

8 JULY 2020

# VALUATION REPORT

35C WALLACE DRIVE, CLARKS BEACH, AUCKLAND

10127/AL

Xindongyue Group NZ Limited  
Attn: The Director



**LONG VALUATION  
& CONSULTANCY**

# Report Content

## Executive Summary

<b>1.0</b>	<b>Report Assumptions &amp; Qualifications.....</b>	<b>1</b>
1.1	Instructions & Reliance.....	1
1.2	Basis of Valuation .....	1
1.3	Information Provided .....	2
1.4	Valuation Assumptions.....	2
<b>2.0</b>	<b>Site Details.....</b>	<b>4</b>
2.1	Legal Description .....	4
2.2	Site Description .....	5
2.3	Locality Description.....	6
2.4	Resource Management.....	7
2.5	Rating Valuation .....	7
<b>3.0</b>	<b>Building Description.....</b>	<b>8</b>
3.1	Construction & Layout.....	8
<b>4.0</b>	<b>Market Commentary .....</b>	<b>10</b>
4.1	Economic Commentary .....	10
<b>5.0</b>	<b>Valuation Considerations.....</b>	<b>13</b>
5.1	Methodology.....	13
5.2	Sales Transactions.....	13
<b>6.0</b>	<b>Valuation.....</b>	<b>17</b>
6.1	Valuation .....	17
6.2	Compliance Statement .....	18

## Appendices

1. Record of Title

## Executive Summary

### Asset Description:

The property comprises a single level, 4-bedroom circa 1980s dwelling with internal swimming pool, occupying an 8.1091-hectare block. The block is mainly planted in grapevine and includes a large utility shed utilised for storage/functions with accommodation. The block also contains three ponds. The property is presented in average condition only.

The property is located in the semi-rural South Auckland suburb of Clarks Beach. The property is zoned Mixed Rural under the Auckland Councils Unitary Plan.



### Instruction Details:

<b>Instructed By:</b>	Xindongyue Group NZ Limited
<b>Reliance:</b>	Xindongyue Group NZ Limited
<b>Valuation Date:</b>	8 July 2020
<b>Inspection Date:</b>	8 July 2020
<b>Purpose of Valuation:</b>	Current Market Value for Internal purposes only.

### Property Specifics:

<b>Tenure:</b>	Freehold
<b>Land Area:</b>	8.1091 hectares
<b>Zoning:</b>	Mixed Rural
<b>Floor Area:</b>	House: 432.4 sqm Utility Building: 309.4 sqm

### Valuation Summary:

<b>Valuation:</b>	<b>\$2,300,000 including GST (if any)</b>
-------------------	---

The valuation has been completed conditional upon any assumptions and qualifications contained within this report.

The property market is currently in unknown territory due to the Coronavirus outbreak and subsequent lockdown. The valuation has been assessed on the basis of sales transactions that occurred prior to the outbreak occurring. There is no current transactional data to indicate a fall in values as at the writing of this report and therefore we cannot quantitate any possible value reduction. However, the outbreak has seriously impacted the economy and will most likely lead to falling property values in the near term, although to what level is an unknown. It is recommended that values are revisited more frequently, especially if future transactional data provides market-based evidence to falling values.

The outbreak of the Coronavirus was declared a 'Global Pandemic' on 11 March 2020. Market activity has been impacted in almost every sector. In terms of the property markets it is difficult at the current time to determine if this is a short-term liquidity issue or a longer-term concern. It will be some time until there is a bundle of transactional evidence to demonstrate the adjustment from pre-pandemic values.



Therefore, less certainty and a higher degree of caution should be attached to our valuation than would normally be the case.

**Report Authoring:**

Anthony Long BPA, ANZIV, SPINZ

Registered Valuer

Director

**LVC Ltd**

---



## 1.0 Report Assumptions & Qualifications

### 1.1 Instructions & Reliance

We have received instructions from Xindongyue Group NZ Limited to assess the market value of the property for internal purposes. The valuation report has been undertaken in accordance with the agreed Scope of Work between the Client and LVC Limited.

The signatories to this report are experienced in the location and category of the property valued.

The valuation has been prepared for and reliance extended to the following parties for the stated purpose:

**Reliance:** *Xindongyue Group NZ Limited*

**Purpose:** *Internal Purposes Only*

No responsibility is accepted or intended to any third parties, whom place reliance upon this report without our our written agreement.

This report is strictly confidential between LVC Limited and the party to whom reliance is extended for the stated purpose only. No responsibility or reliance is accepted to any third party.

This valuation and all valuation services are provided by us solely for the use of our client. We do not assume any responsibility to any person other than the client for any reason whatsoever by reason of or arising out of the provision of this valuation.

It is prohibited to publish any part of this valuation report without first obtaining our written agreement.

### 1.2 Basis of Valuation

The valuation has been completed in accordance with the latest International Valuation Standards, effective 31 January 2020, and the Australia and New Zealand Valuation and Property Standards for current market purposes subject to the assumptions and conditions outlined within this valuation report.

We confirm that this valuation has been prepared to establish market value for internal purposes.

We have adopted the International Valuation Standards 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.*

All valuations are carried out in accordance with the Valuation Standards and Guidance Notes recommended by the Property Institute of New Zealand.



Our valuation has been undertaken in accordance with:

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

### 1.3 Information Provided

We have searched the Record of Title details from the public system.

We do not accept any liability for any information provided by another party if this is found to be unreliable. We have used our best endeavours to verify the accuracy of this information. If we have relied upon information provided by the owner of the property it is assumed that this information is correct and again used our best endeavours to verify the accuracy of this information.

In preparing the valuation it has been assumed that full disclosure of all relevant information has been made whether requested or not. We reserve the right to reassess our valuation if the information provided was incorrect or not fully disclosed.

### 1.4 Valuation Assumptions

- The valuation assumes that there are no other interests against the property apart from those register on the Record of Title. We reserve the right to amend our valuation should we be made aware of any easements, covenants or encroachments other than those listed on the Record of Title.
- We have relied on search copies of the Record of Title and any lease information, seismic, geotechnical and contamination reports provided. It has been assumed that these are true and correct and there have been no material changes made to any documentation that we are unaware of.
- We are not aware of any notices currently issued against the property.
- It is assumed that the plant and equipment is in satisfactory condition or suitable for the current use.
- The valuation has been undertaken on the basis that the building is structurally sound. We are not experts in this field and therefore cannot provide any commentary on the structural nature of the improvements.
- Our valuation has been completed on the basis that the buildings are fully insurable and have full reinstatement insurance in place.
- The value is as at the date of valuation only based on market transactions. LVC Limited does not accept any liability for any loss attributable to a major economic downturn causing a subsequent change in value.
- We do not assume any liability for any reliance placed on this report after a period of three (3) months from the date of valuation.



- This report is confidential between LVC Limited and the party to whom reliance has been extended.
- Our valuation report has been undertaken on the basis that property complies with all relevant legislation and regulations including the Resource Management Act 1991, the Building Act 2004, the Health and Safety at Work Act 2015 together with any amendments.
- The buildings comply with the relevant Building Code and are structurally sound and watertight.



## 2.0 Site Details

### 2.1 Legal Description

**Record of Title Identifier:** NA91C/794  
**Legal Description:** Lot 7 DP 109978 & Lot 1 DP 153689  
**Land Area:** 8.1091 hectares

The Record of Title is subject to the following interests:

- Subject to Section 241(2) Resource Management Act 1991
- B520549.4 Resolution pursuant to Section 321 (3) (c) Local Government Act 1974
- Appurtenant hereto are rights of way and electricity supply, post and telegraph rights specified in Easement Certificate B520549.6
- The easements specified in Easement Certificate B520549.6 are subject to Section 309 (1) (a) Local Government Act 1974

In our opinion these interests do not negatively affect the value of the property. We note the following ownership and mortgage details:

**Proprietor:** Xindongyue Group NZ Limited  
**Mortgage:** None noted

A copy of the Record of Title is attached to this report as **Appendix One**.



## 2.2 Site Description

The view below indicates the boundaries of the subject site.



The lot comprises a regular shaped block with the following characteristics:

- **Contour:** Slightly undulating
- **Outlook:** Surrounding rural properties
- **Access:** Vehicle crossing via right of way from Wallace Drive

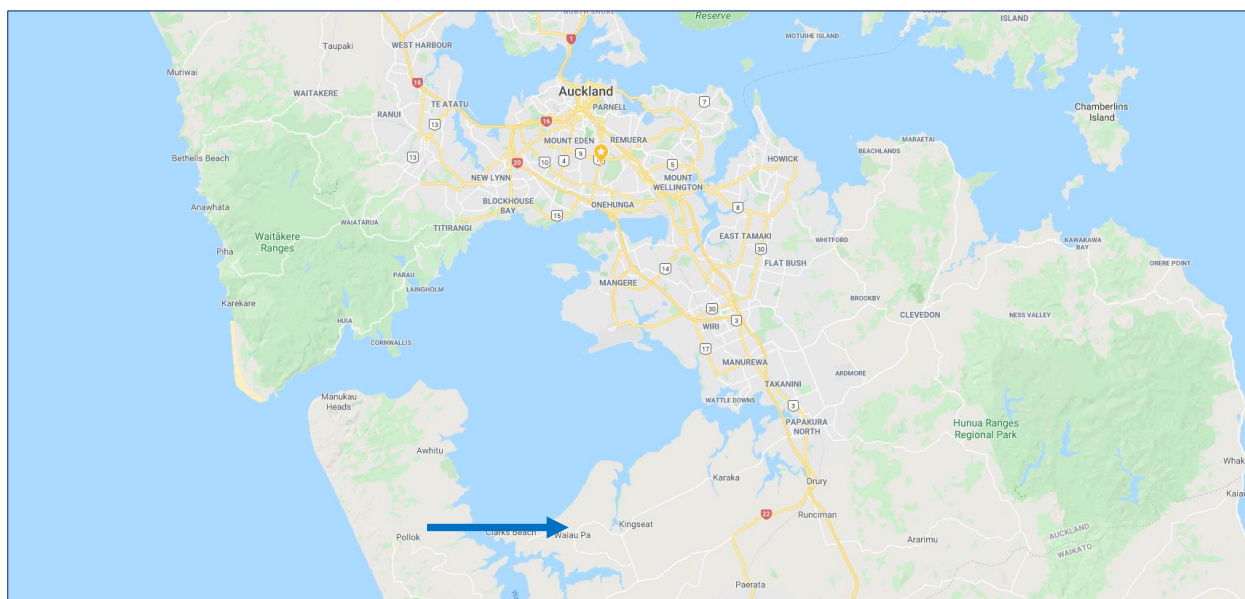
We understand that the property is connected to major utility services including electricity and telephone while water is understood to be from tank and bore and sewerage via a bio system.

We have not been provided with a geotechnical report on the property. The sub-ground conditions are unknown. From our on-site inspection we did not notice any obvious risks with slope stability. If a report is required for any reason, we recommend a suitably qualified company is engaged.

Please note our site inspection has been undertaken for valuation purposes only. The valuation has been undertaken on the assumption that the site is not contaminated. If it was found that the site was contaminated we reserve the right to reassess our adopted value if this was found to be material. Development in the immediate area is semi rural. We would not anticipate that this use would result in a major environmental risk.

## 2.3 Locality Description

The property is located in the South Auckland suburb of Clarks Beach.



We note the following locational characteristics:

- **Distance from Auckland CBD:** Approximately 53.3 kilometres by road south from Aucklands Central Business District.
- **Schools:** Schooling is found in Waiau Pa, Karaka and Pukekohe.
- **Commercial Services:** Local shopping is found in Clarks Beach while Pukekohe and Papakura Town Centres provides a more comprehensive range of commercial activity.
- **Motorway Access:** Southern Motorway at Papakura Interchange circa 19 kilometres east of the property.

Wallace Drive is a no exit road off Clarks Beach Road. The property is at the end of Wallace Drive off its southern side. Clarks Beach Road is the main road through Clarks Beach.

Surrounding development comprises small rural holdings.



## 2.4 Resource Management

<b>Territorial Authority:</b>	<b>Auckland Council Council</b>
<b>Operative Plan:</b>	<b>Unitary Plan</b>
<b>Zoning:</b>	<b>Mixed Rural</b>

The Auckland Unitary Plan Operative in part has been annotated to show the parts of the Proposed Auckland Unitary Plan that are excluded from being operative due to:

- The parts that remain subject to Environment Court and High Court appeals under the LGATPA and
- The regional coastal plan component of the Proposed Auckland Unitary Plan requiring Minister of Conservation approval of that part of the plan. This approval is required under section 152(3)(b) of the LGATPA and clause 18(3) of Schedule 1 of the RMA.

Once all appeals are resolved, the council will notify the date on which the plan will become fully operative. We note no appeals listed against the property.

### Zone Statement

The purpose of the Mixed Rural Zone is to provide for rural production, generally on smaller rural sites and non-residential activities of a scale compatible with smaller site sizes. These areas often have a history of horticulture, viticulture, intensive farming and equine-related activities. These activities have in turn supported the establishment of produce sales or retail services such as cafés, restaurants, tourist and visitor-related facilities. Sites in this zone provide flexibility to accommodate a range of rural production activities and associated non-residential activities while still ensuring good amenity levels for residents who use their land for rural lifestyle purposes.

### Designations

None noted.

### Catchments & Hydrology

The planning maps indicate part of the property has an overland flow path and flood plain.

### Activity Status

The property appears to comply as a permitted activity within the zone.

## 2.5 Rating Valuation

Rating valuations are carried out on properties every three (3) years by Councils for the purpose of setting rates. The Rating Valuation is dated 1 July 2017.

<b>Land Value:</b>	<b>\$1,120,000</b>
<b>Value of Improvements:</b>	<b>\$855,000</b>
<b>Capital Value:</b>	<b>\$1,975,000</b>

Although these are based on a likely selling price for the property they may not reflect market value at a particular point in time.

## 3.0 Building Description

### 3.1 Construction & Layout

The property comprises a single level circa 1980s residential dwelling with separate utility building.



Front Elevation



Kitchen



Living Room

Construction to the dwelling comprises the following:

- **Foundations:** Pile foundations
- **Floors:** Timber
- **External Cladding:** Hinuera stone. Concrete block to pool house
- **Joinery:** Aluminium exterior joinery
- **Roof:** Mix of concrete tile and iron
- **Floor Coverings:** A mixture of carpet and ceramic tile
- **Internal Linings:** Plasterboard and fibrous plaster



Indoor Pool



Utility Shed



Function Room

The internal layout provides for a kitchen/dining, formal lounge, master bedroom with ensuite, guest bedroom with ensuite, two secondary bedrooms (one opening onto a private lounge), reading room, summer room/conservatory, indoor swimming pool room, bathroom, separate w/c and laundry with w/c. An externally accessed room is utilised for a gym room. Units and fittings are fairly good quality however are now dated.

The swimming pool area is an extension off the rear of the dwelling with concrete block wall and extensive aluminium joinery over timber framing. The pool is an inground fibre glass shell with a ceramic tile surround.

### Utility Building

The Utility building has been set up as a function centre/cellar door. Construction comprises concrete foundations and floors, fibre cement board and baton cladding and iron roofing over timber truss framing. A large covered outdoor area extends from the building.



Utility Shed Kitchen



Lake



Vines

The interior provides for an entry lobby, large storage/function area, kitchen, lounge, bedroom, shower room, two w/c's and a store room. Units and fittings to the kitchen are dated and in average condition only.

### Other Improvements

The site is accessed via a metal driveway leading to an off street parking area. The grounds are well landscaped around the dwelling and include three ponds. The balance of the land is in vineyard with a mix of syrah and chardonney vines.

## 4.0 Market Commentary

### 4.1 Economic Commentary

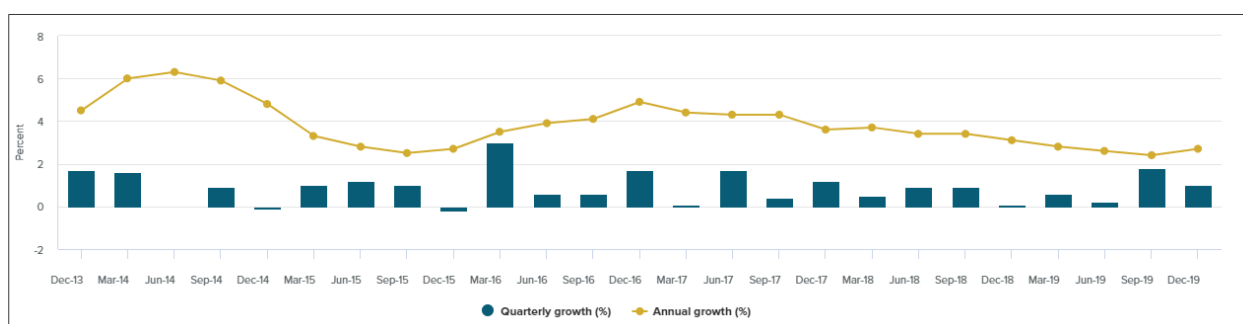
In this section we analyse local key macroeconomic indicators that influence the property market. We comment on the following economic indicators:

- **Official Cash Rate (OCR)**
- **Gross Domestic Product (GDP)**
- **Population Growth**
- **Consumer Price Index (CPI)**

The **Official Cash Rate (OCR)** was cut in March 2020 by 0.75 basis points to 0.25% in response to the Coronavirus outbreak to enable monetary stimulus to the economy. The Reserve Bank stated that this level would be in place for the next 12 months. The Reserve Bank has also decided to delay the implementation of new capital rules which would have required the banks to hold more capital on their balance sheets. The Bank has stated “Since the outbreak of the virus, global trade, travel, and business and consumer spending have been curtailed significantly. Increasingly, governments internationally have imposed a variety of restraints on people movement within and across national borders in order to mitigate the virus transmission.” The Reserve Bank has also stated it will lend unlimited funds to Banks to pass onto business and households due to concerns the cost of borrowing by Banks was increasing and therefore making the OCR cut ineffective.

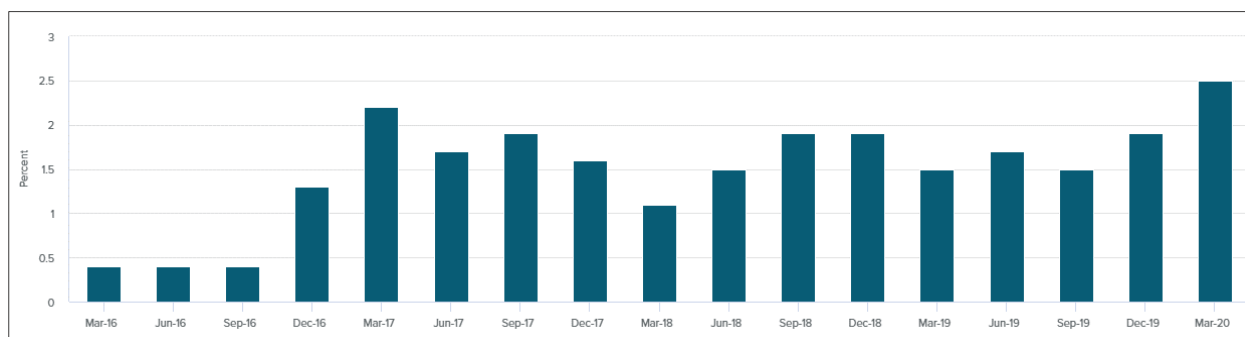
The OCR influences all other interest rates and represents the whole sale price of lending or borrowing money in New Zealand. The Reserve Bank stated prior to the Coronavirus outbreak its concerns about a potential deterioration of the global growth outlook with global economic growth continuing to weaken. That was due to the escalating trade war between China and the US that presented downside risks to global growth.

**Gross Domestic Product** is New Zealand’s official measure of economic growth which is essentially the total income of the country. The GDP quarterly and annual growth rates from December 2013 to December 2019 taken from Stats NZ are illustrated as follows:



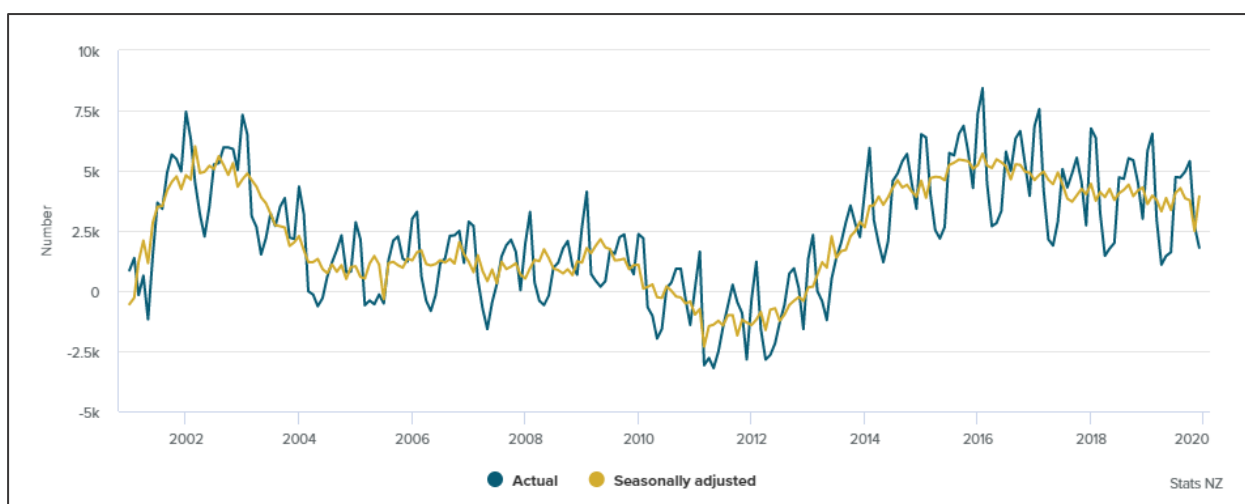
As at the last quarter, December 2019 GDP was up 0.5%, growing by 2.3% for the year ended December 2019. Prior to the Coronavirus outbreak, the domestic growth outlook was positive, with upward revisions to forecasts for household spending and residential investment. These forecasts have now been seriously compromised. GDP will be heavily impacted this year due to the restrictions on business activity. The impact on the economy will depend on how soon the restrictions lift enabling business to restart and combined with fiscal and monetary stimulus.

The **Consumers Price Index (CPI)** measures inflation for New Zealand households. Annual inflation for the March 2020 quarter rose 0.8% while for the year to March 2020 was 2.5%. NZIER long term expectations for annual inflation, prior to the Coronavirus outbreak were circa the 2.0% mark. The annual change in CPI from March 2016 to March 2020 taken from Stats NZ are illustrated as follows:



Again, these forecasts have now been seriously compromised.

**Population growth** has been a significant driver of the economy in recent times. The annual change in monthly net migration from 2002 to 2020 taken from Stats NZ are illustrated as follows:

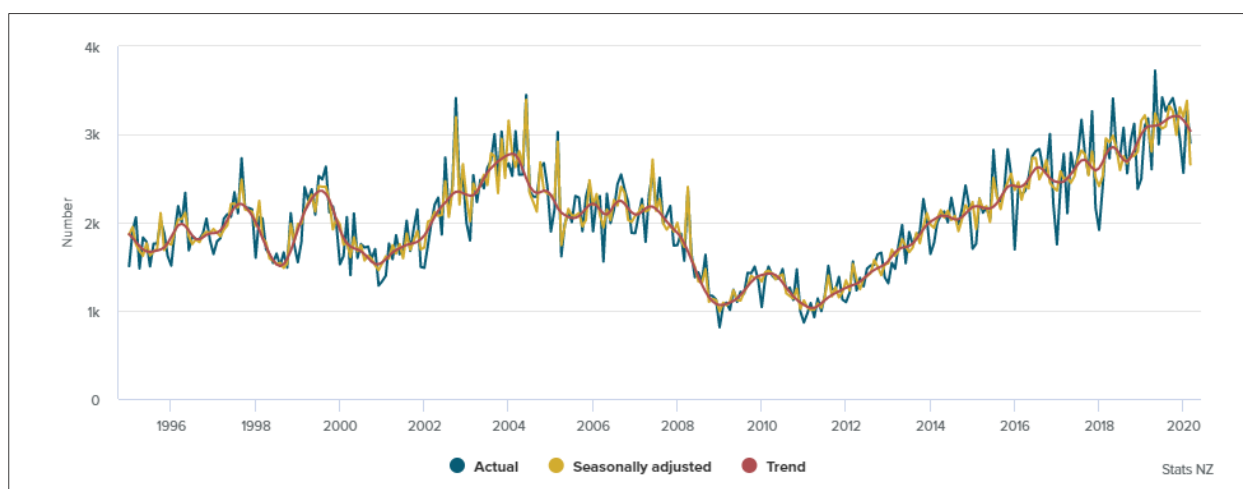


Stats NZ state that since 2013, migrant arrivals have been consistently high, resulting in a sustained period of high net migration. In the five years ended June 2019, net migration added about 280,000 people to New Zealand’s population. The new extended migration series shows that annual net migration peaked at 63,900 in the year ended July 2016, compared with a peak of 72,400 in the year ended July 2017 as indicated by the intentions-based series. The July 2016 peak of 63,900 was only slightly above the previous peak of 60,700 in February 2003. New Zealand is generally seen as a popular country for migration, even more so in times of global turmoil.

However international travel restrictions due to the spread of COVID-19 has limited travel to New Zealand. These restrictions have significantly affected the number of flights to and from New Zealand with no current information on when these boarder restrictions will be lifted. It appears they will be here for some time.

## Construction Sector

According to Stats NZ in the year ended March 2020, the actual number of new dwellings consented was 37,606, up 9.0% from the March 2019 year. In March 2020, the seasonally adjusted number of new dwellings consented fell 21%, after rising 5.7% in February 2020.



The annual value of non-residential building work consented was \$7.1 billion, down 0.4% from the March 2019 year.

Commercial construction may well be impacted by rising unemployment, increasing vacancies and rent reductions, and businesses looking at their space requirements combined with working from home initiatives. This could put many projects on hold. Residential construction may also be impacted with rising unemployment, downward pressure on wage growth and affordability meaning demand will fall.

## Domestic Economy

The strong levels of growth seen in the domestic economy since 2009 levelled off in 2019, however started strongly again in 2020 primarily due to a lack of listings. The main drivers of growth have been undersupply, low interest rates and high levels of immigration.

The REINZ May 2020 Report states *“The Auckland market has remained stable with a median price of \$910,000, up 7.1% year-on-year, and an increase across all Districts except Rodney District, which dropped from \$899,000 in May 2019 to \$885,000 in May 2020. Days to sell increased by 16 days from 45 days in May 2019 to 61 days in May 2020, likely the result of many of the sales in May that were listed prior to lockdown in March. There are increased numbers of qualified buyers attending open homes and auctions with several parties attending per property. Interestingly, there has been a lot of interest in new builds amongst first home buyers for properties under \$1,000,000 in areas such as New Lynn and Ellerslie. Investor activity has increased in the market with some seeing an opportunity to increase their property portfolio, especially with low interest rates. There has been a few more sales in the \$2,000,000+ price range as vendors make decisions around down-sizing and freeing up money to support their businesses. Market activity should continue to be steady over the next month or two before the normal winter slow down”*.

Going forward, the domestic economy will be impacted by the Virus, however to what extent cannot currently be quantified.



## 5.0 Valuation Considerations

### 5.1 Methodology

The valuation has been undertaken utilising the following approach:


- **Sales Comparison**

The sales comparison approach has regard to transactions of comparable properties.


### 5.2 Sales Transactions

We provide below details of comparable sales transactions within the Immediate area as follows:

---

<b>Address:</b>	<b>239C Clarks Beach Rd</b>		
<b>Sale Price:</b>	<b>\$2,925,000</b>	<b>Sale Date:</b>	<b>October 2018</b>
<b>Description:</b>	The property comprises a modern dwelling providing 4 bedroom accommodation and internal double garaging together with separate outbuilding. The property is a coastal block fronting the inner harbour. The dwelling has a floor area of approximately 266 sqm and occupies a 4.7333 hectare block.		
<b>Photo:</b>			<b>Rating Valuation:</b> \$2,550,000
<b>Comparability:</b>	The property is considered superior to the subject given its age and waterfront position.		

---

<b>Address:</b>	<b>38 Hawthorne Lane, Kingseat</b>		
<b>Sale Price:</b>	<b>\$2,600,000</b>	<b>Sale Date:</b>	<b>August 2018</b>
<b>Description:</b>	The property comprises a modern dwelling providing 4 bedroom 2 bathroom accommodation and internal triple car garaging together with outdoor swimming pool. The property is a rear block. The dwelling has a floor area of approximately 351 sqm and occupies a 4.3380 hectare block.		
<b>Photo:</b>			<b>Rating Valuation:</b> \$2,250,000
<b>Comparability:</b>	The property is considered a superior dwelling to the subject however occupies a smaller block.		

---

**Address:** 379D Linwood Rd, Karaka

**Sale Price:** \$3,200,000

**Sale Date:** February 2019

**Description:** The property comprises a modern dwelling providing 5 bedroom 4 bathroom accommodation and internal triple car garaging together with outdoor swimming pool. The property is a rear block. The dwelling has a floor area of approximately 511 sqm and occupies a 5.2092 hectare block.

**Photo:**



**Rating Valuation:** \$2,575,000

**Comparability:** The property is considered superior to the subject given its location and improvements.

**Address:** 99C Seagrove Rd, Waiau Pa

**Sale Price:** \$2,515,000

**Sale Date:** January 2020

**Description:** The property comprises a fairly modern dwelling providing 6 bedroom 4 bathroom accommodation. The property is a front block and includes a large pond. The property has water views and a significant entertainment shed of 350 sqm with 3 additional bedrooms, 2 offices, laundry and bathroom. The dwelling has a floor area of approximately 500 sqm and occupies a 4.3920 hectare block.

**Photo:**



**Rating Valuation:** \$2,600,000

**Comparability:** The property is considered superior to the subject given its improvements although a smaller land area.

**Address:** 233 Lewis Rd, Karaka

**Sale Price:** \$3,100,000

**Sale Date:** November 2018

**Description:** The property comprises a modern single level dwelling providing 4 bedroom 2 bathroom accommodation. The property is a front block. The dwelling has a floor area of approximately 273 sqm and occupies a 11.2746 hectare block.

**Photo:**



**Rating Valuation:** \$1,625,000

**Comparability:** The property is considered a superior location to the subject and comprises a larger land area.

---

**Address:** 116 Blackbridge Road, Karaka

**Sale Price:** \$2,800,000

**Sale Date:** August 2018

**Description:** The property comprises a modern single level dwelling providing 4 bedroom 3 bathroom accommodation with inground pool and tennis court. The property is a front block. The dwelling has a floor area of approximately 618 sqm and occupies a 3.7054 hectare block with access to a tidal inlet.

**Photo:**



**Rating Valuation:** \$2,845,000

**Comparability:** The property is considered a superior to the subject given its size and location.

---

**Address:** 70 Irwin Road, Kingseat

**Sale Price:** \$2,594,000

**Sale Date:** February 2019

**Description:** The property comprises a vacant front block comprising an area of 19.0083 hectares.

**Photo:**



**Rating Valuation:** \$1,800,000

**Comparability:** The property is considered good base land value comparison.

---

In addition we note the following sales:

**370B Clarks Beach Road, Clarks Beach** sold in April 2020 for \$1,550,000. The property comprises a 4 bedroom 1980s dwelling on a 4.5000 hectare block with a stream, together with a triple bay implement shed. The Rating Valuation is \$1,325,000.

**43 Farley Road, Clarks Beach** sold in September 2019 for \$2,000,000. The property comprises a 4 bedroom 1980s dwelling on a 4.6162 hectare block fronting the harbour and Clarks Beach. The property also has a cottage and large implement shed. The Rating Valuation is \$2,300,000.

The sales evidence indicates the following value range:

- **\$1,550,000 - \$3,200,000**

The range reflects several factors including age, quality, location, land area and views. By comparison we are aware the subject property transacted in March 2014 for \$2,990,000.



It is our opinion that an 8.1091 hectare block does not provide an economic unit. The property is in need of some capital expenditure as it is somewhat dated.

We note the sale of 70 Irwin Road above. This reflects a rate per sqm of land area at \$136,467 per sqm. This is inferior to the subject being an undeveloped block of 19 hectares.

The remaining sales reflect rates of \$274,954 per hectare to \$755,654 per hectare inclusive of improvements. The lower end of the scale is 233 Lewis Road, Karaka. This comprises a fairly basic house in terms of design on an 11 hectare block.

The adopted value over the subject property analyses to \$283,632 per hectare including improvements being a reflection of its location, larger land area than the majority of the sales and average condition of improvements.

We note the sale of 99C Seagrove Road, Waiau Pa at \$2,515,000. The property provides a good comparison as it comprises a fairly modern dwelling while the property has a large pond and a significant entertainment shed of 350 sqm with 3 additional bedrooms, 2 offices, laundry and bathroom. The dwelling has a floor area of approximately 500 sqm and occupies a 4.3920 hectare block.

The nearest sale at 239C Clarks Beach Rd at \$2,925,000 is a waterfront position and superior.

Sales transactions in the past 6 months have been slow due to the interruption to the market by the Covid-19 lockdown.

Based on the above, we have adopted a value of \$2,300,000 including chattels.



## 6.0 Valuation

### 6.1 Valuation

Having regard to the detail within the preceding sections we confirm the current market value of the property as 8 July 2020 at:

**\$2,300,000 including GST (if any)**  
**Two Million Three Hundred Thousand Dollars**

Our calculations are as follows:

35C Wallace Drive, Clarks Beach					
Floor Area	432.40 sqm	@	\$1,675 per sqm	=	\$724,270
Utility Building	309.40 sqm	@	\$385 per sqm	=	\$119,119
Other Improvements					\$25,000
					\$868,389
Land Value	8.1091 hec	@	\$175,000 per hec	=	\$1,419,093
					\$2,287,482
				<b>Adopt</b>	<b>\$2,285,000</b>
Plus Chattels					\$15,000
<b>Current Market Value including Chattels</b>				<b>Adopt</b>	<b>\$2,300,000</b>

Our value is inclusive of GST (if any).

The valuation and workings contained within this report are expressed in New Zealand Dollars (NZD).

This report is relevant as at the date of preparation and to circumstances prevailing at the time. However, within a rapidly changing economic environment experiencing fluctuations in interest rates, availability of finance, insurance, rents, building expenditure and returns on investments, values can be susceptible to variation over a relatively short time scale.

We therefore strongly recommend that before any action is taken involving acquisition, disposal, mortgage advance, shareholding restructure or other transaction that you consult further with us.

The outbreak of the Coronavirus was declared a 'Global Pandemic' on 11 March 2020. Market activity has been impacted in almost every sector. In terms of the property markets it is difficult at the current time to determine if this is a short term liquidity issue or a longer term concern. It will be some time until there is a bundle of transactional evidence to demonstrate the adjustment from pre-pandemic values.

Therefore, less certainty and a higher degree of caution should be attached to our valuation than would normally be the case.

## 6.2 Compliance Statement

This valuation has been performed in accordance with the International Valuation Standards (IVS) 2017 and we confirm that:

- The Valuer has no pecuniary interest or conflict of interest in the subject property;
- The Valuer fee is not contingent upon any aspect of this report;
- The valuation has been performed in accordance with the NZIV Code of Ethics 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 inspected the property and prepared the report on behalf of LVC Limited;
- The Valuer is Registered in accordance with the Valuers Act 1948 and holds an Annual Practising Certificate.

If you have any questions, please contact the writer directly.

Yours faithfully

**LVC Limited**



**ANTHONY LONG BPA, ANZIV, SPINZ**  
**Registered Valuer, Director**

# Appendix 1

Certificate of Title (Record of Title)



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



  
R.W. Muir  
Registrar-General  
of Land

**Identifier** NA91C/794  
**Land Registration District** North Auckland  
**Date Issued** 07 January 1993

**Prior References**  
NA62A/413 NA62A/414

---

**Estate** Fee Simple  
**Area** 8.1091 hectares more or less  
**Legal Description** Lot 7 Deposited Plan 109978 and Lot 1  
Deposited Plan 153689

**Registered Owners**  
Xindongyue Group NZ Limited

---

**Interests**

Subject to Section 241(2) Resource Management Act 1991

B520549.4 Resolution pursuant to Section 321(3)(c) Local Government Act 1974 - 27.3.1986 at 2.07 pm

Appurtenant hereto are rights of way and electricity supply, post and telegraph rights specified in Easement Certificate B520549.6 - 27.3.1986 at 2.07 pm (affects Lot 7 Plan 109978)

The easements specified in Easement Certificate B520549.6 are subject to Section 309 (1) (a) Local Government Act 1974



**APPROVALS** PURSUANT TO A RESOLUTION OF THE FRANKLIN COUNTY COUNCIL DATED 11<sup>th</sup> JULY 1985 APPROVING PURSUANT TO SECTION 305 OF THE LOCAL GOVERNMENT ACT 1974 THIS SURVEY PLAN CONDITIONAL UPON THE GRANTING OR RESERVING OF THE EASEMENTS SHOWN IN THE MEMORANDUM ENCLOSED HEREON AND CERTIFYING THAT THE SURVEY PLAN IS IN ACCORDANCE WITH THE REQUIREMENTS AND PROVISIONS OF THE OPERATIVE DISTRICT SCHEME OR THE TAKE EFFECT OF WHICH THE FRANKLIN COUNTY COUNCIL HAS AFFIXED HERETO IN THE PRESENCE OF: *[Signature]* CHAIRMAN

MEMORANDUM OF EASEMENTS

PURPOSE	SHOWING	SERV. TENANT	DOM. TENANT
(A)	PT. LOT 4 HEREON	PT. LOT 4 HEREON	LOTS 3, 4, 7, 8 HEREON
(B)	PT. LOT 5 HEREON	PT. LOT 5 HEREON	LOTS 3, 4, 7, 8 HEREON
(C)	PT. LOT 7 HEREON	PT. LOT 7 HEREON	LOTS 3, 4, 7, 8 HEREON

REGISTERED OWNERS:- *[Signature]* B.R. ANDERSON

*[Signature]* N.G. ANDERSON

NEW CST ALLOCATED:-  
 LOT 1:- 62A/1409 LOT 5:- 62A/1412  
 LOT 3:- 62A/1410 LOT 7:- 62A/1413  
 LOT 4:- 62A/1411 LOT 8:- 62A/1414

Total Area: 28,568.75 ha.  
 Comprised in C.T. 32/123 LTP (PT)

I, *[Signature]* GRANT, QUALIFIED Registered Surveyor and holder of an annual practicing certificate for who may act as a registered surveyor pursuant to the provisions of the Survey Act 1981 do hereby certify that the plan and map has been made from surveys conducted by me or under my directions, that both plan and map are correct and have been made in accordance with the Survey Regulations 1972.

Dated this 12<sup>th</sup> day of February 1986.

*[Signature]* Chief Surveyor

Examined *[Signature]* Correct *[Signature]*

Approved as to Survey *[Signature]*

Deposited this 12<sup>th</sup> day of February 1986.

*[Signature]* District Land Registrar

No. 2390  
 Section 20 of the 1985 Regulations  
 D P 109978

THE FRANKLIN COUNTY COUNCIL HEREBY CERTIFIES THAT NO PART OF THIS LEGAL ROAD IS INCLUDED ON THIS PLAN.

THE FRANKLIN COUNTY COUNCIL ENGINEER

PROPOSED EASEMENTS

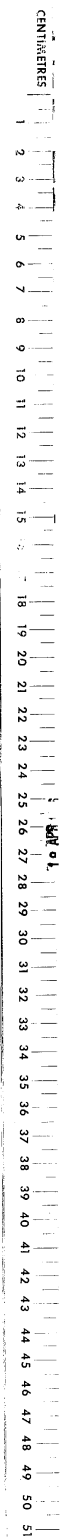
PURPOSE	SHOWING	SERV. TENANT	DOM. TENANT
(A)	PT. LOT 4 HEREON	PT. LOT 4 HEREON	LOTS 3, 4, 7, 8 HEREON
(B)	PT. LOT 5 HEREON	PT. LOT 5 HEREON	LOTS 3, 4, 7, 8 HEREON
(C)	PT. LOT 7 HEREON	PT. LOT 7 HEREON	LOTS 3, 4, 7, 8 HEREON
(E)	PT. LOT 1 HEREON	PT. LOT 1 HEREON	LOTS 3, 4, 7, 8 HEREON

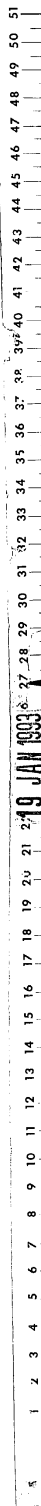
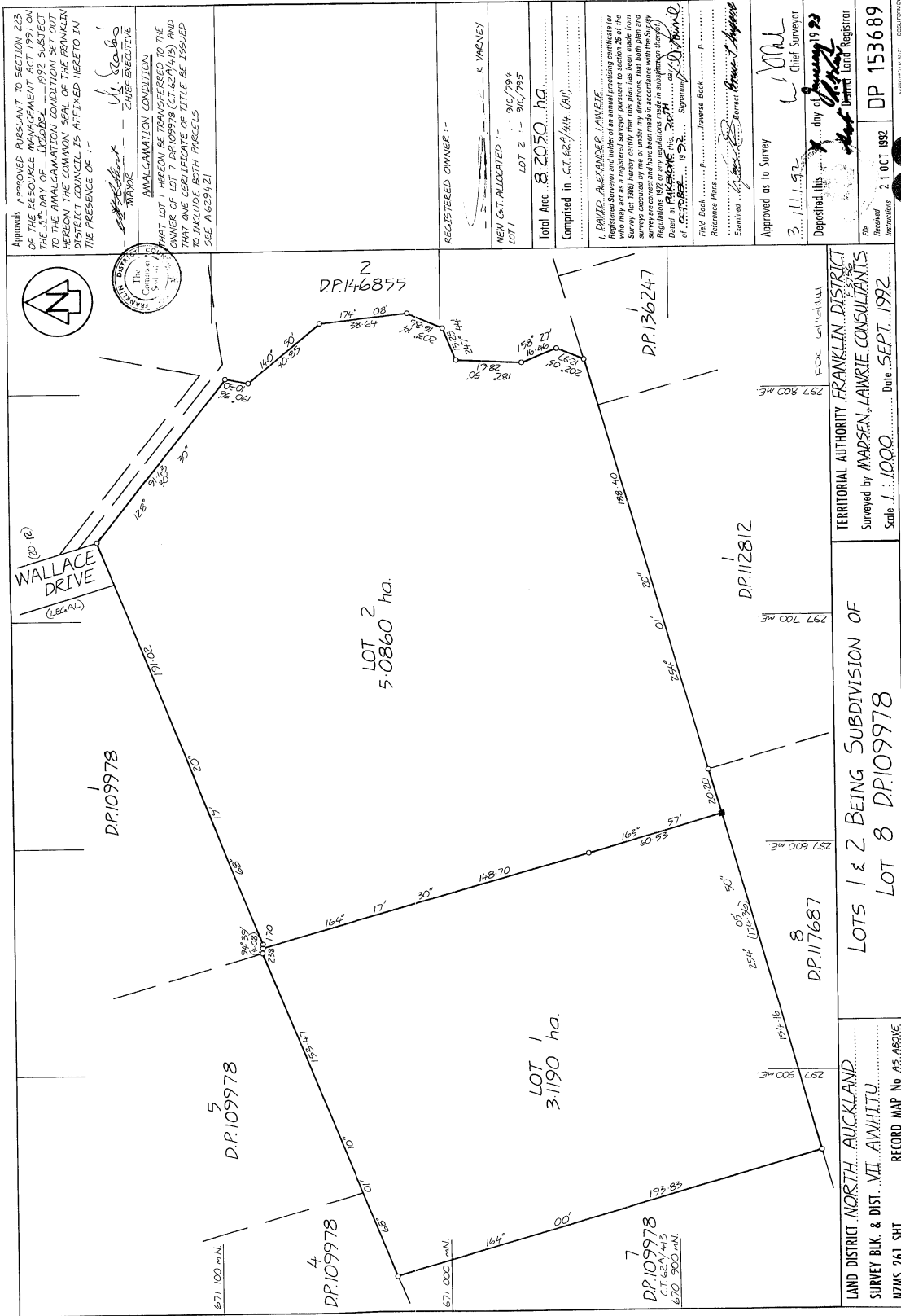
WATER SUPPLY

TERMINAL AUTHORITY FRANKLIN COUNTY.  
 Surveyed by BIRCH, MADSEN & PTINIS  
 Scale 1:2000 Date SEP. 1985

LAND DISTRICT NORTH AUCKLAND  
 SURVEY BLK. & DIST. VII. AWHITU  
 NZMS 261 SHIT RECORD MAP No.

W.H. HAWKEY, SURVEYOR GENERAL, DEPARTMENT OF LANDS AND SURVEY, NEW ZEALAND WELLINGTON. Printed by Imago, Wellington, New Zealand.





v/a. HAMILTON, SURVEYOR GENERAL, DEPARTMENT OF SURVEY AND LAND INFORMATION, NEW ZEALAND

GUILDFORDS

