



**RayWhite**

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

Time is ticking by.... ONLY ONE MONTH TO GO!  
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!

# No extension for impending insulation requirements – landlords warned

The Tenancy Compliance and Investigations team says landlords will not be granted extensions to meet the 2016 insulation requirements.

Landlords have just over one month to ensure their rental properties meet the requirements or face exemplary damages of up to \$4,000.

From 1 July 2019, a landlord who has not installed ceiling and floor insulation where reasonably practicable will be in breach of the Residential Tenancies Act (RTA) and may face the Tenancy Tribunal.

"The RTA does not allow for extensions, and this would be unfair to those landlords who have acted in time to do the right thing," said Peter Hackshaw, Acting National Manager, Tenancy Compliance and Investigations (TCIT).

"The requirement to insulate was widely publicised in 2016 when the changes to the RTA were made, and Tenancy Services has worked hard to ensure landlords are aware of their responsibilities by running an extensive information and education campaign.

"Landlords have had ample time and information to get the required work done and failing to comply is not only unlawful, it also exposes tenants to potential

harm by not having a home that is warm and dry enough during the winter months."

Any tenant who feels that their landlord has failed to meet their responsibilities to have the correct insulation installed by the 1 July 2019 deadline can apply to the Tenancy Tribunal for an order resolving that dispute.

"The Tenancy Compliance and Investigation Team will continue to focus on landlords who systematically breach the Residential Tenancies Act by failing to properly install mandatory smoke alarms, provide insulation statements, and – following the 1 July 2019 deadline – install insulation.

Insulating a property can be complicated work, and landlords need to get in quick to ensure their rentals are done in time as some insulation installers may already be booked up. Having a plan in place will not be enough to protect a landlord from financial penalties.

"With more and more New Zealanders renting, it's important that landlords are meeting regulations and providing their tenants with warm, dry, safe homes. Where TCIT finds landlords failing to comply, we will act."

- [Tenancy.co.nz](http://Tenancy.co.nz)

## Hot Investment Properties

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



### Hamilton East \$410,000

**Prime Location, Ideal Investment or First Home!** Well appointed modern 2 bedroom unit. Close to a wealth of amenities, including the Waikato University. Offering good content and style. Quality chattels with HRV system. Would suit a first home buyer or an astute investor! Currently rented at \$390/wk.

10/102 Old Farm Road, View By Appointment

[rwhamilton.co.nz/HAM33475](http://rwhamilton.co.nz/HAM33475)

Debbie Suisted 027 234 8011



### Melville \$565,000

**Fully Renovated - Must See!** This freshly renovated property is a must see! Brand new kitchen, complete with new appliances, flooring, LED lighting & repainted throughout. This property is located within walking distance of the Waikato Hospital. Also makes a great rental property. Within easy access to the CBD.

7 Mahoe Street, View By Appointment

[rwhamilton.co.nz/HAM33475](http://rwhamilton.co.nz/HAM33475)

Gavin Hocking 027 755 5148



### Huntly \$550,000

**Huntly Haven in new subdivision** This tidy 4 bedroom brick home is tucked at the end of a quiet cul-de-sac. A well thought-out floor plan allows for open plan living leading out to the fully fenced garden. Only a few minutes walk to Kimihia School.

44 Hartis Avenue, View By Appointment

[rwhamilton.co.nz/HAM33475](http://rwhamilton.co.nz/HAM33475)

Karen Boleyn 027 729 9448



### Melville By Negotiation

**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 l/a garage. Currently rented at \$380 p/w.

6/31 Jones Crescent, View By Appointment

[rwhamilton.co.nz/HAM33110](http://rwhamilton.co.nz/HAM33110)

Rob Cockburn 027 713 0262



### Dinsdale \$649,000

**EASY CONTEMPORARY LIVING** This beautiful double glazed brick home offers three good size bedrooms, an open plan living & dining with an office nook & l/a double garaging. The home sits on its own freehold title with a good indoor to outdoor flow onto a private backyard. This is an ideal home for you and your family to own.

11 Astor Avenue, View By Appointment

[rwhamilton.co.nz/HAM33552](http://rwhamilton.co.nz/HAM33552)

Leon Mitchell 027 389 4714



### Hamilton East By Negotiation

**Rental Income Guaranteed - Hamilton East!** A rare opportunity has come up to purchase this impressive 100 sqm two bedroom townhouse situated on its own 300 sqm Freehold title in the heart of Hamilton East. Situated in a quiet and secure location well back from the road.

47d Nixon Street, View By Appointment

[rwhamilton.co.nz/HAM33188](http://rwhamilton.co.nz/HAM33188)

Kevin Benge 021 066 6972

## OCR cut to boost market

New Zealand has never seen the Official Cash Rate (OCR) go so low. Now commentators are saying it will reignite the cooling embers of the property market.

On Wednesday the Reserve Bank's Monetary Policy Committee (MPC), which is led by the bank's governor Adrian Orr, cut the OCR to a record low of 1.5%, after it spent the last two years on hold at 1.75%.

Not so long ago, most economists were saying the OCR had troughed and its next move was likely to be up. Yet yesterday's cut did not come as a surprise.

That's because in March, at the last OCR call, Orr shifted to an easing bias, saying the next OCR move was "likely to be down" due to slowing domestic and global growth.

Those factors didn't end up changing and the MPC decided a lower OCR is necessary to support the outlook for employment and inflation as consistent with its policy remit.

However, speaking at the Reserve Bank's OCR media conference, Orr admitted the decision to cut the OCR could lead to an increase in property prices.

"We anticipate with lower interest rates it does free up cash, and if people choose to invest in housing that will be their choice," he says.

"Some members [of the MPC], think that given these low interest rates, we might end up with more of a house price impetus. But it wasn't a unanimous view.

"We expect to see the impulse from lower interest rates to come through spending and investment activity, and part of that will be housing activity."

In fact, the Reserve Bank is forecasting an acceleration in house price inflation to around 5% from the current 2.3%.

Westpac chief economist Dominick Stephens thinks the boost to the property market will be bigger than that forecast by the Reserve Bank.

There has been a large reduction in fixed mortgage rates recently, he says. "Following today's cut floating mortgage rates are going to fall, and there could be another round of reductions in fixed rates."

His view is that house price inflation will accelerate to something more like 7% per annum, and the housing market upturn will last longer than the Reserve Bank is forecasting.

"This view is not only based on low mortgage rates – the fact that the threat of a capital gains tax has disappeared is another reason to expect a housing market upturn."

But other commentators don't think a property market upturn will be quite that pronounced.

CoreLogic senior property economist Kelvin Davidson says that, for the property market, the situation amounts to one-way traffic and borrowers are sitting pretty.

"Competition amongst the banks is already strong, 'rate wars' are frequent, and a lower-for-longer official cash rate also bodes well for mortgage rates over the next one to two years at least."

This means property sales volumes and prices should hold up relatively well (albeit not booming), especially since the prospect of capital gains tax has now been taken off the table, he says.

"Everybody still needs to be mindful, however, of the probable requirement that banks hold more capital on their balance sheets in future.

"It seems likely that the proposal will be introduced in some shape or form and could push up mortgage rates by as much as 1%-point."

But, for now, the OCR cut means it's still business as usual for the property market, Davidson adds.

"Admittedly, there are headwinds - the tax ring-fence for rental property losses, the foreign buyer ban - but the market generally still looks to have a solid foundation."

Following the Reserve Bank's OCR announcement, ANZ, Westpac and Kiwibank have made major cuts to floating and fixed rate mortgages.

- Miriam Bell, [Landlords.co.nz](http://Landlords.co.nz)

*A warm Ray White Hamilton welcome to our new Property Managers Ryan Meecham and Shubham Khanna who started with us in May.*

