

IN THE MATTER of the Rating Valuations Act 1998

AND IN THE MATTER of an objection to the revaluation of the District
Roll for North Shore City Council

BETWEEN **NEVILLE JOHN GRAY**
Objector

AND **NORTH SHORE CITY COUNCIL**
Respondent

Before the Auckland Land Valuation Tribunal

Acting Chair: His Honour Judge J D Hole

Members: I W Gribble Esq
K G Stevenson Esq

Date of hearing: 12 February 2008

Appearances: N P Westerkamp (Valuer) for Objector
S H Smith for Respondent

Date of Decision: February 2008

DECISION OF TRIBUNAL

Introduction

[1] The subject property comprises part of a five level apartment block located on Auburn Street in Takapuna.

[2] The building was constructed in 1973 as office space. It was converted to apartments in the early 1990's. It is located on the fringe of the Takapuna central business district and is within easy walking distance of Hurstmere Road and Takapuna beach. Some modernisation has been undertaken to the apartments, although the common areas now require modernisation. The six penthouse apartments, located on the fifth floor of the building, are the subject of this objection.

[3] As at 1 September 2005 (the revaluation date) valuations for the apartments were assessed as follows:

Apartment	Original Revaluation		Contended by Objector		Objection review by Quotable Value	
	CV	LV	CV	LV	CV	LV
5A	\$440,000	\$250,000	\$740,000	\$355,000	\$525,000	\$325,000
5B	\$410,000	\$305,000	\$620,000	\$250,000	\$500,000	\$305,000
5C	\$510,000	\$355,000	\$685,000	\$305,000	\$510,000	\$310,000
5D	\$360,000	\$220,000	\$540,000	\$200,000	\$490,000	\$250,000
5E	\$370,000	\$200,000	\$590,000	\$220,000	\$505,000	\$285,000
5F	\$450,000	\$260,000	\$720,000	\$260,000	\$500,000	\$280,000

[4] Subsequently, a review was undertaken by the valuers for the respondent, as a result of which the respondent's rating valuations as to capital value were amended as follows:

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Land Valuation Tribunal Review	
Apartment	CV
5A	\$530,000
5B	\$480,000
5C	\$520,000
5D	\$434,000
5E	\$495,000
5F	\$500,000

[5] Land value is not in contention. It is understood by the Tribunal, (although it was not specifically stated by either party), that the land values agreed to by the parties are as follows:

Apartment	Land Values Agreed by the Parties
5A	\$325,000
5B	\$305,000
5C	\$310,000
5D	\$250,000
5E	\$285,000
5F	\$280,000

Legal Description

[6] The legal description of the various apartments is as follows:

Apartment 5A – Computer Register NA89D/893

A stratum estate in freehold within the meaning of the Unit Titles Act 1971, being Principal Unit 4G, and Accessory Unit 34, together with a one sixth share in Accessory Unit 43 on DP 150784.

Apartment 5B – Computer Register NA89D/894

A stratum estate in freehold within the meaning of the Unit Titles Act 1971, being Principal Unit 4B, and Accessory Unit 16, together with a one sixth share in Accessory Unit 43 on DP 150784.

Apartment 5C – Computer Register NA89D/889

A stratum estate in freehold within the meaning of the Unit Titles Act 1971, being Principal Unit 4C, and Accessory Unit 27, together with a one sixth share in Accessory Unit 43 on DP 150784.

Apartment 5D – Computer Register NA89D/890

A stratum estate in freehold within the meaning of the Unit Titles Act 1971, being Principal Unit 4D, and Accessory Unit 6, together with a one sixth share in Accessory Unit 43 on DP 150784.

Apartment 5E – Computer Register NA89D/891

A stratum estate in freehold within the meaning of the Unit Titles Act 1971, being Principal Unit 4E, and Accessory Unit 7, together with a one sixth share in Accessory Unit 43 on DP 150784.

Apartment 5F – Computer Register NA89D/892

A stratum estate in freehold within the meaning of the Unit Titles Act 1971, being Principal Unit 4F, and Accessory Unit 35, together with a one sixth share in Accessory Unit 43 on DP 150784.

[7] The registered proprietor of all apartments is the objector.

The Apartments

[8] The objector's valuer described each apartment generally as follows:

"Apartment 5A

- Two bedrooms
- Two carpark
- Secondary toilet
- Very good views over portions of the Hauraki Gulf and Rangitoto through to Auckland City and the Waitakere Ranges in the distance, together with urban views to the northwest.

Apartment 5B

- Two bedrooms
- One bathroom
- One carpark
- Good views over Shoal Bay through to Auckland City and the Waitakere Ranges, together with urban views to the northwest.

Apartment 5C

- Two bedrooms
- Secondary toilet
- One carpark
- Good views over Shoal Bay through to Auckland City and the Waitakere Ranges, together with urban views to the northwest.

Apartment 5D

- Two bedrooms
- One carpark

- Northerly aspect with views towards Milford including portions of Lake Pupuke and pleasant urban views to the northwest.

Apartment 5E

- Two bedrooms
- One carpark
- Corner apartment with northeasterly aspect obtaining small gulf views, together with an outlook over portions of Lake Pupuke and urban views to the northwest.

Apartment 5F

- Two bedrooms
- Second bathroom
- Two carparks
- Corner apartment with southeasterly aspect affording views over Shoal Bay and Auckland City.
- Largest of the apartments.

[9] All apartments have balconies and are served by a common stairwell and lift.

Rating Valuations Act 1989

[9] Section 38(2) of this Act provides:

"The onus of proof on any objection rests with the objector."

[10] The effect of s 38(2) is that there is a legal presumption to the effect that the respondent's valuation is correct unless proved otherwise. The burden of proving that the respondent's valuation is incorrect rests on the objector.

Issues

[11] Three issues emerged from a consideration of the evidence given for each party:

- (i) There was disagreement as to the floor areas of each apartment.
- (ii) There was some debate as to what constituted comparable sales. In this regard, evidence for the respondent was confined to sales which had taken place in Takapuna whereas the objector included sales which had taken place as far afield as Milford to the north and Devonport to the south.

~~(ii)~~(iii) Each valuer differed as to how the comparable sales related to the subject apartments.

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[12] The unusual feature of this objection is that the objector sought higher capital values than those assessed by the respondent.

Determination

[13] The valuer for the respondent was only able to measure the floor area for Apartment 5A. In respect of the balance of the apartments she was reliant on building plans held by the respondent incidental to the building consent given when the apartments were created. She conceded that she had some doubts as to the complete accuracy of the floor areas which she had estimated from those unscaled plans.

~~[13]~~[14] The valuer for the objector stated that he had physically measured the floor area of each apartment.

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[15] The differences in floor area in respect of each apartment are set out as follows:

Apartment	Respondent's floor area (square metres)	Objector's floor area (square metres)	Difference
5A	86	90	4
5B	75	76	1
5C	90	93	3
5D	70	73	3
5E	90	89	1
5F	100	106	6

[15] The objector's evidence as to the measurement of the floor area for each apartment is to be preferred to that of the respondent; except in respect of Apartment 5A. This is because the valuer for the objector had physically undertaken measurements whereas that was not possible (except in respect of Apartment 5A) by the valuer for the respondent. The Tribunal is unable to resolve the difference in the measurements achieved by each valuer in respect of Apartment 5A.

[15][16] This does not really matter. The area of each apartment is only one of the factors to be considered in ascertaining the capital value. Whilst there are some small differences in the areas assessed by each valuer, they are only of minor significance in the overall scheme of things. There was no evidence adduced as to how the measurement of floor areas in the comparative sales apartments was ascertained.

[15][17] The valuer for the respondent submitted as Exhibit 2 a table showing comparative sales adjustments. After an analysis of the sales evidence which she adduced, she was able to adopt, in respect of each apartment, a dollar rate per square metre of floor space. Her adjustments were not seriously challenged by the objector.

[15][18] The objector also submitted comparative sales evidence. Unfortunately, he failed to indicate what adjustments he had made in respect of each of his sales for him to achieve his dollar rate per square metre. The absence of any

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comparative sales analysis constituted a fatal flaw in the valuation evidence given on behalf of the objector. It meant that his opinions lacked the requisite evidential support for them to be credible. This also meant that there was no need for the Tribunal to consider which of his comparative sales were relevant as they were not analysed.

[15][19] In considering this objection, the Tribunal has also stood back to consider if, from an objective but expert point of view, the capital value assessed in respect of each apartment was realistic from a consideration of the comparative sales evidence as a whole. In this regard, the conclusions reached by the valuer for the respondent seemed appropriate whereas those sought by the valuer for the objector, without appropriate explanation, seemed excessive.

Conclusion

[20] Accordingly, the Tribunal concludes that the objector has not managed to satisfy the burden of proof imposed on him by virtue of s 38(2) and, accordingly, the objection fails. The Tribunal confirms the capital value now assessed by the respondent's valuer as follows:

Apartment 5A	\$530,000
Apartment 5B	\$480,000
Apartment 5C	\$520,000
Apartment 5D	\$434,000
Apartment 5E	\$495,000
Apartment 5F	\$500,000

Judge J D Hole
(Chairman)