

RESIDENTIAL VALUATION

67 Totara Street, Putaruru, South Waikato District, 3411
CoreLogic New Zealand ValEx ID 150979



Date	14 August 2023
Our Ref	GBVRES043690001
Prepared For	Pawan Sharma
For Use By	Alexandra Murphy Westpac New Zealand Limited

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67 TOTARA STREET, PUTARURU, SOUTH WAIKATO DISTRICT, 3411



Front



Side

67 TOTARA STREET, PUTARURU, SOUTH WAIKATO DISTRICT, 3411



Side



Rear

67 TOTARA STREET, PUTARURU, SOUTH WAIKATO DISTRICT, 3411



Garage



Rear Yard



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1.0 VALUATION SUMMARY

This Valuation Summary is part of the full valuation report and must be read in conjunction with the whole report.

Property Address	67 Totara Street, Putaruru, South Waikato District, 3411.
ValEx ID	150979.
Instructed By	Alexandra Murphy of Westpac New Zealand Limited via CoreLogic New Zealand.
Prepared For	Westpac New Zealand Limited and Pawan Sharma.
Borrower	Pawan Sharma.
Purpose of Valuation	Market Valuation for mortgage lending.
Type of Property	Residential dwelling.
Brief Description	The property comprises a 1950's dwelling situated on a front site of 880 square metres in Putaruru, South Waikato. The dwelling provides three bedroom, one bathroom accommodation and has been part renovated to the interior.
Date of Inspection and Effective Date of Valuation	14 August 2023.
Special Assumptions	Our valuation does not attempt to forecast future market fluctuations and assumes recent historical prices and rentals are maintainable. We can provide no warranty as to the future value prospects for the asset and note the value assessed could change significantly and unexpectedly over a short period due to effects from rising interest rates, a slowdown in the economy and any further pandemic issues. Our valuation assumes all necessary consents are in place and that the building has no structural issues. Refer Section 14.0.
Significant Risks	In 2022 and 2023 there has been a shift to a “buyer’s market” with much weaker demand, longer selling times and low sales volumes. This is impacting on pricing and a decline in values is evident across most property types. This correction in values may continue for some time and there is elevated risk current prices will not be maintained. Some lingering risk related to the ever-evolving pandemic issues, though this has largely been overtaken by the much greater concerns around inflation, rising interest rates, an economic slowdown, recession, and wider global challenges (Ukraine war, high energy prices, volatility in share markets etc.). As a result, values should not be considered as immune from possible change, even over very short periods. Consequently, less certainty and a higher degree of caution should be attached to our valuation.



Refer Section 9.0.

Market Value \$440,000 (Four hundred and forty thousand dollars) including GST (if any). This valuation is inclusive of \$15,000 chattels.

Prepared By Prendos New Zealand Limited

Registered Valuer Subject Property Inspected: Yes, full site and internal inspection.
Gavin Broadbent
BBS MPINZ

The registered valuer has prepared the report, reviewed the sales evidence, undertaken all related research and completed a physical measurement of the improvements (or off plans) to determine the floor areas.

Our Reference GBVRES043690001

This executive summary must be read together with the full valuation report attached herein. All comments, exclusions and limitations contained in the full report relate directly to this executive summary. No part of this report should be read in isolation.

Limitations. The report is not to be relied upon by any other person or for any other purpose other than those parties identified under '2.2 Client'. We accept no liability to third parties nor do we contemplate that this report will 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 the right to withhold our consent or to review the contents of this report in the event that our consent is sought.



2.0 SCOPE OF WORK

2.1 The Valuer

The valuation has been undertaken by Gavin Broadbent who provides this objective and unbiased valuation. The valuer has no material connection with the instructing party and has the appropriate qualifications and experience to undertake the valuation.

2.2 Client

This valuation has been prepared on specific instructions from Alexandra Murphy of Westpac New Zealand Limited via CoreLogic New Zealand to assess the market value for mortgage lending. The report is confidential as between Prendos New Zealand Limited and Pawan Sharma and to the party to whom it is addressed. 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 will 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 the right to withhold our consent or to review the contents of this report in the event that our consent is sought.

We can confirm that Westpac New Zealand Limited can rely on this report.

2.3 Purpose of Valuation

To establish the Market Value for mortgage lending.

2.4 Asset Valued

67 Totara Street, Putaruru, South Waikato District, 3411.

2.5 Basis of Value

Market Value

This valuation is carried out in accordance with the International Valuation Standards (IVS Framework) and the Guidance Papers for Valuers and Property Professionals (GPVPP). Both define Market Value as:

“The estimated amount for which an asset or liability should exchange on the valuation date between a willing buyer and a willing seller in an arm's length transaction after proper marketing and where the parties had each acted knowledgeably, prudently and without compulsion”.

This valuation is current as at the date of valuation only. The value assessed herein may change significantly and unexpectedly over a relatively short period of time (including as a result of factors that the valuer could not reasonably have been aware of as at the date of valuation). We do not accept responsibility or liability for any losses arising from such subsequent changes in value. Given the market conditions prevailing, we recommend that the user(s) of this report review this valuation periodically. The valuation should not be relied upon if in the knowledge of the lender (or anyone acting on behalf of the aforementioned parties), they become aware that a change in the value may have occurred.



Without limiting the generality of the above comment, we do not assume any responsibility or accept any liability, nor should reliance be placed upon the valuation, or anything contained within the valuation report if you or someone acting on your behalf with Prendos New Zealand Limited prior written approval become aware of any factors that have any effect on the valuation.

2.6 Important Dates

Inspection Date: 14 August 2023

Valuation Date: 14 August 2023

Date Valuation Issued: 15 August 2023

2.7 Extent of Investigation

This report has been prepared for valuation purposes only and is not a geotechnical or environmental survey, nor is it a building or structural survey. If any defect is found, including structural defects, this could impact on the value of the property. We have assumed the building has no weathertightness issues or other defects unless otherwise stated.

No allowances are made in our valuation for any expenses or realisation, or to reflect the balance of any outstanding mortgages either in respect of capital or interest accrued thereon.

We have not been provided with an environmental audit of the property and we are not aware of any potential environmental concerns. Our valuation and report assumes that the land and any buildings are unaffected by harmful contaminants or noxious materials which may impact on value.

We have not conducted a land survey of the subject and assume the improvements sit within the boundaries where relevant unless otherwise stated.

We have not sighted a current Land Information Memorandum for the subject property during the course of this valuation. Our report is subject to there being no outstanding requisitions or adverse information affecting the property. We have assumed there are no earthquake strengthening requirements unless stated otherwise.

We have inspected the interior and readily accessible places (where relevant).

2.8 Information Received and Relied Upon

No additional information or documentation of particular significance to the valuation has been relied upon without specific verification by the valuer.



2.9 Assumptions, Qualifications and Limitations

This valuation report is provided subject to the assumptions, disclaimers, limitations and qualifications detailed throughout this report and to those included within the 'Statement of Limiting Conditions, General Valuation Principles and Policies' section at the rear of this report. For Standard 'Assumptions' made in this report, refer to '2.7 Extent of Investigation', '2.8 Information Received and Relied Upon' and '16.0 Conditions, Qualifications and Disclaimers'.

For special assumptions made in this report refer to 'Special Assumptions' Section 14.0.

2.10 Restrictions on Use, Distribution or Publication

The report is not to be relied upon by any other person or for any other purpose other than those parties identified under '2.2 Client'. We accept no liability to third parties nor do we contemplate that this report will 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 the right to withhold our consent or to review the contents of this report in the event that our consent is sought.

2.11 Reporting Format

We have prepared a formal valuation report meeting appropriate professional standards. This report must be read in conjunction with Prendos New Zealand Limited Statement of Limiting Conditions, General Valuation Principles and Policies.

2.12 Valuation Standards

This valuation has been prepared with conformity to the International Valuation Standards effective from 31 January 2022, as well as the Guidance Papers for Valuers and Property Professionals:

- IVS Framework
- IVS 101 Scope of Work
- IVS 102 Investigations and Compliance
- IVS 103 Reporting
- IVS 104 Bases of Value
- IVS 105 Valuation Approaches and Methods
- IVS 400 Real Property Interests
- ANZVGP111 Valuation Procedures – Real Property
- ANZVGP112 Valuations for Mortgage and Loan Security Purposes
- ANZGPG201 Disclaimer Clauses and Qualification Statements

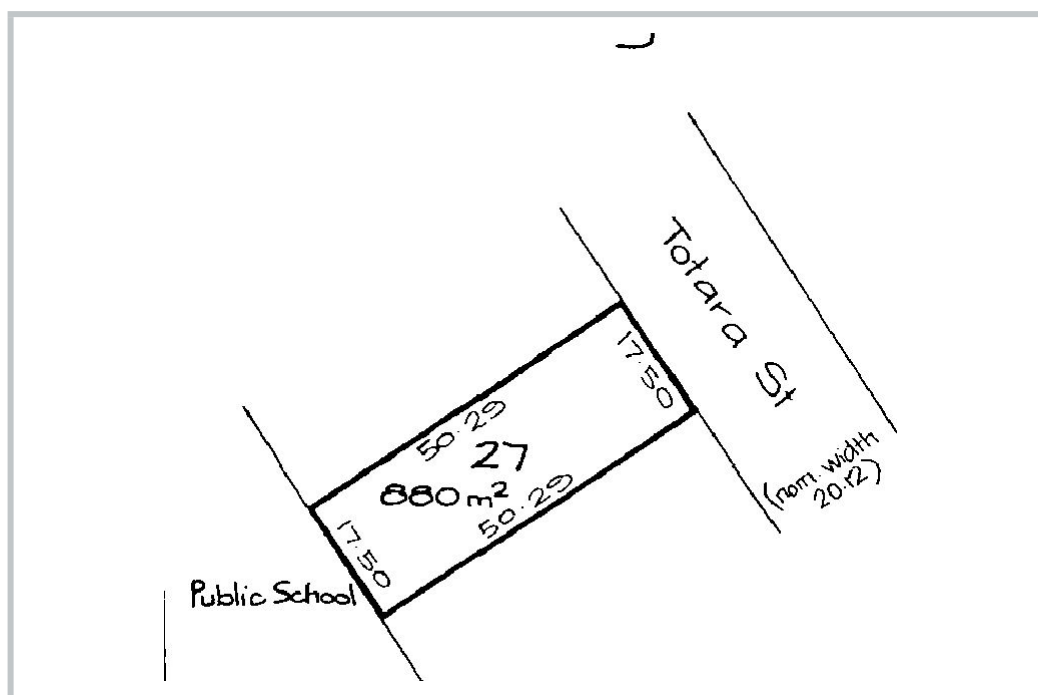


2.13 Compliance Statement

- This valuation report complies with the provisions of the Residential Valuation Standing Instructions Version 1.3.
- The statements of fact presented in the report are correct to the best of the valuer's knowledge.
- The analysis and conclusions are limited only by the reported assumptions and conditions.
- We have no interest in the subject property and the valuer's fee is not contingent upon any aspect of the report.
- The valuation was performed in accordance with the ethical code and performance standards of the IVS and the Guidance Papers for Valuers and Property Professionals.
- The valuer has satisfied professional education requirements and has experience in the location and category of the property being valued.
- No one, except those specified in the report, has provided professional assistance in preparing the report.

3.0 LEGAL DESCRIPTION

Record of Title:	Freehold.
Identifier:	SA41A/254.
Land Registration District:	South Auckland.
Estate (Tenure):	Fee Simple.
Area:	880 m ²
Legal Description:	Lot 27 Deposited Plan 3063.
Registered Owner/Proprietors:	Pawan Kumar Sharma.
Interests:	Refer to the attached Record of Title for all registered memorials.
Interests of Note:	Subject to Section 8 Mining Act 1971 12211473.3 Mortgage to Westpac New Zealand Limited - 9.9.2021 at 3:29 pm The above interests have been taken into account in our valuation assessment.
Appendix:	Copy of Record of Title is included in the Appendix.



4.0 RATING VALUATION

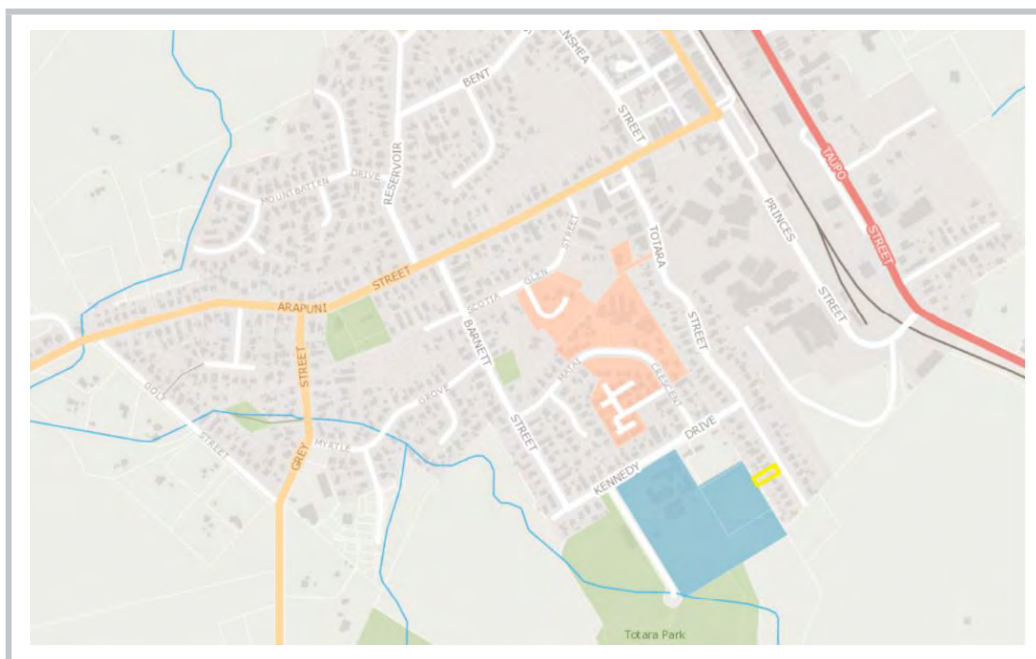
Effective as at 1 July 2021:

Land Value	\$	220,000
Improvements	\$	190,000
Capital Value	\$	<u>410,000</u>

Rating Valuations are conducted on a mass appraisal basis, generally once every three years, in order to provide a basis to assist territorial authorities to collect revenue through rates. Individual properties are not inspected on a regular basis and changes in the improvements may not be recorded. The rating values are expressed on a Freehold Estate basis, even when the property might be leasehold.



5.0 LOCATION DESCRIPTION



The property is situated on the southwestern side of Totara Drive and towards its southern end. Totara Drive runs south off Arapuni Street just to the south of the main Putaruru town centre in southern Putaruru. The property is located just to the south of Kennedy Drive and within the dead end portion of Totara Street.

Development in the wider area is generally of 1950's and 1960's dwellings of low to medium cost design and construction. Public services and amenities are conveniently located with the main Putaruru Town Centre approximately 700 metres to the north. Putaruru primary school is located on the southern side of Kennedy Drive, just to the west and the subject site backs onto its playing fields.

Putaruru is a relatively small community servicing surrounding farmland and associated businesses. Putaruru is located on State Highway 1, approximately 10 kilometres south of Tirau and approximately 20 kilometres north of Tokoroa.

6.0 RESOURCE MANAGEMENT

6.1 District Plan

Territorial Authority	South Waikato District Council.
Plan Name	South Waikato District Council Operative District Plan – April 2021.
Plan Status	Adopted by Council on 28 April 2021.
Zoning	The property is zoned Residential.
Development Controls	The zoning provides for development of a single family home, one residence per lot. Subdivision is permitted on a density basis of one residence to each 450 square metres net site area.



Permitted Activity	Residential use is a permitted activity and the current use complies with the intent of the District Plan.
Zone Effects	The property is assumed to comply with the District Plan.

7.0 LAND



Site Area:	880 m ²
Site Description:	This is a rectangular shaped front site having an area of 880 square metres. In contour the land is generally level. The site backs onto a large playing field area which forms part of the Putaruru Primary School located further to the west.
Services:	All town services are available to the site. We cannot, however, certify the condition of any services provided and assume they are sound.
Access:	The road surface is sealed and has footpaths with kerbing and channelling.
Environmental:	Site Contamination. Our visual inspection of the subject property and immediately surrounding properties revealed no obvious signs of site contamination. We have not undertaken any formal searches. We assume that the site is free from elevated levels of contaminants and have therefore made no allowance in our valuation for site remediation works. Asbestos. None noted on-site (but we are not experts in this area). We have not conducted formal searches. If asbestos materials are found to be present on-site, the valuation must be referred back to the valuer for further consideration and possible re-assessment.



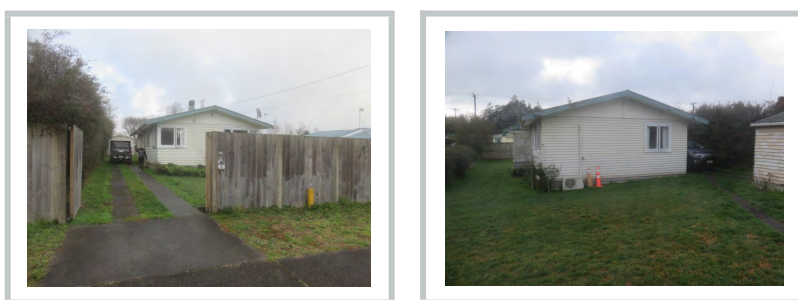
We assume that the site is free of subsoil asbestos and have therefore made no allowance in our valuation for site remediation works.

8.0 IMPROVEMENTS

8.1 Overview

The property comprises a 1950's dwelling situated on a front site of 880 square metres in Putaruru, South Waikato. The dwelling provides three bedroom, one bathroom accommodation and has been part renovated to the interior.

8.2 Dwelling



8.3 Floor area/s

Dwelling	92	m ²
Garage	21	m ²

8.4 Construction

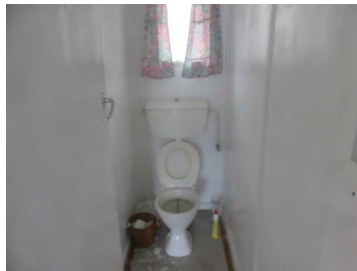
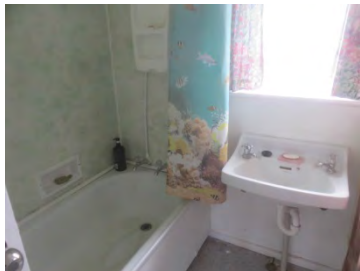
The main building is constructed with concrete pile and timber jackstud foundations, concrete base walls, weatherboard exterior wall cladding and a corrugated iron roof which discharges into PVC spouting and downpipes. Single glazed timber joinery has been used to windows and doors. Interior linings are painted plasterboard and the flooring is timber.

8.5 Accommodation

Layout	Side entry/laundry area opens through to a central hallway. A separate lounge is located to the front together with an open plan kitchen/dining area. Three bedrooms, bathroom and separate toilet are located off the hallway to the rear.
Kitchen	An original kitchen containing sufficient bench space with sink, adequate cupboarding and older appliances and fittings.
Bathroom/s	An original bathroom with standard bath and overhead shower and vanity. A separate WC adjoins.
Bedroom/s	Three bedrooms, two with built-in wardrobes and one without.



Living Area/s	Separate lounge plus adjacent dining room with kitchen. The separate lounge includes a heat pump and a freestanding wood burner.
Laundry	Semi separate laundry at the side entrance and includes a tub.
Other Features	Bare floors, currently unpolished. There are paint wall finishings, part redecorated throughout. There is a heat pump within the lounge and a heat pump within the main bedroom. A freestanding wood burner is also located within the lounge.



8.6 Other Improvements

These include a separate single garage toward the rear.



8.7 Site Improvements

Basic grounds include lawns and some gardens and shrubs together with timber and hedge fencing and concrete driveway and paths.



8.8 Condition and Presentation

The grounds are fairly basic but tidy.

The exterior of the dwelling appears to generally be in sound order and condition however, the timber weatherboard and joinery has badly peeling paint.

The interior has been partially renovated although the amenities and services are generally original. The decor has been stripped throughout and repainted with some work currently ongoing.

We have not been provided with any reports in respect to the structural integrity or condition of the improvements or property. This report is for valuation purposes only and is not a building or structural survey.

9.0 RISK ASSESSMENT

Property Risk Rating	1	2	3	Market Risk Rating	1	2	3
Location and Neighbourhood				Reduced Value next 1-2 years			
Land (including Planning & Title)				Market Volatility			
Environmental Issues				Local Economy Impact			
Improvements				Market Segment Conditions			

* Risk Ratings: 1 = Low, 2 = Medium and 3 = High

Note: Our observations within the Risk Assessment and the body of this report provide our opinion of the property as at the date of valuation. This opinion has been based on many factors including our research data and knowledge of the property market, and reflects the nature and standard of the property, inherent characteristics and current market conditions. The Risk Assessment herein forms part of the full valuation report and must not be relied upon in isolation.

Market Risk

Reduced Value next 1-2 years, Market Volatility and Local Economy Impact

There is risk of a possible correction in prices following the shift to a “buyer’s market” over the past 18 months, with much weaker demand, longer selling times and low sales volumes. The ever-evolving pandemic issues have largely dissipated but have been overtaken by the much greater concerns around inflation, rising interest rates, an economic slowdown, recession, and wider global challenges (Ukraine war, high energy prices, volatility in share markets etc.). This is impacting on pricing and a decline in values is evident across most property types. This correction in values may continue for some time and there is elevated risk current prices will not be maintained.



10.0 VALUATION RATIONALE

To determine the subject property's market value, we have adopted the Market Approach – Comparable Transactions Method.

The Comparable Transactions Method is a comparative approach which considers the sales of similar or substitute properties and related market data, and establishes a value estimate by processes involving comparison. Essentially properties are valued by comparison with sales of similar properties that have been transacted on the open market in the surrounding area. The sales are analysed directly and on a net rate basis as necessary with adjustments made for factors which may vary to the subject including:

- Its location, land size, aspect, views, position, contour, shape, zoning, development potential and title.
- The range of improvements, their age, condition, quality, design, street presentation, utility value and number of bedrooms.
- Its value level appropriate to the area.

11.0 MARKET CONSIDERATIONS

11.1 Regional Market

Through 2020 and 2021, economic activity was buoyed by unprecedented levels of policy stimulus from fiscal spending by the Government and the Reserve Bank (RB) reductions in the Official Cash Rate (OCR) to a record low of 0.25%, both of which provided a large and protracted boost to demand. This resulted in a surprising degree of resilience in the New Zealand economy and economic output remained quite strong. This is striking given the loss of international tourism and a sharp downturn in population growth. While overall activity held firm, conditions across the economy have been uneven. Customer facing industries (hospitality, food and beverage, etc.) struggled with the lack of international tourists and subdued domestic demand. In contrast, conditions in other parts of the economy have boomed, such as construction, rural and commodity exports, and some areas of retail.

At the same time, businesses have had to face any number of challenges through this period from lockdowns, global supply chain disruption, rapidly rising costs, and shortages of labour, materials and consumer goods. Finance has been tight and increased Government intervention in many sectors of the economy has made business difficult.

This policy stimulus that was put in place to get the economy through the worst of the pandemic has now caused surging inflationary pressures, with strong demand compounding the intense supply and logistics problems, pushing inflation to a 32 year high of 7.2%. There are signs inflation is now slowing as the latest data released has the CPI at 6.7%. This is impacting on households and, coupled with the rising interest rate environment and increased borrowing costs, economic growth is slowing. Households are being squeezed by the rising inflation and this will be more intense now as interest rates rise.

The impact of this on the housing market is evident nationwide with house prices down and sales back to or below pre-pandemic levels. The housing market is a key influence on households' wealth and confidence. Just as the rapid house price gains boosted spending, the slowdown now in train will result in softer spending. The interest rate rise will also dampen household spending through higher debt servicing.



The result is the property market slowdown is now firmly entrenched across New Zealand. Sales volumes in 2022 were down over 30% NZ wide and 40% in Auckland. Prices continue to weaken and the outlook is for further falls as interest rates are expected to climb higher in the first half of 2023.

Buyer behaviour has changed in response to the slowdown. There has been a shift to a 'buyer's market' from what was a seller's market through 2020 and 2021. Listings have risen, but there is no rush to sell. The rise in inventory for sale is more a function of fewer selling rather than a flood of owners trying to exit. Houses are simply staying on the market for longer than was seen in the red hot 2021 boom.

The key issue impacting the market is the tight credit environment. Mortgage rates are up, loan to value ratios (LVR's) are tight and the CCCFA rules have made lending difficult. There is a large refinance profile of borrowers refixing shorter term loans at much higher interest rates who will see their mortgage debt servicing rise significantly as a result.

These interest rate changes are in response to the lift in the OCR. The Reserve Bank has aggressively raised the OCR from its historic low of 0.25%, set during the Covid-19 pandemic and lockdowns, to now sit at 5.5%. The Reserve Bank has signalled that the OCR has now peaked and anticipates cuts from the third quarter of 2024, however this remains to be seen and many economists predict further rises may be required to temper stubbornly high inflation. Whatever transpires, rates are set to be high for an extended period and this will keep a very firm lid on the real estate market. The RB in its Monetary Policy Statement (MPS) is picking a possible 15% or more decline in values and this sentiment is echoed by many economists.

The economy is under some pressure as a consequence. Although GDP rose by 2.7% to the year-end December 2022, there has been two consecutive quarters of negative growth which has meant the NZ economy is now technically in a recession. The RB has been attempting to engineer a recession through aggressive OCR rate increases to reign in the skyrocketing inflation and their desired slowdown in the economy is being achieved. This is having a major impact on consumers' pockets. The current recessionary conditions and expected tough times ahead have dented both business and consumer confidence.

The recent flood and cyclone events felt in the North Island have added another layer of issues for households and the property market to grapple with and will require a long and costly recovery. There will be considerable ongoing disruption and the reconstruction is expected to take many years. This may cause further inflationary pressures to an already stretched construction industry. There is considerable uncertainty around what impact the flood events may have had on the market in general and individual properties that might have actually been flooded. The flooding will have likely influenced buyers decision making and will make them more cautious, but it is too early to quantify any change in asset values.

Adding to the uncertainty and negative outlook, the Russian invasion of Ukraine has pushed up energy and food prices around the world. Supply chains worldwide have been disrupted and problems have been exacerbated by Chinas poor Covid vaccination outcome and failed pursuit of an eradication policy. This has resulted in rising prices for materials and goods. Worldwide share markets have fallen sharply on the back of these concerns and recessionary worries in many countries. Expectations for increases in global interest rates will flow through to still higher interest rates in New Zealand.



There are some buffers to these headwinds. The labour market remains tight. There is very low unemployment of 3.3% and rising wage growth. There is a high level of job security and strong competition for trained and qualified staff is being seen with labour shortages evident in many countries. New Zealand is no exception with critical staff shortages in most industries. The labour market is a key pillar for the housing sector, so this should provide some support to the property market. The tourism and hospitality sector are recovering strongly from the severe pandemic shock and there is growth in foreign students returning.

Net migration has turned upwards quickly and could improve a lot further as the Government is now reversing immigration settings to ease the labour shortages in key sectors. China has reversed its pandemic lockdown policy, and this will see a boost in both spending and production which should improve some supply issues.

The New Zealand rural and agricultural business sector remains in strong shape and has improved its resilience following the pandemic. High prices for dairy, kiwifruit and other primary products continue to support the rural market. And finally, the construction sector is also still in good heart. Building Consents are coming off their high levels as house prices continue to drop, but there will be a lengthy tail to the construction boom as historical consents are completed. Supply issues and product shortages coupled with soaring building costs are adding further pain to the building sector.

Both the New Zealand and worldwide economies have moved on from the initial setbacks caused by the pandemic. But the economic stimulus put in place has resulted in high inflation. The NZ economy has fallen into recession this year as a result of the RB monetary policy which does not bode well for the real estate and construction sectors. The median number of house sales is at its lowest level since 2011 and the GFC. The REINZ house price index for Auckland has decreased by 15.5% over the past year and is down 22% from the peak in November 2021. Nationwide the HPI has dropped by 13% in the past 12 months and is down 16.8% from the peak. Days to sell has lengthened to 45 days nationwide and in Auckland, well above the historical average. The outlook is still quite uncertain with further downside risk possible.

11.2 Local Market

Putaruru is a well established regional location that has traditionally seen relatively low sales activity and market movement however, in more recent times has mirrored the wider area with strong sales activity and good growth in price level over the 2020 and 2021 period. The local market has remained remarkably resilient throughout the pandemic and lockdowns and has defied all predictions of a collapse in sales and prices. However, commentators are still cautious regarding the longer term outlook for the market, following the latest round of housing policy intervention from the Government and prospect of rising interest rates. Furthermore, continued secondary outbreaks of the virus coupled with any economic weakness could erode confidence. Putaruru has experienced relatively strong demand through the 2021 period with relatively few listings and rising price levels. The market appeared to slow toward the end of 2021 which continued throughout 2022 and into 2023 with higher levels of listings and somewhat slower selling times, together with a small decline in price level.



12.0 SALES EVIDENCE

We have considered various recent sales and include some details below of those of relevance, however they are not limited to the following:

Photo / Address	Sale Date	Sale Price	Floor Area (m ²)	Land Area (m ²)	Rating Valuation	Overall
Sale 1 109 Arapuni Street 	May 2023	\$405,000	124	911	\$415,000	Inferior
Description: The property comprised a 1950's single level dwelling providing four bedroom, one bathroom accommodation together with a separate single garage. The property is situated further to the northwest. The property was generally in somewhat below average condition. Comparability: Larger dwelling providing an additional bedroom however, inferior condition and presentation. Also fronted onto a busier road. Overall considered to be of inferior value.						
Sale 2 15 Bledisloe Avenue 	July 2023	\$420,000	140	809	\$500,000	Inferior
Description: The property comprised a 1960's predominately single level dwelling providing three bedroom, one bathroom accommodation together with a single basement garage. The property was in poor rundown condition throughout requiring modernisation and redecoration. Comparability: Larger dwelling providing similar overall accommodation. Good sized elevated site with residential and rural outlook. Far inferior condition requiring full renovation throughout. Overall considered to be of inferior value.						
Sale 3 3 Maple Drive 	June 2023	\$445,000	100	964	\$455,000	Similar/superior
Description: The property comprised a 1960's single level dwelling providing three bedroom, one bathroom accommodation together with a separate single garage. The property is situated further to the west. The property was in average to somewhat below average condition throughout and would benefit from some redecoration and modernisation. Comparability: Slightly larger dwelling providing similar three bedroom accommodation. Larger site. Inferior condition and presentation. Overall considered to be of similar/superior value.						
Sale 4 46 Totara Street 	July 2023	\$445,000	110	1070	\$415,000	Similar/superior
Description: The property comprised a 1950's single level weatherboard dwelling providing four bedroom, one bathroom accommodation together with a separate single garage. The property is situated on a large rising front site just to the northeast. Comparability: Larger dwelling however, of a generally poor presentation requiring some maintenance work, particularly to the exterior, to bring it up to a good standard. The interior was also somewhat dated throughout. Overall considered to be of similar/superior value.						
Sale 5 23 Barnett Street 	March 2023	\$510,000	104	835	\$505,000	Superior
Description: The property comprised a 1970's single level fibrolite dwelling providing three bedroom, one bathroom accommodation situated on a large front site just to the west. The site backed onto rural land. The property was in tidy well presented condition. Comparability: Somewhat larger dwelling providing similar overall accommodation. Situated on a similar sized site however, with good site development including a separate double garage. Overall considered to be of superior value.						



Photo / Address	Sale Date	Sale Price	Floor Area (m ²)	Land Area (m ²)	Rating Valuation	Overall
Sale 6 23 Russell Terrace	April 2023	\$583,000	160	875	\$525,000	Superior
	Description: The property comprised a 1960's three bedroom, one bathroom dwelling together with basement garage/storage and a separate double garage. Situated on an elevated front site in northeastern Putaruru. The property was in tidy although dated fairly original condition throughout.					
	Comparability: Much larger sized dwelling although provided similar three bedroom, one bathroom accommodation. Benefited from basement garaging and separate double garage. Similar sized elevated site with good rural outlook. Overall considered to be of superior value.					

We cannot guarantee the accuracy of floor area details obtained from external sources.

12.1 Conclusion / Reconciliation on Evidence

Sale No.	Address	Contract Date	Sale Price	Floor Area m ²	Site Area m ²	Bed-rooms	Overall Comparability
1	109 Arapuni Street	May 2023	\$405,000	124	911	4	Inferior
2	15 Bledisloe Avenue	July 2023	\$420,000	140	809	3	Inferior
3	3 Maple Drive	June 2023	\$445,000	100	964	3	Similar/superior
4	46 Totara Street	July 2023	\$445,000	110	1070	4	Similar/superior
5	23 Barnett Street	March 2023	\$510,000	104	835	3	Superior
6	23 Russell Terrace	April 2023	\$583,000	160	875	3	Superior

Sales evidence indicates a range of value from \$400,000 to \$580,000 with the subject property considered to fall toward the lower end of this range. The subject property provides for three bedroom, one bathroom accommodation and has been part redecorated throughout the interior however, the amenities remain dated. The exterior has badly peeling paint and requires general tidy up.

Comparable sales include 15 Bledisloe Avenue selling in July 2023 for \$420,000. This is a larger dwelling with the floor area including a single basement garage. The property was in very poor rundown condition requiring full modernisation and redecoration to bring it up to a reasonable standard. The property is situated on a marginally smaller site however, of elevated nature with good outlook. Overall considered to be of inferior value.

Also of note, 3 Maple Drive selling in June 2023 for \$445,000. This is a 1960's dwelling providing similar three bedroom, one bathroom accommodation together with a separate single garage. The property is situated nearby within a similar southern Putaruru location. Dated décor and amenities. Overall considered to be of similar to marginally superior value.

Finally, the property at 46 Totara Street in July 2023 for \$445,000 is a good comparison being a slightly larger dwelling providing an additional fourth bedroom. The property is situated on a larger rising site just to the north within the same street, although not the dead end portion. The property was generally in poor condition however, both to the exterior and interior. Overall considered to be of marginally superior value due to its size and additional bedroom.

Having due consideration to the available evidence, we have assessed the subject at \$440,000.



Given the market uncertainty relevant to the local real estate market that the subject property is transacted in, the value assessed may change significantly and unexpectedly over a relatively short period of time.

The valuation may not contain sufficient sales evidence within six months of the date of valuation and within 20% (plus or minus) of the assessed value to meet the Standing Instructions Section 2.13.1. This is due to the limited market transactions of this type and lack of sales activity of a directly comparable nature, age, size or condition in this immediate area. Accordingly, older sales of relevance have also been used in our analysis with appropriate adjustments made for time and other factors at variance to the subject property. This wider body of sales evidence provides a sound basis of comparison to establish the value of the asset to its 'highest and best use', using the Comparable Transactions and Net Rate methods.

Our valuation has had regard to historical market sales and rental information. It is impossible to predict if these will be maintained going forward. The value indicated reflects our view of current recent past prices and rentals. It does not attempt to forecast market fluctuations in future and assumes recent historical prices are maintainable.

12.2 Previous Sales

According to Property Guru records, the subject property previously sold in July 2021 for \$405,000. Since this sale date there have been renovations to the property.

13.0 VALUATION

13.1 Valuation Assessment

To establish the market value of the property we have considered relevant general and economic factors and have investigated recent sales of comparable property. We have utilised a Comparable Transactions Method which involves a comparison between the subject and sales of similar properties in the surrounding area. The sales are analysed directly and on a net rate basis as necessary with adjustments made for factors which may vary to the subject including:

- Its location, land size, aspect, views, position, contour, shape, zoning, development potential and title.
- The range of improvements, their age, condition, quality, design, street presentation, utility value and number of bedrooms.
- Its value level appropriate to the area.



After taking all factors into account, we assess the market value of the property at \$440,000 (Four hundred and forty thousand dollars). Our assessment can be hypothetically apportioned as follows:

Improvements	
Dwelling (92 m ²)	\$ 165,000
Other Improvements	\$ <u>20,000</u>
Total Improvements	\$ 185,000
Land Value	\$ <u>240,000</u>
Market Value (excluding Chattels)	\$ 425,000
Chattels	\$ <u>15,000</u>
MARKET VALUE (including Chattels)	\$ <u><u>440,000</u></u>
Includes GST (If Any)	

13.2 Reasonable Selling Period

Having regard to the prevailing market conditions and characteristics of the property and locality, a likely selling period for the subject of one to five months is considered appropriate. This assumes the implementation of a professional marketing campaign by real estate sales operatives active and experienced in the sale of similar property in the locality.

14.0 SPECIAL ASSUMPTIONS

Our valuation does not attempt to forecast future market fluctuations and assumes recent historical prices and rentals are maintainable. We can provide no warranty as to the future value prospects for the asset and note the value assessed could change significantly and unexpectedly over a short period due to effects from rising interest rates, a slowdown in the economy and any further pandemic issues.

Our valuation assumes all necessary consents are in place and that the building has no structural issues.

15.0 MORTGAGE RECOMMENDATION

In accordance with the Guidance Papers for Valuers and Property Professionals ANZVGP112, Chapter 5 'Report Content', effective 1 July 2021, we are not required to recommend a maximum or minimum loan percentage or amount unless specifically requested by a lender.

The subject property is suitable for first mortgage lending subject to the assumptions noted and risks identified in Section 9 Risks of this Report. The property risk and other comments within this report should be noted in the context of any lending profile and any relevant asset specific and market factors that may impact on the security offered and effects on its saleability and future value.



In line with changes to Valuation Standards and Guidelines, valuation reports are not required to include a mortgage recommendation. The reader and end user however must be aware that the market value of properties may change in the future due to market conditions, and changes to the state of the property which is the subject of this report. Any mortgage advance should therefore recognise in addition to the above comments, the consequences and costs associated with a forced sale, which can be significant in the event of the mortgagor defaulting.

Any decision to lend should take these factors into account, and we remain available to provide a mortgage recommendation as at the valuation date, if required by the mortgagee.

There is risk of a possible correction in prices following the shift to a 'buyer's market', with much weaker demand, longer selling times and low sales volumes. The ever-evolving pandemic issues have largely dissipated but have been overtaken by the much greater concerns around inflation, rising interest rates, an economic slowdown, recession, and wider global challenges (Ukraine war, high energy prices, volatility in share markets etc.). A decline in values is evident across most property types. This correction in values may continue for some time and there is elevated risk current prices will not be maintained.

In light of this, while property valuations are based on the latest data, values should not be considered as immune from possible change even over very short periods as world financial markets continue to be uncertain.

Our valuation has had regard to historical market sales and rental information. It is impossible to predict if these will be maintained going forward. The value indicated reflects our view of current recent past prices and rentals. It does not attempt to forecast market fluctuations in future and assumes recent historical prices are maintainable.

Even when property fundamentals appear firm, changes to risk profiles or availability of borrowed funds may rapidly bring about a revised view of property as an investment. Accordingly before decisions are made on purchase, sale or borrowing even over the short term, you should check with the Registered Valuer as to the currency of the valuation.



16.0 CONDITIONS, QUALIFICATIONS & DISCLAIMERS

Our valuation is subject to the following criteria:

- Issue of Resource Consent and all other appropriate local body and statutory permits where necessary.
- The assumptions, extent of investigation and information relied upon noted in Section 2.0 and 14.0.
- This report must be read in conjunction with and is subject to the Statement of General Valuation Principles and Policies attached with this report. Use of our report is dependent on the acceptance of our conditions/principles/policies.

In addition we confirm the following:

- Experience – The principal signatory has a minimum of five years' experience and valuing the subject class of asset, has all appropriate qualifications and registrations enabling them to practice as a valuer and has not been subject at any stage to disciplinary action by the relevant professional governing body.
- Independence – The signatory has no direct or indirect pecuniary or other interests in the property being valued, and are not aware of any other potential conflicts of interest.
- Professional Indemnity Cover – We certify that Prendos New Zealand Limited holds a current professional indemnity insurance policy for an amount appropriate to the nature and level of our business activities and the Registered Valuer signing the report is covered by the policy. As at the date of this report, that policy has not been withdrawn.

Please contact the writer should you wish to discuss any matters raised in this report.

Yours faithfully

Gavin Broadbent BBS MPINZ
(Registered Valuer)

MB:GB

Attached: *Record of Title*
 Map
 Aerial Photograph



STATEMENT OF LIMITING CONDITIONS, GENERAL VALUATION PRINCIPLES AND POLICIES

Purpose and Responsibility to Third Party

- This valuation complies with International Valuation Standard (IVS 400 Real Property Interests) and Guidance Papers for Valuers and Property Professionals (ANZVGP112 Valuations of Mortgages and Loan Security Purposes) and has been prepared on specific instructions from our client and their nominated lenders for the purpose of first mortgage advancement. 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. Neither the whole, nor any part of this valuation report or any reference to it may be included in any published document, circulation or statement without the written approval of the author as to the form and context in which it may appear.

Date of Valuation

- This valuation is current as at the date of valuation only. The value assessed herein may change significantly and unexpectedly over a relatively short period (including as a result of general market movements or factors specific to the particular property). We do not accept liability for losses arising from such subsequent changes in value.
- Without limiting the generality of the above comment, we do not assume any responsibility or accept any liability, nor should reliance be placed upon the valuation, or anything contained within the valuation report, if you or someone acting on your behalf with Prendos NZ Ltd prior written approval become aware of any factors that have any effect on the valuation. This extends to readdressing of reports. In all instances, a new inspection of the property and supporting information will be required.

Valuation Standards

- I have prepared this report as a registered valuer to comply with the Guidance Papers for Valuers and Property Professionals, Valuers Codes of Ethics, International Valuation Standard IVS 101 (Scope of Works), IVS 102 (Investigations and Compliance), IVS 103 (Reporting), IVS 104 (Bases of Value), IVS 105 (Valuation Approaches and Methods), IVS 400 (Real Property Interests), ANZVGP111 (Valuation Procedures - Real Property), ANZVGP112 (Valuations for Mortgage and Loan Security Purposes) and ANZPGP201 (Disclaimer Clauses and Qualification Statements) for residential properties, where applicable.
- Where this report and valuation refers to a house to be built or under construction, this valuation has been prepared under the Guidance Papers for Valuers and Property Professionals with particular reference to NZVGP504 (Valuation of Houses Under Construction and Houses to be Built or Previously Unoccupied New Houses) and we refer the reader to the following:

'This report assumes that the house will be developed and completed according to the plans and specifications described herein and that the standard of construction is in accordance with that assumed within the report. It should be specifically noted that any significant deviation in respect of style, layout, design or construction standards would invalidate the value conclusions reached in this report.'

'The values reported herein are based on data collected and reviewed at the date of this report. The valuation assumes no responsibility for unforeseeable events that alter market conditions prior to the completion of the development'.

We recommend progress reports are undertaken and a final inspection to ensure completion in accordance with the plans, specifications and assumptions the property was valued on.

- The valuation and recommendation has been made independently of any owner or occupier and is made in terms of the Securities Act (Contributory Mortgage) Regulations 1988, Section 13N Trustees Amendment Act 1988 and subsequent amendments, and within the meaning of Rule 2 of the Solicitors Nominee Company Rules.

Structural Survey

- This report does not purport to be a structural survey and is limited to valuation purposes only. We accept no responsibility for the omission of building or other defects which may not be apparent without such a survey. No structural survey has been made and no undertaking is given about:
 - The ingress of water into a building or structure and any physical loss of or damage to the building or structure arising directly or indirectly, in whole or part, from the ingress of water; or
 - Rot or gradual deterioration of the building or structure arising directly or indirectly, in whole or part, from the ingress of water; or
 - Fungus, mould, mildew, yeast, rot or decay, gradual deterioration, micro-organisms, bacteria, protozoa or any similar or like forms in any building structure or any spore or toxin produced by such fungus, mould, mildew or yeast, micro-organisms, bacteria, protozoa or any similar or like forms; or
 - Any costs or expenses arising out of the abating, testing for, monitoring, cleaning up, removing, containing, treating, detoxifying, neutralising, remediating or disposal of, or in any way, responding to or assessing the effects of mould, fungus, mildew, yeast, rot, decay, gradual deterioration, micro-organisms, bacteria, protozoa or similar or like forms, in any building or structure; or
 - The failure of any building or structure to comply with or conform to the requirements of the New Zealand Building Code contained in the Building Regulations 1992, the Building Act 2004, or to meet the level of performance, quality, fitness or durability of its intended purpose in relation to:-
 - External water or moisture; or



- (ii) Either durability or protection from external water or moisture entering that building or structure, or the effects thereto.

Legislation

- We can give no guarantee as to outstanding requisitions in respect to the subject building. It assumes all Local Authority building codes, regulations and by-laws have been complied with, including all matters relevant to the Resource Management Act(s) and the Building Act(s), unless otherwise stated. For any new construction it is assumed a Code Compliance Certificate is obtained at the completion and any new work is completed strictly in accordance with the relevant product manufacturer's instructions and meets all requirements of the Building Code. We have not obtained a Land Information Memorandum (LIM) or PIM and assume the property conforms to all requirements of relevant legislation and regulations.

Land Survey

- This report is for valuation purposes only. We have made no land survey of the property and assume no responsibility in connection with these matters. Unless otherwise stated, the valuation has been assessed conditional upon all improvements being within the title boundaries. We have not undertaken investigations or been supplied with geotechnical reports with respect to the nature of the underlying land. The valuation has been assessed conditional upon the land being firm and suitable ground for the existing and/or potential development, without any need for additional and expensive foundation and retaining work or drainage systems. We have also assumed the land to be free of any contaminants or noxious materials.

GST

- The valuation includes Goods and Services Tax (if any). It has been assumed the supporting sales (and rental) data have been transacted on a GST inclusive basis. Should this not be the case for any particular sale (or rental) used as evidence, we reserve the right to reconsider our valuation.

Market Valuations

- Our valuation has been completed in accordance with the International Valuation Standards (IVS Framework) and the Guidance Papers for Valuers and Property Professionals (GPVPP). Both define Market Value as:

'The estimated amount for which an asset 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 have each acted knowledgeably, prudently and without compulsion'.

As real estate values can vary from time to time in response to changing market conditions, it should therefore be noted that our assessment of market value is based upon the facts and evidence as they exist as at the date of valuation and no warranty can be given as to the maintenance of these values in the future. Our valuation does not attempt to arrive at a value under forced sale conditions (unless as noted). No allowances are made for any expenses of realisation or to reflect the balance of any outstanding mortgages either in respect of capital or accrued interest.

The local and regional real estate market that the subject property is transacted in is being impacted by the uncertainty that the Covid-19 outbreak has caused. The landscape and market conditions are changing daily at present. As at the date of valuation, we consider that there is significant market uncertainty which can lead to a much wider variation in value and greater price volatility.

- Where this report and valuation refers to a 'Forced Sale Value – Constrained Market Value' this valuation has been prepared under the Guidance Papers for Valuers and Property Professionals – ANZVGP103 Addressing the Concept of 'Forced Sale'.

Risk Analysis

- The Risk Analysis is a simple analysis which reflects the valuers interpretation of market and property risks at the time of valuation and indicates the level of adverse impact each stated aspect has on the property's value and marketability. The opinion is based on many factors and reflects the nature and standard of the property, its attributes, characteristics and current market conditions. This assessment forms part of the full report and must not be relied upon in isolation. It is not a technical analysis, but is the result of the current experience of the valuer based on the facts and information that is commonly available for that class of property in the market. It does not consider any privileged information or data not readily available.

Other

- The undersigned holds a current Practising Certificate, is a registered valuer and certifies that Prendos New Zealand Limited has professional indemnity insurance in force and effect for an amount appropriate to the level of valuation and the firms business activities.
- The author(s) of this report where they use the singular phrase 'I' or the plural 'we', or similar phraseology, are referring to their role acting on behalf of Prendos New Zealand Limited, not as individuals.
- The report contains assumptions considered to be fair and reasonable. If any assumptions are made which are based on information later proved to be incorrect, or known by the recipient to be incorrect at the date of the report, Prendos New Zealand Limited reserves the right to reconsider the report and if necessary reassess values.



**RECORD OF TITLE
UNDER LAND TRANSFER ACT 2017
FREEHOLD
Historical Search Copy**



Constituted as a Record of Title pursuant to Sections 7 and 12 of the Land Transfer Act 2017 - 12 November 2018

Identifier SA41A/254
Land Registration District South Auckland
Date Issued 06 April 1988

Prior References

PROC S145356 SA1219/35

Estate	Fee Simple
Area	880 square metres more or less
Legal Description	Lot 27 Deposited Plan South Auckland 3063

Original Registered Owners

Mario Ruka and Kiwi Shirlyann Ruka

Interests

Subject to Section 8 Mining Act 1971

B611852.3 Mortgage to Bank of New Zealand - 14.6.2000 at 3:27 pm

6325997.1 Discharge of Mortgage B611852.3 - 25.2.2005 at 9:00 am

6325997.2 Transfer to Andrew Blair Coogan (1/2 share) and Stacey Christina Heaslip (1/2 share) - 25.2.2005 at 9:00 am

6325997.3 Mortgage to Bank of New Zealand - 25.2.2005 at 9:00 am

9643768.1 Discharge of Mortgage 6325997.3 - 14.3.2014 at 12:14 pm

9643768.2 Transfer to William Charles Hale, Jacqueline Anne Hale and Lloyd & Associates Limited - 14.3.2014 at 12:14 pm

9643768.3 Mortgage to ASB Bank Limited - 14.3.2014 at 12:14 pm

9829288.1 Discharge of Mortgage 9643768.3 - 12.9.2014 at 11:44 am

9829288.2 Transfer to Jamie Alexander Cumming - 12.9.2014 at 11:44 am

9829288.3 Mortgage to ANZ Bank New Zealand Limited - 12.9.2014 at 11:44 am

11644884.1 Discharge of Mortgage 9829288.3 - 20.12.2019 at 11:36 am

11644884.2 Transfer to Kate Mariano - 20.12.2019 at 11:36 am

11644884.3 Mortgage to Pepper New Zealand Limited - 20.12.2019 at 11:36 am

12211473.1 Discharge of Mortgage 11644884.3 - 9.9.2021 at 3:29 pm

12211473.2 Transfer to Pawan Kumar Sharma - 9.9.2021 at 3:29 pm

12211473.3 Mortgage to Westpac New Zealand Limited - 9.9.2021 at 3:29 pm



**RECORD OF TITLE
UNDER LAND TRANSFER ACT 2017
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Date Issued 06 April 1988

Prior References

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Estate	Fee Simple
Area	880 square metres more or less
Legal Description	Lot 27 Deposited Plan South Auckland 3063

Registered Owners

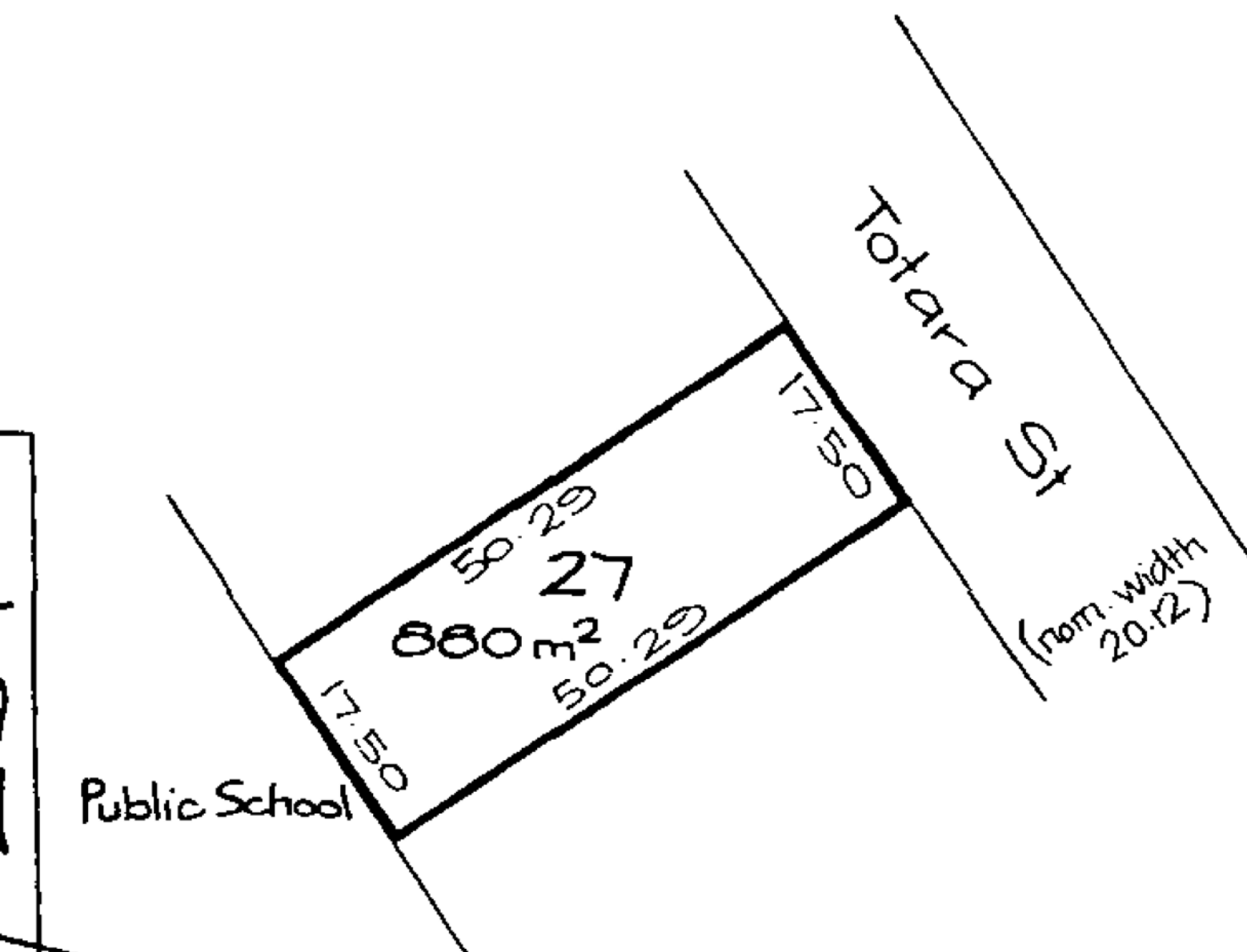
Pawan Kumar Sharma

Interests

Subject to Section 8 Mining Act 1971

12211473.3 Mortgage to Westpac New Zealand Limited - 9.9.2021 at 3:29 pm

Putaruru Borough





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