

a fresh approach to... PROPERTY MANAGEMENT

June 2008

Your Rentals Team

Your Rentals Team Manager

Professionals is the largest housing provider in Lower Hutt. We find new rental homes for over 80 families per month on average.



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Your Property Investment Consultant

Helping you to become a property investor, rather than a landlord.



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Your Property Managers

Specialist Property Managers focus on your needs. They successfully manage your investment properties so you can remain worry free!



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Your Letting Consultants

Letting consultants work with your property manager & prospective tenants to ensure that only the most suitable tenant is found for you.



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HEATING - WHAT'S HOT AND WHAT'S NOT

With winter here, now is a good time to think about ways to keep your house warm. Not only will you stay healthier by choosing an energy-efficient option you might even avoid wrecking the planet.

The days of a roaring fire or permanently on electric heaters are receding in these environmentally aware times. Now it's all about sustainable energy use.

"We always advocate that, when purchasing a heater, people look for labels that enable them to purchase the highest efficiency heaters," says Robert Tromop, Monitoring and Technical Manager for the Energy Efficiency Conservation Authority (EECA).

There's also little point buying a heater if your house has the insulation of a 19th century wooden shack. "Think of insulation as a heater that uses no fuel. You want to heat your home, not the street."

Here are some popular heating options:

WOOD FIRES

Open fires are so last century and their smoke is one of the main causes of air pollution.

Nelson City Council banned all open fires in the city from January 1 and councils in Napier & Hastings may follow suit over the next few years.

But Kiwis like their open fires. A recent poll of 500 people found 77 per cent were against a ban on open wood fires.

They use more fuel than necessary to produce heat, and most of the warmth goes up the chimney. Still, you can't beat a roaring fire and a nice glass of pinot noir.

WOOD BURNERS

Modern and efficient wood burners are an entirely different kettle of fish from open fires. Some of them put out double or triple the heat of a heat pump and can warm up an entire home rather than just the room they're in.

If you connect an efficient wetback system to your wood fire, you can make a big cut into your water heating bills.

There are tougher rules on emission standards that wood burner makers have to meet. The NZ Home Heating Association counters environmental criticisms of burning wood by pointing out it is a renewable resource (some 30% of our electricity

generation involves burning fossil fuels), and argues that when wood is burnt, it produces the same amount of carbon as if it was left on the ground to decompose.

RADIANT ELECTRIC HEATER

Bar heaters heat objects and people rather than air, so can be useful for spot heating.

However, electric heaters are fairly expensive to run for the heat they produce.

They can be a fire risk and are dangerous to children.

HEAT PUMPS

Heat pumps are among the most efficient ways of heating your home. They take heat from the air outside and deliver warm air inside, like a refrigerator in reverse.

"They are the only heating device that actually gives out more heat output for the energy that goes into them," says Mr Tromop.

But though a heat pump might save you money on your heating bill, they can be expensive to install, costing up to \$5,000.

PORTABLE GAS HEATERS

Gas heaters were all the rage a few years ago. But the amount of

moisture they pump out has people thinking twice before buying one.

The price of gas has also increased, meaning they are not a cheap option any more.

EECA recommends using a flued gas heater with a vent to the outside.

BUILT-IN GAS

More efficient than portable heaters but also much more expensive to install. The Gas Association of New Zealand points to benefits such as instant heat, allows precise control and immediate results and can deliver a power output far greater than electricity's standard 2.2kW and you still get the flame effect.

WOOD-PELLET BURNERS

Similar to an open fire, wood-pellet burners chew their way through little nuggets of compressed sawdust and wood shavings.

Pellet burners are very efficient, emitting just 0.7 grams of fine particle soot for every kilogram of fuel burnt.

This is less than the cleanest wood burner, which produces about 1g of soot. Watching the little pellets tumble into the flames provides hours of entertainment on those long winter nights.



"that's refreshing"

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MEET TIHAN AND SHIVON ROOS

RENTALS LETTING CONSULTANTS

"With vibrant and approachable personalities, Tihan and Shivon are proud members of the Professionals Rentals team.



They immigrated to New Zealand from South Africa more than 5 years ago. They are both letting consultants for Professionals and relish the challenge of finding the most suitable property for tenants. They especially love helping other migrants get settled into New Zealand and really understand the immigration process and criteria having gone through it themselves.

Tihan has always enjoyed real estate and has even completed a salespersons course. He keeps up-to-date on both sale prices and rental prices, which

aids him in his work and he also knows Lower Hutt like the back of his hand. Shivon loves meeting and interacting with a wide variety of people and she says the best part of her job is handing over the keys to someone's new home and wishing them luck with the big move. Their hardworking, enthusiastic approach will lead to fantastic results within a minimal timeframe and a stress-free experience for all their clients.

Tihan has been a DJ for over 15 years and in his free time enjoys DJing at parties. They both enjoy getting to know New Zealand over the weekends and love site-seeing and tramping as well.

If you want ethical, honest professionals helping you find a rental property then contact Tihan and Shivon and discover what many others have found to be a refreshing approach to real estate.

IS NOW THE RIGHT TIME TO BUY?

Over the past few months I've had several people ask me if they should consider selling their home and purchasing a new one in the current market. I always tell them the same answer: if you're selling and buying in the same market, generally you can't go wrong. I understand that no one wants to sell their home for less than they paid, but if the price of your home has gone down, chances are, all the others have gone down as well and your money will now go further! Let's look at some individual cases:

TRADING UP

The Johnson's paid \$330,000 for their home a couple years back, but with the addition of a new family member, they are finding it's too cramped and need a bigger place. The home they first looked at several years back but couldn't afford was then selling for \$550,000, which was a difference of \$220,000. Let's say the market dropped by 10%. Their current home will sell for \$300,000 while the home they first wanted is selling for \$500,000. The difference is now only \$200,000 saving them \$20,000 and putting their dream home within reach.

INVESTORS

Often, investors make the mistake of following the 'herd mentality', which states if everyone is doing it, it must be a good time. In actuality, it's the

complete opposite! If they've caught the bandwagon and joined in the action, it usually means they've caught on too late. In the current market, less investors out looking for properties means there are some really good bargains to be had and less competition for each property.

FIRST TIME BUYERS

Mike and Shelly were disappointed two years ago when house-hunting. They were frustrated with the lack of choice and every time they liked a home enough to put in an offer they were always beaten by someone who had more money or a bigger deposit. So, they continued to rent and save up their deposit. Now when looking through the papers, they find there's a lot of choice and more in their price range as prices have gone down a bit. Their rent was just increased for the second time this year and they can't wait to buy their own home and stop paying someone else's mortgage.

So, as you can see, there's ample opportunity out there. If you have been waiting to buy a property, now's the time to act. While no one can predict what the market will do in the immediate future, history shows us that flat spots in the market are always followed by growth and that everyone says "I wish I had bought back then". Now is your chance, what are you doing about it?

RENTAL STATISTICS

Rental Returns for May 2008

	Bedrooms	Median Rent	Rent Range lowest - highest	% Change from April 07	No. Let
HUTT VALLEY					
Northern Lower Hutt	1	\$170	\$125 - \$186	31%	11
	2	\$265	\$246 - \$297	11%	19
	3	\$330	\$300 - \$371	18%	33
	4	\$375	\$373 - \$402	9%	5
Southern Lower Hutt	1	\$185	\$170 - \$200	3%	31
	2	\$290	\$255 - \$340	12%	45
	3	\$380	\$350 - \$420	9%	30
	4	\$480	\$420 - \$600	3%	9
Wainuiomata	1	n/a	n/a	n/a	0
	2	\$230	\$220 - \$250	10%	15
	3	\$290	\$281 - \$315	5%	19
	4	\$360	\$335 - \$383	n/a	5
Upper Hutt	1	\$155	\$138 - \$178	29%	5
	2	\$220	\$192 - \$232	16%	36
	3	\$320	\$293 - \$360	7%	49
	4	\$475	\$430 - \$500	22%	6
WELLINGTON					
Khandallah/Ngaio	1	\$250	\$200 - \$288	18%	11
	2	\$340	\$295 - \$380	13%	22
	3	\$457	\$422 - \$575	20%	24
	4	\$552	\$450 - \$620	2%	14
Karori/Kelburn	1	\$245	\$220 - \$310	23%	10
	2	\$330	\$270 - \$358	10%	15
	3	\$450	\$381 - \$549	7%	23
	4	\$470	\$405 - \$582	4%	9
Wellington Central	1	\$223	\$217 - \$298	-21%	298
	2	\$440	\$354 - \$518	6%	123
	3	\$497	\$450 - \$580	-4%	42
	4	\$550	\$430 - \$600	2%	15
Haitaitai/Brooklyn	1	\$220	\$162 - \$253	4%	35
	2	\$320	\$282 - \$363	3%	55
	3	\$460	\$420 - \$515	10%	43
	4	\$550	\$485 - \$600	11%	14
Kilbirnie/Island Bay	1	\$230	\$200 - \$260	5%	30
	2	\$320	\$285 - \$380	8%	31
	3	\$430	\$378 - \$497	5%	27
	4	\$620	\$595 - \$855	n/a	5
Miramar	1	n/a	n/a	n/a	0
	2	\$340	\$295 - \$397	14%	9
	3	\$450	\$412 - \$562	13%	17
	4	n/a	n/a	n/a	0
JOHNSONVILLE-PORIRUA					
Johnsonville/Tawa	1	\$235	\$125 - \$250	31%	10
	2	\$290	\$260 - \$312	4%	32
	3	\$370	\$345 - \$400	9%	52
	4	\$500	\$425 - \$550	21%	10
Porirua	1	n/a	n/a	n/a	0
	2	\$230	\$212 - \$270	-10%	8
	3	\$297	\$260 - \$330	14%	40
	4	\$477	\$350 - \$500	19%	14

Median rent - The middle value when all of the weekly rents are placed in order of value. The median is a better indicator of rents in the middle of the range than the average rent figure, as the average can be influenced by one or two rentals that are extremely high or low

SOURCE: Tenancy Services Bond Centre.

These statistics are derived from information gathered from bonds lodged at the Department of Building and Housing. The results may not be a true indication of the rental market, because they only reflect properties where bonds are lodged at the Department of Building and Housing. The data has been produced to show recent market rents for non-government owned properties for which the Department of Building and Housing holds information.