

# Upper Hutt City

## 2022 FAQ





## Your Guide to Rating Valuations

### What is a Rating Valuation?

A rating valuation is based on the likely selling price (market value) of a property (excluding chattels) taken at the time of your local council's last general property revaluation.

Rating revaluations are carried out on all properties in New Zealand, usually once every three years. They are in place to help councils apportion rates for the following three-year period.

Our valuation service provider, Quotable Value (QV), has completed our 2022 revaluation.

You can find out more about rating values and the rating valuation process on the QV website: <https://www.qv.co.nz/about/about-rating-valuations/>

### What does your Rating Valuation consist of?

Your Rating Valuation is made up of three components:

- Capital Value (CV) - this is what your property is likely to have sold for at the date of your local council's last general valuation, excluding chattels. The CV is also known as the Rateable Value (RV), and was previously known as the Government Valuation (GV).
- Land Value (LV) - the most likely selling price of the bare land at the date of your local council's last general revaluation.
- Value of Improvements (VI) - this is just the difference between the land value and the capital value. It's important to note here that it does not mean the replacement cost of buildings and services on a property.

### How are Rating Values calculated?

Quotable Value's qualified Property Consultants combine their own experience and the latest technology to calculate a Rating Value. They'll take into account all the factors that influence a property's likely selling price — such as the property's size, features and recent refurbishments.

We also take into account the value of similar properties recently sold in the local area.

Given the vast amount of properties in New Zealand, we are unable to view every single property in person, so we utilise a range of tools to produce the rating value.



## **Who does rating valuations?**

Rating valuations are carried out either directly by your local council or on their behalf by a valuation service provider, such as Quotable Value (QV). They are just one of a number of factors councils use to allocate rates.

## **If my local area has just had a rating revaluation, when will my new rating valuation start to apply?**

Any change to your Rating Value will not apply until 1 July 2023.

## **How are property owners notified of new rating values once a council revaluation is complete?**

Our valuation provider, Quotable Value, will send out owner's notices to let you know your new Rating Valuation. For the Upper Hutt City 2022 Revaluation, QV will send out all owners' notices in early February 2023. Upper Hutt City Rating Valuations will be available online from the 25<sup>th</sup> of January 2023.

## **What shall I do if I disagree with the new rating value of my property?**

If you feel your property's new rating value doesn't reflect your property's market value as at 1 July 2022 (the date of revaluation), you have the right to object.

The closing date to lodge an objection to your new rating value is 9 March 2023, as outlined on your owner's notice, which we will post out to you in early February.

## **What is the objection process?**

Objections are an important part of the valuation process because they give property valuers the opportunity to assess individual factors that they may not have been aware of, and therefore had not been considered, as part of the value assessment — i.e. work on property not requiring a building consent such as kitchen or bathroom renovations.

As part of this process, a QV staff member will physically inspect your property and you'll receive an owner's notice shortly after to inform you of the decision made regarding your property's rating valuation.



## **Are there any time restrictions on making an objection?**

Yes, there is an official objections period. Check your owner's notice or your local council's website for the last day you can object is the 9 March 2023.

## **How do I make an objection to my rating value?**

You can make an objection online [here](#), or by posting a personal letter to QV (instructions can be found on your owner's notice).

## **I want my current Rating Valuation reviewed, but the objections period has passed. What should I do?**

In this case, you could request an Urgent Review of your Rating Valuation. This suits people who have recently completed renovations that are likely to have a substantial impact on your current Rating Valuation. You can also use this service if you simply disagree with your current RV and have missed the objection period.

With this service, a QV staff member will physically inspect your property and make a decision as to whether your Rating Valuation is accurate. Shortly after, you'll receive another owner's notice informing you of the decision made.

Remember, if you've refurbished or renovated your property, but the work hasn't required a Building Consent – a new kitchen, for example, or a bathroom or deck – QV or your local council won't be aware of this unless you have informed them of the change.

Note an Urgent Review of your Rating Valuation is likely to incur a cost to the property owner.

## **How are rating valuations different to full market valuations?**

Rating Valuations reflect the likely selling price of a property (excluding chattels) at the time of your local council's last revaluation date, with the explicit purpose of helping set council rates.

A full market valuation, on the other hand, represents the valuation of the property on the date the property was inspected. They are typically used to help guide property owners around the likely selling price of their property before it's put out to market.

A full market valuation will offer a more comprehensive assessment of the current market value of your property. With this service, a registered valuer will visit your property and complete a full inspection of the property interior and exterior, as well as analysing recent sales in your area, to provide you with the current valuation.



## **I am about to sell my property and I want to a good estimate of the market value of my property. What information is most suitable?**

As described above, a full market valuation would provide the most accurate, comprehensive and up-to-date measure of your property's current value. QV offers this service to property owners across New Zealand.

A Rating Valuation is completed with the explicit purpose of helping to set council rates – although they also can provide a good indication of the likely selling price, as it was at the time of your local council's revaluation period.

## **The capital and land value has increased, but why has the value of my improvements dropped?**

Land values and capital values are assessed independently of each other — meaning the difference between the two is effectively the value of improvements. As land values have increased at a significantly higher rate than capital values, the value of improvements (e.g. your house, other buildings, landscaping etc.) can sometimes fall.

For instance, someone living in a small house on a large flat section may have seen a large increase in their land value, as developers would potentially be able to subdivide the section and build more than one property at the site. The person's home (i.e. the improvements), may fall in value if it would need to be demolished in order for the land it is on to be developed into more housing.

## **I have re-roofed my property recently. Does my rating value need to be updated?**

This may not affect the rating value, as every home requires a certain amount of maintenance to keep it in good working condition. Not all maintenance 'adds value' to your property, but a potential buyer would probably view your property in a more positive light as they won't need to re-roof for another 30 years or so.

If you feel the change may have a substantial impact on your rating value, you can request an Urgent Review of your Rating Value.



## **What happens if my real estate agent has told me that my rating value is too low and it should be updated?**

All property owners are entitled under legislation to pay to have their rating value reviewed. However, any new property valuation must comply with the rules stipulated in the Rating Valuations Act 1998, and Quotable Value's expert valuers may not agree with your real estate agent's own valuation.

It is important to remember that the primary purpose of a rating valuation is to assist your local council with the allocation of rates, and therefore any new property valuation must 'preserve uniformity with existing roll values of comparable parcels of land'.

To explain this simply, if your property is one of five identical properties, they should all have a similar rating valuation.

## **Why is my rating valuation lower than my neighbours, particularly as I have been inside their property and I think that mine is better?**

A lot of work can be done to a property that doesn't require a building consent. In these instances, unless the owners have contacted QV to tell them of these changes, it is unlikely that they will know about them. This includes improvements such as modernising a kitchen or bathroom, redecorating, landscaping, and more.

Remember, you can keep your property's information up-to-date via [www.updatemyproperty.co.nz](http://www.updatemyproperty.co.nz). You can also request an Urgent Review of your Property Valuation if you feel your current rating value isn't fully accurate.

## **Houses in my area are selling for less (or more) now, can that be reflected in my rateable value?**

No, the values were set as at 1 July 2022 — any changes to the market since then cannot be reflected in your latest rating valuation. We note since the revaluation date the Upper Hutt market has continued to experience a decline in values.



## **What do I need to do if I have just completed an extension to my property and would like my rating value to be updated?**

When you complete work requiring a building consent or a subdivision, we'll automatically inform our valuation service provider, Quotable Value. This is followed by an inspection of your property by QV when they are next completing valuations in your area, once the construction is complete. Please note, this could be up to 3-6 months into the future.

If you would like your rating valuation reviewed urgently, you can pay to have a valuer come out at your convenience and time frame.

## **What happens if I pay for a rating valuation review and my value doesn't change?**

Owners are entitled to lodge an objection to the review decision if received within the specified time frame and manner required. QV may require another valuer to re-inspect the property and provide a 'second opinion' on the value of the property. A decision will be forwarded to the owner in due course.