



New Zealand

TOPA

The New Zealand Property Investor Guide

New Zealand is proud of its clean, green image set amongst magnificent mountains and waterways, making it an attractive destination. At the same time, New Zealand is a dynamic 21st century society



with sophisticated cities and a vibrant arts and cultural scene. The Index of Economic Freedom (compiled by the Wall St Journal) ranks New Zealand fifth out of 161 nations. This takes into account openness of trade policy, tax burden, monetary policy, wages, unemployment, inflation levels, investment flows and regulation.

New Zealand is currently experiencing increases in population due to its immigration policy and birth rates. As a consequence, many parts of the country are experiencing housing shortages translating into very strong rental yields, a trend that's expected to continue. Recent population projections and studies from the New Zealand Department of Statistics suggest some centres will grow as much as 79% over the next 20 years. For an astute property investor, that means excellent growth potential, demand and return on investment.

Why invest in real estate?

Bricks and mortar have often been the investment of choice for generations of smart investors. Why? Because the returns are usually steady...it is easier to find finance for real property rather than shares...it is intrinsically a better security.... It is easy to add asset value by renovating or restoring.....'off-plan' purchases frequently yield quick gains and tax advantages are often available to the buyer.



Why Invest with TOPA ?

We offer a FREE service to our clients and assist them in all aspects of purchasing and owning New Zealand Property. Our clients are investors who look outside the square and seek sound quality property investments abroad.

Our New Zealand partner is a research focussed company and spends a great deal of time investigating property opportunities for our clients. Our New Zealand partner also has reliable and credible professionals that work on our clients behalf protecting your best interests at all times.

The property investment strategy is holistic. We address not only the acquisition of sound quality investment property in New Zealand but also the management of that property and all the leg work that goes with it (such as financing, taxation, legal work and property management).

For more information on our services info@topa.co.uk

Who will be your tenants?

People of all ages, incomes and family situations require rental properties. The quality of property you buy, its location and the rental price will usually determine the most likely tenants. If you buy near a university you are likely to have a ready market of student tenants. People with families need schools, doctors and facilities like sports grounds near by and prefer larger homes with a big back yard. Older people like low maintenance places within walking distance to amenities. And busy professionals often find a low maintenance apartment in the city is the most desirable option.



What type of tenants should I be attracting?



The “young professional market” is the most desirable. They generally are well paid social people within the 25-35 yrs old age group. Rent is more likely to be paid on time, they demand long leases and are considered a low maintenance hassle-free tenant. They like to live within the 10km radius of the city, live in vibrant suburbs that have a great café culture, where shopping is accessible and good supporting infrastructure - close to public transport, parks and sports fields.

The type of property they desire is generally a new 1-2 bedroom unit with a car space. Remember these people work hard and like to enjoy the weekends; the last thing on their mind is weeding the garden or racking the leaves in the driveway.

It is important to buy a property that complements the suburb and is marketed to the right type of tenant.

[View our city based property listings document](#)

Tourist Related Investments

New Zealand is widely regarded as one of the most desirable locations to visit and consequently the Tourism Industry is booming – it’s New Zealand’s biggest industry. New Zealand is a clean green country and is seen as a safe haven in the world today. These important factors coupled with beneficial exchange rates as well as the beautiful countryside, beaches, cities and breathtaking mountain scenery makes for a very attractive destination.

Property investment in New Zealand tourist hotspots can be very rewarding from a capital growth and income perspective. Places like Queenstown, Wanaka and some coastal townships are experiencing exceptional capital growth. The key is obtaining a consistent solid rental income from the property. In these locations the most desirable tenants are the tourists as



they pay a premium for the accommodation. Many serviced apartments and houses are available for investment in these locations; it’s a matter of finding the best one and researching the quality of the management company. Some serviced apartments allow you to stay for periods of time each year so you can couple a sound investment and holiday home all into one.

[View our lifestyle property listings document](#)

How do I invest in New Zealand being an overseas resident?

The New Zealand government promotes overseas investment and lets you buy property worth under \$50 million and land under 5 hectares without needing consent.

The hardest part of the process would be to find a quality property yourself in a market that may be quite foreign to you. This is where our New Zealand partner can bring that local knowledge to your investment decision.

How Complex is it to invest from overseas?

In actual fact there is very little difference to buying property in your own country. The same fundamental buying process still applies. There's a slightly different legal and accounting system however our New Zealand partner can take care of this administration function and assist in the buying and holding process.



Taxation on the property

One extremely attractive aspect of buying investment property in New Zealand is, if structured correctly, avoidance of paying any capital gains tax on the profit once you sell the property. In addition, there are no stamp duties, land tax or any other tax associated with buying a property.

Like most countries, you will have to pay tax if you create income from your property investment. However, there are many ways to minimise the tax you pay through legitimate tax deductions (costs incurred as a result of creating the income). We specialise in maximising your deductions, as we know exactly what we can claim for you. Utilising an accountant who is experienced in property investment will make the most of your cash flow position.



As a client our New Zealand partner will submit your tax return on your behalf and have discussions with you throughout the year to plan your tax return.

New Zealand Mortgages

If you are looking to borrow monies for your New Zealand property, you will have to source a loan through a New Zealand bank. Smart investors get their finance pre-approved by their financier so that they can move quickly to secure an investment when they see it. New Zealand has many different lending institutions, which makes for a relatively competitive environment. Our New Zealand partner will manage the loan process and help you find the most cost effective, flexible and well structured loan in the market place.

Property management

Employing property managers is the most convenient way for an overseas investor to deal with all the day-to-day property administration.

They'll promote and advertise your property, source and approve the tenant, submit bond application forms and write the lease agreements. They'll also look after any maintenance issues such as repairs to a leaky tap or fixing the picket fence. Every quarter they send consolidated reports illustrating all cash inflows and out flows and take the hard work out of maintaining your property.

Eliminating investment risk

Overseas investors sometimes feel they are taking on board more risk with the investment as they are not investing in their neighbourhood or backyard. However the same old age fundamentals of property investment apply in New Zealand and employing a research-focused company like our New Zealand property partner will help minimise your investment risk and provide that local knowledge to your investment decision.

Supply and demand

It is generally considered investing in major cities within the 10 km radius provides for a more beneficial investment as there is a constant supply of people wanting to live in that area and that many young professionals want to live there. Research shows that Auckland CBD will face major population growth over the next 20 years as it is a magnet for business in New Zealand. It means a greater number of people, greater demand, and a scarcity of land – all providing excellent prospects for capital growth.



Did you pay the right price?

Anyone investing in a foreign property market would naturally wonder if they paid the right price or market price for the property. This is where leveraging off experienced advice counts. You need to be talking to people who have the finger on the pulse and who understand the market. Our New Zealand partner provides peace of mind with providing independent valuations for all of our recommended unit investments. If you are buying an older style property we can seek an independent valuation for you.

Is it the right time to invest?

New Zealand is a growing nation and its major cities are coming of age. It is commonly known, one of the best ways to describe Auckland (New Zealand's largest city) is by picturing Sydney 10 years ago. Don't you wish you bought a second or third property then? Our New Zealand partner provides independent research, processes all the due diligence and lets you invest abroad in confidence.

Contact details

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