

PROPERTY INVESTMENT UPDATE

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Edinburgh Realty

Licensed under the Real Estate Agents Act 2008



Clayton Sievwright 021 191 5555

Aimee Marsh 027 209 3440

Lane Sievwright 021 526 366

Assisting vendors/investors since 2003

IMPORTANT DATES...



14 October 2020
Second semester exams begin

7 November 2020
Second semester exams end



12 December 2020
16 December 2020
19 December 2020
Graduation ceremonies

Welcome to our 73rd investment update...

At the time of writing (17th September) we're in the final push towards end of the final semester with lectures ending on the 9th October and exams starting on 14th October. This has been another busy quarter with 20 confirmed solds (\$13.74 million), compared to the same quarter last year (22 solds, \$10.7 million) and a rolling year of 108 sales (\$68.03 million). Vendor/buyer split for the last quarter is as follows: 70% (14) of vendors coming from Dunedin, 20% (4) rest of NZ and 2 from Overseas. With buyers 35% (7) were from Dunedin, 65% (13) rest of NZ.

What a difference a year makes – the effects of Covid-19, interest rates at all-time lows, sales prices up, sales yields trending down, number of sales – about the same, more buyers in the market, shortage of flats for sale, number of inspections at new listings – up depending on property, multiple offer situations – up, landlord compliance hoops – up, demand from tenants for flats for next

year – earlier and up, expectations for future rental increases – up, expectations for yields – to continue downwards trend, expectations for borrowing costs to come down further, overall outlook for this particular market – up, gap between fixed interest rates and buying yields – widens.

As expected, sales yields have followed fixed borrowing costs down, thereby increasing residual rental income after paying the mortgage. The last 4 quarters sales yields (108) breakdown looks like this: Campus 60 (sales), average yield – 6.2%, low of 4.3%, high of 8.1%, 35 sales were under 6.0%. N.E.V sales (14) had an average yield of 6%, low of 4.7%, high of 7.3%. City Rise (9), average of 6.5%, low of 5.5%, high of 7.5% and rest of our Dunedin sales (25). A huge variation in properties and yields, but the results do paint an overall picture. The main point is there have been some very good low yield sales which wouldn't have (and didn't) happen when interest rates were higher.

We have seen more buyers in the \$1m plus price range over the past quarter, along with a high number of new investors looking in the \$300,000 to \$700,000 bracket. If you are thinking of selling or would like to know where your property sits in the current market, we can provide you with a no-obligation market appraisal. Feel free to give one of us a call!

Does your property meet the Healthy Homes standards? Healthy Homes Standards are now established and have cost some landlords more than others depending on the property. The Residential Tenancies Healthy Homes Standards (HHS) Regulations 2019 – these new standards need to be complied with by 1 July 2021 or within 90 days of a new tenancy and cover Heating, Ventilation, Draught stopping, Moisture ingress, Drainage, Record keeping and Insulation.

From 1 December 2020, landlords must include a statement of their current level of compliance with the healthy home's standards in any new or renewed tenancy. From 1 July 2021, private landlords must ensure their rental properties comply with the healthy home's standards within 90 days of any new, or renewed tenancy. All boarding houses except (formerly Housing New Zealand) and Community Housing provider boarding house tenancies must comply with the healthy home standards.

From 1 July 2023, all (formerly Housing New Zealand) and Community Housing provider houses must comply with the healthy home's standards. From 1 July 2024, all rental homes must comply with the healthy home's standards.

There are now several companies that will assess your rental property to ensure you meet the new regulations and provide you with recommendations to bring your property up to the required standards. If you need advice regarding these reports, feel free to give us a call.

For detailed information on all the Healthy Homes Standards, check out Tenancy Services website.

e sievwright@edinburgh.co.nz
w www.propertyinvestments.nz



We are proud to be able to support some of our local investors who are helping Dunedin grow. This month we are excited to showcase a new apartment development.

Apartment Development – 23A London Street, Dunedin Central

The growth in Inner City Development has increased extensively over the past two decades. A major player in this development has been father and son team, Neil & Jamie Lyons, who own and operate Signature Property Limited. Being not only developers in their own right, they also project manage on behalf of clients who want the hands off approach.

Most recently they have been involved in projects such as the City Base & City Scope Apartment blocks on Filleul Street, Central City.

In 2009 they purchased 23 & 25 London Street. The property comprised of a large two storey brick house, and an adjacent building reputed to have been Ace Hosford House, an early motel style building consisting of 8 flats. They set about developing the properties, building 3 Units at the rear of 25 London St consisting of 5 studio rooms in each, refurbished both the brick house and the older Hosford House flats with view to developing the site further in the future.

Given their previous success with both the City Base & City Scope Apartment blocks, in 2018 it was decided to develop the 23 London Street site further, to demolish the old motel units and replace them with a new apartment block consisting of 17 one bedroom and 2 two bedroom apartments, with completion expected by the main contractor, Amalgamated Builders, in early 2021. These will help service the ever-increasing demand for modern inner city living.

The apartments will all be self-contained, each with a large balcony with great views, a quality finish and quality fittings. As with this type of development there is high levels of insulation, acoustics, double glazing, fire alarm system and CCTV. Onsite storage cupboards, bike storage and carparking completes what is the future of Dunedin's inner city living.



Our property management team at Edinburgh are currently marketing the units for rent for 2021 and it is envisaged the property will attract a mix of tenants given its proximity to the university, hospital, and CBD. We say congratulations to the Lyons for their vision.

SOLD SINCE LAST NEWSLETTER



129 HARBOUR TCE, CAMPUS

🏠 12 🍳 4 🚗 OSP

SALE PRICE \$1,975,000
YIELD 5.5% (2021)
VENDOR Dunedin
PURCHASER Timaru



466 (C, D, E) LEITH ST, CAMPUS

SALE PRICE \$1,935,000
YIELD 6.4%
VENDOR Dunedin
PURCHASER Timaru

🏠 5 🍳 1 🚗 OSP (each)
466C & 466E
🏠 6 🍳 1.5 🚗 OSP 466D



121 BAY VIEW RD, ST KILDA

🏠 8 🍳 4 🚗 1 🚗 OSP

SALE PRICE \$1,171,000
YIELD 6%
VENDOR Dunedin
PURCHASER Dunedin



784 GEORGE ST, CAMPUS

🏠 7 🍳 3

SALE PRICE \$1,000,000
YIELD 5.8%
VENDOR Dunedin
PURCHASER Auckland



136 ALBANY ST, CAMPUS

🏠 6 🍳 2

SALE PRICE \$780,500
YIELD 5.5%
VENDOR New Plymouth
PURCHASER Wellington



155 DUNDAS ST, CAMPUS

🏠 4 🍳 1

SALE PRICE \$640,000
YIELD 5.9% (2021)
VENDOR Auckland
PURCHASER Wellington



30 JAMES ST, NORTH EAST VALLEY

🏠 6 🍳 2 🚗 1 🚗 OSP

SALE PRICE \$570,000
YIELD 6.6%
VENDOR Dunedin
PURCHASER Queenstown



153 QUEEN ST, CAMPUS

🏠 5 🍳 2

SALE PRICE \$533,000
YIELD 6.1%
VENDOR Auckland
PURCHASER Auckland



17 WARRENDER ST, CAMPUS

🛏️ 4 🚿 1

SALE PRICE \$520,000
 YIELD 5.4%
 VENDOR Dunedin
 PURCHASER Auckland



4/432 GREAT KING ST, CAMPUS

🛏️ 1 🚿 1 🚗 OSP

SALE PRICE \$470,000
 YIELD 5.3%
 VENDOR Dunedin
 PURCHASER Dunedin



2/432 GREAT KING ST, CAMPUS

🛏️ 1 🚿 1 🚗 OSP

SALE PRICE \$469,000
 YIELD 5.3%
 VENDOR Dunedin
 PURCHASER Balclutha



6/432 GREAT KING ST, CAMPUS

🛏️ 1 🚿 1

SALE PRICE \$439,000
 YIELD 4.7%
 VENDOR Dunedin
 PURCHASER Nelson



3/97 QUEEN ST, CAMPUS

🛏️ 2 🚿 1 🚗 OSP

SALE PRICE \$310,000
 YIELD 4.7%
 VENDOR Australia
 PURCHASER Dunedin



2/97 QUEEN ST, CAMPUS

🛏️ 2 🚿 1 🚗 OSP

SALE PRICE \$285,000
 YIELD 5.1%
 VENDOR Australia
 PURCHASER Dunedin

INVESTMENT LISTINGS



295 RATTRAY ST, CITY

- A rare opportunity to purchase a freehold 15 room boutique hotel, car parks and a standalone 2-bedroom house over four titles
- Close to the CBD



🛏️ 15 🚿 15 🚗 15

PRICE Deadline Sale



673 (A & B) GREAT KING ST, CAMPUS

🛏️ 7 🚿 7

First class investment opportunity
 SALE PRICE Deadline Sale
 YIELD n/a
 RENTAL \$1,700pw (2021)



6 AGNEW ST, CAMPUS

🏠 6 🚿 3

Magic location

SALE PRICE	Deadline Sale
YIELD	n/a
RENTAL	\$1,140pw (2021)



96 HARBOUR TCE, CAMPUS

🏠 6 🚿 3

Popular prime campus location

SALE PRICE	Deadline Sale
YIELD	n/a
RENTAL	\$1,050pw (2021)



Outline indicative only

5A ANZAC AVE, CITY

🏠 5 🚿 5 🚗 OSP

Station Mews apartments

SALE PRICE	\$995,000
YIELD	6.9%
RENTAL	\$1,315pw (2021)



Outline indicative only

5B ANZAC AVE, CITY

🏠 7 🚿 7 🚗 OSP

Blue chip location

SALE PRICE	By Negotiation
YIELD	n/a
RENTAL	Enquire



34 WARRENDER ST, CAMPUS

🏠 6 🚿 1.5

Popular student investment!

SALE PRICE	Deadline Sale
YIELD	n/a
RENTAL	\$912pw (2021)



Outline indicative only

5C ANZAC AVE, CITY

🏠 6 🚿 6 🚗 OSP

Strategically located investment

SALE PRICE	By Negotiation
YIELD	n/a
RENTAL	Enquire



Outline indicative only

5D ANZAC AVE, CITY

🏠 6 🚿 6 🚗 OSP

Safe and secure investment

SALE PRICE	By Negotiation
YIELD	n/a
RENTAL	Enquire



Outline indicative only

5E ANZAC AVE, CITY

🏠 7 🚿 7 🚗 OSP

Magnificent outlook

SALE PRICE	By Negotiation
YIELD	n/a
RENTAL	Enquire



51 STAFFORD ST, CITY

🏠 7 🚿 3 🚗 2 🚗 OSP

Options aplenty!

SALE PRICE	Deadline Sale
YIELD	n/a
RENTAL	\$1,195pw



138 FORTH ST, CAMPUS

🏠 4 🚿 1

Summer campus project!

SALE PRICE	Deadline Sale
YIELD	n/a
RENTAL	\$480pw (2021)

Property wanted



We currently have active buyers looking for the following:

\$300,000 - \$700,000 - Campus, Gardens, North East Valley.

Inner City units or apartments - 1-2 bedroom, price range open depending on the property.

\$1,000,000+ - Multi-unit property with off street parking.

Thinking of selling?

Give us a call for a no obligation chat.

RESIDENTIAL LISTINGS

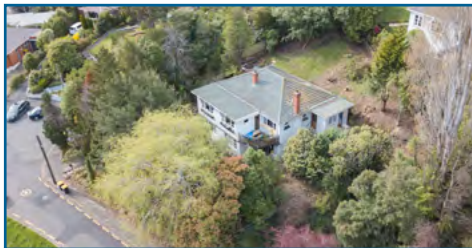


26 TENSING ST, LIBERTON

🏠 3 🚿 1 🏠 1 🚗 OSP

- Popular family location
- Great views and sunshine

PRICE Deadline Sale



48 GREY ST, NORTH EAST VALLEY

🏠 5 🚿 1 🏠 1 🚗 OSP

- Opportunity to renovate
- Sweeping views, popular location

PRICE By negotiation



62 NELSON ST, FORBURY

🏠 4 🚿 1 🚗 OSP

- Lovely family friendly location
- Close to St Clair beach and cafes

PRICE Deadline Sale



121 & 125 STEVENSON RD, CONCORD

Subdivision development
30 sections

SALE PRICE \$1,000,000



13 MCGEORGE AVE, MORNINGTON

🏠 3 🚿 1 🏠 1

SALE PRICE \$640,000



26 HARGEST CRES, ST KILDA

🏠 3 🚿 1 🏠 1

SALE PRICE \$545,000



896 BRIGHTON RD, BRIGHTON

🏠 3 🚿 1 🏠 1+ OSP

SALE PRICE \$505,000



8B SIM ST, MAORI HILL

🏠 2 🚿 1 🏠 1+ OSP

SALE PRICE \$456,000



30 BAKER ST, CAVERSHAM

🏠 3 🚿 1 🚗 1

SALE PRICE \$330,000