# **NPIA**



### **Northland Property Investors Association Newsletter**

**June 2015** 

This Month's Meeting: Wednesday 24th June 2015

Committee Meeting: 5:30pm

#### **Event Starts:**

7.00pm Mix' n Mingle

7:20pm Sponsor's Promotions

7.30pm Guest Speaker Presentation

#### Where:

Northland Cricket Training Room, Okara Drive, Whangarei, North End of Spire Pavilion Car Park.



## **NEWS FLASH!**

MEMBERS NOW NEED TO BRING THEIR CURRENT NPIA MEMBERSHIP CARDS TO INSERT IN THE PLASTIC NAME TAG HOLDERS!

**NOTE:** Monthly meetings are open to NPIA Members AND invited guests (2 free visits per guest sponsored by any NPIA member).

Email:

npiacontact@gmail.com

### In This Issue

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## This Month's Speaker

## Carie Townley

from Loan Market

Carie has been involved in mortgage broking for Northlanders for over 14 years after a career working for banks and large companies. She offers a wide range of services dealing with all the major banks and other lenders. Specialising in low LVR lending, refinancing, negotiation with existing lenders along with getting challenging application approval. Carie also is a regular article contributor to the Property Plus magazine.



## **Corey Matchitt**

Corey is from the NZ Fire Service and will be speaking to members about the deal below. It is also a great time to ask questions about other ways to minimise fire risks in your property investments and find out some of the most common problems with tenants and rentals to avoid or manage.

NZPIF has negotiated a deal for the purchase of Thermoptek smoke alarms. Thermoptek is a photoelectric type that also includes thermal enhancement, providing fast reaction to both slow smouldering and fast flaming fires in a single alarm. It has a large central reset button that makes it easy to reset.



## **TENANT WATCH**

Watch out for these tenants do not rent to them.

Members please log in at <a href="http://northland.nzpif.org.nz/">http://northland.nzpif.org.nz/</a> to access this list from the 'members only' library.

If you have someone to add to this list, please email us at <a href="mailto:npiacontact@gmail.com">npiacontact@gmail.com</a> with 'Tenant Watch' in the subject line.

Thanks to all of the contributors for helping to protect members from bad tenants.

## Help us help you — tips for members!

If you or change your residential and/or email address, please advise us at the time so we can send our newsletter and NZ Property Investors Magazines to the correct address. We also need to know when you change your email address to ensure you can continue to login and access Members Only areas and resources on NZIPF and NPIA webpages, i.e. your current email address needs to match the NZPIF database one. Contact: <a href="mailto:npiacontact@gmail.com">npiacontact@gmail.com</a>

## NZPIF Media Releases...

### (Excerpts from May to June 2015)

#### NZPIF Media Release 9th June 2015

#### Landlords take the initiative

"The NZ Property Investors' Federation (NZPIF) has already acted to ensure that smoke alarms are readily available for members to install in their rentals. There is a special purchasing scheme for these alarms on the NZPIF website, "said Andrew King Executive Officer of the NZPIF. "This has been coupled with a vigorous awareness campaign of the need for smoke alarms which started earlier this year and is ongoing".

The NZPIF also tentatively supports the Government's move to include insulation, where practical, in the minimum standards for rental houses. A survey of members last year showed that of the 4,817 rental properties covered in the survey, 4,377 (90.9%) already had some form of insulation. Of those who had improved the level of insulation in the last year, 57% had funded this themselves. Again this is an ongoing process for landlords belonging to property investors' associations affiliated with the NZPIF.

However there is no free lunch of course and the cost of the insulation will eventually be borne by tenants. For this reason the NZPIF believes that insulation should be tax deductible to keep costs down and to reduce the increase in rental prices.

"Currently if you top up existing insulation in a rental property it is counted as a repair and is tax deductible" said King. "If it is going to be a requirement for rental properties to be insulated then the cost of the insulation is necessary to continue renting these out and that cost should be tax deductible. It would be good to have Government clarify this aspect."

"We are disappointed that Government isn't currently in favour of providing electricity vouchers for low income families, "said King. "This isn't something that would affect rental property owners. However we do see some families who need extra help. Perhaps if it was carefully targeted to families of children with a recognised illness then the Government would look at it more favourably."

#### **ENDS**

#### NZPIF Media Release 4th June 2015

#### What would have saved Emma-Lita?

"The members, like many other people, would like to make sure that children such as Emma-Lita, who died in August last year, do not suffer as a result of their living conditions" said Andrew King, Executive Officer of the NZ Property Investors' Federation (NZPIF).

"It is an extremely sad case and Coroner Brandt Shortland has said that the Housing New Zealand house in Otara could not be ruled out as a contributing factor in her illness and subsequent death."

The Coroner's comments have led to a call for all rental homes to have a warrant of fitness (WOF).

Unfortunately a WOF would not have helped Emma-Lita, although it is understandable that people want to see something done.

Housing New Zealand has insulated all of their properties where practicable. It has also confirmed that they installed ventilation in every room of Emma's house and provided a heater. The Coroner acknowledged that Housing New Zealand attempted to assist the family with a heater, but unfortunately the high electricity costs made it impossible for the family to use this within their budget.

Even insulated homes need heating and ventilation otherwise they are likely to remain cold and damp.

"The NZPIF believes that the families of children with health issues potentially caused by living in a cold damp house should be provided with electricity vouchers during the winter months to assist them heating their homes" said King.

In addition, Government should focus on insulation and heating rather than responding to calls for a WOF, which checks items such as the size of kitchen benches and whether the property has a toilet and hot and cold water.

Government saves \$5 in health spending for every \$1 spent on insulation and heating, so this is an excellent return for tax payers' money. Making insulation and energy efficient heating tax deductible would lead to warmer rentals without leading to significantly higher rental prices. Having to meet higher rent payments would make it even harder for families to pay for heating costs.

#### MINIMUM STANDARDS FOR RENTAL PROPERTIES

Rental properties will have to meet a set of minimum standards under rules to be unveiled by the Government next month. The move will stop short of a full "warrant of fitness" for rentals but is aimed at ensuring all tenants have a safe and healthy home to live in, Government sources confirmed. Andrew King of the Property Investors' Federation said if insulation became mandatory there should be a carrot in the form of a tax deduction for installation.

http://www.stuff.co.nz/national/politics/69212752/rental-properties-face-minimum-standards-rules - 8 June

#### PM ON WOF

Prime Minister John Key has hinted National is considering a limited form of a 'warrant of fitness' for rental houses likely to include insulation and smoke alarms. – includes video

http://www.nzherald.co.nz/housing/search/results.cfm?kw1=housing - 8 June

#### **GOVERNMENT PREPARING MINIMUM SET OF STANDARDS FOR LANDLORDS**

Prime Minister John Key and Finance Minister Bill English have rejected a Labour proposal for a full Warrant of Fitness style set of standards for warmth and dryness that would have to be met before a rental property could be let, but Government sources said the Government was preparing more limited minimum standards for insulation and smoke alarms.

Speaking in the wake of the death of Emma-Lita Bourne from respiratory illnesses in a cold, damp Otara state home last year, Key and English said the Labour proposal could remove thousands of homes from the rental market and could increase rents.

However, Government sources said late on Monday the Government was preparing a minimum set of standards for all landlords for insulation and smoke alarms, but would not go as far as the Labour proposal for a full WOF, which the Government has criticised as immediately making tens of thousands of houses impossible to let because they could not be fully insulated.

http://www.interest.co.nz/property/75862/key-english-reject-labours-wof-style-proposal-healthy-homes-guarantee-government - 8 June

#### RBNZ MAY RELAX LVR RULES FOR REST OF COUNTRY

While the Reserve Bank is now officially putting the overheated Auckland housing market into the naughty seat, it is at the same time offering the tantalising prospect that the rest of the country may soon see a further relaxation in lending rules. The RBNZ has already <u>announced last month</u> that for everywhere other than Auckland, the so-called 'speed limit' on high loan to value lending is going to be relaxed from the current 10% to 15%. But now it is hinting that everywhere other than Auckland may soon see yet further relaxation of the rules.

http://www.interest.co.nz/property/75789/rbnz-hints-further-loosening-mortgage-lending-non-auckland-parts-country - 3 June

## NZPIF Media Releases...

### (Excerpts from May to June 2015)

WHAT WILL THE OFFICIAL CASH RATE BE THIS WEEK?

Financial market analysts are divided on whether the Reserve Bank will cut the official cash rate on Thursday. The New Zealand dollar has been falling steadily as the market bets the central bank will eventually cut rates from 3.5 percent to 3 percent this year. Moves by the Reserve Bank and Government to tighten lending and tax rules in Auckland's overheated property market have also reinforced expectations that governor Graeme Wheeler will act. Chief economist at ANZ Bank Cameron Bagrie is picking Mr Wheeler will move on Thursday, since inflation is falling well below 2 percent, the midpoint of the Reserve Bank's 1 to 3 percent target band. http://www.radionz.co.nz/news/business/275663/rb-to-cut-official-cash-rate - 8 June

#### **NEW SERVICE FOR LANDLORDS AND TENANTS**

Doorway Property Management <a href="www.doorwayproperty.co.nz">www.doorwayproperty.co.nz</a> is a social enterprise initiative of the Housing Call to Action group whose members have seen the need for a different type of service for both landlords and tenants to that currently offered by real estate agents and other companies.

Doorway Property Management will provide a professional service to property owners and tenants working in a relational and integral way that exceeds current market standards. Director Lee Hickey explains "building and maintaining relationships through clear, consistent and ongoing communication with both landlords and tenants is the key to maintaining positive and long lasting tenancies, which benefits both parties. Our aim is to keep tenants in their rental property. http://www.scoop.co.nz/stories/PO1506/S00074/doorway-to-hope-opens-for-tenants.htm - 7 June

#### **GOVERNMENT DOESN'T SUPPORT WOF CHECKS FOR ALL HOUSES**

The Government won't support "extreme measures" like warrant of fitness checks for all houses because it will drive up rent and push housing stock out of the market, says Finance Minister Bill English. But Labour MP Phil Twyford, who had his Healthy Homes bill voted down in Parliament, said the Government needed to wake up to the fact the country's houses were "crap quality" and were hospitalising children with third-world illnesses. <a href="http://www.stuff.co.nz/national/politics/69168659/english-wont-adopt-labours-extreme-housing-warrant-of-fitness-7">http://www.stuff.co.nz/national/politics/69168659/english-wont-adopt-labours-extreme-housing-warrant-of-fitness-7</a> June

#### EFFECT OF NEW RULES ON THE AUCKLAND MARKET

The head of Auckland's largest real estate agency believes the new tax rules and mortgage lending restrictions on investment properties will have an effect, but doubts they will lead to a fall in prices. In a **Double Shot video interview**, Barfoot & Thompson managing director Peter Thompson, said most property investors would not be affected by proposed **new tax rules** which would mean capital gains would automatically be taxable on residential investment properties sold within two years of purchase. "For the long term investor, it won't hurt them at all and most investors are long term," Thompson said. However that did not mean the new rules, which will also affect how **much of the purchase price investors would be able to borrow to buy Auckland properties**, would not have an effect on the market. <a href="http://www.interest.co.nz/property/75827/barfoot-thompson-says-new-rules-aimed-cooling-auckland-housing-market">http://www.interest.co.nz/property/75827/barfoot-thompson-says-new-rules-aimed-cooling-auckland-housing-market</a> - 5 June

#### **AUCKLANDERS ARE LOOKING AT HOUSING IN THE REGIONS**

After months of property price increases in the country's largest city, new figures show that Aucklanders on the hunt for a house are now looking further afield. Property listing website Realestate.co.nz says the average asking price for a house in Auckland last month was \$800,000. Chief executive Brendon Skipper said the website's data also showed that there had been a huge leap in the last year in the number of Aucklanders looking at properties in the regions. "In particular, they're looking in the likes of Hawkes Bay, Waikato, Northland - so we thought it was interesting given ... that house prices in Auckland have been going up quite steadily over the last six months." Hawke's Bay attracted the most interest, with a 150 percent increase in views, but Manawatu-Whanganui, Waikato, Northland and Bay of Plenty were not far behind. http://www.radionz.co.nz/news/national/275359/aucklanders-coming-to-a-place-near-you - 4 June

Also http://www.nzherald.co.nz/business/news/article.cfm?c\_id=3&objectid=11459439 - 4 June

#### SPOTLIGHT ON SOLAR POWER SYSTEMS

Energy users and researchers say new technology could heat up an already growing enthusiasm for solar panels in New Zealand.
Figures released by the Electricity Networks Association, which represents electricity distributors, show the number of solar power systems across the country has more than tripled in the last 18 months. http://www.radionz.co.nz/news/national/275169/spotlight-on-solar-power-systems- 2 June

#### STUDENT BECOMES PROPERTY INVESTOR

While thousands of Aucklanders despair at their chances of owning a house, a determined 22-year-old student is proof it can be done. University of Auckland undergraduate Brandon Lipman has just become a property investor and hopes to add a second house to his portfolio within 12 months. "It's not going to stop at one. There will be another purchase - it's just a matter of when." He has always dreamed of being a homeowner. And on April 29 - his birthday - he bought a \$300,000 Hamilton rental property after scraping together \$45,000 through hard work and financial compromise. <a href="http://www.nzherald.co.nz/business/news/article.cfm?">http://www.nzherald.co.nz/business/news/article.cfm?</a> c id=3&objectid=11457713 – 1 June

#### **CAPITAL GAIN OR RENT IN THE AUCKAND MARKET?**

Are Auckland property investors in it for capital gain or for the rent? That's the topic that's come under the spotlight this Budget week. The Property Investors Federation knows the law on speculation, and it has rightly said that there is a difference between flicking on a property for profit in a hot market, and buying to rent a property out long-term. Yes, you always hope that there will be a bit of capital gain in there, but as the federation's Andrew King points out, renting and maintaining a rental property is a business. He also voices the pragmatic thought that Inland Revenue will need to be able to make some exceptions. http://www.stuff.co.nz/business/68627424/Are-Auckland-landlords-really-in-business-or-just-speculating - 30 May

#### MARTIN HAWES ON THE AUCKLAND MARKET

I am always looking for good investments so what is stopping me buying (in Auckland)? The answer is that the hysteria in no way reflects underlying value – buying Auckland property is not measured investment. This is a speculative binge where people are paying fortunes for houses because everybody is doing it. There is a riot of money-making going on but for my money it is too dangerous.

http://www.stuff.co.nz/business/money/68941119/aucklands-housing-riot - 31 May

## **APIA TV**

The Auckland Property Investors' Association (APIA) is now offering Northland Property Investors Assn members the opportunity to participate in the A.P.I.A .TV Affiliation Programme.

APIA TV is a dedicated property video channel powered by APIA. Originally designed as an alternative portal of information for our members, APIA TV has since grown into a dynamic dedicated video channel bringing investors all over the world timely and worthwhile information pertaining to their portfolios.

The channel adopts a broadscope approach to property education and has since launched a number of specific series that has been well received by its viewers.

The APIA TV Affiliation Programme is a response to the growing number of enquiries we have received from members as well as committee members of our sister associations. We have identified that there is a demand in the property investor community for this product.

The scheme operates as below:

Subscription to APIA TV will be available to members of any NZPIF affiliated PIAs and will receive access by entering a unique association discount code. APIA have heavily discounted the subscription for our members and the information is found in the 'members only' area USER LOGIN http:// northland.nzpif.org.nz/. The registration link is then found under the About Us Tab and Sponsors Tab. Please contact/ email us for our branch pass code to access.



## Who will be the 2015 Landlord of the Year?

Sponsored by Ministry of Business Employment and Innovation (MBIE) once more, applications for 2015 Landlord of the Year are now open. Lyn Marshall from Nelson PIA was the 2014 Landlord of the Year and we are now searching for the 2015 winner. The winner of this Award not only receives the Cup for the year and a framed certificate to keep, he or she also receives \$1,500 and a further \$500 goes to their Association.

All members of PIAs who manage all or some of their own properties are encouraged to look at the criteria outlined here (<a href="http://www.nzpif.org.nz/items/view/55759/">http://www.nzpif.org.nz/items/view/55759/</a>). An application form can be downloaded from here as well. Applications should reach the National NZPIF office in Christchurch by 28 August. The winner of the Award will be presented by MBIE during their presentation at the 2015 Conference in Auckland on 18 of October.

http://www.nzpif.org.nz/items/view/55759/





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## ANZ Property Focus "JOINING FORCES"

#### **SUMMARY**

Our monthly *Property Focus* publication provides an independent appraisal of recent developments in the property market.

#### THE MONTH IN REVIEW

The RBNZ and the Government have combined forces to rein in investor demand in the Auckland property market via a tightening of the LVR speed limits and changes to taxation. Auckland annual house price inflation rose to an 11-year high last month, supported by record net migration and low fixed mortgage rates.

The pace of dwelling supply rebounded, but remains low relative to population needs. Household credit growth picked up, but remains bounded by income growth so far. Low inflation and a deteriorating risk profi le across the economy looks set to be matched by a lower OCR.

For the full report: <a href="http://www.anz.co.nz/commercial-institutional/economic-markets-research/property-focus/">http://www.anz.co.nz/commercial-institutional/economic-markets-research/property-focus/</a>
If your are taking out a new loan with ANZ, don't forget to mention that you are taking up the NPIA ANZ Partner Program Offer! NUMBER 200508

## This month's Useful Links

http://propertyplusnorthland.co.nz/ article library, latest issue and podcasts.

www.energise.co.nz Web design, Mobile Web Sites, SEO and Online Shops.

http://www.smconveyancing.co.nz/fees.htm Fixed Legal fees

http://www.propertytalk.com/forum/forum.php Excellent resource for Investors

https://www.facebook.com/photo.php?v=10152526137047088

Why Are Auckland house prices so high? Check APIA TV public postings on Facebook

https://mail.google.com/mail/ca/u/1/#inbox/148523b541e59da7 NZPIF latest media releases

http://www.anz.co.nz/commercial-institutional/economic-markets-research/property-focus/ for the latest ANZ Property Focus Report

http://www.nzpif.org.nz/contents/tags/406/political+reports Latest political REPORTS: http://www.nzpif.org.nz/news/view/56798



Residential Property Management Consultant

Scotney Craeg Williams L.L.B. 7 Jackson Crescent, Martins Bay RD 2, Warkworth 0982 09 4255969, 021831535 scotney@tenancypractice.co.nz Tenancy Practice Service offers members a free short phone call for advice should you need it: **0800 483 626** 

#### scotney@tenancypractice.co.nz

If you need advice the short consult is provided by the association as a member benefit.

TPS also have very effective debt collection which also free provided you have the right clause in your agreements whereby the tenant agrees to all pays debt collection costs relative to the tenancy.

Every week of 2014, you can watch a short free training video relating to the Residential Tenancies Act 1986 and/or Amendment Act, by Scotney Williams: <a href="http://www.tenancypractice.co.nz/snippet">http://www.tenancypractice.co.nz/snippet</a>

## **MEMBER Benefits**

#### **ANZ Home Loan Discounts and Seminars**

- Free Monthly Meetings and Network
- Free Monthly newsletter 10 issues
- Free Veda Advantage Membership
- Free NZ Property Investor Magazine 12 issues
- Central Government Lobbying
- Discounts on Seminar Registrations Free TINZ Membership
- Tax Deduction on membership fee Free listing in NPIA business directory
- Free Tenant Watch List
- Free Tenancy Practice Service Short Consult
- Auckland Property Investors Assn TV video channel discounted subscription.
- Annual conference Guest Speakers, Sponsor discount packs, Bus Tours & Networking.

Rebates and discounts from Sponsors: Barrells 100% Electrical commercial rates and promotions, Energise Web Design, Caltex Star card, Placemakers, Parmco Appliances, Crombie Lockwood Insurance, Dulux Trade, Harvey Norman Commercial, LG Heat Pumps, Toshiba Heat Pumps and Bunnings and others.

Your Membership to the Northland Property Investors Association is an investment in your Property Business. Ask at the next meeting. Members receive full access to great discounts on joining and renewing subscriptions.

Want to Join the Northland Property Investors Association? You can link on this web site and use your credit card – http://northland.nzpif.org.nz/registrations/join

Please email: npiacontact@gmail.com

**Annual Subscriptions:** <a href="http://northland.nzpif.org.nz/">http://northland.nzpif.org.nz/</a> registrations/renew

### **Contact Us**

#### **NPIA Committee**

Michael Tasker 021 388 885 President Gordon Lambeth 021 0337 607 Speakers Dianne Simpson Subs/Newsletter 021 173 6862 Dan Simperingham 027 696 3001 Committee Member Julie Gordon 021 122 0033 Secretary/Treasurer Committee Member Craig Gordon **Hedley Evans** 0274 738 216 Sponsors Manager



Northland Property Investors Association P O Box 1640 Whangarei 0140

Email: npiacontact@gmail.com

## NPIA Business Partnerships

## LVER Level Sponsors



Contact:

Ian Reeves

LLB

Director

www.smconveyancing.co.nz



- Property buying & selling
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- Estate Planning, Trusts & Wills

www.hendersonreeves.co.nz



## **GOLD Level Sponsors**

#### (A) noel leeming commercial

#### Northland Property Investors Association / Noel Leeming

Northland Property Investors Association and Noel Leeming Whangarei, Warkworth and KeriKeri have partnered to offer current financial members preferential pricing storewide.





Some of our nationally advertised specials may already be at lower prices than the Northland Property Investors preferential pricing offer. However, you will receive the best deal on the day for the product that you choose.

Pricing will be on a cost plus model

All pricing inquiries to be sent to Jas Scrooby - jas.scrooby@nlg.co.nz

e Way, Northcote 0627 | PO Box 91146, Victoria Street West, Auckland 1142, New Zealand

#### The Dulux Offer





- · Northland Property Investors Dulux Trade Cash Account
- Free Colour Consultation @ your local GB'S or Dulux Trade outlets
- 2 x Free test pots for every *complete* Interior or Exterior re-paint
- · Trade Representative: local on site assessment & paint specification for every complete Interior or Exterior repaint
- · Effective cost saving & beneficial paint product recommendations by your local Dulux Key Account Manager
- Recommended Dulux Paint Applicator Clientele, to quote your larger re-decorating projects, ensuring warranted quality finishes & value for money. (optional if required)
  - 30% discount to all Northland Property Investors Association
  - Present NPIA Membership Card and Quote Cash Account # 128643

CONTACT; Mana Mackie, Trade Sales Representative Mob: 021 926 060 Email: mana.Mackie@



## **NPIA Business Partnerships**

# GOLD Level Sponsors...





Dan Simperingham, Te Sales Representative En

Metro Direct, 28 Porowini Ave, Whangarei

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Tel: +64 9 438 9399 | M +64 27 696 3001 Email: Dan.Simperingham@metroglass.co.nz Web: http://www.metroglass.co.nz/

METRO OFFICE

PLEASE CHECK WITH <u>Natasha Witten</u> at HUBANDS AS TO THE ABOVE OFFER'S STOCK AVAILABILITY.

# Northland Property Investors Association Jennian Homes

Northland Property Investors Association and Jennian Homes Northland have partnered to offer current financial members preferential pricing.

Discounts only available to NPIA members. To receive your discount, you must show your current NPIA membership card upon first contacting Jennian Homes Northland and deal directly with Brett Yakas. Offer is only applicable to the Jennian Homes Northland Franchise.

#### Jennian Homes Northland

1 Selwyn Avenue, Whangarei T 09 459 5408 E northland@jennian.co.nz



Your personality Our expertise



Know of any other businesses keen to join NPIA? Have them contact us to find out about our...

## NEW Corporate Membership Structure!

Contact Hedley Evans, Sponsors Manager, Mob: 0274 738 216, to discuss which option will best suit your business.