

Southern Cross Partners Limited

Valuation Options and Explanations

The following Valuation options are available to us:

Registered Valuations

Approved

Southern Cross maintains an approved list of registered valuation firms. There are a large number of valuers and valuation firms throughout New Zealand, but the valuers on our approved list have all been used by us in the past, and we have generally found them to be reliable.

When we obtain an approved registered valuation:

- It will be addressed to Southern Cross.
- The valuer will have visited the property.
- It will contain pictures of the subject property.
- It will include comparative properties.
- It will have an assessed market value.

Non-Approved

This is the 'catch-all' category of valuers, that includes all those not on our approved list. Valuations by these valuers may not be addressed to Southern Cross. These valuers may be:

- small (generally single valuer businesses); or
- valuers that we have not had any past dealings with; or
- valuers that we do not generally accept.

Real Estate Appraisal

Real estate appraisals will always be from a national real estate firm, or from a local company that has experience in the particular location the subject property is located in. In all cases, the appraisals will:

- be from agents or firms with experience in that location;
- be addressed to Southern Cross; and
- provide an opinion on the current market value of the subject property.

Sale & Purchase Agreement

Sale & Purchase Agreements can either be provided through a real estate agent, or a 'Private Sale'.

We will not give any weight to a private sale contract, as these may not reflect a period of 'arms-length' marketing.

All Sale & Purchase Agreements that we rely on will therefore be those entered into through a real estate agent.

Rating Valuation

These have previously been known as 'Government Valuations'.

They are completed on a mass appraisal basis as opposed to any direct inspection of the subject property, but are generally a good guide as to a general value, as at the date of

completion. They are only completed bi-annually, so in a fast moving market they can become out of date very quickly.

Desktop Appraisal (also known as a CMA – comparative market analysis)

This is an assessment (made via a computer program) that looks at properties within a determined radius of the subject property, and can be refined to only include similar sized properties and land holdings. It can also be refined to look at recent sales, together with other properties listed or marketed for sale. It is a very useful tool, but results can be variable based on the different options to refine the search are used.

No individual inspection of the property is undertaken, as the valuation is purely driven from statistical information.

The results provided by this method will generally provide a range of values, ie high to low values. The figure that we use will be the average within this range.

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