JLL | Achieve Ambitions

Valuation Advisory

Report prepared for PMG Direct Office Fund Trustees Limited for Capital Raising purposes

ONE NZ Building

213 Tuam Street, Christchurch Central

30 September 2023

Executive Summary

ONE NZ Building - 213 Tuam Street, Christchurch Central

The subject property comprises a five level, 'A grade' office building occupying an inner-city land holding of some 2,024 square metres with frontage to Tuam, Poplar and Ash Streets. Completed in 2016, the building is currently fully occupied by ONE NZ, who are relinquishing levels 3 & 4, and 30 bicycle parks from 1 April 2024.

We have been informed that remodelling of the ground floor is to occur, inclusive of a new wind lobby and some other minor ground floor alterations to the common space. This will alter the net lettable area of the building although there is a discrepancy between agreed floor areas with ONE NZ and the recommended guidelines for Rentable Areas produced by PCNZ/PINZ. We have adopted the tenant agreed net lettable areas to reflect the remodel and have allowed for an estimated capital expenditure to achieve this. We provide further details within our Specific Assumptions in Section 1.6. Additionally, we have treated levels 3 & 4 as vacant, with the rental income received for these levels treated as other income, being the present value of the rent and operating expenses received until 1 April 2024. Furthermore, we have allowed for a letting up period from 1 April 2024 of 12 months for level three and six months for level four. We understand ONE NZ is to pay an inducement of $3,100,000 as a lump sum on 1 April 2024 as a result of the partial surrender, and we have shown this as an incentive received in our calculations (lessors added value).

The ground floor retail areas are not used and are to be subleased by the tenant. The weighted average lease term remaining is 4.39 years (by income) with three rights of renewal of 6 years. A significant amount of investment has been made by the tenant with superior quality fitout with a Landlord contribution of $2,478,600 which is paid by the tenant as a fit-out rental over the 12 year initial term. The total net lettable area of the building upon completion of the remodelling and subject to survey certification, of approximately 8,734 sqm. This is a reduction of approximately 206 square metres due to the increase in non-rentable area.

We note that within the Vodafone (ONE NZ) lease agreement, which commenced August 2016 are rent review mechanisms by way of fixed annual reviews of 2.25% with 6 yearly market reviews with a cap & collar limiting of 90% to 110% of the annual rent payable immediately preceding the relevant rent review date.

The lease structure is on a net basis with the tenant paying outgoings, and deem the rate per square metre to be within market parameters based on the OPEX schedule provided to us.

The building has achieved a 5 Green Star Design rating incorporating passive solar design, high performance façade to maximise daylight, integrated fit out to reduce waste and an efficient ventilation system that brings fresh air into the space, which is 50% greater than the required building code.

The building does not have dedicated car parking on the property, however, is subject to a lease in perpetuity with the Innovation Car park which adjoins the building to the north-west. The total allocation is for 90 car parks and 60 bike parks of which as of 1 April 2024, 40 car parks and 30-bike parks are leased to ONE NZ with the balance of 50 car parks and 30 bike parks treated as vacant in this exercise. We understand there is some casual leasing involved with these carparks.

The property is situated in the South Alternative (SALT) District, formerly the Innovation Precinct, which is positioned on the south-eastern portion of the core Business District. Surrounding development including office/retail to the south, residential development from Fletcher to the north and the Te Kaha Multi-Use Arena under construction to the east, which is hoped to be completed by mid-2026.

Valuation

Prepared for	PMG Direct Office Fund Trustees Limited
Additional Parties	ASB Bank Limited
Valuation Purpose	Market Valuation for Capital Raising purposes
Date of Valuation	30 September 2023
Date of Report	6 October 2023
Valuation Approaches	Capitalisation of Net Income and Discounted Cashflow Approaches
Zoning	Commercial Central City (South Frame) - Christchurch City Council
Tenure	Fee Simple - Encompassing Records of Title 675537, 675538, CB20F/393 & CB28B/1217 We have provided a schedule of leased car parks in Appendix 3
Site Area	2,024 sqm
Lettable Area	8,734 sqm
Adopted Value	**$52,000,000 plus GST, if any** Fifty Two Million Dollars plus GST, if any

Valuation Analysis

Initial Yield	4.87%	Rate / sqm of Lettable Area	$5,953
Initial Yield (Fully Leased)	8.55%	Weighted Average Lease Term	4.39 years by income
Equivalent Yield	6.54%	Current Occupancy	58.50%
Internal Rate of Return (10 years)	7.68%	Current Vacancy (Casual Car parks)	41.50%

Tenancy Overview

ONE NZ	$2,181,978	8,734 sqm
Vacancy	$1,551,729	Levels 3 & 4 plus car & bike parks
Total - Before Adjustments	$3,733,707	

Financial Summary

Gross Passing Income	$3,741,181
Gross Market Income	$4,643,870
Adopted Outgoings	$904,964
Net Passing Income	$2,531,365
Net Passing Income (Fully Leased)	$4,448,365
Net Market Income	$4,043,758

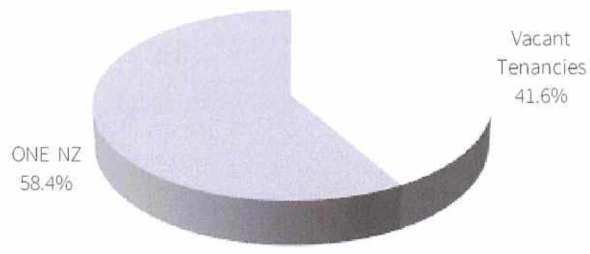
Cap Approach Assumptions

Adopted Cap Rate	6.500%
Allowance for Capex/Expiries	24 months
Market Income Capitalisation	$52,300,000
Passing Income Capitalisation	$52,380,000

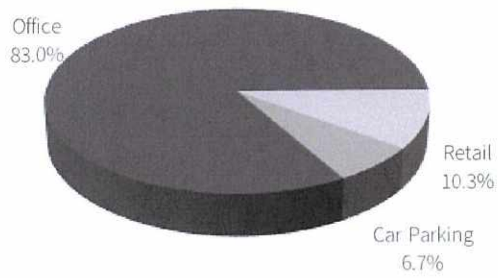
DCF Approach Assumptions

Discount Rate	7.750%
Terminal Yield	6.700%
Average Applied Rental Growth	2.50%
Value Based on DCF Approach	$51,780,000

Major Occupiers



Building Components



Valuers

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Critical Assumptions, Conditions & Limitations

- The valuation is current as at the date of valuation only, being 30 September 2023. 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 90 days after the date of valuation, or earlier if you become aware of any factors that may have any effect on the valuation, or such earlier date if it is reasonable to assume that a market participant acting prudently would be aware of any factors that 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 90 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 requesting that we undertake a market valuation of the freehold interest of 213 Tuam Street, Christchurch Central (the Subject/Property), as at 30 September 2023 for and on behalf of PMG Direct Office Fund Trustees Limited. We understand that the valuation is to be relied upon for Capital Raising purposes.

Our report has been prepared in accordance with the current International Valuation Standards, Australian and New Zealand Property Institute's current Guidance Papers for Valuers & Property Professionals 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;

The following parties may rely on this valuation report for the purposes stated above:

- PMG Direct Office Fund Trustees Limited

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.

The Agreed Reliant Parties may use and rely on the valuation report for the stated purposes on the following basis:

- Their interests are a joint interest, and any claim by one or more of the parties will be dealt with as a single claim with the intention of joining all the Agreed Reliant Parties to a single claim where that claim was related to reliance for the stated purpose. For the avoidance of doubt, a joint interest cannot be split and are to be treated as a single claim. Only an Agreed Reliant Party is entitled to bring a claim for and on behalf of the Agreed Reliant Parties.
- The interests of the Agreed Reliant Parties are a joint interest in a cause of action founded on the same act or omission and any claim by one or more of the Agreed Reliant Parties will be dealt with as a single claim.

1.2 Valuation and Inspection Dates

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

Date of Valuation	30 September 2023
Date of Property Inspection	26 September 2023
Date of Preparation of Report	6 October 2023

We advise that we have been instructed to value the property as at 30 September 2023, 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 and where the parties had each acted knowledgeably, prudently and without compulsion."

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

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

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

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 2022) Framework and General Standards
- ANZVGP 111 – Valuation Procedures – Real Property
- ANZVGP 108 – Valuation 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, tenancy schedule and budgets supplied by the instructing party or managing agent.

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

1.6 Specific Assumptions

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

- The building is currently fully leased to Vodafone New Zealand (ONE NZ) and whilst we have not received any official documentation, we have been advised by PMG, that PMG and ONE NZ have agreed to the relinquishment of levels 3 & 4 together with 30 bicycle parks from 1 April 2024.
- For the purposes of this valuation, we have treated these spaces as vacant, and have included the current income and outgoings received from ONE NZ for these spaces as 'other income' until 1 April 2024 within our valuation calculations.
- We have been informed that remodelling of the ground floor is to occur, inclusive of a new wind lobby and some other minor ground floor alterations to the common space. This will alter the net lettable area of the building although there is a discrepancy between agreed floor areas with ONE NZ and the recommended guidelines for Rentable Areas produced by PCNZ/PINZ. We have adopted the tenant agreed net lettable areas to reflect the remodel
- The car parking, which is leased to the subject property with an ongoing rental obligation from the Innovation Car park has been captured in our calculations along with the rent reviews aligned with the ONE NZ lease.
- The Parks provided from the Innovation Car park Lease outline the legal records of only 15 bike parks with a total of 60 recorded on the covenant. We assume that there are 60 bike parks as per covenant and financial information provided to us by Leech & Partners and memorandum of agreement by Duncan Cotterill.

2 Property Particulars

2.1 Location

The property is located on the northern side of Tuam Street in a block between Manchester Street and Poplar Street. This portion of the central city contains mixed uses including retail, office and entertainment. To the north of the subject, Lichfield Street has featured many developments since the Canterbury Earthquakes including Fletcher Living Residential townhouses and apartments on the northern side of the road, strengthening of the Dux Central building adjoining Poplar Lane containing office and retail tenancies and 150 Lichfield Street development, which opened in 2018 containing mixed retail and office tenancies.

West of the subject on Tuam Street is the ECAN premises and the Christchurch Bus Exchange.

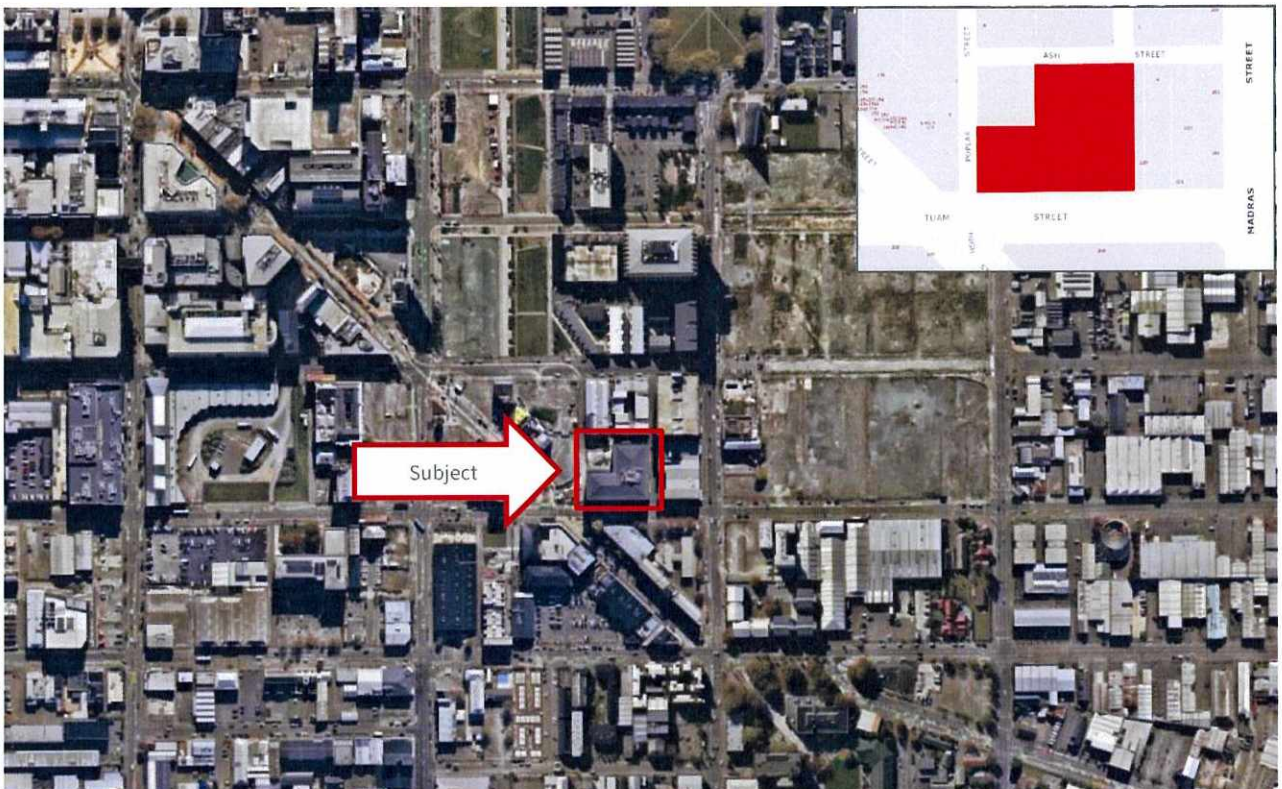
There is a car parking building adjacent on the corner of Madras and Lichfield Street known as the Innovation Car park which the subject property has leased car parks.

This immediate location has become a popular destination with good pedestrian traffic on Tuam and St Asaph Street to the south surrounding the SALT District to the south of the subject property.

In summary the main characteristics of the immediate locality area:

- Good transport links with bus exchange, car parking building adjacent and one-way roading.
- Prominent exposure with good frontage and dual access from both Tuam and Poplar Streets.
- Mixed offerings with retail and office space and room to expand with levels 1 & 4 currently not occupied.
- Further population growth within the CBD with further residential areas to be developed.
- Key infrastructure to be developed with the Stadium to be completed within the next 3-4 years.

The following map identifies the approximate location of the Property:



Source: Emap

JLL

2.2 Title Particulars

The property is contained within four separate records of title as described below.

Record of Title 675537

Title Reference	675537
Tenure	Fee Simple
Legal Description	Lot 2 Deposited Plan 481532
Area	605 square metres more or less
Registered Owner	PMG Direct Office Fund Trustees Limited
Registered Interest	▪ **9843633.1 CERTIFICATE PURSUANT TO SECTION 77 BUILDING ACT 2004 THAT THIS COMPUTER REGISTER IS SUBJECT TO THE CONDITION IMPOSED UNDER SECTION 75(2) (ALSO AFFECTS CB20F/393 and CB28B/1217) - 18.9.2014 at 4:31 pm** *Outlines the condition of the building consent granted to the property with the condition that requires the allotments containing the subject property (675537, 675538, CB20F/363 & CB28B/1217) must not be transferred or leased except in conjunction with each other.* ▪ **Land Covenant in Easement Instrument 10598179.11 - 2.11.2016 at 4:34 pm** - *References a covenant for which the car parks at the Innovation Car park are dominant tenement over the subject record of titles. The covenant is to ensure that at all times while the Grantor is a tenant under the car park lease, the grantor must remain registered proprietor of the Servient Tenement; and the Grantor will not sell, exchange, lease or otherwise dispose of the Servient Tenement without also disposing of its interest under the lease in accordance with the provisions of the lease.* ▪ 11777397.4 Mortgage to ASB Bank Limited - 30.6.2020 at 2:35 pm

Record of Title 675538

Title Reference	675538
Tenure	Fee Simple
Legal Description	Lot 3 Deposited Plan 481532
Area	433 square metres more or less
Registered Owner	PMG Direct Office Fund Trustees Limited
Registered Interest	▪ **Land Covenant in Easement Instrument 10598179.11 - 2.11.2016 at 4:34 pm** - *See above* ▪ Subject to a right (in gross) to convey electricity, telecommunications and computer media in gross over part marked A on DP 519290 in favour of Orion New Zealand Limited created by Easement Instrument 11116086.2 - 21.5.2018 at 10:07 am ▪ 11777397.4 Mortgage to ASB Bank Limited - 30.6.2020 at 2:35 pm

Record of Title CB20F/363

Title Reference	CB20F/393
Tenure	Fee Simple
Legal Description	Part Section 974 and Part Section 976 Town of Christchurch
Area	789 square metres more or less
Registered Owner	PMG Direct Office Fund Trustees Limited
Registered Interest	▪ Subject to a Party wall easement created by Transfer 96577 ▪ **9843633.1 CERTIFICATE PURSUANT TO SECTION 77 BUILDING ACT 2004 THAT THIS COMPUTER REGISTER IS SUBJECT TO THE CONDITION IMPOSED UNDER SECTION 75(2) (ALSO AFFECTS CB17F/1096, CB28B/1217 and CB3D/825) - 18.9.2014 at 4:31 pm** – *See above* ▪ **Land Covenant in Easement Instrument 10598179.11 - 2.11.2016 at 4:34 pm** – *See above* ▪ 11777397.4 Mortgage to ASB Bank Limited - 30.6.2020 at 2:35 pm

Record of Title CB28B/1217

Title Reference	CB28B/1217
Tenure	Fee Simple
Legal Description	Part Town Section 976 Town of Christchurch
Area	197 square metres more or less
Registered Owner	PMG Direct Office Fund Trustees Limited
Registered Interest	▪ 96577 Transfer creating the following easements

Type	Servient Tenement	Easement Area	Dominant Tenement
Party wall	Section 976 Town of Christchurch – CT CB20F/393	Part	Part Town Section 976 Town of Christchurch - herein

- **9843633.1 CERTIFICATE PURSUANT TO SECTION 77 BUILDING ACT 2004 THAT THIS COMPUTER REGISTER IS SUBJECT TO THE CONDITION IMPOSED UNDER SECTION 75(2) (ALSO AFFECTS CB17F/1096, CB20F/393 and CB3D/825) - 18.9.2014 at 4:31 pm** - *See above*
- **Land Covenant in Easement Instrument 10598179.11 - 2.11.2016 at 4:34 pm** - *See above*
- 11777397.4 Mortgage to ASB Bank Limited - 30.6.2020 at 2:35 pm

Source: Land Information New Zealand

Schedule of Car parks Leased in Perpetuity

Please refer to appendix 3 for a full schedule of car/bicycle parks. The following interests are registered on each car/bicycle park record of title.

Title Reference	See Appendix 3
Tenure	Stratum in Freehold
Legal Description	See Appendix 3
Registered Owner	Innovation Carpark Limited
Registered Interest	**9958705.3 Encumbrance to Her Majesty the Queen under Section 53(1) of the Canterbury Earthquake Recovery Act 2011 - 16.2.2015 at 5:12 pm** – *Encumbrance with requirements for the land to be redeveloped as a car park under the Christchurch Central Recovery Plan.* **10598179.3 Encumbrance to Christchurch City Council - 2.11.2016 at 4:34 pm** – *The Council area waiving the building code in relation to the car parks and signage units which do not comply with the building code in respect of fire separation. The owner acknowledges the risk and increased likelihood of damage in a fire event.* **10598179.9 Lease Term 999 years from 1.7.2016 CT 762016 issued - 2.11.2016 at 4:34 pm** – *Car park lease to the subject property as described in section 3.2* **Land Covenant in Easement Instrument 10598179.11 - 2.11.2016 at 4:34 pm** – *References the car park lease above and covenants that the grantor will not sell, exchange, lease or otherwise dispose of the servient tenement (car parks) without also disposing of its interest under the lease in accordance with provisions of the lease. This ultimately states that the car park lease to the subject property will supersede any changes in ownership.* 12156872.2 Mortgage to Kiwibank Limited - 30.6.2021 at 5:04 pm

We have considered these notifications in arriving at our opinion of value. We refer you to the Records of Title appended to this report.

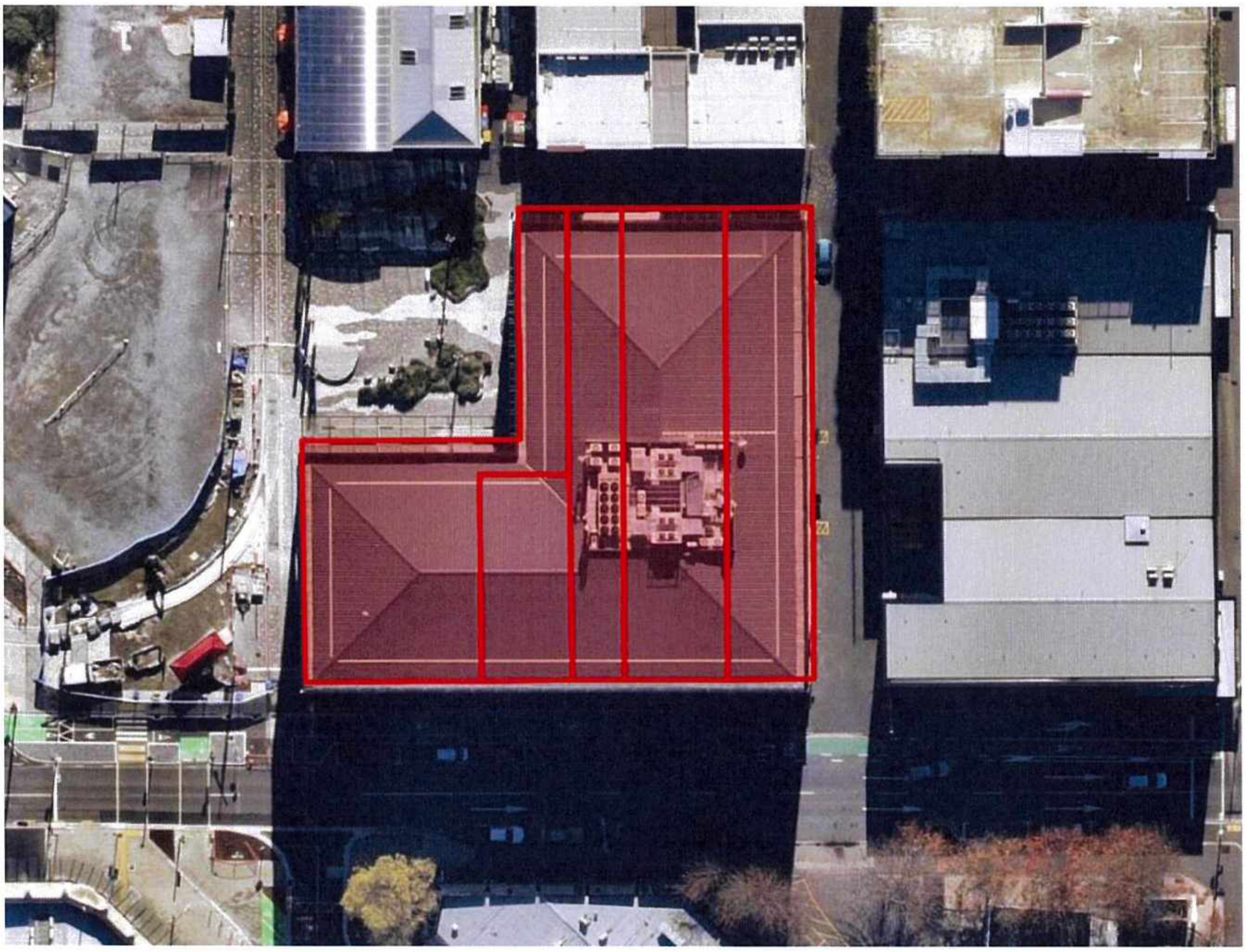
2.3 Site Details

The site is accessed off Tuam Street with a formal entrance on the northern side of Tuam Street and eastern side of Poplar Street through an open park space designated by the Council.

The site is positioned as a corner allotment of some 2,024 square metres more or less. The land is irregularly shaped with three street frontages to Poplar, Tuam and Ash Streets with the site near level in contour.

The site is near level in contour.

Site Area	Area of Lot 2	605 sqm
	Area of Lot 3	433 sqm
	Area of Part Section 974 and Part Section 976	789 sqm
	Area of Part Section 976	197 sqm
	Total Area	**2,024 sqm**



Source: Emap

2.4 Resource Management

Local Authority	Christchurch City Council
Planning Instrument	Christchurch City Council's Operative District Plan
Operative Date	19 December 2017, subject to outstanding appeals and variations
Zoning	**CSF - Commercial Central City (South Frame) Mixed Use**
Objectives	This relatively small zone in the Central City is intended to provide a clear delineation between the Commercial Business Zone and the Commercial Mixed Use Zone that enables a range of activities which support the CCC Business Zone. It is distinctive in that encourages technology based businesses and research and health related activities in a high amenity setting.
Development Controls	

213 Tuam Street Property Search Results

The information below is relevant to the selected property. Click on the blue text below for more details.

Land Use Zones

Zone
- CSF Commercial Central City (South Frame) Mixed Use Zone
- OCP Open Space Community Parks Zone

Other Notations

Noise
- Category 2: Lower Noise Level Entertainment and Hospitality Precincts
- CMUA: Outer Noise Insulation Area

Overlays and Precincts
- Central City Frame Overlay
- Central City Innovation Precinct

Zone
- Central City Inner Zone

Natural Hazard Overlays

Flood Hazard
- Flood Management Area

Liquefaction Hazard
- Liquefaction Management Area (LMA)

- The Open Space - Community Parks Zone enables formal and informal recreation activities, while complementing and enhancing neighbourhood amenity values.
- Category 2: Lower Noise Level Entertainment and Hospitality Precincts defines noise limits within specified time periods.
- CMUA: Outer Noise Insulation Area refers to noise insulation requirements for bedrooms and other habitable spaces.
- The Central City Frame Overlay describes an area defining the northern, eastern and southern extent of the Core of the Central City, which provides for open space, recreational opportunities and residential development while enabling the interface to be managed between the Core and large-scale anchor projects.
- The Central City Innovation Precinct describes an area where the following activities are provided for - offices, commercial services and ancillary activities to facilitate technology based industry and research activities, including small start-up businesses and larger companies.
- Central City Inner Zone particularly refers to 30km/hr vehicle limits in the area.
- This property lies within an area which is identified by the Christchurch City Council as being within the flood and liquefaction management areas which relates to localities which have flood prone issues post the 2010/2011 Canterbury seismic activity. Further discussions with the Christchurch City Council may be required to determine the extent to which this property is affected. The liquefaction management area is a blanket classification for large parts of Christchurch.

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

2.5 Rateable Value

We have been advised that the Property's Rateable Value, as at 1 August 2022, being Assessment Number 22700/60600, is as follows:

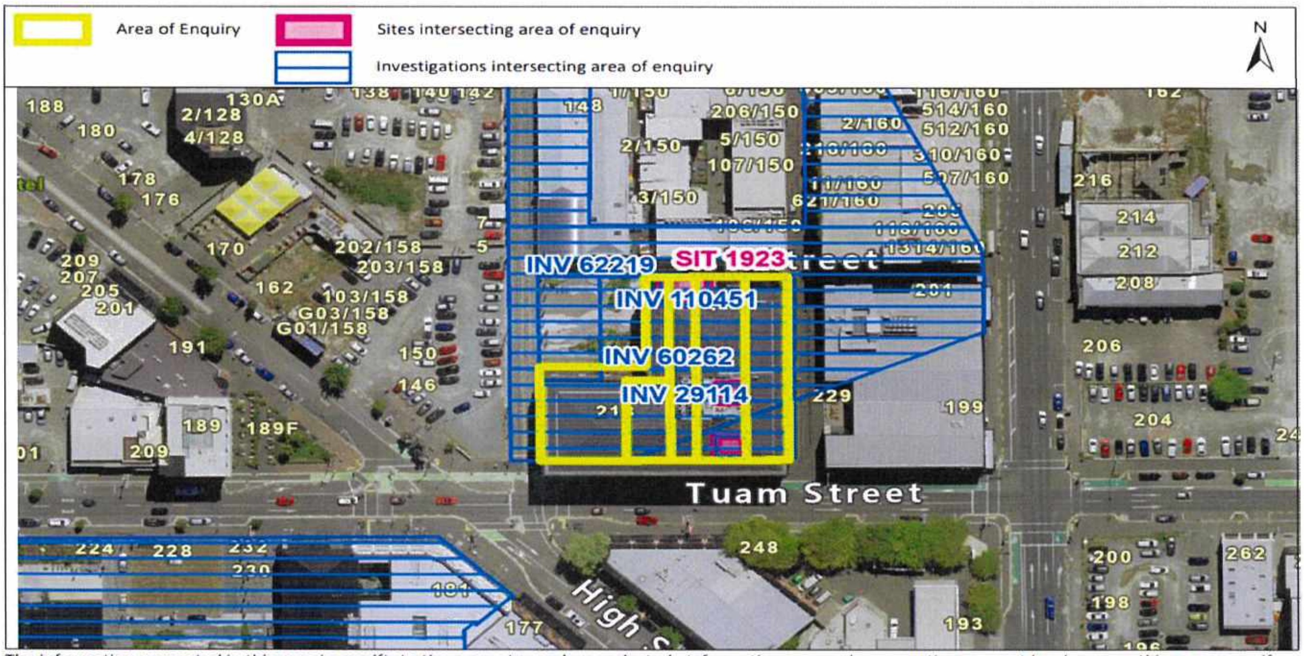
Land Value	$4,140,000
Improvements Value	$43,110,000
Capital Value	$47,250,000

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

2.6 Environmental Issues

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

We have searched the Listed Land Use Register which outlines HAIL sites and note that the subject property has been flagged for storage tanks or drums for fuel, chemicals or liquid waste.



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

Sites at a glance

Sites within enquiry area

Site number	Name	Location	HAIL activity(s)	Category
1923	213-221 Tuam Street	213-221 Tuam Street, Christchurch	A17 - Storage tanks or drums for fuel, chemicals or liquid waste;	Yet to be reviewed

There was an investigation carried out in August 2014 which outlined that one 5,000L steel diesel tank, 4,500L steel kerosene and one 2,700L petrol underground storage tanks, slurry filled, were removed during demolition work at 219 Tuam Street, Christchurch. Hydrocarbon impacted material was removed from the 2,700L petrol tank pit.

We note that there was a site management plan for petroleum hydrocarbons carried out by Pattle Delamore Partners Limited however the findings were note yet audited. We assume that all remediation work has been carried out to satisfy commercial development which has since taken place since the original inspection.

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 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 because 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

The subject property comprises a five level, 'A grade' office building completed in 2016, occupying an inner-city land holding of some 2,024 square metres with frontage to Tuam, Poplar and Ash Streets.

The building is fully occupied by ONE NZ who are relinquishing levels 3 & 4, and 30 bicycle parks from 1 April 2024. Remodelling of the ground floor is to occur, inclusive of a new wind lobby and some other minor ground floor alterations to the common space.

The building has achieved a 5 Green Star Design rating incorporating passive solar design, high performance façade to maximise daylight, integrated fit out to reduce waste and an efficient ventilation system that brings fresh air into the space, which is 50% greater than required building code.

The building does not have dedicated car parking on the property, however, is subject to a lease in perpetuity with the Innovation Car park which adjoins the building to the north-west. The total allocation is for 90 car parks and 60 bike parks of which as of 1 April 2024, 40 car parks and 30-bike parks will be leased to ONE NZ with the balance of 50 car parks and 30 bike parks treated as vacant in this exercise.

ONE NZ Building

Innovation Carpark

2.9 Construction

We briefly outline construction details to the building as follows:

Structure:	Reinforced concrete slabs and columns, with steel beam construction. Exterior cladding concrete panels, which are a mixture of textured, faceted, and toned exposed aggregate.
External Walls:	A combination of precast concrete panels, aluminium sheeting and glass façade.
Internal Walls:	Predominantly plasterboard lining to lettable areas.
Roof:	Insulated Kingspan Trapezoidal profile steel roofing
Ceiling:	Majority of the space open with exposed services or acoustic tiles in a suspended grid system.
Lighting:	Mixture of recessed LED lighting, down lighting and strip lighting.
Windows and doors:	Aluminium framing and glazed windows.
Key Services:	Ducted air conditioning, central fire sprinkler system, 5G network mounted to the rooftop, 3 passenger lifts.

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2.10 Accommodation

Retail Area	The main retail area, which is leased but not occupied by ONE NZ, is on the corner of Poplar Street and Tuam Streets. The space incorporates polished concrete flooring, exposed steel and concrete beams, basic downlighting, HVAC ducting and plasterboard wall partitions. There is also a large glass façade which opens north onto the courtyard and south onto Lichfield Street. The space is currently used by ONE NZ for functions and is listed for sublease. There is an additional retail area located to the corner of Tuam Street and Poplar Street which has been previously occupied by ONE NZ, and now appears vacant with fitout remaining.

Ground Floor Retail Area

Ground Floor Retail Area

Retail Amenities

Former Vodafone Retail Shop

Ground Floor Office Area	The ground floor office area is set out as three distinct areas. There is the entrance foyer, which has a void up to the top floor. Secondly, there are ground floor dedicated offices, which consist of several meeting rooms, offices and amenities. Lastly, there is a subleased office with comprehensive fit-out.

The foyer comprises a mixture of tile and carpet floor coverings, decorative down lighting with strip lighting on the internal stairwells. Exposed steel framing sits behind the façade with plasterboard wall linings and glass revolving entry doors and glass security doors to the meeting room area. The foyer also provides a link to the subleased office as well as egress to the retail area. The space is temperature controlled via the HVAC units.

The ground floor office space is split up into themed meeting rooms, conference room and amenities including bathrooms, changing rooms and prayer rooms. The space includes decorative down lighting, individual air conditioning controls, security access, roller blinds and movable partition walls are included in the Conference Room.

The bathroom is broken up into 5 toilets, 1 accessible toilet and shower and 5 shower cubicles. Behind this area are lockers and the services space.

The subleased office includes charging stations with decorative downlighting, carpet floor coverings, glass wall partition to the foyer area and to the services space. A kitchenette is included with a stainless steel sink recessed into Formica joinery with plenty of storage space. The room is also individually temperature controlled.

Ground Floor Foyer

Subleased Office Area

Meeting Room

Conference Room

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Office Levels 1-4 Area

The office on levels 1-4 are very similar with a large open plan office area which is carpeted with open exposed service ceilings with a suspended grid ceiling on level 4 and a mix of recessed LED lighting with decorative downlights. There are meeting room and dedicated office partitions of glass and wood. There is a HVAC system for the open plan area with dedicated air conditioning to the meeting and office rooms.

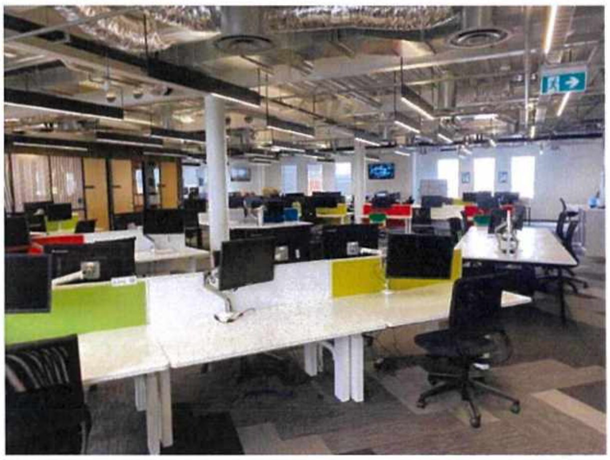
The flooring is predominantly carpet tiled throughout the office space.

The bathroom areas on each floor consist of 6 toilets and 1 additional accessible toilet.

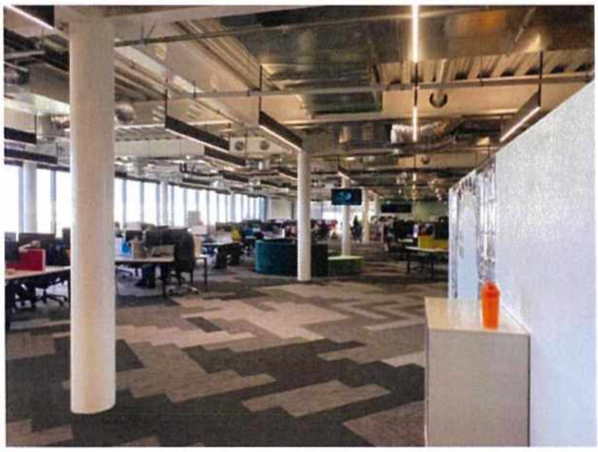
The kitchen/breakout areas are similar with good quality joinery, stainless steel sinks with extensive cabinetry and vinyl plank flooring.

Level 4 Office Area

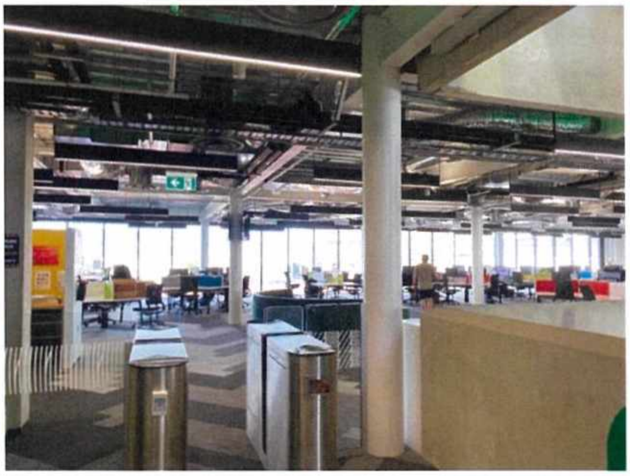
Level 4 Office Area



Level 3 Open Plan Offices



Level 3 Open Plan Offices



Level 2 Open Plan Offices

Level 2 Meeting Rooms

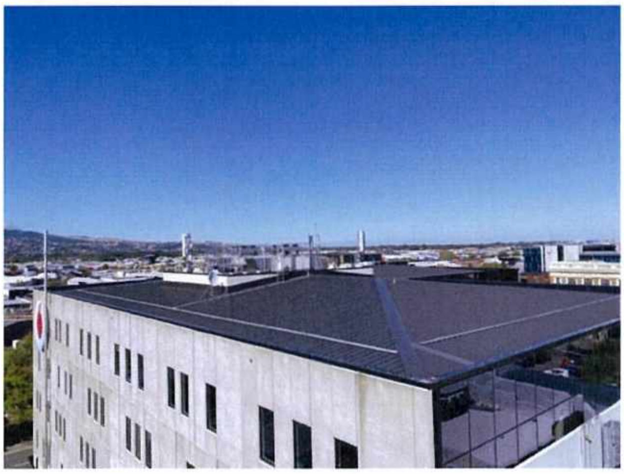
Level 2 Cafeteria

Level 1 Offices

Rooftop & Plant Areas

The rooftop area is accessed by a hatch from level 4 and provides for the services and plant including but not limited to the HVAC, 5G network and vents.

In addition, the plant/services room is located on the ground floor and includes hot water cylinders, sprinkler controls and other building system controls accessed from this space.



Rooftop (March 2023 Photo)

Plant Area (March 2023 Photo)

2.11 Lettable Areas

Remodelling of the ground floor is to occur, inclusive of a new wind lobby and some other minor ground floor alterations to the common space. This will alter the net lettable area of the building although there is a discrepancy between agreed floor areas with ONE NZ and the recommended guidelines for Rentable Areas produced by PCNZ/PINZ. We have adopted the tenant agreed net lettable areas to reflect the remodel. Additionally, we have shown levels 3 & 4 as vacant.

The total net lettable area of the building upon completion of the remodelling and subject to survey certification, of approximately 8,734 sqm. This is a reduction of approximately 206 square metres due to the increase in non-rentable area.

A summary of this Lettable Area is detailed as follows:

Building Floor Area	
Accommodation/Level	Lettable Area
Ground Retail	149
Ground Offices	917
Ground Café	335
Shared Areas	313
Level 1 Office	1,705
Level 2 Office	1,790
Level 3 Office	1,749
Level 4 Office	1,777
Total Lettable Area	8,734 square metres
Car Parking	Spaces
Carparks spaces	90
Bike Parks spaces	60
Total Car Parking	150 spaces

2.12 Environmental, Social and Governance

Environmental, Social and Governance (ESG) has become increasingly important in the real estate world and is expected to evolve and become more influential in the short term. Many occupiers are increasingly making decisions which are strongly influenced by ESG, whilst owners are also seeking to reduce their carbon footprint. Whilst most sectors in New Zealand do not currently have sufficient transactional evidence to identify a specific premium for good ESG features it is considered that they will continue to become more influential. The New Zealand Government has committed to the Climate Change Response (Zero Carbon) Amendment Act 2019 which sets out targeted emission reductions New Zealand needs to meet. In addition the Financial Sector (Climate-related Disclosures and Other Matters) Amendment Bill, which became mandatory in December 2021 means that a number of larger entities need to provide for climate reporting.

Features which have been influencing value for some time such as location to public transport, potential risk of flooding, regulatory issues, contamination or reducing operating costs continue to play a key role in assessing value. New considerations around Net Zero Carbon, use of sustainable energy and water resources, construction materials and other sustainability features are coming into focus. Many buildings are now going through design and operational certifications with the likes of Green Star and NABERS being particularly relevant in New Zealand. Some leases now contain "green" clauses, whilst we are also aware of some lenders providing more attractive finance terms for properties with good ESG features.

As valuers we are guided by market evidence and whilst not experts in some of the specifics of ESG that may represent differences in potential future costs or liabilities to meet regulatory or investor requirements. Properties that do not meet the sustainability characteristics expected in the market may represent a higher investment risk, particularly as occupiers become more conscious of ESG impacts on operational workspace, which could impact on vacancy and rental levels. This means that properties where ESG features are not as strong, are more likely to see value discounts moving forward compared to those with strong ESG features.

Specifically for the subject property we would comment as follows:

- The building has achieved a 5 Green Star Design rating incorporating passive solar design, high performance façade to maximise daylight, integrated fit out to reduce waste and an efficient ventilation system that brings fresh air into the space, which is 50% greater than the required building code.
- Construction utilises some timber made from FSC® certified renewable NZ radiata pine forests.

- The property holds a prominent corner position within the CBD with excellent access to public transport links. The Christchurch Bus Exchange is within 500 metres.
- The property is positioned within natural hazard overlay areas by the CCC relating to flood and liquefaction.

2.13 Condition and Repair

We inspected the interior and exterior of the property. The building appears to have been well maintained with no significant deferred maintenance requirements evident as you would expect in a 2016 constructed building with warranties on materials and workmanship still valid. We have allocated a Capital expenditure allowance on tenant expiry and building capital expenditure in year 4 as the property runs outside of some warranties on the building products.

Our valuation has had regard to the apparent state of repair and condition of the Property; however, we were not instructed to carry out a structural survey or to test any of the services available to the Property. We are therefore unable to report that the Property is free from further defect and we have assumed that no deleterious material was used in the construction.

A Building Warrant of Fitness is an annual certificate that confirms the Specified Systems in the building have been inspected and maintained, and that the requirements of the Compliance Schedule associated with the operation of the property in its current use have been complied with. We confirm that we have sighted a Warrant of Fitness for the property current through to 1 June 2024, and therefore assume that the property complies with the provisions of Compliance Schedule WOF2020/258.

The Health and Safety at Work (Asbestos) Regulations 2016 place requirements on building owners and occupiers in terms of assessing the risks associated with asbestos within buildings. Worksafe New Zealand recommend that buildings constructed before January 2000 are assessed for materials likely to contain asbestos, and if found, formulate a management plan.

As the building was constructed after January 2000 we have not sought further information on asbestos within the property.

2.14 Earthquake Strengthening Requirements

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

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

Year of Building Construction	2016
National Risk Zone	High
Compliance with New Building Standard	Equal to or greater than 100% NBS

The building was completed in 2016, and will have been constructed to comply with the requirements of the 2004 Building Act and therefore will be expected to be 100% of NBS. We are not aware of specific engineering reports confirming the NBS of the property.

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

3 Property Income and Expenditure

3.1 Tenancy Overview

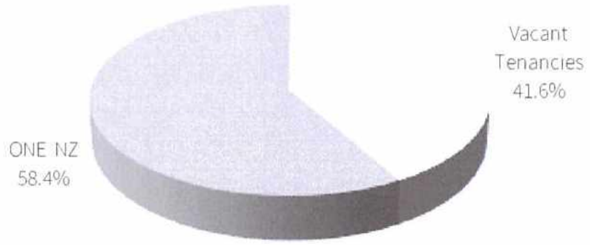
We have been provided with a tenancy schedule and with Lease documentation that was available at the time of valuation.

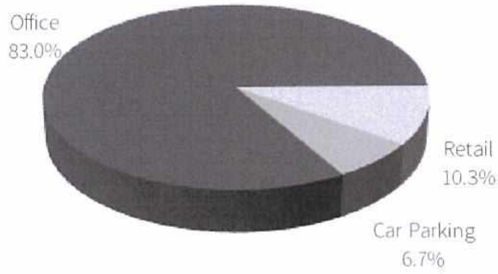
The net rental from the Property can be summarised as follows:

Tenant	Net Rental	Lettable Area	Proportion of Lettable Area
ONE NZ	$2,181,978	5,209	59.6%
Vacant Tenancies	$1,551,729	3,525	40.4%
Total	$3,733,707	8,734 sqm	100%

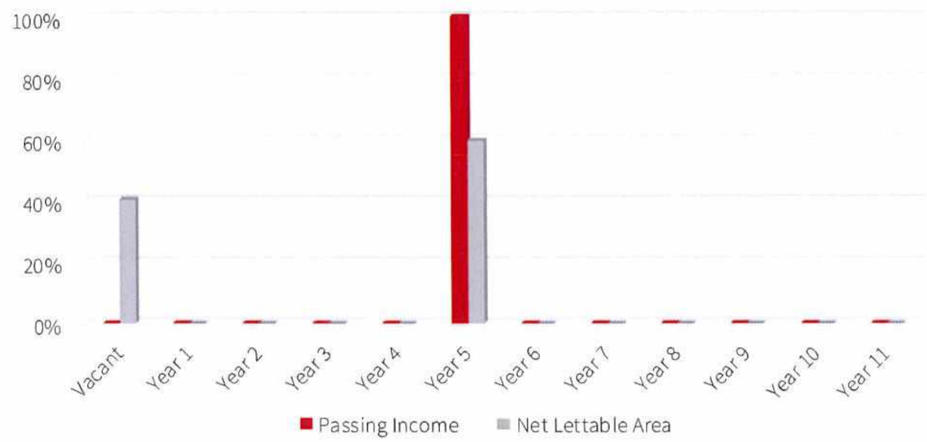
Please note that the net rental is exclusive of the fit out rental.

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





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



Our calculation of the property's Weighted Average Lease term is 4.39 years by income.

3.2 Lease Summary

The building is currently fully leased to Vodafone New Zealand (ONE NZ) and whilst we have not received any official documentation, we have been advised that PMG and ONE NZ have agreed to the relinquishment of levels 3 & 4 together with 30 bicycle parks from 1 April 2024.

We have described the ONE NZ lease below and the rent under the partial surrender.

Lease Summary	Vodafone New Zealand Limited (ONE NZ)
Documents reviewed	Signed Deed of Lease dated 18 May 2017
Lessee	Vodafone New Zealand Limited
Demised premises	The Landlords land and buildings at 213-221 Tuam Street, Christchurch comprises and described in Certificate of Title CB28B/1217, CB20F/393, 675538 and 675537 as shown on the Premises Plan
Commencement Date	17 August 2016
Expiry Date	16 August 2028
Lease Term	12 years plus three rights of renewal of 6 years
Commencement Rent	Cafe: $176,265 G/F Retail: $67,005 G/F Office: $503,583 Level 1-4 Offices: $2,562,395 Vodafone Hard Fitout: $206,550 40 Car parking spaces: $124,800 60 Bike parks: $15,600 Total: $3,656,198 per annum plus GST
Current Rent	Total: $3,831,811.13 per annum plus GST
Rent as at 1 April 2024:	Ground Retail: $69,122 Ground Offices: $351,574 Ground Café: $155,050 Shared Areas: $119,978 Level 1 Office: $653,646 Level 2 Office: $686,391 Vodafone Hard Fitout: $206,550 Carparks: $138,242 Bike Parks: $7,976 Total: $2,181,978 per annum plus GST
Rental Review Provisions	Annual fixed rent increases of 2.25% as well as a market review being the sixth anniversary of the commencement date and each renewal date. The market review has a 'cap and collar' clause and the rental at review is not to be greater than 110% or less than 90% of the annual rent payable immediately preceding the relevant rent review date. Next fixed review on 17th August 2024 Next market review on renewal
Outgoings Recovery	Net lease – standard building operating expenses are recoverable from the tenant. The wording has been amended in Schedule 7 to capture that outgoings are to be at competitive market rates. The lease also excludes the management expenses on the subleased car parks.
Permitted Use	Office (including call centre), retail and all ancillary and/or associated use required by the Tenant from time to time including but not limited to use of the Equipment and operation and use of a café.
Special Provisions	A seventh schedule has been included which outlines the tenant amendments to the second schedule. The details included comprises of standard commencement rent, rent review, renewal and expiry details. Minor wording is changed in the lease clauses. The changes of significance include confirming the Landlord's maintenance obligations to the property.

	Chattel Removal – The tenant shall neither make or allow to be made any structural alterations or additions (other than minor structural work which is the consequence of non-structural alterations or additions) without first providing to the Landlord on each occasion plans and specifications and obtaining consent of the Landlord, consent not to be unreasonably withheld or delayed. The tenant may (but shall not be required to) remove its alterations, additions and/or fixtures. If the Tenant does remove Fitout, it shall make good any damage caused by the removal ; and the Tenant may not commence any alterations or additions to the premises without first supplying to the Landlord a copy of an engineer's report or appropriate consultant's report confirming that the alterations will not disturb the efficient operation of the air-conditioning of the building. Naming rights – The Landlord grants to the Tenant and the Tenant hereby accepts the naming and signage rights to all of the building from the commencement date for the term and any renewed term. Tenant's Plant, Equipment and Structures – The parties agree that the Tenant's Fixtures and Fittings shall remain the property of the Tenant during the term of this lease and cannot be charged by the Landlord. Agreed signage included 2 x 5 m diameter roundel logo's, 0.85 x 21m "Vodafone" lettering, 1 x 64sqm video walling and all H & S Signage.
Landlords Fixtures and Fittings	Air conditioning system in offices, alarm system (fire), base build partitions, BMS system (base build), carpets, Doors & Hardware – exterior and emergency egress, drainage and storm water infrastructure, electric components / light fittings, electrical transformers, lifts, handrails, incoming services to the property, joinery fittings, sewerage infrastructure, toilet – amenities plumbing fittings, toilet partitions, vinyl and tile flooring, kitchen extraction system, raised flooring system – all floors, two revolving glass doors, kitchenette upgrades including tiling sinks, plumbing and drainage, built-in joinery units, surfaces, fixed pedestals, power supplies, splash-backs, built-in rubbish receptacles and electrical equipment excluding whiteware, machines and Billi units or equivalent, but excludes Xone, commercial cafes and the kitchenette area, reception joinery, HVAC upgrade for ground floor communications room and ground floor retail store, alarms, CCTV, intruder detection system and security systems excluding the tenants anti pass back gating and associated systems, backup power supplies/generators, operable/movable walls, special floor tiling above base build and lighting and ventilation installed as variation to the contract in Xone.
Emergency Provisions	27.5 – If there is an emergency or Force Majeure Event and the tenant is unable to gain access to the premises to fully conduct the Tenant's business from the premises because of reasons of safety of the public or property or the need to prevent, reduce or overcome any hazard, harm or loss that may be associated with the emergency or Force Majeure Event including: (a) a prohibited or restricted access cordon applying to the premises; or (b) prohibition on the use of the premises pending the completion of structural engineering or other reports and appropriate certifications requires by any competent authority that the premises are fit for use; or (c) Restriction on occupation of the premises by any competent authority. Then a fair proportion of the rent and outgoings shall cease to be payable for the period commencing on the date when the Tenant became unable to gain access to the premises to fully conduct the Tenant's business from the premises until the inability ceases.

Car parking Lease

Lease Summary	Tuam Street West Limited	
Documents reviewed	Signed Deed of Lease dated 27th October 2016	
Lessee	Tuam Street West Limited (Current Owner of subject property)	
Demised premises	Bicycle Parks PU19B-33B (15), Car Park PU180-PU204 (25), Car Park PU 231-PU255 (25), Car Park PU 282-PU306 (25), Car Parks PU 333-PU349 (15) Car Parks Total (90) Bike Parks Total (15)	
Commencement Date	1st July 2016	
Expiry Date	30th June 3019	
Lease Term	999 years	
Commencement Rent	Car Parks:	$280,800
	Bike Parks	$15,600
	Total:	$296,400 per annum plus GST
Current Rent	Car Parks:	$289,160
	Bike Parks:	$15,692
	Total:	$304,852 per annum plus GST
Rental Review Provisions	Fixed 2.25% rent reviews annually of the commencement date except where a market rent review date Market rent reviews every 6th anniversary of the commencement date to coincide with the Vodafone Lease. Next fixed review on 17th August 2024 Next market review on renewal The market review has a 'cap and collar' clause and the rental at review is not to be greater than 110% or less than 90% of the annual rent payable immediately preceding the relevant rent review date.	
Outgoings Recovery	Net lease – standard building operating expenses are recoverable from the tenant.	
Permitted Use	Car parking	
Special Provisions	8 Management of the Parking Building – 8.1 Without affecting the grant of the leasehold estate under this lease, the Landlord (or its nominee from time to time) is hereby appointed by the Tenant to manage the parking premises operations within the Parking Building during the Term of this Lease. The Landlord may engage subcontractors to carry out the management functions described in this clause. 27 Assignment/Subleasing 27.2 The Tenant will not assign, sublet or part with the possession of the premises, the Parks or any part of them without first obtaining the written consent of the Landlord, which the Landlord shall not unreasonably withhold or delay. 40 Vodafone Provisions 40.1 For as long as Vodafone New Zealand Limited or a Vodafone Related Company is a subtenant of no less than 40 Parks under the Vodafone Sublease, the following provisions of this clause 40 will apply to all of the Parks under this lease in precedence to any other term contained in this Lease. 40.2 The Landlord hereby consents to the Vodafone sublease.	

3.3 Building Vacancy

We understand ONE NZ are relinquishing levels 3 & 4, and 30 bicycle parks from 1 April 2024. We have shown levels 3 & 4 as vacant and the rental income received for these levels as other income, being the present value of the rent and operating expenses received until 1 April 2024.

Vacancy	Area	% of Total Market Income	Market Income
Level 3 Office	1,749	20.60%	$770,362
Level 4 Office	1,777	20.3%	$781,368
Total Vacancy	3,525 sqm	40.95%	$1,551,729

3.4 Building Outgoings and Recoveries

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

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

Adopted Property Outgoings	Per Annum	Per Sqm of Lettable Area
Statutory Charges	$351,768	$40.27
Operating Expenses	$553,196	$63.34
Total Outgoings	$904,964	$103.61

The above allowances are based on the provided budget for the year ending 31 March 2024.

We have had regard to the budget provided and have sought confirmation from the relevant rating authorities in relation to statutory charges and have considered the figures against our involvement with similar properties.

We consider that the adopted outgoings rate of $103.61 per square metre of Lettable Area to be within market parameters.

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
ONE NZ	Ground Retail	149.3		Aug 2016	Aug 2028	12.0 years	Aug 2024	1 yearly	Fixed	$69,122	$463		$15,473	$104
ONE NZ	Ground Offices	916.9		Aug 2016	Aug 2028	12.0 years	Aug 2024	1 yearly	Fixed	$351,574	$383		$94,999	$104
ONE NZ	Ground Café	335.0		Aug 2016	Aug 2028	12.0 years	Aug 2024	1 yearly	Fixed	$155,050	$463		$34,708	$104
ONE NZ	Shared Areas	312.9		Aug 2016	Aug 2028	12.0 years	Aug 2024	1 yearly	Fixed	$119,978	$383		$32,419	$104
ONE NZ	Level 1 Office	1,704.7		Aug 2016	Aug 2028	12.0 years	Aug 2024	1 yearly	Fixed	$653,646	$383		$176,623	$104
ONE NZ	Leve 2 Office	1,790.1		Aug 2016	Aug 2028	12.0 years	Aug 2024	1 yearly	Fixed	$686,391	$383		$185,471	$104
Vacant	Level 3 Office	1,748.6	40			0.0 years							$0	$0
Vacant	Level 4 Office	1,776.8	40			0.0 years							$0	$0
ONE NZ	Carparks	0.0	40	Aug 2016	Aug 2028	12.0 years	Aug 2024	1 yearly	Fixed	$138,242	$0	$66	$0	
ONE NZ	Bike Parks	0.0	30	Aug 2016	Aug 2028	12.0 years	Aug 2024	1 yearly	Fixed	$7,976	$0	$5	$0	
Aggregate		8,734.4	150							$2,181,978			$539,694	

3.6 Income Analysis

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

Passing Rental Analysis		
Lettable Area Rental	$2,035,760	54.41%
Car Parking Rental	$146,218	3.91%
Other Income	$1,019,509	27.25%
Outgoings Recovery	$539,694	14.43%
Gross Passing Income	$3,741,181	100.00%
Outgoings	$904,964	
Contract Car Park Rental	$304,852	
Net Passing Income	$2,531,365	
Market Income on Vacant Areas	$1,374,929	
Market Income on Vacant Car Park	$176,800	
Vacant Area Outgoings	$365,270	
Potential Net Income Fully Leased	$4,448,365	

Other income relates to:

- The income and outgoings received from ONE NZ for levels 3 and 4 and 30 bicycle parks until they relinquish these on 1 April 2024.
- Fitout Rental of $206,550 per annum over the initial 12 year term certain.

4 Market Commentary

4.1 Economic Overview

As at 4 October 2023:

- The June 2023 Consumer Price Index rose 1.1% from the March 2023 quarter and is up 6.0% on an annual basis compared to June 2022. Inflation still sits well above the Reserve Bank target range of 1% to 3%, however is forecast by NZIER to moderate over the coming months.
- Gross Domestic Product (GDP) in the June 2023 quarter increased by 0.9% and on an annualised basis results in a YTD increase of 3.2%. This shows a rebound in GDP from the immediately two preceding quarters, with the data suggesting New Zealand has avoided a technical recession.
- On 4 October 2023, the Monetary Policy Committee maintained the Official Cash Rate (OCR) at 5.50%, following the same decision in the previous meeting in August. The Committee agreed that the OCR needs to stay at restrictive levels to ensure annual consumer price inflation returns to the 1 to 3% target range, while supporting maximum sustainable employment.
- The 90-day Bank Bill Benchmark Rate (BKBM) sits at 5.72%, as at 4 October, which is well up from the low point of 0.25% achieved in November 2020 and continues to be up from 4.71% at the beginning of 2023. 10-year bonds currently sit at 5.49%, remaining well above the low of 0.44% in September 2020.
- The unemployment rate is 3.6%, as of June 2023, which is slightly up from 3.4% in both the March 2023 and December 2022 quarters.
- REINZ reports that August 2023 figures show continued optimism and further activity in the property market. While listing numbers remain light, they are up on July and with sales counts having increased this shows some late winter confidence. The REINZ median house price for New Zealand is $767,000 at August 2023, a 4.1% annualised decrease and down 0.3% from July 2023. National median days to sell has decreased, down 6 days to 43 from August 2022. Sales volumes have increased, up 9.2% on the same month in 2022.
- The effects of tighter financial conditions are now seen to be affecting residential construction with 43,487 new residential consents issued in the year ended July 2023, down 14.1% from the same time in 2022. Meanwhile, commercial construction appears to be more resilient to the current economic conditions, with non-residential consents to the year ended July 2023 summing $10.115 billion, up 12.6% from the year ended July 2022.
- RLB reports that although construction activity remained solid in the first quarter of 2023, there are increasing signs of slowing demand ahead. In addition, cost and pricing indicators in the construction sector point to further moderation in construction cost inflation from elevated levels. However, partly offsetting the decline in demand will be migration-led population growth and the rebuilding of flood damaged properties caused by recent weather events.

On a global scale, in many countries, headline inflation has steadied or begun to decline. The Federal Reserve of America maintained its key interest rate in its FOMC meeting on 20 September 2023, keeping the federal funds rate to between 5.25% - 5.50%. In the prior FOMC meeting in July, the federal funds rate was increased by 0.25% and in June, the federal funds rate was maintained, following a series of increases. In August 2023, inflation has increased slightly to 3.7% from 3.2% in July, but down from the 9.1% peak in June 2022 which reflected the highest inflation rate in 40 years in the United States.

Global consumer price inflation continues to be at high levels, with annual inflation at 6.0% in Australia and 6.7% in the United Kingdom. The conflict in Ukraine also continues to underpin high commodity prices, with global production costs and constraints further exacerbated by supply-chain bottlenecks created during the COVID-19 period.

The General Elections in 2023 will be held on 14 October 2023 and will determine whether there will be a change of government. As with prior elections we expect that there may be some parties that defer key decisions until after the event as businesses look to understand the likely outcome and any potential changes in policy.

4.2 Commercial Property Trends

The following commentary with which we generally concur is an opinion from Stuff reporter Miriam Bell published 27 August 2023:

Here's the five key trends in commercial property right now

Sales activity in the commercial property market has declined, but demand for quality space is high, and sectors are evolving to meet new trends, experts say.

High interest rates and economic uncertainty has impacted on activity across the market, but the office and retail sectors have been challenged by additional headwinds.

The Covid prompted move towards remote working affected both sectors, particularly in CBD areas, but retail also has to contend with the rise in online shopping and the Reserve Bank's push to reduce spending.

There have been shifts in all sectors in response to the changed environment. But here are the five key market trends at play.

Flight to quality

Vacancy rates across the office sector in all three of the main centre's CBDs have continued to decline.

Wellington's CBD vacancy rate was 5.6% in June, according to Colliers' latest figures. That is well-below the 10-year average of 8.6%, and one of the lowest rates recorded since 2008.

Auckland's CBD vacancy rate declined for the first time since early 2020 in June, dropping to 12.5%, the figures show. In Christchurch CBD vacancies were at the lowest levels recorded.

But Colliers associate research director Ian Little says there is a noticeable divergence in rates between prime and secondary office property.

It is not just about the quality of the building, it is about the perceived quality of the location too, he says.

"In the Auckland precinct high-quality offices in the north of the CBD, and near the water, have very low vacancy rates. But head south to upper Queen Street, and the rates are higher."

JLL head of research Gavin Read says the flight to quality is very real as corporates want modern, premium space, close to amenities and transport hubs, to attract and retain workers.

Companies are attracted to newly developed or upgraded, greener buildings, and secondary stock tends to empty out, he says.

Return to the office

Remote working has become entrenched as an option, but people are returning to the office.

Precinct Properties' recent lift usage survey showed worker numbers are not quite at pre-Covid levels, but they are not far off, Read says.

"Hybrid working is here to stay, which means office numbers ebb and flow, and that impacts on what occupants want from their office space.

"Some want more or less space, but they don't want just rows of desks. Instead, they want flexible floor plates, and intuitive fit-outs that reflect modern ways of working."

Demand for collective working areas and social space has increased, as companies reassess the benefits of people working together, he says.

"It's about the power of many, as opposed to the power of one, and attracting people into the office."

In JLL's new Sydney office, 50% of the floor space is collective, and they have a barista on-site and beer handles for after-work drinks, he says.

"That type of set-up is becoming more common here too as companies try to boost engagement and company culture."

Adding experience to retail

More people returning to business districts will be positive for parts of the retail sector, but the situation for retail property is a mixed bag.

Little says suburban strip retail, and some CBD areas have borne the brunt of the downturn, and seen a lift in vacancies.

Some of that is due to structural change resulting from the shift to online shopping, and some is due to Covid's impact on foot traffic, he says.

"But big box retail with products people wanted to look at rather than buy online, and large shopping malls are doing well.

"The large malls, such as Auckland's Sylvia Park, can offer international brands, and more dining and entertainment options, and that attracts foot traffic."

An emerging trend in smaller suburban malls is the presence of entertainment and "experience" offerings, such as Live Wire centres, to draw families in and get them to stay longer, he says.

"Given the economic times, there is not much new development going on in the big retail space, although Auckland Airport is building their Mānawa Bay premium outlet, and Ikea is coming."

Industrial under pressure

Online shopping shifted the dial for industrial property, and it has been "flavour of the month" for some time now, Little says.

"It has benefitted from the huge expansion in demand for storage and warehouse space, but development has not kept pace, and that has led to record low vacancies, and rent growth."

Bayleys national director commercial Ryan Johnson says more industrial storage space is needed, but there is not much greenfield land available for it, especially in established industrial hubs.

Commercial zoning in all the major centres is highly constrained, and that impacts on new industrial supply, he says.

"In Australia, we are starting to see vertical industrial properties, as they have in Asia, and we will get to the point where that starts happening here too."

The green wave

Environmental sustainability has become increasingly important in commercial property globally.

Johnson says there is a big focus on decision-making around issues such as carbon emissions, water capacity and air flow in buildings, whether old or new.

"Given the age, and seismic concerns of much of New Zealand's stock, buildings that have a good Green Star or Nabers rating are attractive to tenants.

"That is putting more pressure on premium grade office stock, particularly in Wellington and Auckland."

Read says considerations are around how a building is built, and then how it can operate as carbon-neutral over its lifespan.

But embedded carbon in existing buildings will create value in future, and will lead to more repurposing of them, he says.

"We are seeing more capacity going into bringing buildings up to a Green Star rating, and it won't be just office buildings for long. It will be an industrial requirement too."

4.3 Local Office Market Commentary

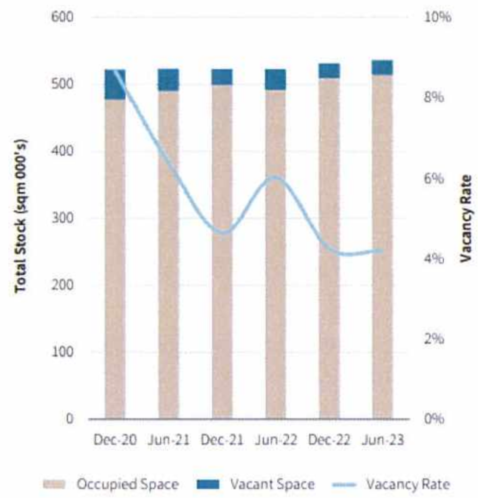
Demand

Average net prime CBD rents remain at $375 per sqm for the third consecutive quarter. We forecast an increase of 4.0% by the end of the year, supported by continued low vacancy and strong demand in the Garden City.

Average net rents for secondary CBD have remained at $215 per sqm, unchanged since March 2022. We do expect them to increase marginally, by $3 per sqm, during the second half of 2023.

Although vacancy is unchanged for CBD, there was movement in prime vacancy, with CBD prime vacancy decreasing 140bps from 3.5% to 2.1%. On the other hand, CBD secondary vacancy increased by 140 bps from 5.1% to 6.5%.

Vacancy and occupied space



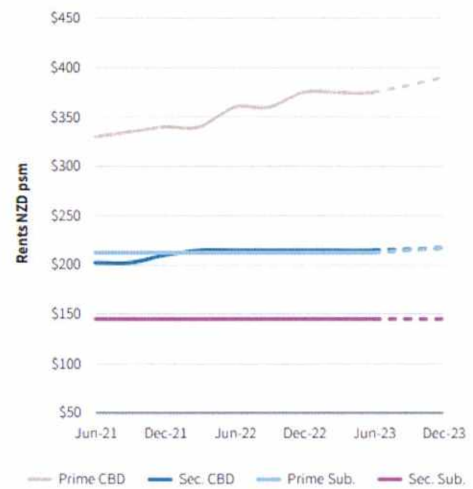
Supply

A total of 5,265 sqm was added to the Garden City's office stock this quarter, with all concentrated in the CBD. A notable completion was 172 Hereford Street, a new three-storey 953 sqm building, which is leased to the Japanese Consulate.

There are several projects under development, with two completions expected late-2023. This includes 800 Colombo Street, which is primarily medical with 1,136 sqm of office space.

Notable developments in the medium-term include 33 Cathedral Square by Cater Group, pre-leased to Taylor Shaw and Buddle Findlay.

Rent



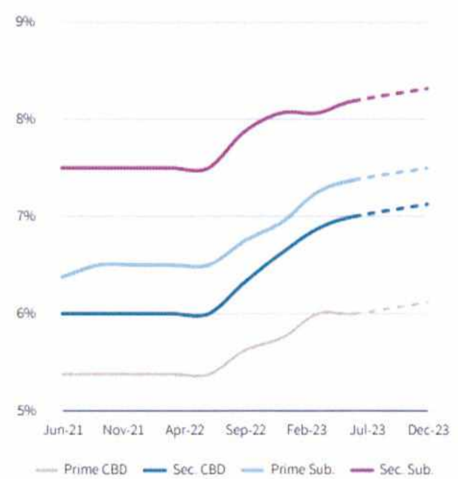
Asset Performance

There were two significant transactions for 2Q23. The first one was the settlement of 151 Cambridge Terrace (Deloitte Building), a 7,328 sqm property for $36.50 million, at an initial yield of 6.20%. The building is anchored by global accountancy firm Deloitte, joined by a mix of quality tenants.

Another transaction was the sale of 12 Oxford Terrace, a 2,200 sqm property for $16.75 million.

Due to transactional evidence of yields being between 5.50% and 6.50%, average net prime CBD yields remained at 6.00%. On the other hand, yields across all other grades and precincts softened by 12.5bps. Average net yields for secondary CBD and prime suburban now stand at 7.00% and 7.38% respectively.

Yields



4.4 Local Retail Market Commentary

Demand

Average net prime CBD rents have increased significantly during 2023. They increased by $75 per sqm during 2Q23, now at $625 per sqm, and are expected to reach $845 per sqm by 2027.

This increase is primarily attributable to the upper-end prime CBD rents, which saw an increase of $100 per sqm this quarter, and are forecast to reach $900 per sqm by the end of 2023.

While the city's overall vacancy was slightly higher for 1H23 as compared with 2H22, this was not the case in all areas. The CBD Centre's vacancy decreased from 4.4% to 3.1%. On the other hand, the precincts that registered an increase in vacancy were Fringe South (from 6.4% to 8.8%) and Victoria Street (from 1.8% to 4.4%).

Vacancy and occupied space

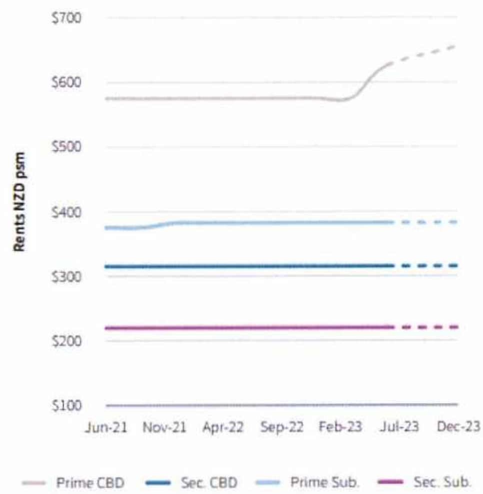
Supply

Over 5,500 sqm was added to the Garden City's retail stock over the last few months. The first being a 350 sqm retail component for the Mayfair Hotel at 155 Victoria Street, which is partially leased to House of Travel, with 170 sqm vacant.

A notable development in the CBD is 93-95 Cashel Street, with 1,500 sqm of retail space which is expected to complete soon.

The majority of new or refurbished mixed-use developments have a retail component. For example, 230 Cashel Street is expected to have ~2,000 sqm of retail space.

Rent



Asset Performance

Prime and secondary net average CBD yields softened by 12.5bps and 25bps respectively, to reach 6.69% and 7.57%. On the other hand, prime and secondary net average suburban yields both softened by 12.5bps to reach 6.50% and 7.94%, respectively.

All yields are forecast to soften further by 12.5bps by the end of the year. Average net prime CBD yields are expected to reach 6.81% by December 2023.

Although there were no significant transactions for Christchurch City, there was a transaction for the Canterbury region. This was the sale of 121 Carters Road, Amberley (Brackenfields Shopping Centre). This is a 5,770 sqm property which was sold for $15.3 million at an initial yield of 8.96%.

Yields

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:

Office Rents

Property Address	Component	Area/No	Rent $psm/pcpw	Annual Rent	Effective
Christchurch Central	GF Offices	90.64	$425.00	$38,522	Aug-23
Christchurch Central	Office Levels 7 & 8	1267.36	$351.67	$445,687	Feb-24
	Balcony	54.48	$44.65	$2,432	Agreed
	Foyer	24.60	$246.60	$6,066	Aug-23
	Outgoings	1346.44	$126.00	$169,651	
	Carparks	9.00	$72.31	$33,841	
	GER Total			$657,678	
Christchurch Central	GF Office & Amenity	264.00	$422.00	$111,408	Early 2023
	Carparks	8.00	$45.00	$18,720	
				$130,128	
	FF Office & Amenity	274.00	$396.00	$108,504	Early 2023
	Carparks	2.00	$45.00	$4,680	
				$113,184	
Christchurch Central	FF Office	296.00	$329.34	$97,486	Apr-23
Christchurch Central	Office	1103.00	$425.00	$468,775	Upon Completion
	Office	1103.00	$425.00	$468,775	Upon Completion
	Office	650.00	$425.00	$276,250	Upon Completion

Property Address	Component	Area/No	Rent $psm/pcpw	Annual Rent	Effective
Christchurch Central Christ	GF Office	250.00	$400.00	$100,000	Upon Completion
	GF Office	800.00	$400.00	$320,000	Upon Completion
Christchurch Central	Office	800.00	$450.00	$360,000	Upon Completion
Christchurch Central	FF Offices	662.64	$370.86	$245,749	Jul/Dec-22
	Car parks	8.00	$52.15	$21,695	
	NER Total			$267,444	
Christchurch Central	L4 Offices	606.00	$381.44	$231,153	Dec-21
	L4 Amenities	233.50	$150.00	$35,025	
	Basement Car parks	6.00	$75.00	$23,400	
	NER Total			$289,578	

Further to the above, we are confidentially aware of a recent market rental review taken place within a prime building in the CBD with large floor plates >2,000 square metres. We understand the agreed rental rates fall in the vicinity of $400 to $450 per square metre on a net basis.

The above rental transactions depict a range of office tenancies in primary locations within the Christchurch CBD including various types of components similar to the subject property within an overall rental range of $329 to $450 per square metre, particularly influenced by size, overall quality, level of fit-out provided, location and profile.

The subject property sits to the east city fringe location however is well recognised and situated with similar aged recent new office and retail buildings known as the Innovation Precinct. The location is set to change with the new multi-purpose stadium which has commenced construction and in time will provide the subject building with increased profile.

We have assessed the rental for the subject property at $390 per square metre, which is to the upper levels of comparable evidence. This assessment is completed as air conditioned and carpeted bare shell with reference to the Landlords improvements which has been stated under section 3.2.

We note that within the Vodafone lease agreement, which commenced August 2016 are rent review mechanisms by way of fixed annual reviews of 2.25% with 6 yearly market reviews with a cap & collar limiting of 90% to 110% of the annual rent payable immediately preceding the relevant rent review date.

Retail Rents

Property Address	Component	Area/No	Rent $psm/pcpw	Annual Rent	Effective
High Street	Retail	108.99	$750	$81,742.50	2023
Victoria Street	Retail	286.00	$336.43	$102,960	Aug-23
Christchurch Central	Car park	4.00	$46.73	$10,400	Agreed Apr 23
	Net Effective Rent			$113,360	
Cashel St ANZ Centre	Birkenstock	87.56	$1,092	$95,615.52	May-23
Cathedral Square	Retail	206.06	$925	$190,605.50	Dec-22
Cashel Mall	Retail	89.58	$800	$71,664	Dec-22
Cashel Mall	Retail	95.51	$1,100	$105,061	2023
Cambridge Terrace	GF Retail	179.8	$695.00	$124,968	Upon Completion
	Outdoor Area	38.0	$250.00	$9,500	Agreed Oct-22
				$134,468	
Victoria Street	GF Retail	128.4	$480.75	$61,728	Jan-22
Victoria Street	GF Retail	127.6	$418.15	$53,356	Jan-22
Cashel Street	GF Retail	98.80	$450.00	$44,460	Nov-21
	GF Retail	105.50	$450.00	$47,475	Dec-21

Retail rents within the CBD vary considerably with Oxford Terrace and Cashel Street being the prime retail area with rents circa $700-$1000+ per square metre. Secondary CBD rents are a step off this typically in the $300 to $600 per square metre range.

We believe the recent lease agreements within Victoria Street provide significance with modern spaces in a secondary CBD location.

We believe that the subject retail space falls in the vicinity of $475 per square metre which we have adopted in our market rent schedule.

5.2 Car Park Leasing Evidence

We have had regard to current car parking rates within the wider locality that we summarise below:

Premium CBD car parks range from circa $65 to $75 per park per week plus GST.

Two years ago we predicted future growth in central city car parking rents due to the Christchurch City Council's street upgrade programme reducing the number of on street car parks, the increasing cost of outgoings and the reduction in vacant sites as development progresses within the central city, growing the business and residential populations. However, rental evidence supporting increased car park rentals has only just occurred for fixed term car parking.

As the car parks for the subject property are covered and within a car parking building. We believe that the car parks for the subject property are within market parameters at $65 per car park per week. We expect that there will be further pressure on these rates as the CBD becomes more occupied especially when the Stadium is completed with the scheduled timeframe of mid-2026. We suggest $5 per space per week as appropriate for the bike parking.

5.3 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
ONE NZ	Ground Retail	149.3		Aug 2024	Fixed	$69,122	$463		$104	$104	$475	$579		$70,937
ONE NZ	Ground Offices	916.9		Aug 2024	Fixed	$351,574	$383		$104	$104	$390	$494		$357,591
ONE NZ	Ground Café	335.0		Aug 2024	Fixed	$155,050	$463		$104	$104	$390	$494		$130,646
ONE NZ	Shared Areas	312.9		Aug 2024	Fixed	$119,978	$383		$104	$104	$390	$494		$122,031
ONE NZ	Level 1 Office	1,704.7		Aug 2024	Fixed	$653,646	$383		$104	$104	$390	$494		$664,833
ONE NZ	Leve 2 Office	1,790.1		Aug 2024	Fixed	$686,391	$383		$104	$104	$390	$494		$698,139
Vacant	Level 3 Office	1,748.6	40	Vacant					$0	$104	$390	$494	$43	$770,362
Vacant	Level 4 Office	1,776.8	40	Vacant					$0	$104	$390	$494	$43	$781,368
ONE NZ	Carparks	0.0	40	Aug 2024	Fixed	$138,242	$0	$66		$0	$0	$0	$65	$135,200
ONE NZ	Bike Parks	0.0	30	Aug 2024	Fixed	$7,976	$0	$5		$0	$0	$0	$5	$7,800
Aggregate		8,734.4	150			$2,181,978								$3,738,906

5.4 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	$2,035,760	$3,419,106
Car Parking Rental	$146,218	$319,800
Other Income	$1,019,509	$0
Outgoings Recovery	$539,694	$904,964
Gross Income	$3,741,181	$4,643,870
Outgoings	$904,964	$904,964
Contract Car Park Rental	$304,852	$304,852
Net Income	$2,531,365	$3,434,054
Market Income on Vacant Areas	$1,374,929	
Market Income on Vacant Car Park	$176,800	
Vacant Area Outgoings	$365,270	
Potential Net Income Fully Leased	$4,448,365	$3,434,054

6 Sales Evidence

6.1 Sales Transaction

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

Cashel Street, Christchurch Central, Christchurch			
Sale Price	$55,000,000	**Sale Date**	August 2023
Initial Yield	Vacant Possession	**Equivalent Yield**	7.36%
IRR	7.97%	**WALT**	Vacant Possession
Cambridge Terrace and 78 Gloucester Street, Christchurch Central, Christchurch			
Sale Price	$36,500,000	**Sale Date**	January 2023
Initial Yield	6.17%	**Equivalent Yield**	6.38%
IRR	7.25%	**WALT**	3.46 years
Oxford Terrace, Christchurch Central, Christchurch			
Sale Price	$16,750,000	**Sale Date**	May/2023
Initial Yield	Vacant Possession	**Equivalent Yield**	4.72%
IRR	7.17%	**WALT**	Vacant Possession
Cambridge Terrace, Christchurch Central, Christchurch			
Sale Price	$1,675,000	**Sale Date**	May/2023
Initial Yield	6.20%	**Equivalent Yield**	6.30%
IRR	7.40%	**WALT**	2.92 years
Fitzgerald Avenue, Christchurch Central, Christchurch			
Sale Price	$3,530,000	**Sale Date**	April/2023
Initial Yield	Vacant Posession	**Equivalent Yield**	6.47%
IRR	7.69%	**WALT**	Vacant Posession
Lichfield Street, Christchurch Central, Christchurch			
Sale Price	$1,350,000	**Sale Date**	February/2023
Initial Yield	Vacant Possession	**Equivalent Yield**	5.89%
IRR	7.09%	**Net Rate**	$6,164 / m^2
Peterborough Street, Christchurch Central, Christchurch			
Sale Price	$2,460,000	**Sale Date**	August/2022
Initial Yield	6.60%	**Equivalent Yield**	6.61%
IRR	7.70%	**WALT**	1.73yrs

Yield Summary

The preceding sales indicate a significant office property range with equivalent yields in the vicinity of 4.72% to 7.36% with a mixed range of Weighted Average Lease Expiries (WALT).

Predominantly, the above transactions are for modern buildings with strong occupier covenants, fixed growth and situated in good locations within their respective markets.

We are now seeing a changing environment with New Zealand coming off a period of sustained interest rate increases, which has provided a period of yield decompression across many commercial property sectors. Firm yields paid for properties across 2021 and into 2022 will need to be considered against borrowing costs and potential requirements for increased equity.

Additionally, pricing for core property fundamentals is returning to the marketplace, where investors had strayed away from location, tenant covenant and growth risks with a consequent narrowing of the yield gap between prime and secondary quality assets. We are seeing the gap widen as investors price in the additional risk of poorly located or tenanted assets or low growth lease structures.

The subject property presents as a modern, well leased office investment asset, at a comparatively reasonable value quantum in a renewing part of the Christchurch CBD.

Key factors that will likely influence the realisable yield on the subject property include:

- Current market conditions with particular regard to interest rates
- Popular location within the CBD within the SALT District formerly known as the Innovation Precinct
- Limited investment properties at this quantum and quality of tenant
- 100% NBS rating
- Extensive fit-out to all except the upper floor
- Available car parking
- WALT of 4.39 years (by income)
- Fixed 2.25% rental growth

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

Valuation Input	
Capitalisation Rate	6.500%
Discount Rate	7.750%

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
▪ Modern Office/Retail Building ▪ Blue-chip tenant ▪ Significant fit-out investment by the tenant. ▪ Popular Inner City Location. ▪ Car parking Building adjacent with Bus Exchange nearby. ▪ $3,100,000 of surrender payment by tenant on 1 April 2024.	▪ Vacancy scheduled to occur over circa 41% of the market income of the building at 1 April 2024. ▪ WALT at 4.38 years, which we considered slightly short for this class of asset, with investors particularly attracted to properties with slightly longer lease profiles. ▪ Fringe Core office location currently with development still to take place on the west of the subject property.
Opportunities	**Threats**
▪ Lease levels 3 & 4 and vacant carparks & bicycle parks. ▪ Room to grow for the tenant or potential for sublease with the retail space on the ground floor still not occupied. ▪ Room to negotiate a longer lease with the sitting tenant.	▪ Comparatively high interest rates driven by inflationary pressures. ▪ Competing inner city office developments ▪ Delays in key projects such as the Christchurch Stadium and Fletcher Residential development to further develop the City and immediate area.

7.2 Likely Selling Period

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

7.3 Most Probable Purchaser

In consideration of the current market, we anticipate the most probable purchaser of the Property to be an investor/ property syndicate.

7.4 Sales History

The subject property last transacted 5 December 2019 for $58,650,000.

8 Valuation Rationale

8.1 Valuation Overview

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

8.2 Capitalisation Approach

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

We have adopted a core capitalisation rate of 6.500%, with our calculations summarised below:

Direct Capitalisation Approach			
Rental Income		Contract Income	Market Income
Lettable Area Rental		$2,035,760	$3,419,106
Car Parking Rental		$146,218	$319,800
Ideal Outgoings Recovery (Full Net Leases)		$539,694	$904,964
Total Rental Income		$2,721,671	$4,643,870
Less Outgoings Expenditure		($904,964)	($904,964)
Less Car Park Rental		($304,852)	($304,852)
Net Rental Income		$1,511,856	$3,434,054
Core Income Capitalised at 6.50%		$23,259,323	$52,831,607
Value Adjustments			
Present Value of Existing Rental Reversions		$29,628,609	($22,039)
Present Value of All Outstanding Incentives		$3,003,910	$3,003,910
Vacancies - Letting Up Allowances:			
Present Value of Downtime	*($2,303,690)*		
Present Value of Incentives	*($739,517)*		
Present Value of Leasing Fees	*($293,794)*	($3,337,001)	($3,337,001)
Expiries within the next 24 months - Letting Up Allowances:			
Present Value of Short Term Capital Expenditure: 24 months		($1,827,784)	($1,827,784)
Value of Other Income		$1,651,928	$1,651,928
Total Value Adjustments		$29,119,663	($530,986)
Total Capitalised Value		$52,378,986	$52,300,621
Adopted Capitalised Value (say)		$52,380,000	$52,300,000

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 the present value of tenant rental reversions, which represents the present value of rental underage for the existing tenancy relative to our adopted rental profile. Further, we have allowed for downtime associated with the leasing up of the car parking vacancies within the Property.

Capital Deductions

We have allowed for the present value of CAPEX allowances over the next 24 months from the valuation date, which total $1,827,784.

Other Income – ONE NZ Income & Fitout Rental

We have allowed for the present value of any other income attributable to the Property. We have calculated the present value of the remaining income stream for the fitout rental and ONE NZ income resulting in a value addition of $1,651,928.

Calculation Summary

Having made these adjustments to the core value, we derive a total value of $52,300,000. A sensitivity analysis based on adjustments to our adopted Core Capitalisation rate is as displayed below:

Sensitivity Analysis		Contract Approach	Market Approach
(0.25%)	6.250%	$54,490,000	$54,410,000
Adopted Capitalisation Rate	6.500%	$52,380,000	$52,300,000
0.25%	6.750%	$50,430,000	$50,350,000

8.3 Discounted Cash Flow Approach

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

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

Discount Rate

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

We have applied a target discount rate of 7.750% to the cash flows to produce a present value of $51,780,000. Our DCF calculations are summarised overleaf:

Discounted Cashflow Summary		Year Ending	29-Sep-2024	29-Sep-2025	29-Sep-2026	29-Sep-2027	29-Sep-2028	29-Sep-2029	29-Sep-2030	29-Sep-2031	29-Sep-2032	29-Sep-2033	29-Sep-2034
			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			$2,190,160	$2,645,036	$3,921,030	$4,008,778	$3,901,141	$2,678,738	$4,344,932	$3,294,544	$4,334,506	$4,671,811	$0
Outgoings Recovery			$539,694	$851,024	$978,786	$1,008,150	$986,789	$963,239	$1,101,633	$1,020,184	$1,168,722	$1,203,784	$0
Other Income			$1,019,509	$206,550	$206,550	$206,550	$172,125	$0	$0	$0	$0	$0	$0
Gross Rental Income			$3,749,363	$3,702,610	$5,106,366	$5,223,478	$5,060,055	$3,641,976	$5,446,565	$4,314,728	$5,503,228	$5,875,595	$0
Rental Deductions													
Outgoings Expenditure			($904,964)	($945,687)	($978,786)	($1,008,150)	($1,038,394)	($1,069,546)	($1,101,633)	($1,134,682)	($1,168,722)	($1,203,784)	$0
Car Park Rental			($279,976)	($311,788)	($318,876)	($326,125)	($332,908)	($333,539)	($341,122)	($348,876)	($356,808)	($364,919)	($62,085)
Net Rental Cashflow			$2,564,423	$2,445,135	$3,808,704	$3,889,203	$3,688,752	$2,238,891	$4,003,811	$2,831,169	$3,977,698	$4,306,892	$0
Rental Adjustments													
Letting Up Allowances - Leasing Fees			$0	($320,435)	$0	$0	$0	($504,877)	$0	($377,544)	$0	$0	$0
Capital Expenditure			($1,881,000)	$0	$0	($298,335)	($732,757)	($390,591)	($110,965)	($321,166)	($118,388)	($222,231)	$0
Net Cashflow			$3,783,423	$2,124,700	$3,808,704	$3,590,868	$2,955,995	$1,343,424	$3,892,846	$2,132,459	$3,859,310	$4,084,661	$0
Purchase Price	$52,000,000	After Costs	($52,000,000)										
Sale Price	$63,050,000	After Costs											$62,419,500
Annual Cashflow			($48,216,577)	$2,124,700	$3,808,704	$3,590,868	$2,955,995	$1,343,424	$3,892,846	$2,132,459	$3,859,310	$4,084,661	$62,419,500
Present Value of Rental Cashflow		$22,186,501											
Present Value of Terminal Value		$29,590,173											
Total Net Present Value (say)			$51,780,000	Resulting IRR	7.68%								

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

Revenue Projections

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

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
Office							10 year average		2.50%	
	2.50%	2.50%	2.50%	2.50%	2.50%	2.50%	2.50%	2.50%	2.50%	2.50%
Retail							10 year average		2.50%	
	2.50%	2.50%	2.50%	2.50%	2.50%	2.50%	2.50%	2.50%	2.50%	2.50%
CPI							10 year average		2.30%	
	4.00%	3.00%	2.00%	2.00%	2.00%	2.00%	2.00%	2.00%	2.00%	2.00%
Capex							10 year average		3.20%	
	4.50%	3.50%	3.00%	3.00%	3.00%	3.00%	3.00%	3.00%	3.00%	3.00%
Outgoings							10 year average		3.20%	
	4.50%	3.50%	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 for the office areas are outlined in the table below (with exception to levels 3 & 4).

Office	Cash Flow Year	Letting Up	Probability	Incentive	Probability	Capex /sqm	Probability
	Vacant	6 months	100%	6.0 months	100%	$50	0%
	Year 1	6 months	50%	6.0 months	100%	$50	100%
	Year 2	6 months	50%	6.0 months	100%	$50	100%
	Year 3	6 months	50%	6.0 months	100%	$50	100%
	Year 4	6 months	50%	6.0 months	100%	$50	100%
	Year 5	6 months	50%	6.0 months	100%	$50	100%
	Year 6	6 months	50%	6.0 months	100%	$50	100%
	Year 7	6 months	50%	6.0 months	100%	$50	100%
	Year 8	6 months	50%	6.0 months	100%	$50	100%
	Year 9	6 months	50%	6.0 months	100%	$50	100%
	Year 10	6 months	50%	6.0 months	100%	$50	100%

Further to the above, we have allowed for a letting up period from 1 April 2024 of 12 months for level three and six months for level four.

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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 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	$1,881,000	$1,881,000
Year 2	$0	$0	$0
Year 3	$0	$0	$0
Year 4	$0	$298,335	$298,335
Year 5	$307,813	$732,757	$1,040,570
Year 6	$0	$82,778	$82,778
Year 7	$0	$110,965	$110,965
Year 8	$224,307	$96,859	$321,166
Year 9	$0	$118,388	$118,388
Year 10	$0	$222,231	$222,231
10 Year Total	$532,120	$3,543,314	$4,075,434
Capex as a proportion of Value	7.8%	Per Sqm of Lettable Area	$466.60

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

Estimated Terminal Sale Price

We have applied a terminal yield of 6.700% (a 20.0 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	1.00% of the forecast Terminal Value

Sensitivity Analysis

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

Discount Rate		Terminal Yield	
	6.450%	6.700%	6.950%
7.500%	$53,930,000	$52,700,000	$51,560,000
7.750%	$52,980,000	$51,780,000	$50,660,000
8.000%	$52,050,000	$50,870,000	$49,790,000

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9 Valuation

9.1 Valuation Reconciliation

The results of our valuation methods are:

Methodology	Valuation
Capitalisation Approach - Market Income	$52,300,000
Capitalisation Approach - Contract Income	$52,380,000
Discounted Cash Flow Approach	$51,780,000
Adopted Value	$52,000,000

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 $52,000,000 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 at 30 September 2023, is:

$52,000,000 plus GST (if any)

Fifty Two Million Dollars plus GST (if any)

The assessed value reflects an initial passing yield of 4.87%, an equivalent yield of 6.54%, an internal rate of return of 7.68%, and a rate of $5,953 per square metre of Lettable Area.

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

- PMG Direct Office Fund Trustees Limited – 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 Market Value Apportionment

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

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

Valuation Apportionment	Value
Land Value	$4,500,000
Improvements Value	$47,500,000
Adopted Value	$52,000,000

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

9.4 Involvement Statement

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

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

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

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graeme.mcdonald@jll.com

Robert Clifford BLPM
Assistant Valuer
+64 27 822 5263
robert.clifford@jll.com

N:\NZVAL\VALUATIONS\Christchurch\Tuam Street 213-221 - ONE NZ\2023\September - FR\Report & Workings\1.Tuam Street 213-221, ONE NZ-MV-September 2023.xlsm

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 and where 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 Titles

RECORD OF TITLE
UNDER LAND TRANSFER ACT 2017
FREEHOLD

Search Copy

R.W. Muir
Registrar-General
of Land

Identifier **675537**
Land Registration District **Canterbury**
Date Issued 04 February 2015

Prior References
CB17F/1096

Estate	Fee Simple
Area	605 square metres more or less
Legal Description	Lot 2 Deposited Plan 481532

Registered Owners
PMG Direct Office Fund Trustees Limited

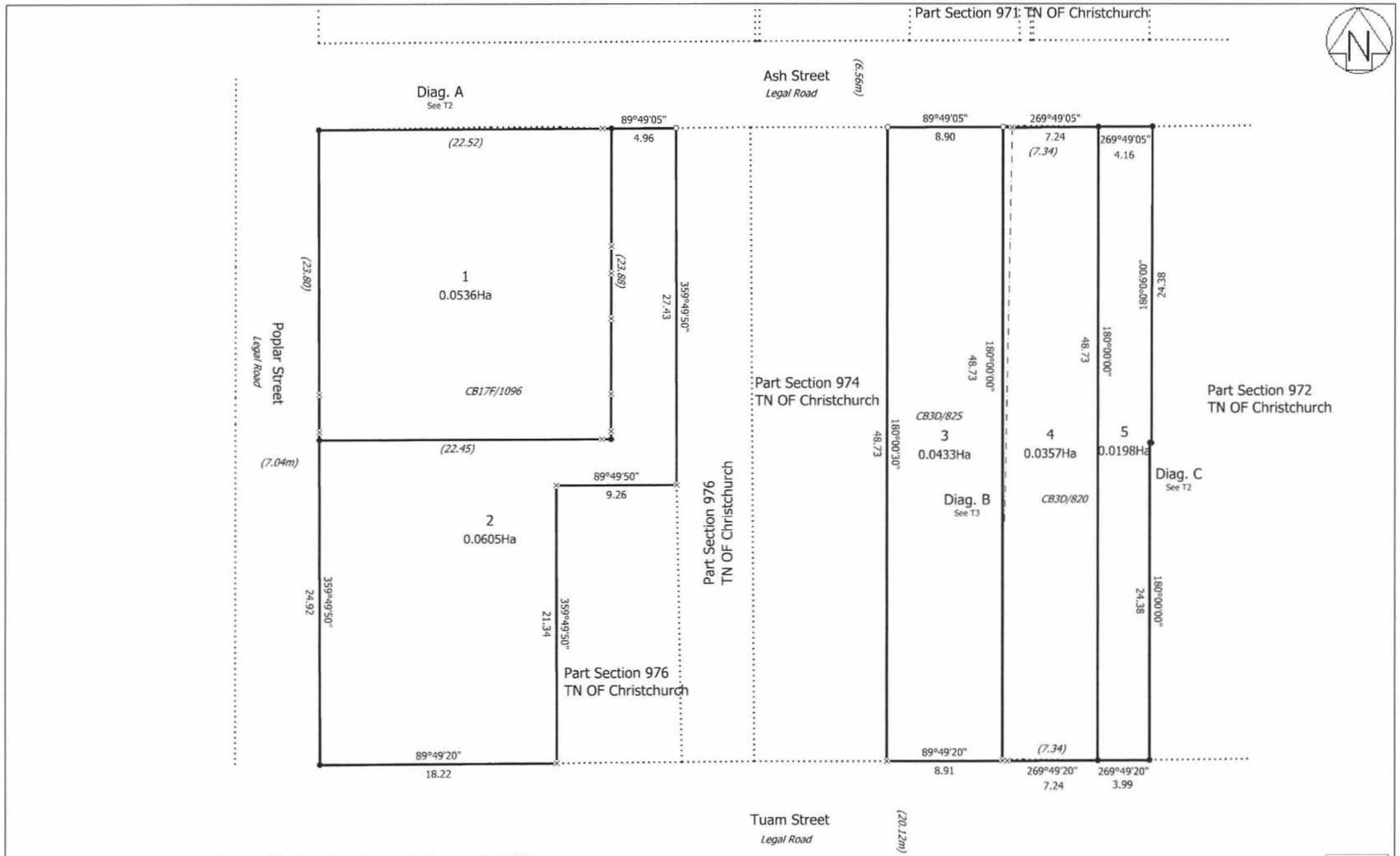
Interests

9843633.1 CERTIFICATE PURSUANT TO SECTION 77 BUILDING ACT 2004 THAT THIS COMPUTER REGISTER IS SUBJECT TO THE CONDITION IMPOSED UNDER SECTION 75(2) (ALSO AFFECTS CB20F/393 and CB28B/1217) - 18.9.2014 at 4:31 pm

Land Covenant in Easement Instrument 10598179.11 - 2.11.2016 at 4:34 pm

11777397.4 Mortgage to ASB Bank Limited - 30.6.2020 at 2:35 pm

Transaction ID 1696707
Client Reference nwhite002



Note: Subdivision pursuant to Section 43 of the Canterbury Earthquake Recovery Act 2011

Land District: Canterbury Digitally Generated Plan Generated on 22/12/2014 1:49pm Page 4 of 6	Lots 1-5 Being a Subdivision of Pt Sections 972, 974, 976 & 978 TN of Christchurch, and Lots 1 & 2 DP 23073	Surveyor: Christopher John Scott Firm: Beca Limited	Title Plan LT 481532 Approved on: 22/12/2014

RECORD OF TITLE
UNDER LAND TRANSFER ACT 2017
FREEHOLD

Search Copy

R.W. Muir
Registrar-General
of Land

Identifier **675538**
Land Registration District **Canterbury**
Date Issued 04 February 2015

Prior References
CB3D/825

Estate	Fee Simple
Area	433 square metres more or less
Legal Description	Lot 3 Deposited Plan 481532

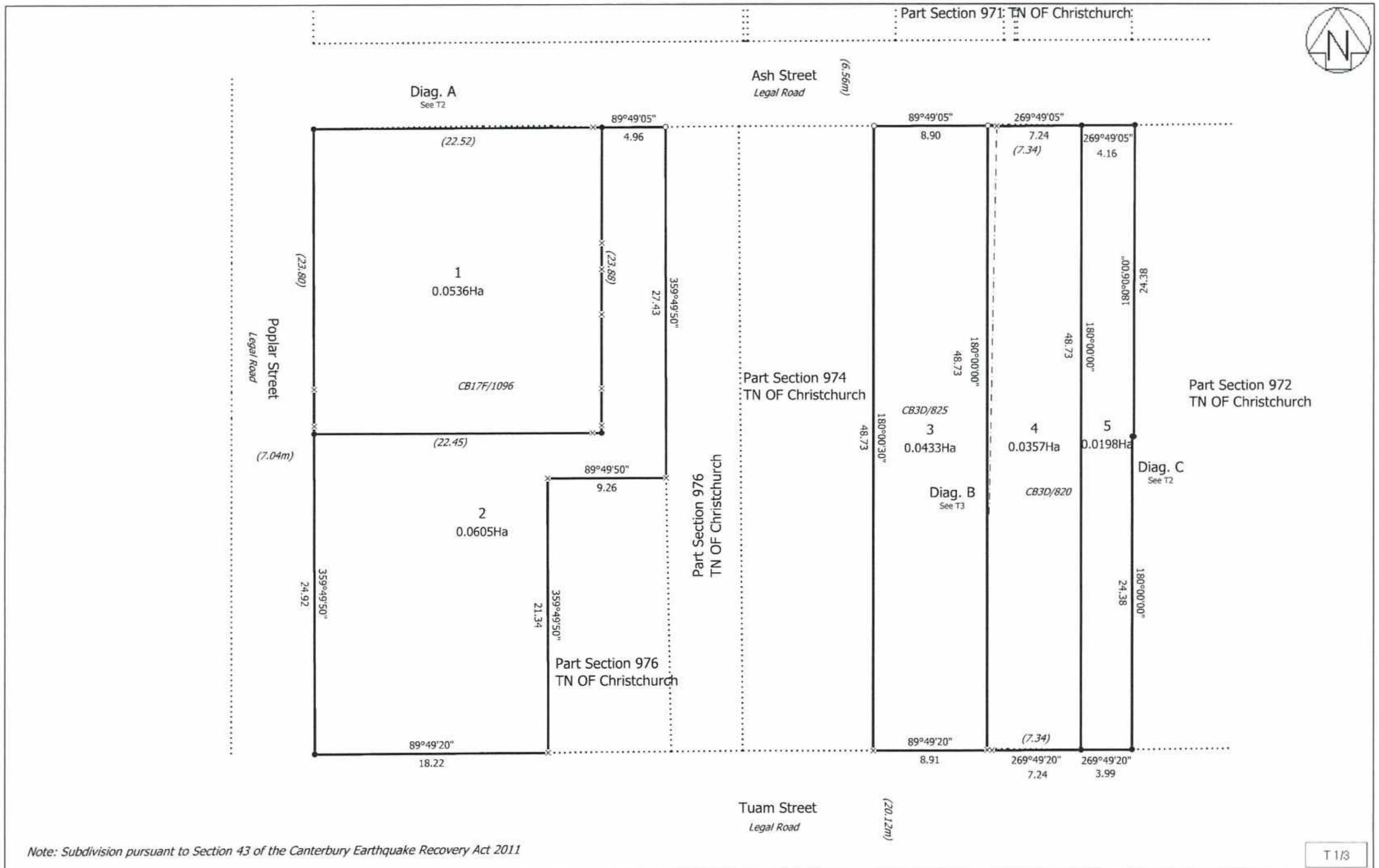
Registered Owners
PMG Direct Office Fund Trustees Limited

Interests

Land Covenant in Easement Instrument 10598179.11 - 2.11.2016 at 4:34 pm

Subject to a right (in gross) to convey electricity, telecommunications and computer media in gross over part marked A on DP 519290 in favour of Orion New Zealand Limited created by Easement Instrument 11116086.2 - 21.5.2018 at 10:07 am

11777397.4 Mortgage to ASB Bank Limited - 30.6.2020 at 2:35 pm



Note: Subdivision pursuant to Section 43 of the Canterbury Earthquake Recovery Act 2011

Land District: Canterbury Digitally Generated Plan Generated on: 22/12/2014 1:49pm Page 4 of 6	Lots 1-5 Being a Subdivision of Pt Sections 972, 974, 976 & 978 TN of Christchurch, and Lots 1 & 2 DP 23073	Surveyor: Christopher John Scott Firm: Beca Limited	Title Plan LT 481532 Approved on: 22/12/2014

RECORD OF TITLE
UNDER LAND TRANSFER ACT 2017
FREEHOLD

Search Copy

R.W. Muir
Registrar-General
of Land

Identifier **CB20F/393**
Land Registration District **Canterbury**
Date Issued 12 October 1979

Prior References
CB226/294

Estate	Fee Simple
Area	789 square metres more or less
Legal Description	Part Section 974 and Part Section 976 Town of Christchurch

Registered Owners
PMG Direct Office Fund Trustees Limited

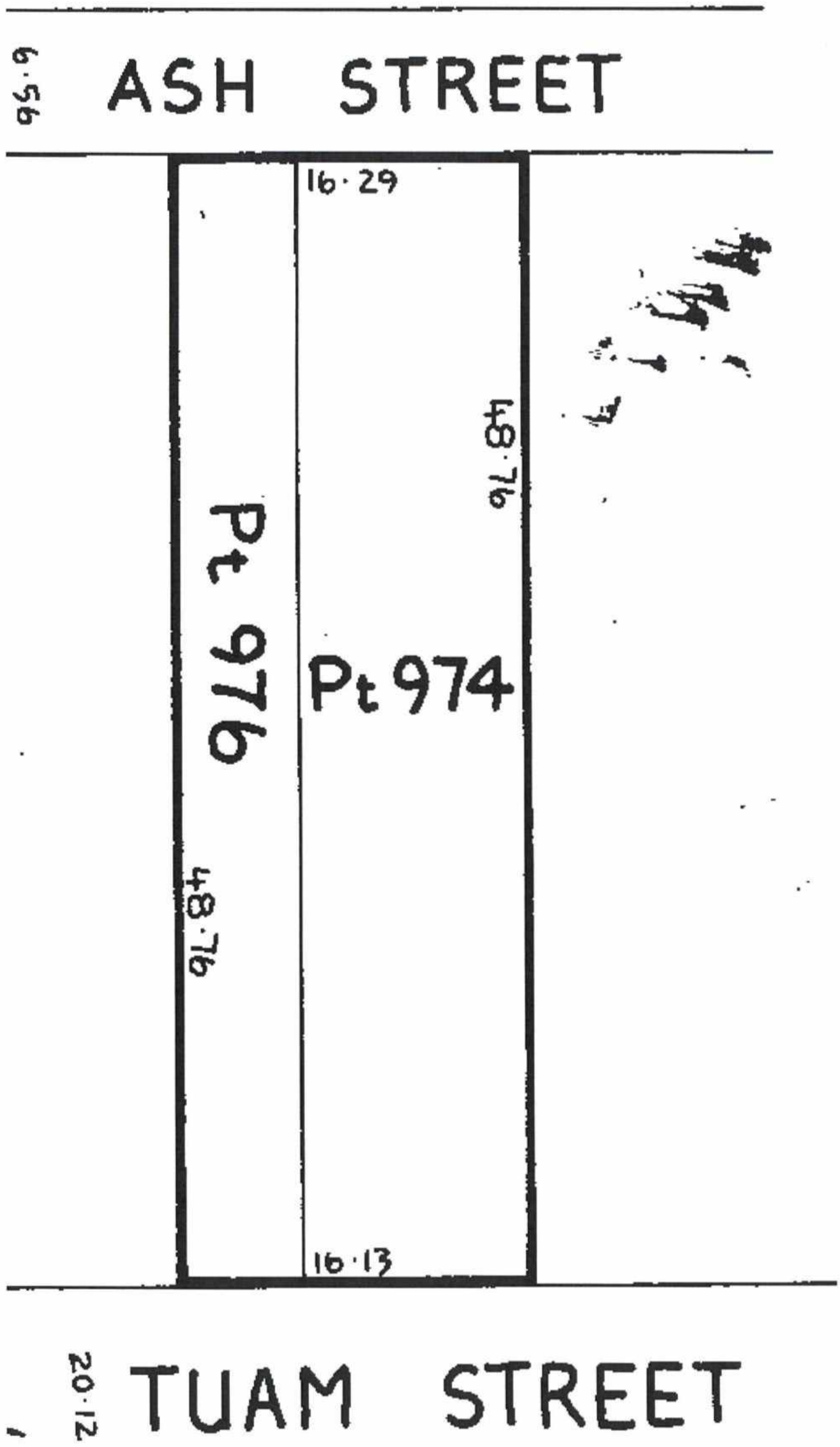
Interests

Subject to a Party wall easement created by Transfer 96577

9843633.1 CERTIFICATE PURSUANT TO SECTION 77 BUILDING ACT 2004 THAT THIS COMPUTER REGISTER IS SUBJECT TO THE CONDITION IMPOSED UNDER SECTION 75(2) (ALSO AFFECTS CB17F/1096, CB28B/1217 and CB3D/825) - 18.9.2014 at 4:31 pm

Land Covenant in Easement Instrument 10598179.11 - 2.11.2016 at 4:34 pm

11777397.4 Mortgage to ASB Bank Limited - 30.6.2020 at 2:35 pm


ASH STREET
6.56
16.29
48.76
Pt 976
Pt 974
48.76
16.13
TUAM STREET
20.12

RECORD OF TITLE
UNDER LAND TRANSFER ACT 2017
FREEHOLD

Search Copy

R.W. Muir
Registrar-General
of Land

Identifier **CB28B/1217**
Land Registration District **Canterbury**
Date Issued 26 March 1986

Prior References
CB278/196

Estate	Fee Simple
Area	197 square metres more or less
Legal Description	Part Town Section 976 Town of Christchurch

Registered Owners
PMG Direct Office Fund Trustees Limited

Interests

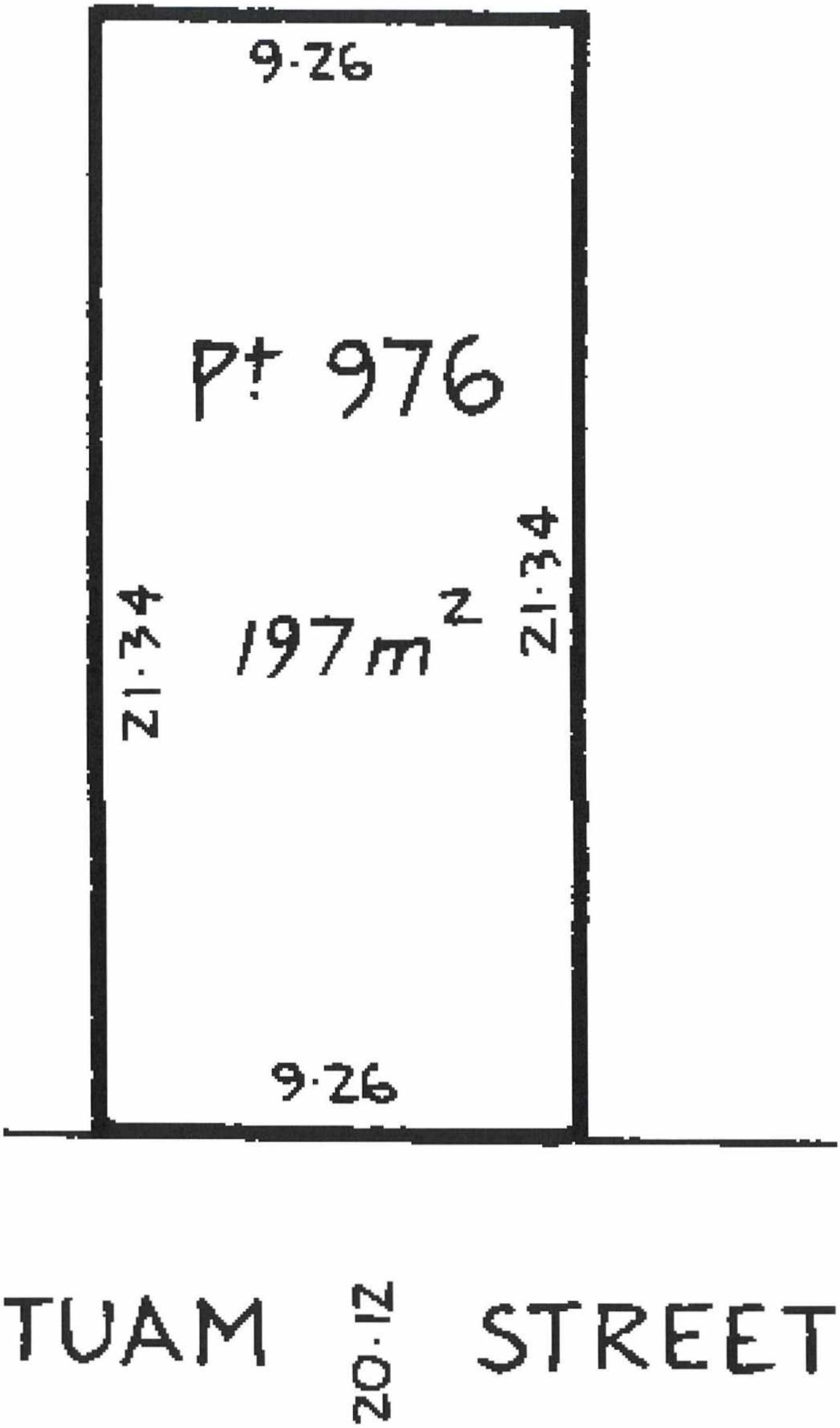
96577 Transfer creating the following easements

Type	Servient Tenement	Easement Area	Dominant Tenement	Statutory Restriction
Party wall	Section 976 Town of Christchurch - CT CB20F/393	Part	Part Town Section 976 Town of Christchurch - herein	

9843633.1 CERTIFICATE PURSUANT TO SECTION 77 BUILDING ACT 2004 THAT THIS COMPUTER REGISTER IS SUBJECT TO THE CONDITION IMPOSED UNDER SECTION 75(2) (ALSO AFFECTS CB17F/1096, CB20F/393 and CB3D/825) - 18.9.2014 at 4:31 pm

Land Covenant in Easement Instrument 10598179.11 - 2.11.2016 at 4:34 pm

11777397.4 Mortgage to ASB Bank Limited - 30.6.2020 at 2:35 pm


9·26
Pt 976
21·34
197 m²
21·34
9·26
TUAM
20·12
STREET

Appendix 3 – Schedule of leased car parks

Bicycle Parks		
Premises	Unique Identifiers	Legal Description
Bicycle Park PU19B	753520	Principal Unit 19B DP 499829 and Accessory Unit 1B DP 499829
Bicycle Park PU20B	753521	Principal Unit 20B DP 499829 and Accessory Unit 1B DP 499829
Bicycle Park PU21B	753522	Principal Unit 21B DP 499829 and Accessory Unit 1B DP 499829
Bicycle Park PU22B	753523	Principal Unit 22B DP 499829 and Accessory Unit 1B DP 499829
Bicycle Park PU23B	753524	Principal Unit 23B DP 499829 and Accessory Unit 1B DP 499829
Bicycle Park PU24B	753525	Principal Unit 24B DP 499829 and Accessory Unit 1B DP 499829
Bicycle Park PU25B	753526	Principal Unit 25B DP 499829 and Accessory Unit 1B DP 499829
Bicycle Park PU26B	753527	Principal Unit 26B DP 499829 and Accessory Unit 1B DP 499829
Bicycle Park PU27B	753528	Principal Unit 27B DP 499829 and Accessory Unit 1B DP 499829
Bicycle Park PU28B	753529	Principal Unit 28B DP 499829 and Accessory Unit 1B DP 499829
Bicycle Park PU29B	753530	Principal Unit 29B DP 499829 and Accessory Unit 1B DP 499829
Bicycle Park PU30B	753531	Principal Unit 30B DP 499829 and Accessory Unit 1B DP 499829
Bicycle Park PU31B	753532	Principal Unit 31B DP 499829 and Accessory Unit 1B DP 499829
Bicycle Park PU32B	753533	Principal Unit 32B DP 499829 and Accessory Unit 1B DP 499829
Bicycle Park PU33B	753534	Principal Unit 33B DP 499829 and Accessory Unit 1B DP 499829

Car Parks		
Premises	Unique Identifiers	Legal Description
Car Park PU180	752499	Principal Unit 180 DP 499829 and Accessory Unit 2A DP 499829
Car Park PU181	752500	Principal Unit 181 DP 499829 and Accessory Unit 2A DP 499829
Car Park PU182	752501	Principal Unit 182 DP 499829 and Accessory Unit 2A DP 499829
Car Park PU183	752502	Principal Unit 183 DP 499829 and Accessory Unit 2A DP 499829
Car Park PU184	752503	Principal Unit 184 DP 499829 and Accessory Unit 2A DP 499829
Car Park PU185	752504	Principal Unit 185 DP 499829 and Accessory Unit 2A DP 499829
Car Park PU186	752505	Principal Unit 186 DP 499829 and Accessory Unit 2A DP 499829
Car Park PU187	752506	Principal Unit 187 DP 499829 and Accessory Unit 2A DP 499829
Car Park PU188	752507	Principal Unit 188 DP 499829 and Accessory Unit 2A DP 499829
Car Park PU189	752508	Principal Unit 189 DP 499829 and Accessory Unit 2A DP 499829
Car Park PU190	752509	Principal Unit 190 DP 499829 and Accessory Unit 2A DP 499829
Car Park PU191	752510	Principal Unit 191 DP 499829 and Accessory Unit 2A DP 499829
Car Park PU192	752511	Principal Unit 192 DP 499829 and Accessory Unit 2A DP 499829
Car Park PU193	752512	Principal Unit 193 DP 499829 and Accessory Unit 2A DP 499829
Car Park PU194	752513	Principal Unit 194 DP 499829 and Accessory Unit 2A DP 499829
Car Park PU195	752514	Principal Unit 195 DP 499829 and Accessory Unit 2A DP 499829
Car Park PU196	752515	Principal Unit 196 DP 499829 and Accessory Unit 2A DP 499829
Car Park PU197	752516	Principal Unit 197 DP 499829 and Accessory Unit 2A DP 499829
Car Park PU198	752517	Principal Unit 198 DP 499829 and Accessory Unit 2A DP 499829

Car Parks		
Premises	Unique Identifiers	Legal Description
Car Park PU199	752518	Principal Unit 199 DP 499829 and Accessory Unit 2A DP 499829
Car Park PU200	752519	Principal Unit 200 DP 499829 and Accessory Unit 2A DP 499829
Car Park PU201	752520	Principal Unit 201 DP 499829 and Accessory Unit 2A DP 499829
Car Park PU202	752521	Principal Unit 202 DP 499829 and Accessory Unit 2A DP 499829
Car Park PU203	752522	Principal Unit 203 DP 499829 and Accessory Unit 2A DP 499829
Car Park PU204	752523	Principal Unit 204 DP 499829 and Accessory Unit 2A DP 499829
Car Park PU231	752550	Principal Unit 231 DP 499829 and Accessory Unit 2A DP 499829
Car Park PU232	752551	Principal Unit 232 DP 499829 and Accessory Unit 2A DP 499829
Car Park PU233	752552	Principal Unit 233 DP 499829 and Accessory Unit 2A DP 499829
Car Park PU234	752553	Principal Unit 234 DP 499829 and Accessory Unit 2A DP 499829
Car Park PU235	752554	Principal Unit 235 DP 499829 and Accessory Unit 2A DP 499829
Car Park PU236	752555	Principal Unit 236 DP 499829 and Accessory Unit 2A DP 499829
Car Park PU237	752556	Principal Unit 237 DP 499829 and Accessory Unit 2A DP 499829
Car Park PU238	752557	Principal Unit 238 DP 499829 and Accessory Unit 2A DP 499829
Car Park PU239	752558	Principal Unit 239 DP 499829 and Accessory Unit 2A DP 499829
Car Park PU240	752559	Principal Unit 240 DP 499829 and Accessory Unit 2A DP 499829
Car Park PU241	752560	Principal Unit 241 DP 499829 and Accessory Unit 2A DP 499829
Car Park PU242	752561	Principal Unit 242 DP 499829 and Accessory Unit 2A DP 499829
Car Park PU243	752562	Principal Unit 243 DP 499829 and Accessory Unit 2A DP 499829
Car Park PU244	752563	Principal Unit 244 DP 499829 and Accessory Unit 2A DP 499829
Car Park PU245	752564	Principal Unit 245 DP 499829 and Accessory Unit 2A DP 499829
Car Park PU246	752565	Principal Unit 246 DP 499829 and Accessory Unit 2A DP 499829
Car Park PU247	752566	Principal Unit 247 DP 499829 and Accessory Unit 2A DP 499829
Car Park PU248	752567	Principal Unit 248 DP 499829 and Accessory Unit 2A DP 499829
Car Park PU249	752568	Principal Unit 249 DP 499829 and Accessory Unit 2A DP 499829
Car Park PU250	752569	Principal Unit 250 DP 499829 and Accessory Unit 2A DP 499829
Car Park PU251	752570	Principal Unit 251 DP 499829 and Accessory Unit 2A DP 499829
Car Park PU252	752571	Principal Unit 252 DP 499829 and Accessory Unit 2A DP 499829
Car Park PU253	752572	Principal Unit 253 DP 499829 and Accessory Unit 2A DP 499829
Car Park PU254	752573	Principal Unit 254 DP 499829 and Accessory Unit 2A DP 499829
Car Park PU255	752574	Principal Unit 255 DP 499829 and Accessory Unit 2A DP 499829
Car Park PU282	752601	Principal Unit 282 DP 499829 and Accessory Unit 2A DP 499829
Car Park PU283	752602	Principal Unit 283 DP 499829 and Accessory Unit 2A DP 499829
Car Park PU284	752603	Principal Unit 284 DP 499829 and Accessory Unit 2A DP 499829
Car Park PU285	752604	Principal Unit 285 DP 499829 and Accessory Unit 2A DP 499829
Car Park PU286	752605	Principal Unit 286 DP 499829 and Accessory Unit 2A DP 499829
Car Park PU287	752606	Principal Unit 287 DP 499829 and Accessory Unit 2A DP 499829
Car Park PU288	752607	Principal Unit 288 DP 499829 and Accessory Unit 2A DP 499829

Car Parks		
Premises	Unique Identifiers	Legal Description
Car Park PU289	752608	Principal Unit 289 DP 499829 and Accessory Unit 2A DP 499829
Car Park PU290	752609	Principal Unit 290 DP 499829 and Accessory Unit 2A DP 499829
Car Park PU291	752610	Principal Unit 291 DP 499829 and Accessory Unit 2A DP 499829
Car Park PU292	752611	Principal Unit 292 DP 499829 and Accessory Unit 2A DP 499829
Car Park PU293	752612	Principal Unit 293 DP 499829 and Accessory Unit 2A DP 499829
Car Park PU294	752613	Principal Unit 294 DP 499829 and Accessory Unit 2A DP 499829
Car Park PU295	752614	Principal Unit 295 DP 499829 and Accessory Unit 2A DP 499829
Car Park PU296	752615	Principal Unit 296 DP 499829 and Accessory Unit 2A DP 499829
Car Park PU297	752616	Principal Unit 297 DP 499829 and Accessory Unit 2A DP 499829
Car Park PU298	752617	Principal Unit 298 DP 499829 and Accessory Unit 2A DP 499829
Car Park PU299	752618	Principal Unit 299 DP 499829 and Accessory Unit 2A DP 499829
Car Park PU300	752619	Principal Unit 300 DP 499829 and Accessory Unit 2A DP 499829
Car Park PU301	752620	Principal Unit 301 DP 499829 and Accessory Unit 2A DP 499829
Car Park PU302	752621	Principal Unit 302 DP 499829 and Accessory Unit 2A DP 499829
Car Park PU303	752622	Principal Unit 303 DP 499829 and Accessory Unit 2A DP 499829
Car Park PU304	752623	Principal Unit 304 DP 499829 and Accessory Unit 2A DP 499829
Car Park PU305	752624	Principal Unit 305 DP 499829 and Accessory Unit 2A DP 499829
Car Park PU306	752625	Principal Unit 306 DP 499829 and Accessory Unit 2A DP 499829
Car Park PU333	752652	Principal Unit 333 DP 499829 and Accessory Unit 2A DP 499829
Car Park PU334	752653	Principal Unit 334 DP 499829 and Accessory Unit 2A DP 499829
Car Park PU335	752654	Principal Unit 335 DP 499829 and Accessory Unit 2A DP 499829
Car Park PU336	752655	Principal Unit 336 DP 499829 and Accessory Unit 2A DP 499829
Car Park PU337	752656	Principal Unit 337 DP 499829 and Accessory Unit 2A DP 499829
Car Park PU338	752657	Principal Unit 338 DP 499829 and Accessory Unit 2A DP 499829
Car Park PU339	752658	Principal Unit 339 DP 499829 and Accessory Unit 2A DP 499829
Car Park PU340	752659	Principal Unit 340 DP 499829 and Accessory Unit 2A DP 499829
Car Park PU341	752660	Principal Unit 341 DP 499829 and Accessory Unit 2A DP 499829
Car Park PU342	752661	Principal Unit 342 DP 499829 and Accessory Unit 2A DP 499829
Car Park PU343	752662	Principal Unit 343 DP 499829 and Accessory Unit 2A DP 499829
Car Park PU344	752663	Principal Unit 344 DP 499829 and Accessory Unit 2A DP 499829
Car Park PU345	752664	Principal Unit 345 DP 499829 and Accessory Unit 2A DP 499829
Car Park PU346	752665	Principal Unit 346 DP 499829 and Accessory Unit 2A DP 499829
Car Park PU347	752666	Principal Unit 347 DP 499829 and Accessory Unit 2A DP 499829
Car Park PU348	752667	Principal Unit 348 DP 499829 and Accessory Unit 2A DP 499829
Car Park PU349	752668	Principal Unit 349 DP 499829 and Accessory Unit 2A DP 499829

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