

**VALUATION FOR INSURANCE PURPOSES**

**Ref: 32250/JLC**

**Name of Client:** BC 326889

**Address of Assets:** 21 Hunters Park Drive, Three Kings

**Asset Description:** Integrated townhouse development known as Providence on Eden with 92 units in 11 blocks. Construction details include fibre cement cladding with cavity system, Colorsteel roofing, aluminium window joinery and reinforced concrete foundation. Major project underway with all units to have new roof. Cladding will be wooden weatherboard and profiled fibre cement sheet with a cavity system by the end of the insurance period. 60 three and four bedroom, two to three level units with tandem garages. 32 one bedroom units on the end of blocks. Carports provided to the one bedroom units. Plasterboard interior linings. Assessment includes courtyards, electric gates and common driveways. Fittings are of a good average quality.

**Upgrade Requirements:** To conform with current regulations and standards

**Age:** Built circa 2003

**Use/Occupation:** 92 Residential Units

**Land/Contour:** Gentle

**Subsoil Type:** Assume firm natural ground

**Other Known Characteristics:**

**1.0 REINSTATEMENT**

A.	Reinstatement Estimate	\$50,220,000
B.	Inflationary Provision	\$ 3,390,000

**2.0 INDEMNIFICATION**

A.	Market Related Value	Not Required
B.	Depreciated Replacement Cost	\$38,600,000
C.	Inflationary Provision (For the higher of 'A' or 'B' Above during 12 month insurance period if appropriate)	\$ 1,160,000

**3.0 FUNCTIONAL REPLACEMENT**

Refer to valuation report/letter for the specification  
 Of the functional design

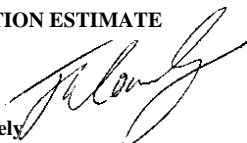
A.	Functional replacement costs (includes sprinklers)	Not Requested
B.	Inflationary Provision	Not Requested

**4.0 DEMOLITION ESTIMATE**

\$ 2,250,000

**Valuers Signature:**

**Name:** Luke Comely  
**Valuation Date:** 13 November 2024



**Qualifications:** Registered Valuer  
 ANZIV SPINZ

- (a) All figures quoted are exclusive of Goods and Services Tax, Finance Costs and other indirect costs.
- (b) All figures are exclusive of any allowance or land value.
- (c) This form may be used in conjunction with the definition of terms on the reverse thereof.
- (d) The information on this report has been prepared to establish insurance values and may not be used for other purposes without the written consent of the valuer.
- (e) All figures assume compliance with building legislation and bylaws.

## DEFINITIONS OF INSURANCE VALUATION TERMS

The following details pertain to and form and integral part of the Valuation on the reverse hereof.

### GENERAL

#### **Name of Client**

Normally the insured.

#### **Address**

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

#### **Asset Description**

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

#### **Upgrade Requirements**

If the reinstatement is based upon the use of different materials and/or additional services from those existing briefly describe the major item.

#### **Age**

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

#### **Use/Occupation**

Nature of main activity carried out at location.

#### **Contour**

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

1. Level
2. Gentle
3. Easy
4. Medium
5. Steep
6. Other- as specified

#### **Subsoil Type**

General classification of land supporting building and immediate yard areas:

1. Bedrock
2. Firm natural ground
3. Filled ground
4. Other-as specified

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

### REINSTATEMENT

#### **Reinstatement Estimate**

Is the estimated cost at date of valuation (including relevant fees) of reinstating the asset to an as new condition, including, where appropriate, the use of current equivalent technology, material and services. In the case of partial destruction no specific allowance has been made for any additional requirements that any Council, Government or other Authority may require as additional expenditure to upgrade, alter or amend the undamaged portion of the asset.

#### **Inflationary Provision**

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

The inflation provision under 1.0, and 3.0 incorporates an allowance for the additional time required for damage inspections, demolition, preparation of new preliminary proposals and their approval by the Territorial Authority, preparation of working drawings and specifications, schedules of quantities. In addition to an estimated period of construction contract. No allowance is made for any delay due to the need to comply with the provisions of the Resource management Act.

All inflationary provisions are given without prejudice.

### INDEMNIFICATION

#### **A. Basis of Valuation**

##### *Market Related Value*

Market Related Value is the estimated amount for which an asset leased at market rent, if appropriate, should exchange on the date of valuation between a willing buyer and a willing seller in an arms length transaction after proper marketing, wherein the parties had each acted knowledgeably, prudently and without compulsion.

##### *Depreciated Replacement Cost*

Due to requirements of New Zealand Fire Service Legislation, this normally assessed using a Depreciated Replacement Cost approach allowing for physical depreciation only, and may not be indemnity value as commonly understood and defined in class law. Nevertheless, if the client has requested it, indemnity may be assessed using market methods (Comparable Sales or Income Capitalisation approach). Refer to the valuation report for details.

#### **FUNCTIONAL REPLACEMENT**

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

#### **DEMOLITION ESTIMATE**

For the purpose of valuation, it is assumed that 100% of the assets have been damaged beyond repair and have no salvage value.

Unless otherwise noted in the valuation covering letter, demolition Estimate covers the cost of demolition and removal as debris of the assets valued only excluding the cost of removal of any noxious materials or removal of debris on adjoining premises.

## ADDENDUM

Additional points which should be noted in conjunction with the attached insurance valuation include:

1. This valuation report has been prepared for use by the New Zealand Institute of Valuers members, after consultation with the Insurance Council. The purpose of the report is to provide summarised information to assist in determining an appropriate level of insurance cover. There is provision in the report to provide a market related value (2.0A) and functional replacement costs (3.0). Unless specifically requested these will be notated “not requested”.
2. The reinstatement and ancillary figures make no allowance for Goods and Services Tax.
3. The assessed reinstatement and the ancillary figures do not include any allowance for bridging finance interest during the course of reinstatement or construction. We recommend that the relevant insurance policy allows for reinstatement monies to be provided by way of progress payments during the course of reconstruction.
4. The assessed figures include a provision for the costs of sealing to yard areas, driveways, site development, fencing or retaining walls where it is foreseeable that these items may be damaged in the course of a fire or more particularly in the course of reinstatement works.
5. In the case of partial destruction we made no specific allowance, unless otherwise stated, for any additional requirements that may be imposed under the Building Act 1991 – 2004, Resource Management Act 1991 or any other statute or territorial local authority regulation that would result in additional expenditure to upgrade, alter or amend the undamaged portion of the building.
6. As stated under (a) of the report, all figures assume present compliance with Statutory Building Regulations and By-laws. We have not been advised of any outstanding compliance issues in respect of the building and we assume that, if required, the building holds a current Building Warrant of Fitness.
7. The reinstatement and Indemnity estimates include, unless otherwise stated, fit out items such as partitioning, floor coverage, lighting, suspended ceilings and air-conditioning where owned by the building owner. The estimates specifically exclude removable chattels, fixtures or any plant or machinery owned by the lessee(s).
8. The Indemnification estimate contained within this Report has been included for the purposes of calculating New Zealand Fire Service Levies in accordance with Section 48 of the Fire Service Act 1975. The Indemnification estimate has been calculated on a diminishing value basis in accordance with the recommendations of the New Zealand Fire Service. It does not relate to the buildings added value to the property and may not be indemnity value as commonly understood and defined in case law.
9. Estimated rebuilding time is 15-18 months from consent approval, assuming labour and materials are available. It should be further noted that estimated inflationary provisions do not include any allowance for undue time delays, which may be involved in preparing plans and specifications, obtaining any Town Planning approvals or in acquiring an alternative site.
10. As stated within our report, sub-soil type remains unknown. We recommend that if required, a suitably qualified engineer be engaged to investigate the sub-soil.

