

This property valuation users both gross rental returns and replacement cost (including land value) to arrive at a fair valuation. This valuation is also compared with the report completed for the ANZ Bank by Mr Levi Tarosa – Vanuatu Registered Valuer.

Mr Levi Tarosa’s valuation was done on 7 November 2010. The certificate of valuation was requested by the ANZ Bank for mortgage purposes and the valuation figure of 46,000,000 vatu (\$568,000 au) was done on an “As If Completed” basis. The methodology used by the valuer was based on contractor’s replacement and market comparison. The value of the land component was 6,000,000.

Gross Rent

The property has three fully furnished self-contained apartments.

- (a) Two bedroom two bathroom unit: 200m²
- (b) One bedroom one bathroom unit: 148m²
- (c) Detached studio apartment: 65m²

Assumed rental potential (amounts in vatu)

Apartment	Rent per Month - vt	Rent per Year - vt
Studio	60,000	720,000
1 Bedroom unit	80,000	960,000
2 bedroom unit	140,000	1,680,000
		3,360,000

Outgoings: Land Rental 32,000 vatu per year

:Insurance 120,000 vatu per year (possible increase due to higher Insurance costs)

Airbnb Earnings

For two years (2016 & 2017) two of the apartments have been hosted with Airbnb while the owner has been living in the third apartment (2 bedroom upstairs). The gross income for 2016 from Airbnb was 1,522,002 (\$18,500 au) and for the ten months of 2017 currently is 1,544,266 (\$19,065 au). This makes a very healthy supplement income for an owner who still wants to reside on the property.

Replacement Costs

House construction costs in Port Vila vary from between 90,000 to 135,000 vatu per m². The amount used for the purpose of this valuation is 85,000 vatu per m². The value of the land is reduced from Mr. Levi Tarosa’s valuation of 6,000,000 to 4,500,000.

Construction 2 story 340m ² House at 85,000	28,900,000
Construction of 65m ² Studio Apartment at 85,000	5,525,000
Land	4,500,000
1.8 mt Security Fence and Electric Gate	715,000

Total Replacement Value 39,640,000 au \$ 489,382

The asking sale price is 35,000,000 (\$432,000) for this property. The value of white goods, furniture (3 fully furnished apartments) is included and has been valued at 980,000 (\$12,000 au).