

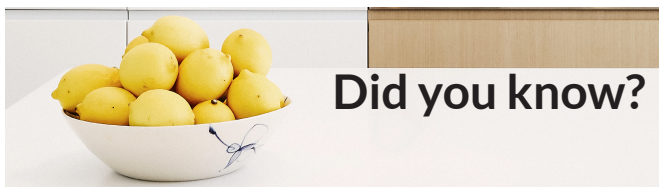
What has Ray White Hamilton Property Management been up to in February?

So far this month we have:

- Tenanted 98 properties
- Listed 17 new managements
- Conducted 500 inspections
- Arranged over 1000 maintenance jobs for our investors
- Arranged 193 new rent increases

We're working hard for our clients. If you want results, contact our New Business Team on 07 839 7066 or 027 808 5772

brioni.webby@raywhite.com



The government has brought in new legislation this week to enhance the Healthy Homes Standards. Ray White Hamilton are up to date with the latest legislation information and will advise our landlords as soon as we can.



- We will keep you informed of all market changes with regards to legislation.
- Provide you with superior inspection reporting
- Provide a personal service tailored to your portfolio.

Hot Investment Properties

If you are considering adding to your investment portfolio, speak to us about the market rent achievable on these investment properties:



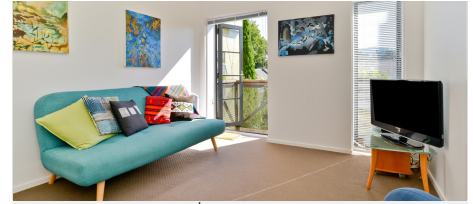
Melville Deadline Sale 12.30pm 05/03/19
INVESTORS DREAM, LOCATION AND SECURITY A modern well appointed 2 bedroom brick unit that ticks the boxes for any discerning buyer, whether an investor or first time buyer. This unit has double glazed windows and aluminium joinery. Single i/a garage. Currently rented at \$380 p/w.

6/31 Jones Crescent, View By Appointment
rwHamilton.co.nz/ HAM33110
Rob Cockburn 027 713 0262



Hillcrest \$519,000
Low Maintenance, High Living Spread across 2 levels, this lovely home offers open plan living, 4 good sized bedrooms & 2 bathrooms. The kitchen is well equipped with modern appliances, ready for you to move in. The ranch slider opens wide onto an enticing balcony, ideal for a weekend BBQ or to unwind after work.

3b Scotland Place, View By Appointment
rwHamilton.co.nz/ HAM33101
Rohit Kumar 021 108 6430



Hamilton Central \$439,000
Living the High Life High end city living is all about the right apartment and this one is truly great. Bright and light, offers two double bedrooms, two bathrooms, well-equipped kitchen, balcony off the living area and master bedroom, and secure internally accessed garaging.

3/3 Tisdall Terrace, View By Appointment
rwHamilton.co.nz/ HAM33103
Orlando Robbins 021 738 755 Dee Robbins 021 738 766



Hillcrest \$519,000
In Zone For Success Situated at the top of Knighton road with great street appeal. The character aspect of this home, with its high ceilings, wide hallway & polished floors will be sure to please. The original interior gives you scope to improve the property, and with three spacious bedrooms there's plenty of space to spread out.

5 Knighton Road, View By Appointment
rwHamilton.co.nz/ HAM33015
Rohit Kumar 021 108 6430



Hamilton East Deadline Sale 12.30pm 12/03
Develop or Rent Previously rented room by room with a gross return of \$1115 per week this 5+ bedroom property is worth consideration - plenty of room to add value, or if it's a development opportunity you want, this 830m² residential high density section could be ideal!

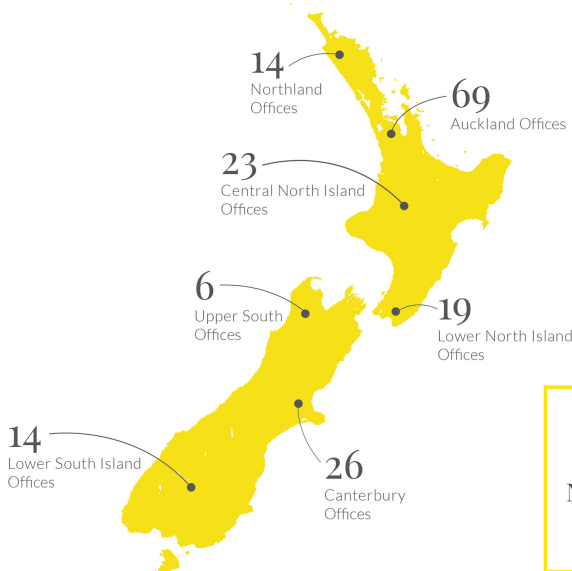
36 May Street, View By Appointment
rwHamilton.co.nz/ HAM333042
Jess Taylor 027 821 0998 Kim Taylor 027 247 6564



Hamilton East \$505,000
Stylish In Ham East With the exterior freshly repainted in January 2019, some of the features at this residence include: Double internal access garaging, three double bedrooms, two bathrooms, open plan living, kitchen & dining, two outdoor living areas - all in a sought after location.

6a Page Place, View By Appointment
rwHamilton.co.nz/ HAM33173
Jess Taylor 027 821 0998 Kim Taylor 027 247 6564

Congratulations to our sales team on being ranked 5/171 Ray White Offices across NZ for the month of January on sales turnover



171
New Zealand
Offices

Ray White Hamilton
Online Rentals Ltd MREINZ

Are you ready to pay your tenant
\$4,000?



Time is ticking by....
Don't leave your tenants out in the cold!

Make sure your investment complies with the Government Insulation Legislation by 1st July 2019 to avoid paying the \$4,000 penalty.

Speak to one of our property investment specialists today to see how we can help you meet your obligations!

rwHamilton.co.nz

Interest Only Alert

Interest Only (IO) loans are commonplace for Property Investors and have for many years been easy to access. When an Interest Only period expires it's been as simple as phoning or emailing the bank or Mortgage Adviser and requesting a further Interest Only period and it's done.

Among the deluge of other changes Investors are having to deal with, Interest Only loans are becoming more difficult to access. The RBNZ views IO loans as a risk to the stability of the banking system and as such is pressuring the banks to reduce Interest Only lending levels.

The big change is that in the majority of cases when Investors have Interest Only periods expiring, the banks are requesting a full application (ie as if you were applying for a brand new loan) to get a new Interest Only period. The bank will assess an investor's ability to repay all loans on a Principal & Interest (P&I) basis at inflated rates (around 8% depending on the bank) whilst using only 75% of the rental income (to allow for gaps in tenancy, rates etc). If the application doesn't pass this stress-test then banks are often declining the application for further Interest Only and forcing Investors to make Principal & Interest payments on their Investment Property loans.

This can cause Investors serious cash flow issues. Note that if you initially took out a mortgage on a 25 year loan term and had a 5 year Interest Only period the P&I payments will be calculated at a level to repay the loan in 20 years. Your contracted loan term with the bank was 25 years when you signed up, 5 years has passed with no principal paid = 20 years left to pay it off.

In dollar terms the above scenario could look like this: \$500,000 loan Interest Only at 4% = \$385/wk. Being moved onto P&I payments = \$699/wk, an increase of \$314/wk. If you'd had 10 years

Interest Only then your payments would go up to \$853/wk, an increase of \$468/wk.

The application process has become significantly more onerous over the last 18 months thanks to the Responsible Lending Code, The Australian Royal Commission into the banking system and the RBNZ/FMA NZ banking enquiry. Applications are being scrutinised more than ever before and timeframes are pushing out.

What to do:

Contact your bank or Mortgage Adviser to find out when your current Interest Only periods expire and note them in your calendar

Look at your loan documents (or call your banks/ Adviser) so that you know what your contracted loan term is

Work out what your Principal & Interest payments would be should you go onto P&I

Apply for a new Interest Only period 60 days out from your existing IO expiry. This should give you enough time to look at different options should your bank not approve

When setting up IO loans consider requesting 5 years IO over 1 or 2 years

Brett Wood is a Property Investment specialist Mortgage Adviser and was named by NZ Adviser Magazine in the Top 15 Mortgage Advisers in NZ in 2018.

- Brett Wood, Loanmarket



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