

LESS SPACE, MORE STYLE - TINY HOUSE LIVING MAGAZINE!

# TINY LIVING



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Less Common Toilets



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# MAXIMISE INCOME FROM YOUR BACKYARD: THE TINY HOME LEASING BOOM IN NZ

Leasing private land for someone to park a tiny home has become an increasingly popular arrangement in New Zealand. Whether you're considering this option for additional income or simply to make use of vacant space, it's crucial to understand the tax implications that come with such a decision.

## Rental Income and Tax Obligations

When you lease your land for a tiny home, this is known as a "Ground lease" and the Tiny Home would be considered a "Residential Dwelling". Please note these are just terms for tax purposes.

The income you receive is generally considered rental income. This means you may be required



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ACCOUNTING / ADVISORY

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to declare it in your annual tax return. In New Zealand, all income, including rent, is subject to taxation.

To ensure compliance with tax regulations, it's essential to keep meticulous records of all financial transactions related to the lease. This includes documenting the amount of rent received, any expenses incurred (such as maintenance or insurance costs), and keeping track of the duration of the lease.

### **Tax Deductions and Expenses**

Just as with any other rental property, you may be eligible for tax deductions on certain expenses associated with leasing your land for a tiny home. The first thing to note when leasing land for a tiny home, is some of your land is now used for generating income, and some is used for your private home and living – This means you have to “apportion” the amount of land used for private and income generation.

Expenses are important to understand because if you have to pay tax on your lease, the amount you pay tax on (Net Profit) is the Income you receive, less any associated expenses.

An easy example would be if you have 1,000sqm section of land, and 100sqm is designated as the exclusive area for the tiny home – this means 10% of your land would be “apportioned” for income generating activity.

So what does this mean for claiming expenses? You can only claim 10% of the expenses associated with leasing your land for a tiny home.

Unfortunately you will have to still declare 100% of your income, and only claim 10% of the expenses.



### **Common deductible expenses include:**

**Interest on mortgages:** If you financed the purchase of the land with a loan, the interest paid on that loan may be tax-deductible. Please note this is subject to interest deductibility laws and you should always consult a tax professional to determine how they affect your property.

**Insurance Costs:** Premiums paid for insuring the property can typically be claimed as a deduction.

**Maintenance and Repairs:** Expenses related to maintaining the property, such as repair work, or pest control, may be eligible for tax deductions.

**Rates:** Local council rates are generally deductible.

**Legal and Professional Fees:** Any fees paid to professionals, such as legal or accounting services related to the leasing arrangement, can usually be claimed as a deduction.



It's important to note that the deductibility of these expenses can vary, and specific conditions may apply. Consulting with a tax professional can help ensure you're maximising your eligible deductions while staying compliant with tax regulations.

**Goods and Services Tax (GST)**

A residential lease is considered an exempt activity for GST purposes, however you may fall into the GST regime if:

1. You treat your lease as an "Air BnB" type arrangement – similar to how a holiday park allows caravans and tents to pay for leasing land on a short term basis. This may constitute commercial income.
2. The income you generate from this activity is greater than \$60k.
3. If option 1 applies, The land is owned by a GST registered entity.

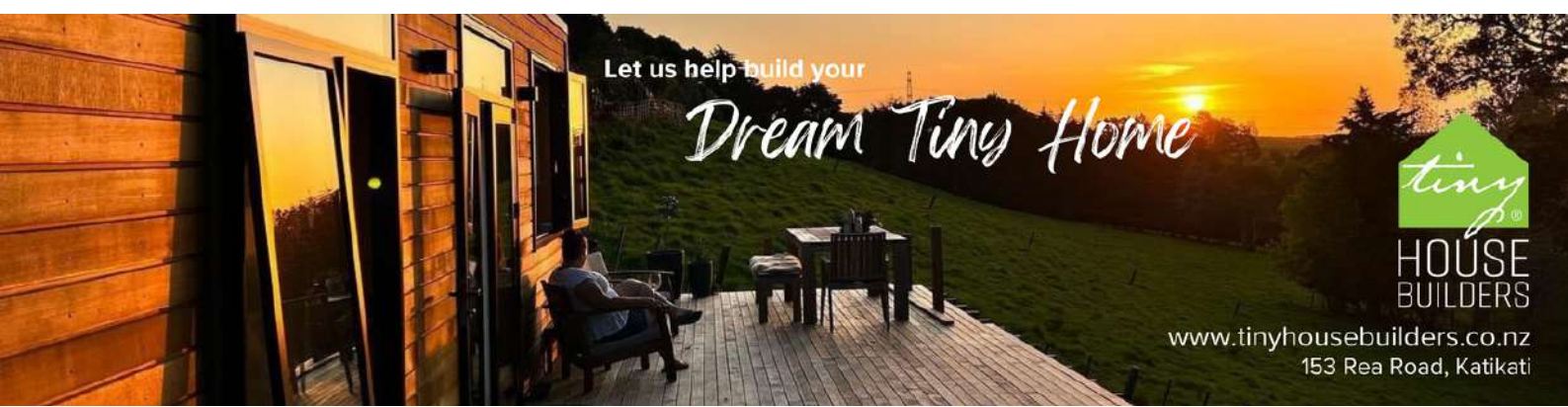
Registering for GST means you will need to charge GST on the rental payments you receive.

On the flip side, you can also claim GST credits for any expenses related to the leasing activity. It's crucial to keep detailed records of all income and expenses to facilitate accurate GST reporting.

**Capital Gains Tax (CGT)**

Although I won't go into detail about a CGT - Please ensure you speak to a professional to understand any risk you may have with a potential CGT if you sell the property at a later date.

So to wrap it up, leasing your private land for a tiny home can be a rewarding venture, both socially and financially. However, navigating the tax implications is crucial to ensure compliance with New Zealand tax laws. Keep detailed records of all financial transactions, consult a tax professional to understand your specific situation, and stay informed about any changes in tax regulations that may affect your leasing arrangement. By doing so, you can enjoy the benefits of your venture while minimising potential tax-related issues.



# TINY LIVING, GRAND IMPACT

## Rory and Paulette's Off-Grid Life in a Tiny House



*Author:*

**Rachel Simpson**

GridFree Marketing Manager



Avoiding a large mortgage and a bigger impact on the planet were major drivers for Rory and Paulette when they decided to live tiny in the rural Waikato. What they didn't expect was the opportunity it would offer to be much closer to their family. I sat down with them to chat more about their move to tiny living and how they're finding it.

Rory and Paulette had been living with Paulette's mother, Julie, while they built their tiny house, and when they moved onto their land, she followed in her own tiny house! "Julie had a big fancy house and decided, "Na, this isn't the way to live." She needed somewhere to live after she sold up, so it just worked, and she loves it."

Rory mentioned that it was also a way for him to help out his younger brother, Ryan, in a tough property market. "He'd been trying to get on the property ladder for ages, but renting and trying to save for a home just doesn't work anymore. So he bought a tiny house and now he's here too, and maybe he'll buy some land one day - but until then he's got somewhere he can live and we can help him out."

"It's also been a great experience for the kids to have family so close. My daughter can go to mum's for the day, overnight, even for an hour. And my niece is here so they get to play together as well. Having Nana here is awesome for them, and she loves it as well, because she gets a lot more time with her grandchildren than she usually would, and so do we."

They agreed that moving tiny also helped them simplify their lives and adopt a more self-sufficient way of living. "It has given us a huge opportunity, realizing what we don't need in life, that you can manage quite easily in a small situation and you're not adding to that consumerism out there."

Paulette mentioned that she had reservations initially, but quickly embraced it: "I came from town, so moving to rural was a big step and a big transition, but there's no way I'd be going back. I think we're all a bit more tied to the land like doing things to sustain ourselves."

That decision to become more independent and self-sufficient also guided their decision regarding power in the



tiny homes. "We chose to go off-grid because of the lifestyle we wanted to live - we wanted to disconnect from the daily grind, get rid of the power bill, and simplify life. We've got Julie and Ryan both with the same solar power system."

"We went with GridFree because they're off-grid specific. Other companies are mainly grid-tied so knowing that's GridFree's focus gave us confidence that the kit would be fit for purpose. We purchased a Freedom Kit for our tiny and so did Julie and Ryan. As far as install goes, it was very straightforward. Looking through the instructions from GridFree- it's easy."

When I asked about their overall experience with GridFree, Rory and Paulette said they were big fans. "Our whole experience with GridFree has been great. I mean, it was easy to make contact and get the information we needed. The kit arrived in good condition, the support's been great- I have asked lots of questions! Yeah, we couldn't ask



for better really. GridFree is definitely that company that we're recommending because it's so easy. If we were to purchase a solar kit again, I don't think we would do anything different. It does everything we need it to."

Many people have concerns about whether solar power is appropriate for them, but Rory and Paulette said that it goes hand in hand with the move into tiny living. "I think adapting to solar has been pretty easy for us, ay? Cos we kind of thought about it beforehand and figured out our needs, we didn't just take our household and be like 'oh let's just run everything on solar.' It's like - let's change our household and get the solar system to suit."

Rory and Paulette are big advocates for this lifestyle. "I think the best part of being off-grid and living tiny is just the freedom. Both the financial and physical freedom to do what we want and that we can share this with our family. Our minimal footprint on the earth, just being who we want to be- and hopefully that's an inspiration to others to live this kind of life. It is possible! You can do it!"





# IS BIGGER ACTUALLY BETTER?

## 9 REVELATIONS ABOUT NZ'S TINY HOUSE MOVEMENT!

*By Sharla May*  
*Tiny House Hub*

In an era marked by soaring living costs, an unexpected solution is emerging from the heart of New Zealand—the Tiny House Movement. Amidst the backdrop of skyrocketing mortgage rates and rent prices, an increasing number of New Zealanders are embracing tiny houses, not only as a lifestyle choice but as a financially prudent path to a more contented life. The tiny house community has seen a significant demographic transformation too, with a remarkable 58% of people living in tiny houses aged 45 and above, reflecting a broader societal shift towards downsizing into more affordable housing.

### **Breaking Stereotypes: A Diverse Community Embraces Tiny Living**

The Tiny House Movement is defying stereotypes, proving that it's not solely the domain of the young and unconventional. This burgeoning community spans a wide demographic spectrum, from young professionals to retirees, single parents to contemporary families, each discovering unique advantages in the world of tiny living.

### **Single Parents Embracing Simplicity:**

For single parents, tiny living offers a financial lifeline with reduced utility costs and minimal maintenance. The intimate setting of a tiny home nurtures stronger bonds with their children, creating a supportive and adaptable environment.

### **Active Retirees Reinventing Their Golden Years:**

Active retirees are increasingly drawn to tiny houses, seeking a lifestyle that aligns with their pursuit of adventure and freedom. Downsizing liberates their time and finances, allowing them to savor retirement without the burdens of a traditional home. We have seen a huge change in demand for more single-level tiny homes for this demographic.

### **Solo Retirees Finding New Beginnings:**

For solo retirees, often facing their retirement years without a nest egg due to relationship separation or bereavement, tiny homes provide an affordable option to keep their independence and to live in a home that is low maintenance and affordable, alleviating financial burdens and fostering a sense of community.



**Modern Families Prioritising Connection Over Size:**

In contrast to the fast-paced consumerist lifestyle, many families are opting for tiny houses. This choice allows them to focus on quality time and environmental responsibility while alleviating financial pressures. And as the family grows over time, we have seen families adapt their living space by adding on additional cabins next to the tiny house.

**Young Professionals Making Strategic Choices:**

Young professionals view tiny living as an affordable stepping stone towards homeownership, offering financial flexibility and

an efficient lifestyle that resonates with their ecological values.

**Whānau on Iwi Land Honouring Heritage:**

For those residing on Iwi land, tiny houses embody values of sustainability and cultural connectedness, providing an affordable housing solution while preserving ties to their ancestral land.

**Travellers Seeking a Steady Base:**

For frequent travellers, a tiny home on wheels offers an ideal blend of stability and adaptability, enabling exploration without the constraints and lots of maintenance of a larger traditional home.



Custom-designed cabins

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### **Environmentalists Practicing Their Principles:**

Environmentalists are drawn to tiny living for its minimal environmental footprint, aligning with their commitment to resource conservation and sustainable living.

### **Astute Investors Recognising Potential:**

Recognising the growing demand for unique travel experiences, investors see tiny houses as a lucrative opportunity in eco-tourism and sustainable accommodation.

### **The Tiny Solution to Enormous Challenges**

In the midst of the financial challenges faced by Kiwis, tiny houses stand out as a ray of hope. They encompass not just places to live but rather represent a lifestyle that offers financial freedom,

fosters stronger community bonds, and embodies sustainable living. This movement underscores the idea that embracing a smaller ecological footprint can lead to a more enriching and fulfilling life, marking a remarkable transformation within the housing sector. It provides a tangible and pragmatic response to the pressing issues of affordability and sustainability.

As New Zealand grapples with its housing crisis, the Tiny House Movement emerges as a symbol of innovation and adaptability. It transcends fleeting trends, offering a practical and impactful solution to the economic challenges of contemporary living. Tiny houses are reshaping our understanding of what constitutes a home, highlighting that life's most precious treasures often come in compact packages.





# ESCAPE THE COST OF LIVING CRISIS: LEARN HOW THIS KIWI COUPLE FOUND BLISS IN A BUDGET-FRIENDLY, OFF-GRID TINY HOME!

*By Sharla May  
Tiny House Hub*

As New Zealand grapples with a growing cost of living crisis, one couple, Aimi and Olly, accompanied by their dog Sephy, have charted a course that could inspire many. Transitioning from traditional housing to a tiny, off-grid home, they have unlocked a pathway to financial freedom and a minimalist lifestyle. Their story is not just about scaling down but about reimagining life in a time of economic uncertainty.

## **The Drive to Downsize**

For Aimi and Olly, the decision to embrace tiny living was propelled by a desire for independence and mobility, fueled by years of battling with rentals and restrictive landlords. The couple was no stranger to compact living, having traveled extensively and lived in small spaces. The lure of a debt-free existence was a compelling factor in their decision to go tiny.

## **Financial Strategy and Execution**

Their journey began on a foundation of careful



financial planning and saving. Determined to build their tiny house within a budget, they spent less than \$35,000, a feat achieved through meticulous sourcing of secondhand materials and Olly's hands-on work. A notable bargain was the acquisition of lithium iron phosphate batteries from an America's Cup boat, a testament to their resourcefulness.



### Lifestyle Evolution

The transition to tiny living was smoother than anticipated, with the couple already accustomed to living with fewer belongings. Learning to live off-grid presented new challenges, particularly in energy usage, but Olly's childhood experience in an off-grid home eased the process. The balance between the constraints and freedoms of their new lifestyle spurred a deeper embrace of minimalism.

### Designing a Tiny Dream

Their tiny house, a product of Aimi's design and Olly's construction skills, epitomises affordability, mobility, and simplicity. Built from freezer panels and covered in vinyl cladding, their home reflects careful consideration of their needs and a focus on practicality.

### Experiencing the Benefits

Their tiny house journey has surpassed expectations, offering them an unparalleled sense of freedom. Living in scenic locales like Queenstown and Wanaka at modest costs, their story highlights the potential of tiny living to align financial goals with a quality lifestyle.





### Navigating Today's Economic Climate

In the current economic environment, Aimi and Olly's experience stands as a beacon of hope. They advise those considering tiny living to thoroughly research and understand the lifestyle's financial implications, emphasizing the importance of navigating local regulations.

### Impact on Quality of Life

Their quality of life has significantly improved in their tiny home. They have become part of a community that has reshaped their view on housing and lifestyle. The tiny house has positively impacted their personal relationships and self-awareness, fostering a greater appreciation for what truly matters.

### Environmental and Personal Growth

The environmental benefits of their tiny home, especially its off-grid features, have added to the appeal. The couple cherishes the self-sufficiency and reduced ecological footprint that come with solar power and composting toilets.

### A Sustainable Future

Aimi and Olly believe in the sustainability of the tiny house movement as an affordable housing alternative. They plan to continue this lifestyle until their dream home in Central Otago is built,

viewing their tiny house as a symbol of their journey and values.

Aimi, a GP, and Olly, a paramedic, have demonstrated that a fulfilling life does not necessitate large spaces or excessive possessions. Their experience in the tiny house, the longest they have lived in one place since childhood, illustrates a life of simplicity, financial prudence, and deep connection with nature. Their story serves as an inspiration for those dreaming of a less encumbered life, rooted in freedom and simplicity, amidst New Zealand's current financial challenges.

Are you living in a tiny house? We'd love to feature your story in an upcoming issue!

[Tell your story.](#)

# TINY TOILET TALK

*The Finale*



## TINY HOUSE HUB INFO GUIDE

### Part 5: Less Common Toilets

If you have ever been out for a drink with a few tiny house owners and enthusiasts, you know it's only a matter of time before the toilet topic comes up. "Which one do you have?", "How is it working for you?" and "Have you heard of this or that new toilet?" are common questions whenever tiny house people come together – and it's often one of the biggest and most daunting questions faced by those considering going tiny.

But fear not. We're here to help. Over the following five issues of the Tiny Living Magazine, we will take a closer look at the different toilet options and their pros and cons. We will cover:

- Composting toilets
- Incinerating toilets
- Cassette toilets
- Standard flush toilets
- Other, less common options

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If none of the above options feels suitable for you, you might be glad to hear that there are others. They are less common – and, as such, less proven. However, you might want to investigate one or several of these options further to see if they could be the winning toilet for you.

## DRY FLUSH ELECTRIC TOILETS

Electric dry flush toilets, such as the new Laveo by Dry Flush, utilise a self-contained system that requires no water or plumbing connections. Instead, it employs a patented sealing technology combined with disposable cartridges. When activated, the toilet seals the waste inside a biodegradable bag within the cartridge, eliminating odours and containing the waste until it is ready for disposal. With a simple push of a button, the system hygienically wraps the waste, making it clean and hassle-free.

While this system is relatively new and hasn't been proven in New Zealand, internationally, many tiny house people are raving about it. However, it's not without its issues. A big one is cost – especially the ongoing cost of the required cartridges. Nevertheless, this might be an option worth looking into.

## MACERATING TOILETS

Macerating toilets are very similar to standard flush toilets, with the addition of a powerful macerator pump that finely grinds waste into a slurry-like consistency. This slurry is then transported through small pipes to a designated waste outlet. Due to grinding the waste down, macerating toilets work with much smaller pipes than a standard flush toilet which is beneficial in tiny houses. In addition, they are much easier on older or smaller-scale septic systems than traditional flush toilets.

However, macerating toilets require both full plumbing and an electrical hook-up. As such, they

come with much the same limitation as flushing toilets and are unsuitable for most off-grid tiny homes. However, if you plan to connect your tiny house to a septic system, a macerating toilet is great due to smaller pipes and for reducing the impact of more people on the systems.

## BIOGAS DIGESTER TOILETS

Biogas digester toilets offer a sustainable waste management solution for tiny houses by utilising anaerobic digestion to generate biogas. These toilets collect human waste in a sealed chamber, where bacteria break it down and produce methane gas, which can be captured and used as a renewable energy source. The biogas can be used for cooking, heating, or generating electricity. However, there are limitations. The installation and maintenance of a biogas digester system is complex. Furthermore, sufficient outdoor space is needed for the digester unit, and compliance with local regulations and safety measures is crucial.

As you can see, there are several different toilet options for tiny house dwellers, all with their individual advantages and disadvantages. Which is right for you depends on your situation and preference.

Whichever option sounds best to you, make sure you refer back to our list of considerations at the beginning of this guide before making any commitments to ensure the toilet will work for you, your tiny house and the land you're living on.

It's also worth noting that there is quite a bit of innovation and development happening in this space, so who knows what other toilet options might be available to us in the future.

**Head on over to the [Tiny House Hub](#) and download the full Guide; [Which Toilet is Best for Your Tiny House?](#)**

## Wondering how to find land for your tiny house or motorhome?

Landshare: New Zealand's online directory connecting tiny house owners and land owners.



**NEW**

## LAND FOR LEASE



Land Lease Opportunity for Tiny House in **Kaiwaka, Northland**



 [Click here to view the full listing](#)

 \$220 per week

- **Available:** Now
- **Site foundation:** Lawn
- **Driveway:** 500m driveway
- **Water connection:** Yes
- **Power connection:** Yes
- **Off-street parking:** Yes
- **Pets:** Yes
- **Child Friendly:** Yes
- **Smokers:** Yes
- **WiFi connection:** No
- **Private location:** No

**KAIWAKA**

Journey just north of Auckland to Kaiwaka. Take your choice of spots to park to your Tiny Home on this picturesque lifestyle block. Just 9 minutes drive from Kaiwaka township and state highway 1, you can enjoy the luxury of country living while still having easy access to modern conveniences. Enjoy the peace and quiet of rural Northland with only a few cows and chickens as your neighbours. Power connection can be supplied at an additional cost.

NEW

## LOOKING FOR LAND

Robyn, Jack And Frankie's Southland Haven in Dunedin, Otago



 [Click here to view the full listing](#)



DUNEDIN

### Looking for:

- **Power connection:** Yes
- **Water connection:** No
- **Off-street Parking:** No
- **Pet Friendly:** Yes
- **Child Friendly:** No
- **Smokers:** No
- **WiFi Connection:** No
- **Private Location:** No

Meet Robyn and Jack, and their best mate Frankie (pictured above). Yearning for the coastal walks and postcard beaches, this family is looking for a plot of land in Dunedin to call home. With their Tiny House build currently in the works, they plan to be moved in around June, 2024. Frankie is a small fellow who is exceptionally well-mannered and is not one to bark.



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