Valuation Advisory

Report prepared for Prospective Investors in Augusta Industrial Fund Limited (on a non-reliance basis) for Capital Raising purposes

'As if Complete'

78 Tidal Road, Mangere, Auckland

31 March 2021

Executive Summary

'As if Complete' - 78 Tidal Road, Mangere, Auckland

The subject comprises a 4.9885 hectare land parcel situated to the western side of Tidal Road within Mangere, described as 78 Tidal Road. The parent site subdivision has a granted Resource Consent, and the subject parcel being 78 Tidal Road will be issued a new Record of Title. Our valuation is on the basis that the subject property has been issued an unencumbered Fee Simple Record of Title at the date of valuation. Under the Auckland Unitary Plan (Operative in part, 15 November 2016), the property is zoned Light Industry and is located within the Puhinui sub-precinct F.

At the date of inspection, the property was nearing completion, with the general structure in place over the main unit. We note that we have been instructed to assess the property on an 'As if Complete' basis, which on completion will comprise a modern industrial facility with a total lettable area of approximately 14,985 square metres, including approximately 1,800 square metres of canopy. The yard area will comprise approximately 5,100 square metres. The property 'As if Complete' will be split into two units, being Unit A and Unit B.

Our 'As if Complete' valuation is on the basis that Hancocks Wine, Spirit and Beer Merchants Limited will occupy Unit A on a 12 year lease, on the basis that a Deed of Lease is executed in line with the Draft Deed of Lease and Design, Build and Lease Agreements provided to us. Please refer to Section 3 for further detail. The valuation is also on the basis that a Deed of Lease is executed in line with the signed and dated Agreement to Lease provided to us for Unit B, leased to Autopacific New Zealand Limited for a term of 4 years with a commencement rent of $338,321 per annum plus GST and Outgoings. Our 'As if Complete' valuation is subject to a number of other specific assumptions which we further detail in Section 1.6.

In a COVID influenced environment, investors are showing strong demand for defensive asset categories like industrial properties and other long WALT assets. The subject provides a desirable investment opportunity with secure income with a long lease in place over the majority of the property.

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

Valuation

Prepared for	Prospective Investors in Augusta Industrial Fund Limited (on a non-reliance basis)
Valuation Purpose	Market Valuation for Capital Raising
Date of Valuation	31 March 2021
Date of Report	5 May 2021
Valuation Approaches	Capitalisation of Net Income and Discounted Cashflow Approaches
Zoning	Light Industrial, Puhinui Sub-Precinct F - Auckland Unitary Plan (Operative in part, 16 November 2016)
Tenure	Assumed Unencumbered 100% Fee Simple Record of Title
Site Area	49,885 sqm
Lettable Area	14,985 sqm
Adopted Value 'As if Complete'	**$55,000,000 plus GST, if any** Fifty Five Million Dollars plus GST, if any

JLL

Valuation Analysis 'As if Complete'

Initial Yield	4.28%	Rate / sqm of Lettable Area	$3,670
Equivalent Yield	4.33%	Weighted Average Lease Term	10.83 years by income
Internal Rate of Return (10 years)	6.15%	Current Occupancy	100.00%

Tenancy Overview

Hancocks Wine	$2,017,952	17,516 sqm
Autopacific	$338,321	2,605 sqm
Total – Before Adjustments	$2,356,273	20,121 sqm (including yard)

Financial Summary

Gross Passing Income	$2,679,913
Gross Market Income	$2,709,835
Adopted Outgoings	$323,640
Net Passing Income	$2,356,273
Net Market Income	$2,386,195

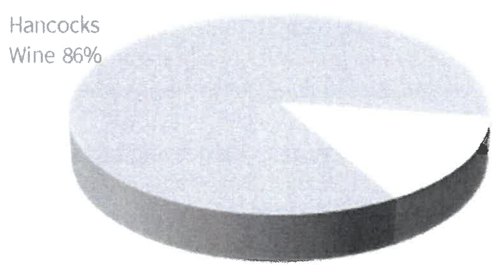
Cap Approach Assumptions

Adopted Cap Rate	4.38%
Allowance for Capex/Expiries	24 months
Market Income Capitalisation	$54,400,000
Passing Income Capitalisation	$54,400,000

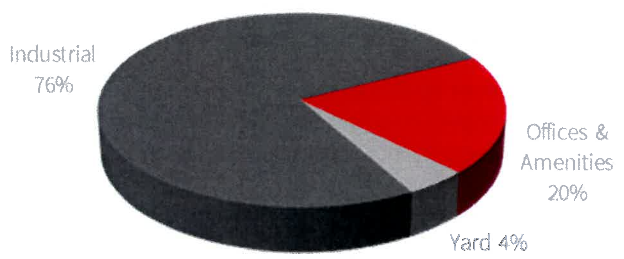
DCF Approach Assumptions

Discount Rate	6.00%
Terminal Yield	4.63%
Average Applied Rental Growth	2.60%
Value Based on DCF Approach	$55,600,000

Major Occupiers



Building Components



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

Critical Assumptions, Conditions & Limitations

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

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

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Appendices

1 Introduction

1.1 Instructions

We refer to instructions from The Augusta Industrial Fund requesting that we undertake an 'As if Complete' market valuation of the freehold interest of 78 Tidal Road, Mangere, Auckland (the Subject/Property), as at 31 March 2021 for Prospective Investors in Augusta Industrial Fund Limited (on a non-reliance basis). We understand that the valuation is to be relied upon for Capital Raising purposes only.

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

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

We confirm:

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

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

1.2 Valuation and Inspection Dates

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

Date of Valuation	31 March 2021
Date of Property Inspection	29 March 2021
Date of Preparation of Report	5 May 2021

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

1.3 Basis of Valuation

Market Value

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

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

'As if Complete'

An "As If Complete" valuation means a valuation that assumes the proposed development to be in a completed state as at the date of valuation and reflects the current market conditions at the date of valuation. Further:

- Our 'As If Complete' valuation assessment is based on the assumption that construction has been completed to a high standard in accordance with the broad parameters and specifications outlined within the plans provided to us. Accordingly, the valuation reflects our view of existing market conditions as at the date of valuation and does not attempt to forecast future market fluctuations at the actual date of practical completion of the development. Our valuation does not make any allowances for the costs of construction of the development.
- We reserve the right to amend our valuation should any changes of material impact subsequently be made to the design concept of the development provided for the purpose of this valuation.
- All relevant council consents obtained and code of compliance issued;

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

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

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

1.4 Relevant Valuation Standards & Disclosures

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

- IVS (International Valuation Standards 2020) Framework and General Standards
- ANZVTIP 11 – Valuation Procedures – Real Property
- ANZVGN 8 – Valuations For Use in Offer Documents

1.5 Information Sources

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

- Record of Title particulars memorialised by Land Information New Zealand;
- Resource Management classifications and controls as stated within the District Plan of the governing Territorial Local Authority;
- Sales and leasing data from various industry sources, including real estate agents;
- Market research and forecasts from JLL Research; and
- Lease documentation, building areas, and architectural drawings supplied by the Client.

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

1.6 Specific Assumptions

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

- We have been provided with specification plans for the property. We have based our 'As if Complete' valuation on these plans. Should these plans change we reserve the right to amend our report accordingly.
- Our 'As if Complete' valuation is made on the basis of the proposed development being completed to a high standard of workmanship, and in compliance with the plans and specifications provided by the client and meeting all required building codes and compliance certification.
- The 'As if Complete' valuations are based on the assumption that the property is completed and available for sale as at the date of valuation and transacts between a willing buyer and willing seller.
- The valuations completed on a 'As if Complete' basis represent the market value of the proposed improvements as detailed in the report based on the points of completion detailed in the report based on the points for completion detailed above. The valuation reflects our view of the market conditions existing at the date of the report and does not purport to predict the market conditions and the value at the actual completion date of the improvements because of the time lag.
- Accordingly, the 'As if Complete' valuation must be confirmed by a further inspection on the completion of the improvements.
- Floor areas have been taken from construction plans provided by the instructing party and are approximate only. Should a registered survey of the property be undertaken once the construction works are complete showing a material difference in areas constructed, we reserve the right to amend our report accordingly.
- Our 'As if Complete' valuation is subject to an executed Deed of Lease being in place over Unit A to Hancocks Wine, Spirit and Beer Merchants Limited for a term of 12 years, at a commencement rental of $2,017,952 per annum plus GST & outgoings, and in line with the terms outlined to us. Should the executed Deed of Lease differ from the indicative information provided, we reserve the right to amend our valuation report.
- Our 'As if Complete' valuation is on the basis that the five month rent free incentive has been underwritten by the vendor and has therefore not been included within this valuation.
- Our 'As if Complete' valuation is on the basis that a Deed of Lease is executed in line with the signed and dated Agreement to Lease provided to us for Unit B, leased to Autopacific New Zealand Limited for a term of 4 years with a commencement rent of $338,321 per annum plus GST and Outgoings.
- We have based our valuation on the basis that 78 Tidal Road is issued with an unencumbered Fee Simple Record of Title with a site area of approximately 49,885 square metres.
- The Novel Coronavirus (COVID-19) was declared a 'Global Pandemic' by the World Health Organisation on 11 March 2020. This led to a significant range of restrictions on individuals and businesses locally and throughout the world. New Zealand experienced a nationwide Level 4 lockdown in March-April 2020, with the Auckland region required to undertake two further lockdowns in August 2020 and February and March 2021 due to the re-emergence of the virus in the community. New Zealand is currently at Level 1, however there are continued restrictions on international travel and some caution evident.

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

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

2 Property Particulars

2.1 Location

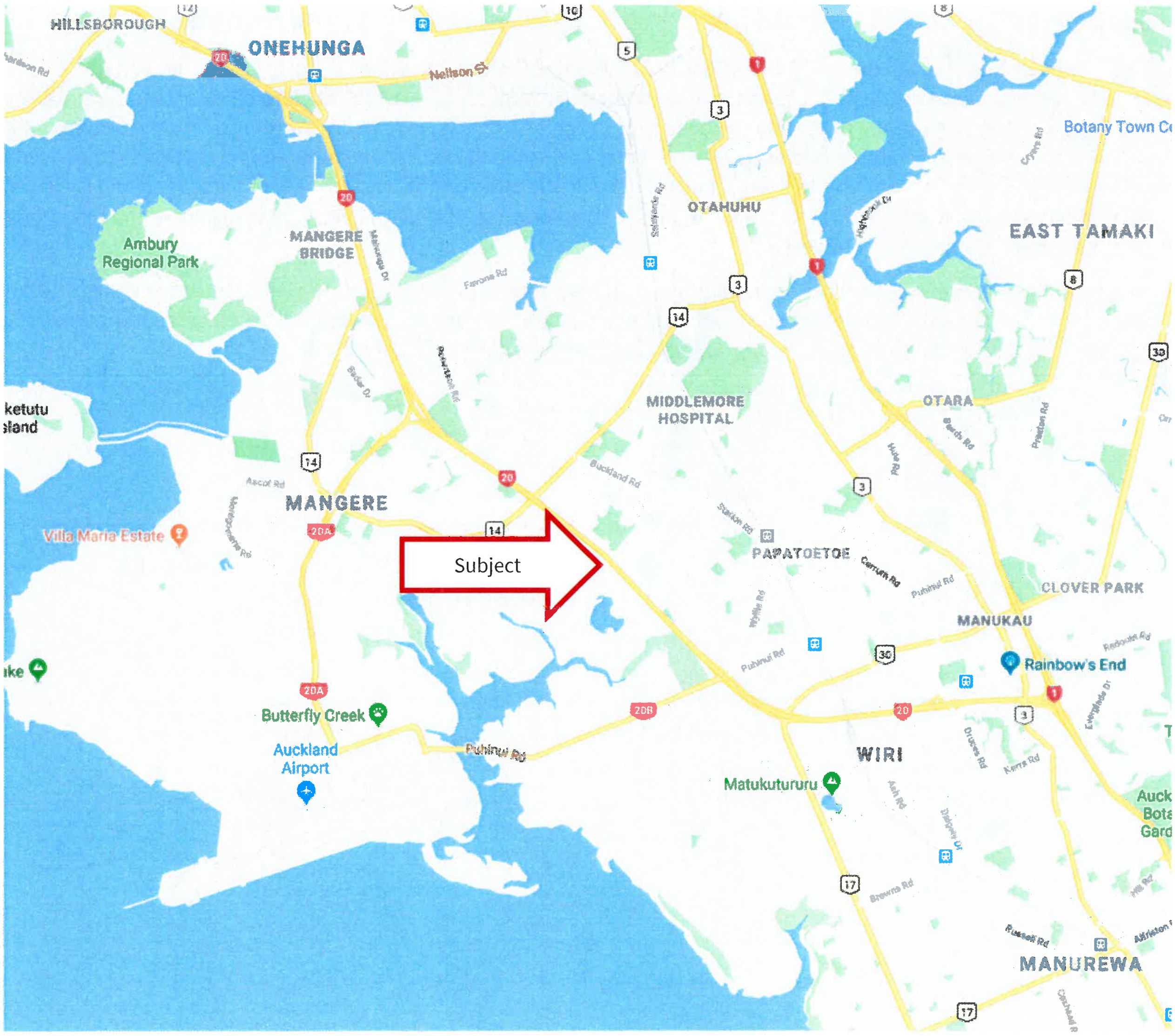
The property is situated to the western side of Tidal Road within the Auckland suburb of Mangere. Tidal Road connects Massey Road with the South-Western Motorway onramp. Local amenity is mainly provided from the Otahuhu main retail strip, which is located to the north east along Great South Road.

The subject property is located within a relatively isolated, secondary industrial subdivision developed in the 1970's and 1980's and comprising standalone warehouse structures as well as some smaller factory and warehouse units. A number of distribution companies, vehicle workshop entities and churches are also located on Tidal Road.

The majority of the surrounding developments comprise predominantly residential housing dating from the 1960's through to small pockets of more modern infill housing. The main retail precinct of Otahuhu is located approximately 4 kilometres to the north east along Great South Road. Alternatively, Mangere Bridge township provides further amenity a short distance to the west. Further afield, the Auckland and Manukau CBD's are approximately 20 kilometres to the north-west and 8.5 kilometres to the south respectively. The subject site benefits from close proximity to the South Western Motorway.

In summary the site is situated towards the rear of the Tidal Road subdivision, within good proximity of the Motorway. The site is also within close proximity of the established residential localities of Otahuhu and Mangere East.

The following map identifies the approximate location of the Property:



Source: Google Maps

2.2 Title Particulars (Parent Site)

The subject property being 78 Tidal Road forms part of the larger parent site of 72-78 Tidal Road, with new records of title to be issued in the near future. Should any encumbrances of an onerous nature appear upon issue of the subject Title we reserve the right to amend our valuation accordingly. We summarise the parent site Record of Title below:

Title Reference	697558
Tenure	Fee Simple
Legal Description	Part Allotment 56 Parish of Manurewa
Area	14.8305 hectares more or less
Registered Owner	Ambury Properties Limited
Registered Interest	• 10734695.3 Mortgage to Westpac New Zealand Limited – 31.3.2017 • Subject to a right (in gross) to convey electricity over part marked A, B, C, and D on DP 550608 in favour of Vector Limited created by Easement Instrument 11861318.1 – 23.9.2020

Source: Land Information New Zealand

Our 'As if Complete' valuation is on the basis that an unencumbered Fee Simple Record of Title is issued for the subject property.

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

2.3 Site Details

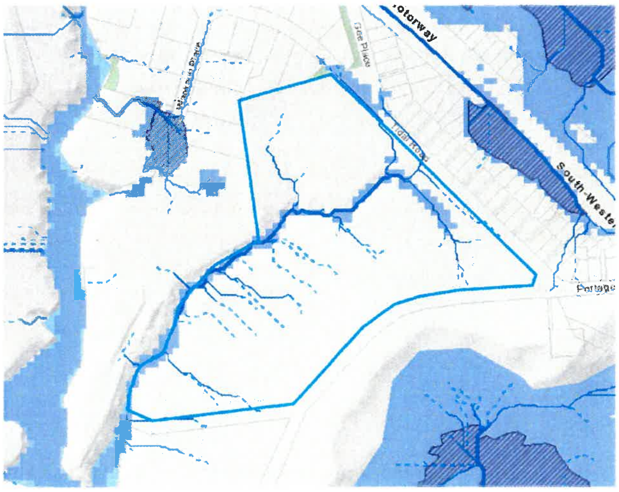
The subject property forms part of the 72-78 Tidal Road subdivision and is situated towards the western end, being approximately outlined in red overleaf. The property will comprise an approximate 4.9885 hectare block of land legally held within one Record of Title. The shape of the site will be largely irregular with the western end forming a round point. We note that the useable site area is approximately 3 hectares, with the balance as seen below forming outstanding natural feature overlay areas or other areas of bush / shrubbery. The undivided land block is located on the western side of Tidal Road and is moderate in contour, falling from the south-eastern boundary of the site down towards the western end. The contour of the site is generally flat due to earthworks having been completed.

As can be seen in the diagram overleaf, the un-subdivided site forms an overall irregular shape with a wide frontage to Tidal Road, narrowing down towards the western boundary where the subject is situated. The site will be accessed from a shared right of way located to the Tidal Road frontage. We approximately outline the subject site in red.

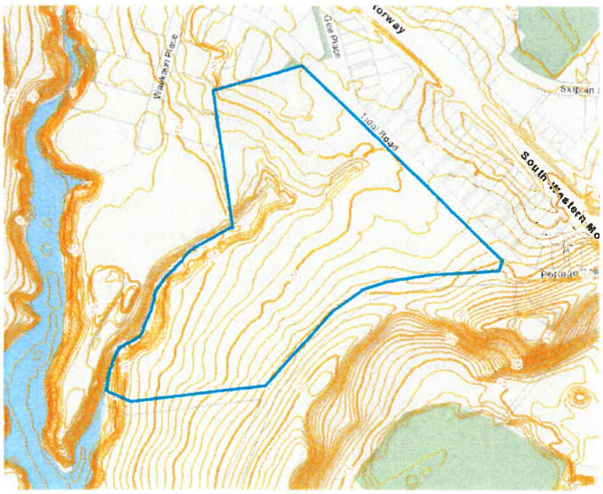
Site Area	Area of Parent Site	14.8305 hectares (approx. shaded in blue below)
	Area of 78 Tidal Road (subject site)	4.9885 hectares (approx. outlined in red below)

Source: Emap

We note that the property is affected by overland flow-paths (blue veins) and flood plains (light blue). A stormwater catchment lines the south-western boundary of the subject site. We note that overland flow-paths and flood plains affect numerous sites in the immediate location. These areas are detailed in the diagram below:



Overland Flow Paths (blue veins) and Flood Plains (blue shading). Approximate site outlined in blue.



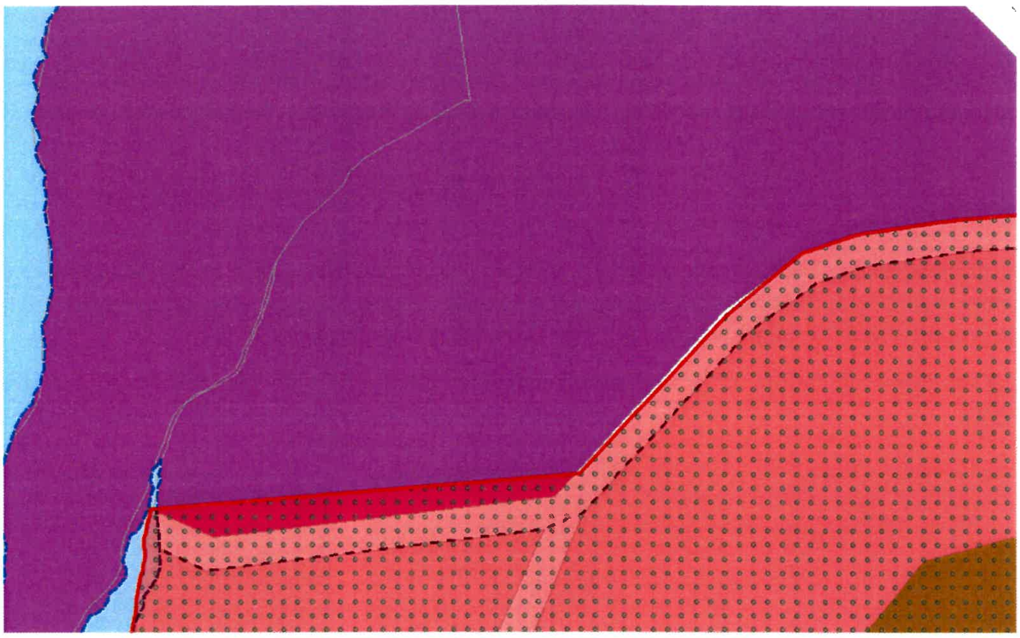
Site outline with contours overlaid.

Source: Auckland Council GeoMaps

In our experience, any issues presented by these features are generally managed utilising a combination of earthworks, contouring and specific design of improvements in these areas.

2.4 Resource Management

Local Authority	Auckland Council
Planning Instrument	Auckland Unitary Plan
Operative Date	2016 – Operative in Part
Zoning	**Light Industry Zone** This zone provides for light industrial activities that do not generate objectionable odour, dust or noise emissions. This includes light manufacturing, production, logistics, storage, transport and distribution activities. Due to the industrial nature of the zone, activities to air discharges are generally not provided for.
Objectives	▪ Light industrial activities locate and function efficiently within the zone. ▪ The establishment of activities that may compromise the efficiency and functionality of the zone for industrial activities is avoided. ▪ Adverse effects on amenity values and the natural environment, both within the zone and on adjacent areas, are managed. ▪ Development avoids, remedies or mitigates adverse effects on the amenity of adjacent public open spaces and residential zones.
Development Controls	The Light Industry zone provides for a range of light industrial activities to locate in the zone and avoids activities that do not support the primary function of the zone, with limited office, retail, and residential uses permitted. Building Height: ▪ Must not exceed 20 metres. Height in relation to boundary: ▪ Buildings must not project beyond a 35 degree recession plane measured from a point 6m vertically above ground level along the boundary of residential, open space or special purpose boundary. Yards: ▪ Front: 2 metres. Yards are not required for internal roads or service lanes ▪ Rear: 5 metres, where the rear boundary adjoins a residential zone, an open space zone or special purpose zone ▪ Side: 5 metres, where the side boundary adjoins a residential zone, an open space zone or special purpose zone ▪ Riparian: 10 metres from the edge of permanent and intermittent streams ▪ Lakeside: 30 metres ▪ Coastal protection yard: 25 metres Maximum impervious area: ▪ Must not exceed 10 per cent of the riparian yard Permitted activities include, but are not limited to: industrial and rural activities, worker's accommodation – one per site, service stations, dairies, drive-through restaurants, show homes, food and beverage services, garden centres, motor vehicle sales, marine retail, trade suppliers, and emergency services. Office, retail and tertiary education services that are accessory to an industrial activity are also permitted. In terms of development controls, the Light Industry zone permits the construction, additions and alterations to buildings, and the demolition of buildings. Due to the industrial nature of the zone, sensitive activities such as community facilities exceeding 450 square metres, dwellings, integrated residential accommodation, and office or retail activities that are not related to the predominant use on-site are non-complying.
Controls	Coastal Inundation 1 per cent AEP Plus 1m Control - 1m sea level rise Macroinvertebrate Community Index - Native Macroinvertebrate Community Index - Rural Macroinvertebrate Community Index - Urban Stormwater Management Area Control - Puhinui, Flow 1
Overlays	Natural Resources: Significant Ecological Areas Overlay - SEA-M2-27a, Marine 2 (doesn't affect subject site) Natural Resources: High-Use Aquifer Management Areas Overlay [rp] - Manukau Southeast Kaawa Natural Heritage: Outstanding Natural Features Overlay [rcp/dp] - ID 22, Crater Hill - This overlay affects a small part across the southern boundary of the site as seen below:



	Infrastructure: Aircraft Noise Overlay - Moderate aircraft noise area (MANA), Auckland Airport - moderate aircraft noise area Infrastructure: Aircraft Noise Overlay - Aircraft noise notification area (ANNA), Auckland Airport - aircraft noise notification area Infrastructure: Quarry Buffer Area Overlay (doesn't affect subject site)
Designations	Airspace Restriction Designations - ID 1102, Protection of aeronautical functions - obstacle limitation surfaces, Auckland International Airport Ltd
Precinct	Puhinui sub-precinct F, Sub-precinct The property forms part of Sub-precinct F. Sub Precinct F clusters industrial development, providing for an additional 14.8 hectares of Business – Light Industry Zoned land along Tidal Road, the current physical address being 72 Tidal Road. Sub-precinct F partially includes and is adjacent to the Crater Hill Outstanding Natural Feature. This sub-precinct seeks to deliver a high quality industrial development that recognises the cultural landscape values and that maintains and enhances the existing landscape where practicable.

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

2.5 Rateable Value

We have been advised that the Rateable Value of the entire property at 72-78 Tidal Road, as at 1 July 2017, being Assessment Number 12344824620, is as follows:

Land Value	$30,000,000
Improvements Value	$0
Capital Value	$30,000,000

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

We note that the subject Lot (78 Tidal Road) has not yet been individually rated.

2.6 Environmental Issues

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

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

2.7 Heritage

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

2.8 Improvements

Overview 'As if Complete'

The property once complete will comprise a modern industrial building with a total lettable area of approximately 14,985 square metres, including approximately 1,800 square metres of canopy. The yard area will comprise approximately 5,100 square metres. The property 'As if Complete' will be split into two units, being Unit A and Unit B.

As at the date of valuation, the property was nearing completion with the general structure up over the main unit (A), as seen below:

Unit A

Unit B

Unit A

The warehouse is high stud with a single row of centrally located supporting columns. The stud height is proposed to be approximately 10 metres at the portal knee. There are seven motorised roller doors being approximately 5.5 metres high each, which will provide access to the warehouse from the yard areas. Lighting is to be provided by way of intermittent translucent panels and LED high bay light fittings. The warehouse is not proposed to be sprinklered.

The two levels of offices will incorporate precast concrete and glazed exterior. Partitioning is proposed to be predominately painted plasterboard, with carpet floor coverings to the office areas. Ceilings will be suspended, with recessed LED lighting and we understand will have a floor to ceiling height of approximately 3.6 metres. Office areas will have ducted air conditioning systems.

Construction of the warehouse is to have a reinforced concrete foundation with post tension concrete warehouse floor. The property has steel portal framing, with sisalation, netting, coloursteel roof cladding and intermittent translucent roof panels. An insulated panel roof and walls are to be provided to suit the design and specification requirements of the tenant.

The wall between the office and the warehouse will be precast to the underside of the office ceiling. To areas where a precast wall solution is not present, an approximately 2 metre high precast upstand will be provided, with an insulated panel wall constructed above this for climate control.

Unit B

We note that we have not been provided with the construction details for Unit B however we expect it to be of concrete foundations and floor with precast base walls with profile metal walls above. The property has a steel frame and is proposed to provide a profile metal roof with sisalation, netting, and intermittent translucent roof panels. Overall, we expect construction to be similar to Unit A, although not lined with the insulation panels.

2.9 Construction – 'As if Complete'

We briefly outline construction details to the building as follows:

Warehouse Construction:	Reinforced concrete foundations, steel portal framing, precast concrete external walls, profiled metal roofing with netting and sisalation. Lighting consists of LED high bay light fittings. Stud height of approximately 10 metres at the portal knee, with a central row of supporting columns in the warehouse. Insulated panel wall construction to areas not full height precast concrete (at Unit A only).
Office Construction:	Reinforced concrete foundations, structural steel framing, and aluminium joinery with double glazed windows. The interior features predominately painted plasterboard internal linings, with suspended grid ceilings and recessed LED lighting. Floor coverings consist of commercial grade carpet to main office areas and vinyl to wet areas.

2.10 Lettable Areas

The Property's total Lettable Area is approximately 14,985 square metres. A summary of this Lettable Area is detailed as follows:

Building Floor Area	
Accommodation/Level	Lettable Area
Office	1,706
Warehouse	11,479
Canopy	1,800
Total Lettable Area	14,985 square metres
Car parking	Spaces
Spaces	117
Total Car parking	117 spaces

The areas noted above have been taken from the Draft Bulk & Location plan provided to us, prepared by JWA Architects Ltd dated 5 November 2019. The areas for Unit A have been provided within the Design, Build and Lease Agreement with Hancocks.

Should certified areas be completed upon completion of the building which differ from the proposed areas provided, we reserve the right to review our 'As If Complete' valuation.

2.11 Condition and Repair

Our 'As if Complete' valuation is made on the basis of the proposed development being completed to a high standard of workmanship, compliance with the plans and specifications provided by the client and meeting all required building codes and compliance.

We note that the proposed building has several features that are likely to impose a requirement to obtain an annual Building Warrant of Fitness in accordance with the relevant Compliance Schedule. We have assumed that a building warrant of fitness will be prepared for the building following the completion of the construction works.

Given the property will be brand new we have assumed there will be no asbestos used in the construction of the property.

2.12 Earthquake Strengthening Requirements

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

Given the building will be new, our valuation is on the basis that the building will be completed to at least 100% of the New Building Standard of the seismic loading standard NZ1170.5:2004 and is not classified as earthquake-prone.

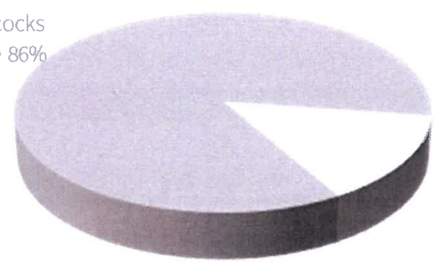
3 Property Income and Expenditure

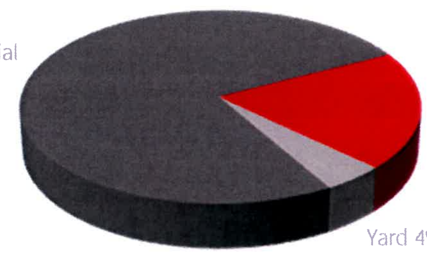
3.1 Tenancy Overview

We have been provided with Lease documentation that was available at the time of valuation. The net rental from the Property can be summarised as follows:

Tenant	Net Rental	Lettable Area	Proportion of Lettable Area
Hancocks Wine	$2,017,952	12,800	85.4%
Autopacific	$338,321	2,185	14.6%
Total	$2,356,273	14,985 sqm	100%

The events surrounding COVID-19 have led to greater consideration by market participants of the covenant strength of the occupiers within investment property. We are not qualified to advise you on the financial standing of the occupiers, however have formed a view on how we think the market would approach the tenancy profile of the property. The net rental from the property can be analysed by occupier and component proportion as follows:





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

Weighted Average Lease Term Remaining	Years
By Area	10.96
By Income	10.83

3.2 Lease Summary

We summarise below the lease agreements for the Tenants:

Lease Summary	Hancocks Wine, Spirit and Beer Merchants Limited
Documents reviewed	Signed Agreement to Design, Build and Lease, dated 18 November 2019 Variation of Lease dated 31 August 2020
Lessee	Hancocks Wine, Spirit and Beer Merchants Limited
Demised premises	Tenancy A at 88 Tidal Road, Mangere, Auckland as shown on the plan attached as the Fourth Schedule, together with the shared use of common areas. 4.9885 hectares being Lot 9 in the proposed development and subdivision of the Land as shown on the Outline Plans and Specifications attached as part of schedule 5.
Lettable Area	Office: 1,456 sqm Warehouse: 9,844 sqm Deck: 36 sqm Canopy: 1,500 sqm Yard: 4,680 sqm Carparks: 93 Total Lettable area: 17,516 square metres (including yard and canopy)

Commencement Date	The earlier of the date of completion of the Tenant's Works and two (2) months following the Access date. *We note that for the purpose of our 'as if complete' valuation we have adopted the valuation date as the lease commencement date.*
Lease Term	12 years plus two further rights of renewal of 5 years each
Commencement Rent	Office: $385,840 Warehouse: $1,427,380 Deck: $3,960 Canopy: $97,500 Yard: $93,600 Carparks: $9,672 **Total: $2,017,952 per annum plus GST and outgoings**
Rental Review Provisions	Fixed 2.5% increases per annum on each anniversary of commencement date. Rent will be reviewed to market on the 4th and 8th anniversary of the commencement date during the term, and thereafter on the Renewal Date. Rent at market review is to be no less than the rent payable 24 months prior to the relevant market review date.
Outgoings Recovery	The tenant is responsible for all operating expenses attributable to the Premises, as well as a proportionate share of the charges of the Common Areas and Precinct areas. Outgoings are estimated at $271,200 per annum plus GST for Unit A.
Permitted Use	Offices, warehousing and associated supporting facilities for the storage and distribution of alcohol, wine and spirits.
Special Provisions	Incentive: The Landlord grants the Tenant a net rent free period of five (5) months commencing on and from the Commencement date. We note that this has been varied within the Variation of Lease dated 31 August 2020 to be paid in a lump sum which we have assumed to be the date of valuation. **We note that this incentive is subject to a vendor underwrite and has therefore been excluded from this valuation.** Bank Guarantee: Equivalent to 6 months gross rent and operating expenses for the premises, plus GST.
Landlords Fixtures and Fittings	The landlord's following fixtures, fittings and chattels are, and will remain the property of the Landlord: - Air conditioning, ventilation and air circulation systems; Bathrooms; Base-building lighting, electrical installations and cabling; Any other items which are identified as, or which are, the property of the Landlord.
Tenant's Fixtures and Fittings	The tenant's following fixtures, fittings and chattels are, and will remain the property of the Tenant: - Shelving; Refrigeration; Racking Systems; Other removable fixtures, fittings, and chattels being the property of the Tenant; Any other items which are identified as, or which are, the property of the Tenant.

Lease Summary	AutoPacific New Zealand
Documents reviewed	Signed Agreement to Lease dated 12 April 2021.
Lessee	AutoPacific New Zealand Limited
Demised premises	Unit B, situated at Lot 9, 88 Tidal Road, Mangere, Auckland, 2022 as is more particularly shown on the plan attached to the lease as the Fifth Schedule, plus 24 carparks.
Lettable Area	Refer to Tenancy Schedule in Section 3.5
Commencement Date	1 October 2021. *We note that for the purpose of our 'as if complete' valuation we have adopted the valuation date as the lease commencement date.*
Lease Term	4 years plus two rights of renewal of 3 years.
Commencement Rent	$338,321 per annum plus GST *(subject to final measure)*
Rental Review Provisions	2.5% fixed increase on each anniversary of the commencement date during the term and any renewed or extended term.
Outgoings Recovery	Net lease – standard building operating expenses are recoverable from the tenant.

	Outgoings are estimated at $24 per square metre for Unit B.
Permitted Use	Storage, distribution, light-manufacturing and assembly together with associated supporting office and customer showroom facilities only.
Special Provisions	▪ *Bank Guarantee – Clause 12* The tenant shall provide a bank guarantee of 6 months' rent and outgoings plus GST for the premises from time to time. The bank guarantee is to be kept current and enforceable during the term of this lease and any renewal term, is reissued to reflect the then current rental and operating expenses, and does not terminate for 6 months after the expiry of the lease.
Landlords Fixtures and Fittings	▪ Air conditioning, ventilation and air circulation systems ▪ Bathrooms ▪ Base-building lighting, electrical installations and cabling ▪ Any other items which are identified as, or which are, the property of the landlord
Tenants Fixtures and Fittings	▪ Shelving ▪ Racking systems ▪ Other removable fixtures, fittings and chattels being the property of the tenant ▪ Any other items which are identified as, or which are, the property of the tenant
Emergency Provisions	The Agreement to Lease states the parties shall enter into a formal lease using the current Auckland District Law Society (ADLS) Deed of Lease form which in its standard form of the latest edition, being the Sixth Edition 2012 (5), provides emergency provisions.

3.3 Building Outgoings and Recoveries

The leases within the Property are structured on a net basis, with the tenants being responsible for payment of rates and other property expenses in addition to premises rental. The Design, Build and Lease Agreement estimates outgoings over Unit A to be approximately $271,200 per annum which we have adopted. The Agreement to Lease over Unit B estimates outgoings to be $24 per square metre, which we have adopted. Our adopted outgoings are detailed below:

Adopted Property Outgoings	Per Annum	Per Sqm of Lettable Area
Operating Expenses	$323,640	$21.60
Total Outgoings	$323,640	$21.60

We consider that the adopted outgoings rate to be in line with market parameters for this type of asset upon completion.

3.4 Outstanding/Remaining Incentives

We have been provided with lease documentation which states a five month rent free incentive to Hancocks Wine over Unit A, however this has been underwritten by the vendor and as such has not been included within this valuation.

3.5 Tenancy Schedule

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

Tenant Name	Premises	Lettable Area	Car Parks	Lease Start	Lease Expiry	Lease Term	Next Review	Review Frequency	Review Type	Contract Rental	Rental / sqm	Car Park pcpw	Outgoings Recovery	Recovery / sqm
Hancocks Wine	Office A	1,456.0	93	Mar 2021	Mar 2033	12.0 years	Mar 2022	1 yearly	Fixed	$395,512	$265	$2	$30,849	$21
Hancocks Wine	Warehouse A	9,844.0		Mar 2021	Mar 2033	12.0 years	Mar 2022	1 yearly	Fixed	$1,427,380	$145		$208,570	$21
Hancocks Wine	Canopy A	1,500.0		Mar 2021	Mar 2033	12.0 years	Mar 2022	1 yearly	Fixed	$97,500	$65		$31,781	$21
Hancocks Wine	Deck A	36.0		Mar 2021	Mar 2033	12.0 years	Mar 2022	1 yearly	Fixed	$3,960	$110		$0	$0
Hancocks Wine	Yard A	4,680.0		Mar 2021	Mar 2033	12.0 years	Mar 2022	1 yearly	Fixed	$93,600	$20		$0	$0
Autopacific	Office B	250.0	24	Mar 2021	Mar 2025	4.0 years	Mar 2022	1 yearly	Fixed	$68,746	$265	$2	$6,000	$24
Autopacific	Warehouse B	1,635.0		Mar 2021	Mar 2025	4.0 years	Mar 2022	1 yearly	Fixed	$237,075	$145		$39,240	$24
Autopacific	Canopy B	300.0		Mar 2021	Mar 2025	4.0 years	Mar 2022	1 yearly	Fixed	$19,500	$65		$7,200	$24
Autopacific	Yard B	420.0		Mar 2021	Mar 2025	4.0 years	Mar 2022	1 yearly	Fixed	$13,000	$31		$0	$0
Aggregate		20,121.0	117							$2,356,273			$323,640	

3.6 Income Analysis

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

Passing Rental Analysis		
Lettable Area Rental	$2,344,105	87.47%
Car Parking Rental	$12,168	0.45%
Outgoings Recovery	$323,640	12.08%
Gross Passing Income	$2,679,913	100.00%
Outgoings	$323,640	
Net Passing Income	$2,356,273	

4 Market Commentary

4.1 Economic Overview

As at 21 April 2021:

- The March 2021 Consumer Price Index rose 0.8% compared to the December 2021 Quarter and rose 1.5% on an annual basis compared to March 2020. Economic consultants NZIER forecast that CPI growth will remain low over the next 12 months.
- Gross Domestic Product (GDP) in December 2020 declined by 1.00% compared to the September 2020 quarter. This follows a revised rise of 13.9 percent in the September 2020 quarter. On an annual basis, GDP declined by 2.9 percent over the year to December 2020.
- As at 14 April 2021, the Reserve Bank announced that the Official Cash Rate is being held at 0.25% following its emergency 75 basis point reduction from 1.00% in March 2020. The Monetary Policy Committee stated that additional stimulus would be provided in the form of a Funding for Lending Programme, which runs until late 2022 offering banks up to $28 billion of funding priced at the 0.25% OCR. The programme will reduce funding costs for banks and is expected to assist in keeping interest rates low.
- The 90-day Bank Bill Benchmark Rate (BKBM) sits at 0.34 as at 20 April 2021, which is historically low, but has crept up from the low point of 0.25 last achieved in November 2020. Similarly, 10-year bonds reached a low of 0.44 in September 2020 but have now increased to 1.61.
- The unemployment rate was 4.90% as at December 2020, which is a 0.40% decrease from 5.30% in Q3 2020. The Q3 2020 unemployment rate was the largest increase since the series began in 1986, December 2020's unemployment rate is a return to rates observed over three years ago.
- The REINZ median house price across New Zealand has increased in March 2021 to $826,300. This is a 5.9% increase up from the month of February 2021 with a median House price of $780,000 and an increase of 24.3% from March 2020 having a median house price of $665,000. The Government has recently announced a range of initiatives to increase supply and slow house price growth, including removal of interest deductibility for residential investment property and extension of the 'Bright Line Test' for tax on price gains to 10 years.
- In terms of the construction sector, private backed development and construction is expected to be muted in the short term, however the Government has announced their intention to fast track infrastructure spend as one method to kickstart the economy post the COVID-19 shutdown.

The economic impact of COVID-19 is likely to have longstanding effects, notwithstanding significant monetary and fiscal stimulus that has been implemented by both local and international authorities.

A 'Trans-Tasman Bubble' was introduced from April 19, allowing people to travel between New Zealand and Australia without quarantining. Given Australian tourists have historically contributed to 40% of arrivals and in 2019 spent $2.7 billion, this move brings some cautious optimism to the tourism sector.

The COVID-19 vaccines rollout has slowly begun throughout New Zealand, with vaccinations for the general public planned to commence from July 2021.

4.2 Auckland Industrial Market Summary

Industrial remains the best performing commercial property sector in Auckland. Strong demand metrics have supported rising rental levels, a trend expected to continue. With investor appetite favouring Auckland industrial stock, recorded transactions over 1Q21 resulted in further yield compression across both prime and secondary stock.

Given such strong performance over the past year, uncertainty has become less of a consideration for the industrial sector. Landlords are no longer prepared to accept short lease terms in a bid to fill space as they were in 2020. The length of leasebacks has also begun to extend particularly for lower quality space, where the additional certainty provided by a longer lease term supports yield compression.

Although Auckland's industrial sector has one of the most active development pipelines in the country, speculative building activity has slowed. Institutional developers like Goodman and LOGOS are requiring tenant commitment before commencing construction on some projects. Where tenants can be secured, developers are willing to work to tenants' needs above optimal site utilisation in exchange for longer lease terms.

In the wider economic market, after GDP saw a 13.9% quarterly growth in September 2020, the 1.0% decline reported for the December 2020 quarter demonstrates that the New Zealand economy has adjusted to the post-lockdown euphoria. While annual GDP growth for Q4 was -2.9%, NZIER forecasts are optimistic and predict a 6.0% uptick by the end of 2021 before tempering to an average 3.0% growth in GDP year-on-year.

New Zealand remains on track for a V-shaped recovery despite the Valentine's Day COVID-19 cluster and its associated Level 3 lockdowns in Auckland. As such, concerns of a negative OCR have dampened with many predicting the current rate of 0.25% will hold for the remainder of 2021; as to when this shifts, BNZ and ASB forecast upward movement as early as next year, whereas NZIER predicts the OCR to hold through to 2024.

In addition, unemployment declined 40bps to 4.9% during Q4, which is 2.0% below the OECD average for December. However, with border restrictions – both travel and trade – creating the biggest challenges for the economy, and the Government indicating that such restrictions will likely be maintained throughout 2021, the rate of recovery will likely be determined by the pace of vaccine rollout.

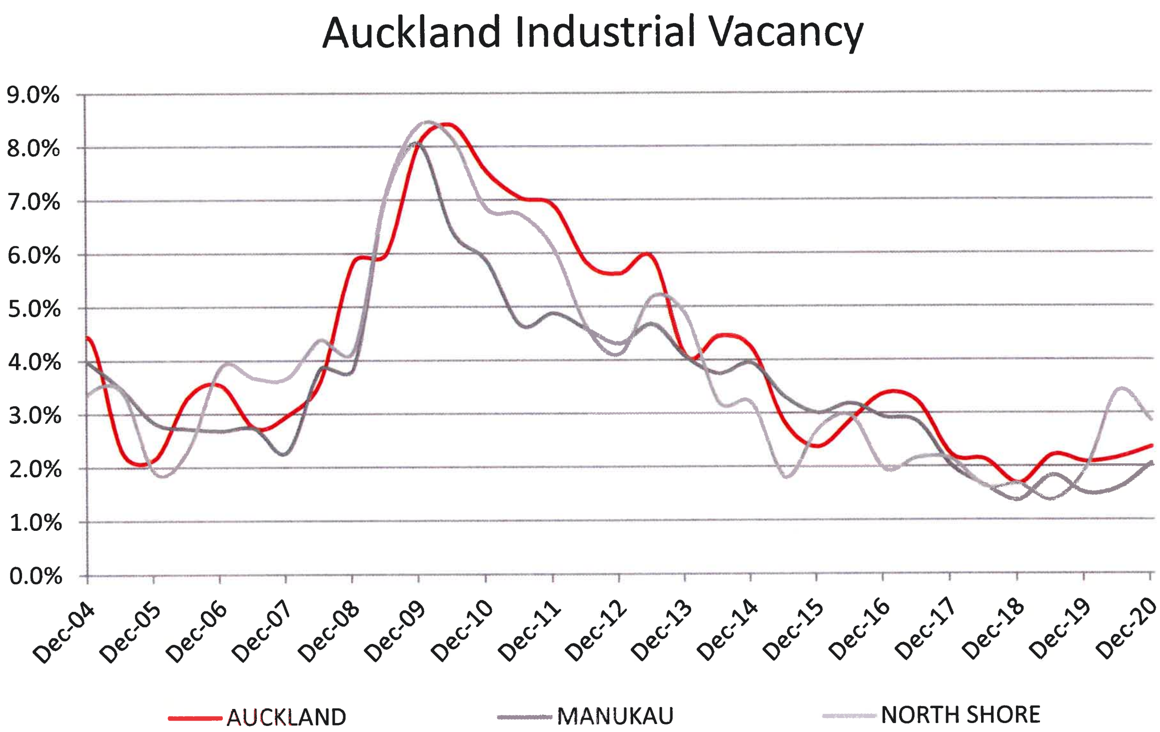
Demand/Supply

Our latest 2H20 vacancy survey revealed that overall Auckland industrial vacancy increased marginally by 18bps from 2.1% to 2.3%, this is despite the ~202,000 square metres of stock that has added into the market over the half. This extremely low vacancy overall continues to be a result of scarcity of development land and available stock, especially in the prime end of the market, across the sector.

New Zealand's industrial development has been a combination of design-and-build and speculative builds in recent years. With that being said, the speculative builds are often leased before practical completion as supported by high occupier demand for new build. This combination has led to a strong positive net absorption of ~177,000 square metres observed in 2H20 indicating that absorption of space has continued to outpace completions. We expect this trend to continue going forward, which will further support occupation levels as the majority of new future supply is expected to be pre-committed prior to practical completion.

By comparison of submarkets, Auckland City industrial vacancy increased by 20bps from 2.2% to 2.4% and Manukau City industrial vacancy increased by 45bps from 1.6% to 2.1%. North Shore City industrial was the only submarket to experience decrease in vacancy this round of surveys with vacancy decreased by 56bps from 3.4% to 2.9%.

Looking forward, given continued robust demand for high quality space, prime stock vacancy in particular is expected to remain low for the foreseeable future supported by high pre-commitment on new builds and continuing trends of 'flight-to-quality'. Any weakness in demand is expected to primarily impact secondary stock as occupiers look to move into new or better stock. Secondary stock with current or upcoming vacancies are also likely to face longer average time to lease as well as experience shorter lease terms that occupiers are willing to commit to due to uncertainty of their business outlook amid global uncertainty.



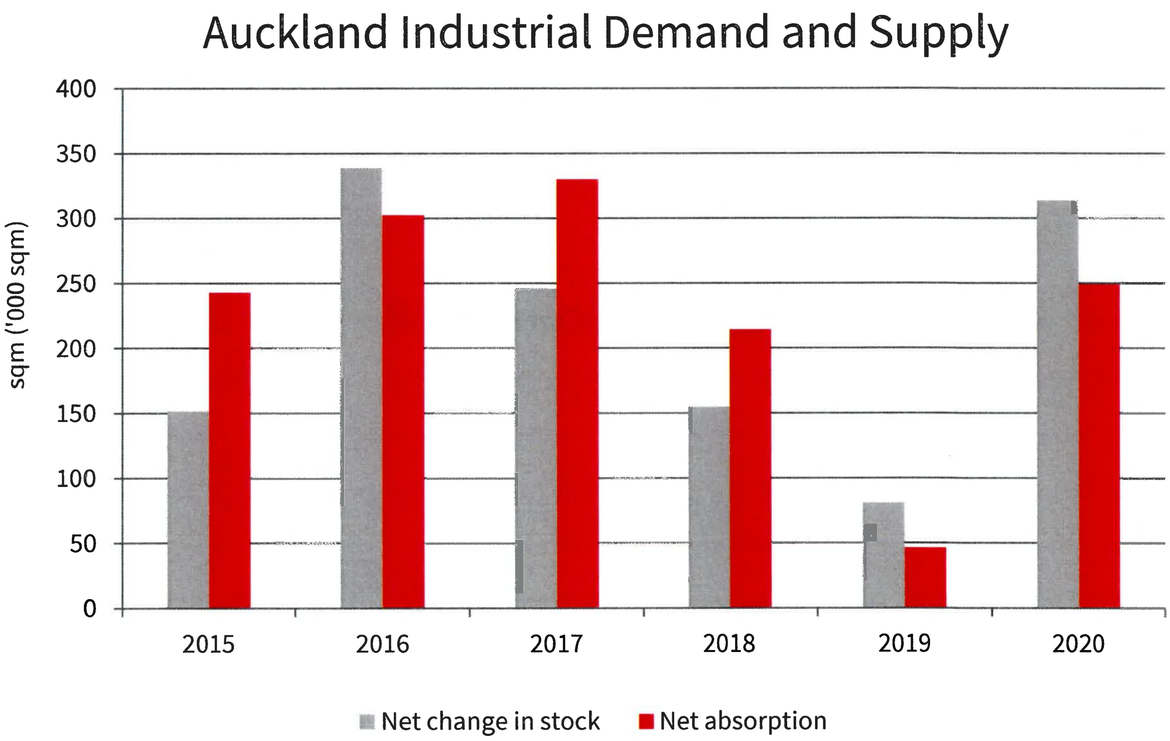
Source: JLL Research and Consulting

The overall Auckland industrial market experienced a net gain in stock of ~202,000 square metres during 2H20, with total stock now sitting at ~11.7 million square metres. The most notable completion during 2H20 was the much anticipated 94,000 square metre Foodstuff Distribution Centre at The Landing Business Park.

As mentioned, speculative building activity has slowed, with institutional developers requiring tenant commitment before commencing construction on some projects. Goodman is requiring tenant commitment before beginning on a new 10,400 square metre warehouse at 20 El Kobar Drive in Highbrook Business Park, and LOGOS is requiring tenant commitment for their remaining available units at Wiri Logistics Estate. Tenants who have committed to space currently under construction in Wiri Logistics Estate include Hilton Foods (15,700 square metres), Woolworths (20,000 square metres) and NZ Post (33,700 square metres).

Where tenants can be secured, developers are willing to work to tenants' needs above optimal site utilisation in exchange for longer lease terms. This is evident particularly in larger projects such as Stride's award winning Waste Management New Zealand headquarters at 318 East Tamaki Road in East Tamaki, which was described at the 2020 Property Council New Zealand Rider Levett Bucknall Property Industry Awards as "setting themselves a new benchmark through a focus on sustainability, innovation, workplace design and a collaborative owner and tenant relationship to lead the way in industrial processing". The project agreement was finalised to include an initial 25-year lease term.

Another example of recent major developments with a similar development focus is the aforementioned Foodstuffs Distribution Centre, which has been awarded a 5 Green Star Office Design (V3) rating by the NZGBC and features 2,915 solar panels on the roof, covering approximately 6,000 square metres - the largest anywhere in New Zealand. The panels create sufficient energy to power up to 213 average-sized new homes.

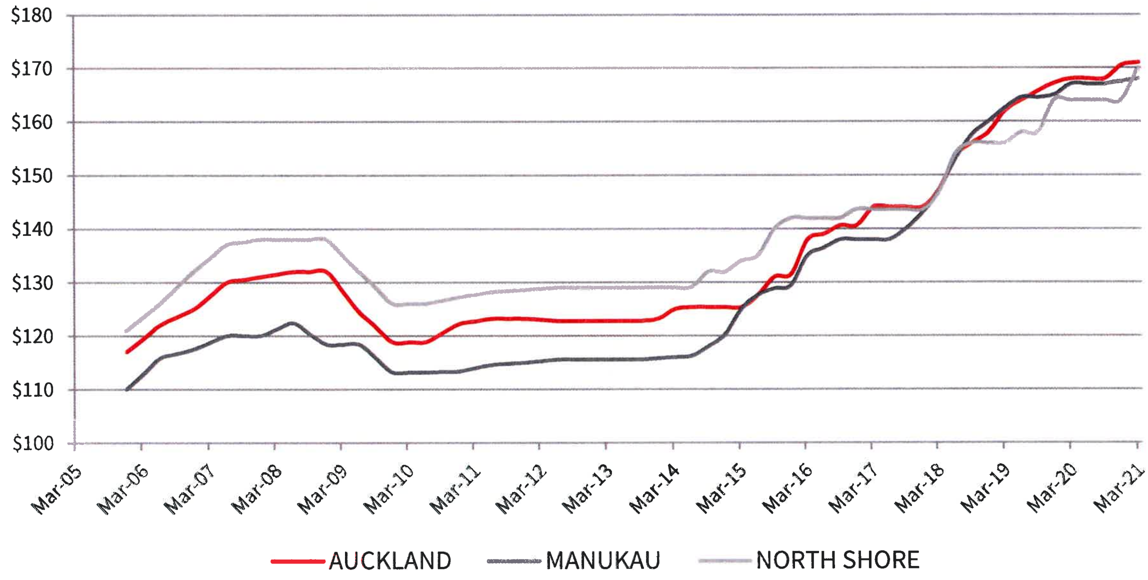


Source: JLL Research and Consulting

Rents

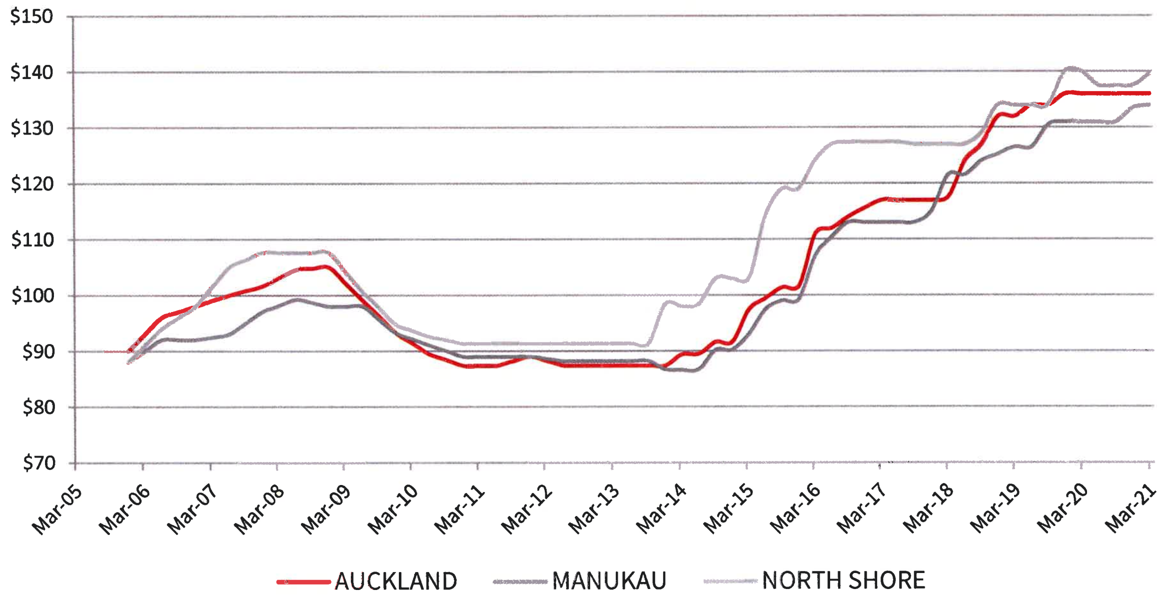
Industrial remains the best performing commercial property sector in Auckland. Strong demand metrics have supported rising rental levels, a trend expected to continue. Such low vacancy across the sector has continued to support rental levels, with Auckland City prime and secondary rental rates currently sitting at a blended rate (warehouse / office) of $171 per square metre and $136 per square metre respectively. In Manukau City, average prime and secondary rental rates are currently sitting at a blended rate (warehouse / office) of $168 per square metre and $134 per square metre respectively. The North Shore precinct is currently sitting at a blended rate (warehouse / office) of $170 per square metre and $140 per square metre for prime and secondary stock respectively. This reflects an overall rise in prime and secondary rents across the Auckland region of 4% and 1% for prime and secondary stock respectively, to a blended rate of $170 per square metre (up from $167 per square metre in 4Q20) and $137 per square metre (up from $136 per square metre in 4Q20). Given such strong performance over the past year, uncertainty has become less of a consideration for the industrial sector. Furthermore, as land prices continue to accelerate at an increasing rate, together with construction costs that are still on the rise, these are expected to continue exerting upward pressure on rents in order to maintain development feasibility.

Auckland Industrial Prime Rents



Source: JLL Research and Consulting

Auckland Industrial Secondary Rents



Source: JLL Research and Consulting

Land

Land values in Auckland have seen significant growth over recent quarters, a reflection of booming demand and very limited available land for new development in the sector. The average land value overall in the Auckland industrial precincts currently sits at $933 per square metre, a 12.0% increase q-o-q and a 23.8% increase y-o-y.

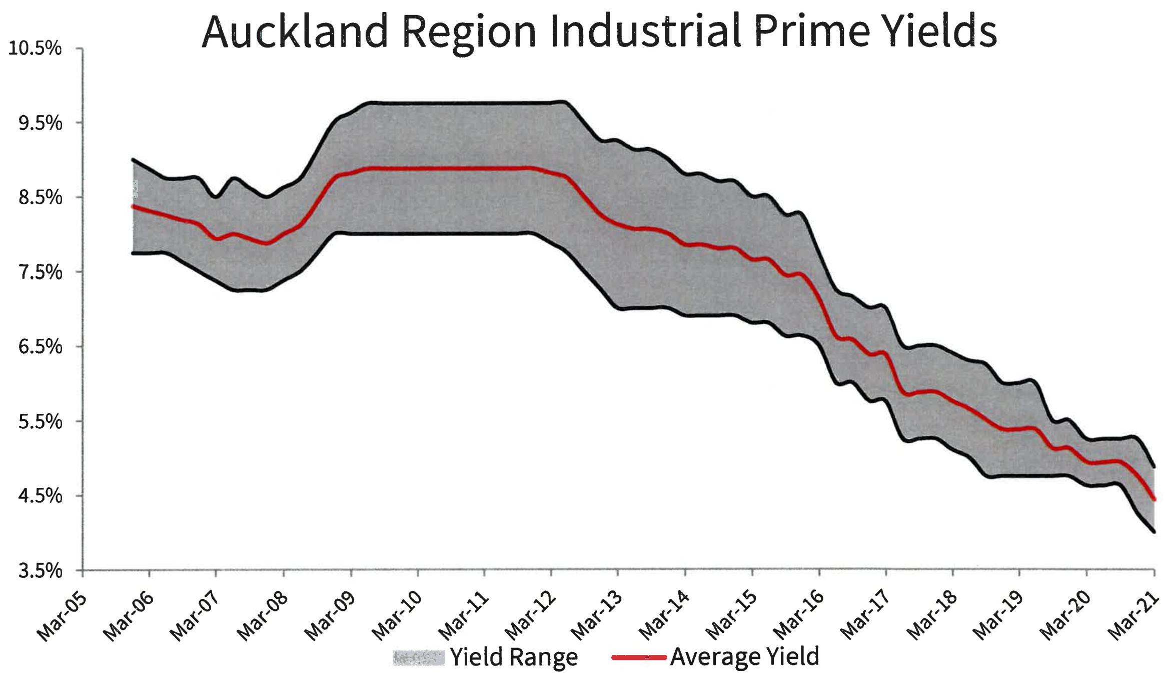
At an average of $1,000 per square metre, land values in the North Shore City precinct remain the highest across Auckland's industrial precincts due to the notable lack of available land in the sector. This is followed by the Auckland City precinct at $975 per square metre, as this precinct is approaching a similar situation to the North Shore City precinct, though has not yet reached the same levels of scarcity. In the Manukau City precinct, we have recorded average land values at $825 per square metre, a 20.0% increase on the $775 per square metre recorded last quarter. Unlike the other two precincts, Manukau City still has some notable areas of greenfield land available to transact particularly in Airport Oaks, which is reflected in the relatively lower recorded land values for this sector. Given the lack of available greenfield land in Auckland, we also note the strong demand for brownfield sites in good locations.

Yields

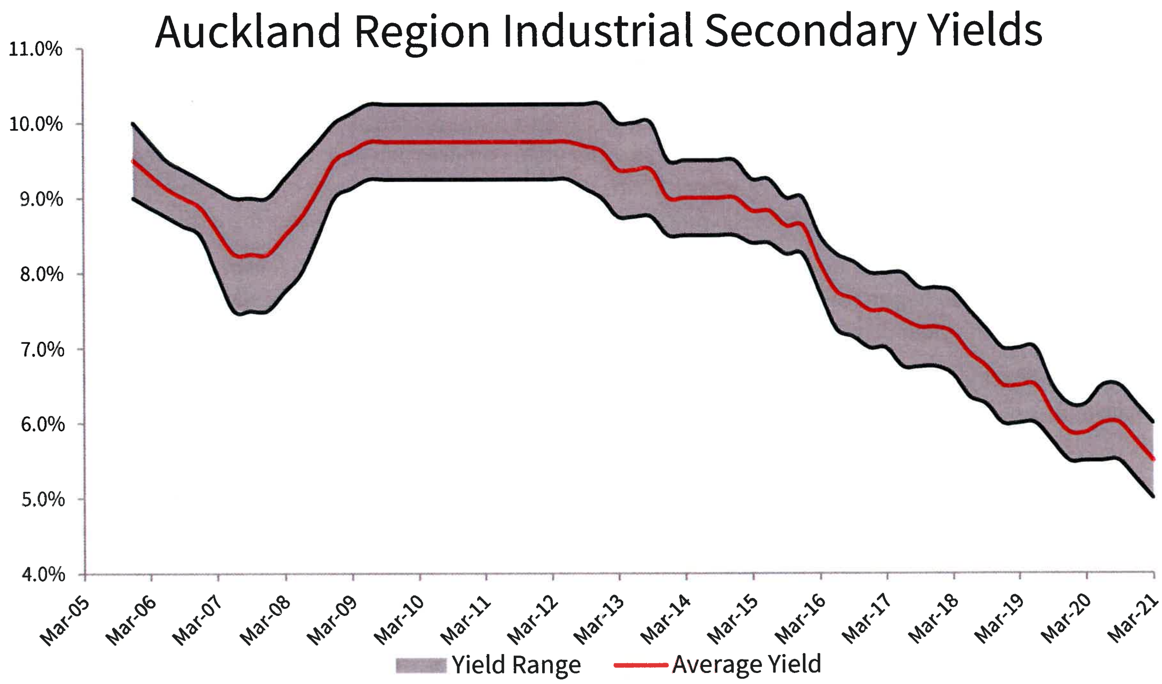
With investor appetite favouring Auckland industrial stock, we recorded a number transactions over 1Q21 in the sector. The continued active investment market in the region resulted in further yield compression across both prime and secondary stock. Average prime yields fell 31bps to 4.44% over the quarter (-50bps y-o-y), representing a range of 4.00% to 4.88%. Average secondary yields similarly compressed 25 bps over the quarter to 5.50% (-38 bps y-o-y), representing a range of 5.00% to 6.00%.

We have observed that landlords are no longer prepared to accept short lease terms in a bid to fill space as they were in 2020. The length of leasebacks has also begun to extend particularly for lower quality space, where the additional certainty provided by a longer lease term supports yield compression for these assets.

Looking forward, we forecast yields to continue on this downward trajectory in the short to medium term given the ongoing investor enthusiasm in quality industrial assets, and the expected continued low interest rate environment.



Source: JLL Research and Consulting



Source: JLL Research and Consulting

Market Outlook

Overall, the Auckland industrial sector has a generally positive outlook for the short to medium term as the recovery from COVID-19 continues, supported by a historically low interest rate environment, strong demand and supply fundamentals, and the continued growth of the e-commerce sector. We expect that rental levels will continue to rise over the foreseeable future supported by persistently low vacancy and robust demand for industrial space, albeit at a slower rate. Additionally, rental growth is not expected to be uniform across all industrial properties as there remains a preference for better quality stock.

Investment outlook is likely to remain more secure with New Zealand remaining open for business (at least domestically). We forecast industrial yields to continue on this downward trajectory given the ongoing investor enthusiasm in quality industrial assets, and the low interest rate environment.

5 Leasing Evidence

5.1 Leasing Evidence

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

Mangere, Auckland

Effective Date	Pre-Com	**Lease Basis**	New Lease
Contract Rent	$1,794,223 pa		

Rental Analysis			**Rate**
Warehouse	10,413.16	m^2	$136.88
Showroom	736.84	m^2	$250.00
Breezeway	2,638.00	m^2	$70.00

Highbrook, Auckland

Effective Date	June 2022	**Lease Basis**	Lease Renewal
Contract Rent	$3,013,634 pa		

Rental Analysis			**Rate**
Warehouse	10,581.20	m^2	$138.00
Ground Floor Office	2,949.7	m^2	$250.00
First Floor Office	1,590.7	m^2	$250.00
Mezzanine	105.0	m^2	$220.00
Canopy	2,105.50	m^2	$69.00
Office Canopy	592.50	m^2	$69.00
Canopy	322.80	m^2	$69.00
Canopy	132.40	m^2	$69.00
Storeroom	99.90	m^2	$58.00
Storeroom	71.50	m^2	$58.00
Storeroom	52.00	m^2	$58.00
Yard	198.00	m^2	$40.00
Carparks	201.0	parks	$15.00 pcpw

Penrose, Auckland

Effective Date	August 2021	**Lease Basis**	Renewal
Contract Rent	$374,942 pa		

Rental Analysis			**Rate**
Warehouse	3,603.10	m^2	$135.00
Offices	399.00	m^2	$225.00
Warehouse Offices	112.30	m^2	$210.00
Canopy	1,123.20	m^2	$65.00
Yard	968.00	m^2	$40.00

Wiri, Auckland

Effective Date	April 2021	**Lease Basis**	New Lease
Contract Rent	$1,220,255 pa		

Rental Analysis			**Face Rate**	
Warehouse	6,860.00	m^2	$123.00	
Low Stud Storage/Amenities	440.00	m^2	$65.00	
Office	694.00	m^2	$250.00	
Canopy	780.00	m^2	$65.00	
Breezeway	635.00	m^2	$75.00	
Yard	2,435.00	m^2	$30.00	
Carparks	88.00	parks	$0.00	pcpw

Mangere, Auckland

Effective Date	Pre-Com	**Lease Basis**	New Lease
Contract Rent	$2,017,952 pa		

Rental Analysis			**Face Rate**
Warehouse	9,844.00	m^2	$145.00
Offices	1,456.00	m^2	$265.00
Canopy	1,500.00	m^2	$65.00
Deck	36.00	m^2	$110.00
Yard	4,680.00	m^2	$20.00
Carparks	93	Parks	$2.00

Mangere, Auckland

Effective Date	Pre-Com	**Lease Basis**	New Lease
Contract Rent	$1,070,917 pa		

Rental Analysis			**Face Rate**
Warehouse A	1,170.00	m^2	$151.48
Offices A	30.00	m^2	$280.00
Canopy A	670.00	m^2	$90.00
Warehouse B	3,490.00	m^2	$147.50
Offices B	30.00	m^2	$280.00
Canopy B	300.00	m^2	$90.00
Yard	3,781.00	m^2	$70.00
Carparks	13	Parks	$15.00

Wiri, Auckland

Effective Date	2020	**Lease Basis**	New Lease
Contract Rent	$6,387,855		

Rental Analysis			**Face Rate**
Warehouse	30,841.00	m^2	$137.50
Office	3,000.00	m^2	$256.00
Canopy	6,867.00	m^2	$75.00
Carparks	425	Parks	$12.50 pcpw
Yard	13,209.00	m^2	$38.00

Wiri, Auckland

Effective Date	June 2020	**Lease Basis**	New Lease
Contract Rent	Confidential		

Rental Analysis			**Rate**
Warehouse	Approx 4,000.00	m^2	\$130.00 plus
Office / Showroom	Approx 350.00	m^2	\$240.00 plus
Canopy	Approx 500.00	m^2	\$60.00 plus
Carparks	48	Parks	\$0.00
Yard	Approx 650.00	m^2	\$35.00

Penrose, Auckland

Effective Date	January 2020	**Lease Basis**	Lease Renewal
Contract Rent	\$1,483,211 pa		

Rental Analysis			**Rate**
Warehouse	7,001.00	m^2	\$135.00
Office	330.20	m^2	\$230.00
Enclosed Canopy	3,246.00	m^2	\$90.00
Canopy	1,038.00	m^2	\$65.00
Yard	2,087.00	m^2	\$40.00
Additional Yard	476.00	m^2	\$40.00

Wiri, Auckland

Effective Date	November 2019	**Lease Basis**	Rent Review
Contract Rent	\$3,250,211 pa		

Rental Analysis			**Effective Rate**
Warehouse	19,839.20	m^2	\$129.00
Ground Floor Offices	288.20	m^2	\$246.00
Level 1 Offices	341.00	m^2	\$246.00
Amenities	77.00	m^2	\$188.00
Warehouse Office	75.00	m^2	\$188.00
Canopy North (Breezeway)	3,190.10	m^2	\$73.50
Canopy South (Breezeway)	1,486.50	m^2	\$73.50
Canopy (Dock Facility)	1,966.60	m^2	\$80.00
Deck	26.30	m^2	\$100.00
Sprinkler Room	30.00	m^2	\$130.20

Wiri, Auckland

Effective Date	November 2019	**Lease Basis**	Rent Review
Contract Rent	\$2,000,029 pa		

Rental Analysis			**Effective Rate**
Warehouse	12,817.82	m^2	\$125.50
Offices	224.89	m^2	\$206.00
Canopy	3,501.25	m^2	\$73.00
Canopy Extension	940.76	m^2	\$64.50
Battery Charging Area	197.45	m^2	\$125.50
Sprinkler Room	33.00	m^2	\$121.65

Wiri, Auckland

Effective Date	November 2019	**Lease Basis**	New Lease
Contract Rent	$798,000 pa		
Rental Analysis			**Rate**
Warehouse	5,200.00	m^2	$135.00
Offices & Amenities	200.00	m^2	$240.00
Canopy	800.00	m^2	$60.00

Wiri, Auckland

Effective Date	November 2019	**Lease Basis**	New Lease
Contract Rent	$668,218 pa		
Rental Analysis			**Rate**
Warehouse	4,325.10	m^2	$135.00
Server Room	28.00	m^2	$135.00
Canopy	1,150.70	m^2	$70.00

Mt Wellington, Auckland

Effective Date	September 2019	**Lease Basis**	New Lease
Contract Rent	$1,546,719 pa		
Rental Analysis			**Rate**
Warehouse	8,791.00	m^2	$130.00
Offices	477.00	m^2	$250.00
Breezeway Canopy	2,423.00	m^2	$75.00
Yard	2,184.00	m^2	$35.00
Carparks	34	Parks	$14.97 ppkpw

The above evidence provides a range of effective rental rates which generally range between $130 to $150 per square metre over the warehouse accommodation, circa $230 to $280 per square metre over the office accommodation and $60 to $90 per square metre over the canopies, generally dependant on the location, size and quality of space it offers. The yard rates range between circa $15 and $70 per square metre, with car parks being rented for up to $15 per park per week. We are also aware of confidential leasing deals at the Airport and also Savill Link Road with rental rates of $125+ per square metre for warehouse, $250+ per square metre for office accommodation and $55+ per square metre over the canopy. We hold these lease details on file.

5.2 Market Rental Profile

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

Tenant Name	Premises	Lettable Area	Car Parks	Next Review/Expiry	Review Type	Contract Rental	Rental / sqm	Car Park pcpw	Recovery / sqm	Ideal Recovery	Net Market / sqm	Gross Market / sqm	Car Park pcpw	Net Market Rental
Hancocks Wine	Office A	1,456.0	93	Mar 2022	Fixed	$395,512	$265	$2	$21	$21	$265	$286	$3	$397,930
Hancocks Wine	Warehouse A	9,844.0		Mar 2022	Fixed	$1,427,380	$145		$21	$21	$140	$161		$1,378,160
Hancocks Wine	Canopy A	1,500.0		Mar 2022	Fixed	$97,500	$65		$21	$21	$65	$86		$97,500
Hancocks Wine	Deck A	36.0		Mar 2022	Fixed	$3,960	$110		$0	$0	$110	$110		$3,960
Hancocks Wine	Yard A	4,680.0		Mar 2022	Fixed	$93,600	$20		$0	$0	$35	$35		$163,800
Autopacific	Office B	250.0	24	Mar 2022	Fixed	$68,746	$265	$2	$24	$24	$265	$289	$3	$69,370
Autopacific	Warehouse B	1,635.0		Mar 2022	Fixed	$237,075	$145		$24	$24	$145	$169		$237,075
Autopacific	Canopy B	300.0		Mar 2022	Fixed	$19,500	$65		$24	$24	$65	$89		$19,500
Autopacific	Yard B	420.0		Mar 2022	Fixed	$13,000	$31		$0	$0	$45	$45		$18,900
Aggregate		20,121.0	117			$2,356,273								$2,386,195

5.3 Net Income Assessment

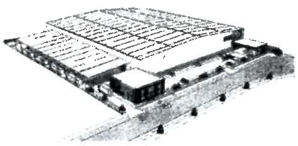
The table below presents both the passing income and adopted market net income profile of the Property:

Passing Versus Market Comparison	Passing per annum	Market per annum
Rental Analysis		
Lettable Area Rental	$2,344,105	$2,370,985
Car Parking Rental	$12,168	$15,210
Outgoings Recovery	$323,640	$323,640
Gross Income	$2,679,913	$2,709,835
Outgoings	$323,640	$323,640
Net Income	$2,356,273	$2,386,195

6 Sales Evidence

6.1 Sales Transactions

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



Lot 8, 72 Tidal Road, Mangere, Auckland

Sale Price	~$43,250,000	**Sale Date**	April 2021
Initial Yield	4.15%	**Equivalent Yield**	4.29%
IRR	6.15%	**WALT**	12.00 years

1 Jerry Green Street, Wiri, Auckland

Sale Price	$25,500,000	**Sale Date**	April 2021
Initial Yield	3.76%	**Equivalent Yield**	3.80%
IRR	5.44%	**WALT**	9.33 years

71 Westney Road, Mangere, Auckland

Sale Price	$42,000,000	**Sale Date**	December 2020
Initial Yield	4.86%	**Equivalent Yield**	4.75%
IRR	5.42%	**WALT**	9.00 years

13 William Pickering Drive, Rosedale, Auckland

Sale Price	$17,300,000	**Sale Date**	January 2021
Initial Yield	4.34%	**Equivalent Yield**	4.63%
IRR	6.16%	**WALT**	11.50 years

15 Te Tiki Road, Mangere, Auckland

Sale Price	$172,043,011	**Sale Date**	December 2020
Initial Yield	4.65%	**Equivalent Yield**	4.79%
IRR	6.66%	**WALT**	15.83 years

17 Ha Cresent, Wiri, Auckland

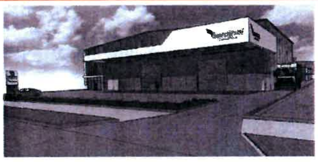
Sale Price	$18,576,610	**Sale Date**	December 2020
Initial Yield	3.85% - On agreed market rent	**Equivalent Yield**	3.77%
IRR	5.54%	**WALT**	6.50 years

Raynes Road, Hamilton

Sale Price	$16,000,000	**Sale Date**	November 2020
Initial Yield	4.42%	**Equivalent Yield**	4.63%
IRR	6.70%	**WALT**	15.00 years

22 Aerovista Place, Wiri, Auckland

Sale Price	$9,500,000	**Sale Date**	November 2020
Initial Yield	4.36%	**Equivalent Yield**	4.35%
IRR	5.95%	**WALT**	9.75 years



Lot 2, 72 Tidal Road, Mangere, Auckland

Sale Price	$21,418,000	**Sale Date**	June 2020
Initial Yield	4.95%	**Equivalent Yield**	4.83%
IRR	6.56%	**WALT**	15.00 years

223 James Fletcher Drive, Otahuhu, Auckland

Sale Price	$146,500,000*	**Sale Date**	March 2020
Initial Yield	4.43%	**Equivalent Yield**	4.58%
IRR	6.98%	**WALT**	14.91 years

***Importantly, we note that this sale analysis excludes the land component which forms part of the sale.**

Initial yields for good quality, long WALT industrial properties have generally ranged from circa 4% to 5%, with the more recent sales sitting towards the lower end of the yield range, reflecting the continued high demand for industrial property in the current environment. In the current COVID influenced environment, investors are showing strong demand for defensive asset categories, like industrial properties and other long WALT assets. The subject provides a desirable investment opportunity with secure income with a long lease in place over the majority of the property.

The recent sale on Tidal Road forms a good comparable to the subject, providing a 12 year lease on the property located adjacent to the subject. This transacted in early April however the Agreement was dated towards the end of January 2021. The property on completion will provide a good quality industrial premises with a low office ratio. The property sold at a yield of 4.15% which works out to a sale price of circa $43.25 million.

When assessing the yield profile of the subject property, we have been mindful of the location, which is slightly inferior to prime areas such as Wiri, the scale and quality of improvements on completion, and the 12 year lease term in place to Hancocks Wine in addition to the 4 year lease over Unit B. We also note that the lease over both Units have a 6 months gross rent bank guarantee and incorporates annual fixed reviews, with Unit A having a market review every 4 years. With the above in mind, we have adopted a yield towards the lower end of the aforementioned range.

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

Valuation Input	
Capitalisation Rate	4.38%
Discount Rate	6.00%

7 Valuation Considerations

7.1 SWOT Analysis

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

Strengths	Weaknesses
▪ The property will provide modern improvements upon completion. ▪ Freehold title. ▪ Relatively level, regularly shaped block of land. ▪ Upon completion the property will provide generic industrial accommodation suited for a wide range of tenants. ▪ Good office to warehouse ratio and canopy will be provided. ▪ Located within close proximity to Auckland International Airport and Motorway connections. ▪ Long proposed lease term with fixed rental increases over Unit A. ▪ Vendor underwrite of 5 month incentive over Unit A. ▪ 6 month bank guarantee over both leases. ▪ 4 year lease over Unit B, with fixed annual rental increases. ▪ Low interest rate environment and strong demand for industrial property. ▪ Situated within a high quality industrial subdivision.	▪ The property will not have street profile. ▪ Slightly removed location with regard to other options available. ▪ No guarantor over the long lease to Hancocks Wine.
Opportunities	**Threats**
▪ Sell property to recover capital in the current environment, where an asset like this would generate strong demand. ▪ Subdivide Unit B and sell down separately.	▪ The economic and social impacts of COVID-19 have the potential to be persistent. ▪ Off-shore and local factors impacting negatively on economic growth, tenant demand and investor sentiment. ▪ Potential impact of banks tightening lending criteria and availability of funds. Rising interest rates beginning to slow momentum in the market across all property sectors. ▪ Competition from neighbouring Auckland International Airport.

7.2 Likely Selling Period

We are of the opinion that the likely selling period for the Property is up to 3 months, assuming that the property is presented to the market in accordance with the specific assumptions noted in this report, and with an appropriate level of marketing. The actual time to sell the property may vary depending on the number of potential buyers in the marketplace, availability of comparable properties, access to finance, and changes in market conditions subsequent to the valuation date.

7.3 Most Probable Purchaser

In consideration of the current market, we anticipate the most probable purchaser of the Property to be an institutional investor, syndicator, or high net worth individual.

7.4 Sales History

We are aware that the subject land transacted in 2019 for approximately $15,000,000 plus GST (if any).

Furthermore, we have sighted a Sale & Purchase Agreement dated 21 August 2020 for the property on completion, for $48,834,674 plus GST (if any). We note that this Agreement is subject to a 4 year vendor underwrite over Unit B, which we note has since been leased.

The market has improved for long WALT industrial assets since the date of the agreement in August 2020.

8 Valuation Rationale

8.1 Valuation Overview

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

8.2 Capitalisation Approach

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

We have adopted a core capitalisation rate of 4.38%, with our calculations summarised below:

Direct Capitalisation Approach		
Rental Income	Contract Income	Market Income
Lettable Area Rental	$2,344,105	$2,370,985
Car Parking Rental	$12,168	$15,210
Ideal Outgoings Recovery (Full Net Leases)	$323,640	$323,640
Total Rental Income	$2,679,913	$2,709,835
Less Outgoings Expenditure	($323,640)	($323,640)
Net Rental Income	$2,356,273	$2,386,195
Core Income Capitalised at 4.38%	$53,857,669	$54,541,600
Value Adjustments		
Present Value of Existing Rental Reversions	$576,271	($110,195)
Present Value of Short Term Capital Expenditure: 24 months	($9,922)	($9,922)
Total Value Adjustments	$566,349	($120,118)
Total Capitalised Value	$54,424,017	$54,421,482
Adopted Capitalised Value (say)	$54,400,000	$54,400,000

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

Our adopted adjustments are detailed as follows:

Rental Reversions

From the core value, we have added/deducted the present value of tenant rental reversions, which represents the present value of rental overage / underage for each existing tenancy relative to our adopted rental profile.

Capital Deductions

We have allowed for the present value of CAPEX allowances over the next 24 months from the valuation date, which total $9,922.

Calculation Summary

Having made these adjustments to the core value, we derive a total value of $54,400,000. A sensitivity analysis based on adjustments to our adopted Core Capitalisation rate is as displayed below:

Sensitivity Analysis		Contract Approach	Market Approach
(0.25%)	4.13%	$57,700,000	$57,700,000
Adopted Capitalisation Rate	4.38%	$54,400,000	$54,400,000
0.25%	4.63%	$51,500,000	$51,500,000

8.3 Discounted Cash Flow Approach

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

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

Discount Rate

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

We have applied a target discount rate of 6.00% to the cash flows to produce a present value of $55,600,000. Our DCF calculations are summarised overleaf:

Discounted Cashflow Summary		Year Ending	30-Mar-2022	30-Mar-2023	30-Mar-2024	30-Mar-2025	30-Mar-2026	30-Mar-2027	30-Mar-2028	30-Mar-2029	30-Mar-2030	30-Mar-2031	30-Mar-2032
			Year 1	Year 2	Year 3	Year 4	Year 5	Year 6	Year 7	Year 8	Year 9	Year 10	Year 11
Rental Income													
Lettable Area and Car Park Income			$2,356,273	$2,415,180	$2,475,559	$2,537,448	$2,518,496	$2,678,183	$2,747,081	$2,817,785	$2,935,796	$3,010,248	$0
Outgoings Recovery			$323,640	$330,113	$339,026	$349,197	$345,531	$371,051	$382,183	$393,648	$405,458	$417,621	$0
Other Income			$0	$0	$0	$0	$0	$0	$0	$0	$0	$0	$0
Gross Rental Income			$2,679,913	$2,745,293	$2,814,585	$2,886,645	$2,864,027	$3,049,234	$3,129,264	$3,211,433	$3,341,253	$3,427,869	$0
Rental Deductions													
Unexpired Incentives - Rent Free/Abatements			$0	$0	$0	$0	$0	$0	$0	$0	$0	$0	$0
Outgoings Expenditure			($323,640)	($330,480)	($339,564)	($349,751)	($360,244)	($371,051)	($382,183)	($393,648)	($405,458)	($417,621)	$0
Ground Rental													
Net Rental Cashflow			$2,356,273	$2,414,813	$2,475,021	$2,536,894	$2,503,784	$2,678,183	$2,747,081	$2,817,785	$2,935,796	$3,010,248	$0
Rental Adjustments													
Unexpired Incentives - Capital Contribution			$0	$0	$0	$0	$0	$0	$0	$0	$0	$0	$0
Letting Up Allowances - Leasing Fees			$0	$0	$0	$0	($70,145)	$0	$0	$0	$0	$0	$0
Capital Expenditure			($5,100)	($5,238)	($5,395)	($5,557)	($30,367)	($5,895)	($6,072)	($6,254)	($6,442)	($6,635)	$0
Net Cashflow			$2,351,173	$2,409,575	$2,469,626	$2,531,337	$2,403,272	$2,672,288	$2,741,010	$2,811,530	$2,929,354	$3,003,613	$0
Purchase Price	$55,000,000	After Costs	($55,000,000)										
Sale Price	$65,300,000	After Costs											$64,320,500
Annual Cashflow			($52,648,827)	$2,409,575	$2,469,626	$2,531,337	$2,403,272	$2,672,288	$2,741,010	$2,811,530	$2,929,354	$3,003,613	$64,320,500
Present Value of Rental Cashflow		$19,731,863											
Present Value of Terminal Value		$35,916,231											
Allowance for Acquisition Costs		$0											
Total Net Present Value (say)		$55,600,000		Resulting IRR	6.15%								

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

Revenue Projections

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

Growth Rates

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

Growth	Year 1	Year 2	Year 3	Year 4	Year 5	Year 6	Year 7	Year 8	Year 9	Year 10
Industrial							10 year average		2.60%	
	2.00%	2.00%	2.50%	2.50%	3.00%	3.00%	3.00%	2.75%	2.75%	2.50%
Offices & Amenities							10 year average		2.60%	
	2.00%	2.00%	2.50%	2.50%	3.00%	3.00%	3.00%	2.75%	2.75%	2.50%
CPI							10 year average		1.87%	
	1.00%	1.70%	2.00%	2.00%	2.00%	2.00%	2.00%	2.00%	2.00%	2.00%
Capex							10 year average		2.87%	
	2.00%	2.70%	3.00%	3.00%	3.00%	3.00%	3.00%	3.00%	3.00%	3.00%
Outgoings							10 year average		2.87%	
	2.00%	2.70%	3.00%	3.00%	3.00%	3.00%	3.00%	3.00%	3.00%	3.00%

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

Letting Up Allowances

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

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

Capital Expenditure

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

Cash Flow Year	Tenancy Capex	Building Capex	Total Capex
Year 1	$0	$5,100	$5,100
Year 2	$0	$5,238	$5,238
Year 3	$0	$5,395	$5,395
Year 4	$0	$5,557	$5,557
Year 5	$24,644	$5,723	$30,367
Year 6	$0	$5,895	$5,895
Year 7	$0	$6,072	$6,072
Year 8	$0	$6,254	$6,254
Year 9	$0	$6,442	$6,442
Year 10	$0	$6,635	$6,635
10 Year Total	$24,644	$58,310	$82,954
Capex as a proportion of Value	0.2%	Per Sqm of Lettable Area	$5.54

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

Estimated Terminal Sale Price

We have applied a terminal yield of 4.63% (a 25.0 basis point premium to the going in capitalisation rate) to the market net income at the start of Year 11 in order to calculate the estimated terminal sale price. This value also includes reversions to the forecast market rent as at the end of Year 10, deferred until the next review date.

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

Transaction Costs

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

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

Sensitivity Analysis

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

Discount Rate		Terminal Yield	
	4.38%	4.63%	4.88%
5.75%	$58,900,000	$56,700,000	$54,800,000
6.00%	$57,800,000	$55,600,000	$53,700,000
6.25%	$56,700,000	$54,600,000	$52,700,000

9 Valuation 'As if Complete'

9.1 Valuation Reconciliation

The results of our valuation methods are:

Methodology	Valuation
Capitalisation Approach - Market Income	$54,400,000
Capitalisation Approach - Contract Income	$54,400,000
Discounted Cash Flow Approach	$55,600,000
Adopted Value	$55,000,000

9.2 Valuation Conclusion

Having regard to the results from the valuation methods described above, together with available market evidence, the comments made within this report, and present market sentiment, we have adopted a rounded valuation figure of $55,000,000 plus GST (if any).

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

$55,000,000 plus GST (if any)

Fifty Five Million Dollars plus GST (if any)

The assessed value reflects an initial passing yield of 4.28%, an equivalent yield of 4.33%, an internal rate of return of 6.15%, and a rate of $3,670 per square metre of Lettable Area.

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

- Prospective Investors in Augusta Industrial Fund Limited (on a non-reliance basis)– for Capital Raising purposes

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

9.3 Involvement Statement

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

Inspection of Property	Wouter Robberts, Brad Chemaly
Calculations	Wouter Robberts, Brad Chemaly
Information Review	Wouter Robberts, Brad Chemaly
Report Authoring	Brad Chemaly
Quality Assurance	Sophie Louis
Principal Valuer	Wouter Robberts

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

Yours faithfully,
Jones Lang LaSalle, Valuation Advisory

Jones Lang LaSalle

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Appendix 1 – Valuation Definitions

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

Appendix 2 – Record of Title (Parent Site)

RECORD OF TITLE
UNDER LAND TRANSFER ACT 2017
FREEHOLD
Search Copy

R.W. Muir
Registrar-General
of Land

Identifier **697558**
Land Registration District **North Auckland**
Date Issued 06 May 2015

Prior References
NA462/297

Estate	Fee Simple
Area	14.8305 hectares more or less
Legal Description	Part Allotment 56 Parish of Manurewa

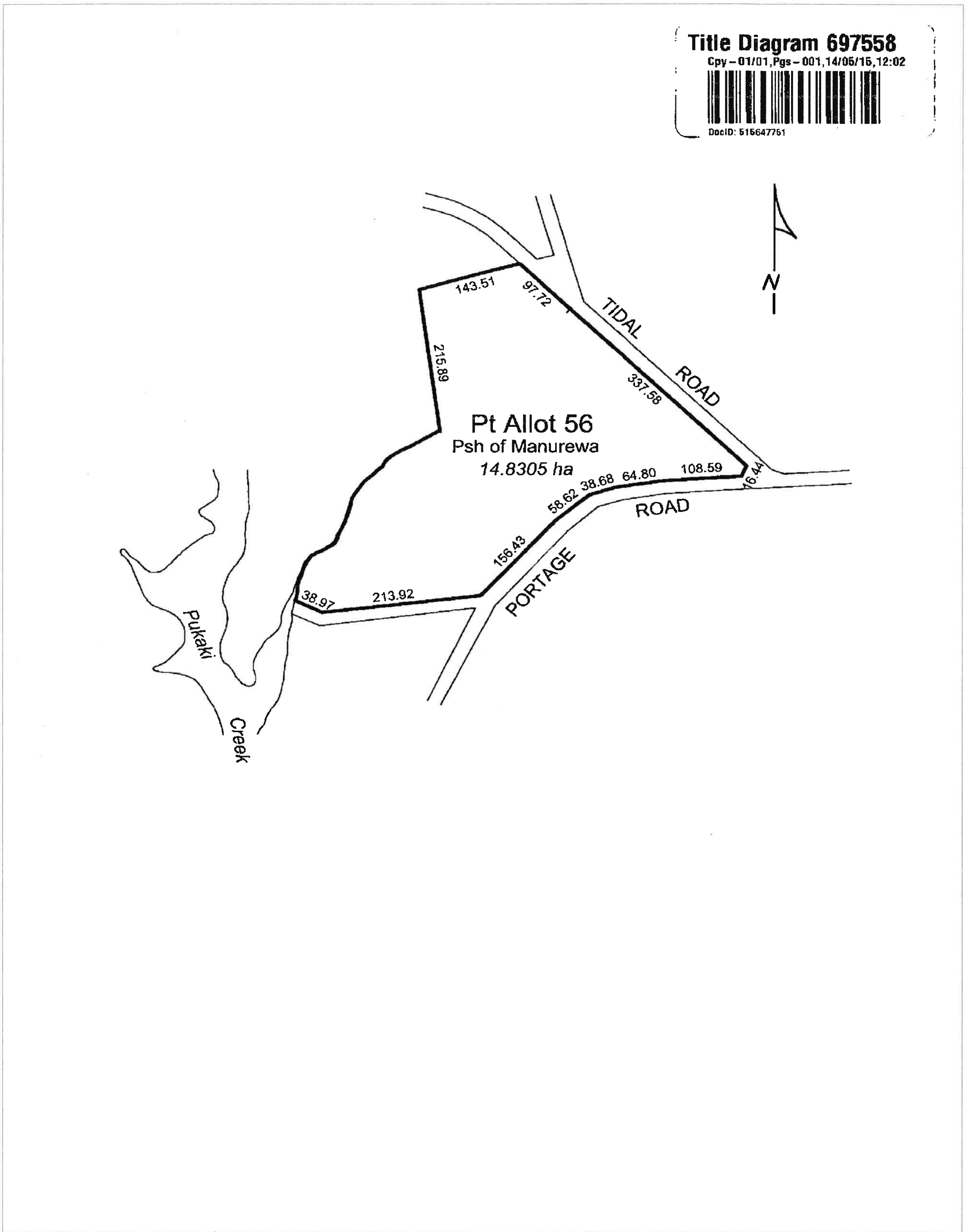
Registered Owners
Ambury Properties Limited

Interests

10734695.3 Mortgage to Westpac New Zealand Limited - 31.3.2017 at 2:41 pm

Subject to a right (in gross) to convey electricity over part marked A, B, C and D on DP 550608 in favour of Vector Limited created by Easement Instrument 11861318.1 - 23.9.2020 at 4:40 pm

Identifier **697558**



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