Valuation Report

'As If Complete' Market Valuation
17 Toop Street
25 Toop Street & 109-117 Port Road
101-103 Port Road
Seaview
Lower Hutt

Augusta Industrial Fund Limited
Ernst & Young
ASB Bank Limited
Westpac New Zealand Limited
C/- Level 2, 30 Gaunt Street
Wynyard Quarter
AUCKLAND 1010

Date: 31 October 2018 Ref: 23368MH

Contents

Appendices

23368/MH

Executive Summary

17 Toop Street
25 Toop Street (The Hub) & 109-117 Port Road,
101-103 Port Road. Seaview, Lower Hutt

Brief Description

Four adjoining industrial properties, with separate titles situated at the eastern end of Toop Street, bound to the south by Port Road and former rail sidings to the north (which have been leased) and provide access to Barnes Street in the industrial suburb of Seaview, Lower Hutt, approximately 15 kilometres by road from Wellington City.

We provide further comment on the subject properties as follows:

Overall Site Plan

17 Toop Street

A medium sized warehouse building with front showroom and offices built over two levels. Originally built circa 1970s (with recent refurbishment), the warehouse accommodation provides a stud height of approximately 3.9 metres rising to 4.9 metres, and benefits from a large number of onsite carparking, and designated yard areas.

The property is subdivided into four tenancies, occupied by Orangebox (including the Level 1 offices), Just Water and Tasman Liquor. The property is effectively fully occupied (except for 3 carparking spaces) with a weighted average lease term of 5.02 years.

The Hub 25 Toop Street & 109-117 Port Road

Comprises a large industrial building known as "The Hub" together with the adjoining 109-117 Port Road complex. These provide a combination of large to medium sized, warehouse tenancies of medium stud height all containing basic offices and amenities. The Hub building has a large drive-in common central circulation area with a new two storey northern office block for Peter Baker Transport and associated carparking recently completed.

Viewed collectively, these two properties provide a total net lettable area of 32,578m² spanning a total freehold land area of 4.0630 hectares. A further 15,223m² of land is leased from KiwiRail on a 25 year lease from 1 July 2017 (without renewal). This former Railway land which forms part of the northern yard areas and parking together provide direct access to Barnes Street.

Major tenants include Peter Baker Transport, Linfox, Toll Logistics and Jets Transport with a weighted average lease term of 4.86 years.

101-103 Port Road

Comprises a medium sized two bay factory warehouse building with front showroom and offices built over two levels. The property provides contemporary factory/warehouse accommodation, having a stud height rising to approximately 7.5 metres and benefits from a good ratio of onsite carparking and hard-stand storage.

Downer Group took a 6 year lease from 1 November 2017, with a 3 year break option available over the first floor office area and associated yard.

Instruction & Approach

Instructing Party	Augusta Funds Management Limited
Purpose of Report	Proportional Ownership purposes, mortgage finance purposes and financial reporting purposes.
Interest Valued	Unencumbered Freehold Market Value on the basis of existing occupancy arrangements together with the associated Sublessee's interest in former Railway land.
Date of Valuation	31 October 2018
Date of Inspection	5 November 2018

Property Details

Legal Description	Lots 11-12 & 14 Deposited Plan 28209, Lots 1-2 Deposited Plan 81136
Computer Register	WN51A/107, WN51A/108, WN47C/501C, 611396, WNF4/948
Tenure	Freehold (with the exception of the Sublessee's interest in the additional yard area, comprising a total land area of 1.5223ha)
Owner	Augusta Industrial Fund No.1 Limited
Land Area	5.2756 ha (freehold land), plus 1.5223 hectares of leasehold land.
Rentable Area	39,781 m²
NBS	Not less than 70% NBS assumed, refer Section 3.7
Zoning	Special Business
Major Tenancies	Peter Baker Transport, Jets Transport, Toll Logistics, Fujitsu, Linfox, Downer Group
Overall WALT	4.82 years (assuming break options are exercised up front)

Key Data & Assumptions

	17 Toop Street	25 Toop Street & 109 Port Road	101-103 Port Road	Combined Properties
Current Net Contract Income	$483,545 p.a	$2,536,189*p.a	$278,000 p.a	$3,297,734* p.a
Net Market Rental	$489,699 p.a	$2,782,844*p.a	$299,412 p.a	$3,571,955* p.a
Letting Up Allowance	6 months	6 months	6 months	-
Average Growth	2.57% p.a	2.70% p.a	2.60% p.a	-
Market Capitalisation Rate	7.25%	7.30%	7.15%	-
Discount Rate	9.00%	9.00%	9.00%	-
Terminal Capitalisation Rate	7.75%	8.00%	7.40%	-
Weighted Average Lease Term	5.03 years	4.86 years	4.40 years	4.85 years
		*Excluding $100,000 fitout rent and leasehold yard rentals		
Special Assumptions	Refer Section 1.6			

Valuation Conclusions

Adopted Values:			
17 Toop Street	NZD$6,690,000 plus GST, if any		
25 Toop Street & 109-117 Port Road	NZD$36,860,000 plus GST, if any		
101-103 Port Road	NZD$4,060,000 plus GST, if any		
Combined Properties (4)	**Total : NZD$47,610,000 plus GST, if any (Gross Realisation)**		

Individual Properties	**17 Toop Street**	**25 Toop Street & 109-117 Port Road**	**101-103 Port Road**
Passing Initial Yield	7.23%	6.88%	6.85%
Equivalent Market Yield	7.37%	7.39%	7.33%
Internal Rate of Return (including capex)	8.26%	8.83%	8.66%
Internal Rate of Return (excluding capex)	8.76%	9.07%	9.34%
Direct Comparison Rate	$1,426 psm	$1,131 psm	$1,617 psm

Equivalent Market Yield — The assessed annual market rent as a proportion of the assessed market value, the market value having been adjusted for any rental shortfall/overage or as the case may be downwards to allow for rental downtime and lease up costs.

Internal Rate of Return (IRR) — The rate of return on the assessed market value, based on forecast cash inflows and outflows over the next 10 years, based on our assumptions relating to market rentals, rental growth, escalation in outgoings and capital expenditure.

Valuers

MICHAEL HORSLEY VAL PROF (URB) FNZIV FPINZ
Registered Valuer
Director | Valuation & Advisory Services

REUBEN BLACKWELL BSC BCOM GRAD.DIP.VAL
Registered Valuer

Colliers International (Wellington Valuation) Limited
Level 8, 99-105 Customhouse Quay
Wellington 6140
PO Box 2747, Wellington 6140
Phone No. +64 4 473 4413

NOTE: This Executive Summary must be read in conjunction with the attached report and the details contained therein.

Colliers INTERNATIONAL

1.0 INTRODUCTION

1.1 SCOPE OF WORK

We have received instructions from Augusta Funds Management Limited dated 18 October 2018 to assess the market value of the subject property.

We outline in the following subsections key assumptions, limitations and restrictions with regard to this valuation. We further note that this valuation is undertaken in accordance with the agreed written Scope of Work between the above instructing party and Colliers International (Wellington Valuation) Limited.

We confirm that the individual valuers who are signatories to this report are experienced in the location and category of the property valued. Both of the valuers undertook an inspection of the property.

1.2 NAME AND ADDRESS OF VALUERS

Michael Horsley VAL PROF (URB) FNZIV FPINZ
Registered Valuer
Director
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36 Customhouse Quay
Wellington 6140
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Wellington 6140
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Reuben Blackwell BSC BCOM GRAD.DIP.VAL
Registered Valuer
Associate Director
Colliers International (Wellington Valuation) Limited
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Wellington 6140
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Wellington 6140
Tel: 04 470 3912

Michael Horsley is a Registered Valuer and a Fellow of both the New Zealand Institute of Valuers and the Property Institute of New Zealand.

Reuben Blackwell is a Registered Valuer and a Member of the Property Institute of New Zealand. Reuben has a Graduate Diploma in Valuation from Lincoln University.

1.3 BASIS AND PURPOSE OF VALUATION

The valuation has been completed in accordance with the Australia and New Zealand Valuation and Property Standards for assessing the market value of the property for financial reporting and mortgage and loan security purposes, Proportionate Ownership Scheme purposes and for use by prospective subscribers for specified participatory securities. In particular Valuation Guidance Note NZVGN 1 - Valuations for Use in New Zealand Financial Reports and IVS 300 - Valuations for Financial Reporting and also Valuation Guidance Note ANZVGN 2 - Valuations for Mortgage and Loan Security Purposes, ANZVGN8 – Valuations for Use in Offer Documents, NZVGN 1 - Valuations for Use in New Zealand Financial Reports and IVS 101-105 and 400.

We confirm that this valuation has been prepared to establish market value for the purpose of annual financial reporting under NZIAS-40 – Investment Property which relates to non-operational assets held for future development, investment or surplus to the operations of the entity.

We have adopted the International Financial Reporting Standards definition of "Fair Value" as follows:

> *"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".*

Fair value is generally synonymous with the term market value. Market Value is defined in the International Valuation Standards as;

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

This valuation has been completed in accordance with International Valuation Standards and has been prepared for financial reporting, ptoportionate ownership scheme purposes and also mortgage and loan security purposes.

In accordance with bank and Property Institute of New Zealand reporting guidelines, we have excluded a mortgage recommendation from our valuation report. This valuation may however be relied upon by ASB Bank Limited (as Security Trustee and Lender) and Westpac New Zealand Limited for mortgage and loan security purposes.

1.4 INFORMATION SOURCES

We have relied on historical files held on the properties together with recent information supplied by Augusta Funds Management Limited. The following information which has been adopted/considered in the valuation process:

- Lease documentation and a current tenancy schedule
- Tenancy floor plans, works specification and floor areas
- Operating expense budgets

1.5 STATEMENT BY REGISTERED VALUER

We hereby certify that the principal valuer is a Registered Valuer in accordance with the Valuers Act 1948, holds a current practising certificate, has at least five years continuous experience in valuation and does not have a pecuniary interest that could conflict with the valuation of the property.

This report is made by registered valuers as independent registered valuers.

We have searched Computer Register details independently from public records and rental and sales evidence from our own records.

1.6 RELIANCE & EXTENSION OF LIABILITY

This valuation has been prepared for the following parties and for the following purposes:

- Augusta Industrial Fund Limited (or its subsidiaries) for proportional ownership purposes and for use by prospective subscribers for specific participatory securities only.
- Ernst & Young
- ASB Bank Limited (as Security Trustee)
- ASB Bank Limited (as Lender)
- Westpac New Zealand Limited

No responsibility is accepted or assumed to any third parties, nor should there be any reliance upon this report by any third party other than the party explicitly noted above without our express written agreement. We invite other parties who may come into possession of this report to seek our written consent to them relying on this report. We reserve the right to withhold our consent or to review the contents of this report in the event that our consent is sought.

This report is confidential between Colliers International (Wellington Valuation) Limited and the above party to whom Colliers International (Wellington Valuation) Limited agrees in writing may rely upon the valuation report for the purpose stated.

1.7 ASSUMPTIONS

Property Specific Assumptions

In addition to our outlined As If Complete assumptions, our valuation is further subject to the following:

- Formalisation of the Orangebox lease over the first floor offices at 17 Toop Street
- Formalisation of unsigned lease agreements in accordance with documents supplied (refer Section 4.2)
- We have proceeded on the assumption that the subject buildings have seismic ratings of **at least 70% NBS** (Importance Level 2)

Other Assumptions

1. We have assumed that the instructions and subsequent information supplied contain a full and frank disclosure of all information that is relevant.
2. We have assumed that there are no easements, rights of way or encroachments except those shown on the Computer Register or in the valuation.
3. A current survey has not been sighted. The valuation is made on the basis that there are no encroachments by or upon the property and this should be confirmed by a current survey or report and/or advice from a Registered Surveyor. If any encroachments are noted by the survey report we reserve the right to review our valuation.
4. Other than the Computer Register, we are not aware of any notices currently issued against the property and we have made no enquiries in this regard.

5. We have not inspected the plant and equipment or obtained any advice on its condition or suitability.
6. In the course of preparing this report we have relied upon information provided by the owner of the property unless otherwise stated. We have assumed that this information is correct and have adopted this information in our assessment.
7. We have inspected all readily accessible parts of the improvements considered necessary for the purposes of our valuation. We have not sighted a structural survey of the improvements, nor its plant and equipment, by a qualified engineer. The valuer is not a building construction and/or structural expert, and is therefore unable to certify as to structural soundness of the improvements. Readers of this report should make their own enquiries in this regard. We have not inspected unexposed or inaccessible portions of the premises. We therefore cannot comment on the structural integrity, defect, rot or infestation of the improvements.
8. Our valuation has been completed on the assumption the building(s) and associated site development are adequately covered by normal full reinstatement insurance, including earthquake cover, both now and in the future. Should this not be the case or should this situation change in the future we caution the valuation may change.
9. There will be no major economic downturn during the projection period, beyond that envisaged at the date of valuation.
10. The property is managed in a prudent and professional manner.
11. There will be no new taxes or rates introduced which have a direct impact on the property over the projected period.

1.8 COMPLIANCE STATEMENT

This valuation has been performed in accordance with the International Valuation Standards (IVS) and we confirm that:

- The statements of fact presented in this report are correct to the best of the Valuer(s)' knowledge;
- The analysis and conclusions are limited only by the reported assumptions and conditions;
- The Valuer(s) have no interest in the subject property;
- The Valuer(s)' fee is not contingent upon any aspect of this report;
- The valuation has been performed in accordance with the NZIV Code of Ethics and performance standards;
- The Valuer(s) has satisfied professional education requirements;
- The Valuer(s) has experience in the location and category of the property being valued;
- The Valuer(s) (as noted in the executive summary and final section of this report) has made a personal inspection of the property; and
- No one, except those specified in the report has provided professional assistance in preparing the report
- Further, the principal valuer is a Registered Valuer in accordance with the Valuers Act 1948 and holds an Annual Practising Certificate.
- We confirm that we are not aware of any conflicts of interest or pecuniary interests of the property being valued on the part of Colliers International New Zealand Limited.

- We confirm Colliers International (Wellington Valuation) Limited has previously valued this property for the previous owner most recently with an effective date of 15 March 2018.

1.9 QUALITY MANAGEMENT SYSTEM

Colliers International (Wellington Valuation) Limited have a Quality Management System (QMS) which sets out specific procedures to be carried out in the valuation process to ensure each valuation is completed to a high standard.

The QMS provides for both internal and external audits to be carried out biannually and annually respectively to ensure Colliers International (Wellington Valuation) Limited is complying with the QMS.

We attach a copy of the current Certificate of Registration which recognises Colliers International (Wellington Valuation) Limited's current compliance at **Appendix Three** of this report.

2.0 SITE PARTICULARS

2.1 LEGAL DESCRIPTION

The properties are legally described below:

Property	17 Toop Street	25 Toop Street	Subleased Land	109-117 Port Road	101-103 Port Road	Total
Legal Description	Lot 11-12 DP 28209	Lot 1 DP 81136	-	Lot 2 DP 81136	Lot 14 DP 28209	
Land Area	0.8079 ha	2.9077 ha	1.5223ha	1.1553 ha	0.4047ha	6.7979ha (5.2756 ha freehold component)
Computer Freehold Registers	WN51A/107 & WN51A/108	WN47C/501	N/A	611396	WNF4/948	

The registered proprietor for the three properties is Augusta Industrial Fund No.1 Limited. We attach recent search copies of the Computer Registers to this report at **Appendix Two.**

We note from our perusal of the Computer Freehold Registers that the respective properties are subject to the following interests:

25 Toop Street (The Hub)

- Appurtenant hereto is a right of way and rights to water drainage, water supply, electricity and a party wall right specified in Easement Certificate B490067.3 - 30.11.1995
- Subject to a right of way over part marked K, party wall right over parts marked A and H, a water drainage right over part marked I, an electricity right over parts marked H and I and a sewage drainage right over parts marked I and J on DP 81136 specified in Easement Certificate B490067.3 - 30.11.1995
- The easements specified in Easement Certificate B490067.3 are subject to Section 243 (a) Resource Management Act 1991
- Subject to a right of way over part marked A on DP 512097 created by Easement Instrument 10897419.1 – 28.9.2017

Leasehold Land

In addition to the above land, we note 1.5223ha is leased from Kiwirail. This land provides direct vehicular access to Barnes Street from the northern end of The Hub warehouse, extends westward parallel to Toop Street and eastward to the former rail siding junction toward Seaview road as outlined below in blue.

The terms of the lease provide for a 25 year term from 1 July 2017 with no further rights of renewal available. The commencement rental was $91,338 per annum which is subject to fixed 2% annual increases (and currently $93,165) together with five yearly current market rent reviews throughout the lease term with a hard ratchet clause applicable. Rent is to be paid monthly in advance.

We further note the permitted use is limited to "Yard and access only" with provision to erect buildings by first obtaining Local authority consent and then submitting these plans to Kiwirail for approval. The lease further provides a right of early termination in favour of KiwiRail for any rail related use with 24 months notice to be provided to the Lessee.

109-117 Port Road

- Appurtenant hereto are rights of way, party wall rights and water drainage, electricity and sewage drainage rights specified in Easement Certificate B490067.3
- Subject to a right of way over part marked C and a party wall right over parts marked B, G and L and a water drainage rights over parts marked G, N, D, M, L and B and water supply rights over parts marked E, F, M, L and electricity rights over part marked F on DPS 83147 specified in Easement Certificate B490067.3
- Appurtenant hereto is a right of way created by Easement Instrument 10897419.1 – 28.9.2017

The above easements generally pertain to respective access and easements with regard to utilities (required to be registered on the title as a condition of the original subdivision in accordance with Section 243 (a) of the Resource Management Act 1991.

We understand a further $8,662 is paid to secure right of way access rights from Centreport toward the Port Road frontage to provide a greater turning circle with regard to the Linfox warehouse. We have not been supplied with supporting documentation and have taken the supplied details at face value.

101-103 Port Road

- Subject to a sewage right (in gross) over part in favour of The Lower Hutt City Council created by Transfer 891739 - 15.10.1971

We note this sewer line runs parallel to the northern, rear boundary.

Ownership

We note from our perusal of the above Computer Freehold Registers that the subject properties are in the registered proprietorship of Augusta Industrial Fund No.1 Limited with a mortgage registered to ASB Bank Limited.

2.2 SITE DESCRIPTION

The combined allotments comprise a very large, level, and more or less regular shaped site. We refer you to the site plans below for an outline of each property's boundaries:

17 Toop Street | 25 Toop Street | 109-119 Port Road
101-103 Gracefield Road

5. We have not inspected the plant and equipment or obtained any advice on its condition or suitability.
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- The easements specified in Easement Certificate B490067.3 are subject to Section 243 (a) Resource Management Act 1991
- Subject to a right of way over part marked A on DP 512097 created by Easement Instrument 10897419.1 – 28.9.2017

Leasehold Land
In addition to the above land, we note 1.5223ha is leased from Kiwirail. This land provides direct vehicular access to Barnes Street from the northern end of The Hub warehouse, extends westward parallel to Toop Street and eastward to the former rail siding junction toward Seaview road as outlined below in blue.

The terms of the lease provide for a 25 year term from 1 July 2017 with no further rights of renewal available. The commencement rental was $91,338 per annum which is subject to fixed 2% annual increases (and currently $93,165) together with five yearly current market rent reviews throughout the lease term with a hard ratchet clause applicable. Rent is to be paid monthly in advance.

We further note the permitted use is limited to "Yard and access only" with provision to erect buildings by first obtaining Local authority consent and then submitting these plans to Kiwirail for approval. The lease further provides a right of early termination in favour of KiwiRail for any rail related use with 24 months notice to be provided to the Lessee.

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The above easements generally pertain to respective access and easements with regard to utilities (required to be registered on the title as a condition of the original subdivision in accordance with Section 243 (a) of the Resource Management Act 1991.

We understand a further $8,662 is paid to secure right of way access rights from Centreport toward the Port Road frontage to provide a greater turning circle with regard to the Linfox warehouse. We have not been supplied with supporting documentation and have taken the supplied details at face value.

101-103 Port Road

- Subject to a sewage right (in gross) over part in favour of The Lower Hutt City Council created by Transfer 891739 - 15.10.1971

We note this sewer line runs parallel to the northern, rear boundary.

Ownership

We note from our perusal of the above Computer Freehold Registers that the subject properties are in the registered proprietorship of Augusta Industrial Fund No.1 Limited with a mortgage registered to ASB Bank Limited.

2.2 SITE DESCRIPTION

The combined allotments comprise a very large, level, and more or less regular shaped site. We refer you to the site plans below for an outline of each property's boundaries:

17 Toop Street
25 Toop Street
109-119 Port Road
101-103 Gracefield Road

The amalgamated land holding has frontage to Toop Street of approximately 131.93 metres and frontage to Port Road of approximately 189.90 metres. There is only limited hard-stand storage areas associated with the properties. The northern boundary abuts a disused rail line. All usual commercial services appear to be available to the site. The total land area of the combined holding approximates 5.2756 hectares (excluding the 1.5223 ha sub-leased land). In terms of contour the site is level.

Access to the buildings is via Toop Street, Port Road and Barnes Street via the former railway (leasehold) land.

Utilities

We understand that the property is connected to all major utility services including electricity, water, telephone and sewerage.

Geotechnical

We have not undertaken a geotechnical survey of the property, and therefore cannot comment as to the subsoil condition of the land. Further, we have not attempted to verify any contamination, which may exist in the site. We recommend that before any action is taken involving this site, that you obtain advice regarding soil stability and contamination from persons appropriately qualified to provide such advice.

Environmental and other Special Risks

We are advised by the Greater Wellington Regional Council that 101-103 Port Road appears on their Selected Land Use Register (SLUR).

We outline details of our search as follows:

> "*SITE NAME*: Cowley Refrigeration (ex Seaview Galvanising).
> *ANZECC*: Metal extraction, refining and reprocessing, storage and use.
> *ANZECC SUB*: Metal treatment or coating including polishing, anodising, galvanising, pickling, electroplating, or heat treatment or finishing using cyanide compounds.
> *CATEGORY*: Verified History of Hazardous Activity or Industry."

Further information can be obtained from Greater Wellington Regional Council as contained in File No SN/03/066/02.

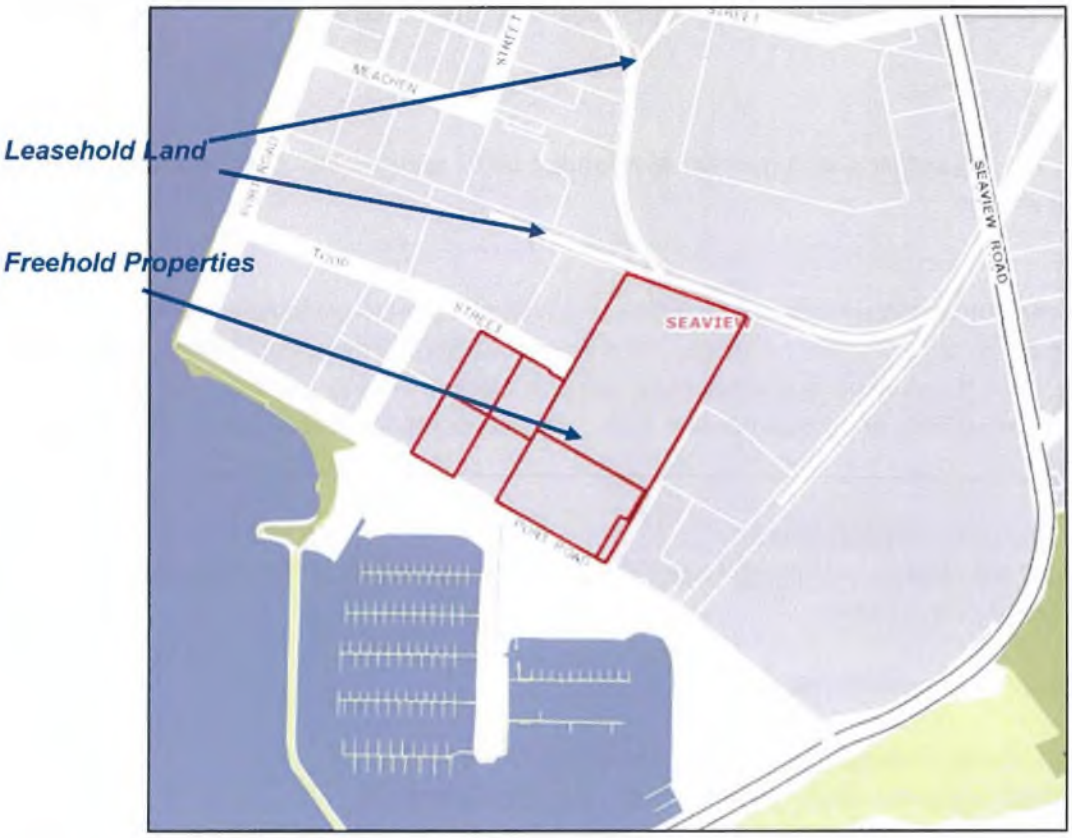
We are not aware of the full history of this site.

The recipient of this report is advised that the Registered Valuer is not qualified to detect such substances, which in many cases are not visible, nor quantify the impact on values without an environmental report.

Substances such as asbestos, other chemicals, toxic waste or other potentially hazardous materials could, if present, adversely affect the value of the property. The stated value estimate is on the assumption that there is no material on or in the property that would cause loss in value. No responsibility is assumed for any such conditions and the recipient of this report is advised that the valuer is not qualified to detect such substances, quantify the impact on values or estimate the remedial cost.

2.3 SITUATION AND LOCALITY

The properties are contained within a block of land with frontage to Toop Street to the north and Port Road to the south, within Seaview, Lower Hutt. Access is via the Hutt Motorway (State Highway 2) by The Esplanade at Petone, and we note the latter can be congested at peak times



The Seaview/Gracefield locality was predominantly developed in the 1960s and 1970s on partially reclaimed land at the southern edge of the Hutt Valley, adjacent to the Hutt River mouth. Until recently the area has been generally characterised by existing and former Government stores (Government Print, Health Department, DSIR stores), wool stores, heavy engineering work shops, the Ford Motor Vehicle Assembly plant, and established oil installations adjacent to the nearby Point Howard oil berthage and wharf.

Over the past 25 years or so the locality has had a change in emphasis, with the closure of the Ford plant, reduced oil and chemical storage and the downsizing/cessation of the wool and Government stores. As a result existing improvements have been progressively converted to alternative uses. Until the late 1990s, new design build activity was minimal, with new occupiers entering the market generally able to be accommodated within existing improvements.

A significant proportion of occupiers in Seaview/Gracefield are storage and distribution/transport companies (including New Zealand Van Lines, Peter Baker Transport, TNL, Hookers, Linfox, PE Logistics, Crown Removals, Croft Carriers, LG Anderson, Anderson & Flowers, Barlows and Retko). Many have been accommodated within the existing stores buildings. However a major limitation associated with these buildings are the generally lower stud heights, the associated storage inefficiencies and substantial costs required to achieve satisfactory conversion to alternative uses.

2.4 RESOURCE MANAGEMENT

Subject Properties

Each of the subject properties are currently zoned Special Business under the District Plan for the City of Lower Hutt which became operative on 24 June 2003.

The Special Business Zone covers most of the Seaview and Gracefield industrial area where large scale business operations have been accommodated for a number of years. The area accommodates a long established and regionally important area for industrial activities including the location of the regional oil terminal and storage facilities for the oil industry and other large scale industrial activities. Some of these business operations manufacture, handle, use or store hazardous substances in large quantities and the Special Business Zone was allocated to accommodate such operations, rather than having them located in other business areas of Hutt City that are near residential development or environmentally sensitive areas.

Permitted activities within the Special Business Zone are essentially industrial activities that comply with a number of conditions relating to maximum height of buildings and structures (which is 20 metres), maximum site coverage (which is 100% subject to car parking, screening, loading and unloading requirements), dust, odour, light spill and glare, vibration and various conditions relating to hazardous facilities.

Retail activities are restricted to retailing of goods that are manufactured on site, provided the retailing is ancillary to the manufacturing, a food service activity provided the gross floor area does not exceed 100m², retail sale of goods from a service station and retailing of bituminous products.

The subject property and the existing uses appear to comply with the conditions set down for permitted activities within the Special Business Zone.

2.5 STATUTORY INFORMATION

Building Act

Under the Building Act 2004 it is an offence to permit the public use of a building before a Code Compliance Certificate (CCC) for any new building work has been issued.

The Building Act 2004 requires that property owners are responsible for the safety and sanitation of their buildings. Certain systems and features such as fire alarms, lifts and air-conditioning require ongoing monitoring and maintenance.

Where necessary, owners must provide a Building Warrant of Fitness (BWOF) annually to verify systems are in working order. This must be accompanied by copies of Licenced Building Practitioner (LBP) Certificates to support that requirements of the Compliance Schedule have been met for the preceding year. A Compliance Schedule is an inventory of a building's systems and features that specifies inspection, testing and maintenance procedures as well as the frequency of work, and who should perform it.

We summarise the BWOF's held by the subject properties as follows:

Property	17 Toop Street	25 Toop Street	107-109 Port Road	101-103 Port Road
BWOF Expiry Date	15 July 2019	22 December 2018	25 May 2019	1 March 2019

Rating Valuations

Effective Date: 1 September 2016

Rating Valuation	Capital Value	Land Value	Value of Improvements	Address
16071/52000	$12,500,000	$4,690,000	$7,810,000	25 Toop Street
16071/52100	$7,900,000	$2,650,000	$5,250,000	109-117 Port Road
16071/53700	$4,110,000	$1,930,000	$2,180,000	17 Toop Street
16071/52300	$2,800,000	$1,300,000	$1,500,000	101-103 Port Road
Totals	**$27,310,000**	**$10,570,000**	**$16,740,000**	

We point out that rating valuations are carried out under statutory criteria and may not reflect market value at any point in time. This compares with the previous total rating valuation of $23,960,000 as at (March 2018) with the increase applied to the improvements component of 25 Toop Street and 101-103 Port Road only.

We note that the subject properties were collectively purchased in December 2017 for $44,900,000.

3.0 IMPROVEMENTS

3.1 GENERAL DESCRIPTION

17 Toop Street

17 Toop Street comprises a single storey warehouse structure with two storey office and amenities block to the front having been built circa 1970, and a small secondary office structure to the rear of the site. The property is currently subdivided into three tenancies.

Construction comprises concrete floors, RSJ columns and beams with steel purlins and foil lining, concrete columns to exterior, concrete walls with trough section metal cladding above incorporating translucent panels to the centre. Warehouse stud heights range from approximately 3.9 metres rising to 4.9 metres with suspended florescent lighting and fire protection by way of sprinklers, manual fire alarms and hose reels.

Orangebox now occupy the entire two storey office block together with the adjoining warehouse opening onto the eastern yard area. Office accommodation has been extensively refurbished to an 'as new' basis with a new carpet, lights and suspended ceilings, bathroom and staff amenities to a good quality commercial standard. Heating/air conditioning is provided via heat pump cassette units.

Orangebox ground offices

Print Room

The refurbishment of the Level 1 offices suite has been completed to commensurate standard to the ground floor with the exception of paint finished plasterboard ceilings. The new lease (assumed to be formalised) incorporates this area together with a further 13 carparks. Approximately 36 parking spaces are available within the front yard area (3 currently vacant).

Fire protection is by sprinkler system, automatic heat detector alarm system, manual call points and fire hose reels.

Tasman Liquor

Occupy the south eastern industrial tenancy, comprising part of the main warehouse, together with a relocated office/administration building and a recently sealed secure yard (as pictured below).

Just Water

The premises comprise primarily warehouse accommodation with a small single level office and amenities block together with toilet and staffroom incorporated within the warehouse envelope at the southern eastern corner which provides good, clean low stud warehouse storage accommodation.

The yard/parking area in front of the warehouse is secured by a recently installed swipe controlled entrance gate.

We outline the following tenancy plan of the property as follows:

25 Toop Street – The Hub

The building is of low maintenance construction, with materials comprising concrete floors and foundations, concrete and concrete block walls, steel columns (encased in concrete) and beams, RSJ and timber roof frame with new long run metal sheet cladding interspersed with translucent panels

Common Area

Toll

The warehouse has a stud height of approximately 4.8 metres rising to 7.4 metres. The entire roof has been recently replaced with long run iron with translucent panels interspersed providing excellent natural light throughout the main warehouse. We note the roof trusses etc. have also been painted so that the warehouse accommodation present very well as light/bright space with new LED lighting installed throughout.

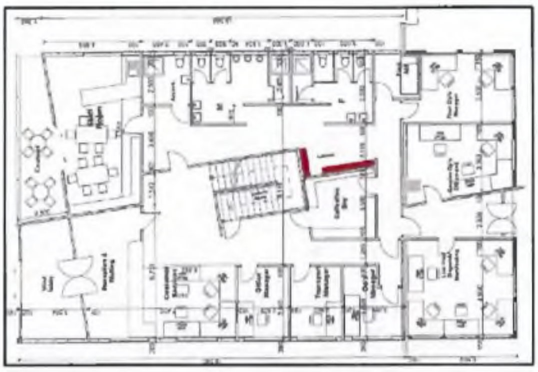
Jets Transport

Peter Baker Transport

Fire protection is by hose reels, manual alarms and a sprinkler system which is reticulated throughout. We understand inter-tenancy walls are predominantly of gibraltar board although not fully fire rated with a number not extending full height.

We describe the various tenancies as follows: (see plan on next page)

Peter Baker Transport occupy the north eastern quadrant of The Hub complex. This now includes the recently completed two storey office and amenities block that extends out from the existing building envelope onto the secure northern yard area.



Ground floor plan

General construction comprises reinforced concrete foundations, concrete block lower level walls (paint finished) and timber and or steel framing as required, clad with a fibre cement cladding panel system, commercial quality double glazed windows, powder coated aluminium joinery and Colorsteel roof cladding. The first floor comprises a suspended timber construction with plywood flooring.

Ground reception

Level 1 boardroom

Internal fitout to the offices comprise carpet tile floor coverings commercial grade vinyl to service areas and amenities and polished concrete floors to the front reception area (with auto doors to the wind lobby), paint finished plasterboard walls with sound absorbent mineral fibre ceiling tiles in a suspended grid. LED lighting is incorporated to all office and general areas. The ground floor opens out to a small north facing courtyard, kitchen amenities include stainless steel benchtop, oven and dishwasher with gender specific bathrooms including one shower to each.

Internal stairs access the Level 1 offices with higher stud central area with skylights above. The floor is subdivided to provide perimeter portioned offices, bathroom amenities, kitchenette and board room, opening onto the north facing balcony.

The Jets Transport premises comprise a large drive through warehouse together with access from both the common covered yard area (via Toop Street) and from Barnes Street to the north across the concrete hardstand yard (part of which is comprises leasehold land). A small office block situated to the end of Toop Street was extended and refurbished in 2017 with air conditioning units installed at this time.

The former 'MSS warehouse' is now leased by Peter Baker Transport (with the vendor underwrite from SCIL to be collapsed). This warehouse sits centrally located between Toll and Fujitsu tenancies. Access to the warehouse is via a sliding door from the common covered yard area together with a link cut through to the adjacent 109 Port Road tenancy. Amenities include two separate toilets, a shower room, lunch room and three offices.

Nature Pac Warehouse

Peter Baker Expansion Warehouse

Nature Pac

Comprising a rectangular warehouse tenancy historically utilised in conjunction with the adjoining tenancies. Vehicular access is provided via the common area, together with openings to the north and south walls.

Fujitsu have their access off the leg-in from Port Road. Their premises are utilised for storage purposes and include two small offices and a rear lunch room and two toilets (with respect to the 25 Toop Street component).

Toll

Situated to the south of the common area, the Toll warehouse area further incorporates a standalone 778m² cold store toward the southern end of the warehouse area. Temperature control is provided for between 2-6 degrees Celsius with a 5.2 metre and rapid opening automatic doors opening out to the main warehouse area, covered yard area (which is effectively open warehouse space adjacent to the common area from which vehicular access is provided. A separate fitout rental is payable in addition to the premises rental for this component with ownership of these improvement retained by the Landlord. Office amenities and a small yard/parking area obtain access via the Port Road frontage.

Overall Layout

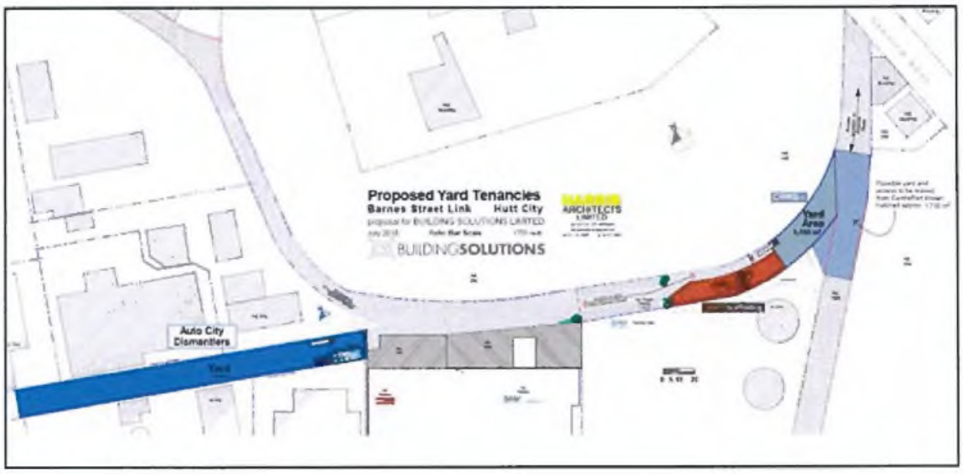
Leasehold Yard Areas

Three yard areas (as generally configured below) have been recently developed on the leasehold former rail siding. We note the entrance through the Tiger Construction yard remains to be fenced and fully secured (and our valuation includes expenditure to complete this) fencing and gates (still to be completed/reinstated) to provide fully sealed, secure yard areas accessed from Barnes Street.

Western Yard

Eastern Yard (Tiger Construction)

The entire western yard is leased by Auto City Dismantlers, the premises includes a 140m² relocated office block (pictured above) which provides basic staffroom and office accommodation, bathroom amenities with heat pump air conditioning supplied.



109 Port Road

The building is of low maintenance construction, with materials comprising concrete floors and foundations, concrete and concrete block walls, steel columns (encased in concrete) and beams, RSJ and timber roof frame clad with long run metal sheets and translucent panels (the former corrugated asbestos roof cladding has now been fully replaced). The warehouse has a stud height of approximately 4.8 metres at the knee rising to the apex. Fire protection is by hose reels, manual alarms and a sprinkler system which is reticulated throughout. Intertenancy walls are predominantly of plasterboard and we understand these are not fully fire rated.

Linfox comprises two full length bays with offices and amenities located in the southern eastern corner fronting Port Road together with strip of carparking running along the front of the premises with 28 usable carparks and a yard with vehicular access to the western side of the warehouse. The offices comprise a two level office block occupied by Linfox on the ground floor and Fujitsu on the first floor. Entry is via a wind lobby opening into a reception with air-conditioned open plan offices behind and perimeter offices, meeting rooms and amenities. The offices have carpet tile floor coverings (as new condition) with surface mounted LED lighting, internal columns and painted gib-lined walls and ceilings.

Fujitsu is a smaller warehouse with one useable roller door and a basic portacom used as an office. A link has been created through to the adjoining Fujitsu tenancy. Fujitsu's offices at the Port Road frontage comprise first floor air-conditioned accommodation with walk up access opening into a reception waiting area with open plan office area behind and perimeter meeting rooms, offices and amenities with a small deck off to the side. Views over Seaview marina with Wellington Harbour beyond are available.

101-103 Port Road

The original building was reputedly built in the early 1970s and refurbished and extended in 2005/2006 and again in 2014 and more recently leased to **Downer New Zealand Limited**. It provides a well specified factory/warehouse facility comprising three bays and a front two level office amenities extension. Construction is of concrete foundations and floor slab with reinforced concrete columns and beams with concrete and a mixture of zincalume and titan board external claddings.

The roof is supported on RSJ steel frame and dimond purlins with dimondek roofing incorporating exposed sisilation, chicken wire and translucent panels. The original factory warehouse has a stud height to the knee of the roof trusses of 7.2 metres rising to approximately 7.5 metres at the apex with a three tonne gantry crane to the western bay. Access is by steel roller doors on the north, south and western sides of the warehouse. The factory/warehouse is essentially subdivided into three main bays which could be subdivided and independently leased if the need should ever arise.

In front of the main building is a two storey office amenities block which comprises ground and first floor offices, a ground floor showroom, men and women's toilets, reception area, photocopy room, file room, lunch room, meeting rooms and general storage areas. The first floor accommodation contains offices, an executive office with a small kitchenette attached, meeting room, and kitchen and staff room. The finishes within this block include suspended ceilings, carpet flooring in the offices with vinyl flooring in the service areas and bathrooms, gibraltar board wall linings and a mixture of recessed and suspended fluorescent lighting.

Ground floor offices

Level 1 office accommodation

The building provides a good quality of accommodation that appears well suited to the proposed Downer Group use. Fire protection is by smoke detectors, manual alarms and hose reels.

3.2 FLOOR AREAS

The floor areas adopted within our valuation are those which have been supplied which we understand to be have been measured/calculated in accordance with the PINZ/PCNZ recommended guidelines for the measurement .

We summarise our adopted floor areas as follows:

17 Toop Street

Level/Suite	Tenant	Use	Lettable Area NLA
Ground Offices	Orangebox Ltd	Office	370.00
Warehouse	Orangebox Ltd	Warehouse	770.00
Mail Sorting/Printing Area	Orangebox Ltd	Office	355.00
Canopy	Orangebox Ltd	Other	100.00
Yard	Orangebox Ltd	Other	265.00
Carparking A	Orangebox Ltd	Parking	18.00
Level 1 Offices	Orangebox Ltd	Office	462.00
Carparking B	Orangebox Ltd	Parking	13.00
Carparking	Vacant	Parking	3.00
Factory	Just Water	Warehouse	1,059.00
Office & Amenities	Just Water	Office	103.00

Level/Suite	Tenant	Use	Lettable Area NLA
Canopy	Just Water	Other	164.00
Yard	Just Water	Other	766.00
Warehouse	Tasman Liquor	Warehouse	1,460.00
Office	Tasman Liquor	Office	113.00
Canopy	Tasman Liquor	Other	127.00
Yard	Tasman Liquor	Other	619.00
Carparking	Toll Logistics Licence	Parking	7.00
Carparking	Nature Pac	Parking	2.00
TOTALS			**4,692.00**

25 Toop Street & 109-117 Port Road

Level/Suite	Tenant	Use	Lettable Area NLA
Warehouse	Jets Transport	Warehouse	4,677.00
Office	Jets Transport	Office	195.00
Yard	Jets Transport	Other	540.60
Leasehold Yard	Jets Transport	Other	479.40
Warehouse (Main)	Peter Baker Transport	Warehouse	8,528.00
New Offices	Peter Baker Transport	Office	592.00
Office Balcony	Peter Baker Transport	Other	56.00
Yard	Peter Baker Transport	Other	1,792.00
Yard (est. leasehold component)	Peter Baker Transport	Other	112.00
Devanning Spaces	Peter Baker Transport	Other	4.00
Carparks (on subleased land)	Peter Baker Transport	Parking	20.00
Leasehold Pt East Yard	Tiger Construction NZ	Other	1,000.00
Leasehold Pt East Yard	Ceres	Other	2,000.00
Leasehold West Yard	Streamline Auto Solutions	Other	4,015.00
Relocated offices	Streamline Auto Solutions	Other	140.00
Warehouse	Toll Logistics	Warehouse	2,377.00
Cold Store	Toll Logistics	Warehouse	778.00
Front Offices	Toll Logistics	Office	201.00
Covered yard	Toll Logistics	Warehouse	410.00
Yard	Toll Logistics	Other	233.00

Level/Suite	Tenant	Use	Lettable Area NLA
Devanning Spaces	Toll Logistics	Parking	4.00
Carparks (30% portion)	Toll Logistics	Parking	3.00
Warehouse	Peter Baker Transport	Warehouse	2,030.00
Offices	Peter Baker Transport	Office	66.00
MAF Pads	Peter Baker Transport	Other	2.00
Ex 'floating warehouse'	Nature Pac	Warehouse	1,183.00
Warehouse (25 Toop St)	Fujitsu	Warehouse	2,386.00
Warehouse	Fujitsu	Warehouse	2,640.00
Office	Fujitsu	Office	51.00
Level 1 Offices	Fujitsu	Office	325.00
Office Balcony	Fujitsu	Other	32.00
Canopy	Fujitsu	Other	200.00
Yard	Fujitsu	Other	333.00
Carparks	Fujitsu	Parking	4.00
Additional Warehouse	Fujitsu	Warehouse	1,772.00
Warehouse (Port Rd frontage)	Linfox	Warehouse	3,995.00
G - Offices	Linfox	Office	372.00
Front Yard	Linfox	Other	485.00
West Yard	Linfox	Other	1,389.00
TOTALS			**32,578.00**

101-103 Port Road

Level/Suite	Tenant	Use	Lettable Area NLA
Warehouse (7.2-7.5m SH)	Downer Group	Warehouse	1,360.00
G Show/Off/Amenities	Downer Group	Office	719.00
G Entry	Downer Group	Office	53.00
L1 Offices	Downer Group	Office	379.00
Front Yard/Parking	Downer Group	Parking	5.00
Yard	Downer Group	Other	1,715.00
TOTALS			**2,511.00**

Industrial

By way of background information, the PCNZ/PINZ method of measurement for the rentable area of industrial premises is the area between the external faces of external walls, at a height of 1.5 metres above the floor, and is inclusive of toilets and areas occupied by columns, regardless of whether they are free-standing, within or protruding into the industrial space. The area is inclusive of space occupied by lifts, stair treads, ducts and plant rooms (if any).

3.3 CONDITION AND REPAIR

We note our inspection was for valuation purposes only and was not a structural, services, maintenance or site survey. We recommend independent advice regarding the condition and repair of the improvements be sought from a qualified professional should this be considered necessary.

Notwithstanding this the improvements generally appeared to be well maintained on inspection with the new Peter Baker office block now completed. The Hub was completely reroofed in 2017.

25 Toop Street and 109-117 Port Road present in very good condition for their age and use with comprehensive refurbishment to a number of the offices as part of recent leasing activity done in conjunction with the roof replacement, rewiring and wiring and new LED lighting.

Details of the capital expenditure adopted within the valuation are outlined in section 3.8 of this report.

3.4 SEISMIC

The Building Act 2004 previously required Councils to adopt an earthquake-prone buildings policy to ensure all earthquake-prone buildings are strengthened to at least meet the minimum prescribed standard (or be demolished), with the general guidance that an earthquake-prone building will have strength that is 33% or less of the seismic loading standard NZS1170.5: 2004 (typically referred to as 33% NBS or less where NBS is the New Building Standard).

Building (Earthquake-prone Buildings) Amendment Act 2016
This recent legislation came into force from 1 July 2017 and introduces significant changes to the way earthquake-prone buildings are identified and managed under the Building Act.

This now provides a standardised, national framework focussing on the most vulnerable buildings in terms of safety of people.

The Amendment Act reinforces that the standard for when a building will no longer be considered an "earthquake prone building" will remain at 34% of the New Building Standard (NBS).

It categorises New Zealand into three seismic risk areas (as defined by the Z factor threshold, which is the seismic hazard factor that is applied to a location and the fundamental value used to determine the design seismic action for buildings) and sets time frames for identifying and taking action to strengthen or remove earthquake-prone buildings.

<u>High Risk:</u> *5 years for assessment, 15 years to upgrade. Total: 20 years. Includes:* ***Wellington Region,*** *Palmerston North, Napier/Hastings Blenheim and Christchurch.*

<u>*Medium Risk:*</u> *10 years for assessment, 25 years to upgrade. Total: 35 years. Includes: Hamilton, Tauranga, New Plymouth, Nelson, Invercargill.*

<u>*Low Risk:*</u> *15 years for assessment, 35 years to upgrade. Total: 50 years. Includes: Whangarei, Auckland, Dunedin.*

In addition, work on "priority buildings" (including parts of buildings such as verandahs and facades) is to be prioritised, namely unreinforced masonry buildings and Education and Emergency buildings in high to medium risk areas that are regularly occupied by 20 people or more. These are to be identified and strengthened within half of the prescribed standard time frames outlined above.

Each Territorial Authority must review and identify buildings in its district that are within the following profile categories as potentially earthquake prone, within the above time frames.

High Risk Seismic Zone:

Category A – Unreinforced masonry buildings.
Category B – Pre-1976 buildings that are either three or more storeys or 12 metres or greater in height above the lowest ground level (other than unreinforced masonry building in Category A).
Category C – Pre-1935 buildings that are one or two storeys (other than unreinforced masonry buildings in Category A).

The scope of this review specifically excludes buildings previously notified in writing as being not earthquake prone, prior to 1 July 2017. Exclusions remain for buildings constructed primarily of timber framing and buildings already strengthened to at least 34%.

Under the Acts' transitional provisions, where a building owner has already been issued with a notice by a Territorial Authority requiring it to carry out seismic work, the deadline for completing the work will be the earlier of the deadline in the old notice issued and the deadline calculated in the normal way under the Amendment Act above.

Territorial Authorities may however identify a building as potentially earthquake prone at any time if it has reason to suspect the building may be earthquake prone, or if they become aware of issues that could affect or impact on a building's seismic performance at moderate levels of earthquake shaking such as:

- Complex design or construction with known conditions that require further engineering analysis such as non ductile columns, a building with no effective connection between primary seismic structural elements and diaphragms, or a building with seismically separated stairs with ledge and gap supports,
- Ground conditions that could lead to a significant loss of support for a structure.

Other notable changes include:

- The new earthquake prone definition now provides for either, all or part of the building to be deemed earthquake prone.
- The new definition of 'earthquake-prone building' now specifically excludes farm buildings, retaining walls, fences, monuments, wharves, bridges, tunnels and storage tanks. Residential

buildings continue to be excluded, provided these are not two or more storeys and contain three or more household units or are hostels, boarding houses or other specialised accommodation providers.

- Councils have the task of identifying those areas with sufficient vehicle or pedestrian traffic to justify the new priority category. It is expected that all commonly used retail areas like central business districts will be included.
- Building owners undertaking earthquake strengthening work are to also satisfy other requirements of the Building Code including fire escapes and access for people with disabilities, with provision for some exemptions.

There remains no statutory requirement to strengthen buildings with NBS ratings of between 34% and 67% (earthquake risk category). However, since the seismic events in Canterbury in 2010/2011 and in the upper South Island in 2013 and 2016, the markets awareness of seismic issues has become more sophisticated, which has impacted the marketability and value (from both a leasing and sales perspective) of earthquake risk buildings.

Impact on the Subject Properties

The subject building range widely in terms of age from early 1960's onwards. We have not been provided with a structural/seismic report prepared by an engineer and note the do not appear on the current MBIE National Register of Earthquake Prone Buildings Register as at 6 November 2018.

We understand some strengthening works were undertaken as part of the roof replacement of 25 Toop Street and 109-117 Port Road.

We have proceeded on the assumption that the subject buildings have seismic capacities of **at least 70% NBS** (Importance Level 2).

3.5 CAPITAL EXPENDITURE

We summarise our 10 year capital expenditure allowances on the basis of the individual properties as follows:

17 Toop Street

Capital Expenditure	Current Amount	Commencement Date	Duration Months	Escalated Amount
Total General Allowance	**$200,000**	**Nov-2018**	**121**	**$220,217**
Total Tenant Refurb upon Lease Expiry	**$105,225**			**$116,358**
Total Capital Expenditure	**$305,225**			**$336,575**
% of Adopted Value	**4.56%**			**5.03%**

25 Toop Street & 109-117 Port Road

Capital Expenditure	Current Amount	Commencement Date	Duration Months	Escalated Amount
Siding Yard completion works	$25,000	Dec-2018	1	$25,000
Total Budgeted Capex	**$25,000**			**$25,000**
Total General Allowance	**$500,000**	**Nov-2018**	**121**	**$550,542**
Total Tenant Refurb upon Lease Expiry	**$302,200**			**$334,977**
Total Capital Expenditure	**$827,200**			**$910,518**
% of Adopted Value	**2.24%**			**2.47%**

101-103 Port Road

Capital Expenditure	Current Amount	Commencement Date	Duration Months	Escalated Amount
Level 1 separation works	$50,000	Nov-2020	2	$51,918
Total Budgeted Capex	**$50,000**			**$51,918**
Total General Allowance	**$80,000**	**Nov-2018**	**121**	**$88,087**
Total Tenant Refurb upon Lease Expiry	**$115,100**			**$124,292**
Total Capital Expenditure	**$245,100**			**$264,297**
% of Adopted Value	**6.04%**			**6.51%**

4.0 OCCUPANCY ARRANGEMENTS

4.1 TENANCY SCHEDULES

We provide below a summary tenancy schedule providing the information adopted in our valuation:

17 Toop Street

Level/Suite	Tenant	Use	Lettable Area NLA	Lease Commence	Lease Term	Lease Expiry	Type	% NLA	Lease Option	Next Review Date	Contract Passing Rent	Rent $/m²
Ground Offices	Orangebox Ltd	Office	370.00	1-Feb-17	9.00	31-Jan-26	Net	7.89%	2 x 3 years	1-Feb-19	61,516	166.26
Warehouse	Orangebox Ltd	Warehouse	770.00	1-Feb-17	9.00	31-Jan-26	Net	16.41%	2 x 3 years	1-Feb-19	58,905	76.50
Mail Sorting/Printing Area	Orangebox Ltd	Office	355.00	1-Feb-17	9.00	31-Jan-26	Net	7.57%	2 x 3 years	1-Feb-19	45,263	127.50
Canopy	Orangebox Ltd	Other	100.00	1-Feb-17	9.00	31-Jan-26	Net	0.00%	2 x 3 years	1-Feb-19	7,140	71.40
Yard	Orangebox Ltd	Other	265.00	1-Feb-17	9.00	31-Jan-26	Net	0.00%	2 x 3 years	1-Feb-19	9,461	35.70
Carparking A	Orangebox Ltd	Parking	18.00	1-Feb-17	9.00	31-Jan-26	Net	0.00%	2 x 3 years	1-Feb-19	18,360	1,020.00
Level 1 Offices	Orangebox Ltd	Office	462.00	1-Dec-17	3.00	30-Nov-20	Net	9.85%	2 x 3 years	1-Dec-18	64,385	139.36
Carparking B	Orangebox Ltd	Parking	13.00	1-Dec-17	3.00	30-Nov-20	Net	0.00%	2 x 3 years	1-Dec-18	13,000	1,000.00
Carparking	Vacant	Parking	3.00	-	-	-	Gross	0.00%	-		-	-
Factory	Just Water	Warehouse	1,059.00	1-Jan-10	12.00	31-Dec-21	Gross	22.57%	2 x 3 years	1-Jan-19	53,758	50.76
Office & Amenities	Just Water	Office	103.00	1-Jan-10	12.00	31-Dec-21	Gross	2.20%	2 x 3 years	1-Jan-19	5,536	53.75
Canopy	Just Water	Other	164.00	1-Jan-10	12.00	31-Dec-21	Gross	0.00%	2 x 3 years	1-Jan-19	6,684	40.76
Yard	Just Water	Other	766.00	1-Jan-10	12.00	31-Dec-21	Gross	0.00%	2 x 3 years	1-Jan-19	19,510	25.47
Warehouse	Tasman Liquor	Warehouse	1,460.00	1-May-17	6.00	30-Apr-23	Net	31.12%	Nil	1-May-19	107,570	73.68
Office	Tasman Liquor	Office	113.00	1-May-17	6.00	30-Apr-23	Net	2.41%	Nil	1-May-19	15,707	139.00
Canopy	Tasman Liquor	Other	127.00	1-May-17	6.00	30-Apr-23	Net	0.00%	Nil	1-May-19	8,153	64.20
Yard	Tasman Liquor	Other	619.00	1-May-17	6.00	30-Apr-23	Net	0.00%	Nil	1-May-19	18,570	30.00
Carparking	Toll Logistics Licence	Parking	7.00	1-May-17	6.00	30-Apr-23	Gross	0.00%	Nil	1-May-19	3,570	510.00
Carparking	Nature Pac	Parking	2.00	8-Jan-18	6.00	7-Jan-24	Net	0.00%	2 x 3 years	8-Jan-19	2,000	1,000.00
TOTALS			4,692.00					100.00%			519,087	

Note: Orange Box Level 1 offices annual rental to be based on 395m² (refer clause 48)

25 Toop Street & 109-117 Port Road

Level/Suite	Tenant	Use	Lettable Area NLA	Lease Commence	Lease Term	Lease Expiry	Type	% NLA	Lease Option	Contract Passing Rent	Rent $/m²
Warehouse	Jets Transport	Warehouse	4,677.00	1-Sep-17	6.00	31-Aug-23	Net	14.36%	1 x 6 years	305,500	65.32
Office	Jets Transport	Office	195.00	1-Sep-17	6.00	31-Aug-23	Net	0.60%	1 x 6 years	21,450	110.00
Yard	Jets Transport	Other	540.60	1-Sep-17	6.00	31-Aug-23	Net	0.00%	1 x 6 years	15,900	29.41
Leasehold Yard	Jets Transport	Other	479.40	1-Sep-17	6.00	31-Aug-23	Net	0.00%	1 x 6 years	14,100	29.41
Warehouse (Main)	Peter Baker Transport	Warehouse	8,528.00	25-May-18	9.00	24-May-27	Net	26.18%	2 x 6 years	554,320	65.00
New Offices	Peter Baker Transport	Office	592.00	25-May-18	9.00	24-May-27	Net	1.82%	2 x 6 years	118,400	200.00
Office Balcony	Peter Baker Transport	Other	56.00	25-May-18	9.00	24-May-27	Net	0.00%	2 x 6 years	5,600	100.00
Yard	Peter Baker Transport	Other	1,792.00	25-May-18	9.00	24-May-27	Net	0.00%	2 x 6 years	53,760	30.00
Yard (est. leasehold component)	Peter Baker Transport	Other	112.00	25-May-18	9.00	24-May-27	Net	0.00%	Nil	3,360	30.00
Devanning Spaces	Peter Baker Transport	Other	4.00	25-May-18	9.00	24-May-27	Net	0.00%	2 x 6 years	5,600	1,400.00
Carparks (on subleased land)	Peter Baker Transport	Parking	20.00	25-May-18	9.00	24-May-27	Net	0.00%	2 x 6 years	7,000	350.00
Leasehold Pt East Yard	Tiger Construction NZ	Other	1,000.00	1-Nov-17	2.00	31-Oct-19	Gross	0.00%	1 x 2 years	20,400	20.40
Leasehold Pt East Yard	Ceres	Other	2,000.00	1-May-18	2.00	30-Apr-20	Gross	0.00%	Nil	30,000	15.00
Leasehold West Yard	Streamline Auto Solutions	Other	4,015.00	15-Jul-18	6.00	14-Jul-24	Gross	0.00%	2 x 3 years	43,800	10.91
Relocated offices	Streamline Auto Solutions	Other	140.00	15-Jul-18	6.00	14-Jul-24	Gross	0.00%	2 x 3 years	11,200	80.00
Warehouse	Toll Logistics	Warehouse	2,377.00	1-May-17	*6.00*	*30-Apr-23*	Net	7.30%	Nil	157,595	66.30
Cold Store	Toll Logistics	Warehouse	778.00	1-May-17	*6.00*	*30-Apr-23*	Net	2.39%	Nil	51,581	66.30
Front Offices	Toll Logistics	Office	201.00	1-May-17	*6.00*	*30-Apr-23*	Net	0.62%	Nil	28,703	142.80
Covered yard	Toll Logistics	Warehouse	410.00	1-May-17	*6.00*	*30-Apr-23*	Net	1.26%	Nil	20,910	51.00
Yard	Toll Logistics	Other	233.00	1-May-17	*6.00*	*30-Apr-23*	Net	0.00%	Nil	-	-
Devanning Spaces	Toll Logistics	Parking	4.00	1-May-17	*6.00*	*30-Apr-23*	Net	0.00%	Nil	4,080	1,020.00
Carparks (30% portion)	Toll Logistics	Parking	3.00	1-May-17	*6.00*	*30-Apr-23*	Net	0.00%	Nil	1,530	510.00
Warehouse	Peter Baker Transport	Warehouse	2,030.00	1-Apr-18	3.00	31-Mar-21	Net	6.23%	-	173,107	85.27
Offices	Peter Baker Transport	Office	66.00	1-Apr-18	3.00	31-Mar-21	Net	0.20%	-	5,628	85.27
MAF Pads	Peter Baker Transport	Other	2.00	1-Apr-18	3.00	31-Mar-21	Net	0.00%	-	2,800	1,400.00
Ex 'floating warehouse'	Nature Pac	Warehouse	1,183.00	8-Jan-18	6.00	7-Jan-24	Net	3.63%	2 x 3 years	93,450	78.99
Warehouse (25 Toop St)	Fujitsu	Warehouse	2,386.00	1-Aug-13	6.67	31-Mar-20	Gross	7.32%	2 x 6 years	190,636	79.90
Warehouse	Fujitsu	Warehouse	2,640.00	1-Aug-13	6.67	31-Mar-20	Gross	8.10%	2 x 6 years	209,437	79.33
Office	Fujitsu	Office	51.00	1-Aug-13	6.67	31-Mar-20	Gross	0.16%	2 x 6 years	10,200	200.00
Level 1 Offices	Fujitsu	Office	325.00	1-Aug-13	6.67	31-Mar-20	Gross	1.00%	2 x 6 years	73,125	225.00
Office Balcony	Fujitsu	Other	32.00	1-Aug-13	6.67	31-Mar-20	Gross	0.00%	2 x 6 years	3,200	100.00
Canopy	Fujitsu	Other	200.00	1-Aug-13	6.67	31-Mar-20	Gross	0.00%	2 x 6 years	12,000	60.00
Yard	Fujitsu	Other	333.00	1-Aug-13	6.67	31-Mar-20	Gross	0.00%	2 x 6 years	9,990	30.00
Carparks	Fujitsu	Parking	4.00	1-Aug-13	6.67	31-Mar-20	Gross	0.00%	2 x 6 years	3,200	800.00
Additional Warehouse	Fujitsu	Warehouse	1,772.00	1-Jan-17	3.25	31-Mar-20	Gross	5.44%	2 x 6 years	141,760	80.00
Warehouse (Port Rd frontage)	Linfox	Warehouse	3,995.00	1-Jan-17	6.00	31-Dec-22	Net	12.26%	-	308,614	77.25
G - Offices	Linfox	Office	372.00	1-Jan-17	6.00	31-Dec-22	Net	1.14%	-	57,474	154.50
Front Yard	Linfox	Other	485.00	1-Jan-17	6.00	31-Dec-22	Net	0.00%	-	14,987	30.90
West Yard	Linfox	Other	1,389.00	1-Jan-17	6.00	31-Dec-22	Net	0.00%	-	40,000	28.80
TOTALS			**32,578.00**					**100.00%**		**2,824,397**	

101-103 Port Road

Level/Suite	Tenant	Use	Lettable Area NLA	Lease Commence	Lease Term	Lease Expiry	Type	% NLA	Lease Option	Next Review Date	Contract Passing Rent	Rent $/m²
Warehouse (7.2-7.5m SH)	Downer Group	Warehouse	1,360.00	1-Nov-17	6.00	31-Oct-23	Net	54.16%	2 x 3 years	1-Nov-18	103,604	76.18
G Show/Off/Amenities	Downer Group	Office	719.00	1-Nov-17	6.00	31-Oct-23	Net	28.63%	2 x 3 years	1-Nov-18	95,474	132.79
G Entry	Downer Group	Office	53.00	1-Nov-17	3.00	31-Oct-20	Net	2.11%	-	1-Nov-18	7,009	132.24
L1 Offices	Downer Group	Office	379.00	1-Nov-17	3.00	31-Oct-20	Net	15.09%	-	1-Nov-18	49,573	130.80
Front Yard/Parking	Downer Group	Parking	5.00	1-Nov-17	3.00	31-Oct-20	Net	0.00%	-	1-Nov-18	4,450	890.05
Yard	Downer Group	Other	1,715.00	1-Nov-17	6.00	31-Oct-23	Net	0.00%	2 x 3 years	1-Nov-18	34,890	20.34
TOTALS			**2,511.00**					**100.00%**			**295,000**	

Arrears

We have assumed rental and outgoings are generally up to date and that there are no substantial arrears.

4.2 LEASE DETAILS

<u>17 Toop Street</u>

Orangebox Limited –Draft Deed Of Lease

We have been provided with an unsigned copy of the Draft Deed Of Lease which takes the form of an ADLS 5th Edition 2008(2). Our valuation remains subject to this document being fully executed in its current form. We summarise pertinent lease details as follows:

Lessee:	Orangebox Limited (Bank bond of $262,791 is to be provided)
Premises:	Premises A: Those parts of the Building and Property comprising the following areas: Warehouse 770m² Office 370m² Yard 265m² Mail Sorting Area and Digital Printing Area 355m² Canopy 100m² Premises B: That part of the Landlord's property situated at 17 Toop Street, Seaview, Lower Hutt being the upstairs offices comprising 462m² (however the annual rental and operating expenses for the said premises shall be calculated on the basis of an area comprising 395m² (clause 48).
Carparks:	Carparks A – 9 year term: 8 spaces to be situated in front of the office plus 10 spaces to be allocated by the Landlord from time to time. Carparks B – 8 years and 2 month term: 13 spaces to be allocated by the Landlord from time to time.
Commencement:	Premises A: 1 February 2017 Premises B: 1 December 2017
Term:	Premises A: 9 years Premises B: 8 years, 2 months (lease break options are available to the tenant on 30 November 2020 and 30 November 2023 with 6 months prior notice required).
Early Termination:	Clause 47.1& 47.2 provides the Tenant with rights to terminate Premises B and Carparks B early on either 30 November 2020 or 30 November 2023 with 6 months notice to be provided prior to dates.
Expiry:	31 January 2026

Rights of Renewal:	2 x 3 years each
Final Expiry:	31 January 2032 (if all renewals are exercised)
Initial Annual Rental:	Premises A and Carparks A: $196,710 per annum, plus GST Premises B and Carparks B: $77,385 per annum, plus GST
Current Annual Rental – Premises A:	$200,644.20 plus GST (Premises B as per above)
Rent Reviews:	Accumulated fixed increases of 2% per annum from the anniversary of the respective premises commencement dates with a market rent review on each renewal date (subject to a hard ratchet clause).
Business Use:	Any use permitted under the local authority's operative district plan from time to time.
Proportion of Outgoings:	40.86%
Outgoings:	Net lease with the tenant responsible for all operating expense items (with the exception of management expenses and repaving or resealing carparking/yard maintenance) together with tenancy consumables.

We note the comprehensive refurbishment of the premises was primarily undertaken by the Landlord, with six months rent free from commencement of the original lease (that excluded the recently incorporated Premises B referred to above).

The Level 1 offices (Premises B) have been recently refurbished.

For the purpose of our valuation we have conservatively assumed the first break option is exercised.

Just Water

We have been provided with a signed copy of the original Deed of Lease dated 12 November 2009 which is an ADLS 5th Edition 2008 document and the subsequent the Deed of Partial Surrender dated 10 November 2016. We summarise pertinent lease details as follows:

Lessee:	Just Water International Limited
Premises:	That part of the landlord's property at 17 Toop Street comprising the original warehouse, internal yard, canopy and rear office and amenities (as varied by partial surrender):
Commencement:	1 January 2010
Term:	12 years
Expiry:	31 December 2021

Rights of Renewal:	2 x 3 years (by variation)
Final Expiry:	31 December 2027 (if all renewals are exercised).
Commencement Rental:	$95,000 per annum, plus GST
Current Annual Rental	$85,488.10 per annum, plus GST
Rent Reviews:	Annually to the corresponding percentage change in the Consumer Price Index (from 1 January 2012 onwards).
Business Use:	Warehousing and any other use as permitted by the local authority with prior approval from the Landlord.
Outgoings:	Gross lease with the tenant responsible for tenancy consumables only.

Tasman Liquor

We have been provided with a signed copy of the Deed of Lease dated 4 April 2017 which takes the form of the ADLS 5th Edition 2008(2). We summarise pertinent lease details as follows:

Lessee: Tasman Liquor Company

Premises: Those parts of the Landlord's property situated at 17 Toop Street, Seaview Lower Hutt comprising the following areas:

		Latest Tenancy Plan
Warehouse	1,460m²	1,460m²
Offices	113m²	113m²
Verandah	30m²	30m²
Yard	629m²	619m²
Canopy	97m²	127m²
Total	2,329m²	*2,261m²*

We note we have relied on the subsequent 19 September 2017 Spencer Holmes rentable area supplied which differs slightly to the areas stated in the lease.

Commencement:	1 May 2017
Term:	6 years
Expiry:	30 April 2023
Rights of Renewal:	Nil
Commencement Rental:	$140,000 per annum, plus GST
Current Rental:	$150,000 per annum, plus GST
Rent Reviews:	Year 2 $150,000 per annum, plus GST with annual 3% increases from Year 3 onwards.

Outgoings:	Full net lease with the tenant responsible for all outgoings (33.45% of the property) together with tenancy consumables.
Business Use:	Warehouse and distribution centre and any use permitted under the local authority's operative district plan from time to time.

25 Toop Street (The Hub) & 109-117 Port Road

Jets Transport Limited

We have been provided with a signed copy of the Deed of Lease dated 20 September 2017 which takes the form of an ADLS 5th Edition 2008(2). We summarise pertinent details as follows:

Lessee:	Jets Transport Limited	
Premises:	Those parts of the Landlord's property situated at 25 Toop Street, Seaview, Lower Hutt, and in respect of the Railway Corridor only that part of the Landlord's leasehold estate pursuant to the Railway Sublease, comprising the following areas:	
	Warehouse	4,700m² now 4,677m²
	Office/Amenities	165m² now 195m²
	Yard	1,000m² now 1,020m²
Carparks:	Total	5,865m²
Commencement:	1 September 2017	
Term:	6 years	
Expiry:	31 August 2023	
Rights of Renewal:	1 x 6 years	
Final Expiry:	31 August 2029 (if the renewal is exercised)	
Annual Rental:	$356,950 plus GST.	
Rent Reviews:	Fixed annual 3% reviews from 1 September 2020 together with a market review on renewal (ratcheted to the rental payable immediately preceding the renewal).	
Outgoings:	Full net lease with the all normal operating expenses recovered from the tenant (proportionate to the property) including tenancy consumables.	
Business Use:	Any use permitted under the local authority's operative district plan from time to time.	

Peter Baker Transport

We have been provided with a signed copy of the Agreement to Lease dated 12 May 2017 and a draft Deed of Lease which takes the form of an ADLS 5th Edition 2008(2) we have also been supplied the recently measured rentable areas to be incorporated into this document (upon which our valuation is based). We summarise pertinent lease details as follows:

Lessee:	PBT Transport Limited
Premises:	The industrial warehouse building situated at 25 Toop Street, Seaview, Lower Hutt. Being those part of the building and property comprising the following areas:
	Warehouse 8,528m²
	Office 592m²
	Office Balcony 56m²
	Yard/parking 1,904m²
	Container devanning spaces (4)
Carparks:	20 spaces on the south side of the drive to the premises as shown on the attached plan (being currently part of the Landlord's leasehold estate pursuant to the Railway sublease.
Commencement:	Upon practical completion, understood to be 24 May 2018.
Term:	9 years
Expiry:	23 March 2027
Rights of Renewal:	2 x 6 years each
Final Expiry:	23 March 2039 (assuming all renewals are exercised)
Annual Rental:	$748,040 plus GST (assumed formalisation based on recent rentable area completed as pre-agreed rental rates to apply to the confirmed rentable areas).
Rent Reviews:	Every second anniversary of the commencement date to 2% per annum compounding, with market rent reviews on renewal (ratcheted to the commencement rental throughout).
Business Use:	Transport, storage, administration, offices and associated activities and any other use permitted under the local authority's operative district plan.
Outgoings:	Net lease with the tenant responsible for all outgoings with the exception of management expenses together with tenancy consumables (excluding rubbish collection charges).

PBT Expansion Warehouse (former MSS Warehouse)

We have been provided with a draft Deed of Sub -Lease which we assume will be converted to a direct lease and formalised accordingly. We understand the lease is in the process of transferring from the previous vendor (with the premises subject to a lease underwrite).

We have not sighted the full documentation but understand this has been agreed on the following basis:

Premises:	The industrial warehouse building situated at 25 Toop Street, Seaview, Lower Hutt. Being those part of the building and property comprising 2,096m².
Commencement:	1 April 2018
Term:	3 years
Expiry:	31 March 2021
Rights of Renewal:	1 x 3 years
Annual Rental:	$181,535 plus GST
Rent Reviews:	3% fixed annual increases on each anniversary of the commencement date.
Business Use:	Transport, storage, administration, offices and associated activities and any other use permitted under the local authority's operative district plan from time to time.
Outgoings:	Net lease with the tenant responsible for all outgoings with the exception of management expenses together with tenancy consumables (excluding rubbish collection charges).

Our valuation has been prepared on the basis the above agreement is formalised as tabled.

Nature Pac Limited

We have been provided with a signed copy of the Agreement to Lease dated 11 December 2017. We summarise pertinent lease details as follows:

Premises:	South eastern tenancy of 25 Toop Street, Seaview, Lower Hutt, Lot 1 DP 81136, being 1,183m² more or less including the container set down area (as marked on attached plan).
Carparks:	2 carparks (situated on 17 Toop Street towards The Hub main entrance).
Commencement:	8 January 2018
Term:	6 years
Expiry:	7 January 2030
Rights of Renewal:	2 x 3 years each
Annual Rental:	Premises $93,450 plus GST Car Parks $2,000 plus GST Total $95,450 plus GST

Rent Reviews:	Annual 2% increases throughout the lease term.
Business Use:	General warehousing and office.
Outgoings:	Full net lease with the tenant responsible for all outgoings.

We note Landlord works included an additional office on top of the small existing office space in addition to minor electrical works. We note a three month rent free incentive was provided to the tenant.

Toll Logistics (NZ) Limited

We have been provided with a signed copy of the Agreement to Lease dated 26 October 2016 and the signed Deed of Lease dated 27 September 2017 and Deed of Variation and Carpark Licence documents. We summarise pertinent lease details as follows:

Lessee:	Toll Logistics (NZ) Limited	
Premises:	Those parts of the Building and Property comprising the following areas:	
	Warehouse	3,155m² (including coldstore)
	Office	201m²
	Yard	233m² (nil rental to apply)
	Covered Yard	410m²
	Container devanning spaces	4
	We note rights to vehicle access to the front yard have been revoked with nil rental to apply to this 233m² during the lease term.	
Carparks:	10 spaces are subject to a separate licence agreement for $5,000 per annum plus GST for the length of the Toll lease (and reviewed in accordance with the premises). These spaces are to be provided on part of the adjoining 17 Toop Street land. The spaces will straddle this side boundary with 30% of this parking area situated on the existing 25 Toop Street site. We have apportioned this income commensurately between the two properties on this basis.	
Commencement:	1 May 2017	
Term:	9 years (with break clauses available)	
Expiry:	30 April 2026	
Early Termination:	**Two break clauses** are available to the tenant with 6 months notice required prior to an early termination at the end of Year 3 and Year 6 of the lease.	

Rights of Renewal:	Nil
Commencement Rental:	$262,715 per annum plus GST (including parking, excluding fitout rental)
Current Rental:	$267,969 plus GST per annum (including parking, excluding fitout rental)
Fitout Rental	An additional $100,000 per annum (plus GST) for years 1, 2, and 3 of the term. An additional $50,000 per annum (plus GST) for years 4, 5, 6, 7, 8 and 9 of the term (payable in addition to the premises rental, without review).
Rent Reviews:	Accumulated fixed increases of 2% per annum
Outgoings:	Fixed at $10.00 psm for the first two years of the term in respect of the General Outgoings (excluding management expenses) and 100% of the Premises Specific Outgoings (essentially tenancy consumables, plus service contract charges, maintenance and repair charges with respect of the Cool Store and its associated high speed roller door).
Business Use:	Any use permitted under the local authority's operative district plan form time to time.

We further note, our valuation assumes a 6 year term over the Toll premises in recognition of the extensive works completed to their specification which on balance is considered to a prudent assumption in the circumstances (however all WALT calculations herein reflect the first break clause being actioned).

Fujitsu General New Zealand Limited

We have been provided with signed copies of two Deeds of Lease dated 26 September 2017 together with the Deed of Variation dated 1 September 2016. We summarise pertinent details as follows:

Lessee:	Fujitsu General New Zealand Limited
Premises:	That part of the Landlord's properties at 25 Toop street and 109-119 Port Road, Seaview, shown cross-hatched on the attached plan for identification purposes only, being part of the land comprised in computer freehold registers WN47C/501, WN50B/103, WN50B/104 and together with and subject to interests noted thereon.
Carparks:	Four
Commencement Date:	1 August 2013 (Original Premises) 1 January 2017 (Additional Warehouse)
Lease Term:	6 years, eight months (Original Premises, note the additional warehouse shares a common expiry date of 31 March 2020)

Rights of Renewals:	Two (2) of six (6) years each
Final Expiry:	31 March 2032
Current Annual Rental:	25 Toop Street Original Premises (2,386m²): $190,636.00 109 Port Road Original Premises: $321,152.41 109 Port Road Additional Warehouse (1,772m²): $141,760.00 Total Rental $653,548.41 plus GST, per annum
Rent Reviews:	Every three (3) years from the commencement date
Outgoings:	Gross lease with tenant responsible for utilities only
Business Use:	Any use permitted under the local authority's operative district plan from time to time
Ratchet Clause:	Yes, full ratchet.

Linfox

We have been provided with a signed copy of the Deed of Lease dated 20 March 2017 which takes the form of an ADLS 5th Edition 2008(2) document together with the Deed of Variation dated 3 November 2017. We summarise pertinent lease details as follows:

Lessee:	Linfox Logistics (NZ) Limited
Original Premises:	Those parts of the landlord's property situated at 109-117 Port Road, Seaview, Lower Hutt comprising the following areas: Warehouse 3,995m² Office 372m² Yard 485m² Total 4,852m²
Commencement:	1 January 2017
Term:	6 years
Expiry:	31 December 2022
Rights of Renewal:	Nil
Commencement Annual Rental:	$369,975 plus GST
Current Annual Rental:	$381,074 plus GST
Rent Reviews:	Fixed 3% increases on each anniversary of the commencement date.
Outgoings:	Net lease with the tenant responsible for a 12.62% share of the property outgoings with the exception of management expenses,

	in addition to tenancy consumables.
Business Use:	Any use permitted under the local authority's operative district plan from time to time.
Additional Premises (by variation):	1,500m² more or less of yard shown for identification purposes only coloured blue and crosshatched on the plan annexed ("western yard").
Additional Premises Rental:	$40,000 per annum, plus GST fixed for the term of the original lease term.

We note the lease refers to two differing warehouse areas (3,995m² and 4,000m²) we understand the 3,995m² is the most current premises area calculated which matches the recent Boma area plans supplied. The lease does not provide for a revision following further measurement and we have accordingly adopted the premises rental stipulated in the Deed of Lease (as outlined above).

As part of the 3 November 2017 lease variation, a right of first refusal is also provided to the tenant over the adjoining 1,772m² warehouse leased by Fujitsu until 1 April 2020.

Leasehold Yard Areas:

Streamline Auto Solutions Limited (4,015m²)
We have been supplied a draft deed of sublease which we have assumed to be formalised. Personal guarantees are incorporated and the tenant is in occupation. The deed provides for a 6 year lease from 15 July 2018 of the 4015m² western yard area together with the 140m² office and amenities block. The commencement rental is $55,000 per annum, plus GST with predetermined increases to $65,000 from 15 July 2019 and $75,000 from 15 July 2020 with fixed 2% annual increases thereafter for the balance of the lease term and 2 x 3 year renewals if exercised.

Tiger Construction NZ Limited Yard (1,000m²) –We have sighted a fully signed Deed of Sublease (dated 8 November 2017) pertaining to this yard area which more recently has been relocated to the eastern side yard. The agreement provides for a two year term from 1 September 2017 and a commencement rental of $20,000 per annum. Rent reviews are 2% annual increases Sub-lessor's works include installation of security fence and gate to the eastern boundary (still to be completed).

Ceres NZ
We have been advised Ceres has commenced a lease over the remaining 2,000m² at the end of the western yard (accessed via the Tiger Construction premises) for a 2 year term commencing 1 May 2018 at $30,000 per annum. We have not sighted documentation to confirm the same and assumed this agreement is formalised as currently tabled.

101-103 Port Road

Downer New Zealand Limited
We have been supplied with a signed copy of the Deed of Lease dated 11 September 2017. We outline pertinent lease details as follows:

Lessor:	Seaview Commercial Investments Limited
Lessee:	Downer New Zealand Limited
Premises:	**Main Premises**: All of the premises outlined in the attached plan (excluding the Separate Tenancy Yard, the Upper Level Tenancy Access, and the Separate Tenancy Offices) including warehouse space of 1,378m², office space of 720m² and main yard and parking area of 1,715m² being part of the property comprised in Certificate of Title WNF4/948. **Separate Upstairs Premises**: All the premises labelled in the attached plan as the Separate Tenancy Yard, the Upper Level Tenancy Access and the Separate Tenancy Offices.
Commencement:	1 November 2017
Term:	6 years (subject to the ability to relinquish the Separate Upstairs Premises from 31 October 2020 with 3 months prior notice to be provided)
Expiry:	31 October 2023
Rights of Renewal:	2 x 3 years each (applicable to the Main Premises only)
Final Expiry:	31 October 2029
Annual Rental	Year 1 $290,000 plus GST Year 2 $295,000 plus GST Year 3 $300,000 plus GST Year 4 Current Market Rental Year 5 Fixed 2% increase on previous rental Year 6 Fixed 2% increase on previous rental
Rent Reviews:	As above with a commencement ratchet clause to apply to market reviews.
Outgoings:	Net lease with the tenant responsible for rates, insurance, utilities/tenancy consumables, NZ Fire Service charges and maintenance charges in respect of all fire detection and fire fighting equipment, service contract charges for air conditioning, other building services and security services (best current market rates) and the cost of supplying a building warrant of fitness and obtaining associated reports (but excluding the cost of upgrading). We further note a $53,850 outgoing cap applies during the first three years of the lease.
Business Use:	Office and any other business use permitted by the relevant district plan or by a resource consent.

In addition to the above we further note the first month of the lease was provided free of rent also.

We further note Clause 50.4 provides that if the Separate Tenancy area is relinquished, then the landlord is further required to complete works to create a standalone tenancy (from the Main premises area).

4.3 OPERATING EXPENSES

We have been provided with a detailed operating expense budgets for each property. In addition we have searched the Local Authority Rates from the HCC website and estimated other costs such as internal repairs and maintenance which are largely in accordance with the supplied budgets. Our proforma budgets of estimated operating expenses on a GST exclusive basis are as follows:

17 Toop Street

The current Capital Value of the above property is currently $4,110,000 (effective from 1 September 2016). This assessment is comparatively low and we would expect this to be reassessed at the next revision. We have escalated the estimated 2019/20 rates expense to reflect an increase in the Capital Value to $6,500,000 which indicates an estimated rates expense of $63,434 at this time (representing $13.35 psm of net lettable area).

	Adopted $pa	$psm
Statutories		
Council Rates	37,807	8.06
Insurance	44,559	9.50
Total Statutory Charges	**82,366**	**17.55**
Operating Expenses		
Building Act/WOF	1,250	0.27
Building Supervision	7,286	1.55
Fire Protection	3,000	0.64
HVAC	2,500	0.53
Repairs & Maintenance	14,000	2.98
Grounds/Yard Maintenance	8,000	1.71
Total Operating Expenses	**36,036**	**7.68**
Total Outgoings	**118,402**	**25.23**
Non-Recoverable		
Management Fees -Non recovered	5,214	1.11
Total Non-Recoverable	**5,214**	**1.11**
Adopted Outgoings	**123,616**	**26.35**

25 Toop Street & 109-111 Port Road

	Adopted	$psm
Statutories		
Council Rates	179,537	5.51
Insurance	290,164	8.91

Total Statutory Charges	**469,701**	**14.42**
Operating Expenses		
Building Act/WOF	2,000	0.06
Building Supervision	18,626	0.57
Fire Protection	10,000	0.31
HVAC	10,000	0.31
Repairs & Maintenance	40,000	1.23
Sundries	24,000	0.74
All Other Operational Costs	4,364	0.13
Total Operating Expenses	**108,990**	**3.35**
Total Outgoings	**578,691**	**17.76**
Non-Recoverable		
Ground Rentals	101,827	-
Management Fees -Non recoverable	26,374	0.81
Total Non-Recoverable	**128,200**	**0.81**
Adopted Outgoings	**706,891**	**21.70**

Similarly we note the above rates estimate is prepared utilising the current rates charge. The current Capital Value of the above property is $20,400,000 despite the 1 September 2016 assessment date, it is likely to increase at the next 1 September 2019 review. Our valuation has been prepared on the basis of a 2016 Capital Value of $30,000,000 which indicates an estimated rates expense of $264,024 (representing $8.10 psm of net lettable area).

In addition to the $93,165 per annum ground rent payable, we understand a further $8,662 is payable for the right of way access rights toward the Port Road frontage to provide for greater turning circles with regard to the Linfox warehouse.

101-103 Port Road

	Adopted	$psm
Statutories		
Council Rates	25,909	10.32
Insurance	29,539	11.76
Total Statutory Charges	**55,448**	**22.08**
Operating Expenses		
Building Act/WOF	1,250	0.50
Building Supervision	5,000	1.99
Fire Protection	1,500	0.60
HVAC	3,500	1.39
Repairs & Maintenance	12,000	4.78
Sundries	-	-
Operating Expenses	**23,250**	**9.26**
Total Adopted Outgoings	**78,698**	**31.34**

A rates adjustment has also been applied for the 2019/2020 year with our rates expense increased to reflect a Capital Value revision to $3,800,000 (compared with $2,800,000 currently).

Based on our involvement with the valuation of industrial property, we can confirm that the above operating expenses are not out of context with market levels (with the exception of the comparatively low rates expenses).

Recoverable Operating Expenses

The subject leases are primarily net leases (with some variations in recoveries), except for the Fujitsu and Just Water tenancies. These net leases insulate the landlord from potential rates increases (in particular) into the future.

4.4 NET INCOME ANALYSIS

17 Toop Street

Contract Income		
Office		$192,407
Parking		$36,930
Other		$69,518
Warehouse		$220,232
Current Passing Income		$519,087
Add Recoverable Outgoings		$88,074
Gross Passing Income		$607,161
Less Outgoings	$26.35/m²	$123,616
Net Income		**$483,545**

25 Toop Street & 109-111 Port Road

Contract Income (Freehold Component)	
Office	$314,980
Parking	$15,810
Other	$286,697
Warehouse	$2,206,911
Current Passing Income	$2,824,397
Add Recoverable Outgoings	$446,716
Gross Passing Income	$3,271,113
Less Rental Attributable to Leasehold Land	$129,860
Less Outgoings	$605,064
Net Income	**$2,536,189**

101-103 Port Road

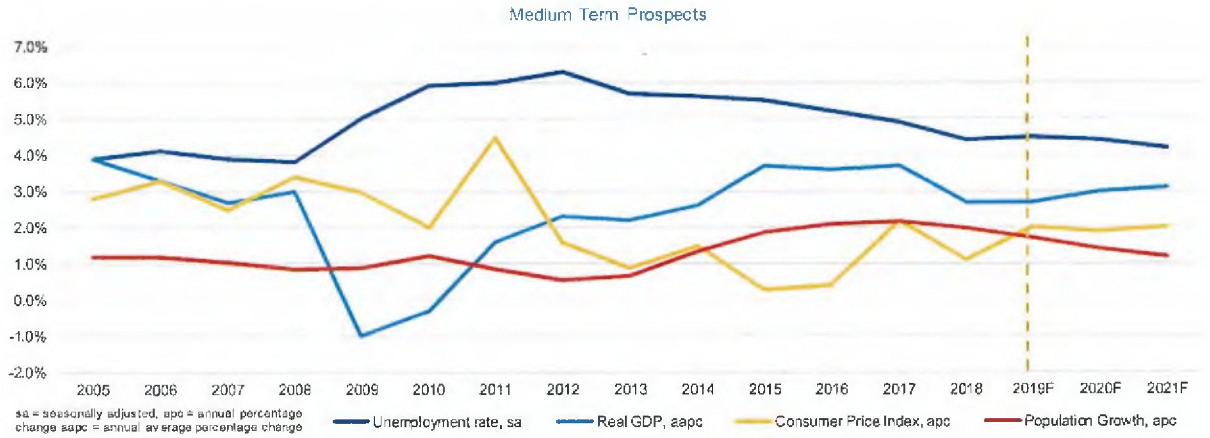
Contract Income		
Office		$152,056
Parking		$4,450
Other		$34,890
Warehouse		$103,604
Current Passing Income		$295,000
Add Recoverable Outgoings		$61,698
Gross Passing Income		$356,698
Less Outgoings	$31.34/m²	$78,698
Net Income		**$278,000**

5.0 MARKET COMMENTARY

5.1 ECONOMIC COMMENTARY

In determining the current market value of the subject property, we have had regard to underlying economic conditions and the flow-on implications that these may have on investment and divestment decisions made across the broader property markets.

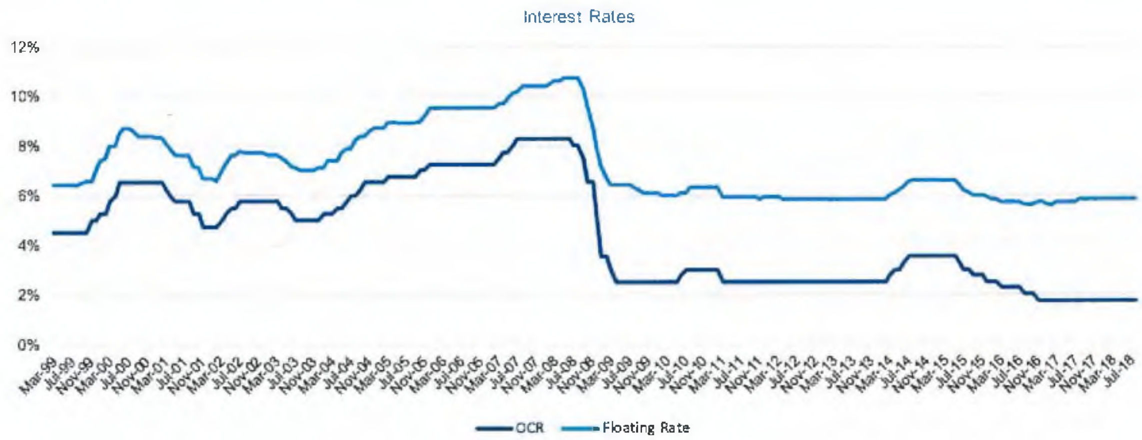
This commentary is effective as at October 2018 and is based on the most recently sourced data from Government and independent sources. The following graph provides an overview of key market indicators in recent times plus forecasts.



Interest Rates

The Official Cash Rate (OCR) has remained unchanged by the RBNZ at 1.75% since November 2016. Despite interest rates rising globally, the RBNZ have indicated there is little urgency to raise the OCR while the RBNZ assess how new policies affect New Zealand's economic growth. NZIER have pushed back their prediction indicating a rise in mid-2020.

RBNZ's August Monetary Policy Statement indicated the direction of the next OCR move could be up or down depending on actual inflation and GDP growth figures throughout 2019. It highlighted that interest rates could go down as much as 100 basis points if GDP remains below 3% over 2019 as business confidence and profitability weakens. This move could leave little room to manoeuvre through the next downturn. The graph shows the drop in rates from 2014 levels and that the OCR has been broadly flat / stable since 2017.



Inflation / CPI

Annual CPI for the June 2018 quarter increased 1.5 percent, or 0.4 percent from the March 2018 quarter. Sectors pushing up inflation include construction, up 3.9 percent, with housing utilities and rentals also increasing 3.1 and 2.5 percent respectively.

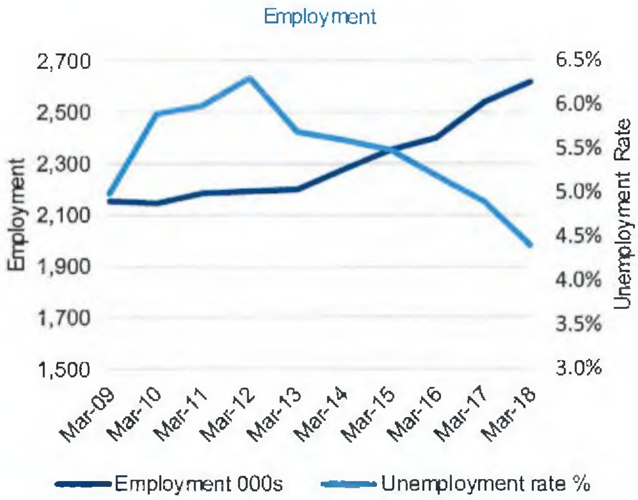
NZIER expect annual headline inflation to lift over 2 percent in H2 2019, reflecting the effects of higher global oil prices, lower exchange rates and petrol excise taxes. The current signs of inflation lifting are on the back of higher petrol prices at the pump, continued strong construction cost inflation as well as rental housing inflation picking up as population growth outweighs housing supply.

GDP

Gross Domestic Product (GDP), a measure of economic productivity, grew 1.0% in the June 2018 quarter, exceeding forecasts and was higher than the previous March quarter. Annual GDP growth was 2.7% for the year ended June 2018 and is forecasted by NZIER to average around 3.0% over the next five years on the back of expected slower population growth as more Kiwis move overseas and tightening migration policies. The latest NZIER Quarterly Survey of Business Opinion released in July indicated a further decline in business confidence. Businesses are now reporting a softening in demand, pointing to softer economic growth in the second half of 2018. Business profitability has also deteriorated as cost pressures intensify and businesses struggle to pass these costs on to the consumer, particularly so in the retail sector following an increase to the minimum wage. Heightened uncertainty and weakening profitability are making businesses cautious with expansion, particularly when investing in new buildings and plant and machinery.

Employment

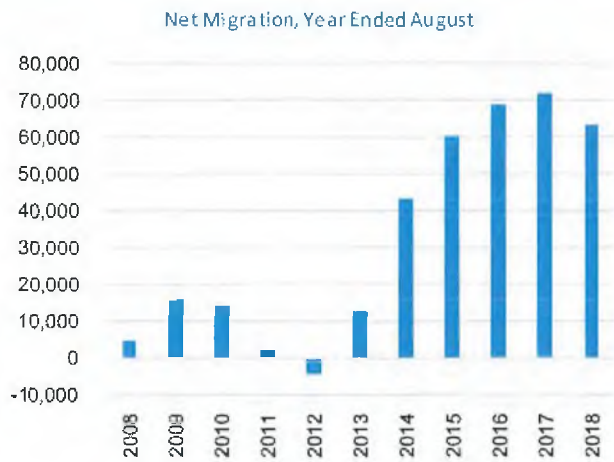
The labour market has begun to tighten with slowing migration and more Kiwis looking towards overseas job markets. Proposed changes to employment laws and immigration including increases in the minimum wage and elimination of the 90-day trial period are unlikely to deter employment. Despite a strong demand for labour, the unemployment rate lifted to 4.5 percent with businesses reporting acute labour shortages, particularly so in the construction sector. Employment will continue to be an obstacle for the construction sector as only 24 percent of work visas issued have been for technicians or trade workers.



The unemployment and underutilisation rates both rose in the June 2018 quarter, with unemployment rising to 4.5 percent and underutilisation up to 12 percent. This is a reversal in the trends evident in the previous five quarters and reflects the acute labour shortages in the construction sector. However, unemployment and underutilisation remain historically low.

Population/Migration

Strong population growth is a key factor which has flowed through to many sectors of the economy including construction and retail spending. Despite remaining relatively strong by historical standards, there has been a decrease in the number of permanent and long-term migrants with annual net inflows edging below 65,000, the lowest since 2015.



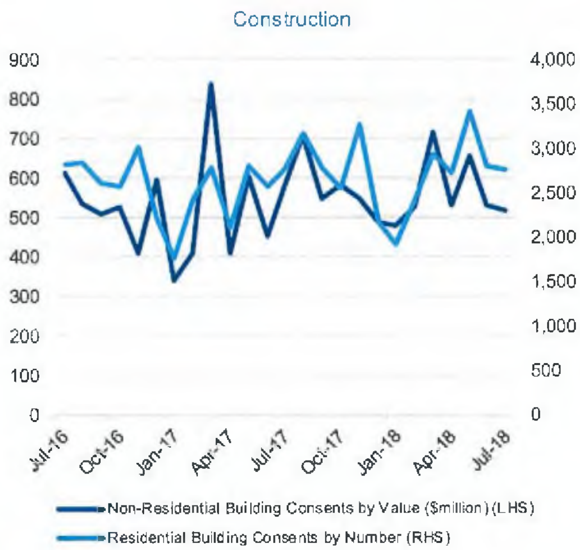
The drop in net migration is potentially the effect of a change in the composition of visa types. There is a continued surge in the number of people coming in on work visas, however this has been countered by a significant drop in the number of student visas as a result of the crackdown on fraudulent student visas. Net migration has also been affected by the negative net migration of NZ Citizens with permanent and long-term departures up 10 percent in the August 2017/18 year.

Tourism

Strong tourism will continue to be a major supporter in economic activity around a range of sectors including retail spending and commercial construction. International visitor arrivals in August 2018 were up 133,100 (4 percent) on August 2017 to 3.80 million.

NZIER expects tourism to remain strong over the coming years due to a buoyant Chinese economy and a more competitive New Zealand Dollar. Tourism spending will be an important contributor to New Zealand's regional economic development and NZIER's global demand forecast expects this positive momentum experienced in the tourism sector to continue.

Construction



Effects of high tourism and net migration continue to trickle throughout the economy impacting the construction sector. The construction pipeline remains strong, however NZIER's business confidence survey indicates there is a softening in new demand for buildings, suggesting that the change in priorities of the new government and capacity constraints in the sector are leading to increased uncertainty as to which projects will be going ahead. July 2018 saw an increase of 10 percent compared to July 2017 on the value of non-residential building activity, while the year ended July 2018 has seen an 8 percent rise in the actual number of dwellings from the July 2017 year. Cost pressures remain intense in the sector impacting negatively on profitability, pushing some firms off projects and others into receivership, affecting multiple sites across the country. Concerningly, building sector firms are no longer expecting a recovery in profitability, with a net 14 percent expecting profitability to worsen in the next quarter. Uncertainty remains in the economy as the effects are yet to be fully realised.

5.2 WELLINGTON INDUSTRIAL MARKET COMMENTARY

Wellington has the third largest concentration of industrial-related businesses in New Zealand after Auckland (34%) and Canterbury (13%), predominantly relying upon the regional catchment for business given its geographic location.

Wellington's industrial market enjoyed continued momentum throughout 2017 following on from elevated activity levels since 2014. The vacancy rate declined for the fifth consecutive year in 2017. Sales activity has decreased as properties are increasingly tightly held, while leasing numbers are down slightly (based on very tight supply). Demand is at record levels and consequently rental levels are increasingly strongly. We envisage this dynamic will continue for the foreseeable future.

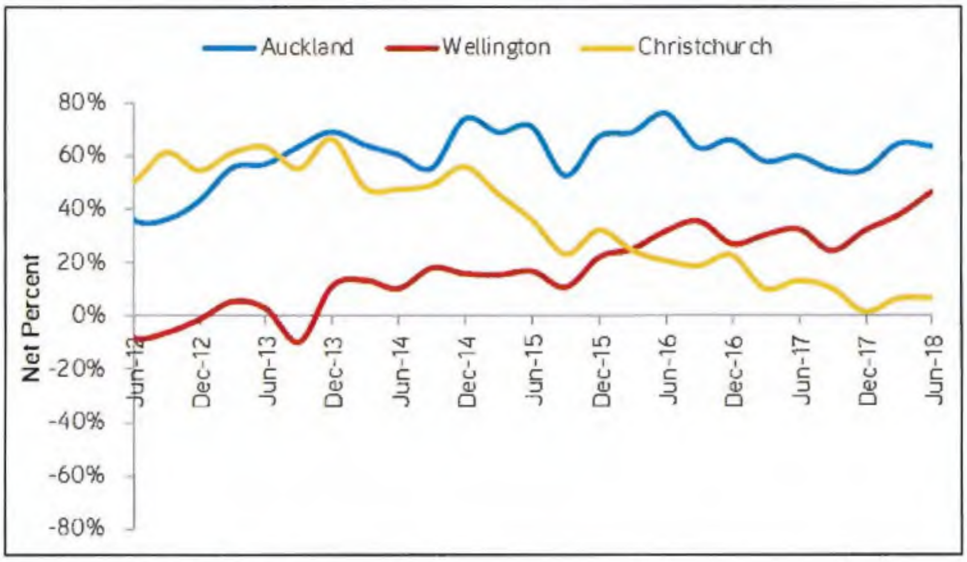
While construction and manufacturing encompasses around two-thirds of industrial activity, the capacity for distribution and warehousing is set to receive a significant boost. This is due to the Transmission Gully project with construction having commenced in September 2014 and completion set for 2020. The 27 kilometre section forms part of the 100 kilometres of the Wellington Northern Corridor from Levin to Wellington Airport. This will likely assist freight distribution in the area, especially to and from the airport and seaport. In the interim the project is supporting a number of local contracting and civil construction related businesses who are requiring further space to accommodate their expanding activities.

Another significant proposed roading project is the proposed Petone to Grenada link road. NZTA recently announced their decision to re-examine the project (and possible routes) after the previously preferred route was found to be inadequate in terms of route resilience, cost and environmental impacts. This represents a significant set back to the project. The prospect and timing of this project is now uncertain with a revised timeline expected to be announced later in 2018. Notwithstanding this, a significant number of industrial properties have already been acquired by the Crown in Petone which is exacerbating the already tight supply of space.

In addition to these, the loss of multiple industrial properties for the proposed flood protection and stop bank works in the Pharazyn Street area of Lower Hutt, and the growing trend of industrial space being converted to large format/bulky retail, will put further pressure on supply.

Overall, confidence in the Wellington industrial property market has shown a positive trend over the last five years or so, notably stronger since about September 2015. The sharp dip at the December 2016 quarter was a direct result of the November earthquakes that were centred in Kaikoura but felt strongly in Wellington.

INDUSTRIAL PROPERTY INVESTOR CONFIDENCE



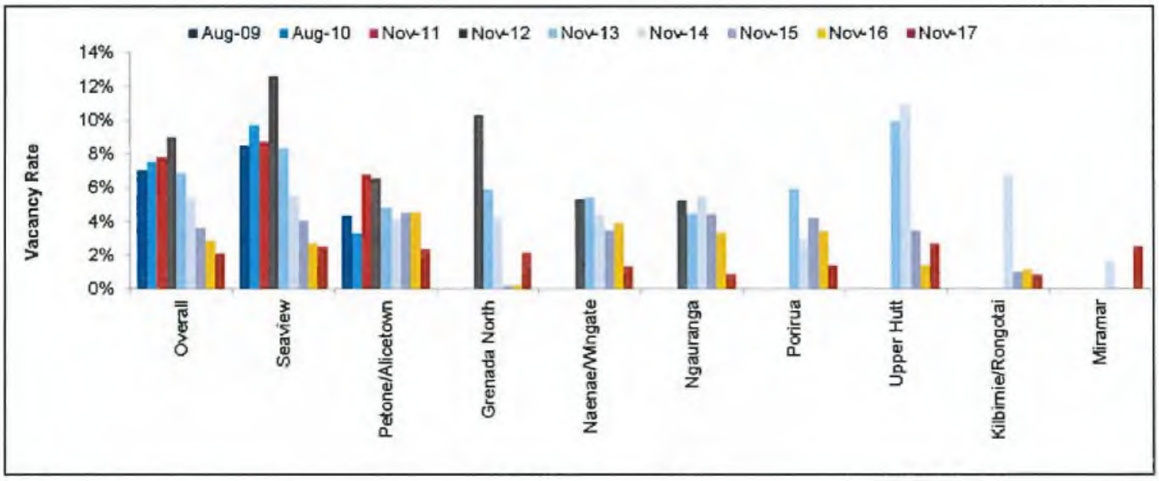
Source: Colliers International Research

We predicted this drop in confidence to be short lived and we were proven correct with confidence bouncing back at March 2017 and again in June 2017. The September 2017 quarter curiously recorded a dip in confidence although this was still significantly higher than it was two years ago. The December 2017 quarter recorded a sharp increase in confidence, almost back to the level it was prior to the November 2016 earthquakes. It increased sharply again in March 2018 and the latest survey in June 2018 has revealed confidence in the Wellington industrial market continues to strengthen strongly. More investors expect rents will continue to rise, vacancies will continue to reduce and returns will continue to increase. Overall, confidence in the Wellington industrial market has shown a very positive trend over the last four to five years.

Rentals have been rising since 2013. Initially this rental growth was modest but over the past 36 months the rate of increase has been more notable. This has seen Wellington moving firmly away from the flat rental rates that provided some of the most affordable rentals out of the main centres in New Zealand. Rent rises will continue as long as demand, supported by confidence in the business environment, continues to outweigh supply.

Colliers Research completes a vacancy survey of eleven main industrial precincts in Wellington. Covering some 2.5 million square metres of industrial space, this is one of the most comprehensive surveys available. The overall vacancy rate measured as at November 2017 was 2.1%, down from 2.9% at the same time in 2016. Surveyed precincts include Seaview/Gracefield, Petone, Alicetown, Grenada North, Naenae, Wingate, Ngauranga, Porirua, Upper Hutt and more recently added precincts Kilbirnie/Rongotai and Miramar.

The decline in the vacancy rate represented approximately 19,000m² of space occupied in 12 months. There was approximately 53,000 square metres of space available as at November 2017. This is the lowest vacancy rate since the surveys began in 2009. The results from the 2009 to 2017 surveys are illustrated in the below bar graph.



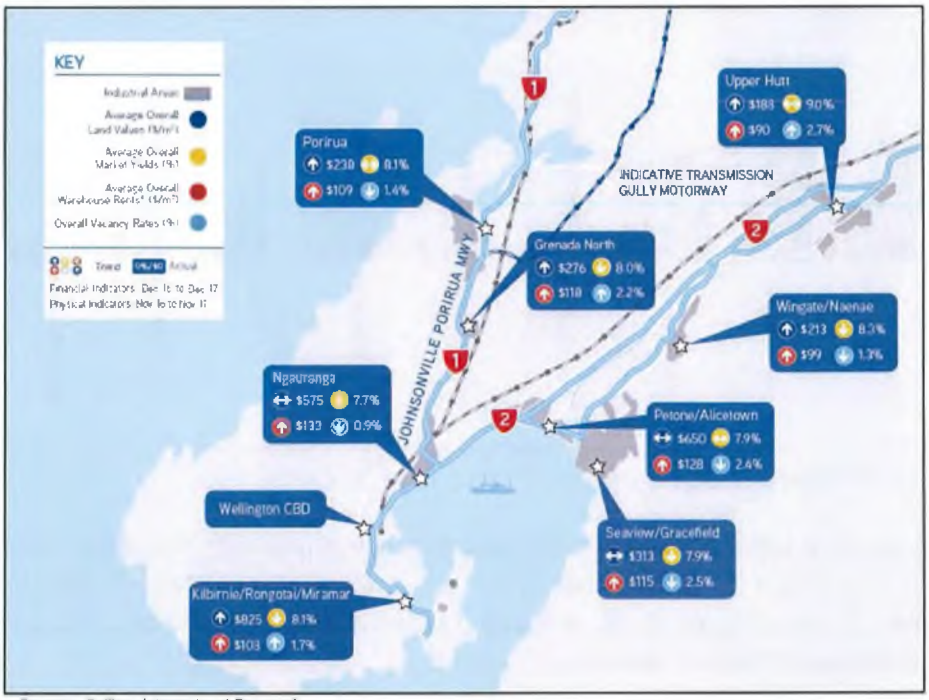
Source: Colliers International Research

The subject property is within the Seaview/Gracefield industrial precinct. This is the largest precinct in the Wellington Region and is characterised by a predominance of larger heavier industrial workshops and warehouses. It accounts for 27.1% of the total industrial stock in Wellington and as at November 2017, 32.5% of the total industrial vacancy.

The vacancy rate in Seaview/Gracefield was measured at 2.5% as at November 2017 which was a small reduction from 2016 when it was measured at 2.7%. This is a very low vacancy rate and there are very few options available for prospective tenants. There has been good rental growth occurring in Seaview and Gracefield over the last three years and we expect this will only continue given these latest vacancy results.

The pie charts below summarise the Wellington industrial stock as at November 2017 and the vacancy by precinct (as a proportion of the total stock and total vacancy).

2016 and 2017 saw a continuation of the steady purchasing demand from owner-occupiers moving to larger and better quality premises especially for properties $2 million or less. Investors were back in greater numbers for properties valued $2 million or more, but the lack of new and high quality properties to purchase is inhibiting yields from firming at faster rates. Rises in rents and the growing confidence in the market over the last five years has resulted in greater development activity and interest from Listed Property Vehicles and syndicators for the right assets.



Source: Colliers International Research

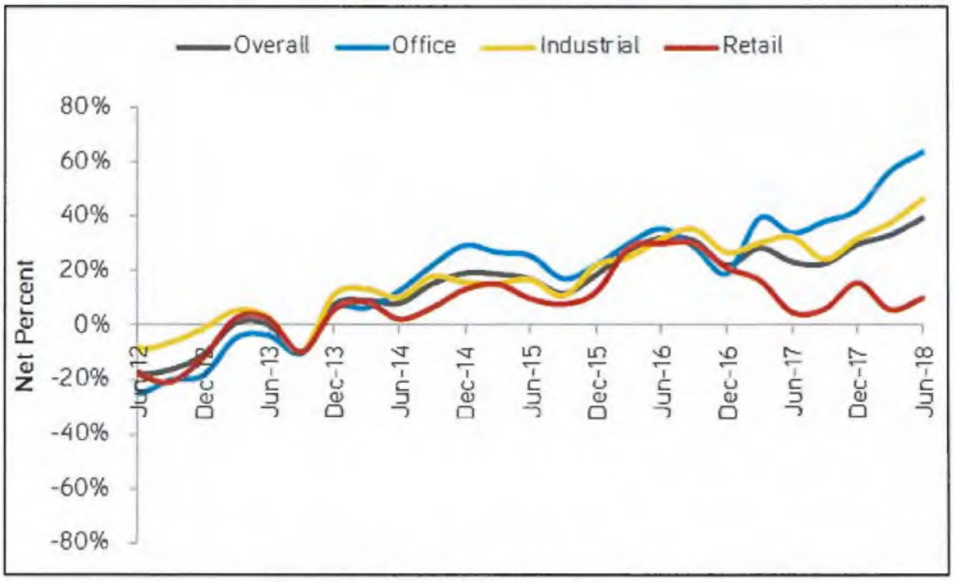
The latest Colliers International Vacant Industrial Land supply survey shows further traction in land absorption last year in the Wellington region (including the Wairarapa). Approximately 20 ha of land was absorbed, up from approximately 13 ha last year.

5.3 THE INVESTMENT MARKET

Over the six to eight years or so following the Global Financial Crisis, the property investment market throughout New Zealand became risk averse, with potential buyers and their bankers being more cautious and reluctant to commit, particularly to non prime quality property. The key fundamentals of location, tenant quality and certainty of cashflows have become of paramount importance and very little (if any) value was placed on future development potential.

While real estate sales activity picked up markedly from 2014, we note that the property market in the Wellington region has been considerably quieter than in Auckland over this period. The number of high quality properties in terms of location, building grade and tenant covenant being offered to the market is limited. Secondary quality properties are still proving challenging to sell due to the variance between vendor and purchasers pricing expectations. Foreign investors have returned to the market, with their focus typically on large assets exceeding $20 million in value. These typically comprise office buildings within Wellington's CBD, however outside of this area there have been strong sales for high value retail and industrial property in Petone and Seaview.

WELLINGTON COMMERCIAL PROPERTY INVESTOR CONFIDENCE



Real Estate Investor Confidence

Source: Colliers International Research

The results from the Colliers International Research NZ Investor Confidence Survey as at the June 2018 quarter indicate that overall investor confidence has increased from the last survey in March 2018. Overall Investor confidence has increased to a net positive 40% as at June 2018, up from a net positive 33% as at March 2018. Confidence increased in all three sectors of the market, notably for office and industrial. Overall investor sentiment in the retail sector bounced back from a fall from December 2017 to March 2018.

The number of Cruise Ship Passengers has been increasing over the past few years with the number of passengers expected to grow by 20% during the next five years, fuelling a positive outlook for Wellington's retail and hotel/motel accommodation markets.

In terms of the office sector we observed an increase in international (and national) buyers for office towers in the CBD on the back of the OCR flow on effects and the drop in the New Zealand Dollar across 2014 and 2015 (which strengthened somewhat during 2016). In addition to this the higher yields achievable in comparison to other cities around the world coupled with New Zealand's perceived lower risk (i.e. conflict/war/terror and strong economy) resulted in a number of significant high value transactions and interest has continued.

Turning to the industrial market, confidence has strengthened as a result of decreasing vacancy rates and the Transmission Gully works (commenced in September 2014) which will result in better traffic linkages. Colliers International have been completing annual industrial vacancy surveys across the Wellington Region since 2009 with the latest November 2017 results indicating an overall vacancy rate of 2.1% which is the lowest rate we have recorded since the surveys began in 2009 and the fifth reduction in consecutive years. Prior to 2017 overall vacancy rates ranged from 2.9% to 9.8%. This is very positive for the Wellington industrial market.

The fortunes of the Wellington property market (particularly in the CBD) are heavily dependent on the presence of the Government. In 2011, the Government Property Group (GPG, formerly PMCoE) was established to rationalise the Government's accommodation portfolio, as part of the governments aim to reduce the fiscal deficit. Whilst Government are expected to increase their office occupancy densities in coming years, public service numbers have actually increased over the last few years. If numbers continue to increase this would serve to minimise the vacancies that would otherwise result from this Government efficiency drive. Over the past 20 years or so Wellington has also been impacted by the relocation of corporate head offices to Auckland and overseas. There are now fewer corporate head offices remaining in Wellington and so this is not seen as significant future risk.

The significant seismic events that have occurred in New Zealand since 2007 (Gisborne, Christchurch, Seddon and Kaikoura most recently) has heightened awareness of the structural integrity of buildings. There is considerable aversion from purchasers and lenders to buildings presenting as earthquake risk (buildings with NBS scores between 34% and 67%). Compounding this is the difficulty in securing insurance cover for earthquake prone buildings (below 34% NBS), and even for those buildings not classified as earthquake prone but scoring below say 50% of NBS. Insurance premiums for all property rose significantly between 2011 and 2013, however reduced during 2015 and 2016 to levels close to those payable prior to 2011/2012. Whilst there is likely to be some short term impact on insurance premiums as a result of the November 2016 earthquakes, we expect this to be of no real moment. Changes to the Fire Service Levy charges also came into affect during 2017 (July).

The market's seismic awareness has both helped and hindered the Wellington market. The withdrawal of buildings for seismic upgrades has reduced vacancy rates which have helped keep rental rates stable. Seismic upgrades have been a significant contributor to the local construction industry with approximately 60% and 40% of building activity comprising alterations and new construction respectively according to quantity surveyors Rider Levett Bucknall. Seismic issues have had some negative impact on tenant and investor confidence in the Wellington market; however this appears to be subsiding (as noted earlier, when looking at the latest Colliers investor confidence survey) as the market's understanding of the issue has improved.

Following the peak of the property cycle in mid to late 2007, there was a softening in yields for all classes of property throughout Wellington. Over the past two to three years, we have noted firming yields for good quality stock with strong tenant covenants. Post GFC the most active purchasers in the marketplace have been high net worth individuals, syndicators, private equity groups and owner occupiers seeking attractively priced real estate. Institutional investors and high net worth individuals with a long-term investment horizon have taken advantage of opportunities that have presented themselves. Between 2008 and 2013 there was little purchasing enquiry from institutional and foreign investors; however from 2014 we have observed increased demand from these sectors and this has continued into 2018. We are aware that yields for prime quality property in major metropolitan centres worldwide have significantly compressed in recent times and the comparatively higher yields available in New Zealand are now proving attractive.

Interest rates have been sustained at low levels for the past 2-3 years, though they increased slightly over the first half of 2014 before decreasing again during 2015. The ORC dropped by 25 basis points to 2.00% on 11 August 2016 and again by 25 basis points to 1.75% on 10 November 2016, and has remained unchanged since. The low interest rates have significantly impacted returns for the older half of the population who have a higher ratio of savings to debt. Alternative investment opportunities including investment property has therefore been attractive, however it appears that buyers are still cautious of risk and their expectation of return has increased with little transacting below the 6.00% mark in Wellington. Within Auckland and Tauranga we have noted multiple sales occurring at yields between 5.50% and 6.50% and several less than 5.50%.

In all value ranges, we are still observing a wide yield differential between prime and secondary properties, having regard to location, building quality (including structural integrity), tenant covenant and lease terms to run. Future rental growth remains uncertain for many sectors of the market and many new leases now include formularised rent reviews (i.e. cpi based or fixed increases) which provides some incentive to accept a lower initial return.

The market for commercial property in the value range below $3 million remains the most active as it is accessible to the widest range of investors and has the strongest yield expectations. For properties in this value range that are not affected by seismic issues, activity increased throughout 2015, 2016 and 2017, and has continued into 2018 although there appears to be a lack of suitable stock in some sub-sectors.

We note the 2017 and 2018 sales of strongly leased and well located property demonstrate yields in the general range of 6.50% to 8.00% (close to the levels reached in 2007), while yields for secondary quality property fall within the general range of 8.00% to 10.00% (with yields in excess of 10% required for properties with a very significant risk factor such as vacancy/pending lease expiry, low seismic rating or a requirement for significant capital expenditure).

5.4 IMPLICATIONS FOR THE SUBJECT PROPERTIES

The subject properties would be well regarded due to a combination of strong tenant covenants (from The Hub/109-117 Port Road in particular) and weighted average lease terms ranging from 4.40 years to 5.03 years (or 4.85 years collectively). Collectively the properties provide a well diversified income stream effectively fully leased, while providing one of the largest collective holdings in the wider Seaview/Gracefield industrial precinct.

6.0 VALUATION CONSIDERATIONS

6.1 VALUATION METHODOLOGY

These are essentially investment properties, with potential for owner occupation of the smaller properties on a standalone basis (namely 101 Port Road and 17 Toop Street), and accordingly we have adopted well established valuation techniques.

We have applied the following accepted methods of valuation which are considered to be appropriate in concluding a market value for the subject property. Below is a brief outline of each approach and how it is adopted:

Contract Income Approach
This method of valuation applies direct capitalisation to the passing income. This is considered to be a well proven method of determining value for an investment property where income is receivable for a reasonable term from a secure tenant(s).

However, this method can prove less effective where the current contract rent varies from the assessed market rent due to over or under renting, vacant space and a number of other factors.

Market Income Approach
This approach requires the assessment of a market rental for the property and capitalisation at an appropriate yield. It is then possible to make capital adjustments to allow for the difference between contract rent (either over or under) discounted until a notional equilibrium point in the lease term. Vacancies and other capital adjustments are made where appropriate.

Discounted Cashflow Approach
In addition we have carried out a discounted cashflow valuation over a ten year horizon in accordance with established practice.

This method involves projecting the cashflow of the property over the 10 year period and making explicit forecasts for many variables within the property including:

- Discount Rate
- Growth Rates
- Sustainable Rental Levels
- Vacancy Allowances
- Capital Expenditure and Outgoings
- End of Period Valuation/Terminal yield

In order to assess the market value of the subject property, we have researched and analysed recent leasing and sales activity in the immediate and nearby localities.

6.2 RENTAL EVIDENCE

The valuation approaches adopted require us to assess the market rent for the subject premises by comparison to other leasing evidence. Our market rental assessment has been completed on a gross occupancy cost basis, where "gross occupancy cost" may be defined as the total of rental and operating expenses payable by the lessee. This approach allows for varying operating expense liabilities when comparing rental evidence, and is commonly used in the commercial and industrial property markets in the Region.

We have researched the market for recent open market leasings and rental reviews of large industrial premises in Seaview/Gracefield over the past two years. Indicative of prevailing rental levels within this sector include:

Address	Tenant	Date	Status	Type of Space	Area m²	Effective Rental Rate $ psm/pspw
			Subject Properties			
The Hub, 25 Toop Street	Streamline Auto Solutions	Jul-18	NL	Office/Amenities Yard	140 4,015	$90.00 $12.98
	Ceres NZ (pending formalisation	*May-18*	*NL*	*Yard*	*2,000*	*$15.00*
	Peter Baker Transport (ex MSS space)	Apr-18	NLE	Warehouse (overall) MAF Pads	2,096 2	$99.04 $1,400
	Nature Pac	Jan-18	NL	Warehouse Carparks	1,183 2	$87.06 $17.50
	Jets Transport	Sep-17	NLE	Warehouse Office Yard	4,700 165 1,020	$77 $142 $29
	Peter Baker Transport	Jul-17	NLE	Warehouse Office Office Balcony Yard Container Devanning Spaces Carparks	8,560 555 34 1,914 4 20	$77 $216 $80 $30 $1,500 $7
	Toll	Dec-16	NLE	Warehouse Office Yard Covered Yard Container Devanning Spaces	3,155 200 233 410 4	$75 $150 $50 $60 $1,000
101-103 Port Road	Downer Group	Nov-17	NL	Warehouse G Office/Amenities L1 Offices Yard	1,378 773 360 1,615	Confidential
17 Toop Street	Orangebox (original premises))	Feb-17	NL	Warehouse Office Sorting & Printing Rooms Canopy Yard Carparks	765 365 356 50 260 18	$92 $174 $138 $65 $33 $18
	Orangebox Premises B (pending formalisation)	*Dec-17*	*NLE*	*L1 Offices* *Carparks*	*462* *13*	*$156* *$19*
	Tasman Liquor	May-17	NLE	Warehouse Canopy Office Yard	1,412 127 95 627	$96 $60 $150 $30

Address	Tenant	Date	Status	Type of Space	Area m²	Effective Rental Rate $ psm/pspw
109-117 Port Road	Fujitsu Additional Warehouse	Jan-17	NLE	Warehouse	1,772	$78
	Linfox	Jan-17	NL	Warehouse	3,995	$87
				Office	372	$162
				Yard/Carparking	485	$30
			Seaview/Gracefield			
2C Bell Road South	Charta Packaging	Jul-18	R	Warehouse	4,037	$90
				Yard/Parking	290	$35
5 Meachen Street	Advance Building & Construction	Oct-18	NL	Warehouse (6.5m)	2,376	$88
				Warehouse (3.5m)	850	$75
				Office	370	$160
				Rear yard	465	$20
				Carparks	23	$12
133 Gracefield Road	Tokyo Foods	Aug-18	R	Warehouse	897	$117
				Office/Amenities	163	$160
				Mezz Storage	172	$65
				Carparks	4	$20
39-49 Randwick Road	Viridian Glass	Apr-18	NLE	Warehouse 1	1,745	$115.14
				Warehouse 2	2,084	$109.20
				Offices	220	$162.65
				Gantry Crane	1	$16,036
				Yard 1	415	$23.76
				Yard 2	1050	$23.76
				Yard 3	410	$23.76
Seaview	Confidential	Mar-18	NL	Warehouse	2,920	$133.46
				Office Amenities	235	$240.00
				Yard	1,500	$30.00
				Canopy	200	$75.00
				Carparks	26	$20.00
21-29 Bell Road South	Ritall	Jul-17	R	Warehouse	1,253	$123
				Office Ground	148	$155
				Office L1	139	$160
				Carparks	6	$20
5-7 Toop Street	Mainfreight	May-17	RR	Warehouse	4,206	$95
				G Office/Amen	209	$130
				L1 Office/Amen	184	$140
				Canopies	1,668	$48
				Yard	1,220	$25
				Carparks	18	$15
77 Port Road	Chair Solutions	Aug-18	NL	Warehouse	3,468	$89
				Showroom	202	$150
				Office	80	$125
				Mezz/Amenities	122	$75
				Yard	102	$28
	MSS 2003	Jul-17	NL	Warehouse	1,815	$68
				Office/Amen	41	$85
	Crawford Storage & Distribution (Unit 2)	Jun-17	R	Warehouse	1,849	$83
				Office	171	$100
				Yard	971	$15
				Yard	37	$25

Address	Tenant	Date	Status	Type of Space	Area m²	Effective Rental Rate $ psm/pspw
81 Port Road	Project Stainless	Apr-18	NL	Warehouse	793	$78
				Offices	40	$121
				Amenities	105	$116
				Mezz Store	15	$19
Port Domain, 2-20 Port Road	Business Relocations	Aug-17	NL	Warehouse	994	$87
				Portacom	18	$175
				Yard	200	$25
	Universal Trucks	Aug-17	RR	Warehouse	615	$115^
				Warehouse LS	235	$85
				Office – G	106	$135
				Amen-storage - Mezz	192	$110
				Yard	910	$25

NL - New Lease, NLE – New lease to existing tenant, R – Renewal, RR – Rent Review

^Includes gantry crane

Rental Reconciliation

In general terms larger premises attract lower rates per square metre relative to smaller premises, all other things being equal, and associated yard space is seen as a significant benefit. Various adjustments are made as deemed appropriate to the comparable evidence for factors such as location and position, size, quality, access, prominence and exposure, stud height, and timing, etc.

Clearly the new leasing evidence from the subject property is of importance with an extensive body of leasing activity during the past 18 months, although significant rental growth has been experienced over this period.

The most recent new leasing to Peter Baker Transport is of particular interest and indicates a significant uplift in rentals (with the complex now fully leased). This leasing is slightly higher than we would have expected at the time and further confirms to us the presence of rent growth continuing in response to the historically low vacancy rates experienced

Similarly Nature Pac, is of interest. Comprising a smaller tenancy with sole access provided via the covered common area of the hub complex.

Focussing on the subject agreements, warehouse analysed rates of larger tenancies range from $75 psm to $99 psm most recently from the PBT expansion warehouse lease with demonstrable rental growth since many of these were agreed. Of these, we note Peter Baker Transport and Toll further enjoy non exclusive use of the covered common area with little apparent differential for size between rates for warehousing areas which is clearly a benefit for which specific adjustment is required.

Turning to more recent evidence from the wider locality:

5 Meachen Street comprises a1970s warehouse building which has been vacant for approximately two years. It has a 6.5 metre stud to the main area and 3.5m to the side lean-to. Recently strengthened to 100% NBS. New lease to an Australian Modular House building company for a term of 6 years. However the agreement includes a break clause in favour of the tenant after 3 years, the lease provides for annual 3% rental increases.

Tokyo Foods, **133 Gracefield Road** comprises the front north east part of a three unit warehouse built in 1988 with a clear stud height of approximately 5.65m rising to some 6.50m with good natural light received. The glass fronted ground floor showroom/offices/amenities has mezzanine storage above.

2C Bell Road South comprises the front/eastern third of a circa 1965 large warehouse building and yard/parking at the front. The building incorporates a circa five metre stud warehouse which is clean, dry and has good natural light. Sealed yard/parking is provided at the front of the property. Internal columns are at circa 19 and 20 metres spacing so circulation is not too compromised and there are two roller doors. The rental relates to a one year renewal period and indicated a 14% increase on the previous rent payable.

The **Chair Solutions** tenancy comprises the Port Road frontage of a large former 1960s wool store with extensive frontage to Toop Street which is divided into five tenancies. Medium stud height of circa 5.2 metres. Full circulation around the building with access and yard space along the northern side from Port Road and the rear onto Toop Street.

Within the same complex, **MSS 2003** occupies Unit 3, being the former Crawford Transport space, with frontage to Toop Street and drive through access via roller doors on both south and north sides with a small yard at the rear (north) and common access around the building via Toop Street and Port Road. The warehouse has a stud height of circa 5.2 metres at the knee. At an effective gross rental rate of $67.80 psm over the warehouse, this is considered to be a rather 'soft deal' and does not align with other rentals in the wider complex.

Viridian recently took a two year lease extension over their premises at **39-49 Randwick Road** from April 2018. The rental upon extension equates to 9.8% increase on previous payable with the rental to 2% increase at the end of the first year. The premises comprise two long narrow bays, one with stud height of 7.65m, the second 7.2m stud. With a gantry within high stud warehouse. Offices and amenities of average quality, and the yards are sealed and provide drive in access with relatively narrow circulation and access from entrance points. We note, represented over the warehouse the gantry represents an additional $9 psm on the above quoted rate.

Project Stainless occupy the north western corner of the northern (1965) warehouse building at **81 Port Road**, strengthened to 70% NBS, with refurbishment to the offices and a new roof.

The **Mainfreight** tenancy comprises a large warehouse building and a two storey office/amenity annex constructed circa 1971 a short distance from the subject properties. The warehouse building was built in the centre of the site with canopies and sealed heavy vehicular access formed down both sides of the property. The building has a stud height of approximately 4.5 metres to the underside of the truss roof frame at the knee rising to approximately 6.12 metres (10.3 metres to the top of the apex) to the underside of the truss roof frame at the apex. The two storey office and amenities annex is of utilitarian design constructed of concrete block and provides tidy but basic office accommodation and staff amenities. The ground floor provides offices, lunch room and toilet facilities, with the first floor providing administration offices (incorporating a sink bench unit with tea and coffee making facilities), and men's and women's bathrooms. In addition there are 18 sealed carparks.

The **Business Relocations** tenancy comprises part of a large industrial estate which comprises multiple warehouse and office tenancies and is known as the Port Domain Industrial Estate. The premises comprise low stud warehouse space, portacom offices and amenities, together with a small sealed yard. The 4.1 metre stud warehouse has a new roller door. The premises are situated in a gateway position to the Seaview industrial estate at the eastern end of Waione Street with access off Port Road. There is some exposure to the very busy Waione Street bridge which carries significant volumes of passing traffic.

The **Universal Trucks** premises comprise medium and low stud warehouse space, associated offices and amenities, together with a large sealed yard for parking and storage including a wash down bay. The 6.3 metre stud warehouse has drive through access, a travelling overhead gantry crane and an inspection pit. The premises are situated in a gateway position to the Seaview industrial estate at the eastern end of Waione Street with access off Port Road. There is some exposure to the very busy Waione Street bridge which carries significant volumes of passing traffic.

With regard to the cool store component which forms part of the Toll premises, we have had regard to specialised food processing and cool store rentals on a national basis, these are analysed on a net basis, i.e. exclusive of property operating expenses and include:

Address	Tenant	Date	Status	Type of Space	Area m^2	Net Rental Rate $ psm/pspw
27 Sheffield Street, Te Rapa, Hamilton	Provida Foods	Aug-17	NL	Freezer	838	$185
				ELA/Chiller	934	$160
				Offices	379	$180
				Refrigeration Room	43	$175
				Workshop	80	$82
				Dry Goods	413	$130
				Yard	1,300	$15
57-65 El Prado Drive, Milson, Palmerston North	Provida Foods	Aug-17	NL	Freezer	634	$185
				ELA/Chiller	795	$160
				Offices	249	$180
				Refrigeration Room	43	$175
				Dry Goods	280	$130
				Yard	3,200	$15
Units C & D, 5 Macrae Avenue, Mount Maunganui	Provida Foods	Aug-17	NL	Freezer	189	$138
				ELA/Chiller	60	$100
				Offices - Mezz	42	$120
				Refrigeration Room	6	$80
				Dry Goods	217	$80
				Canopy	168	$53
12-16 Brigade Road, Airport Oaks, Auckland	My Food Bag	Jun-17	NL	Offices	740	$120
				Control Office & Amens	169	$155
				Chiller	3,187	$175
				Plant Room	83	$100
				Canopy	150	$50
Canada Crescent, Hornby, Christchurch	Polarcold	Nov-16	RR	Coldstores	6,465	$130
				ELA	1,352	$92
				Office	296	$128
				Blast Freezer	118	$180
				Drive Through	778	$62
				Canopy	313	$41

Address	Tenant	Date	Status	Type of Space	Area m^2	Net Rental Rate $ psm/pspw
3 Alderson Drive, Milson, Palmerston North	Big Chill	Nov-16	RR	Freezer	509	$174
				ELA	422	$137
				Chiller	403	$158
				Offices	140	$177
				Forklift	15	$127
				Canopy	150	$50
				Concrete Yard	4,000	$35
23 Dunlop Road, Waharoa, Waikato	Icepak Waharoa	Sep-16	R	Coldstores	4,953	$125
				Coolstore	541	$85
				Office/Amen	77	$140
				Front Warehouse	724	$50
				Warehouse Office/Amen	30	$80
				Workshop	403	$30
				Loading Area	1,425	$55
				Canopy	403	$25
7 Armstrong Road, Albany, Auckland	Bidvest	Aug-16	NL	Offices	216	$170
				Freezer	673	$250
				Chiller	250	$220
				ELA	500	$220
				Dry Store	917	$112
				Dock Canopy	221	$55
				Plant Room	59	$75
				Yard	960	$23
				Canopy	360	$55
10 Transport Place, East Tamaki, Auckland	Halls Logistics	Aug-16	NL	Offices	369	$185
				Office Addition	119	$180
				Driver's Amenities	197	$155
				Dispatch Office	41	$115
				Freezer	2,234	$235
				Chiller A & B	1,447	$170
				Chiller	1,039	$225
				ELA	1,006	$140
				Plant Room	39	$80
				Breezeway Canopy	2,043	$55
				Warehouse	4,150	$107
				Canopy	700	$50
				Generator		$15,000

NL = New Lease, NLE = New Lease Existing Tenant, RR = Rent Review, R = Renewal

The specialised cold store/chiller rents for smaller sized premises typically range from $160 to $250 psm net . Against this backdrop, with adjustment for outgoings and bearing in mind the 'as new' condition of the subject 778m² cool store component, we have adopted a market rental of $215 psm gross.

Against the backdrop of the wider market where supply is continuing to tighten and known demand remains strong, the recent agreements within the subject properties are considered to be generally market related with relatively minor variations recognising the period that has elapsed since a number of these leases were negotiated.

6.3 MARKET RENT ASSESSMENT

Having reviewed the above evidence we have adopted the following market rentals:

17 Toop Street

Level/Suite	Tenant	Use	Lettable Area NLA	Market Gross Rent $/m²	Contract Gross Rent $/m²
Ground Offices	Orangebox Ltd	Office	370.00	175.00	191.49
Warehouse	Orangebox Ltd	Warehouse	770.00	90.00	101.73
Mail Sorting/Printing Area	Orangebox Ltd	Office	355.00	135.00	152.73
Canopy	Orangebox Ltd	Other	100.00	65.00	71.40
Yard	Orangebox Ltd	Other	265.00	30.00	35.70
Carparking A	Orangebox Ltd	Parking	18.00	650.00	1,020.00
Level 1 Offices	Orangebox Ltd	Office	462.00	150.00	162.42
Carparking B	Orangebox Ltd	Parking	13.00	650.00	1,000.00
Carparking	Vacant	Parking	3.00	650.00	-
Factory	Just Water	Warehouse	1,059.00	95.00	50.76
Office & Amenities	Just Water	Office	103.00	110.00	53.75
Canopy	Just Water	Other	164.00	65.00	40.76
Yard	Just Water	Other	766.00	25.00	25.47
Warehouse	Tasman Liquor	Warehouse	1,460.00	90.00	98.91
Office	Tasman Liquor	Office	113.00	140.00	164.23
Canopy	Tasman Liquor	Other	127.00	65.00	64.20
Yard	Tasman Liquor	Other	619.00	30.00	30.00
Carparking	Toll Logistics Licence	Parking	7.00	650.00	510.00
Carparking	Nature Pac	Parking	2.00	650.00	1,000.00

25 Toop Street & 109-117 Port Road

Level/Suite	Tenant	Use	Lettable Area NLA	Market Gross Rent $/m²	Contract Gross Rent $/m²
Warehouse	Jets Transport	Warehouse	4,677.00	87.50	83.08
Office	Jets Transport	Office	195.00	152.50	127.76
Yard	Jets Transport	Other	540.60	30.00	29.41
Leasehold Yard	Jets Transport	Other	479.40	30.00	29.41
Warehouse (Main)	Peter Baker Transport	Warehouse	8,528.00	85.00	82.76

Level/Suite	Tenant	Use	Lettable Area NLA	Market Gross Rent $/m²	Contract Gross Rent $/m²
New Offices	Peter Baker Transport	Office	592.00	215.00	217.76
Office Balcony	Peter Baker Transport	Other	56.00	75.00	100.00
Yard	Peter Baker Transport	Other	1,792.00	30.00	30.00
Yard (est. leasehold component)	Peter Baker Transport	Other	112.00	30.00	30.00
Devanning Spaces	Peter Baker Transport	Other	4.00	1,400.00	1,400.00
Carparks (on subleased land)	Peter Baker Transport	Parking	20.00	390.00	350.00
Leasehold Pt East Yard	Tiger Construction NZ	Other	1,000.00	20.00	20.40
Leasehold Pt East Yard	Ceres	Other	2,000.00	15.00	15.00
Leasehold West Yard	Streamline Auto Solutions	Other	4,015.00	13.50	10.91
Relocated offices	Streamline Auto Solutions	Other	140.00	90.00	80.00
Warehouse	Toll Logistics	Warehouse	2,377.00	95.00	84.06
Cold Store	Toll Logistics	Warehouse	778.00	215.00	84.06
Front Offices	Toll Logistics	Office	201.00	152.50	160.56
Covered yard	Toll Logistics	Warehouse	410.00	70.00	68.76
Yard	Toll Logistics	Other	233.00	10.00	-
Devanning Spaces	Toll Logistics	Parking	4.00	1,200.00	1,020.00
Carparks (30% portion)	Toll Logistics	Parking	3.00	780.00	510.00
Warehouse	Peter Baker Transport	Warehouse	2,030.00	95.00	103.04
Offices	Peter Baker Transport	Office	66.00	130.00	103.04
MAF Pads	Peter Baker Transport	Other	2.00	1,400.00	1,400.00
Ex 'floating warehouse'	Nature Pac	Warehouse	1,183.00	98.50	96.76
Warehouse (25 Toop St)	Fujitsu	Warehouse	2,386.00	92.50	79.90
Warehouse	Fujitsu	Warehouse	2,640.00	92.50	79.33
Office	Fujitsu	Office	51.00	160.00	200.00
Level 1 Offices	Fujitsu	Office	325.00	235.00	225.00
Office Balcony	Fujitsu	Other	32.00	90.00	100.00
Canopy	Fujitsu	Other	200.00	60.00	60.00
Yard	Fujitsu	Other	333.00	30.00	30.00
Carparks	Fujitsu	Parking	4.00	780.00	800.00
Additional Warehouse	Fujitsu	Warehouse	1,772.00	92.50	80.00
Warehouse (Port Rd frontage)	Linfox	Warehouse	3,995.00	93.50	93.88
G - Offices	Linfox	Office	372.00	170.00	172.26
Front Yard	Linfox	Other	485.00	30.00	30.90

Level/Suite	Tenant	Use	Lettable Area NLA	Market Gross Rent $/m²	Contract Gross Rent $/m²
West Yard	Linfox	Other	1,389.00	30.00	28.80

101-103 Port Road

Level/Suite	Tenant	Use	Lettable Area NLA	Market Gross Rent $/m²	Contract Gross Rent $/m²
Warehouse (7.2-7.5m SH)	Downer Group	Warehouse	1,360.00	125.00	100.75
G Show/Off/Amenities	Downer Group	Office	719.00	135.00	157.36
G Entry	Downer Group	Office	53.00	140.00	156.81
L1 Offices	Downer Group	Office	379.00	150.00	155.37
Front Yard/Parking	Downer Group	Parking	5.00	780.00	890.05
Yard	Downer Group	Other	1,715.00	25.00	20.34

6.4 SALES EVIDENCE

We have considered a wide range of industrial sales from the immediate and nearby industrial localities, concentrating on larger properties in the higher price bracket where possible. We note there is a paucity of such evidence in the current market and have therefore considered other sales also. These are summarised as follows:

Property	Sale Date	Sale Price	Yield on Actual Rental	Yield on Market Rental	Weighted Average Lease Term	IRR	Value psm Lettable Area
6 Hurring Place, Newlands	Sep-18	$12,809,371	6.93%	6.59%	3.98	7.76%	$2,640
67 Port Road (Redhot Marine, Allround Foods)	Jul-18	$2,750,000	6.73%	6.36%	7.92	8.32%	$1,766
5-7 Toop St/89-91 Port Road (Owens/Mainfrieght)	May-18	$6,950,000	6.95%	7.31%	5.94	9.21%	$1,511
Port Domain, 2-20 Port Road (Various)	May-18	$17,650,000	8.08%	8.88%	4.56	10.51%	$948
65 Port Road (Victory, Hurford, Garage Project)	May-18	$2,240,000	7.02%	6.72%	3.70	8.79%	$1,600
131 Gracefield Road (Groenz)	Apr-18	$4,150,000	7.18%	6.71%	1.88	8.34%	$1,676
SUBJECT, 17 & 25 Toop Street (The Hub), 101-103 & 109-117 Port Road	Dec-17	$44,900,000	7.32%	7.55%	5.47	9.26%	$1,129
1 Lower Tyers Road, Ngauranga (TIMG)	Jun-17	$9,893,000	7.50%	7.04%	3.84	8.54%	$2,122

Property	Sale Date	Sale Price	Yield on Actual Rental	Yield on Market Rental	Weighted Average Lease Term	IRR	Value psm Lettable Area
10 Te Puni Street, Petone (Servitec, Pureword Trading, Assa Abloy)	Jun-17	$2,394,000	5.83%	7.56%	0.94	8.75%	$1,601
22-30 Annie Huggan Drive, Petone (Carters)	Apr-17	$8,400,000	5.71%	5.97%	3.97	7.38%	$2,616
15 Eastern Hutt Road, Wingate (Harvey Norman)	Apr-17	$3,500,000	7.34%	7.51%	4.52	9.56%	$1,260
195-197 Gracefield Road, Gracefield (Cardinal Logistics)	Nov-16	$14,000,000	8.00%	7.52%	10.00	-	$1,258
12 Newlands Road, Ngauranga (Fliways)	Jul-16	$5,650,000	8.60%	7.79%	0.84	-	$1,143
7-21 Burnham St & 8 Bouverie St, Petone (Fletchers et al)	Jul-16	$13,750,000	8.57%	7.87%	3.87	9.03%	$1,025

We provide commentary on the more relevant and recent sales as follows:

6 Hurring Place comprises a mixed use warehouse and office building, subdivided into four tenancies. The building was constructed in the late 1980s with more recent refurbishment and strengthening to 80% NBS be completed by the vendor. Sold based on completion of the office refurbishment for the incoming NZ Fire Service who will join existing tenants NZ Defence Force, NZ Bus, Magritek and Officemax on completion of works. The sale indicates a weighted average lease term of 3.98 years (assuming an immediate NZDF break clause and expiry of the NZ Bus lease without locating a tenant). This somewhat understates this measure, and if one assumed that a tenant is found within the next 23 months for NZ Bus premises this adjusts to 4.95 years. An effective market yield of 6.59% was indicated.

5-7 Toop Street, AKA 89-91 Port Road is a large two bay medium stud early 1970s warehouse building with a two storey office and amenities block to the Toop Street frontage. The site benefits from two road frontages (Port Road and Toop Street) providing drive through access, together with extensive covered canopy areas on both sides of the building. The exterior of the warehouse was re-clad, re-roofed and repainted in 2009. The property is leased to Owens Transport Limited (owned by Mainfreight) for a term of six years commencing 1 May 2018.

2-20 Port Road (Port Domain) comprises a large industrial estate which up until about 12 years ago was owned and occupied by the Southward Engineering Company. There are a multitude of buildings of various ages on the site, the majority of which are warehouses and workshops. These have been progressively refurbished including re-cladding, re-roofing, re-painting and new tenancy fitouts. There is approximately 18,600m² of net lettable building area, plus approximately 5,000m² of exclusively leased yard area. NBS score range from 43% to 100%. This is a prominent position at the gateway to the Seaview/Gracefield industrial estate adjacent to the Hutt River. There is therefore very good longer term redevelopment potential. The property is leased to 12 tenants who occupy approximately 98.6% of the buildings (by area) with a weighted average lease term of 4.56 years at the time of sale.

65 Port Road comprises a medium stud warehouse (circa 1960s) split into three tenancies with drive through access for the southern most tenancy. It was refurbished in 2017 including new roof, exterior cladding and installation of new office space. The property sold with a weighted average lease term of 3.70 years.

67 Port Road similarly comprises a medium stud warehouse split into two tenancies with drive through access. It was refurbished in 2017/2018 including new roof, exterior cladding and installation of new office space (for Allround Foods). The southern unit (Allround Foods) has a two level office and amenity structure which has been constructed at the Port Road frontage. The landlord has completed complete a number of works and offices present to a very high quality. A strong WALT of 7.92 years was provided.

131 Gracefield Road comprises a warehouse building with two levels of integral offices and amenities along with sealed carparking and secure storage yard. The building was constructed in circa 1986 to a good specification and has undergone extensive fitout of plant and production equipment to accommodate the tenant's food processing (condiments) business along with various refurbishment and alterations over the years and recently strengthened to 75% NBS. The improvements are contained on a 3,527m² site. Long time occupier Groenz Ltd currently occupy the premises on a three year lease from 1 March 2017 with rights of renewal totalling 12 years thereafter.

"**The Hub**" (subject) portfolio comprises the combined sale of four adjoining industrial properties providing a total net lettable areas of 39,776m² spanning a 5.2756 hectare land area together with a leasehold interest over a further 1.5 hectares of form rail siding land. Major tenants include Peter Baker Transport, Toll Logistics, Linfox, Fujitsu, Jets Transport and Downer Group. The sale indicated an overall passing yield of 7.32% and an effective market yield of 7.55% with a weighted average lease term of 5.47 remaining. We note this sale was an off market transaction. Since this time, the last vacant warehouse tenancy has been leased.

1 Lower Tyers Road (TIMG) comprises a purpose built, high stud specialised document storage warehouse with associated offices, vault, amenities and secure yard, head leased to On Line Security Services Limited with 3.92 years lease term certain with good prospects of renewal upon lease expiry in April 2021. The property enjoys high profile to SH1 also. The sale indicated an effective market yield of 7.09% or 7.50% on the passing net income.

10 Te Puni Street comprises a 1980's industrial warehouse building that has been divided into three tenancies including a small warehouse workshop at the front with separate access, a ground floor showroom/office tenancy, and a first floor office and warehouse tenancy. There are 22 carparks in total along with a small yard area at the rear. There is a high proportion of office space (46.2%) and two tenancies are under-rented. 70% NBS (IEP). Located in a sought after position in the Petone bulk retail zone opposite the new Briscoe's/Rebel development and surrounded by other bulky retail uses.

Carters, 22-30 Annie Huggan Grove was recently purchased by Caniwi Capital Partners Limited. The property comprises a 1990's built industrial/large format retail warehouse with associated timber stores, yard and customer parking and is situated on the opposite side of the road to the subject. Carters have leased the property on a 6 year term from April 2015 with a lease term remaining of 3.97 years. The building has a NBS of 55%. It sold in April 2017 for $8.4 million at an analysed market yield of 5.97%. It previously sold in March 2015 for $6.3 million at an effective market yield of 6.91%. The building has a low site coverage, just below 30% and so provides good future development potential.

Harvey Norman warehouse, Wingate, comprises a medium sized modern high stud (9m) warehouse building constructed in 2006 containing small internal offices and amenities with mezzanine storage above, together with a small canopy and concrete sealed front and asphalt sealed side yards. The property is situated in Wingate, a secondary but well established industrial estate within the eastern sector of the Hutt Valley. Harvey Norman has occupied the property since it was built for them in 2006. They are currently on a new five year lease term from 1 November 2016 and expiring 31 October 2021. There was 4.52 years remaining on the lease and there are a further three rights of renewal of five years each remaining.

195-197 Gracefield Road was originally designed and built for Phoenix Freight in 2004 but were subsequently owner-occupied by **Cardinal Logistics** soon after following Phoenix's Liquidation in 2005. Cardinal sold the property in August 2010 on a leaseback of 16 years at an initial net annual rental of $996,307 pa with predetermined rental increases of 6% triennially (with a market review at year 9) to an Auckland based syndication group. Cardinal subsequently subleased the premises to Black Diamond Technologies and Wickliffe (now True North). The contract rental was reviewed on 2 November 2016 to $1,119,451 pa indicating an initial passing yield of 8.00%. We consider the rent at the time of sale was above market and we have analysed a market effective yield of 7.52%.

We have referred to transactions of investment properties from the wider area and those in the direct locality that offer the best guide to the value of the subject property. There are of course physical, location and financial differences that make immediate comparison inappropriate. Accordingly adjustment to evidence is required for such factors as:

- **Location**

The property is located in the Seaview/Gracefield industrial precinct. Seaview and Gracefield are well established and traditionally tightly held industrial locations. In response to growing tenant demand since 2013, warehouse rentals in the Seaview/Gracefield sector have enjoyed some rental growth existing vacancies generally comprise older, lower stud and obsolete premises (including those with high office components).

- **Size**

17 Toop Street and 109-117 Port Road are of relatively standard size and 25 Toop Street & 109-117 Port Road collectively comprise a large industrial complex. Combined, this is a very large holding at 39,684m^2 of lettable building area (excluding the common warehouse area) and 6.79 hectares of land (including the leasehold component).

- **Zoning and Utility**

The property is zoned Special Business with a maximum height limit of 20 metres. The properties are very well utilised from a site coverage perspective.

- **Quality**

The buildings are generally freshly presented and well maintained for their age due to the significant refurbishment works which included the complete roof replacement of 25 Toop Street and 109-117 Port Road together with upgrading wiring and lighting throughout. Offices are generally well presented with a wide range accommodation from basic warehouse site offices and amenities to good quality contemporary air condition office accommodation.

- **Lease Term**

The weighted average (by income) lease terms for each property are as follows:

17 Toop Street:	5.03 years
25 Toop Street & 109-117 Port Road:	4.86 years
101-103 Port Road:	4.40 years
Overall Combined WALT (income weighted)	4.85 years

We further note these weighted average lease terms conservatively assume Toll and Orangebox exercise their first break options.

- **Rental Cashflow**

We assess the net contract and market incomes to be:

Property	17 Toop Street	25 Toop Street & 109-117 Port Road	101-103 Port Road	Combined Total
Net Contract Income	$483,545 p.a	$2,536,189*p.a	$278,000 p.a	$3,297,734 p.a
Net Market Income	$489,699 p.a	$2,782,844*p.a	$299,412 p.a	$3,571,955* p.a

*Excluding $100,000 fitout rent and leasehold yard rentals

- **Potential for Rental Growth**

Rental growth will primarily be driven by leasing up of vacant space with predetermined rental growth a feature of the vast majority of the subject leases (ranging from 2-3% per annum).

6.5 CAPITALISATION RATE CONCLUSION

We have carried out a SWOT analysis in order to assist in determining the appropriate yield for the property.

Strengths

- Predominantly national/international tenant companies
- Multiple tenancies spread cashflow/vacancy risks
- Effectively fully leased with the exception of 3 carparks
- Part harbour facing
- Predominantly net lease with predetermined growth incorporated
- Generous street frontages and good access
- Strategic contiguous holding
- Could be sold as one large holding, with flexibility sell down also
- Favourable weighted lease terms

Weaknesses

- Limited yard space albeit improved by the terminating leasehold component
- Low/medium stud height.
- Large industrial offering, albeit with flexibility to sell down separately

- Terminating leasehold interest in access leg and north yard areas (25 years remaining)

Opportunities

- Market rental growth on review
- Redevelopment in conjunction with adjoining properties.
- Converting the subleased land to freehold

Threats

- Downturn in the economy
- Toll exercising their year 3 break clause (6 months notice required)
- Kiwirail have a requirement for the leasehold land and terminate the ground lease (24 months notice required)

Bearing in the mind the evidence in the market, we believe market equivalent yields of 7.15% - 7.30% are applicable on our assessed market rentals before allowing for existing and pending vacancies, rental shortfalls and general capital expenditure allowances. We have adopted passing yields of 6.85%-7.00% recognising the rental shortfalls.

6.6 DISCOUNTED CASHFLOW ANALYSIS

We have also analysed the property applying discounted cashflow analysis, adopting a 10 year cashflow time horizon and making appropriate allowances for rental income growth, leasing up allowances on expiries, along with a terminal value at the end of the time period. The resultant Net Present Value being a reflection of market based income and expenditure projections over the 10 year period.

The key assumptions adopted in the cashflow are as follows:

- *Market Rental:* We have adopted market rental rates in our cashflow in line with our static valuation as set out above at Section 6.3.

- *Rental Growth:* It is difficult to accurately predict rental growth rates particularly for industrial property when demand is directly linked to the performance of the economy. Accordingly, we have projected medium to long term growth rates trending toward 2.5% as outlined below:

Calendar Year	2018	2019	2020	2021	2022	2023	2024	2025	2026	2027
Inflation (CPI)	2.00%	1.90%	1.90%	2.00%	2.00%	2.50%	2.50%	2.50%	2.50%	2.50%
Warehouse (Net Effective)	3.00%	3.50%	3.50%	3.00%	2.50%	2.50%	2.50%	2.50%	2.50%	2.50%
Office (Gross Effective)	2.00%	5.45%	3.00%	2.45%	2.89%	2.50%	2.50%	2.50%	2.50%	2.50%
Statutories	2.00%	37.00%	2.00%	2.00%	2.00%	2.50%	2.50%	2.50%	2.50%	2.50%
Operational	2.00%	1.90%	1.90%	2.00%	2.00%	2.50%	2.50%	2.50%	2.50%	2.50%
Capital expenditure	2.00%	1.90%	1.90%	2.00%	2.00%	2.50%	2.50%	2.50%	2.50%	2.50%
Ground Rent	2.00%	2.00%	2.00%	2.00%	2.00%	2.00%	2.00%	2.00%	2.00%	2.00%

- *Terminal Yield:* Discounted cashflow appraisal technique requires a consideration for the property to be sold at the end of the 10 year cashflow period. In adopting an appropriate terminal capitalisation rate, it is correct to recognise that the property by that stage is 10 years older and accordingly may warrant a higher capitalisation rate. We have adopted terminal capitalisation rates of 7.40% - 8.00%.

- *Discount Rate:* We have adopted property discount rates of 9.00% which are derived from our analysis of investment sales and recognises the particular risks associated with the subject properties.

- *Capital Expenditure:* We have made general capital expenditure allowances as outlined in Section 3.5.

- *Operating Expenses:* We have adopted operating expenses in line with our static valuation as set out above at Section 4.3 and have escalated these at our CPI forecasts.

- *Vacancies:* We have adopted lease up periods of 6 months in general with the exception of 9 months vacancy applied to the leasehold yard areas.

7.0 VALUATION CONCLUSION

We refer you to **Appendix One** that contains our Valuation Calculations and Cashflow in Detail. We summarise the results hereunder.

17 Toop Street

Contract Income Approach	
Capitalised at 7.00%	$6,910,000
Market Income Approach	
Capitalised at 7.25%	$6,800,000
Discounted Cashflow Approach	
Discounted at 9.00%	$6,370,000

All three valuation approaches are relatively consistent resulting in a tight value band. We consider potential purchasers would place a slightly greater weighting on the market related approaches which specifically allow for the current rental shortfall.

Having regard to available market evidence and factors outlined in the body of this report, we confirm our assessed market value of the property as at the valuation date as follows:

NZD$6,690,000 plus GST, (if any)
(SIX MILLION, SIX HUNDRED & NINETY THOUSAND DOLLARS)

The above assessment of market value is analysed as follows:

Passing Initial Yield (Contract Rent)	7.23%
Equivalent Market Yield	7.37%
Terminal Yield	7.75%
Indicated IRR on Value	8.26%
Direct Comparison Rate (Value per sqm NLA)	$1,426
Weighted Average Lease Term to Run	5.03 years

Equivalent Market Yield: The assessed annual market rent as a proportion of the assessed market value, the market value having been adjusted for the rental shortfall or as the case may be downwards to allow for rental downtime and lease up costs.

IRR (Internal Rate of Return): The rate of return on the assessed market value, based on forecast cash inflows and outflows over the next 10 years, based on our assumptions relating to market rentals, rental growth, escalation in outgoings and capital expenditure.

25 Toop Street & 109-117 Port Road

Contract Income Approach	
Capitalised at 7.00%	$36,640,000
Market Income Approach	
Capitalised at 7.30%	$37,320,000
Discounted Cashflow Approach	
Discounted at 9.00%	$36,450,000

All three valuation approaches are relatively consistent resulting in a comparatively tight value band. We consider potential purchasers would place a slightly greater weighting on the market related approaches which specifically allow for the current rental shortfall.

Having regard to available market evidence and factors outlined in the body of this report, we confirm our assessed market value of the property as at the valuation date as follows:

NZD$36,860,000 plus GST, (if any)
(THIRTY SIX MILLION, EIGHT HUNDRED & SIXTY THOUSAND DOLLARS)

The above assessment of market value is analysed as follows:

Passing Initial Yield (Contract Rent)	6.88%
Equivalent Market Yield	7.39%
Terminal Yield	8.00%
Indicated IRR on Value	8.83%
Direct Comparison Rate (Value per sqm NLA)	$1,131
Weighted Average Lease Term to Run	4.86 years

101-103 Port Road

Contract Income Approach	
Capitalised at 6.85%	$4,050,000
Market Income Approach	
Capitalised at 7.15%	$4,160,000
Discounted Cashflow Approach	
Discounted at 9.00%	$3,960,000

All three valuation approaches are relatively consistent resulting in a tight value band. We consider potential purchasers would place a slightly greater weighting on the market related approaches which specifically allow for the current rental shortfall.

Having regard to available market evidence and factors outlined in the body of this report, we confirm our assessed market value of the property as at the valuation date as follows:

NZD$4,060,000 plus GST, (if any)
(FOUR MILLION & SIXTY THOUSAND DOLLARS)

The above assessment of market value is analysed as follows:

Passing Initial Yield (Contract Rent)	6.85%
Equivalent Market Yield	7.33%
Terminal Yield	7.40%
Indicated IRR on Value	8.66%
Direct Comparison Rate (Value per sqm NLA)	$1,617
Weighted Average Lease Term to Run	4.40 years

8.0 GENERAL

Our valuation is subject to the Colliers International Statement of Valuation Qualifications and Conditions as follows:

1. In accordance with PINZ Guidance Notes, all non-residential valuations are on the basis of **plus GST (if any)**. Valuations of residential property are stated as **including GST (if any)**. We have attempted to ascertain whether the sales evidence and/or leasing evidence is inclusive or exclusive of Goods and Services Tax (GST). The national database of sales evidence does not identify whether or not GST is included in a sale price. If we have not been able to verify GST, we have assumed residential property sales are inclusive of GST (if any), and plus GST (if any) for non-residential properties. If this proves to not be the case for any evidence, we reserve the right to reconsider our valuation.

2. Where it is stated in the report that information has been supplied to us by another party, this information is believed to be reliable but we can accept no responsibility if this should prove not to be so. Where information is given without being attributed directly to another party, this information has been obtained by our search of records and examination of documents or by enquiry from Government or other appropriate sources.

3. We have been engaged to provide a valuation only and while due care was taken to note obvious building defects in the course of our inspection, we have not been engaged for any purpose other than the valuation and we are not able to advise on matters such as structural or site surveys or any other defects in the building. The valuer is not a building construction and/or structural expert, and is therefore unable to certify as to structural soundness of the improvements or detect any ingress of water, liquid, moisture or mould type substances or effects from these, other than to parts of the improvements readily accessible and visible.

4. In preparing the valuation it has been assumed that all lifts, hot and cold water systems, electrical systems, ventilating systems and other devices, fittings, installations or conveniences in the building are in proper working order and functioning for the purposes of Government regulations and codes. We will not include in our valuation those fixtures and fittings owned and able to be removed by the tenant(s).

5. Where applicable, our valuation includes those items which form part of the building including special wall and floor finishes, toilet amenities, integrated heating and ventilation equipment, external lighting and all site works including landscaping.

6. In preparing the valuation and/or providing valuation services, it has been assumed that a full and frank disclosure of all relevant information has been made.

7. We do not hold ourselves out to be experts in environmental contamination. Our inspection of the site did not reveal any contamination or pollution affectation, and our valuation has been prepared on the assumption that the land is not contaminated and has not been affected by pollutants of any kind. We would recommend that this matter be checked by a suitably qualified environmental consultant. Should subsequent investigation show that the site is contaminated, our valuation may require revision.

8. In preparing the valuation, we have relied on photocopies of the Computer Register and the leases provided. It has been assumed that these are accurate copies of the original documents and that no dealings or changes have occurred since the date such photocopies were made.

9. This valuation and all valuation services are provided by us solely for the use of our client. We do not assume any responsibility to any person other than the client for any reason whatsoever by reason of or arising out of the provision of this valuation.

10. This report is relevant as at the date of preparation and to circumstances prevailing at the time. However, within a rapidly changing economic environment experiencing fluctuations in interest rates, availability of finance, rents, building expenditure and returns on investments, values can be susceptible to variation over a relatively short time scale. We therefore strongly recommend that before any action is taken involving acquisition, disposal, mortgage advance, shareholding restructure or other transaction, that you consult further with us.

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

12. Neither the whole nor any part of this valuation and/or report or any reference to it may be included in any published document, circular, or statement without the prior written permission of the copyright owner.

13. **PINZ: Valuation Standards & Guidance Notes**
All valuations are carried out in accordance with the Valuation Standards and Guidance Notes recommended by the Property Institute of New Zealand, where the definition of "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.

14. Please note that personnel in this firm will or may have stocks, shares or other interests in entities that directly or indirectly hold properties which are the subject of this valuation and/or may have direct or indirect personal relationships with third parties with interests in these same entities. Colliers' valuers are required to abide by an industry standard disclosure regime and Colliers internal policies with respect to conflicts of interest, and will disclose any material conflict of interest that arises in its capacity as valuer concerning the property which is the subject of this valuation.

15. **Valuation Basis**
Unless otherwise stated no allowances are made in our valuations for any expenses of realisation, or to reflect the balance of any outstanding mortgages either in respect of capital or interest accrued.

We trust that this report is suitable for current purposes. If you have any questions, please contact the writer directly.

Yours faithfully
COLLIERS INTERNATIONAL (WELLINGTON VALUATION) LIMITED

MICHAEL HORSLEY PROF VAL (URB) FNZIV FPINZ
Registered Valuer
Director | Valuation & Advisory Services

REUBEN BLACKWELL BSC BCOM GRAD.DIP.VAL
Registered Valuer

This report has been checked by ...MPH........The purpose of the report check is for the correction of grammatical and basic arithmetic errors only. The person who has checked this report does not necessarily carry any responsibility in relation to the method of valuation adopted, analysis of sales/rental evidence or final value adopted within this report.

REF: J:\Valuation\CMV 2018\Hutt Valley\Toop Street, 17, 25 (The Hub), 101 & 109 Port Road CMV Nov18.docx

Inspection of Property:	Michael Horsley & Reuben Blackwell
Valuation Calculations:	Michael Horsley & Reuben Blackwell
Authoring of report:	Michael Horsley & Reuben Blackwell
Director Review:	Michael Horsley

APPENDIX 1

Valuation in Detail

COLLIERS INTERNATIONAL VALUATION & ADVISORY SERVICES

Valuation Calculations Summary

17 Toop Street, Seaview, Lower Hutt

VALUATION DETAILS

Valuation Date	31 October 2018	Cash Flow Model Date	1 November 2018
Interest Valued	Freehold Interest	Purpose of Valuation	Financial Reporting Purposes

CORE VALUATION ASSUMPTIONS

Financial Details

Gross Passing Income (Fully Let)	$609,111	Adopted Gross Market Income	$613,315
Outgoings (pa)	$123,616	Outgoings (pa)	$123,616
Net Passing Income (Fully Let)	$485,495	Adopted Net Market Income	$489,699
Net Passing Income (Current)	$483,545		

Passing Income is $4,204 below current market levels

Over / Under rented %	-1.26%
Fully Leased - over / under rented %	-0.86%

Total NLA	4,692.00 m²	Total Vacancy	-
Total Carparks	43 parks		
Warehouse NLA	3,289.00 m²	Office NLA	1,403.00 m²
Proportion of Occupied Warehouse Area	100.00%	Proportion of Occupied Office Area	100.00%

	Net	Gross		Net	Gross
Average Passing Warehouse Rental*	$59/m²	$84/m²	Average Passing Office Rental*	$135/m²	$160/m²
Average Market Warehouse Rental	$67/m²	$93/m²	Average Market Office Rental	$124/m²	$149/m²

*Passing rental averages are based on the proportion of occupied area.

Global Assumptions

Agents Leasing Fees (Gross)	15.00%	Refurb Allowance - Initial Expiries	$75/m²
Renewal Leasing Fee (Gross)	0.00%	Refurb Allowance - Secondary Expiries	-

Warehouse		Office	
Lease Term	6 years	Lease Term	6 years
Letting Up - Market	6 months	Letting Up - Market	12 months
Retention Probability (Letting Up & Leasing Fees)	0.0%	Retention Probability (Letting Up & Leasing Fees)	50.0%
Letting Up - Applied	6 months	Letting Up - Applied	6 months
Renewal Probability (Incentives)	0.0%	Renewal Probability (Incentives)	0.0%
Reviews	3 yearly rent reviews to market rent	Reviews	3 yearly rent reviews to market rent

Traditional Valuation Approach

Core Initial Capitalisation Rate	**7.000%**
Core Market Capitalisation Rate	**7.250%**
Pending Vacancies Allowances within	12 months
Capital Expenditure Allowances for	12 months
Rental Reversions (PV)	Current tenants at expiry/market review with subsequent leases at 12 months

Discounted Cash Flow Approach

Cash Flow Term		10 years
Terminal Capitalisation Rate	*+50.00 bps*	**7.750%**
Terminal Allowances & Reversions within		12 months
Discount Rate		**9.000%**
10 Yr Rental Growth (compounded)	*Warehouse (Net Effective)*	2.60%
	Office (Net Effective)	2.55%

VALUATION CONCLUSIONS

Traditional Valuation Approach

Initial Yield Approach	**$6,910,000**
Market Yield Approach	**$6,800,000**

Discounted Cash Flow Approach

Discounted Terminal Value	*52%*	$3,290,512
NPV of Cash Flows	*48%*	$3,075,866
Sum of Discounted Cash Flows		$6,366,378
Less Acquisition Costs		-
Net Present Value		$6,366,378
Rounded DCF Value		**$6,370,000**

ADOPTED VALUE

$6,690,000 - GST Exclusive

(SIX MILLION SIX HUNDRED NINETY THOUSAND DOLLARS)

RESULTANT YIELDS AND IRR'S ON ADOPTED VALUE

Direct Comparison	$1,426 per m² NLA	Terminal Initial Yield	5.37%
Passing Initial Yield	7.23%	Terminal Market Yield	7.75%
Equivalent Initial Yield	7.23%	Terminal Capital Value	$1,661 per m² NLA
Equivalent Market Yield	7.37%	Rate of Increase in Capital Value	2.04%
Weighted Average Lease Duration by Area	4.82 years	IRR (Incl. Capex)	8.26%
Weighted Average Lease Duration by Income (incl Vacancy)	5.03 years	IRR (Excl. Capex)	8.76%
Weighted Average Lease Duration by Income (excl Vacancy)	5.04 years	3 Year IRR (incl. Capex)	3.65%
Total Capital Expenditure (Nominal)	$336,575	5 Year IRR (incl. Capex)	8.64%
% of Adopted Value (Nominal)	5.03%	7 Year IRR (incl. Capex)	8.36%

COLLIERS INTERNATIONAL VALUATION & ADVISORY SERVICES

Tenancy Schedule

17 Toop Street, Seaview, Lower Hutt

Valuation Date: 31 October 2018

	Level/Suite	Tenant	Use	Lettable Area NLA	Lease Commence	Lease Term	Lease Expiry	Type	% NLA	Lease Option	Next Review Date	Contract Passing Rent	Contract Passing Rent $/m²	Adopted Market Rent	Adopted Market Rent $/m²	PV of Rental Reversion	Gross Rent $/m²
1	Ground Offices	Orangebox Ltd	Office	370.00	1-Feb-17	9.00	31-Jan-26	Net	7.89%	2 x 3 years	1-Feb-19	61,516	166.26	55,413	149.77	32,313	175.00
2	Warehouse	Orangebox Ltd	Warehouse	770.00	1-Feb-17	9.00	31-Jan-26	Net	16.41%	2 x 3 years	1-Feb-19	58,905	76.50	53,719	69.77	25,551	95.00
3	Mail Sorting/Printing Area	Orangebox Ltd	Office	355.00	1-Feb-17	9.00	31-Jan-26	Net	7.57%	2 x 3 years	1-Feb-19	45,263	127.50	38,967	109.77	34,712	135.00
4	Canopy	Orangebox Ltd	Other	100.00	1-Feb-17	9.00	31-Jan-26	Net	0.00%	2 x 3 years	1-Feb-19	7,140	71.40	6,500	65.00	3,166	65.00
5	Yard	Orangebox Ltd	Other	265.00	1-Feb-17	9.00	31-Jan-26	Net	0.00%	2 x 3 years	1-Feb-19	9,461	35.70	7,950	30.00	8,226	30.00
6	Carparking A	Orangebox Ltd	Parking	18.00	1-Feb-17	9.00	31-Jan-26	Net	0.00%	2 x 3 years	1-Feb-19	18,360	1,020.00	11,700	650.00	38,956	650.00
7	Level 1 Offices	Orangebox Ltd	Office	462.00	1-Dec-17	3.00	30-Nov-20	Net	9.85%	2 x 3 years	1-Dec-18	64,385	139.36	58,647	126.94	11,908	150.00
8	Carparking B	Orangebox Ltd	Parking	13.00	1-Dec-17	3.00	30-Nov-20	Net	0.00%	2 x 3 years	1-Dec-18	13,000	1,000.00	8,450	650.00	9,111	650.00
9	Carparking	Vacant	Parking	3.00	-	-	-	Gross	0.00%	-		-	-	1,950	650.00	-	650.00
10	Factory	Just Water	Warehouse	1,059.00	1-Jan-10	12.00	31-Dec-21	Gross	22.57%	2 x 3 years	1-Jan-19	53,758	50.76	100,605	95.00	(138,131)	95.00
11	Office & Amenities	Just Water	Office	103.00	1-Jan-10	12.00	31-Dec-21	Gross	2.20%	2 x 3 years	1-Jan-19	5,536	53.75	11,330	110.00	(18,405)	110.00
12	Canopy	Just Water	Other	164.00	1-Jan-10	12.00	31-Dec-21	Gross	0.00%	2 x 3 years	1-Jan-19	6,684	40.76	10,660	65.00	(11,402)	65.00
13	Yard	Just Water	Other	766.00	1-Jan-10	12.00	31-Dec-21	Gross	0.00%	2 x 3 years	1-Jan-19	19,510	25.47	19,150	25.00	1,416	25.00
14	Warehouse	Tasman Liquor	Warehouse	1,460.00	1-May-17	6.00	30-Apr-23	Net	31.12%	Nil	1-May-19	107,570	73.68	94,557	64.77	54,417	90.00
15	Office	Tasman Liquor	Office	113.00	1-May-17	6.00	30-Apr-23	Net	2.41%	Nil	1-May-19	15,707	139.00	12,968	114.77	11,480	140.00
16	Canopy	Tasman Liquor	Other	127.00	1-May-17	6.00	30-Apr-23	Net	0.00%	Nil	1-May-19	8,153	64.20	8,255	65.00	(66)	65.00
17	Yard	Tasman Liquor	Other	619.00	1-May-17	6.00	30-Apr-23	Net	0.00%	Nil	1-May-19	18,570	30.00	18,570	30.00	-	30.00
18	Carparking	Toll Logistics Licence	Parking	7.00	1-May-17	6.00	30-Apr-23	Gross	0.00%	Nil	1-May-19	3,570	510.00	4,550	650.00	(4,017)	650.00
19	Carparking	Nature Pac	Parking	2.00	8-Jan-18	6.00	7-Jan-24	Net	0.00%	2 x 3 years	8-Jan-19	2,000	1,000.00	1,300	650.00	3,129	650.00
21	**TOTALS**			**4,692.00**					**100.00%**			**519,087**		**525,241**		**62,365**	

Capitalisation Approach

17 Toop Street, Seaview, Lower Hutt

Valuation Date: 31 October 2018

(Initial) Passing Yield Calculations

Office			192,407	
Parking			36,930	
Other			69,518	
Warehouse			220,232	
Current Passing Income			519,087	
Add Recoverable Outgoings			88,074	
Add Estimated Gross Rental Value on Vacant Space			1,950	
Potential Gross Income Fully Let			609,111	
Less Outgoings	$26.35/m²		123,616	
Net Income			**485,495**	
Capitalised at		**6.875%**	**7.000%**	**7.125%**
Capitalised Value		**$7,061,746**	**$6,935,644**	**$6,813,966**

Capital Value Adjustments

Existing Vacant Tenancy Allowances			
Downtime	(975)	(975)	(975)
Downtime for Deferred Tenancy Commencement	-	-	-
Agents Leasing Fees	(293)	(293)	(293)
Incentives	-	-	-
Refurbishment Allowance	-	-	-
Pending Vacancy Allowances (expiries within 12 months)			
Downtime	-	-	-
Agents Leasing Fees	-	-	-
Incentives	-	-	-
Refurbishment Allowance	-	-	-
PV Outstanding Current Incentives	-	-	-
General Capital Expenditure Allowance (12 months)	(19,835)	(19,835)	(19,835)
Budgeted Capital Expenditure (12 months)	-	-	-
Other Adjustments	-	-	-
Total Adjustments	***(21,102)***	***(21,102)***	***(21,102)***
Assessed Capital Value as at 31 October 2018	**$7,040,644**	**$6,914,541**	**$6,792,863**
Value $/m²	*$1,501*	*$1,474*	*$1,448*
Rounded Initial Capitalisation Value		$6,910,000	
Adopted Value as at 31 October 2018		**$6,690,000**	

Capital Value Analysis

Actual Net Passing Income	$483,545
Initial Yield	7.23%
Equivalent Initial Yield	7.23%
Rate per metre of NLA	$1,426/m²

Market Yield Calculations

Office			177,325	
Parking			27,950	
Other			71,085	
Warehouse			248,881	
Market Income			525,241	
Add Recoverable Outgoings			88,074	
Total Gross Market Income			613,315	
Less Outgoings	$26.35/m²		123,616	
Net Market Income			489,699	
Net Income			**489,699**	
Capitalised at		**7.125%**	**7.250%**	**7.375%**
Capitalised Value		**$6,872,968**	**$6,754,469**	**$6,639,986**

Capital Value Adjustments

Existing Vacant Tenancy Allowances			
Downtime	(975)	(975)	(975)
Downtime for Deferred Tenancy Commencement	-	-	-
Agents Leasing Fees	(293)	(293)	(293)
Incentives	-	-	-
Refurbishment Allowance	-	-	-
Pending Vacancy Allowances (expiries within 12 months)			
Downtime	-	-	-
Agents Leasing Fees	-	-	-
Incentives	-	-	-
Refurbishment Allowance	-	-	-
PV Outstanding Current Incentives	-	-	-
PV Rental (Shortfall) / Overage	62,365	62,365	62,365
General Capital Expenditure Allowance (12 months)	(19,835)	(19,835)	(19,835)
Budgeted Capital Expenditure (12 months)	-	-	-
Other Adjustments	-	-	-
Total Adjustments	***41,263***	***41,263***	***41,263***
Assessed Capital Value as at 31 October 2018	**$6,914,231**	**$6,795,732**	**$6,681,249**
Value $/m²	*$1,474*	*$1,448*	*$1,424*
Rounded Market Capitalisation Value		$6,800,000	
Adopted Value as at 31 October 2018		**$6,690,000**	

Capital Value Analysis

Equivalent Market Yield	7.37%
Rate per metre of NLA	$1,426/m²

Discounted Cash Flow Assumptions

17 Toop Street, Seaview, Lower Hutt

Growth Assumptions

Calendar Year	Code	2017	2018	2019	2020	2021	2022	2023	2024	2025	2026	2027	2028	*10 Yr CAGR*
Inflation (CPI)	*1*	1.60%	1.90%	1.90%	1.90%	2.00%	2.00%	2.30%	2.40%	2.50%	2.50%	2.50%	2.50%	***2.24%***
Warehouse (Gross Face)	*2*		2.00%	2.50%	3.00%	3.00%	2.50%	2.50%	2.50%	2.50%	2.50%	2.50%	2.50%	***2.60%***
Warehouse (Gross Effective)	*3*		2.00%	2.50%	3.00%	3.00%	2.50%	2.50%	2.50%	2.50%	2.50%	2.50%	2.50%	***2.60%***
Warehouse (Net Face)	*4*		2.00%	2.50%	3.00%	3.00%	2.50%	2.50%	2.50%	2.50%	2.50%	2.50%	2.50%	***2.60%***
Warehouse (Net Effective)	*5*		2.00%	2.50%	3.00%	3.00%	2.50%	2.50%	2.50%	2.50%	2.50%	2.50%	2.50%	***2.60%***
Office (Gross Face)	*6*		1.98%	8.24%	2.39%	2.39%	2.78%	2.46%	2.48%	2.50%	2.50%	2.50%	2.50%	***3.06%***
Office (Gross Effective)	*7*		1.98%	8.24%	2.39%	2.39%	2.78%	2.46%	2.48%	2.50%	2.50%	2.50%	2.50%	***3.06%***
Office (Net Face)	*8*		2.00%	2.50%	2.50%	2.50%	3.00%	2.50%	2.50%	2.50%	2.50%	2.50%	2.50%	***2.55%***
Office (Net Effective)	*9*		2.00%	2.50%	2.50%	2.50%	3.00%	2.50%	2.50%	2.50%	2.50%	2.50%	2.50%	***2.55%***
Car Parking	*10*		2.00%	2.50%	3.00%	3.00%	2.50%	2.50%	2.50%	2.50%	2.50%	2.50%	2.50%	***2.60%***
Statutories	*11*		1.90%	35.00%	2.00%	2.00%	2.00%	2.30%	2.40%	2.50%	2.50%	2.50%	2.50%	***5.17%***
Operational	*12*		1.90%	1.90%	1.90%	2.00%	2.00%	2.30%	2.40%	2.50%	2.50%	2.50%	2.50%	***2.24%***
Capital expenditure	*13*		1.90%	1.90%	1.90%	2.00%	2.00%	2.30%	2.40%	2.50%	2.50%	2.50%	2.50%	***2.24%***
Other	*14*		1.90%	1.90%	1.90%	2.00%	2.00%	2.30%	2.40%	2.50%	2.50%	2.50%	2.50%	***2.24%***
Ground Rent	*15*		0.00%	0.00%	0.00%	0.00%	0.00%	0.00%	0.00%	0.00%	0.00%	0.00%	0.00%	***0.00%***
[SPARE 1]	*16*		0.00%	0.00%	0.00%	0.00%	0.00%	0.00%	0.00%	0.00%	0.00%	0.00%	0.00%	***0.00%***

Discounted Cash Flow Assumptions

Valuation Date	31 October 2018
Commencement of Cash Flow	1 November 2018
Term of Cash Flow	10 years
Discount Rate	9.000%
Terminal Yield	7.750%
Terminal Yield Variance over Market Cap Rate	+50.00 bps
Acquisition Costs	0.00%
Disposal Costs	0.00%
Total Budgeted Capital Expenditure	$0 pa (Real) $0 pa (Nominal)
General Capital Expenditure Allowance applied from 1-Nov-2018	$42.63/m² $200,000 pa (Real) $220,217 pa (Nominal)
Refurbishment Allowance on Initial Expiries	$75.0/m²
Refurbishment Allowance on Secondary Expiries	-
Total Capital Expenditure (Real)	$305,225
% of Adopted Value (Real)	4.56%
Total Capital Expenditure (Nominal)	$336,575
% of Adopted Value (Nominal)	5.03%
1 Yr Summary	$19,835 (Nominal)

Lease Renewal Assumptions

Agents Fees - New Tenant (Year 1 Gross Rent)	15.0%
Agents Fees - Renewal (Year 1 Gross Rent)	0.0%
Warehouse	
Renewal Lease Term	6.0 years
Letting Up Period - Market	6 months
Retention Probability (Letting Up, Leasing Fees)	0%
Letting Up Period - Applied	6 months
Incentive Probability	0%
Review Structure	*3 yearly rent reviews to market rent*

COLLIERS INTERNATIONAL VALUATION & ADVISORY SERVICES

Annual Summary by Tenant - Rental Summary

17 Toop Street, Seaview, Lower Hutt

Colliers INTERNATIONAL

Valuation Date: 31 October 2018

Level/Suite	Tenant	Year 1 1-Nov-18	Year 2 1-Nov-19	Year 3 1-Nov-20	Year 4 1-Nov-21	Year 5 1-Nov-22	Year 6 1-Nov-23	Year 7 1-Nov-24	Year 8 1-Nov-25	Year 9 1-Nov-26	Year 10 1-Nov-27
Ground Offices	Orangebox Ltd	71,929	75,026	76,856	78,393	79,963	81,595	83,276	41,129	81,014	81,354
Warehouse	Orangebox Ltd	79,538	84,580	86,957	88,696	90,475	92,352	94,302	47,094	93,990	94,698
Mail Sorting/Printing Area	Orangebox Ltd	55,047	57,739	59,210	60,393	61,604	62,867	64,172	31,193	60,458	60,784
Canopy	Orangebox Ltd	7,247	7,392	7,540	7,691	7,844	8,001	8,161	4,037	7,945	7,945
Yard	Orangebox Ltd	9,602	9,794	9,990	10,190	10,394	10,602	10,814	5,146	9,717	9,717
Carparking A	Orangebox Ltd	18,635	19,008	19,388	19,776	20,172	20,575	20,986	8,830	14,231	14,231
Level 1 Offices	Orangebox Ltd	76,393	79,813	38,403	76,326	76,606	79,064	82,404	82,771	48,478	82,199
Carparking B	Orangebox Ltd	13,238	13,503	4,878	9,003	9,003	9,311	9,742	9,742	5,683	9,737
Carparking	Vacant	987	1,973	1,973	2,051	2,129	2,129	1,065	2,328	2,328	2,328
Factory	Just Water	54,609	55,647	56,704	46,537	111,171	111,171	114,020	119,719	119,719	79,812
Office & Amenities	Just Water	5,624	5,731	5,840	5,338	13,086	13,086	13,423	14,099	14,099	9,399
Canopy	Just Water	6,790	6,919	7,050	4,992	11,439	11,439	11,712	12,258	12,258	8,172
Yard	Just Water	19,819	20,195	20,579	10,291	20,550	20,550	21,040	22,021	22,021	14,680
Warehouse	Tasman Liquor	146,631	157,198	162,767	167,179	84,874	157,929	159,123	160,394	170,007	171,350
Office	Tasman Liquor	18,841	19,884	20,546	21,126	10,723	18,604	18,696	18,795	20,029	20,133
Canopy	Tasman Liquor	8,276	8,524	8,780	9,043	4,588	9,120	9,120	9,120	9,810	9,810
Yard	Tasman Liquor	18,849	19,414	19,996	20,596	10,450	20,516	20,516	20,516	22,068	22,068
Carparking	Toll Logistics Licence	3,606	3,678	3,751	3,826	1,932	5,171	5,171	5,171	5,569	5,569
Carparking	Nature Pac	2,033	2,074	2,115	2,158	2,201	869	1,502	1,502	1,540	1,617
	Total Passing Income	617,694	648,092	613,325	643,605	629,204	734,950	749,247	615,865	720,962	705,604
Total Gross Passing Income		617,694	548,092	613,325	643,605	629,204	734,950	749,247	615,865	720,962	705,604
Outgoings		125,573	149,093	156,248	159,367	162,587	166,265	170,242	174,473	178,834	183,305
Vacancy Allowance		-	-	-	-	-	-	-	-	-	-
-		-	-	-	-	-	-	-	-	-	-
Net Income before Capital Expenditure		492,121	498,999	457,077	484,239	466,617	568,685	579,005	441,392	542,128	522,299
Capital Expenditure		19,835	20,212	20,596	21,006	21,426	21,913	22,437	22,996	23,571	24,161
Refurbishment Allowance		-	-	35,979	8,181	9,155	-	-	63,043	-	-
Agents Fees		296	-	12,723	23,437	-	34,218	-	41,255	-	15,011
Incentives		-	-	-	-	-	-	-	-	-	-
Ground Rent		-	-	-	-	-	-	-	-	-	-
Other Adjustments		-	-	-	-	-	-	-	-	-	-
Net Income after Capital Expenditure		471,991	478,788	387,779	431,615	436,036	512,554	556,567	314,098	518,557	483,127

COLLIERS INTERNATIONAL VALUATION & ADVISORY SERVICES

Terminal Value Calculations

17 Toop Street, Seaview, Lower Hutt

Level/Suite	Tenant	NLA	Terminal Rent		Shortfall/	Next Review	Number	PV (within 12mths)
			Market	Passing	Overage	or Expiry	of Months	Reversions
Ground Offices	Orangebox Ltd	370.00	71,250	67,400	3,851	1-Aug-29	9.0	2,806
Warehouse	Orangebox Ltd	770.00	69,409	65,658	3,751	1-Aug-29	9.0	2,733
Mail Sorting/Printing	Orangebox Ltd	355.00	50,103	47,396	2,708	1-Aug-29	9.0	1,973
Canopy	Orangebox Ltd	100.00	8,399	7,945	454	1-Aug-29	9.0	331
Yard	Orangebox Ltd	265.00	10,272	9,717	555	1-Aug-29	9.0	405
Carparking A	Orangebox Ltd	18.00	15,044	14,231	813	1-Aug-29	9.0	592
Level 1 Offices	Orangebox Ltd	462.00	75,409	73,721	1,688	30-Nov-33	61.0	-
Carparking B	Orangebox Ltd	13.00	10,865	10,622	243	30-Nov-33	61.0	-
Carparking	Vacant	3.00	2,507	2,507	-	1-Nov-28	36.0	-
Factory	Just Water	1,059.00	129,989	-	129,989	31-Dec-34	74.0	-
Office & Amenities	Just Water	103.00	15,308	-	15,308	31-Dec-34	74.0	-
Canopy	Just Water	164.00	13,310	-	13,310	31-Dec-34	74.0	-
Yard	Just Water	766.00	23,910	-	23,910	31-Dec-34	74.0	-
Warehouse	Tasman Liquor	1,460.00	122,175	116,288	5,887	31-Oct-29	12.0	5,681
Office	Tasman Liquor	113.00	16,675	15,871	803	31-Oct-29	12.0	775
Canopy	Tasman Liquor	127.00	10,307	9,810	497	31-Oct-29	12.0	479
Yard	Tasman Liquor	619.00	23,186	22,068	1,117	31-Oct-29	12.0	1,078
Carparking	Toll Logistics Licence	7.00	5,850	5,569	282	31-Oct-29	12.0	272
Carparking	Nature Pac	2.00	1,672	1,617	54	30-Jun-30	19.9	-
Total		**4,692.00**	**675,640**	**470,420**				**17,125**

Terminal Value Calculations - Market Approach

Office		228,746
Retail		-
Industrial		-
Naming		-
Parking		35,938
Other		89,382
Telecoms		-
Storage		-
Warehouse		321,574
Market Income		675,640
Add Recoverable Outgoings		132,165
Total Gross Market Income		807,805
Less Outgoings	$39.23/m²	184,053
Net Market Income		623,751
Vacancy Allowance	0.00%	-
Net Income		623,751
Capitalised at		**7.75%**
Capitalised Value		**8,048,406**

Terminal Value Adjustments

-	-
-	-
Existing Vacant Tenancy Allowances	
Downtime	30,482
Agents Leasing Fees	27,378
Incentives	-
Refurbishment Allowance	-
Pending Vacancy Allowances (expiries within 12 months)	
Downtime	118,879
Agents Leasing Fees	34,419
Incentives	-
Refurbishment Allowance	-
NPV Outstanding Current Incentives	-
PV Rental Shortfall / (Overage)	17,125
General Capital Expenditure Allowance (12 months)	24,765
Budgeted Capital Expenditure (12 months)	-
Other Adjustments	-
Total Adjustments	**253,048**
Assessed Terminal Value as at 31 October 2028	**7,795,357**
Value $/m²	***1,661***

Terminal Value Analysis

Terminal Initial Yield	5.37%
Equivalent Market Yield With Vacancy Factor	7.75%
Equivalent Market Yield Without Vacancy Factor	7.75%
Rate per metre of NLA	$1,661/m²

Cash Flow Summary

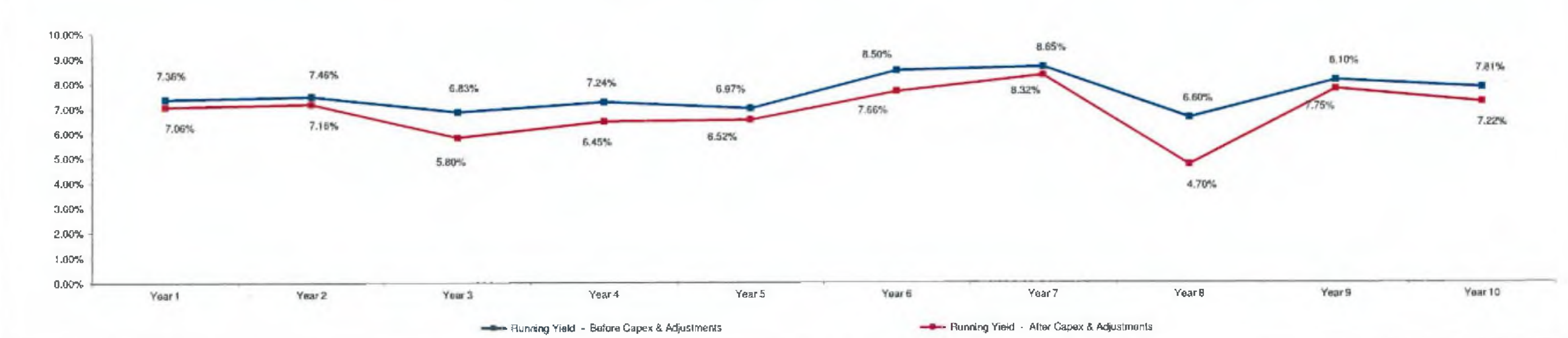
17 Toop Street, Seaview, Lower Hutt

For Year Commencing	Year 1 1-Nov-18	Year 2 1-Nov-19	Year 3 1-Nov-20	Year 4 1-Nov-21	Year 5 1-Nov-22	Year 6 1-Nov-23	Year 7 1-Nov-24	Year 8 1-Nov-25	Year 9 1-Nov-26	Year 10 1-Nov-27
Office	195,512	199,576	167,129	200,258	201,724	212,108	217,833	155,817	184,209	207,644
Retail	-	-	-	-	-	-	-	-	-	-
Industrial	-	-	-	-	-	-	-	-	-	-
Naming	-	-	-	-	-	-	-	-	-	-
Parking	38,499	40,236	32,107	36,815	35,437	38,055	38,467	27,574	29,351	33,482
Other	70,583	72,239	73,935	62,803	65,267	80,229	81,364	73,097	83,819	72,393
Telecoms	-	-	-	-	-	-	-	-	-	-
Storage	-	-	-	-	-	-	-	-	-	-
Warehouse	223,581	229,090	234,740	229,292	236,423	285,167	289,336	261,034	301,665	261,758
Outgoings Recoveries	89,519	106,951	105,413	114,438	90,354	119,391	122,247	98,343	121,919	130,328
-	-	-	-	-	-	-	-	-	-	-
-	-	-	-	-	-	-	-	-	-	-
Total Income	617,694	648,092	613,325	643,605	629,204	734,950	749,247	615,865	720,962	705,604
Outgoings	125,573	149,093	156,248	159,367	162,587	166,265	170,242	174,473	178,834	183,305
Vacancy Allowance	-	-	-	-	-	-	-	-	-	-
-	-	-	-	-	-	-	-	-	-	-
Net Income Before Capital Expenditure	492,121	498,999	457,077	484,239	466,617	568,685	579,005	441,392	542,128	522,299
Capital Expenditure (Budgeted & General)	19,835	20,212	20,596	21,006	21,426	21,913	22,437	22,996	23,571	24,161
Refurbishment Allowance	-	-	35,979	8,181	9,155	-	-	63,043	-	-
Agents Fees	296	-	12,723	23,437	-	34,218	-	41,255	-	15,011
Incentives	-	-	-	-	-	-	-	-	-	-
	-	-	-	-	-	-	-	-	-	-
Other Adjustments	-	-	-	-	-	-	-	-	-	-
Net Income After Capital Expenditure	471,991	478,788	387,779	431,615	436,036	512,554	556,567	314,098	518,557	483,127
Terminal Value										7,795,357
Disposal Costs										-
Net Cash Flow	471,991	478,788	387,779	431,615	436,036	512,554	556,567	314,098	518,557	8,278,485

Adopted Value @ 9.000%	$	6,690,000
Acquisition Costs	$	-
Adopted Value before Acquisition Costs	$	6,690,000

	Year 1	Year 2	Year 3	Year 4	Year 5	Year 6	Year 7	Year 8	Year 9	Year 10
Running Yield - Before Capex & Adjustments	7.36%	7.46%	6.83%	7.24%	6.97%	8.50%	8.65%	6.60%	8.10%	7.81%
Running Yield - After Capex & Adjustments	7.06%	7.16%	5.80%	6.45%	6.52%	7.66%	8.32%	4.70%	7.75%	7.22%
Running Yield - Before Capex & incl. Adjustments	7.35%	7.46%	6.64%	6.89%	6.97%	7.99%	8.65%	5.98%	8.10%	7.58%
Running Yield - After Capex, Adjustments & incl. Acquisition Costs	7.06%	7.16%	5.80%	6.45%	6.52%	7.66%	8.32%	4.70%	7.75%	7.22%

Projected Running Yield Analysis



Note: This running yield analysis is based upon the projected net income and includes potential downtime and associated re-letting costs, as per our specific assumptions.

COLLIERS INTERNATIONAL VALUATION & ADVISORY SERVICES

DCF Summary

17 Toop Street, Seaview, Lower Hutt

Present Value of Cash Flows	$6,366,378	
Discount Rate	9.000%	
Terminal Value	$7,795,357	
Less Disposal Costs	-	
Net Terminal Value	$7,795,357	
Discounted Terminal Value	$3,290,512	*51.69%*
Discounted Cash Flow	$3,075,866	*48.31%*
Sum of Discounted Cash Flows	$6,366,378	
Less Acquisition Costs	-	
Present Value	$6,366,378	
Rounded Present Value	**$6,370,000**	
Rate $/m²	$1,358	
Rate of Increase in Capital Value	2.04%	
IRR (incl. Capex)	8.26%	
IRR (excl. Capex)	8.76%	
3 Year IRR (incl. Capex)	8.65%	
5 Year IRR (incl. Capex)	8.64%	
7 Year IRR (incl. Capex)	8.36%	

Net Present Value Matrix

		Terminal Yield		
		7.500%	**7.750%**	8.000%
	8.500%	6,701,450	6,582,874	6,471,708
	8.750%	6,589,267	6,473,391	6,364,756
Discount Rate	**9.000%**	6,479,622	6,366,378	6,260,211
	9.250%	6,372,449	6,261,772	6,158,012
	9.500%	6,267,685	6,159,511	6,058,097

IRR Matrix

		Terminal Yield		
		7.500%	**7.750%**	8.000%
	6,037,725	10.07%	9.81%	9.55%
	6,355,500	9.29%	9.03%	8.77%
Adopted Value	**6,690,000**	8.53%	8.26%	8.01%
	7,024,500	7.81%	7.55%	7.29%
	7,375,725	7.11%	6.84%	6.59%

COLLIERS INTERNATIONAL VALUATION & ADVISORY SERVICES

Valuation Calculations Summary

25 Toop Street (The Hub) & 109-117 Port Road, Seaview

VALUATION DETAILS

Valuation Date	31 October 2018	Cash Flow Model Date	1 November 2018
Interest Valued	Freehold Interest	Purpose of Valuation	Financial Reporting Purposes

CORE VALUATION ASSUMPTIONS

Financial Details

Gross Passing Income (Fully Let)	$3,271,113	Adopted Gross Market Income	$3,530,253
Outgoings (pa)	$605,064	Outgoings (pa)	$605,064
Net Passing Income (Fully Let)	$2,536,189	Adopted Net Market Income	$2,782,844
Net Passing Income (Current)	$2,536,189		
Passing Income is $259,140 below current market levels			
Over / Under rented %	-8.86%		
Fully Leased - over / under rented %	-8.86%		
Total NLA	32,578.00 m²	Total Vacancy	-
Total Carparks	31 parks		
Warehouse NLA	30,776.00 m²	Office NLA	1,802.00 m²
Proportion of Occupied Warehouse Area	100.00%	Proportion of Occupied Office Area	100.00%

	Net	Gross		Net	Gross
Average Passing Warehouse Rental*	$68/m²	$85/m²	Average Passing Office Rental*	$171/m²	$189/m²
Average Market Warehouse Rental	$75/m²	$93/m²	Average Market Office Rental	$173/m²	$191/m²

*Passing rental averages are based on the proportion of occupied area.

Global Assumptions

Agents Leasing Fees (Gross)	15.00%	Refurb Allowance - Initial Expiries	$100/m²
Renewal Leasing Fee (Gross)	0.00%	Refurb Allowance - Secondary Expiries	$100/m²

Warehouse		Northern LH yards	
Lease Term	6 years	Lease Term	6 years
Letting Up - Market	12 months	Letting Up - Market	18 months
Retention Probability (Letting Up & Leasing Fees)	50.0%	Retention Probability (Letting Up & Leasing Fees)	50.0%
Letting Up - Applied	6 months	Letting Up - Applied	9 months
Renewal Probability (Incentives)	0.0%	Renewal Probability (Incentives)	0.0%
Reviews	3 yearly rent reviews to market rent	Reviews	3 yearly rent reviews to market rent

Traditional Valuation Approach		Discounted Cash Flow Approach		
Core Initial Capitalisation Rate	**7.000%**	Cash Flow Term		10 years
Core Market Capitalisation Rate	**7.300%**	Terminal Capitalisation Rate	*+70.00 bps*	**8.000%**
Pending Vacancies Allowances within	12 months	Terminal Allowances & Reversions within		12 months
Capital Expenditure Allowances for	12 months	Discount Rate		**9.000%**
Rental Reversions (PV)	Current tenants at expiry/market review with subsequent leases at 12 months	10 Yr Rental Growth (compounded)	*Warehouse (Net Effective)*	2.75%
			Office (Net Effective)	2.61%

VALUATION CONCLUSIONS

Traditional Valuation Approach		Discounted Cash Flow Approach		
Initial Yield Approach	**$36,640,000**	Discounted Terminal Value	*52%*	$18,774,104
Market Yield Approach	**$37,320,000**	NPV of Cash Flows	*48%*	$17,672,395
		Sum of Discounted Cash Flows		$36,446,499
		Less Acquisition Costs		-
		Net Present Value		$36,446,499
		Rounded DCF Value		**$36,450,000**

ADOPTED VALUE

$36,860,000 - GST Exclusive
(THIRTY SIX MILLION EIGHT HUNDRED SIXTY THOUSAND DOLLARS)

RESULTANT YIELDS AND IRR'S ON ADOPTED VALUE

Direct Comparison	$1,131 per m² NLA	Terminal Initial Yield	8.26%
Passing Initial Yield	6.88%	Terminal Market Yield	8.00%
Equivalent Initial Yield	6.96%	Terminal Capital Value	$1,365 per m² NLA
Equivalent Market Yield	7.39%	Rate of Increase in Capital Value	2.01%
		IRR (Incl. Capex)	8.83%
Weighted Average Lease Duration by Income (incl Vacancy)	4.86 years	IRR (Excl. Capex)	9.07%
Weighted Average Lease Duration by Income (excl Vacancy)	4.86 years	3 Year IRR (incl. Capex)	9.67%
Total Capital Expenditure (Nominal)	$910,518	5 Year IRR (incl. Capex)	9.21%
% of Adopted Value (Nominal)	2.47%	7 Year IRR (incl. Capex)	9.00%

COLLIERS INTERNATIONAL VALUATION & ADVISORY SERVICES

Tenancy Schedule

25 Toop Street (The Hub) & 109-117 Port Road, Seaview

	Level/Suite	Tenant	Use	Lettable Area NLA	Lease Commence	Lease Term	Lease Expiry	Type	% NLA	Lease Option	Contract Passing Rent	Contract Passing Rent $/m²	Adopted Market Rent	Adopted Market Rent $/m²	PV of Rental Reversion	Gross Rent $/m²
1	Warehouse	Jets Transport	Warehouse	4,677.00	1-Sep-17	6.00	31-Aug-23	Net	14.36%	1 x 6 years	305,500	65.32	326,159	69.74	(138,081)	87.50
2	Office	Jets Transport	Office	195.00	1-Sep-17	6.00	31-Aug-23	Net	0.60%	1 x 6 years	21,450	110.00	26,274	134.74	(25,616)	152.50
3	Yard	Jets Transport	Other	540.60	1-Sep-17	6.00	31-Aug-23	Net	0.00%	1 x 6 years	15,900	29.41	16,218	30.00	(3,940)	30.00
4	Leasehold Yard	Jets Transport	Other	479.40	1-Sep-17	6.00	31-Aug-23	Net	0.00%	1 x 6 years	14,100	29.41	14,382	30.00	(3,494)	30.00
5	Warehouse (Main)	Peter Baker Transport	Warehouse	8,528.00	25-May-18	9.00	24-May-27	Net	26.18%	2 x 6 years	554,320	65.00	573,395	67.24	(320,625)	85.00
6	New Offices	Peter Baker Transport	Office	592.00	25-May-18	9.00	24-May-27	Net	1.82%	2 x 6 years	118,400	200.00	116,764	197.24	359	215.00
7	Office Balcony	Peter Baker Transport	Other	56.00	25-May-18	9.00	24-May-27	Net	0.00%	2 x 6 years	5,600	100.00	4,200	75.00	7,548	75.00
8	Yard	Peter Baker Transport	Other	1,792.00	25-May-18	9.00	24-May-27	Net	0.00%	2 x 6 years	53,760	30.00	53,760	30.00	-	30.00
9	Yard (est. leasehold component)	Peter Baker Transport	Other	112.00	25-May-18	9.00	24-May-27	Net	0.00%	Nil	3,360	30.00	3,360	30.00	-	30.00
10	Devanning Spaces	Peter Baker Transport	Other	4.00	25-May-18	9.00	24-May-27	Net	0.00%	2 x 6 years	5,600	1,400.00	5,600	1,400.00	-	1,400.00
11	Carparks (on subleased land)	Peter Baker Transport	Parking	20.00	25-May-18	9.00	24-May-27	Net	0.00%	2 x 6 years	7,000	350.00	7,800	390.00	(7,971)	390.00
12	Leasehold Pt East Yard	Tiger Construction NZ	Other	1,000.00	1-Nov-17	2.00	31-Oct-19	Gross	0.00%	1 x 2 years	20,400	20.40	20,000	20.00	135	20.00
13	Leasehold Pt East Yard	Ceres	Other	2,000.00	1-May-18	2.00	30-Apr-20	Gross	0.00%	Nil	30,000	15.00	30,000	15.00	-	15.00
14	Leasehold West Yard	Streamline Auto Solutions	Other	4,015.00	15-Jul-18	6.00	14-Jul-24	Gross	0.00%	2 x 3 years	43,800	10.91	54,203	13.50	(11,293)	13.50
15	Relocated offices	Streamline Auto Solutions	Other	140.00	15-Jul-18	6.00	14-Jul-24	Gross	0.00%	2 x 3 years	11,200	80.00	12,600	90.00	(992)	90.00
16	Warehouse	Toll Logistics	Warehouse	2,377.00	1-May-17	*6.00*	*30-Apr-23*	Net	7.30%	Nil	157,595	66.30	183,592	77.24	(120,732)	95.00
17	Cold Store	Toll Logistics	Warehouse	778.00	1-May-17	*6.00*	*30-Apr-23*	Net	2.39%	Nil	51,561	66.30	153,450	197.24	(422,751)	215.00
18	Front Offices	Toll Logistics	Office	201.00	1-May-17	*6.00*	*30-Apr-23*	Net	0.62%	Nil	28,703	142.80	27,082	134.74	2,082	152.50
19	Covered yard	Toll Logistics	Warehouse	410.00	1-May-17	*6.00*	*30-Apr-23*	Net	1.26%	Nil	20,910	51.00	21,417	52.24	(4,198)	70.00
20	Yard	Toll Logistics	Other	233.00	1-May-17	*6.00*	*30-Apr-23*	Net	0.00%	Nil	-	-	2,330	10.00	(9,361)	10.00
21	Devanning Spaces	Toll Logistics	Parking	4.00	1-May-17	*6.00*	*30-Apr-23*	Net	0.00%	Nil	4,080	1,020.00	4,800	1,200.00	(3,314)	1,200.00
22	Carparks (30% portion)	Toll Logistics	Parking	3.00	1-May-17	*6.00*	*30-Apr-23*	Net	0.00%	Nil	1,530	510.00	2,340	780.00	(3,412)	780.00
23	Warehouse	Peter Baker Transport	Warehouse	2,030.00	1-Apr-18	3.00	31-Mar-21	Net	6.23%	-	173,107	85.27	156,791	77.24	35,430	95.00
24	Offices	Peter Baker Transport	Office	66.00	1-Apr-18	3.00	31-Mar-21	Net	0.20%	-	5,628	85.27	7,408	112.24	(4,205)	130.00
25	MAF Pads	Peter Baker Transport	Other	2.00	1-Apr-18	3.00	31-Mar-21	Net	0.00%	-	2,800	1,400.00	2,800	1,400.00	-	1,400.00
26	Ex 'floating warehouse'	Nature Pac	Warehouse	1,183.00	8-Jan-18	6.00	7-Jan-24	Net	3.63%	2 x 3 years	93,450	78.99	95,512	80.74	(18,924)	98.50
27	Warehouse (25 Toop St)	Fujitsu	Warehouse	2,386.00	1-Aug-13	6.67	31-Mar-20	Gross	7.32%	2 x 6 years	190,636	79.90	220,705	92.50	(44,133)	92.50
28	Warehouse	Fujitsu	Warehouse	2,640.00	1-Aug-13	6.67	31-Mar-20	Gross	8.10%	2 x 6 years	209,437	79.33	244,200	92.50	(50,729)	92.50
29	Office	Fujitsu	Office	51.00	1-Aug-13	6.67	31-Mar-20	Gross	0.16%	2 x 6 years	10,200	200.00	8,160	160.00	2,375	160.00
30	Level 1 Offices	Fujitsu	Office	325.00	1-Aug-13	6.67	31-Mar-20	Gross	1.00%	2 x 6 years	73,125	225.00	76,375	235.00	(7,213)	235.00
31	Office Balcony	Fujitsu	Other	32.00	1-Aug-13	6.67	31-Mar-20	Gross	0.00%	2 x 6 years	3,200	100.00	2,880	90.00	364	90.00
32	Canopy	Fujitsu	Other	200.00	1-Aug-13	6.67	31-Mar-20	Gross	0.00%	2 x 6 years	12,000	60.00	12,000	60.00	-	60.00
33	Yard	Fujitsu	Other	333.00	1-Aug-13	6.67	31-Mar-20	Gross	0.00%	2 x 6 years	9,990	30.00	9,990	30.00	-	30.00
34	Carparks	Fujitsu	Parking	4.00	1-Aug-13	6.67	31-Mar-20	Gross	0.00%	2 x 6 years	3,200	800.00	3,120	780.00	33	780.00
35	Additional Warehouse	Fujitsu	Warehouse	1,772.00	1-Jan-17	3.25	31-Mar-20	Gross	5.44%	2 x 6 years	141,760	80.00	163,910	92.50	(32,545)	92.50
36	Warehouse (Port Rd frontage)	Linfox	Warehouse	3,995.00	1-Jan-17	6.00	31-Dec-22	Net	12.26%	-	308,614	77.25	307,110	76.87	4,315	93.50
37	G - Offices	Linfox	Office	372.00	1-Jan-17	6.00	31-Dec-22	Net	1.14%	-	57,474	154.50	56,632	152.24	960	170.00
38	Front Yard	Linfox	Other	485.00	1-Jan-17	6.00	31-Dec-22	Net	0.00%	-	14,987	30.90	14,550	30.00	1,914	30.00
39	West Yard	Linfox	Other	1,389.00	1-Jan-17	6.00	31-Dec-22	Net	0.00%	-	40,000	28.80	41,670	30.00	(15,823)	30.00
41	**TOTALS**			**32,578.00**					**100.00%**		**2,824,397**		**3,083,537**		**(1,193,836)**	

COLLIERS INTERNATIONAL VALUATION & ADVISORY SERVICES

Capitalisation Approach

25 Toop Street (The Hub) & 109-117 Port Road, Seaview

Valuation Date: 31 October 2018

(Initial) Passing Yield Calculations

Office			314,980	
Parking			15,810	
Other			286,697	
Warehouse			2,206,911	
Current Passing Income			2,824,397	
Add Recoverable Outgoings			446,716	
Add Estimated Gross Rental Value on Vacant Space			-	
Potential Gross Income Fully Let			3,271,113	
Less Rental Attributable to Leasehold Land			129,860	
Less Outgoings	$21.70/m²		605,064	
Net Income			2,536,189	
Capitalised at		6.875%	7.000%	7.125%
Capitalised Value		$36,890,016	$36,231,266	$35,595,629

Capital Value Adjustments

Existing Vacant Tenancy Allowances			
Downtime	-	-	-
Downtime for Deferred Tenancy Commencement	-	-	-
Agents Leasing Fees	(175)	(175)	(175)
Incentives	-	-	-
Refurbishment Allowance	-	-	-
Pending Vacancy Allowances (expiries within 12 months)			
Downtime	(15,000)	(15,000)	(15,000)
Agents Leasing Fees	(1,500)	(1,500)	(1,500)
Refurbishment Allowance	-	-	-
	-	-	-
PV of Leasehold Rental Income/Shortfall	231,627	231,627	231,627
General Capital Expenditure Allowance (12 months)	(49,587)	(49,587)	(49,587)
Budgeted Capital Expenditure (12 months)	(25,000)	(25,000)	(25,000)
Fitout Rental (Assuming 6 year Toll Lease term)	261,847	261,847	261,847
Total Adjustments	*402,212*	*402,212*	*402,212*
Assessed Capital Value as at 31 October 2018	$37,292,228	$36,633,478	$35,997,842
Value $/m²	*$1,145*	*$1,124*	*$1,105*
Rounded Initial Capitalisation Value		$36,640,000	
Adopted Value as at 31 October 2018		$36,860,000	

Capital Value Analysis

Actual Net Passing Income	$2,536,189
Initial Yield	6.88%
Equivalent Initial Yield	6.96%
Rate per metre of NLA	$1,131/m²

Market Yield Calculations

Office			318,695	
Parking			18,060	
Other			300,543	
Warehouse			2,446,240	
Market Income			3,083,537	
Add Recoverable Outgoings			446,716	
Total Gross Market Income			3,530,253	
Less Outgoings	$21.70/m²		605,064	
Net Market Income			2,925,189	
Less Rental Attributable to Leasehold Land			142,345	
Net Income			2,782,844	
Capitalised at		7.175%	7.300%	7.425%
Capitalised Value		$38,785,285	$38,121,153	$37,479,383

Capital Value Adjustments

Existing Vacant Tenancy Allowances			
Downtime	-	-	-
Downtime for Deferred Tenancy Commencement	-	-	-
Agents Leasing Fees	(175)	(175)	(175)
Incentives	-	-	-
Refurbishment Allowance	-	-	-
Pending Vacancy Allowances (expiries within 12 months)			
Downtime	(15,000)	(15,000)	(15,000)
Agents Leasing Fees	(1,500)	(1,500)	(1,500)
Refurbishment Allowance	-	-	-
	-	-	-
PV of Leasehold Rental Income/Shortfall	231,627	231,627	231,627
PV Rental (Shortfall) / Overage	(1,193,836)	(1,193,836)	(1,193,836)
General Capital Expenditure Allowance (12 months)	(49,587)	(49,587)	(49,587)
Budgeted Capital Expenditure (12 months)	(25,000)	(25,000)	(25,000)
Fitout Rental (Assuming 6 year Toll Lease term)	261,847	261,847	261,847
Total Adjustments	*(791,624)*	*(791,624)*	*(791,624)*
Assessed Capital Value as at 31 October 2018	$37,993,661	$37,329,530	$36,687,759
Value $/m²	*$1,166*	*$1,146*	*$1,126*
Rounded Market Capitalisation Value		$37,320,000	
Adopted Value as at 31 October 2018		$36,860,000	

Capital Value Analysis

Equivalent Market Yield	7.39%
Rate per metre of NLA	$1,131/m²

COLLIERS INTERNATIONAL VALUATION & ADVISORY SERVICES

Discounted Cash Flow Assumptions

25 Toop Street (The Hub) & 109-117 Port Road, Seaview

Growth Assumptions

Calendar Year	Code	2017	2018	2019	2020	2021	2022	2023	2024	2025	2026	2027	2028	*10 Yr CAGR*
Inflation (CPI)	*1*	1.60%	1.90%	1.90%	1.90%	2.00%	2.00%	2.30%	2.40%	2.50%	2.50%	2.50%	2.50%	***2.24%***
Warehouse (Net Face)	*4*		3.00%	3.50%	3.50%	3.00%	2.50%	2.50%	2.50%	2.50%	2.50%	2.50%	2.50%	***2.75%***
Warehouse (Net Effective)	*5*		3.00%	3.50%	3.50%	3.00%	2.50%	2.50%	2.50%	2.50%	2.50%	2.50%	2.50%	***2.75%***
Office (Gross Face)	*6*		1.99%	5.74%	3.00%	2.43%	2.86%	2.47%	2.49%	2.50%	2.50%	2.50%	2.50%	***2.89%***
Office (Gross Effective)	*7*		1.99%	5.74%	3.00%	2.43%	2.86%	2.47%	2.49%	2.50%	2.50%	2.50%	2.50%	***2.89%***
Car Parking	*10*		3.00%	3.50%	3.50%	3.00%	2.50%	2.50%	2.50%	2.50%	2.50%	2.50%	2.50%	***2.75%***
Statutories	*11*		1.90%	31.00%	2.00%	2.00%	2.00%	2.30%	2.40%	2.50%	2.50%	2.50%	2.50%	***4.86%***
Operational	*12*		1.90%	1.90%	1.90%	2.00%	2.00%	2.30%	2.40%	2.50%	2.50%	2.50%	2.50%	***2.24%***
Capital expenditure	*13*		1.90%	1.90%	1.90%	2.00%	2.00%	2.30%	2.40%	2.50%	2.50%	2.50%	2.50%	***2.24%***
Other	*14*		1.90%	1.90%	1.90%	2.00%	2.00%	2.30%	2.40%	2.50%	2.50%	2.50%	2.50%	***2.24%***
Ground Rent	*15*		2.00%	2.00%	2.00%	2.00%	2.00%	2.00%	2.00%	2.00%	2.00%	2.00%	2.00%	***2.00%***

Discounted Cash Flow Assumptions

Valuation Date	31 October 2018
Commencement of Cash Flow	1 November 2018
Term of Cash Flow	10 years
Discount Rate	9.000%
Terminal Yield	8.000%
Terminal Yield Variance over Market Cap Rate	+70.00 bps
Acquisition Costs	0.00%
Disposal Costs	0.00%
Total Budgeted Capital Expenditure	\$25,000 pa (Real) \$25,000 pa (Nominal)
General Capital Expenditure Allowance applied from 1-Nov-2018	\$15.35/m² \$500,000 pa (Real) \$550,542 pa (Nominal)
Refurbishment Allowance on Initial Expiries	\$100.0/m²
Refurbishment Allowance on Secondary Expiries	\$100.0/m²
Total Capital Expenditure (Real)	\$827,200
% of Adopted Value (Real)	2.24%
Total Capital Expenditure (Nominal)	\$910,518
% of Adopted Value (Nominal)	2.47%
1 Yr Summary	\$74,587 (Nominal)

Lease Renewal Assumptions

Agents Fees - New Tenant (Year 1 Gross Rent)	15.0%
Agents Fees - Renewal (Year 1 Gross Rent)	0.0%
Warehouse	
Renewal Lease Term	6.0 years
Letting Up Period - Market	12 months
Retention Probability (Letting Up, Leasing Fees)	50%
Letting Up Period - Applied	6 months
Incentive Probability	0%
Review Structure	3 yearly rent reviews to market rent
Car Parking	
Renewal Lease Term	6.0 years
Letting Up Period - Market	12 months
Retention Probability (Letting Up, Leasing Fees)	50%
Letting Up Period - Applied	6 months
Incentive Probability	0%
Review Structure	3 yearly rent reviews to market rent

Annual Summary by Tenant - Rental Summary

25 Toop Street (The Hub) & 109-117 Port Road, Seaview

Colliers INTERNATIONAL

Valuation Date: 31 October 2018

Level Suite	Tenant	Year 1 1-Nov-18	Year 2 1-Nov-19	Year 3 1-Nov-20	Year 4 1-Nov-21	Year 5 1-Nov-22	Year 6 1-Nov-23	Year 7 1-Nov-24	Year 8 1-Nov-25	Year 9 1-Nov-26	Year 10 1-Nov-27
Warehouse	Jets Transport	389,989	408,335	422,584	434,196	370,348	329,975	497,242	500,121	522,639	535,457
Office	Jets Transport	24,973	25,781	26,638	27,393	23,375	23,914	35,966	36,086	37,804	38,727
Yard	Jets Transport	15,900	15,980	16,459	16,953	14,479	12,642	18,963	18,963	19,835	20,421
Leasehold Yard	Jets Transport	14,100	14,171	14,596	15,033	12,840	11,211	16,817	16,817	17,679	18,110
Warehouse (Main)	Peter Baker Transport	708,376	748,374	770,625	784,207	801,795	816,459	835,535	851,294	507,950	883,134
New Offices	Peter Baker Transport	129,094	133,216	136,644	138,987	142,167	144,641	148,004	150,613	89,884	153,633
Office Balcony	Peter Baker Transport	5,600	5,694	5,826	5,924	6,062	6,164	6,307	6,413	3,827	5,004
Yard	Peter Baker Transport	53,760	54,665	55,932	56,873	58,192	59,171	60,542	61,562	36,743	63,212
Yard (est. leasehold component)	Peter Baker Transport	3,360	3,417	3,496	3,555	3,637	3,698	3,784	3,848	2,296	3,951
Devanning Spaces	Peter Baker Transport	5,600	5,694	5,826	5,924	6,062	6,164	6,307	6,413	3,827	6,585
Carparks (on subleased land)	Peter Baker Transport	7,000	7,118	7,283	7,405	7,577	7,705	7,883	8,016	4,784	9,171
Leasehold Pl East Yard	Tiger Construction NZ	20,400	5,308	21,232	21,232	21,687	23,051	23,051	17,288	12,644	25,287
Leasehold Pl East Yard	Ceres	30,000	15,000	32,124	32,124	32,124	34,791	34,791	34,791	18,966	37,931
Leasehold West Yard	Streamline Auto Solutions	46,455	54,418	60,125	61,328	62,555	42,255	37,973	65,096	65,096	66,016
Relocated offices	Streamline Auto Solutions	11,879	13,915	15,375	15,682	15,996	10,805	8,627	15,132	15,132	15,811
Warehouse	Toll Logistics	202,111	213,842	219,650	224,042	113,321	270,424	271,800	273,263	291,143	292,689
Cold Store	Toll Logistics	65,636	68,433	69,272	69,625	34,964	196,779	197,230	197,709	211,685	212,392
Front Offices	Toll Logistics	32,621	33,923	34,731	35,426	17,904	36,695	36,812	36,935	39,505	39,636
Covered yard	Toll Logistics	28,526	30,422	31,295	31,921	16,151	34,758	34,895	35,247	37,417	37,684
Yard	Toll Logistics	-	-	-	-	-	2,702	2,702	2,702	2,910	2,910
Devanning Spaces	Toll Logistics	4,121	4,203	4,287	4,373	2,208	5,567	5,567	5,567	5,995	5,995
Carparks (30% portion)	Toll Logistics	1,545	1,576	1,608	1,640	828	2,714	2,714	2,714	2,922	2,922
Warehouse	Peter Baker Transport	212,608	225,392	113,905	219,652	220,603	222,608	236,284	237,534	218,903	150,066
Offices	Peter Baker Transport	6,919	7,328	3,923	9,775	9,806	9,896	10,540	10,581	9,737	6,695
MAF Pads	Peter Baker Transport	2,849	2,934	1,495	3,082	3,082	3,102	3,321	3,321	3,045	2,112
Ex 'floating warehouse'	Nature Pac	116,378	122,532	125,745	128,259	130,830	68,988	141,911	142,639	146,276	152,816
Warehouse (25 Toop St)	Fujitsu	190,636	99,069	235,653	235,853	237,300	255,423	255,423	234,138	162,447	278,480
Warehouse	Fujitsu	209,437	108,994	260,739	260,739	262,562	282,614	282,614	259,063	179,740	308,125
Office	Fujitsu	10,200	4,976	8,713	8,713	6,774	9,444	9,444	8,657	6,006	10,296
Level 1 Offices	Fujitsu	73,125	37,378	82,906	82,906	83,463	89,587	89,587	82,121	56,966	97,657
Office Balcony	Fujitsu	3,200	1,582	2,986	2,986	3,002	3,176	3,176	2,911	2,017	3,458
Canopy	Fujitsu	12,000	6,068	12,813	12,813	12,902	13,888	13,888	12,730	8,832	15,141
Yard	Fujitsu	9,990	5,051	10,667	10,667	10,741	11,561	11,561	10,598	7,353	12,605
Carparks	Fujitsu	3,200	1,611	3,331	3,331	3,355	3,611	3,611	3,310	2,296	3,937
Additional Warehouse	Fujitsu	141,760	73,651	175,011	175,011	176,235	189,694	189,694	173,886	120,643	206,817
Warehouse (Port Rd frontage)	Linfox	383,879	406,816	420,619	432,385	219,727	443,710	445,875	457,230	477,711	480,144
G - Offices	Linfox	65,631	68,736	70,957	73,001	37,176	75,025	75,241	77,156	80,765	81,007
Front Yard	Linfox	15,361	15,822	16,297	16,786	8,390	16,735	16,735	17,164	18,022	18,022
West Yard	Linfox	40,000	40,000	40,000	40,000	22,643	47,928	47,928	49,157	51,613	51,613
	Total Passing Income	3,298,417	3,091,427	3,541,367	3,709,600	3,214,859	3,829,475	4,130,642	4,128,785	3,503,357	4,357,612
Total Gross Passing Income		3,298,417	3,091,427	3,541,367	3,709,600	3,214,859	3,829,475	4,130,642	4,128,785	3,503,357	4,357,612
Outgoings		614,955	732,539	768,149	783,491	799,324	817,404	836,956	857,755	879,199	901,179
Vacancy Allowance		-	-	-	-	-	-	-	-	-	-
-		-	-	-	-	-	-	-	-	-	-
Net Income before Capital Expenditure		2,683,462	2,358,887	2,773,217	2,926,109	2,415,534	3,012,070	3,293,686	3,271,030	2,624,158	3,456,433
Capital Expenditure		74,587	50,529	51,489	52,514	53,565	54,783	56,094	57,491	58,929	60,402
Refurbishment Allowance		-	38,314	6,853	-	159,981	7,181	-	14,531	102,756	5,360
Agents Fees		-	61,054	19,961	-	47,985	97,507	6,017	-	74,980	117,563
Incentives		-	-	-	-	-	-	-	-	-	-
Ground Rent		102,506	104,556	106,647	108,780	110,955	113,174	115,438	117,747	120,102	122,504
Toll Fitout Rental		(100,000)	(75,000)	(50,000)	(50,000)	(25,000)	-	-	-	-	-
Net Income after Capital Expenditure		2,606,370	2,179,434	2,638,268	2,814,815	2,068,048	2,739,425	3,115,137	3,081,261	2,267,391	3,150,605

COLLIERS INTERNATIONAL VALUATION & ADVISORY SERVICES

Terminal Value Calculations

25 Toop Street (The Hub) & 109-117 Port Road, Seaview

Colliers INTERNATIONAL

Level/Suite	Tenant	NLA	Terminal Rent Market	Terminal Rent Passing	Shortfall/ Overage	Next Review or Expiry	Number of Months	PV (within 12mths) Reversions
Warehouse	Jets Transport	4,677.00	427,947	410,693	17,254	28-Feb-30	15.9	-
Office	Jets Transport	195.00	34,934	33,526	1,409	28-Feb-30	15.9	-
Yard	Jets Transport	540.60	21,279	20,421	858	28-Feb-30	15.9	-
Leasehold Yard	Jets Transport	479.40	18,870	18,110	761	28-Feb-30	15.9	-
Warehouse (Main)	Peter Baker Transport	8,528.00	752,342	735,504	16,838	30-Nov-33	61.0	-
New Offices	Peter Baker Transport	592.00	155,253	151,778	3,475	30-Nov-33	61.0	-
Office Balcony	Peter Baker Transport	56.00	5,584	5,459	125	30-Nov-33	61.0	-
Yard	Peter Baker Transport	1,792.00	70,538	68,959	1,579	30-Nov-33	61.0	-
Yard (est. leasehold component)	Peter Baker Transport	112.00	4,409	4,310	99	30-Nov-33	61.0	-
Devanning Spaces	Peter Baker Transport	4.00	7,348	7,183	164	30-Nov-33	61.0	-
Carparks (on subleased land)	Peter Baker Transport	20.00	10,234	10,005	229	30-Nov-33	61.0	-
Leasehold Pt East Yard	Tiger Construction NZ	1,000.00	26,242	25,287	954	30-Apr-33	53.9	-
Leasehold Pt East Yard	Ceres	2,000.00	39,362	37,931	1,431	30-Apr-33	53.9	-
Leasehold West Yard	Streamline Auto Solutions	4,015.00	71,118	70,101	1,017	31-Mar-31	28.9	-
Relocated offices	Streamline Auto Solutions	140.00	16,532	16,296	236	31-Mar-31	28.9	-
Warehouse	Toll Logistics	2,377.00	240,888	229,280	11,607	31-Oct-29	12.0	11,200
Cold Store	Toll Logistics	778.00	201,339	191,638	9,702	31-Oct-29	12.0	9,362
Front Offices	Toll Logistics	201.00	36,009	34,274	1,735	31-Oct-29	12.0	1,674
Covered yard	Toll Logistics	410.00	28,101	26,747	1,354	31-Oct-29	12.0	1,307
Yard	Toll Logistics	233.00	3,057	2,910	147	31-Oct-29	12.0	142
Devanning Spaces	Toll Logistics	4.00	6,298	5,995	303	31-Oct-29	12.0	293
Carparks (30% portion)	Toll Logistics	3.00	3,070	2,922	148	31-Oct-29	12.0	143
Warehouse	Peter Baker Transport	2,030.00	205,722	202,780	2,942	31-Mar-34	65.0	-
Offices	Peter Baker Transport	66.00	9,849	9,709	141	31-Mar-34	65.0	-
MAF Pads	Peter Baker Transport	2.00	3,674	3,621	53	31-Mar-34	65.0	-
Ex 'floating warehouse'	Nature Pac	1,183.00	125,319	121,260	4,059	30-Jun-30	19.9	-
Warehouse (25 Toop St)	Fujitsu	2,386.00	289,583	278,480	11,103	31-Mar-33	53.0	-
Warehouse	Fujitsu	2,640.00	320,411	308,125	12,285	31-Mar-33	53.0	-
Office	Fujitsu	51.00	10,707	10,296	411	31-Mar-33	53.0	-
Level 1 Offices	Fujitsu	325.00	101,550	97,657	3,894	31-Mar-33	53.0	-
Office Balcony	Fujitsu	32.00	3,596	3,458	138	31-Mar-33	53.0	-
Canopy	Fujitsu	200.00	15,745	15,141	604	31-Mar-33	53.0	-
Yard	Fujitsu	333.00	13,108	12,605	503	31-Mar-33	53.0	-
Carparks	Fujitsu	4.00	4,094	3,937	157	31-Mar-33	53.0	-
Additional Warehouse	Fujitsu	1,772.00	215,063	206,817	8,246	31-Mar-33	53.0	-
Warehouse (Port Rd frontage)	Linfox	3,995.00	402,953	380,393	22,560	30-Jun-29	8.0	14,620
G - Offices	Linfox	372.00	75,299	71,084	4,216	30-Jun-29	8.0	2,732
Front Yard	Linfox	465.00	19,091	18,022	1,069	30-Jun-29	8.0	693
West Yard	Linfox	1,389.00	54,674	51,613	3,061	30-Jun-29	8.0	1,984
Total		**32,578.00**	**4,051,193**	**3,904,327**				**44,149**

Terminal Value Calculations - Market Approach

Office		423,602
Retail		-
Industrial		-
Naming		-
Parking		23,696
Other		394,227
Telecoms		-
Storage		-
Warehouse		3,209,668
Market Income		4,051,193
Add Recoverable Outgoings		673,596
Total Gross Market Income		4,724,789
Less Outgoings	$27.78/m²	904,857
Net Market Income		3,819,932
Less Rental Attributable to Leasehold Land		186,768
Net Income		3,633,165
Capitalised at		**8.00%**
Capitalised Value		**45,414,558**

Terminal Value Adjustments

-	-
-	-
Existing Vacant Tenancy Allowances	
Downtime	-
Agents Leasing Fees	-
Incentives	-
Refurbishment Allowance	-
Pending Vacancy Allowances (expiries within 12 months)	
Downtime	640,887
Agents Leasing Fees	94,092
Incentives	-
Refurbishment Allowance	465,461
PV Leasehold Yard Rental	(368,566)
PV Rental Shortfall / (Overage)	44,149
General Capital Expenditure Allowance (12 months)	61,912
Budgeted Capital Expenditure (12 months)	-
Toll Fitout Rental	-
Total Adjustments	**937,934**
Assessed Terminal Value as at 31 October 2028	**44,476,624**
Value $/m²	***1,365***

Terminal Value Analysis

Terminal Initial Yield	8.26%
Equivalent Market Yield With Vacancy Factor	8.00%
Equivalent Market Yield Without Vacancy Factor	8.41%
Rate per metre of NLA	$1,365/m²

COLLIERS INTERNATIONAL VALUATION & ADVISORY SERVICES

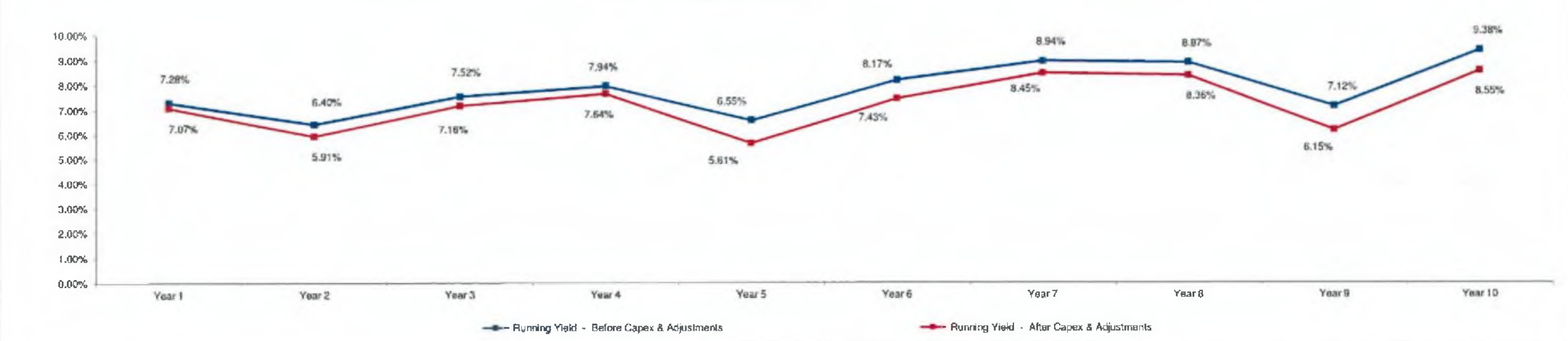
Cash Flow Summary

25 Toop Street (The Hub) & 109-117 Port Road, Seaview

For Year Commencing	Year 1 1-Nov-18	Year 2 1-Nov-19	Year 3 1-Nov-20	Year 4 1-Nov-21	Year 5 1-Nov-22	Year 6 1-Nov-23	Year 7 1-Nov-24	Year 8 1-Nov-25	Year 9 1-Nov-26	Year 10 1-Nov-27
Office	316,802	280,450	332,840	343,128	296,497	356,260	370,264	365,943	290,144	391,629
Retail	-	-	-	-	-	-	-	-	-	-
Industrial	-	-	-	-	-	-	-	-	-	-
Naming	-	-	-	-	-	-	-	-	-	-
Parking	15,866	14,508	16,509	16,750	13,968	19,596	19,774	19,606	15,998	22,025
Other	290,453	259,719	315,247	320,962	294,390	309,044	316,672	344,905	289,938	370,190
Telecoms	-	-	-	-	-	-	-	-	-	-
Storage	-	-	-	-	-	-	-	-	-	-
Warehouse	2,220,998	1,992,017	2,328,852	2,445,513	2,127,747	2,589,445	2,800,882	2,759,799	2,356,646	2,945,933
Outgoings Recoveries	454,297	544,732	547,918	583,248	482,256	555,130	623,049	638,532	550,831	627,834
	-	-	-	-	-	-	-	-	-	-
-	-	-	-	-	-	-	-	-	-	-
Total Income	3,298,417	3,091,427	3,541,367	3,709,600	3,214,859	3,829,475	4,130,642	4,128,785	3,503,357	4,357,612
Outgoings	614,955	732,539	768,149	783,491	799,324	817,404	836,956	857,755	879,199	901,179
Vacancy Allowance	-	-	-	-	-	-	-	-	-	-
-	-	-	-	-	-	-	-	-	-	-
Net Income Before Capital Expenditure	2,683,462	2,358,887	2,773,217	2,926,109	2,415,534	3,012,070	3,293,686	3,271,030	2,624,158	3,456,433
Capital Expenditure (Budgeted & General)	74,587	50,529	51,489	52,514	53,565	54,783	56,094	57,491	58,929	60,402
Refurbishment Allowance	-	38,314	6,853	-	169,981	7,181	-	14,531	102,756	5,360
Agents Fees	-	61,054	19,961	-	47,985	97,507	6,017	-	74,980	117,563
Incentives	-	-	-	-	-	-	-	-	-	-
Ground Rent	102,506	104,556	106,647	108,780	110,955	113,174	115,438	117,747	120,102	122,504
Toll Fitout Rental	(100,000)	(75,000)	(50,000)	(50,000)	(25,000)	-	-	-	-	-
Net Income After Capital Expenditure	2,606,370	2,179,434	2,638,268	2,814,815	2,068,048	2,739,425	3,116,137	3,081,261	2,267,391	3,150,605
Terminal Value										44,476,624
Disposal Costs										-
Net Cash Flow	2,606,370	2,179,434	2,638,268	2,814,815	2,068,048	2,739,425	3,116,137	3,081,261	2,267,391	47,627,229

Adopted Value	@ 9.000%	$	36,860,000
Acquisition Costs		$	-
Adopted Value before Acquisition Costs		$	36,860,000

	Year 1	Year 2	Year 3	Year 4	Year 5	Year 6	Year 7	Year 8	Year 9	Year 10
Running Yield - Before Capex & Adjustments	7.28%	6.40%	7.52%	7.94%	6.55%	8.17%	8.94%	8.87%	7.12%	9.38%
Running Yield - After Capex & Adjustments	7.07%	5.91%	7.16%	7.64%	5.61%	7.43%	8.45%	8.36%	6.15%	8.55%
Running Yield - Before Capex & incl. Adjustments	7.28%	6.23%	7.47%	7.94%	6.42%	7.91%	8.92%	8.87%	6.92%	9.06%
Running Yield - After Capex, Adjustments & incl. Acquisition Costs	7.07%	5.91%	7.16%	7.64%	5.61%	7.43%	8.45%	8.36%	6.15%	8.55%



Note: This running yield analysis is based upon the projected net income and includes potential downtime and associated re-letting costs, as per our specific assumptions.

COLLIERS INTERNATIONAL VALUATION & ADVISORY SERVICES

DCF Summary

25 Toop Street (The Hub) & 109-117 Port Road, Seaview

Present Value of Cash Flows	$36,446,499	
Discount Rate	9.000%	
Terminal Value	$44,476,624	
Less Disposal Costs	-	
Net Terminal Value	$44,476,624	
Discounted Terminal Value	$18,774,104	*51.51%*
Discounted Cash Flow	$17,672,395	*48.49%*
Sum of Discounted Cash Flows	$36,446,499	
Less Acquisition Costs	-	
Present Value	$36,446,499	
Rounded Present Value	**$36,450,000**	
Rate $/m²	$1,119	
Rate of Increase in Capital Value	2.01%	
IRR (incl. Capex)	8.83%	
IRR (excl. Capex)	9.07%	
3 Year IRR (incl. Capex)	9.67%	
5 Year IRR (incl. Capex)	9.21%	
7 Year IRR (incl. Capex)	9.00%	

Net Present Value Matrix

		Terminal Yield		
		7.750%	**8.000%**	8.250%
	8.500%	38,341,706	37,694,199	37,085,934
	8.750%	37,695,994	37,063,230	36,468,816
Discount Rate	**9.000%**	37,064,887	36,446,499	35,865,589
	9.250%	36,448,008	35,843,638	35,275,896
	9.500%	35,844,991	35,254,290	34,699,388

IRR Matrix

		Terminal Yield		
		7.750%	**8.000%**	8.250%
	33,266,150	10.64%	10.39%	10.15%
	35,017,000	9.85%	9.60%	9.36%
Adopted Value	**36,860,000**	9.08%	8.83%	8.59%
	38,703,000	8.36%	8.11%	7.87%
	40,638,150	7.65%	7.40%	7.16%

COLLIERS INTERNATIONAL VALUATION & ADVISORY SERVICES

Valuation Calculations Summary

101-103 Port Road , Seaview , Lower Hutt

VALUATION DETAILS

Valuation Date	31 October 2018	Cash Flow Model Date	1 November 2018
Interest Valued	Freehold Interest	Purpose of Valuation	Mortgage Finance Purposes

CORE VALUATION ASSUMPTIONS

Financial Details

Gross Passing Income (Fully Let)	$356,698	Adopted Gross Market Income	$378,110
Outgoings (pa)	$78,698	Outgoings (pa)	$78,698
Net Passing Income (Fully Let)	$278,000	Adopted Net Market Income	$299,412
Net Passing Income (Current)	$278,000		

Passing Income is $21,412 below current market levels

Over / Under rented %	-7.15%
Fully Leased - over / under rented %	-7.15%

Total NLA	2,511.00 m²	Total Vacancy	-
Total Carparks	5 parks		
Warehouse NLA	1,360.00 m²	Office NLA	1,151.00 m²
Proportion of Occupied Warehouse Area	100.00%	Proportion of Occupied Office Area	100.00%

	Net	Gross		Net	Gross
Average Passing Warehouse Rental*	$76/m²	$101/m²	Average Passing Office Rental*	$132/m²	$157/m²
Average Market Warehouse Rental	$100/m²	$125/m²	Average Market Office Rental	$116/m²	$140/m²

*Passing rental averages are based on the proportion of occupied area.

Global Assumptions

Agents Leasing Fees (Gross)	15.00%	Refurb Allowance - Initial Expiries	$100/m²
Renewal Leasing Fee (Gross)	0.00%	Refurb Allowance - Secondary Expiries	-

Warehouse		Office	
Lease Term	6 years	Lease Term	6 years
Letting Up - Market	12 months	Letting Up - Market	12 months
Retention Probability (Letting Up & Leasing Fees)	50.0%	Retention Probability (Letting Up & Leasing Fees)	50.0%
Letting Up - Applied	6 months	Letting Up - Applied	6 months
Renewal Probability (Incentives)	0.0%	Renewal Probability (Incentives)	0.0%
Reviews	3 yearly rent reviews to market rent	Reviews	3 yearly rent reviews to market rent

Traditional Valuation Approach		Discounted Cash Flow Approach		
Core Initial Capitalisation Rate	**6.850%**	Cash Flow Term		10 years
Core Market Capitalisation Rate	**7.150%**	Terminal Capitalisation Rate	*+25.00 bps*	**7.400%**
Pending Vacancies Allowances within	12 months	Terminal Allowances & Reversions within		12 months
Capital Expenditure Allowances for	12 months	Discount Rate		**9.000%**
Rental Reversions (PV)	Current tenants at expiry/market review with subsequent leases at 12 months	10 Yr Rental Growth	*Office (Net Effective)*	2.55%
		(compounded)	*Warehouse (Net Effective)*	2.60%

VALUATION CONCLUSIONS

Traditional Valuation Approach		Discounted Cash Flow Approach		
Initial Yield Approach	**$4,050,000**	Discounted Terminal Value	*55%*	$2,181,343
Market Yield Approach	**$4,160,000**	NPV of Cash Flows	*45%*	$1,783,595
		Sum of Discounted Cash Flows		$3,964,938
		Less Acquisition Costs		-
		Net Present Value		$3,964,938
		Rounded DCF Value		**$3,960,000**

ADOPTED VALUE

$4,060,000 - GST Exclusive
(FOUR MILLION SIXTY THOUSAND DOLLARS)

RESULTANT YIELDS AND IRR'S ON ADOPTED VALUE

Direct Comparison	$1,617 per m² NLA	Terminal Initial Yield	7.14%
Passing Initial Yield	6.85%	Terminal Market Yield	7.40%
Equivalent Initial Yield	6.83%	Terminal Capital Value	$2,058 per m² NLA
Equivalent Market Yield	7.33%	Rate of Increase in Capital Value	2.70%
Weighted Average Lease Duration by Area	3.52 years	IRR (Incl. Capex)	8.66%
Weighted Average Lease Duration by Income (incl Vacancy)	4.40 years	IRR (Excl. Capex)	9.34%
Weighted Average Lease Duration by Income (excl Vacancy)	4.40 years	3 Year IRR (Incl. Capex)	9.04%
Total Capital Expenditure (Nominal)	$264,297	5 Year IRR (Incl. Capex)	8.17%
% of Adopted Value (Nominal)	6.51%	7 Year IRR (Incl. Capex)	8.51%

COLLIERS INTERNATIONAL VALUATION & ADVISORY SERVICES

Tenancy Schedule

101-103 Port Road , Seaview , Lower Hutt

Valuation Date: 31 October 2018

Colliers INTERNATIONAL

	Level/Suite	Tenant	Use	Lettable Area NLA	Lease Commence	Lease Term	Lease Expiry	Type	% NLA	Lease Option	Next Review Date	Contract Passing Rent	Contract Passing Rent $/m²	Adopted Market Rent	Adopted Market Rent $/m²	PV of Rental Reversion	Gross Rent $/m²
1	Warehouse (7.2-7.5m SH)	Downer Group	Warehouse	1,360.00	1-Nov-17	6.00	31-Oct-23	Net	54.16%	2 x 3 years	1-Nov-18	103,604	76.18	136,583	100.43	(30,483)	125.00
2	G Show/Off/Amenities	Downer Group	Office	719.00	1-Nov-17	6.00	31-Oct-23	Net	28.63%	2 x 3 years	1-Nov-18	95,474	132.79	79,398	110.43	13,581	135.00
3	G Entry	Downer Group	Office	53.00	1-Nov-17	3.00	31-Oct-20	Net	2.11%	-	1-Nov-18	7,009	132.24	6,118	115.43	1,501	140.00
4	L1 Offices	Downer Group	Office	379.00	1-Nov-17	3.00	31-Oct-20	Net	15.09%	-	1-Nov-18	49,573	130.80	47,537	125.43	2,503	150.00
5	Front Yard/Parking	Downer Group	Parking	5.00	1-Nov-17	3.00	31-Oct-20	Net	0.00%	-	1-Nov-18	4.450	890.05	3,900	780.00	918	780.00
6	Yard	Downer Group	Other	1.715.00	1-Nov-17	6.00	31-Oct-23	Net	0.00%	2 x 3 years	1-Nov-18	34,890	20.34	42,875	25.00	(7,466)	25.00
8	**TOTALS**			**2,511.00**					**100.00%**			**295,000**		**316,412**		**(19,446)**	

Capitalisation Approach

101-103 Port Road , Seaview , Lower Hutt

Valuation Date: 31 October 2018

Colliers INTERNATIONAL

(Initial) Passing Yield Calculations

Office		152,056	
Parking		4,450	
Other		34,890	
Warehouse		103,604	
Current Passing Income		295,000	
Add Recoverable Outgoings		61,698	
Add Estimated Gross Rental Value on Vacant Space		-	
Potential Gross Income Fully Let		356,698	
Less Outgoings	$31.34/m²	78,698	
Net Income		278,000	
Capitalised at	6.725%	6.850%	6.975%
Capitalised Value	$4,133,829	$4,058,394	$3,985,663

Capital Value Adjustments

Existing Vacant Tenancy Allowances			
Downtime	-	-	-
Downtime for Deferred Tenancy Commencement	-	-	-
Agents Leasing Fees	-	-	-
Incentives	-	-	-
Refurbishment Allowance	-	-	-
Pending Vacancy Allowances (expiries within 12 months)			
Downtime	-	-	-
Agents Leasing Fees	-	-	-
Incentives	-	-	-
Refurbishment Allowance	-	-	-
PV Outstanding Current Incentives	-	-	-
General Capital Expenditure Allowance (12 months)	(7,934)	(7,934)	(7,934)
Budgeted Capital Expenditure (12 months)	-	-	-
Other Adjustments	-	-	-
Total Adjustments	*(7,934)*	*(7,934)*	*(7,934)*
Assessed Capital Value as at 31 October 2018	$4,125,895	$4,050,460	$3,977,729
Value $/m²	*$1,643*	*$1,613*	*$1,584*
Rounded Initial Capitalisation Value		$4,050,000	
Adopted Value as at 31 October 2018		**$4,060,000**	

Capital Value Analysis

Actual Net Passing Income	$278,000
Initial Yield	6.85%
Equivalent Initial Yield	6.83%
Rate per metre of NLA	$1,617/m²

Market Yield Calculations

Office		133,053	
Parking		3,900	
Other		42,875	
Warehouse		136,583	
Market Income		316,412	
Add Recoverable Outgoings		61,698	
Total Gross Market Income		378,110	
Less Outgoings	$31.34/m²	78,698	
Net Market Income		299,412	
Net Income		299,412	
Capitalised at	7.025%	7.150%	7.275%
Capitalised Value	$4,262,086	$4,187,574	$4,115,623

Capital Value Adjustments

Existing Vacant Tenancy Allowances			
Downtime	-	-	-
Downtime for Deferred Tenancy Commencement	-	-	-
Agents Leasing Fees	-	-	-
Incentives	-	-	-
Refurbishment Allowance	-	-	-
Pending Vacancy Allowances (expiries within 12 months)			
Downtime	-	-	-
Agents Leasing Fees	-	-	-
Incentives	-	-	-
Refurbishment Allowance	-	-	-
PV Outstanding Current Incentives	-	-	-
PV Rental (Shortfall) / Overage	(19,446)	(19,446)	(19,446)
General Capital Expenditure Allowance (12 months)	(7,934)	(7,934)	(7,934)
Budgeted Capital Expenditure (12 months)	-	-	-
Other Adjustments	-	-	-
Total Adjustments	*(27,380)*	*(27,380)*	*(27,380)*
Assessed Capital Value as at 31 October 2018	$4,234,706	$4,160,194	$4,088,243
Value $/m²	*$1,686*	*$1,657*	*$1,628*
Rounded Market Capitalisation Value		$4,160,000	
Adopted Value as at 31 October 2018		**$4,060,000**	

Capital Value Analysis

Equivalent Market Yield	7.33%
Rate per metre of NLA	$1,617/m²

COLLIERS INTERNATIONAL VALUATION & ADVISORY SERVICES

Discounted Cash Flow Assumptions

101-103 Port Road , Seaview , Lower Hutt

Growth Assumptions

Calendar Year	Code	2017	2018	2019	2020	2021	2022	2023	2024	2025	2026	2027	2028	10 Yr CAGR
Inflation (CPI)	1	1.60%	1.90%	1.90%	1.90%	2.00%	2.00%	2.30%	2.40%	2.50%	2.50%	2.50%	2.50%	***2.24%***
Warehouse (Net Effective)	5		2.00%	2.50%	3.00%	3.00%	2.50%	2.50%	2.50%	2.50%	2.50%	2.50%	2.50%	***2.60%***
Office (Net Effective)	9		2.00%	2.50%	2.50%	2.50%	3.00%	2.50%	2.50%	2.50%	2.50%	2.50%	2.50%	***2.55%***
Car Parking	10		2.00%	2.50%	3.00%	3.00%	2.50%	2.50%	2.50%	2.50%	2.50%	2.50%	2.50%	***2.60%***
Statutories	11		1.90%	30.00%	2.00%	2.00%	2.00%	2.30%	2.40%	2.50%	2.50%	2.50%	2.50%	***4.78%***
Operational	12		1.90%	1.90%	1.90%	2.00%	2.00%	2.30%	2.40%	2.50%	2.50%	2.50%	2.50%	***2.24%***
Capital expenditure	13		1.90%	1.90%	1.90%	2.00%	2.00%	2.30%	2.40%	2.50%	2.50%	2.50%	2.50%	***2.24%***

Discounted Cash Flow Assumptions

Valuation Date	31 October 2018
Commencement of Cash Flow	1 November 2018
Term of Cash Flow	10 years
Discount Rate	9.000%
Terminal Yield	7.400%
Terminal Yield Variance over Market Cap Rate	+25.00 bps
Acquisition Costs	0.00%
Disposal Costs	0.00%
Total Budgeted Capital Expenditure	$50,000 pa (Real) $51,918 pa (Nominal)
General Capital Expenditure Allowance applied from 1-Nov-2018	$31.86/m² $80,000 pa (Real) $88,087 pa (Nominal)
Refurbishment Allowance on Initial Expiries	$100.0/m²
Refurbishment Allowance on Secondary Expiries	-
Total Capital Expenditure (Real)	$245,100
% of Adopted Value (Real)	6.04%
Total Capital Expenditure (Nominal)	$264,297
% of Adopted Value (Nominal)	6.51%
1 Yr Summary	$7,934 (Nominal)

Lease Renewal Assumptions

Agents Fees - New Tenant (Year 1 Gross Rent)	15.0%
Agents Fees - Renewal (Year 1 Gross Rent)	0.0%
Warehouse	
Renewal Lease Term	6.0 years
Letting Up Period - Market	12 months
Retention Probability (Letting Up, Leasing Fees)	50%
Letting Up Period - Applied	6 months
Incentive Probability	0%
Review Structure	3 yearly rent reviews to market rent

COLLIERS INTERNATIONAL VALUATION & ADVISORY SERVICES

Annual Summary by Tenant - Rental Summary

101-103 Port Road , Seaview , Lower Hutt

Valuation Date: 31 October 2018

Level/Suite	Tenant	Year 1 1-Nov-18	Year 2 1-Nov-19	Year 3 1-Nov-20	Year 4 1-Nov-21	Year 5 1-Nov-22	Year 6 1-Nov-23	Year 7 1-Nov-24	Year 8 1-Nov-25	Year 9 1-Nov-26	Year 10 1-Nov-27
Warehouse (7.2-7.5m SH)	Downer Group	137,512	145,026	185,551	189,260	193,054	101,106	203,101	204,224	211,453	218,711
G Show/Off/Amenities	Downer Group	113,401	118,064	115,784	118,099	120,466	57,386	115,242	115,836	119,960	124,100
G Entry	Downer Group	8,330	8,673	4,063	8,153	8,186	8,492	8,800	8,844	4,441	9,570
L1 Offices	Downer Group	59,023	61,467	31,069	62,331	62,570	64,918	67,288	67,601	33,935	73,191
Front Yard/Parking	Downer Group	4,450	4,526	2,088	4,175	4,175	4,342	4,509	4,509	2,255	4,916
Yard	Downer Group	34,890	35,481	45,226	46,133	47,056	24,786	49,572	49,572	51,478	53,383
	Total Passing Income	357,605	373,237	383,783	428,152	435,507	261,030	448,512	450,585	423,521	483,872
Total Gross Passing Income		357,605	373,237	383,783	428,152	435,507	261,030	448,512	450,585	423,521	483,872
Outgoings		79,855	93,416	97,665	99,614	101,627	103,926	106,412	109,056	111,783	114,577
Vacancy Allowance		-	-	-	-	-	-	-	-	-	-
-		-	-	-	-	-	-	-	-	-	-
Net Income before Capital Expenditure		277,750	279,821	286,119	328,538	333,880	157,103	342,100	341,529	311,738	369,294
Capital Expenditure		7,934	8,085	60,156	8,402	8,570	8,765	8,975	9,199	9,429	9,664
Refurbishment Allowance		-	-	44,857	-	-	79,435	-	-	-	-
Agents Fees		-	-	5,684	-	-	32,715	-	-	-	6,705
Incentives		-	-	-	-	-	-	-	-	-	-
Ground Rent		-	-	-	-	-	-	-	-	-	-
Other Adjustments		-	-	-	-	-	-	-	-	-	-
Net Income after Capital Expenditure		269,816	271,736	175,421	320,136	325,309	36,188	333,125	332,330	302,309	352,924

COLLIERS INTERNATIONAL VALUATION & ADVISORY SERVICES

Terminal Value Calculations

101-103 Port Road , Seaview , Lower Hutt

Level/Suite	Tenant	NLA	Terminal Rent Market	Terminal Rent Passing	Shortfall/ Overage	Next Review or Expiry	Number of Months	PV (within 12mths) Reversions
Warehouse (7.2-7.5i	Downer Group	1,360.00	176,476	170,059	6,417	30-Apr-30	17.9	-
G Show/Off/Amenitie	Downer Group	719.00	102,091	98,379	3,712	30-Apr-30	17.9	-
G Entry	Downer Group	53.00	7,866	7,674	192	31-Oct-33	60.0	-
L1 Offices	Downer Group	379.00	61,124	59,633	1,491	31-Oct-33	60.0	-
Front Yard/Parking	Downer Group	5.00	5,039	4,916	123	31-Oct-33	60.0	-
Yard	Downer Group	1,715.00	55,398	53,383	2,014	30-Apr-30	17.9	-
Total		**2,511.00**	**407,994**	**394,045**				-

Terminal Value Calculations - Market Approach

Office		171,081
Retail		-
Industrial		-
Naming		-
Parking		5,039
Other		55,398
Telecoms		-
Storage		-
Warehouse		176,476
Market Income		407,994
Add Recoverable Outgoings		90,194
Total Gross Market Income		498,187
Less Outgoings	$45.82/m²	115,045
Net Market Income		383,142
Vacancy Allowance	0.00%	-
Net Income		383,142
Capitalised at		**7.40%**
Capitalised Value		**5,177,597**

Terminal Value Adjustments

-	-
-	-
Existing Vacant Tenancy Allowances	
Downtime	-
Agents Leasing Fees	-
Incentives	-
Refurbishment Allowance	-
Pending Vacancy Allowances (expiries within 12 months)	
Downtime	-
Agents Leasing Fees	-
Incentives	-
Refurbishment Allowance	-
NPV Outstanding Current Incentives	-
PV Rental Shortfall / (Overage)	-
General Capital Expenditure Allowance (12 months)	9,906
Budgeted Capital Expenditure (12 months)	-
Other Adjustments	-
Total Adjustments	**9,906**
Assessed Terminal Value as at 31 October 2028	**5,167,691**
Value $/m²	***2,058***

Terminal Value Analysis

Terminal Initial Yield	7.14%
Equivalent Market Yield With Vacancy Factor	7.40%
Equivalent Market Yield Without Vacancy Factor	7.40%
Rate per metre of NLA	$2,058/m²

COLLIERS INTERNATIONAL VALUATION & ADVISORY SERVICES

Cash Flow Summary

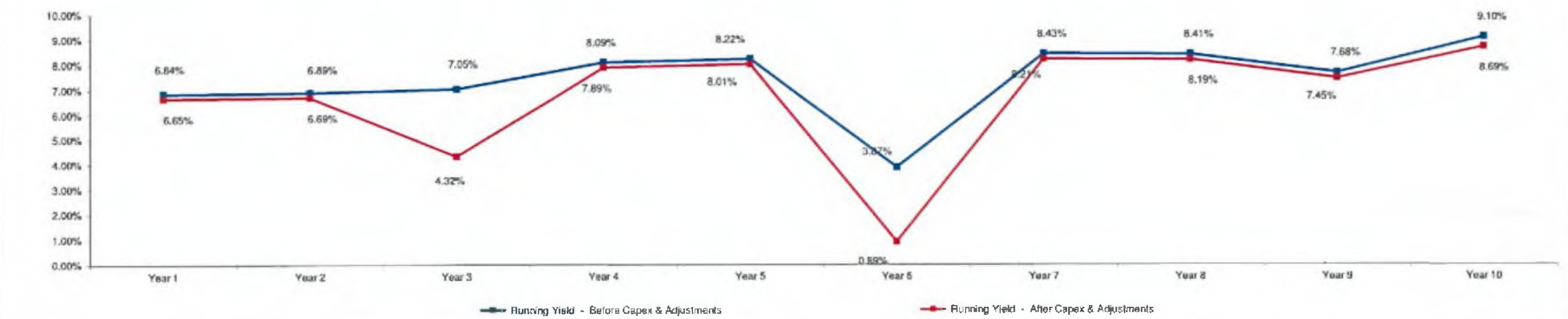
101-103 Port Road , Seaview , Lower Hutt

For Year Commencing		Year 1 1-Nov-18	Year 2 1-Nov-19	Year 3 1-Nov-20	Year 4 1-Nov-21	Year 5 1-Nov-22	Year 6 1-Nov-23	Year 7 1-Nov-24	Year 8 1-Nov-25	Year 9 1-Nov-26	Year 10 1-Nov-27
Office		152,056	154,633	122,384	152,786	154,700	105,069	153,089	153,089	125,734	165,686
Retail		-	-	-	-	-	-	-	-	-	-
Industrial		-	-	-	-	-	-	-	-	-	-
Naming		-	-	-	-	-	-	-	-	-	-
Parking		4,450	4,526	2,088	4,175	4,175	4,342	4,509	4,509	2,255	4,916
Other		34,890	35,481	45,228	46,133	47,056	24,786	49,572	49,572	51,478	53,383
Telecoms		-	-	-	-	-	-	-	-	-	-
Storage		-	-	-	-	-	-	-	-	-	-
Warehouse		103,604	105,360	144,080	146,962	149,901	78,958	157,917	157,917	163,988	170,059
Outgoings Recoveries		62,605	73,237	70,003	78,096	79,674	47,874	83,426	85,499	80,067	89,827
	-	-	-	-	-	-	-	-	-	-	-
	-	-	-	-	-	-	-	-	-	-	-
Total Income		357,605	373,237	383,783	428,152	435,507	261,030	448,512	450,585	423,521	483,872
Outgoings		79,855	93,416	97,665	99,614	101,627	103,926	106,412	109,056	111,783	114,577
Vacancy Allowance		-	-	-	-	-	-	-	-	-	-
	-	-	-	-	-	-	-	-	-	-	-
Net Income Before Capital Expenditure		277,750	279,821	286,119	328,538	333,880	157,103	342,100	341,529	311,738	369,294
Capital Expenditure (Budgeted & General)		7,934	8,085	60,156	8,402	8,570	8,765	8,975	9,199	9,429	9,664
Refurbishment Allowance		-	-	44,857	-	-	79,435	-	-	-	-
Agents Fees		-	-	5,684	-	-	32,715	-	-	-	6,705
Incentives		-	-	-	-	-	-	-	-	-	-
		-	-	-	-	-	-	-	-	-	-
Other Adjustments		-	-	-	-	-	-	-	-	-	-
Net Income After Capital Expenditure		269,816	271,736	175,421	320,136	325,309	36,188	333,125	332,330	302,309	352,924
Terminal Value											5,167,691
Disposal Costs											-
Net Cash Flow		269,816	271,736	175,421	320,136	325,309	36,188	333,125	332,330	302,309	5,520,615

Adopted Value @ 9.000%	$	4,060,000
Acquisition Costs	$	-
Adopted Value before Acquisition Costs	$	4,060,000

	Year 1	Year 2	Year 3	Year 4	Year 5	Year 6	Year 7	Year 8	Year 9	Year 10
Running Yield - Before Capex & Adjustments	6.84%	6.89%	7.05%	8.09%	8.22%	3.87%	8.43%	8.41%	7.68%	9.10%
Running Yield - After Capex & Adjustments	6.65%	6.69%	4.32%	7.89%	8.01%	0.89%	8.21%	8.19%	7.45%	8.69%
Running Yield - Before Capex & incl. Adjustments	6.84%	6.69%	6.91%	8.09%	8.22%	3.06%	8.43%	8.41%	7.68%	8.93%
Running Yield - After Capex, Adjustments & incl. Acquisition Costs	6.65%	6.69%	4.32%	7.89%	8.01%	0.89%	8.21%	8.19%	7.45%	8.69%

Projected Running Yield Analysis



Note: This running yield analysis is based upon the projected net income and includes potential downtime and associated re-letting costs, as per our specific assumptions.

COLLIERS INTERNATIONAL VALUATION & ADVISORY SERVICES

DCF Summary

101-103 Port Road , Seaview , Lower Hutt

Present Value of Cash Flows	$3,964,938	
Discount Rate	9.000%	
Terminal Value	$5,167,691	
Less Disposal Costs	-	
Net Terminal Value	$5,167,691	
Discounted Terminal Value	$2,181,343	*55.02%*
Discounted Cash Flow	$1,783,595	*44.98%*
Sum of Discounted Cash Flows	$3,964,938	
Less Acquisition Costs	-	
Present Value	$3,964,938	
Rounded Present Value	**$3,960,000**	
Rate $/m²	$1,577	
Rate of Increase in Capital Value	2.70%	
IRR (incl. Capex)	8.66%	
IRR (excl. Capex)	9.34%	
3 Year IRR (incl. Capex)	9.04%	
5 Year IRR (incl. Capex)	8.17%	
7 Year IRR (incl. Capex)	8.51%	

Net Present Value Matrix

		Terminal Yield		
		7.150%	**7.400%**	7.650%
	8.500%	4,185,208	4,105,193	4,030,407
	8.750%	4,112,448	4,034,254	3,961,171
Discount Rate	**9.000%**	4,041,355	**3,964,938**	3,893,516
	9.250%	3,971,887	3,897,203	3,827,399
	9.500%	3,904,002	3,831,006	3,762,782

IRR Matrix

		Terminal Yield		
		7.150%	**7.400%**	7.650%
	3,664,150	10.43%	10.16%	9.89%
	3,857,000	9.68%	9.40%	9.14%
Adopted Value	**4,060,000**	8.93%	**8.66%**	8.39%
	4,263,000	8.24%	7.96%	7.70%
	4,476,150	7.55%	7.28%	7.02%

APPENDIX 2

Computer Register

COMPUTER FREEHOLD REGISTER
UNDER LAND TRANSFER ACT 1952

Search Copy

R.W. Muir
Registrar-General
of Land

Identifier	**WN51A/107**
Land Registration District	**Wellington**
Date Issued	28 February 1997

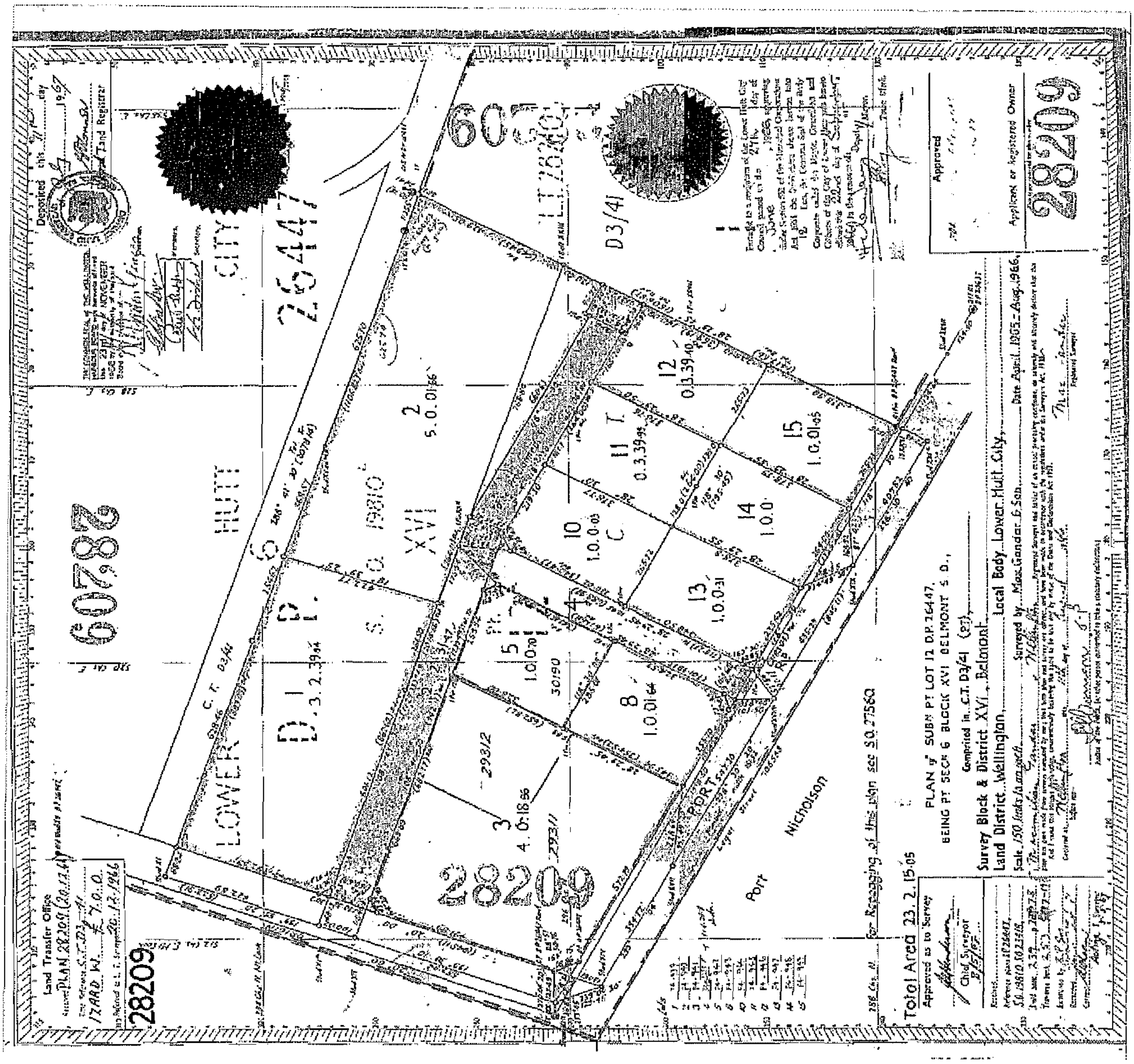
Prior References
WNF4/945

Estate	Fee Simple
Area	4047 square metres more or less
Legal Description	Lot 11 Deposited Plan 28209

Proprietors
Augusta Industrial Fund No.1 Limited

Interests
11140988.4 Mortgage to ASB Bank Limited - 15.6.2018 at 5:02 pm

Identifier **WN51A/107**



COMPUTER FREEHOLD REGISTER
UNDER LAND TRANSFER ACT 1952

Search Copy

R.W. Muir
Registrar-General
of Land

Identifier	**WN51A/108**
Land Registration District	**Wellington**
Date Issued	28 February 1997

Prior References
WNF4/946

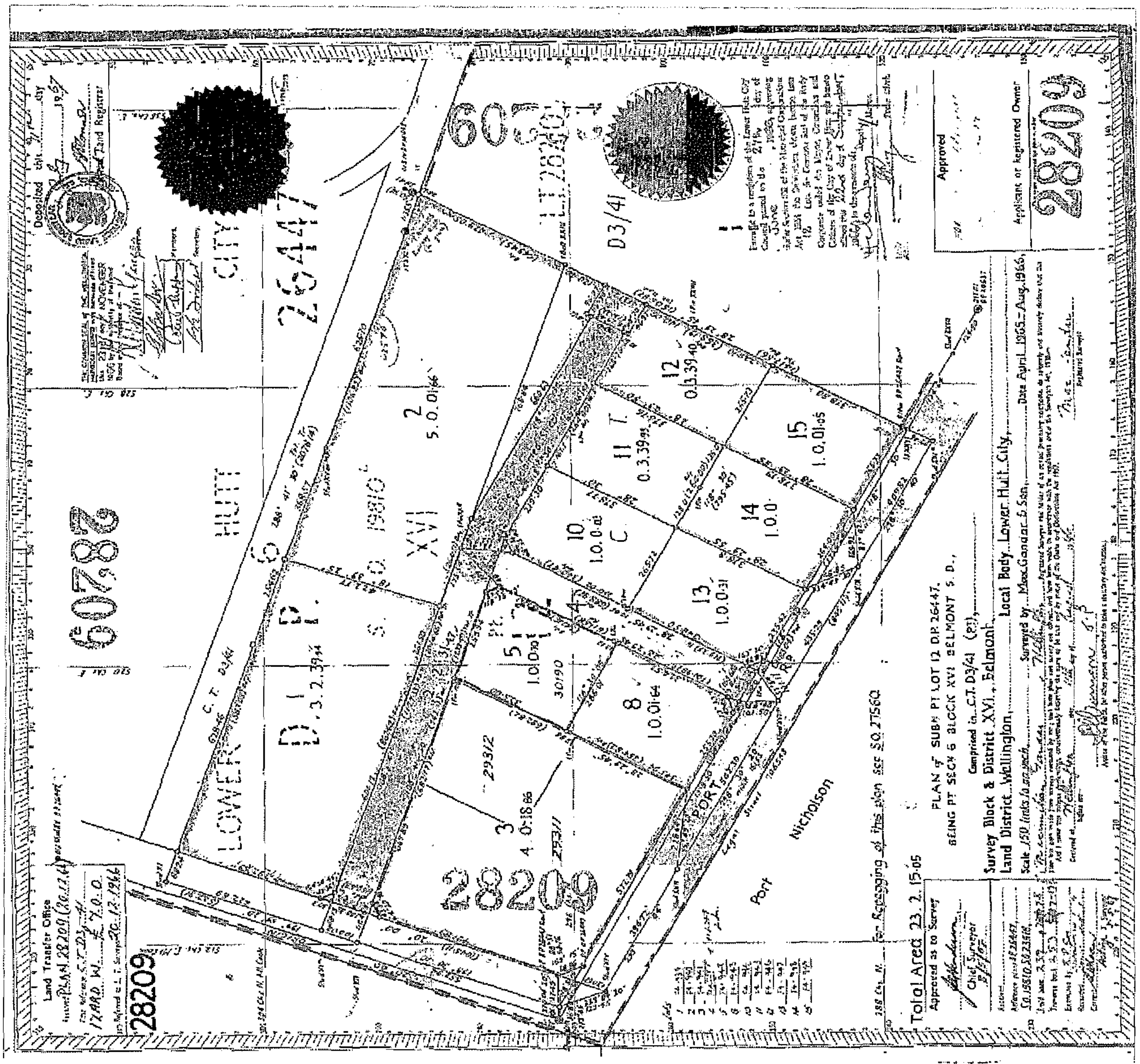
Estate	Fee Simple
Area	4032 square metres more or less
Legal Description	Lot 12 Deposited Plan 28209

Proprietors
Augusta Industrial Fund No.1 Limited

Interests

11140988.4 Mortgage to ASB Bank Limited - 15.6.2018 at 5:02 pm

Identifier **WN51A/108**



COMPUTER FREEHOLD REGISTER
UNDER LAND TRANSFER ACT 1952

Search Copy

R.W. Muir
Registrar-General
of Land

Identifier	**WN47C/501**
Land Registration District	**Wellington**
Date Issued	30 November 1995

Prior References
WNB4/950

Estate	Fee Simple
Area	2.9077 hectares more or less
Legal Description	Lot 1 Deposited Plan 81136

Proprietors
Augusta Industrial Fund No.1 Limited

Interests

Appurtenant hereto is a right of way and rights to water drainage, water supply, electricity and a party wall right specified in Easement Certificate B490067.3 - 30.11.1995 at 11.05 am

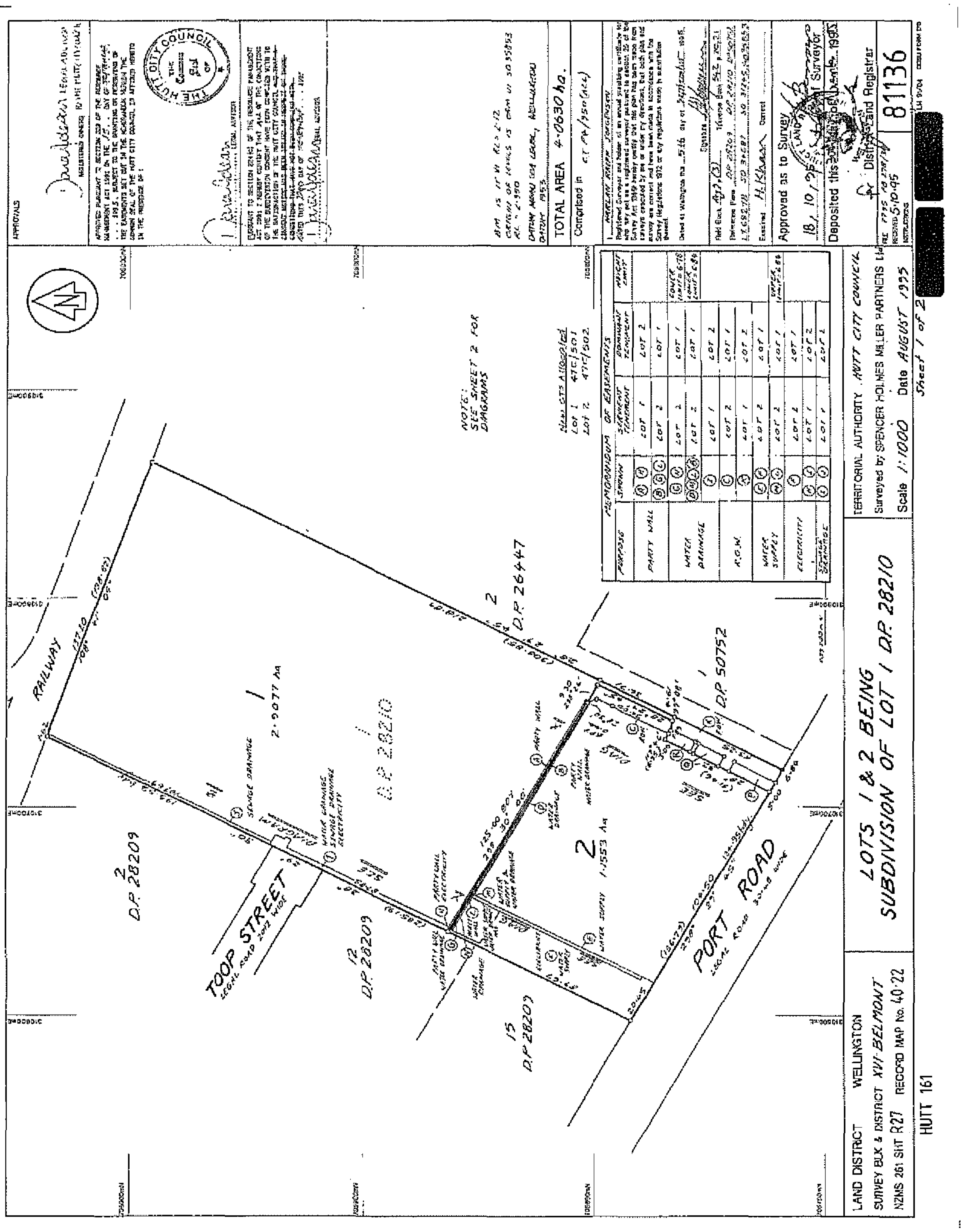
Subject to a a right of way over part marked K, party wall right over parts marked A and H, a water drainage right over part marked I, an electricity right over parts marked H and I and a sewage drainage right over parts marked I and J on DP 81136 specified in Easement Certificate B490067.3 - 30.11.1995 at 11.05 am

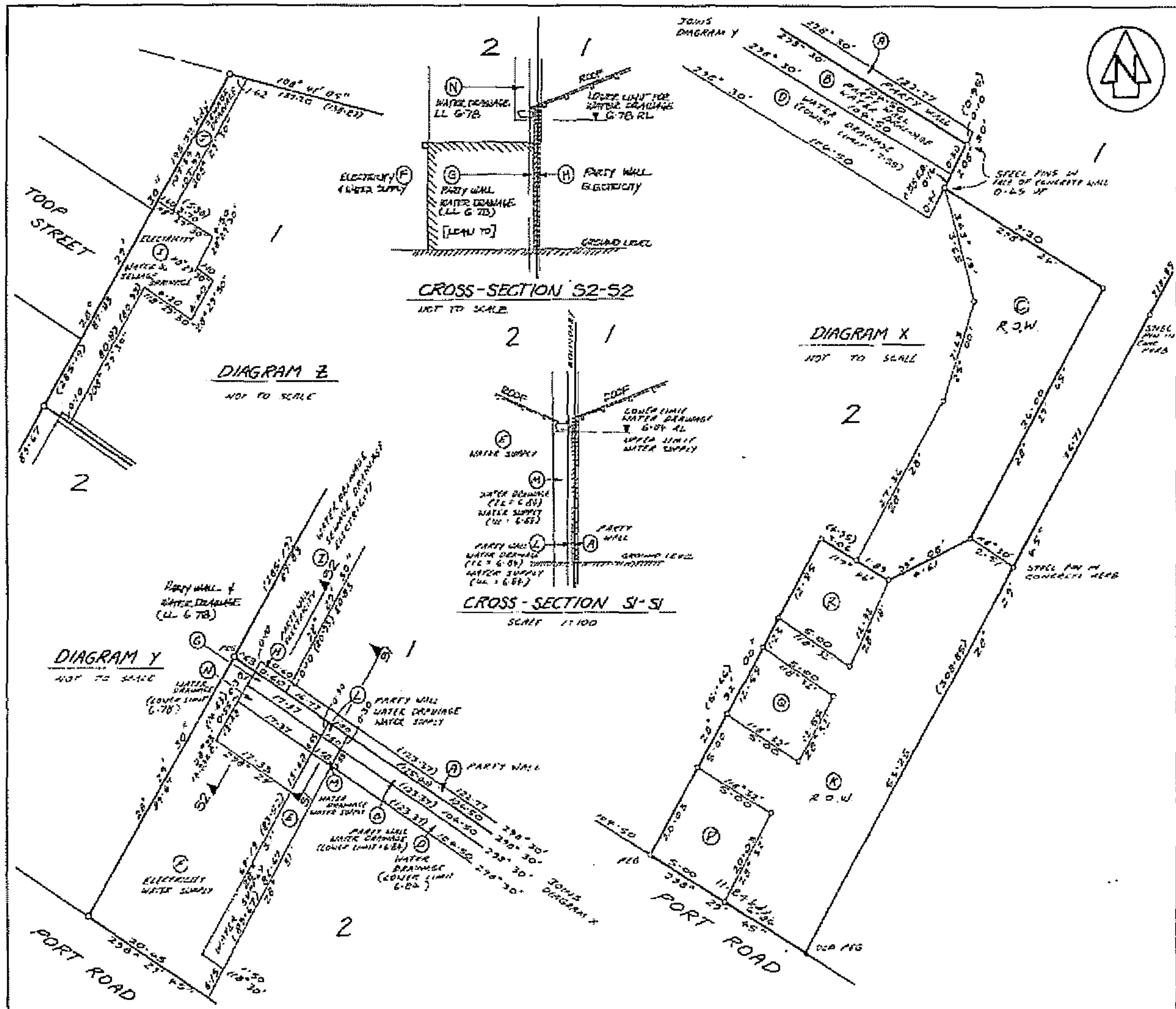
The easements specified in Easement Certificate B490067.3 are subject to Section 243 (a) Resource Management Act 1991

Subject to a right of way over part marked A on DP 512097 created by Easement Instrument 10897419.1 - 28.9.2017 at 5:11 pm

11140988.4 Mortgage to ASB Bank Limited - 15.6.2018 at 5:02 pm

Identifier **WN47C/501**





Approvals

Total Area 4·0630 ha

Comprised in CT 24/350(?)

I, HARLAN RALPH JORGENSEN
Registered Surveyor and holder of an annual practising certificate [illegible] who may act as a registered surveyor pursuant to section 25 of the Survey Act [illegible] hereby certify that this plan has been made from surveys executed by me or under my direction, that both plan and survey are correct and have been made in accordance with the Survey Regulations [illegible] or any regulations made in substitution thereof.
Dated at Wellington the 24th day of September 1995 Signature [illegible]

Field Book [illegible] Traverse Book 542 p. 20,21
Reference Plans See Sheet 1
Examined H. Khan Correct

Approved as to Survey
18/10/95
Chief Surveyor

Deposited this 30th day of November 1995.
District Land Registrar

File 7755 [illegible]
Received 5.10.95
Attachment

81136

LAND DISTRICT WELLINGTON SURVEY BLK. & DIST. XVI BELMONT NZMS 261 SHT R27 RECORD MAP No 40:22	LOTS 1 & 2 BEING SUBDIVISION OF LOT 1 D.P. 28210	TERRITORIAL AUTHORITY HUTT CITY COUNCIL Surveyed by SPENCER HOLMES MILLER PARTNERS LTD Scale AS SHOWN Date AUGUST 1995

HUTT 161

Sheet 2 of 2

[redacted]

COMPUTER FREEHOLD REGISTER
UNDER LAND TRANSFER ACT 1952

Search Copy

R.W. Muir
Registrar-General
of Land

Identifier	**611396**
Land Registration District	**Wellington**
Date Issued	01 July 2013

Prior References

WN50B/103	WN50B/104	WN50B/105

Estate	Fee Simple
Area	1.1553 hectares more or less
Legal Description	Lot 2 Deposited Plan 81136

Proprietors

Augusta Industrial Fund No.1 Limited

Interests

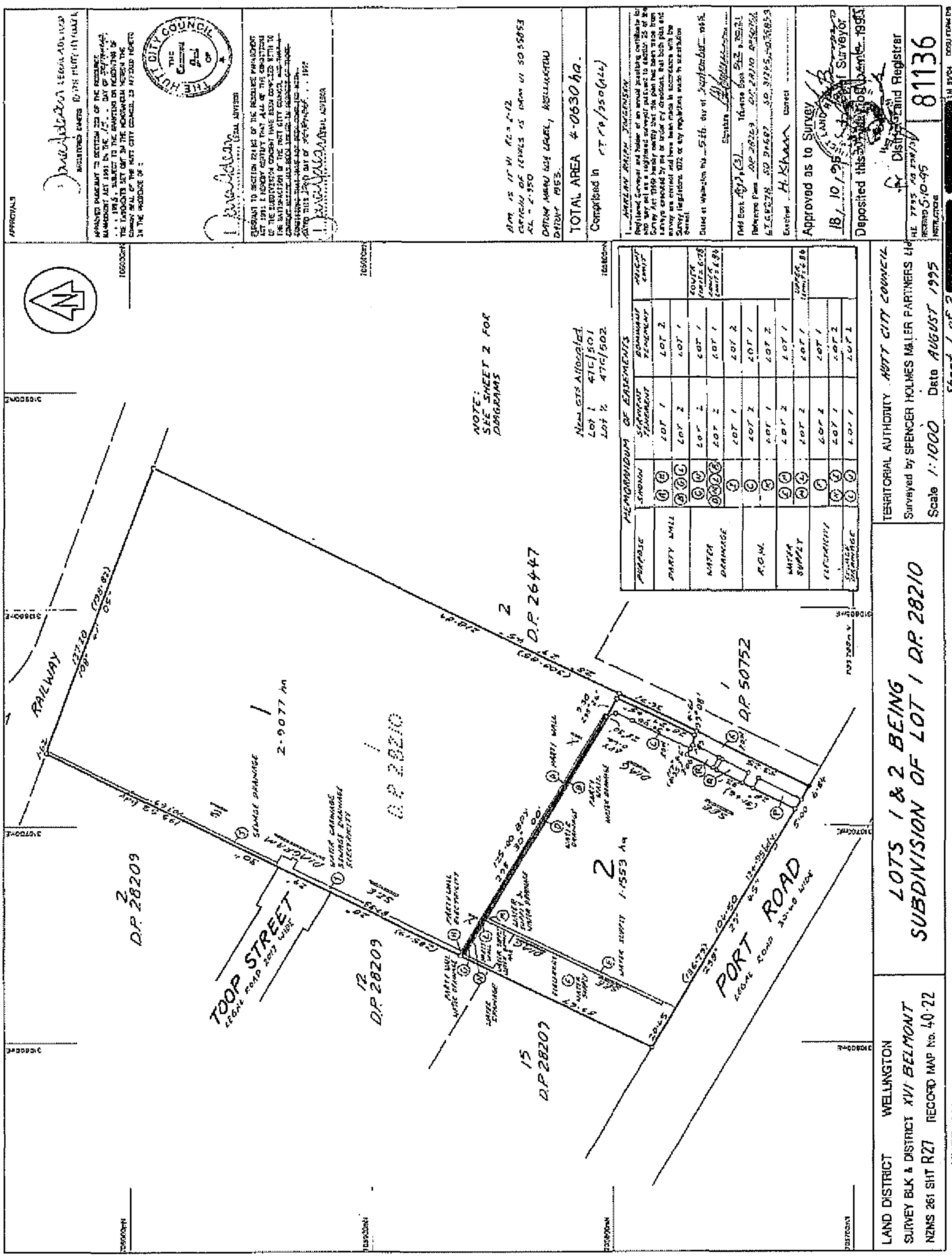
Appurtenant hereto are rights of way, party wall rights and water drainage, electricity and sewage drainage rights specified in Easement Certificate B490067.3

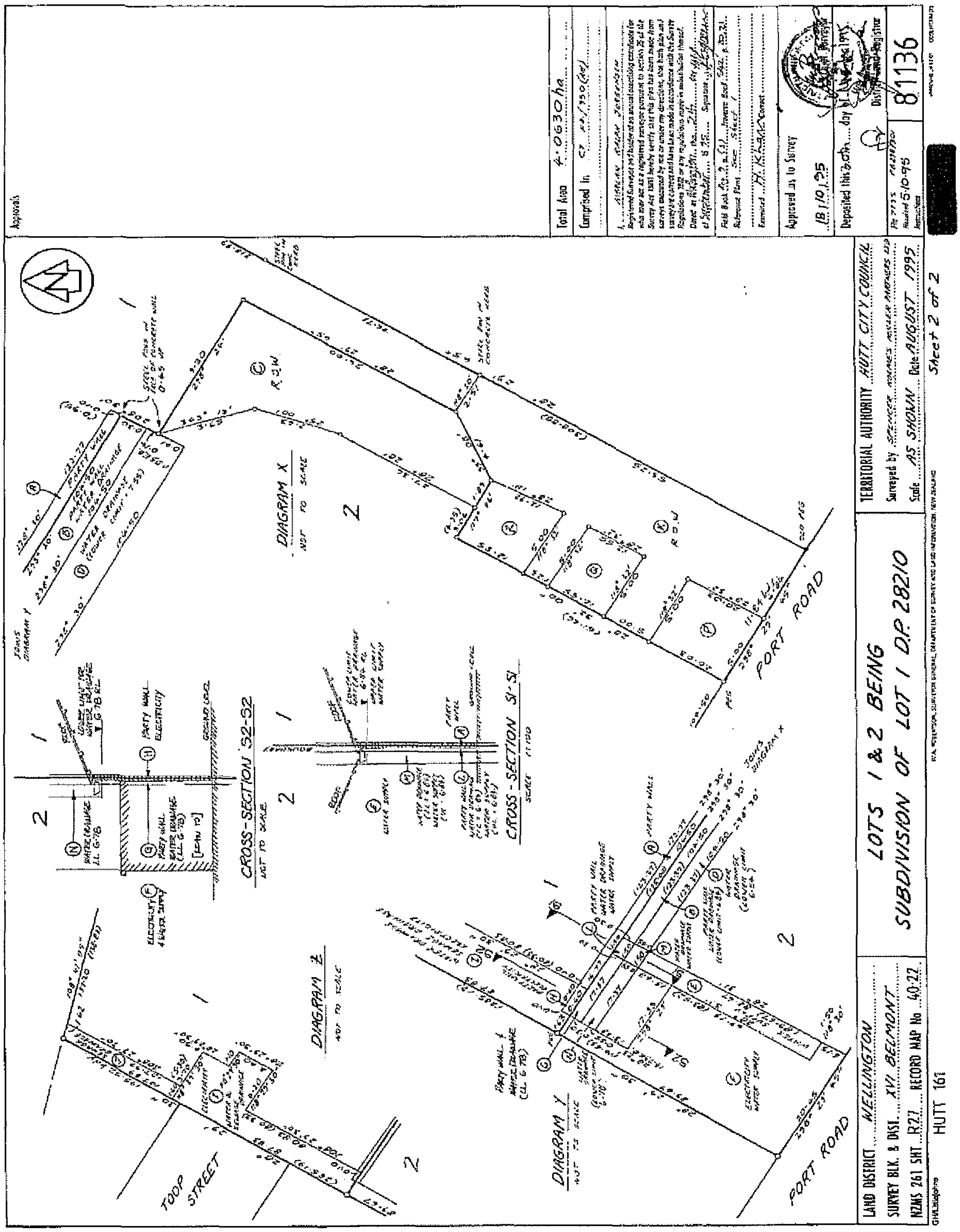
Subject to a right of way over part marked C and a party wall right over parts marked B, G and L and a water drainage rights over parts marked G, N, D, M, L and B and water supply rights over parts marked E, F, M, L and electricity rights over part marked F on DPS 83147 specified in Easement Certificate B490067.3

The easements specified in Easement Certificate B490067.3 are subject to Section 243 (a) Resource Management Act 1991

Appurtenant hereto is a right of way created by Easement Instrument 10897419.1 - 28.9.2017 at 5:11 pm

11140988.4 Mortgage to ASB Bank Limited - 15.6.2018 at 5:02 pm


LOTS 1 & 2 BEING SUBDIVISION OF LOT 1 DP 28210
LAND DISTRICT WELLINGTON
SURVEY BLK & DISTRICT XVI BELMONT
TERRITORIAL AUTHORITY HUTT CITY COUNCIL
Surveyed by SPENCER HOLMES MILLER PARTNERS Ltd
Scale 1:1000 Date AUGUST 1995
Sheet 1 of 2
HUTT 161
81136
TOTAL AREA 4.0630 ha.
Approved as to Survey
Deposited this
District Land Registrar
MEMORANDUM OF EASEMENTS
NOTE: SEE SHEET 2 FOR DIAGRAMS
RAILWAY
PORT ROAD
TOOP STREET
2 D.P. 26447
1 D.P. 50752
2 D.P. 28209
12 D.P. 28209
15 D.P. 28209
1 2.9077 ha
2 1.1553 ha
D.P. 28210


LOTS 1 & 2 BEING
SUBDIVISION OF LOT 1 D.P. 28210
TERRITORIAL AUTHORITY HUTT CITY COUNCIL
LAND DISTRICT WELLINGTON
SURVEY BLK. & DIST. XVI BELMONT
Scale AS SHOWN
Date AUGUST 1995
Sheet 2 of 2
DIAGRAM X
DIAGRAM Y
DIAGRAM Z
CROSS-SECTION S1-S1
CROSS-SECTION S2-S2
PORT ROAD
TOOP STREET
Total Area 4.0630 ha
81136
HUTT 161
Approvals

COMPUTER FREEHOLD REGISTER
UNDER LAND TRANSFER ACT 1952

Search Copy

R.W. Muir
Registrar-General
of Land

Identifier **WNF4/948**
Land Registration District **Wellington**
Date Issued 11 July 1967

Prior References
WND3/41

Estate	Fee Simple
Area	4047 square metres more or less
Legal Description	Lot 14 Deposited Plan 28209

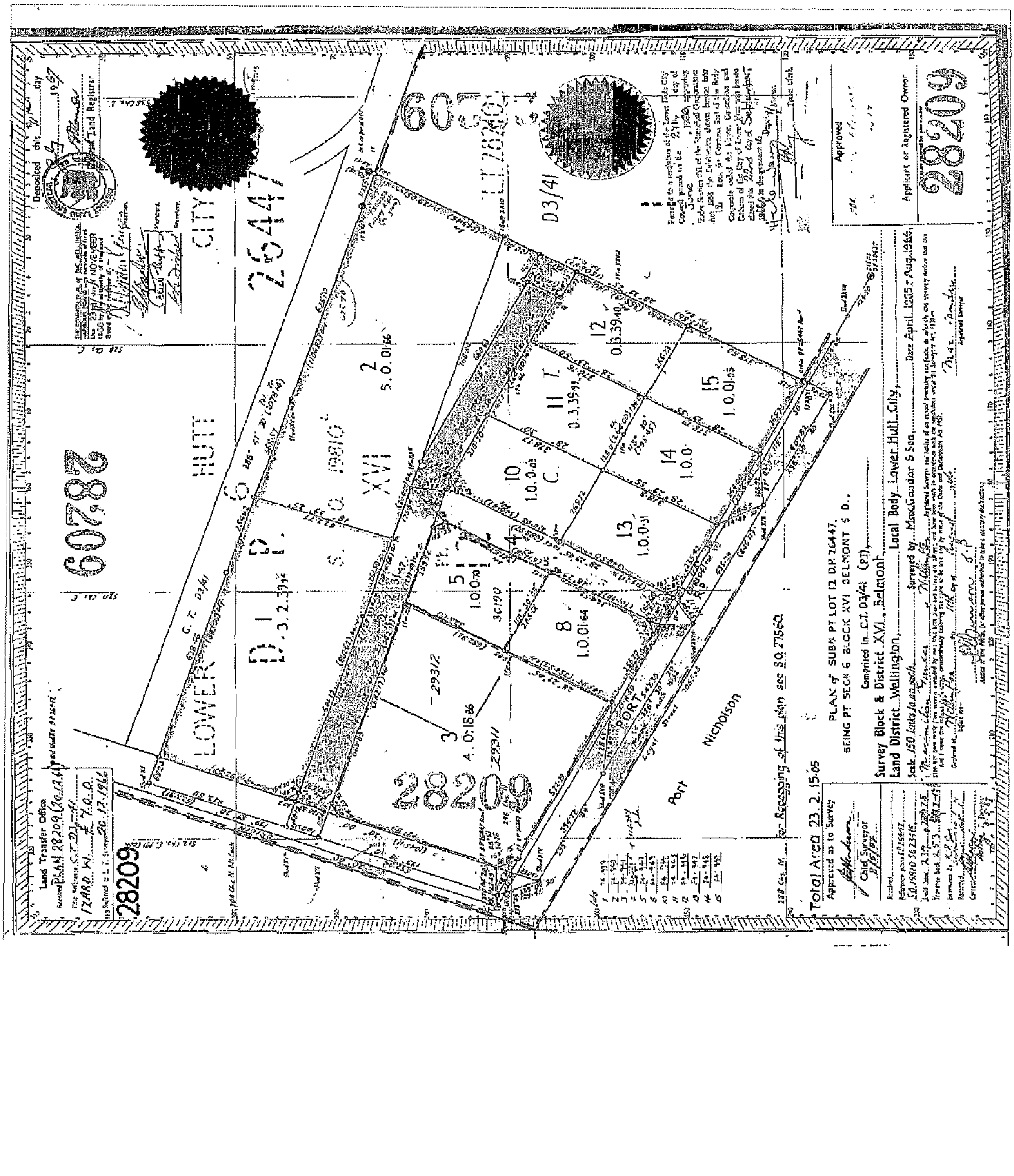
Proprietors
Augusta Industrial Fund No.1 Limited

Interests

Subject to a sewage right (in gross) over part in favour of The Lower Hutt City Council created by Transfer 891739 - 15.10.1971 at 10.50 am

11140988.4 Mortgage to ASB Bank Limited - 15.6.2018 at 5:02 pm

Identifier **WNF4/948**



APPENDIX 3

Certificate of Registration

Telarc.
The Mark of Success

This is to certify that

Colliers International (Wellington Valuation) Limited

36 Customhouse Quay   Wellington

having been assessed by Telarc Limited and having been found to operate a quality management system conforming to

ISO 9001:2015

is hereby designated

Telarc Registered   No. QEC13885

for the following goods and services

The provision of property valuation services from the Wellington office.

Certificate Issued:	23 November 2018	Original Registration:	15 February 2002
Current Registration:	26 October 2018	Expiry Date:	25 October 2021

Chairperson
David Bone

Chief Executive
Philip Cryer

Telarc. Registered
Quality ISO 9001

JAS-ANZ

MEMBER OF MULTILATERAL RECOGNITION ARRANGEMENT IAF