

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

**SUBJECT PROPERTY:
1 HIGH STREET, HASTINGS**

**EFFECTIVE DATE OF VALUATION:
17 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:	1 High Street, Hastings	
Client/Addressee:	John Smith 15 Makebelieve Street Hastings 4120	Your Insurance Company PO Box 98765 Napier 4110 Attn: Joe Bloggs
Instructed by:	John Smith	
Reporting date:	17 September 2014	
Valuation date:	17 September 2014	
Inspection date:	17 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, sewage disposal, 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 any site improvements unless listed in this report, any buildings unless described in this report, floor coverings, drapes or light fittings.</p>	
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.	
Site works:	We have made an allowance for site works including vehicle access and car parking seal which may be damaged in the course of fire (or other incident) or in the course of reinstatement work.	
Bridging finance:	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.	
Reinstatement estimate:	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.	
Reinstatement of part building:	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.	



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.
Removal of contents:	No allowance has been made for the removal of contents whether damaged or undamaged in the building valuation.
Demolition costs:	For the purpose of 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.
Shoring:	An allowance has been made for shoring up of the neighbouring property during demolition and reconstruction.
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 and Your Insurance Company. 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:

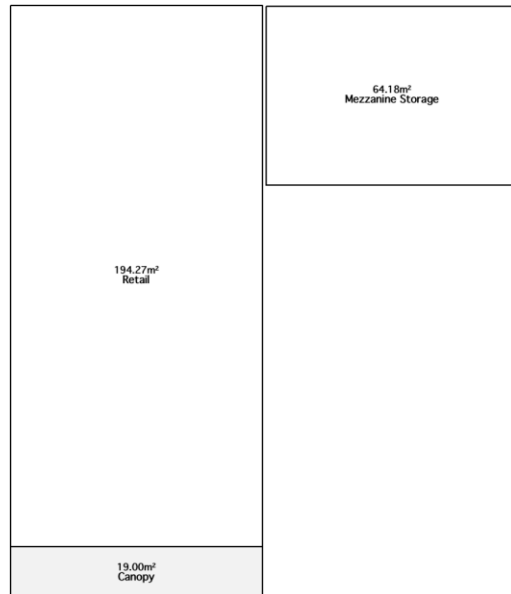
Rob Douglas

Rob Douglas
Registered Valuer, BBS (V&PM), ANZIV, SPINZ
Annual Practising Certificate 2014
E:rob@addedvaluation.co.nz M:022 4444 005
Our File Ref: 1193A - Example Commercial Insurance



IMPROVEMENTS

Buildings	Area (m ²)
Retail	194
Mezzanine storage	64
Retail canopy	19



Front of the building



Front of the building



Retail



Retail



SHOP

Type	An attached single storey retail shop
Approximate age	Early to mid 1930s

Construction

Foundation	concrete slab
Frame	concrete columns, timber
External walls	concrete
Roof	galvanised steel
Joinery	aluminium
Floor	concrete
Internal wall linings	concrete
Internal ceiling linings	metal tray fitted soft board tiles

Materials

Rooms

Kitchenette	stainless steel bench, minimal cupboard space,
Retail	automatic doors, air conditioning unit,
Toilet	toilet, handbasin,

Adjoining the front of the building is a standard retail canopy.

Fixtures and fittings

SITE DEVELOPMENT

The section is designed to be easy care. Vehicle access is via a shared right of way and there is one concrete parking space to the rear of the building.

BUILDING SEPARATION

We provide the following list of approximate separation distances between buildings on the subject property and between buildings on neighbouring properties:

Building name	Building name	Separation (metres)
Subject building	To the north	Separated from the neighbouring building via a firewall
Subject building	To the south	Shares a party wall with the neighbouring building
Subject building	To the front	5.5 metres from the neighbouring building
Subject building	To the rear	Adjoining the road

FIRE PREVENTION AND PROTECTION SYSTEMS

Fire protection and prevention systems comprise manually activated fire alarm, automatic fire alarm, handheld fire extinguisher.

ESTIMATED REINSTATEMENT PERIOD

1.50 years



LEGAL DESCRIPTION

Title identifier: HB148/109
Appellation: Lot 2 Deposited Plan 8877
Tenure: An estate in fee simple (freehold)
Area: 241m²
Registered proprietor: John Marcus Smith
Title interests: Appurtenant hereto is a right of way created by Transfer 120309 - 2.2.1956
8798172.6 Mortgage to ANZ National Bank Limited - 28.6.2011 at 4:52 pm



VALUATION CERTIFICATE FOR INSURANCE PURPOSES

Name of client: John Smith
Address of assets: 1 High Street, Hastings
Asset description: Refer to the Improvements section of this report
Age: Refer to the Improvements section of this report
Use/Occupation: Retail
Land contour: The land is of level contour.

1. Reinstatement

A.	Reinstatement estimate	\$495,850
B.	Inflationary provision	\$64,366

2. Indemnification

A.	Market related value	
B.	Depreciated replacement cost	\$262,708
C.	Inflationary provision (for the higher of 'A' or 'B' above during a 12 month insurance period if appropriate)	\$8,784

3.	Demolition Estimate	\$61,618
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Valuer's signature:

Rob Douglas

Valuation date:

17 September 2014

Name:

Rob Douglas

Qualifications:

Registered Valuer, BBS (V&PM), ANZIV, SPINZ

- a) All figures quoted are inclusive of Goods & Services Tax.
- b) All figures quoted are exclusive of finance costs and other indirect costs.
- c) All figures are exclusive of any allowance for land value.
- d) This form must be read in conjunction with the definitions of terms on the reverse hereof.
- e) 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.
- f) 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. 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.

3. 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.



BUILDING SCHEDULE

	Reinstatement Value	Reinstatement Inflation	Demolition	Indemnity Value	Indemnity Inflation
Building	\$488,400	\$63,400	\$60,500	\$258,300	\$8,600
Paving and driveway	\$7,450	\$966	\$1,118	\$4,408	\$184
Certificate Values	\$495,850	\$64,366	\$61,618	\$262,708	\$8,784

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