

## ADVISORY REPORT

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### Impact of Plan Change 10 on Rural Land Values within the Rotorua Lake Catchment

**Client**

Bay of Plenty Regional Council

**Date**

10<sup>th</sup> October 2022

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# 1.0 INTRODUCTION & BACKGROUND

## INTRODUCTION AND BACKGROUND

Telfer Young Rotorua (now TelferYoung from CBRE) wrote a paper entitled *Land Values in the Rotorua Area and the Lake Rotorua Catchment (ROT-52322/R5080)*, 29 January 2015. This paper focused on the economic impact on farming and/or property values following the introduction of nutrient regulations in the form of Rule 11 (2005). It identified an opinion as to the effect the regulations were having on Land Values (of properties) within the Lake Rotorua Catchment. Please refer to **Appendix A** for a summary of the 2015 paper.

In 2016 TelferYoung Rotorua Limited (now TelferYoung from CBRE) prepared a follow-up report in light of the change in regulatory framework within the Lake Rotorua Catchment following the introduction of Proposed Plan Change 10. This report was entitled *Rotorua Lake Catchment Land Values (ROT-84052/R5080)*, 8 July 2016. A brief summary of the key conclusions of that report is attached as **Appendix B**.

Bay of Plenty Regional Council on behalf of stakeholders have requested an update on our previous reports. Specifically, the report seeks to identify the economic impact (if any) of Plan Change 10 on Land Values within the Lake Rotorua Catchment. The report will also discuss changes in market conditions and government policies affecting land values and land use change in the Lake Rotorua Catchment.

<b>Report prepared for</b>	Bay of Plenty Regional Council
<b>Date</b>	10 <sup>th</sup> October 2022
<b>Report issue date</b>	21 November 2022

## PREPARED BY

<b>Martyn Craven</b>	FNZIV, FPINZ Registered Valuer
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*This report must be read in conjunction with CBRE Limited t/a TelferYoung from CBRE Statement of Limiting Conditions and Advisory Policy.*

## 2.0 SCOPE OF REPORT

### 2.1 REPORTING

- High level analysis of rural sales inside and outside the Lake Rotorua Catchment
- Analysis will be divided into dairy farms and drystock farms
- Report on value differences throughout the period of Rule 11 and Plan Change 10 (since approximately 2005), commenting on external economic variables (other than PC10) that have impacted on land values.
- In regard to lifestyle properties within the catchment, provide commentary on value drivers and impact of Plan Change 10 on lifestyle values within the catchment (if any).
- Provide commentary based on current economic indicators and sales research on opportunities to maximise values from change in land use.

### 2.2 RESEARCH AND SOURCE DATA

#### 2.2.1 Sales

- Property search, numbers of farm blocks 40+ hectares sold in Rotorua District
- Apportion in/out of catchment
- Collate sales per annum 2005-2021 for each category
- Report sales activity in/out of Lake Rotorua Catchment

#### 2.2.2 Values – Rural Land

- Individual analysis of sales 2005-2021 to land value per hectare
  - Pastoral 40+ hectares
  - Dairy Farms 40+ hectares
- Analysis of ‘before and after’ land values for farms that have engaged in sale of N to incentives board

#### 2.2.3 Lifestyle Land Value Drivers

- Median Value differential in/out of catchment over relevant period and analysis of value drivers, impact of Plan Change 10

#### 2.2.4 Nature and Source of Information Relied Upon

Relevant data has been sourced from publicly available information, CBRE sales database and property files and also cross-referenced with Bay of Plenty Regional Council records, Real Estate Institute of New Zealand (REINZ) data and other property data sources (e.g. Quickmap™, Corelogic™ etc).

### 2.3 RESTRICTIONS

The data sets utilised are relatively small and as such statistical reliability is reduced. Therefore, in providing our opinion we have also relied on the Valuers' individual knowledge of the market, property transactions in this locality and economic factors throughout the period of Plan Change 10.

This report must be read in conjunction with CBRE Limited t/a TelferYoung from CBRE Statement of Limiting Conditions and Advisory Policy

## 3.0 NUTRIENT REGULATIONS

### 3.1 RULE 11 AND PROPOSED PLAN CHANGE 10

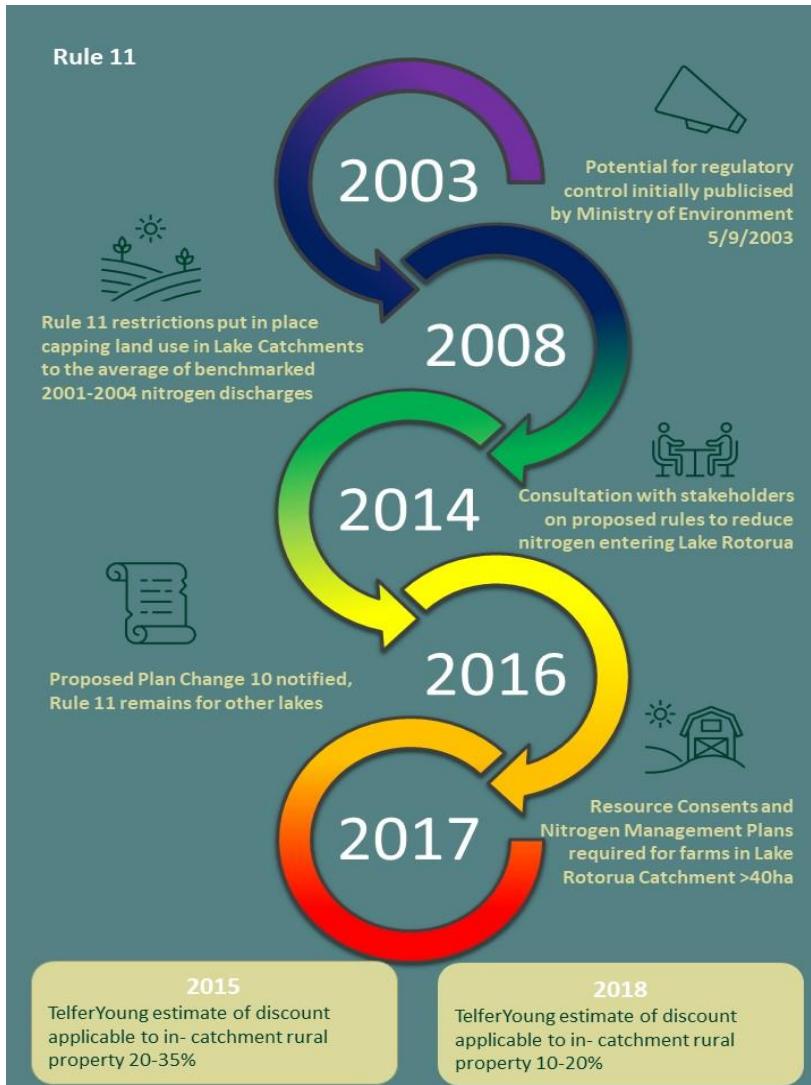


Figure 1

### 3.2 2016 TO PRESENT – PLAN CHANGE 10

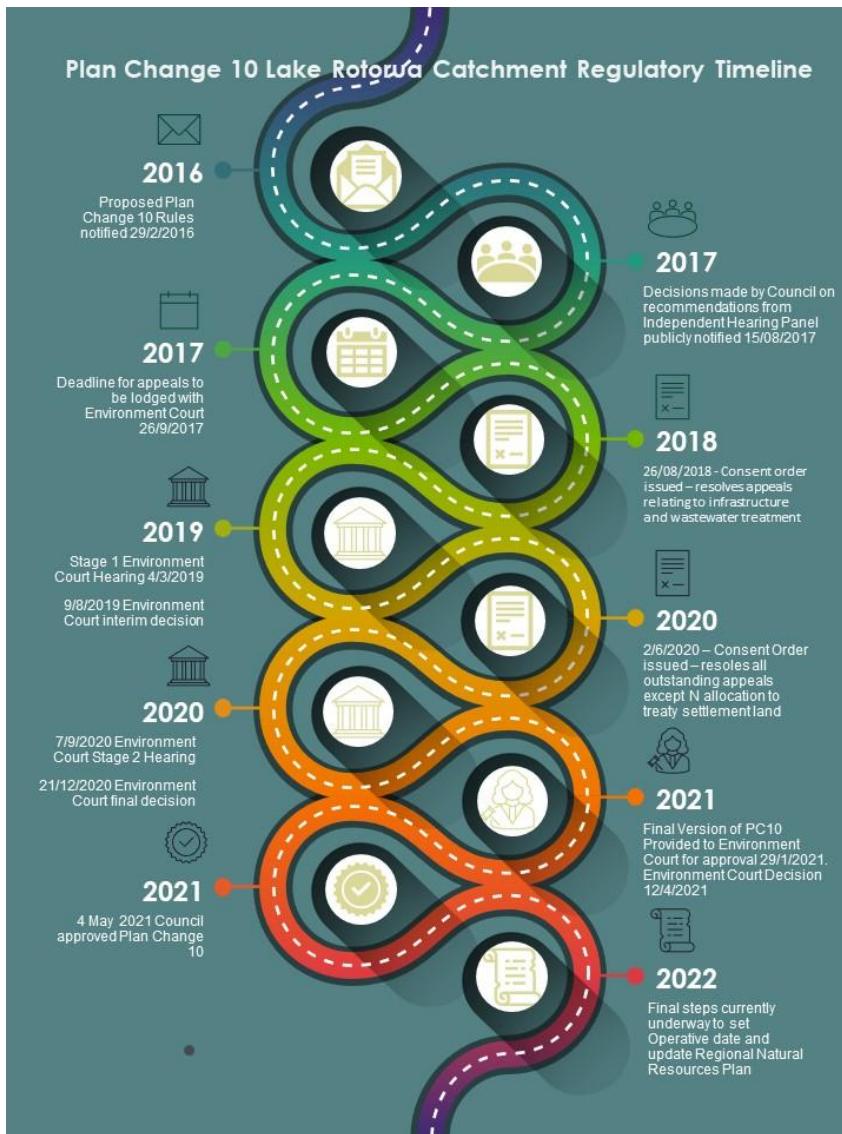


Figure 2

# 4.0 SALES DATA

## 4.1 SALES VOLUMES

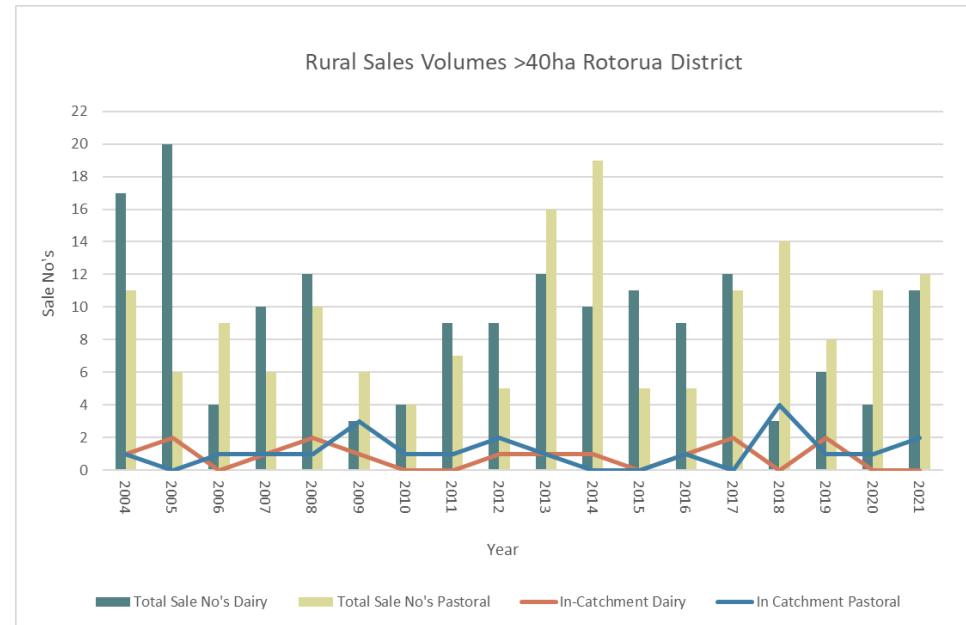
TelferYoung from CBRE has undertaken research on the number of sales annually since 2004 of the following property types within the Rotorua District:

- Non-Dairy Pastoral Blocks (excluding forestry) >40ha
- Dairy Farms >40ha
- Lifestyle blocks 2– 10ha

This research was completed to ascertain if there was a noticeable change in the numbers/percentage of properties being sold as a result of the introduction of lake catchment regulations, namely Rule 11 and Plan Change 10.

### 4.1.1 Rotorua District Rural Sale Volumes >40 ha

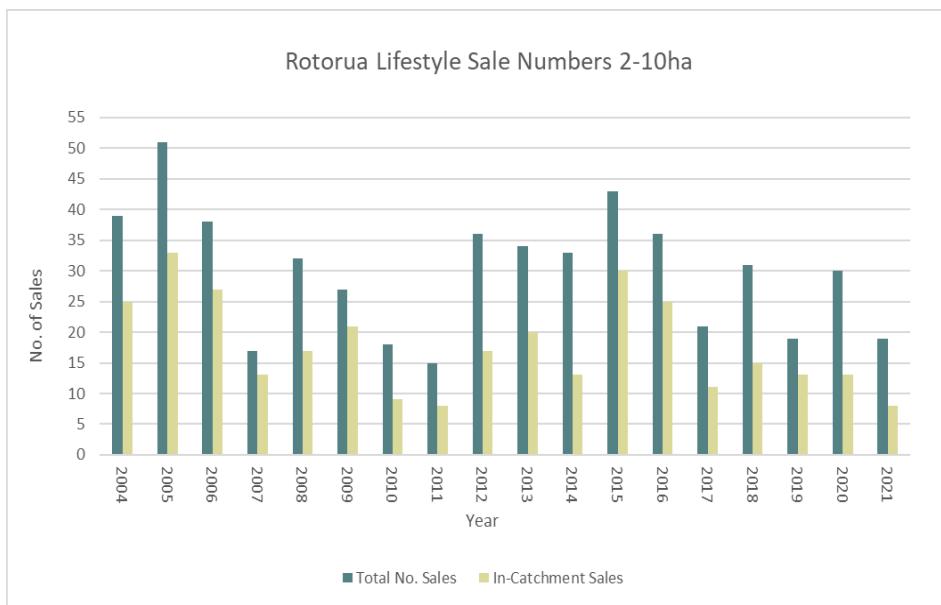
The table below summarises the number of sales annually of properties >40 ha in Rotorua District (both dairy and pastoral). Whilst sale numbers were highest prior to implementation of Rule 11, the limited data set makes it impossible to conclude any impact on sales volumes directly from regulatory changes within the lake catchments. Sales volumes trends are relatively in line with changes in market conditions i.e. lower volume of sales following the Global Financial Crisis and collapse in Fonterra payout 2009-2010, again in 2016 following two years of below average dairy returns and also in 2018-2020 following restrictions to rural lending due to Reserve Bank Capital Review of the major trading banks.



**Chart 1**

Source: TelferYoung from CBRE Rotorua

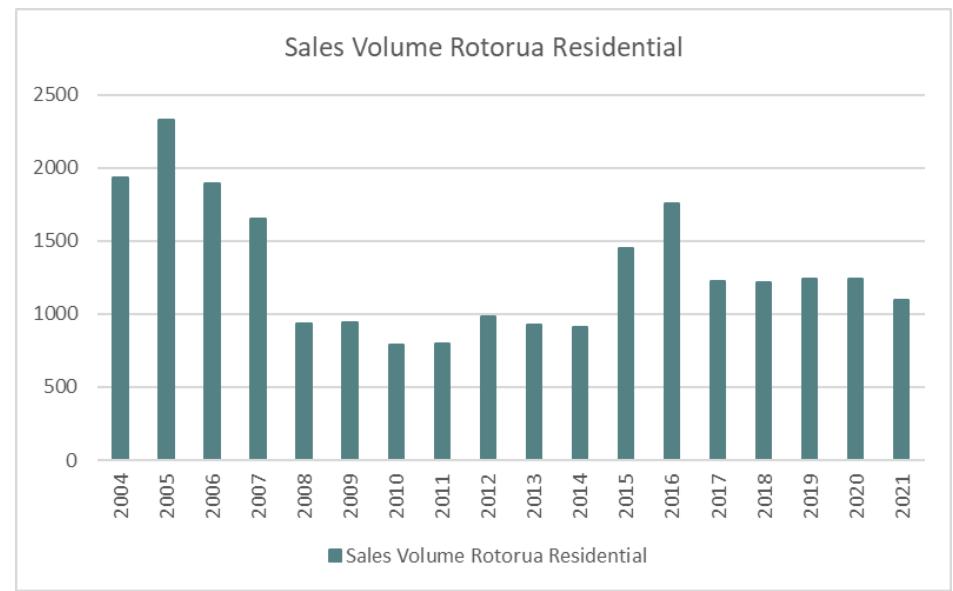
#### 4.1.2 Lifestyle Sale Volumes



**Chart 2**

Source: TelferYoung from CBRE Rotorua

With regard to lifestyle sales volumes (above), these have followed the general trends of other residential property markets in the locality as shown in the graph for all Rotorua residential property types below, reflecting no noticeable change in sales volumes directly attributable to regulatory change within the Lakes catchments.



**Chart 3**

Source: REINZ

## 4.2 ROTORUA RURAL LAND VALUES >40HA

Median Land Values/effective hectare and sale numbers in the Rotorua District since 2004 for rural land (both dairy and pastoral) are as follows:

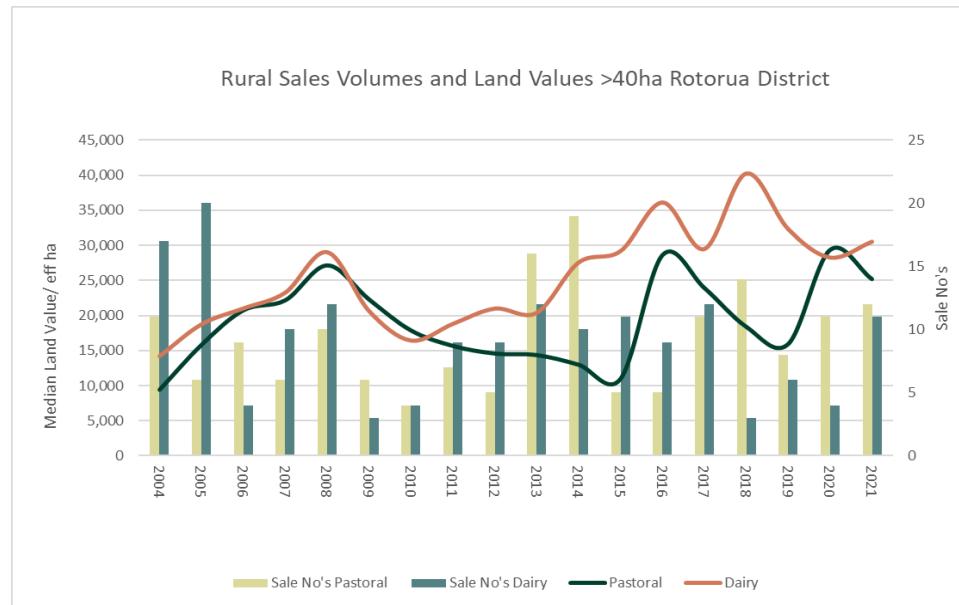


Chart 4

Source: TelferYoung from CBRE Rotorua

The land value per effective hectare is derived from analysis of total sale price less value of improvements (dwellings, farm buildings, fencing etc) and also excludes non-productive land areas.

The Rotorua data follows a similar overall trend to rural sales nationally over the same period as shown in the graph below, albeit the national data is based on the entire sale price per hectare (including improvements and non-effective land areas) rather than analysed land value per effective hectare.

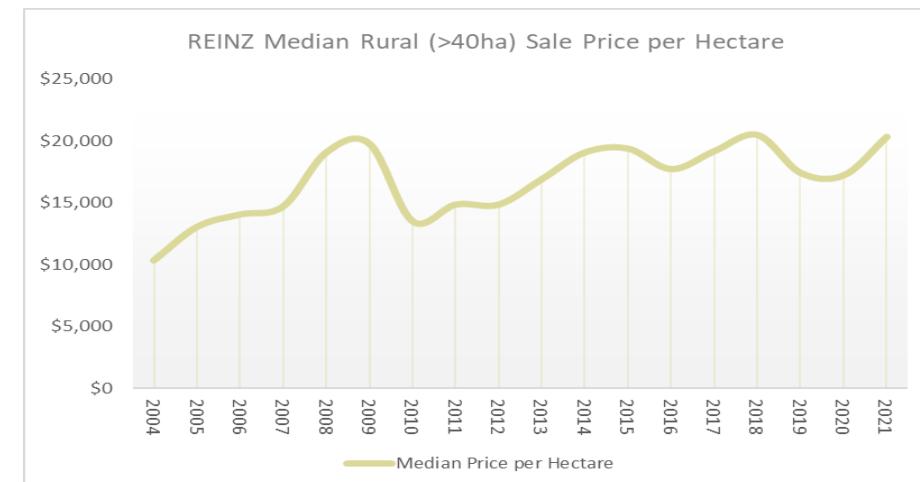


Chart 5

Source: REINZ (excludes >500ha, horticulture, lifestyle, forestry)

The value of dairy land in New Zealand increased over the period 2004 – 2008 after which a combination of the Global Financial Crisis and collapse in Fonterra payout contributed to a significant drop in values in 2009-2010. Land values then steadily recovered until 2016 when values fell on the back of two years of below average dairy returns. Dairy land values then continued their upward trend until late 2018-2020 when bank lending became restricted to the rural sector due to a Reserve Bank Capital review of the major trading banks. Very few dairy farms transacted during this period. Pastoral land values during this period generally mirrored the dairy sector in the Central North Island where pastoral land use is predominantly dairy support and grazing rather than stand-alone drystock farms.

Since 2020 the New Zealand dairy sector has experienced a period of sustained high payout and an easing of bank lending criteria. The drystock sector has also experienced a period of growth on the back of strong commodity prices and demand for run-off land from dairy farmers seeking to become self-contained. This demand is in part attributed to historic outbreaks of Mycoplasma Bovis and implementation of proposed environmental regulations spurring a desire to manage the farm operation ‘in-house’. Added to this, demand nationally from the forestry sector for marginal grazing land for forestry conversion/carbon farming has seen non-dairy rural land increasing at a faster rate than dairy.

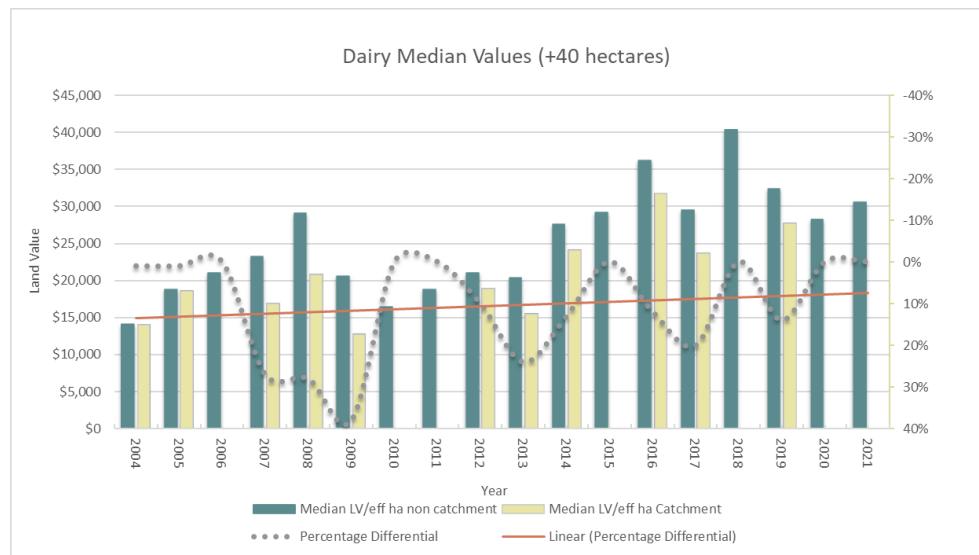
## 4.3 RURAL LAND VALUE IMPACT CATCHMENT v NON-CATCHMENT

To analyse the value impact of PC10 for rural land within the Rotorua Lake Catchment we have analysed sales of Dairy and Pastoral land to arrive at a median land value per effective hectare. The land sales outside the catchment are then compared on a percentage differential with sales inside the lake catchment

### 4.3.1 Dairy Sales >40ha

The graph below depicts median land values for dairy farm properties both inside and outside the Lake Rotorua catchment since 2004. Overall, the data shows that over time the percentage differential has reduced. That is, differentials ranging between 12-20% since 2016 as opposed to 1%-38% between 2004 and 2014.

Whilst in the early years following introduction of Rule 11 there was evidence of significant land value volatility it would appear that over time the market has been less impacted by the specific Lake Rotorua catchment regulations. The trendline shows some movement from a 10-20% negative value impact initially following introduction of the regulations towards nil discernible impact. We consider that Plan Change 10 has had limited, if any, discernible impact on land values in the dairy market sector in recent years although on an individual farm basis it remains evident that any nutrient limits (Resource Consent conditions) are fundamental to value.



### Chart 6

Source: TelferYoung from CBRE Rotorua

**Note 1:** a negative percentage differential is shown where median land value inside the catchment exceeds median land value outside the catchment.

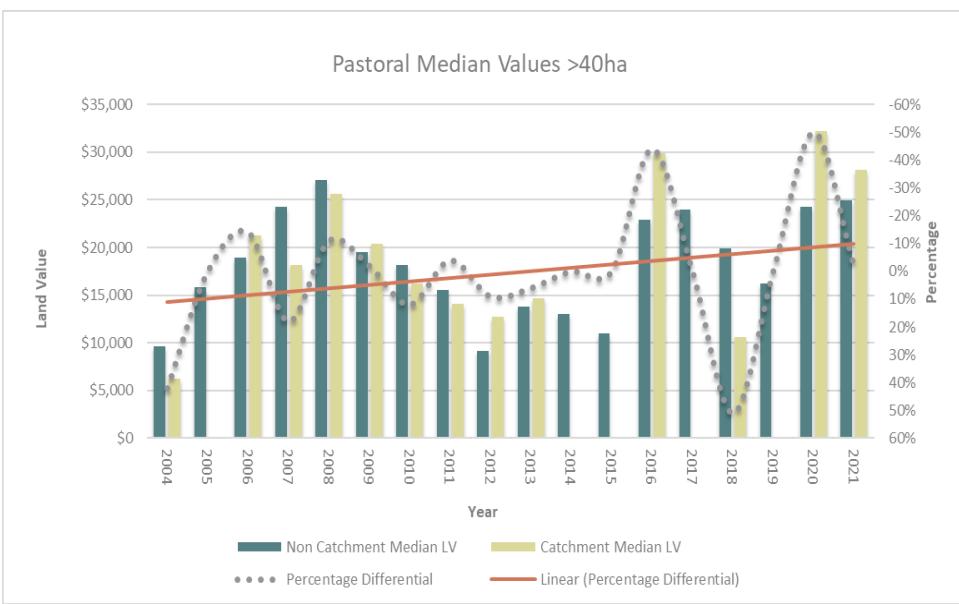
**Note 2:** No in-catchment sales were recorded in 2006, 2010, 2011, 2015, 2018, 2020, 2021.

### 4.3.2 Pastoral Sales >40ha

Similar to the dairy sales the percentage differential in land values for pastoral properties within the catchment when compared to out of catchment sales shows a positive trend with any initial value impact much less clear in the more recent data set.

In this sector the data shows that pastoral sales inside the catchment had a slightly higher median value than non-catchment sales which can be attributed to appeal for pastoral lifestyle and proximity to Rotorua.

We consider that there had been no discernible impact from Plan Change 10 in this sector. Detailed analysis of individual transactions does however indicate that in some instances the regulatory framework is a key determinant of land use options.

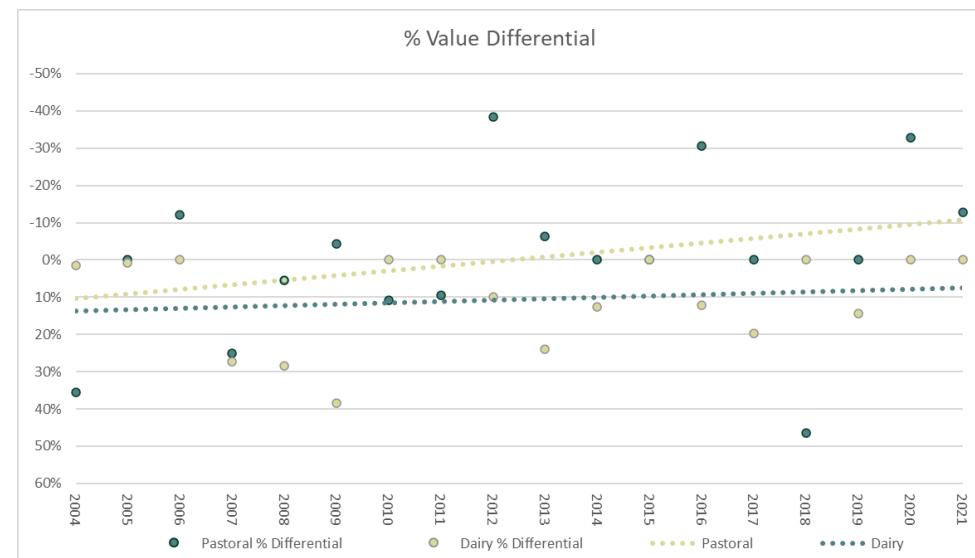


**Chart 7**

Source: TelferYoung from CBRE Rotorua

**Note:** a negative percentage differential is shown where median land value inside the catchment exceeds median land value outside the catchment.

#### 4.3.3 Land Value Differential – Rural Land Sales >40ha



**Chart 8**

Source: TelferYoung from CBRE Rotorua

The above table plots the median land value differential (% variation between catchment/non-catchment values) over the regulatory period. While the data is scattered and as such recognises a lack of statistical reliability, for all pastoral farmland types there is an apparent movement towards parity. That is, while both the dairy and drystock sectors showed some negative land value impact following the introduction of Rule 11, indications are that this negative impact is no longer necessarily present.

In summary, the limited data set shows that in the Rotorua District, the value differential between land values inside the Lake Rotorua Catchment in comparison with land values outside the catchment shows no definitive impact on land values since the introduction of Plan Change 10.

#### **4.3.4 ‘Before and After’ Sale of N**

We have completed analysis of ‘before and after’ land values for farms that have engaged in sale of N to the Incentives Board.

We are not aware of any sales where a property has transacted following the sale of N to the Incentives Board and then been sold without the landowner undertaking either subdivision or some other land use change. Therefore, we are not able to state the direct financial impact on land values from change of land use/sale of N.

We have reviewed properties in the catchment that have implemented a land use change following sale of N. While none of the properties have on-sold in their entirety, estimates of the current value of these properties under their new use indicates that while the land use change process can be lengthy and require a level of skill above that of the average property market participant, there is an opportunity to achieve a gain in value overall.

#### **4.3.5 Discussion**

In addition to reviewing sales, we have considered other macro and micro-economic factors which influence the rural land market. This identifies that the most influential factor for land value of properties in this market sector is its individual characteristic such as contour, productive history and intensity of historic use. Under Plan Change 10 a property’s Nitrogen Discharge Allowance (NDA) is generally a direct reflection of these factors. We have concluded that Plan Change 10 is not on its own detrimental to value. In some instances, the effects can be positive such as when a property has had an historical use that enables it to continue its current land use with only minor changes like planting of less productive areas to transfer N to more productive land or minor change in farming practices. These types of properties also have the ability to make use of the various incentives introduced by the Regional Council, such as additional lifestyle allotments and sale of N. Even where a property has difficult contour or an historically low productive history and has a restrictive NDA for its current use, land use change and the incentives associated with it are able to reduce the negative impact on value.

We refer readers to a study completed in 2017 [[The Effect of Environmental Constraints on Land Prices](#)] completed by Phil Journeaux (AgFirst) which includes further discussion on the complexity of the interactions between the different factors affecting land value (productive, consumptive and speculative).

A factor influencing rural land values presently is demand from the forestry and carbon farming sector for land for conversion to forestry which can then be entered into the Emissions Trading Scheme (ETS) to achieve income from New Zealand Carbon Units (NZUs). The Rotorua area is considered a high demand area for foresters due to its proximity to local sawmill processing and the Port of Tauranga. Sales data analysis now indicates that value premium can now be obtained from ‘poor’ quality land (in a pastoral sense) irrespective of any N limits.

In such instances it can be argued that location within the Lake Catchment is an advantage, as some landowners can take advantage of the opportunity to sell N to the Incentives Board whilst obtaining a land sale price reflective of the carbon income potential of the land.

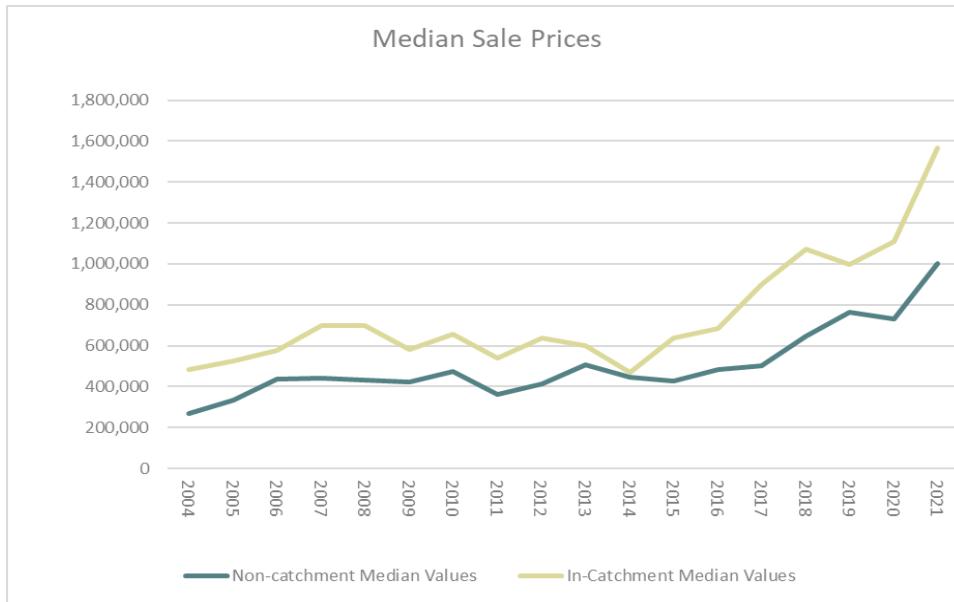
Following the introduction of the National Policy Statement for Freshwater Management (NPS-FM) regional councils throughout New Zealand have been given a timeframe in which to introduce environmental regulations (2024).

The National Environmental Standards for Freshwater (NES-F) introduced interim regulations requiring resource consent for agricultural intensification, restriction on nitrogen fertiliser plus and rules for winter grazing, stockholding areas, feedlots, and river and wetland protection. This means that landowners in areas where no regional environmental regulations are currently in place will likely face similar regulations/restrictions to those inside the Lakes Catchment until regional councils implement area-specific environmental regulations.

Anecdotal evidence following discussions with members of the rural professional sector indicates that the market may now favour farms where a level of certainty exists. Farms within the Lake Rotorua catchment now operate under Resource Consent. This provides potential purchasers with comprehensive details as to farm productivity, identifies future costs and allows detailed due diligence whereas locations where environmental regulations are uncertain can be viewed as high risk.

A key consideration is the level of knowledge of market participants. We have seen some evidence of market participants identifying the potential value in land use change within the catchment. Market participants who fail to recognise potential for alternative use will likely be disadvantaged.

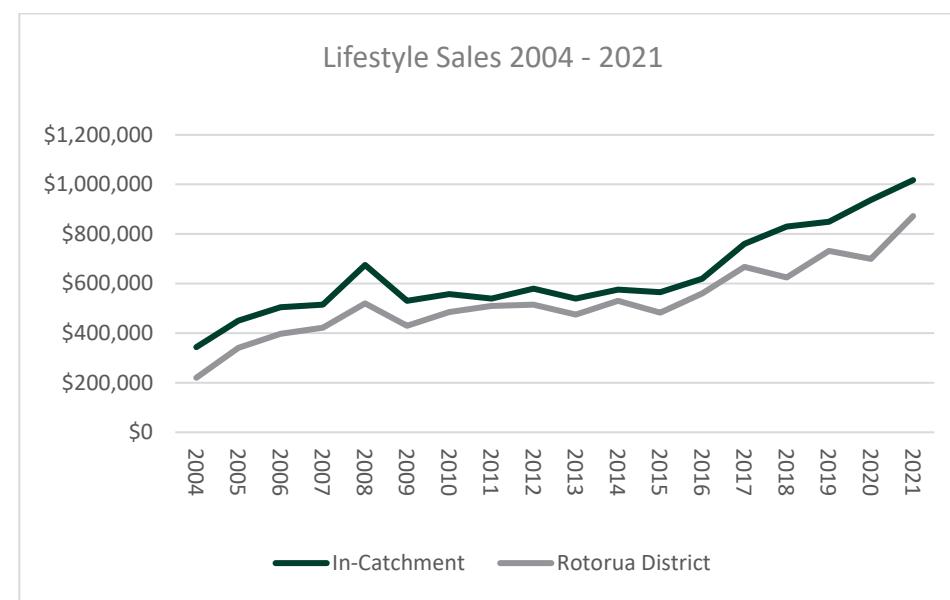
## 4.4 LIFESTYLE LAND VALUES



**Chart 9**

Source: TelferYoung from CBRE Rotorua

The graph above shows the median sale price for lifestyle blocks between 2 and 10 hectares within and outside the Lake Rotorua catchment since 2004. We have also made comparison with REINZ sales data over the same period (below), and this confirms the value trends as shown. The data shows that generally values inside the catchment are above values outside the catchment. (Note: Review of 2014 data shows quality of in-catchment sales was lower than average hence the dip in median values).

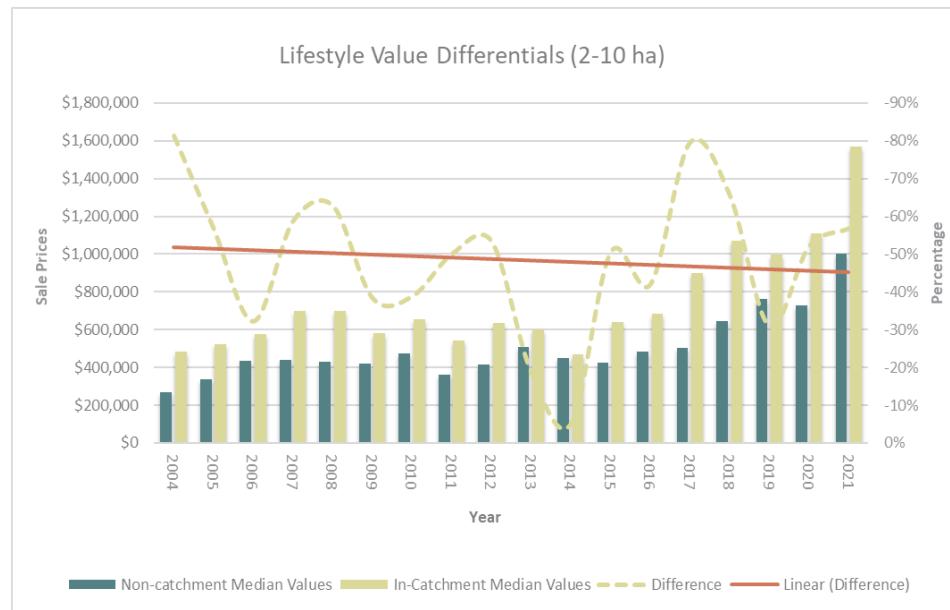


**Chart 10**

Source: REINZ

**Note:** REINZ Data is on a suburb basis and has been searched as closely as possible to geographical area of Lake Catchment however some suburbs cross the catchment boundaries hence shows a slightly different result to TelferYoung from CBRE data which is by address and can be more accurately defined into the Lake Catchment boundary.

The graph below represents median sale prices in and out of the Lake Rotorua Catchment over the period 2004 – 2021 and the percentage differential of Lake Catchment properties in comparison to non-lake catchment properties. For all years the in-catchment properties showed a higher median land price but with differential between 5% and 80%. As mentioned earlier, the 2014 data included a high number of lower quality properties within the catchment which represents the lowest differential of 5%. The slight downward trend in percentage differential (~5%) is minor. Rising median values in the non-catchment locations south of Rotorua may underpin the trendline rather than a reduction in values in the catchment.



**Chart 11**

Source: TelferYoung from CBRE Rotorua

#### 4.4.1 Summary

The Plan Change 10 regulatory framework does not appear to have had any direct impact on values in this sector. This is mainly due to the value drivers for lifestyle land being proximity to a main centre, views and quality of improvements as opposed to the productive capacity of the land.

## 5.0 CONCLUSION

- Sales data does not show any discernible negative impact from the introduction of Plan Change 10 which was notified in 2017, rather the certainty/incentives provided by the regulatory framework may have in certain instances underpinned value.
- The effect of Plan Change 10 on rural land values is largely dependent on individual property characteristics and as such can be positive or negative.
- Land Use change incentives and additional economic factors such as a buoyant lifestyle market and demand from forestry/carbon market have softened any negative effect of Plan Change 10 on land values within the Catchment. The value of NZU's is now an overriding value consideration for lesser contour pastoral blocks, irrespective of any N allocation.
- Some market participants and landowners have taken advantage of the incentives to activate land use change. The ability to sell surplus N and/or obtain additional development rights (lifestyle titles) is now fundamental to value considerations.
- Introduction of environmental regulations by Central Government has resulted in similar restrictions on rural land use nationwide which now dilute any negative perceptions specific to Lake Rotorua.

## 6.0 STATEMENT OF LIMITING CONDITIONS AND ADVISORY POLICY

### Purpose

This report has been completed for the specific advisory purpose stated. No responsibility is accepted in the event that this report is used for any other purpose.

### Responsibility to third party

Our responsibility in connection with this valuation is limited to the client to whom the report is addressed and to that client only. We disclaim all responsibility and will accept no liability to any other party without first obtaining the written consent of CBRE Limited t/a TelferYoung from CBRE and the author of the report. CBRE Limited t/a TelferYoung from CBRE reserves the right to alter, amend, explain or limit any further information given to any other party.

### Reliability of data

The data and statistical information contained herein was gathered from reliable, commonly utilised industry sources. Whilst we have endeavoured to ensure that the data and information is correct, in many cases, we cannot specifically verify the information at source and therefore cannot guarantee its accuracy.

### Assumptions

This report contains assumptions believed to be fair and reasonable at the date of valuation. In the event that assumptions are made, based on information relied upon which is later proven to be incorrect, or known by the recipient to be incorrect at the date of reporting, CBRE Limited t/a TelferYoung from CBRE reserves the right to reconsider the report, and if necessary, reassess figures.

### GST

The available sources of sales data upon which our valuation is based generally do not specify whether or not the sale was inclusive or exclusive of GST. It is assumed that the available sales data has transacted on a plus GST (if any) basis, which is in accordance with

### Valuer's statement

This report has been undertaken by Martyn Craven. The Registered Valuer holds an Annual Practicing Certificate.

Yours faithfully

**CBRE Limited t/a TelferYoung from CBRE**



Martyn Craven - FNZIV, FPINZ

Registered Valuer

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## APPENDIX

# APPENDIX A 2015 PAPER SUMMARY

## SALES VOLUMES

The original paper produced by Telfer Young (Rotorua) researched the number of sales annually of three property types:

- Non-dairy pastoral blocks >40ha
- Dairy farms >40ha
- Lifestyle blocks within 2-10 ha

This was undertaken to ascertain whether there was a noticeable change in the numbers/percentages of properties being sold as a consequence of the introduction of lake catchment regulations.

The evidence promoted that in respect of the 40+ ha categories, due to very limited data numbers, it was impossible to conclude whether the introduction of regulations specific to lake catchment location had any impact on sale volumes. In terms of lifestyle sales volumes there was a noticeable reduction in sale volumes 2010-2011, however it was concluded that the lower number of sales mirrored other residential property markets and was predominantly a consequence of the Global Financial crisis, rather than any reflection of nutrient regulations.

## SALE VALUES

The mass body of the report focused on analysis of sales of each of the three property categories. The conclusions were summarised as below.

Land value lake catchment discount (\$/eff ha):

- Non-Dairy pastoral blocks >40ha 10-20%
- Dairy farms >40ha 15-20%

Discount of Capital Value:

- Lifestyle blocks 2 – 10ha 0-5%

The initial levels of discount were based on transactions which had occurred both immediately prior to Rule 11 (Rule 11 is a series of rules that look at the loss of nitrogen and phosphorous from land use activities in five lake catchments) and the period immediately following its inclusion within Bay of Plenty Regional Council's (BOPRC) Regional Water and Land Plan (1 December 2008).

## REGULATORY TIMEFRAMES

The potential for regulatory control was initially publicised in 2003 (Ministry of Environment report 5 September 2003).

Over the approximate 10year period up to 2014, landowners within both the Lake Rotorua catchment and other Rotorua District Lakes catchments struggled to obtain an understanding as to the implications of Rule 11. Over this time span, both the Regional Council and other affected parties had been engaged in a consultative process. The consultation was carried out in order to fully develop a regulatory framework.

‘As at’ 2014, many landowners and other affected parties had obtained a degree of understanding as to the specific ramifications of Rule 11, however policy changes specific to Lake Rotorua were brought to the fore in 2014 which changed the parameters.

As a result of the renewed uncertainty of changes to the regulatory framework, including knowledge that both National and Local Government had formally identified a requirement to reduce nitrogen entering Lake Rotorua by 100 tonnes per annum, the 2015 report further concluded additional discounts on property values were likely to occur over the short term.

- Non Dairy pastoral blocks >40ha 20-35%\*
- Dairy >40ha 25-35%\*

\*Cumulative totals

# APPENDIX B 2016 REPORT SUMMARY

A draft policy change was confirmed as of July 2014. Proposal Plan Change 10 (Lake Rotorua Nutrient Management) was publicly notified 29 February 2016. The 2016 report sought to provide discussion as to the impact these later developments have had on land values within the Lake Rotorua catchment.

## ROTORUA DISTRICT UNENCUMBERED LAND VALUES

In general terms, the value of rural land increased over the period 2003 to 2008 after which a combination of the GFC and collapse in Fonterra payout contributed to an approximate 30% loss in value 2009 to 2010.

From 2011-2015, rural land values steadily recovered this loss.

In 2016, rural land values (excepting lifestyle) were deemed to be retracting, principally on the back of two years of below average dairy returns.

The data is highly sensitive with variability across properties in respect of location, soil type, contour and other physical differences. ‘Average’ farm values within Rotorua District were estimated at:

	LV (\$//eff ha)	RV (\$/eff ha)
Dairy farm	25,000	33,000
Non-Dairy farm	15,000	17,500

**Table 1**

LV = Bare land value

RV = Realty value

Eff ha = All land area utilised for productive purposes (includes building areas, races)

## CHANGES IN REGULATORY FRAMEWORK

### Rule 11

After review of the sales data and consideration of the theoretical factors, it was determined that Rule 11 had a 10% immediate impact on value. This impact is specific to the fact that imposition of regulations immediately reduced the landowner’s rights, by limiting land use change options.

It was determined that a maximum further 10% reduction could be reflected on a ‘case by case basis’ in individual property values, dependent upon whether the nutrient benchmark inhibited the lands highest and best use.

Rule 11 was originally identified in 2003 and implemented in 2008.

### Proposed Plan Change 10

As part of a continual review of policies and plans associated with lake water quality, stakeholders through collaboration developed Proposal Plan Change 10.

It was identified that 140tonnes/nitrogen/year must be taken out of the catchment through regulation. That is, rules were to be developed which would require landowners to reduce nitrogen losses.

Under Proposed Plan Change 10, the 140 tonnes required reduction in nitrogen leaching into Lake Rotorua is being achieved through the standard sector reduction (Dairy 31.3%, Drystock 20%) compulsorily applied to each property NDA calculation.

Whilst Proposed Plan Change 10 is designed to achieve the removal of 140 tonnes of nitrogen from the catchment, it is evident that for many properties, the practical changes to farming policy required to meet the provisional Nitrogen Discharge Allowance (pNDA) are not as rigorous as many landowners and other parties expected.

In completing a farm valuation, a valuer will have regard to the pNDA and seek to understand whether the individual farm can continue to farm at similar production/cost structure as historically. In comparison to non-catchment farms, the discount would be the 10% to 15% figure reflecting the fact that land use rights are regulated beyond the level of regulation outside of catchment.

As stated within our initial report, a further 5% to 10% reduction may eventuate where the pNDA is at a level which limits the farm from operating to an average efficient level. That is, in the event that a farm’s NDA would likely prevent it achieving levels of production/cost structure reflective of its physical characteristics, the market will discount its value.

	<b>2015 Report</b>	<b>2016 Report</b>
Non-dairy pastoral >40 ha	20%-35%*	10%-20%
Dairy >40 ha	25%-35%*	15%-20%

**Table 2**

In terms of lifestyle properties of 2-10 hectares, the proposed rule changes provide for no regulation for land below 5 hectares (effective area), and with 5-10 hectare properties simply required to meet standard stocking rates. Given that this property sector is primarily a lifestyle and not an economic focus, we consider there is no value impact created by new rules.

## CONCLUSION

The development of some definitive proposed rules is providing some certainty to the rural sector within the Lake Rotorua catchment. A level of uncertainty remains and will continue to do so until Proposed Plan Change 10 becomes operative.

The regulatory regime will likely continue to have a value impact due to the restrictions imposed on property rights. This level of impact is being diluted over time, as similar nutrient/water/land use regulations are introduced throughout New Zealand.

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