

District Plan Hearing Stream 3

Submitter ID 415 & FS 091 – Dr M Keir & Ms S Cutten

Expert evidence:

**Registered valuation of the impact of heritage listing 28 Robieson St
Nina Smith – BSc; FRICS; ANZIV; SPINZ; Registered Valuer**

Relevance:

1. This property valuation assesses the direct impact of listing (procured at our own expense) and provides clear evidence that:
 - (a) it is practicable to quantify the impact listing would have on property values [s32 2(b)], and inform an assessment of the effect an imposed listing would have on the social, economic, and cultural wellbeing of private homeowners [s32 2(a)];
 - (b) that this cost is significant and requires an assessment of the proposal in achieving the purpose of the Act [s32 1(a)] that is to a level of detail that corresponds to this scale and significance of these anticipated effects [s32 1(c)].

Requirements of section 32 of the RMA

32 Requirements for preparing and publishing evaluation reports

- (1) An evaluation report required under this Act must—
 - (a) examine the extent to which the objectives of the proposal being evaluated are the most appropriate way to achieve the purpose of this Act; and
 - (b) examine whether the provisions in the proposal are the most appropriate way to achieve the objectives by—
 - (i) identifying other reasonably practicable options for achieving the objectives; and
 - (ii) assessing the efficiency and effectiveness of the provisions in achieving the objectives; and
 - (iii) summarising the reasons for deciding on the provisions; and
 - (c) contain a level of detail that corresponds to the scale and significance of the environmental, economic, social, and cultural effects that are anticipated from the implementation of the proposal.
- (2) An assessment under subsection (1)(b)(ii) must—
 - (a) identify and assess the benefits and costs of the environmental, economic, social, and cultural effects that are anticipated from the implementation of the provisions, including the opportunities for—
 - (i) economic growth that are anticipated to be provided or reduced; and
 - (ii) employment that are anticipated to be provided or reduced; and
 - (b) if practicable, quantify the benefits and costs referred to in paragraph (a); and

TelferYoung and Nina Smith provide valuation services to the Council

2. TelferYoung, CBRE undertake a wide variety of valuation work for the Council, most recently providing services to the Council in February 2023. Nina Smith last provided residential property valuation services to the Council for market valuation update on previous valuations in June 2020 for nine residential Council owned properties in Buckley Road.

Specific comments

3. Regarding Moira Smith's following valuation comments, (points 68-75), she references studies from Auckland and overseas from a few years ago which are generic in their nature. A Registered Valuer assesses market value of a specific property in its existing condition based on current market conditions in the same or comparable nearby locations.
4. Unfortunately, 28 Robieson Street is very dated in nature and has outstanding remedial and maintenance works required. Should the property be Heritage Listed in its existing condition, the extent and unknown cost of such works would deter the majority of prospective purchasers. This together with the limitations then placed on the property in terms of extending or subdividing, would result in the property needing to be offered for sale at a significant price reduction in order to attract buyers.
5. Please note that photos on page 12, west side aspect, upper-level rear aspect, and deck, and deck all relate to the 2007 addition. Many aspects of the interior pictured in the appendix are also more recent. These features are all less than 30 years old.

This valuation has been peer reviewed

6. Due to the nature of the valuation, the report was internally peer reviewed prior to it being finalised and sent as part of TelferYoung's Best Practice guidelines.

Valuation standards

7. Valuation standards are detailed on page 6 of the valuation report.

Further background on TelferYoung, CBRE



ABOUT US OFFICES RESIDENTIAL COMMERCIAL RURAL NEWS

PRESS RELEASE

30 Jun 2022

CBRE GROUP, INC. ACQUIRES NEW ZEALAND VALUATION & ADVISORY SERVICES FIRM

Auckland – June 30, 2022 – CBRE Group, Inc. has finalised the acquisition of TelferYoung Limited, New Zealand's largest independent property valuation and advisory firm.

TelferYoung employs approximately 200 staff in 20 New Zealand offices, providing valuation and advisory services across rural, residential, industrial, commercial, retail and infrastructure assets.

The union almost doubles the size of CBRE's New Zealand staff and brings together the complementary strengths of the companies' valuation teams and resources to provide a full suite of services and solutions for clients.

Andrew Stringer, Senior Managing Director, CBRE New Zealand, said, "With TelferYoung, we will diversify our footprint, client type and capability, adding a residential offering to our strong New Zealand commercial valuations business. It also provides us with capabilities in areas such as agriculture and tourism, which are mainstays of the New Zealand economy."

Rowan Cambie, TelferYoung Board Chair, said, "Our businesses are extremely well aligned, both strategically and culturally. This integration broadens our combined market coverage and allows us to provide an expanded range of services to our clients as well as enhanced career opportunities for our people."

[About CBRE Group, Inc.](#)

CBRE Group, Inc. (NYSE:CBRE), a Fortune 500 and S&P 500 company headquartered in Dallas, is the world's largest commercial real estate services and investment firm (based on 2021 revenue). The company has more than 105,000 employees (excluding Turner & Townsend employees) serving clients in more than 100 countries. CBRE serves a diverse range of clients with an integrated suite of services, including facilities, transaction and project management; property management; investment management; appraisal and valuation; property leasing; strategic consulting; property sales; mortgage services and development services. Please visit our website at www.cbre.com.

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VALUATION & ADVISORY SERVICES, WELLINGTON

Nina Smith

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Clients Represented

- Developers
- Lending institutions
- Accountants
- Body Corporates
- Insurance Brokers
- Investors
- Owner occupiers
- First home buyers
- Embassies
- Government departments

Pro Affiliations / Accreditations

- Registered Valuer (BSc)
- Associate of New Zealand Institute of Valuers (ANZIV)
- Senior Member of the Property Institute of New Zealand (SPINZ)
- Fellow of Royal Institution of Chartered Surveyors (FRICS)

Education

- BSc (University of East London) 1989
- Chartered Surveyor (RICS) 1993
- Registered as a Public Valuer under the Valuers Act 1948 since 1998 and holder of a current annual practicing certificate.

Professional Experience

Nina has in excess of 30 years of experience as a Valuer having practiced extensively in both New Zealand and England. This means she brings a depth of experience to each valuation assignment that she undertakes, having an understanding of both Northern and Southern Hemisphere Valuation requirements means she is ideally placed to assist international clients with their activities in New Zealand.

Her skills and experience are highly valued by all of the major lending institutions with her being a nominated Valuer for all major lending institutions. Nina has been appointed to a specialist panel for the valuation of “High Value Properties” for multiple Financiers in New Zealand.

Nina has a strong passion for diversity in the industry and as one of only a handful of female Valuers actively practicing in Wellington, and across New Zealand, she gives back to the industry by being a mentor for new female Valuers joining the profession

Her Commitment to seeing the industry grow in New Zealand has seen her serve as a committee board member for the Royal Institute of Chartered Surveyors “RICS” in New Zealand for in excess of 8 years and she is an Accredited Assessor for those seeking to gain registration with RICS. She is frequently called upon to guide Graduate Valuers as they study towards registration with RICS.

Nina specialises in all types of residential work across the greater Wellington region including multi-unit residential investments, small scale developments, lifestyle blocks, sub-division, rental assessments, insurance and consultancy work.

Achievements

Nina has been recognised by the leading global property advisory body, the Royal Institute of Chartered Surveyors, when she was awarded the prestigious Fellowship to the industry in 2013.

She has represented and supported clients having appeared as an expert witness in the District Court of New Zealand on multiple occasions.



MARKET VALUATION

**28 Robieson Street
Roseneath
Wellington City**

Client

Sarah Cutten and Matthew Keir

Valuation date

26 August 2022

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1.0 EXECUTIVE SUMMARY



28 Robieson Street, Roseneath, Wellington City 6011

The property comprises a two storey, architecturally designed by Bill Toomath and built in the 1960s, four bedroom plus two bathroom dwelling. It has an unusual floor layout and is dated in nature with some deferred maintenance issues. The dwelling is situated slightly below the road on a moderate to steeply sloping site which benefits from a favourable aspect and enjoys an open outlook across the harbour towards the city. The property has a separate double garage predominantly located on road reserve at road level.

PROPERTY DETAILS

Type of property

Single dwelling.



772 m²



218 m²



4



2



2



2

VALUATION – AS IS

\$1,550,000 including GST (if any)

VALUATION – AS IF HERITAGE LISTED

\$1,100,000 including GST (if any)

Contract for sale

The property is not currently on the market.

Last sale

None within the last three years.

PROPERTY RISK OVERVIEW

The property is considered to have a high risk profile in comparison with other residential properties in the locality. On account of the property's condition and the threat of being Heritage Listed, the value parameters are wider than typical.

INSTRUCTIONS

Instructed by	Sarah Cutten
Report prepared for	Sarah Cutten and Matthew Keir
Purpose of valuation	Assess loss in value if Heritage Listed
Valuation date	26 August 2022
Report issue date	23 September 2022

TelferYoung from CBRE policy requires that reports cannot be reassigned for any purpose beyond 90 days from the date of valuation. This policy has been set to meet professional indemnity insurance requirements. It is a condition of this report that any valuation needing to be reassigned beyond 90 days may require re-inspection by the valuer with an update fee charged.

PREPARED BY

Nina Smith	<u>BSc; FRICS; ANZIV; SPINZ</u>
	Registered Valuer

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

2.0 RISK SUMMARY AND ASSUMPTIONS

RISK ANALYSIS

This Risk Analysis reflects the impact on the property of several specific risk factors. Eight factors are considered, four property aspects and four market aspects. Each Risk Rating is determined by considering the effect on the property's value and marketability.

Lower Risk Ratings indicate the property that should perform well in the marketplace. Higher Risk Ratings indicate that in comparison with similar properties, the property may be inferior in terms of value stability and marketability.

The Risk Analysis for the property is summarised as follows:

Property Risk Rating*

Location/Neighbourhood

1

Land (inc. planning & title)

3

Environmental Issues

3

Improvements

4

Market Risk Rating*

Recent Market Direction

3

Market Volatility

3

Local Economy Impact

3

Market Segment Conditions

4

*Risk Ratings: 1 = Low, 2 = Low to Medium, 3 = Medium, 4 = Medium to High, 5 = High

A Risk Rating of 1–2 is an indication of no aspect warranting comment. Risk Ratings of 3–4 is an indication of an adverse aspect that is detailed below. A Risk Rating of 5 indicates an adverse aspect that could have a major impact on value and/or marketability. Risk Ratings are a subjective indicator only and should not be relied upon alone when purchasing or lending.

Land

Garage 27m² on road reserve for which an annual encroachment fee of approximately \$552 is payable.

Environmental issues

Moderately to steeply sloping in contour.

Improvements

Deferred maintenance issues.

Recent market direction

New Zealand has generally seen strong residential price growth over recent years, but we are now seeing a correction in pricing.

Market volatility

There is a heightened level of market volatility.

Local economy impact

Inflation, and particularly building cost inflation together with rising mortgage interest rates are impacting the market.

Market segment conditions

The property in its current state will take longer to sell due to the remedial works required, and the threat of being Heritage Listed. Should the property be Heritage Listed, this will further reduce the potential buyer pool and decrease the property's salability and value.

Property risk overview

The property is considered to have a high risk profile in comparison with other residential properties in the locality. On account of the property's unique nature and in particular its style, condition and the threat of being Heritage Listed, the value parameters are wider than typical.

SIGNIFICANT ASSUMPTIONS AND SPECIAL ASSUMPTIONS

Significant Assumptions and Special Assumptions are those assumptions that are material to the valuation and could reasonably be expected to influence the decisions of the user.

Significant Assumptions are those where the assumed facts are consistent with or could be consistent with those existing at the date of valuation. These are often the result of a limitation on the extent of the investigations or enquiries undertaken by the valuer.

Special Assumptions are those where the assumed facts differ from those existing at the date of valuation. These are often used to illustrate the effect of proposed changes on the value of the property.

Significant Assumptions and Special Assumptions made within this valuation are as follows:

- We have valued the property 'as if Heritage Listed' on the basis that the dwelling would need to be retained 'as is' with no additions nor alterations allowed except with Heritage New Zealand and Wellington City Council approval, and that the land cannot be further developed nor subdivided.

3.0 SCOPE OF WORK

The valuer

The valuation has been undertaken by Nina Smith who provides this valuation in an objective, unbiased, ethical and competent manner. The valuer has no material connection with the instructing party or interest in the property and has the appropriate qualifications and experience to undertake the valuation.

Our client

Sarah Cutten and Matthew Keir.

Other than the client or addressee, the report may not be relied upon by any third party. We accept no liability to third parties. Written consent is required for any third party wishing to rely on this report. We reserve the right to withhold that consent, or to review the contents of the report if consent for third party use is sought.

Other intended users

Nil.

Purpose of valuation

Assess loss in value if Heritage Listed.

Asset valued

28 Robieson Street, Roseneath, Wellington City 6011.

Basis of valuation

Market Value is defined in International Valuation Standards as:

The estimated amount for which an asset or liability should exchange on the valuation date between a willing buyer and a willing seller in an arm's length transaction, after proper marketing and where the parties have each acted knowledgeably, prudently and without compulsion.

Valuation currency

All dollars quoted in this report are NZD.

Important dates

Inspection date 26 August 2022

Valuation date 26 August 2022

Extent of investigations

We have carried out an inspection of exposed and readily accessible areas of the improvements. However, the valuer is not a building construction or structural expert and is therefore unable to certify the structural soundness of the improvements. Readers of this report should make their own enquiries.

This report has been prepared for valuation purposes only and is not a geotechnical or environmental survey. If any defect is found, including structural defects, this information could impact on the value of the property.

Nature and source of information relied upon

Information used to prepare the valuation has been obtained from our property inspection and public records. Additional information relied on includes:

Name of Document	Source of Document
Wellington City Council Property Report	Matthew Keir
Draft submission by expert Heritage architect	Matthew Keir

Reporting format

We have prepared a formal valuation report meeting appropriate professional standards.

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

Valuation standards

Our valuation has been prepared in accordance with International Valuation Standards (effective 31 January 2022) and Guidance Papers for Valuers and Property Professionals published by the Australian Property Institute (API), Property Institute of New Zealand (PINZ) and New Zealand Institute of Valuers (NZIV).

4.0 RECORD OF TITLE

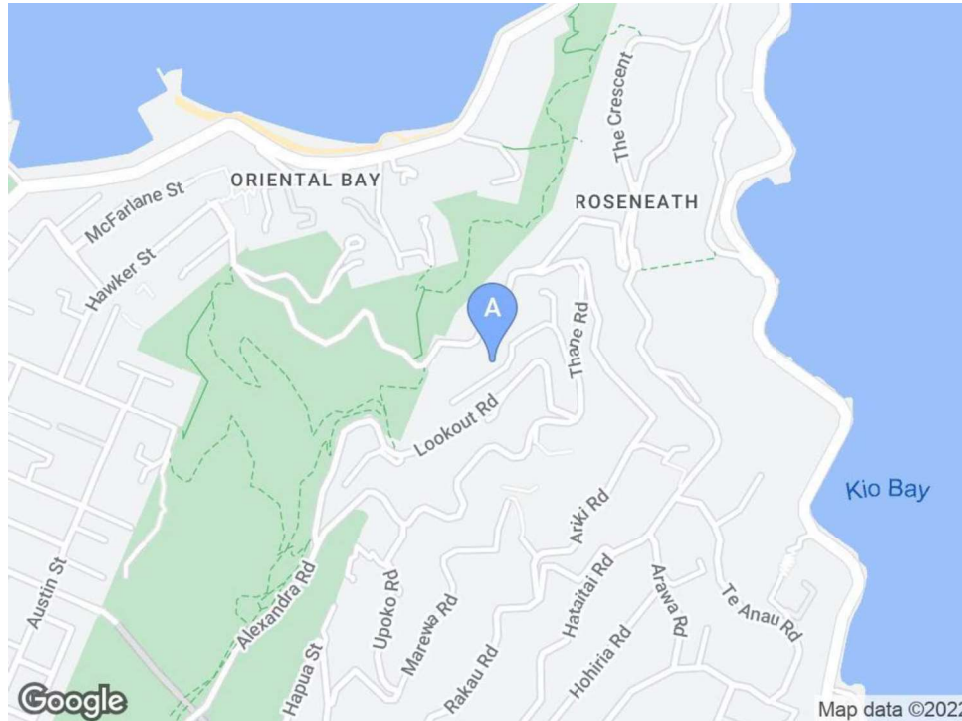
4.1 TITLE INFORMATION

Identifier	WN35B/535
Land registration	Wellington
Legal description	Lot 1 Deposited Plan 65105
Estate	Fee Simple
Area	772 m ² (more or less)
Registered owner(s)	Matthew Stuart Keir
Interests	<ul style="list-style-type: none">■ Appurtenant hereto are rights to stormwater and sewage drainage created by Transfer 449891 (affects part formerly Lot 1 DP 20809)■ Appurtenant hereto are rights to stormwater and sewage drainage created by Transfer 449892 (affects part formerly Lots 1 and 2 DP 20809)■ Appurtenant hereto are rights to stormwater and sewage drainage created by Transfer 449893 (affects part formerly Lot 1 DP 20809)■ 9905394.3 Mortgage to Kiwibank Limited - 12.12.2014
Comments	<p>The above interests are not considered to have a detrimental impact on our valuation.</p> <p>In completing our valuation, we have disregarded the existing mortgage interest, with the property valued as if unencumbered by mortgage or other charge.</p>

See **Appendix A** for the Record(s) of Title.

5.0 LOCATION

5.1 LOCATION DETAILS



Suburb Roseneath

Location Roseneath is one of Wellington's most popular suburbs occupying the upper slopes of Mt Victoria and lying within a relatively short distance of the central city. The suburb is characterised by homes of varying quality and style ranging from old modest quality cottages through to large superior style homes.

Robieson Street, is a well-regarded cul-de-sac extending off Thane Road. It is characterised by mixed age and quality housing and is approximately 350 metres long. Many properties in the street, including the subject, obtain excellent water views.

The location of the subject property is marked as 'A' on the adjoining map.

Amenities The suburb is serviced with amenities including a school, church, small shopping area and regular bus transport to and from the central city.

6.0 LAND

6.1 SITE DESCRIPTION



Area	772 m ² (more or less)
Shape	Irregular.
Contour	Moderately steeply sloping from the road to the rear, northern boundary.
Services	All city services are available to the site including gas.
Views	The property enjoys a wide, open outlook to the north including harbour and city views.
Comments	The property benefits from good sun levels being northerly facing. It has drive on access to a separate double garage located at road level and predominantly located on road reserve, and then has gentle walk down access to the dwelling.
Contamination	<p>As part of our investigation, we have made enquiry to the Greater Wellington Regional Council and confirmed the property is not on the Contamination Register/Hazardous Activities and Industries List (HAIL).</p> <p>We have not been provided with an environmental audit of the property and we are not aware of any potential environmental concerns with this property. Unless otherwise stated, our valuation and report is conditional upon the land and buildings being unaffected by harmful contaminants or noxious materials which may impact on value. Verification that the property is free from contamination and has not been affected by noxious materials should be obtained from a suitably qualified environmental expert.</p>

7.0 RESOURCE MANAGEMENT

7.1 ZONING INFORMATION

Territorial authority	Wellington City
Plan status	Operative and Proposed
Zone	Operative - Outer Residential Proposed – Medium Density and Heritage Listed

Zone description

The Outer Residential plan determines that a subdivision is a discretionary activity where an undeveloped allotment is to be created. In determining whether to grant consent and what conditions to impose the Council will be guided by whether the proposed allotments are capable of accommodation, limited activities and compliance with the Residential Area rules, the relevant parts of the Subdivision Design Guide and Code of Practice for land development.

Permitted Activities and Development Controls within this Zone include the examples listed below.

Permitted activities

- Residential
- Educational services
- Multi unit developments
- Vehicle parking
- Child care centres

Development controls

- Maximum site coverage is 35% with a maximum building height of 8 metres restricting buildings to two levels with onsite parking to be provided for all units.
- For a 2-4 lot household unit sub-division the access road must be 3.2 metres wide with a 2.7 metre carriageway.
- Maximum of two dwelling units per site, sunlight recession planes rising at 2.5 metres above all boundaries and then inclining inwards at 45°.
- Open space will be a minimum of 50 metres per household unit with a minimum width of 4 metres which is to be directly accessible from the dwelling.

- The height of the second household unit which is outside the footprint of the existing household unit and on a Fee Simple site area of less than 800 m² shall be 4.5 metres.
- Infill housing open space will be a minimum of 50 metres per household unit with a minimum width of 4 metres which is to be directly accessible from the dwelling.

Comments

The current residential use is a permitted activity. The property is surrounded by other properties with a residential similar use. If lawfully established, the property has existing use rights protected under Section 10 of the Resource Management Act 1991.

District Plan changes have been announced in August 2022 with regard to enabling more medium density housing. The Resource Management (Enabling Housing Supply and Other Matters) Amendment Bill is designed to improve housing supply by speeding up implementation of the National Policy Statement on Urban Development (NPS-UD).

The new Intensification Streamlined Planning Process (ISPP) will enable tier 1 councils to implement the intensification required by the NPS-UD at least one year earlier than under standard RMA timeframes. Tier 1 councils will be required to adopt Medium Density Residential Standards (MDRS) with some of the proposed standards including, but not limited to;

-Three dwellings maximum

-Building houses up to 11m in height (three storeys)

-50% site coverage

-Boundary set backs of 2.5m from the front and 1m from the sides and rear.

The MDRS will have legal effect from the time the council notifies the relevant plan changes which is due by August 2022.

Councils will be able to make zoning less permissive than the MDRS in areas including nationally significant structures, natural hazards, open space, heritage, and consistency with iwi participation legislation.

The advice is provided for valuation purposes only, and the reader is advised to seek the advice of a suitably qualified Resource Management professional for further detail in this regard.)

7.2 RATING VALUATION

As at 1 September 2021:

Land Value	Improvements Value	Capital Value
\$1,810,000	\$450,000	\$2,260,000

Rating Valuations are conducted on a mass appraisal basis, generally once every three years, in order to provide a basis to assist territorial authorities to collect revenue through rates. Individual properties are not inspected on a regular basis and changes in the improvements may not be recorded. The rating values are expressed on a Freehold Estate basis.

7.3 LAND INFORMATION MEMORANDUM

We have not obtained a Land Information Memorandum (LIM) report for this property. Our report is subject to there being no outstanding requisitions or adverse information affecting the property.

8.0 IMPROVEMENTS

8.1 OVERVIEW

The property comprises a two storey, architecturally designed by Bill Toomath and built in the 1960s, four bedroom plus two bathroom dwelling. It has an unusual floor layout and is dated in nature with some deferred maintenance issues.

Under the proposed Wellington City Council District Plan, the property will be Heritage Listed as it was designed and lived in by the architect Bill Toomath in the 1960s.



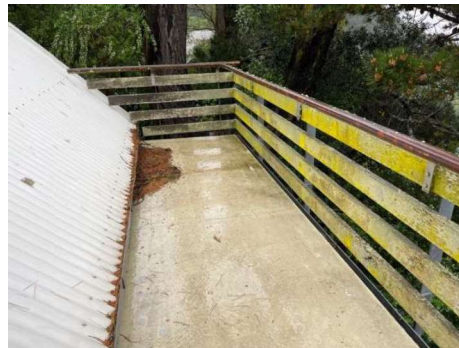
Rear aspect



West side aspect



Upper level rear aspect and deck



Deck



View from deck



View from eastern end, upper level bedroom

See **Appendix B** for additional photographs.

Our valuation has been prepared on the basis of the improvements being located within the site boundaries and constructed strictly in accordance with the recommended practices, and free from any defect, unless otherwise stated within this report.

8.2 DWELLING DETAILS

8.2.1 Construction

Foundation	Concrete.
Flooring	Timber.
Exterior cladding	Predominantly cedar weatherboard with minor areas of fibre cement sheets.
Window joinery	Timber and some aluminium.
Roofing	Predominantly aluminium with some corrugated metal.
Internal wall linings	Predominantly plasterboard with some feature timber and hardboard.
Ceiling linings	Plasterboard.

8.2.2 Floor areas

The floor areas, as measured are as follows:

Dwelling	218 m ²
Deck approx.	8 m ²
Garage approx.	36 m ²

8.2.3 Accommodation

Upper level

Entry from the front via a small covered porch into a reception lobby which leads to a living area one side and a bedroom wing on the other and has stairs to the lower level. The open plan living area has an original and dated kitchen and provides access via a small passageway and stairs to a small, rear deck. The bedroom wing comprises a hallway leading to two double bedrooms and an original, dated bathroom with the vanity being located in the hallway.

Lower level

Stair access leads to a large, open plan rumpus / living area which is split level and provides access to outside and to a laundry room. To the other side is a second bedroom wing similar to that on the upper level with two further double bedrooms and separate, original and dated bathroom.

8.2.4 Building summary and condition

At the date of inspection, the exterior of the property appeared to be in a tired condition having deferred maintenance issues as inspected and detailed in the draft submission from expert Heritage architect Internally, the dwelling is dated in nature with deferred maintenance items evident.

The following maintenance items were noted:

- Cedar weatherboards are 'cupping' and require re-affixing and / or replacement and complete re-staining to the entire dwelling.
- Window frames are starting to deteriorate and water marks are evident.
- Water ingress issues noted in various places throughout the dwelling but especially up against the bank on the lower level.
- The roof is very low pitch with no eaves.
- Deck design is no longer legal and requires work.
- The interior is dated and would benefit from complete modernisation and redecoration.

8.2.5 Chattels

The dwelling is fitted with average quality chattels presented in dated condition. These include a dishwasher, light fittings, floor coverings and window dressings.

8.3 OTHER BUILDINGS

There are no additional buildings other than the separate double garage at road level.

8.4 OTHER IMPROVEMENTS

Site development includes a separate double garage at road level predominantly located on road reserve, paved and concrete paths, paved patio areas, small deck at the rear, some fencing, and basic landscaping.

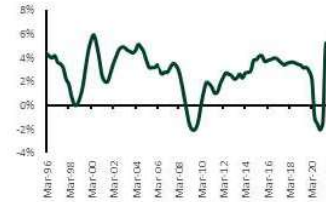
The annual encroachment fee to Wellington City Council relating to the 27m² of the garage on road reserve is approximately \$552 per annum.

9.0 MARKET COMMENTARY

9.1 ECONOMIC OVERVIEW

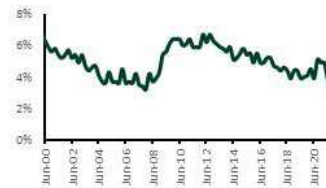
- The outlook for economic growth in the short term has softened. GDP contracted during the March quarter. The Omicron COVID-19 variant wave kept a lot of people at home at times during the March quarter, either out of caution or because they were self-isolating. Accordingly, some of the weakest contributors to GDP were retail trade, transport and hospitality.
- The outlook for growth deteriorated with the expectation of lower global growth, supply chain disruptions, higher interest rates, softening housing market, tight labour market conditions, and lower prices for our key commodity exports. On a more positive note, the reopening of our borders to international visitors should provide our tourism and hospitality sector with a boost.
- The outlook for construction activity has also started to ease. ANZ’s latest business outlook survey shows residential construction intentions have fallen to record lows. Building consent activity has also peaked and the number of new consents issued have fallen for the last three months in a row. Anecdotal evidence also suggests higher construction costs and a lack of skilled labour is continuing to impact on the sector’s activity.
- The Reserve Bank is expected to continue to tighten monetary policy to temper strong inflationary pressures within the economy. The OCR is expected to peak at 4.0% by the end of this year.
- Housing market activity is being impacted by higher interest rates and a change in market sentiment. Nationally, housing prices were down 1.4% in July when compared to June 2022 and have now fallen 8.0% since their peak in November 2021. Nationally, house prices are expected to continue to ease over the next 12 months.

GDP



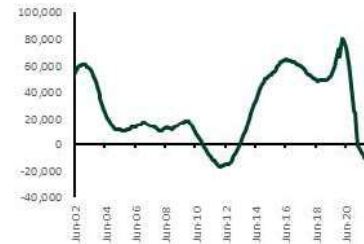
GDP contracted by 0.2% in the March 2022 quarter, with an annual average basis GDP growth of 5.1% over the last 12 months. GDP growth outlook has softened over the next 12 months.

Unemployment Rate



Strong labour market conditions have continued to hold the rate of unemployment near record lows. Firms are continuing to report it is difficult to find suitable employees

Net Migration



Net annual overseas migration gains fell to -11,500 people in the June 2022 year. In the medium term, migration gains are expected to recover to a net gain of 25,000 to 30,000 people per annum.

CPI

7.30%



Inflationary pressures are strong, with inflation expected to continue to increase.

Official Cash Rate (OCR)

3.00%



The RBNZ has signalled its intention to continue tightening monetary policy.

9.2 REGIONAL PROPERTY MARKET

Nationally, house prices peaked in late 2021 and have subsequently continued to ease. There is significant regional variation in price trends depending on each region's economic drivers. Key recent indicators show Wellington's regional economic confidence improved slightly from a net negative 18% of respondents in March 2022 to a net negative 17% of respondents in June 2022, indicating a small increase in the proportion of people expecting the region's economy to improve over the next 12 months. The region's consumer confidence also improved by 3 percentage points over the same time period, (source Westpac).

Figure 1 presents the number of sales and median residential sale prices.

Figure 1: Quarterly residential property sales volumes and median sale prices



9.3 LOCAL PROPERTY MARKET

The rate of declining values in the Wellington region has increased in recent months. Properties do now need to be realistically priced and of sufficient quality to attract buyers. Recent statistics indicate annual values in the Wellington region decreased from 7.5% in July 2022 to -5.2% per annum in August 2022, with the average value decreasing to \$1,009,563, a decrease of -7.6% in value over the past three months, down from -3.7% the preceding month. Values are falling due to a number of factors including economic uncertainty, rising interest rates, tightening in Banks lending and an increase in listings. In Wellington City values were down -4.6% annually, up from the previous months decrease of 0.7% to a new average of \$1,140,045.

Growth in Wellington's Central and Southern suburbs was -3.2% over the past year down from 3.1%, while value growth over the quarter decreased by -8.0% with a new average of \$1,090,982.

Value growth in the Western suburbs decreased by -6.5% down from -0.6% the previous month, with values over the past three months decreasing by -9.5% in August to a new average of \$1,283,695.

Quarterly growth in the Eastern suburbs decreased by -6.3% over the past three months, down from -7.4% the previous month, while annual value growth decreased by -2.4% down from 1.7% in July to a new average sale price of \$1,273,838.

Annual value growth in the Northern suburbs has also decreased with -5.2% growth over the past year, down from 0.1% from the previous month, with values decreasing -8.7% over the past three months up from -7.6%. Values therefore decreased to a new average of \$1,074,236.

The changes to the Resource Management Act had seen an increase in the demand for development land, with what would appear to be a sharp increase in values over the previous year, particularly for good quality, centrally located land. Demand has however softened since the start of the year due to rising building costs and interest rates. The impact of the recently agreed Spatial plan changes has yet to be realised, however many under-capitalised properties are being demolished to make way for more intensive infill housing developments.

First home buyers are also continuing to look in greater numbers at the apartment market or the outer suburbs, including the Hutt Valley, Porirua, and Kapiti Coast.

The impact of COVID-19 on the Wellington property market had been propelled by low interest rates, demand/supply imbalance and increasing numbers of expats entering the market. These factors have however reversed in recent months, as we are now seeing a softening in the market.

The medium number of days to sell a property in Wellington City is currently 54 days which compares with 59 days for the Wellington region.

10.0 SALES EVIDENCE

10.1.1 Land Sales

31 Ashton Fitchett Drive, Brooklyn



Sale date 15 August 2022
Sale price \$700,000
Land area 690 m² (more or less)

A relatively easy contoured section upon which stands a leaky home and well-established grounds. It has a favourable aspect with distant sea views. Allowing for the demolition of the dwelling the sale equates to \$1,087 psm.

Comparison Less contoured but inferior location and views. Recent sale.

22 Benares Street, Khandallah



Sale date 2 June 2022
Sale price \$850,000
Land area 568 m² (more or less)

This is a moderately falling hillside section with a harbour outlook. The benefits from drive on access to a car pad. The sale equates to \$1,496 psm. We note the land however has multiunit development potential.

Comparison Smaller but similar contour section but slightly inferior location and views.

33 Awa Road, Miramar



Sale date 15 March 2022
Sale price \$1,350,000
Land area 662 m² (more or less)

This is moderately contoured development site upon which stands an older style two-bedroom bungalow. The property has been purchased for redevelopment into townhouses by a well-known developer who had purchased 31 Awa road for \$1,950,000. The land is Outer residential zoned and has a local outlook. The sale equates to \$2,077 per square metre including an allowance for demolition.

Comparison Slightly smaller but less contoured section in an inferior location. Slightly older sale and market has decreased since.

5 Omar Street, Khandallah



Sale date 11 August 2021
Sale price \$1,360,000
Land area 826 m² (more or less)

The property comprises a dated 1950s two bedroom home, situated upon a hillside site within the Khandallah locality. A feature of the property is the large moderately contoured land parcel which we understand will be developed with 5 townhouses. As a development site the sale equates to \$1,676 per square metre including an allowance for demolition or \$278,000 per proposed unit.

Comparison Similar size section but backs onto railway line and in an inferior location with inferior views. Older sale close to the peak of the market.

41 Khyber Road, Seatoun



Sale date 14 May 2021
Sale price \$1,376,000
Land area 984 m² (more or less)

A vacant hillside site with an excellent easterly aspect over the eastern bays including Worsler Bay and towards Seatoun beach, and across the outer harbour towards Eastbourne. Marketing information indicate the property sold with consented plans for architecturally designed two, 3-bedroom houses. This sale reflects a rate of \$1,398 psm or \$688,000 per unit.

Comparison Larger but more contoured section with wide water views in an inferior location. Older sale.

31 Awa Road, Miramar



Sale date	10 March 2022
Sale price	\$1,950,000
Land area	945 m ² (more or less)

This is an easy to moderately contoured development site upon which stands an older style 1920s three-bedroom bungalow. The property has been purchased for redevelopment into townhouses by a well-known developer who subsequently purchased 33 Awa road for \$1,350,000. The land is Outer residential zoned and has a wide suburban outlook. The sale equates to \$2,090 per square metre including an allowance for demolition. The amalgamated property contains a total land area of 1607m² and we understand the developer has applied for Resource Consent for 11 townhouses upon the land. The sale of the combined land parcel equates to \$2,084 per square metre including an allowance for demolition or \$305,000 per proposed unit.

Comparison Larger and less contoured section to be redeveloped together with neighbouring property.

10.1.2 Improved Sales

127 Sefton Street, Wadestown



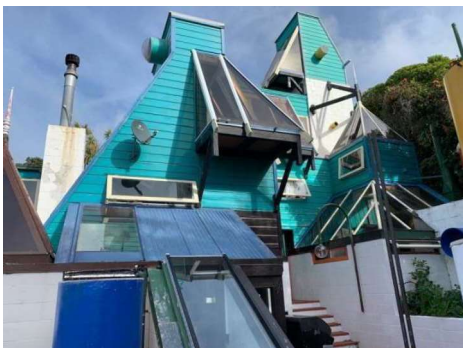
Sale date	12 April 2022
Sale price	\$600,000
Building area	200 m ²
Land area	930 m ² (more or less)
Bedrooms	5
Bathrooms	2
Garage	2

Comprises a two level, 1990s constructed dwelling that has leaky building issues requiring significant remedial works and / or demolition. It is situated below the road on a moderately steeply sloping site which benefits from an open outlook to the north. It has a double carpad at road level located on road reserve and a lengthy walk down access to the dwelling.

Comparison Similar size but leaky building with inferior access and views.

10.1.3

7 Fortification Road, Karaka Bays



Sale date	14 April 2022
Sale price	\$735,000
Building area	248 m ² (recorded)
Land area	502 m ² (more or less)
Bedrooms	4
Bathrooms	2
Garage	2

This is a Roger Walker designed residence originally constructed circa 1974, situated upon a hillside section. The property has attractive outer harbour views and well formed outdoor areas. The dwelling is of unique styling and constructed over eight levels providing four bedroom accommodation, open plan living areas and integral double garaging. Aspects of the dwelling's design and construction has potential water tightness issues and it was advertised as needing 'significant restoration work'.

Comparison Similar size but leaky building in an inferior location with inferior views.

46 Barnard Street, Wadestown



Sale date	6 May 2021
Sale price	\$1,125,000
Building area	250 m ² (recorded)
Land area	467 m ² (more or less)
Bedrooms	4
Bathrooms	3
Garage	2

This is a architecturally designed 1960s home and income residence occupying a hillside section with drive on access to a double carport. The dwelling is configured as a three-bedroom home to the upper level and a self-contained one-bedroom flat to the lower level while benefiting from inner harbour views it will be shaded to the afternoons. Aspects of the interior were dated.

Comparison Slightly larger but similar age and condition building on a smaller, similarly contoured section with harbour views. Older sale.

39 Carlton Street, Melrose



Sale date	27 May 2022
Sale price	\$1,303,500
Building area	164 m ² (recorded)
Land area	721 m ² (more or less)
Bedrooms	5
Bathrooms	2
Garage	1

This is an architecturally designed 1980's dwelling that occupies a sloping hillside site that is elevated above road level. It is a split level dwelling (built over four levels) and provides five bedrooms, two bathrooms and one living area with a very pleasant view towards Lyall Bay and beyond. The property has a single uncovered car park at road level occupying road reserve land.

Comparison Smaller, architecturally designed in superior condition but inferior location on a similarly contoured section.

139 Orangi Kaupapa Road, Northland



Sale date	24 June 2021
Sale price	\$1,460,500
Building area	160 m ² (recorded)
Land area	434 m ² (more or less)
Bedrooms	4
Bathrooms	2
Garage	1

Comprises a multi level, 1970s, architecturally designed, four bedroom plus two bathroom dwelling with single integrated garaging. It is situated on a rising, corner site with additional off street parking, two new bathrooms, decking and covered patio bar-be-que area.

Comparison Smaller, architecturally designed in superior condition but inferior location. Older sale.

37 Orangi Kaupapa Road, Northland



Sale date	10 June 2021
Sale price	\$1,550,000
Building area	160 m ² (recorded)
Land area	572 m ² (more or less)
Bedrooms	4
Bathrooms	2
Garage	1

Comprises a part two storey, Fritz Eisenhofer, architecturally designed, modernised 1960s, home and income property containing a main three / four bedroom dwelling and a separate one bedroom flat underneath. It is situated on a rear, rising site with attached deck and benefits from an open outlook including a slight harbour view. It has a separate single garage and cable car access located on road reserve. Sale equates to net return of approximately 2.9%.

Comparison Smaller, architecturally designed, similar age building in superior condition with inferior access and harbour views. Older sale.

15 Rochester Street, Wilton



Sale date	17 May 2021
Sale price	\$1,652,000
Building area	150 m ² (recorded)
Land area	812 m ² (more or less)
Bedrooms	6
Bathrooms	2
Garage	3

This is a Fritz Eisenhofer designed 1960s, five / six bedroom residence, with a carport and double garage partially encroaching on road reserve land. It is split level with attached decking and is largely original in nature. It occupies a terraced hillside section with a suburban outlook in a no exit street.

Comparison Smaller, architecturally designed in slightly superior condition on a similar size and contour section in an inferior location. Older sale.

20 Maida Vale Road, Roseneath

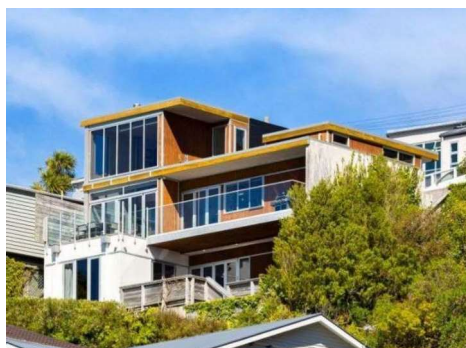


Sale date	19 April 2022
Sale price	\$1,675,000
Building area	180 m ² (recorded)
Land area	321 m ² (more or less)
Bedrooms	3
Bathrooms	2
Garage	1

A very tidy, albeit slightly dated in terms of internal fitout, part two level, three bedroomed dwelling with two bathrooms and having a separate single garage. It benefits from a view shaft to the inner harbour and central city. There is an attached conservatory and well developed yard and deck area.

Comparison Smaller dwelling and section in a nearby location in superior condition with superior outdoor living though inferior views.

51 Roseneath Terrace, Roseneath



Sale date	1 May 2022
Sale price	\$1,745,000
Building area	195 m ² (recorded)
Land area	233 m ² (more or less)
Bedrooms	2
Bathrooms	2
Garage	2

An architecturally designed residence constructed circa 2006 over three levels, occupying a well developed hillside section, with extensive outer harbour views. The dwelling provides two bedroom plus two bathroom accommodation, with balcony, single integrated garaging and an additional single garage.

Comparison Smaller, architecturally designed in superior condition in a nearby location with harbour views on a much smaller section.

145 Barnard Street, Wadestown



Sale date	19 November 2021
Sale price	\$1,750,000
Building area	220 m ² (recorded)
Land area	623 m ² (more or less)
Bedrooms	3
Bathrooms	2
Garage	1

This is an architecturally designed multilevel home occupying an elevated section with cable car access and single car garaging at road frontage. It provided generous living areas, three bedrooms, two bathrooms and particularly well-developed grounds. It has inner harbour outlook.

Comparison Similar size but superior condition with comparable views.

7 Box Hill, Khandallah



Sale date	12 July 2022
Sale price	\$1,900,000
Building area	326 m ² (recorded)
Land area	1175 m ² (more or less)
Bedrooms	3
Bathrooms	2
Garage	2

A Fritz Eisenhofer designed residence constructed in the 1970's over two levels incorporating three bedrooms, two bathrooms, generous living areas, integral double garaging, and an internal courtyard. The service areas have been appointed to an above average standard. Extensive upgrading has recently been completed to the roof.

Comparison Larger, architecturally designed in superior condition on a larger section but inferior location and views.

12 Kenya Street, Ngaio



Sale date	26 August 2021
Sale price	\$1,925,000
Building area	300 m ² (recorded)
Land area	771 m ² (more or less)
Bedrooms	6
Bathrooms	3
Garage	2

A late 1800's heritage listed building on a large site with drive on access to two, separate single garages. Property information states this dwelling provides five-six bedrooms in total and has three bathrooms. Appears to be a private sale and internal condition is unknown.

Comparison Much larger dwelling on a similar size but less contoured section in an inferior location. Older sale close to the peak of the market.

10.2 RECONCILIATION OF SALES EVIDENCE

Address	Date	Price	Site area	\$ per square metre	Comparison
Land Sales					
31 Ashton Fitchett Drive	15 August 2022	\$700,000	690 m ²	\$1,087	Inferior
22 Benares Street	2 June 2022	\$850,000	568 m ²	\$1,496	Inferior
33 Awa Road	15 March 2022	\$1,350,000	662 m ²	\$2,077	Comparable
5 Omar Street	11 August 2021	\$1,360,000	826 m ²	\$1,676	Comparable
41 Khyber Road	14 May 2021	\$1,376,000	984 m ²	\$1,398	Comparable
31 Awa Road	10 March 2022	\$1,950,000	945 m ²	\$2,084	Superior

Address	Date	Price	Site area	Floor area	Bedrooms	Comparison	Net rate
Improved Sales							
127 Sefton Street	14 April 2022	\$600,000	930 m ²	200 m ²	5	Inferior	\$0/m ²
7 Fortification Road	14 April 2022	\$735,000	502 m ²	248 m ²	4	Inferior	\$144/m ²
46 Barnard Street	6 May 2021	\$1,125,000	467 m ²	250 m ²	4	Comparable	\$1,120/m ²
39 Carlton Street	27 May 2022	\$1,303,500	721 m ²	164 m ²	5	Comparable	\$3,649/m ²
139 Orangi Kaupapa Road	24 June 2021	\$1,460,500	434 m ²	160 m ²	4	Comparable	\$5,375/m ²
37 Orangi Kaupapa Road	10 June 2021	\$1,550,000	572 m ²	160 m ²	4	Comparable	\$5,719/m ²
15 Rochester Street	17 May 2021	\$1,652,000	812 m ²	150 m ²	6	Superior	\$6,013/m ²
20 Maida Vale Road	19 April 2022	\$1,675,000	321 m ²	180 m ²	3	Superior	\$3,389/m ²
51 Roseneath Terrace	1 May 2022	\$1,745,000	233 m ²	195 m ²	2	Superior	\$4,934/m ²
145 Barnard Street	19 November 2021	\$1,750,000	623 m ²	220 m ²	3	Superior	\$4,159/m ²
7 Box Hill	12 July 2022	\$1,900,000	1175 m ²	326 m ²	3	Superior	\$2,562/m ²
12 Kenya Street	26 August 2021	\$1,925,000	771 m ²	300 m ²	6	Superior	\$2,883/m ²

The above comparisons are in terms of value.

11.0 VALUATION

11.1 HIGHEST AND BEST USE

The Market Value of an asset will reflect its 'highest and best use'. The highest and best use is the use of an asset that maximises its potential and that is physically possible, legally permissible and financially feasible. The highest and best use may be for continuation of an asset's existing use or for some alternative use. This is determined by the use that a market participant would have in mind for the asset when formulating the price that it would be willing to bid.

We consider the highest and best use to be for residential owner occupation and redevelopment of the surplus land.

11.2 VALUATION APPROACH

To establish the Market Value of the property, we have adopted the Market Approach in accordance with International Valuation Standard 105. The Market Approach provides an indication of value by comparing the asset with identical or comparable (that is similar) assets for which price information is available.

Within the Market Approach we have considered the Comparable Transactions method, encompassing the following units of comparison:

- Direct Comparison
 - Net Rate
-

11.3 DIRECT COMPARISON

This method involves reference to sales of properties which have similar attributes to the subject property. Comparisons are drawn between the subject property and the sales evidence. Subjective adjustments are applied where necessary to account for factors which have a direct impact on the sale price and value. These include the following:

Land	Location, area, shape, position, aspect, view, contour and standard of surrounding development.
Dwelling	Age, construction, size, number of bedrooms, quality and street presentation.

Site development Landscaping, garaging, any additional features.

11.3.1 Sales discussion

Our evidence above is a mixture of architecturally designed dwellings and residences requiring work which sold within good quality Wellington suburbs over the last year or so. The market was extremely buoyant last year though has slowed and then decreased this year, and therefore the most recent sales are the most pertinent. However, there is a paucity of directly comparable sales and we could only identify one, private sale of a Heritage Listed property, and therefore the sales noted above are considered to be the best evidence available, having some comparable attributes to the subject property.

In our opinion, the best comparable sales are 46 Barnard Street, 37 Orangi Kaupapa Road and 51 Roseneath Terrace which are all unique, architecturally designed dwellings. 46 Barnard Street is a similar age and size though configured as a home and income property, also in a dated condition and located on a sloping site with comparable street appeal and harbour views though in an inferior location. 37 Orangi Kaupapa Road is a Fritz Eisenhofer designed residence who was a prominent Wellington architect around the same time as Bill Toomath. It is also configured as a home and income property rather than a single dwelling and is located on a similarly sloping site with inferior harbour views but is modernised and in a superior condition to the subject. 51 Roseneath Terrace is a newer, modern, architecturally designed dwelling but in a comparable, 1960s style and is located in close proximity to the subject on a smaller section with outer harbour views.

We have however, considered all of these sales, and when looking at the 'basket of sales' evidence in its entirety, and after appropriate analysis and adjustment, the sales support the value range as assessed and we have adopted accordingly.

Based on our analysis of the sales evidence as recorded above, we consider that a fair and reasonable value range under this direct comparison method, having regard to market movement since some of these sales have occurred would be between \$1,400,000 and \$1,700,000 for the property 'as is' and between \$1,000,000 and \$1,200,000 'as if Heritage Listed'.

Please note that some of the above photos have been copied from sales marketing information. Also, some of the more recent sales may not have settled yet but provide good evidence as to the current state of the market and in support of the settled sales.

11.3.2 Conclusion

Based on our analysis of the sales, we have concluded an indicated Market Value 'As Is' of **\$1,550,000** and an indicated Market Value 'As if Heritage Listed' of **\$1,100,000** utilising the Direct Comparison method.

11.4 NET RATE

Under this method the sale prices are analysed to derive a residual value for the dwelling, after deducting the value of the land, other improvements, and chattels. That residual dwelling value is analysed to a rate per square metre of floor area of the recorded dwelling floor area, or a 'net' rate.

Having analysed the sales to a net rate, comparison is then made with the subject dwelling to determine an appropriate rate, which is then applied to the dwelling floor area to establish its value. The value of the land, other improvements and chattels are then added to the dwelling value to establish the Market Value of the property using this method.

The analysed evidence provides an approximate net rate range from \$140/m² to \$6,000/m² which is a very wide range reflecting the varying size, condition and date of the sales. Usually the larger the floor area, the lower the net rate although dependent also on condition and quality etc. Having regard to the size, layout, accommodation, and condition of the dwelling, and the market movement that occurred since some of the properties sold, we have adopted a low rate for the dwelling at \$750/m² for the dwelling 'as is', and \$250/m² for the dwelling 'as if Heritage Listed' to reflect the not only the current condition but also the added time and cost to maintain a Heritage listed property, together with the loss of amenity and quiet enjoyment of the property with the restrictions that a Heritage listing would impose.

Our calculations are as follows:

11.4.1 'As is'

Net Rate Method		Value
Land value		\$1,250,000
Dwelling	218 m ² @ \$1,000/m ²	\$218,000
Outdoor areas		\$5,000
Other improvements		\$10,000
Other buildings		\$60,000
Total improvements		\$293,000
Chattels		\$10,000
Indicated market value		\$1,553,000
Adopt		\$1,553,000

11.4.2 'As if Heritage Listed'

Net Rate Method		Value
Land value		\$950,000
Dwelling	218 m ² @ \$150/m ²	\$54,500
Outdoor areas		\$5,000
Other improvements		\$10,000
Other buildings		\$60,000
Total improvements		\$129,500
Chattels		\$10,000
Indicated market value		\$1,089,500
Adopt		\$1,090,000

11.5 VALUATION SUMMARY

Method	As is	As if Heritage Listed
Direct Comparison	\$1,550,000	\$1,100,000
Net Rate	\$1,553,000	\$1,090,000
Market Value – Adopt	\$1,550,000	\$1,100,000

The above valuation methodologies we have adopted require an analysis of market based selling activity and show a close correlation. However, the most reliable method for establishing Market Value is by direct comparable transactions as this reflects existing market conditions and movement. Accordingly, we have placed most weight upon this method.

Taking into account the recent sales evidence and current market conditions we consider our assessment to be fair and reasonable.

The value can be apportioned as follows:

11.5.1 As is

Land	Improvements	Chattels	Market Value
\$1,250,000	\$290,000	\$10,000	\$1,550,000

11.5.2 As if complete

Land	Improvements	Chattels	Market Value
\$950,000	\$140,000	\$10,000	\$1,100,000

11.5.3 Previous sale

None within the last three years.

11.5.4 Reasonable selling period

The valuation is based on a selling period of up to three months for this type of property in this location. However, this selling period would be significantly extended should a Heritage listing be applied to the property as it would deter purchasers and reduce the size of the potential pool of buyers.

11.5.5 Current contract

The property is not currently on the market.

12.0 STATEMENT OF LIMITING CONDITIONS AND VALUATION POLICY

Purpose

This valuation report has been completed for the specific 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.

Reproduction of report

Neither the whole nor any part of this valuation and report or any reference to it may be included in any published document, circular or statement without first obtaining our written approval of the form and context in which it may appear. Our report is only valid when bearing the Valuer's signature.

Date of valuation

Unless otherwise stated, the effective date of the valuation is the date of the inspection of the property. This valuation is current as at the date of valuation only. The value assessed herein may change significantly and unexpectedly over a relatively short period (including as a result of general market movements or factors specific to the particular property). We do not accept liability for losses arising from such subsequent changes in value.

Without limiting the generality of the above comment, we do not assume any responsibility or accept any liability where this valuation is relied upon after the expiration of 3 months from the date of the valuation, or such earlier date if you become aware of any factors that have any effect on the valuation.

Legislation

We have not obtained a Land Information Memorandum (LIM) or Property Information Memorandum (PIM) for this property which, unless otherwise stated, is assumed to conform to all requirements of the Resource Management Act 1991, the New Zealand Building Code contained in the First Schedule to the Building Regulations 1992, the Building Act 2004 and any Historic Places Trust registration.

Our valuation reports are prepared on the basis that properties comply with all relevant legislation and regulations and that there is no adverse or beneficial information recorded on the Territorial Local Authority (TLA) property file, unless otherwise stated. Legislation that may be of importance in this regard includes the Health & Safety at Work Act 2015, the Fire Safety and Evacuation of Buildings Regulation 1992, and the Disabled Persons Community Welfare Act 1975.

Registrations

Unless otherwise stated, our valuation is subject to there being no detrimental or beneficial registrations affecting the value of the property other than those appearing on the title. Such registrations may include Waahi Tapu and Heritage New Zealand registrations.

Reliability of data

The data and statistical information contained herein was gathered for valuation purposes 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 values.

GST

The available sources of sales data upon which our valuation is based generally do not identify whether or not a sale price is inclusive or exclusive of GST. Unless it has been necessary and possible to specifically verify the GST status of a particular sale, it has been assumed that available sale price data has been transacted on a GST inclusive (if any) basis, which is in accordance with standard industry practice for most residential property. Should this interpretation not be correct for any particular sale or rental used as evidence, we reserve the right to reconsider our valuation.

Land survey

We have made no survey of the subject property and assume no responsibility in connection with these matters. Unless otherwise stated, the valuation has been assessed conditional upon all improvements being within the title boundaries.

Unless otherwise stated, we have not undertaken investigations or been supplied with geotechnical reports with respect to the nature of the underlying land. Unless otherwise stated, the valuation has been assessed conditional upon the land being firm and suitable ground for the existing and/or potential development, without the need for additional and expensive foundation and retaining work or drainage systems.

Contamination

We have not undertaken an environmental audit of the property. Unless otherwise stated, our valuation and report are conditional upon the land and buildings being unaffected by harmful contaminants or noxious materials which may impact on value. Verification that the property is free from contamination and has not been affected by noxious materials should be obtained from a suitably qualified environmental expert.

Not a structural survey

Our inspection has been undertaken for valuation purposes only and does not constitute a structural survey. Verification that the building is sound should be obtained from a suitably qualified building engineer. If the building is found to be unsound, this finding/new information is likely to impact on the value of the property.

Earthquake-prone buildings

We are aware that a number of buildings are, or may be potentially, affected by local territorial authority policies for 'earthquake-prone' buildings (Earthquake-Prone Building Policies) required to be in place under the Building Act 2004. The Earthquake-Prone Building Policies may require building owners to undertake engineering investigations and subsequent structural upgrading, demolition or other steps to meet the requirements of the Earthquake-Prone Building Policies. Unless otherwise stated, our valuation makes no allowance for any costs of investigation, upgrading, demolition or other steps which may be incurred by the building owner to meet the requirements of Earthquake Prone Building Policies. We are not qualified to determine the 'earthquake-prone' status of the buildings. Our valuation is therefore subject to a review, investigation and assessment of seismic performance of the building, by a suitably qualified building engineer, to determine the

'earthquake-prone' status of the building and where required, an estimate of any costs for structural upgrading, demolition or other steps required for the building to meet the requirements of Earthquake-Prone Building Policies. If the building is found to be 'earthquake-prone', this finding is likely to impact on the value of the property, and our valuation may materially alter as a result.

Systems

Our valuation has been assessed conditional upon all hot and cold water systems, electric systems, ventilating systems and other devices, fittings, installations or conveniences, including lifts and escalators where appropriate, as are in the building, being in proper working order and functioning for the purposes for which they were designed.

Market valuations

Market valuations are carried out in accordance with the Valuation Standards and Guidance Papers. Market Value is defined "The estimated amount for which an asset or liability should exchange on the date of valuation between a willing buyer and a willing seller in an arm's length transaction, after proper marketing and where the parties had each acted knowledgeably, prudently and without compulsion".

No allowances are made in our valuations for any expenses of realisation, or to reflect the balance of any outstanding mortgages either in respect of capital or interest accrued thereon.

Water leaks and penetration effects

We are aware that a number of buildings have developed problems associated with water leaks, water penetration, weather-proofing, moisture and water exit control systems, mould, fungi, mildew, rot, decay, gradual deterioration, microorganisms, bacteria, protozoa or like forms. Problems can result from defects in design, construction methods and materials used, or any combination of defects.

Our valuation has been assessed conditional upon all buildings and structures being constructed strictly in accordance with recommended practices and free from defect unless otherwise stated. We are not qualified to undertake, nor have we undertaken, a structural survey of the buildings or structures. We accept no liability for any defects that may arise as a result of poor building design, construction methods or building materials. If

you have any concerns, you should engage a suitably qualified person to report on this matter. Defects revealed by a suitably qualified expert may affect the value of the property.

Leases

The interpretation of leases or other contractual agreements referred to in this report is solely the opinion of the author and should not be construed as a legal interpretation. Furthermore, summaries of contractual agreements which may appear in the report or appendices, are presented for the sole purpose of giving the reader an overview of the salient facts thereof.

Tenancies

Unless specifically requested, we do not make detailed enquiries into the covenant strength of occupational tenants but rely on our judgement of the market perception of them. Unless otherwise advised, our valuation has been assessed subject to the tenant being independent of the owner and capable of meeting all financial obligations under the lease, and that there are no arrears of rent or undisclosed breaches of covenant. Further, our valuation is conditional upon all rents referred to in this report representing the rental arrangement stipulated in the contractual agreements pertaining to the tenant's occupancy, to the extent that such rents have not been prepaid, abated or inflated to reflect extraordinary circumstances, unless such conditions have been identified and noted in this report.

Risk analysis

The Risk Analysis is a simplified analysis based on the current experience and knowledge of the Valuer and is not a technical analysis. Those relying on the valuation cannot expect that the Valuer brings to the task any greater level of common knowledge or ability to foresee events than can be expected of persons experienced in the market for that class of property in its market place (which may be local or broader). The risk analysis is the product of the current experience of the Valuer based on information that is common knowledge and/or readily ascertainable in the market for that class of property in its marketplace. The risk analysis does not reflect information that is privileged or to which the market for that class of property in its market place does not have ready access and it does not reflect decisions, announcements, releases, articles and the like that the Valuer has not had reasonable time and opportunity to assess and consider, or would in the ordinary course of acting as a valuer become aware of or have access to. Subject to these limitations, the risk analysis

indicates the level of adverse impact each stated aspect has on the subject property's value and marketability as at the date of valuation.

Professional indemnity cover

We have in force at the time of supplying the above valuation, current professional negligence insurance appropriate to the nature and level of our business activities. The Registered Valuer is covered by the policy.

Valuer's statement

This report has been undertaken by Nina Smith who has inspected the property. The Registered Valuer holds an Annual Practising Certificate.

Please contact the writer should you wish to discuss any matters raised in this report.

Yours faithfully

CBRE Limited t/a TelferYoung from CBRE



Nina Smith - BSc; FRICS; ANZIV; SPINZ
Registered Valuer
Email: nina.smith@telferyoung.com

APPENDIX

APPENDIX A RECORD OF TITLE



**RECORD OF TITLE
UNDER LAND TRANSFER ACT 2017
FREEHOLD
Search Copy**

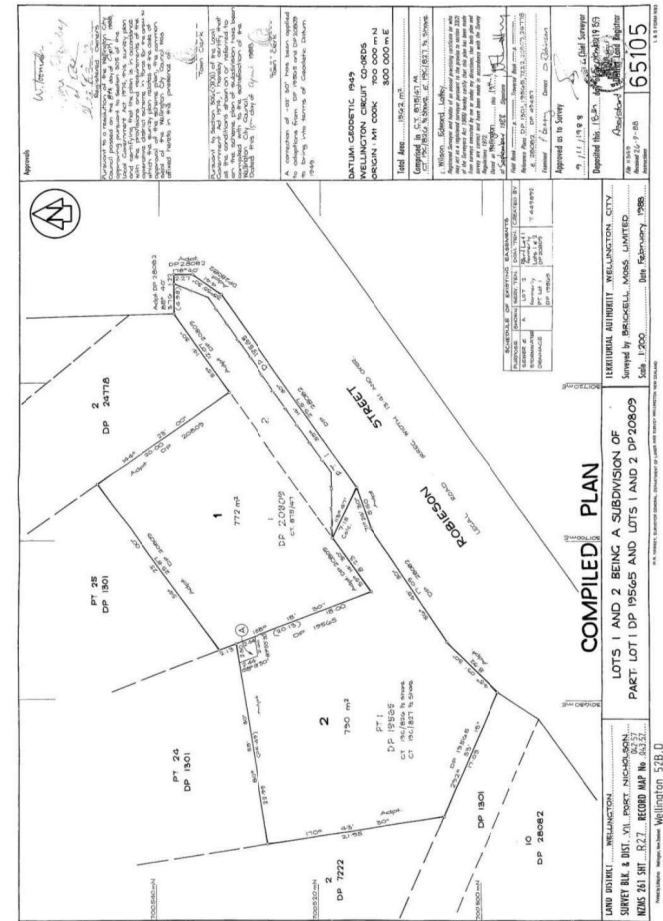


Identifier WN35B/535
Land Registration District Wellington
Date Issued 18 September 1989
Prior References
 WN19C/826 WN19C/827 WN875/47

Estate Fee Simple
Area 772 square metres more or less
Legal Description Lot 1 Deposited Plan 65105
Registered Owners
 Matthew Stuart Keir

Interests
 Appurtenant hereto are rights to stormwater and sewage drainage created by Transfer 449891 (affects part formerly Lot 1 DP 20809)
 Appurtenant hereto are rights to stormwater and sewage drainage created by Transfer 449892 (affects part formerly Lots 1 and 2 DP 20809)
 Appurtenant hereto are rights to stormwater and sewage drainage created by Transfer 449893 (affects part formerly Lot 1 DP 20809)
 9905394.3 Mortgage to Kiwibank Limited - 12.12.2014 at 10:24 am

Identifier WN35B/535



APPENDIX B ADDITIONAL PHOTOGRAPHS



Aspect from behind garage



Bedroom 1 (upper level)



Lower level living / rumpus area



Lower level living / rumpus



Kitchen



Kitchen / dining



Lower level bathroom



Laundry



Upper level bathroom



Upper level hallway and bathroom



Bedroom 3 (lower level)



Bedroom 4 (lower level)

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