

**Edinburgh** Realty

Licensed under the Real Estate Agents Act 2008

# PROPERTY INVESTMENT

# **UPDATE**

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**LANE SIEVWRIGHT** 021 526 366

**CLAYTON SIEVWRIGHT** 021 191 5555

Assisting vendors/investors since 2003

### IMPORTANT DATES...



#### 19 April 2019

break begins





31 May 2019 Lectures cease before mid-year examinations

19 June 2019

First semester exams end



## 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 Clearly that record has now been well and truly superseded.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 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.

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.



#### 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.

## D SINCE LAST NEWSLETTER



#### 43 GRANGE ST, CAMPUS







SALE PRICE \$1.615.000 YIFI D 6.6% nett **VENDOR** Queenstown PURCHASER Marlborough

### 542 LEITH ST, CAMPUS



SALE PRICE \$1,355,000

YIFI D 6.75% **VENDOR** Dunedin PURCHASER Alexandra

## \$17,221,000



#### 255 RATTRAY ST, CITY



SALE PRICE \$1,075,000

YIFI D 9.4% nett **VENDOR** Dunedin

**PURCHASER** Waiheke Island



#### 116 LEITH ST, CAMPUS







SALE PRICE \$1,055,000

**YIELD** 6.9%

**VENDOR** Rangiora

PURCHASER Dunedin



#### 323 HIGH ST, CITY





SALE PRICE \$975,000 YIFI D 8.5% nett VFNDOR Auckland PURCHASER Auckland



#### 56 BANK ST, N.E.V.



SALE PRICE \$935,000

YIFI D 8%

VFNDOR Dunedin **PURCHASER** Wanaka



#### 54 BANK ST, N.E.V.



**PURCHASER** 

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



#### 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



Ashburton

#### 2D FORTH ST, CAMPUS

1 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



#### 5/543 GEORGE ST, CAMPUS

11 6 € 2 € OSP

SALE PRICE \$620,000

YIELD 6.7%
VENDOR Dunedin
PURCHASER Dunedin



#### 21/97 FILLEUL ST, CITY

1 2 € 2 ♠ OSP

SALE PRICE \$600,000 YIELD N/A

VENDOR Oamaru PURCHASER Dunedin



#### 466 LEITH ST, CAMPUS

1 6 € 2 ♠ OSP

SALE PRICE \$575,000

YIELD 8%

VENDOR Dunedin PURCHASER Australia



#### 466A LEITH ST, CAMPUS

SALE PRICE \$575,000

YIELD 8%

VENDOR Dunedin PURCHASER Australia



#### 466B LEITH ST, CAMPUS



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



#### 21 HENRY ST, MAORI HILL

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

PURCHASER Oxford



#### 106B QUEEN ST, CAMPUS

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



#### 106C QUEEN ST, CAMPUS



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



#### 106A QUEEN ST, CAMPUS

1 4 € 2 ♠ OSP

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



#### 22 ARDEN ST, N.E.V.

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



#### 74 LECKHAMPTON CRT, THE GLEN

13 € 2 ♠ OSP

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



#### 11 GLENCAIRN ST, N.E.V.

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

PURCHASER Pukekohe



#### 50 WOODHAUGH ST, WOODHAUGH

13 € 1 ⊕ OSP

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

# **CURRENT LISTINGS**



#### 38 MECHANIC ST, N.E.V.







SALE PRICE \$300,000

YIELD

5.4% Ashburton

**VENDOR** 

PURCHASER Auckland



Your retirement scheme

SALE PRICE

YIELD

RENTAL \$4,530pw

530 LEITH ST, CAMPUS

10 € OSP



#### 27 ANZAC AVE, CITY







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

\$161,230pa + GST **LEASE** 



\$2,895,000

8.1% gross

#### 142 CARGILL ST, CITY







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 N/A **RENTAL** 



#### 2C FORTH ST, CAMPUS









Superb purpose built investment

SALE PRICE \$659,000

YIELD 7.1%

RENTAL \$900pw

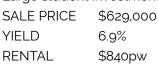


#### 41 GLADSTONE RD, CAMPUS





Large student investment





#### 311 RATTRAY ST, CITY



**YIELD** 





Superbly renovated! Central location!

SALE PRICE

N/A

Deadline Sale

RENTAL \$600-\$650pw



#### 6B COSY DELL RD, CAMPUS







Modern campus apartments

SALE PRICE \$459,000

YIELD 6.6%

RFNTAL \$580pw



#### 6C COSY DELL RD, CAMPUS







Modern campus apartments

SALE PRICE \$459,000

**YIELD** 6.6%

**RENTAL** \$580pw



#### 157 QUEEN ST, CAMPUS





Spacious student villa

SALE PRICE \$450,000

**YIELD** 6.8%

**RENTAL** \$590pw



#### 28A MACLAGGAN ST, CITY







Inner City living/investment

SALE PRICE Deadline Sale

YIELD N/A

RENTAL \$380pw



#### 4 RUSSELL ST, CITY





Inner City brick and tile

SALE PRICE Deadline Sale

**YIELD** N/A **RENTAL** N/A



#### 37 BERNARD ST, KENMURE

Large Kenmure section

SALE PRICE Deadline Sale

> PROPERTY WANTED

**YIELD** N/A **RENTAL** N/A



#### 41 BERNARD ST, KENMURE

Affordable section

SALE PRICE Deadline Sale

**YIELD** N/A **RENTAL** N/A

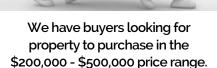


#### 19 CLARK ST, CITY

Car park investment

SALE PRICE \$69,000 **YIELD** 7.1% nett **RENTAL** \$100pw





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

