



Welcome



Great start to 2016

We have had a flying start to the year on a number of fronts.

Demand for TC1 land in the north east of the city has exceeded all expectation. Further stages in the Prestons Park development in Marshlands have been accelerated to meet the demand.

Extensive research revealed that Vendors are seeking a simple fee structure and reassurance that their home is priced correctly to ensure a timely sale. We developed Integrity Suite to meet that need. We have been very pleased with the interest shown to date. Should you wish to find out more details please feel free to contact us.

Our recent auction on behalf of Child Cancer has been a humble reminder of how proud we are to be a lead sponsor of this amazing charity.

Don't forget - we're always happy to help.

Regards,
Colin Lock
Managing Director

Kiwisaver changes mean happy first homeowners

Just sixteen months after unveiling its KiwiSaver HomeStart grant in April 2015, the Government has made a number of changes to the eligibility criteria, in order to reduce the effect of the on-going house-price 'tsunami'. Median house prices have soared by \$50,000 since its launch, so as of 1 August, both house price and income cap limits were increased, weighted to take into account the region, age and type of the property, with a strong incentive for people to buy new.

This means that existing house price caps in Christchurch City have been elevated by \$50,000 to \$500,000 on existing or older properties, and to \$550,000 on new properties. What's more, income cap limits, which remained unchanged in the first phase of this scheme, have now increased - from \$80,000 to \$85,000 for a single buyer and from \$120,000 to \$130,000 for a couple buying together. These caps are based on income earned in the previous 12-month period before tax, and mean that potential homebuyers can earn more, yet still qualify for financial assistance.

Incentive

The KiwiSaver HomeStart grant is one of two ways those who've been on the KiwiSaver scheme for a minimum of three years can get a foot on the first rung of the proverbial property ladder. From its inception, it's provided eligible first-home buyers with up to \$5,000 individually and up to \$10,000 for couples (or two or more buyers) to put towards the purchase of an existing or older home. And, with a new home, house and land package, land for building, or property with a code of compliance no older than six months, there's greater incentive still, with the Government doubling the cap to \$10,000 and \$20,000 respectively - great news for Cantabrians who've witnessed unprecedented numbers of new homes being built in the five years following the earthquakes.

Funds for Deposit

Another feature which enhances the KiwiSaver HomeStart grant is the KiwiSaver First-Home Withdrawal, which allows retrieval of saved funds if they're contributing to a deposit. Since the launch of the KiwiSaver HomeStart grant, first-time buyers have been able to withdraw all the funds from their KiwiSaver account, including their Member Tax Credit (MTC), the Government's 50 cent contribution to each KiwiSaver for every dollar they save.

The increases will also be applied to Housing New Zealand's Welcome Home Loan mortgage insurance scheme, which is subsidised by the Government, and requires a ten percent deposit from the borrower.

Well-Received

These new amendments, combined with the decision of the Reserve Bank (NZRB) to roll out its Loan to Value Ratio restrictions to the whole country from 1 September, will make it easier for middle income earners to own their first home, while making it harder for speculators and low-equity housing investors to strangle the market.

The new changes appear to have been well-received, especially here in Christchurch, where sales of sections and house and land packages have soared, as buyers jump at the chance to purchase properties previously beyond their means. Subdivisions such as Prestons Park in Marshlands has had very high demand, so if you would like any information on the latest stages and packages available, please don't hesitate to get in touch with our office. Our friendly agents will be delighted to assist you.

Investment Property – Repairs and Damages

If something gets damaged in a rental property, or needs repairing, it's important to know who is responsible.

Who is responsible for fixing damage depends on who caused it.

Tenants need to tell their Property Manager if they know of any damage or need for repairs. If the tenant does not notify the Property Manager as soon as possible the landlord may be able to claim some of the costs of repairing the damage from the tenant if it gets worse.

The tenant is not responsible for repairs or damage arising from burglaries, natural events (such as storms, floods and earthquakes), or fair wear and tear.

Fair wear and tear refers to the gradual deterioration of things that are used regularly in a property when people live in it. For example:

- flooring getting worn
- taps and washers in the kitchen, bathroom or laundry wearing out or leaking

Examples of what is not normally considered fair wear and tear are:

- burn marks or drink stains on the carpet
- drawing on wallpaper

The tenant is responsible for any intentional damage or careless damage.

Intentional damage:

If a tenant (or their invited guests) intentionally damages the landlord's property, the tenant must tell their Property Manager who can ask the tenant to repair the damage, or to pay the cost of replacement or repair.

Careless damage

If damage is caused by carelessness and the damage is covered by the landlord's insurance, the tenant will not be liable for the cost of repairs, unless it was the result of an imprisonable offence. The landlord is responsible for the insurance excess costs and cannot pass these costs on to their tenants.

Regardless of whether the landlord has insurance, tenants are not liable for damage caused by fire, flood, explosion, lightning, storm, earthquake or volcanic activity unless the damage was caused intentionally, was the result of an imprisonable offence or if the tenant or their invited guest caused the insurance moneys that would have been payable to the landlord to be irrecoverable.

Landlords should check their insurance policy documents before discussing compensation for damage with the tenant,

as their policy may cover the damage, providing it was not intentional or the result of an imprisonable offence.

If the Property Manager and tenant cannot agree whether the tenant is liable for the damage, the landlord can apply to the Tenancy Tribunal for the matter to be resolved. Copies of relevant insurance policies, photos of the damage, and receipts or quotes for repair should be included to support the application.

If repairs are urgent

If the state of disrepair is likely to cause injury to people or property, a tenant can have repair work done and ask the landlord to pay them for it. A landlord must also pay the tenant back for any urgent repair work the tenant had to have done, as long as the tenant made reasonable attempts to let the landlord know first.

Contact us

If you have any further questions in regards to the recent ruling surrounding damage to a rental property contact us and talk to one of our Property Managers for some friendly advice.

Christchurch House Sales						
Suburb	Median Price April - June			Median Days on Market April - June		
	2015	2016	Variance	2015	2016	Variance
Belfast	\$331,250	\$421,500	27%	57	53	-8%
Bishopdale	\$465,000	\$432,000	-7%	31	42	35%
Casebrook	\$390,000	\$465,000	19%	38	39	3%
Edgware	\$377,000	\$330,000	-12%	44	29	-33%
Harewood	\$595,000	\$900,000	51%	60	76	28%
Mairehau	\$414,000	\$397,500	-4%	41	33	-20%
Northcote	\$346,000	\$393,750	14%	55	53	-3%
Northwood	\$650,000	\$663,500	2%	51	41	-19%
Papanui	\$441,000	\$449,500	2%	38	38	-1%
Redwood	\$445,000	\$435,000	-2%	40	37	-8%
Richmond	\$310,000	\$325,000	5%	46	50	10%
Shirley	\$350,275	\$420,000	20%	41	51	24%
St Albans	\$443,000	\$480,000	8%	39	41	5%

Contact us today

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