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# University Investments

www.propertyinvestments.net.nz

University Investment Newsletter  
March 2015 - Issue 52

## Welcome

### Looking back (1999 - 2001)

784 George Street



\$225,000  
\$69 x 7  
11.16%

September  
2001

7.7 7.5

75C York Place



\$217,265  
\$85 x 5  
10.17%

September  
2000

8.4 8.2

17 Hyde Street



\$146,000  
\$68 x 5  
12.1%

December  
2000

8.4 7.9

10/700 Great King St



\$225,000  
\$70 x 6  
9.7%

July  
1999

6.4 7.6

#### Interest rates at the time

Floating

2 year fixed

%

%



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Welcome to our 52<sup>nd</sup> University Investment Update.

### The Landscape has changed..

Forget historical property cycles. Gone are the days of doubling house prices every 8-10 years as experienced five times between 1960 and 2007 when interest rates (and inflation) fluctuated from a low of 5% in the early 60's to peaks around 20% 1986/87. According to "those who should know" we are now likely looking at a continuation of the low interest rates, low inflation regime we have been experiencing since the GFC (2007/08), for some years to come.

When we purchased one of our first flats in 1981 - 877 George Street for \$23,000, \$11 per room, 4 bed villa, 9.9% yield there was no internet and we knew nothing about the University market other than the obvious supply of students seemed to suggest buying flats close to where they would want to live seemed like a good idea. For years we knew no other landlords and it was pretty much fly by the seat of your pants.

There is now a plethora of property related information on the internet and everyone involved in owning or looking at buying a property is now so much more market savvy.

### Are you in the Loop?

While the quantity of articles, posts, blogs on interest rates, and a seemingly endless stream of statistics relating to every aspect of property ownership is freely available on the internet, the biggest problem is drilling down to what is really important to know in relation to your own chosen line of investment. Most information relates to normal family homes and is of little use to investors other than giving an indication of their own homes value. Property investment information although quite useful is fairly general and seldom drills down into localized niche markets if that's where your interest lies.

University of Otago - Campus is one such market and this is where we come in. In marketing and selling the majority of student flats we are ideally placed to provide the bulk of accurate feedback to both owners and potential buyers.

As investors ourselves we are well positioned to appreciate what we would want to know and other investors might find useful. There is no substitute for hands on experience and to be fair after 30 odd years at the coalface of the student market, if it hasn't happened to us it probably hasn't happened.

**So are you in the loop?** Do you have access to all our information and do you know where to find us? If you are reading this you are part way there. This **quarterly** newsletter now has a circulation of 2,475 including not only owners of Prime Campus flats but also privately owned homes in the area, plus fringe and beyond if the property houses students. We also include every buyer (some of whom are now owners) who has enquired about investing here.

On a **weekly** basis (every Friday), we email 1,652 buyers and owners who want to keep up to date or who are looking to buy again with an update on the weeks activity, what's new, under offer or SOLD.

On a **daily** basis new listings are emailed the minute we list them so in particular as a buyer you have a head start on anyone not in the loop.

If you are not up with the play simply let us know your email address and you're in.

Our specialist "[propertyinvestments.net.nz](http://propertyinvestments.net.nz)" website is designed to provide up to the minute access to new listings, current listings, sold information with price, rent and yield details, access to all our past newsletters and useful links to **helpful resources**.

Our **newsletter, email** notification of new listings and weekly update is local, national and international.

Locally and throughout Otago our presence is by far second to none with a full feature page in the Otago Daily Times every weekend.

Our office is strategically located on George Street - Prime Campus, taking advantage of the high foot traffic in the area with window displays of all listed properties. The location is also ideal for our Property Management team and has become a hub for students looking for flats.

As for being in touch with the pulse of the market our own flats are scattered throughout Prime Campus giving us the advantage of a realistic view of sometimes subtle market changes on a daily basis.

If you are missing out on any of the above services just get in touch. We are happy to pass on our knowledge and experience.

If you are thinking about selling or need an idea of market value we are **here to help**.

## Interest Rates



Where will they be tomorrow and in 5 years' time? When you finally find that property or look at refinancing, sensible decisions can't be made without the best possible crystal ball at your fingertips. More often than not economists don't entirely agree but there is often a thread of commonality in their views. A recent article by Bernard Hickey on [interest.co.nz](http://interest.co.nz) is worth a read. Look for "whether to fix, float, how long to fix" etc., (Feb 17). Basically many countries are experiencing very low inflation. Central banks in Europe, Japan and China have cut their interest rates to 0%. Swiss two year bond yields now offer minus 1.2% (you got it! Savers are paying the bank to look after their money!). In Feb ANZ NZ borrowed 750 million euros at a rate of 0.625%! Inflation in the world's most liquid markets is likely to be

very, very low to the point of deflation for years to come. There is now US \$2 trillion invested in bonds and bank accounts that offer negative interest rates. Locally floating rates are expensive when compared to new fixed rates. Our R.B. is unlikely to raise interest rates in the foreseeable future - at least until well into 2016. Logic would suggest that in a market where interest rates are predicted to stay lower for longer one should consider fixing short rather than longer.

So much for trying to condense a couple of pages of an article into a few lines but time spent getting abreast of interest rate costs can be even more beneficial to cash flow than room rate increases.

How's the year shaping up - (sales in \$ millions)				
	2015	2014	2013	2012
Quarter # 1	10+	8.45	3.46	8.15
Quarter # 2		5.87	6.19	3.9
Quarter # 3		4.18	6.99	8.54
Quarter # 4		10.08	7.58	6.85
<b>Total</b>		<b>28.58</b>	<b>24.22</b>	<b>27.44</b>

e.g. quarter # 1 = Mid Dec - Mid March

INTEREST RATES 5 <sup>th</sup> March 2015 (Major Banks)					
	Fltg	1yr	2yr	3yr	5yr
5 March 2015	6.59%	5.7%	5.39%	5.69%	5.89%
4 March 2014	5.64%	5.49%	6.29%	6.35%	7.2%
5 March 2013	5.74%	4.89%	5.39%	5.39%	6.25%
2 March 2012	5.74%	5.65%	5.79%	6.1%	6.9%
10 March 2011	5.74%	5.95%	6.49%	6.69%	7.7%

## Handy tips



**T.V.** Do you supply TV? Have you had a HDMI port not working? We had this last week and our TV guy tells us this is becoming a problem with students plugging their gear in while the port is alive. The TV must be turned off at the wall (not just the TV!).

**Smoke Alarms** Do you buy the cheapest smoke detectors? They are usually "ionization" and don't work with a smouldering smoke fire. Always use photo-electric. Three breaths of dense smoke is all it takes for someone to not survive. If you are buying a 10 year detector check whether it's got a 10 year battery or its just 10 years on the unit.

**Bonds** If any part of the bond is to go to the landlord only one student needs to sign. If a part of the bond is to go to only one or not all of the tenants - all students need to sign.

## Sold since last newsletter (\$10,331,100)

**I'm Sold!**



**PRIME CAMPUS**  
102 1&2 Harbour Tce

Centrally located 5 bedroom apartments presented to a high standard. Rented at \$1,400pw, plus \$12pw for car parking. Recently upgraded with all the mod-cons.

**\$885,000** - 8.3%

**Vendor:** Dunedin  
**Purchaser:** Dunedin

**I'm Sold!**



**PRIME CAMPUS**  
798 George Street

Seven furnished studio rooms, separate living, off street parking and garaging. Zoned Res 3 and with 410m<sup>2</sup> of land gives some development potential

**\$800,000** - 9.25% gross

**Vendor:** Thailand  
**Purchaser:** Overseas

**I'm Sold!**



**PRIME CAMPUS**  
7 Queen Street

Large three storey property rented as a nine bedroom flat and already rented at \$135pw for 2015. With room to increase rents and potential to develop further.

**\$772,500** - 8.17%

**Vendor:** Alexandra  
**Purchaser:** Christchurch

**I'm Sold!**



**PRIME CAMPUS**  
17 Queen Street

Potential income of at least \$43,160 derived from this large two storey brick villa in three flats plus potential income from two garages.

**\$627,100** - 6.88%  
**Vendor:** Dunedin  
**Purchaser:** Dunedin

**I'm Sold!**



**Fringe Campus**  
88 Warrender Street

Residential Zone 3 Land, 1117m<sup>2</sup> 24 room capable. Huge potential to add to existing residence or develop a new complex of Units.

**\$620,000**  
**Vendor:** Dunedin  
**Purchaser:** Dunedin

**I'm Sold!**



**PRIME CAMPUS**  
9/700 Great King St

Popular student flat with six bedrooms, two modern bathrooms, modern kitchen and open plan living. Rented to 7 students at \$860pw.

**\$580,000** - 7.71%  
**Vendor:** Dunedin  
**Purchaser:** Dunedin

**I'm Sold!**



**PRIME CAMPUS**  
7/54 Anzac Avenue

Highly sought after low maintenance spacious five bedroom apartment. Rented at \$675 per week for 2015. Extremely popular with students.

**\$561,500** - 6.25%  
**Vendor:** Oamaru  
**Purchaser:** Auckland

**I'm Sold!**



**PRIME CAMPUS**  
4/54 Anzac Avenue

Modern, smart investment with five bedrooms, two bathrooms and open plan living heated by heat pump. Rented at \$675pw for 2015.

**\$558,000** - 6.29%  
**Vendor:** Balclutha  
**Purchaser:** Dunedin

**I'm Sold!**



**PRIME CAMPUS**  
15/54 Anzac Avenue

Popular five bedroom apartment. Rented at \$675pw. Modern kitchen and two bathrooms, heat pump in open plan living area. One car parking space.

**\$557,000** - 6.3%  
**Vendor:** Balclutha  
**Purchaser:** Dunedin

**I'm Sold!**



**PRIME CAMPUS**  
17 Titan Street

Upmarket apartments in the heart of Campus! Two bedroom flat downstairs, one bedroom flat upstairs. Total rental of \$610pw.

**\$495,000** - 6.4%  
**Vendor:** Wanaka  
**Purchaser:** Dunedin

**I'm Sold!**



**Gardens**  
11/73 Blucleugh St

Four bedroom studio apartment elevated for sun and views. Each studio room is ensuited and comes with extensive chattels. Rented at \$820pw.

**\$450,000** - 9.48% gross  
**Vendor:** Dunedin  
**Purchaser:** Indonesia

**I'm Sold!**



**PRIME CAMPUS**  
1074 George Street

Rented as four bedrooms, two bathrooms at \$594pw. Could be a five or six bedrooms with a little work and D.C.C. consent.

**\$415,000** - 7%  
**Vendor:** Queenstown  
**Purchaser:** Auckland

**I'm Sold!**



**PRIME CAMPUS**  
1 Lovelock Avenue

Substantial villa comprising 5 bedrooms and three heat pumps split over three levels. Rented at \$475pw for 2015.

**\$405,000** - 6.09%  
**Vendor:** Dunedin  
**Purchaser:** Dunedin

**I'm Sold!**



**PRIME CAMPUS**  
6 Agnew Street

Located in central campus, 253m<sup>2</sup>, Zoned Res 3, this site offers you both the option of a spruce up or knock over and rebuild. Rented at \$500pw.

**\$323,000** - 8.04%  
**Vendor:** Darfield  
**Purchaser:** Australia

**I'm Sold!**



**PRIME CAMPUS**  
23 Dundas Street

Tidy campus cottage. Three good sized rooms, open plan kitchen/living with heat pump. Rented for 2015 at \$390 per week.

**\$293,000** - 6.9%  
**Vendor:** Mosgiel  
**Purchaser:** Hong Kong

**I'm Sold!**



**The Glen**  
7 Walter Street

This large well maintained villa comprises two flats. A three bedroom flat rented at \$305pw and a two bedroom flat at \$225pw.

**\$280,000** - 9.84%  
**Vendor:** Ranfurly  
**Purchaser:** Auckland

**I'm Sold!**



**Gardens**  
19 Carlyle Street

Tidy four bedroom villa with large sunny deck and off street parking for 4 cars. Recent re-roof and electrical has been upgraded. Rented at \$420 per week.

**\$275,000** - 7.94%  
**Vendor:** Dunedin  
**Purchaser:** Oamaru

**I'm Sold!**



**Central City**  
13/93 Filleul Street

Brand new unit consisting of one bedroom, bathroom and open plan living opening onto an outdoor balcony. Rented at \$375 per week.

**\$270,000** - 7.2%  
**Vendor:** Dunedin  
**Purchaser:** Dunedin

**I'm Sold!**



**Woodhaugh**  
69 Malvern Street

Four bedroom house plus sleepout with 2 bedrooms. Rented at \$300pw for house, \$180pw for sleepout. Within walking distance to University.

**\$250,000** - 9.98%  
**Vendor:** Hamilton  
**Purchaser:** Dunedin

**I'm Sold!**



**PRIME CAMPUS**  
82 Dundas Street

Centrally located four bedroom terrace flat rented at \$315 per week for 2015.

**\$206,000** - 7.95%  
**Vendor:** Christchurch  
**Purchaser:** Dunedin

**I'm Sold!**



**PRIME CAMPUS**  
68 Dundas Street

This investment property is ideally located. Tidy condition inside as well as recent re-roof. Rented at \$300per week.

**\$205,000** - 7.6%  
**Vendor:** Dunedin  
**Purchaser:** Auckland

**I'm Sold!**



**PRIME CAMPUS**  
70 Dundas Street

Four bedroom brick terrace flat only a few minutes walk to University faculties. Tidy condition throughout. Rented at \$340 per week.

**\$200,000** - 8.84%  
**Vendor:** Australia  
**Purchaser:** Auckland

**I'm Sold!**



**North East Valley**  
37 Blacks Road

Sunny elevated villa with a good rental history. Rented at \$250 per week. Three bedrooms, separate living. Off-street parking and great sun.

**\$153,000** - 8.5%  
**Vendor:** Dunedin  
**Purchaser:** Dunedin

**I'm Sold!**



**Dalmore**  
25 Ramsay Street

Tidy weatherboard home with two double bedrooms, or could be three with compact living and kitchen. Previously rented at \$270 per week.

**\$150,000**  
**Vendor:** Invercargill  
**Purchaser:** Dunedin

## Currently for sale



### Central City 257 High Street

This substantial 390m<sup>2</sup> property has fifteen bedrooms, kitchen, separate dining room and lounge, office and store room, three bathrooms and laundry. Separate low maintenance out-building at the rear. Central City location with on site parking and sweeping city views. Freehold title of 1012m<sup>2</sup> res 4 zoning. An opportunity not to be missed with multiple options and potential to add value.

#### Deadline Sale

 15  3  OSP



### Roslyn 29 Melrose Street

Maori Hill studios consisting of two blocks of units split into 12 studios in the lower block, 11 in the upper block. Each studio is self-contained with kitchenettes and full bathrooms. Each block is serviced by a fully equipped common kitchen area plus laundry. With a gross income of approx \$281,000, landlord costs of approx \$37,000, giving a healthy net income of \$244,000.

#### Buyers over \$2,000,000

 23  23  OSP



### PRIME CAMPUS 4 Dundas Street

A multiple income stream investment with good rental history and in a great location! Comprising of a six bedroom villa, two, six bedroom purpose built flats and a five bedroom purpose built flat all on one title, this property has been well maintained over the years. Garage plus off street parking. Rental income stream of \$155,064 pa. Developers note: 1482m<sup>2</sup> Res 3 zoning. 32 room capable.

#### \$1,815,000 - 8.5%

 23  7  1+OSP



### PRIME CAMPUS 129C Forth Street

This stunning landmark tower boasts location elevation, outlook and pride of ownership. Seven spacious ensuited studio apartments with quality finish and chattels. State of art common kitchen opening to large patio. Fully rented for 2015 at a total of \$1,905 per week. A unique Campus opportunity.

#### Enquiries over \$950,000

 7  7  OSP



### PRIME CAMPUS 3 Union Street

Substantial colonial villa strategically located, offering thirteen studio rooms (eight in the main house, one detached and a further four in a modern external addition with two shower rooms). Rent roll of \$129,500 with studio associated costs of approximately \$33,500. A must view in a blue chip location.

#### Offers over \$1,000,000

 13  6  OSP



### Central City 209 Cargill Street

This 246m<sup>2</sup> two Storey Villa never has a shortage of willing tenants wanting to occupy its eight bedrooms and two living areas. Currently rented for \$1,080pw, plus \$40 for the garage, providing a healthy return for you as the new owner. Located only minutes' walk to Moana Pool and Central City.

#### \$739,000 - 7.9%

 8  2  1+OSP



### Kaikorai 212 Kaikorai Valley Road

This 1960s two-story investment contains six individually titled units, enabling flexible financing and ownership options. The configuration of this ex-motel block comprises 2 x one bedroom units and 4 x two bedroom units, plus 4 car parks. Five of these units have been renovated with quality fixtures. Total weekly income \$1,310pw.

#### \$735,000 - 9.3%

 10  6  OSP



### PRIME CAMPUS 16 London Street

Right in the heart of the city, so close to medical and dentistry in an incredibly popular location. This house has iconic status with six studio rooms (two with ensuites) and two additional bathrooms. Owner has never had to advertise for tenants. Fully tenanted at \$1,155pw.

#### \$695,000 - 8.64% gross

 6  4



### City Rise 163 Maitland Street

This imposing 260m<sup>2</sup> Villa has been sympathetically maintained, whilst being upgraded to offer tenants a touch of modern luxury. Separated into three flats, four bedroom upstairs and two one bedroom flats downstairs. Flat 1 rented at \$210pw, Flat 2 rented at \$275pw, Flat 3 rented at \$460pw for 2015.

#### \$625,000

 6  3



### City Rise 23 Duncan Street

This substantial 270m<sup>2</sup>, 1920s villa on Central City Rise providing nine bedrooms is fully rented for 2015 at \$73,892 providing the owner with \$57,180 nett of landlord studio costs. Substantial work has been carried out and presentation is of a high standard. A low maintenance investment at a very good return.

#### \$599,000 - 9.5% nett

 9  2



**PRIME CAMPUS**  
**18F Forth Street**

Low maintenance unit, superbly located within a few minutes walk to Central Library, Polytechnic and Teachers College. Featuring six good sized bedrooms and spacious sunny living. Rented at \$690pw. A definite upside in the rents here with a spruce up.

Enquiries over \$480,000

 6  2  OSP



**Central City**  
**191 York Place**

Low maintenance 1960's brick and tile home, comprising 4-5 bedrooms, 2 bathrooms, spacious kitchen, 1/2 living areas. Heatpump. Flat rear section with room for development. Great sun and only a few minutes walk to the Octagon and onto the Hospital, Dental School and University. Rented at \$450pw.

\$479,000

 4-5  2  1



**PRIME CAMPUS**  
**93 Harrow Street**

Built in the 1990s this Premise includes a warehouse, showroom, office and amenities. Zoned Industrial 2. Returns a net rental income of \$30,000pa plus GST, on a 3yr lease (plus right of renewal). With a land area of 504m<sup>2</sup>, there is potential for development (with resource consent). Within close proximity to Forsyth Barr Stadium, Uni and Polytechnic.

\$475,000

 OSP



**PRIME CAMPUS**  
**179A Dundas Street**

Very tidy Campus flat - stand alone and elevated for good sun and views over Logan Park. Four good bedrooms and open plan living. Rented at \$500pw until end of year. An easy let at letting time with great prospects for future rental increases and capital gain or ideal for son/daughter at University or Polytech next year.

\$375,000 - 7%

 4  2  OSP



**City Rise**  
**153 Maitland Street**

Four bedroom rental property along with a fully renovated self-contained studio unit underneath. The spacious house has great views from the kitchen/living area. Heat pump for all year comfort. Advertised at \$370pw. The downstairs studio is light and airy. Rented at \$185pw.

\$334,000 - 8.3%

 5  2  1 + OSP



**PRIME CAMPUS**  
**6 Howe Street**

This solid brick bungalow is located a short walk to facilities and a stone's throw to popular eateries. Rented to four students for 2015 at \$420pw gives you plenty of scope to renovate and add value. Won't last long so be in quick!

\$318,000 - 6.9%

 3  1



**PRIME CAMPUS**  
**128 Forth Street**

Perched on top of Forth Street overlooking Logan Park and the Stadium this popular four bedroom student flat would make a good addition to your portfolio or an ideal entry level starter. A handy location being only minutes to the Otago Polytechnic, Dunedin Teachers College and the University. Rented at only \$425 pw, gives you the potential for rental increases with an upgrade or spruce up.

\$315,000 - 7%

 4  1



**PRIME CAMPUS**  
**683B Castle Street**

Idea for kids at University or an easy care investment, this three bedroom cottage won't last long so be in quick. Modern kitchen and a good back yard for tenants to enjoy. Rented for 2015 at \$390 per week. A spruce up should increase rents.

\$299,000 - 6.8%

 3  1



**Gardens**  
**65B Opoho Road**

This character bungalow is located within walking distance to the University, Polytechnic, supermarket, shops and cafes at the Gardens. Featuring five double bedrooms, two showers and a modern kitchen with dishwasher. This property is showing very good returns and is fully let until 31<sup>st</sup> December 2015.

\$289,000

 5  2  OSP



**North East Valley**  
**43 Chambers Street**

Four large bedrooms plus a brand new sleepout (2013). Open plan living/kitchen with a dishwasher. Two heat pumps, underfloor and ceiling insulation and a HRV system. Large basement storage area. Rented at \$300pw for 2015. Only a few minutes' walk to the Garden's shopping precinct and onto University.

\$285,000

 5  1

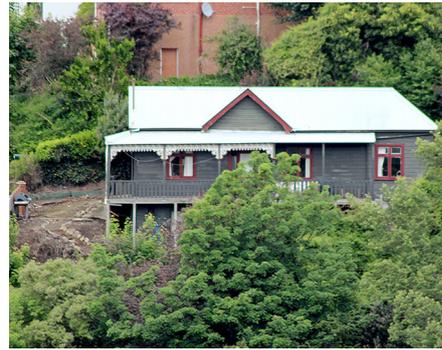


**Mornington  
9 Patrick Street**

This tidy villa is split into two flats. A nicely renovated two bedroom flat in the front rented at \$260 per week. The rear one bedroom flat has a long term tenant paying \$185 per week. Large spacious rear yard completes this investment opportunity.

**\$279,000 - 8.3%**

 3  2  OSP



**Fringe Campus  
160 Queen Street**

Looking for first investment or flat for your children whilst at University. Tidy four bedroom villa. Elevated for great sun and amazing views over North Dunedin. Includes heat pump and all whiteware. Great chance to enter the market. Rented at \$396 per week.

**\$265,000 - 7.8%**

 4  1



**Central City  
1/93 Filleul Street**

Located in the Central Business precinct and only minutes' walk to the Hospital, Medical School, Dental School and University, this brand new unit consists of one bedroom, tiled bathroom with under floor heating, and open plan living that opens onto an outdoor patio area. Fully furnished with quality fixtures, fittings and chattels. Rented at \$335pw, plus \$25pw for carpark.

**By Negotiation**

 1  1



**Considering selling?**  
**We have buyers waiting in all price ranges.**



**North East Valley  
41 Chambers Street**

Freshly painted throughout and elevated to receive good sun. Three bedrooms plus sleep out. Heat pump and HRV system. Great deck overlooking the Gardens area. Rented for 2015 at \$340pw. Only a short walk to the Gardens' shopping centre.

**\$220,000 - 8%**

 4  1



**PRIME CAMPUS  
102 Dundas Street**

Owner has given clear instructions to sell! Literally right on Campus and only minutes' walk to most faculties. Three double bedrooms, separate living, small rear court yard. Rented at \$285pw. If you are looking for an entry level investment, something to add value too, then this could be for you.

**By Negotiation**

 3  1



**PRIME CAMPUS  
78 Dundas Street**

Four bedroom terrace house with modern kitchen and heat pump. Tidy condition throughout (painted and re-carpeted two years ago). Small courtyard at rear. An opportunity to get in the market at an affordable level. Only a few minute's walk to all faculties. Advertised at \$340 per week.

**\$209,000 - 8.5%**

 4  1



**PRIME CAMPUS  
76 Dundas Street**

Four bedroom terrace house, open plan kitchen/living with heat pump tidy condition throughout. Small courtyard at rear. An opportunity to get in the market at an affordable level. Only a few minute's walk to all faculties. Rented at \$320pw for 2015.

**\$205,000 - 8.1%**

 4  1



**City Rise  
15 Melville Street**

Located minutes' walk to the CBD this terraced two storey investment is split into two one bedroom flats. Both flats recently painted throughout and both have modern kitchens. Downstairs rented for \$230pw and upstairs rented at \$200pw. Rental of \$22,360pa. Get your foot on the investment ladder with this entry level investment.

**\$199,000 - 11.2%**

 2  2



**Gardens  
41c North Road**

Low maintenance one bedroom unit with carpark. Ideally located right in the heart of the Gardens shopping precinct. Very tidy and well presented. Rented at \$240 per week.

**\$195,000 - 6.4%**

 1  1  OSP

**For further listings go to our website; [www.propertyinvestments.net.nz](http://www.propertyinvestments.net.nz)**