

# LETTING IT OUT!



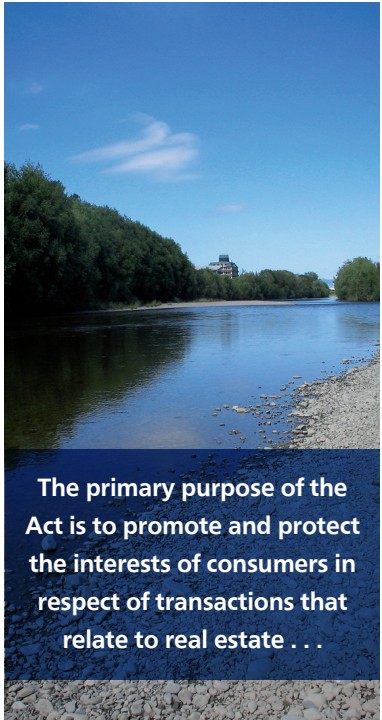
## Changes in the Real Estate Agents Act 2008

The Real Estate Agents Act 2008 came into force late last year. The primary purpose of the Act is to promote and protect the interests of consumers in respect of transactions that relate to real estate and to promote public confidence in the performance of real estate agency work.

As a company, we were one of the first in New Zealand to start planning for this change and provided guidance to many agencies regarding developing policies and procedures as required by the Act.

One of the key changes affecting property management is that property management has been omitted from the legislation and therefore is no longer governed by the Act's principles. In this regard, property management companies who were registered as members of the Real Estate Institute of New Zealand are now no longer required to have the same checks and balances that they have had. Here at Professionals, Oxygen Property we believe that regardless of this change, we will continue to operate under the same accountability and transparencies as we always have.

The change in the Real Estate Agents Act therefore will not affect our business operations nor should it affect your confidence in our processes and procedures. Although we are no longer required to hold funds in a Trust account we have chosen to still do so. As a business committed to service excellence, we believe that it is a safety aspect for our clients to continue to have the same best practice principles as we always have.



The primary purpose of the Act is to promote and protect the interests of consumers in respect of transactions that relate to real estate . . .

Professionals, Oxygen Property Limited, Helping you to become a property investor, rather than a landlord.  
Vesna Wells Manager, 587 0947

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Your Letting Consultants

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

## Tax and Residential Property - What are the implications?

To the unwise and uninformed residential rental property may seem like the ultimate quick and easy investment. But it's not. Unlike passive investments such as shares or bonds, rental property requires specialist knowledge and not just finance, but equity, time and the willingness to take a risk. Property is a business.

The common misconception is that rental property enjoys significant tax advantages. As a result it's being unfairly targeted by the government, who's driven to changing New Zealander's investing habits by removing building depreciation tax and forcing owners to ring-fence losses. The government believes that removing the current depreciation expense deduction will save up to \$150m a year. What has not been reported is that any changes to the taxing of rental property will have serious flow-on affects and more than likely demand government investment in excess of \$150m in other areas.

So what are some of the potential ramifications?

- 1) Contrary to the stereotype, not all rental property owners are rich property tycoons. All investors start small and in most cases they're simply forward thinking mums and dads looking to not solely rely on the government in their retirement. If these investors are to pay further tax, they may well end up asking for greater government support down the track.
- 2) With an increase in the tax on rental property the amount of rental accommodation is likely to reduce, rents will increase and lower income households will bear the brunt of it. Tenants unable to afford the market rent will look to social services and the government's increased spending on the accommodation supplement benefit could well be in excess of the revenue any additional tax might bring.

3) Further to this, increases in tax means landlords will have less to spend on their properties. This is not something the building supplies industry want to hear - and it would do nothing to stimulate spending and economic recovery. Perhaps the government would be better off encouraging regular spending on rental property improvements.

Add to this the fact that the proposed tax changes may bring increased compliance costs and complexity, mortgagee sales and the potential for situations of negative equity and anyone can see that the implications are far and wide.

What's clear is that any changes to the tax system need to be thought out across the board. The government will have to adopt a tax approach that ensures all investments are treated equally and continue to support investment in rental property - ensuring rental property continues to be a smart investment for savvy individuals.

# Meet Jenny Burns

## Letting Consultant - Lower Hutt



Jenny has worked with the Professionals for over 17 years. She started in Stokes Valley as a part time administrator and moved to Lower Hutt as a full time letting consultant when the Stokes Valley office closed. She has built up a great reputation where landlords and tenants keep

coming back for her great service in letting properties.

Jenny has completed a Sales Persons Course and won three awards for services in property management. She has lived in Lower Hutt her whole life so she has a great understanding of the property industry.

In Jenny's spare time she likes to get out of the office and into the fresh air with her son's dog Lexie. Jenny likes to walk over the hills in Lower Hutt, along the river or over the hills in Wellington. She also enjoys reading and cooking, especially baking.

Jenny has been an integral part of the company's growth. She is a great team member and is very well regarded by her colleagues and peers.

## Autumn Property Tips

**Autumn is the perfect time to get outside and clean up your exterior and section, as well as preparing your property for the cooler months ahead.**

- \* Clean up your flower garden by removing all the dead flowers and vines.
- \* Clean out the gutters, but wait until all the leaves have dropped. Check for leaks and any wear and tear and fix this before winter hits. This will help ensure your gutters are up to the task when the rain arrives.
- \* Check tree branches and lightly trim any that are close to the house. Too much trimming at this time of year can damage trees, so just do enough to keep the branches out of reach over winter.
- \* Stake any newly-planted trees to help them get through their first winter.
- \* Winter gives cuttings and leaves a chance to break down and produce nutrient-rich compost, which will be ready for boosting the garden in the spring. Now is also a really good time to turn your compost heap. It will heat up nicely and then gently rot over winter.
- \* Wash your windows inside and especially outside. The summer can be just as harsh on windows as the winter. Don't wait until spring to give your whole house a brighter outlook by washing your windows.
- \* Before you store your outdoor furniture and children's outdoor toys, wash them off and cover them in plastic if possible.



## Rental Statistics

### Rental Returns for February 2010

	Bedrooms	Median Rent	Rent Range lowest - highest	% Change from Feb 09	No. Let
<b>HUTT VALLEY</b>					
Northern Lower Hutt	1	n/a	n/a	n/a	0
	2	\$277	\$265 - \$295	5%	12
	3	\$335	\$295 - \$356	6%	25
	4	n/a	n/a	n/a	0
Southern Lower Hutt	1	\$190	\$180 - \$210	3%	12
	2	\$290	\$270 - \$320	1%	30
	3	\$375	\$335 - \$445	1%	20
	4	\$470	\$422 - \$533	2%	7
Wainuiomata	1	n/a	n/a	n/a	0
	2	n/a	n/a	n/a	0
	3	\$300	\$280 - \$302	3%	13
	4	n/a	n/a	n/a	0
Upper Hutt	1	n/a	n/a	n/a	0
	2	\$230	\$210 - \$250	7%	13
	3	\$320	\$290 - \$350	3%	18
	4	n/a	n/a	n/a	0
<b>WELLINGTON</b>					
Khandallah/Ngaio	1	\$280	\$220 - \$300	21%	10
	2	\$355	\$320 - \$390	18%	12
	3	\$475	\$425 - \$550	4%	21
	4	\$635	\$560 - \$750	19%	10
Karori/Kelburn	1	\$242	\$140 - \$285	10%	10
	2	\$345	\$335 - \$382	-6%	17
	3	\$450	\$412 - \$500	1%	16
	4	\$580	\$490 - \$650	5%	14
Wellington Central	1	\$298	\$255 - \$367	3%	73
	2	\$440	\$390 - \$500	0%	118
	3	\$535	\$468 - \$620	3%	45
	4	\$665	\$587 - \$692	11%	25
Haitaitai/Brooklyn	1	\$255	\$230 - \$300	4%	28
	2	\$355	\$305 - \$415	1%	40
	3	\$460	\$418 - \$520	2%	37
	4	\$580	\$542 - \$607	4%	15
Kilbirnie/Island Bay	1	\$250	\$205 - \$267	0%	23
	2	\$355	\$320 - \$400	1%	22
	3	\$440	\$400 - \$522	5%	20
	4	\$675	\$555 - \$701	26%	7
Miramar	1	n/a	n/a	n/a	0
	2	\$350	\$270 - \$505	8%	9
	3	\$445	\$410 - \$520	-9%	12
	4	n/a	n/a	n/a	0
<b>JOHNSONVILLE-PORIRUA</b>					
Johnsonville/Tawa	1	\$135	\$125 - \$177	-33%	5
	2	\$300	\$280 - \$330	7%	26
	3	\$350	\$332 - \$408	-10%	27
	4	n/a	n/a	n/a	0
Porirua	1	n/a	n/a	n/a	0
	2	\$265	\$214 - \$305	-2%	9
	3	\$320	\$273 - \$355	7%	21
	4	n/a	n/a	n/a	0

**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. All values are rounded to the nearest whole figure.

**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.