



# Dilworth

31 August 2011

Panckhurst Family Trust  
PO Box 109 311  
Newmarket  
Auckland 1149

**BY MAIL**

**Attention:** Stephen Panckhurst

**Subject:** (509) 24 Dilworth Avenue, Remuera – Freeholding

We write in reply to your application to purchase the freehold of the above property.

I advise that the freeholding price will be **\$1,069,600** (one million and sixty nine thousand and six hundred dollars), plus GST if applicable - see Clause 9 of the Agreement for Sale and Purchase.

The freeholding price based on a valuation, a copy which is attached, is calculated as follows:

Valuation:	\$ 1,400,000
Less 23.6%	\$ <u>330,400</u>
Freeholding price	\$ 1,069,600

I now enclose 2 copies of the form of Agreement for Sale and Purchase of the freehold signed as the Board's sale offer to you. Please note that the freeholding price as detailed above is not negotiable, in accordance with Clause D.4 of the lease.

If you wish to accept the offer, you must:

- Sign both copies, in the place provided on page 2 of the agreement (and insert the other details requested there); and
- Return one copy to me. The returned agreement must be received in this office within three months from the date of the agreement, time being of the essence.

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**DILWORTH TRUST BOARD**

Private Bag 28 904, Remuera, Auckland 1541, New Zealand. Telephone: 64-9-523 3179 Facsimile: 64-9-520 1912  
[www.dilworth.school.nz](http://www.dilworth.school.nz)

We recommend that you then forward the other copy of the signed agreement to your own Solicitor.

Please note that settlement of the sale is required within one month from the date of your acceptance.

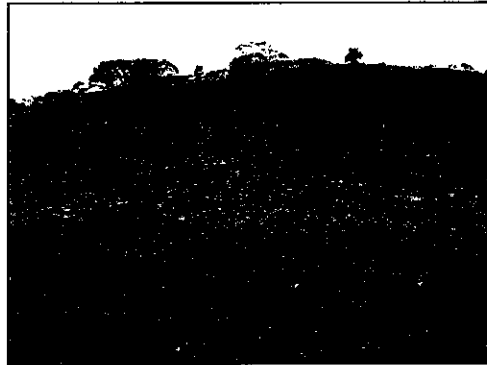
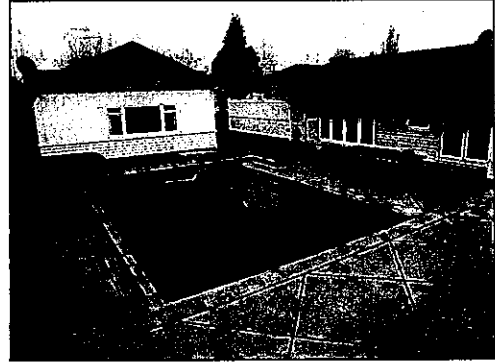
If you have any questions about this offer, please call me on 523 3179 ext. 711.

Yours faithfully  
**DILWORTH TRUST BOARD**

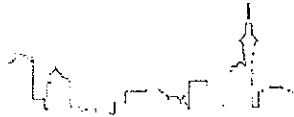
A handwritten signature in black ink, appearing to read 'Chris Plimmer', written over a horizontal line.

Chris Plimmer  
**PROPERTY ASSET MANAGER**

Dilworth Trust Board  
Private Bag 28 904  
Remuera  
Auckland 1541  
Ph: 09 523 3179 Ext: 713  
Email: [chrisp@dilworth.school.nz](mailto:chrisp@dilworth.school.nz)



**Valuation Report**  
24 Dilworth Ave, Remuera  
26 August 2011



File no: 12135

26 August 2011

Dilworth Trust Board  
Private Bag 28 904  
Remuera  
**AUCKLAND**

**Attn: Chris Plimmer****Fax:**

Dear Sir

***Land sale valuation: 24 Dilworth Ave, Remuera*****1.0 Purpose of Report**

In accordance with instructions to assess the current market value of this property for free-holding purposes, an inspection was made on 17 August 2011 and a general report follows:

**2.0 Valuation Summary (as at 26 August 2011)**

I am required to ignore improvements and the existence of any lease, in order to establish bare land value, to be used to assist the parties in a proposed free-holding exercise.

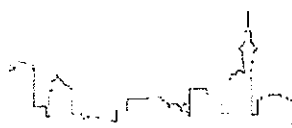
On this basis and subject to free holding the title, the current market value of the land component of this property, inclusive of GST (if payable) has been calculated at a sum of **\$1,400,000 (One Million, Four Hundred Thousand Dollars)**.

**3.0 Nature of Property**

I note that the property at present comprises a single level Californian style family home, with garaging and substantial site works to the rear. It is located on a theoretically subdivisible freehold road frontage site, currently subject to a perpetual ground lease, but which document is required, for the purposes of this report, to be ignored.

**4.0 Legal Description (Freehold)**

<b>Gross Title Area:</b>	1112 sqm	Limited as to parcels
<b>Lot:</b>	36	<b>Deeds plan 409</b>
<b>CT:</b>	<b>513/217</b>	North Auckland Registry.



### 5.0 Encumbrances

The land is subject to a lease and caveat. The caveat will be removed on sale and has been ignored. The lease will merge and has also been ignored.

The title is limited as to parcels and this will involve some extra future development costs. Land area, boundary definition and site dimensions need to be confirmed by formal survey.

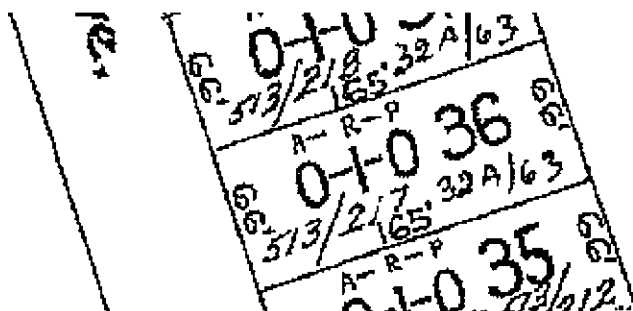
There are no Treaty of Waitangi issues noted on the Title.

### 6.0 Existing Ownership and Mortgages

See existing title. The applicant is a lessee, proposing to purchase the freehold.

### 7.0 Land Description

The site is a classic "quarter acre" shown in the title diagram, with slightly more detail shown below (which has north diagonally to upper left), taken from an attached copy of the Deeds plan.



The land is south east facing and measures (by conversion of imperial to metric) 20.12m by 50.3m, subject to survey.

The land is essentially level back at road level. Hobson Domain adjoins to the rear and there is a potentially attractive outlook in that direction and direct park access. On future subdivision, only the rear site would have significant Mt Hobson views and direct access.

The presence of Mt Hobson means that early morning sun is delayed along this part of the street.

Sub strata is unknown but there is volcanic rock in the general vicinity.

In brief, this is a site of generous area in a locality of high land values, so that the land content dominates overall market value.

### 8.0 Rateable Valuation

The GST status of the above assessment is not specified, but presumed to be GST inclusive. Quotable Value (QV), one of the main providers of such assessments states that its policy provides that the RV includes GST, if any, for residential property. For other property types GST is excluded.

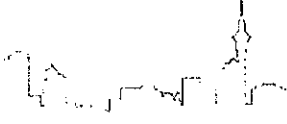
Values are currently being re-assessed for gazetting later this year.

As at 1 July 2008

<b>Improvements</b>	<b>\$480,000</b>
<b>Land</b>	<b>\$1,200,000</b>
<b>Total</b>	<b>\$1,680,000</b>

This valuation is out of line with some neighboring properties and has far too little on the land.

Values have risen locally since this assessment.



### 9.0 Zoning/Local Authority

All existing zones are now transitional, until such time as the new Auckland Council produces an overall scheme for the region. This process will be lengthy (and expensive). The following data is from the current schemes of the prior councils.

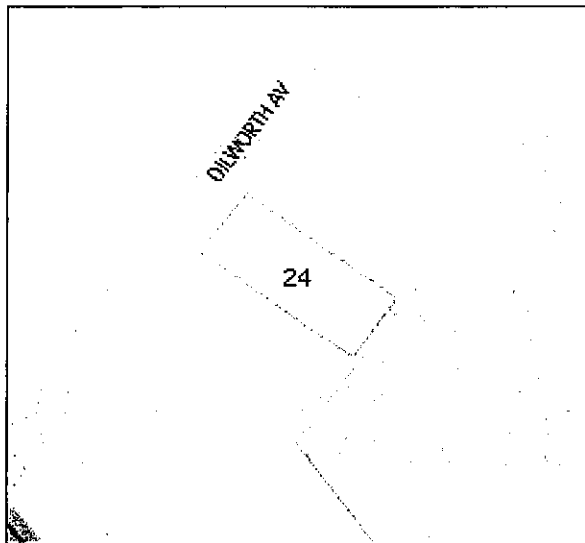
The land is zoned **Residential 6A** under the Operative 1999 *Auckland City Council* District Plan. This is a mid intensity zoning where maximum permitted density is 375 sqm of gross site area per unit.

The site would appear suitable for two-unit development, subject to various Council requirements and a range of subdivisional costs, including infrastructure tax/charges. Various near identical nearby sites have been subdivided into front and rear lots near their mid points (see diagram below).

I would recommend the undertaking of a "scoping" report (from a surveyor) to highlight Council requirements on subdivision and approximate overall subdivisional costs.

### 10.0 Locality

The immediate area consists of established homes built from the early 1900s. It comes within the two Grammar zones and is handy to bus services along nearby Remuera Road.



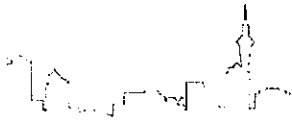
This is a good location, reasonably handy to Newmarket and with nearby pedestrian overbridge access to Great South Road. There is some motorway and rail noise, so that values are lower here than along the Remuera Road end of the street.

### 11.0 Improvements

Ignored. The land has been assessed as though vacant.

*Aerial photo*





## 12.0 Evidence

Various sales have been considered from the immediate and surrounding localities. The following are a selection, with a number useful in estimating re-development land value.

### South Remuera improved sales

**4 MacMurray Rd** Sale: Aug 2011 \$1,501,500 RV: \$1,450,000

Sold at auction by Barfoot and Thompson Ltd. This is a large 256 sqm 6 BR home (previously used as a boarding house, on a 766 sqm front site opposite the subject. R6a zone. Land content of this sale high as the site appears subdivisible (two units), although not with present improvements in place. Superior contour and aspect, but land component lower due to inferior site size. Similar development potential.

**7-9 Lillington Rd** Sale: April 2011 \$905,000 RV: \$660,000

170 sqm 1990s unit in 9 unit complex. Low land content.

**64 Lillington Rd** Sale: June 2011 \$835,000 RV: \$890,000

239 sqm upgraded 1920s home with elaborate rock front wall, on 607 sqm site adjoining the motorway. Low land content.

**10A Dromorne Rd** Sale: April 2011 \$1,340,000 RV: \$1,290,000

307 sqm 1990s home on 667 sqm site. Better location and improvements, but much lower land content.

**44A Armadale Rd** Sale: May 2011 \$1,177,000 RV: \$1,100,000

229 sqm 1960s home on 1130 sqm south facing rear site of awkward contour. Inferior land content.

**79 Clonbern Rd** Sale: May 2011 \$780,000 RV: \$810,000

147 sqm double bay villa on 1002 sqm site below road and adjoining the motorway. Low land content. Below market transaction. Represents close to the entry point for homes on full sites in this area.

**87 Clonbern Rd** Sale: April 2011 \$986,000 RV: \$930,000

189 sqm villa on 796 sqm rear site below the road and adjoining the motorway. Only slightly superior overall to no 79.

**8 Dilworth Ave** Sale: June 2011 \$1,780,000 RV: \$1,880,000

275 sqm 1920s home on 1011 sqm site adjoining Hobson Domain. High land content. Superior location.

**12 Mt Hobson Lane** Sale: April 2011 \$1,625,000 RV: \$1,460,000

254 sqm villa on 1125 sqm rear site with views, adjoining Hobson Domain. Difficult to compare, but overall superior land content.

**47 Market Rd** Sale: Aug 2011 \$3,800,000 RV: \$3,500,000

This is a large home with swimming pool and tennis court on a theoretically 4 unit (R3A) elevated frontage site, auctioned last Wednesday.

The land content of the sale price is difficult to interpret, as improvements are quite significant, but economically obsolescent. The agent believes the price to be "full" and I would concur. Analysis suggests a unit metre frontage rate close to that of the subject location.

### Vacant land sales

**27A Market Rd** Sale: April 2011 \$531,000 RV: \$640,000

Vacant rear lot of 861 sqm (net area very much less) with long right of way. Awkward contour and little afternoon sun.



**4 Dilworth Ave** Sale: May 2011 \$1,040,000 RV: \$720,000  
483 sqm vacant site setting a new record for the locality and one of a complex of 4 sites.

**4B Dilworth Ave** Sale: May 2011 \$980,000 RV: \$690,000  
584 sqm vacant rear site and one of a complex of 4 sites. Net site area similar to No 4.

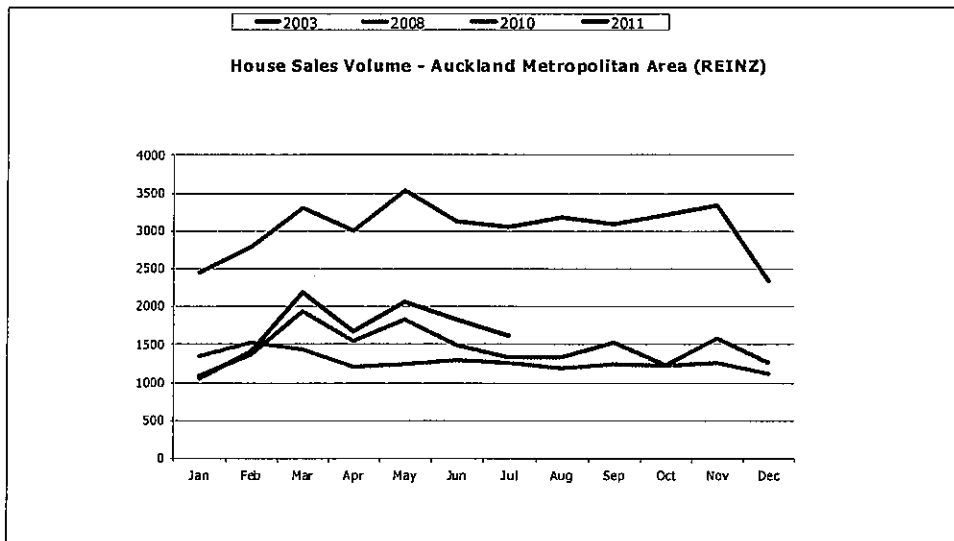
**6 Dilworth Ave** Sale: March 2011 \$1,040,000 RV: \$710,000  
478 sqm vacant site, with No 4 setting a new record for the locality. A very large new home is nearing completion.

**12 MacMurray Rd** Sale: Jan 2011 \$1,876,800 RV: \$2,340,000  
Price achieved is out of line with general market and I am recently advised that this is a freeholding, incorporating a leasee's discount (amount "significant", but unknown). Developed at present with a 201 sqm home with pool, well upgraded on an attractive 1821 sqm front site, zoned R6a. This is effectively a vacant land sale with development land value higher than this transfer price. Subdivisible (four units). Superior development potential, site area and contour.

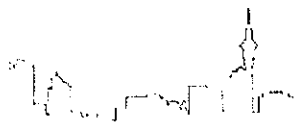
It would be unwise to compare sale margins with rating values (RVs, as presented in the right hand column above) and apply them to any particular property.

Rating values can be highly inconsistent (as noted in this particular case) and demonstrate the shortcomings of the computer generated "mass appraisal" techniques, which have been adopted for rating valuation purposes and the lack of recent individual property inspections by the rating valuers.

### 13.0 Market Trend Volume



This graph clearly displays the exceptional monthly volumes during the most recent property boom year (2003) and, by comparison the very low selling volumes during the most recent recessionary year (2008). The market can be considered average when volumes reach the mid level between these market extremes (as in March this year). The graphs all show the seasonal volume downturn over Christmas, due almost entirely to the effect of summer holidays on the selling period, when buyers and sellers are absent for a period. Data is generally from REINZ, occasionally supplemented by data published earlier in each succeeding month by Barfoot and Thompson Ltd.



So far during 2011 volumes have shown some recovery from last year and there is a gentle upward trend in values in the higher priced suburbs (such as this).

**Saleability**

Marketing period (the time taken to sell) tends to track selling volumes inversely. In other words, when volumes are high, marketing period is short.

**Market homogeneity**

It is particularly important to note that within the Auckland region the market is not a single homogenous entity. Market volumes rise and fall and prices change at different rates in different localities. The graphs above apply to the Auckland Metropolitan area as a whole, and therefore only give a general overview, and cannot be taken to reflect activity within any particular sector of the region.

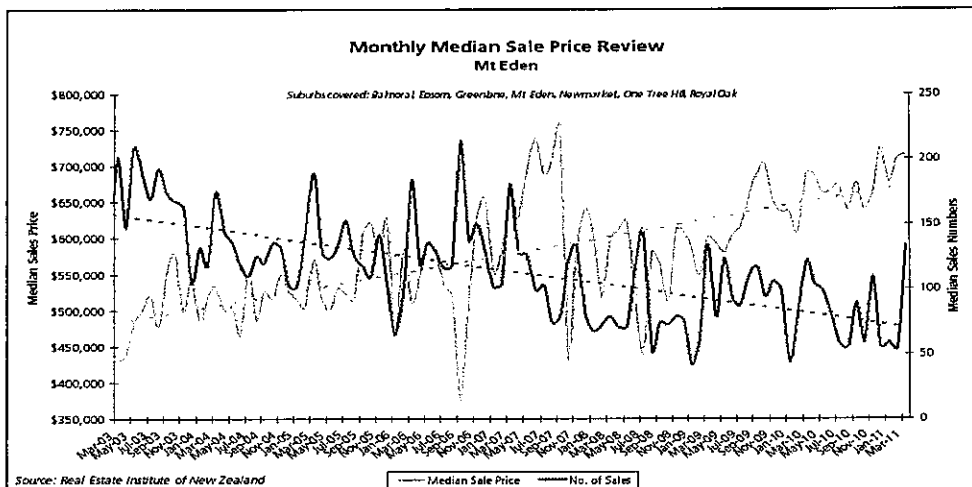
**Interest Rates**

For most Auckland localities a gradual drop in selling volumes mirrored the increases in interest rates from mid 2003 to early 2008, demonstrating a close correlation between the two factors. Interest rates are stable at present and low by recent historical standards.

**Price Changes by Suburb**

The graph on the next page is supplied by the Real Estate Institute of New Zealand and shows median price changes and selling volumes within a fairly wide suburban area, which includes the subject locality. It is important to note that the dotted trend lines (where shown) can be misleading. They have been interpreted by the Real Estate Institute and not by the writer as a valuer.

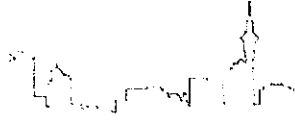
The price trend from early 2007 did not follow the normal upwards long-term trend and intermediate mini trends are not tracked. With the benefit of hindsight, it is now apparent that market values generally peaked in most areas in the early part of 2007. Values then initially eased back, with subsequent recovery in some areas. Low supply and low demand have been in reasonable equilibrium and price movements have generally been small.



Please note that median or average price changes are often quoted by the Press to indicate price movements. This is a good general indicator over a reasonable time period, but can be misleading comparing month to month, as any increase or decrease in either median or average price levels might merely indicate that within the area under scrutiny, most market activity is occurring either at the upper, or lower end of the local price range. There is currently higher than average monthly price volatility, with a gently upward price trend.

**Market Overview**

Overall the property market has three main aspects, comprising supply, demand and affordability. The first two factors effectively set any price level, but affordability, which is the ratio of ownership running costs (predominantly it is mortgage finance that is measured) to income, is an



indication of whether the market is likely to be in need of an upward or downward correction. Affordability of housing throughout New Zealand seems to have reached a lowest point for about the last 50 years (and possibly much longer) during 2007, clearly indicating the need for a downward correction to value levels, or alternatively an increase in incomes and/or a reduction in mortgage interest rates. Relatively small corrections have occurred, much less than in most other developed countries and affordability has accordingly slightly improved.

### **14.0 Valuation**

On a free-hold basis, the current market value of the land content of this property (assessed as vacant) is calculated, inclusive of GST, at a sum of **\$1,400,000 (One Million Four Hundred Thousand Dollars)**, apportioned as follows:

<b>Improvements</b>	<b>N/A</b>
<b>Land</b>	<b><u>\$1,400,000</u></b>
<b>Total</b>	<b><u>\$1,400,000</u></b>

This assessment represents **\$700,000** per unit for two units, or **\$1,383** per sqm of gross site area.

Please note that I have not been requested to assess, either the freehold capital value, or any Leasor or leasee interests in the property.

#### **VALUATION BASIS**

Comparison has been made with market transactions assuming a notional "open market" sale (as defined by NZIV/NZPI, assuming willing and prudent parties), with a reasonable offering period, involving cash out to the vendor and sale through a vendor paid Real Estate Agency.

#### **METHODOLOGY**

The main valuation method is "sales comparison", confirmed by a conventional "bricks and mortar" calculation (which is merely a more sophisticated method of applying sales analysis to the value of the subject property). Where relevant, capitalized income may be adopted for part or all of the assessment, as a prime method in the case of an investment assessment, an alternative method, or as a check. Other check methods may include the use of "gross rates", or statutory assessment margins. Building and other costs will be taken into account in calculating any improvements component, but adjusted to differentiate between cost and value.

#### **LIMITATION OF LIABILITY**

The valuation has been completed for the purpose stated and no responsibility is accepted in the event that the report is used for any other purpose, or by any other party than to whom it is addressed. It is valid only with an original signature.

The writer is not qualified to comment on land stability and will be unaware of details of substrata investigations concerning this land which may have been undertaken in the past have been provided, unless specifically stated in this report. Subject to the type of cursory surface examination of the land undertaken, any obvious site defects will be noted and commented upon in the "land description" clause.

This report is not a building, geotechnical, or environmental survey, and no responsibility is taken for the omission of building or other property defects, which may not be apparent without such professional investigation.

For the purposes of this report the inspection is non structural and non intrusive. Physical deterioration which is apparent will have been noted in the report and reflected in the valuation, but no warranty can be given as to the weather tightness or durability of any building, building element or associated structure for which the owner may have maintenance liability. Building parts unexposed or inaccessible have not been inspected. All plumbing and wiring, fittings and devices are assumed to be in proper working condition unless stated otherwise and are assumed to have existing use rights, or conform to the current building code and bylaws. Utility and other services provided to the property have not been tested and are assumed to be in proper working condition, including (but not limited to) water supply, electric power, telephone, storm water and wastewater.



No survey of property boundaries has been undertaken and unless otherwise stated, the assumption is made that all improvements lie within title boundaries. No guarantee is given that the land is not subject to statutory rights not recorded on the relevant certificate of title and not apparent from normal inspection of the property.

Unless specified within this report, no land information memorandum (LIM) details have been provided to the valuer and this valuation is accordingly made on the basis that there are no outstanding requisitions from the local authority in respect of the land or improvements and that the property complies with both the Building and Resource Management Acts, or enjoys existing usage rights. Should this not prove to be the case, it may be necessary to reconsider assessed values.

#### **COMPLIANCE STATEMENT**

This valuation has been performed in accordance with the International Valuation Standards negotiated so far with the Property Institute of New Zealand (PINZ), also with the (PINZ) code of ethics and practice standards and guidance notes (effective from October 2009).

#### **CERTIFICATION**

It is certified that Auckland Valuations Limited holds current professional negligence insurance for an adequate amount, bearing in mind the value of this property and the amount of risk exposure.

The valuation complies with the Property Institute of New Zealand (PINZ) code of ethics, also practice standards and guidance notes (effective from October 2009).

#### **INFORMATION SUPPLIED BY OTHER PARTIES**

Certain information contained in this report is supplied by others, for example, the rateable valuation, market evidence, zoning, and other such items. This information is believed to be reliable, but no responsibility is accepted if this should not prove to be the case.

Where any property is leased the nature of information supplied will be recorded. Such information will have been accepted and relied upon at face value and assumed to be complete and accurate and that any lease in place is fully enforceable. In any industrial or commercial valuation, the valuer will normally require that full lease documentation is provided. In the case of residential valuations, the valuer will normally rely on verbal data supplied, although written documentation is preferable.

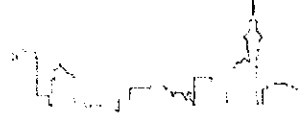
#### **CONTAMINATED SITES AND/OR BUILDINGS**

Substances such as asbestos, various chemicals, toxic waste, or other potentially hazardous materials could, if present, adversely affect the value of the property. The stated value is based on the assumption that there is no material on, in, or under the property which would cause loss of value. The valuer is not qualified to detect such substances, estimate remedial costs, or quantify the impact on property value. No historical land use search has been supplied or investigated. It appears that local bodies themselves are unlikely to have full knowledge of past non-residential land useage, nor are they likely to be aware of chemicals homeowners may have applied in the past in tending to their gardens. Pursuant to a student thesis of 2002 covering one possible source of contamination (market garden use of now prohibited chemical sprays), in late 2004 the various Auckland local authorities began mapping out localities of past market garden usage, from the 1940s through to the 1970s, the period considered to be of greatest risk. Subsequently, thousands of properties located within supposedly affected areas initially had their LIM reports tagged to indicate possible contamination. Future development on those properties will involve greater than average expense, as owners will need to undertake soil tests and, in some cases (where contamination beyond an "acceptable" level is found), there will need to be some form of surface and sub-soil clean up. Not all property owners have been advised that their properties are within suspect localities, or have their LIM reports tagged. Potential contamination is very well possible outside the indicated localities, due to the use of inappropriate chemicals by home owners, the import of soil of unknown quality from one place to another (including parks and grass verges), the existence of old tip sites, illegal waste disposal and various other current or past activities. There is no agreed soil testing system in place.

The RMA appears to place responsibility for the removal of contamination, in or under the soil, on individual property owners. In this regard, some properties, for example those located on old tip sites, would be a doubtful investment, but again there is no comprehensive map source showing disused tip locations available at present.

#### **CONFIDENTIALITY/PUBLICATION**

This report is confidential to the addressee, extended to others as indicated on the facing page. Neither the whole nor any part of this valuation, or any reference to it may be included in any document, circular, or statement without the written approval of the writer as to the form or context in which it will appear.



Thank you for giving this firm the opportunity of undertaking this assessment. If any further information is required, please contact the writer.

Yours faithfully

**AUCKLAND VALUATIONS LIMITED**

**M L Graham**

Registered Valuer

Dip Urb Val, ANZIV, AREINZ, SPINZ, APC 114 (2011)

In compliance with Section 325 of the Municipal Corporation Act 1920 the Mayor Corporation called the Mayor Councilors & Citizens of the City of Auckland doth hereby approve of the subdivision delineated hereon

into this eighteenth day of May 1922  
 signed and sealed by the Mayor Corporation called the Mayor Councilors & Citizens of the City of Auckland by the said Mayor and two of the said Councilors on behalf of the said Mayor Corporation the Councilors that of the said Mayor Corporation was at a meeting held on the eighteenth day of May 1922 set aforesaid and signed by the said Mayor of the City of Auckland in the presence of  
 Mount Hobson Domain

*[Signature]*  
 Mayor

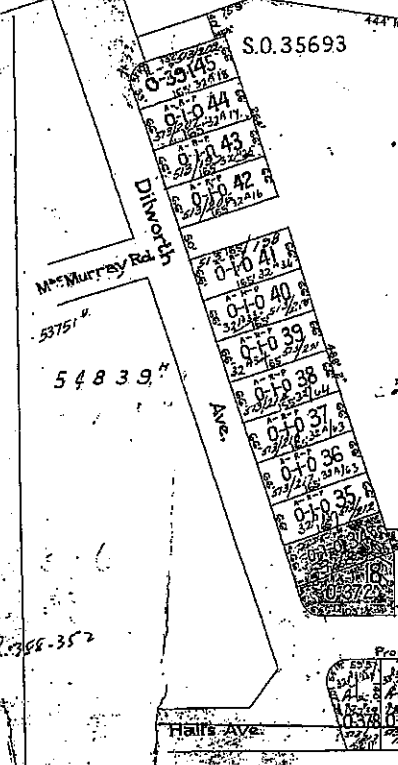


*[Signature]* Councilor

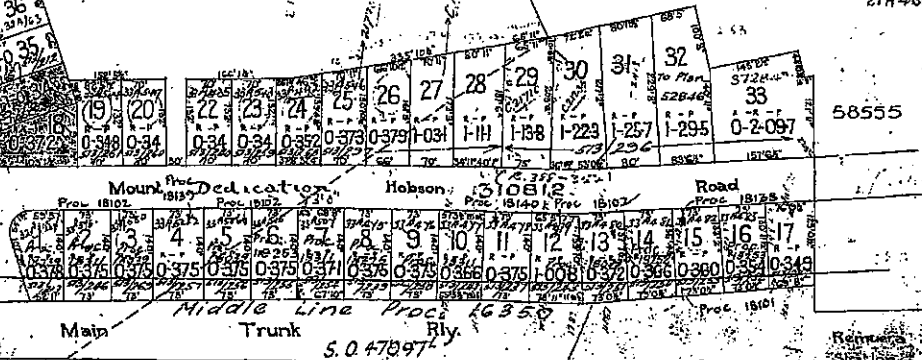
*[Signature]* Councilor

*[Signature]*

95  
 Remuera Road



21  
 13-0-194  
 51A/21A 38  
 32  
 The Mayor R332/700  
 Councilors etc.



21A460

58555

Ref 234349

Plan of Subdiv of Allotments 2 & 7 Section 11 Subdiv of Auckland  
 Surveyed by Harrison & Grierson Licensed Surveyors June 1921  
 SCALE: 138 ft to one inch

*[Signature]*  
 Licensed Surveyor  
 Feb. 17th 1922

409

409



**COMPUTER FREEHOLD REGISTER  
UNDER LAND TRANSFER ACT 1952**

Limited as to Parcels

Search Copy



R. W. Muir  
Registrar-General  
of Land

**Identifier** NA513/217  
**Land Registration District** North Auckland  
**Date Issued** 29 November 1928

**Prior References**

DI 32A.63

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**Estate** Fee Simple  
**Area** 1012 square metres more or less  
**Legal Description** Lot 36 Deeds Plan 409

**Proprietors**

The Dilworth Trust Board

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**Interests**

X10276 CAVEAT BY THE DISTRICT LAND REGISTRAR - 29.11.1928 AT 3.00 PM  
6987697.1 Lease in renewal of Lease C697059.2 Term 21 years commencing on the 1.8.2006 (Purchasing and Renewal Clause) CT 304600 issued - 14.8.2006 at 9:00 am

