

NEW ZEALAND

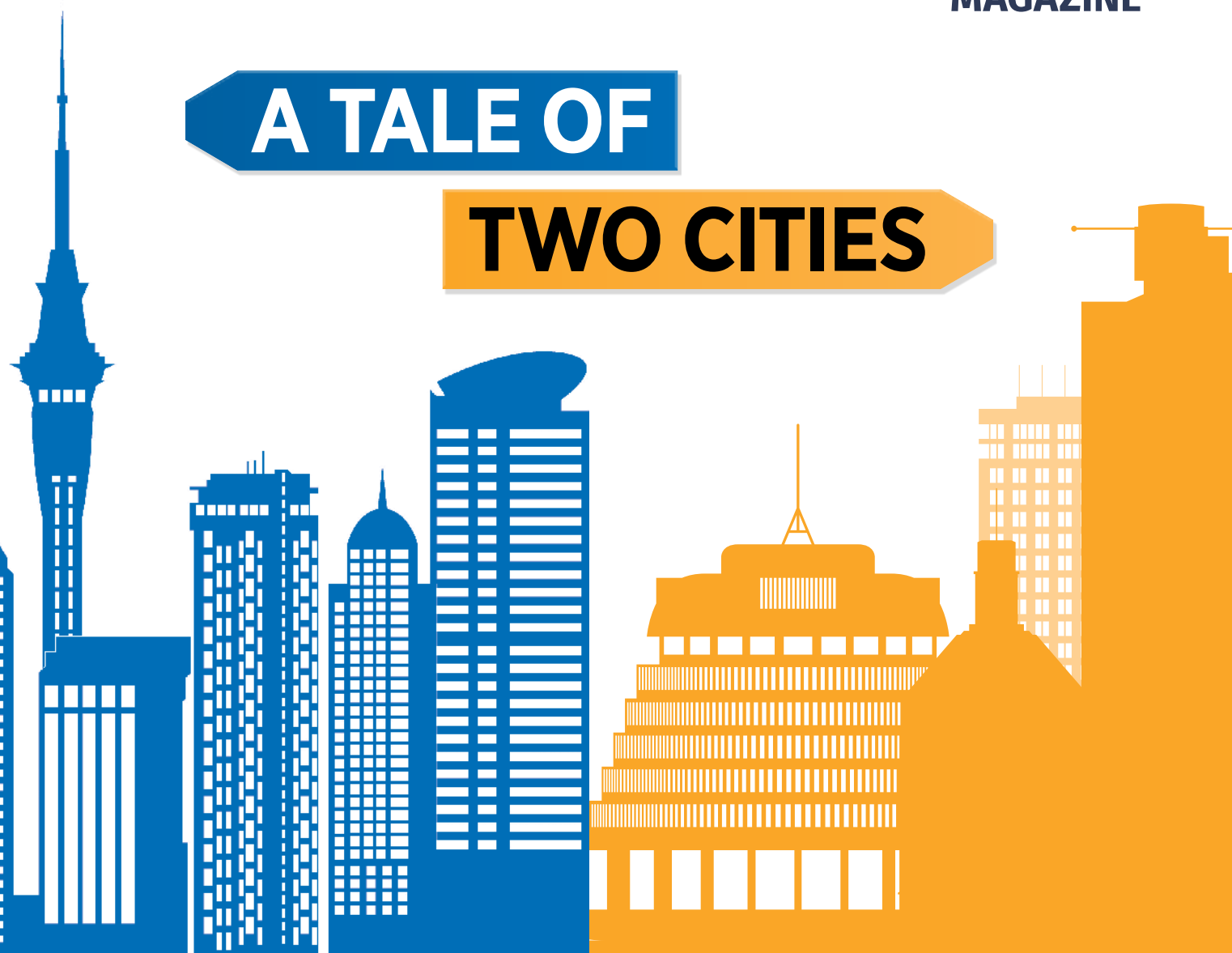
AUTUMN 2019 | \$12.99

PROPERTY PROFESSIONAL

MAGAZINE

A TALE OF

TWO CITIES



CGT and
Residential
Rental Property

**FAST-TRACKING
URBAN
DEVELOPMENT**

Overseas
Investment in
Residential Land

**COSTS OF
CONSTRUCTION**

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Simpson Grierson's national team of property specialists represent the interests of developers, vendors, purchasers, landlords, and tenants of all kinds of property.

We are unique – our property team focuses on property issues exclusively while other aspects of developments are tended to by our experts in construction, planning and financing.



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GUEST EDITORIAL

Jason Ede

As Communications & Strategy Manager at the Property Institute of New Zealand, I have been a significant 'ghost' contributor to this column over the past couple of years. It's good to be able to give members (and interested outsiders) a bit of an inside view about how we see the year ahead – our challenges and opportunities – and preview what's in store in the pages that follow.

Change is coming

2019 is going to be a year of change in the New Zealand property sector. As was expected, the country's coming off a significant 'boom cycle', and while most economists are not predicting a crash, it's increasingly clear the rate of property price inflation will remain subdued.

This started following the introduction of Loan to Value Ratios (LVRs) and the extension of the brightline test. But this has continued – some would say accelerated – as the conversation has now moved to healthy homes, Residential Tenancy Act changes, KiwiBuild, construction capacity, Capital Gains Tax, the regulation of property managers, and Urban Development Authorities, to name but a few of the issues that are coming our way in the months ahead.

And that's before assessing the increasing uncertainty around the global economy. These factors between them reach across the whole sector – from rural to industrial – commercial and residential.

Even in isolation, the issues are not straightforward – either for the property professionals who'll be required to follow the law changes, or those writing the policies and considering potential unintended outcomes.

Our regular Property Institute/Valocity Regional Insights Reporting highlights a slowdown in those taking out loans for

investment properties, while first home buyers are the most active part of the market. This trend, if it continues, could become the new frontline of property politics, as fewer and fewer private sector rental properties are available.

The prospect of all this change makes membership of a professional organisation such as the Property Institute all the more relevant and important. It's about keeping up with those changes and learning about how to implement the new frameworks, it's about having a voice in the debate, and it's about networking with like-minded colleagues to get a grip on how their activities are evolving in a new environment.

In this issue

Later in this edition of *Property Professional* you'll have a chance to get a snapshot of what's coming up. We have an article penned by Phil Twyford, the Minister of Housing and Urban Development, about the new, soon to be created, Urban Development Authorities. We explore Capital Gains Tax with expert and Tax Working Group member Robin Oliver, and lead with a well-researched piece by journalist Diana Clement who examines the increasingly stark contrast developing between the property markets in Auckland and Wellington.

Also, in this edition, we preview the upcoming 'Property At Our Place' annual conference (register for tickets early), put

the call out for award entries, and we're launching the search for our next crop of Young Leaders.

Ongoing PINZ/NZIV work

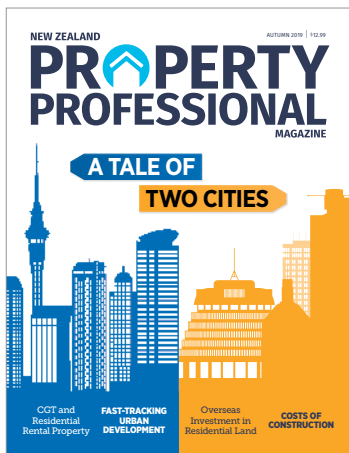
But beyond the pages of this magazine there is a huge amount of work going on by dedicated PINZ staff and officials who are determined to continue improving the quality and quantity of professional development which is our bread and butter.

Reports from the Branch AGMs suggest the mood has been incredibly positive, with tons of constructive and valuable feedback. This year there'll be more choice in online learning, more face-to-face education, and a focus on standards, compliance, status and ethics.

Over time, our shared goal is to set PINZ and NZIV members apart from the crowd for their professionalism, their commitment to quality, and their trustworthiness. It's an incredibly busy period and our team looks forward to being part of that journey with you 🙌



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CONTENTS

Autumn 2019

GUEST EDITORIAL

- 01 *Jason Ede*

COVER ARTICLE

- 04 **Auckland and Wellington – a tale of two cities**

Diana Clement

FEATURE ARTICLES

- 08 **The Tax Working Group – implications for residential property**

Robin Oliver

- 12 **UDAs – leading urban development projects**

Hon Phil Twyford

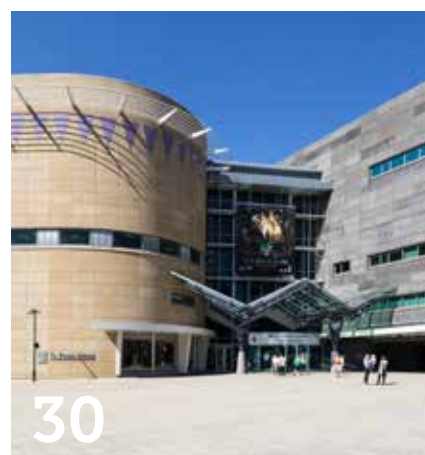
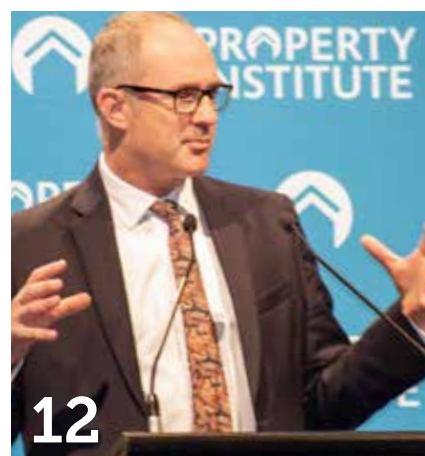
GENERAL ARTICLES

- 14 **Effect of design and building materials on structure**

Dennis Dowling

- 17 **Are territorial authorities contributing significantly to the cost of housing in New Zealand?**

Vaughan Wilson



PROFILE

22 **Jeff Alexander**



22



38

LEGAL & TECHNICAL

26 **Overseas investment in residential land – achieving election promises but stifling business**
Tara Wylie

CONFERENCE

30 **Conference preview – Property At Our Place**

32 **Property Industry Awards – recognising the best of the best**

34 **Are you a PINZ Young Leader?**



08

PINZ NOTICES

37 **Property Industry Quality Assurance Programme (PIQA)**

38 **PINZ branch and regional news**



14



Credit: Colliers International



AUCKLAND & WELLINGTON

A tale of two cities

DIANA CLEMENT

Auckland and Wellington are very different cities – one is the centre of commerce and the other government. But which one is tipped to go ahead when it comes to their property markets? On the residential front Auckland may be plateauing, or even set for a slide of sorts. Will Wellington follow? And what is causing record high occupancy in the commercial property markets of both?

Residential booms

There's no doubt that the residential property markets in both cities have been through booms. Wellington started later than Auckland and may still have some upside, according to David White, Senior Tutor in the School of Economics and Finance at Massey University. White manages the university's *Home Affordability Report*.

In his view, one noticeable difference between the two is that Wellington has been driven not just by wage and population growth, but by a 'rising tide lifts all boats' scenario. That's a narrative where buyers and sellers see rises in other regions, therefore expect prices to rise, and it becomes a self-fulfilling prophecy.

The other main difference for White is that Wellington's house prices are still comparatively affordable. Despite rises in recent years, buyers no longer balk at paying \$500,000, \$600,000 or \$700,000 for a house. Be it Auckland or Wellington, he believes there is a natural limit on affordability for rental or ownership based upon allocation of household income to housing costs.



Credit: Prendos NZ Ltd

House price multiples have increased to 12.9 in Auckland and 8.9 in Wellington, so there is a natural limit. 'It is not going to go to 20 like Hong Kong. There is only so much of your income that can be allocated to accommodation. The Government's fiscal and monetary policy settings are another reason this won't happen,' says White.

As recently as late last year Prendos' valuer Max Meyers was watching Auckland's residential property market assuming that Wellington would follow suit. He now doesn't believe that this will be the case.

Wellington hasn't had quite the speculation of the Auckland market and in the capital investors have been leaving the market. Meyers says this trend can be seen very clearly in suburbs such as Newlands, where 1960s houses that in the past were given a quick tart-up by investors are now being bought by first-home buyers.

Prendos colleague Gordon Edginton says the Auckland residential market is now flat and could be heading into a slight decline thanks to LVR restrictions and a reduction in non-resident Chinese buyers.

He notes that, 'Immigration figures are also waning a little. Auction clearance rates

The Auckland residential market is now flat and could be heading into a slight decline thanks to LVR restrictions and a reduction in non-resident Chinese buyers.

have fallen and a lot is being advertised at a price. I don't think Auckland is going to change that much. I think the market is going to remain flat for quite a time. The LVR handbrake is one of the key drivers of what's happening for real estate. Until that gets relaxed I don't think anything is going to change.'

Auckland price slide and Wellington upturn?

It's not uncommon for property commentators to be predicting a price slide in Auckland, the beginnings of which may already be happening.

James Wilson, Director of Valuation Innovation at Valocity, says both the data and feedback from valuers suggests that Auckland has reached a plateau in the current cycle. 'It is slowing down and taking a sidelined approach – the wait and see mentality that comes about at the end of a cycle.'

Wellington, he points out, was late to the party. In the past 12 months it has been the standout performer as an urban centre. Wellington is the only main urban centre that has had annual price growth over the last 12 months – it was growing very rapidly compared to other urban centres.

While growth rates have slowed in central Wellington, prices are continuing to rise in Upper Hutt and the Kapiti Coast, says Meyers. As at December, Upper Hutt had 12% growth (for the previous 12 months), Porirua 9.4%, Wellington East 8.4%, Wellington Central 7.4% and Lower Hutt 6.7%.

Wellington is the only main urban centre that has had annual price growth over the last 12 months – it was growing very rapidly compared to other urban centres.

Meyers observes that the explosion in new builds will also have an effect. He sees more new building happening than ever before. Nonetheless, he believes the easing of growth rates in central Wellington suggests that the city is nearing the end of the cycle. That combined with a looming over-supply of new builds suggests there could be a slight downside risk, which could be more pronounced for the outer areas.

A tale of two rental cities

Wilson notes that Wellington leads the way in average rentals at \$603 per week. The equivalent figure for Auckland is \$515. It's no secret that rental affordability has been slipping in both cities, but it would appear it is for different reasons.

In his view, Wellington has always been a good centre to invest in for long-term residential rentals. Public service jobs boost rental demand over and above the annual blip when university students return. 'That is the exact reason why Wellington has always appealed to investors because of the very healthy rental returns,' he says.

According to the State Services Commission there were 21,219 government workers based in Wellington and the Hutt Valley, as at June 2018, up from 19,248 in June 2016. Both the booming film industry and expansion by corporates such as Xero has also led to greater demand. 'People on the ground are getting jobs and paying bills,' says White.

Even so, according to Meyers, traditional 'mom and pop' investors have been exiting the market, which could in turn lead to pressure on the rental market. It may be one of the reasons that rents did not drop as they usually do after last year's annual back to university rent scramble.



Credit: Prendos NZ Ltd



Prendos NZ Ltd



Credit: Prendos NZ Ltd

Auckland vs Wellington profile

	PROPERTY COUNT	MEDIAN DECADE OF CONSTRUCTION	MEDIAN RENTAL RATE
Auckland			
Commerical	21,458	1990	
Industrial	13,780	1980	
Lifestyle improved	19,192	1990	
Res Apartment	35,909	2000	\$560
Res Dwelling	345,402	1980	\$652
Res Flat	63,797	1970	\$531
Res Home and Income	10,088	1970	\$647
Rural	2,976	1980	
TOTAL	512,602	1950	\$515
Wellington			
Commerical	6,477	1980	
Industrial	2,664	1980	
Lifestyle improved	2,196	1990	
Res Apartment	8,139	2000	\$598
Res Dwelling	98,861	1960	\$626
Res Flat	19,631	1970	\$467
Res Home and Income	3,399	1940	\$724
Rural	266	1980	
TOTAL	141,633	1960	\$603

	FEBRUARY 2019 MEDIAN AVM*	FEBRUARY 2018 MEDIAN AVM	FEBRUARY 2014 MEDIAN AVM
Auckland			
Lifestyle improved	\$1,365,000	\$1,430,000	\$920,000
Res Apartment	\$530,000	\$525,000	\$315,000
Res Dwelling	\$950,000	\$950,000	\$665,000
Res Flat	\$680,000	\$675,000	\$450,000
Res Home and Income	\$1,155,000	\$1,150,000	\$620,000
TOTAL	\$590,000	\$570,000	\$375,000
Wellington			
Lifestyle improved	\$930,000	\$865,000	\$910,000
Res Apartment	\$500,000	\$475,000	\$340,000
Res Dwelling	\$695,000	\$635,000	\$450,000
Res Flat	\$460,000	\$410,000	\$300,000
Res Home and Income	\$890,000	\$835,000	\$535,000
TOTAL	\$655,000	\$600,000	\$420,000

* Automated Valuation Model

Source: Valocity

On the other hand, Auckland's slow decline in rental affordability is less complex and is largely driven by population growth.

Commercial similarities and differences

Director of Research and Communications at Colliers International, Chris Dibble, says Auckland and Wellington's commercial markets have similarities and differences. He believes that in the office market, for example, the outcomes are very similar in that occupancy in both cities is at record highs. However, the fundamentals are notably different.

He notes that Auckland is going through a new development phase with plenty of new construction. Wellington, on the other

hand, is driven by the lack of supply thanks in part to the Kaikōura earthquake.

Dibble notes that on the retail front there are mixed results in Auckland, with strip retail facing challenging times with vacancies up to 4.5% from 3.5% a year ago. He feels the picture is rosier in prime retail, with the retail supply pipeline the largest it has been this cycle with 180,000 m² of space to be built in the next few years.

In Wellington, prime retail space along the Golden Mile will remain highly sought after. However, given moderate spending from customers and reduced profit margins for retailers, Dibble believes that landlords are unlikely to lift rents significantly, instead focusing on capital growth.

He also says that industrial property in both cities has low vacancy rates and

plenty of interest from offshore investors. The difference in Auckland is the difficulty in unlocking new land for development. The Transmission Gully motorway due to open next year is expected to also open up Wellington's future industrial growth 📍



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Auckland is going through a new development phase with plenty of new construction. Wellington, on the other hand, is driven by the lack of supply thanks in part to the Kaikōura earthquake.



THE TAX WORKING GROUP

implications for residential
rental property

ROBIN OLIVER

The Report of the government appointed Tax Working Group, chaired by the Hon Sir Michael Cullen, was released by the government in February. Ministers have said that they will respond to the Working Group's recommendations in April this year. In the 2017 general election the Labour Party said that for the recommendations it agreed with, it would enact them before the next general election but these measures would not come into effect until post the election – 1 April 2021. This is a tight timeframe. What is being proposed?

Implications for residential property rentals

The majority of the members of the Tax Working Group recommended New Zealand implement a comprehensive Capital Gains Tax to come into effect on 1 April 2021. The Report sets out the detail of the proposed rules. This would be much like the Capital Gains Tax that Australia has had since 1985, but with capital gains taxed at full marginal tax rates (generally 33% for individuals) rather than the half rates applying to Australian individuals.

New Zealanders are not great savers. What they do save they tend to invest in land and houses (i.e. the family home) and they also borrow heavily (via our banking system) to do so. By government directive the family home is outside the ambit of any Capital Gains Tax. This is consistent with the family home exemption in Australia, but it does mean that the main investment of most people will not be subject to any Capital Gains Tax. Instead the burden of such a tax would fall on all other assets, which includes residential rental properties, share investments, businesses and KiwiSaver investments. It is estimated that in the long term over 40% of Capital Gains Tax revenue would come from residential rental properties.

Tax Working Group minority view

The Tax Working Group minority (Joanne Hodge, Kirk Hope and myself) reached the view that the costs of a comprehensive Capital Gains Tax would exceed any likely benefits from such a radical change to our tax system, which overall is generally recognised as working very well. The costs of a Capital Gains Tax are additional complexity

and compliance costs, and a negative impact on equity markets (the ability of New Zealand companies to raise funds from New Zealand shareholders).

The minority nevertheless considered that the tax rules applying to residential rental property needed to be reconsidered. The reason for this was officials' advice that taxing the net equity invested in rental properties at a relatively low 3.5% per annum would raise additional tax revenue of almost \$2 billion per annum after 10 years (almost \$1 billion in the first year). This is about one-third of the entire revenue estimated from a full Capital Gains Tax.

What this suggests is that the billions of dollars New Zealanders invest in residential rental property produces a taxable return less than if the money were invested in low yielding bank term deposits, despite the obvious greater risks involved with a rental property investment. This in turn suggests that residential rental property owners are not investing just for the taxable rental yield, but to make their investment rational they are also investing for anticipated tax-free capital gains.

For many years New Zealand has taxed capital gains where they can be seen as substituting for taxable income. Examples are the financial arrangement rules taxing capital gains on bonds and various rules taxing lump sum payments related to employment.

One option therefore advanced by the Tax Working Group minority was to tax the capital gains on all residential rental properties. This would be all residential property (defined along the lines of the current brightline test) that has been predominantly used for residential rental purposes.

The Tax Working Group minority reached the view that the costs of a comprehensive Capital Gains Tax would exceed any likely benefits from such a radical change to our tax system.

A first possible alternative option is simply better enforcement of current rules in this area. A second alternative option raised is to tax residential rental owners on a deemed rate of return of 3.5%. This would be much like the 5% fair dividend tax levied already on owners of foreign shares.

Other tax options for rental properties

Option 1 – better enforcement

Taxing the capital gains on residential rental properties is not the only option raised by the Tax Working Group minority. A first possible alternative option raised is simply better enforcement of current rules in this area. Under existing law a person who buys land with the intention or purpose of sale (or who is a builder, developer or dealer) is already taxed on many gains made from the sale of residential land (with a number of detailed exemptions). Recently these rules have been buttressed by the brightline test (first two years and now five years) and loss ring-fencing rules.

It does seem, however, that compliance with and enforcement of these rules is patchy. It may be true that in the past our courts have been reluctant to find that people have purchased property with the intention or purpose of sale, even where low rental yields suggest no rational explanation for the investment but capital gains. However, any historic inclination of the courts to interpret law in favour of taxpayers now seems to be a thing of the past given many recent court decisions.

Arguably, therefore, better enforcement of current law would largely deal with issues of investors investing in residential rental property just for untaxed capital gains. This might also require reviewing and clarifying the basic rules in this area that have been largely untouched since they were enacted in the early 1970s.

Option 2 – deemed rate of return of 3.5%

A second alternative option raised by the Tax Working Group minority is to tax residential rental owners on a deemed rate of return of 3.5%. This would be much like the 5% fair dividend tax levied already on owners of foreign shares. It might have the advantage of reducing the tax on those who do invest for rental yield (retirees relying on rental for their income), while increasing tax on those investing for capital gains.

As noted above, it is estimated that a tax on a 3.5% deemed residential rental yield would deliver about one-third of the revenue of a full Capital Gains Tax. However, feedback to date has been that such a tax might face difficulty in gaining public acceptance.

Whatever policy the government decides to adopt, the objective of all these options is to increase tax collected from the residential property sector.

What is the likely impact on the sector?

Little impact on housing affordability

It often seems to be argued that increasing taxes on this sector would make home ownership more affordable by, presumably, dampening speculation in land. The Tax Working Group looked at the evidence for this. As Sir Michael Cullen has said, the Group had a membership with diverse backgrounds and likely diverse political views. The Group unanimously reached the view that taxing residential property gains would likely have little impact on housing affordability.

Advocates of Capital Gains Tax can advance reasonable reasons for such a tax. However, improved housing affordability is not one. There is no evidence to suggest that taxing gains would improve housing affordability.

The Group unanimously reached the view that taxing residential property gains would likely have little impact on housing affordability.

House prices could go either way

Normal economics would suggest that taxing something (housing) would increase not decrease its price. However, the housing market is complex and does not seem to replicate a 'perfect market'. Supply does not respond to demand for housing because of restricted land supply, infrastructure availability and zoning laws. The market for rentals is not the same as the market for home ownership. People renting houses do not often have the option of home

ownership because they lack the funds for a deposit.

No-one can be sure what the effect of a Capital Gains Tax on housing would be. The Tax Working Group considered the issue at length and came to a best guess that house prices at the lower end would become a bit cheaper but rents would increase. At the upper end a Capital Gains Tax that excluded the family home would seem likely to increase the value of high-end homes as people invested in the one asset not subject to Capital Gains Tax. This may be good for the wealthy Auckland homeowner, good for some seeking to buy a new home, but bad for the most vulnerable who are forced to pay higher rents.

Increased cost of rentals

The Tax Working Group was very conscious that those living in rental houses could face increased costs because of tax changes. It therefore expressed the view that the government would need to provide more assistance to those renting, perhaps through an enhancement of the Accommodation Supplement. However, this was outside the Group's terms of reference and any costs of extra assistance have not been included in the revenue estimates from a Capital Gains Tax.

Other recommendations

Despite the media focus on Capital Gains Tax, the Tax Working Group also made a raft of other recommendations. One of these is that the 2010 Budget decision to remove depreciation on buildings was based on false advice. The Report recommends that depreciation be restored for commercial, industrial and multi-unit residential buildings where officials' advice is now that such buildings do in fact depreciate. However, this is subject to fiscal constraints and the government may be disinclined to correct the error made in Budget 2010.

Similarly, the Report recommends some allowance be given for deducting costs associated with seismic strengthening. If such costs are beyond repairs and maintenance

The Tax Working Group was very conscious that those living in rental houses could face increased costs because of tax changes.

they are likely to be non-deductible capital costs. They are still an economic loss to the property owner and can be very significant. The same rationale would seem to apply equally to weathertightness costs.

There does not seem to be any compelling reason why the deductibility of depreciation, seismic or weathertightness costs should be contingent on or linked to the taxation of capital gains. These are separate proposals justified on their own merits. However, inevitably any government will consider them in terms of overall fiscal priorities and there is no certainty that such tax reduction measures would be implemented with or without a Capital Gains Tax 🏠



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UDAs

Leading urban development projects

HON PHIL TWYFORD
MINISTER OF HOUSING AND URBAN DEVELOPMENT



The current planning rules are too restrictive for developers to get their build programme up and running quickly.

Rising population growth

Since the industrial revolution, urbanisation has been one of the great world trends. New Zealand is often described as one of the most highly urbanised countries in the world. Population projections reinforce this trend. The Golden Triangle (Auckland, Hamilton and Tauranga) is projected to continue to drive national population growth, and is expected to hold nearly half of New Zealand's population by 2043, with those cities growing by as much as 50% over this time.

Growing cities need much more housing than is currently being built. Our challenge is to build more homes at scale and pace, as well as have well-connected communities.

Restrictions to more housing

There are a number of issues limiting the number of homes being built:

- The current planning rules are too restrictive for developers to get their build programme up and running quickly
- The upfront cost of installing infrastructure
- High land prices.

We also need to get beyond just growing cities out without adequate transport links. Congestion costs Auckland alone \$1.3 billion each year in lost productivity because of urban sprawl without good rapid transport links.

Creation of new agency

That's why we are creating a new agency. The Housing and Urban Development Authority (UDA) will partner with local government, iwi and the private sector to build quality state and affordable market houses and create thriving master-planned communities. It'll have cut-through powers to be able to build the homes our communities need.

Creating a UDA has been considered in New Zealand for some time. In their final term, the Clark Labour-led Government created a Sustainable Urban Development Unit, prepared Cabinet papers and released a discussion document. In 2017, as the national housing crisis became most acute, the previous National Government also released a discussion document on establishing a UDA.



Two key roles

Several of the Australian states have used UDAs over the last few decades to regenerate old industrial areas, and open up new greenfields development to ensure land supply meets demand. Our new Authority will take on both roles.

The UDA will be a new Crown agency with two key roles – leading small and large-scale urban development projects, and being a world class public landlord. It will consolidate all three essential centres of development capability – Housing New Zealand and its subsidiary HLC, and KiwiBuild. It will be able to build much needed housing and infrastructure at the scale and pace needed to tackle the housing crisis, as well as deliver quality urban developments that will connect homes with jobs, open spaces and transport.

Access to statutory powers

The Authority will undertake a range of large and small urban development projects throughout the country. For some large-scale complex development projects, it will

have access to a range of statutory powers that will better enable development:

- The Authority will have streamlined resource management planning and consenting processes, and it will develop project master plans that will replace local plans
- It will be able to build and change infrastructure, which will de-risk developments and enable us to partner with private developers to build homes and undertake quality intensification
- It will have the ability to levy or charge local residents to fund infrastructure and development activities
- It will be able to bring together parcels of land
- It can reconfigure reserves, and create new parks and the important public infrastructure that makes a suburb a community.

Working in partnership

We need Government to be an enabler – to partner with the private sector, local government and iwi to build vibrant communities. Rather than crowding out or

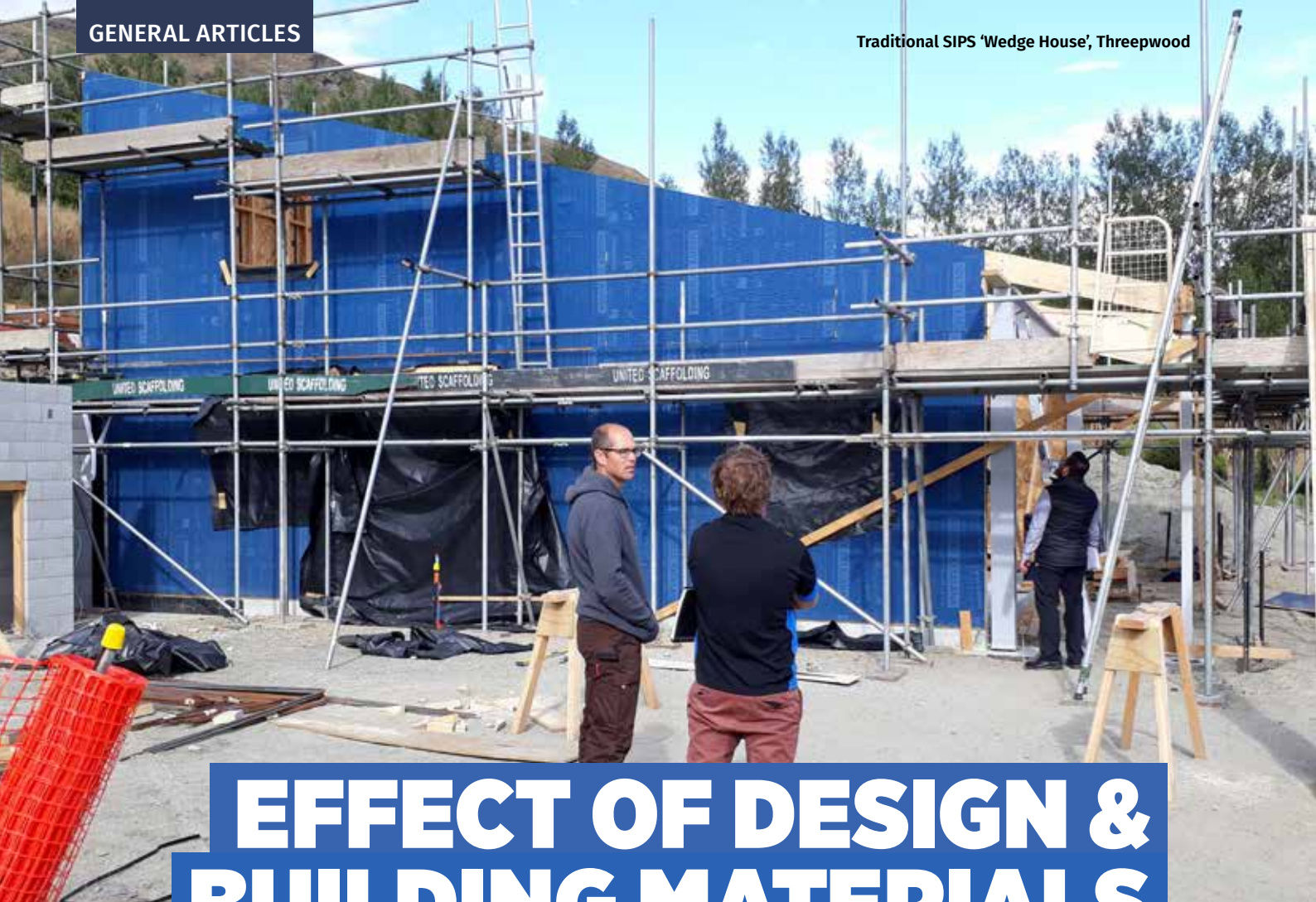
replacing the private sector, my message to developers is we want to help you grow. We understand your constraints and we want to work together on the solution. By Government leading in this area we can set new standards.

The Authority will implement good urban design and develop well-connected communities with great transport connections, vibrant town centres, and community infrastructure and affordable homes.

In the next few months the Ministry of Housing and Urban Development will report back to Cabinet on ways the Authority can make sure projects meet public good outcomes, such as through requirements for public and KiwiBuild houses in developments.

2020 start

The Authority is expected to be created by 2020, depending on the progress of the legislation to establish it through Parliament. In the meantime, we will continue working hard to build more state houses and ramp up KiwiBuild 🏠



EFFECT OF DESIGN & BUILDING MATERIALS ON STRUCTURE

DENNIS DOWLING

Behind all the beauty of a home lies potentially the most important part of residential construction, and one that is often relegated to last place. This article looks at how the design and building materials affect the structure, particularly over time.

Types of construction

The design process is so burdened with decision-making that any part of it that can become standardised is useful. However, with the advent of high-performance construction there are new materials used to create the structure of the building (from niche to mainstream), and differentiating between these building types can be difficult.

Virtually all residential homes are constructed using these methods: lightweight timber frames; lightweight steel stud frames; pre-cast panels; blockwork; insulated pre-cast panels; a structurally insulated panel system (SIPS), which can be a sandwich panel of OSB and polystyrene (or PIR foam),

or traditional timber, manufactured off-site in a prefinished panel for erection on-site; polyblock – polystyrene 'forms' stacked together with concrete poured into them on-site; or a medium-density particleboard rigid wall panel system. Less common building types for residential homes are mud brick and strawbale construction.

Durability and performance

Each of the above selections has an influence on the home's overall durability and performance. Durability, as we know from leaky buildings, is also determined by how the materials are assembled and the suitability of their use. A non-thermally



Polyblock 'The Bunker', Jacks Point



Timber SIPS 'Homestead', Dalefield

broken window unit in Tauranga may have little to no internal condensation issues in the morning, while that same window in Christchurch may have 500 ml of water on the internal face.

B2 Durability must always be considered to ensure a building will continue to satisfy the performance of the Building Code throughout its life, which for a home's structure is a minimum of 50 years. While the Building Code provides the impression that all buildings will reach the 50-year mark in the same condition, often a myriad of influences will affect each home's condition. Much like an automobile purchase, no reasonable comparison of two white five-door hatchbacks with four cylinder engines can be made without more consideration such as crash test ratings, engine size and fuel mileage.

In the current New Zealand market there is no rating system that allows comparisons between buildings, leaving it entirely up to a valuer to assess the differences. The NZGBC Homestar tool rates how sustainable and energy efficient a home is. This allows an immediate comparison of one building to another via a star rating system (similar to the energy rating label for appliances), but the tool has yet to gain mainstream usage.

In the absence of an objective listing of building attributes and performance, it is crucial to understand how the building was put together and the structure behind the cladding. With the leaky building catastrophe estimated to cost in excess of \$20 billion by the time the defective work is rectified in full, it is very clear that not all buildings are created equal.

Four categories of building structures

Going back to the list of building structure types mentioned, they can be grouped into four categories: (1) lightweight construction (timber and steel stud); (2) panel systems (SIPS and medium-density particleboard); (3) heavy construction (block, polyblock and pre-cast – insulated and uninsulated); and (4) non-conventional (mud brick and strawbale).

Lightweight construction

This is the most common form of residential construction and is used in single-storey, multi-storey and other more complex built forms. Homes constructed with these materials span from entry-level housing to high-end construction. Being the most prolific form of construction, it is often the most cost-effective, and is routinely constructed with economics and not quality in mind.

For quality, a home can be constructed with a rigid air barrier (RAB) in lieu of a building wrap. An RAB will provide a quieter internal environment, a more rigid structure (with less internal movement and cracking) and better seismic performance. Looking at the window type used (thermally broken or standard windows) it is possible to inspect sills and corners of jamb liners to see if condensation is an issue and if there is potential water ingress into the framing below. As gypsum wall board is used as the bracing element for these buildings, a home with 13 mm wall board will typically perform better than one with 10 mm board.

In many respects, these homes are the most difficult to assess as they do vary in quality, both at a price point (quality typically lowers in line with price) and when they were built (construction booms typically result in lower quality). As such, the following areas are critical to inspect and should be a part of every valuation:

- Ground clearance to framing – 150 mm above hard surface (gravel or concrete) and 225 mm above planters, grass or soil
- Inspect every window frame for evidence of repainting, swollen jamb liners, skirting and architraves around the windows and near areas of poor ground clearance
- These buildings are often under-heated and poorly ventilated, and mould in corners of bathrooms and other wet areas (or freshly painted surfaces) can often mean condensation issues
- Uplifting of carpet in a closet or other discreet area behind a door, near the external wall, is important to assess if there is an internal or external moisture issue.

Panel systems

These are used for two main reasons – to save time on-site and to increase performance. Using a medium-density particleboard panel system in construction is typically driven by both budget and time as these projects can often be completed in as little as six weeks from start to finish. The downside to these projects is that their insulation values are low and condensation on the windows can be an issue.

That said, the durability of these products is very high, seismic performance is typically

Homes with high levels of comfort, durability and performance should be seen as holding greater financial value than a home of similar finish level but inferior performance.

very good, and defects are often limited. This is due to the fact that the construction relies on mainstream construction materials and methods. In colder climates, they can have issues resulting from condensation and typically lower insulation values. Window reveals, skirting and ceiling junctions should therefore be visually inspected for defects.

SIPS panels have many of the same benefits – quick erection times and increased site productivity, with the added benefit of being very quiet and warm. SIPS are often used in airtight homes, which when coupled with their high insulation qualities means low heating costs and often the absence of a heating plant altogether. Airtight homes should have a balanced air passive ventilation system which moves air in and out of the building. Without this system, these buildings can be prone to surface mould and condensation issues.

Heavy construction

This is typically found in multi-unit complexes, multi-storey homes and in high-end housing, in addition to being a portion of many homes built on slopes or dug into the ground. Irrespective of application, heavy construction has consistently the same strengths and weaknesses.

One strength is very good structural durability – it is incredibly rare for a heavy construction building to have a building defect directly related to the panels/walls themselves failing. Some potential failures to look out for are poor panel alignment, large panel gaps and incorrectly formed panels.

It is, however, very common for there to be waterproofing and thermal insulation issues with these buildings, which results in water ingress, leaching and discoloration, and decreased building performance from high levels of water ingress/water vapour condensation. Tell-tale signs are swollen skirting boards, leaching on the walls, water stains on the floors, and repair work where internal elements meet the structure

such as sealant, re-painting or other visual defect rectification.

Unfortunately, while the structure is typically unaffected the resultant remedial works can be very costly, requiring significant deconstruction of building facades or landscaping and footpaths. Repairs from a leaking shower pan can also be costly if the defect is the result of original work and requires the breaking out of concrete and re-work to the existing structure.

In colder climates, expensive heating equipment is often integrated into the buildings to provide a healthy indoor environment. This equipment requires routine maintenance and upkeep and can be costly to replace at the end of its life.

Polyblock is a great alternative to pre-cast construction as it provides the solidity of structure, high insulation values and a quiet internal environment. Often used at the slab level as a thermal break, polyblock is more readily used in lieu of standard block where internal rooms have a wall or several walls constructed in block in a hillside-type environment. Homes which are fully constructed in polyblock are not common, and while they can suffer from the typical defects present in any home they tend to have much better long-term durability.

Non-conventional construction

These methods often have the highest involvement of non-trade qualified participants. The builders of these properties are often motivated by the low cost to construct, the ability of the homeowner to contribute labour, and the ability to construct these projects over longer periods of time. As a result, these structures require a thorough and detailed visual review of their construction to assess what state they are in.

Strawbale homes are renowned for being warm and quiet. As such, they can have high humidity levels if not properly ventilated and, similar to mud brick, often have used

building materials integrated into them. Mud brick homes can also be warm and quiet, but they can suffer from too much thermal mass, insufficient solar gain and pervasive low temperatures, which can lead to higher opportunities for condensation.

As noted, these homes have often used building materials that are integrated into them and it is important to verify that they have a reasonable service life to them – windows and doors being of primary concern. One of the good things about these non-conventional construction methods is they are typically more sustainable, use existing materials, and generate less construction waste as a result of the homeowner's desire to tread softly on the environment.

In summary, the structure of a building influences its long-term durability. Homes with high levels of comfort, durability and performance should be seen as holding greater financial value than a home of similar finish level but inferior performance. Otherwise, we will continue to reward behaviour that inadvertently leads to failures similar to the leaky building crisis we are currently working through 🙏



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**Are territorial authorities
contributing significantly to**

THE COST OF HOUSING IN NEW ZEALAND?

VAUGHAN WILSON

Given the significant increases in the value of residential property, and the costs to subdivide and construct, this article looks at whether territorial authorities are over-stepping the mark and charging too much when issuing resource consents and building consents for residential property.

Some background

Territorial authorities administer and oversee most of the rules and regulations about what we can build and where, and can impose fees and costs to

developers, contractors and homeowners during new construction, subdivisions and renovation. They do this via their local district plans and how they administer numerous Acts of Parliament, including

Territorial authorities administer and oversee most of the rules and regulations about what we can build and where.

the Resource Management Act 1991 and the Building Act 2004.

In New Zealand, there are currently 67 territorial authorities, being either a city or district council. There are currently 13 city councils (including Auckland Council), 53 district councils and the Chatham Islands Council. District councils serve a combination of rural and urban communities, while city councils administer the larger urban areas (under the current law the minimum population for a new city is 50,000).

There are five territorial authorities (Auckland, Nelson, Gisborne, Tasman and Marlborough) that also perform the functions of a regional council. These are called unitary authorities. Territorial authority districts are not subdivisions of regions, and some of them fall within more than one region. Territorial Authorities administer and are responsible for local roading and reserves, sewerage, building consents, the land use and subdivision aspects of resource management, and other local matters.

Regional councils are responsible for many of the environmental matters, such as water catchment, as well as much of the public transport. Some activities are delegated to council-controlled organisations.

In 1989, New Zealand's local government structural arrangements were significantly reformed by the Local Government Commission. This amalgamated 700 councils and special purpose bodies to create 87 new local authorities. There was a reduction in the number of regional councils from 20 to 13 and territorial authorities from 200 to 75.



District plans

Each and every city and district council must prepare a district plan, which is updated on a regular (if not long-term) basis. The purpose of the district plan is to create a framework to allow each territorial authority to carry out their function in order to achieve the sustainable management purpose of the Resource Management Act.

District plans must give effect to national policy statements and regional policy statements. They must not be inconsistent with regional plans and any applicable water conservation orders. District plans cover issues related to the functions of territorial authorities and include the effects of land use, noise, avoiding or mitigating natural hazards, the management of contaminated land and other items.

District plans are required to state objectives for the district, policies to implement the objectives, and rules (if any) to implement the policies. They may also state procedures for monitoring, methods of implementing policies and expectations of environmental results.

Building Act 2004

Any building work in New Zealand is governed by a single piece of legislation called the Building Act, passed in 2004. It was designed to consolidate and reform the

law relating to building and provide better regulation and control of building works. The Building Act is not involved with planning and resource management, or the finish and appearance of a building, or the protection of capital investment. These are the owner's responsibility. Gas and electrical work are also not covered by the Act.

Under the Act, territorial authorities are responsible for:

- Safety – the intent of the Act is to safeguard the health, safety and amenity of people, protect other property from damage and facilitate the efficient use of energy
- Administering the Project Information Memoranda (PIM)
- Approving or refusing building consent applications within prescribed time limits
- Granting or refusing waivers or modifications of the NZ Building Code (NZBC)
- Issuing Code of Compliance Certificates (CCCs)
- Issuing compliance schedules and recording Building Warrants of Fitness (BWof)
- Enforcing the provisions of the Building Act, the Building Regulations and the NZBC
- Maintaining records of building information and making them available to the public.

Building Regulations

The Building Regulations 1992 contain the mandatory NZBC and particular details about the processing of building approvals. All building work must comply with the Building Code, a performance-based code. It sets out objectives to be achieved rather than prescribing construction methods. The emphasis of the Code is on how a building and its components must perform as opposed to how the building must be designed and constructed. Councils are not permitted to make building bylaws but may waive some Building Code requirements.

The Department of Building and Housing is a Crown agency established by the Building Act to manage the building control system. The aim of the Department is to promote effective and efficient building controls throughout New Zealand and its key functions are funded by a levy on building consents. The Department administers the Building Act and the Building Code, monitors the performance of territorial authorities, and provides information to the building industry and the public on building controls.

A levy on building consents over \$20,000 (total value of the building work) funds the work of the Department. Each council collects the levy on behalf of the Department as part of the fees it charges for issuing a building consent.

Performance

Ask people how they rate their local council and for the most part feedback is good, if not excellent. Rubbish is picked up every week, street lights go on and off, libraries and swimming pools are well resourced and maintained, roading is in good condition etc. However, the key areas that typically come to people's minds that they do not see performing as well are the resource consent process and the issuing and overseeing of the building consent process.

The previous National Government set up the Rules Reduction Taskforce. They received more than 2,000 submissions from across the country and the results were released in the Rules Reduction Taskforce Report (the loopy rules report) in 2015. The taskforce grew out of a recommendation from the Productivity Commission, set up

in 2011, with the purpose of 'supporting the overall wellbeing of New Zealanders.' Our low wages and high housing costs (compared to Australia and the US) are often seen as a result of low productivity and inefficiency directly related to the compliance processes.

Of the 2,000 odd submissions, 27% were about the Building Act, 32% the Resource Management Act 1991 and 12% the Local Government Act 2002. Everything else accounted for 29%. Of peculiar interest was that 15% of submissions were from councils themselves, and more than half the country's councils put in their concerns.

Speaking to scores of people up and down the country, the constant issues relate to the costs and time it takes to achieve resource consent and building consent and the various sign-offs on getting a CCC when the project is finished. During times of intense growth, such as currently, this seems worse with a shortage of council resources to approve and inspect these requirements. Why is that?

Monopoly

By their very existence councils are monopolies. As stated above, they are responsible for a section of New Zealand and this type of governance is consistent around the Western world. It really is not practical to make the responsibilities of councils, in particular resource and building consents, competitive in a free market environment. Councils do from time to time enlist external resource consent planners to assist with resourcing but, generally speaking, much of these duties are done in-house.

So does the negativity of a monopolistic structure create an environment of under-performance and over-charging? For the most part, I think it does. Although there

Does the negativity of a monopolistic structure create an environment of under-performance and over-charging?

are prescribed periods of times to which councils must process consents and inspect construction for sign-offs, there are ways for councils to delay. These delays are not only costly to the landowner, but create a frustrating divide between the public and councils.

The fee levels are also overseen by Crown entities, but for the most part councils are left to their own endeavours when setting fees and hence they are not uniform across the country. Recently a council in the lower North Island withdrew development fees for new subdivisions for a month to encourage developers to apply. The council wanted to encourage more land for housing.

The outcome was a tsunami of applications that the council had not resourced for. They now have a backlog and have stated it will take up to six months to clear it, therefore delaying not only the subdivisions applied for during the period of no fees, but also any other subdivision consents that have been subsequently applied for. The result is that the council is overwhelmed, developers have consents that have a five-year shelf-life and hence will not necessarily be developed now, and the council missed out on over \$3,000,000 in development fees.

Can the monopolistic environment be changed? Probably not, as the very nature of councils is determined by the geographical separation of council responsibility and any competition would confuse the day-to-day operations. The Crown could, however, simplify the system and to a degree has done this with the National Environmental Standards (NES). These are regulations issued under section 43 of the Resource Management Act and can apply regionally or nationally (although all current NESs apply nationally).

There are a number of these standards already approved and utilised in New Zealand with three more in the pipeline. These include standards on air quality, sources of water, and telecommunications facilities such as mobile phone sites. There is plenty of scope for more.

For example, if you build a deck, no matter where in New Zealand the rules on the height of a balustrade or rail are the

same. However, when you dig a large hole or fill in a large hole, the rules vary from council to council.

Couldn't these types of activities be simplified, taking away from councils their bespoke application of rules on these day-to-day activities? Instead central government could set a standard set of rules that exist for the Building Act such as the Building Code. Further simplification of standards and a nationwide set of standard fees councils can charge would further remove confusion and frustration over councils and their fee structures.

Frustrating staff

Given the monopolistic structure of councils, there is an argument that they can develop a culture of superiority. Because of the lack of competition it may allow for staff obstruction to enter into the council's culture. This is particularly with those staff members who effectively control the approval of building and resource consents.

I have personally seen this on numerous occasions, particularly with small councils that have small teams of staff. It is not uncommon to go from person to person asking them about their local council's performance when it comes to resource consents and for each and every one to mention the same person's name with a level of frustration.

It is not good that a council can be tarnished to such a degree because a small number of its staff act in a way that restricts growth and adds unnecessary cost, but it does happen a lot. It is down to the quality of governance of a council to identify and remove this type of activity, ensure the council is performing fairly and efficiently, and to stomp out any personal obstruction that can easily arise during situations where a lack of competition exists.

Fees versus rates

Councils are facing increased costs of operation across their responsibilities and their portfolios of assets. Growth in population mean councils need to continue developing more roads, more utilities such as stormwater and sewerage systems, and public facilities such as libraries. The recent earthquakes have also meant additional

The possibility of significant future costs for councils due to climate change are high and central government is wrestling with how to implement these and what the implications will be to property owners and insurance.

costs in surveying a council's assets and strengthening those that are sub-par. For instance, Wellington City Council has recently had to close its main library due to concerns over the building's strength and public safety.

The possibility of significant future costs for councils due to climate change are high and central government is wrestling with how to implement these and what the implications will be to property owners and insurance. New Zealand has 15,000 km of coastline (the ninth longest of any country in the world). Those properties near the coastline will be significantly affected and the costs to remedy, protect, or relocate would currently cripple the finances of all councils in New Zealand.

Auckland Council has recently released figures about the potential risk to properties of rising sea levels. Given the 3,200 km of coastline within the Auckland Council region it has a significant exposure to increasing sea levels and storm surges, with the worst case analysis of up to 43,000 homes and 30% of the CBD being inundated. For developers of subdivisions, the argument continues that councils charge development fees, reserves contributions, and fees relating to providing various services such as sewerage. The councils argue that it costs a lot of money to provide these services to new subdivisions, and that every new large subdivision results in significant future capital investment to upgrade roading, water provision, and stormwater and sewerage systems.

Developers argue that once a subdivision is completed and built on, the councils will have a significantly enhanced privately-owned asset base to apply rates to, thus adding to their annual rates intake. Of course, both sides are correct and there is a fairness that both need to apply when considering their side of the argument.

However, this is another excellent example of when a nationwide set of fees could be set by the Crown, thereby providing a central repository of costs charged by local councils to developers to achieve completed subdivisions. This would provide a framework of consistency and remove the ability for councils to charge effectively what they want from one year to the next. This would encourage subdivision and make for a more level playing field.

Interpretation and risk

One of the constant complaints about councils and how they administer building and resource consents is how they interpret the Acts, codes and district plans. Interpretation is an integral part of the role of council staff and it is this grey area that leaves the applicant frustrated. Although prescriptive, district plans, and Acts of Parliament and their codes, cannot allow for every possible situation. Therefore, a level of application needs to be applied. Depending on the risk averseness of a council, the application of these variables can be mind-numbingly frustrating and unnecessary. Often councils and their staff are criticised for 'covering their back' and applying costs and delays to avoid any potential issue, whether this is credible or not.

During the leaky homes crisis councils were (and in some cases still are) sued for buildings that leaked, along with contractors, building product companies, and others such as architects. The insurance companies that provide cover to councils were also called on to pay for successful claims.

Insurance companies have since put a lot of pressure on councils to ensure there is compliance with codes and legislation. This has meant that a lot of councils have a strict policy with no leeway or discretion by its staff when applying the legislation, codes



and district plans. This, coupled with the infinite set of variables in development and construction, means that the application of a prescribed set of rules and standards can result in very poor outcomes and significant costs without providing any enhanced levels of service, product quality or safety.

A revision of the Resource Management Act and Building Act may assist in simplifying the applications of these pieces of legislation and remove the interpretation. However, given the complexities and variables of construction and renovation, and the highly risk averse nature of the insurance companies and their power over councils, it is unlikely this situation will be changing any time soon.

Compliance

New Zealand has relatively low wages and high housing costs compared to many of our first world trading partners such as Australia and the US, and some argue that this is a result of our low productivity and inefficiency as a product of the compliance process. Further to this, compliance is growing in volume, with the current government adding more requirements within the new Healthy Homes Guarantee Act. This Act was passed in 2017 and allows for the development of standards to improve the quality of rental housing in New Zealand.

Compliance by councils and property owners alike is not going away and, if anything, will continue to grow. In the last five years the responsibilities, laws and penalties around health and safety have added significant costs and time delays to property projects and hopefully reduced accident, injuries and deaths. The recent earthquakes and enhanced review of building safety have also added complexity and compliance to the building owner and their responsibilities. Many buildings in New Zealand are on notice to be strengthened or removed and the complexities of this for the council and its powers are significant.

The compliance requirements of councils, and of people wanting resource consents and building consents, will likely continue to grow as further responsibilities are entrenched by way of legislation. It is to be assumed that this will be particularly the case in legislation yet to be drafted around climate change and its outcomes and offsets.

No-win situation

Having noted the above, councils and their staff are in a no-win situation in many cases. Either the applicant for the consent is frustrated or their neighbour/community is frustrated and all fingers point back at the local council. Defusing and avoiding situations where the council can be blamed

is not only required by the insurance companies, but also the council's executive. They do not want to be bogged down with issues and legal situations when applying the day-to-day powers for granting building and resource consents.

A recent example was the development of Shelly Bay in Wellington. In January, the Court of Appeal decision meant the developers will have to re-apply for resource consent as the court found the Wellington City Council wrongly applied the law when granting consent.

Where to next?

Councils have the unenviable challenge of getting it right in all cases and it is a fine line keeping all parties happy. For the most part, consents are localised and only have the potential to aggravate a small number of people, but the cumulative effect of slowing down the process and adding costs to projects is something New Zealand needs to get right if it wants to stay competitive. A simplification and centralisation of costs, and a prescribed set of rules such as the NES, would be the most likely best method of improving efficiency and reducing complexity, confusion and of course cost 🙏

Views expressed in this article are the views of the author individually and do not necessarily reflect the view of the Property Institute of New Zealand or its members.



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 A photograph of Jeff Alexander, a man with short dark hair, wearing a light blue button-down shirt, sitting at a wooden desk in an office. He is looking towards the camera with a slight smile. On the desk, there are two computer monitors; the left one displays a spreadsheet, and the right one shows a landscape image. A yellow hard hat sits on the left side of the desk. A keyboard and a mouse are in front of him. A wooden box with the word 'ysoo' is under the monitors. A binder with papers is open on the desk.

JEFF ALEXANDER

In June when President-elect Jeff Alexander steps into the role of President of the New Zealand Institute of Valuers (NZIV), he will be at the helm of the professional organisation tasked with statutory functions under the Valuers Act 1948.

Commitment to the profession

Jeff approaches his new position with enthusiasm and integrity. The New Zealand Institute of Valuers was incorporated just over 80 years ago (in 1938) and he says that, 'to have the opportunity to contribute to the profession as President is an honour. I feel fortunate to have been given the support of the NZIV Council, where there is a fair bit of passion, commitment and knowledge to fall back on.'

Early years in the property market

Jeff's passion for valuation and commitment to the profession come from his unique set of formative professional experiences and somewhat circuitous path to the profession. He notes that, 'Like I suspect most younger people contemplating a career, during my

secondary school and university years I had no direct contact with a Registered Valuer, or understanding of the important role that a Registered Valuer plays in the property market. Becoming a valuer was never really considered an option.'

Instead, Jeff started out his property career in the real estate agency world. One of his papers during his Bachelor of Property programme, where he worked with a real estate agency to produce a marketing paper, led to employment by a leading residential real estate agent working in Auckland's central and eastern suburbs. He felt this was an insightful learning experience as to how the residential property market worked at the coal face.

For him, it was possible to see first-hand the decision-making process that both buyers and sellers went through,

and how people were driven by a variety of motives and viewed things from different perspectives. He also saw a lot of misinformation, and how many people often based their decision-making on information and factors they probably wouldn't have, had they had a greater level of property knowledge.

Experience outside the property industry

A transition to a commercial property broker position within the Auckland CBD a few years later gave him another insight, seeing how participants in the commercial market operated in a much less emotional and more business-like manner. Jeff was just starting to make in-roads in that role, having sold and leased a number of properties, when his partner decided

she would have a crack at becoming a professional cyclist! In support of her, he handed in his notice, and within weeks they were living in a particularly run-down house in a university town in Pennsylvania.

For the next seven years, Jeff travelled through North America and Europe taking on a variety of roles within the cycling world, including training with some of New Zealand's finest cyclists, managing a professional women's cycling team, and having the role of Director Sportif of the New Zealand women's team at several races in Europe while they qualified for the Athens Olympics.

Valuation experience and self-employment

After being on the road for a number of years, Jeff and his partner were keen to settle down back home – now in Cambridge – and it was through a cyclist friend who was a Registered Valuer, as well as the late Mark Thomas, a local Registered Valuer, that Jeff got thinking about a career in valuation. He says, 'I really enjoyed the thought of providing people with good quality valuation advice, especially after what I had experienced during my earlier years in the property market.'

In 2007, Jeff started as a valuer at TelferYoung in Hamilton under the guidance of current NZIV President, Roger Gordon, before heading to another Hamilton-based valuation firm, Curnow Tizard. At the start of 2017, Jeff started his own valuation firm, Silverton Alexander, with colleague Matt Silverton.

NZIV involvement

Jeff joined the local Waikato Branch in early 2013, and then went on to be the Chair for several years before relinquishing that role to take up a position on the Council of the New Zealand Institute of Valuers in 2016. He says, 'I blame Phillip Curnow, actually, for my involvement at the branch and now Council level! Phil is a guy who has given an incredible amount to the profession. He encouraged me to get involved in the local branch, and I guess his enthusiasm and passion rubbed off on me.'

Valuers Act 1948

The Valuers Act is now over 70 years old, and although Jeff says that it has a number of quirks, he believes it provides a good framework for the profession. Since the 1990s there has been talk of the Act being repealed, and he says that this possibly led to NZIV and Registered Valuers having some uncertainty and lack of focus on their profession. However, recent signals from the Minister indicate that there is no current political desire to repeal the Act.

In Jeff's view, many Registered Valuers have come to realise that the Valuers Act, despite its quirks, is actually a friend of our profession. Concerns of other professions that came out of the global financial crisis have also highlighted the important role that the Act has in protecting the public.

Regardless of whether the Act is in place or not, he says there will always be a requirement for valuation experts in New Zealand's property market. As such, there will always be the need for a

professional body advocating specifically for valuers and he feels that 'with or without the Act, we just need to get on with it'

Future of NZIV

Jeff is generally pleased with the direction the NZIV is heading in. He notes that, 'Since my time on Council we have been trying to up our game, and this has included taking on a review of NZIV's important disciplinary functions under the Act, with this review having recently been completed. We have also updated the NZIV logo, and this should signal to members that we intend to be a lot more visible in coming years.'

His own goals are to continue to strive for a better profession for Registered Valuers, which he feels can be achieved by focusing on the functions that the Valuers Act requires of the NZIV. In particular, he would like to see more promotion of the profession and says that we need to remind those involved in the property industry that Registered Valuers are the authority when it comes to property valuation advice. A Registered Valuer offers a standard of advice that no-one else can as they are independent, tertiary qualified, governed by a strict code of ethics set in legislation, and conduct robust enquiry including searching the property's title and a physical inspection.

Jeff believes that increasing visibility and promotion will also go a long way to attracting new valuers into the profession, and says that, 'If we are not out there touting the virtues of being a Registered Valuer, nobody else will be.' 🐾

Many Registered Valuers have come to realise that the Valuers Act, despite its quirks, is actually a friend of our profession. Concerns of other professions that came out of the global financial crisis have also highlighted the important role that the Act has in protecting the public.

Jeff lives in Cambridge with his partner, their two young children, and an ageing dog. He is a Registered Valuer and Director at Silverton Alexander. jeff@silvertonalexander.co.nz



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WHAT'S YOUR PROPERTY REALLY WORTH?

Are you considering the purchase or sale of a home - or wish to use the equity in your asset?

Everyone can have an opinion on a property's value – and normally everyone does! But is it coming from someone that has tertiary qualifications in property valuation? Are they independent? Different services (such as Council CV's, and free 'valuation' sites) claim to provide a valuation but most of them create confusion and are simply estimates.

If you require sound valuation advice, there is no substitute for a Registered Valuer.

To find a qualified Registered Valuer, go to www.nziv.org.nz

**Registered
Valuers are most
trusted to give an
accurate market
valuation**

*Curia Market Research,
Feb 2018

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OVERSEAS INVESTMENT IN RESIDENTIAL LAND

Achieving election promises but stifling business

TARA WYLIE

Last year residential land became sensitive land under the Overseas Investment Act 2005. The publicised intention was to prevent foreign buyers purchasing residential properties. However, the impact of this legislative change has been more extensive than is widely known, affecting key businesses that are aiming to address the housing and aged care crises. The unintended consequences of the legislation are causing a negative impact in many areas, as well as delays in other areas where timing is critical.

Affordable homes for New Zealanders

One of the Labour Government's flagship policies was to provide affordable homes for New Zealanders. One of the proposals identified to help achieve this was to ban foreigners from buying existing homes. Following the election of a Labour-led Government, the Overseas Investment Amendment Act 2018 (the Amendment Act) was introduced in late 2017. The Amendment Act was passed and became

law on 22 October 2018, amending the Overseas Investment Act 2005 (the Act) to include residential land.

The policy behind the Amendment Act was to make homes more affordable for New Zealand buyers by ensuring that overseas persons who are not resident in New Zealand will generally not be able to buy existing homes or other pieces of residential land.

David Parker's introduction to the Bill in its first reading stated:

This Bill implements the Government's commitment to ban overseas buyers from purchasing existing New Zealand homes. The purpose of the Overseas Investment Act, as set out in its purpose statement, is to acknowledge that it is a privilege for overseas persons to own or control sensitive New Zealand assets. The Government considers that residential land and homes are sensitive assets, and, therefore, that overseas persons should be able to acquire them only in certain tightly defined circumstances where that acquisition is for the benefit of New Zealand.

New Zealanders who were supportive of this policy likely expected that the Amendment Act would only affect those wishing to buy existing single residential dwellings or a piece of land on which a new single residential dwelling could be built. That was indeed the focus in Labour's campaign.





It is telling that in the week following the Amendment Act coming into effect, Treasury launched a review and commenced interviewing interested parties and lawyers with a view to correcting the 'unintended consequences' of the legislation.

Far-reaching consequences of the Amendment Act

The Amendment Act was drafted and ready to be heard by the select committee in time to meet the 100-day target that the Government had committed to. What the general public is likely unaware of are the far-reaching consequences of the Amendment Act, beyond any election promises, that are in fact delaying corporates in many areas where the Government is striving for growth.

It is telling that in the week following the Amendment Act coming into effect, Treasury launched a review and commenced interviewing interested parties and lawyers with a view to correcting the 'unintended consequences' of the legislation. The Amendment Act extended the definition of sensitive land to include residential land, being 'land that has a property category of residential or lifestyle in, or for the purpose of, the relevant district valuation roll.'

This incredibly broad definition captures land acquired by residential land developers, retirement village operators, supermarkets, service stations and hardware, gardening and other stores that typically operate in residential areas.

Implications for businesses

There did not appear to be any policy reason behind the definition being so far-reaching but the consequences, raised through submissions to the select committee, led to extensive further drafting of the legislation being required to cover pathways for the above-mentioned commercial operators to be able to continue to do business. The problem is that all of this creates delays.

Those commercial operators need to complete an application each time they want to acquire residential land to build homes for New Zealanders, build a retirement village to house New Zealanders, or extend a supermarket to cater for the

growing demand of New Zealanders living in that area.

Those commercial operators who are increasing housing are able to apply for a 'standing consent' from the Overseas Investment Office (OIO) that will enable them to acquire residential (but not otherwise sensitive) land only and to undertake a fixed number of developments to be carried out over a set period of time (usually three to five years). There are a number of issues with this, in particular:

■ **While waiting for the standing consent to be processed the commercial operators cannot get started**

At a time when KiwiBuild is failing to deliver the promised number of houses and New Zealand is in dire need of additional housing, particularly in the Auckland region, developments by private housing developers are on hold while they await consent to build. This is on land that has already been designated for housing development, but because of the broad definition of residential land in the Amendment Act they must wait for consent to get on with their work. Unlike an application for consent generally, where an agreement for sale and purchase can be conditional on obtaining consent, a standing consent can only apply to transactions entered into after consent is granted.

■ **The application fee for a standing consent is \$34,100**

Also, a commercial operator has to identify the number of developments it intends to undertake for the duration of each standing consent and will pay an additional \$13,000 for every development included. This is payable at the time



New residential development in countryside south of Auckland

the consent is granted, yet there is no provision for a refund in the event that not all developments are carried out. More importantly, there is no explanation about the administrative work carried out in relation to each development that could possibly justify such a cost.

■ **Many of these commercial operators are in fact 'New Zealand run' companies**

However, because of their listing on the New Zealand Stock Exchange with foreign shareholdings, or due to an overseas investor, they are overseas persons under the Act. These companies by and large have New Zealand directors, head offices and almost exclusively New Zealand employees. To prevent or delay these companies from doing business is hamstringing the other government policies to provide affordable housing for all New Zealanders and aged care for the baby boomers.

Property categories and giving effect to a transaction

In addition to the issues above there is complexity, and much thought required, as to when the overseas investment occurs and what the 'property category' for a piece of land is at the relevant time. The property category is determined by the local authority under the Rating Valuations Act 1998. This is different from the district plan zoning, although the two will often align.

The categories are reassessed every three years and may be reviewed at other times on the application of an owner or ratepayer. There may be revaluations at other times (e.g. when a commercial building is redeveloped as unit title apartments). Usually in such a case the revaluation will take place after the lodging of the new unit plan or on subdivision.

The pertinent issue is that the definition under the Act of to 'give effect to an overseas investment' means to acquire or dispose of any property that results in an overseas investment, but excludes an acquisition or disposal that is conditional on consent being obtained. The OIO has indicated that the requirement for consent is not triggered when a transaction is entered into, but when an overseas investment is 'given effect' under the transaction.

The OIO has advised that an overseas investment is given effect to whenever a person acquires a legal or equitable interest

At a time when KiwiBuild is failing to deliver the promised number of houses and New Zealand is in dire need of additional housing, particularly in the Auckland region, developments by private housing developers are on hold while they await consent to build.

in sensitive land. That will occur at several points in a transaction, including when the agreement is entered into (an equitable interest), when it is settled (a greater equitable interest), and when the transfer is registered (a legal interest).

Accordingly, a transaction can be given effect to more than once. The OIO has concluded that if the category changes after the transaction is entered into, but before it is settled, then an overseas purchaser will require OIO consent to settle the transaction. If the property becomes residential land at any time prior to the transfer, then consent will be required.

Consequently, if an overseas person is contracting to purchase land that is likely to ultimately have a property category of residential, such as an apartment being purchased off the plans or pastoral land being developed for residential subdivision, then that overseas person (even if entering into an unconditional agreement to purchase the property before the category changes) will need to obtain OIO consent.

By that reasoning, the following scenario could exist. If an overseas person contracted to acquire a residential apartment that was purchased off the plans, and the only way they could get out of the transaction was if the developer failed to obtain the title to the apartment, then if at the time the agreement for sale and purchase was entered into the property had a property category of commercial, consent under the Act would not be required at that time. However, if at the time the overseas person goes to settle the transaction the titles have issued and the property category has changed to residential, they have no contractual ability to cancel but are at that stage obliged to apply for consent.

Practitioners will need to be aware of this to ensure that an overseas person does not enter into a contract that they cannot get out of to purchase property that will ultimately be residential.

Property held by overseas trusts

Practitioners will also need to pay close attention when dealing with residential property that is held by overseas trusts. The exemption in Regulation 40(1)(a) will apply to the transfer of property from a trustee to an

The Amendment Act was rushed through Parliament to meet the Government's 100-day election promise. Insufficient consideration was given to the flow-on effects of the residential land changes for businesses in New Zealand.

overseas person who is a trustee of the same trust on the appointment of a new trustee, the retirement of a trustee or resettlement of a trust, where the trust is already an overseas person as long as that transaction does not result in the trust becoming an overseas person.

However, the exemption in Regulation 40(1)(c) will not apply in relation to the transfer of residential property from a trustee of a trust to an overseas person who is a beneficiary of the trust, where the trust did not obtain consent (even though that residential property was acquired prior to the Amendment Act and so consent was not required at the time of acquisition). This means that an overseas trust that legitimately acquired residential property cannot now distribute that property to the beneficiaries of that trust in line with the requirement of the trust. This appears to be another unintended consequence of the legislation.

Administration

The OIO is doing its best to administer the legislation and have done an excellent job of creating new template application forms to reflect the changes in the Amendment Act in a very short period. It does not seem that the lawmakers gave any thought to the unfortunate administrative complexity that these new rules are requiring of the OIO themselves.

Amendment Act rushed and over-complicated

The Amendment Act was rushed through Parliament to meet the Government's 100-day election promise. Insufficient consideration was given to the flow-on effects of the residential land changes for businesses in New Zealand, particularly those that are addressing the housing crisis and the shortage of aged care facilities.

Instead of simplifying the definition of residential land or excluding listed companies, the Act has been over-complicated with tests and applications which are delaying business operations. While Treasury is now addressing the unintended consequences of the legislation, it will be late this year before those proposals reach select committee and any subsequent law change will not be until 2020.

It is concerning that the submissions by so many affected parties were overlooked in the haste to address overseas investment in residential housing, a problem many have said was only ever a perceived issue in the first place. Urgent action needs to be taken to enable the wheels of business to turn effectively and make sure that those commercial operators who are addressing the housing and aged care needs of New Zealanders can function efficiently 🙏



Tara Wylie is a Senior Associate in Simpson Grierson's Commercial Property Group, providing in-depth advice on overseas investment and preparing OIO applications for both sensitive land and significant business assets.
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Conference preview



PROPERTY AT OUR PLACE

JENNY HOUDALAKIS

PINZ hasn't held an Annual Conference in Wellington since 2011 and this year we're delighted to be able to bring you 'Property At Our Place'.

The event gets underway with AGMs and a welcome function on Wednesday 19 June, with the conference proper starting first thing Thursday morning featuring a Fellow's breakfast. This will be followed by the conference opening and a full day of learning and workshops.

Thursday night features the prestigious black-tie awards ceremony and dinner, and the Friday sessions include a line-up of top speakers and break-out groups specialising in particular areas of interest for PINZ and NZIV members.

Planning for the 2019 event started soon after the conclusion of the very successful

This year there'll be presentations from Andrew Crisp, the Chief Executive of the Ministry of Housing and Urban Development, Sharon Zollner, ANZ Economist and Melissa Heath, Residential Risk Analyst.

'Playing With a Winning Hand' conference in Auckland last year, and Wellington was chosen as the venue by a majority of those who took part in our various surveys.

Te Papa is a venue which poses some challenges for an organisation as diverse as PINZ, but its central waterfront location makes the iconic capital landmark the logical choice.

The 2018 conference was one of the biggest for years, attracting nearly 350 delegates, and earning high praise from those who attended.

Delegates reported afterwards:

- 'The sessions I attended were among the best I can recall at any conference. Well done. One to remember.'
- 'I'd have to say that in my opinion, this year's conference was the best ever.'
- 'All agreed the content was bang on, the whole thing flowed very well and was well put together, so a huge well done.'
- 'Excellent organisation, best set of speakers and brilliant venue.'



2018 Property Institute conference

This year's programme offers several off-site visits, including a bus trip out to the West Wind Farm, and walking tours of Wellington's waterfront and the Parliamentary precinct.

- 'I found the quality of the speakers was second to none ... this rates with one of the best conferences I have attended over the last 13 years!!'
- 'The conference this year really was outstanding. I can't compare it to any other that I have been to. Congratulations and thank you to all of you for putting together such a memorable occasion.'
- 'I enjoyed the conference and thought the selection of speakers was excellent. Great job.'
- 'You have most definitely achieved your goal of being the top tier of the various industry award events.'
- 'One of the best in several years with quality speakers and topics that hung together as a theme across the whole conference.'

This year there'll be presentations from Andrew Crisp, the Chief Executive of the Ministry of Housing and Urban Development, Sharon Zollner, ANZ Economist, Melissa

Heath, Residential Risk Analyst. There will also be a closing session from Newstalk ZB host and sports nut, Martin Devlin, on 'Why NZ is Going to Win the World Cup This Year'.

Following on from his successful debut with us last year, the MC for the event will be Rawdon Christie. He's an award-winning broadcaster with 20 years' experience in communication and media. His career started with the BBC but he's best-known for his five years presenting Television New Zealand's Breakfast show.

This year's programme offers several off-site visits, including a bus trip out to the West Wind Farm, and walking tours of Wellington's waterfront and the Parliamentary precinct.

This is just some of the content that's been locked down already and there's more to come, as PINZ deliberately attempts to recruit speakers who work with and for the Government – the sort of people who the majority of members would not usually hear from 🎧

PROPERTY INDUSTRY AWARDS

Recognising the best of the best

Entries are now open for the Property Institute Property Industry Awards being held at Wellington's Te Papa on 20 June 2019.

These are the premier awards on the PINZ calendar, recognising the very best industry leaders and talent – while paying tribute to those who have

offered exceptional service to the Institute, and their profession.

The awards function, a black-tie dinner held in conjunction with the Property Institute Annual Conference, is also a 'not to be missed' networking opportunity. Attendees get to rub shoulders with some of the country's most influential property decision-makers and opinion shapers.

A new 'Women in Property' category has been added to the 2019 awards programme

– in line with the Board's strategic decision to promote more gender diversity within an industry which has been dominated by men.

Internal PINZ research shows the gender gap is narrowing, but only at glacial speed, and the Institute is determined to make more efforts in this area in the future.

This award is open to PINZ women members who have made an outstanding contribution to the property industry and to their particular field of speciality.

PROPERTY INSTITUTE

2019 PROPERTY INSTITUTE PROPERTY INDUSTRY AWARDS

Recognising Success, Passion & Innovation

Are you or one of your colleagues among the most outstanding property professionals in New Zealand?

We're looking for the best of the best to be recognised at our 2019 Property Institute Annual Conference in June, and we've opened nominations for our prestigious awards.

THIS YEAR'S CATEGORIES ARE:

- Supreme Award
- Property Industry Award
- Property Business of the Year
- Young Property Professional of the Year
- Property Innovation Award
- Women in Property Award

COMMUNITY AWARDS:

- Property Advisor of the Year
- Property Manager of the Year
- John M Harcourt Memorial Award



To nominate yourself, a colleague or a business, visit our awards page at www.propertyinstitute.nz to view category details and **download a nomination form**. Nominations will close at 5pm on 30 April 2019. The John M Harcourt Memorial Award will be chosen by the NZIV Valuers Council.



2018 Property Institute Property Industry Awards ceremony

They will have demonstrated exceptional leadership abilities, and shown a deep level of commitment to their advancement and improving the professionalism of others around them. These talents mark them out as a role model for other women in the industry.

Alongside the 'Women in Property' category will be the usual array of top

awards, including the Supreme Winner, the Property Business of the Year, the Innovation Award and the Young Property Professional of the Year title.

Also handed out on the night are our community awards, including the John M Harcourt Memorial Award for Valuers, Property Manager of the Year and Property

Advisor of the Year. And, of course, new Life Members are honoured and recognised for their contribution over many years.

Entry criteria and nomination forms are available on the propertyinstitute.nz website and can be found on the Annual Conference page. Good luck! 🍀

Are you a PINZ Young Leader?

The Property Institute of New Zealand is once again calling for expressions of interest from younger members to participate in our Leadership Programme.

The programme offers successful candidates the opportunity to serve on some of the Institute's most influential councils and the PINZ Board, where they will gain first-hand experience of governance and decision-making. This programme is biennial, and our last intake in 2017 saw a record number of applications, which was a good problem to have.

Over this time, we've reviewed the scheme, taken on board some feedback and identified areas for improvement. They include reducing the size of the intake.

This year there will be five places available, down from the nine we currently have. This is being done to ensure that those who take part get more real value out of the process with placements that are relevant and engaging.

The PINZ Board has also determined that Young Leaders should meet occasionally in their own right and develop initiatives that are in line with the strategic direction of the Institute, such as direct interaction with universities and students.

Previous Young Leaders have gone on to win the Institute's prestigious Young Property Professional of the Year Award, and become Board members in their own rights, with Luke Van Den Broek currently serving as Vice-President and Deputy Chair of the PINZ Board.

The Leadership Programme was set up by former PINZ Chief Executive David Clark

who served from 2008 to 2015. He says it was a critical part of succession planning for an industry and an organisation that recognised the need for greater age and gender diversity.

'We knew the younger members had differing thoughts and ideas which were valid, but they were reluctant to put themselves forward for committees. We also saw the programme as being beneficial to employers – as it offered a type of individual development which firms could not normally provide in their workplace.'

The programme is open to all members who have served less than five years working full-time in the property industry. Application forms can be downloaded from the propertyinstitute.nz website and can be found on the 'Products and Services' page. Applications close on 30 April 2019 📅



**PROPERTY
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propertyinstitute.nz

CALLING FUTURE PROPERTY LEADERS

Nominations are now open for the Property Institute Young Leaders Programme.

The Institute is dedicated to promoting and advancing the careers of younger members and has established the Property Institute Young Leaders Programme in order to develop their leadership skills.

This programme allows younger members of the Institute to join in the workings of the Institute's most influential committees and gain governance experience.

As a part of this initiative, you'll be appointed to an Institute Board, or one of our Councils, and have a chance to have input at all levels of Institute policy and decision-making.

To find out more or to download an application, please visit our website: propertyinstitute.nz.

The deadline for nominations is 5pm – 30 April 2019.

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STAY IN THE PROPERTY LOOP

with regular newsletters, the quarterly magazine, research and online resources

GET INVOLVED

with a respected membership body that provides you with representation, advocacy and support

Property Industry Quality Assurance Programme (PIQA)

PIQA is a best practice toolkit for firms based in New Zealand that provide services within the property sector. PIQA currently has 25 accredited firms consisting of small, medium and large organisations located throughout the country.

PIQA offers a range of tools and resources for business owners to assist with maintaining organisational business best practice. These tools consist of business templates covering areas such as health and safety, quality management systems, template policy and procedure documentation, and HR, as well as marketing templates. PIQA also offers firms a comprehensive organisational self-assessment framework to help them in completing internal self-assessment reviews to ensure their business practices are current and fit for purpose.

Self-assessment enables organisations to determine where they are on their journey towards best practice and plan out their next steps in ongoing organisational improvement. The self-assessment criteria are based on determining a firm's current position against fundamental best practice industry concepts of excellence. For each concept, there is a definition describing what PIQA would expect to see in an organisation, both at a policy and procedure level, and also what types of evidence will need to be demonstrated to prove competency within a specific organisational focus area.

PINZ hopes to expand the current PIQA quality assurance system to its wider membership base. We have already received much positive feedback from PIQA clients:

- That the new PIQA system is more user-friendly and the supplied templates and resources assist with maintaining and supporting day-to-day business practices
- The supplied health and safety templates and resources have reduced compliance requirements and resulted in substantial saved organisational costs
- The self-assessment mentoring has been extremely helpful in implementing internal self-reviews
- The PIQA resource library has assisted with reducing business costs by allowing open access to a range of tools and templates that have saved on development time and administration 🏠



GET AHEAD OF THE COMPETITION

- ✓ An independent benchmark for excellence
- ✓ Quality assurance for property businesses
- ✓ Ongoing professional support
- ✓ A brand people trust



BRANCH & RE

Blast from the past

National Office recently received an unexpected donation – a box full of *The New Zealand Valuer* journals dating between the 1960s and the 1980s. Here's a taste of what we were talking about in the precursor to this magazine exactly 50 years ago.

Extract from the March 1969 edition of *The New Zealand Valuer*:

'The last session of parliament has seen an unusual number of Bills and Acts that affect the valuer and his work. In this issue, a commentary is given on the main provisions of these changes or proposed changes in legislation.

This legislation has brought valuers more into the news and before the notice of the country's administrators. This should be viewed against a backdrop of a growing dependence upon valuers in the commercial world, highlighted by the increased publicity gained by frequent news items about property values on radio television, and in the daily press. In all this, a greater measure of public awareness of valuers and their work is being achieved. This is most desirable as it is only as the public become aware of the true functions of valuers that the profession can grow. In this respect it should be the aim of each valuer to foster a public image that engenders confidence and respect



from the public, and to help annul the misconceptions that exist in some of their minds – which, unfortunately, some of the reporting has not helped.

The legislation which will most affect the valuer himself in his day-to-day professional activity is *The Valuers Amendment Act 1968*. This Act, which abolishes the distinction between urban and rural classifications of registration, now throws the burden of control on what type of work a valuer accepts – rural, suburban, country town or city central – entirely upon the individual valuer himself. The criteria that sets the limits of the valuer's professional service is now not 'rural – farm land only' or 'urban – land other than farm land', as these definitions have been repealed, but it is the recently

strengthened *Code of Ethics of the New Zealand Institute of Valuers*. The Code of Ethics now emphasises that a valuer can only accept that work for which he is *qualified* and for which he has *adequate professional experience*.

This legislation is not an open door whereby valuers can accept any type of work – but the creation of a climate in which the pressing need for a better coverage of the rural and country towns can be achieved, while in the long run it can lead to a further improvement in the status of the valuing profession by the inclusion of 'Registered Valuers' in a wider range of legislation. Let all our members beware lest any attempts work beyond his *qualifications* and engenders a situation which undermines the advantages to be gained from single registration classification.

There are a number of other issues that also arise out of this change and for which some definite policies have yet to be promulgated. One is the need for some means whereby clients can identify those valuers qualified in their particular type of property and location, so that a quick and efficient service can be achieved.

Also of fundamental importance is the need for a forward looking restructured educational programme which will qualify our students to higher standards than we have had in the past. The change in classification, with the opportunities it creates, demands a better qualified valuer, who is going to be both more versatile and better equipped to provide thoroughly reasoned professional advice with true integrity and fidelity.

REGIONAL NEWS

NZIV Council appointments

John Tappenden, Blue Hancock, Adam Binns, Boyd Gross (Vice-President) and Peter Ward, who was filling a casual vacancy on the NZIV Council, have all been re-elected unopposed following a recent call for nominations.

NZIV mentor service for members

A process has now been implemented where any member of NZIV subject to a complaint may turn to a member of its new Mentor Panel to receive guidance and support as necessary during what is invariably a stressful time in their professional career. The members of the panel are experienced valuers, being senior members of the profession and generally with a detailed knowledge of Valuers Registration Board (VRB) procedures.

It needs to be recognised, however, that the mentors are not in any way to be confused with necessary legal representation which a valuer who is the subject of a complaint would require. Rather the mentor is able to, in the initial stages, listen to the valuer's story and provide advice, reassurance and support during what can often prove to be a drawn-out process.

The panel members are appointed by the NZIV Council and report back to them as necessary. Any valuer requiring assistance can be assured of total confidentiality, but it needs to be recognised that the Mentor Panel operate as mentors rather than as advocates for the particular valuer requiring services.

Panel members

Michael Sprague

michael@gctvaluers.co.nz

John Tappenden

john.tappenden@telferyoung.com

Gwendoline Callaghan

gwendoline.callaghan@collierswgtm.co.nz



Long-serving committee member retires

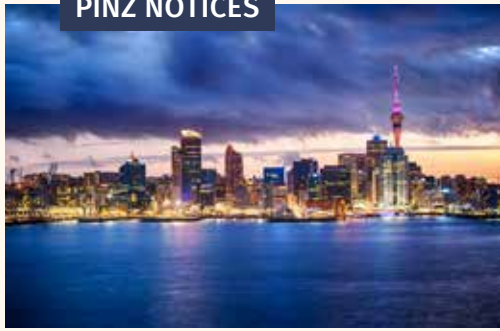
Ruth Graham recently retired from her role on the Rotorua PINZ Committee after 18 years. Ruth has been a part of the team since the inception of the Property Institute, offering countless hours of unpaid service to her local branch. Here she is (pictured) being presented with flowers by Rotorua Branch chair Kendall Russ at the recent AGM.

And, also from the recent AGMs, in Taranaki Ben Hunt has replaced the very active Stephen Hodge as chair.

Meanwhile, the Central Otago branch welcomes Alisha Brorens (pictured) to the committee. She will be event coordinator alongside Kelly Kempthorne. Alisha graduated from Lincoln University in 2010. She spent time working in administration

and pursuing other studies before joining Quotable Value (QV) at the end of 2016 as a Graduate Valuer in their Alexandra office.





Recent advancements confirmed at PINZ Board & NZIV Council meetings

ANZIV	Andrew Sowry
ANZIV	Reuben Blackwell
MPINZ	Michael (Mike) O'Connor
MPINZ	(Matt) Matthew Swadel
MPINZ	Olivia Brownie
MPINZ	Patricia Kuczynska
MPINZ	Claire Robinson
MPINZ	Abdul-Rasheed Amidu
MPINZ	James Stuart

Newest Registered Valuers

The VRB has released the names of the seven people who have become newly registered as valuers:

Phoebe Hewitson (Auckland)
Thomas Watson (Auckland)
Benjamin Radovonich (Auckland)
Hai (Jeffrey) Qin (Auckland)
Matthew Hogan (Auckland)
Craig Sinkinson (Queenstown)
Geoffrey Beaumont (Hamilton)
Nicholas Mann (Auckland)
Michael O'Connor (Christchurch)
Kelly Kempthorne (Central Otago)
Caroline Fergusson (Auckland)
Matthew Swadel (Wellington)
Andrew Deacon (Auckland)

Contact details

Branch	Branch chair	Email
Northland	Melody Richards	melody.richards@telferyoung.com
Auckland	Phil White	phil.white@telferyoung.com
Waikato	Andrew Don	andrew.don@telferyoung.com
Tauranga	Paul Higson	paul.higson@telferyoung.com
Rotorua	Vacant position	
Gisborne	Che Whitaker	cwhitaker@lewiswright.co.nz
Hawke's Bay	George Macmillan	george@morice.co.nz
Taranaki	Ben Hunt	ben.hunt@npcd.govt.nz
Wanganui	Diana Davey	wanganuivaluer@gmail.com
Manawatu	Blair Taylor	blair@morgans.co.nz
Wellington PINZ	Vacant position	
Wellington NZIV	Hamish Bills	hamish@trueproperty.co.nz
Nelson/Marlborough	Blair Harvey	blair@alexhayward.co.nz
Canterbury/Westland	Simon Newberry	simon@fordbaker.co.nz
South/Mid-Canterbury	Alistair Wing	awing@xtra.co.nz
Otago	Warwick Reid	office@dunedinvaluations.co.nz
Central Otago	Barry Murphy	barry.murphy@colliers.com
Southland	Hunter Milne	hunter@hmvaluation.co.nz

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