

**A VALUATION REPORT PREPARED FOR:  
YOUR BANK LTD**

**SUBJECT PROPERTY:  
119 MAKEBELIEVE STREET, MADEUP SUBURB, IMAGINARY CITY**

**EFFECTIVE DATE OF VALUATION:  
20 AUGUST 2024**



Valuation prepared by Added Valuation Limited:  
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## VALUATION SUMMARY

Property:	119 Makebelieve Street, Madeup Suburb, Imaginary City
Legal Description:	Title identifier: HBI4/1254 Appellation: Lot 3 Deposited Plan 45321
Client/Addressee:	Your Bank Ltd Attn: Joe Bloggs rob@addedvaluation.co.nz
Borrower:	Jack and Jill
Extended to:	Jack and Jill
Instructed by:	Jack and Jill
Reporting date:	22 August 2024
Valuation date:	20 August 2024
Inspection date:	20 August 2024 at 01:00 PM
Purpose of valuation:	For mortgage lending
Basis of valuation:	Market value
Interest being valued:	An estate in fee simple (freehold)
Nature of property:	Residential - single dwelling
Property summary:	<p>119 Makebelieve Street, Madeup Suburb, Imaginary City comprises a detached single storey four bedroom dwelling constructed in the early 2010s. The dwelling is generally presented in tidy condition with a standard fitout. The dwelling is internally partitioned to provide an open plan kitchen/dining room/living room, lounge, master bedroom with ensuite and walk in wardrobe, three additional bedrooms, bathroom, separate toilet, double integral garage with laundry, and hallway.</p> <p>Other improvements comprise an inground swimming pool. The section is well established.</p> <p>The property is located in the Residential Estate. The Residential Estate subdivision has been developed since the early 2010's and comprises a mixture of regular and irregular shaped sections, with housing development being of a medium to good modern standard. Surrounding properties are presented in average to tidy condition and tend to achieve values in the middle to upper-middle price range for Imaginary City.</p>



Market Value:

**Nine Hundred and Fifty Thousand Dollars**  
**\$950,000**

Apportioned as follows:

Improvements Value	\$599,000
Land Value	\$340,000
Chattels	\$11,000
<hr/>	
Market Value	\$950,000

This valuation assessment is inclusive of GST (if any).

Floor area:

<b>Buildings</b>	<b>Area (m<sup>2</sup>)</b>
Dwelling	205.6
Integral garage	42.2
Covered entry	2.7
Patio	54.0
Swimming pool	39.9
Pool shed	2.5
Garden shed	4.7
Woodshed	8.5

Zoning:

The land is zoned Main Residential under the Operative City District Plan.

Land Area:

610m<sup>2</sup>

Critical assumptions:

This valuation assessment is on the basis of and subject to the 'Valuation Explanation' (see appendix), and is also subject to the Terms of Engagement and Scope of Works (Terms) unless otherwise agreed in writing. This valuation is issued to Your Bank Ltd and Jack and Jill.

Disclosure

The valuer has no interest, financial or otherwise, in the property or with any party in relation to the subject property. Added Valuation Ltd holds current professional indemnity insurance cover of \$2,000,000, which covers all our valuers. Our valuation has been completed in compliance with the Property Institute of New Zealand Valuation Standards and International Valuation Standards.

Disclaimers, limitations and qualifications:

The above valuation is subject to all the terms and conditions outlined in this report. This report comprises 36 pages inclusive of the Appendix, Title Page and Table of Contents, and should be read in full.

This valuation may only be relied upon by Your Bank Ltd and Jack and Jill for mortgage lending purposes only. No other person should rely upon this report, nor can the report be relied upon for any other purpose, without the written agreement of Added Valuation Ltd. Should some other person do so without the written permission of Added Valuation Limited then that person does so at their own risk and Added Valuation Limited accept no responsibility for any reliance placed upon the report.

Added Valuation Limited prohibit the publication of this report in whole or in part, or any reference thereto, or to the valuation figures contained therein, or to the names and professional affiliations of the valuer, without the written approval of the valuer as to the form and context in which it is to appear.



Valuation prepared by Added Valuation Limited  
Inspected and valued by:

Laura Wood  
Graduate Valuer, BLPM (Urban Val & PM, Finc)  
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Our File Ref:5921

Valuation calculations and report reviewed (inspected  
internally and externally) with responsibility taken for the  
report and conclusions by:

Rob Douglas  
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## STATUTORY DETAILS

### LEGAL DESCRIPTION

Title identifier:	HBI4/1254
Appellation:	Lot 3 Deposited Plan 45321
Tenure:	Fee Simple
Area:	610m <sup>2</sup>
Registered proprietor:	Jack and Jill
Title interests:	Appurtenant hereto are water and pipeline rights created by Transfer 76543 5871234.1 Transfer to Jack and Jill - 2010 12935428.2 Mortgage to Bank of New Zealand - 2010 Land Covenant in Covenant Instrument 1284321.15 - 2012

The Land Covenant provides standard restrictive covenants for the general benefit of the subdivision.

There are no other current interests registered on the Record of Title which we consider have a material impact upon the value of the property.

Refer to Appendix 'Valuation Explanation' Record of Title

### ZONING

The land is zoned Main Residential under the Operative City District Plan.

The Main Residential zone applies to broad residential areas covering most of the City where there are no significant environmental constraints that may otherwise indicate intensified residential development should not occur.

The Main Residential Zone allows for a degree of consolidation and intensification of residential development consistent with the maintenance and enhancement of residential amenity values by way of development standards.

The Main Residential Zone provides for the following permitted activities, subject to meeting zoning conditions: residential activities, home occupations, a supplementary unit, residential care facilities, day care centres, travellers accommodation, education facilities and scheduled sites.

There is no minimum site size in the Main Residential Zone, however development within this zone must meet a number of standards including requirements relating to yard, building height, building height in relation to boundary, site coverage, landscape area and open space.

The existing residential use is a permitted activity within this zone.



The subject property is identified on the zoning map below.



## RATING VALUATION

As at 1 October 2023

Valuation roll number:	1234/15200
Improvements value:	\$610,000
Land value:	\$350,000
Capital value:	\$960,000

This assessment is produced for rating purposes using mass appraisal techniques. In most cases an inspection of the property was not undertaken. The Rating Value is not necessarily indicative of the market value.

A market value below the Rating Value is consistent with recent sales evidence.

## RATES

For the 2023/2024 year (GST inclusive)

Valuation roll number:	1234/15200
Local Council Rates:	\$3,903.69
Regional Council Rates:	\$756.61





## LAND



The subject property is identified on the above plan. The section is of almost rectangular shape. The land is of level contour.



The property is identified as being within the Tsunami "distant source inundation extent" area on the HBRC hazard portal maps, indicating that a tsunami coming from a distant (or near) source would be expected to affect the property. This maps is based on a 1,000 year return period. Note, the property also sits inside the "Tsunami near source inundation extent" area.

All normal utilities (power, water and sewerage) are available to the site. Gas is supplied via portable bottle with dual connection. Fibre optic telecommunications is available.





The property is classed as being of high liquefaction hazard vulnerability (on a GNS Science 2017 scale comprising; unlikely, medium and high). Source: Hawke's Bay CDEMG Hazard Information Portal. The high liquefaction category is common in Hawkes Bay. While this may result in increased building costs there is little evidence that this classification has a measurable effect on the market value of properties in this location.

The property is identified as being on unconsolidated swamp, estuarine and lagoonal deposits and reclaimed land on the earthquake amplification category (being generally considered the least desirable of the four categories). Land in this category can incur additional costs in terms of geotechnical reports, engineering consultancy/design and foundation works. This earthquake amplification category is not uncommon in Napier with this classification covering large areas of the City. There is little evidence that indicates this classification has a measurable effect on the market value of properties in this location. Source: Hawke's Bay CDEMG Hazard Information Portal.

Refer to Appendix: 'Valuation Explanation': 'Site survey' and 'Environmental or geotechnical issues' for details of the nature of our investigations



## LOCATION

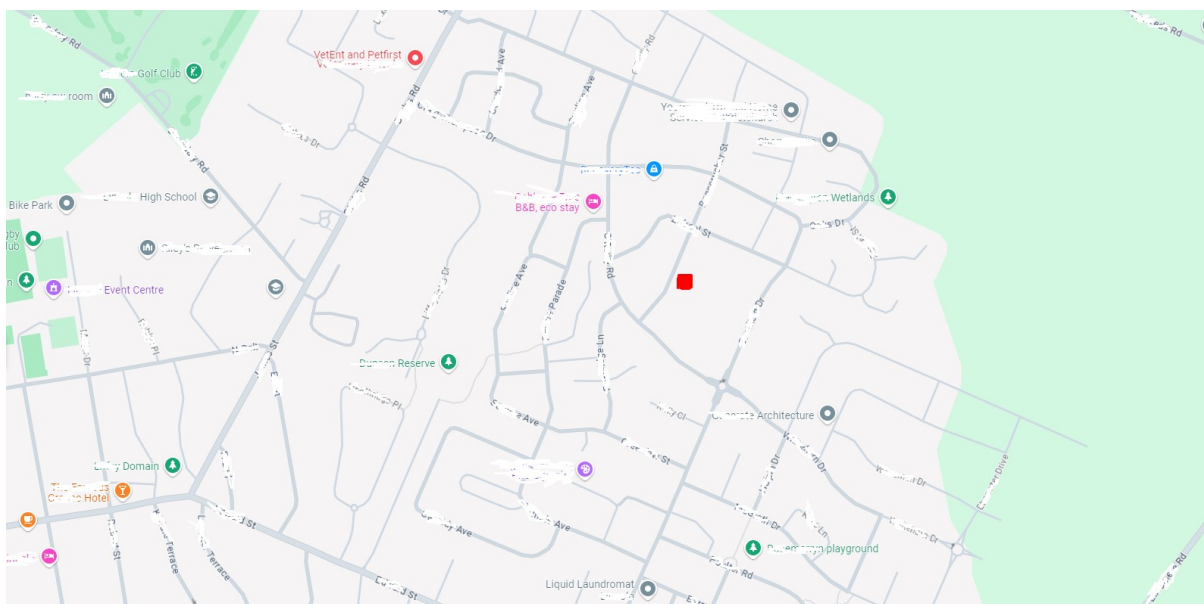
The property is located in the Residential Estate. The Residential Estate subdivision has been developed since the early 2010's and comprises a mixture of regular and irregular shaped sections, with housing development being of a medium to good modern standard. The property is positioned on the north-eastern side of Makebelieve Street.

The Residential Estate subdivision has been well accepted by the market. Section sizes mostly range from 550 m<sup>2</sup> to 700 m<sup>2</sup>. The subdivision has good access to most areas and nearby amenities, due to its easy access to the Expressway.

The subdivision is located close to the sports grounds and recreational reserve, and has easy access to the nearby shopping centre. Schooling in the locality comprise well sought-after Primary, Intermediate and High Schools.

Surrounding properties are presented in average to tidy condition and tend to achieve values in the middle to upper-middle price range for Imaginary City.

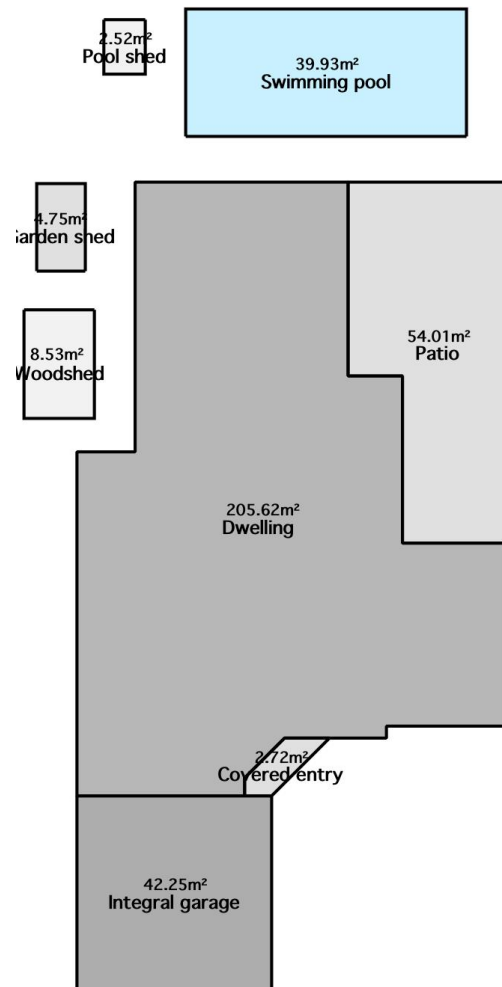
The approximate position of the property is identified on the plan below.





## IMPROVEMENTS

Buildings	Area (m <sup>2</sup> )
Dwelling	205.6
Integral garage	42.2
Covered entry	2.7
Patio	54.0
Swimming pool	39.9
Pool shed	2.5
Garden shed	4.7
Woodshed	8.5



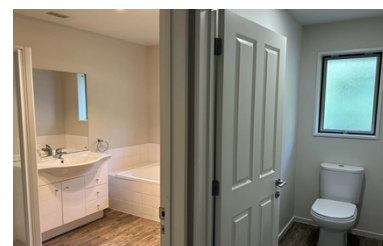
## DWELLING



Kitchen/dining/living room



Lounge



Bathroom and toilet



Master bedroom



Walk-in-wardrobe and ensuite



Bedroom



Type A detached single storey four bedroom dwelling  
 Approximate age Constructed in the early 2010s

Construction	Materials	Condition
Foundation	Concrete slab	Tidy
External walls	Brick	Tidy
Roof	Corrugated steel	Tidy
Joinery	Double glazed aluminium	Tidy
Floor	Concrete	Tidy
Internal wall linings	Plasterboard	Tidy
Internal ceiling linings	Plasterboard	Tidy

Rooms	Fixtures and fittings
Kitchen	Laminate bench, dual stainless steel sink insert, waste disposal unit, breakfast bar, wall oven, four hob ceramic top benchtop elements, range hood, dishwasher, cupboard, drawers and pantry space
Living room	Ranch slider
Lounge	Freestanding wood burner
Dining Room	Air conditioning unit
Bathroom	Shower, bath, vanity unit, electric towel rail, heat lamp and extractor fan
Master bedroom	Walk in wardrobe, ensuite, ranch slider
Bedroom	Double wardrobe
Bedroom	Double wardrobe
Bedroom	Single wardrobe
Hallway	Storage cupboards, linen cupboard with hot water cylinder
Toilet	Toilet
Double integral garage	Double sectional vehicle door, automatic garage door opener, workbench, garage carpet, stainless steel laundry tub, laminate bench, laundry cabinetry
General Features	Security alarm, heat transfer system, photovoltaic (electricity) solar panels

Adjoining the front of the dwelling is a covered entry and adjoining the side of the dwelling is a concrete patio.

The interior is generally presented in tidy condition with a standard fitout. The exterior is generally presented in tidy condition and has recently had work undertaken to the roof and spouting.

### Chattels

We have included in our valuation an allowance for chattels comprising:

Item	Condition
Carpets	Becoming worn
Curtains	Clean and tidy
Blinds	Average
Protruding light fittings	Average



Front yard



Rear yard



Swimming pool

## **SWIMMING POOL**

The property has an inground fibreglass swimming pool of rectangular shape with built-in steps. The swimming pool, constructed in about 2022, is in good condition. Pool surrounds comprise concrete paving. The fencing does appear to meet the Fencing of Swimming Pool Act requirements. The pool has a chlorine filtration system with a water heating system and built in cover. The pool filter is housed in a standard a purpose-built shed.

## **SITE DEVELOPMENT**

The section is well established. The garden development comprises lawns, trees, shrubs, fruit trees, vegetable and decorative gardens. Site fencing comprises prefabricated coloursteel panels and timber paling. Vehicle access is via an exposed aggregate concrete driveway. Other improvements comprise a garden shed, woodshed, shade sail anchor posts, compost bins, concrete paving and a clothesline.

## **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 RATIONALE

This assessment has been undertaken in accordance with the Guidance Papers for Valuers and Property Professionals developed and revised by the New Zealand Standards Boards and approved by the New Zealand Institute of Valuers Council (including version 1.3 of the Residential Valuation Standing Instructions) and the International Valuation Standards 2022; and more particularly the following standards:

- 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
- ANZPGP201 Disclaimer Clauses and Qualification Statements
- NZVGP501 Goods and Services Tax (GST) in Property
- ANZRPGP207 Property Research Guidelines
- ANZVGP112 Valuations for Mortgage and Loan Security Purposes
- The Guide for The Measurement of Residential Properties
- NZVGP503 Valuation Reports Prepared by Unregistered Valuers

These standards provide the following definition of Market Value;

*“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 Market Value of an asset will reflect its highest and best use. The highest and best use is the use of an asset that maximises its potential and that is possible, legally permissible and financially feasible. The highest and best use may be for continuation of an asset’s existing use or for some alternative use. This is determined by the use that a market participant would have in mind for the asset when formulating the price that it would be willing to bid.

IVS 105 refers to three approaches to valuations, namely the Market, Income and Cost approaches. The Market Approach uses Comparable Transactions Method to analyse sales evidence to common units of comparison e.g. \$/m<sup>2</sup>. The Income Approach considers the income generating actual/potential of the property to derive a market value. The Cost Approach considers the replacement cost of the property of equivalent utility with allowances for physical depreciation and obsolescence to derive a market value.





## LAND VALUE ASSESSMENT

We have adopted the Market Approach to the land value assessment and have considered the Net Rate Method and Comparable Transactions Method.

### Land Sales Evidence

The following land sales have been considered in assessing the land value of the subject property.

Address	Sale Date	Sale Price	Land area (m <sup>2</sup> )	\$/m <sup>2</sup> (effective)	Comparability
35 Riverbank Road, Madeup Suburb, Imaginary City	4 June 2024	\$300,000	550	\$545	inferior
15 Lyttleton Lane, Madeup Suburb, Imaginary City	16 January 2024	\$310,000	570	\$544	inferior
4 Vine Street, Madeup Suburb, Imaginary City	9 July 2024	\$330,000	590	\$559	comparable
88 Kowhai Avenue, Madeup Suburb, Imaginary City	6 August 2024	\$350,000	600	\$583	comparable
5 Hillcrest Avenue, Madeup Suburb, Imaginary City	17 June 2024	\$360,000	620	\$581	superior
10 Kereru Crescent, Madeup Suburb, Imaginary City	5 March 2024	\$390,000	630	\$619	superior
21 Victoria Grove, Madeup Suburb, Imaginary City	2 August 2024	\$400,000	650	\$615	superior

### Market Approach (Comparable Transactions Method - Land)

This Comparable Transactions Method directly compares the subject property with recently traded comparable land sales. Our comparability comment relates to the original sale date and is before time adjustments are made. Adjustments are also made to the comparable properties to reflect the differences between them and the subject property including size and location.

The above sales indicate a market value for the subject property between \$330,000 to \$350,000.

### Market Approach (Net Rate Method - Land)

This method analyses comparable land sales evidence to a dollar value per square metre (net rate). These net rates are then adjusted to reflect the different characteristics between the comparable sales and the subject property (including location, view, contour, site position, unusable land, shape and sale date). After adjustment weighted consideration is given to the evidence available to determine an appropriate net rate to apply to the subject property.

Net Rate Method - Analysis of Land Sales						
Address	Sale price (less OI if any)	Net Land Area	Net Rate (Raw)	Size Adjustment	Other Adjustments	Indicative Net Rate
35 Riverbank Road	\$300,000	550m <sup>2</sup>	\$545/m <sup>2</sup>	-8%	5%	\$528/m <sup>2</sup>
15 Lyttleton Lane	\$310,000	570m <sup>2</sup>	\$544/m <sup>2</sup>	-5%	4%	\$537/m <sup>2</sup>
4 Vine Street	\$330,000	590m <sup>2</sup>	\$559/m <sup>2</sup>	-3%	2%	\$554/m <sup>2</sup>
88 Kowhai Avenue	\$350,000	600m <sup>2</sup>	\$583/m <sup>2</sup>	-1%	0%	\$576/m <sup>2</sup>
5 Hillcrest Avenue	\$360,000	620m <sup>2</sup>	\$581/m <sup>2</sup>	1%	-1%	\$585/m <sup>2</sup>
10 Kereru Crescent	\$390,000	630m <sup>2</sup>	\$619/m <sup>2</sup>	3%	-10%	\$573/m <sup>2</sup>
21 Victoria Grove	\$400,000	650m <sup>2</sup>	\$615/m <sup>2</sup>	5%	-8%	\$593/m <sup>2</sup>



**Net Rate Method - Analysis of evidence**

<b>Residential</b>	<b>Raw</b>	<b>Adjusted</b>
Average	\$578/m <sup>2</sup>	\$564/m <sup>2</sup>
Average without high	\$571/m <sup>2</sup>	\$559/m <sup>2</sup>
Average without low	\$584/m <sup>2</sup>	\$570/m <sup>2</sup>
Average without high or low	\$577/m <sup>2</sup>	\$565/m <sup>2</sup>
Weighted		\$563/m <sup>2</sup>

**Net Rate Method - Calculations**

	<b>Net Area</b>		<b>Net Rate</b>	
Land	610m <sup>2</sup>	@	\$560/m <sup>2</sup>	\$341,600
<b>Indicative Land Value by Net Rate Method</b>				Say <b>\$340,000</b>

## SUMMARY OF LAND VALUE ASSESSMENT

The following is a list of the indicative values under each land valuation assessment method:

Comparable Transactions Method	\$330,000 to \$350,000
Net Rate Method	\$340,000
<b>Adopted Value</b>	<b>\$340,000</b>

The Net Rate Method is considered the most relevant land valuation method for the subject property and best reflects the application of the market. This approach has been given the most weighting in our valuation assessment.



## MARKET VALUE ASSESSMENT

In assessing the value of the subject property we have principally considered the Market and Cost Approaches.

### Market Evidence

The following transactions are considered to be the most relevant to the subject property.

#### 30 Mason Avenue, Madeup Suburb, Imaginary City



Sale Price	\$900,000
Rating Valuation	\$910,000
Sale Date	7 July 2024
Land area (m <sup>2</sup> )	692
Floor area (m <sup>2</sup> )	230
Approximate age	2010-19
Bedrooms	4.0

This property comprises a tidy condition single storey dwelling. The property has a double integral garage and average site development.

This property has the following characteristics relative to the subject: comparable living area, comparable condition, comparable quality, comparable land area, comparable garaging, lacks a pool and comparable location.

#### 7 Eastwood Drive, Madeup Suburb, Imaginary City



Sale Price	\$905,000
Rating Valuation	\$925,000
Sale Date	15 May 2024
Land area (m <sup>2</sup> )	680
Floor area (m <sup>2</sup> )	228
Approximate age	2010-19
Bedrooms	4.0

This property comprises a tidy condition single storey dwelling. The property has a double integral garage and average site development.

This property has the following characteristics relative to the subject: comparable living area, comparable condition, comparable quality, comparable land area, comparable garaging, lacks a pool and comparable location.

#### 106 Kauri Drive, Madeup Suburb, Imaginary City



Sale Price	\$925,000
Rating Valuation	\$940,000
Sale Date	5 August 2024
Land area (m <sup>2</sup> )	615
Floor area (m <sup>2</sup> )	202
Approximate age	2010-19
Bedrooms	3.0

This property comprises a near new single storey dwelling. The property has a double integral garage, inground swimming pool and tidy site development.

This property has the following characteristics relative to the subject: comparable living area, has one less bedroom, superior (newer) condition, comparable but inferior quality, comparable land area, comparable garaging, both properties have a pool and more desirable location.

#### 12 Clarkson Drive, Madeup Suburb, Imaginary City



Sale Price	\$930,000
Rating Valuation	\$950,000
Sale Date	6 May 2024
Land area (m <sup>2</sup> )	770
Floor area (m <sup>2</sup> )	260
Approximate age	2010-19
Bedrooms	4.0

This property comprises a good condition single storey dwelling. The property has a double integral garage and good site development.

This property has the following characteristics relative to the subject: comparable living area, comparable quality, comparable but inferior condition, larger land area, comparable garaging, lacks a pool and comparable but less desirable location.

#### 165 Baker Road, Madeup Suburb, Imaginary City



Sale Price	\$950,000
Rating Valuation	\$960,000
Sale Date	24 July 2024
Land area (m <sup>2</sup> )	650
Floor area (m <sup>2</sup> )	252
Approximate age	2010-19
Bedrooms	4.0

This property comprises a tidy condition single storey dwelling. The property has a double integral garage, inground swimming pool and tidy site development.

This property has the following characteristics relative to the subject: comparable living area, inferior condition, comparable quality, comparable land area, comparable garaging, both properties have a pool and comparable location.



### 21 Taylor Lane, Makeup Suburb, Imaginary City



Sale Price	\$965,000
Rating Valuation	\$980,000
Sale Date	1 June 2024
Land area (m <sup>2</sup> )	625
Floor area (m <sup>2</sup> )	245
Approximate age	2010-19
Bedrooms	3.0

This property comprises an average to tidy condition single storey dwelling. The property has a double integral garage, inground swimming pool, attached office/outside room and well established site development.

This property has the following characteristics relative to the subject: comparable living area, has one less bedroom, comparable but superior condition, inferior quality, comparable land area, comparable garaging, both properties have a pool, benefits from an attached office/outside room and comparable location.

### 92 York Avenue, Madeup Suburb, Imaginary City



Sale Price	\$970,000
Rating Valuation	\$990,000
Sale Date	30 April 2024
Land area (m <sup>2</sup> )	635
Floor area (m <sup>2</sup> )	223
Approximate age	2010-19
Bedrooms	5.0

This property comprises a tidy condition single storey dwelling. The property has a double integral garage and tidy site development. The property has mountain views.

This property has the following characteristics relative to the subject: comparable living area, has one more bedroom, superior condition, superior quality, comparable land area, comparable garaging, lacks a pool, benefits from views and more desirable location.

## Market Approach (Comparable Transactions Method)

This approach directly compares the subject property with recently traded comparable properties. Adjustments are made to the comparable properties to reflect the differences between them and the subject property.

Address	Sale date	Sale price	Land area (m <sup>2</sup> )	Floor area (m <sup>2</sup> )	Bedrooms	Comparability
30 Mason Avenue	7 July 2024	\$900,000	692	230	4.0	inferior
7 Eastwood Drive	15 May 2024	\$905,000	680	228	4.0	inferior
106 Kauri Drive	5 August 2024	\$925,000	615	202	3.0	inferior
12 Clarkson Drive	6 May 2024	\$930,000	770	260	4.0	inferior
165 Baker Road	24 July 2024	\$950,000	650	252	4.0	comparable
21 Taylor Lane	1 June 2024	\$965,000	625	245	3.0	superior
92 York Avenue	30 April 2024	\$970,000	635	223	5.0	superior

The above sales indicate a market value for the subject property in the order of \$940,000 to \$960,000.

The subject property is considered superior to 30 Mason Avenue and 7 Eastwood Drive, which are both smaller dwellings and lack a pool, although are in comparable condition. The subject property is considered inferior to 92 York Avenue, which is a superior quality dwelling on larger land area and benefits from mountain views. 12 Clarkson Drive has similar street appeal.

The most comparable sale is considered to be 165 Baker Road as both properties have a swimming pool, four bedrooms, two bathrooms, double garage and are similarly located. Although 165 Baker Road has a larger land and floor area, it is in inferior condition suggesting a value comparable to the subject property.



## Market Approach (Net Rate Method)

This method analyses comparable sales evidence to a dollar value per square metre (net rate). These net rates are then adjusted to reflect the different characteristics between the comparable sales and the subject property. After adjustment, weighted consideration is given to the evidence available to determine an appropriate net rate to apply to the subject property.

The following is a summary of our calculations using the Net Rate Method:

Net Rate Method - Analysis of Sales								
Address	Sale price	Less Land	Less Other Improv.	Value of Dwelling	Net Floor	Net Rate	Adjust	Net Rate Adjusted
30 Mason Avenue	\$900,000	\$338,000	\$115,000	\$447,000	190	\$2350/m <sup>2</sup>	-3%	\$2280/m <sup>2</sup>
7 Eastwood Drive	\$905,000	\$339,000	\$130,000	\$436,000	188	\$2320/m <sup>2</sup>	-4%	\$2230/m <sup>2</sup>
106 Kauri Drive	\$925,000	\$369,000	\$140,000	\$416,000	202	\$2060/m <sup>2</sup>	3%	\$2130/m <sup>2</sup>
12 Clarkson Drive	\$930,000	\$341,000	\$165,000	\$424,000	220	\$1930/m <sup>2</sup>	6%	\$2040/m <sup>2</sup>
165 Baker Road	\$950,000	\$382,000	\$182,000	\$386,000	212	\$1820/m <sup>2</sup>	12%	\$2040/m <sup>2</sup>
21 Taylor Lane	\$965,000	\$345,000	\$213,000	\$407,000	205	\$1990/m <sup>2</sup>	2%	\$2020/m <sup>2</sup>
92 York Avenue	\$970,000	\$358,000	\$117,000	\$495,000	223	\$2220/m <sup>2</sup>	-8%	\$2040/m <sup>2</sup>

Net Rate Method - Analysis of evidence			
	Garage Rate	Living Net Rate	Living Net Rate Adjusted
Average	\$1,625	\$2,098	\$2,112
Average without high	\$1,625	\$2,055	\$2,084
Average without low	\$1,625	\$2,144	\$2,128
Average without high or low	\$1,625	\$2,102	\$2,098
Weighted			\$2,095

Net Rate Method - Calculations			
Buildings	Area	Net Rate	Added Value
Dwelling	205.6m <sup>2</sup>	\$2,100/m <sup>2</sup>	\$431,800
Integral garage	42.2m <sup>2</sup>	\$1,625/m <sup>2</sup>	\$68,600
Covered entry	2.7m <sup>2</sup>	\$350/m <sup>2</sup>	\$900
Patio	54.0m <sup>2</sup>	\$300/m <sup>2</sup>	\$16,200
Swimming pool	39.9m <sup>2</sup>	\$1,500/m <sup>2</sup>	\$59,900
Pool shed	2.5m <sup>2</sup>	\$250/m <sup>2</sup>	\$600
Garden shed	4.7m <sup>2</sup>	\$250/m <sup>2</sup>	\$1,200
Woodshed	8.5m <sup>2</sup>	\$250/m <sup>2</sup>	\$2,100
<b>Total Main Buildings Value</b>			<b>\$581,300</b>
<b>Other Improvements</b>			<b>\$20,000</b>
<b>Chattels Total</b>			<b>\$11,000</b>
<b>Land Value</b>			<b>\$340,000</b>
<b>Indicative Value by Net Rate</b>		Say	<b>\$952,000</b>



## Cost Approach (Depreciated Replacement Cost Method)

The Depreciated Replacement Cost Method uses a summation process to determine value. The value of improvements is determined by estimating the cost to replace existing improvements with equivalent utility, then deducting an allowance for physical depreciation, functional depreciation and market obsolescence. The value of the land is then added to the value of improvements to provide an indication of value.

The following is a summary of our calculations using the Depreciated Replacement Cost Method:

Depreciated Replacement Cost Method - Analysis of Sales							
Address	Value of Dwelling	Net Floor	Est. Build Cost	Est. Replace.	Depr'tion	Adjust	Depr'tion Adjusted
30 Mason Avenue	\$447,000	190	\$3985/m <sup>2</sup>	\$757,150	41%	-3%	43%
7 Eastwood Drive	\$436,000	188	\$3985/m <sup>2</sup>	\$749,180	42%	-4%	44%
106 Kauri Drive	\$416,000	202	\$3905/m <sup>2</sup>	\$788,871	47%	1%	47%
12 Clarkson Drive	\$424,000	220	\$4065/m <sup>2</sup>	\$894,234	53%	8%	49%
165 Baker Road	\$386,000	212	\$3985/m <sup>2</sup>	\$844,820	54%	12%	49%
21 Taylor Lane	\$407,000	205	\$3826/m <sup>2</sup>	\$784,248	48%	-2%	49%
92 York Avenue	\$495,000	223	\$4144/m <sup>2</sup>	\$924,201	46%	-4%	49%

Based upon a modal rate including fees and GST of \$3985/m<sup>2</sup>

Depreciated Replacement Cost - Analysis of evidence			
	Est. Build Cost	Depreciation	Depreciation Adjusted
Average	\$3985/m <sup>2</sup>	47%	47%
Average without high	\$3959/m <sup>2</sup>	46%	47%
Average without low	\$4012/m <sup>2</sup>	48%	48%
Average without high or low	\$3985/m <sup>2</sup>	47%	47%
Weighted			47%

Depreciated Replacement Cost - Calculations					
Buildings	Area (m <sup>2</sup> )	Est. Build Cost /m <sup>2</sup>	Replacement Cost	Market Depreciation	Added Value
Dwelling	205.6m <sup>2</sup>	\$3,985/m <sup>2</sup>	\$819,260	47%	\$434,200
Integral garage	42.2m <sup>2</sup>	\$2,192/m <sup>2</sup>	\$92,490	30%	\$64,700
Covered entry	2.7m <sup>2</sup>	\$797/m <sup>2</sup>	\$2,150	30%	\$1,500
Patio	54.0m <sup>2</sup>	\$478/m <sup>2</sup>	\$25,820	30%	\$18,100
Swimming pool	39.9m <sup>2</sup>	\$2,192/m <sup>2</sup>	\$87,450	30%	\$61,200
Pool shed	2.5m <sup>2</sup>	\$319/m <sup>2</sup>	\$800	30%	\$600
Garden shed	4.7m <sup>2</sup>	\$319/m <sup>2</sup>	\$1,500	35%	\$1,000
Woodshed	8.5m <sup>2</sup>	\$319/m <sup>2</sup>	\$2,710	35%	\$1,800
<b>Total Main Buildings Value</b>					<b>\$583,100</b>
<b>Other Improvements</b>					<b>\$20,000</b>
<b>Chattels Total</b>					<b>\$11,000</b>
<b>Land Value</b>					<b>\$340,000</b>
<b>Indicative Value using Depreciated Replacement Cost Method</b>				Say	<b>\$954,000</b>





## SUMMARY OF METHODS

The following is a list of the indicative values under each valuation method:

Comparable Transactions Method	\$940,000 to \$960,000
Net Rate Method	\$952,000
Depreciated Replacement Cost Method	\$954,000
<b>Adopted Value</b>	<b>\$950,000</b>

The Comparable Transactions Method is considered the most relevant valuation method for the subject property and best reflects the application of the market. This approach has been given the most weighting in our valuation assessment.



## MARKET COMMENT

The residential property market has experienced a rapid period of price correction, with overall market activity being slower and less volatile than previously experienced in recent years, with sales volumes reaching historic lows, even lower than during the Global Financial Crisis. This has led to a significant increase in property listings as the pace of sales has slowed, providing buyers with ample choices and applying downward pressure on property values. Market dynamics are subdued, with prices softening since their mini peak in early 2024.

First home buyers make up a larger share of activity than normal, likely due to reduced investor and moving home activity. Despite high but declining net migration, the market fundamentals remain soft, compounded by rising unemployment rates forecasted to peak at 5.5% nationally, (a figure notably lower than the 7.5% peak during the GFC). Expectations of gradual OCR cuts to about 4% offer some hope for market support, though non-tradable inflation remains high, which could influence the pace of these reductions. Government-introduced debt-to-income ratios, while currently having minimal impact due to high borrowing interest rates, may start to influence the market more significantly as rates approach 5.5%.

Residential sections are widely available as new large subdivisions continue to emerge across the district. Smaller and more affordable infill sites are also increasingly available. Demand for residential sections remains subdued, with the economics of building new challenging for many prospective buyers. The costs of new construction are generally uneconomic in Hawkes Bay, with the building costs often exceeding the market value upon completion unless careful cost control and design alignment with demand are applied. While building cost inflation has stabilised, the combined impact of interest and holding costs make new construction generally more expensive than purchasing off the secondary market. Rather than opting for fire sales, developers are holding firm and delaying the release of new stock. Despite this we have seen some reductions in section values and there could be further reductions if holding costs force developers to free up capital. Further reductions will help balance the economics of building. Nationally, construction costs are falling, but the impact in Hawke's Bay might be moderated by ongoing tradie demand related to Cyclone Gabrielle recovery activities.

Market rents returns on investment are significantly below interest rates, creating uneconomic returns for investors. This particularly effects investor-driven markets like Flaxmere and Maraenui; which stand to see the most significant gains as interest rates decrease further.

The rural sector in Hawke's Bay is underperforming, with challenges across apple exports, vineyard returns, and livestock prices, while the forestry sector remains particularly difficult. Tourism has improved slightly post-Cyclone Gabrielle, but capacity remains underutilised, and cruise ship arrivals schedule for the 2024/25 summer is down compared to the previous season.

Looking ahead, a slight sentiment-driven lift in property values is possible due to lower interest rates, but this is expected to be modest and short-lived. Market conditions are likely to remain stable over the next 12 months, with potential soft increases in values if economic conditions improve and affordability becomes more favourable.

For detailed market data and weekly updates, please visit our market statistics at [www.addedvaluation.co.nz](http://www.addedvaluation.co.nz).



## RISK ANALYSIS

### RISK MATRIX TABLE

		1	2	3	4	5
Property Risk Rating	Location and Neighbourhood:	2				
	Land (incl. planning, title):	2				
	Environmental Issues:	3				
	Improvements:	2				
Market Risk Rating	Reduced Value next 2-3 years:	2				
	Market Volatility:	1				
	Local Economy Impact:	3				
	Market Segment Conditions:	2				

Risk Ratings: 1 = Low, 2 = Low to Medium, 3 = Normal (no heightened risk), 4 = Medium to High, 5 = High

**Environmental Issues:** Identified as high liquefaction and the land is considered the least desirable soil type for earthquake amplification risk. The property is identified as being at risk from a "distant source" Tsunami.

**Reduced Value next 2-3 years:** The property market has recently experienced falling market values due to rising interest costs. In recent months, interest rates have stabilised and general market expectations are that interest rates have (or all but) peaked. This has seen local property values stabilise, and we currently have little expectation of further decreases in property values. There remains some headwinds, as increased rates and insurance costs add to the cost of property ownership.

**Market Volatility:** The inflation levels and monetary policy response to Covid19 caused significant volatility, resulting in significant price increases between 2015 and 2021, followed by rapid decreases throughout 2022 and early 2023, wiping out much of the value growth. Market volatility currently has reduced significantly in recent months.

**Local Economy Impact:** The property is expected to respond in a normal way to any future weakening or strengthening of the local economy.



## VALUATION CONCLUSIONS

### MARKET VALUE

As at 20 August 2024 we assess the market value of 119 Makebelieve Street, Madeup Suburb, Imaginary City to be:

<b>Nine Hundred and Fifty Thousand Dollars</b> <b>\$950,000</b>
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Apportioned as follows:

Improvements Value	\$599,000
Land Value	\$340,000
Chattels	\$11,000
<hr/>	
Market Value	<hr/> \$950,000

This valuation assessment is inclusive of GST (if any).



## APPENDICES

### VALUATION EXPLANATION

Scope of valuation	We have undertaken a full valuation of the property, including an internal and external on site inspection of the subject property, analysis of market evidence, analysis of market value and provision of this valuation report.
Valuer qualifications	It is hereby declared that Laura Wood is a Graduate Valuer with a Bachelor of Land and Property Management with a major in urban valuation and finance from Lincoln University; and 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).
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 Bank Ltd And Jack And Jill. 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 mortgage lending 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"><li>- The building has been competently designed and built and is structurally sound and water tight.</li><li>- 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.</li></ul>



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.
GST on Evidence	The available sources of sales data upon which our assessment is based do not typically identify whether the sale is inclusive or plus GST. Unless it has been deemed necessary and the information has been attainable, we have assumed that the sales evidence we have relied upon transacted on an inclusive of GST basis, which is consistent with standard industry practice for property transactions of this nature. Should this interpretation not be correct for any of the evidence used, then we reserve the right to reconsider our valuation.
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.
Zoning	Zoning information was obtained from online records of the Imaginary City Council. However, we recommend that this zoning should be verified by the Imaginary City Council.
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

We confirm the following:

- 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.

Unless stated otherwise earlier in this report, we confirm the following:

- 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.



## RECORD OF TITLE



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



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** **HBI1/125 4**

**Land Registration District**

**Date Issued** 24 September 2009

**Prior References**

HBB1/415

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**Estate** Fee Simple

**Area** 610 square metres more or less

**Legal Description** Lot 3 Deposited Plan 45321

**Original Registered Owners**

Developments Limited

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**Interests**

Appurtenant hereto are water and pipeline rights created by Transfer 76543

5871234.1 Transfer to Jack and Jill - 1/1/2010

12935428.2 Mortgage to Bank of New Zealand - 1/1/2010

Land Covenant in Covenant Instrument 1284321.15 - 2012



## **TERMS OF ENGAGEMENT, SCOPE OF WORKS AND INTRODUCTORY LETTER**

The following pages comprise The Introductory Letter, Terms of Engagement and Scope of Works as produced by Added Valuation upon receiving the instruction for this valuation.

The client has confirmed their acceptance of these terms of engagement and the scope of works via the Added Valuation website portal.



Jack and Jill  
119 Makebelieve Street,  
Madeup Suburb,  
Imaginary City  
Attn: Jack and Jill

22 August 2024

Thank you for engaging Added Valuation Ltd to provide you with a valuation for mortgage lending purposes on 119 Makebelieve Street, Madeup Suburb, Imaginary City. We are pleased to act for you.

It is recommended by the New Zealand Institute of Valuers and International Valuation Standards, and our Insurers that we supply you with these Terms of Engagement and Scope of Works.

Please confirm your acceptance of these Terms and Conditions ("Terms") by completing the [Terms of Engagement acceptance form](#) on our website. Please enter your name, email address and the address of the property to be valued and tick the box you confirm that you accept these Terms. If you are unable to complete the website booking process, we will accept your confirmation of these terms by email. Please advise us if these Terms are not accepted. If you do not provide written communication stating that you do not accept these terms within 24 hours of us dispatching this document to you, then these terms will be automatically deemed to be accepted by you.

These Terms will also apply for any new instructions (as applicable to the instruction) relating to the subject property or any other property for which you instruct us to act for you (or any related entity) unless updated terms of engagement are subsequently confirmed.

Upon completion of the valuation we will supply you with a copy of the report .

Kind regards  
Added Valuation Limited:

Rob Douglas  
Managing Director  
E: [rob@addedvaluation.co.nz](mailto:rob@addedvaluation.co.nz) M: 022 4444 005  
Our File Ref: 5921



## TERMS OF ENGAGEMENT AND SCOPE OF WORKS

These are the Added Valuation Ltd Terms of Engagement and Scope of Works, as required by the New Zealand Property Institute and International Valuation Standards and our insurers.

Added Valuation Ltd will supply Jack and Jill with a property valuation on 119 Makebelieve Street, Madeup Suburb, Imaginary City ("property"). The valuation will be for mortgage lending purposes ("purpose") and may be relied upon for that purpose only. The basis of valuation is to be: market value.

An aerial plan of the property to be valued is shown below. Should this plan be incorrect in any way, please notify Added Valuation Ltd as soon as possible to ensure the correct property is valued.



Our responsibility in connection with this valuation report is limited to Your Bank Ltd and Jack and Jill for mortgage lending purposes only. We disclaim all responsibility to any other party who used the report, or to any party who use the report for any other purpose, without reference to us.

### Identification and Status of the Valuer

We currently intend that the valuation of the property will to be undertaken by Laura Wood. It is hereby declared that Laura Wood is a Graduate Valuer with a Bachelor of Land and Property Management with a major in urban valuation and finance from Lincoln University. Based upon our current knowledge of the property, the valuer is considered competent to undertake the valuation assignment. Laura Wood will also be assisted by Rob Douglas. 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). Added Valuation reserves the right to change the valuer(s) undertaking the valuation, peer reviewer (if applicable) or assistants to the valuer, should that be desirable to our workflow management. However, if the valuation is reassigned, we will only allocate the valuation to a valuer who is considered competent to undertake the valuation.

Unless otherwise declared in the report, the valuers have no interest, financial or otherwise, in the property or with any party in relationship to the subject property. Should any declaration of a relationship or interest be necessary, this will be declared to the client prior to commencing the job, unless this declaration is already apparent to the client.



### **Extent of investigation**

Unless otherwise agreed, Added Valuation Ltd will undertake all reasonable endeavours to undertake an external and internal (if applicable) valuation inspection of the property, which will comprise inspecting the interior of all major buildings where access is available. However, we may not inspect the interior of some minor buildings, which are not considered to have a material impact on the value of the property.

Added Valuation Ltd rely upon information supplied by third parties for our sales evidence and information about the subject property and sales. We have access to the REINZ and Core Logic property and sales databases, which are the source of most of our sales evidence, and much information about the subject property. Where appropriate we supplement that information from Local Authorities, other website research or by other means as suitable. Where this information comes from an independent professional information source, such as REINZ, Core Logic or Local Authorities, this information will be relied upon without specific verification during the valuation process. Where the information comes from other sources, we may undertake standard investigations (where deemed practicable and felt necessary) to determine the accuracy of this information. However, we cannot accept responsibility, should information received prove not to be accurate.

No guarantee is given that the land is not subject to statutory rights not recorded on the relevant Computer Freehold Register and not apparent from normal inspection of the property. We assume no responsibility in connection with such foregoing matters. A copy of the Computer Freehold Register may not be obtained in some circumstances, in which cases we may rely upon other information sources or historic records.

We are not experts in the detection or quantification of environmental problems and will not carry 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 may not reveal any obvious problems. Unless notified to the contrary, this valuation will be 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. Should your investigation or knowledge show that the site is contaminated, Added Valuation Ltd should be informed and given the opportunity if necessary, to reassess (if applicable) the value of the property.

Our valuation will be subject to there being no detrimental registration(s) affecting the land other than those appearing on the Computer Freehold Register(s). We will not normally undertake investigations into other detrimental registration(s) affecting the land unless specifically requested to do so.

Zoning information will be obtained from online records of the territorial authority. However, we recommend that this zoning should be verified by the Council.

We will not obtain from the territorial authority a Land Information Memorandum. Our valuation will be made on the basis that such a Memorandum if obtained would not have disclosed information which would have affected our opinion of the market value of the property.

While in the course of inspection due care will be taken to note building defects, however no structural survey will be made and no undertaking will be given about the absence of rot, termite or pest infestation, deleterious substances such as asbestos or calcium chloride or other hidden defects. We will give no guarantee as to outstanding requisitions in respect to the subject building(s). Unless building defects are obvious, or the findings of a suitably qualified expert are provided to the valuer, the valuation report will be prepared on the assumption that the building has been competently designed and built and is structurally sound and water tight and 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.

In preparing the valuation (where applicable) it will be assumed hot and cold water systems, electrical systems and other devices, fittings and conveniences, are in proper working order and functioning for the purpose for which they were designed.



Where a property is leased, the valuation will be based upon the information received. That information will be accepted and relied upon at face value. Unless otherwise stated, it will be assumed that the information supplied is complete, accurate and enforceable.

**Basis of Value**

Added Valuation Ltd will conduct the valuation and assess the value of the property using the definition(s) of value (market value, reinstatement estimate, market rent, or other basis as applicable to the instruction) provided by the Property Institute of New Zealand Guidance Papers for Valuers and Property Professionals, and the International Valuation Standards 2022 (unless specifically requested to do otherwise).

**General:**

If this valuation is being acquired by you for business purposes, you agree that the Consumer Guarantees Act 1993 does not apply to this Agreement in respect of this valuation.

The report may not be reproduced, in whole or in part, without our prior written approval.

**Payment:**

We envisage our professional fees will be in the order of \$950.00 including GST. If there are any variations to our fees we will notify you.

The disbursements cover software, databases, standard administration support, vehicle, Land Information New Zealand charges for records of title and other information, and professional indemnity insurance. We estimate disbursement charges for this instruction will be in the order of \$150.00 plus GST, but reserve our right to adjust this charge as applicable to the requirements of the job.

By default, we no longer send out a hard copy of the report. If you wish to receive a hard copy of the report please let us know. We charge an additional \$25 incl GST per hard copy.

We require our fee to be paid upon receipt of your report (unless otherwise agreed in writing).

Interest is payable on any amount which is more than 7 days overdue at the rate of 2% per month on any amount outstanding. If Added Valuation Ltd has to take steps to recover any unpaid account, the costs of recovery (including debt collector's charges and charges for our time incurred in chasing payment) are all payable by you.

In the event you expect a third party to reimburse our fees and expenses, whether or not our invoice is directed to a third party at your request, you remain responsible for payment to us if the third party fails to pay us.

If there is more than one instructing party, each party is jointly and severally liable for payment in due time of all our accounts and other charges.

**Fees payable:**

Where a quote has been provided additional fees may be payable if the instruction is changed, or if additional work is required or disbursements are incurred that could not have been reasonably prevented and which should not have been foreseen and allowed for within this quote, additional fees may be payable on a time cost and/or cost incurred basis. Should this uncommon situation occur, Added Valuation Ltd will endeavor to inform you as soon as we are practically able.

Where services are carried out on a time charge basis, Added Valuation Ltd may purchase such incidental goods and/or services as are reasonably required to perform the services. The cost of obtaining such incidental goods and/or services shall be payable by you.

Our valuation fee quote or estimate is based on the nature of the instruction, and estimated costs and time likely to be incurred in the provision of the valuation report only. Any additional instruction or work undertaken after the report's completion will be subject to our standard charge-out rates. This includes post-valuation consultation or negotiations.



**Cancellation of the service:**

The client may suspend all or part of the services or terminate the agreement by written notice to Added Valuation Ltd, who shall immediately make arrangements to stop the services and minimize further expenditure. Suspension or termination shall not prejudice or affect the accrued rights or claims and liabilities of the parties.

Where services are cancelled, the client shall be responsible for all costs incurred and including time invested in the provision of the service. This charge will be at Added Valuations Ltd's sole discretion but will not be less than \$50 and will not be more than the fee which would have been charged for the full service if the valuation had been completed.

**Limit of Liability:**

Notwithstanding any other provision of this agreement, the liability of Added Valuation Ltd for damages or losses (in contract, tort or otherwise, including negligence) in any way connected with the Services or the project is the lesser of five times the value of the fees or \$100,000. In addition, Added Valuation Ltd will only be liable for direct loss or damage.

If the Client has engaged Added Valuation Ltd to perform Services which the Client has contracted to provide to a third party (the Principal) Added Valuation Ltd's liability to the Principal is likewise limited and the Client warrants that it is the Principal's agent for the purpose of this agreement.

Neither you nor Added Valuation Ltd shall be liable for any damage or loss resulting from or connected with Services or the project that may be made unless proceedings are commenced within six years of the Services being performed.

Added Valuation Ltd shall only be liable to you, either in contract or in tort, for direct loss or damage you suffered as the result of a breach by Added Valuation Ltd of its obligations under this Agreement.

**Information:**

In undertaking the valuation services, Added Valuation relies on information from public and private sources. Public information is quoted in reports when applicable, while private information remains confidential and is only quoted with provider consent. The client must provide details of any agreements (including where secret or confidential) between the landlord and tenants (if any) or any other agreements that may have an impact on the value of the property. This requested information on the assets subject to valuation, along with any other relevant information affecting property or value, should be provided. All provided information is verified for accuracy by the providing party. Added Valuation retains the right to verify and accept or reject the information. Assumptions and variations will be outlined in the report.

**Intellectual property:**

Added Valuation Ltd shall retain copyright of all intellectual property we prepare. You are entitled to use them or copy them only for the purpose for which they were produced. The ownership of the reporting provided by Added Valuation Ltd and paid for by the client, shall, after payment by the client, lie with the client.

**Dispute resolution:**

Any unresolved dispute arising between the parties in relation to this agreement shall be referred to the arbitration of a single arbitrator in accordance with the Arbitration Act 1996. The arbitrator shall be agreed on by the parties, or failing agreement, shall be nominated by the President for the time being of the Hawke's Bay District Law Society or his nominee. The arbitration will be held in Napier and determined in accordance with the provisions of the Arbitration Act. The arbitrator's decision shall be final and binding on both parties.

**Personal Information:**

The Client authorises Added Valuation Ltd to collect, retain and use personal information about the Client, including the information contained in this agreement, for the purposes of assessing the Client's credit worthiness, administering Added Valuation Ltd's rights against the Client or marketing any Services provided by



Added Valuation Ltd. The Client may request access to and correction of any personal information and the Firm will comply with its obligations under the Privacy Act 1993.

**Circumstances beyond the reasonable control:**

Neither the Firm nor the Client will be liable for any act, omission or failure under this agreement (except failure to meet an obligation to pay money) if that act, omission or failure arises directly from an event beyond the reasonable control of the party concerned, including, without limitation, extreme weather conditions, civil disruption or industry wide industrial action.



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