

PLACE RELIANCE ON A GOOD APPLIANCE

Are your rental appliances up to scratch or is it time to renew? **Liesl Johnstone** checks the options.

THAT TIME OF YEAR HAS CREPT UP.

It's winter so we spend more time inside and so do our tenants. There's more cooking happening inside and, without a doubt, more clothes-drying inside than out. Gas fires and heatpumps must be ready to spring into service. So is your property's gear up to the mark?

Next time you undertake a property inspection, right after checking the smoke alarm batteries, check and document the condition of your appliances.

Scan the rental property house and contents insurance policies for exclusions based on checks you need to organise. Is annual servicing of specific appliances written anywhere?

If the Christchurch earthquakes have taught us anything, it's that there is no "normal" or 'usual' when it comes to insurance. It's all in your particular rental policy's wording. The same caution is required, for instance, if you have a new gas hob to install. Maybe your handyman friend said they'd be available for that. But alarm bells should ring if your mate isn't a certified gasfitter.

Rules rule

The rules on what you should buy and install (particularly second-hand) are online. Check the MED Energy Safety NZ website.

This all becomes pretty important when it comes to claiming under your insurance.

Basic existing appliance checks are obvious but often overlooked.

No gas fires or a gas hob?

There are still things to check out:

- Are there any puddles of water near the washing machine? Can you smell dampness caused by badly attached hoses or pipes?

- Is the dryer's lint filter choking?

Tell the tenant this needs regular emptying, or it could start a fire. Also, dust, cardboard or papers behind and around appliances can be incendiary.

- Check the dishwasher's interior.

An expensive call-out next week could be averted if you find bits of plastic or other foreign bodies jamming the filter basket at

Installing a rangehood extractor in your rental's kitchen could save money in the long term by helping to keep the kitchen cleaner.

If you install a gas cooker then make sure it's done by a certified gasfitter.

the washer's base. Scott Riley, of Trade Depot, Auckland, says some tenants don't realise the dishwasher has a filter basket which needs to be regularly cleared of food particles, wrappers or trapped detritus. Or that rinse-aid is necessary (when using powder). It's a simple lesson to teach.

- Ask tenants whether all the hob's rings work, and check its general condition. Tell them it needs regular cleaning with hob-cleaner.

- Take the front cover from the heatpump. Attach the brush fitting to your vacuum cleaner and clear out dust. Book in an annual service check.

- If an appliance fails altogether, first check the fuse hasn't blown. If in

ON THE WHOLE KIWIS ARE GREAT; THEY'RE VERY CONSCIOUS TO AVOID LOW-QUALITY GEAR. BUT KEEP IN MIND HOW YOU WANT YOUR APPLIANCES TO PERFORM. DO YOU WANT FOUR FUNCTIONS OR NINE, AND AT WHAT PRICE?

- SCOTT RILEY.

doubt, contact a registered electrician, who can check all appliances at once. If you're between tenancies, be sure to run all appliances through their cycles, Sarah Bowie, of Laser Group Ltd, says.

When appliances die

You've been over to your apartments; you've checked, and you've found the tenants were suffering in silence, limping along with one or two appliances not optimally working, or functioning, period. (Sometimes this happens

RENOVATION: APPLIANCES



Tenants need to be reminded to check the lint filter in washing machines or they risk starting a fire.



Landlords must consider the tax implications of replacing appliances: if it's under \$500 you can deduct 100% for a minor asset in the year you buy.

when the rental market is squeezed and inflating, and tenants don't want the owner thinking about increasing rents.)

If you need replacement appliances, this is where the research starts. Time-poor tenants will expect another dishwasher if it was part of the initial deal. If not, you can charge an extra weekly amount per extra piece of whiteware supplied by you.

It's interesting to note that water savings increase with all newly manufactured dishwashers and washing machines. A sink-full for hand-washing dishes will use more water.

But first, should you buy new fridges, ovens and washing devices, and depreciate them? Or should you look on Trade Me for second-hand options? Sometimes the economies are obvious. If a couple of cook-top rings aren't working properly and the oven element needs replacing soon anyway, why not buy something basic under \$500 as you can deduct 100% for a minor asset in the year you buy it. Just beware of upselling; being sold extra features which push up costs for things your tenants won't use.

Pre-determined rate

Accountant and director Stephen Tsang of Withers Tsang & Co, confirms that items must be \$500 or over and individually identified to be depreciated, and at a pre-determined rate. Depreciation happens mostly during the first year, and items can eventually sit on the books valued at \$1.

He sees value in buying second-hand only when an item is still intrinsically valuable but being sold at a bargain price, such as when an owner has to off-load possessions to travel overseas. Get a receipt from the seller, regardless, for some depreciation or diminishing value to apply and be documentable.

Tsang cautions that when a company buys appliances for business use, the Consumer Guarantees Act doesn't apply. (That's the legal Act guaranteeing that the manufacturer will meet the terms of their warranty.) So, it may pay you not to use your company card for this, but to update your own appliances and swap your own into your investment property. Ask your accountant for advice. Also, when in store, ask about the manufacturer's responsibilities, should parts break down within an unreasonably quick time period. Sarah Bowie cautions that different appliance brands have different after-sales service undertakings in their sales agreement fine print. Importantly, get any verbal agreement from store management in writing and keep it with your receipt paperwork.

If you've decided to buy one item, why not several? Job-lots often offer economies of scale and are ideal for people with several rentals to update, Mark Trafford, of MaintainToProfit, Auckland, says. "Repair bills can mount up. I buy new...simple, well-known brands in

Tenants may be oblivious to faulty appliances. It's up to landlords to check the MED Energy Safety website for rules on installation and maintenance.



bulk – those which have ready parts and servicing," Trafford says.

Comparatively speaking, there are some brands which perform well at a significantly lower price than well-known high-end brands. Those to consider include Haier, Parmco, Simpson, Vogue, and Novo. These appliances can start from a couple of hundred dollars. For tiny kitchens and "boutique" student accommodation, German-made Elfin Kitchens are priced between \$1,800 and \$3,260, and include a sink, tap, fridge and choice of oven.

Wow factors

Having arrived in New Zealand very recently these all-in-one kitchens are marketed as tiny, sturdy quality steel modular kitchens for small spaces, with easily replaceable components. If space is not at a premium they'd allow room for additional "wow" factors such as a butcher's block.

It pays to ask, when buying kitchen appliances of any kind, about their typical life expectancy. Strangely enough, these appear to vary markedly. Scott Riley, of Trade Depot, Auckland, says that while a cared-for

hob might normally last around 15 years, a washing machine doing three loads a day might function well for just six to eight years.

He cautions against brand-snobbery, having seen the factory floors in China where componentry of many differing brands is assembled similarly.

"On the whole Kiwis are great; they're very conscious to avoid low-quality gear," Riley says. "But keep in mind how you want your appliances to perform. Do you want four functions or nine, and at what price? I think investors mostly want decent quality operational units at the lowest price." ■