

Property Investor

Courtesy of Buy West Property Management

Landlords: don't overlook smoke alarms.

Failure to install smoke alarms in his "ramshackle" rental property has left an Auckland landlord with a \$2000 fine - and MBIE warning landlords not to overlook their obligations.

By Miriam Bell

The Tenancy Tribunal has come down hard on a landlord, Arie Peter Sterk, whose rental accommodation had no smoke alarms - even though it was makeshift, derelict, neglected and a fire risk.

In 2016, Sterk was renting out three buses, a caravan, a bungalow and a garage/shed type structure on a West Auckland property.

A retired pensioner rented the garage/shed type structure, but Auckland Council found it to be non-compliant and the pensioner moved out in late 2016.

Shortly afterwards the MBIE Tenancy Compliance and Investigations Team became involved and, as it felt it was in the public interest to do so, initiated proceedings in the Tribunal as if it was the tenant.

The tenancy compliance team argued that Sterk had failed to comply with all requirements in respect of smoke alarms under the Residential Tenancies Act and related regulations.

The Tribunal has now ordered Sterk pay \$2000 in exemplary damages for failing to have smoke alarms in-

It has also restrained Sterk from committing the same unlawful act for six years or he will face further legal action.

MBIE's tenancy compliance team manager, Steve Watson, says the outcome serves as a strong reminder to all landlords that failing to comply with tenancy laws will not be tolerated.

"By failing to meet his legal obligations, Mr Sterk deprived his tenant of a warm, dry, and safe home, and put them at risk if there had been a fire."

It is important landlords realise that not installing smoke alarms correctly isn't only a legal compliance issue, but something that can have a very real effect on tenants, he says.

"When a landlord rents a property, they must have at least one working smoke alarm on each level, either in each bedroom, or within three metres of the bedroom door."



Watson adds that landlords are running a business: their rental property is their product and it must tick all the boxes when it is being offered to rent to the public.

"The best thing a landlord can do is download the Compliance Checklist from the Tenancy Services website to ensure they are fully compliant with their obligations."

MBIE's tenancy compliance team was given much greater powers to investigate and prosecute in the July 2016 amendments to the RTA.

But it focuses on significant or ongoing breaches of the RTA which pose a significant risk to vulnerable tenants.

Source: landlords.co.nz

A message from Natalie Hachache...

Our office is now doing commercial leasing/property management/sales. If you have any questions about commercial property, please contact Kris Brown on [021992035](tel:021992035) or kris.brown@buywest.co.nz.

A reminder that we also provide both full Property Management services and Casual Letting services (the "find a tenant" service) for residential properties. If you would like more information about these services, please contact Donna Coxon on [021992347](tel:021992347) or donna.coxon@raywhite.com.

Natalie Hachache - General Manager



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NZ Market Update February 2018

The Reserve Bank of New Zealand (RBNZ) announced an unchanged cash rate this month of 1.75%. This is not surprising given the uncertainties that remain in the New Zealand market. With the recent changes in government leadership and a new governor on the cards for the Reserve Bank of New Zealand (RBNZ), many economists are calling for caution with regard to the future. We may see some small changes in monetary policy in March as Adrian Orr takes on his role as the new Governor of the RBNZ. Mr Orr is set to review a new policy targets agreement as well as the monetary policy. Recent statements from the RBNZ indicate that policy may adjust slightly to accommodate the uncertain markets.

“Global economic growth continues to improve. While global inflation remains subdued, there are some signs of emerging pressures.

Monetary policy will remain accommodative for a considerable period. Numerous uncertainties remain and policy may need to adjust accordingly,” said Reserve Bank Governor, Grant Spencer in a February press release.

Calls continue for the Loan to Value Ratio (LVR) threshold to be lowered further and first home buyers made exempt from high deposit lending restrictions based on their savings history. Only time will tell whether this will become a reality, but I suspect this is not on the cards in the near future given recent LVR threshold changes.

Looking to rates, the majority of economists predict the cash rate will remain on hold until at least 2019 due to the subdued housing market and slowing GDP growth affecting the economy. Right now, given the low rates available, it's important for your clients to talk to an adviser and re-assess their home loan to see if they can save some money.

These rates also make it easier for first home buyers to enter the market and with the HomeStart grant available and the potential to access their KiwiSaver to build a deposit, there are lots of options out there.

Rental Market Trends—Real Estate

No. Of Bed-rooms	Median Price	No. Of Properties Let
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West Auckland—Te Atatu Peninsula

2	\$430	15
3	\$530	64
4	\$630	19

West Auckland—Te Atatu South

2	\$425	22
3	\$500	58
4	\$595	21
5+	\$675	6

West Auckland—Henderson

2	\$425	64
3	\$495	256
4	\$610	83
5+	\$710	23

Chic, Sleek, Magnifique!



For Sale

184/172 Mcleod Road, Te Atatu South
With a corner position the property enjoys a private outlook. The second level being the living level has an open plan, modern kitchen, spacious living and dining with modern neutral tones which flows fabulously and effortlessly onto the deck. With the upstairs having 2 grand bedrooms, and a large bathroom.

Contact: Ronald Hachache
Mobile: 021 264 5965
Email: Ronald.hachache@raywhite.com

Chic, Sleek, Magnifique!



For Sale

30 Verdale Circle, Glen Eden
This is your chance to buy in one of west Auckland's fastest growing suburbs. This is modern, low maintenance, affordable living at its best.
Superbly located in the heart of Glen Eden is this neat and tidy 3 double bedroom 3 level townhouse with all the bells and whistles.

Contact: Andy Roche & Michael Thompson
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Sales Market Trends—Real Estate

	National	\$520,000 - up from \$485,500 + 7.1% year-on-year
Median house price year-on-year	National ex Auckland	\$432,500 - up from \$398,000 + 8.7% year-on-year
	Auckland	\$820,000 - down from \$830,000 -1.2% year-on-year
Seasonally adjusted median house price	National	Up 0.6%, up 7.0% on January 2017
	Auckland	Down 1.2%, down 1.8% on January 2017
Month-on-month median house price	National	\$520,000 - down from \$550,000 - 5.5% since last month
	National ex Auckland	\$432,500 - down from \$450,000 - 3.9% since last month
	Auckland	\$820,000 - down from \$861,000 - 4.8% since last month
Median days to sell	National	46 - 5 days longer than same month last year
	Auckland	44 - 3 days longer than same month last year

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