

20 **RPMA**
24 CONFERENCE
AUCKLAND

GUEST SPEAKER

MATT BALL

NZ PROPERTY & INVESTORS FEDERATION

*Landlord & Investors
view of what lies ahead*



What Lies Ahead

How Landlords and Investors are feeling
about the future and what they need



A little about me – Matt Ball

- A small-time property investor since the mid-1990s
- A political animal
- A communicator
- A newly created role for the Federation, to boost advocacy and public profile

Looking back a little

- A negative attitude to landlords and property investors has built up over time
- Partly down to envy - 'landlords get something I don't', 'rich, greedy landlords'
- Partly down to media preference for 'bad news' - bad landlord stories rate
- Partly because housing is 'different', a distress purchase, social need, a right
- Created an environment in which it's seen as OK to bash landlords

A tough environment

- This attitude to landlords has created a much tougher environment than we've seen in the past
- It is now harder to negotiate the rules around residential tenancies
- Some very unjust laws were brought in, like removal of interest deductibility
- It's a high-cost environment. Interest rates, insurance, rates, building and maintenance costs up, property prices down, harder to find good tenants

What's ahead?

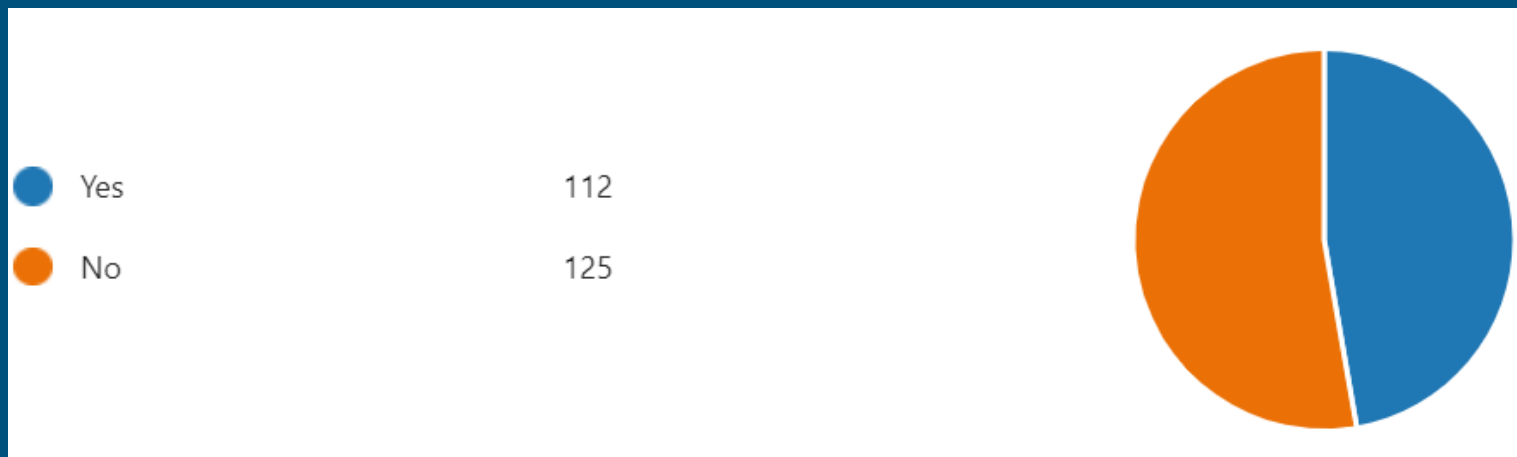
- On the plus side, we have a government which understands and supports private residential property investors and landlords.
- Some of the worst law changes are being reversed.
- Work is underway to increase the building supply and reduce costs
- Interest rates are starting to come down, but the economy is still tough

What about Property Managers?

- While the legal environment is improving, it's still very complex – that's not really going to change.
- It's still hard to deal with government agencies, particularly if you're a new investor, working another job, perhaps highly leveraged.
- Money will be tight, and for some time.
- Renters' market developing

Member survey

- In answer to the question do you use a property manager, around half our members said they did.
- The main reasons were making life easy or having an out-of-town property.



Member survey

- What our members said they look for in a property manager
- There are a range of views, but some themes came out:
 - Cost – obviously especially important at the moment
 - Experience / Knowledge / Professionalism
 - Communication
 - Quite a few members like small, owner operators with skin in the game – investors themselves

Member survey

What is one thing your Property Manager could do better?

- Good news – the majority of respondents are happy with the service they're getting
- Many landlords would like it to cost less – unsurprising
- The key comments around improvement were related to professionalism and skill

Member survey

What's your main reason for not using a Property Manager?

- Of those that don't use a property manager, a bad experience in the past had put them off property managers entirely.
- Cost – especially for something they felt they could do themselves
- Size of business: those having one or two properties found it easy – and enjoyable – to manage

Member survey

Do you think the government's legislative changes related to property investment will positively impact you personally?

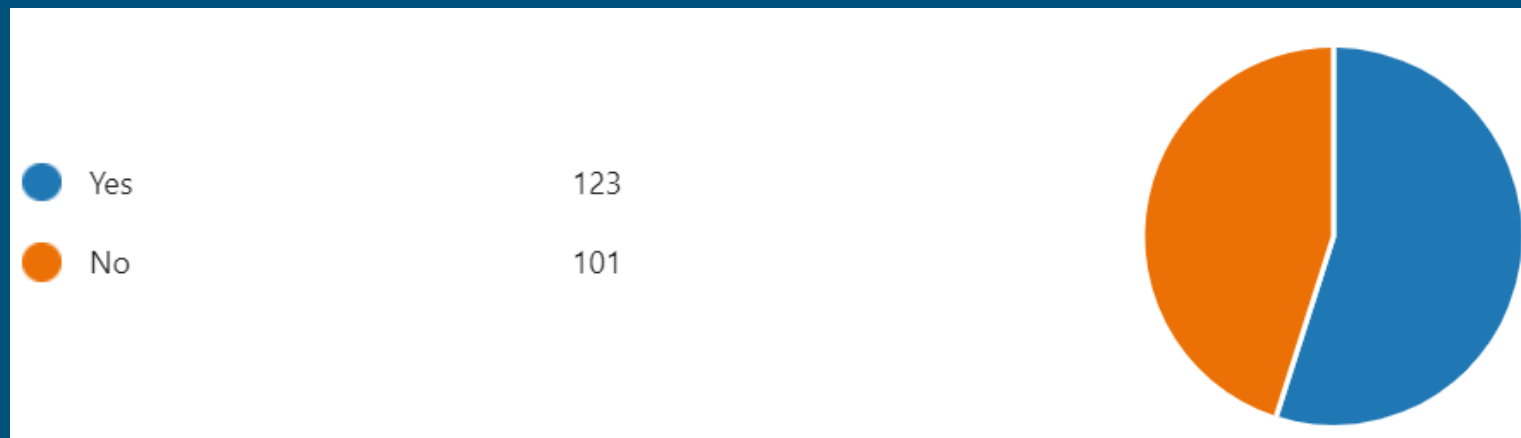
- There is some optimism around the coalition's legislative agenda. 58% think it will have a positive impact
- Particularly strong support for the return of no stated cause terminations



Member survey

Would you support the reintroduction of the Residential Property Managers Bill?

- 55% of respondents said yes
- Those that didn't support the return of the bill thought it would increase costs



Conclusion

- Property investors have had a rough time, improvements are coming but it's not going to turn around fast
- There is always going to be a role for property managers. Cost and quality of service are key – as in any industry
- Root out the cowboys, they're bad for all of us
- Governments always change. The next election is two years away