

# Property Investor

Courtesy of Buy West Property Management

## Regulate property managers - REINZ

Wednesday 23 May 2018

Regulating the property management industry would help renters more than banning letting fees will, REINZ argues as submissions on the proposed ban close.

By Miriam Bell

Earlier this year, Housing Minister Phil Twyford introduced a Bill into Parliament which will ban the charging of letting fees to tenants.

Twyford says letting fees are unfair and an “unjustifiable tax on renters” and believes the move will make a real difference to struggling families as letting fees can amount to a significant cost.

“Banning the charging of letting fees to tenants is a good first step in improving the life of renters, while we continue our broader review of the Residential Tenancies Act.”

The submission period on the Bill finishes today and, as it does, REINZ has come out in opposition to the proposed ban. REINZ chief executive Bindi Nowell says a more effective way of delivering fairness and affordability in the rental market would be to regulate the property management industry.

“While a proposed ban on letting fees would reduce upfront fees for tenants, it is highly likely that those fees may simply be charged to landlords and then recuperated through increased rent.

“This would contradict the purpose of the ban which is to reduce cost and increase fairness for tenants.”

At the moment, there are no rules governing the handling of rental payments and no professional standards that property

managers must meet - unless they are also a licensed real estate agent.

Norwell says anyone can become a property manager which means there is no consistent accountability and protections in place across the industry.

“There are some fantastic property managers out there who have high ethical standards and adhere to the REINZ Code of Agency Practice, but this is unfortunately undermined by others who do not have the same standards of ethics.

“This means that renters – who include some of our more vulnerable members of society – could be taken advantage of and their money isn’t protected the way it should be.”

For this reason, Norwell says that if the Government really wants to protect tenants, it should take the opportunity to include regulation of property managers as part of its wider review of the RTA.

Banning letting fees isn’t a popular proposal with many in the property industry, with many arguing it will, ultimately, impact negatively on tenants.



At Home Property Management’s Gregory Young has said the ban could result in higher property management costs that will be passed on to tenants.

“Taking away a one-off letting fee will simply end up with extra costs being added to the weekly rent. And that is likely to result in tenants’ paying more than they would have with a one-off fee.

“So if the government wants to save tenants money by doing this, it won’t. The cost is likely to come back on tenants.”

Meanwhile, the NZ Property Investors Federation is against letting fees being banned because it believes tenants should be able to choose whether or not they pay for the extra service provided.

Source: landlords.co.nz

## A message from Natalie Hachache...

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

*Natalie Hachache – General Manager*



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## An update from

### Life happens. Make sure you are protected.

Now more than ever with the high level of debt people are taking on, it's important to make sure that you are also protected from the good, the bad and the ugly that can happen in life. A touchy subject, but I don't want you to have money troubles and possibly lose your home if something bad was to happen. #NotOnMyWatch

Here are the main types of personal insurance that should be considered, it's all about protecting your income - your mortgage and lifestyle.

- **Income protection (aka income replacement) - making sure bills can be paid if you're unable to work due to serious injury or illness.** When a person is unable to work for an extended period of time, it can have a devastating impact on their financial position. Income protection pays up to 75% of your income to ensure you can make ends meet in the event you have to take unplanned time off work. Many income protection products can cover you if you are made redundant and offer the option of covering loan repayments.
- **Life insurance - making sure your family can pay the mortgage and everyday expenses if you weren't around.** Life insurance pays a lump sum to your family if the income earner was to die or be diagnosed with a terminal illness. This money can be used to pay off the mortgage and maintain the family's lifestyle.
- **Total and Permanent Disability (TPD) - making sure you are covered if you suffer an illness or injury that leaves you totally and permanently disabled.** This cover pays a lump sum, this money can be used to pay off the mortgage, for ongoing medical expenses or to make necessary modifications to the home.
- **Trauma Cover (aka Critical Illness) - making sure you are covered if you are diagnosed with a serious critical illness - like cancer, heart attack, stroke, kidney failure.** This cover pays a lump sum and this money can be used to pay for treatment, clear any debts and help make lifestyle changes you need to get better.

As with all things, everybody's circumstances are different - but bottom line, insurance is super important no matter who you are. It's your decision whether you take out these types of insurances, but I see it as my job to make sure you have the knowledge of what types of insurances are out there and who you should speak to, to make sure you have the right levels of cover, structured in the right way, for the right cost.

I recommend that my clients see an insurance adviser specialising in personal protection insurances for a cost effective solution that's right for them.

### Rental Market Trends—Real Estate

01 Jan 2018—30 June 2018

Source: [www.tenancy.govt.nz](http://www.tenancy.govt.nz)

No. Of Bedrooms	Median Price	No. Of Properties Let
<b>West Auckland—Te Atatu Peninsula</b>		
2	\$440	24
3	\$540	69
4	\$645	21
<b>West Auckland—Te Atatu South</b>		
2	\$432	24
3	\$520	55
4	\$615	16
<b>West Auckland—Henderson</b>		
2	\$420	65
3	\$510	284
4	\$620	99
5+	\$750	36

### Sales Market Trends—Real Estate—May 2018

Median house price year-on-year	National	\$562,000 - up from \$535,000 + 5.0% year-on-year
	National ex Auckland	\$455,000 - up from \$430,000 + 5.8% year-on-year
	Auckland	\$852,000 - down from \$862,800 - 1.3% year-on-year
Seasonally adjusted median house price	National	Up 1.1%, up 4.5% on May 2017
	Auckland	Down 0.4%, down 0.8% on May 2017
Month-on-month median house price	National	\$562,000 - up from \$550,000 + 2.2% since last month
	National ex Auckland	\$455,000 - down from \$460,000 - 1.1% since last month
	Auckland	\$852,000 - up from \$850,000 + 0.2% since last month
Median days to sell	National	38 - 1 day longer than same month last year
	Auckland	40 - same number of days as same month last year

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