

CURRENT STATUS OF RENT REVIEWS

- 1 There are 24 rents due to be notified in September 2006 (on account of 11 year rent reviews). In addition, 20 rents are due to be notified in September 2007, 6 in March 2008 and a further 26 in September 2008.
- 2 There are implications for rentals that are currently in the notification and determination process. 45 rentals were notified in the September 2005 tranche of rent reviews and 3 in the 31 March 2006 tranche, of which 36 are now before the Land Valuation Tribunal (“LVT”). LINZ considers the following approach should be taken where:
 - a. *the Commissioner of Crown Lands (“CCL”) has had the values ascertained under the legislation but has not delivered notice of the values to the lessee:* LINZ considers it desirable for the correct process to be applied to these reviews as expeditiously as possible. For these cases, there is no legal prohibition on delaying the rent review process. The CCL has determined he will await the outcome of the consideration of the proposed submission process before notifying the lessees of their new values and rents. Lessees in this situation will be advised of any delay, the reason for it, and their rights with regard to it;
 - b. *a rental value notification has been sent to the lessee but the lessee has not yet responded:* The CCL should not withdraw from a rent review that has reached this stage in the process. If a lessee does not reply to the notification within three months, he or she is deemed to have agreed to the rental value. This statutory process is not amenable to discontinuance by the CCL;
 - c. *the lessee has elected to accept the proposed rent:* If accepted, the proposed rent is final; and
 - d. *the lessee has elected to have the LVT determine the values and an application has been filed to have the LVT determine the values:* Where the lessee has elected to have the LVT determine the values, the CCL is subject to a mandatory requirement to file an application to have the values determined by the LVT. This process (which relates to the 36 notified rents referred to above) may only be discontinued with the agreement of the lessee. The election by the lessee to have the values determined by the LVT is effectively an exercise of a right of appeal. Through the LVT hearing process, the CCL may produce additional valuation evidence, which may support a higher value than that originally notified. This evidence is to be delivered to the other party within a reasonable time before the time fixed for the hearing. It may be that once that second value is disclosed, the lessee then attempts to accept the earlier offer included in the s 131(6) notice. As that original offer is no longer in existence, the lessee having made an election, it will be up to the CCL to decide the matter at that point.
- 3 Where notice of a new rent has not been sent to a lessee, the rent will be assessed in accordance with current legal advice. The CCL will delay the notification for the September 2006 tranche, so as to ensure that the rents notified are properly calculated. There is no legal prohibition on this. Where a new rent has already been notified, it may be appropriate for the CCL to make a reassessment, depending on the stage that the review is at.