

Property Investor News

Courtesy of Buy West Property Management Ltd

Fires in rental properties have increased over the last five years and the Fire Service is urging landlords to do their bit to improve fire safety.

By Miriam Bell

New data from the Fire Service shows there were 3214 house fires, which resulted in 17 deaths, nationwide in 2015.

This is as compared to 2011 when there were 2635 house fires, and 11 deaths, nationwide.

Of the 2015 total, 1233 were in rental properties and seven people died in rental property fires.

This is as compared to 2011 when 954 of the fires were in rental properties, and six people died in rental property fires.

Since July 2015, there have been 19 avoidable house fire fatalities in New Zealand – and 11, or 58%, of them occurred in rental properties.

According to the Fire Service, there were no working smoke alarms in nearly 80% of the total house fires (including both rental and owner-occupied properties) they attended last year.

However, as of July 1, it has become compulsory for smoke alarms to be installed in rental properties.

Under the newly amended *Residential Tenancies Act*, landlords must now ensure that:

- Working smoke alarms are installed in each sleeping space or within three metres of each bedroom door.
- Self-contained caravans or sleep outs have at least one working smoke alarm.
- Multi-story units have at least one working smoke alarm on each level.
- Long life photoelectric smoke alarms are installed where there are no existing alarms, and when existing smoke alarms are replaced.

Landlords must also check that smoke alarms still work at the start of each new tenancy, although tenants are responsible for replacing batteries (if required) during their tenancy.

The Fire Service's fire risk management national advisor, Todd O'Donoghue, said the long-life photoelectric smoke alarms are great for rentals.

"That's because the batteries are built-in, so you never have to change them, and the alarm can't be tampered with."



As an example of the effectiveness of smoke alarms, O'Donoghue cited a recent incident in Whanganui where the landlord had installed the alarm only a day before a fire broke out.

"A neighbour called 111 after hearing the smoke alarm from next door. While the property suffered some smoke damage, it could've been a lot worse by the time flames and smoke were visible.

"Most importantly, no-one was harmed. House fires can kill in less than five minutes, which is why early warning is so important."

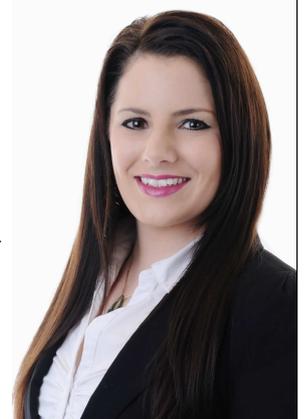
Source: landlords.co.nz

A message from Natalie McKeown...

Spring has sprung! We have noticed an influx of tenants into the rental market after the usual winter lull, and properties are renting faster than they have in the past few months.

A reminder if you are thinking of engaging tradespeople to carry out maintenance at your properties, they will get very busy closer to Christmas, so book them sooner rather than later!

Natalie McKeown – General Manager



Ray White

Buy West Property Management Ltd
 rentals@buywest.co.nz
 www.buywestpropertymanagement.co.nz

CALL US TODAY
09 8342850

Perfect For An Astute Investor



Set Date Sale

2/55 McLeod Rd, Te Atatu South

2 bedroom cottage with open plan living, dining and a fully fenced private & secure lovely garden. Separate bathroom, toilet & laundry, plus a double carport. Well cared for home—an ideal investment in a great location.

Contact: Valmiki Iyer
 Mobile: 021441690
 Email: valmiki.iyer@raywhite.com

Ready For A Revamp—Hot Location



Set Date Sale

36 Waitaki St, Henderson.

653m2 section, 1970's weatherboard home offering plenty of space for all the family with 3 good sized bedrooms and separate living & dining areas. The section is fully fenced with heaps of space for the kids to run around and there is also plenty of room for a sandpit & swing. Complete with double garaging and off street parking for guests.

Contact: James Ryall
 Mobile: 021362828
 Email: james.ryall@raywhite.com

Sales Market Trends—Real Estate

Median house price year-on-year	National	\$492,000 - up from \$465,000 +5.8% year-on-year
	National ex Auckland	\$387,250 - up from \$348,500 +11.1% year-on-year
	Auckland	\$842,500 - up from \$740,000 +13.9% year-on-year
Seasonally adjusted median house price	National	Down 2% on July 2016 and up 6% year-on-year
	Auckland	Up 2% on July 2016 and up 13% year-on-year
Month-on-month median house price	National	\$492,000 – down 3% on July (\$505,000)
	National ex-Auckland	\$387,250 - down 1% on July (\$390,000)
	Auckland	\$842,500 - up 2% on July (\$825,000)
Median days to sell	National	30 – down 1 day year-on-year
	Auckland	30 – up 1 day year-on-year

An update from **LoanMarket**

How much deposit do you really need?

You may have heard about the recent Loan to Value (LVR) restrictions imposed on banks by the Reserve Bank of New Zealand (RBNZ), but what does that mean for prospective home and investment property buyers?

The latest changes, which come into play on October 1, mean banks will only be permitted to lend up to 10 per cent of their total 80% and under loan portfolio or book.

These restrictions have been put in place to reduce the impact of a crash in the housing market of New Zealand's economy. However, they're likely to affect the amount of deposit you'll need if you are looking to purchase a property.

If you're a first time home buyer and have a deposit of 20 per cent or more, the new restrictions won't affect your loan application. However, if you have a deposit of less than 20 per cent, the changes will affect you. For example, if you're looking to buy a \$300,000 property, but only have a deposit of \$45,000 (15 per cent), you can expect your application to be subject to a number of assessments before approval. It's not a lost cause but your application will be under more scrutiny than in the past. It's also worth bearing in mind that a deposit of less than 20 per cent will mean you will likely need to pay Loan Mortgage Insurance on top of your deposit or a Low Equity Interest Rate margin, on top of your chosen interest rate. There are exemptions to this rule if you are building a new home.

Residential property investors who have a deposit of less than 40 per cent, or not enough equity in existing investment or owner occupied property, will find it harder to have their loans approved, although there are some exemptions to the rule, such as lending to finance new home constructions.

Each bank's suitability criteria will vary, and acceptance of your loan will be dependent on what other low-deposit lending commitments the lender may have. It's still possible to find a lender who is prepared to offer you a low deposit loan, and an adviser will be able to help you shop around and explore all the options that are available to you.

Rental Market Trends—Real Estate

NO. OF ROOMS	MEDIAN PRICE	PRICE RANGE	NO. LET
WEST AUCKLAND (Glendene, Glen Eden, Massey)			
ONE	\$ 304	\$275 - \$313	13
TWO	\$ 395	\$370 - \$420	78
THREE	\$ 480	\$450 - \$515	145
FOUR	\$ 580	\$535 - \$625	64
ONE	\$ 299	\$270 - \$329	25
TWO	\$ 380	\$357 - \$400	72
THREE	\$ 450	\$425 - \$490	132
FOUR	\$ 560	\$520 - \$615	32

TE ATATU / WESTGATE / WEST HARBOUR

ONE	\$ 275	\$237 - \$311	9
TWO	\$ 395	\$350 - \$423	19
THREE	\$ 500	\$463 - \$530	61
FOUR	\$ 585	\$541 - \$633	25
ONE	\$ 285	\$260 - \$325	8
TWO	\$ 392	\$360 - \$437	20
THREE	\$ 490	\$450 - \$550	49
FOUR	\$ 565	\$490 - \$600	14

Ray White

Buy West Property Management Ltd
 rentals@buywest.co.nz
 www.buywestpropertymanagement.co.nz

CALL US TODAY

09 8342850