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Specialist Residential  
PROPERTY MANAGERS

# Quinovic

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## WELLINGTON RENTALS SHOW MIXED RESULTS

While public sector restructuring and downsizing are causing some uncertainty in Wellington, rents in the central city are reasonably stable and there's plenty of activity in the film industry to ensure a regular supply of new arrivals seeking rental accommodation.



Commentary from Wellington-area Quinovic offices supports recent statistics from the Department of Building and Housing showing a "two-speed" rental market with city centre investors doing better with rent increases than those in the suburbs.

**Quinovic Vivian Street** principal Stephen Dacombe-Bird said the first three months of 2012 had been exceptionally busy for his central city office. April was quieter due to the number of holidays but May got off to a good start.

Stephen said there seemed to be a "drift" into the city from nearby suburbs like Karori and Khandallah, where rents were dropping in some cases. Several new CBD apartment developments were attracting good interest but public service tenancing had been slow since the National-led government came to power in 2008 and serviced apartments were becoming harder to let. "More people are sitting tight and there's certainly no sign of any exodus from Wellington."

He said there was plenty happening, and forecast to happen, in the film industry. Weta Workshops is reported to be seeking government approval to recruit around 400 specialist staff from overseas on short-term contracts.

"There are a lot of positives for Wellington and it's certainly not all doom and gloom," said Stephen.

**Quinovic Johnsonville** principal Helen Schafer confirmed a slump in the rental market away from the central city with owners of some higher-end suburban properties having to accept significant drops in weekly rents to find good tenants.

"Properties renting for \$300-400 are generally okay but there just aren't the tenants out there for higher-priced homes. It does seem to be related to the loss of government jobs," said Helen.

Meanwhile, the Kapiti Coast rental market is likely to receive a boost with construction starting on a \$100 million new retirement village for 400 residents at Waikanae.

**Kapiti-Mana** principal Paul Densem said the Ryman Healthcare project is set to last two to three years and should bring new people to the area, along with big roading projects on the drawing boards and the prospect of an increase in scheduled flights for Kapiti Airport at Paraparaumu.

Paul said reduced numbers of incoming government workers, mainly from the UK, had contributed to a generally slow market recently and any rent increases had been limited to token amounts. Properties had to "tick all the boxes" to rent easily and insulation was a key requirement, particularly going into winter.

While there was demand for lower-priced properties, Quinovic's property managers were very thorough at vetting prospective tenants. "Our first priority is always the owners' interests so we'd rather take the time required to find tenants who can be trusted to care for their properties, and we won't drop our standards just to fill a vacancy."

## INVESTORS INTERESTED

The first quarter of 2012 saw increasing investor interest in residential property, according to the respected **BNZ-REINZ Market Survey**.

The monthly survey, which is sent to more than 10,000 licensed real estate agents around New Zealand, showed a net 15% of agents reported more investors appearing in the market for the third consecutive month. By contrast, surveys for the final three months of 2011 were negative for investor interest.

"This makes for three strong months and backs up reports in our separate **BNZ Confidence Survey** showing strong conditions in the residential property management sector," reported BNZ chief economist Tony Alexander.

He said business sentiment increased yet again in the April confidence survey, "and at a net 34% positive from 27% last month is suggestive of good growth in the NZ economy in the near future". However, he said concerns remain about economic difficulties in Europe that could cause sentiment here to fall again.

# SOLD



## Beating the Monday Blues

A recent week at Quinovic's **Thorndon office** got off to a foot-stomping start with a lavish morning tea, a case of wine (for later) and a sing-along, all thanks to Wellington radio station The Breeze and other sponsors of its Beat the Monday Blues competition. Thorndon principal Chrissy Edmunds, a self-confessed Breeze "groupie", landed the musical visit by entering a regular Breeze draw.

**Pictured from left** are Kevin Edmunds (Thorndon Principal), Terry Drummond (Property Manager), Shane and Stu from the Breeze, Chrissy Edmunds (Principal) and Nikki Quinn (Property Manager).

## A WORD FROM OUR CLIENTS

"I can with all honesty say there have been many times when I have had to remind myself that yes, I did purchase and yes, I do own a rental property. Such is the standard of their management."  
V A Parker