

VALUATION FOR INSURANCE PURPOSES
REF: GM23-5601

Name of Client: **S J & A R CUNDY**

Address of Assets: **4 WOODBANK ROAD, HANMER SPRINGS**

Asset Description: Refer Addendum Upgrade Requirements: Nil

Approximate Age: 14 years Use/Occupation: Residential dwelling with four associated self contained two bedroom accommodation units

Land Contour: Gentle Subsoil Type: Not Known

Other Known Characteristics:

1.0	REINSTATEMENT	
	A. Reinstatement Estimate	\$ 2,430,000
	B. Inflationary Provision	\$ 420,000
2.0	INDEMNIFICATION	
	A. Market Related Value	Not Provided
	B. Indemnity Value for NZ Fire Service Levy <small>(Note: This figure may not be Indemnity Value as commonly understood and defined in Case Law – Refer to Addendum.)</small>	\$ 1,600,000
	C. Inflationary Provision (For the higher of 'A' or 'B' above during a 12 month insurance period if appropriate)	\$ 160,000
3.0	FUNCTIONAL REPLACEMENT	
	Refer to valuation report/letter for the specification of the functional design	
	A. Functional Replacement Cost	Not Provided
	B. Inflationary Provision	Not Provided
4.0	DEMOLITION ESTIMATE	\$ 125,000

VALUER'S SIGNATURE:
QUALIFICATIONS: REGISTERED VALUER SPINZ ANZIV

NAME: Geoffrey Richard Maxwell, Maxwell Valuation, PO Box 275, Rangiora
VALUATION DATE: 3 March 2023

- (a) All figures quoted are exclusive of Goods & Service Tax, Finance costs 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 definitions of terms on the reverse hereof.
- (d) The information in this report has been prepared to establish insurance values and may not be used for other purposes without the written consent of the Valuer.
- (e) All figures assume compliance with building regulations and by-laws.

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Definitions of Insurance Valuation Terms

The following definitions pertain to and form an integral part of the Valuation on the reverse hereof

GENERAL

Name of Client

Normally the insured

Address

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

Asset Description

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

Upgrade Requirements

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

Age

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

Use Occupation

Nature of main activity carried out at location.

Contour

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

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

Subsoil Type

General classification of land supporting building and immediate yard areas:

- 1) Bedrock
- 2) Firm natural ground
- 3) Filled ground
- 4) Unknown
- 5) Other – as specified

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

Unless otherwise stated the figures contained in the insurance valuation assume that the insured property can be reinstated on the land, and that this reinstatement can be achieved without incurring foundation costs greater than the costs assumed in the valuation assessment, noting that these costs would typically reflect the cost to replace a modern equivalent asset on subsoil conditions as assumed.

1.0 REINSTATEMENT

A. Reinstatement Cost Estimate Is an estimate of the cost at date of valuation (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. In construction, unanticipated problems often arise and actual rebuilding, repair or replacement costs may vary from the estimate.

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.

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

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

All inflationary provisions are 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.

2.0 INDEMNITY

A. Indemnity Value Estimate 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 Sales Comparison approach, Income Approach or the Depreciated Replacement Cost approach, as appropriate. (See valuation report for guidance).

B. Inflationary Provision Is the estimated amount by which cost inflation exceeds depreciation over a 12 month period.

3.0 FUNCTIONAL REPLACEMENT

A. Functional Replacement Cost Is the estimated cost required to replace all assets to perform similar tasks but under optimum current design and layout conditions with capacity requirements not greater than currently available. The value of any partial loss has been disregarded in this context.

B. Inflationary Provision

This is calculated as per 1.0B but based on 3.0 Functional Replacement.

4.0 DEMOLITION ESTIMATE

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

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

The Demolition Estimate does not include for:

- 1) shoring up any structures, either on the insured property, or neighbouring properties
- 2) 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 569m². 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.

Floor coverings 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 dishwasher, 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.

SUBJECT PROPERTY PHOTOS



Southern (street) Elevation



Northern Elevation

VALUATION APPORTIONMENT SUMMARY:

	Reinstatement	Inflationary Provision	Indemnity	Inflationary Provision	Demolition
Commercial Component	\$900,000	\$155,000	\$600,000	\$60,000	\$45,000
Domestic Component	\$1,530,000	\$265,000	\$1,000,000	\$100,000	\$80,000
Totals	\$2,430,000	\$420,000	\$1,600,000	\$160,000	\$125,000

The above figures are **exclusive of any GST.**