

Value and Risk Advisory

Valuation Report

Hornby Mega Centre

6 and 14 Chappie Place, Hornby, Christchurch

Prepared for	Centuria Funds Management (NZ) Limited and additional reliant parties (outlined in Section 1.1)
Valuation use	Product Disclosure Statement
Valuation date	9 February 2026

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Photo from Physical Inspection – Source JLL



Aerial Image of property – Source Emap

Executive Summary

Adopted Market Value

\$42,150,000 plus GST (if any)

Forty Two Million One Hundred Fifty Thousand Dollars plus GST (if any)

Property Description

The property comprises a Large Format Centre anchored by a 5,705 sqm Harvey Norman store and offering 10 additional stores ranging in size between 488 sqm and 794 sqm. Overall net lettable area is 11,426 sqm. The large format stores are fully leased with tenants comprising well known national and international brands including Noel Leeming, Bargain Chemist, Number One Shoes, Repco, Lighting Direct and Macpac. The Centre is serviced by a total of approximately 257 open customer car parking spaces.

The property is located within the Christchurch suburb of Hornby, a mixed commercial and residential suburb approximately nine kilometres west of the Christchurch CBD and seven kilometres south of Christchurch airport. The Centre is located immediately adjacent to Mitre 10 MEGA and Woolworths with other retail including The Hub Hornby, Dress-Smart Hornby and other large format retail providing largely complementary offerings in the immediate area.

The property is held in five separate Freehold records of title providing a total land area of 1.9853 hectares. The improvements comprise four separate buildings arranged in an L-shape with frontage to both Main South Road and Chappie Place with customer car parking in front of the buildings. The buildings are well-presented providing tidy and functional retail accommodation.

As at the date of valuation the property was 100% leased with a net passing income of \$2,799,955 and a weighted average lease term of 3.14 years.

This report has been prepared for inclusion within a Product Disclosure Statement and will be uploaded to the Companies Office Disclose Register. Accordingly, in the interests of privacy and confidentiality, we have abbreviated or redacted the following report sections:

Rental Evidence (Section 6): We have not included full details of the rental evidence considered in order to protect the privacy of the lessors and lessees involved. Notwithstanding, we have summarised the key comparators and provided market rental ranges.

Sales Evidence (Section 7): We have excluded certain sales evidence considered, alternatively excluded key metrics which are confidential to protect the privacy of the parties involved.

Property Details

Client Name and Intended User	Centuria Funds Management (NZ) Limited and additional reliant parties (outlined in Section 1.1)
Valuation Intended Use	Product Disclosure Statement
Date of Valuation	9 February 2026
Basis of Value	Market Value in accordance with IVS – Effective January 2025
Valuation Approaches	Income Approach – Income Capitalisation and Discounted Cash Flow Methods
Valuation Currency	\$NZD – New Zealand Dollars
Centre Type	Bulk Retail Centre
Site Area	19,853 sqm

Property Particulars

Financial Summary

Gross Lettable Area	Total	11,426 sqm	Gross Passing Income	\$3,476,208
	Majors	5,705 sqm	Adopted Outgoings	\$676,253
	Large Format	5,722 sqm	Recoverable Outgoings Ratio	86.30%
Car Parking (Ratio) -		257 bays (1:44)	Net Passing Income	\$2,799,955
			Net Market Income	\$3,004,196
			Market Reversion Ratio	5.93%

Weighted Average Lease Terms

Total Centre (Income)	3.14 years	Total Centre (Area)	3.04 years
Major tenants (Income)	2.73 years	Major tenants (Area)	2.73 years
Non-Major tenants (Income)	3.37 years	Non-Major tenants (Area)	3.34 years

Total Centre (Income inc. Market) 3.14 years Non-Major tenants (Income inc. Market) 3.37 years

Income Capitalisation Method Assumption		Discounted Cash Flow Method Assumptions	
Adopted Cap Rate	6.75%	Discount Rate	8.00%
Cap Rate – Majors Percentage Rent	7.75%	Terminal Yield	7.00%
Cap Rate – Specialties Percentage Rent	7.75%	CPI (Avg. 10yr)	2.03%
Cap Rate – Other Income	6.75%	Specialty Growth Rate (Avg. 10yr)	2.28%
Long Term Vacancy Allowance	0.00%	Outgoings Growth Rate (Avg. 10yr)	3.03%
Value based on Income Capitalisation	\$43,000,000	Value based on DCF	\$41,300,000

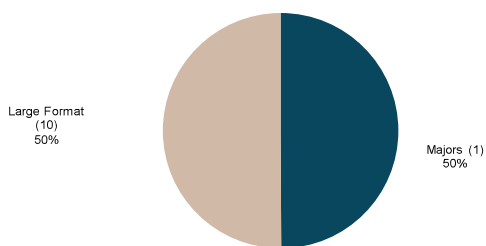
Valuation Summary		Discounted Cash Flow Partition	
Rate/sqm of GLA	\$3,689	PV of Cashflows	\$17,727,030 43%
Equivalent Yield	6.94%	PV of Terminal Value	\$23,580,101 57%
Initial Yield (Passing)	6.64%	Total DCF	\$41,307,131 100%
Initial Yield (Fully Leased)	6.64%	IRR (10 yr)	7.70%

Financial Details and Critical Analysis

Tenancy Overview

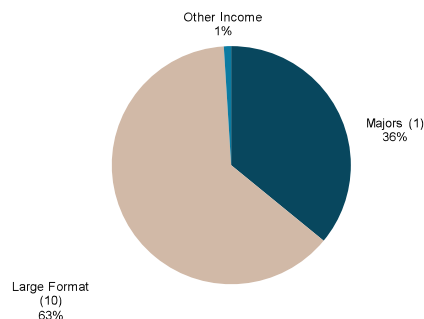
Tenant or category	Net Lettable Area		Gross Rent			Moving Ann. Turnover	Occ. Cost
	sqm	%	\$/pa	\$/sqm	%	as at 09/Feb/26	%
Harvey Norman	5,704.7	49.9%	\$1,249,974	\$219	36.0%	\$0	0.0%
Majors (1)	5,704.7	49.9%	\$1,249,974	\$219	36.0%	\$0	-
Large Format (10)	5,721.7	50.1%	\$2,191,474	\$383	63.0%	\$0	-
Other Income			\$34,760		1.0%		
Total (11)	11,426.4	100%	\$3,476,208		100%	\$0	

Centre Composition (by Lettable Area)

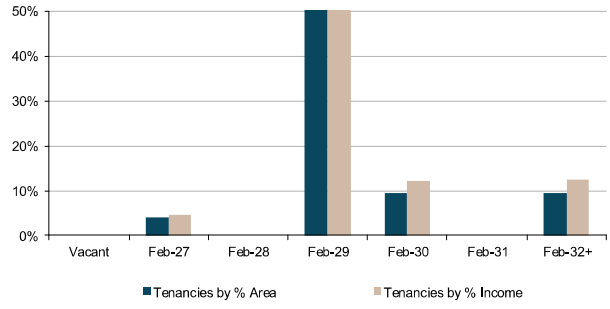
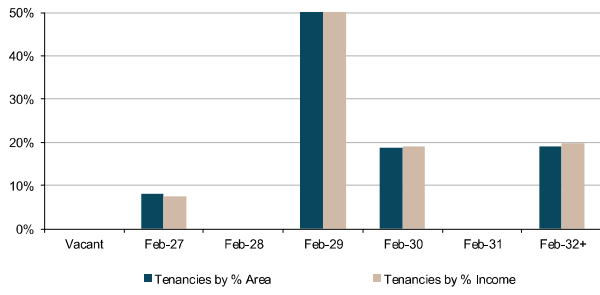


Lease Expiry Profile – Specialty and Large Format (as a % of NLA / Gross Income excluding Majors)

Centre Composition (by Gross Income)



Lease Expiry Profile – Total Centre (as a % of NLA / Gross Income including Majors)



Valuers

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Registered Valuer - Director



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Assistant Valuer



Property Performance

Market Performance

Investment market

- Interest rates are likely to be near the end of the easing cycle with interest rates down from cyclical highs. This is expected to increase investor interest in property investment.
- Shopping centres generally provide large land holdings with favourable zoning provisions. Opportunities for mixed-use development will be available for some centres, which should help underpin core centre trading while diversifying income and sector exposure.
- Centres that provide a convenience and service offer with desirable anchor tenants have been, and are expected to continue to be, more defensive than centres that have a large proportion of high-discretionary income categories, unless that centre is dominant in their catchment.
- While sentiment for higher-quantum retail assets has improved as retail has shown resilience to online, pandemic and inflationary risks, liquidity is still a focus for investors.

Management

- Passive capital has proven difficult to attract, with investors typically looking for complete interests with management rights.
- Notwithstanding, some investors are seeing opportunities in higher-yielding retail assets, providing appropriate management expertise is available and therefore opportunities will arise for well-resourced teams to add value through professional management of centres.

Leasing and incentives

- Quality tenant covenants are still likely to be attracted to prime retail assets that are, or have the potential to be, dominant in their catchments. Secondary centres will continue to be more at risk from ongoing vacancy depending on location-specific factors and competitive pressures.
- Incentive requirements have increased as a result of the recent economic climate. We believe a combination of capital and rent free is likely to be required moving forward to help tenants with fitouts and initial trade-up through the early periods of their occupancy.
- We would anticipate further gross occupancy cost capped agreements will come into force as key retailers still have the balance of power in most negotiations.
- Alternative lease structures are also becoming more common, including warm-shell agreements where landlords provide standardised fitout for tenants occupying sites for short periods of time in the hope of converting these tenants to longer leases.

Seismic

- Seismic considerations are still a significant issue. For the majority of major centre owners, the seismic strength of their assets has now been determined and if works aren't already completed or underway, the required capital expenditure has been quantified.
- In the absence of these investigations, it is likely that a vendor would need to take on the full seismic cost burden to improve the liquidity of their asset.
- The new EPB system proposed will help to simplify some seismic considerations, although it is still in the early phases and we are yet to see how market participants will account for these changes.

Summary

- Fundamentals for property investment remain robust, however we will unquestionably see increased risk priced into future property transactions

Asset Performance

- The subject Centre is located within the Christchurch suburb of Hornby which lies approximately 14 kilometres from the Christchurch CBD.
- The Subject has good exposure across three frontages being approximately 202 metres to Main South Road, approximately 85 metres to Chappie Place and approximately 53 metres to Canterbury Street.
- The immediate retail competition includes The Hub Hornby, Dress-Smart Hornby among other convenience centres within the local area.
- The Centre currently presents to a good standard of retail accommodation commensurate with its year of construction in 1999.

Cash Flow Performance

- As at the date of valuation the Centre was fully leased and is anchored by Harvey Norman together with ten additional large format retail tenants.
- The weighted average lease term (WALT) (by income) is 3.14 years, which is considered to be of a medium-term basis.
- The Centre is anticipated to have \$142,500 of capital expenditure requirements in the next three years.

Legal Issues

- Titles contain covenants preventing the owner from objecting or trying in any way to limit the activities established upon two adjoining sites.

SWOT Analysis

Strengths

- **Strategic Location on Main South Road:** The centre is positioned on a major suburban arterial route, providing direct arterial road access and high visibility to passing traffic.
- **Seismic Resilience:** The centre was constructed in stages between the 1980s and 2000s but has been strengthened to 100% NBS.
- **Established Anchor Tenant:** National retailer Harvey Norman anchors the Hornby Mega Centre. Neighbouring national tenants Mitre 10 and Woolworths provide additional foot traffic.
- **Growing Catchment Area:** Western Christchurch and Selwyn District are recording population increases, supporting catchment expansion.
- **Good WALT:** The weighted average lease term provides income security and reduces near-term leasing risk.
- **Rental Growth Profile:** The centre demonstrates capacity for rental growth through lease renewals and market review mechanisms.
- **Transport Infrastructure Access:** Direct motorway connectivity and proximity to Christchurch International Airport facilitate regional accessibility for the catchment area.
- **Car Parking Provision:** The site provides extensive at-grade parking, accommodating the car-dependent retail format typical of suburban centres.

Weakness

- **Investment Scale:** High value investment quantum in New Zealand market reduces liquidity and limits potential purchaser pool.
- **Management Expertise Requirements:** Lack of specialised retail management expertise in New Zealand may limit potential purchaser interest.
- **Suburban Location:** The distance from Christchurch CBD reduces walk-in trade and limits access for non-vehicle users.
- **Specialised Retail Format:** The large-format retail configuration limits tenanting flexibility and potential alternative use applications.
- **Market Competition:** Christchurch provides one of the highest ratios of retail floor space per capita in New Zealand with competition from other large format centres, most notably Tower Junction approximately six kilometres to the east.
- **Area Demographics:** Hornby's socioeconomic profile may constrain premium retail attraction and higher-spending customer segments.

Opportunities

- **Tenancy Mix Optimisation:** Lease expiries can provide opportunities to introduce new retailers and improve the tenant mix.
- **Lease Structure Enhancement:** New leases can incorporate lessor-favourable terms including turnover rent provisions and structured rental increases.
- **Interest Rate Compression:** Forecast interest rate reductions throughout 2025 may improve retail sector conditions and investment demand.
- **Population Growth Trajectory:** Ongoing residential development in the western suburbs is expanding the immediate trade area population.

Threats

- **Consumer Spending Pressure:** Ongoing cost-of-living crisis continues to constrain discretionary retail spending.
- **Global Trade Uncertainty:** Potential instability around global trade policy has weakened the outlook for economic activity.
- **Market Volatility:** Global market conditions could limit potential purchaser pool and impact local economic performance.
- **Digital Retail Migration:** Online retail growth continues to impact physical retail demand and tenant sustainability.
- **Competing Retail Supply:** New retail developments may increase local competition and divide available trade.
- **Retail Sector Rationalisation:** National retailers are reducing store networks, potentially affecting anchor tenant retention.
- **Seismic Risk Exposure:** Canterbury's earthquake risk profile affects insurance costs and long-term investment confidence.
- **Regulatory Compliance Requirements:** Evolving environmental and sustainability regulations may require capital expenditure for compliance.
- **Retailer Market Saturation:** Limited pool of available retailers restricts leasing options for future vacancies.
- **Operating Cost Escalation:** Increasing compliance and insurance costs impact operating expenses.

ESG Considerations

Environmental, Social and Governance (ESG) factors increasingly reflect a growing awareness and importance of sustainability and responsible governance in real estate, which are in turn, reflecting on decision making for both occupiers and investors. The introduction of a recommendation in the International Valuation Standards 2025 for valuations to incorporate consideration to ESG factors, will continue to reinforce the importance of these issues.

Key considerations we have had in our assessment of Market Value are as follows:

- **Risk Management:** Properties with strong ESG performance are better positioned to manage regulatory risks, environmental liabilities (e.g., flooding, seismic risks), and potential reputational damage. These properties are more likely to maintain compliance with emerging legislation and attract long-term investment.
- **Tenant Attraction and Retention:** Properties that prioritise tenant well-being and satisfaction—through amenities, safety measures, and sustainability initiatives—are more likely to achieve higher occupancy rates and longer lease terms. This directly affects rental income and the overall financial performance of the property.
- **Energy and Cost Efficiency:** Buildings that implement energy-efficient technologies and water management systems typically have lower operational costs, which improves their net operating income. Additionally, properties that invest in renewable energy and carbon reduction programs may benefit from tax incentives and reduced energy consumption, further enhancing their financial viability.
- **Investor Demand:** Investors are increasingly prioritising ESG factors when evaluating potential investments, as properties that excel in these areas are perceived as lower-risk, more resilient to market changes, and aligned with broader sustainability goals. This can lead to higher demand and, subsequently, higher property values.
- **Regulatory and Market Trends:** The shift towards net-zero emissions targets, coupled with stricter sustainability regulations, means that properties failing to meet ESG standards may face obsolescence, higher compliance costs, and reduced marketability. Conversely, properties with high ESG ratings may experience enhanced marketability, attracting socially conscious investors and tenants.

Specific points of note with the subject property include:

Environmental

- **Building Condition:** The Centre presents modern bulk retail accommodation with reinforced concrete and steel construction. The buildings feature contemporary amenities including ducted air conditioning, LED and fluorescent lighting, and fire safety systems, but lack specific sustainable materials, renewable energy systems, or advanced green technologies.
- **Physical Climate Risk & Natural Hazards:** The subject Centre is located in Canterbury's high seismic risk zone with current 100% NBS rating based on the seismic information provided. The property shows no exposure to overland flow paths, flooding or liquefaction hazards based on Christchurch City Council and Environment Canterbury mapping.
- **Energy & Carbon:** Buildings operate with standard grid electricity supply, ducted air conditioning, and combination fluorescent/LED lighting but have no on-site renewable energy generation, EV charging infrastructure, energy monitoring systems, or documented carbon reduction strategies. No Net Zero Carbon plans, renewable energy targets, or embodied carbon reduction initiatives are in place.
- **Biodiversity:** The subject site is predominantly developed for retail buildings and sealed car parking with minimal landscaping opportunities beyond basic site improvements. No environmental sensitive zones, biodiversity assessments, enhancement plans, or native habitat restoration initiatives are documented.

Social

- **Tenant Composition & Ethical Investment:** Centre is anchored by Harvey Norman with 10 additional large format retailers including Noel Leeming, Bargain Chemist, Number One Shoes, Repco, Lighting Direct and Macpac, all operating in non-controversial retail sectors aligned with ethical investment principles. Fully leased property with medium-term WALT of 3.14 years provides stable income streams with no tenants in gambling, tobacco, alcohol, or other potentially contentious industries.
- **Community & Social Impact:** Hornby Mega Centre serves as an established bulk retail destination for the southwestern Christchurch catchment with good public transport access via bus services and proximity to major transport routes. The centre lacks dedicated community spaces and facilities, or EV charging infrastructure which is not uncommon for Bulk Retail Centres.

Governance

- **Certification & Performance:** No ESG-related certifications such as Green Star or NABERSNZ have been obtained or are currently pursued, which may limit appeal to ESG-focused institutional investors and reduce competitive market positioning. Building operates to regulatory compliance standards without voluntary sustainability performance benchmarking or formal environmental management systems.

We note the above assessment is not an environmental audit, and our consideration of the buildings ESG factors are limited to our ability as property valuers, in terms of how we would expect a prudent purchaser or potential occupier to approach the subject property.

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Appendix 1 – Assumptions and Limitations

Appendix 2 – Valuation Definitions

Appendix 3 – Record/s of Title

Appendix 4 - Valuation Calculations

1 Introduction

1.1 Instructions

We refer to instructions requesting that we undertake a market valuation of the Hornby Mega Centre (the *Centre*), as at 9 February 2026 for Centuria Funds Management (NZ) Limited and additional reliant parties (outlined in Section 1.1) (the *Client*). We understand that the valuation is to be relied upon for **Product Disclosure Statement use only**.

This Valuation Report has been prepared to comply with the current International Valuation Standards and the Guidance Papers prepared by the Property Institute of New Zealand. We confirm that as part of our instruction:

- The Principal Valuer is independent of the parties associated with the Subject Property including the instructing party and intended users of this Valuation Report.
- The Principal Valuer is authorised under The Valuers Act 1948 to practice as a Registered Valuer and has satisfied required professional education requirements for an assessment of this type.
- The Principal Valuer is suitably experienced and able to undertake a Market Value assessment of the Subject Property, and where applicable, has sought the advice of suitably qualified professionals who hold locational expertise.
- The Principal Valuer has no interest in the Subject Property, Instructing Party, Landlord, Tenant, or manager of the Subject Property that would reasonably affect the ability to provide an unbiased opinion of Market Value.
- The professional fee charged in relation to the assessment of Market Value has not been contingent on any aspect of this assessment.
- The provision of advice in relation to the Subject Property has been performed in accordance with the Property Institute of New Zealand and New Zealand Institute of Valuers Code of Ethics and Conduct.
- The Principal Valuer has made a personal inspection of the Subject Property.

The following parties may rely on the content of this Valuation Report as the Intended Users:

- Centuria Funds Management (NZ) Limited
- Centuria NZ Large Format Retail Fund
- Covenant Trustee Services Limited
- CNZLFR Nominee Limited

The Valuation Report is confidential to the intended users to which it is addressed, for the intended use to which it refers. No responsibility is accepted to any third parties.

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1.2 Valuation and Inspection Dates

The key dates which are relevant for our valuation are shown in the table below:

Date of Valuation	9 February 2026
Date of Inspection	1 October 2025
Date of Preparation of Report	25 February 2026

We advise that we have been instructed to value the Property as at Valuation Date which is our date of valuation. The Property was inspected on Inspection Date and our valuation reflects the valuer's view of the market at this date and does not intend to predict the future. Our assessment assumes that there is no material change to the Property or the market between the inspection date and the valuation date, and we reserve the right to review the valuation if there are material changes to 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 Centre as defined by the International Valuation Standards Committee (IVSC), and endorsed by RICS 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 and where the parties had each acted knowledgeably, prudently and without compulsion."

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.

This valuation is current at the date of valuation only. The value assessed herein may change significantly and unexpectedly over a relatively short period of time (including as a result of general market movements or factors specific to the particular property). Liability for losses arising from such subsequent changes in value is excluded as is liability where the valuation is relied upon after the date of the valuation. We recommend that market value assessments be reviewed regularly.

1.4 Relevant Valuation Standards

The valuations contained herein have been completed in accordance with current International Valuation Standards as well as the Australian and New Zealand Property Institute's Guidance Papers for Valuers & Property Professionals, and in particular with:

- IVS (International Valuation Standards 2025) Framework and General Standards – Effective January 2025
- ANZVGP 111 – 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 searches;
- Tenancy schedule;
- Capital expenditure budgets;
- Budgeted outgoings;
- Various lease documents and agreements;
- Various correspondence;
- Lettable area plans;
- And other relevant information.

We may have used artificial intelligence, including generative artificial intelligence, when providing the Valuation Services.

Our valuation is based on a significant amount of information provided by the instructing party 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.

1.6 Special Assumptions

Our assessment of Market Value has been based on the following Special Assumptions:

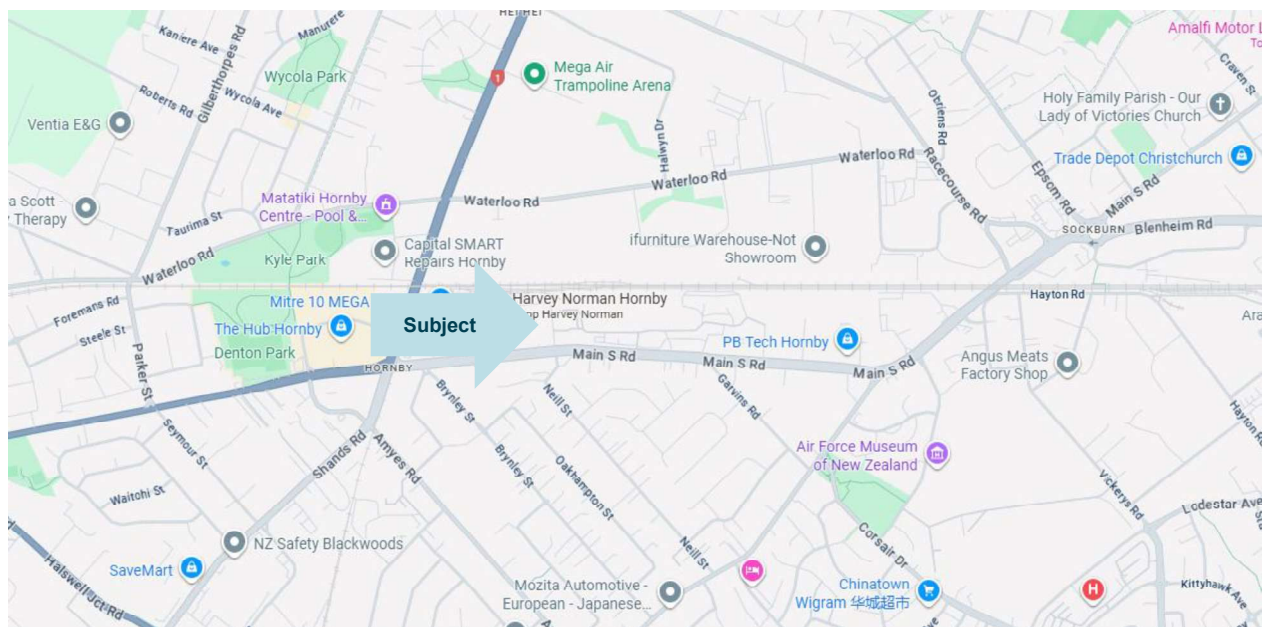
Management	Our valuation is prepared on the basis of the current management contract being surrendered and a hypothetical purchaser obtaining or implementing a new management contract in-line with market parameters. Our valuation is prepared on the basis that an experienced and efficient manager is in place, which is essential to the ongoing success of a shopping centre.
Side Agreements	We assume there are no side agreements in place that would have an adverse effect on the market value of the property. These could include, by is not limited to, incentives or gross occupancy cost cap agreements that sit outside of the lease documents or rental abatements that have not been disclosed.
Lease Agreements	We have sighted numerous specialty shop leases and have been provided with a copy of the current tenancy schedule together with other current and budgetary income and expenditure related information. In some cases, lease terms have been modelled based on answers to queries, heads of terms or other documentation. In these instances, we assume that these agreements and terms will be executed in formal lease documentation and the terms of the lease documentation do not materially differ to terms adopted in our valuation.
Other Income	Our other / supplementary income allowances are based on forecast amounts for the upcoming year. Where possible, we have verified previous year actuals against the forecast amounts. These amounts are primarily made up of variable income sources, rather than contracted fixed agreements. Our valuation assumes these amounts will be obtained into perpetuity in most cases and have assessed these components based on a capitalisation of income approach. Where we believe the rental payments have a shorter cashflow period, we have assessed a net present value of this cashflow.
Non-Recoverable Outgoings	We have been provided with a non-recoverable outgoings budget. Due to the large variation of budgeting for non-recoverable outgoings between institutions, privates and syndicators and other shopping centre owners, we have normalised these expenses to a third-party average. Our modelling of non-recoveries within our valuations is consistent with our modelling of non-recoveries for sales analysis undertaken.
Building Warrant of Fitness	We were unable to sight a current Warrant of Fitness upon inspection of the property, but we have assumed all applicable requirements have been met. If the building does not meet requirements to obtain a Building Warrant of Fitness, we reserve the right to review our valuation.
Lighting Direct Lease Renewal	<p>We have been advised that the Landlord has agreed to terms for a lease renewal for Lighting Direct although documentation is yet to be completed.</p> <p>The Tenant will take a four year right-of-renewal from 23 November 2025 on the basis the rental for year 1 remains at \$156,713 per annum plus GST, increasing to \$165,500 per annum plus GST for year 2 and annual CPI increases thereafter. A one month rent-free incentive is to be provided. We have adopted these terms within our valuation with the exception of the incentive which is to be paid by the Vendor.</p> <p>Our valuation is subject to documentation being executed between the parties in line with the assumptions above. Should the final documentation vary in any regard, we reserve the right to amend our valuation.</p>
Seismic	We have reviewed various seismic documentation, with the most recent being a Detailed Seismic Assessment (DSA) undertaken by Quoin Structural Consultants dated 9 December 2025. This assessment determined the seismic strength of Blocks A-B (Stage 1) to be 85-90% NBS, whilst Block C (Stage 2 – Harvey Norman) was assessed at 67-70% NBS. We understand the vendor has committed to strengthening the buildings to achieve at least 80% NBS as part of the Agreement for Sale and Purchase requirements. Accordingly, we have adopted an NBS rating of at least 80% for valuation purposes.

2 Land Particulars

2.1 Location

Location	The Hornby Mega Centre is located in Hornby, a southwestern suburb of Christchurch, Canterbury which is one of the City's established suburban commercial centres. The centre is positioned approximately 9 kilometres west of central Christchurch and approximately 6 kilometres south of Christchurch Airport. The centre's location provides convenient access to both Christchurch's urban area and the wider Canterbury region, including connections to the West Coast and South Canterbury via nearby state highways.
Surrounding Development	The immediate neighbourhood comprises a mix of retail, commercial services, and industrial development typical of suburban commercial precincts. To the north of the subject is an established industrial area centred on Waterloo Road comprising predominantly light to medium industrial and warehousing uses. Immediately next door to the subject is the Ravensdown fertiliser works being one of the heavier industrial uses in the area. Further to the west on Main South Road is predominantly retail uses while the wider area is residential.
Key Roading and Access	The centre benefits from good transport connectivity via Main South Road, which provides direct access to central Christchurch via Riccarton or Blenheim Roads. The nearby motorway enhances connectivity to Christchurch Airport and the wider Canterbury region. The site enjoys good accessibility with ample parking typical of large-format retail centres.
Residential Catchment	The centre serves a substantial residential catchment encompassing Hornby, Halswell, Riccarton, Sockburn, Templeton, and surrounding southwestern Christchurch suburbs. The demographic profile includes a mix of established families, young professionals, and retirees, representing a broad socio-economic spectrum typical of Christchurch's suburban areas. The catchment has experienced growth following post-earthquake population shifts and new residential development, particularly in Halswell and surrounding greenfield areas.
Competition	The centre operates within a competitive retail environment that includes The Hub Hornby, Dress-Smart Hornby, Mitre 10 MEGA, Woolworths plus additional large format and strip retail in the immediate Hornby location. The majority of these developments are considered complementary rather than competitive. Tower Junction, located approximately 6 kilometres east, offers competing large-format retail options.
Public Transport	Public transport is provided through Metro bus services connecting Hornby to central Christchurch and other suburban areas. Like most large-format retail centres, the development is primarily oriented towards private vehicle access, with public transport playing a secondary role in customer accessibility.

The following map identifies the approximate location of the Centre:



Source: Google Maps

2.2 Title Particulars

The Centre is contained within five Fee Simple (Freehold) Record of Titles owned by R & H Investments Limited, details of which are summarised as follows:

Title Reference	CB1B/309
Legal Description	Lot 2 Deposited Plan 21916
Area	7,224 square metres more or less
Interests	<ul style="list-style-type: none"> ▪ 300063 Transfer creating the following easements: <ul style="list-style-type: none"> - Type: Railway Siding Rights - Servient Tenement: Rural Section 1688 – CT CB517/266 - Easement Area: Part - Dominant Tenement: Lot 2 Deposited Plan 21916 – herein ▪ A386903.1 Transfer creating the following easements - 21.1.1999 at 1.52 pm <ul style="list-style-type: none"> - Type: Right of way - Servient Tenement: Lot 8 Deposited Plan 28924 - CT CB33K/971 - Easement Area: A DP 79811 - Dominant Tenement Lot 2 Deposited Plan 21916 - herein ▪ 5786161.1 CERTIFICATE PURSUANT TO SECTION 37 (2) BUILDING ACT 1991 (ALSO AFFECTS CB12B/32 and CB46A/95) - 4.11.2003 ▪ Subject to a right (in gross) to convey electric power over part marked A on DP 341328 in favour of Orion New Zealand Limited created by Transfer 6433327.2 - 25.5.2005 ▪ 8769538.1 Surrender of the railway siding rights as to the part marked Blue on DP 13760 over Lot 1 DP 28924 and Lot 1 DP 80349 created by Transfer 300063 - 28.7.2011 ▪ 9418321.1 CERTIFICATE PURSUANT TO SECTION 77 BUILDING ACT 2004 THAT THIS COMPUTER REGISTER IS SUBJECT TO THE CONDITION IMPOSED UNDER SECTION 75(2) (ALSO AFFECTS CB12B/32, CB46A/95, CB46A/96 and 1138015) - 4.6.2013 ▪ Land Covenant in Easement Instrument 9455125.2 - 11.7.2013 ▪ Land Covenant in Easement Instrument 9455125.3 - 11.7.2013 ▪ 11593951.3 Mortgage to Bank of New Zealand - 30.10.2019
Title Reference	1138015
Legal Description	Lot 2 Deposited Plan 592540
Area	5,305 square metres more or less
Interests	<ul style="list-style-type: none"> ▪ Subject to a right to railway siding easement over part marked A & C on DP 592540 created by Transfer 300063 - 14.1.1949 ▪ Appurtenant hereto is a right to railway siding easement created by Transfer 300063 - 14.1.1949 ▪ 9250431.3 Mortgage to Bank of New Zealand - 3.12.2012 ▪ 9418321.1 CERTIFICATE PURSUANT TO SECTION 77 BUILDING ACT 2004 THAT THIS COMPUTER REGISTER IS SUBJECT TO THE CONDITION IMPOSED UNDER SECTION 75(2) (ALSO AFFECTS CB12B/32, CB1B/309, CB46A/95 and CB46A/96) - 4.6.2013 ▪ Land Covenant in Easement Instrument 9455125.2 - 11.7.2013 ▪ Land Covenant in Easement Instrument 9455125.3 - 11.7.2013 ▪ Subject to a right of way and right to drain water over part marked A & B on DP 592540 created by Easement Instrument 12808114.5 - 16.8.2023 ▪ The easements created by Easement Instrument 12808114.5 are subject to Section 243 (a) Resource Management Act 1991

Title Reference	CB12B/32
Legal Description	Lot 7 Deposited Plan 28924
Area	2,438 square metres more or less
Interests	<ul style="list-style-type: none"> ▪ 5786161.1 CERTIFICATE PURSUANT TO SECTION 37 (2) BUILDING ACT 1991 (ALSO AFFECTS CB1B/309 and CB46A/95) - 4.11.2003 ▪ 9418321.1 CERTIFICATE PURSUANT TO SECTION 77 BUILDING ACT 2004 THAT THIS COMPUTER REGISTER IS SUBJECT TO THE CONDITION IMPOSED UNDER SECTION 75(2) (ALSO AFFECTS CB1B/309, CB46A/95, CB46A/96 and 1138015) - 4.6.2013 ▪ Land Covenant in Easement Instrument 9455125.2 - 11.7.2013 ▪ Land Covenant in Easement Instrument 9455125.3 - 11.7.2013 ▪ 11593951.3 Mortgage to Bank of New Zealand - 30.10.2019

Title Reference	CB46A/95
Legal Description	Lot 8 Deposited Plan 28924
Area	2,448 square metres more or less
Interests	<ul style="list-style-type: none"> ▪ A386903.1 Transfer creating the following easements - 21.1.1999 <ul style="list-style-type: none"> - Type: Right of way - Servient Tenement: Lot 8 Deposited Plan 28924 - herein - Easement Area: A DP 79811 - Dominant Tenement Lot 2 Deposited Plan 21916 - CT CB1B/309 ▪ 5786161.1 CERTIFICATE PURSUANT TO SECTION 37 (2) BUILDING ACT 1991 (ALSO AFFECTS CB12B/32 and CB1B/309) - 4.11.2003 ▪ 9418321.1 CERTIFICATE PURSUANT TO SECTION 77 BUILDING ACT 2004 THAT THIS COMPUTER REGISTER IS SUBJECT TO THE CONDITION IMPOSED UNDER SECTION 75(2) (ALSO AFFECTS CB12B/32, CB1B/309, CB46A/96 and 1138015) - 4.6.2013 ▪ Land Covenant in Easement Instrument 9455125.2 - 11.7.2013 ▪ Land Covenant in Easement Instrument 9455125.3 - 11.7.2013 ▪ 11593951.3 Mortgage to Bank of New Zealand - 30.10.2019

Title Reference	CB46A/96
Legal Description	Lot 9 Deposited Plan 28924
Area	2,438 square metres more or less
Interests	<ul style="list-style-type: none"> ▪ 8002592.4 Mortgage to Bank of New Zealand - 1.12.2008 ▪ 9418321.1 CERTIFICATE PURSUANT TO SECTION 77 BUILDING ACT 2004 THAT THIS COMPUTER REGISTER IS SUBJECT TO THE CONDITION IMPOSED UNDER SECTION 75(2) (ALSO AFFECTS CB12B/32, CB1B/309, CB46A/95 and 1138015) - 4.6.2013 ▪ Land Covenant in Easement Instrument 9455125.2 - 11.7.2013 ▪ Land Covenant in Easement Instrument 9455125.3 - 11.7.2013 ▪ Subject to a right (in gross) to convey electricity over part marked A on DP 468120 in favour of Orion New Zealand Limited created by Easement Instrument 10554120.2 - 23.9.2016

Source: Land Information New Zealand

All Records of Title above are subject to the following Land Covenants:

Land Covenant in Easement Instrument 9455125.2 *This Land Covenant essentially prevents the Grantor (the owner of the subject land) from objecting or trying in any way to limit the activities established upon the adjoining site to the rear which, at the time the easement was executed, was utilised for the manufacturing and exporting of carbon dioxide and dry ice plant and machinery for the beverage and industrial gas industries. We understand this operation is no longer operating from the site.*

Land Covenant in Easement Instrument 9455125.3 *This Land Covenant essentially prevents the Grantor (the owner of the subject land) from objecting or trying in any way to limit the activities established upon the adjacent site (on the eastern side of Canterbury Street) which is utilised as a fertiliser manufacturing plant.*

9418321.1 CERTIFICATE PURSUANT TO SECTION 77 BUILDING ACT 2004 *This Certificate ensures none of the Records of Title can be sold or transferred except in conjunction with the other Records of Title.*

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(s) annexed to this report.

2.3 Site Details

Site Description	An L-shaped site of 1.9853 hectares held in five separate records of title with principal frontage to Main South Road (southern boundary) and secondary frontage to Chappie Place (western boundary) and Canterbury Street (eastern boundary).	
Site Area	Lot 2 Deposited Plan 21916	7,224 square metres more or less
	Lot 2 Deposited Plan 592540	5,305 square metres more or less
	Lot 7 Deposited Plan 28924	2,438 square metres more or less
	Lot 8 Deposited Plan 28924	2,448 square metres more or less
	Lot 9 Deposited Plan 28924	2,438 square metres more or less
	Total Area	19,853 square metres more or less
Approximate Street Frontages	202 metres (approx.) to Main South Road. 85 metres (approx.) to Chappie Place. 53 metres (approx.) to Canterbury Street.	
Contour	Essentially level across the entire site.	
Improvements	Constructed in an L-shape to the site's eastern and northern boundaries with asphalt-sealed carparking in front of the stores to the Main South Road and Chappie Place frontages.	
Site Services	All typical site services are available to the site including power, gas, internet, water, waste water.	
Access	Two separate ingress/egress points from Chappie Place and two from Canterbury Street. No ingress/egress direct from Main South Road.	
Neighbouring Properties	The subject property adjoins industrial buildings to the north-east, Mitre 10 MEGA and Woolworths to the west (across Chappie Place) and Ravensdown fertiliser works to the east (across Canterbury Street). The main trunk railway line runs along the site's northern boundary.	



Source: Emap

2.4 Town Planning

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	LFRZ – Large Format Retail Zone
Objectives	The zone is designed to accommodate large format retail activities with specific provisions for retail activities, supermarkets, trade suppliers, yard-based suppliers, and ancillary commercial services. The zone includes specific controls for certain areas including the Northern Homebase Centre and Tower Junction.
Development Controls	<p>Activity Controls:</p> <ul style="list-style-type: none"> ▪ Minimum tenancy size of 450m² GLFA for retail activities ▪ Restrictions on department stores and clothing/footwear retail in Homebase Centre (until 4 October 2031) ▪ Supermarket size limitations (maximum 4300m² GLFA with specific conditions) ▪ Office and commercial service size restrictions in specific areas <p>Built Form Standards:</p> <ul style="list-style-type: none"> ▪ Maximum building height: 15 metres (12 metres for Northern Homebase Centre) ▪ Minimum road boundary setbacks: 1.5-12 metres (depending on activity and location) ▪ Minimum setbacks from residential zones: 3-11 metres ▪ Recession plane controls for residential zone boundaries ▪ Outdoor storage screening requirements (1.8 metre fencing/landscaping) <p>Infrastructure Requirements:</p> <ul style="list-style-type: none"> ▪ Landscaping and tree planting standards (1 tree per 10m road boundary, 1 tree per 5 car parks) ▪ Water supply for firefighting compliance ▪ Railway corridor setbacks (4 metres minimum) ▪ Maximum trip generation limits (950 trips per hour during Thursday PM peak) ▪ Pedestrian and cycle path requirements for Northern Homebase Centre

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 National Policy Statement of Urban Development

We have sighted documentation relating to the introductory guide to the National Policy Statement of Urban Development 2020 which is in place to help councils to improve planning processes to enable more development. The provisions promote three key areas including intensification, land use flexibility and the removal of minimum carparking ratio thresholds. The latter provides potential for significant improvement in the development potential of land, with shopping centres typically providing significant land holdings which have been restricted by development controls relating to strict carparking ratios. The clause outlined in the document states:

The removal of minimum parking rates in district plans seeks to improve land-use flexibility in urban environments. It will allow more housing and commercial developments, particularly in higher density areas where people do not necessarily need a car to access jobs, services or amenities. Urban space can then be used for higher value purposes than car parking. Developers will still provide car parking in many areas, and must still provide accessible car parking, but the number of car parks will be driven by market demand.

In our opinion, careful consideration would need to be given to leases structured with carparking ratio requirements and the optimal ratio to ensure that turnover performance is maintained. With most well performing shopping centres, carparks are scarce at peak times, so reducing the number of spaces or increasing lettable area without additional spaces will be detrimental to the trading performance of tenants.

The flexibility of this document will be beneficial over time for shopping centres and will provide scope for more mixed-use opportunities to be developed. These opportunities will be demand driven and the key principles of this document will need to be implemented formally, so the impact of these changes are difficult to quantify at the date of valuation.

2.6 Environmental Considerations

The current use of the property as a retail shopping centre and associated carparking is not considered to be a use which would give rise to environmental concern.

We have searched the Listed Land Use Register (LLUR) and note that there is a HAIL Activity: Storage tanks or drums for fuel, chemicals or liquid waste noted on the subject property. An excerpt of the LLUR is provided below:

In July 2013, Separate Phase Ltd completed a site inspection on behalf of Petrotec Services for the removal of an underground storage tank (UST) at the site. The investigation was conducted to assess the possibility of environmental impacts or contamination resulting from petroleum hydrocarbon residues associated with the UST. The category proposed for the area of the site investigated by Separate Phase Ltd is: "At or Below Background Concentrations".

Source: Listed Land Use Register

During the course of our inspection, we did not notice any evidence of land or building contamination. The surrounding uses, from our distant inspection, are also considered to be of low environmental risk. Importantly however, we are not experts in the detection or quantification of environmental problems, and we have not sighted an Environmental Audit to confirm the absence of any 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 site's current status needs to be clarified, an Environmental Audit should be undertaken. Our valuation excludes the cost to rectify and make good the site which may have become contaminated as a result of past and present uses.

2.7 Identified Natural Hazards

We have reviewed the Christchurch City Council and Environment Canterbury information and the subject does not appear to be located in any natural hazard areas.

2.8 Services

All mains services including electricity, fibre, water, sewerage and telephone are available to the Centre.

2.9 Rateable Value

We have been advised that the Property's Rateable Value effective 1 August 2022, is as follows:

Address	Land Value	Improvements Value	Capital Value
6 Chappie Place (Large Format Retail Shops)	\$7,500,000	\$17,150,000	\$24,650,000
14 Chappie Place (Harvey Norman)	\$5,420,000	\$5,730,000	\$11,150,000
Total	\$12,920,000	\$22,880,000	\$35,800,000

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

2.10 Heritage

We have not undertaken any formal heritage searches, and our valuation is made on the assumption that there are no heritage issues relating to the Centre.

3 Description of Improvements

3.1 Overview

The property comprises a Large Format Centre anchored by a 5,705 sqm Harvey Norman store and offering 10 additional stores ranging in size between 488 sqm and 794 sqm. Overall net lettable area is 11,426 sqm. The large format stores are fully leased with tenants comprising well known national and international brands including Noel Leeming, Bargain Chemist, Number One Shoes, Repco, Lighting Direct and Macpac. The improvements comprise four separate buildings arranged in an L-shape with frontage to both Main South Road and Chappie Place with customer car parking in front of the buildings. The buildings are well-presented providing tidy and functional retail accommodation. The Centre is serviced by a total of approximately 257 open customer car parking spaces.

Layout provides for the Harvey Norman store occupying the two structures to the middle and rear of the site with main entrance fronting Chappie Place. To the immediate south is a large format retail building housing Number One Shoes + Hannahs fronting Chappie Place and 99 Bikes in the prime corner position. A second large format retail building housing the balance of the tenants fronts Main South Road. Repco, being the end tenancy in the block has its store entry fronting Canterbury Street. The design of the building provides for excellent signage and branding to the upper external façade of each tenancy.



Harvey Norman exterior



Large Format Retail exterior



Harvey Norman interior



Large Format Retail interior (Repco)



Repco Exterior and Car Parking



Large Format Retail interior (Bargain Chemist)

3.2 Construction and Building Services

We understand the buildings on site are of varying ages constructed between the 1980s and early 2000s. We briefly outline construction and building services details as follows:

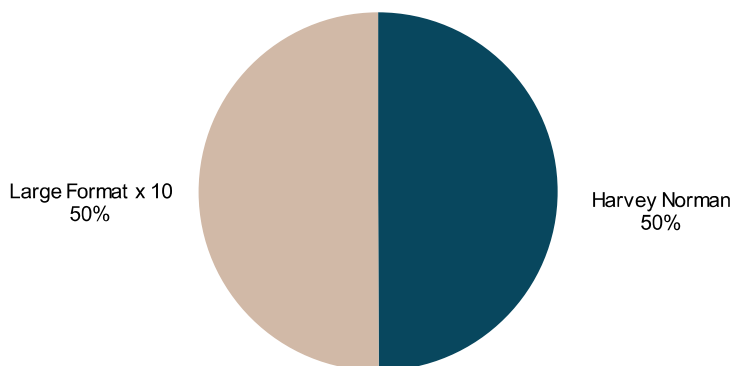
Structure	Reinforced concrete floor slabs / foundations, with concrete and steel framing.
External Walls	Part concrete block but predominantly precast concrete panels to lower walls and profiled metal and proprietary sheet cladding elements to upper walls.
Internal Walls	Predominantly plasterboard lined to lettable areas.
Roof	Profiled metal roofing with translucent panels in places for enhanced natural light to tenancies. Roof system supported on a steel framing system.
Ceiling	A combination of suspended acoustic tiles in a grid system or exposed ceilings with netting and sisalation.
Lighting	Combination of recessed or ceiling hung / strip fluorescent or LED lighting.
Windows and Doors	Aluminium joinery with full height glazing to store frontages.
Air-conditioning	Some units are provided with air-conditioning.
Loading Docks	Harvey Norman has a loading dock to the rear of the premises.

3.3 Net Lettable Areas

The total Net Lettable Area (NLA) is approximately 11,426 square metres. A summary of these areas together with the number of majors, specialties and other tenants is detailed in the table below:

Tenant or category	NLA sqm	NLA %
Harvey Norman	5,704.7	49.9%
Majors x 1	5,704.7	49.9%
Large Format x 10	5,721.7	50.1%
Total	11,426.4	100.0%

Net Lettable Area Summary



We understand the areas noted above have been determined from measurements undertaken in accordance with the Guide for the Measurement of Rentable Areas as published by the Property Institute and Property Council of New Zealand. We have cross-checked some of the areas with plans prepared by Harrison Grierson.

3.4 Car Parking

The Centre provides 257 car parking spaces which provide a ratio of one space for every 44.46 square metres of GLA or alternatively 2.25 spaces per 100 sqm of GLA. The Centre's carparking ratio is compared in the table below with other comparable centres:

Centre Name	Carparks	Spaces per 100 sqm GLA
Subject Centre	257	2.2
Westgate Lifestyle, Waitakere	622	2.4
Sylvia Park Lifestyle, Auckland	393	2.4
Northwood Supa Centa, Christchurch	936	2.8
Bay Central Shopping Centre, Tauranga	505	3.0
Tauranga Crossing Lifestyle, Tauranga	307	3.1
St Lukes Mega Centre, Auckland	261	3.7
Stoneridge on Lunn, Auckland	420	4.1
Bulk Retail Centre Averages		3.5

The car parking ratio is towards the lower end of the range when benchmarked against other Bulk Retail centres. The adjacent car park for Mitre 10 MEGA and Woolworths may provide some informal reciprocal car parking capacity.

Whereas some Councils are now focused on removal of minimum car parking ratios, careful consideration needs to be given to maintenance of an appropriate car parking ratio to ensure turnover performance. A shortage of parking is generally a deterrent to customers.

3.5 Capital Expenditure

We have made capital expenditure allowances within our valuation based on budgets provided by the client, sinking fund allowances and allowances for capital expenditure on expiry of leases.

Our adopted budget allowances have been provided to us by the Client and reflect the findings of a Building Condition Report procured by the client for due diligence purposes.

We have made the following capital expenditure allowances within our valuation:

Capital Expenditure Assumptions	Rate psm of NLA
Capital Expenditure on Expiry	\$50.00 psm
Sinking Fund Capital Expenditure	\$2.50 psm

These assumptions equate to the following amounts through the 10-year DCF period:

Year	Budgeted	Sinking Fund	Capex on Expiry	Total Capex
Immediate	\$0	\$0	\$0	\$0
Year 1	\$15,000	\$28,566	\$22,777	\$66,342
Year 2	\$29,896	\$29,449	\$0	\$59,345
Year 3	\$104,641	\$30,347	\$467,509	\$602,497
Year 4	\$112,901	\$31,312	\$58,989	\$203,201
Year 5	\$69,999	\$32,251	\$0	\$102,250
Year 6	-	\$33,219	\$29,487	\$62,706
Year 7	\$883,951	\$34,215	\$27,281	\$945,447
Year 8	\$888,263	\$35,242	\$36,142	\$959,647
Year 9	\$57,182	\$36,299	\$196,753	\$290,234
Year 10	\$916,181	\$37,388	\$70,435	\$1,024,005
Total	\$3,078,013	\$328,287	\$909,374	\$4,315,674

In addition to the above, we have been provided with a Roof Report prepared by FHS Roofing and dated 17 October 2025. The report details a number of required remedial works and costings to repair spoutings, flashings and rust in various roof areas across the property. The total cost of the remedial works is estimated to be \$289,700 plus GST. We have been advised that the Purchaser will undertake these works post-settlement but the works will be funded by a Vendor contribution to the full estimated value of the works. Given the capex required is fully offset by the contribution, we have not included the cost in the schedule above. However, we have included a \$700,000 purchaser allowance for roof works in Year 10 of the cashflow.

The total capital expenditure modelled in our 10-year cashflow and the percentage of this total in relation to the adopted value:

Capital Expenditure Total	Total Capex
Total Capital Expenditure in 10 year cashflow	\$4,315,674
Percentage of capex to adopted value	10.24%

The percentage of capital expenditure in relation to the adopted value can vary depending on the age and use of a property. It is a useful benchmark to assess the extent to which a prudent purchaser would pay for non-direct revenue generating capital. Shopping centres are very capital intensive as they need to evolve and keep up with current trends to avoid losing market share, however extensive capital needs to be monitored, and return on capital investment still needs to be a consideration.

3.6 Condition and Repair

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 two buildings as follows:

Building	Compliance Schedule	WOF Expiry Date
6 Chappie Place	WOF/2020/3429	1 June 2026
10-14 Chappie Place	WOF/2020/1953	1 December 2026

We have assumed that there is no significant capital expenditure required for the Centre at the date of valuation other than noted within this Report.

It is a requirement of the Health and Safety at Work (Asbestos) Regulations 2016 that buildings constructed before January 2000 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

3.7 Seismic Considerations

Seismic resilience is a key consideration for New Zealand property, and the regulatory landscape is undergoing significant reform. On 29 September 2025, the Government announced the proposed replacement of the existing New Building Standard ('NBS') framework with a new risk-based earthquake-prone building ('EPB') system. This new approach will focus on life-safety in medium and high seismic zones, primarily targeting unreinforced masonry and taller concrete structures. A key proposal is the removal of low-seismic risk areas, including Auckland and Northland, from the mandatory EPB regime entirely.

These proposed reforms are expected to be passed into law via an Amendment Bill during 2026. In the interim, the previous legislation remains technically in force, creating a period of transition and uncertainty. We anticipate that market participants, including owners, lenders, and tenants, will make decisions based on the likely outcome of the proposed changes rather than the existing rules. Our valuation, therefore, considers the market implications of this transitional period.

Year of Construction	Various, 1980s to 2000s
Seismic Risk Zone (Proposed)	High
EPB Register Status	The building does not appear on the EPB Register as at the date of this report.

As this property is in a High seismic risk zone, it will remain subject to seismic performance regulations under the proposed new EPB system.

The key implications are:

- **Uncertainty of Outcome:** The specific remediation required (e.g., façade securing vs. full retrofit) and the compliance timeframe are not yet known. This uncertainty creates risk and may deter some purchasers or tenants.
- **Future Capital Expenditure:** The property carries a likely requirement for future capital expenditure to meet the new standards once legislated. Until an engineering assessment quantifies this cost, it represents a material risk that we must consider.
- **Market Activity:** In the interim, building owners are likely to pause planned seismic works until the new legislation is passed. Lenders and tenants are expected to remain cautious, potentially impacting the property's liquidity.

The current seismic rating serves as the best available indicator of the building's performance and the potential scale of works required. We have reviewed various seismic documentation, with the most recent being a Detailed Seismic Assessment (DSA) undertaken by Quoin Structural Consultants dated 9 December 2025. This assessment determined the seismic strength of Blocks A-B (Stage 2 – Harvey Norman) to be 85-90% NBS, whilst Block C (Stage 1) was assessed at 67-70% NBS. We understand the vendor has committed to strengthening the buildings to achieve at least 80% NBS as part of the Agreement for Sale and Purchase requirements. Accordingly, we have adopted an NBS rating of at least 80% for valuation purposes.

We are not qualified as structural engineers and have relied upon the information provided to us. The commentary above reflects our opinion on how the market will likely treat the property if it were available for sale. We recommend that all interested parties conduct their own due diligence, obtain additional advice if required, and confirm the specific insurance arrangements for the property.

4 Tenancy Details and Analysis

4.1 Tenancy Overview

We have sighted the Harvey Norman lease along with the large format retail store leases and have been provided with a copy of the current tenancy schedule together with other current and budgetary income and expenditure related information. We have physically inspected the Centre and ensured occupancy of each tenant, and where variations have been noted we have qualified changes with Centre Management.

We have made enquiries concerning various tenancy issues, reviewed any recent or proposed changes to the tenancy profile and updated the tenancy schedule where required (i.e. for outstanding rent reviews).

We note we are not qualified to advise you on the financial standing of the occupiers of the property. We have however formed a view on how we consider the market would approach the covenant status of the occupiers.

4.2 Major Lease Overview

We summarise below the lease agreements for the anchor tenant Harvey Norman:

Lease Summary	Harvey Norman
Documents Reviewed	Deed of Agreement, signed and dated 9 September 2012 Agreement for Lease, signed and dated 1 May 2013 Deed of Lease, signed but undated Deed of Renewal and Rent Review, signed and dated 19 July 2014
Lessee	HN Hornby Leasing Limited trading as Harvey Norman
Demised Premises	The whole of the Landlord's Building to be constructed and/or refurbished on the Land pursuant to the Landlord's Works and forming part of the retail development located at 10-14 Chappie Place, Hornby, Christchurch, more particularly comprising a measured floor area of 5,704.73 m ² , incorporating: (i) Retail areas: retail showroom areas comprising a measured area of 5,216.08 m ² ; (ii) Office areas: level 1 office and ground level amenities areas comprising a measured area of 243.99 m ² ; and (iii) Storage areas: warehouse rear storage areas comprising a measured area of 244.66 m ² all as identified in the plans attached to this Lease.
Lettable Area	Retail Area: 5,216.08 square metres approximately Office Area: 243.99 square metres approximately Storage Area: 244.66 square metres approximately Total Area: 5,704.73 square metres approximately
Car Parking	Non-exclusive licence for the Tenant, its employees and its customers to use 257 car spaces located within the Complex and/or on the Land as shown outlined in pink on the car park plan attached to this Lease
Lease Term	Fifteen (15) years plus three (3) rights of renewal of five (5) years each (one exercised).
Commencement Date	1 November 2013
Expiry Date	31 October 2028
Final Expiry Date	31 October 2038
Commencement Rent	Retail Area: \$782,412.00 per annum plus GST Office Area: \$30,498.75 per annum plus GST Storage Area: \$26,912.60 per annum plus GST Total: \$839,823.35 per annum plus GST
Current Rent	Total: \$1,059,280.80 per annum plus GST
Rental Review Provisions	Annual CPI Review – subject to a maximum increase cap of 3% per annum. Market Rent Review upon Renewal – subject to a maximum increase cap of 8% Next Rental Review Date: 1 November 2025 (CPI Review)
Outgoings Recovery	Net lease – standard building operating expenses are recoverable from the tenant.
Permitted Use	Retail store, warehousing and storage, with associated office and administration facilities, and/or any other use permitted by law or under the active Christchurch District Plan from time to time, but in any event not less than as set out in clause 11.1 (subject to any required consents or approvals being obtained from any relevant Authority, if

	<p>applicable).</p> <p>PROVIDED that under no circumstances are the Premises to be used by businesses trading as Placemakers, Bunnings, Carters, ITM, Hammer Hardware (and any other successor trading names) or like businesses operating for the primary purpose of selling building materials and building improvements products.</p>
<p>Special Provisions</p>	<p><u>Clause 5.7 Compliance with Notices – Cap on Compliance Costs</u></p> <ul style="list-style-type: none"> ▪ 5.7.1 If during the term of the Lease or any renewal or renewals, the cost to the Tenant of complying with Authority Notices exceeds the Aggregate Sum as calculated in clause 5.7.2, then the Tenant may terminate the Lease without compensation to the Landlord. The Tenant must give written notice of termination under this clause ("Notice Terminating Lease for Excessive Compliance Costs"). Notice Terminating Lease for Excessive Compliance Costs does not terminate this Lease if within twenty (20) Business Days after receipt of the Notice Terminating Lease for Excessive Compliance Costs, the Landlord serves upon the Tenant written notice that the Landlord assumes liability for such of the cost as exceeds the Aggregate Sum. <p>5.7.2 "Aggregate Sum" in clause 5.7.1 shall be the aggregate sum of \$50,000.00.</p> <p><u>Clause 9.3 Landlord May Alter Building or Complex</u></p> <ul style="list-style-type: none"> ▪ 9.3.1 The Landlord may carry out any building work in the Complex or Building or Common Area, but in doing so <ul style="list-style-type: none"> ▪ must use its best endeavours not to conduct work altering the Premises, affecting the sightlines to the Premises, ▪ altering the traffic flow (whether pedestrian or otherwise) or interfering with the Tenant's business. ▪ 9.3.2 Notwithstanding clause 9.3.1: <ul style="list-style-type: none"> - 9.3.2.1 the Landlord shall maintain the car space ratio (being the ratio of the number of car spaces available for use by the Tenant within the Complex as at the Commencement Date compared with the net lettable area of the Premises as at the Commencement Date) throughout the duration of the Term and will not charge the Tenant and/or its employees, agents, customers, or licensees any rental, parking levy, fee or other charge in connection with the car parking spaces within the Complex; - 9.3.2.2 the Landlord must not erect or install any fencing along or near those borders of the Land adjacent to the street frontages at Chappie Place and Main South Road or otherwise segregate any car parking areas within the Complex or on the Land for exclusive use with any other tenancies or occupancies located on the Land, PROVIDED THAT this clause 9.3.2.2 will not apply where any relevant governmental or local governmental statutory, departmental, authority tribunal, agency or other similar entity requires the works mentioned in this clause 9.3.2.2 to be undertaken to comply with a relevant bylaw. - 9.3.2.3 the Landlord must not develop or carry out any building work to the area highlighted orange on the attached 'no build' plan within the two (2) years immediately following the Commencement Date. <p><u>Clause 11.15 Subdivision</u></p> <p>Without limiting the Landlord's obligations under this Lease and at law, if during the term of this Lease the Landlord subdivides the Land, the Landlord must ensure that:</p> <ul style="list-style-type: none"> ▪ 11.15.1 the Tenant's business and/or use and enjoyment of the Complex and/or the Building and/or the Premises are not prejudiced or restricted in any way upon completion of the subdivision; and ▪ 11.15.2 except in the case of any unit title subdivision of the whole of the Complex pursuant to which the car parking spaces within the Complex are to comprise common property, any subdivided part(s) of the Land comprising or containing the Premises shall also contain not less than one (1) car parking space for each 45 square metres of the net lettable area of the Premises to be maintained and available for use by the Tenant, its employees and its customers, such car parking spaces to be located adjacent to the front entrance of the Premises. <p><u>Clause 11.16 Right of first refusal to purchase Land (including the Building and the Complex)</u></p> <p>If during the term of this Lease (including any further term if this Lease is renewed) the Landlord intends to sell the whole of the Land (for the purposes of this clause, including the Building and the Complex) or any lesser part(s) of the Land comprising or containing the Premises (in either case "Relevant Land") at any time to a party other than to a Related Company of the Landlord or to Harvey Norman, the Landlord must first provide Havery Norman with the first right of refusal following the terms outlined within this clause. <i>We recommend a purchaser peruse a copy of this clause.</i></p>

4.3 Large Format Lease Overview

The following provides an overview of the general terms and conditions of the large format leases within the Centre:

Large Format Lease Overview	
Term	Leases are generally for initial terms of eight to ten years with provisions for further rights of renewal.
Rental Reviews	Rentals are generally reviewed to CPI increases on an annual basis with a small number of tenants providing fixed increases of three percent per annum.
Operating Expenses	The leases are generally negotiated on a net or semi-gross basis with tenants paying a proportion of the outgoings.
Percentage Rent	Leases provide for percentage rental to be payable at a natural breakeven point with factors of between three and eight percent.
Promotion Levies	There is no income in relation to promotion contribution which is in line with Bulk Retail Centres.
Lessor's Fixtures and Fittings	All fixtures and fittings provided in the premises by the lessor including, in particular (but without limitation), those items described below: Shop front, electrical distribution board, air-conditioning outlets, fire sprinklers and all other fixtures and fittings within the premises as at the date the lessee took possession.

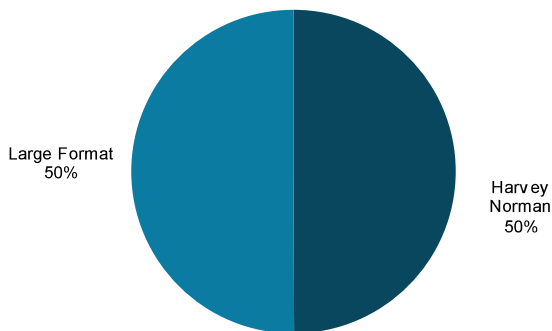
4.4 Tenancy Income Analysis

We have analysed the tenancy mix of the Centre by tenancy category and have further analysed the percentage that each category contributes to the total area and the total revenue. The following table summarises the income position by individual majors together with other tenant categories at the date of valuation:

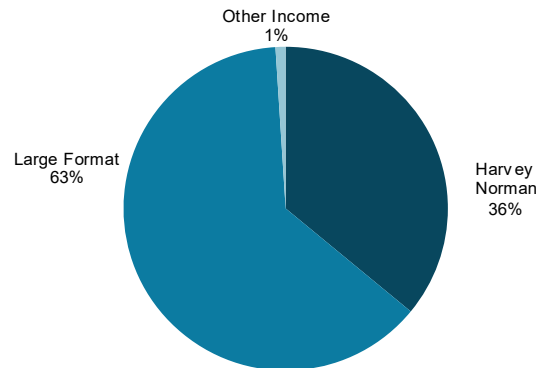
Tenant or category	NLA sqm	NLA %	Gross Rent	Gross Rent %	Gross Rent \$/sqm
Harvey Norman	5,704.7	49.9%	\$1,249,974	36.0%	\$219
Majors	5,704.7	49.9%	\$1,249,974	36.0%	\$219
Large Format	5,721.7	50.1%	\$2,191,474	63.0%	\$383
Other Income	-	-	\$34,760	1.0%	-
Total Centre	11,426.4		\$3,476,208		

The following charts summarise the tenancy configuration of the retail tenants on a percentage of total Lettable area and gross income basis:

Tenant Composition by NLA



Tenant Composition by Gross Income



4.5 Discretionary Spend Analysis

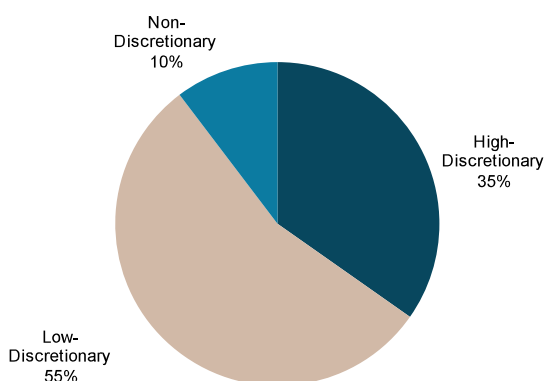
In recent times, investors have placed greater emphasis on analysis of the discretionary income profile of a centre, as high discretionary categories can be more susceptible to fluctuations in consumer spending and the impact of online retail.

We note high discretionary income categories include tenant categories such as apparel, jewellery and homewares whereas low discretionary income profiles include food and beverage, mobile phones and some retail services. Tenants that fall into the high discretionary categories may provide lower rental growth prospects with some tenants looking to shift to occupancy cost cap lease deals.

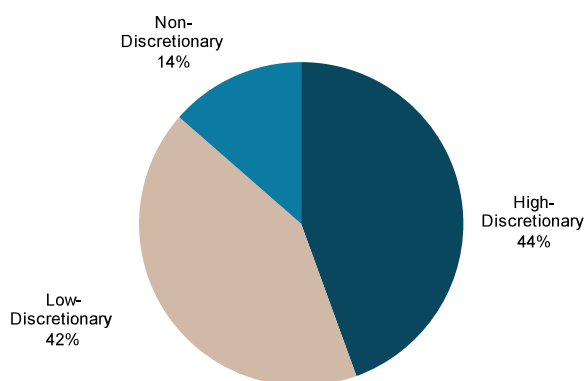
We outline our analysis of the Centre's discretionary income profile in the table below:

Discretionary Spend Analysis	Area %	Income %
High-Discretionary	34.74%	44.45%
Low-Discretionary	54.95%	42.00%
Non-Discretionary	10.31%	13.55%

Discretionary Analysis by NLA



Discretionary Analysis by Gross Income



The subject centre has a low proportion of high discretionary spend categories which is as expected with a bulk retail centre. Notwithstanding the above, we note that the appeal of a shopping centre is in the wide range of different retail categories and services it provides allowing for both cross and comparative shopping. Too much focus on reducing high-discretionary uses may impact on a Centre's mix and broad customer appeal so Management needs to balance out these competing objectives.

4.6 Centre Weighted Average Lease Term and Expiry Profile

Weighted average lease terms remaining as at the date of valuation for the overall Centre are:

Weighted Average Lease Term Remaining - Overall	WALT
By Floor Area	3.04 years
By Gross Passing Income	3.14 years

Weighted average lease terms remaining as at the date of valuation for all major tenancies are:

Weighted Average Lease Term Remaining - Majors	WALT
By Floor Area	2.73 years
By Gross Passing Income	2.73 years

Weighted average lease terms remaining as at the date of valuation for all non-major tenancies are:

Weighted Average Lease Term Remaining - Specialties	WALT
By Floor Area	3.34 years
By Gross Passing Income	3.37 years

In addition, we provide a weighted average lease term remaining profile based on the passing income of occupied stores and potential gross market income from vacant stores as at the date of valuation. We provide our weighted average lease terms including market income for the Centre and Non-majors as follows:

Weighted Average Lease Term Remaining - including Market Income	WALT
Total Centre	3.14 years
Non-Majors	3.37 years

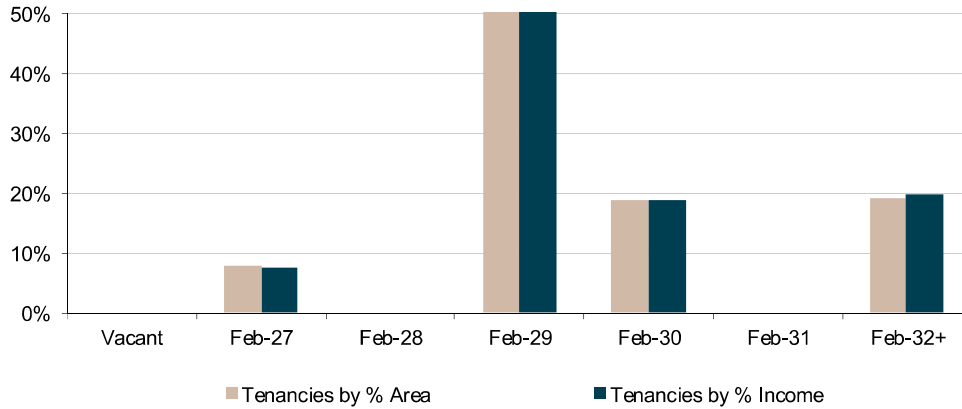
We outline the expiry profile of the major tenants as follows:

Major Tenant	NLA sqm	Gross Income	Expiry Date	WALT
Harvey Norman	5,704.73 m ²	\$1,249,974	31-Oct-28	2.72 years

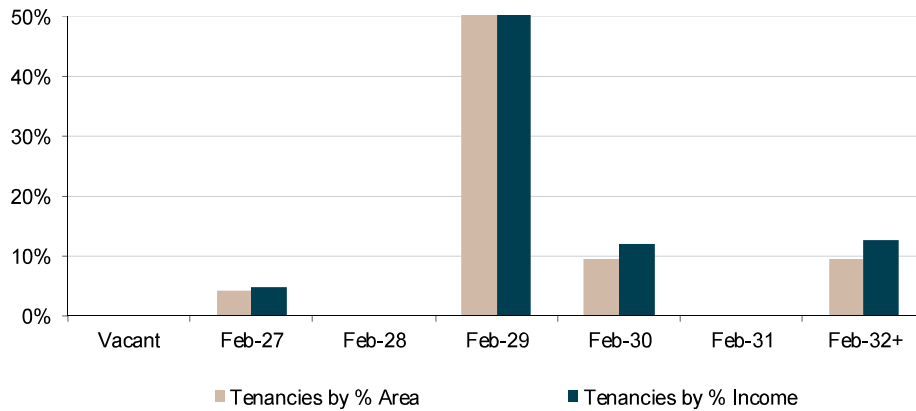
4.7 Lease Expiry Profile

We outline the expire profile of the Centre based on income and area over a five-year horizon and beyond as follows (total Centre and non-majors):

Lease Expiry Profile – Non-Majors



Lease Expiry Profile – Total Centre



4.8 Pending Expiries

We highlight below the tenancy which is due to expire over the next 12 month period:

Tenancy	Tenant	Expiry Date	% Gross Passing	% Gross Market
Shop 4	Macpac	3-Jun-26	4.72%	5.31%
Total			4.72%	5.31%

The Centre has one tenant being Macpac due to expire over the next 12 months providing 4.78% and 5.31% of the proportion of gross passing income and gross market income respectively. This is a relatively small percentage of pending expiries, and we do not consider this a significant risk to the subject Centre.

5 Financial Considerations

5.1 Building Outgoings

We have been provided with actual outgoings for the Centre together with forecasted outgoings for the upcoming year. We have reviewed the information provided and have adopted the following operating expenses within our valuation:

Category	Subject Centre Outgoings			JLL Benchmarking
	Budgeted \$pa	Adopted \$pa	Adopted \$/sqm	\$/sqm
Statutory Expenses				
Council Rates	\$268,377	\$268,377	\$23.49	\$18.75
Statutory Other	\$4,300	\$4,300	\$0.38	\$0.52
Statutory Expenses	\$272,677	\$272,677	\$23.86	\$20.98
Operating Expenses				
Insurance	\$150,000	\$150,000	\$13.13	\$6.87
HVAC	\$23,500	\$23,500	\$2.06	\$1.79
Cleaning	\$54,200	\$54,200	\$4.74	\$7.45
Fire	\$13,575	\$13,575	\$1.19	\$0.98
Security	\$12,000	\$12,000	\$1.05	\$5.13
Total Energy	\$3,500	\$3,500	\$0.31	\$1.88
Repairs & Maintenance	\$20,874	\$20,874	\$1.83	\$5.94
Gardening	\$7,004	\$7,004	\$0.61	\$1.55
Loading Dock	\$11,423	\$11,423	\$1.00	-
Management	\$82,500	\$82,500	\$7.22	\$5.24
Operating Expenses	\$378,576	\$378,576	\$33.13	\$36.83
Recoverable Expenses	\$651,253	\$651,253	\$57.00	\$57.81
Non-recoverable Expenses				
Owners Contribution to Marketing	\$0	\$10,000	\$0.88	
Miscellaneous Non-Recoveries	\$0	\$15,000	\$1.31	
Non-recoverable Expenses	\$0	\$25,000	\$2.19	
Total Outgoings	\$651,253	\$676,253	\$59.18	\$57.81

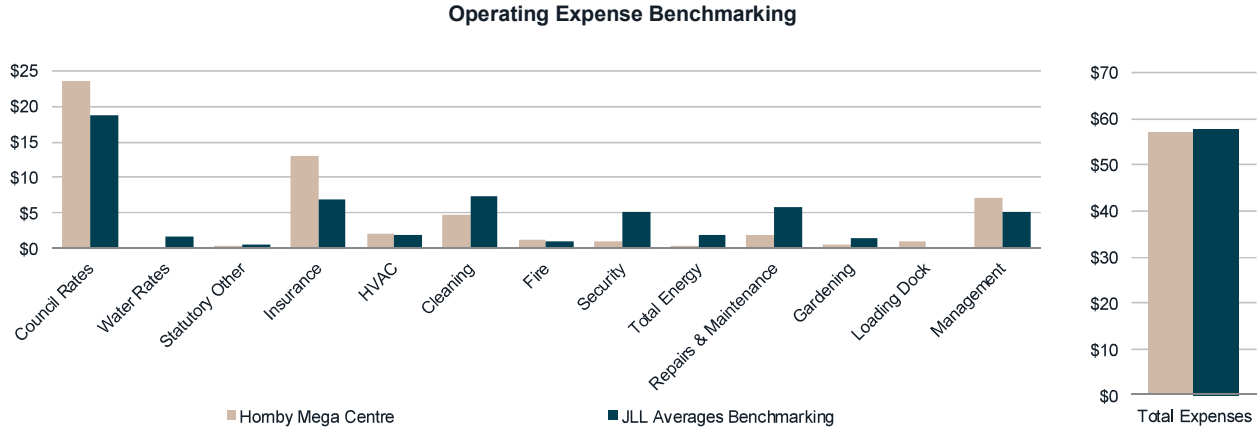
We have been provided with a non-recoverable outgoings budget. Non-recoverable expenses include a wide range of costs which are incurred by Management but which cannot be passed onto the Tenant as they typically relate to non-operational matters. Examples include consultant costs and legal costs. These costs are unpredictable and vary widely between Centres depending on the nature of the centre or even the centre owner. Often these include costs which would not be experienced by a potential third-party purchaser or are captured in other areas of our cashflow. We therefore adopt a normalised level of non-recoverable expenses within our valuations.

These outgoings are summarised as follows:

Item	Adopted \$pa	Adopted \$/sqm
Statutory Expenses	\$272,677	\$23.86
Operating Expenses	\$378,576	\$33.13
Non Recoverable Expenses	\$25,000	\$2.19
Total Outgoings	\$676,253	\$59.18

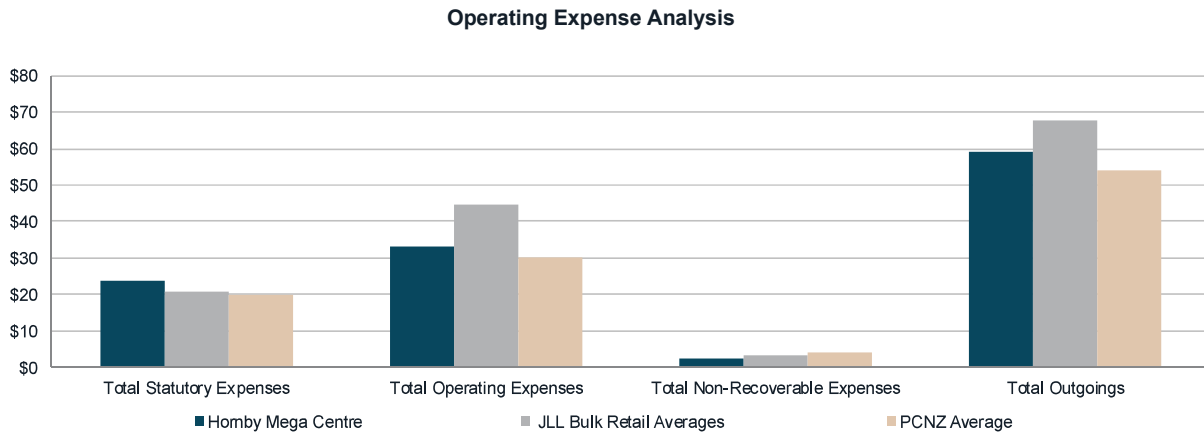
We note that outgoings for Harvey Norman equate to \$42.36 per square metre while the rate is between \$73.78 and \$77.88 for the large format retail stores. These rates would appear appropriate for the age, type and location of the property.

We outline the operating expense variances in in the graph as follows:

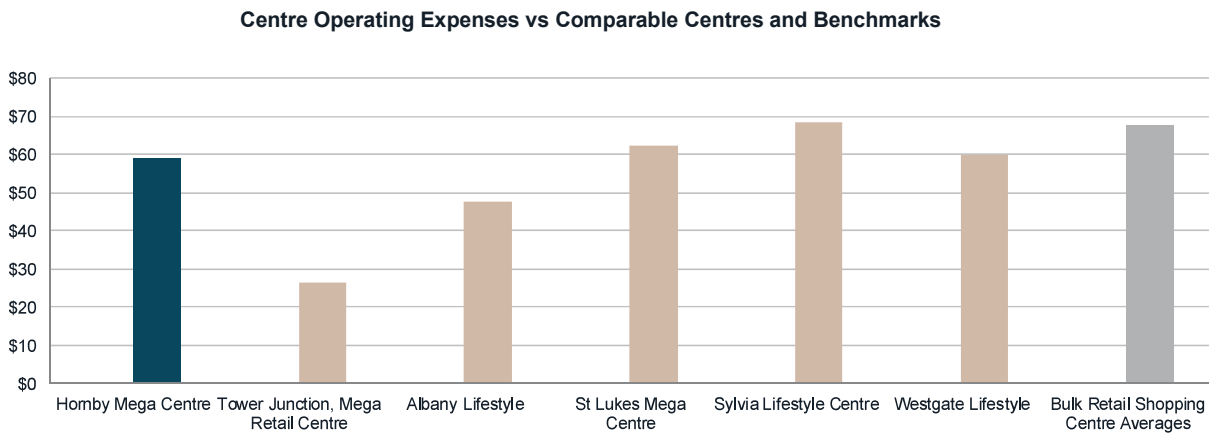


We have had regard to the information provided and where applicable we have sought confirmation from the relevant rating authorities in relation to the statutory charges and have benchmarked the figures against JLL Averages and the Property Council of New Zealand’s (PCNZ) averages. Through our benchmarking, comparison with other centres and confirmation from relevant rating authorities, we believe that the majority of the budget figures presented are reasonable and have adopted them for the purposes of our assessment.

The chart below provides a comparison of the Centre's outgoings with the JLL Bulk Retail Averages and PCNZ Averages:



We have further benchmarked the outgoings of the subject centre against the outgoings of comparable centres and PCNZ Averages:



For further detail please refer to the Outgoings Schedule appended to this report.

5.2 Recoverable Operating Expenses Ratio

As with any shopping centre, the operating expenses recovered by the tenants varies based on the gross lease structures, the individual allocation structure and the amount of vacancy within the Centre. We outline below the percentage of operating expenses recovered by the individual tenants to the overall recoverable operating expenses within the budget provided:

Operating Expense Analysis	Amount
Recoverable Operating Expenses	\$651,253
Operating Expenses Recovered from Tenants	\$562,059
Operating Expense Recovery Ratio	86.30%

The ratio of recoveries is in-line with what would be expected for a Centre of this type. The recovery ratio is impacted by a number of semi-gross lease deals whereby some of the outgoings liability falls on the landlord. This includes Harvey Norman who only pay their fair share of rates and insurance.

5.3 Other Income

Other revenue derived by the centre, based on information provided, comprises various items including the following:

Item	Amount per annum	Expiry Date	Value
Harvey Norman - Lighting Upgrade	\$34,760	31-Oct-33	\$201,616
Total Other Income	\$34,760		\$201,616

The lighting upgrade rental is payable over a period of ten years and we have therefore calculated the present value of the future payments to determine a value of \$207,801 attributable to this income stream.

We believe there is potential for additional supplementary income through signage and billboard income and electrical vehicle charging income should these be introduced to the subject Centre.

5.4 Centre Income Summary

The following table highlights the potential net income of the Centre summarising the average gross rents across the various tenancy categories:

Passing income (inc promo allowance)	\$ per annum	Proportion	Avg. \$/sqm
Majors	\$1,249,974	35.96%	\$219
Large Format	\$2,191,474	63.04%	\$383
Harvey Norman fitout rent	\$34,760	1.00%	-
Gross Passing Income	\$3,476,208	100.00%	
Outgoings	(\$676,253)		
Net Passing Income	\$2,799,955		
Potential Net Income Fully Leased	\$2,799,955		

*Gross Passing Income is inclusive of Promotional Allowances which are deducted to assess the Net Passing Income

6 Rental Considerations

6.1 Major Tenant Analysis – Harvey Norman

In this version of the Valuation Report, the leasing evidence has been removed to protect the privacy of the lessors and lessees involved.

We outline below a summary of the reversion factored into our modelling based on tenant categories:

Category	Market rental reversion
Majors	7.25%
Large Format	5.18%
Overall	5.93%

7 Yield Considerations

7.1 Major Retail Investment Market

In this version of the Valuation Report, we only provide a summary of the evidence considered in connection with the yield of the subject property in order to protect the privacy of the parties involved.

Having regard to the sales evidence and our comments above, we believe the following capitalisation rates and discount rates are appropriate for the subject centre:

Adopted Capitalisation Rate	Adopted Discount Rate
6.75%	8.00%

7.2 Sales History

Based on our database, the Centre has been held by the current owner for more than three years. We are aware that the Centre is currently under contract for an amount of \$42,158,220 plus GST, if any.

8 Valuation Methodology

8.1 Valuation Approach

In arriving at our opinion of market value we have adopted the **capitalisation of net income** and **discounted cash flow (DCF)** methods. Both results have then been cross checked using the comparable transactions method where the value is analysed on a rate per square metre of Lettable area.

Our valuation has been undertaken utilising the Jones Lang LaSalle proprietary valuation model.

8.2 Income Capitalisation Method

Introduction

The income capitalisation method adopts a rental income for all existing and vacant tenancies i.e. gross rents and other sources of income, together with recoverable outgoings and the deduction of all outgoings and expenses including appropriate vacancy allowances, to determine the net income derived from the Centre.

The net income is capitalised at the appropriate investment yield derived from the analysis of relevant sales evidence.

Adjustments for rental reversions, letting up allowances and short-term CAPEX, where appropriate, have been made in order to derive the resultant value. Our calculations are on this basis and detailed as follows.

Current Base Rent

We have adopted the current base rents from the tenancy information provided to us, with adjustments to reflect recent and imminent lease renewals/rent reviews etc. The current base rental adopted includes the following:

Tenancy Category	Base Rental \$ per annum
Majors and mini majors/large format	\$2,879,389
Total	\$2,879,389

There are a number of outstanding rent reviews due up to the date of valuation and potential new leases for those tenants on a monthly/holding over basis, these being imputed as immediate reversions.

Recovery of Outgoings

Based on the outgoings adopted, the recoverable outgoings are estimated to be \$562,059 per annum.

Outgoings and Vacancy Factor

The total adjusted outgoings including non-recoverable expenses amount to \$676,253.

Core Value

Applying the adopted capitalisation rate of 6.75% to the resultant potential net income stream of \$2,765,195 produces a core value of \$40,965,850.

Percentage Rental, Gross Occupancy Cost Rebates and Supplementary Income

We outline our assessment supplementary income streams, and the yield increments applied to each component as follows:

Component	Amount	Yield Increment	Adopted Yield	Capitalised Value
Harvey Norman fitout rent	\$34,760	+125 BP	8.00%	\$201,616

The yield increments assessed for the different income streams reflect the greater risk associated with this income.

Reversions/Adjustments to Market Rental

The income capitalisation method takes into account reversions occurring after the date of valuation for tenancies with rentals either above or below market levels, appropriately deferred until the increased/decreased revenue is achieved. The present value of the reversions excluding vacant tenants is \$1,987,491 while the total reversion for the centre equates to \$1,987,491. We refer you to the tenancy schedule in the calculations appended to this report for a breakdown of our individual reversions.

Letting Up Allowances for Vacant Tenancies and Pending Expiries

For existing tenancies which expire in the next 24 months, we have made various allowances at the anticipated lease expiry, reflecting the information available to us at the date of valuation. We summarise the total allowances for the pending expiries as follows:

Allowances Summary for Pending Expiries	
Letting Up Allowances	\$23,711
Incentives Allowances	\$47,036
Leasing Fees Allowances	\$15,052
Total	\$85,799

We refer you to the tenancy schedule in the calculations appended to this report for a breakdown of our individual reversions.

Capital Deductions

We have deducted the budgeted items of capital expenditure as advised together with our estimated restorative capital/structural works considered necessary over the next 2 years (including sinking fund and/or expiry allowances). The total capital expenditure allowance adopted has a present value of \$118,567 over this time period.

Calculation summary

Our detailed calculations are annexed to this report and summarised below:

Income Capitalisation Method			
Core Income			
Current Base Rental			\$2,879,389
Market Rental Value of Immediate Reversions			
Outgoings Recovery			\$562,059
Gross Rental Income (incl. immed. reversions and vacancies)			\$3,441,448
Less: Outgoings Expenditure			(\$676,253)
Net Rental Income			\$2,765,195
Core Income Capitalised @ 6.75%			\$40,965,850
Other Income	<i>Amount</i>	<i>Cap Rate</i>	
Harvey Norman fitout rent	\$34,760	8.00%	\$201,616
Total Capitalised Value of Other Income	\$34,760	17.24%	\$201,616
Adjustments			
PV of Rental Reversions			
- Existing Tenants (Undeferred Income of \$204,240)			\$1,987,491
PV of Letting Up Allowances (Pending Expiries)			(\$85,799)
PV of Short-term Capex			(\$118,567)
Total Adjustments			\$1,783,124
Capital Value (rounded)			\$43,000,000

We also provide a sensitivity analysis of the capitalisation calculations below:

Income capitalisation approach - Sensitivity analysis					
Core Income					
Capitalisation rate	7.25%	7.00%	6.75%	6.50%	6.25%
Core Income	\$38,140,619	\$39,502,784	\$40,965,850	\$42,541,460	\$44,243,118
Other Income					
Capitalisation rate	8.50%	8.25%	8.00%	7.75%	7.50%
Harvey Norman fitout rent	\$191,302	\$193,064	\$194,852	\$196,665	\$198,504
Other Income	\$191,302	\$193,064	\$194,852	\$196,665	\$198,504
Adjustments					
Capitalisation rate	7.25%	7.00%	6.75%	6.50%	6.25%
Rental Reversions	\$1,802,956	\$1,891,617	\$1,987,491	\$2,091,431	\$2,204,429
Letting Up Allowances	(\$85,638)	(\$85,718)	(\$85,799)	(\$85,880)	(\$85,962)
Short-Term Capex	(\$118,567)	(\$118,567)	(\$118,567)	(\$118,567)	(\$118,567)
Adjustments	\$1,598,751	\$1,687,331	\$1,783,124	\$1,886,984	\$1,999,901
Capital Value					
Capitalisation rate	7.25%	7.00%	6.75%	6.50%	6.25%
Capital Value (rounded)	\$39,900,000	\$41,400,000	\$42,900,000	\$44,600,000	\$46,400,000

8.3 Discounted Cash Flow Method

We have undertaken a discounted cash flow analysis over a 10-year investment horizon to derive a net present value for the Centre. The cash flow outputs are summarised and appended to this report.

We stress that the estimating of future rentals and values is a very problematic exercise which at best should be regarded as an indicative assessment of possibilities rather than absolute certainties. The process of making forward projection of key elements includes assumptions regarding a considerable number of variables which are acutely sensitive to changing conditions, variation in any of which may significantly affect value.

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

Revenue Projections and Growth Rates

Our revenue projections commence with the passing rents for each existing tenant and, where relevant, include structured rent reviews as provided for under existing leases. At lease expiry or a market review throughout the cashflow, the market rent is assessed based on our forecast market rents at this time, which are calculated from adopted growth rates.

Our rental growth forecasts are necessarily indicative, about which the actual results will inevitably fluctuate by virtue of lease renewals, market rent reviews, tenancy relocations and upgrading works to a greater or lesser degree.

The growth rates adopted for the cash flow period are as follows:

Growth	10Yr Avg.	Year 1	Year 2	Year 3	Year 4	Year 5	Year 6	Year 7	Year 8	Year 9	Year 10
CPI	2.03%	2.1%	2.1%	2.2%	2.0%	2.0%	2.0%	2.0%	2.0%	2.0%	2.0%
Retail	2.28%	2.3%	2.3%	2.4%	2.3%	2.3%	2.3%	2.3%	2.3%	2.3%	2.3%
Outgoings	3.03%	3.1%	3.1%	3.2%	3.0%	3.0%	3.0%	3.0%	3.0%	3.0%	3.0%
Capex	3.03%	3.1%	3.1%	3.2%	3.0%	3.0%	3.0%	3.0%	3.0%	3.0%	3.0%
Majors	2.28%	2.3%	2.3%	2.4%	2.3%	2.3%	2.3%	2.3%	2.3%	2.3%	2.3%

Our estimate of CPI measured inflation is based upon NZIER figures.

The growth in the major tenant rental is a function of sales turnover growth, the percentage rent formulae in leases and the relationship of base rent to total rent. The rate of increase in a major store's rental usually becomes closer to the rate of sales growth over time, as the base rent becomes a lower proportion of the total rental. If the major store has a "natural breakeven" with or without "ratcheting" of the base rent, the rental growth should follow the same pattern as sales growth.

Vacancy Allowance

We have made explicit assumptions regarding letting up and fit-out incentives for all tenants (excluding major tenants) upon expiry of their leases. We have adopted a speculative renewal profile for specialty shops assuming 6.0 months let up upon lease expiry with 25% probability (1.5 months equivalent). Incentives are also assumed to be offered at a rate of 4.17% with 50% probability (3.0 months equivalent).

Capital Expenditure

We have made capital expenditure allowances based on budgets provided together with our own allowances for capital and refurbishment works over the cashflow period.

Retail property requires periodic upgrading of common areas to ensure the centre remains relevant and attractive to shoppers. This often requires significant capital expenditure, which may coincide with an extension or a redevelopment.

The table below outlines the total amount of capital expenditure, including budgeted items, for each cash flow year.

Capex	Immed/Y1	Year 2	Year 3	Year 4	Year 5	Year 6	Year 7	Year 8	Year 9	Year 10	Total
Budget	\$15,000	\$29,896	\$104,641	\$112,901	\$69,999	\$0	\$883,951	\$888,263	\$57,182	\$916,181	\$3,078,013
Sinking Fd	\$28,566	\$29,449	\$30,347	\$31,312	\$32,251	\$33,219	\$34,215	\$35,242	\$36,299	\$37,388	\$328,287
Expiry	\$22,777	\$0	\$467,509	\$58,989	\$0	\$29,487	\$27,281	\$36,142	\$196,753	\$70,435	\$909,374
Total	\$66,342	\$59,345	\$602,497	\$203,201	\$102,250	\$62,706	\$945,447	\$959,647	\$290,234	\$1,024,005	\$4,315,674

These capital allowances are considered necessary to enable the centre to sustain the current rentals and growth forecasts and do not represent any rental enhancement or major refurbishment which would require a full feasibility analysis of costings and rental profiles.

Estimated Terminal Sale Price

We have applied a terminal yield of 7.00% (25 basis points softer than the going-in capitalisation rate of 6.75%) to the market net income at the start of Year 11 in order to calculate the estimated terminal sale price.

In estimating the terminal value, we have had regard to perceived market conditions at the end of year 10 and the age, leasing profile and condition of the Centre at that time. Whilst it is difficult to project long range forecasts, the most likely market conditions should be considered. Long term factors dominate the outlook; however, cyclical factors and short-term influences govern these projections.

Transaction Costs

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

Transaction Costs	Amount
Acquisition Costs	0.00% of the current value
Disposal Costs	1.00% of the forecast terminal value

Discount Rate and Net Present Value

We have applied an appropriate discount rate to the estimated future net cash flow, assuming that the Centre is sold at the end of the 10-year forecast period.

We have considered the following in assessing the appropriate discount rate for the Centre:

- Analysis of recent comparable sales.
- Current level of the 10-year Government Bond Rate.
- Dialogue with active institutional investors and property trust investors.

After careful consideration of the assumptions and comments contained in our report and relevant market evidence, we have applied a target discount rate of 8.00% to the cash flows to produce a present value of \$41,300,000. Our DCF calculations are attached to this report as an Annexure.

Sensitivity Analysis

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

Discounted cash flow approach - Sensitivity analysis			
Discount rate	Terminal capitalisation rate		
	6.75%	7.00%	7.25%
7.75%	\$42,900,000	\$42,000,000	\$41,200,000
8.00%	\$42,200,000	\$41,300,000	\$40,500,000
8.25%	\$41,500,000	\$40,600,000	\$39,800,000

8.4 Valuation Reconciliation

The results of our valuation methods are:

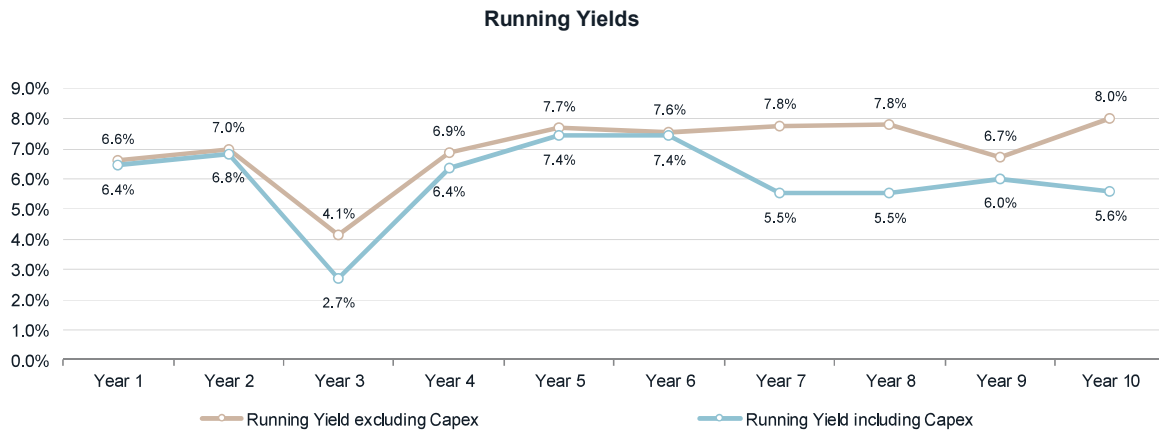
Methodology	Valuation
Income Capitalisation Method	\$43,000,000
Discounted Cash Flow Method	\$41,300,000
Adopted Value	\$42,150,000

Having regard to the results from the valuation methods described above together with available market evidence, the comments made within this report, and present retail market investment sentiment, we have adopted a rounded valuation figure of \$42,150,000.

The assessed market value reflects the following indicators:

Analysis	
Initial Yield (Net Passing Income)	6.64%
Initial Yield (Fully Leased)	6.64%
Equivalent Yield	6.94%
IRR, based on Adopted Value	7.70%
Rate per square metre	\$3,689

The adopted market value produces a running yield over the cashflow period (including capital expenditure) from 6.44% in Year 1 to 5.59% in Year 10, as shown in the chart below:



9 Valuation Conclusion

In accordance with instructions, we have assessed the market value of Hornby Mega Centre.

Our valuation is subject to the comments, qualifications and financial data contained within our report. On that basis, and assuming the Centre is free of encumbrances, restrictions or other impediments of an onerous nature which would affect value, in our opinion the market value of the as at 9 February 2026, is:

\$42,150,000 plus GST (If Any)

Forty Two Million One Hundred and Fifty Thousand Dollars plus GST (If Any)

This valuation is current as at the date of valuation only. The value assessed herein may change significantly over a relatively short period (including as a result of general market movements or factors specific to the particular property). We cannot accept liability for losses arising from such subsequent changes in value. Without limiting the generality of the above comment, we do not assume any responsibility or accept any liability where this valuation is relied upon after the expiration of 90 days from the date of the valuation, or such earlier date if you become aware of any factors that have any effect on the valuation.

9.1 Likely Marketing Period

We are of the opinion that the likely marketing period is 3-6 months.

This is an estimate of the time it may take to sell the property if it were to be marketed at our opinion of market value. The actual time to sell the property will be impacted on by a range of factors such as the level of marketing undertaken, the number of potential buyers, availability of comparable properties, accessibility of finance and changes in market conditions subsequent to the valuation date

9.2 Most Probable Purchaser

We believe the most probable purchaser is likely to be a large institutional investor/ syndicator/ overseas investor/ high net worth individual.

Finally, and in accordance with our normal practice, we confirm that this report is confidential to **Centuria Funds Management (NZ) Limited for Product Disclosure Statement use only**. 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.

Yours faithfully,

Jones Lang LaSalle, Value and Risk Advisory



Liam Rooney BProp, MPINZ
Registered Valuer - Senior Director



David Greenwood BCom, BProp, MPINZ
Registered Valuer - Director



Charmaine Yu BProp
Assistant Valuer



The valuers Involvement in the preparation of this report:

Role	Name
Inspection of Property/Assets	Liam Rooney, David Greenwood, Charmaine Yu
Calculations	Liam Rooney, David Greenwood, Charmaine Yu
Information Review	Liam Rooney, David Greenwood, Charmaine Yu
Reporting Authoring	Liam Rooney, David Greenwood, Charmaine Yu
Valuation Process Quality Control	Brad Chemaly
Principal Valuer	Liam Rooney

JLL require that Valuation Reports are reviewed by a third party Registered Valuer prior to release for Valuation Process Quality Control purposes. The valuer noted as having undertaken the Quality Control review offers no opinion on the subject property.

N:\NZVAL\VALUATIONS\Christchurch\Hornby Mega Centre\2025 MV\Report & Workings\Hornby Mega Centre - MV - Oct 25.docm

Appendix 1 – Assumptions and Limitations

Category	Details
Valuation Scope and Use	<p>This valuation is current only as of the Valuation Date, based on property and market information available at that time. The assessed value may change significantly and unexpectedly over a short period due to general market movements or property-specific factors.</p> <p>We do not accept liability for losses arising from subsequent changes in value. Without limiting this statement, we do not accept any liability where this valuation is relied upon more than 90 days after the date of valuation, or earlier if you become aware of any factors that may affect the valuation, or such earlier date if it is reasonable to assume that a market participant acting prudently would be aware of any factors that affect the valuation.</p> <p>This valuation has been completed for the specific use stated in this report. No responsibility is accepted if this report is used for any other use.</p>
Information and Assumptions	<p>We have assumed the information provided to us by the instructing party and industry sources is correct. We reserve the right to amend our calculations if this information proves incorrect.</p> <p>We have assumed all professional advice provided to us and relied upon is accurate.</p> <p>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.</p> <p>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.</p>
Legal	<p>This valuation assumes the premises are free from caveats, resource consent conditions, restrictions (including restrictions in other leases within the property), liens, mortgages, or charges which may impact the use of the property, other than what has been disclosed to us. We reserve the right to amend our calculations if there are undisclosed restrictions on the use of the subject property.</p> <p>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 impractical due to the proximity of adjoining buildings, steep terrain, or inaccessible title boundaries. We accept no responsibility if any of the land dimensions or the area shown on the title are found to be incorrect.</p>
Property Condition and Inspections	<p>We have conducted a visual inspection of the subject premises but haven't commissioned structural surveys or tested services. We can't confirm these are defect-free. We haven't inspected unexposed or inaccessible portions and can't certify they are defect-free. We've noted any apparent deterioration in our Valuation Report but can't warrant structural soundness or the absence of unsatisfactory materials.</p> <p>Unless stated otherwise, we've assumed that items like lifts, water systems, electrical systems, ventilation systems, and other devices, fittings, installations, or conveniences in the building work properly, function as designed, and comply with current building, fire, and government regulations and codes.</p> <p>Substances such as asbestos or other potentially hazardous materials could, if present, adversely affect the value of the property. The stated value estimate is based 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.</p> <p>We note we are not experts in 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.</p> <p>Any elements of deterioration apparent during our consideration of the general state of repair of the building/s have been noted or reflected in our valuation. We are, however, unable to give any warranty as to the 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.</p> <p>Unless otherwise noted we have not obtained a Land Information Memorandum or reviewed the information contained on the Council Property File. Our valuation is made on the basis that the property/premises comply with all relevant statutory regulations.</p>
Environmental	<p>We have assumed the property complies with all relevant environmental regulations. We haven't conducted environmental assessments and aren't qualified to detect the presence of hazardous materials.</p> <p>We have relied upon information provided to us and publicly available sources regarding natural hazards such as flood, fire, coastal inundation/climate risk and seismic issues. This includes assessments and data from local authorities and regulatory bodies. We are not experts in these issues and have reviewed the available information in our capacity as valuers.</p>

Category	Details
Publication and Confidentiality	<p>The publishing of this report in whole or in part, referencing the valuation figures, or naming the valuer(s) involved in the preparation of this report is prohibited under our Terms of Engagement. Any special limitations, assumptions, or departures must be disclosed in any published document referencing our opinion of Market Value.</p> <p>This report is confidential to the intended users noted in the valuation report. We accept no responsibility if it is relied upon by any other party.</p> <p>An intended user can only rely on this valuation if received directly from JLL without any third-party intervention.</p>
Limitations	<p>This valuation is based on our professional judgement and is not a guarantee or prediction of future performance. Market conditions, including property values and rents, can change rapidly due to various factors.</p> <p>The reliant parties may use and rely on this Valuation Report for the stated intended uses. Where there is more than one reliant party, the interests of the reliant parties for each intended use are to be treated as a separate joint interest. Each of these joint interests is to be treated as a single claim, which cannot be split, in the event of a dispute or legal action related to that specific intended use. The total liability of the Valuer to all reliant parties combined for each intended use shall not exceed the liability that would have applied had there been only one reliant party for that intended use.</p> <p>This Valuation Report is not intended for use by, or reliance upon, any other parties not explicitly named as reliant parties in this report or in our Terms of Engagement. We accept no responsibility or liability to any third parties for any part of this report or its contents.</p>
Financial	<p>Unless otherwise stated, all currencies within this report are in New Zealand Dollars.</p> <p>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).</p> <p>We are not experts on GST or tax, and we recommend seeking advice from qualified experts. We may review and amend our valuation if this advice differs from our interpretation of current legislation and Inland Revenue Department rulings.</p>

Appendix 2 – 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 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 that 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	Also referred to as Reversionary Yield, this is 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 for the property based on the present value of all 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, 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, where the parties had each acted knowledgeably, prudently, and without compulsion.
Highest and Best Use	The use of an asset that maximizes its potential and 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, weighted by rental income or lettable area.
Fair Value	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 3 – Record/s of Title



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




R. W. Muir
Registrar-General
of Land

Identifier 1138015
Land Registration District Canterbury
Date Issued 16 August 2023

Prior References
CB12B/27

Estate Fee Simple
Area 5305 square metres more or less
Legal Description Lot 2 Deposited Plan 592540

Registered Owners
R & H Investments Limited

Interests

Subject to a right to railway siding easement over part marked A & C on DP 592540 created by Transfer 300063 - 14.1.1949 at 11:00 am

Appurtenant hereto is a right to railway siding easement created by Transfer 300063 - 14.1.1949 at 11:00 am

9250431.3 Mortgage to Bank of New Zealand - 3.12.2012 at 10:13 am

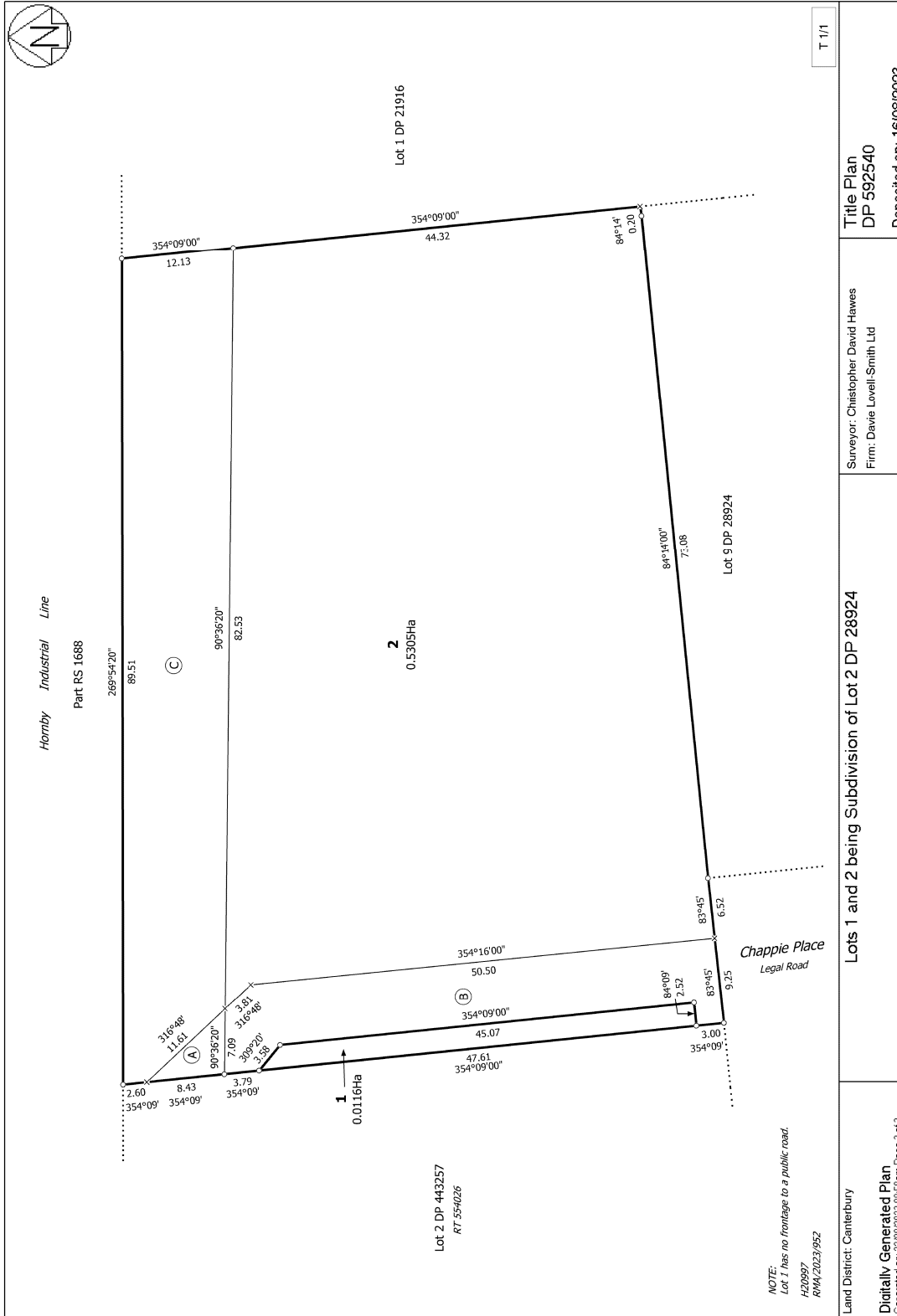
9418321.1 CERTIFICATE PURSUANT TO SECTION 77 BUILDING ACT 2004 THAT THIS COMPUTER REGISTER IS SUBJECT TO THE CONDITION IMPOSED UNDER SECTION 75(2) (ALSO AFFECTS CB12B/32, CB1B/309, CB46A/95 and CB46A/96) - 4.6.2013 at 9:28 am

Land Covenant in Easement Instrument 9455125.2 - 11.7.2013 at 11:36 am

Land Covenant in Easement Instrument 9455125.3 - 11.7.2013 at 11:36 am

Subject to a right of way and right to drain water over part marked A & B on DP 592540 created by Easement Instrument 12808114.5 - 16.8.2023 at 3:13 pm

The easements created by Easement Instrument 12808114.5 are subject to Section 243 (a) Resource Management Act 1991



T 1/1

<p>Title Plan DP 592540</p> <p>Deposited on: 16/08/2023</p>	<p>Surveyor: Christopher David Hawes Firm: Davie Lovell-Smith Ltd</p>	<p>Lots 1 and 2 being Subdivision of Lot 2 DP 28924</p>	<p>Land District: Canterbury</p> <p>Digitally Generated Plan Generated on: 22/09/2023 08:58am Page 3 of 3</p>
------------------------------------------------------------------------	---------------------------------------------------------------------------	----------------------------------------------------------------	--------------------------------------------------------------------------------------------------------------------------



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




R. W. Muir
Registrar-General
of Land

Identifier **CB1B/309**
Land Registration District **Canterbury**
Date Issued 27 November 1961

Prior References
CB505/134 CB517/265

Estate Fee Simple
Area 7224 square metres more or less
Legal Description Lot 2 Deposited Plan 21916

Registered Owners
R & H Investments Limited

Interests

300063 Transfer creating the following easements

Type	Servient Tenement	Easement Area	Dominant Tenement	Statutory Restriction
Railway Siding Rights	Rural Section 1688 - CT CB517/266	Part	Lot 2 Deposited Plan 21916 - herein	

A386903.1 Transfer creating the following easements - 21.1.1999 at 1.52 pm

Type	Servient Tenement	Easement Area	Dominant Tenement	Statutory Restriction
Right of way	Lot 8 Deposited Plan 28924 - CT CB33K/971	A DP 79811	Lot 2 Deposited Plan 21916 - herein	

5786161.1 CERTIFICATE PURSUANT TO SECTION 37 (2) BUILDING ACT 1991 (ALSO AFFECTS CB12B/32 and CB46A/95) - 4.11.2003 at 9:00 am

Subject to a right (in gross) to convey electric power over part marked A on DP 341328 in favour of Orion New Zealand Limited created by Transfer 6433327.2 - 25.5.2005 at 9:00 am

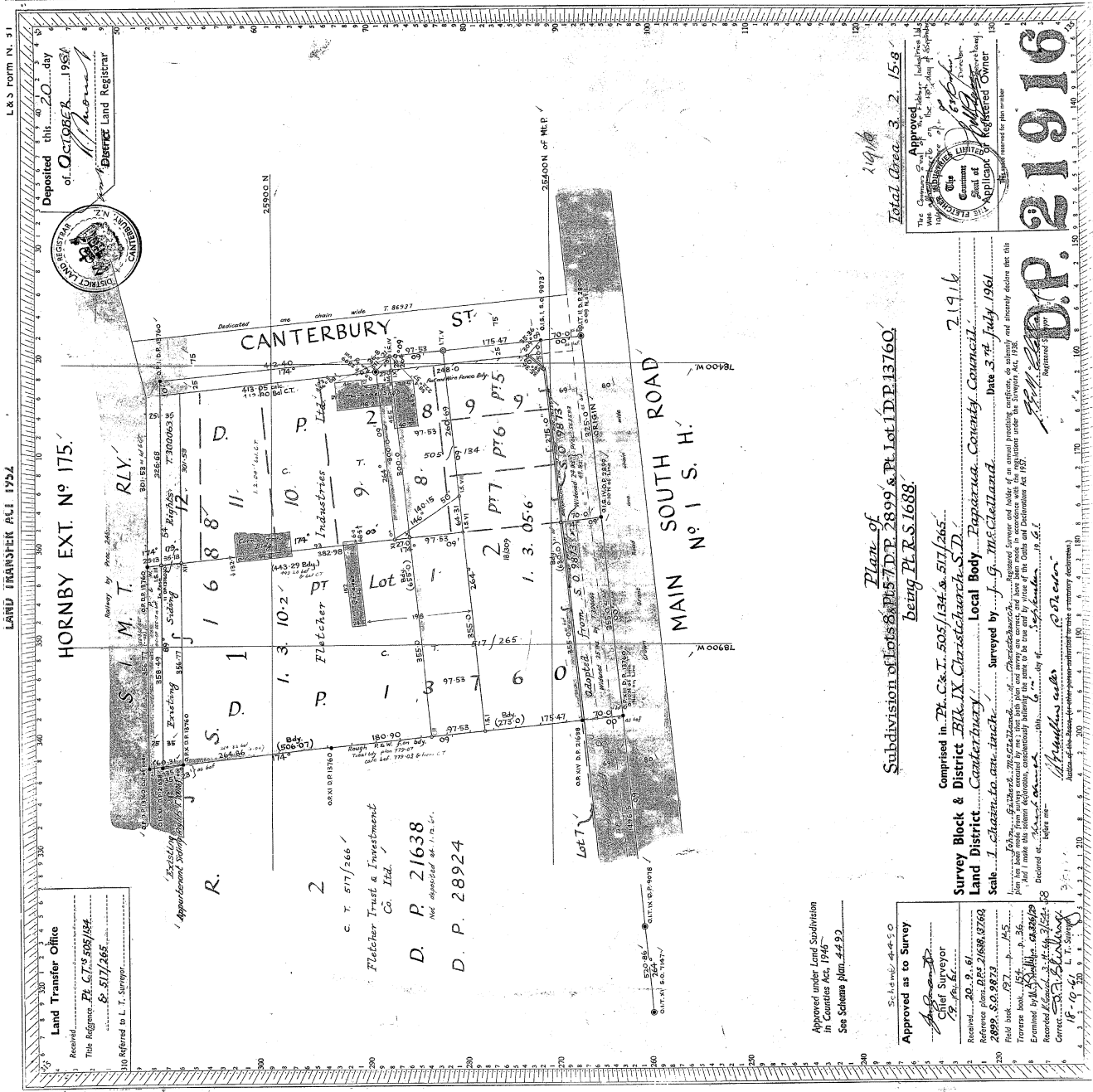
8769538.1 Surrender of the railway siding rights as to the part marked Blue on DP 13760 over Lot 1 DP 28924 and Lot 1 DP 80349 created by Transfer 300063 - 28.7.2011 at 9:37 am

9418321.1 CERTIFICATE PURSUANT TO SECTION 77 BUILDING ACT 2004 THAT THIS COMPUTER REGISTER IS SUBJECT TO THE CONDITION IMPOSED UNDER SECTION 75(2) (ALSO AFFECTS CB12B/32, CB46A/95, CB46A/96 and 1138015) - 4.6.2013 at 9:28 am

Land Covenant in Easement Instrument 9455125.2 - 11.7.2013 at 11:36 am

Land Covenant in Easement Instrument 9455125.3 - 11.7.2013 at 11:36 am

11593951.3 Mortgage to Bank of New Zealand - 30.10.2019 at 4:58 pm





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




R. W. Muir
Registrar-General
of Land

Identifier **CB12B/32**
Land Registration District **Canterbury**
Date Issued 06 December 1972

Prior References

CB3C/677

Estate Fee Simple
Area 2438 square metres more or less
Legal Description Lot 7 Deposited Plan 28924

Registered Owners

R & H Investments Limited

Interests

5786161.1 CERTIFICATE PURSUANT TO SECTION 37 (2) BUILDING ACT 1991 (ALSO AFFECTS CB1B/309 and CB46A/95) - 4.11.2003 at 9:00 am

9418321.1 CERTIFICATE PURSUANT TO SECTION 77 BUILDING ACT 2004 THAT THIS COMPUTER REGISTER IS SUBJECT TO THE CONDITION IMPOSED UNDER SECTION 75(2) (ALSO AFFECTS CB1B/309, CB46A/95, CB46A/96 and 1138015) - 4.6.2013 at 9:28 am

Land Covenant in Easement Instrument 9455125.2 - 11.7.2013 at 11:36 am

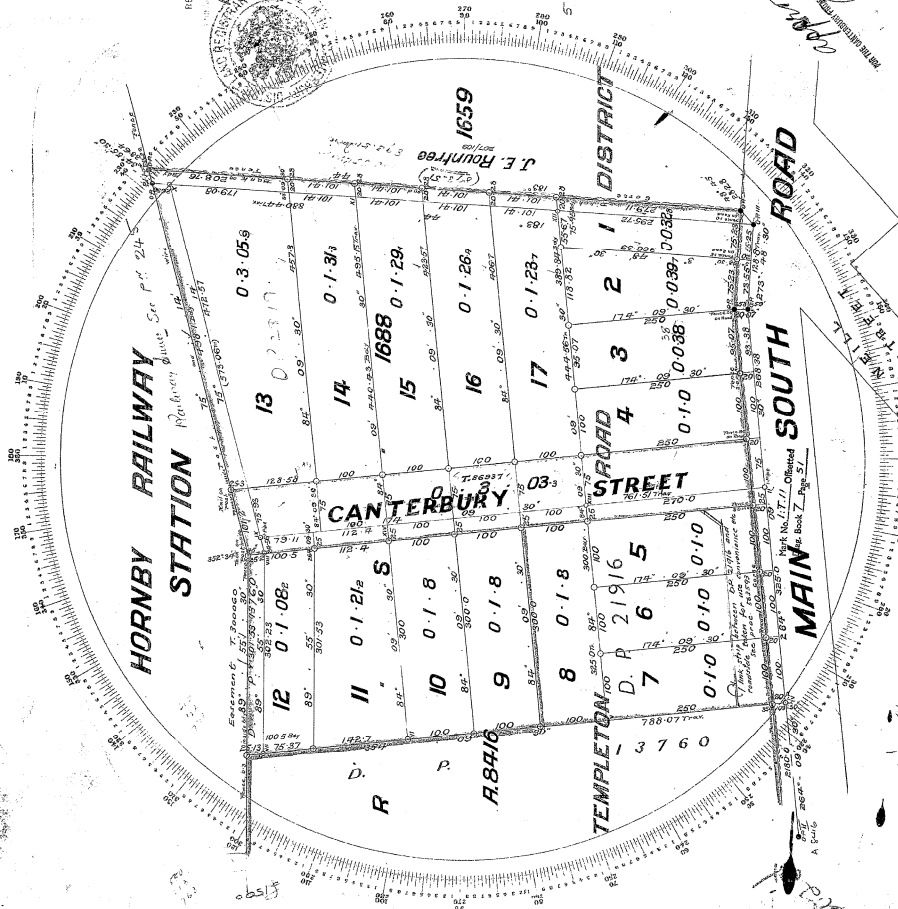
Land Covenant in Easement Instrument 9455125.3 - 11.7.2013 at 11:36 am

11593951.3 Mortgage to Bank of New Zealand - 30.10.2019 at 4:58 pm

DP2899

DEPARTMENT OF LANDS AND SURVEY, NEW ZEALAND.
FOR SURVEYS UNDER THE LAND TRANSFER ACT.
Canterbury Land District.

Received at the Land Transfer Office, this 6th day of July 1908



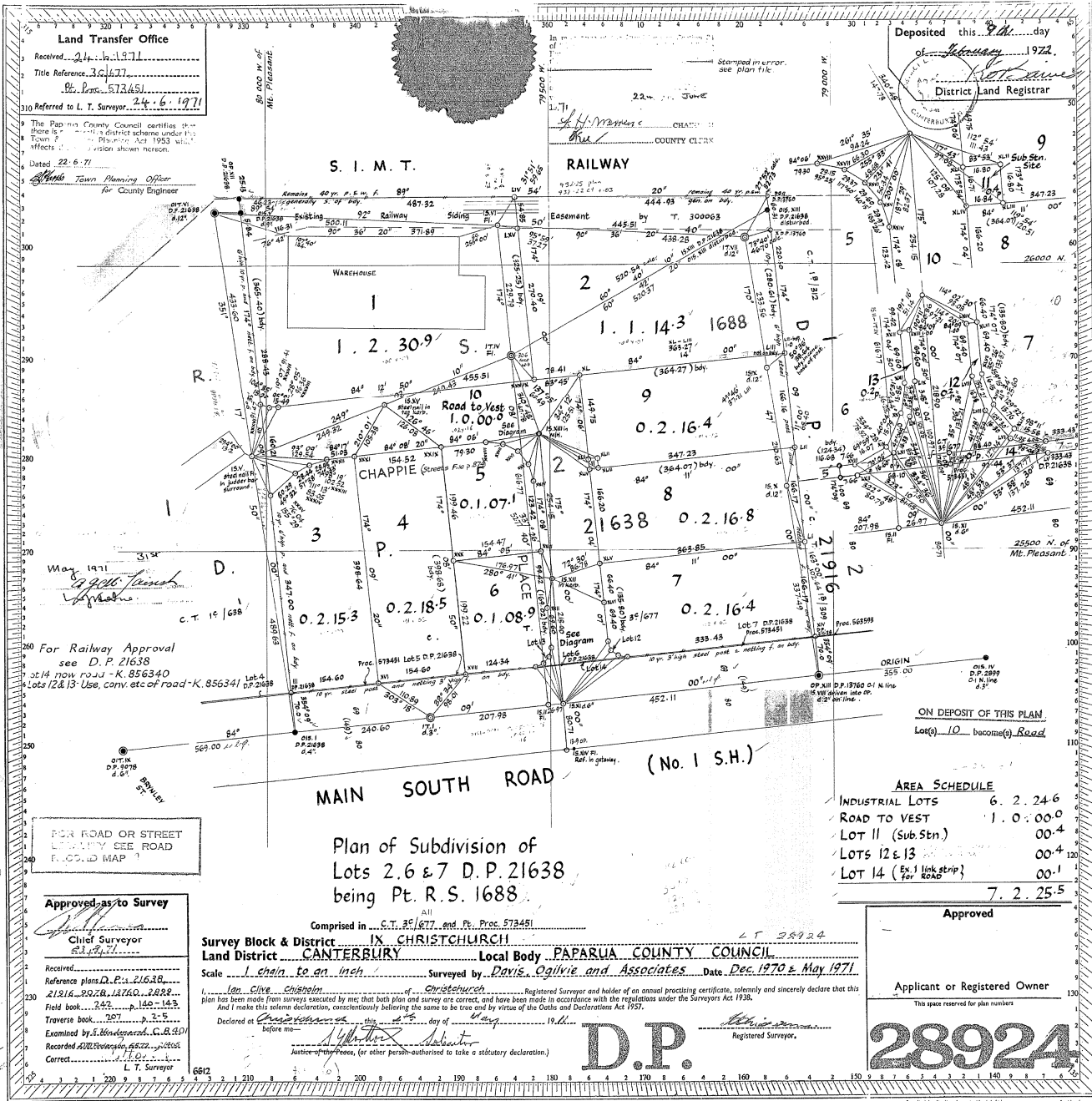
Township of Hornby Extension No. 1
Plan of Subd. of Pt. R.S. 1688, Blk. IX, Christchurch S.D.
Surveyed for Canterbury Frozen Meat Company.
By Frank H. Davis
Date: August 1908
Licensed Surveyor.

RECEIVED: 1 1/2 1/2
EXAMINED: 7 1/2 24/9/08. CS 110-25
TRAY, READING PAGE
FIELD BOOK PAGE
REF. PLANS PAGE

DECLARATION.
I, Frank H. Davis, of Christchurch, do hereby certify that the above plan has been made from surveys executed by me personally or under my supervision, and that I make this solemn declaration conscientiously believing the same to be true, and by virtue of the provisions of an Act of the General Assembly of New Zealand, entitled "The Land Transfer Act, 1908".
Signed at Christchurch this 27th day of September 1908.
Frank H. Davis
Licensed Surveyor.

RECEIVED
2899
1899

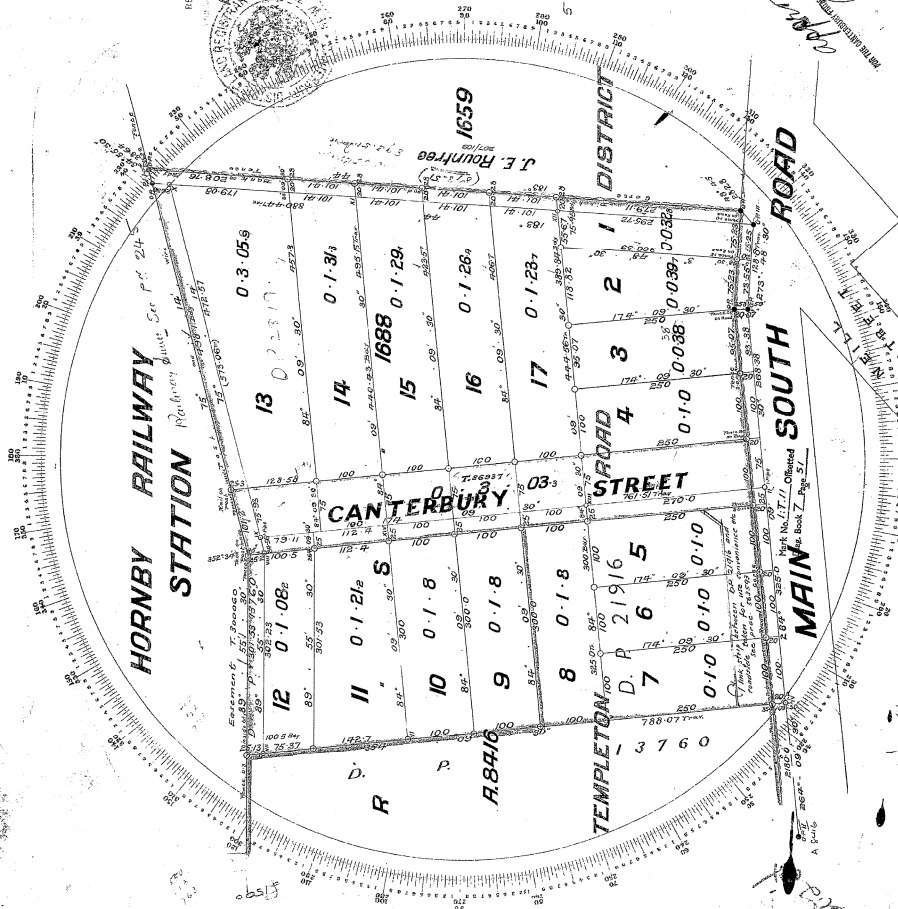
Approved
10.9.08
Approved
10.9.08



DP2899

DEPARTMENT OF LANDS AND SURVEY, NEW ZEALAND.
FOR SURVEYS UNDER THE LAND TRANSFER ACT.
Canterbury Land District.

Received at the Land Transfer Office, this 6th day of July 1908



RECEIVED for the Secretary of the Public Works Department, this 6th day of July 1908



Plan of Subd. of Pt. R.S. 1688, Blk. IX, Christchurch S.D.
Township of Hornby Extension No. 1
Surveyed for Canterbury Frozen Meat Company.
By Frank H. Davis
Date: August 1908
Licensed Surveyor.

Scale: 1 Chain to an Inch

RECEIVED: 11/2/08
EXAMINED: T.M. 24/8/08, CS/10-25
TRAY, READING PAGE
FIELD BOOK PAGE
REF. PLANS PAGE

DECLARATION.
I, Frank H. Davis, of Christchurch, do hereby certify that the above plan has been made from surveys executed by me personally or under my supervision, and that I make this solemn declaration conscientiously believing the same to be true, and by virtue of the provisions of an Act of the General Assembly of New Zealand, entitled "The Land Transfer Act, 1908."

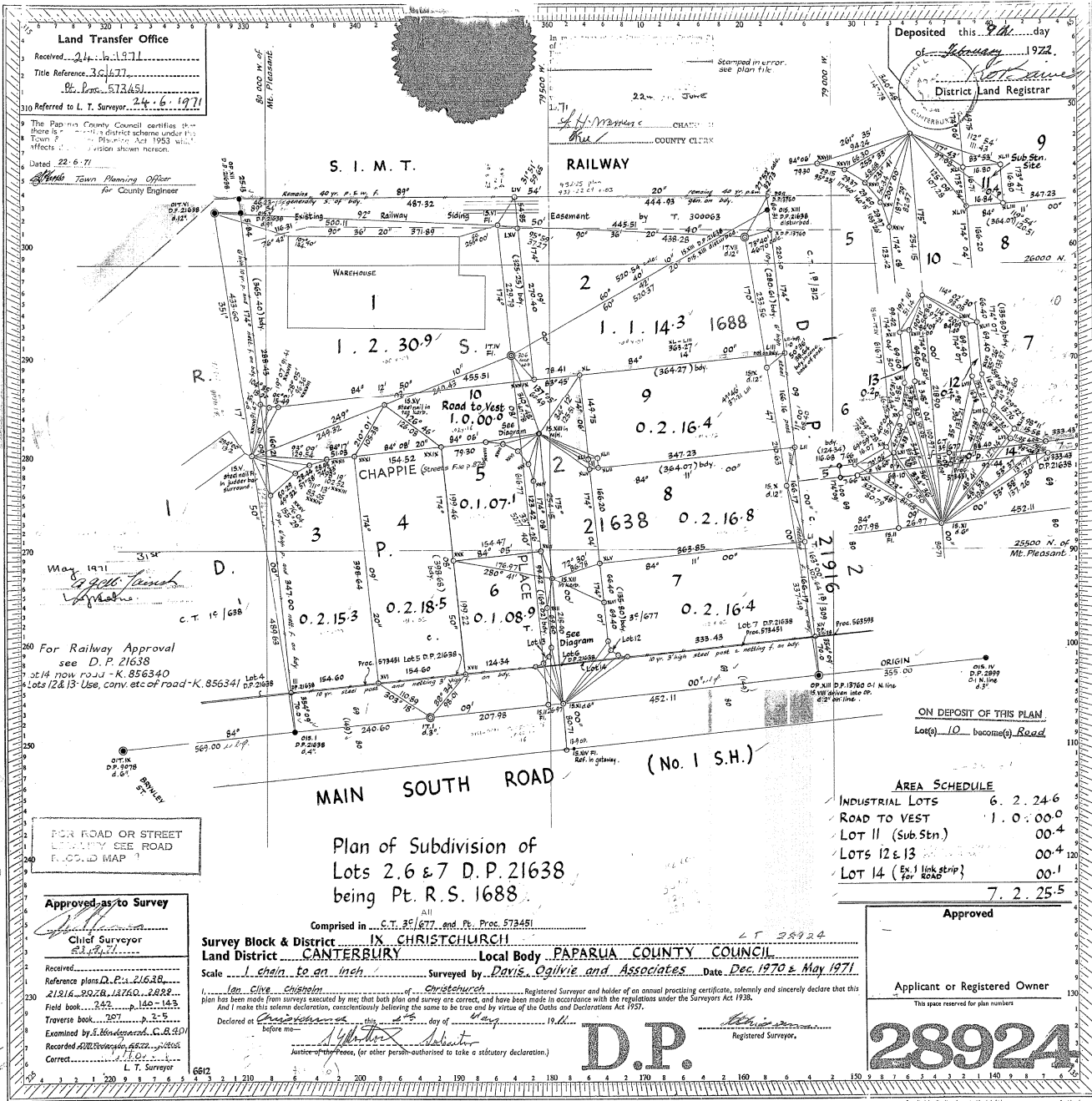
312

Approved
10.9.08
Approved
10.9.08
Approved
10.9.08

2899
1899

Approved
Governor
Approved
10.9.08

6-5-10
Refer





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




R. W. Muir
Registrar-General
of Land

Identifier **CB46A/96**
Land Registration District **Canterbury**
Date Issued 11 February 1999

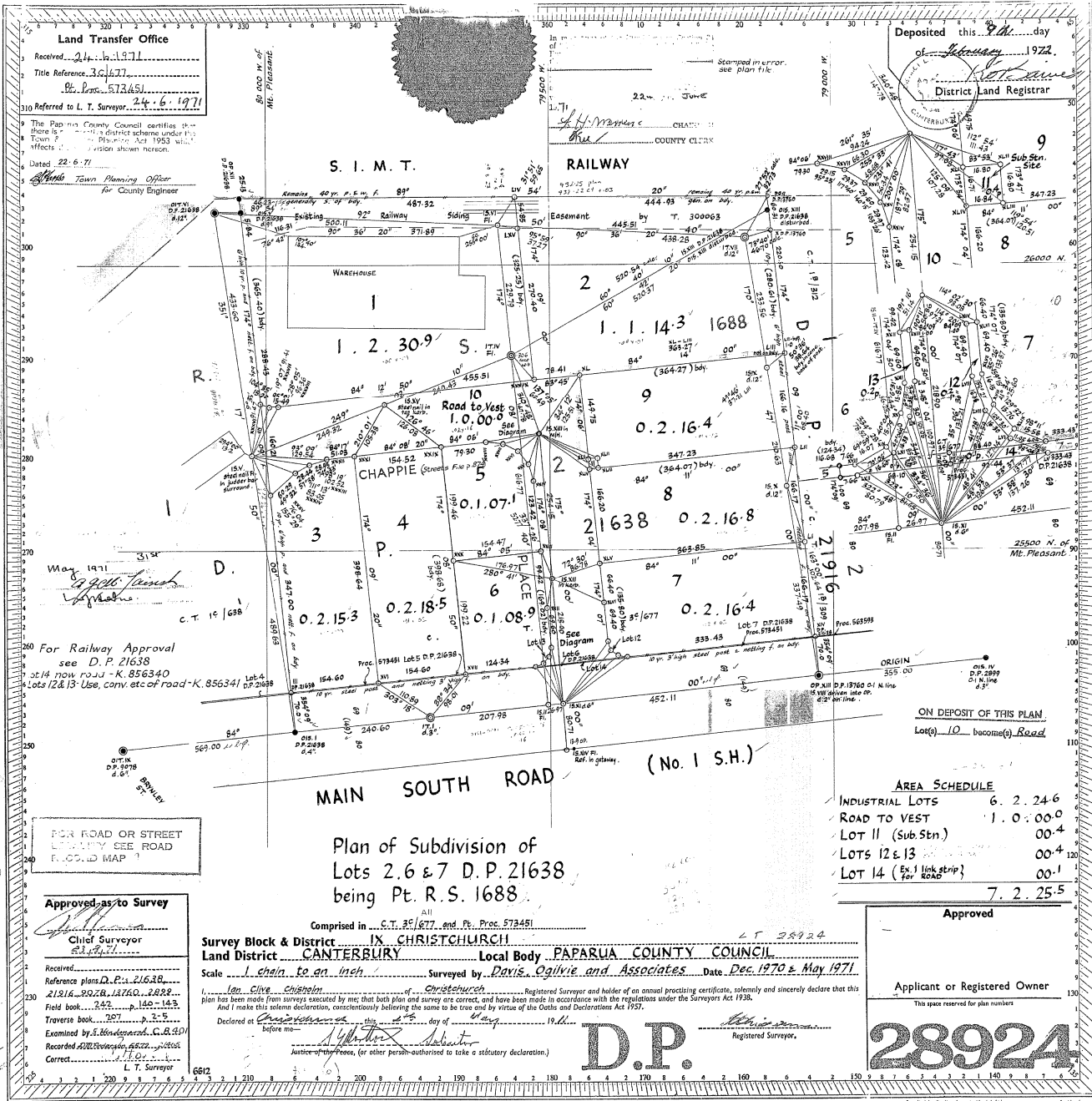
Prior References
CB33K/971

Estate Fee Simple
Area 2438 square metres more or less
Legal Description Lot 9 Deposited Plan 28924

Registered Owners
R & H Investments Limited

Interests

8002592.4 Mortgage to Bank of New Zealand - 1.12.2008 at 3:24 pm
9418321.1 CERTIFICATE PURSUANT TO SECTION 77 BUILDING ACT 2004 THAT THIS COMPUTER REGISTER IS SUBJECT TO THE CONDITION IMPOSED UNDER SECTION 75(2) (ALSO AFFECTS CB12B/32, CB1B/309, CB46A/95 and 1138015) - 4.6.2013 at 9:28 am
Land Covenant in Easement Instrument 9455125.2 - 11.7.2013 at 11:36 am
Land Covenant in Easement Instrument 9455125.3 - 11.7.2013 at 11:36 am
Subject to a right (in gross) to convey electricity over part marked A on DP 468120 in favour of Orion New Zealand Limited created by Easement Instrument 10554120.2 - 23.9.2016 at 1:06 pm



Appendix 4 - Valuation Calculations

Executive Summary



Hornby Mega Centre

Valuation

Client	Centuria Funds Management (NZ) Limited and additional reliant parties (outlined in Section 1.1)
Valuation Purpose	Product Disclose Statement
Date of Valuation	9 February 2026
Valuation Methods	Capitalisation Approach and Discounted Cash Flow Approach
Total Adopted Value (Say)	\$42,150,000

Centre Particulars

Centre Particulars			Financial Summary	
Centre Type		Bulk Retail Centre	Gross Passing Income	\$3,476,208
Gross Lettable Area	Total	11,426.4 sqm	Gross Passing Income (inc immediate reversions and vacancy rent)	\$3,476,208
	Majors	5,704.7 sqm	Adopted Outgoings	\$676,253
	Large Format	5,721.7 sqm	Net Passing Income	\$2,799,955
	Specialties	0.0 sqm	Net Passing Income (inc immediate reversions and vacancy rent)	\$2,799,955
	Other	0.0 sqm	Net Market Income	\$3,004,196
Tenancy Occupation (% GLA)		100.00%	Weighted Lease Duration (by Income)	3.14 years
Current Vacancy (% GLA)	0 sqm	(0.00%)	Weighted Lease Duration (by Area)	3.04 years
Car Parking (Ratio)	257 bays	(1:44)	Weighted Lease Duration Majors (by Income)	2.73 years
Site area		19,853 sqm	Weighted Lease Duration Majors (by Area)	2.73 years
			Weighted Lease Duration Non-Majors (by Income)	3.37 years
			Weighted Lease Duration Non-Majors (by Area)	3.34 years
			Weighted Lease Duration (Total Centre inc, Market Income)	3.14 years
			Weighted Lease Duration (Non-Majors inc, Market Income)	3.37 years

Income Capitalisation Method Assumptions

Income Capitalisation Method Assumptions	DCF Method Assumptions
Adopted Cap Rate	Discount Rate
6.75%	8.00%
Cap Rate – Majors Percentage Rent	Terminal Yield
7.75%	7.00%
Cap Rate – Specialties Percentage Rent	Adopted Lease Term (Speciality)
7.75%	6 years
Cap Rate – Other Income	CPI (Avg, 10yr)
6.75%	2.03%
Long Term Vacancy Allowance	Speciality Growth Rate (Avg, 10yr)
0.00%	2.28%
Allowances for Expiries occurring within	Outgoings Growth Rate (Avg, 10yr)
24 months	3.03%
Allowances for Capex Occurring within	Capital Expenditure Growth Rate (Avg, 10yr)
2 years	3.03%
Value based on Income Capitalisation Method	Value based on DCF Method
\$43,000,000	\$41,300,000

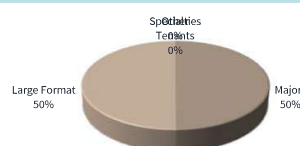
Valuation Summary

Valuation Summary	DCF Partition
Adopted Value	\$42,150,000
Rate/sqm of GLA	\$3,689
Equivalent Yield	6.94%
Initial Yield (Passing)	6.64%
Initial Yield (Fully Leased)	6.64%
IRR (10 yr)	7.70%
IRR (5 yr)	8.03%
IRR (3 yr)	7.47%
	PV of Cashflows
	\$17,727,030
	42.9%
	PV of Terminal Value
	\$23,580,101
	57.1%
	Total DCF
	\$41,307,131
	100.0%
	Acquisition Costs
	\$0
	Total PV
	\$41,300,000

Centre Income Overview

Tenant	Gross Passing Income	Area (sqm)	% of GLA
Majors	\$1,249,974	5,705	49.9%
Large Format	\$2,191,474	5,722	50.1%
Specialties	\$0	0	0.0%
Other Tenants	\$0	0	0.0%
Other Income	\$34,760	-	-

Tenant by Lettable Area



Income and Productivity Analysis

Tenant	Total Gross Income	% of Total	Rental Average	MAT as at 09-Feb-26	Occupancy Cost
Majors	\$1,249,974	36.0%	\$219	\$0	-
Large Format	\$2,191,474	63.0%	\$383	\$0	-
Specialties	\$0	0.0%	\$0	\$0	-
Other Tenants	\$0	0.0%	\$0	-	-
Other Income	\$34,760	1.0%	-	-	-
Total	\$3,476,208	100.0%	\$301	\$0	-



Tenant Name	Shop	GLA m ²	Lease Term	Lease Options	Lease Start	Lease Expiry	Next Review	Review Cycle	Review Mechanism	Base Rent \$ p.a.	Outgoings Recov.	Percentage \$ p.a.	Gross Rent (excl Promo) \$ p.a.	Sales MAT \$ p.a.	Occ Costs	Ross Market Rent \$ per m ²	Market Occ Costs	Rental Reversion	
Harvey Norman	Shop 1	5,704.7	15.0 Yr	2 x 5	1-Nov-13	31-Oct-28	1-Nov-26	1.00 yearly	CPI	\$1,091,566	\$158,419		\$1,249,974	\$219	0.0%	\$235	\$1,340,612	0.0%	\$584,498
Number One Shoes	Shop 2	588.0	16.0 Yr	3 x 4	26-Nov-13	27-Nov-29	26-Nov-26			\$719,501	\$42,055		\$221,556	\$377	0.0%	\$400	\$235,216	0.0%	\$157,888
99 Bikes	Shop 3	507.1	6.0 Yr	1 x 6	15-Sept-25	15-Sept-31	15-Sept-27			\$172,421	\$36,269		\$208,690	\$412	0.0%	\$425	\$215,635	0.0%	\$70,331
Maspac	Shop 4	455.5	12.0 Yr	1 x 6	4-Jun-14	3-Jun-26			\$142,426	\$20,000		\$162,426	\$357	0.0%	\$425	\$193,600	0.0%	\$425,629	
Pet Central	Shop 5A	574.1	5.0 Yr	1 x 5	1-Oct-23	30-Sept-28	1-Oct-26	3.00 yearly	CPI	\$164,472	\$41,054		\$195,526	\$341	0.0%	\$400	\$229,620	0.0%	\$425,046
Curian Studio / Carpet Court	Shop 5B	553.1	15.0 Yr	1 x 4	9-Sept-13	8-Sept-28	9-Sept-27	2.00 yearly	CPI	\$231,670	\$39,558		\$271,228	\$391	0.0%	\$400	\$221,252	0.0%	\$59,982
Noel Leeming	Shop 6	794.3	15.0 Yr	2 x 4	22-Nov-13	21-Nov-28	22-Nov-27	2.00 yearly	CPI	\$156,713	\$60,064		\$216,777	\$367	0.0%	\$375	\$237,844	0.0%	\$75,471
Lighting Direct	Shop 7	488.3	16.0 Yr	3 x 4	1-Jun-20	31-Mar-28	1-Jun-26	1.00 yearly	Fixed 3.00%	\$191,001	\$36,925		\$227,926	\$410	0.0%	\$400	\$236,844	0.0%	\$160,571
Bargain Chemist	Shop 8	592.1	8.0 Yr	1 x 6	1-Jun-20	31-Mar-28	1-Jun-26	1.00 yearly	Fixed 3.00%	\$191,001	\$44,778		\$235,779	\$403	0.0%	\$400	\$233,284	0.0%	-\$72,141
NZ Bed Company	Shop 9	583.2	6.0 Yr	2 x 5	5-Apr-22	4-Apr-28	5-Apr-26	1.00 yearly	Fixed 3.00%	\$185,000	\$44,104		\$229,104	\$382	0.0%	\$400	\$234,968	0.0%	-\$23,456
Reppco	Shop 10	585.9	20.0 Yr	1 x 8	9-Jun-13	8-Jun-33	9-Jun-27	2.00 yearly	CPI	\$185,000	\$38,833		\$223,833	\$382	0.0%	\$400	\$234,968	0.0%	\$96,672
Total		11,426.4								\$2,879,369	\$562,059		\$3,441,441						\$3,645,669

Outgoings for the YE 31 March 26
Hornby Mega Centre
11,426m²



STATUTORY EXPENSES	Budget YE 2026	Adopted YE 2026	Input / GLA
Council Rates	\$268,377	\$268,377	\$23.49 /m ²
Water Rates	-	-	-
Statutory Other	\$4,300	\$4,300	\$0.38 /m ²
	-	-	-
	-	-	-
	-	-	-
Total Stat. Expenses	\$272,677	\$272,677	\$23.86 /m²

OPERATING EXPENSES			
Insurance	\$150,000	\$150,000	\$13.13 /m ²
HVAC	\$23,500	\$23,500	\$2.06 /m ²
Lifts & Escalators	-	-	-
Cleaning	\$54,200	\$54,200	\$4.74 /m ²
Rubbish Removal	-	-	-
Fire	\$13,575	\$13,575	\$1.19 /m ²
Security	\$12,000	\$12,000	\$1.05 /m ²
Total Energy	\$3,500	\$3,500	\$0.31 /m ²
Repairs & Maintenance	\$20,874	\$20,874	\$1.83 /m ²
Building WOF	-	-	-
Carparking	-	-	-
Sinking Fund	-	-	-
Administration	-	-	-
Gardening	\$7,004	\$7,004	\$0.61 /m ²
Foodcourt	-	-	-
Loading Dock	\$11,423	\$11,423	\$1.00 /m ²
Management	\$82,500	\$82,500	\$7.22 /m ²
Misc. Operating Expenses	-	-	-
	-	-	-
Total Operating Expenses	\$378,576	\$378,576	\$33.13 /m²
Total Recoverable Operating Expen	\$651,253	\$651,253	\$57.00 /m²

NON-RECOVERABLES			
Owners Contribution to Marketing		\$10,000	\$0.88 /m ²
Miscellaneous Non-Recoveries		\$15,000	\$1.31 /m ²
Legal Fees			-
Consultants			-
Administration			-
Electricity			-
Management			-
			-
			-
Total Non-Recoverable Expenses	-	\$25,000	\$2.19 /m²

Total Centre Operating Expenses	\$651,253	\$676,253	\$59.18 /m²
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Income Capitalisation Method
Hornby Mega Centre
9-Feb-26

Contract Income
Capitalisation Method

Base Rental Income		
Current Base Rent		\$2,879,389
Market Value of Immediate Reversions		
Existing Tenants		\$0
Vacant Shops		\$0
Outgoings Recovery	86.3%	\$562,059
Total Gross Passing Rent inc immediate reversions and vacancies		\$3,441,448

Less: Outgoings Expenditure (\$676,253)

Net Rental Income \$2,765,195

Core Income Capitalised @ 6.75% \$40,965,850

Other Income	Amount	Cap Rate	No. of Years	
Contracted other income	\$0	6.75%	999.0	\$0
Profit on Sale of Electricity	\$0	7.25%	999.0	\$0
Harvey Norman fitout rent	\$34,760	8.00%	7.7	\$201,616
Major Percentage Rent	\$0	7.75%	999.0	\$0
Specialty Percentage Rent	\$0	7.75%	999.0	\$0
Gross Occupancy Cap Rebate	\$0	7.75%	999.0	\$0
Total Capitalised Value of Other Income	\$34,760			\$201,616

Adjustments:

PV of Rental Reversions		
Existing Tenants (Undeferred Income of \$204,240)		\$1,987,491
PV of Letting Up Allowances (Vacancies and Pending Expiries)		(\$85,799)
PV of Outstanding Incentives		\$0
PV of Short-term Capex		(\$118,567)

Total Adjustments \$1,783,124

Total Capital Value (rounded) \$43,000,000

Adopted Value \$42,150,000

Analysis

Weighted Lease Duration		Initial Yield (Net Passing)	6.64%
By Area:	3.04 Years	Initial Yield (Fully Leased)	6.64%
By Income:	3.14 Years	Equivalent Market Yield	6.94%
Total Passing Net Income (inc. Immediate Reversions)	\$2,799,955		
		Rate per m ²	\$3,689/m ²

Total Passing Net Income (Fully Leased) \$2,799,955



Discounted Cash Flow Method
Hornby Mega Centre
9-Feb-26

Discount Rate:	8.00%
Net Present Value:	\$41,300,000
Adopted Value:	\$42,150,000
IRR:	7.70%
10 Year:	8.03%
5 Year:	7.47%
3 Year:	

PV Sensitivity Analysis	
Discount Rate	Terminal Yield
7.75%	7.00%
8.00%	\$42,000,000
8.25%	\$41,300,000
	\$40,600,000
	\$39,800,000

Year Ending	8-Feb-27 Year 1	8-Feb-28 Year 2	8-Feb-29 Year 3	8-Feb-30 Year 4	8-Feb-31 Year 5	8-Feb-32 Year 6	8-Feb-33 Year 7	8-Feb-34 Year 8	8-Feb-35 Year 9	8-Feb-36 Year 10
Gross Rental Income										
Secured Base Rental Income - assuming ongoing major occupation	\$2,831,130	\$2,851,829	\$2,405,553	\$1,882,057	\$1,666,125	\$1,622,312	\$1,538,653	\$1,418,179	\$1,395,617	\$1,483,021
Renewal Base Rental Income	\$179,749	\$177,516	\$693,549	\$1,322,264	\$1,663,420	\$1,778,856	\$1,937,074	\$2,130,675	\$2,250,079	\$2,296,858
Total Base Rental Income	\$2,950,879	\$3,029,345	\$3,099,102	\$3,204,320	\$3,329,545	\$3,401,168	\$3,475,726	\$3,548,854	\$3,645,696	\$3,779,879
Other Income										
Contracted other income	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0
Profit on Sale of Electricity	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0
Harvey Norman fitout rent	\$34,760	\$34,760	\$34,760	\$34,760	\$34,760	\$34,760	\$34,760	\$34,760	\$34,760	\$34,760
Major Percentage Rent	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0
Specialty Percentage Rent	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0
Gross Occupancy Cap Rebate	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0
Outgoings Recovery	\$562,059	\$579,427	\$597,099	\$616,087	\$634,569	\$653,607	\$673,215	\$693,411	\$714,213	\$735,640
Total Gross Rent	\$3,547,698	\$3,643,532	\$3,730,961	\$3,855,167	\$3,998,875	\$4,089,535	\$4,183,701	\$4,242,265	\$4,359,909	\$4,513,519
Outgoings	\$676,253	\$697,149	\$718,412	\$741,258	\$763,496	\$786,401	\$809,993	\$834,292	\$859,321	\$885,101
Net Rental Cash Flow	\$2,871,445	\$2,946,382	\$3,012,548	\$3,113,909	\$3,235,379	\$3,303,134	\$3,373,708	\$3,407,973	\$3,500,588	\$3,630,418
Adjustments:										
Letting Up Allowances	\$88,731	\$0	\$1,266,190	\$219,867	\$0	\$111,429	\$101,980	\$125,917	\$674,068	\$251,956
Capital Expenditure & Outstanding Incentives	\$66,342	\$59,345	\$602,497	\$203,201	\$102,250	\$62,706	\$945,447	\$959,647	\$290,234	\$1,024,005
Net Cash Flow	\$2,716,371	\$2,887,038	\$1,143,861	\$2,690,841	\$3,133,129	\$3,129,000	\$2,326,281	\$2,322,409	\$2,536,286	\$2,354,458
Purchase Price	\$42,150,000									
Acquisition Costs @ 0.00%	\$0									
Gross Purchase Price	\$42,150,000									
Net Sales Price after costs @ 1.00%										\$50,907,670
Annual Cash Flow	\$2,716,371	\$2,887,038	\$1,143,861	\$2,690,841	\$3,133,129	\$3,129,000	\$2,326,281	\$2,322,409	\$2,536,286	\$53,262,128
Running Yield	6.44%	6.85%	2.71%	6.38%	7.43%	7.42%	5.52%	5.51%	6.02%	5.59%
Running IRR	4.82%	6.56%	7.47%	7.69%	8.03%	7.85%	7.85%	7.73%	7.76%	7.70%
PV of Cash Flows (Years 1-10)										42.9%
PV of Terminal Value										57.1%
Total DCF										
Acquisition Costs	\$0									
Total PV	\$41,300,000									

PV of Cash Flows (Years 1-10)	\$17,727,030	42.9%
PV of Terminal Value	\$23,580,101	57.1%
Total DCF	\$41,300,000	
Acquisition Costs	\$0	
Total PV	\$41,300,000	



10 year Cashflow
Hornby Mega Centre
9-Feb-26

Tenant Name	Shop	GLA m ²	8-Feb-27 Year 1	8-Feb-28 Year 2	8-Feb-29 Year 3	8-Feb-30 Year 4	8-Feb-31 Year 5	8-Feb-32 Year 6	8-Feb-33 Year 7	8-Feb-34 Year 8	8-Feb-35 Year 9	8-Feb-36 Year 10	8-Feb-37 Year 11
Harvey Norman	Shop 1	5,704.7	\$1,103,681	\$1,126,625	\$1,150,128	\$1,193,828	\$1,268,595	\$1,293,967	\$1,319,846	\$1,346,243	\$1,395,617	\$1,483,021	\$1,512,682
Number One Shoes	Shop 2	588.0	\$180,251	\$186,801	\$201,874	\$206,219	\$210,450	\$214,828	\$219,295	\$223,852	\$228,499	\$233,239	\$238,074
99 Bikes	Shop 3	507.1	\$172,421	\$175,306	\$179,633	\$182,668	\$187,220	\$193,124	\$203,668	\$207,925	\$212,267	\$216,698	\$221,217
Macpac	Shop 4	455.5	\$164,623	\$177,516	\$181,510	\$185,639	\$189,722	\$193,822	\$198,008	\$202,284	\$206,650	\$211,109	\$215,663
Pet Central	Shop 5A	574.1	\$166,876	\$175,381	\$184,025	\$201,178	\$205,449	\$209,723	\$214,084	\$218,532	\$223,069	\$227,697	\$232,417
Curtain Studio / Carpet Court	Shop 5B	553.1	\$178,804	\$181,939	\$188,713	\$193,843	\$197,963	\$202,082	\$206,283	\$210,569	\$214,941	\$219,400	\$223,948
Noel Leeming	Shop 6	794.3	\$232,910	\$235,019	\$244,731	\$253,507	\$258,792	\$264,106	\$269,525	\$275,049	\$280,682	\$286,425	\$292,280
Lighting Direct	Shop 7	488.3	\$159,250	\$166,225	\$169,680	\$175,239	\$185,866	\$189,735	\$193,682	\$197,708	\$201,815	\$206,004	\$210,276
Bargain Chemist	Shop 8	592.1	\$208,193	\$209,509	\$204,179	\$204,847	\$209,165	\$213,492	\$217,905	\$222,406	\$226,995	\$231,676	\$236,449
NZ Bed Company	Shop 9	583.2	\$195,868	\$201,744	\$198,763	\$201,790	\$206,014	\$210,276	\$214,622	\$219,055	\$223,576	\$228,186	\$232,887
Reppco	Shop 10	585.9	\$188,002	\$193,281	\$195,866	\$205,561	\$210,310	\$216,013	\$218,807	\$225,231	\$231,584	\$236,424	\$241,362
Total		11,426.4	\$2,950,879	\$3,029,345	\$3,099,102	\$3,204,320	\$3,329,545	\$3,401,168	\$3,475,726	\$3,548,854	\$3,645,696	\$3,779,879	\$3,857,256



Capital Allowances
Hornby Mega Centre
9-Feb-26

Overall Capex Assumptions		Period	Budgeted Capital	Budgeted Capital (escalated)	Sinking Fund	Capex on Expiry	Total
Capex on Expiry	\$50.0 /sqm	Immediate	\$0	\$0	\$0	\$0	\$0
Redec on Expiry	\$0.0 /sqm	Year 1	\$15,000	\$15,000	\$28,566	\$22,777	\$66,342
Sinking Fund Capex	\$2.5 /sqm	Year 2	\$29,000	\$29,896	\$29,449	\$0	\$59,345
		Year 3	\$98,500	\$104,641	\$30,347	\$467,509	\$602,497
Total Allowances - 10 year DCF	\$4,315,674	Year 4	\$103,000	\$112,901	\$31,312	\$58,989	\$203,201
% of Adopted Value	10.24%	Year 5	\$62,000	\$69,999	\$32,251	\$0	\$102,250
		Year 6	\$0	\$0	\$33,219	\$29,487	\$62,706
		Year 7	\$738,000	\$883,951	\$34,215	\$27,281	\$945,447
		Year 8	\$720,000	\$888,263	\$35,242	\$36,142	\$959,647
		Year 9	\$45,000	\$57,182	\$36,299	\$196,753	\$290,234
		Year 10	\$700,000	\$916,181	\$37,388	\$70,435	\$1,024,005

Value and Risk Advisory

We are value and risk advisory experts supporting you through the changing world of real estate.

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