

NEWS FROM PROPERTY BROKERS PROPERTY MANAGEMENT DIVISION



Landlord Insurance: Why it is so Important

I had the privilege of meeting a Christchurch landlord a fortnight ago. Naturally the conversation led to the earthquake and the impact that it was having on the rental market throughout our region and in Christchurch. I noticed throughout the conversation that she seemed rather relaxed by the whole earthquake ordeal. I asked the landlord if her properties had been damaged and she told me that they had been red stickered and were awaiting demolition. I then asked her if she had landlord insurance to which she replied yes.



She told me that even though she had no tenant due to her Loss of Rent Policy she could relax until February next year knowing that her insurance company would cover the loss of rent due to the earthquake.

Landlord insurance is something a lot of owners will overlook or will simply be unaware of. This is worrying, as it is vital and as proven in the case mentioned above, has certainly helped this landlord and removed any potential devastating financial impact.

Landlord insurance can protect you from the following unforeseen events such as

- Loss of rent
- Malicious damage
- Legal liabilities

Property Brokers recommends Real Landlord Insurance as this is only available to landlords who have their properties managed professionally. Their scope of cover is very comprehensive and they specialise in Landlord insurance. The price of this is less than \$1 a day so an extra \$5 to \$10 a week in rent would help cover the cost.

For more information visit www.rlinz.co.nz or simply ask your Property Manager.



David Faulkner

Property Brokers Rental Division Manger

News

Landlord Insurance

Jason and David's Thoughts [>>Read more](#)

From Jason and David's desk [>>Read more](#)

Investment properties for sale

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View our homes for rent

Useful links

- > www.realestate.co.nz
- > www.trademe.co.nz
- > www.interest.co.nz
- > www.dbh.govt.nz
- > www.landlords.co.nz

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May/June 2011

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Jason and David's Thoughts

We are now in classic rent and hold territory. House prices have dropped consistently, so have the borrowing rates and therefore, attractive yields are there to be had. In some instances gross yields can be around 10% or even higher. The gross yield is calculated by:

$$\frac{\text{Total rent for year} \times 100}{\text{Purchase price}}$$

- Currently, there is a short supply of good rental properties with the demand outweighing the supply and thus this is driving rents up.
- When purchasing your residential property investment, there are some **Important Rules** we would recommend.
- Speak to your accountant to see what identity you want to put the property in. With the abolishing of LAQC's you can go as a sole Trader or put in a Look Through Company (LTC), both have their merits depending on the number of properties you have.
- Do your homework, find out if there is a high rental demand in that area.
- Find out what rent you could achieve, ask our Rental Managers, Sharon Cowan (027 298 8788), Rebecca Mason (027 408 7252) or Kelly Rowley (027 545 8889).
- Don't be afraid to call David or myself for advice, we have rental properties ourselves.
- Look after your property and tenants and your tenants will look after you.
- Find out if there are ways to maximise the rental return or increase value of the property; Is there the capacity to create a fourth bedroom by moving the laundry into the kitchen or garage? Could you build or re-locate a secondary dwelling onto the property? Feel free to contact David or myself for advice.
- Check **www.interest.co.nz** to shop around for the best borrowing rate.
- **Email us today** with your details to subscribe to our weekly investor email newsletter where we filter out the attractive investment propositions and include the potential rent and the gross returns.
jasonw@propertybrokers.co.nz or david@propertybrokers.co.nz

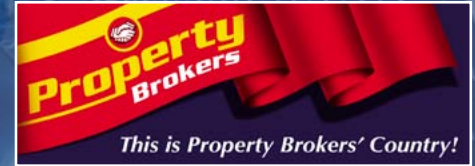
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\$100 Prezzie Card for every property you refer to us.



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From Jason and David's Desk

From looking at www.interest.co.nz we can see the best deals in the market place:

Average Rates Today		
6 months	5.49% p.a	HSBC
1 year	5.50% p.a	TSB
2 years	6.20% p.a	Public Trust
3 years	6.70% p.a	Public Trust
5 years	7.45% p.a	Public Trust
Floating	5.59% p.a	BNZ

More Borrowers Float Than Ever Before

According to the latest trends in residential home loans, since September there have been more borrowers with residential home loans on floating rates rather than fixed rates as predictions for the next official cash rate (OCR) increase continue to be pushed out.

People rolling off fixed rates are lured into the low floating rate as weak economic data means the rate is unlikely to increase alongside the OCR until the second half of the year. The percentage of loans on floating is at its highest since the Reserve Bank data shows in 2004. However, just a few years ago in 2008 the percentage of people on floating was at its lowest as the average floating rate for all the major banks was 10.75%.

However, with talk that Allan Bollard will increase the OCR early next year, it may be worth exploring the fixed rates or having a foot in either camp to reduce the risk of any potential increase.



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Investment Opportunities

Property Brokers has a great selection of investment properties.

Click the WEB ID No. for more information



WEB ID HU12868

709 & 711 Kiwi Street, Hastings
2 x 2 bedrooms
Currently rented at \$195pw and \$180pw through Property Brokers Rentals
Price: \$99,000 each



WEB ID HU13020

406 Moa Place, Hastings
A tidy 2 bedroom standalone ex state home on a 726m² freehold section. Was rented at \$210pw.
Price: \$115,000



WEB ID HU12998

57 Liverpool Street, Hastings
3 beds, very tidy, tenant has been there 9 years, paying \$245pw – happy to stay
True market rent \$270 - \$280pw
Price: Offers Over \$159,000



WEB ID HU12977

402 Hastings Street South, Hastings
3 beds, very tidy, new kitchen, décor, rewired, double garage on good sized 554m² section
Close to schools and Kindy Rental Assessment \$320 - \$330pw (Property Brokers Rentals)
Price: Offers Over \$190,000



WEB ID HVU11582

200 Willowpark Road North, Hastings
3 beds in good central location on a 506m² freehold section
Price: \$215,000



WEB ID HVU11609

1002 Southland Road, Hastings
A large 3 bedroom home in need of a make-over close to schools
Price: Low \$200,000's



WEB ID HU12987

512 Gordon Road, Hastings
As good as new! New kitchen, bathroom, décor, replied, re-wired and a new versatile double garage
Rental assessment \$340 - \$350pw (Property Brokers)
Price: On at Offers Over \$249,000 but offers over \$240,000 will be considered



WEB ID HU13004

709 Jervois Street, Hastings
A home with a twist. Tidy 3 bedrooms in the Parkvale School zone with own 12 x 7m shed split into garaging and 3 outside rooms
Price: Offers Over \$265,000



WEB ID HU12986

510 Gordon Road, Hastings
An immaculate 3 bedroom, 2 living home with new kitchen, 2 new bathrooms, new décor and new double garage.
Rental assessment \$360 - \$370pw (Property Brokers)
Price: \$265,000



WEB ID HU12995

1009 Manuka Street, Hastings
4 x 3 bedroom ex state homes
Renting \$720pw (\$180pw each)
Price: Offers over \$320,000



WEB ID HVU11601

8 Shrimpton Road, Haumoana
A solid 3 bedroom home on a 1768m² section
Price: Offers over \$257,000 considered



WEB ID HVU11573

30 Tasman Street, Havelock North
A 5 bedroom ex state home in need of some TLC
Price: Open to Offers



WEB ID HU13001

11 Sefton Street, Havelock North
A solid summitstone 3 bedroom with garage on a freehold section.
Current rent \$270pw but true market rent around \$300pw
Price: \$230,000



WEB ID HVU11453

52 Lipscombe Crescent, Havelock North
A very tidy 4 bedroom summitstone home
Currently rented for \$315pw
Price: \$239,000



WEB ID HU13029

1-602 Lascelles Street, Hastings
Two bedroom stucco, front unit, one of two
Mortgage Auction 1.00pm 14/6/2011 at 17 Havelock Road, Havelock North Office

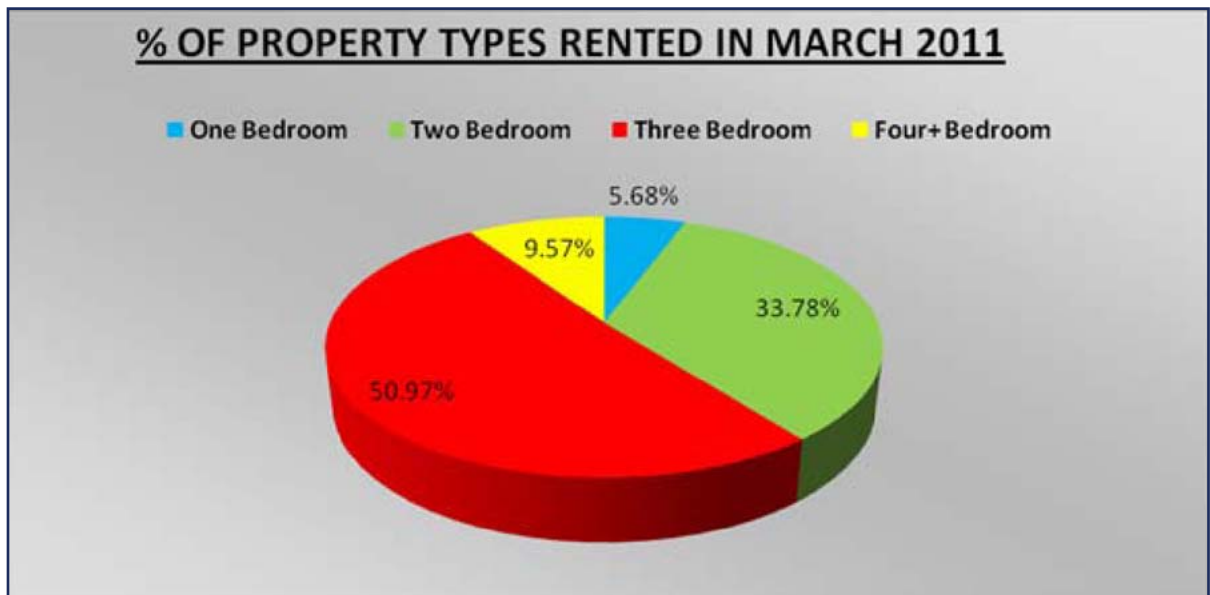
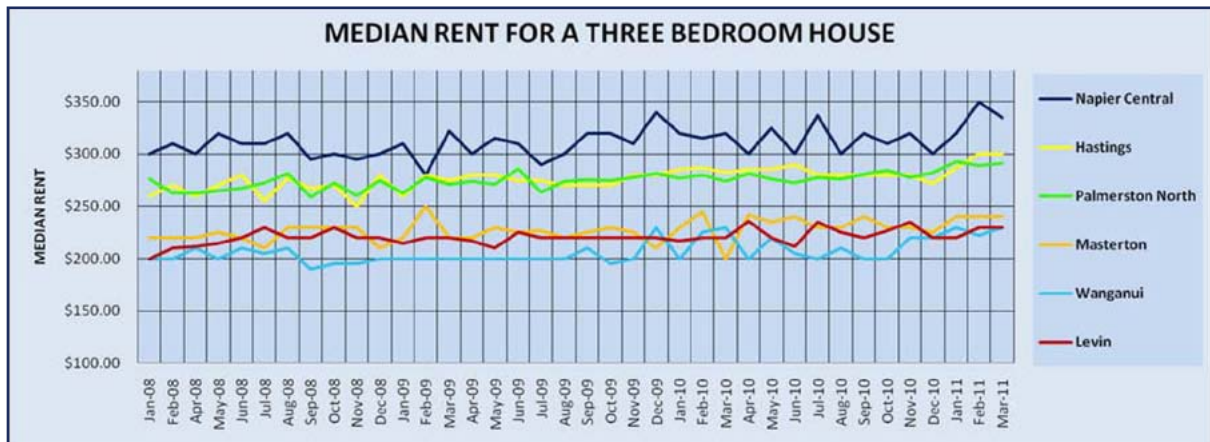
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Contact us

At Property Brokers' we welcome your comments, suggestions and feedback. You can contact us via email (below), phone, fax or mail and we will handle your enquiry promptly.

Name

Contact phone

Email

Fax

Comments