

**15. INDEPENDENT MARKET VALUATIONS
OF RESERVE CONTRIBUTION**

RR 10844

The Parks and Recreation Committee referred to this Committee a report by the Parks Manager detailing the results of a trial of a new system for assessing the value of reserve contributions on subdivisions and seeking approval to continue using independent market valuations.

In July 1999, Quotable Value New Zealand began a two-month trial for providing desktop reserve fund valuations. The trial was very successful, with positive feedback being received from the Subdivisions Team administering the contribution process. Financial, equity, time, resource, and independence factors all showed a substantial improvement compared to previous practices. Based on the results of the trial, the report estimated the new process could produce a possible net revenue gain of \$582,000 per annum.

In light of the success of the trial, the Parks Manager sought approval to over-expend the Parks Unit professional fees budget to accommodate the valuation costs. The additional expenditure will be more than offset by the increased income the new process will generate.

The Committee **resolved** that the Parks Unit be authorised to commit possible over-expenditure of its professional fees budget by approximately \$40,000 in the current financial year, to allow continuance of independent market valuations of new sections for subdivision reserve contribution revenue purposes.