

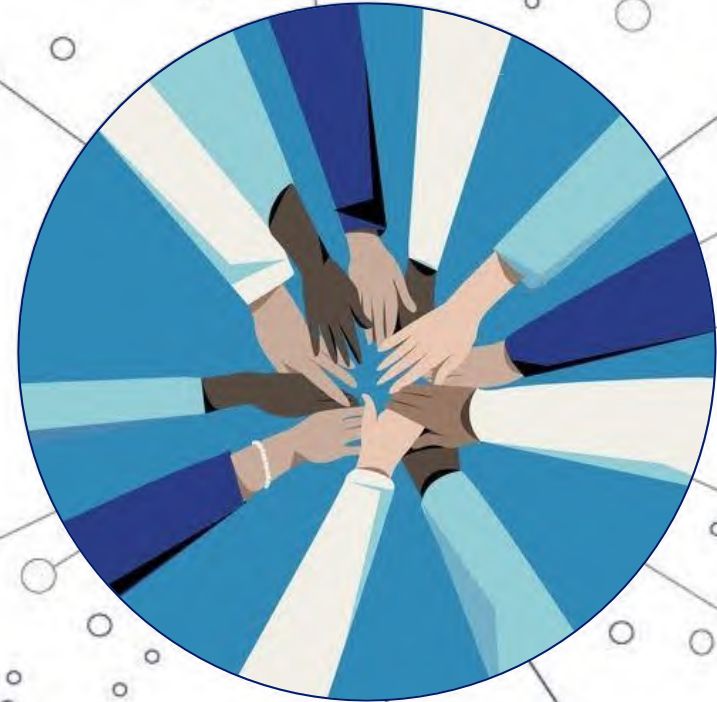
# Carterton District Revaluation Overview 2023



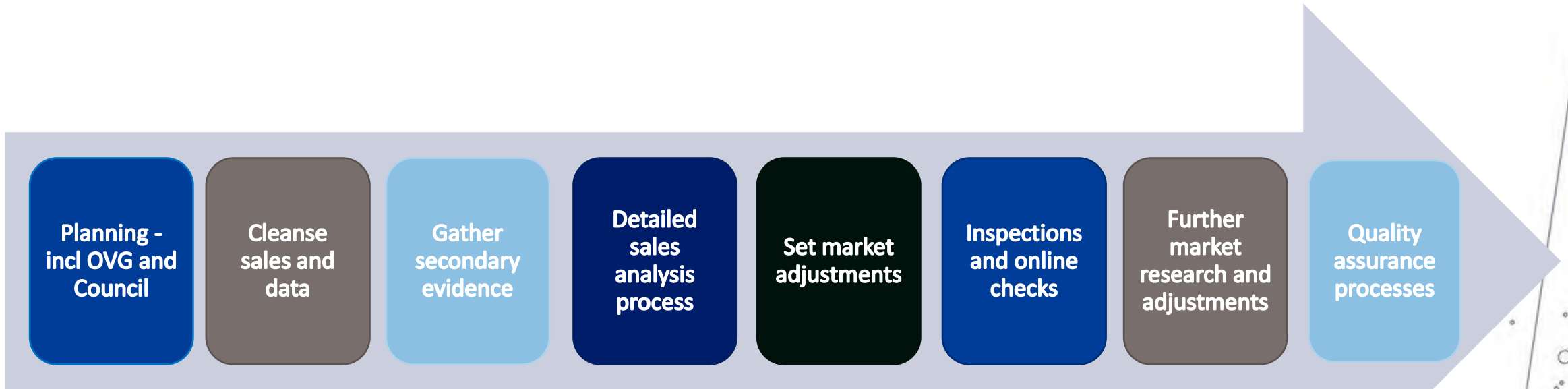
# QV Team



Staff Involved	Areas of Responsibility
<b>Tim Gibson</b> Registered Valuer	<ul style="list-style-type: none"><li>• NRT Project Manager</li></ul>
<b>Blake Ngarimu</b> Registered Valuer	<ul style="list-style-type: none"><li>• Lead Valuer</li></ul>
<b>Hoa Quan</b> Registered Valuer	<ul style="list-style-type: none"><li>• Commercial &amp; Industrial</li></ul>
<b>David Paterson</b> Registered Valuer	<ul style="list-style-type: none"><li>• Rural</li></ul>
<b>Sophie Fyers</b> Graduate Valuer	<ul style="list-style-type: none"><li>• Lifestyle</li></ul>
<b>Annaliase Callister</b> Graduate Valuer	<ul style="list-style-type: none"><li>• Residential</li></ul>
<b>Jaan Turia</b> Graduate Valuer	<ul style="list-style-type: none"><li>• Residential</li></ul>



# Process



# Secondary Evidence



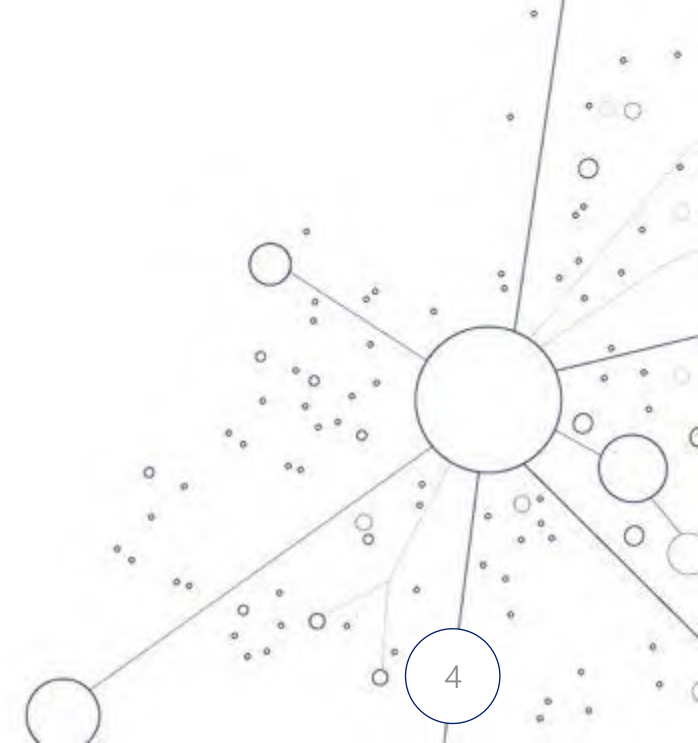
- Ray White
- LJ Hooker
- Tremains
- Bayleys
- Gollins
- WPC

Real Estate  
Agents/Valuers



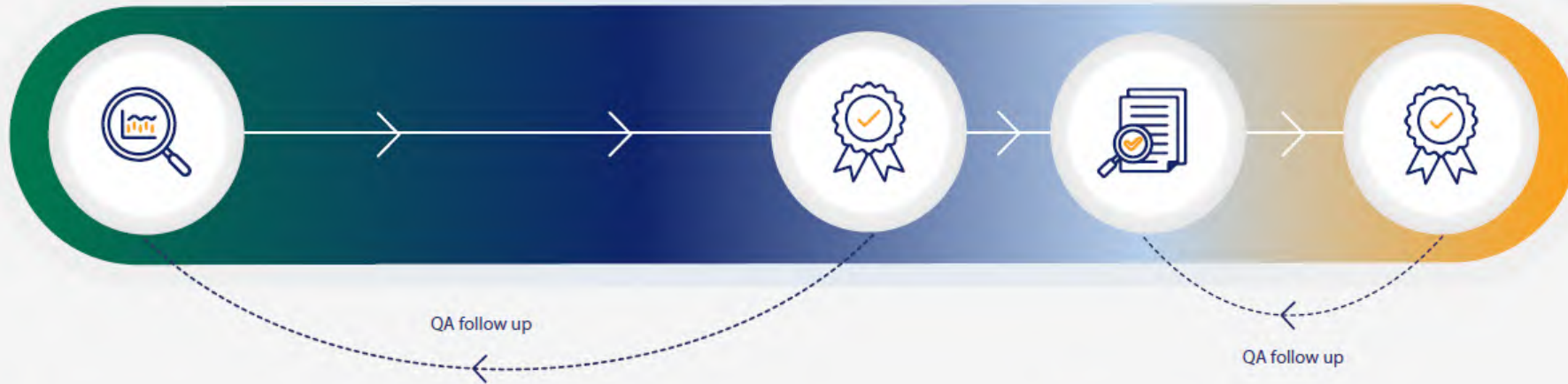
- Property-guru.co.nz
- Trademe.co.nz
- Realestate.co.nz
- Open2view.co.nz
- CBRE.co.nz
- Colliers.co.nz

Online





# Revaluations and Quality Assurance



01

## Market Research

- Strategic overview
- Collaboration with council - planners, property teams, resource consents issued.
- Refresh of operative zone codes plus intel and data for proposed zone codes
- Consideration of the National Policy Statement on Urban Development where applicable
- Other registers, such as EQP buildings and NBS ratings, existing or new natural hazards or issues, weather tightness issues, contaminated sites, Maori Land.
- Purify sales-i.e. no 12s, update DVR and values where necessary

02

## Quality Assurance

- Sales analysis-improved and vacant
- Secondary evidence - Real Estate Agents, Valuers, property professionals.
- Compile basis draft
- Compile sales maps
- Compile bench mark sales
- Compile proposed Market Adjustments for all category types
- Apply Market Adjustments for residential and check OVG statistics
- Identify any potential cusps at this point and provide summary of action plan

03

## Validation of Values

- Line flow process
- Data betterment process
- DVR fields, worksheets etc.
- Use of QV Mapping
- RTV and HPI validation tools

04

## Quality Assurance

- Final stats testing
- Mapping checks
- Error and outlier testing
- Substantive testing



# QA Team

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- Initiated to improve quality of revaluations submitted
- Greater involvement with two reviews
- Checks involve
  - Data quality
  - Value understanding of market & district drivers
  - End value levels
  - Quality of documentation

## QA Team for Carterton

Simon Willocks  
Registered Valuer

- Rural Peer Review

Sharon Heslop  
Registered Valuer

- Urban Peer Review



# Strategic Overview



## 1. Macro Measures

**National Unemployment  
Rate 3.4%**

Annual change (3.3%) – Increasing



Change from July 2020 (5.2%) –  
Decreasing



**Net Migration May 2023  
+77,800**

Annual change – Increasing



Change from 2020 –  
Similar

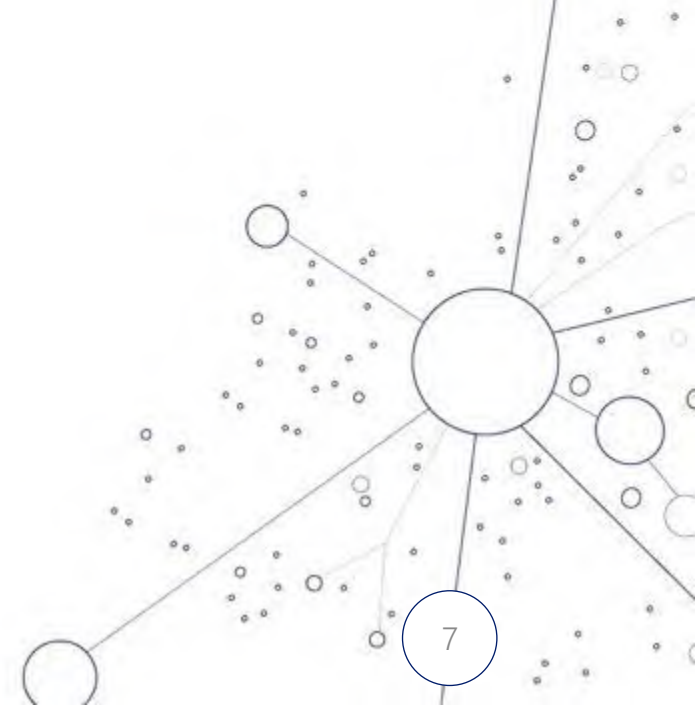


**Official Cash Rate 5.50%**

Change annually (2.5%) – Increasing



Change from 2020 (0.25%) –  
Increasing



# Strategic Overview



## MICROECONOMICS



### Population changes

Estimated to be at **10,250** (2023) an increase of **3.6%** since 2020 figures of **9,890**



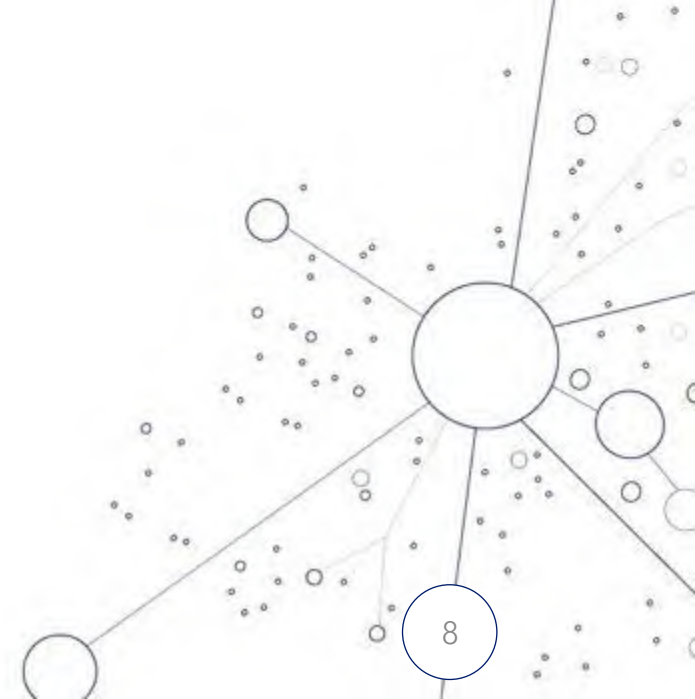
### Unemployment rates

**3.0%** March 2023 up from **2.9%** March 2020



### Local GDP Figures

**\$589.2 million** for the year to March 2022





# Strategic Overview



## MAIN INDUSTRIES

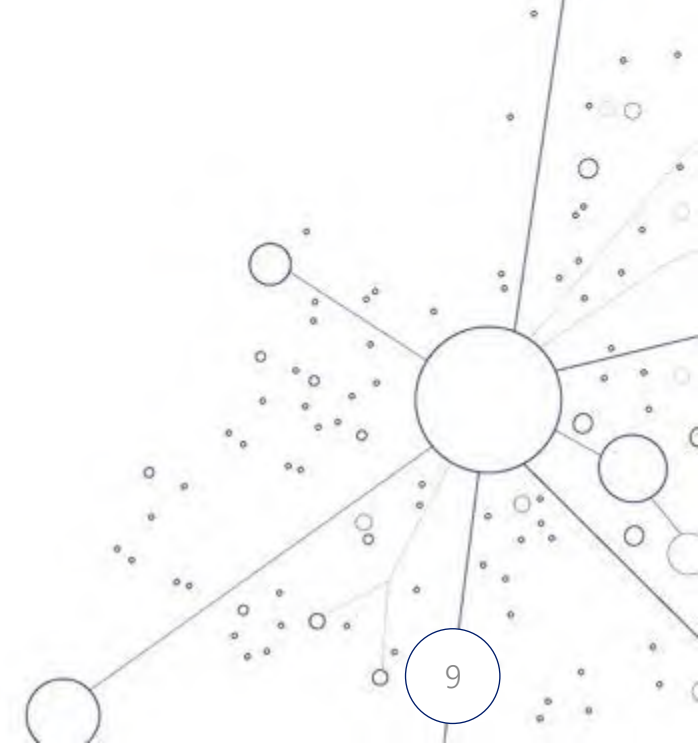


## INDUSTRY CHANGES

A proposed development of a new wind farm in Carterton. The project is being developed and currently owned by Harmony Energy.

The company has a stake of 100%. Carterton Solar Farm is a ground-mounted solar project which is planned over 148 hectares. The solar power project consists of 201,500 modules.

The project construction is expected to commence from 2025. Subsequent to that it will enter into commercial operation by 2027.



# Strategic Overview



## CLIMATE & NATURAL HAZARD RISKS



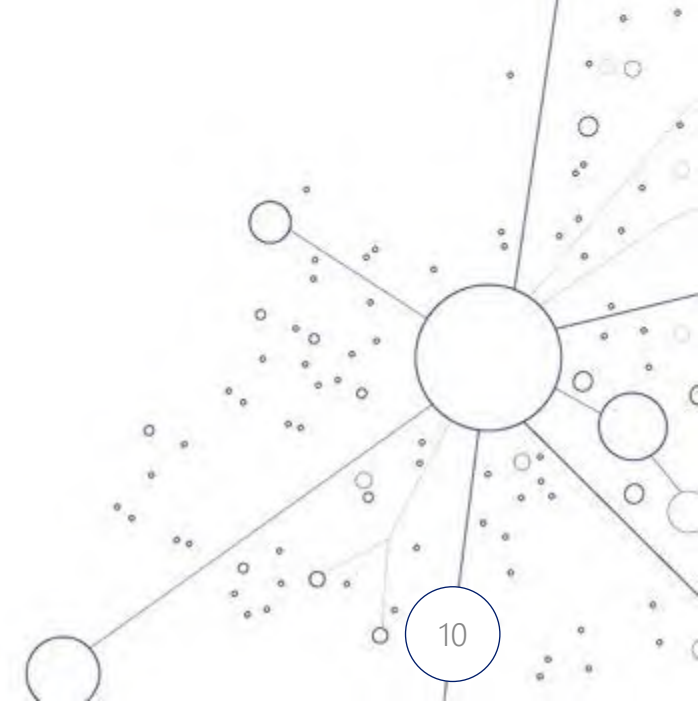
**Medium** earthquake risk



River  
inundation

## DISTRICT PLAN

- Current District Plan has been operative since the 25th of May 2011;
- Proposed plan was notified in October 2023;



# Strategic Overview



## Key Changes



### Policy

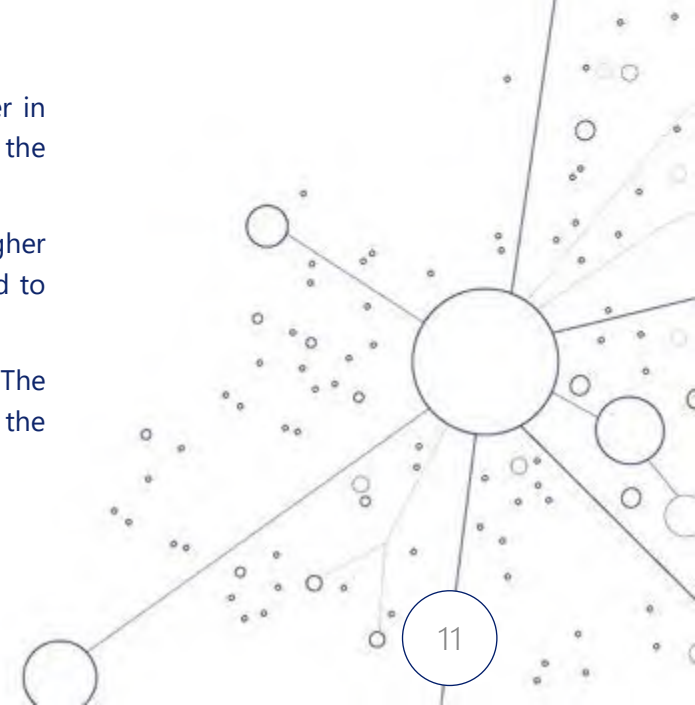
- New Proposed District Plan
- New speed management zones, speed limits reduced down to 80 kph

### Physical

- Increased remote working post Covid-19 lockdowns.

### Economy

- At the last Revaluation in 2020 the Official Cash Rate was 0.25%, now significantly higher in 2023 at 5.50%. It is said to be at its peak but there is speculation it will further increase at the next review and then start to dissipate.
- At the last Revaluation in 2020 the Interest rates were 3.00% – 3.50% now significantly higher in 2023 at 7.00% - 7.50%. Interest rates are still slightly moving upwards but are expected to ease mid 2024 in correlation with the Official Cash Rate.
- Inflation sits at 6.7%, notably higher than at the last Revaluation where the CPI was 1.4%. The increase of the cost of construction coupled with decrease in sale prices, cutting away at the developer's profits and incentives to build.



# Strategic Overview



## SPECIFIC PROPERTY RELATED INFORMATION



### Building consents issued

107 1<sup>st</sup> Jan – 1<sup>st</sup> July 2023 down 66% on same period 2022



### Three-year resource consents issued

12 1<sup>st</sup> quarter 2023 down from 21 first quarter 2022



### Total residential sales

76 residential sales Jan – May 2023 up from 66 same period 2022



### Total rural sales last three years

2 rural sales Jan- July 2023 up from no sales same period 2022



### Total business sales last three years

3 sales to end of June 2023 down from 7 sales same period



### Total lifestyle sales last three years

21 lifestyle sales Jan – May 2023 down from 23 same period 2023

## LAND AVAILABILITY

### SPECIFIC PROPERTY RELATED INFORMATION

#### Residential

**Supply:** High 248 vacant sections 30 listings currently on market for vacant land.

#### Business

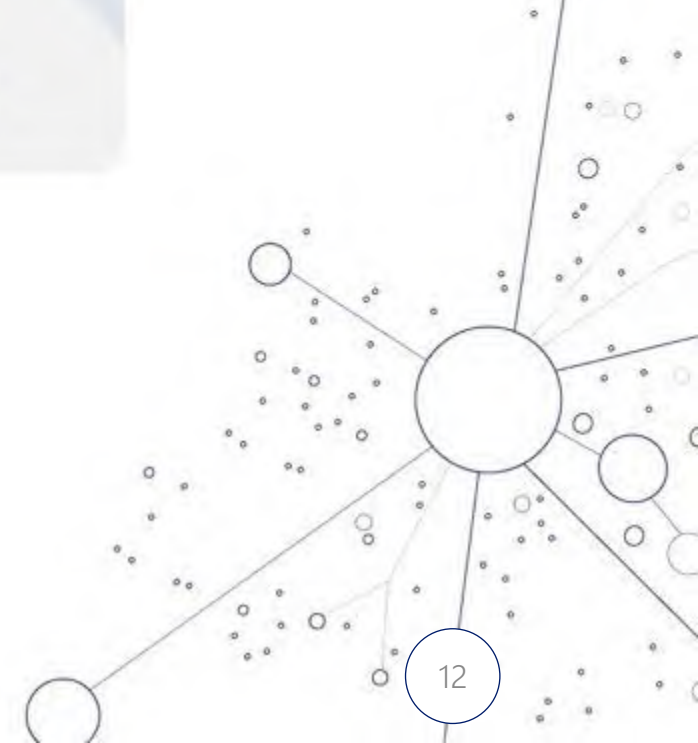
**Supply:** Low 6 vacant commercial sites totalling approx. 3,315m<sup>2</sup>.

#### Industrial

**Supply:** Moderate 39 vacant industrial sites approx. 14.6 ha.

#### Lifestyle vacant

**Supply:** High 293 properties are categorised as Lifestyle Vacant.





# Strategic Overview



## RESIDENTIAL

### Typical land value

**1,000 m<sup>2</sup>**  
\$230,000 - \$280,000

**500 m<sup>2</sup>**  
\$190,000 - \$260,000

**Prime New Subdivision**  
\$230,000 - \$300,000

### Typical RCV value range

**2 bed unit** \$310,000 - \$530,000

**3 bed dwelling**  
\$370,000 - \$700,000

**4 bed dwelling**  
\$430,000 - \$910,000

**Modern dwellings**  
\$480,000 - \$1,200,000

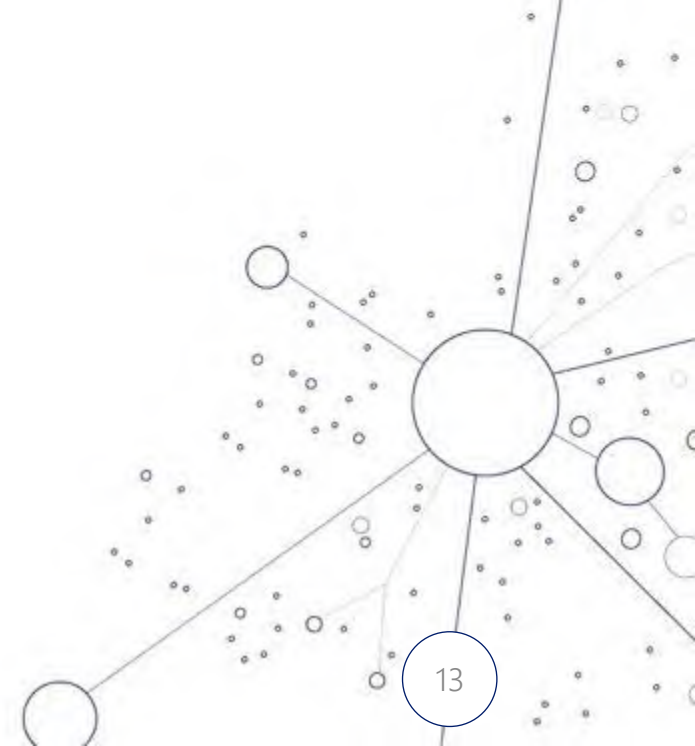
### Typical residential rental range

**\$520 - \$595 per week average**  
3-4 bed homes

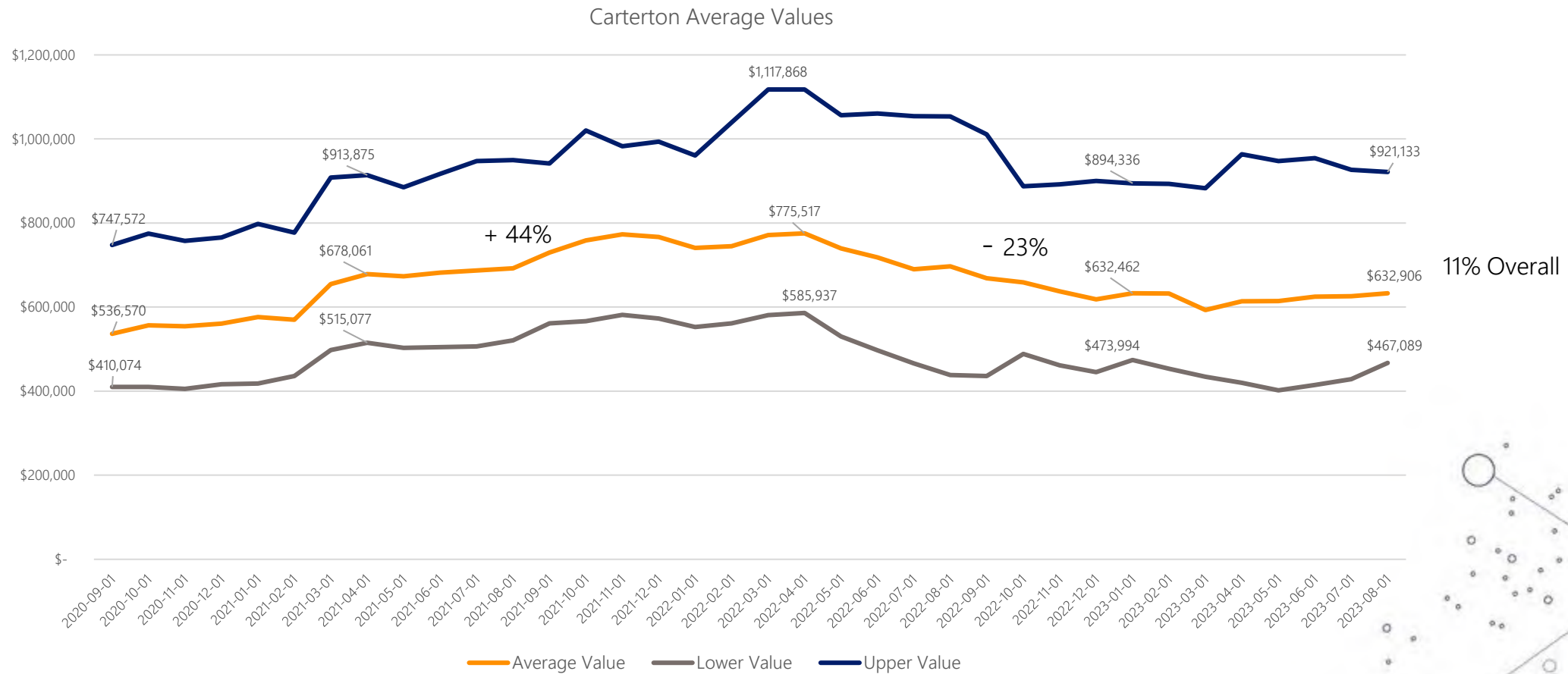
**\$420 - \$490 per week average**  
2 bedroom units and homes

### Typical residential gross yield range

8.50% - 8.7%

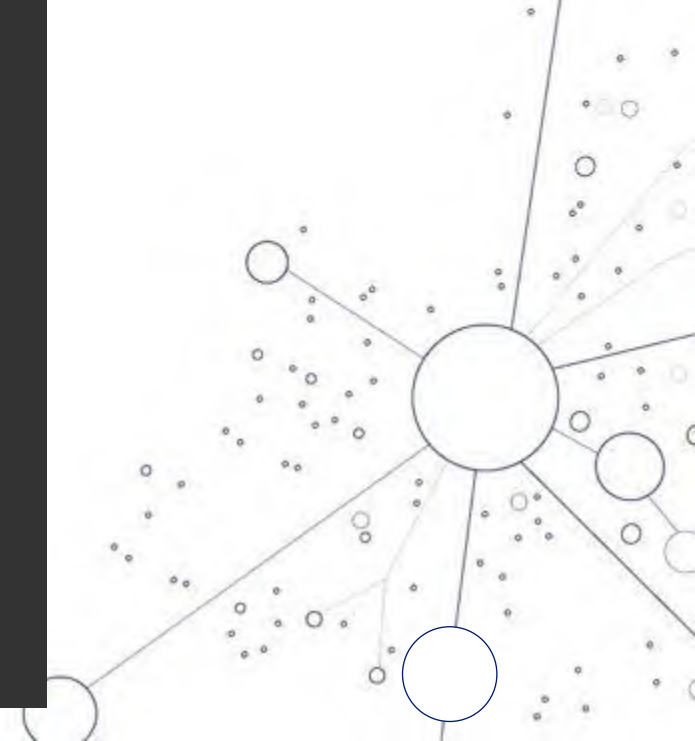
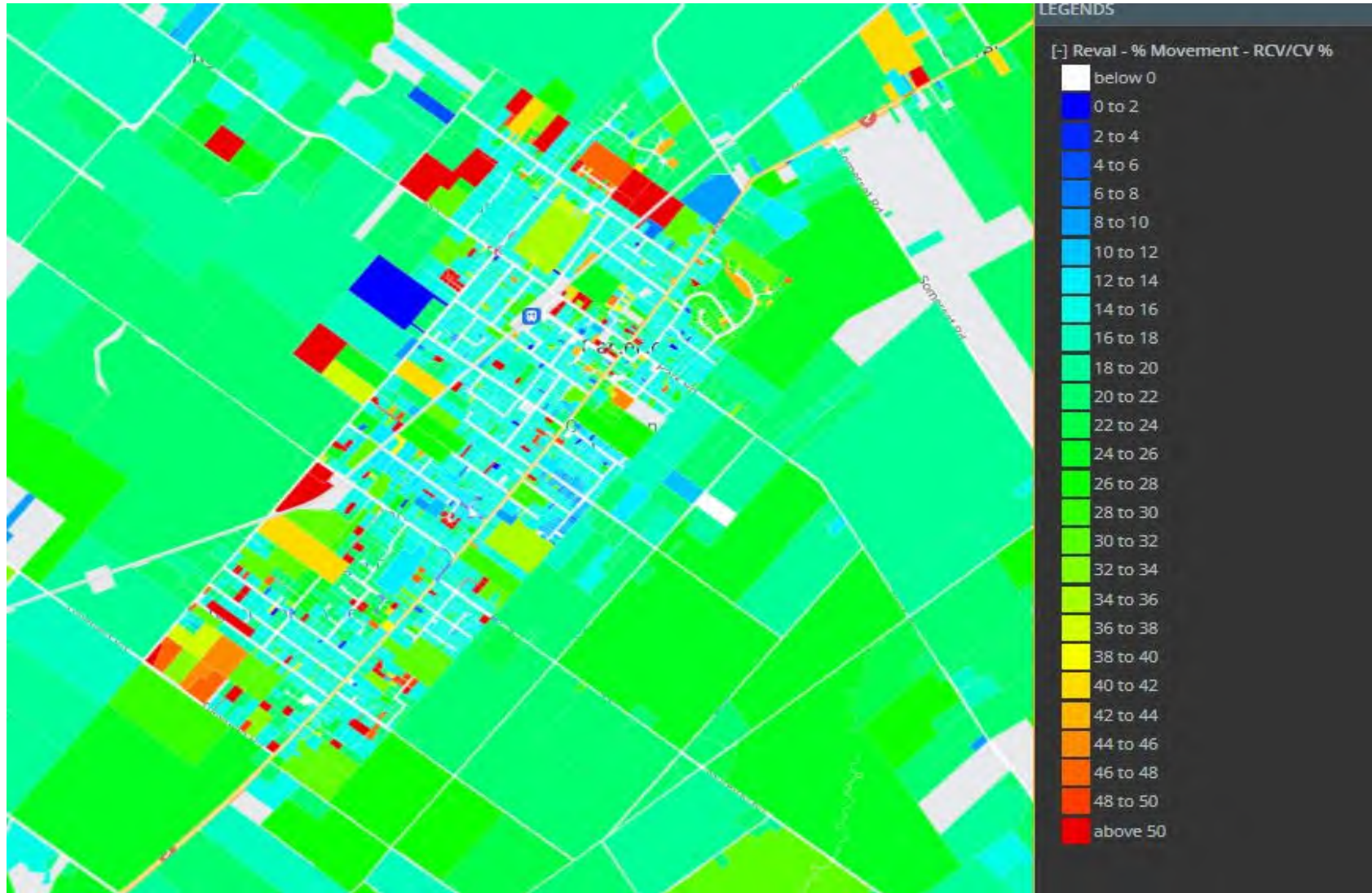


# Residential dwelling values 2020 - 2023



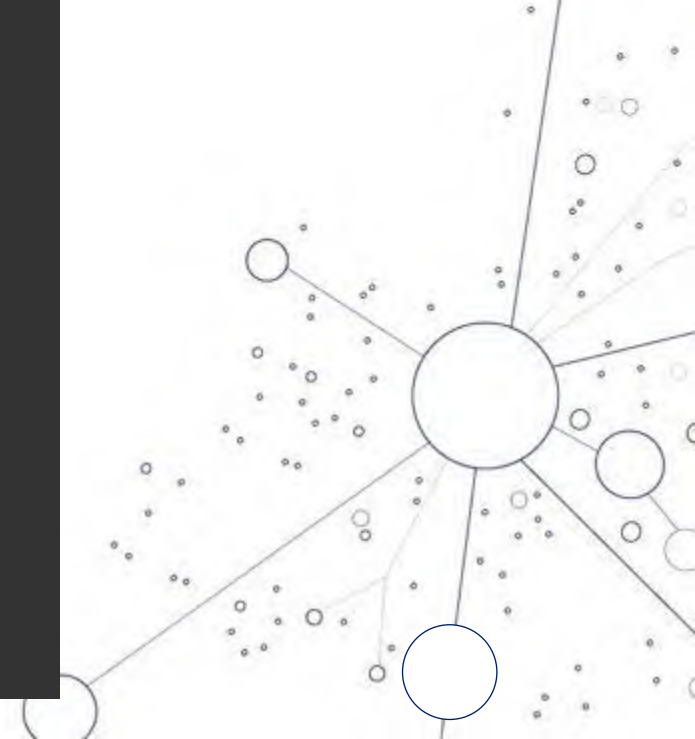
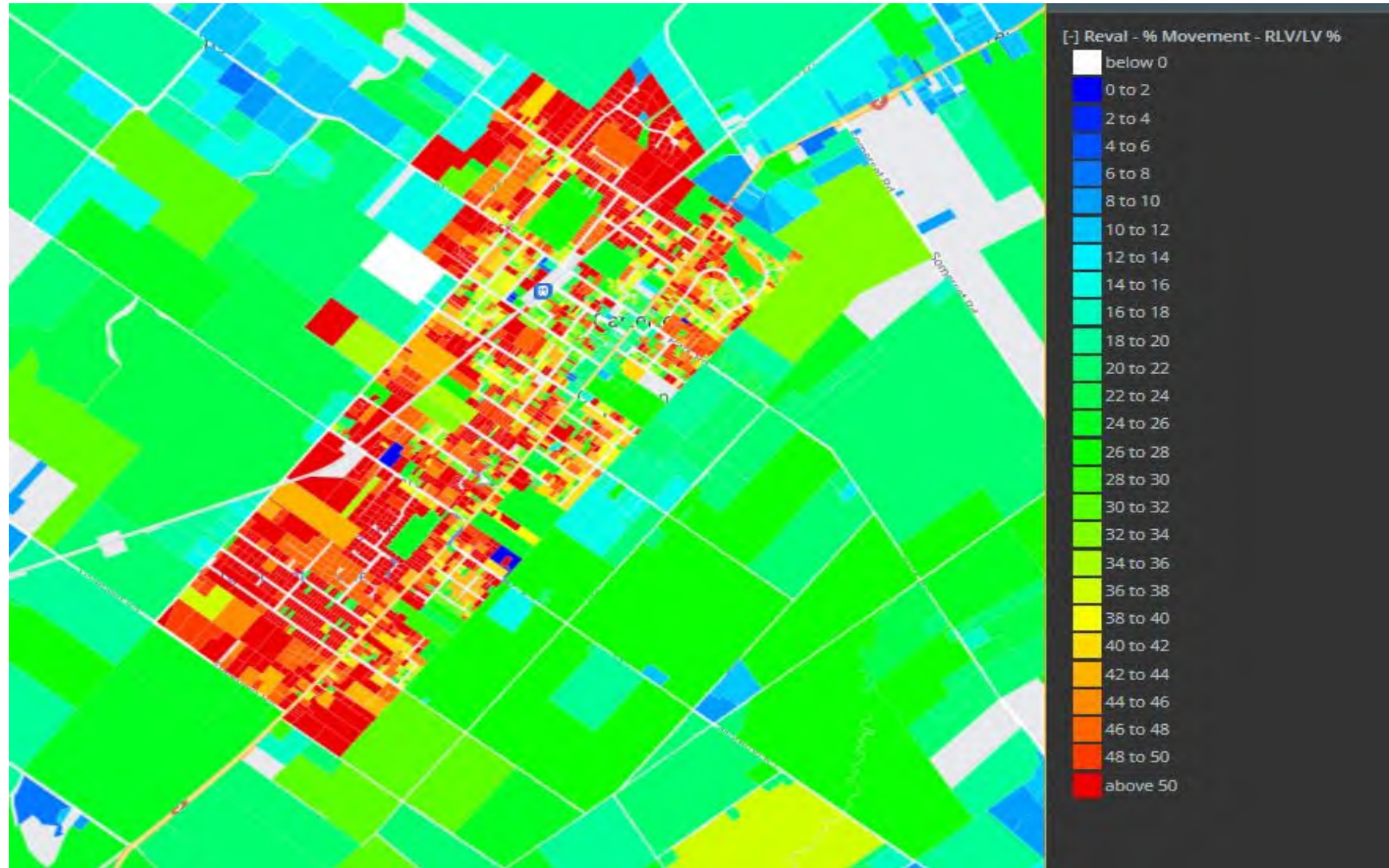
Commercial in confidence

# Monarch Thematic Mapping RCV/CV





# Monarch Thematic Mapping – RLV/LV

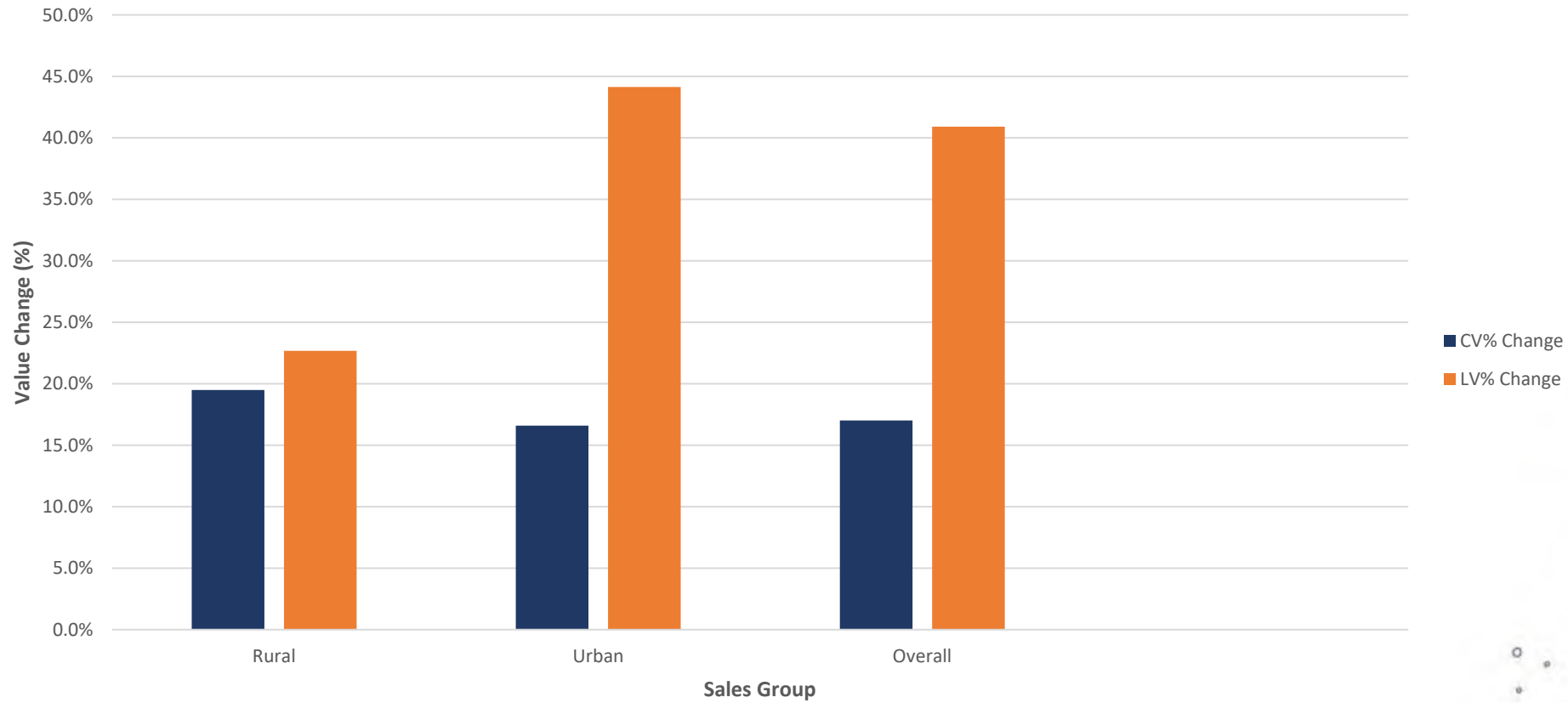




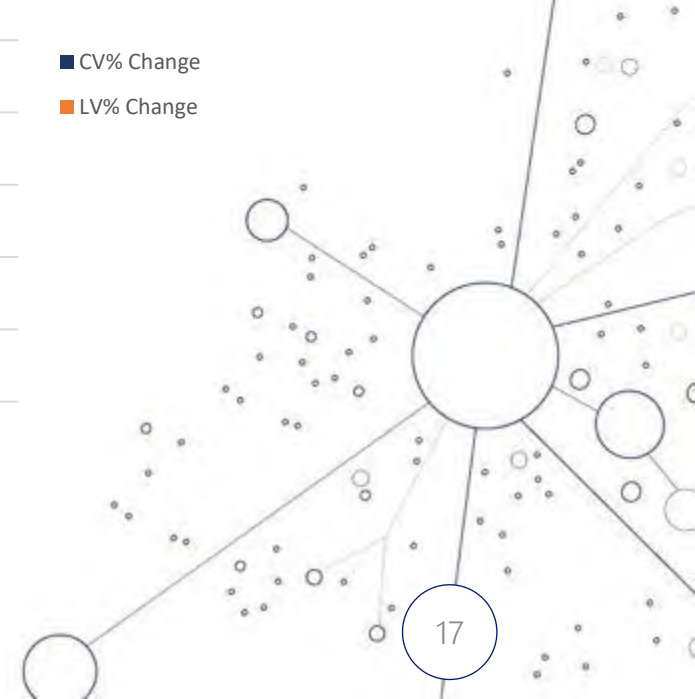
# Residential dwelling values change 2023



Residential Dwelling Value Change



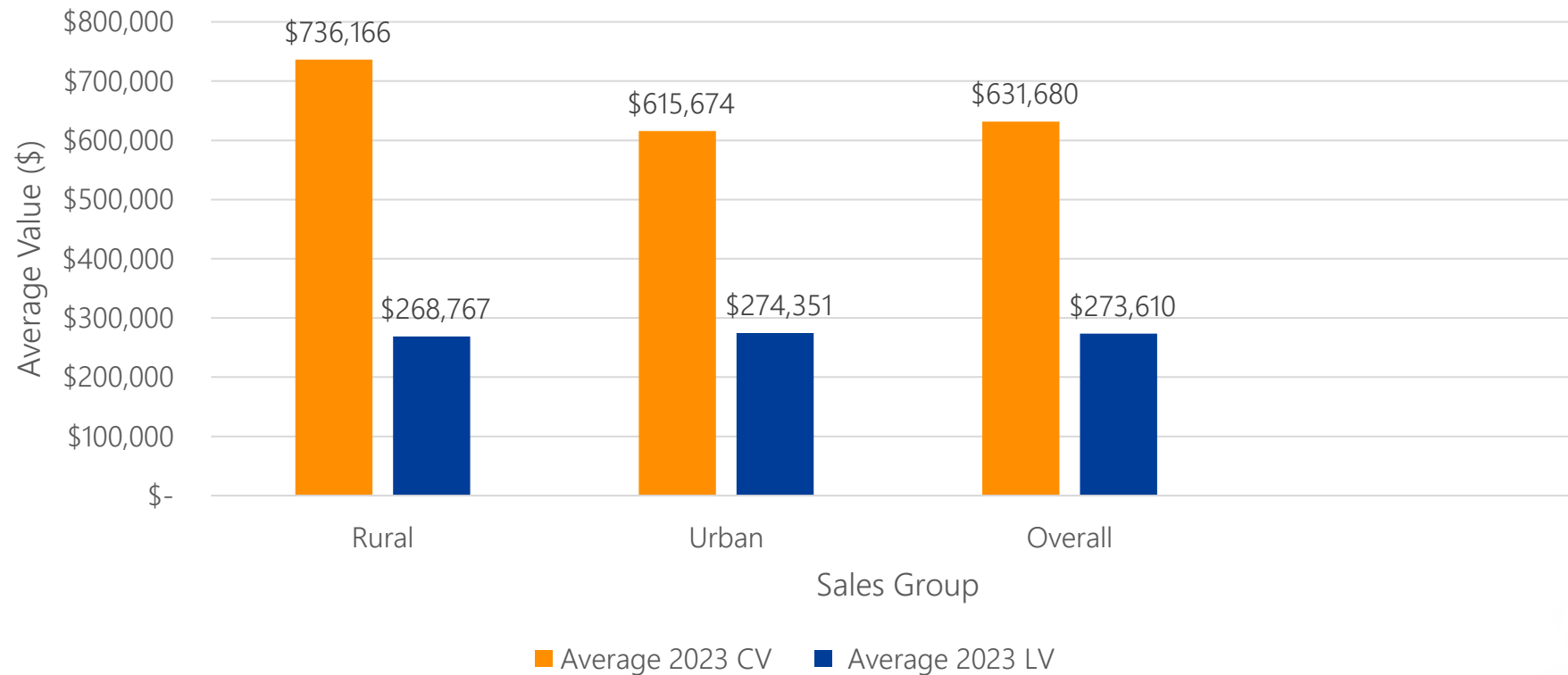
Commercial in confidence



# Residential dwelling average values 2023



## Residential Dwelling Average Value



Commercial in confidence

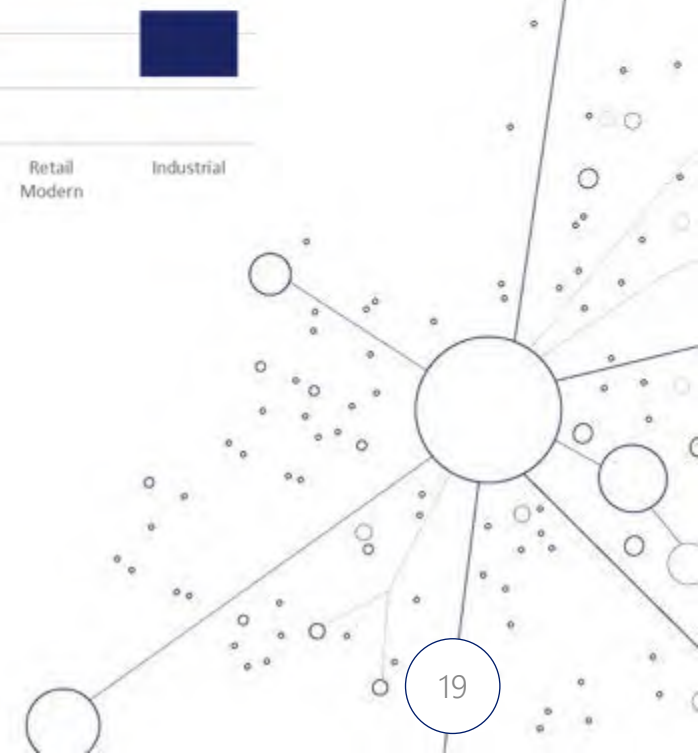
# Commercial



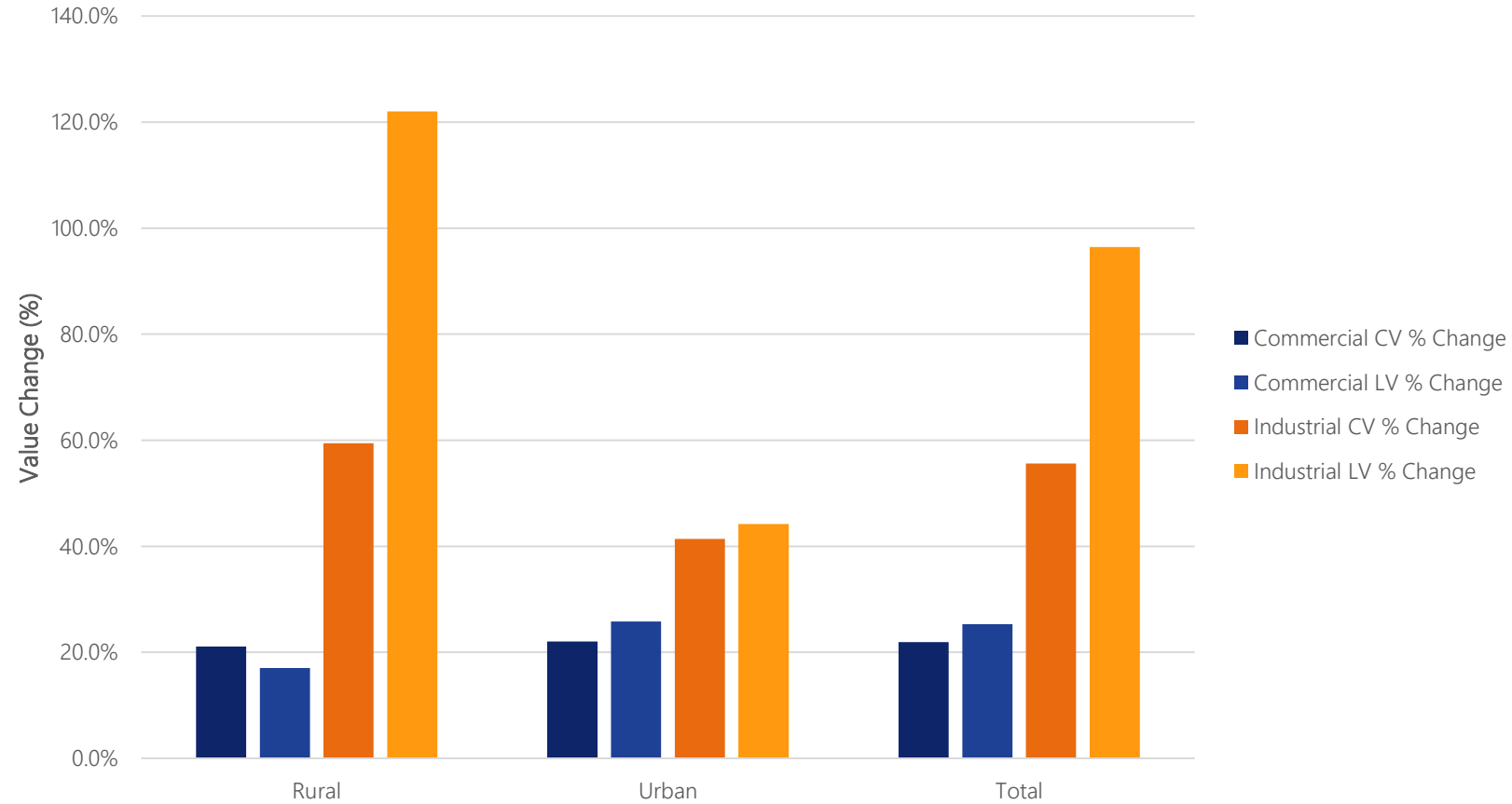
## COMMERCIAL & INDUSTRIAL

Sector	2020 Rate Per Sqm	2023 Rate Per Sqm	Change
Commercial prime	\$140 - \$190	\$160 - \$220	\$20 - \$30
Commercial average	\$85 - \$155	\$100 - \$180	\$15 - \$25
Industrial prime	\$65 - \$110	\$100 - \$160	\$35 - \$50
Industrial average	\$40 - \$80	\$60 - 120	\$20 - \$40

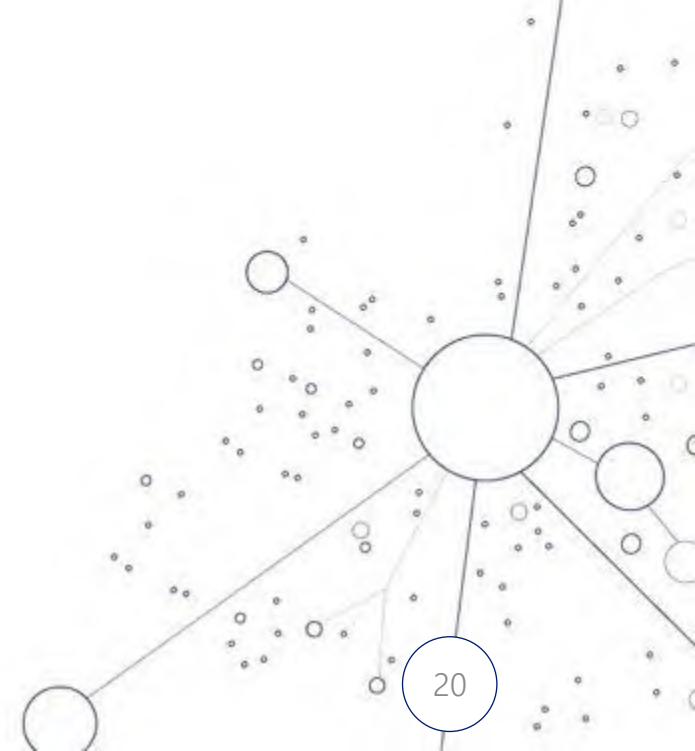
Sector	2020 Yield	2023 Yield	Change
Commercial prime	5.75% - 7.25%	5.50% - 7.00%	- 0.25%
Commercial average	7.25% - 9.25%	7.00% - 9.00%	- 0.25%
Industrial prime	5.75% - 7.75%	5.00% - 7.00%	- 0.75%
Industrial average	7.25% - 8.75%	6.75% - 8.00%	- 0.75%



# Commercial



Commercial in confidence





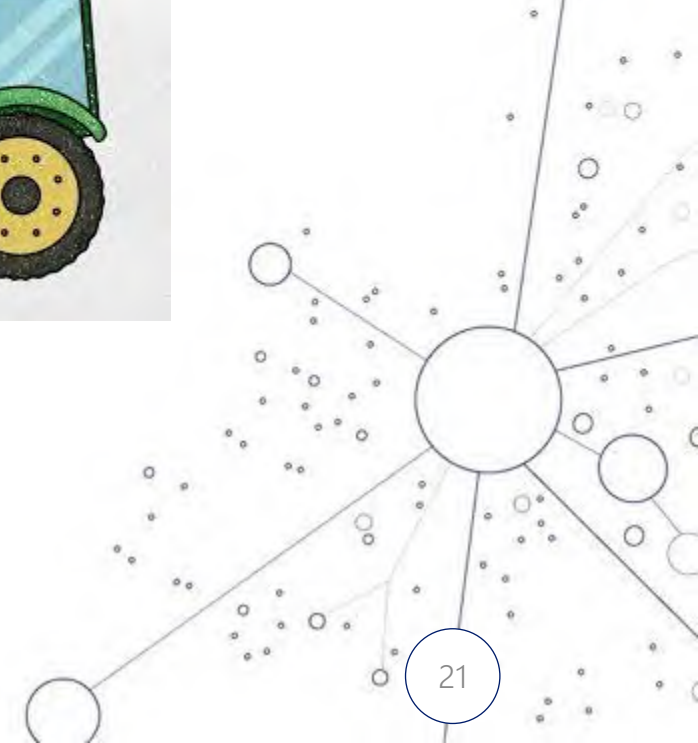
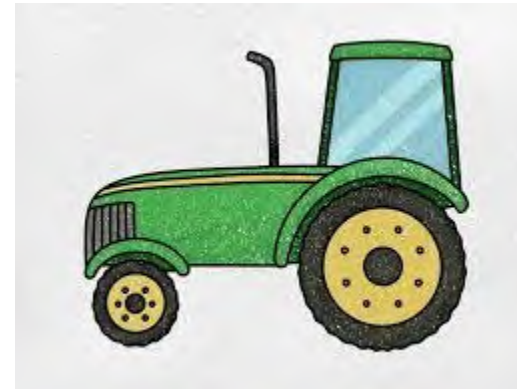
# Rural



## RURAL

Terrain	2020 Dairy	2023 Dairy	Change
Good fertile flats	\$24,000 - \$38,000ha	\$30,000 - \$48,000ha	\$6,000 - \$10,000ha
Wetter flats	\$20,000 - \$24,000ha	\$25,000 - \$30,000ha	\$5,000 - \$6,000ha
Undulating – easy hill	\$12,000 - \$16,000ha	\$15,000 - \$20,000ha	\$3,000 - \$4,000ha

Terrain	2020 Pastoral	2023 Pastoral	Change
Good flats	\$19,500 - \$26,000ha	\$26,000 - \$35,000ha	\$6,000 - \$9,000ha
Easy Hill	\$9,000 - \$19,500ha	\$12,000 - \$26,000ha	\$3,000 - \$6,000ha
Medium hill	\$5,500 - \$9,000ha	\$7,500 - \$12,000ha	\$2,000 - \$3,000ha



# Rural



Sector	No. Assets	% Change Capital Value	% Change Land Value
Dairy	107	20.9%	22.6%
Pastoral	294	22.7%	25.0%
Horticulture	20	16.4%	19.7%
Forestry	40	42.1%	44.8%
Mining	3	29.0%	30.3%



# Revaluation overview

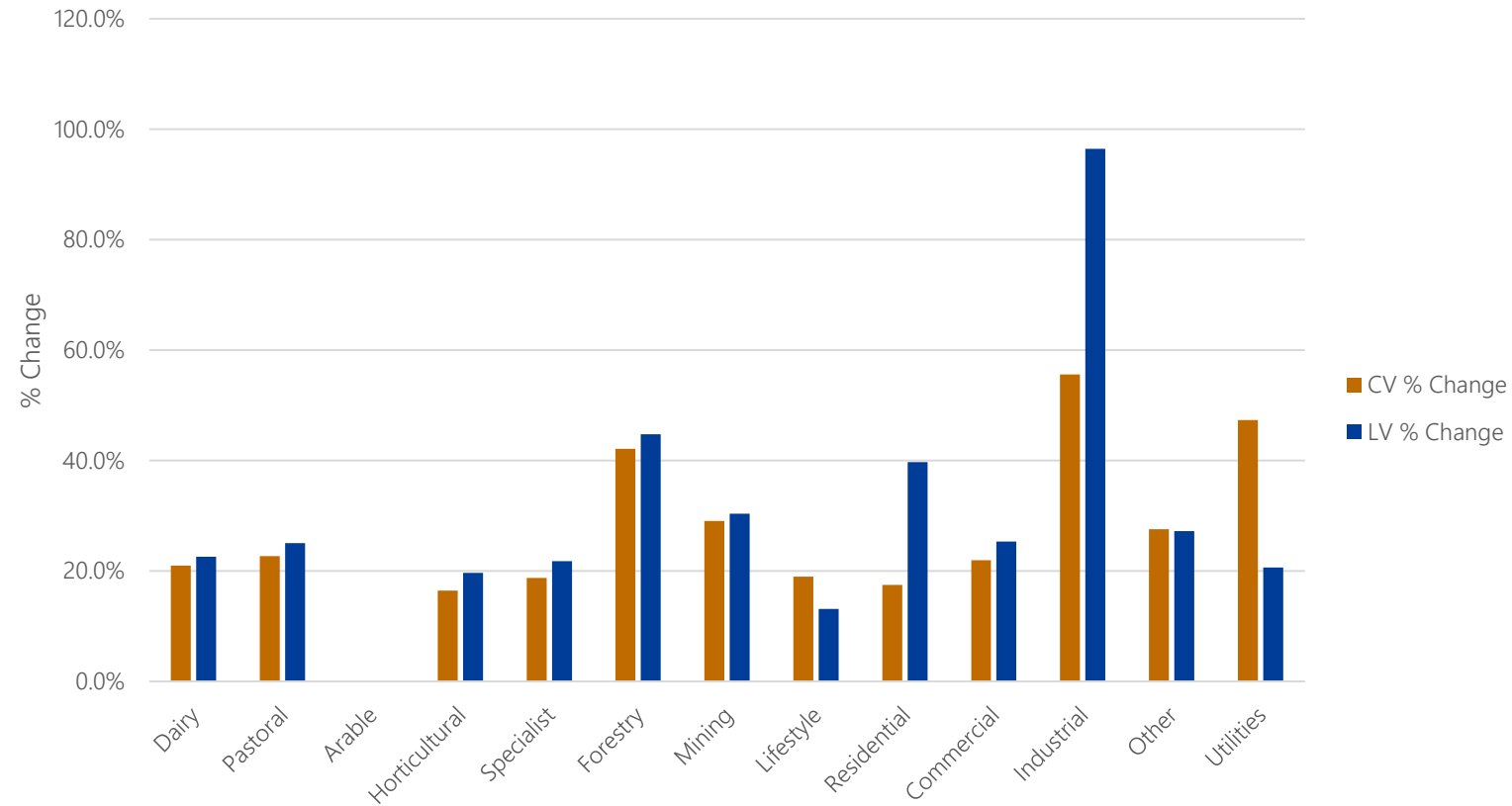


Sector	No. Assets	2024 CV	CV % Change	2024 LV	LV % Change
Dairy	107	\$414,185,000	20.9%	\$342,888,000	22.6%
Pastoral	294	\$886,669,800	22.7%	\$756,093,500	25.0%
Arable	0	\$0	0.0%	\$0	0.0%
Horticultural	20	\$35,869,000	16.4%	\$19,135,000	19.7%
Specialist	15	\$20,774,000	18.7%	\$13,660,000	21.7%
Forestry	40	\$45,345,500	42.1%	\$42,476,500	44.8%
Mining	3	\$1,889,000	29.0%	\$1,817,000	30.3%
Lifestyle	1,315	\$1,155,785,500	18.9%	\$527,409,500	13.1%
Residential	3,063	\$1,816,330,500	17.5%	\$819,659,000	39.7%
Commercial	99	\$69,702,000	22.0%	\$30,033,000	25.3%
Industrial	124	\$149,214,000	55.6%	\$70,550,000	96.5%
Other	135	\$114,269,300	27.6%	\$62,867,400	27.2%
Utilities	33	\$72,609,500	47.4%	\$1,655,500	20.6%
<b>TOTAL</b>	<b>5,248</b>	<b>\$4,782,643,100</b>	<b>20.9%</b>	<b>\$2,688,244,400</b>	<b>27.6%</b>

# Revaluation overview



Carterton District 2024 - Capital & Land Value Changes by Category



Commercial in confidence





# Key Dates

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- Effective date of valuation: 1 September 2023
- File at OVG: 15 March 2024
- On site Audit 25 March 2024
- Certification: 12 April 2024
- Implementation Date: 13 April 2024
- Owners notices posted from 24 April 2024
- Objection period closes 31 May 2024

*\* Subject to Green/Blue status being received post on-site audit*



# Ngā mihi nui

