PRENDOS

BUILDING REPORT REV B 025093003 2-4 Fred Thomas Drive, Takapuna



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Addenda

Addendum A: Site Layout Plan Addendum B: Preliminary Cost Estimate

025093003



18 May 2017

Maat Group PO BOX 301 848 Albany AUCKLAND 0752

Attention: Neil Tuffin

REV B REPORT ON: 2-4 FRED THOMAS DRIVE, TAKAPUNA, AUCKLAND 0622

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PROJECT PREFACE

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EXECUTIVE SUMMARY

Following our visual inspection there are a number of items that require immediate attention or further investigation. There are also a number of items we consider relevant to the ownership and management of the site once you complete the purchase.

The following is a summary of the principal observations, for a full explanation please refer to the relevant section of the report.

Building Matters

The site inspected comprises three principle buildings with associated car parking, access roads and external areas, the details are as follows:

2 Fred Thomas Drive (The Doctors and Property Partners)

- 1. The building was originally constructed in the late 1980s and was substantial modified and refurbished in 2012. This included the demolition of parts of the building to the west and south. Currently the building provides office accommodation across three levels, along with a medical centre and café to the ground floor.
- 2. Generally the building fabric is original, including the main roof coverings and the cladding to the upper levels of the office accommodation. At the time of inspection the roof covering appeared to be water-tight but evidence of water staining internally was noted. Anecdotal evidence from occupiers suggested that repairs have recently been carried out that have resolved key issues. These repairs appear to have been targeted patch repairs with elastomeric coatings, flashing tape and single-ply membrane.
- 3. Ongoing repairs are expected to the roof coverings, particularly to butyl gutter membranes and at the junction between the single-storey block to the rear and the main building. Given the age and condition of the roof covering it is expected that the covering will require replacement in the short term. This work should be carefully designed and managed to minimise disruption for the tenants.
- 4. The glazed curtain walling system to the upper levels appears to be original and has not benefitted from refurbishment. Water ingress was noted during the inspection in several locations, including the north east corner of the first floor and the stair core to the south. In both locations previous patch repairs have been undertaken in these locations with flashing tape and sealant. Given the age of the glazing system it is expected that the majority of seals have deteriorated from ultra-violet exposure. It is recommended the glazing system is overhauled to maintain its function in the short term.
- 5. As with the building fabric the majority of the building services remain original. Phased replacement of equipment has been undertaken in the past, presumably in response to failures or occupier requirements. This has resulted in a range of ages for the installed plant and it is expected that ongoing expenditure will be required as equipment comes to the end of its service life. It is recommended that a maintenance plan is developed to prolong the condition of the plant and identify future capital expenditure.
- 6. During the inspection no measures for ground gas protection were observed as seen on the other buildings.

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3 Fred Thomas Drive (Auckland Eye and Car Park)

- Construction of this building has recently been completed and a Code Compliance Certificate (CCC) was issued by Auckland City Council on 3 April 2017. Generally the building provides car parking across 4 levels with a retail unit to part of the ground floor.
- 8. Cracking to the concrete floor slab was noted throughout the car park, varying in width from 0.2 1mm. A note on the council file confirms that this was inspected in April 2016 by the structural engineers on the project (BGT Structures (Auckland) Ltd) and the manufacturer of the suspended floor system (Speedfloor Ltd). This note concludes that the cracking is non-structural and cosmetic, induced by shrinkage within the concrete. It is recommended that the cracking is repaired with epoxy injection, or similar, to minimise further deterioration. It would also be prudent to monitor the condition of the slab over the coming years.
- 9. During the inspection water was noted to be flowing across some of the floor slabs and down the northern stair tower. This was appearing internally at the base of the stair core. The management of rainwater through the car park appears to be poor and works are required to improve the effectiveness of the drainage system. It is understood that this issue is currently being reviewed by the contractor.
- 10. The exposed joists were noted to be unprotected and it was not possible to confirm if they require a fire-proof coating. A copy of the original fire design should be obtained in order to confirm the required specification. There are also numerous service penetrations in the car park levels. During our inspection we noted some penetrations through fire-rated wall and floors that are not fire stopped. Some penetrations appear to have a fire stop system present but are not compliantly labelled in relation to the separation that they penetrate. The existing unrated penetrations should be reviewed, but we anticipate that additional fire collars to service penetrations will be required.
- 11. From our review of the council held information it was apparent that several products benefit from guarantees and warranties, either from the manufacturer or the installer. Given the recent date of construction it is recommended that any benefit of these guarantees and warranties is transferred. It would also be prudent to put in place collateral (third party) warranties with the contractor, consultants and key sub-contractors where possible.

4 Fred Thomas Drive (Aon)

- 12. The building was constructed in the late 1980s and benefitted from a refurbishment of the main internal stair core areas in 2012. Currently it provides multi-let office accommodation over 3 levels. As with building number 2 it is apparent from our inspection that the majority of the fabric remains original and a number of elements are showing signs of degradation that would be expected given the age of construction.
- 13. The condition of the main roof covering was generally poor with water ingress noted in several locations and evidence of historic leaks throughout the upper floors. Patch repairs appear to have been carried out previously but it is expected that replacement of the roof covering will be required in the short term. This work should be carefully designed and managed to minimise disruption for the tenants.

- 14. Internally the building benefited from a comprehensive refurbishment of the common areas in 2012 and generally these areas still present well. It was noted that the age of tenant fit-out varies, and some areas have been subjected to higher levels of wear and tear than others. Works may be required to update these areas at lease expiry, including common kitchen facilities and WCs that were not refurbished in 2012.
- 15. The specification of the external glazing in the building could not be confirmed. Given the size and location of some of the glass it is expected that the glazing should be safety glass and be marked accordingly. It is recommended that specialist investigations are carried out to confirm the specification of the glazing. Where it is found not to be safety glass, or the specification cannot be confirmed, it should either be replaced or protected by barriers.
- 16. The rear loading area is showing signs of cracking to building elements. This includes map cracking to the warehouse floor, cracking to the loading dock and separation of the retaining wall from the building. Further cracking is also seen in the external retaining walls in this area. It is not clear if this damage is historic but further investigations are recommended. The construction of the building on made ground previously used for landfill may be a factor.
- 17. As with the building fabric the majority of the building services remain original. Phased replacement of equipment has been undertaken in the past, presumably in response to failures or occupier requirements. This has resulted in a range of ages for the installed plant and it is expected that ongoing expenditure will be required as equipment comes to the end of its service life. It is recommended that a maintenance plan is developed to prolong the condition of the plant and identify future capital expenditure.

Site Areas

18. The external paved surfaces are in good condition and have generally been repaired or replaced as part of the works in 2012 and 2016. Some repairs and isolated replacements are expected to the south of the site around building 4. Ongoing maintenance of soft landscaped areas should be expected.

Other Matters

- 19. As part of this survey we have not carried out an asbestos survey, however given the age of construction there is a risk that Asbestos Containing Materials (ACMs) are present on site. This is particularly the case in the older buildings (numbers 2 and 4), but may also be present in number 3. This should be confirmed with the vendor and a copy of the asbestos management plan obtained, or testing carried where not available.
- 20. We recommend that your legal advisers investigate and report upon the responsibilities for the boundaries, as well as any wayleaves, easements and rights of access to the property, along with the responsibilities for maintenance of the roadways.
- 21. We recommend that you obtain separate advice on environmental matters, including contamination and ground stability. We have also not assessed the flooding risk of the area and recommend that your legal advisors advise you on this matter if appropriate.

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1.0 INTRODUCTION

1.1 Instructions and Brief

Instructions were received from Neil Tuffin of Maat Group to undertake a preacquisition technical due diligence survey at 2–4 Fred Thomas Dr, Takapuna, Auckland ('the Property'). Full details of our agreement can be found in the Scope of Services provided with our standard terms and conditions.

We understand that the freehold interest is being sold subject to the existing occupation. Your Solicitors should make full enquiries in respect of the title, easements, wayleaves and rights of access that may exist and that the requirements of the building regulations, fire precautions and planning permissions have been observed by the previous freeholders and leaseholders.

1.2 Site Inspection

The property was inspected on Wednesday 12 and Thursday 13 April 2017 by Prendos (New Zealand) Limited. The weather conditions during the inspection were overcast with heavy rain and an outside temperature of approximately 20°c.

Mechanical and electrical installations were noted during our inspection where these were reasonably apparent only. The comments and advice herein are from the perspective of a building surveyor only and should not be taken as specialist advice in this regard. Should you require certainty on, or full details of the mechanical electrical installations to the property, you should seek the advice of a suitably qualified and experienced mechanical and electrical engineer.

At the time of our inspection, the property was occupied, and a full inspection was prevented by operational restrictions. In addition, parts of the structure were concealed and not fully inspected. No access was available to some of the tenancies, including Mercy Radiology and Housing New Zealand. The occupier's furniture, fixtures and fittings are specifically excluded from our report.

An inspection of the roof was carried out from the fixed access on site; as a result any observations are based on a visual inspection from the available vantage points.

As part of the inspection no attempt was made to access voids, ducts or risers, and no physical testing, opening up or other such investigations were undertaken. Comments or observations made are based on a visual inspection of the exposed parts of the building. No inspection was carried out of the underground drainage systems. This includes the valve chamber to the rear of building 3 and other underground services, including the gas protection monitoring areas in building 4.

While statutory matters may be noted in our report, this should not be taken as a full audit or risk assessment of the property. For the avoidance of doubt this includes building code compliance, fire safety and disabled access. Should you require a complete risk assessment of statutory compliance then a specialist will need to be appointed.

For insurance reasons, we are unable to advise on asbestos beyond considering and noting any evident risk that may indicate need for specialist investigation. This is identified where such risks were noted on site, however the absence of comment cannot be taken as insurance that the property or area under consideration is free from asbestos. This would require a specialist survey and materials testing.

Below ground (or concealed above ground) drainage was not subject to inspection. Should you require advice on these systems please advise us and we will arrange for a CCTV survey on your behalf.

1.3 Terminology

For the purposes of this report, the front elevation is assumed to face west on to Fred Thomas Drive. When the terms right or left are used they assume that the reader is facing the element being described.

2.0 GENERAL DESCRIPTION OF PROPERTY

In brief the property comprises 3 individual mixed use buildings extending to approximately 12,263 m^2 of net lettable area. The site has been developed in a number of phases between 1990 and 2016. The extent of the site surveyed is identified on the plan included at addendum A and extends to approximately 1.5 ha.

It is understood that the site is constructed on reclaimed land that previously served as a waste landfill site.

2.1 2 Fred Thomas Drive (The Doctors and Property Partners)

Located to the north of the site the building was originally constructed in the late 1980s but substantially altered in 2012. Principally the building is arranged across 3 levels with some single-storey sections to the rear. The building extends to approximately 4,115 square metres and is let to a number of occupiers, including a medical centre, a café and a several office tenants.

The structure of the building is formed from a reinforced concrete frame, supported off a presumed pad or pile foundation. This is surmounted by a pitched roof weathered with profile metal sheets draining to parapet gutters at the perimeter. The roof sheets were originally factory finished, but have since been redecorated with a spray applied elastomeric paint.

Elevations are generally clad with single glazed curtain walling with vertical factory finished aluminium glazing bars. The stair core to the southern side of the office block is clad with natural stone veneer panels. During the refurbishment in 2012 some structures at ground floor were demolished and newer double glazed units have been installed to the ground floor with factory finished aluminium frames. To the perimeter of the building a glazed canopy has been installed above a walkway formed from composite decking.

The upper levels of the building are formed from in-situ cast concrete floors connected by concrete staircases. A passenger lift is installed to the main stair core. In addition an external metal fire escape staircase is installed to the east side of the building. The ground floor is also formed from in-situ cast concrete and is presumed to bear directly on the ground. No ground gas protection measures were noted to the building.

Internally the building has been fitted out to suit the individual requirements of the tenant's. Generally this comprises open-plan office areas with some cellular meeting rooms and offices to the main tower. Ceilings are formed from suspended mineral fibre tiles in an exposed grid with inset lighting. Floors are finished depending on function but generally comprise carpet tiles or sheet vinyl. WC accommodation is provided to each level.

The medical centre has been fitted out to a higher standard to provide consulting, treatment and recovery areas. In addition pharmacy, physiotherapy and radiology areas are present. The café has been fitted out by the tenant with food preparation and service areas; no ceiling has been installed in this area leaving the underside of the floor and services exposed at high-level. Standard services for electrical power and lighting are present, along with emergency lighting, hose reels and a fire suppression sprinkler system. Heating and cooling is provided from an external chilled water system supplying internal ceiling mounted fan coils with electric reheat. The medical centre tenant has installed a number of specialist systems including medical gases.

2.2 3 Fred Thomas Drive (Auckland Eye and Car Park)

Located in the centre of the site the building was recently constructed in 2016 and provides around 234 car parking spaces across 4 levels. In addition the ground floor provides a retail tenancy extending to approximately 531 square metres. Fit out of the retail unit has recently been completed by Auckland Eye Ltd.

The building is supported by a steel frame with a presumed pile foundation structure. A pre-cast concrete shear wall is provided through the centre line of the building. Elevations are generally open to the sides and rear, with trapezoidal factory coated aluminium cladding panels to the front. The ground floor retail unit is provided with full height glazing in aluminium framing to the front and sides with the rear elevation being formed from the pre-cast concrete panels.

Stair cores are present to the north and south sides of the building constructed from pre-cast concrete panels with a rough sawn timber finish. These are surmounted by flat roofs weathered with bituminous waterproofing membrane. Pre-cast concrete stairs are present to both cores serving all levels; a passenger lift is installed to the north core. Vertical green wall planting is provided by climbing plants, these are yet to become established.

The ground level of the car park is formed from asphalt, whilst the retail unit floor is in-situ cast concrete. Both of these are presumed to be ground bearing. The upper levels of the car park are suspended in-situ cast concrete, supported by the steel frame and a 'Speedfloor' steel joist system. Generally concrete surfaces are unfinished, the exceptions are the exposed upper decks (Level 4 and Level 3A), and the deck above the retail unit (Level 1A). Waterproofing is provided to these areas with either by a polyurethane coating.

Internally the building is generally open to suit the use as a car park building with split levels inter-connected by ramps. The retail unit has been fitted out to a high-standard and to the specific requirements of the tenant. This comprises an examination and consulting area, along with treatment and recovery areas for eye surgery.

Standard services for electrical power and lighting are installed, along with emergency lighting and a fire suppression sprinkler system. Heating and cooling is provided to the retail unit by external condenser units supplying internal ceiling mounted fan coils. The tenant has installed a number of specialist systems including medical gases.

Gas protection measures are installed beneath the building to prevent the accumulation of ground gas. This comprises permeable fill overlain with a gas impermeable membrane and vented by wind driven cowls at roof level.

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2.3 4 Fred Thomas Drive (Aon)

Located to the south of the site the building was constructed in the late 1980s and refurbished in 2012. Currently it is arranged as office accommodation across 3 levels with access provided from two principal stair cores. The building extends to approximately 7,617 square metres and is let to a number of occupiers. A storage warehouse area is provided to the rear with a loading dock.

The structure of the building is formed from a reinforced concrete frame, supported off a presumed pad or pile foundation. This is surmounted by a pitched roof weathered with profile metal sheets draining to parapet gutters at the perimeter. The roof sheets were originally factory finished, but have since been redecorated with a spray applied elastomeric paint.

Elevations are generally finished with painted render, except to the rear where a section of painted masonry blockwork is present. Window units are single glazed with the majority in factory finished aluminium frames recessed in to the façade. Several steel window frames are present to the upper level of the rear elevation. Soffit vents are present above the recessed windows through to the ceiling void.

The upper levels of the building are formed from in-situ cast concrete floors connected by concrete staircases. Two passenger lifts are installed to the main stair cores. Due to restrictions on access the sub-floor structure of the ground floor was not inspected. It is understood that gas protection measures are installed and these are monitored by Auckland City Council. No details of this system were available but wind driven cowls were noted at roof level.

Internally the building has been fitted out to suit the individual requirements of the tenant's. Generally this comprises open-plan office areas with some cellular meeting rooms and offices. Ceilings are formed from suspended mineral fibre tiles in an exposed grid with inset lighting. Floors are finished depending on function but generally comprise carpet tiles or sheet vinyl. WC accommodation is provided to each level.

Standard services for electrical power and lighting are installed, along with emergency lighting, fire hose reels and a fire suppression sprinkler system. Heating and cooling is provided from an external chilled water system supplying internal ceiling mounted fan coils with electric reheat.

2.4 Site Areas

The external areas of the site mainly comprise asphalt access roads and surface car parking on grade. Site lighting is provide, either mounted on the buildings or on lampposts. Soft landscaping is provided in areas, with formal planting including a lawned turf, shrubs and mature trees.

The perimeter of the site is generally open with no boundary fencing to the front. Along the rear boundary a stormwater culvert is present, which continues below number 4.

Access to the site is available at several locations from Fred Thomas Drive to the west and Des Swann Drive to the south.

3.0 GENERAL CONDITION OF PROPERTY

3.1 2 Fred Thomas Drive (The Doctors and Property Partners)

The main roof structure comprises a metal frame forming a pitched hipped roof structure. This is weathered with trapezoidal metal roof sheets laid over foil insulation and wire netting. These elements appear to be original and at around 30 years the roof sheeting is beyond the expected service life. In order to prolong the service life the roof has been coated with a spray applied elastomeric coating. This has been undertaken in several phases, and some sections of the lower roof remain uncoated.

The coating has been applied over previous patch repairs and evidence of surface corrosion is apparent through the coating. More substantial corrosion that has perforated the sheet completely is present to cut edges and to the lap joints of some capping sheets. The exposed marine environment is likely to have a substantial effect on the rate of corrosion to exposed metal. Evidence of more recent patch repairs is present; this includes the use of flashing tape and brush applied elastomeric coating. Key areas that appear to have been targeted are the hip capping sheets to the eastern side.

The roof covering over the main stair core to the south side of the building appears to be of more recent construction. It is presumed that this roof is around 5 years old and is in a good condition. Water ingress is noted to the stair core, but this appears to be coming through the glazing as discussed below. The arrangement of the downpipe from this roof should be reviewed as it currently discharges against an unsealed edge on the lower roof.

The lower roofs form a pair of mono-pitched structures above the single-storey block to the rear. These are of a similar age and construction to the main roof covering. Consequently previous repairs are apparent beneath the spray applied coating as above, suggesting an ongoing history of water ingress. The entire length of the ridge to the mono-pitch has been sealed with tape and sealant previously. With the exception of the roof above the stair core it is expected that the roof coverings will require replacement in the short term.

No cyclone washers are installed to the roof sheet fixings, the buildings location in a high wind zone present a risk of fixings tearing through the sheets. It is recommended that washers are installed to any replacement roof sheets.

Generally gutters are formed from timber framing behind parapet walls and lined with a butyl membrane. In the majority of locations this has been over-coated with the same spray applied elastomeric coating applied to the roof sheets in 2012. A number of defects are present to the gutter linings, including bubbling of membranes, splits and de-bonding of joints. At the time of inspection no water ingress internally could be attributed to the gutters. Water staining is noted to the timber structure beneath, and historic issues particularly on the lower roofs were reported by tenants.

One exception is the gutter above the main entrance door to the radiology department in the single-storey block. This gutter has been installed to catch the small amount of water running down the cladding and divert it either side of the door. However, the gutter appears to be collecting a larger quantity of water off the canopy installed to the northern end of the building.

This water is being discharged against the glazed cladding and making its way in to the building at low-level. The design of this gutter should be reviewed to ensure rainwater is managed effectively and the weather-tightness of the glazing inspected.

Gutters generally remain clear and baskets are installed to outlets with separate over-flows. However the internal routing of rainwater pipes and the location of the gutter inside the building footprint mean that a blockage could cause significant damage. It is recommended that this risk is minimised by the proactive clearing and maintenance of the rainwater goods.

Cappings to the parapet walls are installed throughout, generally with side fixings, drip details and a fall to the upper surface. Some top fixings and flat cappings were noted, along with patch repairs to joints with flashing tape. The cappings have also been over-coated with a spray applied elastomeric coating. It is recommended that the cappings be replaced along with the roof sheets.

A large quantity of plant and equipment is located on the roof, this includes the main ventilation air handling unit and satellite dishes to the upper roof, along with the main chiller plant to the lower roof. The quality of penetrations and flashings to these units varies and evidence of historic repairs with sealant and other temporary repair products is apparent. A loose satellite dish and redundant materials were present to the lower roofs and these should be removed in not required.

The cladding system to the upper levels comprises glazed panels stacked within vertical factory finished aluminium mullion channels. The horizontal transoms are formed from rubber seals with no capping. It is expected that the system relies on sealant for weather-tightness. The age of the system and the absence of a capping to the horizontal joints mean degradation and shrinkage of the seals by ultra-violet radiation is very high. It is expected that the seals to the glazing system will require overhaul and replacement in the short-medium term. In addition the coating to the vertical glazing bars is deteriorated and will require renewal.

At the time of inspection water ingress was noted in a number of locations, particularly to the bottom edge of the glazing on level 1. Water was observed to be dripping from the parapet at high-level and hitting the flashing above the ground floor glazing. This creates a high risk detail, although it could not be confirmed if the water was entering the glazing system at a higher level and tracking down to level 1. Evidence of previous patch repairs with sealant and flashing tape are present in this location suggesting historic issues. Drain holes also appear to have been created in the vertical cappings to allow water to escape.

Water ingress was also noted in the main stair core to the south side, this appeared to be entering the glazing system at high-level on the corner junction and tracking down. Although it was not possible to confirm the seals to the glazing system appear to be original. Given the age of the glazing systems and the high exposure to ultra-violet light it is expected that these seals are beyond their service life. It is recommended that the glazing system to the upper levels is overhauled and all seals, sealants and gaskets replaced. The glazing system to the ground floor is of more modern construction and appears to have been installed around 5 years ago during the refurbishment.

The stone veneer cladding panels to the stair core are stained and marked in areas with rust and algae. Evidence of previous repairs with sealant to joints was present. It is recommended that the stone surfaces are cleaned and the joints renewed to the original specification.

The internal finishes vary throughout depending on the tenant and the length of occupation. Generally these areas are in a good condition with only minor wear and tear. Male and female WC accommodation is provided at each floor level in the central core and appears to have been refurbished in 2012.

To the main stair core the metal tread strips to the stairs were noted to be damaged, in some locations these have been cut back and filled. It is recommended that the metal tread strips are removed and replaced, or securely re-fixed. The height of the handrail to the landing should also be reviewed to ensure it complies with current guidance.

The fire exit door to the external fire escape staircase was noted to be inoperable at the time of inspection.

3.2 **3 Fred Thomas Drive (Auckland Eye and Car Park)**

Overall the building was in a good condition following completion of construction in 2016. It is expected that it will still benefit from a number of guarantees and warranties provided by the manufactures and installers of the various elements.

During our review of the council file held information it was noted that the upper deck is coated with a flexible polyurethane waterproofing system manufactured by Sika, and backed by a 10 year warranty. The deck above the retail unit is waterproofed with a product from Neuchatel and provided with a 20 year warranty. Similarly the flat roofs above the stair cores are weathered with a two layer bituminous membrane that is backed by a 20 year materials warranty, and a 5 year workmanship warranty. Enquiries should be made to ensure that these warranties are transferable, along with the main contractor and key subcontractor obligations for the building.

Water staining was noted to the car park decks and stair towers during the inspection; this is originating at high-level and running down the structure. At ground level the water was noted to be entering the northern stair core. It is recommended that the condition of the rainwater downpipes is reviewed to ensure rainwater is effectively managed and removed from the upper levels.

Cracking was noted to the car park deck, this generally forms longitudinal or transverse hairline cracks through the upper surface of the concrete between 0.2 – 1mm wide. Given the relatively uniform nature of the cracking it would appear to relate to shrinkage or thermal movement in the structure. However, some more irregular cracking was noted extending from columns on levels 2 and 3. A site report in the council file indicates that the cracking was inspected by Speedfloor and BGT Structures in April 2016 and concludes that the cracking is induced by shrinkage and is cosmetic only. It is recommended that these cracks are filled with a suitable epoxy repair product to minimise future deterioration.

Vegetation planted to the green walls at the sides of the building are yet to become established. One of the plants to the northern end appears to have died and should be removed and replaced.

Internal finishes to the retail unit are in a good condition and the nature of the business requires a high level of customisation. This has created a space designed around the tenant's specific use. At the time of inspection the suite to the southern end was still being fitted out.

The installation of the medical gas store to the ground floor of the car park has removed several car park spaces; it has also created an awkward fire escape route where the door opens in to a recess.

There are numerous service penetrations in the car park levels. During our inspection we noted some penetrations through fire-rated wall and floors that are not fire stopped. Some penetrations appear to have a fire stop system present but are not compliantly labelled in relation to the separation that they penetrate. The existing unrated penetrations should be reviewed, but we anticipate that additional fire collars to service penetrations will be required.

Numerous doors were noted with compliant certification tags fitted to confirm their fire resistance rating (FRR). Doors have signs fixed to the door leafs adjacent, stating 'Fire Door, keep closed' or 'Smoke Control Door, keep closed', except that door leaves fitted with hold-open devices shall have a sign stating only 'Fire Door' or 'Smoke Control Door'.

Internally-illuminated EXIT signage is present within the building. Exit signage should be checked and tested on a regular basis by a suitably qualified person to ensure it remains in full working condition.

Emergency lighting is provided within the building. Existing emergency lighting shall be maintained for compliance with New Zealand Building Code Clause F6 and should be tested and regularly inspected by a suitably qualified Electrical Services consultant to ensure it is in full working condition.

No protection was provided to the plant and machinery in the car park from moving vehicles. This includes the lift doors to each level and the mechanical services and pipework installed to the rear of the retail unit. Consideration should be give to installing barriers to minimise the risk of accidental damage.

3.3 4 Fred Thomas Drive (Aon)

The main roof structure comprises a metal frame forming a pitched roof structure with a secondary pitched roof over the rear extension. This is weathered with trapezoidal metal roof sheets laid over foil insulation and wire netting. These elements appear to be original and at around 30 years the roof sheeting is beyond the expected service life. In order to prolong the service life the roof has been coated with a spray applied elastomeric coating at the beginning of 2017.

The coating has been applied over previous patch repairs and evidence of surface corrosion is apparent through the coating. Evidence of more recent patch repairs is present; this includes the use of flashing tape and brush applied elastomeric coating. Key areas that appear to have been targeted are side lap joints of the sheets. Water ingress was noted internally in several locations to the upper floor, along with staining of finishes indicating historic problems. It is expected that the roof coverings will require replacement in the short term.

Several loose fixings and roof sheets were noted along with gaps to the lap joints of sheets. It is recommended that these sheets are secured to prevent them become dislodged in high winds.

Generally gutters are formed from timber framing behind parapet walls and lined with a butyl membrane. In the majority of locations this has been over-coated with the same spray applied elastomeric coating applied to the roof sheets in 2012. A number of defects are present to the gutter linings, including bubbling of membranes, splits and de-bonding of joints.

Gutters generally remain clear and baskets are installed to outlets with separate over-flows. However the internal routing of rainwater pipes and the location of the gutter inside the building footprint mean that a blockage could cause significant damage. It is recommended that this risk is minimised by the proactive clearing and maintenance of the rainwater goods.

Cappings to parapet walls are installed throughout, generally with side fixings although upper surfaces appear flat and no drip details were present. Previous repairs to joints with flashing tape have since been coated with a spray applied elastomeric coating. It is recommended that the cappings are replaced along with the roof sheets.

A large quantity of plant and equipment is located on the roof; this includes the main ventilation air handling unit and satellite dishes. The quality of penetrations and flashings to these units varies and evidence of historic repairs with sealant and other temporary repair products is apparent. Redundant cabling and other items were also present that should be removed.

Elevations are finished with brush applied paint which appears to have been reapplied on a number of occasions throughout the building life. Evidence of damage and delamination of the render is apparent although this generally appears to be historic. The latest paint coat generally covers these defects and although unsightly they do not appear to be causing any issue.

The upper surface of the paint coat to window ledges is stained from rainwater run-off and atmospheric debris. Minor flaking and abrasion to the paint coat in this location was noted and it is expected that ongoing redecoration of this paint finish will be required to maintain the appearance of the building and the function of the coating to protect against water ingress. In several locations blisters were forming in the paint coating and allowing water to collect against the building.

Aluminium framed windows are installed throughout with single glazed units. These are deeply recessed in to the elevation and are therefore protected to some degree from the elements. Shrinkage and hardening of rubber seals was noted as expected given the age of the building. It is expected that isolated repairs and replacement of these will be required.

During the inspection it was not possible to confirm the specification of the glass, which is full height in locations to the sides and rear. It is a requirement for safety glass to be used where glazing protects against a possible fall of more than 1 metre. It is recommended that the specification of the glass is confirmed, where this is not possible or the glass is found not to comply then it should be removed and replaced.

Alternatively access to the windows can be prevented by the use of barriers in accordance with the Building Regulations (Clause F4 – Safety from falling). Fixing holes to the aluminium frames internally suggest that barriers may have been installed previously.

At Level 2 on the rear elevation several steel framed windows are present with single glazing, these are not as deeply recessed as the other windows. The seals to these frames appear to be deteriorated and water staining was present to sills internally. The glazing comprises Georgian wired glass although the exact specification could not be confirmed. Overall the windows appeared in poor condition and it is recommended that they are removed and replaced.

To the perimeter of the building soffit vents are installed at each level, these vents appear to provide access above the ceiling void and are presumed to be part of the original ventilation design. The vents are protected by grilles but in a number of locations these are missing or have been moved creating possible access for pests. The spacing of the grilles is also unlikely to prevent insects accessing the ceiling void. Consideration should be given to providing better protection to these soffit vents, or if they are no longer required for the ventilation system potentially removing them. This may also have added benefits of improved energy efficiency as the temperature and air changes of the ceiling void can be controlled more easily.

The internal finishes vary throughout depending on the tenant and the length of occupation. Generally these areas are in a good condition with only minor wear and tear. Male and female WC accommodation is provided at each floor level in the central core and appears to have been refurbished in 2012 with the exception of the ground floor. The action of the door closers to the WCs was not performing well and consideration should be given to installing new closers.

Map cracking was noted to the exposed concrete floor in the storage warehouse area. Generally this was irregular and between 0.4 - 0.8 mm in width. A more substantial crack was noted to the dock loading door between 10 - 30 mm in width. It is expected that this cracking is related to the cracking seen in the dock loading area externally and should be investigated further.

During our inspection, where reasonably accessible, we noted defective construction of fire separations within the ceiling space. Fire separations were found not to be continuous to the underside of the roof, or damaged in a way that adversely affects their fire resistance function. As the building was occupied at the time of our inspection, we were not able to inspect all parts of the buildings that were inaccessible; therefore, we are unable to report the full extent of this defect. We understand that the vendor has been made aware of this defect and that the vendor will be responsible for rectifying defective fire separations prior to the completion of the Sale and Purchase agreement.

Damage to plasterboard wall lining, within the fire egress stair adjacent the kitchen on level three, was noted in isolated areas. Timber framing behind the damaged plasterboard lining is heavily decayed. The decayed framing and damaged lining will require replacement and an allowance should be made to repair this area. We were unable to confirm the full extent of the damage to the timber framing without removing the plasterboard wall lining and recommend further investigation is carried out so the extent of remedial works is properly identified.

Gaps were observed between the egress stair fire wall junctions with the external curtain wall. To prevent the passage of smoke through fire and smoke separations, gaps should have cavity barriers or be fire stopped.

The service cupboard on level three, located adjacent the north common stair core has no lining on the inside of the cupboard, with timber framing exposed. The wall is also not continuous to the underside of the roof above. We understand the inside of the cupboard should be enclosed with a fire rated board product (e.g. GIB Fyreline plasterboard) and be continuous to the underside of the roof in order to separate the common stair core from the office space and achieve its required fire resistance rating.

Door openings within fire separations are present within the building. Numerous doors were noted without certification tags fitted to confirm their fire resistance rating (FRR). Doors within fire separations shall be clearly marked to show their FRR and, where required, their smoke stopping capability.

Fire doors and smoke control doors shall should have a sign fixed to both sides of the door leaf adjacent to the handle or push plate, stating 'Fire Door, keep closed' or 'Smoke Control Door, keep closed', except that door leaves fitted with hold-open devices shall have a sign stating only 'Fire Door' or 'Smoke Control Door'. During our inspection we noted numerous fire doors without compliant signage fitted. The door from the kitchen area into the safe path egress stair not fitted with a certification tag or a self-closer.

We recommend assessment of all fire and smoke control doors ensuring doors are fitted with certification tags and self-closing mechanisms to minimise spread of fire and smoke from the kitchen area into safe path egress stair, in event of fire.

Egress doors inspected were able to be opened from inside the building without the use of keys or other implements when the building is occupied. Electromechanical locks were noted on escape routes fitted with a fail-safe override devices such as emergency door exit release units.

Internally-illuminated EXIT signage is present within the building. During our inspection we noted a lack of egress signage within the common stair core area and toilet egress corridor. Exit signage should be checked and tested on a regular basis by a suitably qualified person to ensure it remains in full working condition.

Emergency lighting is provided within the building. Existing emergency lighting shall be maintained for compliance with New Zealand Building Code Clause F6 and should be tested and regularly inspected by a suitably qualified Electrical Services consultant to ensure it is in full working condition.

3.4 Site Areas

Generally site areas are in a good condition and it appears that much of the hard-surfacing around buildings 2 and 3 was renewed in 2012 and 2016 respectively. Soft landscaping appears to be subject to routine ongoing maintenance.

Minor deterioration of hard surfaces was noted around building 4 and it is expected that this will require repair in the short-medium term and replacement in the long term. To the northwest corner of the building a mature tree is also present that has disturbed the paving and kerbing. It is recommended that this area is repaired and the condition of the drainage in this area inspected.

The service yard to the rear of building 4 was particularly worn with cracking and damage to the retaining wall and loading dock. This appears to be mainly the result of impact damage although the cracking below the loading dock and separation of the retaining wall from the building may indicate localised settlement as noted above. Possible causes may be poor compaction of the area prior to construction, or over-loading of the dock area. It is recommended that the cracking is investigated further.

The management of traffic flows around the site may require review particularly between buildings 2 and 3 where impact damage to the composite decking on the walkway appears to be a regular occurrence.

4.0 MECHANICAL AND ELECTRICAL SERVICES

As part of this inspection we have not carried out a detailed survey of the services and the comments below refer to our visual inspection from a Building Surveyor's perspective. No testing of these systems was carried out to confirm operation or performance.

It is recommended that the current service records are obtained along with details of the retained maintenance contractors. If further information is required a mechanical and electrical engineering should be instructed.

4.1 2 Fred Thomas Drive (The Doctors and Property Partners)

The engineering services installed to the building generally appear to be original and are therefore around 30 years old. Overall these appear in a fair condition but have been subject to alterations and upgrades as a result of the various phases of refurbishment and fit-out undertaken at the building.

The principle chiller plant is located in a compound to the north east corner. This comprises a McQuay air-cooled chiller of unknown age. This provides cooling to the office areas by suppling chilled water to the internal fan coil units at each floor level. Heating is provided by way of an electric re-heat. It is expected that periodic replacement of these systems will be required as they reach the end of their service life.

In a number of locations external roof mounted condenser units are present, serving internal wall and ceiling mounted units as part of a split system. These appear to be serving specific tenant functions e.g. server rooms, and are presumed to be part of tenant fit-out. The gas in these systems was noted to be R104A, however it should be confirmed if any R22 systems are present. R22 refrigerant contains HCFCs, which are an ozone depleting gas. This refrigerant gas is no longer imported into New Zealand and therefore the ongoing service and maintenance of these systems is becoming increasingly difficult.

Ventilation is provided by roof mounted Air-Handling Units (AHUs) supplying the ceiling mounted plenum boxes. The ventilation plant appears to be original and it is not clear if it was refurbished in the recent past during the alterations works in 2012.

Small power and lighting are installed throughout the building. These have been altered to suit the requirements of the tenant's. Generally lighting comprises fluorescent recessed fittings within the suspended ceiling grid. These light fittings appear to be original, with the exception of isolated blown bulbs they appear to be in working order. Emergency lighting systems are present; the operation of coverage of these systems was not tested. Data and telecoms systems are installed throughout as part of tenant fit-out.

Fire suppression is installed throughout the building with a rising main in the south west corner. This supplies ceiling mounted sprinkler heads throughout the building. Fire hose reels are installed at each level and appear to have been tested in October 2016.

A passenger lift serves the upper floors of the office accommodation, and appears in fair condition. It is presumed that works were carried out to the lifts in 2012 but the lift car would appear to be original.

Access control is installed to the building; this appears to be a combination of landlord and tenant systems.

4.2 3 Fred Thomas Drive (Auckland Eye and Car Park)

Given the recent date of construction the engineering services to the building appear to be in a good condition.

Lighting is provided throughout the car park by surface mounted fittings or from lapposts on the upper level. These fittings are on a PIR motion sensor control. Fire suppression sprinklers are installed to all levels with a rising main and control panel in the northwest corner of the building.

A passenger lift is installed to the north stair tower. Access control is installed to the lift and the stairs, although this was not operating at the time of inspection. No protection was provided to the lift from moving vehicles and the separation of pedestrians from traffic flow should be considered on all levels of the car park.

Heating and cooling to the retail unit is provided by a split system with external condenser units located on the wall to the car park. These serve internal ceiling mounted units and use R410A refrigerant. Again these units are installed adjacent to parking bays presenting a risk of damage from moving vehicles.

Standard services are provided to the tenancy including lighting, fire detection, fire suppression, and small power. Although the tenant has altered these and installed their own systems for AV, data, communications, access control and medical gases.

4.3 4 Fred Thomas Drive (Aon)

The engineering services installed to the building generally appear to be original and are therefore around 30 years old. Overall these appear in a fair condition but have been subject to alterations and upgrades as a result of the various phases of refurbishment and fit-out undertaken at the building.

The principle chiller plant is located in a compound to the north east corner. This comprises a Smardt air-cooled chiller understood to be installed at the beginning of 2017. This provides cooling to the office areas by suppling chilled water to the internal fan coil units at each floor level. Heating is provided by way of an electric re-heat. A variety of ages was noted on the associated pumps and systems, it is therefore expected that periodic replacement of these systems will be required as they reach the end of their service life.

In a number of locations external wall mounted condenser units are present, serving internal wall and ceiling mounted units as part of a split system. These appear to be serving specific tenant functions e.g. server rooms, and are presumed to be part of tenant fit-out. The gas in these systems was noted to be R104A, however it should be confirmed if any R22 systems are present. R22 refrigerant contains HCFCs, which are an ozone depleting gas. This refrigerant gas is no longer imported into New Zealand and therefore the ongoing service and maintenance of these systems is becoming increasingly difficult.

A specific extract system with a flue to the external elevation and venting to roof level is installed from the northern end of the ground floor. This appears to be connected to a fume hood within the tenant's fit-out. It is presumed that this is part of the tenant's fit-out.

As noted previously wind driven cowls are present at roof level connected directly to an underground system. It is understood that this is part of the ground gas protection measures.

Ventilation is provided by roof mounted Air-Handling Units (AHUs) supplying the ceiling mounted plenum boxes. Exhaust air is vented above the ceiling to passive roof cowls or the soffit vents at the perimeter of the building. The ventilation plant appears to be original and it is not clear if it was refurbished in the recent past during the refurbishment of the common areas, or the replacement of the chillers.

Small power and lighting are installed throughout the building. These have been altered to suit the requirements of the tenant's. Generally lighting comprises fluorescent recessed fittings within the suspended ceiling grid. These light fittings appear to be original, with the exception of isolated blown bulbs they appear to be in working order. Emergency lighting systems are present; the operation of coverage of these systems was not tested. Data and telecoms systems are installed throughout as part of tenant fit-out.

Fire suppression is installed throughout the building with a rising main on the west side. This supplies ceiling mounted sprinkler heads throughout the building. Fire hose reels are installed at each level and appear to have been tested in February 2017.

Two passenger lifts serve the upper floors of the office accommodation, and appear in good condition. It is presumed that works were carried out to the lifts in 2012 as part of the core area refurbishment; it is unclear if the lifts were replaced or if the original lifts were refurbished.

Access control is installed to the building; this appears to be a combination of landlord and tenant systems.

5.0 DELETERIOUS AND PROBLEMATIC MATERIALS

5.1 General

The following paragraphs provide comment on hazards or deleterious materials noted during our inspection that might be reasonably evident to an experienced building surveyor. No testing or materials analysis was undertaken.

5.2 Asbestos

This inspection and report does not constitute an asbestos audit.

The Health and Safety at Work (Asbestos) Regulations became effective on 4 April 2016. The Regulations place obligations on building owners, occupier and mangers to carry out an audit of the premises and to put in place a management plan to monitor, record and maintain any asbestos containing materials in the premises. This will normally require a survey and testing by a suitably qualified surveyor.

We have not been provided with a copy of the asbestos management plan for the site and we recommend that this is obtained and reviewed. Given the age of the building there is a medium risk that asbestos containing materials are present in the original construction, or in subsequent alterations.

5.3 Manmade Mineral Fibres

During our inspection we noted the presence of loose mineral fibre material. This was found in the roof and wall voids.

Not all mineral fibre is potentially hazardous in nature; it depends on the size of the fibres. Without laboratory testing, we are unable to confirm whether the fibre dimensions fall below the critical dimensions. Fibres below about 5 microns in diameter are considered to be respirable (i.e. capable of entering the lower portion of the lung). But those above 6 microns are not considered respirable.

5.4 PVC

A number of PVC elements are present at the property. These include floor finishes and building components such as pipes, such materials are commonly used in buildings although PVC has been linked to adverse health risks.

5.5 Deleterious Materials

We did not note anything whilst on site that would be considered a deleterious material. Although we cannot comment on concealed areas, we would consider the risk to be low in this regard.

6.0 LEGISLATIVE CONTROLS

This section considers matters noted during our document review or site inspections only. It should not be considered a full audit of statutory and legal matters, nor should it be taken as legal advice. The comments herein are subject to a full audit for the current or intended particular use of the building and the advice of your solicitor as part of your due diligence.

6.1 Building Consent

Building consents came into force with the Building Act 1991 (effective 1 July 1992). Building work carried out before 1992 under the old building permit system did not require a Code of Compliance Certificate (CCC).

We have been provided with a CCC for the construction of building 3 dated 3 April 2017 under application number BCO10608770. No other certificates have been made available and no information relating to the works carried out in buildings 2 and 4 in 2012 has been obtained.

We recommend that your solicitor makes enquires with the vendor and obtains all relevant information in respect of the alterations carried out to the buildings, along with any information relating to the original construction.

6.2 Building Warrant of Fitness

During the inspection the following compliance schedule statements were displayed in the buildings:

Address	Schedule Number	Date of Expiry
2 Fred Thomas Drive	WOF 11897	13 th July 2017
3 Fred Thomas Drive	WOF 20432122	4 th April 2018
4 Fred Thomas Drive	WOF 11898	13 th July 2017

It is the building owner's responsibility for submitting the annual Building Warrant of Fitness (BWOF). We recommend all relevant information is obtained from the vendor and the current retained maintenance contractors.

6.3 Workplace Safety Legislation

As part of our brief we have not carried out a review of Occupational or Health and Safety issues such as lighting levels, extent of safety glazing, number of toilets required, and hygiene standards within the food outlet.

We recommend that enquiries are made with the vendor to obtain the current Health and Safety documents including the Risk Register. If these documents are not available we recommend that separate advice is obtained on this matter.

It is recommended handrails and barriers around the site are reviewed. The height of the handrail to the landing on the main stairs in building 2 appears to be below the recommended minimum. The handrails outside building 2 do not appear to extend far enough, potentially allowing a drop of more than 1 metre from the walkway. This handrail and the handrail outside building 3 also do not provide a barrier to children. These are requirements of the Building Code and Acceptable Solutions are set out in F4/AS1.

At several locations in building 4 full height glazing is present. During the inspection we were unable to identify a safety mark to indicate that the glazing is toughened. It is a requirement under Acceptable Solution F2/AS1 that glazing complies with NZS 4223: 2016. The specification of the glass should be confirmed, where it cannot be identified it should be replaced or access should be restricted by barriers. It appears that at locations in building 4 barriers have been installed to the window frames previously.

The separation of pedestrians and vehicles should also be reviewed, especially in the multi-storey car park.

6.4 Fire Precautions and Means of Escape

We have not undertaken a fire safety audit of the building, nor has the premises been inspected by a fire engineer. The comments below are provided by a building surveyor and are subjected to further advice, if required.

All of the inspected units have been fitted with an automatic fire detection system, and it is expected that this will be subject to routine maintenance and testing in the future. Emergency lighting and escape signage was noted to be present, although the operation of this was not tested. Again it is expected that the emergency lighting will be subject to ongoing testing. Both of these systems are covered under the current BWOF compliance schedules for each building.

No details of the current safety plan and evacuation procedure were made available. The Fire Safety and Evacuation of Buildings Regulations 2006 require a building owner to put in place an evacuation procedure. It is recommended that a copy of the current plan is obtained and reviewed.

As noted previously the locking mechanism to the fire escape door from the upper level of building 2 is broken. This is preventing access to the emergency escape staircase.

The fire extinguishers to the Yachting New Zealand tenancy appear to be out of test with the last recorded test in October 2015.

6.5 Disability Discrimination Legislation in New Zealand

We have not carried out a detailed Access Audit. This is beyond the scope of this report. We recommend that enquiries are made with the vendor to obtain the current access audit; if these documents are not available we recommend that separate advice is obtained on this matter.

From our inspection it would appear that circulation around the site is reasonable, with level and ramped access to most areas. Lifts are provided to all upper levels and disabled parking spaces are provided close to the main entrances. Disabled WCs are present in the core areas and many of the tenant's have provided additional facilities to suit the healthcare nature of their businesses.

6.6 Energy Efficiency

We have not carried out an assessment of sustainability on this site nor have we calculated insulation values, heat loss or carbon dioxide emissions.

It is noted that the properties have not been constructed with energy efficiency in mind. The windows to the older buildings are single glazed and this is likely to give rise to heat gains, which will increase cooling loads. In addition insulation is generally absent to ceiling voids and walls.

6.7 Seismic Risks

No seismic or structural appraisal has been undertaken; we recommend that you obtain separate advice on this matter. As part of our desktop review we have been provided with copies of the following reports:

Address	Seismic Performance Report	% NBS	Seismic Grade
2 Fred Thomas Drive	Stephen Mitchell Engineers job no: 11/1559 dated April 2012	146%	A*
3 Fred Thomas Drive	BGT Structures (Auckland) job no: 107017 dated Dec 2016	100%	A
4 Fred Thomas Drive	Stephen Mitchell Engineers job no: 12/1651 dated June 2012	102%	A*

As part of our review of council file information the following reports were noted:

Address	Seismic Performance Report	% NBS	Seismic Grade
2 Fred Thomas Drive	SPR – 4017071	53%	С
3 Fred Thomas Drive	-	-	-
4 Fred Thomas Drive	SPR – 4017073	53%	С

It is understood that confirmation is being obtained from Stephen Mitchell Engineers that the values are still current and the information filed at the council is being updated.

As part of this inspection we have not carried out a survey of the seismic restraint of items in the building. This includes all above ceiling plant and equipment, as well as other fixtures and fittings. It is strongly recommended that an audit is undertaken and any works to secure items in accordance with current best practice is undertaken shortly.

7.0 ENVIRONMENTAL HAZARDS

We are aware of the previous landfill use at the site and recommend that details of this are obtained. As part of our survey we have not inspected, carried out or arranged any sampling and testing to establish the level of contamination present to this site. We expect that you will obtain separate advice in this regard and we recommend that this is taken into consideration.

The nature of the made ground may affect future development at the site and may impact on the choice of foundation design. Ground gas protection measures are installed to numbers 3 and 4. The responsibility for monitoring and maintenance of these systems should be confirmed. There do not appear to be any protection measures installed to number 2, the reasons for this and any risks should be understood.

We have not assessed the flooding risk of the area and recommend that your legal advisors advise you on this matter. The Auckland City Council Geomaps website identifies areas of the site are within a Flood Plain and are 'Flood Prone' and 'Flood Sensitive'.

8.0 LEGAL INTEREST

We have been advised that you are proposing to acquire the freehold interest in the property subject to the existing occupation. We have not had sight of the Agreement for Sale and Purchase and it is assumed that you will obtain legal advice on this matter.

We recommend that your legal advisers investigate and report upon the responsibilities for the boundaries, as well as any wayleaves, easements and rights of access to the property, along with the responsibilities for maintenance of the roadways.

As part of this survey we have not considered the current lease arrangements and obligations placed on the Landlord or the Tenants. This includes the responsibility for such matters as maintenance, cleaning, alterations and redecoration.

We have not been provided with information relating to the construction of building 3. We recommend that the contractor, sub-contractor and consultants are identified and a full set of the construction documents obtained, including the detailed structural design and producer statements.

As noted previously several warranties and guarantees exist for some of the building elements on number 3. It is recommended that copies of these documents are obtained and any benefit transferred as part of the purchase. A copy of the building contract should also be obtained and where possible collateral warranties put in place with the consultants, contractor and key sub-contractors.

9.0 FURTHER ENQUIRIES AND INVESTIGATIONS

During the survey we identified a number of items that require further investigation. These include:

- Structural investigation of the cracking seen to the storage area and loading dock on building 4.
- Fire report for the design of building 3 and details of the specification for intumescent coatings.

As part of this survey we have not been provided with any information on the following items and it would be prudent to make enquiries with the vendor or carry out further investigations:

- Original construction documents for building 2 and 4.
- Details of alterations undertaken to building 2 and 4.
- Warranties and guarantees for construction of building 3.
- Construction contracts for building 3.
- Consultant appointments for building 3.
- Presence of Asbestos Containing Materials (ACMs).
- Condition of the vertical transport equipment (lifts).
- Condition of underground storm and foul water drainage.
- Seismic restraint of installed equipment and services.
- Maintenance records for installed plant and equipment.
- Specification of installed glazing.

10.0 CONCLUSIONS AND RECOMMENDATIONS

10.1 Summary

The older buildings on the site (numbers 2 and 4) are now around 30 years old and have been subject to a number of alterations and phases of refurbishment. Overall they continue to remain functional although it is expected that ongoing maintenance and refurbishment will be required to maintain the quality of the accommodation. This includes both the building fabric and the engineering services installed.

The most significant items on these buildings are the roof coverings and the glazed curtain walling to building 2. At the time of inspection these elements were both allowing water ingress and will require immediate attention, along with a longer term solution. The specification of the glazing in building 4 should also be investigated with some urgency.

The newer building (number 3) is generally in good repair as expected following recent construction. The cracking to the floor slab should be attended to along with the rainwater management in order to prolong the life of the building. The use of intumescent coatings and fire collars to penetrations should also be reviewed alongside the base build fire report.

For a full breakdown of works please refer to the schedule at Addendum B along with the associated budget estimates.

10.2 Recommendations

As a result of a visual inspection we have not identified any significant items of disrepair that give rise to adverse risk from the point of view of freehold acquisition, although we refer to the observations made elsewhere in the report and recommend that these are taken in to account before proceeding with a purchase.

We have not seen a current Planned Preventative Maintenance (PPM) programme and recommend that one is undertaken. The preliminary cost estimates provided with this report should be taken as a guide. These should be developed in to a comprehensive plan as soon as possible. Given the size and complexity of the site it is expected that ongoing reactive maintenance will also be required in order to keep the building operational.

As part of good asset management we recommend that you obtain copies of the Fire Risk Assessment, Disabled Access Audit, Asbestos Register and other documents required by statute. As part of this survey no consideration has been made of potential redevelopment, refurbishment or alteration of the site. The recommendations in this report are based on the continuing use of the existing buildings. It is anticipated that the recommendations in this report will be adapted to suit your future strategy.

Yours faithfully PRENDOS NEW ZEALAND LIMITED

Geoff Matthews PgDip BSc (Hons) MRICS CHARTERED BUILDING SURVEYOR

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Reviewed by Rory Crosbie BSc (Hons), FRICS, MNZIBS CHARTERED BUILDING SURVEYOR REGISTERED BUILDING SURVEYOR

Enclosures:

PHOTO SECTIONS

- Section 1: 2 Fred Thomas Drive (The Doctors and Property Partners)
- Section 2: 3 Fred Thomas Drive (Auckland Eye and Car Park)
- Section 3: 4 Fred Thomas Drive (Aon)
- Section 4: Site Areas

ADDENDA

Addendum A: Site Layout Plan Addendum B: Preliminary Cost Estimate

LIMITATIONS

The limitations which apply to our inspection and this report were confirmed to you within our letter dated 10 April 2017 and for clarity, these are reinstated below:

1) Concealed structure

We are not able to inspect woodwork or parts of a structure which are covered, unexposed or inaccessible and therefore are unable to report that such parts remain free from defects.

2) Deleterious and Hazardous Materials

We will not carry out or commission any specialist investigation or tests to ascertain whether or not any deleterious or hazardous materials have been used in the construction of or existed in any base building and/or any subsequent refurbishment.

3) Services installation

In accordance with your instructions, we appointed specialist engineers to carry out a seismic assessment and an inspection of the building services installations on your behalf. These engineers' reports are appended to this report and should be relied on in full.

4) Occupied buildings

The property was occupied at the time of our inspection. Notwithstanding this, we do not feel that our inspection has been excessively limited.

5) Contamination

We have not carried out or commissioned any formal enquiries or investigations into the potential contamination of the site or neighbouring land. In this respect you are advised to make your own arrangements, however, should you require any guidance we would be pleased to help.

6) Liability and confidentiality

Our inspection and the report may be relied upon by Maat Group only, to whom we owe a duty of care. Our report should not be passed to any third party without our prior written consent, but such consent will not be unreasonably withheld or delayed.