

## Market Valuation

B/40 Stanley Road South  
Te Aroha  
Matamata Piako District

**Client:** Charlotte Porter  
**Date:** 3 September 2015

**TelferYoung (Waikato) Limited**



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Appendix A: Computer Register

Appendix B: Additional Photographs

Our Ref: WAI-64929

TelferYoung  
Waikato

7 September 2015

ANZ Bank New Zealand Limited  
201-203 Great South Road  
Papakura  
Auckland 2110

Attention: Sunil Sharma

## **Market Valuation**

### **B/40 Stanley Road South, Te Aroha, Matamata Piako District**

### **Charlotte Porter**

In accordance with instructions from Charlotte Porter we inspected the above property on 3 September 2015 to assess the Market Value for mortgage lending purposes.

This report must be read in conjunction with TelferYoung (Waikato) Limited's Statement of Limiting Conditions and Valuation Policy.

## **1.0 Valuation Summary**

### **1.1 Brief Description**

Built in 2004, this is a three bedroom, one bathroom colorsteel (weatherboard profile) home with a detached double carport, four bay implement shed, situated upon a 2.504 ha site within the Te Aroha locality.

### **1.2 Valuation**

We assess the Market Value of the property as at the date of inspection, at **Five Hundred and Sixty Thousand Dollars (\$560,000)** including GST (if any).

The valuation is inclusive of \$12,000 chattels.

### **1.3 Conditions of Valuation**

+ Nil

### **1.4 Mortgage Recommendation**

In compliance with requirements of the Australia and New Zealand Valuation and Property Standards, unless an intending lender expressly requests or has a stated policy requirement that such recommendation be provided by the valuer, no specific recommendation has been made as either to the suitability of the property as a lending security or the maximum loan as an amount or percentage of value.

## 2.0 Scope of Work

### 2.1 The Valuer

The valuation has been undertaken by Lindsay Williams who provides this objective and unbiased valuation. The valuer has no material connection with the instructing party and has the appropriate qualifications and experience to undertake the valuation.

### 2.2 Our Client

This valuation has been prepared on specific instructions from Charlotte Porter to assess the Market Value for mortgage lending purposes. The report is not to be relied upon by any other person or for any other purpose. We accept no liability to third parties nor do we contemplate that this report will be relied upon by third parties. We invite other parties who may come into possession of this report to seek our written consent to them relying on this report. We reserve the right to withhold our consent or to review the contents of this report in the event that our consent is sought.

We can confirm that ANZ Bank New Zealand Limited can rely on this report.

### 2.3 Purpose of the Valuation

Market Value for mortgage lending purposes.

### 2.4 Asset Valued

B/40 Stanley Road South, Te Aroha, Matamata Piako District.

### 2.5 Basis of Valuation

Market Value

Market Value is defined in International Valuation Standards 2013 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.*

### 2.6 Important Dates

Inspection Date: 3 September 2015

Valuation Date: 3 September 2015

### 2.7 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.

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.

We have not been provided with an environmental audit of the property and we are not aware of any potential environmental concerns. Our valuation and report assumes that the land and buildings are unaffected by harmful contaminants or noxious materials which may impact on value.

We have not conducted a land survey of the subject property and assume all improvements lie within the title boundaries.

We have not sighted a current Land Information Memorandum for the subject property during the course of this valuation. Our report is subject to there being no outstanding requisitions or adverse information affecting the property.

## **2.8 Nature and Source of Information Relied Upon**

No information specifically relating to this property has been supplied directly from another party.

## **2.9 Assumptions and Special Assumptions**

For standard valuation assumptions made in completing the report refer to 'Extent of Investigations' and 'Statement of Limiting Conditions and Valuation Policy'.

## **2.10 Reporting Format**

We have been instructed to provide a formal valuation report meeting all the appropriate standards.

## **2.11 Valuation Standards**

Our valuation has been prepared in accordance with International Valuation Standards 2013 and Australia and New Zealand Valuation Guidance Notes including:

- + IVS                    - Framework
- + IVS 101            - Scope of Work
- + IVS 102            - Implementation
- + IVS 103            - Reporting
- + IVS 230            - Real Property Interests
- + IVS 310            - Valuation of Real Property Interests for Secured Lending
- + ANZVGN 1        - Valuation Procedures - Real Property
- + ANZVGN 2        - Valuations for Mortgage and Loan Security Purposes
- + ANZRPGN 1      - Disclaimer Clauses and Qualification Statements



### 3.0 Legal Description

Identifier:	SA68B/633
Land Registration District:	South Auckland
Legal Description:	Lot 2 Deposited Plan South Auckland 86335
Estate:	Fee Simple
Area:	2.5040 ha (more or less)
Proprietor(s):	Melville Murray Horn as to a 1/2 share  Pamela Margaret Horn as to a 1/2 share
Interests:	<ul style="list-style-type: none"><li>+ Subject to Section 59 Land Act 1948 - reserving mineral rights to the Crown.</li><li>+ B632024.2 Consent Notice pursuant to Section 221(1) Resource Management Act 1991 - residents of future dwellings accept existing and future nuisance conditions associated with the adjacent racecourse. Any future dwelling consents will not be consented unless the property is being developed for racehorse training establishments.</li><li>+ Subject to a right of way over parts marked A and B on DPS 86335 specified in Easement Certificate B632024.5 - for the benefit of the subject.</li><li>+ Appurtenant hereto are rights of way and rights to convey water, transmit electricity and telecommunications specified in Easement Certificate B632024.5 - 27.10.2000 at 3.26 pm</li><li>+ The easements specified in Easement Certificate B632024.5 are subject to Section 243 (a) Resource Management Act 1991</li><li>+ Land Covenant in Transfer B643536.1 - can not erect any building or structure, or grow any tree or vegetation that will obscure the view from the grandstands.</li><li>+ 7916408.1 Mortgage to Bank of New Zealand - 27.8.2008 at 10:04 am</li></ul>
Comments:	The above interests have been taken into account in our valuation considerations.
Appendix:	Copy of the Computer Register is included as <b>Appendix A</b>

## 4.0 Resource Management

Territorial Authority: Matamata Piako District

Plan Status: Operative

Zone: Rural

Zone Description: The goal of the rural zone is to sustain the land resource for the community's social and economic well being and that of future generations. Sustainable activities will revolve around those to conserve and enhance the district's land resources to enable activities that do not threaten the life supporting capacity of the soil and consequently water and ecosystems. This will restrict subdivision on good quality soils.

Permitted activities include one dwelling per property plus accessory buildings for permitted activity and rurally based activities including conservation forestry, farming and production forestry and use of land for effluent of non-human waste for agricultural activities.

Development Controls: The Environment Court issued a Consent Order 29 September 2013 in relation to Proposed Plan Change 42 relating to the minimum allotment sizes for subdivision of rural land.

The minimum lot size is dependent on soil quality classification;

High quality soils (Land Use Class I, II and III):

Minimum subdivision area is 40ha. A "small rural" lot can be created per title in existence at 4 December 2013 with a lot size between 8ha and 40ha and subject to a balance lot area of 20ha or more. A "rural lifestyle lot" can be created per title in existence at November 1996 with a lot size between 2500m<sup>2</sup> and 1ha and subject to a balance area of 40ha or more.

General quality soils:

Minimum subdivision area is 20ha. A small rural lot can be created per title in existence at 4 December 2013 with a lot size between 8ha and 20ha and subject to a balance lot area of 20ha or more. A "rural lifestyle lot" can be created per title in existence at 4 December 2013 with a lot size between 5000m<sup>2</sup> and 2ha and subject to a balance area of 8ha or more.

Comments: The current use is a permitted activity.



## 4.1 Rating Valuation

As at 1 July 2012

Land Value	\$230,000
Improvements Value	<u>\$220,000</u>
Capital Value	\$450,000

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, even when the property might be leasehold.

## 4.2 Rates Payable

As at the date of valuation, the rates per annum (inclusive of GST) are as follows:

Territorial Authority	\$1,573.55
Regional Council	\$492.70



## 5.0 Location



Te Aroha is a rural service town at the base of Mount Te Aroha, on the east side of the Hauraki Plains and bisected by the Waihou River. It had a growing population of 3,906 as at the 2013 census and provides a range of commercial and community services.

Te Aroha provides residents with a selection of schools including three primary schools and a secondary school with the majority of the residential area situated on the eastern side of the Waihou River.

The main retail precinct is centred along Whitaker Street, between Rolleston and Lawrence Street providing all the necessary day to day necessities.

The main employment for the area comprises of Fonterra Waitoa dairy plant, and Silver Ferns meat works, and Ighams chicken processing plant. There are also service industries supporting these processing plants and the rural community in general.

## 6.0 Land

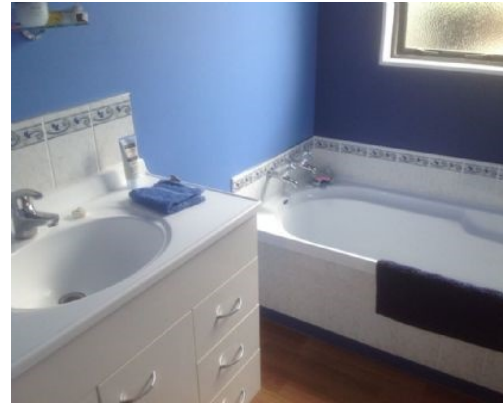


Area:	2.5000 ha (more or less)
Frontage:	Nil
Depth:	Varied
Shape:	See outline above
Contour:	Easy
Services:	<p>The following services are available at the site;</p> <ul style="list-style-type: none"> <li>+ Electricity</li> <li>+ Telephone</li> <li>+ Local water supply scheme</li> <li>+ Sewage disposal via a septic tank system</li> <li>+ A rural mail service</li> </ul>
Views:	Rural views
Comments:	The District Plan identifies part of the land as being within a flood hazard area. Any development of the land identified as having flood hazard a discretionary activity.

## 7.0 Improvements

### 7.1 Overview

Built in 2004, this is a three bedroom, one bathroom colorsteel (weatherboard profile) home with a detached double carport, four bay implement shed.



See **Appendix B** for additional photographs.

#### 7.1.1 Construction

Foundations:	Timber piles
Flooring:	Timber
Exterior Cladding:	Colorsteel (weatherboard profile)
Window Joinery:	Aluminium
Roofing:	Colorsteel
Internal Wall Linings:	Plasterboard
Ceiling Linings:	Plasterboard

#### 7.1.2 Floor Areas

The approximate floor areas are as follows:

Dwelling:	97.5 m <sup>2</sup>
Deck:	37.0 m <sup>2</sup>

### 7.1.3 Accommodation

Room	Includes
Entry:	Directly into the living area
Hallway:	Central hallway, HWC cupboard, provides access to most rooms, carpet flooring
Lounge:	Open plan with the dining room, ceiling fan, ranchslider to the exterior, carpet flooring
Dining:	Open plan with the kitchen and lounge, carpet floor coverings
Kitchen:	Formica benchtops, servery, single sink, melteca cabinetry, pantry, dishwasher, four plate electric stove, rangehood, vinyl floor
Bathroom:	Single vanity, shower, built in bath, heat lamp/extractor fan, vinyl floor
Toilet:	Separate toilet, hand basin, vinyl floor
Bedroom 1:	Double size, double wardrobe, ceiling fan, carpet floor coverings
Bedroom 2:	Double size, double wardrobe, carpet floor coverings
Bedroom 3:	Double size, double wardrobe, carpet floor coverings
Laundry:	A separate room, supertub with washing machine fittings, external access to the exterior, vinyl floor
Deck:	An average size outdoor living area, timber deck, private

### 7.1.4 Building Condition

Fixtures and fittings contained within the dwelling are original and are a good quality.

### 7.1.5 Chattels

The dwelling is fitted with good quality chattels presented in satisfactory condition. These include carpets, drapes, dishwasher, light fittings, ceiling fans, swimming pool pump.

## 7.2 Other Buildings

### Implement Shed

Gable:	148.5 m <sup>2</sup>
Foundations:	Concrete
Flooring:	Concrete
Walls:	Plywood
Roof:	Corrugated steel
Includes:	4 bay gable implement shed (prior stable), power, water, stainless steel sink bench, hot water cylinder, sliding door, double swing doors, in average condition

### Carport

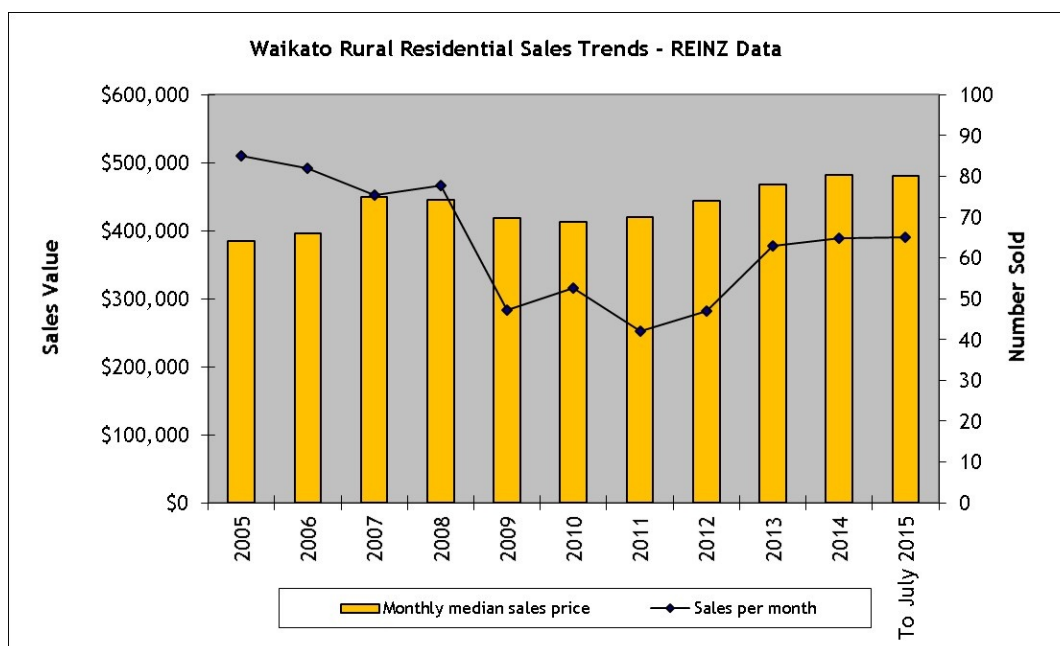
Double:	42.0 m <sup>2</sup>
Foundations:	Concrete
Flooring:	Concrete
Walls:	Plywood to 1.1
Roof:	Colorsteel
Includes:	Double carport, partially enclosed, covered all weather access to dwelling, ranchslider, small garden shed, in good condition

## 7.3 Other Improvements

Site development includes a metal driveway, concrete paths, timber deck, good quality timber fencing, swimming pool, surrounds and pool fencing, septic tank, small storage shed, planting and landscaping of an attractive nature. We recommend that any owner or occupier satisfy themselves that the pool complies with swimming pool regulations. The Local Territorial Authority can complete pool compliance inspections/reports.

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.

## 8.0 Market Commentary



Real Estate Institute figures of Waikato Rural Residential property sales for 2014 showed a median price of \$482,000 and 65 sales per month, with strong price rises in the last two months of the year. For the first seven months of 2015 the median price was \$481,000 with an average of 65 sales.

Statistics New Zealand report that the seasonally adjusted number of new dwellings consented was unchanged in May. The trend is increasing very slightly, following steady growth between May 2011 and June 2014. Immigration is a strong source of demand for property and we had a net gain for the 12 months to May 2015 of 57,800 (permanent and long term), up 15% from May 2014. Seasonally adjusted unemployment remained unchanged at 5.8% from December 2014 to the March 2015 quarter. In seasonally adjusted terms, the unemployment rate remained flat at 5.8% for the March 2015 quarter.

Reserve Bank moves to restrict high loan to value ratio lending have been affecting the number of first home buyers in the market. Last year the Official Cash Rate (OCR) increased four times from February 2014 from 2.5% to 3.50%. Floating mortgage interest rate for banks moved up shortly after each rise. The OCR announcement in July lowered interest rates by 0.25%, a further reduction on the June announcement of the same amount with the OCR now at 3.0%, and expectations of a further reduction. This is likely to stimulate new long term fixed term mortgages that will appeal to investors.

Dairy product prices have fluctuated widely over recent years and rose to new high levels in the 2013/14 season. This added economic significantly benefits the local community. Fonterra has recently announced a drop in the payout to farmers for the 2014/15 season and warned that the following year will only be slightly better. This is considered to have a slowing effect on rural service industries. Lamb and beef prices were ahead of last season until recently, but have softened slightly in recent months. These are not expected to affect the local economy.



On this basis we anticipate that in the medium term, Waikato rural residential and lifestyle sales volumes will continue at similar to the current level, with some seasonal variation. The medium term outlook for prices is positive, particularly for well-located and well-appointed properties, while properties requiring work or with other drawbacks remain difficult to sell.

## 9.0 Valuation Methodology

To establish the Market Value of the property, we have utilised recognised valuation methodologies:

- + Market Comparison
- + Net Rate

### Market Comparison

This approach involves a comparison between the property and sales of similar properties in the surrounding area.

In comparing the property with sales evidence, we have considered factors which have a direct impact on the sale price. 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.

Recent sales of particular relevance include (but are not limited to) the following:

### Land Sales

#### + McCabe Road, Te Aroha

Sale Date:	2 April 2015
Sale Price:	\$500,000
Land Area:	3.3790 ha (more or less)
Comparison:	Larger land area.



Comment:	An equestrian block comprising a large stable, mechanical horse walker, two bay implement shed, adjacent to the Te Aroha race course.
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## Improved Sales

### + 31 Racecourse Road, Te Aroha

Sale Date: 30 April 2015  
 Sale Price: \$477,500  
 Building Area: 166 m<sup>2</sup> (recorded)  
 Land Area: 1.0540 ha (more or less)  
 Comparison: Smaller land area.

Comment: Built about 2010-19, this is a 4 bedroom, 3 bathroom fibre cement dwelling with an integrated double garage, four bay shed, situated on a front site.



### + 126 McCabe Road, Te Aroha

Sale Date: 28 August 2015  
 Sale Price: \$478,500  
 Building Area: 80 m<sup>2</sup> (recorded)  
 Land Area: 2.1590 ha (more or less)  
 Comparison: An inferior property due to the quality of the improvements.

Comment: Built about 1990 - 1999, this is a 3 bedroom, 1 bathroom dwelling with a detached double garage with games room, large shed, situated on a front site.



### + 102 Lovegrove Road, Te Aroha

Sale Date: 27 December 2014  
 Sale Price: \$635,000  
 Building Area: 210 m<sup>2</sup> (recorded)  
 Land Area: 2.4070 ha (more or less)  
 Comparison: A superior property due to the quality of the improvements.

Comment: Built about 1990 - 1999, this is a 4 bedroom, 2 bathroom brick dwelling with an integrated double garage, 2 bay hay shed situated on a front site.



### + 103 Lovegrove Road, Te Aroha

Sale Date: 12 June 2015  
 Sale Price: \$722,500  
 Building Area: 307 m<sup>2</sup> (recorded)  
 Land Area: 2.8600 ha (more or less)  
 Comparison: A superior property due to the quality of the improvements.

Comment: Built about 1980 - 1989, this is a three bedroom, two bathroom brick home with an integrated double garage and stables, situated upon a 2.8640 ha site within the Te Aroha locality.



31 Racecourse Road comprises a more modern dwelling situated on a smaller land area. Overall considered inferior.



126 McCabe Road has a smaller dwelling and inferior level of additional improvements. Considered inferior.

102 Lovegrove Road comprises a larger superior quality home. Considered superior.

103 Lovegrove Road has a older yet more substantial dwelling. Considered superior.

Based on our analysis of the sales, we have concluded an indicated Market Value of **\$560,000**.

### Net Rate

Under the net rate approach each sale is analysed to a residual for the dwelling after deducting the land, other improvements and chattels. The net rate is then expressed as a rate per square metre of the dwelling floor area.

The net rates analysed from the sales evidence are then compared to the dwelling to determine an appropriate rate to value the dwelling. The value of the other improvements associated with the property are added to provide an indicated Market Value.

Our calculations are as follows:

Land Value			\$290,000
Dwelling	98 m <sup>2</sup> @ \$1,631/m <sup>2</sup>	\$159,000	
Other Improvements		\$80,000	
Other Buildings		<u>\$20,000</u>	
Total Improvements			\$259,000
Chattels			<u>\$12,000</u>
<b>Indicated Market Value</b>			<b>\$561,000</b>

### Valuation Summary and Reconciliation

Methods	Value
Market Comparison	\$560,000
Net Rate	\$561,000
<b>Market Value - Adopt</b>	<b>\$560,000</b>



## 10.0 Valuation

We assess the Market Value at **Five Hundred and Sixty Thousand Dollars (\$560,000)** including GST (if any).

The value can be apportioned as follows:

Land	\$290,000
Improvements	\$258,000
Chattels	<u>\$12,000</u>
<b>Market Value</b>	<b>\$560,000</b>

## 11.0 Conditions of Valuation

+ Nil

## 12.0 Risk Analysis

This Risk Analysis reflects the current impact on the subject property of a number of specific factors. Eight factors are considered, four property specific aspects and four market related aspects. Each individual Risk Rating is determined by considering a factor (such as Location or the Local Economy) and the effect that may have on the subject property's value and marketability. Lower Risk Ratings are an indication of a property that should perform well in the market place. However a higher Risk Rating may indicate a property that, in comparison with other similar properties, may be inferior in terms of value stability and marketability.

A numerical Risk Rating is provided for each factor and has been graphed as follows:

Property Risk Rating*	1	2	3	4	5	Market Risk Rating*	1	2	3	4	5
+ Location/Neighbourhood		2				+ Recent Market Direction		2			
+ Land (inc. planning & title)		2				+ Market Volatility		2			
+ Environmental Issues		2				+ Local Economy Impact		2			
+ Improvements		2				+ Market Segment Conditions		2			

\*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 are 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.

## 13.0 Mortgage Recommendation

In compliance with requirements of the Australia and New Zealand Valuation and Property Standards, unless an intending lender expressly requests or has a stated policy requirement that such recommendation be provided by the valuer, no specific recommendation has been made as either to the suitability of the property as a lending security or the maximum loan as an amount or percentage of value.



## 14.0 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 TelferYoung (Waikato) Limited and the author of the report. TelferYoung (Waikato) Limited 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 original 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 90 days 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 in Employment Act 1992, 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 Historic Places Trust 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, TelferYoung (Waikato) Limited reserves the right to reconsider the report, and if necessary, reassess values.*



## **GST**

*When analysing the sales and/or leasing evidence relied upon for this valuation, it is noted that we have attempted to ascertain whether or not the sale price/rental is inclusive or exclusive of Goods and Services Tax (GST). The national property database of sales evidence does not always identify whether or not the sale price is inclusive or exclusive of GST. Where we have not been able to verify the matter of GST, we have assumed that the national property database record of sale price is inclusive of GST (if any) for residential properties and plus GST (if any) for non-residential properties. Should this not be the case 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 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.*

## **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 Notes. 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 have 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.*

## **Mortgage Recommendation**

*The Australia and New Zealand Valuation and Property Standards require that, unless specifically requested by a lender, the valuation report should make no specific recommendation as to the suitability of the property as a security or the maximum loan as an amount or percentage of value. The valuation report has however included comment on commonly known, readily ascertainable and/or reasonably foreseeable property-specific and market factors as are relevant to the market value and marketability, to assist in informing the lender.*

*We note that the valuation provided in this report is our opinion of the market value as at the valuation date, on a willing buyer/willing seller basis, and does not allow for the potential consequences and costs of a forced sale. The value may change in the future because of market conditions and changes to the state of the subject property.*

#### **Water Leaks & 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.*

#### **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 market place. 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.

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

Yours faithfully

**TelferYoung (Waikato) Limited**

Lindsay Williams - MPINZ, B Com (VPM)  
Registered Valuer

Email: [lindsay.williams@telferyoung.com](mailto:lindsay.williams@telferyoung.com)



## Appendix A Computer Register





## COMPUTER FREEHOLD REGISTER UNDER LAND TRANSFER ACT 1952

### Historical Search Copy



**Identifier** SA68B/633  
**Land Registration District** South Auckland  
**Date Issued** 27 October 2000

#### Prior References

SA15B/1214

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<b>Estate</b>	Fee Simple
<b>Area</b>	2.5040 hectares more or less
<b>Legal Description</b>	Lot 2 Deposited Plan South Auckland 86335

**Original Proprietors**  
Brett Anthony Harrison and Pamela Jane Harrison

#### Interests

Subject to Section 59 Land Act 1948  
B632024.2 Consent Notice pursuant to Section 221(1) Resource Management Act 1991 - 27.10.2000 at 3.26 pm  
Subject to a right of way over parts marked A and B on DPS 86335 specified in Easement Certificate B632024.5 - 27.10.2000 at 3.26 pm  
Appurtenant hereto are rights of way and rights to convey water, transmit electricity and telecommunications specified in Easement Certificate B632024.5 - 27.10.2000 at 3.26 pm  
The easements specified in Easement Certificate B632024.5 are subject to Section 243 (a) Resource Management Act 1991  
Land Covenant in Transfer B643536.1 - 25.1.2001 at 2.04 pm  
B643536.2 Mortgage to The National Bank of New Zealand Limited - 25.1.2001 at 2.04 pm  
5824179.1 Discharge of Mortgage B643536.2 - 4.12.2003 at 9:00 am  
5824179.2 Transfer to Melville Murray Horn (1/2 share) and Pamela Margaret Horn (1/2 share) - 4.12.2003 at 9:00 am  
7916408.1 Mortgage to Bank of New Zealand - 27.8.2008 at 10:04 am

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Transaction Id  
Client Reference csaunders001

Historical Search Copy Dated 31/08/15 4:11 pm, Page 1 of 3

Identifier SA68B/633

Reference:  
Prior CT: 15B/1214  
Document No.: B632024.4



REGISTER

LT69

68B/633

CERTIFICATE OF TITLE UNDER LAND TRANSFER ACT 1952

This Certificate dated the 27th day of October Two Thousand under the seal of the Registrar-General of Land, New Zealand, for the Land Registration District of SOUTH AUCKLAND

WITNESSETH that TE AROHA JOCKEY CLUB INCORPORATED

is seized of an estate in fee simple (subject to such reservations, restrictions, encumbrances and interests as are notified by memorial endorsed hereon) in the land hereinafter described, delineated on the plan hereon, be the several admeasurements a little more or less, that is to say: All that parcel of land containing 2.5040 hectares, more or less, **LOT 2 DEPOSITED PLAN S 86335**



Subject to Section 59 Land Act 1948

B632024.2 Consent Notice under Section 221(1) Resource Management Act 1991

B632024.5 Easement certificate affecting Lots on DPS 86335

NATURE	SERVIENT LAND	DOMINANT LAND
Right of Way	1-A CT 68B/632	2
Right of Way	2-B	3 CT 68B/634
Right of Way, Right to Convey Water, Right to Transmit Electricity & Telecommunications	1-C, D	2
Right to Transmit Electricity and Telecommunications	7-J CT 68B/638	2
Right of Way	1-I	2

The above easements will be subject to Section 243(a) Resource Management Act 1991 when created

-all 27.10.2000 at 3.26

B643536.1 Transfer to Brett Anthony Harrison and Pamela Jane Harrison

Land covenant in Transfer B643536.1

B643536.2 Mortgage to The National Bank of New Zealand Limited

all 25.1.2001 at 2.04

for RGL

68B/633

Transaction Id  
Client Reference csaunderst001

Historical Search Copy Dated 31/08/15 4:11 pm, Page 2 of 3





## Appendix B

### Additional Photographs



Carport



Implement Shed



Pool



