



16 May 2003

Our Ref: 04V027

Wellington Regional Council
C/- O'Brien Property Consultancy Ltd
Level 4
15 Courtenay Place
WELLINGTON

Attn: Mr Peter O'Brien

Dear Peter

**Re: Valuation Advice – Wellington Regional Council -
Mabey Road Depot, Avalon, Hutt City**

Further to our recent meeting and the documentation provided, we have now considered the analysis you have undertaken relative to the relocation or otherwise of the Mabey Road flood protection depot.

We have been provided with your report and attachments dated 14 January 2003, together with the report completed 19 April 2003 by Mr Ian Prentice of Truebridge Callender Beach.

Your request has been for us to consider the documentation and provide independent advice as to the accuracy or otherwise of your workings to calculate the net benefits of the various options available to Wellington Regional Council in relation to their Mabey Road flood protection depot. The options are summarised as follows:

- 1 Sell Mabey Road, buy vacant site and develop new depot.
- 2 Sell Mabey Road, buy newer existing industrial complex and adapt for depot use.
- 3 Sell Mabey Road, buy older existing industrial complex and adapt for depot use.
- 4 Subdivide Mabey Road, retain depot site and sell vacant 2.25 hectares.

Your analysis indicated net benefits of \$490,000, \$922,500, \$1,214,500 and \$1,305,000 for each of the options respectively.

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Mabey Road Depot, Avalon, Hutt City



In considering your approaches we have inspected the premises and carried out preliminary investigation of land value evidence for both industrial and residential property in the surrounding locality, together with rentals and costs for industrial or, where possible, depot type accommodation.

It is our view that broadly speaking the figures you have adopted have been applied in a consistent manner and the rental and value levels adopted in our view fall within acceptable market parameters.

Thus it is our final conclusion that the rankings indicated by your net benefit analysis are fair and reasonable when viewed against the four potential outcomes.

We would hope the above is suitable for your purposes however should you require further explanation or more detailed information in relation to rentals, land values or other market information, we would be more than happy to provide it as necessary.

In the meantime we thank you for your instructions and enclose a note of our fee for services rendered in this matter.

Yours faithfully

TelferYoung (Wellington) Ltd

Martin J Veale

Registered Valuer, ANZIV, SNZPI