

PROPERTY INVESTMENT UPDATE

ISSUE 78 | DECEMBER 2021

Edinburgh

Licensed under the Real Estate Agents Act 2008



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Assisting vendors/investors since 2003

IMPORTANT DATES...

Summer
School.



10 January - 18 February
Summer School classes



19 - 24 February
Summer School exams



21 -25 February
Orientation week

Welcome to our 78th investment update....

Hi everyone, welcome to our 78th and Christmas newsletter. What a year! Dealing with Covid and another lockdown, along with new tenancy and tax regulations; has tested us all, and no doubt we are looking forward to putting this year behind us!

What's happening in our market?

Property has performed strongly in North Dunedin, with prices growing 31.8% over the past 12 months. If you're looking to buy in the area, the median sales price is currently \$805,000 compared to \$561,000 in nearby Dalmore and \$952,000 over in Maori Hill. The top price achieved for North Dunedin, over the past 3 months has been 106 Queen Street in September, which sold for \$1,175,000.

The most affordable North Dunedin property to sell for the same time period was 12/97 Queen Street which went for just \$455,000 on 10 August. There have been 50 properties sold in North Dunedin over the past 12 months, totaling \$41.11m. Properties are currently selling faster than last year at 18 days on market, compared to 22 days 12 months ago.

Market Snapshot



50
Total
Sales



\$805,000
Median
Sales Price



1.2%
Monthly Increase
In Median Price



18
Median
Days To Sell



We would like to extend a thank you to all vendors, investors, buyers, friends and industry professionals who we have had the pleasure of working with during 2021.

All the very best to you and your families for a fantastic Christmas, safe, relaxing holiday period and a prosperous New Year.

We look forward to working with you all in 2022.

Lane, Clayton & Aimee

Property Management Protecting your investment

Things are really heating up in the Edinburgh Realty property management division as we head into the business end of the tertiary year. Student letting for 2021 has been extremely successful to date with 99% of our flats and over 80% studios let prior to November. Being the largest property management company in Otago, Edinburgh Realty is often seen as the market leader, and it is on that basis that we need to ensure we are providing the best possible service and setting the trend for others to follow and aspire to. The property management team has also grown in line with our property numbers, and we now boast one of the largest and most experienced teams within the industry.

If you would like some peace of mind that your investment is being well maintained or should you require some industry advice from the professionals feel free to give us a call.

Looking back (2003)

183 Albany Street



\$178,000 - 7% 4 x \$60

21/54 Anzac Avenue



\$275,000 - 7.89% 5 x \$83

17 Warrender Street



\$170,000 - 7.95% 4 x \$65

96 Dundas Street



\$126,000 - 8.6% 4 x \$48

New tax rules: What investors need to know!

Interest deductibility at a glance. The Government intends to limit the ability to deduct interest to make residential properties a less attractive investment option and to help level the playing field for first home buyers.

From 1 October 2021, interest will not be deductible for residential property acquired on or after 27 March 2021. For properties acquired before 27 March 2021, generally investors' ability to deduct interest will be phased out between 1 October 2021 and 31 March 2025. Some properties are excluded from these rules and some exemptions are proposed.

This information sheet from the IRD website provides a quick overview of the proposals. Check out the IRD website for full details on the new tax rules.

<https://taxpolicy.ird.govt.nz/publications/2021/2021-other-interest-limitation>

Phasing out interest deductions for properties acquired before 27 March 2021

Date interest incurred	Percentage of the interest that can be claimed
1 April 2020 to 31 March 2021	100%
1 April 2021 to 30 September 2021	100%
1 October 2021 to 31 March 2022	75%
1 April 2022 to 31 March 2023	75%
1 April 2023 to 31 March 2024	50%
1 April 2024 to 31 March 2025	25%

As investors we are always keeping an eye on interest rates, and listening to most commentators, and they are all indicating we have seen end of historically low rates for some time. Over the past 6 months, rates have jumped up by at least 50%, and continuing to trend upwards. If you have interest rates coming up for renewal, we recommend speaking to your mortgage adviser asap about your options.

Interest Rates (Reserve Bank of New Zealand)

	Floating	1 year	2 year	3 year	5 year
Oct 2017	5.75%	4.90%	5.08%	5.32%	5.92%
Oct 2018	5.77%	4.77%	4.92%	5.04%	5.51%
Oct 2019	5.45%	4.35%	4.41%	4.48%	4.86%
Oct 2020	4.54%	3.36%	3.55%	3.37%	3.78%
Oct 2021	4.65%	3.82%	4.22%	4.27%	4.96%

SOLD SINCE LAST NEWSLETTER



27 Grange Street, Campus

When location matters!

🏠 5 🍳 1 🚗 OSP

Sale Price \$835,000 - 4.8%

Vendor Dunedin

Purchaser Wanaka



13/73 Buccleugh Street, N.E.V.

Hastle free investment!

🏠 4 🍳 4 🚗 OSP

Sale Price \$720,000 - 5.3% nett

Vendor Christchurch

Purchaser Wanaka



5/791 Great King Street, Campus

Well presented purpose-built

🏠 6 🍳 2 🚗 OSP

Sale Price \$645,000 - 7%

Vendor Dunedin

Purchaser Dunedin



740G George Street, Campus
Superbly located!

🏠 2 🚿 2 🚗 OSP

Sale Price \$640,000 - 4.1%
Vendor Dunedin
Purchaser Tauranga



175 Albany Street, Campus
Opportunity plus!

🏠 5 🚿 1 🚗 OSP

Sale Price \$580,000 - 4.9%
Vendor Christchurch
Purchaser Dunedin



141 St David Street, Campus
Well located 4 beddie

🏠 4 🚿 1

Sale Price \$519,000 - 5.6%
Vendor Australia
Purchaser Australia



5/535 George Street, Campus
Location, location, location!

🏠 3 🚿 1

Sale Price \$502,000 - 4%
Vendor Dunedin
Purchaser Christchurch



6/97 Filleul Street, City
Perfect inner-city pad or investment!

🏠 1 🚿 1

Sale Price \$495,000
Vendor Christchurch
Purchaser Alexandra

THINKING OF SELLING?

We are selling out of stock as quickly as it comes on.

With plenty of buyer activity with mums and dads looking for investments for their children for 2023, now is a fantastic time to sell.

Give your investment specialists a call today.

PROPERTY WANTED

INVESTMENT LISTINGS



142 Albany Street, Campus
Check out the location!

🏠 6 🚿 2

Sale Price By Negotiation
Yield n/a
Rental \$1,020pw (2022)



34 Dundas Street, Campus
Top notch student living

🏠 6 🚿 2

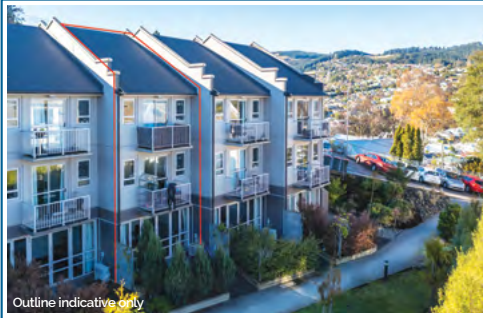
Sale Price By Negotiation
Yield n/a
Rental \$1,068pw (2022)



19 Musselburgh Rise, Musselburgh
Super scheme option

🏠 5 🚿 3 🚗 1

Sale Price By Negotiation
Yield n/a
Rental (projected) \$1,150pw approx (2022)



Outline indicative only

10/73 Buccleugh Street, N.E.V.
Quality low maintenance investment

4 4 OSP

Sale Price \$749,000
Yield 4.3% (nett of studio costs)
Rental \$915pw (2022)



Outline indicative only

740H George Street, Campus
Elevated in prime city location

3 1 OSP

Sale Price By Negotiation
Yield n/a
Rental \$582pw



493C Leith Street, Campus
Modern one bedroom unit

1 1

Sale Price \$299,000
Yield 5.4%
Rental \$310pw (2022)

RESIDENTIAL LISTINGS AND SALES



14/432 Great King Street, Campus
Superior first class apartment living

2 2 OSP

Sale Price By Negotiation



43 Sunbury Street, Andersons Bay
Family home with subdivision potential

3 1 4+ OSP

Sale Price By Negotiation



26A Silverton Street, Andersons Bay
Buy one or buy both!

2 1 OSP

Sale Price By Negotiation



26B Silverton Street, Andersons Bay
Buy one or buy both!

2 1 OSP

Sale Price By Negotiation



96 Passmore Crescent, Maori Hill
A rare opportunity!

3 1 1

Sale Price \$965,000



41/61 North Road, N.E.V.
Stylish, contemporary modern living

1 1 OSP

Sale Price \$501,000



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propertyinvestments.nz



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