

NELSON PROPERTY INVESTORS ASSOCIATION
SEPTEMBER 2022 NEWSLETTER
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Our fifth meeting of the year at the Honest Lawyer Point Road, Monaco is on Tuesday 27 September 7:30 pm. Yes, we still have the before meeting optional meal at 6 pm. Note: No bookings are required and no charge for attending. Non-members are welcome, but we do encourage all attendees to subscribe to our free newsletters. This month we are flying in Matthew Harris from Auckland the financial hub and powerhouse of New Zealand. Matthew Harris is an established New Zealand businessman, property investor and property tax advisor. Founder and Managing Director at Lighthouse Financial – a full service financial firm based in Auckland City.

Harris grew up in rural Hawkes Bay with his twin brother and solo mother. As a teenager he and his brother spent most of their time performing chores such as feeding livestock, fixing tractors, and other farm work.

Harris was working at Inland Revenue in Napier when he purchased his first home in 2010 for \$244,000. He immediately began renovating the property, adding value wherever he could. According to Harris, he didn't realise he was adding equity until a real estate agent offered him an appraisal, which valued his home at \$300,000. This was the catalyst for Harris's interest in property investing.

By the time he was 30, Harris had a portfolio of 5 properties, most of which were purchased at mortgagee sales and renovated. Following the Christchurch earthquakes, he, along with his brother and cousin proceeded to purchase 19 more properties in the area. Despite the properties being marked as earthquake damaged, Harris saw an opportunity to add value. After moving to Auckland to start Lighthouse Financial, Harris bought 6 Auckland properties, then naturally steered into property development. Completing his first successful development of 5 townhouses in Papatoetoe, a suburb in South Auckland. Harris currently has a property portfolio of 30 with another 21 under development for sale.

Harris received mentorship from friends and utilised his 9 years of experience to start Lighthouse Financial in 2014. Initially offering accounting services to business owners and property investors, the business quickly expanded to offer mortgage and wealth services. Lighthouse now looks after around 4,000 clients both nationally and internationally.

Harris regards his success as a result of the work ethic instilled in him while he was young, coupled with the idea that opportunity is always around us if we're willing to take action. He notes that most of his successful purchases were in economic downturns or uncertain times. Harris is passionate about securing Kiwi's financial future, believing financial literacy and action are the keys to financial freedom.

AM I A MONEY LAUNDERING TERRORIST?

Anti-money laundering is a new buzz word. Last month I relet a small commercial space. The commercial agents informed me that a new system and set of government sanctioned compliance was now the order of the day and I was their first client that met the requirement. I shrugged my shoulders and gave my permission. I was contacted by the firm that does these investigations and my wife and I had to submit passports, and undergo facial and voice recognition recordings. Alarm bells rang when my lawyer rang saying these pesky individuals had demanded he supply various weird

bits of information such as where I had got the money from to buy the property 20 years ago and how come the shop was in Sundial Square when the property purchased was in Croucher Street. It sure sounded bad explaining I had no input into the TDC changing the name of the street 15 years previously. The worst part of the inquisition was being informed by the lawyer he would charge me for his assistance. So I did my own investigation of the high power investigative firm. I could see it had multiple shareholders around NZ including Bedrock Capital of USA. Directors of this firm were graduates of Moscow and Rome universities. At no stage did they ask me why I had recently visited North Korea, Iran, and the Russian submarine base in Petropavlovsk. I could see the young man who did the interview had studied accounting at Canterbury and attended Shirley Boys High and did not own his own home. I sure would not want to have that firm to choose new tenants for me.

STORM DAMAGED RENTAL PROPERTIES

I was one of many landlords who had their rentals damaged by the recent storms. The local authorities and government agencies issued lots of advice from their point of view for the assistance of both landlords and tenants. The RTA details the law that covers such events. The building act and Insurance companies have a say in these events. Regretfully such events are common in New Zealand. Fires and other nasty things happen all the time. When a property is uninhabitable the rent ceases immediately but the tenancy does not necessarily end at the same time. Tenants or landlords are permitted to end the tenancy without recourse to the courts by issuing a notice of tenancy termination. Section 59 of the RTA applies. A red stickered property is not habitable, and this is cause for ending the tenancy. Most insurance policies will pay the landlord the rent that would have otherwise been payable until the repairs are complete. If a state of emergency is issued then the tenants are entitled to receive assistance. The insurance company usually demand copies of tenancy agreements to verify what was being paid. No assistance for temporary or alternative accommodation for the tenant is payable by the landlord. Cruel though it may sound it is important for the tenancy termination notice to be issued otherwise it is common for the tenant's goods to be left in the property. This can hinder the restoration of the property and the landlord is liable for the safe storage of the tenant's property.

NELSON PIA ON LINE PRESENCE

We at Nelson PIA are doing our best to increase our online presence. Sam Burling a property manager at Summit property management is in charge of this and she is starting to add some bells and whistles to things. As usual this will be a progressive thing for both ourselves and you. Already since Sam started the number of facebook visits has increased significantly. You can help us by going to the site and "following" it. That way we will be able to improve communication and involvement in our industry for the benefit of everyone. This is the link to the post about our next speaker. https://www.facebook.com/NelsonPropertyInvestorsAssociation/posts/pfbid0hfHyQmqFhBGhp525nUbe5jgXqYovYnjdfpJosuA81G8dJHD6Y3zeDYrBsjmVgwkGI?notif_id=1661997821297797¬if_t=feedback_reaction_generic&ref=notif

We pay Facebook (Meta) to send out this post to non members located in Nelson. This is our only advertising for the meetings. It is much more effective than newspaper advertising but works better (like contact more people) if more of our members are followers or post stuff / ask questions on the page.

SPEAKERS AT MEETINGS

Pete Halligan is now organising speakers in order to relieve Glenn. He has organised this upcoming speaker which I am sure you will enjoy and learn plenty from. If you have ideas for a meeting contact Pete (via our Fb page messenger).

Regards
Glenn