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14 January 2022

Tenga Mana
Infrastructure Cook Islands (ICI)

Desktop Valuation for Manihiki Airport -Land Valuation (190,000m2)

1.0 INFORMATION PROVIDED

I am pleased to provide this Desktop Valuation for the Manihiki Airport upgrade project. The information provided was very helpful in completing your request.

In reference to Mr Henry Herman's email on Wednesday 22 December, I agree as I am certain you will also, that there has been very little activity relating to Land/Property Valuation in the Northern Cook Islands. The factors listed are the absence of a Property Market and the isolation of the islands from the economic activities prevalent in the Southern Cook Islands mainly Rarotonga.

Reading through the "Reserved Decision of Justice PJ Savage" dated 7 August 2017, I refer to the discussions on the "taking of land under Warrant" on the islands of Manihiki, Rakahanga and Penrhyn, between July 2013 and February 2015. The final outcome was awarded to the Landowners with compensation set at \$26,522 per quarter acre. Therefore the Land Value of \$26,522.00 sets the value for this Desktop analysis.

In reference with the "Reserved Decision of Justice PJ Savage" P9, the general principle applied across Commonwealth Jurisdictions where land is acquired by the Crown for public purposes, is that the Landowner is entitled to "full" or "fair" compensation for the property acquired. This is referred to as the Principle of Equivalence.

The Cook Islands Constitution recognises this in Article 40, which provides the right to "adequate" compensation when land is taken for public works, and the right for Landowners to have the quantum of compensation determined by the High Court.

2.0 APPROACH

The approach I have taken is to re-visit the original assessment of the awarded compensation of \$26,522 per quarter acre, dated 7 August 2017. This figure was calculated with reference to the Rarotonga Land Values and lowered 50 percent, due to the factors affecting Land Values in the Northern Group.

It is fair to note that, Land Values are affected by the passage of time. In this instance the value of 2017 will require adjustment to reflect changes in the country's economic growth (inflation), or deflation.

2.1 Rarotonga Land Values

Rarotonga is a volcanic island reaching over 650 meters in height. Land Values along the sandy foreshore can reach values of 200 dollars per square meter, decreasing to 60 dollars on the flood plains, and rising again to over 100 dollars per square meter in the Interior Landscape.

2.2 Northern Group Land Values

The Northern Group Islands are Coral Atolls with average height of less than 4 meters above mean high water mark at the highest level. Therefore due to an absent property market, land values are considered to carry the same value, regardless of the location or land use.

3.0 METHOD OF ASSESSMENT

Rarotonga Land Values was used in the previous assessment (2017) and due to this connection, Rarotonga data is again relied upon to provide the necessary information.

3.1 Consistency of Values

Rarotonga values are collected from Land Values (Miro Consultants Limited) that are almost similar in location to those in the Northern Group. This implies, that values within the Avarua CBD, foreshore and the interior landscape, are excluded.

Land values within these areas dominate the Rarotonga landscape offering values of the highest degree, that inclusion into the assessment procedure, will provide incorrect values. The northern Group islands do not have a CBD, and Rarotonga foreshore and inland properties can command very high values.

The following values collected are those values between the Main Road and the Back Road, as they offer the best comparison to the setting of land in the Northern Group.

3.2 Values collected

Matavera

Name	Area	Value k	per sq.m	per ¼ acre
Arapoti Maeva	1082	79	73.0	73,000
Patrick Unakea	2024	108	53.3	53,300
Peckham Maoate	1000	35	35.0	35,000
Shirley William	2311	144	62.3	62,300
Nana Short	2351	130	55.3	55,300
Vaine Teatai	1203	77	64.0	64,000
TOTAL				342,900

Ngatangia

Name	Area	Value k	per sq.m	per ¼ acre
June Tuara	1006	75	74.5	74,500
Maraeura Peyroux	1358	105	77.3	77,300
Nooroa Iakopa	1090	97	89.0	89,000
TOTAL				240,800

Takitumu

Rob McBride	874	53	60.6	60,600
Tarome and Teariki	1188	88	74.1	74,100
Teariki Matenga	1000	83	83.0	83,000
Eteta Atuatika	1117	88	78.8	78,800
Cameron n Dorothy	1350	115	85.2	85,200
Tangi Mataio	1670	112	67	67,000
TOTAL				448,700

Arorangi

Taio Construction	3407	250	73.4	73,400
Chantal Napa	600	35	58.3	58,300
Kathleen Lynch	995	70	70.4	70,400
PTS Tokerau	894	94	105.1	105,100
Mathew Tepai	1144	55	48.0	48,000

Vonnias H&L	956	83	86.8	86,800
Ken Buchanan	2013	186	92.4	92,400
Panipasa Gade	1000	73	73.0	73,000
David Wichman	1560	110	70.5	70,500
Mata Nooroa	1374	86	62.6	62,600
Albertos Rest.	876.46	41	46.8	46,800
William Tuivaga	968	63	65.1	65,100
Ann Herman	1976	70	35.4	35,400
Pa Napa	699	50	71.5	71,500
Anna & George	960	50	52.1	52,100
Caroline Tiria	636	32	50.3	50,300
Tapaeru Ariihee	999	57	57.0	57,000
Arama Wichman	1000	52	52.0	52,000
TOTAL				1,170,700.00

3.3 Values averaged

	Total	no.	per ¼ acre
Matavera	342,900.00	6	57,200.00
Ngatangia	240,800.00	3	80,300.00
Takitumu	448,700.00	6	74,800.00
Arorangi	1,170,700.00	18	65,000.00

4.0 ASSESSMENT

LAND Values for the island of Rarotonga per ¼ acre.

Matavera	57,200.00
Ngatangia	80,300.00
Takitumu	74,800.00
Arorangi	65,000.00

Average LAND Values per ¼ acre for Rarotonga = \$277,300.00/4

Land Value per ¼ acre for Rarotonga = \$69,325.00

At this point in the assessment, it is fair to note the following.

- a) The previous Rarotonga land values was reduced by 50%.
- b) Due to the current covid epidemic, the island economy has suffered a loss of 60% as noted by the Prime Minister during his public address on the Cook Islands television News late 2021.

In view of the above facts, the assessed land value must be reduced 60% in reflection of the current economic downturn.

The calculated land value of \$69,325.00 is therefore reduced 60% for Land Compensation in the Northern Group. The value of the Land Compensation for the Northern Group is \$69,325.00 less 60 percent.

Land Compensation for the Northern Group \$27,730.00 per quarter acre.

I trust the above meets with your immediate requirements.

Meitaki Maata

MIRO CONSULTANTS LIMITED



Samuel William Brown

Property Valuer

Qualification: Real Estate Salesperson Certificate May 2008 (NZ)
Certificate in Valuation, 1993, (Malaysia)
NZCE (Civil) November 1987