

# Property Investor News

Courtesy of Buy West Property Management Ltd

## Tenant turnover trending down

Article first published on:  
Thursday 2 August 2018

Tenants are staying put for longer and that means the rental market has got significantly tighter, according to a new report.

The Massey University Residential Market Report, which tracks mean rents and rental bond numbers, shows there has been a steady increase in the number of people renting over the past decade.

This increase in tenants has been coupled with a decrease in vacancy rates.

Report co-author, Associate Professor Graham Squires, says these changes are due to the combination of an increasing population and a decrease in home ownership.

“The long-term trend shows fewer first-time homebuyers as deposit values rise out of reach, which means many are renting for longer.”

Further, the report provides clear signs that rental markets have tightened over the past five years across New Zealand.

The number of new bonds lodged shows the tenancy turnover rate for rental properties is on a steady downward trend.

That downward trend in tenancy turnover is fairly consistent in both small and larger cities and has accelerated over the last five years.

Squires says that one of the first signs of a tighter rental market is a decreased vacancy rate, followed by rent increases.

“Renters tend to stay longer when it is difficult to find alternative

accommodation, and families generally prefer to stay put if their children are settled at school.”

It is generally accepted that rents around the country have been moving up of late, after a relatively static period.

But, according to the report, rents have increased steadily over the past five years across the board, with the average national rent increasing by 25.5% over that time.

Some of the largest increases have come outside of the main centres, particularly in the tourist areas of the South Island like Queenstown which saw a 62.3% increase in rents.

In the North Island, the Western Bay of Plenty District, which adjoins Tauranga, saw a five yearly rent increase of 51.5%.

There have also been significant increases in rent over the past 12 months.

The national mean rent increased to



\$411 per week from May 2017 to May 2018, which is a new high and represents an annual rate of increase of over 4%.

Squires says that, overall, rents continue to track above the rate of inflation and that these trends are unlikely to change in the immediate future.

“The outlook is for a tightening rental market both in terms of demand, due to population increase, and supply, due to constraints in the number of rental properties available.

“This is despite the appeal of property investment in New Zealand.”

Source: [www.landlords.co.nz](http://www.landlords.co.nz)

## A message from Natalie Hachache...

*Ceiling & underfloor insulation is mandatory for all rental properties from July 2019. Landlords have been given plenty of warning to comply with this legislation, as it came into effect in June 2016. There will be no further extension period for landlords that have not complied by July 2019 and some landlords will end up paying \$4000 exemplary damages for not complying - this money goes directly to the tenants. In most cases it costs less than \$4000 to insulate a property, so it is not worth the risk of not complying. Insulation companies are very backlogged with work currently, so we would suggest booking in your insulation job right away. If left until 2019 to book the job, it is highly unlikely you'll find a company who can install insulation prior to the deadline. Please also note that since the amendments in 2016 all tenancy agreements must currently have an insulation statement in them to comply with section 13A (1A) of the Residential Tenancies Act 1986.*



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RayWhite

### Smart Start In A Great Location



### For Sale

#### 4 Ragley Street, Titirangi

This light filled home has a functional floor-plan with three bedrooms, one bathroom and separate toilet. The full basement and under-house garage are perfect for storage or a workshop. The home has been newly painted inside and out and is in tidy condition with plenty of scope to add further value.

The lounge area is sure to be your 'go to' spot and features a stone surround fireplace for those winter evenings, with large windows adjacent facing views over the valley towards Titirangi.

Contact: Vicki Ingham  
027 715 5198  
vicki.ingham@raywhite.com  
Licensee Salesperson

### Guaranteed Rent & Priced to Sell!



### For Sale

#### 12/242 Great North Road, Henderson

The HOME is - made of concrete blocks and fibre cement board; single level on the upper floor with open plan living, ranchslider to the balcony, better air flows, sun light, and amazing views out to the Waitakere ranges; plus dedicated parking. The income is guaranteed with a fixed term till 23 January 2022; hassle free and peace of mind because tenancy management and tenant damages are taken care of by Housing NZ at end of tenancy.

Contact: Lillian Chen  
021 265 4745  
lillian.chen@raywhite.com  
Licensee Salesperson

An update from **Loan Market Waitakere**

## The national real estate picture

Article Published: 21 July 2018

According to Quotable Value Limited (QV) NZ's property market will plateau for the rest of this year and into the next. In fact, Dunedin was the only main centre with any material growth in May, up 1.1 per cent, a whopping four times more than any other main centre. Nice work people, you even pipped Wellington, where prices went south in May by 1.3 per cent.

CoreLogic's Nick Goodall reports that, while Wellington, Christchurch and Auckland are flat, our smaller, regional markets continue to show growth. Whanganui positively smashed it out of the stalls, hitting 5 per cent, however, this bolting regional horse is slowing as affordability starts to bite.

For his part, Infometrics' chief forecaster Gareth Kiernan, calls the national housing market a mixed bag. Here's Gareth's logic in point form:

- sales volumes up 1.3 per cent from May 2017
- activity down
- growth steady at 3.7 percent p.a.
- Auckland and Canterbury weakening.

But spare a thought — and maybe a few dollars off your sale price — for our long-suffering first-home buyers, because the latest government data shows the thumping price rises across NZ's main cities over the last 12 months have worsened affordability.

Now, the envelope please ... These factors all suggest a Mexican standoff between buyers wanting a bargain and sellers wanting an unrealistic price. Let the games begin!

Source: [www.loanmarket.co.nz](http://www.loanmarket.co.nz)

### Rental Market Trends—Real Estate

01 Jan 2018—30 June 2018

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	\$440	65
3	\$510	284
4	\$620	99
5+	\$750	36

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

Median house price year-on-year	National	\$560,000 - up from \$530,000 + 5.7% year-on-year
	National ex Auckland	\$460,000 - up from \$430,000 + 7.0% year-on-year
	Auckland	\$850,000 - down from \$856,000 - 0.7% year-on-year
Seasonally adjusted median house price	National	Up 0.9%, up 5.2% on June 2017
	Auckland	Up 0.5%, down 1.6% on June 2017
Month-on-month median house price	National	\$560,000 - the same as last month
	National ex Auckland	\$460,000 - up from \$455,000 + 1.1% since last month
	Auckland	\$850,000 - up from \$845,500 + 0.5% since last month
Median days to sell	National	38 - 2 days longer than same month last year
	Auckland	40 - 2 days longer than same month last year

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