

# Property investors playing it safe, survey finds

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Kiwis appetite for property is waning, with more than a third of investors saying they won't be adding to their portfolio - but most aren't planning on selling up either.

The ANZ Property Investment Survey of 1000 property investors, found 36 per cent of those polled have no plans to purchase another property, up from 24 per cent last year, and in line with a fall in expectations around capital gain from property.

The survey is run in conjunction with the NZ Property Investors' Federation and polls investors on issues affecting the market and their view on the property market moving forward.

NZ Property Investors' Federation president Martin Evans said investors were reluctant to expose themselves to high levels of borrowing in the current climate.

However most agreed that property was still the investment of choice, with 88 per cent of those surveyed saying they are planning on holding onto their properties.

"Most remain confident that well-kept, long-term property investments achieving market rent will prove to be the most productive investment choice," he said.

ANZ New Zealand general manager specialist distribution Craig Moffat said the financial changes that many New Zealanders were making at a personal level, were being mirrored by property investors.

"The move by investors to manage their property investments more conservatively is a realistic response to the changes in the tax and economic environments," he said.

The survey showed the majority of investors expect just a 2.5 - 5 per cent growth in rental income over the next year.

Given those expectation it was essential that property investment was managed as a business, with financial planning and management at its core, Moffat said. "Yield must also be a significant factor in the calculation of return on investment," he said.

However investors showed some optimism, expecting double digit growth in returns within the next five years, according to the survey.- NZ HERALD ONLINE