

BRIEFING: 2022 CITYWIDE REVALUATION

7 DECEMBER 2022 – 12.30PM

ATTENDEES

Elected Members: Mayor Barry, Cr Barratt (via audio-visual link), Cr Briggs, Cr Brown, Cr Dyer, Deputy Mayor Lewis, Cr Mitchell, Cr Morgan, Cr Parkin, Cr Shaw, Cr Stallinger, Cr Tupou, Kaz Yung (PCB), Mike Fisher (PCB).

Staff: J Miller, Chief Executive; A Blackshaw, Director Neighbourhoods and Communities; J Griffiths, Director Strategy and Engagement; C Meads, Head of Mayor's Office; J Randall, Democracy Advisor.

PRESENTERS

J Livschitz, Group Chief Financial Officer; A Andrews, Finance Transaction Services Manager; D Nagel, a representative of Quotable Value (QV).

KEY OBJECTIVES OF THE BRIEFING

The purpose of the briefing is to provide an overview of the 2022 general revaluation by QV and its rates impact across Lower Hutt.

COUNCILLOR APOLOGIES

Cr Edwards

INTRODUCTION

The Finance Transaction Services Manager circulated a flyer to be sent to residents along with rates invoices. The flyer explained the process of the 2022 revaluation and its impact on residents' share of rates. She presented a video that explained the revaluation process. The video would be available for residents to view on Council's website.

PRESENTATION BY D NAGEL, REPRESENTATIVE OF QUOTABLE VALUE

Slide 2 – Contents

Slide 3 – Process: QV monitor property sales, consents and subdivisions as a basis for market valuations. Non-residential properties are valued on their ability to generate income. The Office of the Valuer General had approved this year's revaluation process and results.

Slide 4 – Rating values vs market values: QV follows the market to set values.

Slide 5 – Revaluation overview: Total value of property in Lower Hutt.

- Slide 6 – Revaluation overview:** By category percentage increase - reasonably consistent increases across the board.
- Slide 7 – Hutt City district house value market movement:** More housing stock, higher interest rates and tighter credit has reduced housing prices.
- Slide 8 – Residential market:** There has been a 20.8% housing market correction due to earlier strong gains.
- Slide 9 – Residential dwelling value changes 2022:** Capital value changes range from 20% to 40% for residential dwellings.
- Slide 10 - Residential dwelling values change 2022:** Land values have peaked while capital values are more stable.
- Slide 11 - Residential dwelling average values 2022:** Woburn, Eastbourne, Petone and Central Hutt have become 'million dollar' suburbs.
- Slide 12 - Business properties:** Lower vacancies and slightly higher rentals for business. There has been more investment in smaller scale industrial and commercial properties rather than residential properties and the stock market.
- Slide 13 - Business properties value change 2019-2022:** Queensgate had previously accounted for half the value of business property in Lower Hutt. The market movement has diminished its share of value.
- Slide 14 - Rural and lifestyle properties value change 2019-2022:** Average changes to land values for the various land uses.
- Slide 15 – Objections:** The process for the public to lodge objections. Around 500 – 600 objections are expected. QV expects to be able to look at these fairly promptly.
- Slide 16 - Key dates:** Key dates from the date of valuation to the use of values for rating purposes in 2023.

QUESTIONS AND DISCUSSION POINTS

- Properties are valued simultaneously on the same basis; therefore, the changing market does not impact the share of rates for properties.
- If a new house is occupied prior to the rates strike on 1 July 2023, it will be liable for rates even if it does not exist on 1 September 2022. There is a notional requirement to assume any property and its condition on 1 July 2023 is the same as it was on 1 September 2022. Properties are valued retrospectively to that date.
- Commercial Central, Commercial Suburban, Utility and Residential rating categories are all ringfenced. Council's rating policy determines the percentage of total rates revenue allocated to each category within those ring-fenced areas. Each property pays a percentage of the total general rate. Rural and the community facilities categories pay a percentage of residential rates.

BRIEFING MATERIALS

Attachment 1 – Presentation: Hutt City District Revaluation 2022

Attachment 2 - Rates revaluation notice flyer

Attachment 3 – Rates video

The briefing closed at 1.00pm