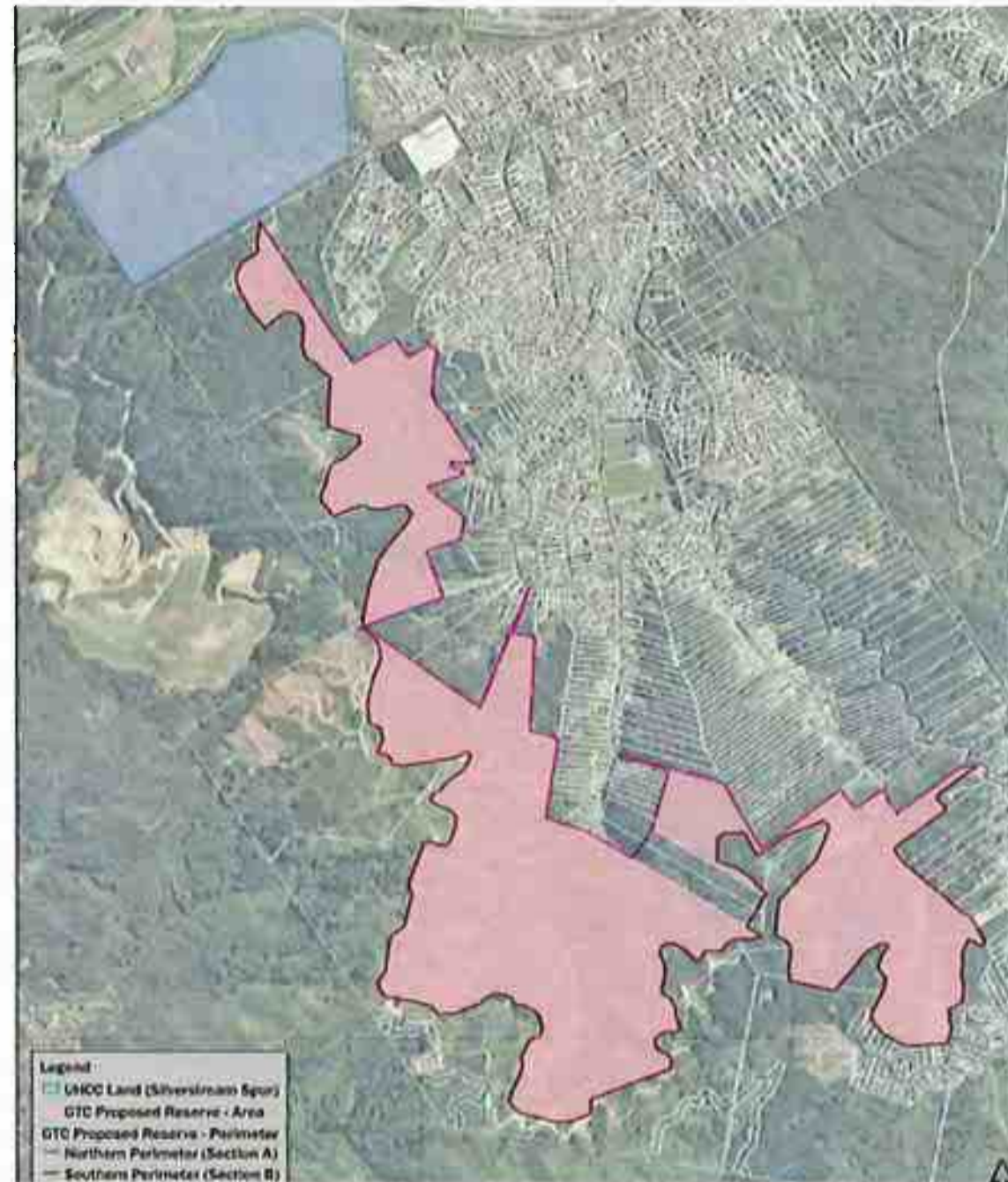


**NOT FOR
CIRCULATION**



Market Valuations

- (A) **Pinehaven Hill Reserve
(Proposed Open Space), Pinehaven**
- (B) **Silverstream Spur, Kiln Street
Silverstream, Upper Hutt**

Clients: **The Guilford Timber Company Limited**

Upper Hutt City Council

Valuation Date: **December 2020**

Truebridge Partners
TelferYoung (Wellington) Limited

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Appendix A: Records of Title – Upper Hutt City land – Silverstream Spur:

Appendix B: Contours – Upper Hutt City Council Land and Guilford Timber Company Limited land

1.0 Executive Summary

Assets Valued:	(A) Pinehaven Hill Reserve (Proposed Open Space Land) (B) Silverstream Spur (Proposed Residential)
Instructing Parties and clients:	(A) The Guilford Timber Company (GTC) (B) Upper Hutt City Council (UHCC)
Purpose of Valuation:	Market Value
Date of Inspections:	November / December 2020
Date of Valuation:	December 2020
Interest Valued:	Freehold (unencumbered) for both. Note: Pinehaven Hill Reserve assumes the issue of Freehold title (unencumbered), in the future.

Brief Description: The proposed Pinehaven Hill Reserve comprises an extensive elongated steeply contoured hill block which has historically been used for forestry purposes. Owned by the Guilford Timber Company, forest harvesting and extraction is still occurring on a small scale. Within this proposed hill open space reserve is the Pinehaven stream headwaters and catchment area. This is a sensitive area given historic flood events. A 'vision' concept was prepared for this land by Boffa Miskell in 2015. The details in that report assist in providing an interpretation of the existing landscape. A change of use to 'open space' is proposed under Draft Plan Change 50. Our valuation assumes the existence of a **single freehold title for the 132 hectares** with good access from the top.

The Silverstream Spur, owned by the Upper Hutt City Council, comprises a large visually prominent, 'regular shaped' forested hill block at the 'gateway' to Upper Hutt. Technically, it appears difficult to obtain physical access onto the land but it is possible. Under the proposed Plan Change 50 the Spur has been identified for a significant change of use. Preliminary indications are that the land has potential for medium intensity residential subdivision. As at the date of valuation, the identification of this potential, has only been addressed at a high level and is without sufficient details regarding possible design concepts, development costings, solutions for traffic management consents and, provision of the Three Waters (potable, storm water, and foul water discharge) and the like. The success of Plan Change 50 and completing a large residential subdivision on this land is considered potentially 'high risk' as of December 2020. Moderation of the risk profile is likely as key cost drivers are addressed and resolved over the next two to five years.

In assessing the value of the proposed land use changes, we recognise this is a significant transition time for both properties, as one moves from an active rotational forestry regime to long term tenure as 'Open Space' within an urban setting. Equally for the Silverstream Spur, has been identified as a potential 'green field' site for residential intensification in the future to contribute to the future sufficiency of dwellings in Upper Hutt over the next 30 years.

In completing our valuation of both properties, we acknowledge the inherent multiple risks and complexities involved with the subject land parcels and we assume that any purchaser would undertake further due diligence of the land.

Summary:	Area (A) TelferYoung (Wellington) Limited valuation - Pinehaven Hill Reserve (Proposed Open Space Land)	\$1,400,000 plus GST (if any) One Million Four Hundred Thousand Dollars
	Truebridge Partners valuation - Pinehaven Hill Reserve (Proposed Open Space Land)	\$1,850,000 plus GST (if any) One Million Eight Hundred and Fifty Thousand Dollars
	Area (B) Agreed Valuation - Silverstream Spur (Proposed Residential)	\$3,000,000 plus GST (if any) Three Million Dollars

Added Value of Trees: Not assessed

Significant Assumptions and Special Assumptions:

Area (A) Pinehaven Hill Reserve (proposed but not yet surveyed)

- Subject to the issue of a single freehold Certificate of Title (unencumbered) being issued for 132 hectares (approx)
- All matters pertaining to the forest crop and post harvest conditions including obligations and liabilities under the Emission Trading Scheme are addressed and remain the sole responsibility of The Guilford Timber Company Limited.
- 'Pinehaven Hill Reserve' land will have appropriate public roading and access to the top boundary (yet to be defined) and will be fully fenced to the boundary, where appropriate to a stock proof standard.

Report Issue Date: December 2020

Prepared By:	Tim Truebridge Registered Valuer Director, FNZIV Truebridge Partners Limited	John Stanley Registered Valuer FNZIV, FPINZ, ANZIF (DipLA) TelferYoung (Wellington) Limited
		Jerome McKeefry Director BBS (VPM), Dip BS (Fin), MPINZ, ANZIV TelferYoung (Wellington) Limited

Truebridge Partners Limited and TelferYoung policy requires that reports cannot be reassigned for any purpose beyond 90 days from the date of valuation. This policy has been set to meet professional indemnity insurance requirements..

2.0 Scope of Work

2.1 The Valuers

Further to a joint meeting between:

- The Guilford Timber Company Limited (GTC)

and

- Upper Hutt City Council (UHCC)

('The Parties')

The valuers have been instructed to undertake a joint market valuation of both parcels of land as described, generally within the '**Memorandum of Understanding Relating to Land Exchange**', dated March 2016.

The valuation has been undertaken by Tim Truebridge (Truebridge Partners Limited) and John Stanley (TelferYoung (Wellington) Limited) who provide this objective and unbiased valuation. The valuers have no material connection with the instructing party or interest in the property and have the appropriate qualifications and experience to undertake the valuation.

2.2 Our Clients

- (A) The Guilford Timber Company Limited (GTC)
- (B) Upper Hutt City Council (UHCC)

Other than the client or addressee, the report may not be relied upon by any third party. We accept no liability to third parties. Written consent is required for any third party wishing to rely on this report. We reserve the right to withhold that consent, or to review the contents of the report if consent for third party use is sought.

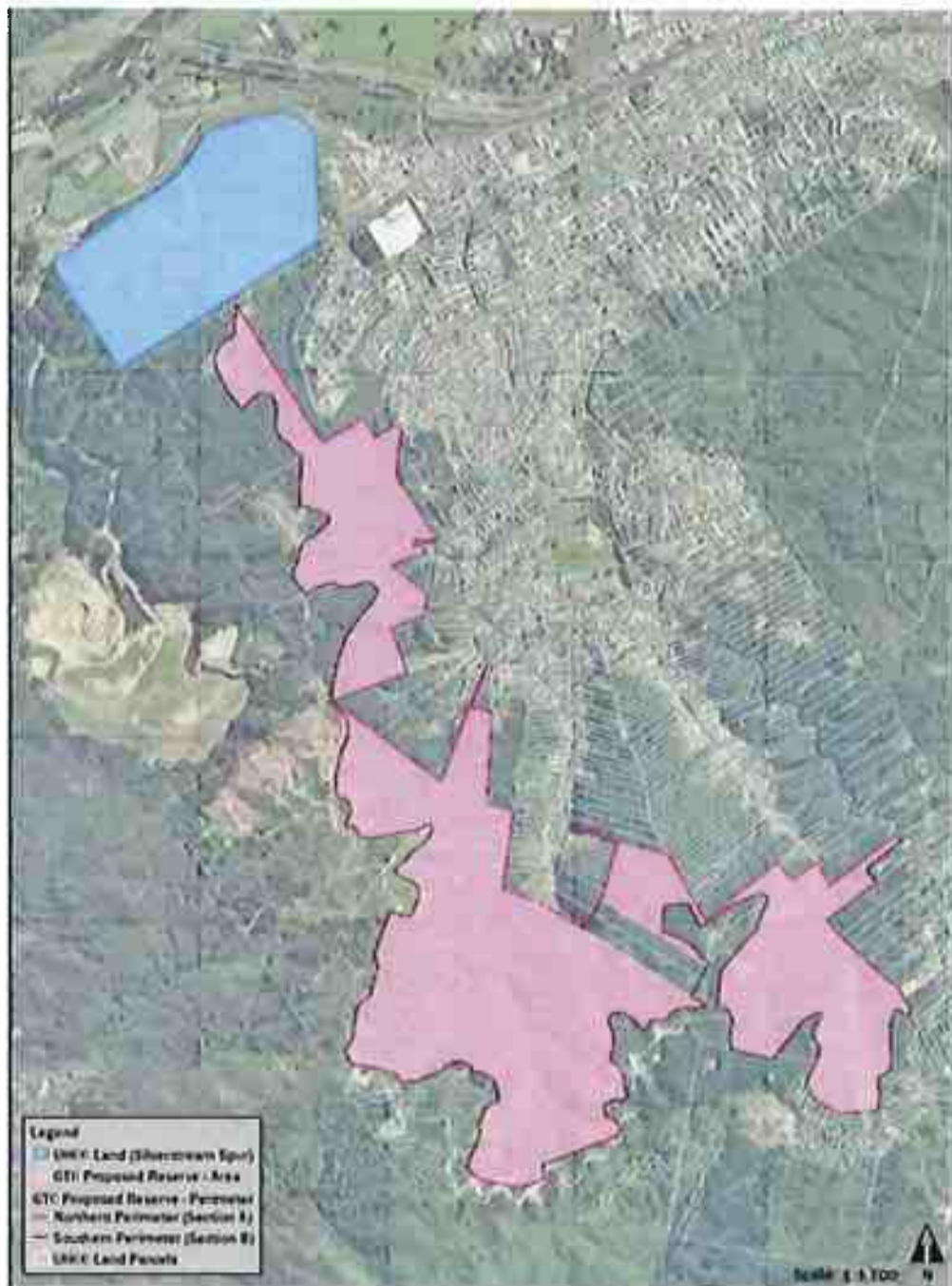
2.3 Other Intended Users

Nil.

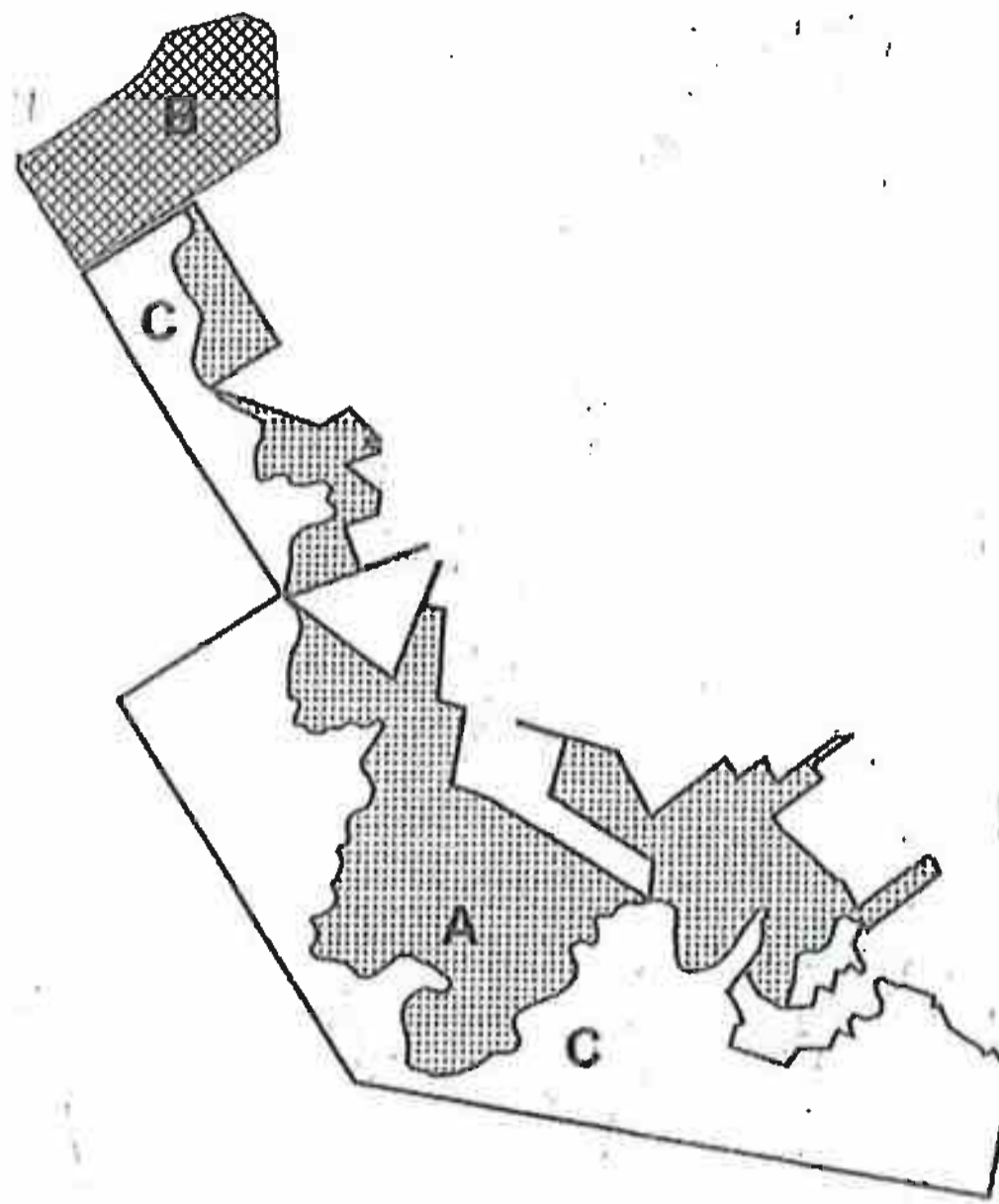
2.4 Purpose of the Valuation

Open market valuations of GTC and UHCC land holdings as defined on the attached aerial photo with the boundary overlay, in summary as follows:

- (A) GTC land – Pinehaven Hill Reserve 132 hectares (proposed but not surveyed)
- (B) UHCC land – Silverstream Spur (existing title) 35 hectares



Revised Plan – Proposed Open Space



Key: Original Plan M.O.U. 2016

The purpose for which the two land parcels are to be valued is to establish the relative value of each at the date of valuation.

For clarity, Area 'C' the balance of the Guilford Block is excluded from our valuation considerations.

The original M.O.U area 'A' has been refined and included in the Revised Plan.

Valuer Brief and Process

Primarily the valuations will be conducted by Registered Valuers, Tim Truebridge (Truebridge Partners Limited) for the GTC and John Stanley (Telfer Young (Wellington) Limited) for the UHCC. During the valuation process the valuers have consulted and agreed on certain matters to do with methodology and market inputs to that methodology.

It is intended that the methodology and approach to the respective valuations to be transparent and as straight forward as possible. The valuers have consulted with their respective principals to determine matters of fact such as physical access. Both parties agreed to these consultations.

The valuations are to reflect the respective features and constraints of each property at the date of valuation.

2.5 Asset Valued

- (A) Pinehaven Hill Reserve (Proposed Open Space), Pinehaven, Upper Hutt
- (B) Silverstream Spur, 60 Kiln Street, Silverstream, Upper Hutt

2.6 Valuation Currency

All dollars quoted in this report are NZD.

2.7 Basis of Valuation

The valuations have been completed where appropriate adopting the accepted International Valuation Standards Council definition of Market Value, described as follows:

“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 arms length transaction after proper marketing, where the parties had each acted knowledgeably, prudently, and without compulsion.”

2.8 Important Dates

Inspection Dates: November / December 2020 (multiple inspections)
Valuation Date: December 2020
Report Issue Date 24 March 2021

2.9 Extent of Investigations

We have carried out an inspection of the land sufficient for valuation purposes. This report has been prepared for valuation purposes only and is not a geotechnical, health and safety risk assessment or environmental survey. If any defect(s) are found, including structural defects, this information could impact on the value of the property.

2.10 Nature and Source of Information Relied Upon

Information used to prepare the valuation has been obtained from our respective clients, property inspections and public records, including the Upper Hutt City Council website and Council Planning staff especially pertaining to UHCC Draft Plan Change 50.

A range of other important information has been reviewed and is central to the valuation assessments and includes but not limited to the following:

<u>Name of Document</u>	<u>Source of Document</u>
Boffa Miskell Guilford Timber Company Land Swap Discussion Document – October 2015	GTC
Boffa Miskell Revised Reserve Proposal Boundary 12/11/2020	GTC
Memorandum of Understanding Relating to Land Exchange March 2016	UHCC/GTC
UHCC Operative District Plan 2004	UHCC website
Housing and Business Development Capacity Assessment UHCC	UHCC website
UHCC Plan Change 50 – Rural and Residential Chapters Review	UHCC website
UHCC National Policy Statement on Urban Development July 2020	UHCC website
Land Use Strategy Upper Hutt 2016-2043	UHCC website
Open Space Strategy Upper Hutt 2018-2028	UHCC website
DRAFT Probable Significant Natural Areas (SNA's) for Upper Hutt City District Plan	UHCC
High Slope Hazard Map	UHCC
Flood Hazards – Pinehaven Catchment Overlay (Plan Change 42)	UHCC
Contour Plans	UHCC
Samcon (Civil Engineers) Silverstream Spur Development Potential Assesment 2015	UHCC

We have proceeded on the basis that both UHCC and GTC are familiar with the information listed above. Consequently, we have predicated our understanding of the macro background considerations on these informative documents. We have relied on the information up to December 2020, when completing our assessments.

2.11 Assumptions and Special Assumptions

Standard valuation assumptions made in completing the report are stated in 'Extent of Investigations' and 'Statement of Limiting Conditions and Valuation Policy'.

Area (A) Pinehaven Hill Reserve (proposed but not yet surveyed)

- Subject to the issue of a single freehold Certificate of Title (unencumbered) being issued for 132 hectares (approx)
- All matters pertaining to the forest crop and post harvest conditions including obligations and liabilities under the Emission Trading Scheme are addressed and remain the sole responsibility of The Guilford Timber Company Limited.
- 'Pinehaven Hill Reserve' land will have appropriate public roading and access to the top boundary (yet to be defined) and will be fully fenced to the boundary, where appropriate to a stock proof standard.
- Mutually agreed access points for vehicle and public access will be created from the top ridge (refer to the Boffa Miskell report for potential access points).
- **Comments:**
- Mutually agreed access points for vehicle and public access are necessary on the top ridge-refer to the Boffa Miskell report for potential access points.
- Given the depth of complexities and issues arising with both Area (A) and (B), it is our expectation that a prudent purchaser(s) would undertake further appropriate due diligence processes of the land.

2.12 Reporting Format

We have prepared a formal valuation report (abbreviated in part) but meeting appropriate professional standards.

This report must be read in conjunction with Truebridge Partners Limited and TelferYoung (Wellington) Limited's Statement of Limiting Conditions and Valuation Policy.

2.13 Valuation Standards

Our valuation has been prepared in accordance with International Valuation Standards 2020 and Australia and New Zealand Valuation Guidance Notes and Technical Information Papers.

- IVS 101 Scope of Work
- IVS 102 Investigation & Compliance
- IVS 103 Reporting
- IVS 104 Bases of Value
- IVS 105 Valuation Approaches and Methods
- IVS 400 Real Property Assets

3.0 Legal Descriptions

3.1.1 Area (A) Proposed Pinehaven Hill Reserve (Proposed Open Space) comprised in 'parts' within seven existing CT's

Ref	CT or ID	Description	Area
1	WN19C/1077	Pt Section 254 Hutt District Pt Section 247, 253, 246	117.2781
2	529497	Lot 2 DP 434206 (No ETS)	10.6897
3	433800	Lot 2 DP 409230 Lot 2 DP 27763	25.6737
4	WN395/136	Lot 1 DP 8983 Lot 90 DP 8780	144.5255
5	WN5D/640	Lot 2 DP 12058	3.1813
6	WN23B/871	Lot 2 DP 54617	8.8696
7	WN5A/743	Lot 280 DP 9629	0.1285
Total			310.3464
Less Proposed Open Space (subject to survey)			132.000
Balance retained by GTC			178.3464

Note: CT/ID List provided by Guildford Timber Company Limited.

3.1.2 Area (B) WN47A/214

Land Registration District:	Wellington
Legal Description	Part Section 1 Survey Office Plan 34755
Estate:	Fee Simple
Area:	35.1407 hectares (more or less)
Registered Owner/s:	Upper Hutt City Council
Interests:	+ Subject to Section 8 Mining Act 1971 + Subject to Section 5 Coal Miners Act 1979

Appendix: A copy of the Record of Title for Silverstream Spur is included as **Appendix A**
The seven current GTC Titles are available on request. Our valuation assumes the issue of a single freehold title for the single 132 ha parcel (more or less).

4.0 Resource Management

4.1 Territorial Authority

Territorial Authority:	Upper Hutt City
Plan Status:	Operative District Plan 2004 Plan Change 42 (Pinehaven Stream Catchment) Effective 11 April 2018
Zones:	Rural Hill Blue Mountains Zone Rural Hill Residential Conservation Residential Protected Urban Tree Groups
Zone Description Rural Hill	The minimum lot size is 20 hectares. Subdivision of a higher density in this zone is a Discretionary Activity.
Zone Description Residential Conservation	Minimum front lot size – 750 m ² Minimum rear lot size – 900 m ² Residential development at a higher density than this would be a Discretionary Activity.
Comment	For valuation purposes, we acknowledge the Operative Plan but recognise in our valuation assessment, the prospect of the Draft Plan Change 50 being introduced. In terms of ‘Change of Use’ Plan Change 50 will have the most impact on the Silverstream Spur land. The proposed ‘Open Space’ zone change to may bring restrictions to future development on that land. We have adopted the Draft Plan Change 50, as at the knowledge and draft stage available December 2020.

4.2 Draft Plan Change 50 ‘PC50’

The Operative District Plan 2004 is in the process of being reviewed via a rolling review. The residential and rural component of this review is called Plan Change 50 ‘PC 50’. This is a draft form only. A full draft will be consulted on in mid-2021 (as stated below under ‘Timeline Key Dates’ and will be publicly public notified in the first half of 2022. ‘PC 50’ is part of the UHCC response to the Government initiative Housing and Business Capacity Assessment (HBA) released in 2019. The HBA evaluated housing and business demand over a 30 year period (2017 – 2047). This identified an expected shortfall of up to 2,100 homes by 2047. It is essentially changing the policies and rules in the District Plan to enable the right type of housing growth in the right places.

Note: this also changes the consenting considerations for Council, being more flexible to enable further housing. This change in approach has been in effect since the release of the HBA.

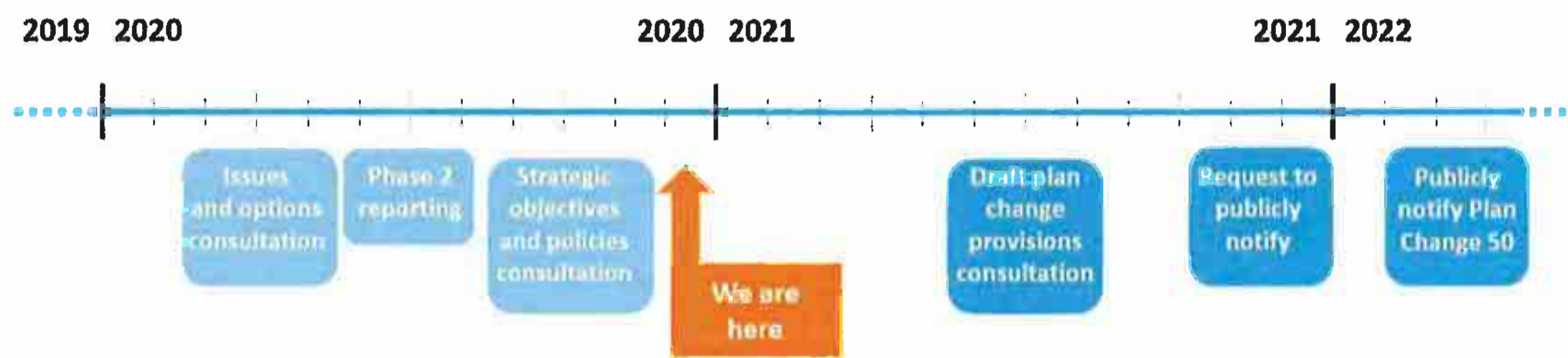
Plan Change 50 scope:

- Review of all current and residential zones and associated land use controls, including potentially new rural and residential zones.

- The subject land parcels (Area A and B) are identified within the Southern Growth Area.

Timeline Key Dates:

- This project was formally initiated in 2018 with large scale district wide reporting undertaking throughout 2019. An Issues and Opportunities paper was released for public feedback in March 2020, outlining the findings of the reporting.
- In September 2020, Strategic Objectives and Policies were released for public feedback were sought to outline tended outcomes for rural and residential areas and how these could be achieved.
- The next important step for the project is to release a full suite of objectives, policies, rules and zoning for all rural and residential areas. This would be in a draft form and it is the ‘prenotification consultation’ before provisions are formally notified under Schedule 1 of the RMA, which is anticipated to take place in mid 2021.
- Formal notification is expected in the first half of 2022.



We have been informed whilst it is difficult to estimate the hearing dates and when this would have legal effect, under the Act, we understand the hearing procedure must be concluded within two years after notification. Preliminary estimates identified a hearing for a plan change would take place in late 2023 or early 2024. We also note that due to the scope and scale of the Plan Change 50 project, the Plan Change is likely to be appealed to the Environment Court. One can therefore reasonably assume that the full legal effect can be achieved between 2024 and 2025 or approximately five years’ time.

Lastly, we note that Central Government is reviewing the Resource Management Act and intends to have the Act repealed within its current term. The proposed replacement Acts could fundamentally alter the above Plan drafting and timing stated above.

For our valuation of Area (A) and Area (B) we have considered the current advised planning framework which sets out the objectives and policies for the **Southern Growth Area** and is not specifically just for the Silverstream Spur.

The information broadly states:

OBJECTIVE #1 Development within the Gillespies Road growth area, Kingsley Heights growth area, and the Southern Growth Area is enabled where: a) A development plan is developed detailing a comprehensive intended development form; b) A range of housing and ancillary services or businesses are incorporated; c) Public and active transport options are integrated; d) Resilience to the current and future effects of climate change is incorporated by design; e) Urban design best practice principles are adopted; and f) There is adequate roading and water and wastewater infrastructure capacity.

ASSOCIATED POLICIES OF #1

1. *Development plans detail intended outcomes for each growth area, describing:*
 - a. *General roading layout, including active transport and public transport integration.*
 - b. *Allocation for public greenspace.*
 - c. *General housing density.*
 - d. *Principles for urban design to be achieved.*
 - e. *Location for Neighbourhood Centre or Local Centre area(s); and*
 - f. *Any proposed landscaping or design treatments.*
2. *Any development within identified growth areas is enabled where: a. In the Gillespies Road growth area, a minimum density of 20 dwellings per hectare is achieved; and b. In the Kingsley Heights growth area and **Southern Growth Area, a minimum density of 16 dwellings per hectare is achieved.***
3. *Ensure adequate power, telecommunications, and water and wastewater infrastructure capacity is available to, and provided for, within developments.*
4. *Enable renewable, alternative, or supplementary communal energy sources; and*
5. *Enable measures to reduce greenhouse gas emission, when compared to emissions within established urban areas of a similar density at the time of establishing the development plan.*

There is no set 'number' of dwellings just the average per hectare indicated in the policy. For the **Southern Growth Area**, a minimum density of 16 dwellings per hectare is stated as the draft guideline.

The GTC land described as Area A, is proposed public reserves and this is generally outlined in the Open Space Strategy 2018-2028 document.

Copies of the above reports are publicly available on the project webpage at www.upperhuttcity.com/pc50. As at December 2020 Planning Officers have also advised that a range of reporting is yet to be completed to complete the due processing, and there are also ancillary reports that may influence Plan Change 50. One of these will be the 2021 HBA residential update. The residential update to the residential component of the HBA is directed by the 2020 NPS-UD (National Policy Statement on Urban Development). This will reset the housing sufficiency numbers, identifying housing needs for the next 30 years, having very strong requirements to provide for sufficient housing through a combination of plan changes, strategy updates, Council policy review and enabling consenting.

We also note that the Open Spaces evaluation, whilst partly addressed, is yet to be fully developed and is part of the internal plan change currently being reviewed. This identifies areas where open spaces would be protected and avoiding residential development.

4.3 Plan Change 50 Estimated Yield Delivery Silverstream Spur



UHCC Spur Land	351,627 sqm
SNA overlap	57,245 sqm
Gross feasible	294,381 sqm
Net feasible (-25% roads)	220,786 sqm / 22.07 ha
Yield @ 16 dwg/ha	353 dwellings

The above yield delivery would be required minimum density yield under the Plan Change 50 proposed policy setting. We also note there is further potential which could increase the number of the dwellings to more than 400 from a planning perspective.

The area shown in yellow above refers to the Probable Significant Natural Areas (SNA's) for the Silverstream Spur and adjacent land which includes a strong probability of being included as 'Open Space'.

4.4 Open Space Policy

This document outlines very fully the strategic goals.

1. Open Spaces are appropriately located.
2. Our Open Spaces meet the needs of the community and more people benefit from regularly using them.
3. Our Open Spaces are accessible and well connected, making it easier for people to exercise, play, socialise and relax outdoors.
4. Our Open Spaces are enhanced to provide benefits for the environment and recreational experience.
5. Our Open Spaces contribute to our community identity, vibrancy, and sense of place.

From that report we note the definition of what an Open Space is:

These spaces provide different values which include recreation, health and wellbeing, connection with nature, ecological, biodiversity, visual amenity and a sense of belonging.

For the purposes of the strategy, “Open Space” is land that is, or should be set aside for public recreation that the community has a relatively free right of access to.

There is a growing understanding about the importance of the relationship between green space and wellbeing, the interdependence of people and their surroundings, and how participation and recreation, physical activity and sport has wide ranging physical, health, social, cultural, economic and environmental benefits.

Comment

For the purposes of the valuation we have assumed that the proposed Open Space known as Pinehaven Hill Reserve meets the above strategic goals and requirements of Open Space for this location and aligns to the policy being developed.

We would also note that the north side of the GTC’s ridge land, is land to be provided for Open Space (Reserve) and is included as part of Pinehaven Hill Reserve. This land sits between the existing reserve land owned by Upper Hutt City and the proposed future residential development along the ridgeline. This is would be beneficial to the Silverstream Spur land proposed residential activities. The ridgeline housing development on the southern edge would also benefit from being in close proximity to the ‘reserve’ land.

4.5 Land Information Memorandum

We have not obtained a Land Information Memorandum (LIM) report for this property. Our report is subject to there being no outstanding requisitions or adverse information affecting the property.

5.0 Environmental Issues

5.1 Draft Significant Natural Areas (SNA's)

Within the Area A and B probable significant natural areas (SNA's) have been identified. These are primarily described in UH070 and set out on the following plan produced by the Upper Hutt City Council. They are identified as 'SNA' UH070 would comprise an important part of the Pinehaven Hill Reserve. The SNA areas are a draft at this stage. This is part of Plan Change 48 (Significant Natural Areas and Landscapes), which is set to be notified this year.

The SNA's in this instance are described in UH070 as set out on the following page produced by the Upper Hutt City Council and partially illustrated in the Boffa Miskell Report under 'Natural Environment'.

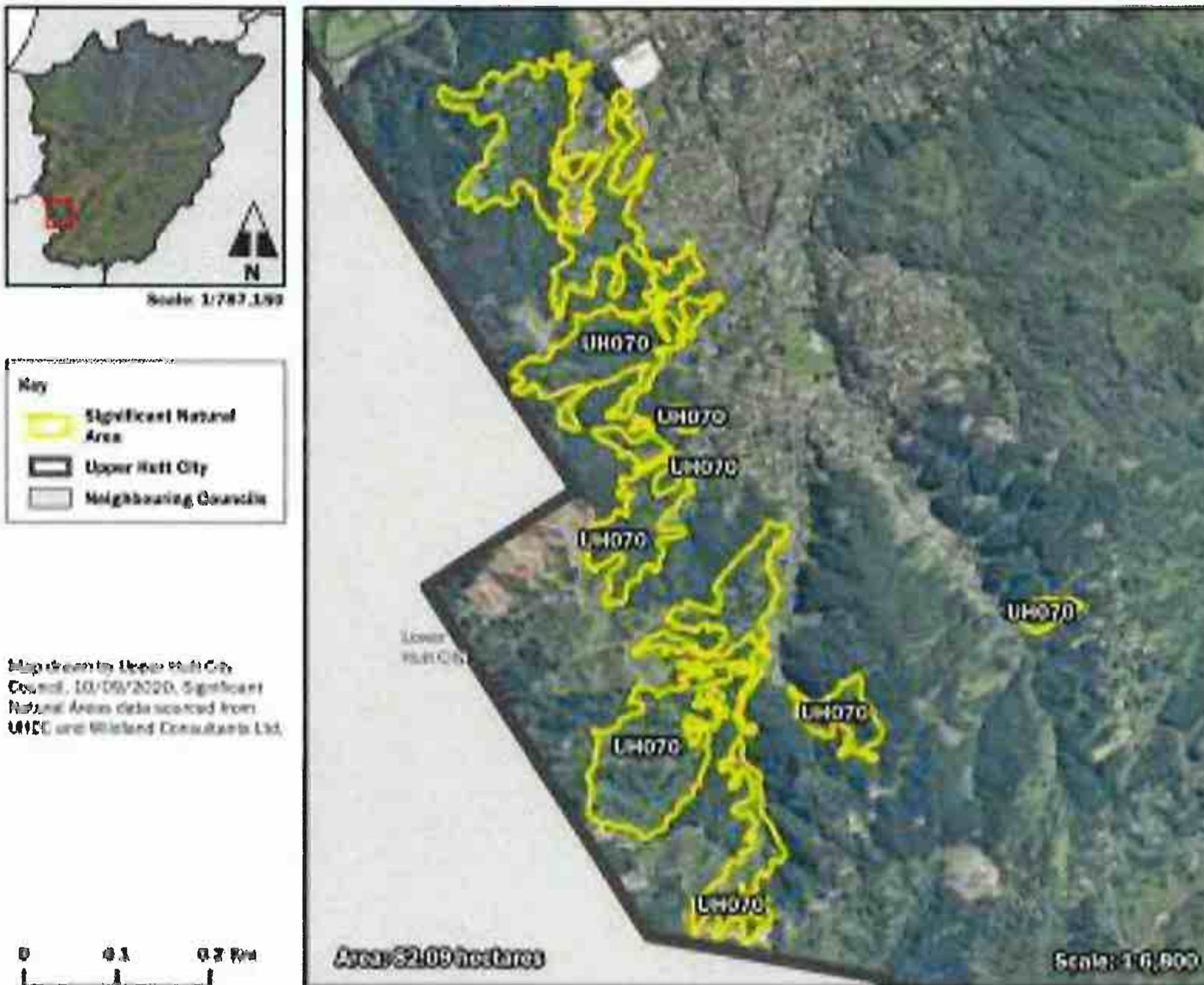
Comment

For valuation purposes we recognise that (probable) significant natural areas have been identified and include areas between the Silverstream Spur land and Blue Mountains Road.



Pinehaven Valley Forest and Scrub

Significant Natural Area UH070



Map drawn by Upper West City Council, 10/05/2020. Significant Natural Areas data sourced from UICC and Wildland Consultants Ltd.

A series of indigenous forest patches, separated by pine forest, which comprise kāmahī forest with emergent pine, primary beech forest with podocarp-northern rāſā (*Metrosideros robusta*; Threatened-Nationally Vulnerable), and secondary beech forest with kāmahī, with wilding pines throughout. Other plant species recorded from this site include *Cressula ruamohanga* (At Risk-Naturally Uncommon), three podocarp species of local interest nimu (*Dacrydium cupressinum*), kahikatea (*Dacrycarpus dacrydioides*), tōtara (*Podocarpus totara*), as well as five-finger, mānuka (*Leptospermum scoparium*; At Risk-Declining), *Pittosporum tenuifolium*, akeake, *Coprosma robusta*, māhoe, hīnau, pātē, kauri, kōhūtuhutu, hangehange, tubu, rangiora, pigeonwood, and cabbage tree. Provides habitat for indigenous lizards including the barking gecko (*Naultinus punctatus*; At Risk-Declining), Ngāhere gecko (*Mohopiranga* "southern North Island"; At Risk-Declining), northern grass skink (*Oligosoma polychroma*), and copper skink (*Oligosoma aeneum*). Includes parts of Urban Tree Groups 293, 312, and 357, 363, 366.

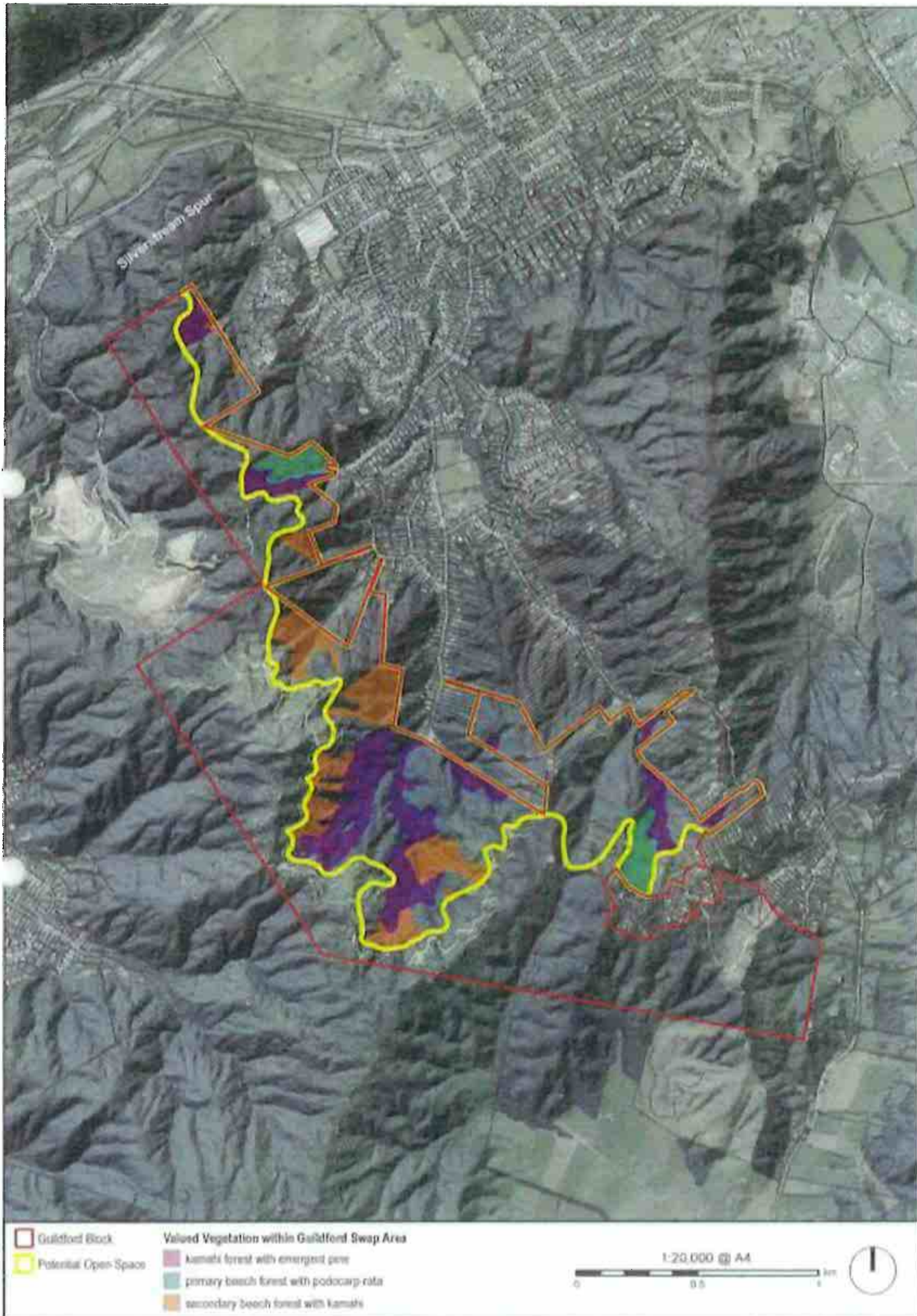
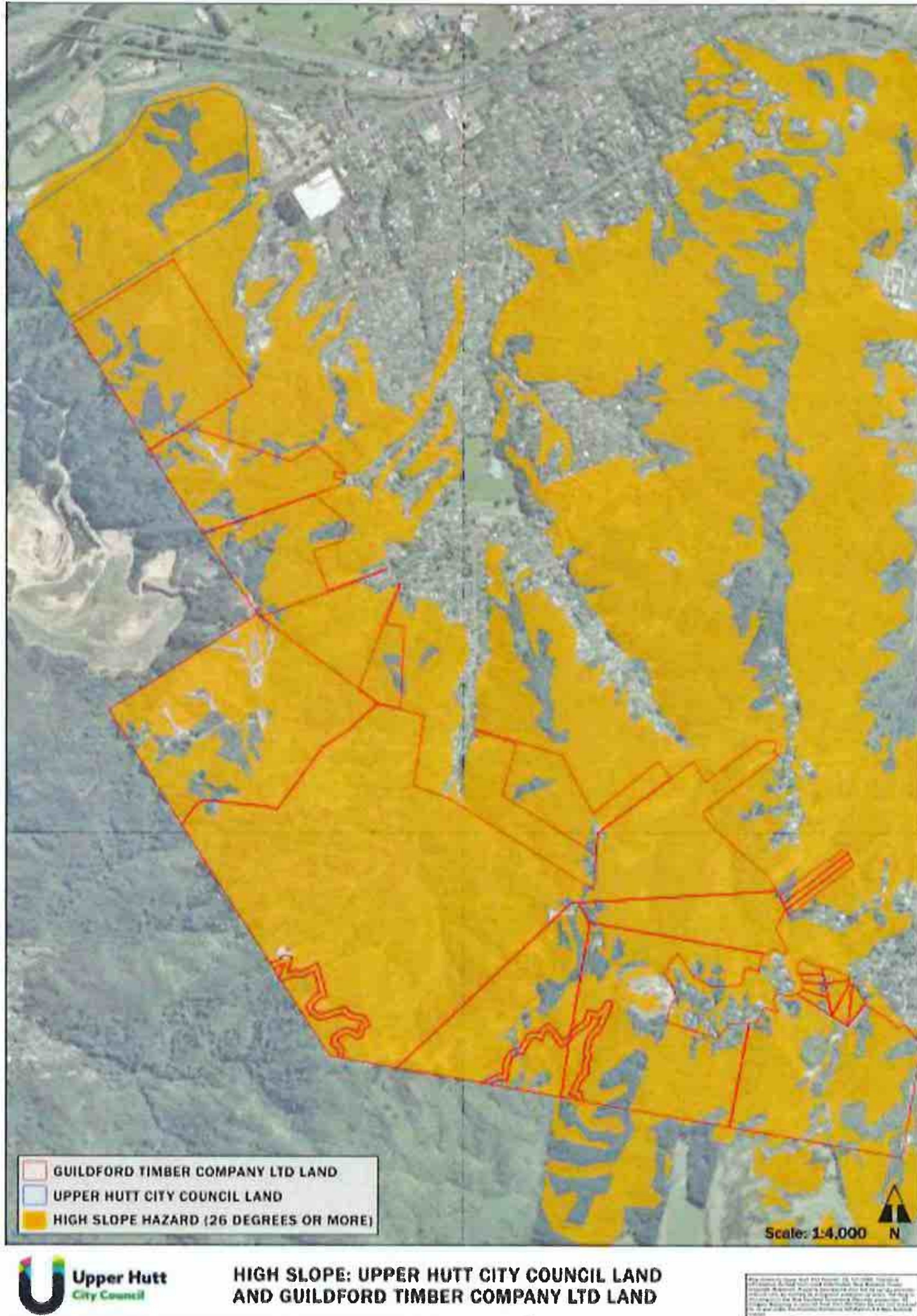


FIGURE 6

NATURAL ENVIRONMENT

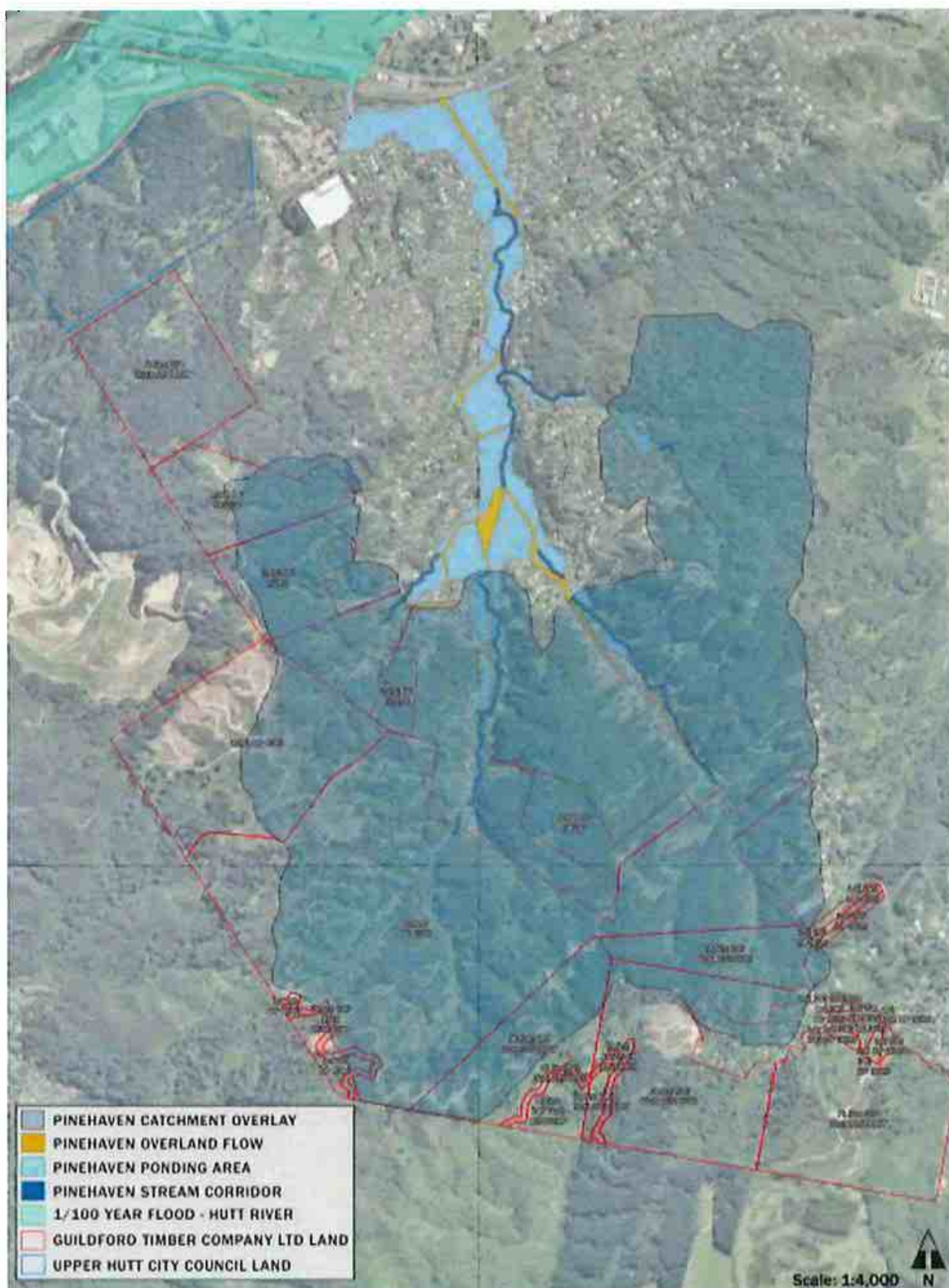
5.2 Slope Hazard

The area generally comprising the Guilford Land and Silverstream Spur has been identified as an area of High Slope Hazard (26° or more). Refer to the attached plan below.



5.3 Hazards

The Upper Hutt City Council has provided information around the Hazards which include Pinehaven Catchment Flood Plans. We note that a significant part of the proposed reserve area as identified, comprises the headwaters of the Pinehaven catchment. The Boffa Miskell report have also considered this aspect in their report.



HAZARDS: UPPER HUTT CITY COUNCIL LAND AND GUILDFORD TIMBER COMPANY LTD LAND

Map prepared by Telfer Young & Partners Ltd. All rights reserved. This map is for information only and does not constitute an offer of any financial product. It is not intended to be used as a basis for any investment decision. For more information, please contact your financial adviser.

5.4 Contamination

We have not been provided with an environmental audit of the property and we are not aware of any potential environmental concerns. We refer you to our Statement of Limiting Conditions and Valuation Policy on matters relating to potential contamination.

6.0 Location



6.1 Location Overview

The combined properties being assessed, generally form the southern hills backdrop to much of Upper Hutt, being notably visible from many vantage points including Silverstream, Pinehaven, Fergusson Drive and further north including State Highway 2.

Silverstream Spur is located fully within the suburb of Silverstream and presents as an important 'greenbelt', being an integral part of the local landscape character. The Spur land, more especially the western face, is a prominent landscape feature at the southern 'gateway' to Upper Hutt. Silverstream benefits from very good amenities and services including schools, shops, and transportation infrastructure including a railway station.

Pinehaven Hill Reserve is predominately situated within the suburb of Pinehaven, being further east of the Silverstream Spur and extending through to Blue Mountains Road. The 'green belt' of forested hills occupies much of the prominent ridge faces and gullies and contributes to the character of Pinehaven, together with associated other private holdings and UHCC reserves to the lower slopes.

7.0 Treaty of Waitangi/Tangata Whenua

Under the Local Government Act 2002, the Crown and Local Governments have responsibility to take appropriate account of the principles of the Treaty of Waitangi including partnerships with local Iwi. Planning for the development of land (whenua) in Upper Hutt must consider the unique relationship of Maori within the environment.

We understand the Tangata Whenua for this area are Taranaki Whānui ki te Upoko o Te Ika a Māui, Te Atiawa, and, Ngati Toa Rangatira.

As part of the valuation processes, we have assumed that all statutory requirements will be met in terms of engagement with the local Tangata/Mana Whenua under the Local Government Act and Resource Management Act, including partnership in the decision making.

Comment

We have been informed that the last paramount Chief was residing within the immediate area. Te Kaeaea (also known as Taringa Kuri) Chief of the Ngati Tama of Northern Taranaki, lived at the whare (also known as the Artists Retreat 'Pumpkin Cottage') until his passing in 1871.

8.0 Land

8.1 Area

- (A) GTC Land - 132 hectares (proposal subject to survey)
- (B) UHCC land - 35.147 hectares (existing title)

8.2 Outline Description

Area A - GTC Land

An aerial photo of the GTC land to be exchanged is set out below. This contains an area of 132 hectares, which is difficult to fully appreciate the scale, range of topography, and the overall vegetation cover, all of which varies significantly. It is predominantly a Pine forest with emerging areas of significant natural areas of native bush regeneration on steep slopes.

The property comprises a more or less contiguous tract of land running north from the Silverstream Spur land (Kiln Street) around the lower contours of Pinehaven (behind residential properties) and extending on the lower boundary all the way through to Blue Mountain Road.

Section A – the northern perimeter (from Kiln Street to Blue Mountains Road) is nearly 6 km.

Section B – the southern perimeter, generally being the ridgeline from Blue Mountains Road returning to Kiln Street near the ridgeline is further 9.2 km (total perimeter north and south combined 15 km). The boundary line is very irregular in parts and this is generally in response to the legal boundary definitions to the northern perimeter and is more fluid around the southern perimeter (ridge top) which we understand was determined by the contours / slope, future roading and areas identified for future 'housing development'.

Following our inspections of the property we have further apportioned the proposed reserve into two areas 'X' and 'Y'.

- **Area 'X'** at the western point closest to Silverstream Spur 'Open Space' and in close proximity to the proposed Guilford residential ridgeline developments through to Wyndham Road, comprising **26.23 hectares**.
- **Area 'Y'** comprises *two sub areas*. The predominant area being generally the headwaters of Pinehaven Stream and Catchment, being an area of **74.11 hectares** and with a further area to the east being **32.10 hectares** with access points between Blue Mountains Road and Avro Road – **overall total for Area 'Y' 106 hectares** rounded.

Each of the three blocks described above have differing attributes, aspects, and physical elements. Area 'X' is much more mature, generally easier topography overall, some well-established areas of bush (and regeneration) including mature aged pines within the proposed 'Open Space' area. In parts there are well established walking tracks and good access points close to the Silverstream residential area. Moreover, it has a long common boundary with the existing UHCC reserve land on the lower slopes. Visually it is very prominent from the residential areas of Silverstream.

The largest Area 'Y' comprises the steepest contours, the landscape and topography is more generally more inaccessible and the access points are generally inferior. However, when the upper ridgeline area is 'developed' the assumption is that a range of suitable access points will be provided suitable to service and provide public access to this block.

Historically the main access point to the property has been at Avro Road with this providing the only viable access for log extraction.

The land has various frontage points off legal roads listed from west to east as follows:

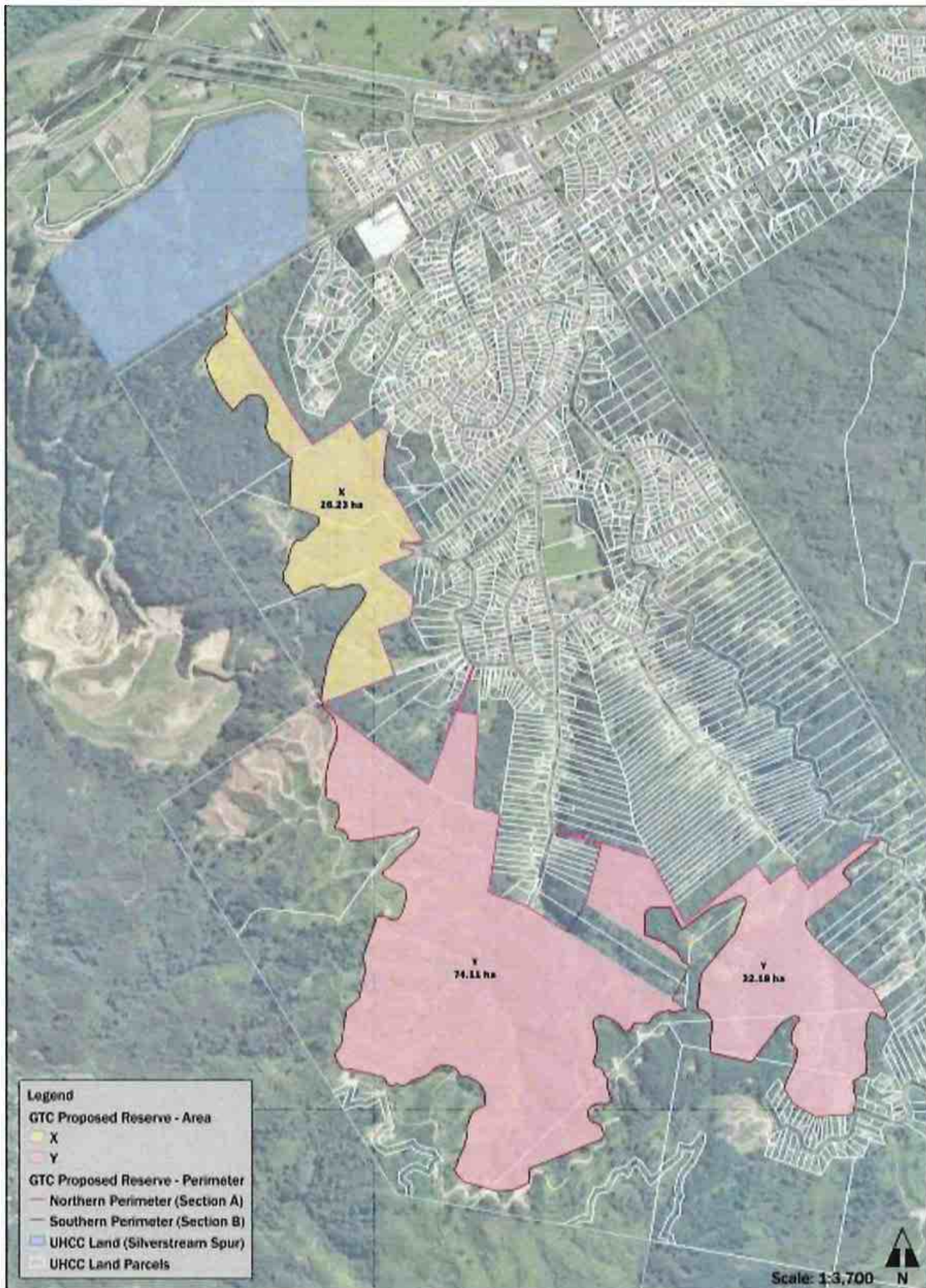
- Kiln Street (unformed legal road)
- Kurth Street (via UHCC reserve land only)
- 30A Duncraig Street (right of way)
- 44-46 Wyndham Street
- 52 Wyndham Street
- 104 Wyndham Street
- 118 Wyndham Street
- Opposite 157 Blue Mountains Road (below road)
- Avro Road

Under UHCC ownership we would assume that these access points along the lower margins off the current legal roads maybe developed for public access to the scenic bush reserve area, but we do note that each of these access points has constraints or limitations in terms of their steepness and there would be development costs associated with some of the access points.

It is noted that the land in its current ownership is unlikely to be suitable for any commercially viable use (including exotic reforestation) because of contour and access constraints if under the UHCC ownership its use is effectively for the benefit of the public identifying as 'Open Space' in perpetuity.

Site		Initial Survey Area (m ²)	Area (m ²)	Length of Perimeter / Distance (m)
UHCC Land: Silverstream Spur (Legal Description/Appellation: Part Section 1 SO 34755)		351407	351580	2487.78
GTC Land: Proposed Reserve	First four proposed reserve area blocks, south of the Kiln Street paper road (Development Areas 1, 2, 3, & 4 merged together)		262269.5	4109.15
	Distance between the two private parcels at the end of Pinehaven Road (approximate average of three measurements)			108.54
	Section A: Northern Perimeter (from Kiln Street to Blue Mountains Road)			5958.36
	Section B: Southern Perimeter (from Blue Mountains Road to Kiln Street)			9226.64
	Total (Northern and Southern Perimeter Combined)			15185

1000 m = km



**UPPER HUTT CITY COUNCIL LAND (SILVERSTREAM SPUR)
&
GUILDFORD TIMBER COMPANY LTD LAND (PROPOSED RESERVE)**

This map is based on the information provided by the Guildford Timber Company Ltd and the Upper Hutt City Council. It is not intended to be used for any other purpose. The map is provided as a guide only and does not constitute a guarantee or warranty of any kind. The map is provided on the basis that the Guildford Timber Company Ltd and the Upper Hutt City Council are not liable for any loss or damage, whether direct or indirect, arising from the use of this map. The map is provided on the basis that the Guildford Timber Company Ltd and the Upper Hutt City Council are not liable for any loss or damage, whether direct or indirect, arising from the use of this map.



Left side - GTC trees + Right Side - The Spur



GTC - Pinehaven Catchment - Reference Tennis Court (mid)



GTC - Opposite Pinehaven Tennis court



GTC Pine Forest Eastern end



GTC - Pinehaven Catchment



GTC Forest Land- harvest



GTC - Pinehaven Catchment



GTC - Looking EAST - Forested /post harvest regeneration



Typical area Post Harvest Pinehaven Catchment



Typical track Area ' X '



The Spur / GTC -Eastern slope (SNA's)



Typical mature Pines on private land



Typical track Area 'X'



UHCC Water Supply Reservoir



Typical Vegetation Cover Area 'X'



30A Duncraig Street access.



Entrance from Blue Mountains Road



GTC land off Blue Mountains Road

Area B – UHCC Land – Silverstream Spur

The subject block comprises a more or less 'rectangular' but prominent land form rising from the river flats with an escarpment face to the west and north margins of a this hill spur. The highest point is approximately 150 metres A.S.L.

It comprises broken gullies, a steep escarpment faces and generally slopes towards the Hutt River. There are several 'flatter' areas particularly around the northern end of the block.

A fresh water stream, known as Hull Creek, extends around the base of the hill before draining into the Hutt River.

The present vegetation cover is predominantly pine trees and regenerating native bush. At the northern end is an established pine plantation, planted we understand 12 to 15 years ago. It appears that no tree silviculture management has been done. No assessment of the trees has been conducted.

Strategically, Silverstream Spur is firstly the 'gateway' to Upper Hutt with a visible ridge to approximately 900 metres long. Secondly, it forms the 'land bridge' connection, to open up the residual balance of the Guildford Timber Company's land east of Kiln Street along the ridgelines. All these areas are identified in the UHCC Land Use Strategy 2016-2043.

Legal Access

The legal access point remains as Kiln Street (the unformed section at the bottom of Slyvan Way) and beside 2 Reynolds Bach Drive (frontage 40 metres).

The Silverstream Spur land is bounded, in terms of the present ownership, by three separate entities plus the GTC land on the ridgeline:

The Silverstream Spur block common boundaries:

- 1) 44 Kiln Street, Silverstream. Owners: The Guilford Timber Company Limited (purchased March 2019). Land area 3.0750 ha. (Includes up to the planted pine forest edge).
- 2) Two parcels of land owned by the Silverstream Railway Incorporated:
 - a) Certificate of Title WN37D/609, area 4.1250 ha
 - b) Certificate of Title WN47A/213, area 4.1818 haNote that the second title comprises a railway track extending from the workshops in a southerly direction around the Silverstream Spur land including part of the escarpment face. The second title is also known as 2 Reynolds Bark Drive, Silverstream, Upper Hutt and is the public entry area.
- 3) On the southern boundary to the Silverstream Spur land is hillside land, in the ownership of the Silverstream Park Christian Centre and the address is known as 21 Reynolds Bach Drive. This land is accessed from the Land Fill road, Reynolds Bach Drive (only part is legal road).

A well formed track on this land physically connects to the Silverstream Spur and GTC land further on.

Importantly, we note the southern boundary of the Silverstream Spur land, is the Territorial Authority boundary line between Upper Hutt City and Hutt City. The 40 metres of frontage at Reynolds Bach Drive is on the T.A. boundary. The upper slopes being owned by GTC.

We note the lower slopes on the east side, directly opposite the Silverstream Spur land, is owned by the Upper Hutt City Council and is a reserve.



Topography Map: Silverstream Spur



Reynolds Bach Drive - access point



Reynolds Bach Drive - Hill View



The Spur - west aspect Northern end



The Spur - North end and Hull Creek



The Spur - west aspect Southern end



The Spur - West Face- Railway Complex



The Spur - From Pumpkin Cottage Park



The Spur - North end Hull Creek



Kiln Street extension- Sylvan Way



Sylvan Way Reserve - Kiln Street unformed



Unformed entry - Kiln Street



The Spur - North Face



The Spur - North end Outlook



The Spur -View to Silverstream



The Spur - Pine Trees Northern end



Vehicle Access through the adjoining block (off Bach Dr)



The Spur - Pine Plantation



The Spur -Plantation



The Spur - From Kiln Street



The Spur / GTC -Eastern slope (SNA's)

9.0 Market Commentary

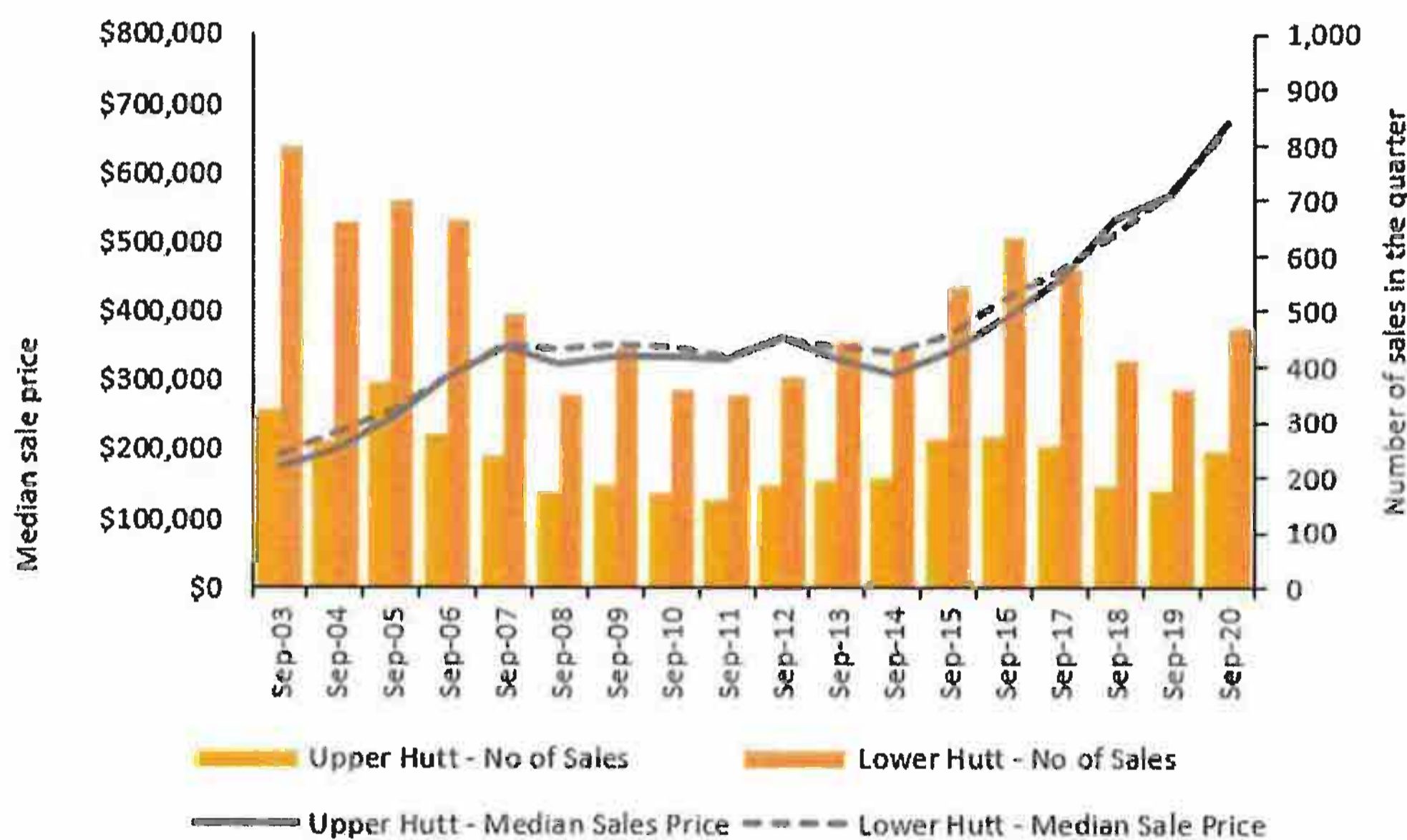
9.1 New Zealand Market

Regional economic outlook has improved, with the exception of three regions (Waikato, Gisborne/Hawkes Bay and Southland). This reflects the improving outlook for the national economy and the building perception that the impact of the COVID-19 related lockdowns will be less severe than originally predicted. For example, house prices have continued to rise rather than fall and the unemployment rate is now expected to peak at less than 7% rather than increase to between 9% and 10% as originally forecast.

Key recent indicators show Wellington’s regional economic confidence improved from a net negative 15% of respondents in June 2020 to a net negative 8% in September 2020, indicating an improvement in outlook although there is still a small majority of people expecting the region to weaken over the coming year. In addition, the region’s consumer confidence was steady over the same time period, (source Westpac).

Figure 1 presents the trend in the number of sales and median residential sale prices.

Figure 1: Quarterly residential property sales volumes and median sale prices



9.2 Hutt Valley

Since the Lockdown came into effect median sale prices are now \$673,576 in Upper Hutt and \$710,865 in Lower Hutt City for the month of October 2020. The October statistics indicate median sale prices increased by 15.6% in Upper Hutt and 13.3% in Lower Hutt City over the last year. Sales prices are now considerably higher than they were at the peak of the previous cycle in 2007/2008 and are 91.7% higher in Upper Hutt and 81% higher in Lower Hutt City.

Value growth shows upward pressure for the Hutt Valley in recent months coming out of Lockdown. The last quarter saw a 4.5% increase for Upper Hutt, up from 3.4%, and a 3.5% increase for Lower Hutt City, up from 1.6% for the previous month. Values are rising steadily particularly in Upper Hutt and there would appear to be a continuing trend of first home buyers priced out of the Wellington City market, and who are instead

looking at the Hutt Valley as a viable alternative. The market is also being bolstered by record low interest rates.

The impact of COVID-19 on the Wellington property market has been muted by record low interest rates, continuing demand/supply imbalance and increasing numbers of expats entering the market. The resurgence since lockdown Level 4 has seen record value growth particularly in the lower first home buyer price bracket and for investment properties. The coming months however will test the property market, with the removal of the Government wage subsidy creating job uncertainty.

Overall, real property, including residential and rural block land is generally benefiting from the dynamic market conditions.

We are not aware of any comparable block land transactions of 'scale' for residential development. These transactions are relatively rare and 'site' specific.

10.0 Valuation Considerations

(A) Pinehaven Hill Reserve (Open Space)

- Features:
 - Urban proximity to Pinehaven and Silverstream residential areas.
 - Varied topography providing a green belt 'backdrop' to Pinehaven and Silverstream.
 - A range of different landscapes from mature forest to bare cutover forest land.
 - Significant natural areas (SNA's) throughout the block including within the Pinehaven Creek catchment areas.
 - Possible benefit for catchment management to mitigate rapid run off from the steep hillsides within this relatively small catchment but important area.
 - The enhanced ecological and biodiversity values (Noted from Boffa Miskell report 'a forest management program could be implemented to slowly replace pine trees with native forest and enhance biodiversity').
 - Highly strategic location within central Hutt Valley and a prominent skyline and ridge.
 - Assuming future development plans are approved a 'new' road will eventually run from Kiln Street to Avro Road along the ridge top to provide additional access to the proposed Open Space areas.
- Constraints:
 - Extensive moderately steep hills that are difficult to generally access, especially from the lower slopes.
 - Proactive land management maybe required within a public Open Space area with possible cost implications to a purchaser. Climate change may impact on the management of the land.
 - Physical access is very limited within parts of the block from the existing northern boundary around the lower slopes.
 - The Open Space area comprises the head waters of the Pinehaven catchment a well-documented and known flood hazard area (see Plan Change 42). This area is particularly sensitive because of the downstream implications of flooding risk within the urban area of Pinehaven and Silverstream.
 - The total perimeter of approximately 15 km currently comprises multiple residential properties abutting the Open Space boundary.
 - Eventually with the proposed residential development of the ridge top land, will result in the open space being completely surrounded by residential properties.

(B) Silverstream Spur

- Features:
 - Provides the dominant land form at the 'gateway' to Upper Hutt.
 - Silverstream Spur is one of the most important landscape features within Upper Hutt but more particularly for the Silverstream and Pinehaven residential areas.
 - The elevation and general northerly and westerly aspect provide a very desirable setting for medium density residential housing.
 - There is approximately 5 ha of (probable) significant natural areas to the eastern aspect.

- Constraints:
 - Physically it is difficult to access the site at present except by foot. It has two legal access positions being (1) unformed road at Kiln Street. Notionally would provide an access point but is an inferior position given other potential options; and (2) Reynold Bach Drive (40 metre frontage), overall very steep but 'potential' to extend a road northwards along the escarpment face.
 - Other access points controlled by third parties.
 - The overall block in terms of future subdivision faces a whole 'complex bundle' of development risks including, but not limited to:
 - Planning Consent (public consultation)
 - Resource Planning Consent for subdivision (master plan)
 - Traffic management
 - Three waters
 - Community opposition
 - Acquisition of a practical and suitable roadway at the northern or southern end (or both).
 - Planning constraints including potential changes to Plan Change 50 (currently draft format)
 - No specific engineering data or investigations available in relation to the Spur land.
 - Potential Iwi concerns and engagement.
 - Greater Wellington Regional Council approvals and consents.
 - Development costs.
 - UHCC Iwi partnership obligations under the Treaty of Waitangi (?).

11.0 Valuation Methodology

11.1 Highest and Best Use

The Market Value of an asset will reflect its 'highest and best use'. The highest and best use is the use of an asset that maximises its potential and that is possible, legally permissible, and financially feasible. The highest and best use may be for continuation of an asset's existing use or for some alternative use. This is determined by the use that a market participant would have in mind for the asset when formulating the price that it would be willing to bid.

Regarding Area (A) the GTC land, we have assumed that the parcels of land presently contained in various titles, are amalgamated into a single land parcel of 132 hectares (approximately), and a Freehold Title (unencumbered) as at the date of valuation.

Area (B) Silverstream Spur owned by the UHCC land has a Freehold Title.

To establish the Market Value for the properties we have utilised the following recognised valuation method:

+ Market Approach (Sales Comparison)

11.2 Sales Data Relating to Area A

Open Space

Given the nature of the subject proposed transaction, we have reviewed as a first step, land sales involving 'Open Space' from around the Wellington district. In any attempt to value Open Space it has to be logical and the outcome must reflect the drivers of value in the particular context within which it sits.

These include:

- The visual amenity value (and protection of)– relating to the prominence of the site within the landscape.
- Public utility value – the capability the land to be utilised, its integration with adjoining reserve land and the degree of access or utility in its use by the public.
- Significance of the land-- special features that are of historical significance –connection with Maori, historic tracks, special ecological feature, and biodiversity.

The most fundamental driver tends to be location and proximity. Generally, a location that is high profile or conveys a particular sense of character or land form character could have a premium value associated with it, all things be equal.

Further, the total land area (hectares) is also a consideration in the valuation of Open Space land.

We also note that there can be factors that do not align with the normal value drivers in a pure land economic sense.

The greater good of the community or the influence the Open Space has to a community could be factored into the value of the Open Space being assessed. 'Open Spaces' can also have 'risk' associated with them. Ownership 'holds' the responsibility and management of those risks.

Comment

The proposed 'Open Space' is within an urban environment and provides the rural 'green belt' backdrop together with possible recreational opportunities. The 'visual amenity' is noted, but the relative importance appears to be variable. The visual amenity value from a valuation perspective is generally at the lower end for the majority of the proposed 'Open Space'. Future management 'risks' need to be fully understood especially given the Pinehaven catchment headwater forms part of this land.

Address	Sale Date	Area	Value Rate (\$/ha)	Position
174B Wilton Road	January 2005	0.5052	\$156,000	Urban
46A Derwent Street	December 2006	1.40	\$94,000	Urban
8 Jarden Mile	March 2006	14.6896	\$22,000	Rural/Urban
100 Old Coast Road	November 2002	18.74	\$11,200	Rural/Urban
Orangi Kaupapa Rd (ex Telecom site)	October 2000 Late 2011	16.2 4.7017	\$28,500 \$82,300	Urban Urban
Broken Hill	Late 2008	100	\$11,250	Rural
Whareroa Farm	Mid 2010	3.14	\$12,000	Rural
190 Abel Smith St, Aro Valley	June 2005	0.4221	\$248,756	Urban/Central
7 Main Rd, Maupuia	March 2015	1.3	\$57,692	Fringe Central
13B Steeple Lane, Seatoun	June 2012	1.7939	\$557,445	Coastal Reserve

Rural Sales

We have reviewed rural sales within the Wellington Region. They provide evidence of the market for land with generally similar physical attributes, located within a rural environment. Our analysis has focussed on the Land Value apportionment to generally steeper land, unsuitable for a residential purpose. In other words, it attempts to compare 'like for like' exclusive of the 'dwelling site' or curtilage.

Set out below is a table of relevant sales we have considered, but are not limited, to the following:

Address	Sale Date	Total Price	Land Area (Ha)	Analysed Rural 'hill' Land Value \$/Ha	Notes
426 Makara Rd, Makara	July 2018	\$701,500 GST incl	42.5798	\$6,553	Marginal grazing block
405 Makara Rd, Makara	February 2019	\$750,000 GST incl	37.6967	\$7,548	Large rural lifestyle block
268 Ohariu Valley Rd, Ohariu Valley	October 2018	\$1,475,000 GST incl	31.8604	\$26,572	Possible future subdivision potential
95 Takarau Gorge Rd, Ohariu Valley	May 2018	\$1,950,000 GST incl	80.1734	\$20,632	Has subdivision potential
43 Tacoma Drive, Totara Park	July 2017	\$1,300,000 GST excl	72.5300	\$13,273	Excellent views Hutt River
463 Moonshine Hill Rd, Moonshine Valley	July 2016	\$1,100,000 GST excl	194.1410	\$3,816	Uneconomic hill country grazing

1815 State Highway 2, Kaitoke	December 2017	\$783,000 GST excl	42.6500	\$9,022	Bush hillside subdivision potential
281 Katherine Mansfield Dr, Whitemans Valley	2016	\$1,140,000 GST excl	37.3400	\$22,078	Lifestyle subdivision
Marchant Road, Kaitoke	2018	\$2,050,000 GST excl	86.7617	\$19,639	Lifestyle redevelopment
322B Paekakariki Hill Rd, Pauatahanui	April 2019	\$1,550,000 GST excl	28,2816	\$20,015	Former golf course
127 Ashton Road, Waikanae	May 2019	\$2,700,000 GST excl	106.8330	\$25,274	Forestry investment planted 1997/
Moonshine Hill Rd, Upper Hutt	October 2018	\$450,000 GST excl	129.4561	\$3,462	Logged forestry block overlooking Upper Hutt
Flightys Road, Judgeford	May 2018	\$650,000 GST excl	139.7800	\$4,650	Plantable land \$5,500 per ha, bush \$2,500 per ha
405A Makara Road, Makara	February 2019	\$750,000 GST excl	37.6967	\$19,895	Large rural lifestyle block, bush and pines
56C Kiwi Crescent, Tawa	March 2017	\$1,202,000 GST excl	36.8292	\$21,233	Rural zoned forestry block. Land purchased for reserve.
761 Whitemans Valley Road, Whitemans Valley	April 2020	\$702,000 GST excl	43.7218	\$4,728	Steep harvested hill block with dwelling site.
828 Coast Road, Wainuiomata	October 2019	\$955,000 GST excl	152.0140	\$4,934	Large rural block reverting to bush

11.3 Sales Data Relating to Silverstream Spur (Area)

Residential Development Block Sales

We have reviewed and are familiar with a range of residential block sales in the Wellington Region. Outlined is a summary of our analysis with particular focus on value rate (per lot) and value rate (per ha).

A summary of the above transactions under the Market Approach, is tabled below.

Address	Sale Date	Sale Price	Value Rate (per lot)	Value Rate (p/ha)
Kakariki Grove Waikanae	Mar 2016	\$530,000	\$16,600	\$92,500
Duck Creek North Whitby	2015	\$3,500,000	\$23,690	\$265,000
Blks 5 and 6 Waikanae North	2016	\$3,500,000	\$18,300	\$81,503
Crofton Downs Wellington	Late 2016	\$3,800,000	\$30,000	\$365,000
101 Huia Street Waikanae	Jun 2016	\$3,500,000	\$53,000	\$277,000
32 Adventure Drive Whitby	Mid 2017	\$950,000	\$38,000	\$243,000
Orchard Road Greytown	Aug 2016	\$2,600,000	Unknown	\$407,000
Central Greytown	Nov 2016	\$2,500,000	\$42,000	\$462,000
Endeavour Drive Whitby	Jan 2018	\$3,950,000	\$28,214	\$176,750
Benge Farm St H/w 1, Plimmerton	Mar 2018	\$25,000,000	\$17,000*	\$65,274
Part Mount Welcome Farm St H/w 1 Pukerua Bay	Nov 2018	\$4,250,000	\$10,625*	\$77,272
Jamaica Drive, Grenada North	Aug 2020	\$9,100,000	\$36,400*	\$364,000
209 Wise Street, Wainuiomata	April 2018	\$1,565,000	\$42,297	\$777,000
246 Wise Street, Wainuiomata	March 2019	\$1,358,000	\$34,821	\$661,000

221 Wise Street, Wainuiomata	December 2008	\$2,000,000	\$54,054	\$763,000
64 Waipouamu Drive, Kelson, Upper Hutt	August 2006	\$3,200,000	\$22,400	\$223,800
45 Aniseed Grove etc, Upper Hutt	Late 2019	\$2,400,000	\$64,000	\$293,080

*Based on estimated yields subject to change

*All sales are plus GST if any

Note that our analysis of sale price per potential lot, in most cases assumes an overall low to medium development density. Generally, we would expect value rates per lot to decrease as density increases. This same logic also applies to development block size.

11.4 Valuation Considerations

By comparison with the sales data the Spur land provides a relatively risky development proposition as at the date of valuation, even with recognition of the need for urban growth in Upper Hutt over the next thirty years. This is because there are many planning constraints which would need to be addressed in any application for consent as out lined earlier. It is also recognised that the land is not yet zoned for residential development although this is likely to occur as part of the UHCC overall growth plans:

- Landscape - visual amenity at the gate way to Upper Hutt (protection)
- Three Waters – regional council consents
- Bulk Earthworks – establishment of a roading network and buildable land
- Ecological – preservation of native bush cover
- Serviceability – traffic issues and existing infrastructure
- Tanga Whenua – local iwi matters

Additionally, the most immediate issue in a development context, is the establishment of viable means of access that will satisfy long term traffic management issues given the potential scale and number of dwelling units proposed. A corresponding cost in this regard does not so much relate to the physical engineering issues (albeit very significant) but more so to the likely lapse of time that will could occur prior to resolution of this matter were it not for the engagement of both UHCC and GTC. We understand that none of the sale properties lack viable access in terms of planned development, and we have therefore considered this in the assessment of the Spur land.

The strength and consistency of the sales evidence is tempered by the fact that all development blocks differ in cost to construct. The subject will likely attract a relatively high level of development cost, and at present lies within a somewhat uncertain planning scenario prior to implementation of Plan Change 50. None the less, of all the transactions those that involve lengthy consenting processes and are potentially of large scale (in excess of 250 lots) carried most weight in this valuation exercise. In particular the development of the Benge Farm and Mount Welcome properties both face rigorous consenting and have a high degree of unusable land. They also lie in similar highly visible locations and have significant stormwater control issue.

These sale transactions produce value rates of between \$65,000 and \$78,000 per hectare of the entire block but are likely to involve significant areas of unsuitable land albeit not dissimilar to the subject. We expect all would involve significant earth works and land management of constraints. The Grenada North sale involved land which has already been developed in a lifestyle land use, although this use is now redundant, with medium/low density residential planned. This is a significant superior block in terms of development constraints by comparison with the subject.

11.5 Market Valuation Summary

The direct comparison approach is a standard approach for valuing residential and rural property in New Zealand. This is considered to be one of the best methods of valuation however unfortunately there is seldom any two properties directly comparable due to the differences in:

- Type of Property
- Size
- Legal and planning constraints
- Land Characteristics
- Change of Use Opportunity

In this case the respective valuations have been made by consideration of recorded historical sales, and in particular land value rates outlined.

We assess the Market Value as summarised as follows:

(A) Pinehaven Hill Reserve

TelferYoung Assessment

Area	\$/ha	
26 hectares	\$30,500	\$793,000
106 hectares	\$5,800	<u>\$615,000</u>
Total		\$1,408,000
ADOPT		\$1,400,000

Truebridge Partners Assessment

Area	\$/ha	
26 hectares	\$30,000	\$780,000
106 hectares	\$10,000	<u>\$1,060,000</u>
Total		\$1,840,000
ADOPT		\$1,850,000

(B) Silverstream Spur

Telfer Young Assessment

Area	\$/ha	
35 hectares	\$85,000	\$2,975,000
ADOPT		\$3,000,000

Truebridge Partners Assessment

Area	\$/ha	
35 hectares	\$125,000	\$4,375,000
Discounted for Access 8% over 5 years		\$2,980,000
ADOPT		\$3,000,000

12.0 Valuation

A summary of the valuation assessment (rounded) as at December 2020 is as follows:

(A) Pinehaven Hill Reserve (Open Space)

Telfer Young

\$1,400,000

One Million Four Hundred Thousand Dollars

Truebridge Partners

\$1,850,000

One Million Eight Hundred and Fifty Thousand Dollars

(B) Silverstream Spur

Telfer Young

\$3,000,000

Three Million Dollars

Truebridge Partners

\$3,000,000

Three Million Dollars

The assessments are made exclusive of GST if any

13.0 Statement of Limiting Conditions and Valuation Policy

Purpose

This valuation report has been completed for the specific purpose stated. No responsibility is accepted in the event that this report is used for any other purpose.

Responsibility to third party

Our responsibility in connection with this valuation is limited to the client to whom the report is addressed and to that client only. We disclaim all responsibility and will accept no liability to any other party without first obtaining the written consent of TelferYoung (Wellington) Limited and the author of the report. TelferYoung (Wellington) Limited reserves the right to alter, amend, explain or limit any further information given to any other party.

Reproduction of report

Neither the whole nor any part of this valuation and report or any reference to it may be included in any published document, circular or statement without first obtaining our written approval of the form and context in which it may appear. Our report is only valid when bearing the Valuer's signature.

Date of valuation

Unless otherwise stated, the effective date of the valuation is the date of the inspection of the property. This valuation is current as at the date of valuation only. The value assessed herein may change significantly and unexpectedly over a relatively short period (including as a result of general market movements or factors specific to the particular property). We do not accept liability for losses arising from such subsequent changes in value.

Without limiting the generality of the above comment, we do not assume any responsibility or accept any liability where this valuation is relied upon after the expiration of 3 months from the date of the valuation, or such earlier date if you become aware of any factors that have any effect on the valuation.

Legislation

We have not obtained a Land Information Memorandum (LIM) or Property Information Memorandum (PIM) for this property which, unless otherwise stated, is assumed to conform to all requirements of the Resource Management Act 1991, the New Zealand Building Code contained in the First Schedule to the Building Regulations 1992, the Building Act 2004 and any Historic Places Trust registration. Our valuation reports are prepared on the basis that properties comply with all relevant legislation and regulations and that there is no adverse or beneficial information recorded on the Territorial Local Authority (TLA) property file, unless otherwise stated. Legislation that may be of importance in this regard includes the Health & Safety at Work Act 2015, the Fire Safety and Evacuation of Buildings Regulation 1992, and the Disabled Persons Community Welfare Act 1975.

Registrations

Unless otherwise stated, our valuation is subject to there being no detrimental or beneficial registrations affecting the value of the property other than those appearing on the title. Such registrations may include Waahi Tapu and Heritage New Zealand registrations.

Reliability of data

The data and statistical information contained herein was gathered for valuation purposes from reliable, commonly utilised industry sources. Whilst we have endeavoured to ensure that the data and information is correct, in many cases, we cannot specifically verify the information at source and therefore cannot guarantee its accuracy.

Assumptions

This report contains assumptions believed to be fair and reasonable at the date of valuation. In the event that assumptions are made, based on information relied upon which is later proven to be incorrect, or known by the

recipient to be incorrect at the date of reporting, TelferYoung (Wellington) Limited reserves the right to reconsider the report, and if necessary, reassess values.

GST

The available sources of rental data upon which our valuation is based are generally not specific as to the GST content. Unless it has been necessary and possible to specifically verify the GST status of a particular rental agreement, it has been assumed that the available commercial rental data has been transacted on a plus GST (if any) basis, which is in accordance with standard industry practice for most commercial property. Should this interpretation not be correct for any particular rental used as evidence, we reserve the right to reconsider our valuation.

Rental evidence relating to a residential property or a residential component of a commercial property is not subject to GST. Unless it has been necessary and possible to specifically verify the GST status of a particular residential rental agreement, it has been assumed that the available residential rental data has been transacted with no GST, which is in accordance with standard industry practice for residential property. Should this interpretation not be correct for any particular rental used as evidence, we reserve the right to reconsider our valuation.

Land survey

We have made no survey of the subject property and assume no responsibility in connection with these matters. Unless otherwise stated, the valuation has been assessed conditional upon all improvements being within the title boundaries.

Unless otherwise stated, we have not undertaken investigations or been supplied with geotechnical reports with respect to the nature of the underlying land. Unless otherwise stated, the valuation has been assessed conditional upon the land being firm and suitable ground for the existing and/or potential development, without the need for additional and expensive foundation and retaining work or drainage systems.

Earthquake-prone buildings

We are aware that a number of buildings are, or may be potentially, affected by local territorial authority policies for 'earthquake-prone' buildings (Earthquake-Prone Building Policies) required to be in place under the Building Act 2004. The Earthquake-Prone Building Policies may require building owners to undertake engineering investigations and subsequent structural upgrading, demolition or other steps to meet the requirements of the Earthquake-Prone Building Policies. Unless otherwise stated, our valuation makes no allowance for any costs of investigation, upgrading, demolition or other steps which may be incurred by the building owner to meet the requirements of Earthquake Prone Building Policies. We are not qualified to determine the 'earthquake-prone' status of the buildings. Our valuation is therefore subject to a review, investigation and assessment of seismic performance of the building, by a suitably qualified building engineer, to determine the 'earthquake-prone' status of the building and where required, an estimate of any costs for structural upgrading, demolition or other steps required for the building to meet the requirements of Earthquake-Prone Building Policies. If the building is found to be 'earthquake-prone', this finding is likely to impact on the value of the property, and our valuation may materially alter as a result.

Systems

Our valuation has been assessed conditional upon all hot and cold water systems, electric systems, ventilating systems and other devices, fittings, installations or conveniences, including lifts and escalators where appropriate, as are in the building, being in proper working order and functioning for the purposes for which they were designed.

Water leaks and penetration effects

We are aware that a number of buildings have developed problems associated with water leaks, water penetration, weather-proofing, moisture and water exit control systems, mould, fungi, mildew, rot, decay, gradual deterioration, microorganisms, bacteria, protozoa or like forms. Problems can result from defects in design, construction methods and materials used, or any combination of defects.

Our valuation has been assessed conditional upon all buildings and structures being constructed strictly in accordance with recommended practices and free from defect unless otherwise stated. We are not qualified to undertake, nor have we undertaken, a structural survey of the buildings or structures. We accept no liability for any defects that may arise as a result of poor building design, construction methods or building materials. If you have any concerns, you should engage a suitably qualified person to report on this matter. Defects revealed by a suitably qualified expert may affect the value of the property.

Leases

The interpretation of leases or other contractual agreements referred to in this report is solely the opinion of the author and should not be construed as a legal interpretation. Furthermore, summaries of contractual agreements which may appear in the report or appendices, are presented for the sole purpose of giving the reader an overview of the salient facts thereof.

Tenancies

Unless specifically requested, we do not make detailed enquiries into the covenant strength of occupational tenants but rely on our judgement of the market perception of them. Unless otherwise advised, our valuation has been assessed subject to the tenant being independent of the owner and capable of meeting all financial obligations under the lease, and that there are no arrears of rent or undisclosed breaches of covenant. Further, our valuation is conditional upon all rents referred to in this report representing the rental arrangement stipulated in the contractual agreements pertaining to the tenant's occupancy, to the extent that such rents have not been prepaid, abated or inflated to reflect extraordinary circumstances, unless such conditions have been identified and noted in this report.

Professional indemnity cover

We have in force at the time of supplying the above valuation, current professional negligence insurance appropriate to the nature and level of our business activities.

Valuers' statement of Compliance

This report has been undertaken by Tim Truebridge and John Stanley who have inspected the properties.

This report has been reviewed, methodology and workings, by Jerome McKeefry.

13.1 Statement of Compliance

We confirm that in compiling this valuation and report:

- The statements of fact represented in the report are correct to the best of the valuer's knowledge;
- The analysis and conclusions are limited only by the reported assumptions and conditions;
- The valuer has no interest in the subject property which would render the valuer conflicted in this assessment;
- The valuer's fee is not contingent upon any aspect of the report;
- The valuation was performed in accordance with an ethical code and performance standards;
- The valuer has satisfied professional education requirements;
- The valuer has experience in the location and category of property being valued;
- The valuer has made a personal inspection of the property including the interior of all structures / buildings unless otherwise stated;
- No one, except those specified in the report has provided professional assistance in preparing the report;

13.2 Sources of Information

In this valuation we have relied on all relevant information provided by the Client(s) as well as that available from public record and held in our own files.

13.3 Use Restriction

Our responsibility in connection with this valuation report is limited to the Client(s) identified above. We disclaim all responsibility and accept no liability to any other party.

13.4 Exception to Standard

The valuation has been performed in accordance with the appropriate standard. The report containing the valuation may vary from the standard where this variation has been agreed between the valuer and the Client(s).

13.5 Global Pandemic

The outbreak of the Novel Coronavirus (COVID-19) was declared as a 'Global Pandemic' by the World Health Organisation on 11 March 2020. There have been consequential global travel restrictions, and communal 'lockdown' phases implemented by many countries, including New Zealand.

The local and regional real estate market in which the subject property is positioned is being impacted by the uncertainty the COVID-19 outbreak has caused. Market conditions are fluid, and at the effective date of valuation we consider that there is an element of market uncertainty.

The Market Value assessed in this valuation is current at the effective date of valuation only. It may change significantly, or unexpectedly, over a relatively short period of time as a result of factors that the valuer could not reasonably have anticipated at the effective date of valuation. Accordingly, we do not accept responsibility or liability, for any losses or unexpected costs arising from such subsequent changes in Market Value.

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

Yours faithfully

Truebridge Partners Limited

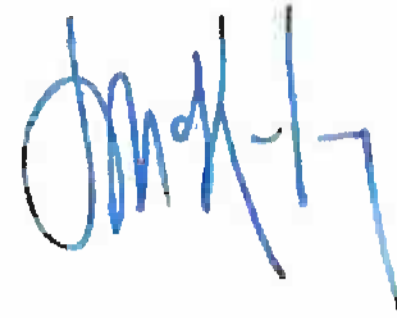


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TelferYoung (Wellington) Limited



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Registered Valuer
Email: john.stanley@telferyoung.com



Jerome McKeefry
Director
BBS (VPM), Dip BS (Fin), MPINZ, ANZIV
TelferYoung (Wellington) Limited

APPENDIX A – RECORD OF TITLE



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



R. W. Muir
Registrar-General
of Land

Identifier WN47A/214
Land Registration District Wellington
Date Issued 27 February 1996

Prior References
WN36A/978

Estate	Fee Simple
Area	35.1407 hectares more or less
Legal Description	Part Section 1 Survey Office Plan 34755

Registered Owners
Upper Hutt City Council

Interests

Subject to Section 8 Mining Act 1971

Subject to Section 5 Coal Mines Act 1979

Appurtenant hereto is a right of way created by Transfer B504204.11 - 27.2.1996 at 2:14 pm

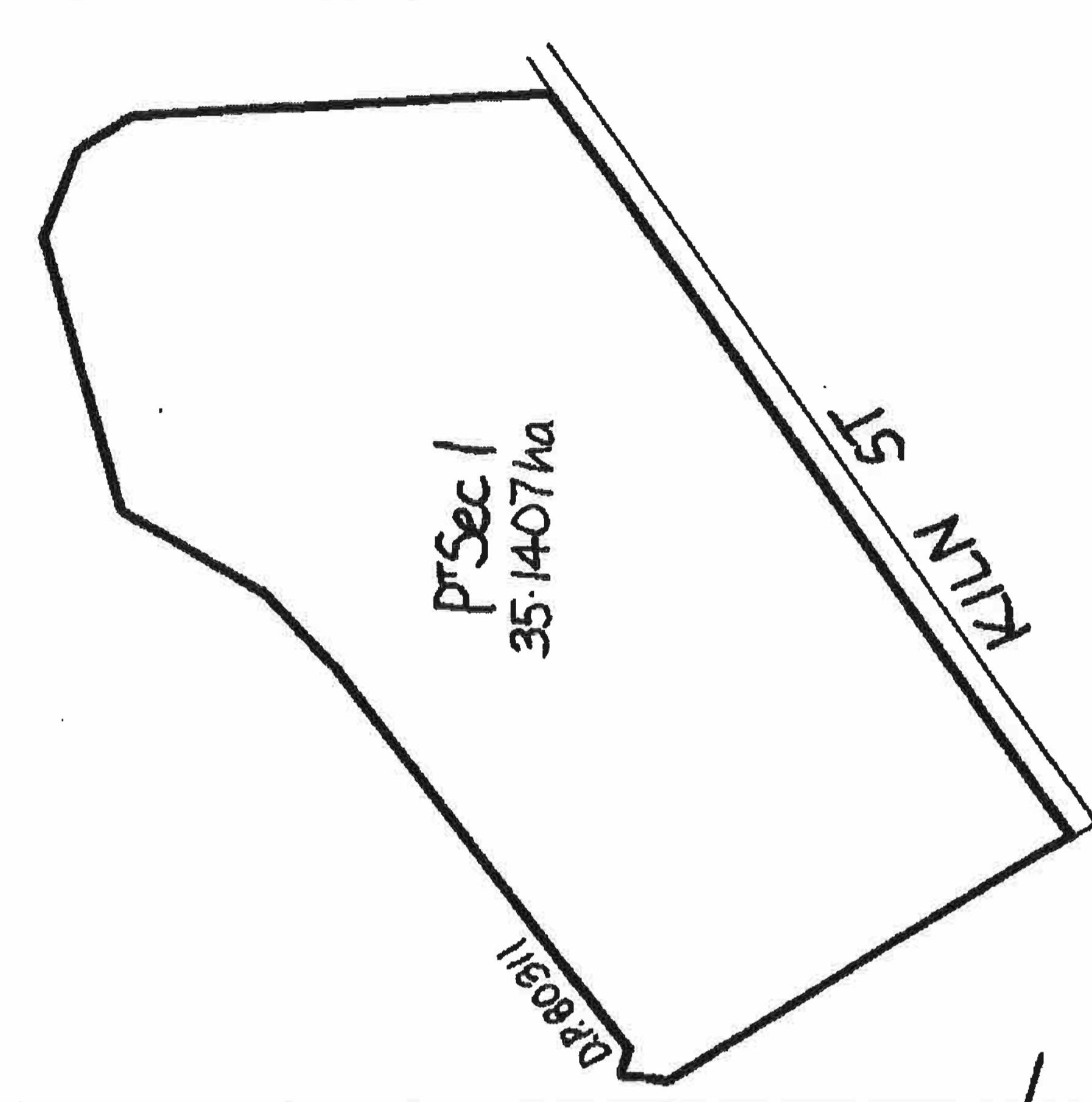
10321652.4 Surrender of the right of way marked A on DP 79872 created by Transfer B504204.11 - 14.3.2016 at 4:22 pm

Transaction Id
Client Reference mcashmore001

Search Copy Dated 17/09/20 3:14 pm, Page 1 of 2
Register Only

Identifier

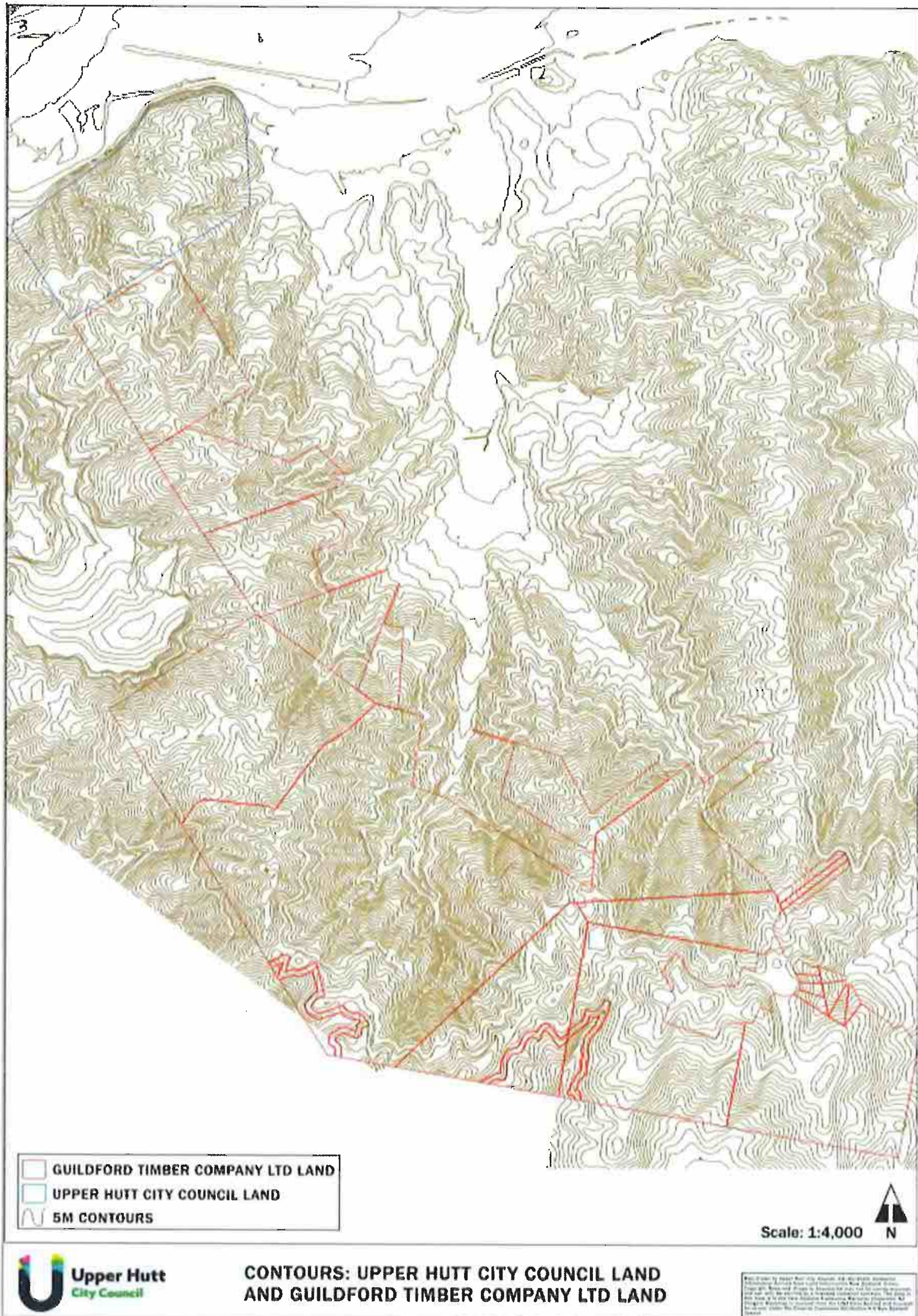
WN47A/214



Transaction Id
Client Reference mcashmore001

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APPENDIX B - CONTOURS - UHCC & GTC LAND



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