



MARKET VALUATION

**865 Waikaretu Valley Road
Glen Murray
Waikato District**

Client	Sarah Phippen
Prepared for	ASB Bank Limited
Valuation date	2 February 2022

1.0 EXECUTIVE SUMMARY



865 Waikaretu Valley Road, Glen Murray, Waikato District

A 9.5 hectare rural residential property situated in the Glen Murray district, approximately 50 kilometres south of Pukekohe and 40 kilometres west of Huntly.

Improvements to the property include a two level 1990's built, two bedroom home one bathroom home, detached sleepout including kitchenette and bathroom facilities, detached carport and a good quality storage shed.

The dwelling has been modernised and comprises a very good quality kitchen. Dwelling surrounds are mature and established and include large trees, a gravel driveway and parking area, orchard and gardens.

PROPERTY DETAILS

Type of property Rural
Residential

Year built 1995



9.5240 ha



89 m²



2



1



1



2

VALUATION

\$1,075,000 including GST (if any)

Contract for sale

We have been informed there is a current sale and purchase agreement in place for \$1,100,000 including GST. This would appear to be slightly above current market levels in relation to market evidence, however reflective of demand for such property currently.

We note there are additional items included in the chattels such as a farm trailer, chickens, ducks and various building materials which are not included in our valuation assessment.

Last sale

None within the previous five years.

PROPERTY RISK OVERVIEW

Under current market conditions we would expect good interest in the property.

This is a remote locality. Should market conditions deteriorate, it is likely the property would have a longer than average selling period.

INSTRUCTIONS

Instructed by	Sarah Phippen
Report prepared for	ASB Bank Limited
Borrower	Sarah Phippen
Purpose of valuation	Market Value for mortgage lending
Valuation date	2 February 2022
Report issue date	7 February 2022

TelferYoung policy requires that reports cannot be reassigned for any purpose beyond 90 days from the date of valuation. This policy has been set to meet professional indemnity insurance requirements. It is a condition of this report that any valuation needing to be reassigned beyond 90 days may require re-inspection by the valuer with an update fee charged.

PREPARED BY

Darryl McDavitt	BAppSc (VFM) Registered Valuer
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This report must be read in conjunction with TelferYoung (Waikato) Limited's Statement of Limiting Conditions and Valuation Policy.

2.0 RISK SUMMARY AND ASSUMPTIONS

RISK ANALYSIS

This Risk Analysis reflects the impact on the property of several specific risk factors. Eight factors are considered, four property aspects and four market aspects. Each Risk Rating is determined by considering the effect on the property's value and marketability.

Lower Risk Ratings indicate the property that should perform well in the marketplace. Higher Risk Ratings indicate that in comparison with similar properties, the property may be inferior in terms of value stability and marketability.

The Risk Analysis for the property is summarised as follows:

Property Risk Rating*	Market Risk Rating*
Location/Neighbourhood 2	Recent Market Direction 2
Land (inc. planning & title) 2	Market Volatility 3
Environmental Issues 2	Local Economy Impact 2
Improvements 2	Market Segment Conditions 3

*Risk Ratings: 1 = Low, 2 = Low to Medium, 3 = Medium, 4 = Medium to High, 5 = High

A Risk Rating of 1–2 is an indication of no aspect warranting comment. Risk Ratings of 3–4 is an indication of an adverse aspect that is detailed below. A Risk Rating of 5 indicates an adverse aspect that could have a major impact on value and/or marketability. Risk Ratings are a subjective indicator only and should not be relied upon alone when purchasing or lending.

Market volatility

The market for rural residential property over the past 12 months has been strong with significant increases in value observed. This increases the chance of a correct should economic conditions deteriorate.

Market segment conditions

This is an isolated location. During more subdued market periods, properties within remote localities can have extended marketing periods.

Property risk overview

Under current market conditions we would expect good interest in the property. Should market conditions deteriorate, it is likely the property would have a longer than average selling period.

COVID-19 COMMENT

Disruption to the economy and an increase in general economic uncertainty has been evident from when the COVID-19 pandemic reached New Zealand in early 2020.

At the date of reporting, New Zealand has moved into the traffic light settings which allows businesses to open and operate in a way that is as close to normal for vaccinated people. During the lockdowns the residential property market has remained active, albeit with restrictions in place. The markets continue to remain active, but this outlook could change if the country repeatedly moves in and out of lockdowns and/or 'traffic light' levels in the future.

The severity of the current outbreak and its consequent economic disruption is currently unknown. This valuation has been prepared based on evidence available as at the date of valuation.

SIGNIFICANT ASSUMPTIONS AND SPECIAL ASSUMPTIONS

Significant Assumptions and Special Assumptions are those assumptions that are material to the valuation and could reasonably be expected to influence the decisions of the user.

Significant Assumptions are those where the assumed facts are consistent with or could be consistent with those existing at the date of valuation. These are often the result of a limitation on the extent of the investigations or enquiries undertaken by the valuer.

Special Assumptions are those where the assumed facts differ from those existing at the date of valuation. These are often used to illustrate the effect of proposed changes on the value of the property.

No Significant Assumptions or Special Assumptions have been made in completing this valuation.

3.0 SCOPE OF WORK

The valuer

The valuation has been undertaken by Darryl McDavitt who provides this valuation in an objective, unbiased, ethical and competent manner. The valuer has no material connection with the instructing party or interest in the property and has the appropriate qualifications and experience to undertake the valuation.

Our client

Sarah Phippen.

Other than the client or addressee, the report may not be relied upon by any third party. We accept no liability to third parties. Written consent is required for any third party wishing to rely on this report. We reserve the right to withhold that consent, or to review the contents of the report if consent for third party use is sought.

Other intended users

ASB Bank Limited.

Purpose of valuation

Market Value for mortgage lending.

Asset valued

865 Waikaretu Valley Road, Glen Murray, Waikato District.

Basis of valuation

Market Value is defined in International Valuation Standards 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.

Valuation currency

All dollars quoted in this report are NZD.

Important dates

Inspection date 2 February 2022
Valuation date 2 February 2022

Extent of investigations

We have carried out an inspection of exposed and readily accessible areas of the improvements. However, the valuer is not a building construction or structural expert and is therefore unable to certify the structural soundness of the improvements. Readers of this report should make their own enquiries.

This report has been prepared for valuation purposes only and is not a geotechnical or environmental survey. If any defect is found, including structural defects, this information could impact on the value of the property.

Nature and source of information relied upon

Information used to prepare the valuation has been obtained from our property inspection and public records. Additional information relied on includes:

Name of Document	Source of Document
Sale and Purchase Agreement	Client

Reporting format

We have prepared a formal valuation report meeting appropriate professional standards.

This report must be read in conjunction with TelferYoung (Waikato) Limited's Statement of Limiting Conditions and Valuation Policy.

Valuation standards

Our valuation has been prepared in accordance with International Valuation Standards (effective 31 January 2022) and Guidance Papers for Valuers and Property Professionals published by the Australian Property Institute (API), Property Institute of New Zealand (PINZ) and New Zealand Institute of Valuers (NZIV).

4.0 RECORD OF TITLE

4.1 TITLE INFORMATION

Identifier	SA46A/980
Land registration	South Auckland
Legal description	Lot 10 Deposited Plan South Auckland 49687
Estate	Fee Simple
Area	9.5240 ha (more or less)
Registered owner(s)	Melissa Meryl Macrae and Simon Paul Macrae
Interests	<ul style="list-style-type: none"> ■ Subject to Section 5 Coal Mines Act 1979 - <i>Reserves mineral rights to the Crown</i> ■ Subject to Section 8 Mining Act 1971 (affects part formerly in CT SA33D/164) - - <i>Reserves mineral rights to the Crown</i> ■ Appurtenant hereto is a right to convey water created by Transfer H506014.5 (affects the part formerly in CT SA30C/54) – <i>It is unclear from the document where this right is or whether it crosses this land.</i> ■ H277985 Land Improvement Agreement pursuant to the Soil Conservation and Rivers Control Act 1941 - 14.3.1980 at 1.59 pm - <i>Refers to an agreement to retire an area of land with some of the fencing and cost of trees provides by the Waikato Valley Authority. It does not appear that this land was included and therefore unclear as to why it is registered to this title.</i> ■ Appurtenant hereto is a right of way created by Transfer H953631.5 - 24.5.1990 ■ Subject to a right of way over part marked C on DPS 49687 created by Transfer H953631.5 - 24.5.1990 – <i>The Right of Way which this property is both subject and appurtenant to appears to be situated in the northern corner of the property. This allows the neighbouring</i>

property access over a small area on land in the northern corner, while the subject land benefits from a right of way which runs approximately 85 metres along the northeastern boundary. This allows access along the neighbour's driveway, leading to the central race which runs through the subject land.

- 9458104.3 Mortgage to ASB Bank Limited - 16.8.2013 at 2:02 pm
- 11974473.1 Variation of Mortgage 9458104.3 - 18.12.2020 at 1:44 pm

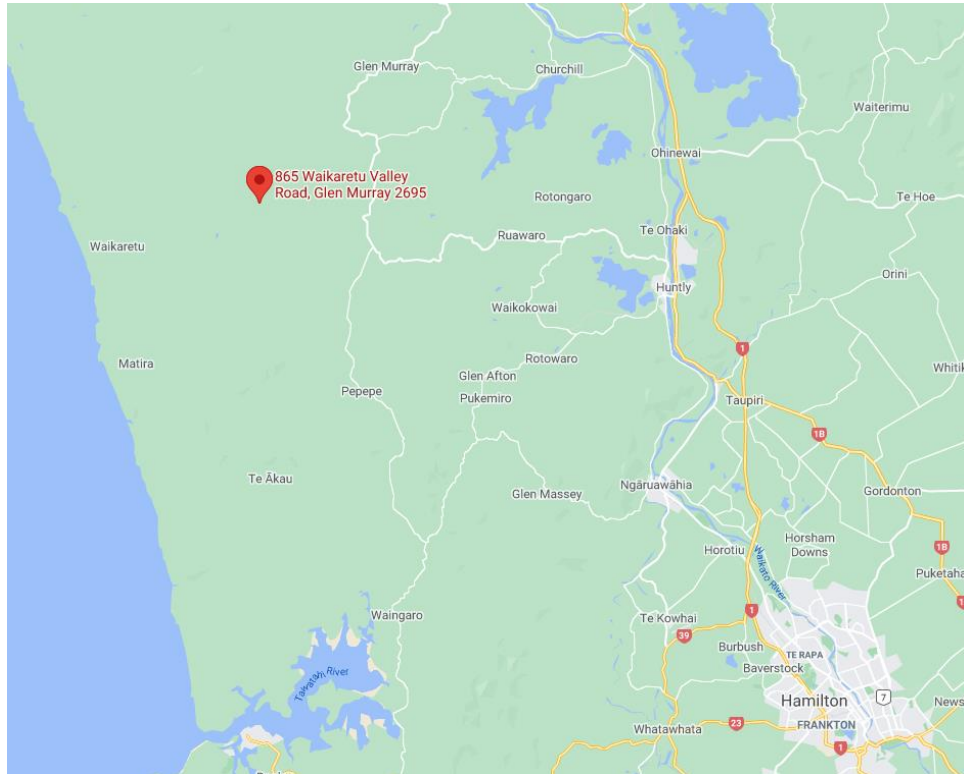
Comments:

The above interests have been considered when assessing value.

See **Appendix A** for the Record of Title.

5.0 LOCATION

5.1 LOCATION DETAILS



Source: GoogleMaps

District

Glen Murray

Location

The property is located at 865 Waikaretu Valley Road approximately 50 kilometres south of Pukekohe and 70 kilometres north west of Hamilton.

This is a relatively isolated location with the nearest service towns being Tuakau and Huntly both approximately 40 kilometres drive.

Primary schooling is available at nearby Waikaretu or further afield at Onewhero. Secondary schooling is located further afield at Onewhero, Huntly, Te Kauwhata and Tuakau.

Land use in this area is dominated by large scale drystock properties and forestry, with rural residential properties scattered sporadically, although increasing in frequency.

For the purposes of rural residential living this is considered an average location with many market participants considering it to be isolated.

6.0 LAND

6.1 LAND DESCRIPTION



Source: GoogleEarth

Area 9.5240 ha (more or less)

Land Description A highly irregular shaped parcel having approximately 750 metres of road frontage to Waikaretu Valley Road along the northwestern boundary. This is a long narrow property, being approximately 750 metres long and 200 metres wide at the widest point.

The contour of the land is rolling to moderate hill with a steeper area along the eastern boundary. The aspect of the land is to the northwest. A spring is situated in the middle of the block and drains to the northwest.

Mature pine trees are situated on both the southern a north eastern sides of the dwelling.

Services Services to the site are limited to power. The property has on site septic tank storage and water provided by a spring. Gas is provided to the dwelling via bottles.

Water is pumped from the spring to a tank at the rear of the house. From here it is pumped to the dwelling and to a storage tank for farm use.

Views Rural aspect, limited views.

7.0 RESOURCE MANAGEMENT

7.1 ZONING INFORMATION

Territorial authority Waikato District

Plan status Operative

Zone Rural Zone

Zone description

Most of Waikato District is in the Rural Zone. Anticipated activities are traditional extensive dairy and sheep farming, and horticulture with rural residential lifestyle lots interspersed. Rules seek to maintain rural land for productive rural activities, manage activities so that the effects of traditional farming can be accommodated alongside existing lifestyle blocks, to provide a level of lifestyle choice, and to preserve landscape and ecological values.

Permitted Activities and Development Controls within this Zone include the examples listed below.

Permitted activities

- Any activity is permitted if it is not listed as prohibited, and it complies with conditions for permitted activities stated in every row of the rule tables.
- A single dwelling is a permitted activity in this zone.

Development controls

Subdivision Standards:

- The land being subdivided comprises Certificates of Title issued prior to 6 December 1997, unless subject to a boundary adjustment where the balance of the land was contained in a title issued prior to 6 December 1997, or a subdivision completed under a process other than that defined by the Resource Management Act.
- The parent Certificate of Title is at least 20 hectares.
- Every child certificate has a minimum net site area of 8000m² and maximum of 1.6ha. A network utility lot is not to exceed 50m².
- Providing for only one additional title to be created for each title of 6ha or more than existed prior to 6 December 1997 with no subdivision for existing titles under 6ha.

A boundary relocation is a restricted discretionary activity if:

- The boundary relocation is between a maximum of five viable titles forming a continuous landholding in the same ownership, and

- The result of the boundary relocation is to relocate a common boundary and/or boundaries, and
- No additional potential for permitted activity dwellings and no additional subdivision potential is created beyond that which already existed prior to the subdivision occurring, and
- The boundary relocation creates:
 - One certificate of title at least 20ha, and
 - The remaining certificates of title each having an area no less than 8000m² and no more than 1.6hectares

Where there is protected indigenous bush the following is permissible.

- 2-5 hectares of protected indigenous bush, one additional lot can be created
- 5-10ha, two additional lots
- Greater than 10 hectares, three lots
- If the land being subdivided is within a Landscape, Ridgeline, Coal Mining, Aggregate Resource or Aggregate Extraction policy area subdivision is a discretionary activity.

We refer to the reader to the plan which describes the areas where discretion is restricted to

Comments

Further subdivision of the land does not appear possible at this time. The current use of the property would appear to be a permitted activity within the provisions of the District Plan.

Proposed District Plan

Waikato District Council notified the Proposed Waikato District Plan on 18 July 2018 and a Decisions version was produced on 17 January 2022. Once fully tested through the Resource Management Act process and free of legal challenge, the Proposed Waikato District Plan will become the next Operative Waikato District.

The new rules provide limited opportunities for subdivision of rural areas to ensure that primary production activities are afforded priority and are not compromised by subdivision or reverse sensitivity issues. The outcome sought from the new subdivision provisions is for larger areas of rural land to be maintained for primary productive activities.

There does not appear to be anything within the proposed plan which would have an impact on the subject land.

7.2 RATING VALUATION

As at 1 October 2020:

Land Value	Improvements Value	Capital Value
\$440,000	\$210,000	\$650,000

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.

This rating assessment is now dated, with a significant increase in property values seen since this was completed.

7.3 LAND INFORMATION MEMORANDUM

We have not obtained a Land Information Memorandum (LIM) report for this property. Our report is subject to there being no outstanding requisitions or adverse information affecting the property.

8.0 IMPROVEMENTS

8.1 OVERVIEW

Improvements to the property include a two bedroom, one bathroom dwelling, modern sleepout with kitchenette and bathroom facilities, carport, modern implement/storage shed and established site development.

8.2 DWELLING DETAILS

8.2.1 Construction

Foundation	Timber Piles
Flooring	Timber
Exterior cladding	Timber weatherboard
Window joinery	Aluminium
Roofing	Corrugated steel
Internal wall linings	Plasterboard, hardboard
Ceiling linings	Timber, Plasterboard

8.2.2 Floor areas

The floor areas, as measured are as follows:

Ground Floor	68 m ²
First Floor	21 m ²
Total	89 m ²

8.2.3 Accommodation

Entry	Entry to the dwelling is off a large timber deck leading into the living area
Living	A small living area which includes a free standing pyrolytic woodburner with tiled wall behind, tiled floor, access to the staircase, bathroom and ground floor bedroom.

Kitchen

A modern kitchen of very good quality including a stone benchtop, tiled splashback, large Falcon freestanding oven with gas hobs, rangehood, double sinks, dishwasher, ample storage and tiled flooring. A sliding window opens from the kitchen to the outdoor decking area. Situated at the rear of the kitchen is a hotwater cupboard. The cylinder is new, being low pressure wetback and high pressure mains.

Bathroom

Single vanity, built in bath with overhead shower, extractor fan, vinyl floor coverings

Toilet

Separate toilet, tiled floor

Bedroom (First Floor)

Double size, carpet floor coverings

Bedroom (Ground Floor)

Double size, single wardrobe, storage above wardrobe, high ceilings, exterior door which leads to nothing, carpet floor coverings

Study

Adjacent to the living, barn slider doors, tiled floor, timber lined ceiling

Deck/Terraces

A large deck built on the northeastern side of the dwelling, includes built in bench seating.

8.2.4 Building summary and condition

The building appears to be in good condition overall, having been renovated to a good standard. The kitchen has been fully renovated and appears to be of very good quality.

8.2.5 Chattels

The dwelling is fitted with mixed quality chattels presented in good condition. These include a Falcon freestanding oven, rangehood, carpets, drapes, water pumps.



Living/Study



House/Deck



Rear



Front



Kitchen



Bathroom

8.3 SITE DEVELOPMENT

Other improvements to the land include a chicken coup, garden shed, irrigated raised garden beds, an orchard, water tank, firewood shed, fair quality old storage shed, gravel driveway and parking areas and timber retaining walls.

8.4 FENCING AND WATER

The land is fenced with a mixture of more modern post and four wire electrics, in addition to older traditional post and batten fences which are in only fair condition. Water is gravity fed around the property to troughs/bathtubs for stock. Timber post and rail fencing is utilised at the entry to the property.

8.5 OTHER BUILDINGS

Sleepout



Area	30 m ²
Foundations	Timber piles
Flooring	Timber
Walls	Plywood
Joinery	Aluminium
Roof	Galvanised steel

Comment

A good quality modern sleepout comprising a large open room with kitchenette and bathroom facilities. The floor coverings throughout are vinyl. The bathroom includes a shower, toilet, single vanity, extractor fan. The bathroom has no door.

The kitchenette includes a Formica benchtop, stainless steel sink and Melteca cabinetry.

A ranch slider opens out to a large timber deck. A small timber deck is situated on the opposite side.

This building would appear to have been completed recently and appears to fall within the new 30m² building area limit which does not require building consent. We are informed by the vendor the plumbing work was completed by a certified plumber, however was not consented as is required.

The roof of the building does not have gutters to capture stormwater.



Kitchenette (sleepout)



Bathroom (sleepout)

Two Bay Shed



Area	54 m ²
Foundations	Concrete, timber pole
Flooring	Concrete
Walls	Galvanised steel
Roof	Galvanised steel
Includes	A good quality modern shed which includes power, two roller doors, concrete floor, built in storage, part lined with ply.

Carport



Area	56 m ²
Foundations	Timber pole
Flooring	Gravel
Walls	N/A
Roof	Galvanised steel
Includes	At the southern end of the carport is a smaller shed (6m ²) with concrete floor and galvanised steel on three sides. This is utilised as a laundry. The carport and small shed have power.



Chicken Coup



Old Shed

9.0 MARKET COMMENTARY

9.1 ECONOMIC OVERVIEW

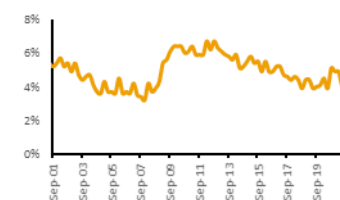
- New Zealand's economy has continued to grow supported by strong demand and high prices for our key agricultural exports. Construction sector growth and associated expenditure has also been a key driver of economic activity over the last year. Over 47,000 residential building consents were approved over the last 12 months suggesting ongoing growth in the short term. Slowing population growth, as a result of lower levels of net overseas migration gains, may temper medium term activity.
- Ongoing government welfare payments to businesses and households have also supported economic activity during COVID-19 related lockdowns. Increased spending on infrastructure will also continue to support the economy.
- The impact of COVID-19 related restrictions remains a key risk for our economy particularly as we transition from an elimination strategy to one of living with the virus. The traffic light restrictions on local communities will have an impact on activity. However, the gradual reopening of our economy should provide some relief to the accommodation and hospitality sectors as vaccinated people enjoy greater freedom.
- Inflation increased to 5.9% in the last quarter of 2021. This is a rate the country has not seen for some 30 years. Higher inflation reflects the rising cost pressures in the economy from higher energy prices, rising food costs, increased transportation costs, and robust consumer demand. The Reserve Bank has responded and begun to tighten monetary conditions and has signalled it is likely to continue to reduce the current stimulatory monetary policy settings.
- Mortgage rates have increased, and further rises are expected in the short to medium term, with rates likely to track with any change in the OCR policy settings. Recent changes to the finance regulations have also increase pressure on lenders to ensure borrowers can afford their loans. This may result in tighter bank lending criteria making it more difficult to access mortgages.
- Housing market conditions are expected to cool from their current highs in 2022 as the impact of higher interest rates, tighter lending criteria flows and slower population growth flow through to market activity.

GDP



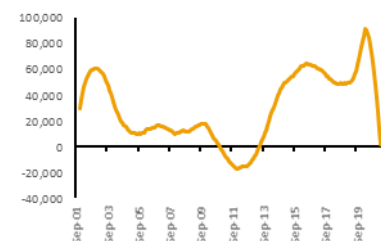
GDP was down 3.7% in the September 2021 quarter compared with the June 2021 quarter which had a rise of 2.4%. The effects of COVID-19 alert levels were more significant in the September 2021 quarter than in any other quarter since June 2020. Market expectations are for GDP growth to rebound during 2022.

Unemployment Rate



The number of people employed has increased by 45,200 over the September 2021 year, with the official unemployment rate exceeding market expectations and now resting at 3.2%.

Net Migration



Net annual overseas migration gains fell to 800 people in the September 2021 year. COVID-19 related border restrictions are expected to result in low levels of net migration gains over the next 12 months, slowing population growth.

CPI

5.90%



Market expectations are for inflation to continue to increase in 2022 due to strong domestic demand and increases in transport and shipping costs.

Official Cash Rate

0.75%



The current monetary policy settings have started to tighten in response to building inflationary pressures in the economy and further increases in the OCR are expected.

9.2 REGIONAL PROPERTY MARKET

Matters of note for the property market as we ended 2021 included the significant tightening of availability of mortgage finance due to additional requirements of the Credit Contracts and Consumer Finance Act (CCCF Act), and the impact of interest rate increases, with the stepping up of the OCR and market rates in recent months.

Overall, the Waikato property market continued to transact strongly over 2021, with value increases continuing across most property types and value levels. The distinct physical absence of Auckland buyers in the later months were noted, however did not appear to have any significant effect on values. This is likely due to a lack of listings, particularly in the rural residential market.

In the Waikato, December appeared to bring a change in mood, a somewhat calming, either through sheer exhaustion of the events of the two years to this point, with buyers stepping away early, or perhaps some simply deferred decisions until 2022. That said, there were still some significant end of year sales indicating the local market is still in favour with buyers.

There appears to remain a significant number of buyers in the market, who seek both existing homes, and/or sections for development, or house and land packages. Demand for ready to live in housing appears to remain very strong in comparison to supply.

Marketing periods remain relatively short for the majority of properties that meet the general buyer requirements.

There has been a significant rise in value/sale prices of vacant sections over the 2020/2021 period, both in the residential and lifestyle locations. This reflects low listing levels, and the lack of Title ready stock. While we are aware of some pending developments, these come to the market sporadically, and have been 'selling out' in many cases within days of release (from small subdivisions through to those offering near 100 sites, with titles months from release). In many cases it is builders securing the sites to then offer as 'land and building' packages.

Should listing levels increase and market confidence wane, we would anticipate that the current quick market turnover would slow, and we would see extended marketing period for many properties in this situation, as both buyers and sellers disseminate their changed

9.3 LOCAL PROPERTY MARKET

The rural residential property market with the northern Waikato has performed strongly over the past year and appears to be continuing to do so as we enter 2022.

Properties are still seeing strong levels of interest, despite emerging headwinds in the form of tighter lending criteria and rising interest rates. Inflation will also have an impact on demand, with the cost of living rising quickly. The lack of listings in the rural residential sector will likely see demand remain.

Market participants wanting to get out of Auckland appear to be driving the demand for property in the northern Waikato, particularly if they are within commuting distance to workplaces. How long this trend will last is difficult to gauge.

Under current market conditions, we would expect an above average level of interest in the subject property.

10.0 SALES EVIDENCE

4287 Highway 22, Naike



Sale date	28 October 2021
Sale price	\$349,000
Land area	16,350 m ² (more or less)

A vacant rural residential section of moderate contour, situated within the Naike locality, approximately 25 kilometres west of Huntly. We understand this section has since on sold for a significantly higher sum of \$490,000 which is yet to be verified.

Comparison Inferior

3699 Highway 22, Naike



Sale date	8 March 2021
Sale price	\$655,000
Building area	100 m ² (recorded)
Land area	6.5040 ha (more or less)
Bedrooms	3
Bathrooms	1
Garage	2

A 6.5 hectare rural residential property situated at Naike, approximately 26 kilometres west of Huntly. The land is of rolling contour, partly covered in native bush, with part utilised for growing olives.

Improvements to the property include a three bedroom home of unique style, clad in corrugated steel and includes a detached double garage.

Comparison Inferior, smaller land with a smaller useable area. A very unique dwelling which would not appeal to a wide range of market participants.

44 Native Road, Pukekawa



Sale date	4 November 2021
Sale price	\$910,000
Building area	90 m ² (recorded)
Land area	4180 m ² (more or less)
Bedrooms	2
Bathrooms	1
Garage	2

A rural residential property situated at Pukekawa, approximately 28 kilometres south east of Pukekohe. Improvements to the land include a single level 1990's two bedroom accommodation with one bathroom presented in tidy condition plus a detached double garage.

Comparison Inferior due to land size and lack of additional improvements. Superior location.

1652 Highway 22, Pukekawa



Sale date	2 December 2021
Sale price	\$966,000
Building area	110 m ² (recorded)
Land area	5413 m ² (more or less)
Bedrooms	3
Bathrooms	1
Garage	1

A rectangular front block with an easy rising contour from the road on which is a single level 1960's weatherboard clad home comprising 3 bedroom accommodation with 1 bathroom in average condition. Other improvements include a detached single garage and 1 bedroom sleepout.

Comparison Inferior due to size of land and extent of improvements – Superior location

191 Andrews Road, Onewhero



Sale date	21 October 2021
Sale price	\$1,025,000
Building area	120 m ² (recorded)
Land area	3.9478 ha (more or less)
Bedrooms	2
Bathrooms	1
Garage	0

A 3.95 hectare rural residential property situated within the Onewhero locality, approximately 25 kilometres south of Pukekohe. The land is approximately two thirds stream and sidlings, with the remaining third of easy contour providing building sites.

Improvements to the land include a poor quality two bedroom home which had been relocated to this site, a good quality shed with lean to, and an additional storage shed.

Comparison A slightly inferior property overall due to the quality of the dwelling. Superior location.

1340 Glen Murray Road, Glen Murray



Sale date	18 January 2021
Sale price	\$1,040,000
Building area	223 m ² (recorded)
Land area	8.2040 ha (more or less)
Bedrooms	4
Bathrooms	2
Garage	2

An 8.2ha small grazing property situated near Glen Murray, approximately 17 kilometres west of Te Kauwhata. The land is of rolling to moderate contour, with the dwelling site elevated and having rural views. Improvements to the property include a 2000's four bedroom, two bathroom brick and tile dwelling, detached garaging and additional shedding.

Comparison A superior property which would transact at a higher level of value if put to the market currently. A dated sale.

1314 Wairamarama Onewhero, Glen Murray



Sale date	22 October 2021
Sale price	\$1,045,000
Building area	107 m ² (recorded)
Land area	12.5600 ha (more or less)
Bedrooms	3
Bathrooms	1
Garage	2

A 12.56 rural residential property situated in the Onewhero locality, approximately 33 kilometres south of Pukekohe. The land is of moderate hill contour with large areas covered with native bush.

Improvements to the property include a three bedroom, one bathroom, board and batten clad dwelling, detached double garage with rumpus room, and an older shed. The dwelling is set in native bush surrounds, with site development attractive.

Comparison Provides a good comparison to the subject. Superior location, inferior land, similar level of accommodation. Would likely transact at a slightly higher level currently.

1107 Churchill Road, Pukekawa

Sale date	10 August 2021	A 4.49 hectare rural residential property situated near Pukekawa, approximately 28 kilometres south east of Pukekohe. The land is of easy rolling contour and bound by swamp lands on the eastern and south western boundaries.
Sale price	\$1,350,000	
Building area	100 m ² (recorded)	
Land area	4.4930 ha (more or less)	Improvements to the property include a three bedroom, one bathroom weatherboard home, detached double garage with rumpus room and older farm shedding. The dwelling is in average condition with an updated kitchen and bathroom.
Bedrooms	3	
Bathrooms	1	
Garage	2	Comparison Superior due to location

10.1 RECONCILIATION OF SALES EVIDENCE

Address	Date	Price	Site area	Comparison
Land Sales				
4287 Highway 22	28 October 2021	\$349,000	16,350 m ²	Inferior

Address	Date	Price	Site area	Floor area	Bedrooms	Comparison
Improved Sales						
3699 Highway 22	8 March 2021	\$655,000	6.5040 ha	100 m ²	3	Inferior
44 Native Road	4 November 2021	\$910,000	4180 m ²	90 m ²	2	Inferior
1652 Highway 22	2 December 2021	\$966,000	5413 m ²	110 m ²	3	Inferior
191 Andrews Road	21 October 2021	\$1,025,000	3.9478 ha	120 m ²	2	Slightly inferior
1340 Glen Murray Road	18 January 2021	\$1,040,000	8.2040 ha	223 m ²	4	Superior
1314 Wairamarama Onewhero	22 October 2021	\$1,045,000	12.5600 ha	107 m ²	3	Comparable
1107 Churchill Road	10 August 2021	\$1,350,000	4.4930 ha	100 m ²	3	Superior

11.0 VALUATION

11.1 HIGHEST AND BEST USE

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 physically 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.

The current use of the asset is the highest and best use.

11.2 VALUATION APPROACH

To establish the Market Value of the property, we have utilised the Market Approach. The Market Approach provides an indication of value by comparing the asset with identical or comparable (that is similar) assets for which price information is available.

Within the Market Approach we have considered the Direct Comparison Method.

11.3 DIRECT COMPARISON

This method involves reference to sales of properties which have similar attributes to the subject property. Comparisons are drawn between the subject property and the sales evidence. Subjective adjustments are applied where necessary to account for factors which have a direct impact on the sale price and value. These include the following:

Land	Location, area, shape, position, aspect, view, contour and standard of surrounding development.
Dwelling	Age, construction, size, number of bedrooms, quality and street presentation.
Site development	Landscaping, garaging, any additional features.

11.3.1 Sales discussion

There is limited sales evidence for the subject property from which to draw comparison. This is not unusual within this locality with a low overall number of transactions occurring.

We have had to utilise older transactions and transactions from further afield, making adjustments for time and location.

The bare land sale of 4287 Highway 22 (\$349,000) provides an indication of what the market is willing to pay for a rural residential site (approximately 0.5 – 2 hectares) within this locality. However, we understand this site has since on sold for a considerably higher sum of \$490,000. This appears to be an anomaly within the area, however, there have been few other vacant sites available, and is representative of market demand at present.

The value of the residual farmland is assessed through the analysis of the larger transactions.

The property at 1107 Churchill Road (\$1,350,000) provides an upper level of value, being situated in a more desirable locality.

The recent transaction of 1652 Highway 22 (\$966,000) provides some guidance but is a smaller property in a superior location. The extent and quality of improvements is inferior to the subject.

Of the seven improved sales, the most comparable evidence is that of 1314 Wairamarama Onewhero Road (\$1,045,000) and to a lesser extent 191 Andrews Road (\$1,025,000) . Both transactions occurred in October, with the market continuing to improve since then.

191 Andrews Road is situated in a superior locality, however, is a smaller land parcel, and includes a poor quality dwelling. Considered to provide a lower level of value.

1314 Wairamarama Onewhero Road provides a slightly larger and more conventional single level home with three bedrooms compared with the subject. The location would also be considered more favourable. The land is inferior however, with much of it covered with native bush.

The subject property includes the additional modern sleepout, modern implement storage shed and more utilisable land, despite the smaller size. The sleepout would be attractive for market participants despite the unconsented plumbing works.

Based on our analysis of the sales, our assessment is as follows:

Valuation Assessment

Land

House Site	0.50 ha		\$	460,000
Residual Land	9.02 ha @	\$21,000 /ha	\$	190,000
Total Land			\$	650,000

Improvements

Dwelling	89 m ²		\$	235,000
Sleepout	30 m ²		\$	65,000
Shedding			\$	40,000
Site Development			\$	45,000
Fencing and Water			\$	20,000
Total Improvements			\$	405,000
Chattels			\$	20,000

Market Value **\$ 1,075,000**

The value can be apportioned as follows:

Land	Improvements	Chattels	Market Value
\$650,000	\$405,000	\$20,000	\$1,075,000

11.3.2 Reasonable selling period

The valuation is based on a selling period of 6-12 weeks due to strong demand at present.

11.3.3 Current contract

We have been informed there is a current sale and purchase agreement in place for \$1,100,000. This would appear to be slightly above current market levels in relation to market evidence, however reflective of demand for such property currently.

We note there are additional items included in the chattels such as a farm trailer, chickens, ducks and various building materials which are not included in our valuation assessment.

12.0 STATEMENT OF LIMITING CONDITIONS AND VALUATION POLICY

Purpose

This valuation report has been completed for the specific purpose stated. No responsibility is accepted in the event that this report is used for any other purpose.

Responsibility to third party

Our responsibility in connection with this valuation is limited to the client to whom the report is addressed and to that client only. We disclaim all responsibility and will accept no liability to any other party without first obtaining the written consent of TelferYoung (Waikato) Limited and the author of the report. TelferYoung (Waikato) Limited reserves the right to alter, amend, explain or limit any further information given to any other party.

Reproduction of report

Neither the whole nor any part of this valuation and report or any reference to it may be included in any published document, circular or statement without first obtaining our written approval of the form and context in which it may appear. Our report is only valid when bearing the Valuer's signature.

Date of valuation

Unless otherwise stated, the effective date of the valuation is the date of the inspection of the property. 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 where this valuation is relied upon after the expiration of 3 months from the date of the valuation, or such earlier date if you become aware of any factors that have any effect on the valuation.

Legislation

We have not obtained a Land Information Memorandum (LIM) or Property Information Memorandum (PIM) for this property which, unless otherwise stated, is assumed to conform to all requirements of the Resource Management Act 1991, the New Zealand Building Code contained in the First Schedule to the Building Regulations 1992, the Building Act 2004 and any Historic Places Trust registration.

Our valuation reports are prepared on the basis that properties comply with all relevant legislation and regulations and that there is no adverse or beneficial information recorded on the Territorial Local Authority (TLA) property file, unless otherwise stated. Legislation that may be of importance in this regard includes the Health & Safety at Work Act 2015, the Fire Safety and Evacuation of Buildings Regulation 1992, and the Disabled Persons Community Welfare Act 1975.

Registrations

Unless otherwise stated, our valuation is subject to there being no detrimental or beneficial registrations affecting the value of the property other than those appearing on the title. Such registrations may include Waahi Tapu and Heritage New Zealand registrations.

Reliability of data

The data and statistical information contained herein was gathered for valuation purposes from reliable, commonly utilised industry sources. Whilst we have endeavoured to ensure that the data and information is correct, in many cases, we cannot specifically verify the information at source and therefore cannot guarantee its accuracy.

Assumptions

This report contains assumptions believed to be fair and reasonable at the date of valuation. In the event that assumptions are made, based on information relied upon which is later proven to be incorrect, or known by the recipient to be incorrect at the date of reporting, TelferYoung (Waikato) Limited reserves the right to reconsider the report, and if necessary, reassess values.

GST

The available sources of sales data upon which our valuation is based generally do not identify whether or not a sale price is inclusive or exclusive of GST. Unless it has been necessary and possible to specifically verify the GST status of a particular sale, it has been assumed that available sale price data has been transacted on a GST inclusive (if any) basis, which is in accordance with standard industry practice for most residential property. Should this interpretation not be correct for any particular sale or rental used as evidence, we reserve the right to reconsider our valuation.

Land survey

We have made no survey of the subject 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.

Unless otherwise stated, we have not undertaken investigations or been supplied with geotechnical reports with respect to the nature of the underlying land. Unless otherwise stated, the valuation has been assessed conditional upon the land being firm and suitable ground for the existing and/or potential development, without the need for additional and expensive foundation and retaining work or drainage systems.

Contamination

We have not undertaken an environmental audit of the property. Unless otherwise stated, our valuation and report are conditional upon the land and buildings being unaffected by harmful contaminants or noxious materials which may impact on value. Verification that the property is free from contamination and has not been affected by noxious materials should be obtained from a suitably qualified environmental expert.

Not a structural survey

Our inspection has been undertaken for valuation purposes only and does not constitute a structural survey. Verification that the building is sound should be obtained from a suitably qualified building engineer. If the building is found to be unsound, this finding/new information is likely to impact on the value of the property.

Earthquake-prone buildings

We are aware that a number of buildings are, or may be potentially, affected by local territorial authority policies for 'earthquake-prone' buildings (Earthquake-Prone Building Policies) required to be in place under the Building Act 2004. The Earthquake-Prone Building Policies may require building owners to undertake engineering investigations and subsequent structural upgrading, demolition or other steps to meet the requirements of the Earthquake-Prone Building Policies. Unless otherwise stated, our valuation makes no allowance for any costs of investigation, upgrading, demolition or other steps which may be incurred by the building owner to meet the requirements of Earthquake Prone Building Policies. We are not qualified to determine the 'earthquake-prone' status of the buildings. Our valuation is therefore subject to a review, investigation and assessment of seismic performance of the building, by a suitably qualified building engineer, to determine the

'earthquake-prone' status of the building and where required, an estimate of any costs for structural upgrading, demolition or other steps required for the building to meet the requirements of Earthquake-Prone Building Policies. If the building is found to be 'earthquake-prone', this finding is likely to impact on the value of the property, and our valuation may materially alter as a result.

Systems

Our valuation has been assessed conditional upon all hot and cold water systems, electric systems, ventilating systems and other devices, fittings, installations or conveniences, including lifts and escalators where appropriate, as are in the building, being in proper working order and functioning for the purposes for which they were designed.

Market valuations

Market valuations are carried out in accordance with the Valuation Standards and Guidance Notes. Market Value is defined "The estimated amount for which an asset or liability should exchange on the date of valuation 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".

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

Water leaks and penetration effects

We are aware that a number of buildings have developed problems associated with water leaks, water penetration, weather-proofing, moisture and water exit control systems, mould, fungi, mildew, rot, decay, gradual deterioration, microorganisms, bacteria, protozoa or like forms. Problems can result from defects in design, construction methods and materials used, or any combination of defects.

Our valuation has been assessed conditional upon all buildings and structures being constructed strictly in accordance with recommended practices and free from defect unless otherwise stated. We are not qualified to undertake, nor have we undertaken, a structural survey of the buildings or structures. We accept no liability for any defects that may arise as a result of poor building design, construction methods or building materials. If

you have any concerns, you should engage a suitably qualified person to report on this matter. Defects revealed by a suitably qualified expert may affect the value of the property.

Risk analysis

The Risk Analysis is a simplified analysis based on the current experience and knowledge of the Valuer and is not a technical analysis. Those relying on the valuation cannot expect that the Valuer brings to the task any greater level of common knowledge or ability to foresee events than can be expected of persons experienced in the market for that class of property in its market place (which may be local or broader). The risk analysis is the product of the current experience of the Valuer based on information that is common knowledge and/or readily ascertainable in the market for that class of property in its marketplace. The risk analysis does not reflect information that is privileged or to which the market for that class of property in its market place does not have ready access and it does not reflect decisions, announcements, releases, articles and the like that the Valuer has not had reasonable time and opportunity to assess and consider, or would in the ordinary course of acting as a valuer become aware of or have access to. Subject to these limitations, the risk analysis indicates the level of adverse impact each stated aspect has on the subject property's value and marketability as at the date of valuation.

Professional indemnity cover

We have in force at the time of supplying the above valuation, current professional negligence insurance appropriate to the nature and level of our business activities. The Registered Valuer is covered by the policy.

Valuer's statement

This report has been undertaken by Darryl McDavitt who has inspected the property externally and internally. The Registered Valuer holds an Annual Practicing Certificate.

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

Yours faithfully

TelferYoung (Waikato) Limited



Darryl McDavitt - BAppISc (VFM)

Registered Valuer

Email: darryl.mcdavitt@telferyoung.com

APPENDIX

APPENDIX A RECORD OF TITLE



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



Constituted as a Record of Title pursuant to Sections 7 and 12 of the Land Transfer Act 2017 - 12 November 2018

Identifier SA46A/980
Land Registration District South Auckland
Date Issued 24 May 1990

Prior References
SA29C/530 SA30C/54 SA33D/164

Estate Fee Simple
Area 9.5240 hectares more or less
Legal Description Lot 10 Deposited Plan South Auckland 49687

Original Registered Owners
David Edward Walkley and Debra Lynette Walkley

Interests
Appurtenant hereto is a right to convey water created by Transfer H506014.5 (affects the part formerly in CT SA30C/54)
Subject to Section 5 Coal Mines Act 1979
Subject to Section 8 Mining Act 1971 (affects part formerly in CT SA33D/164)
H277985 Land Improvement Agreement pursuant to the Soil Conservation and Rivers Control Act 1941 - 14.3.1980 at 1.59 pm
Appurtenant hereto is a right of way created by Transfer H953631.5 - 24.5.1990
Subject to a right of way over part marked C on DPS 49687 created by Transfer H953631.5 - 24.5.1990
H993742 Mortgage to The National Bank of New Zealand Limited - 30.11.1990 at 11.01 am
6517770.1 Discharge of Mortgage H993742 - 2.8.2005 at 9:00 am
6517770.2 Mortgage to ASB Bank Limited - 2.8.2005 at 9:00 am
6864734.1 Discharge of Mortgage 6517770.2 - 15.5.2006 at 9:00 am
6864734.2 Transfer to Mahmood Arsilan and Roseanne Margaret Arsilan - 15.5.2006 at 9:00 am
6864734.3 Mortgage to ANZ National Bank Limited - 15.5.2006 at 9:00 am
9458104.1 Discharge of Mortgage 6864734.3 - 16.8.2013 at 2:02 pm
9458104.2 Transfer to Simon Paul Macrae and Melissa Meryl Macrae - 16.8.2013 at 2:02 pm
9458104.3 Mortgage to ASB Bank Limited - 16.8.2013 at 2:02 pm
11974473.1 Variation of Mortgage 9458104.3 - 18.12.2020 at 1:44 pm

Transaction ID 67793554
Client Reference hevelynroll001

Historical Search Copy Dated 26/01/22 5:12 pm, Page 1 of 3

Identifier SA46A/980

References
Prior CT 29C/530, 30C/54 & 33D/164
Transfer No.
N/C. Order No. H.953631.7



Land and Deeds 69
REGISTRE

CERTIFICATE OF TITLE UNDER LAND TRANSFER ACT

This Certificate dated the 24th day of May one thousand nine hundred and ninety under the seal of the District Land Registrar of the Land Registration District of SOUTH AUCKLAND
WITNESSETH that F.G. HOSKING & SON LIMITED

is seized of an estate in fee-simple (subject to such reservations, restrictions, encumbrances, liens, and interests as are notified by memorial underwritten or endorsed hereon) in the land hereinafter described, delineated with bold black lines on the plan hereon, be the several admeasurements a little more or less, that is to say: All that parcel of land containing 9.5240 HECTARES more or less situated in Blocks X and XI Awaroa Survey District being Lot 10 on Deposited Plan S.49687



THIS CERTIFICATE IS AFFECTED BY THE FOLLOWING INTERESTS AS AT THE DATE OF ISSUE:

Subject to Section 5 Coal Mines Act 1979
Subject to Section 8 Mining Act 1971 (affects part formerly in CT 33D/164)

Appurtenant to the part formerly in CT 30C/54 is a right to convey water easement over the apt Lot 2 marked A on DPS.33556 (pt CT 30C/55) created by Transfer H.506014.5

Appurtenant hereto is a right of way over the part Lot 1 DPS.49687 (pt CT 46A/981) marked B on DPS.49687 created by Transfer H.953631.5

Subject to a right of way over the part herein marked C on DPS.49687 appurtenant to Lot 1 DPS.49687 (CT 46A/981) created by Transfer H.953631.5

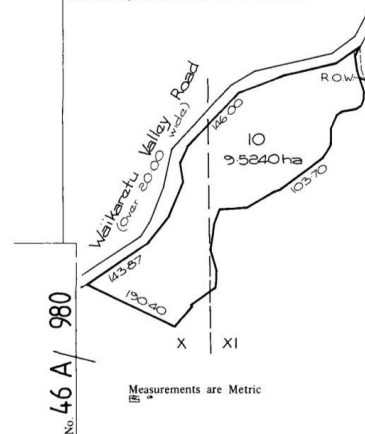
H.277985 Land Improvement Agreement under the Soil Conservation and Rivers Control Act 1941 - 14.3.1980 at 1.59 o'clock

H.976548.1 Transfer to Danny Henry Schmidt of Papakura fitter and turner - 5.9.1990 at 11.01 o'clock
S. Johns
for A.L.R.

H.976548.2 Transfer to David Edward Walkley of Ngaruawahia mechanic and Debra Lynette Walkley his wife - 5.9.1990 at 11.01 o'clock
S. Johns
for A.L.R.

H.993742 Mortgage to The National Bank of New Zealand Limited - 30.11.1990 at 11.01 o'clock
S. Johns
for A.L.R.

OVER . . .



Measurements are Metric

Transaction ID 67793554
Client Reference hevelynroll001

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Identifier SA46A/980

REGISTER

CERTIFICATE OF TITLE No. 46A / 980

B.288564 CAVEAT BY TELECOM NEW ZEALAND LIMITED - 7.8.1992 AT 12.49 O'C
 B472071 FOR DLR

B488573.1 CAVEAT BY HAWKINS BAY FINANCE LIMITED - 25.6.1992 AT 12.49 O'C
 B621065-1 FOR DLR

935601 - 50.0002/89M



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