

**A VALUATION REPORT PREPARED FOR:
JOHN SMITH**

**SUBJECT PROPERTY:
25 REEVE DRIVE, HAVELOCK NORTH**

**EFFECTIVE DATE OF VALUATION:
16 SEPTEMBER 2014**



Valuation prepared by Added Valuation Limited:
Rob Douglas
Registered Valuer, BBS (V&PM), ANZIV, SPINZ
rob@addedvaluation.co.nz
022 4444 005



VALUATION SUMMARY

Property:	25 Reeve Drive, Havelock North
Client/Addressee:	John Smith 15 Makebelieve Street Hastings 4120
Instructed by:	John Smith
Reporting date:	17 September 2014
Valuation date:	16 September 2014
Inspection date:	16 September 2014
Purpose of valuation:	For insurance
Cost allowances:	<p>In assessing the Reinstatement Estimate and Depreciated Replacement Cost allowances have been made for:</p> <ul style="list-style-type: none">- connection of services to the existing supply feeds including stormwater disposal, gas supply (via bottle), sewage disposal, water reticulation and electrical power.- permanent fixtures and fittings including partitioning, and power fittings- a proportionate share of commonly owned assets <p>No allowance has been made for drapes.</p>
Site works:	<p>We have made an allowance for the following site works: fencing, car parking seal, vehicle access, paving, clothesline, retaining walls, garden shed, fishpond and garden edging. These site works may be damaged in the course of fire, earthquake or other incident, or in the course of reinstatement work. We have made no allowance for site works, other than those listed here. If insurance cover is required for site works not listed here you should make an additional provision.</p>
Reinstatement estimate:	<p>The reinstatement estimate is the estimated cost at the valuation date (including relevant fees) of reinstating the asset to an as new condition, including, where appropriate, the use of current equivalent technology, material and services.</p>
Reinstatement of part building:	<p>In the case of partial destruction reinstatement to the same or similar construction style may be more expensive and has not been provided for in this reinstatement estimate.</p>
Bridging finance:	<p>The Reinstatement Estimate does not include any allowance for bridging finance, interest during the course of reinstatement or reconstruction. In order to avoid the necessity to arrange bridging finance, we recommend that the insurance policy allows for reinstatement monies to be made available by progress payments during the course of reconstruction.</p>
Removal of contents:	<p>No allowance has been made for the removal of contents whether damaged or undamaged in the building valuation.</p>



Natural or widespread disaster:	No allowance has been made for additional costs which may be incurred, or the inflationary effects of, or time delays which may result from, a natural or widespread disaster. In such circumstances costs could escalate quickly for a range of reasons including due to a shortage of labour and materials.
Demolition costs:	For the purposes of this valuation, it is assumed that the building is safe and fully accessible for normal demolition procedures to be undertaken and that 100% of the assets have been damaged beyond repair and have no salvage value. Additional cost beyond the demolition cost estimate may be incurred if the building(s) are unsafe or have restricted access; or in the event of only partial demolition.
Undue time delay:	No allowance has been made for any undue delay, including delay caused by a widespread disaster or due to the need to comply with the provisions of the Resource Management Act including possibly the requirement to reinstate on an alternative site.
Depreciated replacement cost not market value:	The Depreciated Replacement Cost figure shown for the building has been calculated by using the formula stated in the certificate, i.e. replacement cost after allowance for age and physical depreciation. The resultant Depreciated Replacement Cost figure may not be a true indication of the market value of this building or be the true "insurable indemnification value" as the term has been defined in several court decisions. The market related value can be assessed if required.
Reinstatement restrictions:	We have examined the requirements of the Hastings District Council Plan and are satisfied that there are no restrictions that would prevent the reinstatement of the subject premises.
Reinstatement to council requirements:	The reinstatement estimate allows for the reinstatement of the premises to the current requirements of the Hastings District Council.
Insurance policy terms:	We have not read the specific terms of the proposed insurance policy. Our assessed values are based upon the descriptions and definitions provided herein.
Report for addressee only:	Our responsibility in connection with this valuation report is limited to John Smith. We disclaim all responsibility to any other party without reference to us.
Report for insurance purposes only:	This report has been prepared for replacement cost and indemnity insurance purposes only. No responsibility is accepted for use of these figures for any other purposes.



Valuation for negotiation of policy: This report has been undertaken to assist the parties to negotiate the insurance policy. The assessments provide a broad estimate only, and are not based on a full elemental component assessment. If an accurate assessment is required it should be obtained from a qualified quantity surveyor.

Valuation prepared by Added Valuation Limited:

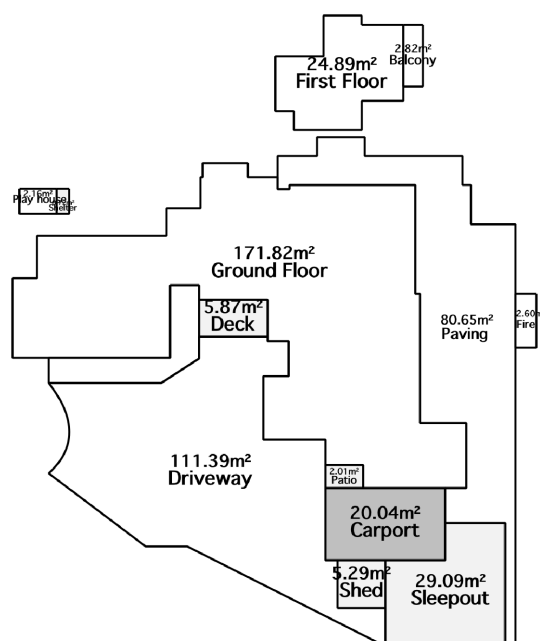
Rob Douglas

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Our File Ref: 0905B - Example Insurance Report

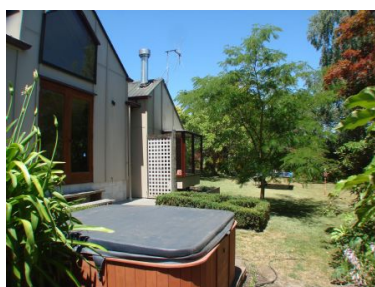


IMPROVEMENTS

Buildings	Area (m ²)
Ground floor	172
First floor	25
Deck	6
Patio	2
Balcony	3
Sleepout/Office	29
Carpport	20
Paving	81
Outdoor fireplace	3
Play house	2
Play house shelter	1
Shed	5



Side of the dwelling



Side of the dwelling



Rear of the dwelling



Dining room



Lounge



Bathroom



Master bedroom



Ensuite



Bedroom



Bedroom



Courtyard



Carport



Shed

DWELLING

Type A detached double storey three bedroom architecturally designed dwelling
 Approximate age 1980s and has been extended and modernised since

Construction

Foundation
 External walls
 Roof
 Joinery
 Floor
 Internal wall linings
 Internal ceiling linings

Materials

concrete slab
 fibrecement sheet and batten
 galvanised steel, butanol
 aluminium
 concrete, particleboard
 native timber tongue and grove, plasterboard, particleboard
 plasterboard, particleboard



Rooms	Fixtures and fittings
Kitchen	granite bench, stainless steel sink insert, waste disposal unit, breakfast bar, under bench oven, five hob gas benchtop elements, bench mounted extractor fan, double dish drawer, cupboard space, walk in pantry,
Dining room	chandelier, french doors, bifold door, timber strip flooring,
Bathroom	shower, bath, vanity unit, toilet, electric towel rail, fan heater,
Master bedroom	walk in wardrobe, ensuite, french doors, air conditioning unit,
Loft bedroom	walk in wardrobe, ensuite, french doors, air conditioning unit,
Bedroom	single wardrobe,
Ensuite	fully tiled shower, dual vanity unit, toilet, electric towel rail, fan heater,
Ensuite	shower, vanity unit, toilet, tile flooring,
Office	linen cupboard, storage cupboards, storage nook,
Hallway	

Adjoining the front of the dwelling is an covered timber deck, by the carport is a small covered tile entry and at the rear of the dwelling is a large courtyard with open fireplace.

SLEEPOUT/OFFICE

The sleepout/office provides good outside room accommodation. The construction comprises a concrete floor, fibrecement sheet and batten, and concrete block external walls, plasterboard and concrete block internal wall linings, plasterboard internal ceiling linings and a galvanised steel and butanol roof. The building is appointed with an air conditioning unit. Power is connected.

CARPORT

The carport is of leanto construction off the dwelling and sleepout, and provides tidy single vehicle shelter with laundry facilities. The construction comprises a concrete floor, timber frame, and galvanised steel roof. The building is appointed with portable stainless steel laundry tub. Power is connected.

SITE DEVELOPMENT

The section is well established. The garden development comprises lawns, trees, shrubs and gardens. Site fencing comprises fibrecement sheet, punga post and brushwood, and a concrete block retaining wall. Vehicle access is via a stamped concrete driveway and parking area; and shared asphalt driveway. Other improvements comprise timber garden edging, concrete block outdoor fireplace, concrete paving and courtyard, fishpond and clothesline.

ESTIMATED REINSTATEMENT PERIOD

1.50 years

LEGAL DESCRIPTION

Title identifier:	HBJ4/470
Appellation:	LOT 45 DP 17097
Tenure:	An estate in fee simple (freehold)
Area:	1266m ²
Registered proprietor:	Damien Neil Fergus, Melanie Joy Douglas, Robert George Douglas
Title interests:	There are no current interests identified on the computer register for this property.



VALUATION CERTIFICATE FOR INSURANCE PURPOSES

Name of client: John Smith
Address of assets: 25 Reeve Drive, Havelock North
Asset description: Refer to the Improvements section of this report
Age: Refer to the Improvements section of this report
Use/Occupation: Residential
Land contour: The land is of gentle sloping contour.

1.	Reinstatement	
	A. Reinstatement estimate	\$600,077
	B. Plus Inflationary provision	\$46,084
2.	Plus Demolition Estimate	\$29,611
	Recommended Insured Sum	\$675,772

All figures quoted are exclusive of Goods & Services Tax. Please make appropriate adjustment for GST if necessary.

Additional Information

3.	Indemnification	
	A. Market related value	
	B. Depreciated replacement cost	\$481,525
	C. Inflationary provision (for the higher of 'A' or 'B' above during a 12 month insurance period if appropriate)	\$9,552

Valuer's signature: *Rob Douglas* Valuation date: 16 September 2014

Name: Rob Douglas Qualifications: Registered Valuer, BBS (V&PM), ANZIV, SPINZ

- All figures quoted are exclusive of Goods & Services Tax.
- All figures quoted are exclusive of finance costs and other indirect costs.
- All figures are exclusive of any allowance for land value.
- This form must be read in conjunction with the definitions of terms on the reverse hereof.
- 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.
- All figures assume compliance with building regulations and bylaws.



DEFINITIONS OF INSURANCE VALUATION TERMS

The following definitions pertain to and form an integral part of this valuation.

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

If the reinstatement estimate is based upon the use of different materials and/or additional services from those existing briefly describe the major item.

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 | Other - as specified |

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

1. REINSTATEMENT

A Reinstatement Estimate

Is the estimated cost at date of valuation (including relevant fees) of reinstating the asset to an as new condition, including, where appropriate, the use of current equivalent technology, material and services. 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.

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 and 3.0 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 or 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 given without prejudice.

2. 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 in 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.

3. INDEMNIFICATION

A Basis of Valuation

(i) Market Related Value

Market Related Value is the estimated amount for which an asset leased at a market rent, if appropriate, should exchange on the date of valuation between a willing buyer and a willing seller in an arm's length transaction after proper marketing, wherein the parties had each acted knowledgeably, prudently and without compulsion.

(ii) Depreciated Replacement Cost

Is the Replacement Cost at the beginning of the insurance period, reduced by factors providing for age and physical depreciation.



BUILDING SCHEDULE

	Reinstatement Value	Reinstatement Inflation	Demolition	Indemnity Value	Indemnity Inflation
Dwelling	\$522,400	\$40,100	\$22,000	\$417,100	\$8,200
Sleepout/Office	\$42,900	\$3,300	\$2,900	\$38,400	\$800
Carport	\$7,600	\$600	\$700	\$5,500	\$100
Total Other Improvements	\$27,177	\$2,084	\$4,011	\$20,525	\$452
<i>Total other improvements includes:</i>					
<i>Paving</i>	<i>\$8,060</i>	<i>\$618</i>	<i>\$1,209</i>	<i>\$7,480</i>	<i>\$165</i>
<i>Outdoor fireplace</i>	<i>\$2,600</i>	<i>\$199</i>	<i>\$390</i>	<i>\$2,413</i>	<i>\$53</i>
<i>Play house</i>	<i>\$1,032</i>	<i>\$79</i>	<i>\$95</i>	<i>\$439</i>	<i>\$10</i>
<i>Shed</i>	<i>\$1,961</i>	<i>\$150</i>	<i>\$159</i>	<i>\$1,961</i>	<i>\$43</i>
<i>Driveway</i>	<i>\$7,150</i>	<i>\$548</i>	<i>\$1,430</i>	<i>\$5,892</i>	<i>\$130</i>
<i>Shared driveway</i>	<i>\$1,692</i>	<i>\$130</i>	<i>\$290</i>	<i>\$575</i>	<i>\$13</i>
<i>Fencing</i>	<i>\$1,333</i>	<i>\$102</i>	<i>\$123</i>	<i>\$453</i>	<i>\$10</i>
<i>Retaining wall</i>	<i>\$2,150</i>	<i>\$165</i>	<i>\$215</i>	<i>\$430</i>	<i>\$9</i>
<i>Fish pond</i>	<i>\$1,200</i>	<i>\$92</i>	<i>\$100</i>	<i>\$883</i>	<i>\$19</i>
Certificate Values	\$600,077	\$46,084	\$29,611	\$481,525	\$9,552

All figures quoted on this insurance building schedule are exclusive of GST. Please make appropriate adjustment for GST if necessary.