

# ENCLOSED IS YOUR NEW RATING VALUATION FOR YOUR PROPERTY

The following is information  
about Rateable Values and  
what we use them for



Palmerston North City Council

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# UNDERSTANDING YOUR RATING VALUATION



Palmerston North City Council  
Te Kaunihera o Papaioea



# WHY HAS MY PROPERTY BEEN VALUED?

Every Council in New Zealand must complete a revaluation of all properties in its area at least every three years. Palmerston North's last revaluation was in 2015.

## Who is responsible for the revaluation?

PNCC contracts Quotable Value Ltd (QV) to carry out the revaluation.

## What are Rateable Values?

Rateable Values are used as a base for setting general rates. Every city property has been valued as at 1 September 2018. Any further market increases after this date can't be taken into account. Rateable Values comprise three components:

**Capital value** – the probable sale price for the property on 1 September 2018. This doesn't include chattels.

**Land value** – the probable price paid for the land on 1 September 2018.

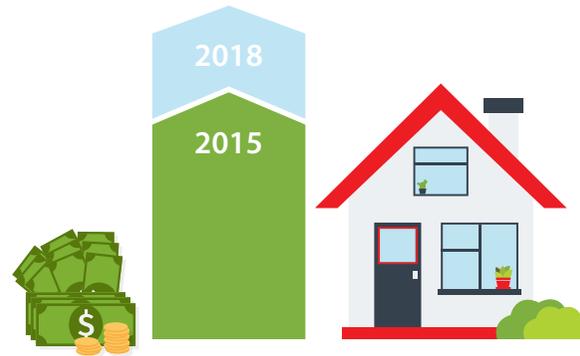
**Value of improvements** is the difference between the capital and land values.

Rateable Values are not designed to be used as market valuations for raising finance or as insurance valuations.

QV's systems and processes are independently audited by the Valuer-General.

## How have the new values been determined?

QV reviews all sales over recent months then using mass appraisal techniques has applied these to similar properties. They've also reviewed properties for which building consents have been issued. Owners of non-residential properties have been surveyed to obtain up to date information about rental income.



## IF MY PROPERTY VALUE GOES UP - WILL MY RATES ALSO GO UP?

The revaluation of all the City's properties **doesn't increase the total amount council collects from rates**, it helps us work out everyone's share of rates. That means an increase in your property's land value may not mean you pay more in rates. If your property has a 'below average increase' it's likely to have no impact on rates and in some cases, may mean you pay less. A 'higher than average' increase could result in a rates increase.

## What have been the average changes in values over the last three years?

Residential property values have increased significantly, with much of the growth being driven by land value increases, and section prices at unprecedented levels.

Housing at the lower end of the market, has experienced substantial capital value increases compared to the City average increase of 36%.

Residential land values have increased on average 68%, with lower land values doubling, and high land values increasing 40%.

The average capital value for lifestyle properties has increased 24% to \$695,000, with the corresponding average land value increasing by 40% to \$350,000.

The rural sector values have increased between 10% and 25% with property types transitioning between lifestyle and larger farms with already strong values.

The Commercial and Industrial value changes are generally positive, in a complex sector.

## What else impacts on the rates calculation?

Your property's land value is just one of the elements used to calculate your share of the City's rates. The type of use also affects the amount of the general rate each property pays.

Properties are also charged 'targeted' rates – rates that relate to services available to your property.



## WHAT HAPPENS NOW?

The new values will be used as the basis for setting and assessing rates as from 1 July 2019.

The Council has yet to make any decisions about the rating system and levels of rates for 2019/20.

Over the coming months the Council will review the rating system and if any material changes are proposed these will be the subject of public consultation in association with a draft Annual Plan released in March 2019. At the same time we will provide information showing what your rates are proposed to be for 2019/20.

## How do I object to my rating values?

If you believe the new valuations for your property do not fairly represent its market value as at 1 September 2018 you've the right to object. Details showing how to do this are shown on the reverse of your enclosed Notice of Rating Valuation. Please note objections must be received by QV by 13 December 2018.

## How do I make enquiries?

If you wish to find out more about your rating value and compare it with others in your neighbourhood please refer to the separate brochure from QV which explains how to do this.

**Enquiries about the new valuations can be made by calling QV on 0800 787 284 (0800 QV Rating).**

## Enquiries relating to rates, contact the Council

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