

PROPERTY CRITIQUE BY PLANS.CO.NZ

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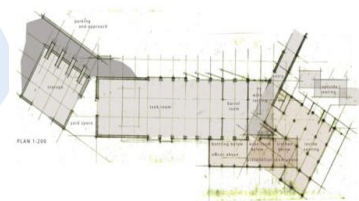
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INTRODUCTION

Welcome to our first e-mail newsletter from **Plans.co.nz**™ located in Palmerston North. As architectural designers we are frequently asked for advice on everything from sections and subdivisions to building and renovating. We hope it provokes interest, is topical and informative and is relevant for you.



OPPORTUNITIES

Currently we have a client wishing to purchase a small infill section of 350-400m² in either Palmerston North or Feilding for the construction of a “spec” home.

We have a property developer looking for a major tenant for a new medical facility to be built close to the CBD in Palmerston North.

A builder looking for an investor in a four lot subdivision close to Massey University.

If you know anyone who can help or have information you would like to post please e-mail your details to admin@plans.co.nz

HAVE YOUR SAY

Tell us your thoughts – contact us to share your ideas, opinions etc for our newsletter so we can provide you with relevant content in the future.

BUILDING ACT CHANGES

There are a number of imminent changes set to happen in the middle of the year and are likely to include:

- ❖ No consents for habitable and non-habitable buildings (not containing plumbing or cooking facilities) up to 20m² in size, more than 1.0 metre from a legal boundary and less than 1.0 metre from ground level. This will include single garages, sleepouts and extends to include minor additions.
- ❖ Construction of a detached non-habitable building less than 40m² will not require a Building Consent subject to the above conditions and will include a double garage.
- ❖ Replacement of piles in an existing building would not require a Building Consent if it is a single storey less than 1.5m from the ground and the work is carried out by a licensed building practitioner.
- ❖ Other proposed variations to the Act include no Building Consents for replacement of hot water heaters, additions to sanitary plumbing and installation of a free standing solid fuel fire appliances without wetbacks installed by a craftsman plumber.

Submissions closed on the 23 April and are likely to become law in June/July of this year. We will keep you advised on these changes

GOVERNMENT

John Key has signalled an increase in GST to 15% whilst providing tax cuts elsewhere. This is likely to occur in October of this year and increase both land and building costs. Just how it impacts on the existing residential stock and clients wanting to build could be interesting with a flood of inquiry likely from those wanting to build and beat the GST increase.



The tax working group has also recommended axing rental depreciation, which is forecast to bring in an additional 1.3 billion dollars to the Government coffers annually. These changes are likely to be confirmed in May when Mr Key announces the budget and will impact on residential investors running LAQCs (Loss Attributing Qualifying Companies) seeking a tax credit on their personal income by running their rental properties at a loss.

RECOVERY – ECONOMIC OUTLOOK 2010

Most economists believe that the worst of the financial and economical crisis has passed and the economy is now firmly in recovery mode with positive signs including stronger retail volumes, sales volume and a jump in consumer confidence pointing to a pick up in domestic spending.



Whilst house prices seem to be rising the impetus from a resurgent housing market appears to be fading with the number of houses sold falling consecutively for 3 months in a seasonally adjusted period. Debt driven consumer spending with excessive borrowing and risk taking has come to an end, and credit is no longer abundant or cheap despite record low official inflation rates.

Allan Bollard of the Reserve Bank is expected to begin raising the Official Cash Rate (OCR) around June of this year and a staggered tightening cycle moving the OCR towards 4% is expected.

Housing is expected to lead the economic recovery as Kiwis return from overseas and combined with immigrant growth, accelerate population growth in New Zealand. As property investors have decided with the impending taxation measures being implemented, it is expected for there to be a growing number of properties appearing in the market many of which will be suitable for first home buyers. This will put pressure on a burgeoning rental market, and combined with increased population will see a shortfall in the housing stock, with a lag time expected before the new construction picks up the slack.

MULTI-PROOF

The Department of Building and Housing (DBH) has recently launched a new category called NMUA (National Multiple Use Acceptances) which is targeted at volume builders on a substantial scale, and includes group home builders, garage and shed franchisers, suppliers of kitset buildings and retirement village owners, or any other builder who intends to replicate the standard design of minimum of ten times within a 2 year period.



NMUA's are processed by the Department of Building & Housing, so Councils are simply required to issue a Building Consent based on the standard designs that are already proven, and meet the Building Code. The intention is that this will reduce both the period for a Building Consent (to ten working days), and Building Consent costs.

Recently **Plans.co.nz**™ was proud to have lodged one of the first applications for a Multi-Proof design for a new start-up relocatable housing company, allowing up to 144 variations from the one plan. We will keep you informed of further progress in our next newsletter.

IMPORTANT NOTICE

While every effort has been made to provide valuable, useful information in this publication, this firm and any related suppliers or associated companies, do not accept any form of liability from the use of its content. Any suggestions should be considered carefully given your own particular circumstances, as they are intended as general information only.

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