

NELSON PROPERTY INVESTORS ASSOCIATION OCTOBER 2023 NEWSLETTER

**PO Box 198 Nelson
NelsonPIA@xtra.co.nz**

**Property Investors Meeting Tuesday 3rd October, 6:30 Pm – 9 Pm
Bunnings Warehouse,
76 Saxton Road, Stoke**

Invitation to Nelson Property Investors to an exclusive event at Bunnings Nelson Store.

Bunnings Trade is proud to partner with NPIA and look forward to bringing you an evening of Food, Fun Activities and tips on looking after your properties. Come and meet our Suppliers for tips and tricks. We can help with all your Property needs from Paint, Kitchens, Bathrooms, Decking, Lighting, Security, Trade Innovation, Exclusive deals & so much more!

Tuesday 3rd October 6.30pm - 9pm Bunnings Warehouse 76 Saxton Road, Stoke, Nelson

Yes folks it is a few years since we last visited the Bunnings store.

It has been hard work organising this meeting so do not miss the infrequent opportunity to have the exclusive privilege of attending there. Please take note of the shorter than normal notice of this not to be missed meeting and the time to come.

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WHAT ON EARTH IS GOING ON.

My inbox and phone has seen some interesting activity recently that gives me a clue about what is going on out there in the market. The common thread seems to be showing signs of desperation and misunderstanding of what and why us property investors exist.

First call was from a long experienced real estate agent asking if our members would like to buy some empty sections in the Victory area? He wanted us to help him market his listings at our cost for his benefit. His comment was that these sections would be way cheaper than Richmond West and so would appeal to property investors. He seemed unimpressed with my comment that our members are already owners of rental properties and would normally be looking to buy cash positive properties to add to their existing portfolios. (Do you remember what Peter Lewis recommended at our last meeting.) Surprise plan change 29 in the Nelson City Council has not yet been passed so the NCC are still making things difficult to build multiple income dwellings.

A few days later the phone rang again and this time it was from an existing property investor with several rentals beside his own home in Victory. He wanted to sell a rental but also wanted to look after the interests of his long term good tenant. As he explained to me, he did not want to sell to an owner occupier because his tenants would lose their home. So he thought that one of us NPIA members would love to take on his tenant creating a win win win outcome. I pointed out to him that existing investors would be looking for a cash positive investment which would mean he could expect to receive an offer equivalent to 7% gross rate of return. With the current government tax rules with no interest tax deductibility perhaps people might even need a higher rate of return than 7%. (lower sale price). That little simple calculation would mean his wonderful investment property would be worth way less than he might have imagined. My advice was to either seek the services of a registered real estate agent to sell his property or else increase the rents up to market rate which would then avoid the need to sell. My guess is his income has recently dropped significantly and he is feeling the pinch of the economy.

The third meaningful message came in by email from one of our members. This member rightfully thought it was unreasonable to only have the National Party candidate speak and not invite a Labour candidate to speak. I had written in my newsletter that the Nelson candidate had declared to our committee that the current policy of the Labour government was to get rid of all private rental investors. Well the NPIA member who wrote to me was as sceptical as me about the truth of this statement. She contacted Damian O'Connor (her local MP) and he said that statement was not true. So that is good news to hear my life's work is not going to be destroyed and stolen from me. She helpfully supplied an email to contact Damian. I took up this invitation and wrote to him. The reply was since I was in the Nelson electorate NPIA should contact the Nelson candidate.

Voting starts on 2nd of October. Each of us only gets one vote. Make sure you do your duty. Failure to cast your vote might come back to haunt you. Chose who you think will be best for the country and its citizens be they owner occupiers, landlords, or tenants.

The meeting at Bunnings on 3rd is the last for the year. Best wishes from NPIA to you all for the festive season. Watch your inbox for next year's events.

Regards

Glenn