

Residential Valuation Report

85 Manakura Street, Russley,
Christchurch



Prepared For:	TBA
Client:	Steadhurst Properties Limited
Effective Date:	21 June 2019



Valuation Summary

This Valuation Summary is part of the entire valuation report and must be read in conjunction with the whole report.

Address	85 Manakura Street, Russley, Christchurch
Instructed By	Campbell Venning
Client	Steadhurst Properties Limited
Lender	TBA
Purpose of Valuation	To assess the Market Value 'As If Complete' for mortgage lending purposes
Type of Property	Proposed Townhouse Development



Brief Description	The subject property comprises a 5557 lot in the Manakura Neighbourhood in the Karamu Subdivision being a Ngai Tahu Subdivision on the Riccarton Racecourse in Yaldhurst Road. Our brief is to assess completed market value on an individual basis for all 16 townhouses that will be developed at the same time.
Effective Date	21 June 2019
Report Preparation Date	2 June 2019
Special Assumptions	<p>The valuation is subject to the following:</p> <ul style="list-style-type: none"> ➤ Completion of the residence and associated hard landscaping in a good, workmanlike manner in accordance with the plans, specifications and information as forwarded to us and detailed herein ➤ Compliance of the property with the Building Act 2004, the Resource Management Act 1991 and all Local Council By-laws and Requirements ➤ An inspection by the Valuer following practical completion of construction. The right is reserved to review and, if necessary, vary the valuation in this report if there are any changes in relation to the project ➤ The issuing of an unencumbered Record of Titles ➤ The issuing of a Code Compliance Completion Certificate <p>NB: The valuation reflects the Valuer's view of the market conditions existing at the date of the report and does not purport to predict future market condition.</p>
Significant Risks	None known

Market Value	'As if Complete'
Townhouse 1	\$550,000 (Five Hundred & Fifty Thousand Dollars)
Townhouse 2	\$560,000 (Five Hundred & Sixty Thousand Dollars)
Townhouse 3	\$560,000 (Five Hundred & Sixty Thousand Dollars)
Townhouse 4	\$545,000 (Five Hundred & Forty Five Thousand Dollars)
Townhouse 5	\$545,000 (Five Hundred & Forty Five Thousand Dollars)
Townhouse 6	\$560,000 (Five Hundred & Sixty Thousand Dollars)
Townhouse 7	\$560,000 (Five Hundred & Sixty Thousand Dollars)
Townhouse 8	\$545,000 (Five Hundred & Forty Five Thousand Dollars)
Townhouse 9	\$545,000 (Five Hundred & Forty Five Thousand Dollars)
Townhouse 10	\$560,000 (Five Hundred & Sixty Thousand Dollars)
Townhouse 11	\$560,000 (Five Hundred & Sixty Thousand Dollars)
Townhouse 12	\$545,000 (Five Hundred & Forty Five Thousand Dollars)
Townhouse 13	\$545,000 (Five Hundred & Forty Five Thousand Dollars)
Townhouse 14	\$560,000 (Five Hundred & Sixty Thousand Dollars)
Townhouse 15	\$560,000 (Five Hundred & Sixty Thousand Dollars)
Townhouse 16	\$550,000 (Five Hundred & Fifty Thousand Dollars)

The above values are inclusive of \$20,000 chattels for each of the proposed townhouses.

Unless otherwise stated, all figures are GST inclusive (if any).

Prepared By

FordBaker Valuation Limited

TERRY NAYLOR - B COM, FPINZ, FNZIV

REGISTERED VALUER

DIRECTOR

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Involvement: Inspection

Valuation Calculation

Report Preparation

Contents

1.	Valuer Introduction.....	4
1.1	Identification and Status of the Valuer.....	4
1.2	Instructed By.....	4
1.3	Client.....	4
1.4	Lender.....	4
1.5	Purpose of the Valuation	4
1.6	Basis of Value	4
1.7	Valuation Dates	4
1.8	Nature and Source of the Information Relied Upon	5
1.9	Assumptions and Special Assumptions.....	5
1.10	Restrictions on Use, Distribution or Publication	5
1.11	Valuation Standards.....	5
2.	Earthquake	6
3.	Environment	6
3.1	Technical Land Category	6
3.2	'LLUR' Property Statement (Listed Land Use Register)	6
3.3	Minimum Floor Level Requirements	7
4.	Insurance Status.....	7
5.	Record of Title – Parent Title	7
6.	Rating Valuation	8
7.	Location Map	8
7.1	Location Description	8
7.2	Amenities.....	9
7.3	Saleability	9
8.	Resource Management	9
9.	Site Description	10
9.1	Survey	11
10.	Improvements.....	11
10.1	Design.....	11
10.2	Year Built.....	11
10.3	Other Improvements	14
10.4	Condition.....	14
10.5	Other Matters	14
11.	Market Considerations	15
12.	Risk	20
12.1	Risk Summary.....	20
13.	Valuation Methodology	20
13.1	Improved Sales Evidence	21
13.2	Summary of Sales Evidence.....	22
13.3	Reconciliation of Sales	22
14.	Valuation	23
14.1	Valuation Assessment.....	23
15.	Special Assumptions	23
15.1	Valuer	24
15.2	Appendices	24

Detailed Property Report and Valuation

1. Valuer Introduction

This report has been prepared by Terrence John Naylor, B Com, FPINZ, FNZIV, who has been in private practice as a Registered Valuer since 1989, working as an Urban and Rural Valuer primarily in the Canterbury/Westland Province.

1.1 Identification and Status of the Valuer

We confirm that the Registered Valuer signing the report holds a current Annual Practicing Certificate.

We confirm that FordBaker Valuation Limited holds and maintains a current Indemnity Insurance Policy and that the Registered Valuer signing the report is covered by the Policy.

1.2 Instructed By

Campbell Venning

1.3 Client

Steadhurst Properties Limited

1.4 Lender

TBA

1.5 Purpose of the Valuation

To assess the Market Value 'As If Complete' for mortgage lending purposes

1.6 Basis of Value

The International Valuation Standards 1 July 2017 defines 'Market Value' 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.

1.7 Valuation Dates

Date of Inspection: 21 June 2019

Effective Date: 21 June 2019

1.8 Nature and Source of the Information Relied Upon

We have accessed the following information in completing this assessment:

- Record of Title – Land Information New Zealand
- Property-Guru information
- PropertySmarts (Headway Systems Limited)
- Christchurch City Council (www.ccc.govt.nz)
- Environment Canterbury (www.ecan.govt.nz)
- FordBaker Valuation Limited sales and rental database information
- Canterbury Earthquake Recovery Authority (CERA – now disestablished) information
- QuickMap (Custom Software Limited)
- Google Earth (<https://www.google.com/earth>)
- Google Maps (www.google.co.nz/maps)

1.9 Assumptions and Special Assumptions

For 'Special Assumptions' made in this report, refer to '14 Special Assumptions'.

1.10 Restrictions on Use, Distribution or Publication

The report is not to be relied upon by any other person or for any other purpose other than those parties identified under '1.3 Client'. 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.

Any lender identified under '1.4 Lender' can rely on this report if using the report for security purposes within three months of the report preparation date and we reserve the right to review the valuation after this period.

We reserve the right to withhold our consent or to review the contents of this report in the event that our consent is sought.

1.11 Valuation Standards

This valuation has been prepared with conformity to the International Valuation Standards 1 July 2017 as well as the Australia and New Zealand Valuation and Property Standards.

- IVS 101 Scope of Work.
- IVS 102 Investigations and Compliance.
- IVS 103 Reporting.
- IVS 104 Bases of Value.
- IVS 105 Valuation Approaches and Methods.
- IVS 400 Real Property Interests.
- IVS 410 Development Property.
- ANZVGN1 Valuation Procedures – Real Property.
- ANZVGN2 Valuations for Mortgage and Loan Security Purposes.
- This valuation report complies with the Residential Valuation Standing instructions dated 1 March 2019, V1.3.

2. Earthquake

Canterbury has experienced a number of major earthquakes since 4 September 2010 along with numerous subsequent aftershocks.

The Townhouses will be constructed after the Canterbury 2010/2011 earthquake series and accordingly there are no obvious signs of land or building damage associated with this property.

We are not expert in structural or geotechnical matters and are therefore not qualified to comment on the integrity of the land and any structures thereon, and whilst we have not seen anything that would, as a valuer acting reasonably, alert us to any issue in respect of the property's structural integrity, we would strongly recommend that you engage suitable professionals to report on these matters in order to satisfy yourself as to the physical condition of the property.

Our assessment has been undertaken on the basis that the integrity of the land and buildings has not been compromised. Should subsequent advice be contrary to this, we would reserve the right to review our assessment.

Furthermore, our assessment is contingent on suitable insurance being obtained and maintained for the property. Should adequate insurance be unable to be obtained or maintained, this may have a significant impact on the market value of the property.

3. Environment

3.1 Technical Land Category

Green Zone, N/A - Urban Non-Residential

- In this zone, some properties have experienced liquefaction-related land damage and considerable settlement during the sequence of Canterbury earthquakes. While land in the green zone is still generally considered suitable for residential construction, houses in some areas will need more robust foundations or site foundation design where foundation repairs or rebuilding are required.
- Technical Category not applicable means that non-residential properties in urban areas, properties in rural areas or beyond the extent of land damage mapping, and properties in the Port Hills and Banks Peninsula have not been given a Technical Category.
- Normal consenting procedures will apply in these areas.
- *The zoning information has been provided by the Ministry for Business, Innovation and Employment and is correct to the best of their knowledge at the time of publishing.*

3.2 'LLUR' Property Statement (Listed Land Use Register)

In May 2014, Environment Canterbury released the Listed Land Use Register, which identifies where hazardous activities are known to have occurred or are currently occurring in Canterbury. From reviewing the register the subject site notes that the property has on its HAIL (Hazardous Activities & Industries List) activity storage tanks or drums for fuel, chemicals or liquid waste; any other land and being a land fill site. This has been partially investigated by way of preliminary site investigation and on 17 May 2018 a Ground Contamination Assessment: Detailed Site Investigation by Eliot Sinclair & Partners has been completed with a summary investigation yet to be put on the HAIL register.

3.3 Minimum Floor Level Requirements

Potential Flood Hazard

We are aware that some areas of the City are prone to flooding in heavy rain events and that post-earthquake engineering studies have shown potential increases in flood levels in some suburbs. We would advise any concerned parties to contact the Christchurch City Council and/or utilise their floor level viewer of post-earthquake land levels, the link for which is shown below:

<https://ccc.govt.nz/services/stormwater-and-drainage/flooding/floorlevelmap/>

We have reviewed the information publicly available on the above site and this suggests that the site is not predicted to flood in a 50 year flooding event. The information supplied is preliminary only and to confirm the accuracy of this information would require a suitably qualified land surveyor to determine the land and dwelling levels. Accordingly, our valuation is completed on the basis that the property is not prone to significant flooding.

4. Insurance Status

Our assessment is contingent on adequate agreed value replacement or full reinstatement insurance including natural disaster cover being held or being able to be obtained and maintained for the property under terms and conditions that are not excessively onerous. Should this not be possible, then the marketability and market value of the property could be seriously affected.

In the case of an assigned insurance policy, some of the policy benefits can be less than those that would have been enjoyed by the original policy holder. Our valuation assumes that any assigned insurance policy includes full reinstatement cover.

5. Record of Title – Parent Title

Type:	Computer Freehold Register
Identifier:	798365
Land Registration District:	Canterbury
Estate (Tenure):	Fee Simple
Area:	9.7550 hectares more or less
Legal Description:	Lot 2 Deposited Plan 514466
Proprietor:	Ngai Tahu Property Limited
Interests of Note:	<p>The Computer Freehold Register is subject to:</p> <ul style="list-style-type: none"> ➤ Appurtenant hereto is a right of way created by Transfer 481004 - 6.6.1958 at 11:50 am ➤ 10935601.2 Encumbrance to The Trustees of The Christchurch Racecourse - 1.2.2018 at 3:27 pm ➤ Fencing Covenant in Transfer 10935601.3 - 1.2.2018 at 3:27 pm ➤ 10935601.4 CAVEAT BY THE TRUSTEES OF THE CHRISTCHURCH RACECOURSE - 1.2.2018 at 3:27 pm
Comments on Interests:	The above interests have been taken into account in our valuation assessment.

Refer: 'Appendix A – Computer Freehold Register'

Titles are yet to be issued for the subdivision of this Title. Our valuation is subject to the issuance of 16 separate Freehold Titles and if there are any detrimental Easements or Encumbrances registered on the Titles the writer reserves the right to reassess the values of the individual townhouses.

6. Rating Valuation

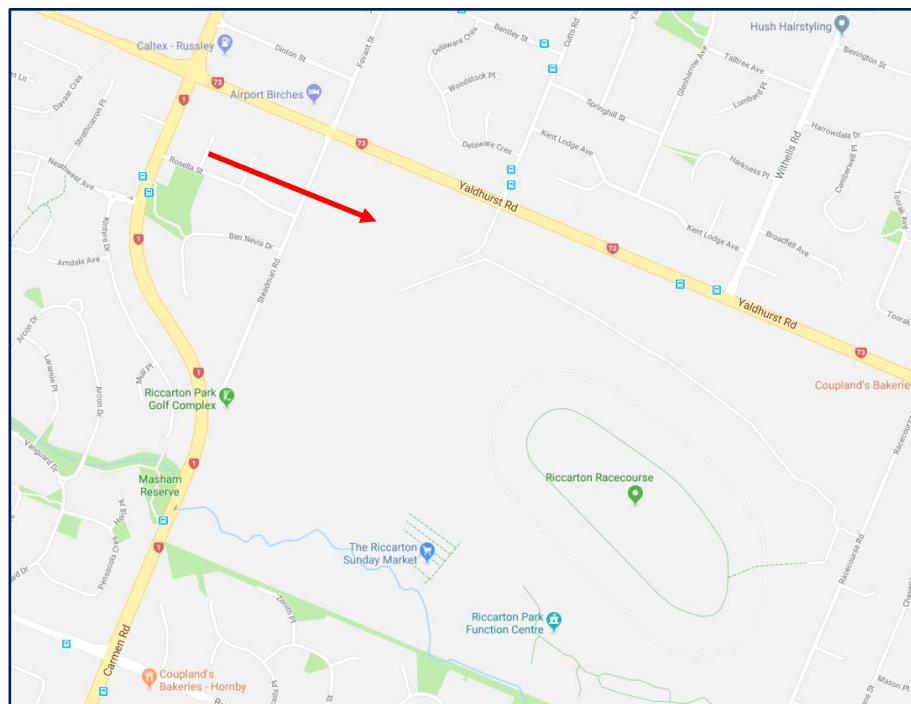
Rating Valuation as at 1 August 2016, Christchurch City Council

Land Value: \$700,000

Improvements Value:

Capital Value: \$700,000

7. Location Map



Source: www.google.co.nz/maps

7.1 Location Description

As indicated the property is part of the Karamu Subdivision being undertaken by Ngai Tahu Property Limited on the Riccarton Racecourse in Yaldhurst.

The subject property is located within Stage 1 of the development known as the Manakura Neighbourhood and offers individual sections as well as larger lots such as the subject for more intensive redevelopment. A particular feature of the Karamu subdivision is the number of properties that will be made available to first home buyers.

The subject block is located close to the intersection of Yaldhurst Road and Stedman Road and will be developed into 16 further lots.

It is close to a proposed playground.

7.2 Amenities

The subject property forms part of the Ngai Tahu subdivision known as the 'Karamu' subdivision and is situated in and around the Riccarton Racecourse. There is good primary and intermediate schools in the area and there are also a number of secondary school options whilst shopping can be found at The Bush Inn Centre, where there is also an array of professional services.

The public service is located within close proximity. The property is situated 8 kilometres from the City Centre.

7.3 Saleability

Properties within this locality tend to fall within the middle bracket of the Christchurch market. We believe the subject property would sell readily once completed and assuming realistic marketing conditions and pricing.

We feel that these townhouses would find added appeal to the buying public due to the recent exterior and interior works completed but also will comply with the requirement for first home buyers.

8. Resource Management

Local Authority: Christchurch City Council

Zoning: Under the Christchurch District Plan the site is zoned '**Residential New Neighbourhood**'.

The 'New Neighbourhood' zone generally includes new areas of Greenfield land where large scale residential development is planned. The zone will allow a wide range of residential house types and section sizes to provide for a wide spectrum of household sizes and affordable housing. Families will therefore be able to remain within the neighbourhood throughout their lifetime as they move to housing types that suit their life stage. These areas are intended to achieve higher overall residential densities than traditionally achieved in suburban developments.

This zoning provides standard sites and comprehensive development sites with different building standards. It allows for a net site area of up to 300 m², except for corner sites which are allowable for up to 400 m², or for comprehensive development there is no minimum area. It allows for subdivision design to achieve a minimum site density of 15 households per hectare, a building height of up to 8 metres and 11 metres for comprehensive development, and site coverage of 40% and no standard for comprehensive development.

Existing Use: The existing use of the property conforms as a permitted use under this zoning.

9. Site Description



Source: [Ngai Tahu Property Limited](#)

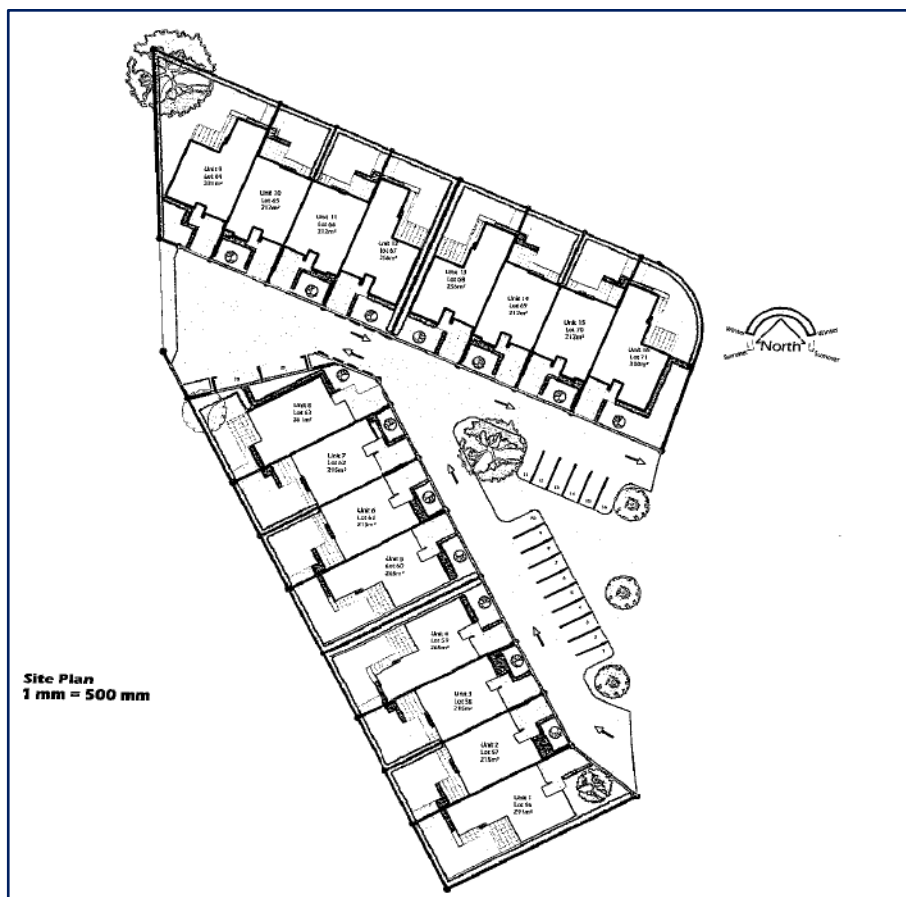
Site Area: 5557 m²

Site Description: The site is irregular in shape, has a level contour and a northerly aspect to the street.

Services: All normal town services are provided.

In preparing this report and unless otherwise stated, services to the property have not been tested nor have we searched local authority records to ascertain restrictions affecting the property.

Layout: The proposed layout of the 16 townhouses is as follows:



Source: [Bainbridge Homes](#)

9.1 Survey

We have not undertaken a survey of the property and its boundaries and assume no responsibility in connection with such matters. Unless otherwise stated, it is assumed that all improvements lie within the legal boundaries. Any sketch, plan or map in this report is included to assist the reader in visualising the property and should not be relied upon as being definitive.

10. Improvements

10.1 Design

We have been provided with designs for all 16 townhouses. They vary in size from the smallest being 139.5 m² to the largest being 157.4 m². All of the townhouses are built over two levels on their own separate freehold Title ranging between 215 m² up to the largest being 331 m². They are designed by Bainbridge Homes.

10.2 Year Built

To be constructed.

Floor Area(s)

TOTAL LAND AREA 5556M2 BUILDING SITE AREA 3921M2 ACCESS/Common AREA 1635M2 TOTAL ALLOWABLE SITE COVERAGE 1960M2								
	LAND AREA	LEVELS	BEDROOMS	BATHROOMS	GGE M ²	LIVING	ALFRESCO	TOTAL M ²
LOT 1	291	SINGLE	2.0	2.0	21.1	87.1	12.9	121.1
LOT 2	215	2 STOREY	3.0	2.0	21.6	117.9	0.0	139.5
LOT 3	215	2 STOREY	3.0	2.0	21.6	117.9	0.0	139.5
LOT 4	265	SINGLE	2.0	2.0	21.1	87.1	12.9	121.1
LOT 5	265	SINGLE	2.0	2.0	21.7	86.5	12.9	121.1
LOT 6	215	2 STOREY	3.0	2.0	21.6	117.9	0.0	139.5
LOT 7	215	2 STOREY	3.0	2.0	21.6	117.9	0.0	139.5
LOT 8	383	SINGLE	2.0	2.0	21.1	88.7	12.9	122.7
LOT 9	331	SINGLE	2.0	2.0	21.1	87.1	12.9	121.1
LOT 10	212	2 STOREY	3.0	2.0	21.6	117.9	0.0	139.5
LOT 11	212	2 STOREY	3.0	2.0	21.6	117.9	0.0	139.5
LOT 12	256	SINGLE	2.0	2.0	21.1	87.1	12.9	121.1
LOT 13	256	SINGLE	2.0	2.0	21.1	87.1	12.9	121.1
LOT 14	212	2 STOREY	3.0	2.0	21.6	117.9	0.0	139.5
LOT 15	212	2 STOREY	3.0	2.0	21.6	117.9	0.0	139.5
LOT 16	300	SINGLE	2.0	2.0	21.1	87.1	12.9	121.1
	4055		40.0	32.0	342.8	1640.4	103.2	2086.4

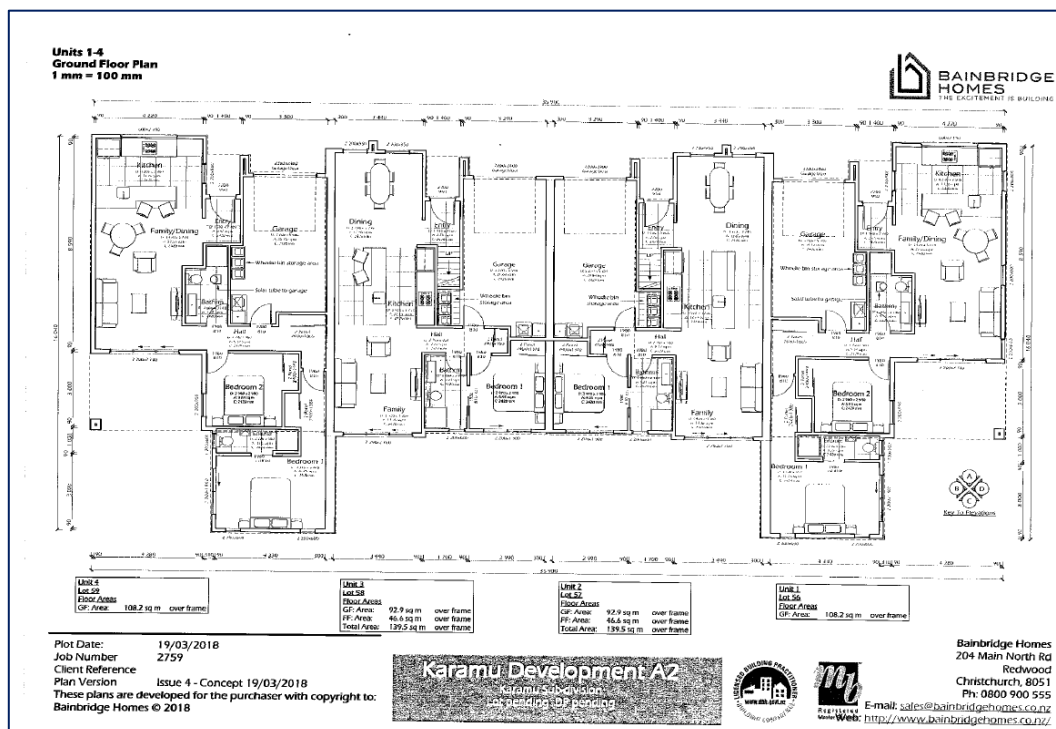
Construction

Foundations:	Concrete
Flooring:	Concrete and wooden to first floor
Exterior Cladding:	CRS 50mm Hebel power panel AAC over horizontal batten with some BSG stratum fibre cement sheets over 20mm cavity battens
Window Joinery:	Double glazed aluminium
Roofing:	Colorsteel
Internal Linings:	Gibraltar board

Layout

Layout is more or less identical for 8 of the townhouses being two bedroom units whilst the other 8 townhouses are three bedroom units. Typically, a layout comprises a garage with internal access, wheelie bin storage area and the laundry facilities. There is a downstairs bathroom as well as an open plan kitchen/dining/living area. There is a stairwell leading to the upper level and there are two bedrooms at ground floor level with one of the bedrooms having an ensuite.

At the upper level there are two further bedrooms with a bathroom and separated toilet with hand basin. For the eight two bedroom units there are two bedrooms downstairs as well as a bathroom with the alternate bedroom having its own ensuite. The layout is as follows:



Amenities

Internal Finishes:	Predominantly painted finishes
Floorings:	Carpet and tile
Heating:	Electric
Water Heating:	Electric hot water cylinder
Kitchen:	Tiled finish with island bar unit with insert stainless steel sink, back bench with hobs, under bench oven, dishwasher, range hood, pantry and a good array of under bench cupboard space.
Bathroom:	Shower, toilet and vanity
Ground Floor Ensuite:	Shower, toilet and vanity
First Floor Ensuite:	Shower and vanity
Separate Toilet:	Adjoining ensuite at the upper level
Laundry:	These facilities are located in the single garage
Storage:	Good storage throughout
Insulation:	Modern new townhouse with full insulation
Additional Features:	Garage with internal access and good indoor/outdoor living

Chattels

These will include carpets, fixed floor coverings, window furnishings, a dishwasher and light fittings, which, for the purpose of this report we consider will provide an added value of **\$20,000/Townhouse**.

10.3 Other Improvements

Other improvements will include a small sealed driveway to the garage. Each townhouse will have its own landscaped courtyard with outdoor area and there will be internal and boundary fencing, paths, clothesline and letterbox for each of the townhouses.

10.4 Condition

We have assumed the townhouses will be completed to a high level of workmanship like manner.

In accordance with Residential Valuation Standing instructions dated 1 March 2019, Version 1.3, Section 1.4.1, the Registered Valuer has internally inspected the residence.

10.5 Other Matters

10.5.1 Environmental

No enquiries in respect of any property or of any improvements thereon have been made for any sign of timber infestation, asbestos or other defect, whether latent, or patent. We are not aware if the property has been contaminated by the past or present manufacture or use of drugs or other noxious substances and have completed our assessment on the basis that the property is clear of contamination from such a cause. We reserve the right to amend our valuation should the property prove to be contaminated.

10.5.2 Structural

This report has been prepared for valuation purposes only and is not intended to be a structural, geotechnical or environmental survey. Furthermore, we have not sighted a qualified engineer's structural survey of the improvements, or its plant and equipment, nor are we a building construction and/or structural expert. Accordingly, we are unable to certify the structural soundness of the improvements, nor can we confirm whether the buildings are earthquake prone or present any seismic risk. Our assessment assumes the buildings to be sound unless stated otherwise. Prospective purchasers or mortgagees would need to make their own enquiries in this regard.

10.5.3 LIM / PIM

We have not obtained Project and Land Information Memoranda from the Local Authority and recommend these be requested by you. Where we have been unable to establish specific building consent/permit details, or code compliance information in respect of improvements undertaken, we have assumed that all building consents/permits have been obtained for the property and that compliance certification has been approved, with no major problems identified. If it is found within the Project and Land Information Memorandum that there are negative implications that may affect the property value, we reserve the right to review or reassess our valuation.

11. Market Considerations

Interest Rates:

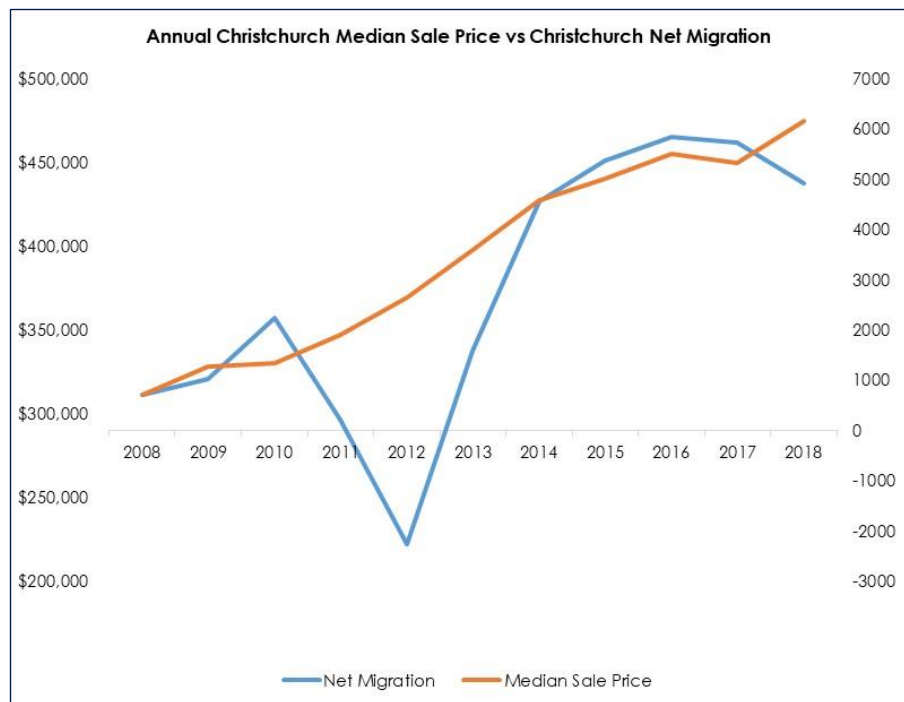
The Reserve Bank last decreased the Official Cash Rate (OCR) by 0.25% to 1.50% on 8 May 2019. For those with a 20.00% deposit or greater, floating mortgage rates from major banks, are in the range of 5.69% to 5.80%, two-year fixed rate mortgages are currently 3.89% to 3.99% and five-year fixed rate mortgages are currently between 4.39% and 4.95%.

The medium to long term mortgage interest rates have remained relatively stable over recent years although with higher five-year fixed rates than two-year fixed rates, there is an expectation of interest rate rises in the mid-term future.

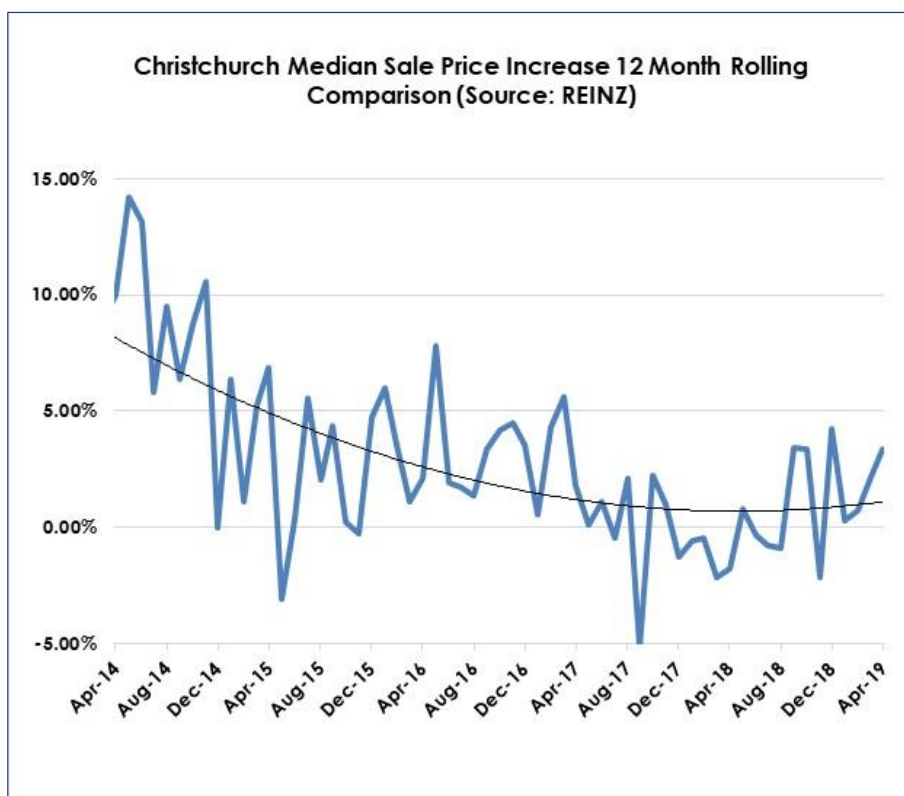
Migration:

A key driver of the residential property market - residential property values have traditionally followed migration trends. This graph correlation reflects the pressure applied to the market by positive and negative net migration movements. There was an obvious slump in net migration immediately after the February 2011 earthquake events, however recent trends show slight reductions in both net migration and median sale price.

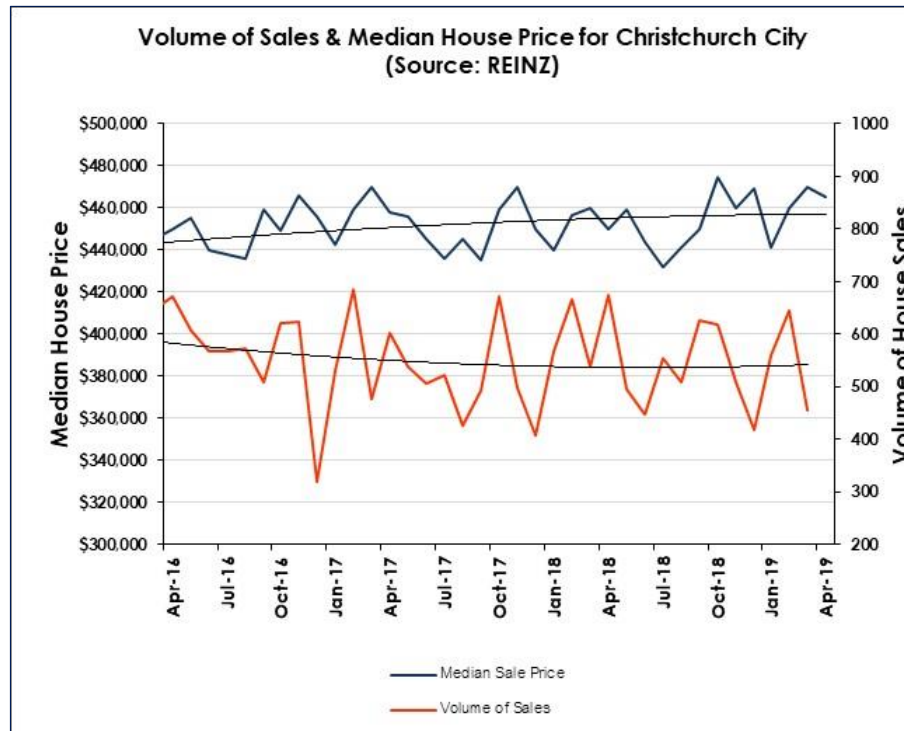
The government has introduced further restrictions on foreign ownership of residential property under the Overseas Investment Amendment Act 2018. This bill amends the Overseas Investment Act 2005 (the Act) to ensure that investments made by overseas persons in New Zealand will have genuine benefits for the country.



Market Trends: Key features of the Christchurch residential market include:



- The trend line indicates that the Christchurch median sale price increase over a 12-month rolling period (e.g. April 2019 vs April 2018) peaked in mid to late 2013 and has eased in the last 24 months
- According to REINZ, the Christchurch median sale price was \$465,000 in April 2019, compared with \$450,000 in April 2018. Sales volumes since April 2016 had been showing a small but progressive reduction after allowing for seasonal variations. This is highlighted in the graph below:



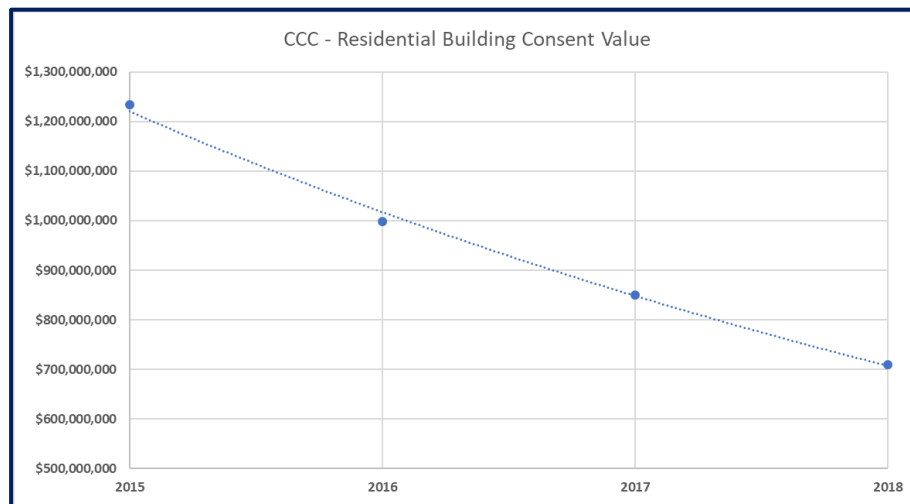
- A comparison of the median sale prices for March 2018 and March 2019 is outlined below with the percent increase:



Building Consents:

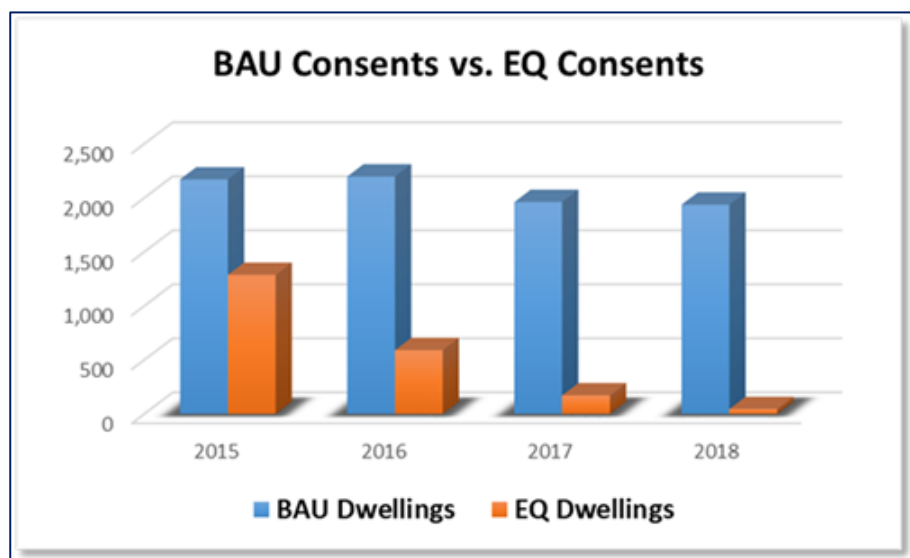
Christchurch City Council (CCC) Building Consent data has shown a significant reduction in the value of residential Building Consent work over recent years as the wave of post-earthquake repair and rebuilding work has receded.

The reduction in the value of Building Consents is clearly shown in the graph below:



Source –Blackburn Management and Christchurch City Council

Of the 1,982 Dwelling Consents granted by the CCC in 2018, only 45 of these were identified as Earthquake rebuilds, suggesting the post-earthquake rebuild program is virtually complete. The comparison between business as usual (BAU) consents and earthquake repair/rebuild consents is clearly shown below:



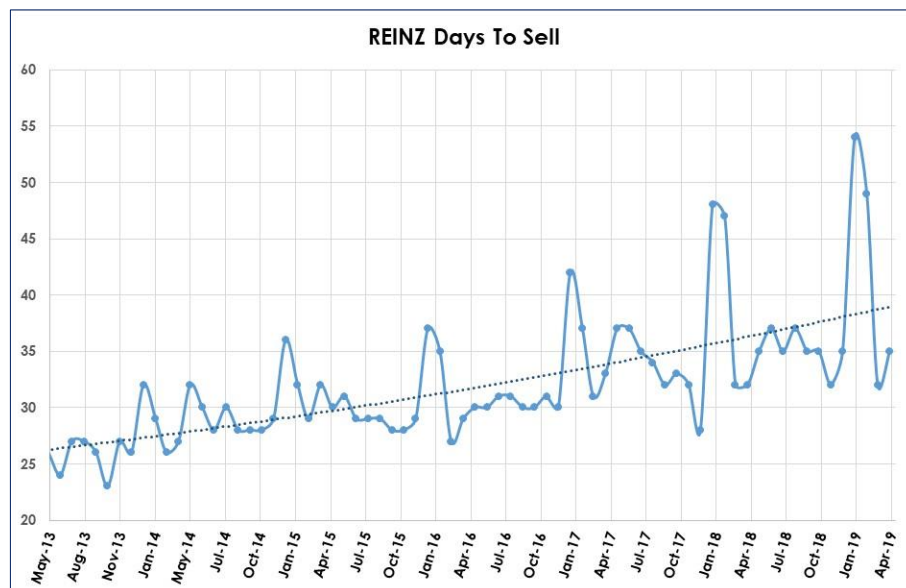
Source –Blackburn Management and Christchurch City Council

Interestingly, 15% of all CCC Building Consents issued in 2018 were in the Central City area.

General Market Issues:

- Price levels have stabilised over the past two years and we are now experiencing an increase in the average time to sell
- Buyers have become more discerning as the Canterbury market slows, something that is impacting on the saleability and value of properties where specific locational or quality defects exist
- The Christchurch City Council continue to determine the flood level modelling for the City
- Signs of an over-supply of property developing in Christchurch's satellite towns
- Pricing of some sectors of the residential building market is becoming more competitive

- On 28 November 2018, the RBNZ announced an easing of LVR restrictions effective 1 January 2019. From this date, 20% of mortgage loans to owner occupiers can have deposits of less than 20% (increased from 15%) whilst up to 5% of new mortgage loans to property investors can have deposits of less than 30% (lowered from 35%)
- Proposed Government changes could impact property owners and investors, and these include:
 - Residential Tenancy Act changes imposing increased restrictions on Landlords
 - "Brightline" test for 5 years of ownership remains in place
 - "Healthy Homes" upgrade requirements
 - New controls on overseas buyers investing in New Zealand have now been implemented
 - Tax changes made around the ring-fencing of residential rental property losses
- Christchurch's 'One Central' (formerly East Frame) development is now well under way
- Increased concerns over poor quality of some EQC repairs
- Substantial Rates and Insurance cost increases may have an influence on certain sectors of the market

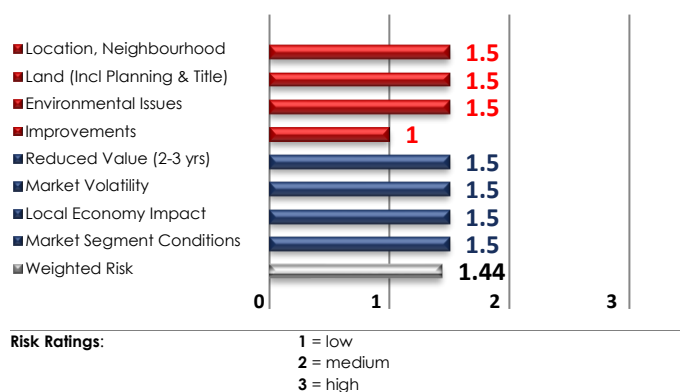


- According to REINZ, in April 2019 the median selling period for a property in Christchurch was 35 days to sell, compared with April 2018 where it was 32 days. There is an obvious trend of increased days to sell which is consistent with a slowing market

Key features of the suburban section sales market include:

- Section prices across Canterbury have shown modest price increases over the past twelve months
- At present there is a shortage of sections in some Christchurch suburbs however there are significant subdivisions underway that will increase the overall section supply
- There remains a strong supply of sections in the satellite towns, including Lincoln, Rolleston, Rangiora, Kaiapoi, Woodend and Pegasus

12. Risk



Note: Our observations within the Risk Assessment and the body of this report provide our opinion of the property as at the date of valuation. This opinion has been based on many factors including our research data and knowledge of the property market, and reflects the nature and standard of the property, inherent characteristics and current market conditions. The Risk Assessment herein forms part of the full valuation report and must not be relied upon in isolation.

12.1 Risk Summary

Strengths:

- Well located
- Close to amenities particularly at Upper Riccarton
- Low maintenance townhouses upon completion
- Good rental potential if required
- High density zoning
- Townhouses suitable for first home buyers

Weaknesses:

- Cross lease nature of the property
- Less buoyant market conditions in recent times
- Finance often becoming more difficult to acquire from main trading banks due to tightening of lending criteria

13. Valuation Methodology

We have undertaken our valuation assessment on the basis of market comparison, having regard to current prevailing market conditions and market evidence from within the locality. Comparisons are drawn with the evidence and subjective adjustments are applied where necessary to account for variations in land and location details, the size and nature of improvements and time.

Typically, the assessment is undertaken on a comparative basis, whereby the property is compared as a whole with market evidence. Having determined a value range from our sales evidence we have then finalised our valuation via a summation approach. Under this approach we determine appropriate values for the individual constituent parts which make up the value of the property namely the land value, improvements and chattels. This final value sum is detailed as the apportionment of value within our valuation assessment.

13.1 Improved Sales Evidence

Recent sales of relevance include, however are not limited to the following:



17A Kaplan Avenue, Islington, Christchurch

3 2 2

Last Sold	\$400,000 - 23 May 19	Floor Area	104 m ²
Capital Value	\$370,000 - 01 Aug 16	Roof	Steel/G-Iron
Land Value	\$150,000 - 01 Aug 16	Walls	Wood (incl Weatherboard)
Land Use		Building Age	2010-2019
Land Area	495 m ²		



17 Gallagher Close, Wigram, Christchurch

3 2 2

Last Sold	\$518,000 - 16 May 19	Floor Area	148 m ²
Capital Value	\$500,000 - 01 Aug 16	Roof	Tile Profile
Land Value	\$195,000 - 01 Aug 16	Walls	Brick
Land Use		Building Age	2010-2019
Land Area	319 m ²		



60 Sioux Avenue, Wigram, Christchurch

3 2 2

Last Sold	\$508,000 - 08 May 19	Floor Area	146 m ²
Capital Value	\$500,000 - 01 Aug 16	Roof	Steel/G-Iron
Land Value	\$195,000 - 01 Aug 16	Walls	Roughcast, etc
Land Use		Building Age	2010-2019
Land Area	322 m ²		



9 Hurricane Way, Wigram, Christchurch

3 2 2

Last Sold	\$450,000 - 05 May 19	Floor Area	136 m ²
Capital Value	\$440,000 - 01 Aug 16	Roof	Steel/G-Iron
Land Value	\$170,000 - 01 Aug 16	Walls	Brick
Land Use		Building Age	2000-2009
Land Area	303 m ²		



3 Glenbarr Lane, Broomfield, Christchurch

3 2 2

Last Sold	\$522,000 - 26 Apr 19	Floor Area	144 m ²
Capital Value	\$510,000 - 01 Aug 16	Roof	Steel/G-Iron
Land Value	\$170,000 - 01 Aug 16	Walls	Roughcast, etc
Land Use		Building Age	2010-2019
Land Area	732 m ²		



24 Porter Street, Wigram, Christchurch

3 2 4

Last Sold	\$540,000 - 15 Apr 19	Floor Area	142 m ²
Capital Value	\$540,000 - 01 Aug 16	Roof	Tile Profile
Land Value	\$195,000 - 01 Aug 16	Walls	Brick
Land Use		Building Age	2010-2019
Land Area	368 m ²		

2/280 Yaldhurst Road, Avonhead, Christchurch

 2  1  1

Last Sold	\$344,000 - 11 Apr 19	Floor Area	108 m ²
Capital Value	\$365,000 - 01 Aug 16	Roof	Steel/G-Iron
Land Value	\$126,000 - 01 Aug 16	Walls	Roughcast, etc
Land Use		Building Age	2010-2019
Land Area			

12A Merrin Street, Avonhead, Christchurch

Last Sold	\$550,000 - 05 Apr 19	Floor Area	100 m ²
Capital Value	\$530,000 - 01 Aug 16	Roof	Steel/G-Iron
Land Value	\$200,000 - 01 Aug 16	Walls	Mixed Material
Land Use		Building Age	2010-2019
Land Area	235 m ²		

* Photos sourced from Property Smarts and Real Estate Institute

13.2 Summary of Sales Evidence

Address	Contract Date	Sale Price	Site Area m ²	*Floor Area m ²	Bdrms	Comparability
17A Kaplan Avenue	05/19	\$400,000	495	104	3	Inferior
17 Gallagher Close	05/19	\$518,000	319	148	3	Comparable
60 Sioux Avenue	05/19	\$508,000	322	146	3	Inferior
9 Hurricane Way	05/19	\$450,000	303	144	3	Inferior
3 Glenbarr Lane	04/19	\$522,000	732	144	3	Comparable
24 Porter Street	04/19	\$540,000	368	142	3	Comparable
2/280 Yaldhurst Road	04/19	\$344,000	-	108	2	Inferior
12A Merrin Street	04/19	\$550,000	235	100	2	Comparable

* We have relied on external database information for floor area and other detail.

13.3 Reconciliation of Sales

We conclude that the value of the subject property lies within the range of **\$540,000** and **\$570,000**.

14. Valuation

14.1 Valuation Assessment

'As if Complete'

Townhouse 1	\$550,000 (Five Hundred & Fifty Thousand Dollars)
Townhouse 2	\$560,000 (Five Hundred & Sixty Thousand Dollars)
Townhouse 3	\$560,000 (Five Hundred & Sixty Thousand Dollars)
Townhouse 4	\$545,000 (Five Hundred & Forty Five Thousand Dollars)
Townhouse 5	\$545,000 (Five Hundred & Forty Five Thousand Dollars)
Townhouse 6	\$560,000 (Five Hundred & Sixty Thousand Dollars)
Townhouse 7	\$560,000 (Five Hundred & Sixty Thousand Dollars)
Townhouse 8	\$545,000 (Five Hundred & Forty Five Thousand Dollars)
Townhouse 9	\$545,000 (Five Hundred & Forty Five Thousand Dollars)
Townhouse 10	\$560,000 (Five Hundred & Sixty Thousand Dollars)
Townhouse 11	\$560,000 (Five Hundred & Sixty Thousand Dollars)
Townhouse 12	\$545,000 (Five Hundred & Forty Five Thousand Dollars)
Townhouse 13	\$545,000 (Five Hundred & Forty Five Thousand Dollars)
Townhouse 14	\$560,000 (Five Hundred & Sixty Thousand Dollars)
Townhouse 15	\$560,000 (Five Hundred & Sixty Thousand Dollars)
Townhouse 16	\$550,000 (Five Hundred & Fifty Thousand Dollars)

The above values are inclusive of \$20,000 chattels for each of the proposed townhouses.

Unless otherwise stated, all figures are GST inclusive (if any).

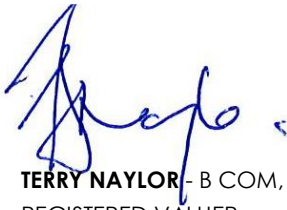
15. Special Assumptions

The valuation is subject to the following:

- Completion of the residence and associated hard landscaping in a good, workmanlike manner in accordance with the plans, specifications and information as forwarded to us and detailed herein
- Compliance of the property with the Building Act 2004, the Resource Management Act 1991 and all Local Council By-laws and Requirements
- An inspection by the Valuer following practical completion of construction. The right is reserved to review and, if necessary, vary the valuation in this report if there are any changes in relation to the project
- The issuing of an unencumbered Record of Titles
- The issuing of a Code Compliance Completion Certificate

NB: The valuation reflects the Valuer's view of the market conditions existing at the date of the report and does not purport to predict future market condition.

15.1 Valuer



TERRY NAYLOR - B COM, FPINZ, FNZIV

REGISTERED VALUER

DIRECTOR

DDI: +64 3 964 4156

Email: terry@fordbaker.co.nz

Involvement: Inspection

Valuation Calculation

Report Preparation

15.2 Appendices

A. Record of Title Freehold

Qualifications & Disclaimers

- The value provided in this valuation is our opinion of the market value on a willing buyer/willing seller basis. That value may change in the future due to market conditions and changes to the state of the property, which is the subject of this report. Any decision to lend should take these factors into account.
- This valuation does not in any way concern itself, either expressly or by implication with the ability of the mortgage applicant to meet the financial commitments arising therefrom.
- This valuation and all valuation services are provided by FordBaker Valuation Limited solely for the use of the client. FordBaker Valuation Limited does not and shall not assume any responsibility to any person other than the client for any reason whatsoever including breach of contract, negligence (including negligent misstatement) or wilful act or default of itself or others by reason of or arising out of the provision of this valuation or valuation services. Any person, other than the client, who uses or relies on this valuation, does so at their own risk.
- This valuation has been completed for the specific purpose stated in this report. No responsibility is accepted in the event that this report is used for any other purpose.
- This report is relevant as at the effective date of our assessment and to circumstances prevailing at that time. However, within a changing economic environment, returns on investment and values can be susceptible to variation - sometimes over a relatively short time scale. We therefore strongly recommend that before any action is taken involving acquisition, disposal or borrowing, restructuring or any other transaction that you consult us.
- FordBaker Valuation Limited has a policy of not contracting out of the provisions of the Consumer Guarantees Act. Accordingly, where there is any conflict between any statement in this report and the Consumer Guarantees Act 1993, the latter shall prevail.
- Neither the whole nor any part of any valuation report, or any reference to the same may be included in any published document, circular or statement without our written approval as to the form and context in which it may appear.
- Substances such as asbestos, other chemicals, toxic wastes or other potentially hazardous materials could, if present, adversely affect the value of the property. The stated value estimate is on the assumption that there is no material on or in the property that would cause loss in value. No responsibility is assumed for any such conditions and the recipient of this report is advised that the Valuer is not qualified to detect such substances, quantify the impact on values or estimate the remedial cost.
- This report complies with the International Valuation Standards and API/PINZ Valuation Standards and Guidance Notes.
- We confirm that FordBaker Valuation Limited holds and maintains a current professional indemnity insurance policy.
- This valuation may not be used for Contributory Mortgage Lending purposes, however, this policy does not apply to Solicitor Nominee Company Lending.
- We confirm that the Valuer has no financial interest or otherwise in the property and has no relationship with the vendor, purchasers or agents.
- Where another party has supplied information to us, this information is believed to be reliable and accurate, but we can accept no responsibility if this should prove not to be so.

Appendix A

Record of Title Freehold



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




R.W. Muir
Registrar-General
of Land

Constituted as a Record of Title pursuant to Sections 7 and 12 of the Land Transfer Act 2017 - 12 November 2018

Identifier 810988
Land Registration District Canterbury
Date Issued 16 August 2018

Prior References
798365

Estate Fee Simple
Area 5557 square metres more or less
Legal Description Lot 152 Deposited Plan 518068

Original Registered Owners
Ngai Tahu Property Limited

Interests

10935601.2 Encumbrance to The Trustees of The Christchurch Racecourse - 1.2.2018 at 3:27 pm
Fencing Covenant in Transfer 10935601.3 - 1.2.2018 at 3:27 pm
Land Covenant in Easement Instrument 11148452.11 - 16.8.2018 at 9:14 am
11148452.12 Consent Notice pursuant to Section 221 Resource Management Act 1991 - 16.8.2018 at 9:14 am
11148452.16 Encumbrance to Ngai Tahu Property Limited - 16.8.2018 at 9:14 am
11148452.23 Consent Notice pursuant to Section 221 Resource Management Act 1991 - 16.8.2018 at 9:14 am



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




R.W. Muir
Registrar-General
of Land

Identifier 810988
Land Registration District Canterbury
Date Issued 16 August 2018

Prior References

798365

Estate	Fee Simple
Area	5557 square metres more or less
Legal Description	Lot 152 Deposited Plan 518068

Registered Owners

Ngai Tahu Property Limited

Interests

10935601.2 Encumbrance to The Trustees of The Christchurch Racecourse - 1.2.2018 at 3:27 pm

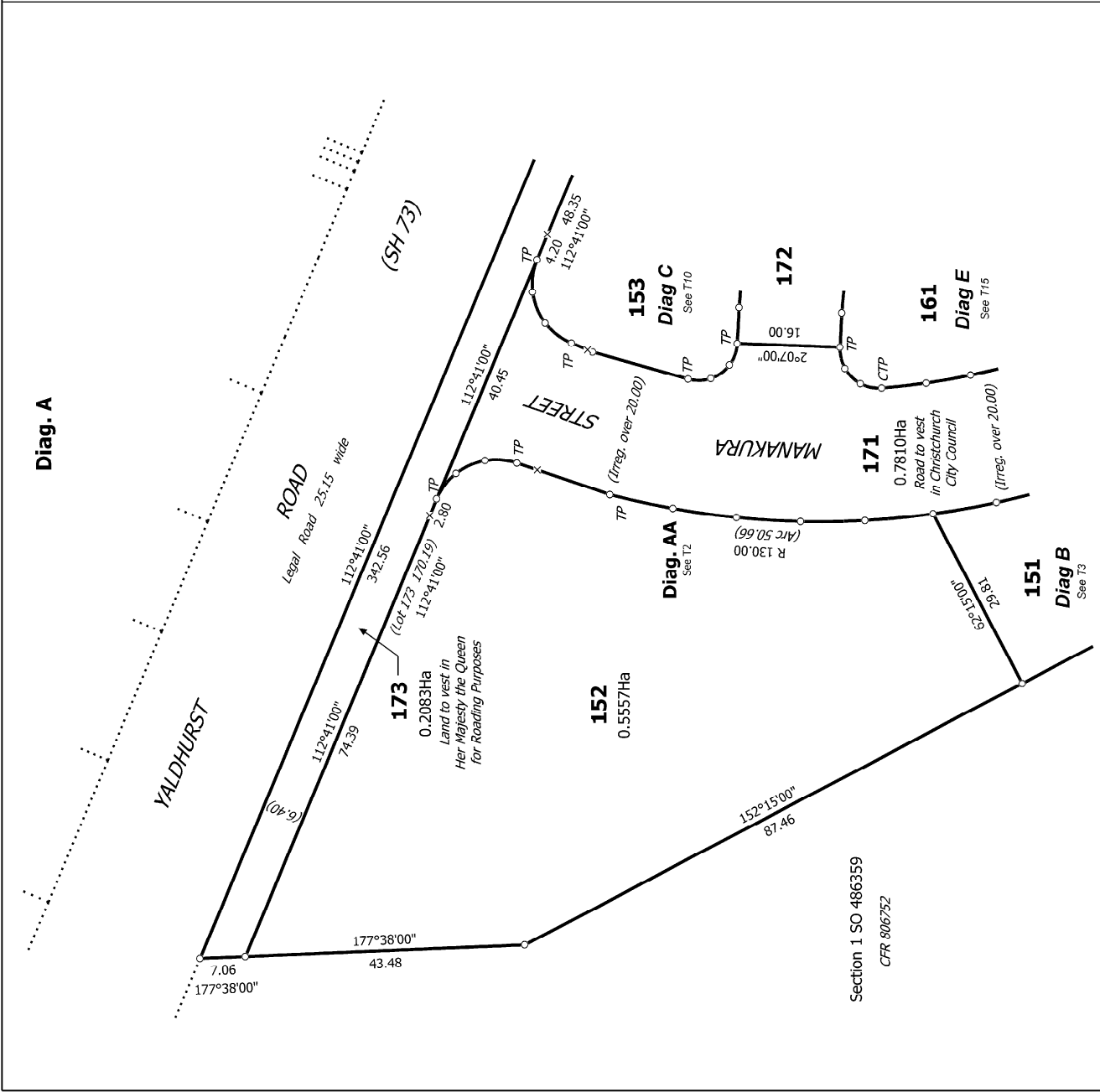
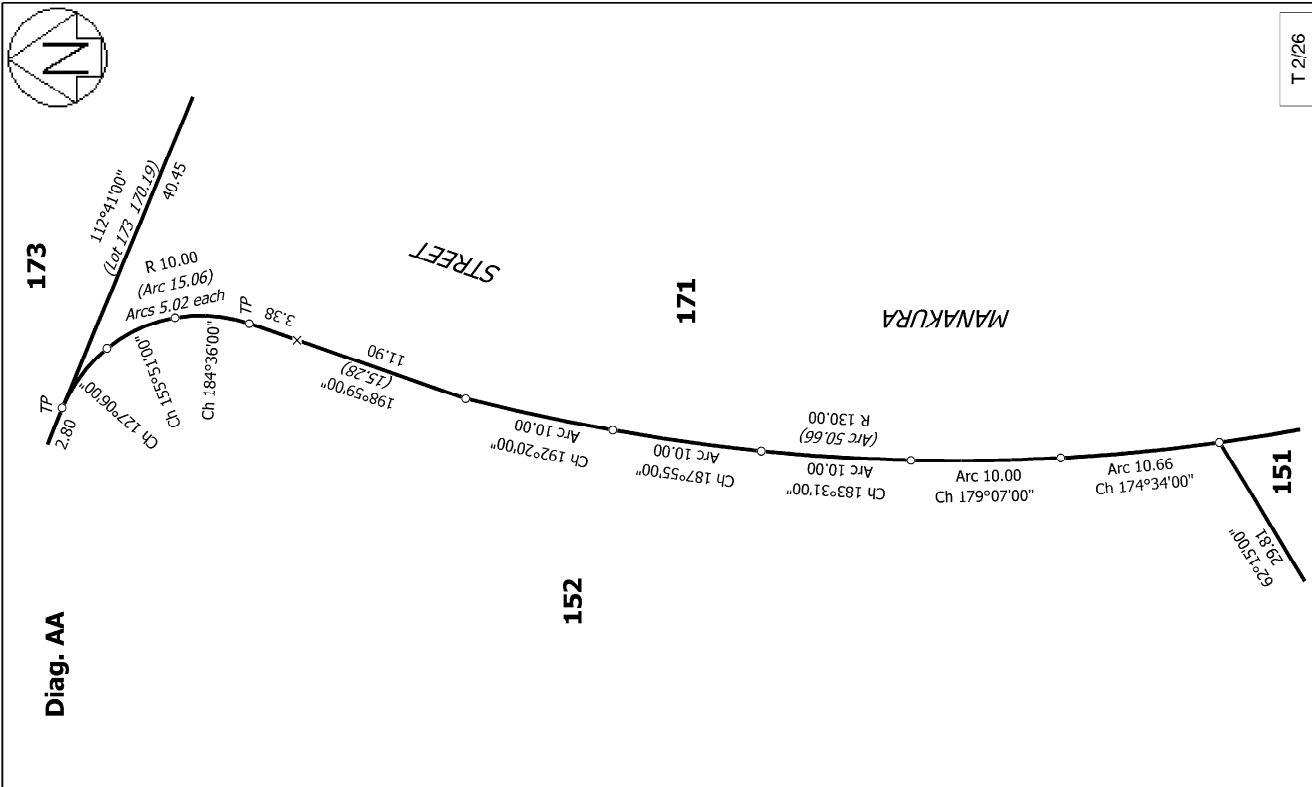
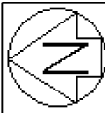
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11148452.23 Consent Notice pursuant to Section 221 Resource Management Act 1991 - 16.8.2018 at 9:14 am



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Land District: Canterbury	Lots 1, 6, 9-36, 151-156, 160-162, 166, 171-173, & 178 being Subdivision of Lot 2 DP 514466	Surveyor: Alistair Douglas Cocks Firm: Elliot Sinclair & Partners Ltd	Title Plan LT 518068 Approved on: 20/08/2018
Digitally Generated Plan Generated on: 23/08/2018 3:19pm Page 6 of 30			