

PROPERTY INVESTMENT UPDATE

ISSUE 68 | MARCH 2019



Edinburgh Realty

Licensed under the Real Estate Agents Act 2008



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Assisting vendors/investors since 2003

IMPORTANT DATES...



19 April 2019

Good Friday - Mid semester
break begins



29 April 2019

First semester resumes



31 May 2019

Lectures cease before mid-year
examinations

19 June 2019

First semester exams end



8 July 2019

Second semester begins

Gardens/North East Valley/Leith Valley or to the South – City rise. If you have a property in these areas and have been thinking about cashing up – we have buyers waiting.

Money is still historically cheap to borrow and to that extent interest in listed properties has been high right across the board. Most sales end up as Deadline Sales with multiple offers after only 1-2 weeks of being worked, with many of the offers being cash (no conditions). It has become not uncommon to have 4-6 offers on a property with a difference of \$40,000 to \$70,000 from the lowest offer to the winning offer. Recently there was \$30,000 difference between the winning offer and the next closest offer. In another sale the difference was \$57,000. Huge differences, but not all buyers have the same specific requirements and don't sing from the same song sheet. Had these two properties gone to Auction (as a marketing method) they would most likely have sold for \$1000 more than the second highest offer i.e. the vendors would have received \$29,000 and \$56,000 less for their property.

A private home we sold only recently was marketed for 3 weeks as a Deadline sale with 26 inspections, 3 offers and a difference of \$36,000 between the top and second top offers. Had this been an auction the vendor would have lost \$35,000.

Welcome to our 68th investment update...

At the time of writing (6th March) our last year's observation at the same time pointed out the summer of 2017/2018 had been the best on record since 1934! Clearly that record has now been well and truly superseded.

Why do we care? - well apart from everyone liking warmer sunny weather our flats are being well ventilated with doors and windows wide open, clothes are being dried outside and there is no mold damage.

That's the good news – unfortunately there are dark clouds of envy on the horizon which could morph into a capital gains tax on investment properties sold after April 2021, effectively upgrading the current 5-year Bright-Line Test to a forever test. Like any long-term weather forecast, the dark clouds could just as easily dissipate or pass us by (but don't bet the house on it). Opinion and comment over the next month or so will be interesting.

Investing in rental property, making smart decisions, working hard and managing risks has its benefits and created substantial wealth for a lot of people. Unfortunately, our continued success has once again put us in the firing line as easy targets for revenue gathering.

Back to our knitting – We are pleased to report that interest and activity in the university investment market shows no signs of flattening out and is busier than it has been for some time. New build apartments have been popular with investors, parents buying for family use and to a lesser extent air bnb. \$1 million sales used to be rare. In the last year we have had 9 between \$1 million and \$3.17 million. While we have a large group of buyers looking in the \$350,000 - \$450,000 range, the reality is it is difficult to find something on prime campus at this level. These buyers will most likely need to (and are prepared to) purchase on the fringe i.e.



Proof of identity now required

If you've sold a property this year, you will be aware of the requirement to verify your identity.

The "Anti-Money Laundering and Counter Financing of Terrorism Act (2009)" was introduced to detect and limit the amount of money being laundered (cleaned) in New Zealand – estimated to be \$1.3 billion last year. Cleaning money through real estate transactions is only one of the commonly used methods of turning dirty money into clean money. Two simple examples are buying with dirty money, then selling and receiving clean money, or on lesser scale, signing a Sale and Purchase Agreement, paying a deposit then not confirming the sale. Dirty money into the real estate agencies trust account – clean money out.

We are not alone in requiring extra identity verification paperwork. Banks, Casinos and Financial Service Providers became subject to the "Act" requirements in 2013, while more recently (1 July 2018) lawyers and accountants were included.

There will be times when vendors are well known to the real estate agent and it will seem annoying to need to prove who you are, but from 1 January 2019 it's the law and is not optional.

So, what's required? If you are thinking about selling you will be required to provide (as an individual) either in person or as a certified document a Passport, NZ Firearms Licence or NZ Driver Licence with another document such as a bank statement or statement issued by a government agency. You will also need to provide a document with your residential address (for example a utility bill).

Your property is in a trust? – You guessed it. All trustees and settlors are treated as individuals, plus you will need the Trust Deed and information regarding the trusts source of funds or wealth. Additional information may also be required for beneficiaries and appointers. If your property is held in a "Company" it doesn't get any easier. The requirements for Real Estate Agencies are substantial. We're all in this together so best advice is to be prepared in advance.

SOLD SINCE LAST NEWSLETTER

\$17,221,000



Red outline indicative only. Drone photo taken from above the property

43 GRANGE ST, CAMPUS

🏠 7 🍳 7 🚗 OSP

SALE PRICE \$1,615,000
YIELD 6.6% nett
VENDOR Queenstown
PURCHASER Marlborough



542 LEITH ST, CAMPUS

🏠 11 🍳 4

SALE PRICE \$1,355,000
YIELD 6.75%
VENDOR Dunedin
PURCHASER Alexandra



255 RATTRAY ST, CITY

🏠 13 🍳 8 🚗 OSP

SALE PRICE \$1,075,000
YIELD 9.4% nett
VENDOR Dunedin
PURCHASER Waiheke Island



116 LEITH ST, CAMPUS

🏠 10 🍳 4 🚗 OSP

SALE PRICE \$1,055,000
YIELD 6.9%
VENDOR Rangiora
PURCHASER Dunedin



323 HIGH ST, CITY

🏠 11 🍳 5

SALE PRICE \$975,000
YIELD 8.5% nett
VENDOR Auckland
PURCHASER Auckland



56 BANK ST, N.E.V.

🏠 13 🍳 4 🚗 OSP

SALE PRICE \$935,000
YIELD 8%
VENDOR Dunedin
PURCHASER Wanaka



Drone photo taken from above the property

54 BANK ST, N.E.V.

🏠 12 🍳 4 🚗 OSP

SALE PRICE \$875,000
 YIELD 7.8%
 VENDOR Dunedin
 PURCHASER Ashburton



25 PARK ST, CAMPUS

🏠 7 🍳 2 🚗 1

SALE PRICE \$751,000
 YIELD 6.2% nett
 VENDOR Queenstown
 PURCHASER Auckland



64 QUEEN ST, CAMPUS

🏠 4 🍳 1

SALE PRICE \$647,000
 YIELD N/A
 VENDOR Dunedin
 PURCHASER Dunedin



2D FORTH ST, CAMPUS

🏠 6 🍳 2 🚗 OSP

SALE PRICE \$640,000
 YIELD 7.3%
 VENDOR Dunedin
 PURCHASER Tauranga



48 HERIOT ROW, CITY

🏠 7 🍳 2

SALE PRICE \$639,000
 YIELD 8.1%
 VENDOR Queenstown
 PURCHASER Dunedin



Street view of complex

5/543 GEORGE ST, CAMPUS

🏠 6 🍳 2 🚗 OSP

SALE PRICE \$620,000
 YIELD 6.7%
 VENDOR Dunedin
 PURCHASER Dunedin



Artistic impression only
 Red outline indicative only

21/97 FILLEUL ST, CITY

🏠 2 🍳 2 🚗 OSP

SALE PRICE \$600,000
 YIELD N/A
 VENDOR Oamaru
 PURCHASER Dunedin



466 LEITH ST, CAMPUS

🏠 6 🍳 2 🚗 OSP

SALE PRICE \$575,000
 YIELD 8%
 VENDOR Dunedin
 PURCHASER Australia



466A LEITH ST, CAMPUS

🏠 6 🍳 2 🚗 OSP

SALE PRICE \$575,000
 YIELD 8%
 VENDOR Dunedin
 PURCHASER Australia



466B LEITH ST, CAMPUS

🏠 6 🚿 1 🚗 OSP

SALE PRICE \$550,000
YIELD 7.9%
VENDOR Dunedin
PURCHASER Australia



21 HENRY ST, MAORI HILL

🏠 3 🚿 1 🚗 OSP

SALE PRICE \$475,000
YIELD N/A
VENDOR Ashburton
PURCHASER Oxford



106B QUEEN ST, CAMPUS

🏠 4 🚿 2 🚗 OSP

SALE PRICE \$475,000
YIELD 6.6%
VENDOR Auckland
PURCHASER Dunedin



106C QUEEN ST, CAMPUS

🏠 4 🚿 2 🚗 OSP

SALE PRICE \$475,000
YIELD 6.6%
VENDOR Auckland
PURCHASER Dunedin



106A QUEEN ST, CAMPUS

🏠 4 🚿 2 🚗 OSP

SALE PRICE \$469,000
YIELD 6.65%
VENDOR Auckland
PURCHASER Dunedin



22 ARDEN ST, N.E.V.

🏠 6 🚿 2 🚗 OSP

SALE PRICE \$455,000
YIELD 7.5%
VENDOR Dunedin
PURCHASER Australia



74 LECKHAMPTON CRT, THE GLEN

🏠 3 🚿 2 🚗 OSP

SALE PRICE \$391,000
YIELD N/A
VENDOR Dunedin
PURCHASER Dunedin



11 GLENCAIRN ST, N.E.V.

🏠 5 🚿 1 🚗 1

SALE PRICE \$380,000
YIELD 6.4%
VENDOR Wellington
PURCHASER Pukekohe



50 WOODHAUGH ST, WOODHAUGH

🏠 3 🚿 1 🚗 OSP

SALE PRICE \$319,000
YIELD N/A
VENDOR Dunedin
PURCHASER Dunedin

CURRENT LISTINGS



38 MECHANIC ST, N.E.V.

🛏️ 4 🚿 1 🚗 1

SALE PRICE \$300,000
YIELD 5.4%
VENDOR Ashburton
PURCHASER Auckland



Outline indicative only Drone photo taken from above the property

530 LEITH ST, CAMPUS

🛏️ 30 🚿 10 🚗 OSP

Your retirement scheme
SALE PRICE \$2,895,000
YIELD 8.1% gross
RENTAL \$4,530pw



Drone photo taken from above the property Red outline indicative only

27 ANZAC AVE, CITY

🛏️ 13 🚿 4 🚗 OSP

Your super scheme starts here!
SALE PRICE \$1,399,000
YIELD 7.25%
RENTAL 1,950pw



22 & 24 STAFFORD ST, CITY

Development opportunity
SALE PRICE Deadline Sale
YIELD N/A
LEASE \$161,230pa + GST



Drone photo taken from above the property

142 CARGILL ST, CITY

🛏️ 10 🚿 3 🚗 OSP

Most works been done!
SALE PRICE Deadline Sale
YIELD N/A
RENTAL \$1,360pw



50A HAZEL AVE, CORSTORPHINE

Great development site
SALE PRICE By Negotiation
YIELD N/A
RENTAL N/A



Red outline indicative only

2C FORTH ST, CAMPUS

🛏️ 6 🚿 2 🚗 OSP

Superb purpose built investment
SALE PRICE \$659,000
YIELD 7.1%
RENTAL \$900pw



41 GLADSTONE RD, CAMPUS

🛏️ 8 🚿 2

Large student investment
SALE PRICE \$629,000
YIELD 6.9%
RENTAL \$840pw



Drone photo taken from above the property

311 RATTRAY ST, CITY

🛏️ 4 🚿 2 🚗 OSP

Superbly renovated! Central location!
SALE PRICE Deadline Sale
YIELD N/A
RENTAL \$600-\$650pw



Red outline indicative only

6B COSY DELL RD, CAMPUS

🛏️ 4 🚿 2 🚗 OSP

Modern campus apartments

SALE PRICE \$459,000

YIELD 6.6%

RENTAL \$580pw



Red outline indicative only

6C COSY DELL RD, CAMPUS

🛏️ 4 🚿 2 🚗 OSP

Modern campus apartments

SALE PRICE \$459,000

YIELD 6.6%

RENTAL \$580pw



Drone photo taken from above the property

157 QUEEN ST, CAMPUS

🛏️ 5 🚿 2

Spacious student villa

SALE PRICE \$450,000

YIELD 6.8%

RENTAL \$590pw



28A MACLAGGAN ST, CITY

🛏️ 2 🚿 1 🚗 OSP

Inner City living/investment

SALE PRICE Deadline Sale

YIELD N/A

RENTAL \$380pw



4 RUSSELL ST, CITY

🛏️ 3 🚿 1

Inner City brick and tile

SALE PRICE Deadline Sale

YIELD N/A

RENTAL N/A



Red outline indicative only Drone photo taken from above the section

37 BERNARD ST, KENMURE

Large Kenmure section

SALE PRICE Deadline Sale

YIELD N/A

RENTAL N/A



Red outline indicative only Drone photo taken from above the section

41 BERNARD ST, KENMURE

Affordable section

SALE PRICE Deadline Sale

YIELD N/A

RENTAL N/A



19 CLARK ST, CITY

Car park investment

SALE PRICE \$69,000

YIELD 7.1% nett

RENTAL \$100pw



We have buyers looking for property to purchase in the \$200,000 - \$500,000 price range.

If you are thinking of selling, feel free to give us a call for a no obligation chat and market appraisal.

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

While every effort is made to ensure accuracy of the information and opinion herein, no liability is accepted for any error and clients are advised to seek independent advice before making decisions to sell or purchase. Comments and observations made herein are solely the opinion of the writer and should not be taken as professional financial advice. (We are not certified Financial Planners).