

Apartment Views

From the leaders in apartment sales



Leaders in Real Estate®

Leaders Real Estate 1987 Limited MREINZ

WELLINGTON CBD

A monthly update on apartment living

MAY 2007

The "easy-care" way to own an Investment Apartment

If you like the idea of owning an investment property but not the idea of being a hands-on landlord then a "Quest lease" may be just what you've been looking for. If you are buying a "Quest Lease" apartment it already has a lease on it when you buy it. "Quest" franchises lease apartments in a number of blocks around Wellington such as St Francis in Hunter St, 120 The Terrace, 35 Johnston St, St Pauls in Mulgrave St and Sirocco in Boulcott St. They run them as serviced apartments/hotel rooms. They may hold only 10 or 20 in a block of 30 or 100 apartments, so not all apartments in a block are serviced apartments. They usually have an office on the premises so they can manage them on site.

Year-round income

The advantage serviced apartments offer is regular monthly cheques, 12 months of the year – great if you want to be a hands-off property owner. Let's face it not everyone wants the hassle of being a landlord, facing downtime between tenants, and finding tenants and dealing with problems that property ownership can bring. Quest leases mean the franchise holder (Quest) takes care of the day to day things that can go wrong. The owner of the apartment will usually cover the rates, body corp fees and contents insurance.

Regular rental reviews

With most leases there is normally a 2% rental increase per annum over the period of the lease, then when the lease is due for renewal (normally 5 years) it is reviewed 'to market'. At this point the owner may be required to refurbish the apartment to meet the standard required by the franchise owner. This could be as simple as replacing a mattress or it could mean new furniture and carpet and or appliances, depending upon the apartment's condition at the time.

RE/MAX Leaders Brandon Street currently has a number of "Quest Lease" apartments for sale at 120 The Terrace, 47 Mulgrave St, and Hunter St.

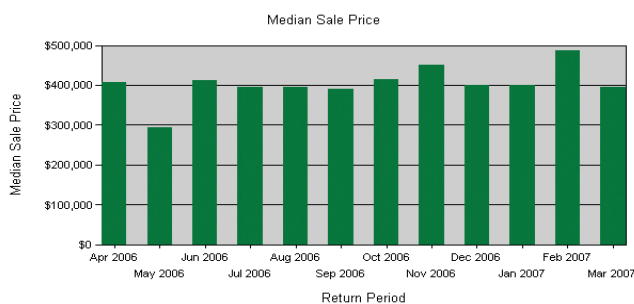


Central Wellington – Sales Snapshot

Number of sales steady

According to the latest sales statistics provided by the Real Estate Institute of NZ 89 properties sold in central Wellington during the month of March. This is a similar number to that recorded for the previous month (February 2007: 88). The latest sales figure was the same as for March 2006.

The median sales price for a property in Central Wellington was \$395,000 in March, compared with \$486,250 in February and \$425,000 in March 2006.



LANDLORD ADVICE

Who should make repairs?



As a Landlord you must maintain a property and make sure that locks and fastenings are adequate. That means doing any necessary repairs – and you must give the tenant 24 hours' written notice of entry to repair. You 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 notify you before having the work done.

Tenants must notify their landlord immediately if something needs to be repaired. Sometimes tenants damage a property, or neglect to keep it clean and tidy. In this situation, they are responsible for any damage that they, or their guests, cause – either intentionally or carelessly.

If you feel the problem can be solved (the damage repaired or the place tidied up), you can give the tenant 10 working days notice to get the work done (a form for the 10 days notice is available from the Department of Building and Housing). Remember that working days don't include weekends or public holidays, so 10 working days would usually be a fortnight.

If the work is not done, then you can make an application to the Tenancy Tribunal for an order to do the repairs, or for the tenancy to be ended for breaching the tenancy agreement, if it is decided the situation is serious enough.

Wellington's Latest average Weekly Apartment Rentals

	1 Bed	2 Bed	3 Bed	4 Bed
Brooklyn/Newtown	\$252.00	\$318.00	\$422.00	\$481.00
Karori/Northland/Kelburn	\$221.00	\$322.00	\$505.00	n/r
Mt Vic/Ori Bay/Hataitai	\$353.00	\$413.00	\$513.00	\$575.00
Thorndon/Mt Cook/City	\$359.00	\$365.00	\$478.00	\$521.00

Statistics compiled by the Dept of Building and Housing
Period Oct06 - March07 (n/r = none recorded for period)

Don't settle for anything less than the highest price for your home

Results continue to prove that RE/MAX Leaders systematically achieve the highest home sale prices in the city.

