

**From:** Anton Klimenko [Redacted] **Withhold OIA s9(2)(a)**

**Sent:** Friday, 22 July 2016 11:50 a.m.

**To:** macroprudential

**Subject:** Submission to LVR exemptions.

Hello my name is Anton Klimenko

I recently started investing in the property market and i stress investing, not speculation. I specialize in relocatable houses (Second Hand ones).

I buy sections and relocate house there, bring them up to the current standards including but not limited to: Insulation, Electrical Wiring, Plumbing, internal external renovation, roofs, bathroom and so on. The houses are then rented out. I do not sell them i increase rental supply in the low socio-economic areas of Whangarei, where there is big demand from large families and families in general since they have a lot of relatives in the area. Given my cost of relocation is far less compared to the cost of constructions of the new builds i am able to increase the supply of housing in the areas at considerably lower rent then i would have to if i build new ones. To be honest neither i nor tenants would be able to afford to build and rent in these areas, so it is a win win situation for everyone, i increase supply of housing at affordable rate and people get to live close to their families and relatives.

The new LVR rules exempt the new build loans only to promote the increase of the supply of houseing. And i believe that is unfair to the whole industry for the house relocators. We relocate the houses that are no longer need at their origins where for example a home owner decided to demolish the house and build the new one . so if the house is demolished and new one is built there is no increase of supply. On the other hand if the house is bought and removed by the house relocater and sold to me - the investor, we relocate it to the new site, tidy it up to the proper standard and increase supply of housing that way.

Given there is no enough houses being built in time to meet the demand at least we can increase the supply this way. it is faster compared to new construction. the house is relocated and set on piles in just 2-3 days, other work such as electrical, plumbing, drainage and so one can be done within 8-10 weeks and be ready to accommodate new dwellers. In my case the tenants are looked after by property managers who make sure they live in proper safe living conditions.

And not only investors shift house, the owner occupiers do as well because in most cases they can shift the existing house at much cheaper rate, move in have their nest there without having to wait their queue as builders are all booked 2 years in advance.

I beg you on behalf of the whole industry to consider to include the relocation of the second hand houses into the list of exemption from LVR 40% deposit. We don't buy a house in Albany for 1 mil and sell it in two month for 1.2mill we don't speculate, we increase supply, provide quality housing for renters who are not yet ready to get the place of their own, provide work for local contractors who are in between the projects. we need your support please give us, please consider this exemption very important for a lot of kiwis, there must be a solution, put condition e.g. relocated house is not to be sold for 2 years otherwise face severe penalties unless proven it had to be sold for a valid reason or something, there must be a way we can make it work for everyone.

Sincere regards

Anton Klimenko

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