

NELSON PROPERTY INVESTORS ASSOCIATION
NOVEMBER 2020 NEWSLETTER
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Our sixth and final meeting of the year is on Tuesday 3 November at the Honest Lawyer at 7:30 pm preceded by the good old dinner at 6 pm.

Brett Whiteley from Westwind Projects and Courtenay Isherwood from Isherwood Consultants Limited are speaking. Brett and Courtenay have successfully worked on a problem project for me. Brett will speak about property inspections and Courtenay will be speaking regarding infill and retrospective consenting. There has been a sea change at a national level policy wise- driven by the shortage of housing stock and housing affordability issues in many parts of NZ. Big changes are finally underway at a local level that will create a “new normal” and new opportunities. He will talk briefly regarding the RMA and consenting process generally, before discussing the National Policy Statement on Urban Development (2020), The Nelson Tasman Urban Growth Strategy(2019) and New Nelson Plan (released for consultation Oct 6) and what this means in practical terms, hopefully with as little jargon as possible!

Please send table bookings to me. There is no need to book a seat for the meeting but you do need to arrive before we commence.

THE LAST MEETING IN SEPTEMBER

Due to a last minute case of the “old style” influenza our accountant speaker had to cancel her appointment with us. Hopefully we will be able to get her back next year to speak. With the recent election changes of the makeup of our government I have a bad feeling that many of us will need to be talking to our accountants next year. I breathed a sigh of relief when Stewart Henry of Summit Rentals immediately offered to get his team along to run a quiz night on the new RTA laws. By special request a copy of those questions and their answers is attached as a pdf file. Despite only having a few hours of notice and preparation the Summit Property Managers team put on a fantastic performance that was enjoyed and appreciated by everyone. In case you might be wondering why Stewart was not there? He was engaged that very same day dealing with taking over Haven Rentals property management portfolio. There is an industry insider comment about the required skills for property managers in that they need to keep all the balls in the air at the same time.

ANOTHER REQUEST TO SHARE

One of our members with a large portfolio has asked me to share a copy of my most recent updated and hopefully compliant tenancy agreements. My tenancy agreement has mutated over the years attempting to always do the right thing and also to put in a few clauses to save my bacon when in the Tenancy Tribunal. I learnt a long time ago that whilst the RTA clearly states there is no special form of agreement the Adjudicators do not like people who try to be too smart. Since Tenancy Services published on line a copy of what they thought an agreement should look like I have used theirs but have corrected some omissions (to come into line with options offered by the RTA) and preselected some choices. Their current online version looks pretty good but leaves off some important explanations mostly related to the word

“Reasonable”. The latest version of the RTA states “Reasonable” must be used when accepting and declining requests for assignment and tenant alterations. As mentioned in my last newsletter I think reasonable means no surprises. So in my opinion if you have some particular issues around these two new clauses you should put them down in writing at the time of presenting the tenancy document for agreement and signing. Obviously it is never acceptable to discriminate but there will always be a certain level of discretion, fear, property type / size, and economic fragility of the landlord to be taken into account.

A copy of a new agreement we entered into last week is attached. Three of us in the family have had an input into composing what is written and I am sure we will make more changes to it in the future.

WHAT YOU CAN GET AWAY WITH IN THE FUTURE

My knowledge of planning and building rules is poor and very limited. Not that this has stopped me from having an opinion and even pushing a boundary or two! It is true that a small amount of knowledge can be dangerous.

The two experts speaking at our next meeting will give some insight into what might change or already has. Clearly property investors want to maximise the returns on their properties and even increase the value of them.

I have read through and attempted to understand the Nelson City Smart Plan document. From what I understand some areas of the city will be permitted to have more minor (rental) dwellings built on them but still not as many as were permitted 30 years ago when I started in the industry. Some areas will have their coverage increased from 40% to 50%. Some of the Central city commercial buildings will be permitted to have residential at first floor level despite already covering their land 100% and having no daylight angle requirements. No mention is made of the existing 60% residential coverage areas? No mention is made of motels that are being converted to full time residential dwellings nor is there any comment made about residential dwellings being converted into Air BnB units but still being charged residential rates with a factor of 1.

Meanwhile Tasman District council is consenting exactly double the number of dwellings that Nelson is consenting and their commercial areas of Richmond and Motueka are booming compared with the clear stagnation in Nelson CBD.

If it was all so simple there would be no need for experts in our industry and some of us would not be as well off as we are now.

Happy reading and I hope to see lots of you at our next meeting.

Have a safe and happy summer season.

We will have our first meeting of the year some time in February.

If you have any requests, desires, or suggestions for speakers for next year you know the email to contact me on.

Regards

Glenn