

16 June 2025

Daresbury Limited
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ATTENTION: JAMES MILNE

Dear Sir

RE: DARESBUY HOUSE, DARESBUY LANE, FENDALTON, CHRISTCHURCH

Thank you for your instructions to provide additional valuation advice in relation to the above property.

We understand that you are attempting to have the heritage protection removed from the Daresbury Homestead and surrounds.

We provided you with a report dated 25 August 2023 summarising our assessment of values on several scenarios and, as you are aware, we previously valued this property and provided a report date of 11 November 2018 which contains a full description of the land.

We ask that letter be read in conjunction with those previous reports which provides a comprehensive description of the property.

This letter updates the values that we previously assessed under several of those scenarios to reflect current market conditions and condenses our advice to a simple summary.

Please note that this report has been prepared for the above purposes only and should not be considered as a structural survey of the improvements or an engineering survey of the land.

Reliance has been placed on documentation provided to us in relation to repair costs to the homestead.

BRIEF PROPERTY DESCRIPTION

Daresbury Homestead is a substantial three level character home that offers a measured floor area of 1085 m² and was constructed between 1897 and 1901. The lower level of the home is constructed primarily of a triple brick structural system while the upper levels feature roughcast and timber cladding over a timber framing. The dwelling has a tiled roof.

The building sustained significant earthquake related damage through the Canterbury earthquake series and, of particular concern, is the structural damage to the triple brick lower level walls where cracking damage is severe.

When we last valued the property in 2018 and 2023, we did not inspect the interior of the building having been provided with a structural assessment report that advised the property could "suffer a significant and devastating collapse in another large earthquake event".

The writer had, however, fully inspected the property during the mid 2000s when completing a valuation while the property was in previous ownership.

We have no access to the valuation report we completed in the mid 2000's but recall the inspection well.

The structural damage to the building resulting from the Canterbury earthquake series is visually obvious from the exterior.

The dwelling and the dwelling surrounds are identified in the Christchurch District Plan as being a Category 1 highly significant heritage building while the property is also contained within the Heritage New Zealand List under entry number 3659.

Heritage New Zealand records it as a Historic Place Category 1 with that listing in effect from 4 April 1985.

Heritage New Zealand identifies the legal description of the property as Lot 2 Deposited Plan 49363 which is effectively the larger of the two titles making up this property with Lot 2 alone having a land area of approximately 5893 m².

VALUATION CONSIDERATIONS

Land Value Component

We have concentrated on the land area of 5,893 m² that makes up the Lot 2 title.

Excluding any driveway area, this lot has a Net Land Area of approximately 5,710 m².

The land sales comparisons that have occurred since our last report was completed include the following:

St No	Address	Sale Date	Sale Price	Net Land Area	LV Rate per m2	Flood Management
69-71	Memorial Av	Apr-24	\$2,070,000	1893 m ²	\$1,094/m ²	Yes
135	Hamilton Av	Apr-24	\$814,460	720 m ²	\$1,131/m ²	No
105	Deans Ave	May-24	\$1,050,000	880 m ²	\$1,193/m ²	No
2/33	Clyde Rd	Jul-24	\$652,000	512 m ²	\$1,273/m ²	No
1/31	Clyde Rd	Nov-24	\$630,000	469 m ²	\$1,343/m ²	No
1/33	Clyde Rd	Oct-24	\$695,000	504 m ²	\$1,379/m ²	No
3/31	Clyde Rd	Nov-23	\$680,000	527 m ²	\$1,290/m ²	No
67A	Fendalton Rd	Sep-24	\$1,120,000	797 m ²	\$1,405/m ²	Yes
102A	Idris Rd	Oct-23	\$660,000	458 m ²	\$1,441/m ²	Yes
67B	Fendalton Rd	Nov-23	\$1,300,000	885 m ²	\$1,469/m ²	Yes
12B	Memorial Av	Apr-25	\$770,000	499 m ²	\$1,543/m ²	Yes
71B	Fendalton Rd	Sep-23	\$2,280,000	1399 m ²	\$1,630/m ²	Yes
67C	Fendalton Rd	Dec-23	\$1,350,000	824 m ²	\$1,638/m ²	Yes
17A	Wroxton Tc	Mar-25	\$1,600,000	920 m ²	\$1,739/m ²	Yes
9	Thornycroft St	Aug-23	\$1,375,000	770 m ²	\$1,786/m ²	Yes
7	Thornycroft St	Aug-23	\$1,675,000	909 m ²	\$1,843/m ²	Yes
3A	Snowdon Rd	Mar-25	\$1,595,000	750 m ²	\$2,127/m ²	No
11	Garden Rd	Sep-23	\$1,610,000	718 m ²	\$2,242/m ²	Yes
7	St Barnabus Ln	Dec-23	\$1,540,000	635 m ²	\$2,425/m ²	Yes
54	Cox St	May-25	\$1,545,000	582 m ²	\$2,655/m ²	Yes
7	Wairarapa Tc	Aug-24	\$3,100,000	1006 m ²	\$3,082/m ²	Yes

For reference the meaning of the column headings are as follows:

Land Area Net – The area of the site excluding driveways areas of rear lots.

Net Land Value – The analysed land value excluding the value of any retainable improvements.

LV Rate per m² – The land value rate per square metre of Net Land Area.

FMA – Whether the property is situated within a Flood Management Area as shown on the Christchurch District Plan.

The table above is arranged in ascending order of land value per square metre and gives a good indication of the land value rates that are now being achieved in the Fendalton suburb and immediate surrounds.

On a direct comparison basis with the available evidence, we believe a standard size site of say 1000 m² in this location would currently achieve a sale price of between \$1,700/m² and \$1,800/m² as a conventional regular shaped front allotment.

This suggests that there have been no significant changes in land values since my 2023 assessment.

A site with additional enhanced features such as a stream boundary would achieve a higher overall rate.

There is little sales evidence available that pertains to sites of a size that can be directly compared with the subject however the largest sites included in our sales schedule above totalled 1,893 m² and was in a lesser location.

In many respects the 31 Fendalton Road property is the most comparable to the subject having a good quality stream boundary and large land area. That sale did however occur at the peak of the post-COVID boom market.

On balance, we believe that a realistic land value rate for a block of this size in this location would currently be between \$1,500/m² and \$1,600/m² indicating a bare land value **if the site was vacant, was not subject to any Heritage protection and could be subdivided without restriction if desired**, of between \$8,550,000 and \$9,150,000 including GST.

If subdivision was not possible because of any residual Heritage protection applying to the land, that bare land value component would be significantly reduced.

Added Value of Building Improvements – Daresbury House if Fully Repaired

In this scenario we have considered the added value that Daresbury House would offer to the property if it was fully repaired and upgraded to a medium standard of fitout in line with the repair costings supplied to us.

The latest sales evidence pertains to good quality and substantial character home and the sales have been analysed to establish the added value rate (per square metre of floor area) for the dwelling alone excluding the value of their land, outbuildings and site improvements.

Given the very substantial floor area associated with Daresbury House and its interesting character nature, we have concentrated on larger character homes that have sold in the Christchurch or in the wider Canterbury market over recent years.

A summary of our analysis of other sales is set out below for your information.

St No	Address	Sale Date	Sale Price (SP)	Floor Area	Net Rate/m2
414	Woodfields Rd	Oct-23	\$1,140,000	520	\$2,192
4	Medbury Tce	Apr-24	\$3,299,000	495	\$2,220
76	Harakeke St	Sep-24	\$2,900,000	526	\$2,376
96A	Glandovey Rd	Feb-24	\$3,300,000	447	\$2,573
34	Beverley St	Nov-24	\$2,875,000	360	\$2,778
20A	Tui St	May-24	\$2,780,000	302	\$3,162
37	Winchester St	Dec-23	\$3,150,000	340	\$3,235
55	Innes Rd	Feb-24	\$2,650,000	382	\$3,325
14	Desmond St	May-24	\$3,000,000	250	\$3,600
13	Highgate Ave	Apr-24	\$3,000,000	258	\$3,721
785	Leeston Rd	Nov-23	\$2,890,000	706	\$4,093
20	Beverley St	Apr-24	\$2,650,000	290	\$4,655

Again the net rates are sorted in ascending value.

All of the properties were sold in good condition, some having undergone very extensive refurbishment programs prior to sale.

414 Woodfields Road and 785 Leeston Road are in rural locations.

4 Medbury Terrace and 785 Leeston Road were both Heritage Protected but had been refurbished in recent years.

We note that "Racecourse Hill" a fully refurbished and heritage protected homestead at 3797 West Coast Road (637 m² house on 25.82 Ha land) sold in January 2017 for \$4,600,000 and has been marketed since October 2024 at an asking price of \$5,750,000 plus GST but has yet to sell.

We would expect the added value of Daresbury House, if it was hypothetically available for sale in a repaired condition, would be in a net rate range between \$3,500/m² to \$4,000/m² indicating a maximum potential **added value of the repaired dwelling**, over and above land value and the value of site improvements, at between \$3,800,000 and \$4,350,000 including GST.

The mid-point value under this scenario is \$4,075,000 including GST.

The repair costs supplied to us appear to be on the basis of repair and refurbishment to a medium specification level and our net rate estimate is in line with that medium quality repair.

Any purchaser would face a higher repair cost if they were to bring the dwelling up to a high level of specification and refurbishment.

We believe that if Daresbury House was repaired to a medium specification level, the hypothetical repaired dwelling would offer an added value to the site of around \$4,075,000 inclusive of GST (if any).

Repair Cost

As noted previously Daresbury House is very badly damaged as a result of past earthquake issues, has been assessed by Structex Metro as being in a very dangerous condition and their opinion is that it would be very concerning if the house was able to be accessed by unauthorised people.

Extensive repairs are clearly required before the dwelling can be occupied.

We have been provided with a repair cost prepared by James Milne in February 2019.

That document identifies that the repair cost quotation was being prepared to reflect an engineering design by Quion to repair the building to 100% of the current building code.

This cost estimate totals \$7,890,000 including GST after allowing for margins, contingences and fees. That encompassed repairs to the main building plus appropriate fee and contingency margins.

It did not allow for site development or landscaping works

We appreciate that Mr Milne, being the director of Daresbury Limited, may not be an impartial assessor whereas the 2016 assessment was completed by an outside company.

Mr Stewart Harrison, Quantity Surveyor has, however, peer reviewed the James Milne cost estimate and in his Statement of Evidence prepared in September 2023 (Section 45) assessed that the repair cost in 2023 should be around \$8,128,000 plus GST ie around \$9,345,000 including GST.

Mr Harrison has again updated his repair cost estimate to allow for subsequent inflation and his latest repair estimate is \$8,437,293 plus GST ie \$9,702,887 – **say \$9,700,000 including GST.**

There is a conflicting repair cost assessment from Mr Gavin Stanley of Rhodes + Associated Limited Quantity Surveyors who has assessed a repair cost in a document dated 28 May 2025 at \$7,984,555 plus GST or just under \$9,200,000 including GST.

We have conservatively **assumed a repair cost of at least \$9,000,000 including GST.**

Impact of Heritage Protection on land value and building value

The two most recent sales of Heritage Protected residential dwellings of any size are 4 Medbury Terrace and 785 Leeston Road which had both been refurbished.

4 Medbury Terrace shows a low added value rate for the dwelling.

785 Leeston Road shows a higher dwelling value rate, reflecting the lack of negative impact the house has on the ultimate subdivision potential in the land which is a 10.8 hectare block well away from residential zones and in a rural zone with a minimum 20 hectare subdivision requirement.

Daresbury House has both a potentially low added value once refurbished and, because the house surrounds are also subject to the heritage protection, causes a diminution of the optimum block land value surrounding it.

FINAL CONCLUSION

Analysed sales evidence confirms that the added value of Daresbury House, (excluding land and site improvements) if repaired and renovated to a medium standard, would potentially have an added value of around \$4,075,000 including GST.

The expert Quantity Survey evidence suggests a total repair cost of around \$9,000,000 including GST (possibly higher) for the house alone.

Both Quantity Surveyors appear to have assessed a higher cost to rebuild Daresbury House in a replica style from new, the replica replacement costing roughly \$500,000 to \$1,000,000 more than the repair costs.

One of the supplied costings showing a rebuild cost for a “Modern High End Structure” at \$11,200,000 plus GST.

The cost of landscaping is additional to those sums.

Cost of Repair versus End Value

Repaired and Renovated Added	
Value of Daresbury House	\$4,075,000
Cost to Repair	-\$9,000,000
Net Loss	-\$4,925,000

Repairing Daresbury House without completing a full “high end” refurbishment will **over-capitalise the property** by at least \$4,900,000 including GST.

Rebuilding Daresbury House in a new replica style is unlikely to increase its end value sufficiently to recover the higher cost of rebuilding and there is clearly a large dis-incentive for the owner of this property to complete the repairs that are necessary to reinstate Daresbury House.

Replacement with a modern replica house has been suggested however replica homes do not appear to be well received in this upper price range sectors of our market.

The most recent example of this is a property at 8 Wood Lane Fendalton that sold in 2024 showing a net rate of around \$3,600 per square metre for a 2012 built, well presented 597 m² home in a prime location. (8 Wood Lane Photos below)



The bare land value of the Daresbury site is between \$8,550,000 and \$9,150,000 **if the land was free of Heritage restrictions** and had the potential to be freely developed and/or subdivided to its highest and best use which would be for subdivision into sites of a more market friendly size.

The mid-point bare land value on that assumption is \$8,850,000 including GST.

Anyone building or rebuilding a home of the size of Daresbury House will require an outlay of more than \$9,000,000 plus land value (\$8,850,000) plus landscaping cost.

They will be facing a total end cost, land (\$8,850,000) and buildings (\$9,000,000) plus landscaping (say \$400,000), of around \$18.25 million.

The resulting property is unlikely to appeal to potential buyers because of its excessive size and outdated layout combined with its high cost.

High long term maintenance costs will also be a deterrent.

The highest recorded sale of a single residential property in Christchurch is \$9,150,000 land and buildings.

There is no proven market for a single family home in Christchurch on a land parcel of this size and at a value level approaching the total cost of reinstating Daresbury House.

We trust that this will be of assistance to you however should any additional information be required you should not hesitate to communicate with the writer.

Yours faithfully

FORDBAKER VALUATION LIMITED



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Involvement:

Inspection

Valuation Calculation

Report Preparation