

The Rent Shop Ltd

Newsletter

June 2011

Appreciating Depreciation

What is the depreciation status of carpet, drapes and hot water cylinders? The removal of building depreciation has raised interest in what can be depreciated versus claimed as repair for residential landlords. I have recently been forwarded an issue of "tax etcetera" a newsletter written by Tax Specialist Brent Gilchrist of Wellington. In his own words Brent "has taken the plunge and taken a position" on this and has published his view in a table that can be checked out, along with his newsletter, in the 'Latest News' section of The Rent Shop's website www.therentshop.co.nz/latestnews.asp. Brent discusses the conflicting positions and the table proposing his view provides a helpful guide in determining fully deductible repairs. Please contact us if you cannot access the website and would prefer us to forward you a copy by other means.

Last month I introduced you to BNZ Economist Tony Alexander's first monthly overview of the New Zealand residential real estate market. I again refer you to the next issue which is in the 'Latest News' section of our website www.therentshop.co.nz/latestnews.asp and for ease of reading, quote his first section comment headed "Market into its Recovery Phase." "We are seeing stronger evidence of recovery in the New Zealand real estate market with rising turnover, recovering prices and licensed agents reporting rising interest from first home buyers in particular. With interest rates low, the labour market improving and consumer confidence rising, we expect these trends to continue this year, especially as awareness grows of the shortage we have long written about." Shortage refers to the decrease in construction of new dwellings.

It will be interesting to see if this trend continues through the winter, and progressing to the Rugby World Cup we may well see an easing in real estate sales activity as buying and selling decisions are paused during the tournament and post cup activity will very likely be influenced by the result!

I am sure there will be much rugby discussion in the next few months! Meanwhile we are still enjoying a solid run of strong rents and hope you are enjoying the benefit of recent rent increases.

Cheers!

Warwick J James AREINZ

Current Investment Opportunities



- **Clover Park, Manukau**
- Three-bedroom house
- Weatherboard with tile roof
- Single carport
- Rented now at \$310 p.w.
- **For sale at \$239,000**



- **Otara, Manukau**
- Three bedroom family home
- Double garage
- Large land area
- Rented now at \$330 p.w.
- **For sale at \$269,500**



- **Weymouth, Manukau**
- Four-bedroom family home
- Two bathrooms incl ensuite
- Double internal access garage
- Rented now at \$460 p.w.
- **For sale at \$369,000**



- **Randwick Park, Manukau**
- Four-bedroom family home
- Two bathrooms incl ensuite
- Double internal access garage
- Rental \$480 p.w.
- **For sale at \$458,000**

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