

PROPERTY INVESTMENT UPDATE

ISSUE 64 | MARCH 2018



Edinburgh
Realty

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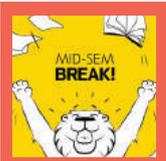
LANE SIEVWRIGHT
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Assisting vendors/investors since 2003

IMPORTANT DATES...



30 March 2018
Mid-semester break begins



9 April 2018
First semester resumes



6 June 2018
First semester exams begin
20 June 2018
First semester exams end



9 July 2018
Second semester begins

Welcome to our 64th investment update...

For those who have one or two flats, or have their flats managed, we hope you all found time over the break to make the most of what has been the best summer since 1934! For those of us with a few more flats who just can't let go doing everything ourselves the still do lists, are hopefully getting a little shorter.

From our own real estate perspective the days of both of us (used to be three) getting away during the break are long gone. Enquiry continued right through the holiday period resulting in \$13.3 million in sales for the quarter, that's \$1 million per week for 13 weeks. It's fair to say the student investment market is alive and well. Of these 25 sales, 19 were on campus. Of our 55 sales across campus for the last year, 7 were above \$1 million and 33 above \$500,000. In considering who's listing and who's buying, 61% of activity came from Dunedin investors, 14% North Island, 17% balance of South Island and 8% from overseas. It's worth noting the 8% is made up of 2 buyers, 8 vendors ie. 2.8% of buyers are from overseas. This number is historically around 4%. In the \$1 million + sales, 5 buyers were from Dunedin and one each from Wanaka and Auckland.

Since the Osaki, Court of Appeal case the landscape for tenant liability for damages has changed - we believe in favour of the tenant. As a result of that case the Tenancy Tribunal has issued Practice Note 2016/1 - Tenant Liability for Damages.

Very briefly: (1) The landlord must first establish damage exceeds fair wear and tear. (2) The tenant must show it wasn't intentional. This year where damage has occurred with our own flats (albeit minimal), tenants and parents

are calling the bond advice line and coming back to us with - "we didn't do it intentionally". It is not easy for a landlord to establish damage was caused intentionally. (3) Where it is established the damage was careless and the landlord has insurance - the tenant is home free, plus the landlord can't claim the insurance excess against the tenant. (4) If the damage is intentional, the tenant does not have the benefit of the landlords insurance and compensation can be awarded. If damage is caused by events listed in 268 (1)(a) of the Property Law Act 2007, the landlord has to establish the damage was caused intentionally or by an act or omission (they didn't tell you), by the tenant caused insurance to be irrecoverable.

With current insurance policies "gradual" damage is usually covered, but it has to be hidden ie. a leaking pipe in a wall not a leaking shower tray that is clearly creating ongoing further damage and can be seen. We suggest landlords should be aware of the Court of Appeal of NZ Osaki case (CA 654/2014 [2016] NZCA 130). Read the Tenancy Tribunal Practice Note 2016/1 - Tenant Liability for Damages, The Property Law Act 2007 Sections 268, 269, 270 and The Residential Tenancies Act 1986 Section 40.

If you choose your tenants wisely damage might never be a problem. Even if you don't envisage being in a damage argument the above information in a file could be very useful if negotiating with a tenant or going online with an application to the Tenancy Tribunal. We can email you a copy of these if required.

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RECENTLY SOLD



17 ETHEL BENJAMIN PL, CAMPUS

🏠 5 🍳 5 🚗 OSP

SALE PRICE \$1,200,000
YIELD 7.1% gross
VENDOR Dunedin
PURCHASER Dunedin



58 GRANGE ST, CAMPUS

🏠 5 🍳 5 🚗 OSP

SALE PRICE \$1,200,000
YIELD 7.1% gross
VENDOR Dunedin
PURCHASER Dunedin



25 CLYDE ST, CAMPUS

🏠 8 🍳 8 🚗 OSP

SALE PRICE \$1,180,000
YIELD 9.2% gross
VENDOR Dunedin
PURCHASER Dunedin



62 MANOR PL, CITY

🏠 10 🍳 5 🚗 OSP

SALE PRICE \$765,000
YIELD 7.9%
VENDOR Australia
PURCHASER Dunedin



188 CARGILL ST, CITY

🏠 7 🍳 2

SALE PRICE \$580,000
YIELD Vacant
VENDOR Dunedin
PURCHASER Tauranga



181 LEITH ST, CAMPUS

🏠 5 🍳 1

SALE PRICE \$549,000
YIELD 6.6%
VENDOR Dunedin
PURCHASER Dunedin



8/432 GREAT KING ST, CAMPUS

🏠 2 🍳 2 🚗 OSP

SALE PRICE \$549,000
YIELD To be constructed
VENDOR Dunedin
PURCHASER Dunedin



10/432 GREAT KING ST, CAMPUS

🏠 2 🍳 2 🚗 OSP

SALE PRICE \$549,000
YIELD To be constructed
VENDOR Dunedin
PURCHASER Central Otago



11/432 GREAT KING ST, CAMPUS

🏠 2 🍳 2 🚗 OSP

SALE PRICE \$549,000
YIELD To be constructed
VENDOR Dunedin
PURCHASER Auckland



12/432 GREAT KING ST, CAMPUS

🏠 2 🍳 2 🚗 OSP

SALE PRICE \$549,000
YIELD To be constructed
VENDOR Dunedin
PURCHASER Singapore



31 HERIOT ROW, CITY

🏠 6 🍳 3 🚗 OSP

SALE PRICE \$540,000
YIELD Vacant
VENDOR Thailand
PURCHASER Taupo



8 CONSTITUTION ST, CITY

🏠 4 🍳 2 🚗 1

SALE PRICE \$466,000
YIELD 5.6%
VENDOR Wellington
PURCHASER Dunedin



9 FRAME ST, N.E.V.

🏠 8 🍳 2 🚗 OSP

SALE PRICE \$438,000
YIELD 11.5% gross
VENDOR Australia
PURCHASER Wellington



96 DUNDAS ST, CAMPUS

🏠 5 🍳 1

SALE PRICE \$425,000
YIELD 5.5%
VENDOR Dunedin
PURCHASER New Plymouth



126 DUNDAS ST, CAMPUS

🏠 4 🍳 1

SALE PRICE \$407,500
YIELD 6.9%
VENDOR Dunedin
PURCHASER Timaru



158 QUEEN ST, CAMPUS

🏠 5 🍳 1

SALE PRICE \$388,000
YIELD 8.2%
VENDOR Dunedin
PURCHASER Dunedin



2/432 GREAT KING ST, CAMPUS

🏠 1 🍳 1 🚗 OSP

SALE PRICE \$369,000
YIELD To be constructed
VENDOR Dunedin
PURCHASER Dunedin



4/432 GREAT KING ST, CAMPUS

🏠 1 🍳 1 🚗 OSP

SALE PRICE \$369,000
YIELD To be constructed
VENDOR Dunedin
PURCHASER Oxford



68g CASTLE ST, CAMPUS

🏠 4 🍳 1

SALE PRICE \$349,000
YIELD 7.2%
VENDOR Dunedin
PURCHASER Dunedin



1/432 GREAT KING ST, CAMPUS

🏠 1 🍳 1

SALE PRICE \$349,000
YIELD To be constructed
VENDOR Dunedin
PURCHASER Invercargill



6/432 GREAT KING ST, CAMPUS

🏠 1 🍳 1

SALE PRICE \$349,000
YIELD To be constructed
VENDOR Dunedin
PURCHASER Dunedin



53 & 55 SERPENTINE AVE, CITY

🏠 6 🍳 2

SALE PRICE \$340,000
YIELD 8%
VENDOR Dunedin
PURCHASER Auckland



36 HOWE ST, CAMPUS

🏠 5 🍳 1

SALE PRICE \$335,000
YIELD Vacant
VENDOR Dunedin
PURCHASER Dunedin



10 CLYDE ST, CAMPUS

🏠 4 🍳 1

SALE PRICE \$299,000
YIELD 7%
VENDOR Dunedin
PURCHASER Wanaka

CURRENT LISTINGS



80K LONDON ST, CITY

🏠 2 🍳 1 🚗 1

SALE PRICE \$260,000
YIELD Vacant
VENDOR Dunedin
PURCHASER Wanaka



123 CARGILL ST, CITY

🏠 18 🍳 6 🚗 OSP

Cash flow, development or both
SALE PRICE By Negotiation
YIELD N/A
RENTAL \$2,930pw



323 HIGH ST, CITY

🏠 11 🍳 5

Cash flow is king!
SALE PRICE \$998,000
YIELD 10% gross
RENTAL \$1,901pw



Outline indicative only

25A LONDON ST, CITY

🛏️ 5 🚿 5 🚗 OSP

Superior Studio Accommodation

SALE PRICE \$920,000

YIELD Approx 7% nett (of costs)

RENTAL \$1,465pw



48 HOWE ST, CAMPUS

🛏️ 8 🚿 3

Large campus investment

SALE PRICE \$875,000

YIELD 7.4%

RENTAL \$1,240pw



142 LONDON ST, CITY

🛏️ 8 🚿 3

Refurbished Inner City investment

SALE PRICE \$769,000

YIELD 7.5%

RENTAL \$1,110pw



11 PARK ST, CAMPUS

🛏️ 8 🚿 2

Dual income investment

SALE PRICE \$749,000

YIELD 7.2%

RENTAL \$1,050pw



Outline indicative only

16 LONDON ST, CAMPUS

🛏️ 6 🚿 4

Superb location!

SALE PRICE \$695,000

YIELD 9.1% gross

RENTAL \$1,210pw



466A LEITH ST, CAMPUS

🛏️ 6 🚿 2

Easy to rent

SALE PRICE \$646,000

YIELD 7%

RENTAL \$870pw



466 LEITH ST CAMPUS

🛏️ 6 🚿 2 🚗 OSP

Investment with potential

SALE PRICE \$629,000

YIELD 7.2%

RENTAL \$870pw



466B LEITH ST CAMPUS

🛏️ 6 🚿 1 🚗 OSP

In the heart of campus

SALE PRICE \$609,000

YIELD 7%

RENTAL \$822pw



451 LEITH ST, CAMPUS

🛏️ 10 🚿 2 🚗 OSP

Popular campus flats

SALE PRICE \$609,000

YIELD 7.5% (after ground lease)

RENTAL \$1,270pw



787B GEORGE ST, CAMPUS

🏠 5 🚿 2

Quality purpose built

SALE PRICE \$575,000

YIELD 6.6%

RENTAL \$730pw

Outline indicative only



57 MORAY PL, CITY

🏠 5 🚿 2

Two Inner City apartments

SALE PRICE \$525,000

YIELD 7.1%

RENTAL \$720pw



4 HYDE ST, CAMPUS

🏠 5 🚿 1

What an opportunity!

SALE PRICE \$525,000

YIELD 6.93%

RENTAL \$700pw



3 LOVELOCK AVE, CAMPUS

🏠 4 🚿 2

Well located investment

SALE PRICE \$479,000

YIELD 6.5%

RENTAL \$600pw



19 DUCHESS AVE, CITY

🏠 5 🚿 2 🚗 OSP

Sensible investing

SALE PRICE \$439,000

YIELD 6.9%

RENTAL \$580pw



559 GEORGE ST, CAMPUS

🏠 5 🚿 1

Development project

SALE PRICE \$349,000

YIELD 6.3%

RENTAL \$425pw



10 & 12 JONES ST, CITY

🏠 8 🚿 2

Central City opportunity!

SALE PRICE By Negotiation

YIELD N/A

RENTAL \$250pw



139 ST DAVID ST, CAMPUS

🏠 4 🚿 1

Good Uni starter

SALE PRICE \$356,000

YIELD 7%

RENTAL \$480pw



93H QUEEN ST, CAMPUS

🏠 2 🚿 1 🚗 OSP

Seldom available

SALE PRICE \$269,000

YIELD 5.7%

RENTAL \$295pw

Outline indicative only

With current listings greater than space available, please go to our website www.propertyinvestments.nz

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