

welcome to



# call of the country



Welcome to the

## **Professionals Call of the Country**

This publication offers relevant articles to those of you who are part of, or interested in the rural and lifestyle sector of the New Zealand property market. We hope you enjoy this edition and the many to follow.

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# Spring Fires Up Lifestyle Property Prices

The prospect of the arrival of spring did the trick for Lifestyle property prices in August with a strong surge in sales and prices, especially in the North Island, according to the latest rural property market report from the Real Estate Institute of New Zealand (Inc).

The lifestyle property median price was up from \$390,000 in July to \$415,000 in August, on sales up from 554 in July to 648 in August.

This is a 23.9 per cent increase over the August 2005 lifestyle median price of \$335,000.

The sparkling performance by the lifestyle market exceeded that of the residential property market and bodes well for a strong market going into spring and summer, according to the rural spokesperson for the Real Estate Institute, Mr Murray Cleland.

"This is a great start by the lifestyle market and reflects the fact that the desire to get out of suburbia and enjoy the benefits of country living are as strong as ever.

Compared with some city residential property prices lifestyle properties are still relatively cheap but with many additional benefits for families", Mr Cleland said.

The lifestyle property market was particularly strong in the north of the North Island with the Auckland lifestyle median increasing from \$710,000 in July to \$720,000 in August, a

jump of 22 per cent over the August 2005 median of \$590,000.

The Waikato lifestyle property median was up from \$380,000 in July to \$386,250 in August while Bay of Plenty was up substantially from \$452,500 in July to \$490,000 in August.

Farm sales also recovered in August, from 158 property sales in July to 175 in August, comparable with the August 2005 figure of 170, however prices were mixed with the national median farm price easing from \$1,027,500 in July to \$960,000 in August, still 18.9 per cent above the August 2005 farm median price of \$807,500.

The majority of sales were grazing properties, up from 70 sales in July to 88 in August, but the median price eased a little from \$954,000 in July to \$907,500 in this latest month.

Dairy farm sales increased from the relatively low figure of 11 in July to 15 in August with the median price moving back up from a low figure of \$1,765,000 in July to \$2,370,000 in August, compared with \$2,720,000 in August 2005.

Finishing property sales were up from 24 to 26 with the median of \$1,080,000 comparable with the August 2005 median of \$1,015,000, after July's jump to \$2,150,000 which was influenced by sales of several larger more expensive properties.

Article supplied by [www.reinz.co.nz](http://www.reinz.co.nz)



## Electric Fence Tips

Do you or your neighbours complain of hearing clicks on the telephone line?

Do the clicks disappear when you or your neighbours turn an electric fence off?

If you answered YES to the above the following tips may help.

### TIP 1: Your electric fence could be interfering with your phone and internet access

These are some tell-tale signs:

- ⚡ Clicks on your phone line
- ⚡ Slow or unreliable Internet connections

It can sometimes be hard to find the electric fence that's causing the problem. It could be anywhere along the path of the telephone cable - from where it starts at the telephone exchange to the customer who is the furthest away. Often the fence owner doesn't get interference on their own line, but their neighbours do - and those neighbours could live several kilometres away.

If your fence is causing the interference complete the **Five-step electric fence check**.

### TIP 2: Five-step electric fence check

- 1. Find out where there are telecommunication cables or phone lines on or near your electric fence.** This includes both buried and overhead wires and cables. They almost always run along or near the roadside reserve or along driveways. A marker post or grey connection pillar should be nearby. If you can't work out where they are call Telecom, on 124, for help.
- 2. Identify the electric fence wires and connecting leads** within 100 metres of the phone lines and running either parallel or nearly parallel to them. Long sections running parallel to the phone lines feeding other sections are more likely to be a problem than short sections that go nowhere else.
- 3. Check the current in these wires.** You can use a Gallagher SmartFix or Stafix Fence Compass, a Speedrite Fault Finder or Pakton Power Probe to do this. The current in a well-maintained fence should be less than two amps per kilometre of energised fence line. If it's higher, there could be a short on the fence, too much overgrowth, live wires contacting the ground or old deteriorating insulators.
- 4. If, after fixing faults, the current is still too high, find a way to feed the main supply through sections of the fence that are further away from the phone line.** For example feed the power out through fences in the middle of the farm, away from the phone line, rather than through the roadside boundary fence next to the phone lines.
- 5. Check that the earthing system meets the manufacturer's instructions.** Make sure that it is at least ten metres from any buildings and ten metres from another earthing system. Also check that the energizer, earth electrode connecting lead and output leads to the fence are well clear of phone lines.

Work along the section with high current, and the downstream parts fed via this section, to locate and fix shorts by removing overgrowth, fixing live wires touching the ground and replacing old insulators.

If your fence isn't causing the interference get together with neighbours to turn off the nearby fences to find the one causing the interference - then do the Five-Step Check on it.

⚡ Please seek expert advice before constructing new, or extending or altering existing electric fences to minimise the risk of your electric fence interfering with your or your neighbour's, phone line.

Do not increase the size of the electric fence energizer to overcome poor electric fence performance due to a lack of fence maintenance. Instead, fix the faults on the fence.

**Caution:** If you're not familiar working with electric fences, consult your electrician. This article is intended to provide general tips - please contact your electrician if the problem persists or you need further advice.

The ideal way to set up your electric fence is to feed the power out from the energizer in a "star" fashion, with no closed loops and low currents in parts of the fence that closely parallel phone lines.

**Remember:** If you are buying a new computer or modem, talk to your retailer about a modem that will work satisfactorily from your premises.

# Resource Consents and your Environment

The sustainable uses of water, managing marine resources, reducing waste, and improving our energy efficiency are all essential for creating wealth, quality of life and environmental sustainability. However, the decline of our unique plants, animals and ecosystems is New Zealand's most pervasive environmental issue.

Sustainability integrates this concern for social, economic and environmental issues, and involves thinking broadly about objectives, considering long-term as well as short-term effects, assessing indirect as well as direct effects, and taking extra care when changes brought about by development might be irreversible.

## Lifestyle Block Development

The first consideration when purchasing or beginning developments is what you are legally able to do. Check your certificate of title along with your Regional and District Plans to determine the zoning your property is located in, the specific rules and regulations that accompany that zone.

When determining what activities are legally permitted, check the services currently available to your property. Depending on what services are provided it may be necessary to install your own, e.g. water and sewage. It is essential to plan the layout of where and what system to put in place, ensuring there is enough resource to carry out the plans you are proposing. The location of your waste water and storm water runoff is critical for health reasons alone; you do not want to get any cross contamination causing you, your family or any stock on your property health scares. There are many economic types of domestic sewerage disposal units available and many simply designed structures for farm runoff.

If not connected to town water supply, ensure a supply to sustain your domestic requirements. In addition to that allow for irrigation to improve pasture or horticulture production as well as providing drinking water for any stock on the property. Without a reliable supply of water to your property future developments become limited.

If you have existing streams running through your property and are able to draw on the water (your Regional and/or District Council will be

able to tell you this), it is to your advantage to ensure the water quality is maintained or that you are aware of improvements that can be carried out. There are several easy ways to improve water quality on a lifestyle block.

## Our Streams and Waterways

Erosion and temperature are the two main factors that influence the state of streams in New Zealand. Erosion is often caused by the stream banks collapsing into the stream bed i.e. stock crossing or drinking from a stream. Once sediment is in the stream, it covers the stream bed smothering the habitat for macro-invertebrates (insects) to live and feed off the stream bed. Fluctuations of stream temperature can be caused by a lack of shade, as a result a lack of oxygen produces a build up of green slime. The green slime uses the remaining oxygen to reproduce, taking away the dissolved oxygen for existing stream biota to thrive. Where there is a combination of sediment and high temperatures stream quality is often low.

Ways to increase stream quality are planting trees along the stream creating a riparian zone or buffer. These trees can be strategically planted for aesthetics, shelter from the weather, traffic, privacy, for your animals or for investment reasons for future harvesting. When planting, different tree species should be researched to ensure the appropriate species is planted to complement the soil, planting location and the desired purpose. Planting trees and or shrubs along stream edges will support stream banks and reduce the amount of soil entering the stream. Fencing is often a more expensive alternative option.

Any activities that you carry out should be completed to best practice standards. Most operations carried out have regulations which must be met, whether fencing, tree planting or installing an irrigation system. These standards are easily obtainable through your Local, Regional, and District Councils or from the Ministry of the Environment.

Article supplied by Martin Albrecht  
of Glenbarry Real Estate Ltd  
[www.goodground.com](http://www.goodground.com)

# Moving In Moving On



## 285 Ruahine Road West Pahia

162 hectare prime coastal land with breath taking views of the Southern Coast in all directions sold for \$1.3 million. Currently a sheep farm but also offered the opportunity for coastal sub division. Sold exclusively in two weeks by MacPherson Realty Ltd - Invercargill.



## 157 Mahoenui Valley Road Coatesville

Approx 1.6 hectares, mainly pasture. This prestigious 5 bedroom, 3.5 bathroom property featured modern kitchen and extra 2 bedroom minor dwelling sold for \$1.8 million, by Classic Real Estate Ltd - Albany.



## 22 Postman Road Diary Flat

This architecturally designed 6 bedroom, 5 flat acre lifestyle residence offered perfect positioning for future design concepts, sold for \$1.180 million exclusively by Classic Real Estate Ltd - Albany.



## The End of the Family Farming Partnership

**The end of any partnership can be a distressing experience for those involved. This article looks at farming partnerships and how to prevent bad feeling amongst family members.**

There are many areas of law that result in a legal adviser being exposed to some of the finest qualities of New Zealand people. Not the least is dealing with farming families when a partnership dissolves. Occasionally, it results in high emotion, but rarely with the avarice seen in the contests of other commercial endeavours.

### Why Do Farm Partnerships Dissolve?

Many factors lead to a decision to end a farming partnership. Financial performance, a desire to be accountable only to oneself, a step in a long held family plan, or sometimes a simple dislike for a sibling. The single most common feature, however, is the length of time that a party (or parties) seem to have dwelt on the matter, without doing anything about it. Rarely is there overt or inflammatory controversy that makes argument inevitable, although, more often than not, the parties will have contemplated that this may happen. There is often a fear that such a step would be viewed as betrayal of some historical duty to the family.

Farming lawyers have long adopted simple practices that will help to ease the break up. The most common is the early recommendation of dividing up the land between the farming children concerned, even if they remain farming in partnership. This normally comes about when the father (of a farming family) first begins planning his succession. That way, when the time comes, it is simply a matter of running stock down the race, and shedding as agreed.

More often as not, it is not that simple. Farming structures may have been set up so as to better provide for by tax or accounting matters. The more clever the scheme, the more difficult it is to unravel. Worse still, the client being an expert on matters pastoral, is completely lost when trying to understand the full range of issues that arise.

### What Does A Client In A Family Farming Partnership Do When He (Or She) Is Unhappy With The Status Quo?

Each case is different, but a theme flows through all cases where disputes spiral into discord. Lack of communication. A disgruntled party should not brood too long. Farming can be lonely enough, and it is not hard to contemplate the demons a solitary disgruntled person may conjure up, for hours, while sitting on the tractor.

Rationalise the issues. Write down what troubles you. Pen a letter that you may never send. Contemplate a remedy or a proposal. Ensure all issues are set down.

Seek a time to raise the concerns in an environment that allows for candour and process. This may involve giving the other party notice of what you want to cover. Rarely should it be framed as a *fait accompli*. Never surprise, or hijack. You might even send the letter you planned not to.

Remember to put yourself in the other person's shoes when contemplating a resolution. If you wouldn't like the proposal, don't expect the other person to like it. Contemplate that every good compromise is where everyone leaves the table feeling equally unhappy.

Don't be shy of advancing your wishes. It is rare that your duty is to your ancestors. Your duty is to yourself, your spouse and your children. Temper your agenda with dignity, respect, and fairness.

### Should Lawyers Be Involved And If So, Who?

It is rare that you need to speak to your professional advisers at this stage, although that option should not be discounted. No discussions to resolve family discord will be binding in legal terms, although positions expressed are difficult to resile from, if later documentation is needed. The moment that lawyers are involved, it is presupposed you have been unable to resolve the issues, and contest inevitably results.

A first question will be whether to consult your own independent lawyer, or consult with the lawyer traditionally used by the family or farming partnership. This will vary from case to case, and will depend upon the level of expertise or experience that lawyer has in farming matters, the nature of the dispute, or the need for complete independence and confidentiality.

The purest of litigation lawyers, and indeed lawyers' insurers, would insist that everyone has their own lawyers. This is not always necessary in the early stages of the process.

There is no doubt that in almost all cases the parties must have time to reflect on the independence of the advice received, and to view the settlement from a single selfish view, and all parties should obtain independent advice before a settlement is finally concluded. Most practices first ascertain if the matter can be settled, or mediated. This removes a sense of contest, and allows for a constructive process, rather than one characterised by the parties taking adversarial positions. In all cases where preliminary agreement is reached, the parties should then take their own professional advice. Prompt mediated intervention prevents wagons circling, pride being impugned, and intransigence setting in. Most farming law practices take pride in believing they have averted conflict, flushed out concerns, but helped preserve family relationships. They accept that in some cases, this will not be possible.

### Simple Processes

Where parties do not agree on settlement terms, there is nevertheless a desire to break deadlocks. In farming terms this is usually easy, especially where matters of valuation are at issue. Specialist valuers of land and livestock deal with these issues as their meat and drink. In terms of land allocations, this is not so easy as every situation is unique and there is no legal authority or precedent to which lawyers can turn. The parties must simply work it out. Sometimes the parties will even toss, but usually money is decisive. An internal auction keeps emotion in check.

### Parental Deal Brokers

A party often under pressure in these dealings is the father of the feuding parties. His pressure comes from the disappointment that it has come to this, and how he can resolve it. Rarely can he do so unless, of course, he maintains legal control or influence. Occasionally the father, or indeed mother, still maintains influence through a patrician-like quality and respect. That force of personality may keep matters in check and drive a negotiated conclusion. That, I would suggest, is rare. It is difficult to act as some type of enforcer and maintain the family respect. More often than not, they watch from the sideline, disappointed that their life's work seems to be unravelling.

The lesson to be learned is to act on these structural issues well in advance, so that farming children's expectations are well managed from the outset.

### Cause For Hope

One of the lasting impressions in dealing with these matters is that afterwards, the parties seem to get on far better. They get on better apart. Spouses begin to talk to each other. The sense of distrust between offspring is removed. Christmas is spent together. No longer do the mealtime grumbings make for an unhappy home. Farming families tend to have a sense of balance and fairness not so prevalent in the commercial and corporate world. There is a refreshing sense of honour in dealings. If candour, honesty and respect are voiced, life improves for everyone.

Article kindly supplied by Richard Austin  
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