



keystonevaluers



**14 Rerewai Place - Tikipunga
Whangarei District**

Market Valuation

Client: NZGT Custodians (Bluestone) Limited &
Bluestone Servicing NZ Limited

Order ID: 3EA-EELL-EAR

Date of Valuation: 19 July 2021

keystonevaluers

(Keystone Trading Limited)

Keystone / noun

a central principle or part of a policy, system, etc, on which all else depends.

Table of Contents

| | | |
|-----|--|----|
| 1.0 | Executive Summary | 2 |
| 2.0 | Introduction | 4 |
| 3.0 | Valuation Specific Property Details | 7 |
| 4.0 | Property Description | 10 |
| 5.0 | Property Market Commentary | 15 |
| 6.0 | Risk Assessment | 17 |
| 7.0 | Valuation Application | 18 |
| 8.0 | Disclaimer Clauses and Qualification Statements..... | 25 |

1.0 Executive Summary

| | | | | | |
|---------------------------------|---|--------|----------------------|------------|--------------------|
| Address: | 14 Rerewai Place, Tikipunga Whangarei District | | | | |
| Under instructions from: | Anthony Browne of Kepa Financial Services Ltd via Valocity | | | | |
| Addressed to: | NZGT Custodians (Bluestone) Limited & Bluestone Servicing NZ Limited PO BOX 914, Shortland Street, Auckland, 1140 | | | | |
| Order ID: | 3EA-EELL-EAR | | | | |
| Borrowers: | Derek Carpenter & Huriana Manuel | | | | |
| Date of Valuation: | 19 July 2021 | | | | |
| Date of Inspection: | 19 July 2021 | | | | |
| Property Type: | Townhouse - in scope | | | | |
| Brief Description: | The property is a cross leased title with two other flats having an undivided one third share in a 2,118 m ² residential lot at Tikipunga. It contains a recently renovated, circa 1980's, three bedroom, one bathroom townhouse. | | | | |
| Floor Areas: | <table><tr><td>Living</td><td>117.2 m²</td></tr><tr><td>Store room</td><td>4.0 m²</td></tr></table> | Living | 117.2 m ² | Store room | 4.0 m ² |
| Living | 117.2 m ² | | | | |
| Store room | 4.0 m ² | | | | |
| Contract of Sale: | We have been informed there is a private current sale and purchase agreement in place for \$570,000 between related parties. | | | | |
| Last Sale: | Public records state the property previously exchanged on the 10 September 2017 for \$305,000. Since then the townhouse has been renovated. | | | | |
| Significant Risks: | It is considered that the risk profile associated with this property is average in relation to other residential properties in this location. | | | | |
| Assumptions: | It appears the carport depicted on the title drawing is now enclosed as living space. We recommend the lender obtain legal advice as to the issues associated with this anomaly. We have assumed this issue will not impact negatively on the value of the property. We have not inspected the Council building file to ascertain if this work was certified. | | | | |

Market Valuation:

**Five Hundred and Sixty Thousand Dollars
(\$560,000)** including GST (If any). A chattel estimate
of \$10,000 is included.

Prepared By:

Martyn Cottle – Registered Valuer
BAppSc, MPINZ, ANZIV
Director of Keystone Trading Ltd

2.0 Introduction

2.1 Valuer

This valuation has been undertaken by Martyn Cottle, a Registered Valuer and a member of the Property Institute of New Zealand. He has the appropriate qualification and experience in the location and category of the assets being valued. His opinion is unbiased and provides an objective assessment with no material connection with instructing party or interest in the property being valued. His current Annual Practicing Certificate as a Registered Valuer is available for inspection on request.

The valuer has inspected the property internally and externally.

2.2 Instructing Party

This valuation has been prepared on instructions from Anthony Browne of Kepa Financial Services Ltd on behalf of the NZGT Custodians (Bluestone) Limited & Bluestone Servicing NZ Limited. 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. Any parties who may wish to rely on this report must seek the specific written consent of the valuer. We reserve the right to withhold our consent or to review the contents of this report in the event that our consent is sought.

This valuation will not be re-assigned if the valuation date is older than 30 days if the valuer deems it appropriate. After this period a re-inspection with an appropriate fee will be required to update the report and to meet the Keystone Trading Limited's professional indemnity insurance requirements. This may not result in the same market value assessment due to subsequent market movement and other factors.

Emailed Reports

The information in this electronic transmission (including any attached files) is intended only for the person or entity to which it is addressed and may contain confidential and/or sensitive material. Any review, retransmission, dissemination or other use of, or taking of any action in reliance upon, this information by persons or entities other than the intended recipient is prohibited. If you received this in error, please notify us immediately by reply e-mail and delete the information from any computer."

2.3 Purpose of Valuation

Mortgage Security.

2.4 Specific Dates

Inspection date: 19 July 2021
Valuation date: 19 July 2021
Report issue date: 21 July 2021

2.5 Basis of Value

The International Valuation Standards 2020 defines Market Value as follows:

Market Value is 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 had each acted knowledgeably, prudently and without compulsion.

The concept of Market Value presumes a price negotiated in an open and competitive market where the participants are acting freely. The market for an asset could be an international market or a local market. The market could consist of numerous buyers and sellers, or could be one characterised by a limited number of market participants. The market in which the asset is presumed exposed for sale is the one in which the asset notionally being exchanged is normally exchanged.

2.6 Research Parameters

We have assumed that all improvements lie within the title boundaries of the property based on a limited investigation, mainly utilising aerial photography and approximate ground measurements.

We are not qualified to provide expert commentary on geotechnical or other earth science matters and advise this report is prepared for valuation purposes only. Similarly, if issues are brought to the valuers' attention relating to contamination or defects with structures or relating to the land, we reserve the right to amend our valuation. We have not been supplied with an environment report of the subject property and as such we have assumed the land and any structures are free of contaminants that could negatively impact on its value.

A current Land Information Memorandum for the property has not been sighted and as such we have assumed that there are no issues relating to the property that are outstanding or require mitigation or elimination.

We refer the reader to our Statement of Limiting Conditions for additional matters.

2.7 Assumptions

Our standard assumptions in preparing this valuation are stated in 'Research Parameters' and 'Statement of Limiting Conditions'.

As per the International Valuation Standards 2020, Significant Assumptions and Special Assumptions considered relevant to this property and valuation assignment are:

- ▽ It appears the carport depicted on the title drawing is now enclosed as living space. We recommend the lender obtain legal advice as to the issues associated with this anomaly. We have assumed this issue will not impact negatively on the value of the property. We have not inspected the Council building file to ascertain if this work was certified.

2.8 Source of Information

In the preparation of this valuation we have relied on public records and a property inspection, including an exterior and interior examination. Additional information relied upon includes:

| | |
|------------------------------|--------------|
| Document: | Provided by: |
| Sales and purchase agreement | Via Valocity |

2.9 Report Compliance

This report and valuation assessment meet professional standards defined by the Property Institute of New Zealand, New Zealand Valuers Institute and International Valuation Standards (effective 31 January 2020). In addition, this valuation report conforms to the Residential Valuation Standing instructions, version 1.3 and its Addendum 1.0 established by the major lending institutions within New Zealand. These are detailed in the following Guidance Notes and Technical Information Papers including –

| | |
|-----------|---|
| IVS | Framework |
| IVS 101 | Scope of Works |
| IVS 102 | Investigations and Compliance |
| IVS 103 | Reporting |
| IVS 104 | Bases of Value |
| IVS 105 | Valuation Approaches and Methods |
| IVS 400 | Real Property Interests |
| ANZVGP111 | Valuation Procedures - Real Property |
| ANZCGP112 | Valuation for Mortgage and Loan Security Purposes |
| ANZPGP201 | Disclaimer and Qualification Statement |
| NZPGP601 | Methods of Measurement |
| NZVGP501 | Goods and Services Tax (GST) in Property |

3.0 Valuation Specific Property Details

3.1 Record of Title

| | |
|-----------------------------|--|
| Land Registration District: | North Auckland |
| Title: | NA55D/537 |
| Legal Description: | Freehold one third share interest of Lot 15 Deposited Plan 100284 Leashold interest - Flat 42 Deposited Plan 101323 999 years as from and including 1.4.1984 |
| Estate: | Leasehold |
| Area: | Undivided one third share of 2,118 m ² (more or less) |
| Proprietors: | David Tasman Carpenter |
| Interests: | Subject to Part IV A Conservation Act 1987 Subject to Section 11 Crown Minerals Act 1991 B304071.1 Lease of Flat 41 Composite CTNA55D/536 issued - 29.6.1984 (Affects Fee Simple) Land Covenant in Lease B304071.1 - 29.6.1984 (Affects Fee Simple) B304071.2 Lease of Flat 42 DP 101323 for the space of 999 years as from and including 1.4.1984 Composite CTNA55D/537 issued - 29.6.1984 (Affects Fee Simple) Land Covenant in Lease B304071.2 - 29.6.1984 (Affects Fee Simple) B304071.3 Lease of Flat 43 Composite CTNA55D/538 issued - 29.6.1984 (Affects Fee Simple) Land Covenant in Lease B304071.3 - 29.6.1984 (Affects Fee Simple) 10906583.5 Mortgage to ASB Bank Limited - 25.9.2017 at 3:00 pm |
| Comment | This is a cross lease title which requires consent from the adjoining owners if extending or additional structures are planned. The title drawing also has to be updated to record any new structures. The title drawing shows an irregularity in that the carport depicted is now enclosed within the living room. We have considered the above title interests in our assessment. |

Appendix A contains a copy of the Record of Title

3.2 Resource Management Consideration

| | |
|-----------------------|---|
| Territorial Authority | Whangarei District Council |
| District Plan Status | Operative |
| Zone/environment | Living 1 - future General Residential |
| Zone Description | The Living 1 environment comprises the majority of Whangarei City including Onerahi and other townships such as One Tree Point, Waipu and Ruakaka. |
| Permitted Activities | The Living 1 environment allows for the establishment of one residential unit or additional so long as there is at least 500m ² of net area associated with each unit and at least 3.0m distance of separation from any other detached residential unit. A separation distance of 6.0m is required where an outdoor living court is involved. Building coverage is not to exceed 35% of the site area. Buildings must not exceed 8m in height. |
| Comments | The current use appears to comply. |

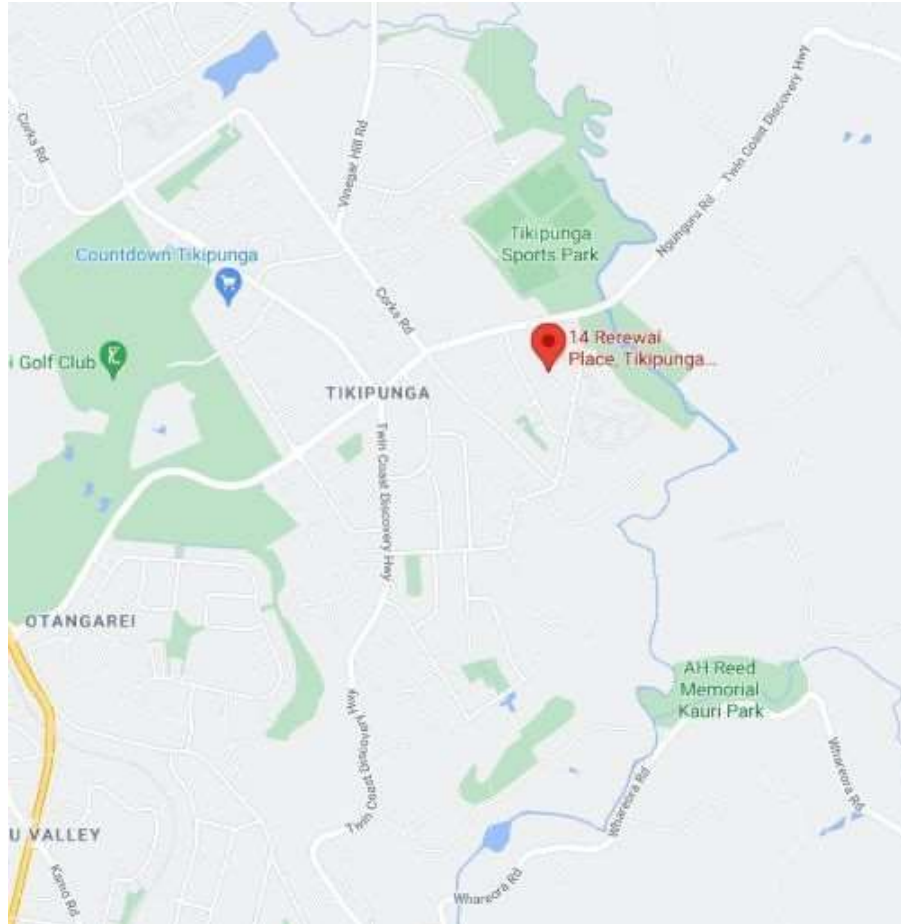
3.3 Rating Valuation

Rating Valuations are conducted generally every three years and usually without a physical inspection of the property. They do not always account for alterations made to improvements. Rating Assessments are undertaken on a mass appraisal basis as a tool for Local Bodies to collect revenue.

| | |
|---------------------|------------------|
| Roll Reference | 723/45615B |
| Revision Date | 1 August 2018 |
| Rateable land value | \$145,000 |
| Improvement value | <u>\$218,000</u> |
| Capital Value | \$363,000 |
| Annual Levies | \$2,330.95 |

3.4 Location

Property Address: 14 Rerewai Place - Tikipunga



The property is situated at the end of Rerewai Place, a no exit street in Tikipunga. Surrounding properties are circa 1980's, townhouses and dwellings of a similar average quality.

Tikipunga is one of the largest suburbs of Whangarei, located approximately 5 kilometres to the north east of the CBD. It is a residential locality containing retirement villages, shopping centre, fuel stations, medical centres and Denby golf course. There are several preschools, primary schools, full immersion Maori school and a high school. The nearby Whangarei Falls are a popular tourist attraction, so to the Tutukaka Coast 20 mins drive further past. The majority of housing stock is typically circa 1970's to 1990's conventional family dwellings in the \$350,000 to \$500,000 price range with modern homes under construction in the Totara Parklands estate to the north which sell for \$600,000 to \$800,000. It is a socially diverse suburb with some areas of state owned housing or low end rental accommodation to executive homes with elevated city views.

Tikipunga is considered to have average saleability for the Whangarei District.

4.0 Property Description

4.1 Land



| | |
|--------------|--|
| Area: | 2,118 m ² |
| Shape: | Slightly irregular |
| Services | The following services are connected to the property - town water, telephone, sewer and electricity. |
| Views/aspect | Local residential views |
| Comments | The subject property has an exclusive use area to the rear of a cross leased lot with two other flats. It is accessed via a separate concrete driveway and has a flat to slightly rising gradient. The property is fully fenced with mixed quality timber and wire netting fencing. There is limited landscape planting with the property largely in rough lawn. |

Photographs



Rear yard



Front yard



Adjoining townhouse on title



Adjoining townhouse on title

Refer to all photographs in Appendix B.

To access a video link as filmed at inspection go to:

https://drive.google.com/file/d/1x-L30MuHW4_97F8hoWdLII-1VzGgZo2Q/view?usp=sharing

We confirm that the video link will work on Google Chrome, Safari and Mozilla Firefox but would caution not all operating systems. Some in-house IT systems may also not allow the importation of video links.

4.2 Improvements

The townhouse was constructed in the 1980's and comprises three bedrooms, one bathroom and an open plan living/dining/kitchen area with a stepdown conservatory space which we understand was the original carport. The home has recently been fully renovated with fresh painting throughout, new floor coverings, kitchen and bathroom fixtures and appliances. It is well presented with a storage locker room to the rear. The shipping container on the property has not been included in our assessment.

4.2.1 Townhouse



Front



Rear



Kitchen



Living space



Laundry



Bathroom

Construction Details

| | |
|-------------------------|---|
| Build era circa | 1980's |
| Foundations | Concrete |
| Flooring | Reinforced concrete slab |
| Exterior cladding | Fibro cement weatherboards |
| Roofing | Corrugated Colorsteel, recently repainted |
| Exterior joinery | Aluminium - single glazed |
| Interior ceiling lining | Plasterboard |
| Interior wall lining | Plasterboard |

Floor Areas

The following are approximate floor areas which were measured externally.

| | |
|------------|----------------------|
| Living | 117.2 m ² |
| Store room | 4.0 m ² |

Accommodation

| | |
|----------|--|
| Entry: | Directly into the living area |
| Hallway: | Central hallway, hot water cylinder cupboard, provides access to most rooms, carpet flooring |
| Living: | Open plan dining room and kitchen area, two ranchsliders to the exterior, raked ceiling, carpet flooring and painted concrete, step down conservatory area |
| Dining: | Open plan with the kitchen and living, raked ceiling, carpet floor coverings, heat pump, clear storey windows |

| | |
|-----------|--|
| Kitchen: | Laminate benchtop, breakfast bar, 2 pac painted cabinetry, tiled splash back, free standing electric oven, pantry, vinyl floor |
| Bathroom: | Shower, single bowl vanity unit, toilet, heater light fan combination, vinyl flooring |
| Bedroom: | Double bedroom, single wardrobe, carpet floor |
| Bedroom: | Double bedroom, double wardrobe, carpet floor, bifold doors to the exterior |
| Bedroom: | Single bedroom, no wardrobe, carpet floor |
| Laundry: | A separate room, 'supertub' cabinet, access to the exterior, vinyl floor |

Chattels

These are traditionally classified as items of a personal nature that are removeable. Valuers typically allocated a separate value for items that they consider chattels, particularly for mortgage security assessments. Chattels are usually excluded from house insurance policies.

The townhouse has good quality chattels which are displayed in new condition. These include carpets and drapes.

Condition

The townhouse is presented in average condition, congruous with its built era. The improvements are well presented with no items of deferred maintenance evident.

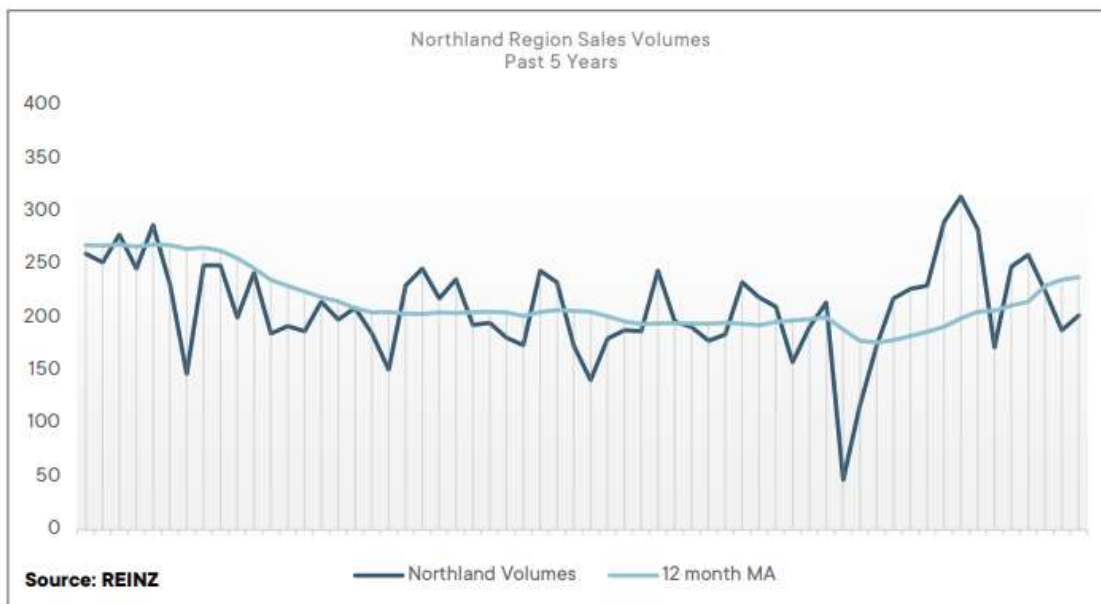
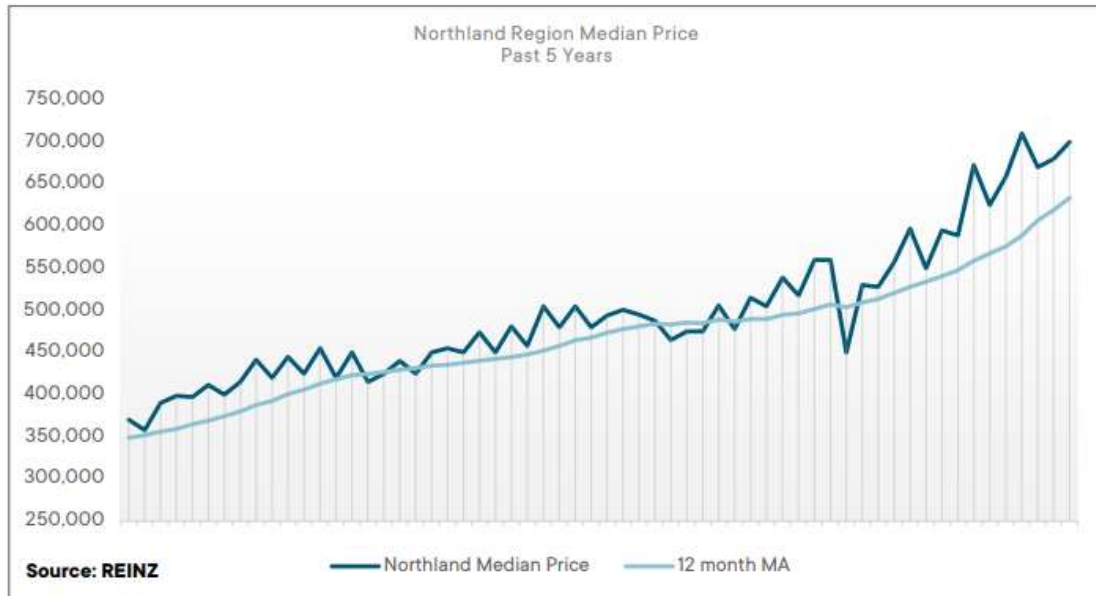
4.2.2 Other Improvements

Other improvements include concrete driveway and paths, basic/minimal landscaping, mixed fencing and steel gates.

5.0 Property Market Commentary

The New Zealand property market, similar to the economy, performed strongly after the global financial crisis of 2008/09 which is regarded as the last trough of the current property cycle. Key drivers were increased immigration, improved export returns and foreign investment. Property values increased due mainly to a short supply of housing. Auckland has led the way with record average prices until 2018 where some suburbs reported a decline in sales volume and values then rebounded during 2019. Throughout the twelve months prior to February 2021 the national average property prices rise was 22.8% according to REINZ. This was supported by low mortgage rates, relatively low unemployment figures, shortage of housing and returning expats. This positive economic picture is despite the abrupt disruption caused by the COVID-19 virus pandemic which has been sweeping the world creating international border closures and freight issues. Governments have placed strict travel restrictions and social distancing regulations in an attempt to stop its lethal spread. In New Zealand the Government imposed a period of state of emergency lockdown. They issued a wide range of relief payments to assist individuals and businesses. This included the Reserve Bank lowering the OCR by 75 bases points to a record 0.25% to enable banks to encourage lending. They also scrapped loan to value rule restrictions. This has assisted in a greater than expected lift in market activity with most regions reporting record sales. Property is still being seen as a good investment however the fear created by potential job losses and business failures could, if prolonged, begin to impact general confidence. In March the Government announced a range of tax changes to now try to reverse the market demand, particularly from investors. The last quarter unemployment figure is now 4.7% which is 0.2% lower than the previous and is an indicator that the economy has navigated the pandemic above expectations. There is however growing concern of rising inflation, now at a 10 year high of 3.3% and the likelihood of mortgage rates rising.

During the second half of 2020 the Northland property market kept in sync with the rest of regional New Zealand having strong sale volumes and average value increases. It is seen as an attractive option for cashed up Aucklanders due to its relatively close proximity and reasonable prices. An area directly affected by the international border closers however have been the tourism and accommodation sectors. The Bay of Islands is being impacted with no cruise ship activity and low general tourist numbers. Forestry has emerged from the COVID lockdown period with fresh export orders after a prior downturn. The Northland population has grown considerably over the past five years adding to the demand for property in 2021.



The Whangarei property market has experienced a significant increase in sales volume and values over the past 5 years. This follows the experience of the rest of the country but for Whangarei the appreciation has been pronounced and set new records. The first quarter of 2021 has seen fewer listings and if they are well priced properties are typically selling with multi offer situations or backup agreements due to record demand. Properties are still selling well and usually within 30 days. Despite the artificial halt to usual business and life activities caused by the COVID-19 lockdown in April 2020 market activity is stronger with interest from Auckland buyers.

6.0 Risk Assessment

The following Risk Assessments are our opinion of the factors that impact on various elements of the property. It is based on our knowledge of the property market, current conditions, the standard of the property and the nature of this property type. The Risk Assessment forms part of the full valuation report and must not be relied upon in isolation.

6.1 Land and Improvements Risk Rating

The location of the property considers the quality of surrounding properties, distance to services, etc. Tenure and zoning relate to issues of title or restrictions associated with the zoning relates to environmental concerns associated with the land, and improvement defects or consent issues are raised in the final point.

The risks are rated from 1 to 6 from low to high. Risk Rating of 3 or higher have additional comments below.

| Land and Improvements Risk | 1 | 2 | 3 | 4 | 5 | 6 |
|----------------------------|---|---|---|---|---|---|
| Locality | | | | | | |
| Tenure and zoning | | | | | | |
| Environmental | | | | | | |
| Improvements | | | | | | |

Tenure and zoning - 3

This is a cross lease title which requires consent from the adjoining owners if extending or additional structures are planned. The title drawing also has to be updated to record any new structures. We note the original carport is now living space which is not depicted on the title.

Improvements - 3

The property would benefit from additional landscaping and garaging.

We recommend a building report be undertaken to confirm the original carport now enclosed as living space has been constructed to Council regulations.

6.2 Market Risk Rating

The recent market direction highlights risks associated with a perceivable declining or 'over heated' market if the valuer considers this a probable risk. The market volatility highlights risks with the market being unstable. Local economy impact relates to likely risks of business performance in the region that have a 'downstream' influence on the property market. The market segment conditions reflects the extent to which market conditions within the particular market segment might influence the saleability of the subject property.

| Market Risk | 1 | 2 | 3 | 4 | 5 | 6 |
|---------------------------|---|---|---|---|---|---|
| Recent Market Direction | | | | | | |
| Market Volatility | | | | | | |
| Local Economy Impact | | | | | | |
| Market Segment Conditions | | | | | | |

Recent Market Direction Risk - 3

The property market in early 2021 is experiencing a constricted supply of listings and a continuation of strong demand. As such offers made within the past 90 days are at considerably higher levels than experienced previously. Also more than average contracts are private transactions. The market dynamics in the short term appear to be stable and could see values continue to rise, possibly at lower rates as listings increase.

Market Volatility - 3

The Government recently announced changes to the tax regime to dampen investor purchasers and to increase first home buyer participation in the market. Initial signs are that investor interest has lessened. The longer term impact on market sentiment has yet to be realised.

6.3 Significant Risks

It is considered that the risk profile associated with this property is average in relation to other residential properties in this location.

7.0 Valuation Application

7.1 Introduction

To determine a market value opinion as per the definition of Market Value stated in our Basis of Value section, we have had to consider the highest and best use of the property then assess how it aligns with recent sales of similar property types in the general vicinity.

7.2 Utility Classification

Highest and best use is defined as: The most probable use of a property which is physically possible, appropriately justified, legally permissible, financially feasible, and which results in the highest value of the property being valued.

We have assessed the highest and best use of the property is as residential owner accommodation.

7.3 Recent Sale

Public records state the property previously exchanged on the 10 September 2017 for \$305,000. Since then the townhouse has been renovated.

7.4 Approaches

As per International Valuation Standard 105 we have considered the most appropriate valuation approach to utilise for this property in determining its Market Value to be the **Market Approach** utilising the following methods –

- ▽ Comparable Transactions
- ▽ Net Rate

7.5 Comparable Transactions

This comparative method considers the sales of similar properties and related market data and establishes a value estimate by a process involving analytical comparison. In general, a property being valued is compared with sales of similar properties that have been transacted in the market. Listings and offerings may also be considered. Adjustments are made to the sale price to account for factors such as but not limited to location, views, land area, dwelling size, age, condition, site development, etc. When several sales have been analysed under this method an indication of the likely market value range of the property is derived.

Although not limited to the following, is a list of recent sales considered comparable to the subject property.

Improved Sales

2/117 Paramount Parade, Tikipunga



Sale Price - \$520,000
Sale Date - 12 April 2021
Land Area - A half share of 1,059 m²
Dwelling Area - 150 m²

Description -

A dated, circa 1980's, three bedroom, one bathroom detached townhouse with an integrated single garage situated on an easy sloping rear cross lease lot with one other unit. The property adjoins the Denby golf course. The sale price has been apportioned with a land value of \$280,000 and a living floor rate of \$1,800/m².

Correlation - An inferior quality and smaller dwelling. Superior garaging. Superior aspect. Overall consider to be inferior.

6A Spedding Road, Tikipunga



Sale Price - \$525,000
Sale Date - 7 April 2021
Land Area - 279 m²
Dwelling Area - 120 m²

Description -

A circa 2000's detached brick town house containing two bedrooms, one bathroom and a single integrated garage situated on a small freehold flat lot. The sale price has been apportioned with a land value of \$200,000 and a living floor rate of \$2,700/m².

Correlation - A smaller and newer townhouse. Superior garaging and title tenure. Inferior location. Overall considered to be slightly inferior.

118 Kiripaka Road, Tikipunga



Sale Price - \$560,000
Sale Date - 30 June 2021
Land Area - 495 m²
Dwelling Area - 109 m²

Description -

A well presented circa 1960's, three bedroom, one bathroom weatherboard dwelling with a single attached carport situated on a flat front freehold lot. The sale price has been apportioned with a land value of \$260,000 and a living floor rate of \$2,500/m².

Correlation - A slightly smaller dwelling with superior garaging. Inferior condition. Superior title tenure. Considered to be within a comparable price range.

2/115 Paramount Parade, Tikipunga



Sale Price - \$565,000
Sale Date - 30 April 2021
Land Area - A half share of 752 m²
Dwelling Area - 110 m²

Description -

An original but tidy, circa 1990's, two bedroom, one bathroom detached townhouse with an intergraded single garage situated on a cross lease rear lot with one other townhouse. The lot backs onto the Denby Golf course. The sale price has been apportioned with a land value of \$280,000 and a living floor rate of \$2,600/m².

Correlation - A smaller floor area. Superior garaging and aspect. Overall considered to be superior.

43 Briden Drive, Tikipunga



Sale Price - \$590,000
Sale Date - 11 March 2021
Land Area - 678 m²
Dwelling Area - 95 m²

Description -

A conventional circa 2010's four bedroom, one bathroom dwelling located on a moderately sloping rear lot with elevated city views available. There is no garaging and only limited landscaping. The sale price has been apportioned with a land value of \$240,000 and a living floor rate of \$3,400/m².

Correlation - A smaller but newer dwelling. Superior location. Superior outlook. Overall considered to be superior.

2/1 Sierra Avenue, Kamo



Sale Price - \$655,000
Sale Date - 16 June 2021
Land Area - 455 m²
Dwelling Area - 130 m²

Description -

A tidy circa 1997, three bedroom, one bathroom brick dwelling with an integrated single garage and conservatory situated on a rear freehold lot with an easy rising gradient. The sale price has been apportioned with a land value of \$280,000 and a living floor rate of \$2,700/m².

Correlation - A newer townhouse with superior quality garaging and situated on a freehold, superior title. Superior location. Overall considered to be superior.

Sales Comments

These are the most recent comparable sales recorded from a variety of sources. They range in value from \$485,000 to \$655,000 for cross leased and small freehold titles in the general locality. Freehold titles are considered by the market to be a superior tenure. The sales below \$530,000 are considered to be inferior due to the condition of the improvements and/or living areas. They assist in setting the lower limits of our value range. The sales above \$580,000 are superior as they are either larger townhouses, have car accommodation, location and/or freehold title tenures. It is our opinion that based on these and other sales evidence that the property has a market value which lies within a range of \$530,000 and \$580,000. In addition we note that in the last few months there is a greater shortage of properties available and with this constricted supply buyers are making offers well over and above the previous recent sales indications. We therefore

believe that an appropriate current market value should be assessed at the higher end of the sales evidence indication range.

Having applied adjustments for the features and attributes of these and other sales, it is our opinion the Market Value utilising the Comparative Transaction method of the property to be \$560,000.

7.6 Net Rate Method

This method is a computed summation of land value, chattels, site improvements, other structures (excluding the dwelling) and a calculated added value for the dwelling based on a square metre rate derived from analysed sales.

The adjusted net rate applied to the dwelling is based on a comparison of the dwelling and its attributes in comparison to the sales.

The analysed evidence provides a net living area rate range from \$1,800/m² to \$3,400/m². Having regard to the condition, age, street appeal, design and location of the subject we have adopted a net rate for the living area of the dwelling at \$2,700/m².

Our calculations are as follows;

| | | |
|---|-----------|------------------|
| Assessed undivided Land Value | | \$220,000 |
| Improvements | | |
| Dwelling living area 117.2m ² @ \$2,700/m ² | \$316,440 | |
| Storeroom | \$1,200 | |
| Other Improvements | \$16,000 | |
| Total Improvements | | \$333,640 |
| Chattels | | \$10,000 |
| Assessed Market Value | | \$563,640 |

7.7 Approach Summary

The two valuation methods have indicated the following Market Values -

| | |
|-------------------------|-----------|
| Comparative Transaction | \$560,000 |
| Net Rate | \$563,640 |

Greater weighting is given to the Comparative Transaction method as the most reliable method as it is more directly related to market behaviours, sentiment and activity. The two methods have provided values that are close and therefore the Net Rate is a helpful check method where similar properties sales are utilised.

We have therefore adopted the Market Value **\$560,000**.

7.8 Valuation Summary

Our sales research has provided very recent sales of cross leased properties in the vicinity or with similar attributes from other suburbs to assist with our assessment of value. There were also a number of freehold townhouse properties that were also analysed. These are considered to be a superior title tenure. A search of 2-3 bedroom properties on the current market (Trademe) resulted in approximately 25 available in the \$500,000 to \$550,000. Although the subject townhouse is well presented and has updated fixtures it has a title drawing irregularity as mention earlier in this report. It would suit a family owner occupier or an investor, although recent Government tax changes may lessen their interest.

We assess the Market Value of 14 Rerewai Place as at 19 July 2021 at

\$560,000 (Five Hundred and Sixty Thousand Dollars) including GST, if any

Adopted Market Value apportionment

| | |
|----------------------|------------------|
| Undivided Land Value | \$220,000 |
| Improvements | \$330,000 |
| Chattels | \$10,000 |
| Market Value | \$560,000 |

Uncertain Market Period

The market is being impacted by the uncertainty caused by the COVID-19 pandemic. As at the date of valuation we consider that there is market uncertainty resulting in significant valuation uncertainty. This valuation is therefore reported on the basis of 'significant valuation uncertainty'. As a result, less certainty exists than normal and a higher degree of caution should be attached to our valuation than normally would be the case. Given the unknown future impact that COVID-19 might have on markets, we recommend that the user(s) of this report review this valuation periodically. This valuation is current at the date of valuation only. The value assessed herein may change significantly and unexpectedly over a relatively short period of time (including as a result of factors that the Valuer could not reasonably have been aware of as at the date of valuation). We do not accept responsibility or liability for any losses arising from such subsequent changes in value.

The valuation is based on a normal selling period of up to 3 months for this location.

This valuation is assessed in New Zealand Dollars.

7.9 Assumptions

Our standard assumptions in preparing this valuation are stated in 'Research Parameters' and 'Statement of Limiting Conditions'.

As per the International Valuation Standards 2020, Significant Assumptions and Special Assumptions considered relevant to this property and valuation assignment are:

- ▽ It appears the carport depicted on the title drawing is now enclosed as living space. We recommend the lender obtain legal advice as to the issues associated with this anomaly. We have assumed this issue will not impact negatively on the value of the property. We have not inspected the Council building file to ascertain if this work was certified.

7.10 Sale and Purchase Agreement

We have been informed there is a private current sale and purchase agreement in place for \$570,000 between related parties.

Important Note

This valuation will not be re-assigned if the valuation is older than 30 days if the valuer deems it appropriate. After this period a re-inspection with an appropriate fee will be required to update report and to meet the Keystone Trading Limited's professional indemnity insurance requirements. This may not result in the same market value assessment due to subsequent market movement and other factors.

8.0 Disclaimer Clauses and Qualification Statements

8.1 General

Third Parties

This valuation has been prepared for the client and other specified intended user and 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. Any parties who may seek to rely on this report must seek the specific written consent of the valuer. We reserve the right to withhold our consent or to review the contents of this report in the event that our consent is sought.

Copyright

The Valuers prior written consent is required for the entire or any portion of the report to be published in any medium or form.

Effective date

The effective date, unless otherwise stated, is the inspection date. The valuation assessment is current until that date as analysed sales evidence and market conditions are as at the date.

This valuation will not be re-assigned if the valuation is older than 90 days. After this period a re-inspection with an appropriate fee will be required to update report and to meet the Keystone Trading Limited's professional indemnity insurance requirements. This may not result in the same market value assessment due to subsequent market movement and other factors.

Title

Unless otherwise stated, unregistered interests or classifications that do not appear on the Record of Title have not been included in our assessment. These could include cultural or historical registrations.

Land and Property Information Memorandums (LIM and PIM)

We have not sighted a LIM or PIM in the preparation of this report. Our valuation report, unless stated otherwise, is based on the land and buildings complying with all relevant legislation.

Accuracy of Information

Data for the production of this valuation report was sourced from valuation, Government and property related professional databases typically relied upon as being reliable. We are not always able to cross check and verify the accuracy of some data and therefore do not guarantee that all sourced data is correct.

Assumptions

If and when assumptions have been made in this report, we have considered them to be appropriate at the time of writing. If these assumptions are at a later date proven to be incorrect we reserve the right to reconsider our assessment in light of new findings parameters. This could necessitate completing an amended report including the possible adjustment of assessed values.

Land Survey

A current survey has not been sighted. The valuation is made on the basis that there are no encroachments by or upon the property and this should be confirmed by a current survey report and/or advice from a Registered Surveyor. If any encroachments are noted by the survey report, we should be consulted to reassess any effect on the value stated in this report.

Stability and Contaminants

Unless otherwise stated we have not investigated the stability of the site or undertaken vegetation or soil sampling. This valuation is therefore subject to satisfactory geotechnical and contaminated site assessment reports from environmental consultants and engineers. Our report, unless otherwise stated, assumes the land is stable and firm and a suitable substrate to support the existing and/or future structures. Also, that the property is free of harmful contaminants that could negatively impact its value.

We are not qualified to assess buildings as to their earthquake-prone status. We recommend a suitably qualified expert be engaged to survey the structures. If the property required works we reserve the right to amend our assessment.

Asbestos

Inspection of the improvements showed the use of asbestos products in the building. We must point out that we are not experts in this area and therefore, in the absence of an environmental consultant's report concerning the presence of any asbestos fibre within the subject property, this valuation is made on the assumption that there is no health risk from asbestos within the property. Should it subsequently transpire that an expert report establishes that there is an asbestos related health risk we reserve the right to review this valuation.

Improvements

An inspection of all readily accessible parts of the improvements on the property has been carried out by the member. This does not include ceiling spaces or underfloor conditions of platform buildings.

We have not sighted a qualified engineer's structural survey of the improvements, systems and appliances. The valuer is not a building construction and/or structural expert, and is therefore unable to certify as to structural soundness of the improvements or if systems and appliances are functioning correctly. We have assumed that the building is fit for purpose. Prospective purchasers or mortgagees would need to make their own enquiries in this regard.

We have not sighted a structural report on the property nor have we inspected unexposed or inaccessible portions of the premises. We therefore cannot comment on the structural integrity, defect, rot or infestation of the improvements nor can we comment on any knowledge of the use in construction of material such as asbestos or other materials now considered hazardous.

Our assessment assumes there are no water leaks or areas of water ingress that could be damaging the integrity of the structure.

GST Qualification

In analysing the sales evidence referred to herein, it is noted that we have attempted to ascertain whether or not the sale price is inclusive or exclusive of Goods and Services Tax (GST). In relation to sales evidence, it is emphasised that the Land Registry Office in New Zealand do not currently differentiate between or record whether or not the sale price is inclusive or exclusive of GST. Where we have not been able to verify whether or not GST is included in the sale price, we have assumed that the record of sales price is inclusive of GST for residential/lifestyle sales. Should this not be the case for any particular sale used as evidence, we reserve the right to reconsider our valuation.

Risk Analysis

The risk matrix is the valuer's subjective assessment of possible risks associated with the land and improvements, the market and the present and future saleability of the property. The purpose is to draw the attention of the client or lender to any apparent factor which might influence market value. These are not technical analyses and are at all times subject to our limitations at the date of the report.

8.2 Professional Indemnity Cover

At the time of providing this valuation assessment Keystone Trading Ltd and the registered valuer have an appropriate level of professional indemnity insurance. The Registered Valuer holds an Annual Practicing Certificate.

Thank you for the opportunity to provide this valuation report. If I can be of further assistance please contact me.

Yours faithfully



Martyn Cottle BAppSc, MPINZ, ANZIV
Director of Keystone Trading Ltd

m. 027 200 7322

e. martyn@keystonevaluers.co.nz

www.keystonevaluers.co.nz

Appendix A – Record of Title



**RECORD OF TITLE
UNDER LAND TRANSFER ACT 2017
CROSS LEASE
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 NA55D/537
Land Registration District North Auckland
Date Issued 29 June 1984

Prior References
NA54C/1095

Estate Fee Simple - 1/3 share
Area 2118 square metres more or less
Legal Description Lot 15 Deposited Plan 100284

Original Registered Owners
Robert Wayne Carpenter

| | | | |
|---------------|-----------|-------------------|--|
| Estate | Leasehold | Instrument | L B304071.2 |
| | | Term | 999 years as from and including 1.4.1984 |

Legal Description Flat 42 Deposited Plan 101323

Original Registered Owners
Robert Wayne Carpenter

Interests

Subject to Part IV A Conservation Act 1987
Subject to Section 11 Crown Minerals Act 1991
B304071.1 Lease of Flat 41 Composite CT NA55D/536 issued - 29.6.1984 (Affects Fee Simple)
Land Covenant in Lease B304071.1 - 29.6.1984 (Affects Fee Simple)
B304071.2 Lease of Flat 42 DP 101323 for the space of 999 years as from and including 1.4.1984 Composite CT NA55D/537 issued - 29.6.1984 (Affects Fee Simple)
Land Covenant in Lease B304071.2 - 29.6.1984 (Affects Fee Simple)
B304071.3 Lease of Flat 43 Composite CT NA55D/538 issued - 29.6.1984 (Affects Fee Simple)
Land Covenant in Lease B304071.3 - 29.6.1984 (Affects Fee Simple)
C823211.1 CAVEAT BY AVCO FINANCIAL SERVICES INTERNATIONAL INC - 17.3.1995 AT 11.10 AM
C908038.5 Mortgage to Trust Bank New Zealand Limited - 16.10.1995 at 9:57 am
D140209.1 Statutory Land Charge pursuant to Section 40 Legal Services Act 1991 - 6.5.1997 at 2.06 pm
D209144.1 Statutory Land Charge pursuant to Section 40 Legal Services Act 1991 - 28.10.1997 at 2.49 pm
D652807.1 Statutory Land Charge pursuant to Section 15 and/or 32 Legal Services Act 2000 - 31.10.2001 at 1.30 pm
7095691.1 Application pursuant to Section 99A Land Transfer Act 1952 vesting Mortgage C908038.5 in Westpac New Zealand Limited - 2.11.2006 at 9:00 am
7929082.1 Discharge of Statutory Land Charge D652807.1 - 24.9.2008 at 3:49 pm

Identifier **NA55D/537**

7929082.2 Withdrawal of Caveat C823211.1 - 24.9.2008 at 3:49 pm
7929082.3 Discharge of Mortgage C908038.5 - 24.9.2008 at 3:49 pm
7929082.4 Transfer to Robert Wayne Carpenter and Darrel Shane Pita - 24.9.2008 at 3:49 pm
7929082.5 Mortgage to New Zealand Home Lending Limited - 24.9.2008 at 3:49 pm
7952527.1 Mortgage Priority Instrument making Mortgage 7929082.5 first priority, Statutory Land Charge D140209.1 second priority and Statutory Land Charge D209144.1 third priority - 17.12.2008 at 11:50 am
10906583.1 Discharge of Statutory Land Charge D140209.1 - 25.9.2017 at 3:00 pm
10906583.2 Discharge of Statutory Land Charge D209144.1 - 25.9.2017 at 3:00 pm
10906583.3 Discharge of Mortgage 7929082.5 - 25.9.2017 at 3:00 pm
10906583.4 Transfer to David Tasman Carpenter - 25.9.2017 at 3:00 pm
10906583.5 Mortgage to ASB Bank Limited - 25.9.2017 at 3:00 pm

Identifier NA55D/537

References
 Prior C/T 54C/1095
 Lease No. B.304071.2
 Transfer No.
 N/C Order No.

Land and Deeds 69



REGISTER

No. 55D / 537

CERTIFICATE OF TITLE UNDER LAND TRANSFER ACT

This Certificate dated the 29th day of June one thousand nine hundred and eight-four under the seal of the District Land Registrar of the Land Registration District of NORTH AUCKLAND

WITNESSETH that THE NEW ZEALAND REFINING COMPANY LIMITED at Whangarei is seized of an estate in fee simple as to an undivided one-third share

(subject to such reservations, restrictions, encumbrances, liens, and interests as are notified by memorial underwritten or endorsed hereon) in the land hereinafter described, delineated with bold black lines on the plan hereon, be the several admeasurements a little more or less, that is to say: All that parcel of land containing 2118 square metres or less being Lot 15 Deposited Plan 100284 being part Allotment 49 Parish of Whangarei and this certificate further witnesseth that the aforementioned THE NEW ZEALAND REFINING COMPANY LIMITED is seized of an estate of leasehold (subject as aforesaid) created by Lease B.304071.2 for the space of 999 years as from and including 1.4.1984 in Flat 42 Deposited Plan 101323 situated on the above described land



Assistant Land Registrar

Memorials affecting the fee simple estate:

Restrictive covenants in leases B.304071.1 B.304071.2 and B.304071.3

Subject to the following leasehold interests:

| Lease | Flat | Composite C.T. |
|------------|------|----------------|
| B.304071.1 | 41 | 55D/536 |
| B.304071.2 | 42 | herein |
| B.304071.3 | 43 | 55D/538 |

B.716216.1 Transfer to Her Majesty the Queen for Maori Housing purposes - 12.8.1987 at 1.35 o/c

Subject to The Maori Housing Act 1955

Memorials affecting both estates:

B.716216.1 Transfer to Her Majesty the Queen for Maori Housing purposes - 12.8.1987 at 1.35 o/c

Subject to the Maori Housing Act 1955

B.784223.1 Agreement for Sale and Purchase between Her Majesty the Queen and Robert John Tasman Carpenter and Tracy Hinauri Carpenter - 18.2.1988 at 2.00 o/c

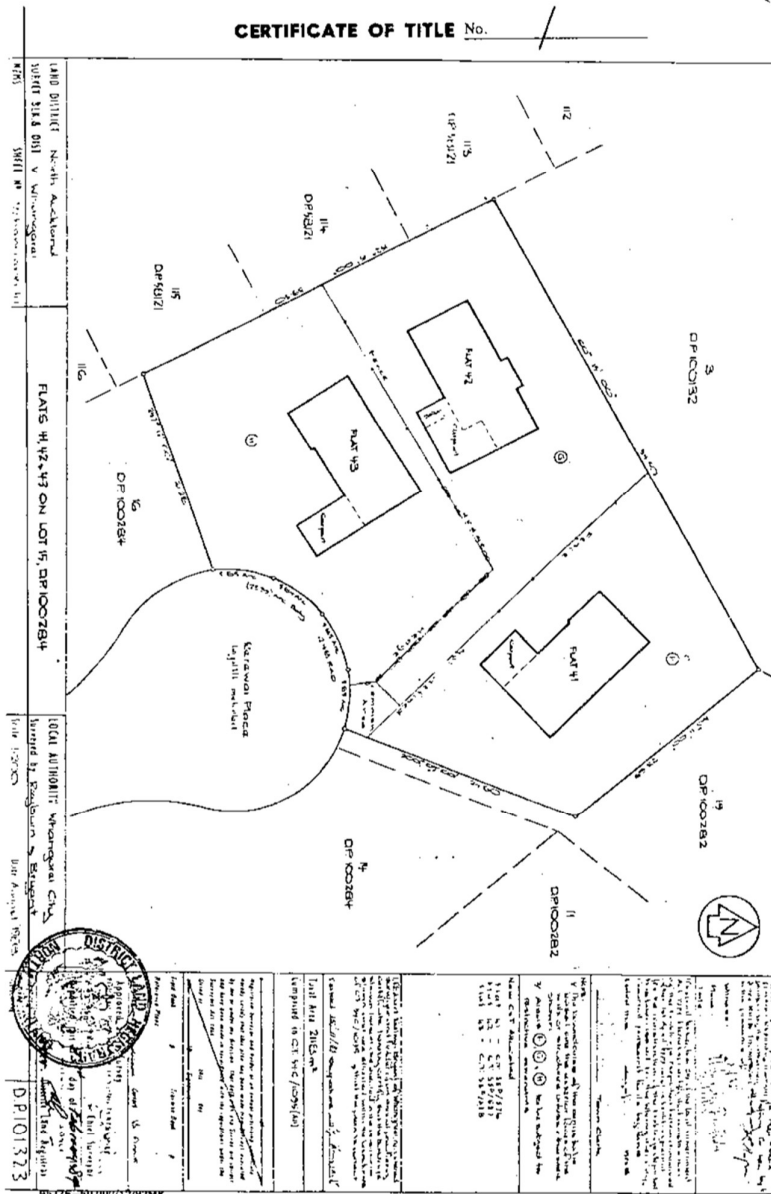
CT 71D/13

No. 55D / 537

Measurements are Metric

SEE OVER.....

Identifier NA55D/537



Identifier **NA55D/537**

55D/537

C.908038.3 Application pursuant to Section 8(1) of the Housing Assets Transfer Act 1993 vesting the within land in The Housing Corporation of New Zealand - 16.10.1995 at 9.57 oc


A.L.R.

C.908038.4 Transfer to Robert Wayne Tasman Carpenter of Whangarei driver and Tracy Hinauri Carpenter his wife - 16.10.1995 at 9.57 oc


A.L.R.

C.823211.1 CAVEAT BY AVCO FINANCIAL SERVICES INTERNATIONAL INC -17.3.1995 at 11.10 oc


A.L.R.

B.784223.3 Settled under the Joint Family Homes Act 1964 - 18.2.1988 at 2.00 oc


A.L.R.

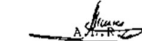
C.908038.5 Mortgage to Trust Bank New Zealand Limited - 16.10.1995 at 9.57 oc (with consent of caveator under Caveat C.823211.1)


A.L.R.

Subject to Part IVA Conservation Act 1987


A.L.R.

Subject to Section 11 Crown Minerals Act 1991


A.L.R.

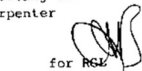
D.140209.1 Statutory Land Charge under Section 40 of the Legal Services Act 1991 - 6.5.1997 at 2.06 oc


A.L.R.

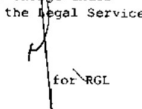
D.209144.1 STATUTORY LAND CHARGE UNDER SECTION 40 OF THE LEGAL SERVICES ACT 1991 28.10.1997 at 2.49


for DLR

D582928.1 Court Order vesting the within land in Robert Wayne Carpenter 27.2.2001 at 3.47


for RGL

D652807.1 Statutory Land Charge under Section 15 and/or 32 of the Legal Services Act 2000 31.10.2001 at 1.30


for RGL



Appendix B - Photographs

