



Select Property Management News

The year seems to be racing by and now winter is fast approaching. We are reminding tenants to be proactive in preventing mould in their homes by ventilating regularly and keeping the house dry and warm. We are sorry that Lexi Jones from Counties Home Loans and Insurance is no longer able to contribute to our newsletter. Thank you Lexi for your helpful and interesting contributions. We are delighted to welcome back Matt Armstrong from ANZ Bank and look forward to your informative insights on the property and financial markets. We trust that you will find the topics covered interesting and informative.

Christine, Jenna and Misty-Lee

Market Comment...

The market is a little busier, letting isn't taking as long as at the start of the year and recently we have rented to some wonderful new tenants. There is still a lot of rental property available and little movement in rents. When reviewing rents recently, those at the top of the market a year or so ago are still at the top or above and we are deferring those rent increases to be reviewed again in another 6 months.

Who Is Responsible For Changing Lightbulbs...

Whilst it is generally accepted that this is the tenant's responsibility, according to many tribunal orders tenants are only responsible for replacing standard light bulbs. Standard lightbulbs can be defined as inexpensive, easily screwed in and typically do not include long lasting LED lightbulbs. Conversely, landlords are responsible for replacing specialist lightbulbs, such as those used in rangehoods, more expensive bulbs and any bulbs in high or hard to reach places.

Pre Winter Maintenance...

Now is the time to carry out some preventative work at your rental homes. Have gutters cleared as blocked gutters cause leaks & flooding. Waterblast or clean patios, paths and decks as to prevent them becoming wet and slippery hazards. Trim trees and shrubs back from the house allowing sunlight in. Consider a house wash to remove algae, mildew, and moss growth that can be aggravated by winter moisture. If doing this work yourself make sure you let your tenant know in advance that you plan to visit the property.

Regulation of Property Managers...

Many in this industry are committed to ensuring high standards across the property management sector and creating a more professional sector and are keen for regulation of property managers, as a control to those whose practices and standards are not as professional as they should be. Last year, despite widespread industry support, the government terminated the bill to regulate residential property managers. However, REINZ and other key members have stepped up their efforts, by continual contact with Minister Chris Bishop, his advisers and HUD (Ministry of Housing and Urban Development) to get regulation back on the agenda and providing feedback on what should form the minimum framework for regulation. There are promising and welcome signs that a revised bill could be back on the table later this year.

Tenancy Tribunal Decision of Interest....

This is an interesting Tenancy Tribunal Decision about liability for damaged walls from 3M picture strips. The tenants rented the property for about three years and used 3M picture hanging strips to display lightweight family photos. When removing these strips at the end of their tenancy, they found that patches of paint had come off the wall. The tenants did not dispute the occurrence of this damage.

The landlord claimed that the damage was significant and beyond normal wear and tear. and presented evidence that she had to hire a professional to repair the damaged areas, incurring considerable expense.

Legal Authorities: *Proving Damage:* The landlord must prove the damage occurred during the tenancy and was more than fair wear and tear (Sections 40(2)(a), 41, and 49B RTA). *Careless Damage:* If damage is careless and covered by insurance, tenant liability is limited to the insurance excess or four weeks' rent (Section 49B(3)(a) RTA).

Intentional Damage: Tenants are liable for intentional damage or damage resulting from imprisonable offences (Section 49B(1) RTA). *Fair Wear and Tear:* Damage resulting from reasonable use and duration of the tenancy may be considered fair wear and tear.

Landlord's Response: The landlord claimed that the tenants breached the tenancy agreement, which included a specific clause about avoiding significant alterations to the premises. The clause emphasised that tenants should take reasonable care not to damage the walls when hanging pictures and recommended the use of suitable picture hooks. The landlord argued that the tenants' use of picture hanging strips, despite being a well-known brand, still resulted in damage that went beyond normal wear and tear. To support this claim, the landlord presented evidence that a professional had to be hired to repair and repaint the damaged areas, incurring significant costs.

Outcome: The Tribunal concluded that the landlord did not provide sufficient evidence to prove the damage exceeded fair wear and tear. The tenancy lasted three years, during which some wear and tear is expected. The tenants used 3M picture hanging strips, which are designed to minimise wall damage, showing reasonable care. The pictures hung were lightweight family photos, not heavy objects and no other wall damage was noted in the house. These factors led the Tribunal to determine that the landlord had not met the burden of proof. Therefore, the claim for repair and repainting costs was dismissed.

*Information provided by Tenancy Practice Services.



This Month with Bayleys Real Estate...



2/10 GREAT SOUTH ROAD, PAPAURA

If the most convenient of Takanini and Papakura locations is highly important to you, then this incredibly attractive two-bedroom residence is perfectly positioned to enjoy the benefits of both!

Merely metres from the Southgate Shopping centre and bustling Takanini Village, combined with an easy stroll to the Papakura town centre and train station, this private address is simply excellent!

\$699,000

Contact Bayleys Real Estate on 09 298 2525 for further information and all your property needs

A Word from Bayleys...

The March stats from the Real Institute of New Zealand were released in the middle of last month with Rowan Dixon, REINZ Acting CEO giving a summary on the Auckland market which included that first-home buyers, investors, and owner-occupiers were the most active. Some vendors were realistic regarding the asking price, motivated to sell, and met market expectations, while others expected to obtain a price, they thought was right, which was always on the higher end of the scale. Economic conditions, lending criteria and buyer confidence influenced market sentiment

In reviewing the March statistics for Auckland alone, it is evident that sales volumes were at normal pre-pandemic levels. Price trend continues to track sideways.

Stock on market remains very high with over 1200 more properties on the market than the same time last year and the new listing flow is normal compared to the same time over previous years.

The sales volume in the South-East corridor saw a 10% increase in sales volume year in year with the median days to sell recorded at 41

Lyn Penney
Branch Manager
Bayleys Takanini

This Month with Bayleys Real Estate...



11 EASTBURN STREET, PAPAURA

Set on a generous 708sqm (more or less) freehold section. Perfectly positioned just a short walk from Papakura Town Centre, this property offers both convenience and future potential.

Inside, you'll find four spacious bedrooms, an open-plan living and dining area flow from the kitchen. A separate laundry room, bathroom, and a toilet. The stand-alone double garage adds further value.

\$799,000

Market Focus with ANZ

It's a pleasure to once again contribute to the Select Property Newsletter.

ANZ's latest Property Focus Report, released on April 30th, provides valuable insights as the market gradually gains momentum. We now anticipate property prices will rise by 4.5% over the year, supported by an expected further 1% cut to the OCR by the RBNZ. Much of these cuts have already been priced in, with our team projecting the one-year rate "falling to about 4.6%" and the two-year rate at 4.99%, "already close to where we see it bottoming out." You can find the full report by searching "Property Focus" on our website.

Over the past six months, I've noticed a sustained increase in the purchase of both investment properties and holiday homes, particularly in the Coromandel. Owner-occupied purchases have remained steady, while loans for new builds have declined to very low levels. If you'd like a second opinion on your existing lending rates or structure, please don't hesitate to reach out.

Warm Regards,



Matt Armstrong
Mobile Mortgage Manager

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ANZ Franklin, Auckland South & North Waikato

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Christine McKee – Select Property Management Ltd