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McLean Flats Redevelopment
ARCHITECTS DESIGN REPORT
NOVEMBER 2015

PRELIMINARY
DRAFT
FOR REVIEW

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EXECUTIVE SUMMARY

This report outlines the briefing, site analysis and early concept design testing and development of the McLean Flats site proposal.

A number of concept design strategies were explored and assessed using a range of criteria. (refer appendices for this full assessment).

In September 2015 these were narrowed down to two primary options;

- Option A4- Refurbish the existing McLean Flats building and integrate with some new units with comprehensive site development; and
- Option B4- Demolish the existing McLean Flats building and design entirely new units with comprehensive site development

This report focuses on the background, description and assessment of these two options.

Option A4 was the preferred option based on a combination of benefits, including sustainable reuse benefits, planning benefits- in leveraging 'existing use rights', and overall economic benefits- in providing the more favourable economic feasibility outcome.

The preferred option comprises 34 possible single bed units with an approximately 50/50 split between refurbished and new units. One single unit at level One is allocated as the community room.

Under either option, it has been noted that there will be benefits in developing the site with a degree of coordination/ consultation with VUW on the adjacent site to achieve a well-integrated design that optimises benefits over both sites.



HNZ DESIGN BRIEF

Taken from; HNZ Request for Proposal
Architectural Services
Redevelopment of McLean Flats, Wellington

*The opportunity exists for a design focussed architect to demonstrate their talent and expertise and create homes that will really **stand the test of time**. HNZ wants the surrounding community to look back at these homes in 20 years time and stand proud.*

*With HNZ's strong commitment to urban design these homes should reflect **best practice in resident safety, solar orientation and liveability**. **Market based architecture** is important as HNZ wants to respond to the neighbourhood in kind, adding value and careful not to create a dominating presence.*

*Special consideration should be paid to the tight and elevated site as well as a **sensitive response to the adjacent property** now owned by Victoria University that include with easements for access to the site. One bedroom configurations are preferred with appropriate carparking and amenity for this location.*

The new development will be retained for HNZ residents. The construction cost is estimated at \$8,000,000 to \$12,000,000 depending on the final configuration.

Summary of Design Success Criteria;

- **stand the test of time**
- **best practice in resident safety, solar orientation and liveability**
- **market based architecture**
- **sensitive response to neighbourhood**

HNZ TENANT PROFILE

From initial briefing workshops, site visits to other HNZ facilities, and feedback from early design analysis, the primary HNZ tenant profile for this project has been described as;

- Single people are the biggest client group in the Central Wellington area; therefore a predominance of single-bedroom units are preferred for this site.
- High proportion of tenants are likely to be male and 50yrs+. CPTED considerations in the design of the access, shared, and in-between spaces is therefore particularly important.
- Many tenants may be mobility impaired, so accessibility within and to the site, and proximity to street and public transport is important,
- Some tenants may have complex needs with potential mental health or dependency issues. A central room, accessible room facilitating meeting with off-site providers is therefore important.
- Many tenants are likely to spend the majority of their time in their units, so ambient amenity in units such as sunlight, outlook, natural ventilation is important.

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THE WIDER CONTEXT

The McLean Flats are located on an elevated sloping site on the western edge of the Te Aro Basin. It is within walking distance of other HNZ residences at Dixon St and Tory St.

The site benefits from being located in close proximity to numerous central city amenities;

Civic & Cultural

- CBD & City Centre
- Library, WCC & Civic Square
- Te Papa & waterfront

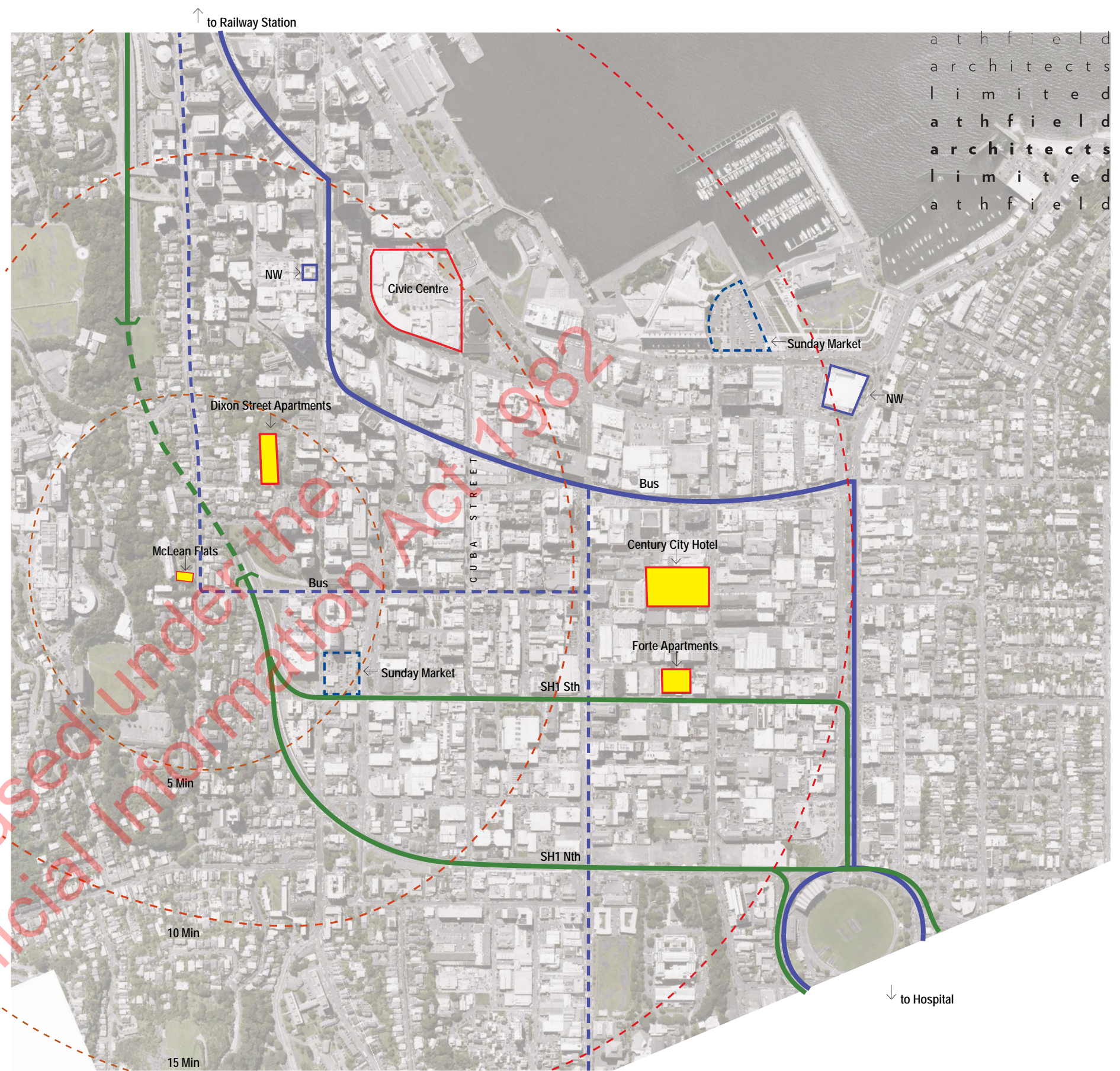
Transport

- Primary public transportation corridor connecting; the railway station - Te Aro - Hospital - Southern Suburbs
- Secondary bus routes along the Terrace
- State Highway 1

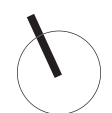
Commercial

- Supermarkets
- Weekend fresh produce markets
- Cuba St

The site is also situated immediately to the east of Victoria University Kelburn Campus. VUW has recently purchased the adjoining Gordon Wilson flats site and its eventual redevelopment may lead to an increased student population and general level of activity around the McLean Flats site.



LOCATION & AMENITIES PLAN



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THE SITE

TOPOGRAPHY

McLean Flats is located at 314 The Terrace in the Wellington inner city suburb of Te Aro. The site is located towards the low point in the Terrace at the western end of Ghuznee St. The site occupies a minor ridge that slopes moderately steeply from west to east on the lower western edge of the Te Aro basin.

The site is elevated above the Terrace to the east, due to a 3.5m retaining wall which provides an elevated public footpath. To the west the topography flattens off before sloping steeply up to the Victoria University Kelburn campus.

To the north, the site slopes from west to east with the steepness gradually decreasing in relation to the Terrace which rises to the north. The southern boundary runs along the ridge line with the ground dropping away to the south.

ORIENTATION & ASPECT

The primary aspects of the site are towards the south and east with long views over the Te Aro basin towards Mt Victoria and the southern suburbs. To the north & west, views are limited due to the height of the inner city buildings and the topography.

The site has good access to sunlight throughout the first parts of the day until afternoon when the site is shaded by the Gordon Wilson flats to the north-west (due to be demolished) and the steeply sloping topography to the west.

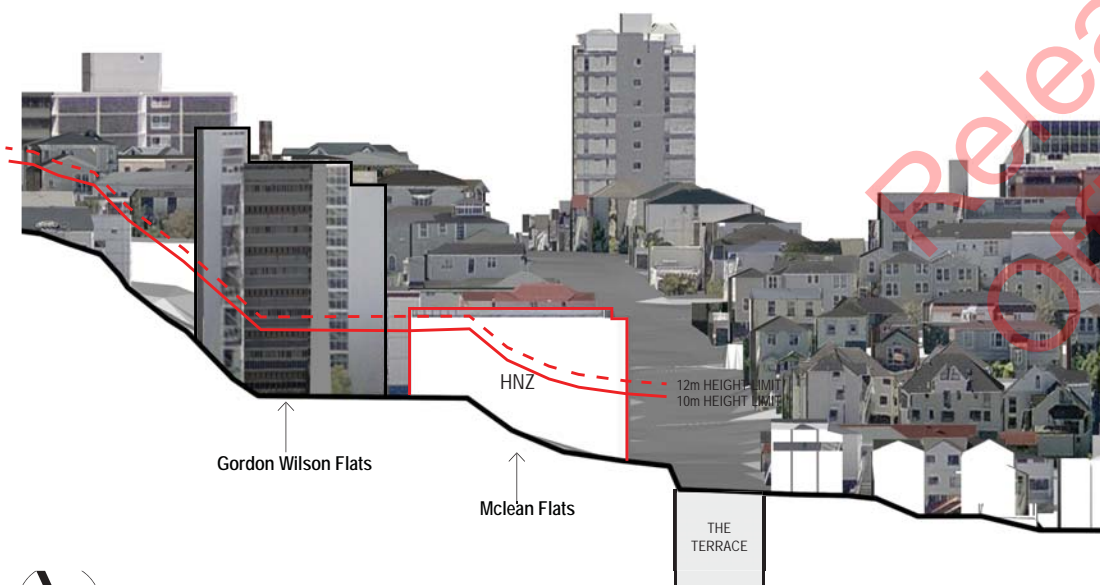
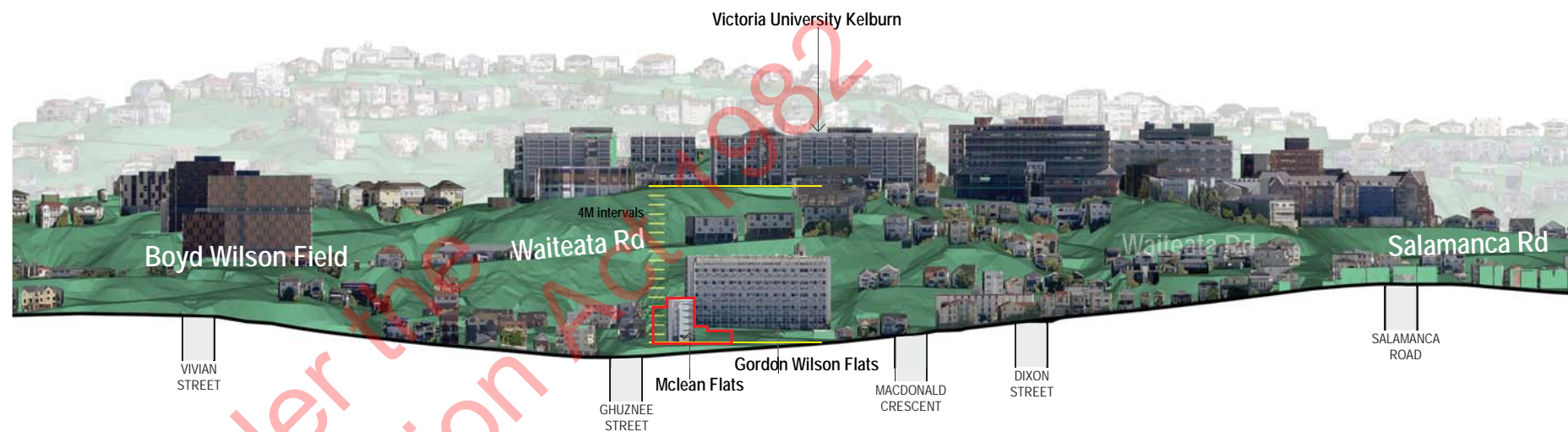


Fig 2. South Section

THE SITE

BUILT CONTEXT

The streetscape is characterised by a predominantly residential context of 2-3 storey townhouses along the Terrace to the east and some larger 3-4 storey townhouse developments to the south. Due to its elevated siting, the existing 6 -storey Mclean Flats building is notably higher than the surrounding residential context, particularly the buildings to the east and immediately to the south. The potential dominance of the existing building is partly mitigated by its orientation perpendicular to the Terrace and its location at the lower point of the Terrace. At almost twice the height of the Mclean flats, the neighbouring 12-storey Gordon Wilson flats to the north-west help currently further reduce its relative dominance.

It is noted that under a plan change currently being sought by VUW, The Gordon Wilson building may be demolished, and other education based buildings may be built on the site.

PROFILE & IDENTITY

The elevated nature of the site means the existing Mclean Flats building can be seen from a number of locations within the city basin and the surrounding streetscape. This provides opportunities for increased profile and identity for the development.



Fig 1. Cnr of Ghuznee St and Victoria St



Fig 2. Cnr of Ghuznee St and Willis St



Fig 3. Cnr of Ghuznee St and The Terrace



Fig 1. View South - The Terrace



Fig 1. View North - The Terrace



Fig 3. Cnr of Buller St and Ghuznee St



Fig 4. Cnr of Vivian St and Willis St



a t h f i e l d
a r c h i t e c t s
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LEGAL TITLE (Lot 2 363050)

The 1492m site is approximately square (40m x 45m) with a divot in the north-west corner where the boundary has been drawn dividing the existing Mclean and Gordon Wilson Flats. HNZ recently sold the neighbouring Gordon Wilson site (Lot 1) to Victoria University. There remains a legal right of way to allow access from the Terrace to the Mclean Flats parking area located at the top of the site in the north-west corner, along with a number of other easements.

The future configuration, level and nature of the legal ROW to the Mclean Flats site will need to be reviewed under the proposed redevelopment option.

VUW have submitted a proposed change to the District Plan to rezone Lot 1 from Inner Residential to Institutional. This change would have significant impact on how the neighbouring site could be developed in the future.

Potential benefits of a coordinated development between HNZ and VUW....

DISTRICT PLAN CONSIDERATIONS

taken from; Urban Perspectives District Plan Audit
314 The Terrace (Mclean Flats)

The site is zoned 'Inner Residential Activity Area' within the Wellington District Plan. The District Plan strategy for the Inner Residential area is to encourage consolidation and intensification, whilst also maintaining and enhancing on-site residential amenity without detracting from the character and amenity of the neighbourhood.

The principle issues likely to arise from a (re)development of the site are;

- townscape/streetscape and overall visual amenity ('urban design' issues);
- building height above 10m and consequent potential for shading on residences to the south (291-295 The Terrace and 146-148 Ghuznee St) and to the west (322 The Terrace);
- on-site residential amenity, in particular the provision of private open space for each unit (ground level and balconies) and solar access to principal living areas;
- on-site parking provision; and
- earthworks

EXISTING USE RIGHTS

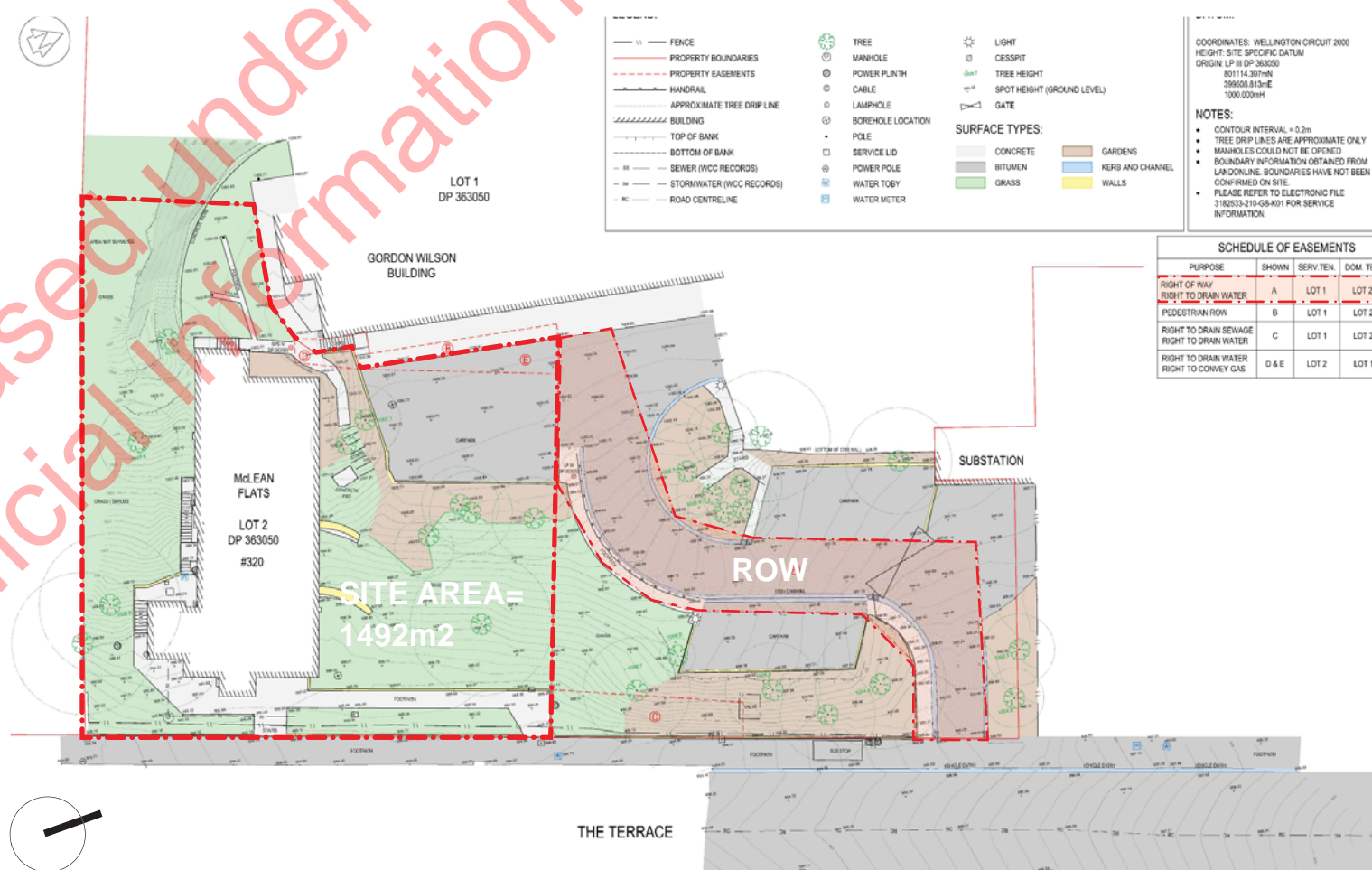
Section 10 of the RMA confers a right to continue existing land uses which would contravene a rule in a district plan or proposed plan where:

- The land use was lawfully established before the rule became operative or the proposed plan was notified, and
- The effects of the land use are the same or similar in character, intensity, and scale to those which existed before the rule became operative or the proposed plan was notified, and

On the assumption that the building, when constructed in 1944 was lawfully established, the existing building (which exceeds the operative permitted activity height of 10m) is covered by existing use rights.

The proposal presented in this report is based upon this assumption.

For the full District Plan Audit please refer to the separate report.



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THE EXISTING BUILDING

DESIGN

The Mclean State Flats building was designed by Gordon Wilson, chief architect of the Department of Housing Construction 1943–44. The ‘art-deco’ style building with its signature curved eastern corner, was originally designed as dormitories. It is presently configured as 17 one bedroom units.

A number of modifications to the original design have altered the appearance and planning of the building, namely the addition of the curved bay windows on the northern facade which in-filled the original set-in balconies and planters.

While we understand the existing building has no formal heritage recognition with Heritage New Zealand or Wellington City Council, we believe the existing structure has some townscape/architectural values in terms of a) what it represents as a social housing project of its time, and b) its character, architectural and townscape qualities in its context.

We understand its key character and townscape values to be:

- Its Art Deco ‘social housing’ character and well articulated form, particularly as modulated around its eastern end, and as read from viewpoints up and down The Terrace.
- Its prominent, narrow, tall, articulated east-west form running perpendicular to the Terrace. In its context it forms a clear punctuation mark on the street, and something of a transitional element between the residential scale buildings and the much larger Gordon Wilson Flats.

CONDITION

The building condition has been reviewed as part of the structural assessment(s) already undertaken. The building has been assessed at 20% of the new building standard, consequently the building currently vacant. The assessments have found the concrete superstructure (shear walls and floors) to be of a sound nature. The unrestrained brick in-fill walls (generally east-west walls) are susceptible to collapse.

AAL have also undertaken a high-level review of the weather-tightness and condition of the existing building fabric as well its suitability for redevelopment. The exterior of the building and common spaces are generally in poor condition and in need of maintenance. The curved bay windows are in particularly poor condition and could not feasibly be retained. Generally the interior spaces are well lit and of a suitable plan area to accommodate the single bedroom units as briefed. Due to the existing structural grid and floor to ceiling heights, there would be some compromise to aspects of the HNZ brief namely; apartment size, ceiling height and bedroom size.

In our view, based on preliminary review, the building has sufficient inherent value and other potential benefits that might support its refurbishment, however it would require a significant amount of work to bring it up to HNZ and NZBC standards.

For the full AAL Existing Building Preliminary Review please refer to the appendices.

For seismic, engineering and geotechnical reports on the existing building please refer to separate reports.

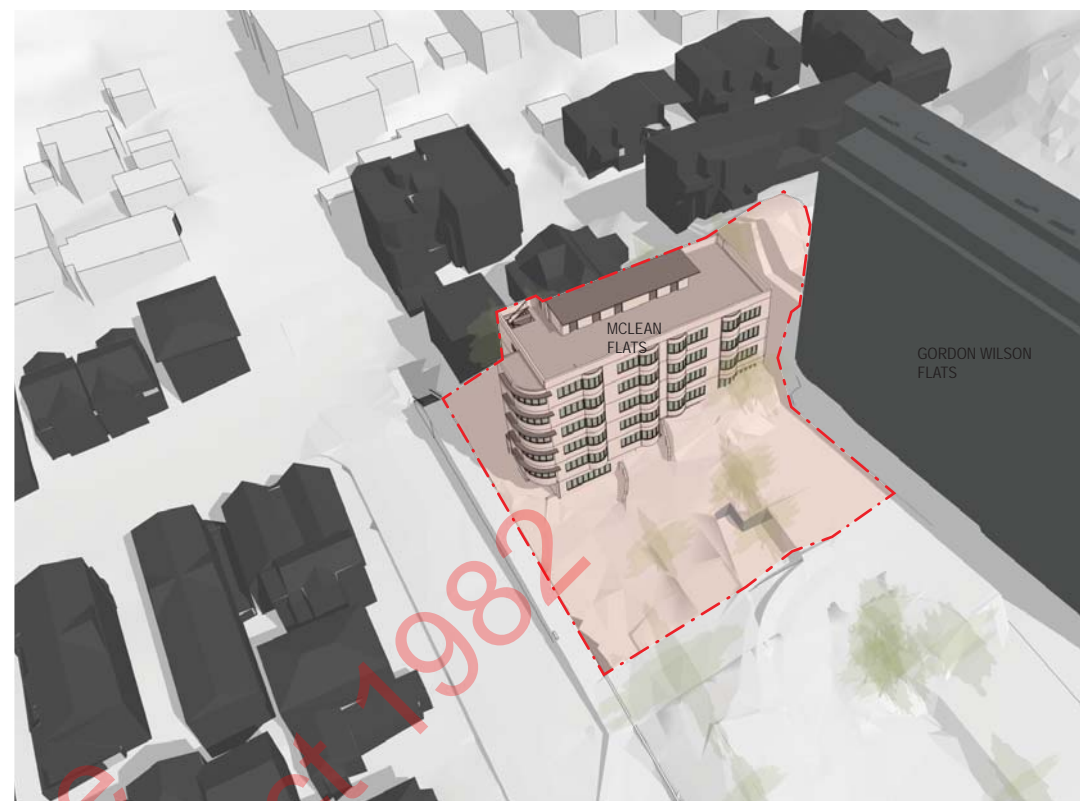


Fig 1. aerial view from east

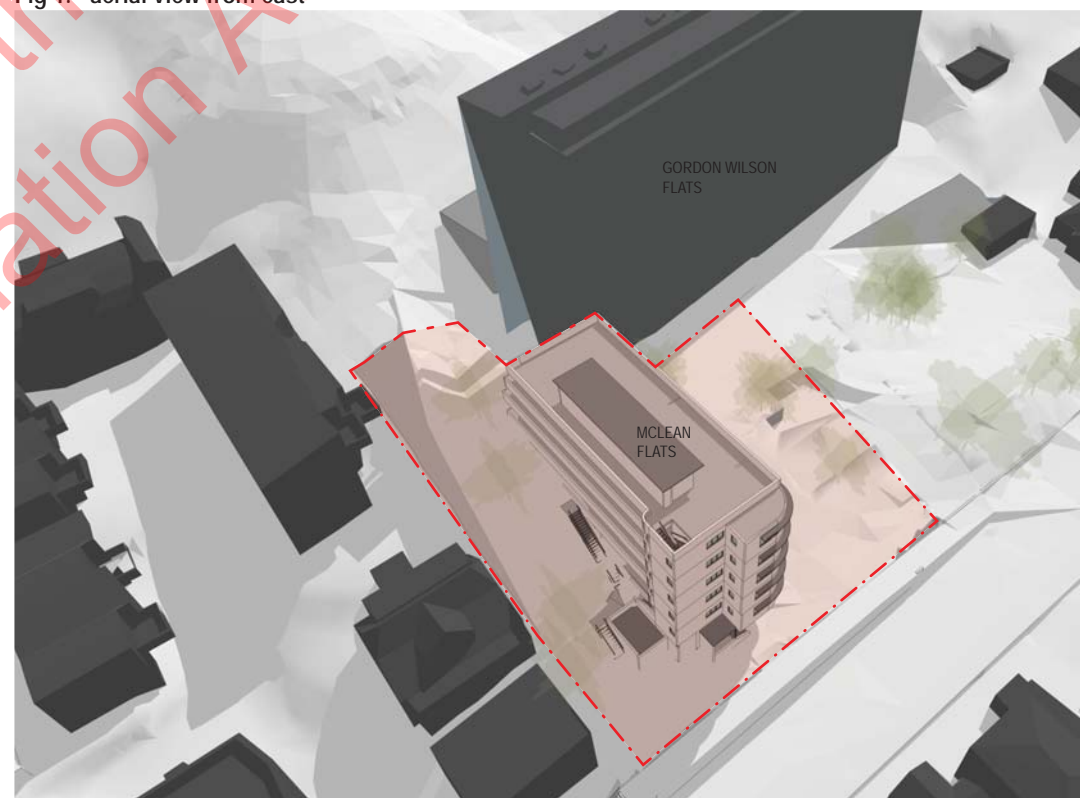


Fig 2. aerial view from south

DESCRIPTION	BUILDING FOOTPRINT	SITE COVERAGE	No. LOBBIES	No. LIFTS	No. UNITS	UNITS/ LOBBY	DIRECT ENTRY UNITS	UNIT TYPES	DUAL ASPECT EAST + WEST	SINGLE ASPECT NORTH	SINGLE ASPECT + CORNER	SINGLE ASPECT EAST / WEST	ACCESSIBLE UNITS @GL	'WALK-UP' UNITS (under 3 storey no lift access)
existing Mclean Flats	250m ²	17%	1	0	17	17	0		0	12	5	0	0	0

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PRELIMINARY DRAFT FOR REVIEW

DESIGN CONSIDERATIONS

During the concept design phases a number of reviews were undertaken with key consultants in order to assess the various bulk and location design options. These included, but were not limited to;

- Urban Design (Sue Evans (HNZ) & Deyana Popova); and
- CPTED (Frank Stoks)

The key issues are summarised below.

URBAN DESIGN

taken from; Urban Perspectives
Urban Design Review (Deyana Popova email 23.03.15)

'Off-Site' urban design issues: Relationship to context & impact on amenity of adjacent neighbours;

- Improve street edge definition along The Terrace frontage of site;
- Create legible entrance points that connect to the street;
- Improve the relationship of the existing building (or a new building of similar bulk) to surrounding lower buildings (e.g. breaking down the building bulk, use of transitional volumes to moderate height differences and improve scale relationship);
- Maintain or reduce effects on adjacent neighbours to the south - with regard to shading, visual amenity, privacy/overlooking;
- Visual integration into streetscape/wider townscape - impact on key views;
- Interface with University site to the north - treatment and vehicle access location (integrated outcome for the two sites);

'On-Site' amenity/urban design issues: Building form, location and site planning

- Create positive open space between buildings that is easily accessible and sunny and provides opportunities for ground level units to open up directly onto that space. Provide design shared open space as a focal point for the development as a whole;
- Position individual residential units to maximise sunlight and views (objective: all units have to receive mid-winter sun in at least one main living room for at least 4 hours at mid-winter);
- Locate/model building form to avoid unnecessary shading of private outdoor spaces (or windows to main rooms) between adjacent units within the development;
- Provide each unit with some form of private open space;
- Minimise the need for any large retaining structures. Design any required earthworks and retaining walls as positive landscape features;
- Vehicle accessway and parking should not dominate the site layout and/or compromise the quality of open space or the visual amenity of adjacent units (location, layout and treatment of accessway/carparking areas are all important);

CPTED - Crime Prevention Through Environmental Design

Preliminary CPTED review and advice from CPTED specialist Frank Stoks focused on design aspects relating to the units, community spaces, zones of movement and thresholds in and around the units. Key issues identified included;

- Consider a broader mix of tenants,
- Create a central sense of address and identity.
- Create clear and legible entries
- Create clearly defined private, shared, and public spaces
- Provide choice and flexibility in spaces and accessways
- Eliminate (access to) poor in between/ 'behind' spaces
- Provide for passive surveillance
- Create micro communities- by limiting the number of units accessed per core, and minimising long corridors serving multiple units
- Create positive spatial relationships between units that optimise privacy/ overlooking, but provide for micro communities. ie separate units with stairs, side load entries.



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ISSUES AND OPPORTUNITIES

The existing McLean Flats building

Current building non-compliant re seismic and other HNZ amenity standards.

- Consider ways to reutilise existing building structure to optimise sustainable reuse, and planning benefits regarding building existing use rights,
- Consider ways to integrate new buildings and support spaces with existing building refurb to provide high value integrated site development.

The steep topography

- Use the topography to assist terraced configuration of site, enabling some differentiation between units, increased ground interface, clear hierarchy of entry, service space/ community space, elevated outlooks and enabling positive massing in relation to site

The site elevation above street

- Create ground floor units with an address to street- but with a degree of separation from traffic/ immediate footpath proximity.
- Provide a varied and visually active address to the street,
- Consider possibility of a component of interactive footpath edge use- ie entry + interactive space.

Frontage to busy street

- Utilise elevation to moderate effects of busy streets, while still drawing on benefits of interaction and access/ connectivity to the city.
- Utilise the shared access way to assist hierarchy of entry, positive combined landscape (between VUW and HNZ) as well as managed service vehicle access off the busy street.

The shared service entry with Gordon Wilson Flats

- Consider reconfiguration to optimise benefits to HNZ (and potentially VUW) and enable best integrated frontage landscape.
- Consider reconfiguring levels to suit optimum accessible arrival/ service point central to the terraces of the development.
- Consider utilising air space of accessway ROW to contribute to northern sunlight access.

The proximity of Gordon Wilson Flats and/or future VUW buildings/ activities

- Configure buildings and spaces that might logically complement/ draw benefit from outlook or passive surveillance from neighbouring buildings.
- Configure buildings in a manner that will draw values from complementary street presence, and mass and form urban design/ planning benefits from likely combination with VUW development (of building and/or landscape)

The existing mature vegetation on the southern boundary and shared access-way to the north

- Draw on the benefits of mature planting to mediate effects between neighbours, contribute to outlook from units, and contribute to the street scape and amenity of the site.



BULK & LOCATION STRATEGIES

Three design strategies were devised to test a wide range of bulk and location options during the concept design phase. The strategies can be summarised as;

STRATEGY 1

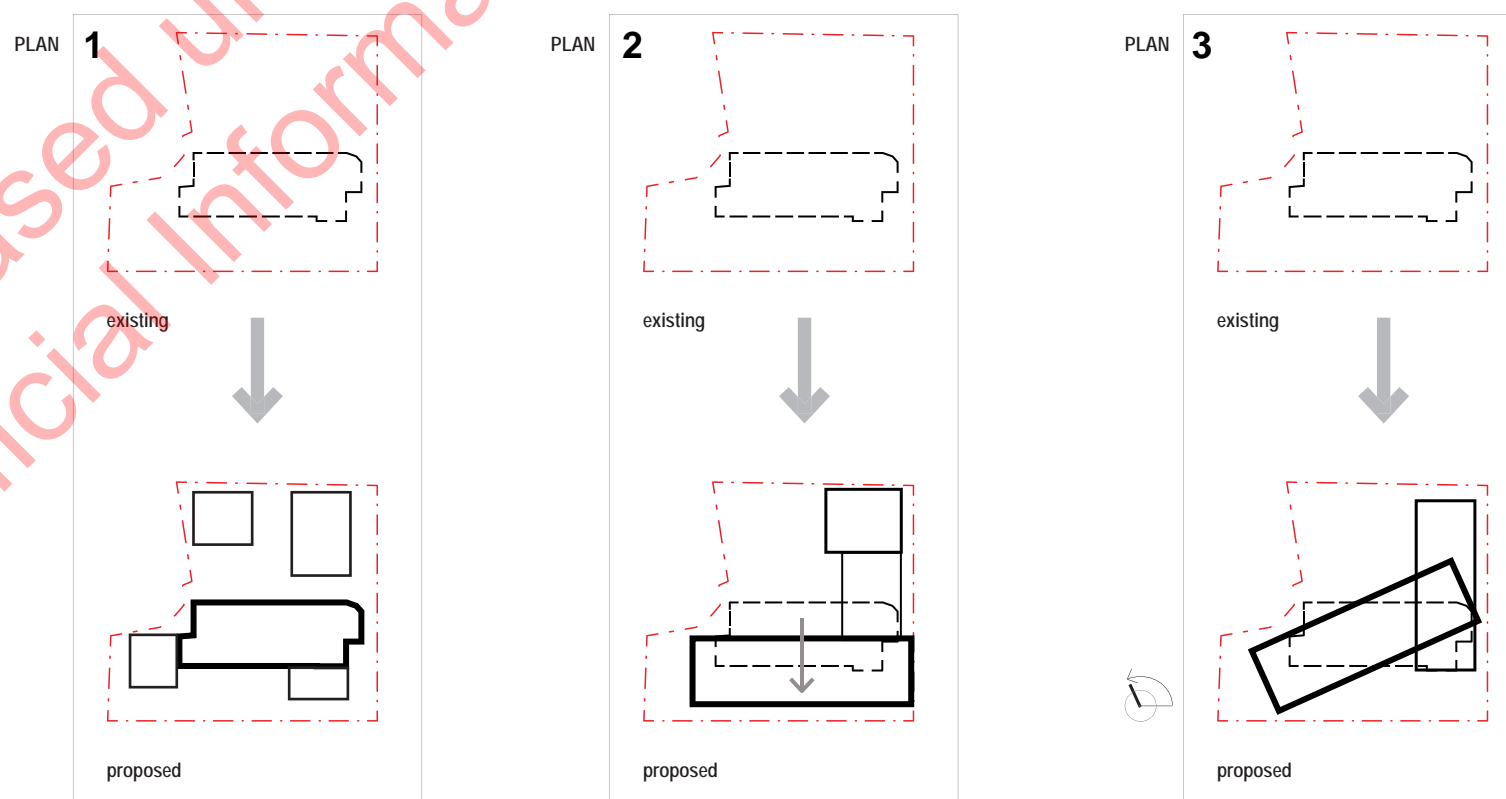
- New or refurbished building built within existing building envelope
- Based on existing use rights
- New additional units to remaining site area

STRATEGY 2

- New building within existing use rights (not restricted to existing building envelope)
- Based on existing use rights (ie not increasing existing shading effects)
- New additional units to remaining site area

STRATEGY 3

- Limit/reduce shading effects caused by existing building
- Apply District Plan height rules
- Optimise orientation of building for sun



BULK & LOCATION DESIGN OPTIONS

OPTION SHORTLIST

A range of bulk and location options were developed under each of the 3 strategies. This was shortlisted to the 7 options shown opposite.

For each option the following was analysed and quantified;

- density of units
- orientation
- aspect of units
- shading effects
- number & location of entries
- accessibility

other issues considered and evaluated were;

- CPTED
- amenity (parking, open space)
- townscape character & identity
- architectural quality / urban design
- adaptive re-use
- 'flagship' design potential

The shortlisted options demonstrated a reasonable balance of the above criteria and were ranked under each criteria in a matrix. The matrix did not apply any differential weighting between criteria. Of the shortlisted options, new build options 2B, 2C and 2E, despite not increasing shading caused by the existing building, were deemed to present a higher planning risk due to the high potential for additional overlooking and visual amenity effects to the neighbouring buildings to the south.

For this reason two options were selected based on lowest planning risk by the HNZ project team for further development and initial costing;

- **OPTION 1E**; based on retention and reuse/addition to existing building (applying existing use rights) with additional new build to remainder of site
- **OPTION 3**; based on complete new build (applying District Plan height plane rules)

OPTION	BUILDING FOOTPRINT	SITE COVERAGE	No. LOBBIES	No. LIFTS	No. UNITS	UNITS/ LOBBY	STREET ENTRY UNITS	UNIT TYPES	DUAL ASPECT EAST + WEST	SINGLE ASPECT NORTH	SINGLE ASPECT + CORNER	SINGLE ASPECT EAST / WEST	ACCESSIBLE UNITS @GL	'WALK-UP' UNITS (under 3 storey no lift access)
OPTION 1D; as per 1C with additional 3-storey eastern wing	500m ²	34%	2	1-2	33	L1 - 24 L2 - 8	1		9	15	6	3	7	6
OPTION 1E; retain existing building (extent TBC) replace stair, add lift shaft, additional building along street edge	540m ²	36%	2	2	33	L1 - 24 L2 - 8	1		8	15	5	5	5	0
OPTION 2B; as per 2A with additional 3-storey eastern wing	650m ²	44%	3	1-2	31	L1 - 15 L2 - 8 L3 - 8	0		16	11	4	0	9	12
OPTION 2E; as per 2A with parallel northern block	715m ²	48%	2	1-3	30	L1 - 15 L2 - 12	3		3	17	8	7	6	12
OPTION 3; 3 storey southern block stepping with slope with eastern and northern blocks as per 2C	620m ²	42%	5	0-2	32	L1 - 6 L2 - 8 L3 - 8 L4 - 4 L5 - 6	0		12	9	3	4	9	32
OPTION 5; primary block rotated to face due north, stepping block to street edge	575m ²	39%	1	2	30	L1 - 27	3		3	15	9	3	7	0



OFF-SITE EFFECTS ANALYSIS	OPTION 1D			OPTION 1E			OPTION 2b			OPTION 2C			OPTION 2E			OPTION 3			OPTION 5			
	high	medium	low	high	medium	low	high	medium	low	high	medium	low	high	medium	low	high	medium	low	high	medium	low	
potential planning risk due to height plane infringements (discounting existing use rights)	●			●																		
potential additional shading effects to southern neighbours from Mclean Flats development		●	●		●	●		●	●		●	●		●	●		●	●		●	●	
potential additional overlooking effects to southern neighbours from Mclean Flats development			●			●	●	●	●		●	●		●	●		●	●		●	●	
potential additional visual amenity effects to southern neighbours from Mclean Flats development			●			●	●	●	●		●	●		●	●		●	●		●	●	
ON-SITE EFFECTS ANALYSIS	OPTION 1D			OPTION 1E			OPTION 2b			OPTION 2C			OPTION 2E			OPTION 3			OPTION 5			
	high	medium	low	high	medium	low	high	medium	low	high	medium	low	high	medium	low	high	medium	low	high	medium	low	
potential shading effects on Mclean Flats development from Victoria University site (314 The Terrace)		●			●				●	●		●	●		●	●		●	●		●	●
potential shading effects within boundaries caused by Mclean Flats Development			●			●			●	●		●	●		●	●		●	●		●	●
OTHER ATTRIBUTES ANALYSIS	OPTION 1D			OPTION 1E			OPTION 2b			OPTION 2C			OPTION 2E			OPTION 3			OPTION 5			
	low	medium	high	low	medium	high	low	medium	high	low	medium	high	low	medium	high	low	medium	high	low	medium	high	
potential ability to arranged in smaller 'community' clusters (CPTED)		●		●	●			●	●		●	●		●	●		●	●		●	●	
potential opportunity for unique, site-specific architectural response	●			●	●		●	●		●	●		●	●		●	●		●	●		●
potential to improve current townscape	●			●	●		●	●		●	●		●	●		●	●		●	●		●

* NOTE: likely compromise to HNZ minimum requirements due to existing building - refer Existing Building Preliminary Review
NOTE 1: dependent on additional units on roof level



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BULK & LOCATION DESIGN OPTIONS

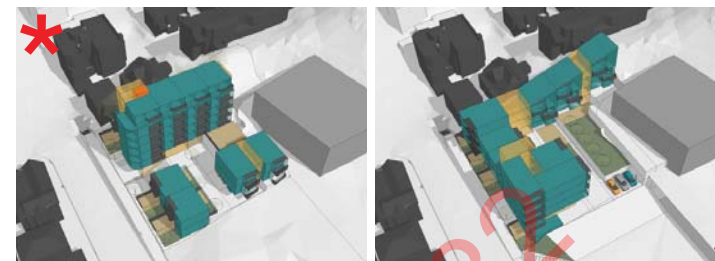
FINAL SELECTION & PREFERRED OPTION

After refining the initial options down to 2 primary options, a number of sub options were developed under each primary option.

In September 2015 these were narrowed down by HNZ to two final options;

- Option A4- Refurbish the existing McLean Flats building and integrate with some new units with comprehensive site development; and
- Option B4- Demolish the existing McLean Flats building and design entirely new units with comprehensive site development

Option A4 was the preferred option based on a combination of benefits, including sustainable reuse benefits, planning benefits- in leveraging 'existing use rights', and overall economic benefits- in providing the more favourable economic feasibility outcome.



OFF-SITE EFFECTS ANALYSIS	OPTION A4			OPTION B4		
	high	medium	low	high	medium	low
potential planning risk due to height plane infringements (assuming existing use rights)		●			●	
potential additional shading effects to southern neighbours from Mclean Flats development		●	●			●
potential additional overlooking effects to southern neighbours from Mclean Flats development			●		●	
potential additional visual amenity effects to southern neighbours from Mclean Flats development			●		●	

* NOTE: likely compromise to HNZ minimum requirements due to existing building - refer *Existing Building Preliminary Review*

NOTE 1: dependent on additional units on roof level

NOTE 2: dependent on R.O.W discussion

ON-SITE EFFECTS ANALYSIS	OPTION A4			OPTION B4		
	high	medium	low	high	medium	low
potential shading effects on Mclean Flats development from Victoria University site (314 The Terrace)	●	●				●
potential shading effects within boundaries caused by Mclean Flats Development		●			●	

OTHER ATTRIBUTES ANALYSIS	OPTION A4			OPTION B4		
	low	medium	high	low	medium	high
potential ability to be arranged in smaller 'community' clusters (CPTED)		●				●
potential opportunity for contemporary architectural response		●				●
potential to improve current townscape		●				●

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PREFERRED OPTION

DESCRIPTION

The preferred scheme (Option A4) achieves 33 1 bedroom units made up of new and refurbished units. This option is based on applying the existing use rights established by the original Mclean Flats building. The building superstructure and signature architectural elements of the existing building are proposed to be retained and adapted for the redevelopment. All other building fabric; common areas, vertical circulation (lift and stairs), external envelope, internal fit-out is to be new. Additional units are proposed to be added to the existing building envelope the south-east (2) west (3) and at roof level (4), replacing the existing communal laundry area and roof terrace.

The remaining site area to the north is to be developed with two standalone blocks of clustered units (4) within a landscaped area incorporating private terraces, community garden, parking and tenant circulation.

Careful consideration has been given to achieve a balance between unit density, orientation and solar access whilst creating positive shared spaces between units for circulation, community gathering and outdoor living.



DESCRIPTION	BUILDING GFA approx	SITE COVERAGE	No. LOBBIES	No. LIFTS	No. UNITS	UNITS/ LOBBY	DIRECT ENTRY UNITS	UNIT TYPES	T.E1	T.E2	T.N1	T.N2	ACCESSIBLE UNITS @GL	'WALK-UP' UNITS (under 3 storey no lift access)
replace existing shell and core seismic upgrade structure new 2 storey block to north, 2 storey block to east	2361m ²	665m ² 44%	3	1	33+ Com- munity Room	1 = 24 2 = 4	5		15	5	8	5	6	7

SUMMARY

PREFERRED OPTION

GENERAL ARRANGEMENT

The arrangement of the site is necessarily driven by the existing building footprint which runs approximately in an east-west orientation perpendicular to The Terrace, 9.2m from the southern boundary.

- The primary entry lobby (1) and vertical circulation remains in the existing location accessed from the Terrace to the east. An additional entry to Lobby 1 is introduced from the upper ground courtyard on the north facade.
- The existing external fire escape stair (3) is replaced by a third enclosed stair and provides an alternative entry/exit to the 3 additional units to the west.
- Additional units over 2 levels run in a north-south orientation addressing the Terrace to the east.
- A generous stair located adjacent the north eastern corner of the existing building provides access and views into the shared courtyard community room and community garden. The stair continues to connect to stair 3 to the west.
- An additional 2-storey block of 4 units is sited in the north-western corner and is accessed via a separate entry and stair lobby (2). The east-west orientation of these units provides optimum sun access while maintaining solar access to the courtyard, community garden and units to the south.

LANDSCAPE

The arrangement of new buildings on the site has been carefully considered to achieve a range of positive shared and private external living spaces.

- a shared community courtyard and garden space running east-west is centrally located between the upper ground levels with views to the east/ north and west
- 6no. ground level units incorporate a private east/west facing terrace gardens with screens for privacy

Existing established vegetation to the south provides a positive edge to the neighbours to the south. It is proposed to be maintained and enhanced. A number of the larger tree specimens are proposed to be retained where possible.



SITE PLAN
1:500@A3

KEY

- ∨ vehicle access
- < tenant entry
- ← tenant circulation
- 1 entry lobby/stair/lift
- egress stair
- - - existing building footprint
- . - . site boundary
- existing tree



PRELIMINARY
DRAFT
FOR REVIEW

PREFERRED OPTION

ACCESSIBILITY

The sloped nature of the site enables accessible entries to shared lobbies as well as individual units on the lower and upper ground levels as illustrated in the diagrams opposite. Wheelchair access is possible to both lobbies (1&2) as well 6 individual units without the need for a lift.

COMMUNAL FACILITIES

Shared tenant facilities are incorporated into the design to encourage interaction and a sense of community within the development. It is critical that these areas are easily accessed, visible and have access to direct sun. The primary communal areas are located at the upper and lower ground levels;

- The primary entry lobby (1) is accessed directly from elevated footpath above The Terrace to the east. This lobby provides space for tenant mailboxes and visitor waiting adjacent to lift and stair access and is visible from the Terrace.
- The Community Room is located at the upper ground level at the top of a generous stair connecting the courtyard to The Terrace. The north facing community room would act as a second access to lobby (1) for tenants arriving from the north (eg by vehicle). This could be converted to a single bed unit (TE1).
- The Community Garden is a terraced area that links the upper ground courtyard with the stair 3 lobby entry to the west. Areas for gardens and fruit trees is provided to allow tenants to grow food.

VEHICLE ACCESS

At the upper ground level tenant and vehicle access is from the north via the current entry off The Terrace. The ROW would need to be reconfigured and the existing ground level lowered by approximately 800mm to allow level access to the site.

PARKING

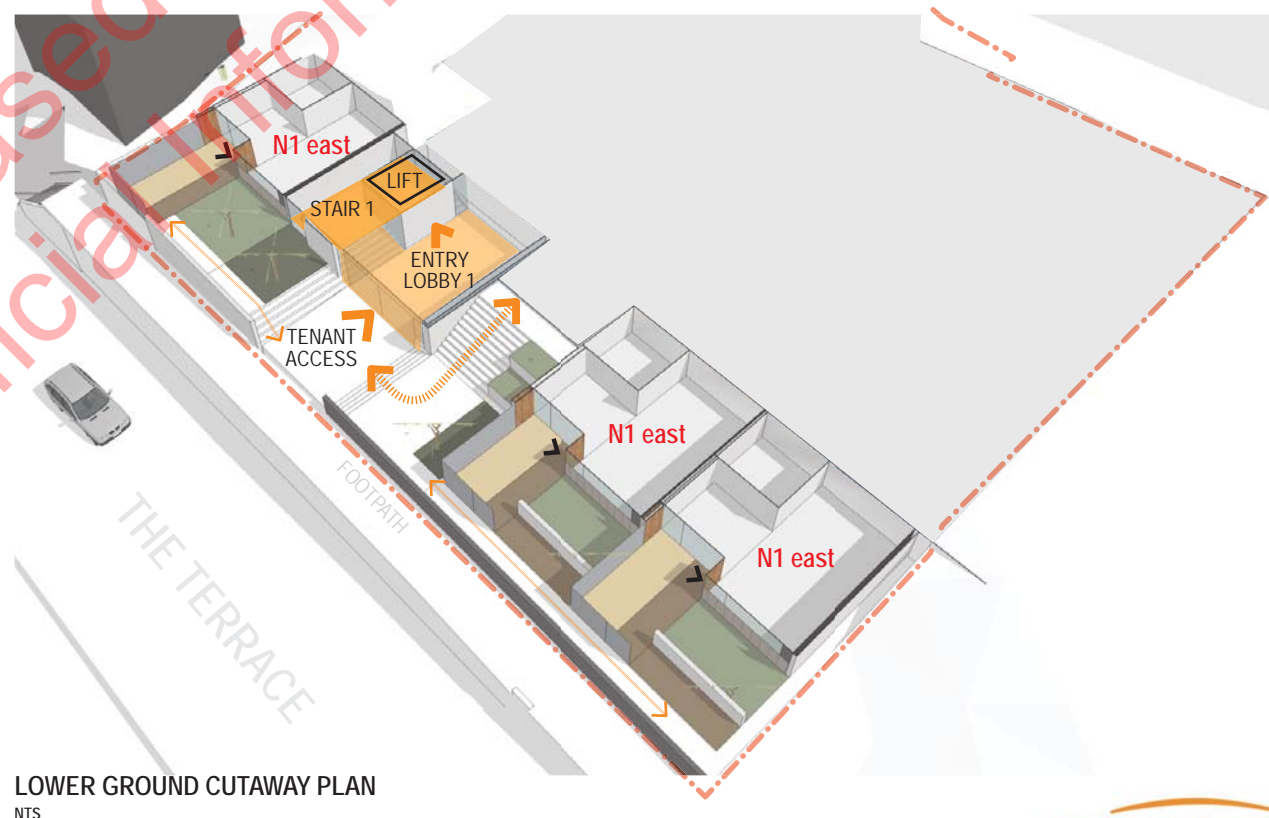
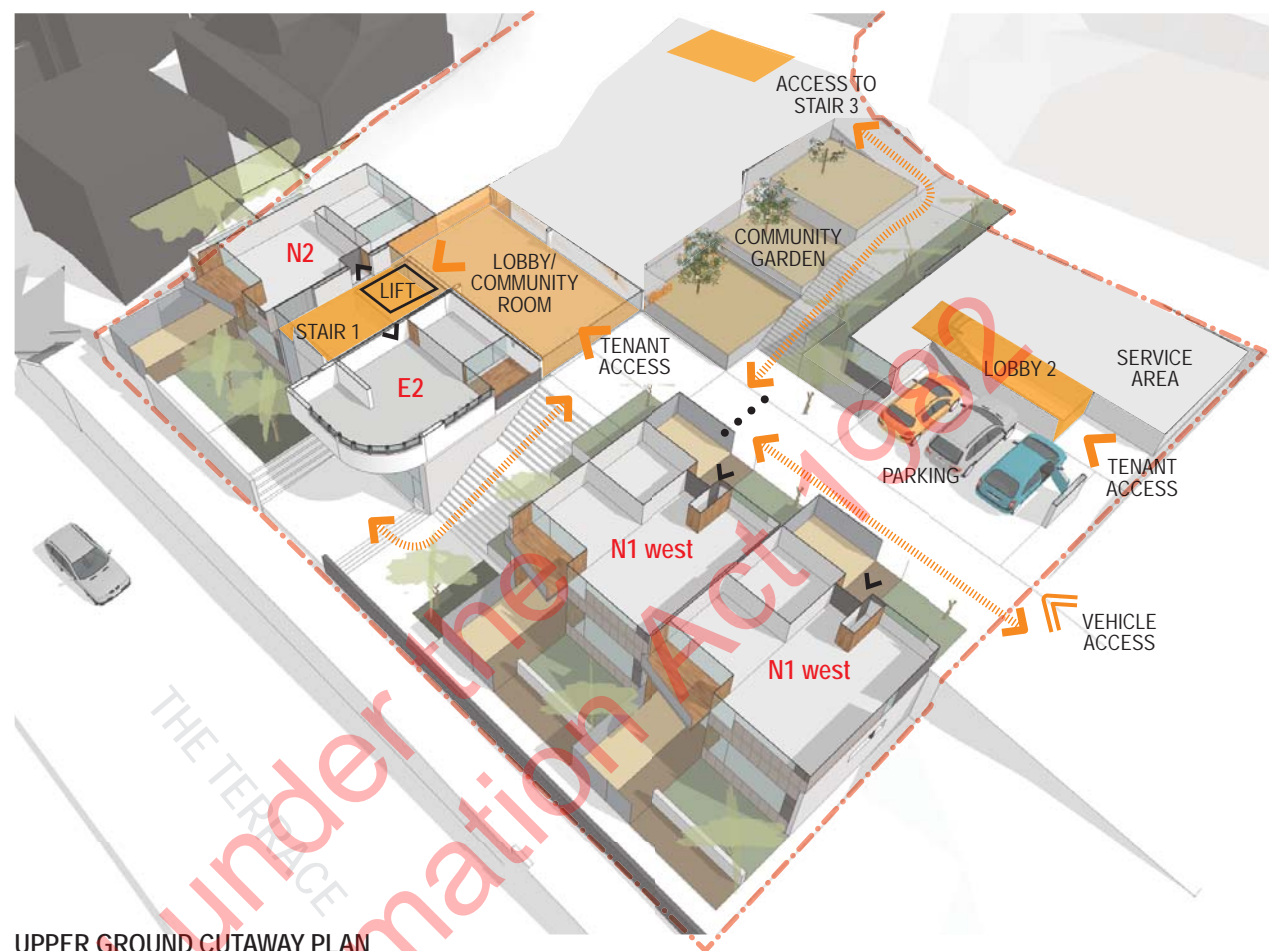
A provision for 3no. car parking spaces is provided in proximity to the vehicle access and tenant lobbies (1&2). Drop-off is also possible in this location.

The parking provision is in line with the briefed requirement of 3-4 spaces or 1 park per 10 units used for WCC housing developments.

SERVICING

The servicing requirement for the development is likely to be higher than that of a typical residential development due to the nature of the tenant requirements (ambulances etc). Therefore provision for efficient, safe servicing is essential.

The design allows for service vehicle access from the north in proximity to main entries for emergency use. More frequent servicing (rubbish collection etc) is limited to the service area in the north-west corner. The ROW area could be configured to allow for a service vehicle to access the rubbish collection area directly without needing to drive onto the site itself.



KEY	
	vehicle access
	tenant lobby entry
	tenant circulation primary
	tenant circulation secondary
	entry lobby/stair/lift
	shared space / community room
	bollards
	tenant unit entry
	unit type
	site boundary



PRELIMINARY
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FOR REVIEW

PREFERRED OPTION

UNIT TYPOLOGIES

The proposal provides a range of unit types and accessibility options to cater for a range of tenants. Unit sizes range between 45-49m² with additional area for external balcony or terrace.

The total number of units proposed is 33. This is divided into refurbished units within the existing building shell and new units;

- | | |
|---------------------------------|----|
| • Refurbished 1 Bed units | 16 |
| • New 1 Bed units at roof level | 4 |
| • New 1 Bed units | 13 |
| • Community Room (TE1) | 1 |

TOTAL UNITS **34**

Within the division between Refurbished and New a number of distinct unit types are proposed. A detailed description of each type can be found on the following page.

- **TYPE E1, E2, (EXISTING)**
- **TYPE R1, R2 (ROOF NEW)** (as per E1, located at roof level)
- **TYPE N1, N2 (NEW)**

INTERIOR LAYOUTS

Each unit type aims to achieve the minimum standards set out by the HNZ guidelines. As noted previously, due to the existing building structural grid and floor to ceiling heights, there would be some compromise to aspects of the HNZ brief namely; apartment size, ceiling height and bedroom size, however these are not deemed to be significant.

As many tenants are likely to spend the majority of their time in their units, ambient amenity in units such as sunlight, outlook, natural ventilation is of high importance. All unit types have been laid out with consideration of the following;

- access to sunlight
- outlook
- natural cross-ventilation
- efficient open plan kitchen / dining / living
- potential for operable partitions between bedroom and living spaces
- efficient built-in storage and joinery
- provision for nook/study space with access to sun
- external living space - terrace or balcony



SITE PLAN
1:200

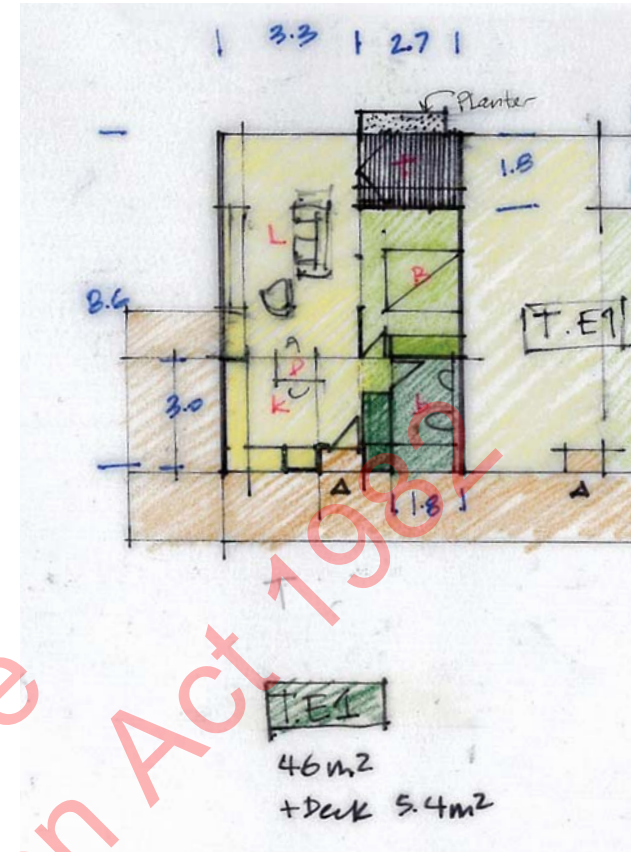
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UNIT TYPES - REFURBISHED



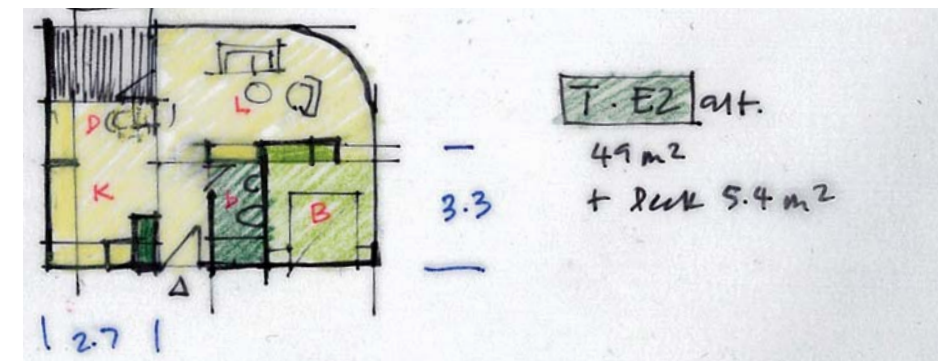
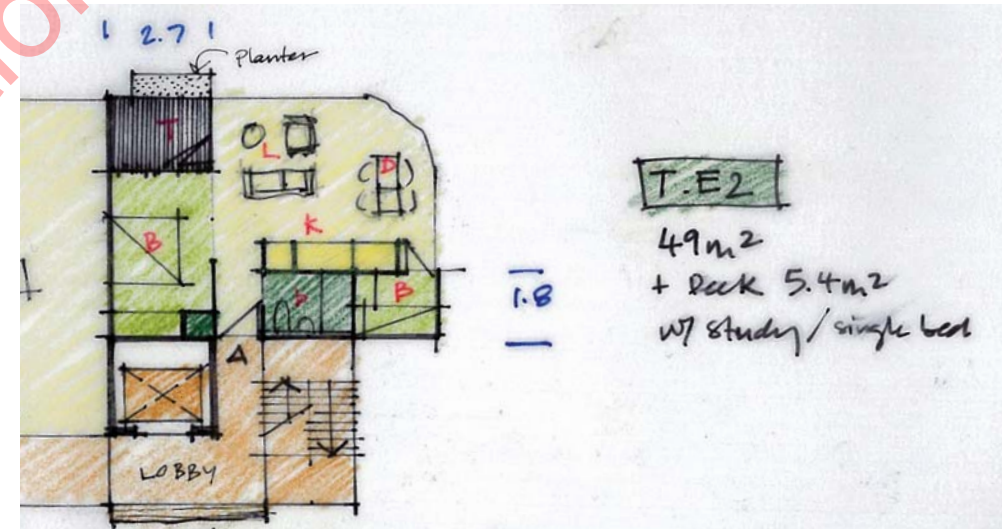
T.E1 46m²

- PRIMARY ORIENTATION NTH
- LIGHT & VENTILATION TO SOUTH
- ENTRY FROM CORRIDOR
- EFFICIENT OPEN PLAN KITCHEN/DINING/LIVING
- OPERABLE PARTITION BETWEEN LIVING & BEDROOM
- BUILT-IN JOINERY KITCHEN/SHELVING/STORAGE/TV/DESK
- SUNNY SPACE FOR DAYTIME USE eg COMPUTER NOOK, STUDY DESK
- REINSTATE RECESSED DECK WITH PLANTER



T.E2 49m²

- PRIMARY ORIENTATION NTH / EAST
- ENTRY FROM LOBBY
- LARGER UNITS AT CORNER TO CREATE VARIETY AND OPTION OF 2ND BEDROOM/STUDY
- EFFICIENT OPEN PLAN KITCHEN/DINING/LIVING
- OPERABLE PARTITION BETWEEN LIVING & BEDROOM
- BUILT-IN JOINERY KITCHEN/SHELVING/STORAGE/TV/DESK
- SUNNY SPACE FOR DAYTIME USE eg COMPUTER NOOK, STUDY DESK
- REINSTATE RECESSED DECK WITH PLANTER

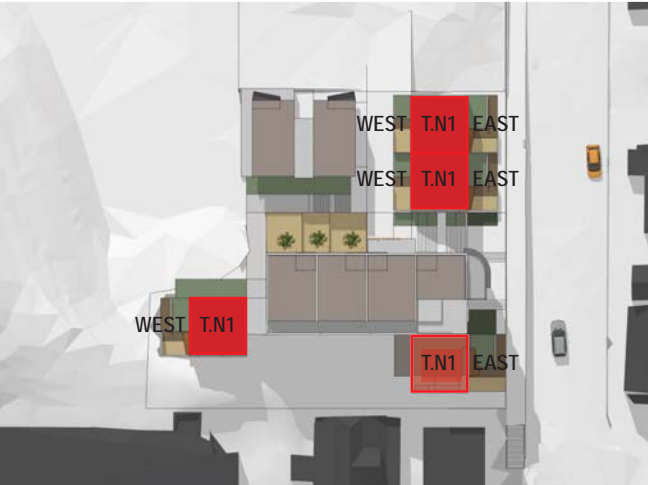


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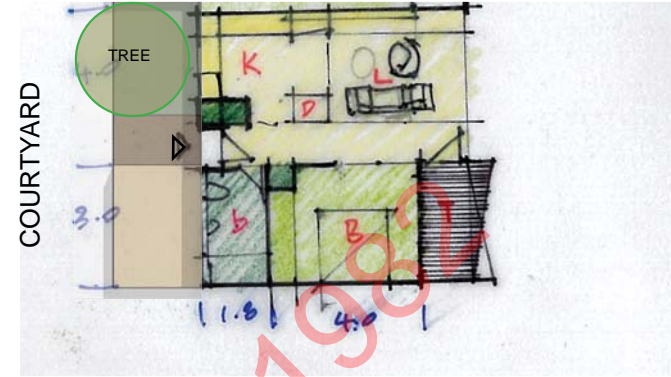
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UNIT TYPES - NEW

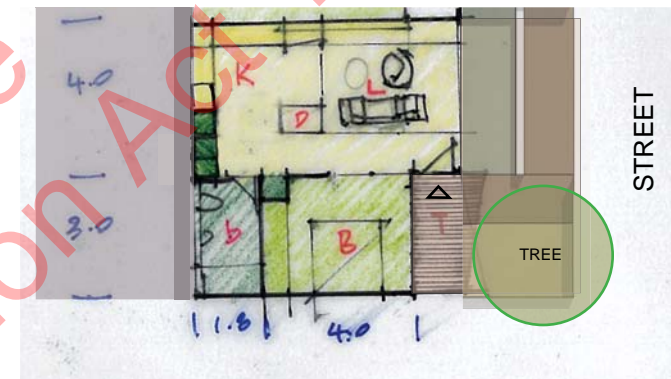


T.N1 45m²

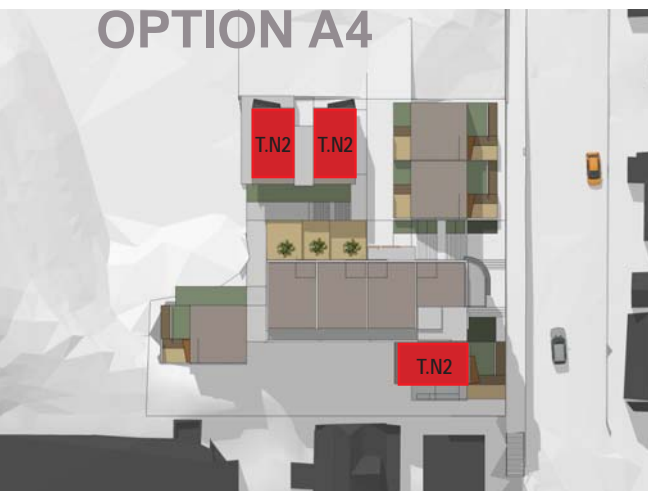
- PRIMARY ORIENTATION EAST or WEST
- LIGHT & VENTILATION TO WEST (WEST TYPE ONLY)
- DIRECT ENTRY FROM GROUND LEVEL TERRACE EAST/WEST
- EFFICIENT OPEN PLAN KITCHEN/DINING/LIVING
- OPERABLE PARTITION BETWEEN LIVING & BEDROOM
- BUILT-IN JOINERY KITCHEN/SHELVING/STORAGE/TV/DESK
- SUNNY SPACE FOR DAYTIME USE eg COMPUTER NOOK, STUDY DESK
- PARTIALLY RECESSED DECK / PRIVATE COURTYARD



WEST ENTRY

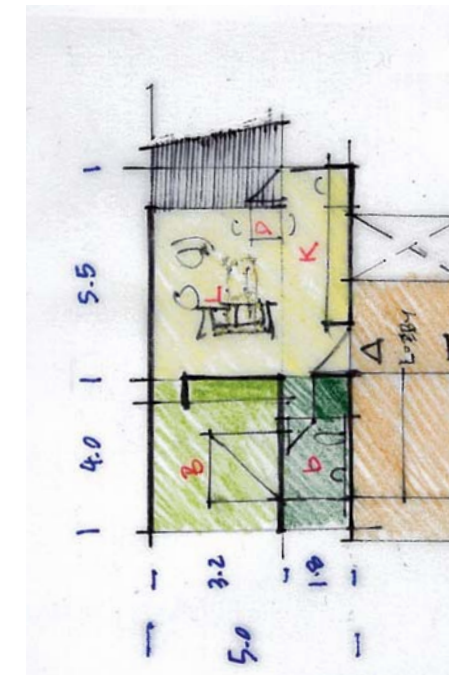


EAST ENTRY



T.N2 45m²

- PRIMARY ORIENTATIONS EAST/WEST or EAST/WEST
- ENTRY FROM LOBBY
- OPPORTUNITY FOR LIGHT & VENTILATION TO NTH/STH
- EFFICIENT OPEN PLAN KITCHEN/DINING/LIVING
- BUILT-IN JOINERY KITCHEN/SHELVING/STORAGE/TV/DESK
- SUNNY SPACE FOR DAYTIME USE eg COMPUTER NOOK, STUDY DESK
- PARTIALLY RECESSED DECK



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PREFERRED OPTION - ANALYSIS

SHADING EFFECTS

Figures 3,4, and 5 on the facing page illustrate the shading effects for the proposal. These demonstrate effects for the existing case verse the proposed for 3 times of day as at the equinox (ie mid Spring or Autumn).

The figures for the existing case demonstrate that the shading effects from all buildings generally lie to the south west in the morning and swing around to the south east in the afternoon. There is some shade cast from both the existing Gordon Wilson building and McLean Flats across the southern boundary morning and mid-day, but this shade shifts eastward onto the street later in the day.

In the proposed case, when the Gordon Wilson block has been removed, and additional units added, the overall effect is similar across the southern boundary (slightly improved by removal Gordon Wilson). There is some additional shading from the new street side units onto the street late afternoon, but this is minor in extent (falls mostly within the footpath/ near carriageway).

The difference in off-site shading effects existing verse proposed are therefore seen to be minimal.

The on-site shading effects are improved by the removal of the Gordon Wilson building. The shading effects of the new northern units on the site tend to shade ground between and effects on the actual southern building faces are limited.

SHADING EFFECTS ANALYSIS	high	medium	low
potential additional shading effects to southern neighbours from Mclean Flats development			●
potential shading effects on Mclean Flats development from Victoria University site (314 The Terrace)	●	●	
potential shading effects within boundaries caused by Mclean Flats Development		●	

NB

- GROUND LEVEL AS PER EXISTING
- FOOTPATH AS PER EXISTING
- R.O.W. ACCESS LOWERED BY 0.8M APPROX

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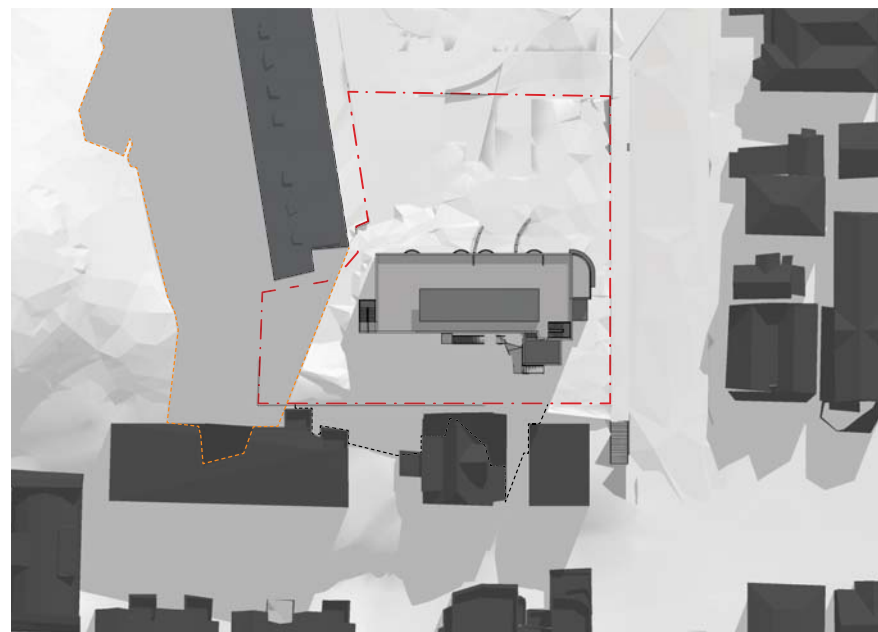


Fig 3. shading 10am equinox



Fig 4. shading 12pm equinox



Fig 5. shading 2pm equinox



Fig 3. shading 10am equinox



Fig 4. shading 12pm equinox



Fig 5. shading 2pm equinox

KEY

- site boundary
- extent of shading from existing McLean Flats
- allowable shading from 314 The Terrace
- extent of shading from existing Gordon Wilson
- Gordon Wilson footprint

NB; plan diagrams NTS



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PREFERRED OPTION - ANALYSIS

HEIGHT PLANE

The diagrams on the facing page indicate the 10m allowable height plane in relation to the existing and proposed scheme. While it is clear that the existing McLean Flats building exceeds this plane progressively towards the south east corner, the refurbishment works, including the new lift core and additional units on the roof, in place of the existing laundry room structure, is very close to the existing silhouette. In these locations, the additional elements add very little to existing effects in terms of shading and or overlooking/ privacy to the southern neighbours.

Except for a localised area in the north east corner of the site (where there no shading effects to any neighbour), the new ground based units are generally well within the 10m allowable height plane.

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EXISTING

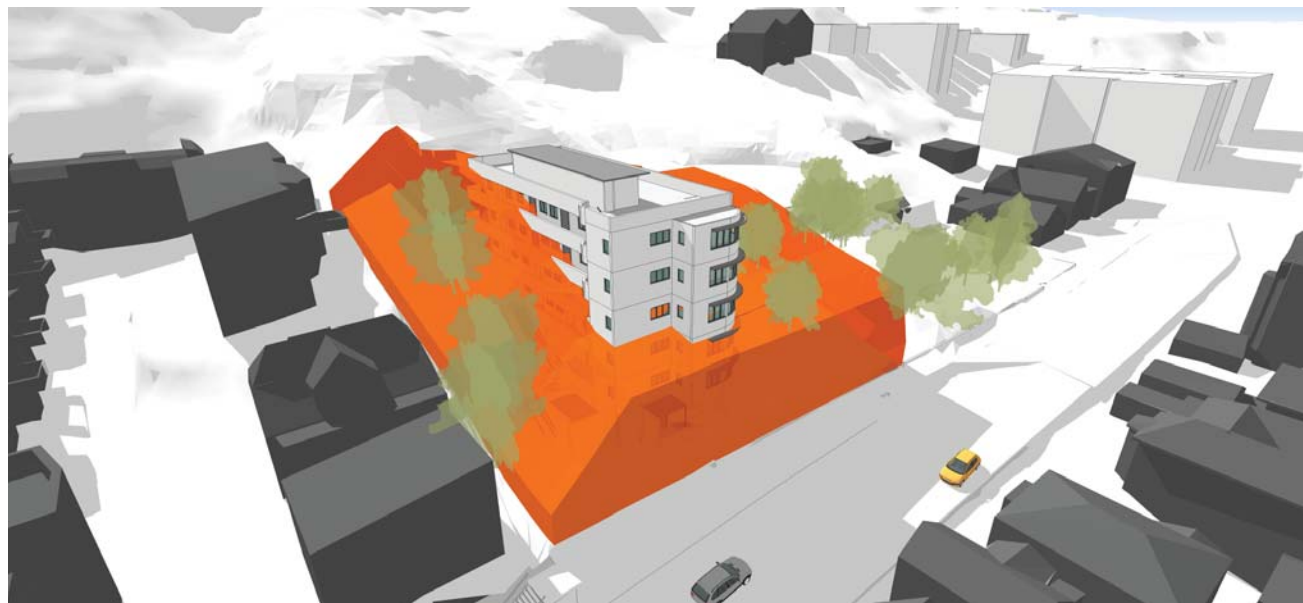


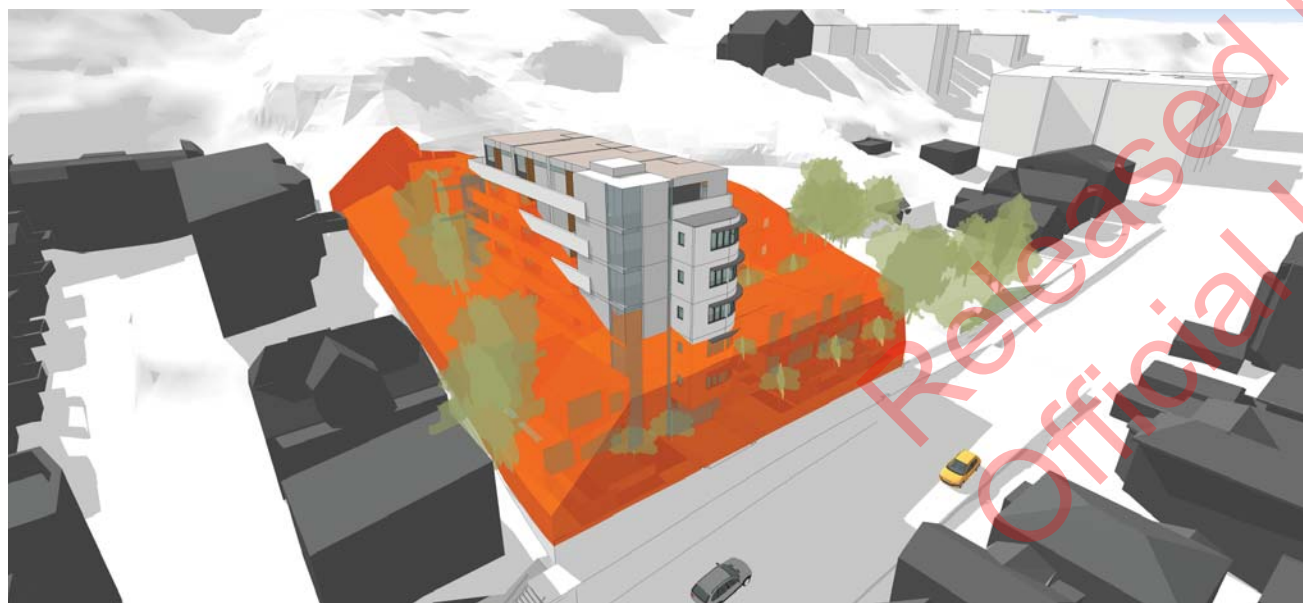
Fig 1. aerial view from south with 10m height plane and sunlight access planes

EXISTING



Fig 2. aerial view from north-east with 10m height plane and sunlight access planes

PROPOSED



PROPOSED



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PREFERRED OPTION - ANALYSIS

URBAN DESIGN & STREETScape

The diagrams on the facing page compare the streetscape before and after.

As the McLean Flats building structure is being largely retained the primary streetscape reading is still dominated by the form and curved corner of this building. The new lift core and roof top units works within the same composition from a streetscape point of view.

From the southern approach (via Ghuznee street), the new units to the south of the existing McLean Street building have the effect of moderating the foreground scale and providing a transitional element between the existing town houses and the McLean Building.

Similarly from the northern approach (approaching down the Terrace), the characterful curved north-east corner on the McLean Street building is retained, and the new units mediate between the scale of the surrounding houses and McLean Street building.

The integrated landscape helps bed the whole development into the broader hill side, as it is currently, and in anticipation of other buildings that may be developed on VUW land between the Terrace and the Campus further up the hill.

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Fig 1. view from terrace south



Fig 2. view from ghuznee st



Fig 3. view from terrace east



Fig 1. 3d view from terrace south



Fig 2. 3d view from ghuznee st



Fig 3. 3d view from terrace east



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OUTLINE SPECIFICATION

Detailed notes on the proposed materials and elements are set out over the following spread.

The general strategy has been to maintain the integrity and expression of the existing McLean Street building by refurbishing the high profile street corner, as well as the horizontally expressed southern façade corridors to match existing render/ joinery.

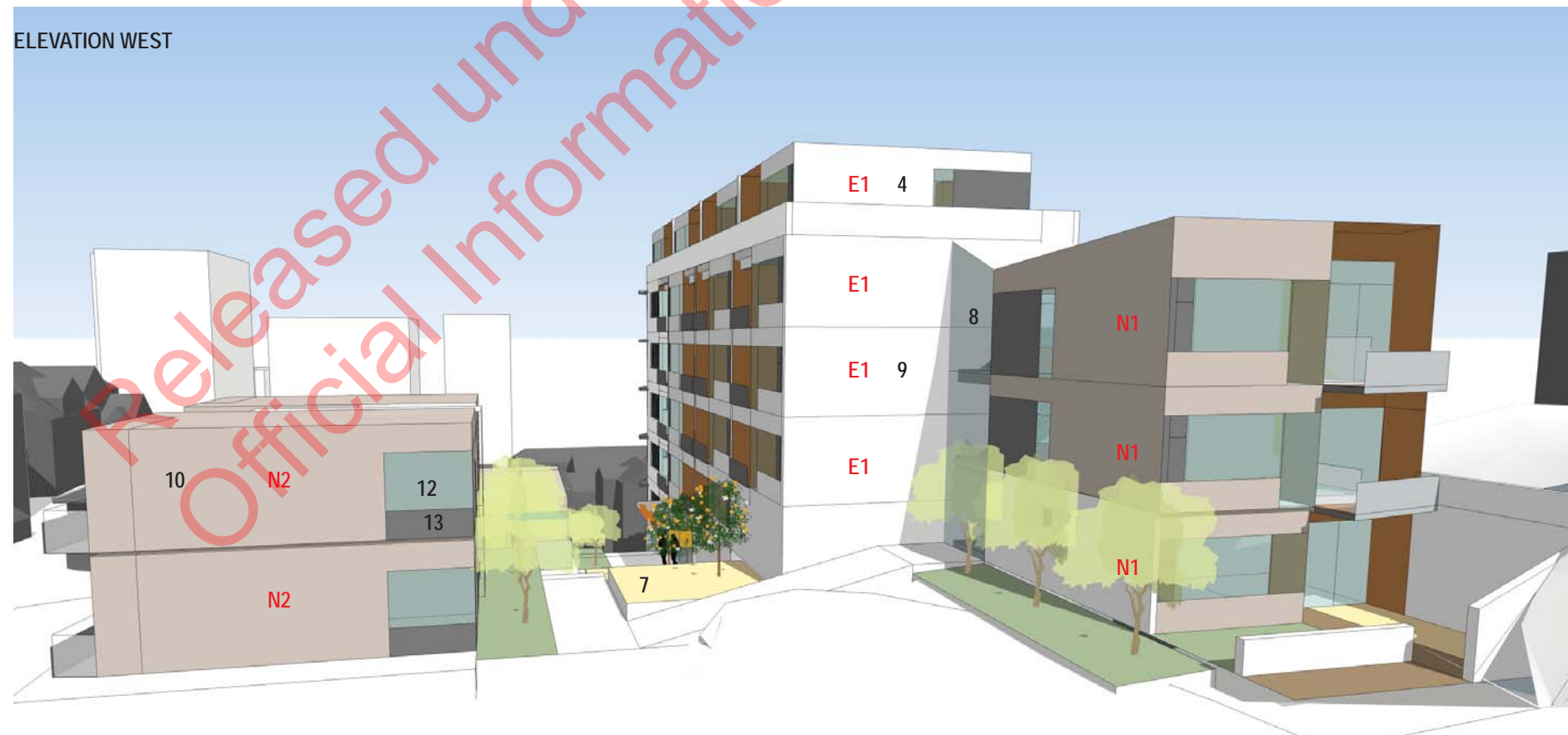
The north facing façade, and the new lift tower and roof top apartments are to be repaired/ enabled with a combination of new glazing, compressed sheet and GRC (glass reinforced concrete).

The new units are constructed with reinforced rendered concrete block bases into the ground and where retaining, with lightweight frame (combination of steel and timber) above.

Claddings will include a combination of prefinished compressed sheet, profiled metal cladding, with localised areas of timber ply or T,G+V to some façade components and soffits.

The joinery will comprise unitised or modular aluminium glazed suites, and the deck balustrades will comprise a combination of solid compressed sheet panels with some galvanised steel / toughened glass components.

The hard landscape works would comprise a combination of insitu concrete and pavers.

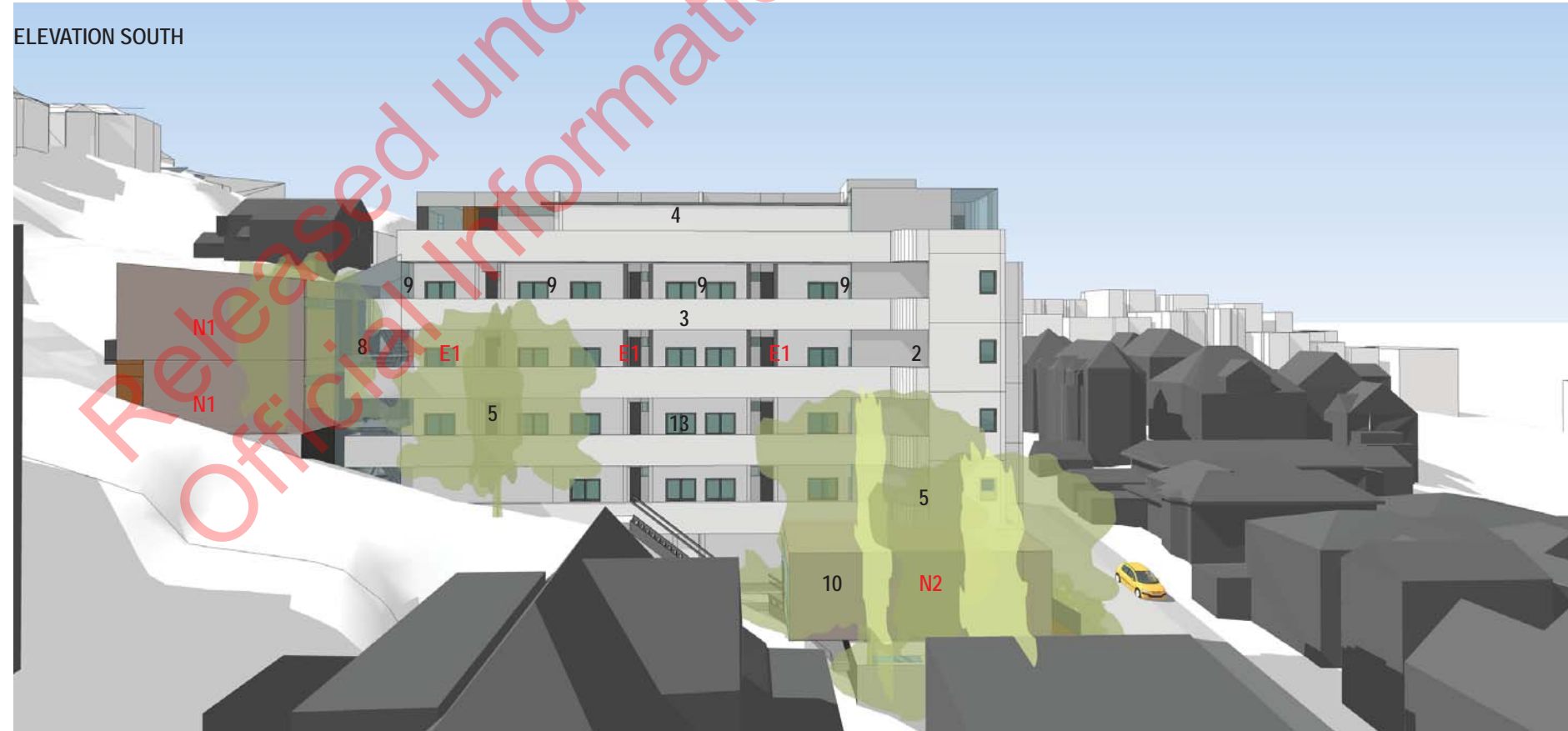


- NOTES
1. existing corner windows and cladding refurbished / upgraded
 2. new vertical circulation core: lift & stair
50% glazed / 50% solid enclosure
 3. new glazed entry lobby
 4. new units to existing roof level
 5. footpath retained as existing
 6. new landscape connection to courtyard
 7. new landscape connection to egress stair
 8. new entry / egress stair fully enclosed
 9. existing transverse concrete walls retained - refer engineer, reclad in plaster system
 10. profiled metal cladding type 1
 11. stained plywood soffit
 12. double glazed 40mm suite windows
 13. compressed sheet cladding on cavity system
 14. galvanised steel balustrade

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OUTLINE SPECIFICATION

a t h f i e l d
a r c h i t e c t s
l i m i t e d
a t h f i e l d
a r c h i t e c t s
l i m i t e d
a t h f i e l d



- NOTES
1. existing corner windows and cladding refurbished / upgraded
 2. new vertical circulation core: lift & stair
50% glazed / 50% compressed sheet/GRC enclosure
 3. new compressed sheet balustrades
 4. new units to existing roof level
 5. existing trees retained
 6. new landscape connection to entry lobby
 7. new sheltered parking area
 8. new entry / egress stair fully enclosed
 9. existing transverse concrete walls retained - refer engineer, reclad in plaster system
 10. profiled metal cladding type 1
 11. stained plywood soffit / lining to balcony
 12. double glazed 40mm suite windows
 13. compressed sheet cladding on cavity system
 14. galvanised steel balustrade
 15. rendered blockwork retaining



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MONTAGE IMAGES



view from terrace north-east

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FOR REVIEW

MONTAGE IMAGES



view from terrace east



PRELIMINARY
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FOR REVIEW

APPENDICES

- 15-03_F03_150217_McLean Flats_WORKSHOP 1 site analysis
 - 15-03_F03_150304_McLean Flats CONCEPT B&L OPTIONS ANALYSIS
 - 15-03_F03_150306_McLean Flats CONCEPT B&L OPTIONS ANALYSIS rev 1
 - 15-03_F03_150319_McLean Flats CONCEPT B&L OPTIONS ANALYSIS rev 2
 - 15-03_F03_150331_McLean Flats CONCEPT B&L OPTIONS ANALYSIS rev 3
 - 15-03_F03_150324_McLean Flats existing building prelim review
 - 15-03_F03_150821_McLean Flats Bulk and location option refinement
 - 15-03_F03_150903_McLean Flats Bulk and location FINAL SELECTIONS & UNIT TYPES
 - 15-03_F03_150911_McLean Flats Options review & Prelim design development
 - 15-03_F03_151106_McLean Flats - Option A - QS Set R2
 - 15-03_F03_150907_McLean Flats - Option B - QS Set
-
- 7712 McLean Flats - Option A - STRUCTURAL CONCEPTS
 - 7712 McLean Flats - Option B - STRUCTURAL CONCEPTS

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FOR REVIEW

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From: [Alistair Aburn](#)
To: [Sarah Livingstone](#)
Subject: FW: HNZ McLean - final design option
Date: Tuesday, 10 November 2015 9:07:53 a.m.

Hi Sarah

I pushed the send button before I had checked the email. I have made a small change to para (d).

Warm regards

Alistair Aburn



 
Level 5, 82 Willis Street
PO Box 9042, Wellington
New Zealand

From: Alistair Aburn
Sent: Tuesday, 10 November 2015 8:55 a.m.
To: 'Sarah Livingstone'
Subject: RE: HNZ McLean - final design option

Good morning Sarah

Thank you for forwarding the AAL design report, which I have reviewed.

I endorse the overall design approach which I consider is consentable, notwithstanding that there are several resource consent 'triggers'.

As noted in my 23 September 2015 memorandum to Byron Roff, my assumption is that the application will be made under the Housing Accords and Special Housing Areas Act 2013.

In my opinion:

- (a) retaining the existing building is a positive outcome; and
- (b) the additions to main building and the new units are an appropriate solution to increasing site density.

Consenting triggers/risks relate to the following items:

- (a) design, external appearance and siting (including streetscape) - a positive outcome, little consenting risk. The issue is one for discussion/negotiation with Council urban designers and not likely to involve third party interests (i.e. not a notification issue);
- (b) Residential Design Guide - on-site 'residential amenity' (open space provision, solar access etc). Again not a trigger to notification;

(c) parking provision: site location (and tenant mix) point to a low level of on-site car parking. Agree with AAL comment that efficient on-site servicing more critical. Council usually accepts that non-provision of on-site car parking is not an issue triggering notification, unless there is potential for significant over-spill onto adjoining street network. Question: at what point with Council traffic engineers have some level of discomfort? We will need good traffic assessment to support proposed level (3 parks); and

(d) effects on neighbouring properties (shading, privacy, bulk and dominance effects). Likely to be the principal consenting risk - however: (a) reference back to existing effects from existing building); and (b) degree/extent of change not significant. But, there is potential for limited notification if the Council considers that the change in effects (i.e. additional effects) is above a 'less than minor' threshold.

To 'firm up' on the likely consenting pathway, I recommend a pre-application meeting with Council planning and urban design advisors, as the decision on notification is one for the Council.

Happy to discuss further if required.

Warm regards

Alistair Aburn



Level 5, 82 Willis Street
PO Box 9042, Wellington
New Zealand

From: Sarah Livingstone [<mailto:x.xxxxxxxx@xxxx.xx>]

Sent: Monday, 9 November 2015 11:38 a.m.

To: Alistair Aburn

Cc: Byron Roff

Subject: HNZ McLean - final design option

Importance: High

Morning Alistair

We have received a revised design report for HNZ McLean, see attached.

Can you please let us know if there are any other potential RMA consenting risks to take into consideration?

Total unit count is 33 + 1 (community lobby to be counted as a one-bedroom apartment), 3 car parking spaces, accessed from the ROW (will need altering for car parking access).

Our draft report is due to HNZ this Wed, if you could let us know if there are any other potential issues to consider, we would appreciate if you can advise us before or on Wednesday,

Thanks a lot,

Regards

Sarah Livingstone
Project Manager

9(2)(a) P 04 499 0881 W tbig.co.nz
Spark Central, Level 5, Boulcott Tower, 42-52 Willis Street, PO Box 830, Wellington 6140



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ADDITIONAL PARKING STUDY OPTION C

34 UNITS

7 PARKING SPACES

R.O.W. AS EXISTING

PROS;

- Increased parking (from 3no. to 7no.)
- Maintained unit numbers
- Maintain urban scale along terrace
- No relocation of R.O.W required
- Separated vehicle and pedestrian entry from north
- Increased connection to lobby 3 (to west)
- easy access to service area
- on site fire appliance access and parking area

CONS;

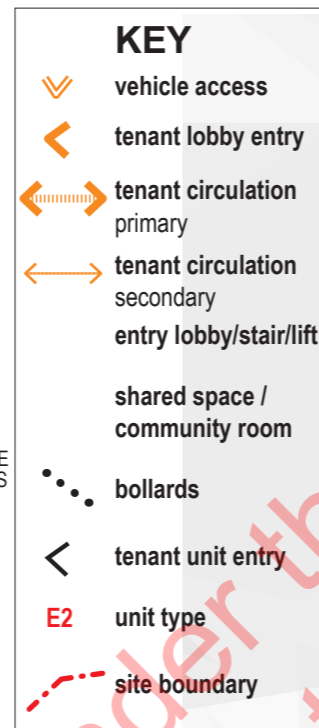
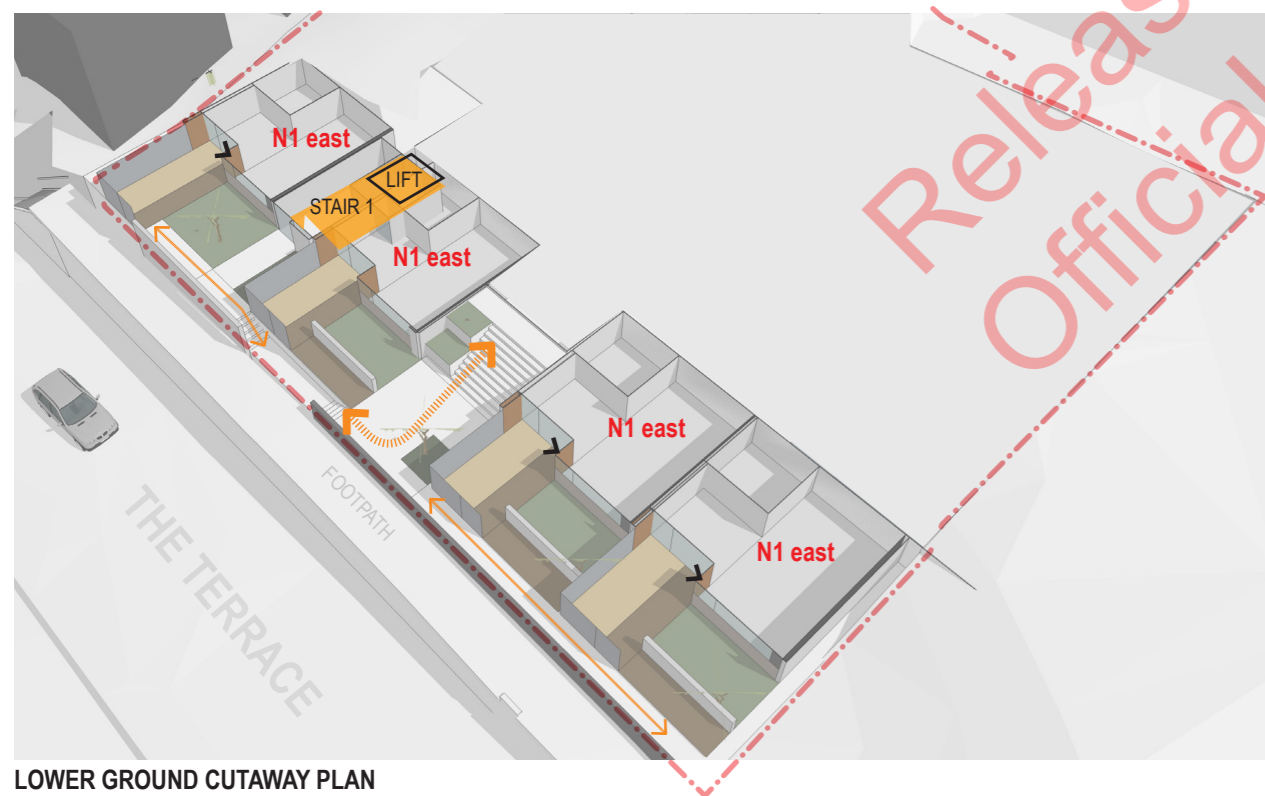
- Increased proximity between south and north-west blocks



SUMMARY

CARPARKING REVIEW
- FOR COMMENT

ADDITIONAL PARKING STUDY OPTION C



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CARPARKING REVIEW
- FOR COMMENT

ADDITIONAL PARKING STUDY OPTION C



VIEW FROM NORTH



VIEW FROM WEST

CARPARKING REVIEW
- FOR COMMENT

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MEMORANDUM

FOR: Byron Roff
FROM: Alistair Aburn
SUBJECT: HNZC - McLean Flats Development

1. The request is for an assessment of the potential consenting risks associated with Option A4 and Option B4 - Athfield Architects drawings 11 September 2015.
2. My assumption is that the application will be made under the Housing Accords and Special Housing Areas Act 2013 (HASHA).
3. Under s34 HASHA the Council must have regard to the following matters (in the order listed):
 - the purpose of HASHA (i.e. enhance housing affordability by facilitating an increase in land and housing supply);
 - Part 2 of the Resource Management Act;
 - matters under s104 RMA (i.e. effects on the environment and consistency with District Plan objectives and policies);
 - key urban design qualities expressed in the Ministry for the Environment's New Zealand Urban Design Protocol (2005)
4. Of the two options I consider overall that Option A4 would possibly face an easier consenting path given the retention of the existing McLean Flats building. Part the reason for saying this is that if the building is demolished then at that point any residual existing use rights re building height are effectively lost.
5. However, as I said at our meeting, I consider that both schemes are nevertheless consentable, but with slightly different risk profiles.
6. In terms of the District Plan, the matters for assessment will be:
 - a) building height above the existing McLean Flats (Option A4) and above 10m (Option B4) and any consequent effect on the residential amenities of adjoining properties (to the south and on the opposite side of The Terrace), particularly from shading;
 - b) parking provision (will need justification for any significant departure from the 1 space per dwelling unit) Clearly a case can be made, given the location of the site and the tenant profile, for a significant reduction - but what minimum level of on-site carparking will Council find acceptable? This should be tested out at a pre-application meeting;
 - c) on-site residential amenity (permitted activity standard requires 35sqm ground level open space - hence it will be necessary to demonstrate how the individual units are provided with private open space (a combination of balconies and ground level 'common' space); and
 - d) overall design and external appearance, including streetscape (Residential Design Guide).
7. The 'principal' matter for assessment, and therefore greatest risk for limited notification, will be the extent of any effects on adjoining properties (especially those to the south) resulting from the building height above existing McLean Flats, if the building is retained; or above 10m if McLean Flats is demolished (Item 4a).
8. The other items (4b to 4d) can be dealt with on a non-notified basis.

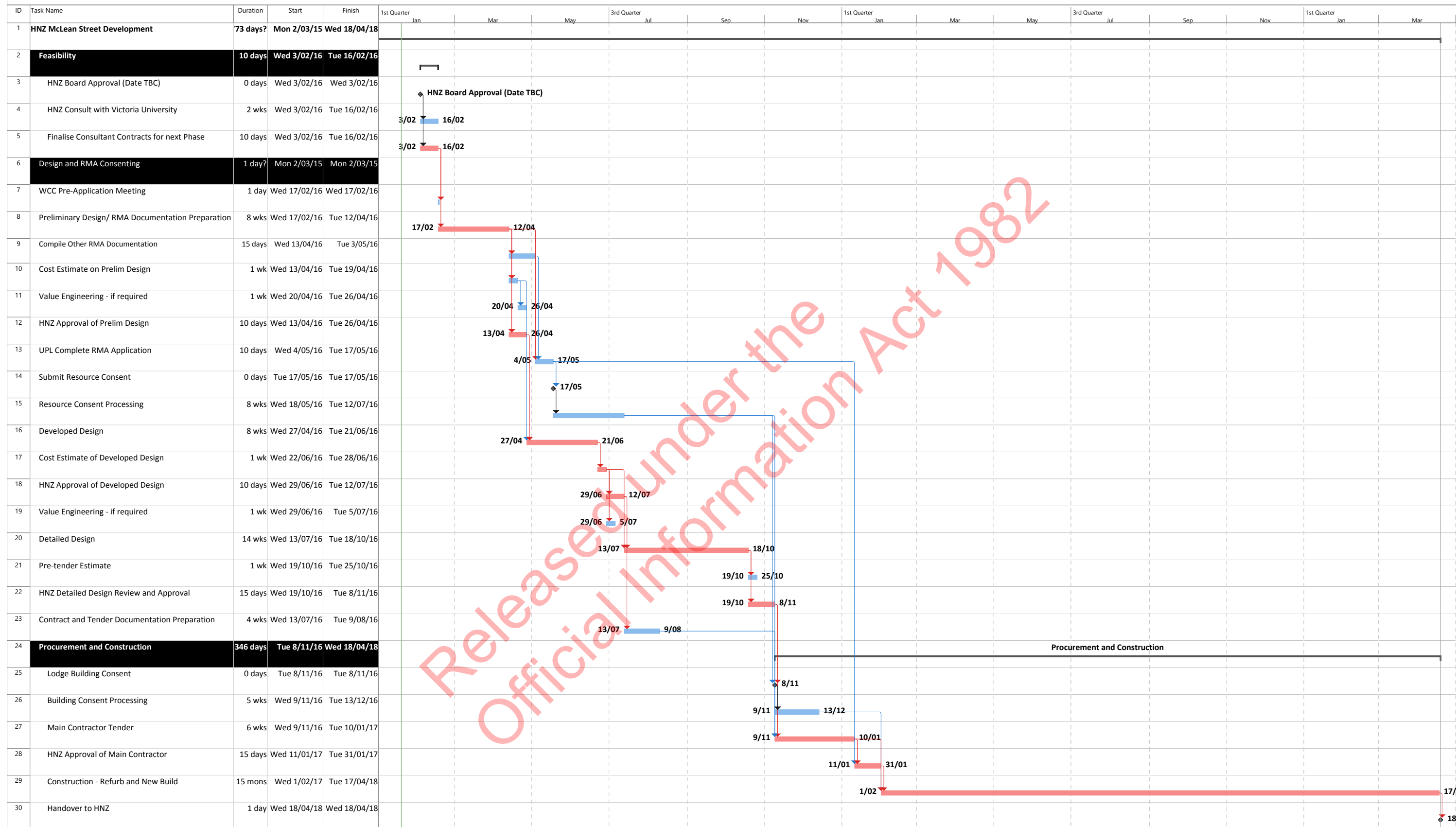
9. I have no doubt that the both options are 'consentable' - probably the main point to note is that there is a potential trigger to limited notification if there is any significant change in shading effects for adjoining properties.
10. The demolition of McLean Flats is not of itself a trigger to notification given that, unlike Gordon Wilson Flats, it is not a listed heritage building.
11. If Option B4 is pursued it is probable that the Council's assessment of any shading effects will be based on an permitted baseline of 10m; whereas if the existing McLean Flats building is retained, the existing shading will be a 'baseline' such that the focus would then be on any additional (new) shading resulting from any new buildings/building mass on the site.

Alistair Aburn
23 September 2015

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HNZ Development Draft Programme McLean Flats



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Valuation Report

**“As if Complete” and “As Is”
314 The Terrace
Wellington**

Housing New Zealand Corporation
C/- The Building Intelligence Group
PO Box 830
Wellington 6140

Attn: Byron Roff

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1. Valuation Calculations
2. Computer Register
3. Internal Specification Photos
4. Certificate of Registration

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Executive Summary

314 The Terrace, Wellington

Brief Description

As Is

Comprises a 1,492m² site zoned Inner Residential currently improved by a circa 1940's apartment block of up to six stories in height (toward the frontage, including the basement level) known as 'McLean Flats' which have been assessed to be 20% of the current New Building Standard (effectively Earthquake Prone). The improvements are vacant and as the site is secure (no access possible), we note our inspection was limited to the exterior.

We understand the existing complex is in a state of disrepair, and is configured as 17 x 1 bedroom units.



As If Complete

Our "As If Complete" valuation relates to three specific development scenarios:

- **Option 4A+** - Comprising a 34 Unit development, involving retention of the existing building (21 units) and construction of a further 13 x 1 bedroom units typically ranging in size from 46m² to 49m², with 5m² to 6m² decks associated with the units.
- **Option 4A+ - "No Decks"** – As per Option 4A+ with the exception of incorporating the proposed decks into the main apartment area of the existing building, resulting in unit sizes increasing to between 51m² to 54m² within the existing building.
- **Option B4** - Comprising a 31 Unit development, involving demolition of the existing building and complete new construction of 28 x 1 bedroom apartments and 3 x 2 bedroom apartments. Unit areas range in size from 45m² to 64m² with decks of approximately 5m².

The property is situated adjacent to the Victoria University Kelburn Campus and is also within close walking distance of the Central Business District and associated amenities, and services.

Instruction & Approach

Instructing Party	The Building Intelligence Group
Reliant Party/s	Housing New Zealand Corporation The Building Intelligence Group
Purpose of Report	Current Market Valuation Purposes
Interest Valued	Unencumbered Freehold Market Value (as appropriate)
Date of Valuation	16 October 2015
Date of Inspection	16 October 2015

Property Details

Legal Description	Lot 2 Deposited Plan 363050
Computer Register	256860
Tenure	Freehold

Owner	Housing New Zealand Limited
Land Area	1,492 m ²
Zoning	Inner Residential

Valuation 'As If Complete'

Our valuation is conditional upon the following:

Completion of Work	The building being completed in accordance with the plans and details of specifications provided, in a proper tradesman like manner.
Available for Sale	The completed property being available for sale as at the date of valuation and transacted between a willing buyer and a willing seller.
Statutory Compliance	Issuance of all relevant Local Authority approvals including a Code Compliance Certificate. Issuance of a Building Warrant of Fitness (or Compliance Schedule Statement whichever is appropriate). The satisfaction of all requirements under the Resource Management Act 1991 including Resource Consent conditions.
Floor Areas	Final measurement of the floor areas.
Computer Register	Issuance of a new Computer Register in accordance with the subdivision plan provided.
Final Inspection	Final inspection by the valuer upon completion of the above conditions.

Valuation Conclusions

As If Complete – Gross Realisations	Option 4A+	NZD\$11,028,000 including GST, if any
	Option 4A+ "No Decks"	NZD\$11,505,000 including GST, if any
	Option B4	NZD\$10,211,000 including GST, if any
	Please note this "gross realisation" or aggregated value is a future value of individual units added together.	
"As Is" Land and Buildings	NZD\$1,110,000 plus GST, if any	

Valuer/s

Gwendoline P. L. Callaghan LPINZ NZIV (Life) Registered Valuer Director Valuation & Advisory Services	Reuben Blackwell BSc BCom Grad.Dip.Val MPINZ Registered Valuer
---	---

Colliers International (Wellington Valuation) Limited
Level 10, 36 Customhouse Quay
Wellington 6140
PO Box 2747, Wellington 6140
Phone No. +64 4 473 4413

NOTE: This Executive Summary must be read in conjunction with the attached report and the details contained therein.

1.0 INTRODUCTION AND SCOPE OF WORK

1.1 INSTRUCTIONS

We have received instructions from The Building Intelligence Group on behalf of Housing New Zealand Corporation to assess the indicative current market values of gross realisations of three requested development scenarios as well as the 'as is' value (including the existing building) at 314 The Terrace, Wellington. We report as follows:

1.2 BASIS AND PURPOSE OF VALUATION

The purpose of the valuation is for a possible development, and the valuation has been completed in accordance with the Australia and New Zealand Valuation and Property Standards using similar methodology as an assessment of market value for mortgage and loan security purposes. In particular, Valuation Guidance Note ANZVGN 2 - Valuations for Mortgage and Loan Security Purposes and IVS 310 Valuation of Property Interests for Secured Lending.

We have adopted the International Valuation Standards Council definition of market value as follows:

“market value is 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 has been prepared for Current Market Valuation Purposes.

1.3 INFORMATION SOURCES

The Building Intelligence Group has provided the following information which has been adopted/considered in the valuation process:

- Building Floor Plans and Feasibility Study Information
- Estimated demolition costs

We have searched title details independently from public records and rental and sales evidence from our own records.

1.4 ASSUMPTIONS

Verifiable

1. We have assumed that the instructions and subsequent information supplied contain a full and frank disclosure of all information that is relevant.
2. We have assumed that there are no easements, rights of way or encroachments except those shown on the Computer Register or in the valuation.

3. A current survey has not been sighted. The valuation is made on the basis that there are no encroachments by or upon the property and this should be confirmed by a current survey or report and/or advice from a Registered Surveyor. If any encroachments are noted by the survey report we reserve the right to review our valuation.
4. We are not aware of any notices currently issued against the property and we have made no enquiries in this regard. We have not inspected the plant and equipment or obtained any advice on its condition or suitability. In the course of preparing this report we have relied upon information provided by the owner of the property.

We have assumed that this information is correct and have adopted this information in our assessment.

Further Consulting

1. We have inspected all readily accessible parts of the property considered necessary for the purposes of our valuation.
2. Our valuation is plus GST (if any) unless otherwise specified.

Opinion

The assumptions we have made in respect of our projections are as follows:

1. Notwithstanding our comments herein regarding the volatile economic and property market conditions present, we have assumed that no material unforeseen market changes will occur in the near term.
2. A property manager will continue to manage the property in an experienced professional manner.
3. There will be no new taxes or rates introduced which have a direct impact on the property over the projected period.

1.5 COMPLIANCE STATEMENT

This valuation has been performed in accordance with the International Valuation Standards (IVS) and we confirm that;

- The statements of fact presented in this report are correct to the best of the Valuer(s) knowledge;
- The analysis and conclusions are limited only by the reported assumptions and conditions;
- The Valuer(s) has no interest in the subject property;
- The Valuer(s) fee is not contingent upon any aspect of this report;
- The valuation has been performed in accordance with an ethical code and performance standards;
- The Valuer(s) has satisfied professional education requirements;
- The Valuer(s) has experience in the location and category of the property being valued;
- The Valuer(s) (as noted in the executive summary and final section of this report) has made a personal inspection of the property and

- No one, except those specified in the report has provided professional assistance in preparing the report

Further, the valuers are Registered Valuers in accordance with the Valuers Act 1948 and hold Annual Practising Certificates.

We confirm Colliers International (Wellington Valuation) Limited has previously provided valuation advice with regard to this property.

The Registered Valuer(s) confirms they have physically inspected the property and been involved in all aspects of preparing this valuation including consideration of valuation methodology, rationale, market evidence and value determination.

We confirm that we are not aware of any conflicts of interest or pecuniary interests of the property being valued on the part of either Colliers International (Wellington Valuation) Limited or the valuer.

1.6 QUALITY MANAGEMENT SYSTEM

Colliers International (Wellington Valuation) Limited have a Quality Management System (QMS) which sets out specific procedures to be carried out in the valuation process to ensure each valuation is completed to a high standard.

The QMS provides for both internal and external audits to be carried out biannually and annually respectively to ensure Colliers International (Wellington Valuation) Limited is complying with the QMS.

We attach a copy of the current Certificate of Registration which recognises Colliers International (Wellington Valuation) Limited's current compliance at **Appendix Four** of this report.

2.0 SITE PARTICULARS

2.1 LEGAL DESCRIPTION

The property is legally described as all that parcel of land containing 1,492 square metres more or less being Lot 2, Deposited Plan 363050. This is contained in a Computer Freehold Register (formerly known as the Certificate of Title) Identifier 256860, a copy of which is appended to this report at **Appendix Two**.

We note from our perusal of the Computer Freehold Register that the property is subject to the following interests:

- 216 Order in Council imposing Building Line Restriction
- 1880 Order in Council imposing Building Line Restriction -29.1.1941
- Subject to the Housing Act 1955
- Subject to Part IVA Conservation Act 1987
- Subject to Section 11 Crown Minerals Act 1991
- Appurtenant hereto is a right to drain water and convey gas over parts marked D and E on DP 363050 created by Easement Instrument 7072198.2 – 16.10.2006
- Appurtenant hereto is a right of way, a right to drain water and sewage and a pedestrian right of way created by Easement Instrument 7072198.2 – 16.10.2006
- 8327190.1 Certificate pursuant to Section 115(2) of the Port Nicholson Block (Taranaki Whanui ki Te Upoko o Te Ika) Claims Settlement Act 2009 that the within land is RFR land as defined in Section 92 and is subject to subpart 2 of Part 3 of the Act (which restricts disposal, including leasing of the land) - 29.10.2009
- 9860464.3 Encumbrance to Victoria University of Wellington - 16.10.2014 at 10:09 am

We note the right of way contained in Easement Instrument 7072198.2 provides for vehicular access in favour of the subject land over Lot 1 directly to the north.

Interest 8327190.1 refers to a requirement for the owner to provide a right of first refusal to the Port Nicholson Block Settlement Trust on terms that are the same as, or more favourable to the trustees than, the terms of the disposal to the person. Statutory requirements govern this process, however we do not consider this aspect to have a *significant* detrimental effect on value, and are aware of a number of properties which have been disposed of under this Act (following the right of first refusal).

“Current market value” is the consideration the Port Nicholson Block Settlement Trust would pay, however this process does introduce some additional administrative requirements in comparison with a situation where a property can be sold on the open market. For example, if the first right of refusal is not taken up immediately and the property is marketed and contracted at a lower price than it was offered to the lwi at, the lwi must have the opportunity to purchase it once more, at the lower price.

We have searched encumbrance 7072198.2 and are unable to establish the exact details pertaining to it, further clarification is required from HNZ as to its details. In the interim, we have proceeded on the basis that the encumbrance to VUW has no value/development impact on the land value. **This is a critical assumption.**

2.2 SITE DESCRIPTION

Current Site Occupation



Topography

The site loosely forms an 'L' shaped allotment which traces around the front of the existing building (as pictured), providing frontage to The Terrace of approximately 39.40 metres. The total site area is 1,492m².

As can be seen from the above, it is neighboured by a vacant Housing New Zealand apartment building (now owned by Victoria University), colloquially know as the "Gordon Wilson flats" which we understand is to be demolished.

In terms of contour the site is generally elevated above street level, rising moderately toward the rear with excavated terraces associated with the existing structure.

Access to the Site

At present, vehicular access is 'borrowed' from the adjoining site to the north, with this access protected by a legal right of way.

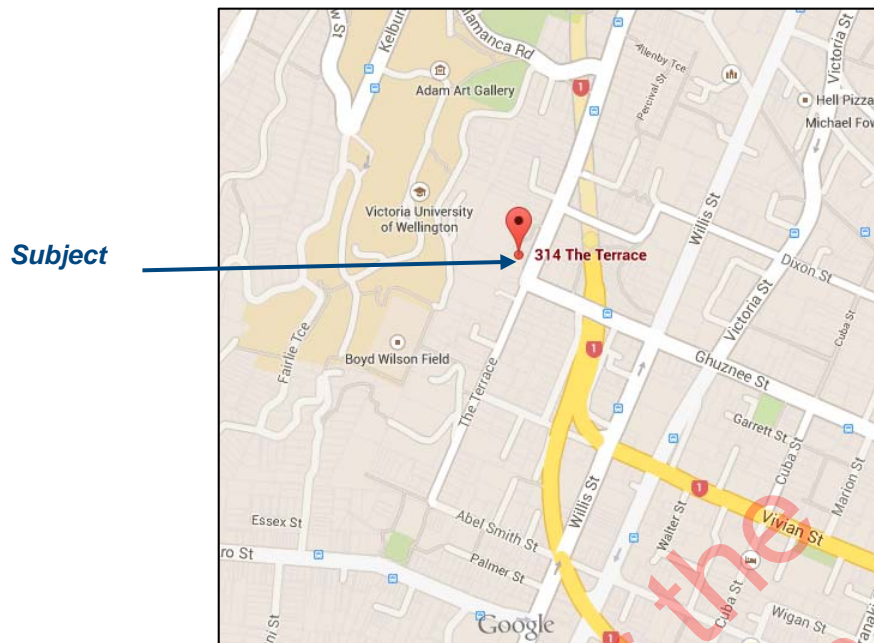
Utilities

We understand that the property is connected to all major utility services including electricity, water, telephone and sewerage.

Other

We have not undertaken a geotechnical survey of the property, and therefore cannot comment as to the subsoil condition of the land. Further, we have not attempted to verify any contamination, which may exist in the site. We recommend that before any action is taken involving this site, that you obtain advice regarding soil stability and contamination from persons appropriately qualified to provide such advice.

2.3 SITUATION AND LOCALITY



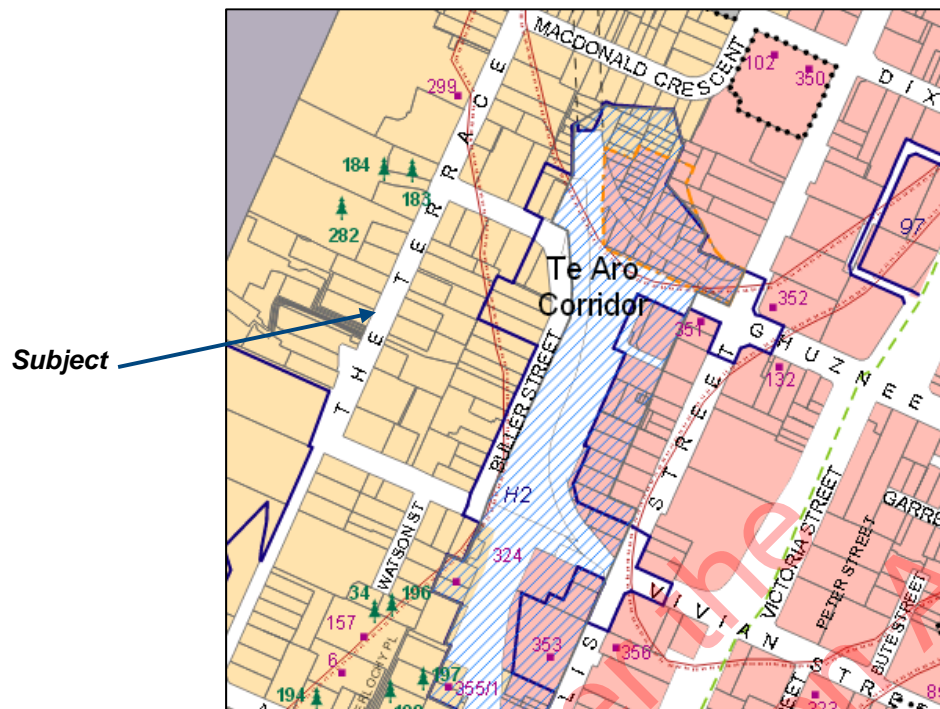
The property is situated on the western side of The Terrace between the intersection of Ghuznee Street and Macdonald Crescent. It is a very short distance from the Wellington CBD and State Highway 1.

The surrounding locality comprises a mixture of older residential dwellings/rental flats, town houses and older medium density apartments. Immediately to the north is a larger Housing New Zealand complex which is also vacant, as noted.

The primary (Kelburn) campus of Victoria University is also located a short distance to the west as can be seen within the above map, with students accordingly seeking accommodation nearby. This represents a key driver of demand for accommodation.

It is also within close walking distance of the Central Business District and is handy to all amenities, services and transport groups, being a walk of approximately 10 minutes to Civic Square.

2.4 RESOURCE MANAGEMENT



The current District Plan for Wellington City became operative in July 2000 and the zoning for the subject property is shown as **Inner Residential**. It is proposed that a wide range of uses be permitted within the central area and Council wishes to adopt a flexible approach to land use. Activities are all designed to encourage efficiencies in the central area enabling owners and developers to respond appropriately to meet market needs and other economic and technological changes.

The District Plan represents a departure from the previously regulated town planning regime and in general terms adopts the position that any activity is permitted unless otherwise specified. In essence activities must comply with prescribed rules, and previous items such as plot ratio restrictions have effectively been removed and a limitation as to height only has been imposed.

In general, permitted activities are activities which have no greater impact on the surrounding environment than those existing activities. Any activity which has a greater impact on the surrounding area than the existing activity is likely to require approvals under the Resource Management Process.

Inner Residential is the predominant zoning for residential areas adjoining the central city area and contained by the town belt. The area is characterised by older dwellings, the majority of which were built around 1900 (although there has been significant infill activity providing more modern housing) and development is intensive, with higher population densities by comparison with the outer residential areas and multiple units on single lots.

There is a higher prevalence of non-residential activities in the Inner Residential zone compared with outer residential areas and therefore stringent controls are applied to new and existing non-residential activities established in the area to ensure that residential amenity is maintained.

Development controls within the inner residential zone under the operative District Plan include:

Maximum Building Height: 10 metres

Maximum Height in Relation to Boundary: Each sunlight access control line shall rise vertically for 2.5 metres from ground level at the boundary and then incline inwards, at 90° to the boundary in plan, at an angle to the horizontal related to the orientation of the boundary and its bearing (based upon the inclination of the sun).

Outdoor Space: On-site ground level open space shall be provided at a rate of at least 35 square metres per household unit. Open space shall be calculated as an aggregate total for the site, and may be provided as either private or shared open space.

Maximum Site Coverage: 50%

There is a limit of two household units that may be constructed on a single site. Multi-unit residential development is a discretionary activity requiring resource consent.

We note the existing improvements clearly exceed the current height limit, so some benefit may be provided by these.

The presence of residential neighbours to the south will impact bulk and location considerations with respect to shading effects.

There do not appear to be any notable features or hazards noted for the subject property in the District Plan. It is not within the Hazard (Ground Shaking) Area.

2.5 ENVIRONMENTAL AND OTHER SPECIAL RISKS

We are advised by the Greater Wellington Regional Council that the subject property does not appear on the Greater Wellington Regional Council's Selected Land Use Register (SLUR).

We understand the subject property has been used for community service / accommodation type uses since its original construction. We would not anticipate that this use would result in a major environmental risk.

Whilst the above comments suggest environmental matters may not be an issue, the recipient of this report is advised that the Registered Valuer is not qualified to detect such substances, which in many cases are not visible, nor quantify the impact on values without an environmental report.

Substances such as asbestos, other chemicals, toxic waste or other potentially hazardous materials could, if present, adversely affect the value of the property. The stated value estimate is on the assumption that there is no material on or in the property that would cause loss in value. No responsibility is assumed for any such conditions and the recipient of this report is advised that the

valuer is not qualified to detect such substances, quantify the impact on values or estimate the remedial cost.

While due care has been taken to note any contamination liability, our investigations have been undertaken for valuation purposes only, and this report does not constitute an environmental audit. Unless otherwise stated no account has been taken of the effect on value due to contamination or pollution.

2.6 STATUTORY INFORMATION

Building Act

Under the Building Act, property owners are responsible for the safety and sanitation of their buildings. Certain systems and features such as fire alarms, lifts and air-conditioning require ongoing monitoring and maintenance.

Where necessary, owners must provide a Building Warrant of Fitness (BWF) annually to verify systems are in working order. This must be accompanied by copies of Independent Qualified Person (IQP) or Licensed Building Practitioner (LBP) Certificates to support that the requirements of the Compliance Schedule have been met for the preceding year. A Compliance Schedule is an inventory of a building's systems and features that specifies inspection, testing and maintenance procedures as well as the frequency of work, and who should perform it.

We have assumed the existing building does not hold a current Building Warrant of Fitness.

Earthquake-Prone Buildings

The Building Act 2004 required Councils to adopt an earthquake-prone buildings policy to ensure all earthquake-prone buildings are strengthened to at least meet the minimum prescribed standard (or be demolished). The Building Act 2004 and Building Regulations 2005 define the meaning of an "earthquake-prone building". As a general guidance an earthquake-prone building will have strength that is 33% or less of the seismic loading standard NZS1170.5: 2004 (typically referred to as 33% NBS or less where NBS is the New Building Standard).

Once a building is classified as earthquake-prone, it will need to be strengthened, or if appropriate, demolished. The timeframe for strengthening earthquake prone buildings in Wellington City currently ranges between 5 and 15 years depending upon the importance level of the building.

Impact on the Subject Property

We have been advised the building has been assessed to be 20% of the current New Building Standard (NBS). Despite this, the building is not formally included on the current Wellington City Council Earthquake Prone Buildings Register.

Rating Valuation

Assessment Number:	17240/50801
Date of Assessment	1 September 2012
Land Value:	\$1,600,000
Value of Improvements:	<u>\$1,100,000</u>

Capital Value: \$2,700,000

We point out that rating valuations are carried out under statutory criteria and may not reflect market value at any point in time.

We are not aware of any relevant historical sales involving the subject property, and draw to your attention the fact that the current rating value includes a large component for improvements.

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3.0 IMPROVEMENTS

3.1 GENERAL DESCRIPTION

“As Is”



The existing improvements comprise a circa 1940's apartment block of up to six stories in height (toward the frontage, including the basement level) known as 'McLean Flats'. The improvements are vacant and as the site is secure (no access possible), we note our inspection was limited to the exterior.

We understand a seismic report has assessed the structure to be 20% of the current new building standard and accordingly it is considered to be earthquake prone. We also understand the existing complex is in a state of relative disrepair, and is configured as 17 x 1 bedroom units.

“As If Complete”

There are three alternate proposals under consideration, involving two options to retain and retrofit and extend the existing structure along with the construction of new units, plus demolition of the existing structure and a complete redevelopment of solely new units at the site, with specific details as follows:

- **Option 4A+** - Comprising a 34 Unit development, involving retention of the existing building (21 units) and construction of a further 13 one bedroom units typically ranging in size from 46m² to 49m², with 5m² to 6m² decks associated with the units.
- **Option 4A+ - “No Decks”** – As per Option 4A+ with the exception of incorporating the proposed decks into the main apartment area of the existing building, resulting in unit sizes increasing to between 51m² to 54m² within the existing building.
- **Option B4** - Comprising a 31 Unit development, involving demolition of the existing building and complete new construction of 28 one bedroom apartments and 3 two bedroom apartments. Unit areas range in size from 45m² to 64m² with decks of approximately 5m².

The layout of the first two options (which differ only in respect of the treatment of decks) is pictorially shown as follows:



The design is based on retaining the existing art deco block of former flats, which are of an attractive character and under this scenario would be earthquake strengthened, retrofitted and extended adding additional new units to the existing roof level and alongside. A new vertical circulation core incorporating lift and stairs is to be installed, as well as a new egress stair partially screened and enclosed between the existing and the new rear structure. There will also be a new glazed entry lobby with direct frontage to the Terrace.

An external wide staircase will provide a new landscape connection to the courtyard between the two new blocks, which are well spaced to admit generous provisions of light and air and outlook.

The thirteen new one bedroomed units comprise two, two storied blocks one behind the other, with profiled metal cladding, double glazed 40 mm suite windows as well as a compressed sheet cladding on a cavity system.

Small courtyards provide outdoor living spaces enhancing the units with frontage to The Terrace. All of these would be one bedroomed and most units would have dual aspects and light and air front and back, under scenarios one and two.

The configuration of the units incorporate 19 apartments within the existing building footprint, comprising the "T.E.1" design (including the Community Lobby to be fitted to the same standard), of 46 sqm (for the option with a separate deck) which have a primary orientation to the north with light and ventilation from the access corridor (semi-enclosed). An efficient open plan kitchen/dining/living room layout with an operable (opening) wall between the living area and bedroom is incorporated, to add extra flexibility.

Built in joinery is included, to the kitchen as well as storage units with shelving incorporating a TV and desk space, plus a sunny nook suitable for a study or computer area.

There are five "T.E.2" design units planned, of 49 sqm (for the option with a separate deck) which have a primary orientation to the north east located on the curved corner of the existing building with entry from the lobby. There is an option of a second bedroom/study with this scenario, and the rest of the layout is as per the above.

Then there are five "T.N.1" design units planned, of 45.4 sqm (for the option with a separate deck) which are new, with light and ventilation also to the west for three of them, and direct entry from the ground level at The Terrace frontage and a further 5 T.N.2 which are at a raised level with a primary orientation of east/west.

Scenario 3 involving demolition of the existing building and construction of the thirty new one bedroomed units is pictorially depicted as follows:



Fig1. aerial view from east

This B4 Option, involves demolition of the existing building and an entirely new development being established. One structure would be positioned where the current building is, rising in accordance with the lie of the rising land, then there would be an attractive grassed shared terrace between these and the new units fronting the Terrace configured in an “L” shape, then with a deeper block made up of effectively four separate but adjoining structures framing a central courtyard.

Off street parking alongside the rear two level block would be available with this option, and a shared “community room” is also part of the preliminary plans. The configuration here envisages seven apartments built to the T.N 1 design already described, then a total of twenty one T.N 2,3 and 5 (including the Community room fitted to the same apartment standard), all providing 44.00-45.00 sqm being one bedrooms with partially recessed decks with differing orientations however similar otherwise, then three T.N 4 units which are 64 sqm offering two bedrooms and flexible interior layouts.

We have been supplied with the interior specification, referred to as the new Housing NZ internal specification and we attach the photographs showing this, as **Appendix Three**.

In order for us to assess fair values, it is necessary to benchmark our perceived quality standards, in order to ensure the price levels are based upon what is to be delivered.

We have assumed construction of the new units will be by way of concrete tilt slabs or similar, or a structural steel frame, with exterior cladding materials such as good quality profiled metal claddings and compressed sheet cladding on cavity systems, with stained plywood soffit linings to balconies and aluminium glazing. The roof is assumed to comprise a waterproof rubber membrane over plywood or similar.

The ground floor entrances will comprise ceramic tiles on concrete floor finish, plasterboard/paint finish walls, and ceiling and general and feature lighting by compact fluorescent. Emergency lighting will be provided as required by the building code.

Concrete stairs with two separate lifts servicing some of the upper floors (as pictured) will be provided. Lift lobbies on the upper levels will comprise ceramic tiled floors with plasterboard paint finished ceilings and walls. Lighting will be by general and feature lighting by compact fluorescent. Doors will be solid core and fire rated with closers and smoke seals to all apartment entry doors and doors to the stairs in the cores.

The apartments are assumed to have average quality wool blend or similar carpet on heavy duty underlay to living and bedroom areas, with ceramic tiled kitchen and bathroom areas. Common walls are to be sound-rated and fire-rated with paint finish, internal walls and ceilings are to be plasterboard lined and paint finished.

All interior walls will be of proprietary plasterboard, generally over timber or steel framing and acoustically treated as required. All interior ceilings where appropriate will be of plasterboard.

All exterior doors will be aluminium and glass. All internal entry doors are to be fire rated doors as required. All internal doors will be paint quality. Feature doors will be anodised aluminium frames with glass inserts, or solid paint finished according to location. All internal sliding wardrobe doors will be

anodised aluminium frames with insert panels or to paint quality as determined. All glazing is to comply with NZSS.

Ceiling mounted incandescent light fittings will be installed in each room with and all bedrooms will have natural light.

Each kitchen is to comprise composite stone bench top with incorporated stainless steel sink and bench unit with standard tap ware and Melteca cabinetry. Bathroom fixtures and fittings will comprise a vanity with mixer tap, WC fixture and cistern and glazed cubicle shower with stainless steel base.

If necessary, fresh air supply/positive air flow to be provided to all bedrooms and living rooms, with fresh air via mechanical ventilation and acoustically treated ducting and there will be extract ventilation from bathrooms.

Fire protection will be to Code with manual call points to each lobby, audible alarms in all apartments/studios connecting to fire brigade, smoke detectors in stairs, corridors and apartments.

Pending obtaining the actual details, we have assessed the rents and values based upon "above average to very good" quality purpose-built apartments with robust fittings in accordance with the specification outlined within the supplied photos (refer Appendix Three). We observe this specification exceeds many provided within other apartment complexes such as Soho and Nuovo by way of example.

4.0 MARKET COMMENTARY

4.1 ECONOMIC COMMENTARY

In determining the current market value of the subject property we have had regard to underlying economic conditions and the flow-on implications that these may have on investment and divestment decisions made across the broader property markets. This commentary is effective as at October 2015 and is based on the most recently sourced data from Government and independent sources. The following table provides a general overview of immediate past performance and short term projections.

New Zealand Institute of Economic Research Quarterly Forecasts

Economy Activity (March Year)	2013	2014	2015	2016F	2017F
GDP - annual % change	2.0%	3.1%	2.5%	2.6%	3.1%
Consumer Price Index	0.9%	1.5%	0.1%	1.7%	1.6%
Unemployment Rate	6.3%	6.0%	5.8%	5.9%	5.7%
Current Account % GDP	-3.7%	-2.6%	-3.6%	-5.3%	-6.1%
Trade Weighted Index	74.0	77.6	79.2	70.7	67.9

Source: NZIER Quarterly Predictions September 2015, RBNZ, Statistics New Zealand, New Zealand Treasury & Colliers International

KEY MARKET INDICATORS

	6 Month Change	12 Month Change	12 Month Forecast
Floating Rate	↓	↓	↓
Two-year Fixed Rate	↓	↓	-
OCR	↓	↓	↓
NZD/USD Exchange Rate	↓	↓	↓
NZD/AUS Exchange Rate	↓	↓	↓
Non-Residential Building Consents*	↓	↓	-
Residential Building Consents	↑	↑	-

Source: NZIER, RBNZ & Statistics New Zealand

*Value of Building Consents only

Key Point Summary

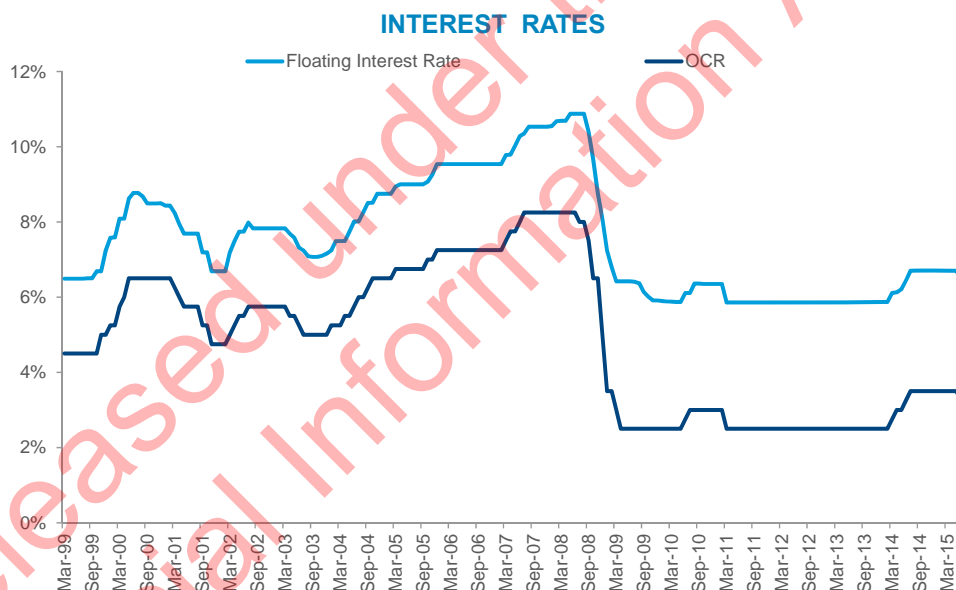
- Economic activity as measured by gross domestic product (GDP) increased 0.4% in the June 2015 quarter following a revised 0.2% increase in the March 2015 quarter. On an annual basis, economic activity increased 3.0% in the year ended June 2015.
- In the Q3 2015 release, NZIER forecast GDP growth of 2.6% and 3.1% to the March 2016 and March 2017 years, while consensus forecasts are at an average of 1.6% over the next three years.
- The Reserve Bank of New Zealand (RBNZ) reduced the Official Cash Rate (OCR) to 2.75% on 10 September 2015, warranted by the softening in the economic outlook and low inflation.

- The Consumer Price Index (CPI) increased 0.4% in the year to the June 2015 quarter compared with decreases of -0.2% and -0.2% in the years to the March 2015 and December 2014 quarters respectively. Inflation is currently below the target range of 1% to 3%, due largely to previous strength in the New Zealand Dollar and a large decline in world oil prices.

Conclusion

The New Zealand economy has clearly softened from the solid pace in recent months. Our economic recovery is becoming more stable, growth has peaked, and the domestic economy is anticipated to moderate over 2016 and 2017. Exports have softened in recent months on the back of slowing activity with our key trading partners and a substantial fall in dairy prices although manufactured products have been surprisingly resilient. Business confidence has fallen to the lowest level in three years, with regions exposed to the dairy sector particularly affected. The rapid rise in net inward migration over the past year has added to consumption and housing demand. Construction activity is being lifted by an approaching peak in the Canterbury rebuild and by work in Auckland to address the housing shortage.

Long term fixed bank interest rates which rose in early 2014 then fell significantly in late 2014 and strong competition among banks means actual interest rate payments may be less than those advertised.



Aimed at moderating house price inflation, the Reserve Bank as of 1 October 2013 imposed loan-to-value (LVR) restrictions on new residential mortgage lending. Under the recent restriction, most home buyers must have at least a 20% deposit. Further to this the Reserve Bank as at 1 October 2015 will impose a higher loan-to-value (LVR) restriction on investors in the Auckland residential property market. This new level will require purchasers to have at least a 30% deposit. Outside of Auckland the high LVR limit will increase from 10% to 15% to reflect the more subdued housing market conditions outside of Auckland.

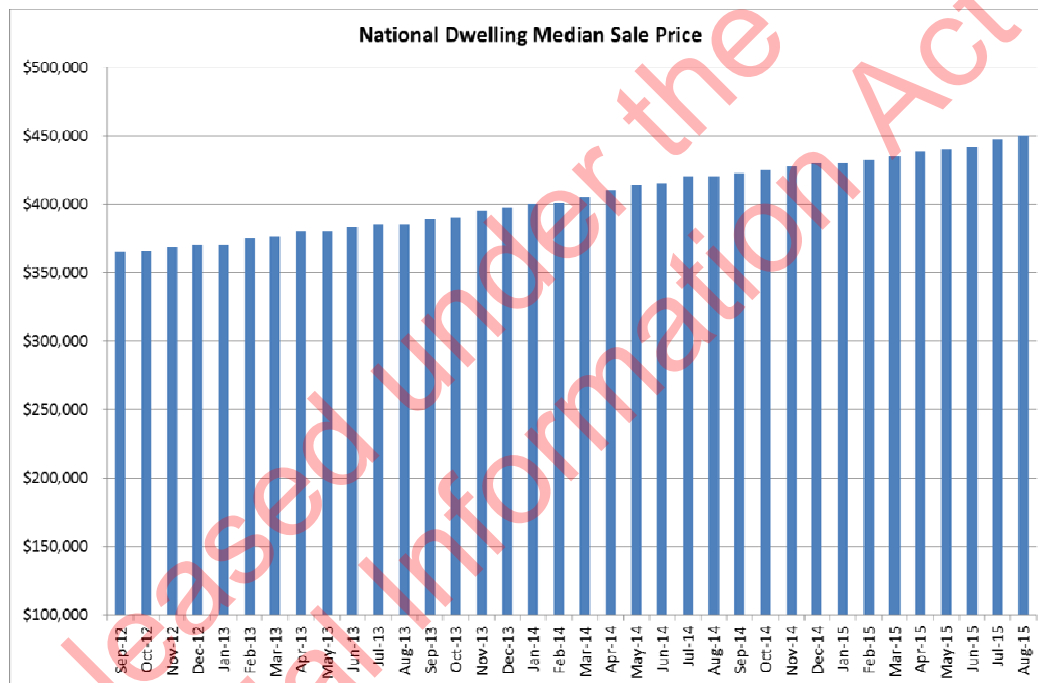
The reconstruction of Canterbury will be paid for with insurance claims and a top-up from taxpayer funds. There is also now a sharpened focus on building quality, where existing premises may require earthquake strengthening work by regulatory force or market demand. Overall, this has driven the cost of construction up nationally.

4.2 WELLINGTON RESIDENTIAL MARKET COMMENTARY

The New Zealand property market has shown consistent growth over the past three years, after a fairly static period that followed the previous downturn in 2008.

A low interest environment combined with an improved economic outlook, high levels of net migration and localised supply shortages have been key drivers to both the Auckland and Christchurch housing markets. While a tightening cycle commenced in 2014, further cuts provided during 2015 to date with further cuts anticipated suggests the current low interest rate environment will remain for some time.

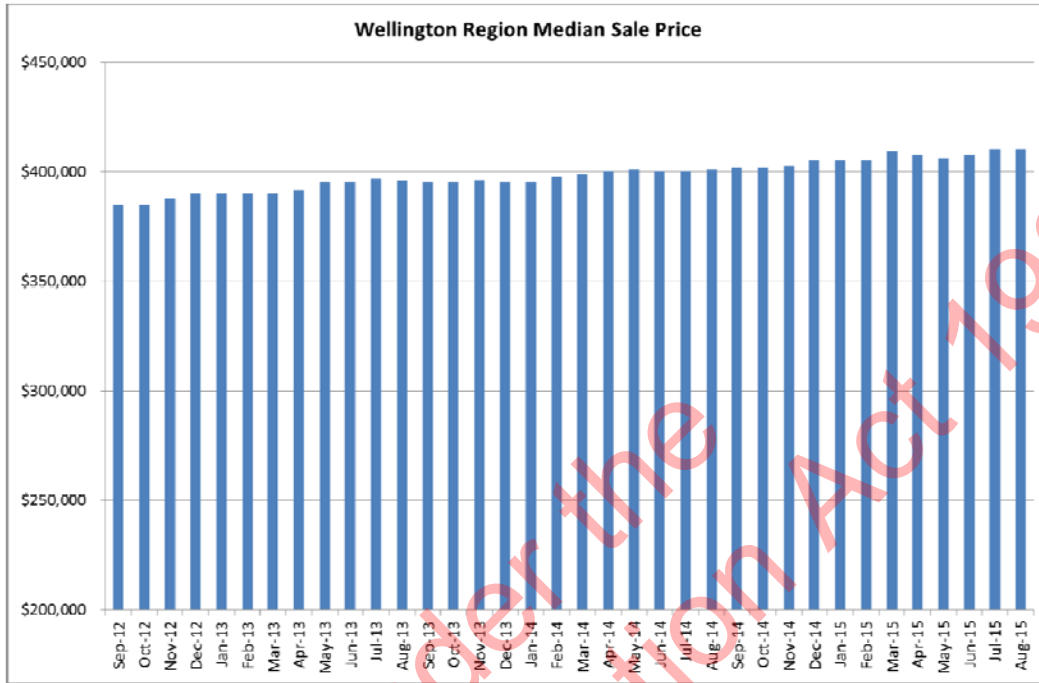
Sales volumes have peaked in August 2015, with annualised sales of 86,077 dwellings, compared with 73,667 in August 2014, with a progressively increasing trend observed over the past 12 months. The national median sale price currently sits at \$450,000 for August 2015 which represents a 7.1% increase on the previous year, however caution must be taken when interpreting the data given the vast majority of this growth is derived from the Auckland region.



Median Sale Price – Dwellings – New Zealand – Sep 12 to Aug 15 (Source REINZ)

Wellington Regional Market

The Wellington Region has generally followed the national trend for dwellings, albeit rather muted with only modest growth observed over this period in comparison with Auckland and Christchurch.

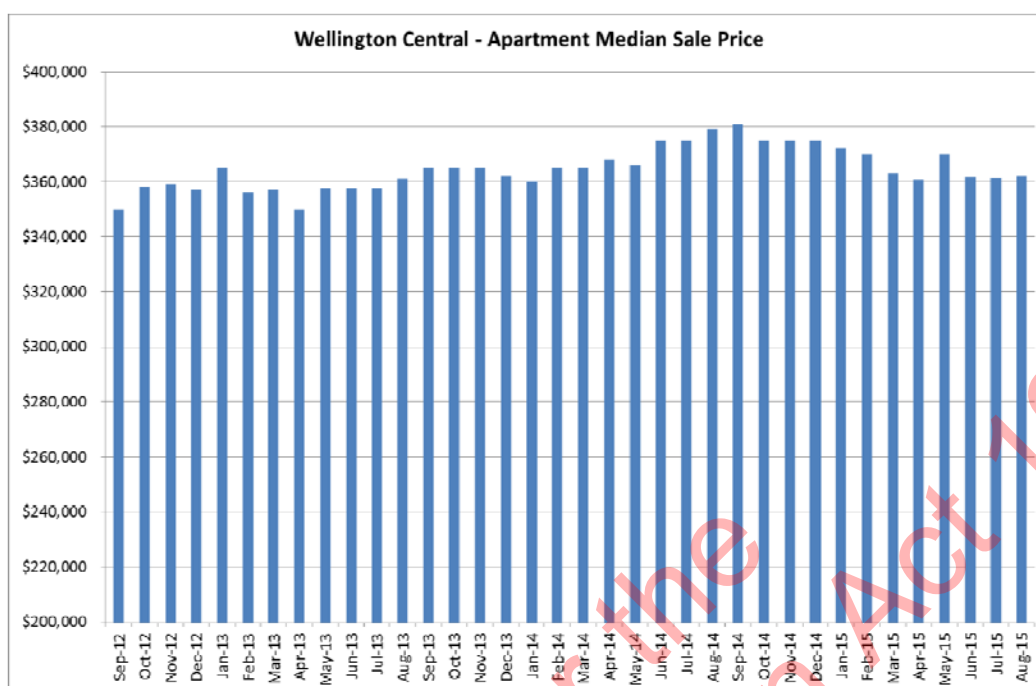


Median Sale Price – Dwellings –Wellington Region– Sep 12 to Aug15 (Source REINZ)

The median sale price (annualised) in the Wellington Region as at August 2015 is \$410,000 which is up 2.24% from \$401,000 in August 2014.

Sales volumes have also recently peaked, with 8,577 sales in the 12 months to August 2015 and the median time to sell during that period was 38 days. To provide some historical context, the highest number of sales recorded for the region was 11,664 sales in the 12 months to March 2007, a figure which nearly halved following the Global Financial Crisis.

Wellington Central Apartment Market



Suburbs Covered: Aro Valley, Lambton, Mt Cook, Mt Victoria, Oriental Bay, Roseneath, Te Aro, Thorndon, Wellington Central (Source REINZ)

Due to the dynamics of this market, sales volumes are highly influenced by recently completed developments, so this data should be treated with caution.

Notwithstanding this, a fairly flat profile is indicated (depending on the initial reference point), which is reasonably consistent with the fairly subdued regional trend, with the most recent peak occurring in September 2014 at \$381,000 compared with \$362,000 currently.

It appears that price increases have been achieved within particularly sought after complexes which benefit from good fundamentals, in the last 12 months. Interestingly, sales volumes are currently 463 in the 12 months up to August 2015, which are the highest these have been over the past three years, with a progressive increase in sales volumes noted over the past 12 months (from 388 sales in the 12 months to September 2014).

This indicates a reasonable level of health exists within this market, which is confirmed by a reduction in the median days to sell from 70 days in September 2014 to 65 days currently, albeit still much longer than typical dwelling sales periods.

It is not uncommon for the new developments to quickly achieve a significant number of presales which are not captured within the above sales, particular when the product offered provides a significant point of difference or has an element of scarcity associated, with it.

Activity has picked up since 2012 with recent major apartment developments completed comprising:

- Il Casino Apartments – 38 Jessie Street

- Elevate Apartments – 24-30 Taranaki Street
- Clyde Quay Wharf Apartments – 1-8 Clyde Quay
- One Market Lane
- Nuovo Apartments – Rugby Street

Colliers International estimates there are now 157 apartment buildings in central Wellington and Te Aro (being the general inner city area between the Railway Station and the Basin Reserve) containing over 5,300 units, with approximately 340 apartments having been created within the last two years. Throughout Wellington City there are just over 8,000 apartments, with approximately 1,100 having been created since 2010.

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5.0 VALUATION CONSIDERATIONS

5.1 VALUATION METHODOLOGY

As If Complete

In order to assess the current market value of the future units “As if Complete”, we have researched and analysed recent sales from both the immediate locality and neighbouring areas, as well as in the wider Wellington area.

We have had consideration to the proposed development on an income basis and also on the basis of individual unit titles being provided for each unit.

5.2 UNIT SALES EVIDENCE

We have analysed the following sales down to a net rate per square metre of the overall floor area, with deductions made for carparks, storage lockers, decks, balconies etc.

Due to the limited number of comparable units, we have considered sales from a wider range of locations which include the following:

Apartments	Unit number	Date	Size (m ²)	Sale Price	Net rate psm
City Fringe/Te Aro					
Nuovo Apartments, 21 Rugby Street	3G	Jul-15	51	\$320,000	\$6,275
	2E	Jul-15	51	\$324,000	\$6,353
	4G	Jul-15	51	\$330,000	\$6,471
	4E	May-15	51	\$335,000	\$6,569
	2G	May-15	51	\$360,000	\$7,059
	3H	May-15	51	\$360,000	\$7,059
	5F	Mar-15	51	\$330,000	\$6,471
	4A	Mar-15	51	\$339,000	\$6,647
	2I	Feb-15	51	\$308,000	\$6,039
	4C	Feb-15	51	\$338,000	\$6,627
	5E	Jan-15	51	\$335,000	\$6,569
Tattoo Apartments, 42 Abel Smith Street	4I	Dec-14	51	\$345,000	\$6,765
	5H	Dec-14	51	\$328,000	\$6,431
Tattoo Apartments, 42 Abel Smith Street	32	Aug-15	52	\$350,000	\$6,731
	35	Jul-15	50	\$345,000	\$6,900
Elevate, 30 Taranaki Street	2	Jan-15	50	\$350,000	\$7,000
	6F	Jul-15	53	\$320,000	\$6,038
	5G	Jul-15	59	\$337,000	\$5,712
	6D	Apr-15	51	\$353,000	\$6,922
	8F	Apr-15	53	\$340,000	\$6,415

Apartments	Unit number	Date	Size (m ²)	Sale Price	Net rate psm
	6G	Apr-15	59	\$320,000	\$5,424
	12D	Mar-15	51	\$375,000	\$7,353
	11D	Jan-15	51	\$361,500	\$7,088
	8D	Dec-14	51	\$356,000	\$6,980
	9F	Nov-14	53	\$350,500	\$6,613
	11F	Nov-14	53	\$355,000	\$6,698
	5F	Sep-14	53	\$320,000	\$6,038
	9D	Aug-14	51	\$353,000	\$6,922
	10D	Aug-14	51	\$355,000	\$6,961
Detroit Apartments, 181 Tasman Street, Mt Cook	106	Dec-14	54	\$400,000	\$7,407
	209	Jan-15	71	\$470,000	\$6,056
	310	Dec-14	64	\$500,000	\$7,188
Older Developments					
7 Hanson Street	1	May-15	50	\$295,000	\$5,300
	11	Nov-14	41	\$246,500	\$6,012
QBA Apartments, 51 Webb Street	2D	Dec-14	40	\$265,000	\$6,000
	2I	Jul-14	40	\$240,000	\$6,000
	2Q	Mar-15	40	\$240,000	\$6,000
233 Cuba Street	582	Jun-15	45	\$315,000	\$7,000
Republic, 10 Lorne Street	6F	May-15	53	\$333,000	\$6,283
Bellagio, 39 Taranaki Street	6F	Dec-14	53	\$325,000	\$6,132
8 Finlay Terrace	B	Jul-15	53	\$340,000	\$5,849

In addition to the above we are aware of a number of contracts over the proposed Te Aro Victoria Precinct development for which marketing has recently commenced. We understand contracts to date generally range from \$350,000 to \$385,000 for 50m², for 1 bedroom units without balconies and with a single aspect. Despite this Victoria Street location, this remains only a short distance effectively down Ghuznee Street from the subject site.

The above sales indicate a range of net rates per square metre, however the range is within a reasonably tight band. Care is required with comparisons as units size differ, especially for units under the 50m² threshold (where lenders typically will only lend to 50% of the value of units as opposed to 80%).

Very few units have been offered to the market under this threshold which was part of the appeal of coupling smaller units with slightly larger units associated with 'dual key' apartments.

With respect to assessing the value of units within the existing structure (Option 4+) it is rather subjective with respect to restrictions imposed by the existing structure. We note the sales listed above are all purpose built, with the most recently completed complexes being Elevate, Nuovo then Tattoo.

In contrast, the 'new build' subject units are provided with dual aspect and some private outdoor areas, benefits which are rare this close to the city. They will occupy a comparatively quiet, residential setting, albeit slightly detached from the vibrancy of the Cuba and Courtenay Precinct and Waterfront which have become strong drivers of demand.

Historically retrofitted apartments have struggled to match purpose built, especially in the current post Christchurch Earthquakes era, where insurance premiums are generally higher for older buildings even if these have been extensively strengthening and refurbished. We consider the general marketability to be greater for the subject purpose built units, however those within the existing structure will offer a point of difference with its associated art deco character features.

To provide some context, values of 1 bedrooled apartments generally 'top out' in value terms at around \$400,000, a level at which a fairly reasonable 2 bedroom apartment could be purchased. Bearing in mind also that 2 bedroom units within the Soho development on Taranaki Street range from \$250,000-\$320,000 over the lower floors (albeit for sub 50m² two bedroom units).

Having regard to the above sales information and our assumptions regarding the quality of the apartment building, we have applied net rates of between **\$6,432 psm** and **\$7,136 psm** or alternatively value ranges from **\$294,000** to **\$366,000** over the various types of 1 bedroom units and **\$6,206 psm** to **\$6,237 psm** over the three, two bedroom units within Option B4.

We refer you to **Appendix One** for further detail.

5.3 MARKET RENTALS

Information setting out current market rent information is set out as follows:

Area: Wellington – Te Aro

Bedrooms	Dwelling	Bonds Received	Lower Quartile	Median Rent	Upper Quartile
1	Apartment	209	\$330	\$365	\$420
1	Flat	11	\$190	\$300	\$340
1	Room	62	\$170	\$180	\$200
2	Apartment	203	\$431	\$500	\$575

Area: Wellington – Kelburn/Aro Valley

Bedrooms	Dwelling	Bonds Received	Lower Quartile	Median Rent	Upper Quartile
1	Apartment	21	\$280	\$300	\$352
1	Flat	69	\$280	\$300	\$300
1	Room	10	\$185	\$207	\$270
2	Apartment	10	\$360	\$387	\$500

April-September 2015

We have made investigations into prevailing rentals in the locality for comparable accommodation.

With reference to the above information, the subject units will provide new, contemporary accommodation of a durable standard of good quality. We consider applicable rentals for the one bedroom units to be from \$385-\$410 per week and \$510 per week over the 2 bedroom units incorporated within Option B4.

4.4 "AS IS" VALUE (LAND VALUE APPROACH)

The existing improvements are somewhat unique. While potential remains to utilise and extensively retrofit the existing structure, we consider the highest and best use of the land would involve its demolition.

Under this approach, we have valued the subject land using the **direct sales comparison approach** whereby the subject land is compared with sales of other vacant sites.

The sales evidence we have considered comprises of vacant sites or properties purchased for redevelopment throughout Wellington City. Adjustments are made for differences in location, size, shape and zoning. Sometimes a deduction is made to allow for the necessary demolition of existing obsolete improvements to create a vacant development site, however in some cases the holding return provided by existing improvements balances out the cost of demolition. In the subject's case, a demolition allowance is necessary. Sales are typically analysed on a per square metre basis, however we are aware that residential developers often base their offers on a per unit or per site basis.

We have had regard to the following sales of vacant, near vacant and redevelopment sites outside of the Central Area as follows:

Address	Date	Sale Price	Area m ²	Analysed value \$ psm	Zoning/Comments
Southern Suburbs					
224-234 Riddiford Street	Sep-15	\$1,600,000	1,280	\$1,272	Zoned Centre. Former service station purchased by an owner occupier for a medical and residential based development
289-293 Mansfield Street, Newtown	Mar-15	\$2,100,000	3,485	\$567	Zoned Inner Residential (9m). Purchaser obtained consent to build 25 townhouses. Site included two cottages to be retained
31 Princess Terrace, Newtown	Mar-15	\$560,000	2,010	\$279	Zoned Inner Residential (9m). Vacant land on a slope, excavation required. Purchaser obtained consent to build 9 townhouse units.

Address	Date	Sale Price	Area m ²	Analysed value \$ psm	Zoning/Comments
21-23 Luxford Street, Berhampore	Jan-15	\$465,000	913	\$592	Zoned Inner Residential. Former St Cuthberts Anglican Church
Rugby Street, Mt Cook	Dec-14	\$16,000,000	1.0244ha	\$1,561	Zoned Centre. (12m) Price plus GST – purchaser couldn't claim GST back.
194 Adelaide Road	Apr-14	\$6,900,000	5,151	\$1,458	Centres, two street frontages. Analysis includes allowance for demolition of obsolete buildings.
211 Riddiford Street	Dec-12	\$4,200,000	3,083	\$1,362	Centres. Nine separate titles with range of improvements and gross holding return of approximately \$210,000 per annum.
21-27 Rugby Street	May-12	\$2,400,000	2,061	\$1,164	Centres. Site has frontage to Rugby Street and Alfred Street and is of level contour.
11-13 Gordon Street, Newtown	Jun-10	\$714,667	1,525	\$469	Zoned Inner Residential (9m) however access leg in zone centre. Mortgagee Sale, consent held for 13 townhouses approx. \$54,974 per unit.
Western Suburbs					
4-10 Thatcher Crescent, Crofton Downs	Apr-14	\$945,850	3,213	\$308	Outer Residential. Initial purchaser developed part for owner occupation as vet clinic and onsold surplus land.
	Aug-12	\$1,050,147	3,760	\$279	
122 Churchill Drive, Crofton Downs	May-13	\$6,200,000	7,998	\$851	Centres. Analysis allows for unusable hillside component and demolition costs.

In addition to the above we note the adjoining Gordon Wilson site of 7,139m² (total area) sold back in September 2014 for \$5,293,000 plus GST. We consider this transaction to really only provide background, especially as this was not an open market transaction and Victoria University were effectively an adjoining owner. We analyse this sale in September 2014 to represent \$938 psm after adjustment for demolition.

We note there are very few development sales of Inner Residential land in the wider Wellington Area, with the majority of this land situated significantly further from the CBD than the subject.

We provide further detail on recent development land transactions as follows:

224-234 Riddiford Street comprises the former Caltex Service station, with direct frontage to Riddiford Street. The property was recently sold by tender, provided in a decontaminated and remediated condition (to a residential standard) but with the existing improvements. After demolition allowances, this sale indicates \$1,272 psm over the 1,280m². The site is larger than the subject, providing greater development flexibility and has superior profile. The purchaser is understood to be a medical operator who intends to develop the site for owner occupation.

The former St Cuthberts Anglican Church at 21-23 Luxford Street, Berhampore sold in January 2015 for \$465,000 plus GST. This comprises a single storey suburban church, with a two storey tower, and an attached hall/office. The site has a total area of 913 square metres and has an underlying Inner Residential zoning. We analyse this sale to represent \$592 psm (plus GST) after allowance for demolition. The existing improvements total approximately 464m². The site is regular in shape with frontage to Luxford Street of approximately 25 metres. This is encumbered by buildings and more further afield.

The **ex Boys & Girls Institute Land in Rugby Street, Mt Cook** owned by Foodstuffs sold in December 2014 for \$16,000,000 plus GST (purchaser could not claim GST back). The property was purchased by the Chinese Government who intend to develop a new embassy on the site. The site is of regular shape and benefits from four frontages to Tasman Street, Rugby Street, Belfast Street and Douglas Street. We understand the two villas on Rugby Street are to be demolished. It is within close proximity to the Basin Reserve and linkages to State Highway One and the city. This is a much larger site.

The former Tip Top Bakery site at **194 Adelaide Road, Newtown** sold in April 2014 to Ryman Healthcare for development of a retirement village. It comprises a large landholding of 5,153 square metres with frontage to Hanson Street as well as Adelaide Road. The site is to the north of Newtown's main retailing area and immediate to the south of the Countdown supermarket developed in 2012. The property is encumbered by a number of obsolete buildings which do not provide any holding return and will reputedly be expensive to demolish (asbestos/foundations etc).

211-221 Riddiford Street, Newtown was purchased by the Salvation Army. It comprises of multiple small buildings, many of which are earthquake prone, spread over nine titles. The buildings are subject to various leases until 2015, at which time the property will become available for redevelopment. There was a holding return of approximately \$210,000 per annum at the time of the sale. This site is positioned at the southern end of the Newtown retail area. This site is suitable for mixed retail/commercial/residential uses and can be developed more intensively by comparison with the subject.

21-27 Rugby Street is a dual frontage site, with main frontage to Rugby Street at the Basin Reserve, and secondary frontage to Alfred Street. The majority of the site was previously occupied as a used car sales lot and there were minimal improvements at time of sale. This site has since been developed as the Nuovo Apartments development, a five level development containing 41 apartments with 11 townhouses at the rear accessed from Alfred Street. The site has been developed to a considerably greater intensity than would be possible on the subject site.

The Mansfield Street sale simplistically analyses to \$603 psm over the total land area of 3,485 sqm. However, adjustment needs to be made for demolition costs and the two cottages that will be retained. After adjusting for these factors, we have analysed the sale to \$1,590,000 for the proportion that will be

developed for 25 townhouses, which equates to \$543 per sqm over the land area of 2,929 sqm. However, this includes the driveway from Mansfield Street, so if this area is excluded the rate increases to \$567 per sqm over an area of 2,802 sqm. On a per unit basis, this sale (ignoring the cottages) equates to approximately \$63,600 per unit. If the two cottages are included (and the value attributed to these in our analysis), the sale equates to \$84,815 per unit.

The **Princess Terrace** site is part of the residual undeveloped land owned by the Wellington City Council at the rear of council flats accessed off Daniell Street. This site is on part of the bank and is in an elevated position. Nine townhouses are planned for this site. This is a narrow rectangular site with limited street profile to Princess Street and some excavation will be required before development begins. This sale analyses to \$279 psm, or \$62,222 per unit.

If the two sales are analysed together, after adjustment for demolition costs and the cottages the sale can be analysed to \$63,235 per unit or \$426 per sqm over the developable area of 5,043 per sqm.

We further note sales of Central Area land around Karo Drive have more recently sold at rates between \$1,200 psm to \$1,500 with good profile, and up to 100% site coverage provided for.

Conclusion

All factors considered, we have adopted a land value rate of \$900 per square metre.

We have deducted a demolition allowance for the existing structure based on supplied cost estimates.

Accordingly we calculate market value using the sales comparison approach as follows:

Area 1,492m ² @ \$900 psm	\$1,342,800
Less allowance for Demolition/removal -say	<u>\$230,000</u>
	\$1,112,800
Say	\$1,110,000
	(plus GST, if any)

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6.0 VALUATION CONCLUSION

We summarise our valuation calculations and conclusion as follows:

As If Complete

Scenario	Configuration	Unit Size (m ²)	Average Net Rate PSM	Per Unit Value Indicated	Current Market Rental (per week)	Total Gross Realisation Indicated
Option 4A+		46.00-49.00	\$6,780	\$320,824	\$385-\$400	\$11,028,000
Option 4A+ "No Decks"		51.00-54.00	\$6,796	\$334,853	\$390-\$410	\$11,505,000
Option B4		45.00-64.00	\$6,834	\$325,516	\$390-\$510	\$10,211,000

As Is (Land and Buildings)

Direct Comparison Approach

\$1,110,000 plus GST, if any

7.0 GENERAL

Our valuation is subject to the Colliers International Statement of Valuation Qualifications and Conditions as follows:

1. In accordance with PINZ Guidance Notes, all non-residential valuations are on the basis of **plus GST (if any)**. Valuations of residential property are stated as **including GST (if any)**. We have attempted to ascertain whether the sales evidence and/or leasing evidence is inclusive or exclusive of Goods and Services Tax (GST). The national database of sales evidence does not identify whether or not GST is included in a sale price. If we have not been able to verify GST, we have assumed residential property sales are inclusive of GST (if any), and plus GST (if any) for non-residential properties. If this proves to not be the case for any evidence, we reserve the right to reconsider our valuation.
2. Where it is stated in the 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 not to be so. Where information is given without being attributed directly to another party, this information has been obtained by our search of records and examination of documents or by enquiry from Government or other appropriate sources.
3. We have been engaged to provide a valuation only and while due care was taken to note obvious building defects in the course of our inspection, we have not been engaged for any purpose other than the valuation and we are not able to advise on matters such as structural or site surveys or any other defects in the building. The valuer is not a building construction and/or structural expert, and is therefore unable to certify as to structural soundness of the improvements or detect any ingress of water, liquid, moisture or mould type substances or effects from these, other than to parts of the improvements readily accessible and visible.
4. In preparing the valuation and/or providing valuation services, it has been assumed that a full and frank disclosure of all relevant information has been made.
5. We do not hold ourselves out to be experts in environmental contamination. Our inspection of the site did not reveal any contamination or pollution affectation, and our valuation has been prepared on the assumption that the land is not contaminated and has not been affected by pollutants of any kind. We would recommend that this matter be checked by a suitably qualified environmental consultant. Should subsequent investigation show that the site is contaminated, our valuation may require revision.
6. In preparing the valuation, we have relied on photocopies of the Computer Register and the leases provided. It has been assumed that these are accurate copies of the original documents and that no dealings or changes have occurred since the date such photocopies were made.
7. This valuation and all valuation services are provided by us solely for the use of our client. We do not assume any responsibility to any person other than the client for any reason whatsoever by reason of or arising out of the provision of this valuation.
8. This report is relevant as at the date of preparation and to circumstances prevailing at the time. However, within a rapidly changing economic environment experiencing fluctuations in interest rates, availability of finance, rents, building expenditure and returns on investments, values can be susceptible to variation over a relatively short time scale. We therefore strongly recommend that before any action is taken involving acquisition, disposal, mortgage advance, shareholding restructure or other transaction, that you consult further with us.
9. **Confidentiality and Disclaimer of Liability**
Our valuation and report is strictly confidential to the party to whom it is addressed and is prepared solely for the specific purpose to which it refers. No responsibility whatever is accepted for reliance on the valuation report for other purposes. Further, no responsibility whatever is accepted to persons other than the party to whom the valuation and report is addressed for any errors or omissions whether of fact or opinion.
10. Neither the whole nor any part of this valuation and/or report or any reference to it may be included in any published

document, circular, or statement without our written approval.

11. PINZ: Valuation Standards & Guidance Notes

All valuations are carried out in accordance with the Valuation Standards and Guidance Notes recommended by the Property Institute of New Zealand, where the definition of "Market Value" is the estimated amount for which an asset or liability on the valuation date 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.

12. Please note that personnel in this firm will or may have stocks, shares or other interests in entities that directly or indirectly hold properties which are the subject of this valuation and/or may have direct or indirect personal relationships with third parties with interests in these same entities. Colliers' valuers are required to abide by an industry standard disclosure regime and Colliers internal policies with respect to conflicts of interest, and will disclose any material conflict of interest that arises in its capacity as valuer concerning the property which is the subject of this valuation.

13. Valuation Basis

Unless otherwise stated no allowances are made in our valuations for any expenses of realisation, or to reflect the balance of any outstanding mortgages either in respect of capital or interest accrued.

We trust that this report is suitable for current purposes and ask that if you have any questions that you do not hesitate to contact the writer directly.

Yours sincerely

COLLIERS INTERNATIONAL (WELLINGTON VALUATION) LIMITED



Gwendoline P. L. Callaghan FPINZ FNZIV
Registered Valuer
Director – Valuation



Reuben Blackwell BSc BCom Grad.Dip.Val MPINZ
Registered Valuer

This report has been checked by The purpose of the report check is for the correction of grammatical and basic arithmetic errors only. The person who has checked this report does not necessarily carry any responsibility in relation to the method of valuation adopted, analysis of sales/rental evidence or final value adopted within this report.

REF: J:\Valuation\Clients\Housing NZ\2015\The Terrace, 314 CMV As If Complete Sep15.docx

Inspection of Property:	Gwendoline Callaghan & Reuben Blackwell
Valuation Calculations:	Gwendoline Callaghan & Reuben Blackwell
Authoring of report:	Gwendoline Callaghan & Reuben Blackwell

APPENDIX 1

Valuation in Detail

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Flat Number	Estimated Floor Area	Patio/Deck Area	Deck Rate	Adopted Net Rate PSM	Estimated Value 'As If Complete'
Existing Building					
Level 1					
TE2	49.0 m ²	5.4 m ²	1,350	6,450	\$323,000
TE1/Community Lobby	46.0 m ²	5.4 m ²	1,350	6,432	\$303,000
Level 2					
TE2	49.0 m ²	5.4 m ²	1,400	6,498	\$326,000
TE1	46.0 m ²	5.4 m ²	1,400	6,526	\$308,000
TE1	46.0 m ²	5.4 m ²	1,400	6,625	\$312,000
Level 3					
TE2	49.0 m ²	5.4 m ²	1,414	6,563	\$329,000
TE1	46.0 m ²	5.4 m ²	1,414	6,591	\$311,000
TE1	46.0 m ²	5.4 m ²	1,414	6,591	\$311,000
TE1	46.0 m ²	5.4 m ²	1,414	6,691	\$315,000
Level 4					
TE2	49.0 m ²	5.4 m ²	1,428	6,629	\$333,000
TE1	46.0 m ²	5.4 m ²	1,428	6,657	\$314,000
TE1	46.0 m ²	5.4 m ²	1,428	6,657	\$314,000
TE1	46.0 m ²	5.4 m ²	1,428	6,758	\$319,000
Level 5					
TE2	49.0 m ²	5.4 m ²	1,442	6,695	\$336,000
TE1	46.0 m ²	5.4 m ²	1,442	6,723	\$317,000
TE1	46.0 m ²	5.4 m ²	1,442	6,723	\$317,000
TE1	46.0 m ²	5.4 m ²	1,442	6,826	\$322,000
Level 6					
TE1	46.0 m ²	5.4 m ²	1,500	7,136	\$336,000
TE1	46.0 m ²	5.4 m ²	1,500	6,891	\$325,000
TE1	46.0 m ²	5.4 m ²	1,500	6,891	\$325,000
TE1	46.0 m ²	5.4 m ²	1,500	6,996	\$330,000
Front Block					
G - TN1	45.4 m ²	4.5 m ²	1,450	7,145	\$331,000
G - TN1	45.4 m ²	4.5 m ²	1,450	7,038	\$326,000
1 - TN1	45.4 m ²	4.5 m ²	1,450	7,145	\$331,000
1 - TN1	45.4 m ²	4.5 m ²	1,450	7,038	\$326,000
Rear Block					
G - TN2	45.0 m ²	6.0 m ²	1,475	7,109	\$329,000
G - TN2	45.0 m ²	6.0 m ²	1,475	7,003	\$324,000
1 - TN2	45.0 m ²	6.0 m ²	1,475	7,109	\$329,000
1 - TN2	45.0 m ²	6.0 m ²	1,475	7,003	\$324,000
Adjoining Main Building					
G - TN1	45.4 m ²	4.5 m ²	1,500	6,859	\$318,000
1 - TN2	45.0 m ²	6.0 m ²	1,500	6,918	\$320,000
Back Block					
G - TE1	46.0 m ²	5.4 m ²	1,400	6,471	\$305,000
1 - TE1	46.0 m ²	5.4 m ²	1,400	6,538	\$308,000
2 - TE1	46.0 m ²	5.4 m ²	1,400	6,605	\$311,000
Parking Space 1					
					\$40,000
Parking Space 2					
					\$40,000
Parking Space 3					
					\$40,000
Gross Realisation					\$11,028,000
Average 46 m ²					
Average Say: \$320,824					

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Estimated 'As If Complete' Gross Realisation for Option 4A+ (Excluding Existing Building Decks) McLean Flats, The Terrace, Wellington


Flat Number	Estimated Floor Area	Patio/Deck Area	Deck Rate	Adopted Net Rate PSM	Estimated Value 'As If Complete'
Existing Building					
Level 1					
TE2	54.4 m ²			6,482	\$353,000
TE1/Community Lobby	46.0 m ²	5.4 m ²	1,350	6,432	\$303,000
Level 2					
TE2	54.4 m ²			6,531	\$355,000
TE1	51.4 m ²			6,558	\$337,000
TE1	51.4 m ²			6,658	\$342,000
Level 3					
TE2	54.4 m ²			6,596	\$359,000
TE1	51.4 m ²			6,624	\$340,000
TE1	51.4 m ²			6,624	\$340,000
TE1	51.4 m ²			6,725	\$346,000
Level 4					
TE2	54.4 m ²			6,662	\$362,000
TE1	51.4 m ²			6,690	\$344,000
TE1	51.4 m ²			6,690	\$344,000
TE1	51.4 m ²			6,792	\$349,000
Level 5					
TE2	54.4 m ²			6,729	\$366,000
TE1	51.4 m ²			6,757	\$347,000
TE1	51.4 m ²			6,757	\$347,000
TE1	51.4 m ²			6,860	\$353,000
Level 6					
TE1	46.0 m ²	5.4 m ²	1,500	7,136	\$336,000
TE1	46.0 m ²	5.4 m ²	1,500	6,891	\$325,000
TE1	46.0 m ²	5.4 m ²	1,500	6,891	\$325,000
TE1	46.0 m ²	5.4 m ²	1,500	6,996	\$330,000
Front Block					
G - TN1	45.4 m ²	4.5 m ²	1,450	7,145	\$331,000
G - TN1	45.4 m ²	4.5 m ²	1,450	7,038	\$326,000
1 - TN1	45.4 m ²	4.5 m ²	1,450	7,145	\$331,000
1 - TN1	45.4 m ²	4.5 m ²	1,450	7,038	\$326,000
Rear Block					
G - TN2	45.0 m ²	6.0 m ²	1,475	7,109	\$329,000
G - TN2	45.0 m ²	6.0 m ²	1,475	7,003	\$324,000
1 - TN2	45.0 m ²	6.0 m ²	1,475	7,109	\$329,000
1 - TN2	45.0 m ²	6.0 m ²	1,475	7,003	\$324,000
Adjoining Main Building					
G - TN1	45.4 m ²	4.5 m ²	1,500	6,859	\$318,000
1 - TN2	45.0 m ²	6.0 m ²	1,500	6,918	\$320,000
Back Block					
G - TE1	46.0 m ²	5.4 m ²	1,400	6,471	\$305,000
1 - TE1	46.0 m ²	5.4 m ²	1,400	6,538	\$308,000
2 - TE1	46.0 m ²	5.4 m ²	1,400	6,605	\$311,000
Parking Spaces					
Parking Space 1					\$40,000
Parking Space 2					\$40,000
Parking Space 3					\$40,000
Gross Realisation					\$11,505,000
Average	49 m ²				
Average Say:	\$334,853				

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Estimated 'As If Complete" Gross Realisation for Option B4 McLean Flats, The Terrace, Wellington					
Flat Number	Estimated Floor Area	Patio/Deck Area	Deck Rate	Adopted Net Rate PSM	Estimated Value 'As If Complete'
Block A					
GN3	44.0 m ²	5.0 m ²	1,375	6,522	\$294,000
1N3	44.0 m ²	5.4 m ²	1,350	6,588	\$297,000
2N3	44.0 m ²	5.0 m ²	1,350	6,655	\$300,000
Block B					
GN3	44.0 m ²	5.0 m ²	1,400	6,652	\$300,000
1N3	44.0 m ²	5.0 m ²	1,400	6,720	\$303,000
2N3	44.0 m ²	5.0 m ²	1,400	6,788	\$306,000
Block C					
GN3	44.0 m ²	5.0 m ²	1,400	6,619	\$298,000
1N3	44.0 m ²	5.0 m ²	1,400	6,686	\$301,000
2N3	44.0 m ²	5.0 m ²	1,400	6,754	\$304,000
Block D - 2 Bedroom Units					
GN4	64.0 m ²	6.0 m ²	1,400	6,206	\$406,000
1N4	64.0 m ²	6.0 m ²	1,400	6,237	\$408,000
2N4	64.0 m ²	6.0 m ²	1,400	6,237	\$408,000
Block EF					
GN2	45.0 m ²	6.0 m ²	1,400	7,100	\$328,000
GN2	45.0 m ²	6.0 m ²	1,400	7,100	\$328,000
1N2	45.0 m ²	6.0 m ²	1,400	7,029	\$325,000
1N2	45.0 m ²	6.0 m ²	1,400	7,242	\$334,000
Block G					
GN5	45.0 m ²	5.4 m ²	1,450	7,242	\$334,000
1N5	46.0 m ²	5.4 m ²	1,500	7,136	\$336,000
2N5	45.0 m ²	5.4 m ²	1,500	6,891	\$318,000
3N5	45.0 m ²	5.4 m ²	1,500	6,891	\$318,000
Block H					
N5/Community Room	45.0 m ²	5.4 m ²	1,375	6,952	\$320,000
GN5	45.0 m ²	5.4 m ²	1,375	6,952	\$320,000
1N5	46.0 m ²	5.4 m ²	1,375	6,987	\$329,000
2N5	45.0 m ²	5.4 m ²	1,375	7,022	\$323,000
Block I					
GN1	45.4 m ²	4.5 m ²	1,375	6,622	\$307,000
1N1	45.4 m ²	4.5 m ²	1,375	6,690	\$310,000
2N1	45.4 m ²	4.5 m ²	1,375	6,758	\$313,000
Ground Frontage N1's					
GN1	45.4 m ²	4.50 m ²	1,400	7,171	\$332,000
GN1	45.4 m ²	4.50 m ²	1,400	7,100	\$329,000
GN1	45.4 m ²	4.50 m ²	1,400	7,100	\$329,000
GN1	45.4 m ²	4.50 m ²	1,400	7,207	\$333,000
Parking Space 1					\$40,000
Parking Sapce 2					\$40,000
Parking Space 3					\$40,000
Gross Realisation					\$10,211,000
Average					47 m ²
Average Say:					\$325,516

APPENDIX 2
Computer Register

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COMPUTER FREEHOLD REGISTER UNDER LAND TRANSFER ACT 1952



R. W. Muir
Registrar-General
of Land

Search Copy

Identifier 256860
Land Registration District Wellington
Date Issued 16 October 2006

Prior References

WN329/168

Estate Fee Simple
Area 1492 square metres more or less
Legal Description Lot 2 Deposited Plan 363050

Proprietors

Housing New Zealand Limited

Interests

216 Order in Council imposing Building Line Restriction

1880 Order in Council imposing a Building Line Restriction - 29.1.1941 at 3:00 pm

Subject to the Housing Act 1955

Subject to Part IVA Conservation Act 1987

Subject to Section 11 Crown Minerals Act 1991

Subject to a right to drain water and convey gas over parts marked D and E on DP 363050 created by Easement Instrument 7072198.2 - 16.10.2006 at 9:00 am


Appurtenant hereto is a right of way, a right to drain water and sewage and a pedestrian right of way created by Easement Instrument 7072198.2 - 16.10.2006 at 9:00 am

8327190.1 Certificate pursuant to section 115(2) of the Port Nicholson Block (Taranaki Whanui ki Te Upoko o Te Ika) Claims Settlement Act 2009 that the within land is RFR land as defined in section 92 and is subject to subpart 2 of Part 3 of the Act (which restricts disposal, including leasing of the land) - 29.10.2009 at 9:00 am

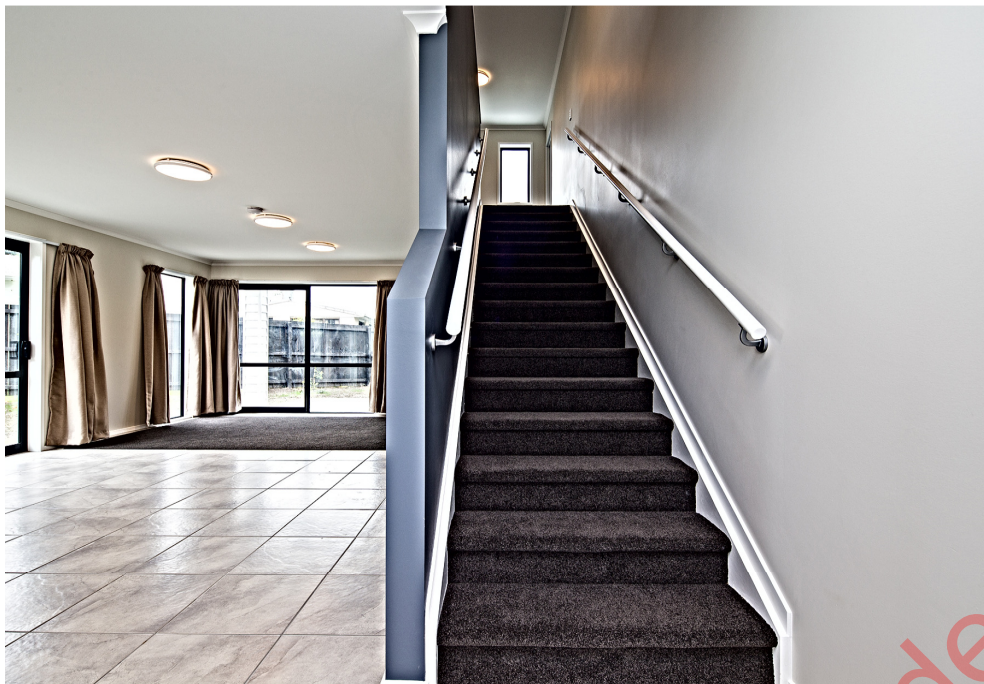
9860464.3 Encumbrance to Victoria University of Wellington - 16.10.2014 at 10:09 am

APPENDIX 3
Internal Specification Photos

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APPENDIX 4
Certificate of Registration

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Certificate of Registration

This is to certify that

Colliers International New Zealand Ltd

PO Box 1631, Shortland Street, **AUCKLAND**
Level 27, SAP Tower, 151 Queen Street, Auckland Central, **AUCKLAND**

having been assessed by Telarc SAI Limited and having been found to operate a management system conforming to

AS/NZS ISO 9001:2008

is hereby designated

TELARC REGISTERED

for the following systems, goods or services:

The provision of property valuation services from offices in Auckland and Wellington.

Registration Number: **QEC13885**

Certificate Issued:	12 February 2014	Original Registration:	15 February 2002
Current Registration:	12 February 2014	Expiry Date:	12 February 2017

Chairperson

Chief Executive



This certificate and its associated schedules remain the property of Telarc SAI Limited and must be returned if registration is withdrawn



Registered by Telarc SAI Limited 626 Great South Road, Ellerslie, Auckland 1051, Private Bag 28901, Remuera, Auckland 1541, Telephone: 64 9 525 0100 Facsimile: 64 9 525 1900 and subject to the Telarc SAI Limited Terms and Conditions for Certification. While all due care and skill was exercised in carrying out this assessment, Telarc SAI Limited accepts responsibility only for proven negligence. To verify that this certificate is current please refer to the JAS-ANZ register at www.jas-anz.org/register.



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Business Case Memo

To Asset Development Group
From Finance & Performance
Date 21-Jan-2016
Subject Financial Analysis of McLean Flats, The Terrace, Wellington, Redevelopment Business Case

9(2)(i)

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9(2)(i)



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9(2)(i)

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Project Address	McLean Flats Redevelopment, Wellington
Project Snapshot	Refurbishment of the existing vacant McLean Flats building including the integration of new units with comprehensive site development resulting in 34 single bed units..

Project Parameters	Exist Units	Redev Units	Proposed Typology		
			0-2 bed	3 bed	4+ bed
	17	34	34	0	0

Property Services Group Approval	<p>PSG have been sent the design report and asked to comment on the proposed redevelopment and business case.</p> <p>PSG were not part of developing the initial project brief, but were provided with one as part of the design report.</p> <p>PSG have reviewed the preliminary project design and agree in principal to the development of 1-bed units subject to comments outlined below and further design reviews at developed design, building consent documentation and detailed design.</p> <p>PSG have not received a completed draft of the project business case so are not able to comment in full but note that:</p> <ul style="list-style-type: none"> There does not appear to be any review undertaken by the HNZ Standards team and whether the design meets the Standards and/or what compromises have been made. <p>PSG approve and support this proposed redevelopment subject to the above.</p>
Property Services Group Comment	<ul style="list-style-type: none"> There is concern regarding what appears to be potential access from the VUW site for students through our site. Look to ensure that fencing is constructed on the boundary to eliminate this CPTED hazard. We would not support the alternate E2 design with a study/2nd bedroom as this may create utilisation concerns.

Tenancy Services Comment	<ul style="list-style-type: none"> TS support the configuration and size of this development. It certainly meets the need to provide one bedroom apartments for those on the wait list and other singles underutilising bigger properties. TS has engaged with the Downtown Community Ministry who are keen to provide onsite support to the tenants and are interested in teaching our tenants to garden for example. The community space and raised gardens will facilitate this
---------------------------------	--

	<p>activity.</p> <ul style="list-style-type: none"> • The CDPTED principles are supported. • TS will expect to have ongoing discussions with ADG as these plans progress. • We are happy with the option that caters for rubbish collection and access for the fire service. This leaves us with 7 carparks. • You have our support.
--	--

Approval	TENANCY SERVICES		PROPERTY SERVICES GROUP	
	Name	Date	Name	Date
	Jackie Pivac	26/1/16	Monique Fowler	26/1/16
Signature				

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Initial Risk Analysis

Potential Risks	Risk rating (H/M/L)			Risk management / mitigations strategies	Residual risk
	Consequence	Likelihood	Overall Rating		
Lengthy resource consent application process	H	M	M	Professional statutory planning advice has sought and a robust consenting strategy developed. The is attached to the business case	M
Resource consent application not approved	H	L	M	The previous consent application was approved. The revised scheme is an improvement.	L
Community opposition	M	H	M	A communications and stakeholder engagement plan will be prepared and executed as part of the development.	M
Escalating construction costs	H	H	H	Allow sufficient contingency.	M
Construction risks / delays / H&S	H	L	M	Housing New Zealand's lawyers, with external help, will review contract documents.	L
Overall project risk rating = M					

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Tax implications – McLean Flats - Design, Bid-Build and Retain Units by HNZ

Questions	Comments
Is GST claimable on construction?	No. Property to be used as residential rental stock.
Is GST payable on sale?	N/A – no sale mentioned but if a sale occurs within 5 years there may be GST payable.
Is Income Tax payable on profits?	No. As properties are being developed and retained for long term residential rental purposes, there are no immediate income tax implications.
Is the Binding Ruling affected?	No.

1. This advice is given on the basis of the information included in “Final” version dated 2 February 2016. In this version the preferred option was to Design and bid-build the redevelopment, and to retain all of the units redeveloped.
2. If the facts change in relation to this project then it is recommended that that it the adjusted business case be sent to the Corporate tax team for review as any change in facts may change the tax advice.

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Memo

To Andrew Showler, Manager Development Management
From Andrea Morton, Head of Procurement
Date 09 February 2016
Subject **McLean Street, Wellington**
(Project Approval)

For your information

1. The proposed procurement methodology, being a Design-Bid-Build approach, (paragraphs 64-68) requires that HNZ source and appoint the design team for the project, with HNZ responsible for the generation of a fully coordinated set of detailed design drawings, prior to tendering the construction works.
2. HNZ appointed Athfield Architects to the project in January 2015, following a procurement process in late 2014. The contract (and procurement process) appointed Athfield Architects as the design lead until after resource consent approval is received. The architectural services required to complete the redevelopment post resource consent will be at the sole discretion of the build partner. This enables a Request for Proposal (RFP) process to be undertaken to appoint a contractor, based on a fully coordinated set of detailed design drawings.
3. Under the Government Rules of Sourcing (*the Rules*) the spend threshold for new construction is \$10m (exclusive of GST). If a construction project is \$10m or greater in total costs (including all professional fees, etc) an openly advertised competitive process is mandatory. HNZ is mandated to comply with *the Rules*.
4. In establishing whether *the Rules* apply to this development initiative the project's total costs must be calculated including:
 - a. all related services (e.g. design, architecture, engineering, quantity surveying, and management consultancy services [[including project/development services]);
 - b. all types of goods (e.g. construction material, health and safety equipment);
 - c. all phases of the construction through to completion; and
 - d. all subcontracted goods, services and works.
5. The "Development Feasibility" detailed in the business case indicate a total development costs excluding Land and GST for the McLean project of \$10,393,180, therefore *the Rules* do apply and will require HNZ to openly advertise the procurement, unless there has been a panel established to deliver works of this nature.
6. Where a panel of suppliers is in place, it is appropriate to use the Secondary Procurement Process established for the panel. Housing New Zealand has no established panels for the provision of construction or construction related design/professional services in effect for the Wellington market.
7. As there are no pre-existing procurement pathways, the project must be openly competitively tendered; according to *the Rules* and HNZ Policy and Procedures. A two stage procurement process to test the markets interest, and enable HNZ to shortlist suitably qualified and experienced parties to be invited to participate in a Request for Proposal (RFP) process is recommended
8. To progress the project the next step would be to undertake stage one of the two stage procurement process – the Registration of Interest process. This will enable a shortlist of suitable companies to be selected for the RFP (stage two). At the proposal stage, respondents will be tendering based on a fully coordinated set of detailed design drawings.
9. There is a risk that as McLean will need to progress down an openly advertised pathway due to the costs being in excess of the \$10m threshold (rule 8 – Govt Rules of Sourcing), questions could arise regarding the closed procurement pathways recommended for Britomart and Hanson Street

projects. This risk can be managed as the processes align with the Govt Rules of Sourcing. In the event that HNZ wishes to avoid any such concerns, HNZ could elect at its discretion, to also run two-stage openly advertised processes for the Britomart and Hanson projects.

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Legal and Regulatory Implications


The analysis below was prepared by Housing New Zealand Legal.


The analysis in this section is based on the assumption that Housing New Zealand retains the land during and after the build and the contract will be on a HNZ build contract template approved by HNZ and that the houses built are compliant with the LOE and the SOI (a strategic fit).

Under this scenario there are low risk legal implications, hence the orange flags.

Legal and regulatory implications

Questions	Yes	No	Flag	Comment/Risk Management
The project is consistent with the Housing Corporation Act.	Yes			Compliance with the LOE and SOI was demonstrated in the supporting material provided to the Board for the purposes of its approval for the Sharp 3 Programme.
The project is consistent with Housing New Zealand's financial powers under the Crown Entities Act.	Yes			
It is unlikely that Housing New Zealand is giving implied warranties under the Building Act in relation to this project.	Yes			Units are to be titled individually to give future flexibility for sale to 3rd parties. Housing New Zealand could be regarded as a developer if units are sold. Mitigation measures can be taken to reduce the risk, and ultimately the choice lies with Housing New Zealand whether to sell the units.
It is unlikely that Housing New Zealand will be considered a "developer" in tort law in relation to this project.	Yes			See previous row

 **High legal risk** – additional paragraph(s) may be provided below the table regarding nature and extent of risk, and also risk management/mitigation recommendations.

 **Some legal risk** – nature and extent of risk, and risk management/mitigation recommendations, will be detailed in "Comment/Risk Management" column in the above table.

 **Low legal risk** – usually no comment required.

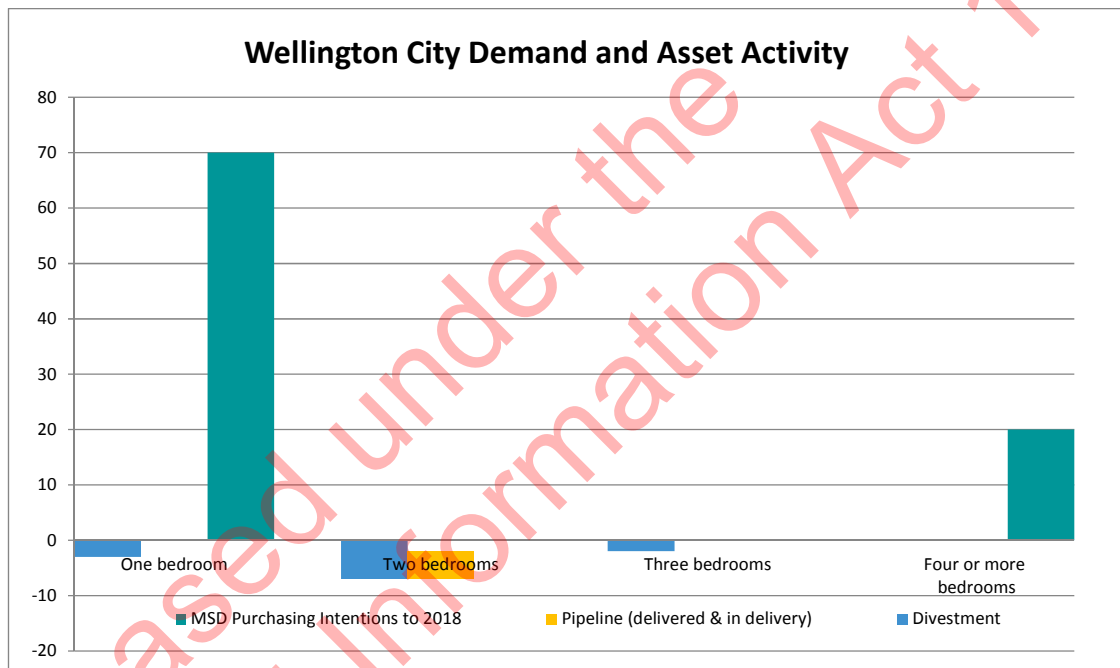
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Memo

To Andrew Showler
From Alicia Taylor
Date 18 November 2015
Subject Demand and Portfolio Analysis Brief for 314 The Terrace, Wellington

The purpose of this memo is to explain current demand and portfolio information to inform any eventual business case for the Wellington redevelopment site at 314 The Terrace, Wellington.

Demand versus Pipeline and Divestment

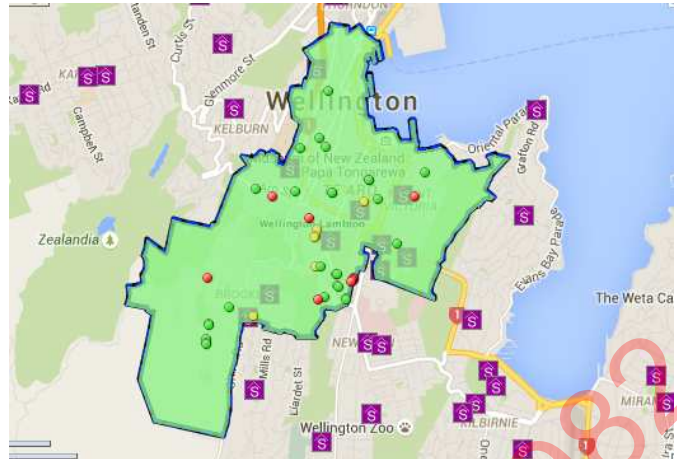


As illustrated by the graph above, there is demand for one and four bedroom properties which we are currently not addressing through our pipeline activity. Current pipeline activity will deliver two bedroom properties for which there is no demand. There is no demand for additional three bedroom properties.

	Lambton Precinct	Wellington CAP	Wellington Region	Comment
Divestment	0	12	109	Both the Wellington Cap and Wellington Region's asset activity is well below the current targets.
Pipeline	0	5	51	
Net position	0	-7	-58	
Target	-	90	150	

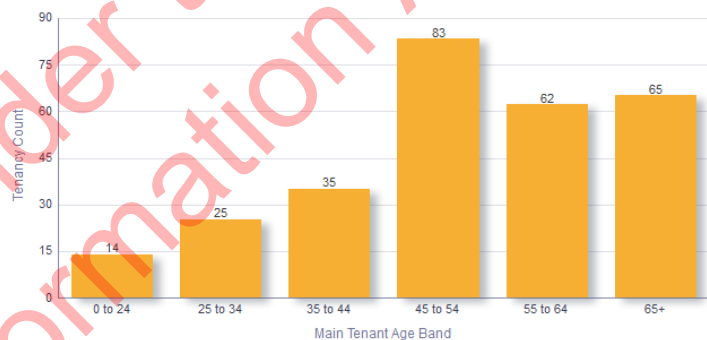
Wellington Lambton

These sites are located within the [Wellington Lambton Precinct](#). Within this area Housing New Zealand owns 282 properties, which equates to 2.3% of all housing in the area, and 3.7% of the residential rental market.

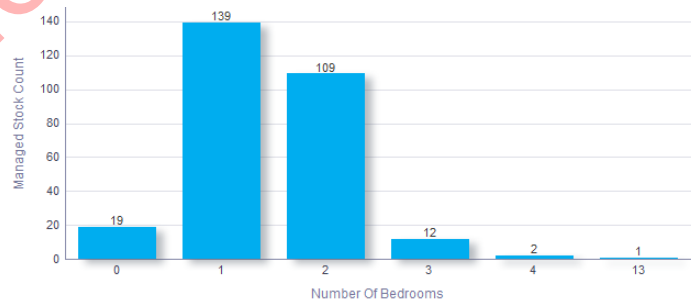


The area is yet to go through a precinct planning process. However, the precinct was included within the Wellington Reconfiguration Strategy, developed in mid-2014. The strategy outlines an approach for the reconfiguration of assets in Wellington Central to achieve better alignment to demand and performance across the portfolio, with a focus of providing primarily one bedroom units within the inner city. The strategy identified 314 The Terrace (McLean), as a key redevelopment opportunity within the city that would support this outcome. McLean is an identified earthquake prone building which is currently vacant. The strategy outlined the potential for McLean to house tenants requiring easy accessibility to the Central Business District.

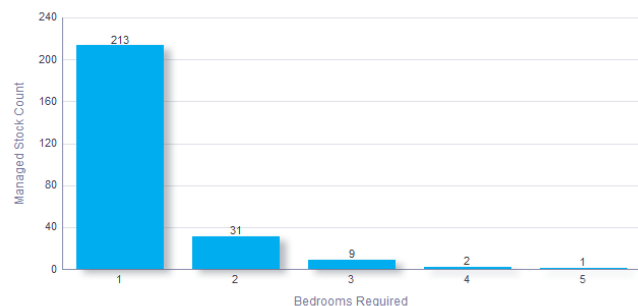
Based on the information currently available from the precinct dashboard, in this particular precinct, the largest group of existing tenants are older people, with 45% of tenants aged 55 years or older, while 75% of all tenancies are one person households.



Approximately half of all housing in the area is one bedroom, with an additional 39% being two bedroom properties. There are very few larger homes in the area.



Due to the high number of smaller households, there is a need to reconfigure the portfolio to provide for more one bedroom properties to meet the needs of existing tenants. There is also a need to provide for the renewal of assets which are no longer fit for use.



As illustrated by the utilisation and household composition information below, there are a high number of tenancies that are underutilising by one bedroom due to the high demand from one person households and the high number of two bedroom properties.

Asset and Tenant Mismatch for Wellington Lambton



Typology:	Tenant needs less bedrooms					Tenant needs more bedrooms			
	-4	-3	-2	-1	0	1	2	3	4
1					135	7	0	0	0
2				77	24	1	0	0	
3			0	3	8	0	1		
4		0	0	0	1	0			
5+	0	0	0	0	0				

Wellington Lambton Household Composition

