

The Rent Shop Ltd

Newsletter

August 2010



RTA Amendment Bill – GOOD NEWS!

We are pleased to report the Residential Tenancies Act Amendment Bill was passed into law on 20 July 2010. It is now awaiting ratification by the Governor General and the implementation date, still to be set, is anticipated to be later this year. We quote four key positive outcomes summarised by NZ Property Investors Federation Vice President Andrew King: -

1. Increasing the number of unlawful acts that are attributable to tenants and providing for exemplary damages.
2. Defining abandonment of premises as an unlawful act with damages up to \$1,000.
3. Entitlement of an applicant that has been wholly successful in a Tribunal application to obtain a refund of the application fee from the respondent.
4. Improvement for landlords in the treatment of abandoned goods.

We refer you to the latest news section of our website www.therentshop.co.nz for Andrew's full commentary that includes other significant points of interest. We will be reviewing our Tenancy Agreement and Best Practice management in due course to reflect the changes. Overall this is good news.

O.C.R. Announcement

Despite decreasing confidence in the growth of the economy, Alan Bollard of the RBNZ quoted elevated manufacturing confidence and continued expansion of forestry exports as justifying reasons for his latest OCR increase from 2.75% to 3.0% on 29 July 2010. He believes this level is still very supportive of economic activity but also said the pace and extent of further OCR increases is likely to be more moderate than previously projected. The next OCR review is due on 16 September 2010. We refer you to our more detailed comment in the latest news section of our website www.therentshop.co.nz.

Interest rates will be expected to rise however it was noted that some wholesale rates had fallen and competitive pressure between lenders is likely to moderate increases. The BNZ believes borrowers may now gain a slight rate benefit by fixing for 2 or 3 years in preference to floating.

We now expect the suppressed state of the residential property market to continue for some time however it will be interesting to see if the "annual spring flush" eventuates this year.

Cheers!

Warwick J James AREINZ

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Current Opportunities



10 Bedrooms - WOW!!!

Mangere, Manukau

Almost new ten-bedroom house in excellent condition. Fully furnished. Off street parking for 6 cars. Rented at \$800 pw. 7.6% Yield.

For sale at \$550,000



Henderson, West Auckland

Four-bedroom new house nearing completion. Two bathrooms. Single garage. Rental appraisal \$430 to \$450 pw.

For sale at \$415,000



Otara, Manukau

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

For sale at \$275,000



Hillcrest, Hamilton

New Two-bedroom townhouse. Fully furnished. Just completed. Walk to Waikato University. Rented now at \$350 per week.

For sale at \$285,000



Contact our Investment Specialist

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