

NELSON PROPERTY INVESTORS ASSOCIATION
OCTOBER 2019 NEWSLETTER
PO Box 198 Nelson
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Our seventh and last meeting of the year is on Tuesday 22nd October 7:30 pm.

Andrew King Executive Officer of the New Zealand Property Investors Federation is coming to speak. Andrew is concluding his term in this position so this might in fact be the last time we get to hear him locally. Andrew has skilfully sailed our industry through many storms thrown at us by successive governments and court rulings. Nelson is his home town so he understands where we are coming from. The national NZPIF conference in Rotorua is being held over the weekend before this meeting so it will be a good chance to hear what went on there and what other investors around the country are up to. Our regular pre meeting meal at 6pm is still on. Email me to book your table. Just getting the vibes from fellow landlords and finding out how they are dealing with today's market is what we are on about. Of course if your mouth is full of food you have no option but to stop and listen to what others are saying!

MBIE RENTING AND YOU SEMINAR
NELSON 1 OCTOBER

Well the seminar happened and what a turn out. 200 were in attendance at the Rutherford Hotel. The officials acknowledged the part Nelson PIA had in promoting the event. I think everyone got what they were expecting. I was disappointed the officials put up a slide claiming that 13% of owner occupiers compared with 32% of tenants can see their breath inside their homes. Bearing in mind that on 2018 census night there were 604100 rentals in New Zealand this means they are claiming that 193312 rentals had inside temperatures of less than 8 Degrees and 143104 owner occupied homes had the same.

I have searched the net to try and figure out who came up with these figures and how they arrived at them. I found a long expensive looking study based on a telephone survey. The researchers did a small sample then scaled up the figures. I ask you. How many tenants these days even have landline telephones? My point is why keep suggesting landlords are deliberately mean uncaring citizens with low grade properties. The job of the government should be to encourage the wellbeing of its citizens not creating division, hatred, and jealousy between the so call rich and poor in society. The job of MBIE is to resolve disputes between tenants and landlords not promulgate false statistics to encourage and create arguments.

THEY COME AND THEY GO : LANDLORDS THAT IS

I do enjoy hearing and communicating with many of you. I have seen my share of happy and less than happy property investors over the years. Not that all PI's selling are unhappy. A few months ago I got an angry sounding email from an out of town member who had joined only 12 months previously. They said they were selling due to the actions of the current Government and also made some bad comments about their property manager. But then recently a number of new people have paid to join saying they have purchased properties and want to know how to go about choosing tenants, and so forth. Like do we have a bad tenant register, do we offer a free for all tenant vetting service and whatever. I see the churn of PI's and even tenants

as a good sign of a healthy society. However we all need to remind ourselves that whilst every new PI on the block brings some new ideas and energy to the market there are some basic issues that often get ignored or avoided at your peril. It is a well-known fact that those who have never made a mistake have never discovered much. In our industry making a mistake can hurt you financially and emotionally. I have covered some of this stuff in the past but it will not hurt to be reminded. Firstly when showing prospective tenants it is imperative that you get them to fill in an application form. Failure to do this may mean you get accused of discrimination on the basis of sex (50% of society are one or the other), age, employment and so on. Those applicants with the most to hide are the ones who will decline to fill in an application form. On this form you must have a statement that they are granting your permission to carry out checks of the applicant. Secondly you should carry out three basic checks. Past landlord, credit check, and Tenancy Tribunal entries. There is no point in doing a prior landlord check unless you have checked who the owner of the property of the prospects last tenancy is. You do the owner check on Terranet and or LINZ. Both of those checks are free. You can do a credit check on TINZ (now called illion Tenancy). Illion offer a good discount to financial members of Nelson PIA. Their credit checks also check the tribunal records.

All tenancies need to commence one week rent in advance and preferably four weeks bond. The bond needs to be lodged right away or else you will be in big trouble. I repeat do not try and collect the bond after the tenancy starts. Do not sign the tenancy agreement unless all the money has been paid. Failure to grant access to the property after you have signed a tenancy agreement but not collected all the money is an unlawful action so do not do it. 😊

That is enough for this newsletter. More in a later newsletter or ask by email if you need more information.

Our national president recently sent out some news updates. These are in the other file attached.

Regards
Glenn