



Here we are again. The end of yet another year. Our 16th year end newsletter. Hard to believe sometimes.

What a year it has been. Quite different in some ways to prior years. We really didn't see any fall off during the winter period. Interest remained high by both investors and tenants alike.

For several landlords the challenges of the real estate market during 2023 provided them with an opportunity to expand their rental portfolio. Prices had fallen, rents had increased a little and demand for rentals was high. For others the constant change of policy by the Government create uncertainty and they chose to exit the sector.

For tenants the year was difficult. High demand meant strong competition for available rental properties. Strong competition often resulted in higher rents. Sadly, we were unable to house some of the very good applicants that we had come to us as we often had few, if any, available properties.

In other ways the year was one of stability. Historically, during a year, we saw tenants vacate a property, sometimes seeking an early break to their tenancy agreement. When employment was unsteady; career changes; schooling selections; and sometimes just because they felt like a change. With property being in short supply what we saw were tenants unwilling to move – seeking an extension to their lease. A stable environment is good for all parties in our opinion.

Looking forward we see a continuation of this high demand. Record immigration is the key factor but other factors are also at play here. Christchurch has

become the 'in place' and many people are moving from elsewhere in New Zealand to the city and surrounds. Driven in part by house prices which remain lower than in other major cities. In part by employment opportunities. In part by education – Canterbury University is the only university in the country experiencing significant growth from local, national and international students. But also contributing is the lifestyle that our city offers – vibrant restaurants and bars; accessible sporting opportunities; easy commuting times. The city is not seen as a rat race.

For landlords the year has ended with a higher degree of certainty. With the change of Government many of the restrictive and costly measures introduced by their predecessors are going to be relaxed.

This will not be popular with several factions within the community.

Encouraged by a Government that seemed to believe that landlords were a bunch of greedy, money-grabbing, privileged individuals, groups, such as Renters Unite, expressed their indignation and demonstrated a sense of entitlement regardless of the additional cost landlords were being expected to carry. Statistics tell us quite clearly the most landlords have between 1 and 2 rental properties. They are not large conglomerates able to absorb rising costs. Over recent years Government intrusion into the sector has stepped outside the usual norms. No other investment category has been subject to so many hurdles. One has to wonder just how those in power believed that such steps would benefit those dependent on rental property.



The reintroduction – over time - of tax deductibility on mortgage interest payments; the return of the bright-line test from 10 to 2 years; the return of a landlord's ability to terminate a tenancy with a 90-day notice will in our view help to restore sanity into the sector. Hands up – there are bad landlords out there and they have done things that in most people eyes are both morally and socially wrong. But they are few and far between. To consider all landlords as similar was a poor judgement.

The key problem behind an unstable rental market is the lack of supply. The new Government has indicated a willingness to review the barriers to the building of new homes – the price of materials, the town planning legislation, the shortage of qualified and experienced builders to name just a few. Complicated, ill-conceived, poorly implanted schemes such as KiwiBuild are not the answer. Let's keep things simple. Looking forward – if they are successful – the extremes of the market (both for ownership and tenancies) may be minimised.

This year started with us absorbing the impact of our purchase of Metropolis Property Management. It was not without its share of issues but by the end of 2022 those had been largely resolved. With a full year of having those properties now complete it is wonderful to see what a significant impact they had on my business.

Many of Metropolis's properties were based in Rolleston. With much improved accessibility, upgraded and expanded community services and educational facilities demand in Rolleston and surrounding areas has exploded. To think that just a couple of years ago it was very hard to find tenants for properties out there.

Our current clients have received an email from me over the last few days advising that I am opening a new company – to trade as Quinovic Property Management Rolleston – effective 1st February 2024. My team and I are extremely excited by this move. We know there may be challenges but we are confident that with our experience, our reputation and with our quality team we will make a success of this. Roll on 2024.

We will keep the newsletter short this month. You have much more pressing things on your mind – Christmas, holidays, entertaining family. You won't be interested in what happening in the market. We will catch up with that in January.

On behalf of all of us here at Quinovic Merivale I thank you for your trust in us. Several of you have been with us since the beginning and some a shorter period of time. We aim to provide you all with prompt, top-quality service and a high level of communication. No doubt we may have fallen short on occasions but we are grateful for your patience and understanding.

We wish you all a very merry Christmas and a happy New Year. May 2024 be a successful year for you all. We look forward to our on-going relationship and friendship.

Sharon Layton
Principal.