

# MARKET VALUATION FOR COLLECTIVE OWNERSHIP SHARE APPORTIONMENT

## LAND & IMPROVEMENTS (EXCLUDING TREE CROP)

PANIKAU GROUP  
BAYWOOD & PUKEREWA FORESTS  
PANIKAU ROAD, WAIMATA, GISBORNE

PREPARED FOR:

**FOREST ENTERPRISES LIMITED**

AS AT DATE: 6 AUGUST 2024

REPORT DATE: 24 OCTOBER 2024

24 October 2024

Reference: 10460-001\_v1

Nicola Black  
Forest Enterprises Limited

By Email Only: nblack@forestenterprises.co.nz

Dear Nicola

**MARKET VALUATION LAND & IMPROVEMENTS (EXCLUDING TREE CROP)  
BAYWOOD & PUKEREWA FORESTS: PANIKAU ROAD, WAIMATA, GISBORNE**

Further to your instructions we have completed a market valuation of the land and improvements (excluding tree crop) situated on the above forest property to determine the collective ownership share apportionment.

**We note at the time of the assessment there is considerable land use regulation changes happening within the Gisborne region post Cyclone Gabrielle. This has created some uncertainty within the forestry market and as a consequence there has been a paucity of recent sales to analyse this effect.**

**As the assessment is to be used for an apportionment share of two similar adjoining forests, we have adopted land values based off historical levels with an anticipated downward adjustment to reflect this sentiment. We emphasise market value may differ once the full effect of the regulation change is understood by the market.**

The report is to be read in conjunction with the Executive Summary, Scope of Works, Property Report, Valuation Standards and Policies. We provide market evidence and methodologies adopted in the formation of our opinion of the land and improvements assessed value.

Thank you for your instruction. If you require any further advice, please do not hesitate to contact us.

Yours sincerely  
**MORICE LTD**



**MARK MORICE**  
Registered Valuer & Registered Forestry Consultant

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1. Land Valuation Workings
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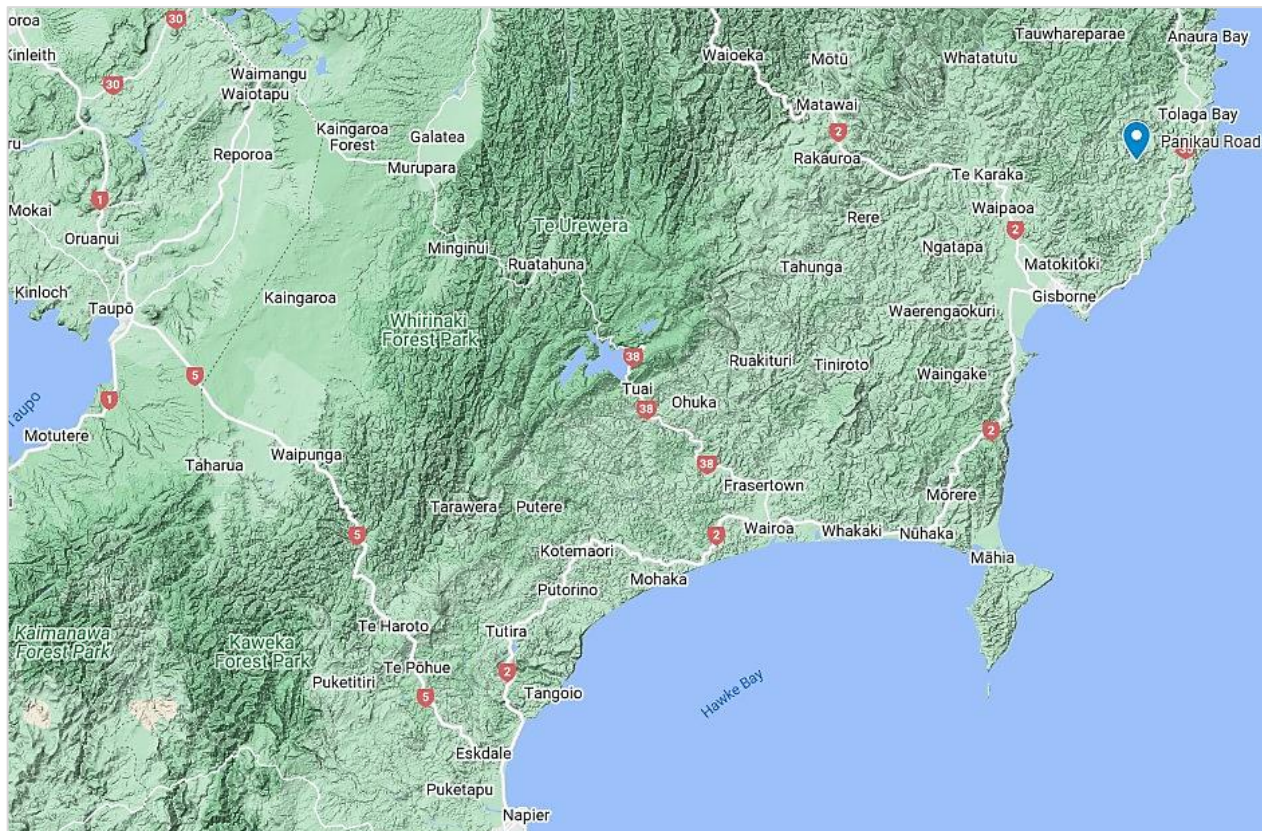
## ABBREVIATIONS

\$GBe	Ground Base Equivalent
\$HBe	Hauler Base Equivalent
AWP	Area Waiting Planting
AWR	Area Waiting Replanting
CAA	Carbon Accounting Area in the ETS
CNI	Central North Island
DEM	Digital Elevation Model
ESC	Erosion and Sediment Control
ETS	Emissions Trading Scheme
GF	Greenfields
HBU	Highest & Best Use for land
LUCAS	Land Use and Carbon Analysis System
masl	Metres above sea level
MERP	Mandatory Emissions Reporting Period
Morice	Morice Limited
MPI	Ministry of Primary Industries
NES-CF	National Environmental Standards – Commercial Forestry
NPA	Non Productive Area
NSA	Net Stocked Area
NZCL	New Zealand Carbon Leasing
NZIF	New Zealand Institute of Forestry
NZU	New Zealand Unit of Trade in the ETS
OLB	Outside Legal Boundary
PF	Panikau Forests
PPA	Potentially Productive Area (includes NSA, AWR and area within roads and skids)
PPHA	Potentially Productive Hectare
RoW	Right of Way
SPH	Stems Per Hectare
STS	Subject To Survey
TRV	Total Recoverable Volume
YoE	Year of Establishment

## Section 1: PROPERTY & LOCATION MAPS



Forest boundaries outlined in green.



Map showing approximate location of the subject Forest Units

## Section 2: EXECUTIVE SUMMARY

### Client:

Forest Enterprises Limited.

### Instructing Party:

Nicola Black.

### Instructions:

To provide a market valuation of the land and improvements in a cutover state with harvest infrastructure in place for the forest units contained within PF to determine the collective ownership share apportionment.

### Relevant Dates:

Inspection Date: 6 August 2024

Assessment Date: 6 August 2024

### Other Intended Users:

None known.

### Property Address:

#### Address

Panikau Road, Waimata

#### District

Gisborne

### Brief Description:

Two Forest Units comprising a legal area of some 805 hectares, of which 704.6 hectares (89% of PPA) is currently productive forestry land before land overlay 3B adjustments. There is 715 hectares (87% of PPA) currently registered in the ETS under the stock change accounting approach. Of this area some 53 hectares is unstocked with there being a further 43 hectares of pre-1990 productive land.

Baywood has 89% and Pukerewa 81% very high (red) NES-CF classification respectively within the productive forestry area. Land Overlay 3B land identified as per the Gisborne Landslides Susceptibility model equates to some 162 hectares and some 23% of the productive area. Our understanding is the future land use of this land will prohibit the harvesting of commercial forest. We have adjusted land values for this area.

The weighted average lead distance to Eastland Port is 44 kilometres and Kiwi Lumber, Gisborne 55 kilometres. Ground base contour ranges from 17% at Pukerewa to 36% for Baywood with a weighted average of 23%.

The Forest Units are subject to a carbon lease to NZCL that commenced August 2012 and expires December 2036 for Baywood and December 2035 for Pukerewa. NZCL has been granted the right to be the participant in the ETS and therefore no carbon benefit will occur to the Forest Units until the expiry of the lease, which is either at the expiry date or at harvest.

The Forest Units have been assessed on a post-1989 basis on the assumption that the owners of PF will have the ability to participate in the ETS moving forward.

Overall, the Forest Units are located in a proven forestry area and are well located in terms of proximity to domestic pruned processing and Eastland port, however disadvantaged with the lack of unpruned domestic log processing on the East Coast and change in land use rules.

### Valuation Approach:

Market

**Valuation (NZD):**

Valuation Summary	Total	Baywood	Pukerewa
Improvement Value	289,000	105,000	184,000
Land Value	2,780,000	971,000	1,809,000
<b>Total Land &amp; Impts Value</b>	<b>3,069,000</b>	<b>1,076,000</b>	<b>1,993,000</b>

**THREE MILLION & SIXTY NINE THOUSAND DOLLARS** plus GST, if any

**Highest & Best Use:**

- PF has been valued on a highest and best use for the land as production forestry with the adjustment for the estimated Overlay 3B land.

**Key Valuation Parameters:**

• Legal area	805.3ha
• Ground base terrain	23%
• PPA	704.6ha
• Overlay 3B	161.9ha
• Post-1989 \$GBe	\$5,550/ha
• Post-1989 \$HBe	\$4,500/ha
• Pre-1990 \$GBe	\$2,500/ha
• Pre-1990 \$HBe	\$2,000/ha
• Post-1989 Unstocked	\$1,000
• Unproductive	\$100/ha

**Conditions of Valuation:**

- The valuation is on the basis the Forestry Units are unencumbered from the existing carbon leases
- The assessment is on the basis the land is in a hypothetical plantable state with harvest infrastructure in the form of roads, skids and hauler pads in place.
- With the exception of the estimated Land Overlay 3B areas it is assumed that all of the productive areas are accessible for harvest in the next rotation.
- The actual productive area affected by the Land Overlay 3B is subject to change after Council Plan implementation and harvest planning.
- This assessment is on the basis there is no contingent ETS liability on post-1989 and pre-1990 land with surrender of NZUs to the Crown
- There is a distinct paucity of forest sales within the East Coast region post Cyclone Gabrielle for benchmark land Value comparison. Additionally, the market is not reflective of the new Land Overlay 3B effect. We are of the view that given the publicity surrounding forestry land use, there is currently less enthusiasm in the market for forestry in this region. We have made a downward adjustment on historical sales evidence in attempt to reflect this sentiment.

**Valuer:****MH MORICE**

B.Com.Ag (VFM), Dip.Fore., SPINZ, ANZIV, RMNZIF  
Registered Valuer & Registered Forestry Consultant

## Section 3: LAND VALUATION

### 3.1 VALUATION CONSIDERATIONS

#### 3.1.1 PREAMBLE

1 In Appendix 2 we provide a comprehensive list of forestry transactions. We endeavour to analyse as many New Zealand forestry land transactions as possible where sufficient information is available.

2 Sales have been analysed to include the following:

- GF – Pertains to Greenfield (ex-farmland) land values
- ETS status – Pre-1990 or Post-1989 as different land rights occur under the ETS
- Use – Whether bare land (farmland acquired for planting), land and trees, forestry right, cutover or ETS offsetting
- \$GBe – Analysed ground base equivalent value per hectare
- \$HBe – Analysed hauler base equivalent value per hectare

3 \$GBe and \$HBe values have been analysed for each transaction based off the expected quantum of land for each harvest method. \$HBe values have been assessed less than \$GBe acknowledging higher harvest costs for this land type, along with increasing environmental risk and constraints with the NES-CF.

4 With Pre-1990 land, the use is more aligned to traditional forestry returns associated with the establishment, growing and harvest of a tree crop. There is no ETS influence apart from deforestation penalties on change of land use.

5 Post-1989 land has the ability to realise additional cash flows over and above traditional pre-1990 forestry by earning NZUs from carbon sequestration.

6 The benefit from carbon is dependent on the carbon accounting method, age of tree crop, surrender liabilities upon harvest, carbon profile of the participant owner and market price of NZUs.

7 Post-1989 Greenfields eligible land has the ability to realise safe carbon benefit through the "carbon averaging" approach whereby in the first rotation, the long-term average of carbon sequestration can be realised.

8 For *Pinus radiata* this occurs at year 16, and by way of example for the Hawkes Bay/Southern North Island default look up tables, equates to around 400 NZUs/ha. No more carbon can be earned beyond this point however there is no surrender liability with harvesting, fire or windthrow as long as the land is replanted.

9 Under the averaging approach to earn NZUs past the long run average mark a "permanent forest" will be required with a 50 year covenant in which no harvesting can take place during this time. Harvest after this date will require surrender of NZUs back to the long run average amount.

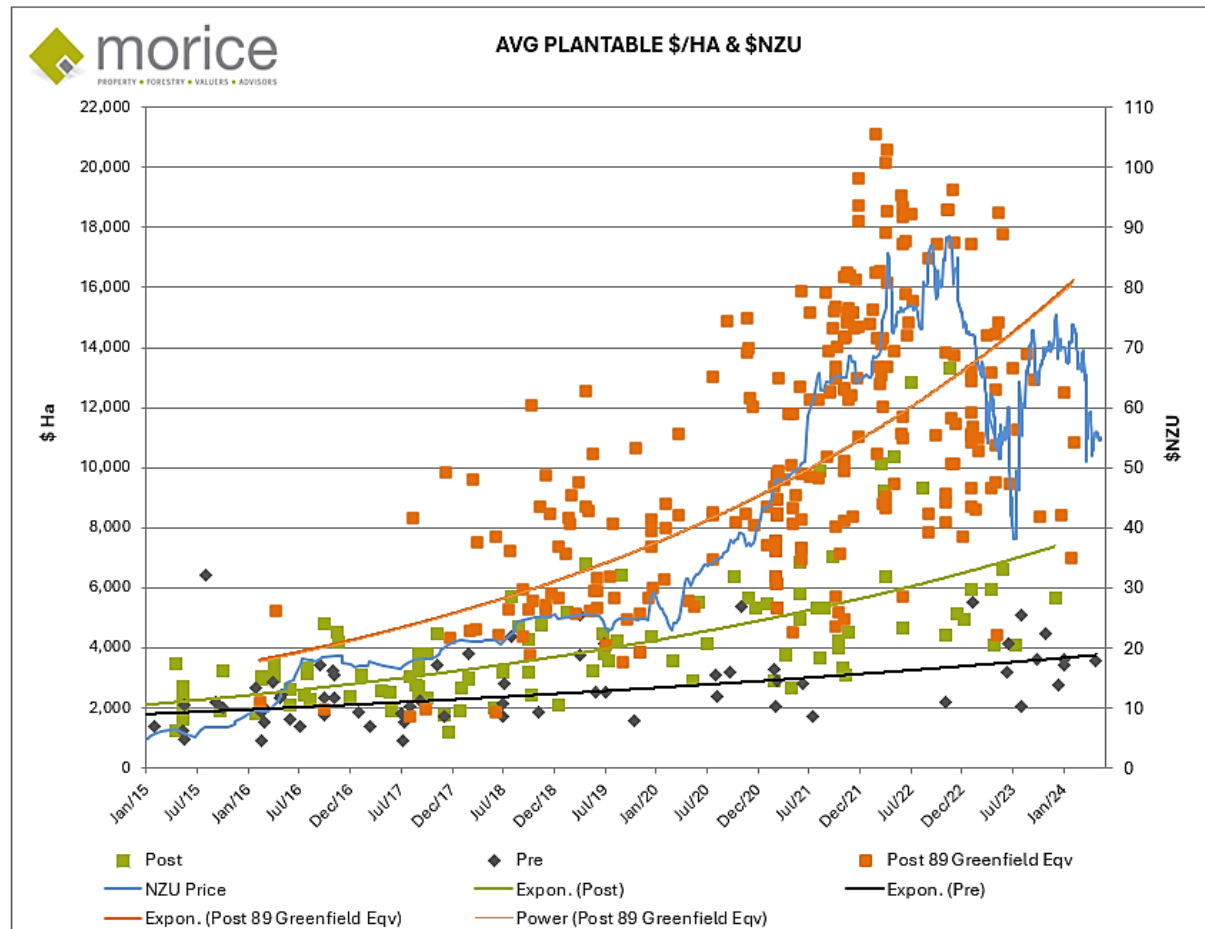
10 The market applies different land values based on the ETS status of the land. On this basis we attempt to apply "like-with-like" land value benchmarks when comparing to the subject Forest Units.

#### 3.1.2 FORESTRY TRANSACTION EVIDENCE

11 The following graph is a summary of analysed average plantable land value per hectare for Pre-1990, Post-

1989 and Post-1989 Greenfields land since 2015. We also overlay the historic NZU price which has an influence on Post-1989 land values.

**Figure 1: Average Plantable Value \$/ha**



12 In relation to the above sales graph, we make the following comments.

- The divergence in land values outlines the importance of determining the ETS status of the land
- There have been limited pre-1990 transactions (black dots). Of those analysed, value growth has been less when compared to post-1989 sales.
- Pre-1990 sales are more influenced by forest economics such as logging, harvest infrastructure and cartage costs without carbon income.
- The market pays a premium for the ability to sequester carbon and earn NZUs.
- Post-1989 land values (green dots) on average have been at a higher level than pre-1990 equivalent.
- Most of these sales are aligned to the "stock change" carbon accounting approach, which are moderated as they will likely incur surrender liabilities upon harvest. The benefit varies significantly amongst ETS participants based on their carbon profile.
- Post-1989 Greenfield farmland values (orange dots) have increased significantly with the introduction of the "averaging" carbon accounting approach and land values having a high correlation to the price of carbon.
- Post-1989 land values paid are influenced by intended use either as production or permanent forests, along with buyer legislative requirements i.e. requiring OIO consent with requirement to harvest.

13 We have referenced the MPI Situation & Outlook for Primary Industries at June 2024 for a brief synopsis of



the current log market MPI Forestry Situation & Outlook.

- Forestry export revenue is expected to decrease 7% to \$5.9 billion in the year to 30 June 2024.
- Supply-side shocks decreasing export volumes and weak global demand for processed wood products are expected to be partially offset by an increase in log export volume and revenue.
- Large log export volumes mostly offset by weaker prices are expected to tip log export revenue into a slight year-on-year increase of 1 percent.
- Export revenue declines are expected in all processed wood product categories.
- In 2024/25 and 2025/26, processed wood production is forecast to recover, lifting export revenue.

14 In general, the current export market is challenging with reduced demand from China.

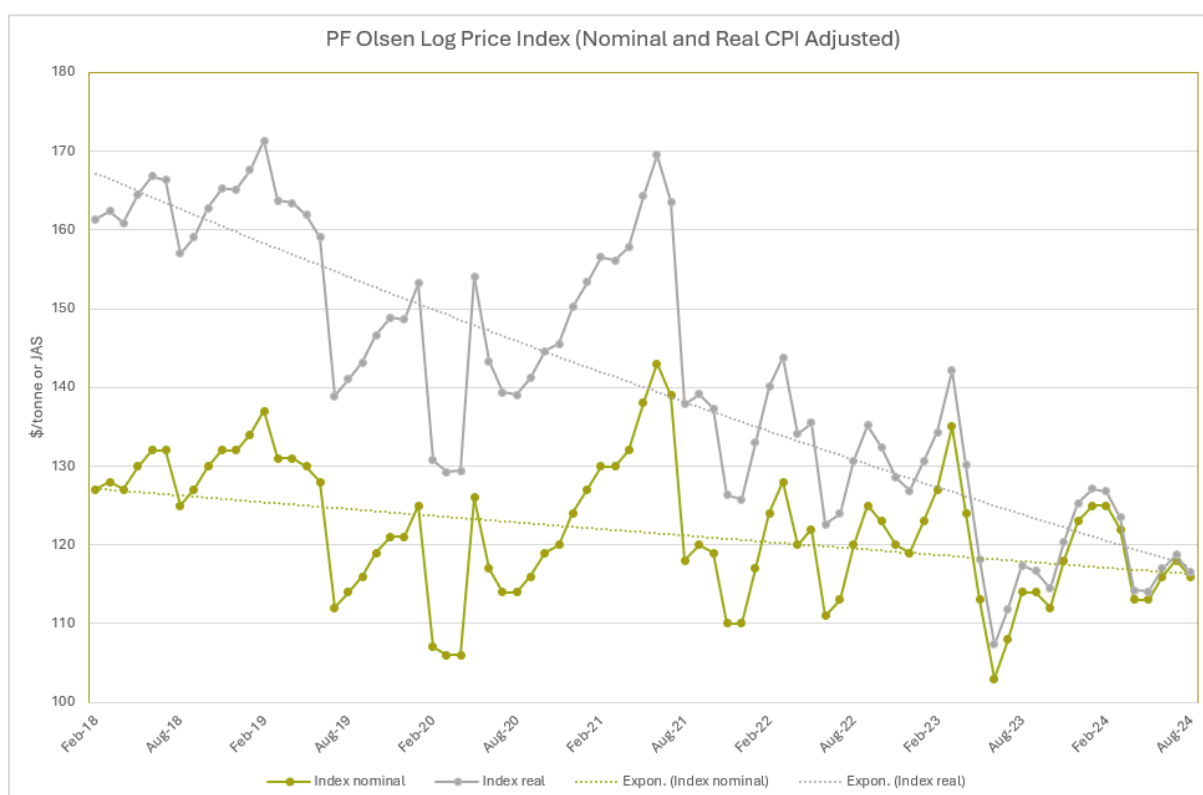
### 3.1.3 PF OLSEN STUMPAGE INDEX

15 PF Olsen (PFO) as part of their Wood Matters email<sup>1</sup> newsletter provide a monthly update for log pricing along with a stumpage index that represents a broad average of log grades produced from a typical pruned forest with an approximate mix of 40% domestic and 60% export supply.

16 The August Index dropped back \$2 to \$116. This is \$3 below the two-year average, and \$4 below the five-year average.

17 The below graph plots the change in the PF Olsen Log Price Index on a real and nominal basis

**Figure 2: PF Olsen Log Price Index**



18 The graph shows the general decrease in nominal log prices (green line), along with the significant fluctuation's month on month. The grey line being log prices in real terms, shows a significant reduction

<sup>1</sup> <https://nz.pfolsen.com/market-info-news/>

over the analysis period when adjusting for inflation.

### 3.1.4 ETS NZU PRICING

19 The New Zealand Emissions Trading Scheme (NZ ETS) was launched in 2008 and is a central climate change mitigation policy for the country. It covers roughly half of New Zealand’s GHG emissions. The “Climate Change Response Act 2002” sets the legislative framework for the NZ ETS and incorporates all of New Zealand’s key climate legislation under one Act.

20 The cap is set in a top-down process to align with New Zealand’s 2050 net zero targets and associated emissions budgets. Covered entities must surrender allowances for all their reported emissions.

21 The NZ ETS has broad sectoral coverage, including forestry, stationary energy, industrial processing, liquid fossil fuels, waste, and synthetic GHGs. Allocation is based primarily on auctioning, which began in March 2021. Free allocation is granted only for emissions intensive and trade-exposed (EITE) activities and is based on output- and intensity-based benchmarks. Uniquely to the NZ ETS, the forestry sector has both surrender obligations and the opportunity to earn units for emissions removals.

22 The government updated regulations for unit supply settings in August 2024, setting the annual cap for the years 2025-2029. The cap limits the number of New Zealand Units (NZUs) that may be released to the market from auctioning, industrial allocation, and the Cost Containment Reserve (CCR), as well as from any international units (not currently allowed). In setting supply limits, the government also considers the stockpile of banked allowances already in circulation and projected unit supply from removal activities.

23 The following are the current auction settings.

**Table 1: Current Auction Settings**

Unit limits (millions)	2024	2025	2026	2027	2028	2029
Base Units	14.2	6.0	5.2	4.3	3.3	2.4
CCR Units	7.7	7.1	6.5	5.9	5.4	4.7
NZUs available by auction	21.9	13.1	11.7	10.2	8.6	7.1
Total emissions limit	27.9	19.1	17.4	15.9	14.2	12.6
Auction reserve price (\$NZD)	64	68	71	75	78	82

24 If a predetermined trigger price is reached at auction, a specified number of allowances from the CCR is additionally released for sale. The following are the current CCR settings.

**Table 2: Current CCR Settings**

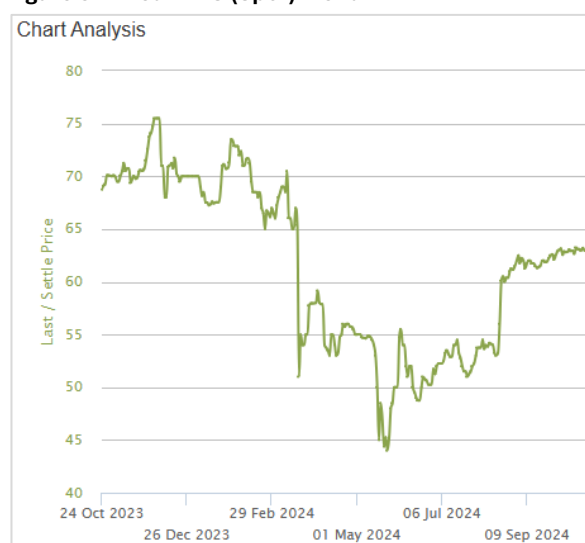
	2024	2025	2026	2027	2028	2029
<b>Cost Containment Reserve volume (millions of NZUs)</b>						
Tier 1	2.8	2.6	2.3	2.1	1.9	1.7
Tier 2	4.9	4.5	4.2	3.8	3.4	3.0
Total	7.7	7.1	6.5	5.9	5.3	4.7
<b>Cost Containment Reserve prices (\$NZD)</b>						
Tier 1	184	193	203	213	224	235
Tier 2	230	242	254	267	280	294

25 The following table is a summary of the auction results to date.

**Table 3: Auction Results to Date**

Auction Date	Units Sold (M)	NZU Price (\$)
March 2021	4.75	36.00
June 2021	4.75	41.70
September 2021	11.75	53.85
December 2021	4.75	68.00
March 2022	10.52	70.00
June 2022	6.43	75.00
September 2022	4.83	85.40
December 2022	4.825	79.00
2023 four auctions	0	0
March 2024	2.9743	64.00
June 2024	0	0
September 2024	0	0

- 26 No units were sold during the 2023 four auctions and last two auctions as they did not meet the reserve threshold.
- 27 Other NZUs are available from the secondary market - either through trading platforms or people directly trading with each other. The NZ ETS secondary market is where most NZUs are traded. The secondary market includes both spot and forward trades.
- 28 NZUs can be traded through direct bilateral agreements with buyers, through a broker or through a trading platform. The Government is not responsible for trades on the secondary market, and the secondary market platforms are run independently.
- 29 The following graphs outline the change in the NZU price within the secondary market. (Source Carbon Match).

**Figure 3: 1-Year NZU (Spot) Trend****Figure 4: Historic NZU (Spot) Trend**

- 30 The current NZU price is approximately \$62NZD. For comparison, the EUA<sup>2</sup> (EU ETS) futures price is

<sup>2</sup> [http:// https://carboncredits.com/carbon-prices-today/](https://carboncredits.com/carbon-prices-today/)

approximately \$62 euros (\$111 NZD).

### **3.1.5 MARKET SUMMARY**

31 From the sale transactions, there has been a reduction in Greenfields land values which is primarily due to the reduction in the carbon price along with some uncertainty with the OIO and carbon legislation.

32 In relation to forestry returns, these are currently under pressure due to reduced export revenue with subdued log prices which in real terms are not keeping abreast with inflation.

33 Notwithstanding this, there has been a steady amount of post-1989 and pre-1990 land transactions where in particular there has been some strong interests from foreign buyers on better located properties.

34 This includes some strong sales of post-1989 established forests under averaging and older forests under the stock change regime to be treated as permanent forests.

### **3.2 FORESTRY SALE BENCHMARKS**

35 Predominantly most of the productive land (94%) has a post-1989 status within the ETS and therefore these comparisons have the most influence on the valuation outcome.

36 We refer to sale benchmarks in the following table.

Table 4: Post-1989 Forestry Sales

Sale#	ETS Status	Land Use	Sale Date	Locality	PPH A	\$GBe	\$HBe	GB %	Lead km	Description	Comparison to Subject	Comparison Notes
10	Post 89 - 100%	F- Land & Trees	06/22	Central Canterbury	244	4,651	3,721	100	Ex 84, Sl 74, Chip 84	Purchased for permanent carbon. 1999 with 146.9ha in P. rad and 56.5ha in D. fir. A further 40ha of post-1989 land is available for planting, plus there is a large recreational /hunting cabin sited at the rear of the block. Planted land \$4k/ha, Greenfields \$8k/ha.	Inferior	Older sale. Inferior growth rates, however more domestic processing options.
13	Post 89 - 93%	F- Land & Trees	04/22	Waitaki	393	5,025	4,020	62	Ex 53, Sl 109, Chp 203	Sale of the Hope Block - contains range of P.rad age classes. Harvest infrastructure mostly in place.	Inferior	Older sale, similar lead export however inferior growth rates.
15	Post 89 - 78%	F- Land & Trees	11/22	Whanganui	1,834	5,238	4,190	23	Ex 191, Sl 210, Plp 109	Five Forest Units situated in the Whanganui, Rangitikei and South Taranaki districts. 1882ha P.rad (91%) established between 1994-1996. 1,429ha (79% of PPA) is registered as post-1989 forest land. 23% ground base contour.	Inferior	Large forest estate. Older sale. Remotely located with regard to export and domestic processing.
16	Post 89 - 76%	F- Land & Trees	10/22	Waitaki	84	5,438	4,351	100	Ex 53, Sl 109, Chp 203	Sale of the Leckie Block - contains smaller area of Pines est 1997 and 2016, balance cutover	Inferior	Older sale, similar lead export however inferior growth rates.
21	Post 89 - 60%	F- Land & Trees	01/23	Manawatu	100	6,201	4,961	0	Ex 179, Sl 122, Plp 200	Planted in two stages, the first 75ha was established in 2019 with the remaining 25ha planted in 2020. Harvest infrastructure in place. Post-1989 \$GBe assessed at \$7,200/ha and pre-1990 \$GBe at \$3,500/ha.	Inferior	Longer lead distance to export and domestic.
24	Post 89 - 100%	F- Land & Trees	02/23	Gisborne	263	6,737	5,389	40	24 Ex, 34 Sl, 200 Plp	Contains some 257ha pruned radiata established 1996. Post-1989 eligible land. 40% estimated suitable for ground base harvesting. 24 km from Eastland Port, Gisborne.	Slightly superior	Older sale. Well located forest, close proximity to export
25	Post 89 - 100%	F- Land & Trees	12/23	Alfredton	152	6,808	5,446	16	Ex 143, Slp 77, Plp 210	Contains 151ha of mature pruned P.rad est 1993-1997. 153ha registered in the ETS. 16% ground base land. 141km north of Centre Port, Wellington.	Similar	Longer lead distance to export however has domestic unpruned options in reasonable locality. Strong sale.

Sale#	ETS Status	Land Use	Sale Date	Locality	PPH A	\$GBe	\$HBe	GB %	Lead km	Description	Comparison to Subject	Comparison Notes
26	Post 89 - 100%	F - Cutover	04/23	Manawatu	57	7,088	5,670	20	Ex 205, Sl 161, Plp 238	Cutover property inland from Hunterville with contour ranging from medium to steep. Access by a right of way over a neighbouring property and also off Mangapapa Road. Improvements include roading and skid sites established for current harvest. Tree crop was planted post-1989 but no current ETS registrations on the property.	Inferior	Smaller property that generally attracts a different buyer pool. Remotely located, strong sale.
27	Post 89 - 100%	F - Cutover	11/22	Ruapehu	123	7,220	5,776	100	Ex 185, Sl 100, Plp 100	161ha situated 45km southeast of Te Kuiti, 62kmsnorth of Taumaranui, and 108km southwest of Tokoroa. Mainly cut-over with small stands of native bush and radiata making up the balance. The Okauaka stream bounds part of the property. Logging tracks are in place and the cutover is sprayed to replant.	Inferior	The sale influenced as purchased for redwood establishment, remotely located.
32	Post 89 - 100%	F- Land & Trees	05/22	Rotorua	67	9,596	7,677	100	Ex 81, Sl 12, Plp 12	Ex Eucalytus forest, now radiata planted in 2006. Post-19 89 ground base land. 12km to Kawerau.	Superior	Smaller forest, well located in relation to domestic processing options.

### 3.2.1 SWOT ANALYSIS

#### Strengths & Opportunities

- Close proximity to domestic pruned processing and export
- Proven forestry area
- Public road frontage
- Good growth rates
- Predominantly post-1989 land ETS classification

#### Weaknesses & Threats

- Predominantly hauler base terrain
- Mostly (84%) very high (red zone) NES-CF erosion susceptibility
- Contains areas of Land Overlay 3B
- Increasing unavailability of establishment, tending and harvest contractors
- Fluctuating export log prices
- Land use uncertainty in the Tawhiti region
- Gisborne District Council enforcement orders against a number of forestry companies regarding discharging forestry debris and sediment

### 3.2.2 LAND VALUE BENCHMARKS

37 After taking into account the above sales along with ETS classification and terrain, we have adopted the following land value benchmarks.

**Table 5: Rates Adopted \$/ha**

Land Class	Baywood	Pukerewa
Post 89 Productive - GB	5,500	5,500
Post 89 Productive - HB	4,500	4,500
Pre 90 Productive - GB	2,500	2,500
Pre 90 Productive - HB	2,000	2,000
Post 89 Overlay 3B	1,500	1,500
Pre 90 Overlay 3B	100	100
Post 89 Unstocked	1,000	1,000

38 In relation to the land classes, we have adopted the same rates for Baywood and Pukerewa as on balance we consider these two forests similar.

39 For the post-1989 areas stated there has been distinct paucity of transactions in the East Coast region. Of the most recent sales, sale 24 was for a well located property with an analysed \$GBe of some \$6,700 per hectare that transacted in February 2023. This is considered slightly superior in terms of locality. Transaction 25 which occurred in Alfredon was a strong sale at the time for a very good forest with a reasonable proximity to domestic processing, however longer to export. This had an analysed \$GBe of some \$6,800 per hectare.

40 On balance before the influence of Cyclone Gabrielle and the associated change in land use legislation we are of the view the \$GBe land values would have been circa \$7,000 per hectare. We have applied a deduction of \$1,500 per hectare (21%) from this benchmark for market uncertainty.

41 For the small amount of pre-1990 land, again this has been adjusted downward from the sales schedule in appendix 2. A number of transactions range from \$GBe \$3-4,000 per hectare. Again, we have applied a

discount of \$1,500 per hectare for this land class and adopted a %GBe of \$2,500/ha.

42 For the post-1989 Land Overlay 3B area we have adopted a land value of \$1,500 per hectare as we are of the view in future this land will likely still have some earning capability through carbon sequestration. The pre-1990 Land Overlay 3B has been assessed at \$100 per hectare similar to the non-productive area as assumed this will be retired.

43 The post-1989 unstocked areas have been assessed at \$1,000 per hectare acknowledging earning ability from NZU's however does not have a tree crop cover.

### 3.2.3 CARBON VALUATION

44 We have not separately assessed the value of any carbon trading opportunity of the Forest Units. We are of the view the land values adopted incorporates the market premium for carbon trading.

45 The assessment is on the basis there are no contingent ETS liability with surrendering NZUs to the Crown upon harvest and end of the leases.

### 3.2.4 IMPROVEMENTS

46 Our valuation is on the basis that the harvest infrastructure in the form of roads and skids are in place.

47 The added value of the roads has been based off the analysis of second rotation forestry land sold with a roading network in place. In reality the market discounts the value of the roads when compared to the capital cost to construct due to the maintenance required during the following rotation and upgrade required at time of harvest. We have adopted a value of \$400 per ppha.

48 The added value of boundary fencing has been included at \$5 per metre where they adjoin farmland.

### 3.2.5 VALUATION

49 Under the set of assumptions outlined in this report through adopting the market approach, we assess the land and improvements and on-sale value as at the 6 August 2024.

**Table 6: Summary of Values**

Valuation Summary	Total	Baywood	Pukerewa
Improvement Value	289,000	105,000	184,000
Land Value	2,780,000	971,000	1,809,000
<b>Total Land &amp; Impts Value</b>	<b>3,069,000</b>	<b>1,076,000</b>	<b>1,993,000</b>
Share	100%	35%	65%

**THREE MILLION & SIXTY NINE THOUSAND DOLLARS** plus GST, if any

### 3.2.6 ETS & COLLECTIVE OWNERSHIP SHARE DISCUSSION

50 Currently a main driver of forestry land value is the ETS where post-1989 land is demanding a premium due to NZU's able to be earned through carbon sequestration.

51 The Collective Ownership Share methodology has been based on determining a market value for each forest based on ETS regulation in place as at the date of valuation (status quo method)



52 The ETS is constantly being reviewed, and therefore the benefit of second rotation post-1989 forests going forward may result in different land rights and land values in time.

53 As the ratio of post-1989 eligible land for each Forestry Unit differs, we have performed a valuation on a pre-1990 land value basis. This is to determine whether there is any significant deviation in the collective ownership share based on the ETS status of the land.

54 The following table outlines the Collective Ownership Share based on the two methodologies.

**Table 7: Ownership Share by Valuation Methodology %**

<b>Pre 1990 Value Analysis</b>	<b>Total</b>	<b>Baywood</b>	<b>Pukerewa</b>
Improvement Value	289,000	105,000	184,000
Land Value	1,179,000	401,000	778,000
<b>Total Land &amp; Impts Value</b>	<b>1,468,000</b>	<b>506,000</b>	<b>962,000</b>
<i>Share</i>	<i>100%</i>	<i>34.5%</i>	<i>65.5%</i>
<b>Difference - Status Quo less Pre 1990</b>	<b>0%</b>	<b>0.6%</b>	<b>-0.6%</b>

55 There is minimal difference between the Collective Ownership Share apportionments based on the two valuation methodologies. We are of the view the status quo method should be adopted as this reflects the ETS regulations at the time of valuation in line with the comparable market evidence.

## Section 4: LAND & IMPROVEMENTS

### 4.1 STATUTORY INFORMATION

#### 4.1.1 LEGAL DESCRIPTION

56 An Estate held in Fee Simple held within two Record of Titles in the Gisborne Land Registration District.

**Table 8: Record of Title**

Forest Unit	Registered Owner	Title	Legal Description	Area (ha)	Total (ha)
Baywood	Baywood Forest LP	GS6D/360	Lot 1 DP 9861	266.920	266.920
Pukerewa	Pukerewa Forest LP	GS6B/455	Lots 2 4 11 DP 3718 Pt Sec 1 Blk Whangara SD	538.392	538.392
<b>Total Legal Area (more or less)</b>				<b>805.312</b>	<b>805.312</b>

#### 4.1.2 INTERESTS

##### GS6D/360

- 230343.3 Consent Notice pursuant to Section 221(1) Resource Management Act 1991 - 9.8.2000 at 10:05 am
- 9083324.1 Notice pursuant to Section 195(2) Climate Change Response Act 2002 - - 31.5.2012 at 10:03 am  
*This outlines that part of the land is pre-1990 under the Climate Response Act 2002*
- 9229964.1 Lease Term commencing 31 August 2012 and terminating 31 December 2036 CIR 600725 issued. - 15.11.2012 at 11:57 am  
*See lease details outlined below.*
- 9281262.1 Notice pursuant to Section 195(2) Climate Change Response Act 2002 - 7.1.2013 at 4:02 pm  
*This outlines that part of the land is post-1989 under the Climate Response Act 2002*
- 9345936.3 Mortgage to Bank of New Zealand - 28.3.2013 at 11:11 am
- 9345936.27 Encumbrance to Trustees Executors Limited - 28.3.2013 at 11:11 am

##### GS6B/455

- 9083324.1 Notice pursuant to Section 195(2) Climate Change Response Act 2002 - 31.5.2012 at 10:03 am
- 9230284.2 Lease Term Commencing 31.8.2012 and terminating 31.12.2035 CT 600810 issued - 15.11.2012 at 4:42 pm
- 9281262.1 Notice pursuant to Section 195(2) Climate Change Response Act 2002 - 7.1.2013 at 4:02 pm (Affects Part Section 1 Block I Whangara SD)
- 9262394.15 Mortgage to Bank of New Zealand - 28.3.2013 at 11:16 am
- 9262394.33 Encumbrance to Trustees Executors Limited - 28.3.2013 at 11:16 am

57 From discussions with FEL we have been advised that in their view, there are no registered interests that are onerous on the Forest Units. We exclude any encumbrances associated with the NZCL lease.

#### 4.1.3 CARBON LEASE

58 The Forestry Units are subject to carbon leases on similar terms. We refer to some of the main details below:

Lessor:	Baywood Forest LP / Trustees Executors Limited
Lessee:	New Zealand Carbon Leasing (FEL) Limited
Term:	31 August 2012 to 31 December 2036 for Baywood & 31 December 2035 for Pukerewa.
Rental:	Not provided in lease document
Rent Review Dates:	29 April in each year of the term, commencing 29 April 2014.
Rent Review:	By the percentage equal for the CPI for the four quarters ending on 31 December in the year prior to the rent review date.
Permitted Use:	The Lessor consents to the Registration of the Lessee as a participant under the ETS. The Lessee has no right to the tree crop. The Lessee indemnifies the Lessor against any actions, claims, demands, proceedings, damages, costs etc in relation to the Climate Change Response Act 2002.
Other:	The Lessor has the right to defer the lease termination until all CAA's have been removed from the land.
Outgoings:	The Lessor to pay outgoings in the form of rates

#### 4.1.4 RESOURCE MANAGEMENT

59 The subject property is located within the Gisborne Unitary Council.

##### **Gisborne Unitary Council**

Zone:	The property is zoned "Rural (Productive) under the Gisborne District Plan Operation March, 2020. The Gisborne District Council is a Unitary Authority for both the District and Regional Councils.
Objectives:	<ul style="list-style-type: none"> <li>• Enable subdivision, use and development of all rural zones provided that adverse environmental effects can be avoided, remedied or mitigated</li> <li>• Maintain rural amenity values</li> <li>• Sustainable management of the life supporting capacity of the soils on the Poverty Bay Flats</li> <li>• Enable peri-urban living in appropriate areas and at densities where the adverse effects of this activity can be avoided, remedied or mitigated</li> <li>• Locate structures and plant trees in such a manner as not to cause adverse environmental effects across property boundaries</li> </ul>
Activities:	<p>The Rural General zone is suitable for a number of activities, with low population densities and little pressure for development. It is proposed to be as flexible as possible within this zone provided the effects of activities can be avoided, remedied and mitigated.</p> <ul style="list-style-type: none"> <li>• The planting of vegetation is a Permitted Activity subject to the criteria outlined in 21.13.1.2 of the Plan and includes that no vegetation shall be planted closer than 10m to an adjoining property and 20m to the centre-line of the carriage way of any formed public road</li> <li>• Farming is also a Permitted Activity subject to the conditions outlined in 21.9.1.1</li> </ul>
Subdivision:	Section 12.6 rules for subdivision outlines subdivision in the Rural General zone this

requires a minimum net area of 1,000m<sup>2</sup>.

Forestry: Soil conservation is now largely controlled by the NES-CF.

#### 4.1.5 EAST COAST FORESTRY REPORT

- 60 Recently there has been some retraction in forestry interest on the East Coast for the following reasons:
- Increasing interest rates
  - Fluctuating carbon price
  - Uncertainty on land use for forestry given recent climatic events inclusive of the Ministerial Inquiry (Outrage to Optimism) into Land Use causing woody debris and sediment-related damage in Tairāwhiti and Wairoa regions
  - Recent change in government with differing party views on forestry
  - Creation of the NES-CF (National Environmental Standards for Commercial Forestry)
  - Depressed log prices
  - Increasing logging and cartage costs
  - Multiple legal cases against forestry companies in the region relating to discharging forestry debris and sediment.
- 61 An “Outrage to Optimism” inquiry was published in May 2023 with regard to mobilisation of woody debris and sediment in the Tairāwhiti/Gisborne and Wairoa Districts. The report presented a number of recommendations to minimise the adverse effects seen post Cyclone Gabrielle where soil erosion and forestry slash caused significant damage to infrastructure and property throughout the region.
- 62 This inquiry provided recommendations to the Gisborne Unitary and Wairoa District Councils for legislation changes, particularly in regard to forestry activities that is meant to minimise damage in future severe weather events. Some of these recommendations included:
- The restriction of large-scale clear felling where no more than 5% of a catchment area can be harvested per year
  - No more than 40 hectares per forest can be harvested within one year
  - Maximum staged coupes size of 40 hectares with minimum “green up” period of five years between staged harvest coups
  - Requirement to remove woody debris from red-zoned land where practical or otherwise dispose of safely
  - Harvest plans should be reviewed by a central Government regulator
  - Proposed purple NES-CF zone for extremely erodible land where permanent canopy cover of native forest needs to be established
- 63 The Government’s response to the inquiry had two phases:
1. Immediate and near-term actions that reduce risk, such as clearing woody debris.
  2. Longer term actions to build resilience.
- 64 There were four key actions in the first phase to reduce risk:
1. Increase efforts to manage woody debris, including reaching a shared view of the size of the remaining problem, how action should be prioritised, and how it should be paid for.
  2. Appoint a statutory Resource Management advisor to work with the Gisborne District Council and advise the Minister for the Environment on opportunities to strengthen the resource management framework in Tairāwhiti/Gisborne.
  3. Appoint a facilitator to build partnerships, including with the forestry industry, landowners and Māori interests, to support an integrated approach to recovery and longer-term resilience to these kinds of

events.

4. Progress actions to improve forestry management, in response to the Inquiry’s recommendations related to clear felling. This will include working with Gisborne District Council on options to speed up a review of existing resource consents, provide national guidance on forestry slash risk, and complete changes under the National Environmental Standards for Plantation Forestry.

65 The forestry slash report also recommended a “Purple Zone”, which is off limits for production forestry. The recommendation was this land to return to permanent forest, preferably native.

66 In order to identify the “Purple Zone”, a Gisborne Morphometric Landslide Susceptibility and Connectivity Model was prepared by Landcare Research. The model is to help inform the Land Overlay 3B, an extension of the current land overlay framework in the Tairāwhiti Resource Management Plan (TRMP).

67 Land Overlay 3B will identify the worst eroding land across the region, the likelihood of shallow landslides occurring and the likelihood of those landslides connecting to waterways. This land will need to transition out of plantation forestry and/or pastoral farming and into permanent vegetation cover.

68 We have been advised that land classes 4 being moderate landslides susceptibility and water connectivity along with land class 7 being high landslide and high water connectivity determine Land Overlay 3B. Figure 5: Indicative Map of Land Overlay 3B areas

69 The following image and table are the estimated Land Overlay 3B areas being land classes 4 and 7 equating to 161.9 hectares and 22.9% of the current productive area (note slight difference to PPA area from GIS mapping).

**Figure 6: Estimated Land Overlay 3B Map**



**Table 9: Estimated Land Overlay 3B Areas (ha)**

Class	Baywood	Pukewera	Total ha
1	78.1	142.6	
2	28.3	55.3	
3	23.1	55.9	
4	19.0	37.9	56.9
5	27.0	51.0	
6	24.3	58.9	
7	36.8	68.2	105.0
Total	236.5	469.9	706.3
Total 4 & 7	55.8	106.1	161.9
Total % 4 & 7	23.6%	22.6%	22.9%
P89 Eligible	52.5	93.5	146.0
P90	3.3	12.6	15.9
<b>Total</b>	<b>55.8</b>	<b>106.1</b>	<b>161.9</b>

70 We have further segregated the affected area into areas that are currently registered in the ETS equating to 146 hectares with a balance of 15.9 hectares being pre-1990.

71 The actual productive area affected by the Land Overlay 3B is subject to change after Council District Plan implementation and harvest planning.

#### 4.1.6 NATIONAL ENVIRONMENTAL STANDARDS – COMMERCIAL FORESTRY (NES-CF)

72 The National Environmental Standards For Commercial Forestry (NES-CF) came into force on 3 November 2023, amending the previous National Environmental Standards for Plantation Forestry (NES-PF).

73 The NES-CF applies to both plantation forests and exotic continuous-cover forests (carbon forests) that are established for commercial purposes.

74 The intention is that the environmental effects of large-scale forestry on the environment, communities and rural economies will be able to be better managed.

75 The NES-CF are clear national standards on the way forests can operate; regulating the activities of afforestation, pruning and thinning to waste, earthworks, river crossings, forestry quarrying, mechanical land preparation and replanting.

76 The key changes in the NES-CF are that carbon forests are now regulated by the standards (in addition to plantation forests) and there are greater powers for local authorities. There is also a new permitted activity condition to manage slash at harvest and new requirements around the management of wilding trees.

77 The NES-CF gives councils more control over the location of forestry and councils have the flexibility to introduce rules that reflect the views of the local communities through their planning processes. Councils can now also consider the following additional matters of discretion:

- Planting location and species, including planting density and establishment practice;
- Future harvesting and earthworks effects;
- The level of risk to communities and infrastructure that might be adversely affected by slash or

sediment;

- The forest type (plantation or exotic continuous-cover); and
- Management requirements to avoid adverse effects on ecosystems, freshwater, coastal and marine area, communities and infrastructure.

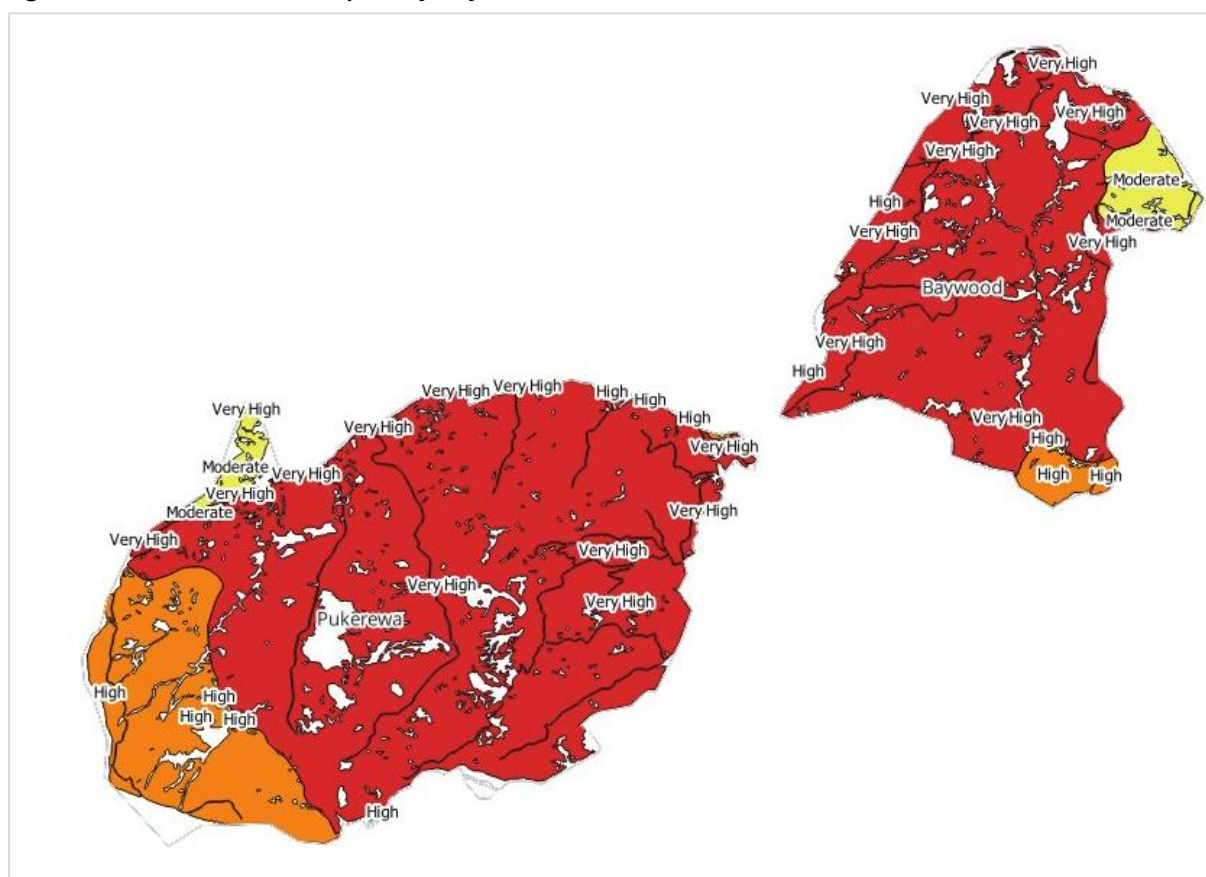
78 For the purposes of harvesting, land has been zoned green, yellow, orange or red. Harvesting is a permitted activity in green, yellow and orange zones. Limited harvesting in a red zone is also permitted in certain circumstances. This hasn't changed under the NES-CF.

79 Slash management rules have changed where now in orange or red zones, slash from harvesting that is "sound wood" (wood that can be safely lifted using harvesting equipment and transferred to a landing without degrading or breaking up) must be removed unless it is unsafe to do so if it has a length of over 2 metres and a large end diameter of minimum 10cm. Some residual slash larger than this size (not exceeding 15m<sup>3</sup> per hectare of the cutover) may be left on the site. If the forest owner can't meet this requirement, harvest will be a controlled activity and they will need to apply for consent.

80 A number of other technical and operational amendments have been made to the NES-CF.

81 The following map outlines the NES-CF land classifications based on the estimated productive area.

**Figure 7: NES-CF Erosion Susceptibility Map**



82 The amount of productive area within the NES-CF classification is outlined in the following table.

**Table 10: Erosion Susceptibility Classification by Area (ha)**

ESC2018	Baywood	Pukewera	Total
Moderate	17	7	24
High	10	81	91
Very High	209	381	590
Total	236	469	705

**Table 11: Erosion Susceptibility Classification by Percentage (%)**

ESC2018	Baywood	Pukewera	Total
Moderate	7%	1%	3%
High	4%	17%	13%
Very High	89%	81%	84%
Total	100%	100%	100%

83 The Forest Units have predominantly very high (red) erosion susceptibility.

84 The NES-CF also has provisions for fish spawning where fresh water species are vulnerable to disturbance during spawning. The NES-CF identifies 33 fish species that require protection from disturbance during spawning. This imposes controls on certain forest activities during these times.

85 No fish spawning habitats have been identified within PF.

#### 4.1.7 RATING VALUATION

86 The following table outlines the Government rating valuation and annual rates included for information purposes only. Capital value assessments are used to set rates for residential, commercial and rural properties and are not necessarily reflective of market value. It excludes any value associated with commercial tree crops.

**Table 12: Rating Valuation**

Forest Unit	Assessment	Area (ha)	Impts	Land	Capital	Valn Date	Rates \$
Baywood	09190/02300	266.9	29,000	1,300,000	1,329,000	Aug/23	11,707
Pukewera	085190/00900	534.4	31,000	2,400,000	2,431,000	Aug/23	20,361
<b>Totals (Incl GST)</b>		<b>801.3</b>	<b>\$60,000</b>	<b>\$3,700,000</b>	<b>\$3,760,000</b>		<b>\$32,068</b>

## 4.2 LOCALITY

### 4.2.1 SITUATION & AMENITIES

87 Both Forest Units are located on Panikau Road, Waimata in the Gisborne District, some 44 kilometres northeast of Gisborne.

88 Land use in the area comprises predominantly pastoral farming, exotic forestry and retired native areas.

89 Skilled labour and supporting forestry services are sourced from the wider Gisborne region.

90 The below table outlines the estimated average lead distance to domestic saw log processing, export and pulp (excluding internal).



**Table 13: Average Lead Distances (km)**

Forest Unit	Sawlog (Pr)	Sawlog (Pr)	Sawlog/Pulp	Export
Location	Far East	EC Lumber Wairoa	Pan Pac Whirinaki	Eastland Port
Baywood	57	142	244	45
Pukerewa	54	140	242	43
Wt Avg	55	141	243	44

91 The following is a brief description of the more accessible markets.

92 **Eastland Port** located at Gisborne is New Zealand's third largest log export port. The 2023 Annual Report outlined log export volumes were severely impacted by global supply chains, severe weather events, Cyclone Gabrielle and logging truck restrictions on roading networks. However, 2.4 million tonnes of logs were exported, a slight drop from the previous year where some 2.668 million tonnes were exported.

93 **Far East Sawmill** is the former Prime sawmill located in Gisborne. It recently reopened and is being operated by Kiwi Lumber, producing sawn lumber from pruned logs.

94 **East Coast Lumber** situated in Wairoa is producing 10,000-25,000 m<sup>3</sup> of sawn lumber per annum with the main logs supplied being pruned.

95 **Port of Napier** is situated in Napier. Total trade, as a result of Cyclone Gabrielle in February 2023, decreased 14.4% to 4.6% million tonnes compared to 5.4 million tonnes in the previous year. Log export volumes decreased by 11.3% to 2.5 million tonnes compared to 2.8 million tonnes in the previous year, due to less harvesting post cyclone, damaged roading infrastructure and the subdued export market conditions during the year.

96 **Pan Pac Forest Products** situated at Whirinaki, Napier, is the largest producer of appearance grade lumber in New Zealand, and produces some 430,000 m<sup>3</sup> of green sawn output from pruned and sawlogs per annum. There is also a pulp mill that produces thermo mechanical pulp, up to 900 tonnes daily and chip mill that manufactures up to 450,000 tonnes per annum.

97 **Napier Pine** is a small specialist mill utilising high value lumber grades sourced from large diameter pruned logs.

98 The Forest Units have the advantage of being relatively close to pruned log processing along with export, however disadvantaged long lead distance to pulp and unpruned log processing.

#### 4.2.2 CLIMATE

99 The following table is a summary of the climate for the Forest Units.

**Table 14: Climate (source NIWA)**

Medium Annual Rainfall mm			Average Temperature oC			Average Wind Speed m/s		
1400	-	1600	13	-	14	3	-	5

100 The general the land is suitable for the growing of Pinus radiata and other exotic tree species with rainfall generally being well distributed. The area can be subject to high wind events, which can periodically result in windthrow damage. Winters are generally mild.

### 4.3 LAND

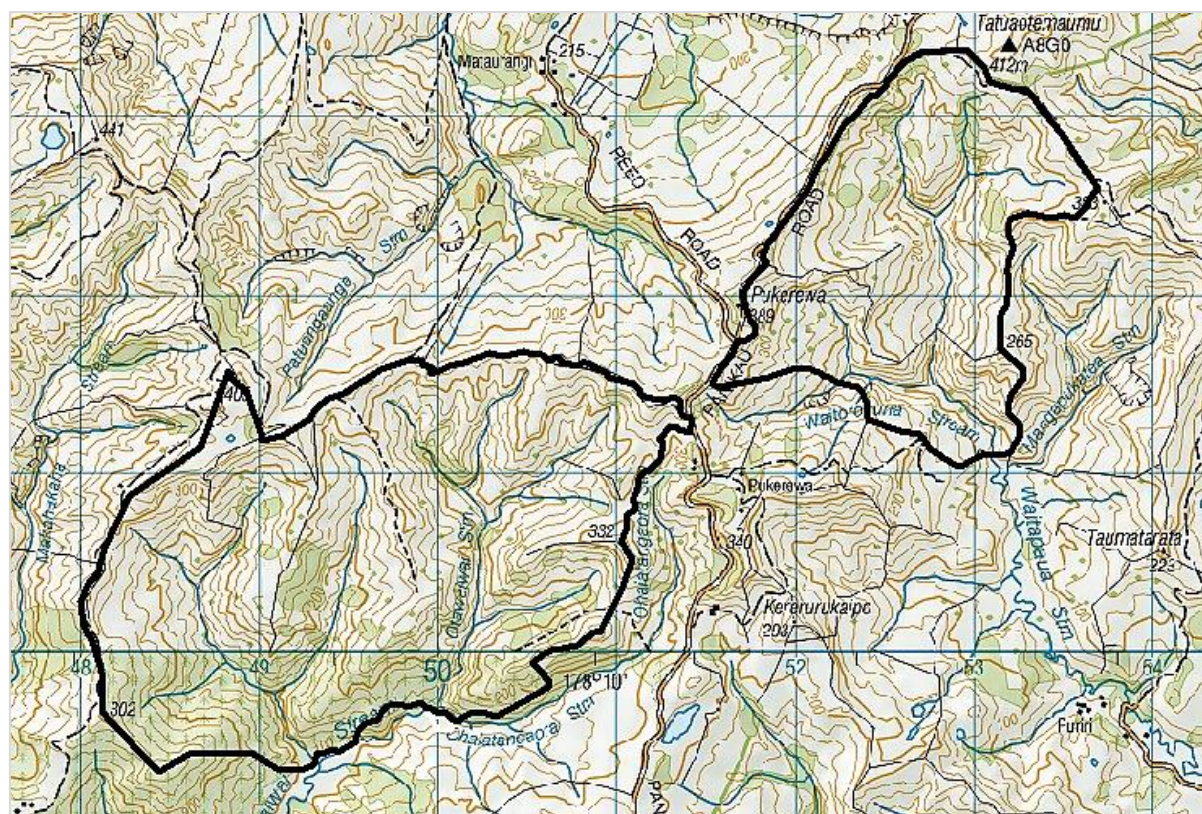
#### 4.3.1 PROPERTY USE

101 The current use for the land is for production forestry purposes, with the growing of Pinus radiata tree crop. We are of the view production or permanent forestry on the ETS eligible land is the highest and best use.

#### 4.3.2 LAND DESCRIPTION

102 The image below outlines the parcels contained within showing its general shape and contour.

**Figure 8: Topographic Map**



103 Baywood bounds Panikau Road along its entire western extent with Pukerewa bounding Panikau Road for a small length at its eastern extent.

104 The following table outlines the ground and hauler base mix provided by FEL along with average minimum and maximum altitudes for each Forest Unit.

**Table 15: Altitude by Forest Unit (masl)**

Forest Unit	GB %	Avg Altitude	Min Altitude	Max Altitude
Baywood	36%	239	73	384
Pukerewa	17%	240	89	398
Wgt Avg	23%	240		

105 PF has predominantly hauler base land. Altitude ranges from some 73-398masl with an average altitude estimated at 240masl for both Forest Units.

106 Both Forest Units have a southerly facing aspect with leading ridgelines to the north and western extents, that gradually decrease in altitude towards the southern extent.

#### 4.3.3 COVER SUMMARY

107 The following table outlines the established tree crops on the Forest Units.

**Table 16: Cover Summary (ha)**

Forest	Baywood	Pukerewa	Total	Share
1996		130.8	130.8	18%
1997		337.6	337.6	48%
2000	181.2	4.7	185.9	26%
2001	55.9		55.9	8%
Total	237.1	473.1	710.2	100%
Share	33%	67%	100%	

108 The above area statement includes some 5.6 hectares established outside the legal boundary.

109 All of the current tree crop is assumed accessible for harvest.

#### 4.3.4 PRODUCTIVE AREA

110 We have assessed a PPA which is the area of land utilised to run the forestry business. This includes the NSA of planted trees, areas waiting replanting, utilities, roads and landings. Areas outside the legal boundary along with inaccessible stocked areas are deducted. The un-plantable land comprises areas such as power lines, covenant areas, indigenous vegetation, areas not physically able to be harvested and other non-plantable areas.

111 The following table outlines our PPA breakdown of PF.

**Table 17: PPA Classification (ha)**

Land Type	Baywood	Pukerewa	Total
NSA	237.1	473.1	710.2
AWR			0.0
Road/Skid est.			0.0
OLB	-1.6	-4.1	-5.6
<b>PPA</b>	<b>235.6</b>	<b>469.0</b>	<b>704.6</b>
Unproductive/Unplantable	31.4	69.4	100.7
<b>Legal Area</b>	<b>266.9</b>	<b>538.4</b>	<b>805.3</b>

112 We adopted a PPA of 704.6 hectares after removing OLB areas.

#### 4.3.5 ETS STATUS

113 FEL have provided shapefiles of the post-1989 registered area along with the pre-1990 productive areas along with the estimated amount of pre-1990 productive land within each Forest Unit.

114 The following table outlines our ETS breakdown of the Forest Units.

**Table 18: ETS Areas (ha)**

<b>ETS Areas</b>	<b>Baywood</b>	<b>Pukerewa</b>	<b>Total</b>
<i>Registered Area</i>	249.2	465.3	714.5
P89 Productive	179.8	335.5	515.2
P90 Productive		27.4	27.4
P89 Productive Land Overlay 3B	52.5	93.5	146.0
P90 Productive Land Overlay 3B	3.3	12.6	15.9
<b>PPA Total</b>	235.6	469.0	704.6
P89 Unstocked	16.9	36.3	53.2

115 The P89 unstocked areas are due to the ETS registered area being higher than the net stocked area. This is possible due to different mapping standards for the ETS where gaps up to one hectare in size are allowed, whereas traditional NSA mapping eliminates gaps much smaller in size.

#### 4.3.6 SOILS

116 Soils have been classified in accordance with the General Survey of the Soils of the North Island (Soil Survey Bulletin (n.s.5) prepared by the Department of Scientific and Industrial Research Bulletin.

**Table 19: Soil Areas (ha)**

<b>Soil</b>	<b>Baywood</b>	<b>Pukerewa</b>	<b>Total</b>
29dH	133.5	133.5	266.9
115		538.4	538.4
Total	133.5	671.9	805.3

#### **Pakarae complex hill soil (No.29dH)**

This soil type is formed from Gisborne or Taupō ash and mudstone parent materials and generally occurs on moderately steep slumped contoured areas. A typical profile comprises 7.5 - 12.5cm dark brown sandy loam on clay loam. This soil type is described as having a medium to natural fertility and has a good response to phosphate fertilisers.

#### **Mahoenui silt loam (No.115)**

This soil has a parent material of banded mudstone and sandstone and is found on steep and very steep topography. A typical profile comprises 7-38cm light grey to brown silt loam to clay loam on mudstone. Fragments of mudstone are found throughout the profile. Natural fertility is medium to high with good response to phosphates.

#### 4.3.7 WEEDS & PESTS

117 Due to the Forest Units being first rotation there are minimal weeds. Some blackberry was noted in some places.

118 The area has relatively high pest risk from browsing goats which required control at time of establishment. This is generally undertaken by the forest owner.

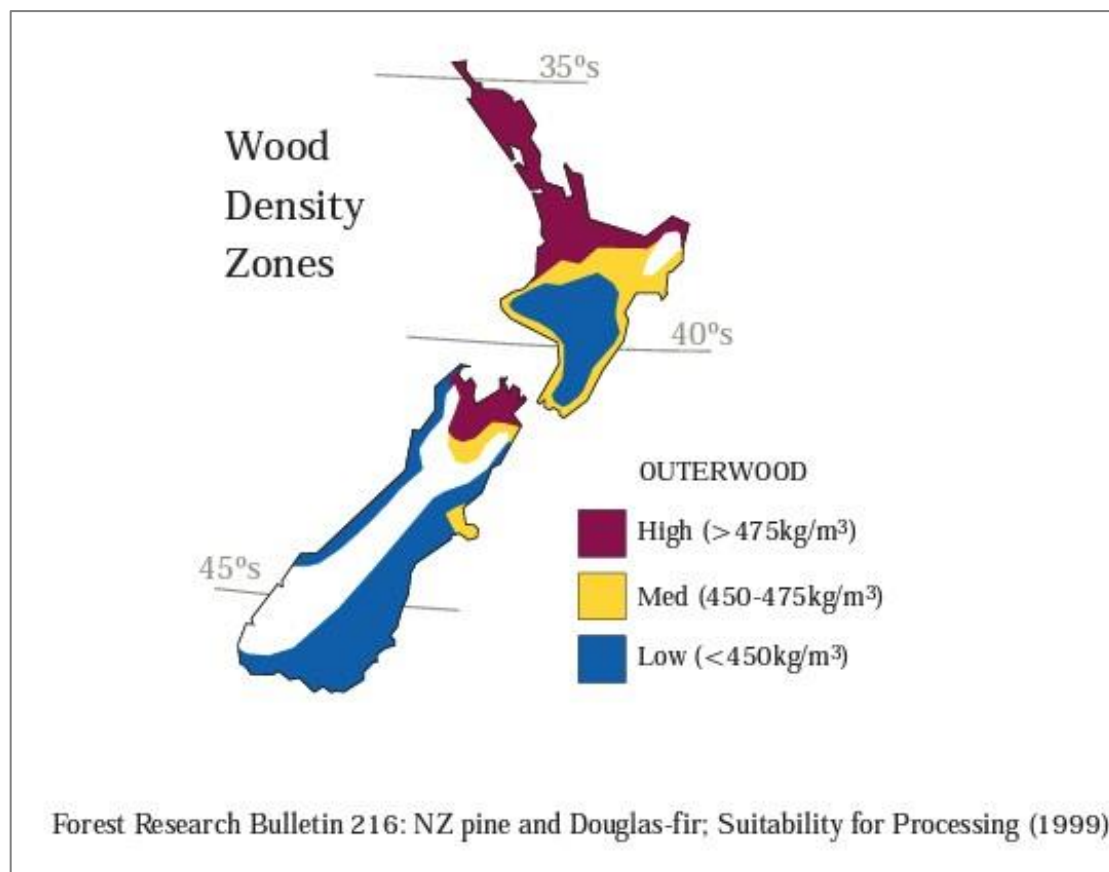
#### 4.3.8 WOOD DENSITY

119 Wood density is related to the mean annual temperature of a specific site and therefore determines its

suitability as structural lumber which has conditions regarding strength and stiffness.

120 The following map outlines the radiata pine density zones for New Zealand.

**Figure 9: Radiata Pine Density Zones**



121 Based on the density zone map, would likely fall in the “medium” bracket.

#### 4.3.9 PRODUCTIVITY

122 Forest site productivity is the biological production that can be realised at a certain site with a given genotype and a specified management regime. Site productivity depends on both natural factors inherent to the site and on management related factors. Forest productivity influences the return on investment offered by growing the tree crop as well as determining the optimum time for a tree crop to be harvested.

123 Within New Zealand there are generally three measures to determine forest productivity.

1. Site Index is a measure of productivity of a site in terms of height growth of radiata pine. The parameter used is a mean height in metres of the largest 100 trees per hectare at age 20 years.
2. 300 Index is a measure of volume and productivity for radiata pine. It is similar to the mean annual increment. The 300 Index is defined as "a mean annual volume increment (m<sup>3</sup>/ha/yr) of a stand that is pruned to 6m, thinned at the completion of pruning and grown to final crop stocking of 300sph to age 30 years".
3. Mean Annual Increment (MAI) - is the total stem volume divided by its present age.

124 In order to estimate the productivity of the subject forests, we have used the Site and 300 Indices provided by FEL. This has been compared with PSP data from ex-farm sites within the Gisborne region, along with the New Zealand average (source Pinus Radiata Calculator Pro Ver4). The estimated TRV is also based on

a rotation age of 27 years multiplied by the 300 Index and a recovery of 85%.

**Table 20: 300 Indices m<sup>3</sup>/ha/yr**

<b>Index</b>	<b>Baywood</b>	<b>Pukerewa</b>	<b>Gisborne</b>	<b>New Zealand</b>
Site m/yr	33.2	33.2	34.2	30.2
300 m <sup>3</sup> /yr	32.0	30.0	31.9	29.0
TRV Est	734	689	732	666

125 Compared to the Scion data, we are of the view the Forest Units would have productivity similar to the Gisborne District and above that of the New Zealand average.

#### **4.3.10 FIRE RISK**

126 PF is considered to have low fire risk predominantly due to bounding pastoral farmland and another forest estates along with being located in a relatively reliable rainfall area.

#### **4.4 IMPROVEMENTS**

##### **4.4.1 FENCING**

127 We have included the value of fencing where they adjoin farmland. Internal fencing is considered to have no added value.

##### **4.4.2 HARVEST INFRASTRUCTURE**

128 At the time of inspection, no harvest infrastructure was in place, with there being earthen tracks through the forest providing for UTV access.

## Section 5: SCOPE OF WORKS

**The Client:** Forest Enterprises Limited.

**Other Intended Users:** None known.

**Purpose of Valuation:** To provide a market valuation of the land and improvements in a cutover state with harvest infrastructure in place for the Baywood & Pukerewa Forests Forest units contained within Panikau Group (PF) to determine the collective ownership share apportionment.

**Address:**

Property	Address	District
Baywood & Pukerewa Forests	Panikau Road, Waimata	Gisborne

**Assets Valued:** The stated land and improvements (excluding tree crop) with harvest infrastructure in place on the following Forest Units legally described as:

Title	Legal Description	Area (ha)	Total (ha)
GS6D/360	Lot 1 DP 9861	266.920	266.920
GS6B/455	Lots 2 4 11 DP 3718 Pt Sec 1 Blk Whangara SD	538.392	538.392
<b>Total Legal Area (more or less)</b>		<b>805.312</b>	<b>805.312</b>

**Valuation Date:** 6 August 2024

**Conflict of Interest:** No conflict of interest has been identified.

**Restrictions of Use:** Use of this report is restricted to those named in "The Client" and "Other Intended Users" in this Scope of Works, and no distribution or publication is permitted without the express authority of Morice.

**Reassignment:** Morice's professional indemnity insurance requires that reports cannot be reassigned for any purpose beyond 90 days from the date of valuation, or sooner should the market change significantly. It is a condition of the report that any valuation needing to be reassigned beyond 90 days may require re-inspection by the valuer with an update fee charged.

**Valuation Currency:** New Zealand Dollar (NZD)

**Basis of Value:** To provide our opinion of market value that is defined in International Valuation Standards 2022 as *"The estimated amount for which an asset or liability should exchange on the valuation date between a willing buyer and a willing seller in an arm's length transaction, after proper marketing and where the parties had each acted knowledgeably, prudently and without compulsion."*

The Forest Units will be valued on a highest and best use.

**Confirmation of Compliance with Valuation Standards:** The valuation has been undertaken with reference to the following Standards:

- The relevant International Valuation Standards (IVS) 2022
- The Australian and New Zealand Valuation Guidance Papers (ANZVGP), ANZ and New Zealand Real Property Guidance Papers (ANZPGP)
- New Zealand Valuation Guidance Papers (NZVGP)
- Technical Information Papers

**Nature & Extent of Valuer's Work:** A full inspection, inquiry and analysis of all pertinent information has been undertaken.

**Nature & Source of Information Relied Upon:** In undertaking the valuation services, Morice has relied on information obtained from public and private sources. Public information is quoted in the report where applicable. Private information will remain confidential and has only been quoted if consent has been obtained from the provider.

Morice requested information on the assets subject to this valuation. In agreeing to this Scope, all information will be provided, if available, together with providing any other information that may have an impact on the Forest Units or value. All information requested and provided is verified to be true and accurate by the providing party. Morice retains the right to verify and accept or reject part or all of the information provided. Any assumptions adopted from the above or other information are outlined in the report along with any variations.

Information required:

- Legal area with schedule of titles
- Land area showing net stocked, waiting restocking, and roads and skids
- Legal, stand and ETS shapefiles
- Land ETS classification by area
- Contour breakdown by ground and hauler base split
- Inaccessible harvest areas
- Productive area by altitude bands
- Productivity: recoverable volumes, species, Site and 300 Index
- Crop type and associated yield table
- Lead distance to export and domestic markets
- FMA inventory data (PlotSafe & xml file)
- Lengths of roads by type
- Potential on-sell subdivision areas
- Any known issues that may affect the value assessed

The Valuer has also relied upon the following information:

- Information obtained at time of the property inspections
- LINZ GIS spatial and related data
- Information held on file at Morice
- Record of Title information
- Google Earth and QuickMap cadastral and aerial photography
- District Planning and Resource Consent/Land Use data
- Morice Ltd internal and third party sales data
- Any other information provided.

**Special Assumptions:** Any limitations of the investigation/enquiry/analysis/information supplied are reported under 'Special Assumptions'.



**Conditions:**

Our report is limited as follows:

- The valuation is on the basis the Forest Units are unencumbered and exclude the NZCF lease.
- We have not sighted a current Land Information Memorandum (LIM)
- Unless stated this report is subject to there being no outstanding requisitions or adverse factors affecting the Forest Units
- No material contaminative use was carried out on the Forest Units
- No environmental, geotechnical, or land survey has been undertaken
- All improvements are assumed to lie within title boundaries
- No allowances have been made to reflect the balance of any outstanding mortgages, capital, interest or any expenses for realisation
- Mapping undertaken was derived from a combination of supplied topographic and land use data. While all possible care has been taken ensuring the accuracy of the data, Morice Ltd accepts no responsibility or liability for any error in mapping provided
- It is assumed all stocked areas are accessible for harvest
- Land is valued in a hypothetical state suitable for planting
- The valuation has been undertaken as per the ETS rules at the time of the assessment
- No carbon value has been separately assessed; carbon premium has been incorporated in the land value
- The valuation is on the basis there is no contingent ETS liability from harvest on the post-1989 land and deforestation of pre-1990 land.
- The assessment is on the basis harvest infrastructure is in place.

**Reporting Type:**

A formal valuation report in full format is provided, giving a comprehensive description of the Forest Units.

**Valuation Uncertainty:****Cyclone Gabrielle**

On 14 February 2023, Cyclone Gabrielle moved across the upper North Island of New Zealand and has become the country's most material weather event. The impacts of Gabrielle are significant. The effective date of this valuation is in the aftermath of the cyclone and in a period where there is significant valuation uncertainty due to the disruption and destruction caused by Cyclone Gabrielle.

Whilst the valuation takes account of the condition of the asset as at the inspection date (being the valuation date), the assessment is based upon evidence that occurred prior to Cyclone Gabrielle. The parties involved in those transactions had no knowledge of, nor could they have had any prospect of, the impact of Gabrielle.

The real estate market is paused; and there is likely to be a vacuum of open market transactions for many months. Liquidity for most assets will likely be impaired, but otherwise any adjustment to the valuation to reflect the non-physical impacts of Gabrielle can only be speculative and therefore unsubstantiated. This valuation is therefore reported on the basis of 'significant valuation uncertainty'. As a result, less certainty exists than normal and a higher degree of caution should be attached to our valuation than normally would be the case.

Given the unknown future impact that Cyclone Gabrielle might have on markets, we recommend that the user(s) of this report review this valuation

periodically.

This valuation is current at the date of valuation only. The value assessed herein may change significantly and unexpectedly over a relatively short period of time (including because of factors that the Valuer could not reasonably have been aware of as at the date of valuation). We do not accept responsibility or liability for any losses arising from such subsequent changes in value.

**Payment:**

The Client is to pay to the Contractor the amount invoiced on the terms of payment as specified on the invoice. The terms of payment that relate to the services to be provide under this agreement include:

- (a) Any estimate or quotation for the preparation of a report is valid for 30 working days, commencing on the date it is received by you.
- (b) All reports, valuation material and advice remain the property of Morice limited until payment is received in full.
- (c) Terms of payment are upon receipt of an invoice.
- (d) All fees, disbursements, including travel and other reasonable costs incurred by us in preparing the report, shall be fully recoverable from you as and when it was incurred.
- (e) If an invoice is not paid promptly, the Contractor may elect to:
  - i) Not to provide any on-going service, and/or retain custody of all file material, reports and advice;
  - ii) To charge interest at up to 2.0% per month on any outstanding amount, one (1) month after the date of the invoice; or
- (ii) Take action to remove the debt, including interest and any other collection fees/costs.

**Valuer/Contractor:**

Mark Morice                      Registered Valuer & Registered Forestry Consultant

The Valuers have the requisite experience and competence to undertake the valuation assignment, have no material connection with the instructing party, and are in a position to provide an objective and unbiased valuation. (Refer Conflict of Interest). Registered Valuers hold current Annual Practising Certificates.

We have not sought any material assistance from other persons in relation to any aspect of this assignment.

**Acceptance:**

If our Terms of Engagement are acceptable, sign the Scope of Works where indicated and return to us, which will progress the instruction and signal to the Valuer(s) that you are satisfied. Failure to provide a signed copy of the Scope of Works prior to property inspections is deemed acceptance of the terms.

## Section 6: VALUATION STANDARDS

### 6.1 VALUATION STANDARDS

129 The valuation has been undertaken with reference to the International Valuation Standards (IVS) 2022, the Australian and New Zealand Valuation Guidance Papers (ANZVGP), ANZ and New Zealand Real Property Guidance Papers (ANZPGP), and New Zealand Valuation Guidance Papers (NZVGP). We have given particular note to:

- IVS Framework "Fundamentals"
- IVS 101 "Scope of Work"
- IVS 102 "Investigation and Compliance"
- IVS 103 "Reporting"
- IVS 104 "Bases of Value"
- IVS 105 "Valuation Approaches and Methods"
- IVS 300 "Plant and Equipment"
- IVS 400 "Real Property Interests"
- ANZVGP109 "Market Value of Rural & Agribusiness Properties"
- ANZVGP111 "Valuation Procedures – Real Property"
- ANZVGP112 "Valuations for Mortgage & Loan Security Purposes"
- ANZPGP201 "Disclaimer Clauses and Qualification Statements"
- NZPGP601 "Methods of Measurement"
- NZVGP502 "Valuations of Real Property, Plant & Equipment for Use in New Zealand Financial Reports"
- NZVGP503 "Valuation Reports Prepared by Unregistered Valuers"

### 6.2 BASIS OF VALUE

130 Our valuation has been prepared on a market value basis which is defined as:

*"Market Value is the estimated amount for which an asset or liability should exchange on the valuation date between a willing buyer and a willing seller in an arm's length transaction, after proper marketing and where the parties had each acted knowledgeably, prudently and without compulsion."*

131 The term "market value" requires that the assets be valued in their "highest and best use". The IVS defines "highest and best use" as:

*"Is the use of an asset that maximises its productivity and that is possible, legally permissible and financially feasible. This highest and best use may be for continuation of an assets existing use or for some alternative use. This is defined by the use that a market participant would have in mind for that asset when formulating the price that it would be willing to bid."*

### 6.3 VALUATION METHODOLOGY

132 As per the IVS framework, there are three valuation approaches available.

#### 6.3.1 MARKET APPROACH

133 This approach provides an indication of value by comparing the subject asset with identical or similar assets for which price information is available. Forestry sales have been analysed to determine the net sale

price after the removal of items such as trees crops, on-sells and adjustments for development costs. Sales are further analysed for productive area and value associated with land and improvements.

134 The value of improvements is generally derived from the residual component of the land value. Benchmarks are able to be obtained from this data in terms of values per unit i.e. net rate per metre squared of buildings, length of fencing and roads by type. These benchmark values are then applied with regard to their added value to the subject property taking into consideration functionality and any obsolescence.

### 6.3.2 INCOME APPROACH

135 This approach considers the income an asset would generate over its useful life and indicates a value through a capitalisation process by converting future cashflows to a single current capital value through the application of an appropriate discount rate.

136 The income stream may be derived under a contract or the anticipated profit. The two main pricing models that fall under the income approach include:

- **Income capitalisation** where all risks or overall capitalisation rate is applied to a representative single period income.
- **Discounted cashflows** where a discount rate is applied to a series of cashflows or future profits to discount them to a present value.

### 6.3.3 COST APPROACH

137 This approach is based on the principle that the price a buyer in the market would pay for the asset being not more than the cost to purchase and construct an equivalent asset unless undue time, inconvenience, risk or other factors are involved whereby a greater value maybe applied. Often the asset being valued will be less attractive than the alternative that could be purchased or constructed because of age or obsolescence. Where this is the case adjustments may need to be made.

## Section 7: VALUATION POLICIES

### 7.1 PROPERTY DESCRIPTION

138 The appraisal is based on the property description included in this report including any undertakings given by the Owner and defined in the report.

### 7.2 PURPOSE & DISCLAIMER OF LIABILITY

139 Our appraisal and report is strictly confidential to the party to whom it is addressed and is prepared solely for the specific purpose to which it refers. No responsibility whatsoever is accepted for reliance on the appraisal report for other purposes. Furthermore, no responsibility whatsoever is accepted to persons other than the party to whom the appraisal and report is addressed for any errors or omissions whether of fact or opinion.

140 The Valuer accepts no responsibility whatsoever for the accuracy of the statements and opinions expressed in the report. The report has been prepared by the Valuer as an employee of and on behalf of, Morice Limited (Morice) and only Morice accepts responsibility for its contents.

### 7.3 PUBLICATION

141 Neither the whole nor any part of our reports, nor any reference thereto, may be included in any published document, circular or statement, nor published in any way without our written approval of the form and context of such publication or disclosure. Such approval is required whether or not Morice is referred to by name and whether or not the reports are combined with others.

### 7.4 DATE OF VALUATION

142 Unless otherwise stated the effective date of the valuation is the date of the inspection of the property. The valuation is current as at the date of valuation only. The value assessed herein may change significantly and unexpectedly over a relatively short period (including as a result of general market movements or factors specific to the particular property). We do not accept liability for losses arising from such subsequent changes in value.

143 Without limiting the generality of the above comments, we do not assume any responsibility or accept any liability where this valuation is relied upon after the expiration of three (3) months from the date of inspection, or such earlier date if you become aware of any factors that have any effect on the valuation.

### 7.5 LEGISLATION

144 Unless otherwise stated in our report, we have not obtained a Land Information Memorandum (LIM) or a Property Information Memorandum (PIM) for the property. Unless otherwise stated, it is assumed the property conforms to all the requirements of the Resource Management Act 1991, the Resource Management Amendment Act 2020, the New Zealand Building Code contained in the First Schedule to the Building Regulations 2022, the Building Act 1991, the Building Act 2004, the Earthquake Commission Act 1993, the Earthquake Commission Amendment Act 2019 and any Historic Places Trust Registration.

145 Our valuation is also on the basis that the property conforms to the Health and Safety at Work Act 2015, the Fire Safety and Evacuation of Buildings Regulations 2018, and the Disabled Persons Community Welfare Act 1975.

## 7.6 INFORMATION SUPPLIED

146 Where stated in the report that another party has supplied information, the information is believed to be reliable however we accept no responsibility should it prove erroneous. Where information is given without being attributed directly to another party the information has been obtained by our search of records and examination of documents, or by inquiry from Government or other appropriate sources.

## 7.7 SITE CONDITIONS

147 We do not carry out investigations on site in order to determine the suitability of ground conditions and services, nor do we undertake structural, environmental or geotechnical surveys.

148 Unless notified to the contrary, our appraisal is on the basis that these aspects are satisfactory and that the site is clear of asbestos, underground minerals or other workings, methane gas or other noxious substances.

149 In the case of properties that may have redevelopment potential, we assume that the site has a load bearing capacity suitable for the anticipated form of development without the need for additional expensive foundations or drainage systems.

## 7.8 ENVIRONMENTAL CONTAMINATION

150 Our appraisal assumes that no contaminative or potentially contaminative use is, or ever has been, carried out on the property. Unless specifically instructed, we do not undertake any investigation into the past or present uses of either the property or any adjoining or nearby land, to establish whether there is any potential for contamination from these uses and assume that none exists.

## 7.9 GOODS AND SERVICES TAX

151 In preparing our appraisal, no allowances are made for any liability which may arise for payment of income tax or any other property related tax, whether existing or which may arise on development or disposal, deemed or otherwise. When analysing comparable sales/rental evidence, we have attempted to ascertain the GST status of the transaction. If not stated in general terms we refer to residential properties as being inclusive of GST and non-residential properties being plus GST (if any).

## 7.10 RECORD OF TITLE

152 Where specifically stated in the report, we assume that all improvements lie within Title boundaries and the subject property has a good and marketable Title free from any pending litigation.

153 We also assume that all documentation is satisfactorily drawn and that there are no unusual or erroneous easements, restrictions, covenants or other outgoing(s) which would adversely affect the value or negotiability of the relevant interest(s). Such registration may include wāhi tapu and Historic Places Trust Registrations.

## 7.11 INSPECTIONS

154 Our valuation has been assessed conditional upon all buildings and structures being constructed strictly in accordance with recommended practices and free from defect unless otherwise stated. We are not qualified to undertake, nor have we undertaken, a structural survey of the buildings or structures. We accept no liability for any defects that may arise as a result of poor building design, construction methods

or building materials. If you have any concerns you should engage a suitably qualified person to report on this matter. Defects revealed by a suitably qualified expert may affect the value of the property.

#### **7.12 EARTHQUAKE PRONE BUILDINGS**

155 We are aware that a number of buildings are, or may be, potentially affected by Local Territorial Authority policies for "earthquake-prone" buildings (Earthquake-Prone Building Policies) required to be in place under the Building Act 2004. The Earthquake-Prone Building Policies may require building owners to undertake engineering investigations and subsequent structural upgrading, demolition or other steps to meet the requirements of the Earthquake-Prone Building Policies.

156 Unless otherwise stated our valuation makes no allowance for any costs of investigation, upgrading, demolition or other steps which may be incurred by the building owner to meet the requirements of Earthquake-Prone Building Policies. We are not qualified to determine the "earthquake-prone" status of the buildings.

157 Our valuation is therefore subject to review, investigation and assessment of seismic performance of the buildings by a suitably qualified engineer to determine the "earthquake-prone" status of the building and where required, an estimate of any costs for structural upgrading, demolition or other steps required for the building to meet the requirements of Earthquake-Prone Buildings Policies. If the building is found to be "earthquake-prone" this finding is likely to impact on the value of the property, and our valuation may materially alter as a result.

#### **7.13 MORTGAGE RECOMMENDATION**

158 As per Australian and New Zealand Valuation Standards and Guidance Notes (ANZVGN), unless specifically requested by a lender the valuation report should make no specific recommendation as to the suitability of the property as a security or the maximum loan as an amount or percentage of value.

159 It is a matter for the lender to assess the risk involved and make their own assessment in fixing the terms of the loan, such as the percentage of value to be advanced, the provision for repayment of the capital and the interest rate. The valuation report has included comment on commonly known, readily ascertainable and/or reasonably foreseeable property specific and market factors as are relevant to the market value and marketability of the property, to assist in informing the lender. Please note that the market value may change in the future due to market conditions and changes to the state of this property.

160 Note that the market value as at the date of valuation, on a willing buyer/willing seller basis, does not allow for the consequences and costs of a forced sale.

#### **7.14 PROFESSIONAL INDEMNITY**

161 We confirm that, as at the date of valuation, we hold, enforce and effect Professional Indemnity Insurance for our valuation assessments.

#### **7.15 CASHFLOW DISCLAIMER**

162 The cashflows calculated in this valuation are based on the methodology described. This calculation is not a guarantee or promise by Morice Ltd of actual returns which may be greater or less than those calculated. Cashflows may be affected by items such as different development costs, timing and realisation prices.

Appendix 1 - Valuation Summary	Total All Properties	Baywood	Pukerewa
<b>Area Allocation</b>			
Post 89 Productive	515.2	179.8	335.5
Pre 90 Productive	27.4	-	27.4
Post 89 Overlay 3B	146.0	52.5	93.5
Pre 90 Overlay 3B	15.9	3.3	12.6
<b>PPA (Potentially Productive Area)</b>	<b>704.6</b>	<b>235.6</b>	<b>469.0</b>
Post 89 Unstocked	53.2	16.9	36.3
Unproductive/Unplatable	83.8	14.4	69.4
<b>Adopted CT/Legal Area (Title less Give areas)</b>	<b>805.3</b>	<b>266.9</b>	<b>538.4</b>
Post 1989 Area % ppa	94%	99%	91%
PPA %	87%	88%	87%
<b>Lead Distances (km)</b>			
<i>Includes internal</i>			
Sawlog (pruned)	0%	55	54
Sawlog (unpruned)	40%	141	140
Pulp	5%	243	242
Export	55%	44	43
<i>Wt Average by destination</i>	<i>100%</i>	<i>92</i>	<i>92</i>
<b>Forest Statistics</b>			
Terrain (Ground Based)	23%	36.0%	17.0%
Terrain (Hauler Based)	77%	64.0%	83.0%
PPA Over 600m altitude est			
Site Index est	33.2	33.2	33.2
300 Index est	30.7	32	30
TRV (T/ha) est farming 27yr	703.8	734	689
Avg. Altitude m	239.7	239	240
Min Altitude m	83.7	73	89
Max Altitude m	393.3	384	398
<b>PPA by Terrain/ETS Class</b>			
Post 89 Productive - GB	121.7	64.7	57.0
Post 89 Productive - HB	393.5	115.0	278.5
Pre 90 Productive - GB	4.7	-	4.7
Pre 90 Productive - HB	22.7	-	22.7
Post 89 Overlay 3B	146.0	52.5	93.5
Pre 90 Overlay 3B	15.9	3.3	12.6
<b>PPA</b>	<b>704.6</b>	<b>235.6</b>	<b>469.0</b>
<b>Land Value Adopted (\$/ha)</b>			
Post 89 Productive - GB	5,500	5,500	5,500
Post 89 Productive - HB	4,500	4,500	4,500
Pre 90 Productive - GB	2,500	2,500	2,500
Pre 90 Productive - HB	2,000	2,000	2,000
Post 89 Overlay 3B	1,500	1,500	1,500
Pre 90 Overlay 3B	100	100	100
Post 89 Unstocked	1,000	1,000	1,000
Unproductive/Unplatable	100	100	100
<b>Land Value</b>			
Post 89 Productive - GB	669,591	355,910	313,680
Post 89 Productive - HB	1,770,732	517,688	1,253,044
Pre 90 Productive - GB	11,647	-	11,647
Pre 90 Productive - HB	45,491	-	45,491
Post 89 Overlay 3B	219,042	78,771	140,271
Pre 90 Overlay 3B	1,590	330	1,260
Post 89 Unstocked	53,232	16,933	36,299
Unproductive/Unplatable	8,381	1,442	6,939
<b>Total Land</b>	<b>2,779,705</b>	<b>971,075</b>	<b>1,808,631</b>
<i>Average productive LW/ha</i>	<i>4,602</i>	<i>4,860</i>	<i>4,475</i>
<b>Improvement Value Adopted</b>			
Fencing (km)	\$5 m	11	5.5
Fencing Value		55,500	27,500
<b>Harvest Infrastructure</b>			
In Place % of PPA	\$400 ha	77%	76%
Area (ha)		543	362.9
Not in Place % of PPA	\$100 ha	23%	24%
Area (ha)		162	106.1
Harvest Infrastructure Total		233,250	155,767
Other Improvements			
Improvement Total		288,750	104,983
<b>Valuation Summary</b>	<b>Total</b>	<b>Baywood</b>	<b>Pukerewa</b>
Improvement Value	289,000	105,000	184,000
Land Value	2,780,000	971,000	1,809,000
<b>Total Land &amp; Impts Value</b>	<b>3,069,000</b>	<b>1,076,000</b>	<b>1,993,000</b>
<i>Share</i>	<i>100%</i>	<i>35%</i>	<i>65%</i>
<b>Pre 1990 Value Analysis</b>	<b>Total</b>	<b>Baywood</b>	<b>Pukerewa</b>
Improvement Value	289,000	105,000	184,000
Land Value	1,179,000	401,000	778,000
<b>Total Land &amp; Impts Value</b>	<b>1,468,000</b>	<b>506,000</b>	<b>962,000</b>
<i>Share</i>	<i>100%</i>	<i>34.5%</i>	<i>65.5%</i>
<b>Difference - Status Quo less Pre 1990</b>	<b>0%</b>	<b>0.6%</b>	<b>-0.6%</b>





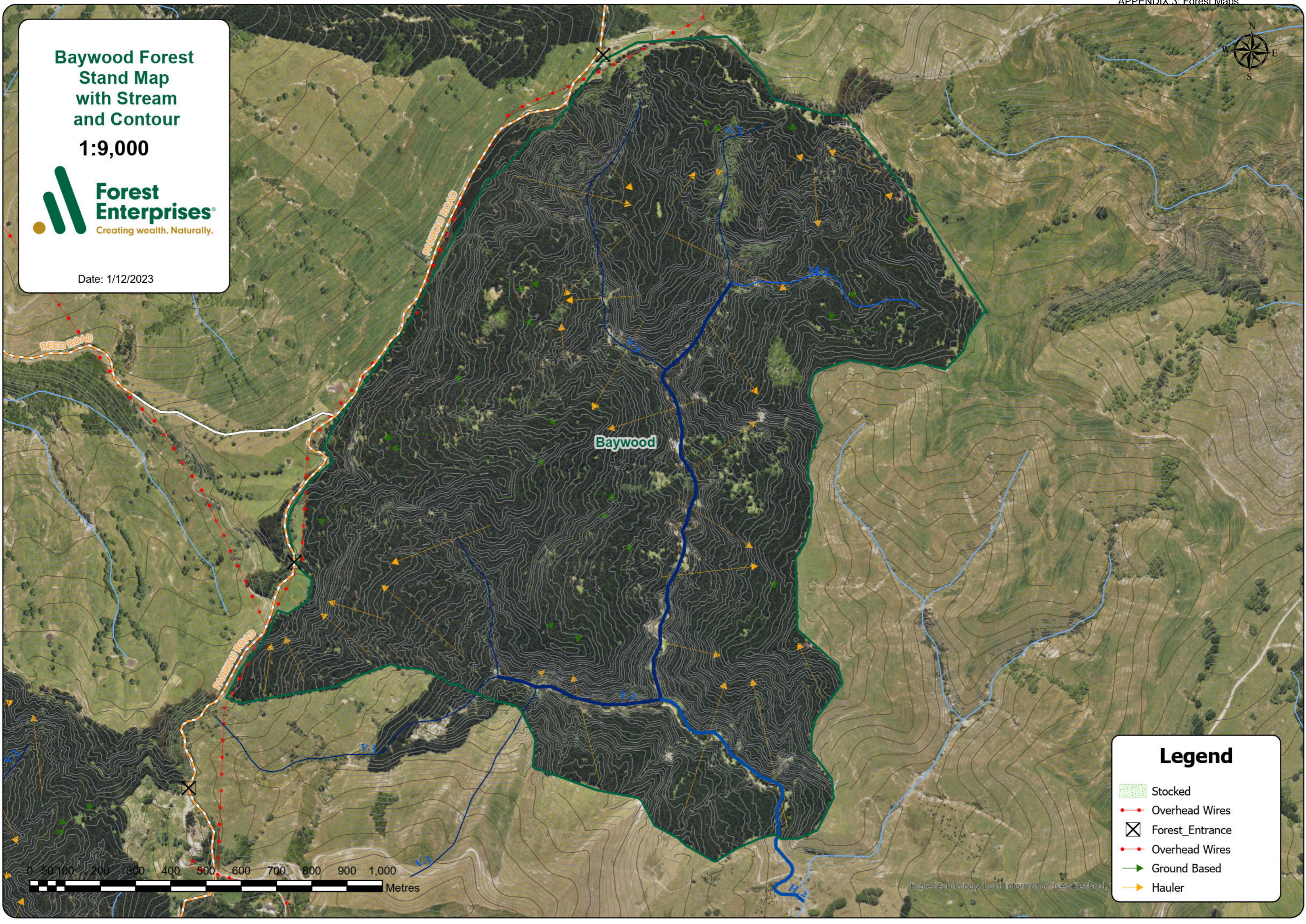


# Baywood Forest Stand Map with Stream and Contour

1:9,000



Date: 1/12/2023



Baywood



## Legend

- Stocked
- Overhead Wires
- Forest\_Entrance
- Overhead Wires
- Ground Based
- Hauler

# Pukerewa Forest Stand Map with Stream and Contour

1:10,000



Date: 1/12/2023



Pukerewa

PANUKAU ROAD



**Legend**

- ⊠ Forest\_Entrance
- Overhead Wires
- ▶ Ground Based
- ▶ Hauler



**RECORD OF TITLE  
UNDER LAND TRANSFER ACT 2017  
FREEHOLD  
Search Copy**



  
R. W. Muir  
Registrar-General  
of Land

**Identifier** **GS6D/360**  
**Land Registration District** **Gisborne**  
**Date Issued** 12 September 2001

**Prior References**  
GS6C/1374

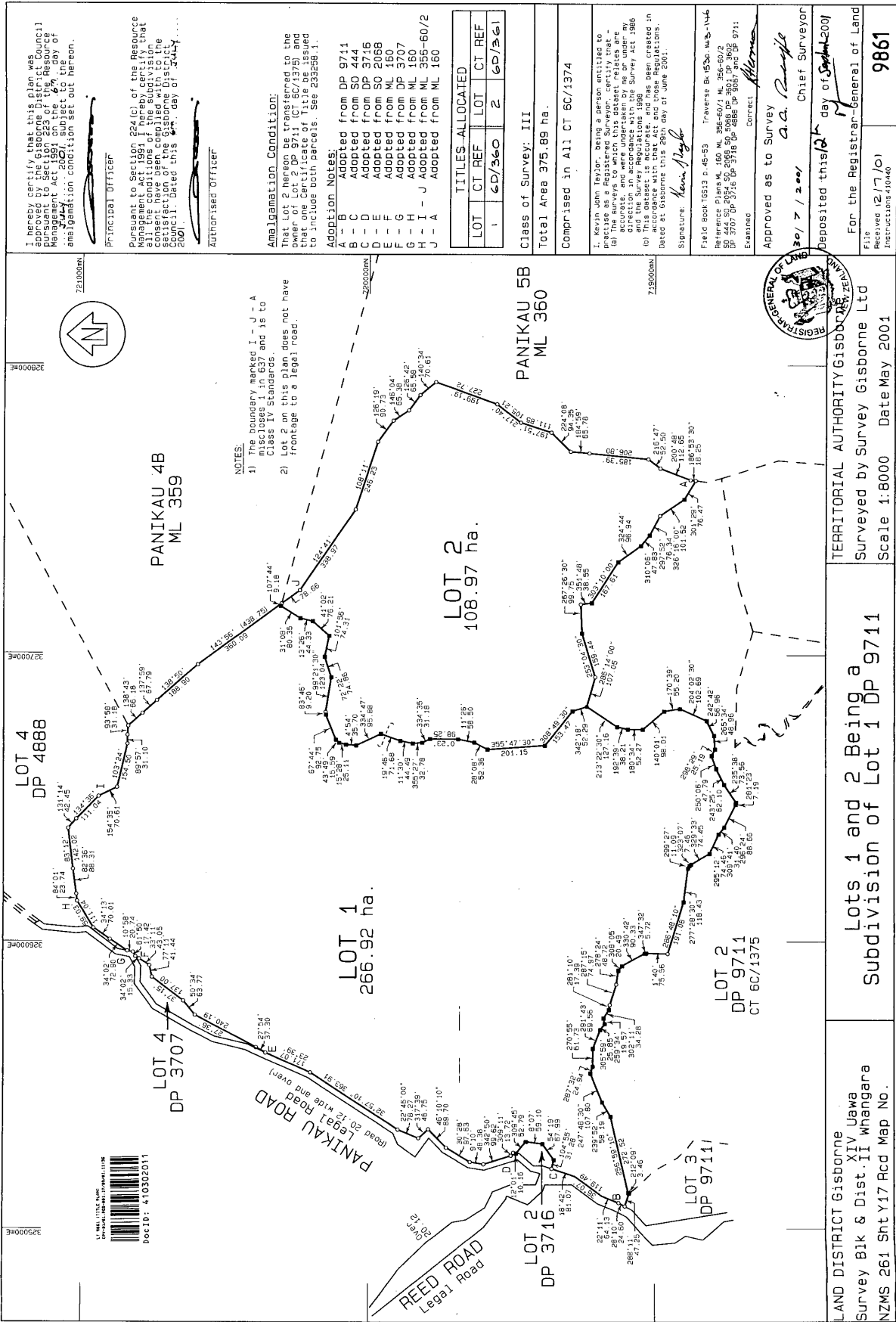
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**Estate** Fee Simple  
**Area** 266.9200 hectares more or less  
**Legal Description** Lot 1 Deposited Plan 9861  
**Registered Owners**  
Baywood Forest LP

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**Interests**

230343.3 Consent Notice pursuant to Section 221(1) Resource Management Act 1991 - 9.8.2000 at 10:05 am  
9083324.1 Notice pursuant to Section 195(2) Climate Change Response Act 2002 - - 31.5.2012 at 10:03 am  
9229964.1 Lease Term commencing 31 August 2012 and terminating 31 December 2036 CIR 600725 issued. - 15.11.2012 at 11:57 am  
9281262.1 Notice pursuant to Section 195(2) Climate Change Response Act 2002 - 7.1.2013 at 4:02 pm  
9345936.3 Mortgage to Bank of New Zealand - 28.3.2013 at 11:11 am  
9345936.27 Encumbrance to Trustees Executors Limited - 28.3.2013 at 11:11 am





**RECORD OF TITLE  
UNDER LAND TRANSFER ACT 2017  
FREEHOLD  
Search Copy**



  
R. W. Muir  
Registrar-General  
of Land

**Identifier** **GS6B/455**  
**Land Registration District** **Gisborne**  
**Date Issued** 09 December 1996

**Prior References**  
GS5A/750

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**Estate** Fee Simple  
**Area** 538.3918 hectares more or less  
**Legal Description** Lot 2, Lot 4 and Lot 11 Deposited Plan  
3718 and Part Section 1 Block I Whangara  
Survey District

**Registered Owners**  
Pukerewa Forest LP

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**Interests**

9083324.1 Notice pursuant to Section 195(2) Climate Change Response Act 2002 - 31.5.2012 at 10:03 am  
9230284.2 Lease Term Commencing 31.8.2012 and terminating 31.12.2035 CT 600810 issued - 15.11.2012 at 4:42 pm  
9281262.1 Notice pursuant to Section 195(2) Climate Change Response Act 2002 - 7.1.2013 at 4:02 pm (Affects Part Section 1 Block I Whangara SD)  
9262394.15 Mortgage to Bank of New Zealand - 28.3.2013 at 11:16 am  
9262394.33 Encumbrance to Trustees Executors Limited - 28.3.2013 at 11:16 am

