

ISSUE
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2022

THE INVESTOR

BERMS! WHO'S RESPONSIBLE?

Most people voluntarily mow the berm (lawn) outside their property to keep it clean, tidy and attractive.

Most Councils mow the berms in these urban areas:

- where long grass could create a traffic visibility problem
- in high profile areas, e.g. entrances to towns
- on high banks not accessible by hand mowers
- where the grass is more than 150mm high. These berms are mown down to 50mm four times per year as publicised.

RATES! WHAT DO THEY COVER?

Rates are funds collected from levies on properties. The term rates is often used to include service charges such as

- waste services,
- new roads,
- stormwater systems,
- libraries,
- water pipes,
- parks, reserves and so on.

The rates financial period for the Taranaki District is from 1 July - 30 June. Rate instalments are due on the last Wednesday of every quarter (August, November, February and May).

Did you know we can pay your rates to the council for you from the rental income? If you are interested email our Administration Manager Sarah Bowers at sarah.bowers@eieio.co.nz



WE HELP YOU
INVEST IN
YOUR FUTURE

IT'S STILL A GOOD TIME TO BUY HERE'S 10 REASONS WHY!

To find some clarity, see what industry experts are saying to help give home buyers a clearer perspective of what's going on in the economy and how those factors could affect house prices.

1. **Getting a Loan** - Banks have been a little reluctant to loan money out – particularly since 1 December 2021, when amendments to the Credit Contracts and Consumer Finance Act 2003 came into force. However, by 14 January, the Government had responded to widespread criticism and announced an investigation into the changes made to the CCCFA and the implications of these.

2. **Employment Security** - With New Zealand's unemployment at a record low, the labour market remains very tight. Businesses are struggling to find the workers they need so are keen to hold on to existing staff, and that could even signal pay rises – even if it's just enough to cover rising inflation. This may give buyers further job security and confidence to buy.

3. **Investing Status** - According to recent Property Management survey, only 20% of investors said they were contemplating selling a property in the next 12 months. That's the lowest figure since June 2021 and down from 27% in January 2022.

4. **Borders Open** - With New Zealand's borders now open to 60 visa waiver countries, many are hoping to see migration picking up again, albeit it is expected to be slow at first. With pent-up demand due to the border closures, there is likely a backlog of immigrants coming through, coupled with NZ being a highly desirable place to call home, these two factors potentially could see the demand for housing increase. There is less fear of missing out which has been a major driver in the past. A more relaxed buying environment, with less pressure, can be a good thing for buyers.

5. **More Options** - realestate.co.nz shows there are approximately 70% more homes on the market in May 2022 than in the year prior. This gives buyers more choice and less fear of missing out, which has been a major driver in the past. A more relaxed buying environment, with less pressure, can be a good thing for buyers.

IT'S STILL A GOOD TIME TO BUY HERE'S 10 REASONS WHY! *Continued...*

6. Rising Building Costs - Building material costs continue to be impacted by global supply chain issues and the flow-on effects of the war in Ukraine. These conditions will continue to apply inflationary pressures on the cost of building a new home in NZ, which makes the purchase of an existing home more attractive.

7. Fixed Pricing - We are starting to see more prices advertised on properties now as more people move away from auctions and multi-offer bids.

8. Healthy Homes Standards - Older rental stock is often expensive and time-consuming to bring up to the new Healthy Homes standard. However, the majority of rental homes are already fully compliant, make it a priority to check this when purchasing an investment property.

9. Quality focus - More choice means more time to compare and consider your options. Take the time to check out the quality differences making sure you are buying a warm and healthy home.

10. Bricks and Mortar - Property consistently performs well over time as an investment. There may be ups and downs but average asking prices have more than doubled in the last decade according to data from realestate.co.nz, for 10 of the 19 regions across New Zealand. Vanessa Williams, spokesperson for realestate.co.nz says; "Property has long been considered a good investment, and the latest data supports that theory."

WARNING | LANDLORD ACCESS TO PROPERTIES

In a recent case, a property owner took the initiative of using their keys to enter and inspect a property that a tenant had vacated without consulting the managing agent.

The owner thought nothing of it, as the tenant had left the property. The owner began cleaning the property and attended to some minor repairs.

The owner then contacted the property manager, stating they wanted the cleaning and repair costs deducted from the bond.

The property manager was placed in a difficult situation. They had to explain to the owner that the final inspection had not been completed and that their actions could jeopardise the bond claim.

Please be aware that if you need to access your rental property at any time, you must contact our agency so that we can ensure the entry is managed correctly.

A quick courtesy call to our agency can help prevent any disputes regarding the management of your property.

BOUNDARY FENCES | WHO PAYS?

Generally, if you want to build a fence on a common boundary with your neighbour, or upgrade an existing one, you can expect the neighbour to go halves on the bill for an "adequate" fence. That is, one that is "reasonably satisfactory" for the purpose it is intended to serve.

Discuss your plans with your neighbour before you start putting in the fence-posts though, and keep the proposal reasonable. They are entitled to object if they disagree about what is appropriate.

If you can not reach an agreement, or your neighbour refuses to pay half, there is a formal process you can follow.

You can find more information about the fencing laws on the Consumer website at <https://www.consumer.org.nz/articles/fencing-law>

PROPERTY MARKET INDUSTRY TRENDS

RECENTLY RENTED

STRATFORD

Seyton St, 2bdrm, 1bth, osp	\$190
Achilles St, 3bdrm, 1bth, 1car	\$420
Finnerty Rd, 3bdrm, 1bth, osp	\$420

WAITARA

Hume St, 2bdrm, 1bth, osp	\$330
Hume St, 2bdrm, 1bth, shed	\$400
Hughson St, 2bdrm, 1bth, 1car	\$500
Ihaia St, 3bdrm, 1bth, osp	\$500
Cracroft St, 3bdrm, 1bth, 1car	\$520
Broadway, 3bdrm, 1bth, office, 2car	\$550
Waitara Rd, 2bdrm, 1bth, 1car	\$550

NEW PLYMOUTH

Devon St W, 2bdrm, 1bth, carport	\$400
Molesworth St, 1bdrm, 1bth, osp	\$450
Frankley Rd, 3bdrm, 1bth, osp	\$470
Truby King St, 3bdrm, 1bth, 1car	\$550
Buller St, 4bdrm, 1bth, ocean views	\$700
Amy Wy bbk, 4bdrm, 2bth, 2car	\$750

OAKURA/COASTAL

Carthew St, 2bdrm, 1bth	\$380
Pitone Rd Upr, 3bdrm, 1bth, 2car	\$450
Pitcairn St, 2bdrm, 1bth, 1car	\$520
Linda St, 4bdrm, 2bdrm, osp	\$800
Messenger Tc, 4bdrm, 3bth, 2car	\$950

ELTHAM

High St, 1bdrm, 1bth, 1car	\$180
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SUDOKU COFFEE BREAK

Every row & column, and 3X3 box, must contain the numbers from 1-9

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DO YOU HAVE ANOTHER RENTAL PROPERTY?

Contact us to find out how we can streamline the management process by centralising your investment portfolio to one agency. We can manage the change with no interruption to the tenant and you can enjoy the benefits of having one point of contact for your rental property needs.