

CBRE BUILDING CONSULTANCY

# TECHNICAL DUE DILIGENCE REPORT

255-257 GYMPIE ROAD  
KEDRON QLD 4031

Reliant Party: Augusta Funds Management

Date: December 2018

Ref: MID 17224859

**CBRE**

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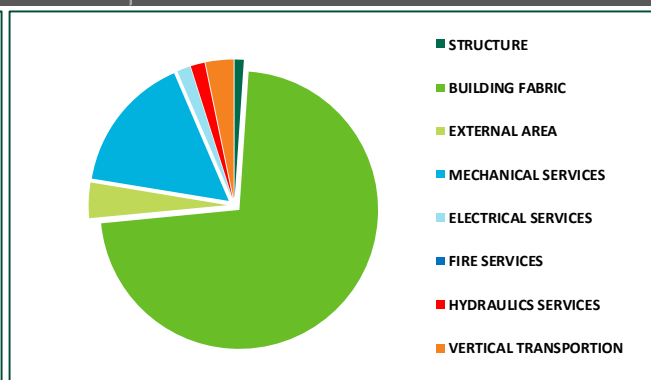
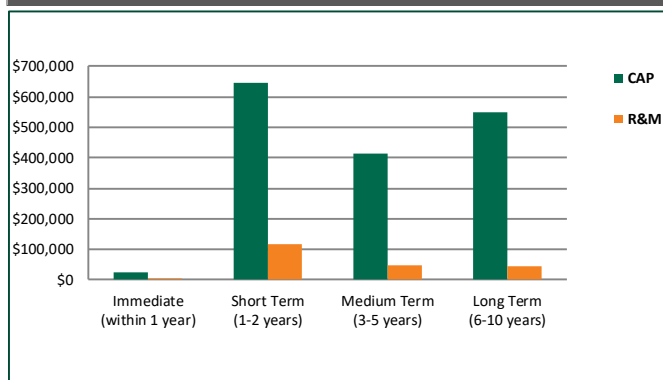


# 1. EXECUTIVE SUMMARY

The property is a mixed-use asset with multiple buildings of various ages across the site totalling 4,679m<sup>2</sup>. Condition ranges from good to poor across each building as the original dates of construction, together with subsequent extensions and alterations, determines overall condition.

ELEMENT	COMMENTS / RECOMMENDATIONS	CONDITION
Structure	<ul style="list-style-type: none"> <li>Good visual condition with no significant issues identified.</li> </ul>	Good
Fabric	<ul style="list-style-type: none"> <li>The roof covering the C&amp;K Building A1/3 is in poor condition and is recommended for lifecycle replacement. Access is also unsafe and should be upgraded. The remaining roof areas appear fair to good.</li> </ul>	Poor
	<ul style="list-style-type: none"> <li>Facades appear in fair condition with no major concerns noted.</li> <li>Internal elements appear in fair condition generally although there are new fitouts which are very good and older fitouts which are tired.</li> </ul>	Fair
External	<ul style="list-style-type: none"> <li>No significant capital expenditure is anticipated.</li> </ul>	Good
Mechanical	<ul style="list-style-type: none"> <li>The rooftop package units on C&amp;K Building A1/3 are in poor condition and recommended for lifecycle replacement. Further lifecycle replacement is expected in the long term.</li> </ul>	Poor
Electrical	<ul style="list-style-type: none"> <li>Good visual condition, however the MSB should be budgeted for an upgrade.</li> </ul>	Good
Fire/Hyd	<ul style="list-style-type: none"> <li>No significant concerns noted.</li> </ul>	Good
Lifts	<ul style="list-style-type: none"> <li>The lift is from the original construction is recommended for a major overhaul in the short-term for control gear, safety gear and compliance.</li> </ul>	Fair

FINANCIAL SUMMARY						
		Immediate	Short Term (1-2 years)	Medium Term (3-5 years)	Long Term (6-10 years)	Total
1.0	STRUCTURE	\$ -	\$ 4,000	\$ 8,000	\$ 8,000	\$ 20,000
2.0	BUILDING FABRIC	\$ 25,000	\$ 447,000	\$ 406,000	\$ 460,000	\$ 1,338,000
3.0	EXTERNAL AREA	\$ -	\$ 41,000	\$ 15,000	\$ 20,000	\$ 76,000
4.0	MECHANICAL SERVICES	\$ -	\$ 211,200	\$ -	\$ 84,000	\$ 295,200
5.0	ELECTRICAL SERVICES	\$ 5,000	\$ -	\$ 24,000	\$ -	\$ 29,000
6.0	FIRE SERVICES	\$ -	\$ -	\$ -	\$ -	\$ -
7.0	HYDRAULICS SERVICES	\$ -	\$ -	\$ 10,000	\$ 20,000	\$ 30,000
8.0	VERTICAL TRANSPORTION	\$ -	\$ 60,000	\$ -	\$ -	\$ 60,000
TOTALS		\$ 30,000	\$ 763,200	\$ 463,000	\$ 592,000	\$ 1,848,200
TIMELINE				ELEMENTAL		



## 2. SYNOPSIS

### 2.1 INSTRUCTIONS

- Instructions:**
- Written instructions received from:
    - Augusta Funds Management Limited dated 21<sup>st</sup> November 2018.
  - Instruction established from proposal issued 20<sup>th</sup> November 2018.
- Assessment**
- Technical Due Diligence review of:
- Request:**
- 255-257 Gympie Road, Kedron QLD
- Reliant Party**
- Augusta Funds Management Limited.
- CBRE Reference:**
- Z:\1. Jobs\4. QLD\4031 - Kedron\Gympie Road, 255-257\TDD - November 2018
- Scope of service:**
- Structure.
  - Building Fabric (roofs, facades & interior).
  - External Areas.
  - Building Services (Mechanical, Electrical, Fire, Hydraulic, Vertical Transport).
  - 10 Year Capital Expenditure (CAPEX) Forecast.

### 2.2 CRITICAL ASSUMPTIONS

- Information Supplied by Others**
- This report contains information which is derived from other sources. Unless otherwise specifically instructed by you and/or stated in the report, we have not independently verified that information, nor adopted it as our own, or accepted its reliability.
  - The Reliant Party accepts the risk that if any of the unverified information/advice provided by others and referred to in this report is incorrect, then this may influence our review.
  - Pertinent documentation relied upon in the preparation of this report have been referenced within the main body of the report.
- Changed Information**
- If the Reliant Party becomes aware of any material changes to the property and/or that information supplied to us is incorrect, then this report must not be relied upon before first consulting CBRE (A) Pty Ltd (CBRE) to provide a review of the updated information.

## 3. RELIANCE & REPORTING

### 3.1 RELIANCE & LIABILITY

- Reliance:** ■ This assessment is strictly and only for the use of the Reliant Party and for the Purpose specifically stated in Synopsis/Instructions.
- Transmission:** ■ Only an original report received by the Reliant Party directly from CBRE without any third-party intervention can be relied upon.
- Restricted:** ■ No responsibility is accepted or assumed to any third party who may use or rely overall or any part of the content of this assessment.
- Copyright:** ■ Neither the whole nor any part of the content of this report may be published in any document, statement, circular or otherwise by any party other than CBRE, nor in any communication with any third party, without the prior written approval from CBRE, and subject to any conditions determined by CBRE, including the form and context in which it is to appear.

### 3.2 REPORTING

- Industry Practice:** ■ Our review has been undertaken in line with the RICS best practice guidance note on Technical Due Diligence of Commercial & Industrial Property in Australia.
- Inspection:** ■ The inspection was carried out on 23<sup>rd</sup> November 2018.
- As part of the survey we viewed roofs and facades from ground level or other safe vantage points, the principle base building plant rooms and back of house areas and a reflective sample of tenanted space.
- There was no access onto the Dulux building, Childcare Centre, 257 Gympie Road, or lower C&K roof areas.
- Orientation:** ■ References to the left- and right-hand side assume the reader is facing the element in question.
- Weather:** ■ The weather at the time of inspection was dry and sunny.
- Limitations:** ■ Refer to the Attachments for our standard reporting Exclusions & Qualifications and Terms & Conditions.
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## 4. BUILDING DESCRIPTION

### 4.1 GENERAL

**Use:** ■ Mixed use comprising of commercial office, retail, and childcare.

**Configuration:** There are two properties with multiple buildings further described as follows:

#### 255 Gympie Road

- 2-storey commercial office at the south end of the site.
- Part 2-storey retail building to the north end of the site.
- 2-storey childcare centre in the southeast of the site.
- A small storage shed and secure carport are also provided.

#### 257 Gympie Road

- Located in the southwest corner is a separate lot comprising a 2-storey commercial office/retail building.

**Age:** ■ The following has been extracted from the Napier & Blakeley TDD Report:

- 1) Early 1960's: Dulux Building (B1/B2) constructed.
- 2) 1965: Buildings fronting Gympie Rd (C&K [A3] and Ingenia [A1] Tenancies)
- 3) Early 1970's: Planbuild building (A2) constructed (255 Gympie Rd)
- 4) 1991: Main building built for Westpac Northern business banking centre (currently C&K 1st Floor [A3] and Ingenia [A1] Ground Floor)
- 5) 2001: Buildings in item 2 above underwent a major refurbishment to external facades
- 6) 2007: Dulux building (B1/B2) underwent to major refurbishment ground and 1st floor
- 7) 2014: Major Internal refurbishment Ingenia office (A1)
- 8) 2015: Major Internal refurbishment C&K office (A3)
- 9) 2018: Childcare centre built and operational(C). This comprise the adaptive reuse of two residential Queenslander buildings.
- 10) 2018: Ingenia expansion major refurbishment (A1)

■ Refer to the RealServe plan attached to this report for Building reference numbers.

**Floor Area:** ■ Total: 4,579m<sup>2</sup> NLA

**Legal description:** ■ 255 Gympie – Lot 3 on RP91138  
 ■ 257 Gympie – Lot 1 on SP288094

**Site area:** ■ 8,909m<sup>2</sup> combined.

**Surrounds:** ■ A mixture of residential and commercial properties.

**Comments:** ■ Certificates of Classification have been provided for most of the tenancy fitouts.  
 ■ The base building Certificate of Classification dated 18<sup>th</sup> September 1990. This is understood to be for the 2-storey C&K building (including the C&K and Ingenia tenancies).

## 4.2 BUILDING ELEMENTS

### Substructure

- The substructures were fully concealed at the time of inspection; however they are understood to comprise of strip and pad footings together with a slab on ground.
- Ground bearing reinforced concrete slabs are understood to be conventionally reinforced.
- No structural as-built documentation was provided to comment on structural elements beyond the observations made on site.

### Superstructure

- There are a variety of construction types for each building, however they generally comprise of the following.
- Building A1/3 (C&K) is predominantly a reinforced concrete framed structure incorporating perimeter edge beams and band-beams between column locations. A steel framed structure is provided above 1<sup>st</sup> floor slab level.
- Building B (Dulux) appears to be a composite structure comprising of reinforced concrete framing elements and loadbearing masonry.
- Building C (Childcare Centre) incorporates two original Queensland heritage buildings (Queenslanders) into a new development. The Queenslanders are timber framed whilst the new development below incorporates timber framing, steel framing, and loadbearing masonry.
- Building A2 (Plan Build) appears to be a composite structure comprising of reinforced concrete framing elements and loadbearing masonry.

### Roof

- All buildings have profiled metal roof sheeting laid to fall to a mixture of valley, eaves and box guttering. The sheeting is a mixture of profiles.
- There was no access to any roof void to confirm the presence of insulation and/or safety mesh below roof sheeting.
- Steel frame canopies are provided along the Gympie Street frontages and also to other building areas internally within the site.
- Roof access to Building A1/3 is via an access hatch accessed from the rear stairwell. There are no walkways or anchor points provided, however there are plant platforms which house various plant and equipment.
- Building A2 includes a rear patio roof area which appears to be concrete paving tiles over a screen with a membrane under.
- There is no physical roof access to the other buildings.

### Facades

- Façade treatments vary across the site, but include the following:
  - Shop front window systems to ground floor areas and retail space,
  - Window wall systems,
  - Rendered and painted masonry,
  - Painted brickwork,
  - Weatherboards to the Queenslanders,
  - Metal plant screens, and
  - Fibre cement sheet lining which is painted.

- Glazing fronting Gympie Road is secondary glazed to improve acoustics.
- Windows and entry doors are mostly shopfront systems being single glazed in aluminium frames.
- The remaining doors are timber within metal frames.
- Roller shutter doors are provided to Building B.

### Interiors

- Internal elements are commensurate with the use of the space and as expected for the grade of asset. These are broadly outlined as follows.
- Ceilings – predominantly suspended ceiling systems throughout all buildings comprising either suspended ceiling tiles or flush painted plasterboard.
- Walls – predominantly painted plasterboard or rendered masonry walls. There are glazed partitions to some office areas and other tenant finishes.
- Amenities are finished with floor and wall tiling and virtuous china fittings generally.
- Kitchens and kitchenettes are tenant fitout items therefore excluded.
- Base building doors are predominantly timber door sets in metal frames.
- There are no common areas internally.

### Externals

- The external areas comprise mainly of asphalt carparking with concrete kerbing and linemarking for bays provided.
- Crossovers from the main roads are reinforced concrete and the new Childcare Centre is also of concrete construction.
- Small nature strips / soft landscaping exists in select locations.
- Fencing is provided in a number of areas:
  - The childcare centre is fully fenced with timber paling fencing to the front and a panelled fence system to the rear.
  - The north boundary includes metal cyclone fencing and timber palings.
  - Metal tubular fencing is provided around the childcare centre carpark.
- There is an external blockwork store room along the northern boundary of the site (no access was available to inspect internally).
- A secure carport is provided which is steel framed and has roller door access along the front elevation.
- There are retaining structures which separate Building A1/3 and Building C; these comprise of masonry construction.



### 4.3 BUILDING SERVICES

- Mechanical:**
- Split system air-conditioning units serving specific office areas.
  - Toilet exhaust is via ceiling and wall mounted grilles with ductwork to roof or wall mounted exhaust fans.
  - Roof top package units are installed in all buildings.
- Electrical:**
- Power to the all buildings is via Low voltage cable connections to the pad mounted transformer.
  - The Main Switch Board for each site is in the car park area near C&K.
  - Lighting is switched surface recessed fluorescent tube type fittings throughout. Office lights are a combination of fluorescent tube fittings and LED downlights.
  - Emergency & Exit lighting comprise a single point system. Exit lights are provided with Running Man symbols complying with current provisions of AS2293.
  - External lighting comprises wall mounted halogen flood lights.
  - Main building telephone distributor is in the office back of house with twisted pair cable / KRONE jumpable pair modules.
  - Tenant installed security systems are installed including alarm systems and CCTV.
  - Access control keypads are installed to the main entrance at the main entry doors each office.
- Fire:**
- Smoke detectors installed throughout the buildings at main entry point and fire exits which appear to be in line with AS1668.
  - Portable fire extinguishers are located throughout to suit base building and tenancy fit out accordingly. Extinguishers are 4.5kg ABE dry powder type and have been tested and tagged with the last test date as September 2018.
  - Fire hose reels are installed at locations near fire exits.
- Hydraulics:**
- Incoming water main supplies are fitted with control valves and water meters located at the front of the site on Gympie Road.
  - Hot water provided by electric storage units fitted with Thermostatic regulating mixing valves.
  - Sanitary fixtures and fittings within the amenities are with dual flush cisterns.
  - Sewer is discharged into the authority sewer mains and storm water drainage into the authority mains.
- Lifts:**
- One hydraulic passenger lift is installed.

## 5. COMMENTS & RECOMMENDATIONS

### 5.1 BUILDING ELEMENTS

#### General

- As the Childcare Centre development is new it is recommended to seek assignment of the all current warranties so that the purchasing entity can have reliance should issues arise in the future.

#### Substructure

- No significant cracking or movement was noted to superstructure elements to suggest possible foundation problems.

#### Superstructure

- Based on those areas viewed, no significant movement was observed in the superstructure load bearing elements which generally appear in sound condition.
- It is recommended that the structural elements including structural frames, retaining walls and exterior concrete elements be inspected biennially.

#### Roofs

- The roof over the main Building A1/3 (C&K) is in poor condition:
  - The roof has recently been covered with a liquid applied paint product acting as a membrane. It is understood the product is Dulux Metalshield.
  - There has evidently been a history of water ingress and rust is clearly visible from Nearmap imagery prior to the application; previous repairs have been carried out.
  - Poor flashing details are noted throughout where service penetrations do not have a drypan flashing as required; they are relying completely on the sealant around the penetration.
  - There are numerous dents and other imperfections and no walkways are present which would increase damage from foot traffic.
  - The paint application is considered to be a very short-term temporary solution and will likely lead to further problems. This is particularly true for the ridge scribe break which has now been sealed and will prevent moisture from escaping. Corrosion to this area will now accelerate.
  - Lifecycle replacement is recommended to be budgeted for the short term.
  - The plant platforms are in poor condition with significant corrosion noted. Treatment and repairs are recommended.
- The roof mounted AC units have had a metal clad enclosure constructed around the ductwork. It is understood to have been constructed to manage leaking ductwork, however this only hides a ductwork issue which is continuing to worsen. It is recommended these be removed as part of the AC replacement works (refer to the Mechanical section below).
- There are a number of isolated roof leaks which require investigation and repair.
- Note: roof access is near the roof edge and is highly unsafe. There are also areas of plant and equipment adjacent to the roof edge without any side protection. It is recommended that roof access be upgraded including the installation of walkways to air conditioning units.
- The balance of the roof areas appear in fair to good condition; increased R&M should be budgeted for as the roof areas age.

- Building A2 (Planbuild) is recommended to be budgeted for lifecycle replacement in the long term.
- The rear patio to Building A2 appears in poor condition, however there is no evidence of major water ingress into the office space below. Repairs have also been carried out as there is a section of roof which has been secured off from access. It is recommended that this area be monitored and an allowance for lifecycle replacement has been made in the CAPEX.

### Facades

- Façade elements generally appear in fair condition throughout with no major concerns noted.
- Gaskets are typically dislodging from the window frames to Building A1/3. These should be reinstated to ensure the integrity of the glazing is intact and prevent water entry.
- Aluminium Composite Panels (ACPs) were noted as building signage installed to a number of facades. The core colour appears to be black which suggests that the material is a polyethylene (PE) product which is banned in a number of states in Australia. However, as the signage does not extend above two storeys the legislation does not apply. Furthermore, the signage is tenant fitout and therefore the tenants could potentially be instructed to remove if required.
- Cyclical redecoration will be needed throughout the reporting period
- Building A2 (Planbuild) includes timber decking to the front and side elevations at 1<sup>st</sup> floor. The decking requires an overhaul and treatment.
- Minor water ingress/staining was noted to the awnings which should be repaired.

### Interior

- Internal elements range from very good (new) to tired and dated (where older fitouts exist).
- Lifecycle replacement of certain fabric elements may be required for the reporting period (ie ceilings, internal painting, carpet, etc). This may also include amenities some of which appear tired and dated. An allowance has been for refurbishing these elements within the reporting period, however the works are typically subject to the timing of tenants' lease expiries and make good obligations.
- No allowance has been made for tenants' fitouts.

### Externals

- External areas were noted to be generally in good condition throughout.
- Ongoing maintenance of finishes and landscaped areas will be required as part of OPEX.
- The retaining wall to the east of the C&K training centre has lateral movement which has occurred. The wall is bulging and should be stabilised; it cannot be confirmed from the inspection that the movement has ceased.
- Adjacent to the above, the concrete path has subsided creating a trip hazard. The trip hazard should be eliminated and the subsidence repaired.
- It is recommended to allow for repairs to the asphalt surfacing as the areas age over the term.

## 5.2 BUILDING SERVICES

- Mechanical:**
- There are hail-damaged rooftop package AC units serving Building A1/3 (C&K) which are in poor condition and recommended for lifecycle replacement.
  - The platforms housing the roof top package units are rust effected as noted in the Roof section above.
  - The AC package unit in the paint retailer "DULUX" has reached the end of if working life cycle and is regularly failing. It is recommended for lifecycle replacement.
  - Refer to the air-conditioning schedule attached in the Appendices for a full list of air-conditioning assets provided by the vendor. We have included our cost estimates and estimated lifecycle against each item.
- Electrical:**
- The main electrical switchboard is original, and allowance should be made for a technology upgrade in the medium term and the completion of a single line diagram displayed in a weather proof frame adjacent to the board Immediately
  - The exit lighting appears in good condition generally however some areas require new exit lighting where the old style fittings exist.
  - The remaining electrical infrastructure is considered to be in good visual condition with no significant issues to note.
- Fire:**
- Statutory maintenance appears to be up to date with maintenance tags noted as being current. However, no maintenance records were sighted.
  - It is understood the Annual Occupier's Statement is dated 17<sup>th</sup> July 2017 to 16<sup>th</sup> July 2018 with no critical defects noted. However, the statement has not been sighted.
- Hydraulics:**
- No issues were reported with hydraulic/storm water infrastructure.
  - No issues reported with the sewerage system.
  - An allowance has been made for replacement of gas-fired and electrical hot water units in the long term.
- Lift:**
- The lift is from the original construction and the original lift company no longer manufactures OEM parts. As such the lift will require a major overhaul in the short to medium term for control gear.

## 5.3 STRUCTURE/FABRIC PHOTOGRAPHS



Building A1/3 Unsafe roof access



Building A1/3 Poor condition of roof



Building A1/3 Inadequate flashings



Building A1/3 Capping scribe break sealed

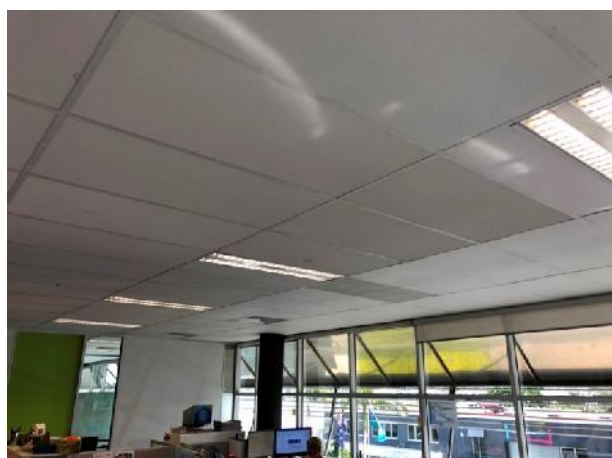


Building B roof



Building A1/3 roof – AC enclosure





C&K tenancy – ceiling tiles have been replaced.



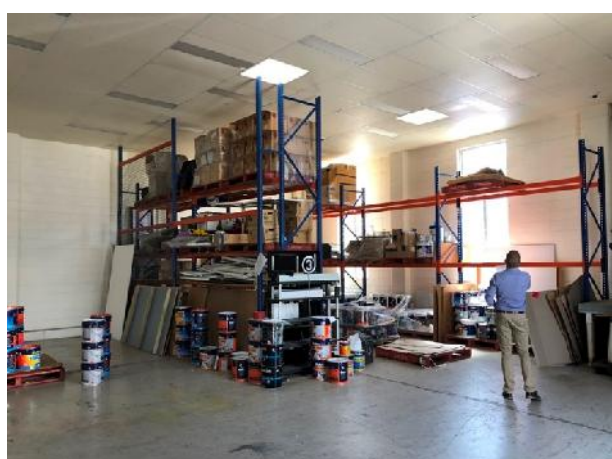
Typical window gasket dislodgement



C&K internal amenities.



Typical internal tenancy



Back of house Dulux



Building A2 facade





Minor subsidence to concrete path



Bulge to retaining wall



Concrete frame to Building A1/3



Building A1/3 façade



Original Queenslander



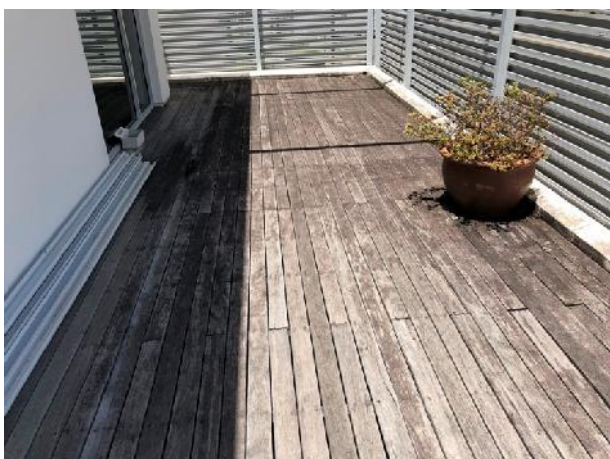
Childcare Centre facade



Typical retaining walls



Asphalt driveways



Timber decking to Building A2



Building A2 – rear patio roof



## 5.4 BUILDING SERVICES PHOTOGRAPHS



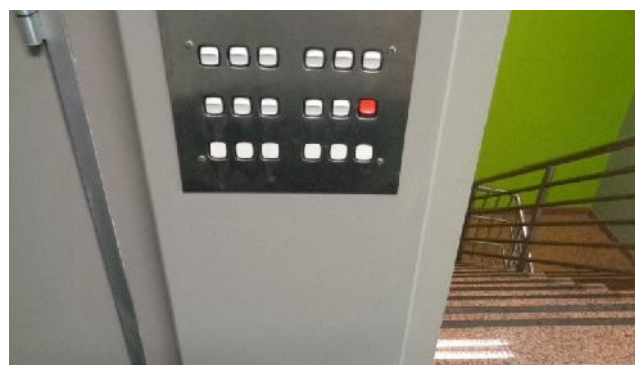
Main Switch board



Electrical distribution board



Site transformer



Lighting control panel



Internal Lighting - typical



Office lighting - typical



Roof mounted condenser



Hail damaged condenser



Hail damaged condenser



Package unit serving CK training room



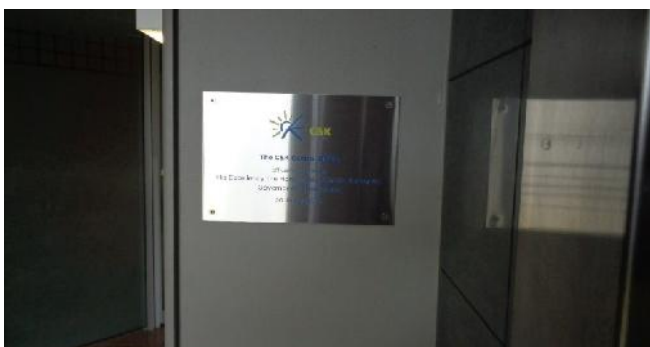
Split AC systems

Roof mounted condensers



Lift control panel

Lift internal controls



Lift lobby

Lift internal display

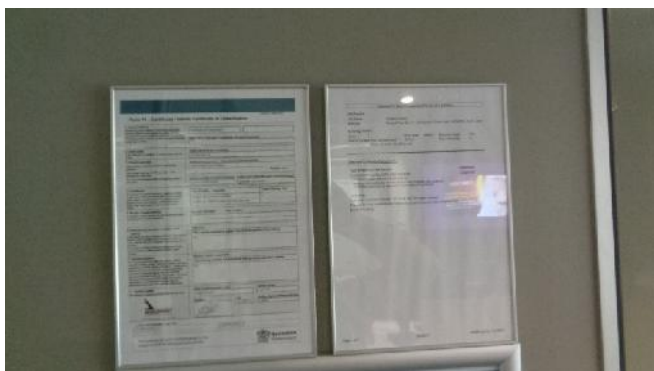




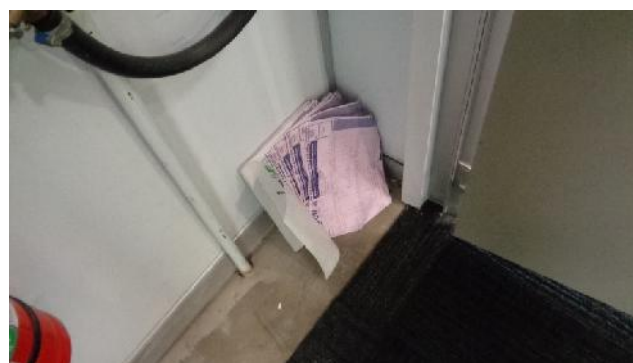
FHR typical



FE typical label



Annual testing certificate



Fire test documentation



Wash / shower Amenities



WC



Air supply register



Gas fired water heaters

## 6. CAPITAL EXPENDITURE REPORT

Our cost estimates associated with due diligence are generally concerned with capital expenditure (CAPEX) forecasts, normally reflecting a 10-year planning period. Hence, these estimates are indicative only and are provided as an “order of magnitude cost allowance” for specifically identified works. Items of work are often not fully described or detailed reflecting the high-level nature of the assessment, the amount of information available, a reasonable course of action, and the purpose for which they are prepared. We will consider and review any pre-existing CAPEX records or budgets, where they are made available.

Our CAPEX forecast also includes deferred repairs and maintenance (R&M) items which ought to have been carried out or should be planned for as a preventive measure. Routine repairs, maintenance and typical operational costs associated with the normal occupation and management of the asset are excluded unless otherwise stated.

Our costs are a present-day estimate for undertaking the works as a stand-alone project and do not include the following (unless otherwise stated):

- preliminaries, builder’s margins, overheads or contingencies;
- negotiated, staged or other special forms of contract;
- approval, consents or compliance orders;
- costs associated with the further investigations;
- professional/consultant fees for further investigation and testing, the design, documentation and the management of rectification works, or any resulting change in the scope of rectification works;
- costs associated with the relocation, temporary accommodation, disruption to business or loss of profit of the building owner or tenants;
- work outside site boundaries;
- work outside normal business hours;
- goods and services tax (GST); and
- future escalation.

Our cost estimates have been assessed based on their likelihood (i.e. how likely is it that it will occur) and consequence (what is the impact if the event does occur). These two values are combined to give an overall ‘risk rating’ which as per the table below:

Likelihood	Consequence				
	Insignificant	Minor	Moderate	Major	Catastrophic
Almost Certain	Low	Moderate	High	Very High	Very High
Likely	Low	Moderate	Moderate	High	Very High
Possible	Low	Low	Moderate	High	High
Unlikely	Insignificant	Low	Moderate	Moderate	High
Rare	Insignificant	Insignificant	Low	Moderate	High



## CAPITAL EXPENDITURE (CAPEX) FORECAST

## SUMMARY OF COSTS

SUMMARY BY ELEMENT					
	Immediate (within 1 year)	Short Term (1-2 Years)	Medium Term (3-5 Years)	Long Term (6-10 Years)	Total
<b>STRUCTURE</b>	\$ -	\$ 4,000	\$ 8,000	\$ 8,000	\$ 20,000
<b>BUILDING FABRIC</b>	\$ 25,000	\$ 447,000	\$ 406,000	\$ 460,000	\$ 1,338,000
<b>EXTERNAL AREA</b>	\$ -	\$ 41,000	\$ 15,000	\$ 20,000	\$ 76,000
<b>MECHANICAL SERVICES</b>	\$ -	\$ 211,200	\$ -	\$ 84,000	\$ 295,200
<b>ELECTRICAL SERVICES</b>	\$ 5,000	\$ -	\$ 24,000	\$ -	\$ 29,000
<b>FIRE SERVICES</b>	\$ -	\$ -	\$ -	\$ -	\$ -
<b>HYDRAULICS SERVICES</b>	\$ -	\$ -	\$ 10,000	\$ 20,000	\$ 30,000
<b>VERTICAL TRANSPORTION</b>	\$ -	\$ 60,000	\$ -	\$ -	\$ 60,000
<b>TOTAL</b>	\$ 30,000	\$ 763,200	\$ 463,000	\$ 592,000	\$ 1,848,200

SUMMARY BY WORK TYPE					
	Immediate (within 1 year)	Short Term (1-2 Years)	Medium Term (3-5 Years)	Long Term (6-10 Years)	Total
<b>R&amp;M</b>	\$ 5,000	\$ 117,000	\$ 49,000	\$ 44,000	\$ 215,000
<b>CAP</b>	\$ 25,000	\$ 646,200	\$ 414,000	\$ 548,000	\$ 1,633,200
<b>TOTAL</b>	\$ 30,000	\$ 763,200	\$ 463,000	\$ 592,000	\$ 1,848,200

SUMMARY BY RISK RATING					
	Immediate (within 1 year)	Short Term (1-2 Years)	Medium Term (3-5 Years)	Long Term (6-10 Years)	Total
<b>VERY HIGH</b>	\$ -	\$ -	\$ -	\$ -	\$ -
<b>HIGH</b>	\$ 25,000	\$ -	\$ -	\$ -	\$ 25,000
<b>MODERATE</b>	\$ 5,000	\$ 609,000	\$ 75,000	\$ 156,000	\$ 845,000
<b>LOW</b>	\$ -	\$ 154,200	\$ 388,000	\$ 436,000	\$ 978,200
<b>INSIGNIFICANT</b>	\$ -	\$ -	\$ -	\$ -	\$ -
<b>TOTAL</b>	\$ 30,000	\$ 763,200	\$ 463,000	\$ 592,000	\$ 1,848,200

## CAPITAL EXPENDITURE (CAPEX) FORECAST

Item	Element / Description / Location	Suggested Remedy	Work Type	RISK	Immediate	Short Term (1-2 Years)	Medium Term (3-5 Years)	Long Term (6-10 Years)	Total
<b>1</b>	<b>STRUCTURE</b>								
1.1	Structure generally.	Inspect structure biennially.	R&M	Low	\$ -	\$ 4,000	\$ 8,000	\$ 8,000	\$ 20,000
<b>2</b>	<b>BUILDING FABRIC</b>								
<b>2.1</b>	<b>ROOF</b>								
2.1.1	Roof Access - C&K Building.	Upgrade unsafe roof access with adequate ladder, side protection, etc.	CAP	High	\$ 25,000	\$ -	\$ -	\$ -	\$ 25,000
2.1.2	Roof Access - C&K Building.	Treat corrosion to access walkways & platforms.	R&M	Moderate	\$ -	\$ 10,000	\$ -	\$ -	\$ 10,000
2.1.3	C&K Building - main upper roof (dated 1990).	Poor condition and application of paint system will lead to further problems. Recommend lifecycle replacement.	CAP	Moderate	\$ -	\$ 285,000	\$ -	\$ -	\$ 285,000
2.1.4	C&K Building - metal clad enclosures to AC equipment.	Poor quality enclosures. Remove and make good as part of AC works below.	CAP	Moderate	\$ -	\$ 10,000	\$ -	\$ -	\$ 10,000
2.1.5	C&K Building - northeast corner, upper floor.	Investigate and repair water ingress to corner and tree litter/debris blowing in from external areas.	R&M	Low	\$ -	\$ 10,000	\$ -	\$ -	\$ 10,000
2.1.6	C&K Building - lower roof areas.	Fair condition; recommend increased R&M.	R&M	Moderate	\$ -	\$ 4,000	\$ 6,000	\$ 6,000	\$ 16,000
2.1.7	C&K Building Traning Centre - northeast corner, ground floor.	Investigate and repair water ingress visible through ceiling tiles.	R&M	Low	\$ -	\$ 10,000	\$ -	\$ -	\$ 10,000
2.1.8	255 Gympie Rd - main roof.	No direct access, however they appear in fair condition. Recommend lifecycle replacement be budgeted for.	CAP	Moderate	\$ -	\$ -	\$ -	\$ 40,000	\$ 40,000
2.1.9	255 Gympie Rd - rear sunshade over deck.	Lifecycle replacement	CAP	Low	\$ -	\$ -	\$ -	\$ 9,000	\$ 9,000
2.1.10	255 Gympie Rd - rear paved BBQ Area.	No major water ingress or issues reported/identified. The areas are aged; long term lifecycle replacement of membrane & pavers should be budgeted for.	CAP	Moderate	\$ -	\$ -	\$ -	\$ 45,000	\$ 45,000
2.1.11	Dulux/Orica - main roof	No access however no major issues reported or identified. Appears to have been replaced at some stage. Allow for increased R&M including addressing minor water ingress along front elevation (upper floor).	R&M	Moderate	\$ -	\$ 5,000	\$ 5,000	\$ 5,000	\$ 15,000
2.1.12	Childcare Centre - roof.	Understood to be mostly new; no major Capex anticipated.			\$ -	\$ -	\$ -	\$ -	\$ -
2.1.13	Carport roof.	Appears in fair condition; no major Capex anticipated.			\$ -	\$ -	\$ -	\$ -	\$ -
<b>2.2</b>	<b>FACADES</b>								
2.2.1	C&K Building.	Gaskets are typically dislodging from window frames. Allow to reinstate/replace.	R&M	Low	\$ -	\$ 10,000	\$ -	\$ -	\$ 10,000
2.2.2	Tenant signage fixed to fascia's throughout.	Appears to be polyethylene Aluminium Composite Panel material, however low risk as signage could be considered to be exempt from recent legislation changes.			\$ -	\$ -	\$ -	\$ -	\$ -

## CAPITAL EXPENDITURE (CAPEX) FORECAST

Item	Element / Description / Location	Suggested Remedy	Work Type	RISK	Immediate	Short Term (1-2 Years)	Medium Term (3-5 Years)	Long Term (6-10 Years)	Total
2.2.3	Childcare Centre - under croft parking.	Monitor very minor water seepage through blockwork walls. Incl at Item 1.1			\$ -	\$ -	\$ -	\$ -	\$ -
2.2.4	255 Gympie Road - upper floor timber decking.	Fair condition. Allow for overhauling timber and treatment of decking.	R&M	Low	\$ -	\$ 8,000	\$ -	\$ -	\$ 8,000
2.2.5	External painted elements.	Cyclical painting.	CAP	Moderate	\$ -	\$ -	\$ 30,000	\$ 50,000	\$ 80,000
2.2.6	Facades throughout.	Minor cracking and movement to be repaired.	R&M	Low	\$ -	\$ 5,000	\$ 10,000	\$ -	\$ 15,000
2.2.7	Windows & Doors throughout.	The older units are aged (some of which may be inoperable). Allow for repairs/overhaul.	R&M	Low	\$ -	\$ -	\$ 5,000	\$ 5,000	\$ 10,000
2.2.8	Awnings.	Minor water ingress/staining noted, particularly to Gympie Rd frontages. Budget for repairs.	R&M	Moderate	\$ -	\$ 10,000	\$ -	\$ -	\$ 10,000
<b>2.3 INTERIOR</b>									
2.3.1	Internal tenanted space.	Condition ranges from fair to very good. No allowance made for refurbishment of tenanted space.			\$ -	\$ -	\$ -	\$ -	\$ -
2.3.2	Base building kitchens/amenities throughout.	Mixture of old and new; condition ranges from very good to dated. Allow for reburishing older amenities (excluding childcare centre and new C&K extension).	CAP	Low	\$ -	\$ -	\$ 100,000	\$ 100,000	\$ 200,000
2.3.3	Internal fabric elements throughout.	Allow for replacing ceilings, floor finishes, internal painting, etc.	CAP	Low	\$ -	\$ 80,000	\$ 200,000	\$ 200,000	\$ 480,000
2.3.4	C&K training centre - external amenities.	Upgrade/refurbishment.	CAP	Low	\$ -	\$ -	\$ 50,000	\$ -	\$ 50,000
<b>3 EXTERNAL AREA</b>									
3.1	Retaining wall elements throughout.	Mostly appear in good condition; monitor condition (incl with Item 1.1).			\$ -	\$ -	\$ -	\$ -	\$ -
3.2	Retaining wall to the east of C&K training centre.	Lateral movement noted. Stabilising works would be required if movement is dormant. Monitor movement and allow a provisional sum for repair.	R&M	Moderate	\$ -	\$ 20,000	\$ -	\$ -	\$ 20,000
3.3	Concrete path between C&K office and training buildings.	Further investigate subsidence to concrete steps. Allow provisional sum for repairs incl removing trip hazards.	R&M	Low	\$ -	\$ 10,000	\$ -	\$ -	\$ 10,000
3.4	C&K building - ground floor extension - new deck.	Good condition; allow for future treatment of timberwork.	R&M	Low	\$ -	\$ -	\$ -	\$ 10,000	\$ 10,000
3.5	Timber paling fence along northern boundary.	Repair palings which are dislodging.	R&M	Low	\$ -	\$ 1,000	\$ -	\$ -	\$ 1,000
3.6	Concrete cross overs	Fair condition however cracking and movement is evident. Future repairs should be budgeted for.	R&M	Low	\$ -	\$ -	\$ 5,000	\$ -	\$ 5,000
3.7	Asphalt driveways/carparking.	Fair condition; allow for future repairs/partial replacement.	R&M	Moderate	\$ -	\$ 10,000	\$ 10,000	\$ 10,000	\$ 30,000
3.8	Concrete carparking adjacent childcare centre.	Good condition; no major Capex anticipated.			\$ -	\$ -	\$ -	\$ -	\$ -
3.9	Childcare Centre - concrete slab to undercroft parking.	Minor settlement of slab adjacent to wall; monitor (incl in Item 1.1).			\$ -	\$ -	\$ -	\$ -	\$ -

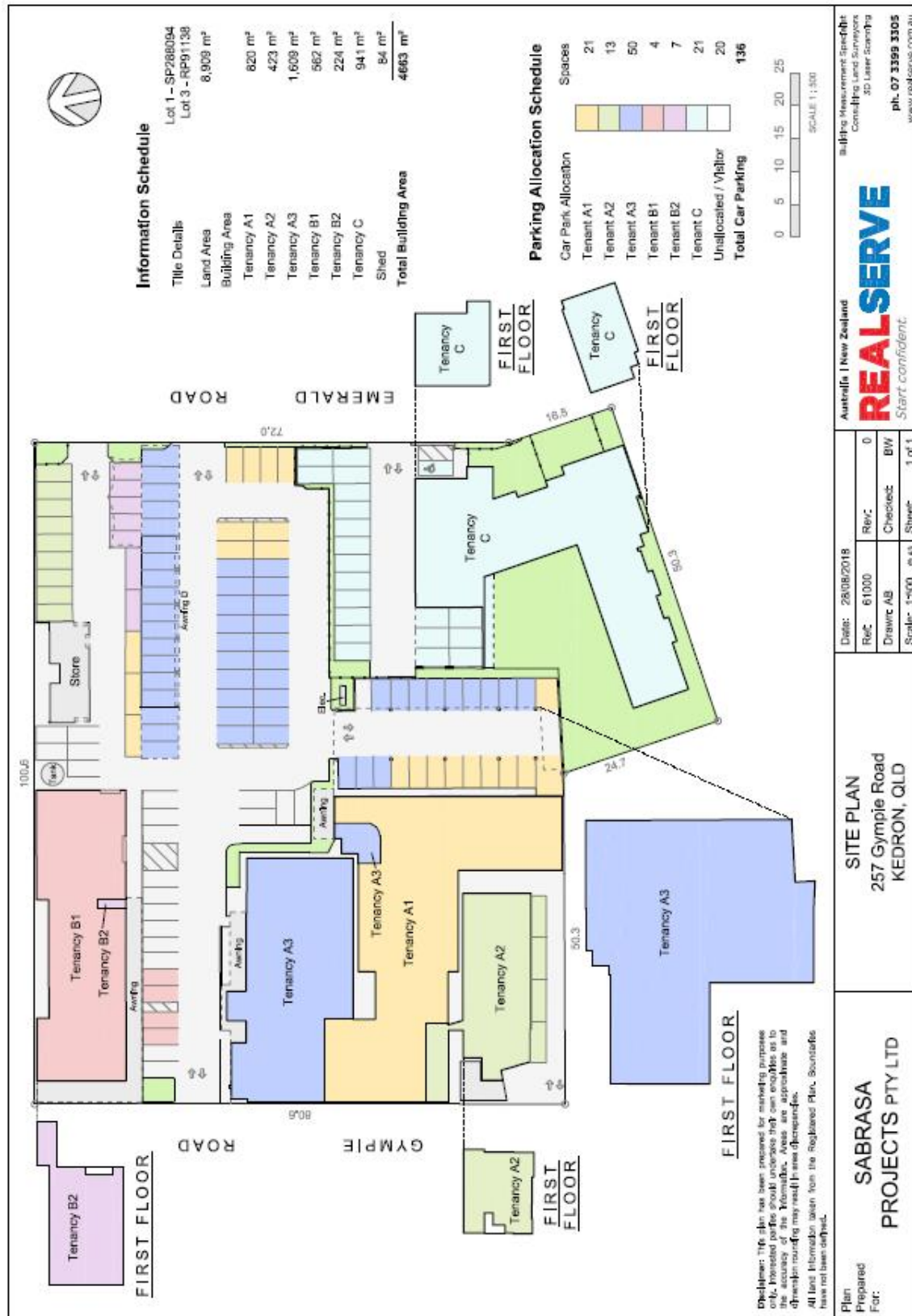
## CAPITAL EXPENDITURE (CAPEX) FORECAST

Item	Element / Description / Location	Suggested Remedy	Work Type	RISK	Immediate	Short Term (1-2 Years)	Medium Term (3-5 Years)	Long Term (6-10 Years)	Total
3.10	Blue exterior storage shed.	No access.			\$ -	\$ -	\$ -	\$ -	\$ -
<b>4 MECHANICAL SERVICES</b>									
4.1	C&K - main AC systems.	Lifecycle replacement for units 6 and 9-12.	CAP	Moderate	\$ -	\$ 168,000	\$ -	\$ -	\$ 168,000
4.2	Dulux/Orica - AC system.	Lifecycle replacement for unit 28.	CAP	Moderate	\$ -	\$ 27,000	\$ -	\$ -	\$ 27,000
4.3	Rooftop package units - various	Lifecycle replacement for units 13-18.	CAP	Low	\$ -	\$ -	\$ -	\$ 84,000	\$ 84,000
4.4	Rooftop spilt ducted system.	Lifecycle replacement for unit 19.	CAP	Low	\$ -	\$ 16,200	\$ -	\$ -	\$ 16,200
<b>5 ELECTRICAL SERVICES</b>									
5.1	Main Electrical switchboard	Allow for a technology upgrade in the medium term.	CAP	Moderate	\$ -	\$ -	\$ 24,000	\$ -	\$ 24,000
5.2	Single Line diagram.	Provide a single line diagram displayed in a weather proof frame adjacent to the board Immediately	R&M	Moderate	\$ 3,000	\$ -	\$ -	\$ -	\$ 3,000
5.3	EXIT Lighting	There are some areas that require new exit lighting where deficient.	R&M	Moderate	\$ 2,000	\$ -	\$ -	\$ -	\$ 2,000
<b>6 FIRE SERVICES</b>									
6.1	AS1851	No major capex anticipated - continue with statutory maintenance.			\$ -	\$ -	\$ -	\$ -	\$ -
<b>7 HYDRAULICS SERVICES</b>									
7.1	Hot Water units	Allow for replacement of Gas fired and electrical Hot water units in the medium and long term	CAP	Low	\$ -	\$ -	\$ 10,000	\$ 20,000	\$ 30,000
<b>8 VERTICAL TRANSPORTION</b>									
8.1	Passenger lift - hydraulic	The lift is from the original construction and as the original lift company no longer manufactures OEM parts. As such the lift is recommended for a major overhaul in the short to medium term for control gear, safety gear and compliancy.	CAP	Moderate	\$ -	\$ 60,000	\$ -	\$ -	\$ 60,000
				<b>TOTAL</b>	<b>\$30,000</b>	<b>\$763,200</b>	<b>\$463,000</b>	<b>\$592,000</b>	<b>\$1,848,200</b>

## 7. AIRCONDITIONING LIST & COST ESTIMATES

Unit No	Brand	Model	Capacity (Kw)	Unit Location	Area Served	Landlords Replacement Estimate	Year Installed (approx)	CBRE replacement estimate	CBRE estimated cost of replacement	CBRE estimated cost of replacement
1	APAC	Unsure	100	Roof Ground Floor	C&K Office and Kitchen and Training rooms Ground Floor	Replacement next 5 years	2004	2024		\$70,000
2	LG	Unsure	25.5	Roof Ground Floor	Gympie Rd End of C&K office Ground Floor	Replacement next 5 years	2003	2024		\$20,400
3	Actron	SRA-73C-0200	17	Roof Ground Floor	Ingenia Office Lowest Level	10 + years	2014	2034		\$15,300
4	Actron	WRC-200AS	2.6	Roof Ground Floor	Ingenia Server	10 + years	2014	2034		\$2,080
5	Actron	SRA-260C-0300	25	Roof Ground Floor	Ingenia Kitchen and Mid Level Office	10 + years	2014	2034		\$22,500
6	Hitachi	RUA-30HS	75	Roof 1st Floor	Ingenia Office ground Floor	Replacement next 5-7	2003	2019	\$52,500	
7	TCL	TAC-18CHSA-Z14	5	Carpark Undercroft	Ingenia Comms Room	10 + years	2014	2034		\$3,000
8	Fujitsu	AOT36RCF3L	10.5	Carpark Undercroft	Ingenia Board Room	10 + years	2008	2028		\$6,300
9	Hitachi	RUA-30HS	75	Roof 1st Floor	C&K Office 1st Floor	Replacement next 5-7	2004	2019	\$52,500	
10	Hitachi	RUA-15HS	30	Roof 1st Floor	C&K Office 1st Floor Gympie Rd	Replacement next 5-7	2004	2019	\$27,000	
11	Email	Unsure	20	Roof 1st Floor	C&K Kitchen	Replacement next 5	2003	2019	\$18,000	
12	Email	Unsure	20	Roof 1st Floor	C&K Office area southern wall	Replacement next 5	2003	2019	\$18,000	
13	Hitachi	RAC-70YHA2	7	Roof 1st Floor	C&K Server Room	10 + years	2014	2029		\$4,200
14	TCL	TAC-24CHSA-BY4	7	Roof 1st Floor	C&K Server Room	10 + years	2014	2029		\$4,200
15	Actron	SRA173C	16	Roof 1st Floor	C&K Office payroll	10 + years	2014	2029		\$9,600
16	Actron	SRA630C	60	Roof 1st Floor	C&K Office Main Area	10 + years	2014	2029		\$36,000
17	Actron	SRA260-0300	25	Roof 1st Floor	C&K Office Legal and CEO Area	10 + years	2014	2026		\$15,000
18	Actron	SRA260C	25	Plant Room deck	Planbuild Downstairs	10 + years	2015	2027		\$15,000
19	Mitsubishi	Unsure	18	Plant room Deck	Planbuild Upstairs	10 + years	2003	2019	\$16,200	
20	Actron	SRA173C-200	17	Carpark Enclosure	Front Office and reception area	10 + years	2018	2033		\$10,200
21	Actron	SRA-340C-0200	34	Carpark Enclosure	Nothern Wing Babies Childcare Centre	10 + years	2018	2033		\$20,400
22	Actron	SRA-133C-0200	13	Southern Plant Area	Main Southern Wing Childcare Centre	10 + years	2018	2033		\$7,800
23	Actron	SRA-133C-0201	13	Southern Plant Area	Main Southern Wing Childcare Centre	10 + years	2018	2033		\$7,800
24	Actron	SRA203C-0200	20	Southern Plant Area	Kitchen area Childcare Centre	10 + years	2018	2033		\$12,000
25	Actron	WRC-26AS	2.5	Southern Plant Area	Server Room Childcare cente	10 + years	2018	2033		\$1,500
26	LG	LVUM7286V C	21	Rear Back of Shop	Upstairs Office Accoras	8-10 + years	2007	2023		\$18,900
27	LG	LVUM7286V C	21	Rear Back of Shop	Upstairs Accorras Office	8-10 + years	2007	2023		\$18,900
28	Hitachi	RUA-15HS	30	Rear Back of Shop	Dulux Balance	8-10 + years	2007	2019	\$27,000	
29	Hitachi	RUA-10HS	20	Lower Level roof	Dulux Front	8-10 + years	2007	2023		\$18,000
Totals									\$211,200	\$339,080

## 8. REALSERVE SITE PLAN





## 9. QUALIFICATIONS & EXCLUSIONS

Although we will undertake as thorough and detailed an inspection as possible, our investigation and report will be subject to the following standard limitations.

- Parts of the building built in, covered up or otherwise made inaccessible during construction, alteration or fitting out, have not been inspected. This generally relates to ceiling voids, wall cavities and service risers. Therefore, we are unable to comment as to whether such elements are free from defect or infestation.
- Areas or building components that are covered up or permanently enclosed will not be inspected. Where risks exist in this regard, we will point these out and recommend opening up of the structure or fabric where this is merited to inspect such areas.
- We have not undertaken any work of a specific engineering nature, such as engineering calculations, structural analysis, testing or measurements as the report reflects our interpretation of the condition of the building as apparent from the inspection.
- Building services have been visually inspected where exposed to view only. No internal inspections have been undertaken of plant, equipment and machinery or where services are covered up or hidden by the building structural element or finishes. Building services have not been tested and no design calculations have been undertaken. If it is thought that a specific service or building element requires further testing or inspection, we will advise of this requirement. Further fees may be chargeable for these services if the visual inspection identifies areas of concern that require further intrusive investigation.
- The property has not been inspected specifically for termite infestation and we would only report on such if termite evidence was apparent during our inspection.
- Where a variety of multiple areas exist (e.g. tenancies, units, rooms, etc.), a random selection and sample of each area will be inspected and used for the basis for this report. Those areas inspected will be deemed to be representative of the balance.
- We have not prepared an exhaustive list of those minor defects or imperfections thought not to have a material bearing upon the proposed interest.
- This report is not a certification, a warranty or guarantee and has been scoped in accordance with the instructions given and the time allowed.
- The scope of the report is described within the body of this proposal and disciplines not specifically mentioned are excluded from this report.
- The report has been prepared for the benefit of the instructing entity only. This report is not to be reproduced, in whole or in part, without the express written authorisation of CBRE. The report may not be relied upon by any third party.
- No allowance has been made to provide vertical access equipment to allow for safe inspection of the roof. If there is a requirement for vertical access equipment, the cost will be charged in addition to the agreed fee. A 15% surcharge will apply.
- In regard to the services portion of this report, we have assumed that the services associated with the existing internal fit out are the tenant's responsibility and as such are not to be included within our review.
- Within this report, unless otherwise stated, we have commented on the condition of the property at the time of our inspection only, and we cannot guarantee that the property may be subject to damage or other adverse event following our inspection.
- Our investigation and report does not waive or relieve the project design team or contractor from their statutory and design obligations under their respective contracts.
- Where noted, timeframes relate to short-term (1-2 years), midterm (3-5 years) and long-term (6-10 years).

## 10. TERMS & CONDITIONS

In this Attachment:

Company means CBRE (A) Pty Limited ACN.

GST and Tax Invoice have the meanings given to those terms in A New Tax Systems (Goods and Services) Tax 1999

### 1. Instructing Party's Obligation to Assist

The Instructing Party agrees to provide all reasonable assistance to the Company to allow the Company to complete this instruction including providing all relevant documents and/or information the Instructing Party knows or ought reasonably to know will so assist the Company, at its own cost and in a timely fashion, including but not limited to:

- all information which the Company requests from time to time for the performance of the Services;
- reasonable access to the property/properties and to the Instructing Party's premises (if relevant) for the purpose of providing the Services.

The Instructing Party warrants that such information is complete and accurate.

### 2. Fees and Disbursements

The Company is entitled to be paid the Agreed Fee and the disbursements by the Instructing Party in consideration of the Company performing the Services.

The Company may invoice the Instructing Party for its reasonable out of pocket expenses incurred by the Company in the provision of the Services including travel, subsistence and document handling costs such as courier charges.

The Instructing Party must pay each Tax Invoice issued to it by the Company within 14 days of the date that the Instructing Party issues the Tax Invoice. A late payment fee of 2% per month (or part thereof) for any overdue amount may be charged by the Company.

All legal and debt recovery costs which the Company may incur in recovering overdue account balances from the Instructing Party will be fully recoverable from the Instructing Party as and when incurred.

### 3. Suspension of Services

The Company has the right to suspend its engagement where the Instructing Party fails to pay any invoiced fees and disbursements within the required time frame, by giving the Instructing Party seven days' notice in writing. Should the engagement be suspended by the

Company, all obligations by the Company to the Instructing Party cease to exist and, furthermore, all intellectual property that the Company receives from the Instructing Party prior to the engagement being suspended becomes the property of the Company and, unless otherwise agreed, the Company shall be free to use this information and value the property for any other party.

### 4. Return of Document

The Instructing Party agrees that the Company keep all papers and documents until the Agreed Fee and disbursements have been paid.

### 5. Intellectual Property

Any pre-existing intellectual property, which is recognised under any law, Copyright in any written work, drawing, compilation, table, graph and similar works created by or on behalf of the Company belongs to the Company.

### 6. Variation

The Terms of Engagement may only be varied in writing by mutual agreement of the parties.

### 7. Privacy Act

Any personal information collected and held by the Company in the course of providing the Services will only be used for purposes relating to the provision of services. More information about the manner in which the Company handles personal information is described in its privacy policy.

### 8. Assumptions and Reliance

The Instructing Party acknowledges that the Company:

- (a) will not verify the accuracy or completeness of information or materials provided to the Company;
- (b) the Services and any materials produced in the course of providing the Services are for the benefit of the Instructing Party and may not be relied on by any other party.

### 9. Indemnity

The Instructing Party indemnifies the Company against any liability, expense, loss, damage and cost in connection with a breach of the warranty given to the Company in paragraph 2.

### 10. Termination

Either party may terminate the Terms of Engagement by giving the other party at least 30 days' notice.

**11. Current**

Any materials including reports prepared in the course of the Services are current at the date of the production of the materials or date of report.

**12. GST**

Unless otherwise stated, all amounts payable are exclusive of GST. GST is payable by the Instructing Party in addition to the Agreed Fee, disbursements and any other moneys payable under the Terms of Engagement and the GST is payable at the same time as the amounts under the Company's Tax Invoice is payable.

**13. Survival**

Paragraphs 2 & 10 survive termination of the Terms of Engagement.

**14. Assignment**

The Instructing Party may not assign, novate, subcontract or transfer any part of this Terms of Engagement.

**15. Application of clause**

This paragraph 16 does not exclude or modify any condition or warranty implied into this Agreement, or any liability imposed on the Company, by law (including under the Trade Practices Act 1974 (CT)), if to do so would contravene the law or make any part of this paragraph 16 void.

**16. Exclusion of implied conditions and warranties**

Subject to paragraph 16 the Company:

- (a) excludes any condition or warranty implied into this Terms of Engagement; and
- (b) limits its liability for breach of any implied condition or warranty that it cannot exclude to resupplying the Services, or paying the cost of having those services resupplied.

**17. Entirety of Terms of Engagement**

These Terms of Engagement:

- a) constitute the entire understanding and agreement of the parties relating to the matters dealt within in;
- b) supersedes and extinguishes all prior agreements, statements, representations and understandings whether verbal or written between us relating to and the Services;

- c) is confidential (except where required to be disclosed by law).

**18. Limitation of Liability**

The Company accepts no responsibility or liability whatsoever for the Services unless full disclosure of all information likely to affect the valuation has been made.

Conditions, warranties or other rights for the Instructing Party's benefit may be implied or given in respect of these terms and conditions by Competition and Consumer Act 2010 (CT), the Fair-Trading Act 1986 (NZ) (as relevant) or other laws. Where it is not lawful or possible to exclude them, then those conditions, warranties or other laws apply but only to the extent required by law.

All other implied conditions, warranties and rights together with any implied by custom or other circumstances are excluded.

The Company limits its liability for breach of any implied condition, warranty or right to the extent allowed by law. Subject to the qualifications in the Competition and Consumer Act 2010 (CT) or in other laws, the Company's liability for any breach of any such implied condition, warranty or right is limited in the case of services supplied to one of the following as the Company may determine:

- the supplying of the Services again; or
- the payment of the cost of having the Services supplied again.

Subject to the provisions of this clause and despite any implication arising from any other clauses of this agreement, the Company is not liable in contract or in tort for or in respect of any direct or indirect loss or damage suffered by the Instructing Party or any other person arising out of any breach or other act or omission in connection with its engagement, or for the acts or omissions, or any loss caused thereby, of the environmental consultant or any other sub-contractors used in the course of providing the Services.

Indirect loss includes, without limitation, any financial loss or expense including where caused by loss of use or of goodwill, loss of data or delay in the performance of any obligation together with any expense incurred in connection with that loss or in litigation or attempted litigation of that loss.

**CBRE**