



Briefing: 2025 Rating Values

Elected Member Briefing

27 August 2025 - 4.34pm

Attendees

Elected Members: Mayor Barry, Cr Barratt, Cr Brown, Cr Dyer, Deputy Mayor Lewis, Cr Mitchell, Cr Morgan, Cr Parkin, Cr Shaw, Cr Stallinger.

Staff: J Livschitz, Group Chief Financial Officer; A Blackshaw, Director Neighbourhoods and Communities; J Griffiths, Director Strategy and Engagement; J Kingsbury, Director Economy and Development, A Andrews, Finance Transaction Services Manager, J Young, Democracy Advisor

Apologies

Cr Tupou.

Presenters

Alicia Andrews; Finance Transaction Services Manager.

Key Objectives of the Briefing

The purpose of the briefing is to equip elected members with clear messages and practical answers about the Rates Values revaluation process, including why the revaluation is required and how it impacts rates. The briefing also outlines Council's engagement and communication approach.

Introduction

Rating revaluations are a statutory requirement undertaken by councils at least every three years to ensure fairness and accuracy in the distribution of rates. A revaluation provides a snapshot of property values at a set point in time, which is then used as the basis for calculating rates for the following three-year period. Importantly, this process does not increase the total amount of rates collected by Council. Instead, it determines how the rates burden is fairly shared among property owners, reflecting up-to-date market conditions.

The last revaluation for Hutt City Council occurred in 2022, when property values increased by an average of 32.7% from 2019 levels. Current market trends indicate a decline in values since then, with average residential values decreasing from approximately \$830,000 in 2022 to around \$740,000 today. The upcoming 2025 revaluation will follow national trends and incorporate these market changes into the allocation of rates.

The Office of the Valuer-General independently audits the process to ensure integrity. Key dates include the effective valuation date of 1 August 2025, the audit scheduled for 21 November 2025, and the release of new property values to owners on 3 December 2025. An objection period will then run until 26 January 2026, after which the new values will be applied to rates from 1 July 2026.

Presentation by Alicia Andrews; Finance Transaction Service Manager

Slide 1 – 2025 Rating Values Elected Member Briefing

Slide 2 – Purpose of today's briefing.

Slide 3 – What is a Revaluation – and why it matters.

Slide 4 – 2022 Revaluation.

Slide 5 – LTP 2024 – 2034.

Slide 6 – 2025 Revaluation Key Milestones.

Slide 7 – How the capital value rating system works.

Slide 8 – Who does what?

Slide 9 – Communication Approach.

Slide 10 – Engagement timeline.

Slide 11 – Your role as elected members.

Slide 12 – What questions do you have?

Questions and discussion points

In response to questions from members, the Finance Transaction Service Manager provided the following information:

- there will be a briefing for the new incoming Councillors as part of the finance induction. This will include a session focusing on rates and revaluations.
- there had been significant information sharing with other councils. She noted that Wellington City Council completed its revaluation a year earlier, so Council looked at its tools. She added that Council had been innovative in 2022 with the use of

videos, interactive maps, and flyers, and that it had shared information with other councils. Quotable Value (QV) had also created flyers and videos for use across councils.

- Council would front foot the messaging that falling property values don't necessarily mean falling rates.
- Quotable Value (QV) reviews anomalies as part of the revaluation process, including considering all objections from previous rounds. The Office of the Valuer-General requires evidence of these checks. Council also monitors sales data through its rates team, and if a sale looks unusual, it is referred to QV for review. She added that property values are public information, and anyone, not just the property owner, can lodge an objection. If Council becomes aware of situations like the one described, it notifies QV to check and verify the valuation information.
- officers had planned to review the revenue and financing policy, including the split between property classes, as part of the changes related to Metro Water. She noted that since three waters were being removed, an amendment to the Long-Term Plan (LTP) would be required. That process would include reviewing these policies and considering additional data to support Council's decisions.
- it is mandatory under legislation to carry out a revaluation at least every three years. Most councils in New Zealand follow a three-yearly cycle. She noted that Wellington used to undertake annual revaluations but shifted to the standard three-yearly approach about a decade ago.
- Greater Wellington Regional Council undertook a process to "annualise" property values across the region. This meant they took the valuations from all councils and, with support from QV if required, adjusted them as if every area had been valued at the same point in time. She added that regional rates were then set on this basis.
- in terms of rating approaches, some councils have considered changes such as moving to land value rating. For example, Wellington City Council explored this option but decided not to proceed. She noted that Council is not currently considering such a change but will continue monitoring regional discussions to stay informed.

- QV's letter is a standard template and cannot be substantially altered. However, councils could include additional material alongside it. She noted that last time, Council worked with QV to include a jointly prepared flyer, which carried key messages to help explain the process and address common misconceptions. She added that the approach would be used again to ensure residents receive clear and accurate information.
- the main confusion is the common misconception that if a property's value goes up, rates automatically go up, and if the value goes down, rates automatically go down. She noted this misunderstanding is widespread but difficult to explain, as property values are only one factor in how rates are apportioned. She advised that to address this, Council will use multiple communication channels, including explanatory videos, flyers, letters, website content, and supporting materials, alongside QV's correspondence. The aim is to clarify the link between property values and rates, acknowledging that while values are part of the calculation, they do not directly determine whether individual rates will rise or fall.

Next steps

There were no next steps.

Briefing materials

Attachment 1 – Presentation:

The briefing closed at 4.59pm