

The Rent Shop Ltd

Newsletter

October 2010

New Bill Effective 1st October 2010!

The 1st October has been widely publicised as the trigger date for personal income tax cuts and the GST increase. The Residential Tenancies Amendment Bill also takes effect from this date. Our August newsletter highlighted four key areas of interest and we published NZ Property Investors' Federation Vice President Andrew Kings summary of changes on our website. We have since been busy attending seminars and subsequently updating our Tenancy Agreements and Best Practice systems to be on the ball from this kick-off date. We have now uploaded a further summary of the most significant changes on our website www.therentshop.co.nz.

One important change for landlords to be aware of is the requirement of any landlord who is, or intends to be, overseas for more than 21 days to appoint an agent in their absence who must assume all of the landlords legal responsibilities. This includes all the exemplary damage provisions for breach or non performance, a number of which have increased as has the limit for claims under the jurisdiction of the Tenancy Tribunal from \$12,000 to \$50,000. Clearly this is another reason to encourage the growing demand for professional agent services, however we note that there is a 6 month amnesty on the appointment of an agent from 1st October 2010.

Business Interruption Insurance

While we have all been feeling for our family and friends suffering from the massive impact of the recent earthquakes in Christchurch, one of our colleagues has given us some sage advice to check our insurance policies. All residential insurance policies include an earthquake cover, however you are advised to separately check your cover on commercial properties, and more particularly review your Business Interruption Insurance in the event of a natural or other disaster. The actual cost of your daily business operating expenses such as payroll, rent, utilities, loans etc, plus loss of profits and any cost of relocating are most likely to be way more than you currently have them insured for. As we have done, we urge you to review this important aspect of your business.

Cheers!

Warwick J James AREINZ

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Recent Sales activity



Otara, Manukau

- Three-bedroom house.
- With sleepout and carport.
- Overseas landlords wanted it sold quickly
- Six offers in writing presented.

SOLD in a week



Ranui, West Auckland

- Two-bedroom home unit.
- Leased to Housing N.Z.
- For residents aged over 55
- Government-guaranteed rent

SOLD to astute investor



Otara, Manukau

- Three-bedroom brick house.
- Excellent condition.
- Fully renovated.
- Garage lined and carpeted.
- Rented now at \$390 p/week.
- 7.4% Yield.

For sale at \$275,000



Ranui, West Auckland

- Two-bedroom home unit.
- Leased to Housing N.Z.
- For residents aged over 55
- Rented at \$280 p/week.

For sale at \$242,000

Contact our Investment Specialist:

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