

***VALUATION AND REPORT***

***OF***

***RESIDENTIAL PROPERTY***

***NL No. 23585 BEING LOTS 23 & 26 ON PLAN M. 2868.***

***AT***

***NAKORO STREET, DELAILABASA, LABASA.***

***PREPARED BY: FAIRVIEW VALUATIONS***

***August 2003***



# FAIRVIEW VALUATIONS

VALUERS, PROPERTY CONSULTANTS AND ESTATE MANAGERS

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Ref: Val R32/08/2003.

12<sup>th</sup> August, 2003.

Dr. Bijend P. Ram,  
Wamanu Road Medical Centre,  
361 Wamanu Road,  
Suva

Dear Sir,

**RE: VALUATION AND REPORT OF RESIDENTIAL PROPERTY**  
**NL No. 23585 BEING LOTS 23 & 26 ON PLAN M. 2868**  
**NAKORO STREET, DELAILABASA, LABASA.**

We thank you for your instructions to provide you with the current market valuation in respect of the above property for Mortgage Security Purposes. We confirm that we inspected the property on the 12<sup>th</sup> of August, 2003 being the effective date of this valuation.

We have verified as far as possible without verification by professional survey the boundaries of the property and improvements contained within the boundary. We have made all necessary investigations and enquiries to make this assessment accurately and now submit our valuation report.

**TYPE OF PROPERTY**

This comprises of 1085 m<sup>2</sup> of leasehold residential land located in a high class residential area at Nakoro Street, Delailabasa and erected on which is a two storey concrete residential structure on high concrete piers believed to be approximately 8 years old.

**VALUATION SUMMARY**

We advise that we have assessed the current unencumbered leasehold market value of the property described below together with all the improvements thereon, exclusive of all chattels at **THREE HUNDRED AND TWENTY THOUSAND DOLLARS (\$320,000.00).**

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**REGISTERED LESSOR** : Native Land Trust Board on behalf of Mataqali Nakoro

**REGISTERED LESSEE** : **Bijend Prasad Ram (f/n Lekh Ram)**

**REAL PROPERTY DESCRIPTION**

- (1) Tenure : Native Leasehold
- (2) Title : Native Lease No. 23585 held under NLTB 4/9/9935
- (3) Legal Description : Lots 23 & 26 on Plan M. 2868
- (4) Area : 1085 square metres or 1 rood 10.8 perches

**LEASE DETAILS**

- (1) Term of Lease : 99 years with effect from the 1<sup>st</sup> January, 1995
- (2) Unexpired Term : 91 years
- (3) Rental : \$400.00 per annum wef 1<sup>st</sup> January, 1995
- (4) Reassessment : 5 yearly with the next reassessment due in 2005
- (5) Lease Class : Residential

**ENCUMBRANCE** : Mortgage registered vide Dealing No. 383083 in favour of National Bank of Fiji dated 15<sup>th</sup> August, 1995.  
: Charge registered vide Dealing No. 385537 in favour of Fiji National Provident Fund Board dated 26<sup>th</sup> September, 1995

**LOCATION**

The subject property is located at Nakoro Street in a high class residential area commonly known as Delailabasa, approximately 1.5 kilometres from the Labasa Post Office. Nakoro Street is sealed and accessible in all weather conditions.

Delailabasa Road is its main access route which connects to Wainikoro-Dama Road, the major distributory road and bus route linking Labasa Town to Waiqele Airport, Seaqaqa and Nabouwalu. The immediate locality is predominantly residential and surrounding development comprises good to superior quality single and double storey homes erected over the last 20 years.

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**LAND DESCRIPTION**

The land covers two rear sites commanding an elevated contour rising from the road towards the rear boundary. The frontage measures 12.45 metres whilst the rear boundary covers 43.11 metres. Left and right depths measures 42.70 metres and 52.58 metres respectively.

The foundation is of natural hardground considered capable of supporting the maximum permitted use of the site.

**MUNICIPAL AUTHORITY AND RATES**

The property falls under the jurisdiction of Labasa Town Council, hence all developments are controlled by the office of the Director of Town and Country Planning in conjunction with the Labasa Town Council.

The subject has been zoned "Residential" on the approved subdivision plan of the area and is used accordingly.

**SERVICES AND AMENITIES**

Due to its location the property enjoys all usual municipal services such as electricity, telephone, reticulated water supply, reticulated sewer system and garbage collection.

The property also enjoys street lighting, road maintenance, fire service, and all other more comprehensive services and amenities available within downtown in general.

**TOWN PLANNING AND ZONING**

The property is zoned Residential "B" on the approved subdivision plan of the area. Permitted developments include single unit to multi unit residential development.

The predominant uses permitted under this zone include residential, multi-unit residential, public notices and recreational space.

We also note that under conditional use a significant number of other uses are permitted including arcade, hotel, service station, civic and tourist apartment, industry general warehouse and community developments.

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**STRUCTURAL IMPROVEMENTS**

Erected on the site is a substantial architecturally designed two storey concrete residential structure on high concrete piers believed to be approximately 8 years old.

The building construction is summarized as follows:

Foundation	:	Reinforced concrete slabbase, columns and beams
Floor	:	Plastered rendered concrete
External Walls	:	Plastered concrete blocks
Internal Walls	:	Plastered rendered blocks
Ceiling	:	Concrete
Roof	:	Concrete
Windows	:	Aluminium framed louvres
Doors	:	Timber framed

**Accommodation and Amenities**

**Basement Floor**

This is of heavily reinforced concrete foundation with concrete floors where heavily reinforced columns stand providing support for the two upper floors. The total area of the structure covers approximately 226 square metres and provides parking and workshop areas.

**First Floor**

The total area of the building covers approximately 164 square metres and accommodating three bedrooms plus a master bedroom, two sets of toilet and shower units (one in master bedroom), lounge, dining, kitchen, a study room and laundry.

Balcony area covers approximately 62 square metres.

**Fixtures and Fittings**

These are of executive quality and include built-ins with dressing wardrobes in the bedrooms. Floor and walls of toilet and showers are covered with mosaic and glazed tiles whilst hand basins, mirrors and toiletry cupboard are provided near the shower. A double bowl stainless steel sink is provided in the kitchen with under cupboards and glassed cased overhead shelves. A hand basin is provided in the dining room. Fancy lighting and power points system are also provided in the building. A double bowl stainless steel wash tub is provided in the laundry area.

All master bedrooms have aluminium sliding doors.

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**Second Floor**

This is of the same construction as the first floor with the same area building. However, this level accommodates 3 master bedrooms, lounge, dining, kitchen, four toilets and shower units (one common) a pantry and a bedroom.

Fittings in the structure are also of executive standard and are identical to the first floor flat.

**GENERAL COMMENTS**

The whole structure has been solidly constructed with heavy reinforcements. Flights of stairs at the front and rear of the building have iron railings and so as the balconies. On top of the building is a viewing area of concrete with protective iron railings.

The whole property is fully fenced with 1.5 metre high chainlink fencing on iron posts.

**VALUATION CONSIDERATIONS**

In assessing the Market Value of the property we have had regard to three approaches described below:-

(1) Replacement Cost (Summation) Approach - where the improvements are valued using current replacement cost and an allowance provided for depreciation and obsolescence, plus the leasehold value of the land. Even though the property was renovated, items of deferred maintenance noted and economic obsolescence was discounted.

(2) Sales Approach – here sales as comparable as possible to the subject are analysed so as to establish a unit rate which could be used as a guide to fix the value of the subject.

In particular we note the sale of the following properties in Delailabasa Subdivision:

- (i) CL.3855 – containing 462.86m<sup>2</sup> with 2 storey building sold for \$145,000 in March, 2000.
- (ii) NL.13829 – containing 1011.71m<sup>2</sup> with 2 storey commercial/residential building sold for \$110,000 in January, 1999.
- (iii) CL.12278 – containing 500.79m<sup>2</sup> with 2 storey building sold for \$100,000 in September, 1998.
- (iv) CL.5070 – containing 480.56m<sup>2</sup> with 2 storey building sold for \$165,000 in April, 1996.

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- (v) A recent comparable double storey property CL. 3855 sold in March, 2000 located along Rosawa Street with a crown leasehold land area of 462.86 square metres was inferior to that of the subject. Adjustment were factored to considered the difference in their location and being smaller land area.
- (vi) There were two superior sales along Nasekula Road being CL. 2979 with an area of 606.95m<sup>2</sup> was sold in January, 1998 and CL. 2804 sold in January, 1998. Both sales was transferred for \$300,000.00.

We have made adjustments where necessary to these sales to reflect comparability in tenure, size, construction, land area and time of sale to arrive at a comparative value for the subject property.

- (3) Investment (Income) Approach - where the potential rental income (net of all reasonable expenses) from the property is capitalised at an appropriate rate given the current market conditions to arrive at its capital value, the underlying principle being that the value of the property is directly related to its income earning potential.

**DEFINITIONS**

The current Market Value means a price at which an interest in a property might reasonably be expected to be sold under reasonable terms and conditions at the date of valuation, assuming:-

- (a) A willing, but not over- anxious buyer and seller.
- (b) A reasonable period within which to negotiate a sale taking into account the nature of the property and the state of the economy.
- (c) Values will remain static throughout the period.
- (d) The property will be freely exposed to the market with reasonable publicity; and
- (e) The account is taken of any additional consideration by a "special" purchaser.

**QUALIFICATIONS AND DISCLAIMERS**

- (1) This report has been made for valuation purposes only and should not be regarded as being an engineering or structural survey of the land or improvements.
- (2) Neither the whole or any part of this valuation report or any reference to it may be included in any published document, circular or statements, without the written approval of **FAIRVIEW VALUATIONS**.
- (3) Where it has been attributed that information has been supplied to us by another party, this information is believed to be reliable and we accept no responsibility if this should not prove to be so. Where information is given without being attributed to another party it has been gained by our search of records and examination of documents from the Government or any other departments.
- (4) Our responsibility in connection with this report is limited to the client to whom the report is addressed and to his **First Mortgagee**. We disclaim all responsibility and will accept no liability to any other party.

**VALUATION CONCLUSION**

Based on the foregoing, and taking into consideration all the relevant factors appertaining to it, we assess the market value of the leasehold interest in the property with all improvements thereon exclusive of chattels at **THREE HUNDRED AND TWENTY THOUSAND DOLLARS (\$320,000.00)** which sum can be hypothetically apportioned as follows:

Leasehold Land Value	:	\$ 40,000.00
Value of Structural & Other Improvements	:	<u>\$280,000.00</u>
<b>Market Value</b>	:	<b><u>\$320,000.00</u></b>

**FAIRVIEW VALUATIONS**



**RAMESH BEHARI - BA(LMD);MIV**  
**REGISTERED VALUER (FIJI)**