

GUIDE TO BUYING A HUT AT UPPER SELWYN HUTS

General

This hut is located at the Springston South Reserve. The reserve that the hut is located on is Department of Conservation owned land, managed by Selwyn District Council.

Hut owners at the Springston South Reserve (also known as the Upper Selwyn Huts) own their hut but not the land on which the hut is located. The land is reserve. The Selwyn District Council administers the reserve and allows hut owners by way of licence to occupy the reserve with a 'hut'. The Council levies a licence fee which covers the operating cost of the water, sewerage and reserve maintenance.

Key to the Huts being able to occupy the reserve, is the Council being able to provide a wastewater system which has a valid resource consent to allow for the treatment and discharge of the community's wastewater.

Change of Ownership

Please note that the following process is undertaken when either buying or selling a hut:

- Application for Consent to Transfer a Licence – As part of the process for the sale of the hut, the person selling the hut is required to complete and sign the transfer form, pay the transfer fee of \$50.00 and return the form to Council.
- Declaration to Accompany the Transfer – This is to be completed and signed by the person buying the hut, witnessed by a person authorised to take statutory declarations, and returned to Council.
- Deed of Licence – Council requires two copies of this which are to be signed by the person buying the hut, witnessed by a person authorised to take statutory declarations, and returned to Council.

All rates and hut licence fees are to be paid up to date at the time of settlement by the person selling the hut. This matter is usually completed by the solicitor/lawyers attending to the sale and purchase.

Once all the necessary documentation has been received by Council the new hut owner will be given a copy of the duly signed and executed Deed for their records.

Deed of Licence Renewal

Council issued information in April 2020 to each licence holder with regard to proposed changes to the 'Deed of Licence' and the 'Licence and Other Charges Fees'. Any potential purchaser of any of the huts should be made aware of the proposed changes and the current situation in relation to the tenure of the hut licence. Depending on when the transfer is to occur will depend on whether the existing licence will apply or the proposed new licence.

Further consultation with the huts community will be undertaken on the terms and conditions contained within the licence document.

The Council has signalled for a period of time that the licence period to be offered from 1 July 2020, needs to take into account the life of any resource consent that the Council receives for an upgraded wastewater plant if the plant is located on the huts reserve. Any licence period will also need to take into account the merits of the huts being located on the reserve in general. The licence expiry as at 30 June 2020 is being held over by the Council until more certainty on the best wastewater system for the community is determined. *See note below on 'Wastewater Upgrade'.*

As part of the Council's Annual Plan 2020/2021 consultation the issue of a 'bond' to cover the cost of removing dwellings in the future was considered. There were a number of submissions from hut owners on this proposal and Council agreed at that time to defer the implementation of the bond, thus reducing the proposed increase in annual hut licence fees. The issue of a 'bond' is to be considered as part of the review process of the terms and conditions of the Deed of Licence.

Licence Fee and Rates Charges

The Council as land manager charges an annual licence fee per annum for the period 1 July to 30 June in any one year. In addition the Council charges rates which varies from hut to hut. Please make any enquiry to the Council's Revenue Team.

Wastewater Upgrade

Following consideration of submissions to the Council's 2021-2031 Long Term Plan Council has agreed to go ahead with connecting the Ellesmere Wastewater Treatment Plant to the Pines Wastewater Treatment Plant in Rolleston, via a pipeline along Leeston Road. Further work is required on this project, but once this project goes ahead it will allow a connection of the Upper Selwyn Huts settlement wastewater system to the new pipeline. This may allow longer licence periods to be issued but it must be stressed that licences are very unlikely to be issued in perpetuity.

The advantage of this connection is that although this option is a similar capital cost at \$3 million to the huts reserve based option, the huts wastewater would be treated in the future at the Council's Pines site which is much better located to have longer term resource consents issued by Environment Canterbury.

Council is mindful this cost is significant and is considering options to reduce this cost.

Further information and relevant documents can be found on the Council's website at:

<https://www.selwyn.govt.nz/services/water/wastewater/upper-selwyn-huts-wastewater>

Hut Building Work/Upgrades

It is important to stress this limit on the period of a licence as Council needs to bring to the attention of all licence holders embarking on significant hut upgrades that they may never in reality extract the full cost of their upgrade cost out over the licence period. This may seem like a "technical accounting answer" to a decision to upgrade a hut but Council must bring to the attention of a licence holder the wisdom or not of such a financial decision.

The Council are keen to encourage licence holders where rebuilding their hut in a manner that any structure can be relocated/removed from the huts reserve area due to the uncertain time frame of the future of the huts being located on the reserve. Structures such as portacom buildings, relocatable cottages and similar structures built on piles should be considered so that in the event the licence to occupy the land ceases, then the hut structure could be more easily relocated than a hut with a concrete slab floor.

Whether Council would approve a total rebuild of a hut under the terms and conditions of the Deed of Licence would be a decision of full Council. Please note a total rebuild/significant upgrade of a hut has a potentially high cost for the licence holder which may not be justified by a licence holder to incur if the licence period to run is relatively short.

Any new building at the huts should involve consultation with ECAN as the property lies within an ECAN defined Flood Zone. Council building and property staff have formed a view that although the huts are not significantly sized structures, any rebuild will still need to be considered in terms of the ECAN recommendations as the structure will need to be consented and inspected by Council. This allows us to fulfil our obligations in terms of the Building Act 2004.

If considering any substantial upgrade/building work Council would encourage you to engage with our building consent team prior to lodging any consent. Any building work to be undertaken on any hut structure also requires the prior written approval from the Council's Property Team as per the clauses relating to Building Works contained in the Deed of Licence.

General Information

Other relevant general information can be found on the Council's website at:

<https://www.selwyn.govt.nz/property-And-building/rental-properties>

Should you have any further general queries please contact the Council's Property Department on (03) 3472-800 or email ContactUs@selwyn.govt.nz should you have any other queries.

This information was last updated on 17 January 2022