Exploring the yields on residential investment property

Bob Hargreaves
Finance, Banking and Property Department
Massey University, Palmerston North
New Zealand

Abstract

Over the last 3 years a considerable amount of investor attention has been directed to residential investment property. This paper reports the results of a comprehensive survey of residential landlords covering 1585 New Zealand rental properties. Information on the income and expenditure patterns from houses, flats and apartments was analysed to derive the gross and net yields, the capital gains being achieved, and the total returns over the holding period. The paper then goes on to use multiple regression analysis to further explore the relationship between gross income and value for a selection of rental apartments and rental flats.

Introduction

Recently a considerable amount of worldwide investor attention has been directed to residential investment property. The Economist (2003) (2004) devised an index to track movements of house price internationally, including those in New Zealand. With house prices increasing at an annual rate of 15-20 percent per year in many parts of New Zealand, mortgage interest rates close to thirty year lows, and positive net migration pushing up rents it is not hard to see why substantial numbers of investors have favoured property investment. Traditionally, residential real estate has been perceived as a relatively low risk asset class, showing returns above bank deposits and bonds but below the more volatile equity market. Recent work by Pellicer and Tyrrell (2004) confirms the place of residential property in the low/medium risk category. Since 2001 the international capital returns from housing have generally exceeded those of most equity markets and capital has flowed out of managed funds and into housing.

It follows that if the capital gains from owning one property are good then the gains from owning multiple rental properties are likely to be even better. This has resulted in a new breed of property entrepreneurs who make their living by offering "get rich" seminars to the public. These seminars are based on the principle of using borrowed money to leverage the returns on individual properties and free up capital so property investors can acquire multiple properties. The Reserve Bank governor Dr Bollard (2004), reported household debt (mostly mortgages) increased by an extra $23 billion from 2001 to the end of 2003. To date house prices have also continued to increase, although the rate of increase moderated in 2004. There is some concern about overly aggressive lending decisions, but to date mortgage delinquencies remain low.

Unlike the share market, where there is a lot of publicly available information on investment returns, information on property market returns is closely held and often not available to the public. There are some exceptions, for example, in the UK the Association of Residential Letting Agents (2003) now provides information on the returns on buy to let residential investments. Also in the UK the Investment Property Database (IPD) (2004) compiles a residential investment index. The research reported in this paper is the first step in providing information on total the total returns being achieved by residential rental investors.

Objectives

The first objective of this research is to provide the reader with a preliminary snapshot of the performance of the market for private sector residential rental properties in New Zealand. This

will be achieved by reporting the results of a comprehensive survey carried out by the author in June 2004. This survey will form one of the building blocks for a residential investment property total returns index, currently under preparation. The second objective of the paper is to use the survey data to explore the relationship between income and value.

Methodology

Two methods of obtaining data on investment properties were investigated. The first method was to survey professional property managers using face to face interviews. The second approach was a direct approach to property owners. A pilot study was done by a graduate student who used the first approach. Unfortunately this project had to be abandoned when it became apparent the property managers were too busy to spend time extracting data from their files and many did not have the full information required. The second approach was to use a mail questionnaire sent directly to the property owners.

The Sample Frame

A random sample of 3000 private sector landlords from throughout New Zealand was generated from the Ministry of Housing Tenancy Services Division database. To protect the privacy of the landlords the questionnaire was mailed out by a third party so the researcher could not identify individuals, except where respondents chose to provide an email or physical address when completing the questionnaire.

The Questionnaire

A copy of the covering letter and questionnaire is attached in the Appendix. The main objectives of the questionnaire were to establish the returns on residential investment property, derive the relationship between net and gross income and to assess the capital gains investors have achieved. To encourage people to respond to the questionnaire the author agreed to provide respondents with a preliminary copy of the results as a way of benchmarking their property's performance against similar properties.

Response Rate

A total of 907 landlords responded to the survey before the cut off date at the end of June 2004. This represented a 30.2% response rate. A reminder letter was not used due to the complex

mailing procedure and additional cost considerations. The 907 landlords represented 1585 separate properties, on average 1.74 properties per landlord.

Survey Results

i. **Property Types:** The 1585 properties in the survey comprised three main groups; houses (1062), flats (314) and apartments (90). There were a variety of other property types on one title including; owner occupied houses and rental flats, owner occupied houses and rented bed sitters, a block of apartments, a motel converted to a block of flats and a rental flat plus fish and chip shop. The houses were predominantly 3 bedrooms, detached and located in the suburbs. The flats were mainly 2 bedroom single investment flats in a block as compared with blocks of flats on one title. The apartments were mostly located in Auckland and surrounding cities with lesser numbers in Wellington and Christchurch. The apartments were predominately 1 and 2 bedrooms.

ii. **Capital Appreciation:** The respondents were asked to provide information on how long they had owned the property, the price paid and their estimate of the current market value. In addition, there was a question on their capital expenditure over the previous year. This information was used to calculate the annual average percentage capital appreciation over the period of ownership. An analysis of the data for houses, flats and apartments is shown in Table 1. While this analysis relies heavily on the owner's valuation of their property, the figures supplied appear to be in line with the existing Quotable Value (2004) housing price indices and the Real Estate Institute (2004) median house price statistics. For example, the Quotable Value house price index increased 19.8% in 2003 and Real Estate Institute statistics show the median price of a house increased by 18% in the period May 2003 to May 2004. There are currently no comparable indices for single investment flats and apartments so it is more difficult to verify these figures. However, what stands out is that the capital appreciation in rental houses appears to be considerably higher than single investment flats and apartments. This is probably because there are more options available to house owners including, conversion back to owner occupation, redevelopment of the site to more intensive usage and selling off part of the land. Historically the land component normally appreciates faster than the improvements. Houses have a higher ratio of land to improvements than flats and apartments. Another reason why flats and apartments may be increasing in value at a slower rate than houses is there is a greater chance of oversupply when large developments with more than 100 apartments are brought onto the market.

Also, there is likely to be a higher level of profit on multi-unit developments since individual buyers do not have the option of dealing directly with a builder and reducing/eliminating developers profit.

Table 1: Average Annual Percent Capital Appreciation

		Houses	Flats	Apartments
Mean		21.3	12.2	11.7
Median		13.3	9.4	9.7
Percentiles	10	2.7	5	0
	20	5.5	6	2.5
	30	8	7.3	4.2
	40	10.3	8.6	7.3
	50	13.3	9.4	9.7
	60	17.1	11.3	11
	70	22.4	15	13
	80	30.1	16.4	16
	90	47.8	22.6	32.2

The data for houses was then further analysed by the three main cities as shown in Table 2. Somewhat surprisingly, Christchurch shows the highest percent rate of annual capital appreciation. This result is counter intuitive in the sense that capital appreciation in Auckland has historically outstripped the other main centres.

Table 2: Average Annual Percent Capital Appreciation

		Auckland	Wellington	Christchurch
Mean		16.9	14.4	20.8
Median		13.1	9.2	15.5
Percentiles	10	4.1	1.5	4.3
	20	6.6	4.2	6.8
	30	8.2	6.2	9.3
	40	10.8	8.3	12
	50	13.1	9.2	15.5
	60	15.3	10.5	20.7
	70	19.2	12.2	25.6
	80	25.3	17.3	37.1
	90	34.9	25.5	49.1

However, the results make more sense when the data is analysed by the length of time the investors have owned their properties as shown in Table 3. Nationally the average period of ownership for houses was 3.37 years and 3.56 years for single flats and 3.31 years for apartments. This means because the ownership periods are so short, particularly in Christchurch, investment performance is heavily weighted to the last two years. Also, Christchurch came off a relatively low base because up until quite recently there was an oversupply of sections and this depressed the market. There is also a lag effect whereby Auckland property led the most recent property boom and was followed by Wellington with Christchurch some time later.

Table 3: Time Owned in Years

		Auckland	Wellington	Christchurch
Mean		4.14	5	3.04
Median		1.67	3.6	1.17
Percentiles	10	0.42	0.6	0.5
	20	0.67	1	0.58
	30	0.92	1.8	0.78
	40	1.25	2.3	1.08
	50	1.67	3.6	1.17
	60	2.83	4.7	1.53
	70	5	6.1	3.33
	80	7.33	8.6	4.98
	90	10.33	14.5	8.78

iii. **Income to Value Relationships**

Information on the income to value ratios for residential investment property is not publicly available so investors were asked to specify the income and expenditure associated with their properties as well as their properties value.

a) Gross Income Multipliers (Gross Yields): The gross income multiplier is the number, when multiplied by gross income, that gives the value of the property. The gross yield is the inverse of this, or number when divided into gross income that gives us the value. Smith (1964) argued that, for certain classes of relatively homogeneous residential investment properties, gross income was a more reliable estimate of value than traditional valuation methods. Ratcliff (1967) and Shenkel (1969) tested this assertion using US data and generally supported Smith's contention. Wendt (1974) concluded that gross income multipliers are readily understood by investors, real estate sales persons and mortgage lenders. Wendt explained the gross income multiplier approach represented a blending of the sales comparison and income approaches to valuation, but cautioned against the application of this valuation tool for heterogeneous property types in thin markets. Ling and Archer (2005) noted residential rental agreements are typically short term and thus likely to be at or near market levels. Jefferies (1991) confirmed that in New Zealand gross income multipliers often give the best indication of investment value for small single level residential rental properties. This is because relatively unsophisticated investors do not have access to net income information and formulate their bid prices based on gross income. Once gross income calculus dominates the investor market then gross income becomes a reliable guide to value.

It was decided to test the relevance of the gross income approach to the current New Zealand situation for residential investment properties. The gross yield was derived by dividing gross

income by the value of the property. The gross yields for houses, flats and apartments are shown in Table 4. The results appear to be intuitively satisfactory in that the higher capital gain in housing investment is partially offset by lower gross yields. Conversely apartments show the lowest rate of capital gain and the highest gross yields. Houses had the highest standard deviation for gross yields (3.03%) followed by apartments (2.39%) and flats (1.97%).

Table 4: Gross Yields by Percent

		Houses	Flats	Apartments
Mean		6.7	6.8	7.5
Median		6.4	6.5	7.2
Percentiles	10	4.2	4.5	5.2
	20	5	5.1	5.7
	30	5.5	5.6	6.3
	40	5.9	6	6.8
	50	6.4	6.5	7.2
	60	6.8	7	7.3
	70	7.4	7.5	8.2
	80	8.1	7.8	8.8
	90	9.4	10.5	10.1

Table 5 shows the gross yields for Auckland, Wellington and Christchurch houses. This result is as expected with the market perceiving future capital growth prospects are highest in Auckland, followed by Wellington and then Christchurch.

Table 5: Gross Yields for Houses by Percent

		Auckland	Wellington	Christchurch
Mean		5.8	6.7	6.8
Median		5.7	6.1	6.6
Percentiles	10	3.9	4.5	5
	20	4.7	5	5.8
	30	5.1	5.3	6
	40	5.4	5.6	6.5
	50	5.7	6.1	6.6
	60	6	6.4	7.1
	70	6.4	6.9	7.7
	80	6.8	7.2	8
	90	7.9	8.6	9

b) Net Returns: The net returns are the gross returns less an allowance for vacancy less the annual expenses of operating the property. The annual expenses normally comprise rates, insurance, repairs and maintenance, management, other expenses (such as travel and accounting) and body corporate (if applicable).

The total cash expenses associated with houses, flats and apartments are shown in Table 6. The expenses associated with apartments stand out as being significantly higher than houses and flats.

Most of this increase is due to body corporate expenses associated with the unit title form of ownership and applicable in all apartments, some flats and a few town houses.

Table 6: Expenses (dollars)

		Houses	Flats	Apartments
Mean		2767	2498	4742
Median		2250	2036	3500
Percentiles	10	1415	1050	1801
	20	1650	1274	2160
	30	1818	1584	2530
	40	2000	1802	2882
	50	2250	2036	3500
	60	2500	2200	3950
	70	2868	2501	4959
	80	3400	3000	5900
	90	4497	4455	8275

The ratio of expenses to gross income for houses, single flats and apartments is shown in Table 7. Apartment expenses now show up as being more in line with houses and flats as the body corporate costs are offset by the higher rents being achieved by apartments which are typically near the central business area.

Table 7: Expenses as a Percent of Gross Income

		Houses	Flats	Apartments
Mean		22.7	21.4	22
Median		18.4	18	19.8
Percentiles	10	10.2	10.1	10.4
	20	12.3	11.8	12.4
	30	14.5	13.5	15.4
	40	16.3	15.4	18.9
	50	18.4	18	19.8
	60	21.1	21.2	20.9
	70	24.6	24	23.2
	80	27.8	26.5	26
	90	36	34.9	35.6

The net yield rates for houses, flats and apartments as shown in Table 8 follow the same trends as shown in Table 4 for gross yield rates. Houses have the lowest net yield rates and apartments the highest net yields. Apartment net yields are likely to have been boosted by developers offering short term rental guarantees as a sales inducement. The standard deviation of net yields was houses (2.1%), apartments (2.07%) and flats (1.94%).

Table 8: Net Yield Rates by Percent

		Houses	Flats	Apartments
Mean		5.1	5.4	5.6
Median		5.1	5.5	5.6
Percentiles	10	3.1	3.1	3.5
	20	3.8	4.2	4.4
	30	4.3	4.6	4.8
	40	4.7	5	5.1
	50	5.1	5.5	5.6
	60	5.6	5.9	5.8
	70	6	6.3	6.1
	80	6.5	6.8	6.5
	90	7.2	7.9	7.4

One of the characteristics of the residential investment market in New Zealand is that most investors self manage their properties. In this survey around 95 percent of the respondents owning rental homes self managed. The comparable figure for flats was 91 percent and apartments 81 percent. This raises the issue of the need to factor in management costs to take account of the opportunity cost of the investor's time. Management costs do need to be factored in when the returns from residential rental property are compared with other types of investments. Table 9 shows the adjusted ratio of costs to gross income for houses in Auckland, Wellington and Christchurch with management charged at 7.5 percent of gross income for all properties.

Table 9: Adjusted Cost Ratios for Houses by Percent

		Auckland	Wellington	Christchurch
Mean		25.06	30.31	30.42
Median		22.31	27.52	23.49
Percentiles	10	15.29	18.96	17.55
	20	16.93	20.85	18.73
	30	18.37	23.35	20.25
	40	20.40	24.19	21.49
	50	22.31	27.52	23.49
	60	23.76	30.31	25.31
	70	26.78	34.55	27.69
	80	31.19	36.85	32.20
	90	36.87	42.68	37.70

The ratios of costs to gross income are possibly lower in Auckland because overall rents in this region are the highest in the country.

Table 10 adjusts the net yields for houses, flats and apartments where management costs have also been charged at 7 ½ percent of gross income.

Table 10: Adjusted Net Yield Rates by Percent

		Auckland	Wellington	Christchurch
Mean		4.39	4.80	4.97
Median		4.32	4.44	5.01
Percentiles	10	2.85	2.74	3.45
	20	3.33	3.34	4.12
	30	3.82	3.79	4.39
	40	4.10	4.04	4.64
	50	4.32	4.44	5.01
	60	4.61	4.82	5.41
	70	4.94	5.16	5.87
	80	5.41	5.47	6.30
	90	6.01	6.04	6.71

The overall return being achieved by investors is the net cash return from the property divided by the value of the property, plus the capital gain less capital expenditure.

Table 11 compares the overall returns for houses, flats and apartments. Readers should note this snapshot of overall returns almost certainly overstates the medium run performance of rental property because the returns are so heavily influenced by the capital appreciation from the recent property boom. For example, over the 10 year period 1994-2004 the average annual compound growth of housing values was around 7 percent. The next phase of this project is to develop a time series overall returns index.

Table 11: Total Returns (Average Annual Percent)

|		Houses	Flats	Apartments
Mean		26.42	26.93	17.33
Median		18.48	17.44	15.31
Percentiles	10	5.81	6.48	3.52
	20	9.29	9.57	6.83
	30	12.35	12.23	8.93
	40	15.03	14.15	12.38
	50	18.48	17.44	15.31
	60	22.66	22.33	16.82
	70	28.35	30.34	19.09
	80	36.61	40.16	22.54
	90	54.98	48.82	39.64

Quantitative Analysis

The next step was to explore the relationship between income and value for rental properties in more detail. Data for houses, apartments and flats was analysed graphically and by regression analysis. As yield rates tend to be specific to localities, building quality and type of property it was decided to concentrate on relatively homogeneous data sets. Statistics New Zealand (2001)

data shows rental housing is dominated by 3 bedroom houses and rent per bedroom is the common benchmark used in New Zealand as a quality measure. Rental information expressed by housing type, locality, number of bedrooms, and rent per week is available to the public from the Ministry of Housing website (2004).

Figure 1 is a scatter plot showing the gross yields for a sample of houses in the Auckland region against the value of individual properties.
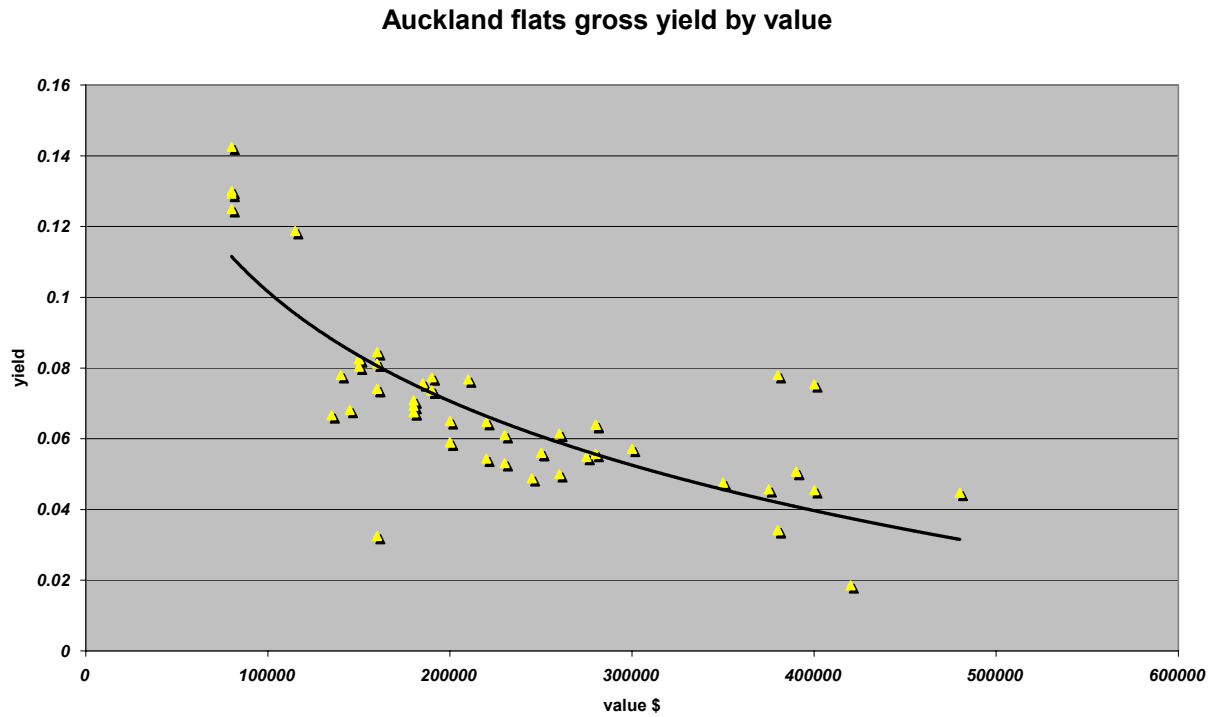
Figure 1:

Auckland houses gross yield by value
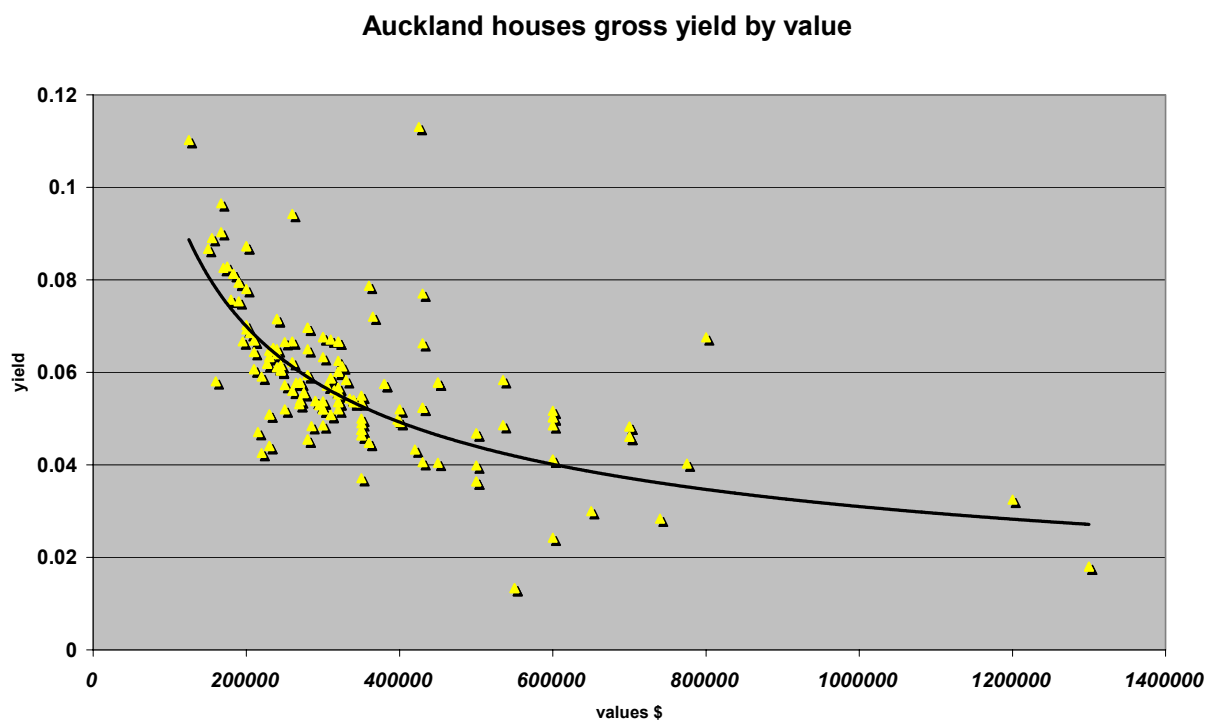
There is a clear pattern of yield rates decreasing as the value of properties increase. This relationship does not appear to be linear and curve that best fits the data is logarithmic. This may be because at the more expensive end of the market renters are unwilling to pay additional rent for some of the features that add value to a house. For example, extra bathrooms, additional land and views may be less important than extra bedrooms. It was unclear how much of the difference in yields was driven by capital gain considerations. The average annual capital appreciation expressed by percent from the survey did not appear to favour the more expensive properties, but this may be because most investors had only been in the market for a short time. There is some evidence from Quotable Value house price statistics that historically lower quartile house prices have increased at a slightly slower rate than median house prices.

Figure 2 shows the relationship between the gross yield and market value for single investment flats in Auckland. Once again the gross yield decreases as the value of the property increases and the functional form of the trend is logarithmic rather than linear.

Figure 2:

Auckland flats gross yield by value

Gross yields for the Auckland apartment market follow a similar pattern to those shown for houses and flats and this is illustrated in Figure 3.

Figure 3

Auckland apartments gross yield by value
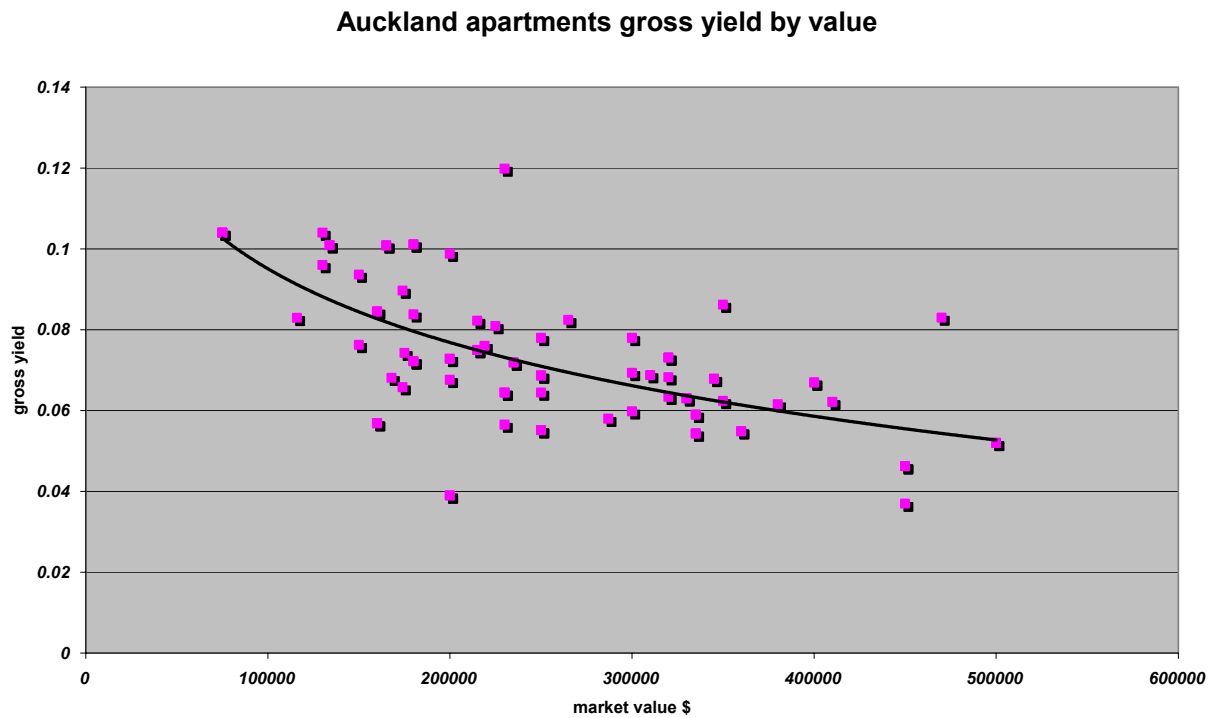
It was then decided to further explore the relationship between gross income and market value using multiple regression analysis. The variables used in this study are shown in Table 12.

Table 12: Variables

Dependent Variable	Type
Market Value	Price in dollars
Predictor Variables	
Gross Income	In dollars
Number of bedrooms 1, 2, 3, 4	Dummy variables (0,1)
Locality by City	Dummy variables (0,1)

Table 13 shows a summary of the regression models for all of the 90 apartment cases from the survey. Most of the variation in market value between properties is explained by the gross income predictor variable. The number of bedrooms were not statistically significant enough predictor variables to be included in the models. Two of the location variables were statistically significant and reflect the lower priced apartments in Christchurch and Dunedin.

Table 13: New Zealand Apartments

Model Summary

Model	R	R Square	Adjusted R Square	Std. Error of the Estimate	Change Statistics		
					R Square Change	F Change	df2
1	0.8823991	0.7786281	0.776054	98333.053	0.7786281	302.48659	86
2	0.8968455	0.8043319	0.799728	92990.391	0.0257038	11.165956	85
3	0.903653	0.8165887	0.8100383	90565.108	0.0122568	5.6134618	84

a   Predictors: (Constant), Gross income

b   Predictors: (Constant), Gross income, Dunedin

c   Predictors: (Constant), Gross income, Dunedin, Christchurch

d   Dependent Variable :Market Value

The model was then run on just Wellington apartments and the results of this analysis presented in Table 14. This small data set is more homogeneous than the all New Zealand data resulting in a smaller standard error of estimate and increased predictive power for the Wellington model. Once again gross income explained much of the variation in market value and the number of bedrooms was not statistically significant.

Table 14: Wellington Apartments

Model Summary

Model	R	R Square	Adjusted R Square	Std. Error of the Estimate	Change Statistics		
					R Square Change	F Change	df2
1	0.97767608	0.95585051	0.95352685	64068.0809	0.95585051	411.35603	19

a   Predictors: (Constant), Gross Income

b   Dependent Variable: Market Value

Single investment flats are a relatively homogenous type of property and the all New Zealand model is presented in Table 15. Again gross income dominates the predictor variables.

Table 15: New Zealand Single Flats

Model Summary

Model	R	R Square	Adjusted R Square	Std. Error of the Estimate	Change Statistics		
					R Square Change	F Change	df2
1	0.72927943	0.53184848	0.53008852	55180.93269	0.53184848	302.192116	266

a   Predictors: (Constant), Gross income

b   Dependent Variable: Market Value

The data was then segmented into the 33 Wellington single flats and the regression rerun. Table 16 shows the results of this analysis.

Table 16: Wellington Single Flats

Model Summary

Model	R	R Square	Adjusted R Square	Std. Error of the Estimate	Change Statistics		
					R Square Change	F Change	df2
1	0.93351162	0.87144394	0.86729697	31479.7948	0.87144394	210.139933	31

a   Predictors: (Constant), Gross income

b   Dependent Variable: Market Value

The value estimates shown in Tables 13-16 have been produced using just the survey data. This data contains limited information on most of the variables normally associated with the conventional valuation methodology for residential rental properties. Despite this limitation it is clear that there is a strong relationship between gross income and value, particularly for homogeneous data sets.

The Case for Gross Yields

From a practical point of view it is relatively easy to obtain data on gross yields as information on sale prices and rents are generally available in the public domain. In the residential area tenancies are normally short term as tenants move so often. Data from Statistics New Zealand (2001) census show a high turnover rate for tenants, particularly those aged under 35 and renting in the private sector. This means the contract residential rent will typically be at, or near, market levels. Information on contract rents for various localities and types of property is publicly available from the Ministry of Housing and from residential letting agencies.

Obtaining information on net yields is much more difficult as there are privacy considerations and the actual yield being achieved for a given property is related to the level of current management and the expenditure pattern. Ratcliff (1971) disagreed with the low status of gross yield methodology accorded by the valuation literature. He pointed out that net yields were likely to show greater variability due to differences in the level of management between properties. Thus in theory a property analyst using net yield should compare the current level of management with an average efficient operator and adjust the income stream as necessary. In practice most buyers and sellers of investment property do not carry out adjustments for management. Another significant variable factor is the amount spent on repairs and maintenance. Lumpy expenditure on repairs will not necessarily get picked up by taking a one year snap shot of property expenses. Cooney (1973) developed a qualitative grid system for adjusting gross yields using the same technique as for adjusting sales data. More recently Janssen and Soderberg (2000) argue the gross yield approach is:

"not only intuitively appealing, but it is theoretically sound and deserving of further development."

All in all there are strong arguments for placing a considerable amount of weight on gross yields, provided investors continue to use this method as a prime valuation tool. Of course gross yields should not be used on their own. Given that around two thirds of residential dwellings are owner occupied then there is also normally sufficient sales evidence to utilise the standard comparable sales adjustment methods as described by Jefferies (1991).

Summary and Conclusions

The snapshot of the private sector residential rental market provided by this survey shows investors have generally been achieving good returns from this asset class, particularly over the last 2-3 years. This is due in part to the timing of the survey coinciding with an upturn in the property cycle. The next step in this research will be to construct an index for residential investment property so that comparisons can be made between the returns from various asset classes.

There are considerable variations in the returns being achieved and this is mainly due to property type and location. Houses tend to achieve a higher total return than flats and apartments because there is more chance of capital gain with houses. In the total return equation capital gain more than offsets the lower yield for houses. Localities with a growing population show the highest sustained capital growth and this outweighs the higher yields achieved in slower growing areas.

The operating expenses associated with rental properties mean that net income (before tax and debt servicing but including a reward for management) is around 75 percent of gross income. The additional costs associated with operating a body corporate arrangement under the unit title form of ownership is largely offset by the higher yields achieved by this class of property. Large local authorities, such as Auckland City, have been able to push more of the rating burden onto the commercial and industrial sectors and keep residential rates at relatively modest levels and this showed up in the survey.

The analysis has confirmed that gross yields are readily accessible and a useful predictors of market values. It is hoped more valuers will adopt gross yield methodology as a useful supplementary tool in their standard approaches to valuation. Approximately one house in three in New Zealand is currently rented. In Auckland City, if current trends continue, every second house will be rented within 5-7 years. There are good sources of residential rental and sales information available to derive gross yields and the methodology simulates investor behaviour in this sector of the market.

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Appendix

Dear Property Investor

I am writing to ask for your help in developing a confidential benchmarking service that will allow you to compare the performance of your residential investment property with similar properties. I am also planning to utilise the aggregated survey data as one component of a total returns index for residential investment property.

To help me deliver this free service please takes the time now to complete the attached questionnaire and return it in the enclosed freepost envelope. The questionnaire should only take 5-10 minutes to complete. If you own more than one investment property please complete the additional pages that have been provided.

If you would prefer to complete the questionnaire online then please go to our website at http://property-survey.massey.ac.nz/rentalsurvey.asp

I undertake to analyse the questionnaires and email you a copy of results.

Thanks again for your help.

Yours faithfully

RV Hargreaves
Professor of Property Studies
Director – Massey University
Real Estate Analysis Unit

Residential Investment Property Questionnaire

Please complete one questionnaire per property.

Property Details (tick appropriate box)

Type

❑ House   ❑ Flat   ❑ Apartment

❑ Other (please specify) _____

Number of Bedrooms

❑ Bedsitter   ❑ 1 bdrm   ❑ 2 bdrms

❑ 3 bdrms   ❑ 4 bdrms   ❑ 4+ bdrms

Number of Covered Carparks

❑ Nil   ❑ 1 carpark   ❑ 2 carparks

❑ 3 carparks   ❑ + 3 carparks

Location

❑ City/Town _____
(please specify)

❑ Suburb _____
(please specify)

Date you purchased the property?

Month_____ Year_____

Price you paid for property

$_____

Your estimate of the current market value of the property

$_____

Income

The currently weekly rent is: $_____

Please specify the number of days the property was vacant over the last year: _____days

The property was rented

❑ Unfurnished

❑ Partially furnished

❑ Fully furnished

Annual Expenses (please specify the current annual cost of each item)

▸ Rates $_____

▸ Insurance $_____

▸ Repairs & Maintenance $_____

▸ Administration $_____

▸ Management $_____

▸ Body Corporate Fees

$_____

▸ Other _____
(please specify)

$_____

Do you

❑ Employ a Property Manager

❑ Self Manage the Property

Capital Expenditure

Please specify the amount spent over the last year on improving the property?

$_____

My email address is:

_____

My physical address is:
(optional)

_____

_____

_____

Thank you very much for completing the questionnaire.