

Valuation Report

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DARROCH VALUATIONS
VALUERS & PROPERTY ADVISERS
Takapuna

80B Seaview Road Castor Bay North Shore City

The Directors
Casele Limited
PO Box 1055 447
AUCKLAND 1143

Attention Ms B Sava

Date of valuation:
9 September 2010



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Darroch Limited – Licensed Real Estate Agent (REAA 2008)



**The Directors
Casele Limited
PO Box 10547
AUCKLAND 1143**

Attention Ms B Sava

Dear Sir/Madam

**VALUATION OF RESIDENTIAL PROPERTY
80B SEAVIEW ROAD, CASTOR BAY, NORTH SHORE CITY
CLIENT: THE DIRECTORS, CASELE LIMITED**

Further to instruction from Ms B Sava we inspected the above property on 9 September 2010 to determine the current market value for sale purposes. We report as follows.

PROPERTY TYPE

The property comprises a semi detached three bedroom home for a part of a two house development on a road front allotment within the Castor Bay/Milford locality of Auckland's North Shore. The development would appear to date from the 1960's, the subject, the rear dwelling with title by way of a freehold strata title.

We have previously inspected the property and reported in full as to the nature and location of the property our reference 0503310A – 18 July 2007, copy of which report you do hold. Rather than reiterate information contained therein this report is confined to a brief description of the property and the market factors determining the value.

LEGAL DESCRIPTION

Tenure: Free Hold

Lot:	Unit B	DP:	88123	Identifier:	NA45C/952
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Area: 812 square metres (full site)

Proprietors:

Casele Limited

Registered Interests of Note:

There are no detrimental registrations on title that would impact upon value or negotiability.

Supplementary record sheet 45C/953.

It is to be noted that the deck to the south wall of the subject dwelling extends into the common property. This may require legal clarification and adjustments to the certificate of title.

We note further, that a deck to the southern face of Unit A extends over the roof line of the subject but is to be removed and made good in the near future.

Our valuation assumes such work to be carried out and completed in accordance with all local authority building by laws and Town Planning Requirements, to best trade standards.

Nature of Property

The property lies within an established and popular coastal precinct of the North Shore City. Seaview Road at this point forms the interface between Milford to the south and Castor Bay to the north, the property identifying more with Castor Bay. More specifically the property lies to the southern side of the road approximately 100 metres west of the intersection with Heathcote Road.

Development in the immediate area is of a mixed nature ranging from small cottage type developments similar to the subject of the 1950's and 1960's, interspersed with conventional development of the 1970's and more recent development of superior homes and infill housing units. In broad brush terms the value range within the area would now be \$400,000 to well in excess of a million dollars dependant upon the individual property site (tenure, area, contour, aspect, views etc) and the improvements thereon. The subject would lie to the lower end of these parameters.

In summary the property is well located within a popular and central area, a good quality residential address.

The development would appear to date from the 1960's two attached dwellings staggering down the site exploiting the site contour. The subject is the rear unit accessed by way of common drive to the eastern side of the property and common walkway to the western side. It has a generally southerly lie and an outlook across the common area to the rear into the residential development of the valley below.

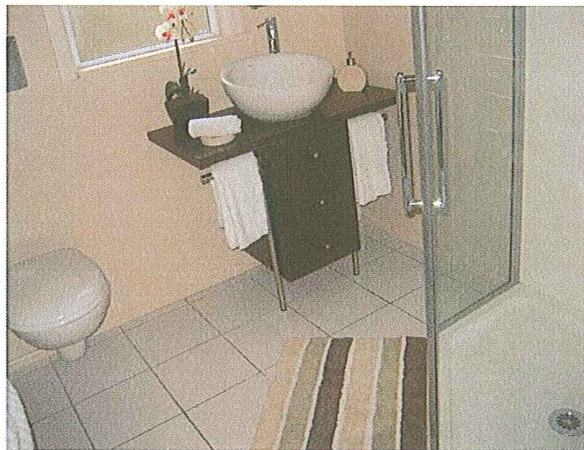
The dwelling itself provides for a refurbished semi detached three bedroom dwelling of approximately 75 square metres extending by attached decking and basement garage/utility area.

Across the rear of the home are found the open plan lounge, dining and kitchen areas. It enjoys French door access to a small deck and the fore mentioned views with alternative access by way of back porch utilising the western side, pedestrian access. Amenities provide for a formica sink bench and return with one and a half stainless steel sinks, waste disposal unit, twin dish draws, four plate gas hob (bottle gas) with under bench over, stainless steel upstand and range hood and an average range of cupboards.



There are three bedrooms, all double bedrooms complete with built in wardrobes, the master bedroom we note with French door access to the western side court.

A bathroom completes the accommodation at the main level, a shared facility with tiles floor, modern porcelain hand basin and cabinet, wall mirror, shower box, toilet and heated towel rail.



Within the basement is a garage/laundry/utility area. It is partially lined, has concrete floor, has a low but utilisable stud height and provides cover for a single vehicle with access by automated tilt door. To one corner on tile standing is a super tub with automatic washing connections and there is a further utility area with rough concrete floor. An alternative pedestrian door gives access to the rear common court/parking areas.

Boundary definition to the exclusive use area is by way of timer fencing and concrete block retaining wall and there is a limited range of paving. As noted the common drive is in concrete giving into a parking/turning area (common) with the balance of the grounds to the rear falling away in rough grass with one or two established trees and shrubs.

General Condition

- Interior : Internally the home is immediately and comfortably liveable. We note carpeting to be modern, wall to wall within the bedroom areas and attractive modern drapes and curtains. The property has a fresh and appealing presentation.
- Exterior : The dwelling is essentially of low maintenance construction and appears to have been repainted in the not too distant past. Joinery is now a mixture of the original timber and aluminium and we note since our last inspection a new set of French doors has been installed to the master bedroom, the joinery complementing that elsewhere that has been replaced.

In valuating the property we have borne in mind the general condition and presentation and whilst this report does not set out to be a structural survey we could detect no sign of any serious visual defect. Our valuation assumes the property to be structurally sound, water tight, and in full compliance with all local building authority by laws and Town Planning requirements.

As noted our valuation further assumes that the southern deck to Unit B is to be removed and made good to best trade standards.

MARKET CONSIDERATIONS

The well documented and sustained period of buoyant market conditions extended through to mid-late 2007. During 2008 the market deteriorated significantly, with both values and sales volumes reducing, primarily due to the recessionary economic climate, negative affordability issues, reduced expectation of capital gain and the global financial crisis.

By early 2009, significantly reduced mortgage interest rates had resulted in increased sales volumes. The market continued to improve during the year, with value levels generally firming slightly, due to the shortage of listings and improved affordability.

Buyer hesitancy has become more evident in 2010, with a marked increase in new listings. Many market commentators are now predicting a further easing of price levels. Whilst agents are reporting a lack of quality listings, buyers remain discerning due to the uncertain economic climate.

Against this background, relevant market evidence is outlined as follows;

2/26 Dallinghoe Crescent		
Sale price	\$595,000	A rear site position a free standing 1990's weather board and tile roof home considerably larger than the subject.
Sale date	May 2010	
6A Dallinghoe Crescent		
Sale price	\$520,000	A road front site, this is the rear dwelling of two held on a cross lease title. The residence would date from the 1970's, a two storey home in part, considerable larger, in tidy order, a superior property.
Sale date	March 2010	
1/78 East Coast Road		
Sale price	\$630,000	A road front portion of a road front site, it is a detached free standing one and a half storey 1980's home larger than the subject superior.
Sale date	June 2010	
1/20 Seaview Road		
Sale price	\$350,000	The road front unit of a block of four occupying a road front site. It is a smaller dwelling than the subject although of more conventional construction, brick and tile, a one bedroom unit complete with carport, a lesser alternative.
Sale date	January 2010	
3/68 Seaview Road		
Sale price	\$600,000	The rear unit of three, attached 1970's units it enjoys a good outlook and over two level provides for a considerably larger home including full basement garage with internal access, a superior alternative.
Sale date	June 2010	
Unit A 78 Seaview Road		
Sale price	\$325,000	The property adjacent the subject is a development built in the 1960's set down the depth of the site, this the rear unit, at first floor level, with detached single car garage. It is of a more conventional construction of overall similar size and tidy presentation, in our view a marginally lesser alternative.
Sale date	June 2010	
2/12 Castor Bay Road		
Sale price	\$461,000	The middle unit of a block of four joined units that occupy a rear site position. It is of traditional brick and tile on a block base with single basement garage and utility area, two bedrooms that were advised in average condition only but enjoying a fine outlook to the gulf and Whangapoaroa. Whilst marginally smaller than the subject and requiring redecoration overall we would see this as being an overall comparable property.
Sale date	August 2010	

VALUATION SUMMARY

This is a well presented, character unit that enjoys a good degree of privacy and is well located within an established and popular area.

We are mindful that there are potentially issues with respect to the strata title and the deck extending into the common area however at the same time this has been a long standing situation, the nature of which



is likely to be embraced by any potential purchaser. We have in our valuation borne in mind the issues around such deck.

Given the range of accommodation, position of the dwelling and nature of the site we are of the opinion the property would best appeal to the first home market looking to secure a home that is immediately and comfortably liveable and can provide for both study, guest bedroom/over flow accommodation and in time a small family. With these factors in mind we turn to the question of valuation.

In valuing the property we have looked largely to the Direct Comparison Sales approach whereby the attributes of the subject are directly compared with the sales noted and appropriate adjustments are made with respect to time, location, nature of site and improvements etc.

The most comparable sales in our view would be those of 68 and 78 Seaview Road and 16 Castor Bay Road. There is by virtue of these sales a fairly wide differential in the values, however we are of the opinion that all factor considered th subject would have a market value in the range of \$460,000 to \$490,000.and conclude our value for the subject **\$480,000 (Four Hundred and Eighty Thousand Dollars)** inclusive of chattels and GST subject to the removal and making good of the fore mentioned deck.

Declaration of Valuation Principles

1 Compliance Statement

This valuation has been performed in accordance with IVS3 and we confirm that; the statements of fact presented in this report are correct to the best of the Valuer's knowledge; 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 the PINZ 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 made a personal inspection of the property; and no-one, except those specified within the report; has provided professional assistance in preparing the report.

2 Professional Indemnity Insurance

At the date of this assessment there is in force and effect, Professional Indemnity Insurance for an amount not less than the amount of this valuation.

3 Valuation Basis

The definition of Market Value is taken from the general concepts and principles of the International Valuation Standards where 'Market Value is the estimated amount for which a property should exchange on the date of valuation between a willing buyer and a willing seller in an arms length transaction after proper marketing wherein the parties had each acted knowledgeably, prudently and without compulsion'.

Our valuation(s) makes no allowance for the expenses of realisation and assumes any mortgages are discharged/caveats removed.

4 Publication

Neither the whole nor any part of this valuation report or any reference to it may be included in any published document, circular or statement without the written approval of Darroch Valuations as to the form and content in which it may appear.

5 Information & Documentation

Information has generally been obtained from a search of records and examination of documents or by inquiry to Government Departments or Statutory Authorities. Where it is stated in the valuation report that information has been supplied to us by another party, this information is believed to be reliable but we can accept no responsibility if this should prove to be not so. The information provided by the sources detailed in this report is assumed to be complete and correct. We accept no responsibility for the completeness and accuracy of the information provided.

6 Confidentiality & Disclaimer of Liability

Our responsibility in connection with this valuation report is limited to the client to whom it is addressed and for the express valuation purpose stated. The report is not to be relied upon by any other person or for any other purpose. We accept no liability to third parties nor do we contemplate that this report would 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 our right to withhold consent or to review the contents of this report in the event that our consent is sought.

7 Structural Survey

We have undertaken a visual inspection in respect of the building, but have not commissioned a structural survey or tested any of the services and are therefore unable to confirm that these are free from defect. We have not inspected the unexposed or inaccessible portions of the building/s and are unable to certify that these are free from defect. Any elements of deterioration apparent to the general state of repair of the building/s have been noted and reflected in our valuation. No undertaking is given about the structural soundness, weathertightness, or durability of any building or building element associated with the structure (where an owner may have joint maintenance liability). No undertaking is given about absence of rot, insect or pest infestation, deleterious substances such as asbestos or calcium chloride, unsatisfactory materials or hidden defects.

8 Site Conditions

The inspection undertaken does not constitute a geotechnical survey or environmental contamination survey and no undertaking, representation or warranty is given as to the stability of the land or in any other regard. Unless notified to the contrary or otherwise stated in this report, our valuation is on the basis that these aspects are satisfactory and that the site is clear of underground minerals or other workings, methane gas or other noxious substances. Where a property has the potential to be further developed, we assume that the site is of a suitable load bearing capacity for the anticipated form of development without the need for additional foundations and drainage systems.

9 Title (Identifier)

We have made no survey of the property and assume no responsibility in connection with such matters. Unless otherwise stated it is assumed that all improvements lie within the title boundaries. Unless otherwise stated our report is subject to there being no detrimental registration(s) affecting the land other than those appearing on the title(s) valued in this report. Such registrations may include wahi tapu registrations and Historic Places Trust registrations.

10 Site or Environmental Contamination

Our valuation and report is conditional upon the land being free of any contamination or industrial waste problems unless otherwise noted.

11 LIM & PIM

The valuation assumes, unless otherwise stated, that a Territorial Authority Land Information Memorandum / Project Information Memorandum would not reveal any non-complying features and/or requisitions.

12 Resource Management Act 1991, Building Act 2004, Health and Safety in Employment Act 1992, and 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 the above legislation or that the legislation has no significant impact on the value of the property.

13 Mortgage Recommendation

The value provided in this valuation report is Darroch Valuations' opinion of the market value on a willing buyer/willing seller basis. That value may change in the future due to market conditions and changes to the property. Any decision to lend should take these factors into account and allow a reasonable and prudent margin between the amount advanced and the market value given in this valuation. Additionally the margin should also recognise the consequences and costs of a forced sale.

We thank you for your instructions and should you have any further queries please contact the undersigned.

Yours faithfully
Darroch Valuations

A handwritten signature in purple ink, appearing to read "R. Forsyth".

Ross Forsyth
Registered Valuer, MPINZ



**COMPUTER UNIT TITLE REGISTER
UNDER LAND TRANSFER ACT 1952**

Search Copy



R. W. Muir
Registrar-General
of Land

Identifier **NA45C/952**
Land Registration District **North Auckland**
Date Issued 08 June 1979

Prior References
NA1030/285

Supplementary Record Sheet
NA45C/953

Estate Stratum in Freehold
Legal Description Unit B Deposited Plan 88123
Proprietors
Casele Limited

The above estates are subject to the reservations, restrictions, encumbrances, liens and interests noted below and on the relevant unit plan and supplementary record sheet

7795485.3 Mortgage to Mortgage Holding Trust Company Limited - 28.4.2008 at 10:27 am

Identifier

NA45C/952



**SUPPLEMENTARY RECORD SHEET
UNDER UNIT TITLES ACT 1972**

Search Copy

Identifier

NA45C/953

Land Registration District **North Auckland**

Date Issued 08 June 1979

Plan Number DP 88123

Unit Titles Issued

NA129A/490 NA45C/952

Interests

808648.1 Notice of Change of rules of the Body Corporate - 13.8.1979 at 9.01 am

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Register Only