**NELSON PROPERTY INVESTORS ASSOCIATION**

**SEPTEMBER 2023 NEWSLETTER**

**PO Box 198 Nelson**

**NelsonPIA@xtra.co.nz**

**Property Investors Meeting Tuesday 19TH September 2023 7:30 pm Honest Lawyer.**

**Speaker: Peter Lewis Vice President of the New Zealand Property Investors Federation.**

Peter is our main contact with Government officials and politicians. He advocates on our behalf. I see his media posts almost daily both under his own name and under his pseudonym FlyerNZ. Peter seems to do a lot of travelling around the country and overseas. I have met up with him for dinner several times over the years when he has come through Nelson and there is never a quiet moment across the table! He is a completely normal Mum and Pop landlord and is in touch with what many of you face on a day to day basis. His pet hate is mushrooms. (that has nothing to do with being kept in the dark and fed a warm moist unpleasant diet.)

You are all welcome to join in with me and others for the optional meal at 6:00 pm.

**SORRY FOLKS BUT I HAVE BAD NEWS**

Many of you will have heard our well respected vice president Seddon Marshall died recently. I and several other existing NPIA members got to know Seddon back in 1990 when he and a small team ran a new landlords training session over several weeks. That training was the foundation of a whole new life adventure for me after I was made redundant. The attendees formed Nelson Property Investors Incorporated Society. Seddon has been on the committee all that time along with untold other community positions like the Nelson City council, Tahuna Camp, and the Airport. So I am sure he would love to have read this months newsletter.

**NELSON AIRPORT RUNWAY EXTENSION**

As most of you will know the airport is booming and needs a better longer runway. The owners of the airport have known this for decades and they have steadily taken some steps to provide for this, like buying up some additional land, and arranged for some zoning planning provisions by limiting what can be done in the flight paths. The city council has put some restrictions on times that planes may fly. But this has not been enough so the airport, now being a separate entity, has made an application to the city council to extend the planning provisions along the flight path. One of my family entities owns a block of flats right under the most frequently used flight path. I have made a submission re this proposal and the Tahuna Motor Camp has published their opinion in the media. My submission is reproduced below along with the article that appeared in the Nelson Mail telling the Camp’s story.

Submission on Private plan change 30 and Notice of requirement for the Nelson Airport Runway Extension.

My family owns 84 Golf Road. The ownership is held by JAM trust. The named trustees are Andrea Dawn Morris and Elizabeth Mary Morris. We have owned this property since 16 April 2013.

The property consists of five rental dwellings that were approved by way of a Building permit BP 21445 in 1992, and correspondence from 2000 confirming that the residential apartments are a permitted activity. These apartments currently have a gross income of $102,440 PA. Since purchasing the property we have carried out modest refurbishments on two of the units. Other work has been carried out on the other units to meet Central Government law requirements in order to comply with Heathy Homes and Residential Tenancies Act. If further similar refurbishment was undertaken on the other units like decorating, carpets, drapes and lights then in todays rental market one might expect to be able to expect a gross income of about $114,400 PA.

I became aware of the runway extension and associated noise corridor in February 2023. A copy of a publicly displayed notice re the proposal is attached. This indicated that all those properties within the red line shown on the displayed map needed to meet the 65-69 dB Ldn standards and that the airport company would 100% fund this work. A figure of 69 dB Ldn is equivalent to measured noise during the day of 79 dbA. In my professional opinion this level should be achievable. I wrote to the airport as per encouraged in their web post and got a reply that initially we would not be eligible for the grant because they claimed our property was non compliant in that more than the permitted number of rental dwellings were in use. However the planning staff at the NCC have produced evidence that the dwellings had in fact been approved by the council in 1992 with building permit BP 21445 with correspondence from 2000 confirming the residential apartments are a permitted activity.

I was initially advised by both the NCC planning department and the Airport that the overlay would require all work proposed to be undertaken to have a certificate from an acoustic engineer specifying the building design will reduce the noise levels to at least 45 dBA.

I pointed out to NCC and the Airport company that it would be impossible to achieve such a level because that level is well below normal conversation level which is 60-70 dBA. (see attached data sheet).

 Since my exchange of emails and the visit with the NCC planning officers the threshold has been further reduced to 40 dBA Ldn. This is a level attempting to take into account the Day Night Noise level and normally imposes a 10db margin to indicate the sensitivity (nuisance) of noise at night. The recommended international margin is 10 dB but you have chosen 5 dB.

More noise will be evident at ground level once the runway is extended towards Golf Road because the approach angle of planes landing will mean the planes will cross over the roofs in Golf Road at a lower altitude than they do at present.

The impact of adopting such an impossible to achieve level is no substantial work could be carried out on the dwellings for the remaining life of the buildings and eventually the site would need to revert of open fields. At present with the use of current aircraft and the existing length of the runway there is some objection to the activities of the airport. This means the achievable rents and associated value of the property is already less than quieter areas. As the noise increases this negative impact on achievable income will get worse. Some people, but not everyone, will put up with the high noise but the buildings will need to be maintained whilst still in use. Additionally central government continuously increases the standards for dwellings. Sometimes this is by way of the building code for new buildings and sometimes for existing buildings. Already an exemption has been granted for these buildings re insulation because of the style of construction. At any time in the future the Government might withdraw this exemption which would mean the buildings could not be upgraded to permit the installation of additional thermal insulation resulting in the need to demolish the buildings and the investment / earning potential would be destroyed.

The commercial operation of the airport is important to both the shareholders of the airport and its customers. The commercial operation of the rental properties at 84 Golf Road is important for the owners of that property and its customers being the tenants. Some of the tenants have lived in their homes at 84 Golf Road for over 10 years. Last year we were sad to lose one tenant who had lived there for 15 years when they purchased their own property. The owners of both businesses of airport and rental homes should not be expected to subsidise the commercial activities of each other. The operation of the rental units should not impede the operation of the airport but similarly the operation of the airport should not stop the business enterprise at 84 Golf Road.

The airport company has from time to time purchased land adjacent to the airport to ensure the long term operation of their business. I do not think this is called for in this case. In the long term both businesses should be able to co-exist but the airport company should pay for the reduced business imposed on 84 Golf Road. The income of the airport should come from its customers and likewise the income of the rental flats should come from its customers. The owners of 84 Golf Road should be permitted to maintain its buildings along with carrying out government directed works in order to continue to the business of providing warm dry safe homes for people to live in. The fact that the majority of the tenancies are long term indicates that the tenants want to live there.

The airport should operate its business safely and responsibly. It should be expected to pay its own way and not get something for nothing. If its operation reduces its neighbours ability to fully operate their business they should compensate the affected adjacent neighbours. The payment needs to be regularly adjusted to take account of market forces. My suggestion is the Airport Company should be liable for all council charges that are applied to 84 Golf Road. Those charges are regularly adjusted based on the services that are provided and the value of the land. This formula of mine provides a simple inflation and market force adjusted level of charges. A payment like this would over time increase the value of the land in inverse proportion to the devaluation caused by the noise which will increase with time. The current council charges are $8323.86 PA for rates plus water service charges.

The airport company should honour promises it made publicly in February 2023 and pay for noise mitigation when the annual actual aircraft noise reaches 60 dBA Ldn. This level takes into account the use of aircraft late at night. So in other words once aircraft start operating in the hours of 23:00 – 07:00 then the mitigation should take place at the cost of the airport company. These times are internationally recognised standards.

The current and future owners of 84 Golf Road should be permitted to maintain their property in perpetuity keeping those buildings water tight, and compliant with council and national set standards. Should the properties be damaged due to fire, or some other disaster they should be permitted to reinstate the property to the same size and functionality. If in the reinstatement process additional standards need to be met to enable the airport to operate its business, ie meet the new and future set noise, vibration, light, and other aircraft created nuisance isolation, then the airport company should be liable for those additional costs. This work would be similar in scope and cost to the publicly promised mitigation and be 100% funded.

Tāhuna Beach Holiday Park and Motel chief executive David Pattinson says Nelson Airport’s proposed plan changes could leave the camp to “wither on the vine”.

A popular beach front campground in Nelson says its future is in doubt if a [plan to allow the airport to extend its runway](https://www.stuff.co.nz/nelson-mail/132329000/number-of-people-highly-annoyed-by-airport-to-increase-by-almost-200) goes ahead.

Tāhuna Beach Holiday Park and Motel chief executive David Pattinson says the plan change would stymie the park’s ability to improve facilities and increase noise to levels that could drive guests away.

They’ve hired a lawyer to fight the plan, arguing that Nelson Airport hadn’t adequately investigated other options, including extending the runway to the south.

But the airport said it investigated all options when [developing the application](https://www.stuff.co.nz/nelson-mail/131463626/nelson-airport-seeks-planning-approvals-for-runway-extension), and had put forward what it believed was the best option.

The Nelson City Council formally notified the airport's application to change the city’s resource management act in June.

The proposed changes would enable the airport to extend its runway by 370m into the Nelson Golf Course. There would also be a runway extension safety area (RESA) around the runway.

At the time, Nelson Airport chief executive Mark Thompson said the application aimed to protect and provide for the airport’s current and future operations, including the ability to extend the runway within the next 10 to 15 years, by ensuring appropriate land designations and zoning were in place.

The longer runway and planning for different types of planes means there will be different noise contours, with varying restrictions.

For the holiday park, that would mean almost all the 22ha would be covered by the new Airports Effects Control Overlay, while a section of the park would also be covered by the new Air Noise Boundary which would effectively prohibit activity in that area, Pattinson said.

That would mean about 23 of the camp’s 116 permanent residents would have to move.

The changes would also put restrictions on new buildings and development which would hinder the park’s ability to upgrade facilities such as ablution blocks – even if the airport never extended the runway, Pattinson said.

“In effect, we’re left to wither on the vine.”

The increased noise from planes flying lower would also be detrimental to the camp, which hosts about 70,000 guest nights a year, he said.

“I think we’ll find it incredibly difficult to operate under those restrictions, and we may find holidaymakers choose not to come because of the noise ... I just find it incredible that one organisation can impose restrictions on another like that.”

He said he was not opposed to the airport expanding, but he did not believe all the options had been properly explored.

In particular, Pattinson believed more work should be done to look at a southern extension, and also the use of an Engineered Material Arresting System (EMAS) like what had been used to Queenstown to allow larger planes to safely use smaller runways.

“I’d like to see them explore the other options.”

Pattinson also questioned the level of community consultation, which he said had not been adequate.

Nelson Airport commercial manager Simon Barr said the plan change would not lead to any immediate changes in noise levels for its neighbours.

“Any increase in noise will be gradual over time, as additional services are needed to meet demand and once the extended runway is constructed and operational.”

Any planning controls imposed by the plan change were to ensure “healthy and safe living environments”, he said.

“The proposed provisions will not hinder all types of development activity, including upgrades to amenities such as ablution blocks.”

Barr said the airport looked at “a range of matters” when developing the plan change and considered both northern and southern options carefully.

“The application presents what Nelson Airport considers to be the best option for the Airport in the long term, and accommodates a fully compliant RESA for the safe and efficient operation of aircraft arriving and departing from Nelson.”

The airport had consulted with the local community in a range of ways, including letters and community meetings, and they had invited the camp to discuss the proposal on multiple occasions, he said.