



NEW ZEALAND – October 2020

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New Rating Valuations For Kapiti Coast

Kapiti Coast District property owners will soon receive a 2020 Notice of Rating Valuation in the post with an updated rating value for their property.

The new rating valuations have been prepared for 26,134 properties on behalf of the Kapiti Coast District Council by Quotable Value (QV). They show the total rateable value for the district is now \$20,092,493,000 with the land value of those properties now valued at \$10,946,834,000.

Rating valuations are usually carried out on all New Zealand properties every three years to help local councils set rates for the following three-year period. They reflect the likely selling price of a property at the effective revaluation date, which was 15 August 2020, and do not include chattels.

On average, the value of residential housing has increased 29.1% since 2017 with the average house value now sitting at \$711,465, while the corresponding average land value increased by 50% to an average of \$389,708.

QV Area Manager Paul McCorry commented: “The residential market on the Kapiti Coast has continued unabated since COVID-19. Whilst values have risen almost 30% over the last three years, our analysis shows we have seen over 5% growth on average since the end of the nationwide lockdown.”

“The most affordable areas have seen the greatest increase; for instance, values in Otaki have increased by 39.2% with the corresponding land values up 75.8%. Another trend we have seen emerge recently is a northward sprawl of value with buyers chasing value for money up the coast.”

“There is high demand throughout the district, record low interest rates and low stock – all factors creating upward pressure on the local housing market. Combined with relative affordability compared to the rest of the Wellington region, property on the Kapiti Coast is in hot demand.”

Meanwhile, commercial property values have increased by 21.3%, and property values in the industrial sector have increased by 27.6% since the district’s last rating valuation in 2017. Commercial and industrial land values have also increased by 35.4% and 37.6% respectively.

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“The commercial and industrial market in the district has been a really solid performer over the last three years,” said Mr McCorry. “Low vacancy in Paraparaumu is underpinning rental levels here, and retailers have indicated that increasing numbers of Wellington commuters are working from home, shopping locally and supporting local business.”

“Elsewhere, there is good demand for industrial land and for good quality modern industrial premises. A key factor in the resilience of the commercial and industrial market on the Kapiti Coast is a non-reliance on international travellers – the region benefits from the domestic tourism market which is strong due to the border closures.”

Residential housing value changes since 2017 revaluation levels.

Since 2017, the average capital value of an improved lifestyle property has increased by 26.4% to \$1,104,855, while the corresponding land value for a lifestyle property increased by 45.1% to \$590,549.

“There is a smaller rural sector underpinned by the lifestyle market that has always had a higher average value due to typically larger homes on larger blocks. Again, the spread of value increases is heading northwards in search of value for money,” Mr McCorry added.

It is helpful to remember the effective rating revaluation date of 15 August 2020 has passed and any changes in the market since then will not be included in the new rating valuations.

This means in many cases a sale price achieved in the market today may be different to the new rating valuation set as at 15 August 2020 and that rating valuations are not designed to be used as market valuations for raising finance with banks or as insurance valuations.

The updated rating valuations are independently audited by the Office of the Valuer General and need to meet rigorous quality standards before the new rating valuations are certified.

New rating values will be posted to property owners after 28 October 2020. If owners do not agree with their rating valuation, they have a right to object through the objection process before 4 December 2020.

Kāpiti Coast's Growing Attraction Reflected In Latest Property Revaluations

House values have risen across the Kāpiti Coast district in the last three years by an average of 29.1% according to the latest revaluation by Quotable Value (QV).

Kāpiti Coast District Mayor K Gurunathan says the attraction of Kāpiti continues to grow and the new valuations, which put the average house price at \$711,465 up from \$541,000 in 2017, is not a surprise.

“Kāpiti is a great place to live and with factors like the imminent opening of Transmission Gully and the housing pressures in Wellington we can expect more people to look at moving here,” Mr Gurunathan says.

“We are expecting more retirees and young families to see the light and join us on the Kāpiti Coast, which is going to see demand for housing continue to increase. Put simply, Kāpiti is hot and this is borne out in property values.”

The new rating valuations have been prepared for 26,134 properties and show the total capital value for the district is now \$20,092,493,000 with the land value of those properties now valued at \$10,946,834,000.

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Kāpiti Coast District Council Group Manager for Corporate Services Mark de Haast says an increase in the rateable value of a property does not mean an equivalent rates increase for that property.

"Typically, where a property's revaluation increase exceeds the average revaluation increase, the property will likely have a higher rates increase than the average rates increase for the district.

"Conversely, a property that has a revaluation increase below the average revaluation increase will have a lower rates increase than the average rates increase for the district.

"We know there are concerns in the community about rates affordability as we grapple with the ongoing impacts of COVID-19, but it is important to understand that the total amount of rates collected by the Council from ratepayers across the district isn't affected by an increase in property values," Mr de Haast says.

"Valuations are one of the factors that determine how rates are allocated across the district, with a combination of land value, capital value and fixed charges playing a part, with differential rates applied in some cases."

Mr de Haast says the Council will look at the impact of the of the revaluation on rates as part of its rating system review.

"Any change proposals for how rates are spread across the district differently will be shared with the community for feedback in 2021. Rates will not be based on the new 2020 rating valuations until 1 July 2021."

QV will be posting new rating values to property owners next week. If owners do not agree with their rating valuation, they have the right to object before 4 December 2020. Like the last two districtwide revaluations, the Council has asked QV to extend the objection period from four to six weeks to provide more time for property owners to fully consider their new property valuations.

Rates review 2021 (LTP)

Informal submissions open 12 October 2020

Far North District Council

Making your rates fairer, simpler and more transparent

Our rating system is complex – perhaps unnecessarily so. We think it can be simplified so that it is easier for everyone to understand. We also think we can make it fairer.

The Long Term Plan 2021-31 provides the opportunity for us to review the way the rating system is structured. We've done some thinking and have put together a suite of options. We'd like to know what you think of these options before we formally propose a change.

Our goals for this review are:

- To simplify the system
- To improve fairness

Here are our ideas:

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- Simplify the system by including more under the general rate
- Transition to capital value from land value as the basis for calculating the general rate to remove some of the unfairness
- Maintain targeted water, waste and stormwater rates but include a small charge for those who indirectly benefit from these schemes
- Maintain ward rates
- Reduce the charge for the opportunity to connect to a system to 60% of the current charge
- Reduce the commercial differential to 1.75
- Review rates relief policies and, if necessary, introduce a hardship policy to support those who do not have the ability to pay.

You will be able to provide feedback on each of these ideas here, at: www.fndc.govt.nz/ratesreview2021

This survey open Monday 12 October and closes midnight Friday 13 November. You will also receive detailed information on the rates review with your next rates invoice.

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