



AI ENTERS THE RENTAL CONVERSATION

Artificial intelligence (AI) is reshaping how some people communicate. Residential property managers are increasingly seeing tenants use these tools in their interactions. Tenants are benefiting from the knowledge available through AI tools, but there is also the risk that inaccurate advice from these same tools can lead to routine issues becoming unnecessarily escalated and contentious.

This topic first emerged through the quarterly sentiment survey we run across our network. We tested the themes through a targeted survey and interviews with Bayleys property managers across New Zealand, who collectively manage around 13,000 rental homes.

AI tools can help tenants organise their thoughts, find information and engage more confidently on tenancy matters. This can be positive for communication and access to information. The challenge is that AI tools are not always accurate. While they can produce well-written and convincing responses, the advice may not

fully reflect the facts of the tenancy, the relevant legal context, or the practical realities of a situation.

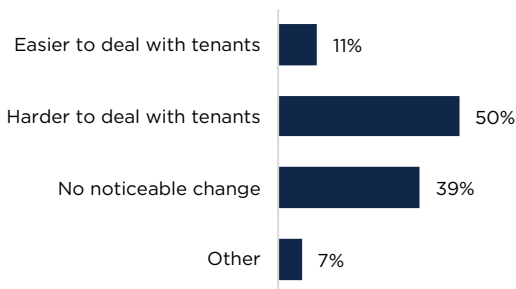
For the sector, the bigger implication is that tenancy communication may become more detailed and more formal, which can require greater care from everyone involved. Clear records, sound processes, and a practical understanding of the Residential Tenancies Act 1986 become even more important when information can be produced quickly but may not always be correct.

This issue is particularly relevant for private landlords. Professional property managers deal with tenancy legislation, documentation, and dispute processes every day. Private landlords often have less familiarity and support when dealing with tenancy issues, which could make it harder to assess whether AI-generated claims or advice are accurate.

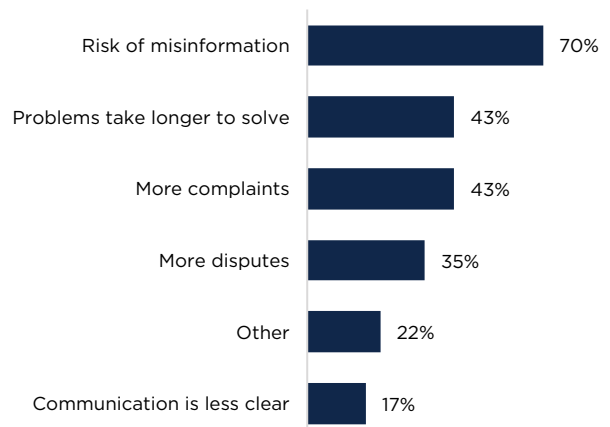
As AI becomes more embedded in everyday communication, the value of experience and good judgement is likely to rise.

What our property managers are saying

How is AI impacting your interactions with tenants?



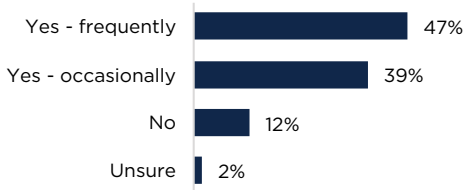
What challenges are arising?



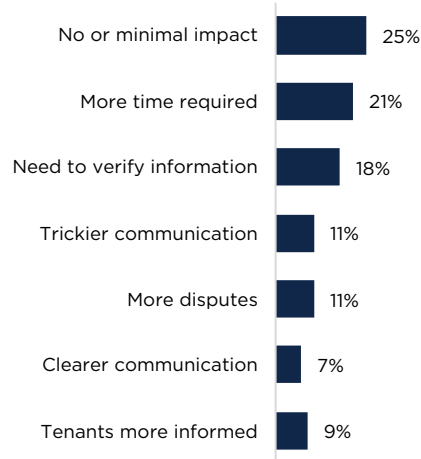
Results are based on a survey of Bayleys residential property managers located across New Zealand during March 2026. N=57. Totals may exceed 100% where multiple responses are allowed.

What our property managers are saying

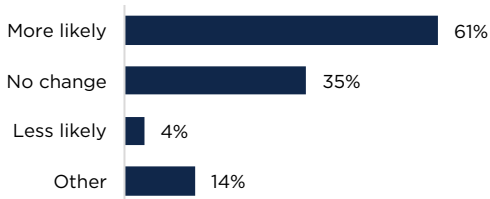
Have you noticed tenants using AI tools when dealing with you?



How is this impacting how you deal with tenants?



Do you think AI tools change the likelihood of routine problems becoming disputes?



Examples of AI-generated misinformation observed at coal face

Routine inspections prompting questions about rights of entry

Rent discussions including inappropriate legal or procedural references

Routine maintenance requests being immediately escalated as Notices to Fix

Minor issues being escalated more quickly than in the past

Confident wording sometimes masking gaps in context

What our experts are saying

“The risk is that routine matters may be escalated unnecessarily when AI-generated advice is inaccurate or taken out of context. The impact is the advice from these tools cannot necessarily be taken at face value without cross-checking.”



Chris Farhi
Head of Insights, Data & Consulting
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“Tenant selection will continue to be critical. Good tenants tend to work constructively with property managers to resolve issues. The risk is challenging tenants could become more difficult to work with if they are also being exposed to misinformation.”



Samantha Lee
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“Good property management requires more than just knowing the rules. It takes calm judgement, strong processes and documentation, and the expertise to work through issues without losing sight of the facts.”



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