



With summer has come a wonderful end to the year – for reasons we will discuss in more detail soon. We have been flat out with new business opportunities with several apartment blocks within the 4 avenues coming on stream. Other folk seem to be planning long overseas travel making their homes available early in the New Year. Many thanks to all of our clients – and suppliers - who have recommended us to other investors. Word of mouth certainly is the best form of advertising.

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Talking of advertising. Thank you to those who entered into our competition by putting down “in 48 words or less” why they felt they deserved a year’s free property management. We had an excellent response and the selection panel – Sharon and the four ladies who Sharon does the investment seminars with – selected the entry of Tony P but there were several other excellent entries. Many entries told us what we did well so our task is to continue to live up to those expectations.

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And now an opportunity JUST FOR OUR EXISTING CLIENTS. Whilst a number of existing clients did enter into the last competition it was open to all landlords. So this, is just to say thank you to you.

EVERY existing client who introduces new business to Quinovic Merivale between now and the end of March 2016 will get **2 MONTHS FREE MANAGEMENT** on one property already with us. PLUS the party you introduce to us will also receive **2 MONTHS FREE MANAGEMENT** on their property. So a total of 4 months free management is available.

Furthermore if existing clients put additional properties under our management during this period they will receive **2 MONTHS FREE MANAGEMENT** on that new property.

We want to get 2016 off to a strong start and we want to recognise the people who have made our business what it is today – YOU!

Don’t forget about our “Drop In Meetings” which are going to be held each month. This is your opportunity to come along and seek answers to any issues about Property Investment or Property Management that are causing you confusion or concern. Join a small group of like-minded people at our office, 48 Papanui Road, from 5.00pm to 7.00pm on the LAST Monday of the month. Refreshments will be available

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“Drop In Meetings” will resume in January 2016

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Our Women with Property” seminars proved very successful during 2015 with over 200 women attending the two seminars.

We plan to run several seminars during 2106 the first being planned for late February. Many of the attendees mentioned to us that they would feel quite comfortable asking questions in a mixed audience and we had several male investors ask us to open the seminars up to them.

Details of the next seminar will be made available in the New Year.

Seems the new regulations around smoke alarms and insulation are becoming a fixture in these newsletters.

The first reading of the new Residential Tenancies Amendment Bill won unanimous support in Parliament. “It is an important bill that will make homes warmer, dryer and safer for tens of thousands of New Zealanders” says Minister Nick Smith. “I welcome the broad support across all parliamentary parties for a bill that recognises the strong link between the quality of housing and the health and wellbeing of families”.

HOWEVER like with most such bills something new has now been disclosed.



We are aware that smoke alarms need to be fitted (don't forget your order forms that were attached to the last two newsletters) by July 1<sup>st</sup> 2016 and that the upgrading of insulation needs to be done by July 1<sup>st</sup> 2019. But what had not been discussed previously is the requirement for all tenancy agreements dated after July 1<sup>st</sup> 2016 to disclose the extent to which that property is insulated as at the date of signing.

As usual there has been no disclosure of how this is to be defined, measured or recorded but no doubt that detail will surface closer to the date. It may be as simple as ticking a box to show (for example) ceiling is insulated / walls are insulated / underfloor insulation is in place. But this seems inadequate to us. Ceiling insulation that is many years old is most likely totally inadequate today and providing little if any insulation to the property. It should be replaced but technically the ceiling is insulated. We wait for further detail. We don't expect any legislation regarding the retrofitting of wall insulation and underfloor insulation is easily installed on properties with wooden / particle board flooring.

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A report out this week states that there has been a huge fall in the number of houses being sold by Auction – especially in Auckland. Value QV said that some real estate firms are reporting that only 30% of properties auctioned are selling under the hammer. This compares with 85% earlier in the year. The claim is that the tighter lending and tax rules have knocked investors out of the market.

With investors (allegedly) out of the market other buyers are not prepared – or forced – to pay as much so prices are holding, stock staying on the market longer and first home buyers getting a better opportunity to enter onto the housing ladder.

It is anticipating that this softening of the market will lead to a fall in house prices. Vendors may need to be more realistic in their price expectations.

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A new book “Home Truths” by Philippa Howden-Chapman asserts that the Tenancy Tribunal - the court for households that rent – is a “toothless kitten”.

With more households becoming long-term renters the importance of the Tenancy Tribunal is becoming elevated in the financial lives of ordinary families. But the authors claim is that the Tribunal “does very little for the tenant and even less to encourage landlords to improve their offering”.

Figures show that landlords bring the vast majority of cases before the Tribunal – 16,808 out of the 19,095 applications received this year. And yet is accepted that there are many rental homes throughout New Zealand in poor condition.

If it is an issue of “dragging” a property up to meet minimum conditions then tenants can go to the Tribunal to force a remedy. But this doesn't seem to happen. Renters steer clear of the Tribunal. They apparently see it as negative – often resulting in the tenancy being ended. (Perhaps this concern will be alleviated now that the rental market has slowed in many parts of the country).

It would be fair to say that both parties – tenants and landlords – believe that the Tenancy Tribunal favours the other party. From our perspective we believe that the Tribunal is very fair in its consideration of the tenant's position and recognises the difficulties that tenants may be facing. It is however relatively intolerant when it comes to simple cases of over rent and damage beyond fair wear and tear.

Again from our perspective the statistics are no surprise. It is landlords that need to go through the Tribunal process to recover unpaid rent, to enable retention of the bond to cover damage, to evict in cases such as noise complaints or anti-social behaviour.



Some believe that to give the Tribunal some teeth and to get tenants confident enough to apply their rights that there needs to be a shift from landlord to tenant focus quoting such examples as allowing paying tenants the right to stay in a property as long as they like / requiring local councils to enforce housing quality regulations / and for the Tribunal to refer cases of sub-standard rentals back to the Council. Andrew King, of the New Zealand Property Investors Federation sees such demands as an intrusion into landlords rights – indefinite length of tenancy for example would lead to landlords only being able to sell to other landlords if the tenants wanted to stay.

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From the Real Estate Sector:

Markets report strong sales resultant from a favourable mix of interest rates, selection of properties, the weather and an unsatisfied pool of potential buyers. December will taper off as Christmas nears and then the market will virtually 'close' for a 2-3 weeks period until mid January."

Net immigration continues to rise and with interest rates lower than 4% this will have an interesting impact on the market in the New Year.

Whilst the Auckland market may have softened indication are that other markets – such as wellington and Dunedin - are picking up. Hamilton prices are up 18.6% and Tauranga up 15.5% over the last year but this is seen as being part of the "Auckland problem" and expected to slow as the Auckland market softens. South Island markets show no signs of accelerating price.

8,048 unconditional contract were signed in November – an 8.5% increase over November 2014 and 2.7% up on October. On a seasonally adjusted basis however these sales figures show that November was weaker than anticipated.

Whilst debate continues to rage over the effectiveness of recent changes to interest and lending limits imposed on investors Reserve Bank statistics would indicate that lending to the investor segment of the market has taken a hit – in October investor lending was \$1.7 billion compared to \$2.24 billion in September.

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We mentioned last month of our determination to further grow Quinovic Merivale.

So the good news!

You may recall that we started the year benefitting from the purchase of a smaller rent roll during 2104. That acquisition and transition went very smoothly and those new properties have been a pleasure to manage.

So it's Déjà vu. We are finishing the year with the purchase of another rent roll which we are confident will prove to be just as successful for us. This is slightly smaller than the last purchase and will not require the addition of any further staff or facilities. It will however enable us to be more active in a very busy sector of the market so improving our effectiveness.

We welcome the new owners and new tenants into our network and we look forward to working with you all in the future.

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So the end of another year. It has been an extremely busy year for our team but a highly successful one. We have tried so hard to provide the same levels of service that you come to expect from us yet at the same time grow our business to the next level. We know we are growing and we know that you would tell us if there was any decline in our service.

We wish you and your families all the very best for Christmas and the New Year. We thank you for your business. It means a lot to us to know that so many people put their trust – and their investments – into our care. Take care over the holidays and we look forward to working with you all again in 2016

Our best wishes to you all,  
Sharon, Toni, Diana, Lisa and Hannah