

IN THE MATTER OF The Rating Valuations Act 1998

AND IN THE MATTER OF An Objection to the Revaluation of the
District Valuation Roll for the Opotiki District
Council

BETWEEN **TONY ROSS LANGBEIN & ORS**

Objector

AND **OPOTIKI DISTRICT COUNCIL**

Respondent

Tribunal:

Deputy Chairman: His Honour Judge J D Hole

Member: D G Black Esq

Date of Hearing: 2 August 2006

Date of Decision: 11 August 2006

Appearances: Mr M Power for Respondent
Objector in Person

DECISION OF TRIBUNAL

The Property

1. The objector has an interest in a freehold property situated at the end of Paerata Road, approximately 13 km from Opotiki. Its area is 186.3840 hectares and is part Lot 1, DP 8335 being all the land in Certificate of Title 6B/77 (Gisborne Land District). The property is zoned rural under the operative Opotiki District Plan and forestry is a permitted activity.
2. The property is used for forestry purposes. Surrounding properties comprise a mix of pastoral, dairying and forestry uses. Close to the coast, there are predominantly lifestyle and residential properties with sea views.
3. The altitude of the property ranges from approximately 100 metres to 500 metres above sea level. Approximately two hectares of river flats are planted in pine trees. 143 hectares of steeper hills are planted in pine trees. The balance of the land, containing 39 hectares, is in bush and scrub.
4. Improvements on the property consist of an old set of cattle yards, tracks and boundary fencing.

Valuation

5. The respondent has valued the property as at 1 September 2004 as follows:

Capital value	\$410,000.00
Land value	\$390,000.00
Improvements	\$ 20,000.00

6. Upon review, the respondent revalued the property as follows:

Capital value	\$392,000.00
Land value	\$372,000.00
Improvements	\$ 20,000.00

7. The objector's estimate of values as at 1 September 2004 is as follows:

Capital value	\$233,000.00
Land value	\$313,000.00
Improvements	\$ 20,000.00

Objection

8. In a letter addressed to the Tribunal, the objector stated that the reason for his objection was that the land value was grossly overvalued when compared with a similar adjacent property where the proportions between the two properties were established by the market.

9. The objection was clarified when the objector gave his evidence. In March 1995, Tasman Forestry purchased from Graham Addison farmland (including the subject property) having an area of 472 hectares for \$575,000.00. In September 1995, Tasman Forestry subdivided the 472 hectare block of land, retaining for itself the more gently contoured land containing 286 hectares. The objector purchased the balance (186 hectares) for \$100,000.00 which is 17.39 percent of the original purchase price of \$575,000.00. Accordingly, the objector claims that, in its revaluation in September 2004, the objector's property should have been valued at approximately 18 percent of the value for the entire 472 hectare block.

Respondent's Valuation

10. Michael Power, a registered valuer employed by Quotable Value Limited, gave evidence for the respondent. In his valuation he referred to three sales of forestry land which had occurred in March and April 2004. Each of these pieces of land was to the west of Whakatane and quite some distance from the subject land. In addition, he referred to a sale of the adjoining property (285.39 hectares) which initially had been retained by Tasman Forestry. This latter sale is of very little relevance as it occurred 14 months after the revaluation date.
11. Each of the four sales was analysed by Mr Power. Unfortunately, however, he failed to compare his analysed sales evidence with the subject property. For example, he made no adjustment for location notwithstanding the fact that the subject property is further from the port facilities at Mt Maunganui than any of the three relevant sales evidence properties. It seems likely that other adjustments could have been made but no attempt was made by Mr Power to undertake this task. Accordingly, the Tribunal has some difficulties in accepting the evidence of the respondent in its entirety.

Opinion

12. Whilst the percentage comparisons argument put forward by the objector, as outlined in para 9, is superficially attractive, nevertheless it is possible that steeper forestry land could have increased in value more quickly than the more gently contoured land of the adjacent property over the preceding nine years before the revaluation date. For example, improved logging techniques could well have had an effect on the valuation of the subject property. Likewise, it would have been useful if the Tribunal had been informed as to how the provisions of the Opotiki District Council's planning scheme might have affected the harvesting of logs from the subject property.

13. If there had been valuation evidence provided by the objector, it is possible that the matters referred to in the previous paragraph may have been covered and satisfied. Furthermore, the Tribunal might well have received evidence to overcome the deficiencies in that adduced by Mr Power. Unfortunately, there was no valuation evidence adduced on behalf of the objector.
14. In assessing objections such as this, it is well recognised that sales evidence is of fundamental importance. This arises from the definitions of capital value and land value contained in the Rating Valuations Act 1998.

Conclusion

15. Section 38(2) of the Rating Valuations Act 1998 provides that “the onus of proof on any objection rests with the objector”. In this case, whilst the objector has asked questions concerning the valuation, nevertheless he has been unable to produce any market evidence which contradicts that provided by the respondent. In those circumstances the objector has not managed to discharge the onus of proof incumbent upon him.
16. It follows that, in principle, the objection must fail. However Mr Power, for the respondent, did agree that the land value should be amended to take into account the amended areas, which he accepted. As the steeper planted land now comprises 143 hectares (rather than 148 hectares) this extrapolates out to \$350,350.00 and the 39 hectare wasteland extrapolates to \$3,900.00. The total land value, therefore, is reduced to \$360,650,00 – say \$361,000.00.
17. The amended valuation is as follows:

Improvements	\$ 20,000.00
Land value	\$361,000.00
Capital value	\$381,000.00

18. Accordingly, the objection is allowed to this limited extent.

Signed on behalf of the Tribunal at Auckland on 11 August 2006 at a.m.

Judge J D Hole
(Deputy Chairman)