

# A message from your Property Manager

Friday 13<sup>th</sup> May



## Property gets Political

As the Auckland property market has risen since 2012 it has become the favourite target of politicians. Labour has targeted Asian buyers, the Greens have campaigned on rental standards, and National has responded with Special Housing Areas, Bright-line capital gain test and higher rental standards legislation. Meanwhile the Reserve Bank Governor has been fixated on house prices despite having no mandate other than inflation. Yes, I know they say their LVR limits are for financial stability reasons, but their own bank stress tests show the banks doing just fine with a major housing downturn.

In the last 5 years Auckland property investors have faced the removal of housing depreciation, 10% LVR limits, 30% LVR limits, and now Bright-Lines tests and providing IRD numbers. Nothing has worked, and still the cries to “do something” keep sounding. We suspect that nothing other than building more housing will work. NB: We are now at 2007 highs of building consents.



## Smoke Alarms

Last budget the government flagged new rental standards legislation. This legislation has now been finalised and brings in new requirements for smoke alarms and insulation (insulation is the topic of our next message). From 1<sup>st</sup> July all rentals must have smoke alarms. For new installations they must be long-life 10 year alarms; existing alarms must be checked and confirmed as working at the start of a tenancy. Tenants are supposed to be responsible for keeping the batteries replaced, but of course as happens now they often won't. Existing alarms must be replaced with 10 year alarms as they require replacing. We have attached an info sheet on all the details as well as the requirements for their location in a dwelling. There is now a \$3,000 fine for failing to have smoke alarms which meet these standards and requirements.

## What we will do for you

Most of our landlords have already installed smoke alarms in their rentals. Many have been proactive and replaced all their alarms with the new 10 year alarms over the past 10 months. With a \$3,000 fine for breaches we are going to be very careful on your behalf. For those properties where we know alarms are not installed we will be installing them before the 1<sup>st</sup> July deadline. As we move through our inspections we will be checking that the existing alarms meet the location requirements, one of which is that an alarm be sited within 3 meters of each bedroom door. If your property does not comply with the new legislation we will immediately replace the alarms with the long-life 10 year alarms and record their installation and compliance. Given the large fine, and the potential for tenants to game the system by removing alarms, we have to ensure you are protected.

