

NELSON PROPERTY INVESTORS ASSOCIATION
JANUARY 2020 NEWSLETTER
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Our first meeting of the year is on Tuesday 18th February 7:00 pm. Continuing on from earlier successful first meetings of the year, I have arranged with Resene Paints to visit their outlet. They are located at 69 St Vincent Street. This visit was arranged way back in June last year with the then manager. I understand in the next few weeks a new manager is taking over so let's hope all is well ! I will send out a reminder closer to the meeting along with any updates. Meanwhile pop this into your diary or if you are one of those with the old paper calendars then put a ring around the date.

**2020 IS A NEW YEAR, NEW DECADE, AND COMES WITH
LOTS OF NEW THINGS WE WILL HAVE TO COPE WITH.**

I guess many of you have been like me and reading the various "experts" comments on what they forecast for the year and decade ahead. Whilst the past is never going to be the same as the future it sure provides a starting point. Economies have a habit of fluctuating and those that get hurt the worst are those whose past catches up with them. That is why we should always stop and see what has been happening. At the end of last year I did a bit of research on the internet and came up with some interesting data. Data that rarely gets commented on by the experts because perhaps they are too busy playing the fool telling people what they want to hear.

Firstly in case you had not noticed it is all go in Tasman and Nelson city is steady as it goes. Look at these figures.

Year ending	Tasman new dwelling consents	Nelson new BC's
July 19	421	320
August 19	452	375
Sep 19	468	333
Oct 19	477	320
Nov 19	501	300

So you need to take note that Tasman with little over 50,000 people is booming, and the numbers just keep growing. Compare this with other cities that the media has been raving on about how those areas are booming.

Wellington city 1277

Dunedin 437

Palmerston N 460

New Plymouth 462

I wonder when the TDC will revise their published forecast ? In 2017 they claimed by 2028 there would be 2955 new dwellings.

We all know the current Government just keeps coming up with new anti landlord laws, rules, and restrictions. Our PIA leaders have made multiple submissions on our behalf. Generally the argument is that landlords are or will sell and the current tight market will get worse. Their most recent submission was dismissed out of hand with the comment that landlords are not selling.

Well the government is right. The number of rentals is increasing every year it is not going backwards. Have a look at these numbers for the whole country. These are for the year ending June.

Year	new owner occupied dwellings	new rentals entering the market
2015	6500	14300
2016	7700	15200
2017	9100	16300
2018	9400	16700
2019	10200	17600

Compare these figures with the number of Housing New Zealand rentals. These figures for HNZ were taken from their annual report to Parliament which should be more believable than Ministerial news releases.

Year	total number of rentals	Increase for the year
15/16	64,400	
16/17	63600	-800
17/18	6400	+400
18/19	65300	+1300

So despite lots of rhetoric from those in power and the vast resources of Treasury they are not even increasing their portfolio as fast as we the private sector are doing on both a numerical basis or percentage growth.

A few Real Estate agents have mentioned to me a number of nice new homes are being sold to new investors with the promise of getting the best tenants on offer.

So what do all these figures mean for mum and pop investors?

Who knows? One thing for sure is we are on a fast moving train that is increasing in speed. It is hard to stop a train like that and generally train travel is very safe.

That is enough for now! We have some great speakers already lined up for the year. However I am always on the lookout for new blood. If you know or hear of someone doing interesting stuff in the market please send them my way.

All the best for the year. I am sure it is going to be interesting and profitable.

Regards
Glenn