

## RESIDENTIAL VALUATION

**1/3 Flaxdale Street, Birkdale, Auckland**



<b>Date</b>	25 October 2023
<b>Our Ref</b>	TCVRES044327001
<b>Prepared For</b>	Larisa Naumova
<b>For Use By</b>	Larisa Naumova

**1/3 FLAXDALE STREET, BIRKDALE, AUCKLAND**



**Front**



**Rear**

**1/3 FLAXDALE STREET, BIRKDALE, AUCKLAND**



**Deck**



**Carport**



**1/3 FLAXDALE STREET, BIRKDALE, AUCKLAND**



**Rear garden**



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## 1.0 VALUATION SUMMARY

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

Property Address	1/3 Flaxdale Street, Birkdale, Auckland.
Instructed By	Larisa Naumova.
Prepared For	Larisa Naumova.
Purpose of Valuation	Market Valuation for selling purposes.
Type of Property	Residential dwelling unit.
Brief Description	This is a recently renovated circa 1960's two bedroom, one bathroom dwelling unit with timber decking and attached single carport space. The property is situated on an elevated road front crosslease site in Birkdale.
Date of Inspection and Effective Date of Valuation	25 October 2023.
Special Assumptions	<p>Our valuation does not attempt to forecast future market fluctuations and assumes recent historical prices and rentals are maintainable. We can provide no warranty as to the future value prospects for the asset and note the value assessed could change significantly and unexpectedly over a short period due to effects from higher interest rates, changes in the economy and any further pandemic issues.</p> <p>All necessary consents are in place.</p> <p>Refer Section 14.0.</p>
Significant Risks	<p>The New Zealand economy has rebounded from the recession in the first quarter of 2023, however risks to the recent growth and turnaround in the real estate market remain due to the stubbornly high inflation rate, higher interest rates, weak commodity prices hurting the primary sector, and continued uncertain domestic and international economic outlook. The trough in the property market appears to have passed, but the recent improvement in sentiment and small price gains may not be sustained as the outlook remains cautious and economic momentum soft.</p> <p>Refer Section 9.0.</p>
Market Value	<b>\$770,000 (Seven hundred and seventy thousand dollars)</b> including GST (if any). This valuation is inclusive of \$5,000 chattels.
Prepared By	Prendos New Zealand Limited



Registered Valuer  
Tony Carlyle  
Dip Prop Val

Subject Property Inspected: Yes, full site and internal inspection.

The registered valuer has prepared the report, reviewed the sales evidence, undertaken all related research and completed a physical measurement of the improvements (or off plans) to determine the floor areas.

Our Reference

TCVRES044327001

This executive summary must be read together with the full valuation report attached herein. All comments, exclusions and limitations contained in the full report relate directly to this executive summary. No part of this report should be read in isolation.

**Limitations** The report is not to be relied upon by any other person or for any other purpose other than those parties identified under '2.2 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. We reserve the right to withhold our consent or to review the contents of this report in the event that our consent is sought.





## **2.0 SCOPE OF WORK**

### **2.1 The Valuer**

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

### **2.2 Client**

This valuation has been prepared on specific instructions from Larisa Naumova to assess the Market Value for selling purposes. The report is confidential as between Prendos New Zealand Limited and Larisa Naumova and to the party to whom it is addressed. The report is not to be relied upon by any other person or for any other purpose. We accept no liability to third parties nor do we contemplate that this report will be relied upon by third parties. We invite other parties who may come into possession of this report to seek our written consent to them relying on this report. We reserve the right to withhold our consent or to review the contents of this report in the event that our consent is sought.

### **2.3 Purpose of Valuation**

To establish the Market Value for selling purposes.

### **2.4 Asset Valued**

1/3 Flaxdale Street, Birkdale, Auckland.

### **2.5 Basis of Value**

#### ***Market Value***

This valuation is carried out in accordance with the International Valuation Standards (IVS Framework) and the Guidance Papers for Valuers and Property Professionals (GPVPP). Both define 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 had each acted knowledgeably, prudently and without compulsion".

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 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. Given the market conditions prevailing, we recommend that the user(s) of this report review this valuation periodically. The valuation should not be relied upon if in the knowledge of the lender (or anyone acting on behalf of the aforementioned parties), they become aware that a change in the value may have occurred.



Without limiting the generality of the above comment, we do not assume any responsibility or accept any liability, nor should reliance be placed upon the valuation, or anything contained within the valuation report if you or someone acting on your behalf with Prendos New Zealand Limited prior written approval become aware of any factors that have any effect on the valuation.

## **2.6 Important Dates**

Inspection Date: 25 October 2023  
Valuation Date: 25 October 2023  
Date Valuation Issued: 27 October 2023

## **2.7 Extent of Investigation**

This report has been prepared for valuation purposes only and is not a geotechnical or environmental survey, nor is it a building or structural survey. If any defect is found, including structural defects, this could impact on the value of the property. We have assumed the building has no weathertightness issues or other defects unless otherwise stated.

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

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

We have not conducted a land survey of the subject and assume the improvements sit within the boundaries where relevant unless otherwise stated.

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

We have inspected the interior and readily accessible places (where relevant).

## **2.8 Information Received and Relied Upon**

We have been provided with the following information which has been adopted in the valuation process. This information has not been fully verified by the valuer and we have relied upon it as being accurate and correct.

- Confirmation from the owner of the recent renovations carried out to the property.



## **2.9 Assumptions, Qualifications and Limitations**

This valuation report is provided subject to the assumptions, disclaimers, limitations and qualifications detailed throughout this report and to those included within the 'Statement of Limiting Conditions, General Valuation Principles and Policies' section at the rear of this report. For Standard 'Assumptions' made in this report, refer to '2.7 Extent of Investigation', '2.8 Information Received and Relied Upon' and '16.0 Conditions, Qualifications and Disclaimers'.

For special assumptions made in this report refer to 'Special Assumptions' Section 14.0.

## **2.10 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 '2.2 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. We reserve the right to withhold our consent or to review the contents of this report in the event that our consent is sought.

## **2.11 Reporting Format**

We have prepared a formal valuation report meeting appropriate professional standards. This report must be read in conjunction with Prendos New Zealand Limited Statement of Limiting Conditions, General Valuation Principles and Policies.

## **2.12 Valuation Standards**

This valuation has been prepared with conformity to the International Valuation Standards effective from 31 January 2022, as well as the Guidance Papers for Valuers and Property Professionals:

- IVS Framework
- 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
- ANZVGP111 Valuation Procedures – Real Property
- ANZPGP201 Disclaimer Clauses and Qualification Statements
- NZPGP 601 Methods of Measurement



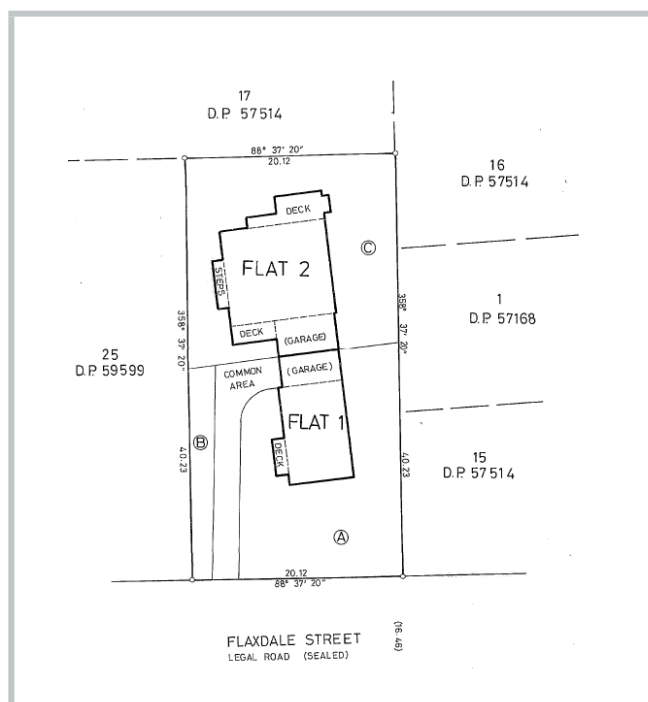


### 2.13 Compliance Statement

- The statements of fact presented in the report are correct to the best of the valuer's knowledge.
- The analysis and conclusions are limited only by the reported assumptions and conditions.
- We have no interest in the subject property and the valuer's fee is not contingent upon any aspect of the report.
- The valuation was performed in accordance with the ethical code and performance standards of the IVS and the Guidance Papers for Valuers and Property Professionals.
- The valuer has satisfied professional education requirements and has experience in the location and category of the property being valued.
- No one, except those specified in the report, has provided professional assistance in preparing the report.

### 3.0 LEGAL DESCRIPTION

Record of Title:	Crosslease.
Identifier:	NA59A/720.
Land Registration District:	North Auckland.
Estate (Tenure):	Crosslease.
Area:	½ share of 809 m <sup>2</sup>
Legal Description:	Flat 1 Deposited Plan 105881 having a half share in Lot 24 Deposited Plan 59599.
Registered Owner/Proprietors:	Larisa Naumova.
Interests:	Refer to the attached Record of Title for all registered memorials.
Appendix:	Copy of Record of Title is included in the Appendix.
<b>Please note:</b>	<b>The flats crosslease plan depicts the carport as a garage and the flats plan may therefore need amending. Survey advice is recommended.</b>



#### 4.0 RATING VALUATION

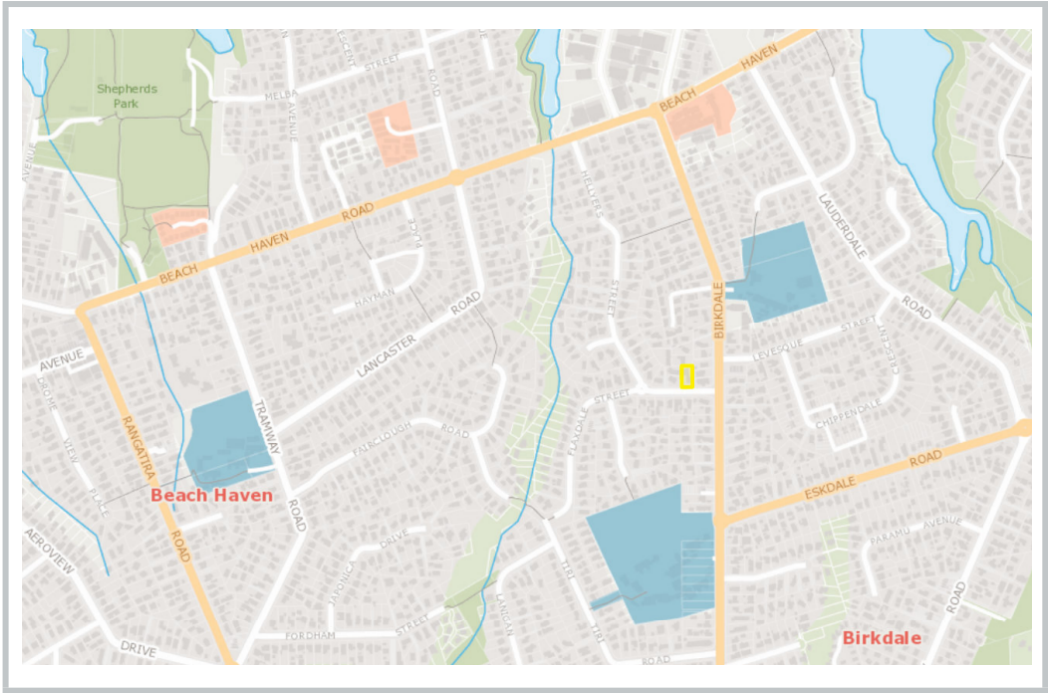
Effective as at 1 June 2021:

Land Value	\$	460,000
Improvements	\$	270,000
Capital Value	\$	<u>730,000</u>

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



5.0 LOCATION DESCRIPTION



The property lies on the northern side of the street, close to the intersection with Birkdale Road in Birkdale, with Flaxdale Street being a no through road. Flaxdale Street lies to the western side of Birkdale Road, a main thoroughfare of the district of Birkdale. Development in the area comprises a mixture of bungalows, units and new terraced townhouses.

Birkdale is an older group subdivision developed through the 1950's to 1970's, with lower to medium cost housing predominating. Many of the properties still enjoy good sized sections, however infill development and townhousing has occurred. The area is located close to a range of schools, parks, reserves and has shopping facilities at Highbury Shops and Glenfield Mall to the northeast.

6.0 RESOURCE MANAGEMENT

6.1 District Plan

Territorial Authority	Auckland City.
Plan Name	Auckland Unitary Plan operative in part.
Plan Status	Operative in part. Most of the old legacy plan is now inoperative except for any parts of the Proposed Auckland Unitary Plan subject to appeal (see below).
Zoning	The property is zoned Mixed Housing Suburban.
Overlays	None of relevance.
Modification	Plan Change 78 (PC 78) – Intensification, Multiple Layers, Proposed, 18/08/2022.





This Plan Change responds to the Governments National Policy Statement on Urban Development and requirements of the RMA. It is designed to:

- Enable more development in the city centre and at least six-storey buildings within walking distance of the City Centre, Metropolitan Centres and Rapid Transit Stops.
- Enable more intensive development in and around neighbourhood, local and town centres.
- Incorporate Medium Density Residential Standards that enable three storey housing in most residential areas.
- Implement qualifying matters that reduce the required height and density of development where there is a feature or value that should be protected.

This was open for submissions until 29th September 2022. A variety of changes to the Plan are contained within this modification.

Permitted Activity	Residential use is a permitted activity and the current use complies with the intent of the Unitary Plan.
Development Controls	<p>This allows normal residential development and medium density housing at 400 square metres net site area for new lots.</p> <p>The Suburban zone allows intensification whilst retaining a suburban built character. Development within the Suburban zone is generally anticipated to be two storey detached and attached housing in a variety of types and sizes to provide housing choice. Up to three dwellings are permitted as of right on a lot subject to compliance with the Standards. Resource Consent is required for four or more dwellings and for other specified buildings.</p>
Zoning Effect	The property is assumed to comply with the Unitary Plan town planning requirements, unless otherwise noted.
Comment	<p>The Proposed Auckland Unitary Plan Decisions Version was released 19 August 2016. On 16 September 2016 the appeal period to the plan closed, however a number of objections have been received which need to be resolved for the plan to be 100% operative.</p> <p>Parts of the decisions version of the Unitary Plan can be treated as operative if no appeals have been lodged against certain provisions, or from the date that appeals are either determined, withdrawn or dismissed. Treating provisions as operative means the old rules in the prior legacy plan are inoperative and have no legal or planning relevance. For those provisions that are subject to appeal, the Council is required to assess Resource Consent applications against parts of both the prior legacy plans and the operative in part Unitary Plan. Thus, in these cases, both plans are still relevant in part until objections are resolved.</p>



PC 78 will enable greater intensification than before, essentially allowing three units as of right up to three stories high without needing Resource Consent. It could also be used for decision making purposes now, although planning advice is required on this aspect as the Plan Change is still proposed and could be modified.

Objections

None of relevance.

## 7.0 LAND



Site Area:  $\frac{1}{2}$  share of 809 m<sup>2</sup>

Site Description: The parent site is a rectangular shaped road front site having a total area of 809 square metres. The subject property which is identified as Flat 1 on the Flats Plan occupies the undivided road front share of approximately 360 square metres excluding the shared or common areas. In contour the land rises gently above the road in a northeasterly direction and the dwelling has a slightly elevated and sunny westerly aspect and average urban outlook. We note on the eastern boundary of the property there is a townhouse development underway.

Services: All town services are available to the site. We cannot, however, certify the condition of any services provided and assume they are sound.

Access: The road surface is sealed and has footpaths with kerbing and channelling.

Environmental: **Site Contamination.** Our visual inspection of the subject property and immediately surrounding properties revealed no obvious signs of site contamination. We have not undertaken any formal searches.



We assume that the site is free from elevated levels of contaminants and have therefore made no allowance in our valuation for site remediation works.

**Asbestos.** None noted on-site (but we are not experts in this area). We have not conducted formal searches. If asbestos materials are found to be present on-site, the valuation must be referred back to the valuer for further consideration and possible re-assessment.

We assume that the site is free of subsoil asbestos and have therefore made no allowance in our valuation for site remediation works.

## 8.0 IMPROVEMENTS

### 8.1 Overview

This is a recently renovated circa 1960's two bedroom, one bathroom dwelling unit with timber decking and an attached single carport space. The property is situated on an elevated road front crosslease site in Birkdale.

### 8.2 Dwelling



### 8.3 Floor area/s (Approx.)

Dwelling unit	56	m <sup>2</sup>
Carport	20	m <sup>2</sup>
Deck	8	m <sup>2</sup>

### 8.4 Construction

The main building is constructed with concrete block foundations, fibrecement board base walls, Timber weatherboard exterior wall cladding and a new corrugated long run iron roof which discharges into PVC spouting and downpipes. Timber and aluminium joinery has been used to windows and doors. Interior linings are plasterboard and the flooring is timber.

### 8.5 Accommodation

**The interior layout** is over a single level and comprises two bedrooms, a bathroom and a lounge/dining and open plan kitchen.





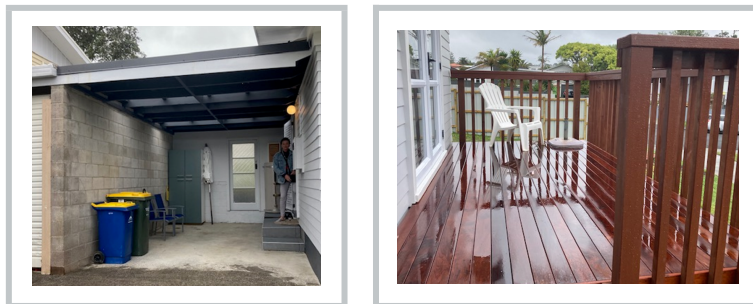
**Facilities include** a modernised kitchen with laminate bench tops, stainless steel sink insert, four plate hob with extractor hood above and a wall oven. There is an average amount of cupboard space provided. The bathroom which has also been modernised, comprises a shower, toilet and vanity.

**Other features include** laminate flooring throughout with the exception of the bathroom which has ceramic tiles.



## 8.6 Other Improvements

These include the carport attached on the northern side of the dwelling unit to the neighbouring property. There is a small timber deck extending off the lounge on the western side of the dwelling unit.



## 8.7 Site Improvements

The grounds are plain and comprise lawns, shrubs and plants. There is a low level retaining wall on the eastern side of the dwelling. The property is well fenced and accessed via a shared concrete drive.

## 8.8 Condition and Presentation

The grounds are tidy but plainly presented.

The exterior of the dwelling appeared to be in sound order and condition and has recently been redecorated including a new roof fitted.

The interior of the dwelling has been modernised throughout including new wiring, lighting and insulation.

We have not been provided with any reports in respect to the structural integrity or condition of the improvements or property. This report is for valuation purposes only and is not a building or structural survey.



## 9.0 RISK ASSESSMENT

Property Risk Rating	1	2	3	Market Risk Rating	1	2	3
Location and Neighbourhood				Reduced Value next 1-2 years			
Land (including Planning & Title)				Market Volatility			
Environmental Issues				Local Economy Impact			
Improvements				Market Segment Conditions			

\* Risk Ratings: 1 = Low, 2 = Medium and 3 = High

**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

### Market Risk

#### Reduced Value next 1-2 years, Market Volatility and Local Economy Impact

The New Zealand economy has rebounded from the recession in the first quarter of 2023, however risks to the recent growth and turnaround in the real estate market remain, due to the stubbornly high inflation rate, higher interest rates, weak commodity prices hurting the primary sector and continued uncertain domestic and international economic outlook. The trough in the property market appears to have passed, but the recent improvement in sentiment and small price gains may not be sustained as the outlook remains cautious and economic momentum soft.

## 10.0 VALUATION RATIONALE

To determine the subject property's market value, we have adopted the Market Approach – Comparable Transactions Method.

The Comparable Transactions Method is a comparative approach which considers the sales of similar or substitute properties and related market data, and establishes a value estimate by processes involving comparison. Essentially properties are valued by comparison with sales of similar properties that have been transacted on the open market in the surrounding area. The sales are analysed directly and on a net rate basis as necessary with adjustments made for factors which may vary to the subject including:

- Its location, land size, aspect, views, position, contour, shape, zoning, development potential and title.
- The range of improvements, their age, condition, quality, design, street presentation, utility value and number of bedrooms.
- Its value level appropriate to the area.



## **11.0 MARKET CONSIDERATIONS**

### **11.1 Regional Market**

The New Zealand economy fell into a short recession in the first quarter of 2023 but has pulled itself out of this in the latest quarter with 0.9% growth in GDP. Underlying economic momentum still looks quite fragile as CPI inflation remains high and this will require the Reserve Bank to keep the Official Cash Rate (OCR) higher for longer, particularly if the housing market continues to gather steam.

The recent strength in the economy has been supported by a number of factors including:

- The migration boom underway with a significant increase in migrant numbers.
- Good job security with low unemployment of 3.6%, rising job numbers and wage growth.
- Tourist numbers are rising strongly post pandemic, providing a welcome boost to the economy and regions, and the hospitality sector is recovering strongly after the severe pandemic shock.
- Foreign students are returning which is helping the Auckland CBD.
- The trough in the housing market appears to have passed as prices and sales activity are now slowly rising.
- Government spending has been high and further significant investment in the country's infrastructure is necessary which will boost the economy.

In response to the stronger economic activity, the property market has now moved into a subdued recovery. Sales volumes are slowly increasing (albeit off a very low base) and the house price cycle has clearly turned with prices trending upwards over the past few months. Days to sell have also fallen indicating some life returning to the market.

Underpinning recent momentum, first home buyers have re-entered the market after a long absence and are making up a larger share of new sales. Investors have been largely sidelined due to the low yields on offer, lack of capital gain, high mortgage interest rates and 35% deposit requirements. But as rents continue to rise quite strongly and potential changes to tax rules are brought in making property investment more attractive, investors are expected to emerge as a buying force.

The construction sector is also still in reasonable heart. Building Consents have come off their high levels as house prices have dropped, but there is a lengthy tail to the construction boom as historical consents are completed. Supply issues and product shortages coupled with soaring building costs have become embedded into construction and are adding further pain to the building sector. It may be some time before there is any meaningful rise in construction in response to the slowly rising prices and turnover.

However, there are a number of factors creating uncertainty, not least of which is the stubbornly high inflation rate of 5.6% and resulting high cost of living now baked into the economy. This is impacting on households and, coupled with the higher interest rate environment and increased borrowing costs, households are being squeezed by the high inflation and cost of living shock.



A key issue impacting the market is the tight credit environment. Mortgage rates are significantly up, loan to value ratios (LVR's) are tight and the CCCFA rules have made lending difficult, though some relaxing of these rules is helping the first home buyer market. There is a large refinance profile of borrowers refixing shorter term loans at much higher interest rates who will see their mortgage debt servicing rise considerably as a result.

These interest rate changes are in response to the lift in the OCR. The Reserve Bank has aggressively raised the OCR from its historic low of 0.25%, set during the Covid-19 pandemic and lockdowns, to now sit at 5.5%. The Reserve Bank has signalled that the OCR has now peaked and anticipates cuts from the third quarter of 2024, however this remains to be seen and many economists predict further rises may be required to temper stubbornly high inflation and a now rising property market. Whatever transpires, rates are set to be high for an extended period.

Additional concerns weighing on market sentiment include the falls in export commodity prices impacting the rural market, an uncertain election outcome and climate change. Various risks internationally include the Ukraine war which has pushed up energy and food prices around the world. Supply chains worldwide have been disrupted and problems have been exacerbated by a slowdown in the Chinese economy. This has resulted in rising prices for materials and goods. Worldwide equity markets have been quite volatile on the back of these concerns, inflationary pressures, and recessionary worries. Expectations for high global interest rates may flow through to still higher interest rates in New Zealand.

The flood and cyclone events felt in the North Island have added another layer of issues for households and the property market to grapple with and will require a long and costly recovery. There will be considerable ongoing disruption and the reconstruction is expected to take many years. This may cause further inflationary pressures to an already stretched construction industry. There is uncertainty around what impact the flood events may have had on the market in general and individual properties that might have actually been flooded.

There remains considerable uncertainty around the speed with which inflationary pressures will decline and as a result relief for borrowers from higher interest rates may take a long time to materialise. The economic outlook is quite variable and there are any number of potential headwinds to the property market. Affordability is stretched and well above the long term average while there is the prospect of Debt to Income Ratios (DTI's) being introduced in 2024 which could act as a handbrake to future growth. The mid-term outlook for the market could therefore be a lot weaker than expected.

## **11.2 Local Market**

Birkdale is an increasingly popular suburb that saw strong sales volumes and activity following the pandemic lockdown. Rapid price growth was enjoyed in 2020-2021, mirroring the wider Auckland market. But this reversed in 2022 and a downward bias to prices is now clear. From the end of 2021, throughout 2022 and into 2023 the local market has cooled, and a slowdown is firmly entrenched. There are fewer active buyers and longer selling periods are now the norm. There has been a switch to a 'buyer's market' and this is impacting on prices. The outlook remains volatile and uncertain, and risks are elevated for a continued longer-term downturn.

The local market was very slow in the first half of 2023 and the flood events which occurred at the end of January exacerbated this weak activity. However, over the past few months there has been a slow recovery in both sales numbers and prices. Much of this has been driven by first home buyers, particularly in the new housing sector where they are very prominent. There has been a general acceptance of lower prices by vendors and the market is now better balanced with supply and demand of housing.




## 12.0 SALES EVIDENCE

We have considered various recent sales and include some details below of those of relevance, however they are not limited to the following:

Photo/Address	Sale Date	Sale Price	Floor Area (m <sup>2</sup> )	Land Area (m <sup>2</sup> )	Rating Valuation	Overall
<b>Sale 1</b> <b>1/157 Birkdale Road, Birkdale</b> 	October 2023	\$680,000	102	Crosslease ½ share of 1,012	\$1,000,000	Inferior
<p><b>Description:</b> This is a road front crosslease site that is improved with a dated circa 1950's plaster and tile single level two bedroom, one bathroom dwelling that has a single carport space at the rear.</p> <p><b>Comparability:</b> The improvements size is larger but the quality is vastly inferior. The property offers the same amount of accommodation, but on balance due to the poor quality of the improvements this sale is considered inferior in value.</p>						
<b>Sale 2</b> <b>1/7 Flaxdale Street, Birkdale</b> 	May 2023	\$780,000	72	Crosslease ½ share of 1,084	\$900,000	Similar/Superior
<p><b>Description:</b> This is an elevated rear crosslease site that is improved with a previously updated circa 1960's two bedroom, one bathroom home which is attached on its northern side to the neighbouring property. Covered front deck and freestanding sleepout.</p> <p><b>Comparability:</b> The dwelling size is larger but the quality is inferior. The land size is slightly larger but due to the larger floor area and sleepout on balance this is considered a similar/superior sale.</p>						
<b>Sale 3</b> <b>1/28 Fairclough Road, Beach Haven</b> 	August 2023	\$788,000	80	Crosslease ½ share of 1,022	\$950,000	Superior
<p><b>Description:</b> This is a rear crosslease site that is improved with a well presented recently renovated but compact 1960's three bedroom, one bathroom bungalow with attached decking.</p> <p><b>Comparability:</b> The dwelling size is larger but the quality overall is slightly inferior. The property however offers an extra bedroom and therefore this sale is considered superior.</p>						
<b>Sale 4</b> <b>2/120A Birkdale Road, Birkdale</b> 	October 2023	\$795,000	80	Crosslease ½ share of 928	\$750,000	Superior
<p><b>Description:</b> This is a rear crosslease site that is improved with a renovated circa 1970's attached two bedroom, one bathroom townhouse with decking and separate garaging.</p> <p><b>Comparability:</b> The dwelling size is larger and the quality is reasonably comparable. The property is however on a more private crosslease site set in well landscaped grounds with secure garaging and on balance this sale is considered superior in value.</p>						
<b>Sale 5</b> <b>65A Kia Ora Road, Beach Haven</b> 	August 2023	\$800,000	70	400	\$1,000,000	Superior
<p><b>Description:</b> This is a rear freehold site that is improved with a circa 1980's two bedroom, one bathroom cottage that has been renovated throughout and has pleasant outdoor living areas.</p> <p><b>Comparability:</b> The dwelling size is larger and the quality is quite similar. The property however is on a freehold site rendering this sale higher in value and therefore superior.</p>						





Photo/Address	Sale Date	Sale Price	Floor Area (m <sup>2</sup> )	Land Area (m <sup>2</sup> )	Rating Valuation	Overall
<b>Sale 6</b> <b>196 Beach Haven Road, Beach Haven</b> 	August 2023	\$822,000	96	383	\$950,000	Superior
<b>Description:</b> This is a road front freehold site that is improved with a circa 1960's home that has been modernised and extended in the past to offer a comfortable standard of two bedroom, one bathroom accommodation. The property enjoys a pleasant covered and quite private outdoor living area. <b>Comparability:</b> The improvements size is larger than the subject property but the internal quality is not as good. However the property has a better open plan living area with the option of covered outdoor living spaces and is on a freehold site, which is more desirable than a crosslease site, rendering this sale superior.						

We cannot guarantee the accuracy of floor area details obtained from external sources.

## 12.1 Conclusion/Reconciliation on Evidence

Sale No.	Address	Contract Date	Sale Price	Floor Area m <sup>2</sup>	Site Area m <sup>2</sup>	Bed-rooms	Overall Comparability
1	1/157 Birkdale Road	October 2023	\$680,000	102	Crosslease	2	Inferior
2	1/7 Flaxdale Street	May 2023	\$780,000	72	Crosslease	2	Similar/ Superior
3	1/28 Fairclough Road	August 2023	\$788,000	80	Crosslease	3	Superior
4	2/120A Birkdale Road	October 2023	\$795,000	80	Crosslease	2	Superior
5	65A Kia Ora Road	August 2023	\$800,000	70	400	2	Superior
6	196 Beach Haven Road	August 2023	\$822,000	96	383	2	Superior

We conclude that the value of the subject property lies within the range \$680,000 to \$800,000 and adopt **\$770,000** as our preferred assessment. This takes into consideration the subject's recently renovated condition, its solid construction with the more durable timber weatherboard exterior wall cladding and new roof, tempered slightly by its attached nature, smaller floor area, limited amount of accommodation offered and unappealing neighbouring dwelling at the rear.

Recent comparable sales include 1/157 Birkdale Road which sold in October 2023 for \$680,000. This is a larger, but much older plaster and tile home offering two bedroom accommodation, although on a larger crosslease site. On balance this is considered an inferior sale due to the amount of work needed to upgrade this property.

The best comparable sale is one in the same street which sold in May 2023 being 1/7 Flaxdale Street which is a quite similar looking two bedroom dwelling unit, although with a larger floor area and on a larger crosslease site. This has been upgraded in the past but is in inferior condition, however there is also a sleepout and on balance this sale is considered similar/superior in value.

Finally, 65A Kia Ora Road sold in August 2023 for \$800,000. This is a slightly larger freestanding home on a freehold site which is considered a superior option.

Given the market uncertainty relevant to the local real estate market that the subject property is transacted in, the value assessed may change significantly and unexpectedly over a relatively short period of time.



The valuation may not contain sufficient sales evidence within six months of the date of valuation and within 20% (plus or minus) of the assessed value to meet conventional valuation metrics. This is due to the limited market transactions of this type and lack of sales activity of a directly comparable nature, age, size or condition in this immediate area. Accordingly, older sales of relevance have also been used in our analysis with appropriate adjustments made for time and other factors at variance to the subject property. This wider body of sales evidence provides a sound basis of comparison to establish the value of the asset to its 'highest and best use', using the Comparable Transactions and Net Rate methods.

Our valuation has had regard to historical market sales and rental information. It is impossible to predict if these will be maintained going forward. The value indicated reflects our view of current recent past prices and rentals. It does not attempt to forecast market fluctuations in future and assumes recent historical prices are maintainable.

## **12.2 Previous Sales**

According to Property Guru records, the subject property previously sold in April 2023 for \$550,000. Since purchasing this property it has been totally renovated.

## **13.0 VALUATION**

### **13.1 Valuation Assessment**

To establish the market value of the property we have considered relevant general and economic factors and have investigated recent sales of comparable property. We have utilised a Comparable Transactions Method which involves a comparison between the subject and sales of similar properties in the surrounding area. The sales are analysed directly and on a net rate basis as necessary with adjustments made for factors which may vary to the subject including:

- Its location, land size, aspect, views, position, contour, shape, zoning, development potential and title.
- The range of improvements, their age, condition, quality, design, street presentation, utility value and number of bedrooms.
- Its value level appropriate to the area.



After taking all factors into account, we assess the market value of the property at **\$770,000 (Seven hundred and seventy thousand dollars)**. Our assessment can be hypothetically apportioned as follows:

#### **Improvements**

Dwelling unit (56 m <sup>2</sup> )	\$ 225,000
Other Improvements	\$ <u>20,000</u>

#### **Total Improvements**

**\$ 245,000**

#### **Land Value**

**\$ 520,000**

#### **Market Value (excluding Chattels)**

**\$ 765,000**

#### **Chattels**

\$ 5,000

#### **MARKET VALUE (including Chattels)**

**\$ 770,000**

#### **Includes GST (If Any)**

### **13.2 Reasonable Selling Period**

Having regard to the prevailing market conditions and characteristics of the property and locality, a likely selling period for the subject of two to four months is considered appropriate. This assumes the implementation of a professional marketing campaign by real estate sales operatives active and experienced in the sale of similar property in the locality.

### **13.3 Current Contract**

Not applicable.

### **14.0 SPECIAL ASSUMPTIONS**

Our valuation does not attempt to forecast future market fluctuations and assumes recent historical prices and rentals are maintainable. We can provide no warranty as to the future value prospects for the asset and note the value assessed could change significantly and unexpectedly over a short period due to effects from higher interest rates, changes in the economy and any further pandemic issues.

### **15.0 VALUE RECOMMENDATION**

It is our opinion the property has a value within the range of \$680,000 to \$800,000 and **\$770,000** is our preferred assessment. Given the market conditions prevailing, if selling the property, we suggest marketing it at an initial higher asking price to test the market fully and leave some room for negotiation.



## 16.0 CONDITIONS, QUALIFICATIONS & DISCLAIMERS

Our valuation is subject to the following criteria:

- Issue of Resource Consent and all other appropriate local body and statutory permits where necessary.
- The assumptions, extent of investigation and information relied upon noted in Section 2.0 and 14.0.
- This report must be read in conjunction with and is subject to the Statement of General Valuation Principles and Policies attached with this report. Use of our report is dependent on the acceptance of our conditions/principles/policies.

In addition we confirm the following:

- **Experience** – The principal signatory has a minimum of five years' experience and valuing the subject class of asset, has all appropriate qualifications and registrations enabling them to practice as a valuer and has not been subject at any stage to disciplinary action by the relevant professional governing body.
- **Independence** – The signatory has no direct or indirect pecuniary or other interests in the property being valued, and are not aware of any other potential conflicts of interest.
- **Professional Indemnity Cover** – We certify that Prendos New Zealand Limited holds a current professional indemnity insurance policy for an amount appropriate to the nature and level of our business activities and the Registered Valuer signing the report is covered by the policy. As at the date of this report, that policy has not been withdrawn.

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

Yours faithfully

**Tony Carlyle Dip Prop Val  
(Registered Valuer)**

JW/KS:TC

**Attached:**      **Record of Title**  
                         **Map**  
                         **Aerial Photograph**



## STATEMENT OF LIMITING CONDITIONS, GENERAL VALUATION PRINCIPLES AND POLICIES

### Purpose and Responsibility to Third Party

- This valuation has been prepared on specific instructions from our client for the purpose of establishing a market value. 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 would be relied upon by third parties. We invite other parties who may come into possession of this report to seek our written consent to them relying on this report. We reserve our right to withhold consent or to review the contents of this report in the event that our consent is sought. Neither the whole, nor any part of this valuation report or any reference to it may be included in any published document, circulation or statement without the written approval of the author as to the form and context in which it may appear.

### Date of Valuation

- This valuation is current as at the date of valuation only. The value assessed herein may change significantly and unexpectedly over a relatively short period (including as a result of general market movements or factors specific to the particular property). We do not accept liability for losses arising from such subsequent changes in value.
- Without limiting the generality of the above comment, we do not assume any responsibility or accept any liability, nor should reliance be placed upon the valuation, or anything contained within the valuation report, if you or someone acting on your behalf with Prendos NZ Ltd prior written approval become aware of any factors that have any effect on the valuation. This extends to readdressing of reports. In all instances, a new inspection of the property and supporting information will be required.

### Valuation Standards

- I have prepared this report as a registered valuer to comply with the Guidance Papers for Valuers and Property Professionals, Valuers Codes of Ethics, International Valuation Standard 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) and ANZPGP201 (Disclaimer Clauses and Qualification Statements) for residential properties, where applicable.
- Where this report and valuation refers to a house to be built or under construction, this valuation has been prepared under the Guidance Papers for Valuers and Property Professionals with particular reference to NZVGP504 (Valuation of Houses Under Construction and Houses to be Built or Previously Unoccupied New Houses) and we refer the reader to the following:

*"This report assumes that the house will be developed and completed according to the plans and specifications described herein and that the standard of construction is in accordance with that assumed within the report. It should be specifically noted that any significant deviation in respect of style, layout, design or construction standards would invalidate the value conclusions reached in this report."*

*"The values reported herein are based on data collected and reviewed at the date of this report. The valuation assumes no responsibility for unforeseeable events that alter market conditions prior to the completion of the development"*.

We recommend progress reports are undertaken and a final inspection to ensure completion in accordance with the plans, specifications and assumptions the property was valued on.

### Structural Survey

- This report does not purport to be a structural survey and is limited to valuation purposes only. We accept no responsibility for the omission of building or other defects which may not be apparent without such a survey. No structural survey has been made and no undertaking is given about:
  - The ingress of water into a building or structure and any physical loss of or damage to the building or structure arising directly or indirectly, in whole or part, from the ingress of water; or
  - Rot or gradual deterioration of the building or structure arising directly or indirectly, in whole or part, from the ingress of water; or
  - Fungus, mould, mildew, yeast, rot or decay, gradual deterioration, micro-organisms, bacteria, protozoa or any similar or like forms in any building structure or any spore or toxin produced by such fungus, mould, mildew or yeast, micro-organisms, bacteria, protozoa or any similar or like forms; or
  - Any costs or expenses arising out of the abating, testing for, monitoring, cleaning up, removing, containing, treating, detoxifying, neutralising, remediating or disposal of, or in any way, responding to or assessing the effects of mould, fungus, mildew, yeast, rot, decay, gradual deterioration, micro-organisms, bacteria, protozoa or similar or like forms, in any building or structure; or
  - The failure of any building or structure to comply with or conform to the requirements of the New Zealand Building Code contained in the Building Regulations 1992, the Building Act 2004, or to meet the level of performance, quality, fitness or durability of its intended purpose in relation to:-
    - External water or moisture; or
    - Either durability or protection from external water or moisture entering that building or structure, or the effects thereto.





## Legislation

- We can give no guarantee as to outstanding requisitions in respect to the subject building. It assumes all Local Authority building codes, regulations and by-laws have been complied with, including all matters relevant to the Resource Management Act(s) and the Building Act(s), unless otherwise stated. For any new construction it is assumed a Code Compliance Certificate is obtained at the completion and any new work is completed strictly in accordance with the relevant product manufacturer's instructions and meets all requirements of the Building Code. We have not obtained a Land Information Memorandum (LIM) or PIM and assume the property conforms to all requirements of relevant legislation and regulations.

## Land Survey

- This report is for valuation purposes only. We have made no land survey of the property and assume no responsibility in connection with these matters. Unless otherwise stated, the valuation has been assessed conditional upon all improvements being within the title boundaries. We have not undertaken investigations or been supplied with geotechnical reports with respect to the nature of the underlying land. The valuation has been assessed conditional upon the land being firm and suitable ground for the existing and/or potential development, without any need for additional and expensive foundation and retaining work or drainage systems. We have also assumed the land to be free of any contaminants or noxious materials.

## GST

- The valuation includes Goods and Services Tax (if any). It has been assumed the supporting sales (and rental) data have been transacted on a GST inclusive basis. Should this not be the case for any particular sale (or rental) used as evidence, we reserve the right to reconsider our valuation.

## Market Valuations

- Our valuation has been completed in accordance with the International Valuation Standards (IVS Framework) and the Guidance Papers for Valuers and Property Professionals (GPVPP). Both define Market Value as:

*"The estimated amount for which an asset 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 have each acted knowledgeably, prudently and without compulsion".*

As real estate values can vary from time to time in response to changing market conditions, it should therefore be noted that our assessment of market value is based upon the facts and evidence as they exist as at the date of valuation and no warranty can be given as to the maintenance of these values in the future. Our valuation does not attempt to arrive at a value under forced sale conditions (unless as noted). No allowances are made for any expenses of realisation or to reflect the balance of any outstanding mortgages either in respect of capital or accrued interest.

- Where this report and valuation refers to a "Forced Sale Value – Constrained Market Value" this valuation has been prepared under the Guidance Papers for Valuers and Property Professionals – ANZVGP103 Addressing the Concept of 'Forced Sale'.

## Risk Analysis

- The Risk Analysis is a simple analysis which reflects the valuers interpretation of market and property risks at the time of valuation and indicates the level of adverse impact each stated aspect has on the property's value and marketability. The opinion is based on many factors and reflects the nature and standard of the property, its attributes, characteristics and current market conditions. This assessment forms part of the full report and must not be relied upon in isolation. It is not a technical analysis, but is the result of the current experience of the valuer based on the facts and information that is commonly available for that class of property in the market. It does not consider any privileged information or data not readily available.

## Other

- The undersigned holds a current Practising Certificate, is a registered valuer and certifies that Prendos New Zealand Limited has professional indemnity insurance in force and effect for an amount appropriate to the level of valuation and the firms business activities.
- The author(s) of this report where they use the singular phrase "I" or the plural "we", or similar phraseology, are referring to their role acting on behalf of Prendos New Zealand Limited, not as individuals.
- The report contains assumptions considered to be fair and reasonable. If any assumptions are made which are based on information later proved to be incorrect, or known by the recipient to be incorrect at the date of the report, Prendos New Zealand Limited reserves the right to reconsider the report and if necessary reassess values.



# QuickMap Title Details

## Historic Information

Information last updated as at 23-Oct-2023

### CROSS LEASE DERIVED FROM LAND INFORMATION NEW ZEALAND

**Identifier** NA59A/720  
**Land Registration District** North Auckland  
**Date Issued** 14 June 1985

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#### Historic Memorials

A81547 Certifying the line of trunk sewer (Affects Fee Simple)

B424338.1 Lease of Flat 1 DP 105881 Term 999 years commencing on the 31.1.1985 Composite CT NA59A/720 issued - 14.6.1985 (Affects Fee Simple)

Land Covenant in Lease B424338.1 - 14.6.1985 (Affects Fee Simple)

B424338.2 Lease of Flat 2 Composite CT NA59A/721 issued - 14.6.1985 (Affects Fee Simple)

Land Covenant in Lease B424338.2 - 14.6.1985 (Affects Fee Simple)

B766147.1 Variation of Lease B424338.2 - 17.12.1987 at 11.19 am (Affects Fee Simple)

7341580.1 Transmission to Public Trust - 27.4.2007 at 9:00 am

7659199.1 Transfer to Basil David Dutch - 14.12.2007 at 3:12 pm

12663668.1 Transmission to James Edward Dutch as Administrator - 20.2.2023 at 2:52 pm

12755996.1 Transfer to Larisa Naumova - 16.6.2023 at 5:04 pm

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#### Historic Owners

**PUBLIC TRUST**  
**MARJORIE DUTCH**

**BASIL DAVID DUTCH**

**JAMES EDWARD DUTCH**

*The information provided on this report forms a guideline only. As a result, Custom Software Limited cannot and does not provide any warranties or assurances of any kind in relation to the accuracy of the information provided through this report, the Site and Service. Custom Software Limited will not be liable for any claims in relation to the content of this report, the site and this service.*



**RECORD OF TITLE  
UNDER LAND TRANSFER ACT 2017  
CROSS LEASE  
Search Copy**



  
R. W. Muir  
Registrar-General  
of Land

**Identifier** **NA59A/720**  
**Land Registration District** **North Auckland**  
**Date Issued** 14 June 1985

**Prior References**  
NA14C/1116

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<b>Estate</b>	Fee Simple - 1/2 share
<b>Area</b>	809 square metres more or less
<b>Legal Description</b>	Lot 24 Deposited Plan 59599

**Registered Owners**  
Larisa Naumova

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<b>Estate</b>	Leasehold	<b>Instrument</b>	L B424338.1
		<b>Term</b>	999 years commencing on the 31.1.1985

**Legal Description** Flat 1 Deposited Plan 105881

**Registered Owners**  
Larisa Naumova

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**Interests**

A81547 Certifying the line of trunk sewer (Affects Fee Simple)  
B424338.1 Lease of Flat 1 DP 105881 Term 999 years commencing on the 31.1.1985 Composite CT NA59A/720 issued - 14.6.1985 (Affects Fee Simple)  
Land Covenant in Lease B424338.1 - 14.6.1985 (Affects Fee Simple)  
B424338.2 Lease of Flat 2 Composite CT NA59A/721 issued - 14.6.1985 (Affects Fee Simple)  
Land Covenant in Lease B424338.2 - 14.6.1985 (Affects Fee Simple)  
B766147.1 Variation of Lease B424338.2 - 17.12.1987 at 11.19 am (Affects Fee Simple)

11-2-53  
Clare

19/1/15  
Date

Boundaries of areas to be leased are along exterior face of outside walls and structures and the centre of interior walls, unless otherwise shown

Areas shown (A), (B) and (C) are to be subject to restrictive covenants

Total Area	809 m <sup>2</sup>
Comprised in	CT 14C/1916 (All)

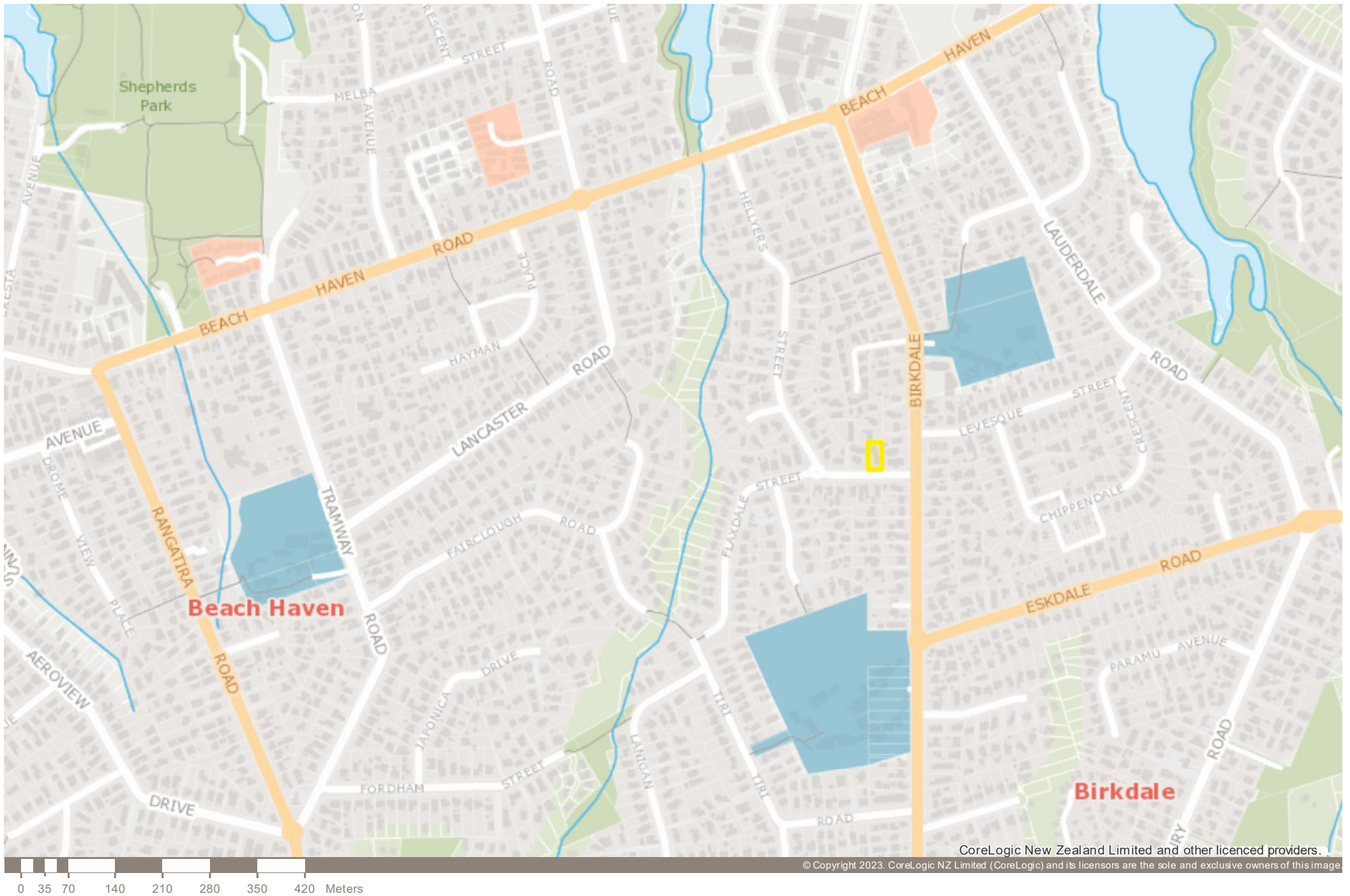
*Registered Surveyor and holder of an annual practicing certificate: hereby certify that this plan has been made from Survey's drawings by me in strict accordance with the plan and Survey's instructions and have been made in accordance with the regulations under the Surveyors Act 1968*

Examined  
Approved  
FOR THE  
20 3



U.S. DEPARTMENT OF JUSTICE  
OFFICE OF THE INSPECTOR GENERAL  
V-100

[illegible]



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Subject Property  Sold Properties  Listed Properties  Other Selected Properties





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0 4.5 9 18 27 36 45 54 Meters

Subject Property Sold Properties Listed Properties Other Selected Properties