

**BEFORE A HEARING PANEL: WHAKATĀNE DISTRICT COUNCIL AND BAY
OF PLENTY REGIONAL COUNCIL**

IN THE MATTER of the Resource Management Act 1991

AND

IN THE MATTER of submissions and further submissions
on Plan Change 1 (Awatarariki
Fanhead, Matatā) to the Operative
Whakatāne District Plan and Plan
Change 17 (Natural Hazards) to the
Bay of Plenty Regional Natural
Resources Plan

**STATEMENT OF EVIDENCE OF ALASTAIR PRATT
ON BEHALF OF WHAKATĀNE DISTRICT COUNCIL**

PROPERTY VALUATION

15 January 2020

**BROOKFIELDS
LAWYERS**

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1. INTRODUCTION

- 1.1. My full name is Alastair Haynes Pratt.
- 1.2. My evidence is given on behalf of the Whakatāne District Council (the **District Council**) in relation to:
 - (a) Proposed Plan Change 1 (Awatarariki Fanhead, Matatā) to the Operative Whakatāne District Plan; and
 - (b) Proposed Plan Change 17 (Natural Hazards) to the Bay of Plenty Regional Natural Resources Plan (a private plan change request from the District Council)

(together referred to as the **Proposed Plan Changes**).
- 1.3. My evidence relates to the valuation of properties within the High Debris Flow Policy Risk Area for the purposes of the Awatarariki Managed Retreat Programme which has been undertaken in parallel with the Proposed Plan Changes. My evidence will overlap with the evidence of Shayne Donovan-Grammer, John Reid, and Greg Ball.
- 1.4. My evidence will cover:
 - (a) The property valuation process that was undertaken to value properties within the High Debris Flow Risk area on the Awatarariki debris fan;
 - (b) The valuation methodology used; and
 - (c) The TelferYoung peer review process.

2. QUALIFICATIONS AND EXPERIENCE

- 2.1. I hold the position of consultant valuer of TelferYoung (Tauranga) Ltd, where I previously held the position of Director.
- 2.2. I have the following qualification and experience relevant to this hearing:
 - (a) Almost 60 years in property administration including land acquisition, disposal and leasing of property within New Zealand;
 - (b) Over 50 years professional experience in property valuation;

- (c) New Zealand Institute of Valuers Professional Urban Examination;
- (d) Registered Valuer since 1975;
- (e) Fellow of the New Zealand Institute of Valuers; and
- (f) Fellow of the Property Institute of New Zealand.

2.3. I have worked in the property valuation profession for 50 years. In particular, I have considerable experience with assessments of compensation under the Public Works Act due to my employment as a Land Purchase Officer with the Ministry of Works and Development (1969-1975) and as Property Manager for the Palmerston North City Corporation (1975-1982). Then, as a practising registered valuer, I have continued to provide compensation assessments for both public authorities and private land owners. My involvement in these roles has included the provision of expert evidence to the Land Valuation Tribunal and High Court. A large number of compensation valuations have resulted from designations being placed in a District Plan for such public works as schools, new roads, road widening, service lanes and the like.

2.4. I have provided valuation consultancy services to the District Council since 2016 when I was involved in peer reviewing the market valuations of properties within the High Risk Policy Area undertaken by Donovan-Grammer, as part of the Awatarariki Debris Flow Risk Management Programme.

2.5. My evidence does not cover the District Council's Awatarariki, Matatā, Acquisition Strategy, nor its application. These aspects will be addressed in the evidence of Mr Ball and Mr Farrell.

3. MY ROLE

3.1. My role in the Awatarariki Debris Flow Risk Management Programme has been to peer review the market values of the properties within the High Risk Policy Area undertaken by Mr Donovan-Grammer in 2016 and again in 2019.

3.2. In preparing this evidence I have reviewed the following documents and reports:

- (a) Awatarariki Fanhead Matatā, Workstream 2 Property Valuation Brief, Whakatāne District Council, 5 June 2019, and updated version 15 August 2019; and
- (b) 2019 market valuation reports for 31 properties on the Awatarariki Fanhead.

4. CODE OF CONDUCT

- 4.1. Although this is a Council hearing I confirm that I have read the Code of Conduct for Expert Witnesses contained in the Environment Court Consolidated Practice Note 2014. I also agree to comply with the Code when presenting evidence to the Hearings Panel. I confirm that the issues addressed in this brief of evidence are within my area of expertise, except where I state that I rely upon the evidence of another expert witness. I also confirm that I have not omitted to consider material facts known to me that might alter or detract from the opinions.

5. PEER REVIEW OF VALUATIONS

- 5.1. In 2016 TelferYoung (Tauranga) Ltd successfully won a District Council tender to undertake valuations of 45 properties at Matatā. The valuations were undertaken by Shayne Donovan-Grammer who was assisted by another TelferYoung (Tauranga) Ltd valuer, Zane MacGibbon, acting under the direction of Mr Donovan-Grammer.
- 5.2. I peer reviewed each of the valuations undertaken by Mr Donovan-Grammer and Mr MacGibbon. My peer reviews considered:
 - (a) The valuation methodology used by Messrs Donovan-Grammer and MacGibbon and its appropriateness to New Zealand valuation standards recognising that the requirements from the District Council were to identify:
 - (i) The pre-event market values (as at 1 May 2005);
 - (ii) The market values as at 2016 ignoring the event; and
 - (iii) The market values as at March 2016, but based on the future planning provisions, i.e. recognition of high debris flow risk, existing use rights apply to currently developed properties but no practical right of use for

undeveloped properties nor of additions/significant alterations to existing dwellings.

- (b) The validity of the assumptions and conclusions; and
- (c) Adherence of the valuation process and reporting format to TelferYoung's internal process requirements.

- 5.3. In 2019, I was engaged to peer review the market valuations undertaken by Mr Donovan-Grammer of 34 of the 45 properties at Matatā that I had peer reviewed in 2016.
- 5.4. The scope of my peer review in 2019 was the same as it was in 2016 with the exception that the valuations were for market value at the time of the valuation with no discount for the 2005 debris flow or the Proposed Plan Changes.
- 5.5. I note that Mr Donovan-Grammer used the Market Approach to his valuations as provided for in the International Valuation Standards 2017. This approach uses the comparable transaction method to analyse sales evidence to common units of comparison (e.g. \$/m²) and is the approach specified in the District Council's Acquisition Strategy for the Awatarariki Fanhead.
- 5.6. Prior to release of each valuation report to the District Council, the reports underwent a second peer review by an independent expert valuer, John Reid of Added Valuation Ltd.
- 5.7. The conclusions of my peer-reviews were that, in each case, the valuations were undertaken in accordance with the Property Institute of New Zealand Professional Practice Standards as adopted at the date of the valuation, and the International Valuation Standards 2017, with the exception that no discount was applied that recognised the properties had been the subject of a debris flow in 2005.
- 5.8. I also concluded that the valuation methodology and reports were consistent with TelferYoung's process and reporting requirements.
- 5.9. I am aware of, but have not participated in, the valuation dispute processes that provides for property owners to contest the market values provided in the TelferYoung valuations.

- 5.10. In my opinion, the valuation process put in place by the District Council for the Awatarariki Fanhead property valuations is a very robust process.

6. CONCLUSION

- 6.1. The valuation methodology used by TelferYoung for the District Council in its Awatarariki Debris Flow Risk Management Programme is robust and follows generally accepted principles for property valuations in New Zealand.
- 6.2. Having two peer reviews of market valuations undertaken by a registered valuer is not common practice. It reinforces that the valuation processes put in place by the District Council for the Awatarariki Fanhead constitute a robust system with a strong emphasis on quality assurance and fairness for owners of affected properties.

Alastair Pratt

15 January 2020