



LIBERTY *Matters*

NEWSLETTER OF LIBERTY TRUST

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Greetings in the wonderful name of Jesus. A big welcome to new members who have recently joined us from Wellington, Auckland, Hamilton, Porirua, Taupo, Tauranga & a family temporarily in Australia. Remember that we are currently offering a \$100 contribution reward to those who are able to encourage their friends and family to join in the Liberty Trust journey. So don't be shy, let your friends, family, home-group, youth group, church and neighbours know that they don't have to go alone. By pooling resources with others in Liberty Trust you follow Bible principles, help yourselves and others into homes and are part of building a storehouse for future generations. For more info or brochures just give us a call.

Dear Liberty Trust family,

Almost all New Zealanders would love to live in their own homes. There are so many advantages in doing so. Firstly, many renters feel powerless. They are often unable to modify their home to suit their family, or even plant fruit trees, and must endure frequent property inspections and the fear that they may be asked to uproot and move on. They may also feel powerless because rents can be increased beyond what they can afford.

We recently received an email from a member in Christchurch reporting that their rent has increased from \$360 to \$490 per week since the earthquakes. They feel under stress from the high rent and their reduced earning potential as they reach their latter years. But fortunately they have joined Liberty Trust and are looking forward to being offered an interest free loan to purchase their own property. We would ask for your prayers for these ones and all others in similar situations.

A recent NZ Herald article 'High rents hit home for Aussies' reported that about one in every six Australians cannot afford to rent a home. What are they to do then? Anglicare in Australia says that renting a home is now all but impossible for anyone living on government benefits. A graphical analysis of the rising cost of renting in New Zealand can be found at www.interest.co.nz/property/rent-or-buy. →



Kelvin Deal
Chairman

It is for good reason that Proverbs 22 v 7 warns: "The rich rule over the poor, and the borrower is servant to the lender." When borrowing someone else's home so much is beyond the borrower's control.

For many years the cost of purchasing a home has also been increasing throughout New Zealand. This is of benefit to those who have already made the sacrifices and managed to purchase a property, because they are likely to have seen their house rise much faster than their after-tax income. A Liberty Trust supporter shared with us "We bought our farm in 1976 for \$176,000, and sold it in 2008, after clear guidance from the Lord, for \$3,400,000. This has enabled us to establish a significant giving ministry, by God's grace, enabling us to give away about half what we earn each year. Our boast is in the Lord for this."

Sociologists tell us ownership also brings freedom and satisfaction to create one's home and garden, greater fulfillment and independence, and leads to better outcomes for marriages, and children of such homes have improved stability and self-esteem. Ownership also gives opportunity to commence a business, using the home as security for the loan (if you are careful). Furthermore there is an improved community spirit in an area of owner-occupiers, and a sense of pride and belonging and contributing into that community. You can see it in the attractiveness of their homes and gardens.

Economists tell us that nowhere in the Western world is the gap between rich and poor growing so quickly as in New Zealand, and that the defining line between rich and poor is becoming 'ownership of a home'.

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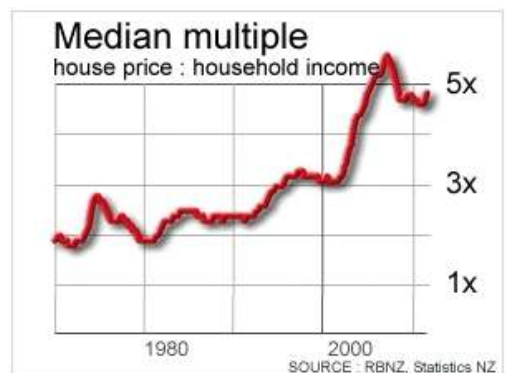
Due to the absence of a capital gains tax on profits on investment properties, many New Zealanders (and some astute overseas investors) have moved to exploit a loophole in our taxation policy that overseas countries plugged years ago.

As a result, prices in our cities have multiplied due to excess in demand over supply, thanks to the goodness of our political leaders who no doubt have been exploiting the loophole themselves. Instead of investing in productive farming, research, and technology, New Zealanders have borrowed to invest in property and pushed up property prices – all for no benefit whatever to the nation. The banks have then had to borrow from overseas banks. We now have one of the world's highest overseas debt to GDP ratios of any nation, thanks largely to our love affair with tax-free property investment.

The Bible tells us that God defends the poor, so what does He think of the current trend? The Bible also tells us that 'lawlessness' will grow as the time for Christ's return nears. That is a challenge for 'The Church' in 'the last days' I believe. Meanwhile I fear for the future plight of those in New Zealand's cities who may be unable to afford to pay rent after their retirement, because this nation may be unable to afford to pay them sufficient National Superannuation because it invested into property, not productive enterprises. Despite the arrival of Kiwisaver, surveys show that 44% of Kiwis are still not saving.

Demographers once predicted that a third of Aucklanders would be renting by 2030. They were wrong. We reached that figure many years ago! Now they are predicting that by 2030 half will be renting. This is consistent with world-wide trends.

Today a purchase in any NZ city is almost impossible for the young, unless they are assisted by parents who have benefited previously by the rising price of houses, or have joined Liberty Trust early or been sponsored into it by their parents. As an example, when Kathleen and I purchased our first home in 1970 the brand-new three-bedroom brick home cost just over twice my annual gross salary. How times have changed. Even at high interest rates we were able to service the mortgage on a single income while bringing up our three children. Today the average house price is five times the average New Zealand income! Even with both spouses working, houses are considerably more difficult to purchase. What will be like when mortgage interest rates rise again - as they must.



Once again, the principle of Proverbs 22:7 is proven true. When borrowing from the secular money-lenders to buy a home you must pay whatever interest they charge you or you may end up losing all that you once had. Just this month we were approached by two owners who were about to lose their family homes in mortgagee sales. One was an outstanding man of the community who had gone guarantor for a pastor friend, the other was a solo father afraid he would lose his children if he lost his home. Fortunately we were able to step in and help one and the other was helped out by his family, but many others we unfortunately cannot help.

The escalating cost of housing isn't exactly cheerful news, but if on behalf of Liberty Trust I can just make some renters and teenagers face up to reality and join Liberty Trust, I have not wasted my words. Through Liberty Trust you don't need to fear your rent may increase or that your landlord will restrict your activities or tip you out of your home. You can enjoy the many benefits of home ownership without the difficulty of saving a bank deposit, or fear the inevitable rising of interest rates.

Liberty Trust has been called by God to help all into their own homes and become debt-free ASAP, in order to fulfill the lives He has planned for them. As long as they are in debt to a landlord or a mortgage, people are not 'truly free' to function in the particular purpose that He has planned for them.

Galatians 5 verse 1 says: It is for freedom that God has set you free!

God bless you, Kelvin

The rich
rule over
the poor
and the
borrower
is servant
to the
lender.

Pr 22:7

You, my
brothers
and sisters,
were called
to be free...

Serve one
another
humbly in
love.

Gal 5:13

