

12.1 Sale of Meadows Road properties**Author:** Paul Cooper, Group Manager Environmental Services**Authoriser:** Bede Carran, Chief Executive

| | |
|-------------------------------|--|
| Section under the Act | The grounds on which part of the Council or Committee may be closed to the public are listed in s48(1)(a)(i) of the <i>Local Government Official Information and Meetings Act 1987</i> . |
| Sub-clause and Reason: | s6(b), s7(2)(b)(ii) and s7(2)(i) - Good reason for withholding official information exists if the making available of that information would be likely to endanger the safety of any person, The withholding of the information is necessary to protect information where the making available of the information would be likely unreasonably to prejudice the commercial position of the person who supplied or who is the subject of the information and The withholding of the information is necessary to enable the Council to carry out, without prejudice or disadvantage, negotiations (including commercial and industrial negotiations) |
| Plain English Reason: | To protect a person's safety, To protect commercially sensitive information and To enable Council to carry out commercial or industrial negotiations. |

Recommendation

That Council:

1. approve officers initiate negotiations with interested parties; and
2. provide further direction on preferred next steps for sale of the properties.

Purpose of Report

- 1 The purposes of this report are twofold. Firstly, to provide Council with a summary of the outcome of the closed tender process for the potential sale of Council owned bare industrial land situated at 76, 78, 80 and 90 Meadows Road in Washdyke; and to present options following no tenders being received.
- 2 Secondly, to seek a direction from Council as to next steps; whether the properties are placed back on the market, we negotiate with interested parties or simply hold the properties until after the general election.

Assessment of Significance

- 3 The significance assessment of the sale of the Meadows Road properties, when considered against the criteria of Timaru District Council's Significance and Engagement Policy, is low. Council may note however, that there is significant public interest in both how these properties were acquired and how they might potentially be disposed of.

Background

- 4 During the week beginning Monday 8 May 2023 there were media reports of gang tension at the property at 90 Meadows Road. During that week, members of the community spoke with elected members and expressed a concern that occupants of the property at 90 Meadows Road were being required to vacate under duress.
- 5 Late on Friday 12 May 2023 and across the ensuing weekend Council was presented with an opportunity to acquire the properties for their respective capital value as assessed by Quotable Value (QV).
- 6 During the week beginning 15 May 2023 the media reported that police were executing a search warrant on 90 Meadows Road. The window presented to Council was narrow, a couple of days at most, at which point there was a very real risk that possession of the properties would have passed under duress to parties previously un-associated with the vendors of the properties.
- 7 The most likely time for a passing of the property to previously un-associated parties would likely have been at the completion of the police search, in fact Police were told this was the intention by the displaced party. Obtaining possession in circumstances where the property had passed to the possession of previously un-associated parties would very likely have presented Council with problematic challenges regarding its own rights of possession and ownership.
- 8 Council representatives who had been approached considered there was an opportunity to acquire the properties, and if it was accompanied by an intention to dispose there was only a limited risk of it imposing a fiscal cost to the community. Additionally, ownership would provide Council with control over the sale of the properties and their subsequent ownership.
- 9 Council officers, knowing about the likelihood of the displaced un-associated parties re-occupying 90 Meadows Road at the completion of Police activities, meant that not only were Council purchasing under urgency but there was a need to demolish the buildings at the site under some urgency.
- 10 Over a period of about 5 hours officers engaged contractors to carry out an asbestos assessment, worked with local contractors to clear property from the buildings and were subsequently able to demolish the buildings that afternoon prior to Police concluding their activities at the site.
- 11 The expedited nature of the purchase and demolition of 90 Meadows Road (in particular) has ensured that the pathway into the Timaru District illicit drug market by serious organised crime groups has been significantly impacted and delayed. The affirmative action also serves as a message to any future attempt at infiltration by these groups that it will not be an easy process for them to undertake.
- 12 For more background about the acquisition of the Meadows Road properties please refer to the previous report on the matter, attached as Appendix 1.
- 13 The property purchases were unconditional and purchased for the capital value assessed by Quotable Value (QV) as follows:

| | Address | Price (QV value) | Area |
|------|-----------------|-------------------------|---------------------|
| (i) | 90 Meadows Road | \$1,260,000 | 8,776m ² |
| (ii) | 80 Meadows Road | \$305,000 | 814m ² |

- | | | | |
|--|-----------------------|-----------|-------------------|
| | (iii) 78 Meadows Road | \$270,000 | 820m ² |
| | (iv) 76 Meadows Road | \$285,000 | 811m ² |
- 14 Once in Council ownership, over a period of several weeks, tenants in the houses at 76, 78 and 80 Meadows Road moved out and a contractor was engaged to assess and remove asbestos at the properties before clearing all four sites.
- 15 Material generated by the demolition was trucked to Redruth and disposed of at Timaru District Council's own landfill.
- 16 Costs associated with the demolition and clearing of the sites (including asbestos) was circa \$300,000 (about \$168,000 of this amount being received by Council as revenue for disposal). The total amount spent on acquiring the properties and preparing the sites for sale is circa \$2.42M.
- 17 Council officers had the properties valued in August 2023 at \$1.65M for 90 Meadows Road and \$610,000 for 76, 78 and 80 Meadows Road – total value being \$2.26M. The valuation document is attached to this report as Appendix 2.
- 18 Valuations being traditionally conservative, Council put the properties on the market via a closed tender process conducted by Gresson Dorman & Co. The properties were on the market for 3 weeks with tenders closing on 24 August 2023.
- 19 The properties were marketed on TradeMe, in print locally and in larger metros, on our website, social media and through business networks (lawyers, accounting firms, banks etc.).
- 20 No tenders were received, however some parties spoken to through the process indicated a desire to negotiate should the properties fail to sell.

Discussion

- 21 If the market conditions are analysed, a number of factors may have influenced the lack of tenders at the conclusion of the process. The factors include it was previously owned by an outlaw motorcycle gang and featured prominently as such in the media, there is economic uncertainty due to concerns regarding the performance of the economy and the imminent general election in October 2023.
- 22 It is not anticipated that the value of the four properties will diminish over time but rather increase (albeit slowly). It is also worthy of note that Council's ongoing and holding costs associated with the four properties will be negligible.
- 23 The real estate market across New Zealand can be negatively impacted by a general election, and it may resolve somewhat post the general election to be held on 14 October 2023.

Options and Preferred Option

- 24 Council has a number of options available, and officers seek direction in that regard. The options are as follows:
- 25 **Option 1** - (preferred option) - Initiate negotiations with interested parties; or
- 26 **Option 2** - place the properties back on the market through another closed tender process conducted by Gresson Dorman & Co.; or
- 27 **Option 3** - place the properties back on the market with a real estate company; or
- 28 **Option 4** - a sequenced combination of the above options; or

- 29 **Option 5** - hold on to the properties until there are more favourable market conditions.

Consultation

- 30 This matter is a commercial decision of low significance in terms of Councils' Significance and Engagement Policy. No consultation is required, although it is noted as stated previously, there will be strong public interest in the disposal of the properties.

Relevant Legislation, Council Policy and Plans

- 31 Under the Property Management Policy, Council has directed to officers to dispose of the land.
- 32 The Local Government Act 2002 confers the relevant status and powers on Council to make the decisions recommended in this report

Financial and Funding Implications

- 33 Officers anticipate a cost neutral outcome for Council.

Other Considerations

- 34 There are no other considerations identified by Officers.

Attachments

1. **Council Report - 30 May 2023 - Purchase of Meadows Road property.**
2. **Valuation of Meadows Road Properties.**

11.1 Purchase of Meadows Road property, Washdyke**Author:** Paul Cooper, Group Manager Environmental Services**Authoriser:** Bede Carran, Chief Executive

| | |
|-------------------------------|---|
| Section under the Act | The grounds on which part of the Council or Committee may be closed to the public are listed in s48(1)(a)(i) of the <i>Local Government Official Information and Meetings Act 1987</i> . |
| Sub-clause and Reason: | s6(b), s7(2)(a), s7(2)(b)(ii), s7(2)(g) and s7(2)(i) - Good reason for withholding official information exists if the making available of that information would be likely to endanger the safety of any person, The withholding of the information is necessary to protect the privacy of natural persons, including that of deceased natural persons, The withholding of the information is necessary to protect information where the making available of the information would be likely unreasonably to prejudice the commercial position of the person who supplied or who is the subject of the information, The withholding of the information is necessary to maintain legal professional privilege and The withholding of the information is necessary to enable the Council to carry out, without prejudice or disadvantage, negotiations (including commercial and industrial negotiations) |
| Plain English Reason: | To protect a person's safety, To protect a person's privacy, Commercial sensitivity, To protect all communications between a legal adviser and clients from being disclosed without the permission of the client. and To enable commercial or industrial negotiations. |

Recommendation

That Council:

1. pursuant to section 12 (2) of the Local Government Act 2002 ratifies the purchase of the properties at 90, 80, 78 and 76 Meadows Road, Washdyke Timaru for the following amounts:
 - (i) 90 Meadows Road - \$1,260,000
 - (ii) 80 Meadows Road - \$305,000
 - (iii) 78 Meadows Road - \$270,000
 - (iv) 76 Meadows Road - \$285,000;
2. resolves to prepare the properties for sale in a competitively tendered process so as to optimise the sale price;
3. instructs Officers to bring for its consideration the offers received at the conclusion of the sale process; and
4. delegates to the Mayor and Chief Executive the authority to complete arrangements necessary to give effect to resolutions 1 – 3 above.

Purpose of Report

- 2 The purposes of the report are twofold. First, is to provide Council with the background to the property purchases at 90, 80, 78 and 76 Meadows Road Washdyke (refer Attachment 1 Map Meadows Road Land Purchases) and obtain its ratification on the property transactions. Secondly, to seek Council's direction on future dealing and management of the properties.

Assessment of Significance

- 3 There is undoubtedly significant public interest in the matter, however when assessed against Council's Significance and Engagement Policy it is not considered significant. The matter relates to the purchase of 4 properties in the Washdyke Industrial Zone. The property purchases when considered collectively are expected to be fiscally neutral or slightly beneficial for Council and they do not affect its strategic assets, levels of service or rates.

Background and discussion

- 4 There are 4 properties involved in the arrangement to purchase. The purchase of all 4 properties were interdependent on the others being sold as part of the arrangement. The reason for interdependency was to ensure the desired outcomes identified by Council acquiring the properties were not thwarted by an incomplete property arrangement. An incomplete arrangement presented an opportunity for other interested parties to utilise the residential properties if the main property at 90 Meadows Road was not available.
- 5 The property purchases were unconditional and purchased for the capital value assessed by Quotable Value (QV) as follows:

| | Address | Price (QV value) | Area |
|-------|--------------------|-------------------------|----------------------------|
| (i) | 90 Meadows Road | \$1,260,000 | 8,776m ² |
| (ii) | 80 Meadows Road | \$305,000 | 814m ² |
| (iii) | 78 Meadows Road | \$270,000 | 820m ² |
| (iv) | 76 Meadows Road | \$285,000 | 811m ² |
| | Total price | \$2,120,000 | 11,221m² |

- 6 During the week beginning Monday 8 May 2023 there were media reports of gang tension at the property at 90 Meadows Road. During that week, members of the community spoke with elected members and expressed a concern that occupants of the property at 90 Meadows Road were being required to vacate under duress.
- 7 Late on Friday 12 May 2023 and across the ensuing weekend Council was presented with an opportunity to acquire the properties for their respective capital value as assessed by Quotable Value (QV). During the week beginning 15 May 2023 the media reported that police were executing a search warrant on 90 Meadows Road. The window presented to Council was narrow, a couple of days at most, at which point there was a very real risk that possession of the properties would have passed to parties previously un-associated with the vendors of the properties. The most likely time for this passing to previously un-associated parties would likely have been at the completion of the police search. Obtaining possession in circumstances where the property had passed to the possession of previously un-associated parties would very likely have presented Council with problematic challenges regarding its own rights of possession and ownership.

Public Excluded Council Meeting Agenda

30 May 2023

- 8 Council representatives who had been approached considered there was an opportunity to acquire the properties, and if it was accompanied by an intention to dispose there was only a limited risk of it imposing a fiscal cost to the community. Additionally, ownership would provide Council with control over the sale of the properties and their subsequent ownership.
- 9 The process adopted in this instance is a departure from Council's usual process for property purchases. Broadly, the process is for officers to bring a paper to Council which sets out the business need, the business case including funding and financing of the proposed purchase, stakeholders with an interest and engagement and/or consultation undertaken with various parties (including where appropriate Community Boards). Council then considers the matter and makes a decision on whether to purchase the offered property.
- 10 The departure from the usual process was occasioned by the need for rights of possession to be obtained almost contemporaneously with the agreement for sale and purchase and for settlement to then be completed on a carefully timed but expedited basis. This was necessary to provide Council with right of access and possession against other parties who may have wished to assert and exercise an equitable right to the property.
- 11 Having obtained the property it is Council's intention to clear the sites and prepare them for resale in a competitively tendered process. All sites are considered to be desirable, and are zoned Industrial under Council's district plan.
- 12 In respect of 90 Meadows Road once the site is cleared it will be ready for sale including with industrial phase power without significant additional development required.
- 13 In respect of the other 3 properties consideration will be given to boundary adjustments to create one parcel of land with an area of 2,445 m² prior to a sale of the properties.
- 14 The report is now seeking ratification of the purchase of the properties and a resolution that they should be prepared and presented for sale on a competitively tendered basis.

Options and Preferred Option

- 15 Pursuant to section 12(2) of the Local Government Act 2002 (LGA) Council as a local authority is granted full capacity to carry on or undertake any activity or business, do any act, or enter into any transaction. Council is being requested to ratify the purchase of the properties and pursuant to section 12(2) of the LGA has the authority to so ratify. The nature of ratification, been post an event, and the unconditional nature of the sale and purchase agreements means it is now problematic for Council to revisit and seek to repudiate the agreements. While the expenditure for the purchase of the properties is unbudgeted expenditure, it is expected that Council will not suffer any financial loss. It is noted that financial considerations on a purchase of property is only one of a range of considerations for Council, and that there are other considerations particularly when measured against all 4 of the well-beings (social, economic, environmental and cultural).
- 16 In respect of the officers noting the option of on-sale, an alternative open to Council is to retain the properties and determine whether it has use it considers may provide better outcomes than an immediate sale. This will impose a cost to Council to either hold the land and/or then develop the land for a specific purpose. Officers are not aware of an immediate purpose or use for the property. Further, the properties had not previously been identified as having any specific or strategic importance to Council.

Consultation

- 17 There was no wider consultation on the purchase, consultation was limited to a narrow group mainly the Police in respect of some operational matters regarding possession of the property. Some elected members had discussions with concerned members of the community regarding the property and concerns over the nature of the activities that may have been undertaken at the property.

Relevant Legislation, Council Policy and Plans

- 18 The Local Government Act 2002 confers the relevant status and powers on Council to make the decisions recommended in this report.

Financial and Funding Implications

- 19 The cost of the properties is noted above. After transactional costs and other costs associated with preparing the properties for sale, such as site clearance and management of asbestos, and assuming Council resolves to sell the properties, the per square estimates for the land suggest costs should be recovered and overall the purchase is either cost neutral or slightly positive for Council.

Other Considerations

- 20 No other considerations have been identified.

Attachments

1. **Map Meadows Road Land Purchases**

INDUSTRIAL LAND VALUATION REPORT 76, 78, 80 AND 90 MEADOWS ROAD TIMARU



Instructed by:

Timaru District Council

Client:

Timaru District Council

Date of Valuation:

16 August 2023

Registered Valuers

100 Le Cren Street, Timaru 7840, NZ



Property Consultants

P: (03) 684 6503 F: (03) 684 9757 W: www.carterco.co.nz
E: admin@carterco.co.nz

VALUATION SUMMARY

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

| | |
|------------------------------|---|
| Address: | 76, 78, 80 & 90 Meadows Road, Washdyke, Timaru |
| Instructed by: | Timaru District Council |
| Client: | Timaru District Council |
| Date of Valuation: | 16 August 2023 |
| Purpose of Valuation: | Market Value. |
| Property Type: | Industrial Properties. |
| Brief Description: | <p>The subject property comprises four blocks of land.</p> <p>The first block of land is 90 Meadows Road. This is a block of land comprising some 8,766m² which has recently been cleared by yourselves.</p> <p>The second properties are three adjacent lots being 76, 78 & 80 Meadows Road with a land area between the three properties of 2,455m².</p> |
| Significant Risks: | Refer risk assessment contained in report. |
| Market Value: | <p>90 Meadows Road</p> <p>As inspected at \$1,650,000 (One million six hundred and fifty thousand dollars only).</p> <p>Package 76 – 80 Meadows Road</p> <p>As inspected at \$610,000 (Six hundred and ten thousand dollars only).</p> <p>Individual Values</p> <p>76 Meadows Road</p> <p>As inspected at \$210,000 (Two hundred and ten thousand dollars only).</p> |

78 Meadows Road

As inspected at \$200,000 (Two hundred thousand dollars only).

80 Meadows Road

As inspected at \$200,000 (Two hundred thousand dollars only).

Unless otherwise stated, all figures are GST exclusive (if any)

Compliance Statement:

This valuation report has been prepared in accordance with the Australia and New Zealand Valuation Guidance Papers for Valuers and Property Professionals and the International Valuation Standards effective 31 January 2022.

Inspection Type:

Externally

Indemnity:

Professional Negligence Insurance is held by Carter Valuations Limited and both Roger Carter and Andrew Hogg are covered by this policy.

Prepared by:

Carter Valuations Limited
Roger Carter
Dip Urb Val, ANZIV
SPINZ, AREINZ
Registered Valuer







**90 MEADOWS ROAD
TIMARU**







76 – 80 MEADOWS ROAD
TIMARU



17 August 2023

The Chief Executive
Timaru District Council
2 King George Place
TIMARU

Attn: Bede Carran

Dear Sir,

RE: CURRENT MARKET VALUATION

76, 78, 80 & 90 MEADOWS ROAD, TIMARU

Further to recent instructions received from yourselves, we advise we inspected the above vacant sites on 16 August 2023 and now submit the following valuation report providing a current market valuation for the subject properties.

The purpose of this valuation report is to establish a current market value of each respective lot and combined value for 76 – 80 Meadows Road as the properties are being offered for tender by yourselves closing next week.

NATURE OF PROPERTY

The subject property comprises four blocks of land.

The first block of land is 90 Meadows Road. This is a block of land comprising some 8,766m² which has recently been cleared by yourselves.

The second properties are three adjacent lots being 76, 78 & 80 Meadows Road with a land area between the three properties of 2,455m².

VALUATION

See later in report.

DATE OF VALUATION

16 August 2023

LEGAL DESCRIPTION**90 Meadows Road**

Lot 3 Deposited Plan 35163
Certificate of Title CB14F/474

76 Meadows Road

Lot 4 Deposited Plan 20082
Certificate of Title CB1D/747

78 Meadows Road

Lot 3 Deposited Plan 20083
Certificate of Title CB1D/746

80 Meadows Road

Lot 2 Deposited Plan 20082
Certificate of Title CB1D/745

LOCAL AUTHORITY

Timaru District Council

90 Meadows Road

Valuation Reference 24930/265.02
2023 / 2024 Rates \$6,037.77 including Regional Council rates.

76 Meadows Road

Valuation Reference 24930/271.00
2023 / 2024 Rates \$2,360.14 including Regional Council rates.

78 Meadows Road

Valuation Reference 24930/270.00
2023 / 2024 Rates \$2,360.14 including Regional Council rates.

80 Meadows Road

Valuation Reference 24930/269.00
2023 / 2024 Rates \$2,360.14 including Regional Council rates.

RATEABLE VALUATION**90 Meadows Road**

| | | |
|---------------|-----------|------------------|
| Improvements | \$ 1,000 | |
| Land Value | \$910,000 | |
| Capital Value | \$911,000 | 1 September 2020 |

76 Meadows Road

| | | |
|---------------|-----------|------------------|
| Improvements | \$ 0,000 | |
| Land Value | \$200,000 | |
| Capital Value | \$200,000 | 1 September 2020 |

78 Meadows Road

| | | |
|---------------|-----------|------------------|
| Improvements | \$ 0,000 | |
| Land Value | \$200,000 | |
| Capital Value | \$200,000 | 1 September 2020 |

80 Meadows Road

| | | |
|---------------|-----------|------------------|
| Improvements | \$ 0,000 | |
| Land Value | \$200,000 | |
| Capital Value | \$200,000 | 1 September 2020 |

REGISTERED OWNER

Timaru District Council

TENURE

Freehold

EASEMENTS ON TITLE**90 Meadows Road**

Subject to Section 8 Coal Mines Amendment Act 1950.

Easement Certificate 30051.2 being rights to drain water in favour of the subject property over an adjoining Lot 1 Deposited Plan 35657.

We annex a copy of this easement for your perusal.

76 Meadows Road

Easement Certificate 263295.1 being rights to drain water in favour of the subject property over the adjoining Lot 1 Deposited Plan 39703.

78 Meadows Road

Easement Certificate 263295.1 being rights to drain water in favour of the subject property over the adjoining Lot 1 Deposited Plan 39703.

80 Meadows Road

Easement Certificate 263295.1 being rights to drain water in favour of the subject property over the adjoining Lot 1 Deposited Plan 39703.

These easements appear to be in order and have little, if any, detrimental effect to the value of the property.

ZONING

All properties are zoned Industrial H under the operative Timaru District Council District Scheme. This zone is intended for heavy industrial activities having more adverse environmental effects and which should be separated from residential and other sensitive activities. Please find annexed a copy of the appropriate pages from the District Scheme along with a town planning map.

Under the proposed District Scheme these sites are zoned general industrial. We note within this zone under the proposed District Scheme these properties are in an area known as Sea Water Inundation zone. Little is known of this at the present time but this covers a substantial part of the industrial area of Washdyke along with Port of Timaru and Redruth area and could have quite wide implications. Our understanding is that buildings are to be built to a certain building height and particular building materials may not be approved and uses of the property. This is unknown territory and we really are not sure of any time frames in which this could be implemented.

SITUATION AND LOCALITY

These properties are situated on the southern side of Meadows Road, in the Washdyke Industrial Estate. Number 76 Meadows Road adjoins Sheffield Street. The surrounding properties are all industrial in nature covering a wide range of uses from Heartland Chips, Juice Products, Paul Smith Earthmoving, Light Leathers and a considerable number of other smaller businesses. Meadows Road is a relatively major road within the Washdyke Industrial Estate providing access to the Seadown area in the north.

Access to State Highway One is relatively straight forward.

Meadows Road has a sealed carriageway, sewer and other normal municipal services.

SITE DESCRIPTION**90 Meadows Road**

This block of land is rectangular in shape and generally level in contour as can be seen on the annexed aerial photograph and Certificate of Title. The property has recently been cleared of any improvements by yourselves and is being offered as a vacant site comprising some 8,766m².

76 Meadows Road

This is a block of land with frontage to both Meadows Road and Sheffield Street. Land area is 812m². Once again this site has recently been cleared and is level in contour.

78 Meadows Road

This site is level in contour, rectangular in shape and has a land area of 819m². Once again it has recently been cleared of any improvements.

80 Meadows Road

Once again this site is rectangular in shape and level in contour. Land area is 814m². Once again this site has been cleared.

We have been asked to consider these three sites as a package and the total land area would be 2,445m² with two road frontages.

NATURE OF IMPROVEMENTS

There are no improvements on any of the sites.

OTHER IMPROVEMENTS

Basic boundary fencing.

RISK ASSESSMENT

| Property Risk Ratings | 1 | 2 | 3 | Market Risk Ratings | 1 | 2 | 3 |
|-----------------------------------|----------|----------|----------|------------------------------|----------|----------|----------|
| Location and Neighbourhood | | | | Reduced value next 1-2 years | | | |
| Land (including planning & title) | | | | Market Volatility | | | |

| | | | | | | | |
|----------------------|--|--|--|---------------------------|--|--|--|
| Environmental issues | | | | Local economy impact | | | |
| Improvements | | | | Market segment conditions | | | |

Risk Ratings: 1=Low, 2=Medium & 3= High.

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

MARKET COMMENTARY

Post the New Zealand General Election in September 2017 a Labour led coalition Government has been formed with the New Zealand First Party supported by confidence of supply agreement from the Green Party with a change of Government policies which have filtered through since the election. Since then, the Labour Party have won the election and are able to govern alone.

Prior to March 2020 where the Covid-19 was declared a global Pandemic by the World Health Organisation data being released through the CPI continued to demonstrate the solid performance of the NZ economy. However, since the Pandemic global financial markets have certainly fluctuated quite markedly although they seem to be settling now and travel restrictions and recommendations have been implemented by many countries including New Zealand.

The Consumer Price Index is at 6.7% as at May 2023 up considerably over recent months. The dollar has been reasonably active over the last period of time. We note the Reserve Bank has retained the OCR rate as of 16 August 2023 to 5.5%. We believe this rate may start to flatten off in the foreseeable future.

New Zealand unemployment has increased since the Covid-19 Pandemic, but South Canterbury's unemployment rate is certainly lower than the National average.

We consider South Canterbury reasonably robust and understand that approximately 65% to 70% of the workforce was considered Essential Services during the lockdown period of the Covid-19 Pandemic. We are a rural support town with a busy Port and a number of substantial agricultural businesses. We consider Timaru will emerge from this Pandemic considerably better than many other parts of New Zealand because of its rural base and its large food producing facilities in the area along with large coolstores and busy Port. In 2014 the majority shareholding of the Timaru Port was purchased by the Port of Tauranga which is New Zealand's most successful port. This is resulting in strong links to shipping lines and the re-establishing of the Port of Timaru as the main outlet for Fonterra through the Kothahi agreement between Silver Fern Farms and Fonterra as a 10 year freight alliance between the Port of Tauranga and the Maersk Shipping Line. There has been considerable increase in activity from the Port of Timaru both with importing and exporting.

The Commercial and Industrial Real Estate Market in South Canterbury has been relatively strong since 2012 and we note there is a shortage of well-located and well leased properties. The fallout from the Christchurch earthquakes, particularly in respect to earthquake prone buildings and insurance ramifications has created a two-tier market for commercial / industrial properties. Older or earthquake buildings have become difficult to lease or sell and the market for more modern buildings, particularly steel framed buildings similar to the subject property have provided strong sales in the marketplace. The subject property falls into the latter category.

Commercial lending rates have increased in recent months slowing demand for investment commercial / industrial properties. Sales evidence is now showing a firming in capitalisation rates. Population growth and the general strength of the local economy has seen significant industrial expansion. Industrial Zones have extended into rural areas and numerous new buildings which have shown rising rentals over the last couple of years. The most recent development being The Landings in Theodosia Street on the fringe of the commercial business in Timaru has shown particularly high retail and office rentals at rates never before seen in Timaru. We believe these have been driven by current building costs. These spaces have been unit titled and all have been sold at low for Timaru capitalisation rates which are unlikely to see any rental growth for some time. We saw these commercial retail food outlets having more fallout from the **Covid-19 Pandemic** than the industrial properties. We consider industrial properties and their uses as mentioned above are generally part of the essential services of the area and there has always been a low vacancy factor in this sector, and we see this continuing for the foreseeable future.

The outbreak of the Covid-19 pandemic has led to significant implications for New Zealand and local economies. There has been a supply chain crisis and a tight labour market and changes to our monetary policy and inflations pressures.

There have also been credit contract regulations introduced under the Consumer Finance Act introduced in late 2021 which is already having some negative impacts on liquidity and access to funding. This coupled with rapidly increasing retail interest rates poses some headwind to certain sectors of the property market which can flow on to the general economy.

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Pressures within the labour market return as the country moves closer to full employment. There has been a falling of unemployment but with the opening of the borders there is the belief there will be a number of New Zealanders relocated overseas.

In summary the short term projection of the New Zealand economy is still relatively difficult to determine in light of recent events.

SWOTS ANALYSIS

We have considered and summarised the key positive and negative features associated with the subject property. This process assists in determining the appropriate yield and adopted rates for the valuation.

90 Meadows Road

Strengths and Opportunities

- Vacant block of land zoned Heavy Industrial suitable for immediate development

Weaknesses and Threats

- Potential clarification on the Seawater Inundation classification which may complicate heights / buildings on the properties.
- Ongoing impact of economic fallout from Covid-19 pandemic with supply chains and uncertainty.
- Changing market conditions may see values change over the short to medium term.
- Continued increase in interest rates driven by inflationary pressures.

76, 78 & 80 Meadows Road

Strengths and Opportunities

- As a block comprises some 2,445m² suitable for immediate development.
- Two road frontages.

Weaknesses and Threats

- Potential clarification on the Seawater Inundation classification which may complicate heights / buildings on the properties.
- If sold separately these sites are quite restrictive in what can be built on them because of the small size of each site.
- Ongoing impact of economic fallout from Covid-19 pandemic with supply chains and uncertainty.
- Changing market conditions may see values change over the short to medium term.
- Continued increase in interest rates driven by inflationary pressures.

VALUATION

Basis of Value – This valuation assessment is based on market value.

Market Value

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

In valuing these properties we have considered sales of other industrial land which has sold in the greater Washdyke and Redruth areas in Timaru over recent times.

| | | |
|---------------------------------------|--------------|-----------|
| 9 Washdyke Flat Road, Washdyke | sold 12 / 21 | \$190,000 |
|---------------------------------------|--------------|-----------|

This is an 862m² site zoned Light Industrial in a modern recently finished subdivision. This equates out to \$220 per m².

Washdyke Flat Road, Washdyke

These are two adjoining sites purchased by a local building company. The corner site comprises 1,877m² and sold for \$425,000. This equates out to \$226 per m². The second site is adjacent and has a land area of 2,052m² and sold for \$400,000. This equates out to \$195 per m².

8 Laughton Street, Washdyke sold 02 / 22 \$620,000

This is a 2,679m² site, zoned Light Industrial which has been purchased by an adjoining owner. This equates out to \$231 per m².

48 Rothwell Street, Redruth sold 06 / 22 \$735,000

This is a block of land zoned both Light and Heavy Industrial with a land area of 3,684 m². There are some old building comprising some 170 m². This equates to \$199 per m².

84 Sheffield Street, Washdyke sold 09 / 22 \$860,000

This is a 4,894m² site which is ready for building on. This sold at \$175 per m².

162 Meadows Road, Washdyke sold 02 / 20 \$2,200,000

This is a 1.6887 hectare block of land with a house built in the 1970's on the frontage. This is a similar zone to the subject property being a Deferred Heavy Industrial. Services are available close by at the southern boundary at Meadows Road. This sale equates out to \$130 per m² inclusive of the home.

6 Millward Street, Washdyke

We are aware this property has recently sold for \$2,230,000. This is a 1.5553 hectare block of land with approximately 2,700m² of shingle. This sold at \$143 per m².

16 / 22 Martin Street, Washdyke sold 01 / 23 \$4,467,000

This is a large block of land comprising some 2.6090 hectares of land which is currently in grass and needs to be prepared for building. This sold at \$171 per m².

38 – 42 High Street, Parkside sold 02 / 23 \$1,050,000

This is three adjoining properties which were previously the Road Knights gang headquarters. This block of land comprises some 2,996 m² over three titles and sold at a m² rate of \$350 before demolition. If we include demolition the m² rate arrives at \$365.

182 Meadows Road sold 06 / 23 \$2,600,000

This is a substantial block of land fronting Meadows Road and Lindon Lane. The area of land is 2.3841 hectares. The site has some base course preparation. This equates out to \$109 per m².

VALUATION SUMMARY

We are aware of the recent sale prices of the two properties:

90 Meadows Road sold for \$1,260,000 with a land area of 8,766m². This equates out to \$143 per m². Once we allow demolition costs we believe the end up cost to the council is close to \$1,300,000 at a m² rate of \$148.

76 Meadows sold for \$285,000 which equates out to \$350 per m². If we include demolition we believe the cost to the council is \$300,000 or \$369 per m².

68 Meadows Road sold for \$270,000 which equates out to \$329 per m². Once we allow for demolition we believe the cost to the council is around \$285,000 which is \$348 per m².

80 Meadows Road sold for \$305,000 which equates out to \$374 per m² plus demolition which ends up costing the council around \$320,000 which equates to \$393 per m².

We understand 90 Meadows Road is being sold as a package with tenders closing in the near future.

The other three properties can be purchased individually or as a package and are also being offered for tender.

We are aware these properties were purchased with the intent of removing gang headquarters and associated parties from these sites. We are also aware the property at 38 – 42 High Street sold on the same basis. We believe these properties have sold for a premium but community wise have sold for a very good cause and certainly helps the Timaru community.

These sites are well located with good access and all services available and are surrounded by some substantial businesses including DB Breweries, leather factory, Carters tyres, McCains, Heartland Chips and a number of other substantial businesses. Industrial land is relatively sought after in the Washdyke area and there has been a shortage of particularly heavy industrial zoned land over the last period of time. Some of these sites are now starting to be developed and are considerably larger blocks of land and are further north / east of the subject property and some are requiring services.

We understand these properties are currently up for tender and we have been asked to value them accordingly.

Therefore after considering the above sales and all relevant factors we assess values as follows:

90 Meadows Road

\$1,650,000 (ONE MILLION SIX HUNDRED AND FIFTY THOUSAND DOLLARS ONLY) plus GST if any. This equates out to \$188 per m². This property is a well proportioned site and has good land area comprising some 8,766m².

76, 78 & 80 Meadows Road

We believe these properties should be sold as one package which will comprise some 2,445m² of land.

\$610,000 (SIX HUNDRED AND TEN THOUSAND DOLLARS ONLY) plus GST if any. This equates out to \$250 per m² which equates to some sales in our sales analysis details.

We have also been asked to consider these three sites being sold separately. We believe this is not the correct method of valuation but we have allowed for figures as follows:

76 Meadows Road

\$210,000 (TWO HUNDRED AND TEN THOUSAND DOLLARS ONLY) plus GST if any. This equates out to \$260 per m². For this we have allowed for a corner influence because of the two road frontages.

78 Meadows Road

\$200,000 (TWO HUNDRED THOUSAND DOLLARS ONLY) plus GST if any. This equates out to \$245 per m².

80 Meadows Road

\$200,000 (TWO HUNDRED THOUSAND DOLLARS ONLY) plus GST if any. This equates out to \$245 per m².

In summary we believe the larger block of land at 90 Meadows Road is desirable because of its extra size and the smaller blocks of land are more restrictive for buildings particularly of the shape and size of the sites.

As can be seen there is an upside on the 90 Meadows Road site but there is a downside on the other three properties. However in some ways the properties have been purchased for the benefit of the community of Timaru and a premium was certainly paid for the smaller property as can be seen from our valuation. Our valuation figures show the end result to the Timaru District Council will show a situation where all costs should be covered by the end sales prices which to us is a satisfactory outcome.

This valuation report has been prepared in accordance with the Australia and New Zealand Valuation guidance papers for valuers and property professionals and the International Valuation Standards effective January 2022.

In conclusion, we thank you for your instructions and if there are any matters arising from this valuation report, please do not hesitate to contact the undersigned.

Yours faithfully
CARTER VALUATIONS LIMITED

A handwritten signature in blue ink, appearing to read 'R Carter', is positioned above the printed name.

Roger Carter
Dip Urb Val, ANZIV
SPINZ, AREINZ
Registered Valuer



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



R. W. Muir
Registrar-General
of Land

Identifier CB14F/474
Land Registration District Canterbury
Date Issued 24 January 1975

Prior References
CB12F/1112 CB14F/548

Estate Fee Simple
Area 8766 square metres more or less
Legal Description Lot 3 Deposited Plan 35163

Registered Owners
Timaru District Council

Interests

Subject to Section 8 Coal Mines Amendment Act 1950 (affects part formerly in CT CB14F/548)

30051.2 Easement Certificate specifying the following easements - 27.3.1975 at 10.09 am

| Type | Servient Tenement | Easement Area | Dominant Tenement | Statutory Restriction |
|-------------|--|---------------|--|-----------------------|
| Drain water | Lot 1 Deposited Plan 35657 - CT CB15A/395 | - | Lot 3 Deposited Plan 35163 - herein | |

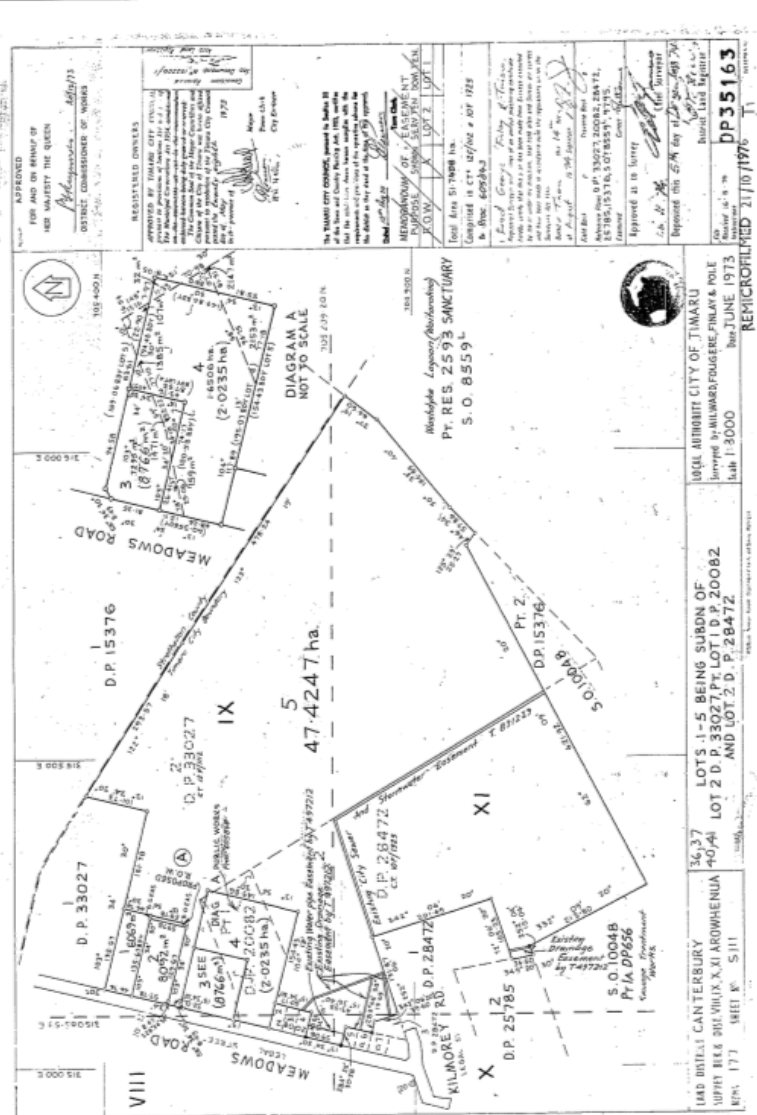
The easements as specified in Easement Certificate 30051.2 when created will be subject to Section 351 E (1)(a) Municipal Corporations Act 1954

Transaction ID 1507327
Client Reference rcarter002

Search Copy Dated 17/08/23 9:05 am, Page 1 of 2
Register Only

Identifier

CB14F/474



Transaction ID 1507327
Client Reference rcarter002

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Register Only

30051-2 EC
Approved by the Registrar General of Land, Wellington. No. A032940

NEW ZEALAND

EASEMENT CERTIFICATE

Canterbury

Land Registry Office

(IMPORTANT—Registration of this certificate does not of itself create any of the easements specified herein.)

I, HER MAJESTY THE QUEEN, THE TRUSTEES EXECUTORS AND AGENCY COMPANY OF NEW ZEALAND LIMITED a duly incorporated company having its Registered Office at TIMARU and DENISE HUDSON of Timaru, married woman

being the registered proprietor of the land described in Schedule 'A' hereto hereby certify that the easements specified in that Schedule, the servient tenements in relation to which are shown on a plan of survey deposited in the Land Registry Office at Christchurch on the 12th day of March 19 75 under No. 35657 are the easements which it is intended shall be created by the operation of Section 90A of the Land Transfer Act 1952.

SCHEDULE 'A'

| C.T. Ref. | Nature of Easement (e.g. Right of Way etc.) | SERVIENT TENEMENT | | Dominant Tenement Lot No. or other Legal Description |
|------------|--|------------------------------------|--|---|
| | | Lot No. or other Legal Description | Identification of Part Subject to Easement | |
| 14 F / 475 | Right to Drain Water | Lot 1 | "F" | Lot 3 D.P. 35163 14 F / 474 |
| | Right to Drain Water | Lot 1 | "G" | Lot 4 D.P. 35163 14 F / 547 |
| | Right to Drain Water | Lot 1 | "H" | Lot 4 D.P. 35163 |

1. The rights and powers set out in the Seventh Schedule to the Land Transfer Act 1952 are herein implied except as they are added to or substituted in Schedule 'B' hereto.

2. The terms, covenants, conditions, or restrictions set out in Schedule 'C' hereto shall attach to the easements specified therein.

Dated this 21st day of March 19 75

THE COMMON SEAL of the
TIMARU BRANCH OF THE
TRUSTEES EXECUTORS AND AGENCY
COMPANY OF NEW ZEALAND LIMITED

Signed by the above-named
in the presence of
WAS HEREUNTO AFFIXED IN THE PRESENCE OF:

Witness: [Signature] J. Reeson
Occupation: [Signature] MANAGER

Address: _____



Correct for the purposes of the Land Transfer Act

[Signature]
Solicitor for the Registered Proprietor

SCHEDULE 'B'

State whether any
right or power set
out here are in
addition to or in
substitution for
those set out in the
Seventh Schedule to
the Land Transfer
Act 1952.

1. Rights and Powers:

Nil

SIGNED by the above-named
DENISE HUDSON
in the presence of:

D. Hudson

SIGNED by JOHN ROGER SMART
for and on behalf of Her Majesty
the Queen pursuant to an
authority dated the 15th day of
August 1973 given to him by the
Minister of Works and Development
under section 13, Public Works
Amendment Act 1948, in the
presence of:

J. Smart

Witness:

*D. Hudson*Occupation: *block*Address: *Ministry of Works & Development
Christchurch*

[illegible]

SCHEDULE 'C'

2. Terms, conditions, covenants, or restrictions in respect of any of the above easements:

Nil

HER MAJESTY THE QUEEN
TRUSTEES EXECUTORS AND AGENCY
COMPANY OF NEW ZEALAND LIMITED
and
DENISE HUDSON

EASEMENT CERTIFICATE

THE WITHIN EASEMENTS WHEN CREATED WILL BE SUB-
JECT TO SECTION 351 E (1) (4) MUNICIPAL CORPORATIONS
ACT 1954

ALL

REGISTRATION OF T. 5081211 CREATES DE
WITHIN EASEMENT RELATIVE TO LOTS 2 & 3 P.P.
35163. 18.2.86 *will base.*

RAYMOND, WARD, SULLIVAN
& COONEY

SOLICITORS

TIMARU, N.Z.

9/74

THE CAXTON PRESS, CHRISTCHURCH SERIAL NO. 18

Particulars entered in the Register as shown in the
Schedule of Land herein on the date and at the time
stamped below.

Phonol
District Land Registrar
Assistant of the District of Canterbury



MAR 27 10 09 AM '75

154/395,
146/474 S & D
District Land Registry
Christchurch No. 1

030051/2







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



R. W. Muir
Registrar-General
of Land

Identifier CB1D/747
Land Registration District Canterbury
Date Issued 21 September 1962
Prior References
CB522/95

Estate Fee Simple
Area 812 square metres more or less
Legal Description Lot 4 Deposited Plan 20082
Registered Owners
Timaru District Council

Interests

263295.1 Easement Certificate specifying the following easement - 21.2.1980 at 10.53 am

| Type | Servient Tenement | Easement Area | Dominant Tenement | Statutory Restriction |
|-------------|--|---------------|--|-----------------------|
| Drain water | Lot 1 Deposited Plan 39703 - CT CB17K/309 | - | Lot 4 Deposited Plan 20082 - herein | |

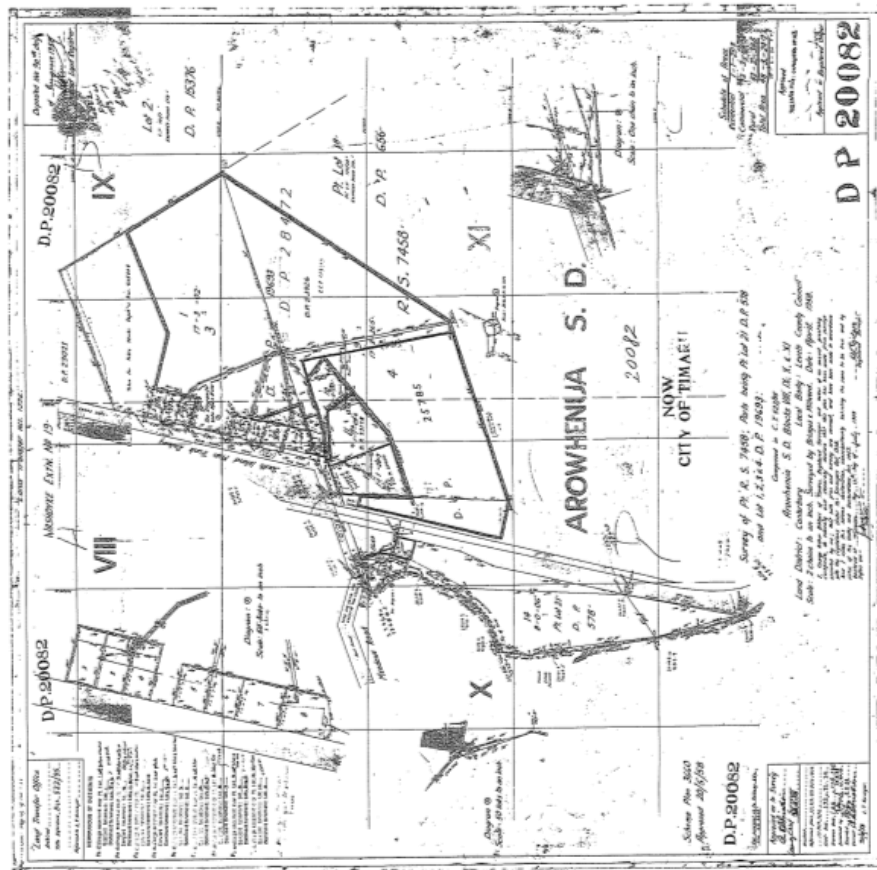
The above easement when created will be subject to Section 309 (1) (a) Local Government Act 1974

Transaction ID 1507354
Client Reference rcarter002

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Register Only

Identifier

CBID/747



Transaction ID 1507354
 Client Reference rcarter002

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RECORD OF TITLE
UNDER LAND TRANSFER ACT 2017
FREEHOLD
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R. W. Muir
Registrar-General
of Land

Identifier **CB1D/746**
Land Registration District **Canterbury**
Date Issued 21 September 1962
Prior References
CB522/95

Estate Fee Simple
Area 819 square metres more or less
Legal Description Lot 3 Deposited Plan 20082
Registered Owners
Timaru District Council

Interests

263295.1 Easement Certificate specifying the following easements - 21.2.1980 at 10.53 am

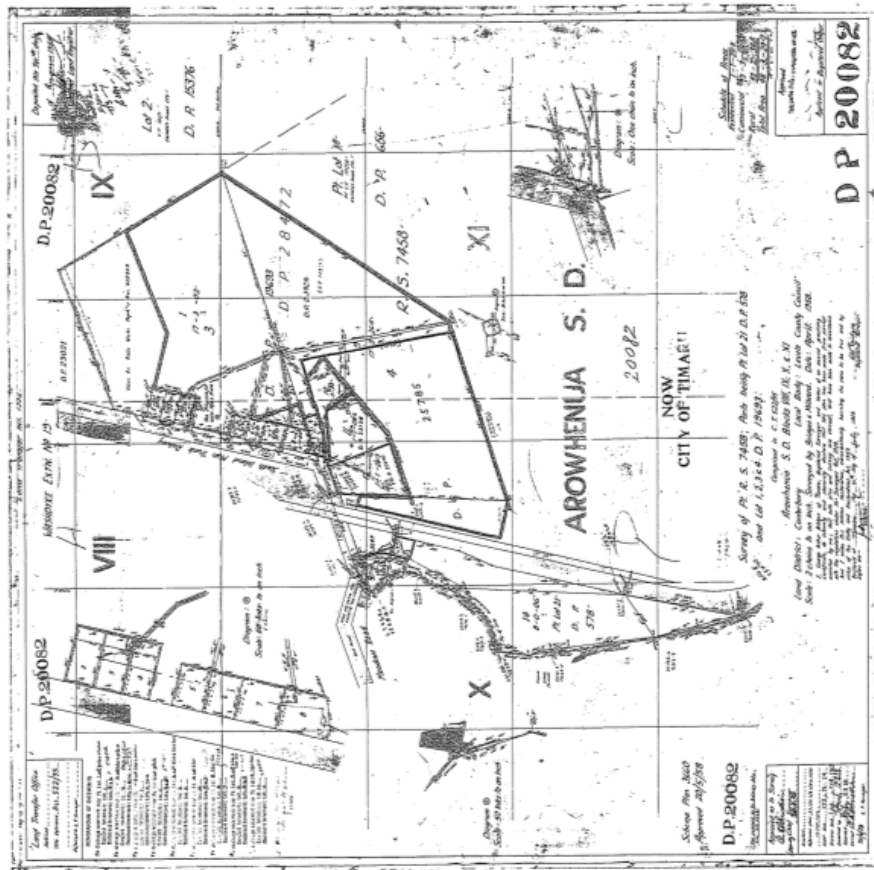
| Type | Servient Tenement | Easement Area | Dominant Tenement | Statutory Restriction |
|-------------|--|---------------|--|-----------------------|
| Drain water | Lot 1 Deposited Plan 39703 - CT CB17K/309 | Part | Lot 3 Deposited Plan 20082 - herein | |

The above easements when created will be subject to Section 309 (1) (a) Local Government Act 1974 and will satisfy the memorandum of easements on D.P. 35657

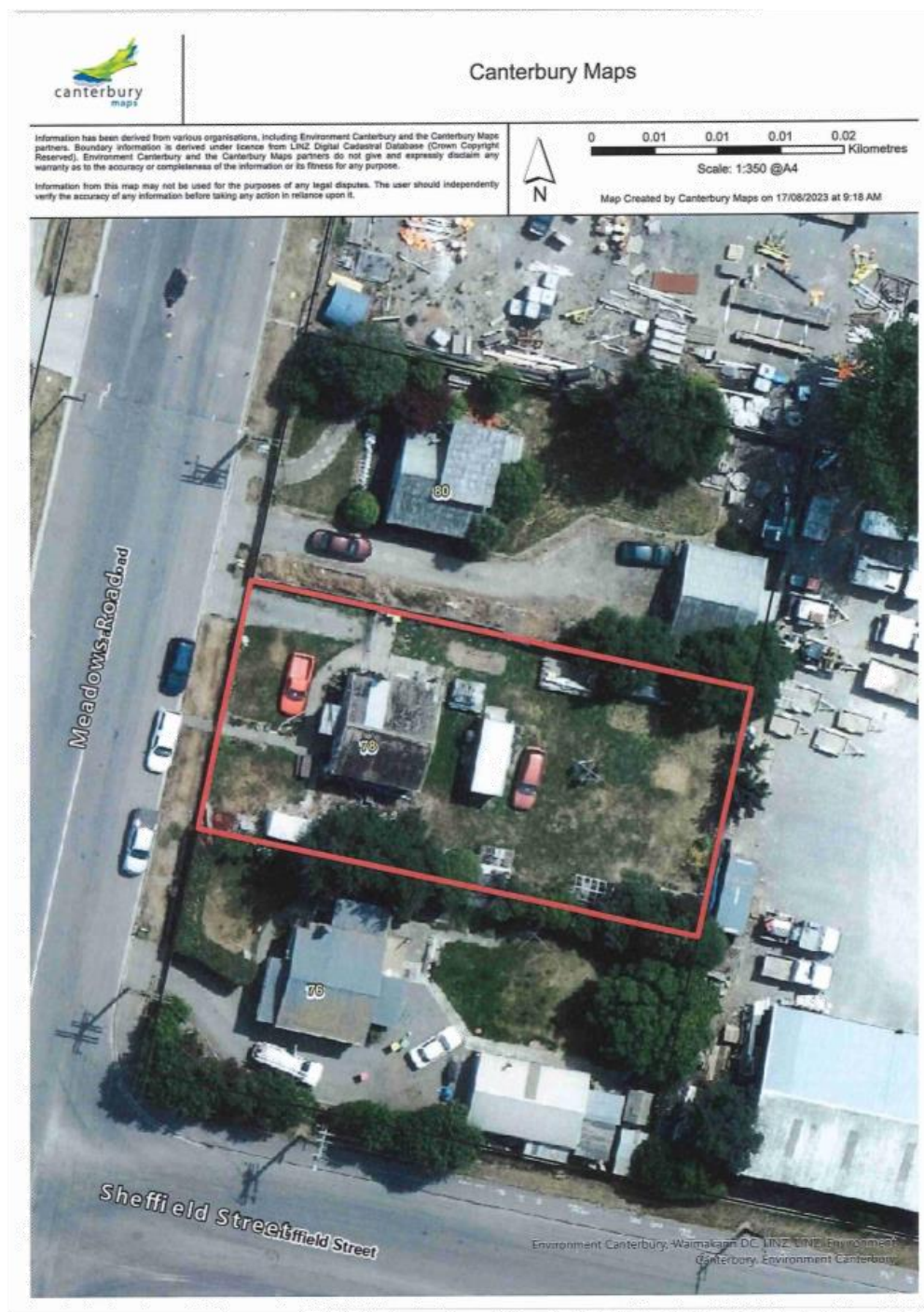
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Client Reference rearter002




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Register Only

CB1D/746



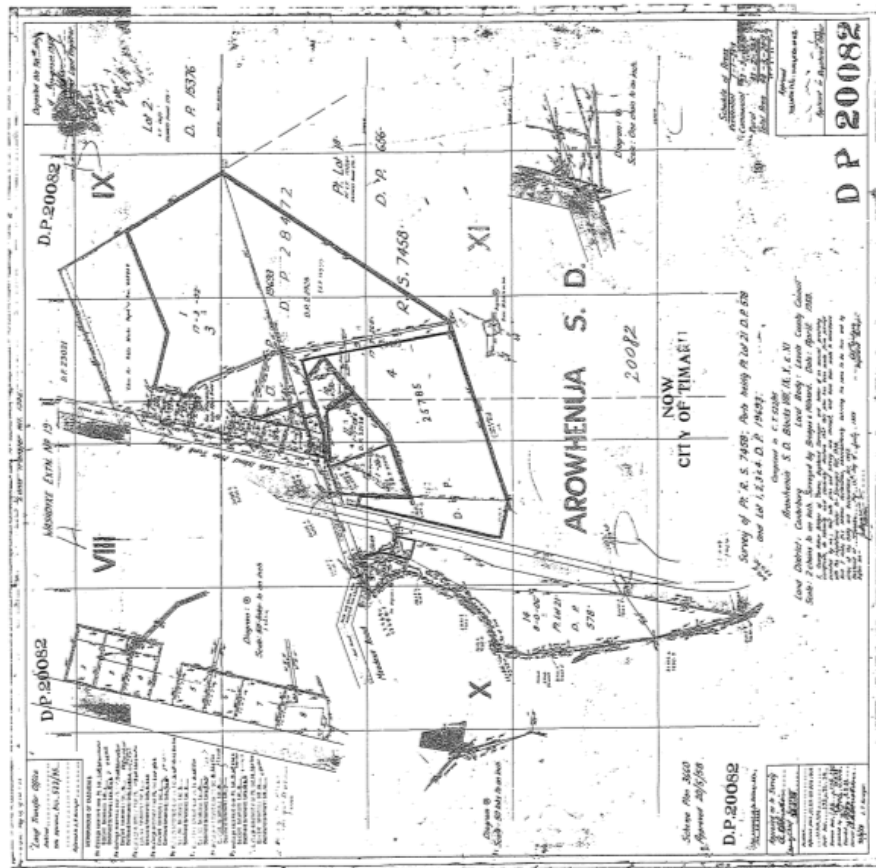
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|---|---|---|--|------------------------------|
|  | RECORD OF TITLE UNDER LAND TRANSFER ACT 2017 FREEHOLD Search Copy |   R.W. Muir Registrar-General of Land | | |
| <hr/> | | | | |
| Identifier | CB1D/745 | | | |
| Land Registration District | Canterbury | | | |
| Date Issued | 21 September 1962 | | | |
| Prior References | CB522/95 | | | |
| <hr/> | | | | |
| Estate | Fee Simple | | | |
| Area | 814 square metres more or less | | | |
| Legal Description | Lot 2 Deposited Plan 20082 | | | |
| Registered Owners | Timaru District Council | | | |
| <hr/> | | | | |
| Interests | | | | |
| 263295.1 Easement Certificate specifying the following easements - 21.2.1980 at 10.53 am | | | | |
| Type | Servient Tenement | Easement Area | Dominant Tenement | Statutory Restriction |
| Drain water | Lot 1 Deposited Plan 39703 - CT CB17K/309 | Part | Lot 2 Deposited Plan 20082 - herein | |
| The above easements when created will be subject to Section 309 (1) (a) Local Government Act 1974 and will satisfy the memorandum of easements on D.P.35657 | | | | |
| <hr/> | | | | |
| Transaction ID 1507346 Client Reference rcarter002 | | Search Copy Dated 17/08/23 9:06 am, Page 1 of 2 Register Only | | |

Identifier

CB1D/745



Transaction ID 1507346
Client Reference rcart002

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Part DIndustrial Zones

4.2.2 INDUSTRIAL H ZONE**1 PERMITTED ACTIVITIES**

The following are permitted activities subject to complying with all the Performance Standards for this zone and the General Rules:

- 1.1 Any industry or goods storage.
- 1.2 Utility Services.
- 1.3 Public Utilities.
- 1.4 Maintenance or servicing of machinery, vehicles or equipment.
- 1.5 Port, rail or trucking related services and facilities.
- 1.6 Retailing of goods and services that are produced on the site.
- 1.7 Retailing of building supplies automotive parts, electrical parts or equipment, engineering or mechanical parts or equipment.
- 1.8 Meteorological Activities.
- 1.9 Emergency Services Facilities.
- 1.10 Road and bridge construction and maintenance within road reserves.
- 1.11 Prospecting and Exploration.
- 1.12 Buildings accessory to the above.
- 1.13 Maintenance and minor upgrading of existing utility services except that the activity shall not be subject to compliance with performance standards 5.4 - 5.6.
- 1.14 Those activities provided for in the General Rules as permitted activities.
- 1.15 Telecommunication and radio communication facilities.

2 CONTROLLED ACTIVITIES

The following are controlled activities subject to complying with all the Performance Standards for this zone and the General Rules, with the exercise of Council's discretion restricted to the matter(s) specified:

- 2.1 Those activities provided for in the General Rules as controlled activities.

Part D

Industrial Zones

3 DISCRETIONARY ACTIVITIES

The following are discretionary activities in this zone subject to complying with the General Rules:

- 3.1 Any activity listed as a permitted, controlled or discretionary activity which does not comply with the performance standards for this zone.
- 3.2 Those activities provided for in the General Rules as discretionary activities.
- 3.3 Telecommunication facilities and radio communication facilities, which do not meet the performance standards for the zone. The Council shall restrict its discretion to potential visual effects.

NOTE: When considering applications for discretionary activities regard shall be had to the Performance Standards for this zone.

4 NON-COMPLYING ACTIVITIES

All activities not provided for as a permitted, controlled or discretionary activity in this zone are non-complying unless they are provided for by a General Rule.

5 PERFORMANCE STANDARDS FOR INDUSTRIAL H ZONE

- **Sunlight and Outlook**

- 5.1 No part of any building shall project beyond a building envelope constructed by recession planes set out in Appendix 2 where the site shares a boundary with a Residential Zone.
- 5.2 All buildings shall be set back 10 metres from boundaries common with residentially zoned land.
- 5.3 All buildings shall be set back 5 metres from road boundaries where a Residential Zone is located on the opposite side of the road, or where the road is an Arterial or Principal road.

- **Visual Amenity**

- 5.4 A landscape strip shall be provided which has an average width of not less than 1.5 metres, along those parts of the site adjoining or visible from a public road. A screen fence of not less than 2 metres in height shall also be provided along the edge of the landscaped strip furthest from the road.

Part D

Industrial Zones

- 5.5 Where a site adjoins the Rural 3 Zone a buffer area of not less than 3 metres shall be provided and shall be planted with species compatible with the amenity and function of the natural area or coastal environment.
- 5.6 Where a site adjoins a Zone boundary a screen fence of not less than 2 metres in height shall be provided for the length of the common boundary (see also General Rule 6.19 for landscaping and parking requirements).
- **Obtrusive Light**
- 5.7 All exterior lighting on industrial zoned sites shall be directed away from residentially zoned land and from roads.
- 5.8 Other than street lighting, no spill light from a permanently fixed artificial light source shall exceed 10 lux, measured in the vertical plane at the windows of household units on any other sites in Residential Zones, between the hours 10.00pm and 7.00am, and 20 lux at all other times; and
- 1 lux measured in the vertical plane at the windows of household units on any other sites in Rural Zones, between the hours 10.00pm and 7.00am, and 10 lux at all other times.
- **Noise**
- 5.9 All activities shall be conducted so as to ensure that noise arising from such activities does not exceed the following noise limits unless specific noise levels are provided for the activity elsewhere in this Plan:
- (a) At any point within the boundary of any Commercial Zone:

| | |
|---|-------------------------|
| At any time | 65 dBA L ₁₀ |
| On any day between 10.00pm and 7.00am the following day | 75 dBA L _{max} |
 - (b) At any point within the boundary of any Residential 1 or Residential 3 Zone:

| | |
|---|-------------------------|
| 7.00am to 10.00pm | 50 dBA L ₁₀ |
| At all other times | 40 dBA L ₁₀ |
| On any day between 10.00pm and 7.00am the following day | 70 dBA L _{max} |

Part D

Industrial Zones

- (c) At any point within the boundary of any Residential 2 or Residential 4 Zone or at any point within the notional boundary of any dwelling in a Rural Zone:

| | |
|---|-------------------------|
| 7.00am to 10.00pm | 55 dBA L ₁₀ |
| At all other times | 45 dBA L ₁₀ |
| On any day between 10.00pm and 7.00am the following day | 75 dBA L _{max} |

Provided these provisions shall not apply to land within the Residential 2 Zone in Timaru between the Terrace and the Main South Railway Line.

- 5.10 See General Rule 6.21 for measurement and assessment of noise, standards for construction and maintenance noise, and General Rule 6.10 for Temporary Buildings and Activities.

• **Traffic Safety at Intersections**

- 5.11 Notwithstanding any other provision in the Plan no person shall construct or reconstruct any building, accessory building, structure, erection or fence, (except for the maintenance and minor upgrading of utility services' poles) or shall permit to grow a hedge, tree or other growth, whether on the boundary or not, over 900 millimetres in height above the average ground level within 6 metres of a road intersection, except for clear stemmed trees, which are pruned to maximise visibility for traffic safety.

• **Natural Hazards**

- 5.12 No buildings shall be erected on land which is less than 3 metres above mean sea level.

6 ATTENTION IS DRAWN TO THE FOLLOWING GENERAL RULES

(a) **Vehicle Access and Loading**

See General Rule 6.7.

(b) **Parking**

See General Rule 6.8.

(c) **Hazardous Substances**

See General Rule 6.9.

Part D

Industrial Zones

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STATEMENT OF GENERAL VALUATION POLICIES

1. Carter Valuations Limited does not and shall not assume responsibility to any person other than the person who has engaged Carter Valuations Limited. Valuations and other services provided by Carter Valuations Limited are solely for the use of the client. Any person, other than the client, who uses or relies on this valuation, does so at their own risk.
2. This valuation has been completed for the specific purpose stated in this report. No responsibility is accepted in the event that this report is used for any other purpose.
3. This report is relevant as at the date of preparation and to circumstances prevailing at that time. However, within a changing economic environment, returns on investment and values can be susceptible to variation, sometimes over a relatively short time scale. We therefore strongly recommend that before any action is taking involving acquisition, disposal or borrowing, restructuring or any other transaction that you consult us.
4. Carter Valuations Limited has no financial interest or otherwise in the subject property, and there is no relationship with the vendor, purchaser, or agents.
5. Market value - The estimated amount for which an asset should exchange on the date of valuation between a willing buyer and a willing seller in an arm's length transaction after proper marketing wherein the parties had each acted knowledgeably, prudently, and without compulsion.
6. Carter Valuations Limited has a policy of not contracting out of the Consumer Guarantees Act 1993. Accordingly, where there is any conflict between any statement in this report and the Consumer Guarantees Act 1993, the latter shall prevail.
7. Neither the whole nor any part of any valuation Report, nor any reference to the same may be included in any published document, circular or statement without our written approval as to the form and context in which it may appear.
8. Substances such as asbestos, other chemicals, toxic wastes or other potentially hazardous materials could, if present, adversely affect the value of the property. The stated value estimate is on the assumption that there is no material on or in the property that would cause loss in value. No responsibility is assumed for any such conditions and the recipient of this report is advised that the Valuer is not qualified to detect such substances, quantify the impact on values or estimate the remedial cost.
9. This report complies with the New Zealand Institute of Valuer's Practice Valuation Standard No1 & Standard No 2, International Valuation Standards 101 and the New Zealand Institute of Valuer's Code of Ethics.
10. Roger Leonard Carter Dip Urb Val, ANZIV, SPINZ, AREINZ holds an annual practicing certificate and has been practicing as a Registered Valuer in Canterbury, the Mackenzie Basin, the Waitaki Valley and North Otago continuously since 1981.
11. Andrew Hogg B Com (Ag). PG. Dip Commerce, ANZIV, SPINZ holds an annual practicing

certificate and has been practicing as a Registered Valuer in Canterbury, South Canterbury, the Mackenzie Basin, the Waitaki Valley and North Otago since 1993.

12. Whilst we comment upon any building deficiencies advised to us or which have become apparent to us during our inspection. PLEASE NOTE
- (a) We have not tested hot and cold water systems, drainage or electrical systems which we have assumed to be in fair working order.
 - (b) We have not undertaken, nor obtained, a detailed survey to verify compliance with the requirements of the Building Act 2004. In this regard we have assumed, for the purpose of our valuation, that any aspect requiring upgrading to comply with the Building Act will be met by the owner.
 - (c) We have not sighted a Land Information Memorandum for this property. This has been completed on the basis that the property is clear of any outstanding requisitions which would detrimentally affect the property's value and that (a) and (b) above apply. We therefore reserve the right to reconsider and / or confirm this valuation should the LIM report disclose any matters which may affect the value of the property.
13. The boundary pegs were not located at the time of inspection and we advise that we have not carried out a survey of this site. We assume all improvements lie within the title boundaries and our valuation is completed on this basis.
14. Any comments made by us in respect of any structures or service components on this property are made from a valuation viewpoint and must not be construed to represent a structural, geotechnical or environmental survey.
15. This valuation report has been completed independent of any owner of the subject property.
16. Professional Negligence Insurance is held by Carter Valuations Limited and Roger Carter and Andrew Hogg are covered by this policy.