



**CENTRAL
HAWKE'S BAY**
DISTRICT COUNCIL

Council Workshop

Thursday, 13 February 2025

9.00am

Council Chambers,
28-32 Ruataniwha Street, Waipawa

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1 REPORT SECTION

1.1 COUNCIL WORKSHOP

File Number:

Author: Doug Tate, Chief Executive

Authoriser: Doug Tate, Chief Executive

Attachments: 1. 13 February - Public Workshop Slides [↓](#)

PUBLIC WORKSHOP

The public workshop covered two workshop items, which the slides are available for:

Land Transport Recovery Multi-Year Programme

This workshop provided an update on the Land Transport recovery programme, including updates on the prioritisation of the programme and the next phases, to ensure the programme meets its deadlines.

QV Valuations

This workshop provided an update on the draft revaluations of the district and allowed an opportunity for Elected Members to ask questions on the methodology and assumptions applied. Sophie Treder from QV Valuations attended the workshop in person to answer questions and present the update.

PUBLIC EXCLUDED WORKSHOP

Five public excluded workshop items were workshopped. The reasons for these being publicly excluded are provided below:

Burnside Bridge Update

This workshop provided an update on the Burnside Bridge project, which is currently funded in this year's recovery programme. Topics covered included the status of procurement relating to this time.

Reasons for being in PE:

- s7(2)(f)(i) free and frank expression of opinions by or between or to members or officers or employees of any local authority
- s7(2)(h) the withholding of the information is necessary to enable Council to carry out, without prejudice or disadvantage, commercial activities

Land Transport Professional Services Procurement Plan Outline

This workshop provided an update on the procurement approach for the Land Transport Professional Services contract, which expires on 30 November 2025 ahead of seeking resolutions of the Transport Committee meeting on 26 February 2025.

Reasons for being in PE:

- s7(2)(b)(ii) the withholding of the information is necessary to protect information where the making available of the information would be likely unreasonably to prejudice the commercial position of the person who supplied or who is the subject of the information.

Waipukurau Library Lease and Property Update

This workshop provided an update on the Waipukurau Library, which covered legally privileged material for Councillors.

Reasons for being in PE:

- s7(2)(h) the withholding of the information is necessary to enable Council to carry out, without prejudice or disadvantage, commercial activities.
- s7(2)(g) maintain legal professional privilege.

Wastewater Programme Update and key programme decisions for 2025

The purpose of this session was to provide Councillors with a refresh of the approach adopted in the 2024 – 2027 Three Year Plan for Wastewater projects and the key feature projects in the programme. This update included updates and timing on key procurement decisions relating to the programme delivery, including the Waipukurau DAF and UV Treatment System upgrade.

Reasons for being in PE:

- s7(2)(h) the withholding of the information is necessary to enable Council to carry out, without prejudice or disadvantage, commercial activities.

Regional Updates Briefing

This workshop provided an update on the Regional Deals, Local Water Done Well, and the Matariki Regional Architecture review.

Reasons for being in PE:

- s7(2)(h) the withholding of the information is necessary to enable Council to carry out, without prejudice or disadvantage, commercial activities.



Public Council Workshop

13 February 2025



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Land Transport Recovery multi-year programme update

Reuben George / Rebecca England

13 February 2025



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Purpose

- Provide Elected Members with a summary of progress achieved to date
- Insight on the challenges in the context of the shifting funding environment and NZTA requirements
- Next steps for recovery programme

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Summary of programmes

- Total funding spent Initial Phase from February 2023 – Dec 2024
 - NZTA co-funded at both 100% and then 99% FAR
 - \$45.46 million
 - Over 4,000 minor repairs
 - 16 Landslides
 - 5 bridges
 - 5 river protection sites, and
 - 2 washouts
- Recovery Phase 1 - Completion by Dec 2025
 - Crown Infrastructure Partners (CIP) funded
 - \$11 million
 - Fletchers crossing (significant work completed, open to public 24th Jan 2025)
 - Wimbledon Rd 1.3 (work started on site 13 Jan 2025)
 - Elsthorpe Rd slip (construction due to start before end of February)
 - Wimbledon 9.4 - 9.7 (design phase)
- Recovery Phase 2 and 3 – Completion by June 2025
 - NZTA co-funded at a 89% FAR
 - \$18.209 million
 - Repairs to 28 sites to be completed before June 2025 (some delivery risks)
 - Includes 9 erosion protection sites, 16 landslides and repairs to 3 bridges
 - Burnside Bridge update included in separate item

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Changes in what is being funded

- Design solution philosophies previously approved by NZTA are now not preferred due to shifting funding environment
- We presented approximately \$45 million for the 24/25FY programme and had \$18.45 million approved
 - Sites still on hold and require further discussion with NZTA
 - Approved sites have a lower level of service or reduced resilience
- NZTA's emergency works funding criteria (WC 141) can be difficult to interpret consistently; working collaboratively with NZTA
- We are working with NZTA to clarify funding availability and FAR for different events i.e. Winter 2022 vs Cyclone Gabrielle



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Prioritisation and Multi Criteria Analysis process

Initial prioritisation criteria was shared with Council in April 2024, which was then refined after discussions with NZTA.

Criteria for Recovery Phase 2 & 3 was focused on:

- Priority routes across the district (higher traffic volumes)
- Protecting and rebuilding damaged bridge structures

Our focus now moves onto our lower volume routes.



Remaining Recovery Programme

Following reviews, we now have accurate data. In summary:

- 85 faults remain
 - 13 faults to bridge or culvert structures
 - 52 land movement faults
 - 20 other (retaining structures, drainage)

Cost estimations to be revised using accurate data and a better understanding of solutions that NZTA will accept

The number of final approved sites may be less than the 85 as we negotiate with NZTA and navigate the funding criteria (WC-141)

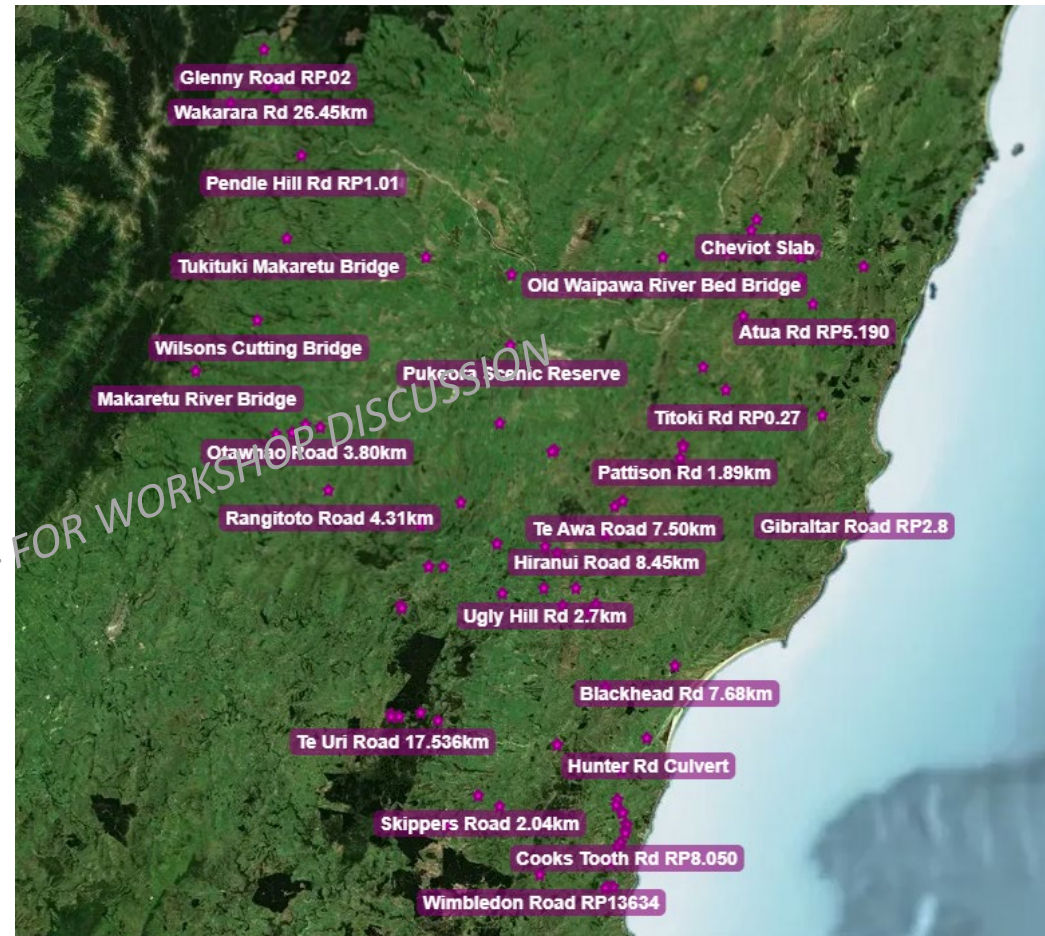


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Key faults remaining

- Cooks Tooth Road (16 faults)
- Patangata Bridge (pier underpinning only)
- Wilsons Cutting and Tod Road Bridges
- Various others including Whangaehu, Ugly Hill, Rotohiwi, Middleton, Ngahape, Ugly Hill, Blackhead Road



Next steps

- Work with NZTA on applications for all remaining faults to give Council certainty
- Update to the Land Transport Committee on 26th March on the proposed multi-year programme (subject to NZTA approval)
- Procurement paper to the Land Transport Committee on 22nd May for the remainder of the multi-year programme
- Apply for a be-spoke FAR for 2025/2026 as soon as the Minister will accept the application
- Prepare a delivery plan for all remaining years that fully utilises the construction seasons



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QV Revaluations

13 Feb 2025



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Legislation and Rules

- Rating Valuation Act 1998
- Rating Valuation Rules 2008
- Our Auditors – The Office of the Valuer General

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Rating Valuations Vs Market Valuations



Rating values are a 'snapshot' of the market at a single point in time



If market prices change, a rating valuation cannot be expected to represent the market value for an extended period



Rating values do not include plant and chattels, or trees.
Rating valuations assess as freehold, not a leasehold interest

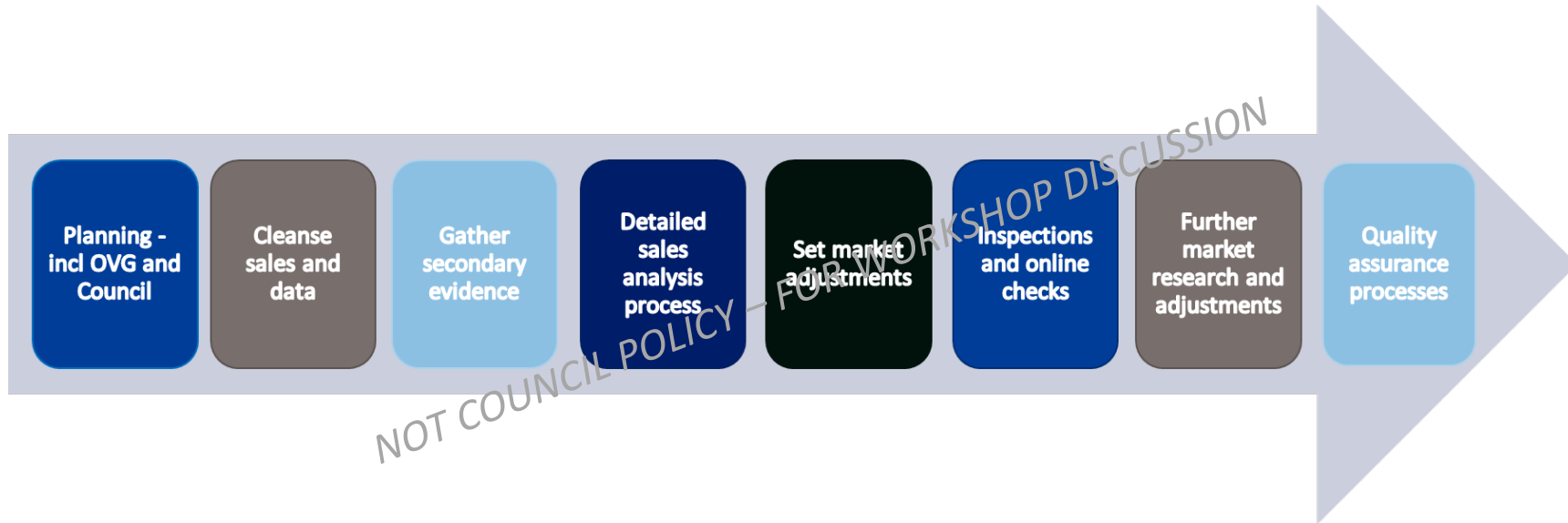


The community and market set property value levels
– QV interprets this to form rating values

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Process



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Revaluations and Quality Assurance



01

Market Research

- Strategic overview
- Collaboration with council - planners, property teams, resource consents issued.
- Refresh of operative zone codes plus intel and data for proposed zone codes
- Consideration of the National Policy Statement on Urban Development where applicable
- Other registers, such as EQP buildings and NBS ratings, existing or new natural hazards or issues, weather tightness issues, contaminated sites, Maori Land.
- Purify sales-i.e. no 12s, update DVR and values where necessary

02

Quality Assurance

- Sales analysis improved and vacant secondary evidence - Real Estate Agents, Valuers, property professionals.
- Compile basis draft
- Compile sales maps
- Compile bench mark sales
- Compile proposed Market Adjustments for all category types
- Apply Market Adjustments for residential and check OVG statistics
- Identify any potential cusps at this point and provide summary of action plan

03

Validation of Values

- Line flow process
- Data betterment process
- DVR fields, worksheets etc.
- Use of QV Mapping
- RTV and HPI validation tools

04

Quality Assurance

- Final stats testing
- Mapping checks
- Error and outlier testing
- Substantive testing



Strategic Overview

MACRO MEASURES

National Unemployment Rate

June 2024 – 4.6%

Annual change (3.4%) – Increasing



Change from March 2021 (4.6%) – Same



Net Migration

July 2024

+67,200

Annual change – Increasing



Change from 2021 – Increasing



Official Cash Rate

August 2024

5.25%

Change annually (-0.25%) – Decreasing



Change from 2021 (+5.00%) – Increasing



MICROECONOMICS



Population changes

Estimated to be at **16,600** (June 2024) an increase of **17.38%** since 2018 census figures of **14,142**



Unemployment rates

4.1% June 2024 up from **3.1%** June 2021 for the Gisborne/Hawkes Bay areas.



Local GDP Figures

As of March 2023, the GDP in Central Hawke's Bay District is **\$695M**, which is a **4.7%** decrease compared to March 2022.

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Revaluation Overview

Sector	No. Assets	2024 CV (\$000)	% Change	2024 LV (\$000)	% Change
Dairy	49	\$332,114,500	-9.4%	\$265,619,000	-11.4%
Pastoral	1,256	\$3,831,491,000	-9.0%	\$3,245,657,500	-9.9%
Arable	0	\$0	0.0%	\$0	0.0%
Horticultural	10	\$82,175,000	-5.5%	\$47,640,000	-12.6%
Specialist	8	\$25,335,000	-7.3%	\$19,130,000	-8.8%
Forestry	63	\$146,296,900	1.7%	\$146,852,400	3.4%
Mining	3	\$5,141,000	0.0%	\$3,121,000	0.0%
Lifestyle	1,901	\$1,355,225,800	-4.9%	\$568,365,000	-15.0%
Residential	4,578	\$2,428,364,900	-8.6%	\$861,418,000	-19.0%
Commercial	188	\$125,190,000	-0.2%	\$50,597,000	-8.3%
Industrial	181	\$136,401,000	11.0%	\$64,793,000	5.0%
Other	298	\$137,710,500	0.3%	\$58,933,050	-16.3%
Utilities	44	\$193,642,000	21.1%	\$6,661,000	-11.4%
TOTAL	8,579	\$8,799,087,600	-7.1%	\$5,328,786,950	-11.8%

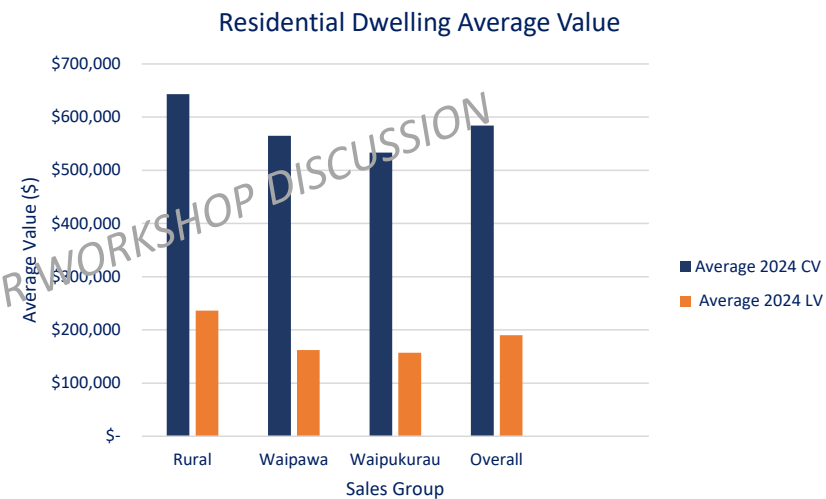
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Strategic Overview - Residential

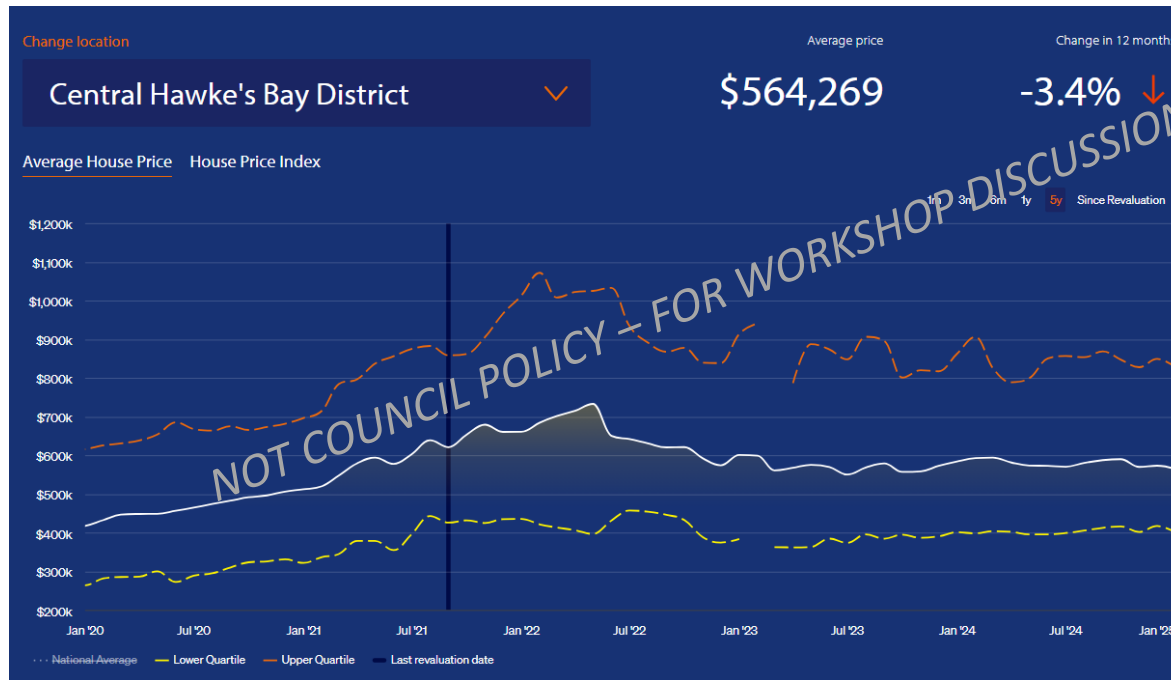
Key Changes

- The residential housing market within the District has seen fluctuations in the recent years with prices rising into late 2022 then following a falling trend. Since last revaluation there has been little movement on the average capital value, with values largely now reflecting a 10% reduction from their 2021 levels.
- Demand for residential vacant land has declined becoming rather subdued under the current economic conditions and with the significant rise of build cost.
- Hangover from changes to the district plan has also seen land stock sitting longer on the market especially at the larger residential size around 4000m2 which is helping to bring land values down.
- First home buyers remain relatively active in the market maintaining a consistent entry level value point.
- Parts of Pōrangahau township still sit within a category 2 land classification and have been assessed accordingly.
- Coastal properties are holding value relative to the larger towns, with average capital values remaining more consistent with 2021 values than anything inland. Land values on the coast are mostly reducing, but similarly not reducing as quickly as inland.



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Central Hawkes Bay District House Value Market Movement



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Strategic Overview - Business

COMMERCIAL & INDUSTRIAL	
Sector	Rental range
Commercial prime	\$100 - \$210
Commercial average	\$60 - \$150
Industrial prime	\$90 - \$155
Industrial average	\$50 - \$110
Sector	Yield range
Commercial modern	6.50% - 7.50%
Commercial average	7.50% - 10.0%
Industrial modern	6.00% - 7.00%
Industrial average	7.00% - 8.00%

Key Changes

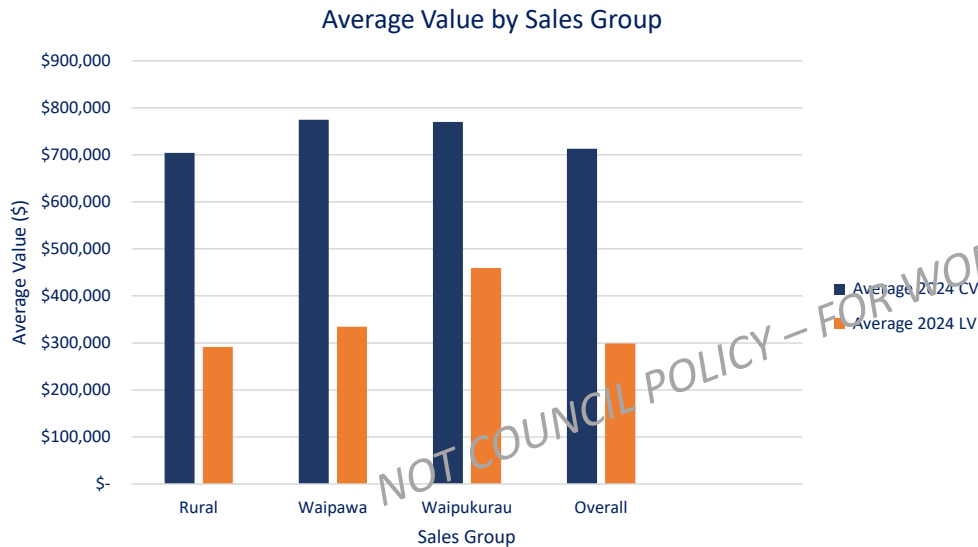
- The industrial and commercial property markets in Central Hawke’s Bay have transitioned to a more cautious environment between 2021 and 2024.
- Industrial performing better than Commercial which is a nationwide trend.
- Generally, there has been less interest in commercial property across the board with very little demand for upper level office space.
- Retail rents pulling back further than office rentals.
- Large industrial lots with good profile to State Highway 2 are performing better than the existing industrial area that is located closer to Waipukurau township.

Sales Group	Average Commercial 2024 CV	Average Commercial 2024 LV	Commercial CV % Change	Commercial LV % Change	Average Industrial 2024 CV	Average Industrial 2024 LV	Industrial CV % Change	Industrial LV % Change
Rural	\$501,353	\$244,412	-1.8%	-16.0%	\$1,510,306	\$600,959	10.1%	3.5%
Waipawa	\$448,341	\$147,750	-1.0%	-8.4%	\$408,175	\$202,225	5.1%	-3.9%
Waipukurau	\$803,791	\$325,327	0.3%	-6.3%	\$500,750	\$296,272	14.7%	9.9%
Total	\$665,904	\$269,133	-0.2%	-8.3%	\$753,597	\$357,972	11.0%	5.0%

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Strategic Overview-Lifestyle



Key Changes - Lifestyle

- New zoning rules restrict the creation of new lifestyle lots in rural areas.
- Oversupply of sections with good availability in Havelock/Hastings, limiting CHB demand.
- Buyers money is tight and are concerned with financing which can make it hard for lower income purchases competing for sections.
- High development costs restricting properties with approved subdivisions from going ahead.
- Lifestyle block land revert back to either pastoral or vacant/improved lifestyle categories as their subdivision potential is no longer present.
- Properties that hold subdivision consents held very little added value due to large land development expense and lacking demand for further sections within the District.

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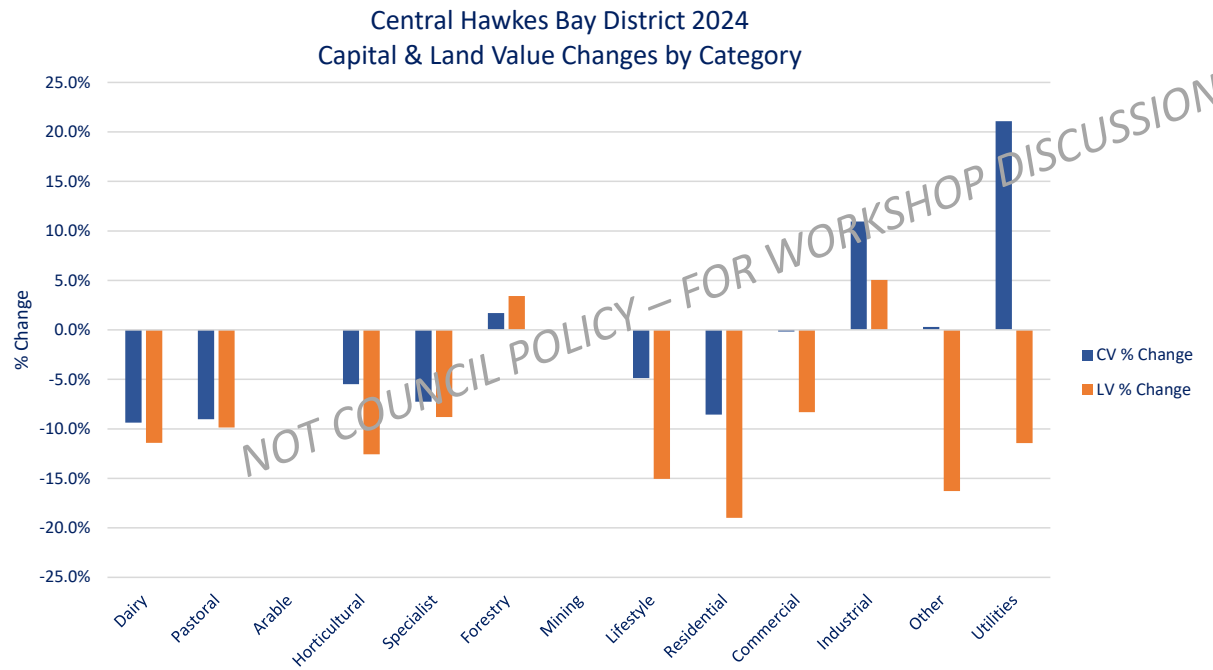
Strategic Overview-Rural

TYPICAL LAND VALUE	PASTORAL	DAIRY
Flats	\$20,000 - \$40,000	\$20,000 - \$36,000
Undulating	\$14,000 - \$24,000	\$10,000 - \$22,000
Easy Hill	\$10,000 - \$18,000	\$10,000 - \$16,000
Medium Hill	\$4,000 - \$12,000	\$4,000 - \$12,000
Steep Hill and Sliding's	\$1,000 - \$7,000	\$1,000 - \$7,000
Bush and Scrub	\$750 - \$3,000	\$750 - \$1,500

Key Changes

- Location, scale and access a significant driver in all rural sales; Rural market movements consistent with nationwide trends.
- Market activity is good with a number of listings but nothing drastic from the previous year.
- Forestry overseas interests still in the market but at lower levels.
- New subdivision rules reported to have had minimal/no impact on the saleability of pastoral/dairy properties.
- Coastal rolls saw the largest decline in land value mainly driven by the declining forestry influence on hill country values which was present at the previous revaluation.
- Limited hill country sales while flat and finishing blocks remain popular with reasonable sales on the Ruataniwha plains

Revaluation overview

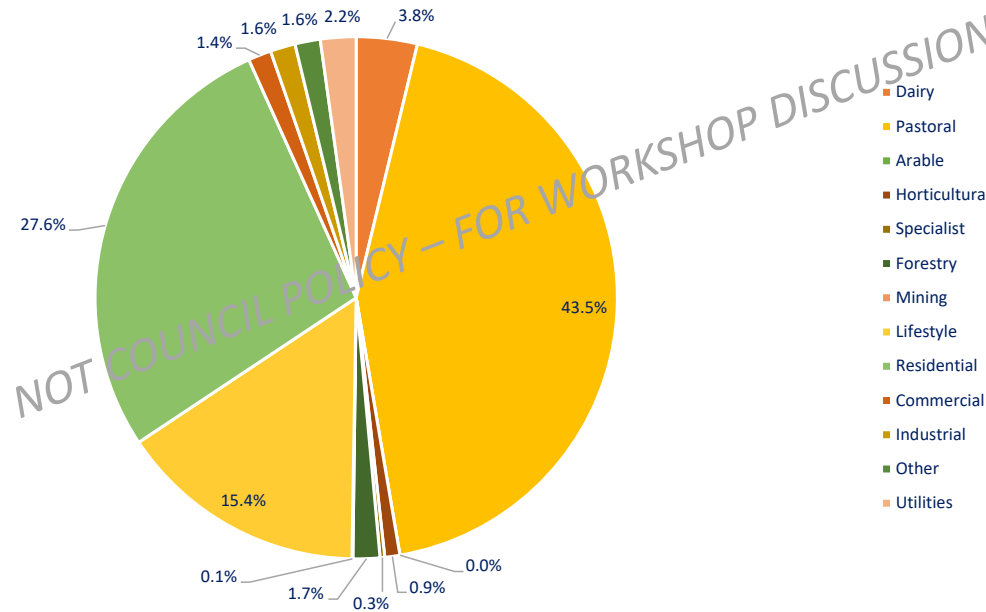


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2024 Capital Value by Sector

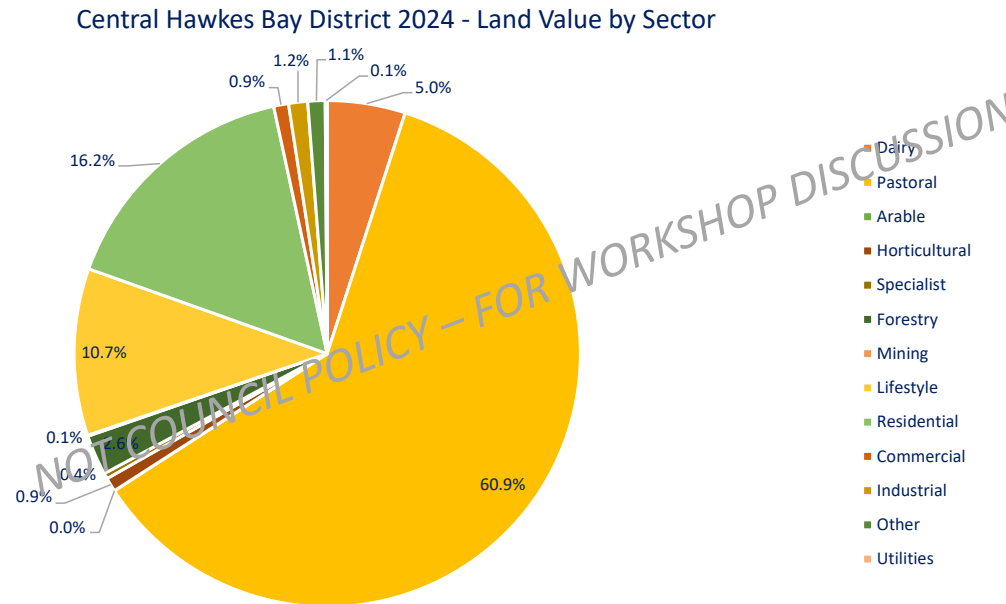
Central Hawkes Bay District 2024 - Capital Value by Sector



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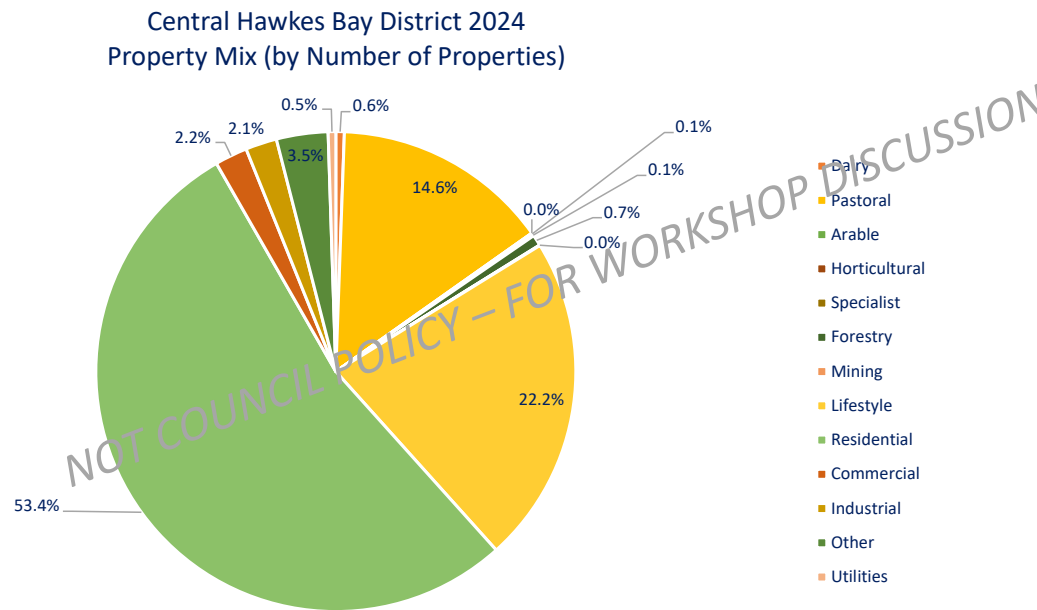
2024 Land Value by Sector



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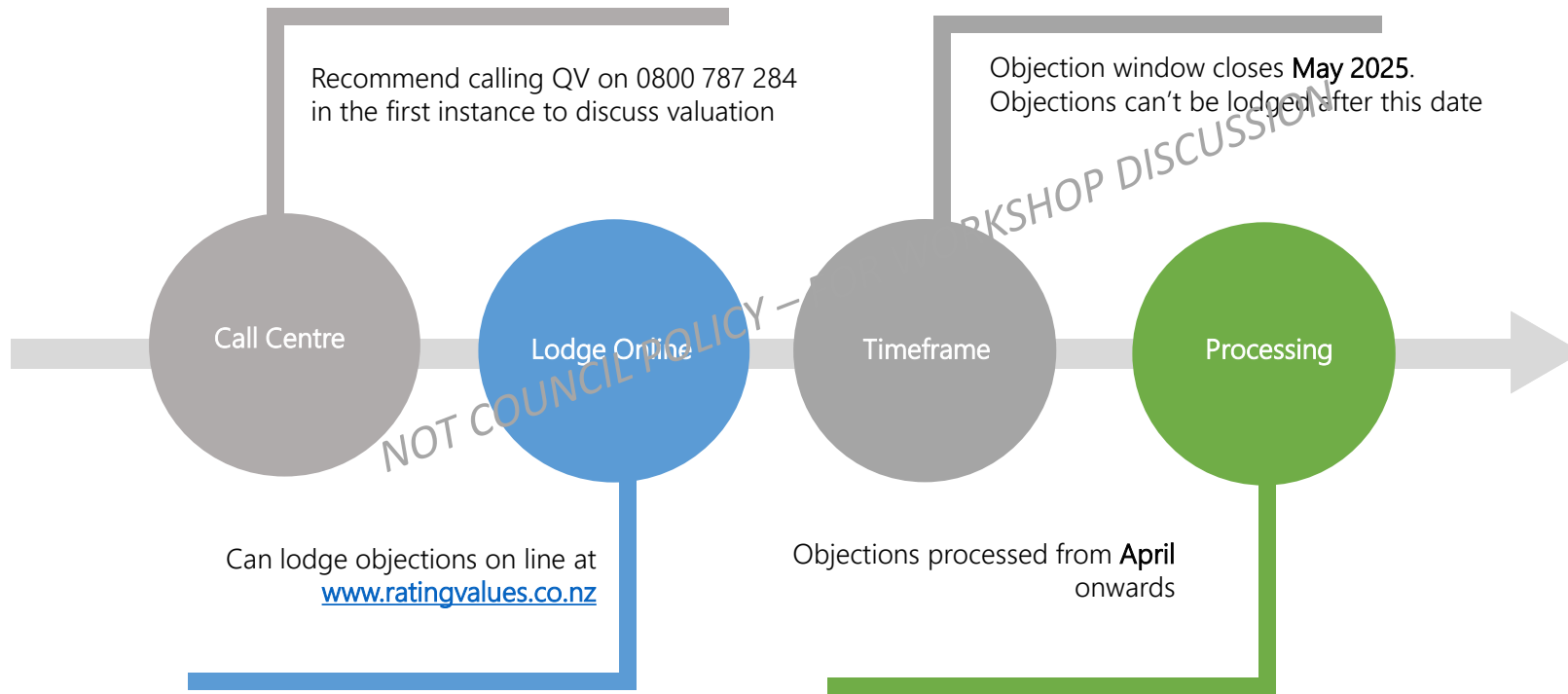
2024 Property Mix



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Objections



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Key Dates

Effective date of valuation: **1 September 2024**

Public Notice: **19 March 2025 (TBC)**

Owners notices posted: **26 March 2025 (TBC)**

Objection period closes: **2 May 2025 (TBC)**

Used for rating purposes from: **1 July 2025**



Ngā mihi nui



