



Te Kaunihera-ā-Rohe o Taratahi

CARTERTON
DISTRICT COUNCIL

AGENDA

Council Workshop

Date: Wednesday, 17 April 2024

Time: 10:30 am

**Location: Carterton Events Centre
50 Holloway St
Carterton**

Mayor R Mark

Deputy Mayor D Williams

Cr B Deller

Cr R Cherry-Campbell

Cr S Cretney

Cr G Ayling

Cr L Newman

Cr S Laurence

Cr S Gallon

**Notice is hereby given that a Council Workshop of the Carterton District Council
will be held in the Carterton Events Centre, 50 Holloway St, Carterton on:
Wednesday, 17 April 2024 at 10:30 am**

Order Of Business

| | | |
|----------|--|-----------|
| 1 | Reports | 4 |
| 1.1 | QV presentation on valuation changes | 4 |
| 5 | Karakia Whakamutunga..... | 31 |

1 REPORTS



1.1 QV PRESENTATION ON VALUATION CHANGES

1. PURPOSE

FOR QUOTABLE VALUATION (QV) TO INFORM COUNCILLORS ABOUT THE VALUATION CHANGES.

FILE NUMBER: 388496

AUTHOR: ROBYN BLUE, DEMOCRATIC SERVICES OFFICER

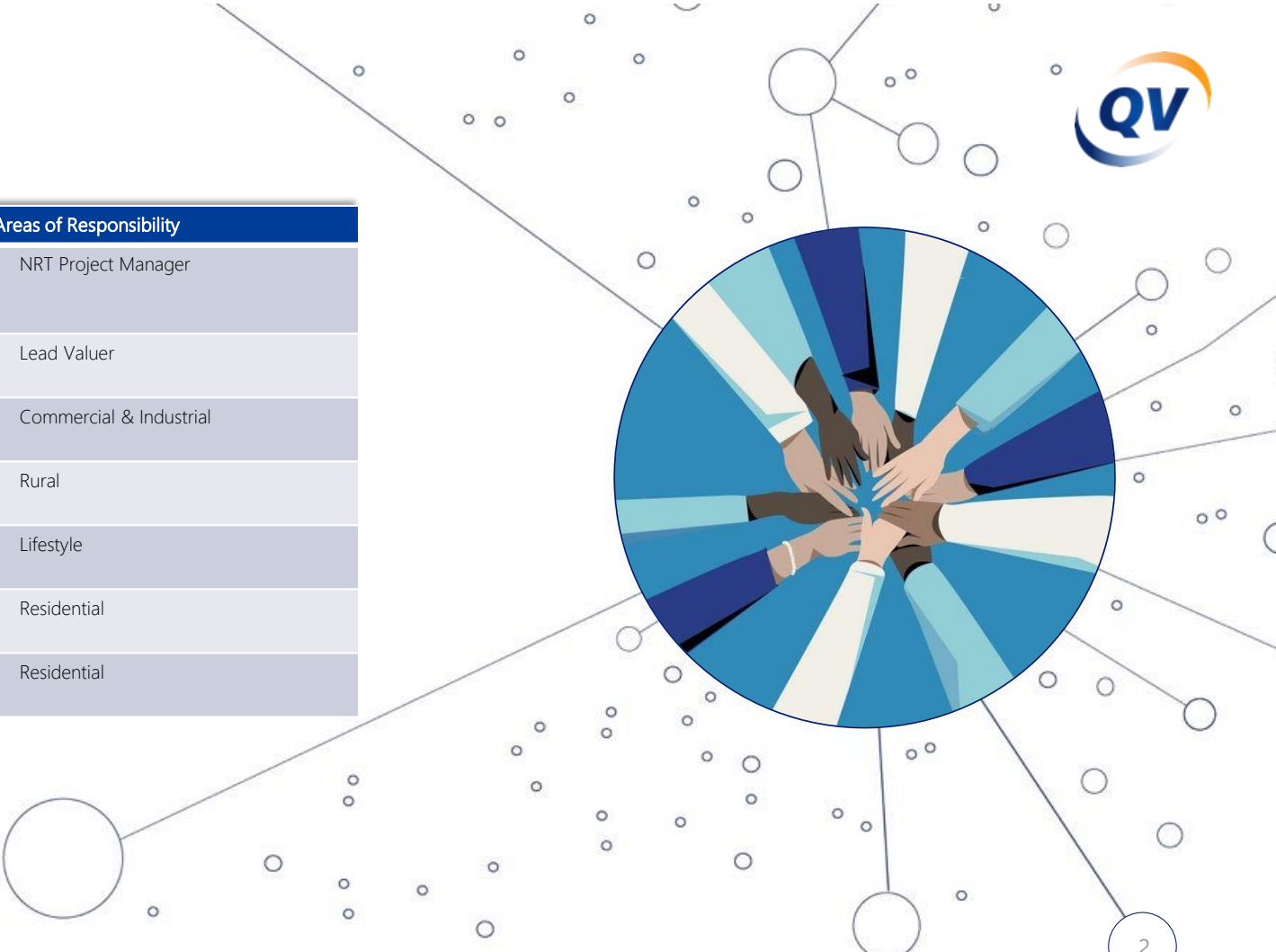
ATTACHMENTS: 1. QV PRESENTATION [↓](#)

Carterton District Revaluation Overview 2023

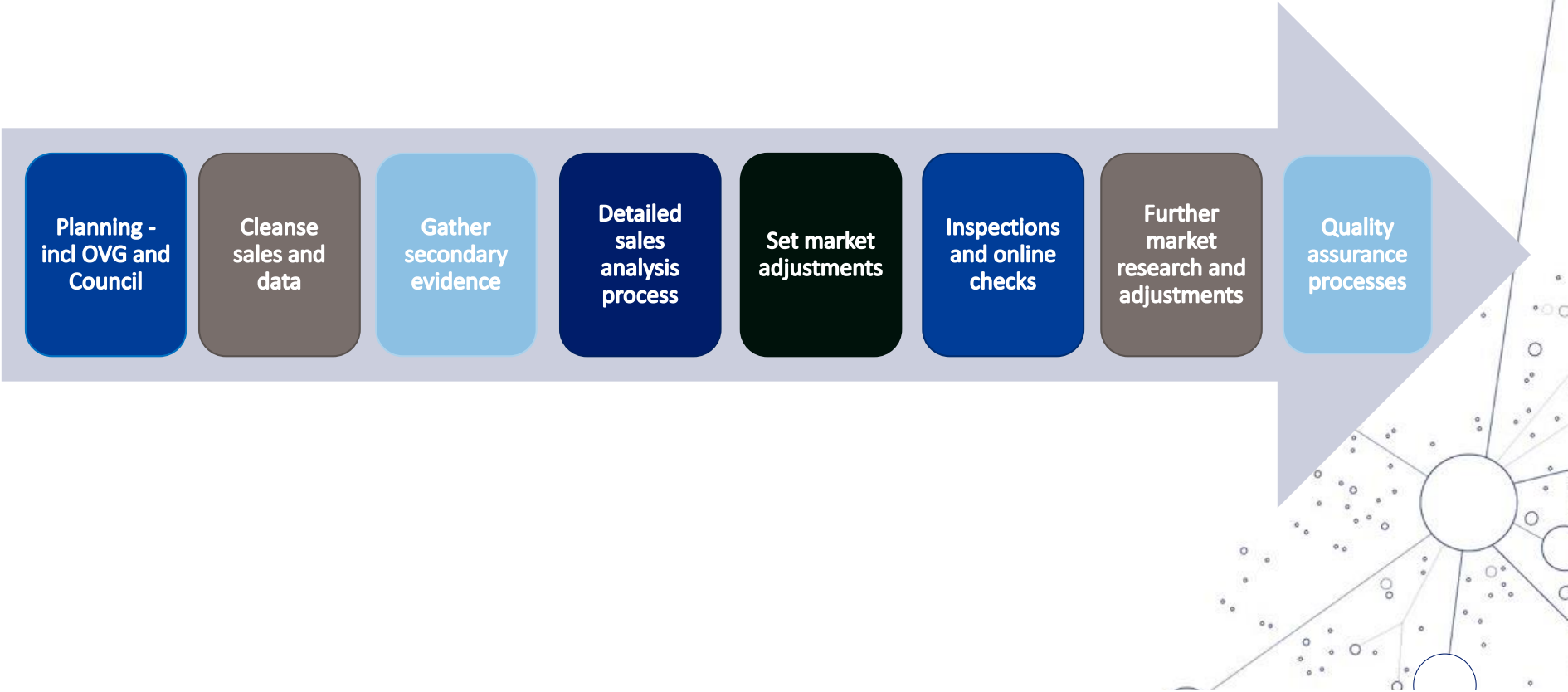


QV Team

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



Process



Secondary Evidence



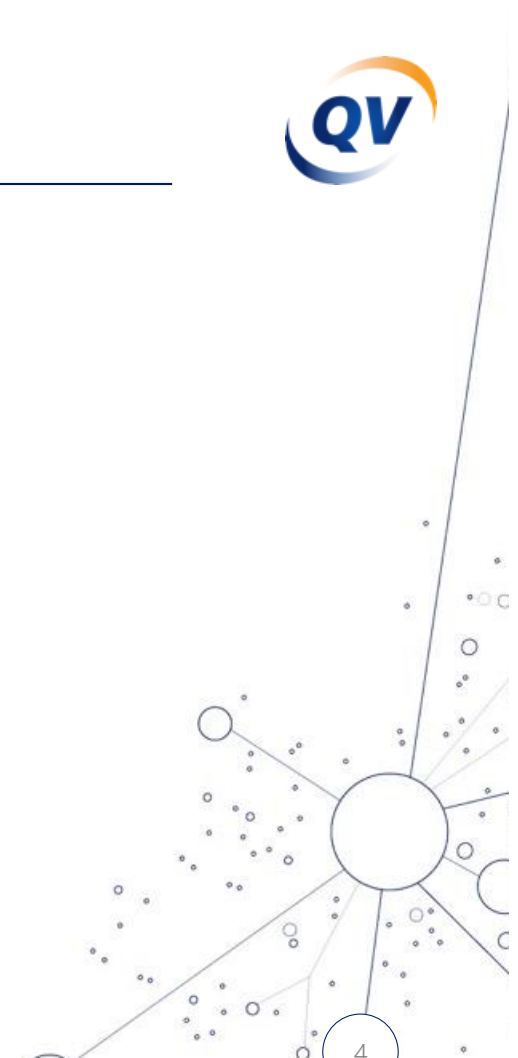
- Ray White
- LJ Hooker
- Tremains
- Bayleys
- Gollins
- WPC

Real Estate
Agents/Valuers

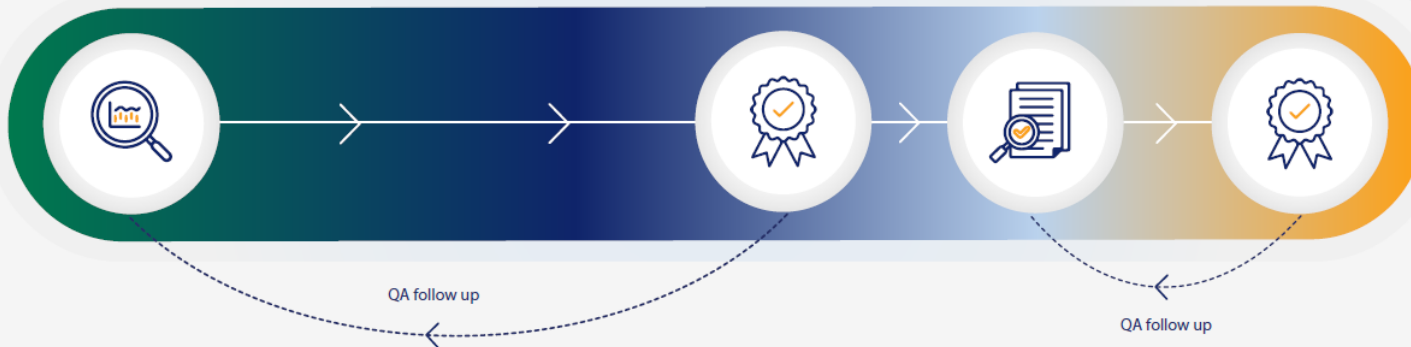


- Property-guru.co.nz
- Trademe.co.nz
- Realestate.co.nz
- Open2view.co.nz
- CBRE.co.nz
- Colliers.co.nz

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
- 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

02

Quality Assurance

- Validating market research
- Stats testing
- Mapping checks
- Interim approval

03

Validation of Values

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

04

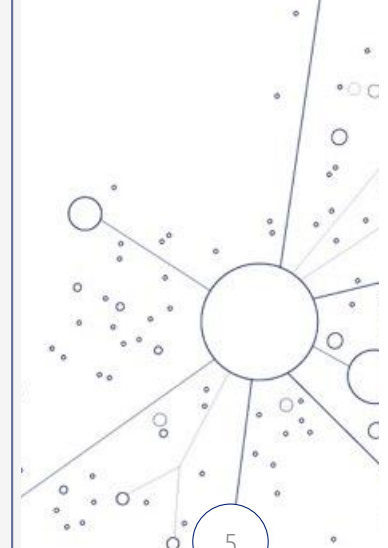
Quality Assurance

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

QV 2023

Quality Assurance

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5

QA Team



- 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

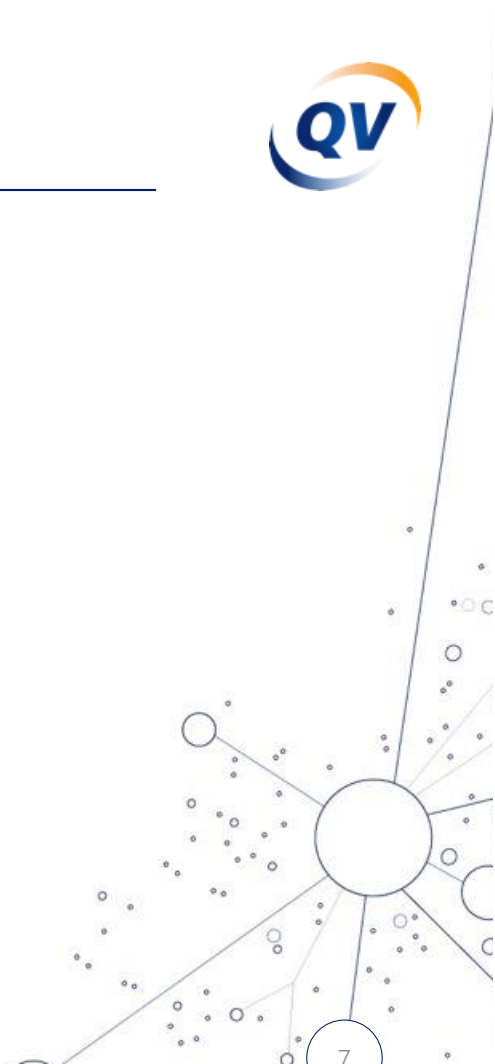
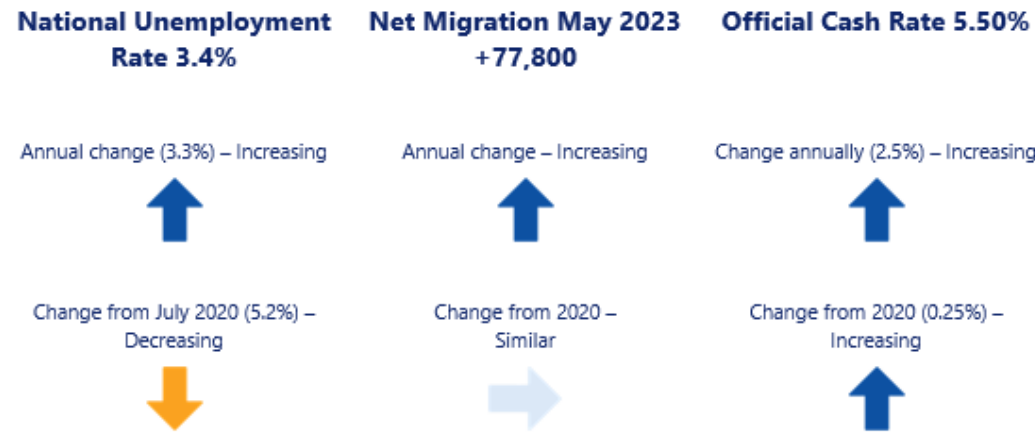
- Urban Peer Review



Strategic Overview



1. Macro Measures



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

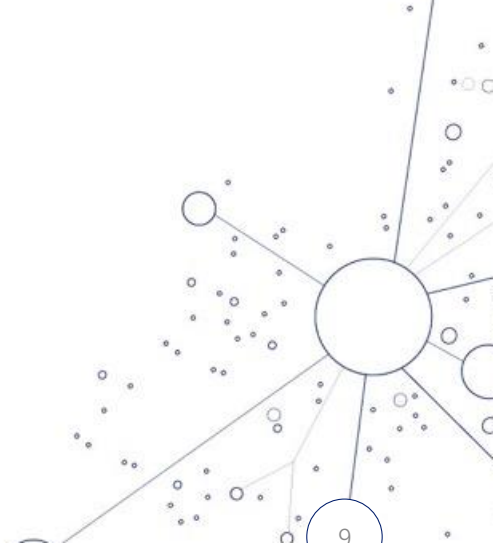


INDUSTRY CHANGES

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

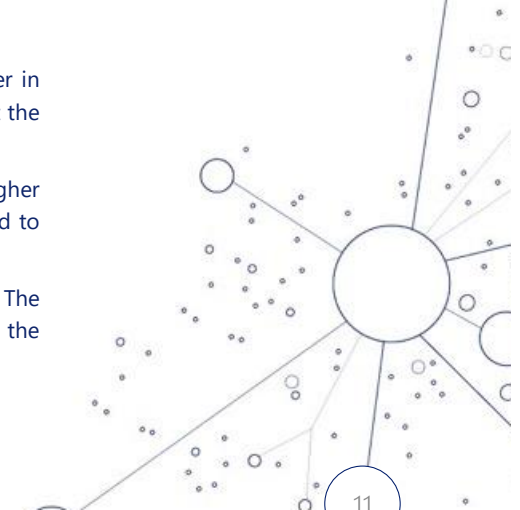
- New Proposed District Plan
- New speed management zones, speed limits reduced down to 80 kph

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 1st Jan – 1st July 2023 down 66% on same period 2022



Three-year resource consents issued

12 1st 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. 3,315m².

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 ² \$230,000 - \$280,000 | 500 m ² \$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

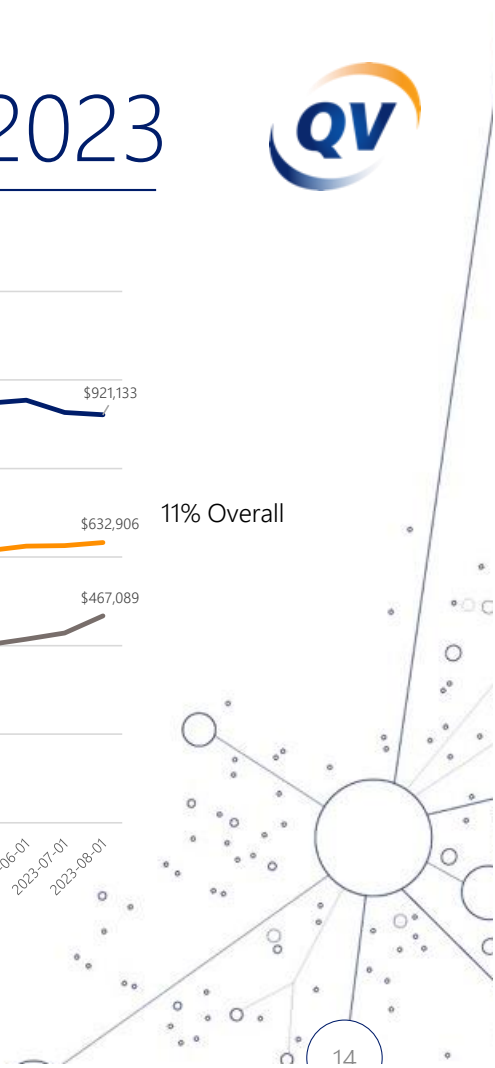
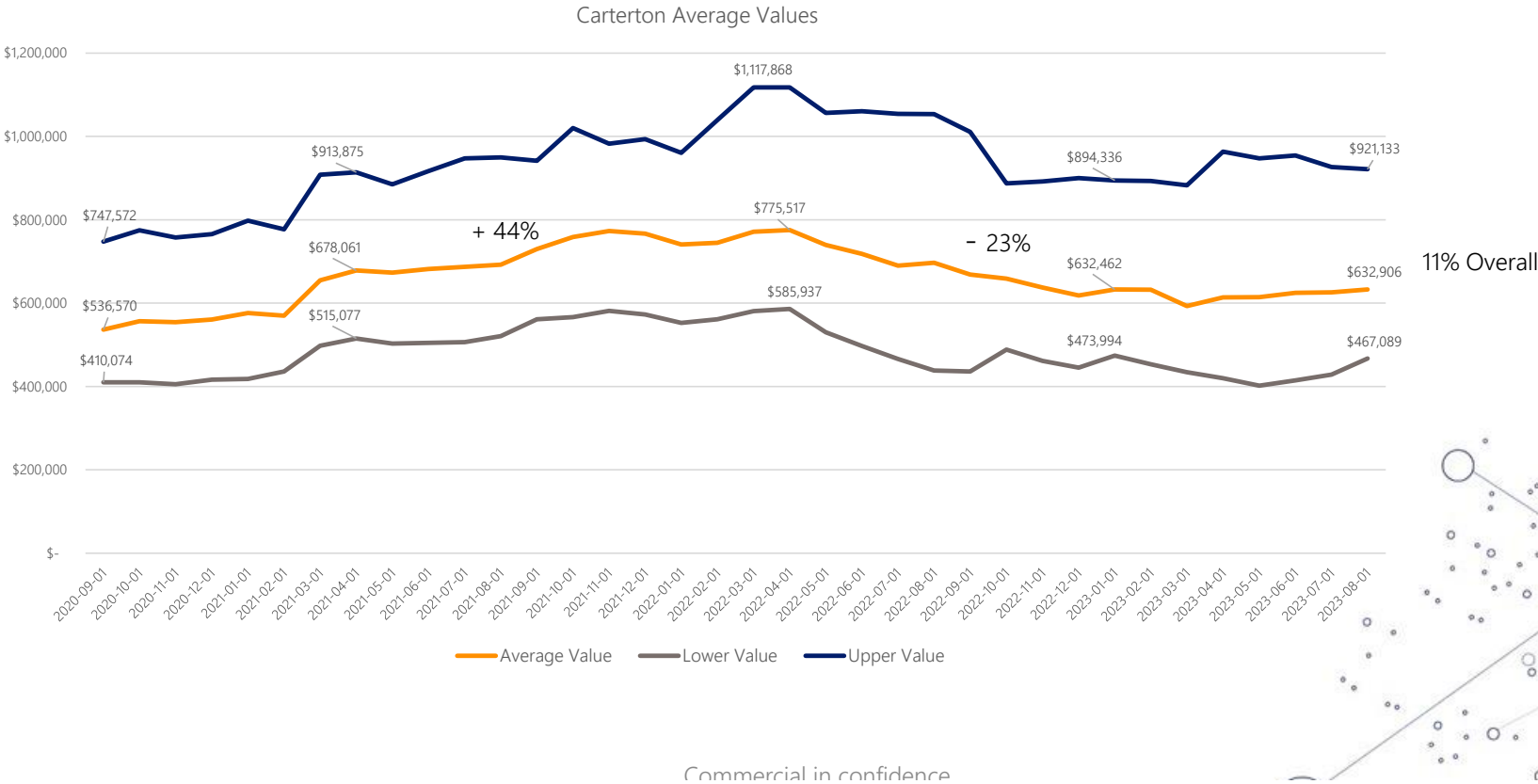
| | |
|---|---|
| \$520 - \$595 per week average 3-4 bed homes | \$420 - \$490 per week average 2 bedroom units and homes |
|---|---|

Typical residential gross yield range

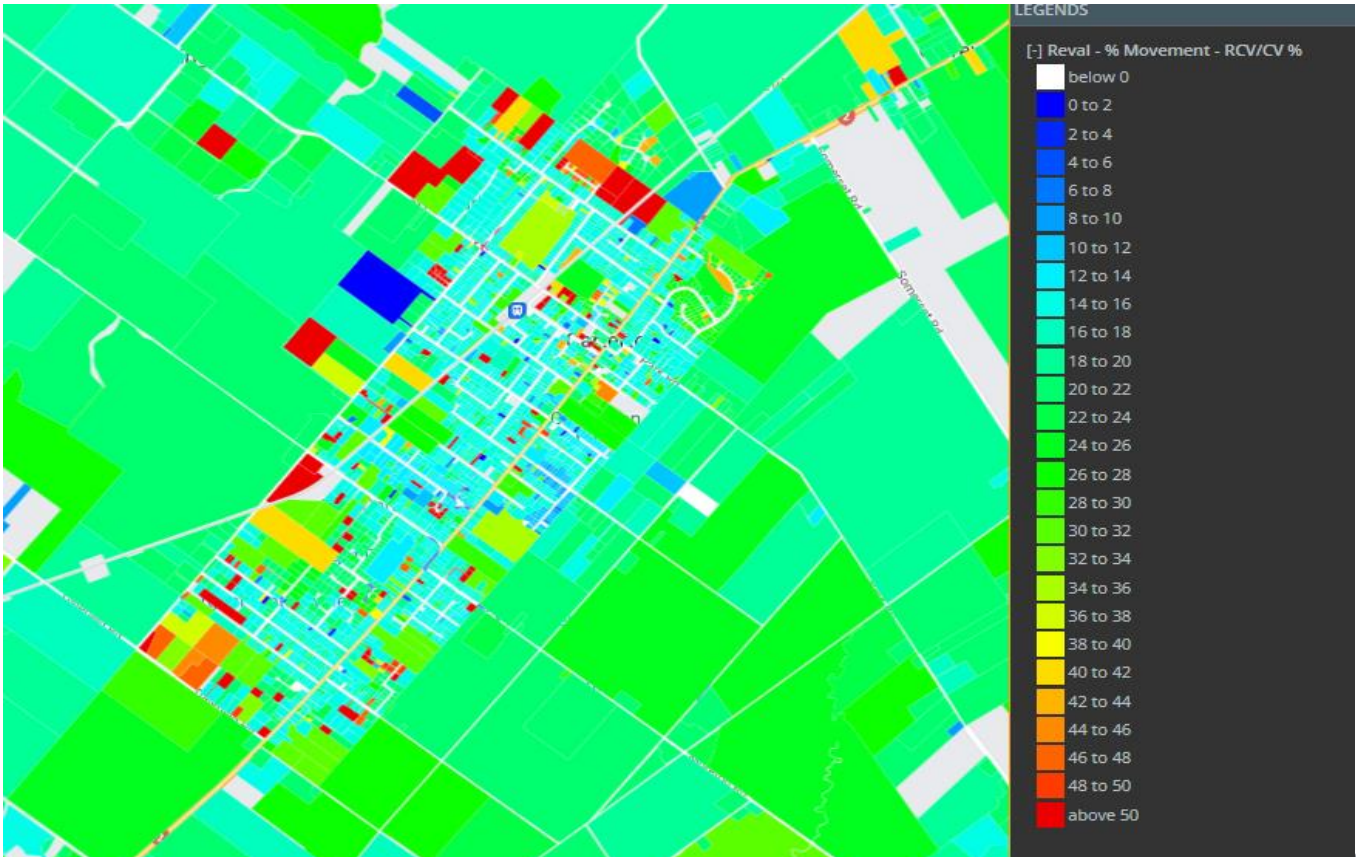
8.50% - 8.7%



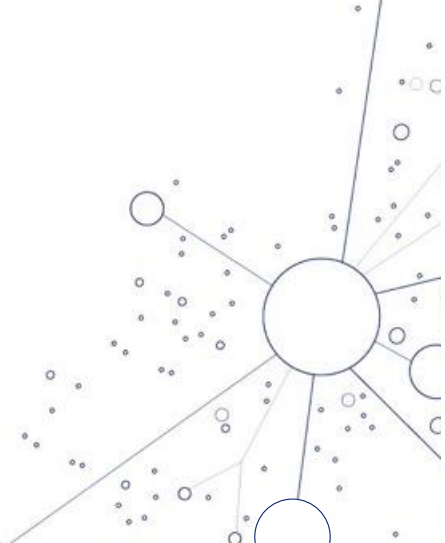
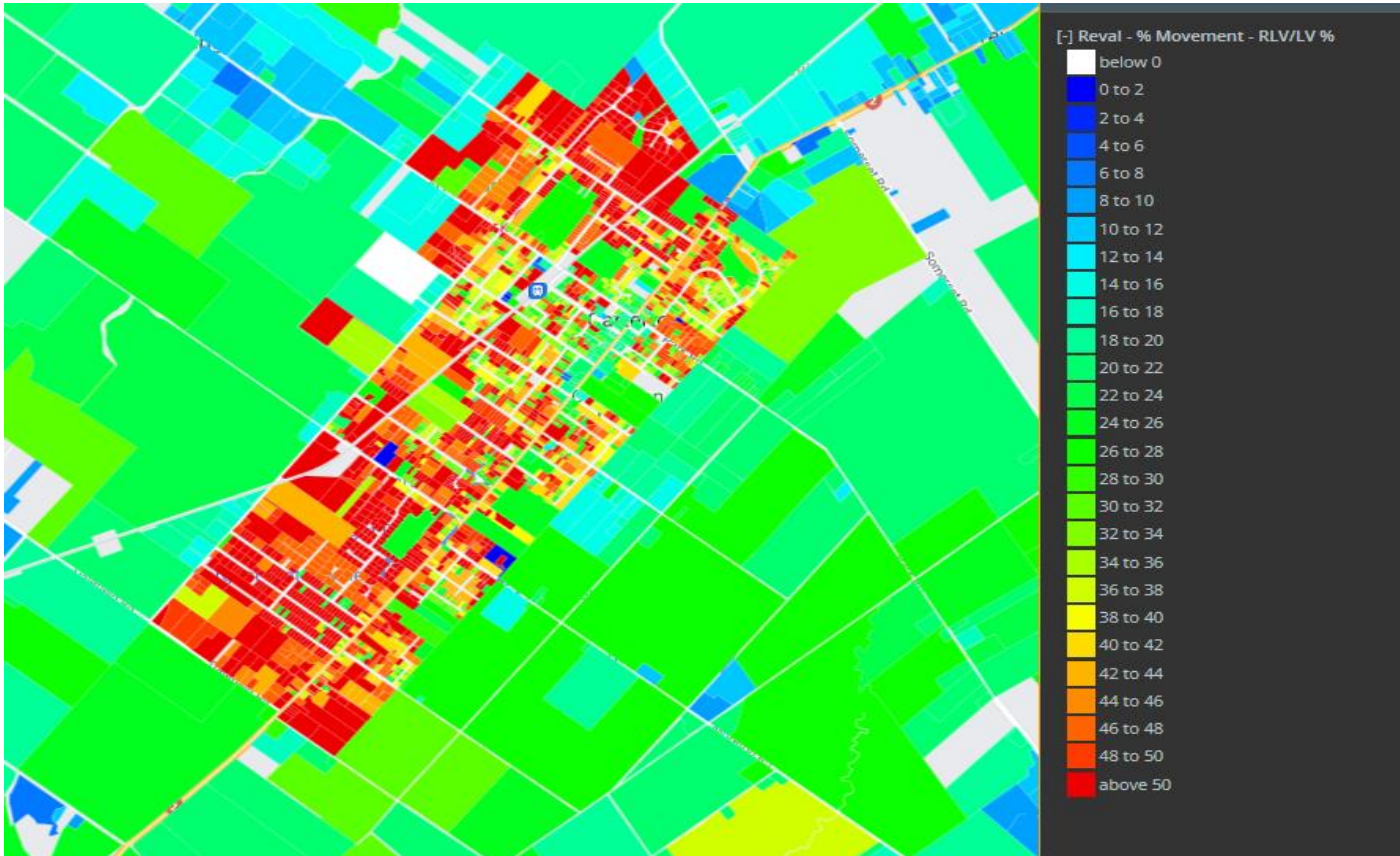
Residential dwelling values 2020 - 2023



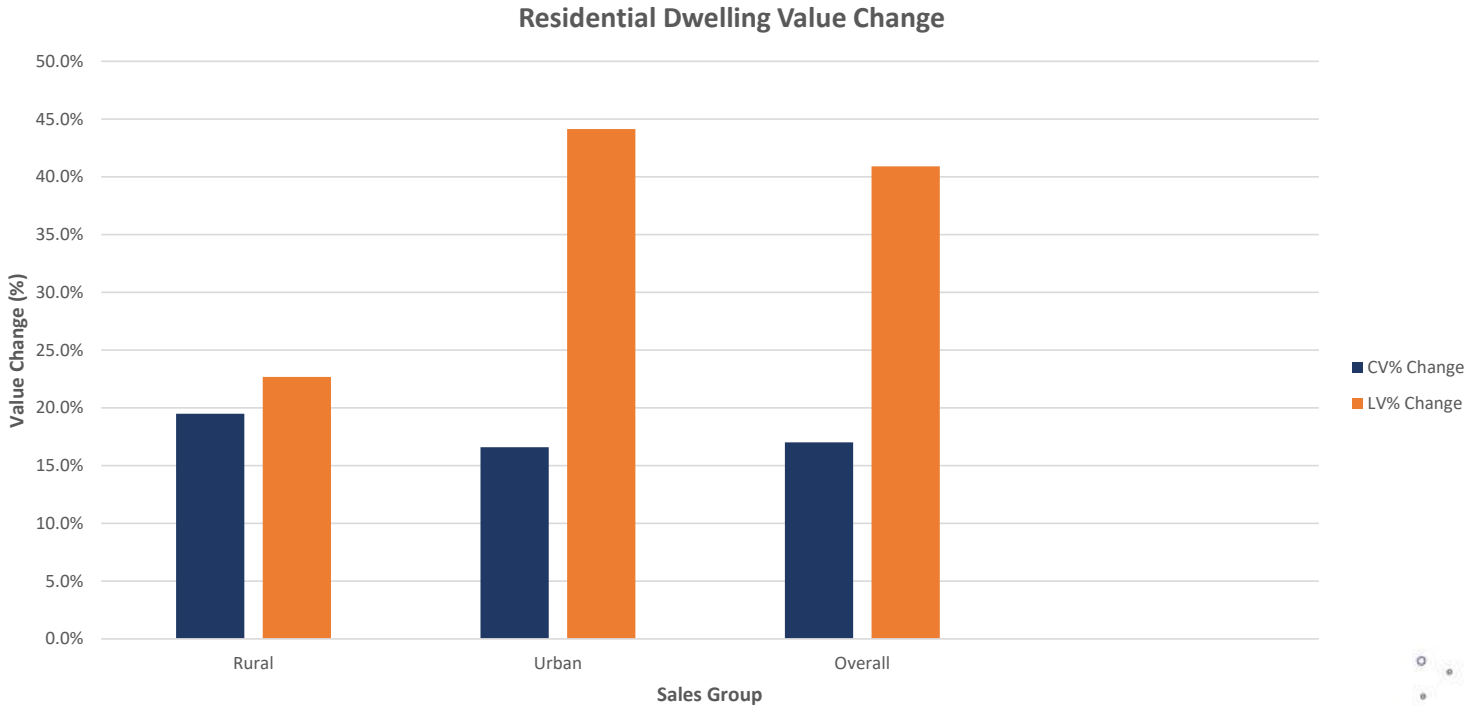
Monarch Thematic Mapping RCV/CV



Monarch Thematic Mapping – RLV/LV



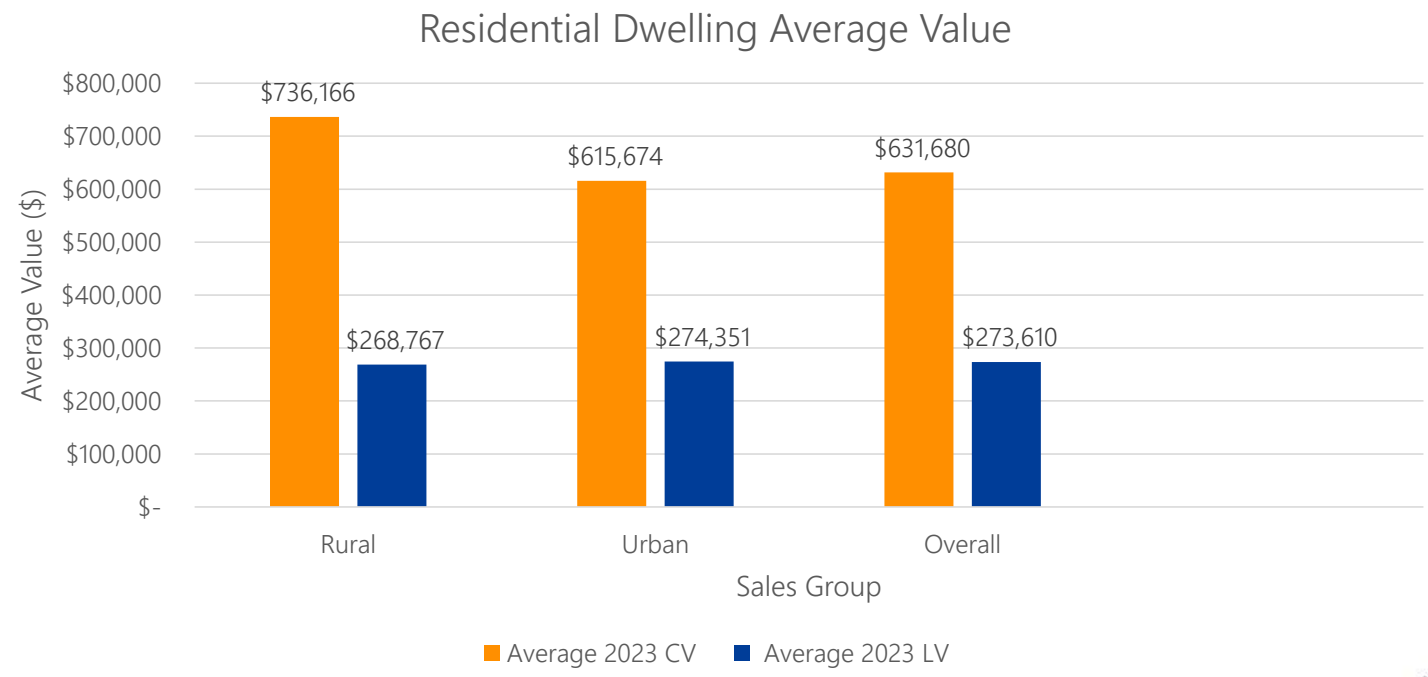
Residential dwelling values change 2023



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Residential dwelling average values 2023



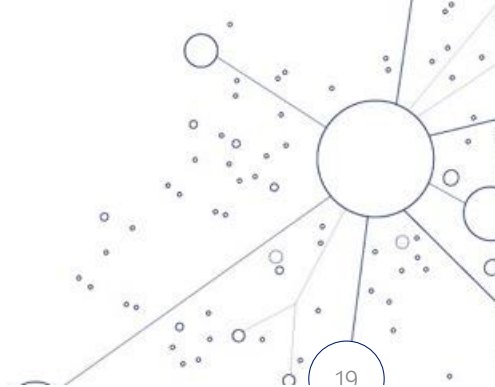
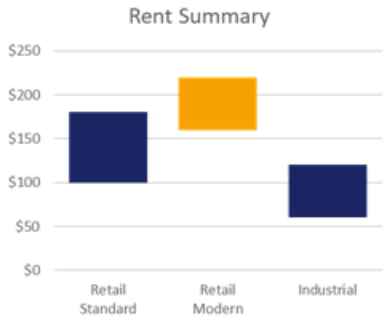
Commercial



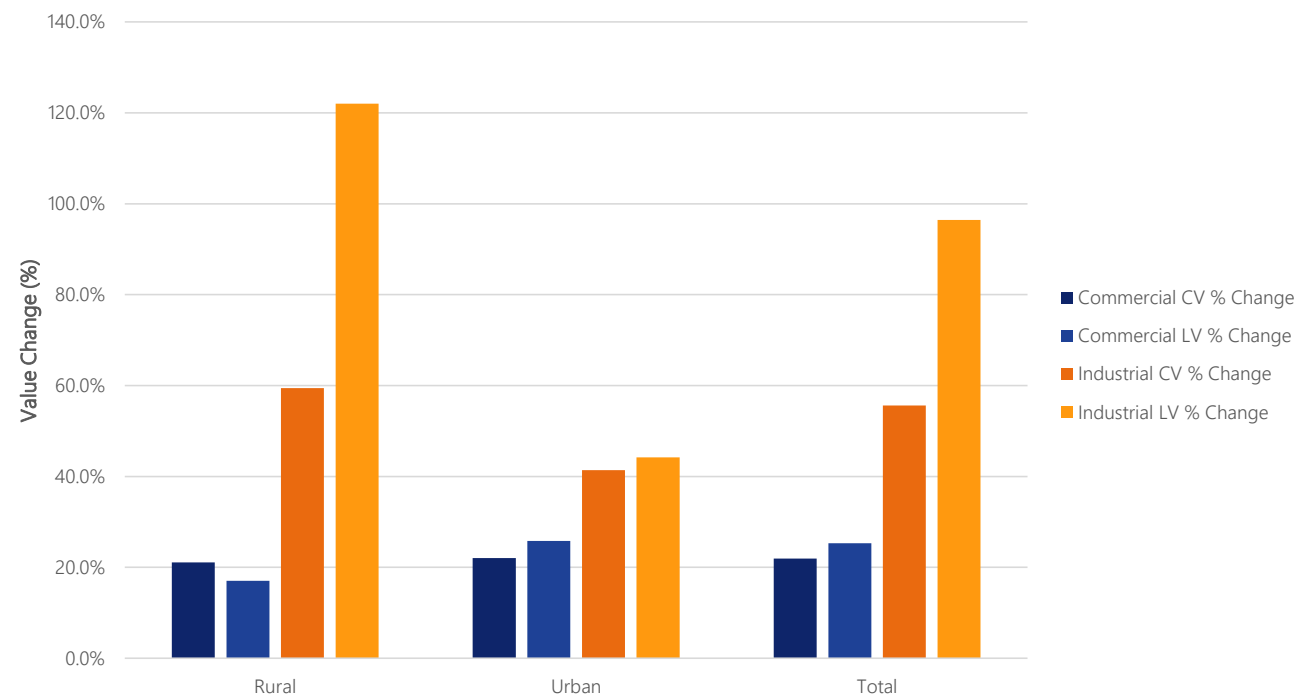
COMMERCIAL & INDUSTRIAL

| 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



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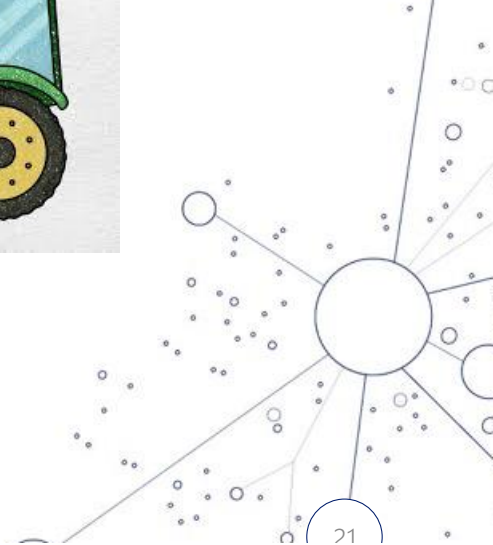
Rural



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 |

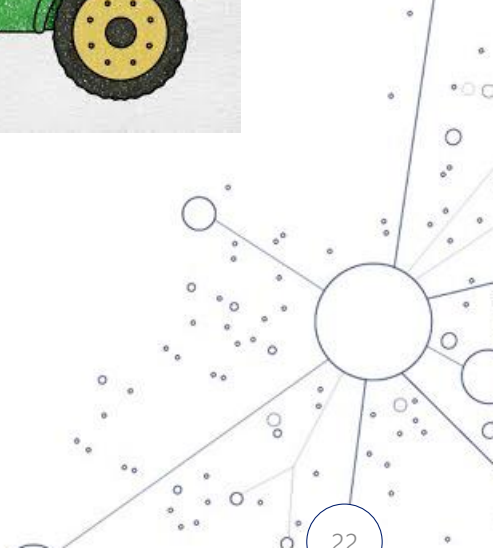
| Terrain | 2020 Pastoral | 2023 Pastoral | Change |
|-------------|-----------------------|-----------------------|---------------------|
| Good flats | \$19,500 - \$26,000ha | \$26,000 - \$35,000ha | \$6,000 - \$9,000ha |
| Easy Hill | \$9,000 - \$19,500ha | \$12,000 - \$26,000ha | \$3,000 - \$6,000ha |
| 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% |



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Revaluation overview

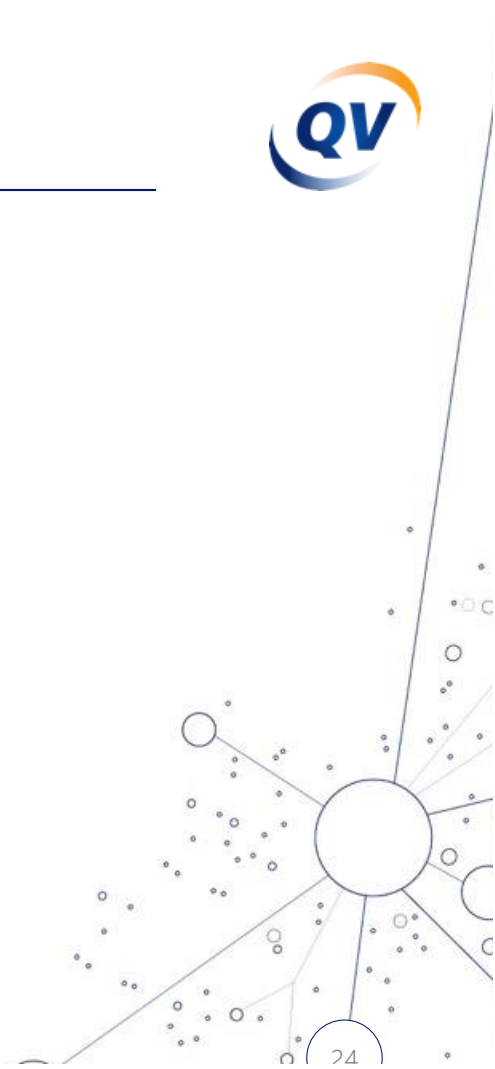
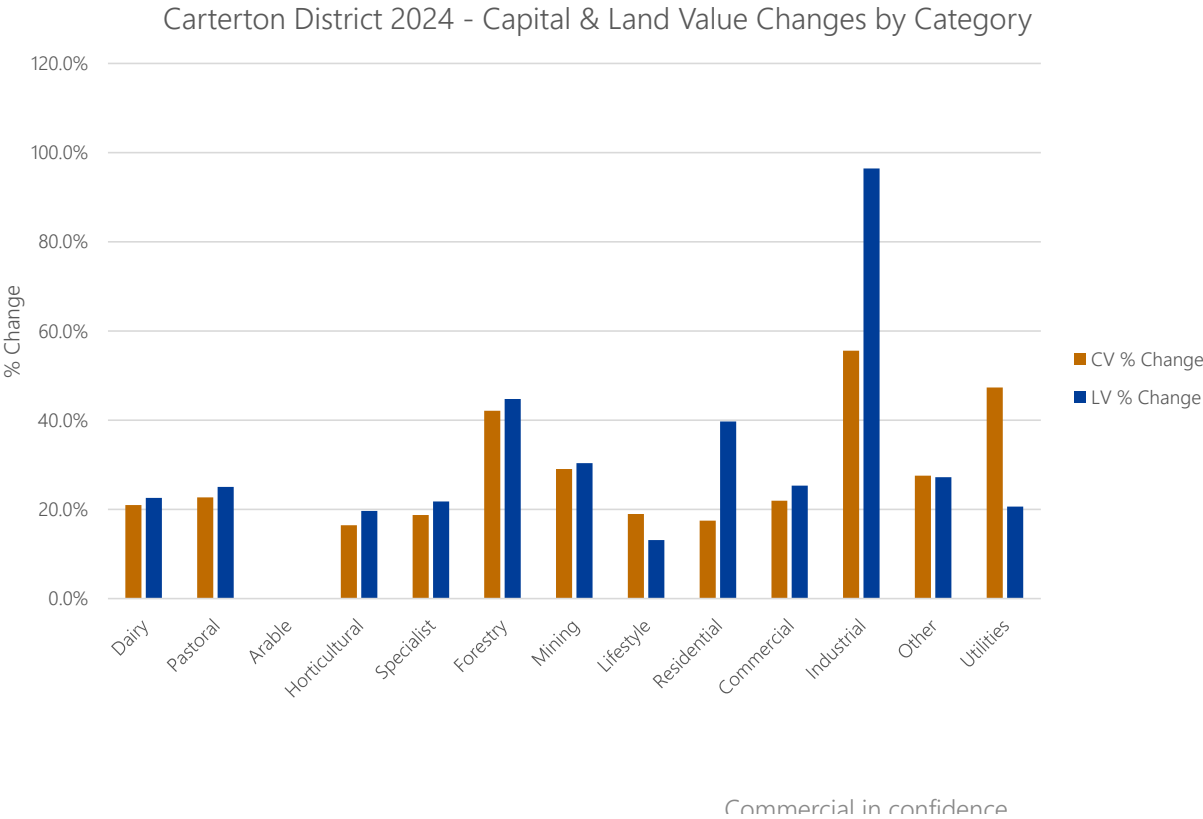


| Sector | No. Assets | 2024 CV | CV % Change | 2024 LV | LV % Change |
|---------------|--------------|------------------------|--------------|------------------------|--------------|
| Dairy | 107 | \$414,185,000 | 20.9% | \$342,888,000 | 22.6% |
| Pastoral | 294 | \$886,669,800 | 22.7% | \$756,093,500 | 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% |
| TOTAL | 5,248 | \$4,782,643,100 | 20.9% | \$2,688,244,400 | 27.6% |

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Revaluation overview



Key Dates

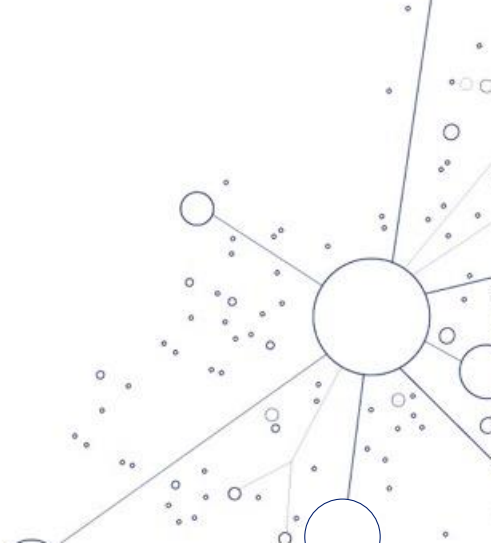
- Effective date of valuation: 1 September 2023
- File at OVG: 15 March 2024
- On site Audit 25 March 2024
- Certification: 12 April 2024
- Implementation Date: 13 April 2024
- Owners notices posted from 24 April 2024
- Objection period closes 31 May 2024

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

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Ngā mihi nui



5 KARAKIA WHAKAMUTUNGA