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The Regional Rental Report

Rental affordability, given a regional earnings divide by gender, age, and industry

The Property Knowledge

Property Brokers

The Regional Rental Report

Rental affordability, regional divides, and the gender pay gap

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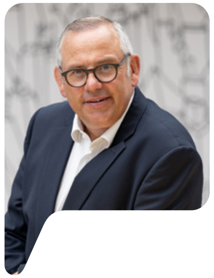
The Authors



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01

Decoding regional rental trends for management

The General Manager's View - by David Faulkner, Property Brokers

From a management perspective, this latest Regional Rental Affordability Index (RRAI) update shows a rental market that is stabilising but still demanding close attention. The national improvement in affordability is welcome, yet the real story lies in how differently regions are tracking. Some markets, like Wellington, are showing early signs of renewed rental momentum after a quieter period, while others continue to feel the weight of constrained local economies.

What stands out operationally is the interplay between rents and earnings: even where rents have softened, wage patterns - especially the pronounced gender and age-based gaps - continue to shape tenant capacity and behaviour. For property managers, this means staying attuned not just to price movements but to the broader economic conditions influencing tenant turnover, arrears risk, and letting demand. The convergence of rents across regions suggests a more competitive national market, and those managing portfolios will need to adapt quickly as affordability pressures shift and tenant expectations evolve.

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02

New Zealand's rental crunch eases, but regional divides run deep

The Property Professor's View - by Professor Graham Squires, The Property Knowledge

Rental affordability across New Zealand continues to shift in ways that reveal deeper structural dynamics in both regional labour markets and housing supply. What stands out in this latest RRAI cycle is the broad, if modest, easing in rental pressure - with the national share of income spent on rent falling from 39% to 35% over the year.

Yet beneath that headline improvement lies a familiar pattern of uneven regional experience. Regions such as Gisborne, Northland, and Hawke's Bay remain under acute affordability strain, with households still allocating more than 40% of earnings to rent, even after year-on-year reductions. At the other end of the spectrum, Southland and the West Coast continue to demonstrate the strongest affordability, reflecting both lower rents and the stabilising influence of their local labour markets.

Wellington's late 2025 rental bounce hints at a market regaining momentum after a period of softness, while the earnings data reinforce the capital's structural advantage - consistently leading across most age groups and maintaining a high value industry mix. The persistent gender and age-related earnings gaps, particularly in smaller regions, underscore that affordability is not simply a housing story but a labour market one. As these disparities compound over time, they shape who can access which regions, and ultimately, how regional housing markets evolve.

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Table 01

% of Earnings spent on rent by region

December 2024 to December 2025 [DYNAMIC Monthly Earnings per Job Total as % of Rent (Unsmoothed)]

	Dec-24	Jan-25	Feb-25	Mar-25	Apr-25	May-25	Jun-25	Jul-25	Aug-25	Sep-25	Oct-25	Nov-25	Dec-25	Dec 24 to Dec 25
Auckland	39%	43%	44%	43%	39%	42%	44%	37%	42%	41%	43%	38%	36%	-3%
Bay of Plenty	42%	49%	52%	50%	43%	49%	48%	40%	49%	45%	49%	43%	40%	-2%
Canterbury	37%	40%	43%	42%	36%	41%	41%	37%	42%	38%	42%	36%	35%	-2%
Gisborne	47%	54%	56%	52%	47%	53%	52%	41%	48%	46%	50%	47%	42%	-5%
Hawke's Bay	44%	44%	49%	49%	42%	45%	48%	39%	45%	43%	46%	41%	38%	-6%
Manawatu / Wanganui	38%	40%	43%	43%	37%	40%	42%	35%	44%	38%	41%	37%	34%	-4%
Marlborough	35%	45%	46%	41%	38%	43%	45%	36%	41%	40%	45%	40%	34%	-1%
Nelson & Bays	37%	44%	48%	47%	36%	45%	44%	36%	44%	42%	44%	40%	35%	-2%
Northland	42%	45%	47%	46%	38%	45%	45%	38%	45%	42%	47%	40%	37%	-5%
Otago	36%	39%	41%	41%	34%	52%	45%	43%	46%	38%	41%	38%	32%	-4%
Southland	30%	36%	38%	35%	32%	36%	37%	30%	40%	33%	37%	34%	28%	-2%
Taranaki	36%	42%	44%	43%	36%	43%	43%	36%	43%	38%	43%	37%	36%	0%
Waikato	37%	39%	41%	41%	35%	40%	41%	33%	41%	39%	41%	36%	33%	-4%
Wellington	38%	42%	42%	40%	34%	36%	38%	30%	36%	36%	39%	35%	32%	-6%
West Coast	31%	31%	36%	32%	31%	34%	34%	30%	37%	34%	33%	34%	28%	-3%
National	**39%**	**43%**	**45%**	**44%**	**38%**	**42%**	**44%**	**36%**	**43%**	**40%**	**43%**	**38%**	**35%**	**-4%**

Figure 01

% of Earnings spent on rent by region

December 2024 to December 2025

[DYNAMIC Monthly Earnings per Job Total as % of Rent. (Smoothed; 3 Month Rolling Average)]

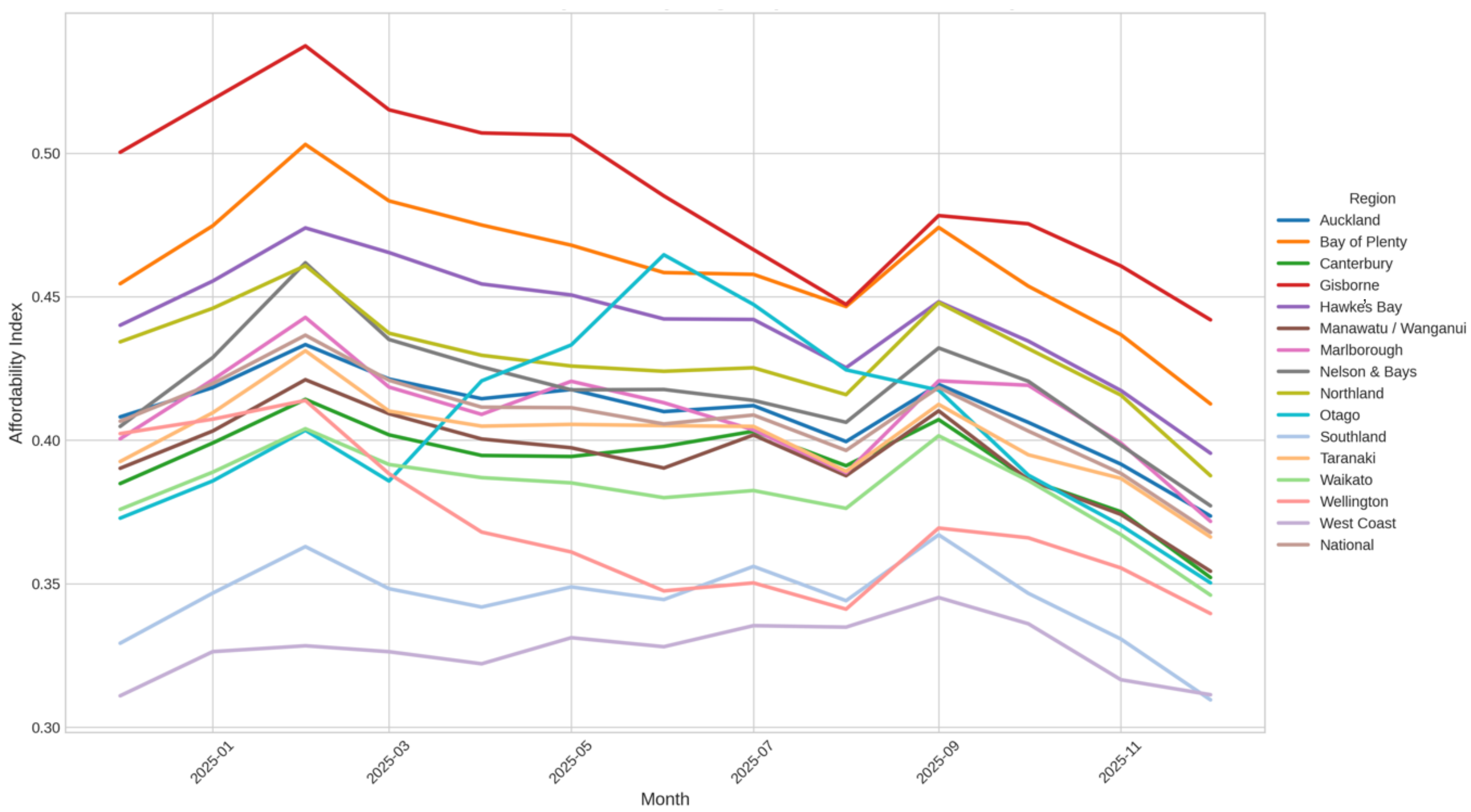

Table 1 and Figure 1 Observations

- Across New Zealand overall, the share of income going to rent edged down modestly over the year. (-4%)
- Gisborne as the least affordable region (42% in Dec 2025; reducing by 5% over the year)
- West Coast and Southland as most affordable regions (28% in Dec 2025; reducing by 3% over the year)

Part B

Figure
02

Demonstrating the underlying rental affordability changes in rents and earnings

Weekly Rent by Region, December 2024 to December 2025 [DYNAMIC Weekly Rent (Unsmoothed)]

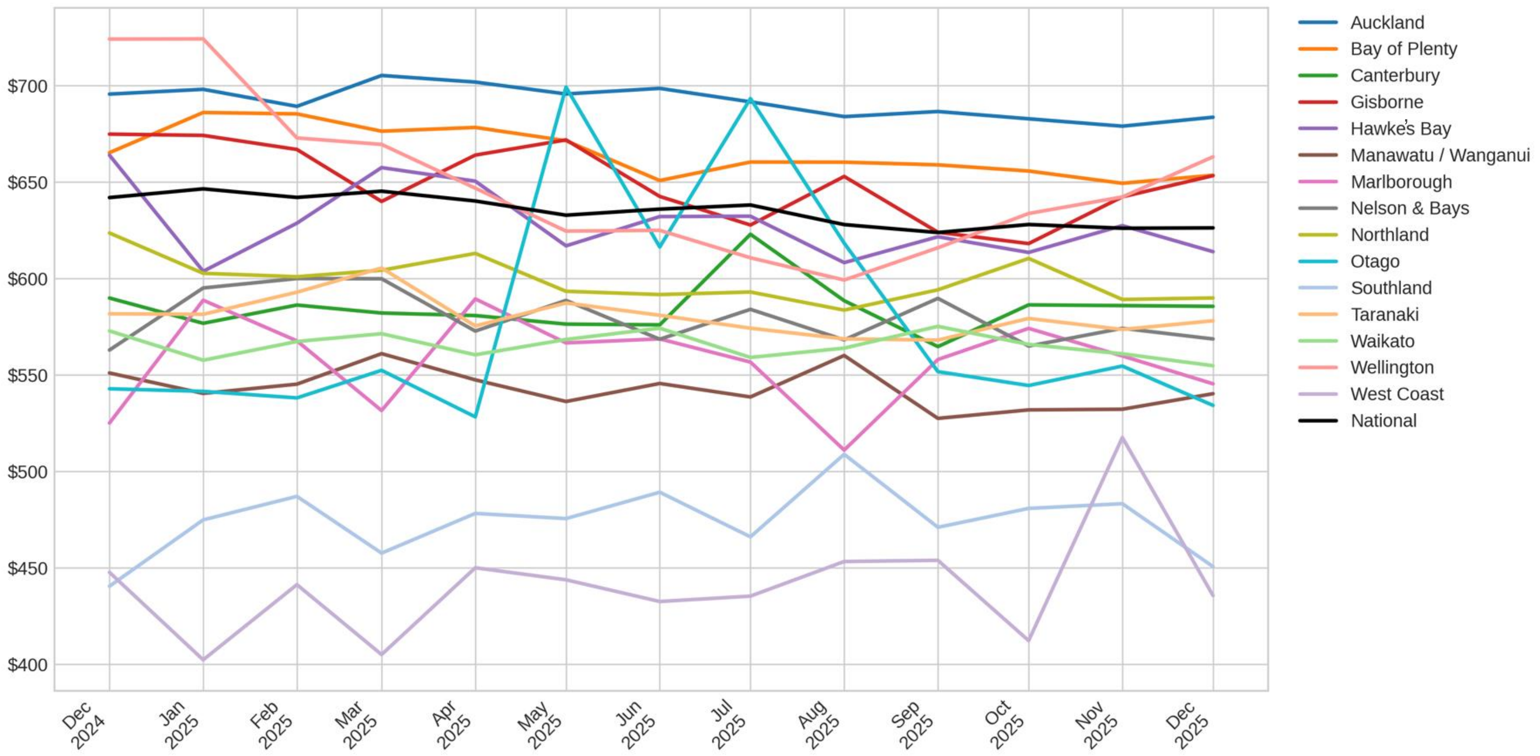

Figure 2 Observations

- Wellington beginning to bounce back in rents late 2025
- Otago seeing spikes in Winter period
- General convergence of rents in the regions rather than divergence, as move from Dec 2024 to Dec 2025

Figure 03

Monthly earnings by region

December 2024 to December 2025 [DYNAMIC Monthly Earnings per Job - Total (Smoothed; 3 Month Rolling Average)]

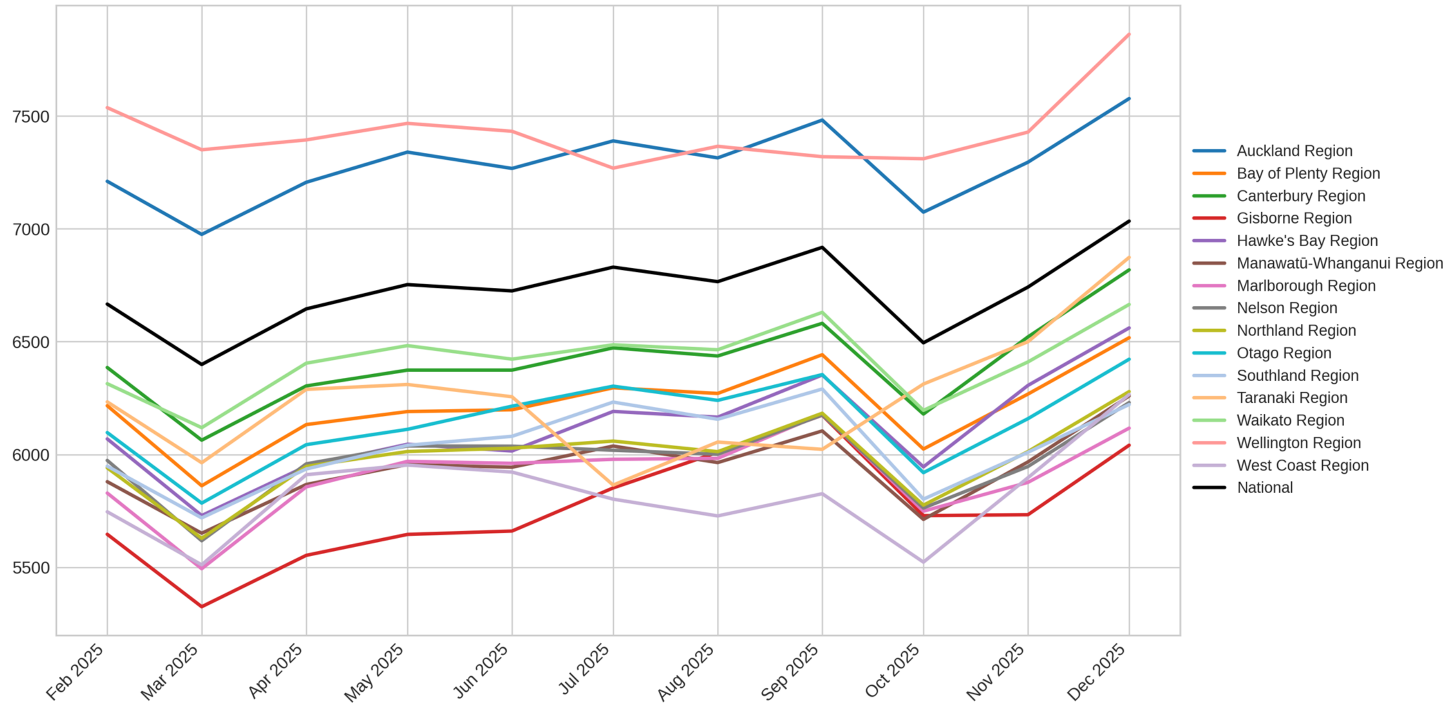

Figure 3 Observations

- High earning regions maintained their lead well above the national average, reinforcing some rental affordability advantages
- September 2025 fall in earnings; possibly due to:
  1. Seasonal slowdown in industries with variable hours
  2. September sits in a late winter / early spring lull, when several industries temporarily reduce hours worked:
  3. Construction slows before the spring build up
  4. Agriculture is between peak seasonal cycles
  5. Tourism & hospitality are in the post winter trough

Figure 04

Understanding and explaining the earnings trends by gender, age and industry

[STATIC Monthly Earnings per Job by GENDER; with % Gender Gap Male to Female]

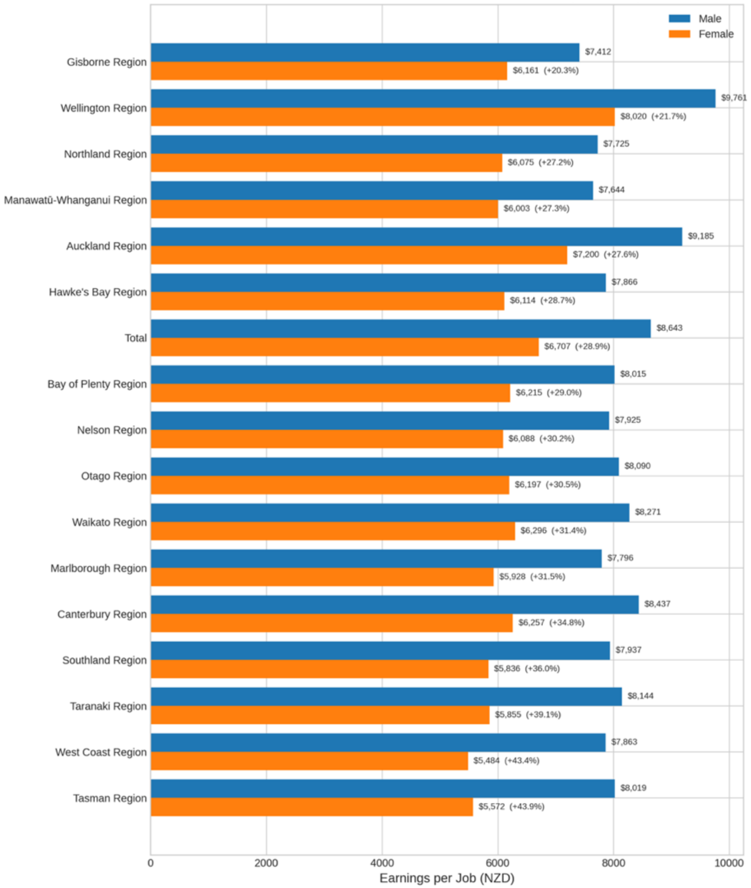

Figure 4 Observations

- The gender earnings gap is universal and substantial across every region
    - In every region shown, males earn significantly more than females
- The largest gaps appear in smaller or lower population regions
    - Regions such as West Coast (–43.4%), Tasman (–41.6%), and Taranaki (–39.1%) show the most extreme differences
    - This suggests that in smaller labour markets - where job types are more unevenly distributed between genders - women are concentrated in lower paid roles, amplifying the earnings divide compared with larger centres like Wellington or Auckland

Figure 05

New Zealand regional earnings by age group

as of December 2025 [STATIC Monthly Earnings per Job by Age Group]

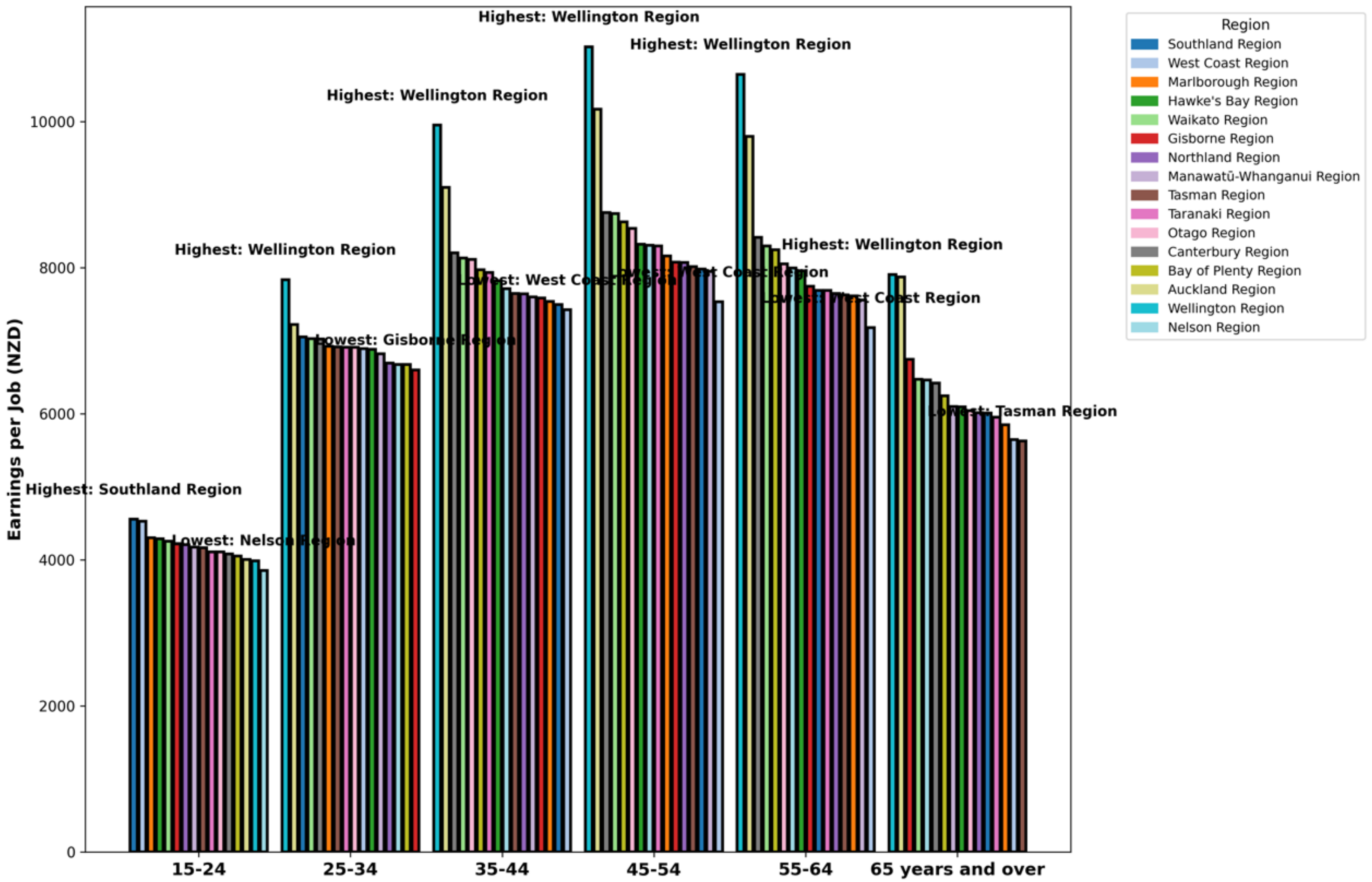

Figure 5 Observations

- Wellington dominates earnings across almost every age group
  - Wellington consistently sits at or near the top of the earnings scale from ages 25–34 right through to 65+
- Lower earning regions cluster at the bottom, especially for older workers
  - Regions such as West Coast, Tasman, and Gisborne repeatedly appear at the lowest end of the earnings distribution, particularly from age 35 onward
  - This pattern suggests structural differences in industry mix and job types, meaning workers in these regions face persistent income disadvantages that widen with age. Although noting some regions such as Tasman will be higher proportion of retirees

Figure
06

New Zealand regional earnings by industry category

December 2025 [STATIC Monthly Earnings per Job by Industry Category]

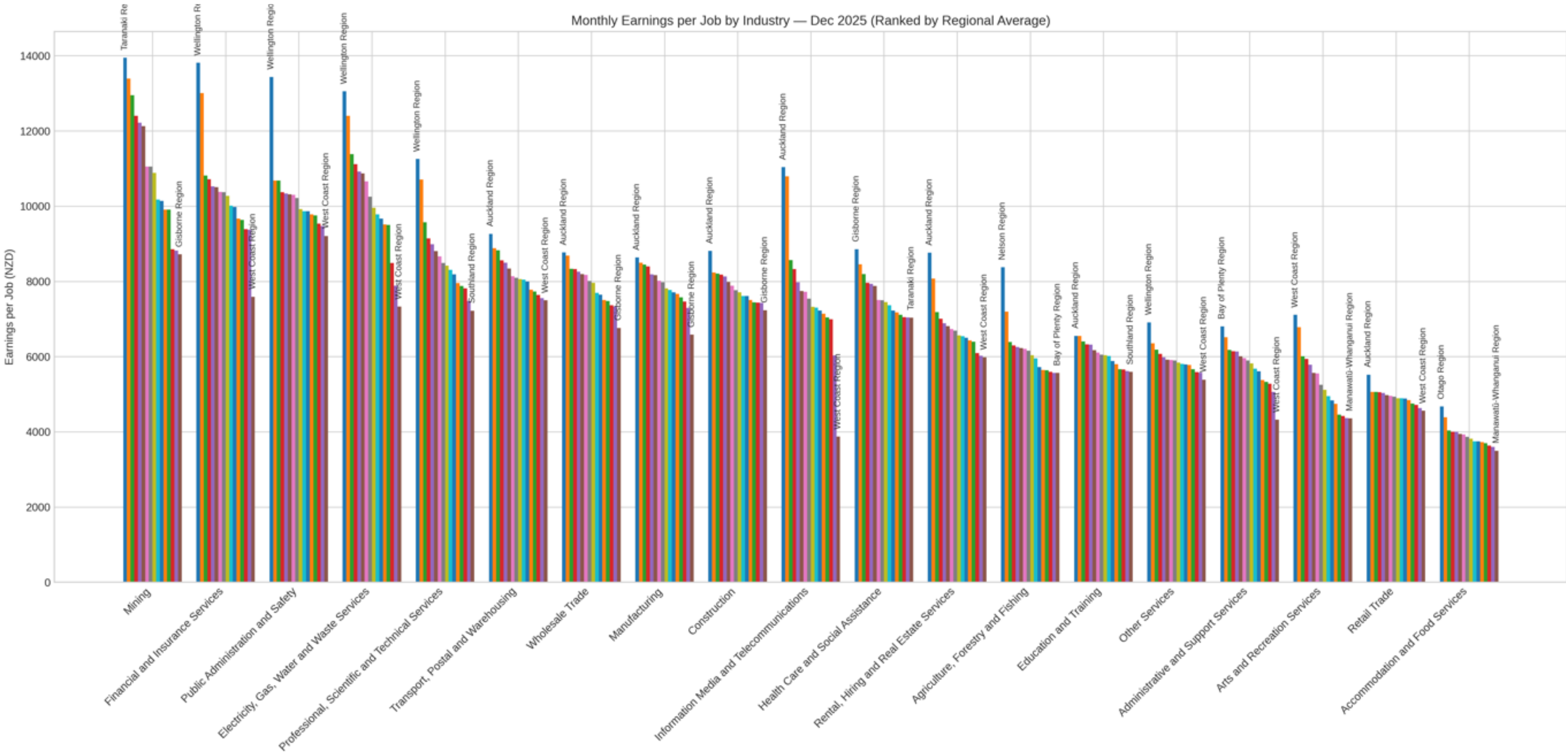

Figure 6 Observations

- High earning industries show strong regional clustering
  - Sectors such as Mining, Financial & Insurance Services, and Electricity, Gas, Water & Waste Services are consistently led by regions like Taranaki, Wellington, and Auckland, highlighting how specialised regional economies drive higher value job earnings
- Lower earning service industries remain uniformly compressed across regions
  - Industries such as Retail Trade and Accommodation & Food Services show minimal regional variation, with all regions sitting at the lower end of the earnings spectrum - reinforcing the structural wage constraints in consumer facing service sectors nationwide

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