



Valuation reference: 54321/12345
Property ID (QPID): 0123456
Date of Inspection: 4/02/2016
Date of Report: 18/05/2016

Earthquake Commission
Canterbury Field Office
PO Box 34-027
Fendalton
Christchurch 8540

Property address: 17 SAMPLE STREET, SAMPLEVILLE CHRISTCHURCH 0000 (the Property)

VALUATION ASSESSMENT

The amount of Diminution of Value (DOV) assessed for the Property as a result of Increased Liquefaction Vulnerability (ILV) land damage is:

\$ 10,500

Valuation Assessment – Increased Liquefaction Vulnerability reduced the Property’s market value

EQC asked us to assess the reduction in market value due to the Increased Liquefaction Vulnerability damage on the Property. We have concluded that the increase in liquefaction vulnerability has reduced the market value of the Property. The amount of the Diminution of Value of the Property is set out above.

In making our assessment, we took into account:

- the vulnerability of the Property to liquefaction before and after the 2010-2011 sequence of Canterbury earthquakes (Canterbury Earthquakes), and
- the extent of the increase in the liquefaction vulnerability on the Property as a result of the physical changes to the land caused by the Canterbury Earthquakes.

We also:

- considered the information provided by EQC’s engineers, Tonkin + Taylor. This material includes information on changes in liquefaction vulnerability as a result of the Canterbury Earthquakes, and the practical implications of those changes, and
- adopted the market valuation of the Property as at 3 September 2010. This valuation has been carried out for EQC by Quotable Value Limited (QV).

We have used accepted valuation standards and practice

We carried out our valuation in accordance with the *Diminution of Value Methodology for Increased Liquefaction Vulnerability (for properties with residential building in place)* (Diminution of Value Methodology) which is available at www.eqc.govt.nz/ILV. This methodology was established in April 2016 and complies with accepted valuation standards and practice. The methodology has been endorsed by an Expert Valuation Peer Review Panel and approved by EQC.

QV has assessed the market value of the Property for EQC as at 3 September 2010, the day before the first of the Canterbury Earthquakes. This valuation is made as at 3 September 2010. The valuation is a fair market valuation at that date and is not distorted by the effects of the Canterbury Earthquakes on the property market.

We assessed the amount of the reduction in the value (the Diminution of Value) of the Property as a result of Increased Liquefaction Vulnerability. To assess this, we considered the long-term reduction in market value from the market price that would have been paid for the Property on 3 September 2010, taking into account the physical change that occurred to the land as a result of the Canterbury Earthquakes, and its impact on the vulnerability of the land to liquefaction.

Our valuation is based on some assumptions

We have carried out our valuation on the basis of the assumptions set out in the Diminution of Value Methodology.

We have assumed that the information provided to us is accurate. Should we subsequently become aware that any of the information provided to us was inaccurate, we reserve the right to review our assessment.

About this report

This report is prepared for EQC to assist EQC to determine its liabilities under the Earthquake Commission Act 1993. The report is not intended for any other purpose. It is understood that EQC will provide this report to the EQC customer.

Our assessment relied on information provided to us, including the valuation of the Property as at 3 September 2010 carried out by QV. We are satisfied that QV used an appropriate process in carrying out property valuations as at 3 September 2010.

This report is a summary. As such, it does not provide all the material required by the International Valuation Standards (IVS) reporting standards for a full valuation report. Valuation workings are not included in this summary, but are available to EQC customers upon request by contacting EQC on 0800 326 243 between the hours of 7.00am to 9.00pm Monday to Friday, and 8.00am to 6.00pm on Saturday. The EQC customer should quote their claim number(s) when contacting EQC.

Signed by valuation advisors to EQC

Market Valuation Limited



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