

5 February 2019

Rebecca Van Orden

Quotable Value Limited
www.qv.co.nz

Ruapehu District Council

Private Bag 1001

Taumarunui 3946

MARKET RENTAL ON RUAPEHU DISTRICT COUNCIL OWNED HOUSING

Effective Date of Rental Review: 5 February 2019

As requested we have provided market rentals for the social and rental housing portfolios of the Ruapehu District Council. The social housing consists of flats in Ohakune, Raetihi and Taumarunui which were built between the 1960's – 1980's. They are in mostly original condition with continued maintenance being done throughout the years. The one rental house is located in Raetihi formally known as the "Doctors House"; built in the 1970s in mostly original condition with a modernised bathroom.

Based on rental evidence detailed within this report, together with our knowledge of the general rental market, we assess a market rentals to be as follows:

Moore Street Flats, Ohakune:

Address:	11 Moore Street, Ohakune
Accommodation Type:	8 x 1 bedroom
Accommodation Description:	One room flat with separate bedroom. Consists of kitchen, shower, toilet, living space and laundry
Type of inspection:	Internal inspection on flats 3+6, external inspection on residual
Assessed Market Rent:	\$190 per week per flat



Seddon Street Flats, Raetihi:

Address:	110-116 Seddon Street, Raetihi
Accommodation Type:	4 x bedsits 12 x 1 bedroom
Accommodation Description:	Bedsit: One room flat with kitchen, shower, toilet and living space. 1 bedroom: One room flat with separate bedroom, kitchen, shower, toilet and living space.
Type of inspection:	Internal inspection on flats 2(110) + 1(116), external inspection on residual
Assessed Market Rent:	4 x bedsits \$150 per week per flat 12 x 1 bedroom \$185 per week per flat



“Doctors House”, Raetihi:

Address:	11 Islington Street, Raetihi
Accommodation Type:	1 x Dwelling
Accommodation Description:	A three bedroom two storey 1970s dwelling with modernised bathroom and double basement garage + studio rooms.
Type of inspection:	Internal inspection
Assessed Market Rent:	\$250 per week



Rangimarie Flats, Taumarunui:

Address:	140 Taupo Road, Taumarunui
Accommodation Type:	10 x bedsits 10 x 1 bedroom 4 x garage
Accommodation Description:	Bedsit: One room flat with kitchen, shower, toilet and living space. 1 bedroom: One room flat with separate bedroom, kitchen, shower, toilet and living space. Communal Laundry + lockable garages.
Type of inspection:	Internal inspection on flats 5,15,21, external inspection on residual
Assessed Market Rent:	10 x bedsits \$155 per week per flat 10 x 1 bedroom \$190 per week per flat 4 x garage \$10 per week per garage



Rochfort Flats, Taumarunui:

Quotable Value Limited
www.qv.co.nz

Address:	45-47 Taumarunui Street, Taumarunui
Accommodation Type:	21 x bedsits 4 x 1 bedroom
Accommodation Description:	Bedsit: One room flat with kitchen, shower, toilet and living space. 1 bedroom: One room flat with separate bedroom, kitchen, shower, toilet and living space. Communal Laundry.
Type of inspection:	Internal inspection on flats 8+20+24, external inspection on residual
Assessed Market Rent:	21 x bedsits \$155 per week per flat 4 x 1 bedroom \$190 per week per flat



Miriama Street Flats, Taumarunui:

Address:	6 Miriama Street, Taumarunui
Accommodation Type:	4 x 1 bedroom
Accommodation Description:	One room flat with separate bedroom, kitchen, shower, toilet, living space and laundry.
Type of inspection:	Internal inspection on flats 2+3, external inspection on residual
Assessed Market Rent:	\$200 per week per flat



Cherry Court, Taumarunui:

Address:	6 Miriama Street, Taumarunui
Accommodation Type:	8 x 2 bedroom
Accommodation Description:	Three room flat with two bedrooms, kitchen, shower, toilet, living space and laundry.
Type of inspection:	Internal inspection on flat 8, external inspection on residual
Assessed Market Rent:	\$210 per week per flat



Market Commentary:

The Ruapehu rental market has increased significantly over the past year with continued demand outweighing supply for rental properties, pushing rental levels higher. There has also been an increase in out of town investors buying rental properties who have higher rental expectations of rent levels than previously set levels. Properties with close proximity to town and those with tidy accommodation are being readily rented throughout the district.

Market Rental Evidence:

The following properties have been considered when arriving at the market rental rates in Ruapehu. Rental evidence in Ohakune and Raetihi is not easy to get. There is a monopoly in the long term rental market with one agency managing all properties. We have been given rental rates with property descriptions but no exact addresses. We have used our knowledge of the market to make some assumptions in these locations.



Address	Rental (per week)	Description
3/347 Taupo Road, Taumarunui	\$220	A newly renovated two bedroom flat with single garage.
32 Turaki Street, Taumarunui	\$220	A two bedroom flat with single garage.
14 New Road, Taumarunui	\$200	A two bedroom flat with single carport, out of town, average location.
15 New Road, Taumarunui	\$200	A two bedroom flat with single carport, out of town, average location.
2/105 Taupo Road, Taumarunui	\$190	A dated two bedroom flat with single garage.
306 Taupo Road, Taumarunui	\$220	A two bedroom + study ex state rental with a single carport.
6c North Street, Taumarunui	\$220	Currently 'For Rent' a two bedroom flat with single garage.
14 Tay Street, Ohakune	\$290	A three bedroom 1950s dwelling with modernised kitchen and single garage.

Methodology:

In order to set a market rental on the subject properties, a direct comparison approach will be used, similar to that of a sales comparison approach when adopting a market value. We compare the amount for which a property is willingly exchanged for lease in an arms-length transaction, having regard for the conditions of the lease between the two parties and making adjustments for factors such as age, sale, size, location, quality, condition, marketability, access and tenure.

All properties will be treated as being leased under the provisions of the Residential Tenancy Act (RTA) and will include all fitted floor coverings, curtains, blinds, drapes, fixed heating and lighting.

Valuation Policy:

I hereby certify that I have acted independently in carrying out this assessment, which has been prepared exclusively for the purpose of establishing a fair market rental range. Our responsibility in connection with this report is limited to the stated purpose and the person to whom it is addressed.

Yours faithfully

QV VALUATIONS

**Sarah Busuttin BBS (VPM) ANZIV MPINZ
Registered Valuer**



Quotable Value Limited
www.qv.co.nz

Statement of Independence

We confirm that we are not aware of any conflicts of interest or pecuniary interests in the properties being valued, either on the part of QV or the principal valuer undertaking this report.

Compliance statement

We confirm that:

- the statements of fact presented in the report are correct to the best of valuer's knowledge;
- the analysis and conclusions are limited only by the reported assumptions and conditions;
- the valuer has no interest in the subject property;
- the valuer's fee is not contingent upon any aspect of the report;
- the valuation was performed in accordance with an ethical code and performance standards;
- the valuer has satisfied professional education requirements;
- the valuer has experience in the location and category of the property being valued;
- the valuer has made a personal inspection of the property;
- no one, except those specified in the report, has provided professional assistance in preparing the report; and
- This report is made by the registered valuer as an independent registered valuer.

Valuation Standards

Our valuation has been prepared in accordance with International Valuation Standards (IVS) 2017 set out below and the relevant Australia & New Zealand Valuation Guidance Notes (ANZVGN) and Technical Information Papers (TIPS).

- IVS Framework
- IVS 101 Scope of Work
- IVS 102 Investigations and Compliance
- IVS103 Reporting
- IVS 104 Bases of Value
- IVS 105 Valuation Approaches and Methods

Information Received

We have sourced information from varying sources, including from Quotable Value's databases and records, The Ruapehu District Council, The Ministry of Business Innovation and Employment (Statistics and tenancy information), Property Guru, property listings and letting agents active in the subject locations. Our valuation has proceeded on the basis that the supplied information is true and correct.