



**Preston**  
*Rowe*  
**Paterson**

®  
International Property Consultants

# 2015 Budget Analysis

This summary outlines the key measures in the New Zealand Governments Budget 2015 as they pertain to the property market in New Zealand.

## 1. Developing Crown Owned Land and Housing Strategies

The Government has allocated \$52 million to work with private developers in Auckland for land development.

It has allocated \$35 million over 4 years to implement the social housing program. The Ministry of Social Development has become the sole purchaser of social housing places. The Government also intends to sell some Housing New Zealand properties for use as ongoing social housing run by community housing providers.

It has also allocated \$35 million over 4 years to improve housing outcomes for Maori. This is to support the Maori Housing Strategy, which aims to improve housing for Maori families and grow the Maori housing sector.

## 2. Christchurch Rebuild

An additional \$108 million over the next four years has been provided for rebuilding Christchurch. This will fund land clearances to make way for Anchor Projects. Preparation of land before those constructions those constructions begin and ensuring the planned recovery work is implemented over the next four years.

An additional 1,700 public servants across 17 agencies will be relocated in the central city from 2017. This decision is anticipated to support the revitalisation of the central city and has already encourage private sector investment in four buildings in the central city core.



### 3.Taxation rules on property

From the 1st October 2015 the Government will be implementing the following requirements:-

All non-residents and New Zealanders buying and selling any property other than their main home must provide a New Zealand IRD number.

All non-resident buyers and sellers must provide their tax identification number from their home country, along with current identification requirements such as a passport.

To ensure our full anti-money laundering rules apply to non residents before they buy a property, non-residents must have a New Zealand bank account before they can get a New Zealand IRD number.

A new "bright line" test will be introduced for non-residents and New Zealanders buying residential property. Under this new test, gains from residential property sold within two years of purchase will be taxed, unless the property is the seller's main home, inherited from a deceased estate or sold as part of a relationship property settlement.

The Government will investigate introducing a withholding tax for non residents selling residential property, to be introduced in mid 2016 after consultation. The Budget provides Inland Revenue with a further \$29 million for property tax compliance.

The new tax measures that are being introduced are anticipated to take some pressure of the Auckland housing market.

## Our Research

At Preston Rowe Paterson, we pride ourselves on the research which we prepare in the market sectors within which we operate. These include Commercial, Retail, Industrial, Hotel & Leisure and Residential property markets as well as infrastructure, capital and plant and machinery markets.

### We have *property* covered

- Investment
- Development
- Asset
- Corporate Real Estate
- Mortgage
- Government
- Insurance
- Occupancy
- Sustainability
- Research
- Real Estate Investment Valuation
- Real Estate Development Valuation
- Property Consultancy and Advisory
- Transaction Advisory
- Property and Asset Management
- Listed Fund, Property Trust, Super Fund and Syndicate Advisors
- Plant & Machinery Valuation
- General and Insurance Valuation
- Economic and Property Market Research

### We have *all real estate types* covered

We regularly provide valuation, property and asset management, consultancy and leasing services for all types of real estate including:

- CBD and Metropolitan commercial office buildings
- Retail shopping centres and shops
- Industrial, office/warehouses and factories
- Business parks
- Hotels (accommodation) and resorts
- Hotels (pubs), motels and caravan parks
- Residential development projects
- Residential dwellings (individual houses and apartments/units)
- Rural properties
- Special purpose properties such as: nursing homes; private hospitals, service stations, oil terminals and refineries, theatre complexes; etc.
- Infrastructure including airports and port facilities

### We have *all types of plant & machinery* covered

We regularly undertake valuations of all forms of plant, machinery, furniture, fittings and equipment including:

- Mining & earth moving equipment/road plant
- Office fit outs, equipment & furniture
- Agricultural machinery & equipment
- Heavy, light commercial & passenger vehicles
- Industrial manufacturing equipment
- Wineries and processing plants
- Special purpose plant, machinery & equipment
- Extractive industries, land fills and resource based enterprises
- Hotel furniture, fittings & equipment

### We have *all client profiles* covered

Preston Rowe Paterson acts for an array of clients with all types of real estate, plant, machinery and equipment interests such as:

- Accountants
- Banks, finance companies and lending institutions
- Commercial and Residential non bank lenders
- Co-operatives
- Developers
- Finance and mortgage brokers
- Hotel owners and operators
- Institutional investors
- Insurance brokers and companies
- Investment advisors
- Lessors and lessees
- Listed and private companies corporations
- Listed Property Trusts
- Local, State and Federal Government
- Departments and Agencies
- Mining companies
- Mortgage trusts
- Overseas clients
- Private investors
- Property Syndication Managers
- Rural landholders
- Self managed super funds
- Solicitors and barristers
- Sovereign wealth funds
- Stock brokers
- Trustee and Custodial companies

## *We have all locations covered*

From our capital city and regional office locations we serve our client's needs throughout Australia. Globally, we operate directly or via our relationship offices or special purpose real estate asset classes, infra- structure and plant & machinery.

## *We have your needs covered*

Our clients seek our property (real estate, infrastructure, plant and machinery) services for a multitude of reasons including:

- Acquisitions & Disposals
- Alternative use & highest and best use analysis
- Asset Management
- Asset Valuations for financial reporting to meet ASIC, AASB, IFRS & IVSC guidelines
- Compulsory acquisition and resumption
- Corporate merger & acquisition real estate due diligence
- Due Diligence management for acquisitions and sales
- Facilities management
- Feasibility studies
- Funds management advice & portfolio analysis
- Income and outgoings projections and analysis
- Insurance valuations (replacement & reinstatement costs)
- Leasing vacant space within managed properties
- Listed property trust & investment fund valuations & revaluations
- Litigation support
- Marketing & development strategies
- Mortgage valuations
- Property Management
- Property syndicate valuations and re-valuations
- Rating and taxing objections
- Receivership, Insolvency and liquidation valuations and support/advice
- Relocation advice, strategies and consultancy
- Rental assessments and determinations
- Sensitivity analysis
- Strategic property planning

## About This Report

Preston Rowe Paterson prepare standard research reports covering the main markets within which we operate in each of our capital cities and major regional locations.

Within this report we analysed.....

OR

The markets covered in this research report include the commercial office market, industrial market, retail market, hotel and leisure market and residential market as well as economic factors impacting on the real estate markets within we operate.

We regularly undertake valuations of commercial, industrial, retail, hotel and leisure, residential and special purpose properties for many varied reasons, as set out later herein. We also provide property management services, asset and facilities management services for commercial, retail, industrial property as well as plant and machinery valuation.

## NEW ZEALAND OFFICES

### PRP Fergusson Lockwood

Level 1, 28 Liverpool Street  
Hamilton 3240  
07 838 3248  
waikato@prpnz.nz

Russell Fergusson 027 291 3624

### PRP Barlow Justice Binns

Level 1 Bracken Court  
480 Moray Place  
Dunedin 9016  
03 477 7785  
otago@prpnz.nz

Adam Binns 021 121 4611

### West Coast

64 High Street  
Greymouth 7840  
03 768 0397  
westcoast@prpnz.nz

Brian Blackman 027 252 4397  
Mark Bolland 027 694 7041  
Peter Hines 027 252 0397

### PRP Tauranga

40 Wharf Street  
Tauranga 3110  
07 927 7544  
tauranga@prpnz.nz

Alex Haden 021 833 118  
Roger Hills 021 927 735  
Jason Coulson 021 248 5810

### PRP Wellington

23 Broderick Road  
Johnsonville 6440  
04 939 6346  
wellington@prpnz.nz

Brian Mudge 027 226 3630

### New Zealand Head Office

Level 7, 3 Albert Street  
Auckland 1010  
mitchell.stubbs@prpnz.nz

Mitchell Stubbs - Country Co-Ordinator 027 774 4200  
Greg Sugars - CEO & National Director 027 777 9010

[www.prpnz.nz](http://www.prpnz.nz)