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Valuation Advisory

Report prepared for PMG Generation Fund Trustees Limited for Product Disclosure purposes

Industrial Premises

67 Vickerys Road, Wigram, Christchurch

31 March 2021

Executive Summary

Industrial Premises - 67 Vickerys Road, Wigram, Christchurch

An industrial design build initially constructed in the 1970's and further developed in 2003 and 2005 comprising an existing warehouse and extended by means of an adjoining new warehouse and associated offices and amenities, car parking and substantial sealed yard area. Both warehouses contain two gantry cranes whilst the office fit out is inclusive of floor coverings, partitioning and air-conditioning. A further warehouse addition was constructed 2005/2006 inclusive of secondary office, mezzanine and further gantry crane.

Construction is in the form of a conventional RSJ steel beam construction with part concrete encased legs, concrete slab foundation, mixed tilt slab walls and Zincalume or similar metal cladding enclosing the exterior walls which have a knee height of 6.5 metres. The 2002 constructed warehouse is similar inclusive of gantry crane rails, whilst the exterior comprises partly full height concrete tilt slabs as well as a combination of 1.55 metre high tilt slab panels with Zincalume or similar cladding above to the warehouse.

There are a total of 10 gantry cranes (5 pairs of two) situated on the premises. Of which the Tenant owns six (3 pairs of two) of the Krone Gantry 4 tonne model. The remaining gantry cranes belong to the landlord.

The property is located within the popular industrial sector of Sockburn, bordering on Wigram, nine kilometres to the south west of the Christchurch city core.

We understand a remediation strategy has been completed with an NBS of 90% achieved, which was part of the initial sales contract in place. Our valuation is subject to this.

The premises is currently leased to Euro Corporation Limited which is a National Steel Distribution Company on a six (6) year term with three (3) years remaining and two (2) rights of renewal of four (4) years each. The lease was new as at 1st September 2018 which surrendered the previous lease which commenced in 2014 now with market rent reviews two (2) yearly. As at the valuation date, the 2020 rent review has not been actioned.

The property provides significant parking providing 92 spaces.

The COVID-19 pandemic and associated restrictions have had a significant impact on the global and local economies. At the valuation date New Zealand is at 'Alert Level 1', with some caution evident following the third Coronavirus linked lockdown in February 2021. Our valuation is based on our opinion of 'Market Value', incorporating an assumption of a willing buyer and seller.

Valuation

Prepared for	PMG Generation Fund Trustees Limited
Valuation Purpose	Market Valuation for Product Disclosure purposes
Date of Valuation	31 March 2021
Date of Report	5 March 2021
Valuation Approaches	Capitalisation of Net Income and Discounted Cashflow Approaches
Zoning	Industrial Heavy – Christchurch City Council
Tenure	Fee Simple – Record of Title 74967 in the Canterbury Land Registry
Site Area	14,870 sqm
Lettable Area	6,421 sqm
Adopted Value	**$11,200,000 plus GST, if any** Eleven Million Two Hundred Thousand Dollars plus GST, if any

Valuation Analysis

Initial Yield	5.94%	Rate / sqm of Lettable Area	$1,744
Initial Yield (Fully Leased)	5.94%	Weighted Average Lease Term	3.42 years by income
Equivalent Yield	6.09%	Current Occupancy	100.00%
Internal Rate of Return (10 years)	7.12%	Current Vacancy	0.00%

Tenancy Overview

Euro Corporation Limited	$665,595	6,421 sqm
Total – Before Adjustments	$665,595	6,421 sqm

Financial Summary

Gross Passing Income	$783,464
Gross Market Income	$801,064
Adopted Outgoings	$117,869
Net Passing Income	$665,595
Net Passing Income (Fully Leased)	$665,595
Net Market Income	$683,195

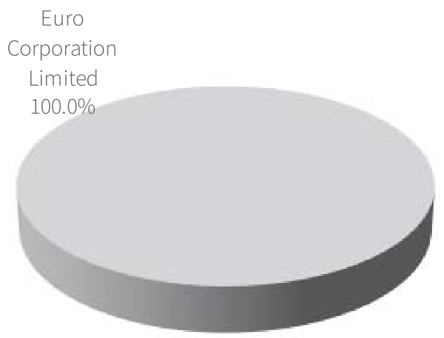
Cap Approach Assumptions

Adopted Cap Rate	6.000%
Allowance for Capex/Expiries	24 months
Market Income Capitalisation	$11,363,000
Passing Income Capitalisation	$11,362,000

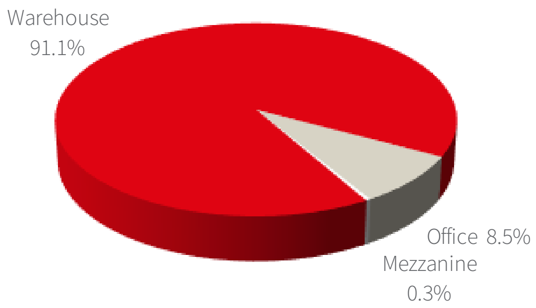
DCF Approach Assumptions

Discount Rate	7.250%
Terminal Yield	6.250%
Average Applied Rental Growth	1.87%
Value Based on DCF Approach	$11,103,000

Major Occupiers



Building Components



Valuers

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This is a summary only. It must not be relied on for any purpose. Jones Lang LaSalle's valuation of this asset is subject to assumptions, conditions and limitations as set out in the full text of this Valuation Report.

Critical Assumptions, Conditions & Limitations

- The valuation is current as at the date of valuation only, being 31 March 2021. 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. Without limiting this statement, we do not accept any liability where this valuation is relied upon more than 60 days after the date of valuation, or earlier if you become aware of any factors that may have any effect on the valuation.
- This report is relevant at the date of preparation and to the circumstances prevailing at that time. However, within a changing economic environment experiencing fluctuations in interest rates, inflation levels, rents and global economic circumstances, acceptable returns on investment may, as a consequence, be susceptible to future variation. We therefore recommend that before any action is taken involving an acquisition, disposal or other transaction more than 60 days after the date of this report, you consult the Valuer.
- This valuation has been completed for the specific purpose stated in this report. No responsibility is accepted in the event that this report is used for any other purpose.
- Our valuation assumes the information provided by the instructing party or its agents is correct and we reserve the right to amend our calculations, if deemed necessary, if that information is incorrect.
- Our valuation assumes all other professional/consultancy advice provided and relied upon is true and correct.
- We have relied on building areas, income figures and expense figures as provided by the instructing party or its agents and made specified adjustments where necessary. Where possible these have been verified through lease documentation and physical measurements.
- Unless otherwise stated all property measurements are in conformity with the Guide for the Measurement of Rentable Areas issued by the Property Council of New Zealand. Where certified areas have not been provided we have normally undertaken measurement in accordance with Property Council of New Zealand Standards.
- We have relied on the land dimensions and areas as provided in the Record of Title as searched. In certain cases physical checking of land dimensions and areas is difficult or not practical due to proximity of adjoining buildings, steep terrain or inaccessible title boundaries. Jones Lang LaSalle accepts no responsibility if any of the land dimensions or the area shown on title is found to be incorrect.
- Our valuation is made on the basis that the property is free of further caveats, mortgages, charges and other financial liens and that there are no memorials, encumbrances, restrictions or other impediments of an onerous nature which will affect the value other than those stated in the report or registered on the Record of Title.
- Enquiries as to the financial standing of actual or prospective tenants are not normally made unless specifically requested. Where properties are valued with the benefit of leases it is therefore assumed that the tenants are capable of meeting their obligations under the lease and that there are no arrears of rent or undisclosed breaches of covenant.
- In the case of buildings where works are in hand or have recently been completed Jones Lang LaSalle does not normally make allowance for any liability already incurred but not yet discharged in respect of completed works or obligations in favour of contractors, sub-contractors or any members of the professional or design team.
- No enquiries in respect of any property, or of any improvements erected thereon, has been made for any sign of timber infestation, asbestos or other defect, whether latent, patent, or structural.
- Substances such as asbestos or other potentially hazardous materials could, if present, adversely affect the value of the property. The stated value estimate is on the assumption that there is no material on or in the property that would cause loss in value. No responsibility is assumed for any such conditions and the recipient of this report is advised that the valuer is not qualified to detect such substances or estimate the remedial cost.
- While due care has been taken to note any contamination liability, our investigations have been undertaken for valuation purposes only, and this report does not constitute an environmental audit. Unless otherwise stated no account has been taken of the effect on value due to contamination or pollution.
- We have undertaken a visual inspection in respect of any building valued, but must advise that we have not commissioned structural surveys or tested any of the services and are therefore unable to confirm that these are free from defect. We note further that we have not inspected unexposed or inaccessible portions of any building and are therefore unable to certify that these are free from defect.
- We note we are not experts in relation to assessing the condition of the building structure and cladding, or in assessing the impact or otherwise of water/weather penetration issues. Should the building prove to have structural or weather penetration issues we reserve the right to amend the valuation assessment and any recommendations contained within this report.

- Any elements of deterioration apparent during our consideration of the general state of repair of building/s has been noted or reflected in our valuation. We are however, unable to give any warranty as to structural soundness of any building and have assumed in arriving at our valuation that there are no structural defects or the inclusion of unsatisfactory materials.
- In preparing the valuation it has been assumed that items such as lifts, hot and cold water systems, electrical systems, ventilating systems and other devices, fittings, installations or conveniences as are in the building are in proper working order and functioning for the purposes for which they were designed, and conform to the current building, fire and government regulations and codes.
- Information on town planning and resource management is often obtained verbally from the local planning authority and if assurance is required Jones Lang LaSalle recommends that verification is sought from the relevant authority that confirms the position is correctly stated within this report, that the property is not subject to other decisions or conditions prescribed by public authorities and that there are no outstanding statutory notices.
- Jones Lang LaSalle's valuations are prepared on the basis that the premises (and any works thereto) comply with all relevant statutory regulations including the Building Act 2004 and the requirements of Territorial Authorities. Where we have obtained a Land Information Memorandum, we comment on this within our report. Where we have not obtained a Land Information Memorandum our valuation is therefore undertaken with the assumption that there are no outstanding requisitions.
- Unless otherwise stated all currencies within this report are in New Zealand Dollars.
- Non-residential valuations are (unless otherwise stated) carried out on the basis that the valuation is plus GST (if any). Residential property valuations are (unless otherwise stated) carried out on the basis that the valuation includes GST (if any).
- A reliant party can only rely on this valuation if received directly from JLL without any third party intervention.

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Appendices

1 Introduction

1.1 Instructions

We refer to instructions from Jamie Reid requesting that we undertake a market valuation of the freehold interest of 67 Vickerys Road, Wigram, Christchurch (the Subject/Property), as at 31 March 2021 for and on behalf of PMG Generation Fund Trustees Limited. We understand that the valuation is to be relied upon for Product Disclosure purposes only.

Our report has been prepared in accordance with the current Australia and New Zealand Property Institute's Valuation Standards, International Valuation Standards and the instructing parties valuation brief, and we confirm that the prime signatory:

- is independent of both the Instructing Party and Report Recipient;
- is authorised, under The Valuers Act 1948 to practise as a Valuer;
- is suitably registered and qualified to carry out valuations of such property;
- has no pecuniary interest that could reasonably be regarded as being capable of affecting that person's ability to give an unbiased opinion of the Property's value or that could conflict with a proper valuation of the Property;
- has satisfied professional education requirements and has experience in the location and category of property being valued or where applicable, has sought the advice of suitably qualified professionals who hold locational expertise; and
- has made a personal inspection of the property.

We confirm:

- the statements of fact presented in the report are correct to the best of the Valuers knowledge;
- the analyses and conclusions are limited only by the assumptions and conditions which follow within this report;
- the firm, Jones Lang LaSalle and the undersigned Valuers do not have a direct or indirect pecuniary interest in the subject property;
- the professional fee charged in relation to this assignment has not been contingent upon any aspect of this report;

Our report is confidential to the party or parties to which it is addressed, for the specific purpose to which it refers. No responsibility is accepted to any third parties. Neither the whole of the report or any part of it or any reference to it, may be published in any document, statement or circular or in any communication with third parties without our prior written approval of the form and context in which it will appear. Furthermore, this report can only be relied upon when the given party has received the report directly from JLL.

1.2 Valuation and Inspection Dates

The key dates that are relevant for our valuation are shown below:

Date of Valuation	31 March 2021
Date of Property Inspection	4 March 2021
Date of Preparation of Report	5 March 2021

We advise that we have been instructed to value the property as at 31 March 2021, which is our date of valuation. Our assessment assumes that there is no material change to the property or the market between the date of inspection and the date of valuation, and we reserve the right to review the valuation if there are material changes to either the property or the market over this period.

1.3 Basis of Valuation

Market Value

The value given herein is that of the market value of the Property as defined by the International Valuation Standards Committee (IVSC), and endorsed by the API and PINZ, which is as follows:

"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 wherein the parties had each acted knowledgeably, prudently and without compulsion."

Fair Value

The International Valuation Standards, International Financial Reporting Standards and other accounting standards define fair value as follows, this being generally synonymous with the concept of Market Value-

'…Fair Value is the price that would be received to sell an asset or paid to transfer a liability in an orderly transaction between market participants at the measurement date.''

We confirm that this valuation has been undertaken on the basis of the price that might reasonably be expected if the Property was sold at the date of valuation assuming:

- a willing, but not anxious, buyer and seller;
- a reasonable period within which to negotiate the sale, having regard to the nature and situation of the Property and the state of the market for property of the same kind;
- that the Property was reasonably exposed to that market;
- that no account is taken of the value or other advantages or benefit additional to market value, to the buyer incidental to ownership of the property being valued;
- that the current proprietor has sufficient resources to allow a reasonable period for the exposure of the Property for sale; and
- that the current proprietor has sufficient resources to negotiate an agreement for the sale of the Property.

Included within this valuation are lessor-owned items of building fixtures, fittings, plant and equipment. These items exclude all movable equipment, furniture, furnishings and tenant owned fit-out and improvements.

1.4 Relevant Valuation Standards & Disclosures

The valuations contained herein have been completed in accordance with current Australia and New Zealand Valuation and Property Standards, and in particular with:

- IVS (International Valuation Standards 2020) Framework and General Standards
- NZVTIP 2 – Valuations for Use in New Zealand Financial Reports
- ANZVTIP 11 – Valuation Procedures – Real Property

1.5 Information Sources

The information reviewed or previously provided includes, but is not limited to, the following:

- Record of Title particulars memorialised by Land Information New Zealand;
- Resource Management classifications and controls as stated within the District Plan of the governing Territorial Local Authority;
- Sales and leasing data from various industry sources, including real estate agents;
- Market research and forecasts from JLL Research; and
- Lease documentation, building areas, income and expenditure report, tenancy schedule and budgets supplied by the instructing party or managing agent.

Our valuation is based on a significant amount of information that has been sourced from the instructing party or managing agent and other third parties. We have relied upon the accuracy, sufficiency and consistency of the information supplied to us. Jones Lang LaSalle accepts no liability for any inaccuracies contained in the information disclosed to us.

1.6 Specific Assumptions

Our assessment as to value has been based on the following specific assumptions:

- An NBS of equal to or greater than 90% achieved subject to PS3 & PS4 issued.
- We have adopted the provided floor areas with such verified as best as possible on site. Access was restricted for measurement due to the business operation in progress and product storage.
- The Novel Coronavirus (COVID-19) was declared a 'Global Pandemic' by the World Health Organisation on 11 March 2020. This led to a significant range of restrictions on individuals and businesses locally and throughout the world. New Zealand experienced a nationwide Level 4 lockdown in March-April 2020, with the Auckland region required to undertake two further lockdowns in August 2020 and February 2021 due to the re-emergence of the virus in the community. As at the Valuation Date, Auckland is currently at Level 3 and the balance of New Zealand is at Level 2, however there are continued restrictions on international travel and some caution evident.

The introduction of restrictions on people and businesses alongside significant economic stimulus packages have resulted in fluctuations in asset values, and we note that transactions agreed prior to or during the restrictions may or may not be indicative of current market conditions. We refer to the definition of Market Value outlined above and the principles of 'willing buyer', 'willing seller' acting 'prudently and without compulsion' as adopted within our valuation.

Given the circumstances of COVID-19, we have had regard to a range of inputs and market evidence in coming to our opinion of Market Value. Notwithstanding this, there may be a greater range around our opinion of Market Value than would normally be the case.

2 Property Particulars

2.1 Location

The property lies nine kilometres to the west of the commercial core of Christchurch via Durham Street, Brougham Street and the Curletts Road Expressway or alternatively via Blenheim Road. Access from Curletts Road is via Parkhouse Road, Hayton Road and Pilkington Way.

The property is more particularly located within the Wigram/Sockburn industrial subdivision adjacent the former Wigram Airbase and was planned as a comprehensive industrial development precinct. This immediate area was developed more formerly in the 1980's.

Vickerys Road extends north/south between Hayton Road and Pilkington Way, the area containing industrial and showroom/office/warehouse premises as well as the Canterbury Agricultural Park further to the south. The Christchurch Southern Motorway extension, lies to the south of Wigram Road.

Wigram/Sockburn is regarded as a prime suburban industrial address in Christchurch, well perceived by both tenants and investors and should provide satisfactory value growth over time, subject to wider economic and market influences.

The following map identifies the approximate location of the Property:

Source: Google Maps

2.2 Title Particulars

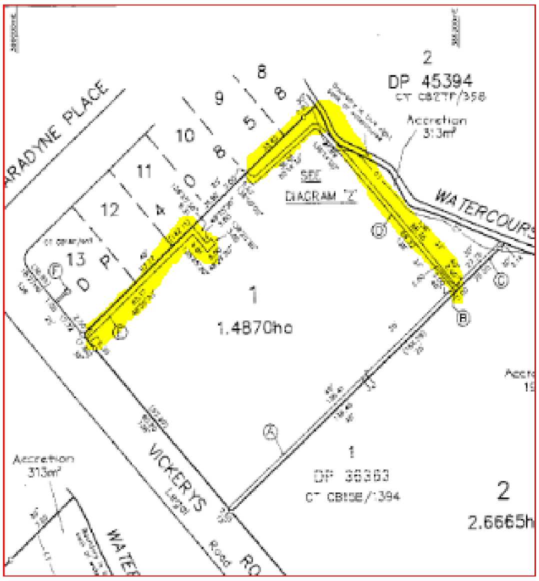
Title Reference	74967
Tenure	Fee Simple
Legal Description	Lot 1 Deposited Plan 319107
Area	1.4870 hectares more or less
Registered Owner	McKenzie properties 2013 Limited

Registered Interest

- 42096.1 Resolution imposing a Building Line Restriction - 10.7.1975 at 9:35 am
- **Appurtenant hereto is a right to drain sewage specified in Easement Certificate 176921.1 - 16.5.1978 at 1:34 pm** - *Outlines that the subject has the dominant tenement for the right to drain sewage over Lot 9 which is shown in the deposited plan outlined below.*
- The easement specified in Easement Certificate 176921.1 is subject to Section 37 (1)(a) Counties Amendment Act 1961
- Subject to a right to drain water in gross over part marked A,B,C on DP 319107 to The Christchurch City Council created by Transfer 5746614.5 - Produced 30.9.2003 at 9:00 am and entered 15.10.2003 at 9.00 am
- The easement created by Transfer 5746614.5 is subject to Section 243 (a) Resource Management Act 1991
- **Subject to a right to convey sewage over part marked B, D on DP 319107 created by Easement Instrument 5746614.6 - Produced 30.9.2003 at 9:00 am and entered 15.10.2003 at 9.00 am** – *This is an easement which runs on the north-eastern boundary of the property which runs alongside the watercourse. We note that the easement is covered with seal and is outside the building footprint and therefore we don't believe that this has any impact on value.*
- The easement created by Easement Instrument 5746614.6 is subject to Section 243 (a) Resource Management Act 1991
- **Subject to a right to convey electricity in gross over part marked E on DP 319107 to Orion New Zealand Limited created by Transfer 5746614.7 - Produced 30.9.2003 at 9:00 am and entered 15.10.2003 at 9.00 am** – *This easement runs half way up the western boundary of the site and comes in ten metres at the end. Carrying electricity and currently sealed over and outside of the building envelope. We deem the easement to have no impact on value.*
- **The easement created by Transfer 5746614.7 is subject to Section 243 (a) Resource Management Act 1991 –** *Outlines that no easement shall be surrendered by the owner of the dominant tenement or merged by transfer to the owner of the dominant or servient tenement or be varied without written consent of the territorial authority.*
- 11721145.4 Mortgage to ASB Bank Limited - 31.3.2020 at 4:48 pm

Source: Land Information New Zealand

We have considered these notifications in arriving at our opinion of value. For a detailed summary of the dealings noted above, we refer you to the Record of Title appended to this report.



2.3 Site Details

The property comprises a 1.4870 hectares site with frontage to Vickerys Road of 100 metres and an average depth of 154 metres with the rear boundary being slightly irregular defined by a watercourse.

The land is predominantly flat and level in contour with the existing buildings having an approximate 43% site coverage.

Easements detailed on the Deposited Plan include:

- A sewage easement spanning the site width to the rear of the building improvements;
- A water drainage easement extending two metres inside the southern side boundary.
- An electricity easement extending predominantly 2.5 metres inside the northern side boundary to approximately half the site depth.

We were unable to carry out an accurate inspection of the surveyed boundaries but we would image that these correspond approximately with the location of the existing fence lines and other site markings. It would appear that the site is serviced with the normal utility services.

Site Area	Area of Lot 1 Deposited Plan 319107	1.4870 hectares more or less
	Total Area	1.4870 hectares more or less

Source: Emap

2.4 Resource Management

Local Authority:	Christchurch City Council
Planning Instrument:	Christchurch City Council's Operative District Plan
Operative Date:	19 December 2017, subject to outstanding appeals and variations
Zoning:	IH - Industrial Heavy
Objectives:	The Industrial Heavy Zone recognises and provides for industrial activities that generate potentially significant adverse effects on the surrounding environment (such as high levels of noise, odour and heavy traffic movements), or involve significant use and storage of hazardous substances, necessitating separation from more sensitive land use activities.

The existing improvements would appear to comply with the resource management requirements of the site. Further, we have assumed that the property benefits from existing use rights or has an applicable Resource Consent.

2.5 Rateable Value

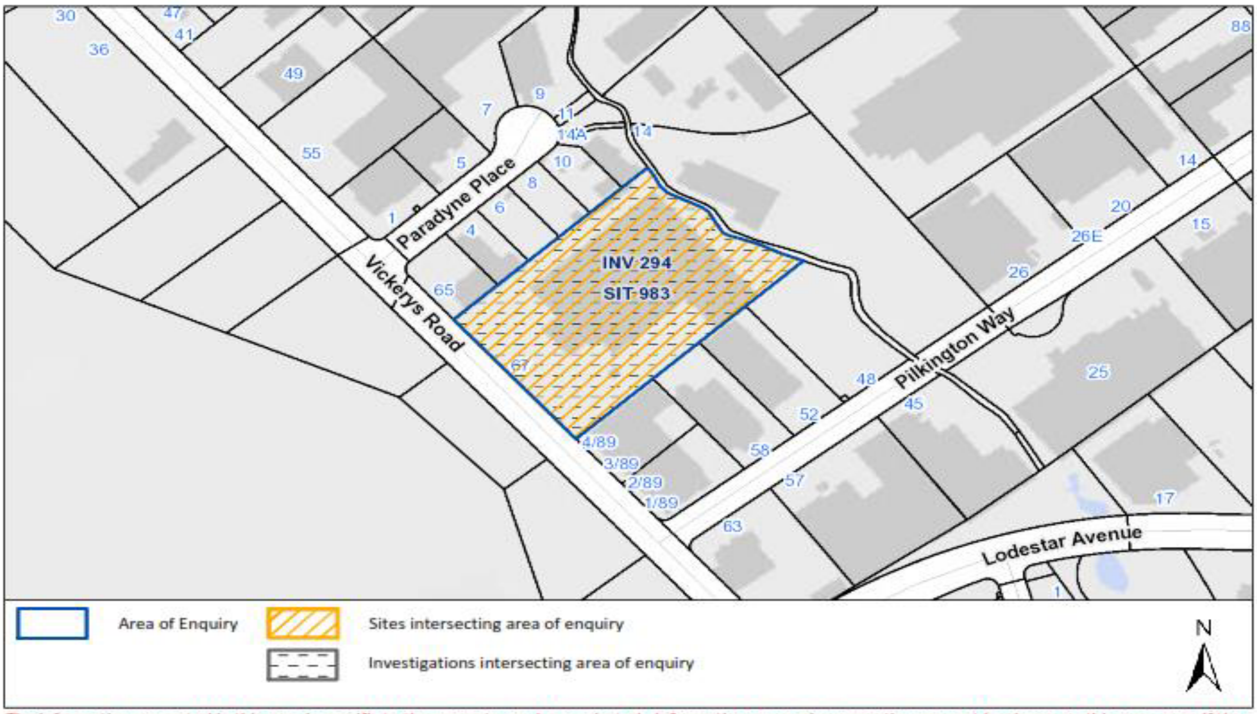
We have been advised that the Property's Rateable Value, as at 1st August 2019 being Assessment Number 23411 44201, is as follows:

Land Value	$3,370,000
Improvements Value	$3,430,000
Capital Value	$6,800,000

We note that rating valuations do not take account of a number of key issues affecting value, including land tenure and occupancy arrangements, and are often assessed on an indexed or kerb-side basis. Accordingly, market and rating values may vary significantly.

2.6 Environmental Issues

During the course of our inspection we did not notice any evidence of land or building contamination. Importantly, however, we are not experts in the detection or quantification of environmental problems and we have not sighted an Environmental Audit.



The information presented in this map is specific to the property you have selected. Information on nearby properties may not be shown on this map, even if the property is visible.

Summary of sites:

Site ID	Site Name	Location	HAIL Activity(s)	Category
983	Firth Industries Ltd	67 Vickery Road, Wigram, Christchurch	A17 - Storage tanks or drums for fuel, chemicals or liquid waste;E4 - Concrete manufacture and bulk cement storage;	Partially Investigated

We note that we have searched the Listed Land Use Register and the site was previously used for concrete manufacture and bulk cement storage and Storage tanks or drums for fuel, chemicals or liquid waste.

This was partially investigated when the site was used under Firth Industries who are a concrete manufacturing company.

The detailed site investigating was carried out in 2001 with the summary noted below;

On 9 November 2011 underground storage tank (UST), with a capacity of 13,600 litres and used to hold diesel, was removed due to the closure of the site. The tank was reported to have been 16 years old and had some minor rusting and pitting. 11 soil samples were collected from the site, 8 were collected from the tank pit excavation, 1 from bedding material, 1 from beneath the vent lines and 1 from the dispensing bowser. 5 of the 11 soil samples were submitted for total petroleum hydrocarbon (TPH) analysis, 4 collected from the tank pit walls and base and 1 from beneath the bowser. This level of sampling is lower than the minimum recommended by the Ministry for the Environment (MfE) in "Guidelines for Assessing and Managing Petroleum Hydrocarbon Contaminated Sites in New Zealand" (1999). The samples yielded TPH concentrations of < 3mg/kg and 11 mg/kg. These concentrations comply with the MfE guidelines Tier 1 soil acceptance criteria for a commercial/industrial land use.

Groundwater was encountered in the pit base (at 2.5 m below ground level) but no groundwater samples were collected. No assessment has yet been made of other activities undertaken at the site that may have the potential to cause contamination.

Our valuation has been made assuming an audit would be available which would satisfy all relevant environmental, and occupational health & safety legislation. If the Property's current status needs to be clarified, an Environmental Audit should be undertaken. Our valuation excludes the cost to rectify and make good the Property, which may have become contaminated as a result of past and present uses.

From the information stated above, it appears that any contamination is below the guidelines and therefore we believe that the previous use of the property has any diminishing impact on the value.

2.7 Heritage

We have not undertaken any formal heritage searches; the property is not notified on the District Plan as being a heritage structure and our valuation is made on the assumption that there are no heritage issues relating to the Property.

2.8 Improvements

An industrial design build constructed 1975 and 2003 comprising an existing warehouse refurbished and extended by means of an adjoining new warehouse and associated offices and amenities, carparking and substantial sealed yard area. Both warehouses contain two gantry cranes whilst the office fitout is inclusive of floor coverings, partitioning and air-conditioning.

A further warehouse addition was constructed 2005/2006 inclusive of secondary office, mezzanine and further gantry crane.

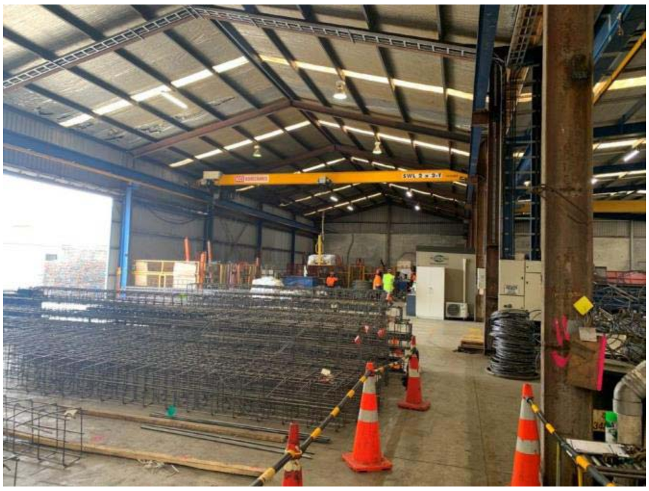
2.9 Construction

We briefly outline construction details to the building as follows:

Structure:	Reinforced concrete slabs and columns, with steel beam construction.
External Walls:	A combination of precast concrete panels and Zincalume or similar sheeting.
Internal Walls:	Predominantly plasterboard lining to lettable areas.
Roof:	Steel purlins, netting, sisalation and assumed galvanised corrugated iron or similar roofing with the inclusion of translucent sheeting providing additional natural lighting.
Ceiling:	Acoustic tiles in a suspended grid system to the office areas
Lighting:	Recessed fluorescent lighting to the offices and Halogen lighting to the warehouse
Windows and doors:	Aluminium framing and glazed windows.
Key Services:	Ducted and wall mounted air conditioning

2.10 Accommodation

Warehouse	The original warehouse was constructed in 1975 in conjunction with a pre-stressed concrete plant and is located towards the northern side boundary of the land, set back from such by approximately 12.2 metres, this being a useable width for vehicle access. This warehouse has been refurbished utilising the existing steel portal frame structure with the addition of gantry crane rails. The existing concrete foundations and tilt slab exterior cladding to a height approximating 1.8 metres above the ground were retained, with a new concrete floor poured throughout and new Zincalume or similar metal cladding enclosing the exterior walls, which have a portal knee height approximating 6.5 metres. The existing roof support structure remains, inclusive of steel purlins, netting, sisalation and assumed galvanised corrugated iron or similar roofing with the inclusion of translucent sheeting providing additional natural lighting and a new stormwater disposal system. Two entrance doorways have been developed along the northern side boundary.



Warehouse Area

Warehouse Area

Modern Warehouse

A further contiguous warehouse constructed during 2003 is alongside the older warehouse to its southern side, running an identical length but slightly wider. The interior construction is similar inclusive of gantry rails, although there is near full height concrete panels, as well as a combination of 1.55 metre high tilt slab panels with Zincalume or similar cladding above to the warehouse. Portal knee height again approximates 6.5 metres.

Vehicle doorways are double the width of the original warehouse but partly aligned allowing potential drive through access. Each warehouse comprises two Kone gantry cranes (2.0 tonne and 2 x 3.0 tonne), which are in the ownership of the Lessor.

A further warehouse was constructed in 2005/2006 encompassing a significant portion of the original sealed yard area. Construction is as per our previous description including effective stud height.

The extension is "L" shaped in design with good external access and internal linkage to the existing structure. Such warehouse overlaps the rear of the original offices with this area within the extension providing a mezzanine document storage area with stairwell access.

A further warehouse office with mezzanine storage above is developed within the southernmost warehouse extension, whilst vehicle access links to the eastern most sealed rear yard.

We note a further remote control gantry crane (2 x 3.6 tonne) transverses part of this warehouse, being a Lessor improvement.

Warehouse Area & Mezzanine

Warehouse Area

Offices

Single storey offices and amenities adjoin the warehouse towards the street frontage. Construction comprises concrete foundations and flooring, steel and timber framing, predominantly full double glazing to the street façade to the depth of the main office area, with the rear staff and amenity areas encompassing aluminium exterior joinery within a corrugated Zincalume wall cladding. Roofing is also of similar Zincalume cladding. Internally the main office area has a raking suspended ceiling. It comprises a combination of carpet and tiled flooring and is partitioned via predominantly glazed partitions into a general administration office, including reception, manager's office including adjoining boardroom, accountant and sales managers' offices.

To the rear is the staff/amenities area, encompassing Gibraltar board lined walls and ceilings and predominantly vinyl floor coverings. Timber framed partitioning subdivides this area into a hallway accessing staff room including kitchen facilities, staff office, men's, women's and paraplegic toilet facilities, each encompassing a shower.

The office accommodation and level of services is attractive, complimented by a combination of ducted and wall air conditioning systems servicing the main offices as well as staff office and staff room.

Open Plan Office Area

Cafeteria

Other Improvements

Existing site development incorporates 54 designated sealed car parking spaces adjoining a landscaped frontage to Vickerys Road. The balance of the yard area was originally sealed inclusive of drainage, providing further yard storage.

Car Parking

Yard Area

2.11 Lettable Areas

The Property's total Lettable Area is approximately 6,421 square metres. A summary of this Lettable Area is detailed as follows:

Building Floor Area	
Accommodation/Level	Lettable Area
Warehouse	6,020
Office & Amenities	285
Warehouse Office	58
Mezzanine	58
Total Lettable Area	6,421 square metres
Car Parking	Spaces
Open spaces	92
Total Car Parking	92 spaces

The areas noted above have been checked and were taken from survey plans. Where the areas have not been surveyed we have undertaken a full measurement in accordance with the Guide for the Measurement of Rentable Areas as published by the Property Institute and Property Council of New Zealand.

2.12 Condition and Repair

We inspected the interior and exterior of the property. The building appears to have been well maintained with no significant deferred maintenance requirements evident. Our valuation has had regard to the apparent state of repair and condition of the Property; however, we were not instructed to carry out a structural survey or to test any of the services available to the Property. We are therefore unable to report that the Property is free from further defect and we have assumed that no deleterious material was used in the construction.

A Building Warrant of Fitness is an annual certificate that confirms the Specified Systems in the building have been inspected and maintained, and that the requirements of the Compliance Schedule associated with the operation of the property in its current use have been complied with. We confirm that we have sighted a Warrant of Fitness for the property current through to 1st November 2021, and therefore assume that the property complies with the provisions of Compliance Schedule which we have cited.

It is a requirement of the Health and Safety at Work (Asbestos) Regulations 2016 that buildings are required to have an Asbestos Management Plan that assesses improvements for the presence of asbestos, and if present, what steps are required to be taken to mitigate risks to health and safety. We have requested and not been provided with a copy of the Asbestos Management Plan, and therefore assume the property has no onerous obligations in terms of asbestos management that may impact on the use, saleability or value of the property.

2.13 Earthquake Strengthening Requirements

New Zealand is prone to seismic activity and there are requirements on building owners to ensure their buildings are safe for occupants and users as outlined in the Building Act 2004 and Amendment (Earthquake-prone Buildings) Act 2016. These regulations categorise New Zealand into three seismic risk areas and sets timeframes for identifying and taking action to strengthen or remove earthquake prone buildings.

As part of our valuation we have been made aware of the following information:

Year of Building Construction	1975 with 2003 and 2005 additions
National Risk Zone	High
Compliance with New Building Standard	Upgraded to 90% NBS (subject to PS3 and PS4 sighted)
Assessment Type	DSA
Assessment Completed By	CGW Consulting Engineers
Assessment Date	June 2019

We understand a remediation strategy has been completed with an NBS of 90% achieved, which was part of the initial sales contract in place. Our valuation is subject to this.

We are not qualified to undertake a structural survey of the property, and have proceeded based on the information available. We recommend interested parties confirm the insurability of the subject building.

3 Property Income and Expenditure

3.1 Tenancy Overview

We have been provided with a tenancy schedule and with Lease documentation that was available at the time of valuation.

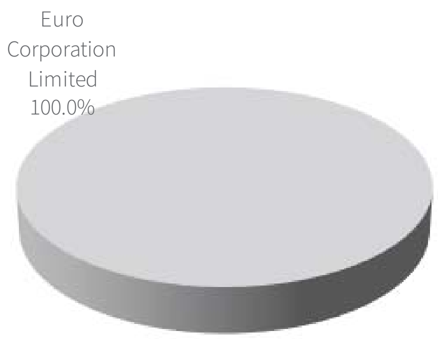
The net rental from the Property can be summarised as follows:

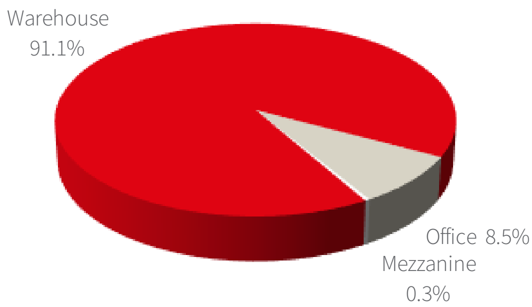
Tenant	Net Rental	Lettable Area	Proportion of Lettable Area
Euro Corporation Limited	$665,595	6,421	100.0%
Total	$665,595	6,421 sqm	100%

The events surrounding COVID-19 have led to greater consideration by market participants of the covenant strength of the occupiers within investment property. We are not qualified to advise you on the financial standing of the occupiers, however have formed a view on how we think the market would approach the tenancy profile of the property.

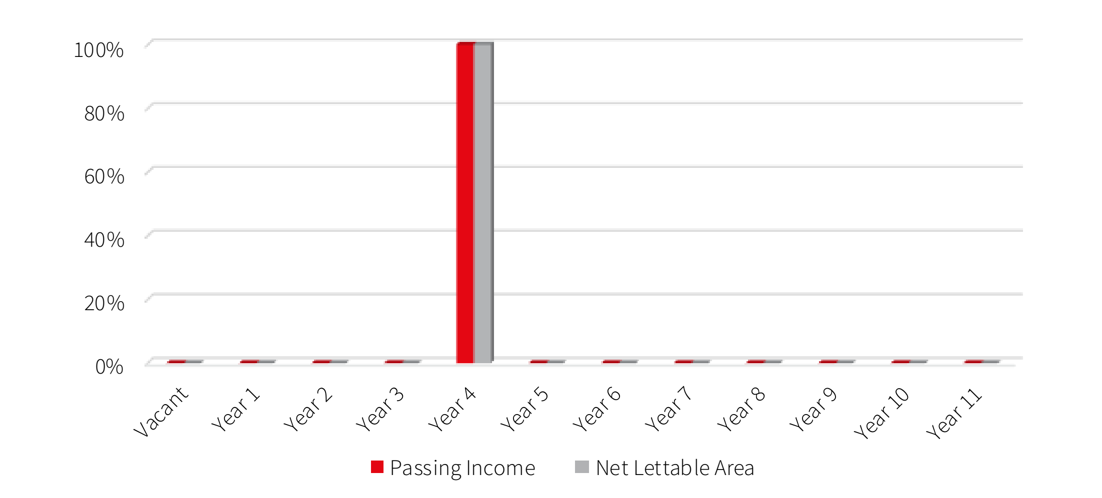
The events surrounding COVID-19 have led to greater consideration by market participants of the covenant strength of the occupiers within investment property. We believe that already potential purchasers are re-categorising tenant covenants with preference for those operating essential services verses non-essential services, the latter affected by ADLS lease rental abatements. The tenant pre-fabricates and distributes steel and we would not expect this business to be fully operational under a lockdown environment. Despite this, we believe that the impact of Covid-19 on covenant strength to be minimal with demand for the service and supply of goods and services supporting the essential construction industry to remain steady.

The net rental from the property can be analysed by occupier and component proportion as follows:





The graph below demonstrates the lease expiry profile (by income and area) over a ten-year horizon:



Our calculation of the property's Weighted Average Lease term is as noted below:

Weighted Average Lease Term Remaining	Years
By Area	3.42
By Income	3.42

3.2 Lease Summary

We summarise below the lease agreements for a selection of the major tenants:

Lease Summary	Euro Corporation Limited at Auckland
Documents reviewed	Signed Deed of Lease dated 21st December 2019
Lessee	Euro Corporation Limited
Demised premises	All of the Landlords property situated at 67 Vickerys Road, Christchurch, being the land in Certificate of Title 74987 including the warehouse area, the offices and amenities.
Lettable Area	Lettable Area not outlined in lease document Ninety two (92) car parking spaces
Commencement Date	1st September 2018
Expiry Date	31st August 2024
Lease Term	Six (6) years plus two right (2) of renewal of four (4) years
Commencement Rent	Premises: $665,595 Car Parking: Included Total: $665,595 per annum plus GST
Current Rent	$665,595 per annum plus GST
Rental Review Provisions	Two (2) yearly to market. Lease has a commencement rental ratchet. Next review 1 September 2022. We note that as at the Valuation Date, the 2020 rent review has not been actioned.
Outgoings Recovery	Net lease – standard building operating expenses are recoverable from the tenant.
Permitted Use	General industrial uses permitted under and which comply with Local Body requirements and ordinances.
Special Provisions	▪ 49. The parties acknowledge that two Portacom buildings of approximately 12m x 2.5m each and a large compressor area situated on the premises and are acknowledged by the parties to be the property of the tenant. At the date of expiry of the term of the lease or on the surrender of the lease, the Landlord shall have the right to purchase from the Tenant at a price agreed upon by both parties and if no price can be agreed upon, the value is to be determined by a valuer experienced in valuing such equipment. In the event that the Landlord does not exercise the right to purchase Portacom buildings and/or the air compressor, the Tenant shall within one month of the expiry or surrender of

	the lease remove the buildings and the compressor equipment at its cost failing which the said Portacom buildings and compressor shall become the property of the Landlord. ▪ 50. The Tenant acknowledges the compressed air pipe works, electrical cables and trays will remain on the premises at the expiry of or earlier determination of the lease and become property of the Landlord. ▪ 51.1 There are 10 cranes (5 pairs of two) situated on the premises. The Tenant owns six (3 pairs of two) of the Kind Gantry 4 tonne, model EKR-Pro 10-3.6-1/1-12-Z10/1.7. ▪ 51.2 In the event that at any time during the term of this Lease or on its expiry, the Tenant agrees to sell and the Landlord agrees to purchase the crane, the sale price will be determined by an independent experienced valuer of plant and machinery agreed upon by the Landlord and Tenant. ▪ 51.3 At the expiry of the term of this lease or any greater termination of the Lease the Landlord has the option to purchase the cranes with the sale price determined in accordance with 51.2 herein. If the Landlord advises the Tenant it does not wish to purchase the cranes then within one month of the expiry of the Lease or its earlier determination the Tenant will pay the costs of removing the cranes from the premises.
Landlords Fixtures and Fittings	Not specified on the lease.
Emergency Provisions	The tenant has a provision in the lease to pay a fair proportion of the rental and outgoings in the event of an emergency and that it may terminate the lease if access is not granted for 6 months from the date of emergency.

3.3 Building Outgoings and Recoveries

The lease within the Property is structured on a net basis, with the tenants being responsible for payment of rates and other property expenses in addition to premises rental.

We have adopted the following allowances for building outgoings within our calculations:

Adopted Property Outgoings	Per Annum	Per Sqm of Lettable Area
Statutory Charges	$45,689	$7.12
Operating Expenses	$72,180	$11.24
Total Outgoings	$117,869	$18.36

The above allowances are based on the provided budget for the year ending 2021. We have had regard to the budget provided and have sought confirmation from the relevant rating authorities in relation to statutory charges and have considered the figures against the Property Council of New Zealand's (PCNZ) benchmarks and other similar buildings.

We consider that the adopted outgoings rate of $18.36 per square metre of Lettable Area to be within market parameters.

3.4 Tenancy Schedule

Our understanding of the Property's occupancy situation is detailed in the Tenancy Schedule below:

Tenant Name	Premises	Lettable Area	Car Parks	Lease Start	Lease Expiry	Lease Term	Next Review	Review Frequency	Review Type	Contract Rental	Rental / sqm	Car Park pcpw	Outgoings Recovery	Recovery / sqm
Euro Corporation Limite	Warehouse	6,020.0	92	Sep 2018	Aug 2024	6.0 years	Sep 2022	2 yearly	Market	$606,440	$93	$10	$110,508	$18
Euro Corporation Limite	Office & Amenities	285.0		Sep 2018	Aug 2024	6.0 years	Sep 2022	2 yearly	Market	$49,875	$175		$5,232	$18
Euro Corporation Limite	Warehouse Office	58.0		Sep 2018	Aug 2024	6.0 years	Sep 2022	2 yearly	Market	$6,960	$120		$1,065	$18
Euro Corporation Limite	Mezzanine	58.0		Sep 2018	Aug 2024	6.0 years	Sep 2022	2 yearly	Market	$2,320	$40		$1,065	$18
Aggregate		6,421.0	92							$665,595			$117,869	

3.5 Income Analysis

We summarise the Property's total Passing Income and Income Fully Leased as follows:

Passing Rental Analysis		
Lettable Area Rental	$617,755	78.85%
Car Parking Rental	$47,840	6.11%
Outgoings Recovery	$117,869	15.04%
Gross Passing Income	$783,464	100.00%
Outgoings	$117,869	
Net Passing Income	$665,595	
Potential Net Income Fully Leased	$665,595	

4 Market Commentary

4.1 Economic Overview

As at 22 February 2021:

- The Consumer Price Index rose 0.5% in the December 2020 quarter, netting to a 1.4% increase in CPI for the December 2020 year. Economic consultants NZIER forecast that CPI growth will remain low over the next 12 months.
- Gross Domestic Product (GDP) was up 14.0% in the September quarter, significantly up from the 12.2% drop in June 2020 quarter, with these movements showing the largest quarterly shifts to economic activity in New Zealand on record. This has been caused by the strict COVID-19 restrictions and impacts.
- As at 11 November 2020, the Reserve Bank announced that the Official Cash Rate is being held at 0.25% following its emergency 75 basis point reduction from 1.00% in March 2020. The Monetary Policy Committee stated that additional stimulus would be provided in the form of a Funding for Lending Programme (FLP), which runs until late 2022 offering banks up to $28 billion of funding priced at the 0.25% OCR. The FLP will reduce funding costs for banks and is targeted to lower interest rates. There are expected to be further changes from the Reserve Bank in the short term, including potential for further cuts to the OCR or implementation of 'speed limits' targeting high LVR lending or other Macro Prudential tools.
- The 90-day Bank Bill Benchmark Rate (BKBM) was 0.28% as at 22 February 2021. The 90-day rate has remained around this level since April 2020 but is well below historical levels.
- The unemployment rate was 4.90% as at December 2020, which is a 0.40% decrease from 5.30% in Q3 2020. The Q3 2020 unemployment rate was the largest increase since the series began in 1986, December 2020's unemployment rate is a return to rates observed over three years ago.
- The REINZ median house price across New Zealand has decreases in January 2021 to $730,300. Dropping 2% from December 2020 with a median House price of $749,000 and up 19.3% from January 2020 with a median House price of $612,000. The number of residential properties sold in the month of January 2021 across New Zealand increased by 3.2% from January 2020 (from 4,802 to 4,957), being the highest sales volume for the month of January in 5 years.
- In terms of the construction sector, private backed development and construction is expected to be muted in the short term, however the Government has announced their intention to fast track infrastructure spend as one method to kickstart the economy post the COVID-19 shutdown.

The whole of New Zealand is currently at COVID-19 Alert Level 1, with strict border controls remaining in place for those entering the country, including a 14-day managed isolation or quarantine period. The economic impact of these measures is likely to have longstanding effects, notwithstanding significant monetary and fiscal stimulus which has been implemented by the RBNZ and NZ Government to support New Zealanders and reduce the impact on the NZ economy.

Key initiatives taken to reduce the economic impacts of COVID-19 include the implementation of an increased $100 billion Large Scale Asset Purchase, a $50 billion Response and Recovery fund, a circa $17-$18 billion support package which is aimed at those sectors most affected by the impacts of the virus, a $6.25 billion Business Finance Guarantee Scheme for small to mid-sized enterprises (SME), a $4 billion Business Support Package, along with a $20 million Tertiary Support Package, and $50 million Media Support Package.

4.2 Local Market Commentary

Demand

Demand for industrial space in Christchurch remained strong over 1H20. Supported by positive net absorption, prime vacancy fell 80 bps to 3.1%, while secondary vacancy fell 240 bps to 4.3%.

Although secondary stock observed a greater decrease in vacancy, demand for industrial space remains higher for prime stock. We expect this trend to continue given new supply injections have slowed as Christchurch's industrial market has stabilised. Here, the proportion of higher quality stock now available is further reducing secondary demand.

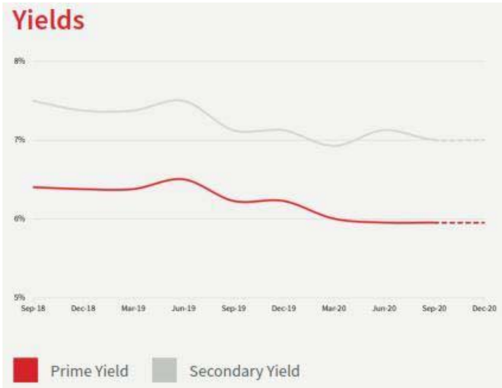
Supply

While 1H20 only saw 430 sqm of net completions, we are currently aware of around 35 pipeline projects within our survey boundaries, with most expected to complete in the next two years. Like Christchurch's office sector, the supply pipeline for industrial space has begun to normalise in recent quarters as post-earthquake rebuilds are completed. As such, we have observed significantly fewer net completions since 1H18. The effects of COVID-19 have only exacerbated the slowdown and various developments have experienced a push-back in completion date.

Asset Performance

Prime and secondary rents have remained practically unchanged in the last year, averaging $117 psm and $86 psm respectively. Meanwhile, average prime yields remain at 5.95%, while secondary yields firmed 13bps to 7.00%.

Industrial has proven itself to be the most resilient asset class across New Zealand over recent quarters, and with market fundamentals well-supported by interest in the industrial asset class, yields are anticipated to remain relatively low going forward.



5 Leasing Evidence

5.1 Leasing Evidence

In assessing a market rental profile for the accommodation, we have had regard to the leases within the property, together with recent rental evidence in the wider locality. We have had particular regard to the evidence detailed below:

Property Address	Lessee	Component	Area/No	Effective
3 Distribution Lane	Confidential	Warehouse	2168.8	On settlement
Sockburn		Office	319.1	
		Canopy	268.5	
		Car Parks	22	
131A Waterloo Road	Unknown	Warehouse	1820	Feb-21
		Office	286	
		Showroom	188	
		Car Parks	54	
25 John Morten Place Rolleston	Drummond and Etheridge	Warehouse	1,944	Jun-20
		Office	133	
		Carparks	29	
32 Link Drive Rolleston	Pack Tech Moulding	Warehouse	1,822	Jun-20
		GF Offices	218	
		L1 Offices	218	
		Production room	728	
		Production office	23.80	
		L1 Storage	22.20	
		Tool room	158.30	
		Plant room	28.60	
		Cooling Rm	19.10	
		Canopy	169.56	
		Carparks	14	

Property Address	Lessee	Component	Area/No	Effective
22 Islington Avenue	Terranota Limited	Warehouse	1,355	Sep-20
Islington		Office	134	
		Carparks	12	
1 Baigent Way	NZ Safety	Showroom	633.72	Mar-20
Middleton		Offices & Amenities	185.91	
		Mezzanine Offices	108.17	
		Warehouse	548.57	
		Conveyor	242.7	
		Canopy	47.5	
		Carparks	41	
		Surplus Land	1,045	
		Surplus Seal	1,045	
788 Halswell Junction Road	A Class Coaches 2008 Limited	Warehouse	751.4	Aug-20
Islington		Office	259.8	
		Canopy	151	
		Warehouse Office	20.5	
		Car Parks	12	
		Yard	1,379.65	
35 Hammersmith Drive	The Architectural Roofing Company	Warehouse	1,364	Feb-20
Wigram		Office	217	
		Carparks	24	
Rolleston	Confidential	Office & Amenities	200	Oct-19
		Warehouse	9,000	
		Canopy	1,625	
		Carparks	62	

The preceding evidence displays the current rental levels for industrial premises in the outer suburbs of Christchurch and a number of recent leases in Rolleston. Warehouse space typically lies in the vicinity of $80 to $120 per square metre which is differentiated by condition and location. The warehouse provides a good level of warehouse space with good access. We have adopted a rental rate to the upper level of market parameters at $95 per square metre for the subject. We have made an allowance for the gantry cranes installed.

The office/amenities component rentals range in the vicinity of $120 to $250 per square metre. The range is depicted by the level of fit out provided, size and condition of the office. We have placed the office and amenities within the warehouse at a rate of circa $135 per square metre. We have then placed the dedicated offices with a good level of fit out and in tidy condition at a rate of $185 per square metre.

Given the locality and scarcity of car parks provided and the demand for car parking in the area we have assessed the car parks at a rate of $10 per park per week.

We believe that the impact of Covid-19 on rental rates to be minimal with demand for the service and supply goods and services in the industrial space expected to remain steady.

5.2 Market Rental Profile

We have assessed the market rental profile for the property on a net basis. Our adopted market rental profile is as summarised below:

Tenant Name	Premises	Lettable Area	Car Parks	Next Review/Expiry	Review Type	Contract Rental	Rental / sqm	Car Park pcpw	Recovery / sqm	Ideal Recovery	Net Market / sqm	Gross Market / sqm	Car Park pcpw	Net Market Rental
Euro Corporation Limite	Warehouse	6,020.0	92	Sep 2022	Market	$606,440	$93	$10	$18	$18	$95	$113	$10	$619,740
Euro Corporation Limite	Office & Amenities	285.0		Sep 2022	Market	$49,875	$175		$18	$18	$185	$203		$52,725
Euro Corporation Limite	Warehouse Office	58.0		Sep 2022	Market	$6,960	$120		$18	$18	$135	$153		$7,830
Euro Corporation Limite	Mezzanine	58.0		Sep 2022	Market	$2,320	$40		$18	$18	$50	$68		$2,900
Aggregate		6,421.0	92			$665,595								$683,195

5.3 Net Income Assessment

The table below presents both the passing income and adopted market net income profile of the Property:

Passing Versus Market Comparison	Passing per annum	Market per annum
Rental Analysis		
Lettable Area Rental	$617,755	$635,355
Car Parking Rental	$47,840	$47,840
Outgoings Recovery	$117,869	$117,869
Gross Income	$783,464	$801,064
Outgoings	$117,869	$117,869
Net Income	$665,595	$683,195
Potential Net Income Fully Leased	$665,595	$683,195

6 Sales Evidence

6.1 Sales Transaction

In assessing a suitable capitalisation rate and discount rate profile for the Property, we have had regard to a range of property transactions. The more relevant sales are summarised in the sales schedule and commentary below:

17 Hammersmith Drive, Wigram, Christchurch

Comprises a high stud warehouse facility constructed in Wigram in 2007 by Calder Stewart. The site has dual access from Ballarat Way and Hammersmith drive with ample on site parking. The warehouse has full drive through access and 3 gantry cranes and currently sits at 67% NBS. NZ Tube Mills Ltd have been in occupation since the building was constructed and The Roofing Store currently sublease approximately two thirds. Annual rental approximates $404,488 net which reflects an initial yield of 6.74%. Our analysis shows an Equivalent Yield of 6.50% and an IRR of 6.18% with 1.25 years remaining on the lease. We understand the current tenant wishes to relocate to a smaller premises and is open to early termination of the lease, therefore not expected to renew and this is reflected in a slightly softer yield.

32 Link Drive, Rolleston, Selwyn District

The property comprises a recently constructed industrial premises within the iZone Business Hub in Rolleston. Accomodation is of good quality and incorporates approximately 1,823 square metres of 8m stud warehouse and 438 square metres of two-level office space as well as further specialist accomodation including an insulation lined production room. The premises is currently leased to Pack Tech Moulding Limited who commenced a ten year lease on 1 April 2018 with a further two rights of renewal of six years each. Rent reviews are fixed annual 2% increases from 2023 with market reviews on renewal. The sale price reflects an initial yield of 5.39% and our analysis shows an IRR of 6.53%

40 Hands Road, Middleton, Christchurch

The property comprises an industrial premises within the suburb of Middleton, Christchurch. Construction comprises a concrete foundation with concrete encased steel beams and steel purlins with 2x roller door access. A breakdown of areas encompasses 333 square metres of warehouse, 96 square metres of offices and 36 square metres of mezzanine with five car parks. The property sold with vacant possession and we have analysed the sale which shows a 6.53% equivalent yield, a 7.69% IRR and a value per square metre of Lettable Area of $1,849.

25 Canada Crescent, Hornby, Christchurch

A 2000's built warehouse sold with vacant possession in Hornby South, Christchurch. Construction incorporates tilt slab concrete to the fully sprinklered warehouse approximating 1484 sqm with a 7m stud height to the portal knee. A canopy (350 sqm) extends over the two motorised roller doors to the western side of the building and there is a security fenced yard/access to the warehouse which incorporates 20 car parks. The property was advertised for lease at $180,000 per annum net and we believe this to be within market parameters for a property of this nature. This equates to an Equivalent Yield of 6.24% and an IRR of 6.77%.

28-30 Klondyke Drive, Hornby South, Christchurch

This comprises a 2010's built warehouse/office structure comprising tilt slab construction positioned on an inside allotment within the Hornby South suburb of Christchurch. The property has a split of 1,298sqm clear span warehouse with a 6m stud, 80sqm offices, 600sqm yard, 23 car parks and 192sqm canopy with container height roller door access The property was sold off market with a lease in place to Agrippa Paints Limited under a single ADLS lease with a contract rent of $206,000 p.a. which we believe to be within market parameters. Rent reviews are 2 yearly with two further terms of renewal of four years each from 2024. We have analysed this sale which equates to a 6.11% equivalent yield which relates to $1,590 psm NLA and an IRR of 7.30%.

68 Hayton Road, Wigram, Christchurch

The property comprises a 2000's built industrial unit within the suburb of Wigram, Christchurch. The property comprises 600 square metres of high stud warehouse space, 112 square metres of office/amenity over two levels and 7 on site car parks. Construction comprises tilt slab concrete panels with concrete encased steel beams with container height roller door acces and an NBS rating of 67%. The property sold with vacant possesion and we have analysed this at an Equivalent Yield of 6.23% and an IRR of 7.57%.

69 Hayton Road, Wigram, Christchurch

This property comprises a modern 1,498 square metre industrial building with a 5.8m stud height and 22 car parks situated on a 2,978 square metre site. The property sold to an owner occupier in June 2020 for $2,550,000. We have analysed this sale which equates to a 6.49% Equivalent Yield which relates to $1,702 psm NLA and an Internal Rate of Return of 7.83%.

109 Buchanans Road, Hornby, Christchurch

The sale comprises a large 1990's built warehouse/office structure. The property was sold vacant with a split of 3078m2 of warehouse, office, 1000m2 surplus land (land area 6599m2) and extensive car parks and canopy. The structure was 80% NBS. The warehouse was clear span, medium stud and four roller doors.

The property was sold to an investor and currently for lease with an asking price of $305,000 pa.

11 Gerald Connolly Place, Hornby, Christchurch

The property comprises a 2000's built, clear span, high stud (7.5m) warehouse with associated offices. The premises has a seismic strength of 90% NBS. There is a lease in place with a short WALT of 1.17 years to a wholesaler and seafreight forwarding business. The property transacted at an analysed equivelant yield of 5.91%.

117 The Runway, Wigram, Christchurch

The sale comprises a modern 2010's built warehouse/office structure. The property was sold vacant with a split of 845 square metres of warehouse, 127 square metres of office and 18 car parks and canopy area. The structure was 100% NBS. The warehouse was clear span, medium stud and three roller doors. The property was sold to an investor and currently for lease with an asking price of $135,000 pa.

8 Stark Drive, Wigram, Christchurch

The principal improvement to the property is a modern warehouse office facility which has been developed primarily for food preparation and distribution. The interior has been constructed by way of Kingspan insulated panels to the food preparation packaging area, freezer area, blast freezer and docking areas. There is a two level office facility to the front of the property which includes a retail outlet to the ground floor providing bakery and café facility and workers café. The upper level includes office fit out to a high specification. The property was sold on a sale and leaseback of ten years commencing from the sale date with a 10 year WALT, annual rent reviews to the greater of CPI of 2.25% and market reviews every five years with a hard ratchet.

In addition, is the now just confirmed sale and leaseback of 89 Treffers Road, (Corner Wigram Road), Wigram, Christchurch.

This is a newly constructed Salmon processing factory, offices and factory shop with adjoining sushi restaurant occupied by Akaroa Salmon and Mugen Sushi (sublease). The head lease net contract rental is $466,670 pa plus GST with lease term of 20 years from 23 September 2019. This specialised property sold via deadline private treaty for $8,645,000 plus GST equating to an initial yield of 5.40%.

Auckland

7-9 Grayson Avenue, Wiri, Auckland

The property comprises three interconnected industrial facilities situated over three land holdings with the main component located on a corner position on the western side of Grayson Avenue with frontage to both Brett and Grayson Avenues. The lot is situated approximately 80 metres south of Grayson Avenue's intersection with Puhinui Road. Grayson Avenue links main arterial roads Puhinui Road and Cavendish Drive which provide access to the Southern Motorway, State Highway 20 and access to the Auckland Airport.

The improvements have a high site coverage and therefore the sale of the property was inclusive of two separate titles being 2 and 9 Brett Avenue which comprise approximately 1,055 square metres and 845 square metres respectively to provide additional car park and yard area. 2 Brett Avenue is situated to the south western corner of the main land holding and 9 Brett Avenue is situated directly opposite. The overall land area of the three separate lots totalled approximately 20,363 square metres

The property provides a net floor area of approximately 15,375 square metres comprising three main warehouse facilities and offices situated over two levels. The largest warehouse comprises approximately 6,225 square metres, the second largest comprises approximately 3,100 square metres and the smaller comprises approximately 1,696 square metres. Each warehouse component has internal access to the other to provide a functional flow for the tenants use. The facilities have been fitted out significantly with tenant specialised equipment.

The property is leased to Cavalier Bremworth on a six year term with one right of renewal of six years with commencement upon settlement. The commencement net rental has been agreed at $1,600,000 per annum plus GST and is subject to fixed annual rent reviews of an increase of 2%, with a market rent review on renewal.

We are also aware that the sale of the property was part of a larger acquisition of the Cavalier Bremworth Portfolio which included industrial premises in Napier and Whanganui. The subject property sold in December 2020 for $25,500,000 plus GST reflecting an initial yield of 6.27%. We have analysed the sale to provide an equivalent yield of 6.28%, and internal rate of return of 8.05% and a land and buildings rate of $1,659 per square metre.

17 Ha Crescent, Wiri, Auckland

The property comprises a substantial rectangular shaped land holding of approximately 7,786 square metres and is zoned Heavy Industry under the Auckland Unitary Plan. The property is situated on the north eastern corner of Ha Crescent with drive through access and extensive frontage to Roscommon Road. The property has a total floor area of approximately 5,117 square metres comprising a single level of office accommodation fronting Roscommon Road and a clear-span warehouse with a stud height of approximately 9.5 metres at the portal knee and approximately 11.25 metres at the apex. The non-sprinklered warehouse accommodation is accessed via three roller doors protected by a north facing canopy (included in the net floor area). The property was constructed in 2013 providing improvements to a modern and functional quality. The property has good drive through circulation with dual access from Ha Crescent and Roscommon Road.

The property was leased to YHI NZ Limited on a lease term which commenced in July 2013 and the tenant has agreed to exercise their right of renewal due in July 2021 for a further term of six years. The property currently returns a net annual rental of $581,082 per annum plus GST however is subject to a market rent review at July 2021 which has been agreed early at a net annual rental of $715,252 plus GST. The lease provides for two yearly rent reviews to CPI and a market review in July 2027.

The property sold in December 2020 for $18,576,610 reflecting an initial yield of 3.13% on the current net passing rent, however we have also analysed the sale with regard to the pre-agreed market rent which reflects a yield of 3.85%. We have analysed the sale to reflect an equivalent yield of 3.79% and an internal rate of return of 5.55%.

30 Apollo Drive, Rosedale, Auckland

The property comprises an industrial building constructed circa 2001 situated on the southern side of Apollo Drive within the North Auckland suburb of Rosedale. The property is zoned General Business under the Auckland Unitary Plan and benefits from access to northern and western motorways via Constellation Drive or Tawa Drive.

Improvements to the property comprise approximately 2,342 square metres of well-presented warehouse accommodation with a stud height of approximately 7 metres at the portal knee rising to approximately 9 metres at the apex. Construction to the warehouse is concrete tilt-slab comprises concrete flooring. Office and amenities are provided on an air conditioned and carpeted basis with polished concrete flooring to the reception area. The office and amenities comprise approximately 702 square metres of modern accommodation. Additionally, approximately 90 square metres of canopy area and approximately 35 square metres of courtyard are provided. The property provides 55 on site car parking spaces.

At the date of sale, the property was leased to Sato New Zealand Limited who recently exercised a right of renewal for a term of five years commencing August 2020. The lease was returning a net annual rental of $505,892 per annum plus GST, subject to a market rent review in August 2023. The lease provides ones further right of renewal for a term of five years.

The property sold in November 2020 for $12,692,000 plus GST, reflecting an initial yield of 3.91%. We have analysed the sale to reflect an equivalent yield of 4.03% and an internal rate of return 5.35%. The sale price reflects a land and building rate of $4,154 per square metre.

40-42 Apollo Drive, Rosedale, Auckland

The property comprises a circa 2000's freestanding industrial building situated on an approximate 3,760 square metre site on the south western side of Apollo Drive within the North-Auckland suburb of Rosedale.

Improvements comprise approximately 1,511 square metres of medium stud, clear span warehouse space with a stud height of approximately 6.84 metres at the portal knee, rising to approximately 7.70 metres at the apex. Approximately 764 square metres of office and amenity accommodation is located over two levels to the front of the site. The improvements are presented to a good quality specification throughout, and onsite carparking for approximately 48 open spaces are provided.

The property sold with a lease in place to B.E.P Marine returning a net annual rental of $385,000 per annum plus GST, expiring in May 2022.

The property sold in October 2020 for $8,000,000 plus GST, reflecting an initial yield of 4.81%. We have analysed the sale to reflect an equivalent yield of 4.95% and an internal rate of return of 6.64%. The sale price reflects a land and building rate of $3,359 per square metre.

We note that at the time of sale the vendor and purchaser were in negotiations to commence a new 4 year lease at a net commencement rent of $398,000 per annum plus GST with annual CPI reviews and a market review on the second anniversary.

34 Apollo Drive, Rosedale, Auckland

The property comprises approximately 3,368 square metre of building area including the canopy. The building was designed and built for current tenant RPM International Tool & Die Limited in 2005 and holds a seismic rating of 92%. The building overall consists of high-stud warehouse/workshop space with two levels of office and amenities at the road-front portion of the building, along with a separate rear warehouse tenancy leased to Mitre 10. RPM International's office areas are all air-conditioned and finished to a high standard, while the warehouses are fit with roller door access, stud heights ranging from 7.8 metres to 9.0 metres and includes gantry rails for RPM International's two gantry cranes. The lessor also owns two additional gantry cranes which RPM International leases. At the rear tenancy, a rectangular-shaped warehouse with a 2-level Portacom-style office, lunchroom and amenities is utilised as a storage facility by Mitre 10. Car parking onsite include 53 spaces.

The building is situated on a freehold site of approximately 5,160 square metres that is zoned General Business. The site has an approximate 53 metre frontage on Apollo Drive. Apollo Drive adjoins Constellation Drive, which subsequently enables quick access to the Northern Motorway.

At the time of sale, the property was fully leased by RPM International, on a new 10-year term commencing 1 June 2020; and Mitre 10, with approximately 2 years remaining on a 3-year lease that commenced 1 June 2019. Both leases grant the tenants' rights of renewal for further terms. The leases return a total net annual rental of $492,080 per annum plus GST.

The property sold in June 2020 for $10,977,800 plus GST, reflecting an initial yield of 4.50%, equivalent yield of 4.81%, internal rate of return of 6.59% and a land and building rate of $3,259 per square metre.

Lot 2, 72 Tidal Road, Mangere, Auckland

The property comprises a 1.0890 hectare land parcel situated to the western side of Tidal Road within Mangere, currently being a development site. The property on completion will comprise a modern industrial facility with a total lettable area of approximately 5,690 square metres, including approximately 970 square metres of canopy. The yard area will comprise approximately 3,781 square metres, and there will be on-site parking for 13 vehicles. It will comprise of two standalone warehouses with associated offices, being Unit A and Unit B, leased to a single tenant.

On completion the property will be leased to Cardinal Logistics for a term of 15 years with a commencement rent of $1,070,917 per annum net plus GST with annual fixed increases of 1.50% with a market review on every 5th anniversary subject to a hard ratchet clause.

The property sold in June 2020 subject to completion and the 15-year lease, for $21,418,000 reflecting an initial yield of 4.95%, an equivalent yield of 4.83%, and an IRR of 6.56%. We note that the initial yield on contract rent is 5.00% however there is a $10,000 per annum liability to the Landlord to maintain the bank guarantee.

Wellington

14 Jamaica Drive, Grenada North

14 Jamaica Drive comprises a circa 2,920 sqm warehouse with a generous stud height, along with office and car parking. Countdown recently entered into a 6 year lease from 1 December 2020, with 6 rights of renewal of 3 years each and annual 2% fixed rent increases.

15 Raiha Street, Elsdon, Porirua

This property comprises a warehouse currently occupied by Ultibend, leased through to 2026 with 2 rights of renewal of 5 years each. The building is rated 100% NBS. It provides modern warehousing with an area of approximately 2,980 sqm accessed via a generous yard area at the rear of the property. Office and amenities are located at the front of the premises over the ground and first floors.

Mitre 10, Kapiti Coast

The property comprises a purpose built trade retail premises situated on Kapiti Road within the Kapiti Landing bulk retail centre, in Paraparaumu, north of Wellington. The improvements comprise an 8,662 square metre store, which includes a main retail area, office, drive through, café and garden centre. In addition to this are canopies and yard areas. Carparking on the subject site is provided via non-exclusive use of 132 spaces.

The property is occupied by Mitre 10 Mega with a lease which commenced in March 2011 originally for an 18 year term with rental reviews at three yearly intervals indexed to CPI plus 3%.

Placemakers, Kapiti Coast

The property comprises a purpose built trade retail premises situated on Kapiti Road within the Kapiti Landing bulk retail centre, in Paraparaumu, north of Wellington. The improvements comprise a 7,044 square metre store, which includes warehouse, office, trade hall and yard areas. Carparking on the subject site is provided via non-exclusive use of 132 spaces.

The property is occupied by Placemakers with a lease which commenced in May-2017 originally for a 9 year term with rental reviews at three yearly intervals fixed at 4.5% and market reviews upon renewal.

180-202 Hutt Road, Kaiwharawhara

The property comprises a bulk retail property occupied by Placemakers in Wellington together with a secondary building which was earthquake prone and provided separate area which was essentially development land. The Placemakers tenant is in occupation on a new nine year lease, while the residual land provides a 2,330 sqm area. The lease provides annual fixed rental increases.

Christchurch evidence suggests that yields have been compressing in the Industrial market as of late with vacant possession buildings selling in the 6.00% to 6.50% range whilst leased premises range from 5.00% to 6.00%.

In comparison Auckland yields range from 4.00% to 5.00% for WALTS of 1.67 to 15 years whist Wellington yields range from 4.50% to 6.00% for WALTS of 6.00 to 9.00 years. Auckland is the larger and more active market where greater rent growth will occur whilst Wellington has a greater yield range subject to industrial location with land restraint an issue as is the earthquake risk.

We believe that the firming in yields has been reinforced by the recent lowering of the OCR and the demand for alternative investment outside of bank deposits. However the full effect of Covid-19 has yet to be felt and yields within secondary locations are more likely to offer additional risk to primary property investments within close proximity to central business districts.

Industrial property has solidified its lead in the market as the ‘go-to’ asset class throughout New Zealand as we see an unpresented demand for investment property resulting in strong market yields.

Based on the sales evidence, we have adopted the following valuation inputs:

Valuation Input	
Capitalisation Rate	6.000%
Discount Rate	7.250%

7 Valuation Considerations

7.1 SWOT Analysis

The strengths and weaknesses of any investment property generally show the positive and negative characteristics of that property, whereas opportunities and threats represent future external factors or events that could enhance or diminish the value of the asset. We set out our SWOT analysis as inspected as follows:

Strengths	Weaknesses
▪ Popular industrial location. ▪ Current strong demand in the Christchurch market place for industrial investment properties. ▪ 90% New Building Standard.	▪ WALT of 3.42 years. Low for this type of asset and uncertainly surrounding future cash flows if tenant vacates at the expiry of the current term. ▪ Property originally constructed in 1975 with CAPEX required in the medium term.
Opportunities	**Threats**
▪ Further develop the car parking area	▪ The economic and social impacts of COVID-19 have the potential to be persistent. ▪ Competing new industrial premises developed within the Christchurch market place at 100% NBS.

7.2 Likely Selling Period

We are of the opinion that the likely selling period for the Property is up to 6 months, assuming that the property is presented to the market in accordance with the specific assumptions noted in this report, and with an appropriate level of marketing. The actual time to sell the property may vary depending on the number of potential buyers in the marketplace, availability of comparable properties, access to finance, and changes in market conditions subsequent to the valuation date.

7.3 Most Probable Purchaser

In consideration of the current market, we anticipate the most probable purchaser of the Property to be an investor or owner occupier.

7.4 Sales History

The subject property last transacted in 29th August 2019 for $10,239,923.

8 Valuation Rationale

8.1 Valuation Overview

In arriving at our opinion of market value we have had consideration to the capitalisation and discounted cashflow (DCF) approaches to valuation, along with a cross check via the market comparison approach.

8.2 Capitalisation Approach

The capitalisation approach involves the determination of a sustainable net income from the property, and the application of a capitalisation rate as a measure of expected return from the property. Adjustments are made to the core value for items such as under/over renting, required capital expenditure or current/upcoming vacancy.

We have adopted a core capitalisation rate of 6.000%, with our calculations summarised below:

Direct Capitalisation Approach		
Rental Income	Contract Income	Market Income
Lettable Area Rental	$617,755	$635,355
Car Parking Rental	$47,840	$47,840
Ideal Outgoings Recovery (Full Net Leases)	$117,869	$117,869
Total Rental Income	$783,464	$801,064
Less Outgoings Expenditure	($117,869)	($117,869)
Net Rental Income	$665,595	$683,195
Core Income Capitalised at 6.00%	$11,093,250	$11,386,583
Value Adjustments		
Present Value of Existing Rental Reversions	$269,192	($23,953)
Total Value Adjustments	$269,192	($23,953)
Total Capitalised Value	$11,362,442	$11,362,630
Adopted Capitalised Value (say)	$11,362,000	$11,363,000

From our core value, present value adjustments (for rental reversions, letting up allowances, incentives, future lease agreements and short term CAPEX) where appropriate have been made in order to derive the resultant capitalised value.

Our adopted adjustments are detailed as follows:

Letting Up Allowances

Within our capitalisation calculations we have made present value letting up allowances for those tenancies that are expiring over the next 24 months. This letting up allowance includes rental and outgoings void (downtime) as well as leasing / agents fees with leasing up the captured lease expiry's.

Other Income

We have allowed for the present value of any other income attributable to the Property. We have calculated the present value of the remaining income stream for other income resulting in a value addition of $0.

Calculation Summary

Having made these adjustments to the core value, we derive a total value of $11,363,000. A sensitivity analysis based on adjustments to our adopted Core Capitalisation rate is as displayed below:

Sensitivity Analysis		Contract Approach	Market Approach
(0.25%)	5.750%	$11,858,000	$11,858,000
Adopted Capitalisation Rate	6.000%	$11,363,000	$11,363,000
0.25%	6.250%	$10,908,000	$10,907,000

8.3 Discounted Cash Flow Approach

We have undertaken a discounted cash flow analysis over a 10-year investment horizon to derive a net present value for the Property.

We note that a DCF analysis looks to forecast cashflow performance from the property over a future horizon based on an understanding and due diligence related to the property and the specific market in which it sits. The adopted forecasts incorporate what we consider reasonably foreseeable as at the valuation date in terms of key lease events, capital expenditure and likely growth in rental rates, costs and changes in property values over the cashflow term. We note that the actual cashflows associated with the property may vary significantly depending on management decisions, market conditions or unforeseeable events.

Discount Rate

In assessing an appropriate target discount rate for the property, we have considered primarily the analysis of recent comparable or benchmark property sales, the current level of risk free return, discussions with active property investors as well as consideration of the property's specific investment attributes.

We have applied a target discount rate of 7.250% to the cash flows to produce a present value of $11,103,000. Our DCF calculations are summarised overleaf:

Discounted Cashflow Summary		Year Ending	30-Mar-2022	30-Mar-2023	30-Mar-2024	30-Mar-2025	30-Mar-2026	30-Mar-2027	30-Mar-2028	30-Mar-2029	30-Mar-2030	30-Mar-2031	30-Mar-2032
			Year 1	Year 2	Year 3	Year 4	Year 5	Year 6	Year 7	Year 8	Year 9	Year 10	Year 11
Rental Income													
Lettable Area and Car Park Income			$665,595	$682,725	$694,960	$531,451	$725,651	$725,651	$743,798	$769,203	$782,271	$602,227	$0
Outgoings Recovery			$117,869	$120,226	$123,473	$95,383	$130,992	$134,922	$138,970	$143,139	$147,433	$113,892	$0
Gross Rental Income			$783,464	$802,951	$818,433	$626,833	$856,643	$860,573	$882,767	$912,341	$929,704	$716,119	$0
Rental Deductions													
Outgoings Expenditure			($117,869)	($120,226)	($123,473)	($127,177)	($130,992)	($134,922)	($138,970)	($143,139)	($147,433)	($151,856)	$0
Ground Rental													
Net Rental Cashflow			$665,595	$682,725	$694,960	$499,656	$725,651	$725,651	$743,798	$769,203	$782,271	$564,263	$0
Rental Adjustments													
Letting Up Allowances - Leasing Fees			$0	$0	$0	($136,453)	$0	$0	$0	$0	$0	($155,847)	$0
Capital Expenditure			$0	$0	$0	($58,267)	$0	$0	$0	$0	$0	($69,574)	$0
Net Cashflow			$665,595	$682,725	$694,960	$304,937	$725,651	$725,651	$743,798	$769,203	$782,271	$338,843	$0
Purchase Price	$11,200,000	After Costs	($11,200,000)										
Sale Price	$13,175,000	After Costs											$12,977,375
Annual Cashflow			($10,534,405)	$682,725	$694,960	$304,937	$725,651	$725,651	$743,798	$769,203	$782,271	$338,843	$12,977,375
Present Value of Rental Cashflow		$4,658,196											
Present Value of Terminal Value		$6,444,865											
Total Net Present Value (say)		$11,103,000		Resulting IRR	7.12%								

The main valuation inputs used in our cash flow are summarised as follows:

Revenue Projections

Our revenue projections commence with the passing rents for each existing tenant and, where relevant, include structured annual and market rent reviews, together with ratchet clauses, as provided for under existing leases.

Growth Rates

A summary of the growth rates adopted for the cash flow period are as follows:

Growth	Year 1	Year 2	Year 3	Year 4	Year 5	Year 6	Year 7	Year 8	Year 9	Year 10
Warehouse							10 year average		1.87%	
	1.00%	1.70%	2.00%	2.00%	2.00%	2.00%	2.00%	2.00%	2.00%	2.00%
Office							10 year average		1.87%	
	1.00%	1.70%	2.00%	2.00%	2.00%	2.00%	2.00%	2.00%	2.00%	2.00%
CPI							10 year average		1.87%	
	1.00%	1.70%	2.00%	2.00%	2.00%	2.00%	2.00%	2.00%	2.00%	2.00%
Capex							10 year average		2.87%	
	2.00%	2.70%	3.00%	3.00%	3.00%	3.00%	3.00%	3.00%	3.00%	3.00%
Outgoings							10 year average		2.87%	
	2.00%	2.70%	3.00%	3.00%	3.00%	3.00%	3.00%	3.00%	3.00%	3.00%

The market rents have been grown over the 10-year cash flow period by their respective growth rate as set out within the summary table above. In formulating our views as to the appropriate projected rental growth rates we have had regard to forecasts supplied by JLL Research and NZIER. These forecasts have been used as a base from which growth rates appropriate for the Property have been derived.

Letting Up Allowances

We have allowed for a letting up period at the end of each existing lease (being the estimated time to secure a new tenant) and associated probability. We have assumed a new lease term for tenants of 6.0 years and associated agents/leasing costs of 16.00%. Our allowances are outlined in the table below:

Warehouse	Cash Flow Year	Letting Up	Probability	Incentive	Probability	Capex /sqm	Probability
	Vacant	6 months	50%	0%	100%	$7	100%
	Year 1	6 months	50%	0%	100%	$7	100%
	Year 2	6 months	50%	0%	100%	$7	100%
	Year 3	6 months	50%	0%	100%	$7	100%
	Year 4	6 months	50%	0%	100%	$7	100%
	Year 5	6 months	50%	0%	100%	$7	100%
	Year 6	6 months	50%	0%	100%	$7	100%
	Year 7	6 months	50%	0%	100%	$7	100%
	Year 8	6 months	50%	0%	100%	$7	100%
	Year 9	6 months	50%	0%	100%	$7	100%
	Year 10	6 months	50%	0%	100%	$7	100%

Capital Expenditure

Within our calculations we have made capital expenditure allowances for any known upcoming costs, together with our own allowances for capital and refurbishment works coinciding with major lease expiries that we feel would be necessary to achieve our rental growth forecast and which a prudent purchaser is likely to make allowances for. The allowances we have made are as summarised below, split between capex associated with a tenancy expiry or renewal, and general property expenditure:

Cash Flow Year	Tenancy Capex	Building Capex	Total Capex
Year 1	$0	$0	$0
Year 2	$0	$0	$0
Year 3	$0	$0	$0
Year 4	$58,267	$0	$58,267
Year 5	$0	$0	$0
Year 6	$0	$0	$0
Year 7	$0	$0	$0
Year 8	$0	$0	$0
Year 9	$0	$0	$0
Year 10	$69,574	$0	$69,574
10 Year Total	$127,842	$0	$127,842
Capex as a proportion of Value	1.1%	Per Sqm of Lettable Area	$19.91

The above allowances have been adjusted for forecast CPI movements throughout the cash flow.

Estimated Terminal Sale Price

We have applied a terminal yield of 6.250% (a 25.0 basis point premium to the going in capitalisation rate) to the market net income at the start of Year 11 in order to calculate the estimated terminal sale price. This value also includes reversions to the forecast market rent as at the end of Year 10, deferred until the next review date.

In estimating the terminal value of the property we have primarily had regard to the increased age of the property at the end of the cashflow and likely occupancy and net income profile for the property.

Transaction Costs

We have made allowances for the following transaction costs within our discounted cash flow:

Transaction Costs	
Acquisition Costs	Nil
Disposal Costs	1.50% of the forecast Terminal Value

Sensitivity Analysis

The table below highlights a sensitivity analysis of the net present value around variations to the discount rate and terminal yield:

Discount Rate	Terminal Yield		
	6.000%	6.250%	6.500%
7.000%	$11,578,000	$11,303,000	$11,049,000
7.250%	$11,372,000	$11,103,000	$10,855,000
7.500%	$11,170,000	$10,908,000	$10,666,000

9 Valuation

9.1 Valuation Reconciliation

The results of our valuation methods are:

Methodology	Valuation
Capitalisation Approach - Market Income	$11,363,000
Capitalisation Approach - Contract Income	$11,362,000
Discounted Cash Flow Approach	$11,103,000
Adopted Value	$11,200,000

9.2 Valuation Conclusion

Having regard to the results from the valuation methods described above, together with available market evidence, the comments made within this report, and present market sentiment, we have adopted a rounded valuation figure of $11,200,000 plus GST (if any).

Our valuation is subject to the comments, qualifications and financial data contained within our report. On that basis, and assuming the Property is free of encumbrances, restrictions or other impediments of an onerous nature that would affect value, in our opinion its market value as at 31 March 2021, is:

$11,200,000 plus GST (if any)

Eleven Million Two Hundred Thousand Dollars plus GST (if any)

The assessed value reflects an initial passing yield of 5.94%, an equivalent yield of 6.09%, an internal rate of return of 7.12%, and a rate of $1,744 per square metre of Lettable Area.

We confirm that this report is confidential to the following parties and for the specific purposes noted below:

- PMG Generation Fund Trustees Limited – for Product Disclosure

No responsibility is accepted to any third parties. Neither the whole of the report, or any part of it, or any reference to it, may be published in any document, statement or circular nor in any communication with third parties without our prior written approval of the form and context in which it will appear.

9.3 Mortgage Security Recommendation

Subject to the comments in this report, we consider the Property to be a suitable security for first mortgage purposes.

There remains some uncertainty around market parameters given the impacts of COVID-19, and we recommend caution is applied to lending at present.

9.4 Market Value Apportionment

We have been requested to provide an apportionment of the land and improvements within the Market Value as assessed.

In order to establish value parameters to the subject we have investigated recent land sales within the locality. In the interest of brevity, we retain all sales evidence on file and outline our apportionment of the value assessed as follows:

Valuation Apportionment	Value
Land Value	$3,718,000
Improvements Value	$7,482,000
Adopted Value	$11,200,000

This apportionment has been undertaken for accounting purposes only, and should not be utilised as an assessment of improvement indemnity or replacement value for insurance purposes.

9.5 Involvement Statement

The following parties have been involved in the completion of this valuation:

Inspection of Property	David Hargreaves, Robert Clifford
Calculations	David Hargreaves, Robert Clifford
Information Review	David Hargreaves, Robert Clifford
Report Authoring	David Hargreaves, Robert Clifford
Quality Assurance	Graeme McDonald
Principal Valuer	David Hargreaves

JLL require that all Valuation Reports are reviewed for Quality Assurance purposes before external release. The individual that has undertaken the Quality Assurance review offers no opinion on the subject property(s).

Yours faithfully,
Jones Lang LaSalle, Valuation Advisory

Jones Lang LaSalle

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Appendix 1 – Valuation Definitions

Net Passing Income	The annual sum of the current base rent, any supplementary income and recoverable outgoings, less total outgoings.
Net Income, Fully Leased	The annual net passing income as above, plus estimated income from vacant tenancies and any immediate reversions.
Capitalisation Rate	The capitalisation rate adopted within the valuation applied to either the net income, fully leased (excluding supplementary income) or net market income prior to adjustments for vacancy, rental reversion and capital expenditure.
Initial Yield	The net passing income from an investment divided by the sale price or value adopted for the investment.
Market Yield	The assessed net market income divided by the sale price or value adopted.
Equivalent Yield	A market yield which reflects additional adjustments for capital expenditure, letting up assumptions or the present value of rental reversions after the capitalisation of income.
Discount Rate	A rate of return used to convert a future monetary sum or cash flow into a present value.
Internal Rate of Return (IRR)	The discount rate at which the present value of the future cash flows of the investment equals the acquisition cost of the investment.
Terminal Yield	Alternatively referred to as a Reversionary Yield, being the anticipated yield from an investment property once a reversionary value is attained at the end of the cashflow with adjustments for vacancy allowances.
Ten Year IRR	The IRR (as above) for which the property would achieve based on the present value of all the net cashflows over a 10 year period given the assessed value.
Market Rent	The estimated amount for which an interest in real property should be leased on the valuation date between a willing lessor and a willing lessee on appropriate lease terms in an arm's length transaction, after proper marketing and where the parties had each acted knowledgeably, prudently and without compulsion.
Market Value	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 wherein the parties had each acted knowledgeably, prudently and without compulsion.
Highest and Best Use	The use of an asset that maximises its potential and that is physically possible, legally permissible and financially feasible.
Weighted Average Lease Term (WALT)	The weighted average lease term remaining to expire across the property or portfolio, it can be weighted by rental income or lettable area.
Fair Value	Fair value is the price that would be received to sell an asset or paid to transfer a liability in an orderly transaction between market participants at the measurement date.

Appendix 2 – Record of Title

RECORD OF TITLE
UNDER LAND TRANSFER ACT 2017
FREEHOLD
Search Copy

R.W. Muir
Registrar-General
of Land

Identifier 74967
Land Registration District Canterbury
Date Issued 15 October 2003

Prior References
CB15B/1394

Estate	Fee Simple
Area	1.4870 hectares more or less
Legal Description	Lot 1 Deposited Plan 319107

Registered Owners
PMG Generation Fund Trustees Limited

Interests

42096.1 Resolution imposing a Building Line Restriction - 10.7.1975 at 9:35 am

Appurtenant hereto is a right to drain sewage specified in Easement Certificate 176921.1 - 16.5.1978 at 1:34 pm

The easement specified in Easement Certificate 176921.1 is subject to Section 37 (1)(a) Counties Amendment Act 1961

Subject to a right to drain water in gross over part marked A,B,C on DP 319107 to The Christchurch City Council created by Transfer 5746614.5 - Produced 30.9.2003 at 9:00 am and entered 15.10.2003 at 9.00 am

The easement created by Transfer 5746614.5 is subject to Section 243 (a) Resource Management Act 1991

Subject to a right to convey sewage over part marked B,D on DP 319107 created by Easement Instrument 5746614.6 - Produced 30.9.2003 at 9:00 am and entered 15.10.2003 at 9.00 am

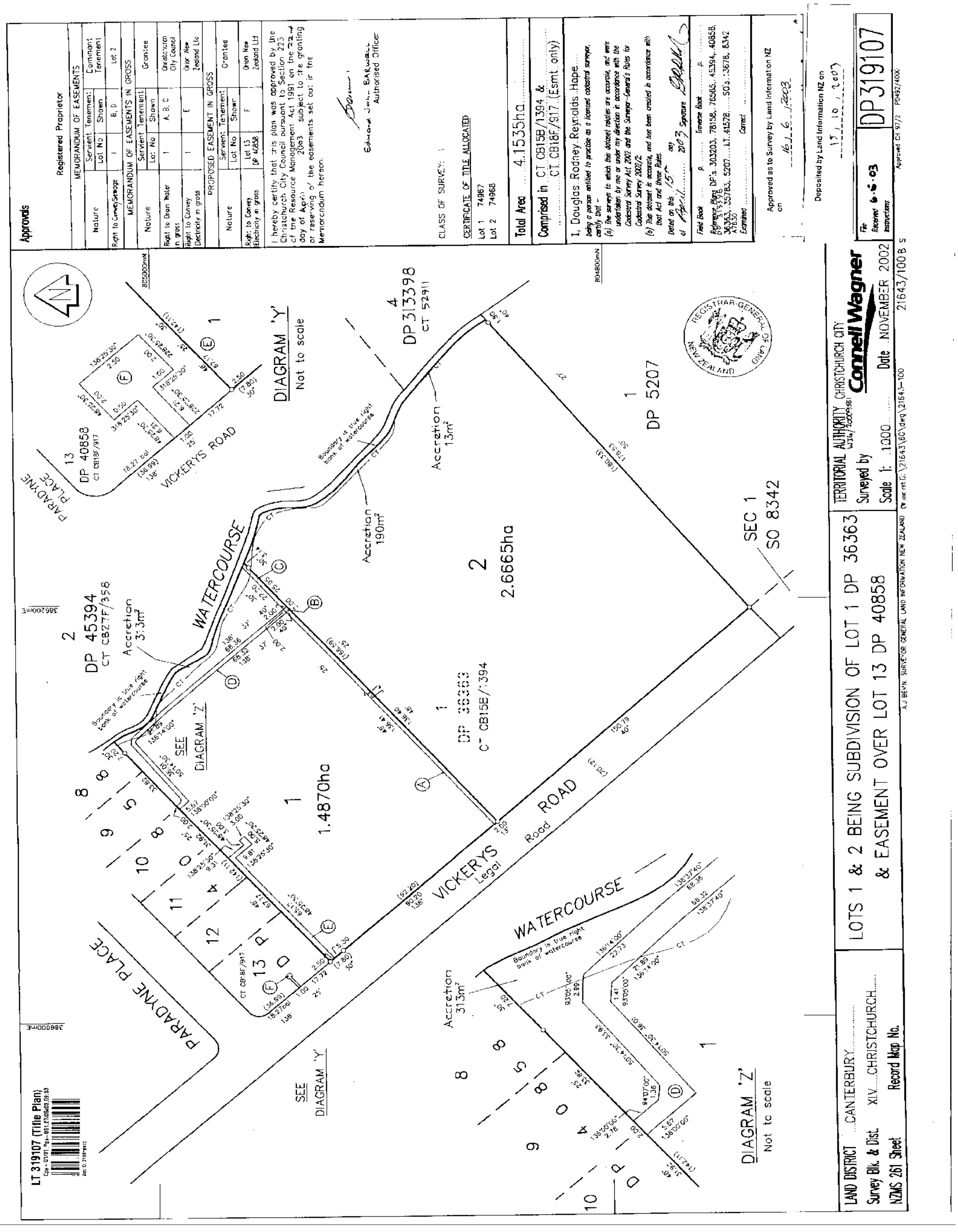
The easement created by Easement Instrument 5746614.6 is subject to Section 243 (a) Resource Management Act 1991

Subject to a right to convey electricity in gross over part marked E on DP 319107 to Orion New Zealand Limited created by Transfer 5746614.7 - Produced 30.9.2003 at 9:00 am and entered 15.10.2003 at 9.00 am

The easement created by Transfer 5746614.7 is subject to Section 243 (a) Resource Management Act 1991

11721145.4 Mortgage to ASB Bank Limited - 31.3.2020 at 4:48 pm

Identifier **74967**



Approved by the Registrar General of Land, Wellington. No. A032940 **1769 21.1 EC** NEW ZEALAND

EASEMENT CERTIFICATE

CANTERBURY Land Registry Office

(IMPORTANT—Registration of this certificate does not of itself create any of the easements specified herein.)

I, TOLEDO HOLDINGS LIMITED a Company having its registered office at CHRISTCHURCH (as to an undivided one-half share) and JOHN GORDON RUTHERFORD of CHRISTCHURCH, SOLICITOR and DOROTHY VERNA RUTHERFORD his wife (as to an undivided one-half share)NEW ZEALAND STRUCTURES HOLDINGS LIMITED at CHRISTCHURCH and ALLAN MYLES TURNBULL of CHRISTCHURCH, COMPANY DIRECTOR being the registered proprietor of the land described in Schedule 'A' hereto hereby certify that the easements specified in that Schedule, the servient tenements in relation to which are shown on a plan of survey deposited in the Land Registry Office at Canterbury on the 2nd day of MAY 1978 under No. 40858 are the easements which it is intended shall be created by the operation of Section 90A of the Land Transfer Act 1952.

SCHEDULE 'A'

C.T. Ref.	Nature of Easement (e.g. Right of Way etc.)	Servient Tenement: Lot No. or other Legal Description	Servient Tenement: Identification of Part Subject to Easement	Dominant Tenement Lot No. or other Legal Description
18F/910 18F/911	Right to Drain Sewage	18F/911 lot 7	Marked R.	18F/912 lot 8
16B/278	"	18F/908 lot 3	Marked Q.	16B/278 lot 7 on Deposited Plan No: 37434
15B/1394	"	18F/913 lot 9	Marked P.	15B/1394 lot 1 on Deposited Plan No: 36363

1. The rights and powers set out in the Seventh Schedule to the Land Transfer Act 1952 are herein implied except as they are added to or substituted in Schedule 'B' hereto.

2. The terms, covenants, conditions, or restrictions set out in Schedule 'C' hereto shall attach to the easements specified therein.

Dated this 15th day of MAY 1978

Signed by the above-named JOHN GORDON RUTHERFORD & DOROTHY VERNA RUTHERFORD in the presence of

THE COMMON SEAL of TOLEDO HOLDINGS LIMITED was hereto affixed in the presence of:-

THE COMMON SEAL OF NEW ZEALAND STRUCTURES HOLDINGS LIMITED was hereto affixed in the presence of:-

Witness:

Occupation

Governing Director

Address:

SIGNED by the above-named ALLAN MYLES TURNBULL in the presence of:-

Allan M. Turnbull

Solicitor Christchurch

Correct for the purposes of the Land Transfer Act

Solicitor for the Registered Proprietor

SCHEDULE 'B'

State whether any rights or powers set out here are in addition to or in substitution for those set out in the Seventh Schedule to the Land Transfer Act 1952.

1. Rights and Powers: N/A

Easement certificate 176921/ specifying intended easements on D.P 40858

18F/911

Nature	ST	DT
Right to drain sewage	4 herein	Lot 8 (18F/912)

~~d d t Subject to see~~ 3 ~~[illegible]ies~~

~~[illegible]~~ - 16/5/1978 at 1.34pm

(* SEE BELOW)

18F/908

" ~~[illegible]~~	3 herein	4 DP 34434 (168/248)

*(Below) - 16/5/1978 at 1.34pm

18F/913

" d d t etc *(Below)	9 herein	1 DP 36362 (158/1394)

18F|912

Nature	S.T	D.T.
Right to drain sewage	M [redacted] (18F|911)	8 (herein).
d t + etc (+ Belcoo)		
16B|218		
" d t + etc (+ Belcoo)	D.P. 3 40858 (18F|908).	M herein
15B|1394.		
" d t + etc.	D.P. 9 40858 18E|913	1 herein.

* above

THE WITHIN EASEMENTS WHEN CREATED WILL BE SUBJECT TO SECTION 37 (1) (a) COUNTIES AMENDMENT ACT 1961 & will satisfy the memorandum of easements on DP. 40858

A.L.B.

SCHEDULE 'C'

2. Terms, conditions, covenants, or restrictions in respect of any of the above easements:

(a) THE cost of maintenance and repair of the sewage pipes, water pipes, conduit pipes and mains shall be borne by the registered proprietor, or person claiming under him of the tenements, using the same in proportion which such rights are used by each of the registered proprietors or person claiming under him and so that no one registered proprietor or person claiming under him shall bear the cost of any such maintenance and repair in respect of any part which is not used by him.

(b) IF any such repair or maintenance becomes necessary through the omission, neglect or default of any one or more of the registered proprietors or person or persons claiming under him or them then that registered proprietor or person claiming under him or if more than one those registered proprietors or persons claiming under them shall bear the whole cost of such repair or maintenance.

(c) IF any dispute shall arise between any of the registered proprietors or persons claiming under them arising out of or touching or concerning these presents then such dispute shall be referred to Arbitration under the provisions of the Arbitration ~~xxdaxxthexprovisionsxofxthexxx Xrbix~~ Act 1908 and its Amendments. PROVIDED HOWEVER that the provisions of the said Act are hereby clarified ~~to the extent that~~ any Arbitration shall be conducted by a Sole Arbitrator to be agreed upon by the parties to the dispute or failing agreement a Sole Arbitrator shall be appointed by the Chairman for the time being of the Christchurch Branch of the Institute of Surveyors or his nominee at the request of any of the registered proprietors involved or any persons claiming under such registered proprietors.

TOLEDO HOLDINGS LIMITED
& JOHN GORDON RUTHERFORD
& DOROTHY VERNA RUTHERFORD
N.Z. STRUCTURES HOLDINGS LIMITED
A.M. TURNBULL

EASEMENT CERTIFICATE

THE WITHIN EASEMENTS WHEN CREATED WILL BE SUBJECT TO SECTION 37 (1) (a) COUNTIES AMENDMENT ACT 1961

A.L.R.

Registration of Transfer 186513/2
creates the easements relative to Lot 3
DP 40858 24/7/1978 at 10.13 am
A.L.R.

Registration of T. 188012/2 creates the within easements relative to Lot 7. DP40858

Registration of Transfer 262971/1 creates the within easements relative to Lot 9 DP 40858

RUTHERFORD & CO.
SOLICITORS
CHRISTCHURCH, N.Z.

THE CAXTON PRESS, CHRISTCHURCH

Particulars entered in the Register as shown in the Schedule of Land herein on the date and at the time stamped below.

District Assistant *Land Registrar of the District of Canterbury*

DISTRICT LAND REGISTRAR
CANTERBURY N.Z.
MAY 16 1 34 PM '79

District Land Registry
Christchurch No.2

176921/1

18F/911, 18F/908, 18F/913, 18F/912
16B/278
15B/1344

Appendix 3 – Valuation Calculations

Executive Summary

Property	Industrial Premises - 67 Vickerys Road, Wigram,
Property Description	Industrial Premises
Net Lettable Area	6,421 square metres
Car Parking	92 spaces - 1 car park per 69.79 sqm
Prepared For	PMG Generation Fund Trustees Limited
Purpose	Product Disclosure
Date of Valuation	31 March 2021
Valuation Approach	Capitalisation of Net Income and Discounted Cashflow
Valuation	**$11,200,000 plus GST (if any)**

Valuation Analysis

Initial Yield (Net Passing)	5.94%
Initial Yield (Fully Leased)	5.94%
Equivalent Yield	6.09%
Internal Rate of Return (Ten Year)	7.12%
Weighted Average Lease Term - Income	3.42 years
Weighted Average Lease Term - Area	3.42 years
Occupancy As Valued	100.00%
Capital Value per square metre of NLA	$1,744 /sqm
Under/Over Renting Proportion	Under rented: (3%)

This information in this summary is derived from and should be read in conjunction with the full text of the accompanying report.

Capitalisation Approach

Value Based on Market Capitalisation	$11,363,000
Value Based on Contract Capitalisation	$11,362,000
Capitalisation Rate	6.00%

Discounted Cashflow Approach

Value Based on DCF Approach	$11,103,000
Discount Rate	7.25%
Terminal Capitalisation Rate	6.25%
Nominal Assumed Rental Growth	1.87% pa
Nominal Assumed CPI	1.87% pa

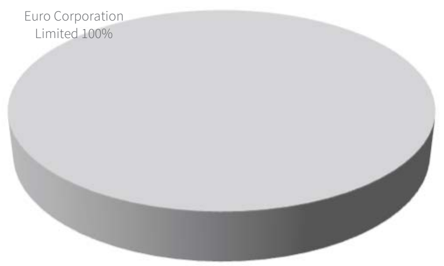
Contract and Market Rental Income Summary

	Contract	**Market**
Rental Income	$665,595	$683,195
Other Income		
Recoverable Outgoings	$117,869	$117,869
Gross Income	$783,464	$801,064
Total Outgoings	($117,869)	($117,869)
Less Year 1 Incentives		
Net Income	**$665,595**	**$683,195**

DCF Sensitivity Analysis

Discount Rate	Terminal Yield		
	6.00%	6.25%	6.50%
7.00%	$11,578,000	$11,303,000	$11,049,000
7.25%	$11,372,000	**$11,103,000**	$10,855,000
7.50%	$11,170,000	$10,908,000	$10,666,000

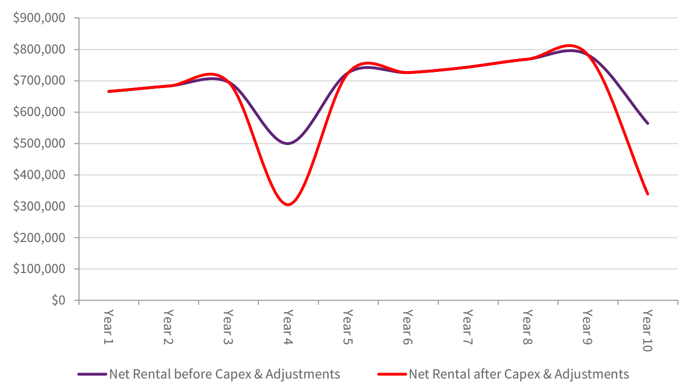
Major Tenant Occupancy Profile by Rental Income



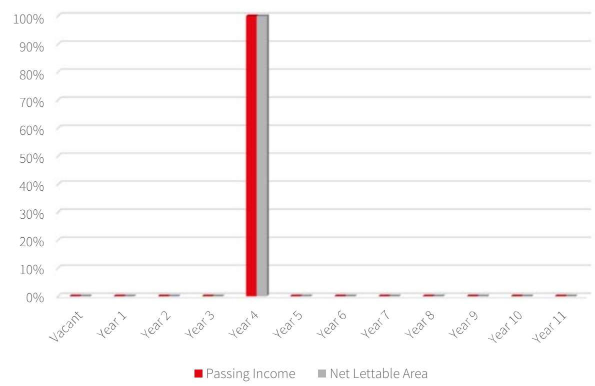
Capex and Letting Up Assumptions

	Year 1	Year 2	Year 3
Capex	$0	$0	$0
Letting Up	$0	$0	$0
Unexpired Incentives	$0	$0	$0

Projected Net Rental Cash Flow



Lease Expiry Profile



Capitalisation Approach
Industrial Premises - 67 Vickerys Road, Wigram, Christchurch
31 March 2021

		Contract Income	Market Income
Rental Income		Contract Income	Market Income
Lettable area rental		$617,755	$635,355
Car Parking Rental		$47,840	$47,840
Ideal Outgoings Recovery (Full Net Leases)		$117,869	$117,869
Total Rental Income		**$783,464**	**$801,064**
Less Outgoings Expenditure		($117,869)	($117,869)
Net Rental		**$665,595**	**$683,195**
Rental Adjustments			
Less Long Term Vacancy Allowance @ 0.00%		$0	$0
Core Income		**$665,595**	**$683,195**
Core Income Capitalised at 6.00%		**$11,093,250**	**$11,386,583**
Value Adjustments			
Present Value of Existing Rental Reversions		$269,192	($23,953)
Present Value of All Outstanding Incentives		$0	$0
Vacancies - Letting Up Allowances:			
Present Value of Downtime	$0		
Present Value of Incentives	$0		
Present Value of Leasing Fees	$0	$0	$0
Expiries within the next 24 months - Letting Up Allowances:			
Present Value of Downtime	$0		
Present Value of Incentives	$0		
Present Value of Leasing Fees	$0	$0	$0
Present Value of Future Lease Agreements and Stepped Rentals		$0	$0
Present Value of Short Term Capital Expenditure: 24 months		$0	$0
Value of Other Income		$0	$0
Total Value Adjustments		**$269,192**	**($23,953)**
Total Capitalised Value		$11,362,442	$11,362,630
Adopted Capitalised Value		$11,362,000	$11,363,000
Adopted Value			**$11,200,000**

Analysis

Weighted Lease Duration		Performance Indicators on Adopted Value	
By Income	3.42 years	Initial Yield (Net Passing)	5.94%
By Area	3.42 years	Initial Yield (Fully Leased)	5.94%
Current Vacancies		Equivalent Market Yield	6.09%
By Area	0 sqm	Rate per sqm of Lettable Area	$1,744 /sqm
Proportion of NLA	0.00%	Net Income	
By Market Income	$0	Net Passing Income	$665,595
Proportion of Market Income	0.00%	Net Passing Income (Fully Leased)	$665,595

Discounted Cashflow Approach
Industrial Premises - 67 Vickerys Road, Wigram, Christchurch
31 March 2021

Discounted Cashflow Results	
PV of Rental Income	$4,658,196
PV of Terminal Value	$6,444,865
Acquisition Costs	$0
Total Net Present Value	**$11,103,061**
Adopted Net Present Value	$11,103,000
Adopted Value	**$11,200,000**
Adopted Discount Rate	7.25%
Internal Rate of Return	7.12%

Sensitivity Analysis*	Terminal Yield		
Discount Rate	6.000%	6.250%	6.500%
7.000%	$11,578,000	$11,303,000	$11,049,000
7.250%	$11,372,000	**$11,103,000**	$10,855,000
7.500%	$11,170,000	$10,908,000	$10,666,000

* Rounded Values

Key Property Statistics	Valuation Date	Terminal Period
Weighted Average Lease Term - Income	3.42 years	5.92 years
Weighted Average Lease Term - Area	3.42 years	5.92 years
Occupancy	100.00%	100.00%
Initial Yield (Net Passing)	5.94%	6.24%
Initial Yield (Fully Leased)	5.94%	6.24%
Capex Assumptions		
Total Allowance over DCF Period	$127,842	$19.91 /sqm
Proportion of Adopted Value	1.14%	

Year Ending		**30-Mar-2022** Year 1	**30-Mar-2023** Year 2	**30-Mar-2024** Year 3	**30-Mar-2025** Year 4	**30-Mar-2026** Year 5	**30-Mar-2027** Year 6	**30-Mar-2028** Year 7	**30-Mar-2029** Year 8	**30-Mar-2030** Year 9	**30-Mar-2031** Year 10	**30-Mar-2032** Year 11
Rental Income												
Lettable Area and Car Park Income		$665,595	$682,725	$694,960	$531,451	$725,651	$725,651	$743,798	$769,203	$782,271	$602,227	$0
Outgoings Recovery		$117,869	$120,226	$123,473	$95,383	$130,992	$134,922	$138,970	$143,139	$147,433	$113,892	$0
Other Income		$0	$0	$0	$0	$0	$0	$0	$0	$0	$0	$0
Gross Rental Income		$783,464	$802,951	$818,433	$626,833	$856,643	$860,573	$882,767	$912,341	$929,704	$716,119	$0
Rental Deductions												
Unexpired Incentives - Rent Free/Abatements		$0	$0	$0	$0	$0	$0	$0	$0	$0	$0	$0
Outgoings Expenditure		($117,869)	($120,226)	($123,473)	($127,177)	($130,992)	($134,922)	($138,970)	($143,139)	($147,433)	($151,856)	$0
Net Rental Cashflow		$665,595	$682,725	$694,960	$499,656	$725,651	$725,651	$743,798	$769,203	$782,271	$564,263	$0
Rental Adjustments												
Unexpired Incentives - Capital Contribution		$0	$0	$0	$0	$0	$0	$0	$0	$0	$0	$0
Letting Up Allowances - Leasing Fees		$0	$0	$0	($136,453)	$0	$0	$0	$0	$0	($155,847)	$0
Capital Expenditure		$0	$0	$0	($58,267)	$0	$0	$0	$0	$0	($69,574)	$0
Net Cashflow		**$665,595**	**$682,725**	**$694,960**	**$304,937**	**$725,651**	**$725,651**	**$743,798**	**$769,203**	**$782,271**	**$338,843**	**$0**
Purchase Price	$11,200,000											
Acquisition Costs @ 0.00%	$0											
Gross Purchase Price	$11,200,000											
Net Sale Price After Costs @ 1.50%												$12,977,375
Annual Cashflow		**($10,534,405)**	**$682,725**	**$694,960**	**$304,937**	**$725,651**	**$725,651**	**$743,798**	**$769,203**	**$782,271**	**$338,843**	**$12,977,375**
Running Yield (pre acquisition costs)		5.94%	6.10%	6.21%	4.38%	6.37%	6.37%	6.53%	6.75%	6.87%	4.86%	-
Running Yield (post acquisition costs)		5.94%	6.10%	6.21%	4.38%	6.37%	6.37%	6.53%	6.75%	6.87%	4.86%	-
Running IRR		6.80%	5.55%	6.31%	6.70%	6.93%	7.02%	7.19%	6.90%	7.02%	7.12%	-

Letting Up Allowances Speculative Leases	Year Ending	30-Mar-2022 Year 1	30-Mar-2023 Year 2	30-Mar-2024 Year 3	30-Mar-2025 Year 4	30-Mar-2026 Year 5	30-Mar-2027 Year 6	30-Mar-2028 Year 7	30-Mar-2029 Year 8	30-Mar-2030 Year 9	30-Mar-2031 Year 10	30-Mar-2032 Year 11
Downtime (Gross Rent)		$0	$0	$0	($213,207)	$0	$0	$0	$0	$0	($243,510)	$0
Incentives (as Rent Free)		$0	$0	$0	$0	$0	$0	$0	$0	$0	$0	$0

Growth and Cost Assumptions

	Current Vacancies	Year 1	Year 2	Year 3	Year 4	Year 5	Year 6	Year 7	Year 8	Year 9	Year 10	**Average/Range**
Warehouse	Assumed Lease Term	6.0 years	Review Frequency	2 yearly								
Rental Growth Rate (Net)		1.00%	1.70%	2.00%	2.00%	2.00%	2.00%	2.00%	2.00%	2.00%	2.00%	**1.87%**
Letting Up Assumption	6 months	6 months	6 months	6 months	6 months	6 months	6 months	6 months	6 months	6 months	6 months	**6 months**
Letting Up Probability	50%	50%	50%	50%	50%	50%	50%	50%	50%	50%	50%	**50%**
Applied Incentive (Net)	0.00%	0.00%	0.00%	0.00%	0.00%	0.00%	0.00%	0.00%	0.00%	0.00%	0.00%	**0.0%**
Incentive Months Equivalent	0 months	0 months	0 months	0 months	0 months	0 months	0 months	0 months	0 months	0 months	0 months	**0 months**
Capex Allowance	$0	$0	$0	$0	$46,832	$0	$0	$0	$0	$0	$55,919	**$17 /sqm**
Office	Assumed Lease Term	6.0 years	Review Frequency	2 yearly								
Rental Growth Rate (Net)		1.00%	1.70%	2.00%	2.00%	2.00%	2.00%	2.00%	2.00%	2.00%	2.00%	**1.87%**
Letting Up Assumption	6 months	6 months	6 months	6 months	6 months	6 months	6 months	6 months	6 months	6 months	6 months	**6 months**
Letting Up Probability	50%	50%	50%	50%	50%	50%	50%	50%	50%	50%	50%	**50%**
Applied Incentive (Net)	0.00%	0.00%	0.00%	0.00%	0.00%	0.00%	0.00%	0.00%	0.00%	0.00%	0.00%	**0.0%**
Incentive Months Equivalent	0 months	0 months	0 months	0 months	0 months	0 months	0 months	0 months	0 months	0 months	0 months	**0 months**
Capex Allowance	$0	$0	$0	$0	$11,436	$0	$0	$0	$0	$0	$13,655	**$73 /sqm**
Mezzanine	Assumed Lease Term	6.0 years	Review Frequency	2 yearly								
Rental Growth Rate (Net)		1.00%	1.70%	2.00%	2.00%	2.00%	2.00%	2.00%	2.00%	2.00%	2.00%	**1.87%**
Letting Up Assumption	6 months	6 months	6 months	6 months	6 months	6 months	6 months	6 months	6 months	6 months	6 months	**6 months**
Letting Up Probability	50%	50%	50%	50%	50%	50%	50%	50%	50%	50%	50%	**50%**
Applied Incentive (Net)	0.00%	0.00%	0.00%	0.00%	0.00%	0.00%	0.00%	0.00%	0.00%	0.00%	0.00%	**0.0%**
Incentive Months Equivalent	0 months	0 months	0 months	0 months	0 months	0 months	0 months	0 months	0 months	0 months	0 months	**0 months**
Capex Allowance	$0	$0	$0	$0	$0	$0	$0	$0	$0	$0	$0	**$0 /sqm**

Growth Rates		Year 1	Year 2	Year 3	Year 4	Year 5	Year 6	Year 7	Year 8	Year 9	Year 10	**Average**
Ancillary		1.00%	1.70%	2.00%	2.00%	2.00%	2.00%	2.00%	2.00%	2.00%	2.00%	**1.87%**
Carparking		1.00%	1.70%	2.00%	2.00%	2.00%	2.00%	2.00%	2.00%	2.00%	2.00%	**1.87%**
CPI		1.00%	1.70%	2.00%	2.00%	2.00%	2.00%	2.00%	2.00%	2.00%	2.00%	**1.87%**
Capex		2.00%	2.70%	3.00%	3.00%	3.00%	3.00%	3.00%	3.00%	3.00%	3.00%	**2.87%**
Outgoings		2.00%	2.70%	3.00%	3.00%	3.00%	3.00%	3.00%	3.00%	3.00%	3.00%	**2.87%**
Ground Rental		0.00%	0.00%	0.00%	0.00%	0.00%	0.00%	0.00%	0.00%	0.00%	0.00%	**0.00%**
Other Income		0.00%	0.00%	0.00%	0.00%	0.00%	0.00%	0.00%	0.00%	0.00%	0.00%	**0.00%**

Tenancy Schedule
Industrial Premises - 67 Vickerys Road, Wigram, Christchurch
31 March 2021

Tenant Name	Premises	Tenancy Area sqm	Car Parks	Lease Start	Lease Expiry	Next Review	Review Frequency	Review Type	Contract Rental	Premises per sqm	Car Park pcpw	Outgoings Recovery	Net Market per sqm	Gross Market per sqm	Car Park pcpw	Net Market Rental
1. Euro Corporation Limited	Warehouse	6,020.0	92	1-Sep-18	31-Aug-24	1-Sep-22	2 yearly	Market	$606,440	$93	$10.00	$110,508	$95	$113	$10.00	$619,740
2. Euro Corporation Limited	Office & Ameniti	285.0		1-Sep-18	31-Aug-24	1-Sep-22	2 yearly	Market	$49,875	$175		$5,232	$185	$203		$52,725
3. Euro Corporation Limited	Warehouse Offic	58.0		1-Sep-18	31-Aug-24	1-Sep-22	2 yearly	Market	$6,960	$120		$1,065	$135	$153		$7,830
4. Euro Corporation Limited	Mezzanine	58.0		1-Sep-18	31-Aug-24	1-Sep-22	2 yearly	Market	$2,320	$40		$1,065	$50	$68		$2,900
	GLA	6,421 sqm	92					Passing Rental	$665,595		Outgoings Recovery	$117,869			Market Rental	$683,195
	NLA	6,421 sqm						Net Passing Rental	$665,595		Vacant Outgoings	$0				
											Outgoings Shortfall	$0				
											Total Outgoings	$117,869				

JLL

Annualised Receivable Income
Industrial Premises - 67 Vickerys Road, Wigram, Christchurch
31 March 2021

Tenant Name	Premises	Year 1 30-Mar-2022	Year 2 30-Mar-2023	Year 3 30-Mar-2024	Year 4 30-Mar-2025	Year 5 30-Mar-2026	Year 6 30-Mar-2027	Year 7 30-Mar-2028	Year 8 30-Mar-2029	Year 9 30-Mar-2030	Year 10 30-Mar-2031
Euro Corporation Limited	Warehouse	$606,440	$620,424	$630,412	$482,090	$658,253	$658,253	$674,714	$697,759	$709,614	$546,293
Euro Corporation Limited	Office & Amenities	$49,875	$52,067	$53,633	$41,014	$56,002	$56,002	$57,402	$59,363	$60,371	$46,476
Euro Corporation Limited	Warehouse Office	$6,960	$7,546	$7,965	$6,091	$8,317	$8,317	$8,525	$8,816	$8,966	$6,902
Euro Corporation Limited	Mezzanine	$2,320	$2,687	$2,950	$2,256	$3,080	$3,080	$3,157	$3,265	$3,321	$2,556
Total Receivable Rental Income		$665,595	$682,725	$694,960	$531,451	$725,651	$725,651	$743,798	$769,203	$782,271	$602,227

JLL

Market Rental Income - Year Start
Industrial Premises - 67 Vickerys Road, Wigram, Christchurch
31 March 2021

Tenant Name	Premises	Year 1 31-Mar-2021	Year 2 31-Mar-2022	Year 3 31-Mar-2023	Year 4 31-Mar-2024	Year 5 31-Mar-2025	Year 6 31-Mar-2026	Year 7 31-Mar-2027	Year 8 31-Mar-2028	Year 9 31-Mar-2029	Year 10 31-Mar-2030
Euro Corporation Limited	Warehouse	$619,740	$625,966	$636,691	$649,542	$662,652	$676,028	$689,673	$703,593	$717,795	$732,283
Euro Corporation Limited	Office & Amenities	$52,725	$53,255	$54,167	$55,260	$56,376	$57,514	$58,675	$59,859	$61,067	$62,300
Euro Corporation Limited	Warehouse Office	$7,830	$7,909	$8,044	$8,207	$8,372	$8,541	$8,714	$8,889	$9,069	$9,252
Euro Corporation Limited	Mezzanine	$2,900	$2,929	$2,979	$3,039	$3,101	$3,163	$3,227	$3,292	$3,359	$3,427
Total Market Rental		$683,195	$690,058	$701,881	$716,048	$730,501	$745,246	$760,288	$775,634	$791,290	$807,261

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