

Requirements of a Builders Report & Valuation Report – 3.5

Queenstown Lakes Community Housing Trust
1 July 2008

For the Trust to accept a property into the Shared Ownership Programme, a Registered Valuation must be completed and presented to the Trust, in accordance with the requirements listed below.

If the property is more than 3 years old, a Builders Report is also required, in accordance with the requirements listed below.

A Builders Report must include the following:

1. A copy of the certificate of compliance for the property.
2. Assess the property with regard to the ***“Selecting Your New Home – A Guide for Applicants”***. The goal of the exercise is to understand the differences with the guidelines, not to necessarily require compliance with all of them.
3. Identify any areas of deferred maintenance, or works which require urgent attention to avoid any reduction in the value of the property if not completed, or which pose a fire/life safety risk to occupants.
4. Recommend works necessary to bring the house up to a reasonable standard on the above matters and **advise an approximate amount this work will cost.**
5. The objective here is to ensure that the property is safe, habitable, warm, dry, and without deferred maintenance that would cost more than the property is worth to repair.
6. The objective is NOT to include cosmetic matters of personal taste (i.e. new wallpaper, or a change of paint color where the existing paint is fully serviceable) but rather to **highlight any structural or fundamental issues which may cause the house to depreciate significantly over the next 5-10 years.**

Valuation must:

1. **Take into account the cost of any works required per the Builders Report to bring the house to a ‘reasonable’ standard;**
2. Issue a value that illustrates value before the works and value after the works.
3. Issue a value on current market value – not replacement value
4. **Ascertain whether any features may cause the saleability of the house to enter into a period of rapid depreciation in 5-10 years time.**

Note: QLCHT Policy stipulates that if the figure the Valuer assesses the property to be worth is less than the agreed purchase price between Homeowner and Vendor, then the Trust will not enter into the purchase of said property.