

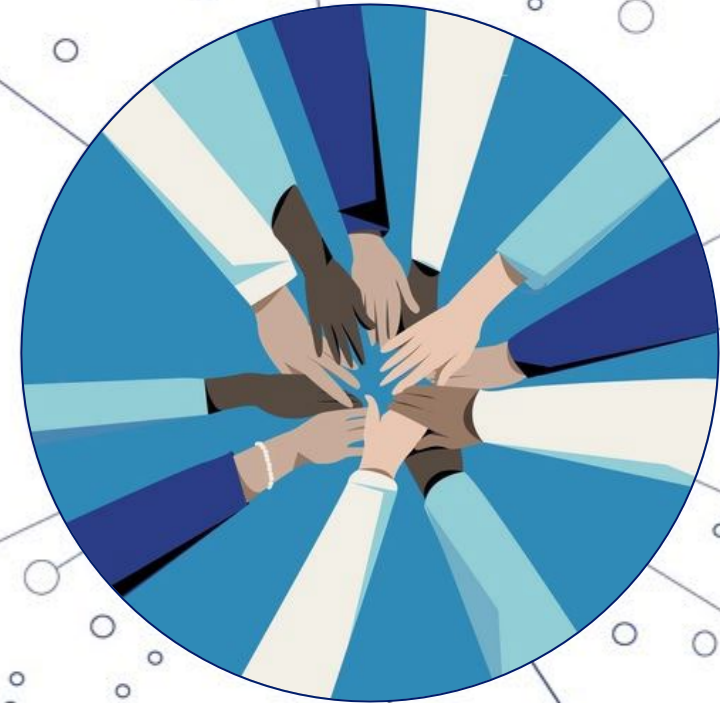
South Wairarapa District Revaluation Overview 2023



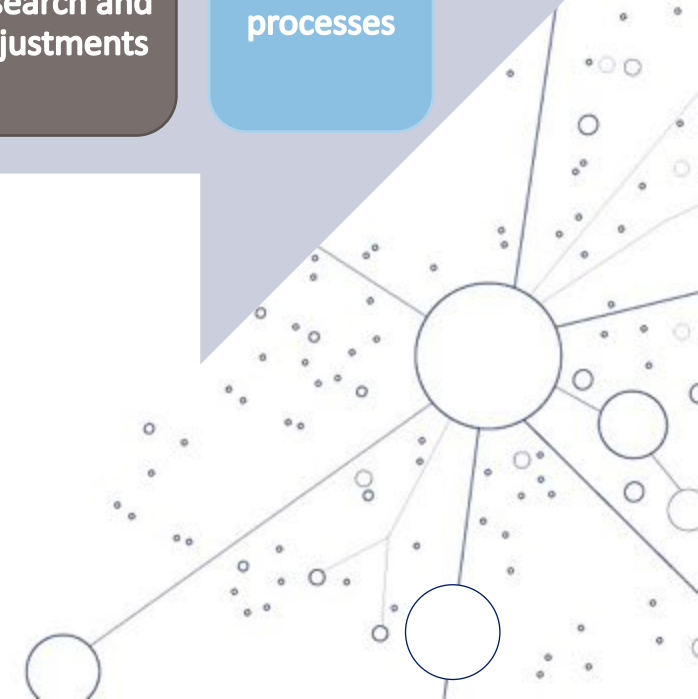
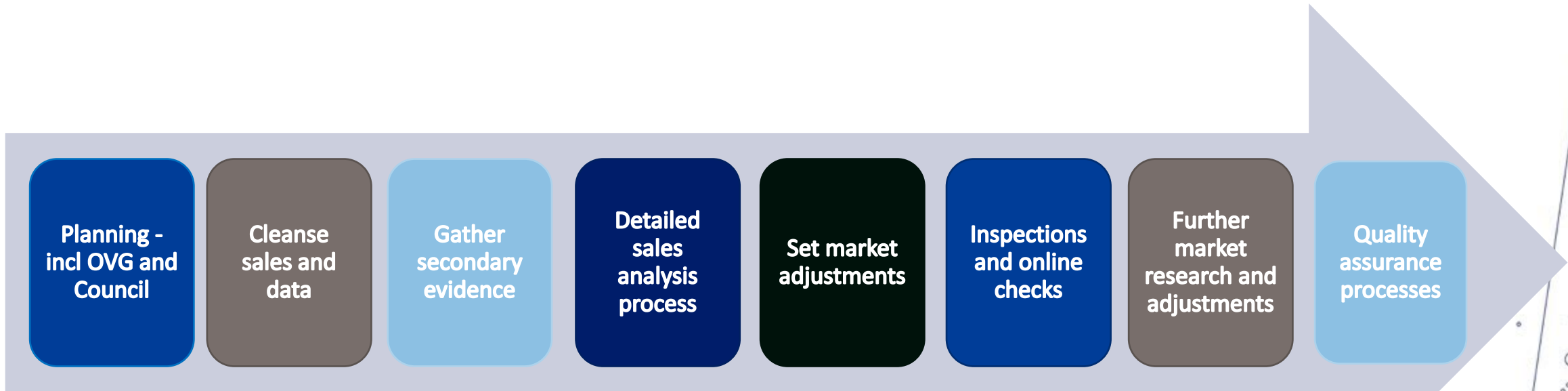
QV Team



| 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• Other Property |
| Hoa Quan Registered Valuer | <ul style="list-style-type: none">• Commercial & Industrial |
| David Paterson Registered Valuer | <ul style="list-style-type: none">• Rural |
| Jack Whiteman Registered Valuer | <ul style="list-style-type: none">• Residential• Residential Rural |
| Sophie Fyers Graduate Valuer | <ul style="list-style-type: none">• Lifestyle |
| Annaliase Callister Graduate Valuer | <ul style="list-style-type: none">• Residential Investment |
| Jaan Turia Graduate Valuer | <ul style="list-style-type: none">• Residential |
| Courtenay Newport Graduate Valuer | <ul style="list-style-type: none">• Commercial & Industrial• Residential Block Land |



Process



Secondary Evidence



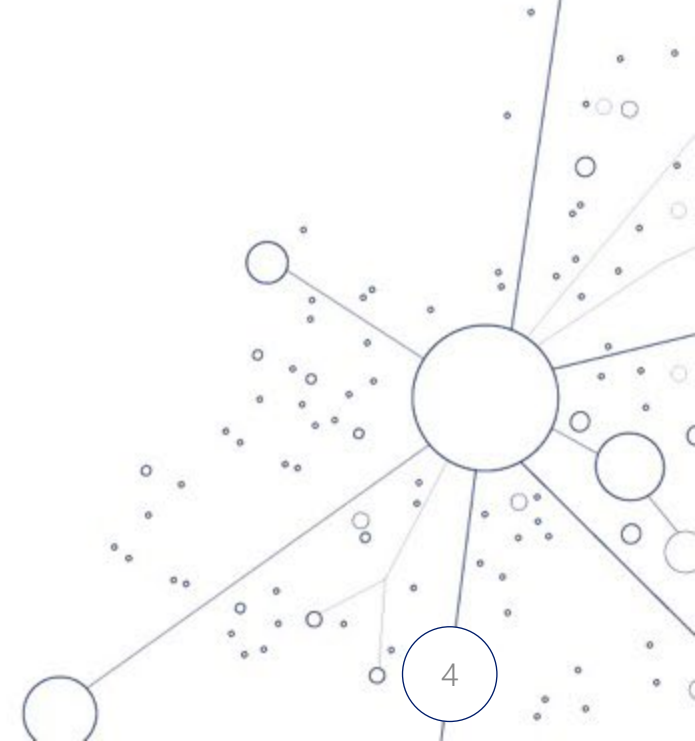
- Ray White
- Property Brokers
- Harcourts
- Tremains
- Bayleys
- Gollins
- WPC

Real Estate
Agents/Valuers

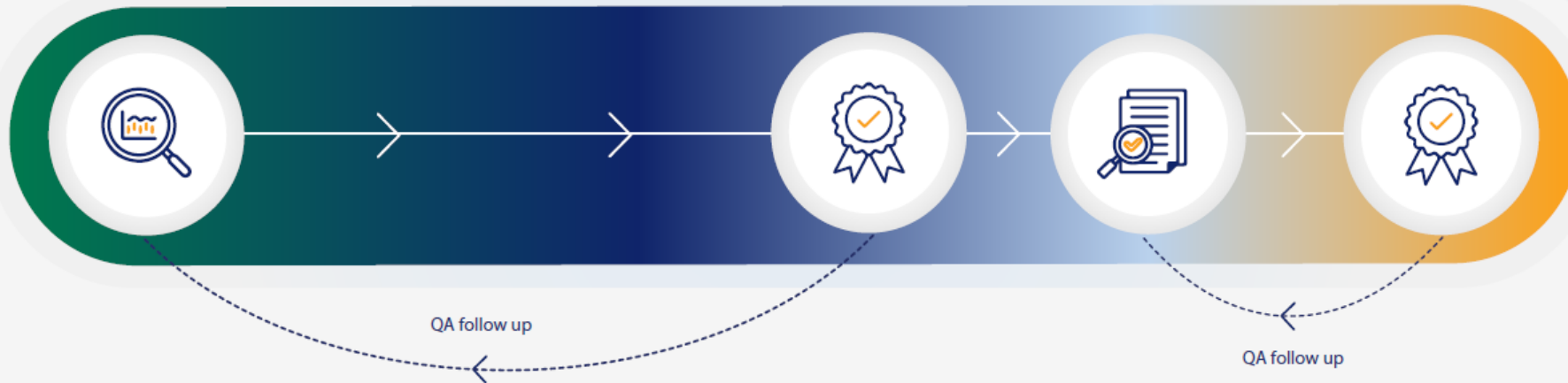


- Property-guru.co.nz
- Trademe.co.nz
- Realestate.co.nz
- Open2view.co.nz
- CBRE.co.nz
- Colliers.co.nz

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

02

Quality Assurance

- 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

03

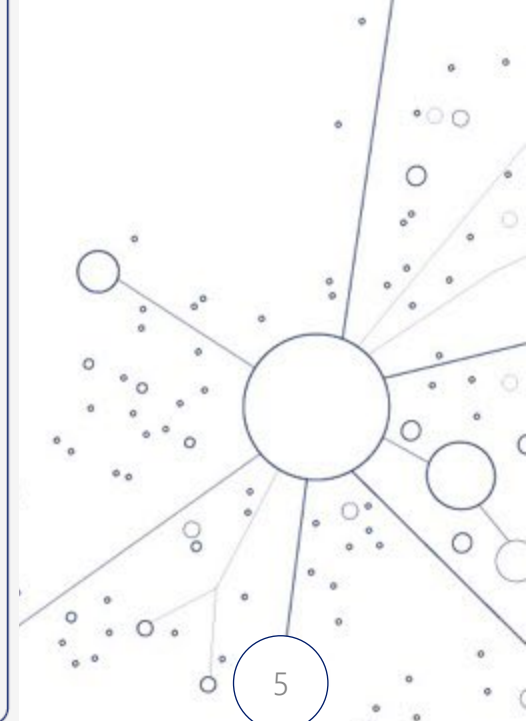
Validation of Values

- 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



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

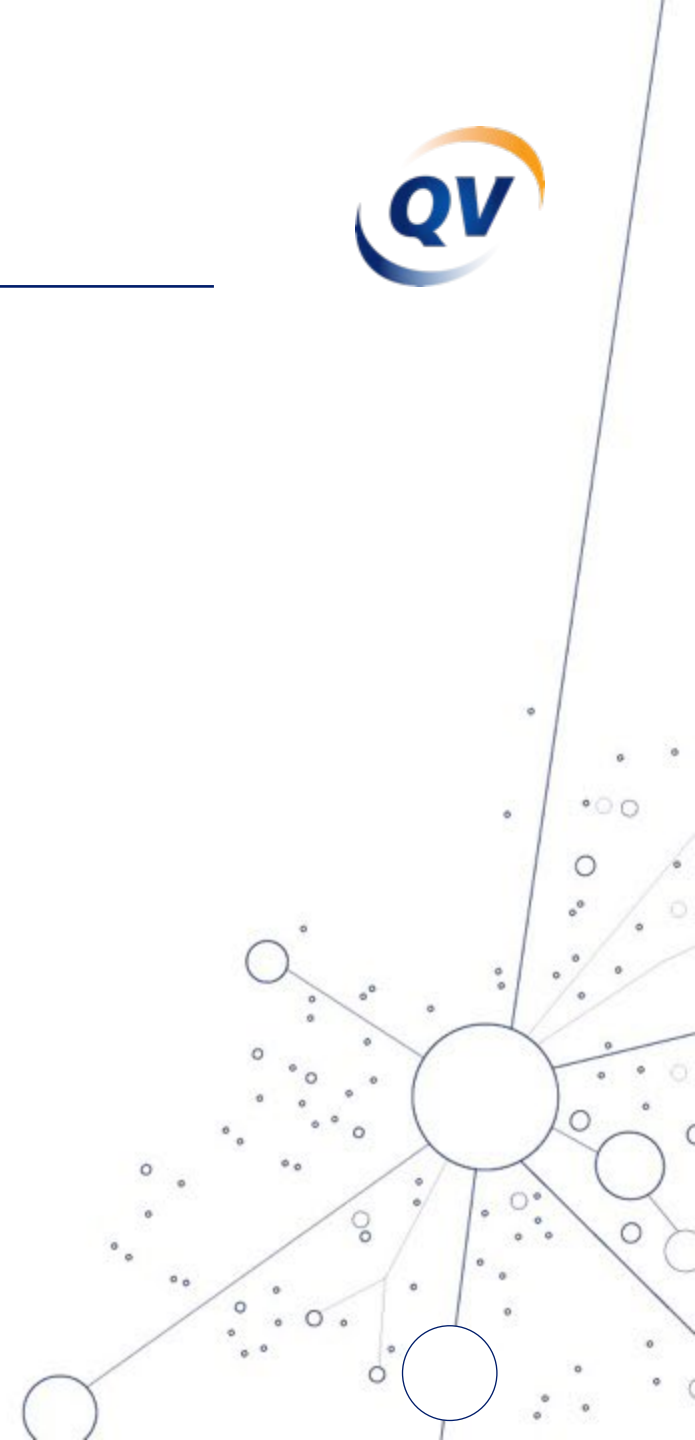
QA Team for South Wairarapa

Simon Willocks
Registered Valuer

- Rural Peer Review

Sharon Heslop
Registered Valuer

- Urban Peer Review



Strategic Overview



1. Macro Measures

**National Unemployment
Rate 3.4%**

Annual change (3.3%) – Increasing



Change from July 2020 (5.2%) –
Decreasing



**Net Migration May 2023
+77,800**

Annual change – Increasing



Change from 2020 –
Similar

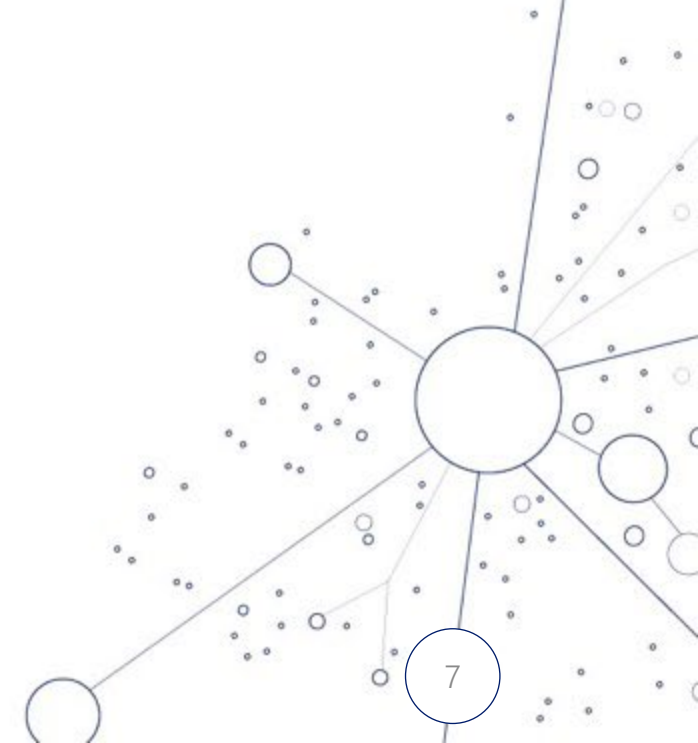


Official Cash Rate 5.50%

Change annually (2.5%) – Increasing



Change from 2020 (0.25%) –
Increasing



Strategic Overview



MICROECONOMICS



Population changes

Estimated to be at **48,500** (2022)
an increase of **3.4%** since 2018
census figures of 46,296



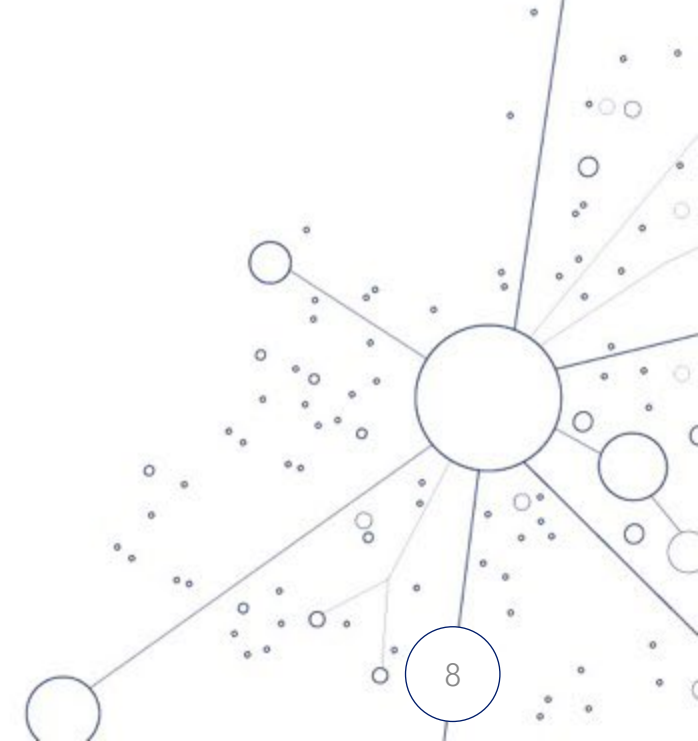
Unemployment rates

3.3% in 2022, up slightly from
3.2% in 2020



Local GDP Figures

3.47 billion in 2022 or an increase
of **6.67%** from 2020



Strategic Overview

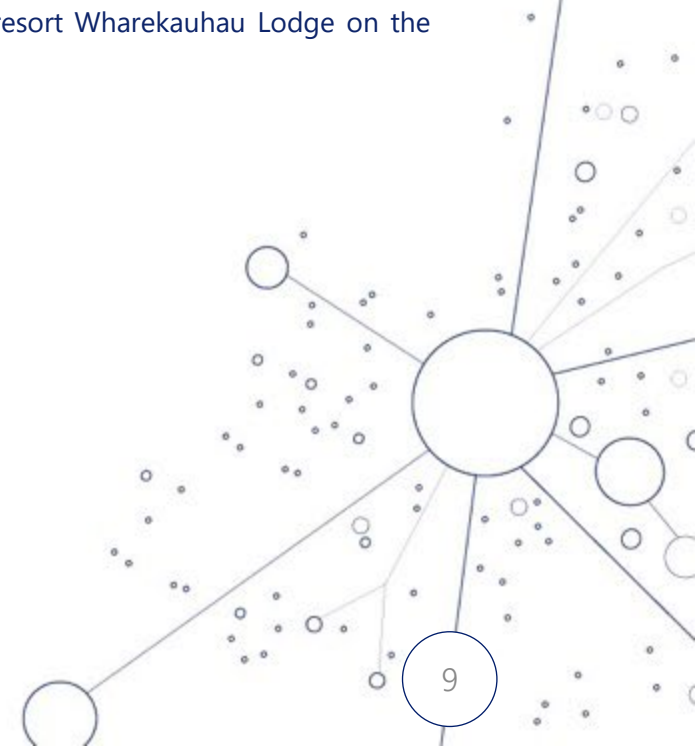


MAIN INDUSTRIES



INDUSTRY CHANGES

- South Wairarapa District Council announced in May that applications for new wastewater connections in Martinborough are on pause for the time being as the wastewater treatment plan hits design capacity. All permits, resource management, and building consents that it had already received and approved, and a connection to the wastewater network would be made. However, the decision will affect developers and people seeking to build new homes in the town over the next two years.
- Re-opening of Te Kainga Vine Vineyard, after a \$10 million dollar addition. Backed by owner American Billionaire Bill Foley, who also owns the luxury resort Wharekauhau Lodge on the South Coast of South Wairarapa.



Strategic Overview



CLIMATE & NATURAL HAZARD RISKS



Medium earthquake risk



Sea level rise storm surge

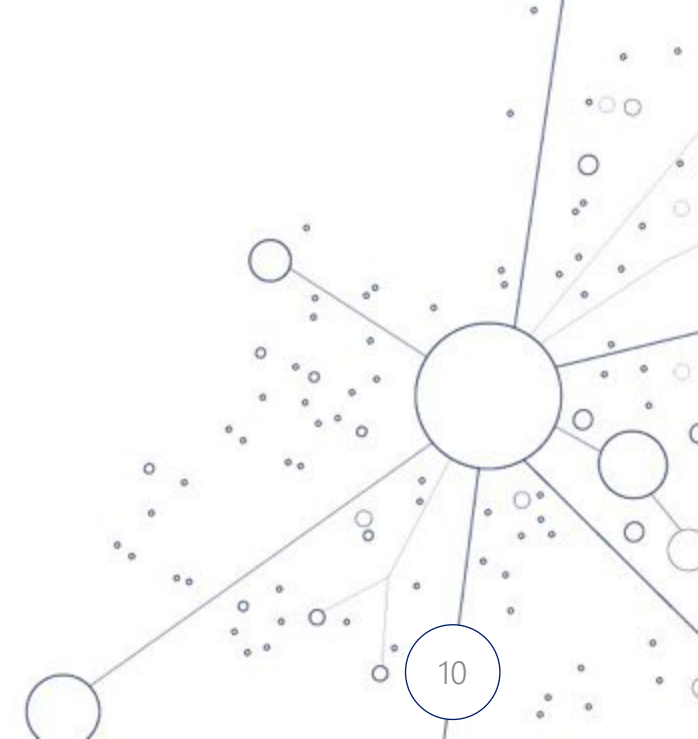


River inundation



DISTRICT PLAN

- Current District Plan has been operative since the 25th of May 2011;
- New Proposed plan was notified in October 2023;
- No legal affect till 2024 post feedback & consultation period.



Strategic Overview



Key Changes

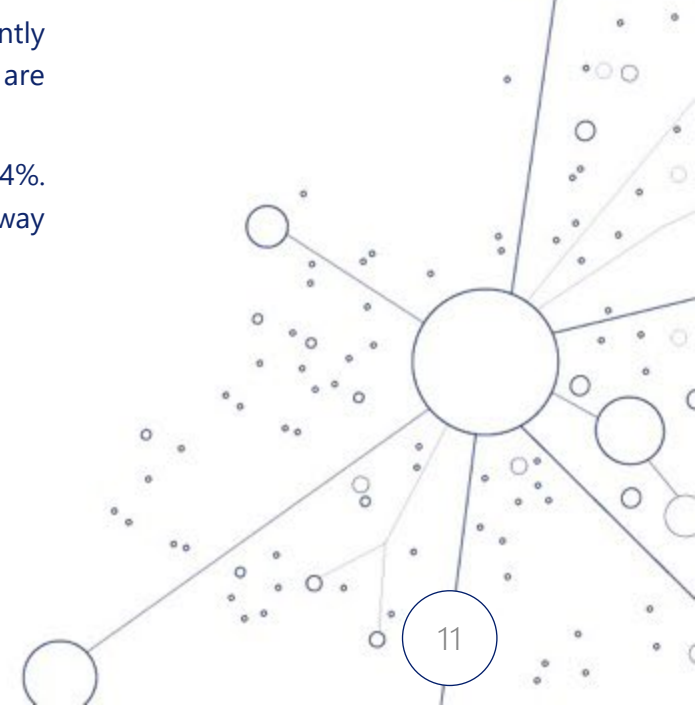


Policy

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

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



LAND AVAILABILITY



Strategic Overview



RESIDENTIAL

Greytown Typical land value

| 1,000m ² | 500m ² | Prime New Subdivision |
|-----------------------|-----------------------|-----------------------|
| \$380,000 - \$400,000 | \$310,000 - \$330,000 | \$390,000 - \$410,000 |

Greytown Typical RCV value range

| 2 bed unit | 3 bed dwelling | 4 bed dwelling | Modern dwellings |
|-----------------------|-----------------------|-----------------------|---------------------------|
| \$550,000 - \$570,000 | \$640,000 - \$660,000 | \$850,000 - \$870,000 | \$1,100,000 - \$1,200,000 |

Greytown Typical residential rental range

| \$525 - \$600 per week average | \$420 - \$500 per week average |
|--------------------------------|--------------------------------|
| 3 bed homes | 2 bedroom units and homes |

Typical residential gross yield range

7.50% - 8.00%

Featherston Typical land value

| 1,000m ² | 500m ² | Prime New Subdivision |
|-----------------------|-----------------------|-----------------------|
| \$200,000 - \$250,000 | \$175,000 - \$225,000 | \$200,000 - \$250,000 |

Featherston Typical RCV value range

| 2 bed unit | 3 bed dwelling | 4 bed dwelling | Modern dwellings |
|-----------------------|-----------------------|----------------|-------------------------|
| \$300,000 - \$400,000 | \$450,000 - \$650,000 | \$600,000 | \$650,000 - \$1,000,000 |

Featherston Typical residential rental range

| \$470 - \$580 per week average | \$420 - \$490 per week average |
|--------------------------------|--------------------------------|
| 3-4 bed homes | 2 bedroom units and homes |

Typical residential gross yield range

9.00% - 9.50%

Martinborough Typical land value

| 1,000m ² | 500m ² | Prime New Subdivision |
|-----------------------|-----------------------|-----------------------|
| \$460,000 - \$480,000 | \$360,000 - \$380,000 | \$390,000 - \$420,000 |

Martinborough Typical RCV value range

| 2 bed unit | 3 bed dwelling | 4 bed dwelling | Modern dwellings |
|-----------------------|-----------------------|-----------------------|-------------------------|
| \$610,000 - \$630,000 | \$720,000 - \$740,000 | \$860,000 - \$880,000 | \$950,000 - \$1,050,000 |

Martinborough Typical residential rental range

| \$550 - \$650 per week average | \$500 - \$550 per week average |
|--------------------------------|--------------------------------|
| 3 bed homes | 2 bedroom units and homes |

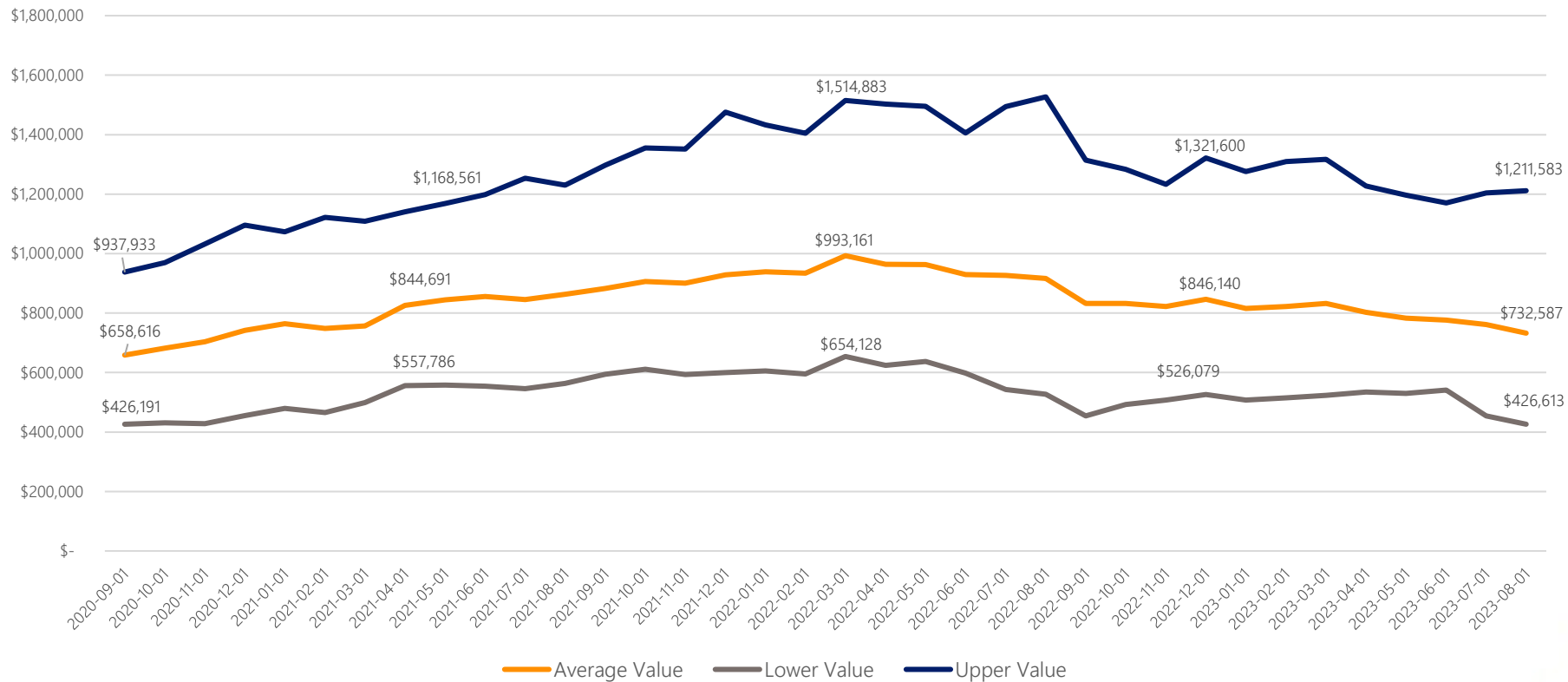
Typical residential gross yield range

7.25% - 7.75%

Residential dwelling values 2020 - 2023

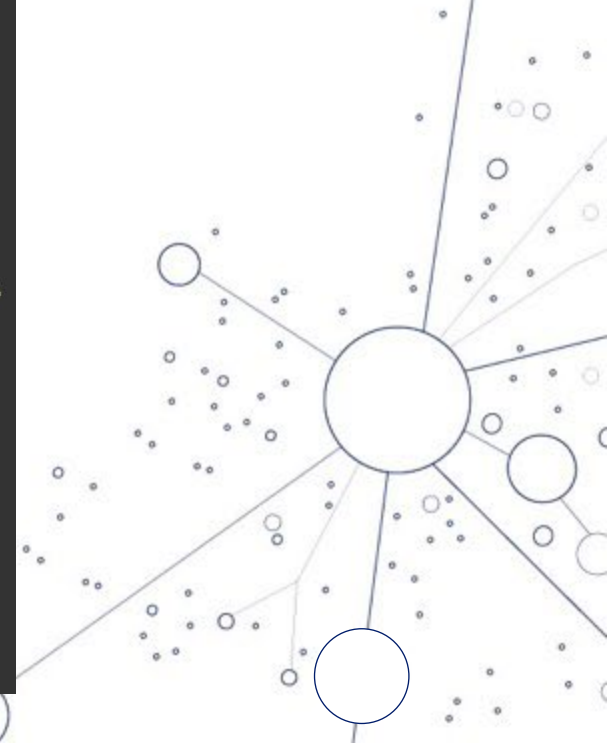
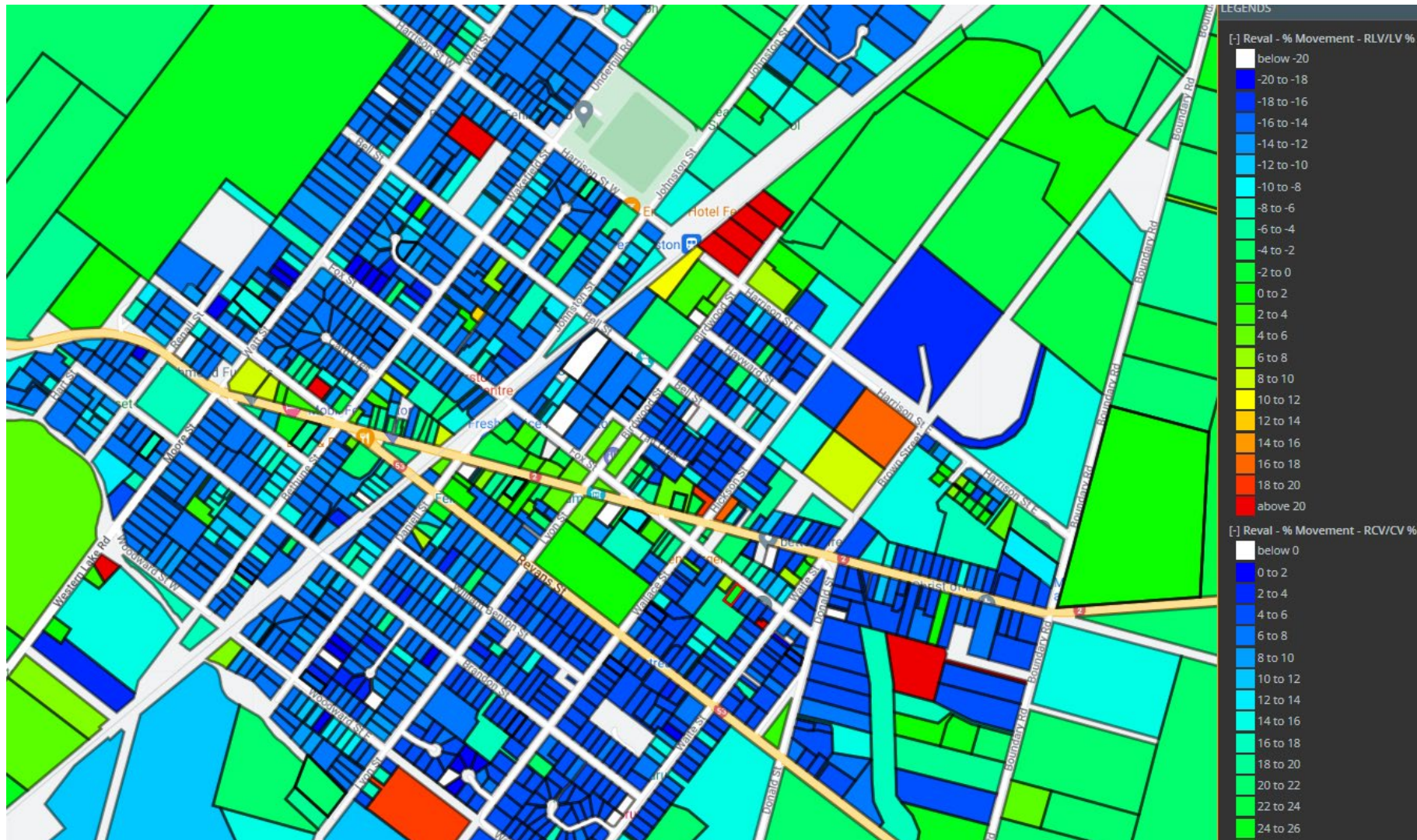


South Wairarapa District Average Values

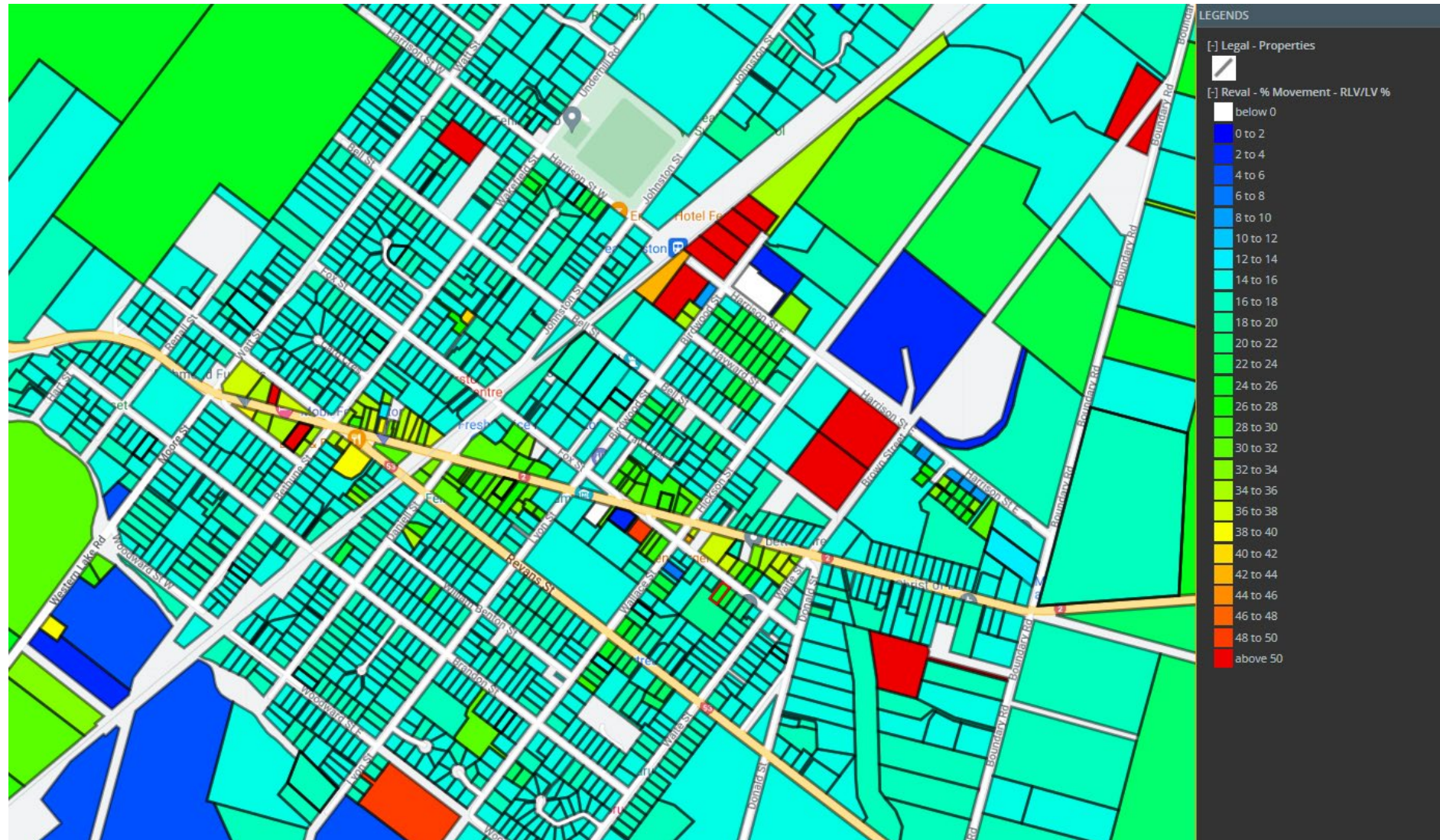


Commercial in confidence

Monarch Thematic Mapping – Featherston RCV



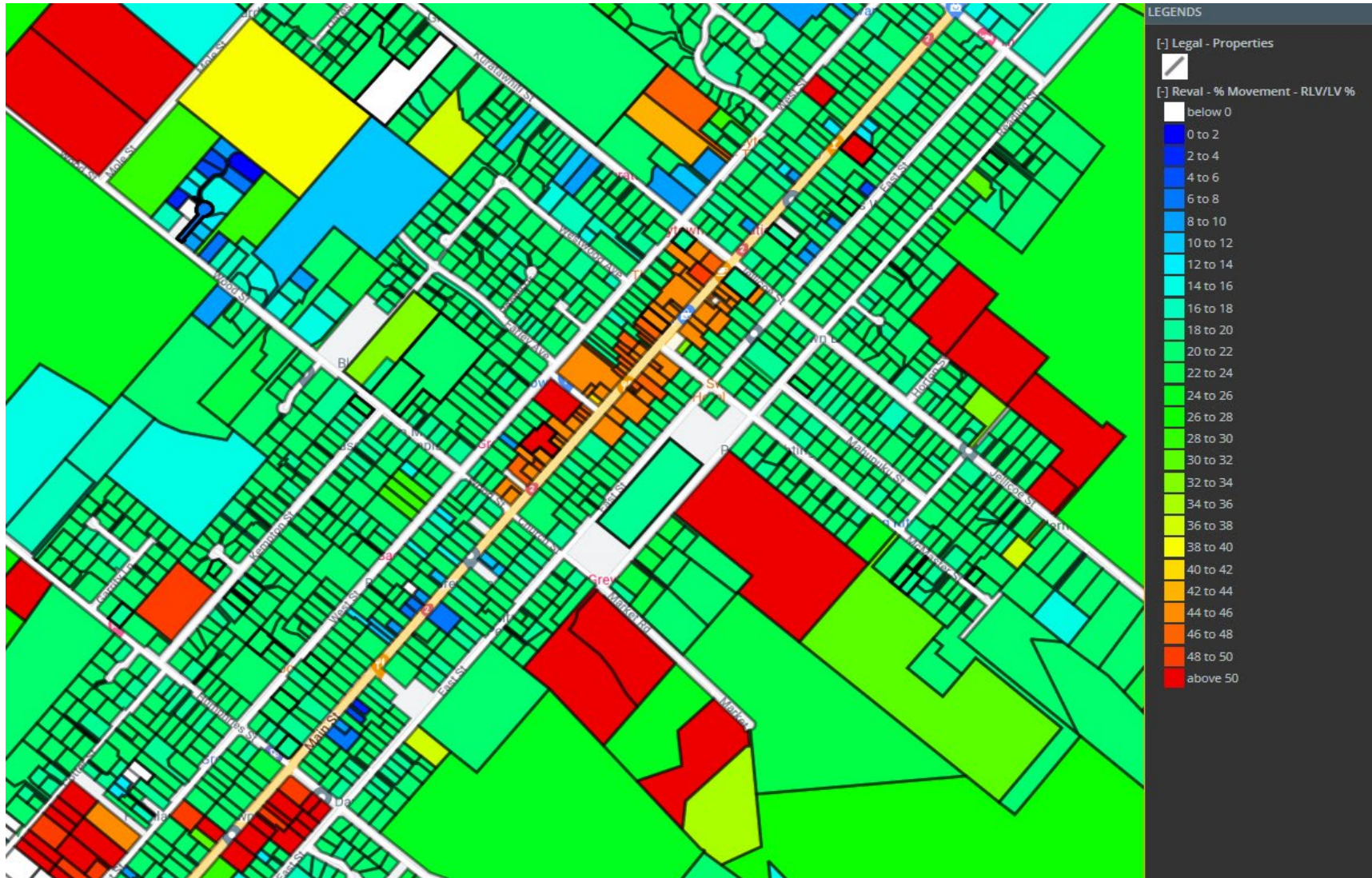
Monarch thematic mapping – Featherston RLV



Monarch Thematic Mapping – Greytown RCV

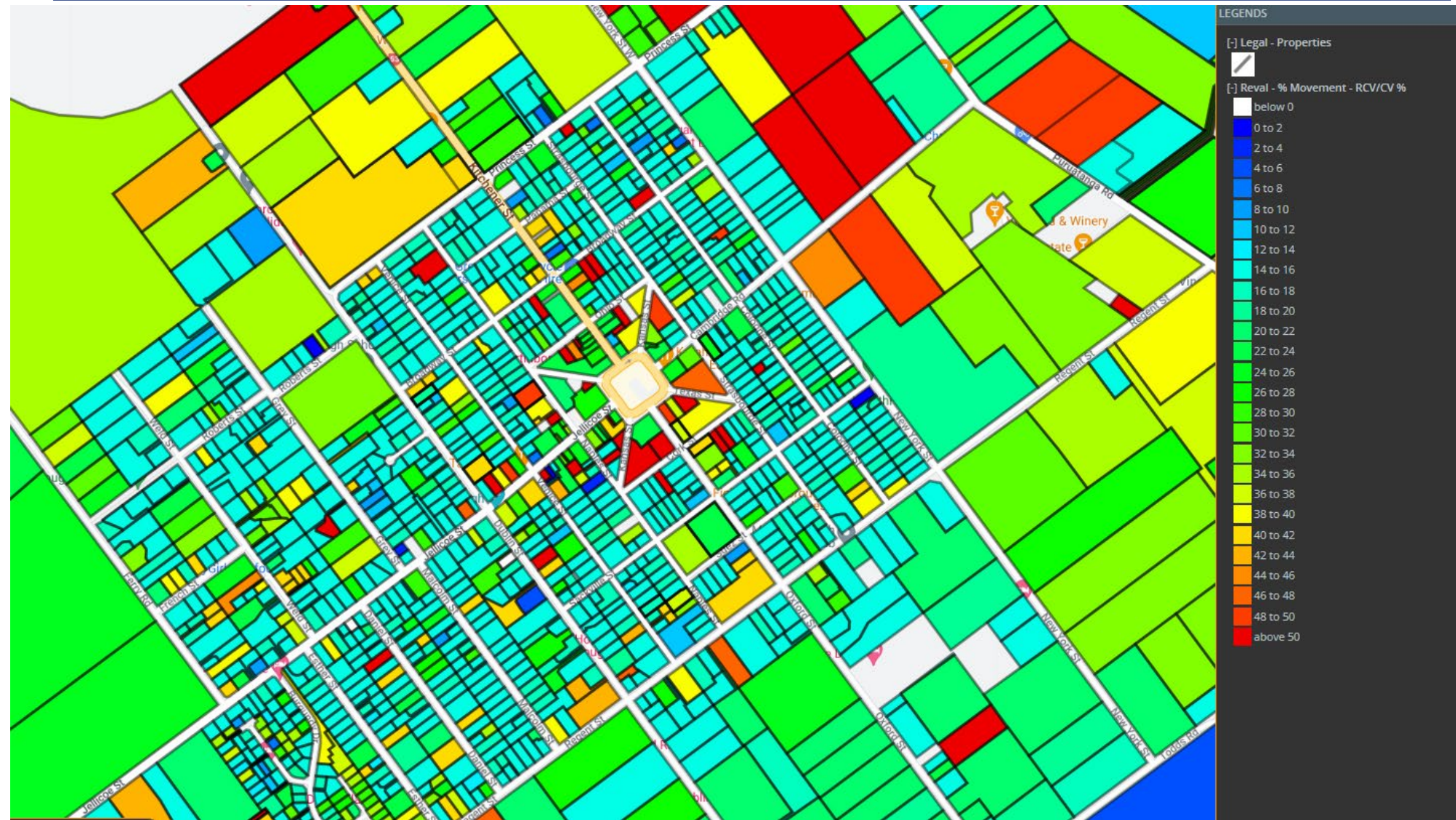


Monarch Thematic Mapping – Greytown RLV

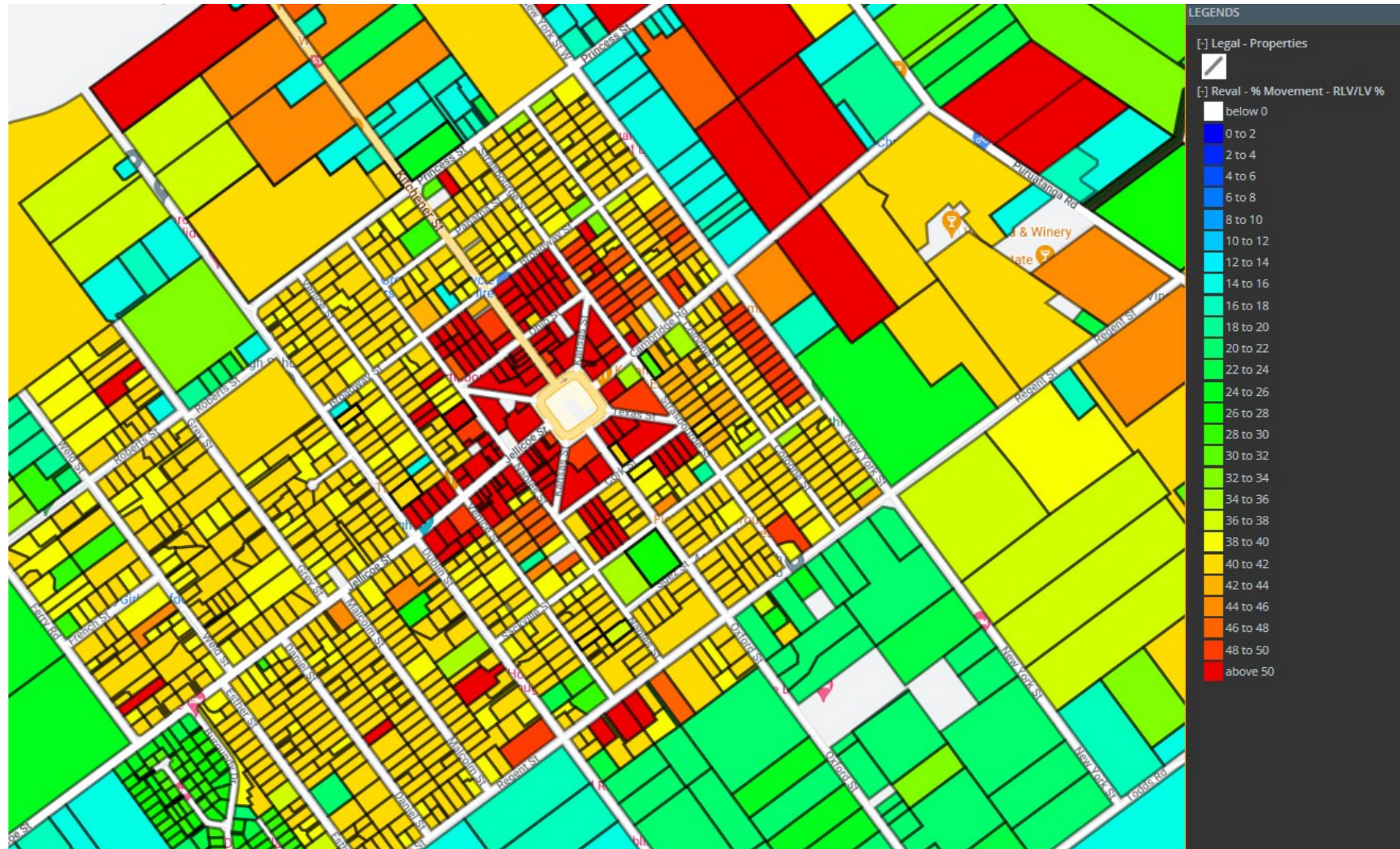




Monarch Thematic Mapping – Martinborough RCV



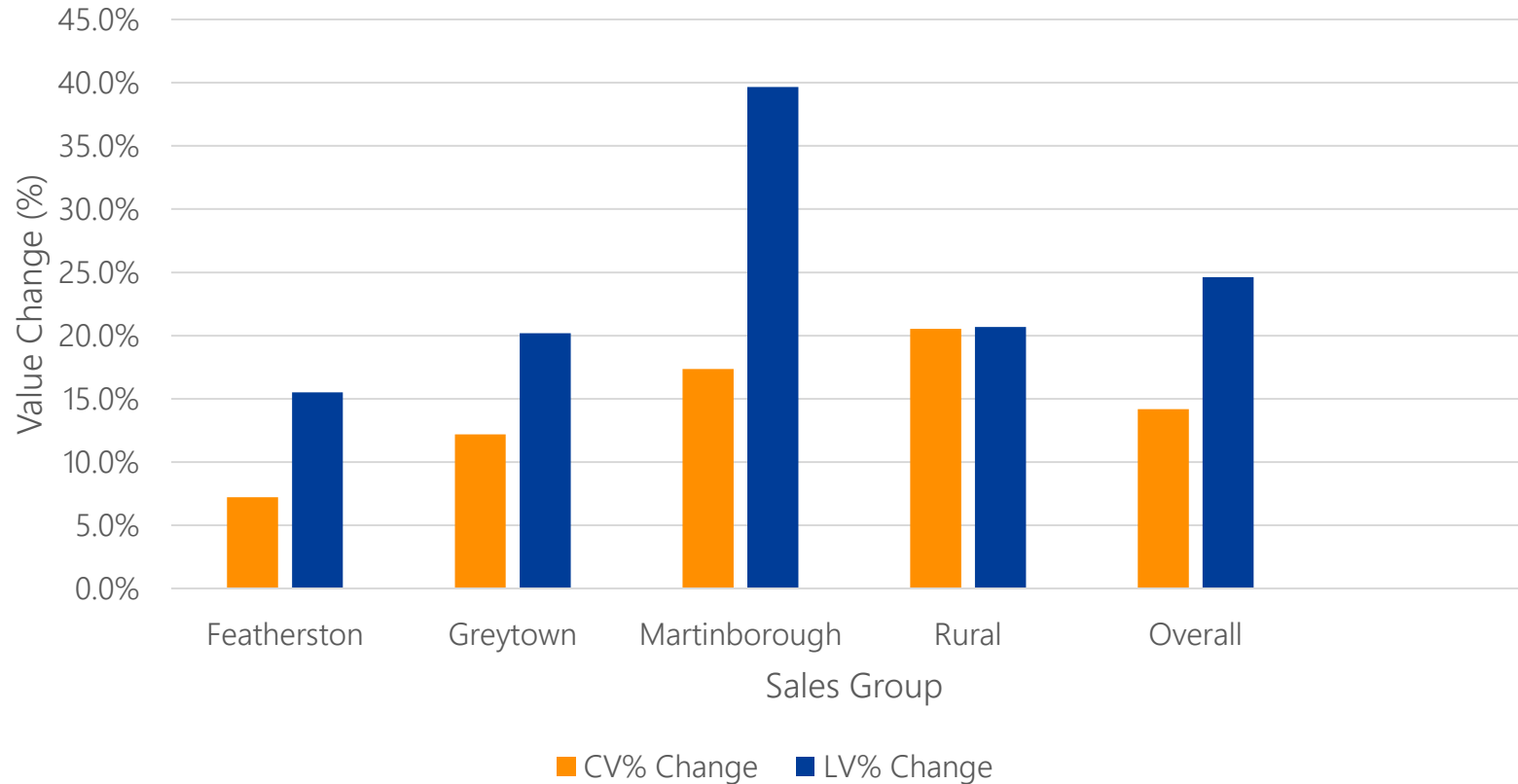
Monarch Thematic Mapping – Martinborough RLV



Residential dwelling values change 2023



Residential Dwelling Value Change



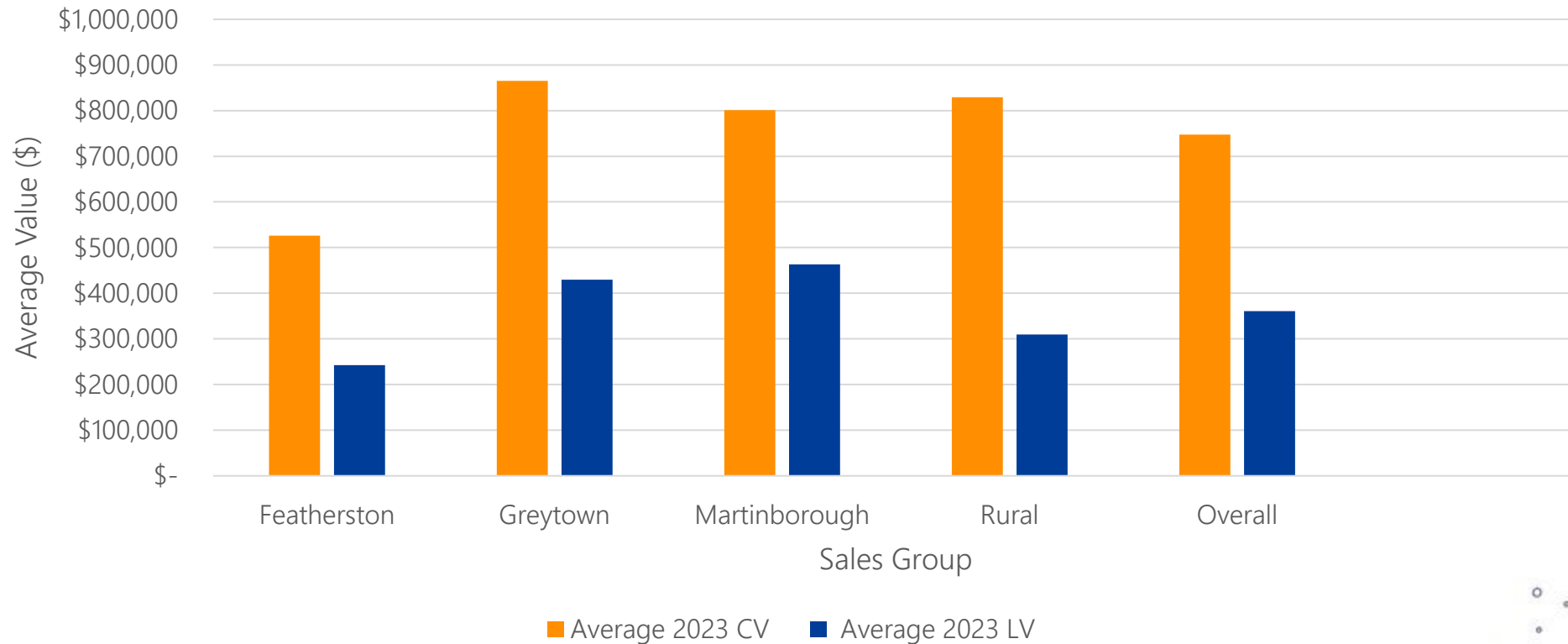
Commercial in confidence



Residential dwelling average values 2023



Residential Dwelling Average Value



Commercial in confidence



Strategic Overview



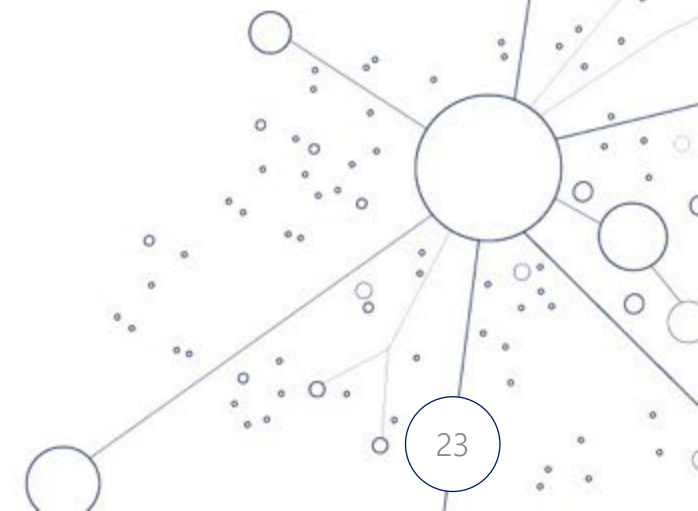
COMMERCIAL & INDUSTRIAL

| Sector | Rental range |
|--------------------|---------------|
| Commercial prime | \$200 - \$400 |
| Commercial average | \$100 - \$300 |
| Industrial prime | \$80 - \$120 |
| Industrial average | \$50 - 100 |

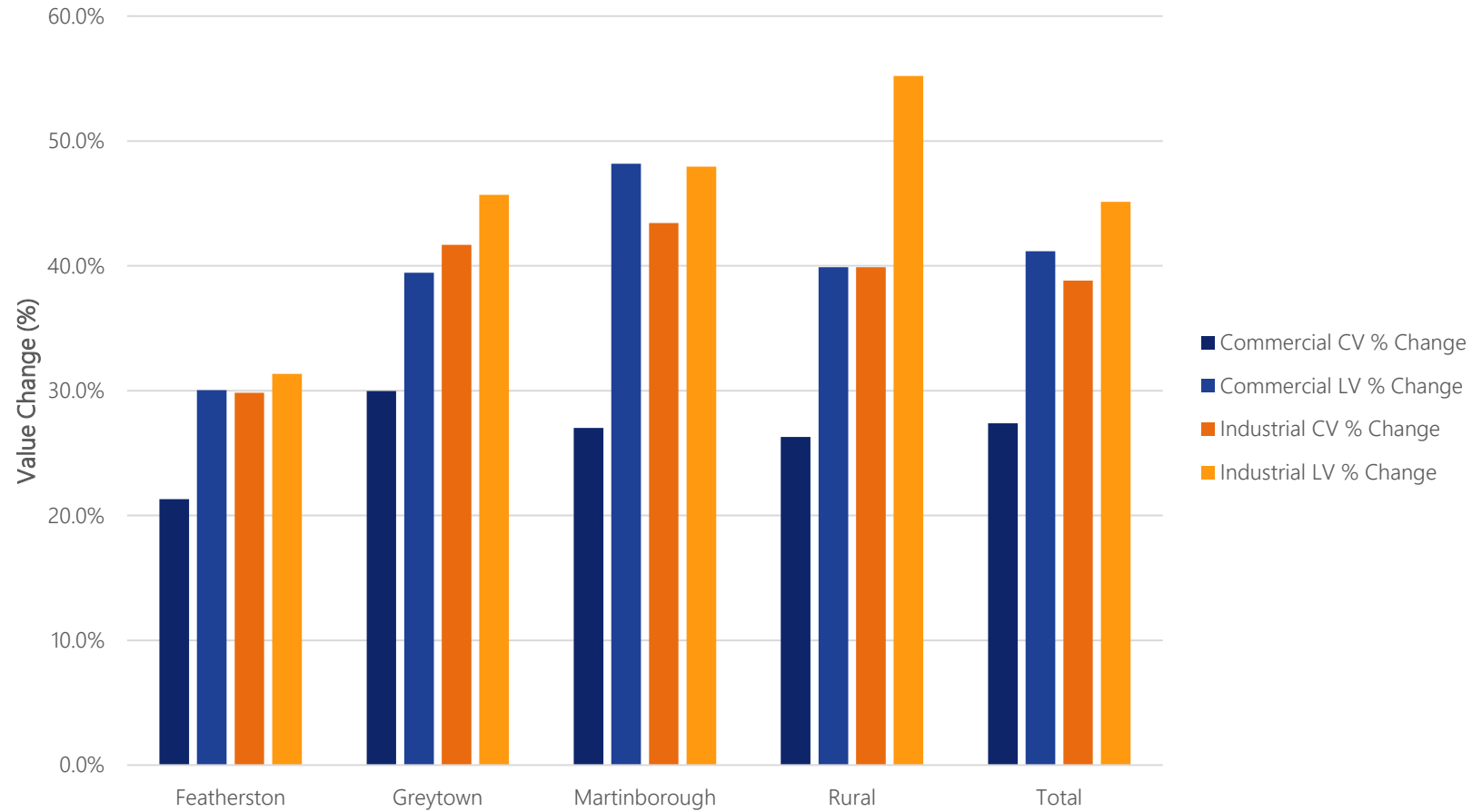
| Sector | Yield range |
|--------------------|--------------|
| Commercial modern | 3.5% - 6.0% |
| Commercial average | 7.5% - 8.5% |
| Industrial modern | 3.5% - 6.0% |
| Industrial average | 8.5% - 10.0% |



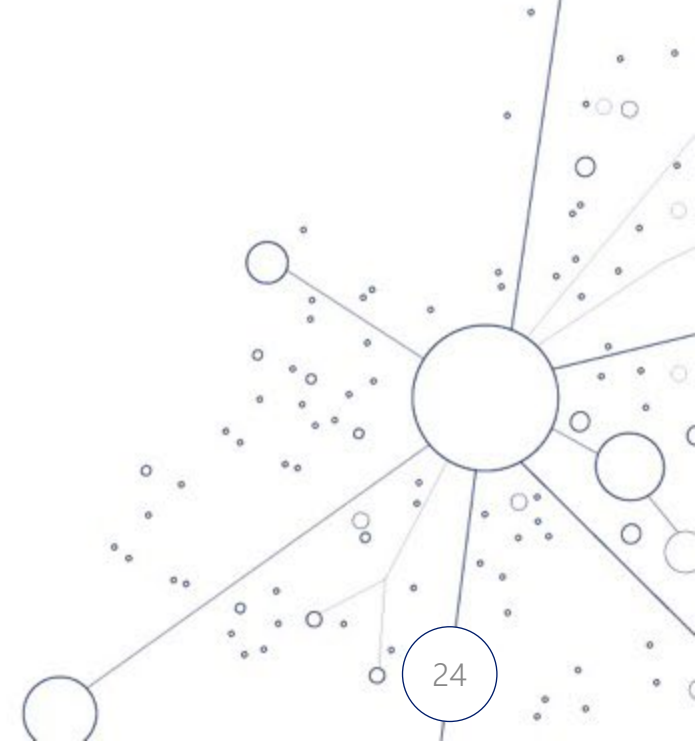
Rent Summary



Commercial



Commercial in confidence



Strategic Overview



RURAL

Terrain

Good fertile flats
Wetter flats
Undulating – easy hill

Dairy

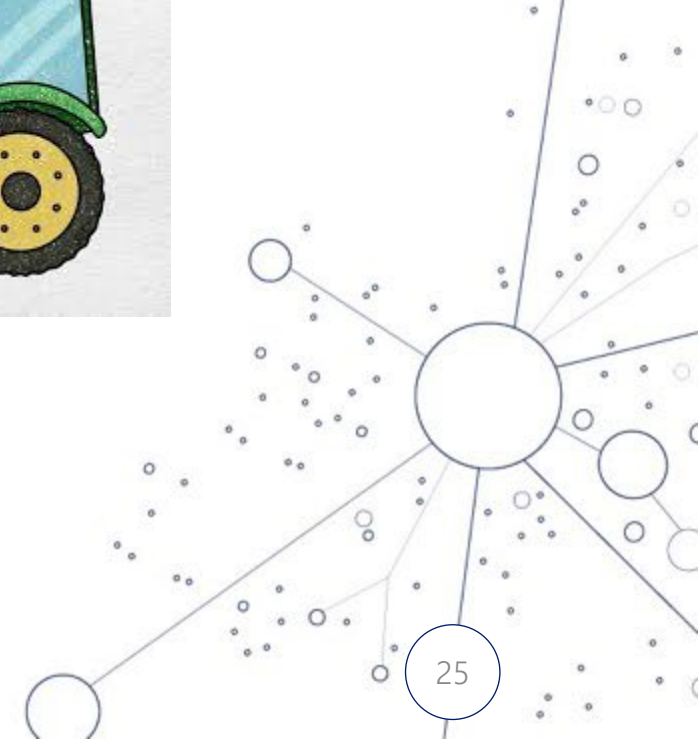
\$30,000 - \$48,000ha
\$25,000 - \$30,000ha
\$15,000 - \$20,000ha

Terrain

Good flats
Easy Hill
Medium hill

Pastoral

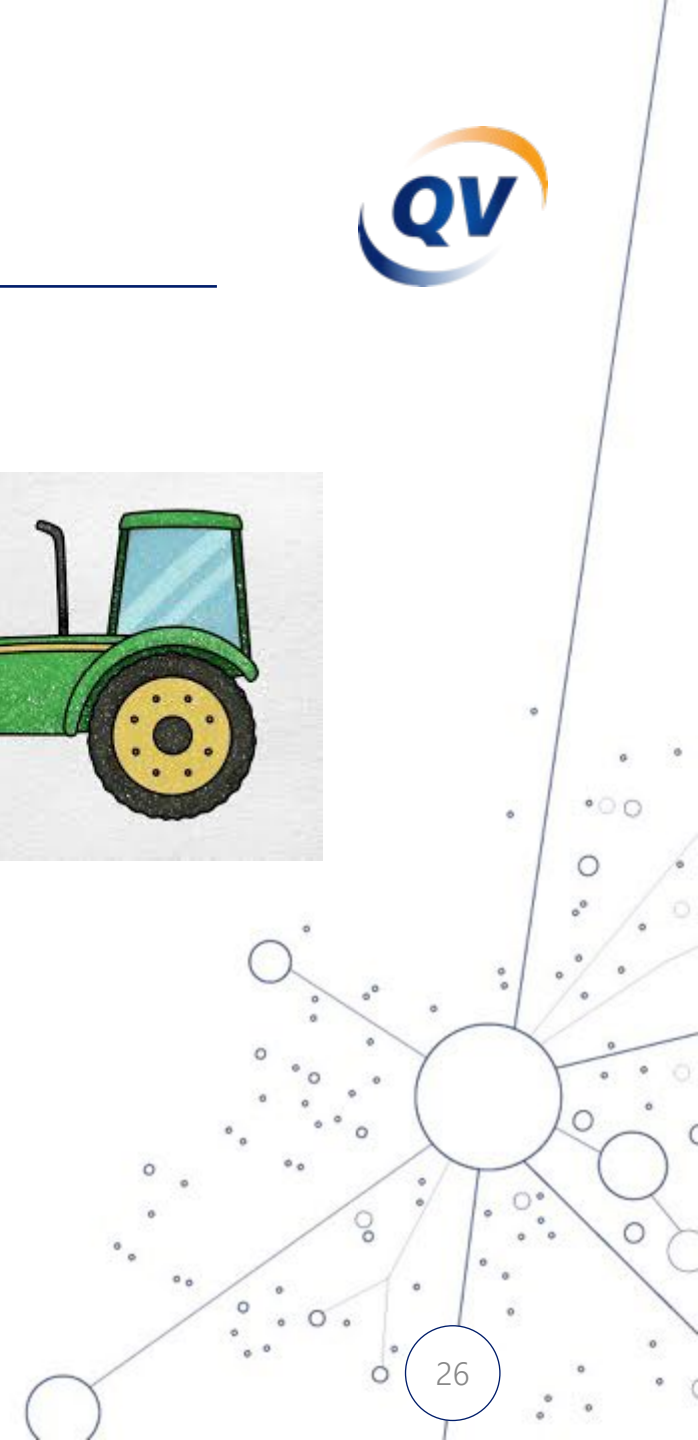
\$26,000 - \$35,000ha
\$12,000 - \$26,000ha
\$7,500 - \$12,000ha



Rural



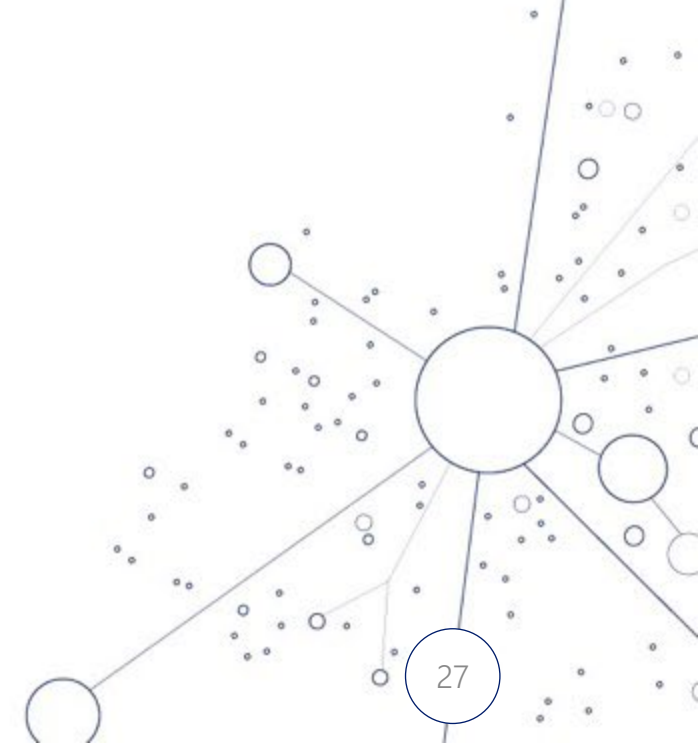
| Sector | No. Assets | % Change Capital Value | % Change Land Value |
|--------------|------------|------------------------|---------------------|
| Dairy | 151 | 21.3% | 23.2% |
| Pastoral | 488 | 24.1% | 25.7% |
| Horticulture | 126 | 35.4% | 37.9% |
| Forestry | 33 | 36.7% | 40.5% |
| Mining | 4 | 20.9% | 16.9% |



Revaluation overview



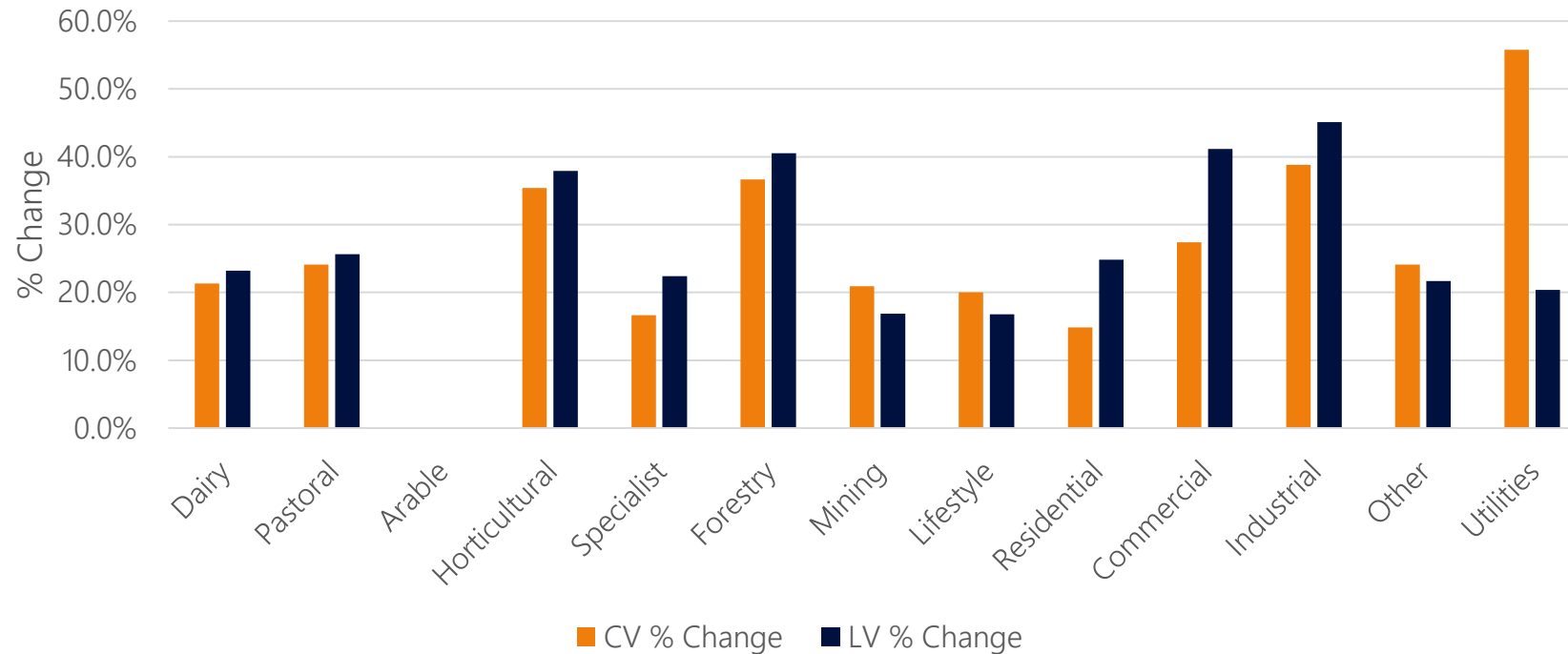
| Sector | No. Assets | 2023 CV | CV % Change | 2023 LV | LV % Change |
|---------------|--------------|------------------------|--------------|------------------------|--------------|
| Dairy | 151 | \$644,265,800 | 21.3% | \$552,073,000 | 23.2% |
| Pastoral | 488 | \$1,670,507,700 | 24.1% | \$1,449,653,200 | 25.7% |
| Arable | 0 | \$0 | 0.0% | \$0 | 0.0% |
| Horticultural | 126 | \$299,001,000 | 35.4% | \$172,756,000 | 37.9% |
| Specialist | 6 | \$12,545,000 | 16.6% | \$6,835,000 | 22.4% |
| Forestry | 33 | \$78,618,000 | 36.7% | \$72,624,000 | 40.5% |
| Mining | 4 | \$1,208,000 | 20.9% | \$782,000 | 16.9% |
| Lifestyle | 1,436 | \$1,473,403,300 | 20.0% | \$737,516,000 | 16.8% |
| Residential | 4,603 | \$3,258,046,400 | 14.9% | \$1,668,109,000 | 24.8% |
| Commercial | 191 | \$221,906,000 | 27.4% | \$102,642,000 | 41.2% |
| Industrial | 116 | \$84,849,000 | 38.8% | \$56,840,000 | 45.1% |
| Other | 341 | \$244,321,550 | 24.1% | \$170,605,800 | 21.7% |
| Utilities | 31 | \$128,821,750 | 55.8% | \$9,767,500 | 20.4% |
| TOTAL | 7,526 | \$8,117,493,500 | 20.3% | \$5,000,203,500 | 24.6% |



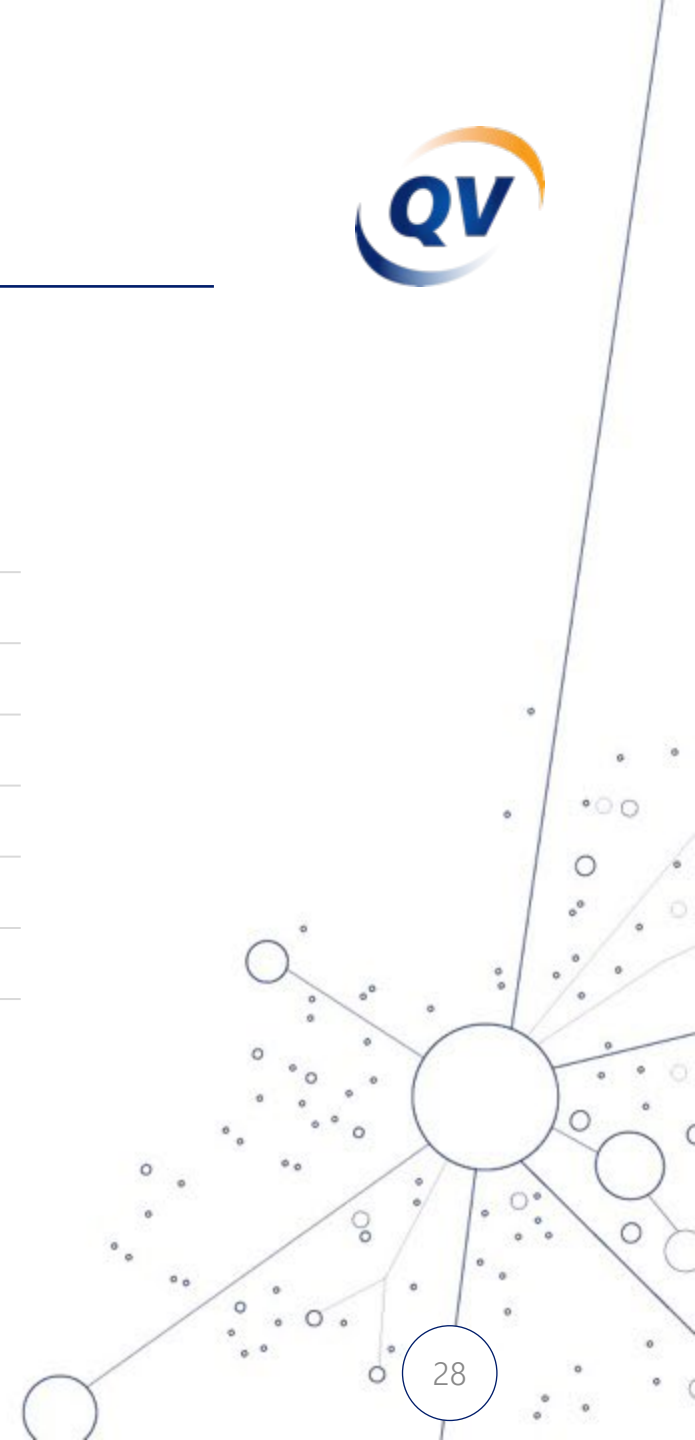
Revaluation overview



South Wairarapa District 2023 - Capital & Land Value Changes
by Category



Commercial in confidence



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*



Ngā mihi nui

