

NELSON PROPERTY INVESTORS ASSOCIATION

April 2024 NEWSLETTER

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Our third meeting of the year at the Honest Lawyer Point Road, Monaco is on Tuesday 30th April 7:30 pm. Yes, we still have the before meeting optional meal at 6 pm.

Note: No bookings are required and no charge for attending. Non-members are welcome, but we do encourage all attendees to subscribe to our free newsletters.

Our last meeting when we invited Ashley Church was a flop. Like it never happened. As the saying goes marriages are made in heaven but so to is thunder and lightning. Multiple things transpired to prevent us hearing from Ashley. Perhaps that was a sign and a message from above? Property investors need to sometimes take a deep breath and stop to think. The most disturbing obstacle was written and implied threats from local pro Palestine supporters who objected to some pro-Israel views that Ashley held. We took the communications seriously and made plans with the Police and others. Some sombre looking ladies did come into the meeting room and left quietly when they discovered the person they had an issue was not there. When one thinks about the hideous things and violence at public meetings that could have been prevented by taking note of prior warnings, perhaps we have someone looking after us.

This month we are pleased to bring you Daniel Huelsmeyer talking about Ruru Tiny Homes.

Daniel Huelsmeyer, born 1980, worked as a specialist barrister in Germany until his move to NZ in 2015. After spending a year in Auckland, him and the family of 4 moved to Motueka, taking over a high end hospitality business. With the border restrictions in place the market flattened quickly in 2020 which is why Daniel and his wife Fran set up a new business, Ruru Tiny Homes. With the first unit being built and hitting the market in February 2021, it sold within 24 hours and another 10 weeks later the couple had signed orders for 12 further units. A year later the couple with now 4 children was employing 50 staff + contractors, building and delivering over 50 units per year off their newly established yard in Motueka. Another year later they opened a second branch in Whangarei which is successfully distributing Tiny Homes on Wheels across the Northland and Auckland regions down to Hamilton & Tauranga. With two national branches the company serves from Invercargill to Cape Reinga all Tiny Home needs flexibly at great pricing.

Daniel has a substantial background in law and all things legal, which is why he's is mostly assigned to all Council related matters, including legal and consents. Ruru Tiny Homes is proud to have a solid and positive relationship to many Councils nationwide who have so far all approved an easy and smooth setup of the Ruru Tiny Homes - not requiring a building consent acknowledging they are considered vehicles under the Building Act. This enables the customer to avoid lengthy and costly reports and consent processes including the expensive consultants we all know, basically being able to put a Tiny Home on Wheels onto land (resource consent to be discussed) for instant move in-rent out- airbnb. The ROI for third party occupancy is significant if you consider the

fixed price, certain delivery dates and the easy and cost efficient setup of infrastructure.

Daniel will speak about these topics

- What is a Tiny House on Wheels
- Why does a Tiny House on Wheels not require a Building Consent
- Why does a tiny House on Wheels may require Resource Consent
- ROI figures of clients including 3 case studies
- Questions and Answers

From an age before the word “Tiny homes” appeared in our world I have had a modest interest in the concept of ultra low cost minimalist living. I never did learn what was permitted by the council and always relied on other people’s expertise or just kept one step ahead of the regulatory authorities. One compliance manager at Nelson City Council whimsically said he had one staff member employed full time checking up on me. An official in Tasman DC kindly said to me that whilst one of my properties had all the required approvals, I was using it in a manner they had never envisaged. He very generously suggested a range of options at a huge cost or just get out of his office, which I quickly did.

My first real venture into the world of investing in 1990 was a 50 sq m minor dwelling behind my home in Stoke. The builder did all the council negotiations. At that time he said we had enough section size to build an a total of three minor dwellings of similar size. The council at the time were scornful of the development but let me away with various rules saving heaps of money. With the “advances” in planning such as RMA and long term council planning those dreams are no longer permitted and I think additional minor dwellings like mine are almost impossible to get approved. Despite the great wisdom and good advice from those experts back in 1990 that little house has had uninterrupted happy tenants in it for the last 34 years.

Over the years I have had a whole range of caravans, sleepouts, and converted shipping containers, plonked beside residential and commercial properties. They have all produced good cash flow from the happy grateful occupants but all have had negative capital gain.

I do have one residential in Richmond that has a huge empty back yard that I would love to have people living in. I wonder if a Ruru tiny home could be the answer?

THERE IS NO EXCUSE FOR SLOPPY PAPER WORK IN OUR INDUSTRY.

Just last week I was scrolling through the Tenancy Tribunal Orders on line for Nelson. One jumped out at me. The issue was the Property Manager had not completed the “standard issue” tenancy agreement with due care and diligence resulting in the tenant being able to get away with not complying with what the owner thought was the deal. Cases that appear in the orders on line are just the tip of the huge iceberg of tenancy problems that never reach the Tenancy Tribunal Court published cases. The same week when studying a new tenancy agreement produced for an “associated party of mine” by the same property management company I was not happy to see the section on insurance had not been completed. The insurance clause is important because when a claim is made the insurance company can be difficult. Managers, owners, and landlords should be careful when completing agreements. It is easy to overlook an optional clause or leave a bank when the answer is not obvious. The owner is responsible.