

Council Briefing Agenda

Date: Thursday, 13 December, 2018

Time: 1:30 pm

Location: Council Chamber
Forum North, Rust Avenue
Whangarei

Elected Members: Her Worship the Mayor Sheryl Mai
(Chairperson)

Cr Stu Bell

Cr Gavin Benney

Cr Crichton Christie

Cr Vince Cocurullo

Cr Tricia Cutforth

Cr Shelley Deeming

Cr Sue Glen

Cr Phil Halse

Cr Cherry Hermon

Cr Greg Innes

Cr Greg Martin

Cr Sharon Morgan

Cr Anna Murphy

For any queries regarding this meeting please contact
the Whangarei District Council on (09) 430-4200.

1. Apologies

2. Reports

2.1 General Revaluation 2018

1

3. Closure of Meeting

2.1 2018 General Revaluation

Meeting: Council Briefing
Date of meeting: 13 December 2018
Reporting officer: Alan Adcock (General Manager – Corporate/CFO)

1 Purpose

To provide Council with information on the District's 2018 general revaluation.

2 Background

Triennially, the District's valuation roll is revalued. The land value and capital value for each property is revised at the effective date. The effective date for the 2018 general revaluation is 1 August 2018. The new values will be used for rating from 1 July 2019.

The timetable for the 2018 General Revaluation is as follows:

Key Date	Event
21 March 2018	Planning meeting with Opteon
12-13 April 2018	Visit by Valuer General to Opteon, Council met with Valuer General for update
1 August 2018	Effective date
5-6 September 2018	Visit by Valuer General to Opteon, Council met with Valuer General for update
21 September 2018	Audit file and valuation basis to Valuer General and Council (Opteon) Questionnaire to Valuer General
1 October 2018	Audit visit by Valuer-General
15 October 2018	General revaluation deferred
21 November 2018	Audit file and valuation basis to Valuer General and Council (Opteon) Questionnaire to Valuer General
26-27 November 2018	Audit visit by Valuer-General
12 December 2018 (if not earlier)	Certification date by Valuer-General
13 December 2018 (if not earlier)	Implementation date
13 December 2018	Presentation to Council
20 December 2018 (if not earlier)	Public Notice
24 December 2018 (if not earlier)	Owners' notifications posted

Key Date	Event
24 December 2018 - 7 February 2019	Rolls on Inspection
7 February 2019	Last day for objections
21 March 2019	Report on Revaluation Objections to Valuer General and Council
31 May 2019	Objections processed excepting those to be heard at Land Valuation Tribunal

3 Discussion

3.1 Valuation

Section 9 of the Rating Valuations Act 1998 requires the revision of the district's valuation roll every three years. The last general revaluation was in 2015 and was conducted by Quotable Value. Last year we changed our valuation service provider to Opteon and this is their first General Revaluation for Whangarei. The General Revaluation is audited by the Valuer General and staff met with the Valuer General to discuss the progress and results several times during the revaluation.

Opteon have invested considerable resource in familiarising themselves with our district. Valuers have visited all economic rural property sales from 2015, all lifestyle property sales from August 2017 and all residential property sales occurring over the last eight months. During these visits, the neighbouring properties were also inspected, to ensure relativity and consistency. Valuers have inspected each commercial building in the Whangarei Central Business District and gathered information about non sold commercial properties by speaking to agents. Opteon have contacted local valuers, real estate agents and our Commercial Portfolio Manager to obtain further information on market trends, and reviews on ground leases. They have also studied statistical data such as bi-annual pedestrian counts.

Opteon have engaged internal specialist valuers to assess the more diverse or significant properties such as refinery, ports, quarries and utilities.

Opteon have advised that careful consideration have been given to several different properties types. These include: the land value in the Whangarei Central Business District, commercial property trends on properties located in One Tree Point and Ruakaka, coastal beach settlements aligning with neighbouring ones, lifestyle properties throughout the district with varying soil types with many of these areas being inspected.

A detailed analysis of the market movements and trends will be presented by Opteon.

However, at the pre-audit meeting with Opteon and the Office of the Valuer General on 26 November 2018 the following indicative land value increases were presented:

- 0-20% Rural
- 20-40% Commercial and Industrial
- 45-55% Residential
- 20-60% Lifestyle

These increases are consistent with upper North Island trends.

3.2 Impact on Rating

A property's land value is used to calculate the property value-based rates. The general revaluation will not change the total rates envelope. However, the movement of a property's land value relative to the average for the properties in the same sector will influence any movement in general rates.

For example, if property values in the residential and lifestyle sector increased on average by 50%, a residential property that only increased in value by 40% would be rated less. Conversely, a lifestyle property that increased in value by 60% would be rated more.

We will address significant impacts within each sector later.