

21 April 2015

The Manager
Hawkes Bay Woolscourers Limited
A Division of Cavalier Woolscourers Limited
Private Bag 6014
NAPIER, 4142

Telfer Young (Hawkes Bay) Limited
PO Box 572
25 Pandora Road
Napier City, New Zealand
Telephone: 06 835 6179
Facsimile: 06 835 6178
email: hawkesbay@telferyoung.com
website: www.telferyoung.com

Attention: Jim Drake

Dear Sir,

**Market Valuation
540-546 State Highway 2, Clive, Hawkes Bay**

Thank you for forwarding the email from the Commerce Commission.

We consider the value of the property should be adopted at our assessed market value of \$ [REDACTED] and that no further deductions are warranted.

We believe we have adopted appropriate valuation methodologies and placed most reliance on the Income Capitalisation method of valuation. The rental rates and investment yields applied within this methodology made adequate allowance for the specialised nature of the property and associated risk factors.

Our valuation reflected the substantial vacancy level associated with the property, and in our view, it is not necessary to make a further arbitrary deduction such as is being suggested.

Yours faithfully

Telfer Young (Hawkes Bay) Limited



W H Peterson
Registered Valuer, ANZIV, SPINZ
Email: hugh.peterson@telferyoung.com