## Insurance Valuation

**Name of Client:** **S J & A R Cundy**
**Address of Assets:** **4 Woodbank Road, Hanmer Springs, Hurunui District**
**Asset Description:** Refer addendum.
**Construction:** Mixed.
**Services:** Reticulated electricity, town water and sewer.
**Construction Date:** Circa 2009.
**Use Occupation:** Residential dwelling with four self contained two bedroom accommodation units.
**Contour:** Gentle.
**Soil Type:** Not known.
**Other:** The Depreciated Replacement Cost has been assessed for FENZ Levy calculation purposes only. The assessed cost estimate excludes some elements of the insured property which are exempt from the FENZ Levy.

| Asset | Reinstatement Estimate | Reinstatement Inflationary Provision | Depreciated Replacement Cost Estimate | DRC Inflationary Provision | Demolition Estimate |
|---|---|---|---|---|---|
| Commercial Component | $1,050,000 | $127,000 | $610,000 | $43,000 | $52,000 |
| Domestic Component | $1,750,000 | $213,000 | $1,030,000 | $72,000 | $88,000 |
| **TOTAL (excl. GST)** | **$2,800,000** | **$340,000** | **$1,640,000** | **$115,000** | **$140,000** |

VALUER'S SIGNATURE:

NAME: Geoffrey Richard Maxwell, Maxwell Valuation, PO Box 275, Rangiora
VALUATION DATE: **6 May 2026**

*(a) All figures quoted are exclusive of G.S.T, Finance costs, Relocation expenses and other indirect costs.*
*(b) All figures are exclusive of any allowance for land value.*
*(c) This form must be read in conjunction with the Explanations, Assumptions and Disclaimers of terms etc on the following pages.*
*(d) The information in this report is intended solely for the purpose of assisting the parties to the insurance contract in negotiating premiums and further, to assist with the setting of FENZ Levies, and may not be used for other purposes without the written consent of the Valuer.*
*(e) All figures assume compliance with building regulations and Bylaws.*

**Definitions of Insurance Cost Estimate Terms**

The following information forms an integral part of the cost estimate on the preceding pages.

**Name of Client:**

Normally the insured.

**Address:**

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

**Asset Description:**

General description giving sufficient detail to identify the range of assets encompassed in the cost estimate. Any exclusions should be noted.

**Construction:**

Includes details of the principal & ancillary structures and describes the main construction materials.

**Upgrade Requirements:**

Typically, it will be helpful to summarise major difference between the insured asset and the modern equivalent asset.

**Age:**

Estimated year of construction and dates of, or reference to any major additions and upgrades.

**Use/Occupation:**

Nature of main activity carried out at location. A separate schedule may be provided for multiple tenancy buildings.

**Contour:**

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

1) Level.

2) Gentle.

3) Easy.

4) Medium.

5) Steep.

6) Other – as specified.

**Subsoil Type:**

As a geotechnical survey has not been undertaken the description is without prejudice and is based upon a visual inspection only.

**Other Known Characteristics:**

Additional information that assists in quantifying the parameters of the risk to be insured.

**Reinstatement Estimate:**

An estimate of the cost at the effective date (including relevant fees) of replacing the asset with a new modern equivalent asset, including, where appropriate, the use of current equivalent technology, material, and services. This is intended as a guide for the purpose of setting insurance premiums and, unless specified elsewhere, is not based on a detailed elemental and schedule of quantities approach as would be undertaken by a quantity surveyor or costing engineer. I n construction, unanticipated problems often arise, and actual rebuilding, repair or replacement costs may vary from the estimate. Geotech requirements for a replacement building may differ from those relating to the existing structure.

In the case of partial destruction, no specific allowance has been made for any additional requirements that any Council, Government, or other Authority may require as additional expenditure to upgrade, alter or amend the undamaged portion of the asset.

Reinstatement does not allow for cost escalation due to a catastrophic event causing a general or localised surge in demand for new assets or rebuilding/repairs. Where an asset has elements of an historic or heritage nature, unless otherwise specified, reinstatement does not include for reproduction of the existing asset with the original heritage features but allows for a modern asset of similar size.

**Functional Replacement:**

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

**Inflationary Provisions:**

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

Inflation provisions on Reinstatement and Functional Replacement estimates incorporate an allowance for the additional time required for damage inspections, demolition, preparation of new preliminary proposals and their approval by the Territorial Authority, preparation of working drawings and specifications, schedules of quantities, in addition to an estimated period of construction contract. No allowance is made for any delay due to the need to comply with the provisions of the *Resource Management Act*.

Inflationary provisions are future projections, based on recent trends and are given without prejudice. Inflation and in particular foreign exchange rate fluctuations affecting imported assets, are notoriously difficult to predict and the valuer cannot be responsible for any inaccuracy.

**Market Related Indemnity Value:**

Where provided this is an estimate of the loss that would be suffered by the insured in the event the asset was destroyed. This may be assessed using the market (sales comparison) approach, income approach or the depreciated replacement cost approach as appropriate.

**Depreciated Replacement Cost:**

This cost has been calculated utilising the estimated replacement cost allowing for normal physical depreciation only. If relevant it also takes due note of any significant upgrades or accelerated deterioration. This method is not market based and accordingly, the cost estimate may bear little relationship to the market value of the asset or the true insurable "indemnity value" as defined by case law. It is not an estimate of the loss that would be suffered by the insured if the asset were destroyed.

**Demolition Estimate:**

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

Unless otherwise noted the Demolition Estimate covers the cost of demolition and removal of debris of the assets described only and excludes the cost of removal and disposal of any noxious materials or removal of debris from adjoining premises, unless otherwise specified.

The Demolition Estimate does not include shoring up any structures, either on the insured property, or neighbouring properties, or the removal of building contents.

**Addendum:**

Additional points which should be noted in association with the attached Report are:

1. The Reinstatement and the ancillary figures contained in the Report do not include any allowance for bridging finance interest during the course of reinstatement or construction. In order to avoid the necessity for arranging bridging finance, we recommend that any insurance policy allows for reinstatement monies to be made available by way of progress payments during the course of construction.

2. The attached Report makes a provision for the costs of sealing to yard areas, driveways, site development, fencing or retaining walls. It is foreseeable that these items may be damaged in the course of a fire or more particularly in the course of restatement works.

3. The Reinstatement and ancillary figures are exclusive of Goods and Services Tax.

4. The Inflationary Provision (Reinstatement) makes no allowance for any delay due to the need to comply with the provisions of the Resource Management Act including possibly the requirement to reinstate on an alternative site.

5. Estimated rebuilding time is 12 months from consent approval, assuming labour and materials are available.

6. Our valuation continues on the basis the land is suitable for conventional foundation design. We reserve the right to amend our findings should there be any significant additional costs associated with foundations as a result of detailed geotechnical investigations.

**Asset Description:**

This comprises an architecturally designed two level colonial style building completed circa 2009 having a total floor area of approximately 569m$^2$. The building incorporates self contained owners accommodation together with four separate accommodation units. It rests on a concrete slab foundation with a mix of painted Linea weatherboard, Rockcote plaster and riverstone exterior walls, powder coated double glazed aluminium window joinery and roofing of colorsteel tile construction. Attractive colonial style gable areas featuring timber post and stone pillars extend from the building providing for covered entranceways and outdoor living areas. A glass covered walkway has been developed off the southern side of the accommodation units providing all weather access with concrete patios extending off the northern side. A large concrete curbed asphalt sealed driveway extends to internally accessed garaging facilities and car parking spaces. Overall the exterior of the dwelling appears to be in generally sound condition with no outstanding maintenance requirements.

The interior is divided into two separate wings which are outlined as follows:

*Accommodation Component*

The interior of the accommodation units have concrete flooring with plasterboard lined walls and ceilings (ceilings pitched to follow the roofline within the main lounge area rising to an apex of around 5.1 metres). Layout to the respective units provides for an open plan lounge-dining-kitchen, hallway, bedroom and a bathroom.

A closed tread carpeted staircase provides access to the three central most units which incorporate mezzanine second bedrooms.

The kitchens comprise rolled edge formica benchtops, melteca cabinetry and basic appliances. All the bathrooms feature good quality fixtures and fittings including corner showers, wall mounted vanity units, dual flush wcs and heated towel rails.

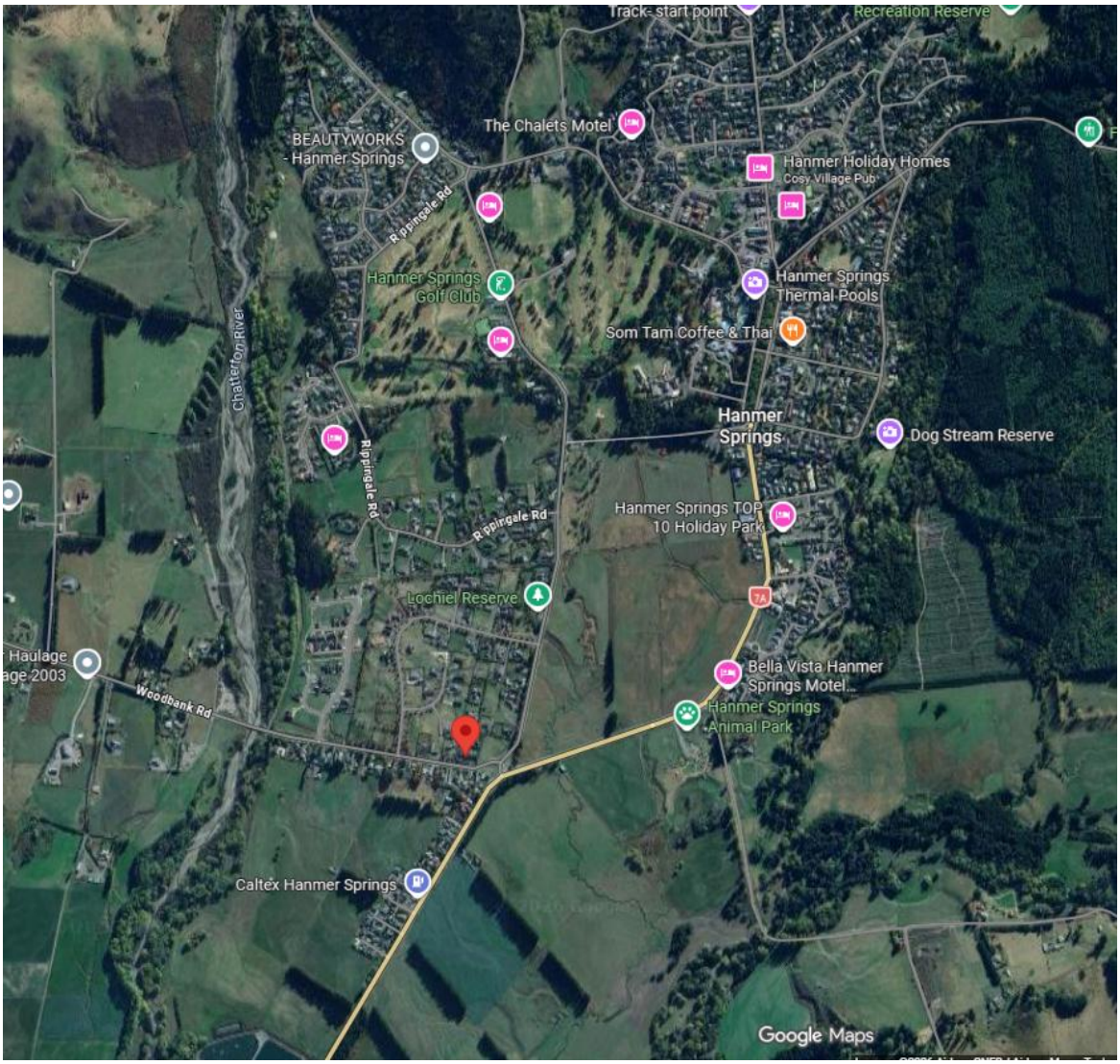
Decoration has been recently upgraded together with floor coverings which comprise carpet throughout the living areas with vinyl to the entranceway and service rooms. Heating to the units is provided by way of Fujitsu electric heat pumps. Skylights within the roofline enhance natural lighting with artificial lighting provided by way of recessed and wall mounted bulbs.

*Dwelling Component*

The interior of the dwelling component has concrete flooring with plasterboard lined walls and ceilings. The kitchen comprises hard surface benchtops, lacquered cabinetry, integrated stainless appliances including a double wall oven, four plate induction hob, rangehood, Fisher & Paykel double dishdrawer, central island workbench and a walk-in pantry. All of the bathrooms feature good quality fixtures and fittings.

Decoration is in tidy condition featuring modern painted surfaces throughout. Floor coverings comprise good quality carpet throughout the living areas with bamboo flooring with the kitchen and dining room and vinyl in the bathrooms. Heating to the interior is provided by way of a Yunca Wegj log burner (with heat transfer kit) which is also supplemented by two Fujitsu heat pumps. In addition an HRV domestic ventilation system and some flyscreens have been installed.

## Asset Description, contd…

***Photos***

## Locality Map: