

NPIA



Northland Property Investors Association Newsletter

March 2015

This Month's Meeting: Wednesday 25th March 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.

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

We ask that members please advise of any invited guests wishing to attend, in the event you aren't able to make the meeting yourself.

Email:

[*npiacontact@gmail.com*](mailto:npiacontact@gmail.com)

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This Month's Speaker

Ian Reeves

Ian is a founding partner of Henderson Reeves Connell Rishworth.

He leads the property team and has broad experience in commercial and business law with a special interest in farm purchases and the law relating to trusts.

He has been a presenter at an Auckland District Law Society seminar on trusts. He also acts as a consultant to our litigation and environmental law teams, two areas of law in which he has had considerable experience.

Ian will give an overview to Problems associated with purchasing cross leased sections and subdividing existing sections.

Members are welcome to bring a friend, public and visitors are welcome to attend one free meeting.



TENANT WATCH

Watch out for these tenants do not rent to them.

Members please log in at

<http://northland.nzpif.org.nz/>

to access this list from the 'members only' library.

If you have someone to add to this list, please email us at

npiacontact@gmail.com

with 'Tenant Watch' in the subject line.

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

Upcoming Events

Wednesday the 29th April 2015

Next month our Guest Speaker is:

Gordon Lambeth

Committee member and Architectural Designer, Gordon Lambeth, will present last year's amendment to the Building Act and explain: **'Building work which does NOT require a building consent.'**

"People will be surprised as to what type of alterations and additions they can do to their rental property without needing a consent."

Don't miss the opportunity to make use of his knowledge and experience gained from over 30 years in the industry!

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: npiacontact@gmail.com

NZPIF Media Releases...

NEW RESERVE BANK RULES COULD AFFECT A HUGE NUMBER OF PROPERTIES

ANZ economists say proposed [new Reserve Bank rules](#) applying to residential property investors could effect a "huge number" of properties and have a marked impact on overall lending. In their weekly Market Focus the economists say they believe the changes might have "more teeth" than the ['speed limits' on high loan to value lending](#) introduced by the RBNZ in 2013, and cite a number of reasons why. The changes would see up to 35% of the private dwelling stock potentially susceptible to the proposed changes. "This is around 550,000 dwellings," they said. "Investors account for around 30% of new lending. By targeting such a large proportion of new lending, the proposals, if effective, will have a marked impact on overall lending." The economists said the changes would be retrospective, covering the stock of mortgages as opposed to the flow.

<https://www.interest.co.nz/property/74416/anz-economists-see-planned-new-rbnz-housing-investment-rules-affecting-huge-number-pr> - 9 March

MORTGAGE RATE COMPETITION HEATING UP

Competition is continuing to heat up in the mortgage market, with a new rate dipping below 5 per cent. SBS Bank today launches a special five-year rate of 4.99 per cent, understood to be the lowest on offer in the market. The Invercargill-based lender said the rate was available for a limited time to existing customers - and their friends and family - for new lending over \$100,000.

http://www.nzherald.co.nz/business/news/article.cfm?c_id=3&objectid=11414541 - 10 March

LEAKY HOMES LAW CHANGE. An Auckland couple's court win over their leaky home has forced the Government to change the law.

<http://www.stuff.co.nz/national/politics/67177981/leakyhome-win-sparks-law-change> - 10 March

INNOVATIVE DOWNPIPES REDUCE COST

The booming housing market is helping a small Hamilton-based manufacturer carve out a niche for its innovative aluminium downpipes. Freeflow Pipes has been in business for almost two years, and expects to see a four-fold increase in sales over the coming year with plans to expand to Australia. Owner and managing director Peter Barrett said builders liked the simple design because it reduced the number of downpipes needed to meet New Zealand's building code and therefore reduced building costs.

<http://www.radionz.co.nz/news/business/268220/booming-housing-market-grows-small-business> - 10 March

FINANCE MINISTER DOWNPLAYS POTENTIAL IMPACT OF RBNZ MOVES

Finance Minister Bill English has downplayed the potential impact of the Reserve Bank's proposal for banks to hold more capital against mortgages to landlords and has said the central bank will have to take into account any impact on new house building.

<http://www.interest.co.nz/property/74441/english-sees-little-impact-rbnz-moves-capital-rental-property-mortgages-says-rbnz-fac> - 10 March

DAVID HARGREAVES TALKS ABOUT THE EFFECT OF RBNZ PROPOSALS ON ACCIDENTAL PROPERTY INVESTORS

I'm very surprised that the [new proposals](#) now being put forward by the RBNZ, and [which appear to have the backing of the big banks](#) (meaning that the proposals will be implemented) do not seem to have caused more concern than they have among what I will term "accidental property investors". Maybe many people have not yet realised they will be caught by the new rules.

<http://www.interest.co.nz/opinion/74467/david-hargreaves-believes-rbnz-has-spread-net-too-widely-its-new-housing-investment-pr> - 11 March

RBNZ HOLDS OCR AT 3.5%

The Reserve Bank has removed the prospect of future interest rate hikes from its forecast horizon as a strong kiwi dollar and cheap oil hold down inflation, and the central bank ponders whether to lower its assessment of where "neutral" interest rates should be. The kiwi dollar gained after the statement. Governor Graeme Wheeler kept the official cash rate at 3.5 per cent, as expected, saying inflation is expected to stay low this year before gradually returning to the 2 per cent midpoint of the central bank's 1 per cent-to-3 per cent target band, and an "extended" period of stability was needed.

http://www.nzherald.co.nz/business/news/article.cfm?c_id=3&objectid=11415963 - 12 March

MORE PROPERTIES SOLD IN FEBRUARY THAN DURING ANY FEBRUARY SINCE 2007

More properties were sold last month than during any February since the last property boom of 2007, latest figures from the Real Estate Institute of New Zealand show. Last month 6898 dwellings were sold across the country, up 12.6 per cent on February 2014 and a 42.5 per cent gain from January. The national median price house price rose \$15,000 (3.6 per cent) from the year before to reach \$430,000 in February.

Auckland recorded the largest percentage increase (14 per cent) in median price compared to February 2014, followed by Central Otago Lakes (12 per cent) and Otago (6.8 per cent). All regions recorded an increase in sales volumes compared to January, with Waikato/Bay of Plenty recording the largest (61.8 per cent), followed by Canterbury/Westland (58.6 per cent) and Hawke's Bay (54.3 per cent).

http://www.nzherald.co.nz/business/news/article.cfm?c_id=3&objectid=11416039 - 12 March

See also <https://www.interest.co.nz/property/74495/big-rise-number-homes-sold-february-outside-auckland-prices-are-largely-flat-reinz-sa> - 12 March. This article has a link to the REINZ report and the charts for various areas of NZ

RESERVE BANK TO PRESS AHEAD WITH THE RISK-WEIGHTING OF LOANS TO PROPERTY INVESTORS

New Zealand has been spared a crash, which makes us unusual among developed countries, most of which since 1970 have at some point seen house prices fall sharply. And the international evidence is that when that happens default rates among residential property investors are higher than among owner-occupiers, he (Reserve Bank Governor) says. The Reserve Bank will press ahead with an increase in the risk-weighting of such loans, which affects the amount of capital banks need to hold against that part of their loan book, once it has completed consultation on how exactly to define them. But the governor is non-committal about speculation that that is a precursor to a macro-prudential policy targeting landlords for a curb on lending akin to 2013's loan-to-value ratio (LVR) restrictions, whose impact on house prices the bank thinks is waning. "We wanted to indicate that we are thinking about macro-prudential measures. There are no decisions.

http://www.nzherald.co.nz/business/news/article.cfm?c_id=3&objectid=11417071 - 14 March

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 broad-scope 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

Thomas Chin Report

PIA REPORT -February 2015

The following is a summary of political and regulatory news or comment affecting the residential rental property industry.

Public engagement on social housing
Ex-state houses could end up with private landlords
Parliamentary year commences
Labour's 2014 Review completed
WOF for boarding houses
Budget on 21 May

Public engagement on social housing

On 5 February the Government provided details for public engagement on its social housing reforms. Specifically, there will be six public meetings in February and March. At the end of March the Government will announce areas it is considering for initial housing transactions. From mid-April to the end of May, there will be regional consultation with more detailed discussions about the potential transactions in each of these areas.

For property investors who maybe interested in acquiring or redeveloping state houses for social-housing purposes or acquiring empty, surplus state houses must be registered with the Community Housing Regulatory Authority and be subject to regulation under the Social Housing Reform (Housing Restructuring and Tenancy Matters Amendment) Act 2013.

Ex-state houses could end up with private landlords

The rhetoric around the sale of state houses has not let up. Labour's Housing spokesperson Phil Twyford says the Government has no way of ensuring the state houses it is selling are not sold on to private landlords and speculators. "Treasury are handling the sale process and have advised the Government that if a community housing provider 'were to become financially distressed this could present risks to ongoing tenancies and fiscal risks to the Crown'. These houses could end up in private hands, with the taxpayer left footing the bill".

What is clear is that there exist potential opportunities for property investors.

Parliamentary year commences

At Parliament's first session of 2015 (10 Feb) Prime Minister John Key gave a speech outlining the Government's work agenda.

Of key interest for property investors he repeated the Government's plans to reform social housing - the sell up to 2000 state houses to "registered community providers".

From the opposition political parties perspective they see the establishment of a market for social housing where registered organisations provide community housing as opportunities for property investors.

Elsewhere, the Government's Kiwisaver Homestart grant commences 1 April. The grant basically doubles the amount of state assistance a person or couple can get on their first home which is expected to encourage the supply of affordable new housing.

Labour's 2014 Review completed

The Labour Party review of its 2014 election campaign and in particular its examination of its political positions closed on February 15 2015. Property investors will be keen to know if Labour's election promise to introduce a Capital Gains Tax will be dumped. A summary of the review findings will be released in the coming weeks.

WOF for boarding houses

In a new area of attack on landlords, Labour's Associate Housing spokesperson Su'a William Sio says the government needs to toughen up on boarding house operators. Sio says: "Labour believes it is time to get tough on rogue boarding house operators by introducing a licensing regime, and a set of minimum standards based on the proposed housing Warrant of Fitness, backed up by a tough compliance system".

Budget on 21 May

Finance Minister Bill English will present Budget 2015 on Thursday, 21 May. Typically, the Government uses the Budget process to signal new tax or policy changes. In past years, the Minister has increased funding for the IRD to pursue property traders and speculators, provided more money to MBE/tenancy services, given financial assistance to first home buyers and funding for home energy efficiency initiatives. It is likely there will be further detail announcements around the sale of state houses to social housing providers and changes to the Resource Management Act to assist housing affordability.

ISSUES UNDER WATCH

What (sponsoring MP)	Brief description	Status
Building (Earthquake-prone buildings) Amendment Bill (Nat: Nick Smith)	Sets a requirement for buildings to be earthquake strengthened – also applies to multi-storey or multi-unit residential buildings	Bill has been referred to the Local Government and Environment Select Committee. Submissions closed: 17 Apr 2014. Committee report due: 30 Mar 2015
Healthy Homes Guarantee Bill (Lab: Phil Twyford)	That every rental home in NZ meets minimum standards of heating and insulation	Bill awaiting first reading (late March). The Government will not support it - unlikely to get past 1 st reading stage.
Energy Efficiency and Conservation (Warm Healthy Rentals Warrant of Fitness) Amendment Bill (Greens: Metiria Turei)	Through the introduction of a "WoF" regime require minimum energy performance standards for all residential rental accommodation	Bill awaiting first reading. The Government will not support it - unlikely to get past 1 st reading stage.
State house WOF trial	Trialling a WOF system on 500 state houses	Minister of Building & Housing decision on trial pending

END



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ANZ Property Focus **“THIRD WIND ”**

SUMMARY

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

THE MONTH IN REVIEW

While house sales eased in January, the underlying picture remains strong, with the average days to sell down and prices up. Building consents are trending up but the pace is still not sufficient to materially dent the Auckland-centric shortage. Migration inflows remain strong. Credit growth has started to pick up, but households are still deleveraging; credit growth is not outstripping income growth (yet). The RBNZ is on hold, weighing up competing issues: a wobbly global scene, a still-high NZD, and housing market strength. Inflation is low so they can afford to be patient.

For the full report: <http://www.anz.co.nz/commercial-institutional/economic-markets-research/property-focus/>

If you are taking out a new loan with ANZ, don't forget to mention that you are taking up the NPPIA - 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 APPIA 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 THOMAS CHIN REPORTS: <http://www.nzpif.org.nz/news/view/56798>



Residential Property Management Consultant

Scotney Craig 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: <http://www.tenancypractice.co.nz/snippet>

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 NPPIA 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: <http://northland.nzpif.org.nz/registrations/renew>

Contact Us

NPIA Committee

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



Northland Property Investors Association
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Whangarei 0140
Email: npiacontact@gmail.com

NPIA Business Partnerships

SILVER Level Sponsors

*NPIA wish to welcome aboard
as our first Silver Level,
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Ian Reeves

LLB

Director

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*Come along to our
March "Monthly Meeting
2015 to benefit from Ian
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sights, knowledge and
experience!*

**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 Man-
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NPIA Business Partnerships

GOLD Level Sponsors

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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.

 **noel leeming**

 **NORTHLAND PROPERTY INVESTORS ASSOCIATION**

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

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0800 737 5223 www.noelleeminggroup.comnz/commercial

The Dulux Offer



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- Northland Property Investors Dulux Trade Cash Account
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- 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 members
- Present NPIA Membership Card and Quote Cash Account # 128643

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



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Hubands Offer...

 **Hubands**

We have pleasure in submitting three separate offers for NPIA Members:

Heat pump servicing

To service 1 x heat pump (one indoor and one outdoor unit)
Valued at \$82.00 + GST

Special offer: \$68.00 + GST

Ventilation system

Smartvent ventilation system
Pricing includes the supply and installation and every property needs to be measured individually to ensure the correct system is installed

Special offer: Commercial pricing (up to 20% off residential pricing)

Heat pumps

Daikin, Panasonic, Mitsubishi or Fujitsu heat pumps
Pricing includes the supply and installation and every property needs to be measured individually to ensure the correct system is installed

Special offer: Commercial pricing (up to 20% off residential pricing)

Offers are to all NPIA members and valid for 60 days from 26th November 2014, or while stocks last.
Members taking up any or all of the offers must present their current NPIA Membership Card at Reception.
If you require any further information please do not hesitate to contact me directly on 021 942 951 or the office on 430 0019.

Warren Huband



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<http://www.metroglass.co.nz/>

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