

ASSOCIATED NEWS

AN ASSOCIATED REALTY LIMITED SPECIALIST PUBLICATION

Specialists

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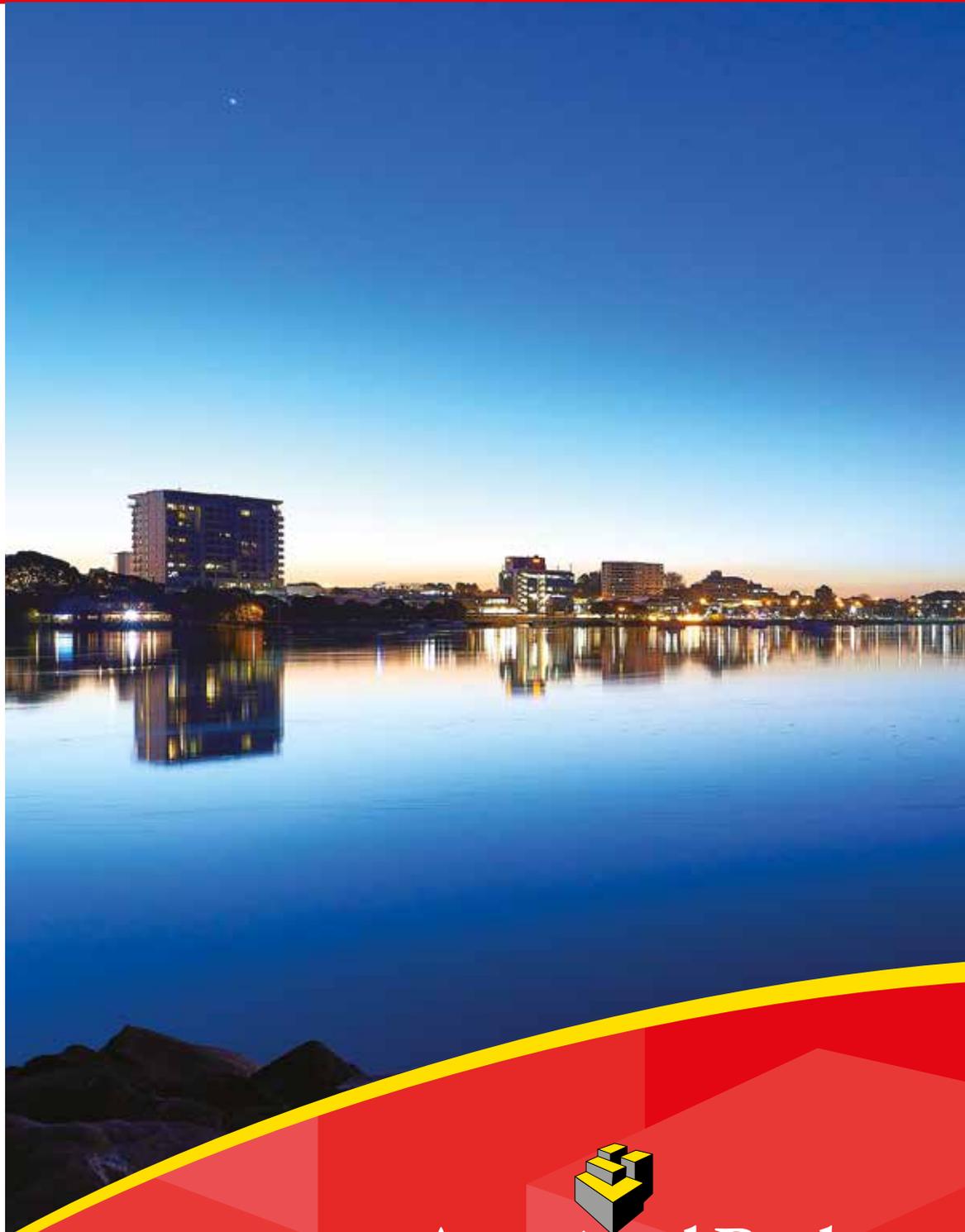
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The team



Adrian Knowles Licensed Real Estate Agent (REAA 2008)

Adrian has been involved in the commercial real estate industry for twenty six years and has been the Principal of Associated Realty for the last twenty one years.

Over that period he has gained a wealth of experience and has increased his knowledge by researching the commercial property market in Australia and the United States.

He has now limited his role to managing the company and guiding Alan and Tony with lease and sale appraisals. In his spare time, he enjoys running, cycling and kayaking.

Adrian continues to have a great passion for commercial property and keeps a careful eye on the rental rates in the industrial, office and retail sectors.



Tony Doms Licensed Real Estate Agent (REAA 2008)

Tony's career in the real estate industry spans over 30 years when he joined Bay of Plenty Real Estate Limited in Tauranga as a Salesperson specialising in placing home purchasers into their first homes. Tony's switch to Commercial and Industrial sales and leasing occurred when he first joined Associated Realty's Rotorua office in 1993.

Along the way Tony has gained extensive experience and knowledge of all aspects of marketing, leasing and sales of commercial and industrial property, he provides his clients an exceptional level of expertise and service.

Tony has been a keen motorcyclist for many years, and rides a Yamaha MT-09 Tracer in his spare time. For quality advice, service and results contact Tony. To view properties that Tony is currently marketing visit www.primecommercial.co.nz/profile/agent/27060.



Alan Dickson Licensed Real Estate Salesperson (REAA 2008)

Alan joined Associated Realty in 2000 after previous careers in secondary education, life insurance and dairying. Tauranga's commercial and industrial market has grown a lot since then with the opening up of new zones at Papamoa and Tauriko as inner city commercial areas have become mature.

Alan has gained experience in all aspects of the market, but as a preference prefers industrial leasing and sales. Recent successes in industrial sales include the sale of both vacant and leased industrial buildings, with the most recent being the sale of a substantial property in Hull Road. He is convinced that industrial and commercial property represents the ideal investment for an investor, offering a good yield well above interest rates and a hedge against inflation. He has taken his own advice and owns industrial property himself.

In his spare time, Alan is still scuba diving after 40 years in the sport, and still catching his share of crays. He is still also heavily involved in target shooting and maintaining his master grading in Small bore and A grading in Full bore shooting.

Working as a team to give you a better result!

Leased buildings for sale

LOCATION	PRICE \$	RENTAL \$	YIELD %
Tukorako Drive	135,000	9,007	6.67%
Maleme Street	Offers	343,054	-
Greerton	8,000,000	410,000	5.10%

Vacant buildings for sale

LOCATION	SIZE SQM	PRICE \$
Tukorako Drive	192	230,000
Oxford Street	560	770,000

Vacant land for sale

LOCATION	PRICE \$	RENTAL \$	SQM \$
Main Road Katikati	2,352	525,000	223

TO BE AUCTIONED (UNLESS SOLD PRIOR)

9 Triton Avenue, Mount Maunganui

WELL LOCATED PROPERTY WITH CORNER PROFILE



The tenant has a substantial fit-out which is advantageous from a tenant retention perspective.

Annual rental \$87,940 plus GST per annum. Next right of renewal October 2021.

FOR LEASE 9A MacDonald Street, Mount Maunganui STREET FRONT SHOWROOM AND WORKSHOP

394 sq. metres with a rental of \$43,500 pa plus GST and outgoings. The premises include a showroom to MacDonald Street (air conditioned and presently used as an open plan office), a second low stud showroom behind with a first floor above, and a workshop with its own roller door access and full stud height. It is zoned commercial business to allow anything from industrial use to full retail. There is a possibility of a further 103 sqm. of full stud height workshop space for an additional \$12,000 pa plus GST, at present in a separate tenancy. **Contact Alan Dickson 07 571 0716.**



FOR LEASE Unit 22, 65A Maleme Street Tauranga THE ULTIMATE WAREHOUSE WITH SHOWROOM

455 sqm clear-span high-stud warehouse building with showroom, generous size staff room and amenities. This unit is extremely well positioned to provide drive-round access and has dual roller doors enabling an easy drive-through warehouse facility capable of handling heavy vehicular transport. Whilst this is a rear unit it does command good visibility from the street. **Contact Tony Doms 07 571 0716.**



4 Industrial for lease

LOCATION	SIZE sqm	RENTAL	\$/SQM
Roxanne Place, Tauranga This excellent merchant or tradie unit in Poike is presented in very good condition with a spacious workshop, service facilities, a decent size office/showroom and two on site car parks.	122	\$17,000	\$139.00
Courtney Road, Tauranga Each unit comprises of a workshop, staffroom, office and two on site car parks. Being at the outside end of the building these units will command excellent business exposure.	180 180	TBA TBA	TBA TBA
MacDonald Street, Mount Maunganui Showroom to MacDonald Street, with full stud height workshop space behind and first floor storage or workshop above. Premises is in a commercial zone allowing full retail use as of right and is situated in a street with high volumes of passing traffic as a result of the presence of a supermarket and large pre-school facility in the street.	394	\$43,500	\$110.00
Maleme Street, Tauranga A modern high stud building with dual roller door access, showroom/office area, service facilities, first floor meeting/staffroom with sink bench, air conditioning and four car parks. A rare back unit which retains street visibility. Full and spacious drive-round access.	455	\$51,745	\$114.00
Whiore Avenue, Tauranga This is a stand-alone building to be constructed with direct access off Whiore Avenue with exposure to State Highway 29. The building comprises of a clear span workshop with three full height roller doors, reception, meeting room, staffroom, dual service facilities including a shower and four offices, and plenty of yard space.	567	\$80,000	\$141.00
Porutu Place, Tauriko, Tauranga To be constructed in the second half of 2019. This building will include a security fence with electric gates with key pad, air conditioned office, tinted glass, LED lighting, two toilets with showers and epoxy coated floors. Includes seven car parks. This is an impressive building on the tauriko plateau and in the mid range size that is so rare in the market.	648	\$90,000	\$139.00



Commercial building fit out

By Janine Hellyer, Director, BDO Tauranga Ltd



A short walk in any direction from the centre of town shows that Tauranga is undergoing something of a construction boom. As these projects near completion it seems an appropriate time to think about how these significant new assets should be recorded in the books.

In 2010 there was a change to the tax law which removed the ability to claim depreciation on buildings (previously depreciated at 3% DV or 2% CP). Further, if a commercial building is sold at a loss (below cost price) there is no deduction available for the loss on disposal. However the ability to claim depreciation on commercial fit out still remains so it is well worthwhile investing a bit of time and energy in doing the exercise of separating out any depreciable components of the build.

In many cases, the building fit-out may be quite tenant specific and by separately identifying the fit out costs it becomes possible not only to claim depreciation for the duration of the tenancy but also to claim a deduction if the fit-out has to be scrapped on termination of the lease. Building fit-out does not have an indefinite life and tends to be replaced periodically either due to obsolescence or in response to tenant changes.

The building itself includes all of the structural items including foundations, frame, external walls, floors, cladding, windows, stairways, roof, external doors and any loadbearing structures. These form the fabric of the building itself and cannot be depreciated.

Commercial fit out includes all of the non-structural items including internal (non-load-bearing) walls and partitions, electrical cabling, bathroom and kitchen fittings, carpets and floor coverings, security systems etc. All of these items can be separated out of the cost of the building and depreciated at IRD approved rates. These rates vary depending on the expected life of the item from 10% for ceilings and heating systems to 67% for electric heaters and hand dryers so there are some potentially worthwhile deductions to be had.

To claim depreciation you will need to establish appropriate values for the building and the separate depreciable fit-out items. For a new commercial build the builder may be able to give a breakdown of the main items. For the purchase of an existing commercial building it is likely that the Sale & Purchase Agreement will not give specific figures. In this situation it may be worthwhile obtaining a valuation from a registered valuer to support the allocation of the cost between the building and the fit-out. Don't be tempted just to 'wing it' – you will need to be able to show evidence that the figures you adopt have a factual basis.

Similarly, if you are doing a refit of commercial premises be alert for any existing items of fit-out that should be scrapped and make sure that you identify any new depreciable items to maximise your depreciation claims.

One thing to bear in mind is that if you have claimed depreciation on fit-out during the period while the building is held there may be depreciation recovered on sale at the point the building is disposed of. There may also be deductible costs on any scrapped items. If you have claimed depreciation on fit-out you may wish to set specific values for these items in the Sale & Purchase Agreement. In this situation we recommend you take advice from your tax adviser before proceeding with any planned sale.

Commercial Buildings with a residential component

It is important to establish that the building is a commercial building as opposed to a residential building (as the rules applying to residential buildings are different). In most cases this will be fairly obvious but there can be some grey areas. A commercial building is defined as a building where the main or predominant use is for non-residential premises. Any residential premises within the building must be of a secondary or minor nature. Where there is a combination of residential and commercial use of a building (as is increasingly common now with the boom in apartment building) an assessment must be made based on floor area for each activity with an apportionment of any shared areas (lobbies, hallways, entranceways etc). Provided the main purpose of the building is commercial it will be possible to depreciate any shared fit-out eg lifts and lobbies. Any fit-out that solely relates to the residential areas will not be depreciable.

Hotels, motels, serviced apartments, rest homes etc can generally still be treated as commercial buildings because they are not 'residential' establishments but commercial accommodation providers.

Fixed Plant

If you are buying an existing commercial building be alert for any fixed plant items that could be depreciable. Even though these may be integrated into the fabric of the building there is a provision that allows for these items to be depreciated. This could be specialised equipment eg wool scouring plant, gantry crane or lifting equipment. Provided you can establish a separate value for these items they can also be depreciated. These large items are best listed in the Sale & Purchase Agreement so that their value is established clearly at the outset but, again, if this is not done you may wish to obtain a written valuation.

There are some real opportunities for tax savings over the period of ownership if you can establish separate values for commercial building fit-out from the start.

Disclaimer: This article is general in nature and should not be treated as professional advice. It is recommended that you consult your advisor. No liability is assumed by BDO Tauranga Ltd for any losses suffered by any person relying directly or indirectly upon the article above.

Industrial for lease

LOCATION	SIZE sqm	RENTAL	\$/SQM
Chadwick Road, Tauranga To be constructed. Attractive design. Located on the western side of Chadwick Road with street front position.	733	TBA	TBA
Maleme Street, Tauranga A good high stud clear span tenancy with dual full height roller doors, manager's office and generous size staffroom and shared service facilities. Has excellent access with a drive-round facility. Plenty of on site parking.	740	TBA	TBA
Newton Street, Mount Maunganui Landlord requires a four year lease term and a personal guarantee. This property is available from 1 September 2019. This building was constructed in 2008 and is in very good condition.	803	\$110,000	\$137.00
Whakakake Street, Tauranga Two tenancies, each comprising of 8.3 metre stud height, 5m high roller doors, security fencing, office, workshop and amenities. There is also a container de-vanning area.	985 1,000	\$125,000 \$115,000	\$127.00 \$115.00
Taurikura Drive, Tauriko, Tauranga A new build available now! Includes main road visibility, 21 car parks (double the normal requirement), with room for truck turn around on site. This building has all the latest features; LED lighting, epoxy paint finish to warehouse floor, ducted air conditioning in office, front security fencing with sliding electric security gates with keypad, louvre, blade canopy on office exterior windows, dual disabled size toilets with showers included. A high quality building with no compromises as to finish or utility.	1,256	\$170,000	\$135.00
Whakakake Street, Tauranga This is a new building yet to be constructed. Can be adapted to suit tenant.	2,010	NEG	NEG
Whakakake Street, Tauranga A brand new building. It is not a road frontage site, so street appeal is not a factor. Good truck access and all the appeal of a new building which meets all current building standards.	2,032	\$253,000	\$124.50



LOCATION	SIZE SQM	RENTAL	\$/SQM
Cameron Road, Tauranga Fully refurbished premises complete with new shop front with dual pedestrian doors, polished concrete floors, new suspended ceiling and LED lighting. Great location in the Greerton Village with lots of lay-by parking right at the door. Rent includes rates and insurance.	165	\$50,000	\$303.00
Chadwick Road, Tauranga Older style retail shop in the busy Chadwick Road shopping block. Includes one car park via the rear access.	107	\$23,540	\$220.00
Chapel Street, Tauranga Shared retail position. Ideal for a technology retail business seeking a massive business profile from a corner position. The business must be compatible with anchor tenant cartridge world. For an additional \$9,000 a generous size office can included.	40	\$12,000	\$300.00
Chapel Street, Tauranga Very neat and tidy premises that was formerly an art gallery. Pedestrian access at the front via Marsh Street and vehicle access via the rear off Chapel Street. Three car parks are included.	204	\$38,000	\$187.00
Devonport Road, Tauranga An excellent array of shops in the Goddards Centre.	20 39 92 233	\$5,910 \$11,724 \$23,125 \$58,200	\$300.00 \$300.00 \$250.00 \$250.00
Devonport Road, Tauranga A brilliant little shop with a long and successful trading history with the current tenant who is expanding into larger premises. Located at the Devonport Road end of Piccadilly Arcade.	24	\$12,000	\$500.00
Devonport Road, Tauranga A rare opportunity to secure a completely refurbished shop right in the Red Square. Shared facilities. Sub lease arrangement to be put in place.	50	\$30,000	\$600.00
Devonport Road, Tauranga Former Tangos Shoes, a modern building with high seismic rating, combined with an exclusive WC. Five year lease term is required with incremental rent increases until \$40,000 pa is realised, thereafter a market review will be undertaken.	94	\$29,500	\$313.00
Devonport Road, Tauranga Excellent medium size shop presented in like new condition. Building has been refurbished and seismically strengthened to a very high standard. Space comprises of a showroom, stockroom and service facilities.	120	\$50,000	\$417.00

LOCATION	SIZE SQM	RENTAL	\$/SQM
Devonport Road, Tauranga High pedestrian location in one of Devonport Road's busiest locations, up to four stacked car parks available at \$780 pa each.	124	\$50,000	\$404.00
Devonport Road, Tauranga A spacious retail shop with an 8 metre frontage to Devonport Road and mall entrance in a good location. Additional infrastructure services can be provided should a hospitality tenant require this. One car park available for additional rent. Includes a 40 sqm mezzanine floor.	154	\$30,000	\$194.00
Devonport Road, Tauranga Double frontage shop in the very best of Devonport Road benefiting from very strong pedestrian traffic.	230	\$69,000	\$300.00
Devonport Road, Tauranga Modern retail premises former Stevens Homeware. Street frontage is eight metres wide. Excellent premises with a high seismic rating.	407	Offers	Offers
Devonport Road, Tauranga Former bank premises configured as retail in the front and offices at the rear. All self-contained. Parking is available at \$40 per week per park.	407	\$80,000	\$197.00

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Industrial demand out of whack with supply

By Paul Higson, Telfer Young Property Valuers

Chairman of the Tauranga Branch of the Property Institute of New Zealand

Paul can be contacted at paul.higson@telferyoung.com



Telfer Young

Valuers Property Advisors

Despite new industrial land being opened up in various Tauranga city locations in the last five years, the growth of the Tauranga region means that vacant industrial land is now in short supply.

A recent search of the Prime Real Estate website showed 20 listings of vacant sections in Tauriko. But no listings of vacant industrial land in Greerton, Judea, Mount Maunganui, Papamoa or the entire Western Bay of Plenty District.

Our research indicates that there were substantial increases in the quantity of vacant industrial land sold between 2013 and mid 2017. However, since then the volume of land sales (as measured by the area of land sold) has dropped away in the last two years. However, demand is unlikely to have decreased since this time.

One way to gauge demand for land is to look at rental rates for developed industrial property. The industrial rental market in Tauranga is currently showing strong and sustained rental growth. This growth of rental rates has been experienced for the last five years or so and followed a relatively flat period. Uplift in tenant demand over this period has led to generally lowering vacancy rates. Rental growth in the industrial sector has been running at around 5% to 7.5% per annum over the last four years or so. This indicates that there is strong demand for most forms of developed industrial property in the region.

Another search of the Prime Real Estate website showed the following listings of industrial premises for lease:

- 1 listing in Judea.
- 7 listings in Greerton.
- 14 listings in Mount Maunganui (but with 4 of these not having been built yet).
- 4 listings in Papamoa.

It appears then that there is very little for a prospective tenant to choose from.

Another indicator of demand for land comes from the popularity of developed industrial property for purchase. In this regard our research indicates that the average yield for industrial property over the 2017 calendar year was approximately 5.8%. In this regard our research indicates that the average yield for industrial property over the 2017 calendar year was approximately 5.8%. Whilst in 2018 this fell to 5.5%. A similar trend has continued in the first half of 2019.

Before I outline what I think this means for the industrial sector, I must make the caveat that assumptions are predicated on the economy chugging along in a similar fashion to the way it has in recent years. But assuming it does stay in reasonably robust shape, an understandable conclusion is that upward rental pressure on industrial property is likely to get more pronounced in the short term. Another factor is that as there are restrictions on the supply of vacant land, the development in the short term of new industrial premises will be restrained. Undoubtedly a further supply of new industrial warehouses and workshops are being constructed as you read this, but it is questionable as to whether there will be enough construction in the short term to bring supply and demand back to a near equilibrium state.

LOCATION	SIZE SQM	RENTAL	\$/SQM
Devonport Road, Tauranga Wide frontage retail shop predominantly showroom area with pedestrian access off Devonport Road and trade and staff access via the rear at First Avenue. Premises could be reconfigured into two shops also. Includes two car parks and this could be increased to four for additional rent.	511	\$100,000	\$196.00
Devonport Road, Tauranga Great corner profile from this CBD fringe location. The premises comprise of an expansive retail showroom, staffroom plus two on site car parks. Viewing is strictly by appointment only.	698	\$89,500	\$128.00
Owens Place, Mount Maunganui Under construction, second stage. Current tenants include Hunter Furniture, Lazy Boy Store, Carpet Court and Furniture Zone. Air conditioned, lighting to lux 500 standard, interior painted and floor prepared for tenant's coverings. This space has dedicated signage which has been designed to be visible from the new Bayfair Overpass.	400	\$86,000	\$215.00
Piccadilly Arcade, Tauranga Tidy shop with high passing pedestrian traffic. Floor area could be increased to include shop next door.	48	\$21,811	\$450.00
Piccadilly Arcade, Tauranga Tidy shop with high passing pedestrian traffic. Floor area could be increased to include shop next door.	47	\$21,190	\$450.00
Red Square, Tauranga Prime Red Square location in the very best part of the CBD. The building has been upgraded to a high modern standard, with other stand-out retail businesses.	118	\$45,000	\$382.00
Sixteenth Avenue, Tauranga Single office with shared access to a meeting room, plus reception such as meet and greet. The space is consented for health related businesses, ideal for a medical consultant. Includes power and WIFI.	50	\$15,600	N/A
Te Puna Road, Tauranga Rental shown is a base rental and excludes ceilings and lighting. The shop can be constructed to turn-key format in consideration for a rental rate per sqm of \$295 net.	110	\$29,700	\$270.00
Whiore Place, Tauranga New development on corner of Whiore Place and Taurikura Drive business. Users can include larger appliances, furniture builders merchant, garden centres and the like.	941 592 561	TBA TBA TBA	TBA TBA TBA
Willow Street, Tauranga The building has undergone an internal refurbishment and is looking excellent, shared facilities.	109 136 144	\$25,267 \$32,177 \$32,357	\$232.00 \$237.00 \$225.00



LOCATION	SIZE SQM	RENTAL	\$/SQM
Aviation Avenue, Mount Maunganui Seldom found in Mount Maunganui, a good little open plan office suite all air conditioned, carpeted, including tea making facility and exclusive WC facility. Includes one car park. Rent includes rates and insurance.	60	\$15,000	\$250.00
Aviation Avenue, Mount Maunganui Perfect for merchant or wholesale outlet looking for good clean showroom space in the Mount. The space has strong business profile with plenty of street frontage. The show room is all open plan with direct pedestrian access to the front. Additional space available. Rent includes rates and insurance.	72	\$16,200	\$225.00
Alach Street, Tauranga These industrial grade office suites comprise of two inter-linked offices with shared access to a large common area and facilities. This is an ideal space for low budget office accommodation.	50 each	\$11,000 each	\$103.00
Cameron Road, Tauranga Premises is in a prominent position on Cameron Road above Warehouse Stationery. The space is refurbished and includes an open plan office, two enclosed offices, meeting room, kitchenette/staffroom and new high-wall air conditioning. Includes five on site car parks. Five more may be available at a later date for \$30 pw.	167	\$36,740	\$220.00
Cameron Road, Tauranga A brand new high spec building with basement parking available for \$20 per week per park. Access via Cameron Road. Lift and pedestrian access.	348	\$54,000	\$155.00
Cameron Road, Tauranga Older first floor space in a strong city fringe location. Pedestrian access off Cameron Road and First Avenue. The premises have a generous Cameron Road frontage. The space is in good order, carpeted, data-cabled and air conditioned. It comprises of open and enclosed office areas. Five car parks are included.	524	\$125,600	\$240.00
Chadwick Road, Tauranga An excellent suite available in the award winning Chadwick House. Includes a spacious open plan office, and a large enclosed office with cityscape views and good natural light. The space is carpeted, air conditioned and includes data cable with modern decor. Shared access to a common meeting room on ground floor. Includes two on site car parks.	50	\$12,000	\$240.00
Devonport Road, Tauranga Choice of two inner-city offices in the Goddards Centre with shared facilities.	12 14	\$2,400 \$2,880	\$200.00 \$200.00

Office space for lease

LOCATION	SIZE SQM	RENTAL	\$/SQM
Devonport Road, Tauranga This first floor office space was seismic strengthened in 2015. One car park goes with this tenancy.	77	\$20,700	\$268.00
Devonport Road, Tauranga This suite has a good quality office fit-out in place including individual offices and meeting rooms. The suite has its own kitchenette and shared service facilities, all air conditioned and carpeted. Car parks available by negotiation.	205	\$50,000	\$244.00
Devonport Road, Tauranga First floor rear tenancy, all open plan with kitchen and service facilities. Former gym with infrastructure still in-situ. Cassette air conditioned and there is parking at the rear by negotiation.	211	TBA	TBA
Durham Street, Tauranga This space can be refurbished to suit and includes shared facilities with shower. Parking including.	157	\$30,687	\$195.00
Durham Street, Tauranga This space can be refurbished to suit and includes shared facilities with shower. Configured as a mix of open and enclosed spaces with meeting room.	310	\$65,135	\$210.00

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LOCATION	SIZE SQM	RENTAL	\$/SQM
<p>Fraser Street, Tauranga Very smart conversion with five offices including an open office. There are four designated car parks on site including two covered car parks. Very well appointed air conditioned premises in a very high demand location.</p>	166	\$33,500	\$202.00
<p>Fraser Street, Tauranga This premises is positioned close to warehouse stationery and other keynote business entities. The space is air conditioned, mostly open plan and serviced by pedestrian and elevator access. Very smart space which can be configured to suit tenant's requirements. Rent to be assessed based on fit-out required.</p>	710	BY NEG	BY NEG
<p>Grey Street, Tauranga Predominantly open plan plus one enclosed office, meeting room, kitchen, dual facilities. Air-conditioned, alarmed and data-cabled. Semi furnished with desks and meeting room table. Two parking buildings nearby.</p>	136	\$25,821	\$190.00
<p>Grey Street, Tauranga Level one, two and three (same specifications on each floor): South British House has been completely refurbished to an a-grade office space and seismic strengthened. There are 35 car parks available in the adjoining parking building. Each tenancy is air conditioned, carpeted and includes new lighting. The common service facilities include storage lockers, bike storage, tiled bathrooms and a shower block. Each floor has pedestrian and dual elevator access. Available as a full floor or individual suites as stated. Rent includes rates and insurance.</p>	115 160 260	\$28,750 \$40,000 \$65,000	\$250 \$250 \$250
<p>Grey Street, Tauranga This premises is a fully refurbished office suite located on the first floor. The premises comprises of an open plan office area, meeting room and one car park. This suite has been upgraded to an A-grade standard, access is off the main corridor plan on file.</p>	127	\$30,525	\$241.00
<p>Grey Street, Tauranga A premium office suite located on the first floor with direct exposure to Grey Street. Comprises of three enclosed offices, meeting room with sliding divider, own tea-making facility and one car park. Annual rent includes new carpet.</p>	170	\$40,966	\$241.00
<p>Grey Street, Tauranga This premises is located in a single level building, is fully air conditioned and is one of the few modern building located in the Tauranga CBD. There is wide street frontage with electrically actuated pedestrian doors. Every conceivable amount of maintenance has just been completed on this property, including re-screwing of roof, painting inside and out, air conditioning service and upgrade, led lighting, new carpet tiles, new ceiling tiles, re-sealing of car parks, new rear roller door, new facade. Includes seven parks.</p>	589	\$130,000	\$220.00

Time for a change? Changing the Trustees of your Trust

By Brittany Ivil, Solicitor, Holland Beckett Law

There is currently a Bill before Parliament that will amend many aspects of Trust Law contained in the Trustee Act of 1956. The amendments are likely to come into force in 2019. In anticipation of the overhaul of Trust Law it is a good time to consider whether the current trustees of your Trust are still the best people for the role.

There are various circumstances which may cause you to consider changing a trustee:

- **Change in Circumstances** - A change in a trustee's personal circumstances can have a direct impact on Trust management. For example, depending on how active your Trust is, a trustee moving overseas creates a geographical barrier that can transform into an administrative circus. With the increasing compliance obligations there are more and more documents for trustees to sign in accordance with specific witnessing requirements, so needing documents to be signed overseas is an added administration expense. In addition, having a trustee based outside of New Zealand can have significant tax implications.
- **Ageing Trustees** - A trustee displaying early signs of dementia or another long term medical illness should not be taken lightly. Trust Deeds typically direct that all decisions must be unanimous. If a trustee is deemed to have lost mental capacity then unanimous decisions are no longer possible. A mentally incapacitated trustee cannot sign any documentation, including Agreements for Sale and Purchase of Real Estate and even a Deed of Retirement of Trustee to enable them to be removed from Trust property. It is advisable to retire a trustee that falls into this category before they lose their mental capacity. Otherwise, an application to the Court is the only way in which you can remove the trustee and enable the Trust to continue to operate. This is a costly process that can take a number of months. It is important to note that while Enduring Powers of Attorney are very useful documents for dealing with a person's affairs, they cannot be used for removing a trustee from a Trust.
- **Adult Beneficiaries** - The beneficiaries of your Trust may be your children who are now adults. Perhaps it is suitable for a particular child or children to play a role in the administration of the Trust. It is common for settlors (holding the power of appointment of trustees) to appoint their adult children as replacement trustees in their Will if the Trust is to operate beyond their passing. However, involving your adult children in the Trust during your lifetime could be a beneficial learning experience and lighten the load on other trustees, rather than waiting until your death to thrust the new-found duty upon them.
- **Professional Trustees** - A professional trustee's retirement from accounting or law may be on the cards or you have moved your Trust's affairs to a new firm. Appointing a new professional trustee or a trustee company could be a prudent change and is often easier to do while your existing independent trustee is still around and able to sign documents.

A change in trusteeship is usually formalised by a Deed of Retirement and Appointment of Trustees to be signed by the retiring, continuing and new trustees. Once the deed is signed, it can then be used as the base document to implement the change of ownership of the Trust's assets. This could include real estate, shares and other investments. Bank accounts and insurance policies also have to be updated.

Changing the trustees of your Trust is not a two minute task, however, it is a process that enables the smooth operation of your Trust which ultimately benefits all involved. Holland Beckett Law can guide you through the process. Please do not hesitate to contact us if you have any queries.

Disclaimer: This article is general in nature and should not be treated as professional advice.

LOCATION	SIZE SQM	RENTAL	\$/SQM
Hamilton Street, Tauranga Settler style premises near new and well located in the city fringe area. There is a mix of open and enclosed areas with estuary and cityscape views. Includes 13 on site car parks.	500	\$150,000	\$300.00
Maunganui Road, Mount Maunganui This premises is right in the heart of down town Mount Maunganui. It is an expansive office suite with pedestrian access from Maunganui Road and the rear parking precinct via the service lane. The space is air conditioned, data-cabled and configured into multiple offices of variable sizes. 12 car parks are included. More car parks could be made available for additional rent.	420	\$71,373	\$170.00

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HOLLAND BECKETT
LAW

Office space for lease

LOCATION	SIZE SQM	RENTAL	\$/SQM
Owens Place, Tauranga This premises comprises of ground floor reception and lobby area of 40 sqm and a first floor open plan area of 143 sqm. Well located - adjacent shopping complex and Bayfair Shopping Mall.	183	\$29,500	\$161.00
Oxford Street, Te Puke Previously the Te Puke RSA building comprising predominantly of open hall space together with a commercial kitchen, service facilities and storage areas including a basement with an internal access. Being located almost in the central business area opens up multiple future business uses possibilities for the property such as offices, hospitality, back packers accommodation or early childcare facility, to name a few.	560	\$46,000	\$83.00
Sixteenth Avenue, Tauranga Single office with shared access to a meeting room plus limited reception such as meet and greet. The space is consented for health related businesses, ideal for a medical consultant.	50	\$15,340	N/A
Spring Street, Tauranga This space is open plan ground floor plus an internal mezzanine and kitchenette.	107	\$24,075	\$225.00
Spring Street, Tauranga High quality first floor office premises located on the prominent Spring Street and The Strand corner which provides stellar harbour and cityscape views. The space comprises of board room, meeting rooms and open plan office area, kitchen, passenger lift, air conditioning, sprinkler system and 8 car parks.	432	\$131,820	\$306.00
The Strand, Tauranga A rare opportunity to occupy Harbourside House and enjoy major benefits of a waterfront premises right in the CBD. The space is fully air conditioned and comprises of two open plan office areas, five enclosed offices, staffroom and four on site car parks.	152	\$37,240	\$245.00
Third Avenue West, Tauranga Completely renovated and refurbished to as new standard. Includes multiple rooms, kitchen, service facilities, all self-contained the space is zoned commercial but engineered for residential. Very good quality space in an excellent city fringe location.	117	\$25,000	\$214.00
Totara Street, Mount Maunganui Ground floor and first floor space with 9 car parks (3 more on grass verge). The preference is to lease the property to the one tenant, but the space could be split into 142 sqm of GF space for \$33,521 with 3 parks, and 169 sqm of first floor space for \$39,200 with 4 parks.	311	\$72,721	\$233.00



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We cover the whole of the Bay of Plenty region



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