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22 Kerry Beveridge is NZPIF's Landlord of the Year. His boarding house strategy means big profits and a relaxed lifestyle.

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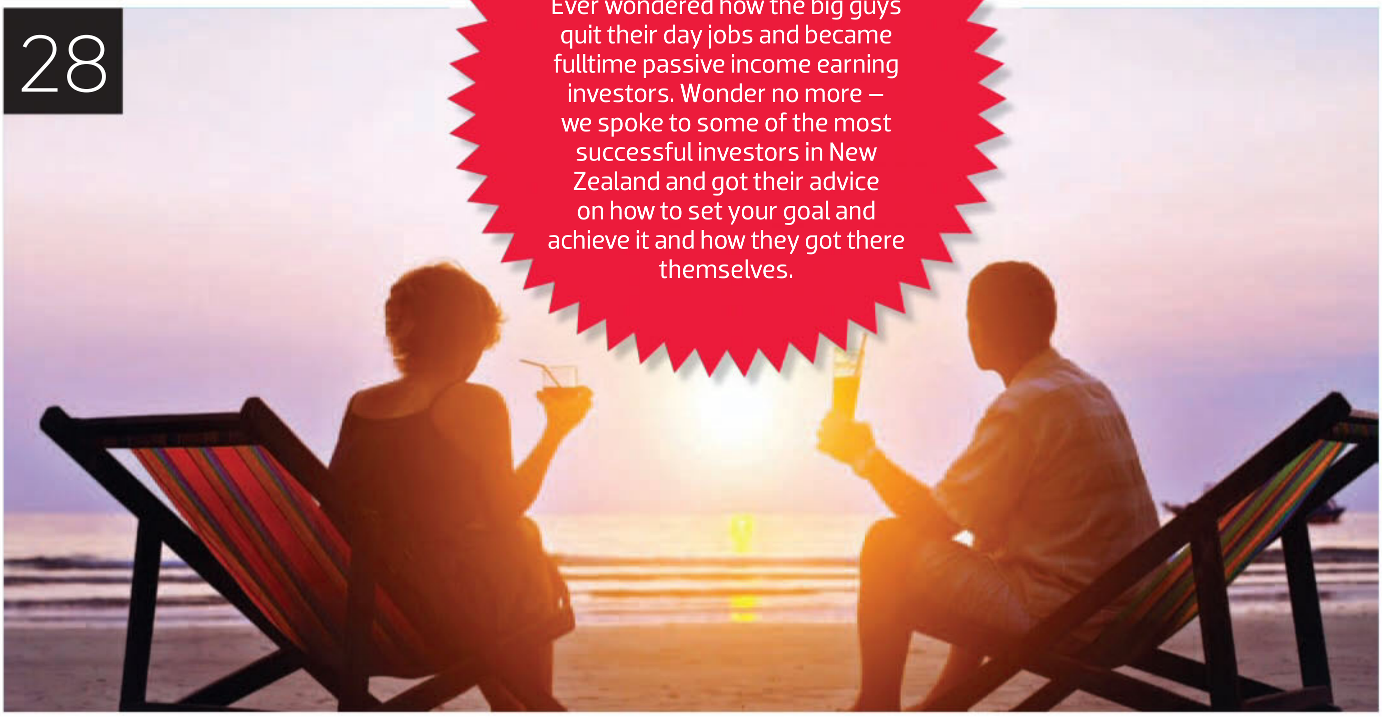

THIS MONTH'S FEATURE

Ever wondered how the big guys quit their day jobs and became fulltime passive income earning investors. Wonder no more – we spoke to some of the most successful investors in New Zealand and got their advice on how to set your goal and achieve it and how they got there themselves.

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LEFT: Need better cashflow? We've collated the top 10 ways to increase your yield in 2018.

RIGHT: Nelson and Tasman holds plenty of opportunity for canny investors.

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TIME TO CELEBRATE

This time last year there was a strong sense that investors were not out of the woods when it came to the battering from a constant stream of regulatory changes. This has eased up a bit, and compliance with those new regulations, as well as figuring out how to overcome those LVRs have been the key challenges this year. However, just when you think you've adjusted your strategy and your systems to suit, a new government is elected and along with it a whole new slew of changes to consider. So why should investors celebrate, you ask? Because this year has been one of great anticipation. And with anticipation there is constant anxiety: Who will the new government be? Where is the market going? Which strategy should I be using? Should I sell? Should I buy?

A (reasonable level!) of certainty is something to celebrate. The election of a new government means you finally know what you are dealing with (read our feature on the potential of the new Healthy Homes Guarantee Bill on p34) and you're finally in a position to stop asking where the market is going. There's nowhere in the country right now that is experiencing the kinds of value increases we saw a year ago and yet we still have a supply issue in Auckland and high net immigration. At this point in the cycle, commentators would normally be hedging their bets that we'll soon experience a downturn, yet many economists are saying the opposite: there's a seat under those values.

Gone is the anxiety of a booming market and with it, the regulatory fist - you've now got time to assess where you're going next year and take time to put your plans in place.

Speaking of plans, our feature on p28 will be something every amateur investor will want to read. We've spoken to New Zealand's top investors on how they managed to quit their day jobs and become fulltime passive-income-earning property investors. It's a big goal but it's one worth considering.

I'd love to hear your investment plans for 2018, so drop me an email or write to me on Facebook: www.facebook.com/NZPropertyInvestor.

Have a Merry Christmas.

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RENTAL RULING HAS MAJOR INDUSTRY IMPLICATIONS

A precedent setting case in Dunedin will help to clarify rulings around unlawful premises.

The overturning of a case that saw a South Island landlord forced to pay an ex tenant over $10,000 in rent has been applauded as a victory for property owners everywhere.

Vic Inglis was found to have rented out a property with unpermitted alterations by the Tenancy Tribunal, and ordered to pay tenant Natalie Parry $10,960.44 in rent.

Parry had been unaware of any issues around permitting when she had signed the rental agreement, but had overheard real estate agents discussing permitting that needed to be done when she was in the process of moving out.

The Tenancy Tribunal case found in her favour and Inglis was ordering to pay back rental for the 29 weeks Parry had resided at the address.

Unhappy with the decision, Inglis asked for the case to be re-tried. The retrial took place in mid-November at Dunedin District Court, with Judge Kevin Philips overturning the original ruling and ordered Parry to repay the money to Inglis.

Phillips stated that the tribunal was wrong when they found that what was essentially a technical breach, was "unlawful". He also stated that Parry had not suffered any detriment from this technical breach.

> “The ruling is wonderful news for the rental industry generally. While it overturns Vic Inglis' Tenancy Tribunal decision, it actually goes quite a bit further,”
> **Andrew King**

This sets a precedent for rulings around unlawful premises that should make life easier for landlords in such cases.

“The ruling is wonderful news for the rental industry generally. While it overturns Vic Inglis’ Tenancy Tribunal decision, it actually goes quite a bit further,” says Andrew King, executive officer of NZ Property Investors’ Federation.

He goes on to say that adjudicators should be able to now make rulings in unlawful premise cases brought before them, and use all sections of the Residential Tenancies Act when making their decisions.

“This means that they can consider the degree of unlawfulness, the degree of harm caused to tenants, and ensure that resolutions are fair.”

King has contacted the principle tenancy adjudicator about the ruling, and is confident he will see a directive from her to adjudicators, clarifying how unlawful properties will be handled going forward. ■

CV INCREASE REALISM NEEDED

Huge increases in Auckland Council’s residential property valuations have delighted property owners but they are being warned not to develop unrealistic expectations on the back of them.

The Council recently announced that residential property in the region has almost doubled in value in just three years, which means valuations are now 46% higher than they were in 2014.

Auckland Council head of rates Debbie Acott says they had expected to see an increase in valuations and that movements in the 40% to 50% bracket aren’t really a surprise.

She says it is outer Auckland suburbs which saw the highest increases in this revaluation – meaning they are catching up with those suburbs that increased the most in the 2014 revaluation.

But both new Housing Minister Phil Twyford and Property Institute chief executive Ashley Church are warning that it would be unwise for property owners to assume they’ve hit the jackpot based on the large increases.

Church says Aucklanders shouldn’t read too much into the council valuation as they are a “guesstimate” rather than an accurate indicator of what a property is actually worth.

“CVs are conducted once every three years and they’re a ‘snapshot’ of the approximate value of any given property at that moment in time.

“They shouldn’t be regarded as an exact measure of the value of a home – and they’re certainly not intended to provide an ongoing price guide”.

The methodology for a council valuation is very different to that of a registered valuation which takes into account such things as the condition of a property and any renovations that have been made, he says.

“If you’re selling your property or wanting to use the equity in it to borrow money it’s important that you get your property valued formally. This will put you in a stronger bargaining position if you want to sell.” ■

LVR REVIEW ON CARDS

The Reserve Bank is poised to review its loan-to-value restrictions (LVRS) but investors are being advised not to get their hopes up too high.

At a recent press conference, Reserve Bank Governor Grant Spencer indicated the bank will be reviewing the criteria for relaxing the LVRs.

When asked whether the housing market had moderated enough for the LVRs to be relaxed, Spencer reiterated that this would be assessed at the review stage.

He says the LVRs were always meant to be a temporary measure but that any changes to the policy would be introduced incrementally.

This means changes may happen over the next few years, especially as new government housing policies will moderate investor demand and further soften the housing market.

However, economists are warning investors not to get their hopes up too high.

Westpac chief economist Dominick Stephens says they are not expecting any change to the LVRs in the near term and that they doubt the impact would be large.

"The Reserve Bank has repeatedly stated that it would loosen the LVR restrictions only gradually and, in any case, mortgage rates and tax policy will probably have a larger effect on house prices than macro prudential policy."

BNZ chief economist Tony Alexander says people shouldn't get excited and think that if the 40% investor deposit requirement is cut to 30% it will spark an investor surge and a new lift in house prices.

Not only does the Reserve Bank not want a new surge, but FOMO on the upside has gone for this cycle.

Further, he says that banks have now tightened up their lending rules over and above what is required by the Reserve Bank.

"It is very unlikely in an environment of tightened credit availability that there will be an easing in those new rules to match any LVR easing and drive a new rash of lending to investors ■

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TOP 5 STORIES

The *NZ Property Investor* website, landlords.co.nz has had a busy month. Here are the top five most-read stories.

1 Massive RV increase for Auckland

Residential valuations skyrocket to 46% higher than the 2014 valuation.

2 New investors and property speculators likely to suffer under new rules

The new government's policies abolishing negative gearing and extending the bright line test to five years will hit some investors harder than others, according to an industry expert.

3 Healthy Homes Guarantee bill to be fast tracked

Housing Minister Phil Twyford has announced the government plans to pass the Healthy Homes Guarantee bill by Christmas.

4 Auckland values start to slide

The QV release on 2 November reveals the first negative annual value growth in Auckland over half a decade.

5 Price expectations heading downward

Housing prices are expected to keep heading south, according to the latest findings from the ASB Housing Confidence Survey.

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SPRING HEATS UP

Spring is starting to shape up like any other normal season – with the exception of a few key locations, writes **Joanna Mathers.**

With the new Labour/NZ First coalition now holding the reins of power, it's unsurprising that there have been some jitters in the property market. They, along with the Greens (who entered into a confidence and supply agreement with Labour) all placed housing affordability at the top of their list of priorities. And they didn't waste any time, with representatives confirming that the bright line test will be extended to five years and negative gearing will be abolished.

"Andrew Bruce from Auckland Property Investors' Association says that while the bright line extension is more likely to affect those who are in the speculative side of the property business, removing negative gearing will impact those who are just starting out.

"Those who are looking to start out in the property investment business are often in a vulnerable position when it comes to cash flow and negative gearing enabled them to use losses on one property to offset tax on other income," he says.

He believes that these changes could hit such investors hard.

New government aside, the property market was a little more buoyant in October . . . unless you live in Auckland. Here's a rundown of what's been happening around the country.

SPRING HEATS SLOWING MARKET

Property pessimists will have been pleasantly surprised as winter's housing chill lifted slightly and the nation's house prices reached a new median high in October, according to REINZ data. But there's an addendum; while 14 of the 16 regions climbed, Auckland has started slipping. The fall of 3.2% to a median of $850,000 represents the biggest fall in house values since December 2010. Nelson also dropped, down by 6.8% the region's average is now $447,500.

> "There appears to be a trend of slowing in the rate of growth, and a return to more normal levels of activity in housing markets around the country"
> **Andrea Rush**

The Trade Me Property Price Index was also more positive. There's been little to celebrate over the colder months, but spring has seen the national average rise by 2.7% from September, to $623,700.

It's been lean pickings for buyers over the last five months, with little housing stock available nationwide, but October saw the market perk up with 30% more listings on the site than in September. Head of Trade Me Property Nigel Jeffries says while October is traditionally buoyant, it's taken a little more time than usual for sales to kick in.

"Usually by this time of year we expect to see the property market in full swing, but with the election in play it's pushed everything back. We're starting to see some of the movement we'd normally expect in this peak buying and selling season," he says.

The QV figures were most notable for the first negative annual growth in Auckland for over half a decade. The year-on-year figures showed a small but significant 0.6% decrease in value.

QV national spokesperson Andrea Rush says nationwide the "frenzy" induced by high investor numbers is subsiding.

"In general, there appears to be a trend of slowing in the rate of growth, and a return to more normal levels of activity in housing markets around the country," she says.

Nelson and Hawke's Bay continued the trend seen earlier in the year towards stronger growth in the regions, and South Wairarapa, the Far North, and Ruapehu have all performed well. Wellington has continued its strong growth, but values in Christchurch dropped by 1.8%.

Barfoot and Thompson's figures for October revealed little movement in Auckland, with the average selling price in Auckland sitting at $910,537. The median house price in October was $830,000.

"The Auckland housing market has been unfazed by the political change that has occurred," says Peter Thompson, the managing director of Barfoot and Thompson.

Although prices of properties sold through Barfoot and Thompson declined by nearly 1% Thompson says that when considered over of a three-month period, values remained stable.

"There has been no panic selling, any hopes of post-election price increases have evaporated, the new Government has done no more than confirm its pre-election commitments and buyers are still being cautious making purchase decisions."

Rounding up the data, Harcourts October figures showed a market influx, with slower movement than in 2016, and a 1% decrease in average house values to $586,954. The 19.9% reduction in auctions was indicative of the market slow down; Harcourts CEO Chris Kennedy saying there was a common belief in both buyers and sellers that auctions were an effective sales method only in a booming market.

AUCKLAND'S RV EXPLOSION

The fact that it was expected didn't dampen the magnitude of Auckland Council's most recent residential value announcement. Residential values in

WHAT'S DRIVING HOUSE PRICES?

REINZ HOUSE SALES: DOWN
Once seasonally adjusted, sales volumes year-on-year fell once again around the country, and particularly in Auckland, in October.

INTEREST RATES: NEUTRAL
Interest rates remain low, but banks are announcing both small rises and falls in various rates periodically.

OCR: DOWN
The Reserve Bank left the OCR on hold at the record low of 1.75% in November.

IMMIGRATION: DOWN
Annual net migration dropped once again in October. However, monthly net migration was up in October as compared to September.

BUILDING CONSENTS: DOWN
Once seasonally adjusted, building consents fell, both nationally and in Auckland, in September. But Statistics NZ says that, overall, consents have lifted in recent months.

MORTGAGE APPROVALS: DOWN
Reserve Bank data shows that mortgage lending overall dropped in September while the share of lending going to investors remained low.

RENTS: NEUTRAL
The average national rent remained unchanged in October as did the average rent in Wellington – although the average rent went up in Auckland.

Auckland have skyrocketed 46% across the board in the last three years, with the outer suburbs leading the charge.

Waiheke Island saw the highest rate of growth; up a whopping 64% since the 2014 valuation. Papakura and Papatoetoe-Otara both rose in value by more the 60%.

While property owners may worry about the implications of these values on rates, Auckland Council Head of Rates says there won't necessarily be a corresponding increase.

"Property valuations are used to help us work out everyone's share of rates – they don't mean that we collect any more money. However, we won't know the impact of this revaluation on rates until we agree our next budget in 2018, so I encourage Aucklanders to view these valuations with that in mind."

LVR REVIEW IN THE OFFING

Reserve Bank of New Zealand didn't cause too much shock as it held the OCR steady at 1.75% and predicted CPI inflation to reach the midpoint of the target range, reaching 2% by the middle of next year. More interesting was the announcement at the tail end of the Monetary Policy Statement (MPS) press conference that the conditions for reversing the LVR would be examined at a Financial Stability Review at the end of November.

RBNZ governor Grant Spencer explained that LVR restrictions were always intended as a temporary measure, and made some noises in the direction of loosening the restrictions slowly over the next year or so. There was also talk of debt to income policy (DTI) being discussed in order to see how such a policy may work.

> "We're starting to see some of the movement we'd normally expect in this peak buying and selling season"
> **Nigel Jeffries**

"While it makes sense to have such a macroprudential policy in the toolkit, this issue of [whether to introduce this] will be addressed in a review that will be undertaken in the course of talks with Treasury next year," he said.

HEALTHY HOMES FAST TRACKED

Labour has been agitating for an amendment to the Residential Tenancies Act 1986 for a while now and original Healthy Homes Guarantee Bill proponent Phil Twyford plans to fast track the bill now Labour are in power.

Under the provisions of this Bill, landlords will be required to meet minimum standards of heating and insulation in all their rentals (the details of this means will be established over the next six months).

But certain details of the Bill may prove problematic. While no one wants to rent out cold, damp homes, some of the Bill's details may necessitate landlords make changes that aren't necessary.

"Labour indicated that they weren't happy with homes being insulated to 1978 standards [which was the requirement for rentals under National's Residential Tenancies Amendment Bill]," says Andrew Bruce from Auckland Property Investors' Association.

Research undertaken by NZ Property Investors' Federation shows that modern insulation only resulted in a 5% gain in efficiency when compared to the 1978 standards.

"It will be disappointing if landlords have to reinsulate their already adequately insulated homes to achieve these standards. The cost benefit analysis isn't favourable."

Labour has also indicated that they are in favour of heat pumps being installed in all rentals, which may be problematic for those who own apartments.

"Additionally, most apartment dwellers will tell you that the issue isn't keeping apartments warm, it's cooling them down," he says. ■

WHAT OUR NEW GOVERNMENT MEANS FOR HOUSING

Peter Norris gives his thoughts on what our new Government will mean for housing.

Let's start with the idea that the Government runs the country. The fact we didn't have one for a month and nothing notable happened says something, doesn't it? People just get on with their lives. Sometimes I think we over dramatise the importance of our politicians and over-estimate their ability to make tough decisions.

I suspect we will get a few quick wins and then NZ Inc. will close-down for the summer! But housing is a priority, as it should be, so let's go through the policy and what it means.

WOF

I like the idea of a rental warrant-of-fitness to ensure minimum standards. Healthy homes have much wider benefits for society. It will come at a cost and there is a likelihood of landlords being granted up to $2,000 towards insulation. That will help, but nevertheless, some landlords will still struggle to fund the maintenance on their properties. When all the changes are added on top of each other, the cash flow impact on lower income landlords will be significant.

BANNING SPECULATORS

Banning foreign speculators from buying existing homes makes sense but it won't make a difference – it's tokenism. For years our policymakers have struggled to understand how capital comes to New Zealand. It's usually held by New Zealand residents on behalf of family overseas, so the non-resident rule won't change this.

Besides, any issues have largely disappeared with New Zealand banks already tightening credit policy to foreign buyers.

BRIGHT LINE

Pushing the bright-line test out to five years will catch more tradespeople doing a build and flick. It's an elegant way of widening the capital gains net without bringing in a capital gains tax. It will also help reduce avoidance where people are developing and selling properties where the owner is extended family.

RING-FENCING

Lastly, the ring-fencing of tax losses for property investors will prevent investors from offsetting investment property losses against personal income and will be phased in over five years. For investors who have low yielding ("capital growth") properties it will make a mess of the economics and reduce their cash flow.

Personally, it wouldn't impact on my investment decisions as I've never counted on tax losses. But investors will often be sitting on annual losses of $15,000-$20,000 so the loss of cash flow to them will be noticeable.

It's not uncommon to transfer personal home debt into an LTC to make it tax deductible and maximise the offset. This won't make sense as much and may encourage owners to sell surplus property rather than hold. That will mean less work for accountants!

However, none of these changes will influence credit policy, which is already tight. The impact of the new housing policy will be on property investor demand. Investors will be more reluctant to buy, and more will step back and wait for stronger cash flow fundamentals. As a result, I wouldn't be surprised to see rental property prices soften in some areas.

On the other hand, the new Government appears to be fiscally neutral (or mildly expansionary.) It will spend more on infrastructure and housing as well as free first year tertiary education, increased investment in healthcare and an ongoing increase in the minimum wage.

Auckland is likely to stay buoyant with the construction sector supporting GDP growth. We'll need to be careful that the Government doesn't end up competing too hard with the private sector for resources – there's a lot of investment planned.

With a softer fiscal policy and a weakening New Zealand dollar, it could put a bit of upward pressure on interest rates but only minor, if at all. I don't see inflation any time soon, with technology-driven deflation still dominant.

There will still be reasonable immigration into Auckland. And, we'll need a ton of builders and other tradespeople.

The Kiwibuild scheme is promising 100,000 affordable houses over 10 years of which 50% will be in Auckland. It will be simple housing largely catering for a market that hasn't been able to buy.

With interest rates staying low, ongoing population growth, and low unemployment, I'm expecting house prices to stay reasonably stable and subdued. ■

10 Ways TO IMPROVE YOUR YIELD IN THE NEW YEAR

The holidays are here and it's a fantastic time to think about how you can improve your investment returns. A great way to get more bang for your buck in 2018 is to increase the yield on your rental properties – and that doesn't have to mean adding a room or installing a new kitchen. We've put together ten simple ideas to boost your income and reduce your costs across your rental properties.

1 INCREASE THE RENT

Is your property rented below market rate? Have you improved it recently without increasing the rent? A rent rise is the quickest and easiest way to get more money from your rental. But if you're already charging market rent or you really don't want to lose your tenants, there are plenty of other ways to improve your bottom line.

Return: Potentially $520 extra income each year ($300 a week, increased to $310 a week, 52 weeks).

2 CHASE A LOWER INTEREST RATE

Lenders are trimming home loan interest rates all over the place at the moment. If you're about to come off a fixed term, or you're floating, it's a great time to talk to an adviser about which bank will give you the best deal. Some lenders provide cash-back offers in the thousands of dollars. Still in a fixed term? Ask your adviser about doing the sums on break fees – you might be pleasantly surprised. This could save you hundreds of dollars a month in interest charges.

Return: Potentially $2,000 saved each year ($400,000 interest-only loan with the interest reduced from 5.5% to 5%).

3 SHOP AROUND FOR INSURANCE

One phone call to a high-quality insurance broker could definitely pay off. Rental property insurance can be complicated, but an expert will help you navigate these murky waters and they can often find excellent deals that can save you a couple of hundred dollars a year on each property's insurance.

Return: Potentially $200 saved each year.

> "You may be able to find ways to reduce the maintenance costs on your property"

4 NEGOTIATE YOUR PROPERTY MANAGEMENT COSTS

Great property managers are worth their weight in gold – but good clients are also valuable. Can you negotiate across your properties to reduce your property management fee? Can you do the property inspections yourself and get that sum knocked off your fees? Could you find a tenant and save the letting costs? If your property manager isn't doing a satisfactory job, shop around for someone else who charges a little less.

Return: Potentially $160 saved (from 9% fee to 8% fee on $310 a month, 52 weeks)

5 MANAGE THE PROPERTY YOURSELF

This won't work for everyone, but if you're having a cashflow crisis, it could be a solid way to get back on track. It will save you money although it will certainly cost you time. There are other upsides if you do a great job: you keep a closer eye on your property and your tenants. Do a bad job, however, and this

will definitely be false economy.
Potential change: $1,290 saved (8% fee on $310 a month, 52 weeks)

6 GARDEN CARE

Paying for a lawnmowing service? Weeds out of control? You may be able to find ways to reduce the maintenance costs on your property, by using artificial turf, putting stones and weedmat down, or using gravel instead of grass on pathways and edges. Well-chosen natives will require little care. You may spend some money upfront, but over the year this could pay off if you can eliminate your lawnmowing or weeding costs. If your tenants are supposed to mow the lawn, see if they'll pay extra to have it done by a professional – organise and manage it yourself and add $5 to their mowing bill for the service. Or mow it yourself and pocket the $20 a fortnight.
Return: $520 saved each year (fortnightly $20 mow), $130 a year extra income if you organise the mowing ($5 a fortnight added to mowing charge).

7 DON'T PAY MORE TAX THAN YOU NEED TO

Your investment property is a business, so you should be ensuring your business expenses are taxed accordingly. That means you need to depreciate chattels and write them off if they're destroyed – if you throw out a fridge or replace the carpet, for instance. Similarly, keep track of your rental-related mileage and phone costs.
Return: Potentially a few hundred dollars each year.

> "You need to depreciate chattels and write them off if they're destroyed – if you throw out a fridge or replace the carpet"

8 FURNISH AND RE-RENT

Furnishing a small property in a desirable location can seriously increase your income. And it doesn't have to cost the earth: between Trade Me, Kmart and the Warehouse, you can make your rental look smart on a surprisingly small budget. A furnished three-bedroom Auckland property will command about 18% more rent, according to a Barfoot and Thompson report, or $87 a week.
Return: $4,524 extra income each year ($87 more rent, 52 weeks), but you'll have to do the numbers on the upfront costs of furnishing.

9 ALLOW PETS IN YOUR PROPERTY

This is a big ask, but animal owners are prepared to pay more for rentals and tend to stay longer once they've signed up – they know it will be difficult to find another landlord who will let them keep their dogs or cats. You can allow pets on a case-by-case basis (perhaps yes to cats, no to dogs) and include conditions in your rental agreement to try to manage the damage; always take the maximum bond. The upside? Low vacancies and extra rent. Most landlords will say you're crazy to allow pets, but some of those who do say they get wonderful, loyal tenants and would never go back.
Return: Potentially $10 extra income each week for a cat ($520 each year) or up to $25 for a dog or two ($1,300 each year).

10 APPEAL FOR A LOWER COUNCIL VALUATION

Rates are a major cost and three large councils have just released new property valuations. If your property's council valuation (CV, also known as RV or GV) is too high, or you think you can make a strong case for it being lowered, you should lodge an objection with your council. If you're successful, this will help you to pay lower rates on your property. You won't save a lot, but it all adds up.
Return: Potentially a few hundred dollars each year, but depends on your property's value and local council rates. ■

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JENNIFER SYKES
Manager, Information & Education, Housing & Tenancy Services at Ministry of Business, Innovation and Employment (MBIE).

STRUCTURING HOLIDAY RENTALS

If an investor is in a top tax bracket, would it be a good idea to have the ownership of a holiday rental property seperated from both them and their family trust?

Q Our family home is under our family trust ownership and has around 50% equity. We are looking at building a holiday home that will, for the first five years or so at least, largely be used as a short-term rental but may, at vacant times, be used by ourselves.

We will need to top up the family home lending to provide the deposit for the new build. But we will be looking to finance as much as we can for the new build with a separate lender so each property can be isolated for security purposes.

I am in the top bracket for tax purposes so would it be best to have the ownership of the holiday rental separated from both myself and the Trust? We have a company already in place that could be the ownership entity for the holiday home and it would be run as a rental business in the first instance. Would there be any benefit or necessity for that entity to be GST registered?

A Firstly, a loss incurred by a Trust can't be distributed which prevents you offsetting it against your personal income. To claim the loss the property would either need to be yours or owned by a look through company that you in turn own. That way the loss flows into your tax return.

Note though, IRD have passed mixed use asset legislation which has dramatically reduced the deductions available through a rented holiday home. Under the new rules mixed use costs can only be claimed in the proportion of rented nights to total nights of occupancy – ie: if you rent for 40 nights and use it 20 nights yourself your ratio is 40/20 leaving you with a claim for 66% of the costs. There is no claim for available but unused nights.

If after applying this bright line you do have a loss, the loss is ring fenced unless your gross rental income from non-associated parties is more than 2% of the property's CV. If you don't meet this threshold the loss must be carried forward or offset against future profit, if you ever make any, from the same source. You don't get to offset against your other income. This rule effectively knocks out any tax deductions for someone who is only half hearted with the actual renting.

It would not be my personal preference to use a company if the home is predominantly a private asset. As you say the personal usage is likely to grow and this almost certainly remains the structure will not be suitable in the future and you will end up having to restructure it. All of which would be problematic if we [have] a Labour government hell bent on a five year bright line test for residential property.

It is compulsory to register if the short term renting activity is over $60,000. If you have the option, I'd say avoid it if you believe the property will appreciate because you will always be left with far more GST payable on disposal than the

GST you claimed on acquisition if the value rises, as it will.
- *Mark Withers*

LVRS ON HOME TO RENTAL

Q I have a property that I purchased in September 2014. It was a first home, purchased with a 10% deposit. As of September 2017, my loan amount is 80% of the total value of the house (current market value).

I'm moving due to a job change. So I want to rent my property out and go and live in a different property paying rent myself. Can I have the property as an investment even if I don't have 40% as required by the new LVR rules?

A That is completely fine. Lenders would have an issue if you had originally stated it as a personal residence, not used it as such and rented it out. However, in this case it is legitimate and so completely fine.
- *Kris Pedersen*

INSPECTION WOES

Q Our landlord is alleging carpet damage from our dogs that requires complete replacement as well as meth contamination. Our dogs were caged every night to prevent damage and, during our tenancy, the carpets were professionally cleaned twice.

We asked to do a joint exit inspection to avoid this kind of rubbish but she fobbed us off with an excuse four days before exit despite three weeks' notice to do this. We even got an email saying the place looked good and the proper exit inspect would be the next day - and then this.

We asked the property manager for a baseline negative meth test and she won't even reply to our requests. Any advice? We're being screwed.

A A landlord does not have to allow a tenant to accompany him/her on an inspection at the end of a tenancy. Many landlords and property managers will have a checklist for comparison of the property condition against the start of tenancy.

It can be very distracting having conversations with a tenant during an inspection, running a risk that some issues may not be covered. Once the inspection is completed the landlord should discuss the results with you.

You haven't said whether the landlord did regular inspections during your tenancy. This allows a landlord to raise any issues as soon as they are discovered, rather than leaving it until you move out.

If the dogs were permitted there is a certain amount of acceptance by the landlord that the standard of "reasonably clean and tidy" includes consideration of the dogs being allowed.

The age of the carpet, too, is a factor. The IRD publishes tables showing how chattels are depreciated in a rental property. If the carpet is several years old the value of the carpet is significantly less than full replacement.

Finally, meth testing at the end of your tenancy is not useful in your case unless there is a baseline test for comparison. In other words, there has to be a means of identifying the condition of the property when you moved in. Without such a pre-tenancy baseline test there is no way of knowing whether any contamination occurred during your tenancy or earlier.

If you and your landlord cannot agree on a settlement of your bond you can apply to the Tenancy Tribunal for a hearing.
- *Bernard Parker*

BANNING RENTAL VANDAL

Q We have a tenant who was the only one on the lease but we allowed her boyfriend to stay with her when he returned home from work (for a couple of weeks at a time). However, after a violent incident where he smashed a hole in the wall and a window, with her assistance we told him to leave and that he was not welcome back.

Our tenant decided to forgive him. When she asked if he was allowed to come back we clearly stated that no he was not allowed back on the property. We did our tenant a favour by not calling the police on him and just kicking him out.

Now we have found out she has been sneaking him over for weekends without our knowledge. Her attitude has become "what are you going to do about it?". We wish we had just called the police now. But can we tell our tenant, and/or give her formal notice, that he is not allowed on the property as he vandalised it?

A A landlord can restrict the maximum number of people who can ordinarily live at a premises by putting this into the terms of the tenancy agreement. Where a tenant exceeds this maximum, the landlord can give the tenant a notice to remedy the breach, and if this is not complied with, they can make an application to the Tenancy Tribunal to have the matter resolved.

If the tenancy agreement does not specify a maximum number of people who can ordinarily live at the premises, or if the tenant is not in breach of the terms of their agreement, the landlord cannot restrict who the tenant invites to the property to visit or otherwise live with them as a flatmate. However, tenants are accountable for any damage to the property caused by their invited guests.
- *Jennifer Sykes* ■

CHANGE STRATEGY FOR THE MARKET

Property investor and chartered accountant Matthew Gilligan outlines what you need to know.

DÉJÀ VU - ANOTHER CYCLICAL PEAK

Here we are in 2017 and the property lights are dimming again. We have low cash yields in Auckland, values are peaking out at the top of the cycle, sentiment is turning against property in barbecue conversations, with people complaining that property values are astronomically high, and there has been a slow withdrawal of Mum and Dad investors and speculators. Auckland has peaked, but optimism still reigns in some of the regions, which are cycling two to three years behind Auckland. We have had a disruptive change of government, planning amongst other things to ban foreign buyers (for the most part), reduce immigration, and threatening with the green-eyed monster to tax the perceived lucrative property investor market more aggressively.

All of this is quite unsurprising really, and well predicted by many, including the writer. Each cycle has a clear pattern that seems to peak in Auckland in a seven year (1987, 1997, 2007, 2017), and if you have seen it before it's very familiar. Soon we will be in a downturn and our riches will diminish, public appetite to tax us will wane, and life will go on.

CHANGING MARKET

Is now the time to hunker down and wait for better times to invest? Depends on what and where in my view – the different cities cycle behind each other (with ripple effect). You need to look at their fundamentals (supply vs demand and income levels of the city) and relative value to where they were in 2007, to make an informed decision. I track this data quarterly at GRA as it is quite useful to assess where the regions and Auckland sit against each other, and what they did over the last cycle. I especially look at how much they devalued in the last down cycle to predict how volatile they might be in the next downturn. I don't like investing in areas that have a track record of devaluing as much as 20–50% from former peak value, as some areas did in New Zealand during the GFC post 2007.

STRATEGY CHANGE FOR THE MARKET CHANGE

In terms of strategy, if investors are still trying to employ old strategies that worked well during the boom phase of the property cycle, then their results are likely to be very disappointing as we move into the downturn. For example, while lowball offers did not work during the last few years, now lowball offers are the norm again in Auckland in the softer market, and are working.

My message here is when the property market changes and moves to a different stage in the cycle, you need to adjust your strategy. The trick is to know which strategies work at the different phases the cycle passes through – and which strategies to avoid. I am continuing to invest in the current market, and the strategies many of GRA's clients and I are using at this time are producing great results. Have a look at the case study, for a simple example.

CASE STUDY: SUNLANDS AVENUE IN MANUREWA

With a purchase price of only \$540k, this subdividable 1128m^2 property in South Auckland has a low entry cost, but stands to make an excellent capital gain. In an average Auckland area, with infrastructure already in place (due to a subdivision next door), how did I manage to secure it for such a low price?

The property had been on the market for over eight months and had been listed with several different agents with no success – mainly because the vendor's price expectations were absurdly high (they originally wanted over \$800k for it which was \$100k too much even at Auckland's peak in 2016). Probably one of those situations where the agent said "I'll get you \$800k+" to get the listing, which has done the vendor a disservice on this occasion. (Sellers should be careful of agents high-balling the potential selling price to get listings. Go with the best agent, not the one offering the highest price.)

When I saw the property, the vendor had become more realistic, changed agent, and was asking for offers in the \$600ks, so I offered \$575k unconditional, as a cheeky offer. However, the vendor declined it because they simultaneously received a slightly higher offer of \$580k, which was subject to due diligence. (Who would take the conditional offer for \$5k more? This vendor did!) As luck would have it from my perspective, the other

purchaser performed a meth test that came back slightly positive at +3. This scared them off, as they were home buyers, and they cancelled the contract. I was the backup buyer so the deal came back to me.

At this point I negotiated to reduce the price to $540k. (The contamination was only light, and I knew it could be remedied and retested for about $3-5k, using my own company to clean the house.) My offer was accepted, which was a bargain because other comparable properties of that size in the area are worth easily in the 600k's or early 700k's. We cleaned the house and it came down below the legal threshold, so that was easy. Amusingly we got one quote of $89,000 + GST to decontaminate the house. (They must have thought we were a government department!) We cleaned the house with a rag, rubber gloves and sugar soap for under $5k.

I settled this property into a joint venture I do a lot of development in (with a couple of mates). We are turning this single site into four titles and, including interest costs, it will require investor capital (our capital) of $625k. With a total cost of $2.35m (including land acquisition, funding, and house and development costs), it is projected to revalue at $3m – an equity gain of $650k. This means upon completion we will have basically doubled the equity we put into the deal with development margin. By not selling and instead renting the developed properties out, we do not pay real estate agent fees, GST or income tax. (There are specific tax exemptions from GST and income tax provided for developers who develop to hold.)

The net yield (both as a single site and after development) is around 4%, being rent - operating expenses as a percentage of cost. So this is not a cash flow strategy. If we don't build on it immediately, we will be getting capital growth on $3m (developed value), but our holding costs are on $540k. So the land bank element of this site is excellent. We stand to make $650k instant equity on the way in, if we develop the site. Lots of options here; we are in no hurry and will watch the market while we do the town planning.

These are the sorts of numbers and this is the sort of strategy that can make a big difference to your wealth over the longer term, a point lost on many investors who obsess over cash flow (because that is what they are told to do by their mentors). So while it's not a cash flow property, this is a great example of how you can create substantial capital gain in the Auckland market. I have more than 20 of these sorts of properties in my portfolio of 35 houses, because they create great growth over the longer term, and I don't have to develop them now – I can get the consents, or at least do the planning and queue them for when I perceive the construction, finance and political environment to be optimal, and then do the development.

CASH FLOW: AUCKLAND VS THE REGIONS

Investors have been flooding to the regions, which are cycling 1–3 years behind Auckland, and good cash yields are still achievable in some areas. In my view you need to be picky about your choice of area as mentioned above, because the regions are much more volatile and tend to crash further and for longer in a downturn. My pick at this point would be Wellington, because with Labour likely creating a large government requiring more offices and more people, there will be increased demand for property. Wellington has constrained property supply, as well as the highest average incomes in the country, so I would expect increased growth and better cash flow returns. If I did not buy in Wellington, I would be looking in Hamilton which has a similar supply-starved look about it and high average incomes.

AUCKLAND CASH FLOW

But what about in Auckland – is good cash flow possible in our largest city? I personally have high cash flow properties in Auckland that are achieving more than 6%–8% net yields. These can be achieved in this market, but not from using standard buy-to-hold strategy – the numbers just won't stack up. To achieve this sort of return at this stage of the cycle (i.e. the peak of the cycle in Auckland), you need to use specific strategies, such as rent-by-the-room. Flat conversions are another very effective cash flow strategy that is working well at this time. Flat conversions are a new opportunity that has emerged under the Auckland Unitary Plan rules, allowing for a second dwelling within an existing property, provided basic criteria of 40m^2 of internal space and 8m^2 of private open space is achieved, along with meeting relevant building code. The cash flow flat conversions are comparable to minor dwellings, but much cheaper to build. This results in better cash flow than the old minor dwelling strategy investors have used in the past. Commercial property is also a good avenue for better cash yields. When you marry high cash flow strategies (like the ones discussed above – there are more), with high growth in a property portfolio, you end up with balanced cash flow and some high growth assets. It's the high growth assets that will make you wealthy in the long-term, but often they produce lower cash yields. Therefore, you need to be strategic – have high growth properties in half your portfolio and prop up their low cash flow with high cash flow assets in the other half. To understand the strategies that are effective, and how to change course as the market changes, take advice from experts who practice what they preach; educators who are walking their talk, who have substantial property portfolios, and who are actively investing.

At GRA we understand how important a good education is, which is why we regularly run our free Property Investment Seminars as well as our 7-week Property School. If you like what you have read above, we invite you to come to Property School, where we discuss these sorts for strategies (we have lots of other strategies to share, too). At GRA we are a team of enthusiastic property investors and accountants specialising in property, and we won't dazzle you will inaccurate numbers (that don't take the proper costs into account) or promote strategies that are ineffective in this market. So if you want fresh ideas that work in this market with an Auckland focus, come to one of our free education evenings (held in our offices in Newmarket), visit our website:

www.gra.co.nz
or contact us on (09) **522 7955**
or **info@gra.co.nz**
to find out more.

Or check out some of my predictions and observations at
www.gra.co.nz/Seminar-Downloads

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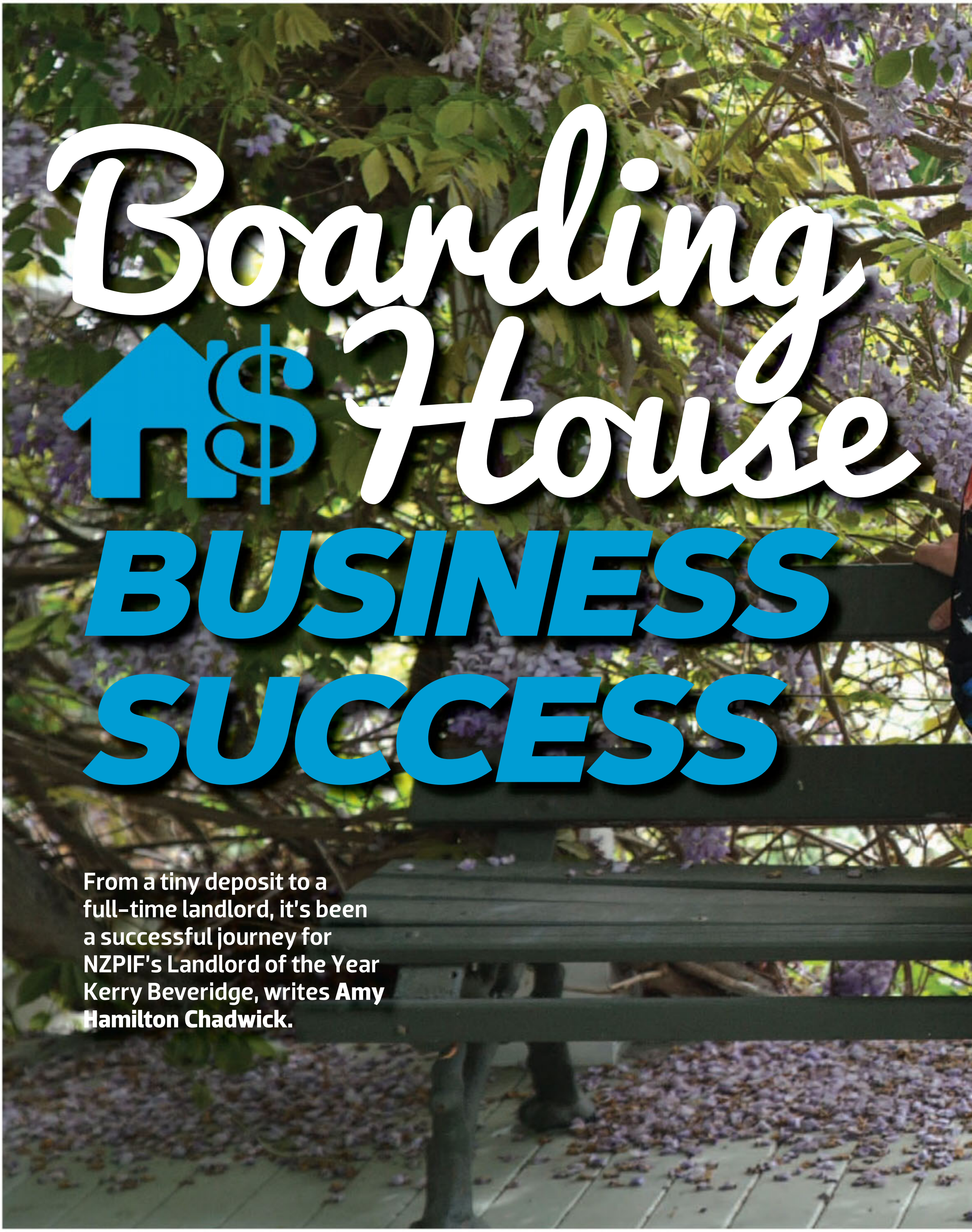


Boarding House BUSINESS SUCCESS

From a tiny deposit to a full-time landlord, it's been a successful journey for NZPIF's Landlord of the Year Kerry Beveridge, writes Amy Hamilton Chadwick.


LET'S
RUN
AWAY

If cash is king, no wonder Kerry Beveridge is on top. He's just been named the 2017 Landlord of the Year and his City Boarding House was a finalist in this year's South Canterbury Chamber of Commerce Emerging Business Award. Beveridge and his wife have turned a relatively small amount of money into a thriving business – successful enough that he's now a full-time landlord and investor.

As a young New Zealander entering the workforce, Beveridge soon realised that working for someone else could be frustrating: "I had a few bosses that weren't necessarily the best," he says diplomatically. "I needed another plan that wasn't reliant on employment." His mum had always dabbled in property investment, and he thought perhaps that could be a way for him to someday become his own boss.

After doing his OE, Beveridge was living in Christchurch with $5,000 in the bank, and decided to buy a rental. Struggling to find an affordable house in pre-quake Christchurch, he cast his net wider. He realised that he could buy a house in Timaru for $100,000 less than a similar house in Christchurch, yet it would rent for about the same amount. Heading to Timaru, he found a run down two-bedroom house which had been "pretty well butchered" by the vendor. Borrowing most of the deposit on his credit card, Beveridge bought the house, renovated it and turned the two bedrooms into three small bedrooms.

BOARDING HOUSE BARGAIN

Although he's since sold that house, it was well worth the effort – and not only because it turned him a profit. A local investor named Helen rang Beveridge and asked if she could see what he'd done with the property; she'd looked at it herself but was in the middle of negotiating on another deal. He was still renovating and she said she'd help him out with some painting. It was the start of a friendship that over several years grew into a romance, a relocation to Timaru, marriage and a family. Together they now own five family homes (in Timaru, Christchurch and Milton), a two-unit block, a four-unit block and the City Boarding House.

The City Boarding House is the only property Beveridge manages himself, and it's the one that saw him recently awarded the Landlord of the Year. Built in around 1866 as the Albion Hotel, it had certainly seen better

days by the time the Beveridges looked at it. It had been for sale for years, and it was easy to see why buyers weren't thick on the ground: "We had to pay to have the power turned on just to look around it, and one door had been kicked in by police because there'd been a squatter at some point."

The asking price was $600,000 and they put in an offer of $435,000 plus GST. But during the due diligence period they got cold feet when the potential costs revealed themselves. An initial estimate of the earthquake strengthening requirements looked fairly alarming and the annual cost of insurance was quoted at $30,000. The couple let their offer fall

"I spend about five hours a week managing the boarding house. It's allowed me to have a lifestyle that's not always possible at the age of 38"

> "We budget on no capital gains – we've been through financial challenges and security's important to us"

over and began the negotiations again, this time starting at $100,000.

"Liz Harris had come down from Christchurch to talk at the PIA about her boarding house. I called her up out of the blue and asked her if she could have a look at my numbers, and she was absolutely amazing. She said it looked like a good deal, and then asked if I was going to buy it because I think she was going to if I didn't – it was the kick up the arse we needed!"

Ultimately Beveridge paid $275,000 for the 16-room boarding house; "I didn't realise how much of a good deal it was. It was furnished with everything, but it had been empty for a few years so it just needed dusting, and new fire seals on the doors, then it was ready to open. It was stupidly easy."

Accommodation starts at $130 a week and goes up to $200 a week for a two-person room. The shared spaces include an outdoor area, a large bathroom and communal kitchen and laundry. There's wifi, heat pumps, a pool table and a BBQ, plus a cleaner who comes three times a week. Tenants have their own lockable spaces and Beveridge has installed a $12,000 security camera system which has improved the feeling of trust and safety for all the guests. It's been an excellent investment; problems like missing food are quickly solved and almost always prove to be accidental, contributing to quick resolutions and happy tenants. In fact, the tenants are so happy that vacancies are extremely low. Outgoing tenants recommend the City Boarding House to friends, who line up to take any empty rooms.

FROM AMATEUR TO FULL-TIME

Beveridge aims to provide all his tenants with superb value and an excellent living space, with house rules that ensure a peaceful and pleasant environment (boarding houses have their own special tenancy laws that let the landlord set house rules; you can see them at www.cityboardinghouse.co.nz). That dedication to doing a great job pays off for Beveridge, too – the property brings in $128,000 each year, for a gross yield of around 50% and a net yield of 14%. Beveridge was working full-time when he bought the City Boarding House, then cut it down to 10 hours a week and is now a full-time landlord.

"My wife works 20 hours a week. If she's in hearing distance I say I work as much as humanly possible. But if she's not? I don't work much," he says with a laugh. "I spend about five hours a week managing the boarding house. It's allowed me to have a lifestyle that's not always possible at the age of 38."

FUTURE PLANS

Next year he's planning to add another six bedrooms into the boarding house, which he estimates will generate an additional $1,000 each week and bring the value of the property up to around $1.2 million. And he's not finished building his portfolio yet. Beveridge plans to buy more properties and has his eye out for another boarding house or motel. He's looking in Christchurch, Timaru and Dunedin, putting in lots of offers, although they're usually on the low side. He won't buy anything that's not cashflow positive from the start or very soon afterwards.

"We budget on no capital gains – we've been through financial challenges and security's important to us. We don't work much, so there's not a lot of income to subsidise our investing, and we don't have a lot of money. So everything has to be cashflow positive. All our offers will cover rates, insurance, property management, fees, maintenance and everything. So most of the time we don't get a property. But when we do it's yes!"

As the president of the South Canterbury Property Investors' Association, Beveridge loves talking about property and sharing his knowledge with new investors. After all, as he points out, property has found him a wife, helped him start a family, given him financial freedom and allowed him to quit his day job.

"We treat it like a business. We want to do this, we like it, and we're trying to start as we mean to continue. It's easy to look at what I do now and say how lucky we are, but people don't see the 10 years of hard work that we've done." ■

THE PERSONAL TOUCH PAYS OFF

One lesson Kerry Beveridge has learned the hard way is that there's no substitute for being available in person when you're renting or renovating a property. His worst buy was a property in Timaru that should have been a good earner: purchased for $75,000, Beveridge planned to spend $30,000 renovating it and sell it for $120,000.

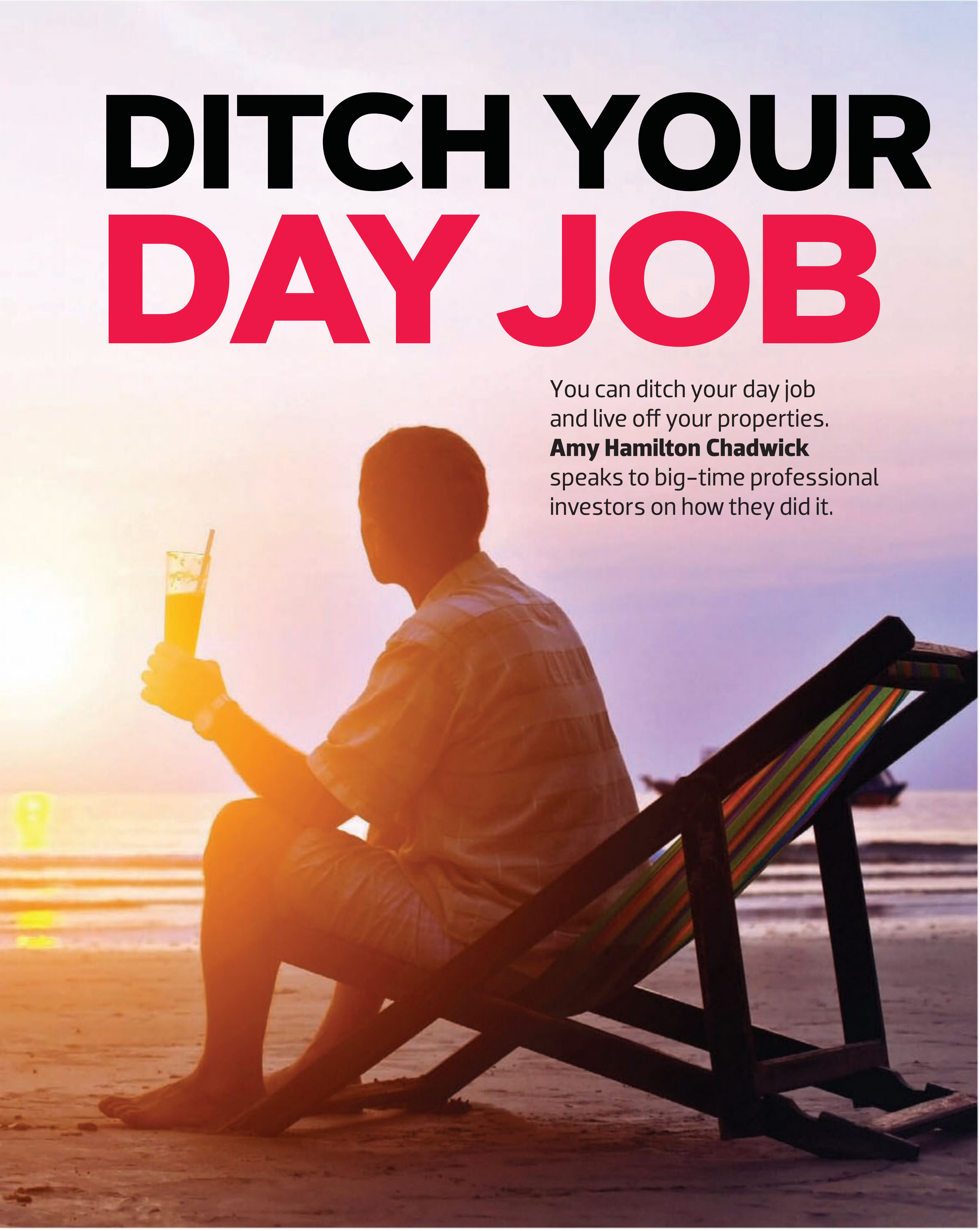
"In theory it should have been quite profitable, but I was managing a Pizza Hut at the time, on a salary, and the work expected didn't fit into the hours allocated. The policy was that unless I did eight hours extra, I didn't get any pay, so if I was covering a shift I was working up to 16 hours a day."

With four other houses vacant at the time and a baby, he wasn't able to spend any time on site. Soon the six-week renovation turned into a year and the builders used their own initiative to make decisions about what needed to be done. The $30,000 do-up turned into over $120,000; "We needed to sell it. It sold for $195,000 and I lost $8,000. I learned that I need to be on site and hands-on."

That lesson has been reinforced by the only property the couple owns that's not in Christchurch or Timaru. It's a house in Milton, half an hour south of Dunedin, that is a bit too far away to keep an eye on as closely as Beveridge would like.

"We're making 7% net yield, so the motivation to get rid of it is not huge. But the property management on that one has been challenging; eventually I will sell it. You need to manage the managers on your properties and I'm still learning to do that. I've found being able to hop in the car and go up and down to your properties has good value."

Unlock ..Wealth!



DITCH YOUR DAY JOB

You can ditch your day job and live off your properties. **Amy Hamilton Chadwick** speaks to big-time professional investors on how they did it.

Could you quit your day job and turn your property investment into your full-time job? While many people are perfectly content with having property investment as a sideline to their jobs, others take the plunge and rely entirely on their rents for income. If you would love to say goodbye to your nine to five and live off your properties, there is hard work ahead, but the rewards can be impressive over the long haul.

We spoke to four Kiwis who make their money from their rentals to find out what it takes to become a professional property investor.

WHAT'S YOUR PROPERTY GOAL?

To make property investment your career, you're going to need a plan for how to create enough income to leave your old job behind. Once you have a goal in place, it helps you make the right decisions as you build your wealth. How much do you need to live on? What type of properties can you find that will contribute to that amount? How many of them will you need? How long will it take you to buy them?

"If I lost everything now, I could recreate it. I never expected to get to the level I have. It's a tight ship now – I just guide it along"
Kesh Maharaj

Debbie Van Den Broek originally set a goal to buy 20 properties and sell 10 of them in order to reduce debt, living off the proceeds of the remaining 10 properties. But as she rode the ups and downs of the market, putting extra money into reducing debt, she realised she didn't need to sell 10 of her properties. With the rent from all 20 available to her, she hasn't needed to work for the past 20 years.

After writing her first business plan many years ago, she put it in a drawer and didn't pull it out for five years. But when she did look at it again, she'd ticked every box. She admits it took some discipline, but says having a goal in mind definitely helped.

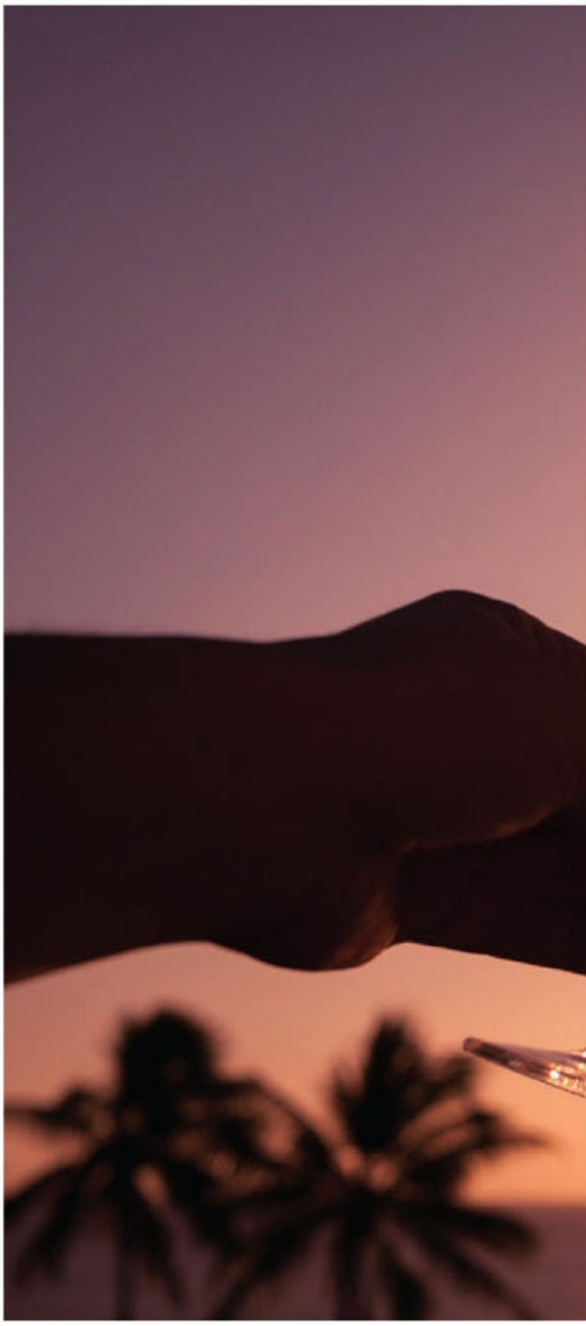
"Even if it's in your head, it just happens. Think about a number you want to live on," she says, "like 10 properties bringing in $50,000 to $60,000 a year. Then by making tiny choices as to what you do, you'll end up there, it's like magic. It feels like you'll never get there, but you'd be surprised – you do!"

BUY BELOW VALUE OR FIND A WAY TO ADD VALUE

Finding a great deal is probably the fastest way to make money in property, which often means identifying opportunities that others haven't spotted. For Christchurch's Lee Bennett, that was 'as is, where is' properties. He now owns 64 rentals and has recently purchased a 50-room rest home in a prime position in the red zone. Bennett's rental income supports him and his wife – and buying below value was a foundation stone for his portfolio.

"It was a gamble to start with," he says. "There were fears of government lockdowns on the properties. I went with initial aggression to get the bargains at the right price, then when they were sourced I had to come up with the right financial strategies. I'm with all five banks and there was second-tier lending involved initially, but I managed to get rid of that."

Liz Harris owns around 170 properties and two boarding houses (with 260 rooms between them) in Christchurch and Nelson, making her one of New Zealand's largest private landlords. She has usually purchased do-ups and likes to look for the "twist" – a way to quickly add value and increase the yield.



"I go to a property and say 'This will cost me $1 million, the rent roll's $75,000, if I do this I'll make an extra $20,000 – I'm in there. It's more about seeing what things can be than what they are. If you can see a twist, do it. Take the opportunities when they're there."

THIS IS A BUSINESS: CASHFLOW IS COMPULSORY

Negative cashflow? No thank you, say the professionals. When you're running a business, cash is king. Every property must contribute to profits when you're living on that income. If you're earning a high wage, says Bennett, negative gearing might make sense, "but the banks will eventually stop lending to you. I'm totally the opposite. All my income comes from the tenants; I can't rely on any other source."

Harris says she simply couldn't afford to have any drain on her income: "I was never into cashflow negative property – I started really small and had absolutely no money and had a full-time job and three kids at home. On the whole it's always my mission to get them, do them up, and get a better income. It's a business. You're not doing it for love. You're there to make money."

Auckland investor Kesh Maharaj owns about 50 properties with around 60 tenancies; he works 20 hours a week overseeing his portfolio and planning his next move. Maharaj's accounting degree always allowed him to see his properties as an enterprise rather than a hobby – he thought in terms of cashflow, forecasts, metrics and benchmarks.

"I'm not doing this for charity, it has to be a good solid business," he says. "I

"Think about a number you want to live on, like 10 properties bringing in $50,000 to $60,000 a year. Then by making tiny choices as to what you do, you'll end up there"
Debbie Van Den Broek

understand each and every component, every cost. The key element is controlling all facets. There are only three things: vacancies, arrears, maintenance. It's a simple business and if you have the systems under control the scalability is really simple, too."

MAKING THE JUMP FROM YOUR OLD JOB TO FULL-TIME PROPERTY

Letting go of your salary isn't easy, and it can take time. You need to make sure you have sufficient income to support your lifestyle. If you're single with no dependents, you may be able to live frugally and leave your job earlier – work out what you can live on and quit as soon as your properties are producing close to that amount. If you have children to support and a large mortgage, you'll need more security. Think about moving to part-time work as your properties begin to support you, then making the switch as your property income increases.

You can choose to gradually transition out of work, or quit entirely. For Maharaj, it was all or nothing. He saved up enough to live on for a year, and then left his job in auditing.

"I knew rents and yields and spent a good year not earning a cent, while I studied the market. I had a goal and a plan and I stuck by it," he says, adding that he spent the years between 2005 and 2012 working as hard as he could: "I didn't see the light of day."

For Harris, it was a slow build-up. She kept working while managing her properties, gradually reducing her hours until the property was producing most of her income.

"From starting to going full-time, it probably took 15 years. You can imagine when you get to 20 or 30 apartments, and a full-time job, and three children, and helping my husband with his business a bit at night, it's hard work. It got so big I didn't have a choice: I was running myself ragged, trying to control my job, doing less hours at work to look after the properties. I had to give up that money and back myself a bit more and go for it."

It took many years for Van Den Broek's originally cashflow neutral portfolio to turn a profit, but once it did, it quickly took off. She says "all of a sudden" it was producing $2,000 net income a month, and soon it made less sense for her to keep working when she took taxes into account. At times she says she envied her neighbours spending their weekends on their boats while she cleaned up old rentals, but now the shoe's on the other foot: "those people are now worrying about their retirement income and I don't need to. Those little weekends have made a substantial difference at the other end."

YOU CAN'T DO IT ON YOUR OWN

At some point, even the most enthusiastic landlord needs help to provide a high level of service. Professional landlords have a team around them who do some of the day-to-day work of managing and maintaining their properties.

Right now Bennett and his wife are doing a lot themselves: maintenance, gardening, cleaning and repairs, for instance. He has a great property manager, and is looking to employ a full-time handyman, "and possibly a couple of part-timers as well – I haven't had a decent holiday in a while, that's for sure."

Harris employs around 30 people; only 3% of New Zealand enterprises employ 20 or more people, according to a 2017 MBIE report, making Harris a major local employer.

"There are definitely advantages in having staff doing the things I don't really want to do! I've always employed builders, and my first staff member was a part-time accounts person. Then I added a contract handyman/gardener, then that turned into a full timer. Then it was a property manager and a full-time accounts person."

Maharaj has a full-time property manager who reports to him once a week. By designing a weekly budget, closely tracking arrears and creating forms for the property manager to fill out, Maharaj can keep on top of all the essentials across his 60 tenancies. In addition, he uses contractors for maintenance, electrical,

"On the whole it's always my mission to get them, do them up, and get a better income. It's a business. You're not doing it for love. You're there to make money"
Liz Harris

plumbing, clean-up and mowing – he likes the 'tap on, tap off' flexibility of the contractors. He spends most of his time dealing with the banks, securing bulk deals for products like insulation, and strategising for future investment.

KEEP THE BIG PICTURE IN MIND

When you start out in property, you get a lot of conflicting advice and it's often discouraging. You need to be able to tune it out and stay on track – set long-term goals and keep them in mind.

"A lot of people will be terrified of purchasing right now," says Bennett. "Don't let it bother you. It's a lifelong investment. Don't let the challenges with the election get in the way."

When Maharaj started buying low-cost property in South Auckland in 2005, before it became an investment hotspot, he says few people understood what he was trying to do. Throughout his journey, it's not always been easy to find people in a similar position – it was a somewhat solitary road to achieving his goals.

"Whilst I was buying I would get laughed at for buying cheap. People like it when you're down. But I was studying plans, looking at council regeneration, where roads were going, infrastructure, schools – there was method to the madness. I realised I had to stop taking advice from people who didn't know what they were talking about.

"It's about the overall goal and having the discipline to do it. It's not planning for one year, it's a vision for 10 or 20 years. It's about short-term sacrifice for long-term gain. If I lost everything now, I could recreate it. I never expected to get to the level I have. It's a tight ship now – I just guide it along." ■

BE ON GOOD TERMS WITH THE BANKS

Strong cashflow is the number one way to keep lenders happy so they'll keep funding your property purchases. If your cashflow is excellent, even if one bank says no, you'll probably find an alternative.

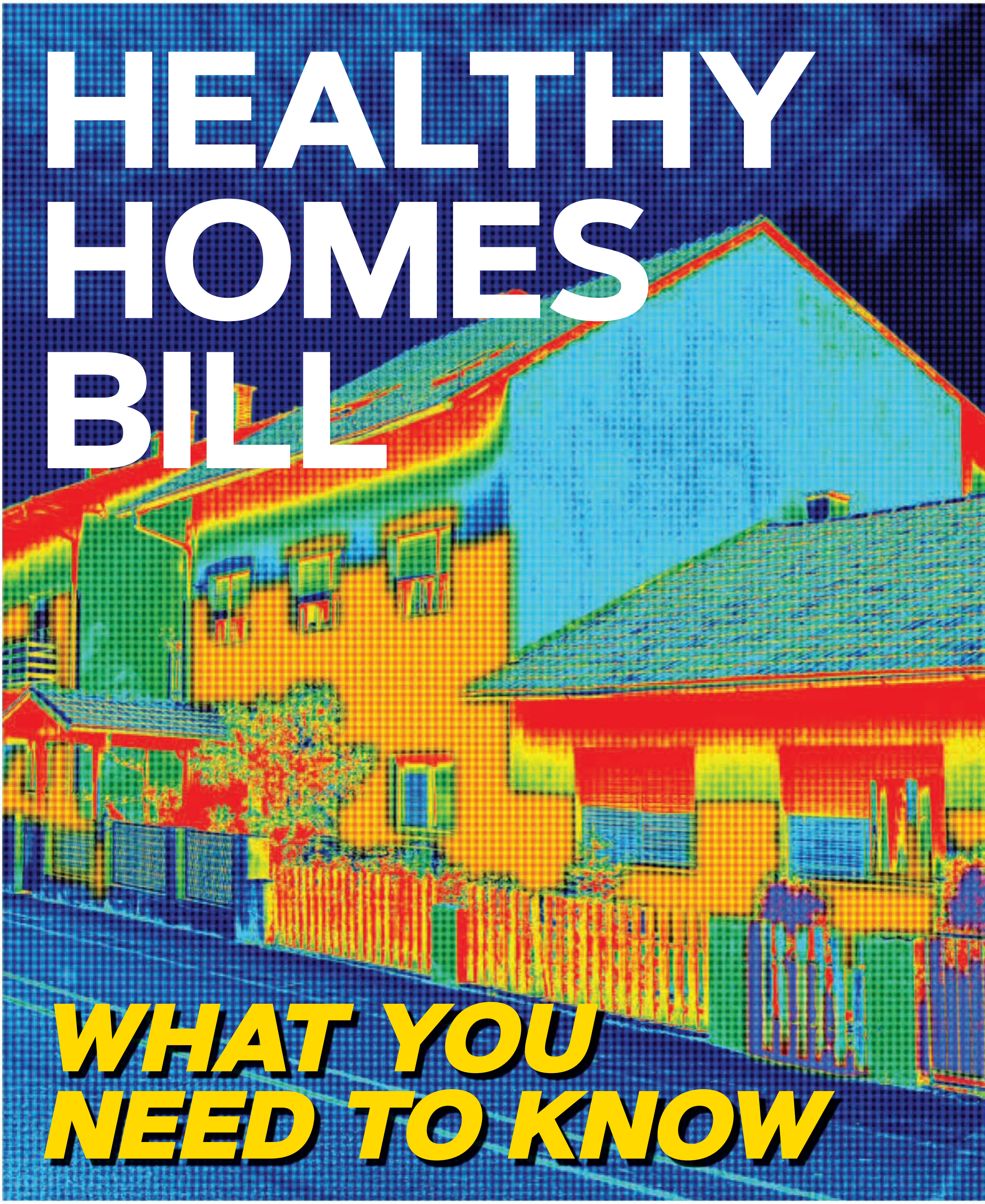
"I've always had good cashflow," says Liz Harris. "I was always able to increase the value of what I bought by finding that twist to get the income up. Over the years there's never been anything I really wanted that I couldn't afford. I've had a few arguments with banks over the years to convince them, even changing banks if they didn't support me, but now they're supportive."

But cashflow isn't the only factor in getting the banks on side. It's also important that you have someone at the bank who knows what you're trying to do and buys into your vision. Having a strong relationship with his bank helped Lee Bennett to secure funding on the rest home he recently bought, which he says most people couldn't see the value in. His bank contact, however, visits properties Bennett's looking at and understands the strategy behind them.

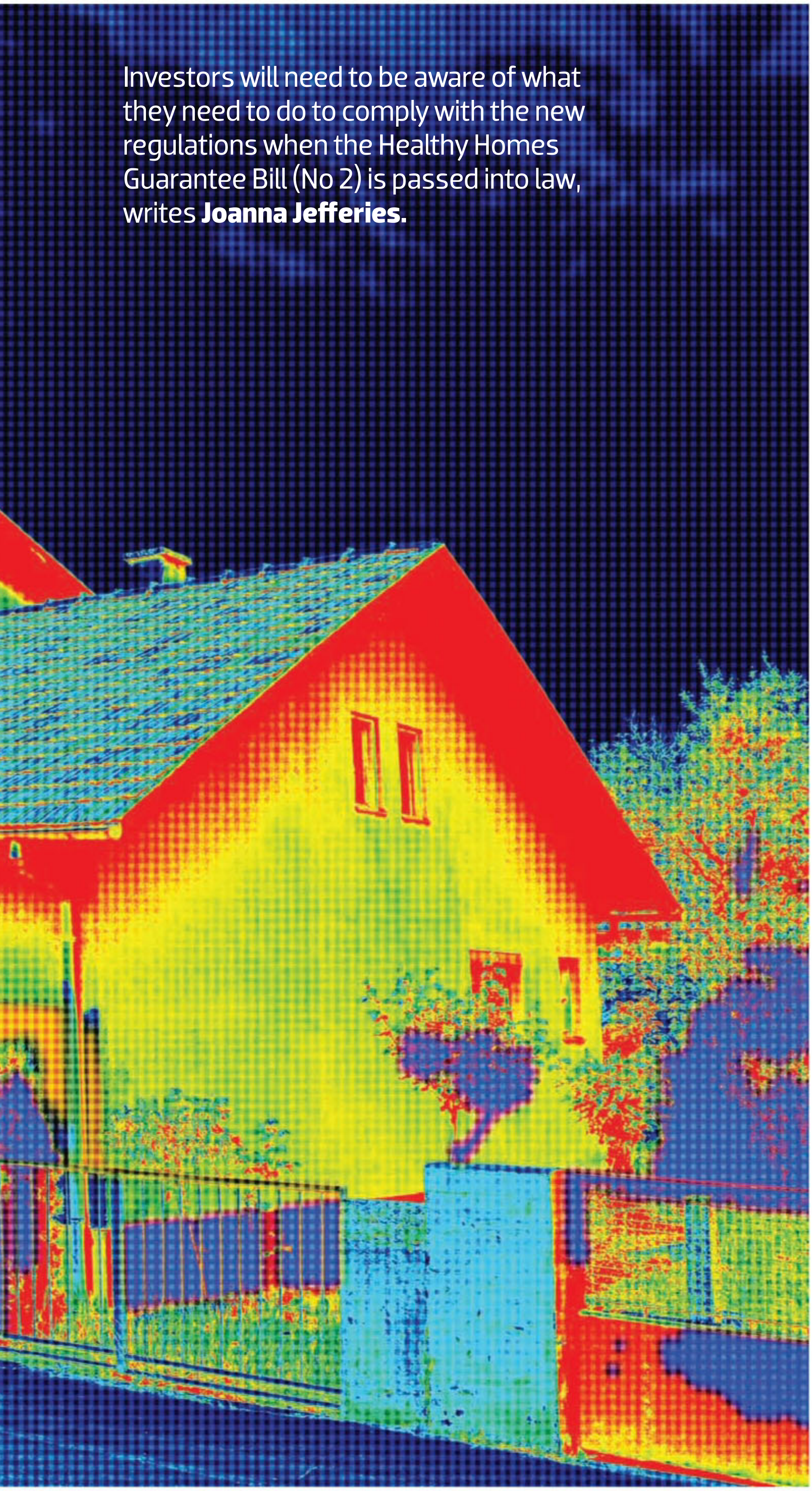
A personal relationship with the bank is also something Kesh Maharaj works on. He believes a broker can't necessarily communicate his vision to lenders as well as he can himself. He also made a point of having at least five.

HEALTHY HOMES BILL

WHAT YOU NEED TO KNOW



Investors will need to be aware of what they need to do to comply with the new regulations when the Healthy Homes Guarantee Bill (No 2) is passed into law, writes **Joanna Jefferies.**



Housing Minister Phil Twyford's Healthy Homes Guarantee Bill (No 2) is set to have its third reading and may be passed into law before Christmas, thereby putting in place new standards for heating, insulation, ventilation and drainage for all rental properties. For some investors it's their biggest worry of all the changes implemented by the new government. So, what's this bill about and how exactly will it impact on investors?

WHAT'S IN IT?

Under the bill, landlords will be required to meet minimum standards for heating, insulation, ventilation and drainage in their rental properties. The fine points are still being nutted out, but a standard compulsory heat source, insulation required at current Building Code levels and a minimum temperature standard for all rentals are being discussed. These changes will amend the Residential Tenancies Act 1986, and all landlords will be required to meet the standards.

> "If it goes through as planned, landlords will have to provide a statement – the same way they have to about insulation, they'll have to for heating"
> **Scotney Williams**

The standards for insulation, heating and ventilation will be set by the Ministry of Business Innovation and Employment (MBIE) within six months of the bill being enacted. This means MBIE will select the heat source (a heat pump is rumoured to be MBIE's favoured heat source) and it will also set the parameters around how the house will be ventilated and how it might achieve a minimum temperature. Once these regulations are established, the requirement to meet the standard will be one year for any new tenancy agreements. All tenancy agreements will be required to adhere to the standards within five years.

MINIMUM NEW AND TOPPED UP INSULATION REQUIREMENTS FOR RENTED HOMES (PRODUCT R-VALUES)

ZONES 1 AND 2 (NORTH ISLAND EXCLUDING CENTRAL)	
Ceiling	R 2.9
Underfloor	R 1.3
ZONES 3 (SOUTH ISLAND & CENTRAL NORTH ISLAND)	
Ceiling	R 3.3
Underfloor	R 1.3

INSULATION WOES

The new insulation standard will likely require all rental properties to be insulated up to the current Building Code level – see table above.

These levels are already required for new insulation and top-ups, but rentals that have lower levels of insulation are currently acceptable (typically properties built between 1978 and 2001) but would need to upgrade to the current building code level if the bill passes.

NZ Property Investors' Federation executive officer Andrew King played a part in lobbying to ensure older properties with existing insulation didn't need to be re-insulated when consulted on the Residential Tenancies Amendment Bill 2015. He says re-insulating to the current Building Code is proven to have only 5% more efficacy.

"To top it up it will cost almost as much as completely installing new insulation. The cost-benefit just isn't there."

HEAT SOURCE CHOICE

Another key issue arising from the bill is the selection of a mandatory heat source. King says he's heard MBIE is favouring a heat pump, which may be required across the board, regardless of the type or nature of a rental property.

But "some properties just don't need heat pumps," says King.

Hamilton investor Rachel Ward has been insulating her properties over the past year to current Building Code levels at a cost of around $2,500 per property. She has also installed heat pumps in all but one of her properties but says that one of her tenants, in her seventies will not use the heat pump due to the cost.

"I said, 'I feel really bad – please use it' but she laughed at me."

Ward says it's a shame to have to spend $2,500 on a heat pump if it's not the tenant's heat source of choice.

> "Ideally we'd just like to leave it as it is. Which means that if you've got a plug there, it's enough. We'd like the tenants to have the choice"
> **Andrew King**

King agrees tenants should have a choice over their heat source.

"Ideally we'd just like to leave it as it is. Which means that if you've got a plug there, it's enough. We'd like the tenants to have the choice."

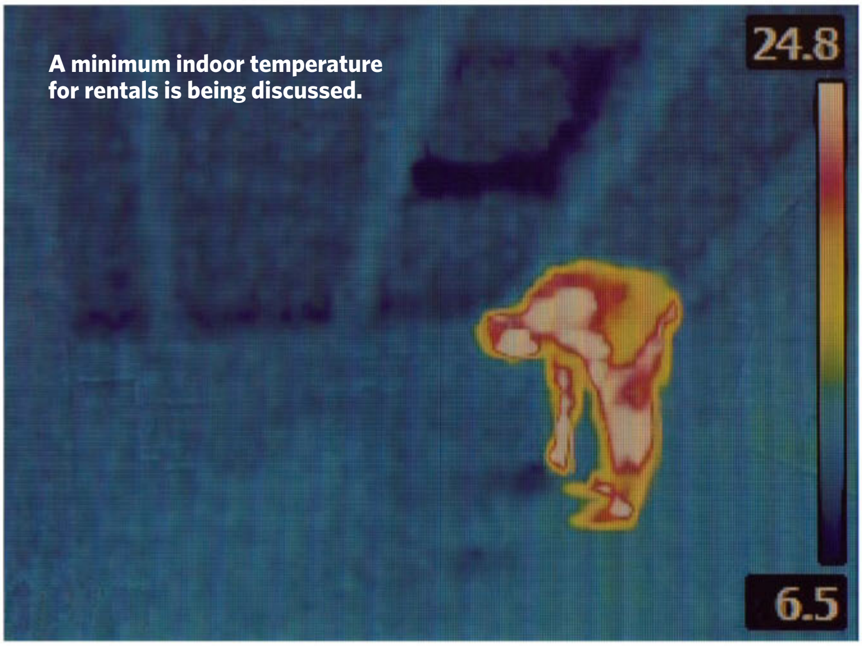
The Housing Improvement Regulations 1947 dictates that landlords do need to provide a heating source in living areas but it isn't specific on the source, and providing power points can be a way of ensuring a home can be adequately heated.

King says the NZPIF supports improved standards of living for tenants, but feels there needs to be a more targeted approach to achieve this goal, and that a 'one size fits all' approach won't work.

COMPLIANCE

Tenancy.co.nz principal Scotney Williams agrees that while the bill will have a positive impact on the health of tenants overall, there are some issues within it that need further thought.

He suggests that having a range of approved heat sources for different



A minimum indoor temperature for rentals is being discussed.


It looks likely heat pumps will be the 'heat source' of choice for all rentals.

rentals' needs might be a better way to implement a compulsory heat source.

Williams says it's also important to note that any changes to rental requirements will likely need to be advertised and noted on the Tenancy Agreement, just as insulation levels currently need to be.

"If it goes through as planned, landlords will have to provide a statement - the same way they have to about insulation, they'll have to for heating... There'll be no cost involved, it's just a compliance issue."

Rentals that are up to the new standards in the bill may well have an advantage over others in the market, he says.

PASSING ON COSTS

The cost of bringing up rentals to the new standards set in the bill will be huge for some investors who haven't yet insulated their properties. Still, they may be in a better position than those investors who were early on the uptake of insulation, but whose properties will now have to be re-insulated or topped up to the higher standard.

Auckland investor and property manager Lisa Taylor says the impact will be minimal on her portfolio as she recently brought her rentals up to the insulation standard required, that will be in place from 2019.

She says her cashflow positive portfolio means she can afford to make these upgrades but is aware of other investors that will be hit harder by the new regulations.

She has passed the cost of the insulation on to her tenants through rent increases – "I always pass on any cost when I can," she says.

She has also installed heat pumps in all her rentals, but as a property manager she sees "a whole lot of properties that have heat pumps in them and the tenants don't use them because they don't want to spend money on power."

Wellington investor Claire Alderton doesn't believe designating a specific heat source is suitable for all tenancies.

She offered to install heat pumps into her rentals at an additional cost of $10 per week to her tenants and most of her tenants took up the offer. ■

POTENTIAL FOR RENTAL WOF

As part of their election campaign, the Green Party campaigned for a rental Warrant of Fitness (WoF). The compulsory rental WoF would require all rentals to meet a standard of heating, insulation and ventilation, and landlords would have to have the property certified every three years at a cost of around $150 -$250 (on top of the cost of any repairs).

While there hasn't been much noise on this front since the election, Wellington City Council continues its trial of its own rental WoF, a scheme that came into play in August this year.

The WoF is currently voluntary and at a cost of $250 to the landlord an inspector comes to the property and over an hour assesses 63 questions that cover 29 criteria.

But the uptake has been slow with only two landlords voluntarily paying for the assessment since August.

Alderton, who owns nine rental properties on the Kapiti Coat and Levin, says the WoF as it currently stands is ineffective.

"It's too stringent – there's parameters around using certain types of lightbulbs. Even my own home, which is very warm, dry and insulated wouldn't pass because it doesn't have insulation strips on the windows."

Alderton believes Wellington City Council should look further afield for systems that already work well. In the UK there is a compulsory energy performance certificate for rentals that only needs to be completed every 10 years. Compared to the three-yearly Wellington WoF it means far less cost to landlords.

"It feels like they are trying to re-invent the wheel," says Alderton.

LISTED COMMERCIAL **PROPERTY TRUSTS**

Listed Property Trusts are a worth looking into, writes **Joanna Mathers.**

Listed property trusts (LPT) occupy the intersection between property investment and the stock market. And while they are an established part of the commercial property market, the ins and outs of how they work can seem rather baffling.

Then there's property syndicates and unlisted property funds, which differ significantly in how they function. With so many permutations of joint ownership models, it can be hard to see the forest for the trees when trying to make an informed decision around this type of commercial property investment.

NZ Property Investor spoke to the experts to get the lowdown on what you need to know about LPTs and their counterparts, commercial syndicates and unlisted funds.

THE BASICS

Listed property trusts offer portfolios of properties that are listed on the stock exchange. There are nine listed property trusts in New Zealand, each specializing in different sectors such as health, commercial, and retail.

The overall portfolio is divided up between investors, who then become shareholders. Entry level rates for private investors start at around $5000, which makes them a good beginner's investment option.

LPTs are publicly traded on the NZ Stock Exchange (NZX) and regulated by the Financial Markets Authority. Shares in LPTs can be sold to others trading on the stock exchange with little fuss.

LPTs offer investors who can't afford to buy a property outright the chance to get into the commercial property market without the need for a massive mortgage or huge initial outlay. They have many other advantages, including ease of liquidity and professional management, but they don't offer the returns that syndicates or unlisted funds do.

Property syndicates differ from LPTs as they don't have shares listed on the NZX. Instead, they enable people to invest in commercial, residential and industrial property by pooling money with other investors. They typically offer higher returns but can be riskier than other LPTs. It's also important to note that high returns aren't guaranteed, and your money will usually be locked in for the medium to long term.

Unlisted trusts are a third option. They own portfolios of properties and sell blocks as "units" to their investors, but these units aren't listed on the NZX.

Scott Mackenzie is the CEO of Pacific Property Fund, a commercial property fund that has investments in over 29 commercial, industrial and office properties. He explains the benefits of unlisted funds.

> "They are a convenient way for investors to access parts of the property market that can otherwise be difficult e.g. large commercial, industrial, shopping malls and office buildings"
> **Mark Patton**

"With unlisted property funds, the value of the investment shares/units tends to more accurately reflect the actual performance and value of the underlying portfolio of properties," says Mackenzie.

"Investors in unlisted funds typically take a medium to longer term view of their investments building sustainable wealth over time through the capital growth of their investments as well as through regular cash distributions."

THE GOOD AND THE BAD

As with all investments, investing in LPTs has its pros and cons compared with other investment options.

As LPTs are listed on the stock exchange, and subject to regulations laid down by the NZX, they are less risky than commercial syndicates or unlisted funds.

Listed Property Trusts usually have a larger fund size and hold more properties than commercial syndicates. It means that risk is likely to be higher for investors investing in commercial syndicates than LPTs.

It is also easier for investors to sell their shares to other investors in the NZX, whereas investors in syndicates or unlisted funds are locked in for longer periods. If they want to sell their share of the portfolio, they have to find a buyer willing to take over their investment.

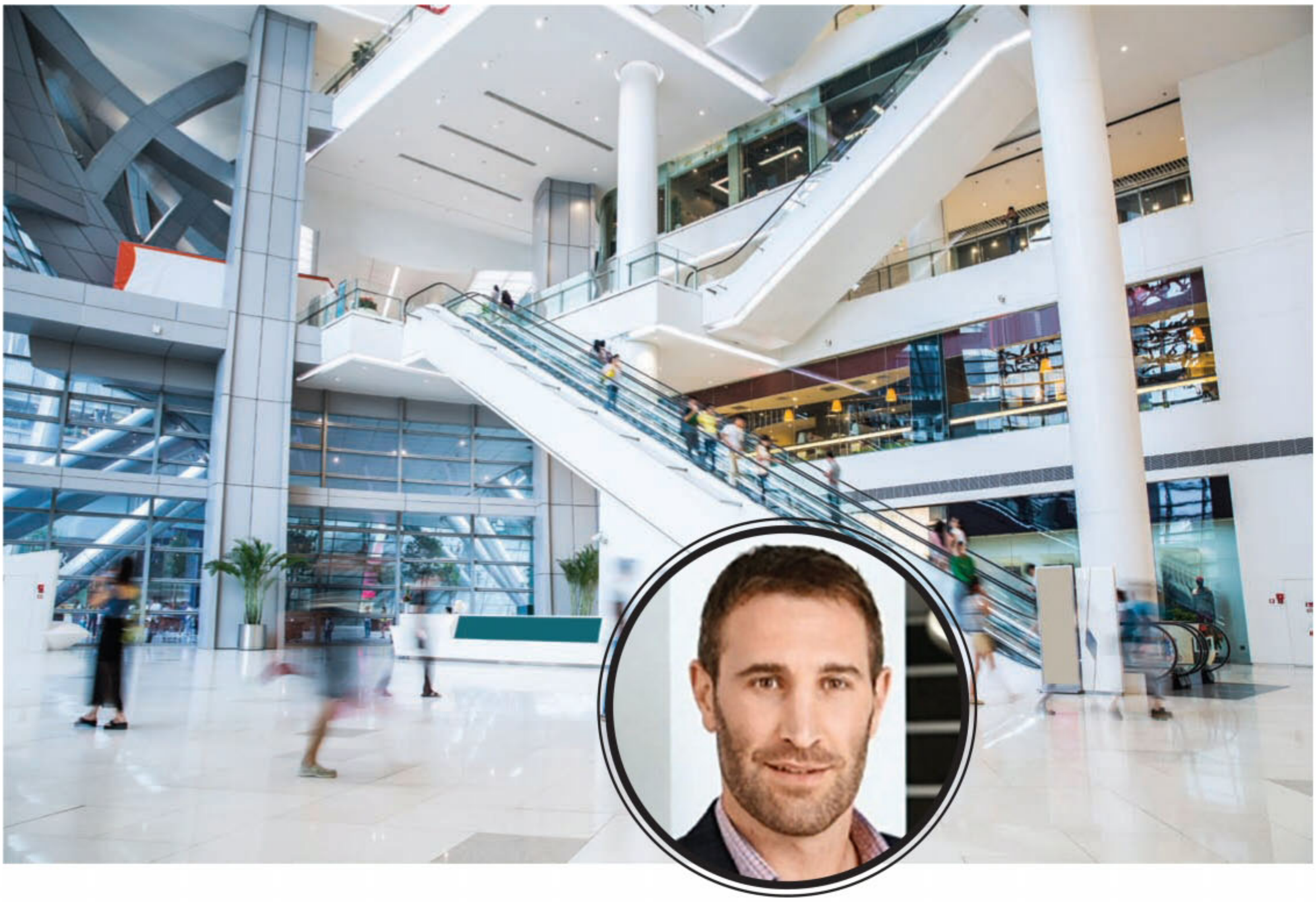
Investment advisor Mark Patton says that LPTs are an attractive option for many of his clients.

"They are a convenient way for investors to access parts of the property market that can otherwise be difficult e.g. large commercial, industrial, shopping malls and office buildings," he says.

"Investors can participate with a modest investment compared to owning these assets directly. They also provide liquidity and therefore overcome what can be a significant challenge for property assets. Finally, most pay a strong yield and are tax effective. All-in-all, it's a convenient way to invest part of a portfolio into property alongside other asset classes."

But there are downsides to investing in LPTs, as Mackenzie explains.

"Listed stocks are exposed to the volatility of the stock market and are more likely to fluctuate in price regularly, than the values of unlisted investments," says Mackenzie.



"This means geopolitical, the performance of the local and global economies and other (non-property related) industries can have negative or positive impacts on a listed property stock."

Additionally, LPT returns aren't as high as in commercial syndicates or unlisted funds.

The cons of syndicates are the relatively high cost of investment, higher risk, and less liquidity.

"These usually require a higher level of investment, though some are available in smaller parcels," says Patton.

"Funds may not be as easy to access if needed and the investment is less diversified if performance is centred on a single property. Syndicates bridge a gap between direct ownership and listed trusts for those investors seeking an asset with potentially higher risk and reward."

> "It's important to consider the following: What is the quality of the underlying asset(s) in the fund? Who/what entity is the manager of the fund or offer? Are they well regarded/ established? **Scott McKenzie**"

KEY PLAYERS

There are nine LPTs operating in New Zealand. The biggest player in the New Zealand market is Kiwi Property Group, who changed from a trust to a company in 2014, but still have a listed portfolio.

Zhi Dong, a lecturer in property from University of Auckland, says that the strength of KPG is its active and expert skills in asset management, especially for shopping centres and shopping malls.

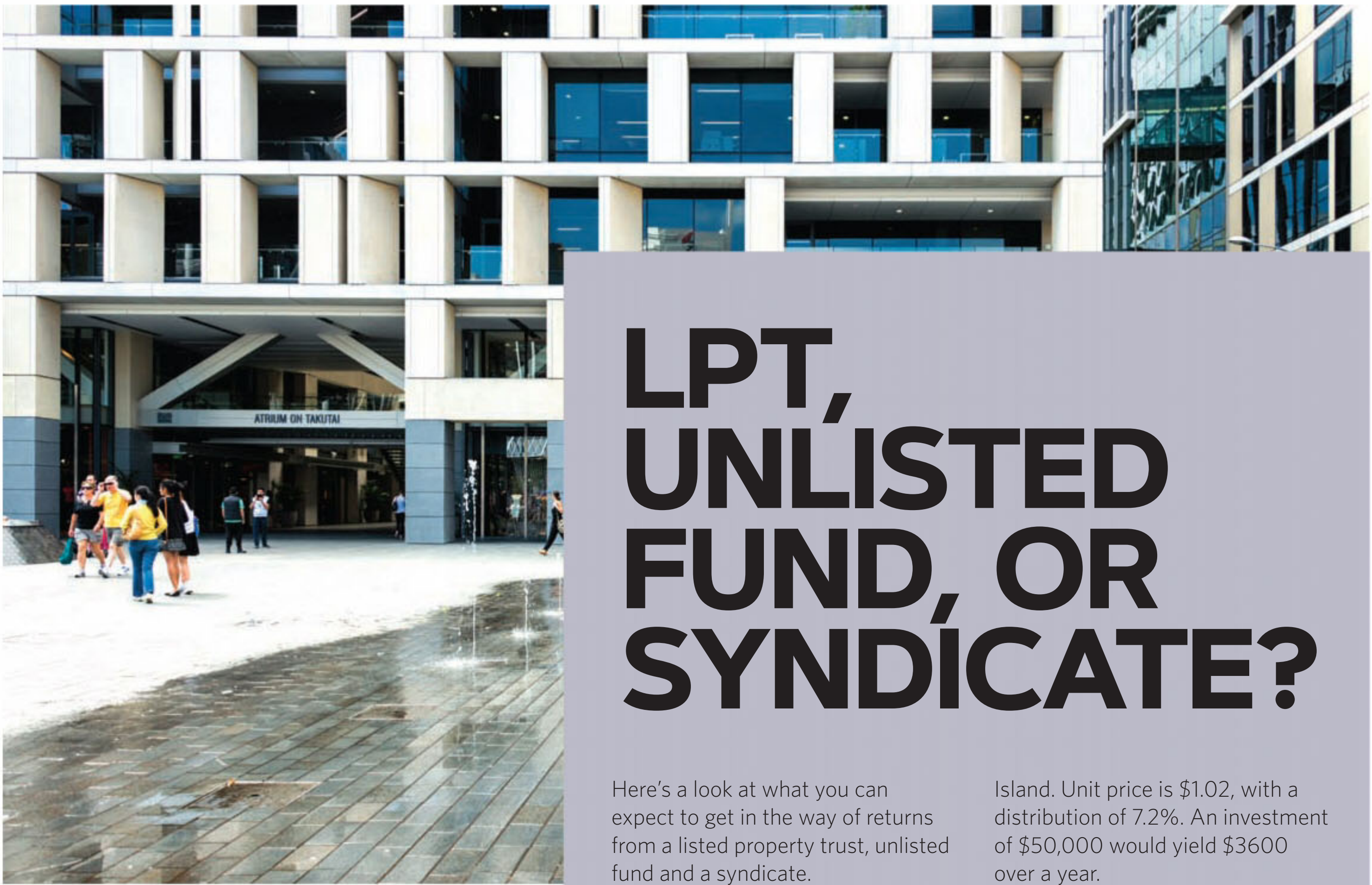
"The largest shopping centre in New Zealand, Sylvia Park, is in their portfolio," she continues.

Argosy Property, Goodman Property Trusts, Property For Industry, AMP NZ Office Trust, NPT Limited and Vital Healthcare Property Trust are other major players in this sector.

Trusts have differing investment interests. Property for Industry invests in infrastructure property, AMP NZ Office Trust invests in office buildings, and Vital Healthcare (as the name suggests) specialises in properties utilized by the health system.

Dong explains that listed property trusts are run by management teams, headed by managing directors, who look after selected sections of the property portfolio.

"Board members of property trusts decide strategies that direct the managerial style and investment plan for a property trust," she explains.



LPT, UNLISTED FUND, OR SYNDICATE?

Here's a look at what you can expect to get in the way of returns from a listed property trust, unlisted fund and a syndicate.

LPT

AMP Capital Listed Property Security Fund features a portfolio of New Zealand Properties. Share price as of mid-November was $2.25 a share. Returns from the year ending October 17 were 3.81%, and an investment of $50,000 would yield returns of $1,905.

UNLISTED FUND

Pacific Property Fund has a portfolio of properties in the upper North Island. Unit price is $1.02, with a distribution of 7.2%. An investment of $50,000 would yield $3600 over a year.

Syndicate

Augusta Property Syndicate has four commercial properties in the centre of Auckland. Unit price is $1.025 with returns of 8%. An investment of $50,000 would return $4000 over the year.

*Note these are indicative prices only and intended as a guide only.

LPT OR SYNDICATE?

Deciding which type of commercial property investment to go with depends on what you are wanting from your investment – solid and steady results with read liquidity, or the promise of higher returns with the attendant risks.

As LPTs are listed on the NZX, you can sell out and get your money in four to five days. Property syndicates, on the other hand, require a longer-term investment - if you sell quickly you could end up paying less than what you bought for.

To buy shares in a listed property trust on the stock market, there is an average cost of 0.75% to 1.5% in brokerage, while the all-up fees for initial offerings of syndicated properties can be up to 10%. The return on LPTs over the period of a year is in the region of 4.9%.

When it comes to returns, syndicates or unlisted funds offer in the region of 7% upwards. Fees can be charged if the syndicate or fund helps facilitate a sale of units to another investor, usually around 1.5%.

Mackenzie has some sound general advice for anyone looking to invest in a portfolio of property, be it through a listed trust, syndicate or unlisted fund.

"It's important to consider the following: What is the quality of the underlying asset(s) in the fund? Who/what entity is the manager of the fund or offer? Are they well regarded/established? If the fund or offer is an existing one, what has its track record been like, what rate of return has it enjoyed?"

He also recommends asking for references of the manager, from existing investors.

"If existing investors aren't happy they will tell you. Looking at the manager's approach to investment and philosophy is also important." ■

Renovation OF THE YEAR

Donna Youngman's project of subdividing and relocating a dwelling, paired with a big DIY renovation won her Resene's Renovation of the Year award. By Diana Clement.

Donna Youngman and husband Murray moved from their home onto a yacht to free up capital in the year 2000 and never looked back.

Their property investing was a way of funding travel. After Murray died in 2009, Donna continued. With only herself and dog Shrek to care for, she camped in the properties between tenants giving each a complete makeover before moving onto the next one. Soon there were few renovation jobs she couldn't do herself.

When Youngman spotted an advertisement in the *New Zealand Property Investor Magazine* for the NZPIF/Resene Renovation of the Year Award 2017 she was tempted to enter, but was leaving the country on holiday a few days later. "I thought: 'crikey I should do that'," says Youngman.

That night at a Tauranga Property Investors' Association meeting fellow members encouraged her to enter. She got home at 10pm and by sunrise Youngman had collated a detailed portfolio of the renovation at Olivine Street, Poike.

THE RENOVATION

Youngman and her husband had bought the three-bedroom brick and tile home in 2002 for $127,000. The tenants for this property had always been problematic and the final straw was finding the back yard had been turned into an open landfill.

"I was out mowing the lawns and thought 'this lawn is too big for me to mow, let alone tenants. Better idea I'll put another house on it, kill two birds with one stone'."

> "I rang a busy Tauranga building firm and asked 'tell me how much to build a two-bedroom basic home'"

The section was 679m2 and very narrow at the back, which made it a little problematic. "I rang a busy Tauranga building firm and asked 'tell me how much to build a two-bedroom basic home,'" says Youngman. "I said: '$180,000?', he said $300,000. I said 'no'."

Youngman called in to see Neil and Sue Johnson at Bay of Plenty House Removals, where she found the perfect two-bedroom Rimu weatherboard house.

The classic 1960s weatherboard house that she named "CONCORD" cost $23,000 and $16,900 for removal and piling. Youngman had already bought one relocatable home from the company.

In preparation for CONCORD's arrival she removed an old 6' x 4' garage that the tenants had used for dogs not cars and the concrete slab. The old garage fetched $1,999 on Trade Me.

TIMELINE

❶ Purchased house October 9, 2015

❷ House arrived Friday January 29, 2016

❸ House on Piles February 15, 2016

❹ Works begin Tuesday February 23, 2016

❺ June Painting all done inside and out

❻ Carpet and vinyl down 19th July

❼ Metal down and weed mat, gates up

❽ House finished July 30, 2016

Youngman was lucky that the "new" house was in a relatively good condition. Johnson had already installed a second hand modern kitchen in it. The bathroom and shower were mostly in good nick for a rental. "The vanity was old, water damaged and crusty so I took off the panels, gave them to my kitchen guy and he made new modern ones. I screwed them on and it looks just like a new one for $135."

The roof and under floor were already insulated to Building Code standards with GreenStuf R3.2 insulation in the ceiling and R1.5 underfloor. The existing curtains cleaned up well, the wallpaper was in acceptable condition and the light fittings were in reasonable condition and there was already a gas connection.

The house was walked over the fence and backed into place. Once the piles, plumbing and electricity were installed, Youngman worked full time on the renovation.

She replaced windows that had been broken by vandals, sanded and prepared the outside for a new coat of paint, filled and sanded every hole and crack she could find inside, and repaired sections of wallpaper so they could be painted over.

> "I am a master at crack filling now– I am pretty fussy and have the corking gun at the ready"

"The preparation is certainly the most challenging as you can be filling, sanding, filling, sanding and undercoating for weeks without any real satisfaction or results," she says. "I am a master of crack filling now. I am pretty fussy and have the corking gun at the ready to fill that sneaky crack."

TIME TO PAINT

Youngman made many trips to Resene Tauranga to buy 10 litre buckets of paint. That included a variety of paints and colours including Resene Acrylic Undercoat, Waterborne Smooth Surface Sealer, Resene Zylone Sheen Quarter Tea wall paint, Resene Enamel Undercoat, Resene Lustacryl waterborne enamel in Tea for the doors and door trims, Resene Zylone Sheen white for the ceiling paint, and Resene Qristal Clear polyurethane for the Rimu skirting and Rimu doors. Outside she used Resene Sonyx 101 semi-gloss in Tea and Napa, and Lustacryl green.

"The Zylone Sheen is ready mixed, so can be used for a quick touch up between tenancies." The Resene discounts through her local Property Investors' Association were helpful too.

Youngman, 51, needed help and a friend was feeling a bit down in the dumps, so was offered work painting the house. The pair was great company for each other and finished the painting ahead of schedule.

FINISHING TOUCHES

Once the painting was done the floors were updated. Youngman chose Gallery Sweet Chestnut plank look vinyl from The Flooring Room in Tauranga and Verve Cut Pile 100% Solution Dyed Nylon Carpet by Cavalier Bremworth.

Two wooden decks were added to the house with the help of a semi-retired handyman friend. Whilst handy with the tools, Youngman draws the line at waterproofing around the weatherboards. The friend hand cut the scribes to fit the window joinery.

The other work that she needed assistance with was to install the laundry into the kitchen and connect up the laundry taps and waste.

Youngman was lucky when it came to the fencing. A neighbouring landlord asked her if she would go halves on the cost of replacing an old 600mm high fence separating the two properties with a taller 1.8m high one. She erected pipe gate fencing bought from Bunnings Warehouse, to separate her own two houses at 9 and 9a from each other.

The entire garden was covered in weed mat and metal, which the current tenant, a lawn mowing contractor, loves.

THE NUMBERS

Youngman budgeted $100,000 for the entire job, and ended up spending $110,000, plus six months of her time, which many investors fail to calculate in. She kept close to budget thanks to being a great believer in writing things down, putting a date on them and keeping them as a reference. "Be accountable" and "do the sums" are two of Youngman's favourite quotes, closely followed by "pat yourself on the back often".

> "Be accountable" and "do the sums" are two of Youngman's favourite quotes

Following the renovation, the properties were revalued at $400,000 for the three-bedroom brick and tile home on the front of the section and $350,000 for the new addition at the rear of the property.

In terms of rents the front house brought in $320 a week on the full site with garage prior to losing its lawn, but jumped to $380 after the work had been done. Youngman budgeted on a $280 weekly rent on the newly-renovated two bedroom property, but rental agent Rachel Marsh of Barnard Property Manager managed to get $370 for it.

THE JUDGES

We asked the judges what stood out about Youngman's renovation. They said: "Donna's entry was cleverly designed to use under-utilised space, turning this into an opportunity for extra revenue. She ensured that the rental property was well fitted out, including fresh Resene colour choices, to make it instantly appealing to renters. Donna's budget was spent very wisely, with Donna proving extremely resourceful in scouting out opportunities that many others wouldn't think of to bring together a rental property worth well more than the budget that was spent on it."

THE PRIZE

Youngman was awarded her trophy, certificate, and wins $1,500. Her local Tauranga Property Investors' association receives another $500. ■

RENO COSTS

- House Purchase **23,000**
- House Removal Rent and Piled **16,900**
- Tauranga City Council Building Consent Fees **12,650**
- RPC Land Surveyors **1,250**
- Insignia Design Architects **2,600**
- Plumberman Plumber **7,600**
- Guild & Spence Electrical **6,000**
- Resene Tauranga **1,000**
- Fencing Boundary Half **1,600**
- Gas Man ans 2 x 45kg Bottles **1,000**
- Decking Timber **1,000**
- Mitre 10 Mega (incl Shed) **3,000**
- Snowden Electrical Fujitsu Heat Pump **2,100**
- The Floorng Room Carpet/ Vinyl **5,900**
- Bunnings Mt Maunganui (perimeter fence/gate) **600**
- ITM (wood, posts, pavers, cement, Hardy's) **1,500**
- Curtain's and Cleaning **800**
- General Costs : (Clothesline, Dump Fees, Plants, Tree Removal, Chainsaw Hire, Bobcat, Lock, Window repairs, TV Aerial, Stone Chip etc) **11,500**

TOTAL $100,000

Withers Tsang & Co
Chartered Accountants

TAX POSITION DILEMNA

Mark Withers discusses the dilemna in choosing a tax position on the remediation costs of fixing a leaky building.

Taxpayers dealing with having to take a tax position on the remediation costs of fixing a leaky building are faced with a big dilemma; they get advice from their accountant and they are shown the arguments but they still can't be sure given the extent and degree issues where their case sits on the scale, all too often it's a line call. In this situation there is the temptation to simply claim the cost and hope for the best or take the option of filing with the cost excluded, rather than lodge a notice of proposed adjustment and testing the deduction with IRD. Simply claiming leaves the taxpayer exposed to a 20% shortfall penalty for having misinterpreted the law but lodging the NOPA requires significant work and is expensive.

A recent case in our office illustrates the problem, my client in year one had to deal with the first of two-leaky build remediations. He opted for the safer NOPA path, we lodged this, IRD reviewed it and allowed his claim. In year two we had to deal with the same issue with his second investment. Buoyed from success with property one and seeing the issues with both as being the same my client claimed the deduction for property two, and you guessed it... IRD audited this claim and denied it. My client then did a deal not to pursue the dispute provided IRD did not levy shortfall penalties. A most unsatisfactory outcome on all fronts.

Talk to any accountant, and they will have their own stories demonstrating total inconsistency from IRD in how different situations are dealt with.

> "My suggestion is simply for the authorities to issue some considered guidelines"

MULTIPLE OWNER DILEMNA

Another problem with these cases where they relate to properties in terraced townhouse and apartment developments is the fact that there are multiple owners in each body corporate and many of them aren't privy to the tax positions being taken by other owners. This means there is the likelihood of different owners taking different tax positions which inevitably incentivizes IRD to review returns for all parties in a complex. They seem to have an "if we can deny one we can deny all" approach.

Conflicts also erupt within body corporates between owner-occupiers and investors because the owner-occupiers often want to achieve betterment in the remediation but the investor owners are wanting to do no more than restore because of fear of jeopardizing their tax position. This pressure can even exacerbate the risks of poor remediation outcomes which is in nobody's interest.

There are also council requirements to address all areas of noncompliance when undertaking remediations and this tends to escalate costs. Many multi-unit buildings are not fire compliant and have structural issues that also need to be addressed before the council will certify the remediation work so owners are forced to do this work. The escalation of costs though is often cited as a reason to deny a deduction because IRD see the high cost as evidence that the remediation is too substantial to be considered deductible repairs. Owners though argue that they still end up with the same building they started with, all be it remediated and now fit for purpose.

GOING FORWARD

My suggestion is simply for the authorities to issue some considered guidelines (in the absence of any actual legal decisions) that provide guidance on the extent and degree issues that must be considered when taking a tax position on leaky building remediation.

This would save a whole lot of grief and anxiety for a group of hard working taxpayers that have already suffered enough and would assist tax practitioners to better advise their clients on where the limits lie.

Failing that, get in touch if you have a case, it's time somebody stood up and won a court decision and created a precedent. My suspicion is that the courts may well have more sympathy than the tax department. ■

Mark and his team specialise in advising on property-related transactions, valuation and restructure services, and tax planning. Withers Tsang & Co Phone 09 376 8860, www.wt.co.nz

THE Property Factory

WHAT WILL YOU ACHIEVE IN 2018?

The summer holidays are a great time to reflect, evaluate, and charge ahead for the New Year, writes **Campbell Venning**.

As I write this, it's mid-October and there's a headline on the *NZ Herald* website that says: Election uncertainty's chilling effect on houses for sale. I find this staggering and it makes me wonder about people's financial literacy in New Zealand. I'm clearly not alone –the government thinks we're not smart enough to make our own financial decisions.

You're probably flat-stick right now in the pre-Christmas rush, getting everything done before the holidays. But once those holidays do roll round, and you hopefully get a chance to take a break, it's the perfect time to get a bit philosophical.

For starters, take a moment to think about how far you've come. When you spend every month slowly chipping away at debt and working your arse off, it's like you're digging a trench. Every so often you need to look up, turn around, and admire how much progress you've actually made. Having appreciated how far you've dug this year, you can then think about what you did right and what mistakes you made. Nobody likes this part. It feels horrible to revisit your errors. But it helps to be able to avoid them in future. Then finally, you can take time to look ahead and make sure you're going in the right direction – do you need to tweak things?

YOUR PLAN

Setting a plan for 2018 doesn't have to involve loads of spreadsheets and calculations. Having said that, I know plenty of investors actually live for that stuff, so if that's your thing, knock yourself out. But you can set your goals for the year without making it complicated. Back of an envelope, mate. Reduce debt? Buy another property? Find a way to add another $10,000 to your passive income? The choice is yours, but if you plan it, it's far easier to keep going in the right direction.

> "While you're thinking about what you'll do next, you also need to have a good hard think about all the people who've helped you get to where you are now"

There's been some awesome research on goal-setting in recent years and I've learned some interesting facts:

1 People who set goals are more successful than people who don't. Probably at least partly because they're goal-setting kind of people.

2 Keeping your goals to yourself is more successful than telling everyone about them.

3 Fantasising about your goals isn't that useful because it means your brain thinks you've already achieved your goal.

4 Your goals need to be difficult, but not impossible.

5 Goals that only help you are harder to stick to than goals that help other people, too. Choose a goal that matters.

Then you need to figure out what actions to take in 2018. Property goals aren't just for the year. They're 10-year and 20-year goals, and even goals that take into account our children and grandchildren. It's also something that allows you to give back.

What you achieve in 2018 could be a tiny stepping stone toward a brighter future for you and other people.

Other people are pretty damned important. While you're thinking about how what you'll do next, you also need to have a good hard think about all the people who've helped you get to where you are now, and who will probably be the ones supporting you as you forge ahead into next year. Are those people feeling appreciated? I know all we talk about in this magazine is property, but just like every other bloody business in the world, it's really about people. Your great tenants, the real estate agents that bring you deals first, the property manager who takes those midnight calls so you don't have to... All those people need to be appreciated. Whether it's a bottle of wine, a phone call, or just an email, everybody likes their hard work to be recognised, so do something nice and say thanks. Don't forget your family, either, who've put up with you spending your weekend at open homes instead of doing whatever the hell it is that normal people do.

That's my message for the end of 2017: take some time to appreciate yourself and the people around you, and set yourself on track for a great year ahead. ■

The Property Factory is a licensed Real Estate Agency that specialises in investment listings across New Zealand and Australia. Owned by Real Estate Investar, a publicly listed business on the Australian Stock Exchange, our mission is to provide property investors around the world with the best advice, guidance, products and services to enable them to create wealth through property investment. Campbell Venning has been investing in property for over 20 years and is the Head of Property at The Property Factory. He can be contacted at campbell@thepropertyfactory.co.nz or on 021 515 085 Contact: Campbell@thepropertyfactory.co.nz

BUY, HOLD OR SELL?

Investors may be leaving the market, but don't be too hasty to sell, writes **Aaron Tunstall.**

The landscape has changed for investors. The election has made a difference. Under Labour, we're less likely to see the rollback of the LVR restrictions – which have been the biggest hurdle for investors. I know there are other factors, like the decreasing odds of capital gains and the increasing cost of compliance, but for me it's obviously the 40% deposit requirement that is keeping so many investors out of the market. It started to nip back in July last year when it was implemented, and it's slowly grinding amateur investors to a halt across New Zealand as their buying power is exhausted.

All the investors who have been cash-flowing negatively geared properties for the purposes of capital gain have a few things to think about. Most of these people are in Auckland, and the values of their properties are so high that if holding costs increase it may make sense to sell. And it looks like the cost of maintenance will go up. You could be facing some, or all, of these over the next few years:

➤ The Healthy Homes Guarantee Bill
➤ The potential of a rental WOF
➤ The cost of building WOFs on apartment buildings
➤ Compulsory insulation and smoke alarms
➤ The mounting pressure to meth test between tenants

Even a cashflow neutral property could start costing you money if you've got a lot of work to do on it. Run down properties are going to start looking less appealing to hold in your portfolio, so we're seeing predictions that many landlords are going to exit the market – one Wellington property manager estimated it at 20%. I think that's high, but I do agree that there will be a few people who finally put their rentals into the permanent 'too hard basket'.

> "This isn't a short-term game and selling when the market goes flat isn't traditionally a winning strategy"

If you're in that position, think carefully. There are good reasons to sell. If your rental property is causing a drain on your finances that is having a deleterious impact on your lifestyle, fair call. You should probably sell, particularly if you're close to retirement. The last thing you want is the stress of waking up in a sweat over your mortgage repayments every month. You may also be smart to sell if you have an investment that will give you a better return. But if you can handle the payments and you don't have another plan for the money, make sure that selling the property fits with your long-term goals. This isn't a short-term game and selling when the market goes flat isn't traditionally a winning strategy.

SPOILT FOR CHOICE

Having said that, for those people who are in a position to buy, this is going to be a great moment to get a deal. When there are few buyers and keen vendors, this puts you in a strong position to negotiate. While investors have often bought first-home type properties, there's a whole category of properties that first home buyers are less keen on, including apartments, home and income properties and blocks of units.

With investors backing off, we're seeing way more first-home buyers right now, who will possibly also be helped by further restrictions on foreign buyers. I say possibly, because foreign buyers can still buy off the plans and that leaves them a lot of leeway, especially in the apartment market. As prices have flattened, affordability has improved and yields are more attractive than ever (very helpful in the apartment market).

One of our staff members was recently approved for a loan of $550,000, which doesn't go far in central Auckland, but she cannily invested in a rental property in Pukekohe while she rents closer to the city. Her view – and one I think a lot of young Aucklanders subscribe to – is that you just have to buy what you can afford. There's certainly plenty to complain about for young buyers, but all property investors know that you have to play the hand you're dealt, fair or unfair.

She also believes that as infrastructure improves the city will feel smaller and easier to navigate. I hope that's the case. A more compact, navigable city will be a benefit to everyone and continue to improve the already fantastic experience of living in this wonderful place. ■

Aaron Tunstall is the general manager of award-winning Impression Real Estate, which specialises in property management and sales and manages over 1,750 Auckland apartments.

SUE IRONS

POLITICAL POLICY PICTURE

We now have some clarity on the possible policy changes ahead; **Sue Irons** discusses what the future looks like.

The dust has settled after the new Labour-coalition Government was announced on the 19th of October. It's been an interesting time for investors as we try to work out what impact Labour's policies will have on housing. There is still a lot more detail left to come on most of the main points of concern, but we're able to get a reasonably clear picture now.

Over the past couple of months, we've been talking about these possible changes and effects with our clients a lot.

CAPITAL GAINS TAX

It is still unclear whether or not a capital gains tax will be introduced; however, if it is it will not be implemented until the next Labour term, giving investors at least a three-year reprieve. It is interesting to note that capital gains tax is alive and well in most other developed countries and the tax has very little to do with the general health and cycles of the property market.

The side effect of a capital gains tax is that it may discourage investors from selling, creating a "lock in effect". By default, this would suggest that there will be less stock on the market, which in turn could push prices up.

EXTENDED BRIGHTLINE TEST

The Brightline Test is in effect a quasi-capital gains tax, and this will be extended from the current two years to the proposed five years. It is not likely to be applied retroactively. Personally, my belief is that this should have very little impact on investors who are engaged in a mid- to long-term hold pattern.

BANNING FOREIGN SPECULATORS FROM BUYING EXISTING NEW ZEALAND HOMES

This policy aims to remove from the market foreign speculators who could potentially push prices out of reach of first home buyers. Note that Australians are exempt under this policy.

This is expected to come into force in early 2018. The general consensus, however, appears to be that this will have little impact on the housing market. Some reports show that foreign buyers make up less than 3% of all property transactions, with existing homes being an even smaller portion of that.

RINGFENCING LOSSES

This is by far the most discussed policy by investors and is likely to have the greatest impact.

As you will know, the intention is to remove the ability to offset losses from investment properties against your taxable income, and will be staged over a five-year timeframe. Many new investors are highly geared and rely on these rebates to assist their cash flow. With this policy, it is the new investor, highly geared and under-capitalised that may suffer.

So, what to do? Firstly, don't panic. Five years gives some time to plan. Build up buffers. Perhaps that increased equity that may have gone into another deposit should now be kept aside as a buffer? The key focus here is to purchase property in strong growth locations so that over time the gains outstrip the costs.

Ensure you have a debt management process in place, reviewing interest rates and terms, so that you are not left with all your debt locked away at higher rates in the event of a lower interest rate market.

WILL THE MARKET SLOW DOWN? IS THE GROWTH OVER?

I've had a number of people asking this question. I think that the key thing to remember is that property has always been cyclical in its growth patterns. Auckland in particular has been due to flatten off and so that cannot be directly related to these changes. So, yes, we may see a general slowdown, but that is to be expected. I've seen a number of fear inducing headlines, however, balance those against the very strong growth that has taken place in some locations over the last 45 years.

CoreLogic head of research Nick Goodall said he was unconvinced prices would drop substantially. For prices to fall, owners would have to be forced to sell.

IN SUMMARY

1. Look for opportunities and undervalued markets.
2. Don't rule out countercyclical markets.
3. Keep in mind that this is a long-term game.
4. Build up buffers.
5. Don't let media headlines determine your investment strategy. ■

Sue is the Head of Education and Director of Postive Real Estate (NZ) Ltd and also one of NZ's leading experts with a diverse knowledge of all aspects of property investing. Sue spent the last 15 + years immersed in the property market. Sue speaks at and runs many property events and has mentored many of New Zealand's leading investors. Sue works with her investing clients to assist them to grow and enhance their portfolios, whilst keeping her eye on their end goal - financial freedom and choice. sue.irons@positiverealestate.co.nz

TENANT OBLIGATION OF CLEAN AND TIDY

Donna Russell irons out the issues around rental tidiness expectations of departing tenants.

A tenant has two requirements they need to meet throughout a tenancy. If they meet them one might deem them to be good tenants. Quite simply put they are 1) To keep the property reasonably clean and tidy and 2) To pay the rent on time. This doesn't seem hard but for some tenants it's challenging.

As landlords, if we end up at the Tenancy Tribunal we need to be able to ensure that we have managed that process correctly. Starting off with keeping the property reasonably clean and tidy, one might ask 'What is reasonable?' There is no provision in the Residential Tenancies Act to clarify this word therefore we can really only work towards what we think reasonable might be. My reasonable will be different to a tenant's, different to the tenant's friends, different to other landlords and most certainly different to an adjudicator.

"If I'm humming and hawing over the condition of the property and the cleanliness, I assume it is reasonable"

Often, I will be at a property, asking myself 'Is this acceptable? Is it reasonable to expect the tenant to clean the particular item?' and my only measurement is what I believe will result at the Tenancy Tribunal. Basically, if I'm humming and hawing over the condition of the property and the cleanliness, I assume it is reasonable. The best measurements I can come up with is to think what would an adjudicator award at the tenancy tribunal? I have been to the tenancy tribunal to recover cleaning costs where the adjudicator deemed it unreasonable to think the tenant should clean the ceilings of fly marks. The fly marks were a result of the living conditions by the tenant and therefore logically should have been their responsibility. Many adjudicators I am dealing with currently will only award part of the cleaning reasoning that the cleaning has brought the property back to a standard that exceeds reasonable. Ironically one may question whether, as landlords, we are to organise a partial clean and then pay for the balance to mitigate this issue at court.

READY TO RE-TENANT

There is a definite line between a property being reasonably clean and tidy and property being ready for re-tenanting. Often a property is reasonably clean at a bond inspection but the reality is it does need some extra cleaning prior to the tenant commencing and this would be the landlord's responsibility. It's not unreasonable to expect to have to tidy up some wear and tear and minor maintenance issues between tenancies and therefore it's not unreasonable to expect extra cleaning to be done at the landlord's cost.

When inspecting a property which is presented in a very untidy state, it would be fair to ask the tenant to tidy that property so a full inspection could be carried out. This might include dishes on the kitchen bench, clothes on the bedroom floor or just a general mess which inhibits the inspection process. It would need to be taken into account whether this untidiness is to the detriment of the state of the property and some common sense would need to be shown around this.

The 14-day letter can be used to request the tenant to remedy the breach and a reinspection should be carried out. In the event no effort has been made an application can be made to the Tenancy Tribunal for termination of the tenancy.

The 90-day notice would also be effective in the instance that a tenant is repeatedly not meeting their obligations. ■

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MARK HONEYBONE

THE BEST WAY TO INVEST

Mark Honeybone takes you through some of the key property investment strategies to choose from.

I attended a property seminar last Sunday and what I liked about it was that they didn't push information "down your throat" telling how things must be done like some other seminars out there.

The seminar provided several ideas and strategies on investing in property. They spoke about the pitfalls, successful strategies and why it is so important to have a good team around you, which I've already discussed in an article earlier this year.

One of the things I love about property investment is that there are plenty of strategies to go around for everyone. The most important thing is to know what you are trying to achieve and why you are doing it. Strategies depend on what your situation is: some people might have limited time due to their age, others have limited cash, and some are young and just starting out on their investment journey.

“Strategies depend on what your situation is: some people might have limited time due to their age, others have limited cash”

WHAT STRATEGIES?

There are many strategies out there, but below are some of which were discussed last week:

TRADING/RENOVATE TO SELL STRATEGY

This strategy includes buying a property, renovating it and finally selling to make a profit. Sometimes it involves just finding a property for others and making a small fee.

Why Do this? This might be your full-time business and lifestyle, or you may do this as a project to raise funds for another 'buy and hold' investment or similar.

Comments: It may sound easy, but it isn't. Especially for those who are just starting out, as there are such things to deal with as account tax, GST and selling costs if you don't sell privately. If you're considering trading a property, I suggest talking to people who have done it successfully before.

RENOVATE TO HOLD STRATEGY

This strategy involves buying well and then adding value to a property you'll be keeping.

Why Do this? As soon as you can recycle your deposit, you can buy again. If you don't add value, you have to wait for the market to go up by a certain percentage (40% at the time I write this) before you can purchase again.

Comments: Obviously the more you purchase below value, the better you do out of this strategy. You may modernize the property, add rooms... there are plenty of things you can do to add value.

DEVELOP STRATEGY

This strategy can range from a one to two subdivision to building a block of flats or developing some land to make sections creating a whole new subdivision.

Why Do this? Large developers do this for a living. It might be a project that requires a tens-of-millions of dollars spend with a 20 – 30% (or more) profit margin in return; however, they only get paid once every two years or so.

For the smaller investor, it can be a fantastic way to get ahead. Creating say three or four titles from one can be a great way to forge ahead even in a tight market. You can also refinance during the process, so the cost may end up being much less than you would think.

If you build on these new titles, you may want to sell one to put profits against the rest to keep, or you may just make enough profit to have close to 40% equity in the deal meaning you may be able to keep all of them.

Comments: This is a very complex topic. In a flat market, a massive opportunity can be created, but I suggest getting advice from experts on this strategy.

There are many other strategies like cashflow, buying off plans, investing in the US, renting to buy, etc. I've covered some of these strategies already but will go more into depth on the others next year. ■

Property Ventures is a licensed Real Estate Agency that specialises in Investment property throughout New Zealand. They also have the NZ Property podcast/YouTube series where Mark interviews the property experts from around the country helping hundreds of thousands of investors. He can be contacted at mark@propertyventures.co.nz or 0800 NZPROPERTY (697767) Or watch the Podcast/YouTube video at www.propertyventures.co.nz/podcasts

NELSON

VALUES HOLD FIRM

A tight market characterises both Nelson and Tasman regions, writes **Louise Richardson.**

Blessed with a temperate climate and low rates of unemployment this is a region that looks set to be increasingly popular. It's an adventurer's paradise with three national parks, a thriving arts and culture scene and of course, the renowned beer and wine industry – with more than 10 craft breweries and over 20 boutique wineries.

Port Nelson is the largest fishing port in Australasia and forestry and tourism are other critical local industries, almost all of which bring increased accommodation demand due to seasonal workers.

There's been strong growth in the retail sector, hospitality and tourism over the past few years and visitors aren't only from within New Zealand, with the region firmly on the radar of those overseas, who are including it on their itineraries in greater numbers.

ON THE RISE

While a 28% year-on-year decrease in house sales was markedly clear from REINZ's October report, there's no obvious indication that prices will plateau or drop any time soon in the Nelson/Marlborough/Tasman region, although the volume sold in September 2017 was just 170, compared to 236 a year ago.

The median price in September was $472,000 – slightly down on August but significantly higher than September 2016, when the median was $450,000.

Nelson's median was $481,000, with Marlborough and Tasman at $396,000 and $572,500 respectively. Tasman was the star performer – up 19.3% on September last year, while Marlborough had the lowest number of sales in five years.

REINZ chief executive officer Bindi Norwell expects an upturn in the local market as the wet winter and post-election uncertainties are finally put behind us.

"Despite the decrease in sales for the Nelson/Marlborough region, vendor expectations continue to remain positive and prices continue to hold firm," she says.

HEALTHY HOMES BILL WOES

Norwell notes that approximately 70% of buyers during September were locals as opposed to August when only 50% of buyers were from the region.

Interestingly, recent Westpac data shows that in the year to September 30, the number of homes sold to first home buyers was up by 74% in Marlborough and 30% in Nelson. This suggests that the existing LVR rules - along with the new government's policy statements around potentially extending the Bright Line Test, and removing negative gearing - might be forcing investors to give way.

If Phil Twyford's Healthy Homes Guarantees Bill, which aims to set new standards for insulation, home heating and ventilation – with a minimum indoor temperature - is passed into law, it's possible more investors – especially small-time ones, may find the whole business just too difficult and expensive; exiting the market.

Add to this the fact that the exodus from big cities to the provinces continues – albeit perhaps not so urgently now - and that Nelson/Marlborough/Tasman has been experiencing a shortage of quality rental properties over the past few years. If local investors continue to leave and/or stay out of the market this could lead to a yet more serious supply problem and the myth about Auckland investors buying up large at the top of the South Island is just that: a myth, with multiple home owners from the big smoke only making up around 2-3% of sales.

RENTS ON INCREASE

Summit Property Management property management general manager Stewart Henry says while the shortage of rental properties is real, it's not all doom and gloom by any means.

"We're careful to only look after properties that are maintained to a high standard so although the LVR rules are definitely impacting some of our landlords who'd like to buy more properties but can't, the Healthy Homes Bill shouldn't make much difference to most of them."

He says if anything, landlords might have to install a heat source.

"And that's a positive thing because it will lead to higher rents.

"Overall, we're seeing that the majority of our investors have between one and three properties and some have owned them for years and years. They're not worried about capital gains and they like to keep up a good standard."

He says that rents are still rising at a respectable rate.

"Despite the decrease in sales for the Nelson/Marlborough region, vendor expectations continue to remain positive and prices continue to hold firm"

Bindi Norwell

"A three-bedroom place in Blenheim would average about $385 per week and that's up from $368 last year. They're getting good tenants who realise that they're onto a good thing, and are very reliable as a result."

Henry says in Nelson central you're looking at $470, up from $437, which he describes as a healthy lift.

"Richmond's the real hot spot right now, with supply outstripping demand really massively, especially in the last few months, but portfolios certainly haven't shrunk."

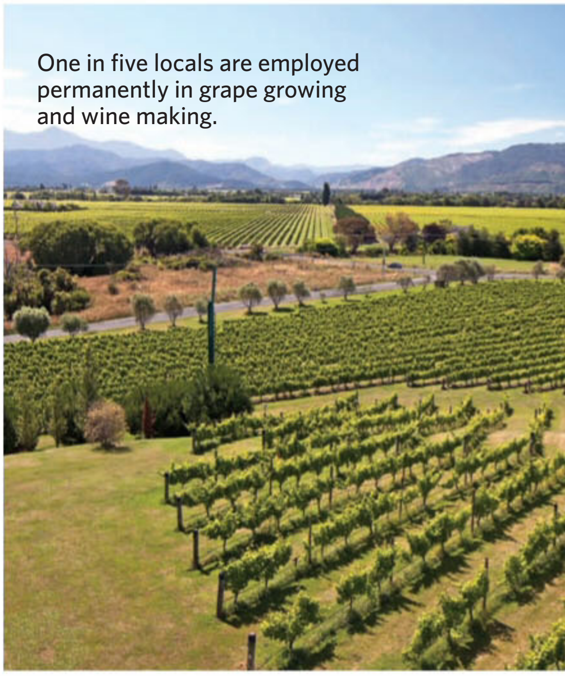
SERIOUS RENTAL SHORTAGE

In a general sense Henry puts the current dynamic down to a consistently healthy economy and the very real prospect of further growth in terms of industry – and population.

"I remember when there was a dip in the grape market a few years ago and landlords were affected, but that's all good now."

"To sum it up from our perspective," he says, "We've got around 1000 properties on our books, across Nelson, Tasman and Marlborough, and only three current vacancies.

Nelson's population is growing and swells with 3,000 seasonal workers during picking season.



One in five locals are employed permanently in grape growing and wine making.

GROWTH AHEAD

Nelson Property Investors' Association's Glenn Morris says that he's never seen the rental market so tight.

"I've been tracking the Nelson [available to rent] figures on Trade Me for five or so years now and the numbers of properties on offer increased in March as it usually does, but then it shot right down again, and I haven't noticed that before.

> "People want to come here and they always have. It's just taken a while for governments to realise this and let that expansion happen"
> **Glenn Morris**

Tourism is strong in the Tasman/Nelson with one million passengers arriving at the airport each year.

"The interesting thing is that while Auckland was powering ahead, Nelson didn't get started until much later. Now, the tables have turned and Nelson's the one that's doing really well."

He says that the accommodation shortage in Nelson will eventually ease as more dwellings are built.

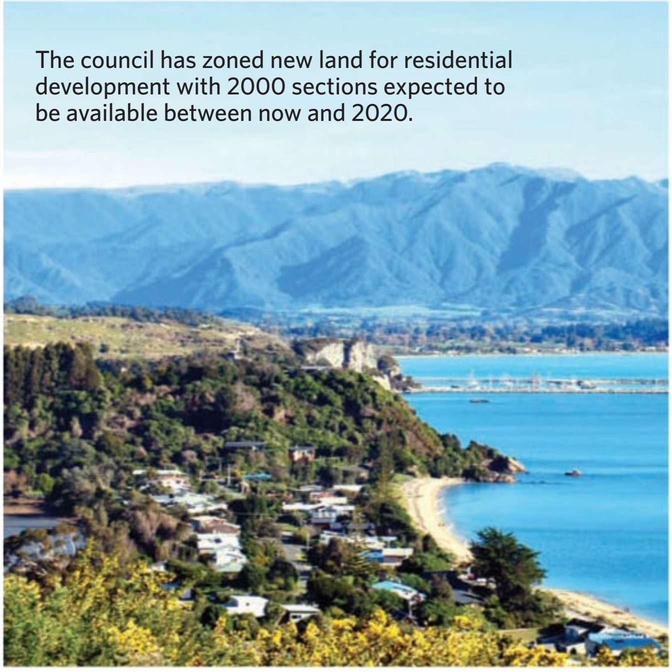
"As of the end of September there had been 545 consents issued for Nelson and if you compare that with Hawkes Bay it's interesting. They had 451 consents - for 50% more people, in terms of population."

Meanwhile, Tasman (at 2.2%) is building at roughly the same rate as Auckland, on about 2.12%, so you can draw your own conclusions from that!"

Basically, Morris sees Nelson as a district that's continuing to grow exponentially.

"People want to come here and they always have. It's just taken a while for governments to realise this and let that expansion happen. If you look at our airport, for example, more than one million passengers are passing through each year. After Auckland we're only second to Queenstown!" he says.

Morris also points out that the shortage of rental properties in Marlborough over the past two or three years is partly the result of the expanding viticulture industry. Around



The council has zoned new land for residential development with 2000 sections expected to be available between now and 2020.

5000 people (one in ten of locals) are employed permanently in grape growing and wine making with a further 3000 seasonal workers coming on-stream, when required. Local growers say that the business will grow by about 24% over the next three years, with an extra 2200 hectares of grapes having been planted since 2014.

The local council has zoned land for building the new dwellings that are required with around 2000 sections expected to be available to buyers between now and 2020 but building that number of houses takes time, naturally, so the supply problem doesn't look likely to end in the near future.

Oddly, despite this, median rent in Marlborough is down 6% to $230, while elsewhere in the country it is static - according to Trade Me's latest figures, to the end of September. However, summer will inevitably see the rental market heating up again, so lower rents won't be around forever.

At a time when a new government is seeking to change the dynamics of property investment, of course there's uncertainty around the market. The possibility of a capital gains tax along with other measures designed to dampen the market will certainly be giving landlords reason to consider their own situation and intentions but, overall, in Nelson/Tasman/Marlborough the signs are still positive and for now, at least, the future looks bright. ■

QUICK FACTS

➤**Nelson -** Population approximately 50,000, industries include seafood, horticulture, forestry and farming.

➤**Tasman -** Population approximately 51,000, industries include timber, seafood, pip fruit and kiwi fruit. Largest towns are Richmond and Motueka.

➤**Marlborough –** Population approximately 45,300, industries include viticulture, pastoral farming and tourism. Largest towns are Blenheim, Picton and Havelock.

CORELOGIC: WELLINGTON CENTRAL

NICK GOODALL, SENIOR RESEARCH ANALYST

THE DATA

Rental data is sourced from the Ministry of Building Innovation and Employment (formerly the Department of Building and Housing) based on rental bonds lodged. This rental data is supplied to us grouped into geographic areas based on statistical area units used by Statistics NZ for the census and as a result do not always match well with common usage suburb names.

The rental data for each area is matched to house price information from our database to determine property prices and therefore yield. The yield is calculated as the annualised rental income divided by the median house value calculated using our E-Valuer.

MARKET COMPOSITION

The rental market in Nelson/Tasman is dominated by houses, with all areas having the largest share of this property type. Rental flats are also relatively common, with all areas represented, although by less than 10% in three of the five areas. Meanwhile rental apartments are much less common, represented in only Nelson Central/Nelson North and Stoke/Nayland/Tahunanui, and even then at less than 5% in each.

APARTMENT SIZE, BY BEDROOM COUNT

The size make-up of rental houses in Nelson/Tasman is dominated by three-bedroom houses, as is typical across most of New Zealand. Based on bonds lodged in the last three months Motueka/Rural Tasman is the only area with any one bedroom houses. Richmond/Wakefield/Brightwater/Mapua has the largest share (29%) of four-bedroom houses, but all areas have at least 13% of houses this size.
All areas have between 20% and 27% two-bedroom houses, with Stoke/Nayland/Tahunanui best represented.

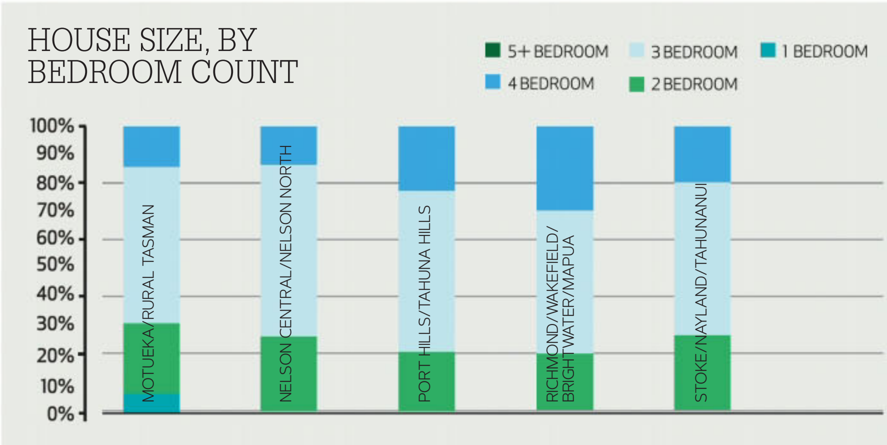
RENT AND YIELD

By matching the average value to rents we can look at gross yield for apartments in each area for both one and two bedrooms.

Median weekly rent for three-bedroom houses in Nelson/Tasman is tightly ranged from $370 in Motueka/Rural Tasman to $430 in Stoke/Nayland/Tahunanui. Median value for three-bedroom houses is also very similar, with all areas in the $500,000s, with Motueka/Rural Tasman just inching over the $500k barrier last month.

Gross yield is relatively low across the area, sitting in the high-3s to low-4%s. Stoke/Nayland/Tahunanui, attracts 4.3%, mostly off the back of having the highest median rent of $430. At the other end of the scale, Nelson Central/Nelson North has the lowest gross yield, mostly due to having the highest median value of the five areas profiled.

Rents have grown across the region with Stoke/Nayland/Tahunanui hitting double figures and Port Hills/Tahuna Hills not far off (9.3%). Meanwhile Nelson Central/Nelson North had a more modest increase of only 3.9%. ■



RENTAL YIELD

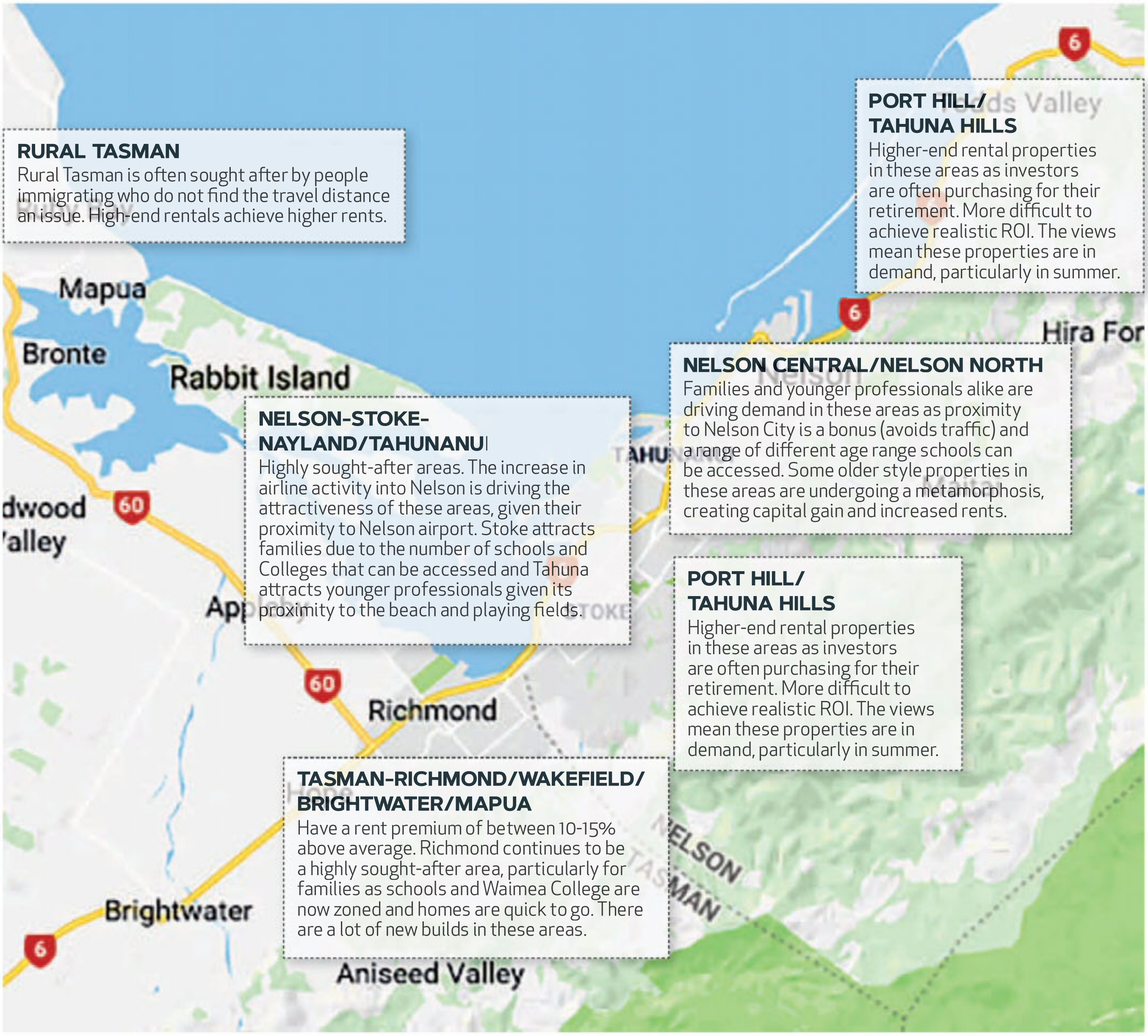
SUBURB	MEDIAN WEEKLY RENT	MEDIAN VALUE	GROSS YIELD	ANNUAL RENT CHANGE
Richmond/Wakefield/ Brightwater/Mapua	$420	$543,800	4.0%	5.0%
Motueka/Rural Tasman	$370	$501,000	3.8%	8.8%
Stoke/Nayland/Tahunanui	$430	$524,100	4.3%	10.3%
Port Hills/Tahuna Hills	$410	$549,300	3.9%	9.3%
Nelson Central/Nelson North	$400	$560,900	3.7%	3.9%

Median Rent: Weekly rent based on the bonds lodged for three-bedroom houses in the three months to October 2017 **Rent Growth:** The percentage change in rent compared to 12 months prior **Median value:** The median value of houses in the area based on estimating the current market value of each property using our E-Valuer Gross Yield: Annualised median rent as a percentage of median house value.

QUINOVIC'S INVESTORS' GUIDE TO NELSON / TASMAN

Juliet Robinson
3 Montgomery Square, Nelson, P O Box 832 Nelson 7040
E Juliet@quinovic-nelson.co.nz **T**(03) 539 4425

TRUSTED BY PROPERTY INVESTORS
QUINOVIC
OVER 25 YEARS



RURAL TASMAN
Rural Tasman is often sought after by people immigrating who do not find the travel distance an issue. High-end rentals achieve higher rents.

PORT HILL/ TAHUNA HILLS
Higher-end rental properties in these areas as investors are often purchasing for their retirement. More difficult to achieve realistic ROI. The views mean these properties are in demand, particularly in summer.

NELSON-STOKE-NAYLAND/TAHUNANUI
Highly sought-after areas. The increase in airline activity into Nelson is driving the attractiveness of these areas, given their proximity to Nelson airport. Stoke attracts families due to the number of schools and Colleges that can be accessed and Tahuna attracts younger professionals given its proximity to the beach and playing fields.

NELSON CENTRAL/NELSON NORTH
Families and younger professionals alike are driving demand in these areas as proximity to Nelson City is a bonus (avoids traffic) and a range of different age range schools can be accessed. Some older style properties in these areas are undergoing a metamorphosis, creating capital gain and increased rents.

PORT HILL/ TAHUNA HILLS
Higher-end rental properties in these areas as investors are often purchasing for their retirement. More difficult to achieve realistic ROI. The views mean these properties are in demand, particularly in summer.

TASMAN-RICHMOND/WAKEFIELD/ BRIGHTWATER/MAPUA
Have a rent premium of between 10-15% above average. Richmond continues to be a highly sought-after area, particularly for families as schools and Waimea College are now zoned and homes are quick to go. There are a lot of new builds in these areas.

QUINOVIC

Experts in property care and return

ANDREW KING

GOOD NEWS ON UNLAWFUL RENTALS

Andrew King explains the impact of the recent over-turning of the ruling against a Dunedin landlord who rented out a dwelling with some unconsented work.

We finally have some good news on the unlawful premises situation.

Dunedin landlord, Mr Vic Inglis, was ordered to repay his tenant the entire $10,940 she had paid in rent while renting his property, when she took him to the Tribunal claiming part of the property was unconsented. He appealed this decision to the District Court, where Judge KJ Phillips overturned the Tribunal decision.

Judge Phillips ruled that in the Anderson case (which was referred to as a precedent in the original decision), the High Court was primarily looking at whether the Anderson's were squatters in their property. In his opinion, this specific aspect of the High Court ruling was binding on lower courts and tribunals, however any other matters were not binding.

Judge Phillips went further and said that "In my view, the decision in Anderson is not the wide-ranging decision that the Adjudicator in the Tribunal in this present set of circumstances (and Tribunals in other cases) have seen it to be".

This means that the Tenancy Tribunal does have jurisdiction to hear cases where a rental property is unconsented or unlawful and is not limited to section 137, restricting them to refunding all the rent to applying tenants.

By having access to all provisions in the Residential Tenancy Act (RTA), the tenancy Tribunal can use all aspects of the RTA when hearing cases regarding unlawful premises. Section 85 gives Tenancy Tribunal Adjudicators a directive to be fair in their decisions, meaning they can and should take into account extenuating factors such as the health and safety of the tenant and the value they received from their accommodation during their time occupying the property.

LOOKING AHEAD

The NZPIF has spoken to the Principal Tenancy Tribunal Adjudicator, Melissa Poole, about the District Court ruling. She said they are working through the decision but believes it will allow Tenancy Tribunal Adjudicators to hear cases of unlawful properties, meaning they can distinguish between the degree of unlawfulness and the degree of harm caused to tenants.

She said she would be getting this information to adjudicators as soon as she can which is excellent news.

However, this does not mean that renting out unconsented rental properties is now completely risk free. If the adjudicator believes that there are health or safety concerns for the tenant with the property, then they could still make such an award. This could mean the property is in a poor state of repair or there isn't a firewall between units of a villa conversion.

The following are steps that you may wish to take to ascertain if you are at risk from having an unlawful property.

1 Go to your local authority and check your consent carefully.

2 If the property is unconsented, check whether it could meet current requirements. If it can, apply for a certificate of acceptance.

3 If the property does not meet current requirements, employ a building consultant to advise you if it can be made to comply and what it would cost.

4 If it is feasible to make the property comply, undertake the work and apply for a certificate of compliance.

5 If it isn't feasible to remedy the property, then there is a risk that your tenant could make an application to the tenancy tribunal and you will have to pay them their rent back.

The NZPIF has organised a meeting with the new Minister of Housing, Phil Twyford, to discuss legislative changes to confirm how unconsented rental properties should be treated.

It's nice to end the year with some good news. Merry Christmas and all the best with your investments. ■

Andrew King, Executive Director NZ Property Investors' Federation

NZPIF/Resene Renovation of the Year Award

CONGRATULATIONS

WINNER – Donna Youngman

The renovation showed imaginative solutions, achieved excellent extra profit and the result looked really good.

RUNNER UP – Rich Visick

The renovation had a huge impact through use of colour and the house was warmer and drier as well.

NEW ZEALAND PROPERTY INVESTORS FEDERATION

Resene
the paint the professionals use

NORTHLAND

NEXT MEETING: February 2018.
MEMBERSHIP: $180 single or $210 couple; includes subscription to the *NZ Property Investor* and NZPIF discount card, plus local trade discounts. Please email npiacontact@gmail.com for more information. PO Box 1640, Whangarei.

AUCKLAND

NEXT MEETING: February 2018.
TOPIC: The Auckland Property Investors' Association facilitates over 100 events and presentations for property investors throughout the year. We offer a mix of informational and networking opportunities to help you further your knowledge and become a more confident investor. You can access our events for as little as $75. For information on upcoming events please visit www.apia.org.nz/events.
MEMBERSHIP: Sign up for an APIA membership at www.apia.org.nz/join. APIA memberships include a free subscription to the *NZ Property Investor*, networking opportunities at over 100 events throughout the year, an excellent discount card, free subscription to APIA TV, and access to competitive mortgage interest rates. For more information visit www.apia.org.nz or email admin@apia.org.nz.

WAIKATO

NEXT MEETING: Wednesday December 13, 5.30-10.00pm Zealong Tea Estate, 495 Gordonton Road, RD1, Hamilton.
TOPIC: An exclusive evening for all members, partners, sponsors and their guests at the Zealong Tea Estate. Your ticket includes:
• Welcome drink and canapes upon arrival in the light filled Atrium
• Zealong Tasting experience including a cinematic presentation of the Zealong story
• Two course Buffet dinner in The Vista Room 2 overlooking the estate
• Tea and Coffee following dinner
• Members $45p/p, members' partner/family/friends $90p/p. Go to www.waikato.org.nz to book.
MEMBERSHIP: $245 for single and $325 for joint memberships. Includes subscription to the NZ Property Investor, plus NZPIF and local discounts. Ph 07 838 9201 or email admin@waikatopia.org.nz for more information or write to P O Box 4346, Hamilton 3247.

TAURANGA

NEXT MEETING: Monday December 11, 6.00pm start at the Mount Maunganui Golf Club.
TOPIC: Annual Christmas function, which includes a three course dinner and the quality Prime Production's 'Mafia Casino' entertainment. You are invited to come 'dressed to kill' for the 1920's themed evening. This will be a tremendously fun night. So, book your place ASAP. See our web site for more information.
MEMBERSHIP: Annual subscription is $175.00 (plus a one off joining fee of $75.00) and, for an extra $70, copies of the *NZ Property Magazine*. For corporate membership contact the president at president@tpia.org.nz.

INDEPENDENT PROPERTY MANAGERS' ASSOCIATION

The IPMA welcomes independently-operating property management industry professionals. Contact our admin team for details on joining. www.ipma.org.nz

ROTORUA

NEXT MEETING: Tuesday December 12, 6pm for drinks and snacks, meeting starts at 7pm at the BNZ Partners Centre.
TOPIC: TBA
MEMBERSHIP: $230 for single or couple membership, which includes subscriptions to the *NZ Property Investor* and Uber Property magazines, extensive discounts with various companies. Free entry to our monthly meetings with refreshments and stimulating company. For more information contact Mike Ferreira on info@rpia.org.nz.

Join any association to attend seminars and annual conference at member rates.

HAWKE'S BAY

NEXT MEETING: February 2018.
MEMBERSHIP: Membership subs are now $200 individual or couple membership annually. It includes monthly subscription to the *NZ Property Investor*, plus discounts available from NZPIF and local sponsors. We are a friendly group, offering social meetings during the year to members and coffee mornings to anyone interested in joining. Our experienced committee offer a buddy/support system to new investors and networking over supper after every members meeting. 10 Free monthly meetings each year for members. Non-members door fee $50 or free if joining on the night. Members may bring a guest once for free. For more information please phone or text the Association on 027- 858-7468, or email hawkesbay@nzpif.org.nz. Postal address is PO Box 12049, Ahuriri, Napier 4144.

MANAWATU

NEXT MEETING: Wednesday December 6, 6.30pm for a 7.00pm start at the Manawatu Golf Club, 19 Centennial Drive, Hokowhitu Palmerston North.
TOPIC: MPIA Christmas Party. Check the website for the delicious menu. Members $25, guests $40. Please make payment into account ANZ 01 0745 0302898 00 and use your last name as a reference. Once paid please email manawatu.mpia@gmail.com providing your contact details & names of those attending.
MEMBERSHIP: Standard $165, Family $200 and Corporate $350 plus a $25 joining fee for all new memberships. Membership includes subscription to the *NZ Property Investor*. For more information phone Pauline Beissel on 0274719192.

WAIRARAPA

NEXT MEETING: February 2018– details to be announced.
MEMBERSHIP: $165 which includes subscription to the *NZ Property Investor*. For more information contact Tim Horsbrugh on 021 992628 or email wairarapa@nzpif.org.nz

TARANAKI

NEXT MEETING: Friday December 1, from 7.00pm at the Social Kitchen, 40 Powderham Street, New Plymouth.
TOPIC: Christmas dinner plus Christmas Secret Santa and also a quiz. $65 per person. Complimentary wine on the table. Pre-registration and payment essential.
MEMBERSHIP: Annual Subscriptions: Individual - $175; Couple - $235; Corporate - $350. Enquiries to President Colin Comber 027 249 2864.

CAPITAL

NEXT MEETING: Tuesday December 12, 6.15pm at the Third Eye Bar, 30 Arthur Street, Te Aro, Wellington.
TOPIC: Christmas Function. Come and celebrate the Christmas season with the Capital PIA team and your fellow members. We have had some great speaker events this year and we are looking forward to providing our members with more interesting and informative events starting in February 2018! There will be a selection of beer, wine and juice and your first beverage is on us! A cash bar will then be operating. And as responsible hosts, food will be provided throughout the evening.
This is a members only function.
MEMBERSHIP: $215 single or sole proprietor (1 person), $235 for couple or business couple (2 people). Call Karen on 04 385 6676, email admin@capitalpia.org.nz or write to Capital PIA, P O Box 10524, The Terrace,Wellington 6143.

WELLINGTON

NEXT MEETING: February 2018
MEMBERSHIP: Annual subscription - $230 per entity (individual, couple, Trust, LAQC, Company etc). Membership gives you free admission to monthly members meetings, full subscription to *NZ Property Investor*. Plus discounts to WnPIA events, investor bus trips and seminars, NZPIF National Conference, paint, credit checks, hardware and more. Contact: contact@wnpia.co.nz ph 04 4729877 PO Box 1831 Wellington 6140. www.wnpia.co.nz Wellington's preferred Association, serving investors consistently and superbly for over 40 years.

MARLBOROUGH

NEXT MEETING: February 2018
MEMBERSHIP: The annual subscription is $185 per entity including copies of the NZ Property Investor, and $125 without magazine. For more information contact Paul at marlborough@nzpif.org.nz or phone 03 572 9347.

NELSON

NEXT MEETING: February 2018.
MEMBERSHIP: To join, contact Nelson@nzpif.co.nz. To find out more about the benefits of being a Nelson PIA member, email Nelson@nzpif.org.nz

CANTERBURY

NEXT MEETING: February 2018.
MEMBERSHIP: Application Fee $25 Annual Subscription $250. Sign up for membership by registering on our website http://canterbury.nzpif.org.nz/. Membership to the Canterbury Property Investors Association includes free admission to our monthly members meetings with informative speakers, a subscription to the *NZ Property Investor*, an excellent discount card, plus much more. For further information go to www.cpia.nz , email office@cpia.nz or contact the office (03)379 5251. Office hours are 10am-2pm Mon-Fri.

SOUTH CANTERBURY

NEXT MEETING: Thursday February 15 2018, 7.00pm at the Caroline Bay Lounge.
TOPIC: TBA
MEMBERSHIP: For information, contact Association President, Kerry Beveridge at kiwikerry@gmail.com or 021482840, or Secretary Di Middlemiss at themidds@xtra.co.nz

NORTH OTAGO

NEXT MEETING: Tuesday February 20 2018, 6.30pm at the Blind Foundation Hall, Steward Street, Oamaru.
TOPIC: AGM
MEMBERSHIP: Annual Membership is $150, includes a subscription to the *NZ Property Investor*. For further information, contact Jeanette Halcrow at krow47@xtra.co.nz or call 03-434 8268, Postal address, 127 Wansbeck Street, Oamaru. 9401.

SOUTHLAND

NEXT MEETING: Tuesday January 23, 2018, at Resene, cnr Arena Ave And Victoria Ave, Avenal, Invercargill.
TOPIC: This is your chance to explore the great products Resene offers with demonstrations, tips and specials available. Learn how you can save $ every time you present your Property Investors card in store. Light drinks and canapes will be provided as well as a goodie bag. Free for SPIA members or those who join on the night. $10 for non-members.
MEMBERSHIP: Membership is $140/year per individual or couple which gives you free access to the monthly forums, a monthly newsletter and discounts at many national and local suppliers. For an application form or any queries, email southland.propertyinvestors@gmail.com or call the Treasurer Matt Naylor on 021 112 0293.

OTAGO

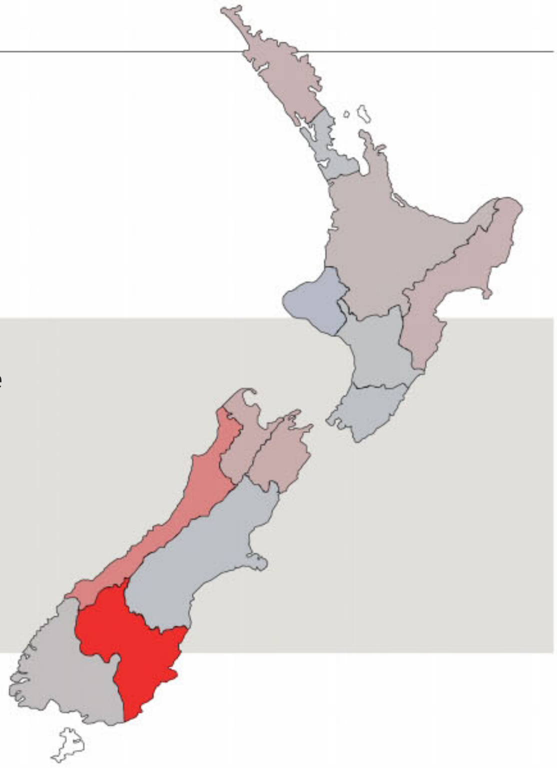
NEXT MEETING: February 2018
MEMBERSHIP: Being a member of our Association gives you the opportunity to network with over 1,000 Otago Property Investors; attend regular meetings with informative speakers; access discounted products and services from local businesses; receive regular glossy magazines and obtain a tax deduction from your OPIA subscription. If you would like to join please email opia@opia.org.nz or phone 03-4776220

WEST COAST

NEXT MEETING: Contact the association for details of the next meeting.
MEMBERSHIP: Two membership options exist. "Membership with Magazine" is $165. This includes 12 copies of the *NZ Property Investor* and free entry to West Coast PIA meetings that are held every second month. Alternatively you can take the "membership only" option for $115pa and received free entry to the West Coast PIA meetings.

STATISTICS

RENTAL RETURNS
OCTOBER 2017



NATIONAL RENTAL PRICE MOVEMENT

This map represents change in the average rental price between the months of October 2016 and October 2017, based on figures from the Ministry of Business, Innovation & Employment.

+75% change

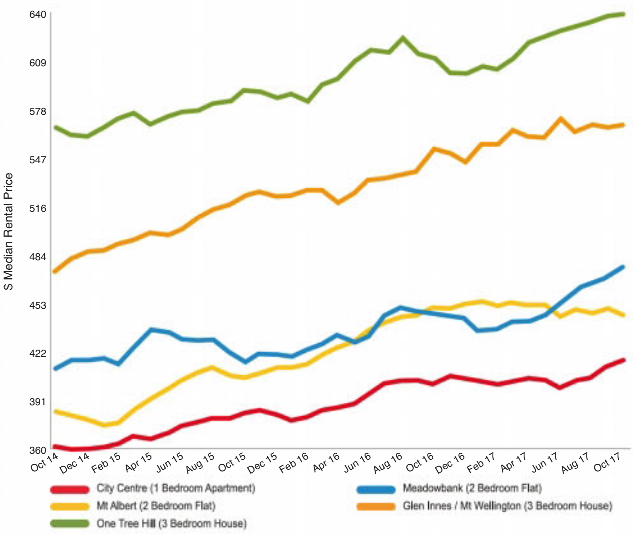
no change

-75% change

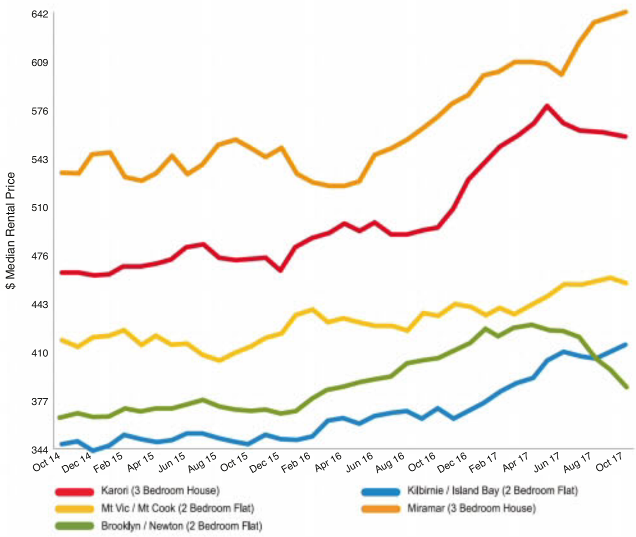
RENTAL SNAPSHOT

Median house rents of the dominant dwelling type for the area

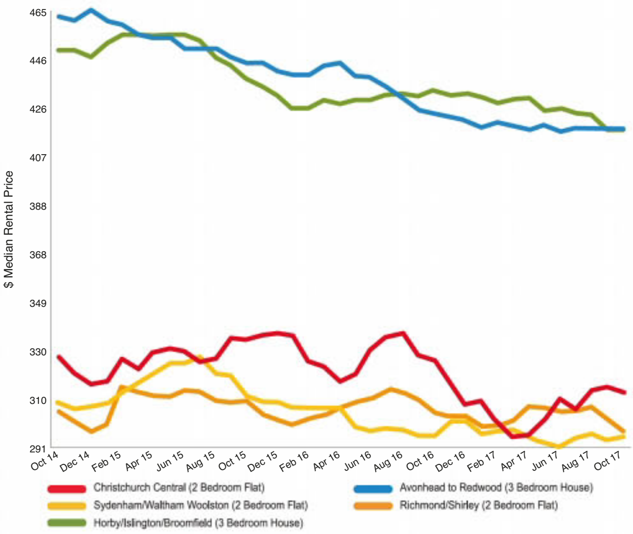
AUCKLAND - CITY



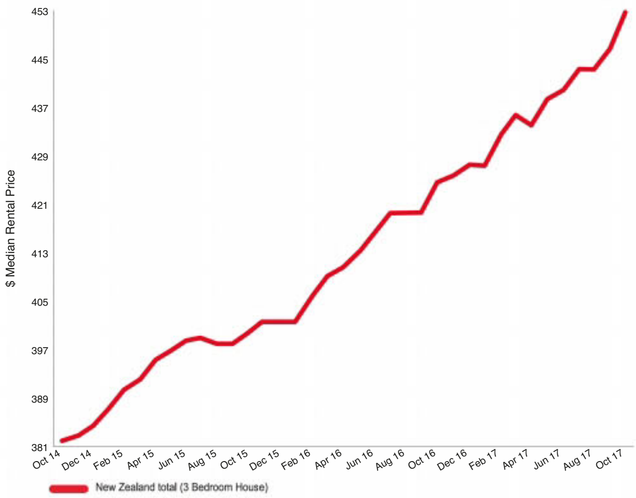
WELLINGTON - CITY



CANTERBURY - CHRISTCHURCH



NEW ZEALAND



EXPLANATION OF STATISTICAL TERMS

No. of Properties: Total number of residential properties
No of Bonds: Total number of bonds lodged in last three months
Median Rent: Weekly rent based on the bonds lodged in the latest three months
Rent Quartile Range: Inter-quartile range of weekly rent based on the bonds lodged in the latest three months
Median value: The median value of properties in the group based on estimating the current market value of each property using our E-Valuer at the end of the latest month
Gross Yield: Annualised median rent as a percentage of median property value for specified time period

Rental Area	Dwelling	Bedrooms	No. Of Properties	No. Of Bonds	Rent Quartile Range	Median Rent			Median Value			Yield		
						Current	1 Yr Change	5 Yr Change	Current	1 Yr Change	5 Yr Change	Current	1 Yr Change	5 Yr Change
NORTHLAND														
Far North - Rural Far North	House	3	2,179	23	250 - 315	280	3.7	21.7	269,250	10.8	26.3	5.4	-6.4	-3.6
Far North - Ahipara/Kaitaia	House	3	1,242	35	260 - 290	275	-3.5	14.6	240,850	12.7	25.0	5.9	-14.4	-8.3
Far North - Mangonui/Kaeo	House	3	1,160	18	300 - 370	315	10.5	18.9	425,850	15.8	34.7	3.8	-4.6	-11.8
Far North - Bay Of Islands	House	2	685	22	320 - 380	355	18.3	42.0	487,050	18.1	39.3	3.8	0.2	2.0
Far North - Bay Of Islands	House	3	2,846	55	380 - 461	420	13.5	40.0	574,900	14.2	31.8	3.8	-0.6	6.2
Far North - Bay Of Islands	House	4	1,472	16	462 - 510	492	9.3	36.7	724,700	9.7	50.5	3.5	-0.3	-9.2
Far North - Kaikohe	House	3	722	19	260 - 300	280	7.7	27.3	188,300	23.3	57.7	7.7	-12.7	-19.3
Whangarei - North West Rural	House	3	1,215	14	330 - 450	380	15.2	20.6	542,150	17.2	48.7	3.6	-1.7	-18.9
Whangarei - Kamo/Tikipunga/Kensington	House	3	3,617	72	360 - 420	390	8.3	25.8	452,150	16.7	63.9	4.5	-7.2	-23.2
Whangarei - Kamo/Tikipunga/Kensington	House	4	1,378	27	450 - 497	470	19.0	29.8	546,500	5.9	53.0	4.5	12.3	-15.1
Whangarei - Whangarei Central/Otangarei	Flat	2	896	32	270 - 327	285	7.5	23.9	313,550	9.0	50.0	4.7	-1.4	-17.4
Whangarei - Whangarei Central/Otangarei	House	2	432	28	320 - 355	340	6.3	30.8	386,150	5.5	52.9	4.6	0.7	-14.5
Whangarei - Whangarei Central/Otangarei	House	3	1,742	37	360 - 435	390	8.3	30.0	403,000	4.6	47.3	5.0	3.6	-11.7
Whangarei - Ngunguru/Onerahi/Whangarei Heads/Waipu	House	3	4,256	71	370 - 446	400	11.1	33.3	568,450	6.2	52.9	3.7	4.6	-12.8
Whangarei - Ngunguru/Onerahi/Whangarei Heads/Waipu	House	4	1,829	19	450 - 500	470	-2.1	36.2	746,650	13.7	46.5	3.3	-13.9	-7.0
Whangarei - Morningside/Raumanga/Maunu	House	3	1,896	44	360 - 415	382	12.4	31.7	386,400	13.7	45.5	5.1	-1.2	-9.5
Kaipara - Entire District	House	3	3,184	57	300 - 420	355	22.4	42.0	472,050	-2.0	63.1	3.9	24.9	-13.0
Rodney - Wellsford/Warkworth/Helensville	House	2	1,300	34	350 - 425	395	2.1	31.7	700,750	8.6	60.4	2.9	-6.0	-17.9
Rodney - Wellsford/Warkworth/Helensville	House	3	4,668	82	440 - 530	475	10.5	35.7	834,450	10.8	67.4	3.0	-0.3	-18.9
Rodney - Wellsford/Warkworth/Helensville	House	4	2,308	33	493 - 600	550	12.2	31.0	1,059,850	-6.8	66.9	2.7	20.5	-21.5
Rodney - Orewa/Whangaparaoa	Flat	2	837	19	400 - 460	440	3.5	26.8	723,200	7.2	74.8	3.2	-3.4	-27.5
Rodney - Orewa/Whangaparaoa	House	2	1,513	59	420 - 483	450	-	25.0	742,900	-3.0	61.8	3.1	3.1	-22.7
Rodney - Orewa/Whangaparaoa	House	3	6,365	169	500 - 581	550	5.8	26.4	852,300	3.3	60.0	3.4	2.4	-21.0
Rodney - Orewa/Whangaparaoa	House	4	4,454	84	617 - 750	700	2.9	32.8	1,059,350	-0.8	50.3	3.4	3.8	-11.6
Rodney - Rewiti/Kumeu/Riverhead	House	4	1,051	24	650 - 760	740	5.7	23.3	1,139,600	1.7	53.4	3.4	4.0	-19.6
Rodney - Gulf Harbour	House	3	911	18	495 - 570	540	8.0	29.5	809,750	5.6	53.2	3.5	2.2	-15.5
Rodney - Gulf Harbour	House	4	1,016	15	570 - 618	580	1.8	23.4	961,250	2.4	57.3	3.1	-0.6	-21.6

Rental Area	Dwelling	Bedrooms	No. Of Properties	No. Of Bonds	Rent Quartile Range	Median Rent Current	1 Yr Change	5 Yr Change	Median Value Current	1 Yr Change	5 Yr Change	Yield Current	1 Yr Change	5 Yr Change
AUCKLAND														
North Shore - Torbay	House	3	2,099	43	542 - 600	560	-0.9	12.0	1,130,900	9.3	85.8	2.6	-9.3	-39.7
North Shore - Torbay	House	4	1,687	19	608 - 757	700	7.7	20.7	1,171,950	-9.1	66.9	3.1	18.5	-27.7
North Shore - East Coast Bays	Flat	2	628	21	448 - 512	475	-3.1	21.2	943,400	1.0	63.9	2.6	-4.0	-26.1
North Shore - East Coast Bays	House	3	1,388	35	605 - 747	680	1.5	23.6	1,504,100	-2.4	64.1	2.4	4.0	-24.7
North Shore - East Coast Bays	House	4	1,699	17	692 - 870	750	4.2	7.1	1,903,600	1.5	68.8	2.0	2.7	-36.5
North Shore - Albany	House	3	463	35	552 - 650	585	1.4	17.7	950,100	-1.9	66.0	3.2	3.4	-29.1
North Shore - Albany	House	4	871	19	632 - 745	700	-5.4	19.7	1,131,550	-4.7	65.9	3.2	-0.8	-27.9
North Shore - Wairau Park/Glenfield North	House	3	1,897	62	520 - 570	550	2.8	22.2	920,850	4.4	69.1	3.1	-1.6	-27.7
North Shore - Browns Bay	House	3	922	21	567 - 620	585	1.7	19.4	1,089,450	-5.7	79.8	2.8	7.9	-33.6
North Shore - Rothesay/Murrays/Mairangi Bays	House	3	1,345	29	580 - 652	620	3.3	13.8	1,266,700	-0.3	75.9	2.5	3.7	-35.3
North Shore - Rothesay/Murrays/Mairangi Bays	House	4	2,009	27	650 - 795	700	-6.7	7.7	1,661,800	13.8	99.0	2.2	-18.0	-45.9
North Shore - Takapuna	Flat	2	816	17	455 - 538	500	4.2	25.9	841,750	5.3	62.7	3.1	-1.0	-22.6
North Shore - Takapuna	House	2	247	25	500 - 670	550	-	25.0	1,245,100	0.4	82.7	2.3	-0.4	-31.6
North Shore - Takapuna	House	3	1,368	22	600 - 750	685	0.7	24.5	1,455,100	3.9	49.5	2.4	-3.0	-16.7
North Shore - Devonport	Flat	2	528	13	457 - 576	490	-2.0	28.9	839,900	-3.1	60.7	3.0	1.1	-19.8
North Shore - Devonport	House	3	1,656	12	685 - 750	715	2.1	13.5	1,583,500	-0.2	67.2	2.3	2.4	-32.1
North Shore - North Harbour/Pine Hill	House	3	956	31	550 - 650	620	2.5	12.7	1,053,950	-2.1	71.0	3.1	4.7	-34.1
North Shore - North Harbour/Pine Hill	House	4	1,338	32	720 - 790	760	1.3	16.9	1,227,450	-2.0	76.4	3.2	3.4	-33.7
North Shore - Greenhithe/Unsworth Heights	House	3	1,256	31	526 - 620	590	0.9	21.1	999,300	-5.5	70.5	3.1	6.7	-29.0

AUCKLAND CONT.

Rental Area	Dwelling	Bedrooms	No. Of Properties	No. Of Bonds	Rent Quartile Range	Median Rent			Median Value			Yield		
						Current	1 Yr Change	5 Yr Change	Current	1 Yr Change	5 Yr Change	Current	1 Yr Change	5 Yr Change
North Shore - Sunnynook/ Westlake	Flat	2	662	32	432 - 520	490	8.9	28.9	795,900	3.8	82.6	3.2	4.9	-29.4
North Shore - Sunnynook/ Westlake	House	2	247	26	450 - 540	500	2.0	25.0	1,041,300	0.6	75.6	2.5	1.4	-28.8
North Shore - Sunnynook/ Westlake	House	3	2,448	76	550 - 632	592	3.0	23.3	1,097,200	-2.7	57.3	2.8	5.9	-21.6
North Shore - Sunnynook/ Westlake	House	4	1,208	22	630 - 730	700	7.7	17.6	1,330,650	-3.2	76.3	2.7	11.2	-33.3
North Shore - Glendhu/Glenfield	Flat	2	584	17	385 - 460	430	0.2	22.9	646,950	-2.3	74.1	3.5	2.6	-29.4
North Shore - Glendhu/Glenfield	House	2	247	12	465 - 520	500	13.6	33.3	803,800	-1.3	71.8	3.2	15.1	-22.4
North Shore - Glendhu/Glenfield	House	3	2,917	73	520 - 580	550	4.8	25.0	855,350	2.5	76.0	3.3	2.2	-29.0
North Shore - Hillcrest/ Northcote	Flat	2	671	20	400 - 465	430	3.6	20.4	727,250	1.8	74.1	3.1	1.7	-30.8
North Shore - Hillcrest/ Northcote	House	2	210	14	460 - 525	497	3.5	30.8	1,003,050	2.9	73.1	2.6	0.6	-24.4
North Shore - Hillcrest/ Northcote	House	3	1,971	49	540 - 602	560	-	16.7	1,062,600	-0.0	73.6	2.7	0.0	-32.8
North Shore - Hillcrest/ Northcote	House	4	1,306	16	650 - 745	697	10.6	17.1	1,239,750	-1.4	67.9	2.9	12.2	-30.2
North Shore - Beachhaven/ Birkdale	House	2	474	25	430 - 496	450	-	25.0	784,300	0.7	73.4	3.0	-0.7	-27.9
North Shore - Beachhaven/ Birkdale	House	3	3,634	76	520 - 570	550	3.8	27.9	866,250	5.6	81.4	3.3	-1.7	-29.5
North Shore - Chatswood/ Birkenhead/Northcote Point	Flat	2	437	15	452 - 487	470	1.7	30.6	679,600	-0.6	62.9	3.6	2.3	-19.8
North Shore - Chatswood/ Birkenhead/Northcote Point	House	2	294	12	440 - 520	477	4.8	19.3	978,900	1.6	70.5	2.5	3.2	-30.0
North Shore - Chatswood/ Birkenhead/Northcote Point	House	3	1,973	34	600 - 720	675	13.4	35.0	1,143,550	-1.4	63.9	3.1	15.0	-17.7
North Shore - Chatswood/ Birkenhead/Northcote Point	House	4	1,691	10	660 - 780	695	-7.3	6.9	1,383,050	-0.5	61.0	2.6	-6.9	-33.6
Waitakere - West Harbour	House	3	2,243	61	507 - 632	550	10.0	35.8	877,950	-5.4	76.4	3.3	16.2	-23.0
Waitakere - West Harbour	House	4	1,779	30	600 - 760	737	18.9	34.0	1,149,300	-1.0	67.8	3.3	20.1	-20.1
Waitakere - Massey/Royal Heights	House	3	3,669	84	465 - 522	490	3.2	28.9	731,300	2.0	85.3	3.5	1.1	-30.4
Waitakere - Massey/Royal Heights	House	4	1,242	17	557 - 640	590	5.4	22.9	832,700	-3.0	73.9	3.7	8.6	-29.3
Waitakere - Te Atatu Peninsula	House	3	2,091	38	500 - 565	525	5.0	29.6	900,500	-5.1	72.6	3.0	10.7	-24.9
Waitakere - Te Atatu	House	3	1,194	29	480 - 520	495	-0.4	23.8	815,550	-4.0	83.3	3.2	3.7	-32.5
Waitakere - Ranui	House	3	1,954	44	455 - 507	490	6.5	32.4	681,700	0.7	97.8	3.7	5.7	-33.0
Waitakere - Henderson	Flat	2	834	20	372 - 420	400	2.6	29.0	559,300	-4.9	90.5	3.7	7.8	-32.3
Waitakere - Henderson	House	2	792	34	410 - 450	425	1.2	25.0	677,850	-1.8	89.8	3.3	3.0	-34.1
Waitakere - Henderson	House	3	5,776	137	460 - 531	495	3.1	24.7	760,600	-0.6	84.4	3.4	3.7	-32.4
Waitakere - Henderson	House	4	2,535	49	551 - 650	600	3.4	25.0	901,650	-4.9	65.3	3.5	8.8	-24.4
Waitakere - Glendene	House	3	1,864	44	475 - 515	492	3.6	28.8	746,600	2.2	85.0	3.4	1.3	-30.4
Waitakere - Kelston	House	3	1,834	45	450 - 516	490	3.2	28.9	770,100	-0.2	85.7	3.3	3.4	-30.5
Waitakere - Glen Eden	House	3	2,723	51	470 - 500	480	2.8	26.3	697,000	-2.6	83.1	3.6	5.5	-31.0
Waitakere - Titirangi	House	2	703	18	400 - 475	450	12.5	28.6	786,250	-0.6	74.9	3.0	13.2	-26.5
Waitakere - Titirangi	House	3	4,211	49	495 - 583	525	-1.9	25.0	854,250	-0.2	66.2	3.2	-1.7	-24.8
Waitakere - New Lynn	Flat	2	969	31	381 - 450	410	5.1	32.3	536,950	-6.4	86.9	4.0	12.3	-29.2
Waitakere - New Lynn	House	2	508	24	397 - 450	435	6.1	27.2	755,150	-4.3	91.8	3.0	10.9	-33.7
Waitakere - New Lynn	House	3	2,239	60	495 - 560	520	5.1	30.0	823,650	-6.8	89.2	3.3	12.7	-31.3
Waitakere - Western Beaches/ Rural	House	2	589	27	400 - 500	425	3.7	23.2	813,950	10.5	63.8	2.7	-6.2	-24.8
Waitakere - Western Beaches/ Rural	House	3	1,797	27	450 - 592	500	2.0	19.0	903,700	9.6	74.9	2.9	-6.9	-31.9
Auckland - Central East	Apartment	1	4,285	270	370 - 450	400	-	17.6	381,350	6.1	83.5	5.5	-5.7	-35.9
Auckland - Central East	Apartment	2	2,570	160	492 - 642	550	10.0	34.1	563,150	0.7	59.6	5.1	9.2	-15.9
Auckland - Parnell	Apartment	1	241	26	435 - 525	470	6.8	22.1	562,700	4.3	65.4	4.3	2.5	-26.2
Auckland - Parnell	Apartment	2	367	32	580 - 697	645	-0.8	24.0	1,028,850	4.9	56.9	3.3	-5.4	-21.0
Auckland - Parnell	House	3	640	19	750 - 943	800	-36.0	14.0	2,142,950	2.7	63.9	1.9	-37.7	-30.5
Auckland - Herne Bay/St Marys	Apartment	2	242	19	577 - 745	600	5.3	20.0	-	-	-	-	-	-
Auckland - Ponsonby/Freemans Bay	Apartment	1	172	20	450 - 637	597	29.8	42.1	544,050	9.7	-	5.7	18.3	-
Auckland - Ponsonby/Freemans Bay	Flat	2	308	9	427 - 595	500	-13.8	11.1	914,900	1.6	64.2	2.8	-15.2	-32.3
Auckland - Ponsonby/Freemans Bay	House	3	1,314	36	785 - 915	850	-	21.4	1,884,300	3.4	70.9	2.3	-3.3	-28.9
Auckland - Pt Chevalier	House	3	1,472	19	577 - 745	650	3.7	14.0	1,423,300	1.4	69.0	2.4	2.3	-32.5
Auckland - Grey Lynn/Arch Hill	Apartment	1	325	24	445 - 515	492	2.5	36.7	-	-	-	-	-	-
Auckland - Grey Lynn/Arch Hill	Apartment	2	412	28	555 - 700	650	4.8	27.0	864,500	1.8	79.1	3.9	3.0	-29.1
Auckland - Grey Lynn/Arch Hill	House	4	524	12	787 - 987	955	16.5	29.6	2,008,450	6.0	58.7	2.5	9.9	-18.4
Auckland - Westmere/Surrey Crescent	House	3	1,225	21	695 - 882	795	0.6	32.5	1,718,300	-0.3	59.7	2.4	1.0	-17.0
Auckland - Mt Eden	Flat	1	686	37	290 - 410	370	2.8	27.6	486,750	-0.2	79.5	4.0	3.0	-28.9
Auckland - Mt Eden	Flat	2	766	33	450 - 502	480	-	27.3	724,200	-3.4	63.8	3.4	3.5	-22.2
Auckland - Mt Eden	House	3	1,001	21	650 - 908	720	-	20.0	1,783,500	4.7	74.2	2.1	-4.5	-31.1
Auckland - Waterview/Avondale Heights	Flat	2	252	13	410 - 455	435	6.1	29.9	627,600	-0.5	93.7	3.6	6.7	-33.0

AUCKLAND CONT.

Rental Area	Dwelling	Bedrooms	No. Of Properties	No. Of Bonds	Rent Quartile Range	Median Rent Current	Median Rent 1 Yr Change	Median Rent 5 Yr Change	Median Value Current	Median Value 1 Yr Change	Median Value 5 Yr Change	Yield Current	Yield 1 Yr Change	Yield 5 Yr Change
Auckland - Waterview/Avondale Heights	House	3	1,219	25	507 - 595	550	3.8	20.9	950,000	-5.4	64.6	3.0	9.7	-26.6
Auckland - Avondale	House	3	2,329	32	500 - 565	540	3.8	28.6	832,000	-4.2	72.6	3.4	8.4	-25.5
Auckland - Blockhouse Bay/ New Windsor	House	3	2,945	48	550 - 590	560	3.3	30.2	918,300	-7.4	67.1	3.2	11.6	-22.1
Auckland - Mt Albert/Owairaka	Flat	2	811	28	400 - 467	425	-1.2	18.1	632,400	-2.6	72.7	3.5	1.5	-31.6
Auckland - Mt Albert/Owairaka	House	3	1,694	23	535 - 650	595	-0.8	24.0	1,263,050	-0.4	74.8	2.4	-0.4	-29.1
Auckland - Mt Roskill/Wesley	House	3	1,367	31	505 - 593	560	0.9	24.4	966,050	0.5	80.2	3.0	0.4	-30.9
Auckland - St Lukes/ Sandringham	Flat	2	868	24	412 - 490	445	-1.1	27.1	624,500	-2.3	76.6	3.7	1.2	-28.0
Auckland - St Lukes/ Sandringham	House	3	1,308	19	650 - 698	680	4.6	28.3	1,277,600	1.7	66.7	2.8	2.8	-23.0
Auckland - Epsom	Flat	2	755	28	447 - 542	480	2.8	14.3	929,500	-2.3	70.5	2.7	5.2	-33.0
Auckland - Three Kings	House	3	675	19	556 - 672	605	-6.9	28.7	1,111,900	-2.3	61.7	2.8	-4.8	-20.4
Auckland - Royal Oak/One Tree Hill	House	2	390	10	540 - 600	570	0.9	26.7	1,245,900	-0.0	77.3	2.4	0.9	-28.6
Auckland - Royal Oak/One Tree Hill	House	3	1,618	36	600 - 750	672	6.7	22.2	1,427,150	2.1	77.6	2.4	4.5	-31.2
Auckland - Royal Oak/One Tree Hill	House	4	1,301	17	773 - 860	800	3.2	21.2	1,882,550	6.4	67.2	2.2	-3.0	-27.5
Auckland - Onehunga/Oranga/ Te Papapa	Flat	2	1,688	55	430 - 480	450	4.7	25.0	662,300	-1.8	75.9	3.5	6.6	-28.9
Auckland - Onehunga/Oranga/ Te Papapa	House	2	1,210	29	457 - 502	495	3.1	35.6	946,900	-5.1	66.5	2.7	8.6	-18.5
Auckland - Onehunga/Oranga/ Te Papapa	House	3	2,641	47	567 - 679	610	5.2	24.5	1,087,750	-7.1	72.8	2.9	13.2	-27.9
Auckland - Remuera	Flat	2	453	15	495 - 560	520	2.0	21.8	974,700	0.0	76.7	2.8	1.9	-31.1
Auckland - Remuera	House	3	1,904	32	690 - 912	752	-0.4	15.0	2,009,050	-3.0	80.7	1.9	2.7	-36.4
Auckland - Remuera	House	4	2,014	22	825 - 1200	937	17.1	17.1	3,108,550	13.7	77.7	1.6	3.0	-34.1
Auckland - Remuera South/ Meadowbank South	House	3	1,393	40	592 - 725	660	-2.2	12.4	1,320,100	4.4	68.3	2.6	-6.4	-33.2
Auckland - Penrose/Mt Wellington South	Flat	2	368	18	415 - 450	430	7.5	30.3	588,050	1.8	89.7	3.8	5.6	-31.3
Auckland - Penrose/Mt Wellington South	House	3	1,719	37	538 - 600	580	10.1	34.3	827,100	-5.4	79.9	3.6	16.3	-25.4
Auckland - Mission Bay/Orakei	House	3	1,281	20	692 - 825	750	15.0	21.0	1,727,900	-9.3	76.5	2.3	26.9	-31.5
Auckland - St Heliers/ Glendowie	House	3	2,011	25	650 - 826	730	4.3	27.0	1,628,350	7.2	78.7	2.3	-2.7	-28.9
Auckland - St Heliers/ Glendowie	House	4	1,653	17	898 - 1156	1,000	11.1	40.8	1,988,200	-0.4	52.7	2.6	11.6	-7.8
Auckland - Ellerslie	Flat	2	621	30	420 - 500	450	-	28.6	653,250	-1.0	84.9	3.6	1.0	-30.5
Auckland - Ellerslie	House	3	1,364	26	595 - 720	650	15.7	25.0	1,091,050	-0.4	77.1	3.1	16.1	-29.4
Auckland - Glen Innes/Pt England/Wai O Taiki	House	3	1,803	19	530 - 610	550	-5.2	22.2	950,150	-3.5	69.8	3.0	-1.7	-28.0
Auckland - Mt Wellington North	Flat	2	603	29	387 - 450	420	3.7	23.5	618,350	3.1	96.9	3.5	0.6	-37.3
Auckland - Otahuhu	Flat	2	491	24	357 - 410	380	4.1	34.8	430,200	-1.0	89.7	4.6	5.2	-29.0
Auckland - Otahuhu	House	3	1,228	22	495 - 570	520	6.1	31.6	701,900	-3.6	89.5	3.9	10.1	-30.5
Auckland - Waiheke Island	House	2	1,713	39	431 - 500	460	2.2	35.3	999,700	8.1	82.7	2.4	-5.4	-26.0
Auckland - Waiheke Island	House	3	1,936	30	550 - 630	600	8.1	42.9	1,264,950	-3.9	92.0	2.5	12.5	-25.6
Auckland - Central West	Apartment	1	3,482	215	356 - 450	395	-	23.4	379,300	8.0	85.0	5.4	-7.4	-33.3
Auckland - Central West	Apartment	2	3,271	217	440 - 580	495	-4.8	25.3	500,850	-7.7	67.5	5.1	3.1	-25.2
Auckland - Central West	Apartment	3	539	16	580 - 850	660	-5.7	26.9	886,500	2.8	53.8	3.9	-8.3	-17.5
Auckland - Lynfield	House	3	1,911	35	530 - 592	550	1.9	27.9	939,550	-3.4	60.4	3.0	5.5	-20.3
Auckland - Newton/Grafton	Apartment	1	827	61	363 - 482	400	-	17.6	432,350	17.5	87.2	4.8	-14.9	-37.1
Auckland - Newton/Grafton	Apartment	2	1,056	37	457 - 626	550	-	25.0	543,250	-0.7	63.5	5.3	0.7	-23.5
Auckland - Eden Terrace	Apartment	2	519	35	480 - 560	535	5.5	18.9	651,500	-3.7	-	4.3	9.6	-
Auckland - Hillsborough	House	3	1,978	40	540 - 610	567	3.1	22.7	979,600	-2.4	62.2	3.0	5.6	-24.3
Auckland - Meadowbank	House	3	819	12	600 - 725	657	-0.5	14.9	1,438,800	8.0	66.3	2.4	-7.8	-30.9
Auckland - St Johns	Flat	2	358	13	400 - 486	430	-2.3	30.3	729,250	-1.6	-	3.1	-0.7	-
Auckland - Mt Wellington	Flat	2	319	11	405 - 457	430	4.4	23.9	585,150	-2.1	87.7	3.8	6.6	-34.0
Manukau - Mangere Bridge/ Airport	House	3	2,159	24	492 - 585	537	1.3	27.9	843,250	-3.9	88.0	3.3	5.4	-32.0
Manukau - Mangere	House	3	4,080	36	475 - 550	497	1.4	32.5	656,550	2.2	101.4	3.9	-0.8	-34.2
Manukau - Mangere	House	4	699	12	545 - 645	600	4.3	33.3	731,950	-1.5	99.5	4.3	5.9	-33.2
Manukau - Otara	House	3	3,123	46	460 - 530	500	5.3	35.1	588,450	2.1	100.4	4.4	3.1	-32.6
Manukau - Papatoetoe North	Flat	2	594	15	376 - 453	410	7.9	28.1	546,750	0.9	89.7	3.9	7.0	-32.5
Manukau - Papatoetoe North	House	3	1,358	19	496 - 547	510	-1.9	27.5	736,600	-6.1	82.7	3.6	4.4	-30.2
Manukau - Manukau Central	House	3	1,346	32	472 - 550	500	-2.0	31.6	664,700	1.0	88.9	3.9	-3.0	-30.3
Manukau - Botony Downs	House	3	2,476	48	560 - 600	585	0.9	17.0	1,015,350	-2.2	65.8	3.0	3.2	-29.4
Manukau - Botony Downs	House	4	2,450	29	650 - 700	680	1.5	16.2	1,248,550	-1.6	70.3	2.8	3.1	-31.7
Manukau - Dannemora	House	3	1,196	26	595 - 650	610	5.2	15.1	1,002,150	-2.3	68.7	3.2	7.6	-31.8
Manukau - Dannemora	House	4	2,807	36	675 - 727	690	4.5	19.0	1,137,100	-5.5	61.0	3.2	10.6	-26.1
Manukau - Howick	House	2	242	21	438 - 482	460	1.8	22.7	884,650	-6.6	69.2	2.7	8.9	-27.5
Manukau - Howick	House	3	1,950	34	520 - 600	575	8.5	19.8	1,007,700	-3.0	60.5	3.0	11.9	-25.4
Manukau - Howick	House	4	1,706	13	720 - 800	750	25.0	29.3	1,277,250	-7.1	57.9	3.1	34.6	-18.1

AUCKLAND CONT.

Rental Area	Dwelling	Bedrooms	No. Of Properties	No. Of Bonds	Rent Quartile Range	Median Rent Current	Median Rent 1 Yr Change	Median Rent 5 Yr Change	Median Value Current	Median Value 1 Yr Change	Median Value 5 Yr Change	Yield Current	Yield 1 Yr Change	Yield 5 Yr Change
Manukau - Half Moon Bay/Farm Cove	House	3	1,588	40	525 - 575	542	4.8	18.6	1,061,500	2.2	84.3	2.7	2.6	-35.6
Manukau - Highland Park	House	3	2,181	62	500 - 580	550	1.9	22.2	996,100	-5.8	74.9	2.9	8.1	-30.1
Manukau - Highland Park	House	4	1,077	17	615 - 698	650	8.3	16.1	1,177,150	-4.5	70.6	2.9	13.5	-31.9
Manukau - Pakuranga	Flat	2	638	15	391 - 428	410	-0.5	17.1	658,200	-2.4	61.5	3.2	1.9	-27.4
Manukau - Pakuranga	House	3	1,870	40	520 - 560	540	3.8	25.6	906,050	-8.1	65.2	3.1	13.0	-24.0
Manukau - Manukau and Manurewa Heights	House	3	2,406	45	527 - 590	550	3.4	22.2	791,150	-4.1	74.8	3.6	7.8	-30.1
Manukau - Manukau and Manurewa Heights	House	4	1,822	38	600 - 680	650	3.2	23.8	960,650	-0.1	63.9	3.5	3.3	-24.5
Manukau - Wattle Downs/ Conifer Grove	House	3	1,739	34	485 - 560	512	1.4	31.3	745,000	-1.5	77.6	3.6	2.9	-26.1
Manukau - Manurewa North	Flat	2	883	31	395 - 450	420	8.5	40.0	478,550	-1.2	92.1	4.6	9.9	-27.1
Manukau - Manurewa North	House	2	1,157	43	395 - 450	420	-2.3	31.3	538,550	-2.7	107.3	4.1	0.4	-36.7
Manukau - Manurewa North	House	3	7,265	191	460 - 520	490	-	32.4	617,050	2.2	92.5	4.1	-2.1	-31.2
Manukau - Manurewa North	House	4	1,302	42	520 - 600	550	-	25.0	731,900	-2.3	84.6	3.9	2.3	-32.3
Manukau - Mangere East	House	3	2,173	28	472 - 525	500	7.1	31.6	649,450	-3.4	99.1	4.0	10.8	-33.9
Manukau - Papatoetoe South	Flat	2	1,185	30	400 - 440	425	3.7	32.8	542,500	-1.4	97.8	4.1	5.1	-32.9
Manukau - Papatoetoe South	House	3	1,641	33	490 - 555	530	1.9	32.5	788,800	-0.1	79.8	3.5	2.0	-26.3
Manukau - Papatoetoe West	House	3	1,428	18	480 - 520	500	-	28.2	687,600	-3.5	96.1	3.8	3.7	-34.6
Manukau - Weymouth	House	3	1,666	29	450 - 530	495	3.8	30.3	623,700	4.7	95.2	4.1	-0.8	-33.3
Manukau - Maraetai/Clevedon	House	3	1,149	33	495 - 650	560	1.8	21.7	1,065,150	8.2	77.0	2.7	-5.9	-31.2
Manukau - Maraetai/Clevedon	House	4	2,012	34	620 - 730	670	5.2	16.5	1,178,700	0.9	65.0	3.0	4.2	-29.4
Papakura - Takanini/Ardmore	House	3	1,356	47	466 - 560	520	5.7	40.5	666,100	-1.2	89.8	4.1	7.0	-25.9
Papakura - Takanini/Ardmore	House	4	849	31	581 - 630	600	3.4	24.5	821,950	0.0	77.5	3.8	3.4	-29.9
Papakura - Papakura/Drury/ Karaka	Flat	2	710	25	350 - 400	370	-1.3	32.1	467,100	-1.0	84.1	4.1	-0.4	-28.2
Papakura - Papakura/Drury/ Karaka	House	2	1,001	25	390 - 442	410	6.5	28.1	567,400	2.7	101.3	3.8	3.7	-36.3
Papakura - Papakura/Drury/ Karaka	House	3	5,873	129	450 - 510	480	4.3	37.1	631,900	0.3	81.2	3.9	4.0	-24.3
Papakura - Papakura/Drury/ Karaka	House	4	2,446	48	547 - 660	570	5.6	29.5	866,700	2.4	76.0	3.4	3.1	-26.4
Franklin - Pukekohe/Tuakau	House	2	641	27	370 - 400	380	11.8	31.0	544,750	5.2	74.2	3.6	6.3	-24.8
Franklin - Pukekohe/Tuakau	House	3	4,181	102	420 - 480	450	-	28.6	579,750	5.9	70.7	4.0	-5.6	-24.7
Franklin - Pukekohe/Tuakau	House	4	2,455	57	495 - 580	550	7.8	31.0	793,000	6.2	58.5	3.6	1.6	-17.4
Franklin - Waiuku	House	3	1,637	24	400 - 472	435	-	38.1	572,350	4.2	68.3	4.0	-4.0	-17.9
Franklin - Rural Franklin	House	3	1,645	38	400 - 560	475	5.6	35.7	661,450	14.6	55.0	3.7	-7.9	-12.5
Franklin - Rural Franklin	House	4	1,099	31	536 - 637	560	1.8	43.6	859,400	8.5	49.1	3.4	-6.1	-3.7

WAIKATO / BAY OF PLENTY

Rental Area	Dwelling	Bedrooms	No. Of Properties	No. Of Bonds	Rent Quartile Range	Median Rent Current	Median Rent 1 Yr Change	Median Rent 5 Yr Change	Median Value Current	Median Value 1 Yr Change	Median Value 5 Yr Change	Yield Current	Yield 1 Yr Change	Yield 5 Yr Change
Thames/Coromandel - Entire District	House	2	3,695	38	265 - 320	300	7.1	30.4	598,200	14.6	38.1	2.6	-6.5	-5.5
Thames/Coromandel - Entire District	House	3	8,655	72	327 - 385	367	7.9	31.1	649,850	3.6	26.4	2.9	4.2	3.7
Hauraki - Entire District	House	3	3,129	63	291 - 360	320	12.3	32.2	383,350	16.1	70.9	4.3	-3.3	-22.6
Waikato - Huntly	House	3	1,516	36	300 - 340	320	14.3	45.5	320,200	7.3	71.9	5.2	6.6	-15.4
Waikato - Rural Waikato District	House	2	866	24	292 - 350	330	22.2	20.0	406,650	5.7	80.8	4.2	15.6	-33.6
Waikato - Rural Waikato District	House	3	2,667	67	322 - 390	360	9.1	22.0	466,000	16.3	61.0	4.0	-6.2	-24.2
Waikato - Rural Waikato District	House	4	819	20	420 - 480	440	10.0	25.7	567,950	9.0	54.1	4.0	0.9	-18.4
Matamata/Piako - Entire District	Flat	2	513	11	242 - 280	265	10.4	32.5	329,500	17.7	54.1	4.2	-6.2	-14.0
Matamata/Piako - Entire District	House	2	807	27	270 - 320	300	15.4	30.4	341,850	15.6	65.6	4.6	-0.2	-21.2
Matamata/Piako - Entire District	House	3	4,707	85	318 - 370	340	6.3	25.9	413,200	13.7	53.2	4.3	-6.5	-17.8
Matamata/Piako - Entire District	House	4	1,658	20	345 - 420	395	12.9	31.7	546,700	7.7	52.9	3.8	4.7	-13.9
Hamilton - Te Kowhai/St Andrews/Queenwood	House	2	260	24	350 - 390	362	3.4	24.0	505,350	-2.6	59.6	3.7	6.2	-22.3
Hamilton - Te Kowhai/St Andrews/Queenwood	House	3	4,041	121	390 - 450	420	5.0	23.5	584,200	3.2	67.6	3.7	1.8	-26.3
Hamilton - Te Kowhai/St Andrews/Queenwood	House	4	3,002	40	455 - 535	505	7.4	24.1	726,400	-0.9	51.1	3.6	8.5	-17.9
Hamilton - Flagstaff/Rototuna	House	3	1,730	27	450 - 475	460	-2.1	15.0	652,300	-1.5	58.6	3.7	-0.6	-27.5
Hamilton - Flagstaff/Rototuna	House	4	3,902	88	500 - 550	530	1.9	20.5	749,650	-3.6	56.4	3.7	5.7	-23.0
Hamilton - Fairfield/Fairview Downs	House	2	372	33	328 - 390	360	5.9	28.6	375,300	0.4	61.7	5.0	5.5	-20.5
Hamilton - Fairfield/Fairview Downs	House	3	2,657	79	370 - 410	390	2.6	25.8	436,450	-2.0	60.9	4.6	4.7	-21.8
Hamilton - Fairfield/Fairview Downs	House	4	647	19	426 - 477	440	4.8	25.7	511,150	2.5	55.8	4.5	2.2	-19.3
Hamilton - Hamilton East/ University	Flat	2	1,021	64	250 - 317	280	1.8	42.1	375,600	3.0	53.4	3.9	-1.2	-7.4
Hamilton - Hamilton East/ University	House	2	362	61	330 - 386	360	4.3	26.3	480,900	1.4	59.5	3.9	2.9	-20.8
Hamilton - Hamilton East/ University	House	3	1,498	89	383 - 450	410	6.5	22.4	544,350	0.6	51.1	3.9	5.8	-19.0
Hamilton - Hamilton East/ University	House	4	673	35	413 - 491	450	-	25.0	638,200	5.6	58.3	3.7	-5.3	-21.1
Hamilton - Hillcrest/Silverdale/ Tamahere	House	3	1,432	56	390 - 450	417	9.7	26.4	537,650	5.0	50.3	4.0	4.6	-16.0

WAIKATO / BAY OF PLENTY CONT.

Rental Area	Dwelling	Bedrooms	No. Of Properties	No. Of Bonds	Rent Quartile Range	Median Rent			Median Value			Yield		
						Current	1 Yr Change	5 Yr Change	Current	1 Yr Change	5 Yr Change	Current	1 Yr Change	5 Yr Change
Hamilton - Dinsdale North/ Nawton	House	3	2,652	84	360 - 407	380	5.6	22.6	495,700	5.3	59.9	4.0	0.2	-23.3
Hamilton - Dinsdale South/ Frankton	House	3	1,180	55	360 - 430	385	2.1	20.3	447,000	2.1	58.6	4.5	0.0	-24.2
Hamilton - Hamilton Central/ Maeroa/Frankton Junction	Flat	2	572	40	250 - 292	260	-3.7	23.8	338,200	-0.2	32.4	4.0	-3.5	-6.5
Hamilton - Hamilton Central/ Maeroa/Frankton Junction	House	3	754	43	380 - 450	410	5.1	24.2	493,350	-4.0	50.2	4.3	9.5	-17.3
Hamilton - Hamilton Central/ Maeroa/Frankton Junction	House	4	242	11	427 - 512	470	4.4	25.3	660,450	3.6	43.1	3.7	0.8	-12.4
Hamilton - Deanwell/Melville/ Fitzroy	Flat	2	807	37	267 - 317	285	1.8	25.0	360,500	-2.9	60.5	4.1	4.8	-22.1
Hamilton - Deanwell/Melville/ Fitzroy	House	2	303	54	310 - 350	340	9.7	21.4	418,050	-6.4	48.1	4.2	17.2	-18.0
Hamilton - Deanwell/Melville/ Fitzroy	House	3	3,020	120	370 - 422	390	2.6	21.9	468,150	0.8	53.0	4.3	1.8	-20.3
Hamilton - Deanwell/Melville/ Fitzroy	House	4	929	20	420 - 482	450	4.2	25.0	560,300	4.6	49.2	4.2	-0.4	-16.2
Waipa - Cambridge/Leamington	House	2	462	23	320 - 368	350	6.1	28.7	474,950	9.8	65.9	3.8	-3.4	-22.4
Waipa - Cambridge/Leamington	House	3	2,667	69	385 - 450	420	5.0	31.3	558,650	13.0	68.4	3.9	-7.1	-22.1
Waipa - Cambridge/Leamington	House	4	1,184	17	471 - 542	500	11.1	31.6	691,700	6.9	60.4	3.8	4.0	-18.0
Waipa - Te Awamutu	House	3	2,165	46	350 - 395	375	7.1	33.9	438,300	11.9	63.7	4.4	-4.2	-18.2
Waipa - Rural Waipa	House	3	1,221	40	345 - 465	390	14.7	34.5	448,200	4.9	51.9	4.5	9.3	-11.4
Waipa - Rural Waipa	House	4	1,224	35	471 - 550	525	9.4	38.2	727,550	14.4	60.6	3.8	-4.4	-14.0
Otorohanga/Waitomo - Both Districts	House	3	1,998	36	220 - 305	250	8.7	11.1	230,250	14.2	32.2	5.6	-4.8	-16.0
South Waikato - Entire District	House	3	4,555	78	220 - 290	260	18.2	44.4	204,100	23.3	58.9	6.6	-4.2	-9.1
South Waikato - Entire District	House	4	879	10	260 - 300	300	3.4	36.4	288,850	19.4	60.4	5.4	-13.3	-15.0
Taupo - Taupo Central/Tauhara	House	2	569	25	255 - 302	270	3.8	8.0	306,900	5.6	46.5	4.6	-1.7	-26.3
Taupo - Taupo Central/Tauhara	House	3	1,613	51	320 - 367	350	9.4	20.7	391,700	16.6	49.9	4.6	-6.2	-19.5
Taupo - Taupo West/Taupo South	House	3	3,370	56	360 - 460	400	14.3	23.1	501,500	15.4	41.0	4.1	-1.0	-12.7
Taupo - Taupo West/Taupo South	House	4	1,685	17	407 - 552	520	30.0	36.1	644,500	7.3	37.8	4.2	21.1	-1.2
Taupo - Rural Taupo	House	3	3,144	38	240 - 300	260	20.9	30.0	348,200	12.1	20.0	3.9	7.9	8.3
Western Bay of Plenty - Kaimai/ Te Puke	House	2	725	21	330 - 386	350	9.4	40.0	476,300	12.1	69.2	3.8	-2.4	-17.3
Western Bay of Plenty - Kaimai/ Te Puke	House	3	2,283	47	360 - 450	410	9.3	46.4	550,200	19.5	90.6	3.9	-8.5	-23.2
Western Bay of Plenty - Waihi Beach/Omokoroa	House	3	3,025	47	342 - 443	400	12.7	33.3	656,600	12.1	68.4	3.2	0.5	-20.8
Western Bay of Plenty - Waihi Beach/Omokoroa	House	4	1,528	15	413 - 573	490	12.6	41.2	817,750	9.6	47.6	3.1	2.8	-4.3
Tauranga - Mt Maunganui	Apartment	2	583	32	420 - 500	442	-6.0	21.1	673,400	10.9	41.6	3.4	-15.2	-14.5
Tauranga - Mt Maunganui	Flat	2	776	28	350 - 400	367	0.5	33.5	553,450	4.9	74.5	3.4	-4.1	-23.5
Tauranga - Mt Maunganui	House	2	807	41	380 - 450	420	10.5	40.0	688,500	-3.3	77.2	3.2	14.3	-21.0
Tauranga - Mt Maunganui	House	3	3,988	92	440 - 515	470	4.4	34.3	791,100	7.2	73.6	3.1	-2.6	-22.7
Tauranga - Mt Maunganui	House	4	1,395	18	480 - 550	540	-0.9	40.3	1,125,600	7.4	71.3	2.5	-7.8	-18.1
Tauranga - Papamoa Beach	House	2	587	24	360 - 420	397	4.5	39.3	629,350	16.1	105.7	3.3	-10.0	-32.3
Tauranga - Papamoa Beach	House	3	4,795	124	460 - 520	495	10.0	41.4	644,750	4.0	68.0	4.0	5.8	-15.8
Tauranga - Papamoa Beach	House	4	2,882	56	527 - 567	550	2.8	34.1	799,400	6.5	56.4	3.6	-3.5	-14.2
Tauranga - Pyes Pa/Hairini/ Welcome Bay	House	3	4,316	84	420 - 495	460	7.0	39.4	622,450	14.8	77.6	3.8	-6.8	-21.5
Tauranga - Pyes Pa/Hairini/ Welcome Bay	House	4	2,716	50	500 - 550	530	15.2	32.5	712,600	4.1	50.3	3.9	10.7	-11.8
Tauranga - Tauranga Central/ Greerton	Flat	2	996	31	311 - 358	340	7.9	36.0	418,200	3.9	75.8	4.2	3.9	-22.6
Tauranga - Tauranga Central/ Greerton	House	2	1,412	62	360 - 400	380	7.0	33.3	451,250	2.1	69.6	4.4	4.9	-21.4
Tauranga - Tauranga Central/ Greerton	House	3	4,392	106	400 - 460	430	2.4	34.4	524,650	8.2	79.5	4.3	-5.4	-25.1
Tauranga - Tauranga Central/ Greerton	House	4	1,160	26	450 - 550	495	10.0	41.4	678,350	5.9	61.8	3.8	3.9	-12.6
Tauranga - Bethlehem/ Otumoetai	Flat	2	731	23	305 - 368	350	16.7	34.6	-	-	-	-	-	-
Tauranga - Bethlehem/ Otumoetai	House	2	896	34	370 - 410	390	11.4	39.3	567,800	-12.1	75.9	3.6	26.8	-20.8
Tauranga - Bethlehem/ Otumoetai	House	3	4,960	122	430 - 495	450	4.7	32.4	659,200	7.7	66.8	3.5	-2.8	-20.7
Tauranga - Bethlehem/ Otumoetai	House	4	3,045	24	482 - 550	520	-	26.8	797,350	2.0	40.6	3.4	-2.0	-9.8
Rotorua - Holdens Bay/Owhata/ Ngapuna	House	3	2,104	33	300 - 422	380	10.1	37.2	387,000	12.2	57.0	5.1	-1.8	-12.6

WAIKATO / BAY OF PLENTY CONT.

Rental Area	Dwelling	Bedrooms	No. Of Properties	No. Of Bonds	Rent Quartile Range	Median Rent			Median Value			Yield		
						Current	1 Yr Change	5 Yr Change	Current	1 Yr Change	5 Yr Change	Current	1 Yr Change	5 Yr Change
Rotorua - Kuirau/Hillcrest/ Glenholme	Flat	2	455	47	240 - 265	260	6.1	30.0	273,800	14.6	-	4.9	-7.4	-
Rotorua - Kuirau/Hillcrest/ Glenholme	House	2	808	28	290 - 330	310	14.8	31.9	335,400	15.3	51.6	4.8	-0.4	-13.0
Rotorua - Kuirau/Hillcrest/ Glenholme	House	3	1,981	42	350 - 400	367	4.9	26.6	387,700	11.9	47.9	4.9	-6.3	-14.4
Rotorua - Pukehangi South/ Springfield	House	3	2,135	33	350 - 450	395	14.5	31.7	420,300	12.0	49.5	4.9	2.2	-12.0
Rotorua - Ngongotaha/Pleasant Heights/Koutu	House	2	1,030	24	237 - 295	275	10.0	34.1	262,850	8.0	72.0	5.4	1.8	-22.0
Rotorua - Ngongotaha/Pleasant Heights/Koutu	House	3	4,718	98	320 - 360	345	15.0	32.7	325,400	18.9	69.3	5.5	-3.3	-21.6
Rotorua - Ngongotaha/Pleasant Heights/Koutu	House	4	901	20	330 - 415	377	7.7	21.6	443,100	12.7	50.8	4.4	-4.4	-19.3
Whakatane - Whakatane	Flat	2	494	29	235 - 300	270	-6.9	22.7	297,300	19.5	41.2	4.7	-22.1	-13.1
Whakatane - Whakatane	House	2	807	20	290 - 355	342	6.9	36.8	376,450	18.1	29.2	4.7	-9.5	5.9
Whakatane - Whakatane	House	3	3,907	55	342 - 400	380	7.0	26.7	429,300	4.9	28.0	4.6	2.0	-1.0
Whakatane - Whakatane	House	4	1,387	11	390 - 523	450	-	32.4	627,500	5.0	33.2	3.7	-	-0.6
Kawerau - Entire District	House	3	1,894	21	210 - 256	240	14.3	26.3	194,350	11.8	87.0	6.4	2.2	-32.4
Opotiki - Entire District	House	3	1,207	18	215 - 260	237	5.3	18.5	314,400	30.4	50.0	3.9	-19.2	-21.0

HAWKES BAY / GISBORNE

Rental Area	Dwelling	Bedrooms	No. Of Properties	No. Of Bonds	Rent Quartile Range	Median Rent Current	1 Yr Change	5 Yr Change	Median Value Current	1 Yr Change	5 Yr Change	Yield Current	1 Yr Change	5 Yr Change
Gisborne - Gisborne	Flat	2	490	29	213 - 246	230	4.1	15.0	-	-	-	-	-	-
Gisborne - Gisborne	House	2	1,210	18	240 - 310	277	6.5	20.4	209,600	8.3	15.0	6.9	-1.6	4.7
Gisborne - Gisborne	House	3	5,890	99	280 - 340	310	-3.1	14.8	265,050	17.2	29.0	6.1	-17.3	-11.0
Gisborne - Gisborne	House	4	1,687	18	340 - 430	380	11.8	20.6	378,800	10.6	22.7	5.2	1.0	-1.7
Wairoa - Entire District	House	3	1,585	14	210 - 260	237	31.7	39.4	163,900	19.6	13.3	7.5	10.1	23.1
Hastings - Havelock North	Flat	2	348	12	285 - 350	292	2.5	12.3	381,500	22.9	48.1	4.0	-16.6	-24.2
Hastings - Havelock North	House	3	2,295	26	395 - 480	432	18.4	23.4	560,800	10.5	41.8	4.0	7.1	-13.0
Hastings - Flaxmere	House	3	1,993	46	285 - 330	300	5.3	13.2	230,500	13.2	48.6	6.8	-7.0	-23.8
Hastings - Hastings/Clive	Flat	2	1,824	49	267 - 300	280	4.9	27.3	253,400	12.0	39.2	5.7	-6.4	-8.6
Hastings - Hastings/Clive	House	2	1,038	38	260 - 320	295	5.4	18.0	345,300	19.3	55.2	4.4	-11.7	-24.0
Hastings - Hastings/Clive	House	3	6,270	85	340 - 400	360	9.1	16.1	454,100	36.6	70.2	4.1	-20.1	-31.8
Hastings - Hastings/Clive	House	4	1,829	20	400 - 470	437	1.6	19.7	520,400	21.6	45.1	4.4	-16.4	-17.5
Napier - Napier	Flat	2	1,051	32	260 - 320	282	4.4	22.6	278,250	14.9	49.2	5.3	-9.1	-17.8
Napier - Napier	House	2	1,509	43	300 - 360	320	7.7	19.9	355,800	8.0	40.9	4.7	-0.2	-14.9
Napier - Napier	House	3	7,956	109	350 - 420	380	8.6	22.6	412,300	12.6	50.6	4.8	-3.6	-18.6
Napier - Napier	House	4	2,244	18	400 - 560	485	9.0	26.0	609,850	18.4	52.3	4.1	-7.9	-17.3
Napier - Taradale/Awatoto	House	2	687	14	310 - 370	350	6.1	31.1	402,800	13.4	42.9	4.5	-6.5	-8.3
Napier - Taradale/Awatoto	House	3	4,047	38	380 - 450	400	11.1	23.1	502,000	18.2	44.5	4.1	-6.0	-14.8
Central Hawkes Bay - Entire District	House	3	2,113	25	228 - 300	265	10.4	29.3	284,300	22.7	44.4	4.8	-10.0	-10.4

TARANAKI

Rental Area	Dwelling	Bedrooms	No. Of Properties	No. Of Bonds	Rent Quartile Range	Median Rent Current	1 Yr Change	5 Yr Change	Median Value Current	1 Yr Change	5 Yr Change	Yield Current	1 Yr Change	5 Yr Change
New Plymouth - New Plymouth Central/Moturoa	Flat	2	492	18	270 - 300	285	11.8	23.9	274,400	5.3	25.4	5.4	6.2	-1.2
New Plymouth - New Plymouth Central/Moturoa	House	2	490	35	285 - 330	320	6.7	14.3	334,100	4.9	17.8	5.0	1.7	-3.0
New Plymouth - New Plymouth Central/Moturoa	House	3	2,491	54	330 - 380	360	2.9	9.1	376,800	5.0	34.3	5.0	-2.1	-18.7
New Plymouth - Outer New Plymouth	Flat	2	1,419	40	250 - 300	280	1.1	16.7	302,200	2.4	26.1	4.8	-1.3	-7.5
New Plymouth - Outer New Plymouth	House	2	1,157	68	295 - 350	320	4.9	12.3	387,050	4.9	26.9	4.3	-0.0	-11.5
New Plymouth - Outer New Plymouth	House	3	7,482	139	350 - 400	370	-	8.8	437,250	3.5	27.9	4.4	-3.4	-14.9
New Plymouth - Outer New Plymouth	House	4	3,907	34	420 - 595	490	10.1	25.6	597,800	-0.9	24.8	4.3	11.2	0.7
New Plymouth - Waitara/ Inglewood	House	3	2,308	27	295 - 347	310	-3.1	14.8	311,200	11.4	41.9	5.2	-13.0	-19.1
New Plymouth - Rural New Plymouth	House	3	603	17	297 - 385	350	-	34.6	388,750	6.0	18.2	4.7	-5.7	13.9
Stratford - Entire District	House	3	1,450	19	250 - 287	270	8.0	12.5	229,100	3.7	14.3	6.1	4.1	-1.6
South Taranaki - Hawera	House	3	2,313	51	250 - 300	280	6.9	16.7	225,850	6.0	2.7	6.4	0.8	13.6
South Taranaki - Rural South Taranaki	House	3	2,162	22	210 - 270	240	4.3	26.3	160,950	14.3	14.4	7.8	-8.7	10.4
Ruapehu - Entire District	House	3	2,489	37	207 - 242	220	15.8	12.8	171,050	19.1	13.0	6.7	-2.8	-0.2
Ruapehu - Entire District	House	4	532	6	220 - 250	237	-	21.5	234,500	13.8	20.8	5.3	-	0.6

Rental Area	Dwelling	Bedrooms	No. Of Properties	No. Of Bonds	Rent Quartile Range	Median Rent			Median Value			Yield		
						Current	1 Yr Change	5 Yr Change	Current	1 Yr Change	5 Yr Change	Current	1 Yr Change	5 Yr Change
MANAWATU / WANGANUI														
Wanganui - Entire District	Flat	2	1,713	39	160 - 220	190	11.8	18.8	162,250	15.4	16.9	6.1	-3.2	1.6
Wanganui - Entire District	House	2	1,500	89	180 - 260	220	4.8	15.8	181,200	16.5	25.8	6.3	-10.1	-7.9
Wanganui - Entire District	House	3	8,252	148	210 - 300	257	4.9	16.8	237,300	13.8	25.8	5.6	-7.8	-7.1
Wanganui - Entire District	House	4	2,580	24	277 - 335	320	16.4	27.0	340,350	12.0	26.5	4.9	3.9	0.4
Rangitikei - Entire District	House	3	2,477	19	202 - 257	240	26.3	33.3	171,150	6.6	24.8	7.3	18.5	6.8
Manawatu - Entire District	House	3	4,059	61	290 - 342	320	6.7	23.1	301,050	6.5	36.3	5.5	0.1	-9.7
Manawatu - Entire District	House	4	1,792	15	342 - 483	390	-	18.2	427,100	13.3	25.0	4.7	-	-5.5
Palmerston North - Highbury/ Westbrook	House	3	1,484	14	320 - 360	340	6.3	23.6	273,200	9.5	28.7	6.5	-3.0	-3.9
Palmerston North - Takaro/ Cloverlea/Milson	House	3	2,407	48	330 - 370	347	5.2	19.7	322,550	4.9	31.7	5.6	0.3	-9.2
Palmerston North - Hospital/ Papaeoia	Flat	2	462	22	210 - 250	230	-0.9	15.0	270,050	15.7	37.1	4.4	-14.3	-16.1
Palmerston North - Kelvin Grove/Roslyn	House	3	1,838	37	337 - 370	350	9.4	25.0	332,850	3.5	19.2	5.5	5.7	4.9
Palmerston North - Awapuni South/Westend	House	3	1,073	31	331 - 397	370	8.8	23.3	352,250	6.7	24.2	5.5	2.0	-0.7
Palmerston North - Terrace End/ Hokowhitu East	House	3	1,284	33	340 - 392	365	2.8	20.9	369,750	6.9	36.0	5.1	-3.8	-11.2
Palmerston North - Hokowhitu West and Lagoon	Flat	2	282	9	230 - 296	275	-	25.0	297,450	7.1	39.3	4.8	-	-10.3
Tararua - Entire District	House	3	2,677	57	200 - 240	220	17.0	22.2	174,150	7.7	19.3	6.6	8.7	2.4
Horowhenua - Entire District	Flat	2	1,156	15	212 - 258	230	16.8	35.3	221,800	16.6	52.0	5.4	0.2	-11.0
Horowhenua - Entire District	House	2	1,816	44	220 - 260	240	-	26.3	249,450	23.2	52.8	5.0	-18.8	-17.4
Horowhenua - Entire District	House	3	6,098	110	260 - 320	290	7.4	31.8	332,650	41.7	66.2	4.5	-24.2	-20.7
Horowhenua - Entire District	House	4	1,790	17	297 - 350	320	6.0	28.0	401,950	15.2	32.4	4.1	-8.1	-3.3
WELLINGTON														
Kapiti Coast - Waikanae/Otaki	House	2	1,524	36	310 - 375	350	12.9	52.2	442,750	19.0	69.5	4.1	-5.2	-10.2
Kapiti Coast - Waikanae/Otaki	House	3	4,191	51	361 - 438	395	19.7	31.7	512,850	18.8	47.2	4.0	0.7	-10.5
Kapiti Coast - Paraparaumu/ Raumati	House	2	1,425	50	340 - 380	360	9.1	24.1	466,500	17.3	55.7	4.0	-7.0	-20.2
Kapiti Coast - Paraparaumu/ Raumati	House	3	5,196	104	380 - 460	420	6.3	23.5	540,450	15.3	46.2	4.0	-7.7	-15.5
Kapiti Coast - Paraparaumu/ Raumati	House	4	2,567	24	452 - 530	495	7.6	8.8	657,850	12.9	35.3	3.9	-4.7	-19.6
Porirua - Paremata/Mana/ Pukerua Bay	House	3	1,455	19	460 - 600	520	18.2	36.8	599,350	2.8	41.3	4.5	15.0	-3.1
Porirua - Papakowhai/Whitby/ Pauatahanui	House	3	2,197	20	450 - 600	507	15.2	38.9	545,300	7.7	41.7	4.8	7.0	-2.0
Porirua - Papakowhai/Whitby/ Pauatahanui	House	4	2,452	19	616 - 673	625	7.8	15.7	725,600	11.2	40.2	4.5	-3.1	-17.5
Porirua - Titahi Bay/Onepoto/ Elsdon	House	3	2,046	19	386 - 440	425	9.8	26.9	431,350	15.5	38.0	5.1	-4.9	-8.1
Porirua - Porirua East/ Waitangirua	House	3	2,456	13	345 - 385	370	15.6	23.3	307,600	12.1	38.4	6.3	3.2	-10.9
Upper Hutt - Trentham North/ Wallaceville	Flat	2	626	22	260 - 300	290	3.6	26.1	291,050	13.0	54.3	5.2	-8.3	-18.3
Upper Hutt - Heretaunga/ Silverstream	House	3	1,554	16	462 - 512	482	20.5	26.8	532,000	10.3	46.4	4.7	9.3	-13.4
Upper Hutt - Trentham West/ Eldersley/Clouston Park	Flat	2	661	18	280 - 310	297	17.9	35.0	-	-	-	-	-	-
Upper Hutt - Trentham West/ Eldersley/Clouston Park	House	3	2,632	23	432 - 475	450	10.6	28.6	466,650	12.9	47.1	5.0	-2.1	-12.6
Upper Hutt - Totara Park/ Maoribank/Te Marua	House	3	2,138	17	397 - 481	420	16.7	27.3	438,550	10.9	42.6	5.0	5.2	-10.8
Lower Hutt - Stokes Valley	House	3	1,933	19	395 - 450	420	13.5	25.4	412,200	21.6	48.4	5.3	-6.6	-15.5
Lower Hutt - Western Hills/ Haywards	House	3	2,444	29	438 - 503	470	4.4	30.6	578,450	13.9	46.5	4.2	-8.3	-10.9
Lower Hutt - Wainuiomata	House	3	4,057	29	346 - 392	360	9.1	21.2	348,100	21.9	46.5	5.4	-10.5	-17.3
Lower Hutt - Taita/Naenae	House	3	2,314	16	395 - 450	420	14.4	29.2	399,900	13.4	54.1	5.5	0.9	-16.1
Lower Hutt - Epuni/Avalon	House	2	508	17	353 - 412	385	6.4	20.3	503,050	10.1	45.9	4.0	-3.4	-17.5
Wellington - Johnsonville/ Newlands	Flat	2	1,081	21	350 - 400	370	7.2	23.3	394,800	8.0	40.9	4.9	-0.7	-12.5
Wellington - Johnsonville/ Newlands	House	2	479	33	377 - 442	400	5.3	21.2	561,350	17.5	63.1	3.7	-10.4	-25.7
Wellington - Johnsonville/ Newlands	House	3	4,846	77	463 - 550	500	11.1	25.0	607,000	13.8	59.1	4.3	-2.3	-21.4
Wellington - Johnsonville/ Newlands	House	4	2,721	23	587 - 723	640	28.0	42.2	727,200	9.0	39.9	4.6	17.5	1.6
Wellington - Tawa/Grenada North	House	3	1,952	14	425 - 500	455	3.4	22.3	547,150	14.8	51.8	4.3	-9.9	-19.4
Wellington - Tawa/Grenada North	House	4	1,439	11	495 - 631	575	15.0	34.7	665,200	13.1	56.5	4.5	1.7	-14.0

WELLINGTON CONT.

Rental Area	Dwelling	Bedrooms	No. Of Properties	No. Of Bonds	Rent Quartile Range	Median Rent			Median Value			Yield		
						Current	1 Yr Change	5 Yr Change	Current	1 Yr Change	5 Yr Change	Current	1 Yr Change	5 Yr Change
Wellington - Ngaio/ Kaiwharawhara/Wilton	Flat	2	367	13	375 - 412	400	9.0	35.6	413,050	4.1	36.8	5.0	4.7	-0.9
Wellington - Ngaio/ Kaiwharawhara/Wilton	House	3	1,591	24	522 - 575	550	1.9	22.2	740,150	10.9	43.5	3.9	-8.1	-14.8
Wellington - Wadestown/ Thorndon	Apartment	1	364	39	302 - 436	360	-14.3	5.9	283,450	16.5	27.7	6.6	-26.4	-17.1
Wellington - Wadestown/ Thorndon	Apartment	2	281	22	480 - 570	525	8.2	22.1	534,950	16.7	31.8	5.1	-7.2	-7.4
Wellington - Wadestown/ Thorndon	House	3	600	14	600 - 715	675	22.7	33.7	901,650	6.3	33.9	3.9	15.4	-0.2
Wellington - Lambton	Apartment	1	875	49	300 - 430	370	-1.3	5.7	237,600	16.6	22.0	8.1	-15.3	-13.3
Wellington - Lambton	Apartment	2	844	35	486 - 620	530	-	19.1	456,400	10.0	22.9	6.0	-9.1	-3.1
Wellington - Te Aro	Apartment	1	1,004	107	330 - 447	360	-14.3	12.5	309,350	14.4	26.7	6.1	-25.1	-11.2
Wellington - Te Aro	Apartment	2	1,606	98	470 - 625	537	-6.1	14.3	493,600	8.6	15.4	5.7	-13.5	-1.0
Wellington - Mt Victoria/ Roseneath	Apartment	2	341	23	496 - 582	525	10.5	16.7	481,250	9.1	26.5	5.7	1.4	-7.8
Wellington - Mt Victoria/ Roseneath	House	3	432	9	682 - 1071	785	22.7	25.6	1,088,700	3.8	43.3	3.7	18.1	-12.3
Wellington - Hataitai	Flat	2	242	15	380 - 438	420	10.5	29.2	450,150	5.5	33.7	4.9	4.8	-3.4
Wellington - Vogeltown/ Berhampore/Newtown	Flat	2	365	17	355 - 417	380	-5.0	16.9	410,000	9.2	38.0	4.8	-13.0	-15.2
Wellington - Vogeltown/ Berhampore/Newtown	House	2	470	27	412 - 500	460	8.2	9.0	659,200	10.3	50.6	3.6	-1.9	-27.6
Wellington - Vogeltown/ Berhampore/Newtown	House	3	1,252	19	545 - 645	607	8.4	23.9	740,750	9.4	43.4	4.3	-0.9	-13.6
Wellington - Island Bay/Melrose	House	3	1,580	28	537 - 737	600	9.1	23.7	796,600	9.9	44.8	3.9	-0.7	-14.5
Wellington - Miramar/ Strathmore	House	2	475	28	450 - 580	500	7.5	31.6	639,300	10.3	46.9	4.1	-2.5	-10.4
Wellington - Miramar/ Strathmore	House	3	2,125	33	520 - 706	650	16.1	42.9	723,600	3.9	41.3	4.7	11.7	1.1
Masterton - Entire District	House	2	1,059	50	230 - 290	252	11.0	14.5	271,650	16.2	28.2	4.8	-4.5	-10.6
Masterton - Entire District	House	3	4,628	70	270 - 340	300	7.1	20.0	298,200	9.5	32.8	5.2	-2.1	-9.6
Carterton/South Wairarapa - Both Districts	House	2	829	11	245 - 297	275	1.9	25.0	328,800	25.5	49.4	4.3	-18.9	-16.3
Carterton/South Wairarapa - Both Districts	House	3	3,461	51	300 - 350	330	10.0	37.5	370,450	8.1	36.5	4.6	1.8	0.7
NELSON / TASMAN														
Tasman - Richmond/Wakefield/ Brightwater/Mapua	House	3	3,692	45	400 - 495	420	5.0	16.7	543,800	9.9	33.3	4.0	-4.4	-12.5
Tasman - Richmond/Wakefield/ Brightwater/Mapua	House	4	2,002	26	450 - 530	482	2.6	10.8	713,200	15.7	47.3	3.5	-11.3	-24.8
Tasman - Motueka/Rural Tasman	House	2	1,085	25	257 - 330	300	-	14.5	443,800	15.8	28.8	3.5	-13.7	-11.1
Tasman - Motueka/Rural Tasman	House	3	3,791	56	300 - 400	370	8.8	23.3	501,000	15.6	30.9	3.8	-5.9	-5.8
Nelson - Stoke/Nayland/ Tahunanui	Flat	2	720	24	277 - 332	300	1.7	13.2	336,500	5.6	44.5	4.6	-3.7	-21.7
Nelson - Stoke/Nayland/ Tahunanui	House	2	1,006	23	335 - 390	355	10.2	18.3	421,750	10.6	46.2	4.4	-0.3	-19.0
Nelson - Stoke/Nayland/ Tahunanui	House	3	3,827	46	390 - 450	430	10.3	22.9	524,100	15.0	43.7	4.3	-4.1	-14.5
Nelson - Port Hills/Tahuna Hills	House	3	1,340	29	368 - 476	410	9.3	20.6	549,300	11.8	33.9	3.9	-2.2	-9.9
Nelson - Nelson Central/Nelson North	Flat	2	624	31	300 - 353	325	8.3	30.0	347,500	10.7	45.2	4.9	-2.2	-10.5
Nelson - Nelson Central/Nelson North	House	2	1,105	32	330 - 380	365	10.9	21.7	463,200	15.5	62.7	4.1	-3.9	-25.2
Nelson - Nelson Central/Nelson North	House	3	3,527	72	377 - 450	400	3.9	14.3	560,900	21.3	44.7	3.7	-14.3	-21.0
Nelson - Nelson Central/Nelson North	House	4	1,349	16	445 - 562	510	8.5	24.4	714,850	4.9	31.9	3.7	3.5	-5.7
Marlborough - Sounds/Rural Marlborough	House	3	2,726	22	300 - 410	325	-5.8	18.2	459,250	7.8	18.3	3.7	-12.6	-0.1
Marlborough - Blenheim Central	Flat	2	857	16	245 - 277	250	-3.8	13.6	276,750	10.4	39.5	4.7	-12.9	-18.5
Marlborough - Blenheim Central	House	2	680	13	265 - 302	290	1.8	13.7	318,450	9.5	42.0	4.7	-7.1	-19.9
Marlborough - Blenheim Central	House	3	3,263	51	342 - 390	375	7.1	25.0	377,550	9.1	35.5	5.2	-1.8	-7.7
Marlborough - Blenheim Outer/ Renwick	House	3	2,628	42	340 - 395	372	3.3	24.0	419,450	4.3	30.6	4.6	-0.9	-5.0
Kaikoura/Hurunui - Both Districts	House	3	2,553	25	298 - 361	340	13.3	36.0	390,950	6.0	15.4	4.5	6.9	17.9
Buller - Entire District	House	3	2,097	30	180 - 230	200	-2.4	-35.5	181,750	-3.1	-22.4	5.7	0.7	-16.9
Grey - Entire District	House	3	2,553	43	240 - 300	270	-3.6	-3.6	217,800	3.9	-4.1	6.4	-7.2	0.5
Waimakariri - Rangiora/Kaiapoi	Flat	2	786	12	300 - 325	310	-1.6	24.0	308,000	-0.5	16.2	5.2	-1.1	6.7
Waimakariri - Rangiora/Kaiapoi	House	3	4,295	58	375 - 410	390	2.6	11.4	409,400	-1.4	19.7	5.0	4.0	-6.9
Waimakariri - Rural Waimakariri	House	3	2,994	57	373 - 440	400	-	14.3	431,200	2.6	11.3	4.8	-2.6	2.7
WEST COAST														
Westland - Entire District	House	3	1,372	23	270 - 320	290	3.6	26.1	241,250	-2.8	-0.6	6.3	6.5	26.8

Rental Area	Dwelling	Bedrooms	No. Of Properties	No. Of Bonds	Rent Quartile Range	Median Rent			Median Value			Yield		
						Current	1 Yr Change	5 Yr Change	Current	1 Yr Change	5 Yr Change	Current	1 Yr Change	5 Yr Change
CANTERBURY														
Christchurch - Redcliffs/Sumner	House	3	2,108	28	405 - 497	450	4.7	-	680,750	-1.7	30.3	3.4	6.5	-23.2
Christchurch - Woolston/Opawa	Flat	2	862	21	268 - 300	290	-5.5	16.0	261,700	-2.5	18.6	5.8	-3.1	-2.2
Christchurch - Woolston/Opawa	House	2	823	30	300 - 360	330	1.5	21.8	318,750	-3.3	21.8	5.4	5.0	-0.1
Christchurch - Woolston/Opawa	House	3	3,117	64	350 - 417	390	-0.5	15.7	382,400	0.4	22.7	5.3	-0.9	-5.7
Christchurch - Woolston/Opawa	House	4	878	18	425 - 490	455	-12.5	7.6	508,650	0.7	27.4	4.7	-13.1	-15.6
Christchurch - Aranui/Bromley/Bexley	House	3	3,394	47	350 - 400	380	6.4	13.4	315,200	-0.6	19.6	6.3	7.0	-5.2
Christchurch - North Beach/New Brighton/Southshore	House	2	1,131	24	295 - 350	327	5.5	16.8	312,300	-2.0	10.8	5.4	7.7	5.4
Christchurch - North Beach/New Brighton/Southshore	House	3	2,905	56	370 - 410	397	0.5	13.4	363,400	-2.3	11.9	5.7	2.9	1.4
Christchurch - North Beach/New Brighton/Southshore	House	4	707	16	400 - 475	442	-11.6	10.5	465,350	-1.8	8.8	4.9	-9.9	1.5
Christchurch - Styx/Parklands	House	3	2,200	36	380 - 450	400	-0.5	11.1	424,700	-2.3	17.4	4.9	1.8	-5.3
Christchurch - Styx/Parklands	House	4	1,676	31	492 - 550	520	4.0	8.3	576,150	-1.2	18.3	4.7	5.2	-8.4
Christchurch - Marshland/Redwood	House	3	2,583	28	394 - 450	415	-1.7	6.4	456,800	-3.7	18.5	4.7	2.1	-10.2
Christchurch - Marshland/Redwood	House	4	2,149	13	445 - 521	485	-1.0	1.0	596,200	-2.5	9.4	4.2	1.5	-7.6
Christchurch - Linwood/Phillipstown	Flat	2	1,301	52	275 - 312	295	-	22.9	252,550	1.2	26.5	6.1	-1.2	-2.8
Christchurch - Linwood/Phillipstown	House	2	436	34	285 - 360	337	12.3	20.4	305,500	-3.1	18.9	5.7	15.9	1.2
Christchurch - Linwood/Phillipstown	House	3	1,343	53	350 - 412	390	-1.3	14.7	336,450	-4.5	29.4	6.0	3.4	-11.3
Christchurch - Sydenham/Waltham	Flat	2	1,036	44	280 - 322	300	0.3	20.0	309,550	1.5	29.6	5.0	-1.2	-7.4
Christchurch - Sydenham/Waltham	House	2	379	39	300 - 399	350	-2.8	11.1	349,650	0.2	29.9	5.2	-3.0	-14.5
Christchurch - Sydenham/Waltham	House	3	847	52	382 - 427	399	-5.0	15.7	394,250	-1.2	23.7	5.3	-3.9	-6.5
Christchurch - St Martins/Beckenham/Huntsbury	House	3	1,574	20	377 - 475	395	-10.2	2.6	508,300	-0.6	17.5	4.0	-9.7	-12.7
Christchurch - Westmorland/Cashmere/Barrington	House	3	1,617	19	390 - 526	450	-	-	569,350	-12.1	16.4	4.1	13.7	-14.1
Christchurch - Westmorland/Cashmere/Barrington	House	4	1,616	17	475 - 612	550	-7.6	-1.8	767,700	-2.8	12.7	3.7	-4.9	-12.9
Christchurch - Spreydon/Somerfield	House	3	2,745	56	385 - 450	420	1.2	12.0	450,550	2.3	24.9	4.8	-1.1	-10.3
Christchurch - Spreydon/Somerfield	House	4	531	9	437 - 512	470	-	5.6	601,700	11.7	42.5	4.1	-	-25.9
Christchurch - Hillmorton/Hoon Hay	House	3	2,411	43	395 - 440	410	-4.7	10.2	414,750	-4.3	21.6	5.1	-0.4	-9.4
Christchurch - Richmond/Shirley	House	3	2,129	37	353 - 430	395	-1.3	9.7	380,300	-4.3	24.9	5.4	3.2	-12.1
Christchurch - Merivale/St Albans West	Flat	2	906	42	300 - 350	320	-5.9	6.7	401,150	0.5	29.5	4.1	-6.3	-17.6
Christchurch - St Albans North/Mairehau	House	3	1,541	35	366 - 453	400	-4.8	-4.1	528,400	-0.1	24.2	3.9	-4.7	-22.7
Christchurch - Fendalton/Strowan/Bryndwr	House	3	1,576	35	405 - 520	450	-	-	794,100	-0.6	44.0	2.9	0.6	-30.6
Christchurch - Fendalton/Strowan/Bryndwr	House	4	1,835	21	500 - 607	550	-8.3	-15.4	1,120,100	2.7	38.4	2.6	-10.8	-38.9
Christchurch - Riccarton	Flat	2	1,186	39	310 - 350	330	-8.3	10.0	357,500	1.7	30.3	4.8	-9.9	-15.6
Christchurch - Riccarton	House	2	303	39	341 - 373	359	2.0	19.7	452,850	4.5	27.3	4.1	-2.4	-6.0
Christchurch - Riccarton	House	3	975	48	392 - 472	420	2.4	6.3	542,500	-11.1	31.7	4.0	15.3	-19.2
Christchurch - Sockburn/Upper Riccarton	House	3	1,307	22	390 - 450	407	-4.2	4.4	462,500	-2.4	23.7	4.6	-1.9	-15.6
Christchurch - Halswell/Wigram	House	3	4,133	80	425 - 480	450	-	12.5	494,100	-1.4	17.7	4.7	1.4	-4.4
Christchurch - Halswell/Wigram	House	4	3,873	39	495 - 570	540	-1.8	8.0	653,100	3.9	20.5	4.3	-5.5	-10.4
Christchurch - Hornby/Islington/Hei Hei	House	3	3,360	47	380 - 423	400	-3.6	14.3	401,550	-1.4	22.1	5.2	-2.3	-6.4
Christchurch - Ilam/Westburn	House	3	873	22	400 - 445	427	-5.1	6.8	569,100	-1.1	34.6	3.9	-4.0	-20.7
Christchurch - Avonhead/Yaldhurst	House	3	2,493	42	400 - 450	422	-6.2	6.3	515,100	1.0	26.0	4.3	-7.2	-15.6
Christchurch - Avonhead/Yaldhurst	House	4	1,649	22	450 - 530	472	-3.7	-0.6	672,700	3.3	28.8	3.6	-6.8	-22.8

CoreLogic trusted data

CANTERBURY CONT.

Rental Area	Dwelling	Bedrooms	No. Of Properties	No. Of Bonds	Rent Quartile Range	Median Rent			Median Value			Yield		
						Current	1 Yr Change	5 Yr Change	Current	1 Yr Change	5 Yr Change	Current	1 Yr Change	5 Yr Change
Christchurch - Burnside/ Harewood	House	3	1,994	41	390 - 452	420	-	9.1	492,550	0.2	22.5	4.4	-0.2	-11.0
Christchurch - Burnside/ Harewood	House	4	1,084	19	422 - 500	490	-12.5	2.1	665,200	-0.5	20.0	3.8	-12.1	-14.9
Christchurch - Bishopdale/ Papanui	House	2	541	19	340 - 385	360	-4.5	12.5	423,050	-0.9	20.3	4.4	-3.6	-6.5
Christchurch - Bishopdale/ Papanui	House	3	2,755	53	380 - 430	410	2.5	9.3	475,550	-11.7	13.8	4.5	16.0	-3.9
Christchurch - Sawyers Arms/ Northcote/Belfast	House	3	4,393	73	380 - 440	410	-2.4	7.9	474,250	-1.8	29.1	4.5	-0.6	-16.4
Christchurch - Sawyers Arms/ Northcote/Belfast	House	4	2,288	28	450 - 550	497	-4.4	5.7	668,050	-1.8	22.1	3.9	-2.6	-13.4
Banks Peninsula/Selwyn - Both Districts	House	2	1,743	34	300 - 400	350	7.7	27.3	401,250	4.0	10.1	4.5	3.6	15.6
Banks Peninsula/Selwyn - Both Districts	House	3	7,073	127	390 - 470	430	2.4	19.4	496,300	5.4	19.5	4.5	-2.8	-0.1
Banks Peninsula/Selwyn - Both Districts	House	4	7,308	95	462 - 538	500	-2.9	3.1	622,600	-0.2	17.3	4.2	-2.7	-12.1
Ashburton - Entire District	Flat	2	844	20	270 - 295	277	-1.1	15.4	248,650	0.3	14.8	5.8	-1.4	0.5
Ashburton - Entire District	House	2	1,124	37	288 - 320	300	-	20.0	279,350	-4.4	21.3	5.6	4.6	-1.0
Ashburton - Entire District	House	3	4,633	111	321 - 370	350	-	16.7	350,800	1.0	25.2	5.2	-1.0	-6.8
Ashburton - Entire District	House	4	1,649	19	340 - 390	350	-2.8	2.9	481,300	-4.3	17.6	3.8	1.5	-12.5
Timaru - Timaru Township	Flat	2	1,108	33	207 - 265	240	-	33.3	275,900	11.8	44.5	4.5	-10.5	-7.7
Timaru - Timaru Township	House	2	1,379	31	250 - 298	280	-	16.7	291,050	1.7	38.6	5.0	-1.6	-15.8
Timaru - Timaru Township	House	3	5,649	91	302 - 360	340	6.3	28.3	337,100	1.4	30.5	5.2	4.8	-1.7
Timaru - Rural Timaru/Temuka/ Geraldine	House	3	2,530	24	300 - 350	325	4.8	30.0	342,400	5.7	34.9	4.9	-0.8	-3.6
MacKenzie/Waimate - Both Districts	House	3	2,195	28	250 - 280	260	1.2	18.2	332,450	12.1	43.8	4.1	-9.8	-17.8
Waitaki - Entire District	House	2	1,309	22	235 - 265	250	3.3	16.3	232,200	11.6	29.7	5.6	-7.4	-10.3
Waitaki - Entire District	House	3	4,400	48	280 - 310	300	9.1	24.0	291,650	19.0	38.1	5.3	-8.4	-10.2

OTAGO

Rental Area	Dwelling	Bedrooms	No. Of Properties	No. Of Bonds	Rent Quartile Range	Median Rent Current	1 Yr Change	5 Yr Change	Median Value Current	1 Yr Change	5 Yr Change	Yield Current	1 Yr Change	5 Yr Change
Central Otago - Entire District	House	2	973	22	270 - 320	300	7.1	36.4	366,450	18.3	43.2	4.3	-9.4	-4.8
Central Otago - Entire District	House	3	4,156	80	350 - 440	390	11.4	50.0	456,150	17.2	37.5	4.4	-4.9	9.1
Queenstown Lakes - Wanaka	House	3	2,409	51	462 - 578	500	-	38.9	836,900	-1.2	70.2	3.1	1.2	-18.4
Queenstown Lakes - Wanaka	House	4	1,773	26	520 - 680	650	22.6	47.7	1,127,950	10.3	75.1	3.0	11.2	-15.6
Queenstown Lakes - Queenstown/Frankton/ Arrowtown	House	3	2,684	90	650 - 760	725	15.1	66.7	1,155,650	9.8	83.4	3.3	4.8	-9.1
Queenstown Lakes - Queenstown/Frankton/ Arrowtown	House	4	2,011	42	750 - 825	797	6.3	59.4	1,548,450	28.6	77.1	2.7	-17.4	-10.0
Dunedin - Musselburgh/ Vauxhall/Peninsula	House	3	2,645	29	350 - 420	380	-	26.7	417,100	14.5	39.3	4.7	-12.7	-9.0
Dunedin - Kew/St Clair/St Kilda East	House	3	1,988	15	312 - 398	360	2.9	26.3	340,850	7.5	26.4	5.5	-4.4	-0.0
Dunedin - North East Valley/ Pinehill	House	3	1,192	14	295 - 320	310	-6.1	8.8	300,200	9.0	34.4	5.4	-13.8	-19.1
Dunedin - Glenleith/Roslyn/ Belleknowles	House	3	2,633	32	320 - 398	370	5.7	24.6	377,150	7.7	34.7	5.1	-1.9	-7.5
Dunedin - Kenmure/Mornington	House	3	1,979	32	312 - 382	347	8.4	28.5	326,250	15.0	39.5	5.5	-5.7	-7.8
Dunedin - Sunnyvale/ Abbotsford/Burnside	House	3	2,652	17	358 - 405	375	16.5	24.2	358,900	9.5	33.3	5.4	6.3	-6.8
Dunedin - Mosgiel	House	3	2,678	27	332 - 380	360	2.9	20.0	419,400	11.0	36.9	4.5	-7.4	-12.3

SOUTHLAND

Rental Area	Dwelling	Bedrooms	No. Of Properties	No. Of Bonds	Rent Quartile Range	Median Rent Current	1 Yr Change	5 Yr Change	Median Value Current	1 Yr Change	5 Yr Change	Yield Current	1 Yr Change	5 Yr Change
Clutha/Southland - Both Districts	House	2	2,016	17	152 - 222	210	-4.5	16.7	177,850	-5.0	22.5	6.1	0.4	-4.8
Clutha/Southland - Both Districts	House	3	7,148	78	210 - 290	250	2.0	25.0	251,800	28.6	30.9	5.2	-20.7	-4.5
Clutha/Southland - Both Districts	House	4	1,971	16	220 - 300	277	28.2	5.7	330,050	16.0	21.5	4.4	10.6	-13.0
Gore - Entire District	House	3	2,541	32	235 - 300	270	3.8	35.0	212,200	8.8	22.0	6.6	-4.6	10.7
Invercargill - Central Invercargill/Bluff	Flat	2	661	58	180 - 250	200	5.3	25.0	-	-	-	-	-	-
Invercargill - Central Invercargill/Bluff	House	3	2,681	44	227 - 285	250	-7.4	13.6	209,300	4.5	16.1	6.2	-11.4	-2.1
Invercargill - Suburbs	Flat	2	1,110	24	182 - 250	220	2.3	22.2	202,550	3.2	19.7	5.6	-0.8	2.1
Invercargill - Suburbs	House	2	1,003	36	225 - 295	247	2.9	23.5	228,800	7.9	18.4	5.6	-4.6	4.3
Invercargill - Suburbs	House	3	9,220	160	250 - 310	270	1.1	12.5	237,750	2.1	14.4	5.9	-1.0	-1.7
Invercargill - Suburbs	House	4	2,350	26	290 - 350	340	1.5	21.4	351,400	5.8	13.4	5.0	-4.1	7.1

Who is CoreLogic? CoreLogic is a leading property information, analytics and services provider in the United States, Australia and New Zealand. Bringing together leading property intelligence and geospatial companies, PropertyIQ and Terralink International, CoreLogic NZ helps clients identify and manage growth opportunities, improve performance and mitigate risk. CoreLogic NZ provides clients with innovative, technology-based services as well as access to rich data and analytics.

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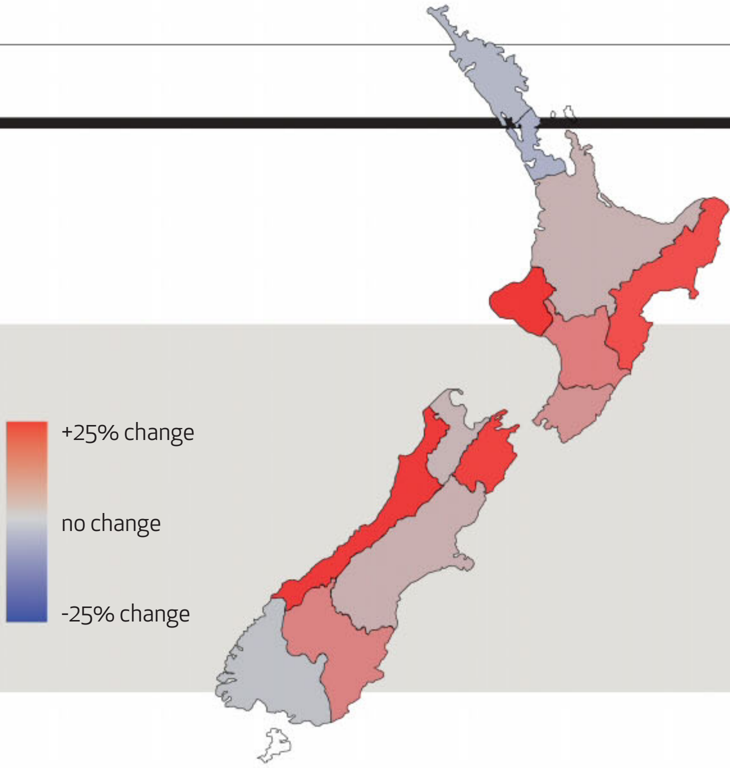

NATIONAL MEDIAN SALE PRICE MOVEMENT

This map represents change in the median sale price between the months of October 2016 and October 2017, based on figures from the Real Estate Institute of New Zealand.

SALES SNAPSHOT

Median sales prices are based on October 2017

OCTOBER 2017	MEDIAN SALE PRICE	NUMBER OF SALES	SALES VS LAST YEAR	DAYS TO SELL	DAYS VS LAST YEAR	MEDIAN SALE % CHANGE 1 YR	MEDIAN SALE % CHANGE 5 YR	MEDIAN SALE % CHANGE 10 YR
NORTHLAND								
Dargaville Borough	$302,500	12	↓	47	↑	32%	39%	64%
Hokianga	$325,000	4	↑	12	↓	44%	56%	-
Kaikohe	$227,500	6	↓	35	↓	-15%	82%	29%
Kaitaia & Far North	$188,000	16	↑	50	↓	-10%	14%	-14%
Kawakawa	$210,000	7	↑	3	↓	12%	56%	48%
Kerikeri	$587,500	16	↓	114	↑	5%	56%	11%
Mangonui	$356,000	9	↓	126	↑	-20%	11%	49%
Moerewa	$130,000	1	→	34	↑	-13%	-	-
Otamatea County	$641,000	12	↓	100	↑	14%	91%	71%
Paihia	$450,000	13	↑	62	↑	7%	10%	-13%
Russell	$541,000	1	↓	42	↓	-35%	69%	-52%
Whangarei City	$415,000	79	↓	44	↑	9%	59%	36%
Whangarei County	$480,000	31	↑	56	↑	-21%	12%	27%
Whangaroa/Kaeo	$302,500	2	→	81	↑	-39%	27%	-26%
AUCKLAND								
Albany District	$1,195,000	51	↓	37	↑	-3%	71%	86%
Birkenhead Area	$1,070,000	41	↓	36	↑	15%	63%	96%
City / Pt Chev	$605,000	244	↑	42	↑	-1%	97%	55%
Devonport Area	$1,390,000	30	↑	51	↑	4%	67%	123%
East Coast Bays	$1,240,000	90	↓	35	→	11%	89%	112%
Eastern Beaches	$1,065,000	111	↓	39	↑	-5%	71%	87%
Eastern Suburbs	$1,831,500	84	↓	32	↓	12%	104%	132%
Ellerslie / Panmure	$972,000	22	↓	30	↑	1%	68%	84%
Franklin County	$715,100	74	↓	44	↑	14%	91%	88%
Glen Eden Area	$657,000	48	↓	37	↑	-6%	68%	96%
Glenfield Area	$831,500	66	↓	30	↓	1%	64%	104%
Henderson Area	$779,500	126	↓	32	↑	3%	79%	116%
Hibiscus Coast	$840,000	104	↑	46	↑	-7%	62%	62%
Islands Of Gulf	$1,046,000	11	↓	16	↓	18%	101%	120%
Manurewa Area	$590,000	73	↓	32	↓	-9%	80%	86%
Milford/Takapuna	$1,160,000	25	↓	34	↓	-11%	61%	88%
Mount Albert Area	$1,125,000	30	↓	34	↑	2%	68%	156%
Mount Roskill Area	$915,000	53	↓	34	↓	1%	59%	109%
Mt Eden / Epsom	$1,228,500	48	↓	36	↓	-7%	45%	184%

SALES: OCTOBER 2017

OCTOBER 2017	MEDIAN SALE PRICE	NUMBER OF SALES	SALES VS LAST YEAR	DAYS TO SELL	DAYS VS LAST YEAR	MEDIAN SALE % CHANGE 1 YR	5 YR	10 YR
Onehunga / Penrose	$770,000	49	↓	36	→	-20%	59%	90%
Papakura Area	$679,000	88	↓	42	↑	-0%	89%	99%
Papatoetoe Area	$827,000	111	↓	34	↑	5%	111%	148%
Rodney North	$884,500	60	↓	45	↑	10%	101%	124%
Titirangi Area	$842,500	26	↑	27	↓	-12%	60%	64%
Upper Harbour	$965,000	25	↓	50	↑	4%	62%	98%
Waitakeres	$839,000	6	↑	29	↑	11%	110%	100%
WAIKATO / BAY OF PLENTY								
Hamilton City	$535,000	237	↓	32	→	3%	58%	56%
King Country	$158,000	23	↑	56	↑	-4%	58%	3%
Mount Maunganui/Papamoa	$590,000	109	↓	55	↑	-9%	43%	52%
Rotorua	$354,813	84	↓	30	↑	-5%	48%	43%
Taupo	$442,500	87	↑	50	↑	13%	58%	25%
Tauranga	$553,500	100	↓	35	↓	1%	66%	36%
Thames / Coromandel	$545,000	79	↑	39	↑	8%	18%	47%
Waikato Country	$400,000	157	↓	30	↑	10%	68%	60%
HAWKES BAY / GISBORNE								
Gisborne City	$312,500	46	↑	35	↑	18%	33%	10%
Gisborne Country	$330,000	5	↑	14	↓	84%	-	59%
Hastings City	$400,000	93	↑	32	↑	43%	81%	38%
Hawkes Bay Country	$96,000	19	↑	46	↓	-60%	-43%	-66%
Napier City	$431,500	82	↓	30	↑	13%	39%	58%
Waipawa Area	$270,000	3	↑	13	↓	-8%	93%	46%
Waipukurau Area	$340,000	14	↑	25	↓	26%	79%	86%
MANAWATU / WANGANUI								
Dannevirke Borough	$181,000	16	↓	48	↓	2%	-7%	8%
Feilding	$292,000	21	↓	29	↑	-7%	24%	11%
Levin	$285,000	37	↓	30	↑	27%	45%	37%
Manawatu Country	$251,863	32	↓	19	↓	-3%	57%	11%
Pahiatua	$165,000	5	↓	32	↓	1%	22%	-26%
Palmerston North City	$380,000	110	↓	25	↑	12%	34%	21%
Rangitikei	$203,500	8	↓	28	↓	16%	40%	34%
Wanganui City	$200,000	71	↓	29	→	22%	8%	14%
Waverley	$65,000	4	-	31	-	-	-46%	-60%
Wanganui Country	$370,000	3	↑	23	↓	-19%	62%	20%
TARANAKI & CENTRAL PLATEAU								
Bell Block	$488,000	13	↓	15	↓	25%	27%	68%
Hawera	$269,250	30	↑	25	↓	18%	54%	44%
New Plymouth City	$430,000	82	↑	28	→	20%	33%	46%
Raetihi/Ohakune/Taihape	$165,000	11	↑	32	↓	22%	-22%	-19%
Stratford	$276,000	10	↓	20	↓	-3%	4%	12%
Taranaki Country	$240,500	28	↓	34	↓	20%	15%	1%
Waitara	$278,000	7	↑	63	↑	24%	57%	29%
WELLINGTON								
Central Wellington	$498,500	88	↑	32	↑	2%	16%	32%
Eastern Wellington	$668,000	25	↓	20	↓	-16%	18%	34%
Hutt Valley	$455,000	137	↓	30	→	8%	26%	47%
Northern Wellington	$670,000	75	→	24	↓	10%	36%	52%
Otaki / Paekakariki	$493,500	70	↓	32	↑	4%	50%	40%
Pukerua Bay / Tawa	$530,000	63	↓	33	↑	18%	47%	39%
Southern Wellington	$659,000	41	↑	24	↓	-8%	32%	29%
Upper Hutt	$466,000	72	↑	29	↑	17%	26%	37%
Wairarapa	$346,500	90	↓	25	↓	14%	24%	45%
Western Wellington	$749,000	38	↑	27	↑	3%	24%	50%

OCTOBER 2017	MEDIAN SALE PRICE	NUMBER OF SALES	SALES VS LAST YEAR	DAYS TO SELL	DAYS VS LAST YEAR	MEDIAN SALE % CHANGE		
						1 YR	5 YR	10 YR
NELSON / TASMAN								
Motueka	$445,000	13	↓	22	↓	-7%	36%	59%
Nelson	$446,250	76	↑	27	↑	-4%	26%	20%
Nelson Country	$565,000	13	↑	29	↑	22%	28%	56%
Richmond	$570,000	30	↓	17	↓	12%	50%	58%
Takaka	$463,750	10	↑	19	↓	8%	13%	75%
MARLBOROUGH								
Marlborough Sounds	$535,000	5	↑	60	↓	63%	27%	-55%
Marlborough/Kaikoura	$420,000	75	↓	30	↑	17%	44%	24%
CANTERBURY								
Banks Peninsula (East Of Motukarara)	$365,000	5	↑	29	↓	-10%	2%	-22%
Canterbury Country(W&S)	$547,250	74	↑	37	↑	3%	8%	48%
Christchurch: Addington/Somerfield/Spreydon	$435,000	24	↓	26	↓	12%	38%	54%
Christchurch: Aranui/Bexley/Bronley/Linwood	$313,500	21	↑	29	↑	0%	40%	22%
Christchurch: Avondale/Avonside/Burwood/ Parklands	$467,000	27	↓	36	↓	7%	7%	39%
Christchurch: Avonhead	$488,500	18	↑	42	↑	1%	22%	37%
Christchurch: Beckenham/St Martins	$535,500	22	↓	32	↓	-3%	17%	62%
Christchurch: Belfast/Bishopdale/Papanui/ Redwood	$455,000	46	↓	35	↑	-1%	30%	29%
Christchurch: Brynd/Burnside/Wyr	$532,500	18	↓	27	↓	9%	40%	50%
Christchurch: Cashmere/Scarborough/Mt Pleasant	$704,000	14	↑	42	↑	-2%	27%	20%
Christchurch: Central (Inside,4 Avenues)	$584,500	6	↓	87	↑	-10%	27%	146%
Christchurch: Fendalton/Ilam/Merivale	$755,500	40	↓	27	↓	-1%	54%	22%
Christchurch: Halswell/Hillmorton/Hoon Hay	$524,000	40	↓	24	↓	7%	42%	51%
Christchurch: Heathcote/Opawa/Woolston	$367,750	14	↓	16	↓	8%	31%	25%
Christchurch: Hornby/Sockburn/Templeton	$436,000	47	↑	30	↓	4%	10%	51%
Christchurch: Lyttelton & Harbour	$485,000	8	↑	47	↑	21%	-9%	22%
Christchurch: North Beach-N/S Brighton	$329,000	31	↓	34	↑	-0%	31%	-0%
Christchurch: Redcliffs/Sumner	$625,000	12	↑	43	↑	-8%	41%	31%
Christchurch: Riccarton / Upper Riccarton	$417,500	14	↑	33	↑	-14%	20%	39%
Christchurch: Richmond/Shirley/St Albans	$391,000	74	↑	36	↑	-4%	17%	26%
Christchurch: Sydenham/Waltham	$325,000	15	↑	32	↑	-7%	24%	6%
Kaiapoi	$455,000	17	↑	27	↑	10%	32%	45%
Mid Canterbury - Rakaia/Rangitata	$365,000	37	↓	38	↑	6%	27%	40%
North & West of Waimakariri	$463,750	30	↓	87	↑	14%	31%	33%
Rangiora	$423,000	35	↑	36	↓	-11%	13%	23%
South Canterbury - below Rangitata River	$318,500	34	↓	27	↓	5%	48%	42%
Timaru	$350,000	43	↓	36	↑	9%	55%	56%
WEST COAST								
West Coast	$235,000	29	↓	62	↓	21%	27%	9%
OTAGO								
Central Otago	$620,000	57	↓	33	↓	37%	93%	39%
Dunedin City	$370,500	188	↓	21	↓	9%	47%	54%
East Otago	$280,000	3	↓	46	↑	6%	9%	33%
North Otago	$281,500	36	↓	27	↓	20%	27%	30%
Queenstown	$985,000	41	↓	44	↑	7%	91%	60%
South Otago	$215,000	14	↓	176	↑	25%	65%	59%
SOUTHLAND								
Bluff	$120,000	4	-	51	-	-	-42%	20%
Gore	$210,000	23	↑	23	↓	18%	-14%	75%
Invercargill	$229,500	90	↓	29	↑	0%	14%	18%
Riverton	$282,500	8	↓	52	↓	9%	74%	5%
Te Anau	$375,000	7	↓	28	↓	5%	61%	1%
Winton	$225,000	13	↑	19	↓	10%	25%	29%
NEW ZEALAND								
NEW ZEALAND Total	$530,000	5844	↓	34	↑	4%	39%	51%

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FINAL WORD GOES TO...

ZARA O'SULLIVAN

Hawke's Bay Property Investors' Association president Zara O'Sullivan tells how she got into investing and what investors should be looking at doing in 2018.

How did you get started in property investing?
Hearing about friends who were investing and deciding it sounded like a good way to create a nest egg for us, and a way to support our children if needed.

What are you doing in your portfolio at the moment?
Trying to pay off debt.

Any plans for your portfolio in 2018?
Maintenance and ensuring we have everything ticked for changes that might come into place with the new government.

Favourite book that's helped you on your investment journey?
Rich Dad Poor Dad was the first book that set us in motion thinking about our future and investing as an option.

What do you get up to outside of property investing?
Hanging out anywhere with our family, and looking forward to using my 'E Bike' on the bike tracks over the summer.

Favourite food?
My own homemade crumbed fish, scallops, or good hand-made ravioli when I can get it!

What are you watching currently?
The Fixer Upper series and *Luxury Small Homes.*

How would you recommend getting kids into investing?
Give them the investors' magazines and share success stories.

What should investors be doing in the Hawke's Bay market currently?
Depending on age - consolidating and selling to pay down debt, or buying and planning to stay for the long term. The market is still great here and investors are finding good buys.

What has been your greatest lesson learnt as an investor?
Never think you have missed out or that it's too late. Listen to others and actually put into place what has worked well for them.

Favourite saying?
The famous statement by Socrates at various points in Plato's dialogues:
"I don't know what I don't know".

Last country you visited?
Australia – visiting family.

Favourite New Zealand spot?
Any place near the water with views of Godzone to enjoy, or a great winery with good food and time to sit and chat. ■

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