

**From:** Martin Winder

**Subject:** RE: Possible sensitivity test on brownfields feasibility report

Hello David,

I have completed the sensitivity analysis on the Brownfield sites as requested. All assumptions remain the same as at June 2020 to be consistent with our earlier scenarios and analysis.

Regarding Fryer Street – as per Page 13 of our 2020 report. This was an improved site and a vacant site (side by side). We assumed both sites would be improved as it would be rare for a developer to be able to obtain a vacant site in a built-up area. Therefore for the purpose of applying the levy to additional units we have assumed that the site offered two units pre-development. We have therefore taken the value of 12 new units less 2 units (10 units) and applied the levy to this figure (less GST).

Regarding Frankton Road – we have also allowed for 2 existing units and therefore treat this the same way as Fryer Street with regard to 'additional units' in the calculations.

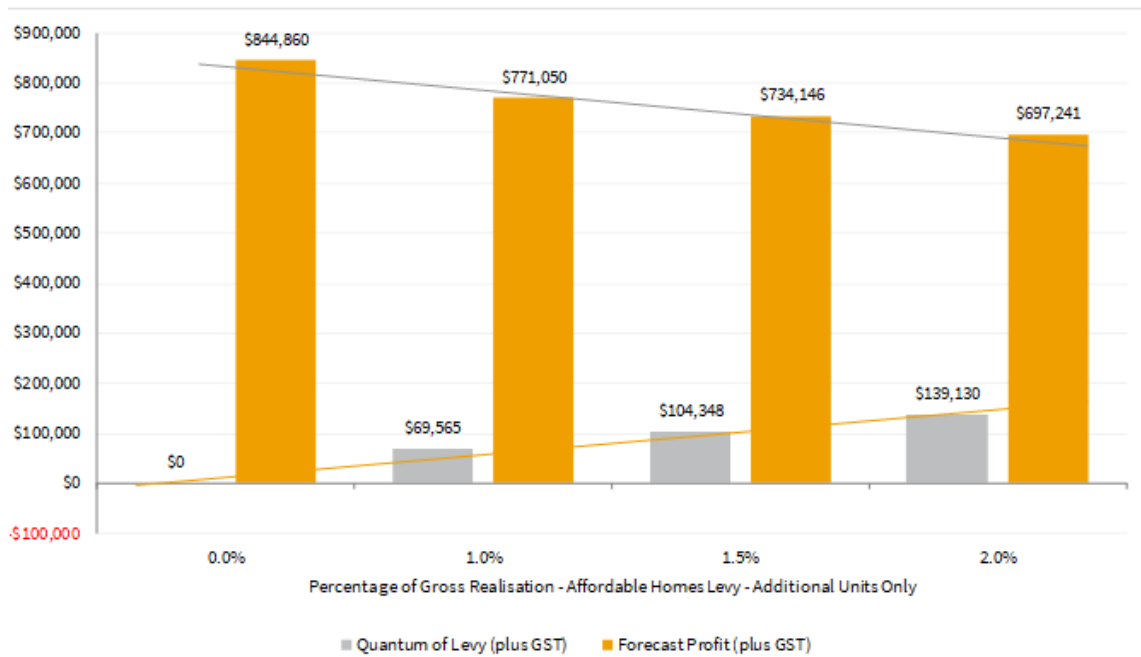
We have assumed all units have the same value but in reality, a complex will have a variety of different end values based on accommodation provided. Do you take the average value across the complex and then reduce this by the number of existing units? Or do you allow the developer to remove the two most expensive units and only apply the levy to the cheaper additional units? Something to consider. Also – are the levies established by valuation at consent stage or actual sale price achieved (whenever that may happen and assuming the developer doesn't hold on to a few units)?

**Fryer Street summary:**

**Brownfield Fryer Street - Paying a levy to Council**

Description	Units Developed	Percentage of Gross Realisation - Affordable Homes Levy - Additional Units Only	Total Levy (plus GST basis)	Standard Value per Unit (incl GST)	Gross Realisation (incl GST)	Percentage Profit on Outlay	Profit on Outlay (plus GST)
Scenario H	12	0.0%	\$0	\$800,000	\$9,600,000	11.65%	\$844,860
Scenario I	12	1.0%	\$69,565	\$800,000	\$9,600,000	10.53%	\$771,050
Scenario J	12	1.5%	\$104,348	\$800,000	\$9,600,000	9.97%	\$734,146
Scenario K	12	2.0%	\$139,130	\$800,000	\$9,600,000	9.42%	\$697,241

### Brownfield Fryer Street - Paying a levy to Council

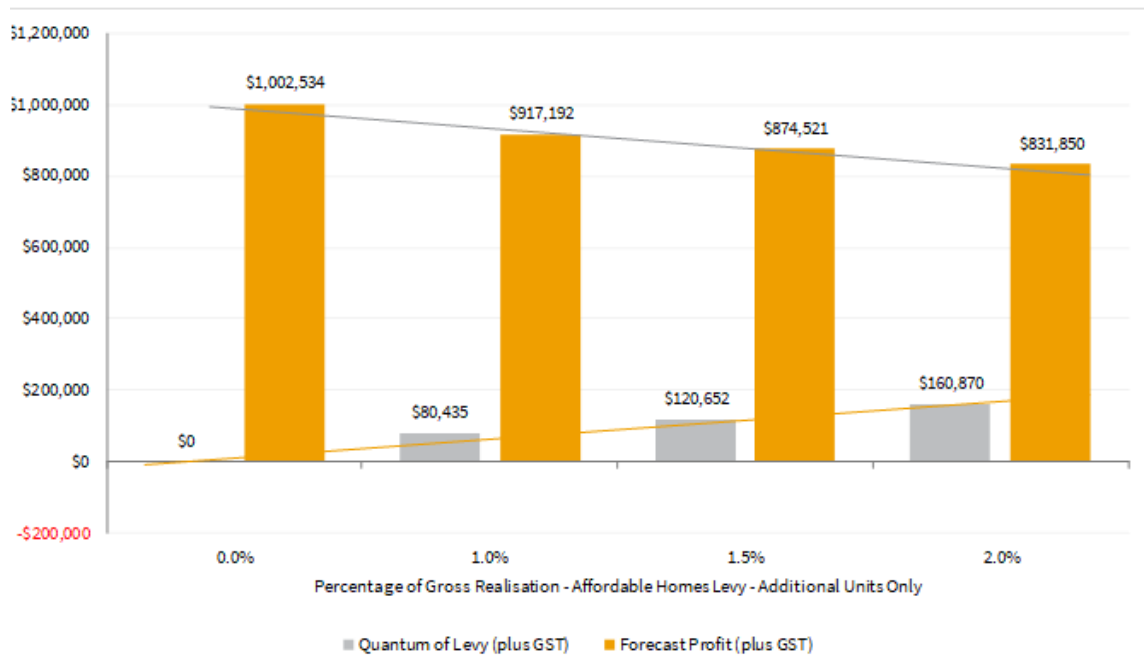


### Frankton Road Summary:

#### Brownfield Frankton Road - Paying a levy to Council

Description	Units Developed	Percentage of Gross Realisation - Affordable Homes Levy - Additional Units Only	Total Levy (plus GST basis)	Standard Value per Unit (incl GST)	Gross Realisation (incl GST)	Percentage Profit on Outlay	Profit on Outlay (plus GST)
Scenario H	12	0.0%	\$0	\$925,000	\$11,100,000	11.99%	\$1,002,534
Scenario I	12	1.0%	\$80,435	\$925,000	\$11,100,000	10.86%	\$917,192
Scenario J	12	1.5%	\$120,652	\$925,000	\$11,100,000	10.30%	\$874,521
Scenario K	12	2.0%	\$160,870	\$925,000	\$11,100,000	9.75%	\$831,850

## Brownfield Frankton Road - Paying a levy to Council



Let me know if there is anything else you need.

Kind regards

Martin

### Martin Winder

Director

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