

18 September 2024

Rhys

fyi-request-27837-b8e46fcc@requests.fyi.org.nz

Tēnā koe Rhys

I write in response to your request dated 28 July 2024, for information under the Official Information Act 1982 (the Act):

a list of current properties owned, managed, leased or under a signed off the plan purchase agreement but not yet completed development by Kāinga Ora-Homes and Communities within the Kapiti Coast district. Please include any land the agency also owns but has not developed. This includes properties and land in Raumati, Paraparaumu, Waikanae and Otaki.

Please include properties/land until date of this request. Please include detailed information; address, property name (if gated community or apartment complex), number of bedrooms/bathrooms if applicable and estimated value as per recent RV or other valuation.

Finally please provide a list of recent properties/land Kāinga Ora-Homes has considered purchasing or leasing in Kapiti Coast district but has not acquired yet. Include correspondence held internally within the last 6 months about which land/properties the agency is considering / has considered to purchase/develop on.

On 6 September 2024, I provided you with the first tranche of information regarding your request under the Act. In that response, I noted that there were two documents being collated and prepared for release. These documents related to the valuations of the properties owned by Kāinga Ora – Homes and Communities at 40 Kiwi Road, Raumati, and 59-69 Raumati Road. You will find these documents attached.

Some information is withheld under section 9(2)(a) of the Act, to protect the privacy of natural persons. In making this decision, I consider that the public interest in making the information available does not outweigh the need to withhold it.

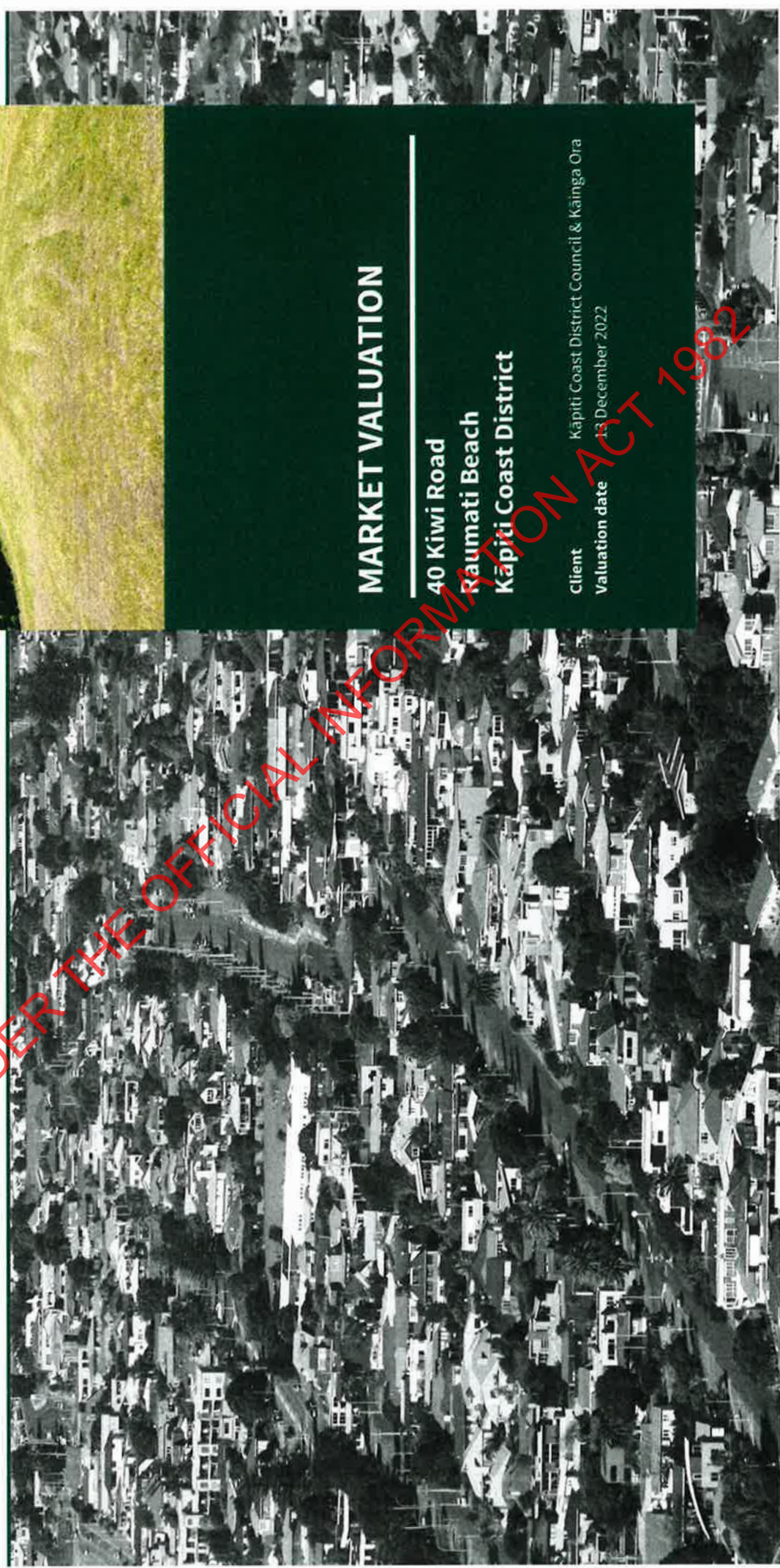
You have the right to seek an investigation and review by the Ombudsman of this decision. There is Information about how to make a complaint at <https://www.ombudsman.parliament.nz> or by freephone on [0800 802 602](tel:0800802602).

Nāku iti noa, nā

A handwritten signature in blue ink that reads "Rachel Kelly". The signature is written in a cursive, flowing style.

Rachel Kelly

Manager – Government Services



MARKET VALUATION

40 Kiwi Road
Raumati Beach
Kāpiti Coast District

Client Kāpiti Coast District Council & Kainga Ora
Valuation date 13 December 2022

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1.0 EXECUTIVE SUMMARY



40 Kiwi Road, Raumati Beach, Kāpiti Coast District 5032

The property under review comprises a vacant residential zoned parcel of land situated to the west of the Kāpiti Expressway and within the popular suburb of Raumati Beach. The site has an undulating contour with a cross fall from the front of the site to the rear and subject to an overlaid flow path. It has a localised outlook and good orientation to the north and west with mature trees providing a pleasant backdrop.

PROPERTY DETAILS

Type of property

Vacant residential section



871 m²



0 m²

VALUATION

\$400,000 including GST (if any)

Contract for sale

The property is not currently on the market. The intention is that Kāinga Ora will purchase the property from Kāpiti Coast District Council at market value. We do not consider any betterment arises to the owner of the land being acquired.

Last sale

None within the last three years.

PROPERTY RISK OVERVIEW

The property is considered to have a medium risk profile in comparison with other residential properties in the locality.

INSTRUCTIONS

Instructed by

Jacqui Cull & Wendy O'Neill

Report prepared for

Kāpiti Coast District Council & Kāinga Ora

Purpose of valuation

Market Value for compensation under the Public Works Act 1981

Valuation date

13 December 2022

Report issue date

16 December 2022

TelferYoung from CBRE 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. It is a condition of this report that any valuation needing to be reassigned beyond 90 days may require re-inspection by the valuer with an update fee charged.

PREPARED BY

Amelia Kirton

BBS (VPM), MPINZ
Registered Valuer

Peer Review by:

ANZIIF (DiplA), FNZIV, FPINZ

John Stanley

Registered Valuer

This report must be read in conjunction with CBRE Limited t/a TelferYoung from CBRE Statement of Limiting Conditions and Valuation Policy.

SIGNIFICANT ASSUMPTIONS AND SPECIAL ASSUMPTIONS

Significant Assumptions and Special Assumptions are those assumptions that are material to the valuation and could reasonably be expected to influence the decisions of the user.

Significant Assumptions are those where the assumed facts are consistent with or could be consistent with those existing at the date of valuation. These are often the result of a limitation on the extent of the investigations or enquiries undertaken by the valuer.

Special Assumptions are those where the assumed facts differ from those existing at the date of valuation. These are often used to illustrate the effect of proposed changes on the value of the property.

Significant Assumptions and Special Assumptions made within this valuation are as follows:

- Pursuant to the Urban Development Act 2020 (links to the Public Works Act 1981).
- Our valuation is undertaken as at the date of inspection. If the matter proceeds to formal Compulsory Acquisition, the date at which compensation is assessed may change depending on the statutory requirements.

Valuation currency

All dollars quoted in this report are NZD.

Important dates

Inspection date 13 December 2022

Valuation date 13 December 2022

Extent of investigations

This report has been prepared for valuation purposes only and is not a geotechnical or environmental survey. If any defect is found, including structural defects, this information could impact on the value of the property.

Nature and source of information relied upon

Information used to prepare the valuation has been obtained from our property inspection and public records. Additional information relied on includes:

Name of Document	Source of Document
Geotechnical Due Diligence Preliminary Geotechnical Appraisal Issue 1	Jacqui Cull
Land Status Report	Jacqui Cull
Record of Title Information	Jacqui Cull
Memorandum of Transfer	Jacqui Cull

Reporting format

We have prepared a formal valuation report meeting appropriate professional standards.

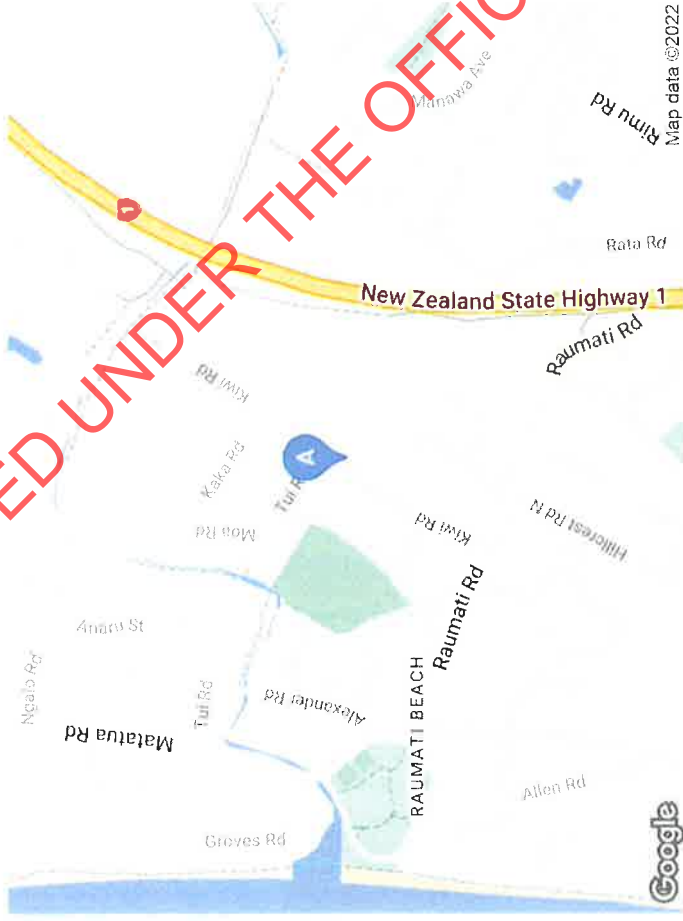
This report must be read in conjunction with CBRE Limited t/a TelferYoung from CBRE Statement of Limiting Conditions and Valuation Policy.

Valuation standards

Our valuation has been prepared in accordance with International Valuation Standards (effective 31 January 2022) and Guidance Papers for Valuers and Property Professionals published by the Australian Property Institute (API), Property Institute of New Zealand (PINZ) and New Zealand Institute of Valuers (NZIV).

5.0 LOCATION

5.1 LOCATION DETAILS



Major roading in the region is underway to provide a dual lane road from Ōtaki to Wellington with a portion of the Kāpiti Expressway from MacKays Crossing to Peka Peka opened in 2018. Peka Peka to Ōtaki is due to be completed late 2022, and Transmission Gully which connects Kāpiti Expressway at MacKays Crossing to Wellington opened in March 2022.

Raumati lies approximately 55 km north of Wellington City on State Highway 1 and includes Raumati Beach to the north and Raumati South to the south. It is served with a number of amenities including public bus transport, primary and secondary schooling, restaurants and a small shopping centre near the beach. More substantial amenities including the large Coastlands Shopping Mall and a regular rail commuting link to and from Wellington City and provided in nearby Paraparaumu.

Kiwi Road runs in a north/south direction accessed off Raumati Road. It is comprised of mainly family style homes with a mixture of older 1940-1950 style batches to more modern homes of varying size, style and quality. Weka Park is located in close proximity, along with Raumati Beach School and Kāpiti College.

The location of the subject property is marked as 'A' on the adjoining map.

Public transport in the region is provided by regular train services from Wellington to Waikanae, as well as air travel providing services to and from Auckland, Nelson and Blenheim on commercial airlines.

Other services, facilities and attractions available are four colleges including a fully immersive Māori language school, 15 primary schools, Kāpiti Aquatic Centre, Southwards Car Museum, Nga Manu Bird Sanctuary, Kāpiti Island and Queen Elizabeth Park.

Suburb Raumati Beach

Location The Kāpiti Coast district is situated on the west coast of the north island, 50-70 kilometres to the north of Wellington. It encompasses six distinct areas, Paekakariki in the south, Raumati, Paraparaumu and Waikanae in the central portion with Te Horo and Ōtaki to the north.

Amenities

The report highlights an overland flow path which runs from northwest to southeast. The report stated free water was not present but ground condition was noted to be moist. On the date of our inspection, the ground condition was noted to be dry.

The report indicates that the soil type is sand.

Shallow ground water level noted of possibly 1 to 2 metres below ground level. This is not uncommon as shown by the Table 5-1 in the report.

Contamination

As part of our investigation we have made enquiry to the Greater Wellington Regional Council and confirmed the property is not on the Contamination Register/Hazardous Activities and Industries List (HAIL).

We have not been provided with an environmental audit of the property and we are not aware of any potential environmental concerns with this property. Unless otherwise stated, our valuation and report is conditional upon the land and buildings being unaffected by harmful contaminants or noxious materials which may impact on value. Verification that the property is free from contamination and has not been affected by noxious materials should be obtained from a suitably qualified environmental expert.



Street overview



South-western boundary (rear to front)



Outlook to rear (Kāinga Ora land)



Front portion of site

Councils will be able to make zoning less permissive than the MDRS in areas including nationally significant structures, natural hazards, open space, heritage, and consistency with iwi participation legislation.

The District Plan was also amended on 17 February 2022 to remove all previous minimum car parking rate requirements for developments across the district.

PC 2 will allow a higher intensification of the subject property due to Residential Intensification Precinct A (up to six storeys). This intensification is proposed to be applied to all adjoining or nearby land due to the proximity to the Metropolitan Centre.

The subject land is not in a flood hazard area as per the District Plan maps. The Geotech report identifies an overflow path however.

The subject land falls within the Transportation Noise Effects Route (due to the proximity to Kāpiti Expressway) as per the adjoining and nearby properties and also the Airport Plan: Runways Height Surfaces. We do not consider this has any detrimental impact on value and would envisage a residential development of the subject would be to three stories rather than six stories due to the economic capacity of the site, and our knowledge of the local market in terms of likely demand.

The advice is provided for valuation purposes only, and the reader is advised to seek the advice of a suitably qualified Resource Management professional for further detail in this regard.

7.2 RATING VALUATION

As at 15 August 2020:

Land Value	Improvements Value	Capital Value
\$300,000	\$0	\$300,000

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

7.3 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.

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8.2 REGIONAL PROPERTY MARKET

Despite Kāpiti's confidence in their local economy, mainly due to the hot labour market, the housing market is weakening. From here, Westpac expects economic confidence to prove patchy as the ongoing cost-of-living concerns, high interest rates and weak housing market butt up against the strong labour market.

Compared to September 2021 quarter (Source REINZ)

- Median Sale Price down 0.5%
- Sales Volume down 52
- Days to Sell up 36 days

Compared to June 2022 quarter

- Median Sale Price down 9.0% to \$815,000
- Median Listing Price down \$55,000 to \$795,000
- Sales Volume down 2 to 186
- Days to Sell up 19 to 70 days

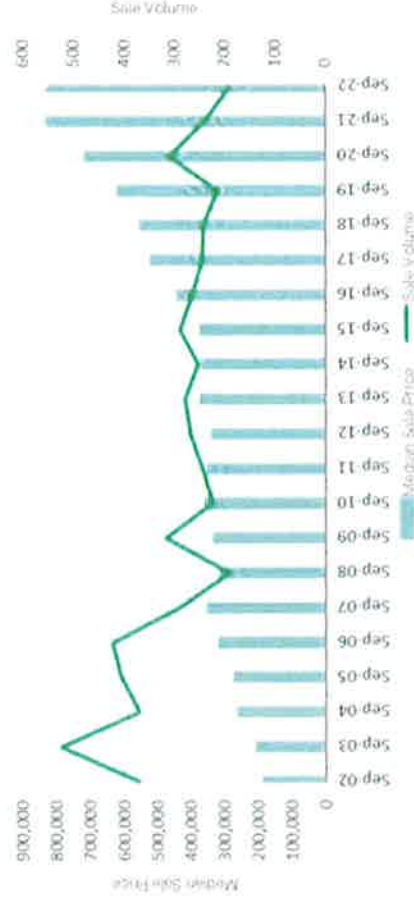
8.3 LOCAL PROPERTY MARKET

Since the peak of the market in late 2021 the median sale price in Kāpiti has decreased to \$875,912 for the month of November 2022. The median sale price decreased by -10.0% over the last 12 months, up from -7.4% in the preceding month. The impact of COVID-19 on the Wellington property market had been propelled by low interest rates, demand/supply imbalance and increasing numbers of expats entering the market. These factors have however been reversed in recent months and we are now seeing a steadily softening in the market. Properties now need to be realistically priced and of sufficient quality to attract buyers.

Annual value growth in the Wellington region has decreased from -13.1% in October 2022 to -15.9% per annum in November 2022, with the average value decreasing to \$937,870, a 7.1% fall over the past three months. Values are falling due to a number of factors including economic uncertainty, rising interest rates, tightening in Banks lending and an increase in listings. There would still appear to be a continuing trend of first home buyers priced out of the Wellington City market, and who are instead looking at the Kāpiti Coast, as a viable alternative.

The medium number of days to sell a property in Kāpiti is now 48 days.

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



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77 Kotare Street, Waikanae



Sale date
Sale price
Land area

14 December 2022
\$378,500
1122 m² (more or less)

A vacant residential site having General Residential zoning, and of an irregular shape benefitting from shared accessway off Kotare Street. A steeply contoured site, outside of a flood hazard area, rising to the rear boundary and having a good outlook towards Kāpiti Island over Waikanae. Sale price equates \$337 psm over the land area of 1122m².

Comparison An inferior property due to contour.

75 Kotare Street, Waikanae



Sale date
Sale price
Land area

13 October 2022
\$414,000
2014 m² (more or less)

A vacant residential site having General Residential zoning, and of an irregular shape including the shared accessway off Kotare Street. A steeply contoured site, outside of a flood hazard area, rising to the rear boundary and having a good outlook towards Kāpiti Island over Waikanae. Sale price equates \$206 psm over the land area of 2014m². Excluding the shared driveway the sale price equates \$244 psm over the land area of approx. 1700m².

Comparison A superior property due to date of sale, the market has continued to decline since the date of sale.

26 Wharemauku Road, Raumati Beach



Sale date
Sale price
Land area

9 August 2022
\$427,500
811 m² (more or less)

Encumbered by a 1950s two bedroom 40m² dwelling in poor condition. We have analysed the sale as a land sale with any demolition cost offset by the holding income in the short term. Zoned General Residential, rear half within a flood hazard fill control area. Raw analysis over the land equates \$527 psm. Adjoining property purchased by same party. Total land area of combined property equates 1,703m² with the total price paid of \$855,000 equating a land value rate of \$502 psm.

Comparison A superior property due to location.

9.1 RECONCILIATION OF SALES EVIDENCE

Address	Date	Price	Site area	Comparison
Land Sales				
11B Winton Street	19 October 2022	\$310,000	400 m ²	Inferior
57B Bluegum Road	5 October 2022	\$351,000	545 m ²	Inferior
15 Rongomau Lane	3 November 2022	\$355,000	1078 m ²	Inferior
77 Kotare Street	14 December 2022	\$373,500	1122 m ²	Inferior
75 Kotare Street	13 October 2022	\$414,000	2014 m ²	Superior
26 Wharemauku Road	9 August 2022	\$427,500	811 m ²	Superior
24 Wharemauku Road	9 August 2022	\$427,500	892 m ²	Superior
5 Ara Hereke	19 October 2022	\$472,200	1012 m ²	Superior
13 Ara Hereke	3 October 2022	\$475,000	1041 m ²	Superior

10.3.2 Conclusion

Based on our analysis of the sales, we have concluded an indicated Market Value of \$400,000.

10.4.3 Current contract

The property is not currently on the market. The intention is that Kāinga Ora will purchase the property from Kāpiti Coast District Council at market value. We do not consider any betterment arises to the owner of the land being acquired.

10.4 VALUATION SUMMARY

Method	Value
Direct Comparison	\$400,000
Market Value – Adopt	\$400,000

The market value has been assessed inclusive of GST (if any).

The above valuation methodologies we have adopted require an analysis of market based selling activity. We consider that the most relevant method of valuation is the Market Approach (direct sales comparison). A range of sales evidence has been used to assess the Market Value of the subject property with the most comparable sales previously discussed in this report.

Taking into account the recent sales evidence and current market conditions we consider our assessment to be fair and reasonable.

The value can be apportioned as follows:

Land	Improvements	Market Value
\$400,000	\$0	\$400,000

10.4.1 Previous sale

None within the last three years.

10.4.2 Reasonable selling period

The valuation is based on a selling period of up to 3 months for this location.

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.

Contamination

We have not undertaken an environmental audit of the property. Unless otherwise stated, our valuation and report are conditional upon the land and buildings being unaffected by harmful contaminants or noxious materials which may impact on value. Verification that the property is free from contamination and has not been affected by noxious materials should be obtained from a suitably qualified environmental expert.

Market valuations

Market valuations are carried out in accordance with the Valuation Standards and Guidance Papers. Market Value is defined "The estimated amount for which an asset or liability should exchange on the date of valuation 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".

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 thereon.

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.

Risk analysis

The Risk Analysis is a simplified analysis based on the current experience and knowledge of the Valuer and is not a technical analysis. Those relying on the valuation cannot expect that the Valuer brings to the task any greater level of common knowledge or ability to foresee events than can be expected of persons experienced in the market for that class of property in its market place (which may be local or broader). The risk analysis is the product of the current experience of the Valuer based on information that is common knowledge and/or readily ascertainable in the market for that class of property in its marketplace. The risk analysis does not reflect information that is privileged or to which the market for that class of property in its market place does not have ready access and it does not reflect decisions, announcements, releases, articles and the like that the Valuer has not had reasonable time and opportunity to assess and consider, or would in the ordinary course of acting as a valuer become aware of or have access to. Subject to these limitations, the risk analysis indicates the level of adverse impact each stated aspect has on the subject property's value and marketability as at the date of valuation.

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. The Registered Valuer is covered by the policy.

Valuer's statement

This report has been undertaken by Amelia Kirton who has inspected the property. The Registered Valuer holds an Annual Practising Certificate.

APPENDIX

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APPENDIX B MEMORANDUM OF TRANSFER

13/

to hereby transfer to the said The Chairman Councillors and
Inhabitants of the County of Hutt
all his
estate and interest in the said piece(s) of land

(Approved by the D.C. & C. on 20/10/1956)

MEMORANDUM OF TRANSFER

(New Zealand)

KEITH ROY JOHNSON of Wellington, Cabinet Maker

Being registered as proprietor of an estate in fee simple

subject, however, to such encumbrances, liens and interests as are notified in the Land

Administration or endorsed hereon, in all that parcel of land situated in the County

of Hutt, containing Thirty-four and forty-five One hundredths of an

acre or thereabouts, being part of Section 3 of the Waiouru Survey District

being part of Section 3 of the Waiouru District and being also Lot 38 on

Deposited Plan 17179 (Town of Raumati Extension No. 133) and being all

the land in Certificate of Title Volume 662 Folio 16 (Wellington Registry)

SUBJECT TO: Fencing Covenants in Transfers 103147 and 385321 and to K.30607

In Consideration of the sum of **FOUR HUNDRED AND SEVENTY-FIVE POUNDS (£475)** paid to him by **THE CHAIRMAN COUNCILLORS AND INHABITANTS**

Witness on the day above named by the said

KEITH ROY JOHNSON

29th day of September 1956

In witness whereof these presents have been executed this

29th day of September 1956

Witness:

Name: **J. Y. Allen**

Occupation: **Secretary**

Address: **Wellington**

the receipt of which sum is hereby acknowledged

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Robertson Valuations

Registered Valuers & Property Consultants

Ph (04) 298 8816

Mobile s 9(2)(a)

Email alex@robertsonvaluations.co.nz

Raumati Road Land Section 8 SO Plan 505427



Prepared By

Robertson Valuations
Registered Valuers & Property Consultants

21st February 2022

Valuation Summary

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

Client	New Zealand Transport Agency
CPC Reference	CPC 2014/17752
Instructed By	s 9(2)(a) [REDACTED], Align
Property Address	Section 8 of 59-69 Raumati Road, Raumati South
Land Owner	New Zealand Transport Agency
Valuation Approach	Yield Approach & Hypothetical Subdivision
Date of Inspection	16 February 2022
Effective Date of Valuation	16 February 2022

Introduction

You have requested a report providing the market value of section 8 on SO Plan 505427. This is a large residential development site that is located on the northern side of Raumati Road.

Purpose of Valuation

To assess the current market value of the land for disposal purposes in accordance with Part 5 of the Public Works Act 1981.

Valuation Assumptions

This assessment is made for the purpose of disposal under the Part 5 of the Public Works Act 1981 and no responsibility is accepted in the event that this report is used for any other purpose.

Special Assumptions

We have estimated provisional costings in preparation for applying the hypothetical subdivision approach.

Valuation Summary

We assess the current market value for disposal, inclusive of GST, if any, as at the effective date of valuation.

Section 8, 59-69 Raumati Road	\$10,000,000
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Prepared By	Chadwick Robson & Associates Ltd T/A Robertson Valuations
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Alex Robson MPINZ, NZIV
Registered Valuer

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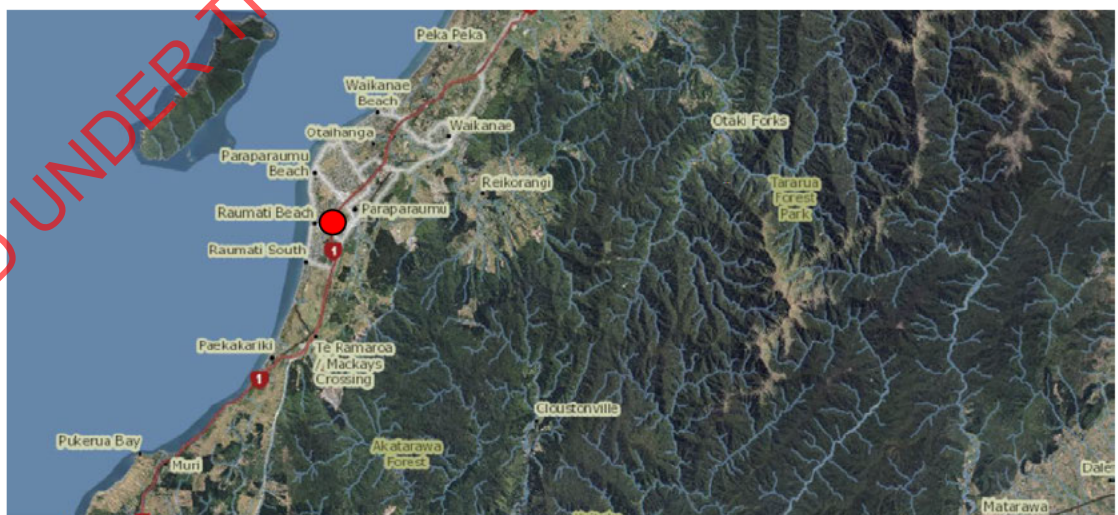
1.0 LAND DESCRIPTION

1.1 Location

- **Locality:** The Kapiti Coast district is located on State Highway 1, about 45 minutes' drive north of Wellington, where the townships of Paekakariki, Paraparaumu, Waikanae and Otaki lie along a 40 kilometre coastal plain.

The district has, in the past, been a popular holiday destination, however over the past 30 years has developed significantly, particularly in Raumati and Paraparaumu. According to Statistics New Zealand's 2018 Census, the estimated resident population of the Kapiti Coast district is 53,670.

- **Situation:** Raumati Road is a main thoroughfare leading from Main Road (former SH1) in the east to Raumati Beach in the west. The new expressway bisects Raumati Road approximately halfway to the beach, and the subject section is located on northern side of the Expressway.
- **Amenities:** The main commercial centre at Coastlands Shopping town, is about one kilometre to the northeast. The railway station is two kilometres away. Several primary schools are located within convenient distance and the Raumati Beach centre, where shops, Kapiti College and other public amenities are located, is one kilometre to the west.
- **Surrounding Development:** The surrounding properties comprise a mixture of units and family homes, generally of a good standard.



Approximate Subject Property Location ●

1.2 Subject Section

- 4.6360 hectares
- Front part is General Residential', rear area Rural Lifestyle
- Fronts Raumati Road
- Dog leg shape
- Vegetation encumbrance area 'G' on SO 544790 adjacent to the northern boundary with an estimated area of 600 sq. metres
- CWB traverses through north-eastern corner
- Protected planting adjoining expressway.



The land lies about two metres below the level of the road, is level in the front rectangular shaped area, then rises some four metres to a grassed sand ridge, then falls to a level basin. Prior to some macrocarpa trees the land rises some eight metres to a steep sand ridge then falls moderately then gently to the north-western end of the section.



2.0 LAND TENURE AND OWNERSHIP

2.1 Records of Title

- **Land Registration District** Wellington
- **Tenure** Fee Simple
- **Appellation** Section 8 SO 505427
- **Registered Proprietor** HMQ

It is proposed to register a Reverse Sensitivity Encumbrance on the title, affecting the land adjoining the expressway out to 100 metres from the legal road boundary.

3.0 ZONING/RESOURCE MANAGEMENT

Local Authority: Kapiti Coast District Council

Plan Status: Operative Kapiti Coast District Plan 2021

The site has split zoning with the southern half of the site with frontage to Raumati Road zoned 'General Residential'. While the northern half is subject zoned 'Rural Lifestyle'. Where land is covered by two zonings, both sets of provisions shall be considered.

A flood storage area falls on a small section of the north-eastern corner of the site. The north-western edge of the site is overlaid transportation noise affects. Designation NZTA005 covers the eastern half of both the residential and rural lifestyle areas of the subject site and in addition to any necessary resource consents, any works within this area will require permission from NZTA.

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4.0 SUBDIVISION POTENTIAL

We have adopted Site Layout – Option 3 (High) from The Property Group – Temporary Housing Development report December 2019. As shown below, this plan considers a residential yield of 76 houses. This layout develops the full site and applies the adjacent planning standards in relation to lot sizes and densities. We understand this development will be difficult from a planning perspective. Vegetation encumbrance area G on S0544790 is located near the northern boundary and will affect one of the housing units, accordingly we have allowed for a residential yield of 75 houses.



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5.0 MARKET COMMENTART

Since the outbreak of COVID-19 in 2020, the property market rose significantly with house prices now at record highs.

However Government tax changes have resulted in fewer buyers and towards the end of last year price growth appeared to have peaked and level out. Spring listings has increased stock for sale and new lending rules are now much stricter with the new Credit Contracts and Consumer Finances Act. Banks are now more conservative in lending.

With fewer buyers, demand will fall at the same supply is increasing. A number of developments are soon to be completed and many landlords are considering exiting their rental properties. As inflation pressures continue to intensify, the prospect of higher mortgage rates will mean a weaker outlook for house prices.

ANZ economists outlook for 2022 is a slight decline in house prices with continuing affordability issues.

6.0 APPROACH TO VALUATION

6.1 Yield Approach

This approach analyses the number of lots likely to be achieved from each sale and applies an applicable lot value to the subject property.

6.2 Hypothetical Subdivision Approach

Where land has potential for subdivision the hypothetical subdivision approach is considered. It is acknowledged, however, that this approach requires the valuer to make a number of assumptions and estimates. It is for this reason that the hypothetical subdivision approach is most often used as a check on other methods. But it is an accepted valuation approach and cannot be arbitrarily excluded in arriving at the market value of the property.

7.0 SALES EVIDENCE

7.1 Development Site Sales


There is a shortage of development land within the District with prices high and strong interest from both local and national developers. Below are the few residential development site sales that have occurred in the Kapiti District.

Address	17 State Highway 1, Paraparaumu
Sale Date:	August 2020
Sale Price	\$1,750,000
Land Area:	1.467 hectares
Rating valuation:	\$900,000
Description:	A rectangular parcel of generally low lying land with majority overlaid Flood Hazard – Ponding. Within Paraparaumu Low Density Housing Precinct, subdivided into 16 good size residential sections, that have since sold off the plan. Sale indicates a section rate of \$109,375. Older sale, smaller land.

Address	33 Main Highway, Otaki
Sale Date:	November 2021
Sale Price	\$6,780,000
Land Area:	4.5929 hectares
Rating valuation:	\$2,050,000
Description:	A relatively long development site with a 50 metre frontage, located 800 metres from Main Street shops, supermarket and cafes. The draft subdivision plan indicates 55 proposed freehold sections, sale indicates a section rate of \$123,273.



Address	240 Kapiti Road, Paraparaumu
Sale Date:	July 2021
Sale Price	\$8,200,000
Land Area:	1.8994 hectares
Rating valuation:	\$1,400,000
Description:	Development site zoned 'General Residential' with good frontage to Kapiti Road. This is a main arterial route with access to the site likely to be from the rear at Halsey Grove. We understand 30 sections are currently planned with potential for greater density. Based on potentially 60 sections the sale indicates a section rate of \$136,666 smaller land size.

Address	4 Kapiti Road, Paraparaumu	
Sale Date:	July 2021	
Sale Price	\$12,400,000	
Land Area:	1.0072 hectares	
Description:	The on sale of a 78 townhouse Development. Consent process is Underway and all townhouses sold Unconditionally. Within a 'mixed use' zone that is 200 metres from Paraparaumu train station. Site has long frontage to Kapiti Road and frontages also to Waimarie Avenue and Amohia Street. Kapiti Road and Amohia Street's are major connector roads. Part of the land is overlaid flood hazard ponding. The sale indicates \$158,974 per townhouse. Superior zoning.	

7.2 Residential Sized Land Sales

There is little land available for subdivision in Raumati and Paraparaumu, demand is high and section values have increased significantly over the past 18 months.

Address	Sale Date	Sale Price	Area (sqm)
17 Metzenthin Close	8/21	\$680,000	680
Lot 16, 17 State Highway 1	11/21	\$555,000	750
Lot 12, The Drive Extension	09/21	\$650,000	575
19 Rongomau Lane	11/21	\$360,000	506
11 Rongomau Lane	10/21	\$360,000	653

8.0 VALUATION

Yield Approach

Sales indicate yields from \$109,375 per section for an older sale to \$158,974 for higher density townhouses. Considering the subjects location and lot sizes at an average of 550-700sqm, on a per lot basis we have adopted a section rate of \$130,000

75 sections @\$130,000 per section \$9,750,000

HS Approach:

60 lots @ avg. \$425,000 each	\$25,500,000	
14 lots @ avg. \$375,000 each	<u>\$ 5,250,000</u>	
Gross Realisation		\$30,750,000
Less GST		<u>\$ 4,010,870</u>
		\$26,739,130
Less: Selling Expenses		\$ <u>1,154,000</u>
Net Realisation		\$25,585,130
Less: Profit & Risk, 35% on Outlay		<u>\$ 5,528,444</u>
Outlay		\$20,056,686
Less: Development Costs:		
Residential est. \$120,000/lot	\$7,200,000	
Interest on Outlay 5.5% over 3 yrs x ½	<u>\$ 1,655,000</u>	<u>\$ 8,855,000</u>
Land Value		\$ 11,201,686
Plus GST		<u>\$ 1,680,253</u>
Rounded Land Value, inclusive of GST		\$ 12,880,000

The yield approach indicates a value of \$9,750,000 and the hypothetical subdivision approach \$12,880,000. After considering both approaches, we assess the current market value of the property at **\$10,000,000** inclusive of GST, if any.

9.0 COMPLIANCE STATEMENT

This valuation has been performed in accordance with International Valuation Standards effective January 2022 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 has no interest in the subject property.
- 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 the assets being valued.
- The Valuer has made a personal inspection of the property.
- No one except those specified in the report, has provided professional assistance in preparing the report.

*Prepared By:
Alex Robson
Registered Valuer*

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