

## The effect of the Covid-19 regulations on landlords

The NZ Property Investors Federation (NZPIF) has just organised the first of a series of surveys of rental property owners and property managers to see how they are being affected by the Covid-19 lock down. There were 621 respondents in this first survey. Between them, these respondents manage 6,056 rental properties.

“The results of this survey after the first week of the Covid-19 lock down disprove the assumption that anyone who owns a rental property is rich and tenants should be allowed to stop paying their rent”, says Sharon Cullwick, NZPIF Executive Officer.

Private individuals provide 85% of rental properties in New Zealand. While most of these people have other jobs or businesses that are their main source of income, there are also those who rely on their rental income to put food on the table to feed their own families.

The survey shows that Government initiatives, through income supplements and fast-tracking welfare assistance, have helped to keep tenants in their homes.

The majority of tenancies, 81%, have not experienced any change. However, 6% of tenants have left their rental property and a further 2% have stopped paying rent.

Landlords have reduced the rent for 5% of their tenancies and deferred rental payments for a further 1.5%.

For landlords who have lowered the rent, the average reduction was 43% or \$210 per week.

For the 166 landlords who have lost rental income, the average amount lost after only one week in lockdown is \$1,059.

Regarding the personal incomes of these landlords, 41% have not been affected by the lockdown position. However, 59% have lost all or some of their regular income from jobs, contracts or business.

Of those that have had their income affected, 47% have had some loss of income, 33% have lost all their income but have received some government assistance, and 21% have lost all their income and have not received any assistance.

While a majority of respondents are financially secure for the moment, 21% will need assistance if the lock down continues for more than a month and 5% need assistance now.

Rental property providers are ordinary New Zealanders who are sharing in the loss of income like other sectors of society. Many will be part of the front-line staff serving our communities so well through this crisis.

We are all in this together. Landlords are doing what we can. As we are keen to know the ongoing effect of the Covid-19 regulations on the rental market, the NZPIF will conduct this survey weekly.

Sharon Cullwick  
NZPIF Executive Officer  
NZ Property Investors' Federation