property.

The in-depth interview data presented a similar picture. Familiarity and proximity were primary drivers of location decisions – landlords favoured neighbourhoods they lived in, had previously lived in, or which were nearby. A few landlords had moved to a new home but retained and rented out their previous home, often in the same neighbourhood.

As noted earlier, where the landlord was living proximate to the tenanted dwelling (e.g., nearby or in the same suburb), a ‘hands-on’ approach to managing the property was common.

Two thirds of landlords expressed a preference for purchasing existing properties. In 2021, compared to 2015, there was a small increase in the percentage of landlords with a preference for purchasing new properties (2015, 9.8%: 2021 12.9%) or both new and second-hand properties, but the difference was not statistically significant (Table 15).

TABLE 15: PURCHASING PREFERENCE

Purchasing preference	2015	2021
Both types of properties	17.2%	19.7%
New properties	9.8%	12.9%
Existing properties	73.1%	67.4%

The stand-out advantage of second-hand properties reported (Table 16) was they are cheaper to purchase (38.2%), followed by the ease of acquiring a property already in situ (19.8%), and the potential to add value through improvements (11%). New advantages identified in the 2021 survey included their generally larger sections (8.8%) and their location in established neighbourhood, which, given the disproportionate number of Auckland respondents, may signal awareness of the development opportunities enabled by the Auckland Unitary plan and the requirements of the National Policy Statement on Urban Development (NPS-UD).

TABLE 16: ADVANTAGE OF EXISTING PROPERTIES

Advantages of existing properties	Percent
Cheaper to purchase	38.2%
Easier, no need to develop / build	19.8%
Ability to add value by making improvements	11.0%
Generally larger sections	8.8%
Located in established neighbourhoods	7.8%
Expectation of better quality housing	7.8%
None	6.0%
Larger pool of properties to choose from	5.7%
Resale market often wider because includes both other investors and owner occupiers	1.1%
None of the above	11.3%
Don't know	11.7%
Total	283

A greater requirement for maintenance (65%), cost of compliance with regulations (20.8%) and increased cost of upkeep for an older property (18.7%) were the most common disadvantages reported for second-hand properties. The advantages of new properties tended to be the corollary of the disadvantages of older dwellings, cohering around a lower requirement for maintenance (60.4%). Additional benefits of purchasing new builds included: better building quality meaning higher rental income (26.4%) and financial advantages (e.g., tax or borrowing – also 26.4%). Regarding disadvantages, reporting no disadvantages of purchasing new dwellings was the most common landlord response (25.5%), followed by the higher purchase cost (21.7%) and risk of damage by tenants (16%)

Consistent with the strong preference for second-hand properties, some landlords noted during the in-depth interviews that they looked for a 'do up' in need of repair. These properties were often favoured for their longer-term investment potential and as a project that they could work on, either through their own 'DIY' improvements or with more significant renovations.

"To buy ... second-hand property that were a bit tired and but actually ... you could rent them immediately [and] after a while you could improve them just by painting and ... not huge renovations, but ... painting and carpet and vinyl and stuff." (Meredith AKL 12)

Also represented in the in-depth interviewee sample were landlords who had an apartment as a second property. Body corporates commonly took responsibility for some of the dwelling maintenance and often also set limits on what tenants were permitted to do inside and outside of the property. Paying body corporate fees and reducing responsibility for maintenance and management appealed to some interviewees:

"investing in an apartment ... you don't have as much outgoings cause you don't have all the land to deal with and that sort of thing ... apartment properties now have people that actually deal with the whole block ... and you just buy the apartment, and they deal with it." (Pauline CHC 2)

A second dwelling built at the back or front of the landlord's existing home was another relatively common rental scenario. The motivation for subdividing and building a second property was often to provide a home for family members. However, for various reasons these properties ended up being rented out for income – either due to changing needs or after family members no longer required the dwelling.

"Well, we didn't build it as a rental property we built it for our children so that they'd have a stepping stone up ... the property ladder ... but neither of the girls wanted to stay for various reasons ... then [we've been] letting it out now and then ... I think maybe 20 years or something like that." (Prisha AKL 1)

The proximity of such properties often led to landlords becoming more familiar with tenants and taking a 'hands-on' approach to management and maintenance of the rental property.

Those who had bought a new build property commented on how they enjoyed the minimal maintenance required. In addition, the Healthy Homes regulations had possibly increased interest in new builds as rental properties as they tend to already fulfil requirements, compared to the potential costs of upgrading older properties.

"I think a lot of the concern is around if it's an older property, it's the maintenance of it and keeping it up to speed and also the new tenancy rules that have come out, I believe that there is quite a few landlords finding that a bit of a struggle." (Sally WLG 5)

Furthermore, the exclusion of new builds from recent changes to tax regulations for landlords has likely increased their attractiveness as an investment over existing properties. One landlord stated that the recent tax regulation changes had not affected their intention to invest in property, only the type of property:

"This will not affect my decision to buy an investment property, but it will affect the type of property I will invest in. According to the current policy, many people will want to buy a new house because it will be exempted, including its interest liability, this could also be exempted. In fact, the current policy will push many people to buy a new build." (Weining AKL 2)

Financing rental property

This section reports on survey findings on how landlords who financed a deposit on their first rental property did so, ongoing financial management and yields from rental properties. This is followed by a discussion of related matters covered during the qualitative interviews.

Half the landlords surveyed (50.6%) indicated they had used accumulated savings to fund the deposit on their first rental property and a further third (33.6%) had used equity in an existing home to release funds for a deposit. An inheritance was drawn on by 7.5% of the sample and a family loan or gift from parents provided a deposit for 3.6% of landlords.

When taking account of deposits on all rental properties purchased (not only the first), 38.6% of landlords said they had drawn on equity in a property they owned as a deposit. Of these individuals, 15.9% said they had been encouraged by a bank to do so.

Just under a third of landlords (31.5%) had no mortgage on their rental property, a slightly higher figure than reported in 2015 (26%). Of the landlords with a mortgage, 45.9% were making interest and principal payments, 16.7% interest only and 5.9% had a combination of interest only and interest plus principal mortgages (Table 17). Unsurprisingly, the percentage of landlords without a mortgage increased by age from 0% for the age bands under 40 years, through to 33.3% for 60–64 year-olds and 53.9% for those over 65 years.

TABLE 17: WHAT TYPE OF MORTGAGE DO YOU HAVE ON YOUR RENTAL PROPERTIES

Mortgage type	n	percent
Combination of interest and principal (multiple properties)	23	5.9%
Interest and principal	179	45.9%
Interest only	65	16.7%
No mortgage	123	31.5%
Total	390	100.0%

Landlords with a single rental property were slightly more likely to have no mortgage (34.2%) than those owning more than one (28.8%).

When asked ‘What is your average rental yield on your rental property or properties?’, just over half (51.2%) said they did not know, lower than the 59% who responded similarly in 2015. Of the remaining respondents who indicated they did know, 11.1% said their average yield was either 1 or 2%, 20.9% said either 3 or 4%, and 11.3% said 5, 6 or 7%. A yield of more than 10% was suggested by a small number of landlords (2.8%). The pattern of yield estimates was similar whether landlords had a single rental property and/or more than one property. Of the landlords reporting they had no mortgage, 57.4% said they did know the rental yield on their property. While this was higher than the 47.6% recorded for landlords who had a mortgage/s, the difference was not statistically significant.

Purchasing rental property often involved taking on significant debt. As the quote below indicates, mortgage repayments and other costs associated with the properties (i.e., maintenance and improvements) would often be equal to or exceed the rental income.

“No I don’t ... I don’t [make] any money off any rental, in fact, I put money into the rental. I’m paying into both my rentals because ... I don’t profit off my rentals and probably won’t for another five to eight years.” (Margaret DUN 2)

Drawing on equity in other properties, buying cheaper properties, and taking out interest only mortgages were strategies landlords used to start and/or expand their rental portfolios.

“The property paid for itself because we didn’t have a lot of spare cash but you know if you buy cheaply enough and the rent will cover the mortgage or almost cover the mortgage.” (Meredith AKL 12)

“They all start off interest only ‘cause that way they were cost neutral. The rent covered the mortgages and the other costs ... They’re all pretty much mortgaged up to the hilt. We’ll start at looking at paying one of them off and then slowly go through them.” (Danielle WLG 4)

Other landlords, often those who had been investing in properties for a longer time, were more secure financially, having reduced debt and/or become mortgage free. With the changes to tax regulations for property investors, particularly around deductions – negative gearing – these individuals were less affected and therefore less concerned about any resultant increase in personal tax.

“Our debt, LVR is actually quite low because we’ve had them for so long, it will affect us, but it won’t, it’s not going to be as bad as potentially we thought.” (Charlotte CHC 5)

Many single property landlords expressed no interest in buying more property. Rather, as Prisha explains, they were content with a single rental property, viewing it as a safe investment that provided financial security for their retirement.

“It’s bringing in a bit of rental, it is a comfort to us, yes ... we have food on the table ... a roof over our heads, but I think ... at the end of the day the property is paid off and, and the money is there.” (Prisha AKL 1)

Several landlords of this ilk took care to distance their own landlord practices from those of others they saw as more investor or business oriented.

“...running a business or anything ... [it’s] just ... a means of extra income and a good investment ... we have a small mortgage ... which we used the rent to pay off as quickly as we could ... we weren’t trying to offset against losses or anything like that. (Tracy AKL 1)

“...we’re not the kind of investors who are very good at [investing] ... all we did was rent out our old house, and that’s it, just that one house.” (Ronghao AKL 1)

Others were quite clear they did not have the capital available to invest in further properties.

Returning to the survey data, at the city level, landlords in Wellington reported receiving the highest mean and median rents. As indicated in Table 18, Auckland rates were the second highest and Dunedin rates were the lowest.

TABLE 18: MEAN WEEKLY RENT BY CITY

City	N	Mean	Median
Auckland	231	550	510
Christchurch	64	419	400
Dunedin	18	381	358
Wellington	54	597	537

Combining data across the four cities, mean rents had increased significantly between 2015 and 2021 from \$402 to \$526 per week (p=0.0000). The mean and median rents reported by landlords who engaged property managers (\$556 and \$517 respectively) were higher than those reported by landlords who managed

properties themselves (a mean value of \$516 and median of \$460). As noted earlier there are many factors other than property management fees that determine rent on a dwelling.

In addition to being asked about the number of rental dwellings they owned, landlords were asked about vacancies at the time of the survey. Of the 818 dwellings owned, 33 were vacant at the time of interview, and a third of these were being refurbished. Tenants were being sought for eight dwellings, five were for sale and four under construction, leaving only five with no explanation for the vacancy.

The total value of the property portfolios of those landlords who provided data is presented in Table 19, however only around two thirds of landlords provided this information.

TABLE 19: WHAT IS THE COMBINED VALUE OF YOUR NEW ZEALAND PROPERTIES (IN NZD) BY CITY

Landlord's city of residence	N	Mean	Median
Auckland	181	1,711,630	1,200,000
Wellington	39	1,408,846	1,000,000
Christchurch	53	1,315,943	680,000
Dunedin	13	2,087,692	750,000

Only 14.5% of landlords said they had refinanced in the previous two years. When asked what effect refinancing had on their investment portfolio, the most common responses were: it had no effect (37.3%) and it reduced their interest rates (35.6%).

Less than 4% of respondents said they belonged to a property investors' association.

Managing and maintaining rental properties

This section covers the survey and qualitative interview data on landlords' various approaches to managing tenants and property, including repair and maintenance practices.

Asked whether they managed their rental property themselves or employed a property manager, over half (54.7%) the landlords said they managed rental/s themselves, 38.2% engaged a property manager, and 5.4 % did both (Table 20). The percentage managing properties themselves was lower than the 67% recorded in 2015. A possible explanation for the drop is the older age of landlords in the recent survey.

TABLE 20: DO YOU MANAGE YOUR PROPERTIES YOURSELF OR DO YOU USE AN AGENT?

	n	percent
Both	22	5.4%
Employ staff to manage property	6	1.5%
Engage a property management company	157	38.2%
Manage them myself	225	54.7%
None of the above	1	0.2%
Total	411	100.0%

Of those who engaged a property manager, 85% were satisfied or very satisfied with the competence of the agent, and 78% were satisfied or very satisfied they had received value for money. Landlords' positive assessments of value for money had dropped slightly since 2015 (down from 83%) but satisfaction with their property managers' competence was unchanged.

As the survey findings indicate, many landlords take on most, if not all the management duties themselves. Landlords with a single rental property, especially if located close to their residence, were very likely to manage the properties themselves, stating that it was mostly an unchallenging and manageable workload.

While landlords with a portfolio of rental properties were more likely to employ the services of a property manager, a number of these, like Deborah quoted below, still managed the properties themselves.

"I mean obviously there has been changes to the tenancy laws ... recently ... but I wouldn't say that's a disadvantage, I suppose I'm not sure we'd do more than six [rentals] and we possibly will look to decrease, because it is quite a lot of work looking after six, we do it all ourselves, we don't have a property manager." (Deborah WLG 6)

For some the reason for managing property themselves was financial, but others enjoyed the personal engagement with their tenants, felt they knew best what their property needed and liked to feel they were offering "a nice home to live in". Narratives varied however, and while many took pride in being good landlords for their tenants, others were stressed by what they considered to be the demands of tenants.

"We [manage] that ourselves ... They're very demanding, tenants are very demanding when there's something wrong they expect you, even in the weekends, to drop everything and go and do the job." (Pauline CHC 2)

There were mixed opinions about property managers. Most landlords who were currently using a property manager had little to say other than they liked it because they didn't need to worry about managing their property and tenants (other than receiving reports and making final decisions on tenant selection). However, one landlord argued that property managers played a key intermediary role between the landlord and tenant and therefore needed greater regulation.

"The difference between a good property manager and a bad one is huge. In fact, the property manager is a very important middleman, if he is not able to convey the tenant's needs to the landlord in a timely manner, then it is actually very difficult for the tenant and the landlord to build a good relationship." (Weining AKL 2)

Out of town landlords commonly used property managers and, as Annabelle said, valued their assistance with selecting tenants and meeting the legal requirements of tenancies.

“The good things are ... having somebody do all that due diligence around your tenants ... And I think having somebody if you’re not available [who] can sort stuff out is really helpful and their job is to be on top of all the legal requirements ... That’s helpful when you’ve got a full-time job ... trying to stay on top of all of that. It is quite a responsibility and a job having a rental property.” (Annabelle CHC 4)

Several landlords talked about previously using property managers but finding their service to be unreliable, with a lack of attention to the property and the actions of tenants – for example, finding a property dirty and damaged at the end of a tenancy, without having been notified. High staff turnover in property management companies was another concern.

A few landlords had a ‘hybrid’ approach in that they would employ the services of a property management agent for some tasks but take on most of the management themselves. Usually this meant a property agent would advertise properties for letting and conduct a vetting process before recommending tenants to the landlord.

“I used myrent.co.nz ... they will advertise my property for me through many channels ... I have criteria for tenant selection, for example, I don’t like pets, so no pet, no smoking, I will list these criteria down. And [they] will check the background of the tenants for me ... [it’s] very convenient ... This is somewhat like the role of a property manager, but it is a passive rather than active management.” (David AKL 1)

Property managers were also used for temporary and fixed periods of time, for example when the landlords were going to be away for an extended period.

Maintenance matters

A third of landlords (32.2%) said they had a structured maintenance management plan for their property portfolio. Landlords using property managers were significantly more likely ($p < 0.03$) to say they had a structured maintenance management plan than those who managed a rental property themselves. Asked how much they would typically spend per year on each property in a portfolio, the mean and median figures reported by landlords were \$4,398 and \$3,000 respectively.

Consistent with the survey findings, the in-depth interviews revealed landlords who did not use a property manager seldom adhered to a maintenance schedule. Attending to repairs was largely ‘as and when required’ and with trusted tenants, formal inspections were rare. If they occurred at all, they took place informally, while completing other landlord duties, such as doing regular or requested maintenance.

“In a way, it’s never been really necessary to do a formal inspection. And in a way, if you’re comfortable about tenants, that does seem really invasive somehow.” (Jenny WLG 1)

Many landlords were happy to ‘keep an eye’ on their properties, sometimes simply by driving by if in the neighbourhood. The landlord quoted below lived next door to their only rental property and so did not feel the need for a property manager or for regular inspections.

“We don’t have a regular schedule of official inspections ... We can see that they’re opening all the windows each morning and airing the place out ... you don’t really need to make an official inspection ‘cause you can see that she’s looking after the place. It’s clean and reasonably tidy, there’s no damage going on.” (Tracy AKL 1)

Landlords who used property managers mostly left property inspections and general maintenance to their agent. Inspections were reportedly regular in timing and frequency. The following quote describes a working relationship between landlord and property manager:

“They send sort of every three-month reports and ... they’re very good at getting back to us ... one of our tenants moved out in Wellington and there was a week break so ... [she asked] do you want us to do any maintenance? ... would you like us to go through and paint while it’s empty? You know they’re sort of really proactive which is great ... below a certain amount they just get on with it and I think maybe over \$500 they let us ... just to approve it or whatever.” (Charlotte CHC 5)

When asked ‘If you had \$10,000 to invest to improve a rental property what would you be most likely to spend it on?’, 15.5% of landlords said their property needed no improvements. The most common response (19.7%)

was general maintenance (e.g., electrical faults, leaks, repainting, broken windows), followed by external improvements (e.g., fencing, decks, landscaping) (13.1%) and kitchen improvements (12.8%). Only 8.9 % of landlords said would invest in insulation, a far lower figure than the 21% recorded in 2015. This drop may suggest, at least from a landlord's perspective, that insulation standards have improved following the introduction of the Healthy Homes legislation.

The response of landlords to the needs of tenants with disabilities was investigated. When asked if they had made modifications to a property to meet the needs of a tenant with disabilities, 10% said they had. Around a third of these landlords indicated the modification involved adding ramps and a further third had added rails. Various other modifications were noted, including improving wheelchair access to bathrooms, installing an emergency alarm and ventilation for a tenant with asthma. Most landlords (94.4%) thought there was a link between someone's housing and their health.

Managing tenants and tenancies

Over half the landlords (59%) surveyed said they had not considered targeting niche markets. Of those who had considered it, couples and older people were the most frequently reported groups, followed by tenants with pets. When landlords used property managers to select tenants, while they often had a final say in tenant selection, they would usually take the advice of the manager.

Survey findings showed the four most common criteria used by landlords who selected tenants themselves were: good references, a secure job, good impression on meeting, and gut instinct. A security check was the fifth most common criterion reported. During the in-depth interviews, tenants' ability to pay rent and care for the property often emerged as landlords' primary concerns, with the criteria noted above (secure jobs, good references) serving as proxies for meeting these concerns. A specific type of household was a secondary factor, beyond simply being "someone who ... has got the income to pay the rent and will look after the property" (Jacob AKL 7).

"No ... Just normal people ... I don't mind ... I don't mind if they're couples, singles or families ... Just ones that pay on time I guess." (Danielle WLG 4)

However, a hierarchy of preferred tenants was also still often evident, with many landlords stating a preference for a family or working couple. People without permanent employment and in particular young people and students were among the least favoured.

"I guess it's one of those things when you talk to somebody you can read them pretty quickly and you get a feel. What I want is one that can first of all afford it and have employment prospects long term, so that ... sort of rules out ... students, your low-end unemployed cause they just wouldn't afford these." (Leni WLG 6)

"I've always had good tenants. I pick the right people. I wouldn't have young people. I've had students and it doesn't work cos they party and things." (Joyce DUN 1)

However, one landlord with multiple properties in Dunedin targeted students. They aimed to keep rent affordable and cater to the needs of students while studying:

"...we don't want ... our student rentals ... to be top of the range, it's a little bit about, I've worked with student population for a number of years, it's a little bit about looking after them" (Lisa DUN 3).

When asked about the reasons tenants had vacated their rental properties, the most common landlord responses were moving city, buying their own home and a change in family circumstance (e.g., relationship breakdown, illness, job loss). Fifteen percent of landlords had had no tenant leave and 9.5% mentioned eviction. However, when asked directly if they had evicted tenants, 28.5% of landlords said they had. Anti-social behaviour, property damage and non-payment of rent were the most frequently cited reasons for eviction.

Asked where they would go to seek help or advice over problems with tenants, landlords mainly identified either the Tenancy Tribunal (57.7%) or a property manager (32.8%). A lawyer, Citizens Advice Bureau and friends and family were noted by smaller numbers of respondents.

Most landlords (95.2%) indicated they had signed tenancy agreements for all their rental properties and 92.2% said they collected and lodged bonds for all properties. These figures are higher than the corresponding figures of 92% and 81% respectively reported in the 2015 survey. When asked if any of their tenants were receiving an accommodation allowance, almost half said they didn't know and of those who did know, around a third said yes – 15% of landlords.

The use of fixed long-term tenancies was reported by 43.2% of landlords surveyed. When asked about the advantages of such tenancies, common responses were finding and keeping better tenants and certainty around cashflow (see Table 21).

TABLE 21: WHAT ARE THE ADVANTAGES TO A LANDLORD OF FIXED, LONG-TERM TENANCIES?

Advantages of Fixed, Long-Term	Frequency (%)
Finding and keeping better tenants	67 (40.1%)
Certainty around cashflow period	65 (38.9%)
Property is vacant less often	39 (23.4%)
More control over tenancy period	33 (19.8%)
Don't know	16 (9.6%)
Refused	NA (NA%)
Total	167

Most landlords interviewed stated they favoured having long-term tenants and were hesitant to make any significant increase in the rent for an existing tenant.

"We have a ... philosophy of not increasing the rent ... If you have a good tenant, why would you risk losing them for increasing the rent just ... \$30 a month ... We only alter the rent when a tenant leaves ..." (Paul AKL 2)

"The other thing we do, we don't chase the high dollar for tenancy. I've got a [tenant] in the one unit, the first one we ever bought, and he was ... going to be in there for a short time ... well, twenty-five years' later he's still there ... our philosophy is get a good tenant for long-term...." (Piotr WLK 3)

However, landlords who used property managers tended to be guided by their advice on setting and raising rents and as the quotes below suggests, sought to keep their rents aligned with market rates.

"... they're supposed to know the market. We've got some idea, but we don't want to overcharge, but clearly whatever's appropriate for the market." (Patrick CHC 2)

"Depending on obviously if it is a re-rental, then the suggestion would be a slightly bigger increase ...So they might say all the other rents in the area are the same, so we'll keep it the same. Everything else is going up so we'll go up as well. Just trying to keep it at the standard level." (Danielle WLK 4)

However, others commented that even though they used property managers, they did not like this approach to setting rents as they valued keeping good tenants in their properties more than ensuring they were paying the market rate.

"Our first one in Hamilton, [the property manager] raised it without telling us and ... we told them on no uncertain terms that they were never to do that again and they are not raising the rents and to put a flag on our file so yeah only when the tenant changes." (Paul AKL 2)

When asked if property managers had suggested increasing the rent on any of their properties, the survey respondents answered: always (22.5%), sometimes (45.1%) and never (32.4%). Of the landlords always or sometimes advised to increase rents, 29.7% said they always acted on the advice, 48.6% sometimes did and 21.6% never.

Property managers were expected to have expertise in dealing with tenancy law and tenant problems, knowledge not all landlords felt they had the time to keep up to date on. Time was amongst a range of reasons Sally gave for using a property manager:

“The main one for us is time, they’re able to keep up to speed with the changesso we rely on them to keep us up to speed with compliance. It also removes any difficulties ... if you did have a difficult tenant ... you don’t have to deal with that because, yeah, we just find it easier ... and same with the rental collection, we take their advice on rental increases.” (Sally WLG 5)

Regulation and standards

Healthy Homes

The Healthy Homes regulations were accepted as a necessary layer of protection for tenants by most landlords. This contrasts with landlords’ views recorded in the 2015 study when the legislation was on the horizon and a point of debate. While supported by some at the time, others opposed the proposed changes, seeing them as unnecessary or well-meaning but likely to have unintended consequences.

In the more recent interviews, landlords had largely accommodated to the Healthy Homes requirements, were accepting of the legislation and most recognised the value of providing healthy rental homes.

“New Zealand’s got a problem with [damp]. Our house is pretty good, I don’t mind the healthy homes stuff at all ... we lived in it, so I wasn’t going to live in a damp home either.” (Harry AKL 1)

However, regulations around heating still generated some dissent. Resistance centred on the requirement to install ‘expensive’ heaters, their potential to lead to rent increases and to be ineffective, especially if tenants simply avoided using them to lower their electricity bills.

“We’re really conscious, when you’ve got low-income tenants, actually running a heat pump is not necessarily something that is going to work for them ... it’s too expensive for them.” (Annabelle CHC 4)

Similar anecdotes of heat pumps going unused were recalled by landlords of Dunedin student flats. These landlords argued against what they saw as broad-brush rules that missed the nuances of different types of properties, locations and tenant needs. Another familiar narrative concerned moisture leading to damp and mouldy homes, with interviewees suggesting it was not only a landlord concern and that tenants could help reduce moisture by airing the house regularly and this would have more impact than heating and insulation regulations.

“I agree obviously with ... the regulations about putting in insulation and stuff like that into houses. But sometimes I think ... tenants need to ... be a wee bit more proactive also ... Sometimes I ... think well do they actually air the place out? Do they open the windows for fifteen minutes a day? ... There’s two sides to the story I think.” (Trever DUN 1)

While many landlords had acted early to comply with new standards, others, like Penny quoted below, were aware but waiting until action was necessary.

“...until [the tenant] moves ... out, really, we don’t have to deal with it. It’s not bad. I mean, we’ve done the insulation in the property ... and smoke alarms ... [But] we know that if we get somebody else in there, we would need to put some sort of heat source in.” (Penny AKL 3)

Landlords’ attention had shifted to the more recent changes to tenancy laws to improve tenant security and the changes to tax policy around investment properties.

Tenure security

Overall, there was a feeling that the recent regulatory changes had tipped the scale towards tenants' rights over those of landlords. Increasing the rights of tenants to make small modifications to the property and the removal of 'no cause' terminations etc. were considered a step too far by some.

"I think the government is very protective of tenants ... [there are] a lot of rules and regulations we need to fulfill, and ... because the government is more concerned about protecting the tenants, we have to be very, very careful when renting out our property." (Ronghao AKL 1)

"We very much feel that the rights of landlords have really diminished ... with the new changes ... tenants have more rights, and they can do painting and alterations and goodness knows what else in your home that is very off-putting and if it came to a choice of not being able to find the right tenant we would probably sell." (Helen AKL 3)

However, while most landlords expressed some concern about their options if they encountered a bad tenant, most reiterated that their experiences with tenants were overwhelmingly positive. And, unlike Helen in the quote above, most landlords viewed a rental property as the tenants' 'home' and not their 'home'. Some interviewees also felt the changes were important to balance the rights of both parties and reflective of growing numbers of long-term renters. Meredith had been a landlord for over 50 years and currently owned 12 rental properties. She supported the recent changes to the tax laws and tenant rights, believing they were overdue and unlikely to make being a landlord unattractive.

"Landlords have had a very good run, had a lot of advantages, they've been given quite a lot to encourage them ... to have more of a balance is probably good ... some landlords ... charge their tenants for things that they shouldn't ... don't give back bonds and don't do repairs and stuff like that, so I think putting more pressure on landlords and making it more fair for tenants is a good idea." (Meredith AKL 12)

Noting the poor quality of some rental housing, Rachel went further, suggesting the need for a warrant of fitness for rental properties:

"I think it's despicable and I think there should be a housing warrant of fitness for anybody who is a landlord and wants to rent out a house ... [to] bring the house up to a proper standard and then incentivise people to want to live there long-term so they can actually become part of the community, the school or whatever." (Rachel AKL 1)

Tax regulation changes for investment properties

Frustration at changes to tax settings for rental properties was common, with many landlords feeling they were being made a scapegoat and unfairly blamed for housing affordability. A few interviewees who had larger portfolios spoke passionately about feeling their mode of business was being unfairly singled out.

"The government doesn't like us anymore ... the government is trying to hurt people that have chosen this as a way to fund their futures ... [we're] just like anybody else that's in a business, that's trying to make a dollar to give them something to live on. The playing field isn't even anymore." (Barbara AKL 5)

Several landlords with only one or two rental properties felt they were being more adversely affected than the property investment businesses they saw as likely to benefit from the changes through buying up properties from smaller landlords who were likely to exit the sector.

Increasing rents was discussed as a likely scenario:

"[I] imagine it is going to substantially raise our tax bill at the end of the year ... we haven't put up our rent in the whole time ... those tenants have been in there ... but if it starts to financially impact ... into our personal pockets, yeah, we might have to relook at the level of the rent ... which would sadden us, because the way things were we were ticking along sort of okay, we're not making a lot of money out of this." (Peter AKL 1)

'Disincentives', especially changes in the tax regulations, had created uncertainty for some landlords with regard to plans for any further investment in rental property. In John's words, *"I think it's more of a wait and see approach"* (John AKL 1). However, landlords were differently positioned with respect to the changes, with longstanding landlords indicating the impacts would be modest.

"Well, we don't, we can't claim as much back, that's about all, other than that we pay our tax on what we earn from the houses." (Pauline CHC 2)

"Yes, well yes so because our debt, LVR is actually quite low because we've had them for so long, it will affect us, but it won't, it's not going to be as bad as potentially we thought." (Charlotte CHC 5)

While indicating the changes meant more tax to pay, when asked if it was still worth it, the landlord quoted below responded:

"I think it still does. It just means it's going to take longer to pay them off, cos we were always going to have to pay something. We're just going to have to pay more tax on it." (Danielle WLG 4)

Diversity characterised landlords' viewpoints on most matters, including tax changes. While resistance to recent changes to tax settings was common, Paul's comments below indicate support for government changes if they open up opportunities for first home buyers.

"I'm okay with everything they do because there is... they are trying to open up the market to first home buyers and stuff the speculators and all of that type of stuff so I don't really mind." (Paul AKL 2)

The landlords were aware of the difficulties caused by the shortage of affordable housing and when survey respondents were asked if they had accommodated additional tenants in their properties in response to the housing shortage, 11% said they had although no details were sought on how this was achieved. Most landlords also acknowledged that high rents and the difficulties faced by first home buyers were challenging for many people, however they did not identify their landlord practices as a contributing factor. Rather, other landlords were seen as acting unfairly by providing sub-standard rental accommodation and/or putting rents too high. These "unscrupulous" landlords were blamed for the introduction of increased regulation of the rental sector over things they had mostly already provided in their properties (i.e., insulation, heating, smoke alarms etc.).

COVID-19 impacts

Minimal impacts of COVID were reported by landlords, apart from not always being able to inspect their properties during lockdowns. With little change, most landlords were able to continue their communications via phone and email messaging.

A few landlords said they had offered tenants reduced rents for a period when COVID had impacted their employment. However, most landlords said tenants had not asked for a rent reduction or 'rent holiday' during lockdowns – mostly because the tenants had been able to continue to work and cover their rent.

Several landlords had properties become vacant around or during a lockdown period and were unable to take the practical steps required to re-tenant it (e.g., maintenance, viewings) and the properties had therefore remained vacant during this time.

"We've been in lockdown so nobody can come in to view the place or anything like that. So ... since July I think it's been vacant ... we're just doing a little bit of work on it ... but as you know you couldn't get tradesmen in either so." (Prisha AKL 1)

Future intentions

The numbers of landlords intending to purchase additional rental properties dropped between 2015 and 2021, down from 25.6% to 14.6%. Of the 60 respondents indicating an intention to make a further purchase, the reasons given were consistent with those reported for their first purchase, with 'a form of retirement saving' being the most common response. Reflecting the age of the cohort, the most common reason for not making further rental property purchases was being 'too old' (30.4%), followed by 'cannot finance' (21.5%). When

asked a more general question on barriers to investing in rental property, uncertainty about current and proposed changes to government policy was the most frequent response (37.1%), followed by rising house prices (31.8%) and access to finance (20%). Conversely, when asked if there was anything the government could do to encourage them to buy more rental property, a third (32.2%) said altering the tax structure to make rental investment more profitable, but a higher percentage (39.9%) responded that there was nothing the government could do.

In light of the rising cost of housing, in 2021, respondents were asked: Have you invested in residential rental property with others, other than family members? Twenty-two landlords, 5.4% of the sample, said they had.

Intention to sell rental properties was higher (21.3%) in 2021 than in 2015 (14.8%) and change in government policy was reported as a reason by 29.1% of this group, followed by 'to cash up for retirement' (22.1%). However, most landlords (68.1%) had no plans to divest of rental property. For the 68 individuals who in 2021 reported having sold rental properties in the previous two years, just over a third said they had done so because they needed the capital for other reasons, with only 11.8% indicating a change in government policy as a reason for selling. When asked if there was anything the government could do to encourage them to invest in the rental market again, the common response given by 42.9% of those who had sold properties was 'no, there is nothing the government could do'.

Discussion

An increasing proportion of New Zealanders are becoming long-term or life-long renters in the private rental sector (PRS). In parallel, rates of homeownership/owner-occupation have continued to fall since the 2015 tenants' and landlords' survey. As private renting becomes the only tenure option for many households, it is critical to continue to examine how the PRS is, or is not, working for both tenants and landlords – as well as to push for reforms that ensure renters are able to access healthy, suitable and affordable housing and achieve 'secure occupancy'. Since the 2015 survey, the introduction of the Healthy Homes Act, amendments to the Residential Tenancies Act (RTA) and PRS-related tax reforms have had implications for both tenants and landlords.

As in the 2015 survey, a wide range of experiences and views were expressed by both tenants and landlords. This diversity was discussed extensively in the 2015 report. The following discussion will therefore focus on changes and continuities in the data since 2015. It will also reflect on what the data indicate regarding recent changes to the regulatory environment.

One positive change has been a general acceptance of the Healthy Homes standards by landlords, and survey data suggest more rental properties are warmer and drier due to this legislation. When asked what they would do to improve their home/property, adding insulation was no longer the most frequently chosen option by either tenants or landlords. Another change has been both tenants and landlords indicating they had signed a tenancy agreement and bonds being lodged with tenancy services, suggesting an increase in the professionalism of the PRS.

A critical and concerning continuity is tenants' expression of anxiety and stress due to a lack of secure tenure, even amongst those who had lived in their homes for a decade or more. As in the previous survey, tenants commonly expressed feeling 'lucky' and 'fortunate' to have somewhere to live that was comfortable, warm and dry and that they could afford to rent. But feelings of being 'lucky' sat close to fears of having to move and find somewhere else to live, with uncertainty around what they would find and an expectation of moving costs and increased rents. Regular rental practices, such as property inspections, were a reminder that the property was not *really* their place

Soaita and McKee (2019, p.148) note a market-based private rental sector 'confers reduced tenant agency and frequent, undesired, tenant mobility', and most tenants surveyed lack secure occupancy (Easthope, 2014; Hulse & Milligan, 2014). This is problematic for health and wellbeing (Chisholm et al., 2022). While a handful of longer-term tenants spoke of feeling relatively free to make changes to their indoor living space and/or plant a garden, other tenants did not. Further, several tenants interviewed were reluctant to request maintenance or modifications to the property, even if they were covered in the Healthy Homes Act. Tenants had to weigh up asserting their rights and the use of a legal avenue for redress such as the Tenancy Tribunal with the possibility of repercussions, such as rent increases or increased inspections.

The end of 'no-cause' terminations, automatic transfer of fixed-term tenancies to periodic tenancies and tenants' rights to make minor changes to personalise their 'home' – all recent changes to the Residential Tenancies Act – (2020) do offer more 'secure occupancy' to some extent. But they do not change perceptions – and current realities – of renting as a second-class option. The balance of power remains with landlords. For instance, while technically landlords may no longer terminate a tenancy without good reason, landlords retain the power to sell a rented dwelling (90 days' notice required) or move staff, family members or themselves in (with 63 days' notice). The fact that it is a landlord's intentions for the property that dictate the time the tenant has to find a new home is a telling indictment of whose rights are prioritised in New Zealand tenancy law.

Unaffordability and a lack of supply continue to undermine the goal of warm and dry homes for all. So do unresolved maintenance issues or damp, poor quality housing, either through a lack of landlord attention or, perhaps more commonly, as a trade-off by tenants to avoid a rent increase. While both parties (tenant and landlord) might see such an arrangement as mutually beneficial, negative health outcomes due to substandard

housing remain a serious issue. This is likely to continue as long as market rents remain unrestricted and high, or until public housing stock is significantly expanded so that waiting lists reduce and those unable to afford market rates can be appropriately housed by the state.

While homeownership may remain the goal for most New Zealanders, there is not a linear progression from renting to homeownership. In fact, the significant number of tenants who had previously been homeowners is a reminder that unexpected turns affect many people, making the need for affordable and accessible rental housing all the more critical.

Healthy Homes regulations and amendments to the RTA have far from levelled the landlord-tenant playing field, let alone prioritised tenants' rights. Property owners' rights continue to trump those of tenants, with rental properties regarded first and foremost as a landlord's investment, not a tenant's home.

The Covid pandemic heightened the need for everyone to be not only housed, but to have a 'home', accentuating the importance of both the physical and psychosocial aspects of a dwelling for health and wellbeing. The pandemic has also exacerbated existing inequalities as the quantitative easing intended to sidestep a major recession has fuelled house prices, increasing the financial divide between homeowners and renters. Rental properties remain a store of wealth for the landlord, not the tenant, and soaring house prices have spilled over into rent increases (Saville-Smith, 2019).

The pandemic has highlighted the need to wind back the framing of housing as primarily a financialised space and source of equity and reemphasise a secure home as a right. The common expressions of gratitude and being 'lucky' expressed by tenants for being able to afford a relatively comfortable and stable home suggest NZ's PRS falls far short from offering a sense of ontological security that could make it a viable long-term alternative to homeownership (Dupuis & Thorns, 1998). If housing is a right, why then should a tenant be feeling lucky to have such a basic need met?

Lack of choice in the rental market and the mismatch between the rental stock available and household formations is an extension of the broader issues of lack of housing supply and affordability in New Zealand (Opit et al., 2020) and elsewhere (Gurran et al., 2014). Housing supply in recent decades has favoured a similar typology of larger detached houses that might make financial sense for builders (within the current planning environment) and be attractive to property investors (influenced by bank lending practices), but which do not actually align with contemporary housing needs. The consequences of this mismatch were described by some tenants. In particular, single adults living alone found there were few suitable options available for them to rent. The typical choice was between trying to find one of the few single-bedroom units available (and geographically unevenly spread through cities) or needing to flat share with others to reduce the costs of renting a larger house. While flatting is seen as a normal part of early adulthood, going flatting in older age was not a first choice for these interviewees and was done out of necessity.

As with the tenants' renting pathways, the 2021 survey emphasises the diversity of pathways landlords take into (and sometimes out of) the rental property market. However, 'as a form of retirements savings' was by far the most common reason landlords stated for purchasing their first rental property. Rental housing remains a doable and attractive investment option. Family matters, including providing current or future accommodation for family members, were also often to the fore as landlords discussed their rationale for owning rental property.

It has been argued that much of the recent property investment, at least in Auckland, is speculative, with the primary motivating factor being capital gains to be realised in retirement (Rehm & Yang, 2020). The 2021 survey indicates that landlords are not only saving for retirement; increasingly, they are retired. Rather than selling to release capital, landlords are holding on to investment property into retirement with more turning to property managers to manage the day-to-day running of their rental property. It remains to be seen whether this signals a change in the rental market, with a growing reliance on professional services to manage rental properties, as is more common overseas (Martin et al., 2018).

The 'do-up' landlords who take on more of the responsibilities of maintaining their investment property remain a significant component of the PRS in NZ (with second-hand properties often being favoured as

‘cheaper to purchase’). Larger section size, as a key advantage of second-hand properties, has grown in importance since 2015, perhaps reflecting increasing development potential due to more permissive planning policies in New Zealand’s larger urban areas (e.g., the Auckland Unitary Plan, National Policy Statement: Urban Development). There has also been an increase in interest in new build properties by landlords. The temporary exemption of new build properties from the removal of interest deductibility and the extended bright-line test for tax liability has potentially been a factor in this shift. New build houses may also be a more attractive investment for landlords as they are likely to comply with Healthy Homes standards.

The emerging phenomenon of renter-owners as a hybrid renting/property ownership pathway has been noted previously in the Australian PRS (Hulse & McPherson, 2014; Morris et al., 2021). The tenants and landlords’ study reveals that this phenomenon is also occurring in NZ (James et al., 2021). While some of these renter-owners could be classed as ‘rentvestors’, pathways into renting and owning proved to be more complex than simply being a ‘rentvestor’. Some of these households were previously owner-occupiers but had become renters who were now only able to afford to buy a smaller property that did not meet their household needs. Others were more deliberately using ‘rentvesting’ to get a foothold on the property ladder, while continuing to rent in a location that better suited their household needs and preferences.

As with the 2015 study, opinions on property managers varied amongst both tenants and landlords. The main distinction amongst landlords was between those who preferred a more ‘hands-off’ approach and saw property managers as having the skills and networks to deal with day-to-day issues, and those ‘hands-on’ landlords who preferred to attend to their properties and tenants themselves, and/or save money. While some tenants spoke of developing a good relationship with their landlord (often not possible when they dealt with a property manager), others had ‘horror’ stories about overbearing or unreliable landlords, and preferred dealing with a property manager. Reflecting the costs of engaging property managers, weekly rents on dwellings managed by property managers were on average \$50 higher than for those managed by landlords, although as noted earlier a number of factors, other than the type of property management, determine rental cost.

The rental property regulations proposed in the Healthy Homes Act were a controversial subject in the 2015 study. At the time there was political debate over the need for greater regulation of the PRS and the impacts such regulation might have on tenants and landlords. However, in the 2021 survey cohort of landlords these concerns have mostly been allayed. Most landlords now saw Healthy Homes standards as either benign (since their properties were already ‘up-to-scratch’) or as a necessary layer of protection for tenants against ‘bad’ landlords. Although it was the first time the question was asked in the surveys (so comparisons cannot be made with 2015), almost all landlords (94.4%) thought there was a link between someone’s house and their health. When asked the same question, only 83% of tenants agreed, while 10% did not think there was a link – perhaps suggesting a lower level of knowledge around housing issues amongst tenants.

The attention of landlords has switched to the recent amendments to the Residential Tenancies Act and tax reforms. The end to ‘no-cause’ terminations and tenants’ new rights to make minor modifications to their rented dwellings were a concern to some landlords. They felt the amendments had shifted the balance of power too far toward tenants, and that they would be powerless to prevent property damage or evict bad tenants. Moderating these concerns were landlords’ reports of positive relationships with their tenants.

While responses to the RTA amendments were mixed, tax law changes, intended to incrementally remove some of the incentives to property investment that landlords have previously benefited from, were of greater concern. Opposition has been voiced by property investor associations against the moves to curb investment in housing for capital gain and reduce incentives for investing in property. Landlords interviewed also voiced concerns. The popular distinction between being a ‘property investor’ and a ‘ma and pa’ landlord was often implied in their responses. Many landlords with smaller portfolios believed they were not the problem and were being unfairly targeted. They argued these policy changes would only shift property ownership to investors and corporations with larger portfolios. Conversely, landlords with larger portfolios claimed they were running a business just like any other and should not be singled-out.

It was anticipated that a range of factors related to the COVID pandemic would have impacted the PRS. However, interviews with tenants and landlords suggested the 'rent freeze' was not particularly influential on renting experiences, although jumps in rent soon after the freeze ended were reported by tenants. The survey detected lower rates of tenant turnover in the prior two years, possibly, in part, because of the constraints on tenancy terminations and the generally restricted nature of the housing market during this time. For example, the number of tenants moving due to the landlord having sold the house was lower than in the 2015 survey, which may have been partially due to the difficulty of selling houses while in lockdown.

The COVID pandemic and lockdowns also impacted data collection. While the landlords' survey was completed without direct impact from the lockdowns, a methodology change was required for the tenants' survey, which was moved online, with the modification of some and the removal of other questions. Consequently, while good comparisons between the 2015 and 2021 landlords' surveys can be made, the potential to make similar comparisons for the tenants' survey is more limited.

Another consequence of this change in methodology was that young renters were less well represented in the follow-up in-depth tenant interviews. One of the drawbacks of the change in methodology from CATI (with recruitment via landlines and mobile numbers) to an online survey was being unable to collect participant contact details for follow-up interviews. Consequently, interviewees were drawn from a pool of participants contacted earlier through landline and mobile numbers and this likely raised the average age of participants who took part in the in-depth tenant interviews.

The generally positive experiences reported by tenants and landlords in the PRS should not be considered fully representative. If there are indeed unreliable tenants and unscrupulous landlords, they are less likely than 'good' tenants and landlords to wish to take part in the survey or be interviewed. Thus, the generally positive narratives presented in this report should be judged in this light and it cannot be assumed that the PRS is necessarily working well.

There remains a troubling disconnect between the widespread aspirations for homeownership, high and increasing rents, and an entrenched lack of affordability. All households need to be homed as well as housed, whether they own or rent a dwelling. A fundamental reconceptualisation of housing is required to address the conflict between housing as an investment mechanism and housing's value being as a home providing shelter and protection.

The New Zealand Government continues to focus its attention on making homeownership more attainable, primarily through loosening planning regulation and redeveloping Crown land to increase supply. But increasing housing supply does not resolve the needs of renters for secure occupancy. Long-term and life-long renting is a reality for a growing proportion of New Zealanders. While homeownership may remain the aspiration of the majority, for many, long-term renting is the only tenure option available. This reality must be confronted in the form of policy reform that strengthens tenant rights, prioritises their needs, and transforms renting into a healthy, affordable and secure form of tenure, not just for the 'lucky' few, but for all New Zealanders in rental accommodation.

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