

Valuation Report

'As If Complete' Market Valuation

**17 Toop Street
25 Toop Street & 109-117 Port Road
101-103 Port Road
Seaview
Lower Hutt**

Augusta Industrial Fund Limited
Level 2, 30 Gaunt Street
Wynyard Quarter
AUCKLAND 1010

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Executive Summary

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

Brief Description

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

We provide further comment on the subject properties as follows:

17 Toop Street

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

The property is subdivided into four tenancies, occupied by Orangebox (including the Level 1 offices), Just Water and Tasman Liquor. The property is effectively fully occupied (except for 3 carparking spaces) with a weighted average lease term of 5.66 years.

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

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

Viewed collectively, these two properties provide a total net lettable area of 32,573m² spanning a total freehold land area of 4.0630 hectares. A further 15,223m² of land is leased from KiwiRail for \$91,338 per annum on a 25 year lease from 1 July 2017 (without renewal). This former Railway land which forms part of the northern yard areas and parking together provide direct access to Barnes Street.

Major tenants include Peter Baker Transport, Linfox, Toll Logistics and Jets Transport with a weighted average lease term of 5.61 years.



Overall Site Plan



101-103 Port Road

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

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



Instruction & Approach

Instructing Party	Augusta Industrial Fund Limited
Purpose of Report	Proportional Ownership purposes
Interest Valued	Unencumbered Freehold Market Value "as if complete" on the basis of existing occupancy arrangements together with the associated Sublessee's interest in former Railway land.
Date of Valuation	15 March 2018
Date of Inspection	15 March 2018

Property Details

Legal Description	Lots 11-12 & 14 Deposited Plan 28209, Lots 1-2 Deposited Plan 81136
Computer Register	WN51A/107, WN51A/108, WN47C/501C, 611396, WNF4/948
Tenure	Freehold (with the exception of the Sublessee's interest in the additional yard area, comprising a total land area of 1.5223ha)
Owner	Augusta Industrial Limited
Land Area	5.2756 ha (freehold land), plus 1.5223 hectares of leasehold land.
Rentable Area	39,776 m ²
NBS	Not less than 70% NBS assumed, refer Section 3.7
Zoning	Special Business
Major Tenancies	Peter Baker Transport, Jets Transport, Toll Logistics, Fujitsu, Linfox, Downer Group
Overall WALT	5.57 years

Key Data & Assumptions

	17 Toop Street	25 Toop Street & 109 Port Road	101-103 Port Road	Combined Properties
Current Net Contract Income	\$479,843 p.a	\$2,536,153* p.a	\$280,000 p.a	\$3,295,996* p.a
Net Market Rental	\$497,276 p.a	\$2,663,710* p.a	\$303,208 p.a	\$3,464,194* p.a
Letting Up Allowance	6 months	6 months	6 months	-
Average Growth	2.57% p.a	2.70% p.a	2.60% p.a	-
Market Capitalisation Rate	7.25%	7.25%	7.15%	-
Discount Rate	9.00%	9.00%	9.00%	-
Terminal Capitalisation Rate	7.75%	8.00%	7.40%	-
Weighted Average Lease Term	5.66 years	5.61 years	5.03 years	5.57 years

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

Special Assumptions Refer Section 1.6

Valuation 'As If Complete'

Our valuation is conditional upon the following:

Completion of Work	The building being completed in accordance with the plans and details of specifications provided, in a proper tradesman like manner.
Available for Sale	The completed property being available for sale as at the date of valuation and transacted between a willing buyer and a willing seller.
Statutory Compliance	Issuance of all relevant Local Authority approvals including a Code Compliance Certificate. Issuance of a Building Warrant of Fitness (or Compliance Schedule Statement whichever is appropriate). The satisfaction of all requirements under the Resource Management Act 1991 including Resource Consent conditions.
Rentable Area	Final measurement of the premises.
Final Inspection	Final inspection by the valuer upon completion of the above conditions.

Valuation Conclusions

Adopted Values:

17 Toop Street NZD\$6,770,000 plus GST, if any

25 Toop Street & 109-117 Port Road NZD\$35,640,000 plus GST, if any

101-103 Port Road NZD\$4,090,000 plus GST, if any

Combined Properties (4) **Total : NZD\$46,500,000 plus GST, if any (Gross Realisation)**

Individual Properties	17 Toop Street	25 Toop Street & 109-117 Port Road	101-103 Port Road
Passing Initial Yield	7.09%	7.12%	6.85%
Equivalent Market Yield	7.35%	7.25%	7.29%
Internal Rate of Return (including capex)	8.59%	9.04%	8.79%
Internal Rate of Return (excluding capex)	8.96%	9.20%	9.45%
Direct Comparison Rate	\$1,443 psm	\$1,094 psm	\$1,629 psm
Equivalent Market Yield	The assessed annual market rent as a proportion of the assessed market value, the market value having been adjusted for any rental shortfall/overage or as the case may be downwards to allow for rental downtime and lease up costs.		
Internal Rate of Return (IRR)	The rate of return on the assessed market value, based on forecast cash inflows and outflows over the next 10 years, based on our assumptions relating to market rentals, rental growth, escalation in outgoings and capital expenditure.		

Valuers

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

REUBEN BLACKWELL BSC BCOM GRAD.DIP.VAL
Registered Valuer

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

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

1.0 INTRODUCTION

1.1 SCOPE OF WORK

We have received instructions from Will Ellison on behalf of Augusta Industrial Fund Limited dated 1 March 2018 to assess the “As If Complete” market value of the subject property.

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

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

1.2 NAME AND ADDRESS OF VALUERS

Michael Horsley VAL PROF (URB) FNZIV FPINZ
Registered Valuer
Director
Colliers International (Wellington Valuation)
Limited
Level 8
95-99 Customhouse Quay
Wellington 6140
PO Box 2747
Wellington 6140
Tel: 04 470 3934

Reuben Blackwell BSC BCOM GRAD.DIP.VAL
Registered Valuer
Associate Director
Colliers International (Wellington Valuation)
Limited
Level 8
95-99 Customhouse Quay
Wellington 6140
PO Box 2747
Wellington 6140
Tel: 04 470 3912

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

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

1.3 BASIS AND PURPOSE OF VALUATION

The valuation has been completed in accordance with the latest International Valuation Standards and the Australia and New Zealand Valuation and Property Standards for mortgage security subject to the assumptions and conditions outlined within this valuation report.

We confirm that this valuation has been prepared to establish market value for Proportionate Ownership Scheme purposes and for use by prospective subscribers for specified participatory securities, we have had reference to ANZVGN8 – Valuations for Use in Offer Documents.



We have adopted the International Valuation Standards Council definition of market value as follows:

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

1.4 INFORMATION SOURCES

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

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

1.5 STATEMENT BY REGISTERED VALUER

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

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

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

1.6 RELIANCE & EXTENSION OF LIABILITY

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

- Augusta Industrial Fund Limited for proportional ownership purposes and for use by prospective subscribers for specific participatory securities only.

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

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

1.7 ASSUMPTIONS

Property Specific Assumptions

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

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

The 'as if complete' valuation is based on the following property specific assumptions.

1. The building and site works being completed in accordance with the plans and details of specifications provided, in a proper tradesman like manner.
2. Execution of the proposed lease(s) in accordance with that summarised herein.
3. The completed property being available for sale as at the date of valuation and transacted between a willing buyer and a willing seller.
4. Issuance of all relevant Local Authority approvals including a Code Compliance Certificate. Issuance of a Building Warrant of Fitness (or Compliance Schedule Statement whichever is appropriate). The satisfaction of all requirements under the Resource Management Act 1991 including Resource Consent conditions.
5. Final measurement of the premises on completion.
6. Final inspection by the valuer upon completion of the above conditions.

Other Assumptions

1. We have assumed that the instructions and subsequent information supplied contain a full and frank disclosure of all information that is relevant.
2. We have assumed that there are no easements, rights of way or encroachments except those shown on the Computer Register or in the valuation.
3. A current survey has not been sighted. The valuation is made on the basis that there are no encroachments by or upon the property and this should be confirmed by a current survey or report and/or advice from a Registered Surveyor. If any encroachments are noted by the survey report we reserve the right to review our valuation.
4. Other than the Computer Register, we are not aware of any notices currently issued against the property and we have made no enquiries in this regard.
5. We have not inspected the plant and equipment or obtained any advice on its condition or suitability.
6. In the course of preparing this report we have relied upon information provided by the owner of the property unless otherwise stated. We have assumed that this information is correct and have adopted this information in our assessment.
7. We have inspected all readily accessible parts of the improvements considered necessary for the purposes of our valuation. We have not sighted a structural survey of the improvements, nor its plant and equipment, by a qualified engineer. The valuer is not a building construction and/or structural expert, and is therefore unable to certify as to structural soundness of the

improvements. Readers of this report should make their own enquiries in this regard. We have not inspected unexposed or inaccessible portions of the premises. We therefore cannot comment on the structural integrity, defect, rot or infestation of the improvements.

8. Our valuation has been completed on the assumption the building(s) and associated site development are adequately covered by normal full reinstatement insurance, including earthquake cover, both now and in the future. Should this not be the case or should this situation change in the future we caution the valuation may change.
9. There will be no major economic downturn during the projection period, beyond that envisaged at the date of valuation.
10. The property is managed in a prudent and professional manner.
11. There will be no new taxes or rates introduced which have a direct impact on the property over the projected period.

1.8 COMPLIANCE STATEMENT

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

- The statements of fact presented in this report are correct to the best of the Valuer(s)' knowledge;
- The analysis and conclusions are limited only by the reported assumptions and conditions;
- The Valuer(s) have no interest in the subject property;
- The Valuer(s)' fee is not contingent upon any aspect of this report;
- The valuation has been performed in accordance with the NZIV Code of Ethics and performance standards;
- The Valuer(s) has satisfied professional education requirements;
- The Valuer(s) has experience in the location and category of the property being valued;
- The Valuer(s) (as noted in the executive summary and final section of this report) has made a personal inspection of the property; and
- No one, except those specified in the report has provided professional assistance in preparing the report
- Further, the principal valuer is a Registered Valuer in accordance with the Valuers Act 1948 and holds an Annual Practising Certificate.
- We confirm that we are not aware of any conflicts of interest or pecuniary interests of the property being valued on the part of Colliers International New Zealand Limited.
- We confirm Colliers International (Wellington Valuation) Limited has previously valued this property for the previous owner most recently with an effective date of 3 November 2017.

1.9 QUALITY MANAGEMENT SYSTEM

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



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

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

2.0 SITE PARTICULARS

2.1 LEGAL DESCRIPTION

The properties are legally described below:

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

The registered proprietor for the three properties is Augusta Industrial Limited. We attach recent search copies of the Computer Registers to this report at **Appendix Two**.

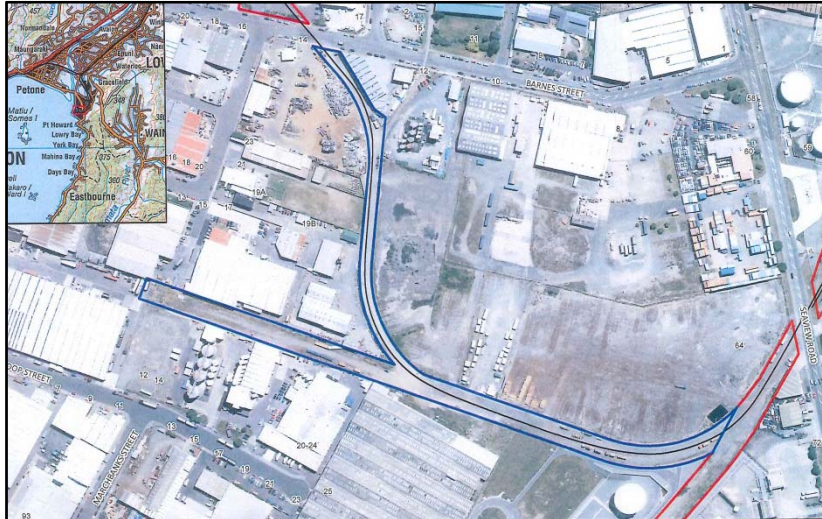
We note from our perusal of the Computer Freehold Registers that the respective properties are subject to the following interests:

25 Toop Street (The Hub)

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

Leasehold Land

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



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

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

109-117 Port Road

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

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

We understand a further \$8,662 is paid to secure right of way access rights toward the Port Road frontage to provide a greater turning circle with regard to the Linfox warehouse. We understand this

arrangement is still to be formally documented and our valuation remains subject to this being confirmed.

101-103 Port Road

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

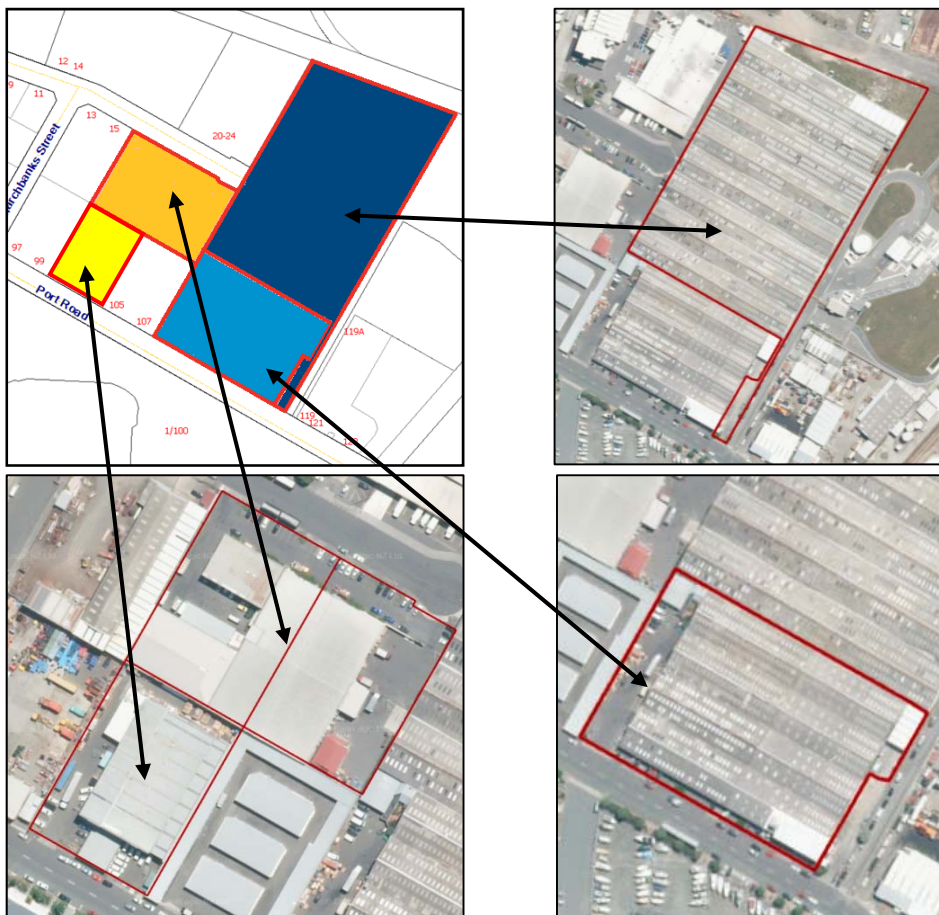
We note this sewer line runs parallel to the northern, rear boundary.

Ownership

We note from our perusal of the above Computer Freehold Registers that the subject properties are in the registered proprietorship of Augusta Industrial Limited with a mortgage registered to ASB Bank Limited.

2.2 SITE DESCRIPTION

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



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

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

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

Utilities

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

Geotechnical

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

Environmental and other Special Risks

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

We outline details of our search as follows:

SITE NAME: Cowley Refrigeration (ex Seaview Galvanising).

ANZECC: Metal extraction, refining and reprocessing, storage and use.

ANZECC SUB: Metal treatment or coating including polishing, anodising, galvanising, pickling, electroplating, or heat treatment or finishing using cyanide compounds.

CATEGORY: Verified History of Hazardous Activity or Industry.”

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

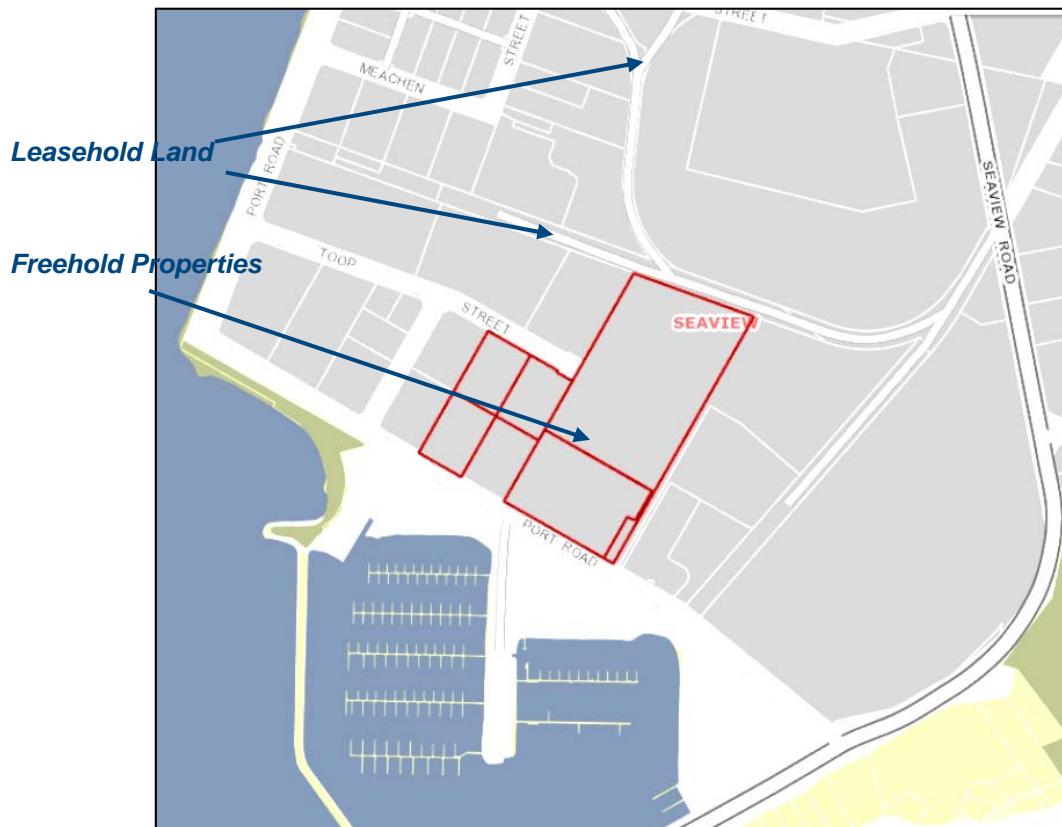
We are not aware of the full history of this site.

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

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

2.3 SITUATION AND LOCALITY

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



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

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

Subjects



A significant proportion of occupiers in Seaview/Gracefield are storage and distribution/transport companies (including New Zealand Van Lines, Peter Baker Transport, TNL, Hookers, Linfox, PE Logistics, Crown Removals, Croft Carriers, LG Anderson, Anderson & Flowers, Barlows and Retko). Many have been accommodated within the existing stores buildings. However a major limitation associated with these buildings are the generally lower stud heights, the associated storage inefficiencies and substantial costs required to achieve satisfactory conversion to alternative uses. These features, coupled with the gradual taking up of vacant space led to new design build activity, with two large multi unit warehouses completed in 2008 following on from the Van Lines and Phoenix Freight design builds built in 2004.

Masterpet commissioned a large new design build warehouse on the former Exide site in Hutt Park Road which was completed in September in 2014. This was the first major development in the sector post the global financial crisis. We note this development set a new level of rental reflecting rentals required for a new development based on a return on cost which were well above the levels being paid for existing buildings at the time. We also note new premises for Placemakers on Seaview Road have recently been completed.

2.4 RESOURCE MANAGEMENT



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

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

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

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

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

2.5 STATUTORY INFORMATION

Building Act

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

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

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

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

Property	17 Toop Street	25 Toop Street	107-109 Port Road	101-103 Port Road
BWOFF Expiry Date	15 July 2018	22 December 2017	25 May 2018	1 March 2019

Rating Valuations

1 September 2016

Rating Valuation	Capital Value	Land Value	Value of Improvements	Address
16071/52000	\$9,300,000	\$4,690,000	\$4,610,000	25 Toop Street
16071/52100	\$7,900,000	\$2,650,000	\$5,250,000	109-117 Port Road
16071/53700	\$4,110,000	\$1,930,000	\$2,180,000	17 Toop Street
16071/52300	\$2,650,000	\$1,300,000	\$1,350,000	101-103 Port Road
Totals	\$23,960,000	\$10,570,000	\$13,390,000	

We point out that rating valuations are carried out under statutory criteria and may not reflect market value at any point in time.

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

3.0 IMPROVEMENTS

3.1 GENERAL DESCRIPTION

17 Toop Street

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



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

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



Orangebox ground offices



Print Room

The refurbishment of the Level 1 offices suite has been recently completed to commensurate standard

to the ground floor with the exception of paint finished plasterboard ceilings. The proposed new lease is set to incorporate this area together with a further 13 carparks. Approximately 36 parking spaces are available within the front yard area (3 currently vacant).



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

Tasman Liquor

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

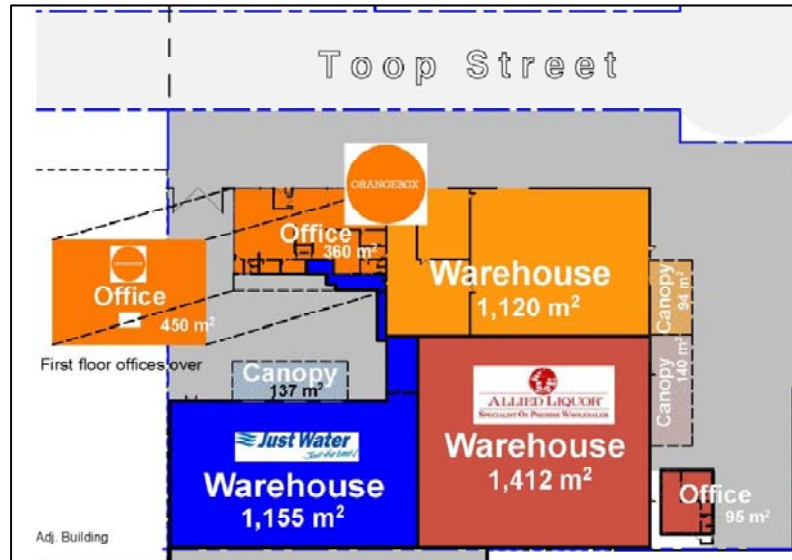


Just Water

Following their lease surrender in late 2016, the remaining premises comprise primarily warehouse accommodation with a small single level office and amenities block together with toilet and staffroom incorporated within the warehouse envelope at the southern eastern corner which provides good, clean low stud warehouse storage accommodation.

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

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



25 Toop Street – The Hub

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



Common Area



Toll

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



Jets Transport



Peter Baker Transport

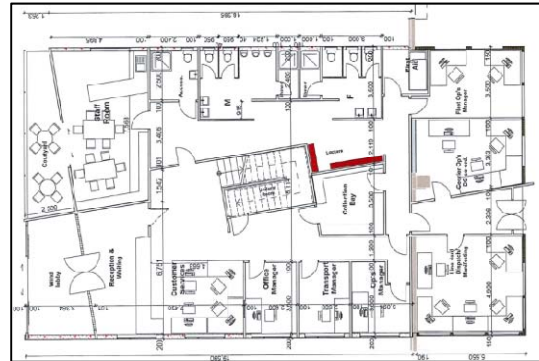
Fire protection is by hose reels, manual alarms and a sprinkler system which is reticulated throughout. We understand inter-tenancy walls are predominantly of gibraltar board although not fully fire rated with a number not extending full height.

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

Peter Baker Transport occupy the north eastern quadrant of The Hub complex. This is to further include a new two storey office and amenities block, extending out from the existing building envelope onto the secure northern yard area.



Exterior Imagery



Ground floor plan

General construction is to comprise reinforced concrete foundations, concrete block lower level walls (paint finished) and timber and or steel framing as required, clad with a JH Stria cladding panel system, commercial quality double glazed, powder coated aluminium joinery and Colorsteel roof cladding. The first floor is to be constructed of a suspended timber construction with plywood flooring.

Internal fitout to the offices are to comprise carpet tile floor coverings (Godfrey Hurst or similar), commercial grade vinyl to service areas and amenities, paint finished plasterboard walls with sound absorbent mineral fibre ceiling tiles in a suspended grid. LED lighting will be incorporated to all office and general areas. Staffroom kitchen amenities are to be completed to a commensurate to the standard of the existing Fujitsu Level offices.

We attach the full details of the new Peter Baker Transport office specification as **Appendix Three** and provide the following inspection photos to illustrate progress to date.



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



SCIL underwritten 2,030m² warehouse (ex MSS space)

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

Nature Pac (ex 'floating' warehouse)

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

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

Toll

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

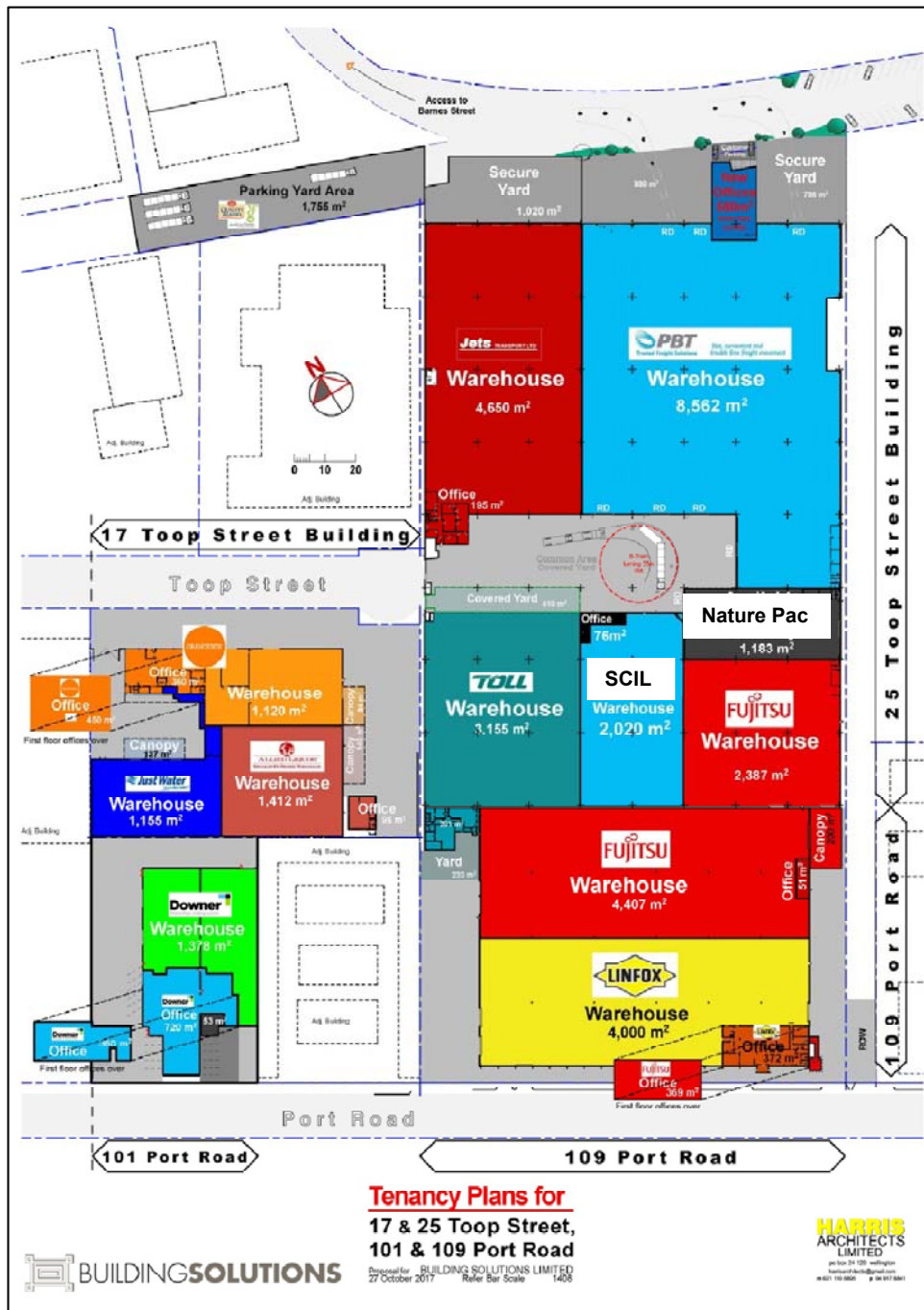


Toll covered yard area



Cold storeroom

Proposed Overall Layout



Leasehold Yard Areas

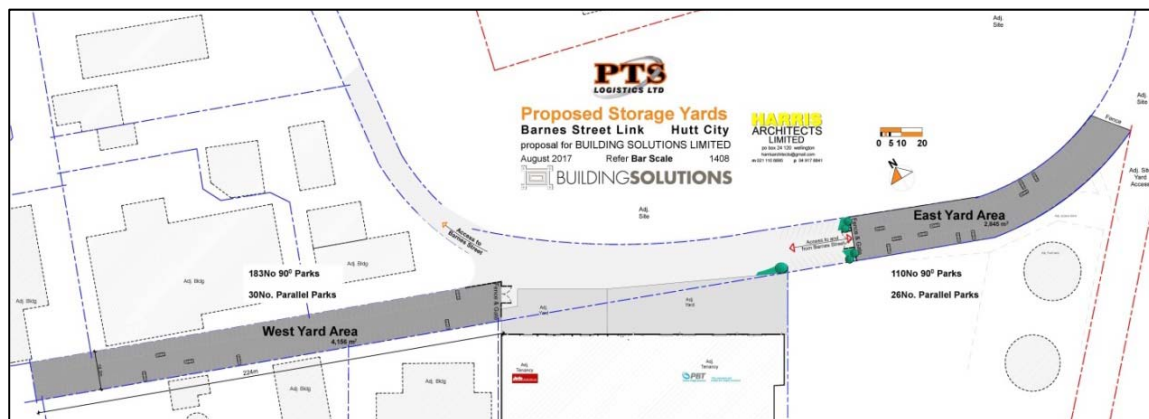
Two secure yard areas (as configured below) have been recently developed on the leasehold former rail siding. Our 'as if complete' basis views these with fencing and gates (still to be completed/reinstated) to provide fully sealed, secure yard areas accessed from Barnes Street.



Eastern Yard



Western Yard



109 Port Road

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

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

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



101-103 Port Road



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

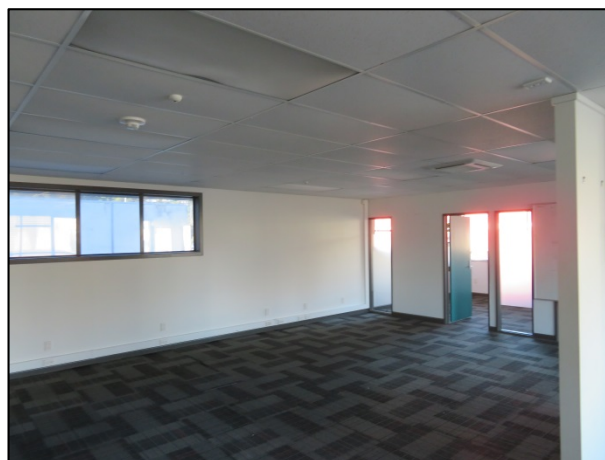


The roof is supported on RSJ steel frame and dimond purlins with dimondek roofing incorporating exposed sisilation, chicken wire and translucent panels. The original factory warehouse has a stud height to the knee of the roof trusses of 7.2 metres rising to approximately 7.5 metres at the apex with a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

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



Ground floor offices



Level 1 office accommodation

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

3.2 FLOOR AREAS

The floor areas adopted within our valuation are those which have been supplied to us by Seaview Commercial Investments Limited. These generally conform with historical certified floor areas, however a number of the recent agreements are still to be formally measured (which may result in some adjustments to the commencement rentals payable under these agreements).

We summarise our adopted floor areas as follows:

17 Toop Street

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

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

25 Toop Street & 109-117 Port Road

Level/Suite	Tenant	Use	Lettable Area NLA
Warehouse	Jets Transport	Warehouse	4,677.00
Office	Jets Transport	Office	195.00
Yard	Jets Transport	Other	540.60
Leasehold Yard	Jets Transport	Other	479.40
Warehouse (Main)	Peter Baker Transport	Warehouse	8,560.00
New Offices	Peter Baker Transport	Office	555.00
Office Balcony	Peter Baker Transport	Other	34.00
Yard	Peter Baker Transport	Other	1,774.00
Yard (est. leasehold component)	Peter Baker Transport	Other	140.00
Devanning Spaces	Peter Baker Transport	Other	4.00
Carparks (on subleased land)	Peter Baker Transport	Parking	20.00
Leasehold West Yard	Tiger Construction NZ	Other	1,000.00
Leasehold Balance Yard	Seaview Commercial Investments	Other	5,800.00
Warehouse	Toll Logistics	Warehouse	2,377.00
Cold Store	Toll Logistics	Warehouse	778.00
Front Offices	Toll Logistics	Office	201.00
Covered yard	Toll Logistics	Warehouse	410.00
Yard	Toll Logistics	Other	233.00
Devanning Spaces	Toll Logistics	Parking	4.00
Carparks (30% portion)	Toll Logistics	Parking	3.00

Level/Suite	Tenant	Use	Lettable Area NLA
Warehouse	Seaview Commercial Investments	Warehouse	2,030.00
Offices	Seaview Commercial Investments	Office	66.00
MAF Pads	Seaview Commercial Investments	Other	2.00
Floating Warehouse	Nature Pac	Warehouse	1,183.00
Warehouse (25 Toop St)	Fujitsu	Warehouse	2,386.00
Warehouse	Fujitsu	Warehouse	2,640.00
Office	Fujitsu	Office	51.00
Level 1 Offices	Fujitsu	Office	325.00
Office Balcony	Fujitsu	Other	32.00
Canopy	Fujitsu	Other	200.00
Yard	Fujitsu	Other	333.00
Carparks	Fujitsu	Parking	4.00
Additional Warehouse	Fujitsu	Warehouse	1,772.00
Warehouse (Port Rd frontage)	Linfox	Warehouse	3,995.00
G - Offices	Linfox	Office	372.00
Yard	Linfox	Other	485.00
West Yard	Linfox	Other	1,389.00
TOTALS			32,573.00

101-103 Port Road

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

We have relied on the survey plans supplied that are understood to have been undertaken with the BOMA method of measurement.

3.3 CONDITION AND REPAIR

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

Notwithstanding this the improvements generally appeared to be well maintained on inspection with further 'as if complete' works to be completed (most substantially construction of the new Peter Baker office block). The Hub was completely reroofed in 2017.

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

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

3.4 SEISMIC

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

Building (Earthquake-prone Buildings) Amendment Act 2016

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

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

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

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

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

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

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

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

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

High Risk Seismic Zone:

Category A – Unreinforced masonry buildings.

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

Category C – Pre-1935 buildings that are one or two storeys (other than unreinforced masonry buildings in Category A).

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

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

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

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

Other notable changes include:

- The new earthquake prone definition now provides for either, all or part of the building to be deemed earthquake prone.
- The new definition of ‘earthquake-prone building’ now specifically excludes farm buildings, retaining walls, fences, monuments, wharves, bridges, tunnels and storage tanks. Residential buildings continue to be excluded, provided these are not two or more storeys and contain three or more household units or are hostels, boarding houses or other specialised accommodation providers.

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

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

Impact on the Subject Properties

The subject building range widely in terms of age from early 1960's onwards. We have not been provided with a structural/seismic report prepared by an engineer and note the do not appear on the current Hutt City Council Earthquake Prone Buildings Register as at 28 September 2017.

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

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

3.5 CAPITAL EXPENDITURE

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

17 Toop Street

Capital Expenditure	Current Amount	Commencement Date	Duration Months	Escalated Amount
Total General Allowance	\$130,000	Apr-2018	121	\$143,155
Total Tenant Refurb upon Lease Expiry	\$105,225			\$117,117
Total Capital Expenditure	\$235,225			\$260,272
% of Adopted Value	3.47%			3.84%

25 Toop Street & 109-117 Port Road

Capital Expenditure	Current Amount	Commencement Date	Duration Months	Escalated Amount
Total General Allowance	\$250,000	Apr-18	121	\$275,298
Total Tenant Refurb upon Lease Expiry	\$291,900			\$328,422

Total Capital Expenditure	\$541,900	\$603,720
% of Adopted Value	1.52%	1.69%

101-103 Port Road

Capital Expenditure	Current Amount	Commencement Date	Duration Months	Escalated Amount
Level 1 separation works	\$50,000	Nov-2020	2	\$51,952
Total Budgeted Capex	\$50,000			\$51,952
Total General Allowance	\$80,000	Apr-2018	121	\$88,095
Total Tenant Refurb upon Lease Expiry	\$115,100			\$124,244
Total Capital Expenditure	\$245,100			\$264,291
% of Adopted Value	5.99%			6.46%

4.0 OCCUPANCY ARRANGEMENTS

4.1 TENANCY SCHEDULES

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

17 Toop Street

Level/Suite	Tenant	Use	Lettable Area NLA	Lease Commence	Lease Term	Lease Expiry	Type	%NLA	Lease Option	Next Review Date	Contract Passing Rent	Contract Passing Rent \$/m ²
Ground Offices	Orangebox Ltd	Office	370.00	1-Feb-17	9.00	31-Jan-26	Net	7.89%	2 x 3 years	1-Feb-19	61,516	166.26
Warehouse	Orangebox Ltd	Warehouse	770.00	1-Feb-17	9.00	31-Jan-26	Net	16.41%	2 x 3 years	1-Feb-19	58,905	76.50
Mail Sorting/Printing Area	Orangebox Ltd	Office	355.00	1-Feb-17	9.00	31-Jan-26	Net	7.57%	2 x 3 years	1-Feb-19	45,263	127.50
Canopy	Orangebox Ltd	Other	100.00	1-Feb-17	9.00	31-Jan-26	Net	0.00%	2 x 3 years	1-Feb-19	7,140	71.40
Yard	Orangebox Ltd	Other	265.00	1-Feb-17	9.00	31-Jan-26	Net	0.00%	2 x 3 years	1-Feb-19	9,461	35.70
Carparking A	Orangebox Ltd	Parking	18.00	1-Feb-17	9.00	31-Jan-26	Net	0.00%	2 x 3 years	1-Feb-19	18,360	1,020.00
Level 1 Offices	Orangebox Ltd	Office	462.00	1-Dec-17	3.00	30-Nov-20	Net	9.85%	2 x 3 years	1-Dec-18	64,385	139.36
Carparking B	Orangebox Ltd	Parking	13.00	1-Dec-17	3.00	30-Nov-20	Net	0.00%	2 x 3 years	1-Dec-18	13,000	1,000.00
Carparking	Vacant	Parking	3.00	-	-	-	Gross	0.00%	-	-	-	-
Factory	Just Water	Warehouse	1,059.00	1-Jan-10	12.00	31-Dec-21	Gross	22.57%	2 x 3 years	1-Jan-19	54,136	51.12
Office & Amenities	Just Water	Office	103.00	1-Jan-10	12.00	31-Dec-21	Gross	2.20%	2 x 3 years	1-Jan-19	5,536	53.75
Canopy	Just Water	Other	164.00	1-Jan-10	12.00	31-Dec-21	Gross	0.00%	2 x 3 years	1-Jan-19	6,684	40.76
Yard	Just Water	Other	766.00	1-Jan-10	12.00	31-Dec-21	Gross	0.00%	2 x 3 years	1-Jan-19	19,510	25.47
Warehouse	Tasman Liquor	Warehouse	1,460.00	1-May-17	6.00	30-Apr-23	Net	31.12%	Nil	1-May-18	99,120	67.89
Office	Tasman Liquor	Office	113.00	1-May-17	6.00	30-Apr-23	Net	2.41%	Nil	1-May-18	14,680	130.00
Canopy	Tasman Liquor	Other	127.00	1-May-17	6.00	30-Apr-23	Net	0.00%	Nil	1-May-18	7,620	60.00
Yard	Tasman Liquor	Other	619.00	1-May-17	6.00	30-Apr-23	Net	0.00%	Nil	1-May-18	18,570	30.00
Carparking	Toll Logistics Licence	Parking	7.00	1-May-17	6.00	30-Apr-23	Gross	0.00%	Nil	1-May-18	3,500	500.00
Carparking	Nature Pac	Parking	2.00	8-Jan-18	6.00	7-Jan-24	Net	0.00%	2 x 3 years	8-Jan-19	2,000	1,000.00
TOTALS			4,692.00					100.00%			509,395	

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

25 Toop Street & 109-117 Port Road

Level/Suite	Tenant	Use	Lettable Area NLA	Lease Commence	Lease Term	Lease Expiry	Type	%NLA	Lease Option	Contract Passing Rent	Contract Passing Rent \$/m ²
Warehouse	Jets Transport	Warehouse	4,677.00	1-Sep-17	6.00	31-Aug-23	Net	14.36%	1 x 6 years	305,500	65.32
Office	Jets Transport	Office	195.00	1-Sep-17	6.00	31-Aug-23	Net	0.60%	1 x 6 years	21,450	110.00
Yard	Jets Transport	Other	540.60	1-Sep-17	6.00	31-Aug-23	Net	0.00%	1 x 6 years	15,900	29.41
Leasehold Yard	Jets Transport	Other	479.40	1-Sep-17	6.00	31-Aug-23	Net	0.00%	1 x 6 years	14,100	29.41
Warehouse (Main)	Peter Baker Transport	Warehouse	8,560.00	1-Apr-18	9.00	31-Mar-27	Net	26.28%	2 x 6 years	556,400	65.00
New Offices	Peter Baker Transport	Office	555.00	1-Apr-18	9.00	31-Mar-27	Net	1.70%	2 x 6 years	111,000	200.00
Office Balcony	Peter Baker Transport	Other	34.00	1-Apr-18	9.00	31-Mar-27	Net	0.00%	2 x 6 years	5,100	150.00
Yard	Peter Baker Transport	Other	1,774.00	1-Apr-18	9.00	31-Mar-27	Net	0.00%	2 x 6 years	53,220	30.00
Yard (est. leasehold component)	Peter Baker Transport	Other	140.00	1-Apr-18	9.00	31-Mar-27	Net	0.00%	NI	4,200	30.00
Devanning Spaces	Peter Baker Transport	Other	4.00	1-Apr-18	9.00	31-Mar-27	Net	0.00%	2 x 6 years	6,000	1,500.00
Carparks (on subleased land)	Peter Baker Transport	Parking	20.00	1-Apr-18	9.00	31-Mar-27	Net	0.00%	2 x 6 years	7,000	350.00
Leasehold West Yard	Tiger Construction NZ	Other	1,000.00	1-Nov-17	2.00	31-Oct-19	Gross	0.00%	1 x 2 years	20,000	20.00
Leasehold Balance Yard	Seaview Commercial Investments	Other	5,800.00	1-Sep-17	6.00	31-Aug-23	Net	0.00%	NI	42,340	7.30
Warehouse	Toll Logistics	Warehouse	2,377.00	1-May-17	6.00	30-Apr-23	Net	7.30%	NI	154,505	65.00
Cold Store	Toll Logistics	Warehouse	778.00	1-May-17	6.00	30-Apr-23	Net	2.39%	NI	50,570	65.00
Front Offices	Toll Logistics	Office	201.00	1-May-17	6.00	30-Apr-23	Net	0.62%	NI	28,140	140.00
Covered yard	Toll Logistics	Warehouse	410.00	1-May-17	6.00	30-Apr-23	Net	1.26%	NI	20,500	50.00
Yard	Toll Logistics	Other	233.00	1-May-17	6.00	30-Apr-23	Net	0.00%	NI	-	-
Devanning Spaces	Toll Logistics	Parking	4.00	1-May-17	6.00	30-Apr-23	Net	0.00%	NI	4,000	1,000.00
Carparks (30% portion)	Toll Logistics	Parking	3.00	1-May-17	6.00	30-Apr-23	Net	0.00%	NI	1,500	500.00
Warehouse	Seaview Commercial Investments	Warehouse	2,030.00	1-Jan-18	6.00	31-Dec-23	Net	6.23%	-	139,388	68.66
Offices	Seaview Commercial Investments	Office	66.00	1-Jan-18	6.00	31-Dec-23	Net	0.20%	-	4,532	68.66
MAF Pads	Seaview Commercial Investments	Other	2.00	1-Jan-18	6.00	31-Dec-23	Net	0.00%	-	2,800	1,400.00
Ex 'floating warehouse'	Nature Pac	Warehouse	1,183.00	8-Jan-18	6.00	7-Jan-24	Net	3.63%	2 x 3 years	93,450	78.99
Warehouse (25 Toop St)	Fujitsu	Warehouse	2,386.00	1-Aug-13	6.67	31-Mar-20	Gross	7.33%	2 x 6 years	190,636	79.90
Warehouse	Fujitsu	Warehouse	2,640.00	1-Aug-13	6.67	31-Mar-20	Gross	8.10%	2 x 6 years	209,437	79.33
Office	Fujitsu	Office	51.00	1-Aug-13	6.67	31-Mar-20	Gross	0.16%	2 x 6 years	10,200	200.00
Level 1 Offices	Fujitsu	Office	325.00	1-Aug-13	6.67	31-Mar-20	Gross	1.00%	2 x 6 years	73,125	225.00
Office Balcony	Fujitsu	Other	32.00	1-Aug-13	6.67	31-Mar-20	Gross	0.00%	2 x 6 years	3,200	100.00
Canopy	Fujitsu	Other	200.00	1-Aug-13	6.67	31-Mar-20	Gross	0.00%	2 x 6 years	12,000	60.00
Yard	Fujitsu	Other	333.00	1-Aug-13	6.67	31-Mar-20	Gross	0.00%	2 x 6 years	9,990	30.00
Carparks	Fujitsu	Parking	4.00	1-Aug-13	6.67	31-Mar-20	Gross	0.00%	2 x 6 years	3,200	800.00
Additional Warehouse	Fujitsu	Warehouse	1,772.00	1-Jan-17	3.25	31-Mar-20	Gross	5.44%	2 x 6 years	141,760	80.00
Warehouse (Port Rd frontage)	Linfox	Warehouse	3,995.00	1-Jan-17	6.00	31-Dec-22	Net	12.26%	-	306,440	76.71
G - Offices	Linfox	Office	372.00	1-Jan-17	6.00	31-Dec-22	Net	1.14%	-	57,474	154.50
Front Yard	Linfox	Other	485.00	1-Jan-17	6.00	31-Dec-22	Net	0.00%	-	14,987	30.90
West Yard	Linfox	Other	1,389.00	1-Jan-17	6.00	31-Dec-22	Net	0.00%	-	42,000	30.24
TOTALS			32,573.00					100.00%		2,736,044	

101-103 Port Road

Level/Suite	Tenant	Use	Lettable Area NLA	Lease Commence	Lease Term	Lease Expiry	Type	%NLA	Lease Option	Next Review Date	Contract Passing Rent	Contract Passing Rent \$/m ²
Warehouse (7.2-7.5m SH)	Downer Group	Warehouse	1,360.00	1-Nov-17	6.00	31-Oct-23	Net	54.16%	2 x 3 years	1-Nov-18	101,840	74.88
G Show/Off/Amenities	Downer Group	Office	719.00	1-Nov-17	6.00	31-Oct-23	Net	28.63%	2 x 3 years	1-Nov-18	93,860	130.54
G Entry	Downer Group	Office	53.00	1-Nov-17	3.00	31-Oct-20	Net	2.11%	-	1-Nov-18	6,890	130.00
L1 Offices	Downer Group	Office	379.00	1-Nov-17	3.00	31-Oct-20	Net	15.09%	-	1-Nov-18	48,735	128.59
Front Yard/Parking	Downer Group	Parking	5.00	1-Nov-17	3.00	31-Oct-20	Net	0.00%	-	1-Nov-18	4,375	875.00
Yard	Downer Group	Other	1,715.00	1-Nov-17	6.00	31-Oct-23	Net	0.00%	2 x 3 years	1-Nov-18	34,300	20.00
TOTALS			2,511.00					100.00%			290,000	

Arrears

We understand that collections with respect to rental and outgoings are generally up to date and that there are no substantial arrears.

4.2 LEASE DETAILS

17 Toop Street

Orangebox Limited –Draft Deed Of Lease

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

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

<i>Expiry:</i>	31 January 2026
<i>Rights of Renewal:</i>	2 x 3 years each
<i>Final Expiry:</i>	31 January 2032 (if all renewals are exercised)
<i>Initial Annual Rental:</i>	Premises A and Carparks A: \$196,710 per annum, plus GST Premises B and Carparks B: \$77,385 per annum, plus GST
<i>Current Annual Rental – Premises A:</i>	\$200,644.20 plus GST (we have assumed the recent 2% increase has been actioned in accordance with this lease). (Premises B as per above)
<i>Rent Reviews:</i>	Accumulated fixed increases of 2% per annum from the anniversary of the respective premises commencement dates with a market rent review on each renewal date (subject to a hard ratchet clause).
<i>Business Use:</i>	Any use permitted under the local authority's operative district plan from time to time.
<i>Proportion of Outgoings:</i>	40.86%
<i>Outgoings:</i>	Net lease with the tenant responsible for all operating expense items (with the exception of management expenses and repaving or resealing carparking/yard maintenance) together with tenancy consumables.

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

The Level 1 offices (Premises B) have been recently refurbished with the tenant now in occupation.

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

Just Water

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

<i>Lessor:</i>	Seaview Commercial Investments Limited
<i>Lessee:</i>	Just Water International Limited
<i>Premises:</i>	That part of the landlord's property at 17 Toop Street comprising the original warehouse, internal yard, canopy and rear office and amenities (as varied by partial surrender):
<i>Commencement:</i>	1 January 2010

<i>Term:</i>	12 years
<i>Expiry:</i>	31 December 2021
<i>Rights of Renewal:</i>	2 x 3 years (by variation)
<i>Final Expiry:</i>	31 December 2027 (if all renewals are exercised).
<i>Commencement Rental:</i>	\$95,000 per annum, plus GST
<i>Current Annual Rental</i>	\$85,866 per annum, plus GST (assuming the 1 January 2018 CPI review has been actioned (compared with the 2017 rental \$84,269 per annum.
<i>Rent Reviews:</i>	Annually to the corresponding percentage change in the Consumer Price Index (from 1 January 2012 onwards).
<i>Business Use:</i>	Warehousing and any other use as permitted by the local authority with prior approval from the Landlord.
<i>Outgoings:</i>	Gross lease with the tenant responsible for tenancy consumables only.

Tasman Liquor

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

<i>Lessee:</i>	Tasman Liquor Company
<i>Premises:</i>	Those parts of the Landlord's property situated at 17 Toop Street, Seaview Lower Hutt comprising the following areas:

		<i>Latest Tenancy Plan</i>
Warehouse	1,460m ²	1,460m ²
Offices	113m ²	113m ²
Verandah	30m ²	30m ²
Yard	629m ²	619m ²
Canopy	<u>97m²</u>	<u>127m²</u>
Total	2,329m ²	2,261m ²

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

<i>Commencement:</i>	1 May 2017
<i>Term:</i>	6 years
<i>Expiry:</i>	30 April 2023
<i>Rights of Renewal:</i>	Nil
<i>Commencement Rental:</i>	\$140,000 per annum, plus GST

<i>Rent Reviews:</i>	Year 2 \$150,000 per annum, plus GST with annual 3% increases from Year 3 onwards.
<i>Outgoings:</i>	Full net lease with the tenant responsible for all outgoings (33.45% of the property) together with tenancy consumables.
<i>Business Use:</i>	Warehouse and distribution centre and any use permitted under the local authority's operative district plan from time to time.

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

Jets Transport Limited

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

<i>Lessee:</i>	Jets Transport Limited
<i>Premises:</i>	Those parts of the Landlord's property situated at 25 Toop Street, Seaview, Lower Hutt, and in respect of the Railway Corridor only that part of the Landlord's leasehold estate pursuant to the Railway Sublease, comprising the following areas:
	Warehouse 4,700m ² now 4,677m ²
	Office/Amenities 165m ² now 195m ²
	Yard <u>1,000m²</u> now 1,020m ²
<i>Carparks:</i>	Total 5,865m ²
<i>Commencement:</i>	1 September 2017
<i>Term:</i>	6 years
<i>Expiry:</i>	31 August 2023
<i>Rights of Renewal:</i>	1 x 6 years
<i>Final Expiry:</i>	31 August 2029 (if the renewal is exercised)
<i>Annual Rental:</i>	\$356,950 plus GST.
<i>Rent Reviews:</i>	Fixed annual 3% reviews from 1 September 2020 together with a market review on renewal (ratcheted to the rental payable immediately preceding the renewal).
<i>Outgoings:</i>	Full net lease with the all normal operating expenses recovered from the tenant (proportionate to the property) including tenancy consumables.
<i>Business Use:</i>	Any use permitted under the local authority's operative district plan from time to time.

We have further assumed the revised areas supplied (Boma measured) will form the basis of the fully executed lease (resulting in a slight increase from the rental currently stated in the unsigned lease supplied).

Peter Baker Transport

We have been provided with a signed copy of the Agreement to Lease dated 12 May 2017 and the attached draft Deed of Lease which takes the form of an ADLS 5th Edition 2008(2). We summarise pertinent lease details as follows:

<i>Lessee:</i>	PBT Transport Limited										
<i>Premises:</i>	The industrial warehouse building situated at 25 Toop Street, Seaview, Lower Hutt. Being those part of the building and property comprising the following areas: <table><tr><td>Warehouse</td><td>8,560m²</td></tr><tr><td>Office</td><td>555m²</td></tr><tr><td>Office Balcony</td><td>47m²</td></tr><tr><td>Yard</td><td>2,027m²</td></tr><tr><td colspan="2">Container devanning spaces (4)</td></tr></table>	Warehouse	8,560m ²	Office	555m ²	Office Balcony	47m ²	Yard	2,027m ²	Container devanning spaces (4)	
Warehouse	8,560m ²										
Office	555m ²										
Office Balcony	47m ²										
Yard	2,027m ²										
Container devanning spaces (4)											
<i>Carparks:</i>	20 spaces on the south side of the drive to the premises as shown on the attached plan (being currently part of the Landlord's leasehold estate pursuant to the Railway sublease).										
<i>Commencement:</i>	Upon practical completion, assumed to be 1 April 2018 (due to our 'as if complete' valuation basis)										
<i>Term:</i>	9 years										
<i>Expiry:</i>	14 March 2027 (assumed)										
<i>Rights of Renewal:</i>	2 x 6 years each										
<i>Final Expiry:</i>	31 October 2038 (assuming all renewals are exercised)										
<i>Annual Rental:</i>	\$742,920 plus GST (subject to final measure, with pre-agreed rental rates to apply to the confirmed rentable areas).										
<i>Rent Reviews:</i>	Every second anniversary of the commencement date to 2% per annum compounding, with market rent reviews on renewal (ratcheted to the commencement rental throughout).										
<i>Business Use:</i>	Transport, storage, administration, offices and associated activities and any other use permitted under the local authority's operative district plan.										
<i>Outgoings:</i>	Net lease with the tenant responsible for all outgoings with the exception of management expenses together with tenancy consumables (excluding rubbish collection charges).										

Seaview Commercial Investments Limited – (former MSS Warehouse)

We have been provided with details of the above lease underwrite provided by the previous owner (SCIL). We have not sighted the full document but understand this has been agreed on the following basis:

<i>Lessee:</i>	Seaview Commercial Investments Limited (SCIL)
<i>Premises:</i>	The industrial warehouse building situated at 25 Toop Street, Seaview, Lower Hutt. Being those part of the building and property comprising 2,096m ² .
<i>Commencement:</i>	1 January 2018
<i>Term:</i>	6 years
<i>Expiry:</i>	31 December 2023
<i>Rights of Renewal:</i>	Nil
<i>Annual Rental:</i>	1 January 2018 - 31 December 2019 \$146,720.00 plus GST 1 January 2020 - 31 December 2021 \$148,485.89 plus GST 1 January 2022 - 31 December 2023 \$154,484.72 plus GST
<i>Rent Reviews:</i>	Stepped rentals as above.
<i>Business Use:</i>	Transport, storage, administration, offices and associated activities and any other use permitted under the local authority's operative district plan from time to time.
<i>Outgoings:</i>	Net lease with the tenant responsible for all outgoings with the exception of management expenses together with tenancy consumables (excluding rubbish collection charges).

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

Nature Pac Limited – (former 'floating warehouse')

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

<i>Premises:</i>	South eastern tenancy of 25 Toop Street, Seaview, Lower Hutt, Lot 1 DP 81136, being 1,183m ² more or less including the container set down area (as marked on attached plan).
<i>Carparks:</i>	2 carparks (situated on 17 Toop Street towards The Hub main entrance).
<i>Commencement:</i>	8 January 2018
<i>Term:</i>	6 years
<i>Expiry:</i>	7 January 2030

<i>Rights of Renewal:</i>	2 x 3 years each
<i>Annual Rental:</i>	Premises \$93,450 plus GST Car Parks <u>\$2,000</u> plus GST Total \$95,450 plus GST
<i>Rent Reviews:</i>	Annual 2% increases throughout the lease term.
<i>Business Use:</i>	General warehousing and office.
<i>Outgoings:</i>	Full net lease with the tenant responsible for all outgoings.

Landlord works provide an additional office on top of the existing office space in addition to minor electrical works. We note a three month rent free incentive was provided to the tenant, being months 3, 4 and 5 of the lease.

Toll Logistics (NZ) Limited

We have been provided with a signed copy of the Agreement to Lease dated 26 October 2016, the attached draft Deed of Lease which takes the form of an ADLS 5th Edition 2008 (2) document and the unsigned Deed of Variation and Carpark Licence documents. We summarise pertinent lease details as follows:

<i>Lessor:</i>	Seaview Commercial Investments Limited
<i>Lessee:</i>	Toll Logistics (NZ) Limited
<i>Premises:</i>	Those parts of the Building and Property comprising the following areas (subject to final measure, reflecting variations to date): Warehouse 3,155m ² (including coldstore) Office 201m ² Yard 233m ² (nil rental to apply) Covered Yard 410m ² Container devanning spaces 4

We note rights to vehicle access to the front yard have been revoked with nil rental to apply to this 233m² during the lease term.

Carparks: 10 spaces are subject to a separate licence agreement for \$5,000 per annum plus GST for the length of the Toll lease (and reviewed in accordance with the premises). These spaces are to be provided on part of the adjoining 17 Toop Street land. The spaces will straddle this side boundary with 30% of this parking area situated on the existing 25 Toop Street site. We have apportioned this income commensurately between the two properties on this basis.

Commencement: 1 May 2017

Term: 9 years (with break clauses available)

Expiry: 30 April 2026

Early Termination: **Two break clauses** are available to the tenant with 6 months notice required prior to an early termination at the end of Year 3 and Year 6 of the lease.

<i>Rights of Renewal:</i>	Nil		
<i>Commencement Rental:</i>	Warehouse	3,155m ² @ \$65.00	\$205,075
	Office	201m ² @\$140.00	\$28,140
	Yard	233m ² @ \$0	\$0
	Covered Yard	410m ² @ \$50.00	\$20,500
	Container devanning spaces	4 @ \$1,000	<u>\$4,000</u>
	(adjusted to reflect recent floor measure)		\$257,715
	Plus Carparking Licence		<u>\$5,000</u>
	Total		\$262,715

Fitout Rental

An additional \$100,000 per annum (plus GST) for years 1, 2, and 3 of the term.

An additional \$50,000 per annum (plus GST) for years 4, 5, 6, 7, 8 and 9 of the term (payable in addition to the premises rental, without review).

Rent Reviews: Accumulated fixed increases of 2% per annum

Outgoings: Fixed at \$10.00 psm for the first two years of the term in respect of the General Outgoings (excluding management expenses) and 100% of the Premises Specific Outgoings (essentially tenancy consumables, plus service contract charges, maintenance and repair charges with respect of the Cool Store and its associated high speed roller door).

Business Use: Any use permitted under the local authority's operative district plan from time to time.

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

Fujitsu General New Zealand Limited

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

Lessor: Seaview Commercial Investments Limited

<i>Lessee:</i>	Fujitsu General New Zealand Limited
<i>Premises:</i>	That part of the Landlord's properties at 25 Toop street and 109-119 Port Road, Seaview, shown cross-hatched on the attached plan for identification purposes only, being part of the land comprised in computer freehold registers WN47C/501, WN50B/103, WN50B/104 and together with and subject to interests noted thereon.
<i>Carparks:</i>	Four
<i>Commencement Date:</i>	1 August 2013 (Original Premises) 1 January 2017 (Additional Warehouse)
<i>Lease Term:</i>	6 years, eight months (Original Premises, note the additional warehouse shares a common expiry date of 31 March 2020)
<i>Rights of Renewals:</i>	Two (2) of six (6) years each
<i>Final Expiry:</i>	31 March 2032
<i>Current Annual Rental:</i>	25 Toop Street Original Premises (2,386m ²): \$190,636.00 109 Port Road Original Premises: \$321,152.41 109 Port Road Additional Warehouse (1,772m ²): <u>\$141,760.00</u> Total Rental \$653,548.41 plus GST, per annum
<i>Rent Reviews:</i>	Every three (3) years from the commencement date
<i>Outgoings:</i>	Gross lease with tenant responsible for utilities only
<i>Business Use:</i>	Any use permitted under the local authority's operative district plan from time to time
<i>Ratchet Clause:</i>	Yes, full ratchet.

Linfox

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

<i>Lessor:</i>	Seaview Commercial Investments Limited
<i>Lessee:</i>	Linfox Logistics (NZ) Limited
<i>Original Premises:</i>	Those parts of the landlord's property situated at 109-117 Port Road, Seaview, Lower Hutt comprising the following areas: Warehouse 3,995m ² Office 372m ² Yard <u>485m²</u> Total 4,852m ²

<i>Commencement:</i>	1 January 2017
<i>Term:</i>	6 years
<i>Expiry:</i>	31 December 2022
<i>Rights of Renewal:</i>	Nil
<i>Commencement Annual Rental:</i>	\$369,975 plus GST
<i>Current Annual Rental:</i>	\$381,074 plus GST (assuming the first 3% increase from 1 January 2018 has been applied).
<i>Rent Reviews:</i>	Fixed 3% increases on each anniversary of the commencement date.
<i>Outgoings:</i>	Net lease with the tenant responsible for a 12.62% share of the property outgoings with the exception of management expenses, in addition to tenancy consumables.
<i>Business Use:</i>	Any use permitted under the local authority's operative district plan from time to time.

<i>Additional Premises (by variation):</i>	1,500m ² more or less of yard shown for identification purposes only coloured blue and crosshatched on the plan annexed ("western yard").
<i>Additional Premises Rental:</i>	\$42,000 per annum, plus GST fixed for the term of the original lease term.

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

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

Leasehold Yard Areas:

Tiger Construction NZ Limited Yard (1,000m²) –We have sighted a fully signed Deed of Sublease (dated 8 November 2017) pertaining to this yard area situated at the western end of the rail siding land. The agreement provides for a two year term from 1 September 2017. Rent reviews are 2% annual increases Sub-lessor's works installation of security fence and gate to the eastern boundary (still to be completed). Our valuation is subject to completion of these works.

Balance Yard (5,800m²) – We understand a 6 year gross lease to Seaview Commercial Investments Limited (vendor lease back) has been provided, with a commencement rental of \$42,340 per annum, plus GST subject to annual 2% increases during the lease term.

101-103 Port Road

Downer New Zealand Limited

We have been supplied with a signed copy of the Agreement to Lease dated 11 September 2017. We outline pertinent lease details as follows:

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

during the first three years of the lease.

Business Use: Office and any other business use permitted by the relevant district plan or by a resource consent.

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

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

4.3 OPERATING EXPENSES

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

17 Toop Street

The current Capital Value of the above property is currently \$4,110,000 (effective from 1 September 2016). This assessment is comparatively low and we would expect this to be reassessed at the next revision (which would also include the proposed works). We have escalated the estimated 2019/20 rates expense to reflect an increase in the Capital Value to \$6,500,000 which indicates an estimated rates expense of \$62,642 (representing \$13.35 psm of net lettable area).

	Adopted \$pa	\$psm
Statutories		
Council Rates	38,071	8.11
Insurance (actual)	40,073	8.54
Total Statutory Charges	78,144	16.65
Operating Expenses		
Building Act/WOF	1,250	0.27
Building Supervision	4,080	0.87
Fire Protection	3,000	0.64
HVAC	2,500	0.53
Repairs & Maintenance	7,000	1.49
Total Operating Expenses	25,830	5.51
Total Outgoings	103,974	22.16
Non-Recoverable		
Management Fees -Non recovered	2,920	0.62
Total Non-Recoverable	2,920	0.62
Adopted Outgoings	106,894	22.78

25 Toop Street & 109-111 Port Road

	Adopted	\$psm
Statutories		
Council Rates	154,821	4.75
Insurance	174,929	5.37
Total Statutory Charges	329,750	10.12
Operating Expenses		
Building Act/WOF	2,000	0.06
Building Supervision	6,391	0.23
Fire Protection	10,000	0.31
HVAC	10,000	0.31
Repairs & Maintenance	35,000	1.07
Sundries	24,000	0.74
Total Operating Expenses	91,755	2.82
Total Outgoings	421,505	12.94
Non-Recoverable		
Ground Rentals (inc. ROW)	100,000	-
Management Fees -Non recoverable	8,520	0.26
Total Non-Recoverable	108,520	0.26
Adopted Outgoings	530,025	16.27

Similarly we note the above rates estimate is prepared utilising the current rates charge together with an adjustment for the additional improvements to be completed, namely the new Peter Baker office block.

The current Capital Value of the above property is \$17,200,000 despite the 1 September 2016 assessment date, it is likely to increase due to the completion of works, in addition to this the assessment is comparatively low and we would expect this to be reassessed at this trigger point. Our valuation has been prepared on the basis of a 2016 Capital Value of \$30,000,000 which indicates an estimated rates expense of \$225,000 (representing \$6.90 psm of net lettable area).

In addition to the \$91,338 per annum ground rent payable, we understand a further \$8,662 is to be paid to secure right of way access rights toward the Port Road frontage to provide for greater turning circles with regard to the Linfox warehouse. We understand this arrangement is still to formally documented and our valuation remains subject to these rights being established.

101-103 Port Road

	Adopted	\$psm
Statutories		
Council Rates	24,773	9.86

	Adopted	\$psm
Insurance	27,079	10.78
Total Statutory Charges	51,852	20.65
Operating Expenses		
Building Act/WOF	1,250	0.50
Building Supervision	4,000	1.59
Fire Protection	1,500	0.60
HVAC	3,500	1.39
Repairs & Maintenance	6,000	2.39
Sundries	-	-
Total Operating Expenses	16,250	6.47
Total Outgoings	68,102	27.12

A rates adjustment has also been applied for the 2019/2020 year with our rates expense increased to reflect a Capital Value revision to \$3,800,000 (compared with \$2,650,000 currently).

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

Recoverable Operating Expenses

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

4.4 NET INCOME ANALYSIS

17 Toop Street

Contract Income		
Office		\$191,390
Parking		\$36,860
Other		\$68,985
Warehouse		\$212,161
Current Passing Income		\$509,395
Add Recoverable Outgoings		\$77,341
Gross Passing Income		\$586,736
Less Outgoings	\$22.78/m ²	\$106,894
Net Income		\$479,842

25 Toop Street & 109-111 Port Road

Contract Income (Freehold Component)		
Office		\$305,921
Parking		\$15,700
Other		\$245,837
Warehouse		\$2,168,587
Current Passing Income		\$2,736,044
Add Recoverable Outgoings		\$317,775
Gross Passing Income		\$3,053,818
Less Rental Attributable to Leasehold Land		\$87,640
Less Outgoings	\$16.27/m ²	\$430,025
Net Income		\$2,536,153

101-103 Port Road

Contract Income		
Office		\$149,485
Parking		\$4,375
Other		\$34,300
Warehouse		\$101,840
Current Passing Income		\$290,000
Add Recoverable Outgoings		\$58,102
Gross Passing Income		\$348,102
Less Outgoings	\$27.12/m ²	\$68,102
Net Income		\$280,000

5.0 MARKET COMMENTARY

5.1 ECONOMIC COMMENTARY

In determining the current market value of the subject property we have had regard to underlying economic conditions and the flow-on implications that these may have on investment and divestment decisions made across the broader property markets. This commentary is effective as at March 2018 and is based on the most recently sourced data from Government and independent sources. The following table provides an overview of key market indicators for the past 6-12 months plus forecasts.

Key Market Indicators

	6 Month Change	12 Month Change	12 Month Forecast
Floating Rate	↓	↑	↑
Two-year Fixed Rate	↓	↓	-
OCR	↔	↔	↔
NZD/USD Exchange Rate	↓	↓	↑
NZD/AUS Exchange Rate	↓	↓	↓
Non-Residential Building Consents*	↑	↓	-
Residential Building Consents	↓	↓	-

Source: NZIER, RBNZ & Statistics New Zealand
*Value of Building Consents only

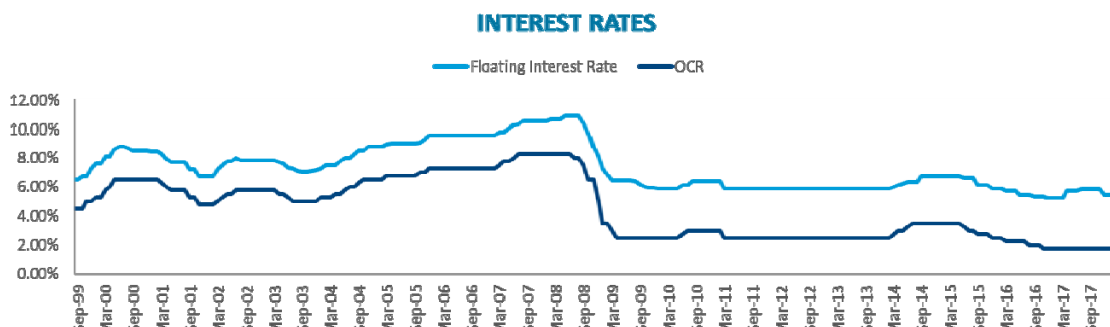
We comment on some of the key economic drivers below:

OCR

The Official Cash Rate (OCR) has remained unchanged by The Reserve Bank of New Zealand (RBNZ) from 1.75% since November 2016. The RBNZ have indicated it expects to hold the OCR until late 2019, however NZIER expects the RBNZ will begin lifting the OCR from February 2019.

Interest Rates

The RBNZ are expected to further assess the effects of new Government policies and global risks on the economy before making changes to the OCR. Expected changes to the RBNZ Act further complicate matters, as more certainty will be required on the outlook on which such decisions are based. The graph below shows the downward trend in interest rates since late 2014.



Source: RBNZ & NZIER

Inflation/CPI

In the year to the December 2017 quarter, the Consumer Price Index (CPI) inflation rate was 1.6%, down from 1.9% for the year to September 2017 Quarter. The December 2017 Quarter is up 0.1% (or

0.4% with seasonal adjustment) from the September 2017 Quarter. In the latest quarter, transport prices, and housing (in particular construction costs) and household utilities all rose but were mostly offset by falls in prices for food and a range of retail goods.

Outside of housing, there is little sign of inflationary pressures with expectations of a drop in the March quarter. Strengthening global economies are expected to support strong export demand over the coming years as well as New Zealand's elevated terms of trade over the medium term. NZIER expects annual inflation to pick up to the Reserve Bank's 2% inflation target mid-point by the end of 2018.

GDP

Gross Domestic Product (GDP), a measure of economic productivity, grew 0.6% in the September 2017 quarter, following a revised 1.0% growth in the June 2017 quarter. Average GDP growth over the next five years is forecasted by NZIER to sit below 3.0% on the back of anticipated slower population growth as job prospects continue to improve in other major economies coupled with expected Government policy to tighten on migration settings.

The drop in GDP growth for the June and September 2017 quarters is believed to be a result of weaker business confidence. Uncertainty surrounding new Government policies and proposed changes to employment laws have not helped business confidence. Nevertheless, growth expectations for the New Zealand economy remain strong.

Employment

Proposed changes to employment laws include increasing the minimum wage and eliminating the 90-day trial period for medium to large businesses. The effect of slowing migration is expected to limit the extent to which businesses can hire more workers and may result in wage pressures for employers.

The unemployment rate of 4.5% at December 2017 is the lowest on record since the December 2008 quarter. The labour force participation rate is now at 71% down 0.1% from the quarter before as the growth in the working-age population outpaces the growth in the labour force.

Population/Migration

Strong population growth is a key factor which has flowed through to many sectors of the economy including construction and retail spending. Net migration is beginning to slow since the record high of 72,400 in the year to July 2017, with annual net migration to January 2018 recorded at 70,100. Net migration between Australia and the number of New Zealand citizens departing and returning to New Zealand from overseas mostly balanced each other out, with the main reason for the fall in net migration attributed to an increase in foreign migrant departures and fewer people coming to New Zealand on student visas.

The new Labour Government has announced policies which it expects will reduce net migration by 20,000 to 30,000 a year, mostly by limiting the number of student and work visas granted.

Tourism

Strong tourism will continue to be a major supporter in economic activity around a range of sectors including retail spending and commercial construction. Visitor arrivals were up 7% to 3.73 million in the year to December 2017. NZIER expects tourism to remain strong over the coming years as global economies strengthen and continue to encourage tourists from a wide range of countries to visit. Tourism spending will be an important contributor to New Zealand's regional economic development.

Construction

Construction activity has increased markedly over the past few years in both the commercial and residential sectors on the back of strong population growth, tourism and housing shortages. Despite some contractions in construction activity in the first half of 2017 and a decline in the rate of net migration, there remains a high level of construction required to cater for population growth. The elevated numbers of visitors booming in the tourism sector will continue to push non-residential construction such as hotel developments, while the new Government's ambitious Kiwibuild plan should drive a substantial amount of residential construction.

Global Issues

The global economic growth outlook remains fragile. Although activity has picked up in the major economies, there continues to be numerous political uncertainties in the US with the Trump Administration and rising tension between the US and other countries causing jitters in the financial markets. The election of Macron as the President of France and the announcement of a new coalition government in Germany diminish the risks of a break-up of the EU. The Chinese economy transitioning from an investment to consumption led growth also continues to be a risk to the global economy.

Conclusion

The following table provides a summary of immediate past performance and short-term projections.

New Zealand Institute of Economic Research Quarterly Forecasts

Economy Activity (March Year)	2015	2016	2017	2018F	2019F
GDP - annual % change	3.5%	4.4%	3.5%	3.3%	2.7%
Consumer Price Index	0.3%	0.4%	2.2%	1.3%	2.1%
Unemployment Rate	5.4%	5.2%	4.9%	4.4%	4.4%
Current Account % GDP	-3.5%	-2.9%	-2.9%	-1.8%	-1.8%
Trade Weighted Index	79.2	72.6	76.5	75.6	73.6

Source: NZIER Quarterly Predictions March 2018, RBNZ, Statistics New Zealand, New Zealand Treasury & Colliers International

The domestic outlook for the New Zealand economy remains bright. The construction sector remains solid reflecting strong demand from the continued growth in net migration and surge in tourist numbers from a wide range of countries, boosting regional growth. Inflation has picked up pace because of an increase in Government spending and slowing labour supply with the Australian labour market becoming more attractive. New Zealand's GDP per capita is growing albeit at a declining rate, and is in line with OECD averages. In addition, unemployment has declined with the labour force participation rate increasing. Annual GDP growth over the next five years is expected to average 2.9%. The global outlook remains uncertain with heightened geopolitical tensions present, despite economic activity and inflation in the major economies starting to pick up. As a small open economy, New Zealand will not be immune to any downturn in the major economies.

5.2 WELLINGTON INDUSTRIAL MARKET COMMENTARY

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

Wellington's industrial market has enjoyed continued momentum throughout 2017 following on from elevated activity levels since 2014. The vacancy rate declined for the fifth consecutive year in 2017. Sales activity has decreased as properties are increasingly tightly held, while leasing numbers are down

slightly (based on very tight supply). Demand is at record levels and consequently rental levels are increasingly strongly. We envisage this dynamic will continue for the foreseeable future.

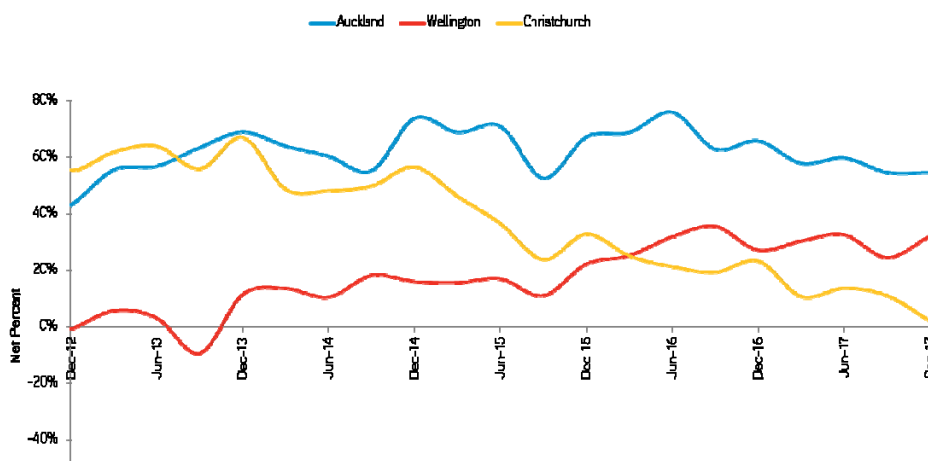
While construction and manufacturing encompasses around two-thirds of industrial activity, the capacity for distribution and warehousing is set to receive a significant boost. This is due to the Transmission Gully project with construction having commenced in September 2014 and completion set for 2020.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

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

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

Overall, confidence in the Wellington industrial property market has shown a positive trend over the last four years, notably stronger since about September 2015 although this has generally levelled off over the last 12 months. The sharp dip at the December 2016 quarter was a direct result of the November earthquakes that were centred in Kaikoura but felt strongly in Wellington.

INDUSTRIAL PROPERTY INVESTOR CONFIDENCE



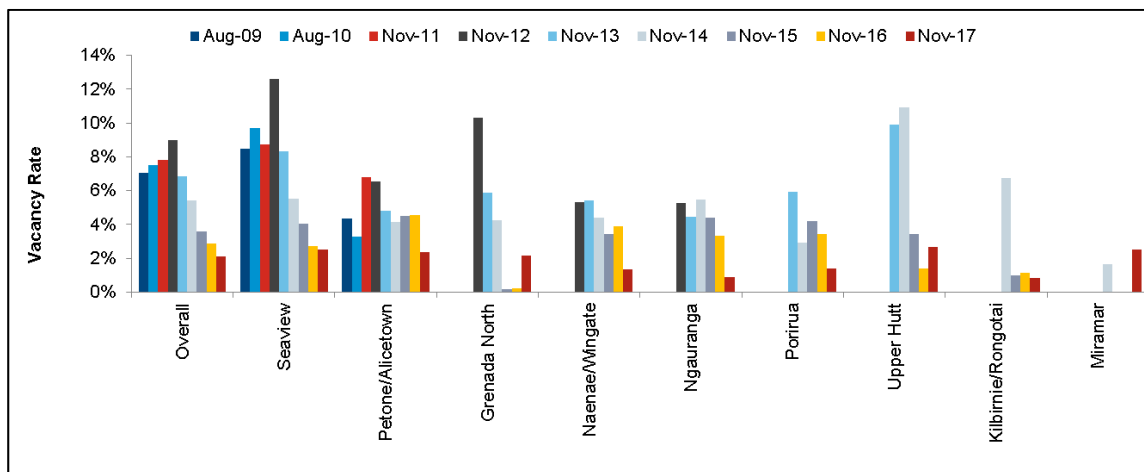
Source: Colliers International Research

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

Rentals have been rising since 2013. Initially this rental growth was modest but over the past 24 months the rate of increase has been more notable. This has seen Wellington moving firmly away from the flat rental rates that provided some of the most affordable rentals out of the main centres in New Zealand. Rent rises will continue as demand, supported by confidence in the business environment, continues to outweigh supply.

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

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



Source: Colliers International Research

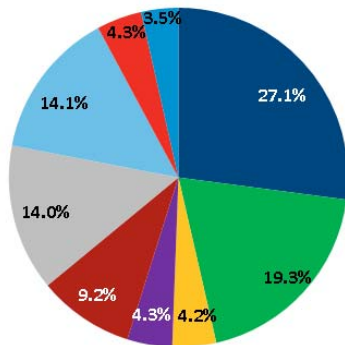
The subject property is within the Seaview/Gracefield industrial precinct. This is the largest precinct in the Wellington Region and is characterised by a predominance of larger heavier industrial workshops and warehouses. It accounts for 27.1% of the total industrial stock in Wellington and as at November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

The vacancy rate in Seaview/Gracefield was measured at 2.5% as at November 2017 which was a small reduction from 2016 when it was measured at 2.7%. This is a very low vacancy rate and there

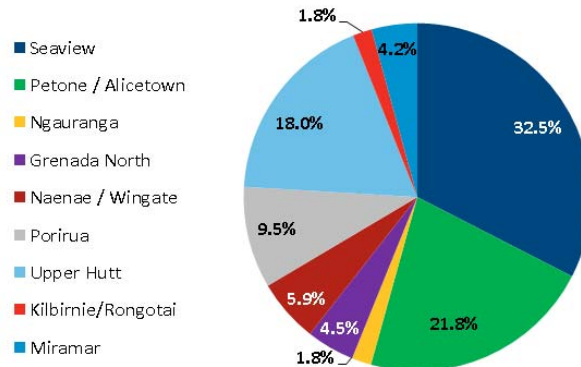
are very few options available for prospective tenants. There has been good rental growth occurring in Seaview and Gracefield over the last three years and we expect this will only continue given these latest vacancy results.

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

WELLINGTON TOTAL INDUSTRIAL STOCK BY PRECINCT



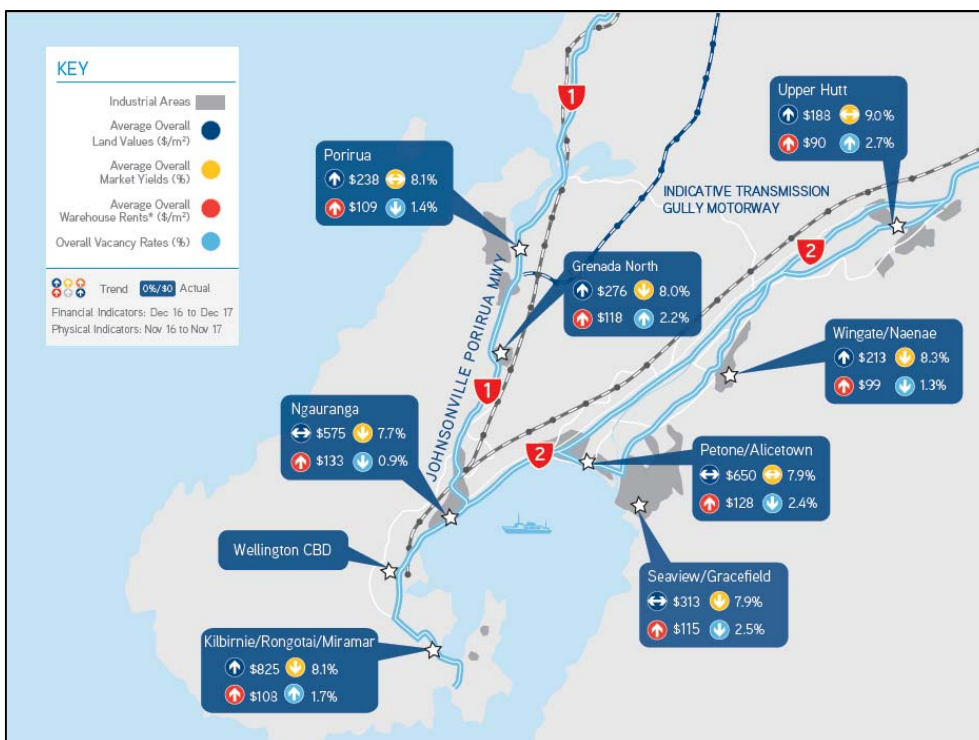
WELLINGTON INDUSTRIAL VACANCY BY PRECINCT



Source: Colliers International Research

The latest Performance of Manufacturing Index (PMI) points to further growth in the sector along with employment numbers encouraging further positive absorption of space into 2018.

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



Source: Colliers International Research

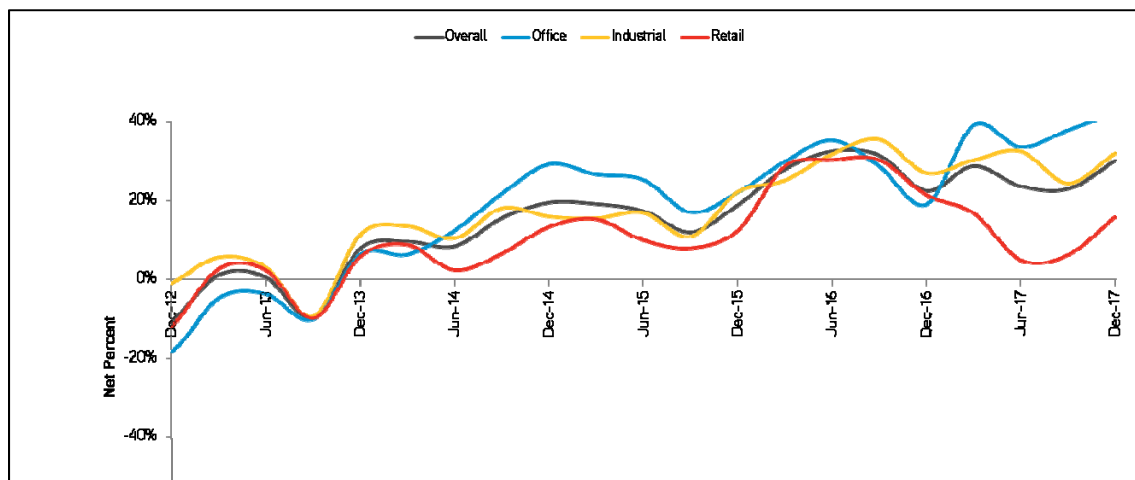
The latest Colliers International Vacant Industrial Land supply survey shows further traction in land absorption last year in the Wellington region (including the Wairarapa). Approximately 20 ha of land was absorbed, up from approximately 13 ha last year.

5.3 THE INVESTMENT MARKET

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

The number of high quality properties in terms of location, building grade and tenant covenant being offered to the market is limited. Secondary quality properties are still proving difficult to sell due to the variance between vendor and purchasers pricing expectations. Foreign investors have returned to the market, with their focus typically on large assets exceeding \$20 million in value. These typically comprise office buildings within Wellington’s CBD, however outside of this area there has been strong sales activity for high value retail and industrial property in Petone and Seaview. There has been a recent acquisition by a single investor of three commercial buildings in the Hutt Valley (two central Lower Hutt and the other in Petone).

WELLINGTON COMMERCIAL PROPERTY INVESTOR CONFIDENCE



Real Estate Investor Confidence

Source: Colliers International Research

The results from the Colliers International Research NZ Investor Confidence Survey as at the December 2017 quarter indicate that overall investor confidence has increased from the last survey in September 2017. Overall Investor confidence has increased to a net positive 30% as at December, up from a net positive 23% as at September. Confidence increased in all four sectors of the market, notably for retail. Despite the Wellington retail vacancy being at record lows, overall investor sentiment in this sector was at 16% in December, up strongly from June when it was at 5%, the lowest Wellington retail has seen in the past two years.

Turning to the industrial market, confidence has strengthened as a result of decreasing vacancy rates and the Transmission Gully works (commenced in September 2014) which will result in better traffic

linkages. Colliers International have been completing annual industrial vacancy surveys across the Wellington Region since 2009 with the latest November 2017 results indicating an overall vacancy rate of 2.1% which is the lowest rate we have recorded since the surveys began in 2009 and the fifth reduction in consecutive years. Prior to 2017 overall vacancy rates ranged from 2.9% to 9.8%. This is very positive for the Wellington industrial market.

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

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

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

Following the peak of the property cycle in mid to late 2007, there was a softening in yields for all classes of property throughout Wellington. Over the past two to three years, we have noted firming yields for good quality stock with strong tenant covenants. Post GFC the most active purchasers in the marketplace have been high net worth individuals, syndicators, private equity groups and owner occupiers seeking attractively priced real estate. Institutional investors and high net worth individuals with a long-term investment horizon have taken advantage of opportunities that have presented themselves. Between 2008 and 2013 there was little purchasing enquiry from institutional and foreign investors; however from 2014 we have observed increased demand from these sectors and this continued throughout 2017. We are aware that yields for prime quality property in major metropolitan centres worldwide have significantly compressed in recent times and the comparatively higher yields available in New Zealand are now proving attractive.

Interest rates have been sustained at low levels for the past 2-3 years, though they increased slightly over the first half of 2014 before decreasing again during 2015. The ORC dropped by 25 basis points to 2.00% on 11 August 2016 and again by 25 basis points to 1.75% on 10 November 2016, and has remained unchanged since. The low interest rates have significantly impacted returns for the older half of the population who have a higher ratio of savings to debt. Alternative investment opportunities including investment property has therefore been attractive, however it appears that buyers are still cautious of risk and their expectation of return has increased with little transacting below the 7.00% mark in Wellington. Within Auckland and Tauranga we have noted multiple sales occurring at yields between 6.00% and 7.00% and several less than 6.00%.

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

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

We note the 2016 and 2017 sales of strongly leased and well located property demonstrate yields in the general range of 6.50% to 8.00% (close to the levels reached in 2007), while yields for secondary quality property fall within the general range of 8.00% to 10.00% (with yields in excess of 10% required for properties with a very significant risk factor such as vacancy/pending lease expiry, low seismic rating or a requirement for significant capital expenditure). Any further firming in yield in the short term, as a result of continued business confidence and ongoing low interest rates, maybe offset somewhat by the upper South Island earthquakes of November 2016.

5.4 IMPLICATIONS FOR THE SUBJECT PROPERTIES

The subject properties would be well regarded due to a combination of strong tenant covenants (from The Hub/109-117 Port Road in particular) and weighted average lease terms ranging from 5.03 years to 5.66 years (or 5.57 years collectively). Collectively the properties provide a well diversified income stream effectively fully leased, while providing one of the largest collective holdings in the wider Seaview/Gracefield industrial precinct.

6.0 VALUATION CONSIDERATIONS

6.1 VALUATION METHODOLOGY

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

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

Contract Income Approach

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

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

Market Income Approach

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

Discounted Cashflow Approach

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

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

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

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

6.2 RENTAL EVIDENCE

The valuation approaches adopted require us to assess the market rent for the subject premises by comparison to other leasing evidence. Our market rental assessment has been completed on a gross occupancy cost basis, where “gross occupancy cost” may be defined as the total of rental and operating

expenses payable by the lessee. This approach allows for varying operating expense liabilities when comparing rental evidence, and is commonly used in the commercial and industrial property markets in the Region.

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

Address	Tenant	Date	Status	Type of Space	Area m ²	Effective Rental Rate \$ psm/pspw
Subject Properties						
17 Toop Street	Orangebox (original premises))	Feb-17	NL	Warehouse	765	\$92
				Office	365	\$174
				Sorting & Printing Rooms	356	\$138
				Canopy	50	\$65
				Yard	260	\$33
				Carparks	18	\$18
	<i>Orangebox Premises B (pending)</i>	<i>Dec-17</i>	<i>NLE</i>	<i>L1 Offices Carparks</i>	<i>462 13</i>	<i>\$156 \$19</i>
	Tasman Liquor	May-17	NLE	Warehouse	1,412	\$96
				Canopy	127	\$60
				Office	95	\$150
Yard				627	\$30	
109-117 Port Road	Fujitsu Additional Warehouse	Jan-17	NLE	Warehouse	1,772	\$78
	Linfox	Jan-17	NL	Warehouse	3,995	\$87
				Office Yard/Carparking	372 485	\$162 \$30
The Hub, 25 Toop Street	Nature Pac	Jan-18	NL	Warehouse	1,183	\$87.06
				Carparks	2	\$17.50
	Jets Transport	Sep-17	NLE	Warehouse	4,700	\$77
				Office	165	\$142
				Yard	1,020	\$29
	Peter Baker Transport	Jul-17	NLE	Warehouse	8,560	\$77
				Office	555	\$216
				Office Balcony	34	\$80
				Yard	1,914	\$30
				Container Devanning Spaces Carparks	4 4 20	\$1,500 \$7
	Toll	Dec-16	NLE	Warehouse	3,155	\$75
				Office	200	\$150
Yard				233	\$50	
Covered Yard				410	\$60	
Container Devanning Spaces				4 4	\$1,000	
101-103 Port Road	Downer Group	Nov-17	NL	Warehouse	1,378	Confidential
				G Office/Amenities	773	
				L1 Offices	360	
				Yard	1,615	

Seaview/Gracefield

Address	Tenant	Date	Status	Type of Space	Area m ²	Effective Rental Rate \$ psm/pspw
39-49 Randwick Road	Viridian Glass	Apr-18	NLE	Warehouse 1	1745	\$115.14
				Warehouse 2	2084	\$109.20
				Offices	220	\$162.65
				Gantry Crane	1	\$16,036
				Yard 1	415	\$23.76
				Yard 2	1050	\$23.76
				Yard 3	410	\$23.76
Seaview	Confidential	Mar-18	NL	Warehouse	2,920	\$133.46
				Office Amenities	235	\$240.00
				Yard	1,500	\$30.00
				Canopy	200	\$75.00
				Carparks	26	\$20.00
19-25 Seaview Road	Thermosash	Aug-17	RR	Bldg 5 – Whse	3,064	\$70
				Bldg 5 – Yard	485	\$22
				Bldg 6 - Whse – HS	549	\$60
				Bldg 6 - Whse – LS	413	\$55
				Bldg 6 – Yard	124	\$22
				Bldg 6 – Carparks	6	\$12
				Bldg 6 - Toilet	29	\$65
21-29 Bell Road South	Ritall	Jul-17	R	Warehouse	1,253	\$123
				Office Ground	148	\$155
				Office L1	139	\$160
				Carparks	6	\$20
5-7 Toop Street	Mainfreight	May-17	RR	Warehouse	4,206	\$95
				G Office/Amen	209	\$130
				L1 Office/Amen	184	\$140
				Canopies	1,668	\$48
				Yard	1,220	\$25
				Carparks	18	\$15
77 Port Road	MSS 2003	Jul-17	NL	Warehouse	1,815	\$68
				Office/Amen	41	\$85
	Crawford Storage & Distribution (Unit 2)	Jun-17	R	Warehouse	1,849	\$83
				Office	171	\$100
				Yard	971	\$15
				Yard	37	\$25
	Crawford Storage & Distribution (Unit 1)	Aug-16	NLE	Warehouse (5.2m)	1,814	\$77
				Office/Amenities	111	\$95
				Yard	1,656	\$15
				Yard B	227	\$22
	M.K Archibald	May-16	RR	Warehouse 5.2m	1,093	\$80
				Office/Amenities	131	\$120
Mezz Storage				127	\$145	
Additional Warehouse				581	\$85	
Port Domain, 2-20 Port Road	Business Relocations	Aug-17	NL	Warehouse	994	\$87
				Portacom	18	\$175
				Yard	200	\$25
	Universal Trucks	Aug-17	RR	Warehouse	615	\$115^
				Warehouse LS	235	\$85
				Office – G	106	\$135
Amen-storage - Mezz				192	\$110	
Yard	910	\$25				

Address	Tenant	Date	Status	Type of Space	Area m ²	Effective Rental Rate \$ psm/pspw
	NZ Tube Mills (Pt Building10)	Sep-16	NLE	Warehouse 3.8-6.2m	4,113	\$73 [^]
Warehouse 4m				954	\$73	
Office – G				98	\$100	
Office – L1				310	\$100	
Yard/Parking				160	\$15	
	NZ Tube Mills (Building 5)	Sep-16	NLE	Warehouse 7.9m	1,577	\$105 [^]
Warehouse 7.2m				1228	\$100 [^]	
Warehouse LS				395	\$73	
G & Mezz Ablutions				166	\$115	
Yard/Parking				1,170	\$11	
	Denray Marine	Aug-16	R	Warehouse	631	\$90
Office/Amenities				64	\$115	
Carparks				5	\$15	
65 Port Road	Hurford Wholesale	Apr-17	NL	Warehouse	657	\$114
				Office	43	\$165
				Yard – front	105	\$35
				Yard - rear	85	\$25
476-486 Jackson Street	Crown Worldwide	Oct-16	NL	Warehouse	1,465	\$100
				Warehouse	1,805	\$95
				Office	216	\$150
				Office	44	\$175
				Yard	1,800	\$26
				Carparks	32	\$15
9 Toop Street	Callaghan Innovation	Aug-16	NL	Warehouse	600	\$108

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

[^]Includes gantry crane

Rental Reconciliation

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

Clearly the new leasing evidence from the subject property is of importance with an extensive body of leasing activity during the past 18 months. We have noted pending agreements by way of background.

The most recent new leasing to Nature Pac, is naturally of interest. Comprising a smaller tenancy with sole access provided via the covered common area of the hub complex. This leasing is slightly higher than we would have expected at the time and further confirms to us the presence of rent growth continuing in response to the historically low vacancy rates experienced (with this representing the last physically vacant tenancy).

Focussing on the subject agreements, warehouse analysed rates of larger tenancies range from \$75 psm to \$87 psm most recently from the Nature Pac new lease. Of these, we note Peter Baker Transport and Toll further enjoy non exclusive use of the covered common area with little apparent differential for size between rates for warehousing areas which is clearly a benefit for which specific adjustment is required.

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

19-25 Seaview Road, **Thermosash** Building 5 comprises a two bay warehouse accessed by four high stud roller doors (5m x 5m) from a yard to the Seaview Road frontage. There is a single roller door (not used) at the rear on the northern wall which provides access to the NZ Car Parts tenancy. General construction comprises concrete floors (cracked), part concrete, part iron and part plasterboard walls, steel columns, steel RSJ, saw tooth super 6 roof with a mix of Georgian wire glass panels, translucent plastic panelling and hanging lighting. Two sets of gantry rails. Two 3 tonne gantry cranes are owned by the Landlord with a third (two tonne) gantry crane owned by the Tenant (which we have excluded from our assessment). The warehouse has a stud height of 6.6 metres to the underside of the trusses. Building 6 comprises a medium sized warehouse tenancy with front low stud (4m) warehouse (with offices above) and rear column free, high stud warehouse accommodation of 6.7 metres to the underside of the trusses. Construction is of concrete floors (cracked), iron walls, steel RSJ, saw tooth roof with translucent panels, hanging lights and a 3 tonne gantry crane.

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

77 Port Road comprises a large 1960s wool store building that was divided into five tenancies and upgraded in the 1990s. MS 2003 occupies Unit 3, being the former Crawford Transport space, with frontage to Toop Street and drive through access via roller doors on both south and north sides with a small yard at the rear (north) and common access around the building via Toop Street and Port Road. The warehouse has a stud height of circa 5.2 metres at the knee. At an effective gross rental rate of \$67.80 psm over the warehouse, this is considered to be a rather 'soft deal' and does not align with other rentals in the wider complex (such as the two Crawford Storage tenancies or M. K Archibald) or the wider basket of rental evidence.

Crown Worldwide at **476-486 Jackson Street** is located within a very large industrial property known as the former Unilever property providing circa 25 buildings constructed from the 1940s with various additions, new buildings etc. There is extensive yard and carparking available throughout the site. This tenancy comprises warehouse and office space located within Buildings 1, 2, 3, and 3A. In addition there is yard and carparking. They occupy office, low stud warehouse/print factory, and high stud warehouse space at the western end of the site. The office accommodation comprises partitioned offices and meeting rooms. The low stud warehouse/print factory has a stud height of four metres. Adjacent to the low stud area is further medium stud warehouse space with a stud height of 5 metres.

We understand if the soft board ceiling tiles were to be removed the stud height would be the same as the high stud warehouse. The high stud area is column free and has a stud height of 7.7 metres at the knee rising to 13 metres at the apex.

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

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

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

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

Address	Tenant	Date	Status	Type of Space	Area m ²	Net Rental Rate \$ psm/pspw
Canada Crescent, Hornby, Christchurch	Polarcold	Nov-16	RR	Coldstores	6,465	\$130
				ELA	1,352	\$92
				Office	296	\$128
				Blast Freezer	118	\$180
				Drive Through	778	\$62
				Canopy	313	\$41
3 Alderson Drive, Milson, Palmerston North	Big Chill	Nov-16	RR	Freezer	509	\$174
				ELA	422	\$137
				Chiller	403	\$158
				Offices	140	\$177
				Forklift	15	\$127
				Canopy	150	\$50
				Concrete Yard	4,000	\$35
23 Dunlop Road, Waharoa, Waikato	Icepak Waharoa	Sep-16	R	Coldstores	4,953	\$125
				Coolstore	541	\$85
				Office/Amen	77	\$140
				Front Warehouse	724	\$50
				Warehouse Office/Amen	30	\$80
				Workshop	403	\$30
				Loading Area	1,425	\$55
				Canopy	403	\$25
7 Armstrong Road, Albany, Auckland	Bidvest	Aug-16	NL	Offices	216	\$170
				Freezer	673	\$250
				Chiller	250	\$220
				ELA	500	\$220
				Dry Store	917	\$112
				Dock Canopy	221	\$55
				Plant Room	59	\$75
				Yard	960	\$23
				Canopy	360	\$55
10 Transport Place, East Tamaki, Auckland	Halls Logistics	Aug-16	NL	Offices	369	\$185
				Office Addition	119	\$180
				Driver's Amenities	197	\$155
				Dispatch Office	41	\$115
				Freezer	2,234	\$235
				Chiller A & B	1,447	\$170
				Chiller	1,039	\$225
				ELA	1,006	\$140
				Plant Room	39	\$80
				Breezeway Canopy	2,043	\$55
				Warehouse	4,150	\$107
				Canopy	700	\$50
				Generator		\$15,000
Smarts Road, Hornby, Christchurch	Icepak Properties	Jun-16	NL	Modern Coldstores	4,304	\$209
				Older Coolstores	2,667	\$50
				Central ELA	865	\$90
				Enclosed	480	\$85
				Office/Amen	177	\$110
				Secondary Office	142	\$100
				ELA Site Office	22	\$100
				Plant Room	112	\$65

Address	Tenant	Date	Status	Type of Space	Area m ²	Net Rental Rate \$ psm/pspw
15 Ron Driver Place, East Tamaki, Auckland	Fiordland Lobster	Mar-16	NL	Gnd Offices	261	\$198
				1 st Flr Offices	214	\$198
				2 nd Flr Offices	43	\$190
				Freezer	30	\$350
				Chiller	10	\$300
				Processing Tank Area	946	\$180
				Dry Store	200	\$180
				Dispatch	192	\$190
				Packing	338	\$170
				Plant Room	200	\$100
				Open Mezzanine	56	\$65
				Plant Room	40	\$70
				620 Main Road South, Christchurch	Halls Refrigerated Transport	Feb-16
1 st Flr Offices/Amenities	246	\$235				
Freezer/Chiller	857	\$287				
Freezer Addition	318	\$287				
ELA	1056	\$200				
Plant Rooms	126	\$190				
1 st Flr Store	23	\$120				
Loading Dock/Ramp	808	\$70				
Truck Wash	145	\$80				
Whse Offices/Amenities	43	\$200				
Warehouse	1,510	\$125				
Canopy	244	\$65				
Carparks	82	\$12.50				

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

The specialised cold store/chiller rents for smaller sized premises typically range from \$160 to \$250 psm net . Against this backdrop, with adjustment for outgoings and bearing in mind the 'as new' condition of the subject 778m² cool store component, we have adopted a market rental of \$207.50 psm gross.

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

6.3 MARKET RENT ASSESSMENT

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

17 Toop Street

Level/Suite	Tenant	Use	Lettable Area	Gross
Level/Suite	Tenant	Use	NLA	Rent \$/m ²
Ground Offices	Orangebox Ltd	Office	370.00	175.00
Warehouse	Orangebox Ltd	Warehouse	770.00	90.00

Level/Suite	Tenant	Use	Lettable Area	Gross
Level/Suite	Tenant	Use	NLA	Rent \$/m ²
Mail Sorting/Printing Area	Orangebox Ltd	Office	355.00	135.00
Canopy	Orangebox Ltd	Other	100.00	65.00
Yard	Orangebox Ltd	Other	265.00	30.00
Carparking A	Orangebox Ltd	Parking	18.00	650.00
Level 1 Offices	Orangebox Ltd	Office	462.00	150.00
Carparking B	Orangebox Ltd	Parking	13.00	650.00
Carparking	Vacant	Parking	3.00	650.00
Factory	Just Water	Warehouse	1,059.00	90.00
Office & Amenities	Just Water	Office	103.00	110.00
Canopy	Just Water	Other	164.00	65.00
Yard	Just Water	Other	766.00	25.00
Warehouse	Tasman Liquor	Warehouse	1,460.00	90.00
Office	Tasman Liquor	Office	113.00	140.00
Canopy	Tasman Liquor	Other	127.00	65.00
Yard	Tasman Liquor	Other	619.00	30.00
Carparking	Toll Logistics Licence	Parking	7.00	650.00
Carparking	Nature Pac	Parking	2.00	650.00
TOTALS				

25 Toop Street & 109-117 Port Road

Level/Suite	Tenant	Use	Lettable Area	Gross
Level/Suite	Tenant	Use	NLA	Rent \$/m ²
Warehouse	Jets Transport	Warehouse	4,677.00	81.50
Office	Jets Transport	Office	195.00	152.50
Yard	Jets Transport	Other	540.60	30.00
Leasehold Yard	Jets Transport	Other	479.40	30.00
Warehouse (Main)	Peter Baker Transport	Warehouse	8,560.00	79.00
New Offices	Peter Baker Transport	Office	555.00	215.00
Office Balcony	Peter Baker Transport	Other	34.00	75.00
Yard	Peter Baker Transport	Other	1,774.00	30.00
Yard (est. leasehold component)	Peter Baker Transport	Other	140.00	30.00
Devanning Spaces	Peter Baker Transport	Other	4.00	1,400.00
Carparks (on subleased land)	Peter Baker Transport	Parking	20.00	390.00
Leasehold West Yard	Tiger Construction NZ	Other	1,000.00	20.00

Level/Suite	Tenant	Use	Lettable Area	Gross
Level/Suite	Tenant	Use	NLA	Rent \$/m ²
Leasehold Balance Yard	Seaview Commercial Investments	Other	5,800.00	15.00
Warehouse	Toll Logistics	Warehouse	2,377.00	82.50
Cold Store	Toll Logistics	Warehouse	778.00	207.50
Front Offices	Toll Logistics	Office	201.00	152.50
Covered yard	Toll Logistics	Warehouse	410.00	62.50
Yard	Toll Logistics	Other	233.00	10.00
Devanning Spaces	Toll Logistics	Parking	4.00	1,000.00
Carparks (30% portion)	Toll Logistics	Parking	3.00	780.00
Warehouse	Seaview Commercial Investments	Warehouse	2,030.00	82.50
Offices	Seaview Commercial Investments	Office	66.00	130.00
MAF Pads	Seaview Commercial Investments	Other	2.00	1,400.00
Ex 'floating warehouse'	Nature Pac	Warehouse	1,183.00	87.50
Warehouse (25 Toop St)	Fujitsu	Warehouse	2,386.00	80.50
Warehouse	Fujitsu	Warehouse	2,640.00	80.50
Office	Fujitsu	Office	51.00	160.00
Level 1 Offices	Fujitsu	Office	325.00	235.00
Office Balcony	Fujitsu	Other	32.00	90.00
Canopy	Fujitsu	Other	200.00	60.00
Yard	Fujitsu	Other	333.00	30.00
Carparks	Fujitsu	Parking	4.00	780.00
Additional Warehouse	Fujitsu	Warehouse	1,772.00	80.50
Warehouse (Port Rd frontage)	Linfox	Warehouse	3,995.00	81.50
G - Offices	Linfox	Office	372.00	170.00
Front Yard	Linfox	Other	485.00	30.00
West Yard	Linfox	Other	1,389.00	30.00
TOTALS				

101-103 Port Road

Level/Suite	Tenant	Use	Lettable Area	Gross
Level/Suite	Tenant	Use	NLA	Rent \$/m ²
Warehouse (7.2-7.5m SH)	Downer Group	Warehouse	1,360.00	120.00
G Show/Off/Amenities	Downer Group	Office	719.00	135.00
G Entry	Downer Group	Office	53.00	140.00
L1 Offices	Downer Group	Office	379.00	150.00

Level/Suite	Tenant	Use	Lettable Area	Gross
Level/Suite	Tenant	Use	NLA	Rent \$/m ²
Front Yard/Parking	Downer Group	Parking	5.00	780.00
Yard	Downer Group	Other	1,715.00	25.00
TOTALS				

6.4 SALES EVIDENCE

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

Property	Sale Date	Sale Price	Yield on Actual Rental	Yield on Market Rental	Weighted Average Lease Term	IRR	Value psm Lettable Area
SUBJECT, 17 & 25 Toop Street (The Hub), 101-103 & 109-117 Port Road	Dec-17	\$44,900,000	7.32%	7.55%	5.47	9.26%	\$1,129
67 Seaview Road (vacant possession)	Nov-17	\$3,085,000	-	7.91%	-	10.32%	\$1,030
3 Tunnel Grove (MF King & vacant)	Nov-17	\$2,710,000	3.64%	8.37%	2.18	9.17%	\$869
395-399 Hutt Road, Alicetown (Bowland et al.)	Jul-17	\$8,750,000	7.02%	7.10%	4.73	8.66%	\$2,170
1 Lower Tyers Road, Ngauranga (TIMG)	Jun-17	\$9,893,000	7.50%	7.04%	3.84	8.54%	\$2,122
10 Te Puni Street, Petone (Servitec, Pureword Trading, Assa Abloy)	Jun-17	\$2,394,000	5.83%	7.56%	0.94	8.75%	\$1,601
22-30 Annie Huggan Drive, Petone (Carters)	Apr-17	\$8,400,000	5.71%	5.97%	3.97	7.38%	\$2,616
15 Eastern Hutt Road, Wingate (Harvey Norman)	Apr-17	\$3,500,000	7.34%	7.51%	4.52	9.56%	\$1,260
110 Hutt Road, Kaiwharawhara (Wellington City Transport)	Mar-17	\$8,650,000	4.73%	5.55%	13.39	7.12%	\$6,703
195-197 Gracefield Road, Gracefield (Cardinal Logistics)	Nov-16	\$14,000,000	8.00%	7.52%	10.00	-	\$1,258
12 Newlands Road, Ngauranga (Fluways)	Jul-16	\$5,650,000	8.60%	7.79%	0.84	-	\$1,143
7-21 Burnham St & 8 Bouverie St, Petone (Fletchers et al)	Jul-16	\$13,750,000	8.57%	7.87%	3.87	9.03%	\$1,025
15 Raiha Street, Elsdon (Ultibend Industries)	Mar-16	\$2,900,000	7.90%	8.21%	10.00	9.26%	\$1,050
11-17 Peterkin Street, Wingate (Various)	Feb-16	\$5,900,000	8.45%	9.53%	2.14	10.29%	\$512
Subject, 120 Hutt Park Road, Gracefield (Turners Auctions)	Oct-15	\$8,500,000	8.47%	9.21%	2.32	11.46%	\$1,122

Property	Sale Date	Sale Price	Yield on Actual Rental	Yield on Market Rental	Weighted Average Lease Term	IRR	Value psm Lettable Area
Todd Park, 9-15 John Seddon Dr, Porirua (Various)	Sep-15	\$33,000,000	8.12%	8.18%	6.10	9.60%	\$632

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

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

3 Tunnel Grove comprises an industrial complex built in 1972 incorporating a two storey office building inter-linked with a large workshop structure and free-standing compressor building. The warehouse structure is 49% NBS, while the offices are earthquake prone. The warehouse/workshop construction comprises a steel portal frame with composite walls of tilt slab and long run iron roof. The stud height ranges from 5.8 metres at the knee to 7.5 metres at the apex. The building has an above average ratio of offices (38%) to warehouse space relative to many other buildings in this sector. We analyse the sale to represent an effective market yield of 8.37%, after various capital expenditure allowances including for deferred maintenance.

67 Seaview Road is a reasonably large warehouse property which was purpose developed for the Globus Group in 1985/86. Comprises a regular shaped portal framed (now) low stud warehouse (4 metres at the knee rising to 6.8 metres at the apex) with a two level L-shaped office and amenities annex. The warehouse has some specialised food grade/temperature controlled linings and fitout with four roller doors including a sunken dockway. The building is situated on a 4,800 sqm site at the corner of Gracefield Road with full circulation and four access points to parking and yard space. A DSA assesses the buildings NBS score at 40%. The property was purchased by a local owner occupier (furniture manufacturer).

While not strictly industrial, **395-399 Hutt Road**, Alicetown sold in July 2017 for \$8,750,000. Comprising a large modern warehouse/large format retail building with extensive associated carparking completed in 2007. Three tenants occupy the premises; Bowland (t/a Strike Entertainment), The Tile Shop (t/a Tile Direct) and J.A. Russell (t/a Stewarts Electrical). Bowland is the anchor tenant occupying a large proportion of the lettable area (54%) with a 15 year lease through to November 2022. The property is situated on a busy arterial route mid-way between central Lower Hutt and Petone, with good proximity/profile and nearby access to the Hutt motorway (State Highway 2) via the Dowse Interchange. In addition there are 75 carparks and a telecommunications site lease to Spark. We analyse this ‘off market’ transaction to indicate an effective market yield of 7.10% and a passing contract yield of 7.02% with a weighted average lease term of 4.73 years at the date of sale. We further note the property sold in December 2015 for \$8,125,000.

1 Lower Tyers Road (TIMG) comprises a purpose built, high stud specialised document storage warehouse with associated offices, vault, amenities and secure yard, head leased to On Line Security

Services Limited with 3.92 years lease term certain with good prospects of renewal upon lease expiry in April 2021. The property enjoys high profile to SH1 also. The sale indicated an effective market yield of 7.09% or 7.50% on the passing net income.

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

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

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

110 Hutt Road, Kaiwharawhara was redeveloped in 2015 for NZ Bus as a bus depot and workshop facility with walk up first floor offices. The ground floor comprises a medium stud workshop with an enclosed canopy to the front, two service pits, a purpose built steam cleaning bay, workshop offices, locker room, staff kitchen, amenities and mezzanine offices. The first floor comprises mostly open plan offices with some partitioning. We understand seismic works have been undertaken to bring the NBS score to 50%. The yard comprises a concrete hardstand yard of approximately 2,767 sqm and fencing to the boundaries. The passing rental comprises a premises component of \$327,547 and a fitout rental of \$333,056 p.a. The premises rental is subject to predetermined annual increases while the fitout rental is fixed for the full lease term. The total net passing rental of \$660,603 (including fitout rental) represents 7.64% on the sale price.

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

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

- **Location**

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

- **Size**

17 Toop Street and 109-117 Port Road are of relatively standard size and 25 Toop Street & 109-117 Port Road collectively comprise a large industrial complex. Combined, this is a very large holding at 39,684m² of lettable building area (excluding the common warehouse area) and 6.79 hectares of land (including the leasehold component).

- **Zoning and Utility**

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

- **Quality**

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

- **Lease Term**

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

17 Toop Street:	5.66 years
25 Toop Street & 109-117 Port Road:	5.61 years
101-103 Port Road:	<u>5.03 years</u>
Overall Combined WALT (income weighted)	5.57 years

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

- **Rental Cashflow**

We assess the net contract and market incomes to be:

Property	17 Toop Street	25 Toop Street & 109-117 Port Road	101-103 Port Road	Combined Total
Net Contract Income	\$479,843	\$2,536,153*	\$280,000	\$3,295,996
Net Market Income	\$497,276	\$2,663,710*	\$303,208	\$3,464,194

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

- **Potential for Rental Growth**

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

6.5 CAPITALISATION RATE CONCLUSION

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

Strengths

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

Weaknesses

- Limited yard space albeit improved by the terminating leasehold component
- Low/medium stud height.
- Large industrial offering, albeit with flexibility to sell down separately
- Terminating leasehold interest in access leg and north yard areas (25 years remaining)

Opportunities

- Rental growth on review (primarily from predetermined increases).
- Redevelopment in conjunction with adjoining properties.
- Converting the subleased land to freehold

Threats

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

Bearing in the mind the evidence in the market, we believe market equivalent yields of 7.15% - 7.25% are applicable on our assessed market rentals before allowing for existing and pending vacancies,

rental shortfalls and general capital expenditure allowances. We have adopted passing yields of 6.85%-7.20% recognising the rental overages and shortfalls.

6.6 DISCOUNTED CASHFLOW ANALYSIS

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

The key assumptions adopted in the cashflow are as follows:

- Market Rental:** We have adopted market rental rates in our cashflow in line with our static valuation as set out above at Section 6.3.
- Rental Growth:** It is difficult to accurately predict rental growth rates particularly for industrial property when demand is directly linked to the performance of the economy. Accordingly, we have projected medium to long term growth rates trending toward 2.5% as outlined below:

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

- Terminal Yield:** Discounted cashflow appraisal technique requires a consideration for the property to be sold at the end of the 10 year cashflow period. In adopting an appropriate terminal capitalisation rate, it is correct to recognise that the property by that stage is 10 years older and accordingly may warrant a higher capitalisation rate. We have adopted terminal capitalisation rates of 7.40% - 8.00%.
- Discount Rate:** We have adopted property discount rates of 9.00% which are derived from our analysis of investment sales and recognises the particular risks associated with the subject properties.
- Capital Expenditure:** We have made general capital expenditure allowances as outlined in Section 3.5.
- Operating Expenses:** We have adopted operating expenses in line with our static valuation as set out above at Section 4.3 and have escalated these at our CPI forecasts.



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

7.0 VALUATION CONCLUSION

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

17 Toop Street

<i>Contract Income Approach</i> Capitalised at 7.00%	\$6,870,000
<i>Market Income Approach</i> Capitalised at 7.25%	\$6,860,000
<i>Discounted Cashflow Approach</i> Discounted at 9.00%	\$6,590,000

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

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

NZD\$6,770,000 plus GST, (if any)
(SIX MILLION, SEVEN HUNDRED & SEVENTY THOUSAND DOLLARS)

The above assessment of market value is analysed as follows:

Passing Initial Yield (Contract Rent)	7.09%
Equivalent Market Yield	7.35%
Terminal Yield	7.75%
Indicated IRR on Value	8.59%
Direct Comparison Rate (Value per sqm NLA)	\$1,443
Weighted Average Lease Term to Run	5.66 years

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

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

25 Toop Street & 109-117 Port Road

<i>Contract Income Approach</i> Capitalised at 7.20%	\$35,460,000
<i>Market Income Approach</i> Capitalised at 7.25%	\$35,640,000
<i>Discounted Cashflow Approach</i> Discounted at 9.00%	\$35,750,000

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

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

NZD\$35,640,000 plus GST, (if any)
(THIRTY FIVE MILLION, SIX HUNDRED & FORTY THOUSAND DOLLARS)

This valuation has been assessed on an 'as if complete' basis and is conditional upon the following items:

- The building being completed in accordance with the plans and details of specifications provided, in a proper tradesman like manner.
- The completed property being available for sale as at the date of valuation and transacted between a willing buyer and a willing seller.
- Issuance of all relevant Local Authority approvals including a Code Compliance Certificate.
- Issuance of a Building Warrant of Fitness (or Compliance Schedule Statement whichever is appropriate).
- The satisfaction of all requirements under the Resource Management Act 1991 including Resource Consent conditions.
- Final measurement of the premises.
- Final inspection by the valuer upon completion of the above conditions.

The above assessment of market value is analysed as follows:

Passing Initial Yield (Contract Rent)	7.12%
Equivalent Market Yield	7.25%
Terminal Yield	8.00%
Indicated IRR on Value	9.04%
Direct Comparison Rate (Value per sqm NLA)	\$1,094
Weighted Average Lease Term to Run	5.61 years



101-103 Port Road

Contract Income Approach
Capitalised at 6.85%

\$4,080,000

Market Income Approach
Capitalised at 7.15%

\$4,170,000

Discounted Cashflow Approach
Discounted at 9.00%

\$4,030,000

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

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

NZD\$4,090,000 plus GST, (if any)
(FOUR MILLION & NINETY THOUSAND DOLLARS)

The above assessment of market value is analysed as follows:

Passing Initial Yield (Contract Rent)	6.85%
Equivalent Market Yield	7.29%
Terminal Yield	7.40%
Indicated IRR on Value	8.79%
Direct Comparison Rate (Value per sqm NLA)	\$1,629
Weighted Average Lease Term to Run	5.03 years

Lender Security

Subject to the conditions noted in this report, we consider the property to be suitable for first mortgage security purposes. This statement is made only with reference to the property itself and the property factor outlined in this report. We make no recommendation on the personal covenant of the mortgagor or their ability or willingness to meet their commitment under the proposed loan.

8.0 GENERAL

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

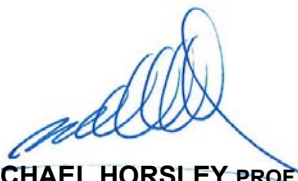
1. In accordance with PINZ Guidance Notes, all non-residential valuations are on the basis of **plus GST (if any)**. Valuations of residential property are stated as **including GST (if any)**. We have attempted to ascertain whether the sales evidence and/or leasing evidence is inclusive or exclusive of Goods and Services Tax (GST). The national database of sales evidence does not identify whether or not GST is included in a sale price. If we have not been able to verify GST, we have assumed residential property sales are inclusive of GST (if any), and plus GST (if any) for non-residential properties. If this proves to not be the case for any evidence, we reserve the right to reconsider our valuation.
2. Where it is stated in the report that information has been supplied to us by another party, this information is believed to be reliable but we can accept no responsibility if this should prove not to be so. Where information is given without being attributed directly to another party, this information has been obtained by our search of records and examination of documents or by enquiry from Government or other appropriate sources.
3. We have been engaged to provide a valuation only and while due care was taken to note obvious building defects in the course of our inspection, we have not been engaged for any purpose other than the valuation and we are not able to advise on matters such as structural or site surveys or any other defects in the building. The valuer is not a building construction and/or structural expert, and is therefore unable to certify as to structural soundness of the improvements or detect any ingress of water, liquid, moisture or mould type substances or effects from these, other than to parts of the improvements readily accessible and visible.
4. In preparing the valuation it has been assumed that all lifts, hot and cold water systems, electrical systems, ventilating systems and other devices, fittings, installations or conveniences in the building are in proper working order and functioning for the purposes of Government regulations and codes. We will not include in our valuation those fixtures and fittings owned and able to be removed by the tenant(s).
5. Where applicable, our valuation includes those items which form part of the building including special wall and floor finishes, toilet amenities, integrated heating and ventilation equipment, external lighting and all site works including landscaping.
6. In preparing the valuation and/or providing valuation services, it has been assumed that a full and frank disclosure of all relevant information has been made.
7. We do not hold ourselves out to be experts in environmental contamination. Our inspection of the site did not reveal any contamination or pollution affectation, and our valuation has been prepared on the assumption that the land is not contaminated and has not been affected by pollutants of any kind. We would recommend that this matter be checked by a suitably qualified environmental consultant. Should subsequent investigation show that the site is contaminated, our valuation may require revision.
8. In preparing the valuation, we have relied on photocopies of the Computer Register and the leases provided. It has been assumed that these are accurate copies of the original documents and that no dealings or changes have occurred since the date such photocopies were made.
9. This valuation and all valuation services are provided by us solely for the use of our client. We do not assume any responsibility to any person other than the client for any reason whatsoever by reason of or arising out of the provision of this valuation.
10. This report is relevant as at the date of preparation and to circumstances prevailing at the time. However, within a rapidly changing economic environment experiencing fluctuations in interest rates, availability of finance, rents, building expenditure and returns on investments, values can be susceptible to variation over a relatively short time scale. We therefore strongly recommend that before any action is taken involving acquisition, disposal, mortgage advance, shareholding restructure or other transaction, that you consult further with us.
11. **Confidentiality and Disclaimer of Liability**
Our valuation and report is strictly confidential to the party to whom it is addressed and is prepared solely for the specific purpose to which it refers. No responsibility whatsoever is accepted for reliance on the valuation report for other purposes. Further, no responsibility whatsoever is accepted to persons other than the party to whom the valuation and report is addressed for any errors or omissions whether of fact or opinion.

12. Neither the whole nor any part of this valuation and/or report or any reference to it may be included in any published document, circular, or statement without the prior written permission of the copyright owner.
13. **PINZ: Valuation Standards & Guidance Notes**
All valuations are carried out in accordance with the Valuation Standards and Guidance Notes recommended by the Property Institute of New Zealand, where the definition of "Market Value" is the estimated amount for which an asset or liability on the valuation date between a willing buyer and a willing seller in an arm's-length transaction, after proper marketing, wherein the parties had each acted knowledgeably, prudently and without compulsion.
14. Please note that personnel in this firm will or may have stocks, shares or other interests in entities that directly or indirectly hold properties which are the subject of this valuation and/or may have direct or indirect personal relationships with third parties with interests in these same entities. Colliers' valuers are required to abide by an industry standard disclosure regime and Colliers internal policies with respect to conflicts of interest, and will disclose any material conflict of interest that arises in its capacity as valuer concerning the property which is the subject of this valuation.
15. **Valuation Basis**
Unless otherwise stated no allowances are made in our valuations for any expenses of realisation, or to reflect the balance of any outstanding mortgages either in respect of capital or interest accrued.

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

Yours faithfully

COLLIERS INTERNATIONAL (WELLINGTON VALUATION) LIMITED



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



REUBEN BLACKWELL BSC BCOM GRAD.DIP.VAL
Registered Valuer

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

REF: J:\Valuation\CMV 2018\Hutt Valley\Toop Street, 17, 25 (The Hub), 101 & 109 Port Road CMV Mar18 (readdress).docx

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

APPENDIX 1

Valuation in Detail



Valuation Calculations

Under Instruction From

Augusta Funds Management Limited



As At

15 March 2018

Reference: 21607MH

VALUATION DETAILS

Valuation Date	15 March 2018	Cash Flow Model Date	1 April 2018
Interest Valued	Freehold Interest	Purpose of Valuation	Mortgage Finance Purposes

CORE VALUATION ASSUMPTIONS

Financial Details

Gross Passing Income (Fully Let)	\$588,687
Outgoings (pa)	\$106,894
Net Passing Income (Fully Let)	\$481,793
Net Passing Income (Current)	\$479,843

Passing Income is \$15,483 below current market levels

Over / Under rented % -3.51%

Fully Leased - over / under rented % -3.11%

Total NLA	4,692.00 m ²
Total Carparks	43 parks
Warehouse NLA	3,289.00 m ²
Proportion of Occupied Warehouse Area	100.00%

	Net	Gross
Average Passing Warehouse Rental*	\$57/m ²	\$80/m ²
Average Market Warehouse Rental	\$68/m ²	\$90/m ²

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

Global Assumptions

Agents Leasing Fees (Gross)	15.00%
Renewal Leasing Fee (Gross)	0.00%

Warehouse

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

Traditional Valuation Approach

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

VALUATION CONCLUSIONS

Traditional Valuation Approach

Initial Yield Approach	\$6,870,000
Market Yield Approach	\$6,860,000

ADOPTED VALUE

\$6,770,000 - GST Exclusive
(SIX MILLION SEVEN HUNDRED SEVENTY THOUSAND DOLLARS)

RESULTANT YIELDS AND IRR'S ON ADOPTED VALUE

Direct Comparison	\$1,443 per m ² NLA
Passing Initial Yield	7.09%
Equivalent Initial Yield	7.10%
Equivalent Market Yield	7.35%
Weighted Average Lease Duration by Area	5.45 years
Weighted Average Lease Duration by Income (incl Vacancy)	5.66 years
Weighted Average Lease Duration by Income (excl Vacancy)	5.67 years
Total Capital Expenditure (Nominal)	\$260,272
% of Adopted Value (Nominal)	3.84%

Adopted Gross Market Income	\$604,170
Outgoings (pa)	\$106,894
Adopted Net Market Income	\$497,276

Total Vacancy -

Office NLA	1,403.00 m ²
Proportion of Occupied Office Area	100.00%

	Net	Gross
Average Passing Office Rental*	\$135/m ²	\$156/m ²
Average Market Office Rental	\$127/m ²	\$149/m ²

Refurb Allowance - Initial Expiries	\$75/m ²
Refurb Allowance - Secondary Expiries	-

Office

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

Discounted Cash Flow Approach

Cash Flow Term	10 years
Terminal Capitalisation Rate	+50.00 bps
Terminal Allowances & Reversions within	12 months
Discount Rate	9.000%
10 Yr Rental Growth	Warehouse (Net Effective) 2.57%
(compounded)	Office (Net Effective) 2.52%

Discounted Cash Flow Approach

Discounted Terminal Value	51%	\$3,389,711
NPV of Cash Flows	49%	\$3,197,030
Sum of Discounted Cash Flows		\$6,586,740
Less Acquisition Costs		-
Net Present Value		\$6,586,740
Rounded DCF Value		\$6,590,000

Terminal Initial Yield	7.53%
Terminal Market Yield	7.75%
Terminal Capital Value	\$1,712 per m ² NLA
Rate of Increase in Capital Value	2.00%
IRR (Incl. Capex)	8.59%
IRR (Excl. Capex)	8.96%
3 Year IRR (incl. Capex)	8.54%
5 Year IRR (incl. Capex)	8.70%
7 Year IRR (incl. Capex)	8.51%

Tenancy Schedule

17 Toop Street, Seaview, Lower Hutt

Valuation Date: 15 March 2018



Level/Suite	Tenant	Use	Lettable Area NLA	Lease Commence	Lease Term	Lease Expiry	Type	% NLA	Lease Option	Next Review Date	Contract Passing		Adopted Market		PV of Rental Reversion	Gross Rent \$/m ²
Level/Suite	Tenant	Use	NLA	Commence	Term	Expiry	Type	% NLA	Option	Date	Rent	Rent \$/m ²	Rent	Rent \$/m ²	Reversion	Rent \$/m ²
1 Ground Offices	Orangebox Ltd	Office	370.00	1-Feb-17	9.00	31-Jan-26	Net	7.89%	2 x 3 years	1-Feb-19	61,516	166.26	56,551	152.84	23,176	175.00
2 Warehouse	Orangebox Ltd	Warehouse	770.00	1-Feb-17	9.00	31-Jan-26	Net	16.41%	2 x 3 years	1-Feb-19	58,905	76.50	52,237	67.84	33,183	90.00
3 Mail Sorting/Printing Area	Orangebox Ltd	Office	355.00	1-Feb-17	9.00	31-Jan-26	Net	7.57%	2 x 3 years	1-Feb-19	45,263	127.50	40,058	112.84	27,029	135.00
4 Canopy	Orangebox Ltd	Other	100.00	1-Feb-17	9.00	31-Jan-26	Net	0.00%	2 x 3 years	1-Feb-19	7,140	71.40	6,500	65.00	2,935	65.00
5 Yard	Orangebox Ltd	Other	265.00	1-Feb-17	9.00	31-Jan-26	Net	0.00%	2 x 3 years	1-Feb-19	9,461	35.70	7,950	30.00	8,168	30.00
6 Carparking A	Orangebox Ltd	Parking	18.00	1-Feb-17	9.00	31-Jan-26	Net	0.00%	2 x 3 years	1-Feb-19	18,360	1,020.00	11,700	650.00	40,228	650.00
7 Level 1 Offices	Orangebox Ltd	Office	462.00	1-Dec-17	3.00	30-Nov-20	Net	9.85%	2 x 3 years	1-Dec-18	64,385	139.36	59,945	129.75	9,984	150.00
8 Carparking B	Orangebox Ltd	Parking	13.00	1-Dec-17	3.00	30-Nov-20	Net	0.00%	2 x 3 years	1-Dec-18	13,000	1,000.00	8,450	650.00	11,103	650.00
9 Carparking	Vacant	Parking	3.00	-	-	-	Gross	0.00%	-	-	-	-	1,950	650.00	-	650.00
10 Factory	Just Water	Warehouse	1,059.00	1-Jan-10	12.00	31-Dec-21	Gross	22.57%	2 x 3 years	1-Jan-19	54,136	51.12	95,310	90.00	(142,934)	90.00
11 Office & Amenities	Just Water	Office	103.00	1-Jan-10	12.00	31-Dec-21	Gross	2.20%	2 x 3 years	1-Jan-19	5,536	53.75	11,330	110.00	(20,861)	110.00
12 Canopy	Just Water	Other	164.00	1-Jan-10	12.00	31-Dec-21	Gross	0.00%	2 x 3 years	1-Jan-19	6,684	40.76	10,660	65.00	(13,533)	65.00
13 Yard	Just Water	Other	766.00	1-Jan-10	12.00	31-Dec-21	Gross	0.00%	2 x 3 years	1-Jan-19	19,510	25.47	19,150	25.00	935	25.00
14 Warehouse	Tasman Liquor	Warehouse	1,460.00	1-May-17	6.00	30-Apr-23	Net	31.12%	Nil	1-May-18	99,120	67.89	99,047	67.84	28,606	90.00
15 Office	Tasman Liquor	Office	113.00	1-May-17	6.00	30-Apr-23	Net	2.41%	Nil	1-May-18	14,690	130.00	13,316	117.84	10,461	140.00
16 Canopy	Tasman Liquor	Other	127.00	1-May-17	6.00	30-Apr-23	Net	0.00%	Nil	1-May-18	7,620	60.00	8,255	65.00	(307)	65.00
17 Yard	Tasman Liquor	Other	619.00	1-May-17	6.00	30-Apr-23	Net	0.00%	Nil	1-May-18	18,570	30.00	18,570	30.00	-	30.00
18 Carparking	Toll Logistics Licence	Parking	7.00	1-May-17	6.00	30-Apr-23	Gross	0.00%	Nil	1-May-18	3,500	500.00	4,550	650.00	(4,619)	650.00
19 Carparking	Nature Pac	Parking	2.00	8-Jan-18	6.00	7-Jan-24	Net	0.00%	2 x 3 years	8-Jan-19	2,000	1,000.00	1,300	650.00	3,322	650.00
21 TOTALS			4,692.00					100.00%			509,395		526,829		16,878	

(Initial) Passing Yield Calculations

Office		191,390	
Parking		36,860	
Other		68,985	
Warehouse		212,161	
Current Passing Income		509,395	
Add Recoverable Outgoings		77,341	
Add Estimated Gross Rental Value on Vacant Space		1,950	
Potential Gross Income Fully Let		588,687	

Less Outgoings	\$22.78/m ²	106,894	
Net Income		481,793	
Capitalised at	6.875%	7.000%	7.125%
Capitalised Value	\$7,007,894	\$6,882,753	\$6,762,003

Capital Value Adjustments**Existing Vacant Tenancy Allowances**

Downtime	(975)	(975)	(975)
Downtime for Deferred Tenancy Commencement	-	-	-
Agents Leasing Fees	(293)	(293)	(293)
Incentives	-	-	-
Refurbishment Allowance	-	-	-

Pending Vacancy Allowances (expiries within 12 months)

Downtime	-	-	-
Agents Leasing Fees	-	-	-
Incentives	-	-	-
Refurbishment Allowance	-	-	-

PV Outstanding Current Incentives

	(497)	(497)	(497)
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General Capital Expenditure Allowance (12 months)

	(12,893)	(12,893)	(12,893)
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Budgeted Capital Expenditure (12 months)

	-	-	-
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Other Adjustments

	-	-	-
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Total Adjustments

	(14,657)	(14,657)	(14,657)
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Assessed Capital Value as at 15 March 2018

	\$6,993,237	\$6,868,096	\$6,747,346
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Value \$/m ²	\$1,490	\$1,464	\$1,438
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Rounded Initial Capitalisation Value	\$6,870,000		
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Adopted Value as at 15 March 2018

	\$6,770,000		
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Capital Value Analysis

Actual Net Passing Income	\$479,843
Initial Yield	7.09%
Equivalent Initial Yield	7.10%
Rate per metre of NLA	\$1,443/m ²

Market Yield Calculations

Office		181,200
Parking		27,950
Other		71,085
Warehouse		246,593
Market Income		526,829
Add Recoverable Outgoings		77,341
Total Gross Market Income		604,170
Less Outgoings	\$22.78/m ²	106,894
Net Market Income		497,276

Net Income		497,276	
Capitalised at	7.125%	7.250%	7.375%
Capitalised Value	\$6,979,313	\$6,858,980	\$6,742,726

Capital Value Adjustments**Existing Vacant Tenancy Allowances**

Downtime	(975)	(975)	(975)
Downtime for Deferred Tenancy Commencement	-	-	-
Agents Leasing Fees	(293)	(293)	(293)
Incentives	-	-	-
Refurbishment Allowance	-	-	-

Pending Vacancy Allowances (expiries within 12 months)

Downtime	-	-	-
Agents Leasing Fees	-	-	-
Incentives	-	-	-
Refurbishment Allowance	-	-	-

PV Outstanding Current Incentives

	(497)	(497)	(497)
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PV Rental (Shortfall) / Overage

	16,878	16,878	16,878
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General Capital Expenditure Allowance (12 months)

	(12,893)	(12,893)	(12,893)
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Budgeted Capital Expenditure (12 months)

	-	-	-
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Other Adjustments

	-	-	-
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Total Adjustments

	2,221	2,221	2,221
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Assessed Capital Value as at 15 March 2018

	\$6,981,534	\$6,861,201	\$6,744,947
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Value \$/m ²	\$1,488	\$1,462	\$1,438
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Rounded Market Capitalisation Value	\$6,860,000		
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Adopted Value as at 15 March 2018

	\$6,770,000		
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Equivalent Market Yield	7.35%
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Rate per metre of NLA	\$1,443/m ²
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Discounted Cash Flow Assumptions

17 Toop Street, Seaview, Lower Hutt



Growth Assumptions

Calendar Year	Code	2017	2018	2019	2020	2021	2022	2023	2024	2025	2026	2027	2028	10 Yr CAGR
Inflation (CPI)	1	1.30%	2.00%	1.90%	1.90%	2.00%	2.00%	2.50%	2.50%	2.50%	2.50%	2.50%	2.50%	2.25%
Warehouse (Gross Face)	2		2.00%	2.50%	3.00%	3.00%	2.50%	2.50%	2.50%	2.50%	2.50%	2.50%	2.50%	2.57%
Warehouse (Gross Effective)	3		2.00%	2.50%	3.00%	3.00%	2.50%	2.50%	2.50%	2.50%	2.50%	2.50%	2.50%	2.57%
Warehouse (Net Face)	4		2.00%	2.50%	3.00%	3.00%	2.50%	2.50%	2.50%	2.50%	2.50%	2.50%	2.50%	2.57%
Warehouse (Net Effective)	5		2.00%	2.50%	3.00%	3.00%	2.50%	2.50%	2.50%	2.50%	2.50%	2.50%	2.50%	2.57%
Office (Gross Face)	6		2.00%	6.40%	2.41%	2.41%	2.82%	2.50%	2.50%	2.50%	2.50%	2.50%	2.50%	2.86%
Office (Gross Effective)	7		2.00%	6.40%	2.41%	2.41%	2.82%	2.50%	2.50%	2.50%	2.50%	2.50%	2.50%	2.86%
Office (Net Face)	8		2.00%	2.50%	2.50%	2.50%	3.00%	2.50%	2.50%	2.50%	2.50%	2.50%	2.50%	2.52%
Office (Net Effective)	9		2.00%	2.50%	2.50%	2.50%	3.00%	2.50%	2.50%	2.50%	2.50%	2.50%	2.50%	2.52%
Car Parking	10		2.00%	2.50%	3.00%	3.00%	2.50%	2.50%	2.50%	2.50%	2.50%	2.50%	2.50%	2.57%
Statutories	11		2.00%	28.00%	2.00%	2.00%	2.00%	2.50%	2.50%	2.50%	2.50%	2.50%	2.50%	4.61%
Operational	12		2.00%	1.90%	1.90%	2.00%	2.00%	2.50%	2.50%	2.50%	2.50%	2.50%	2.50%	2.25%
Capital expenditure	13		2.00%	1.90%	1.90%	2.00%	2.00%	2.50%	2.50%	2.50%	2.50%	2.50%	2.50%	2.25%
Other	14		2.00%	1.90%	1.90%	2.00%	2.00%	2.50%	2.50%	2.50%	2.50%	2.50%	2.50%	2.25%
Ground Rent	15		0.00%	0.00%	0.00%	0.00%	0.00%	0.00%	0.00%	0.00%	0.00%	0.00%	0.00%	0.00%
[SPARE 1]	16		0.00%	0.00%	0.00%	0.00%	0.00%	0.00%	0.00%	0.00%	0.00%	0.00%	0.00%	0.00%

Discounted Cash Flow Assumptions

Lease Renewal Assumptions

Valuation Date	15 March 2018	Agents Fees - New Tenant (Year 1 Gross Rent)	15.0%
Commencement of Cash Flow	1 April 2018	Agents Fees - Renewal (Year 1 Gross Rent)	0.0%
Term of Cash Flow	10 years	Warehouse	
Discount Rate	9.000%	Renewal Lease Term	6.0 years
Terminal Yield	7.750%	Letting Up Period - Market	6 months
Terminal Yield Variance over Market Cap Rate	+50.00 bps	Retention Probability (Letting Up, Leasing Fees)	0%
Acquisition Costs	0.00%	Letting Up Period - Applied	6 months
Disposal Costs	0.00%	Incentive Probability	0%
Total Budgeted Capital Expenditure	\$0 pa (Real) \$0 pa (Nominal)	Review Structure	3 yearly rent reviews to market rent
General Capital Expenditure Allowance applied from 1-Apr-2018	\$27.71/m ² \$130,000 pa (Real) \$143,155 pa (Nominal)		
Refurbishment Allowance on Initial Expiries	\$75.0/m ²		
Refurbishment Allowance on Secondary Expiries	-		
Total Capital Expenditure (Real)	\$235,225		
% of Adopted Value (Real)	3.47%		
Total Capital Expenditure (Nominal)	\$260,272		
% of Adopted Value (Nominal)	3.84%		
1 Yr Summary	\$12,893 (Nominal)		



Level/Suite	Tenant	Year 1 1-Apr-18	Year 2 1-Apr-19	Year 3 1-Apr-20	Year 4 1-Apr-21	Year 5 1-Apr-22	Year 6 1-Apr-23	Year 7 1-Apr-24	Year 8 1-Apr-25	Year 9 1-Apr-26	Year 10 1-Apr-27
Ground Offices	Orangebox Ltd	69,981	71,815	74,377	75,863	77,382	78,946	80,579	68,307	54,167	81,505
Warehouse	Orangebox Ltd	76,290	78,719	82,638	84,287	85,975	87,730	89,597	75,992	59,246	89,399
Mail Sorting/Printing Area	Orangebox Ltd	53,338	54,821	56,998	58,137	59,301	60,503	61,765	52,366	40,322	60,728
Canopy	Orangebox Ltd	7,164	7,307	7,453	7,602	7,754	7,909	8,068	6,835	5,358	8,037
Yard	Orangebox Ltd	9,492	9,682	9,876	10,073	10,274	10,480	10,690	9,056	6,553	9,830
Carparking A	Orangebox Ltd	18,421	18,790	19,165	19,549	19,940	20,338	20,745	17,575	9,597	14,396
Level 1 Offices	Orangebox Ltd	74,238	76,218	52,349	63,705	76,672	76,933	81,663	82,864	83,187	43,906
Carparking B	Orangebox Ltd	13,087	13,348	9,017	7,590	9,108	9,108	9,731	9,856	9,856	5,224
Carparking	Vacant	985	1,969	1,969	2,044	2,119	2,119	1,060	2,322	2,322	2,322
Factory	Just Water	54,406	55,481	56,535	43,003	79,907	106,543	106,543	112,687	114,735	114,735
Office & Amenities	Just Water	5,564	5,674	5,782	4,398	9,765	13,020	13,020	13,784	14,039	14,039
Canopy	Just Water	6,717	6,850	6,980	5,309	8,680	11,573	11,573	12,222	12,438	12,438
Yard	Just Water	19,608	19,995	20,375	15,498	15,593	20,791	20,791	21,955	22,344	22,344
Warehouse	Tasman Liquor	138,202	144,077	152,494	156,662	160,957	79,080	158,110	159,202	163,988	170,267
Office	Tasman Liquor	18,174	18,878	19,761	20,322	20,901	9,514	18,690	18,774	19,352	20,127
Canopy	Tasman Liquor	8,119	8,389	8,640	8,900	9,167	4,617	9,243	9,243	9,539	9,954
Yard	Tasman Liquor	19,786	20,444	21,057	21,689	22,339	10,530	20,793	20,793	21,460	22,392
Carparking	Toll Logistics Licence	3,564	3,635	3,708	3,782	3,858	2,502	5,231	5,231	5,399	5,633
Carparking	Nature Pac	2,010	2,050	2,091	2,133	2,176	1,656	1,140	1,519	1,519	1,607
	Total Passing Income	599,147	618,142	611,265	610,546	681,868	613,891	729,030	700,583	655,420	708,882
	Total Gross Passing Income	599,147	618,142	611,265	610,546	681,868	613,891	729,030	700,583	655,420	708,882
	Outgoings	107,672	115,318	131,903	134,520	137,225	140,186	143,691	147,283	150,965	154,739
	Vacancy Allowance	-	-	-	-	-	-	-	-	-	-
	-	-	-	-	-	-	-	-	-	-	-
	Net Income before Capital Expenditure	491,475	502,825	479,363	476,026	544,643	473,706	585,340	553,300	504,455	554,143
	Capital Expenditure	12,893	13,146	13,396	13,655	13,928	14,230	14,585	14,950	15,324	15,707
	Refurbishment Allowance	-	-	36,003	8,182	-	9,354	-	42,035	21,543	-
	Agents Fees	295	-	-	12,807	22,789	33,813	236	348	40,279	15,110
	Incentives	497	-	-	-	-	-	-	-	-	-
	Ground Rent	-	-	-	-	-	-	-	-	-	-
	Other Adjustments	-	-	-	-	-	-	-	-	-	-
	Net Income after Capital Expenditure	477,790	489,678	429,964	441,382	507,926	416,309	570,519	495,967	427,310	523,326

Terminal Value Calculations

17 Toop Street, Seaview, Lower Hutt



Level/Suite	Tenant	NLA	Terminal Rent		Shortfall/ Overage	Next Review or Expiry	Number of Months	PV (within 12mths) Reversions
			Market	Passing				
Ground Offices	Orangebox Ltd	370.00	72,506	69,583	2,923	31-Jul-32	52.0	-
Warehouse	Orangebox Ltd	770.00	67,302	64,588	2,714	31-Jul-32	52.0	-
Mail Sorting/Printing	Orangebox Ltd	355.00	51,360	49,290	2,071	31-Jul-32	52.0	-
Canopy	Orangebox Ltd	100.00	8,375	8,037	338	31-Jul-32	52.0	-
Yard	Orangebox Ltd	265.00	10,243	9,830	413	31-Jul-32	52.0	-
Carparking A	Orangebox Ltd	18.00	15,001	14,396	605	31-Jul-32	52.0	-
Level 1 Offices	Orangebox Ltd	462.00	76,858	76,228	630	30-Nov-33	68.0	-
Carparking B	Orangebox Ltd	13.00	10,834	10,745	89	30-Nov-33	68.0	-
Carparking	Vacant	3.00	2,500	2,500	-	1-Apr-28	36.0	-
Factory	Just Water	1,059.00	122,797	114,735	8,062	30-Jun-28	3.0	1,996
Office & Amenities	Just Water	103.00	15,025	14,039	986	30-Jun-28	3.0	244
Canopy	Just Water	164.00	13,312	12,438	874	30-Jun-28	3.0	216
Yard	Just Water	766.00	23,914	22,344	1,570	30-Jun-28	3.0	389
Warehouse	Tasman Liquor	1,460.00	127,611	123,224	4,387	31-Oct-29	19.0	-
Office	Tasman Liquor	113.00	17,073	16,486	587	31-Oct-29	19.0	-
Canopy	Tasman Liquor	127.00	10,308	9,954	354	31-Oct-29	19.0	-
Yard	Tasman Liquor	619.00	23,189	22,392	797	31-Oct-29	19.0	-
Carparking	Toll Logistics Licence	7.00	5,834	5,633	201	31-Oct-29	19.0	-
Carparking	Nature Pac	2.00	1,667	1,636	31	30-Jun-30	27.0	-
Total		4,692.00	675,709	648,079				2,845

Terminal Value Calculations - Market Approach

Office	232,823
Retail	-
Industrial	-
Naming	-
Parking	35,836
Other	89,340
Telecoms	-
Storage	-
Warehouse	317,710
Market Income	675,709
Add Recoverable Outgoings	114,552
Total Gross Market Income	790,262
Less Outgoings	\$33.59/m ² 157,622
Net Market Income	632,639

Vacancy Allowance	0.00%	-
Net Income		632,639
Capitalised at		7.75%
Capitalised Value		8,163,089

Terminal Value Adjustments

-	-
-	-

Existing Vacant Tenancy Allowances

Downtime	-
Agents Leasing Fees	-
Incentives	-
Refurbishment Allowance	-

Pending Vacancy Allowances (expiries within 12 months)

Downtime	87,524
Agents Leasing Fees	26,257
Incentives	-
Refurbishment Allowance	-

NPV Outstanding Current Incentives

PV Rental Shortfall / (Overage)	2,845
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General Capital Expenditure Allowance (12 months)	16,100
Budgeted Capital Expenditure (12 months)	-
Other Adjustments	-
Total Adjustments	132,726

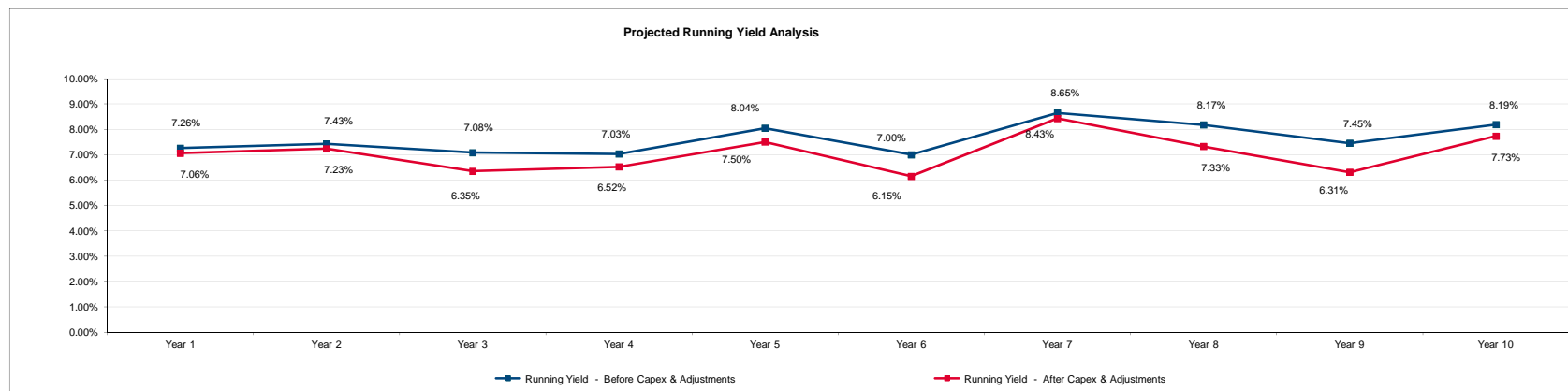
Assessed Terminal Value as at 15 March 2028	8,030,364
Value \$/m²	1,712

Terminal Value Analysis

Terminal Initial Yield	7.53%
Equivalent Market Yield With Vacancy Factor	7.75%
Equivalent Market Yield Without Vacancy Factor	7.75%
Rate per metre of NLA	\$1,712/m ²



For Year Commencing	Year 1 1-Apr-18	Year 2 1-Apr-19	Year 3 1-Apr-20	Year 4 1-Apr-21	Year 5 1-Apr-22	Year 6 1-Apr-23	Year 7 1-Apr-24	Year 8 1-Apr-25	Year 9 1-Apr-26	Year 10 1-Apr-27
Office	193,165	197,234	178,559	189,088	208,012	203,770	218,012	201,223	179,004	186,460
Retail	-	-	-	-	-	-	-	-	-	-
Industrial	-	-	-	-	-	-	-	-	-	-
Naming	-	-	-	-	-	-	-	-	-	-
Parking	38,067	39,793	35,951	35,098	37,200	35,723	37,906	36,503	28,693	29,182
Other	70,886	72,666	74,381	69,071	73,808	65,900	81,158	80,104	77,692	84,994
Telecoms	-	-	-	-	-	-	-	-	-	-
Storage	-	-	-	-	-	-	-	-	-	-
Warehouse	219,118	224,885	230,418	221,487	263,120	229,434	287,527	283,500	275,886	302,548
Outgoings Recoveries	77,912	83,565	91,956	95,802	99,728	79,064	104,427	99,254	94,146	105,698
	-	-	-	-	-	-	-	-	-	-
	-	-	-	-	-	-	-	-	-	-
Total Income	599,147	618,142	611,265	610,546	681,868	613,891	729,030	700,583	655,420	708,882
Outgoings	107,672	115,318	131,903	134,520	137,225	140,186	143,691	147,283	150,965	154,739
Vacancy Allowance	-	-	-	-	-	-	-	-	-	-
	-	-	-	-	-	-	-	-	-	-
Net Income Before Capital Expenditure	491,475	502,825	479,363	476,026	544,643	473,706	585,340	553,300	504,455	554,143
Capital Expenditure (Budgeted & General)	12,893	13,146	13,396	13,655	13,928	14,230	14,585	14,950	15,324	15,707
Refurbishment Allowance	-	-	36,003	8,182	-	9,354	-	42,035	21,543	-
Agents Fees	295	-	-	12,807	22,789	33,813	236	348	40,279	15,110
Incentives	497	-	-	-	-	-	-	-	-	-
Other Adjustments	-	-	-	-	-	-	-	-	-	-
Net Income After Capital Expenditure	477,790	489,678	429,964	441,382	507,926	416,309	570,519	495,967	427,310	523,326
Terminal Value										8,030,364
Disposal Costs										-
Net Cash Flow	477,790	489,678	429,964	441,382	507,926	416,309	570,519	495,967	427,310	8,553,690
Adopted Value @ 9.000%					\$ 6,770,000					
Acquisition Costs					\$ -					
Adopted Value before Acquisition Costs					\$ 6,770,000					
Running Yield - Before Capex & Adjustments	7.26%	7.43%	7.08%	7.03%	8.04%	7.00%	8.65%	8.17%	7.45%	8.19%
Running Yield - After Capex & Adjustments	7.06%	7.23%	6.35%	6.52%	7.50%	6.15%	8.43%	7.33%	6.31%	7.73%
Running Yield - Before Capex & incl. Adjustments	7.25%	7.43%	7.08%	6.84%	7.71%	6.50%	8.64%	8.17%	6.86%	7.96%
Running Yield - After Capex, Adjustments & incl. Acquisition Costs	7.06%	7.23%	6.35%	6.52%	7.50%	6.15%	8.43%	7.33%	6.31%	7.73%



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

DCF Summary

17 Toop Street, Seaview, Lower Hutt

Present Value of Cash Flows	\$6,586,740	
Discount Rate	9.000%	
Terminal Value	\$8,030,364	
Less Disposal Costs	-	
Net Terminal Value	\$8,030,364	
Discounted Terminal Value	\$3,389,711	51.46%
Discounted Cash Flow	\$3,197,030	48.54%
Sum of Discounted Cash Flows	\$6,586,740	
Less Acquisition Costs	-	
Present Value	\$6,586,740	
Rounded Present Value	\$6,590,000	
Rate \$/m ²	\$1,405	
Rate of Increase in Capital Value	2.00%	
IRR (incl. Capex)	8.59%	
IRR (excl. Capex)	8.96%	
3 Year IRR (incl. Capex)	8.54%	
5 Year IRR (incl. Capex)	8.70%	
7 Year IRR (incl. Capex)	8.51%	

Net Present Value Matrix

		Terminal Yield		
		7.500%	7.750%	8.000%
Discount Rate	8.500%	6,930,859	6,810,592	6,697,842
	8.750%	6,814,917	6,697,389	6,587,207
	9.000%	6,701,598	6,586,740	6,479,061
	9.250%	6,590,833	6,478,579	6,373,340
	9.500%	6,482,556	6,372,841	6,269,982

IRR Matrix

		Terminal Yield		
		7.500%	7.750%	8.000%
Adopted Value	6,109,925	10.41%	10.15%	9.90%
	6,431,500	9.62%	9.36%	9.11%
	6,770,000	8.85%	8.59%	8.34%
	7,108,500	8.13%	7.87%	7.62%
	7,463,925	7.42%	7.16%	6.91%

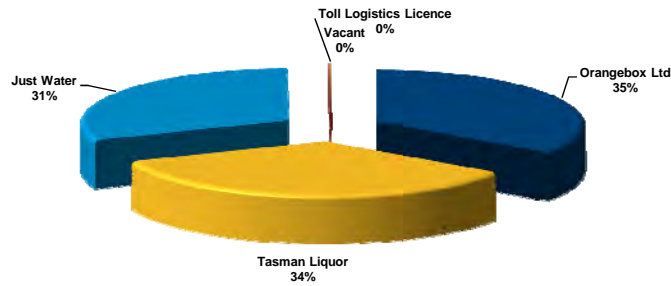
Graphs

17 Toop Street, Seaview, Lower Hutt

Major Occupants/Composition by Area

Major Tenants/Composition	Area
1 Orangebox Ltd	2,353.00 m ²
2 Tasman Liquor	2,319.00 m ²
3 Just Water	2,092.00 m ²
4 Vacant	3.00 m ²
5 Toll Logistics Licence	7.00 m ²
Remainder	-
Vacant	-
Total NLA	4,692.00 m²

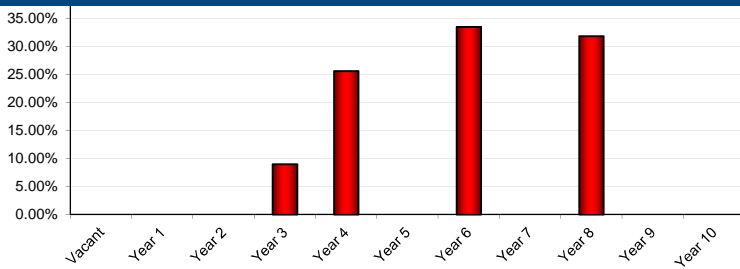
Major Tenants/Composition by Area



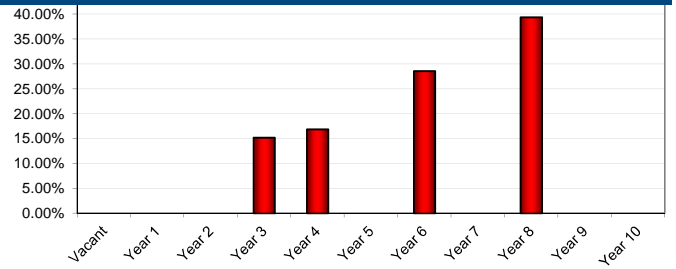
Lease Expiry Profiles

	Vacant	Year 1	Year 2	Year 3	Year 4	Year 5	Year 6	Year 7	Year 8	Year 9	Year 10
Lease Expiry by Area	0.00%	0.00%	0.00%	9.00%	25.61%	0.00%	33.53%	0.00%	31.86%	0.00%	0.00%
Lease Expiry by Income	0.00%	0.00%	0.00%	15.19%	16.86%	0.00%	28.56%	0.00%	39.39%	0.00%	0.00%

Lease Expiry by Area



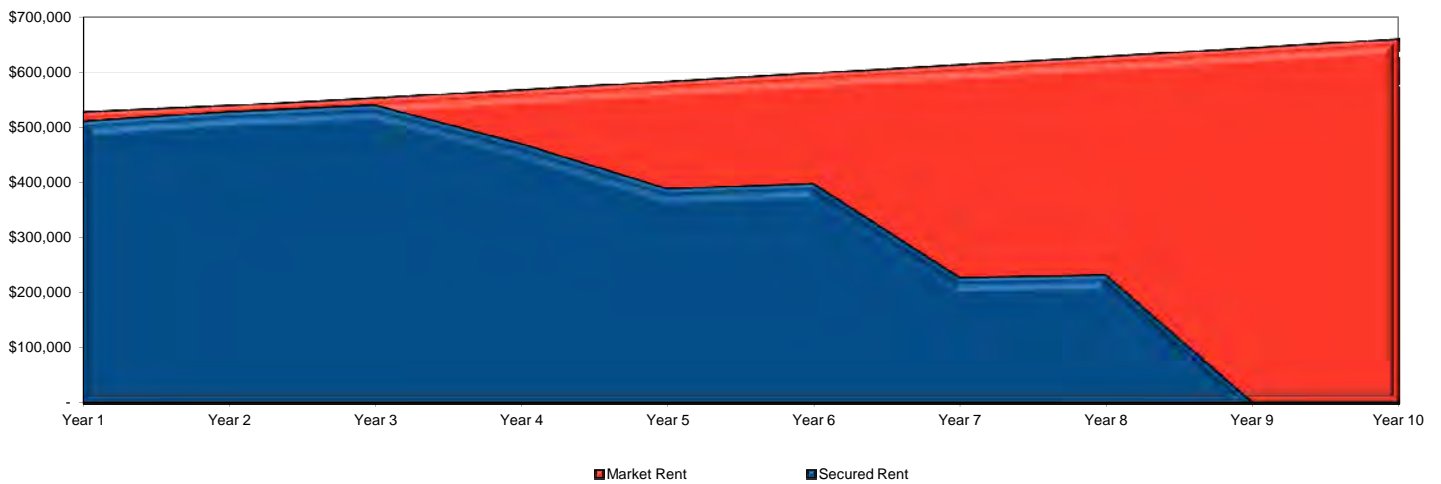
Lease Expiry by Income



Expiries by Rental

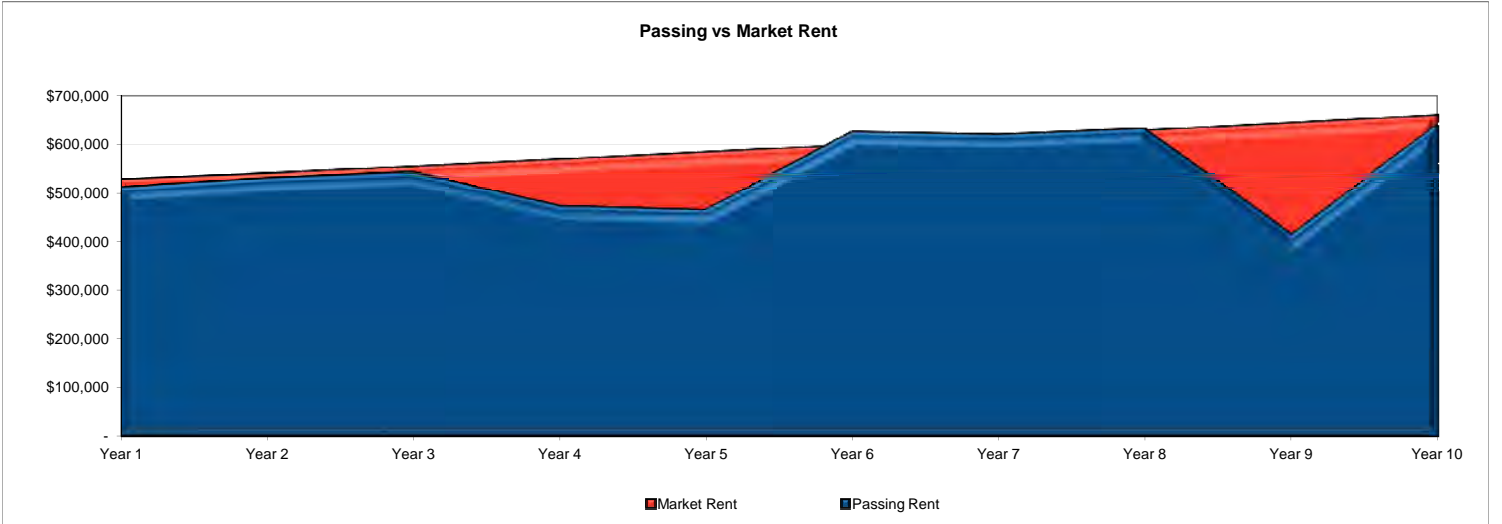
	Year 1	Year 2	Year 3	Year 4	Year 5	Year 6	Year 7	Year 8	Year 9	Year 10
Secured Rent	\$509,395	\$526,783	\$538,731	\$468,840	\$387,046	\$396,426	\$225,958	\$230,477	-	-
Market Rent	\$526,829	\$538,274	\$552,127	\$566,954	\$582,126	\$597,229	\$612,159	\$627,463	\$643,150	\$659,229

Expiries by Rental



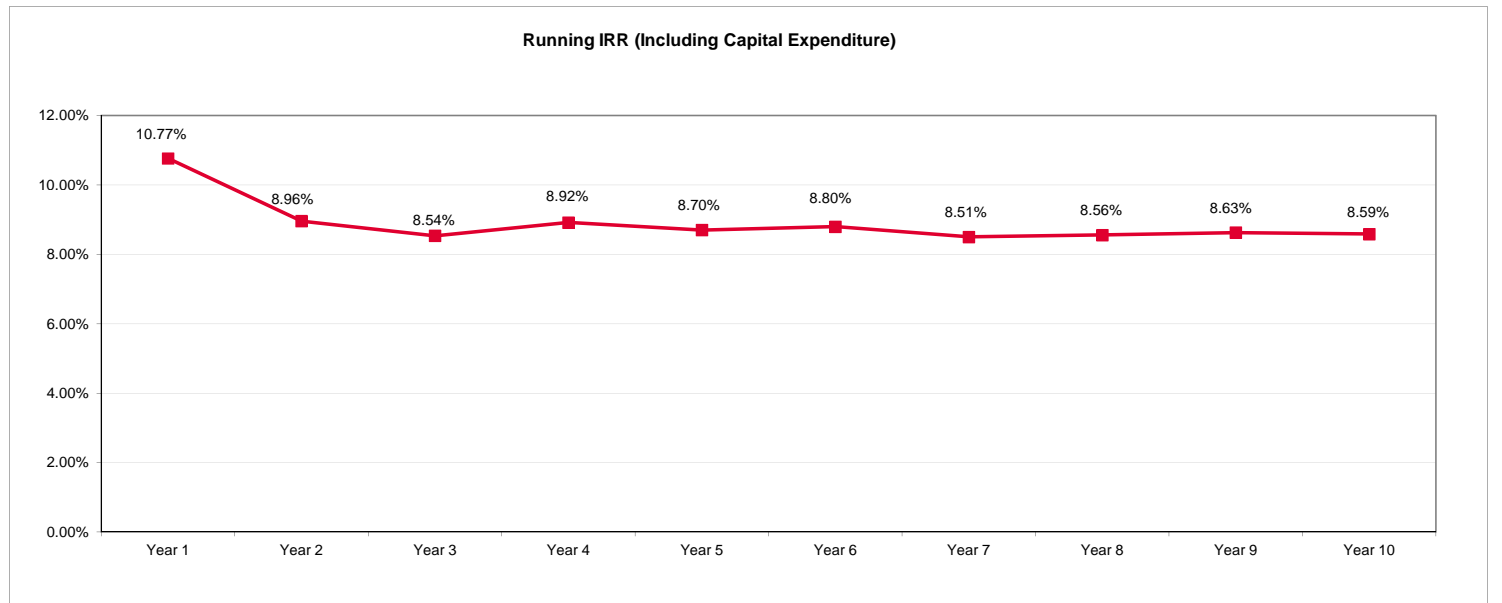
Annualised Passing versus Market

	Year 1	Year 2	Year 3	Year 4	Year 5	Year 6	Year 7	Year 8	Year 9	Year 10
Passing Rent	\$509,395	\$528,753	\$540,701	\$470,809	\$462,882	\$624,189	\$618,724	\$631,020	\$412,172	\$640,583
Market Rent	\$526,829	\$538,274	\$552,127	\$566,954	\$582,126	\$597,229	\$612,159	\$627,463	\$643,150	\$659,229



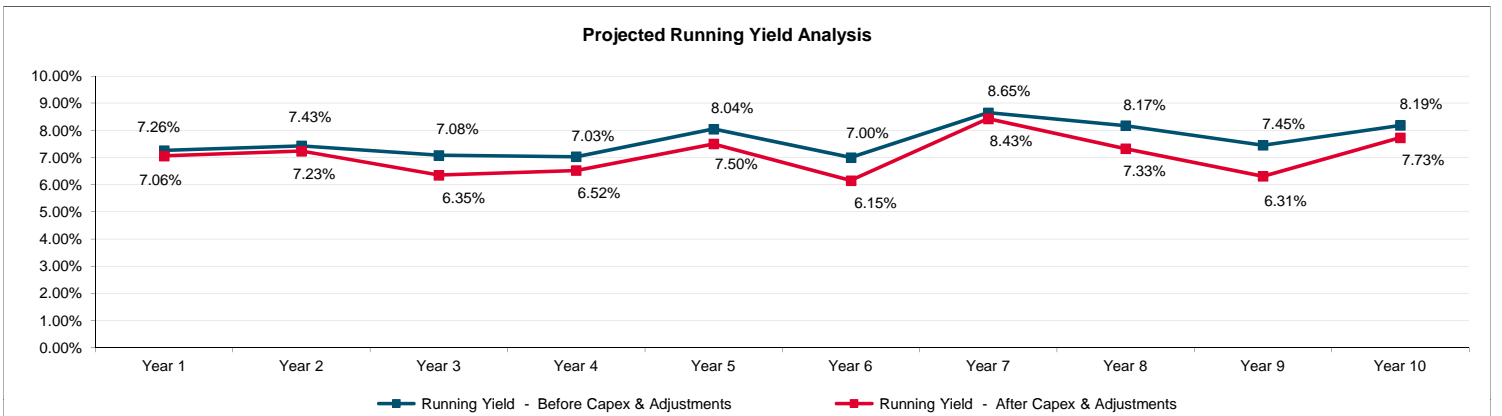
Running IRR (incl. Capex)

	Year 1	Year 2	Year 3	Year 4	Year 5	Year 6	Year 7	Year 8	Year 9	Year 10
Running IRR	10.77%	8.96%	8.54%	8.92%	8.70%	8.80%	8.51%	8.56%	8.63%	8.59%



Running Yield Analysis

	Year 1	Year 2	Year 3	Year 4	Year 5	Year 6	Year 7	Year 8	Year 9	Year 10
Running Yield - Before Capex & Adjustments	7.26%	7.43%	7.08%	7.03%	8.04%	7.00%	8.65%	8.17%	7.45%	8.19%
Running Yield - After Capex & Adjustments	7.06%	7.23%	6.35%	6.52%	7.50%	6.15%	8.43%	7.33%	6.31%	7.73%



Purpose of the Report	Mortgage Finance Purposes
Type of Property	Investment Style.
Method of Arriving at the Discount Rate	Analysis of comparable sales, discussions with industry participants, consideration of the long term bond rate plus adjustment factors.
Purchase and Sale Costs	Included in the Discounted Cash Flow * <i>Costs are based upon the normal market terms of each party paying their own purchase/sale costs.</i>
Rest Periods	Monthly, assumed cash received in arrears.
Term of the cash flow (years)	10 Years
Terminal Value	Calculated using the market capitalisation approach * <i>We have taken the rental value in the 121 month, capitalised this and deducted or added the value of the shortfalls or overages.</i>
Financing Costs and Taxation	All cash flows are calculated before financing costs and tax.
Returns	Quoted in annual terms.
Commencement Date	Apr-18
Inflows and Outflows	The inflow comprises estimated revenue and the outflows the estimated costs.
Specific Exceptions	None.
Debt	Calculations prepared on a pre-debt basis.
Cash Flow Developer	Colliers International Valuation & Advisory Services
Tax	All calculations are prepared on a net of Income Tax and other general taxes, including GST, basis but after the deduction of direct property taxes including Rates etc., if applicable unless specifically stated as below.

Some definitions

Discounted Cash Flow	The method involves the discounting of the net cash flow on a monthly basis over the assumed cash flow period at an appropriate rate to reflect risk to derive a market value. The net cash flow comprises the cash inflows less the cash outflows over the cash flow period, with the addition of the terminal value in the final cash flow period.
Initial yield	The initial net income at the date of transaction or valuation expressed as a percentage of the sale price or valuation.
Market yield	The assessed net market income divided by the sum of the sale price or the adopted value plus any capital adjustments to the core value such as letting up allowances, capital expenditure and present value of reversions (to obtain this net market income).
Terminal yield	The capitalisation rate used to convert income into an indication of the anticipated value of the property at the end of the holding period or property resale value.
Discount rate	A rate of return used to convert a monetary sum, payable or receivable in the future, into present value. Theoretically it should reflect the opportunity cost of capital, i.e., the rate of return the capital can earn if put to other uses having similar risk. (Determined with reference to 10-year bond and risk margin - Also referred to as the required rate of return).
Net Present Value	The measure of the difference between the discounted revenues, or inflows, and the costs, or outflows, in a DCF analysis. In a valuation that is done to arrive at Market Value, where discounted inflows and outflows and the discount rate are market derived.
Internal Rate of Return	The discount rate that equates the present value of the net cash flows of a project with the present value of the capital investment. It is the rate at which the Net Present Value (NPV) equals zero. The IRR reflects the total return over an investment horizon having regard to the assumed inherent growth and cost assumptions.

Notes

The future values quoted for property, rents and costs are projections only formed on the basis of information currently available to us and are not representations of what the value of the property will be as at a future date. This information includes the current expectations as to property values and income that may not prove to be accurate.

Valuation Calculations

Under Instruction From

Augusta Funds Management Limited



As At

15 March 2018

Reference: 21607MH

Valuation Calculations Summary

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

VALUATION DETAILS

Valuation Date	15 March 2018	Cash Flow Model Date	1 April 2018
Interest Valued	Freehold Interest	Purpose of Valuation	Mortgage Finance Purposes

CORE VALUATION ASSUMPTIONS

Financial Details

Gross Passing Income (Fully Let)	\$3,053,818
Outgoings (pa)	\$430,025
Net Passing Income (Fully Let)	\$2,536,153
Net Passing Income (Current)	\$2,536,153

Passing Income is \$173,299 below current market levels

Over / Under rented % -4.79%

Fully Leased - over / under rented % -4.79%

Total NLA	32,573.00 m ²
Total Carparks	31 parks
Warehouse NLA	30,808.00 m ²
Proportion of Occupied Warehouse Area	100.00%

	Net	Gross
Average Passing Warehouse Rental*	\$67/m ²	\$80/m ²
Average Market Warehouse Rental	\$71/m ²	\$84/m ²

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

Global Assumptions

Agents Leasing Fees (Gross)	15.00%
Renewal Leasing Fee (Gross)	0.00%

Warehouse

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

Traditional Valuation Approach

Core Initial Capitalisation Rate	7.200%
Core Market Capitalisation Rate	7.250%
Pending Vacancies Allowances within	12 months
Capital Expenditure Allowances for	12 months
Rental Reversions (PV)	Current tenants at expiry/market review with subsequent leases at 12 months

VALUATION CONCLUSIONS

Traditional Valuation Approach

Initial Yield Approach	\$35,460,000
Market Yield Approach	\$35,640,000

ADOPTED VALUE

\$35,640,000 - GST Exclusive

(THIRTY FIVE MILLION SIX HUNDRED FORTY THOUSAND DOLLARS)

RESULTANT YIELDS AND IRR'S ON ADOPTED VALUE

Direct Comparison	\$1,094 per m ² NLA
Passing Initial Yield	7.12%
Equivalent Initial Yield	7.16%
Equivalent Market Yield	7.25%

Weighted Average Lease Duration by Income (incl Vacancy)	5.61 years
Weighted Average Lease Duration by Income (excl Vacancy)	5.61 years
Total Capital Expenditure (Nominal)	\$603,720
% of Adopted Value (Nominal)	1.69%

Adopted Gross Market Income	\$3,227,117
Outgoings (pa)	\$430,025
Adopted Net Market Income	\$2,663,710

Total Vacancy	-
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Office NLA	1,765.00 m ²
Proportion of Occupied Office Area	100.00%

	Net	Gross
Average Passing Office Rental*	\$170/m ²	\$183/m ²
Average Market Office Rental	\$177/m ²	\$190/m ²

Refurb Allowance - Initial Expiries	\$100/m ²
Refurb Allowance - Secondary Expiries	\$100/m ²

Northern LH yards

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

Discounted Cash Flow Approach

Cash Flow Term	10 years
Terminal Capitalisation Rate	+75.00 bps
Terminal Allowances & Reversions within	12 months
Discount Rate	9.000%
10 Yr Rental Growth	Warehouse (Net Effective) 2.78%
(compounded)	Office (Net Effective) 2.58%

Discounted Cash Flow Approach

Discounted Terminal Value	52%	\$18,512,301
NPV of Cash Flows	48%	\$17,234,848
Sum of Discounted Cash Flows		\$35,747,148
Less Acquisition Costs		-
Net Present Value		\$35,747,148
Rounded DCF Value		\$35,750,000

Terminal Initial Yield	8.12%
Terminal Market Yield	8.00%
Terminal Capital Value	\$1,346 per m ² NLA
Rate of Increase in Capital Value	2.06%
IRR (Incl. Capex)	9.04%
IRR (Excl. Capex)	9.20%
3 Year IRR (incl. Capex)	10.14%
5 Year IRR (incl. Capex)	9.47%
7 Year IRR (incl. Capex)	9.11%

COLLIERS INTERNATIONAL VALUATION & ADVISORY SERVICES

Tenancy Schedule

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

Level/Suite	Tenant	Use	Lettable Area NLA	Lease Commence	Lease Term	Lease Expiry	Type	% NLA	Lease Option	Contract Passing		Adopted Market		PV of Rental Reversion	Gross Rent \$/m ²	
										Rent	Rent \$/m ²	Rent	Rent \$/m ²			
1	Warehouse	Jets Transport	Warehouse	4,677.00	1-Sep-17	6.00	31-Aug-23	Net	14.36%	1 x 6 years	305,500	65.32	320,654	68.56	(144,636)	81.50
2	Office	Jets Transport	Office	195.00	1-Sep-17	6.00	31-Aug-23	Net	0.60%	1 x 6 years	21,450	110.00	27,214	139.56	(33,303)	152.50
3	Yard	Jets Transport	Other	540.60	1-Sep-17	6.00	31-Aug-23	Net	0.00%	1 x 6 years	15,900	29.41	16,218	30.00	(5,263)	30.00
4	Leasehold Yard	Jets Transport	Other	479.40	1-Sep-17	6.00	31-Aug-23	Net	0.00%	1 x 6 years	14,100	29.41	14,382	30.00	(4,668)	30.00
5	Warehouse (Main)	Peter Baker Transport	Warehouse	8,560.00	1-Apr-18	9.00	31-Mar-27	Net	26.28%	2 x 6 years	556,400	65.00	565,471	66.06	(296,588)	79.00
6	New Offices	Peter Baker Transport	Office	555.00	1-Apr-18	9.00	31-Mar-27	Net	1.70%	2 x 6 years	111,000	200.00	112,143	202.06	(58,117)	215.00
7	Office Balcony	Peter Baker Transport	Other	34.00	1-Apr-18	9.00	31-Mar-27	Net	0.00%	2 x 6 years	5,100	150.00	2,550	75.00	16,395	75.00
8	Yard	Peter Baker Transport	Other	1,774.00	1-Apr-18	9.00	31-Mar-27	Net	0.00%	2 x 6 years	53,220	30.00	53,220	30.00	-	30.00
9	Yard (est. leasehold component)	Peter Baker Transport	Other	140.00	1-Apr-18	9.00	31-Mar-27	Net	0.00%	Nil	4,200	30.00	4,200	30.00	-	30.00
10	Devanning Spaces	Peter Baker Transport	Other	4.00	1-Apr-18	9.00	31-Mar-27	Net	0.00%	2 x 6 years	6,000	1,500.00	5,600	1,400.00	582	1,400.00
11	Carparks (on subleased land)	Peter Baker Transport	Parking	20.00	1-Apr-18	9.00	31-Mar-27	Net	0.00%	2 x 6 years	7,000	350.00	7,800	390.00	(8,733)	390.00
12	Leasehold West Yard	Tiger Construction NZ	Other	1,000.00	1-Nov-17	2.00	31-Oct-19	Gross	0.00%	1 x 2 years	20,000	20.00	20,000	20.00	-	20.00
13	Leasehold Balance Yard	Seaview Commercial Investments	Other	5,800.00	1-Sep-17	6.00	31-Aug-23	Net	0.00%	Nil	42,340	7.30	87,000	15.00	(220,441)	15.00
14	Warehouse	Toll Logistics	Warehouse	2,377.00	1-May-17	6.00	30-Apr-23	Net	7.30%	Nil	154,505	65.00	172,333	72.50	(93,093)	82.50
15	Cold Store	Toll Logistics	Warehouse	778.00	1-May-17	6.00	30-Apr-23	Net	2.39%	Nil	50,570	65.00	151,367	194.56	(468,161)	207.50
16	Front Offices	Toll Logistics	Office	201.00	1-May-17	6.00	30-Apr-23	Net	0.62%	Nil	28,140	140.00	28,643	142.50	(42)	152.50
17	Covered yard	Toll Logistics	Warehouse	410.00	1-May-17	6.00	30-Apr-23	Net	1.26%	Nil	20,500	50.00	20,319	49.56	267	62.50
18	Yard	Toll Logistics	Other	233.00	1-May-17	6.00	30-Apr-23	Net	0.00%	Nil	-	-	2,330	10.00	(10,447)	10.00
19	Devanning Spaces	Toll Logistics	Parking	4.00	1-May-17	6.00	30-Apr-23	Net	0.00%	Nil	4,000	1,000.00	4,000	1,000.00	-	1,000.00
20	Carparks (30% portion)	Toll Logistics	Parking	3.00	1-May-17	6.00	30-Apr-23	Net	0.00%	Nil	1,500	500.00	2,340	780.00	(3,894)	780.00
21	Warehouse	Seaview Commercial Investments	Warehouse	2,030.00	1-Jan-18	6.00	31-Dec-23	Net	6.23%	-	139,388	68.66	141,206	69.56	(52,889)	82.50
22	Offices	Seaview Commercial Investments	Office	66.00	1-Jan-18	6.00	31-Dec-23	Net	0.20%	-	4,532	68.66	7,726	117.06	(17,768)	130.00
23	MAF Pads	Seaview Commercial Investments	Other	2.00	1-Jan-18	6.00	31-Dec-23	Net	0.00%	-	2,800	1,400.00	2,800	1,400.00	-	1,400.00
24	Ex 'floating warehouse'	Nature Pac	Warehouse	1,183.00	8-Jan-18	6.00	7-Jan-24	Net	3.63%	2 x 3 years	93,450	78.99	88,204	74.56	9,560	87.50
25	Warehouse (25 Toop St)	Fujitsu	Warehouse	2,386.00	1-Aug-13	6.67	31-Mar-20	Gross	7.33%	2 x 6 years	190,636	79.90	192,073	80.50	(13,431)	80.50
26	Warehouse	Fujitsu	Warehouse	2,640.00	1-Aug-13	6.67	31-Mar-20	Gross	8.10%	2 x 6 years	209,437	79.33	212,520	80.50	(17,636)	80.50
27	Office	Fujitsu	Office	51.00	1-Aug-13	6.67	31-Mar-20	Gross	0.16%	2 x 6 years	10,200	200.00	8,160	160.00	3,336	160.00
28	Level 1 Offices	Fujitsu	Office	325.00	1-Aug-13	6.67	31-Mar-20	Gross	1.00%	2 x 6 years	73,125	225.00	76,375	235.00	(10,597)	235.00
29	Office Balcony	Fujitsu	Other	32.00	1-Aug-13	6.67	31-Mar-20	Gross	0.00%	2 x 6 years	3,200	100.00	2,880	90.00	497	90.00
30	Canopy	Fujitsu	Other	200.00	1-Aug-13	6.67	31-Mar-20	Gross	0.00%	2 x 6 years	12,000	60.00	12,000	60.00	-	60.00
31	Yard	Fujitsu	Other	333.00	1-Aug-13	6.67	31-Mar-20	Gross	0.00%	2 x 6 years	9,990	30.00	9,990	30.00	-	30.00
32	Carparks	Fujitsu	Parking	4.00	1-Aug-13	6.67	31-Mar-20	Gross	0.00%	2 x 6 years	3,200	800.00	3,120	780.00	37	780.00
33	Additional Warehouse	Fujitsu	Warehouse	1,772.00	1-Jan-17	3.25	31-Mar-20	Gross	5.44%	2 x 6 years	141,760	80.00	142,646	80.50	(9,638)	80.50
34	Warehouse (Port Rd frontage)	Linfox	Warehouse	3,995.00	1-Jan-17	6.00	31-Dec-22	Net	12.26%	-	306,440	76.71	277,212	69.39	109,392	81.50
35	G - Offices	Linfox	Office	372.00	1-Jan-17	6.00	31-Dec-22	Net	1.14%	-	57,474	154.50	58,426	157.06	(8,026)	170.00
36	Front Yard	Linfox	Other	485.00	1-Jan-17	6.00	31-Dec-22	Net	0.00%	-	14,987	30.90	14,550	30.00	1,096	30.00
37	West Yard	Linfox	Other	1,389.00	1-Jan-17	6.00	31-Dec-22	Net	0.00%	-	42,000	30.24	41,670	30.00	58	30.00
39	TOTALS			32,573.00					100.00%		2,736,044		2,909,342		(1,336,150)	

Capitalisation Approach

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

Valuation Date: 15 March 2018

**(Initial) Passing Yield Calculations**

Office	305,921		
Parking	15,700		
Other	245,837		
Warehouse	2,168,587		
Current Passing Income	2,736,044		
Add Recoverable Outgoings	317,775		
Add Estimated Gross Rental Value on Vacant Space	-		
Potential Gross Income Fully Let	3,053,818		

Less Rental Attributable to Leasehold Land	87,640		
Less Outgoings	\$16.27/m ²	430,025	
Net Income		2,536,153	
Capitalised at	7.075%	7.200%	7.325%
Capitalised Value	\$35,846,688	\$35,224,350	\$34,623,252

Capital Value Adjustments**Existing Vacant Tenancy Allowances**

Downtime	-	-	-
Downtime for Deferred Tenancy Commencement	-	-	-
Agents Leasing Fees	(175)	(175)	(175)
Incentives	(23,227)	(23,227)	(23,227)
Refurbishment Allowance	-	-	-

Pending Vacancy Allowances (expiries within 12 months)

Downtime	-	-	-
Agents Leasing Fees	-	-	-
Refurbishment Allowance	-	-	-

PV of Leasehold Rental Income/Shortfall	(31,038)	(31,038)	(31,038)
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General Capital Expenditure Allowance (12 months)	(24,793)	(24,793)	(24,793)
Budgeted Capital Expenditure (12 months)	-	-	-

Fitout Rental (Assuming 6 year Toll Lease term)	313,885	313,885	313,885
Total Adjustments	234,652	234,652	234,652

Assessed Capital Value as at 15 March 2018	\$36,081,340	\$35,459,002	\$34,857,904
Value \$/m ²	\$1,108	\$1,089	\$1,070

Rounded Initial Capitalisation Value	\$35,460,000		
Adopted Value as at 15 March 2018	\$35,640,000		

Capital Value Analysis

Actual Net Passing Income	\$2,536,153		
Initial Yield	7.12%		
Equivalent Initial Yield	7.16%		
Rate per metre of NLA	\$1,094/m ²		

Market Yield Calculations

Office	318,687		
Parking	17,260		
Other	289,390		
Warehouse	2,284,006		
Market Income	2,909,342		
Add Recoverable Outgoings	317,775		
Total Gross Market Income	3,227,117		
Less Outgoings	\$16.27/m ²	430,025	
Net Market Income		2,797,092	

Less Rental Attributable to Leasehold Land	133,382		
Net Income		2,663,710	
Capitalised at	7.125%	7.250%	7.375%
Capitalised Value	\$37,385,400	\$36,740,825	\$36,118,099

Capital Value Adjustments**Existing Vacant Tenancy Allowances**

Downtime	-	-	-
Downtime for Deferred Tenancy Commencement	-	-	-
Agents Leasing Fees	(175)	(175)	(175)
Incentives	(23,227)	(23,227)	(23,227)
Refurbishment Allowance	-	-	-

Pending Vacancy Allowances (expiries within 12 months)

Downtime	-	-	-
Agents Leasing Fees	-	-	-
Refurbishment Allowance	-	-	-

PV of Leasehold Rental Income/Shortfall	(31,038)	(31,038)	(31,038)
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PV Rental (Shortfall) / Overage	(1,336,150)	(1,336,150)	(1,336,150)
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General Capital Expenditure Allowance (12 months)	(24,793)	(24,793)	(24,793)
Budgeted Capital Expenditure (12 months)	-	-	-

Fitout Rental (Assuming 6 year Toll Lease term)	313,885	313,885	313,885
Total Adjustments	(1,101,498)	(1,101,498)	(1,101,498)

Assessed Capital Value as at 15 March 2018	\$36,283,902	\$35,639,326	\$35,016,600
Value \$/m ²	\$1,114	\$1,094	\$1,075

Rounded Market Capitalisation Value	\$35,640,000		
Adopted Value as at 15 March 2018	\$35,640,000		

Capital Value Analysis

Equivalent Market Yield	7.25%		
Rate per metre of NLA	\$1,094/m ²		

Discounted Cash Flow Assumptions

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



Growth Assumptions

Calendar Year	Code	2017	2018	2019	2020	2021	2022	2023	2024	2025	2026	2027	2028	10 Yr CAGR
Inflation (CPI)	1	1.30%	2.00%	1.90%	1.90%	2.00%	2.00%	2.50%	2.50%	2.50%	2.50%	2.50%	2.50%	2.25%
Warehouse (Net Face)	4		3.00%	3.50%	3.50%	3.00%	2.50%	2.50%	2.50%	2.50%	2.50%	2.50%	2.50%	2.78%
Warehouse (Net Effective)	5		3.00%	3.50%	3.50%	3.00%	2.50%	2.50%	2.50%	2.50%	2.50%	2.50%	2.50%	2.78%
Office (Gross Face)	6		2.00%	5.45%	3.00%	2.45%	2.89%	2.50%	2.50%	2.50%	2.50%	2.50%	2.50%	2.84%
Office (Gross Effective)	7		2.00%	5.45%	3.00%	2.45%	2.89%	2.50%	2.50%	2.50%	2.50%	2.50%	2.50%	2.84%
Car Parking	10		3.00%	3.50%	3.50%	3.00%	2.50%	2.50%	2.50%	2.50%	2.50%	2.50%	2.50%	2.78%
Statutories	11		2.00%	37.00%	2.00%	2.00%	2.00%	2.50%	2.50%	2.50%	2.50%	2.50%	2.50%	5.33%
Operational	12		2.00%	1.90%	1.90%	2.00%	2.00%	2.50%	2.50%	2.50%	2.50%	2.50%	2.50%	2.25%
Capital expenditure	13		2.00%	1.90%	1.90%	2.00%	2.00%	2.50%	2.50%	2.50%	2.50%	2.50%	2.50%	2.25%
Other	14		2.00%	1.90%	1.90%	2.00%	2.00%	2.50%	2.50%	2.50%	2.50%	2.50%	2.50%	2.25%
Ground Rent	15		2.00%	2.00%	2.00%	2.00%	2.00%	2.00%	2.00%	2.00%	2.00%	2.00%	2.00%	2.00%

Discounted Cash Flow Assumptions

Valuation Date	15 March 2018
Commencement of Cash Flow	1 April 2018
Term of Cash Flow	10 years
Discount Rate	9.000%
Terminal Yield	8.000%
Terminal Yield Variance over Market Cap Rate	+75.00 bps
Acquisition Costs	0.00%
Disposal Costs	0.00%
Total Budgeted Capital Expenditure	\$0 pa (Real) \$0 pa (Nominal)
General Capital Expenditure Allowance applied from 1-Apr-2018	\$7.68/m ² \$250,000 pa (Real) \$275,298 pa (Nominal)
Refurbishment Allowance on Initial Expiries	\$100.0/m ²
Refurbishment Allowance on Secondary Expiries	\$100.0/m ²
Total Capital Expenditure (Real)	\$541,900
% of Adopted Value (Real)	1.52%
Total Capital Expenditure (Nominal)	\$603,720
% of Adopted Value (Nominal)	1.69%
1 Yr Summary	\$24,793 (Nominal)

Lease Renewal Assumptions

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



Level/Suite	Tenant	Year 1 1-Apr-18	Year 2 1-Apr-19	Year 3 1-Apr-20	Year 4 1-Apr-21	Year 5 1-Apr-22	Year 6 1-Apr-23	Year 7 1-Apr-24	Year 8 1-Apr-25	Year 9 1-Apr-26	Year 10 1-Apr-27
Warehouse	Jets Transport	366,547	372,332	390,701	401,615	412,857	213,232	468,448	470,623	475,296	504,467
Office	Jets Transport	23,995	24,236	25,155	25,876	26,618	14,245	36,186	36,277	36,579	38,969
Yard	Jets Transport	15,900	15,900	16,178	16,664	17,164	8,847	19,293	19,293	19,417	20,777
Leasehold Yard	Jets Transport	14,100	14,100	14,347	14,777	15,220	7,846	17,109	17,109	17,219	18,424
Warehouse (Main)	Peter Baker Transport	668,130	678,718	725,032	727,938	754,322	757,603	785,818	789,798	819,193	453,726
New Offices	Peter Baker Transport	118,244	118,931	124,960	125,149	130,009	130,222	135,327	135,585	140,900	78,884
Office Balcony	Peter Baker Transport	5,100	5,100	5,306	5,306	5,520	5,520	5,743	5,743	5,975	1,667
Yard	Peter Baker Transport	53,220	53,220	55,370	55,370	57,607	57,607	59,934	59,934	62,356	34,584
Yard (est. leasehold component)	Peter Baker Transport	4,200	4,200	4,370	4,370	4,546	4,546	4,730	4,730	4,921	2,729
Devanning Spaces	Peter Baker Transport	6,000	6,000	6,242	6,242	6,495	6,495	6,757	6,757	7,030	3,639
Carparks (on subleased land)	Peter Baker Transport	7,000	7,000	7,283	7,283	7,577	7,577	7,883	7,883	8,202	5,069
Leasehold West Yard	Tiger Construction NZ	20,167	11,900	14,401	21,602	21,602	22,835	23,452	23,452	7,817	23,583
Leasehold Balance Yard	Seaview Commercial Investments	42,834	43,691	44,564	45,456	46,365	19,478	86,781	104,137	104,137	110,810
Warehouse	Toll Logistics	181,314	186,733	195,057	198,955	202,937	115,706	237,495	238,350	245,739	255,757
Cold Store	Toll Logistics	60,725	61,687	63,854	64,118	64,390	85,731	193,064	193,425	199,518	207,908
Front Offices	Toll Logistics	30,683	31,449	32,466	33,115	33,777	18,169	36,877	36,949	38,112	39,712
Covered yard	Toll Logistics	26,227	27,152	28,720	29,293	29,880	15,619	31,600	31,791	32,755	34,030
Yard	Toll Logistics	-	-	-	-	-	1,145	2,749	2,749	2,837	2,960
Devanning Spaces	Toll Logistics	4,073	4,155	4,238	4,323	4,409	2,334	4,719	4,719	4,871	5,082
Carparks (30% portion)	Toll Logistics	1,528	1,558	1,589	1,621	1,653	1,288	2,761	2,761	2,849	2,973
Warehouse	Seaview Commercial Investments	165,885	168,815	175,726	177,840	182,825	137,531	155,405	208,072	209,039	219,798
Offices	Seaview Commercial Investments	5,393	5,488	5,713	5,782	5,944	4,472	7,912	10,578	10,610	11,179
MAF Pads	Seaview Commercial Investments	2,800	2,809	2,834	2,863	2,948	2,211	2,519	3,358	3,358	3,552
Ex 'floating warehouse'	Nature Pac	109,358	112,700	117,910	120,266	122,673	93,383	95,884	128,350	128,914	135,593
Warehouse (25 Toop St)	Fujitsu	190,636	190,636	104,324	208,648	208,648	217,401	226,153	226,153	113,077	246,568
Warehouse	Fujitsu	209,437	209,437	115,430	230,860	230,860	240,544	250,228	250,228	125,114	272,816
Office	Fujitsu	10,200	10,200	4,432	8,864	8,864	9,236	9,608	9,608	4,804	10,475
Level 1 Offices	Fujitsu	73,125	73,125	41,821	83,642	83,642	87,041	90,441	90,441	45,220	98,605
Office Balcony	Fujitsu	3,200	3,200	1,510	3,021	3,021	3,119	3,218	3,218	1,609	3,509
Canopy	Fujitsu	12,000	12,000	6,518	13,036	13,036	13,582	14,129	14,129	7,065	15,405
Yard	Fujitsu	9,990	9,990	5,426	10,852	10,852	11,307	11,763	11,763	5,881	12,824
Carparks	Fujitsu	3,200	3,200	1,695	3,389	3,389	3,531	3,674	3,674	1,837	4,005
Additional Warehouse	Fujitsu	141,760	141,760	77,478	154,956	154,956	161,456	167,956	167,956	83,978	183,117
Warehouse (Port Rd frontage)	Linfox	357,538	371,425	391,375	402,471	308,232	294,283	393,933	395,671	416,160	424,223
G - Offices	Linfox	62,761	64,958	67,783	69,752	53,446	56,644	75,680	75,853	79,996	81,499
Front Yard	Linfox	15,099	15,552	16,018	16,499	12,651	12,770	17,026	17,026	18,008	18,335
West Yard	Linfox	42,000	42,000	42,000	42,000	31,500	36,571	48,762	48,762	51,574	52,511
Total Passing Income		3,064,370	3,105,357	2,937,827	3,343,810	3,280,437	2,881,127	3,741,018	3,856,908	3,541,966	3,639,766
Total Gross Passing Income		3,064,370	3,105,357	2,937,827	3,343,810	3,280,437	2,881,127	3,741,018	3,856,908	3,541,966	3,639,766
Outgoings		433,714	474,140	565,005	576,234	587,820	600,504	615,517	630,905	646,677	662,844
Vacancy Allowance		-	-	-	-	-	-	-	-	-	-
-		-	-	-	-	-	-	-	-	-	-
Net Income before Capital Expenditure		2,630,656	2,631,216	2,372,822	2,767,576	2,692,617	2,280,623	3,125,502	3,226,003	2,895,289	2,976,922
Capital Expenditure		24,793	25,281	25,761	26,259	26,785	27,365	28,049	28,750	29,469	30,206
Refurbishment Allowance		-	-	39,068	-	40,188	136,861	-	-	44,691	67,615
Agents Fees		-	-	55,415	-	-	125,201	42,674	-	-	156,335
Incentives		15,575	-	-	-	-	-	-	-	-	-
Ground Rent		101,333	103,360	105,427	107,536	109,686	111,880	114,118	116,400	118,728	121,103
Toll Fitout Rental		(100,000)	(100,000)	(58,333)	(50,000)	(50,000)	(8,333)	-	-	-	-
Net Income after Capital Expenditure		2,588,955	2,602,575	2,205,484	2,683,781	2,565,959	1,887,650	2,940,661	3,080,853	2,702,401	2,601,663

Terminal Value Calculations

As If Complete, 25 Toop Street (The Hub) & 109-117 Port Road, Seaview.



Level/Suite	Tenant	NLA	Terminal Rent		Shortfall/ Overage	Next Review or Expiry	Number of Months	PV (within 12mths) Reversions
			Market	Passing				
Warehouse	Jets Transport	4,677.00	421,920	410,783	11,137	28-Feb-30	23.0	-
Office	Jets Transport	195.00	36,013	35,063	951	28-Feb-30	23.0	-
Yard	Jets Transport	540.60	21,340	20,777	563	28-Feb-30	23.0	-
Leasehold Yard	Jets Transport	479.40	18,924	18,424	500	28-Feb-30	23.0	-
Warehouse (Main)	Peter Baker Transport	8,560.00	744,053	734,924	9,130	30-Sep-33	66.0	-
New Offices	Peter Baker Transport	555.00	148,403	146,582	1,821	30-Sep-33	66.0	-
Office Balcony	Peter Baker Transport	34.00	3,375	3,333	41	30-Sep-33	66.0	-
Yard	Peter Baker Transport	1,774.00	70,028	69,168	859	30-Sep-33	66.0	-
Yard (est. leasehold component)	Peter Baker Transport	140.00	5,526	5,459	68	30-Sep-33	66.0	-
Devanning Spaces	Peter Baker Transport	4.00	7,369	7,278	90	30-Sep-33	66.0	-
Carparks (on subleased land)	Peter Baker Transport	20.00	10,263	10,137	126	30-Sep-33	66.0	-
Leasehold West Yard	Tiger Construction NZ	1,000.00	26,316	25,727	589	30-Apr-33	61.0	-
Leasehold Balance Yard	Seaview Commercial Investments	5,800.00	114,476	112,144	2,332	31-May-30	26.0	-
Warehouse	Toll Logistics	2,377.00	226,757	218,962	7,795	31-Oct-29	19.0	-
Cold Store	Toll Logistics	778.00	199,171	192,324	6,847	31-Oct-29	19.0	-
Front Offices	Toll Logistics	201.00	37,904	36,601	1,303	31-Oct-29	19.0	-
Covered yard	Toll Logistics	410.00	26,737	25,817	919	31-Oct-29	19.0	-
Yard	Toll Logistics	233.00	3,066	2,960	105	31-Oct-29	19.0	-
Devanning Spaces	Toll Logistics	4.00	5,263	5,082	181	31-Oct-29	19.0	-
Carparks (30% portion)	Toll Logistics	3.00	3,079	2,973	106	31-Oct-29	19.0	-
Warehouse	Seaview Commercial Investments	2,030.00	185,801	182,392	3,409	30-Jun-30	27.0	-
Offices	Seaview Commercial Investments	66.00	10,224	10,036	188	30-Jun-30	27.0	-
MAF Pads	Seaview Commercial Investments	2.00	3,684	3,617	68	30-Jun-30	27.0	-
Ex 'floating warehouse'	Nature Pac	1,183.00	116,060	113,930	2,130	30-Jun-30	27.0	-
Warehouse (25 Toop St)	Fujitsu	2,386.00	252,732	246,568	6,164	31-Mar-33	60.0	-
Warehouse	Fujitsu	2,640.00	279,636	272,816	6,820	31-Mar-33	60.0	-
Office	Fujitsu	51.00	10,737	10,475	262	31-Mar-33	60.0	-
Level 1 Offices	Fujitsu	325.00	101,070	98,605	2,465	31-Mar-33	60.0	-
Office Balcony	Fujitsu	32.00	3,596	3,509	88	31-Mar-33	60.0	-
Canopy	Fujitsu	200.00	15,790	15,405	385	31-Mar-33	60.0	-
Yard	Fujitsu	333.00	13,145	12,824	321	31-Mar-33	60.0	-
Carparks	Fujitsu	4.00	4,105	4,005	100	31-Mar-33	60.0	-
Additional Warehouse	Fujitsu	1,772.00	187,695	183,117	4,578	31-Mar-33	60.0	-
Warehouse (Port Rd frontage)	Linfox	3,995.00	364,759	349,333	15,426	30-Jun-29	15.0	-
G - Offices	Linfox	372.00	77,318	74,048	3,270	30-Jun-29	15.0	-
Front Yard	Linfox	485.00	19,145	18,335	810	30-Jun-29	15.0	-
West Yard	Linfox	1,389.00	54,830	52,511	2,319	30-Jun-29	15.0	-
Total		32,573.00	3,830,311	3,736,046				-

Terminal Value Calculations - Market Approach

Office	421,669
Retail	-
Industrial	-
Naming	-
Parking	22,711
Other	380,609
Telecoms	-
Storage	-
Warehouse	3,005,322
Market Income	3,830,311
Add Recoverable Outgoings	501,061
Total Gross Market Income	4,331,372
Less Outgoings	675,195
Net Market Income	3,656,176
Less Rental Attributable to Leasehold Land	175,506
Net Income	3,480,671
Capitalised at	8.00%
Capitalised Value	43,508,385

Terminal Value Adjustments

-	-
-	-
Existing Vacant Tenancy Allowances	
Downtime	-
Agents Leasing Fees	-
Incentives	-
Refurbishment Allowance	-
Pending Vacancy Allowances (expiries within 12 months)	
Downtime	-
Agents Leasing Fees	-
Incentives	-
Refurbishment Allowance	-
PV Leasehold Yard Rental	(378,976)
PV Rental Shortfall / (Overage)	-
General Capital Expenditure Allowance (12 months)	30,961
Budgeted Capital Expenditure (12 months)	-
Toll Fitout Rental	-
Total Adjustments	(348,016)

Assessed Terminal Value as at 15 March 2028	43,856,401
Value \$/m²	1,346

Terminal Value Analysis

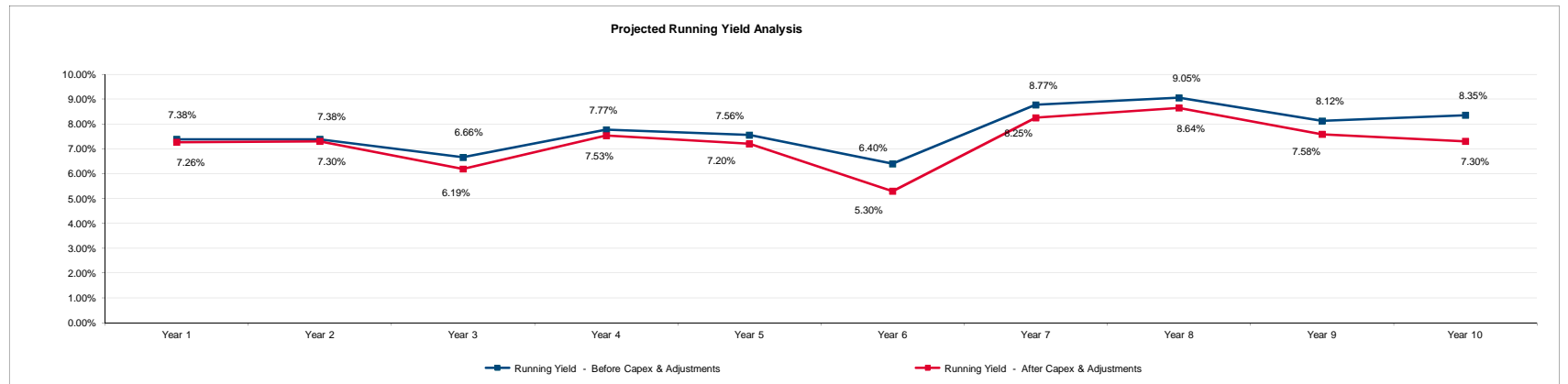
Terminal Initial Yield	8.12%
Equivalent Market Yield With Vacancy Factor	8.00%
Equivalent Market Yield Without Vacancy Factor	8.40%
Rate per metre of NLA	\$1,346/m ²

Cash Flow Summary

As If Complete, 25 Toop Street (The Hub) & 109-117 Port Road, Seaview.



For Year Commencing	Year 1 1-Apr-18	Year 2 1-Apr-19	Year 3 1-Apr-20	Year 4 1-Apr-21	Year 5 1-Apr-22	Year 6 1-Apr-23	Year 7 1-Apr-24	Year 8 1-Apr-25	Year 9 1-Apr-26	Year 10 1-Apr-27
Office	306,868	309,192	279,394	328,787	320,116	300,807	367,350	369,680	329,968	337,940
Retail	-	-	-	-	-	-	-	-	-	-
Industrial	-	-	-	-	-	-	-	-	-	-
Naming	-	-	-	-	-	-	-	-	-	-
Parking	15,801	15,913	14,805	16,616	17,029	14,731	19,037	19,037	17,758	17,129
Other	246,610	239,661	235,085	258,056	248,526	213,880	323,965	342,161	319,204	325,310
Telecoms	-	-	-	-	-	-	-	-	-	-
Storage	-	-	-	-	-	-	-	-	-	-
Warehouse	2,174,560	2,189,685	1,989,258	2,312,729	2,277,080	2,012,736	2,589,046	2,657,837	2,395,137	2,558,216
Outgoings Recoveries	320,532	350,907	419,286	427,622	417,686	338,973	441,621	468,193	479,898	401,172
	-	-	-	-	-	-	-	-	-	-
	-	-	-	-	-	-	-	-	-	-
Total Income	3,064,370	3,105,357	2,937,827	3,343,810	3,280,437	2,881,127	3,741,018	3,856,908	3,541,966	3,639,766
Outgoings	433,714	474,140	565,005	576,234	587,820	600,504	615,517	630,905	646,677	662,844
Vacancy Allowance	-	-	-	-	-	-	-	-	-	-
	-	-	-	-	-	-	-	-	-	-
Net Income Before Capital Expenditure	2,630,656	2,631,216	2,372,822	2,767,576	2,692,617	2,280,623	3,125,502	3,226,003	2,895,289	2,976,922
Capital Expenditure (Budgeted & General)	24,793	25,281	25,761	26,259	26,785	27,365	28,049	28,750	29,469	30,206
Refurbishment Allowance	-	-	39,068	-	40,188	136,861	-	-	44,691	67,615
Agents Fees	-	-	55,415	-	-	125,201	42,674	-	-	156,335
Incentives	15,575	-	-	-	-	-	-	-	-	-
Ground Rent	101,333	103,360	105,427	107,536	109,686	111,880	114,118	116,400	118,728	121,103
Toll Fitout Rental	(100,000)	(100,000)	(58,333)	(50,000)	(50,000)	(8,333)	-	-	-	-
Net Income After Capital Expenditure	2,588,955	2,602,575	2,205,484	2,683,781	2,565,959	1,887,650	2,940,661	3,080,853	2,702,401	2,601,663
Terminal Value										43,856,401
Disposal Costs										-
Net Cash Flow	2,588,955	2,602,575	2,205,484	2,683,781	2,565,959	1,887,650	2,940,661	3,080,853	2,702,401	46,458,063
Adopted Value @ 9.000%			\$ 35,640,000							
Acquisition Costs			\$ -							
Adopted Value before Acquisition Costs			\$ 35,640,000							
Running Yield - Before Capex & Adjustments	7.38%	7.38%	6.66%	7.77%	7.56%	6.40%	8.77%	9.05%	8.12%	8.35%
Running Yield - After Capex & Adjustments	7.26%	7.30%	6.19%	7.53%	7.20%	5.30%	8.25%	8.64%	7.58%	7.30%
Running Yield - Before Capex & incl. Adjustments	7.34%	7.38%	6.50%	7.77%	7.56%	6.05%	8.65%	9.05%	8.12%	7.91%
Running Yield - After Capex, Adjustments & incl. Acquisition Costs	7.26%	7.30%	6.19%	7.53%	7.20%	5.30%	8.25%	8.64%	7.58%	7.30%



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

DCF Summary

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

Present Value of Cash Flows	\$35,747,148	
Discount Rate	9.000%	
Terminal Value	\$43,856,401	
Less Disposal Costs	-	
Net Terminal Value	\$43,856,401	
Discounted Terminal Value	\$18,512,301	51.79%
Discounted Cash Flow	\$17,234,848	48.21%
Sum of Discounted Cash Flows	\$35,747,148	
Less Acquisition Costs	-	
Present Value	\$35,747,148	
Rounded Present Value	\$35,750,000	
Rate \$/m ²	\$1,098	
Rate of Increase in Capital Value	2.06%	
IRR (incl. Capex)	9.04%	
IRR (excl. Capex)	9.20%	
3 Year IRR (incl. Capex)	10.14%	
5 Year IRR (incl. Capex)	9.47%	
7 Year IRR (incl. Capex)	9.11%	

Net Present Value Matrix

		Terminal Yield		
		7.750%	8.000%	8.250%
Discount Rate	8.500%	37,588,549	36,968,219	36,385,485
	8.750%	36,956,913	36,350,709	35,781,244
	9.000%	36,339,580	35,747,148	35,190,621
	9.250%	35,736,181	35,157,177	34,613,265
	9.500%	35,146,354	34,580,446	34,048,835

IRR Matrix

		Terminal Yield		
		7.750%	8.000%	8.250%
Adopted Value	32,165,100	10.86%	10.61%	10.38%
	33,858,000	10.07%	9.82%	9.59%
	35,640,000	9.29%	9.04%	8.81%
	37,422,000	8.57%	8.32%	8.08%
	39,293,100	7.85%	7.61%	7.37%

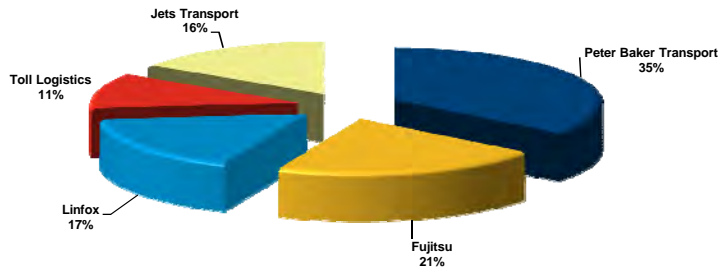
Graphs

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

Major Occupants/Composition by Area

Major Tenants/Composition	Area
1 Peter Baker Transport	13,185.00 m ²
2 Fujitsu	7,743.00 m ²
3 Linfox	6,241.00 m ²
4 Toll Logistics	4,006.00 m ²
5 Jets Transport	5,892.00 m ²
Remainder	
Vacant	-
Total NLA	32,573.00 m²

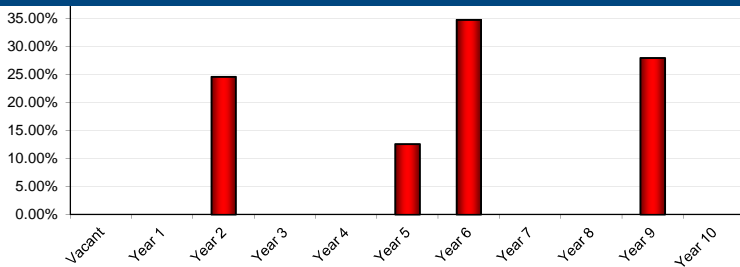
Major Tenants/Composition by Area



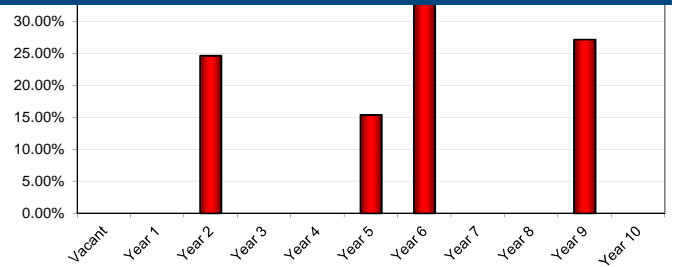
Lease Expiry Profiles

	Vacant	Year 1	Year 2	Year 3	Year 4	Year 5	Year 6	Year 7	Year 8	Year 9	Year 10
Lease Expiry by Area	0.00%	0.00%	24.61%	0.00%	0.00%	12.62%	34.79%	0.00%	0.00%	27.98%	0.00%
Lease Expiry by Income	0.00%	0.00%	24.62%	0.00%	0.00%	15.38%	32.85%	0.00%	0.00%	27.15%	0.00%

Lease Expiry by Area



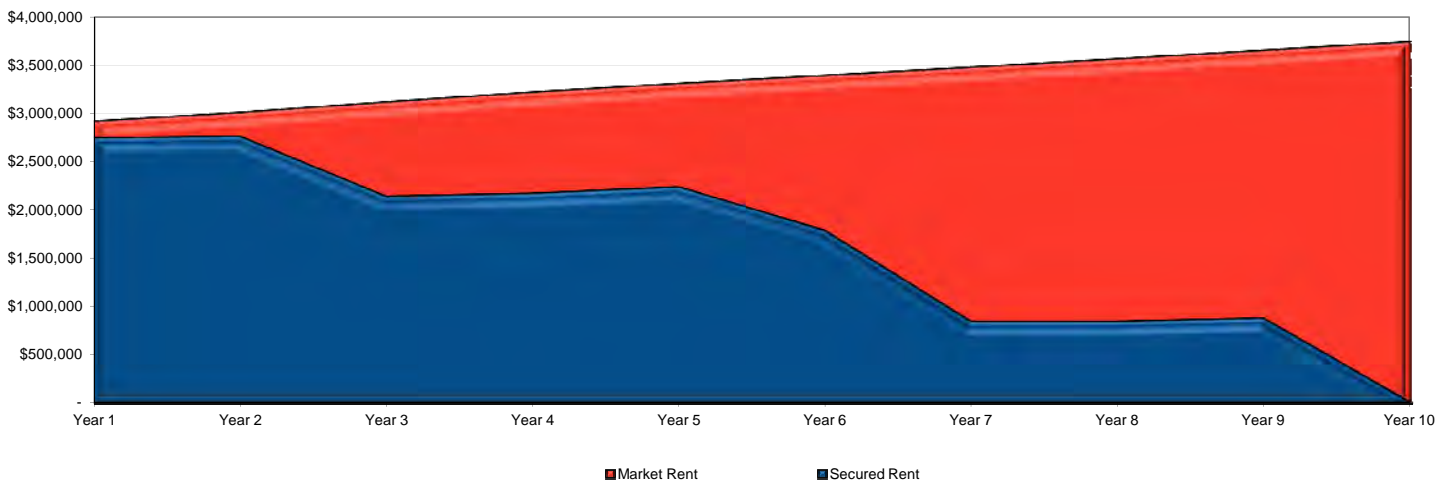
Lease Expiry by Income



Expiries by Rental

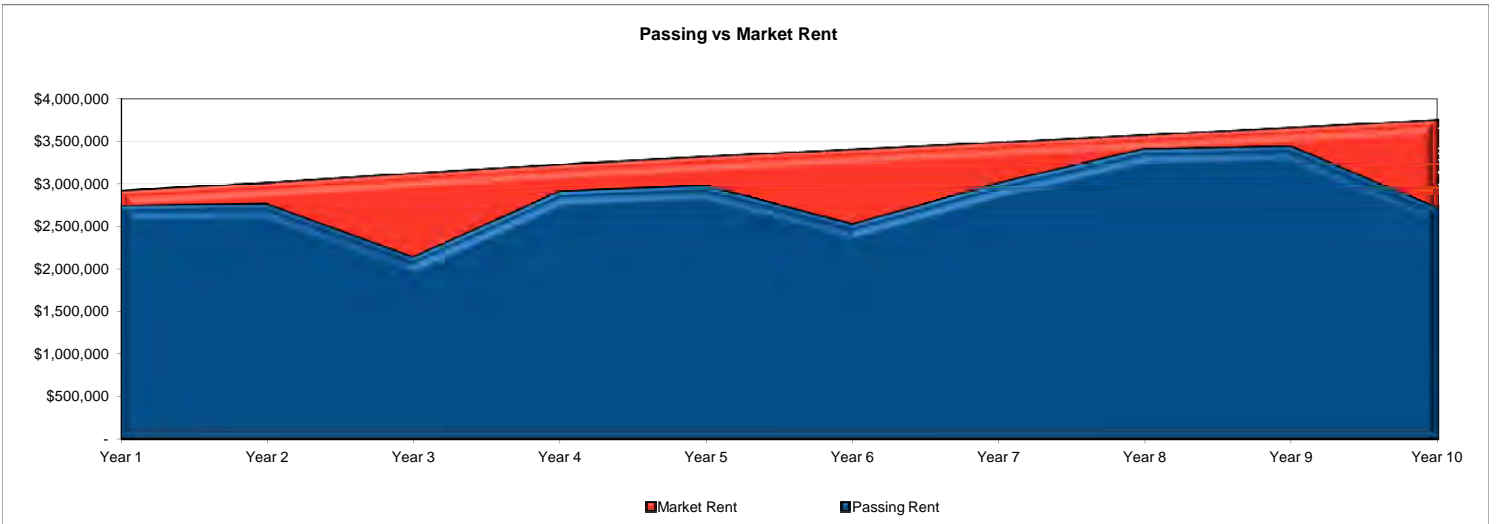
	Year 1	Year 2	Year 3	Year 4	Year 5	Year 6	Year 7	Year 8	Year 9	Year 10
Secured Rent	\$2,736,044	\$2,754,700	\$2,131,266	\$2,161,200	\$2,229,187	\$1,779,548	\$836,649	\$836,649	\$870,449	-
Market Rent	\$2,909,342	\$3,001,336	\$3,109,971	\$3,211,835	\$3,301,971	\$3,385,437	\$3,470,073	\$3,556,824	\$3,645,745	\$3,736,889

Expiries by Rental



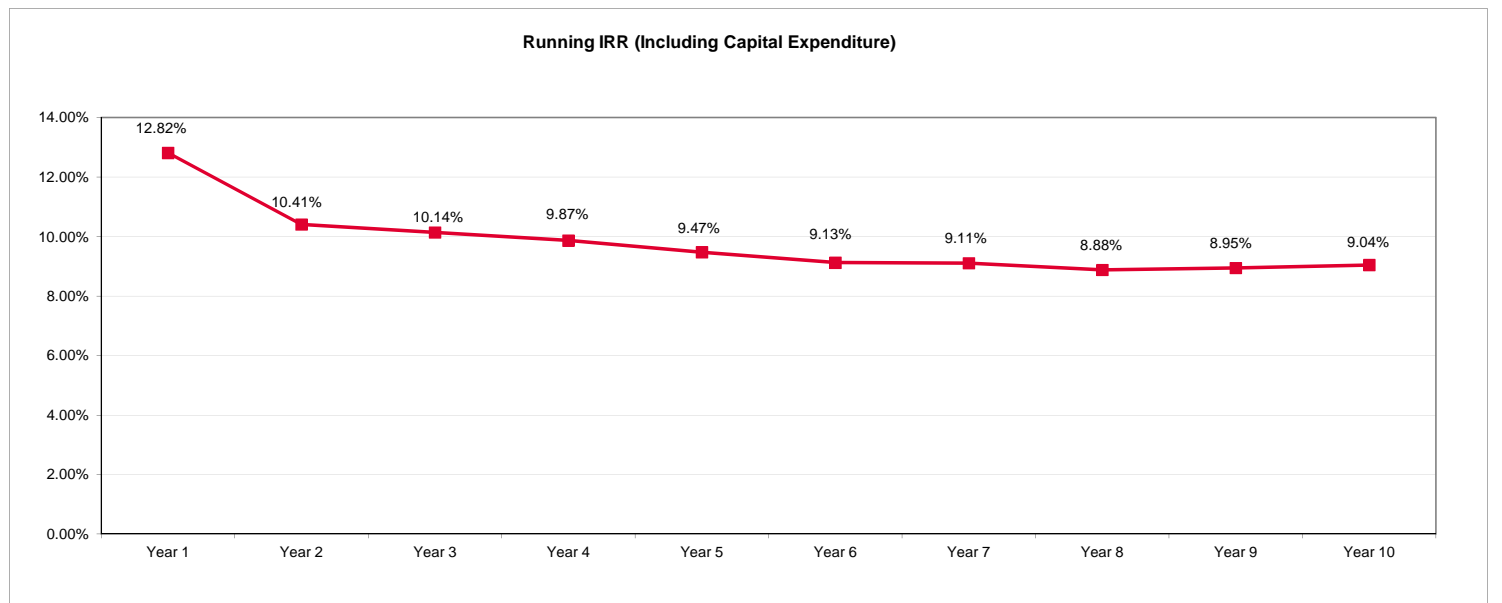
Annualised Passing versus Market

	Year 1	Year 2	Year 3	Year 4	Year 5	Year 6	Year 7	Year 8	Year 9	Year 10
Passing Rent	\$2,736,044	\$2,754,700	\$2,131,266	\$2,900,070	\$2,968,057	\$2,518,418	\$2,996,735	\$3,388,715	\$3,422,515	\$2,703,298
Market Rent	\$2,909,342	\$3,001,336	\$3,109,971	\$3,211,835	\$3,301,971	\$3,385,437	\$3,470,073	\$3,556,824	\$3,645,745	\$3,736,889



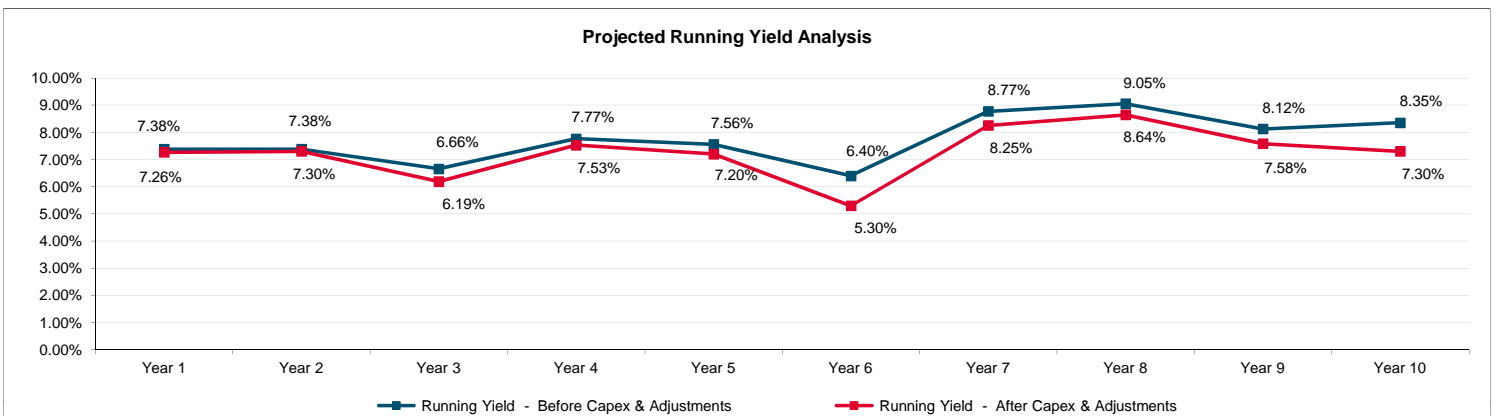
Running IRR (incl. Capex)

	Year 1	Year 2	Year 3	Year 4	Year 5	Year 6	Year 7	Year 8	Year 9	Year 10
Running IRR	12.82%	10.41%	10.14%	9.87%	9.47%	9.13%	9.11%	8.88%	8.95%	9.04%



Running Yield Analysis

	Year 1	Year 2	Year 3	Year 4	Year 5	Year 6	Year 7	Year 8	Year 9	Year 10
Running Yield - Before Capex & Adjustments	7.38%	7.38%	6.66%	7.77%	7.56%	6.40%	8.77%	9.05%	8.12%	8.35%
Running Yield - After Capex & Adjustments	7.26%	7.30%	6.19%	7.53%	7.20%	5.30%	8.25%	8.64%	7.58%	7.30%



Purpose of the Report	Mortgage Finance Purposes
Type of Property	Investment Style.
Method of Arriving at the Discount Rate	Analysis of comparable sales, discussions with industry participants, consideration of the long term bond rate plus adjustment factors.
Purchase and Sale Costs	Included in the Discounted Cash Flow * Costs are based upon the normal market terms of each party paying their own purchase/sale costs.
Rest Periods	Monthly, assumed cash received in arrears.
Term of the cash flow (years)	10 Years
Terminal Value	Calculated using the market capitalisation approach * We have taken the rental value in the 121 month, capitalised this and deducted or added the value of the shortfalls or overages.
Financing Costs and Taxation	All cash flows are calculated before financing costs and tax.
Returns	Quoted in annual terms.
Commencement Date	Apr-18
Inflows and Outflows	The inflow comprises estimated revenue and the outflows the estimated costs.
Specific Exceptions	None.
Debt	Calculations prepared on a pre-debt basis.
Cash Flow Developer	Colliers International Valuation & Advisory Services
Tax	All calculations are prepared on a net of Income Tax and other general taxes, including GST, basis but after the deduction of direct property taxes including Rates etc., if applicable unless specifically stated as below.

Some definitions

Discounted Cash Flow	The method involves the discounting of the net cash flow on a monthly basis over the assumed cash flow period at an appropriate rate to reflect risk to derive a market value. The net cash flow comprises the cash inflows less the cash outflows over the cash flow period, with the addition of the terminal value in the final cash flow period.
Initial yield	The initial net income at the date of transaction or valuation expressed as a percentage of the sale price or valuation.
Market yield	The assessed net market income divided by the sum of the sale price or the adopted value plus any capital adjustments to the core value such as letting up allowances, capital expenditure and present value of reversions (to obtain this net market income).
Terminal yield	The capitalisation rate used to convert income into an indication of the anticipated value of the property at the end of the holding period or property resale value.
Discount rate	A rate of return used to convert a monetary sum, payable or receivable in the future, into present value. Theoretically it should reflect the opportunity cost of capital, i.e., the rate of return the capital can earn if put to other uses having similar risk. (Determined with reference to 10-year bond and risk margin - Also referred to as the required rate of return).
Net Present Value	The measure of the difference between the discounted revenues, or inflows, and the costs, or outflows, in a DCF analysis. In a valuation that is done to arrive at Market Value, where discounted inflows and outflows and the discount rate are market derived.
Internal Rate of Return	The discount rate that equates the present value of the net cash flows of a project with the present value of the capital investment. It is the rate at which the Net Present Value (NPV) equals zero. The IRR reflects the total return over an investment horizon having regard to the assumed inherent growth and cost assumptions.

Notes

The future values quoted for property, rents and costs are projections only formed on the basis of information currently available to us and are not representations of what the value of the property will be as at a future date. This information includes the current expectations as to property values and income that may not prove to be accurate.

Valuation Calculations

Under Instruction From

Augusta Funds Management Limited



As At

15 March 2018

Reference: 21607MH

VALUATION DETAILS

Valuation Date	15 March 2018	Cash Flow Model Date	1 April 2018
Interest Valued	Freehold Interest	Purpose of Valuation	Mortgage Finance Purposes

CORE VALUATION ASSUMPTIONS

Financial Details

Gross Passing Income (Fully Let)	\$348,102
Outgoings (pa)	\$68,102
Net Passing Income (Fully Let)	\$280,000
Net Passing Income (Current)	\$280,000

Passing Income is \$23,208 below current market levels

Over / Under rented % -7.65%

Fully Leased - over / under rented % -7.65%

Total NLA	2,511.00 m ²
Total Carparks	5 parks
Warehouse NLA	1,360.00 m ²
Proportion of Occupied Warehouse Area	100.00%

	Net	Gross
Average Passing Warehouse Rental*	\$75/m ²	\$98/m ²
Average Market Warehouse Rental	\$97/m ²	\$120/m ²

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

Global Assumptions

Agents Leasing Fees (Gross)	15.00%
Renewal Leasing Fee (Gross)	0.00%

Warehouse

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

Traditional Valuation Approach

Core Initial Capitalisation Rate	6.850%
Core Market Capitalisation Rate	7.150%
Pending Vacancies Allowances within	12 months
Capital Expenditure Allowances for	12 months
Rental Reversions (PV)	Current tenants at expiry/market review with subsequent leases at 12 months

VALUATION CONCLUSIONS

Traditional Valuation Approach

Initial Yield Approach	\$4,080,000
Market Yield Approach	\$4,170,000

ADOPTED VALUE

\$4,090,000 - GST Exclusive

(FOUR MILLION NINETY THOUSAND DOLLARS)

RESULTANT YIELDS AND IRR'S ON ADOPTED VALUE

Direct Comparison	\$1,629 per m ² NLA
Passing Initial Yield	6.85%
Equivalent Initial Yield	6.83%
Equivalent Market Yield	7.29%
Weighted Average Lease Duration by Area	4.36 years
Weighted Average Lease Duration by Income (incl Vacancy)	5.03 years
Weighted Average Lease Duration by Income (excl Vacancy)	5.03 years
Total Capital Expenditure (Nominal)	\$264,291
% of Adopted Value (Nominal)	6.46%

Adopted Gross Market Income	\$371,310
Outgoings (pa)	\$68,102
Adopted Net Market Income	\$303,208

Total Vacancy	-
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Office NLA	1,151.00 m ²
Proportion of Occupied Office Area	100.00%

	Net	Gross
Average Passing Office Rental*	\$130/m ²	\$153/m ²
Average Market Office Rental	\$117/m ²	\$140/m ²

Refurb Allowance - Initial Expiries	\$100/m ²
Refurb Allowance - Secondary Expiries	-

Office

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

Discounted Cash Flow Approach

Cash Flow Term	10 years
Terminal Capitalisation Rate	+25.00 bps
Terminal Allowances & Reversions within	12 months
Discount Rate	9.000%
10 Yr Rental Growth	Office (Net Effective) 2.52%
(compounded)	Warehouse (Net Effective) 2.57%

Discounted Cash Flow Approach

Discounted Terminal Value	55%	\$2,211,909
NPV of Cash Flows	45%	\$1,820,194
Sum of Discounted Cash Flows		\$4,032,103
Less Acquisition Costs		-
Net Present Value		\$4,032,103
Rounded DCF Value		\$4,030,000

Terminal Initial Yield	7.26%
Terminal Market Yield	7.40%
Terminal Capital Value	\$2,087 per m ² NLA
Rate of Increase in Capital Value	2.66%
IRR (Incl. Capex)	8.79%
IRR (Excl. Capex)	9.45%
3 Year IRR (incl. Capex)	8.84%
5 Year IRR (incl. Capex)	8.33%
7 Year IRR (incl. Capex)	8.68%

Tenancy Schedule

101-103 Port Road , Seaview , Lower Hutt

Valuation Date: 15 March 2018



Level/Suite <small>Level/Suite</small>	Tenant <small>Tenant</small>	Use <small>Use</small>	Lettable Area NLA	Lease Commence	Lease Term	Lease Expiry	Type <small>Type</small>	% NLA <small>% NLA</small>	Lease Option	Next Review Date	Contract Passing Rent Rent \$/m ²		Adopted Market Rent Rent \$/m ²		PV of Rental Reversion	Gross Rent \$/m ²
1 Warehouse (7.2-7.5m SH)	Downer Group	Warehouse	1,360.00	1-Nov-17	6.00	31-Oct-23	Net	54.16%	2 x 3 years	1-Nov-18	101,840	74.88	131,731	96.86	(74,379)	120.00
2 G Show/Off/Amenities	Downer Group	Office	719.00	1-Nov-17	6.00	31-Oct-23	Net	28.63%	2 x 3 years	1-Nov-18	93,860	130.54	80,428	111.86	30,609	135.00
3 G Entry	Downer Group	Office	53.00	1-Nov-17	3.00	31-Oct-20	Net	2.11%	-	1-Nov-18	6,890	130.00	6,194	116.86	1,548	140.00
4 L1 Offices	Downer Group	Office	379.00	1-Nov-17	3.00	31-Oct-20	Net	15.09%	-	1-Nov-18	48,735	128.59	48,080	126.86	631	150.00
5 Front Yard/Parking	Downer Group	Parking	5.00	1-Nov-17	3.00	31-Oct-20	Net	0.00%	-	1-Nov-18	4,375	875.00	3,900	780.00	1,055	780.00
6 Yard	Downer Group	Other	1,715.00	1-Nov-17	6.00	31-Oct-23	Net	0.00%	2 x 3 years	1-Nov-18	34,300	20.00	42,875	25.00	(21,445)	25.00
TOTALS			2,511.00					100.00%			290,000		313,208		(61,981)	

Capitalisation Approach

101-103 Port Road , Seaview , Lower Hutt

Valuation Date: 15 March 2018

**(Initial) Passing Yield Calculations**

Office	149,485		
Parking	4,375		
Other	34,300		
Warehouse	101,840		
Current Passing Income	290,000		
Add Recoverable Outgoings	58,102		
Add Estimated Gross Rental Value on Vacant Space	-		
Potential Gross Income Fully Let	348,102		

Less Outgoings	\$27.12/m ²	68,102	
Net Income		280,000	
Capitalised at	6.725%	6.850%	6.975%
Capitalised Value	\$4,163,569	\$4,087,591	\$4,014,337

Capital Value Adjustments**Existing Vacant Tenancy Allowances**

Downtime	-	-	-
Downtime for Deferred Tenancy Commencement	-	-	-
Agents Leasing Fees	-	-	-
Incentives	-	-	-
Refurbishment Allowance	-	-	-

Pending Vacancy Allowances (expiries within 12 months)

Downtime	-	-	-
Agents Leasing Fees	-	-	-
Incentives	-	-	-
Refurbishment Allowance	-	-	-

PV Outstanding Current Incentives

General Capital Expenditure Allowance (12 months)	(7,934)	(7,934)	(7,934)
Budgeted Capital Expenditure (12 months)	-	-	-

Other Adjustments

Total Adjustments	(7,934)	(7,934)	(7,934)
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Assessed Capital Value as at 15 March 2018	\$4,155,635	\$4,079,657	\$4,006,403
Value \$/m ²	\$1,655	\$1,625	\$1,596

Rounded Initial Capitalisation Value \$4,080,000

Adopted Value as at 15 March 2018 \$4,090,000**Capital Value Analysis**

Actual Net Passing Income	\$280,000
Initial Yield	6.85%
Equivalent Initial Yield	6.83%
Rate per metre of NLA	\$1,629/m ²

Market Yield Calculations

Office	134,702		
Parking	3,900		
Other	42,875		
Warehouse	131,731		
Market Income	313,208		
Add Recoverable Outgoings	58,102		
Total Gross Market Income	371,310		
Less Outgoings	\$27.12/m ²	68,102	
Net Market Income	303,208		

Net Income		303,208	
Capitalised at	7.025%	7.150%	7.275%
Capitalised Value	\$4,316,128	\$4,240,671	\$4,167,808

Capital Value Adjustments**Existing Vacant Tenancy Allowances**

Downtime	-	-	-
Downtime for Deferred Tenancy Commencement	-	-	-
Agents Leasing Fees	-	-	-
Incentives	-	-	-
Refurbishment Allowance	-	-	-

Pending Vacancy Allowances (expiries within 12 months)

Downtime	-	-	-
Agents Leasing Fees	-	-	-
Incentives	-	-	-
Refurbishment Allowance	-	-	-

PV Outstanding Current Incentives

PV Rental (Shortfall) / Overage (61,981) (61,981) (61,981)

General Capital Expenditure Allowance (12 months)	(7,934)	(7,934)	(7,934)
Budgeted Capital Expenditure (12 months)	-	-	-

Other Adjustments

Total Adjustments	(69,914)	(69,914)	(69,914)
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Assessed Capital Value as at 15 March 2018	\$4,246,214	\$4,170,757	\$4,097,893
Value \$/m ²	\$1,691	\$1,661	\$1,632

Rounded Market Capitalisation Value \$4,170,000

Adopted Value as at 15 March 2018 \$4,090,000**Capital Value Analysis**

Equivalent Market Yield	7.29%
Rate per metre of NLA	\$1,629/m ²

Discounted Cash Flow Assumptions

101-103 Port Road , Seaview , Lower Hutt



Growth Assumptions

Calendar Year	Code	2017	2018	2019	2020	2021	2022	2023	2024	2025	2026	2027	2028	10 Yr CAGR
Inflation (CPI)	1	1.30%	2.00%	1.90%	1.90%	2.00%	2.00%	2.50%	2.50%	2.50%	2.50%	2.50%	2.50%	2.25%
Warehouse (Gross Face)	2		2.00%	2.50%	3.00%	3.00%	2.50%	2.50%	2.50%	2.50%	2.50%	2.50%	2.50%	2.57%
Warehouse (Gross Effective)	3		2.00%	2.50%	3.00%	3.00%	2.50%	2.50%	2.50%	2.50%	2.50%	2.50%	2.50%	2.57%
Warehouse (Net Face)	4		2.00%	2.50%	3.00%	3.00%	2.50%	2.50%	2.50%	2.50%	2.50%	2.50%	2.50%	2.57%
Warehouse (Net Effective)	5		2.00%	2.50%	3.00%	3.00%	2.50%	2.50%	2.50%	2.50%	2.50%	2.50%	2.50%	2.57%
Office (Gross Face)	6		2.00%	6.08%	2.39%	2.39%	2.78%	2.50%	2.50%	2.50%	2.50%	2.50%	2.50%	2.82%
Office (Gross Effective)	7		2.00%	6.08%	2.39%	2.39%	2.78%	2.50%	2.50%	2.50%	2.50%	2.50%	2.50%	2.82%
Office (Net Face)	8		2.00%	2.50%	2.50%	2.50%	3.00%	2.50%	2.50%	2.50%	2.50%	2.50%	2.50%	2.52%
Office (Net Effective)	9		2.00%	2.50%	2.50%	2.50%	3.00%	2.50%	2.50%	2.50%	2.50%	2.50%	2.50%	2.52%
Car Parking	10		2.00%	2.50%	3.00%	3.00%	2.50%	2.50%	2.50%	2.50%	2.50%	2.50%	2.50%	2.57%
Statutories	11		2.00%	21.00%	2.00%	2.00%	2.00%	2.50%	2.50%	2.50%	2.50%	2.50%	2.50%	4.03%
Operational	12		2.00%	1.90%	1.90%	2.00%	2.00%	2.50%	2.50%	2.50%	2.50%	2.50%	2.50%	2.25%
Capital expenditure	13		2.00%	1.90%	1.90%	2.00%	2.00%	2.50%	2.50%	2.50%	2.50%	2.50%	2.50%	2.25%
Other	14		2.00%	1.90%	1.90%	2.00%	2.00%	2.50%	2.50%	2.50%	2.50%	2.50%	2.50%	2.25%
Ground Rent	15		0.00%	0.00%	0.00%	0.00%	0.00%	0.00%	0.00%	0.00%	0.00%	0.00%	0.00%	0.00%
[SPARE 1]	16		0.00%	0.00%	0.00%	0.00%	0.00%	0.00%	0.00%	0.00%	0.00%	0.00%	0.00%	0.00%

Discounted Cash Flow Assumptions

Lease Renewal Assumptions

Valuation Date	15 March 2018	Agents Fees - New Tenant (Year 1 Gross Rent)	15.0%
Commencement of Cash Flow	1 April 2018	Agents Fees - Renewal (Year 1 Gross Rent)	0.0%
Term of Cash Flow	10 years	Warehouse	
Discount Rate	9.000%	Renewal Lease Term	6.0 years
Terminal Yield	7.400%	Letting Up Period - Market	12 months
Terminal Yield Variance over Market Cap Rate	+25.00 bps	Retention Probability (Letting Up, Leasing Fees)	50%
Acquisition Costs	0.00%	Letting Up Period - Applied	6 months
Disposal Costs	0.00%	Incentive Probability	0%
Total Budgeted Capital Expenditure	\$50,000 pa (Real) \$51,952 pa (Nominal)	Review Structure	3 yearly rent reviews to market rent
General Capital Expenditure Allowance applied from 1-Apr-2018	\$31.86/m ² \$80,000 pa (Real) \$88,095 pa (Nominal)		
Refurbishment Allowance on Initial Expiries	\$100.0/m ²		
Refurbishment Allowance on Secondary Expiries	-		
Total Capital Expenditure (Real)	\$245,100		
% of Adopted Value (Real)	5.99%		
Total Capital Expenditure (Nominal)	\$264,291		
% of Adopted Value (Nominal)	6.46%		
1 Yr Summary	\$7,934 (Nominal)		

Level/Suite	Tenant	Year 1 1-Apr-18	Year 2 1-Apr-19	Year 3 1-Apr-20	Year 4 1-Apr-21	Year 5 1-Apr-22	Year 6 1-Apr-23	Year 7 1-Apr-24	Year 8 1-Apr-25	Year 9 1-Apr-26	Year 10 1-Apr-27
Warehouse (7.2-7.5m SH)	Downer Group	134,245	137,841	157,404	179,865	183,467	108,344	178,580	195,810	196,853	208,783
G Show/Off/Amenities	Downer Group	111,279	113,870	115,507	114,794	117,092	69,138	105,556	115,678	116,229	123,393
G Entry	Downer Group	8,174	8,364	5,003	7,469	8,177	8,210	8,750	8,835	8,876	4,735
L1 Offices	Downer Group	57,912	59,265	35,455	57,147	62,551	62,785	66,956	67,593	67,884	36,234
Front Yard/Parking	Downer Group	4,406	4,482	2,640	3,872	4,224	4,224	4,533	4,562	4,562	2,452
Yard	Downer Group	34,546	35,138	39,762	46,135	47,058	27,768	45,969	50,148	50,148	53,682
	Total Passing Income	350,563	358,960	355,772	409,282	422,568	280,468	410,344	442,626	444,552	429,280
	Total Gross Passing Income	350,563	358,960	355,772	409,282	422,568	280,468	410,344	442,626	444,552	429,280
	Outgoings	68,545	72,527	80,883	82,490	84,148	85,964	88,113	90,316	92,574	94,888
	Vacancy Allowance	-	-	-	-	-	-	-	-	-	-
	-	-	-	-	-	-	-	-	-	-	-
	Net Income before Capital Expenditure	282,018	286,434	274,888	326,793	338,420	194,504	322,231	352,310	351,979	334,392
	Capital Expenditure	7,934	8,090	60,196	8,403	8,571	8,757	8,976	9,200	9,430	9,666
	Refurbishment Allowance	-	-	44,887	-	-	79,357	-	-	-	-
	Agents Fees	-	-	-	5,651	-	-	31,356	-	-	6,667
	Incentives	-	-	-	-	-	-	-	-	-	-
	Ground Rent	-	-	-	-	-	-	-	-	-	-
	Other Adjustments	-	-	-	-	-	-	-	-	-	-
	Net Income after Capital Expenditure	274,084	278,344	169,806	312,739	329,849	106,390	281,900	343,110	342,549	318,059

Level/Suite	Tenant	NLA	Terminal Rent		Shortfall/ Overage	Next Review or Expiry	Number of Months	PV (within 12mths) Reversions
			Market	Passing				
Warehouse (7.2-7.5r	Downer Group	1,360.00	169,722	165,923	3,798	30-Apr-30	25.0	-
G Show/Off/Amenitie	Downer Group	719.00	103,120	100,812	2,308	30-Apr-30	25.0	-
G Entry	Downer Group	53.00	7,941	7,860	81	31-Oct-33	67.0	-
L1 Offices	Downer Group	379.00	61,646	61,015	631	31-Oct-33	67.0	-
Front Yard/Parking	Downer Group	5.00	5,025	4,973	51	31-Oct-33	67.0	-
Yard	Downer Group	1,715.00	55,240	54,004	1,236	30-Apr-30	25.0	-
Total		2,511.00	402,694	394,587				-

Terminal Value Calculations - Market Approach

Office	172,707
Retail	-
Industrial	-
Naming	-
Parking	5,025
Other	55,240
Telecoms	-
Storage	-
Warehouse	169,722
Market Income	402,694
Add Recoverable Outgoings	82,463
Total Gross Market Income	485,157
Less Outgoings	\$38.49/m ² 96,656
Net Market Income	388,501
Vacancy Allowance	0.00%
Net Income	388,501
Capitalised at	7.40%
Capitalised Value	5,250,011

Terminal Value Adjustments

-	-
-	-
Existing Vacant Tenancy Allowances	
Downtime	-
Agents Leasing Fees	-
Incentives	-
Refurbishment Allowance	-
Pending Vacancy Allowances (expiries within 12 months)	
Downtime	-
Agents Leasing Fees	-
Incentives	-
Refurbishment Allowance	-
NPV Outstanding Current Incentives	-
PV Rental Shortfall / (Overage)	-
General Capital Expenditure Allowance (12 months)	9,907
Budgeted Capital Expenditure (12 months)	-
Other Adjustments	-
Total Adjustments	9,907

Assessed Terminal Value as at 15 March 2028

5,240,103

Value \$/m²

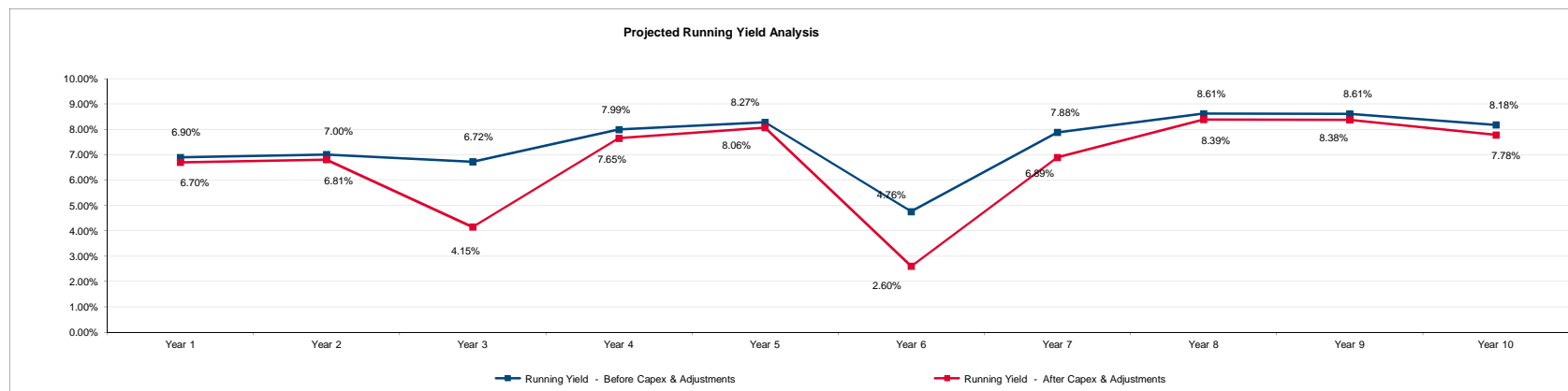
2,087

Terminal Value Analysis

Terminal Initial Yield	7.26%
Equivalent Market Yield With Vacancy Factor	7.40%
Equivalent Market Yield Without Vacancy Factor	7.40%
Rate per metre of NLA	\$2,087/m ²



For Year Commencing	Year 1 1-Apr-18	Year 2 1-Apr-19	Year 3 1-Apr-20	Year 4 1-Apr-21	Year 5 1-Apr-22	Year 6 1-Apr-23	Year 7 1-Apr-24	Year 8 1-Apr-25	Year 9 1-Apr-26	Year 10 1-Apr-27
Office	150,559	153,136	129,315	148,154	154,912	115,341	148,586	156,786	156,786	134,175
Retail	-	-	-	-	-	-	-	-	-	-
Industrial	-	-	-	-	-	-	-	-	-	-
Naming	-	-	-	-	-	-	-	-	-	-
Parking	4,406	4,482	2,640	3,872	4,224	4,224	4,533	4,562	4,562	2,452
Other	34,546	35,138	39,762	46,135	47,058	27,768	45,969	50,148	50,148	53,682
Telecoms	-	-	-	-	-	-	-	-	-	-
Storage	-	-	-	-	-	-	-	-	-	-
Warehouse	102,572	104,327	120,029	141,748	144,583	85,316	141,237	154,076	154,076	164,936
Outgoings Recoveries	58,480	61,877	64,026	69,373	71,792	47,820	70,020	77,054	78,980	74,034
	-	-	-	-	-	-	-	-	-	-
	-	-	-	-	-	-	-	-	-	-
Total Income	350,563	358,960	355,772	409,282	422,568	280,468	410,344	442,626	444,552	429,280
Outgoings	68,545	72,527	80,883	82,490	84,148	85,964	88,113	90,316	92,574	94,888
Vacancy Allowance	-	-	-	-	-	-	-	-	-	-
	-	-	-	-	-	-	-	-	-	-
Net Income Before Capital Expenditure	282,018	286,434	274,888	326,793	338,420	194,504	322,231	352,310	351,979	334,392
Capital Expenditure (Budgeted & General)	7,934	8,090	60,196	8,403	8,571	8,757	8,976	9,200	9,430	9,666
Refurbishment Allowance	-	-	44,887	-	-	79,357	-	-	-	-
Agents Fees	-	-	-	5,651	-	-	31,356	-	-	6,667
Incentives	-	-	-	-	-	-	-	-	-	-
Other Adjustments	-	-	-	-	-	-	-	-	-	-
Net Income After Capital Expenditure	274,084	278,344	169,806	312,739	329,849	106,390	281,900	343,110	342,549	318,059
Terminal Value										5,240,103
Disposal Costs										-
Net Cash Flow	274,084	278,344	169,806	312,739	329,849	106,390	281,900	343,110	342,549	5,558,162
Adopted Value @ 9.000%			\$ 4,090,000							
Acquisition Costs			\$ -							
Adopted Value before Acquisition Costs			\$ 4,090,000							
Running Yield - Before Capex & Adjustments	6.90%	7.00%	6.72%	7.99%	8.27%	4.76%	7.88%	8.61%	8.61%	8.18%
Running Yield - After Capex & Adjustments	6.70%	6.81%	4.15%	7.65%	8.06%	2.60%	6.89%	8.39%	8.38%	7.78%
Running Yield - Before Capex & incl. Adjustments	6.90%	7.00%	6.72%	7.85%	8.27%	4.76%	7.11%	8.61%	8.61%	8.01%
Running Yield - After Capex, Adjustments & incl. Acquisition Costs	6.70%	6.81%	4.15%	7.65%	8.06%	2.60%	6.89%	8.39%	8.38%	7.78%



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

DCF Summary

101-103 Port Road , Seaview , Lower Hutt

Present Value of Cash Flows	\$4,032,103	
Discount Rate	9.000%	
Terminal Value	\$5,240,103	
Less Disposal Costs	-	
Net Terminal Value	\$5,240,103	
Discounted Terminal Value	\$2,211,909	54.86%
Discounted Cash Flow	\$1,820,194	45.14%
Sum of Discounted Cash Flows	\$4,032,103	
Less Acquisition Costs	-	
Present Value	\$4,032,103	
Rounded Present Value	\$4,030,000	
Rate \$/m ²	\$1,605	
Rate of Increase in Capital Value	2.66%	
IRR (incl. Capex)	8.79%	
IRR (excl. Capex)	9.45%	
3 Year IRR (incl. Capex)	8.84%	
5 Year IRR (incl. Capex)	8.33%	
7 Year IRR (incl. Capex)	8.68%	

Net Present Value Matrix

		Terminal Yield		
		7.150%	7.400%	7.650%
Discount Rate	8.500%	4,255,066	4,173,931	4,098,100
	8.750%	4,181,485	4,102,198	4,028,093
	9.000%	4,109,589	4,032,103	3,959,682
	9.250%	4,039,335	3,963,606	3,892,826
	9.500%	3,970,680	3,896,664	3,827,485

IRR Matrix

		Terminal Yield		
		7.150%	7.400%	7.650%
Adopted Value	3,691,225	10.58%	10.30%	10.04%
	3,885,500	9.82%	9.54%	9.28%
	4,090,000	9.07%	8.79%	8.53%
	4,294,500	8.37%	8.09%	7.83%
	4,509,225	7.68%	7.40%	7.14%

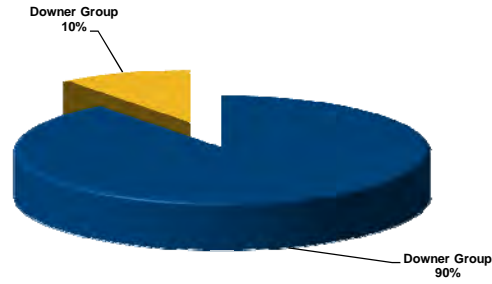
Graphs

101-103 Port Road , Seaview , Lower Hutt

Major Occupants/Composition by Area

Major Tenants/Composition	Area
1 Downer Group	3,794.00 m ²
2 Downer Group	437.00 m ²
3 -	-
4 -	-
5 -	-
Remainder	-
Vacant	-
Total NLA	2,511.00 m²

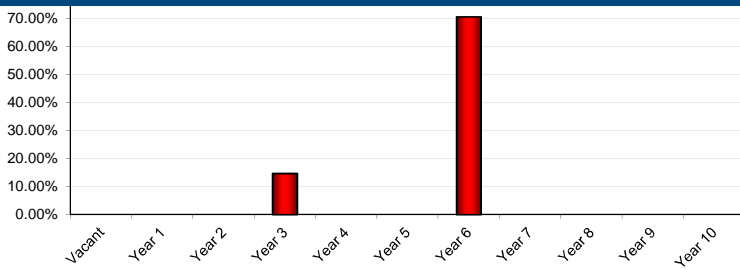
Major Tenants/Composition by Area



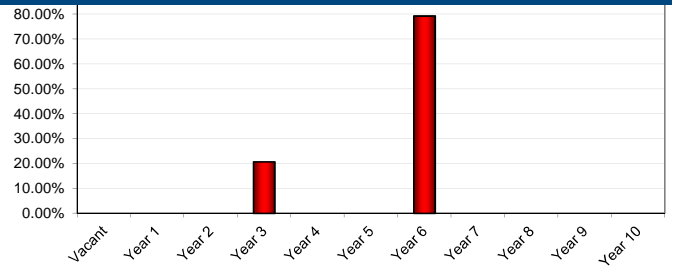
Lease Expiry Profiles

	Vacant	Year 1	Year 2	Year 3	Year 4	Year 5	Year 6	Year 7	Year 8	Year 9	Year 10
Lease Expiry by Area	0.00%	0.00%	0.00%	14.68%	0.00%	0.00%	70.64%	0.00%	0.00%	0.00%	0.00%
Lease Expiry by Income	0.00%	0.00%	0.00%	20.69%	0.00%	0.00%	79.31%	0.00%	0.00%	0.00%	0.00%

Lease Expiry by Area



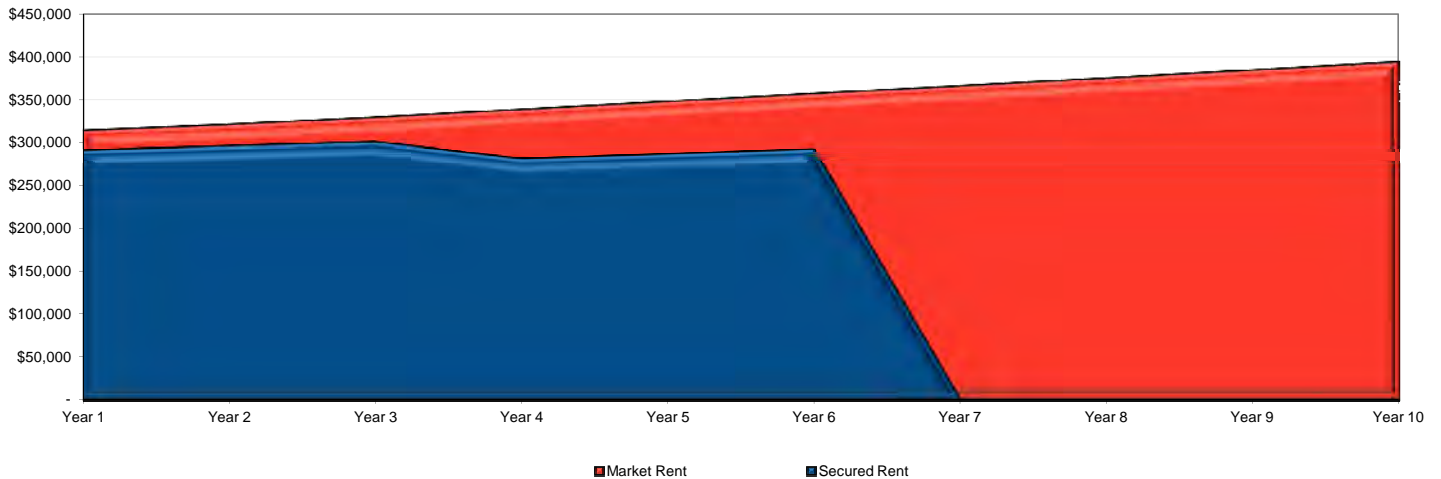
Lease Expiry by Income



Expiries by Rental

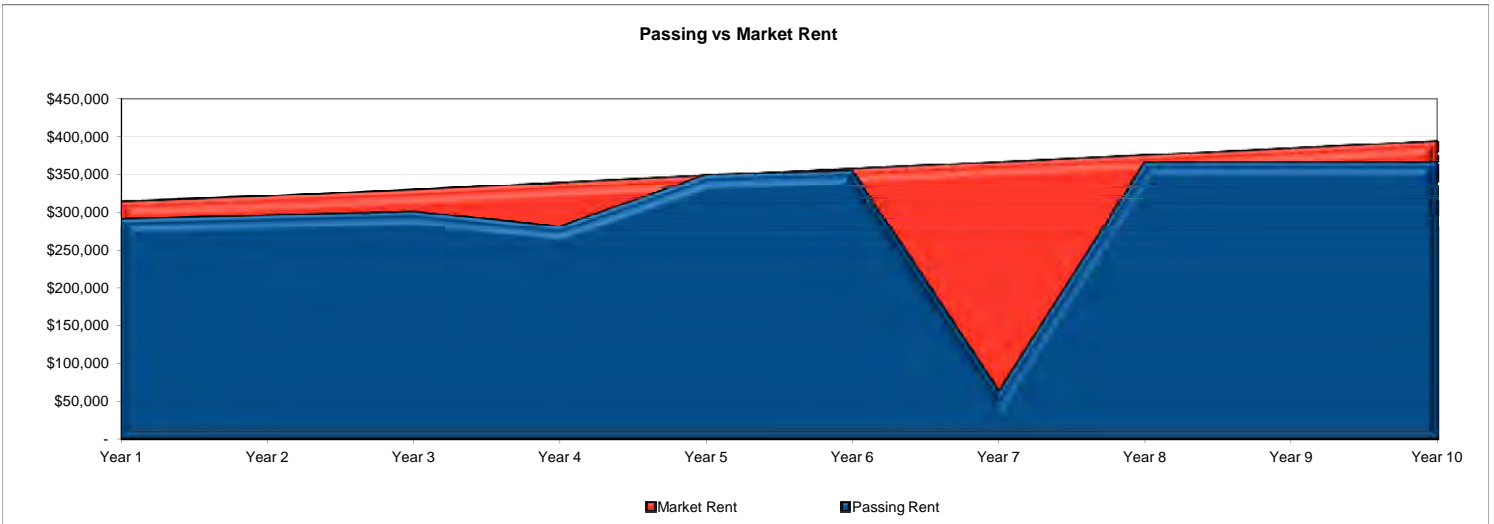
	Year 1	Year 2	Year 3	Year 4	Year 5	Year 6	Year 7	Year 8	Year 9	Year 10
Secured Rent	\$290,000	\$295,000	\$300,000	\$280,190	\$285,794	\$291,510	-	-	-	-
Market Rent	\$313,208	\$319,993	\$328,297	\$337,440	\$346,759	\$355,923	\$364,821	\$373,941	\$383,290	\$392,872

Expiries by Rental



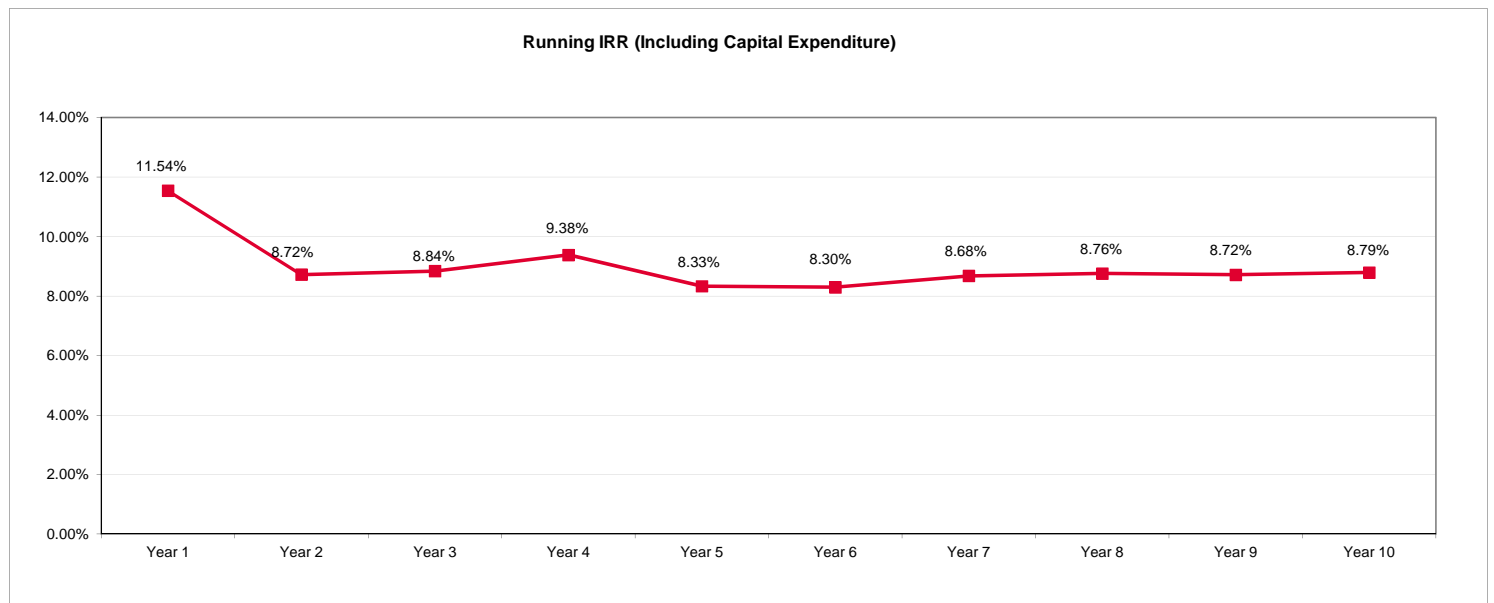
Annualised Passing versus Market

	Year 1	Year 2	Year 3	Year 4	Year 5	Year 6	Year 7	Year 8	Year 9	Year 10
Passing Rent	\$290,000	\$295,000	\$300,000	\$280,190	\$348,395	\$354,111	\$62,601	\$365,572	\$365,572	\$365,572
Market Rent	\$313,208	\$319,993	\$328,297	\$337,440	\$346,759	\$355,923	\$364,821	\$373,941	\$383,290	\$392,872



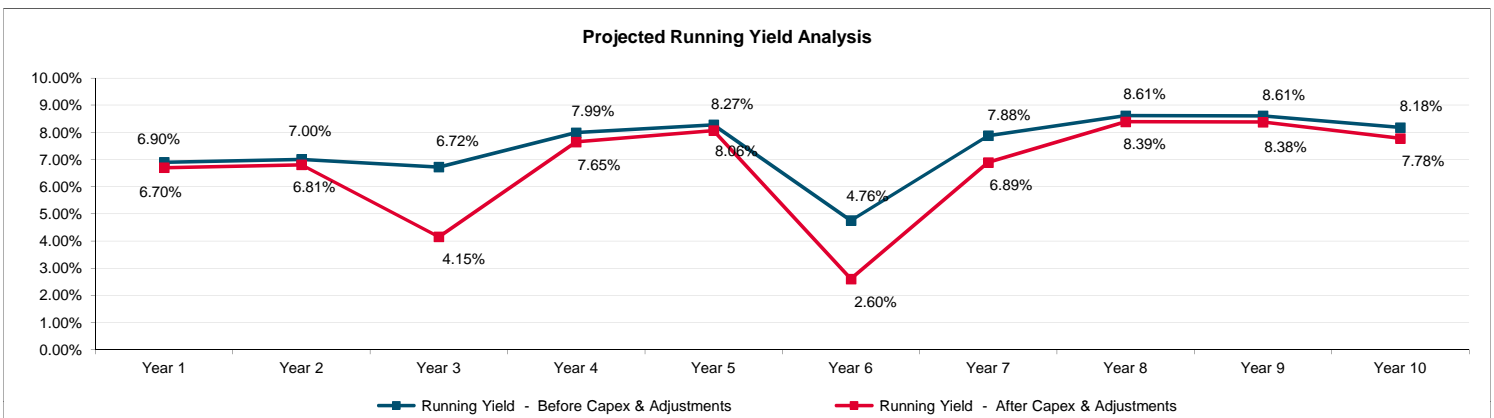
Running IRR (incl. Capex)

	Year 1	Year 2	Year 3	Year 4	Year 5	Year 6	Year 7	Year 8	Year 9	Year 10
Running IRR	11.54%	8.72%	8.84%	9.38%	8.33%	8.30%	8.68%	8.76%	8.72%	8.79%



Running Yield Analysis

	Year 1	Year 2	Year 3	Year 4	Year 5	Year 6	Year 7	Year 8	Year 9	Year 10
Running Yield - Before Capex & Adjustments	6.90%	7.00%	6.72%	7.99%	8.27%	4.76%	7.88%	8.61%	8.61%	8.18%
Running Yield - After Capex & Adjustments	6.70%	6.81%	4.15%	7.65%	8.06%	2.60%	6.89%	8.39%	8.38%	7.78%



Purpose of the Report	Mortgage Finance Purposes
Type of Property	Investment Style.
Method of Arriving at the Discount Rate	Analysis of comparable sales, discussions with industry participants, consideration of the long term bond rate plus adjustment factors.
Purchase and Sale Costs	Included in the Discounted Cash Flow * Costs are based upon the normal market terms of each party paying their own purchase/sale costs.
Rest Periods	Monthly, assumed cash received in arrears.
Term of the cash flow (years)	10 Years
Terminal Value	Calculated using the market capitalisation approach * We have taken the rental value in the 121 month, capitalised this and deducted or added the value of the shortfalls or overages.
Financing Costs and Taxation	All cash flows are calculated before financing costs and tax.
Returns	Quoted in annual terms.
Commencement Date	Apr-18
Inflows and Outflows	The inflow comprises estimated revenue and the outflows the estimated costs.
Specific Exceptions	None.
Debt	Calculations prepared on a pre-debt basis.
Cash Flow Developer	Colliers International Valuation & Advisory Services
Tax	All calculations are prepared on a net of Income Tax and other general taxes, including GST, basis but after the deduction of direct property taxes including Rates etc., if applicable unless specifically stated as below.

Some definitions

Discounted Cash Flow	The method involves the discounting of the net cash flow on a monthly basis over the assumed cash flow period at an appropriate rate to reflect risk to derive a market value. The net cash flow comprises the cash inflows less the cash outflows over the cash flow period, with the addition of the terminal value in the final cash flow period.
Initial yield	The initial net income at the date of transaction or valuation expressed as a percentage of the sale price or valuation.
Market yield	The assessed net market income divided by the sum of the sale price or the adopted value plus any capital adjustments to the core value such as letting up allowances, capital expenditure and present value of reversions (to obtain this net market income).
Terminal yield	The capitalisation rate used to convert income into an indication of the anticipated value of the property at the end of the holding period or property resale value.
Discount rate	A rate of return used to convert a monetary sum, payable or receivable in the future, into present value. Theoretically it should reflect the opportunity cost of capital, i.e., the rate of return the capital can earn if put to other uses having similar risk. (Determined with reference to 10-year bond and risk margin - Also referred to as the required rate of return).
Net Present Value	The measure of the difference between the discounted revenues, or inflows, and the costs, or outflows, in a DCF analysis. In a valuation that is done to arrive at Market Value, where discounted inflows and outflows and the discount rate are market derived.
Internal Rate of Return	The discount rate that equates the present value of the net cash flows of a project with the present value of the capital investment. It is the rate at which the Net Present Value (NPV) equals zero. The IRR reflects the total return over an investment horizon having regard to the assumed inherent growth and cost assumptions.

Notes

The future values quoted for property, rents and costs are projections only formed on the basis of information currently available to us and are not representations of what the value of the property will be as at a future date. This information includes the current expectations as to property values and income that may not prove to be accurate.

APPENDIX 2

Computer Register





**COMPUTER FREEHOLD REGISTER
UNDER LAND TRANSFER ACT 1952**



Search Copy


R. W. Muir
Registrar-General
of Land

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

Prior References

WNF4/945

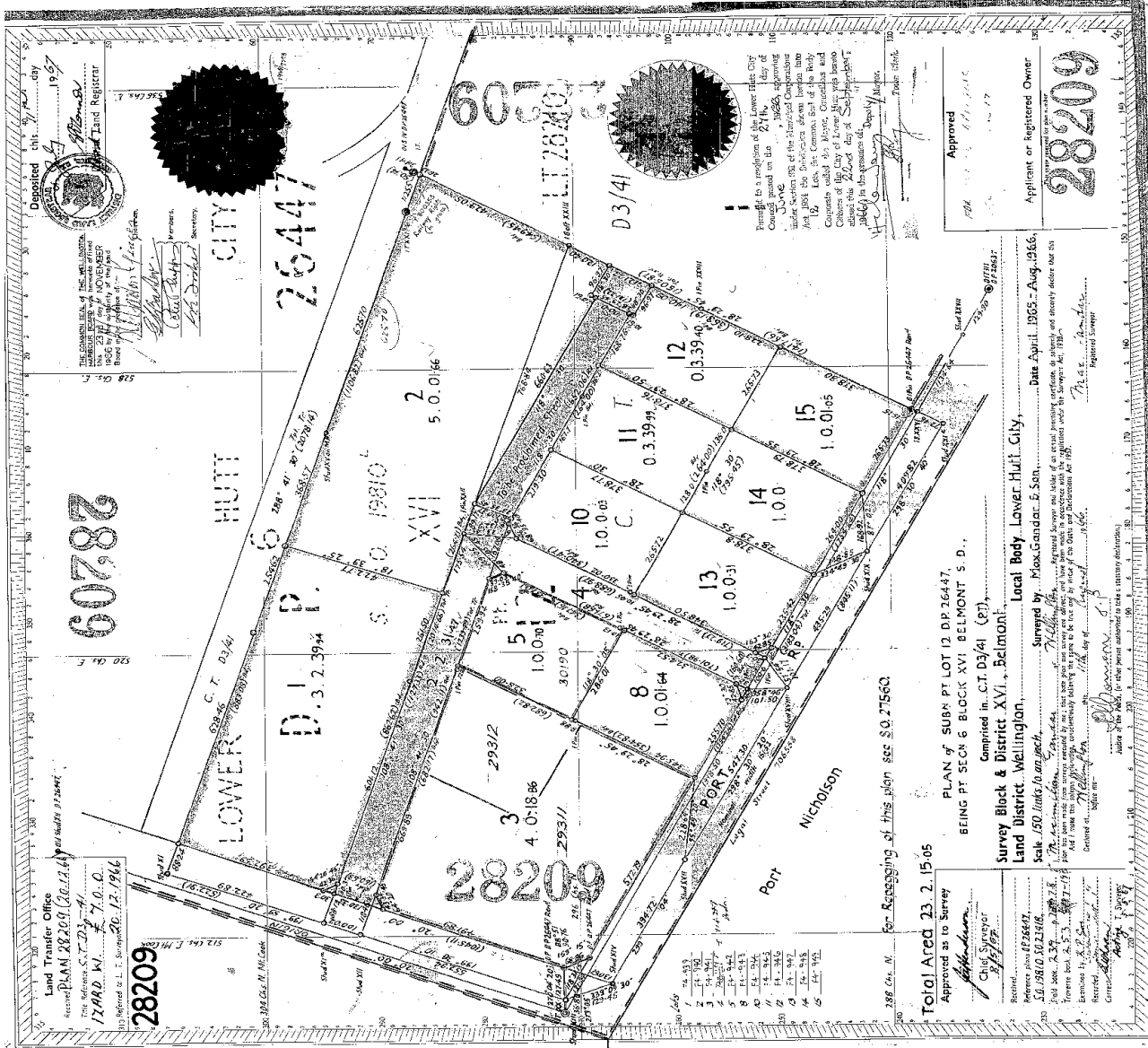
Estate Fee Simple
Area 4047 square metres more or less
Legal Description Lot 11 Deposited Plan 28209

Proprietors

Augusta Industrial Limited

Interests

10992415.3 Mortgage to ASB Bank Limited - 20.12.2017 at 4:22 pm



Approved _____
 Applicant or Registered Owner
28209

Date April, 1965 - Aug. 1966.
 Registered Surveyor

Surveyed by: Max Gaudard, E. Son.
 Local Body Lower-Hull City.

Survey Block & District XVI, Belmont
 Land District, Wellington

Total Area 23.2.15.05
 Approved as to Survey
 Chief Surveyor
 28209

Reference plan 4226647,
 54,180.0 1023416.
 28209

Enrolled _____
 Registered Surveyor

For Re-surveying of this plan see S.O. 27560

Deposited this 17th day of _____ 1965
 Land Registrar

60782
 HUTT
 D.I.P.
 26447

60782
 HUTT
 D.I.P.
 26447

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 26447



**COMPUTER FREEHOLD REGISTER
UNDER LAND TRANSFER ACT 1952**



Search Copy


R. W. Muir
Registrar-General
of Land

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

Prior References

WNF4/946

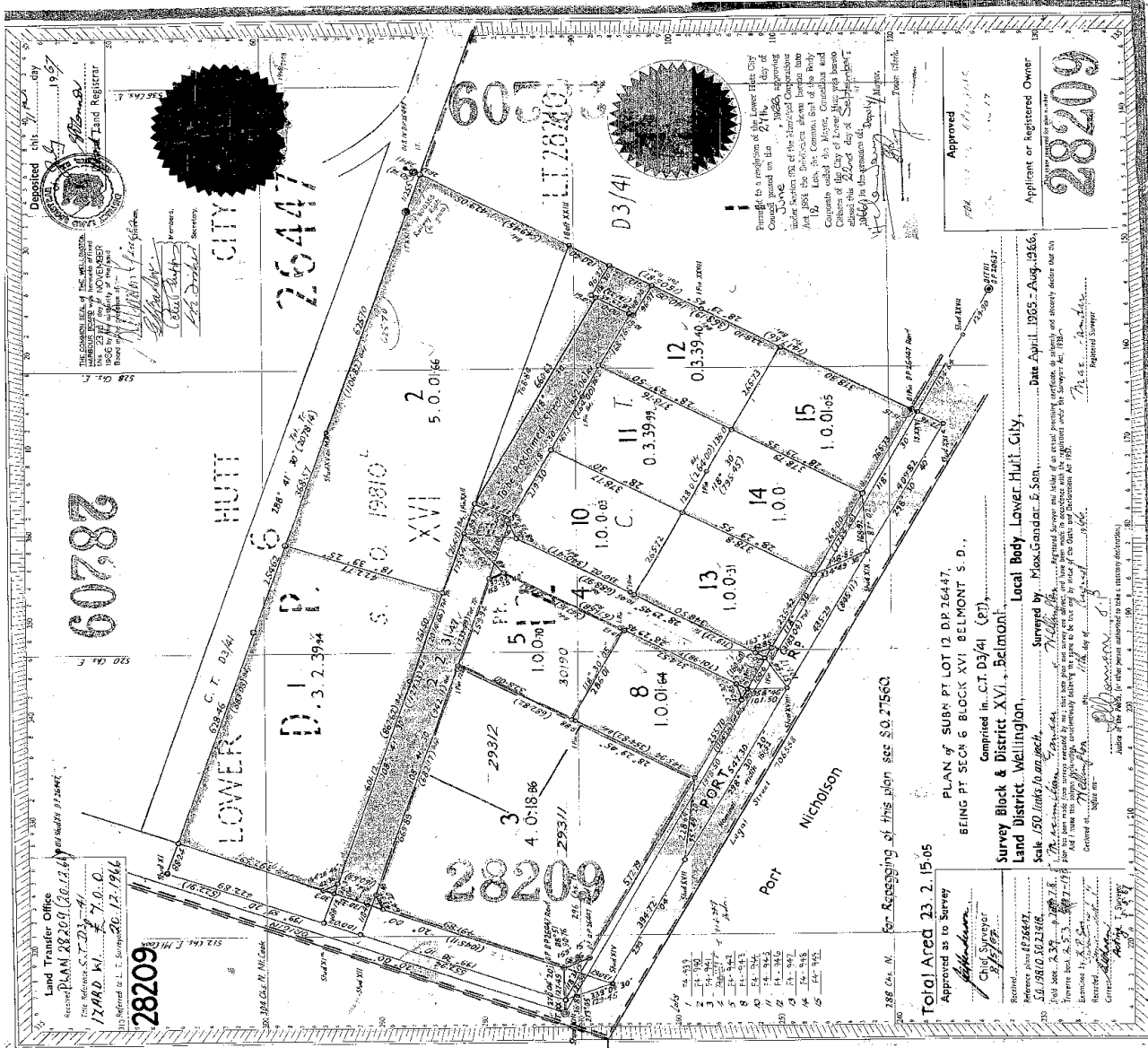
Estate Fee Simple
Area 4032 square metres more or less
Legal Description Lot 12 Deposited Plan 28209

Proprietors

Augusta Industrial Limited

Interests

10992415.3 Mortgage to ASB Bank Limited - 20.12.2017 at 4:22 pm





COMPUTER FREEHOLD REGISTER UNDER LAND TRANSFER ACT 1952




R. W. Muir
Registrar-General
of Land

Search Copy

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

Prior References

WNB4/950

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

Proprietors

Augusta Industrial Limited

Interests

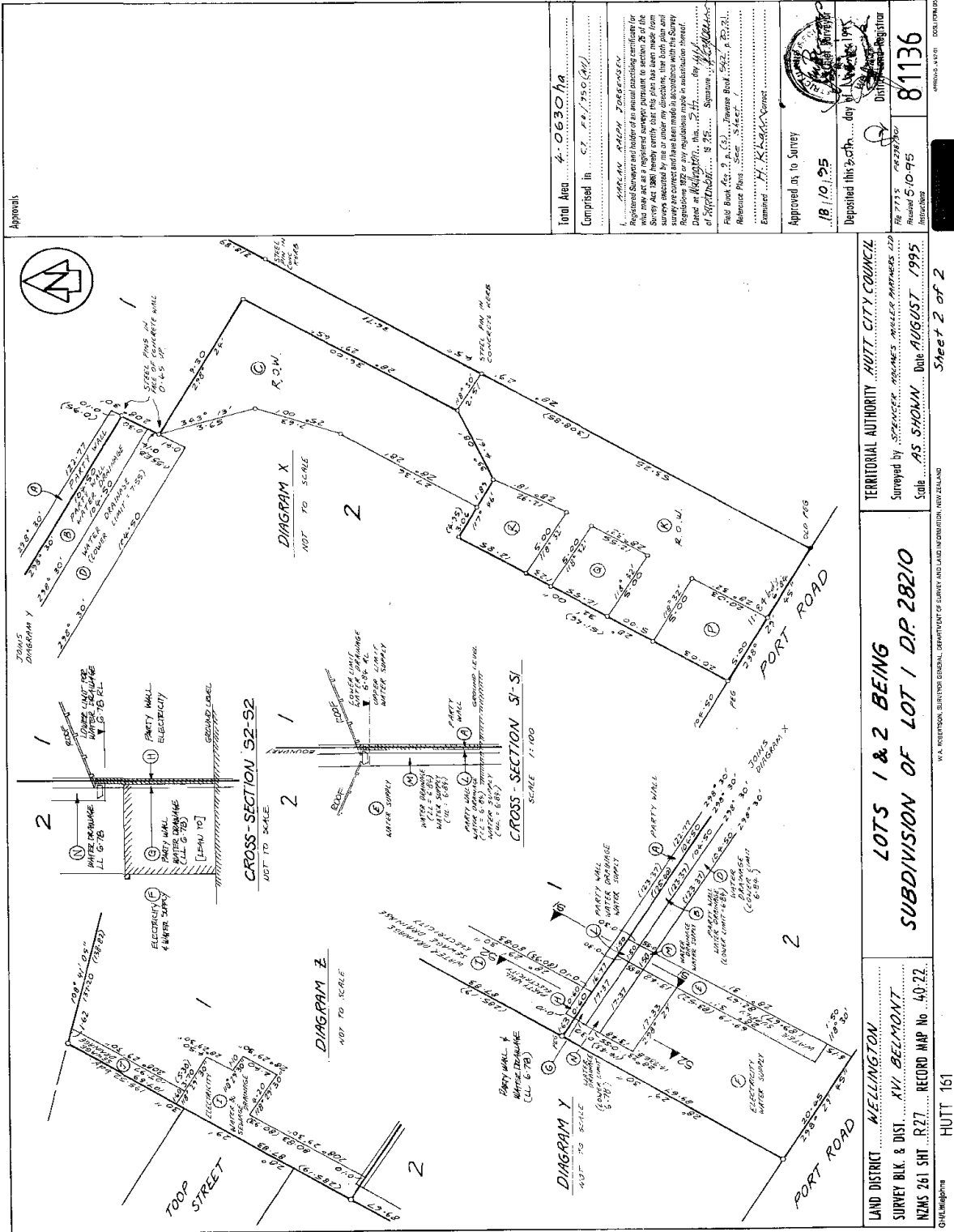
Appurtenant hereto is a right of way and rights to water drainage, water supply, electricity and a party wall right specified in Easement Certificate B490067.3 - 30.11.1995 at 11.05 am

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

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

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

10992415.3 Mortgage to ASB Bank Limited - 20.12.2017 at 4:22 pm



Approvals

Total Area	4.0630 Ha
Comprised in	CT No. 750 (AK)
<p>Registered Surveyor and holder of an annual practicing certificate for who may act as a registered surveyor pursuant to section 25 of the Survey Act 1976, I hereby certify that the boundaries and areas shown on this plan are correct and have been made in accordance with the Survey Regulations 1976 or any regulations made in substitution thereof. Dated at Wellington, this 11th day of August 1995.</p>	
Reference Plans	See Sheet 1
Estimated	H. K. B. Carter
Approved on 10 Survey	18/10/95
Deposited this 20th day of August 1995	
Registered	81136
Planning	5/10/95
Reference	

LAND DISTRICT: WELLINGTON
 SURVEY BLK. & DIST. XVI, BELMONT
 NZMS 261 SH. R27, RECORD MAP No. 40.22

TERITORIAL AUTHORITY: HUTT CITY COUNCIL
 Surveyed by: SPENCER ROAMES MILLER PARTNERS LTD
 Scale: AS SHOWN Date: AUGUST 1995

W. A. ROBERTSON, SURVEYOR GENERAL, DEPARTMENT OF SURVEY AND LAND INFORMATION, NEW ZEALAND

HUTT 161

Sheet 2 of 2



COMPUTER FREEHOLD REGISTER UNDER LAND TRANSFER ACT 1952




R. W. Muir
Registrar-General
of Land

Search Copy

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

Prior References

WN50B/103 WN50B/104 WN50B/105

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

Proprietors

Augusta Industrial Limited

Interests

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

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

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

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

10992415.3 Mortgage to ASB Bank Limited - 20.12.2017 at 4:22 pm



COMPUTER FREEHOLD REGISTER UNDER LAND TRANSFER ACT 1952



Search Copy


R. W. Muir
Registrar-General
of Land

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

Prior References

WND3/41

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

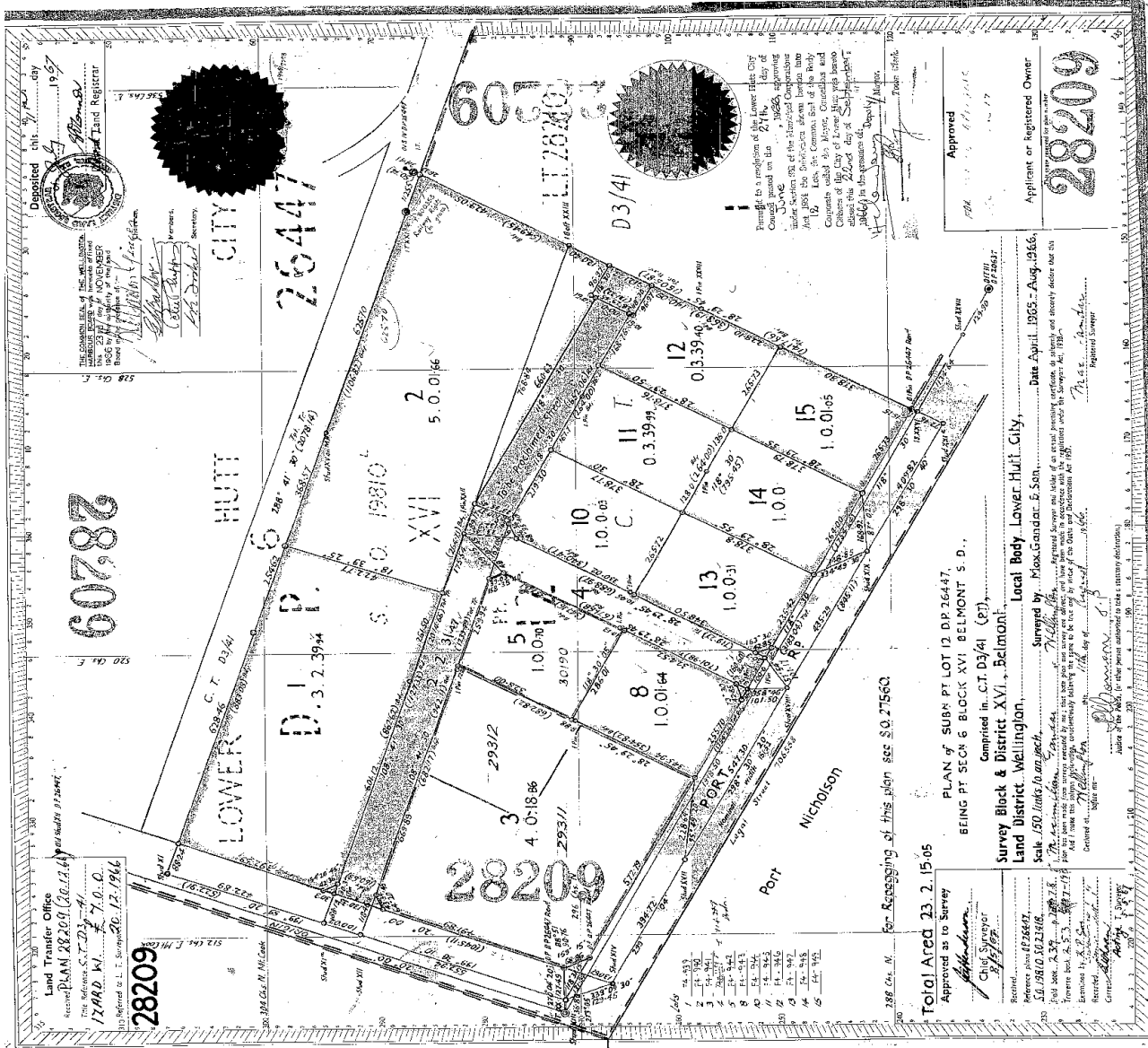
Proprietors

Augusta Industrial Limited

Interests

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

10992415.3 Mortgage to ASB Bank Limited - 20.12.2017 at 4:22 pm



APPENDIX 3

PBT Office Block Specification



Peter Baker Transport

Proposed New Offices

Barnes Street Link Seaview

March 2017 1710
20 April revC

HARRIS
ARCHITECTS
LIMITED

po box 24 120 wellington
harrisarchitects@gmail.com
m 021 110 8895 p 04 917 8841

INDICATIVE SPECIFICATION

prepared for **Building Solutions Limited**

GENERAL

The development proposed involves construction of new two storey purpose built offices with associated parking and access.

The new building works will be designed to achieve 100% of the current structural code requirements (100%NBS). Limited only by the intrusion into the extg warehouse which has been strengthened to 75% NBS.

This indicative specification is to be read in conjunction with the attached proposal plans.

The building shall be constructed in accordance with all local authority and statutory requirements known at the date of preparation of this document.

OFFICE AREAS:

The office areas and facilities will all be contained within a two storey structure to the north side of the extg warehouse. The lower level of the new offices is to penetrate into the warehouse to provide increased visibility to depot areas for the operational staff within the office areas.

EXTERNAL WALLS:

The new exterior walls are to be treated with feature cladding to identify the space and main entry. This has been requested by the tenants to be a panel system such as Alucabond or similar. Given the time and other constraints we are proposing paint finished JH Stria Cladding panel system which will give a negative detail panel appearance.

The lower level walls to the yard areas can be a mix of concrete blockwork wall and feature panels to suit location and function and to provide acoustic and impact protection. These lower walls will be paint finished to allow for ease of maintenance.

All external walls are to be insulated to achieve min R2.

Louvre/ slat walls are to be installed to the courtyard to reduce direct views in from the public areas whilst still maintaining air flow and light to the space.

WINDOWS:

All new windows are to be commercial quality power coated aluminium joinery units with glass to suit the size, location and safety ratings required by the NZBC. As this is to be an office environment thermal double glazing is not required to comply with the code – should this be desired by the tenants for thermal or acoustics, this upgrade will be at additional costs. Opening doors and windows will have security stays and latches to prevent unlawful access.

ROOFING:

To be 0.55mm Colorsteel G2Z LT7 or ST7 similar approved. Colorsteel roof to be laid over roofing underlay with a separate insulation blanket to be installed to provide a thermal resistance rating of R3.2.

Guttering to be Colorsteel purpose folded guttering on support brackets.–Downpipes to be nom 150mm uPVC painted to match gutter and wall colours.

INTERNAL WALLS:

Internal walls will be constructed for steel or timber stud to suit location and structure, with gib linings to exposed faces – stopped and paint finished. Feature walls and signage to the entry area are to be by the tenant.

Internal walls to the Boardroom, Branch managers office and the Staff room are to be full height with acoustic insulation and linings to reduce noise transfer to adj. spaces.

Walls to the bathroom and shower areas will be either W/R gib linings or pre-finished water resistant linings to suit.

Walls to the main staff corridor to the lower level are to be lined with gib tough-line or similar for improved impact resistance.

DOORS:

The new main entry is to be a set of automatic alum. and glass sliding doors to the exterior with a pair of double swing aluminium and glass doors to the interior to create the wind lobby entry zone.

All other doors are generally to be solid core timber doors, paint finished with a mix of glazed panel and solid depending on locations. Doors are to be installed into aluminium suite frames to suit. Doors to the lower level are to be full height floor to ceiling, door to the first floor are to be a minimum of 2.150m tall. Doors to service areas may be lower as required.

All hardware is to be commercial quality SCP solid brass (NZ made where possible) with locking to suit locations.

Electronic locking and access control is to be by the tenant.

FLOORS:

The lower level floor is to be hardwearing resilient flooring, where possible this is to be ground and polished concrete with adequate slip resistance rating to the entry, reception and waiting area, main corridors, staffroom and toilet areas.

Where resilient flooring is required (eg showers, first floor service areas, etc) this is to be commercial vinyl cover up walls min 100mm.

Office areas and the first floor are to have commercial quality carpet tiles (Godfrey Hurst or similar) to selected ranges for added acoustic performance and comfort.

The new first floor is to be constructed of suspended timber construction with a plywood flooring and acoustic insulation to the voids or Xlam (or similar) composite flooring system to provide improved acoustic protection to spaces and improved resilience.

Balcony

This area is to have a waterproofing membrane base layer and finished with non-slip tiles or hardwood decking. The balustrade is to be aluminium slats, glass or solid panel to suit.

CEILINGS:

The ceilings will generally be suspended grid with acoustic absorption rated mineral fibre tiles (white) to all office and general areas. Ceiling to all wet areas (bathrooms and kitchen) are to be water proof gib linings, stopped and painted.

Ventilating skylights are to be installed above the stair area to create an atrium feel to this space and to allow natural light and ventilation when suitable.

INTERNAL GLAZING:

The internal glazing between the warehouse and office area is to be double glazed to reduce the noise transfer to these spaces. These windows are to be from above desk height to a suitable height to allow good visibility into the depot space.

BATHROOMS & KITCHENS:

A unisex accessible toilet facility with combined shower is to be provided to cater for the site staff and to be used as a visitors wc facility. This area is to have a high quality finishes.

Other toilets are to be specified for adequate robust fittings to suit locations.

Showers are to be proprietary cubicles with integral glass doors.

Fittings are to be commercial grade from NZ manufactured products wherever possible eg Methven/ Greens tapware. All fittings are to be vitreous china (white) with toilets being back-to-wall type with soft close seats and dual flush cisterns.

All hardware, taps and fittings are to be chrome finished.

The tenants have requested automatic sensor taps to all whb's, this will be at additional cost to the tenant over standard tapware.

Toilet and shower partitions will be formed from standard partitioning systems eg Hale Stratos or similar.

The kitchen joinery and fittings are to be of commercial quality and of similar specification and finishes to the Fujitsu General kitchen installation at 109 Port Road.

The staffroom kitchen is to have a stainless steel bench top with sink and drainer.

The first floor kitchen will have a laminate top with sink insert.

Under-bench drawers and cupboards will be install to allow for general kitchen storage requirements all finished in laminate panel.

Space will be provided for tenant supplied dishwashers and fridges to both kitchens.

A wall mounted auto boiler (Zenith On Wall Boiler – or similar) will be installed to each kitchen area. Any additional water systems - chilled, filtered, etc will be by the tenants.

A PC Sum of \$20 000 total will be allowed for the supply and installation of both kitchen areas.

ELECTRICAL:

LED pan lighting to tiled grid ceilings to the Office and service areas to achieve min 500Lux at work plane as required. Bulkhead light fittings to other areas.

All lights are to be controlled by PIR or Ultra-sonic sensor systems where appropriate to reduce the issue of lights being left on.

Provide circuits to suit offices and staff facilities for small power supplies and general lighting. The exact layout and numbers are to be determined with future developed design.

Heat pumps are to be provided for air conditioning of spaces with a fresh air ventilation to all office, service and occupied areas in accordance with NZBC requirements.

External security lighting to building perimeter to cover all yard areas for egress.

All specialist and task lighting is to be supplied and installed by the tenant.

Voice, data and intercom system and security and access equipment are not included and are to be supplied and installed by the tenant.

All furniture including reception joinery, desking, shelving and cupboards (other than kitchen joinery mentioned above) are to be supplied and installed by the tenant.

FIRE SERVICES & FIRE DESIGN

The entire office area will be required to be fire protected in accordance with section C of the NZBC. Given the rest of the building on the site is sprinkler protected, the new offices will also require full sprinkler protection to all areas.

Emergency lighting will be required thru-out the offices and staff facilities along with EXIT signage and wayfinding.

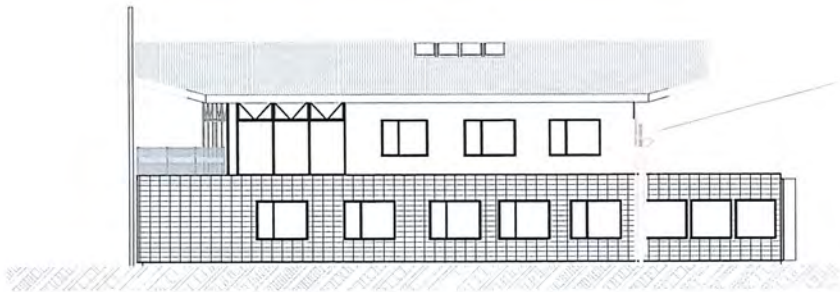
SITWORKS

The parking areas are to be formed within the existing yard and hardstand area and are to be separated by a safety fence/ screen to ensure visitors cannot accidentally get to the operational areas adjacent. The surface is to have line markings for parking which will include one accessible parking space as per NZBC requirements.

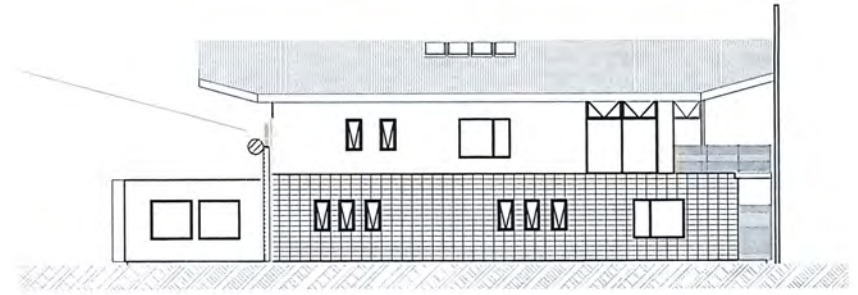
Indicative Specification prepared by:

Derek Harris
HARRIS ARCHITECTS LIMITED

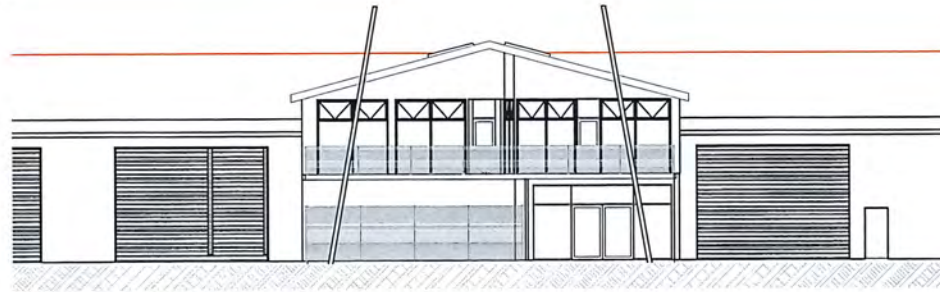
for **Building Solutions Limited**



WEST ELEVATION



EAST ELEVATION



NORTH ELEVATION

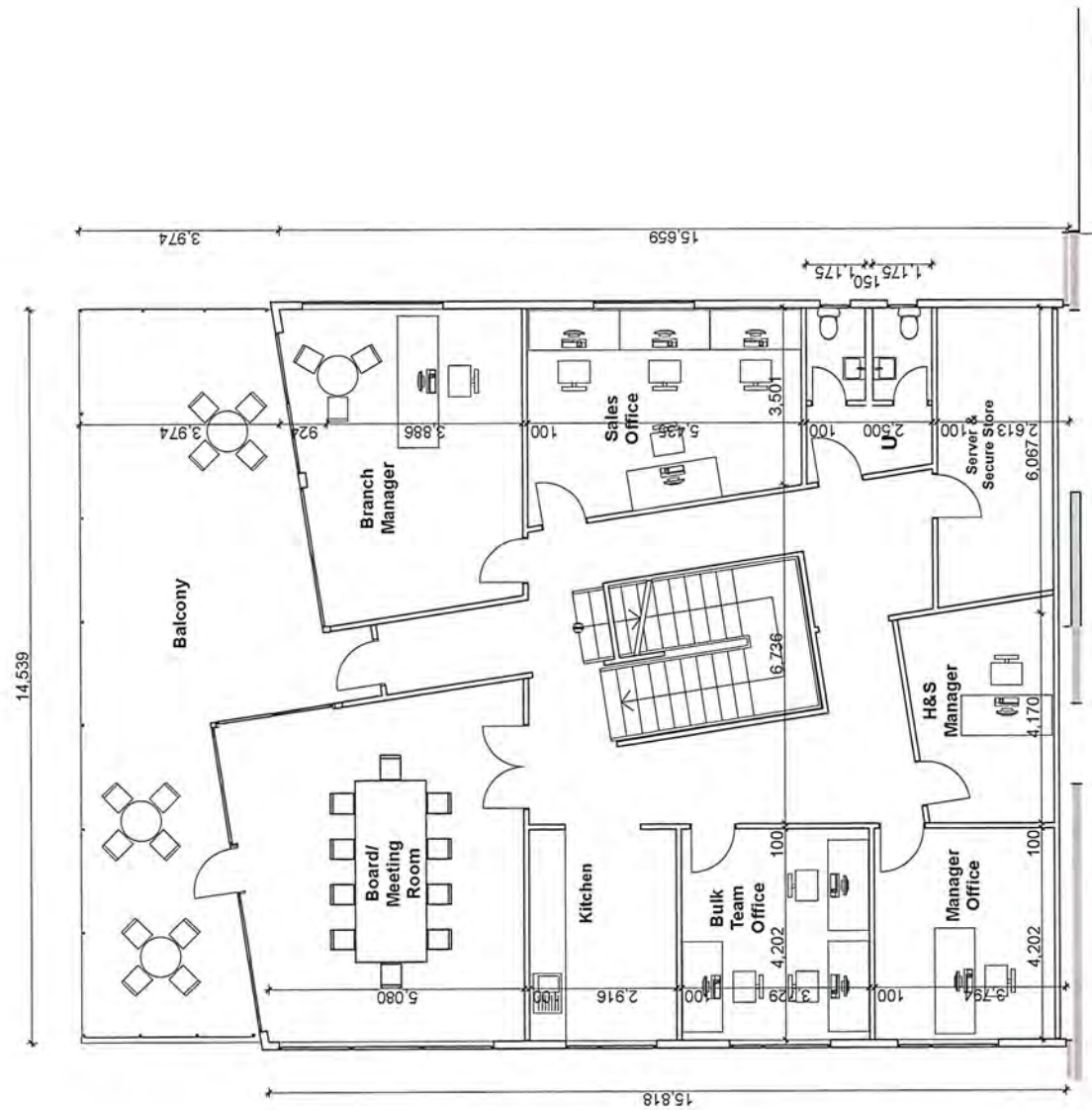


PBT Proposed
New Offices

Exterior Images - revB

The HUB 25 Toop Street Lower Hutt
PROPOSAL FOR BUILDING SOLUTIONS LIMITED
April 2017 1:200 @A3 1710

HARRIS
ARCHITECTS
LIMITED
po box 24 120 wellington
harrisarchitects@gmail.com
m 021 110 8895 p 04 917 8841

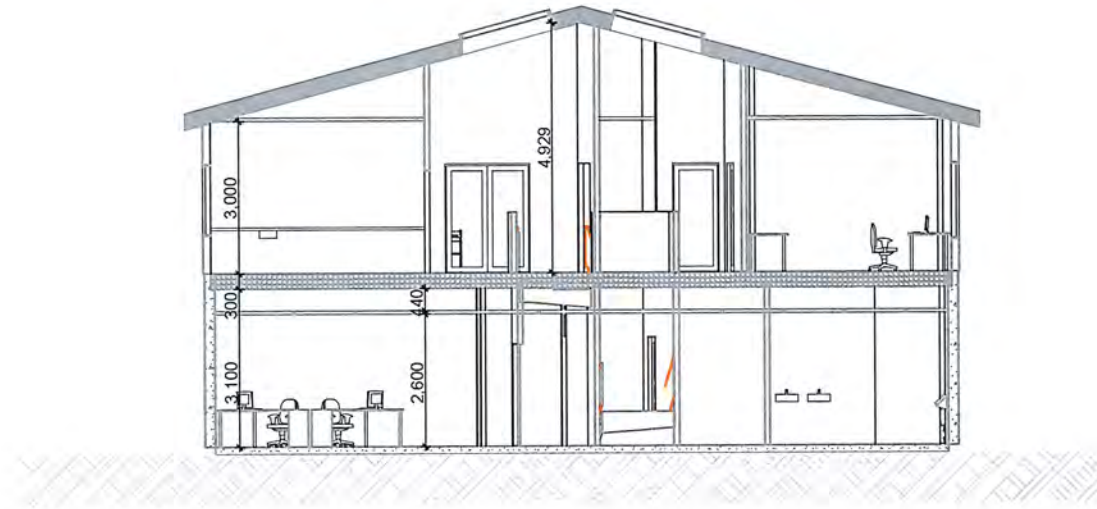


PBT Proposed New Offices

Proposed First Floor Plan

The HUB 25 Toop Street Lower Hutt
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HARRIS
 ARCHITECTS
 LIMITED
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CROSS SECTION

PBT Proposed
New Offices

Proposed Section

The HUB 25 Toop Street Lower Hutt
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HARRIS
ARCHITECTS
LIMITED
po box 24 120 wellington
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m 021 110 0055 p 04 917 0041

APPENDIX 4

Certificate of Registration





This is to certify that

Colliers International New Zealand Ltd

Level 27, SAP Tower
151 Queen Street Auckland Central Auckland



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

AS/NZS ISO 9001:2008

is hereby designated

Telarc Registered

No. QEC13885

for the following goods and services

The provision of property valuation services from offices in Auckland and Wellington.



Certificate Issued: 13 February 2017

Original Registration: 15 February 2002

Current Registration: 13 February 2017

Expiry Date: 15 September 2018

Chairperson

Chief Executive

David Bone

Philip Cryer



Registered by Telarc SAI Limited 626 Great South Road, Ellerslie, Auckland 1051, Private Bag 28901, Remuera, Auckland 1541, Telephone: 64 9 525 0100 Facsimile: 64 9 525 1900 and subject to the Telarc SAI Limited Terms and Conditions for Certification. While all due care and skill was exercised in carrying out this assessment, Telarc SAI Limited accepts responsibility only for proven negligence. To verify that this certificate is current please refer to the JAS-ANZ register at www.jas-anz.org/register. This certificate and its associated schedules remain the property of Telarc SAI Limited and must be returned if registration is withdrawn.