

## 'It is interesting how the road you have travelled prepares you for the road ahead,' says David.

### Supermarket management

At 15 years old David Pearse was keen to get out of school into the real world. He took a job at Triplow's New World supermarket in Havelock North. His parents had owned a local corner store, so grocery was familiar to him. When at 17 the owner went into hospital for neck surgery he found himself as Assistant Manager reporting to 'Harry' at the Hastings hospital. Either good luck or good fortune, the supermarket had a record turnover while the owner was away.

David notes that at that time he was the only non-smoker employed at the supermarket. When he was 18 it was sold to a new owner from New Plymouth and he was told they could not afford him. David then bought a local dairy, but quickly felt it lacked challenge, so put his parents in to manage it and went to the new Flaxmere New World as the Grocery Manager. This was the start of managing New World supermarkets in Turangi, Napier and Hastings.

### Local body politics

When David started working in supermarkets they were open five days a week, and at 28 years of age it was big news that they were to open on Sundays. He decided to have a crack at local body politics and was elected to the Hastings City Council in 1986 as the youngest City Councillor at that time. It was a period when everyone seemed to be

heading for Australia and the saying was 'last one out – turn the lights off'.

To add to the situation the large Whakatu Meat processing plant closed its doors. The City Council took up the challenge and as a team became a very progressive Council. David had roles as Acting Chairman of the Finance & Management Committee and was Committee Chairman for the new City Library. A highlight was his first overseas trip to Guilin in China as a delegation to the sister city.

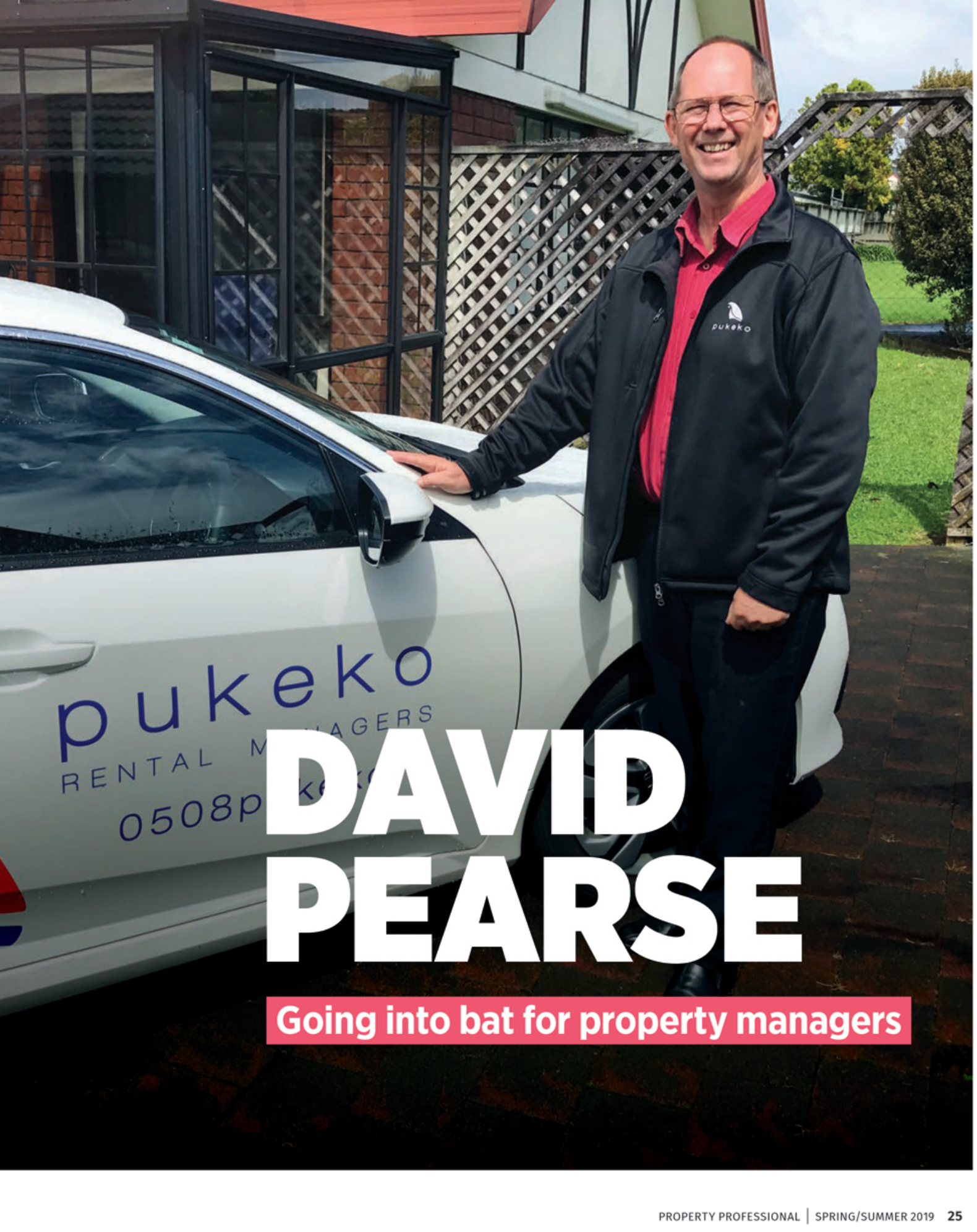
In 1989, the Government amalgamated the city, borough and county into the Hastings District Council. David did not enjoy the next three years where elected members jockeyed to get more of the cake for their areas and he saw the bad side of politics.

He decided to get into real estate as a sales consultant, but after three years enjoyed the challenge of management and lifting the performance of low-performing offices more than sales. As a Hastings Sales Manager looking after the Havelock and Hastings offices of Tremain Real Estate, the company won Company of the Year for two years running and Hastings won Office of the Year for the Professionals.

David was then recruited as the administrator of a large Hawke's Bay Church with sports centre and preschool and focused on its financial stability. One of the benefits was visiting many overseas countries.







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RENTAL MANAGERS  
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# DAVID PEARSE

Going into bat for property managers



## Residential property management

By 46, his career had been about the financial benefit of others but he decided after reading *Rich Dad-Poor Dad* that he wanted to be in business for himself. After looking at many opportunities, David reflected on his time in real estate and realised there was a need for a quality residential property management service.

So, in 2004 he became a franchisee and pioneered a specialist property management franchise in Hawke's Bay. In 2008, he sold the franchise as two separate offices with a portfolio of 360 managements.

David was expecting the government to regulate residential property management in 2010 with the Residential Tenancies Amendment Act 2010, but was surprised that property management was not thrown in with real estate like in Australia.

David launched a boutique residential property management business called Pukeko Rental Managers, which has grown in momentum to 23 around the country. They have adopted the mantra: 'We don't want to be the biggest – just the best!'

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## Regulation of property industry

David then joined IPMA – a body supporting the interests of non-real estate specialist property managers – and then the IPMA Committee. He heard at a meeting with Phil Twyford in 2018 that it was the goal of

the Labour-led Government to review the Residential Tenancies Act at the end of 2019 and in their next term look at regulating the industry.

IPMA decided to join with the Property Institute and changed the name to PROMINZ, and to get ready for regulation the theme of the recent conference was *Preparing for Regulation*. At a recent meeting with Associate Minister Kris Faafoi it was apparent that the same government agenda is still in place.

David feels that the practice of rolling out legislative changes for landlords was an exercise in futility, as 66% of rentals are managed by private landlords and MBIE do not know who they. For him, any real regulation will require the registration of all landlords so that MBIE know who they are and the landlords know what their responsibilities are.

He says this is nothing new as Wales have done this with their Rent Smart Wales – see [www.rentsmartwales.gov.wales](http://www.rentsmartwales.gov.wales). David believes it is very smart of the Welsh as now they can introduce new regulation and know who to educate on the changes. The General Manager of Tenancy Services at MBIE continually advocates the need for landlords to treat rental properties as a business, and he supports him in this.

PROMINZ supports the regulation of the industry, and David says you do not have to be a rocket scientist to see that the industry is broken. The debate is about how it is regulated, and a quick fix will not do.

## Training for property managers

David said that he wants to see PROMINZ go into bat for property managers. The most recent statistics from the real estate sector show that the average length of employment for real estate property managers is nine months. Property managers say that the cause is lack of training, but he feels the root of the problem is greed and the amount of properties real estate companies expect them to care for. They simply burn them out and throw them away.

David notes that when he was a real estate manager he was taught at conferences that there were two reasons

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for real estate offices to have a property management division. One was to provide a source of income to keep their offices open when property sales were low, and the other goal was to sell 10% per year because they make 10 times more money selling properties than managing them.

He said a clear conflict of interest exists with market rental appraisals, where salespeople pressure for high figures to assist with the sale of the property by purchases of investment property. Any reform of the Residential Tenancies Act should help with independent rental assessments.

David believes that while it is understandable that the real estate focus is on sales, property management is all about service. However, at a recent property management conference in Brisbane he noted it was all about sales and business development managers. There was hardly a property manager there, which is why any regulation should be focused on developing professional property managers and having their own association.

He says that PROMINZ will be unashamedly putting its hand up and stepping up to the crease to bat for property managers. As President he will do all he can to advocate on behalf of property managers and ensure everything is in place for any government that wants a real solution to clean up the industry 🏏