

Lifestyle & Rural Property Focus.

Downsizing sensibly

Do your plans for the new year include downsizing the family farm and opting for a smaller scale rural lifestyle, either by subdividing or selling and relocating? It proves a tempting idea for many farmers, perhaps looking to ease their workload or fund a retirement lifestyle.



But it's not always as simple as just selling and downsizing to a semi-rural lifestyle property. There are some crucial factors to consider to ensure you find the right property for your dream lifestyle before signing on the bottom line.

Firstly, think about what you really want. This is obviously true for any property purchase, but lifestyle properties come in many and varied shapes and sizes with different pros and cons. Start by creating a perfect wish list of what your new lifestyle might be. Then research the kind of property and location that might match that and your budget.

Secondly, be realistic. Chucking in the relentless early morning milkings for a few hectares of fruit trees might seem like a breeze compared to running a full-size farm, but lifestyle blocks can still be a huge amount of physical work.

And you need to be particularly realistic when it comes to budgeting – not just your

money but also your time. Do you want, or more importantly need, to retain a job outside the property?

There's a delicate tipping point with lifestyle properties when it comes to time and income. Get it wrong and you could find yourself working every spare moment on the lifestyle block and still have it not produce enough income to keep your head above water. Suddenly that idyllic dream goes up in smoke and you find yourself working harder than ever and your time stretched more thinly.

That doesn't mean that balance is not achievable. It's simply a matter of having a thorough, clear understanding of what work will be involved and how much money you need. Think about the different options for an income stream, whether it's more passive such as renting land for grazing animals, or more labour intensive such as growing fruit trees or grapevines.

If possible, talk to other people who have made the move. Their advice and

insight on the pros and cons will be invaluable. And talk to specialist rural real estate consultants from the area you're looking to move to. They'll have a good understanding of what types of properties are available, and the cost as well as what level of commitment it takes to run them.

Finally, do your due diligence. Again, this is obviously standard practise before committing to any property purchase, but there are specific things to consider regarding lifestyle property.

For example make sure you check the zoning rules for the property, as well as what activities are permitted on the adjoining properties. You'll also need to check if GST is payable on the property purchase. A good lifestyle and rural specialist sales consultant can help advise you on what you need to know and help find you the right property.

But with a bit of research and planning to get the formula right for a successful downsized rural lifestyle, it is possible to make that change a reality.



REINZ Rural update

Notable points from the REINZ figures for the three months to October:

Dairy – five dairy farms sold in October throughout New Zealand, with a large number of farms on the market in Waikato and Southland in particular, reasonable stocks in Northland but poor enquiry, one very strong sale of close to \$70,000 per hectare in the Waikato, 3 sales at lower to modest levels in Southland, no recordable activity in the other main dairy areas of Taranaki, Manawatu and Canterbury.

Finishing – an easing of sales volumes across the country with a simmering of activity in most regions, some solid sales of smaller blocks in the Waikato, Hawke's Bay, Taranaki and Nelson, good prices paid for several

well located properties in Canterbury, quieter on the West Coast, steady demand and prices in Otago, again mostly smaller properties and lighter activity in Southland.

Grazing – similar volumes to September but more than 50% down on volumes recorded for October 2016 and October 2015. Northland and Otago regions were notable for the strongest activity with Hawke's Bay and Taranaki beating Waikato, Bay of Plenty and Canterbury into second place.

Arable – an increase in total volumes during October with Canterbury registering good results, underpinned

by another very strong sale in the Methven district at a little over \$58,000 per hectare.

Horticulture – a very strong month for the Bay of Plenty, particularly in the Paengaroa district, where top prices for gold kiwifruit orchards exceeded \$1m per canopy hectare, reduced activity in other areas.

Forestry – steady in total volumes for the three-month period with individual sales in the Northland, Hawke's Bay, Taranaki, Nelson, Canterbury and Otago regions.