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RATING VALUATIONS - 2011

Auckland Council have recently released the 2011 Rating Valuations which on analysis reflect both increases and decreases to those assessments previously undertaken through 2007-2009 for the seven former Councils. The 2011 Auckland Council General Revaluation brings all of the former Councils into one valuation cycle, the effective date of the valuations being as at 1 July 2011.

As a background it is important for the public to understand the changes which have occurred over the last 20 years relating to Rating Valuations. Some may remember the three/five yearly reviews, where the Local Government Valuer visited your property and undertook what was perceived to be a conservative assessment of market value which was commonly referred to as "the Government Valuation". As a result of funding changes, and new regulations, rating assessments are now undertaken by various providers including Auckland Council and Quotable Value Limited (QV). Rating Valuations are calculated using mass appraisal techniques relying heavily on computer generated estimates of value and indexation. Full physical inspections of individual properties are no longer the norm except for some Building Consent revaluations and objections. The assessments are usually based on historical records of the property which may not include significant changes that have occurred to the property over recent years, particularly changes for which Local Authority consent was not needed. These rating assessments are not individual market valuations of every property such as those undertaken by private valuers.

Unfortunately, some of the market, finance sector and public continue to perceive Rating Assessments as a reliable indication of market value. Those less informed may place too much reliance on the Rating Value when making decisions on sale or purchase. This practice is extremely risky. Auckland Council clearly states "**Council valuations are used for setting rates and as such, they are not intended for other purposes such as for marketing or for mortgages. We strongly recommend that private registered valuations be obtained for these purposes**".

Significantly, inaccurate assessments can present the property owner with difficulties both now and in the future. Where an assessment is deemed to be incorrect, an objection should be lodged endeavouring to rectify the problem which, if left unattended, could perpetuate or compound in years to come. Objections can only be made within a reasonably short specified period from 27 October through to 16 December 2011. If we can be of assistance with this matter, please feel free to contact us on one of the numbers listed below, alternatively, you can make an enquiry through our Website - www.sheldons.co.nz.

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