Technical Due Diligence Report

For and on behalf of
AUGUSTA FUNDS MANAGEMENT LTD

5 & 21 Beach Road
Otahuhu
Auckland 2024

OCTOBER 2018
P18-0174

Hampton Jones

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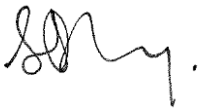

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For and on behalf of Hampton Jones Property Consultancy Limited.

Executive Summary

i This report is concerned with the review of the building fabric of the properties at 5 & 21 Beach Road, Otahuhu. The main observations have been incorporated within the following Executive Summary, Key Findings and Elemental Description and Condition sections of this report.

5 Beach Road

ii 5 Beach Road comprises a large industrial warehouse building with auxiliary office accommodation. The property is situated to the west of Otahuhu, which is approximately 20 kilometers south west of Auckland's Central Business District.

iii The property has two entrances on to the south west side of Beach Road, one providing access to the staff carparking area and office accommodation, with the other providing freight access to the warehouse yard areas to the east and north of the site.

iv The original warehouse is assumed to be constructed circa 1960s, it is assumed that the single storey office accommodation and warehouse areas to the west side of the property have been added as extensions at a later date.

v The overall condition of the property at 5 Beach Road is generally reasonable condition with consideration to the type, use and age of the building. However, the property appears to have been subjected to a lack of regular maintenance, with a number of replacements and repairs required within five years. Several elements, including external wall cladding and windows appear to have weathertightness issues, requiring further detailed and intrusive inspection, resulting repairs and replacement. A brief overview has been within Section 2.0 of this report.

21 Beach Road

vi The premises are located on a c. 3.5 Ha site to the western side of Beach Road in the suburb of Otahuhu Auckland. The business occupying the premises manufactures reinforcement steel and wire, it is our understanding the facility has been in existence for over 50 years and the buildings mostly date from the 1960's and 70's. They comprise of approximately 10,500 sqm high stud steel portal frame structures complete with c. 520 sqm of internal offices. Adjoining the manufacturing area are staff dining, and shower facilities, these are adjoined to the east by c.1,240 sqm of offices (over 2 levels) which face eastwards onto Beach Road.

vii The wall claddings to the industrial buildings vary in type and condition but are broadly single skin painted long run sheet metal with a painted concrete block perimeter base. The condition of this cladding system is generally fair/poor commensurate with their age and use. Several areas are of long run cladding displayed extensive corrosion and decay and will require capital expenditure within the next 1-5 years. It's evident that some repair and maintenance has been carried out on ad hoc basis over the years with several sections of wall and roof cladding been repaired or replaced.

viii The other building elements inspected are in a similar condition all of which are broadly in a fair to poor condition, this includes gutters, downpipes, window frames, glazing doors, hardstands and perimeter fencing.

ix The key findings which we believe will require CAPEX within the next 5 years are as follows:

Note – Inspection was limited to a walk through from ground level only, no inspection of the roof structures were undertaken.

- Several sections of corroded corrugated steel wall cladding and lower cladding support framing to portal frame structures, replacement required.
- Several sections of impact damaged cladding and flashings, repair and replacement required.

- Several sections of damaged gutters & down pipes, repair and replacement required.
- Corroded steel window frames and damaged glazing, repair and replacement required.
- Roller doors not tested, however some look in disrepair, expenditure likely over next 1-5 years.
- Moisture ingress due to failing window seals in office building, possible replacement required of window system.
- Evidence of moisture ingress through roof to staff locker rooms/shower area, further inspection required.
- External hardstands, storm water drains and boundary fencing will require CAPEX over the next 1-5 years.

x Potential compliance issues can be summarized as follows:

- Possible presence of asbestos in exposed sheeting to cladding on southern elevation.
- Trade waste pumping station & treatment station to north western corner is in poor condition.

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Section 1.0 Introduction

1.1 Survey Details

1.1.1 Instructions were received from Ben Visser of Augusta Funds Management Limited on 30 January 2018 to provide a High Level Technical Due Diligence report commenting on the condition of premise at 5 & 21 Beach Road, Otahuhu.

COMMISSIONED BY	Ben Visser of Augusta Funds Management Limited
WEATHER CONDITIONS	**5 Beach Road** Generally bright and sunny, approx. 18°C. **21 Beach Road** Dry and Bright
SURVEY UNDERTAKEN BY	**5 Beach Road** Campbell Thomson of Hampton Jones Sara Heard of Hampton Jones. **21 Beach Road** Tom Lynch of Hampton Jones.
SURVEY DATE	5 Beach Road – 4th October 2018 21 Beach Road – 4th October 2018
FORMAL DIALOGUE	Between Gareth Christopher of Hampton Jones and Ben Visser of August Funds Management Ltd.

1.2 Brief

1.2.1 The scope of service was confirmed on 1 October 2018, as were Hampton Jones Terms and Conditions of Engagement.

1.2.2 We understand that the asset is to be transferred into a different portfolio and the high level Technical Due Diligence report is intended to inform Augusta Funds Management Limited of the buildings' fabric condition.

1.2.3 Due to time constraints we have prepared a report highlighting key issues. Augusta Funds Management Limited do not require a full Technical Due Diligence Report.

1.3 Extent of Instruction

1.3.1 The site survey was undertaken using visual aids only. All elements were inspected from the ground level only. No access to the roof was gained. Roofs, Roof voids, floor voids, confined spaces, services, ducts or chambers were not inspected unless specifically detailed in the main body of the report.

1.3.2 Photographs were taken during the survey using a digital camera, samples of which are included in Appendix A. Additional photographs can be provided on USB drive upon request.

1.4 Definitions

1.4.1 The following is a definition of the comments as to the condition of the elements surveyed.

Good: Items which have suffered minimal weathering, wear or decay, and should remain in such condition for at least another five years if maintained according to good practice and as per the manufacturer's recommendations where applicable. No repair currently needed (minor blemishes and small defects may still exist).

Reasonable/Satisfactory: Items that have worn through 'normal' use and weathering, and are in commensurate condition to the building's age and use. Maintenance is required to prevent premature deterioration from occurring.

Poor: Items that are considered defective, worn, decayed, or weathered, either due to age, abnormal use, poor design or lack of maintenance. Accelerated deterioration will occur unless remedial works are undertaken. These items generally represent significant defects, or health & safety items requiring further investigation, or urgent repair (items typically include weather-tightness issues, hazardous wiring, structural issues, etc.).

1.5 Reporting Conditions

1.5.1 This report is based on a visual inspection and covers the building fabric, super-structure and permanently fixed items only, and does not cover any temporary fixtures, fittings or chattels on or at the property. It is intended to be an overview of the general condition, focusing on defects of a reasonably significant nature/quantity and not minor defects. Minor defects are defined in NZS 4306:2005 as a matter which, in view of the age, type or condition of the building, does not require substantial repairs or urgent attention and rectification and which could be attended to during normal maintenance.

1.5.2 For the avoidance of any doubt, this report is not a structural, geotechnical, measurement survey, weather-tightness, mechanical, electrical or fire protection services or asbestos survey and does not cover the inspection or testing of any services. No commentary has been provided in relation to any services, as services were excluded from our brief and fee proposal and we were not provided access to view services installations at the time of inspection.

1.5.3 We will provide basic comment upon the general accessibility of the building, however such comments will be of a cursory nature only. Our comments should in no way be considered as substitute for a full access audit.

1.5.4 No intrusive or destructive investigation has been undertaken, and as such, we have not inspected woodwork or other parts of the structure or services that are covered, unexposed or inaccessible. Therefore, we are unable to report that any such part of the structure is free from defect.

1.5.5 References made to contamination and deleterious materials are for guidance only. We will not test for the presence of deleterious materials or contamination but will advise you where we consider such tests to be necessary. Purchasers should satisfy themselves in relation to the condition and extent of contamination that may exist at the property.

1.5.6 With consideration to the limitations of our inspection, any signs of water ingress visible during our survey were noted. However, this report cannot warrant that the building is free from water penetration from defective roofing, cladding, rainwater goods, rising damp or the like.

1.5.7 Where recommendations are provided, these are for the most appropriate repair in consideration of the current use and occupation of the site. These are not intended to be a specification or design, and therefore cannot be held liable for any repairs/maintenance implemented either by Hampton Jones or any other third party without full design being undertaken.

1.5.8 Where budget costs for repairs are given no adjustments will be made for future inflation. Costs are budget estimates only and are not to be thought as a substitute for obtaining competitive quotations from reputable contractors.

1.5.9 This report is provided for the use of Augusta Funds Management Limited only and may not be used by others without written permission. Hampton Jones accepts no liability to third parties who may act on the contents of this report.

1.6 Exclusions

1.6.1 This report specifically excludes any investigation or advice on the following:

i Value of the property.
ii Design of the property.
iii Code Compliance issues.
iv Design for Maintenance or Repair works and long-term maintenance.
v Statutory Notices, such as Notice to Fix or Compulsory Purchase Orders.
vi Valuations or Rates.
vii Building Consent issues, including Identification of Illegal Works.
viii RMA/unauthorised works.
ix Resource Consent matters.
x Contamination or deleterious materials.
xi Geotechnical/structural matters/ground stability.
xii Seismic/structural assessment, including review of Initial Evaluation Process (IEP) report.
xiii Below ground drainage systems.
xiv All mechanical and electrical services.
xv Fire safety and protection.
xvi General housekeeping matters.
xvii Restrictive Covenants or Rights of Way.
xviii Design or value of the surrounding area or environment.
xix Comment as to suitability of purpose for the existing or any proposed use.
xx Lease obligation and financial commitments.
xxi Boundaries.

1.7 Site Limitations

1.7.1 We were restricted during our inspection as follows:

i Access to inspect all walls was limited where the building is enclosed by neighboring buildings/land.

1.8 Areas Not Accessed

1.8.1 The following areas were not accessed:

5 Beach Road

i Concealed voids/structure.
ii Ceiling voids.
iii Roof areas. No inspection of the roof has been undertaken, as commentary on the roofing elements has been specifically excluded from our report at the Client's request.
iv Limited visual inspection of the external elevations, with no access to the west elevation.
v Subfloor areas.

21 Beach Road

i All roof areas.
ii Ceiling voids.
iii Limited internal inspection of manufacturing facility from pedestrian walkways.
iv Limited internal inspection of offices areas, some were in use.
v Subfloor areas.

1.9 Documentation Review

1.9.1 We have not been provided with a copy of the Auckland Council property file by Augusta Funds Management Ltd for 5 & 21 Beach Road, Otahuhu. As such, we have not been able to procure and review the Council Property File from Auckland Council in time for Hampton Jones' deadline to issue this report to Augusta Funds Management Ltd.

1.9.2 However, we have the Detailed Seismic Capacity Assessment report prepared by Ian Smith Project Services Ltd in respect of 5 Beach Road provided by Augusta Funds Management Ltd.

Section 2.0 Key Findings

Below are the most pertinent issues which we identified during our visual inspection.

These are summarised using red, amber and green colour coding:

= Significant issue that requires resolution prior to completion of the transaction. Urgent attention is required i.e. Health and safety. High cost that may impact on your investment.

= Key Issue that should be carefully considered and clarified as part of the transaction. Possible serious cost implication if not remedied. Further clarification required i.e. tests, review of documentation.

= Not immediate concern, however may impact on the future use and costs of maintaining the building. Category may change if nothing is done to remedy the issue.

	5 and 21 Beach Road - Site - Hazardous and Deleterious Materials: Due to the age and type of construction, it is likely that asbestos containing materials are present within the subject buildings. We visually identified a number of materials within the building fabric which appear to be asbestos containing materials, including fibre cement sheet cladding, fibre cement soffits and fibre cement ceiling tiles. The fibre cement sheet cladding, gutter boxing and soffits appear to be in a damaged condition, should these elements contain asbestos, it is likely that fibre release is/has occurred and the property may be subject to asbestos debris. We have not had sight of any asbestos register, records or asbestos management plans for any of the buildings. Should there be no asbestos registers, asbestos management plans or other asbestos identification records in existence we would recommend that an appropriately qualified asbestos surveyor is instructed to carry out an asbestos survey and prepare an asbestos register in respect of the property. This will ensure that all remedial/removal/encapsulation works required to any asbestos containing materials can be factored into your decision to acquire the properties. It will also ensure your statutory duties and responsibilities as a PCBU under the Health and Safety at Work (Asbestos) Regulations 2016 are fulfilled once you become the Building Owner. We would also like to bring to your attention, under Regulations 13 and 14 of the Health and Safety at Work (Asbestos) Regulations 2016, PCBUs with management or control of a premise, such as Building Owners, are required to ensure that an asbestos management plan is prepared and reviewed. **Recommendation:** If not already in place, instruct a suitably qualified independent asbestos surveyor to conduct an Asbestos Identification survey and prepare an asbestos management plan, identifying any remedial/replacement/encapsulation works required in the immediate and longer term, in accordance with the Health & Safety at Work (Asbestos) Regulations 2016. **Timescale:** Immediate. **Approximate Cost:** $30,000 excl. GST.

	5 Beach Road - Site - Fire Safety - Passive Fire: A 'Fire Safety Management Plan' has not been sighted for the building, and we have not had access to the building's Council Property File for review. There is a lack of fire stopping to service penetrations to both internal and external walls and floors within the office and warehouse areas. We could not gain safe access into all ceiling voids within the office areas, and therefore cannot confirm the presence of fire stopping within this part of the property. There is also a lack of fire doors, with intumescent and smoke strips, throughout the building, including to fire escape routes. **Recommendation:** Instruct a suitably qualified fire engineer to undertake a full review of the premises, identifying the potential deficiencies and make recommendations for alterations or upgrades. **Timescale:** Immediate. **Approximate cost of further investigations:** $10,000 excl. GST.
	5 Beach Road - Site - BWoF: We did not sight the Building Warrants of Fitness (BWoF) displayed within the entrance to the property. We have not had sight of the property file for the units above and therefore cannot confirm current BWoFs are in place. Where specified systems are installed within a property it is a legal requirement for the building owner to issue and display a copy of the BWoF for each 12-month period, along with providing Council with a copy of the current BWoF and IQP Certificate (Form 12a). A building owner can be fined up to $20,000 for failing to display a Building Warrant of Fitness, or displaying a false or misleading Building Warrant of Fitness. **Recommendation:** It is strongly recommended that the current BWoF certificates are displayed as required in the main entrances of both buildings, prior to finalising the sale. **Timescale:** Immediate. **Approximate Cost:** N/A.
	5 Beach Road - Rainwater Goods: There is evidence of water ingress and subsequent decay to the timber framing forming the eaves box gutters along the west and north elevations, this has resulted in deterioration and isolated collapse of the fibre cement soffit linings. Pitted corrosion is visible to isolated locations along the length of the metal eaves gutter to the north elevation. Internally the PVC downpipes have been damaged and displaced from the movement of machinery and plant. Adhoc repairs were also apparent in the form of flashing tape in an attempt to prevent water penetration. **Recommendation:** We anticipate that the rainwater system serving the warehouse areas is in need of full replacement. However as access was limited to ground level, we would first recommend a full survey of the rainwater goods by a chartered building surveyor with the necessary access provided. **Timescale:** Immediate. **Approximate Cost:** $100,000 excl. GST.

	5 Beach Road – External Cladding to Warehouse: The existing profile metal cladding to the original warehouse elevations has reached the end of its life expectancy. Widespread impact damage and subsequent penetrations are evident predominately at low level to the east elevation caused by the use of machinery and plant on site. This has compromised the weathertightness of the cladding system and it is likely that during heavy periods of rainfall, water is entering the property. We also noted that a number of the flashings around the window joinery and low-level masonry walls are inadequate. Particularly the head flashings which do not appear to be set to sufficient falls, as such water is being retained at the junction of the wall cladding and head flashing expediting the deterioration of the painted finish and subsequently causing corrosion to metal wall cladding. It is likely that water is penetrating at these junctions and where timber framing is present to the south elevation, this could be leading to the onset of decay. **Recommendation:** Undertake further intrusive weathertightness investigations, including inspection, sampling and testing of concealed timber framing where present. Budget for wholesale replacement of exterior profile metal and fibre cement cladding and associated flashings to the warehouses. The budget allowance for replacement excludes the costs associated with testing and replacement of decayed timber framing, relocation of tenants. access has also been excluded at this stage, due to the possible variance in costs depending on methodology and approach. **Timescale:** Year 3. **Approximate Cost of Further Investigations:** $10,000 exc GST. **Approximate Cost for Replacement:** $310,000 excl. GST. *(note: this cost does not allow for additional costs if asbestos is found to be present).*
	5 Beach Road – External Brickwork to Warehouse: Evidence of water ingress through external brickwork to the south elevation of the warehouse, particularly to the south west side of the warehouse. Poorly detailed overflow penetration through rendered brickwork to the south external wall to the ladies warehouse WC, with evident staining below. An area of brickwork to the south west corner of the warehouse adjacent to the roller shutter and pedestrian door shows signs of distortion, spalling and moss growth within the mortar joints. External lawn slopes towards and directly abuts the low-level brickwork in this location, with no apparent damp proof course or ground clearance. The corresponding internal finishes were mostly obscured by the current tenant's goods stored against the external wall, however adjacent to the pedestrian door the painted timber linings were damp and deteriorating. It is considered likely that unseen damage and decay may be present to the concealed timber frame. **Recommendation:** Undertake further intrusive weathertightness investigations, including inspection, sampling and testing of concealed timber framing where present. **Timescale:** Immediate. **Approximate Cost of Further Investigations:** Cost for weathertightness intrusive survey included within item above (investigation only).

	5 Beach Road - Glazing System/Window Joinery: The existing window joinery to all elevations is beyond its notional life. Externally, the joinery is suffering from a lack of maintenance and is exhibiting signs of isolated surface corrosion to the painted metal windows. There is an apparent lack of suitable flashings at the window and cladding junctions, which we believe may be contributing to the water ingress that was visible to the internal timber facings around numerous windows. We also note that many of the windows, particularly to the first floor office have been painted in attempt to prevent further deterioration and subsequently many of the windows can no longer be opened. **Recommendation:** Replace window joinery to 5 Beach road in the short term. The budget allowance excludes the costs associated with relocation of tenants. Removal of the cladding and access has also been excluded at this stage, due to the possible variance in costs depending on methodology and approach. It would be advised to coordinate the replacement of the window joinery with the replacement of the external cladding system so that the flashings can appropriately formed at the junctions. **Timescale:** Year 3. **Approximate Cost:** $400,000 excl. GST.
	5 Beach Road - Evidence of Bird Infestation: Evidence of bird infestation to external walls throughout the warehouse areas. **Recommendation:** Instruct a pest specialist to attend to remove bird infestations within the building. **Timescale:** Year 1. **Approximate Cost:** $5,000 excl. GST.
	5 Beach Road - Site - Yard / Hardstanding Areas Widespread areas of impact damage, cracking and numerous pot holes were noted to the hardstandings and yards across the site. **Recommendation:** Allow to undertake to repairs to the yard and hardstanding areas to prevent further damage and health & safety hazards. **Time scale:** Year 1. **Approximate Cost:** $200,000 excl. GST.
	5 Beach Road - Site - Drainage Although outside the scope of our instruction, significant quantities of vegetation and debris were noted within channel drain and gullies throughout the site. **Recommendation:** Instruct a drainage specialist to undertake a CCTV survey of the below ground drainage system serving the site. **Timescale:** Year 1. **Approximate Cost of Further Investigations:** $10,000 exc GST.

	5 Beach Road - Site - Accessibility: NZ does not have a 'complaints based legislation' such as the Disability Discrimination Act in the UK and Australia, thus there is currently no statutory requirement for 'reasonable' access provisions in existing public buildings and workplaces. However, when a change of use or building consented works occur, then this triggers the building to meet minimum accessibility provisions in the existing building under Section 112 of the Building Act 2004. For existing buildings, if a situation is encountered where it is difficult to meet the accessibility design requirements of the NZ Building Code or NZS4121:2001 then an 'Alternative Solution' may be proposed to the Local Council which will involve negotiation of compensatory measures or to meet the standards 'as near as reasonably practicable'. Therefore, any future work requiring a Building Consent may trigger the requirement for upgrades in respect of accessibility. It is also likely future tenants will wish to fulfil their corporate commitments to making the work place accessible to staff, and buildings that have good accessibility will appear to be more attractive. There appears to be a shortage of accessible WC's, accessible routes, provisions for accessible parking and level thresholds to the property. **Recommendation:** We would recommend a full assessment of the accessibility of the building be made, including costs for any alteration/upgrade works required. **Timescale:** Over the next 2 years. **Approximate Cost of Further Investigations:** $10,000 exc GST.
	21 Beach Road - Cladding - All Steel Portal Framed Structures The corrugated long run metal cladding system to the manufacturing/ dispatch facilities are showing signs of corrosion. This corrosion is particularly extensive along the lower sections of corrugated steel cladding and to the lower steel framing where moisture/rainwater gathers. The decay in the cladding and the framing could result in further moisture ingress and ultimately the failure of the framing. Note this extensive corrosion refers to the cladding system and framing not the structural portal framework, this was not part of our inspection. **Recommendation:** Remove all corroded corrugated steel sheets, fixings and framing showing signs of to the manufacturing and dispatch facilities. We have allowed to replace with similar. Note: It may be more cost effective in the longer term to carry out a more extensive or even full reclad of the manufacturing facility. (save those areas which have recently been repaired in the western façade). **Timescale:** Within the next 6 – 12 months. **Estimate cost:** $350,000 - $400,000 (We have allowed for the replacement of approx. 950 sqm of corrugated steel cladding plus c. 390 lm of steel framing. P & G costs may vary due to access etc).
	21 Beach Road - Cladding - All Steel Portal Framed Structures Damaged cladding and flashings were noted to several roller doors around the manufacturing facility. **Recommendation:** Remove all damaged cladding and flashing to door surrounds. We have allowed to replace with similar. Note: It may be more cost effective in the longer term to carry out a more extensive or even full reclad of the manufacturing facility. **Timescale:**12 – 24 months. **Cost:** $8,500

	21 Beach Road - Rainwater Goods - All Steel Portal Framed Structures Viewed only from the ground level, the rain water system appears to be a mixture of uPVC and galvanized/ painted steel. As noted in our photographic appendices there are several sections of gutter which are damaged or missing, similarly there are several downpipes which require replacement. **Recommendation:** Allow to remove all damaged gutters and downpipes and replace with similar. **Timescale:** 6 – 12 months. **Approximate Cost:** Would form part of any existing roof cladding replacement programme.
	21 Beach Road - Window Joinery - Workshop/Paint Storage Building The existing window joinery to all elevations is considered beyond its serviceable life. Externally, the joinery is suffering from a lack of maintenance exhibiting signs of isolated surface corrosion to the painted metal windows. There appear to be a lack of appropriate flashings at the window and cladding junctions, which we consider is likely to be contributing to the water staining evident to the internal timber reveals and sills. **Recommendation:** Allow to strip back paint on steel windows to storage / workshop section of manufacturing facility. Ascertain the extent of corrosion of frames. Likely full replacement of frames will be required within the next 2-3 years. **Timescale:**12 – 24 months. **Approximate Cost:** $60,000
	21 Beach Road - All Steel Portal Framed Structures The roller shutter doors have been subjected to poor quality alterations and impact damage which in turn has compromised their weathertightness. We, therefore anticipate replacement of the roller shutter doors serving the east elevation will be required within the next 2-3 years. **Recommendation:** Doors were not tested but some showed signs of impact damage and will require replacement in the next 2-3 years. **Timescale:** 12 - 24 months. **Approximate Cost:** $18,000
	21 Beach Road - Site - Hardstanding Hardstands and external surfaces showing signs of wear in certain areas. **Recommendation:** Allow for repair of concrete hardstands, particularly to the west and northern sections of the site. **Timescale:** 12– 24 months. **Approximate Cost:** $75,000
	21 Beach Road - Window Joinery - Main Office Windows to main office are failing. **Recommendation:** Allow for detailed inspection on steel window frame structural integrity. Seals have clearly failed, and moisture ingress is very evident. It may be necessary to replace the entire window infrastructure. **Timescale:** 6 – 12 months. **Cost:** $285,000 Various designs and options would need to be considered however we would allow to remove the existing and replace with similar.

	21 Beach Road - Roof - Amenities Building Evidence of moisture ingress thru roof to staff locker rooms/shower area, further inspection required. **Recommendation:** Allow for further investigation of the roof to this structure, however moisture ingress is clearly evident. **Timescale:** 6-12 months. **Cost:** Allow $ 10,000
	5 Beach Road - Office Fit-Out The base-build office fit out to the south east of the warehouse is generally dated, particularly to the warehouse staff kitchen/canteen and the warehouse male & female changing rooms and WCs, where wall, ceiling and floor finishes were generally noted in poor and deteriorated condition. The office accommodation would benefit from refurbishment on expiry of the current lease in order to improve the office quality to Grade B. **Recommendation:** Renewal of general wall and ceiling finishes, along with the upgrade of the internal doors, internal glazed fixed lights, floor coverings, kitchen and WC facilities is recommended. **Timescale:** Year 4. **Approximate Cost:** $250,000 excl. GST.
	The costs detailed above are for budgetary purposes only, and do not include professional fees, specialist services and costs associated with statutory consents. These budget costs are subject to fluctuation dependant on factors such as design, further investigation and market conditions, currently based on 3rd quarter 2018.

Section 3.0 Elemental Description and Condition

3.1 Structure

5 Beach Road

3.1.1 The original warehouse to the east side of the property is formed of steel portal frame structure, whilst the structure to the more recent warehouse extensions to the west side of the building comprise a mix of steel portal frame structures and steel columns encased with concrete with steel lattice truss roof. The external walls to the warehouse areas are a combination of painted reinforced blockwork, metal profile cladding supported by a metal frame, and painted brick veneer supported by a mix of concrete blockwork and timber framing.

3.1.2 The foundations are assumed to be a combination of reinforced concrete perimeter strip footings and reinforced concrete pads below the columns. The ground floor is formed of a cast in-situ ground bearing concrete slab.

3.1.3 The single storey office accommodation extension located to the south east of the building is formed of timber framed construction built on top of a concrete slab on grade.

Observations

3.1.4 Stephen Mitchell Engineers Limited have been engaged to complete a structural review for the properties. We have not reviewed the report and cannot comment on the contents of the report.

3.1.5 Although outside the scope of our survey, we noted the building appears to have undergone numerous structural alterations over the years. As the various warehouse extensions have been constructed onto the original warehouse structure, the roof structure has been significantly altered to accommodate this. It was also evident that numerous steel columns and internal walls between warehouses have been removed, it is assumed this has been undertaken to allow for movement of traffic between the various warehouses.

3.1.6 We identified that a number of the structural columns were impact damaged resulting in distortion and deformation at the base. We consider it is likely that this has been caused by movement of machinery and vehicles on site.

3.1.7 Impact damage and cracking was evident to the concrete floor slab in several locations throughout the warehouse, most notably at the junction of the original warehouse and the various warehouse extensions.

3.1.8 We assume all structural observations described above will be covered within the structural review being undertaken by Stephen Mitchell Engineers Limited.

21 Beach Road

3.1.9 The subject property is an industrial facility with office accommodation located in Otahuhu, Auckland. The manufacturing / storage buildings are predominantly steel portal frame structures whilst the offices are reinforced concrete construction.

3.1.10 The industrial accommodation is approximately 120 m long and c 110m wide with a total floor area of c. 10,500 sqm. The facility can be divided into 7 bays, 6 of which run from east to west with only the western most structure running north south. It is understood that the first of the structures was built in the early 1960s and additions constructed over the next 15 years. We also believe the premises have always been used for the purpose of manufacturing steel reinforcing products.

3.1.11 The office accommodation is approximately 70m long and 10m wide and is a concrete block construction with a flat roof (not inspected). The offices also appear to have been constructed in the 1960's.

Observations

3.1.12 It is evident that some of the original cladding systems and windows are still in place. In considering the premises use and proximity to salt water these elements are close to the end of their expected life of c. 50 years.

3.2 Roofs and Roof Areas

5 Beach Road

3.2.1 At the Client's request we have not carried out an inspection of the various roofs enclosing the building, nor have we made any commentary on the roof coverings, structural or outlets or their condition. It was noted on site that a programme of roof repairs and replacement was being undertaken to the original warehouse to the east side of the property, including repairs to metal rainwater gutters.

21 Beach Road

3.2.2 At the Client's request we have not carried out an inspection of the various roofs enclosing the building, nor have we made any commentary on the roof coverings, structural or outlets or their condition.

3.2.3 We assume the roofs to the manufacturing facility are long run metal with fibrolite sky lights. We did not gain access to inspect the roof but understand some replacement has occurred with further works planned.

3.3 Rainwater System

5 Beach Road

3.3.1 The roof over the original warehouse area discharges into a combination of valley gutters and metal eaves gutters. The valley gutters drain to internal PVC downpipes which discharge into the underground drainage system, with low level painted metal downpipe protectors. The metal eaves gutters which serve the east elevation drain to external painted metal downpipes which in turn connect directly to the underground drainage system.

3.3.2 The eaves box gutters serving the north and west elevations are constructed from timber framing enclosed with fibre cement soffits and timber fascias. It is assumed that the gutter is lined with butyl rubber membrane on a timber plywood substrate, however this could not be seen from a ground level inspection.

3.3.3 The roof over the single storey office extension to the south east of the building is served by metal eaves gutters and square metal downpipes.

Observations

3.3.4 The following defects to the rainwater system serving the original warehouse were noted;

i Internal downpipes have been impact damaged and displaced, likely resulting from the movement of machinery and plant within the warehouse areas.

ii Widespread corrosion was noted to the metal downpipe protectors serving the internal downpipes within the warehouse.

iii Deterioration of painted finishes to elements adjacent to the internal gutters and downpipes indicative of damaged or leaking rainwater goods.

iv Inadequate reactive repairs, including the application of flashing tape in several areas, have been undertaken, presumably to address leaks from rainwater goods.

v Localised pitted corrosion to the metal eaves gutters along the east elevation.

3.3.5 There is evidence of water ingress and subsequent decay to the timber framing forming the box gutter to numerous locations along the west and north elevations. This has resulted in deterioration and isolated collapse of the fibre cement soffit linings and deterioration of the timber fascia board.

3.3.6 The gutters serving the single storey office extension are generally in reasonable condition commensurate with their age, however poorly formed joints to individual downpipe sections has resulted in corrosion at these joints.

3.3.7 We anticipate that the rainwater system serving the warehouses is beyond its serviceable life and is in need of full replacement. However, as access was limited to ground level, we would therefore recommend a further detailed survey of the rainwater goods with the necessary access arranged to confirm.

21 Beach Road

3.3.8 Viewed only from the ground level, the rain water system appears to be a mixture of uPVC and galvanized / painted steel.

Observations

3.3.9 As noted in our photographic appendices there are several sections of gutter which are damaged or missing, similarly there are several downpipes which require replacement.

3.4 External Walls and Cladding

5 Beach Road

3.4.1 The external walls to the warehouse areas are a combination of painted reinforced blockwork, metal profile cladding supported by a metal frame, and painted brick veneer supported by a mix of concrete blockwork and timber framing.

3.4.2 The external walls to the original warehouse are formed from a combination of low level painted masonry walls and painted profile metal wall cladding direct fixed to horizontal wall girts.

3.4.3 The warehouse extensions to the west of the building are constructed from full height painted blockwork walls with regular steel columns encased in concrete along the length of the west elevation supporting the roof trusses. Painted profile metal wall cladding fixed to metal framing is present to the north elevation. High level profile metal wall cladding and painted brickwork veneer is supported by a combination of blockwork and timber framing to the south elevation of the warehouse extensions.

3.4.4 The small office extension to the south east of the property is assumed to be of a timber frame construction. The external cladding is a combination of painted fibre cement sheets to the north elevation, with a combination of painted textured rendered brick veneer and painted fibre cement sheet cladding to the south and east elevations.

Observations

3.4.5 The profile metal cladding to the warehouse elevations is generally in poor condition, with widespread impact damage and corrosion noted at junctions with windows and veneer cladding.

3.4.6 Widespread impact damage and subsequent penetrations are evident predominately at low level to the north and east elevations caused by the use of machinery and plant on site. This has compromised the weathertightness of the cladding system, enabling water to enter the property.

3.4.7 Generally the detailing of the profiled metal cladding sheets was found to be poor, with a number of flashing details, predominately around the window joinery and at the junctions with low level brickwork veneer likely to be inadequate. Particularly the head flashings which do not appear to be set to sufficient falls, resulting in the retention of water at this junction expediting the deterioration of the painted finish and subsequently causing corrosion to the cladding. It is likely that water is also penetrating at these junctions and where timber framing is present to the south elevation, this could be leading to the onset of decay, currently concealed externally by the brick veneer cladding.

3.4.8 The brickwork veneer cladding to the south elevation appears to be leaning outwards and vertical cracking is evident adjacent to the pedestrian access door. We also noted that the lawn to the external ground slopes towards and directly abuts the brick veneer in this location with no ground clearance, ground drainage or damp proof course evident. Directly above this area, significant moss growth was evident within the brickwork mortar joints. Internally, where accessible adjacent to the pedestrian door, damaged and saturated painted timber boards were present at low level.

3.4.9 Externally we noted isolated areas of damage and minor penetrations to the fibre cement cladding to the exterior walls serving the office extension to the south east of the building.

3.4.10 We would therefore recommend a full intrusive weathertightness survey is undertaken of the external wall cladding, including intrusive inspection, sampling and testing of underlying timber framing, to establish any remedial works require in respect of the damp, corrosion, cracking/movement and potential inherent weathertightness defects.

21 Beach Road

3.4.11 The external wall cladding to the manufacturing facility is painted corrugated steel. The cladding is generally in a fair to poor condition with several sections heavily corroded particularly along the lower edge. The framing along the lower edge is also extensively corroded and we envisage that this will need to be replaced in the short term. It will be necessary to replace a large portion of the cladding system in the next 5 years, and recent repairs to the cladding on the western elevation indicates that a replacement program may be in existence. The steel framing supporting the corrugated cladding is supported in most areas with a painted concrete block wall. This structure is generally in good condition commensurate with its age, save for isolated impact damage and some cracking noted along the northern façade.

3.4.12 The offices are finished with a mixture of painted plastered concrete and pebble dash on concrete. The system is generally in a good condition commensurate with its age and use. The façade has also been fitted with steel window shades which do not appear to be performing adequately.

Observations

3.4.13 The profile metal cladding to the warehouse elevations is generally in poor condition, with widespread impact damage and corrosion noted at junctions with windows and veneer cladding. We recommend to remove all corroded corrugated steel sheets, fixings and framing showing signs of to the manufacturing and dispatch facilities. We have allowed to replace with similar. Note: It may be more cost effective in the longer term to carry out a more extensive or even full reclad of the manufacturing facility. (save those areas which have recently been repaired in the western façade).

3.4.14 Sections of cladding around the external transformer were identified as being potentially asbestos containing materials. PCBUs with management or control of a premise, such as Building Owners, are required to ensure that an asbestos management plan is prepared and reviewed. If this is not already in place, we would recommend instructing a suitably qualified surveyor to conduct an Asbestos Identification survey and prepare an asbestos management plan.

3.5 Doors, Windows and Joinery

5 Beach Road

3.5.1 The external windows comprise a combination of; painted metal and anodized aluminum single glazed fixed lights/louvres; and aluminium with a factory applied finish and anodized aluminium framed single glazed units.

3.5.2 The doors are a combination of painted timber and metal pedestrian access doors to the offices and warehouse with metal roller shutter doors to the north, east and south elevations of the warehouse.

Observations

3.5.3 The existing window joinery to all elevations is considered beyond its serviceable life. Externally, the joinery is suffering from a lack of maintenance exhibiting signs of isolated surface corrosion to the painted metal windows. There appear to be a lack of appropriate flashings at the window and cladding junctions, which we consider is likely to be contributing to the water staining evident to the internal timber reveals and sills.

3.5.4 We also note that many of the windows, particularly to the first floor office have been painted potentially to prevent further deterioration and subsequently many of the windows can no longer be opened.

3.5.5 Therefore, full replacement of the window joinery across the property is recommended within the next 5 years.

3.5.6 The majority of the doors are aged, worn and have been poorly maintained. One of the roller shutter doors to the east elevation has been subjected to poor quality alterations to accommodate pedestrian access doors, which in turn has compromised their weathertightness. We, therefore anticipate replacement of the roller shutter doors serving the east elevation will be required within the next 5 years. The various pedestrian access doors will require regular maintenance to prevent further deterioration.

21 Beach Road

3.5.7 The doors to the manufacturing plant are a mixture of painted automated roller and sliding doors (vehicle) and painted steel doors (pedestrian). There are still some old original wooden doors particularly to the workshop & storage area.

Observations

3.5.8 Some of the doors and associated hardware are in poor condition and will likely require repair and replacement in the coming years.

3.5.9 The doors to the offices are generally in good working order and comprise a mixture of aluminium with stainless steel hands with glass panels.

3.5.10 Allow to strip back paint on steel windows to storage / workshop section of manufacturing facility. Ascertain the extent of corrosion of frames. Likely full replacement of frames will be required within the next 2-3 years.

3.6 Internal Finishes

5 Beach Road - Office Accommodation

3.6.1 Office finishes within the two storey office located within south end of the warehouse predominately pinex ceiling tiles, painted fibre cement and painted plasterboard wall linings and vinyl sheet floor linings.

3.6.2 The finishes to the single storey office extension are formed of fibre cement ceiling tiles, painted plasterboard wall linings and carpet tiles.

Observations

3.6.3 The ceiling tiles and wall linings are generally dated and deteriorated particularly in the ground floor and would benefit from refurbishment on expiry of the current lease in order to improve the office quality to Grade B.

3.6.4 The finishes within the single storey office extension are generally in reasonable condition however isolated water ingress was noted to wall linings to the north elevation and to the timber facings around the window joinery.

3.6.5 Many of the finishes throughout all of the offices were identified as being potentially asbestos containing materials. PCBUs with management or control of a premise, such as Building Owners, are required to ensure that an asbestos management plan is prepared and reviewed. If this is not already in place we would recommend instructing a suitably qualified surveyor to conduct an Asbestos Identification survey and prepare an asbestos management plan.

5 Beach Road - Warehouse Staff Facilities

3.6.6 Male changing room/toilets and showers, staff kitchen and canteen area and redundant female toilets are provided to the south end of the original warehouse. Finishes within these areas generally comprised painted plasterboard ceilings, painted fibre cement wall linings and vinyl coverings.

Observations

3.6.7 Finishes, including ceiling and wall linings, floor coverings and base-build fixtures and fittings are in a poor and deteriorated condition, requiring renovation within the next 5 years to bring up to a satisfactory standard.

5 Beach Road - Warehouse

3.6.8 The majority of the exposed structural elements, including the steel portal frame, masonry walls and timber purlins have been painted. Fibre cement sheets were also noted to internal walls within the warehouse and to the exterior façade of the office accommodation within the warehouse.

Observations

3.6.9 Generally, the finishes are in reasonable condition with consideration to the age and use of the warehouse. There are some isolated areas of flaking and blistering paint to the portal frame most notably adjacent to the rainwater goods. We also noted efflorescence and signs of rising damp to the painted blockwork wall to the west elevation. We would recommend redecoration on a 10 year cyclical basis.

3.6.10 Finishes throughout the warehouse were identified as being potentially asbestos containing materials. PCBUs with management or control of a premise, such as Building Owners, are required to ensure that an asbestos management plan is prepared and reviewed. If this is not already in place we would recommend instructing a suitably qualified surveyor to conduct an Asbestos Identification survey and prepare an asbestos management plan.

21 Beach Road - Office Accommodation

3.6.11 The offices are finished with suspended ceiling tiles and a mixture of carpet tiles, vinyl and tiled finish.

21 Beach Road -Staff Facilities

These facilities are generally in a fair condition with the showers and changing room having been upgraded in recent years.

Observations

3.6.12 The condition of the internal finish varies with the main office in a reasonable condition, the offices housed within the manufacturing facility are in poor condition.

3.6.13 The staff areas and accommodation have not been maintained and are in a very poor condition.

3.6.14 Finishes throughout the warehouse, office and staff accommodation were identified as being potentially asbestos containing materials. PCBUs with management or control of a premise, such as Building Owners, are required to ensure that an asbestos management plan is prepared and reviewed. If this is not already in place, we would recommend instructing a suitably qualified surveyor to conduct an Asbestos Identification survey and prepare an asbestos management plan.

3.7 Yard Areas, Car Parking and External Boundaries

5 Beach Road

3.7.1 The external yard areas to the north and east of the building predominately comprise an asphalt hardstanding, with brick paving to a small section to the north elevation and concrete kerb stones. Painted dermacation lines have been installed within the carparking and freight loading yard to the east of the site.

3.7.2 Aggregate concrete footpaths have been installed to the north and south of the ancillary office extension to the south east of the site. A concrete paved patio area is present to the south side of the ancillary office extension.

3.7.3 Site boundary fencing comprises metal posts and chain-link with rows of security wire installed to the top of the fencing.

3.7.4 Landscaped areas have been provided throughout the site and predominately comprise grassed areas to the south boundary. Several mature trees have been planted throughout the site.

Observations

3.7.5 The asphalt surface is uneven and there is widespread cracking and crazing throughout, particularly to service yard to the east of the site. This is likely due to heavy vehicle traffic passing through the site. We recommend wholesale replacement of the asphalt surfacing to the east yard within the next five years.

3.7.6 The site boundaries are demarcated by chain link fencing which appears to be in a reasonable condition.

3.7.7 A number of trees adjacent to the office extension to the south east of the site have been felled, with the tree stump and roots remaining. These felled trees are in close proximity to the extension, this has the potential to cause ground movement issues which may affect the foundations of the extension.

3.7.8 We assume all structural observations relating to the above will be covered within the structural review being undertaken by Stephen Mitchell Engineers Limited.

21 Beach Road

3.7.9 External yards are a mixture of concrete hardstand and tarseal. The surfaces are generally in a fair condition commensurate with their age and use.

3.7.10 The external boundary is secured by a chain link wire fence with tubular steel supports and 3 strands of barbed wire to the majority. The fence is generally in a good condition with some areas of isolated impact damage noted.

Observations

3.7.11 The asphalt surface is uneven and there is widespread cracking and crazing throughout, particularly to service yard to the east of the site. This is likely due to heavy vehicle traffic passing through the site. We recommend wholesale replacement of the asphalt surfacing within the next five years.

3.7.12 The site boundaries are demarcated by chain link fencing which appears to be in a reasonable condition.

Appendices

Appendix A Photographs

5 Beach Road

Photograph 1

General view of the east elevation to the warehouse.

Photograph 2

Single glazed metal framed window to the east elevation. The windows were generally found to be beyond their serviceable life.

Photograph 3

Cut edge corrosion evident to the bottom edge of the cladding most notably at the junctions with the window head flashings to the south elevation.

Photograph 4

Impact damage to the metal cladding.

Photograph 5

Decay identified to the timber framing serving the eaves box gutters resulting in isolated collapse of the fibre cement soffit.

Photograph 6

Corrosion noted to the metal eaves gutters.

Photograph 7

Vertical crack evident to the brick veneer to the south west of the warehouse.

Photograph 8

Widespread Impact damage and penetrations evident to the metal cladding.

Photograph 9

Flaking paintwork and inappropriate repairs in the form of flashing tape to the downpipe, suggesting issues with water ingress.

Photograph 10

Damaged fibre cement linings noted as a potential asbestos containing material.

Photograph 11

Widespread cracking noted to the concrete slab throughout the warehouse.

Photograph 12

Significant structural alterations evident to the warehouses.

Photograph 13

Impact damage and deformation to steel columns.

Photograph 14

Alterations made to roller shutter doors have been poorly formed.

Photograph 15

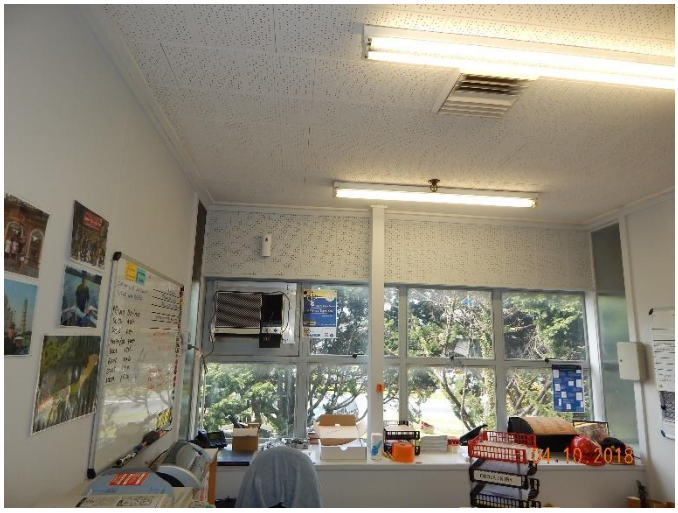
Signs of water ingress identified at low level to the southwest corner of the warehouse.

Photograph 16

Finishes to the facilities serving the warehouse are in poor condition and require refurbishment.

Photograph 17

Isolated corrosion to the window frame, they have been subsequently painted and can no longer be opened.



Photograph 18

Office finishes dated and require updating.

Photograph 19

Crazing to the asphalt surfacing noted throughout the yard areas.

Photograph 20

General view of the southern elevation of the manufacturing facility.

Photograph 21

Typical section of corroded steel framing. Also note cracking to painted corrugated cladding. Likely due to corrosion.

Photograph 22

Cladding to power transformer along southern façade. Possibly contains asbestos.

Photograph 23

Further evidence of corrosion to steel cladding system, southern elevation.

Photograph 24

Extensive corrosion to steel window frames in workshop/ paint storage area.

Photograph 25

General view of paint store and workshop. SW corner of facility.

Photograph 26

Patch repairs to wooden doors.

Photograph 27

Drainage grates to external yard. Requires cleaning.

Photograph 28

Damaged cladding and flashing to western façade.

Photograph 29

Western elevation, typical view. Note previous repair / recladding.

Photograph 30

Section of missing gutter to western elevation.

Photograph 31

Downpipe not fixed to gutter, western elevation.

Photograph 32

North west corner of facility, note damaged downpipe and bottom edge of corrugated steel cladding. Evidence of damage and corrosion.

Photograph 33

Yard to northern section of site, general view.

Photograph 34

Corrosion to steel framing, northern elevation.

Photograph 35

Internal view of steel portal frame structures.

Photograph 36

Store room (within staff changing / canteen area). Note evidence of moisture ingress / staining on ceiling tiles.

Photograph 37

Administration Office, General view eastern elevation.

Photograph 38

Administration offices, general view eastern elevation.

Photograph 39

Extensively perished window seals to office block.

Photograph 40

Evidence of moisture ingress to offices.

Appendix B CAPEX Summary

CAPEX Summary

5 Beach Road, Auckland

Ref	ELEVATION/ LOCATION	ELEMENT	DESCRIPTION	CONDITION	MAINTENANCE REGIME / RECOMMENDED WORKS	EXPECTED LIFE (YRS)	REMAINING LIFE (YRS)	CAPEX TOTAL	PLANNED WORKS - YEARS 1 - 5				
									2019	2020	2020	2021	2022
									Y1	Y2	Y3	Y4	Y5
1.0	**RAINWATER SYSTEM**												
1.01	Rainwater goods throughout.	Gutters & Downpipes	Combination of metal eaves gutters, timber framed box gutters, PVC & metal downpipes.	The rainwater system serving the warehouse areas have been poorly maintained and reached the end of its serviceable life.	Replace existing rainwater system.	15	0	$ 100,000.00	$ 100,000.00	$ -	$ -	$ -	$ -
							Total - Rainwater system	**$ 100,000.00**	**$ 100,000.00**	**$ -**	**$ -**	**$ -**	**$ -**
2.0	**EXTERNAL WALLS AND CLADDING**												
2.01	North, East & South Elevation Warehouse	Wall cladding.	Painted profile metal wall cladding.	The profile metal wall cladding is in poor condition, with widespread impact damage and corrosion noted. Numerous details with potential weathertightness issues.	Replace profile metal wall cladding and associated flashings. (Budget cost includes scaffolding access).	15	5	$ 300,000.00	$ -	$ -	$ 300,000.00	$ -	$ -
2.02	East Elevation Warehouse	Wall cladding.	Painted fibre cement sheets to canopy.	The fibre cement sheets are beyond their notional life and widespread impact damage was noted. (The fibre cement sheet is a possible asbestos containing material)	Replace fibre cement sheet cladding. (Budget cost includes scaffold access but excludes any allowances for asbestos containing materials).	15	5	$ 10,000.00	$ -	$ -	$ 10,000.00	$ -	$ -
2.03	South Elevation Warehouse	Wall cladding.	Combination of painted profile metal wall cladding, painted fibre cement shet and brick veneer.	Potential weathertightness issues noted. Evidence of water ingress and cracking noted to brick veneer. Corrosion noted to profiled metal cladding.	Instruct a suitably qualified surveyor to undertake a for intrusive weathertightness survey. The budget cost provided allows for further investigation only, no allowance has been made for repair works.	15	N/A	$ 10,000.00	$ 10,000.00	$ -	$ -	$ -	$ -
2.04	East Elevation Roller shutter doors	Roller shutter doors	Metal roller shutter doors.	Evidence of poor quality alteration and corrosion. Near to the end of their serviceable life.	Replace 6No. Roller shutter doors to match existing.	15	3	$ 60,000.00	$ 20,000.00	$ -	$ 20,000.00	$ -	$ 20,000.00
2.05	All Elevations	Windows/Joinery	Combination of painted metal and powdercoated alumium windows.	The windows have reached the end of their serviceable life. Inadequate flashings and surface corrosion was noted throughout. Many of the windows are no longer	Replace windows and associated flashings. (Budget cost for scaffolding is incorporated within items 2.01 & 2.02)	15	3	$ 400,000.00			$ 400,000.00		
							Total - External Walls and Cladding	**$ 780,000.00**	**$ 30,000.00**	**$ -**	**$ 730,000.00**	**$ -**	**$ 20,000.00**

CAPEX Summary

5 Beach Road, Auckland

Ref	ELEVATION/ LOCATION	ELEMENT	DESCRIPTION	CONDITION	MAINTENANCE REGIME / RECOMMENDED WORKS	EXPECTED LIFE (YRS)	REMAINING LIFE (YRS)	CAPEX TOTAL	PLANNED WORKS - YEARS 1 - 5				
									2019	2020	2020	2021	2022
									Y1	Y2	Y3	Y4	Y5
3.0	**INTERNAL**												
3.01	Warehouse & Offices	Asbestos containing materials.	We noted a number of potentially asbestos containg materials	N/A	If not already in place, instruct a suitably qualified independent asbestos surveyor to conduct an Asbestos Identification survey and prepare an asbestos	N/A	N/A	$ 15,000.00	$ 15,000.00	$ -	$ -	$ -	$ -
3.02	Warehouse & Offices	Passive Fire	Passive fire survey required	N/A	If not already in place, instruct a suitably qualified independent fire engineer to conduct a fire safety review.	N/A	N/A	$ 10,000.00	$ 10,000.00	$ -	$ -	$ -	$ -
3.03	Warehouse & Offices	Bird Infestation	Bird infestation throughout warehouse.	N/A	Instruct a pest specialist to attend to remove bird infestations within the building.	N/A	N/A	$ 5,000.00	$ 5,000.00	$ -	$ -	$ -	$ -
3.04	Warehouse & Offices	Accessibility	Accessibility concerns throughout the propert.	N/A	Instruct a suitably qualified consultant to undertake a full assessment of the accessibility of the building be made, including costs for any	N/A	N/A	$ 10,000.00	$ 10,000.00	$ -	$ -	$ -	$ -
3.05	Southeast single storey office and ancillary warehouse office.	Offices and facilities.	Office areas including W/C's, canteen and Kitchenette.	The office accommodation would benefit from refurbishment on expiry of the current lease in order to improve the office quality to Grade B. (No allowance made for asbestos containing materials).	Upgrade office accommodation to Grade B.	N/A	N/A	$ 250,000.00	$ -	$ -	$ -	$ 250,000.00	$ -
							Total - Internal Areas	**$ 265,000.00**	**$ 290,000.00**	**$ -**	**$ -**	**$ 250,000.00**	**$ -**

CAPEX Summary

5 Beach Road, Auckland

Ref	ELEVATION/ LOCATION	ELEMENT	DESCRIPTION	CONDITION	MAINTENANCE REGIME / RECOMMENDED WORKS	EXPECTED LIFE (YRS)	REMAINING LIFE (YRS)	CAPEX TOTAL	PLANNED WORKS - YEARS 1 - 5				
									2019	2020	2020	2021	2022
									Y1	Y2	Y3	Y4	Y5
4.0	**EXTERNAL AREAS**												
4.01	External Areas	Site drainage	Channel drain & Gulley's	significant quantities of vegetation and debris were noted within channel drain and gulley's throughout the site.	Instruct a drainage specialist to undertake a CCTV survey of the below ground drainage system serving the site.	N/A	N/A	$ 10,000.00	$ 10,000.00	$ -	$ -	$ -	$ -
4.02	External Areas	Hardstanding	Asphalt hardstanding's to the perimeter of the building.	There is widespread areas of crazing and cracking to the asphalt due to heavy vehicle traffic.	Scrabble back existing asphalt to areas which present a H&S trip hazard. Install new Install a new filter membrane compact new hard fill and allow for a new main -grade asphalt to these areas.	10	3	$ 200,000.00	$ -	$ -	$ 200,000.00	$ -	$ -
							Total - External Areas	$ 210,000.00	$ 10,000.00	$ -	$ 200,000.00	$ -	$ -
							Total	$ 1,355,000.00	$ 180,000.00	$ -	$ 930,000.00	$ 250,000.00	$ 20,000.00

Clarifications

Item priced as single work item - no provision for savings from multiple works on a single property.

Budget purposes only and based on current market values as at October 2018.

No allowances for P&G, contingency and fees have been applied to further investigations and surveys

For general items of work the following allowances have been made:-
P&G (Including scaffolding, access, site set up and accommodation etc.) at 15%
Contractor's Margin at 10%
Fees (Consultant) @ 10%
Contingency at 5%

Figures are NZ$. No account taken for inflation over time.

Exclusions

Goods and Services Tax (GST)
Removal of deleterious materials, including asbestos unless expressly stated.
Increased costs or fluctuations for labour, plant, equipment and materials beyond the date of this estimate
Fire safety upgrade works, other than those stated
Upgrades relating to compliance with statutes or regulations, other than those stated
Remediation of non-compliant original construction details/materials unless otherwise stated
Identification of illegal works and non-consented works
Any EQ damage repairs, upgrading and strengthening works, including any allowances for seismically
Operational/Maintenance costs
Structural works
Local Authority Fees

CAPEX Summary

21 BEACH ROAD, OTAHUHU, AUCKLAND 2024

Ref	ELEVATION/ LOCATION	ELEMENT	DESCRIPTION	CONDITION	MAINTENANCE REGIME / RECOMMENDED WORKS	EXPECTED LIFE (YRS)	REMAINING LIFE (YRS)	CAPEX TOTAL	PLANNED WORKS - YEARS 1 - 10				
									2019	2020	2020	2021	2022
									Y1	Y2	Y3	Y4	Y5
1.0	**EXTERNAL WALLS AND CLADDING**												
1.01	All Areas	Asbestos containing materials.	We noted a number of potentially asbestos containing materials.	N/A	If not already in place, instruct a suitably qualified independent asbestos surveyor to conduct an Asbestos Identification survey and prepare an asbestos management plan.	N/A	N/A	$ 15,000.00	$ 15,000.00	$ -	$ -	$ -	$ -
1.02	Southern Elevation	Corrugated painted metal.	Sections of corroded cladding.	Poor	Allow to remove and replace approximately **350 sqm** of corrugated metal cladding.	50	2	$ 84,000.00	$ 42,000.00	$ 42,000.00	$ -	$ -	$ -
1.03	(as above)	Metal flashing & lower steel frame.	Extensive corrosion to lower flashing & frame.	Poor	Allow to remove and replace approximately **140 lm** of horizontal steel framing.	50	2	$ 21,000.00	$ 10,500.00	$ 10,500.00	$ -	$ -	$ -
1.04	Western Elevation	Corrugated painted metal.	Sections of corroded cladding.	Poor	Allow to remove and replace approximately **230 sqm** of corrugated metal cladding.	50	2	$ 55,200.00	$ 27,600.00	$ 27,600.00	$ -	$ -	$ -
1.05	(as above)	Metal flashing & lower steel frame.	Extensive corrosion to lower flashing & frame.	Poor	Allow to remove and replace approximately **95 lm** of horizontal steel framing.	50	2	$ 14,250.00	$ 7,125.00	$ 7,125.00	$ -	$ -	$ -
1.06	Eastern Elevation	Corrugated painted metal.	Sections of corroded cladding.	Poor	Allow to remove and replace approximately **40 sqm** of corrugated metal cladding.	50	2	$ 9,600.00	$ 4,800.00	$ 4,800.00	$ -	$ -	$ -
1.07	(as above)	Metal flashing & lower steel frame.	Extensive corrosion to lower flashing & frame.	Poor	Allow to remove and replace approximately **20 lm** of horizontal steel framing.	50	2	$ 3,000.00	$ 1,500.00	$ 1,500.00	$ -	$ -	$ -
1.08	Northern Elevation	Corrugated painted metal.	Sections of corroded cladding.	Poor	Allow to remove and replace approximately **195 sqm** of corrugated metal cladding.	50	2	$ 46,800.00	$ 23,400.00	$ 23,400.00	$ -	$ -	$ -
1.09	(as above)	Metal flashing & lower steel frame.	Extensive corrosion to lower flashing & frame.	Poor	Allow to remove and replace approximately **65 lm** of horizontal steel framing.	50	2	$ 15,600.00	$ 7,800.00	$ 7,800.00	$ -	$ -	$ -
							Total - Roof	**$264,450.00**	**$ 139,725.00**	**$ 124,725.00**	**$ -**	**$ -**	**$ -**

CAPEX Summary

21 BEACH ROAD, OTAHUHU, AUCKLAND 2024

Ref	ELEVATION/ LOCATION	ELEMENT	DESCRIPTION	CONDITION	MAINTENANCE REGIME / RECOMMENDED WORKS	EXPECTED LIFE (YRS)	REMAINING LIFE (YRS)	CAPEX TOTAL	PLANNED WORKS - YEARS 1 - 10				
									2019	2020	2020	2021	2022
									Y1	Y2	Y3	Y4	Y5
2.0	**WINDOWS & DOORS**												
2.01	Southern Elevation	Steel framed windows to Workshop	Frames showing signs of corrosion.	Poor	Allow to remove and replace corroded window frames. Further investigation required to ascertain extent of replacement.	50	1	$ 60,000.00	$ 60,000.00	$ -	$ -	$ -	$ -
2.02	Western, Northern & Eastern Elevation	Roller Doors & Flashings	Some impact damage noted.	Fair	Allow to replace damaged doors	25	1	$ 18,000.00	$ 6,000.00	$ 6,000.00	$ 6,000.00	$ -	$ -
2.03	Office	Window joinery	Windows to main office are failing.	Poor	Allow for detailed inspection on steel window frame structural integrity. Seals have clearly failed, and moisture ingress is very evident. It may be necessary to replace the entire window infrastructure.	25	1	$ 285,000.00	$ 285,000.00	$ -	$ -	$ -	$ -
							Total - External Walls and Cladding	**$363,000.00**	**$ 351,000.00**	**$ 6,000.00**	**$ 6,000.00**	**$ -**	**$ -**
3.0	**INTERNAL AREAS**												
3.01	All Boundaries	Asbestos containing materials.	We noted a number of potentially asbestos containing materials	N/A	If not already in place, instruct a suitably qualified independent asbestos surveyor to conduct an Asbestos Identification survey and prepare an asbestos management plan.	N/A	N/A	$ -	Inc Above	$ -	$ -	$ -	$ -
3.02	Amenities Building	All areas	Evidence of moisture ingress thru roof to staff locker rooms/shower area, further inspection required.	Poor	Allow for further investigation of the roof to this structure, however moisture ingress is clearly evident.	N/A	N/A	$ 10,000.00	$ 10,000.00	$ -	$ -	$ -	$ -
							Total - External Areas	**$ 10,000.00**	**$ 10,000.00**	**$ -**	**$ -**	**$ -**	**$ -**

CAPEX Summary

21 BEACH ROAD, OTAHUHU, AUCKLAND 2024

Ref	ELEVATION/ LOCATION	ELEMENT	DESCRIPTION	CONDITION	MAINTENANCE REGIME / RECOMMENDED WORKS	EXPECTED LIFE (YRS)	REMAINING LIFE (YRS)	CAPEX TOTAL	PLANNED WORKS - YEARS 1 - 10				
									2019	2020	2020	2021	2022
									Y1	Y2	Y3	Y4	Y5
4.0	**EXTERNAL AREAS**												
4.01	All Boundaries	Chain link fence	Isolated impact damage.	Fair	Some isolated repair required.	25	N/A	$ 7,500.00	$ 2,500.00	$ -	$ 2,500.00	$ -	$ 2,500.00
4.02	Hardstanding	Concrete areas	Hardstands and external surfaces showing signs of wear in certain areas.	Poor	Allow for repair of concrete hardstands, particularly to the west and northern sections of the site	50	2	$ 75,000.00	$ -	$ 75,000.00	$ -	$ -	$ -
							Total - External Areas	**$ 82,500.00**	**$ 2,500.00**	**$ 75,000.00**	**$ 2,500.00**	**$ -**	**$ 2,500.00**
							Total	**$709,950.00**	**$ 493,225.00**	**$ 205,725.00**	**$ 8,500.00**	**$ -**	**$ 2,500.00**

Clarifications

Item priced as single work item - no provision for savings from multiple works on a single property.
Budget purposes only and based on current market values as at October 2018.
No allowances for P&G, contingency and fees have been applied to further investigations and surveys.
For general items of work the following allowances have been made:-

P&G (Including scaffolding, access, site set up and accommodation etc.) at 15%
Contractor's Margin at 10%

Fees (Consultant) @ 10%
Contingency at 5%

Figures are NZ$. No account taken for inflation over time.

Exclusions

Goods and Services Tax (GST)
Removal of deleterious materials, including asbestos unless expressly stated
Increased costs or fluctuations for labour, plant, equipment and materials beyond the date of this estimate
Fire safety upgrade works, other than those stated
Upgrades relating to compliance with statutes or regulations, other than those stated
Remediation of non-compliant original construction details/materials unless otherwise stated
Identification of illegal works and non-consented works
Any EQ damage repairs, upgrading and strengthening works, including any allowances for seismically enhanced engineered foundations
Operational/Maintenance costs
Structural works
Local Authority Fees

CAPEX Summary

21 BEACH ROAD, OTAHUHU, AUCKLAND 2024

Ref	ELEVATION/ LOCATION	ELEMENT	DESCRIPTION	CONDITION	MAINTENANCE REGIME / RECOMMENDED WORKS	EXPECTED LIFE (YRS)	REMAINING LIFE (YRS)	CAPEX TOTAL	PLANNED WORKS - YEARS 1 - 10				
									2019	2020	2020	2021	2022
									Y1	Y2	Y3	Y4	Y5
1.0	**EXTERNAL WALLS AND CLADDING**												
1.01	Staff Shower / Canteen Area	Roof	Evidence of moisture ingress to storage room.	Poor	Allow for further inspection of the roof to ascertain the extent of the remedial works required.	50	0	$ 65,000.00	$ 65,000.00	$ -	$ -	$ -	$ -
							Total - Roof	**$ 65,000.00**	**$ 65,000.00**	**$ -**	**$ -**	**$ -**	**$ -**
2.0	**WINDOWS & DOORS**												
2.01	Eastern Elevation	Windows	Rubber seals are failing, allowing moisture ingress.	Poor	Full replacement is required, however this may be in the context of full element replacement (see below).	25	0	$ 21,300.00	$ 21,300.00	$ -	$ -	$ -	$ -
2.02		Windows	Some of the painted steel framing may beyond its useful life.	Fair/Poor	Allow for further investigation to determine whether full replacement is required.	50	1	$ 280,000.00	$ 25,000.00	$ 255,000.00	$ -	$ -	$ -
							Total - External Walls and Cladding	**$301,300.00**	**$ 46,300.00**	**$ 255,000.00**	**$ -**	**$ -**	**$ -**
							Total	**$ 366,300**	**$ 111,300**	**$ 255,000**	**$ -**	**$ -**	**$ -**

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Operational/Maintenance costs
Structural works
Local Authority Fees

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