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RESIDENTIAL VALUATION REPORT

6 Birkhall Grove Strathmore Park Wellington

Prepared For: Caine Statham, The Websters and future Lending Institution

Valuation Date: 8 February 2018

This report complies with the current Residential Valuation Standing Instructions

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EXECUTIVE SUMMARY

Address: 6 Birkhall Grove Strathmore Park Wellington

Instructed By: P van Strien of Caine Statham

Prepared For: Caine Statham, The Websters and future Lending Institution

Client: Caine Statham DM & MB Webster

Purpose of Valuation: Sale and Mortgage Security

Brief Property Description: A 3 bedroom 2 living room 2 bathroom **162 m²** dwelling on a hillside site with good sneak water views

Legal Description: Lot 1 Deposited Plan 373555
296982 Wellington Registry

Critical Assumptions: Nothing noteworthy

Significant Risks: No issues

Inspection/valuation Date: 8 February 2018

Date of Report: 19 February 2018

Valuation Approaches: Net Rate Analysis and Direct Comparison

Valuation: \$797,000 (Seven Hundred Ninety Seven Thousand Dollars), inclusive of \$20,000 chattels

Prepared By: **Malcolm Gillanders**
B.Com. VPM., SPINZ, ANZIV
Registered Public Valuer **2586**
Annual Practising Certificate **43**



This executive summary should be read in conjunction with the following full report.

SCOPE OF WORK

This valuation has been undertaken by Malcolm Gillanders who is in a position to provide an objective and unbiased valuation, has no material connection or involvement with the subject of the valuation assignment or the party commissioning the report, and is competent with the appropriate experience and qualifications to undertake the valuation.

This valuation has been prepared on instructions from P van Strien of Caine Statham for the purpose of Sale and Mortgage Security. This long form pdf report is not to be relied upon by any other person or for any other purpose. No responsibility is accepted in the event of this report being used for any other purpose or by any other party than to whom it is addressed. The publication of this report or part or any reference hereto or to the valuation figures contained herein or to the name and professional affiliation of the valuer without written approval is prohibited.

The asset valued is 6 Birkhall Grove Strathmore Park Wellington

The basis of the valuation is current market value, that is, the estimated amount for which a property should exchange on the date of valuation between a willing buyer and a willing seller in an arm's length transaction after proper marketing wherein the parties each acted knowledgeably, prudently, and without compulsion.

The valuation date is 8 February 2018 .

We have carried out an inspection of the property for valuation purposes, and as such this report is not a site, structural, or engineering survey, nor does this report constitute a boundary survey, survey pegs have not been located, and it is assumed that the property is built within the legal boundary.

We have sourced information in relation to this property, including a Title search, Local Body rating information, and comparative sales information.

Any other assumptions made in the preparation of this report are contained within.

This valuation has been prepared in accordance with International Valuation Standards 2017 effective from 1 July 2017 including IVS Framework, IVS 101 Scope of Work, IVS 102 Investigations, IVS 103 Reporting, IVS 104 Bases of Value and IVS105 Valuation Approaches and Methods.

LEGAL DESCRIPTION

The land is legally described as a freehold estate of **293 m²** being Lot 1 Deposited Plan 373555 contained in Certificate of Title 296982 Wellington Registry. The registered proprietor is MB Webster and DM Webster.

The land is subject to Part IV A Conservation Act 1987 a Land Covenant a Fencing Agreement a right of way, rights to convey services, right to drain sewage and water over part marked A.

Refer to appendices for copy of title.

LOCAL BODY RATING VALUATION

Rating Valuations are undertaken on a mass appraisal basis, may not involve an individual property inspection and do not include an allowance for chattels

As at 1 September 2015:

Land Value	\$ 205,000
Improvements	\$ 305,000
Capital Value	\$ 510,000

ZONING

The site is zoned **Outer Residential** under the Wellington City 2000 District Plan. This zone covers all areas outside the inner town belt is characterised by residential dwellings and activities and a general absence of non-residential, or large scale commercial or industrial operations, the objective being to maintain and enhance the amenity values and residential character.

The present use of the site falls within the permitted activities of this zoning.

LOCALITY



The property under review is situated on the northern side of Birkhall Grove Strathmore Park Wellington.

Strathmore Park is a suburb of [Wellington City, New Zealand](#). It is located at the southern end of the [Miramar Peninsula](#) to the south of the suburb of Miramar, and due east of [airport](#). A hill suburb, it overlooks [Lyal Bay](#) (which lies to the west) and several bays along the [Seatoun](#) coast close to the mouth of [Wellington Harbour](#), which lies to the east.

Colonial settlement of the area dates from the mid 1800s, with land used mainly for farming and market gardening. Growth took place during the early 1900s, with further development in the 1930s due to the construction of public housing. Expansion continued during the 1960s and 1970s. The population increased slightly between 1996 and 2006, and then was relatively stable between 2006 and 2013.

Strathmore Park is noted for several areas of open land, including the Beacon Hill Reserve and Miramar Golf Course. The southern end of the suburb is dominated by [Atatürk Park](#), which is located high above Tarakena Bay. The site was chosen for its similarity to the landscape of [Gallipoli](#), and was erected as part of a joint agreement with the Turkish and Australian governments in mutual respect of the men of both sides who lost their lives in the [Gallipoli Campaign](#) of World War I.

Birkhall Grove runs south off Bowes Crescent on the southern hill portion where there are mostly newer homes so price levels therefore range from \$450,000 to \$1,125,000 depending on the size access plus views enjoyed.

SITE DESCRIPTION



The site is an inside lot with a contour that rises steadily up to the rear boundary with a medium and larger sized retaining walls providing a split level building platform.

The site is of a regular shape, its dimensions and orientation as are more fully depicted on the above aerial and attached Certificate of Title with street frontage and drive on from Birkhall Grove. The site is serviced with normal services of gas, electricity, water and sewage and being in an elevated position enjoys good water views over and through neighbouring properties.



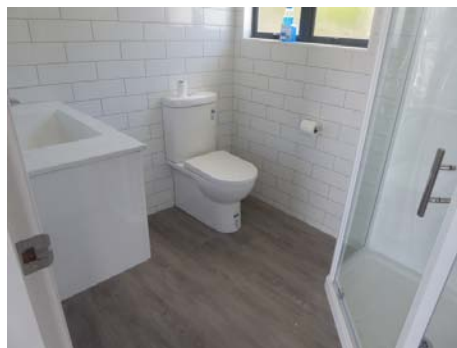
IMPROVEMENTS

A two storey dwelling erected circa mid 1990's. Construction is of a metal tile roof with a metal and plastic rainwater system above roughcast polystyrene sheet stucco wall cladding, with an aluminium joinery, all supported by a concrete foundations. Internal linings being plasterboard ceilings and walls over timber framing with tiles or carpet coverings on the concrete or particleboard flooring.

The **dwelling** measures about **162 m²**. Layout is entry, garage, bathroom with toilet, bedroom 2, bedroom 3, laundry, upstairs top landing, bedroom 1 with ensuite bathroom and toilet, kitchen open to dining, lounge, toilet.



Kitchen

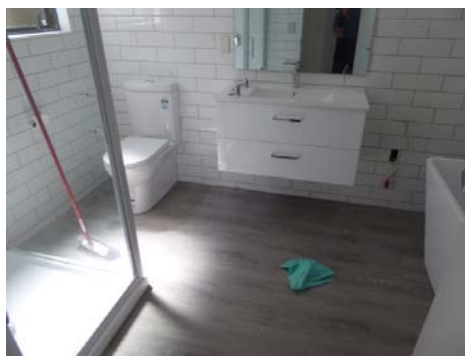


Ensuite bathroom

There is indoor outdoor access via landing to the rear terrace and sliders to the front decks from bedroom 1 and dining room. The bathrooms have a superior cabinetry and fittings while the kitchen has granite benches and medium superior fittings. Hot water is via an external instant gas cylinder .



lounge



Main bathroom

Other improvements include concrete paths to the home with concrete and timber retaining walls gardens lawn at front. Fencing is timber paling or metal (pool style).



Laundry



Rear



rear view to street

RISK ANALYSIS

(copyrighted)

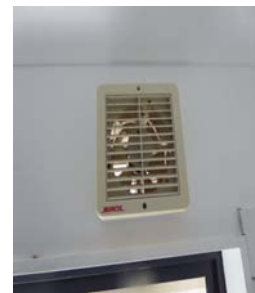
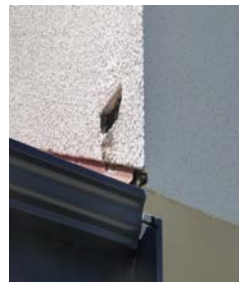
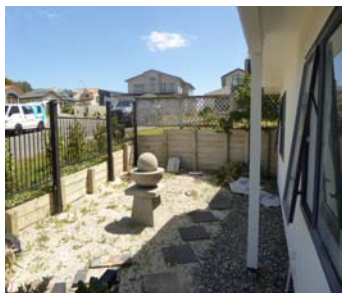
Property Risk	1	2	3	Comments
Locality				Handy most properties have good views
Land including Title				No known issues
Planning resource consent issues				No issues expected
Improvements				Mixed original and newer presentation/condition
Market Risk	1	2	3	Comments
Reduced value next 2 years				Prices were flat but now rising sometimes sharply
Market Volatility				Listings quite low activity falling
Local Economy				Population steady
Market Segment				Entry level and under \$750,000 preferred

NB. Risk Ratings: 1 Low, 2 Medium, 3 High

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

Areas that need work:

but with remedy will increase saleability and therefore value



MARKET COMMENTARY

The November 2017 median sale price for the Wellington Region rose \$44,077 (+9.0%) compared to November 2016. Compared to December 2016 sales volumes reduced 12% across the region. The number of days to sell stayed the same as in October, at around 28 days. Over the past 10 years the average number of days to sell during November for the region has been 32 days. The level of inventory in Wellington increased by 21% year on year.

According to the Quotable Value New Zealand news statistics, the latest monthly QV House Price Index shows that nationwide residential property values for January increased 6.4% over the past year, When adjusted for inflation the nationwide annual increase drops slightly to 4.4% and values are now 35% above the 2007 peak. Values across the Wellington region rose 9.5% over the past year, and 3% over the past three months, with values now 38.3% higher than in the previous peak of 2007. Values continue to rise strongly in Upper Hutt up 8.5% year on year. Porirua values rose 13.4% year on year Lower Hutt values rose 8.4% year on year. Listing numbers have increased over the past months providing buyers with a bit more choice however supply is still tight and a seller's market prevails. Strong prices are being achieved and there is value growth in the market, however this is much more moderate compared to 2016. Market activity has picked however it remains subdued compared to the same time last year. There is strong pressure on rents throughout the region with demand outstripping supply for rental properties.

The latest REINZ statistics of December 2017 show that the number of properties sold across New Zealand decreased 12.0%. The number of properties sold in the Wellington region at 738 is close to the median for the past 5 years.

First home buyers remain active in the market. The number of listings has increased and this is providing buyers with more choice which has taken some heat out of the market at the lower levels. There is a strong demand for new builds and "off plan" purchases as they are exempt from the LVR restrictions.

PREVIOUS SALE/CURRENT OFFER

We understand the property was last officially purchased in December 2016 at \$482,500 with some repair and maintenance update fittings (bathrooms mainly) and redecoration since

SALES EVIDENCE

A number of recent sales within the locality were considered and analysed to arrive at an independent opinion of the current market value for the subject property. These included:-

3 Bury

Sold 08/17 Sale Price \$ 542,000

A 2 bedroom 1970's sheet stucco unit dwelling on about 316 square metres inside site with an floor area of 150 square metres. Rating Value \$530,000. **Inferior** similar to subject as slightly smaller but less well presented.



2 Kekerenga

Sold 10/17 Sale Price \$ 547,000

A 1990's 2 bedroom fibre cement weatherboard dwelling on a 645 hillside site with a floor area of approximately 120 square metres. Rating Value \$445,000. **Inferior** to subject as smaller only one bathroom but similar indoor outdoor.



137b Miramar

Sold 09/17 Sale Price \$ 690,000

A 2010's 2 bedroom attached weatherboard dwelling on a Unit square metre level site with a floor area of approximately 97 square metres. Rating Value \$495,000. **Inferior** to subject as altho smaller but in a very handy location.



107c Hobart

Sold 11/17 Sale Price \$ 790,000

A 1990's 3 bedroom dwelling on a 376 square metre level rear site with a floor area of approximately 140 square metres. Rating Value \$550,000. **Similar** to subject as smaller with no views but very handy spot.



18 Birkhall

Sold 01/17 Sale Price \$ 1,102,500

A modern 2010's 4 bedroom attached dwelling on a 337 square metre hillside site with a floor area of approximately 210 square metres. Rating Value \$700,000. **Superior** to subject as larger plus has huge water and Wellington views altho on a shared boundary site.



Reconciliation of Sales Evidence

Address	Sale Date	Sale Price \$	Rating value \$	Site Area m2	Floor Area m2	Bdrms	Comparability
3 Bury	08/17	542,000	530,000	316	150	2	Inferior similar
2 Kekerenga	10/17	547,000	445,000	645	120	2	Inferior
137b Miramar	09/17	690,000	495,000	Unit	97	2	Inferior
107c Hobart	11/17	790,000	550,000	376	140	3	Similar
18 Birkhall	01/17	1,102,500	700,000	337	210	4	Superior

METHODOLOGY

We believe that the most appropriate method of valuation for this type of property is to compare the subject with known sales of like properties, after making due adjustment for variations in location, dwelling size, construction materials, condition, accommodation quality, other improvements, site factors, and overall appearance and presentation.

As such we assessed the current market value of the property by the direct comparison approach whereby sales of similar residential properties in the subject locality have been compared with the subject property, as well as having analysed sales and undertaking a net rate analysis of the comparable sales with the subject property.

CALCULATIONS

Net Rate	Dwelling 162 m2 @2375/ m ² =	384,500
	Landscaping & timber decking	37,000
	plus Land Value	355,000
	plus Chattels	<u>20,000</u>
		\$796,500

Direct Comparison

range \$770,000 - \$800,000. mid point **\$785,000**

VALUATION CONCLUSION

In preparing our assessment we have had regard to the physical features of the property together with the current market conditions in the locality. Accordingly we assess the market value of 6 Birkhall Grove Strathmore Park Wellington , for mortgage and sale purposes after reviewing the comparable sales methods (Direct Comparison and Net Rate Analysis),

As Existing at: \$797,000 (Seven Hundred Ninety Seven Thousand Dollars), inclusive of \$20,000 chattels as summarised below:

Land Value	\$ 355,000
Improvements Value	\$ 422,000
Market Value (excluding chattels)	\$ 777,000
Chattels includes spa	\$ 20,000
Market Value (including chattels)	\$ 797,000

After taking into account the various characteristics, its location and the prevailing market conditions, a likely selling period would be 1 month.

MORTGAGE RECOMMENDATION

It is considered that this property provides adequate security up to normal lending margins.

DISCLAIMERS, LIMITATIONS AND QUALIFICATIONS

This valuation has been completed for the purpose expressed herein, no responsibility is accepted in the event of this report being used for any other purpose or by any other party than to whom it is addressed. Should any other party wish to use or rely upon this report for any purpose they must first obtain our written consent.

The publication of this report, in whole or in part, is prohibited without the written approval of the Valuer. The copyright of this report at all times remains the property of Valuers Inc. This report may not be assigned to a third party without the express consent of the owner of the copyright.

This report does not constitute a boundary survey and survey pegs have not been located. It is assumed that the property is built within the legal boundary.

This report is not a site, structural, or engineering survey. No responsibility will be accepted for any site, building or services defect without such surveys being specifically requested and undertaken. In particular any issues which ensue from water tightness defects are specifically excluded. In addition it is assumed that any additions and alterations have been undertaken in accordance with necessary building consents and also, the property meeting all National building code requirements with no outstanding requisitions thereon.

Except where specifically noted within this report, it is assumed that the building has been properly designed and built, that there are no latent defects which could result in the building ceasing to be watertight, that where the building has been built after 1991, it complies with the Building Act and Building Regulations 1992, and where the building has been built after July 2004 that it complies with the Building Act 2004.

A copy of the Land Information Memorandum relating to the subject property has not been sighted, and it is assumed that there be no outstanding requisitions from the Local Authority in respect of either the land or improvements thereon. Should there be any onerous requirements imposed by the Local Authority against either the land or building improvements, we reserve the right to reassess the market value recommendation herein.

The value provided in this report is our opinion of the market value on a willing buyer / willing seller basis. That is, the market value is the estimated amount for which a property should exchange on the date of valuation between a willing buyer and a willing seller in an arm's length transaction after proper marketing wherein the parties each acted knowledgeably, prudently, and without compulsion. That value may change in the future due to market conditions and changes to the state of the property the subject of this report. Any decision to lend should take these factors into account and allow a reasonable and prudent margin between the amount advanced and the market value given in this valuation. Additionally the margin should also recognise the consequences and costs of a forced sale.

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 previous comment, we do not assume any responsibility or accept any liability where this valuation is relied upon after the expiration of three months from the date of valuation, or such earlier date if you become aware of any factors that have any effect on the valuation.

In making this recommendation we have assumed that the mortgagee is satisfied as to the personal covenant of the proposed mortgagor and his/her/its ability to service any loan. We express no opinion as to, and accept no liability for, the ability and willingness of the proposed mortgagor to meet his/her/its commitments under the proposed loan.

The Valuer has experience in the location and category of the property being valued. The Valuer has made a personal inspection of the property. No one, except those specified in the Report, has provided professional assistance in preparing the report. The Valuer has no interest in the subject property, and the Valuer's fee is not contingent upon any aspect of the Report.

We certify that Best Business Group Ltd trading as Valuers Inc holds current professional indemnity insurance for an adequate sum for the subject property valuation and the registered valuer author is covered.

This valuation complies with International Valuation Standards 2017, the Property Institute of New Zealand (PINZ) and New Zealand Institute of Valuers (NZIV) Code of Ethics and Rules of Conduct, and the relevant Practice Standards and Guidance Notes of Property Institute of New Zealand and Australia Property Institute.

The Registered Valuer who has signed this Report, has satisfied professional education requirements.

Unless otherwise stated within this report, all figures outlined are inclusive of Goods and Services Tax (if any).

COMPLIANCE STATEMENT

This valuation has been prepared having regard to International Valuation Standards 2017 plus the New Zealand-Australia Valuation and Property Standards which requires a compliance statement confirming the following

- the statements of fact are correct in the report to the best knowledge of the valuer
- the analysis and conclusions only limited by the reported assumptions and conditions
- the valuer has no interest in the subject property
- the fee is not contingent upon any aspect of the report
- the valuation was produced in accordance with Ethical Code & Performance Standards
- the valuer has satisfied Professional Education Requirements
- the valuer has experience in the location and category of the property being valued
- the valuer has made a personal inspection of the property including the interior
- no one, except those specified in the report, has provided professional assistance in preparing the report

APPENDICES

Certificate of Title



COMPUTER FREEHOLD REGISTER UNDER LAND TRANSFER ACT 1952




R. W. Muir
Registrar-General
of Land

Search Copy

Identifier 296982
Land Registration District Wellington
Date Issued 22 December 2006

Prior References

WN46A/312

Estate Fee Simple
Area 293 square metres more or less
Legal Description Lot 1 Deposited Plan 373555

Proprietors

Murray Brian Webster and Diana Margaret Webster

Interests

Subject to Part IV A Conservation Act 1987

Land Covenant in Transfer B433501.8 - 11.5.1995 at 2.20 pm

B433501.13 Fencing Agreement - 11.5.1995 at 2.20 pm

Subject to a right of way, rights to convey electricity, gas, water and telecommunications and rights to drain sewage and water over part marked A on DP 373555 created by Easement Instrument 7178945.3 - 22.12.2006 at 9:00 am

The easements created by Easement Instrument 7178945.3 are subject to Section 243 (a) Resource Management Act 1991

10663700.3 Mortgage to The Trustees for the time being of Credit Union Baywide - 17.1.2017 at 10:44 am

