VALUATION ASSESSMENT

The increase in flooding vulnerability has not impacted the market value of the Property.

Valuation assessment

EQC asked us to assess the impact of the increased flooding vulnerability on the market value of the Property. We have concluded that the increase in flooding vulnerability has not impacted the market value of the Property. The amount of the Diminution of Value (or DOV) of the Property is nil.

In making our assessment, we took into account:

- the vulnerability of the Property to flooding before the Canterbury earthquakes, and
- the extent and location of the increase in the flooding vulnerability on the Property as a result of the physical changes to the land caused by the earthquakes.

We also considered the following information:

- a land damage assessment map provided by EQC, and information and flood maps provided by EQC’s engineers, Tonkin & Taylor. This material indicates specific changes in flooding vulnerability as a result of the Canterbury earthquakes,
- a kerbside inspection of the Property.
We have used accepted valuation standards and practice
We carried out our valuation in accordance with the Diminution of Value Methodology for Increased Flooding Vulnerability which is available at www.eqc.govt.nz/IFV. This methodology was established in April 2014 and complies with accepted valuation standards and practice. The methodology has been endorsed by an Expert Valuation Peer Review Panel and approved by EQC.

Under this methodology, we assessed whether there had been a reduction in the value (the Diminution of Value) of the Property as a result of the increased flooding vulnerability. To assess this, we considered whether there had been a 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 earthquakes, and its impact on the vulnerability of the land to flooding.

Our assessment is based on some assumptions
In carrying out the assessment we have assumed that:

• the engineering information provided to us is accurate,
• the physical boundaries to the Property reflect legal boundaries, and
• the Property has a clear title.

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 and on information obtained from a kerbside inspection of the Property. Should we subsequently become aware that any of this information was inaccurate, we reserve the right to review our assessment.

This report is a summary. As such, it does not fully meet International Valuation Standards (IVS) reporting standards. This report does not include the valuation worksheet and flood map information on which the valuation assessment is based. But this material is 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 when contacting EQC.

Yours faithfully

ABCD Valuations NZ Limited

Amy Abrahams, B. Prop. ANZIV SPINZ
Registered Valuer