NELSON PROPERTY INVESTORS ASSOCIATION
July 2026 NEWSLETTER

PO Box 198 Nelson
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Our fourth meeting of the year at the Honest Lawyer Point Road, Monaco is on Tuesday 28th July 7:30 pm preceded with the optional meal at 6 pm.
Luke Crichton, Acting Branch Manager and Engineering Geologist at Eliot Sinclair, Nelson is speaking on *Subdivision and Natural Hazards – The new National Policy Statement for Natural Hazards 2025 requirements'*
Eliot Sinclair is a multidisciplinary land development consultancy with close to 95 years of experience across the South Island. The Nelson office covers everything from geotechnical and civil engineering through to surveying, planning, and resource management, with the full weight of a firm that operates from Hokitika to Queenstown behind it.

Luke has spent the better part of 25 years working in geotechnical engineering, and a significant chunk of that time has been spent right here in this region. For over eight years he has been the geotechnical peer reviewer for Nelson City Council resource consent applications, which means he has a level of insight into Nelson's land and its natural hazard challenges that very few people can claim. In 2022, that expertise was called on directly when he worked alongside Civil Defence, police, and fire services following the Nelson storm event, assessing properties across the city.

Tonight Luke is going to walk us through the National Policy Statement for Natural Hazards 2025, which came into effect at the start of this year, and what it means practically for anyone looking at subdivision and land development in this region.

It is a topic that affects every property owner and investor in this room, and there is probably no one better placed to explain it.

THE BUDGET AND WHAT IS MEANS FOR LANDLORDS.

New Zealand's social housing and assistance programs are undergoing significant reforms, with major adjustments planned for private renters and social housing tenants. [1]

In case you have not noticed the rental industry is heading into dark waters. The government recent budget indicated that the long standing policy of making social tenants pay 25% if their assessed household income as rent is being progressively changed to 30%. At the same time some but not all tenants in the private sector will have their assistance increased. However some tenants will actually see a decrease. It is not clear why some privately housed tenants will have less assistance. The most likely reason is because they will be asset tested. For instance when beneficiaries go off a sickness benefit to Nation Supernation many tenants lose their accommodation assistance due to having too much in the bank or other places.

Lots of commentators have enquired why 25% versus 30%. It is not clear why either percent is considered reasonable or fair.

Without doubt income assistance should be given out fairly based on the needs and to a set range of rules. Any other system leads to corruption and inequality.
It is publicly acknowledged that those people in social housing get as much as $100 more help than those in private rentals. Private rentals in places like Nelson outnumber social housing by 10 times. Of course, not all private renters receive Accommodation Assistance because they either earn too much or their residency status makes them ineligible. The Minister of Finance in her budget speech described obtaining a social house a bit like winning lotto.
That is not the correct way to define the luck of the new social house tenant. The current system is defining fairness as being due to a game of chance. There is something sick in our society if some unknown government servant is permitted to pick who is a winner or loser regardless of need.

The Government's **social housing package** introduces changes set to take effect on **April 1, 2027**: [1, 2, 3]

- **Social Housing Rent Increases:** The minimum Income-Related Rent (IRR) contribution for social housing tenants, as well as those in emergency or transitional housing, will increase from 25% to 30% of their assessable income. [1]

Accommodation Supplement Boost: Maximum weekly rates for the Accommodation Supplement will rise by between $10 and $30 per week to better support low-income households in the private rental market. [1

Central Government (Kāinga Ora): Administers around 67,000+ homes with an average personnel and administration cost of roughly **\(\$2,656\) per property**. [1, 2]

- **Community Housing Providers (CHPs):** Manage about 13,000 homes, with administrative costs averaging **\(\$4,858\) per property** due to higher staffing ratios. [1, 2, 3]

Ongoing Funding and Subsidies

Providing a social house is a joint effort between the government, user charges, and taxpayer subsidies. [1]

- **Income-Related Rent Subsidy (IRRS):** Tenants pay a capped rental rate (rising from 25% to 30% of their income). The government pays the Income-Related Rent Subsidy to bridge the gap to market rent. [1, 2, 3]

- **Operating Supplements:** The government also pays supplements directly to registered providers to cover the ongoing costs of Community Housing supply

The Income-Related Rent Subsidy (IRRS) costs the New Zealand government an average of approximately **\(\$19,800\) to \(\$20,600\)** per dwelling annually. This figure is derived by dividing total government appropriations (around \(\$1.66\) billion) by the pool of roughly \(80,600\) social housing dwellings. [1]

Weekly averages vary by region and property size, but the subsidy represents the gap between market rent (e.g., \(\$640\) per week nationwide) and what the tenant pays. Tenants typically pay 25% of their net income, which usually leaves the government paying several hundred dollars per dwelling every week. [1, 2, 3, 4]
For more precise estimates depending on specific time periods or regions, it is helpful to verify exact funding parameters.

However there is more behind the scenes that make the disparity even worse. For instance, community social housing providers are exempt income tax and many council charges such as development levies. They also receive capital grants towards new builds from both local and central government. General council rates are payable but councils are permitted to grant discretional rate rebates. The other 85% of rental property owners like you and me pay more to subsidize social rentals.

GREAT NEWS EVERYONE.

Contour Roofing in Nelson have just become a corporate member. This means they have given us a very generous boost to our funds. This new relationship will be an ongoing bonus for you. When you order your new roof just show them your membership card and they will give you priority service. They have just replaced the roof at one of our family rentals and we were pleased with the timely delivery combined with exceptional workmanship.
Contour Roofing (Nelson) Ltd is a trusted provider of high-quality building envelope solutions, recognised for its expertise, reliability, and durable results across residential, commercial, and industrial projects. Now owned by STRATCO NZ Ltd, the business benefits from the scale of a leading building products manufacturer and distributor. This enables Contour Roofing (Nelson) Ltd to offer a comprehensive range of roofing & wall cladding materials, rainwater solutions and architectural products, alongside STRATCO's bespoke patio options such as louvre roofs and verandas, plus fencing, carport and shed systems, thereby delivering streamlined supply and strong end-to-end capability.

One of our members would like to sell his rental property block of flats at 58 Totara Street. See attached file.

Nelson Property Investors Association Meeting

7.30pm Tuesday 28th July 2026

The Honest Lawyer
1 Point Road, Monaco Nelson

Subdivision and Natural Hazards

The new National Policy Statement for Natural Hazards 2025 requirements

Guest Speakers:

Luke Crichton

of Eliot Sinclair

- Email any tenancy questions into nelson@nzpif.org.nz prior to meeting for Q & A session
- Spot prizes

eliot sinclair

NELSON PROPERTY INVESTORS ASSOCIATION

FOR SALE

🏡 5B Totara Street, Nelson — Multi-Unit Investment Opportunity

Three Adjoining Units: 2, 4 & 5 Bedrooms

💼 WHY THIS PACKAGE WORKS FOR INVESTORS

- Three units (unit titled – cross lease) on one site — **multi-income stream**
- Bedroom mix (2, 4, 5) appeals to a wide tenant base
- Low-maintenance construction and grounds
- Rare opportunity to secure **side-by-side dwellings** in Nelson South
- NB: The roof has been replaced since the satellite photo on Google was taken.

📞 ENQUIRE TODAY

A unique chance to secure a versatile, high-yield investment in a tightly held location.

Contact Steve 0275441998 or Lindsey 0274616161 or

Email gforceproperties@xtra.co.nzP