

KAPITI VALUATIONS

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Market Valuation Report

Kapiti Valuations

22 The Sunset Road,
Raumati Beach, Kapiti Coast - 5032



Valuation Date: 16 April 2024
Prepared For: Smith Family (Attn: Jo Smith)

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VALUATION SUMMARY

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

Address:	22 The Sunset Road, Raumati Beach, KAPITI COAST
Instructed By:	Jo Smith
Prepared For (Client):	Smith Family
Purpose of Valuation:	To assess the market value of the property
Intended Use:	For market value
Type of Property:	Residential
Brief Property Description:	This is a residential brick house, constructed in the mid-1980s and comprises three-bedroom accommodation with spacious living area, although is in original condition and dated internally. The house is situated in an established residential locality where surrounding properties comprise medium size family homes and flat units.
Valuation Date:	10 April 2024
Special Assumptions:	Nil
Significant Risks:	None known
Valuation Currency:	All dollars quoted in this report are NZD

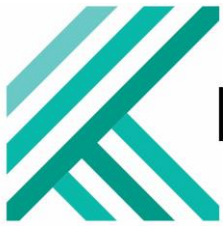
Market Value(s): **\$725,000 (Seven Hundred and Twenty Five Thousand Dollars)**

Unless otherwise stated, all figures are inclusive of GST, (if any)

Prepared By: **Kapiti Valuations**

A Robson
Registered Valuer

Subject Property Inspected: The Valuer signing this Valuation undertook an external and internal inspection of the subject property on the Valuation date stated above.



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Conflict of Interest:

None known

Use of this Report:

This report cannot be relied upon or used by any person(s) other than the client and agreed intended users, for any purpose other than that agreed in the instructions, without prior written agreement. No responsibility is accepted in the event of this report being used for any other purpose, or by any third party.

DETAILED PROPERTY REPORT AND VALUATION

1 SCOPE OF WORK

We have received confirmed instructions from Jo Smith of 49 The Terrace, Raumati South on 9 April 2024 to assess the market value of the subject property.

We hold our Terms of Engagement and Scope of Work on file.

1.1 Identity of the Valuer

We certify the following:

- Alex Robson, Registered Valuer is qualified to provide an objective and unbiased valuation and is competent to undertake the valuation assignment requested.
- The valuer has no material connection material connection or involvement with the subject asset or the other parties to the valuation assignment.
- Kapiti Valuations Limited holds current professional indemnity insurance for an amount of no less than the subject valuation, and the Registered Valuer signing this report is covered by the Policy.
- The Registered Valuer signing this valuation report holds an Annual Practising Certificate.

1.2 Identity of the Client(s)

Smith Family (Attn: Jo Smith)

1.3 Identity of Intended User(s)

Not applicable.

1.4 Asset(s) Valued

22 The Sunset Road, Raumati Beach, Kapiti Coast

1.5 Valuation Currency

All dollars quoted in this report are NZD.

1.6 Purpose of Valuation

To assess the market value(s) of the subject property for mortgage security.

1.7 Basis (Bases) of Value

We have adopted the 31 January 2022 International Valuation Standards (IVS) definition of Market Value as follows:

“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”.

1.8 Valuation Dates

Date of Inspection: 10 April 2024
Date of Valuation: 10 April 2024
Date Report Issued: 16 April 2024

1.9 Extent and Limitations of Investigation

We have inspected all readily accessible areas of the improvements on the subject property as at the date of inspection as stated above.

We have not sighted a qualified engineer’s structural survey of the improvements. The Valuer(s) are not building construction and / or structural experts and are therefore unable to certify as to structural soundness of the improvements. Prospective purchasers or mortgagees would need to make their own enquiries in this regard.

We have not inspected unexposed or inaccessible areas of the property. We therefore cannot comment on the structural integrity, defect, rot, or infestation of the improvements nor can we comment on any knowledge of the use in construction material such as asbestos or other materials now considered hazardous.

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

Details of improvements, regarding size, construction type, age, condition, quality, etc, have been obtained during the site inspection and are detailed later in this report.

Research and analysis of market data was completed in order to arrive at the values outlined. This has included sales information, rental evidence and additional market evidence as appropriate.

Should any information not be available it will be reported under “Special Assumptions” within the body of this report.

1.10 Nature and Sources of Information Relied Upon

Sales information has been provided by RPNZ and the Real Estate Institute of New Zealand. Rating, zoning, and planning information has been derived from the local authority. Market information has come from the company database.

In analysing the sales evidence referred to herein, it is noted that we have attempted to ascertain whether the sale price is inclusive or exclusive of GST. Where we have not been able to verify whether GST is included in the sale price, we have assumed that the record of sales price is inclusive of GST. Should this not be the case for any sale used as evidence, we reserve the right to reconsider our valuation.

1.11 Significant Assumptions and/or Special Assumptions

Assumptions are matters that are reasonable to accept as fact in the context of the Valuation without special investigation or verification.

They are matters that, once stated are to be accepted in understanding the Valuation.

Refer to 1.9 Extent and Limitations of Investigation, 1.10 Nature and Source of Information Replied Upon, and 14 Qualifications and Disclaimers.

For Special Assumptions (if any) made in this report refer to 12, Special Assumptions.

1.12 Type of Report Prepared

A market valuation report for mortgage security.

1.13 Restrictions on Use, Distribution and Publication

The report has been prepared for the private and confidential use of the parties identified under '1.2 Identity of the Client(s)' and '1.3 Identity of Intended Users (if any)', and it should not be reproduced in whole or in part or relied upon for any other purpose or by any other party without express written authority.

We accept no liability to third parties, nor do we contemplate that this report will be relied upon by third parties. We invite other parties who may come into possession of this report to seek our written consent to them relying on this report. We reserve the right to withhold our consent or to review the contents of this report in the event that our consent is sought.

This valuation can be relied upon for a period up to 90 days from the date of valuation and cannot be reassigned for any purpose beyond 90 days. Any valuation needing to be reassigned beyond 90 days will require reinspection and an additional fee charged.

1.14 Valuation Compliance

This valuation report has been prepared in accordance with the Rules and Code of Ethics of the Property Institute of New Zealand (PINZ) and New Zealand Institute of Valuers (NZIV), the Residential Valuation Standing Instructions (Version 1.3) effective 1 March 2019, the International Valuation Standards (IVS) effective 31 January 2022, and the Guidance Papers for Valuers and Property Professionals (GPVPP), in particular:

IVS

- Glossary
- IVS Framework

IVS General Standards

- IVS 101 Scope of Work
- IVS 102 Investigations and Compliance
- IVS 103 Reporting
- IVS 104 Bases of Value
- IVS 105 Valuation Approaches and Methods

IVS Asset Standards

- IVS 400 Real Property Interests

Australia & New Zealand (ANZ) Valuation Guidance Papers

- ANZVGP 111 Valuation Procedures – Real Property (effective 1 July 2021)

Australia & New Zealand (ANZ) Property Guidance Papers

- ANZPGP 201 – Disclaimer Clauses and Qualification Statements (effective 1 July 2023)

New Zealand (NZ) Property Guidance Papers

- NZPGP 601 Methods of Measurement (effective 1 July 2023)

New Zealand (NZ) Valuation Guidance Papers

- NZVGP 501 Good and Services Tax (GST) in Property (effective 1 July 2021)

2 TITLE

Title Type:	Record of Title Under Land Transfer Act 2017 Leasehold
Identifier:	WN12D/45
Land Registration District:	Wellington
Estate (Tenure):	Fee Simple
Area:	An undivided ½ share and Leasehold interest of 1011 m ²
Term:	999 years from 25 February 1974
Legal Description:	Lot 61 DP 33634
Registered Owners:	John Smith
Interests:	NIL

We assume that subject property complies with all relevant covenants and interests as registered on the Title. Should this prove not to be the case, we reserve the right to review and amend our valuation if necessary.

Refer: Appendix 2 – ‘Record of Title (with Diagram)’.

3 STATUTORY VALUATION AND CHARGES

3.1 Rating Valuation

As at 1 August 2023:	Land Value	\$320,000
	Improvements	\$430,000
	Capital Value	\$750,000

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. The rating values are expressed on a Freehold Estate basis, even when the property might be leasehold.

4 LOCATION



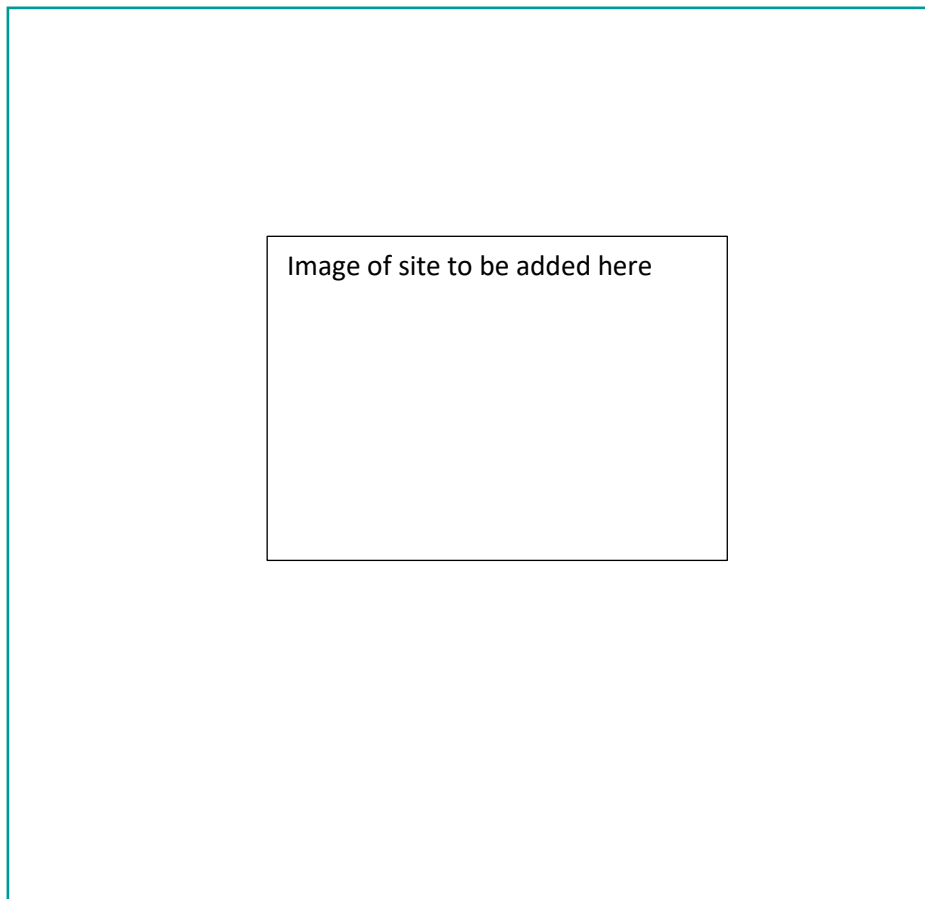
The Kāpiti Coast District is situated to the north of Wellington and comprises six distinct areas: Paekakariki in the south, Raumati, Paraparaumu and Waikanae in the central portion, with Te Horo and Ōtaki to the north.

The property is situated in a good residential locality at a distance of two kilometres south of the Raumati Beach centre where shops, schools and College are established. The foreshore, Raumati Pool and a bowling green are at a similar distance. The surrounding houses and 'own your own' units are of a similar era and constructed of a good standard.

5 RESOURCE MANAGEMENT

Territorial Authority:	Kapiti Coast District Council
Plan Name:	Kapiti Coast District Council District Plan
Plan Status:	Operative Plan 2021
Zoning:	General Residential
Permitted Activity:	Standard residential uses
Development Controls (if relevant):	Not applicable
Zoning Effect:	No adverse effect

6 SITE DESCRIPTION AND SERVICES



Site Area:	Undivided ½ share of 1011 m ²
Site Description:	An irregular shaped section, as per the attached Record of Title
Contour:	The site rises gently from the road and is level throughout its depth.
Outlook:	Residential

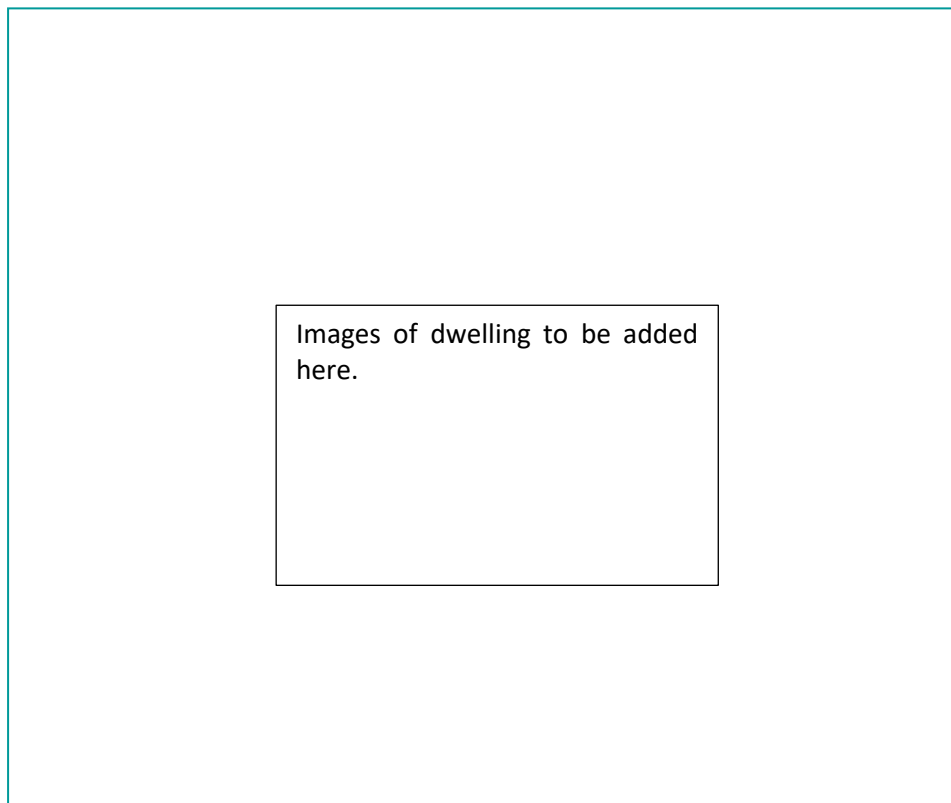
Services:	Normal services associated with a residential location
Environmental:	Not applicable
Site Contamination:	Not applicable
Access:	All weather road access is available

7 IMPROVEMENTS

7.1 Overview

The main improvements comprise a three-bedroom detached house that is largely in original condition with attached garage.

7.2 Dwelling



Refer: Appendix 1 – Additional Photos

7.2.1 Floor Areas:

Accommodation:	91.6 sq mts
Garage:	21 sq mts
Total:	112.6 sq mts

7.2.2 Construction

Age:	Single storey house, constructed 1984
Foundations:	Concrete slab, and concrete block dividing wall between the garages.
Flooring:	Timber
Exterior Cladding:	Timber frame, predominantly split concrete stone and fibre-cement weatherside relief.
Window Joinery:	Aluminium (single glazed)
Roofing:	Pitch roof, corrugated steel
Guttering:	Iron
Interior Linings:	Plasterboard
Ceiling Linings:	Pinex sheets
Hot water / Cooking:	Electric hot water cylinder
Heating:	None

7.2.3 Accommodation:

Feature:	Description
Front Entry:	Approached under porch and opens into;
Living Area:	Spacious 'L' shaped and incorporates a dining area.
Kitchen:	Original with laminate bench tops and part open servery wall to dining area, sink, floor and wall mounted storage cupboards.
Bedrooms (3):	Two double and one single in size, each having a built in wardrobe cupboard.
Bathroom:	Original, comprising a built in bath with handrail, wall mounted basin with laminate rolled bench, shower enclosure and linen storage cupboard with hot water cylinder.
Toilet:	Separate and adjacent to the bathroom.
Laundry:	On the southern side adjacent to the side entry having a tub and storage cupboard.

7.2.4 Chattels

Dated original décor.

7.3 Presentation

Although this report is not intended as a structural survey, at the date of inspection the exterior of the dwelling presented in a satisfactory condition.

The interior of the dwelling is in a fair condition.

We have not been provided with any reports in respect to the structural integrity or condition of the improvements.

7.4 Other Buildings

Side Attached Garage

7.5 Other Improvements

A concrete drive is laid from the road to the garage, concrete paths are laid around the house and the northern, side boundary is timber fenced.

7.6 Essential Repairs

None noted.

7.7 Construction Costs

Not applicable.

8 RISK ANALYSIS

Property risk ratings consider all aspects relevant to each element as at the date of the valuation. The analysis is necessarily subjective and takes into account a number of factors. Risk rating scores range from 1 to 5, with 1 representing a low risk and 5 a high risk. If the score is 3 or greater there may be factors that need to be considered as per our analysis and comments below.

Property Risk Ratings	1	2	3	4	5	Property Risk
Location & Neighbourhood	X					Popular residential location
Land (including Planning & Title)	X					Undivided ½ share of 1011 sq mts, rises gently from the road then levels throughout its depth
Environmental Issues	X					None known
Improvements	X					A well-presented single level home.

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

Market Risk Ratings	1	2	3	4	5	Market Risk
Reduced Value next 1-2 years	X	X				While the property market was buoyant in 2021, there was a steady decline in values from early 2022 due to rising interest rates and general economic conditions. It was anticipated that this would possibly continue throughout 2023, but since around September, the market now appears to be stabilizing and lifting slightly.
Market Volatility	X	X				Rising interest rates, inflation, and living costs are putting pressure on household budgets, and this has had a negative effect on the property market since early 2022. Market indicators started looking slightly stronger in June 2023 and that positive momentum has continued in July through to November. The easing in LVR policy has already helped more low deposit investors into the market, such as those with 35-40% deposits who were previously locked out.
Local Market Impact	X	X				The property market in Kāpiti has held better than the remainder of the Greater Wellington Region, particularly in view of the opening of Transmission Gully and the northern extension to the Expressway. The announcement of the extension (which is expected to begin in 2025) also assists. However, due to inflation and interest rates, there is still a slightly elevated level of local market uncertainty.
Market Segment Conditions	X	X				While the property market was buoyant until late 2021, interest rates have risen significantly, property listing numbers have increased, and we saw a trend of steadily declining property values since early 2022 through to around August 2023. We note values for well-presented properties, and properties within the higher value brackets have been less affected.

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

Note: Our observations within the Risk Assessment and the body of this report provide our opinion of the property as at the date of valuation. This opinion has been based on many factors including our research data

and knowledge of the property market, and reflects the nature and standard of the property, inherent characteristics and current market conditions. The Risk Assessment herein forms part of the full valuation report and must not be relied upon in isolation.

9 MARKET COMMENTARY

9.1 Economic Overview

In determining the current market value(s) of the subject property, we have had regard to underlying economic conditions and the flow on implications that these may have on decisions made across the broader property markets.

We comment on some of the key economic drivers as follows:

Inflation / Consumer Price Index (CPI)

The CPI is a measure of inflation for New Zealand households. It records changes in the price of goods and services. It influences interest rates and is used to calculate changes to benefit payments.

As per the Stats NZ website), the annual change in CPI between the December quarter in 2022, 2023 was +4.7%. This compares with the increase in the previous quarter of +5.6%

Official Cash Rate (OCR) / Interest Rates

On Wednesday 10th April 2024, the Monetary Policy Committee agreed to maintain the OCR at 5.50%.

The current level of interest rates is constraining spending and hence inflation pressure, as anticipated and required. The Committee agreed that the OCR needs to stay at restrictive levels for the foreseeable future to ensure annual consumer price inflation returns to the 1 to 3% target range, while supporting maximum sustainable employment.

The New Zealand economy is evolving broadly as anticipated. Activity continues to slow in parts of the economy that are more sensitive to interest rates. Labour shortages are easing as overall demand softens and immigration adds to labour resources. Headline inflation and inflation expectations have declined, but measures of core inflation remain too high.

Globally, economic growth remains below trend and headline inflation has eased for most of our trading partners. Core inflation remains high in many countries. Weakening global economic growth is putting downward pressure on New Zealand export prices.

The imbalance between demand and supply is moderating in the New Zealand economy. However, a prolonged period of subdued spending growth is still required to better match the supply capacity of the economy and reduce inflation pressure.

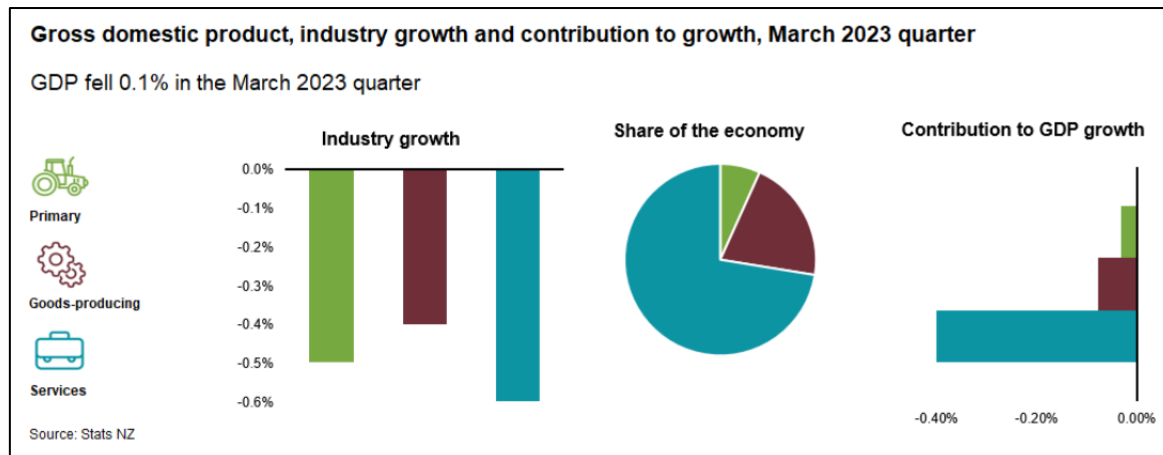
In the near term, there is a risk that activity and inflation measures do not slow as much as expected. Over the medium-term, a greater slowdown in global economic demand, particularly in China, could weigh more on commodity prices and overall New Zealand export revenue.

The Committee is confident that with interest rates remaining at a restrictive level for some time, consumer price inflation will return to within its target range of 1 to 3% per annum, while supporting

Gross Domestic Product (GDP)

Gross domestic product (GDP) is New Zealand's official measure of economic growth. As measured by GDP, economic activity was down -0.1 percent in the March 2023 quarter (compared with the December 2022 quarter). This follows a fall of -0.7 percent in the December 2022 quarter.

GDP rose 2.9 percent over the year ended March 2023 compared with the year ended March 2022.



All three industry groups fell in the March 2023 quarter.

Expenditure on GDP fell 0.2 percent in the March 2023 quarter, following a decrease of 0.9 percent in the December 2022 quarter. Expenditure on GDP rose 2.6 percent over the year ended March 2023 compared with the year ended March 2022.

Loan-to-Value Ratio (LVR) Restrictions

A loan-to-value ratio (LVR) is a measure of how much a bank lends against mortgaged property, compared to the value of that property. Limits on high LVR residential mortgage lending have been in place since October 2013.

From 1 June 2023 LVR restrictions will be eased, from:

- 10% limit for loans with LVR above 80% for owner occupiers, and
- 5% limit for loans with LVR above 60% for investors.

To:

- 15% limit for loans with LVR above 80% for owner occupiers, and
- 5% limit for loans with LVR above 65% for investors.

The previous LVR settings were put in place November 2021 when risks were elevated. The restrictions built resilience in the financial system, which has been evident in the past year as house prices have fallen without widespread impacts to financial stability.

Credit Contracts and Consumer Finance Act (CCCFA)

On 11 March 2022, it was announced that the Government is making practical amendments to responsible lending rules to curb any unintended consequences being caused by the Credit Contracts and Consumer Finance Act (CCCFA). The Act, which came into effect on 1 December 2021, requires lenders to follow a robust process and ensure that lending is affordable and suitable. The initial changes will ensure borrower-

ready Kiwis can still access credit while the Act continues to protect those most at risk from predatory and irresponsible lending.

On 12 April 2023, the Government announced a final set of changes to the Credit Contracts and Consumer Finance Act (CCCFA) and the Responsible Lending Code to improve safe access to credit for Kiwis. The changes will be applied from 4 May 2023. The final set of changes will include:

- narrowing the expenses considered by lenders to exclude discretionary expenses more explicitly
- providing more flexibility for lenders about how certain repayments may be calculated
- extending exceptions from full income and expense assessments for refinancing of existing credit contracts.

The changes aim to increase ease of access to credit while maintaining a strong level of consumer protection. Coupled together with the initial changes that came into effect in July 2022, they will address the remaining unintended impacts of the December 2021 changes.

Population Growth and Migration

According to the Stats NZ website, as at 30 June 2023, New Zealand's estimated resident population was provisionally 5,223,100.

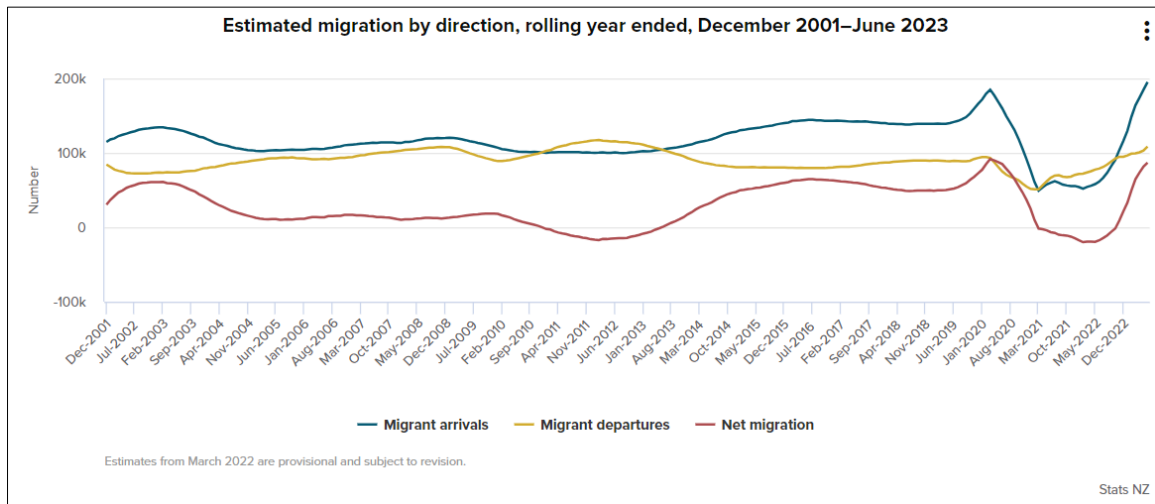
During the year ended June 2023, the population grew by 105,900 (2.07%). Estimated natural increase (births minus deaths) was 19,100 and estimated net migration (migrant arrivals minus migrant departures) was 86,800.

Annual migration provisional estimates for the year ended June 2023 (compared with year ended June 2022) were:

- 195,200 ($\pm 1,700$), up 219 percent
- migrant departures: 108,400 ($\pm 1,300$), up 37 percent
- annual net migration: gain of 86,800 ($\pm 2,100$), compared with a net loss of 17,600 (± 100)

The 195,200 migrant arrivals for the June 2023 year is above the long-term average of 119,400 for June years (pre-COVID 2002–2019).

The 108,400 migrant departures for the June 2023 year is above the long-term average of 91,600 for June years (pre-COVID 2002–2019).



The provisional net migration gain of 86,800 in the year ended June 2023 was made up of a net loss of 34,800 New Zealand citizens, which was more than offset by a net gain of 121,600 non-New Zealand citizens.

This is consistent with migration patterns before the COVID-19 pandemic, where New Zealand usually had an annual net migration loss of New Zealand citizens and an annual net migration gain of non-New Zealand citizens.

Employment / Unemployment / Underutilisation

As at 2 August 2023, the Stats NZ website recorded the official employment rate for New Zealand for the June 2023 quarter at 69.8%. A positive +0.3 percentage point movement from the March 2023 quarter. The number of employed people was 2,927,000.

The official unemployment rate for New Zealand for the June 2023 quarter was 3.6%. There was a + 0.2 percentage point movement from the previous quarter in March 2023. The number of unemployed people was 109,000.

The underutilisation rate is equally as important as the unemployment rate. It gives a broader measure of untapped capacity in the labour market. The official underutilisation rate for New Zealand for the June 2023 quarter was 9.8%, the quarterly change was +0.8 pp from March 2023, and the number of underutilised people was 308,000.

Construction

In June 2023, the seasonally adjusted number of new dwellings consented rose 3.5 percent, after falling 2.3 percent in May 2023.

In the year ended June 2023, the actual number of new dwellings consented was 44,529, down 12 percent from the year ended June 2022.

In the Wellington region, the numbers of new dwellings consented in the year ended June 2023 (compared with the year ended June 2022) was 3,356 (down 14 percent).

In the year ended June 2023, all regions except Gisborne, Tasman, Nelson, and Marlborough consented fewer new homes, compared with the year ended June 2022.

COVID-19 (Coronavirus)

New Zealand has experienced two nationwide lockdowns. The first being on 25 March 2020, and the second on 17 August 2021. This has had a significant impact upon parts of the economy, including Tourism, Hospitality, etc.

Post the 2020 lockdown, the property market was strong with a shortage of listings and low interest rates. As a result, significant increases in property values were shown in most areas across the full range of values.

The New Zealand economy had rebounded more strongly than most countries, with less domestic disruption caused by COVID-19 to date.

The number of international visitors has increased rapidly since the border reopened (on 31 July 2022). This has supported the recovery in the tourism sector and activity in associated services industries, in particular transportation, accommodation and restaurants. Pent-up demand for travel and reduced capacity have contributed to higher airfares, accommodation, and other tourism-sensitive prices.

9.2 Kāpiti Coast Local Market

The property market in the Kāpiti Coast area was buoyant during 2016 to 2019, 2020 with this continuing into 2021, driven by strong purchaser demand for well-presented and well-located properties. Properties that have suffered deferred maintenance or require work are attracting less interest and taking longer to sell.

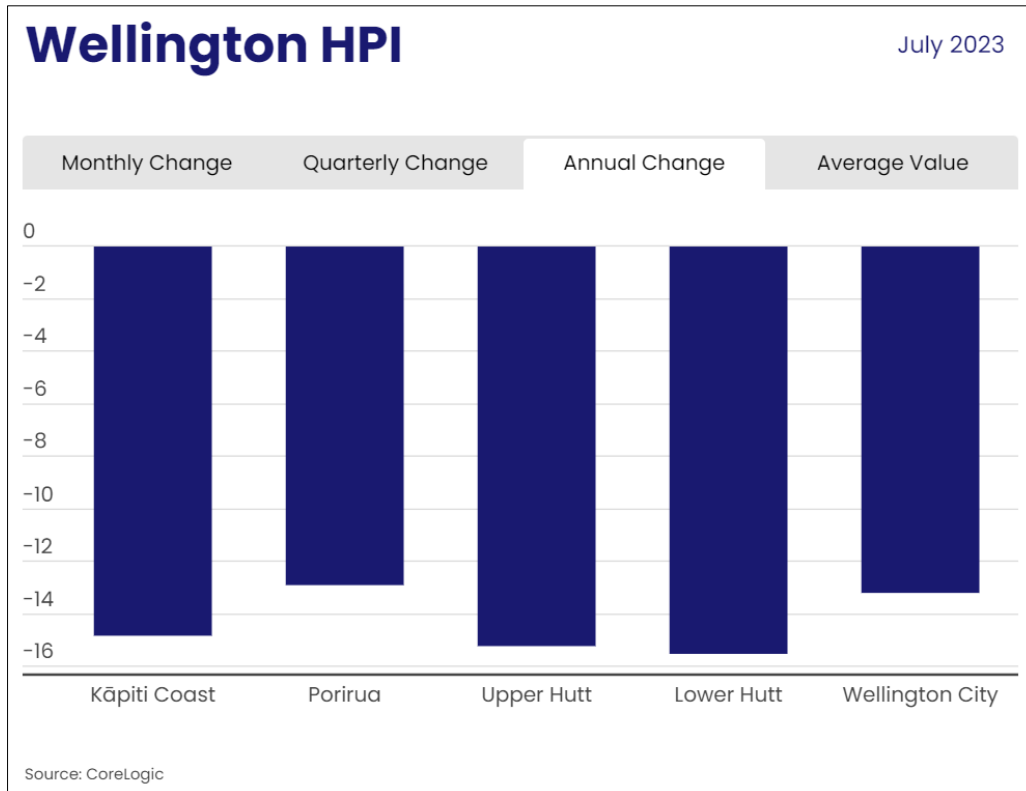
In 2021 the property market had been characterised by a lack of listings (now rising) and generally strong purchaser demand. As a result, when properties were listed for sale and presented in tidy condition, in many instances multiple offers were being received and, in some cases, sale prices exceeded vendors original expectations. Accordingly, sale prices increased at unprecedented rates.

However, since early 2022, the property market has been steadily declining, but now appears to be stabilising or even increasing slightly.

According to the Corelogic NZ House Price Index (HPI) for Residential Property released on 1 March 2024, the quarterly change in property values (between 1 November and 31 January 2024) for the Kāpiti Coast District was an increase of +2.5%.

The annual change in property values is now -6.7%, with the average selling price having increased slightly to \$809,062. The July HPI result was flat for the Kapiti Coast., with slight increases in August and September. slight decreases in October and November, a slight increase in December and a relatively large increase for January 2024.

CoreLogic NZ Chief Property Economist, Kelvin Davidson said "Housing market sentiment has improved a little in recent months, and we're anticipating growth in national sales volumes of about 10% this year, with prices potentially rising by around 5%. But that's coming from a low base, and the averages could also mask quite a bit of regional variance, with the main centres boosted by stronger population growth, yet some other areas perhaps held back by affordability concerns,"



“Values for the wider Wellington market increased by 0.3%, registering the city’s first rise since February 2022.”

“It’s early days for the Wellington market, but the fact that values previously dropped so significantly suggested that it could be among the first areas to bounce back and lead any recovery too. That dynamic might have just started to play out in July’s result,” Mr Davidson said.

As per the REINZ ‘Monthly Property Report’ released on 15th August 2023, the volume of properties sold in the Kāpiti Coast District in July 2023 was 60, which equates to a -34.1% decrease on the volume sold (91) in June 2023. There has been a -3.2% decrease in the number of properties sold during the same month one year ago in July 2022, at 62.

The Corelogic House Price Index for November 2023 shows an increase over the three-months for the Wellington Region of 0.5% and states that the values are expected to rise modestly over the next 12 months, with this growth to be dampened by economic headwinds including continued high inflation, cost of living and rising unemployment.

Waka Kotahi NZ Transport Agency officially opened Transmission Gully (TG), Te Ara Nui o Te Rangihaeata on 30 March 2022.

The new road comprises a 27 kilometre four-lane motorway connecting with SH1 at the existing Mackays Crossing interchange and merging with the current SH1 at Linden. Four new interchanges, and two new link roads, connect the motorway to Paekākāriki, SH58, Waitangirua and Kenepuru. The motorway further enhances the accessibility of the Kāpiti Coast District.

The Mackays to Peka Peka (M2PP) portion of the Expressway was completed and opened in 2017, and this has also improved the accessibility of the Kāpiti Coast.

The Peka Peka to north of Ōtaki (PP2Ō) section of the Kapiti Expressway opened in December 2022. It comprises a 13km expressway that offers major safety improvements, improved travel time reliability for people and freight in the area and has reduced congestion. The expressway bypasses Ōtaki township and is part of the Kāpiti Expressway, connecting to the 18km M2PP section further south and the TG motorway to provide more reliable journeys to and from Wellington.

In June 2021, Waka Kotahi further announced that the Government has confirmed funding for the Ōtaki to north of Levin (Ō2NL) portion of the four-lane highway.

The new 24-kilometre highway will be built between Taylors Road north of Ōtaki, linking with the expressway, and ending just north of Levin, where the highway branches to head further north and west towards Palmerston North.

It will link into shared path facilities built as part of the Mackays to Peka Peka Expressway and Peka Peka to Ōtaki Expressway, helping extend the region's cycleway.

Ō2NL is critical for both the Wellington and the Manawatū–Whanganui regions to continue to grow. The new highway will ensure people and freight are able to safely and easily move between the two regions and the rest of the North Island. The project also ensures better access to the key distribution hubs at Palmerston North, the largest freight connection in the central North Island.

It will support economic growth, allowing sustainable growth of Levin, meeting current and future transport demands. Construction is expected to begin in 2025.

10 VALUATION CONSIDERATIONS

In accordance with IVS 105 Valuation Approaches and Methods, we have had consideration to the following accepted approach(es) and methods of valuation which we consider to be appropriate in concluding a market value for the subject property:

10.1 Market Approach

This approach provides an indication of value by comparing the asset with identical or comparable (similar) assets for which price information is available.

For the purposes of this valuation, we have considered the *Comparable Transactions Method* and have applied the following units of comparison to the subject property:

10.1.1 Comparable Transactions Method

Direct Comparison

This unit of comparison 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 and subjective adjustments are applied where necessary to account for factors which has a direct impact on the sale price and value.

These include but are not limited to time, land (location, land area, shape, contour, position, aspect, view), dwelling/improvements (age, size, construction, quality, condition, design and utility, number of bedrooms and bathrooms, street presentation), and site development (other buildings and improvements including garaging, landscaping, site layout and any additional features).

Net Rate

Under this unit of comparison, the sale prices of the identified most comparable properties are analysed to derive a residual value for the dwelling, after deducting the value of the land, other improvements, and chattels. The residual dwelling value is then analysed to a rate per square metre of floor area for the subject dwelling calculated floor area (as measured and calculated by the Registered Valuer), or a 'net' rate.

10.2 Sales Evidence

Recent sales of relevance include, but are not limited, to the following:

10.2.1 Improved Sales

11 Alexander Road, Raumati Beach

Contract Date	05/2023	Sale Price	\$707,500
Site Area	1/8 th share in 2429 m ²	Floor Area	120 m ²

Description: A three-bedroom Cross Lease house within a development of (8) and is within short walking distance to Raumati Beach shops and the foreshore, in tidy condition, fenced front section with patio, freestanding garage.

Comparability:

Superior condition, superior location, smaller in size. Overall comparability similar.



7 Raumati Road (PHOTO NOT AVAILABLE)

Contract Date	09/2023	Sale Price	\$710,000
Site Area	½ share in 809 m ²	Floor Area	100 m ²

Description: A three-bedroom detached Cross Lease house, single attached garage and located adjacent to Raumati Road, it is a busy arterial thoroughfare.

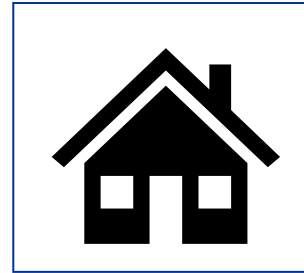
Comparability:

Similar size, inferior condition, overall comparability, similar

4 Alexander Road, Raumati Beach

Contract Date 04/2023 **Sale Price** \$735,000
Site Area ½ share in 809 m² **Floor Area** 120 m²

Description: A semi-detached three-bedroom house with fenced rear yard, in largely original condition, freestanding garage at the rear and located adjacent to Tui Park.



Comparability:

Similar condition, superior location and overall superior.

1072 Rimu Road, Raumati Beach

Contract Date 01/2024 **Sale Price** \$550,000
Site Area Body Corporate **Floor Area** 70 m²

Description: A three-bedroom Villa style townhouse within the Rimu Village Development for over 55's. Within walking distance to Coastlands Shopping Centre.



Comparability:

Superior condition and superior location. Overall comparison superior.

10.2.2 Reconciliation of Improved Sales Evidence

Sale #	Address	Contract Date	Sale Price	Site Area	Floor Area	Bdrms	Overall Comparability
1	11 Alexander Road	05/2023	\$707,500	1/8 th share in 2429 m ²	120 m ²	3	Similar
2	7 Raumati Road	09/2023	\$710,000	½ share in 809 m ²	100 m ²	3	Similar
3	4 Alexander Road	04/2023	\$735,000	½ share in 809 m ²	120 m ²	3	Superior
4	1072 Rimu Road	01/2024	\$750,000	Body Corporate	120 m ²	3	Superior

Comparable Transactions Method

We have made our Valuation by comparison with sales of comparable properties in the general locality, and have made adjustments such as, but not limited to, time of sale, location, land area, shape, contour, position, aspect, view, house size (including number of bedrooms and bathrooms), house age, condition, modernisation, quality of construction, and degree of site improvements (including garaging, landscaping, and so on).

11 VALUATION CONCLUSION

11.1 Valuation Summary

We confirm that we assess the market value for the subject property to be:

NZD\$700,000 GST Inclusive, (if any)
(FIVE HUNDRED AND FIVE THOUSAND DOLLARS)

Our assessment can be hypothetically apportioned as follows:

Land Value:	\$325,000
Improvements Value:	\$400,000
Market Value (excluding Chattels):	<u>\$725,000</u>
Chattels	NIL
Market Value (including Chattels):	<u>\$725,000</u>

Unless otherwise stated, all figures are inclusive of GST (if any)

12 SPECIAL ASSUMPTIONS

Nil.

13 DISCLAIMERS & QUALIFICATION STATEMENTS

This valuation report may only be relied upon by the agreed reliant parties as specified with this report (Intended User(s)) for first mortgage purposes only. It is not to be used for any other purpose or by any other party or parties, without prior written agreement. Any use, reliance, distribution, publication of the report and/or any representations made relating to the content of the report is restricted solely to the agreed Intended User(s). No responsibility is accepted by the Valuer and/or the Valuation Firm if the Client or any Intended User(s) uses, relies, distributes, publishes and/or otherwise represents anything contained in the report for any other purpose. The client, any Intended User(s), or any third party or parties must not permit or make any representations that any additional party or parties may rely on the report other than the Intended User(s) specified in the report.

This valuation report is for market purposes (inclusive of GST if any) and is not a site, structural or engineering survey. In particular, we assume all water piping is in sound condition, and recommend that this be checked for the presence of Dux Q'est material.

Our assessment assumes that all structures and additions / alterations (if applicable) on the site have the necessary Building Permits / Consents / Code Compliance Certificates, and our valuation is conditional upon the property achieving adequate and affordable insurance cover. We reserve the right to amend our report if subsequently, this does not prove to be the case.

An inspection of all readily accessible parts of the improvements on the property has been carried out by the Valuer. We have not sighted a qualified engineer's structural survey of the improvements, or its plant and equipment. The member is not a building construction and/or structural expert and is therefore unable

to certify as to structural soundness of the improvements. Prospective purchasers or mortgagees would need to make their own enquiries in this regard. We have not sighted a structural report on the property, nor have we inspected unexposed or inaccessible portions of the premises. We therefore cannot comment on the structural integrity, defect, rot, or infestation of the improvements nor can we comment on any knowledge of the use in construction of material such as asbestos or other materials now considered hazardous.

A current survey of the property has not been sighted. 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, the Valuer should be consulted to reassess any impact on the conclusions or opinions contained within this report.

Our enquiries indicate that the site has not previously been utilised for any industrial or manufacturing use or for the storage (either above ground or underground) of any chemical substance.

Our enquiries at Greater Wellington Regional Council indicate that they are not aware of the existence of any site contamination. Whilst our visual inspection of the site surface has not revealed any evidence of site contamination, we have not investigated the site beneath the surface or undertaken vegetation or soil sampling, nor have we been provided with an environmental site assessment or similar. We have assumed that the property is not affected by site contamination. We reserve the right to review and if necessary, vary our report and opinions provided if any contamination or other environmental issues are identified.

In the absence of an environmental consultant's report concerning the presence of any asbestos fibre within the subject property, this valuation is made on the assumption that there are no negative impacts, including health risks due to the presence of asbestos within the property. Should it subsequently transpire that an expert report establishes that there is an asbestos related health risk, we reserve the right to review this valuation.

We have assumed the Record of Title contains all relevant details, and we reserve the right to review our valuation should this not prove to be the case.

We advise the recipient of this report (whether they be mortgagee or otherwise) to request a Land Information Memorandum from the appropriate Local Authority and search legal registrations on the relevant Record of Title, in order to ensure that the property is suitable for their specific purpose.

The values contained in this report are as at the 'Date of Valuation' as specified in this report. Therefore, the valuer is not liable for any unforeseen market changes or changes to the state of the property after the valuation date.

The residential property market has been buoyant in recent years but declined significantly after the end of 2021. The market now appears to be stabilizing or even increasing slightly, but it is still possible property values could decline again in the future. This will depend upon market conditions at any point in time.

We also note that if a forced sale becomes necessary, the costs involved in any forced sale (eg: accrued interest, GST obligations, legal fees, Auctioneers fees, depreciation of the property, etc) plus the reduction in price a forced sale inevitably fetches could have a substantial impact on a lender's recovery.

If we can be of any further assistance, please do not hesitate to contact us.

Yours faithfully
KAPITI VALUATIONS

Alex Robson
Registered Valuer

Email: alex@kapitivaluations.com

APPENDIX 1

Additional Photos

Add interior photos here

APPENDIX 2

Record of Title (Search Copy)

Add title search document copies here.