

# Total Talk

January / February 2019

## Healthy Home Standards - by 2024

Private landlords have until July 1, 2021 to ensure rental properties comply with the standards recently announced by Housing and Urban Development Minister Phil Twyford for heating, insulation, ventilation, moisture and drainage in residential rental properties. Housing NZ have another two years.

Phil Twyford said the average three-bedroom home which currently does not meet the standards will cost approximately \$7000 to upgrade. It has been estimated that about 200,000 families live in rental homes that do not have ceiling or underfloor insulation.

The public response to this announcement has been mixed. Some feel it is a positive move that will be great for the wellbeing of all tenants while others argue that the extra cost involved will simply flow on to the tenant with some market commentators estimating rents to rise by \$15-\$20 per week.

So what is required if you currently own a residential rental property?

### All rental homes will be required to:

- Have a fixed heating device that can heat the main living area to 18C.
- Have ceiling and underfloor insulation that meets the 2008 Building Code, or has a minimum thickness of 120 mm.
- Kitchens and bathrooms will be required to have extraction fans or rangehoods. Windows in the living room, dining room, kitchen and bedrooms must be operable.
- If a rental property has an enclosed subfloor, it must have a ground moisture barrier if it's possible to install one.
- Drainage and guttering must be to a standard that prevents water entering the home.
- Landlords must stop any unnecessary gaps or holes in walls, ceilings, windows, floors, and doors that cause noticeable draughts. All unused chimneys and fireplaces must be blocked.

For more information visit: <https://www.hud.govt.nz/residential-housing/healthy-rental-homes/healthy-homes-standards>

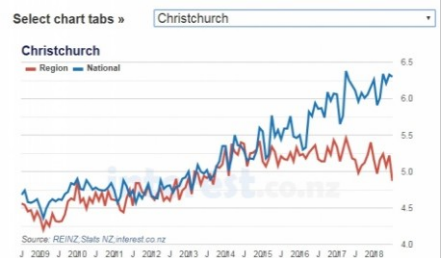
## Housing Affordability

One measure of housing affordability is the ratio of median house price to the median household income. The resulting value is essentially the number of years of annual household income required to purchase a median valued house. The ideal value for this internationally recognised measure for comparing housing affordability across countries has been determined to be 3.0. Currently the New Zealand average is 6.3. Although this sounds high, on an international scale New Zealand housing currently ranks the 17th most affordable out of 93 countries measured. This is up from a ranking of 40th ten years ago.

Regionally there is a large variation across New Zealand, with Auckland being the least affordable with a ratio of over 10, while the most affordable region is Invercargill with a ratio of just 3.41. Wellington is just over the national average and sits at 6.49 and Dunedin under at 5.36. The variation across NZ is simply due to regional housing supply and demand dynamics, with Auckland having the greatest housing shortage and Invercargill the least.

This dynamic is demonstrated well in Christchurch where after the 2011 earthquakes a massive housing rebuild effort took place generating a high supply of new housing and hence increasing affordability as shown in the graph below. The blue line shows the national affordability ratio increasing from 4.5 to 6.3 over the last 10 years, while the red line shows Christchurch becoming more and more affordable over the last five years.

House price to income multiple



## 1% Myths Exposed

**Definition of 'Myth':** "an invented story, idea, or concept"

**Myth:** "Total Realty will sell my home for less"

**THE TRUTH:**

The property market is different to most other markets. The buyers determine the price offered on your home, not your neighbour, lawyer, or real estate agent. With Total Realty's marketing methods, your property is exposed to all buyers in the market. Your Total Realty agent is committed to going the extra mile in order to achieve the best possible price for you. Because of this commitment we have to you, many of Total Realty's sales are the result of multiple offers made on the same property.

## Brain Workout - Sudoku

*Can you work out this "Jigsaw Sudoku"?*

Fill in the numbers from 1 to 9 without repeating any in a row or column, or outlined jigsaw piece!

Good Luck.

			6					
	4					6		
	8				3			2
			8		1			4
		4	7		8	1		
3			5		9			
7			1					4
		3						9
					6			

## Laughter is the best medicine



"You'll love this one - a cosy little ig with a detached loo!"



*"Thinking of selling? Call us today!"*

**Rachael Cone**, AREINZ  
Business Owner / Principal  
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# Stats - FROM THE - Street

## Median Sale Prices

Jan 2019 (vs Jan 2018)

<b>National</b> (+5.8%)	<b>\$550,000</b>
<b>Auckland</b> (-2.4%)	<b>\$800,000</b>
<b>Wellington</b> (+12.2%)	<b>\$562,000</b>
<b>Christchurch</b> (-0.7%)	<b>\$431,900</b>
<b>Nelson</b> (+11%)	<b>\$566,133</b>
<b>Dunedin</b> (+12.0%)	<b>\$410,000</b>

## What people are saying about us

"Highly recommended and have had excellent results before with Total Realty. The savings on commission fees paid is a main factor. In selling our house not only did Total Realty save us over \$40,000 in Commission, but it resulted in a perfect home for our happy buyers and a great result for us to move on. All your Total Realty agents we have sold with acknowledge how wonderful the office staff and Company are to work with!!! Very special, very rare - well done."

**M & D Gordon**

"It was the best decision I've ever made. Our agent was absolutely brilliant. Awesome result for our family. Very fair commission but 5 stars service. Professional, worked very hard all the way through and kept you updated all the time. They took great photos for our home and made sure to get the very best price for us. Very efficient, easy to work with and highly recommend."

**P Symons**