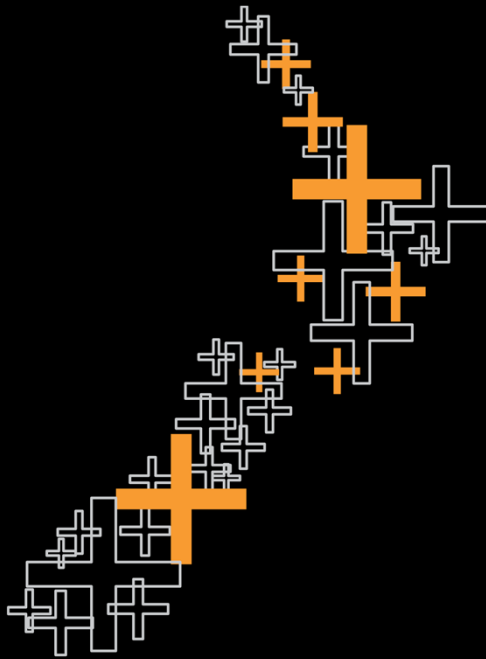




# Telfer Young

Valuers Property Advisors



*Local Knowledge, National Coverage*

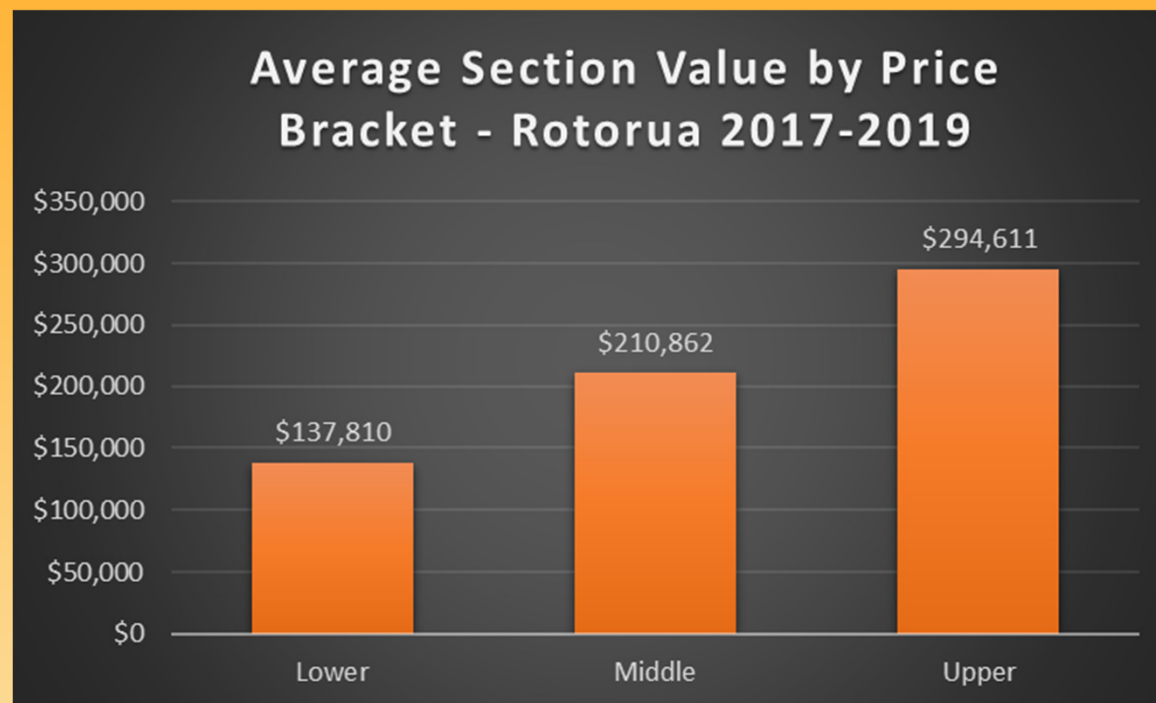
Residential in-fill and Lifestyle Subdivision in Rotorua

# INTRODUCTION

Common Questions Asked of Planners/  
Surveyors:

- + Is subdivision worthwhile?
- + What are the value considerations?
- + For lifestyle property - what is the optimum size?

# RESIDENTIAL EVIDENCE

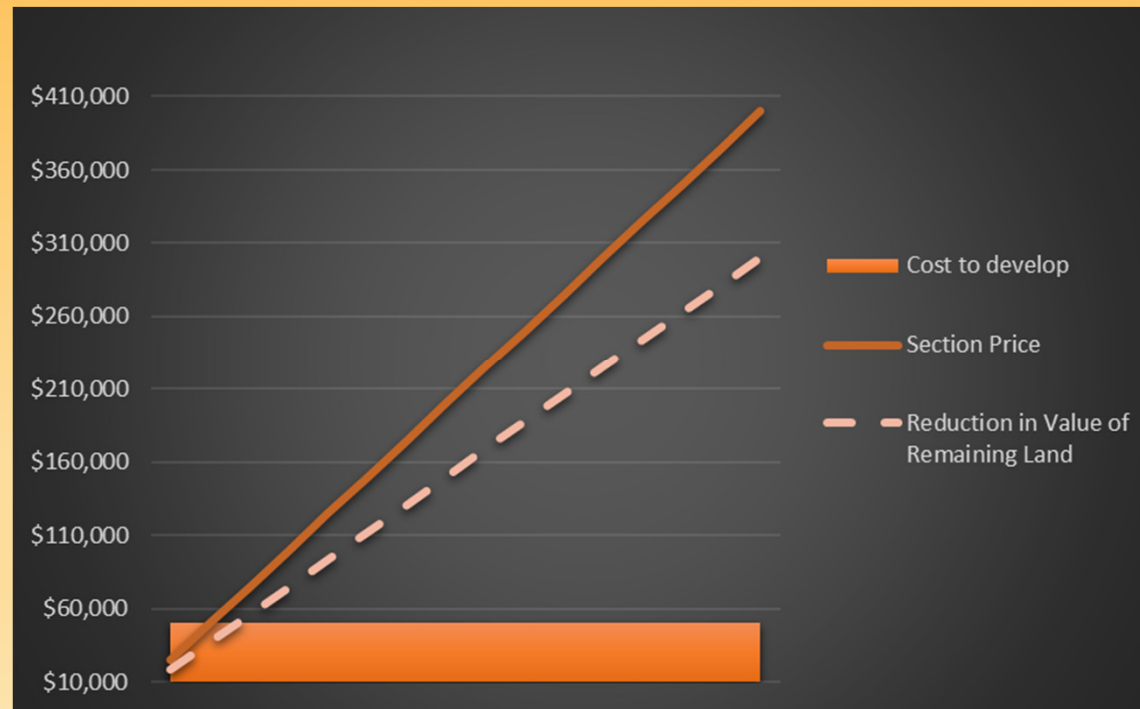


- + Cost to subdivide is the same so in general profit margins increase by price bracket.

# PROFIT MARGIN

At what price point is subdivision worthwhile?

- + Value of new section
- + Less cost to subdivide
- + Less Reduction in value of balance property



# RESIDENTIAL TRENDS

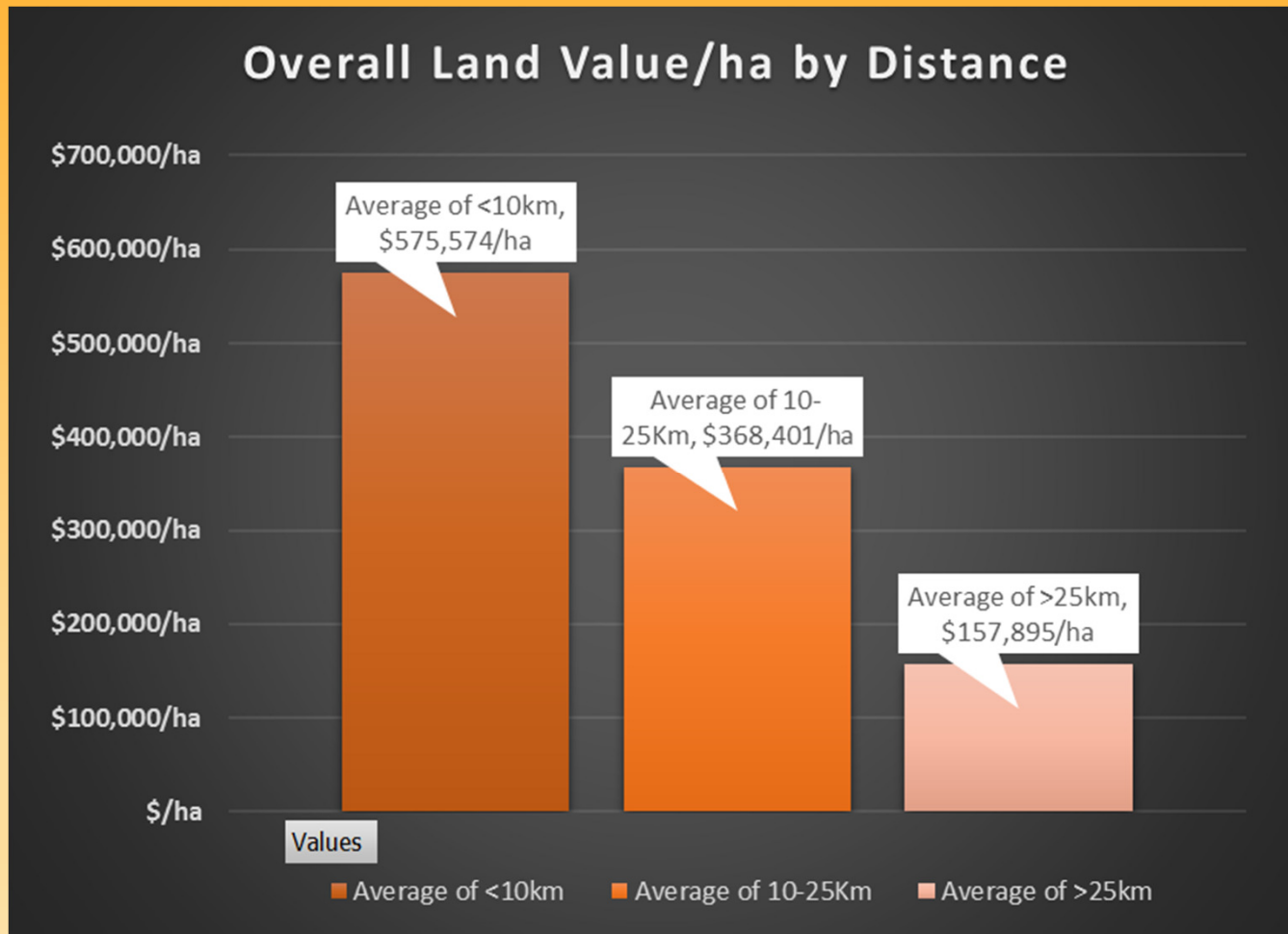
- + More people subdividing due to housing shortage producing demand for vacant residential land at present
- + High yields for rental investment property currently – added option to hold after subdivision and rent out (Rental income \$20,000+ pa)
- + Relatively low risk at present – high demand and low mortgage interest rates
- + Low to Mid range suburbs attracting first home buyers with Kiwisaver

# RESIDENTIAL IN-FILL

## Valuation Considerations when Subdividing Residential Property:

- + Outlook; Privacy; Family Friendly – Schools, parks etc; Services - Distance to CBD/recreation activities, public transport; Neighbourhood
- + Is there demand in the location for new housing/sections
- + Position of existing dwelling – is there room to subdivide, will existing house be impacted
- + Cost to subdivide - Location of current house and services; length of drive etc
- + Is subdivision permitted in this location
- + Does the location have specific criteria around subdivision i.e. Lakes A

# LIFESTYLE EVIDENCE



# LIFESTYLE LOT SIZE

## Lot Size vs Distance from City

- + Smaller lot sizes more popular closer to city (<25km) where value drivers are privacy/lifestyle rather than rural living
- + Further from city (>25km) rural living is more of a factor rather than living in a purely lifestyle location so larger lots more desirable

<b>Distance</b>	<b>Value (\$)</b>	<b>Value Analysis (\$/ha)</b>		
	<b>House Site</b>	<b>Residual Land Value/ha</b>		
		<b>0 .4 - 2ha</b>	<b>2ha -4ha</b>	<b>4+ha</b>
<b>&lt;10km</b>	\$300,000 - \$400,000	60,000	45,000	30,000
<b>10-25km</b>	\$200,000 - \$300,000	50,000	37,500	25,000
<b>25km+</b>	\$150,000 - \$175,000	45,000	35,000	22,500



# LIFESTYLE TRENDS

- + Intensification allowed under district plan when sewerage connected (e.g. Kaska Road)
- + Under 25 km to town capitalise on buoyant lifestyle market by subdividing off farm (e.g. Nicholson Rd)
- + Subdivide and build new home, reduce lifestyle maintenance burden
- + Environmental Regulations – incentives for retirement of rural land (Lake Catchment)

# LIFESTYLE

## Valuation Considerations When Subdividing a Lifestyle Property

- + Views/Rural outlook
- + Privacy
- + Proximity to amenities/commute
- + Proximity to employment
- + Family Friendly – Schools, parks etc
- + Subdivision rules - does the location have specific criteria around subdivision i.e. subsidiary dwellings, retirement of land
- + Is there demand in the location for lifestyle/rural residential sections (North vs South)

# QUESTIONS

