

BAYLEYS

IN ASSOCIATION WITH



Market Valuation

Land Adjoining 43 Jollie Street, Linwood, Christchurch
Christchurch City Council / Kainga Ora

Prepared by
Bayleys Valuations Limited

22 June 2023

Ref HMN 2023/CMVRM



Valuation Summary

Client	Christchurch City Council / Kainga Ora.
Legal Details	Record of Title: Section 2, Survey Office Plan 16971, Identifier CB30A/1183, Canterbury Land Registry.
Interest Valued	Freehold.
Zoning	Residential Medium Density.
Property Description	The property comprises a near triangular shaped area of 18 square metres adjacent to 43 Jollies Road, Linwood, Christchurch.
Land Area	18 square metres.
Property Type	Bare land.
Purpose of Valuation	Transfer.
Date of Inspection	22 June 2023
Date of Valuation	22 June 2023
Additional Comments	We are not qualified to assess the stability, load bearing capacity or integrity of the land and we give no warranty as to those issues in respect of the land. You may wish to check the structural integrity of the improvements on the property and/or the stability, load bearing capacity and integrity of the land by requesting a report from a suitably qualified person.

Valuer Involvement

Primary Valuer	Position	Inspection	Calculations	Report
William Blake Val Prof (Urb), ANZIV, FPINZ	Registered Valuer	Yes	Yes	Yes

Valuation	\$7,000 (Seven Thousand Dollars) The above assessment is GST inclusive (if any).
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We confirm that the signatory undertook a site inspection of the subject property as at the date of valuation.

This Valuation Summary forms a part of and should not be used or read independently from the complete report.

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1. Introduction

1.1 Instructions

In accordance with instructions received from Elizabeth Hoskins of the Christchurch City Council, we have assessed the market value of the property at **Land Adjoining 43 Jollie Street, Linwood, Christchurch**, as at 22 June 2023.

PINZ Professional Practice guidelines and International Valuation Standards require the property be valued as at date of inspection.

1.2 Liability and Confidentiality

Our valuation and report is strictly confidential to the party to whom it is addressed, and is prepared solely for the specific purpose to which it refers. No responsibility is accepted for reliance on the valuation report for other purposes. Further, no responsibility is accepted to persons other than the party to whom the valuation and report is addressed for any errors or omissions whether of fact or opinion.

This valuation is not intended for general circulation, publication or reproduction for any purpose without written permission in any specific instance. No responsibility is accepted nor any liability for losses occasioned by yourselves, any financier or other parties as a result of the circulation, reproduction or use of this valuation.

We reserve the right (under no obligation) to review the valuation and revise our opinion after the release of this valuation, if any previously withheld information becomes known to us or erroneous information has been provided and relied upon.

1.3 Basis of Valuation

The market value of the property is defined by the International Valuation Standards Committee as follows:

“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.”

In adopting this definition of value, we are of the opinion that it is consistent with the international definition of market value as advocated by the New Zealand Institute of Valuers and Property Institute of New Zealand.

The property’s value has been assessed in accordance with PINZ Valuation Standards, and with Bayleys Valuations Limited General Valuation Principles.

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.

1.4 Information Sources

In the compilation of this valuation we have obtained information from (but not limited to), the following sources:

Information	Source
Record of Title	Christchurch City Council
Sales Information	Property Guru and REINZ
Rates Information	Local Territorial Authority

Land Adjoining 43 Jollie Street, Linwood, Christchurch - 22 June 2023

1.5 Compliance Statement

This valuation has been performed in accordance with International Valuation Standards - IVS (effective 31 January 2022), and the relevant Australia and New Zealand Valuation and Property Standards as approved by the New Zealand Institute of Valuers (NZIV) Council, and we confirm that:

- The statements of fact presented in the report are correct to the best of the Valuer's knowledge;
- The Valuer has no relationship with the vendor, purchaser and/or selling/marketing agent;
- The analyses and conclusions are limited only by the reported assumptions and conditions;
- The Valuer has no interest in the subject property;
- The Valuer's fee is not contingent upon any aspect of the report;
- The valuation was performed in accordance with an ethical code and performance standards;
- The Valuer has satisfied professional education requirements;
- The Valuer has experience in the location and category of the property being valued;
- The Valuer has made a personal inspection of the property; and
- No one, except those specified in the report, has provided professional assistance in preparing the report.

1.6 Valuation Standards

This valuation has been performed in accordance with International Valuation Standards - IVS (effective 31 January 2022), and the relevant Australia and New Zealand Valuation and Property Standards as approved by the New Zealand Institute of Valuers (NZIV) Council, Guidance Papers for Valuers and Property Professionals (GPVPP), the Property Institute & NZIV Code of Ethics, and the Residential Valuation Standing Instructions Version 1.3, including:

- IVS 101 - Scope of Work
- IVS 102 - Investigations and Compliance
- IVS 103 - Reporting
- IVS 104 - Basis of Value
- IVS 105 - Valuation Approaches and Methods
- IVS 400 - Real Property Interests
- ANZVGP111 - Valuation Procedures - Real Property

1.7 Valuation Assumptions

In completing the valuation we have assumed the site is free from contaminants.

2. Site Details

2.1 Legal Description

Land Registration District	Canterbury Land District.
Estate	Fee simple.
Land Area	18 square metres.
Legal Description	Section 2, Survey Office Plan 16971, Identifier CB30A/1183, Canterbury Land Registry.
Current Owner(s)	Christchurch City Council.
Registered Notation(s)	<ul style="list-style-type: none">• Nil.

The Valuer has perused the notation(s) on the respective Record of Title and does not consider any to have a detrimental impact on the property or its value. The above memorial(s) (if any) have been taken into account in our valuation considerations. We refer you to the Record of Title in the Appendices of this report.

2.2 Site Description

The land valued comprises a small parcel near triangular in shape, at the frontage of 43 Jollie Street. This property is held with others, owned by Kainga Ora, and is being developed with new housing units.

2.3 Zoning

District Plan	Christchurch District Plan.
Zoning	Residential Medium Density
Zone Description	The Residential Medium Density Zone is located close to the central city and around other larger commercial centres across the city. The zone provides a range of housing options for people seeking convenient access to services, facilities, employment, retailing, entertainment, parks and public transport. The zone provides for townhouses, terraced housing and apartment buildings, through well-designed redevelopments of existing sites, and more particularly through comprehensive development of multiple adjacent sites. Smaller and shared outdoor living spaces are acceptable within this zone and are common with a more urban lifestyle. Zone standards and urban design assessments will still ensure that the quality of new residential development is attractive, and delivers safe, secure, private, useable, attractive and well landscaped buildings and settings.
Overlays and Notations	<ul style="list-style-type: none">• Flood Management Area.• Liquefaction Management Area.

Our valuation proceeds on the basis and is subject to the property being a complying activity and/or having all necessary consents and permits in place and/or having existing use rights under Section 10 of the Resource Management Act 1991.

The foregoing zone summary has been provided for valuation purposes only and should not be relied upon for the purposes of determining whether a particular activity or development is permitted within the zone. Should you require information in this regard we recommend you consult with a Planning Consultant or the Local Authority.

Land Adjoining 43 Jollie Street, Linwood, Christchurch - 22 June 2023

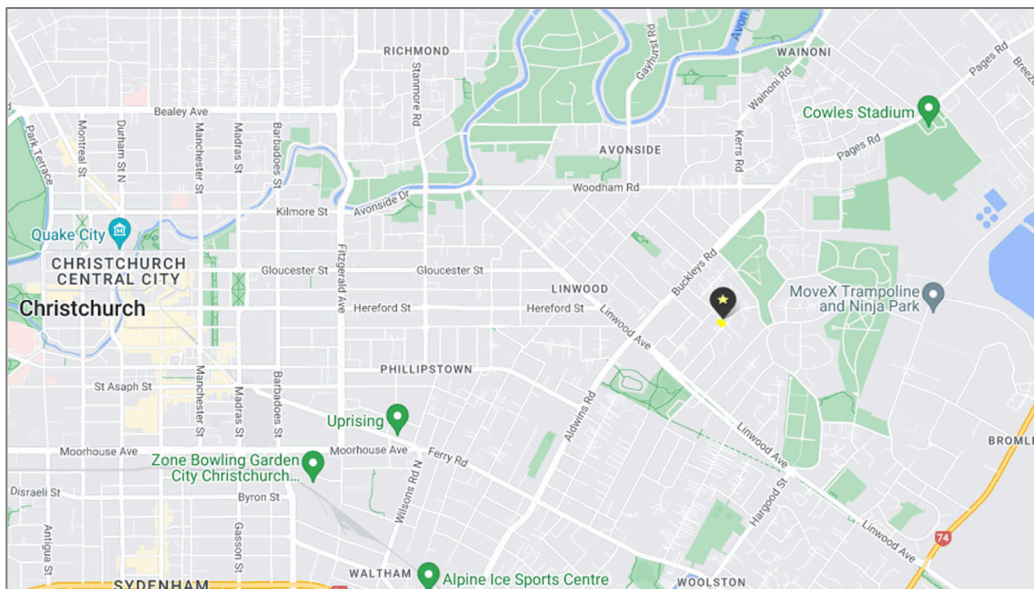
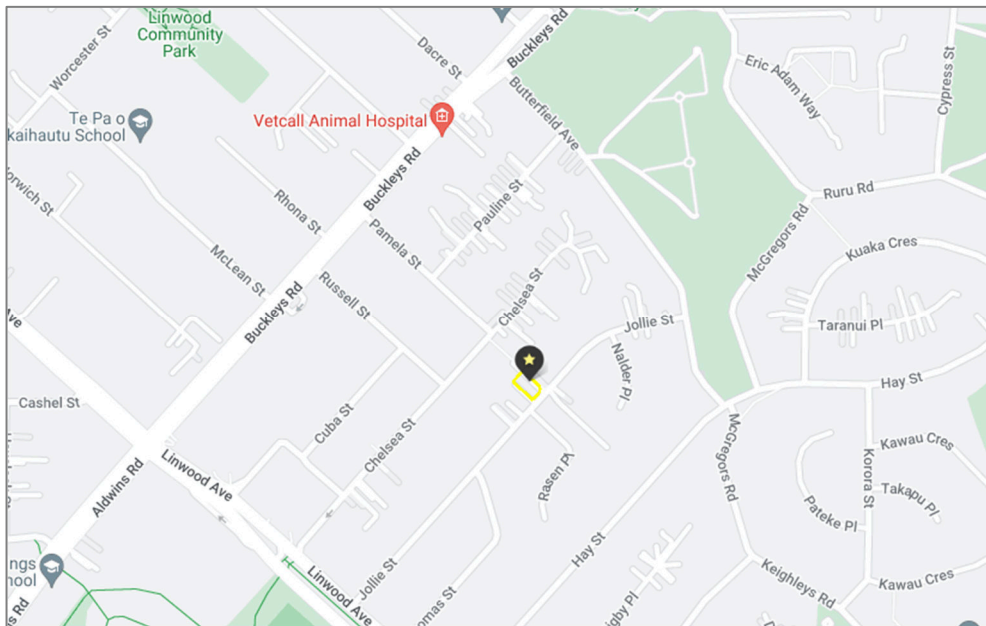
3. Locality

Location Details

Jollie Street is located in Linwood, and contains predominantly modest family bungalows built in the 1950s and 1960s, including a number owned by Kainga Ora. It is reasonably close to Linwood Shopping Mall.

The subject land parcel is adjacent to an accessway which provides for pedestrian access between Jollie Street and Chelsea Street.

The locality is indicated below:



Land Adjoining 43 Jollie Street, Linwood, Christchurch - 22 June 2023

4. Improvements

4.1 Improvements Description

Brief Description

There are no improvements included.

4.2 Picture



Land Adjoining 43 Jollie Street, Linwood, Christchurch - 22 June 2023

5. Market Overview

5.1 Economic Outlook

There are a number of factors affecting risk which will have implications for New Zealand's economic future and property markets.

These include but are not limited to:

- Rapidly changing world events such as the war in Ukraine, responses to Covid, energy cost increases, volatility in equity and currency markets;
- Increasing domestic inflation affecting prices including building costs, interest costs and wage growth;
- Changes to immigration settings;
- Reduced availability of credit;
- Climate change awareness and public and private sector responses.

We do not attempt to predict the future, but for now New Zealand seems well placed in relative terms with no indication of lack of confidence in the robustness of the property market. Some sectors and locations will have different supply and demand characteristics that may affect values.

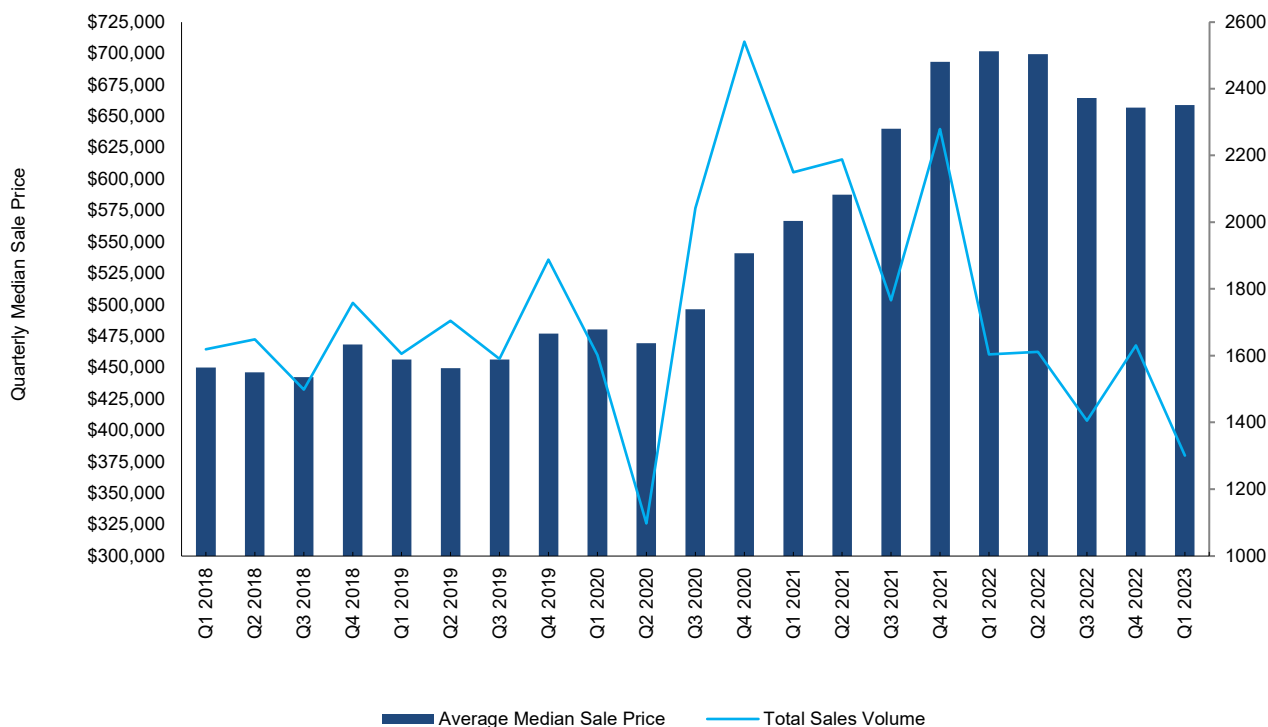
The below table includes a few performance indicators of the New Zealand economy over the previous six months:

Economic Indicator	Period	Rate	Forecasted Trends
GDP	Q4 2021 - Q4 2022	2.40%	↓
CPI	Q1 2022 - Q1 2023	6.70%	↓
OCR	Q1 2023	5.50%	→
Unemployment Rate	Q4 2021 - Q4 2022	3.40%	↑
10 Year Bond Rate	May 2023	circa 4.40%	→
Net Migration	Q1 2022 - Q1 2023	circa 65,400 (provisional)	↑

Source: Bayleys Valuations, Statistics NZ, Interest, ASB, ANZ, NZIER, RBNZ, Westpac (May 2023)

5.2 Christchurch Residential Market Overview

Christchurch Average Median Sale Prices and Total Sales Volumes



The following statistics are sourced from REINZ monthly median sale price and sale volumes data, and have been analysed to an average median sale price per quarter. Where we refer to the median price per quarter, this is an average of the monthly medians, for that three month period.

Christchurch experienced a significant increase in the median sale price from mid-2020 through to the first quarter of 2022 where the market peaked at a median sale price of \$701,667. It softened from the peak, and has since been stable from the third quarter of 2022 through to the first quarter of 2023, although with variations across the different sectors. The median sale price was recorded at \$658,667 in the March 2023 quarter, a 6.13% decrease from the same period in 2022. The average number of days to sell was recorded at 39 days for the March 2023 quarter, compared to 32 in the December 2022 quarter.

Sales volumes reduced in 2022, following a year of above average activity. Rising interest rates and tightening lending criteria made obtaining finance difficult for some purchasers, and demand has softened as a result. A total of 1,301 sales were recorded in the first quarter of 2023, a decrease of 18.89% from the first quarter of 2022.

6. Valuation Approach

The subject land is a small parcel which is of negligible value to anybody other than the adjoining owner.

We have proceeded on the basis that the parties are willing participants in a transaction at market value, and assess the value of the land on the basis of its added value to the adjoining residential property, which is part of a larger holding that is being developed.

We have identified an underlying land value, through reference to sales of other sites purchased nearby or in similar localities.

There is a lack of sales of bare land, which is not surprising given this is a built up locality, however we have referred to transactions of sections that have sold with an “as is, where is” building, which believe can be interpreted to give an indication of maximum land value.

The sales we have considered and derived land value, inclusive of buildings in a damaged or “as is” state include the following:

- 740 Avonside Drive sold at \$470 per square metre.
- 67 Bickerton Street sold at \$548 per square metre.
- 78 Kerrs Road sold at \$445 per square metre.
- 87 Ottawa Road sold at \$511 per square metre.
- 82 Buckleys Rod sold at \$750 per square metre.

Taking into account the position, size and shape of the subject site, and its perceived added value to the larger land holdings at 33-43 Jollie Street, owned by Kainga Ora, we have come to the conclusion that the added value of the land to be transferred is in the order of \$400 per square metre, inclusive of GST.

Accordingly the value of the site is calculated:

Area 18 sqm @ \$400 psm = \$7,200, say \$7,000 inclusive of GST.

As instructed we have reported in a brief format, and can provide additional information and analysis, if appropriate.

7. Valuation Conclusion

7.1 Valuation

Bayleys Valuations Limited confirms that we undertook an inspection of the property at **Land Adjoining 43 Jollie Street, Linwood, Christchurch** on 22 June 2023 in order to assess the market value for transfer purposes.

Subject to the critical assumptions and comments noted within this report, we hereby assess the market value of the abovementioned property to be:

Valuation

\$7,000 (Seven Thousand Dollars)

The above assessment is GST inclusive (if any).

This summary forms a part of and should not be used or read independently from the complete report.

7.2 Signatory

If you require any further assistance, please contact the undersigned.

Prepared By

Bayleys Valuations Limited



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Registered Valuer

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Land Adjoining 43 Jollie Street, Linwood, Christchurch - 22 June 2023

8. General Principles

Valuation Standards	This valuation has been performed in accordance with International Valuation Standards IVS – (effective 31 January 2022), and the relevant Australia and New Zealand Valuation and Property Standards as approved by the New Zealand Institute of Valuers (NZIV) Council.
Information Supplied	The valuation assumes as being complete and correct information provided to us by the sources detailed in our report on any relevant matters. We accept no responsibility, however, for the completeness and accuracy of information provided to us.
Documentation	Our valuation has included searching of the Certificate(s) of Title and other relevant tenancy schedules and documents. We recommend that reliance should not be placed on our interpretation thereof without prior verification by your lawyers.
Title	Unless specifically stated in the report, we assume that the property has a good and marketable title and is free from any pending litigation. We further assume that all documentation is satisfactorily drawn and that there were no unusual or onerous restrictions, easements, covenants or other outgoings which would adversely affect the value or negotiability of the relevant interest(s).
Title Boundaries	We have not carried out a detailed site survey and we have of necessity assumed for the purposes of the valuation that all structural improvements have been erected within the title boundaries. We do not undertake a measurement of the site or survey but calculate the site areas by reference to identified boundaries of the property and the appropriate Record of Title.
Resource Management Act 1991	Our valuation is on the basis of uses indicated within of the Transitional District Plan, Proposed District Plan and District Plan (as the case may be) and our enquiries of the Territorial Authority as to any Resource Consents for the land.
LIM & PIM	<p>Unless otherwise stated, we have not obtained a Land Information Memorandum (LIM) or Project Information Memoranda (PIM) from the Territorial Authority.</p> <p>It is considered an obligation of the recipient of the report to request a Land Information Memorandum from the appropriate local authority and search legal registrations on the relevant Record of Title, in order to satisfy themselves as to the suitability of the property for their specific purpose.</p>
Valuation	The valuation provided is our opinion of the Market Value. This value may change in the future due to market conditions and changes to the state of the property.
Validity	<p>Should a period of greater than three months' elapse from the date of preparation of the report, it is recommended that the person to whom it is addressed seek confirmation from the valuer concerned that the valuation can still be relied upon in context of the relevant current market situation. Failing to do so will nullify the validity of the report as well strict reliance upon a faxed copy of the same unless previously agreed to in writing between us and the recipient and/or end user.</p> <p>If a faxed copy of the report is relied upon, we cannot guarantee the accuracy of the same which could be at variance with the original document. Furthermore, the reference to the three month time period does not imply that the value will remain static during this time.</p>

	From the perspective of Bayleys Valuations Ltd, this valuation is valid by valuer signature.
Practising Certificate	This valuation has been carried out by a Registered Valuer with a current Practising Certificate.
Insurance	We certify that Bayleys Valuations Limited holds current professional negligence insurance for an amount of no less than the subject valuation and the signatory is covered by the policy.
Acceptance of Reports	The use of this report by the client/instructing party for Market Value/mortgage purposes in its current format is deemed an acceptance by the same of all value, terms, conditions and specification contained herein unless advised to the contrary immediately.
Inspections	We undertake such inspections and conduct investigations as are, in our opinion, correct in our personal judgement, appropriate and possible in the particular circumstance.
Building Act 2004, Health & Safety at Work 2015, Fire & Safety & Evacuation of Buildings Regulations 1992, Disabled Persons Community Welfare Act 1975	Unless otherwise stated in our report, our valuation is on the basis that the property complies with this legislation or it has no significant impact on the value of the property.
Structural Surveys	The valuation report does not purport to be a structural survey and we accept no responsibility for the omission of building or other defects which may not be apparent without such a survey.
Deleterious Materials	Unless stated in our report, we do not carry out investigations to ascertain whether any building has been constructed or altered using deleterious materials or methods. Unless notified, our valuations assume that no such materials or methods have been used (e.g. asbestos, PCBs).
Site Conditions	We do not carry out investigations on site in order to determine the suitability of ground conditions and services, nor do we undertake environmental or geotechnical surveys. Unless notified to the contrary, our valuations are on the basis that these aspects are satisfactory and also that the site is clear of underground mineral or other workings, methane gas or other noxious substances. In the case of properties which may have redevelopment potential, we assume that the site has load bearing capacity suitable for the anticipated form of redevelopment without the need for additional and expensive foundations or drainage systems.
Environmental Contamination	Our valuations assume that no contaminative or potentially contaminative use is, or ever has been, carried out at the property. Unless specifically instructed, we do not undertake any investigation into the past or present uses of either the property or any adjoining or nearby land, to establish whether there is any potential for contamination from these uses and assume that none exists.
Taxation, GST	In preparing our valuations, no allowances are made for any liability which may arise for payment of income tax or any other property related tax, whether existing or which may arise on development or disposal, deemed or otherwise. In respect to Goods and Services Tax we specifically draw your attention to the fact that our valuation is on the following basis:

	<ul style="list-style-type: none">Residential - Capital and rental valuations of residential property are (unless otherwise stated) carried out on the basis that the valuation includes GST (if any).
Publication	Neither the whole nor any part of our reports, nor any reference thereto, may be included in any published document, circular or statement, nor published in any way without any written approval of the form and context of such publication or disclosure. Such approval is required whether or not Bayleys Valuations Ltd is referred to by name and whether or not the reports are combined with others.
Mortgage Recommendation	We have not been requested to provide a mortgage recommendation. We advise that we have no knowledge of the applicant's ability to service any mortgage and anticipate that this will be reflected in the amount finally advanced by the mortgagee.

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Frank**

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