

**A VALUATION REPORT PREPARED FOR:
BOB CLIENT**

**SUBJECT PROPERTY:
1 HIGH STREET, NAPIER**

**EFFECTIVE DATE OF VALUATION:
2 OCTOBER 2024**



Valuation prepared by Added Valuation Limited:
Rob Douglas
Registered Valuer, BBS (V&PM), ANZIV, SPINZ
rob@addedvaluation.co.nz
022 4444 005

Super Support
value@addedvaluation.co.nz



VALUATION SUMMARY

Property:	1 High Street, Napier	
Client/Addressee:	Bob Client By email: rob@addedvaluation.co.nz	Your Insurance Company Attn: Joe Bloggs By email: rob@addedvaluation.co.nz
Instructed by:	Bob Client	
Reporting date:	3 October 2024	
Valuation date:	2 October 2024	
Inspection date:	2 October 2024 at 09:00 AM	
Purpose of valuation:	For insurance	
Scope of valuation:	We have undertaken a full insurance assessment/valuation of the property, including an internal and external onsite inspection of the subject property, analysis of construction costs, insurance assessment and provision of this report. Any exclusions are noted within this report.	
Cost allowances:	<p>In assessing the Reinstatement Estimate and Depreciated Replacement Cost allowances have been made for:</p> <ul style="list-style-type: none">- connection of services to the existing supply feeds including stormwater disposal, sewage disposal, water reticulation and electrical power.- permanent fixtures and fittings including partitioning and power fittings- a proportionate share of commonly owned and shared use assets <p>No allowance has been made for any site improvements except those listed by the heading site works below and in the improvements section of this report, any buildings unless described in this report, security equipment, signage, tenant fitout, garden landscaping and plantings.</p>	
Site works:	We have made an allowance for the following site works: fencing, yard seal and bollards. These site works may be damaged in the course of fire, earthquake or other incident, or in the course of reinstatement work. We have made no allowance for site works, other than those listed here. If insurance cover is required for site works not listed here you should make an additional provision.	
Reinstatement estimate:	The reinstatement estimate is the estimated cost at the valuation date (including relevant fees) of reinstating the asset to an as new condition, including, where appropriate, the use of current equivalent technology, material and services.	
Reinstatement of part building:	In the case of partial destruction reinstatement to the same or similar construction style may be more expensive and has not been provided for in this reinstatement estimate.	
Bridging finance:	The Reinstatement Estimate does not include any allowance for bridging finance, interest during the course of reinstatement or reconstruction. In order to avoid the necessity to arrange bridging finance, we recommend that the insurance policy allows for reinstatement monies to be made available by progress payments during the course of reconstruction.	




Removal of contents:	No allowance has been made for the removal of contents whether damaged or undamaged in the building valuation.
Natural or widespread disaster:	No allowance has been made for additional costs which may be incurred, or the inflationary effects of, or time delays which may result from, a natural or widespread disaster. In such circumstances costs could escalate quickly for a range of reasons including due to a shortage of labour and materials.
Demolition costs:	For the purposes of this valuation, it is assumed that the building is safe and fully accessible for normal demolition procedures to be undertaken and that 100% of the assets have been damaged beyond repair and have no salvage value. Additional cost beyond the demolition cost estimate may be incurred if the building(s) are unsafe or have restricted access; or in the event of only partial demolition.
Undue time delay:	No allowance has been made for any undue delay, including delay caused by a widespread disaster or due to the need to comply with the provisions of the Resource Management Act including possibly the requirement to reinstate on an alternative site.
Depreciated replacement cost not market value:	The Depreciated Replacement Cost figure shown for the building has been calculated by using the formula stated in the certificate, i.e. replacement cost after allowance for age and physical depreciation. The resultant Depreciated Replacement Cost figure may not be a true indication of the market value of this building or be the true "insurable indemnification value" as the term has been defined in several court decisions. The market related value can be assessed if required.
Shoring:	An allowance has been made for shoring up of the neighbouring property during demolition and reconstruction.
Reinstatement restrictions:	We have examined the requirements of the Napier City Council Plan and are satisfied that there are no restrictions that would prevent the reinstatement of the subject premises.
Reinstatement to council requirements:	The reinstatement estimate allows for the reinstatement of the premises to the current requirements of the Napier City Council.
Insurance policy terms:	We have not read the specific terms of the proposed insurance policy. Our assessed values are based upon the descriptions and definitions provided herein.
Report for addressee only:	Our responsibility in connection with this valuation report is limited to Bob Client and Your Insurance Company. We disclaim all responsibility to any other party without reference to us.
Report for insurance purposes only:	This report has been prepared for replacement cost and indemnity insurance purposes only. No responsibility is accepted for use of these figures for any other purposes.
Terms of Engagement:	This valuation assessment is subject to the Terms of Engagement and Scope of Works (Terms) unless otherwise agreed in writing. This valuation is issued to Bob Client, on the basis that they accept the Terms. No party should place any reliance on this report unless they agree to the Terms (see appendix).
Disclosure	The valuer has no interest, financial or otherwise, in the property or with any party in relationship to the subject property.



Valuation for
negotiation of policy:

This report has been undertaken to assist the parties to negotiate the insurance policy. The assessments provide a broad estimate only, and are not based on a full elemental component assessment. If an accurate assessment is required it should be obtained from a qualified quantity surveyor.

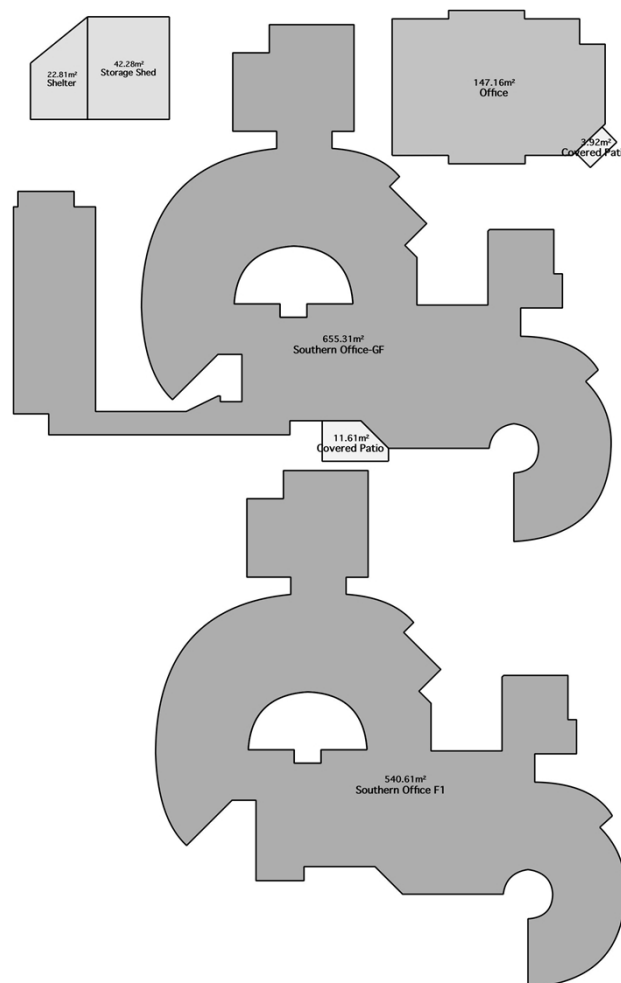
Valuation prepared by Added Valuation Limited
Inspected and valued by:


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Our File Ref:5958



IMPROVEMENTS

Buildings	Area (m ²)
Southern Office-Ground floor	655.3
Southern Office-First floor	540.6
Covered patio	15.5
Northern office	147.2
Storage shed	42.3
Shelter	22.8



OFFICE PREMISES



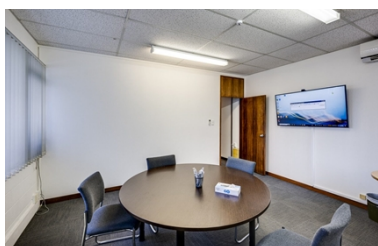
Exterior of the office



Interior-Reception



Interior-Office



Interior-Meeting Room



Interior-Pantry



Interior-Office



Type A detached double storey office building
 Approximate age Constructed in about mid 1980s
 Internal layout Reception, open-style office space, meeting rooms, toilet, storage room, amenities, garage, shelter and hallway

Construction	Materials	Condition
Foundation	Concrete slab	Tidy
External walls	Plaster	Tidy
Roof	Butanol	Average
Joinery	Aluminium	Tidy
Floor	Concrete	Tidy
Internal wall linings	Plasterboard	Tidy
Internal ceiling linings	Plasterboard, acoustic tiles	Tidy

Rooms	Fixtures and fittings
Pantry	Timber bench
Garthing space	Air conditioning unit
Meeting room	Air conditioning unit
Meeting room	Air conditioning unit
Meeting room	Air conditioning unit
Reception	Laminate bench, overhead cupboards, , reception counter, air conditioning unit
Store room	
Hallway	
Toilet	Toilet, handbasin
General features	Security alarm

Adjoining the front of the building is a partially enclosed entry shelter.

The interior is generally presented in tidy condition with a basic but highly functional fit-out,. The exterior is generally presented in average to tidy condition.

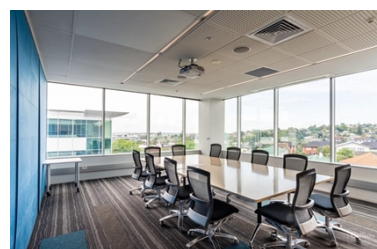
NORTHERN OFFICE



Exterior of the office



Interior-Workspace



Interior-Boardroom



Interior-Private Room



Interior-Kitchen



Interior-Meeting Room



Type A detached single storey office building
 Approximate age Constructed in about mid 2000
 Internal layout: Open plan workspaces, boardroom, small meeting rooms, lounge, Café area, private offices, telephone booth, reception area, restrooms, storage rooms

Construction	Materials	Condition
Foundation	Concrete slab	Tidy well maintained
Frame	steel	
External walls	Concrete block	Tidy well maintained
Roof	Galvanised steel	Average
Joinery	Aluminium	Tidy
Floor	Concrete	Tidy
Internal wall linings	Plasterboard	Tidy
Internal ceiling linings	Plasterboard	Tidy

Rooms	Fixtures and fittings
First floor retail - Café	Automatic entry door
Lounge	Air conditioning unit
Restrooms	Toilet, shower
Open plan workspaces	Two air conditioning units, polished concrete flooring
Meeting rooms	Air conditioning unit, polished concrete flooring
Boardroom	Air conditioning unit, polished concrete flooring
Private offices	Air conditioning unit, polished concrete flooring
Telephone booth	
Hallways	

The interior is presented in tidy condition with a basic but highly functional fit-out. The exterior is presented in average to tidy condition.



Storage Shed and Shelter



Steel Bollards



Timber Paling Fencing

STORAGE SHED

The storage shed, constructed in about 2005, provides average storage. The building structure comprises a concrete floor, timber walls and a tile roof. Internal linings comprise plywood walls and plywood ceilings. The storage shed includes laundry fittings comprising handbasin. The building is appointed with workbench. Power is connected.

SHELTER

The shelter is of leanto construction off the storage shed and provides basic storage space. The construction comprises a concrete floor, steel frame and corrugated steel roof. The building is constructed in about 2005.

SITE DEVELOPMENT

The section is developed to a basic but functional standard. Site fencing comprises timber paling. The car parking area is asphalt sealed provides for 26 car parks. Other improvements comprise 5 steel bollards.



ESTIMATED REINSTATEMENT PERIOD

1.75 years.

LEGAL DESCRIPTION

Title identifier: XXXXXX
Appellation: Lot 1 Deposited Plan 435766
Tenure: Fee Simple
Area: 240m²
Registered proprietor: Bob Client
Title interests: Land Covenant in Easement Instrument 8626673.3 - 26.11.2010 at 9:24 am (affects Lot 1 DP 435766)

LIMITATION

This valuation report is not a structural survey. Any comments relating to the condition of improvements relate only to the superficial condition, and not structural condition. Refer to Appendix: 'Valuation Explanation' 'This report is not a structural survey' and 'Building Services'.



VALUATION CERTIFICATE FOR INSURANCE PURPOSES

Name of client: Bob Client
Address of assets: 1 High Street, Napier
Asset description: Refer to the Improvements section of this report
Age: Refer to the Improvements section of this report
Use/Occupation: Commercial office
Land contour: The land is of level contour.


1.	Reinstatement	
A.	Reinstatement estimate	\$6,713,000
B.	Plus Inflationary provision	\$534,600
2.	Plus Demolition Estimate	\$349,600
	Recommended Insured Sum	\$7,597,200

All figures quoted on this insurance certificate are plus GST (if any). Please make appropriate adjustment for GST if necessary.

Additional Information

3.	Indemnification	
A.	Market related value	Not Assessed
B.	Depreciated replacement cost	\$4,454,600
C.	Inflationary provision (for the higher of 'A' or 'B' above during a 12 month insurance period if appropriate)	\$82,200

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- a) All figures quoted are plus GST.
- b) All figures quoted are exclusive of finance costs and other indirect costs.
- c) All figures are exclusive of any allowance for land value.
- d) This form must be read in conjunction with the Insurance Valuation Summary and the Definitions of Insurance Valuation Terms.
- e) The information in this report has been prepared to establish insurance values and may not be used for other purposes without the written consent of the Valuer.
- f) All figures assume compliance with building regulations and bylaws.



DEFINITIONS OF INSURANCE VALUATION TERMS

The following definitions pertain to and form an integral part of this valuation.

GENERAL

Name of Client

Normally the insured.

Address

Physical location, including street address at which the assets are situated.

Asset Description

General description giving sufficient detail to identify the range of assets encompassed in the valuation including details of principal structure showing main construction materials. Any exclusions should be noted.

Upgrade Requirements

Typically, it will be helpful to summarise major differences between the insured asset and the modern equivalent asset.

Age

Estimated year of completion and dates of any major additions and upgrades.

Use/Occupation

Nature of main activity carried out at location.

Contour

Valuer's classification of the land contour containing building and immediate yard areas.

Subsoil Type

General classification of land supporting building and immediate yard areas.

As a geotechnical survey has not been undertaken the description is without prejudice.

Unless otherwise stated, the figures contained in the insurance valuation assume that the insured property can be reinstated on the land, and that this reinstatement can be achieved without incurring foundation costs greater than the costs assumed in the valuation assessment, noting that these costs would typically reflect the cost to replace a modern equivalent asset on subsoil conditions as assumed.

1. REINSTATEMENT

A Reinstatement Estimate

Is an estimate of the cost at date of valuation (including relevant fees) of replacing the asset with a new modern equivalent asset, including, where appropriate, the use of current equivalent technology, material and services.

This is intended as a guide for the purpose of setting insurance premiums and, unless specified elsewhere, is not based on a detailed elemental and schedule of quantities approach as would be undertaken by a quantity surveyor or costing engineer. In construction, unanticipated problems often arise and actual rebuilding, repair or replacement costs may vary from the estimate.

In the case of partial destruction no specific allowance has been made for any additional requirements that any Council, Government or other Authority may require as additional expenditure to upgrade, alter or amend the undamaged portion of the asset. Reinstatement does not allow for cost escalation due to a catastrophic event causing a general or localised surge in demand for new assets or rebuilding/repairs.

Where an asset has elements of an historic or heritage nature, unless otherwise specified, reinstatement does not include for reproduction of the existing asset with the original heritage features, but allows for a modern asset of similar size

B Inflationary Provision

This amount has been estimated on the basis of a loss occurring on the last day of a 12-month insurance period, if appropriate.

The inflation provision under 1.0 B and 3.0 B incorporates an allowance for the additional time required for damage inspections, demolition, preparation of new preliminary proposals and their approval by the Territorial Authority, preparation of working drawings and specifications, schedules of quantities, in addition to an estimated period of construction contract.

No allowance is made for any delay due to the need to comply with the provisions of the Resource Management Act.

All inflationary provisions are future projections, based on recent trends and are given without prejudice. Inflation and in particular, foreign exchange rate fluctuations affecting imported assets, are notoriously difficult to predict and the valuer cannot be responsible for any inaccuracy.

2. DEMOLITION ESTIMATE

For the purpose of valuation, it is assumed that 100% of the assets have been damaged beyond repair and have no salvage value. Unless otherwise noted in the valuation covering letter, Demolition Estimate covers the cost of demolition and removal as debris of the assets valued only excluding the cost of removal of any noxious materials, or removal of debris on adjoining premises.

The Demolition Estimate does not include for:

- 1) shoring up any structures, either on the insured property, or neighbouring properties (unless otherwise stated)
- 2) the removal of building contents.

3. INDEMNITY VALUE

A. Indemnity Value Estimate

Is an estimate of the loss that would be suffered by the insured in the event the asset was destroyed.

This may be assessed using the Sales Comparison approach, Income Approach or the Depreciated Replacement Cost approach, as appropriate. (See valuation report for guidance).

B. Inflationary Provision

Is the estimated amount by which cost inflation exceeds depreciation over a 12-month period.

4. FUNCTIONAL REPLACEMENT COST

A. Functional Replacement Cost

Is the estimated cost required to replace all assets to perform similar tasks but under optimum current design and lay-out conditions with capacity requirements not greater than currently available. The value of any partial loss has been disregarded in this context.

B. Inflationary Provision

This is calculated as per 1.0B but based on 4.0 Functional Replacement.



BUILDING SCHEDULE

	Reinstatement Value	Reinstatement Inflation	Demolition	Indemnity Value	Indemnity Inflation
Southern Office	\$5,340,000	\$425,000	\$279,000	\$3,428,000	\$31,000
Northern office	\$623,000	\$50,000	\$25,000	\$504,000	\$7,000
Storage shed	\$164,000	\$13,000	\$5,000	\$135,000	\$2,000
Shelter	\$88,000	\$7,000	\$3,000	\$73,000	\$1,000
Total Other Improvements	\$498,000	\$39,600	\$37,600	\$314,600	\$41,200
Certificate Values	\$6,713,000	\$534,600	\$349,600	\$4,454,600	\$82,200
Breakdown of Other Improvements:					
<i>Paving</i>	\$319,000	\$25,400	\$28,700	\$178,600	\$30,600
<i>Fencing</i>	\$176,400	\$14,000	\$8,800	\$134,100	\$10,600
<i>Bollards</i>	\$2,600	\$200	\$100	\$1,900	\$0
Total Other Improvements	\$498,000	\$39,600	\$37,600	\$314,600	\$41,200

All figures quoted on this insurance building schedule are plus GST. Please make appropriate adjustment for GST if necessary.



APPENDICES

VALUATION EXPLANATION

Valuer qualifications	It is hereby declared that Rob Douglas is a Registered Valuer within the meaning of the Valuers Act 1948, and an Associate of the New Zealand Institute of Valuers (ANZIV) and a Senior Member of the Property Institute of New Zealand (SPINZ); and that Super Support is .
Date of valuation	Property values vary from time to time. This valuation is based on available information as at the date of valuation. No warranty can be given as to the maintenance of this value into the future. It may therefore be necessary to review this valuation periodically.
Report for addressee only	Our responsibility in connection with this valuation report is limited to Your Insurance Company and Bob Client. We disclaim all responsibility to any other party without the written agreement of Added Valuation Ltd.
Terms of engagement and scope of works	This valuation has been undertaken in accordance with the scope of works set out in the Terms of Engagement and Scope of Works (Terms) and is subject to all those Terms unless otherwise agreed in writing. which act as Terms of Engagement and Scope of Works for this Valuation.
Use of this report	This report has been prepared for insurance purposes and may be relied upon for that purpose only. Assumptions made in the preparation of the report are as expressly stated in the report or set out herein.
Environmental or geotechnical issues	We are not experts in the detection or quantification of environmental problems and have not carried out investigations on site in order to determine the suitability of ground conditions and services, nor do we undertake environmental or geotechnical surveys. A visual site inspection has not revealed any obvious problems, except where detailed in the report (if applicable). Unless notified to the contrary, this valuation is made on the basis that these aspects are satisfactory and that there are no actual or potential contamination or ground condition issues affecting the value or marketability of the property. Verification that the property is free from contamination and has not been affected by pollutants of any kind may be obtained from a suitably qualified environmental expert. Should subsequent investigation show that the site is contaminated, Added Valuation Limited should be consulted to reassess (if applicable) the value(s) stated in this report.
This report is not a structural survey	While in the course of inspection due care is taken to note building defects, no structural survey has been made and no undertaking is given about the absence of rot, termite or pest infestation, deleterious substances such as asbestos or calcium chloride or other hidden defects. We can give no guarantee as to outstanding requisitions in respect to the subject building(s). This report is prepared on the assumption that: <ul style="list-style-type: none">- The building has been competently designed and built and is structurally sound and water tight.- The building does not contain any latent or patent defects that could result in the building ceasing to be water tight or the gradual decay of the building structures.
Building Services	In preparing the valuation it has been assumed hot and cold water systems, electrical systems and other devices, fittings and conveniences, as are in the building, to be in proper working order and functioning for the purpose for which they were designed.
Information sources	Where it is stated in the report that information has been supplied to us by another party, this information is believed to be reliable, but we cannot accept responsibility if this should prove not to be so. Where information is given without being attributed directly to another party, this information has been obtained by our search of records and examination of documents or by enquiry from Government or other appropriate departments.
Record of title	No guarantee is given that the land is not subject to statutory rights not recorded on the relevant Record of Title and not apparent from normal inspection of the property. We assume no responsibility in connection with such foregoing matters.



Currency	All figures are in New Zealand Dollars (unless otherwise stated).
Site survey	This report is not a land survey and we have not sighted a current survey. 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, Added Valuation Limited should be consulted to reassess (if applicable) the value stated in this report.
Detrimental registration(s)	Unless otherwise stated our report is subject to there being no detrimental registration(s) affecting the land other than those appearing on the Record of Title(s) valued in this report. Such registrations may include Wahi Tapu registrations and Historic Places Trust registrations.
Land Information Memorandum	We have not obtained from the territorial authority a Land Information Memorandum. Our valuation has been made on the basis that such Memorandum if obtained would not have disclosed information which would have affected adversely our opinion of the market value of the property.
Compliance with statute	Unless otherwise stated in our report our valuation is on the basis that the property complies with the Building Act 1991, Health and Safety at Work Act 2016, Evacuation of Buildings Regulations 1992 and Disabled Persons Community Welfare Act 1975 or that the legislation has no significant impact on the value of the property.
Compliance statement	<p>We confirm the following:</p> <ul style="list-style-type: none">- To the best of our knowledge the statements of fact presented in this report are correct.- The analysis and conclusions are limited only by the reported assumptions and conditions.- We have no interest in the subject property being valued.- Our fee is not contingent upon any aspect of the report.- The Valuer has satisfied professional educational requirements.- The Valuer 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. <p>Unless stated otherwise earlier in this report, we confirm the following:</p> <ul style="list-style-type: none">- The valuation has been prepared in accordance with the PINZ/NZIV Code of Ethics, Rules of Conduct and Valuation Standards.- The Valuer has made a personal inspection of the property.