

Property Investor

Courtesy of Buy West Property Management

Time to tackle asbestos

Landlords take note - new workplace health and safety asbestos regulations that came into effect earlier this month apply to both commercial and residential property owners.

By Miriam Bell

The Health and Safety at Work (Asbestos) Regulations 2016 mean that property owners with a property which is operating as a workplace must not only identify whether asbestos is present, but have an asbestos management plan in place.

While the new regulations are more applicable to commercial properties, they also apply to residential properties in certain situations, such as if the property is undergoing renovation, repair or maintenance work.

But ASA (Asbestos Survey Assessment) managing director Frank MacCullaich says that many residential landlords aren't aware they are affected by the requirements for safe management and removal of asbestos.

"Further, there is much uncertainty among residential landlords as to exactly what they are accountable for and what they are required to do in regards to the new asbestos regulations

"Yet they do not want to risk breaching the law and facing substantial fines."

MacCullaich says that, in order for landlords to stay on the right side of the law, there are now three golden rules when it comes to asbestos.

"First, landlords need to know whether their property has any asbestos and if so what, where, how much and what condition it is in.

"Then they need to ensure that their tenants and other property users are not exposed to the risk of friable asbestos.

"Finally, they must have an asbestos management plan which must be kept

up-to-date, reflecting any change in circumstances, and available to anyone carrying out work on the property."

MacCullaich says the plan should include information on where the asbestos is, what timetable is in place to leave or remove it, and what policies and procedures workers and tenants need to follow.

Asbestos is a notorious health hazard and, according to WorkSafe, asbestos is New Zealand's single largest cause of deaths from work-related disease.

The general view is that a significant proportion of New Zealand buildings, both industrial and residential, are likely to contain some form of asbestos.

This is particularly the case for those built, altered or refurbished between 1940 and the mid-1980s.

But while most modern buildings are less likely to contain asbestos or asbestos containing materials (ACM), it's worth noting that a full ban on these products only came into effect in late 2016.

If the ACM is in good condition, and unlikely to be disturbed, it may not present a significant risk but it's a different story if the ACM is in poor condition, disturbed or damaged.

For this reason, MacCullaich says it is critical that landlords are aware of their "duty of care" as a "person conducting a business or undertaking" (PCBU) under the regulations.



That means if a landlord has no plans to do work on a property, and has taken "reasonable care" to establish there are no ACMs in a risky condition, they will have satisfied their "duty of care" and can carry on business as usual, he says.

"But if there is planned work involving more than 10m2 area of ACM then a landlord will fall directly under the regulations.

"You will need an asbestos refurbishment/demolition survey conducted to identify what ACM is present, how much is there and the risk posed by the type and condition of the asbestos.

"Removal requires an operator with Class A or B license."

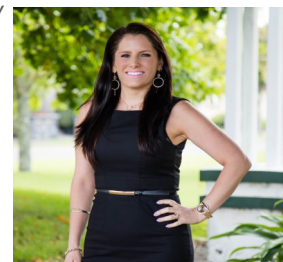
Landlords should do their research, contract a professional asbestos surveyor to undertake a management survey report, compile an asbestos register, and implement a comprehensive asbestos management plan, MacCullaich adds.

Source: landlords.co.nz

A message from Natalie Hachache...

As we enter the colder months of the year, tenants pay particular attention to the dryness and warmth of homes. In particular, they look for insulation and a source of heating (preferably energy efficient/ low electricity consumption). Other things to take note of are slippery paths, full gutters, signs of leaks, wind coming through gaps in windows/doors, condensation build up on windows etc—if the property seems well maintained, it looks more appealing to prospective tenants, and current tenants are more likely to stay for longer. If your rental property becomes available for rent during winter, ensure it ticks all the boxes for prospective tenants to minimise the time the property is vacant. Insulation is mandatory from July 2019, but don't leave it until next year to think about getting it installed, as insulation companies are already indicating they will be booked solid in 2019—also if you do it before this winter hits, your tenants will appreciate it! There are still some great insulation and heat pump discounts available—ask one of our property managers about them today.

Natalie Hachache—General Manager



CALL US TODAY

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RayWhite

Welcome Home



For Sale — By Negotiation

96 Kervil Ave, Te Atatu Peninsula

Set on a fully fenced 407m2 freehold section, this spic and span 1960s 3 bedroom weatherboard bungalow, conveniently located, awaits it's very lucky new owners.

Warm and cosy, there is a fireplace for the cold winter nights and insulation in the ceilings and floors to keep you warm all year round.

Contact: Rosie Kininmonth Deans

Daniel Deans

Mobile: 027 433 4238 | 021 288 6333

Email: rosie.kininmonth@raywhite.com

Modern, Renovated & Affordable



For Sale — \$469,000.00

4/101 Seymour Road, Sunnyvale

COMFORTABLE & RENOVATED with new carpets, new vinyl, new bathroom vanity, new indoor and outdoor painting, new deck and newly landscaped front garden and back yard - all the hard work's been done it's ready for you to move straight into and to start enjoying this cozy home!

Opportunities like this seldom hit the market, so don't wait! call or text me to see it now!

Contact: Lillian Chen

Mobile: 021 265 4745

Email: lillian.chen@raywhite.com

An update from **LoanMarket** home finance brokers

Affordable housing?

Are prefabricated homes the solution to the affordable housing crisis?

Companies like Solution Street are popping up everywhere and are constructing pre-fabricated homes. The 70m2 two-bedroom apartments are being sold from \$519K in a market where the average house price is \$860,000. Sounds too good to be true? That's because it is. Loans for these homes are hard to get. Most banks won't lend your clients money on a house until it's on site because they can't take security on it. Security is the legal right the bank uses to claim on a property if your client defaults on their payments. So, lending without the security of a home is a risky business for banks. Some banks will lend the money, but only with a 50% loan-to-value ratio - still not great for your clients.

Most people wanting to buy a section and then transport a home onto it need a 20% deposit plus savings to buy the house, move it and get the site ready before they get a loan. Safe to say that's not feasible for most first home buyers.

Helping your first home buyers

Prefabrications aside, I can help your first home buyer clients. Most first home buyers come to me with a deposit made up of savings, gifts, Kiwisaver etc. They're trying to hit that 20% mark and falling just short, worried that they can't afford to buy. I'm working with lenders that can loan on a 10% deposit.

Interest rate movements = 0

What market update would be complete without mention of the Official Cash Rate (OCR)? The recent Reserve Bank of New Zealand announcement left the OCR unchanged at 1.75%. Globally, there are positive signs of growth, however there are emerging pressures with commodity and agricultural prices on the rise.

The latest Quarterly Survey of Business Opinion (the New Zealand Institute of Economic Research's 40+ year long business survey) reported a net 16% of businesses surveyed expect better trading conditions in the near future. According to Tony Alexander, Chief Economist at the Bank of New Zealand, this combined with other positive outlooks means a business capital spending phase beckons. What does it all mean? Essentially, the idea is that if businesses feel confident and monetary policy is accommodative, they will hire and invest more and the economy will grow. What it all boils down to is that things should remain steady for the near future.

Source: loanmarket.co.nz

Sales Market Trends—Real Estate

Median house price year-on-year	National National ex Auckland Auckland	\$560,000 - up from \$550,000 + 1.8% year-on-year \$460,000 - up from \$433,000 + 6.2% year-on-year \$880,000 - down from \$900,000 -2.2% year-on-year
Seasonally adjusted median house price	National Auckland	Down 2.2%, up 1.9% on March 2017 Down 3.6%, down 2.4% on March 2017
Month-on-month median house price	National National ex Auckland Auckland	\$560,000 - up from \$530,000 + 5.7% since last month \$460,000 - up from \$450,000 + 2.2% since last month \$880,000 - up from \$855,000 + 2.9% since last month
Median days to sell	National Auckland	34 - 1 day longer than same month last year 36 - 1 day longer than same month last year

Rental Market Trends—Real Estate

No. Of Bedrooms	Median Price	No. Of Properties Let
West Auckland—Te Atatu Peninsula		
2	\$440	18
3	\$532	64
4	\$650	20
West Auckland—Te Atatu South		
2	\$422	26
3	\$520	59
4	\$602	18
West Auckland—Henderson		
2	\$430	64
3	\$500	245
4	\$620	81
5+	\$750	24

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