



## **PINZ – HAWKE'S BAY BRANCH CHAIRMAN'S ANNUAL REPORT 2019**

### **Introduction**

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Welcome to the 2019 PINZ (Hawke's Bay) Chairman's report.

Our PINZ Committee comprises nine members who have supported the Hawke's Bay Branch through providing CPD events, addressing public concerns about various issues and undertaking interviews for various membership accreditations.

### **Committee Review**

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The Branch met on several occasions during the year. The attendance records of the Committee members were:

Chairman	George Macmillan	6
Secretary	Anna Paget	5
Treasurer	Susie Penrose	4

#### **Committee Members:**

Andrew Chambers	3
Andrew Deacon	5
Damian Hall	3
Jay Sorensen	5
Simon Dunn	4
Trevor Kitchin	4
Chris Hope	3

Overall there was a good attendance by the Committee members with all making a great contribution to Branch meetings and events.

As required under PINZ rules, the three longest standing members of the Committee are required to retire by rotation, these being Trevor Kitchin, Jay Sorensen and Susie Penrose. However, Trevor and Susie have offered to stand for re-election. Jay Sorensen, Andrew Deacon and Simon Dunn will be resigning permanently and we thank them for their contribution to the committee. We have received nominations to join the committee from Nicholas Ritchie, Hayley Mortleman, Sam Glover and James Stuart.

## Education

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During 2019 the Branch organised various educational events to assist members with CPD requirements. These included:

- AGM and Networking lunch
- HB Hazards update
- HBRC TANK update
- Greenstone subdivision walk
- Registration debrief
- Water storage Dam field event
- Christmas function

All events were well attended. In 2019 we hope to run a similar number of CPD events.

## Financials

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As many members will now be aware PINZ has been managing our branch bank account. The benefit of this is questionable. This year's Annual Report was delayed being sent to members due to the financial data provided from PINZ being incorrect multiple times.

Our closing balance is \$9,335.06. The Branch made a financial profit of \$700.57, shown as follows:

<b>Profit &amp; Loss</b>	
<b>Property Institute of NZ</b>	
<b>Hawkes Bay</b>	
<b>1 January 2018 to 31 December 2018</b>	
<b>Income</b>	
281 - Interest	\$271.88
Other Income	\$4,276.07
<b>Total Income</b>	<b>\$4,547.95</b>
<b>Gross Profit</b>	
	<b>\$4,547.95</b>
<b>Less Operating Expenses</b>	
462 - Branch Other Expenses	\$3,847.38
<b>Total Operating Expenses</b>	<b>\$3,847.38</b>
<b>Net Profit</b>	<b>\$700.57</b>

Financial contributions from the Branch were made for social events, Young Members expenses, gifts to speakers and flyers for emails.

The management of this account needs to improve over the coming year. I have raised my concerns with PINZ. If we don't see an improvement I suggest we re-consider how our accounts are managed. I understand we have an out clause of PINZ managing our financials which was agreed at inception.

On a positive note we have finally come to an agreement with PINZ that we will not be charged \$80 per event for putting together a flyer to send out to our members.

## Membership

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This year has been busy in terms of membership with the following people achieving membership advancement:

Name	Previous Post Nominal	Advancement
Louise	Registered	ANZIV & SPINZ
Ben Hamelink	Grad	MPINZ
George Macmillan	MPINZ	SPINZ
Susie Penrose	MPINZ	SPINZ
James Stuart	RICS	MPINZ

I congratulate all members on their achievements as they progress in their career. I would also like to thank all those who contributed to and gave up their time for the interview process.

There are currently 72 registered members in Hawkes Bay.

## Pedestrian Counts

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Pedestrian Counts will be undertaken again this year. We are planning to complete these in October 2019.

## Market Overview

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### Residential

Ongoing population growth combined with improving local economic conditions have had an impact on the local housing market. The volume of houses being built in Napier and Hastings has recovered from the lows experienced in 2014 and 2015. The number of residential building consents has increased in Napier and Hastings and totalled 238 and 330 respectively in the 12 months ended December 2018.

This data indicates the median house sale prices increased to \$485,000 in Napier and \$435,000 in Hastings. The median house sale price in Napier is now 8% higher than in the December 2017 quarter and 12% higher in Hastings.

REINZ data which includes only recent market sales through real estate agents, indicates the average median sales price over the three-month period for Napier from November 2018 to January 2019 to be up 3% over the same period last year to \$503,000 and Hastings up 8% to \$406,500.

Properties continue to sell relatively quickly with current days to sell at 32, down 8 days on the 10-year average. Open-ended pricing mechanism such as by negotiation, auction or tender are still prevalent. Low-interest rates, out of town buyers, local population growth and a sound national and local economy are still fuelling demand.

### **Commercial/ Industrial**

The Hawkes Bay commercial market is still buoyant with a number of developments and redevelopments still in the pipeline throughout Napier, Hastings and Havelock North. There are no real signs of slowing. The gap between tenanted properties and vacant possession properties is closing, especially within the lower priced industrial sector. We are still seeing strong interest from out of town investors.

The rental market has strengthened for top quality properties in all sectors; with good quality office, retail and industrial tenancies showing in some cases strong rental growth over the past two years. The over-supply of secondary office space in Napier reduced in direct response to two NCC buildings being earthquake prone and the need for council to relocate, but with C and D grade office premises still in oversupply. Hastings secondary office accommodation is still in oversupply and the Hastings retail situation appears to be strengthening somewhat, but the negative effects of the emergence of the large format retail development are still visible.

Retail and industrial occupancy levels are all high.

### **Rural**

In general, the rural market in Hawkes Bay continues to show strength in a number of sectors.

The pastoral market is still strong with good demand from buyers and a steady supply of properties coming to the market. Some of the strength in the market has been from forestry where a number of lower value properties have been purchased by the forestry sector for carbon sequestration opportunity.

The horticulture market is still strong with the sector being particularly favourable for corporate investment markets. In contrast, vineyard properties have seen minimal demand due to the lack of financial viability; particularly for grower supply contract type properties.

The rural market is still largely being driven by the low cost of finance and strong commodity returns across most goods. The main changes impacting on the market at present are the loss of overseas buyers from the market-place due to legislative changes and changes to rural lending which is making it harder for some participants to get finance. This is particularly noticeable in the dairy sector, but this is only a small portion of the market in Hawke's Bay.

## Chairman's Note

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2018 has been another good year for the local Branch who continue to be supported by its members. This year we will look to continue to provide the same range of CPD events at minimal cost to members.

Most members are reporting a high volume of work over recent times and I remind everyone to act professionally at all times, maintain your integrity with high ethical standards and to only undertake work within your level of expertise.

I would also like to advise members that Ken Parker is retiring from private practice on 29 March but will be continuing with his role on the Land Valuation Tribunal (Rotorua) and NZIV Investigation of Professional Complaints.

Finally, thanks to all who contributed to the Branch during 2018.



George Macmillan  
PINZ HAWKE'S BAY BRANCH CHAIRMAN