

THIS MONTH'S MEETING

Wednesday 30th March 2022 at 7pm

WHANGAREI CLUB

18 Rust Avenue, Whangarei

(Opposite the Old Library)

Parking is Available on Site

Please Note: A Mask and Vaccine Passport may be required to enter the premises



WELCOME TO
PROPERTY
INVESTMENT
2022

Simon Reiher


Director of Cato Bolam

Simon is a skilled **Registered Professional Surveyor and an expert Civil Engineer**

Cato Bolam works with a large range of clients, from first time developers and investors right up to large scale development experts. Whenever contacted about a new project, one of the first questions, that is common across the spectrum, is “what can I do with the site?” For less experienced developers they are also explaining the property development process and offering guidance on where to start.

With almost 50 years of experience in land and property development, 90+ experienced and professional staff, and services across **Planning, Surveying, Civil Engineering, Architecture, Land Contamination and Ecology**, Cato Bolam are experts in maximising the lands potential and working with their clients to create great places.

7 STEPS FOR BUYING YOUR FIRST RENTAL PROPERTY

1. Determine whether an investment property is right for you.
 2. Build your support system.
 3. Choose what (and where) you want to buy.
 4. Secure financing.
 5. Learn how to calculate cash flow.
 6. Select a property to buy.
 7. Decide if you want to hire a property manager.
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The company has an estimated 106 employees, with offices in Henderson, Orewa, Manukau, Whangarei & Waiheke.

The Cato Bolam team works with:

- **Development Feasibility**
- **Resource Consents**
- **Large Urban Subdivisions**
- **Rural Subdivisions**
- **Industrial & Commercial**
- **Infill urban Subdivisions**
- **Housing Projects**
- **Project Management**

Take advantage of this opportunity to learn from Simon's vast experience. Be sure to come along prepared with questions that relate directly to your own investment journey.

NEXT MEETING

Wednesday 27th April, 2022 at 7pm

Venue to be Confirmed

Details to be Advised

Meet the Committee

President

Mike Tasker

Vice President

Gordon Lambeth

Administrator/Treasurer

Jenn Long

Events and Speaker Manager

Hedley Evans

Sponsors Manager

Vacant

Social Media and Website Manager

Julie Pepper

Meeting Host

John Bond

IT Manager

Tony Savage

Newsletter Editor

Jenn Long

NPIA Members, Business Partners and Sponsors receive our monthly Newsletters from February through to November each year. If you have an article for submission, please email us at

npiacontact@gmail.com

The Monthly Committee Meeting is held from 5:30pm, before the Monthly Members Meeting. Members are welcome to join us to discuss Association Business and other topics. Light refreshments are served.

How Do I Figure Out What Rent to Charge? A Case Study

Click the Link below to discover an exact process you can follow to figure out the right market rent.

https://www.opespartners.co.nz/property-management/rental-increases-case-study?utm_medium=email&_hsmt=206363760&_hsenc=p2ANqtz--aEwMrE27J2Qsuk3JRSnk5VXRdu9xaUAhJgFOotAIPmHzuDzl7-PlakyOyfymqdqJNVwVIMeHTkx1lyS93JnYmC-Ufdw&utm_content=206363516&utm_source=hs_email

Up and Coming Speakers During 2022

- **Inland Revenue Department** - to discuss the Recent Changes of Tax Regulations and how they impact Property Investors. Key Points that could be discussed are as follows –
 1. Bright-line extension to 10 years
 2. Changes to the bright-line main home exclusion
 3. New Tax Return Key Points
 4. Record Keeping Requirements
 5. Interest limitation
 - Application Date
 - Phasing
 - Exemptions
 - **Steve Goodey** – One of New Zealand's leading Property Investor Speakers who is committed to imparting his tremendous depth of knowledge and experience in all property investment strategies, to those seeking a safe, successful, and rewarding property journey.
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NZPIF Conference 2022

Palmerston North Conference and Function Centre

9th to 11th September 2022

Watch this Space for further Details

8 Things That Can Go Wrong When You Buy a New Build

Things don't always go smoothly when you invest in new builds.

Click the link below to find out what could go wrong.

<https://youtu.be/NLt7wuhDaKk>



HOUSING MARKET AT TURNING POINT

New Zealand's housing market has reached a clear turning point, as stretched affordability, higher mortgage rates and reduced credit availability cause growth rates to slow, or even turn negative, in many areas of the country. **CoreLogic NZ's Chief Property Economist Kelvin Davidson** said this quarter's Mapping the Market had been adjusted to focus on the three-month value change (rather than the previous, slower-moving 12-month change), to give a more current and timely view of what's been happening recently. "Our view is that a soft landing is still more likely than a major downturn, but the market will need to adjust to some economic uncertainty and higher mortgage rates. Buyers and sellers will naturally take some time to agree on where the new market normal lies, which will result in broadly flat housing prices at a national level – but falls in some areas offset by rises elsewhere."

<https://www.corelogic.co.nz/news/patchy-price-falls-starting-appear-across-new-zealand-suburbs#.Yj5Nr-dBzIU> – 24 March

NATIONAL PARTY TAX PACKAGE INCLUDES ALLOWING LANDLORDS TO DEDUCT INTEREST COSTS FROM THEIR TAXES

National leader Christopher Luxon will not say when he plans to introduce his tax package when in Government, saying only that he would implement the cuts in the package in the party's first term. Debate has swirled around the cost of National's tax plan, which would lift the tax thresholds, effectively giving every income tax payer in New Zealand a tax cut. The party costed that policy at \$1.7 billion. National also plans to repeal the 39 per cent tax bracket, and allow landlords to deduct interest costs from their taxes. The Government said the changes [stopping the ability to deduct interest costs] are to deter property speculators; owner-occupiers cannot deduct the cost of interest from their taxes which means they are at an effective disadvantage when it comes to bidding for a house as the cost of holding the property is higher for them than it would be for an investor. National warned the policy would put up rents and has been proved correct - rents have gone up since the policy came into force last year. Luxon has reaffirmed a previous National stance of reversing back those changes, but would not say how he would make sure the benefits of allowing interest deductions would be passed on to tenants and not simply pocketed by landlords. The challenge for Luxon is rents tend to be "sticky" because once they go up, they rarely go down again, unless there is enough rental supply to force competition between landlords.

<https://www.nzherald.co.nz/nz/politics/christopher-luxon-wont-say-if-tax-cuts-will-be-staggered-or-if-landlords-should-cut-rents-after-being-given-tax-cuts/IKUPY3W4QZCCPFVIKTKUXS3SU/> - 9 March

GOVERNMENT HAS UPDATED CONTROVERSIAL LENDING RULES

Commerce and Consumer Affairs Minister David Clark says the Government has updated controversial lending rules, which have been blamed for a “credit crunch” on first-home buyers in particular. “The amendments we are making are informed by the feedback I received from banks, other lenders and consumers and sit within the intent of the Act. These initial changes ensure borrower-ready Kiwis can still access credit while we continue to protect those most at risk from predatory and irresponsible lending.” But a broader investigation into the implementation of the amendments continued.

<https://www.stuff.co.nz/business/127958616/commerce-minister-announces-changes-to-controversial-lending-laws> - 11 March

<https://www.nzherald.co.nz/business/governments-controversial-home-lending-rules-minister-david-clark-announces-tweaks-less-than-four-months-after-law-change/KZVSLT33CTQIRCT6Z2PI7BFGVQ/> - 11 March

<https://www.1news.co.nz/2022/03/10/government-tweaks-controversial-lending-rules/> - 11 March

BUILD-TO-RENT SECTOR NOT GOING TO BE EXEMPT

The Government has declined a request by property investors and lawyers for “build-to-rent” (BTR) developments to be exempt from a new rule that’ll require some investors to pay more tax. However, it’s continuing to look at how it may be able to support the BTR sector. The Government, in March 2021, decided to remove the ability for interest on debt secured against residential investment property to be written off as an expense for tax purposes. But because the Government didn’t want the rule to prevent new houses from being built, it created “development” and “new build” exemptions. Property investors and lawyers, including Kiwi Property Group Limited, New Ground Capital, Property Council New Zealand, and Russell McVeagh, suggested properties specifically built to be rented out be exempt from the rules altogether. This would require BTR property being defined as its own asset class within the law, distinct from other long-term investment property. However, Parliament’s Finance and Expenditure Committee declined the request on the back of [advice from Inland Revenue](#).

<https://www.interest.co.nz/property/114768/government-declines-request-build-rent-developments-be-exempt-interest-deduction> - 11 March