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Property Tax and Assessment News from Around the World

NEW ZEALAND – January 2019

Hawke's Bay median house prices keep on rising

Property prices in Hawke's Bay remain on the increase

Hawke's Bay attractive property prices have helped keep median sales prices on the rise over the supposedly slower holiday period.

The median sales price in New Zealand hit $530,000 in the period leading up to the Christmas holidays - up 2.9 per cent on the year before.

First home buyers remained the largest grouping of new mortgage registrations, accounting for 28.8 per cent of new mortgage registrations.

Although market activity was quieter over the holiday period, the smaller pool of buyers and housing stock available did not have any negative impact on prices.

OneRoof editor Owen Vaughan said while the figures suggest that buyers are less active during December and January, the fact that sales prices are holding indicates that the major factors determining prices are constrained supply, strong demand and historically low interest rates.

Smaller urban centres experienced the biggest growth in median sales price, with Manawatu/Whanganui leading the pack - up 20.3 per cent on the previous year to $320,000.

Vaughan said: "The figures continued to show the capacity for growth in the regional centres, as they play catch up with the larger metros."

However, prices in the country's two biggest housing markets - Auckland and Christchurch - continued to plateau. Auckland's median sale price was down 5.5 per cent on the previous year, to $825,000, while Christchurch's median price of $438,000 was marginally up on the same period a year ago.

Also showing marginal growth were Tauranga (up 1.4 per cent to $635,000) and Hamilton (up 1.1 per cent to $542,000).

Prices in Wellington continued to climb steadily (up 9.2 per cent to $630,000), driven by tight supply in the city's market, as did prices in Hawke's Bay (up 7.8 per cent), Gisborne (up 8.5 per cent) and Dunedin (up 11.8 per cent), although growth in these markets seems to be mostly fuelled by their attractive price points.

Vaughan said Auckland's property market had barely shifted in the last 12 months. "For many suburbs in the city, where they are now is where they were 12 months ago - give or take a percentage point or two," he said.

The Auckland suburbs that showed the most growth in the last 12 months were Piha (up 31.3 per cent); Great Barrier Island (up 21.6 per cent); Dairy Flat (up 21 per cent); and Albany Heights (up 18.9 per cent).

"Of note is the drop in the percentage of properties that sold for less than $750,000 - shrinking to 32.5 per cent of all sales for the period," Vaughan said.

The OneRoof/Valocity figures show that for each property type in the city - apartments, houses and lifestyle property - prices either stalled or slipped in value.

The median sales price for Auckland apartments now sits at $636,500 (up slightly on the year before) while the median price for houses has dropped from $938,000 12 months ago to $880,000.

The median sales price for lifestyle properties is $1.35 million, down from $1.45 million the year before.

The OneRoof/Valocity figures follow data released by Barfoot & Thompson that showed Auckland had moved into price decline territory for the first time in a decade.

However, this did not mean real estate woes affecting Australia had not flowed across the Tasman.

Vaughan said: "Although there is weakness in the main urban centres, it is not comparable to the turmoil in the Australian market.

"The factors at play across the Tasman are particular to Australia - such as oversupply and difficulties in the lending market."

Valocity director of valuation innovation James Wilson said the drivers supporting value growth in New Zealand were still evident, "namely a shortage of good quality housing stock on the market and demand fuelled by an historically low interest rate environment".

"While it's still too early to assess the impact of the recently loosened LVR restrictions, we would expect this to benefit certain buyer types, namely first-home buyers and investors who may now be able to secure a mortgage with a lower deposit."

He added: "With the housing market awaiting the final recommendations of the tax working group, implementation of healthy homes legislation changes and the 'ring fencing' of losses from investment properties, there is still evidence of a 'wait and see' approach among many buyer groups."

Whangārei property values have soared - here's your suburb-by-suburb guide to the rises

Whangārei's 42,283 properties have been revalued and are now worth a whopping $28.89 billion, a 39 per cent increase on the 2015 valuation of $20.78B.

Whangārei District Council has to value all the properties in its district every three years. The valuations are conducted by independent valuation company Opteon, and audited by the Valuer General and give the value of properties as of August 1, 2018.'

The Opteon report shows that the capital value of Whangārei's 42,283 properties is $28.89B. The capital value is the total value of the property including buildings and improvements and is the estimated sale price as of August 1, 2018. Residential properties make up the majority of the value - $14.745B, or 51.04 per cent of the total.

At the same time the district's land value - the value of the land without any improvements - is now worth $14.67B, a 47.5 per cent increase on the $9.94B 2015 valuation. The council uses land value to calculate a property's share of the district's general rates.

Here are your suburb-by-suburb property valuations rises.

Suburb-by-suburb capital values:

Suburb; 2015 2018 % rise

Titoki / Parokao / Opouteke / Nukutawhiti, $174,136 - $286,471 - 75 per cent
Raumanga, $230,418 - $395,129 - 72 per cent
Mangapai / Springfield / Waiotira / Waikiekie, $262,980 - $421,175 - 65 per cent
Riverside. $330,138 - $ 528,846 - 64 per cent
Oakleigh / Maungakaramea / Otaika / Portland, $278,048 - $454,700 - 63 per cent
Kamo East, $278,136 - $445,373 - 62 per cent
Otangarei, $154,506 - $248,095 - 60 per cent
Morningside, $256,771 - $401,101 - 60 per cent
CBD, $258,051 - $400,698 - 60 per cent
Marsden Pt / One Tree Pt / Ruakaka / Takahiwai, $452,282 - $695,369 - 59 per cent
Kauri / Otakairangi, $275,826 - $428,801 - 58 per cent
Portland, $320,000 - $466,000 - 57 per cent
Raumanga South, $249,343 - $370,911 - 55 per cent
Hikurangi, $229,409 - $347,437 - 54 per cent
Tikipunga North / Totara Park, $315,025 - $469,358 - 53 per cent
Onerahi, $349,580 - $497,046 - 52 per cent
Kensington South / Bank St, $357,912 - $530,892 - 51 per cent
Kensington / Regent, $311,422 - $463,225 - 51 per cent
Pipiwai / Purua / Ruatangata West / Matarau / Three Mile Bush, $481,721 - $714,158 - 51 per cent
Regent / Whareora, $341,814 - $500,734 - 49 per cent
Whau Valley / South Kamo, $377,394 - $557,973 - 49 per cent
Oakleigh / Maungakaramea / Otaika, $482,513 - $695,756 - 49 per cent
Sherwood Rise West, $309,337 - $445,011 - 46 per cent
Maunu, $369,379 - $531,727 - 46 per cent
Woodhill / Hora Hora, $303,147 - $463,225 - 43 per cent
Tikipunga South, $282,832 - $404,820 - 43 per cent
Kamo West, $402,842 - $572,027 - 43 per cent
Hatea Dr / Mill Rd, $409,499 - $565,351 - 41 per cent
Whareora / Pataua / Whangārei Heads / Tamaterau, $536,368 - $734,246 - 40 per cent
Sherwood Rise East, $359,037 - $493,686 - 40 per cent
Waipū / Braigh / Langs Beach / Brynderwyn, $744,323 - $1,011,608 - 39 per cent
Whananaki South / Tutukaka / Ngunguru / Glenbervie, $635,666 - $845,480 - 38 per cent
Whakapara / Helena Bay / Whananaki North, $570,099 - $705,216 - 31 per cent.

3.2% rise in residential property values

Nationwide residential property values have increased steadily over the past year by 3.2% and by 1.2% in the three months ending in December. The nationwide average value is now $682,938, according to the latest QV House Price Index.

The steady values over the past month is a likely result of the holiday season, which generally sees less market buoyancy, QV general manager David Nagel said.

“In saying this, the loosening of the LVR restrictions (taking effect from 1 January 2019) should enable some new first home buyers and investors to enter the market in the coming months,” he noted. “I don’t anticipate this impact to be overly significant, but it may help drive a busy property market in the early stages of 2019.”

In the Auckland region, residential property value growth decreased by 0.4% year-on-year, but slightly increased by 01% over the past quarter. The average value for the Auckland region is now $1,048,145.

Across the Wellington region, value rose 7.8% year-on-year and increased 3.2% over the past quarter. The average value is now $668,074. In Hamilton, home values increased 5.0% year-on-year but dropped by 0.2% over the past quarter, with the average value now at $570,886.

Home values also rose in Tauranga ($720,645 average value), Christchurch ($496,562), Dunedin ($434,903), Nelson ($601,571) and in Hawkes Bay ($526,506).

In the North Island, Kawerau, Carterton and South Waikato lead the way in quarterly growth, with value growth of 22.7%, 9.9% and 9.1% respectively. Meanwhile, in the South Island, Southland, Invercargill and Gore regions lead the way in quarterly growth, with value growth of 6.8%, 3.2% and 2.6% respectively.

New rating valuations released in Whangarei

Property owners across Whangarei District will have received their new rating valuations at 1 August 2018 in the mail this week, updating the 2015 rating valuation.

Properties in the Whangarei District are re-valued every three years. The last re-valuation was completed by Quotable Value (QV) in 2015. The latest valuations were undertaken by Council's new valuation contractor Opteon.

Valuations are the base figure that Council uses to calculate the share of the District's general rates income that should be paid by each property owner. Council uses the land value to assess general rates. The values will be used for rating purposes from 1 July 2019.

The valuation notices will include three valuation figures, the value of the land (land value), the capital value, and the value of the improvements (being the difference between the capital and land values).

If you have not received a valuation notice for your property please contact us.

How does the rating value relate to market value?

The rating valuations are based on market data at 1 August 2018 and should reflect the sales price at this date.

What if I disagree with the valuation?

You may disagree with the value that has been calculated for your property. A mass appraisal process is used to calculate the value of properties across the District. As a result of this process you may not agree with the values and have specific information related to your property that may affect the values. We have outlined below how to object to your evaluation.

How to object

You have the right to object to the new values.

To object please complete the objection form with your estimate of the property's values and with any supporting information.

The objection form is available on our website, we can post or email one to you, or you can collect a form from Council offices.

The deadline for lodging an objection is 15 February 2019.

Opteon valuers will be available to provide information and discuss property valuation in our District each Tuesday: 22 and 29 January, 5 and 12 February at our Forum North offices.

How does the valuation affect my rates?

Council currently uses your land value to calculate your property's share of the District's general rates. Here is an explanation of the process.

Each year, we figure out how much money we need to provide services and build and maintain the District's assets like roads, wastewater, parks and sports fields.

Most of this funding comes from rates - which are split into general and targeted rates.

We use targeted rates where there is a strong link between the ratepayer and the service provided, such as those connected to our drinking water and wastewater systems. This brings in about 40% of our total rates.

The other 60% comes through general rates which are shared between all ratepayers, who are grouped into three rating sectors.

Residential ratepayers contribute 62% of the general rates, Commercial 28.5% and Rural 9.5%. This gives a total amount of general rates funding from each sector, which is allocated to each ratepayer.

Within each sector, every ratepayer pays a Uniform Annual General Charge (or UAGC), which is currently $458. Most people pay just one UAGC.

We then divide the remaining funding required by the total land value of the properties in that sector. This gives us the rate in the dollar for that sector.

We then multiply this by the value of your property, and add the UAGC to get your share of the general rates.

For example, after we've allowed for the UAGC from your sector, we still require $20 million of funding, which has a total land value of $10 billion, the rate in the dollar would be 0.2 cents.

If your property's land value was $200,000, your general rates would be $400, plus the UAGC of $458, or a total of $858.

NRC rates

Council also collects rates on behalf of Northland Regional Council (NRC).

The new values of your property may be used for calculating NRC rates from 1 July 2019.

The legal stuff

Rating valuations are compiled by statute and rating valuations are audited by the Office of the Valuer General. This audit looks at the evidence and conclusions reached in the process of assessing the values at 1 August 2018, but does not verify the valuation of each and every property.

QV defends role in botch-up of 8000 Auckland valuations

State-owned valuer QV says unclear rules led to it having to re-check council valuations of 8000 Auckland properties.

The botch-up occurred in 2018 after the valuer was found to have breached the law in the way it re-assessed 8000 properties whose owners had objected to their Auckland Council rating valuations.

An audit by the Valuer General in June 2018 found fault with the way QV had subsequently re-assessed the contested values.

"They did not follow the law, or their contractual requirements, by not carrying out on-site inspections required," an internal Auckland Council briefing to politicians said.

As the council sent out the first rates bills for the 2018-19 year, 5000 revaluations remained incomplete with half of those being ratepayers wanting their valuation – and their rates bill – reduced.

QV has never commented on the unprecedented re-check work, but its explanation is contained in documents obtained by Stuff, which the Minister for State Owned Enterprises, Winston Peters, had initially refused to release.

A briefing note from QV's chief executive Jacquie Barker to Peters as minister responsible for the company was released only after Stuff sought the intervention of the Ombudsman's office under the Official Information Act.

"This is the first time the Valuer-General's office has prescribed how on-site inspections should be undertaken," Barker wrote.

"The on-site inspection rule has no detailed definition of what it should entail and as such is open to interpretation and methodology."

The briefing note pointed out that the council's legal advice agreed with the Valuer General's view that QV's work had not complied with the rules.

Barker told the minister that QV's contract with Auckland Council required "confidentiality in all aspects of our contract, and specifically in terms of media comment".

In the briefing note Barker told the minister said she thought a few, and possible no valuations would change as a result of re-work.

Stuff has sought detail of whether any valuations have been altered, but the information has not yet been provided.

Peters declined Stuff's request for information on the botch-up by the state-owned company, citing commercial sensitivity, but reconsidered after the Ombudsman began reviewing the withholding.

In a letter to Stuff explaining the change of heart four months later, Peters said the initial refusal was made as "QV was undergoing commercial negotiations with Auckland Council at the time".

On December 19, Peters said the negotiations were now complete, but a day later, Auckland Council said they would be "concluded this month".

QV has not been penalised directly for the re-work, but the council delayed payments for each valuation re-check until they had been completed.

"Future contracts will have provision for a review and final approval of the processes to ensure compliance to the rule," the council's acting head of rates valuations and data management, Rhonwen Heath, said.

Whangārei Mayor Sheryl Mai: Welcome to 2019 - rates, revaluations and recycling

Happy New Year everybody, and welcome to 2019. I'm looking forward to an exciting year for our district but, first, let's all just sit back and enjoy the glorious summer holidays.

Before discussing the (exciting!) topic of rates and revaluations, there's something I need to mention. I'm sure you'll all have noticed that my column is no longer featured in the Report, and I for one lament the loss of a community paper that been part of our lives for more than 35 years.

I can only hope the "parish pump" nature of this much-loved neighbourhood paper will not be lost. I want to take this opportunity to thank the staff, reporters and editors of the Report for all of their hard work over the years. The Northern Advocate will now be hosting my column every fortnight, so be sure to keep an eye out for insights and updates from me in these pages.

Now to the topic of property revaluations, which were carried out by Opteon (as the district council's new valuation service provider), with the revised rating values effective from August 1, 2018. Many of you will have already received your new notices of valuation, if not yet, yours will be in the post soon.

You are welcome to come in and view the district valuation rolls until February 15, 2019 during office hours at Forum North on Rust Ave. If you'd like to lodge an objection, you must do this in writing before February 15. Objection forms are available from Whangārei District Council customer services or online at www.wdc.govt.nz.

Please remember, just because your property valuation has increased, it doesn't necessarily follow that your rates will, too. Your revised rating valuations as at August 1, 2018 will be used for rating purposes from July 1, 2019. If you have any questions, just visit us at council or call us during office hours.

My last message to you is about the summertime rubbish and recycling runs. With the influx to our district over summer (especially coastal areas) we need extra collections to cope. These started on January 4 and will continue until February 9. The Northern Coast areas will have their usual collection on Monday and a second collection on Friday in beach settlement areas, while the Bream Bay coast will have its usual collection on Tuesday and a second collection on Saturday in beach settlement areas.

I hope you're all finding the time to enjoy and explore our spectacular coastal areas this summer, from Langs Beach through to Whangaruru, our natural environment in Northland can't be beat. Remember to be sun smart, and leave only footprints…

Auckland median residential property price slipped modesty in 2018

Auckland house prices ended 2018 down on the previous year, the first time that's happened since 2008.

But ASB said the fall in Auckland's median house price of 0.8 per cent during 2018 did not herald the beginning of a market crash.

The rebalancing in the Auckland housing market is expected to continue into 2019," ASB economist Kim Mundy said.

"However, there do remain a number of solid supports including ongoing population growth, easing Loan-to-value (LVR) restrictions and still-low interest rates."

"These supports are likely to limit any further price falls we may see in the Auckland housing market over 2019."

ASB economist Kim Mundy did not expect Auckland house prices to decline steeply.

Barfoot & Thompson's December house price data, released today, highlighted a "very soft" end to 2018 for the Auckland housing market, she said.

There were fewer sales, and fewer new listings in December compared to the same month in 2017.

And, Mundy said: "We are expecting to see more soft data results over 2019. The ban on foreign buyers and tax changes are expected to further dampen demand in a housing market that is now a buyers' market."

But resident buyers could now borrow more from banks, as the rules limiting the proportion of loans they can make at more than 80 per cent of the value of homes has been eased by the Reserve Bank.

And the city's population continued to grow, she said.

These influences should limit the extent of any price falls over the year, she said.

“In the past few months the tide has turned towards it becoming a buyers’ market,” said Peter Thompson, managing director of Barfoot & Thompson.

“The over-riding market sentiment at present is indecision as to the direction the market is heading."

Among the factors playing on Auckland home owners' and buyers' minds were the reported major declines of prices in the big Australian cities, and the possibility the government will start taxing capital gains on investment properties.

“Overall, 2018 was a more active year for residential sales than 2017 with sales numbers year-on-year up 8.1 per cent," he said.

But the median sale price was $836,792 in 2018, down 0.8 per cent on 2017.

"This is the first time the median price has fallen below that for the previous year since 2008, the year the impact of the Global Financial Crisis affected house prices," he said.

The average sale price was, however, higher in 2018 than 2017.

“The average 12-month sales price for 2018 at $929,910 is up on that for 2017, but by only 0.4 per cent," he said.

There had been more sales at the relatively cheaper end of the market.

“A stand out feature for me in 2018’s sales data was the significant increase in the number of sales made in the under $500,000 price category," he said.

“In 2017 property sales in this price category represented 8.9 per cent of our sales while in 2018 they had climbed to 11.4 per cent of all sales."

“This increase can be linked directly to the higher number of apartments, terraced housing and town houses hitting the market, giving first time buyers and those on limited incomes far better access to property."

Property booms in Rotorua in 2018, price rise set to continue

In just under a year, Rotorua's median residential house price has increased by $55,000 and real estate experts believe the rise is set to continue.

The year in review from the Real Estate Institute of New Zealand (REINZ) shows the median price in 2018 started at $365,000, reached a record high in June of $435,000 and settled at $420,000 in November.

According to the data, in the first 11 months of 2018, Rotorua's median house price increased by 15.1 per cent.

In comparison, the national median sale price increased 10.6 per cent in the same timeframe - from $520,000 to $575,000.

Harcourts sales manager Colville Barbour said 2018 had been a sellers' market.

"This follows on from a couple of years of strong growth and is reflected in the median sale price.

"Well-priced property isn't lasting on the market and often attracts multiple offers. This is great news for vendors as the extra competition can achieve better than expected prices."

Barbour said properties sold in 32 days on average and between 80 and 120 houses were sold every month.

"Rotorua still offers value and it is expected that 2019 will be another strong year for sales."

Barbour said the Rotorua market had something for everyone and low interest rates helped buyer confidence.

"First-home buyers are active at the lower end of the market but continue to compete with investors and can struggle with deposits.

"The market continues to attract investors both from out of town and locally who see value in the returns they can achieve.

"The mid and top ends of the market have produced some outstanding sales."

REINZ chief executive Bindi Norwell said many of the country's regions had experienced "significant growth" in the past year.

"Demand for good housing stock continues to exceed the supply of houses.

"We're still seeing a number of Aucklanders, particularly first-home buyers, move to the regions where they can get more for their money," Norwell said.

"This effect continues to drive up prices in the regions and until we address the fundamental supply issues, we believe house prices will continue to increase in the short to medium term."

Norwell said Rotorua was still more affordable than other Bay of Plenty areas as the median price remained below $500,000.

"This lower price point also means families can get a little more land than you might get in other areas within the Bay, yet there are still good schools and transport options.

"When you combine that with the strong business growth and its ability to reach other areas of the Bay within an hour's drive time, you can see why it remains a popular place to buy."

Mortgage Centre owner Graeme Leigh said the business had loaned more than $24 million in 2018, up 17 per cent on the previous year.

The average loan size was $345,000.

Leigh said a shortage of listings and rising prices had made the year difficult for first-home buyers.

"The shortage meant there were multiple offers. Sometimes my clients missed out because when you've got multiple offers you may have cash buyers.

"With the median price over $400,000 that creates another problem for first-home buyers because they want to access a home start grant but the maximum price for the grant in this region is $400,000.

"That figure has really become the new entry level."

Looking ahead, Leigh expected to see more loans of more than 80 per cent of the house value, and more investors.

First National principal and Rotorua REINZ spokeswoman Ann Crossley said the 2018 property market had been strong and a shortage of stock had driven demand.

Crossley hoped pockets of development would ease demand and she believed 2019 would be another positive year for property.

Professionals McDowell co-owner Steve Lovegrove said 2018 had been "an interesting year".

"We've seen some highs and lows. The high has been price increases and the lows have been stock availability.

"Both have been at the extreme end of what we've seen for a really long time in Rotorua and I think they relate to each other."

Lovegrove said Rotorua was an attractive place to live and that was contributing to the demand for housing and he believed prices would continue to rise incrementally in 2019.

"All in all we're on the up and up. Looking forward that's quite sustainable. Can we repeat 2018 in terms of solid growth? I think we can."

REINZ top-selling suburbs with 10 or more sales

1. Lake Tarawera with a median price of $761,250 (10 sales)

2. Lynmore with a median house price of $643,000 (52 sales)
3. Springfield with a median of $557,000 (57 sales).

Median value by suburb

Fairy Springs $370,000 (30 sales)
Fenton Park $389,500 (20 sales)
Fordlands $205,000 (17 sales)
Glenholme $481,000 (63 sales)
Hamurana $803,500 (17 sales)
Hannahs Bay $341,500 (6 sales)
Hillcrest $426,000 (22 sales)
Holdens Bay $391,500 (12 sales)
Horohoro $613,000 (2 sales)
Kawaha Point $491,000 (19 sales)
Koutu $311,000 (21 sales)
Lake Ōkareka $793,000 (7 sales)
Lake Rotoma $365,000 (7 sales)
Lake Tarawera $869,000 (10 sales)
Lynmore $634,000 (52 sales)
Mangakakahi $350,000 (51 sales)
Mourea $292,000 (7 sales)
Ngakuru $583,000 (8 sales)
Ngapuna $272,500 (0 sales)
Ngongotahā $409,500 (64 sales)
Ohinemutu $408,500 (one sale)
Ōkere Falls $565,000 (5 sales)
Ōwhata $414,000 (88 sales)
Pukehangi $397,000 (66 sales)
Rerewhakaaitu $440,000 (one sale)
Rotoiti Forest $469,000 (four sales)
Rotorua Central $344,500 (14 sales)
Selwyn Heights $367,000 (16 sales)
Springfield $541,000 (57 sales)
Tihiotonga $635,000 (seven sales)
Tikitere $889,000 (19 sales)
Utuhina $409,000 (21 sales)
Victoria $377,000 (21 sales)
Waikite Valley $652,000 (three sales)
Westbrook $484,000 (47 sales)
Western Heights $331,000 (33 sales)
Whakarewarewa $331,000 (two sales)

Source: Oneroof.co.nz