

Newsletter

Harcourts Team Group



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Harcourts

How is your KiwiSaver performing?

Tracking your KiwiSaver's performance is an important part of managing your investment. With a range of providers and funds to choose from, even the smallest difference in annual earnings can quickly add up to a significant amount. To get the most out of your fund, it's important you review your KiwiSaver at least every year.

Don't know, don't care

Into its tenth year of operation and more than 75 per cent of New Zealand's working population are already enrolled in KiwiSaver. While many smart savers are actively tracking their KiwiSaver's performance, too many don't know where their funds are invested or don't care.

Research undertaken by Westpac in October 2017 shows that out of the 1000 KiwiSaver members interviewed, just 44 per cent wanted to know where their KiwiSaver funds were invested, 16 per cent did not want to know, and 40 per cent did not care. Those figures could change though, as being able to track and compare KiwiSaver funds becomes a little easier.

An online tracking tool

KiwiSaver Tracker is an interactive tool that lets you access and compare basic fund information using an online platform. Released by the Financial Markets Authority, the tracker uses information that KiwiSaver providers share with investors through their quarterly fund updates, along with information from the Companies Office's Disclose Register.

This information is automatically incorporated every three months to provide a real-time snapshot of risk profile, returns and fees for each fund. Savers are able to track how hard their fund is working and compare it to other funds. More information about the FMA KiwiSaver Tracker can be found on the FMA website.

Tracking your investment

As you move through life, your investment needs change so it's important you keep track of how your KiwiSaver fund is performing and make any necessary adjustments over time.

As a young investor, you may choose to invest in a riskier, share-based growth fund with a view to long-term growth, while closer to retirement age a more conservative, stable fund makes good financial sense.

With the start of a new year fast approaching, it's a good time to take a closer look at your KiwiSaver investment and set some plans in place. Get in touch with a Mortgage Express adviser to review your KiwiSaver and help you decide which fund best fits your needs.

<http://www.mortgage-express.co.nz/blog/how-is-your-kiwisaver-performing>



0800 226 226
WWW.MORTGAGE-EXPRESS.CO.NZ

Interest Rates

Lender	Flt.	1yr	2yr	3yr	5yr
Kiwibank	5.80	4.95	5.15	5.49	5.69
Kiwibank Special	-	4.45	4.65	4.99	-
ASB Bank	5.80	4.79	5.05	5.29	5.99
BNZ - Std, FlyBuys	5.90	4.99	5.29	5.59	6.09
BNZ - Spec Classic	-	4.59	4.65	4.99	-
ANZ	5.79	4.95	5.15	5.49	6.09

With access to over 15 lenders, six insurers and 150 loan and insurance products, our partners at Mortgage Express can help you find a home loan, a commercial loan or an insurance policy to suit. Get in touch with Mortgage Express to find out more.

A change to LVRs

From January 2018, the Reserve Bank is easing lending restrictions for home buyers and property investors. In place since 2013, LVRs were introduced to help slow rapid house price inflation and rising household debt. While only an incremental change has been confirmed, it's likely to have a positive impact on first home buyers.

A modest easing of restrictions

The Reserve Bank of New Zealand announced in late November 2017 that it would be easing lending restrictions from January 2018.

From the start of next year, the cap on banks' new mortgage lending to owner occupiers with an LVR greater than 80 per cent would increase from 10 per cent to 15 per cent.

Likewise, restrictions for investors have eased slightly. Currently, only 5 per cent of banks' lending is to investors with a deposit of less than 40 per cent, but from January 2018 banks will be able to do 5 per cent of their lending to investors with less than a 35 per cent deposit.

Reserve Bank Governor Grant Spencer said LVR policies have helped improve banking system resilience substantially, and that pressures on the housing market over the past six months have continued to moderate because of a further tightening of LVRs, a firming of bank lending, and an increase in mortgage rates.

In light of these developments, he said, the Reserve Bank would undertake a modest easing of restrictions, but would monitor the impact of changes and make further adjustments if financial stability risks remain contained.

A glimmer of hope for first home buyers

Whilst it's unlikely much impact will be felt by investors, for first home buyers struggling to enter the property market with less than a 20 per cent deposit, the easing of restrictions offers a glimmer of hope.

Combined with a cooling housing market across the country and relatively low mortgage rates, this could be the opportunity many first home buyers have been waiting for.

As always though, it pays to be prepared before applying for finance. Here are some of the ways you can ensure you have the best possible chance of securing finance.

- Know your financial position – be prepared to prove your income and expenses with bank statements, proof of income and KiwiSaver investment details.
- A good credit record – pay off any consumer debt and always pay your bills on time.
- Manage your expectations – work out what you can realistically afford and stick to your budget.

Talk to our team

If you'd like to find out how to get into property market – either as a first home buyer or a property investor – and how a change in LVR is likely to affect you, talk to one of our team.

<http://www.mortgage-express.co.nz/blog/a-change-to-lvrs>



Maximising your property's value

Investing in property has the potential to provide astute buyers with an excellent return. But, as any seasoned investor will tell you, you need to spend money in order to make money. It needn't cost you thousands of dollars, however, to add value to your home and increase your equity. There are a few key things you can do even on a shoestring budget.

It's the little things

Sometimes the simplest things have the most impact: replacing door handles, kitchen cupboard handles and light fixtures is a cost-effective means of modernising your home and adding value.

With a little more budget, updating windows and doors not only improves the aesthetics of your home, it can help

lower your heating and cooling bills, and even increase the amount of natural light inside your home.

It's surprising the difference a fresh coat of paint can make in a home. It easily revives and brightens a tired space. If your budget is limited, try painting a feature wall to add depth to a room.

Changing the flooring by simply adding a rug to hardwood floors or tiles can reduce noise, improve insulation and add a modern touch to your home.

Tired kitchens or bathrooms can easily be updated by changing a portion of the room rather than undergoing a full renovation. Simply updating the flooring, retiling the walls, fitting new appliances or changing out the countertops can change the entire look of a room, adding significant value for a surprisingly low spend.

Declutter and deep clean

Clearing away the clutter in your home can have a dramatic impact. Not only does it leave you with a perception of more space, a much fresher and tidier appearance, decluttering has surprising health benefits according to experts – both mentally and physically. Decluttering could even make you a little money!

Try walking around your home and viewing each room through the eyes of a stranger, identifying those items that are simply taking up valuable space. Then, tackle one room at a time, separating your necessities from the things you really don't need.

Here's a good rule of thumb to use when decluttering:

- Put away any items that have crept out of their storage space like coffee cups or piles of laundry.
- Recycle any paper, plastic or glass.
- Fix any broken items or throw away anything beyond repair.
- Find a charity or someone in need and donate those items you no longer need.
- A deep clean of your home both inside and out, tackling all of those tasks you usually avoid, can have an immediate return on the value of your property.

Avoid over-improving

While it may be your goal to grow your wealth by investing in property, it's worthwhile remembering not to overspend on renovations where you won't see a return on your investment.

Before you consider any type of renovation, do your research on the area you're in to determine how much your property may be worth after renovations. That will give you a good idea of how much you realistically should spend.

If you are thinking about adding value to your home, either through some small changes or with a major renovation, get in touch with a Mortgage Express adviser to talk about your options for refinancing.

<http://www.mortgage-express.co.nz/blog/maximising-your-property-value-nz>



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TRUST ISN'T SEEN, IT'S EXPERIENCED

For the fifth year in a row, Harcourts has been voted New Zealand's most trusted real estate brand. This is the fifth time the Reader's Digest has asked the public to vote on the real estate category, and every time, Harcourts has come out on top.

At Harcourts we aim to create clients for life and pride ourselves on exceptional service. We are humbled that New Zealand has voted us the Most Trusted Real Estate Brand five years running.



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