

Methamphetamine and the Hawke' Bay Housing Market

“New projects are being targeted in Hawke’s Bay to help crack a methamphetamine problem which could be one of the worst in Australasia. While calculating the scale of use of “P” is anecdotal, some indication of the problem has come in police statistics which show a trend towards a possible quadrupling of the numbers being prosecuted in the region” New Plans to tackle meth crisis in Hawke’s Bay - HB Today, November 19 2016.

Methamphetamine, ‘crystal meth’, ‘meth’, or ‘P’ is a Class A controlled substance under the Misuse of Drugs Act 1978. This classification means meth attracts the highest penalties for manufacture, trafficking, sale and use. However, nationally, a lack of guidelines exists regarding meth contamination in the property profession. Professionals are learning as they go and creating guidelines to help identify and deal with the meth problem.

The guidelines produced by the Ministry of Health (MoH) in 2010 were recently revised in October 2016 and recommendations now define post decontamination levels based on whether meth contamination is due to the use of methamphetamine or due to the manufacture of methamphetamine: Where manufacture has occurred, the revised post decontamination recommendation remains at $0.5\mu\text{g}/100\text{ cm}^2$ (individual sample);

Where use alone has occurred, the revised post decontamination recommendations are; $2.0\mu\text{g}/100\text{ cm}^2$ uncarpeted properties (individual sample); $1.5\mu\text{g}/100\text{ cm}^2$ carpeted properties (individual sample). The extent to which these October 2016 MoH recommendations are to be considered acceptable, will be determined by the local Council for the area in which the property is located



Meth harms via contact as it is a crystal that vaporises when heated, as in smoking. The vapour clings to surfaces and reforms as crystals. People who encounter these surfaces can ingest the meth through their skin or by touching contaminated surfaces then touching their mouth, nose or eyes.

Short-term effects from exposure to meth include rashes, headaches, nausea, dizziness, fatigue, shortness of breath, and burning to eyes, skin, mouth and nose. Longer-term exposure can lead to cancer; brain, kidney and liver damage; miscarriage and birth defects.

Identifying Meth Use and Manufacture in Properties

We understand property managers and real estate agents are now getting regular requests from prospective tenants and buyers for ‘meth clear’ properties. This testing is fast becoming standard as part of the sale and purchase process.

Meth testing between tenants is the only way to establish a) a baseline level and b) liability against a tenant in the event of contamination being identified in the future. Regular testing will allow marketing the property as ‘meth clear’ and will therefore ensure

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quality tenants are attracted. Meth testing will also act as a deterrent to meth users who will not want to be held liable for any contamination damage at the end of their tenancy. Indicators of people manufacturing or using meth include:

- Chemical odours and dead vegetation around a section;
- An increase in visitors, combined with houses being outfitted with elaborate CCTV systems;
- Visible stains on curtains, walls and ceilings;
- Waste material including empty medicine packaging, paint thinner containers and coffee filters with white or red powdery substances; and
- Residential tenants who pay with cash only.

Meth testing businesses have become more common and rates for owners for an initial 'base line' test for an average three-bedroom house will cost between \$160 to \$200. This test will give a composite reading of all the samples taken (usually 8 in an average house) and is required to be under the MoH guidelines. The results typically take seven days from the date the sample is taken. Following this test, a quantitative test may be required. A quantitative test will determine the levels of contamination and which rooms or areas of the dwelling require

remedial work. These tests cost about \$900 and can be completed only by an independent accredited laboratory.

Whilst most property owners have insurance, owners should be aware of what their insurance policy will cover for meth contamination. The insurance industry is also in a steep learning curve as more and more properties are being tested. The amount of cover by companies and policies vary greatly. There are large variations in the amount of cover offered by different companies and policies.

Does Contamination Affect House Sales?

So how do prospective purchasers know if a house has been contaminated with meth? There is no requirement for an owner to report meth contamination to a third party like the local council. Under normal market conditions, if a remediated house goes on the open market for sale, it could be tainted.

Some prospective purchasers will be uncomfortable with the thought the house was previously contaminated. Once aware of this issue, a prospective purchaser may lose interest in the property or may have a lower expectation of the market value. For others, it may not be an issue if a confirmation test is provided.

Currently, we have yet to see how the market will react to homes that have been contaminated with meth as there

has been insufficient sales evidence to provide any indication. We believe it will be very difficult to identify one single issue like past contamination, as properties have many differing features. The nature of these features will dictate what priority prospective purchasers place upon them.

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