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What has actually happened to rental affordability

Easing pressures, persistent regional gaps: current trends and government comparisons, May 2019 - June 2026



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Understanding the real drivers of rental affordability



David Faulkner
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> Long-term rental affordability depends on an adequate supply of quality housing - and understanding the forces that shape that supply is critical.

Housing and rental affordability is one of New Zealand's most debated issues. Our latest report takes a closer look at the forces shaping the rental market.

Few topics generate as much discussion, debate and political attention as housing and rental affordability. Having spent more than two decades in the property management industry, first as a Property Manager and now leading one of New Zealand's largest property management businesses, I have seen firsthand how government policy, economic conditions and market forces can interact to shape the rental sector.

Professor Graham Squires' latest report is, in my view, one of his most thought-provoking analyses to date. It explores the complex relationship between housing policy, rental affordability, wage growth and investment behaviour, while highlighting just how difficult it can be to isolate the impact of any one factor on rental prices.

The period following COVID-19 provides a useful example of that complexity. Historically low interest rates, access to credit, rapidly changing house prices, migration, housing supply and subsequent policy changes all formed part of a shifting environment for renters and property owners.

Rather than attributing market outcomes to any one policy or influence, the report examines how these different settings have interacted with wider economic and market conditions, and why outcomes can vary significantly between regions and over time.

Importantly, this report also examines rental affordability through the lens of household income. The figures highlight differing rates of earnings growth over time and remind us that affordability is influenced not only by what tenants pay in rent, but also by what they earn.

Understanding both sides of that equation is critical when assessing the true state of the rental market.

While opinions may differ on the effectiveness of various approaches to housing, one conclusion remains difficult to dispute: long-term rental affordability depends on an adequate supply of quality housing. Encouraging investment, supporting sustainable ownership and ensuring sufficient housing supply are all important components of a healthy rental market.

Professor Squires' work does not seek to provide simple answers to complex questions. Instead, it offers insights that encourage informed discussion about the future of housing in New Zealand. Whether you are an investor, tenant, policymaker or industry professional, I trust you will find this report both informative and thought-provoking.

What six years of affordability data reveal



Professor Graham Squires
Director - The Property Knowledge

> Rental affordability reflects the interaction of rents, earnings and wider market conditions – and those dynamics can look very different from one region to another.

On the surface, the latest rental affordability numbers offer some welcome relief. Dig a little deeper, however, and the picture becomes far more interesting.

Most regions recorded an improvement over the past year, as earnings increased and national rents remained relatively flat. But the longer view, from May 2019 to June 2026, reveals just how uneven New Zealand's rental affordability story has been.

Some regions have experienced sustained affordability pressure, while others have improved or remained comparatively stable. Even neighbouring markets can move in markedly different directions.

That matters because rental affordability is never driven by one thing alone. Government policy is part of the picture, but so too are interest rates, migration, earnings, housing construction, investor activity, local supply and demand, and wider economic conditions. Pulling apart the influence of each is difficult, and the mix can look very different depending on where you are in New Zealand.

Wellington is a particularly interesting example.

Its rent-to-income measure rose from 39% in May 2019 to 42% in November 2023, then fell sharply to 35% by June 2026. Over that latter period, weekly rents fell from $712 to $628, while monthly earnings per job increased from $7,389 to $7,834.

That combination is important. Looking at rents alone doesn't fully explain what has happened to affordability, just as looking at earnings alone doesn't tell the whole story. It is the relationship between the two – alongside the wider conditions influencing housing supply and demand- that gives us the more meaningful picture.

And that may be the most important lesson from six years of regional data: national headlines can tell us which way the wind is blowing, but they don't necessarily tell us what households are experiencing on the ground.



PART ONE

The current rental affordability monthly and annual changes

A snapshot of current rental trends across New Zealand's regions.

The current rental affordability monthly and annual changes

TABLE 1: THE REGIONAL RENTAL AFFORDABILITY INDEX NZ

Region	Jun-25	Jul-25	Aug-25	Sep-25	Oct-25	Nov-25	Dec-25	Jan-26	Feb-26	Mar-26	Apr-26	May-26	Jun-26	Year-on-year Change
Gisborne	52%	41%	48%	46%	50%	47%	42%	52%	51%	46%	45%	50%	45%	**-7%**
Hawke's Bay	48%	39%	45%	43%	46%	41%	38%	45%	47%	41%	41%	43%	43%	**-5%**
Marlborough	45%	36%	41%	40%	45%	40%	34%	43%	44%	39%	39%	42%	40%	**-5%**
Taranaki	43%	36%	43%	38%	43%	37%	36%	41%	43%	36%	37%	40%	39%	**-4%**
National	44%	36%	43%	40%	43%	38%	35%	43%	42%	39%	38%	41%	40%	**-4%**
Auckland	44%	37%	42%	41%	43%	38%	36%	43%	42%	39%	38%	42%	41%	**-3%**
Manawatu / Whanganui	42%	35%	44%	38%	41%	37%	34%	42%	40%	38%	36%	40%	39%	**-3%**
Nelson & Bays	44%	36%	44%	42%	44%	40%	35%	45%	47%	41%	43%	44%	41%	**-3%**
Waikato	41%	33%	41%	39%	41%	36%	33%	40%	40%	37%	37%	40%	38%	**-3%**
Wellington	38%	30%	36%	36%	39%	35%	32%	40%	38%	35%	33%	36%	35%	**-3%**
Bay of Plenty	48%	40%	49%	45%	49%	43%	40%	49%	49%	45%	42%	47%	46%	**-2%**
Canterbury	41%	37%	42%	38%	42%	36%	35%	41%	41%	38%	37%	41%	39%	**-2%**
Northland	45%	38%	45%	42%	47%	40%	37%	45%	46%	40%	42%	46%	43%	**-2%**
Otago	45%	43%	46%	38%	41%	38%	32%	38%	39%	37%	36%	41%	43%	**-2%**
Southland	37%	30%	40%	33%	37%	34%	28%	37%	38%	33%	34%	37%	36%	**-1%**
West Coast	34%	30%	37%	34%	33%	34%	28%	33%	37%	31%	31%	36%	34%	**0%**

OBSERVATIONS & INFERENCES

- Affordability improved modestly across most regions, with all but West Coast showing Year-on-year declines in rent to income pressure. The largest improvements occurred in Gisborne (7%) and Hawke's Bay/Marlborough (5%).
- National affordability improved by 4 percentage points, driven by softening rents and rising earnings, but regional volatility remains - Auckland and Wellington still sit near the national average despite slight Year-on-year easing.



BROAD IMPROVEMENT

All regions but the West Coast saw affordability gains year-on-year.



REGIONS LEAD THE TURNAROUND

Gisborne, Hawke's Bay/Marlborough are down 7 % and 5 % respectively.



BIG CITIES LAG

Auckland, Wellington are still near the national average despite easing.

Weekly Rents across all New Zealand Regions

TABLE 2: RENTS ALL REGIONS JUNE 2025 TO JUNE 2026

Region	Jun-25	Jul-25	Aug-25	Sep-25	Oct-25	Nov-25	Dec-25	Jan-26	Feb-26	Mar-26	Apr-26	May-26	Jun-26	Year on Year Change
Gisborne	$642	$628	$653	$624	$618	$642	$653	$649	$646	$638	$628	$644	$615	**-$27**
Taranaki	$581	$574	$569	$568	$579	$573	$578	$563	$586	$576	$572	$564	$561	**-$20**
Hawke's Bay	$632	$632	$608	$622	$613	$627	$614	$610	$629	$604	$628	$610	$620	**-$12**
Auckland	$698	$691	$684	$686	$683	$679	$683	$686	$682	$689	$690	$694	$691	**-$8**
Waikato	$574	$559	$564	$575	$566	$561	$555	$556	$551	$575	$583	$579	$572	**-$2**
National	$636	$638	$628	$624	$628	$626	$626	$634	$629	$632	$631	$630	$635	**-$1**
Wellington	$625	$611	$599	$616	$634	$642	$663	$659	$625	$627	$620	$617	$628	**$3**
Manawatu / Whanganui	$546	$539	$560	$527	$532	$532	$540	$555	$544	$547	$540	$543	$551	**$6**
Marlborough	$569	$557	$511	$558	$574	$560	$545	$550	$558	$563	$566	$547	$575	**$7**
Otago	$616	$693	$618	$552	$544	$555	$534	$519	$531	$569	$547	$569	$626	**$9**
Bay of Plenty	$651	$660	$660	$659	$656	$649	$653	$675	$669	$668	$656	$656	$663	**$12**
Canterbury	$576	$623	$588	$565	$586	$586	$585	$584	$586	$586	$587	$587	$590	**$14**
Southland	$489	$466	$509	$471	$481	$483	$451	$484	$505	$497	$504	$495	$504	**$15**
Northland	$592	$593	$584	$594	$610	$589	$590	$585	$610	$596	$617	$615	$608	**$17**
Nelson & Bays	$568	$584	$568	$590	$565	$574	$569	$590	$610	$585	$617	$576	$593	**$25**
West Coast	$433	$435	$453	$454	$412	$518	$436	$419	$467	$433	$456	$463	$459	**$27**

OBSERVATIONS & INFERENCES

- Rents flattened nationally, with most regions showing small declines or single digit increases. Gisborne, Taranaki, and Hawke's Bay recorded the largest rent drops, signalling easing demand or increased supply.
- Growth was concentrated in lower cost regions, with West Coast (+$27), Nelson (+$25), and Northland (+$17) seeing the strongest year-on-year rent rises, suggesting catch up effects or tightening vacancy rates.



LARGEST RENT DROP

Gisborne rents fell from $642 to $615 (-$27).



HIGHEST RENT GROWTH

West Coast showed an increase of $27 per week year-on-year.



NATIONAL FLATTENING OF RENTS

This may signal demand for rentals is easing or an increase in supply.

Monthly earnings per job – all New Zealand regions

TABLE 3: MONTHLY EARNINGS PER JOB - BY REGION JUNE 2025 TO JUNE 2026

Region	Jun-25	Jul-25	Aug-25	Sep-25	Oct-25	Nov-25	Dec-25	Jan-26	Feb-26	Mar-26	Apr-26	May-26	Jun-26	Year-on-year Change
Otago	5991	6959	5767	6334	5748	6395	7124	5906	5914	6708	6617	6012	6264	**273**
Waikato	6138	7263	5980	6444	5990	6718	7278	6075	6040	6748	6811	6203	6439	**301**
Southland	5781	6636	5551	6169	5583	6230	6899	5643	5687	6513	6396	5868	6103	**321**
West Coast	5454	6371	5359	5749	5462	6613	6656	5540	5507	6065	6462	5619	5849	**395**
Bay of Plenty	5838	7111	5863	6353	5857	6594	7102	5941	5971	6447	6765	6010	6252	**414**
Taranaki	5856	6957	5771	6428	5870	6639	6991	5920	5920	6919	6749	6037	6296	**440**
Auckland	6823	8139	6981	7326	6915	7645	8172	6968	7051	7653	7801	7206	7303	**480**
Manawatū-Whanganui	5598	6746	5549	6019	5570	6313	6816	5690	5852	6253	6448	5807	6080	**481**
Northland	5697	6837	5620	6102	5605	6350	6847	5688	5705	6463	6436	5801	6180	**483**
National	6328	7603	6367	6784	6334	7108	7661	6417	6442	7066	7212	6591	6811	**484**
Canterbury	6013	7242	6046	6456	6036	7072	7347	6143	6143	6672	6919	6259	6498	**485**
Hawke's Bay	5691	6987	5819	6251	5766	6602	7015	5830	5808	6446	6676	6138	6220	**529**
Gisborne	5370	6710	5949	5864	5375	5961	6788	5397	5479	6052	6112	5569	5923	**553**
Nelson	5574	6973	5636	6097	5556	6188	6994	5663	5603	6237	6281	5689	6235	**661**
Marlborough	5501	6746	5464	5996	5484	6055	6892	5523	5503	6274	6358	5585	6205	**704**
Wellington	7060	8747	7116	7494	7089	7848	8850	7229	7127	7788	8025	7431	7834	**774**

OBSERVATIONS & INFERENCES

- Earnings increased across all regions, with Wellington (+$774), Marlborough (+$704), and Nelson (+$661) showing the strongest annual gains - lifting affordability despite rent pressures.
- National earnings rose by $484 year-on-year, reflecting broad labour market strength, though volatility remains due to seasonal job counts and multi job holders.



WELLINGTON LEADS EARNINGS GROWTH

Wellington posted the strongest earnings growth of any region, up $774 year-on -year to $7,834.



NATIONAL EARNINGS UP

$484 year-on-year - broad increases across the board.



GAINS ARE WIDESPREAD

All regions posted earnings growth, easing affordability pressure nationwide.



PART TWO

Rental affordability 2019-2026

Regional evidence from New Zealand examining changes in rental affordability, rents and earnings between May 2019 and June 2026.

Rental affordability

TABLE 4: REGIONAL RENTAL AFFORDABILITY: MAY 2019 - JUNE 2026

% EARNINGS ON RENT

Region	May-19	Nov-23	Change	Nov-23	Jun-26	Change	Change whole Period
Auckland	46%	41%	-5%	41%	41%	0%	**-5%**
Wellington	39%	42%	3%	42%	35%	-7%	**-4%**
National	43%	41%	-2%	41%	40%	-1%	**-3%**
Waikato	37%	37%	0%	37%	38%	1%	**1%**
Marlborough	38%	37%	-1%	37%	40%	3%	**2%**
Nelson & Bays	39%	42%	3%	42%	41%	-1%	**2%**
Bay of Plenty	43%	45%	2%	45%	46%	1%	**3%**
Northland	40%	41%	1%	41%	43%	2%	**3%**
Taranaki	36%	36%	0%	36%	39%	3%	**3%**
Canterbury	35%	37%	2%	37%	39%	2%	**4%**
Manawatu / Whanganui	34%	41%	7%	41%	39%	-2%	**5%**
Hawke's Bay	37%	45%	8%	45%	43%	-2%	**6%**
West Coast	28%	27%	-1%	27%	34%	7%	**6%**
Southland	30%	34%	4%	34%	36%	2%	**6%**
Otago	35%	38%	3%	38%	43%	5%	**8%**
Gisborne	37%	45%	8%	45%	45%	0%	**8%**

OBSERVATIONS & INFERENCES

- Between May 2019 and November 2023, rental affordability moved in different directions across the country. Hawke's Bay and Gisborne recorded the largest increases in rent-to-income pressure, rising eight percentage points, while Auckland improved by five percentage points and the national measure improved by two.
- Between November 2023 and June 2026, regional variation continued. Wellington recorded the largest improvement, falling seven percentage points, while Hawke's Bay and Manawatū-Whanganui improved by two percentage points each.
- Over the same period, affordability pressures increased in several regions. The West Coast moved from 27% to 34% – an increase of seven percentage points – while Otago increased five percentage points. Nationally, the measure moved from 41% to 40%.
- Across the full period, the results highlight substantial regional variation and reinforce why changes in rental affordability should be considered alongside movements in rents, earnings and local market conditions.



WELLINGTON AFFORDABILITY

Wellington's rent-to-income measure rose to 42% by November 2023 before falling to 35% by June 2026.



REGIONAL DIFFERENCES REMAIN

Affordability has moved in different directions across New Zealand, reinforcing the importance of looking beyond national averages.



A MIXED LONG-TERM PICTURE

Between 2019 and 2026, some regions experienced sustained affordability pressure while others improved, highlighting significant differences between local rental markets.

Regional rent movements 2019–2026

TABLE 5: REGIONAL WEEKLY RENTS: MAY 2019 – JUNE 2026

Region	May-19	Nov-23	Change	Nov-23	Jun-26	Change	Change whole Period
Auckland	$626	$701	$75	$701	$691	-$10	**$64**
Wellington	$556	$712	$156	$712	$628	-$84	**$72**
National	$542	$630	$88	$630	$635	$5	**$93**
Marlborough	$423	$513	$90	$513	$575	$62	**$153**
West Coast	$305	$381	$76	$381	$459	$78	**$154**
Nelson & Bays	$437	$583	$146	$583	$593	$10	**$156**
Waikato	$414	$545	$131	$545	$572	$27	**$158**
Taranaki	$399	$528	$129	$528	$561	$32	**$162**
Northland	$434	$589	$155	$589	$608	$19	**$174**
Bay of Plenty	$488	$659	$171	$659	$663	$3	**$175**
Manawatu / Whanganui	$369	$553	$184	$553	$551	-$2	**$182**
Canterbury	$408	$561	$153	$561	$590	$30	**$182**
Southland	$315	$449	$134	$449	$504	$55	**$189**
Hawke's Bay	$415	$621	$206	$621	$620	-$1	**$205**
Otago	$399	$524	$125	$524	$626	$101	**$227**
Gisborne	$387	$587	$200	$587	$615	$29	**$228**

OBSERVATIONS & INFERENCES

- Between May 2019 and November 2023, weekly rents increased substantially across most regions, although the scale of growth varied considerably around the country.
- Between November 2023 and June 2026, rent movements became more mixed. Wellington recorded an $84 weekly reduction and Auckland fell $10, while Otago increased $101 and Southland increased $55.
- These contrasting movements reinforce the importance of regional supply, demand and wider economic conditions when interpreting changes in rental prices.



WELLINGTON'S PARTIAL RENT CORRECTION

Wellington rents fell from $712 to $628 (-$84) between November 2023 and June 2026 but remain $72 above their May 2019 starting point.



RECENT RENT MOVEMENTS VARY BY REGION

Between November 2023 and June 2026, rents eased in Wellington and Auckland while continuing to rise in several other regions, including Otago and Southland.



LONG-TERM RENT GROWTH REMAINS SIGNIFICANT

Across the full May 2019 to June 2026 period, weekly rents remain above their 2019 levels in every region analysed.

Regional earnings movements 2019-2026

TABLE 6: MONTHLY EARNINGS PER JOB: MAY 2019 – JUNE 2026

Region	May-19	Nov-23	Change	Nov-23	Jun-26	Change	Change Whole Period
West Coast	4674	6193	1519	6193	5849	-344	**1175**
Bay of Plenty	4880	6284	1404	6284	6252	-32	**1372**
Gisborne	4550	5677	1127	5677	5923	246	**1373**
Otago	4877	5937	1059	5937	6264	327	**1386**
Auckland	5911	7365	1454	7365	7303	-62	**1392**
National	5410	6738	1328	6738	6811	74	**1401**
Manawatū-Whanganui	4671	5910	1239	5910	6080	170	**1409**
Nelson	4824	6031	1206	6031	6235	204	**1410**
Hawke's Bay	4807	6000	1193	6000	6220	219	**1413**
Taranaki	4860	6396	1535	6396	6296	-99	**1436**
Marlborough	4767	5933	1167	5933	6205	271	**1438**
Canterbury	5057	6522	1465	6522	6498	-24	**1441**
Southland	4620	5683	1063	5683	6103	420	**1482**
Northland	4693	6211	1518	6211	6180	-31	**1487**
Waikato	4909	6320	1410	6320	6439	119	**1529**
Wellington	6204	7389	1185	7389	7834	445	**1630**

OBSERVATIONS & INFERENCES

- Monthly earnings per job increased substantially across all regions when comparing May 2019 with June 2026.
- Between May 2019 and November 2023, most regions recorded increases of approximately $1,100–$1,500 in monthly earnings per job.
- Between November 2023 and June 2026, the picture became more mixed. Wellington (+$445), Southland (+$420) and Otago (+$327) recorded some of the strongest increases, while several regions recorded modest declines.
- Changes in earnings are an important part of the affordability equation and should be considered alongside movements in rents when assessing regional rental pressure.



WELLINGTON LEADS LONG-TERM EARNINGS GROWTH

Wellington recorded the largest increase in monthly earnings per job across the full period, rising from $6,204 in May 2019 to $7,834 in June 2026 - an increase of $1,630.



STRONG EARNINGS GROWTH BETWEEN 2019 AND 2023:

Most regions recorded increases in monthly earnings per job between May 2019 and November 2023, although growth varied across the country.



A MIXED REGIONAL PICTURE SINCE 2023

Between November 2023 and June 2026, earnings increased in some regions and declined in others, further highlighting the importance of regional economic conditions.

Further Notes & References

- The employment earnings data is a count of jobs not people – a person can have more than one job, as such each job is counted (it's the average count of jobs over the month period).
- Please note that areas are based on the employee address rather than the employer (as per the employees IRD records).
- In October 2023 there was an increase in filled jobs due to the election. New Zealand election increases filled jobs for October.
- Rental bond data: Recent MBIE Tenancy Services rental bond data is subject to a data-quality caution following the transition to a new tenancy management system. Some recent data may not be directly comparable with earlier periods while data normalisation continues, so interpret findings with this limitation in mind.

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