



NEW ZEALAND – September 2020

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NEW RATING VALUATIONS FOR RUAPEHU DISTRICT1

New Rating Valuations For Ruapehu District

Ruapehu 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 9,854 properties on behalf of the Ruapehu District Council by Quotable Value (QV). They show the total rateable value for the district is now \$6,194,508,000 with the land value of those properties now valued at \$3,457,603,000.

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 including chattels.

On average, the value of residential housing has increased 59.2% since 2017 with the average house value now sitting at \$278,000, while the corresponding average land value increased by 86.7% to an average of \$87,000.

QV valuer Simon Willocks commented: “The demand for residential housing was buoyant across all townships, with most townships in the district seeing increases of between 50-60% overall. But Raetihi saw the biggest increase on average at over 80%.”

“There is high demand, unprecedented low interest rates and limited stock – all factors driving demand in the housing market, along with values previously being at a low base relative to much of New Zealand.”

Meanwhile, commercial property values have increased by 20.8%, and property values in the industrial sector have increased by 35% since the district’s last rating valuation in 2017. Commercial and industrial land values have also increased by 56% and 77% respectively.

“This shows a solid performance for commercial and industrial properties off some very low start values,” said Mr Willocks. “Because Mount Ruapehu caters predominantly for domestic tourists, the Ruapehu district isn’t dependent on international tourists which also lessens the impact of Covid-19.”

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Since 2017, the average capital value of an improved lifestyle property has increased by 26.5% to \$467,000, while the corresponding land value for a lifestyle property increased by 40% to \$191,000.

“In Taumarunui and Ohakune, after a prolonged flat market for lifestyle rural properties, we have now experienced considerable growth. The lifestyle market strength aligns with the high-end residential increases,” Mr Willocks added.

He said the rural market remained strong with sustained farm gate prices and a shortage of listings. There are limited manuka transactions for manuka honey, and market gardening continues to dominate the higher valued land.

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 7 October 2020. If owners do not agree with their rating valuation, they have a right to object through the objection process before 30 November 2020.

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