

BARLOW JUSTICE LIMITED

REGISTERED VALUERS AND PROFESSIONAL PROPERTY ANALYSTS

Helping People with Property

Barlow Justice Newsletter 24 August 2010

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[Visit Our Web Page](#)

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[Valuation Request](#)

In this week's newsletter;

- [Positive Side of ETS.](#)
- [Changing Times for Dunedin Retail](#)
- [Sales Numbers Lowest in Over a Decade](#)
- [Otago Economy Rockets Away.](#)
- [Balmacewen Intermediate Gains Enrolment Zone.](#)
- [Account Distortion Caused by Depreciation Changes.](#)

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Positive Side of ETS

Owner of pre 1990 forests have been given a let off by the government as they announced changes to the Emissions Trading Scheme last week. It has been announced that owners of forest pre 1990 can apply to MAF for carbon credits or New Zealand units which they can trade in the same way as their post 1990 counterparts.

It is estimated that there is approximately 127,000ha of pre 1990 forest in the Otago and Southland area. Current estimates say that an average pine forest can absorb up to 800 tonne of carbon dioxide per ha over its 30 year life. These changes mean that a further 101.6 million credits will be available on the market in the Otago/Southland Area.

A further change to the rules allow exemptions to the deforestation limitations faced by owners of forests under 50ha. This rule changes means that a one off exemption will be granted. This one off exemption will be registered against the title allowing the land use to change at any point in the future without penalty. From a valuation perspective it is our belief that this will increase the value of the land and thus we recommend all owners of eligible forests to apply for this exemption. ODT 18/08/10

For any advice regarding your forest give our rural specialists a call on 03 477-6603.

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Changing Times for Dunedin Retail

The recession has slowly been hitting home. Initial thoughts were that we were beginning to climb out of the recession but recent comments from a number of well known economists suggest that there may be a double dip and there is still a long way to go. No more is this apparent than in the retail market. It is easily noticeable as you walk down the street with the massive SALE signs tempting you into shopping. Coupled with this is the every present for lease signs that are beginning to show up around the centre city.

Dunedin retailers appear to be the last hit by the recession and therefore will be the last to come out of it whenever that may occur. Because of this there are mixed feeling amongst the retailers in Dunedin's centre city. Some feel that the increase in chain retail stores has meant that local independent retailers are unable to compete, while others welcome the increased competition seeing its a way to promote and grow Dunedin. Unfortunately the sad fact of the matter is that vacancies have increased in the centre city, however Dunedin is New Zealand's oldest city and therefore will have no trouble bouncing back from these current tough times. ODT 21/08/10

Do you own a retail investment property or are you a local retailer? Feel free to give our friendly commercial team a call regarding all your property needs from lease negotiations to rent reviews.

Sales Numbers Lowest in Over a Decade

Dunedin saw its worst July on record in 2010 with a minimal 151 sales for the month. Dunedin wasn't the only hit however with sales numbers and medians dropping throughout the South Island. The worst hit was the Central Otago region with a drop in the median sale price of 4.9% from July last year. Despite the fact that Dunedin saw a drop in sales numbers the median sale price was up from June this year. ODT 18/08/10

For all this and more information read our market considerations for a full breakdown of the Dunedin market and the factors that contribute to it. These are located on our website along with everything you need to know about Barlow Justice Ltd, www.barlowjustice.co.nz

Otago Economy Rockets Away

Although there is a lot of doom and gloom surrounding the retail sector it appears that Otago's economy has grown at a faster rate than any other in the country. This comes after a National Bank Regional Trends Survey for the quarter ending June 2010. The rise recorded came in at 3.5% compared with a 0.3% decrease that was recorded nationally. This rise in economic growth can be attributed to a number of factors. ODT 19/08/10

How is your property placed in these constantly changing economic times? Give us a call to discuss your property and what the best options are for you.

Balmacewen Intermediate Gains Enrolment Zone

Balmacewen Intermediate has had a growing role over the last few years with the 2010 roll the highest it had been in two decades. The principal, Andrew Hunter, puts the growth of the school down to parents wanting their children to attend an intermediate before college and positive word of mouth.

Because of this blossoming popularity the school has been forced to introduce an enrolment scheme for the 2011 year. The enrolment scheme will include an enrolment zone or 'home zone' which will cover the suburbs of Kaikorai, Wakari, Helensburgh, Halfway Bush, Belleknowes, Roslyn, Maori Hill and part of Glenleith. Students that live within this zone will be enrolled in the school while a limited number of students will be enrolled for outside the 'home zone'. These limited enrolments will be chosen by ballot after enrolments close on September 3rd this year. ODT 24/08/10

Will this affect the value of your property? Feel free to ring and discuss the effects we believe this will have on the value of your home.

Account Distortion Caused by Depreciation Changes

There is mounting concern amongst senior directors of a number of New Zealand companies that the tax changes announced in May's budget have distorted accounts for NZ companies by more than \$1 billion. This distortion has created the concern that recently reported financial results are misleading. This comes as the tax value of buildings drops to zero meaning the gap between the tax value and the accounting will grow significantly and thus so will the deferred tax liability.

Although this distortion may occur, all companies 2011 results will return to normal as the government's tax changes will not be required to be included in next year's results. ODT 24/08/10

For any inquiries regarding your commercial property give our commercial team a call on 03-477 6603.

[Top of Page](#)

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