

Media Release

January 2023

New rating valuations for Upper Hutt City Council

Upper Hutt City Council property owners will soon receive a Notice of Rating Valuation in the post with an updated rating value for their property.

The new rating valuations have been prepared for 17,863 properties on behalf of the Upper Hutt City Council by Quotable Value (QV). Their careful analysis shows the total rateable value for the wider city is now \$17 billion, with the land value of those properties now valued at \$10.1 billion.

On average, the value of residential housing has increased by 37% since 2019 with the average house value now sitting at \$852,000. At the same time, the corresponding average land value has increased by 62% for an average of \$541,000.

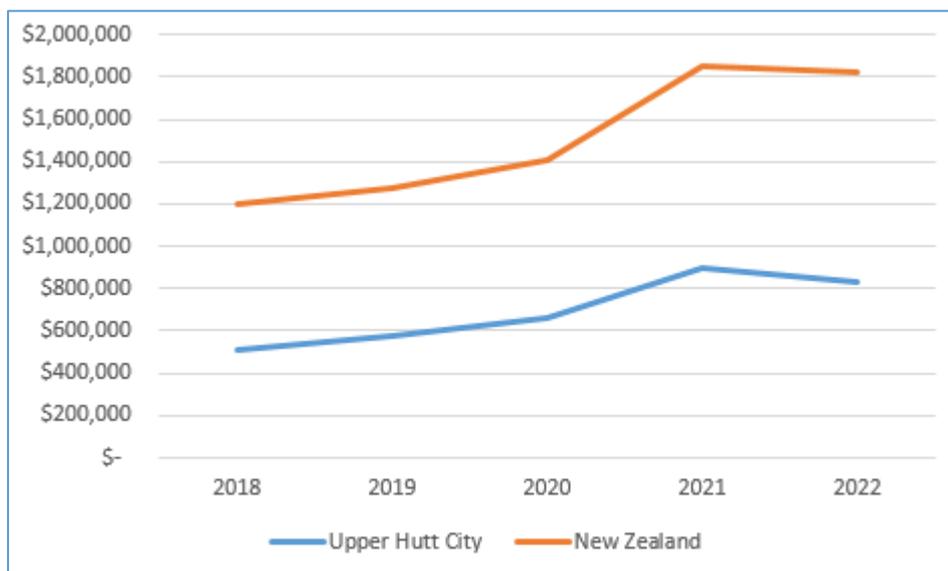
QV Senior Consultant & Lead Valuer Blake Ngarimu commented: "Upper Hutt City was one of the hottest residential markets in New Zealand throughout 2021, peaking in late 2021 with an average value of \$980,000, a 70% increase over the 2019 revaluation. However, over the course of 2022, we've seen one of the sharpest value corrections in the country as interest rates have risen and credit conditions tightened."

Meanwhile, the local commercial and industrial sectors have had comparatively moderate increases across the city. Commercial property values increased by 38% on average and property values in the industrial sector have increased by 60% since the city's last rating valuation. Commercial and industrial land values have also increased by 54% and 81% respectively.

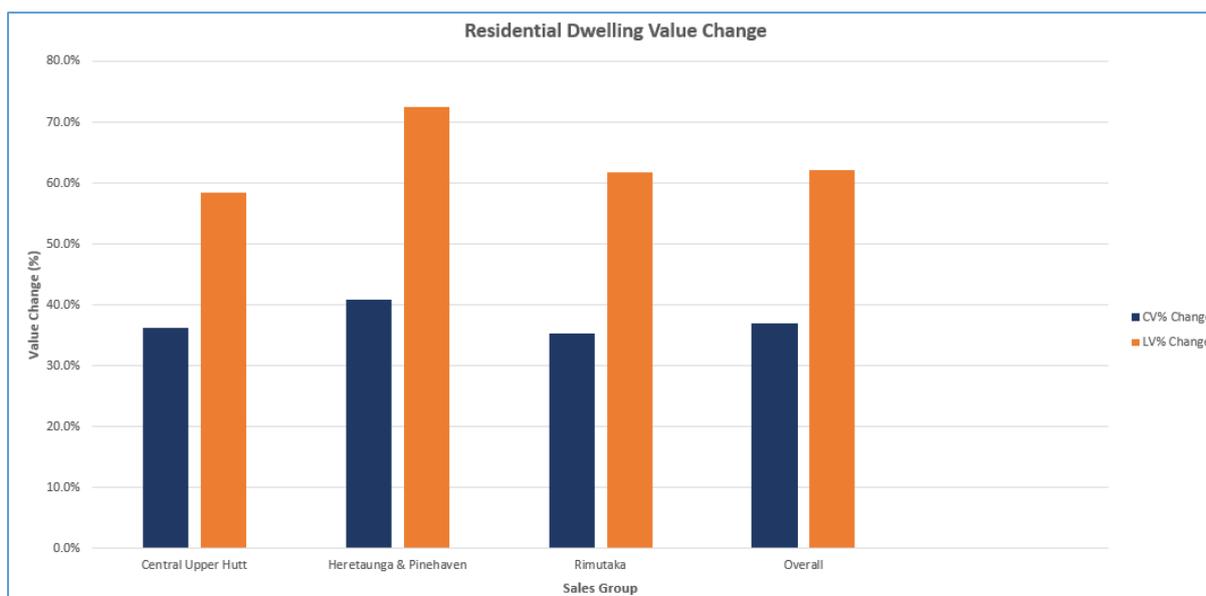
QV Wellington Manager Hoa Quan commented: "We've seen significant value increases for commercial and industrial properties in the city since our last revaluation in 2019. This is the result of low vacancy levels pushing rents upward, and a tightening of yields from increased demand from both owner occupiers and investors."

Since 2019, the average capital value of an improved lifestyle property has increased by 57% to \$1,413,000, while the corresponding land value for a lifestyle property increased by 68% to \$767,000.

Residential Average Residential House Value



Residential housing value changes since 2019 revaluation levels.



What are rating valuations?

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 1 Jul 2022, and do not include chattels.

It is helpful to remember that any changes in the market since that time will not be included in the new rating valuations. Often this means that a sale price achieved in the market today will be different to the new rating valuation set at 1 July 2022.

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. They are not intended to be used as market valuations for raising finance with banks or as insurance valuations.

An increase in your rating valuation may not mean you pay more in rates. Any rates increase is determined by your rating valuation increase compared with the average increase across the Upper Hutt City Council. It doesn't affect the amount of money councils collect from rates, either – it merely helps them work out everyone's fair share of rates.

New rating values will soon be posted to property owners. If owners do not agree with their rating valuation, they have a right to object through the objection process before 9 March 2023. The new values will be used by Upper Hutt City Council to determine ratings from 1 July 2023.

For more information, please contact:

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