

YOUR FIRST LIFESTYLE BLOCK

Guide One



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Advice & Insurance

A guide to Lifestyle Block living.

There's a lot to love about living on a Lifestyle Block.

The open spaces. The peace and quiet. The sense of community. And for many, it's a chance for your kids to grow up with plenty of space to play, learn how to care for animals, grow produce and get involved in rural communities.

But it's important you don't go into it with rose-tinted glasses. Lifestyle Blocks can be hard work—there's a reason many people jokingly call them a Life Sentence Block. You have to be prepared to wear your work shoes Monday to Friday, and your Red Bands in the weekend.

At FMG, we know the effort that goes into Lifestyle Block living, because rural life is our thing. We've been insuring people who live in rural New Zealand for over 110 years. At the same time, we've been completely immersed in the rural community, getting to know the people who live and work in the country. And it's these people who have helped us to put together this guide to Lifestyle Block living.

We've put our heads together.

With our collective knowledge, this guide aims to point out some of the watch-outs and opportunities when it comes to Lifestyle Block living. Everything from looking after your water tanks to liability cover in case your animals destroy your neighbour's crop.

At the end of the day, we've learned an awful lot that we can pass onto you to make living on a block the lifestyle you desire—avoiding the pitfalls that make you question what you're doing.

Here are some of the most important things we think you should know, and questions to ask.



How much time have you got?

A Lifestyle Block is a bigger commitment than many people first realise.

So you definitely need to know you've got the time to commit to it. Here are a few things to think about.

Firstly, looking after your pasture. You can't just sit back and admire your nice green paddocks. Keeping weeds like blackberry and gorse under control can be an ongoing job, where you need to keep on top of them with regular spraying.

Doing things by hand.

Fertilising is equally time-consuming. If you've got a block under 10 acres, it may not justify having big machinery like a tractor. So you'll have to fertilise by hand, which means spending a day walking around your paddocks with a pack on your back.

Taking care of animals takes time too. Even with a few head of cattle and a horse, when you're short of grass you might find yourself having to move electric fences every morning. Or feed out hay at night.

It doesn't matter whether you've got 20 animals or four. It's the same amount of work.

Are you financially up for it?

Like most things, there are always going to be unexpected costs. And on a Lifestyle Block, they can get pretty pricey. Here are a few things you might not have thought of.



Animal care

As Kate Brennan from lifestyleblock.co.nz points out, if you've got a sick animal, calling the vet out is an expense you have to be prepared for. Your animals may also need care such as drenching, worming, shearing and additional feed in winter, which can also add up.



Fencing

Then there's fencing to consider. You might need an electric fence unit to move stock around when grass is in short supply, or repairs to a fence if a feisty ram decides it's time to escape.



Water

Even without animals, basics like a water supply need to be factored in. If your water pump packs up, you'll need a new one straight away. Cleaning out your water tanks can be an additional cost and if you run out of water, you'll need to get a tanker in.

Do your homework before you buy.

Just like buying a home in the city, there are obvious things you'll need to check out like LIM reports, comparable prices, builders reports and so on.

But there are a few more things to be aware of with a Lifestyle Block.

Find out what was on the land before. There are many past situations that can influence the future of land use. For example, if there was sheep dipping, the land can be quite toxic, or if the pasture has been fed with too much urea it is possible for grazing animals to be harmed

or lost to nitrogen poisoning. If there was cropping or farming on the land, it's good to know what chemicals were used—especially if you're thinking of growing organic crops, as there could be residual chemicals in the ground.

Get your soil tested.

Whatever you're considering planting, we recommend you get soil tests done. You may be in the middle of a prime area for cropping or orchards, but that doesn't ensure every piece of your land is suitable. A good place to start is at Farmlands who can equip you with the tools to do a soil sample, which they'll send to laboratories to get tested. They can then decipher the report and put together a fertiliser recommendation for you.

Do some digging.


Talk to the neighbours to see if there are any concerns. You might learn that helicopters regularly fly over the neighbouring vineyard at 5 am to manage the frost in spring.

You might also find the shelter belt you were planning on planting isn't allowed by the council. Some stipulate you can't have trees taller than five metres high closer than 10 metres from the boundary, which is something worth knowing before you buy.

It's a good idea to go to lifestyleblock.co.nz and ask about the area you're thinking of moving to. They have around 2,000 people a day in their forums who might be able to shed some light on your piece of paradise.

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What about water and sewage?

When you're on town supply, you take basics like water and sewage for granted. But these are things you'll probably need to look after yourself on a Lifestyle Block.

It's valuable to know the source of your water supply when living in the country as more often than not, you'll need water tanks. And you'll probably need your own sewage system, which means having a septic tank, pumps and a drainage system. True, you won't be paying rates for water and sewage, but both can be expensive to maintain.

Keep your water clean.

You need a filtration system on your water tanks and they need to be kept clean. For some people, crickets are a nightmare, filling their tank and then slowly decomposing. So filters are a must. It is important to make sure your gutters are clear so 'unwanted items' don't end up in your tanks. And check if you need to get water tanks cleaned out, and how regularly, as this can cost around \$600.

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Don't be a skeptic about septics.

Septic tanks are great, but they do need to be serviced regularly. Depending on your particular system, a cleanout and service can cost about \$1,000. Some systems even need servicing a few times a year. If you're moving into an older property check your septic tanks are up to code. One Lifestyle Block owner we spoke to spent around \$20,000 on a new septic tank.

If you inherit water troughs that spring a leak, you could lose valuable water or it may lead to an empty tank. Fixing leaks and buying water is money down the drain, but you might find a Lifestyle Block that has a creek you can pump water from for your troughs.

A word from the wise.

Lianne Master from Property Brokers sees her fair share of Lifestyle Blocks every year, so knows only too well about water options.

"Some properties have a well for water instead of tanks. And it's not uncommon for several properties to share the water from the one well. Sometimes that can be up to 14 properties. If this is the case, make sure you know what rules have been laid down. For instance, you might be charged an annual fee if the well isn't on your land.

There are also areas in New Zealand that are on a water scheme. So water is dripped into your tank at about 1,000 litres a day. There's a charge to join the water scheme, but it means you're not reliant on the rain to keep your tank full."

Find out who your neighbours are.



It's worth finding out who your neighbours are and what they do.

If you like the quiet life, find out what type of noise you will be living with day and night.

It may involve someone switching on the lights of the milking shed early in the morning, or the neighbour's kids who like to ride trail bikes. Find out before you move in.

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Factor in the extra cost of commuting.

It pays to think about the extra travel time you might have on a Lifestyle Block.

If you're planning to head into town regularly (especially if you continue to work in town as many lifestylers do) make sure you check out the cost and convenience of the extra travel. Is the commute bearable at peak traffic times or can you commute off-peak?

And if you have children, check out the distance to local schools. You may find the transport to and from school or work each day (as well as trips for afterschool activities and the extra drive for supplies) can easily mean extra spending at the fuel pump and wear and tear on your vehicles.



Sizing things up.

Many Lifestyle Blocks being sold are around two acres or 8000 sqm, which might seem like a lot of land when you've moved from 750 sqm in the city.

But if you're planning on having animals on your block, make sure you check that the land size is large enough to sustain them. Also, when animals are not keeping the grass down, you're left having to mow it yourself—which can be a daunting job every weekend unless you invest in a ride-on. As you can imagine, a three-hour job with a push mower can be accomplished in half an hour with a ride-on.

There are plenty of other things to check, as Bill Milham from Farmlands points out. “Make sure you do your due diligence. Check out if there are covenants, if you can subdivide, and if there are easements such as a shared driveway. There may even be restrictions on leasing out spare land for grazing.”

What's the ideal size?

Most people recommend from 5 to 10 acres as a manageable size to start the lifestyle journey. With 10 acres, you could

typically have a few cattle and a dozen or so sheep. To be sure of the number of stock animals you put on your land, it's worth getting advice from a stock agent in your area.

Also, make sure there's adequate water for your animals. And check with the council to see if you can irrigate your land as it varies from district to district.

Before you buy.

If you're buying a larger piece of land with future plans to subdivide, talk to the local council first. It's not uncommon for subdividing to be against the rules. Better to find out sooner than later.

Yvonne Forlong, a Lifestyle Consultant from Farmlands, has another piece of advice when you're buying your land. “Check to see if the Lifestyle Block is currently a tax-registered business. If it is, the vendor is likely to add GST to the selling price, which means paying an additional 15% for the property, unless you are GST registered.”

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Talk to your neighbours.



Have a chat with your neighbours and find out what it's like to live there.

Find out what they know about local schools and the community, or just ask for advice on issues you might be unsure about.

Also, find out what they're growing and what may affect them. Find out if there are any chemicals or sprays you shouldn't be using.

It can be serious stuff.

Some of the largest liability claims we've dealt with have been for spray damage. For instance, we know of lifestylers who moved in next to a vineyard, used a hormone spray and inadvertently destroyed the crop.

So we strongly advise you to meet your neighbours if you are seriously considering buying a Lifestyle Block. They may have valuable insights before you commit or make those dream plans.

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Watch where you dig.

Some people might think you can dig wherever you like in the country.

But if you've got water troughs or irrigation, just bear in mind there'll be water pipes leading to them. So if you're building, planting or putting in fence posts or irrigation, watch where you dig as a spade through a pipe can send a jet of water ten foot in the air and can soon empty a water tank.



A good place to start is
this website:
beforeudig.co.nz



Don't get burned by fires.

If you've got hedges to trim and trees to prune back, you'll often find yourself with wood to burn off.

And although lighting a fire in the middle of property can be perfectly safe with the right practices in place, there are things to watch for like sparks which can make their way into neighbouring properties. We learnt that one Lifestyle Block owner burnt down the whole hedgerow he'd only just had trimmed. Needless to say, his neighbour wasn't too happy.

If your property borders native bush or forestry blocks, the consequences can be far worse. Without Liability Insurance, you could be looking at an eye-watering bill.

Things to watch out for.

If you're undertaking a burn-off, make sure you are familiar with your district council fire plan, have a permit if needed and carry out the burn off in accordance with the permit conditions.

Keep an eye on the weather forecast, especially the wind, and clear a space at least 3 metres around the area to be burnt to prevent the fire spreading.

Monitor the fire closely while it's underway and have a supply of water and fire fighting equipment available. Also, ensure the fire is out properly as a change of wind can reignite a burn-off.



We have more advice to help you avoid rural fires and other rural risks. Check out our website at:

fmg.co.nz/advice



Why rural insurance is so essential.

The biggest area you need to be covered for is liability.

Many people assume that their domestic liability will cover them, but it simply won't. In the country, there are all kinds of things you can be liable for if you don't have the right liability cover.

Covering what you're liable for.

You need cover in case your stock wander onto the road and cause accidents. Animals can also get out and trample the neighbour's crops.

You'll need to be covered for statutory liability, which covers breaches of Parliament Acts like the Animal Welfare Act or the Resource Management Act.

It's not uncommon to have a fire to burn off wood you've trimmed back from trees and hedges. If the fire gets out of control and damages your neighbouring property (which could be buildings or trees), you're liable. Even worse, you could set fire to a forestry block or native reserve—and you wouldn't want to be liable for that.

Spraying weeds in your paddock might seem like a good idea until it drifts onto your neighbour's grapes or their organic orchard and destroys their season's harvest.

If you pollute council drains, or power poles and lines on your property become damaged, you can be held liable. This can be regardless of whether it was you who personally caused the damage. FMG provide a Liability Cover that can protect you against these unique, but only too real risks.

Covering your rural possessions.

A farm contents policy is also vital to cover those items you're not likely to have in the city. Things like electric fence units, bailed hay, fertiliser sprayers, chemicals, brush cutters and portable pumps.

And if you have farm vehicles on your property, it's likely they won't be covered on a standard vehicle policy. FMG has a special farm vehicles policy for things like quad bikes, trailers, fert spreaders, tractors, any tractor attachments, and dirt bikes.


The best way to find out the kind of cover you're likely to need is to call us on 0800 366 466 and have a chat or contact us via fmg.co.nz/lifestyle. We'll talk you through everything you need to know.



Here are a few good places to go if you want to dig deeper, or get more advice.

lifestyleblock.co.nz
farmlands.co.nz
fmg.co.nz/lifestyle
fmg.co.nz/advice
worksafe.govt.nz
beforeudig.co.nz

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