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# City Sales Investment Information.

# Welcome.

Thanks for taking a closer look at City Sales Investment. We set this business up to help clients to prepare for their future by representing them as their Auckland Buyer's Agent.

I believe that investing in a standalone house in Auckland is one of the best ways that you can protect your family's future. It is proven and ongoing for a lot of reasons which will be discussed within this brochure. I also believe that when you are ready to invest upwards of half a million dollars, you should engage a professional to consult, advise and act on your behalf. As one of Auckland's most experienced, engaged and quoted Real Estate professionals, I'm the man to do it.

City Sales Investment clients are from all over New Zealand, offshore as well. We also work with many Aucklanders who are short on either time or expertise and trust us to take over what has become an increasingly complex, litigious and daunting task.

Most of our clients won't need any cash to invest, all of them will be enthralled at their success, just by investing with us.

The houses I am buying for my clients have doubled in value, tax free, each 8-9 years. For the reasons explained a little further in, we believe this trend will continue, even exacerbate as Auckland quickly runs out of available land.

What I'd like you to do is to read through this brochure and then ask any questions you might have by contacting my team. Then, when you're ready to act, allow my team to run some numbers for you before coming in to discuss our recommended approach with you.

Look forward to working with you,

**MARTIN**



# The Shape of Auckland.

Auckland is geographically unique. It is New Zealand's thriving powerhouse city, but is land constricted, an isthmus between two beautiful harbours to the East and West, and bordered North and South by the Auckland Council's rural-urban boundary.

This geographic scarcity of land will, in our opinion, continue to fuel the price growth of homes on and around the isthmus. Land to build new houses on, has simply been developed already.

## LA vs LONDON

The Auckland Council has indicated with its Unitary Plan that it will not allow Auckland to spread to Warkworth and Hamilton, destroying the city's green belt and creating another Los Angeles. Like London, the city will progress as most do – to intensification. Apartment living spreading from the central business district to throughout the suburbs.

This intensification will require and allow for continued infrastructure development and the maturing of an exciting south pacific hub, the Queen City.

First 'home' buyers will in fact begin with affordable apartments, and move up the property ladder from there.

## AUCKLAND AT A GLANCE

- 2012 ONE NEWS reports that Auckland's population has passed 1.5 million residents
- 2012 Auckland planners report an extra 400,000 dwellings will be required in Auckland over the next thirty years – nearly double the reported 507,000 dwellings at the time of publication
- 2012 The Auckland Plan states that up to 70% of Auckland's growth will be restricted to within the city's current boundaries, preventing growth from consuming the city's green belt and requiring most growth to be through intensification, i.e. apartment development
- 2013 Experts warn that the average Auckland house price could reach \$1,000,000 by 2016
- 2015 Auckland Mayor Len Brown says "Auckland's population grows by around 100 people every day"





# Auckland Housing & Investment.

**Home ownership in Auckland will, unfortunately for many, become further and further out of reach. Just like any other major city.**

As houses become more difficult to acquire, people tend to be prepared to pay more for them. For this reason we work with clients to facilitate a purchase and hold strategy which will, with minimal cash investment and next to no effort on their part, provide for their family in years to come. An understanding of tax and gearing is required, we are delighted to be working closely with some of the country's best property accountants and property law specialists.

Unlike many other countries, New Zealand does not enforce a capital gains tax (see your lawyer and accountant about 'intent'). New Zealand has no stamp duty, no death duty and no restrictions on foreign ownership (under \$10m).

We have researched and analysed Auckland housing for over 20 years and found that some suburbs which were once regarded as poor or even dangerous are, thanks to culture and infrastructure change, becoming excellent areas to invest in. We have also found several areas touted as being 'up and coming' or the 'next big thing' which we recommend investors stay well away from. Our research also covers which house types are the best investments, and we filter all the way down to year of construction, aspect, size, topography, amenities and much, much more.

Most important in our analysis is the effect that culture change and infrastructure change surrounding the target house will have on the investment, and how we can pre-empt this in order to make your investment work even harder for you. Airport expansions, new ferry services and planned motorway extensions are of huge interest to us. Culture changes like the transformation of retail in an area are also followed very closely.

Our research has surprised and even upset some of our clients. But we tell it like it is, we always have and we always will.





# Working with us.

## **Importantly, we work for you, the buyer and only you.**

- » We do not work for any vendor, developer or real estate agent.
- » We will not be paid any more or less for selling a particular type of house.
- » We do not receive commission from mortgage brokers or suburban agents.
- » We are paid one fee only by the buyer, which means we work exclusively in the buyer's best interest.

Martin Dunn has been involved in Auckland residential and commercial real estate for over 30 years and is author of 'Realtor Bible, an honourable profession explained.' Martin is often featured within New Zealand media when expertise or opinion on Auckland real estate is sought. His years spent working for Auckland's two most high profile agencies and time as a Vice President of the Real Estate Institute of New Zealand has given him unrivalled contacts and experience.

"As one of New Zealand's most experienced and reputable real estate agents, I am in a better position to negotiate a sale than my clients. This is where I can add real value to our service as it's here that I'll aim to minimise, if not negate my fee. I want to make investing in this market easy, tax effective and exciting and I believe clients will be delighted with my contacts, knowledge and expertise. My clients' most expensive mistake, is not acting. Auckland houses are getting more expensive, rapidly. Clients need me to act for them, now."

# Where you want to be.

As part of our service, we calculate our clients' 'End Game' which takes into account a client's hoped for retirement age, duration and lifestyle and gives a picture of what level of investment they should be making now in order to achieve their financial goal.

Whether your goal is living a stress free retirement, financing your children's education or perhaps helping them onto the property ladder, we'll ask you a few simple questions and then run some numbers to share with you. Clients are then invited for consultation where we explain our recommendation as to how to get there.

Upon leaving this consultation you'll have a clear picture of what we need to purchase, where we will find it and when we should purchase it to reach your financial goals. You'll also gain an understanding of your next investment property, how it will be financed and when.





# The end game.

## If you currently own your own home, we know how to get you there.

The basis of our calculations work on a model of retirement at the age of 70 with an income of \$8,000 per month after tax.

Retirement age and income are amended as per individual client request. You may need more or less than this depending on your lifestyle and where you live. We recommend erring on the generous side.

### CITY SALES INVESTMENT CALCULATOR

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RETIREMENT AGE	70
YEARS OF RETIREMENT	15
REQUIRED MONTHLY INCOME AFTER TAX	\$8,000
REQUIRED ANNUAL INCOME AFTER TAX	\$96,000
ANTICIPATED BANK INTEREST AFTER TAX	3% PA
<b>FUNDS REQUIRED TO REACH FINANCIAL GOAL:</b>	<b>\$1,180,423.02</b>



# Creating wealth.

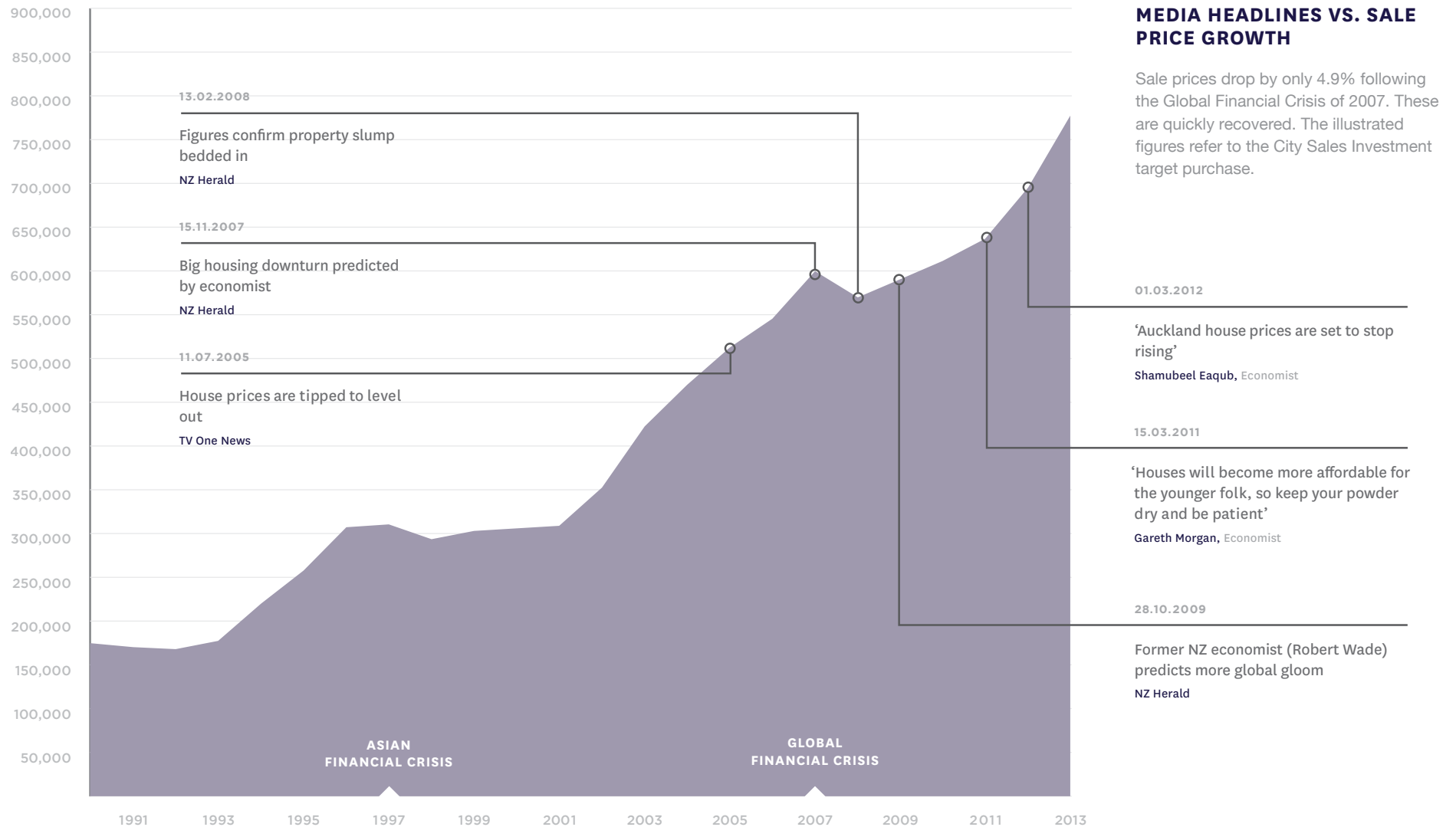
**We regard the Buy & Hold investment model as one of the most reliable ways to invest and grow your wealth.**

Yield is an important factor of an investment portfolio, but it is vastly different to Capital Growth.

City Sales Investment buys for capital growth as we believe it is the best way to generate wealth for you and for your family. The investments that we purchase are long term investments. If you own your own home you may not need any cash to invest.



## Be careful who you listen to



# How we operate.

As your Buyer's Agent, we look forward to representing you throughout this process. Below is how we usually operate, we're more than happy to discuss this process in person with you.

- » Investor clients read our web page and/or brochure and ask any questions they may have by phone, email, text or through our website [www.citysales.co.nz](http://www.citysales.co.nz).
- » CSI answers all queries, providing as much detail as possible so that clients can make an informed decision.
- » Clients wishing to proceed are asked to provide a few details so that CSI can run some calculations for them.
- » Clients are invited to discuss their 'End Game' either in person or by phone. Here, CSI gives a recommendation as to the best approach to take towards their investment portfolio.
- » Upon accepting, the client signs a Buyer Agency agreement and makes a deposit of \$2000+GST into the City Sales Investment Ltd trust account, this deposit is credited from their final fee.
- » CSI begins immediately sourcing recommended properties for the client, each recommendation comes complete with an explanation, images, topographic, satellite and street viewing technology, recent similar sales and a recommended offer price.
- » Once the client is happy with a recommendation, CSI negotiates the purchase price on the clients behalf, to the clients instructions. If the property is for sale by auction, CSI will bid at auction on clients behalf strictly to their instruction.
- » CSI facilitates the purchase of the property which is bought conditional for seven working days (unless purchased at auction), allowing the client and the client's lawyer to approve all paperwork.
- » The client pays a 10% deposit to the Vendor's agent's trust account and the balance of their 3% Buyer fee to CSI (minimum \$12,500+GST).
- » CSI carries out building inspections and due diligence reporting on behalf of the client, providing all information to the client.
- » Upon settlement, City Sales Property Management begins sourcing a suitable tenant for the property and begins the management process.



# Our Recommendations.

Each week we will send you a list of researched and evaluated investment recommendations, each with satellite, topographic and street viewing technology so that you may inspect the area and its surrounds. All recommendations come personally vetted and on the market to purchase.

Asking Price: \$495,000



MAP VIEW +

SATELLITE VIEW +

STREET VIEW +

Elevated only a few streets back from Te Atatu Road, this three bedroom family home enjoys all day sun. Built solid in the 1950s this house has three generously sized bedrooms, a sunny living area and a wide back patio for entertaining guests or relaxing with the family.

## RECOMMENDATION

Authorise City Sales Investment to make an offer of \$480,000 for the purchase of this property. Please understand properties cannot be held without an offer authorisation.

# What we buy.

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It has taken several years and significant investment for us to drill down and unearth the specific type of house which we purchase on behalf of our clients. But it has been worth it.

The house type which we've refined, situated in areas we have selected has doubled in value each 8-9 years, tax free.

We consider the area, the size, bedroom number, construction materials, year of construction, aspect, proximity to amenities, access points and planned infrastructure, we then go out and personally take a look at the property before recommending it to you.

We view approximately 50 houses per month. Each of our recommendations has successfully passed our final test, which answers the question 'Would I personally invest in this property?'.

# Where we buy.

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We buy in locations where we have identified a current, or future demand for housing.

Some of the areas we select are undergoing a culture change. Some of them haven't yet reached this point, but we have researched planned infrastructure change which will bring the desired culture change. These are areas we will be purchasing aggressively in.

Remember, Parnell was once considered a dump and Westmere was once a poor neighbourhood.

We avoid some areas which we have identified as new or under development. These are often promoted to investors as sound investment opportunities.

They are not.



## Bidding at Auction

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Auctions are deliberately high pressure situations. If the property you want is for sale by auction, as is becoming the norm in Auckland, we will represent you at the auction and bid on your behalf, to your instruction. You don't even need to be present.

As professional auctioneers we're in an advantageous position to identify phantom bids, offshore bids, slowing or pacing of bids and most importantly – when to call it quits.

## Negotiating the Sale

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The agreement between vendor and purchaser on sale price and terms is important, but can be one sided.

The vendor will likely have a licensed and experienced Real Estate Agent to advise and negotiate on their behalf. Their job is to get the highest possible sale price for their client.

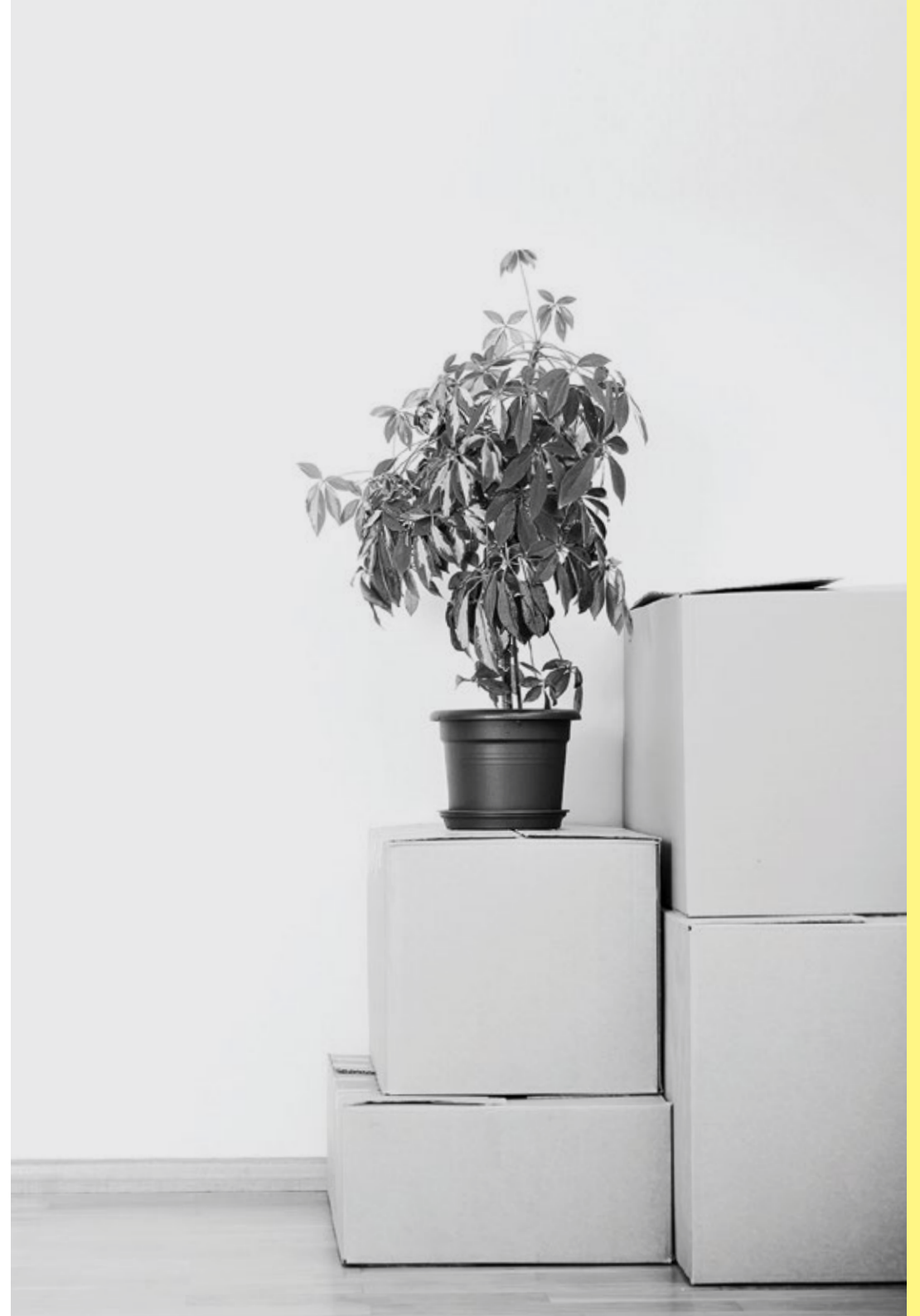
City Sales Investment evens the playing field here as we bring over 30 years experience in negotiating Real Estate transactions to the side of the buyer.

## Inspecting and Reporting

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Our role as a Buyer's Agent does not finish when we find the perfect property for our client. We need to ensure that the property lives up to our reputation.

We can arrange building reports, valuations, LIM, rental appraisals, drug testing and liaison with finance brokers, banks, lawyers and accountants.





# Managing your Investment.

Professional management of your investment is critical to maximising your return through safeguarding your tenancy, property maintenance and of course responsibility for your finances.

City Sales Property Management is an established management specialist boasting some of the lowest vacancy rates and arrears in the industry.

You will be personally introduced to your Senior Property Manager, who will be your day to day contact, solely responsible for the running of your investment property. From sourcing tenants to transferring incumbent tenants into our care, City Sales Property Management will step in and take responsibility for all aspects regarding the care and management of your property.



## Keith Denyer

**SENIOR PROPERTY MANAGER**

Keith runs the Property Management division at City Sales. He has been involved with Property Management for the last six years and strives to get the best results for both his owners and tenants. Having also been involved quite extensively with property development, Keith has a very good understanding of the maintenance issues and upkeep which he uses to safeguard his clients' investments. He is very much a people person and has a great sense of humour, this goes a long way to help defuse any situation and assist in finding the best solution.



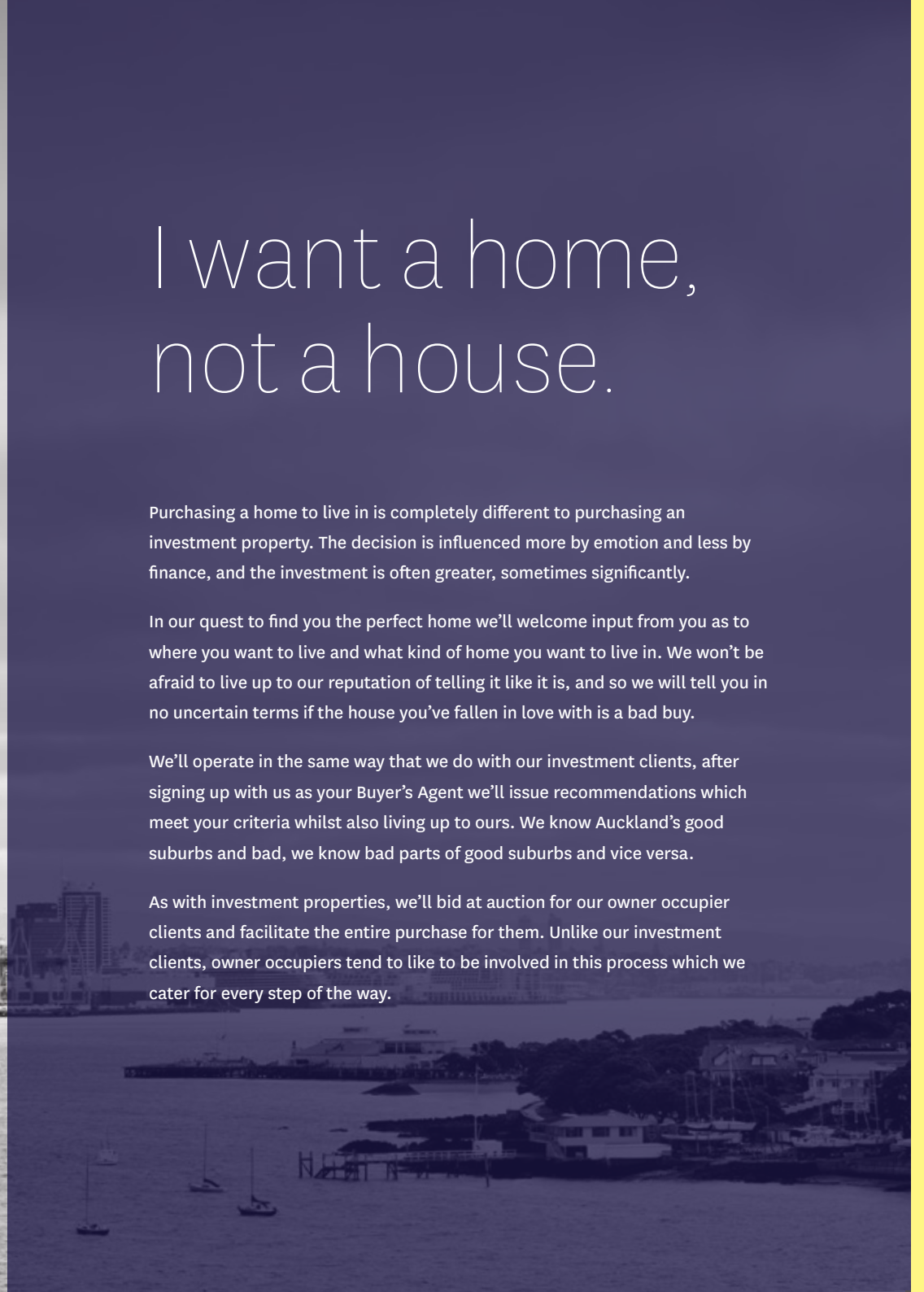
# I want a home, not a house.

Purchasing a home to live in is completely different to purchasing an investment property. The decision is influenced more by emotion and less by finance, and the investment is often greater, sometimes significantly.

In our quest to find you the perfect home we'll welcome input from you as to where you want to live and what kind of home you want to live in. We won't be afraid to live up to our reputation of telling it like it is, and so we will tell you in no uncertain terms if the house you've fallen in love with is a bad buy.

We'll operate in the same way that we do with our investment clients, after signing up with us as your Buyer's Agent we'll issue recommendations which meet your criteria whilst also living up to ours. We know Auckland's good suburbs and bad, we know bad parts of good suburbs and vice versa.

As with investment properties, we'll bid at auction for our owner occupier clients and facilitate the entire purchase for them. Unlike our investment clients, owner occupiers tend to like to be involved in this process which we cater for every step of the way.



## Units

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City Sales Investment is primarily focused on Auckland's housing market, for the reasons explained.

However, given the entry level of houses on Auckland's prestigious North Shore we have also run very positive analyses on the North Shore 'Unit' market, which starts at the more affordable \$350,000. This market is also land constricted and we show just under 10% growth on these models, which we promote as somewhere between houses and apartments.

## The Apartment Story

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Auckland's apartment market has grown from only eight apartment buildings, comprising of 226 apartments in 1991, to around 460 apartment complexes today with 26,000 apartments. There are another 3,000 currently under consent or construction.

Apartments offer higher returns than houses, but with lower capital appreciation.

Some investors prefer apartments to houses as the quantum involved is lower, making it possible for an investor to perhaps own three studios instead of one house. If cash was needed the investor is able to sell just one unit rather than a whole house.

City Sales Ltd is a major broker of apartments, our City Sales Apartment Report is available for your interest and study on our website [www.citysales.co.nz](http://www.citysales.co.nz). Talk to us if an apartment or mixed portfolio might suit your needs.





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# Case Studies

The following case studies are examples only of similar clients which City Sales Investment has worked for.

## CASE STUDY 1

### **“As a commercial pilot, I’m based in Auckland but I’m also usually off to Asia or the States a couple of times per month.**

Being away from my wife and kids is hard on all of us, so when I’m home I try to spend as much time with them as possible.

I’d had a couple of apartments in Auckland already and they were producing a pretty reasonable yield, I have them managed for me as I just couldn’t keep up with the management demands with my schedule. After speaking with a couple of colleagues they got me into investing for capital gain, and after a bit of discussion it started to sound like the best way to provide for my kids, so I got in touch with Martin.

I’ve worked with City Sales before and have often heard about Martin in newspapers and on the radio, so I knew I had come to the right person. After meeting Martin and running through what they were offering to do for me I commissioned them as my Buyer’s Agent and they immediately started sending me properties to look at. Of the six properties they sent me, I gave them the green light on two, but advised I’d be flying for the next couple of days and so would be hard to contact. Martin told me it was no trouble and after agreeing on a purchase price limit I gave him the go ahead to purchase on my behalf at auction.

I touched down in Auckland a few days later and Martin had the keys all ready to go. Seven days later I had tenant. I didn’t even need to spend any cash. I’m now the proud owner of a three bedroom house in Te Atatu, which my Property Manager has put a lovely family into. I’m looking forward to the infrastructure upgrades which Martin told me about and what they’re going to do to the value of my new house.”



## CASE STUDY 2

**“My father left me a little bit of money to help set the kids up and cover the cost of their education. We hear about Auckland house prices every day, even in Nelson!”**

So after hearing an ad on the radio I called up City Sales Investment, just to find out a bit more about what they do. I ended up giving a few details so that they could run some numbers for me and was told they'd come right back to me.

Martin called me two days later with his recommendation, and as I am a home owner already, the plan didn't really take much work from me at all. I sent it to my lawyer to get his ok and got straight back to Martin to give him the go ahead.

It took two weeks for them to find the kind of property we had agreed on and another six days to finalise the sale. I was so relieved to have someone negotiate the sale for me, it's not something I look forward to doing myself, especially when it's an area I'm not familiar with. It's hard for me to gauge what it should sell for so it has been extremely valuable to have someone to act on my behalf.

My investment is tracking nicely and my City Sales Property Manager is in touch with me regularly to give me updates on the property. I still can't believe I did all this without even leaving Nelson!

I'm catching up with Martin again at the end of this year to discuss my next investment property.”





### CASE STUDY 3

**“We’re originally from England but we’ve lived in Auckland for a few years now. We’ve been looking to purchase a house, not as an investment, but as a family home.”**

Well, we’ve been looking for almost two years now and we’ve not come any closer to being home owners. It has been a real struggle, open home after open home. It was really starting to take its strain on everything. The trouble with finding your dream home is that it’s sometimes hard to describe exactly what you’re looking for.

We had our own ideas of what we wanted and took two properties to Martin who immediately turned them down. He said that one was going to leak and one had a motorway expansion planned very near to it. Our hearts sank as we were back to square one.

We were told not to worry as we’d have some recommendations through shortly. Within a week we had some recommended properties sent through to us and we asked for more information on a couple. They went and did some inspections, one was dismissed as they identified some remedial work would need to be done but the other looked promising.

The house was scheduled for auction, we agreed with Martin on a price, which took some guidance from him. We attended the auction, it was so nerve racking and we weren’t even the ones bidding. Martin bid expertly on our behalf and on the fall of the hammer we knew that we were now owners of our dream home.

CSI didn’t stop there. For the next 7 working days they liaised with our lawyers to ensure all reporting and inspections were carried out sufficiently and then helped us with the settlement process. If we hadn’t been in touch with CSI we’d no doubt still be renting today.”



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**www.citysales.co.nz**