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Annual rent movement highest in 11 years

“High rental price increases should not come as a shock to anyone”, says Andrew King, Executive Officer of the NZ Property Investors’ Federation (NZPIF). “While Statistics NZ has pointed to the Healthy Homes legislation, this is only one change that has pushed rental prices higher.”

Higher LVR requirements and ring fencing rental losses were two changes aimed at making it harder for people to provide rental property to tenants. These changes did nothing to help tenants, they simply pushed up the cost of renting.

The NZPIF supports improvements that provide genuine and cost-effective benefit to tenants, but some of the Healthy Homes changes, such as compulsory heat pumps, will see further rental price increases without a corresponding benefit for tenants.

When combined with historically high levels of migration pushing up demand, policy changes that increase costs and dissuade people from providing rental property make the situation worse.

Ill-conceived policies continually being forced on to the rental sector mean extra costs for the rental property owner but do not result in benefits to tenants. Tenants will have to get used to higher and higher rental prices without the receiving extra benefits.

Andrew King
Executive Officer
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