



Market Valuation Report

**PMG Generation Fund Trustees Limited C/- PMG Property Funds
Management Limited**

32, 32A & 32B Jamaica Drive, Grenada North, Wellington

Prepared by
Bayleys Valuations Limited
21 December 2021



Valuation Summary

Property Address	32, 32A & 32B Jamaica Drive, Grenada North, Wellington
Client	PMG Generation Fund Trustees Limited C/- PMG Property Funds Management Limited
Additional Parties	Refer to Section 1.3
Instructing Party	Prisillia Woe on behalf of PMG Property Funds Management Limited
Purpose of Valuation	To assess the Market Value for Mortgage Security, Capital Raising and Financial Reporting Purposes
Basis of Valuation	Fair Value, by applying Market Value
Valuation Approach	Income Approach
Legal Description	Record of Title: Identifier 640343; Lot 1 Deposited Plan 471567 Record of Title: Identifier 640344; Lot 2 Deposited Plan 471567 Record of Title: Identifier 640345; Lot 3 Deposited Plan 471567
Interest Valued	Freehold
Zoning	Business 2
Date of Inspection	8 December 2021
Date of Valuation	21 December 2021
Caution	Refer to section 1.6 - Market Precaution

Property Summary

The subject property comprises three semi-detached, separately titled, industrial units, constructed circa 2012, providing very tidy high stud warehouse and ancillary office accommodation. Leased to three separate entities, the property generates a combined net passing income of **\$1,032,778 p.a.** Two of the three leases are essentially on a full net basis, whereby all related outgoings are recovered. Combined, the property provides a WALT (by income) of **2.69 years.**

Remaining lease terms run from seventeen months to circa six years, with all including provisions for renewal options thereafter. Market rents have been recently concluded within the respective premises and regular market reviews ensure constant market realignment. The property is located in Grenada North, offering good connections to the Urban Motorway both north and south.

Market demand for industrial stock remains strong and considering the dollar quantum, quality and tenant profile, the units would attract genuine buyer interest, if presented in totality or as single units. Over the preceding 24-month period, we have witnessed unprecedented demand for industrial related assets due to a paucity of stock, low interest rates and the defensive nature of this asset class. However, some impending economic headwinds are emerging, namely interest rates and debt borrowing costs are on the rise domestically, which may lead to a corresponding adjustment in yields.

32, 32A & 32B Jamaica Drive, Grenada North, Wellington - **21 December 2021**

Adopted Market Value – Gross Realisation

We are of the opinion that the Market Value of the subject property on a ‘Gross Realisation’ basis, subject to the overriding stipulations contained in the body of this report, and to there being no onerous restrictions or unusual encumbrances of which we are not aware is as follows:

**Seventeen Million, Six Hundred Thousand Dollars
(NZ\$17,600,000)
plus GST (if any)**

N.B. Our apportionment of value across the three units is provided in the executive summaries detailed below. We highlight that the above assessment has been determined as the sum of three separate units (sum of parts). If the units were presented for sale in totality, we would expect a minor price adjustment on the downside would apply, reflecting a reduced pool of prospective investors.

Valuer Involvement

Valuer	Position	Inspection	Calculations	Reporting
Paul Butchers	Registered Valuer	Yes	Yes	Yes
Charlie Tudehope	Valuer	Yes	Yes	Yes

32 Jamaica Drive, Grenada North

Property Details

Lettable Floor Area	3,060 sqm	Parking	30 parks
Total Land Area	6,756 sqm	Zoning	Business 2

Financial Analysis

Net Passing Income	\$449,263	Adopted Outgoings	(\$140,302)
Net Market Income	\$449,263	Adopted Outgoings (\$/sqm)	\$45.85 /sqm
NPI + Mkt on Vacancies	\$449,263	Adopted Gross Passing Income	\$589,565
Vacancy	0%	Adopted Gross Market Income	\$589,565

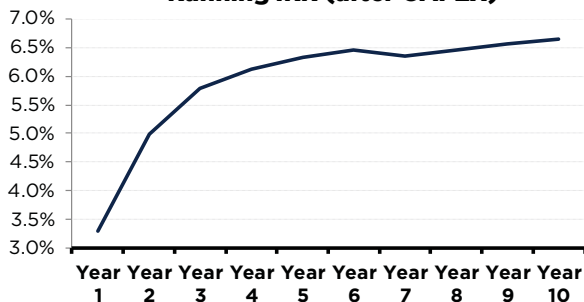
Valuation Approaches

Market Capitalisation Method	\$7,850,000	Sales Comparison Method	N/A
Discounted Cash Flow Method	\$8,000,000	Adopted Value	\$7,925,000

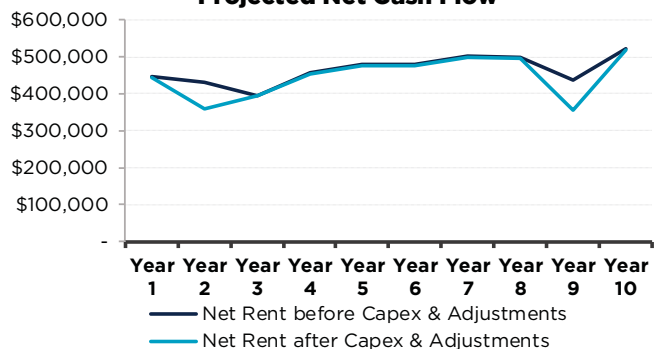
Valuation Analysis

Market Capitalisation Rate	5.625%	CAPEX (PV over 10 years)	\$129,697
Initial Yield	5.67%	Lease Renewal Prob	75.00%
Equivalent Market Yield	5.58%	Mkt Growth (10 yr avg.)	2.35%
Discount Rate	6.50%	CPI Growth (10 yr avg.)	2.58%
Ten Year IRR	6.63%	Vacancy Allowance	4 months
Terminal Yield	6.125%	WALT (Income)	1.98 years
Net Rate (\$ per sqm)	\$2,590 /sqm	WALT (Area)	1.98 years

Running IRR (after CAPEX)



Projected Net Cash Flow



32, 32A & 32B Jamaica Drive, Grenada North, Wellington - **21 December 2021**

32A Jamaica Drive, Grenada North

Property Details

Lettable Floor Area	1,470 sqm	Parking	22 parks
Total Land Area	1,986 sqm	Zoning	Business 2

Financial Analysis

Net Passing Income	\$244,975	Adopted Outgoings	(\$85,096)
Net Market Income	\$224,029	Adopted Outgoings (\$/sqm)	\$57.89 /sqm
NPI + Mkt on Vacancies	\$244,975	Adopted Gross Passing Income	\$330,071
Vacancy	0%	Adopted Gross Market Income	\$309,125

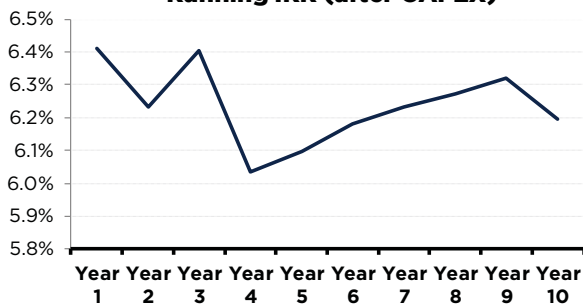
Valuation Approaches

Market Capitalisation Method	\$4,450,000	Sales Comparison Method	N/A
Discounted Cash Flow Method	\$4,225,000	Adopted Value	\$4,325,000

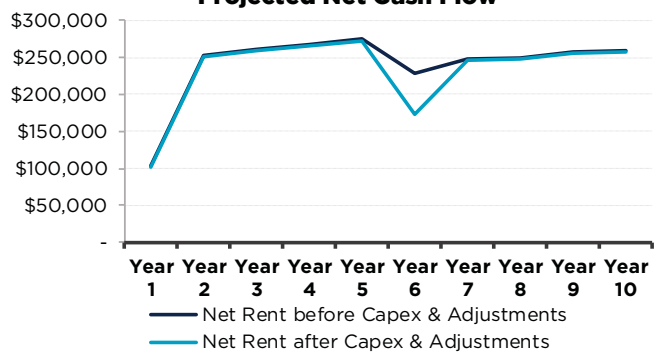
Valuation Analysis

Market Capitalisation Rate	5.00%	Capex (PV over 10 years)	\$50,312
Initial Yield	5.66%	Lease Renewal Prob	75.00%
Equivalent Market Yield	5.13%	Mkt Growth (10 yr avg.)	2.35%
Discount Rate	6.50%	CPI Growth (10 yr avg.)	2.58%
Ten Year IRR	6.20%	Vacancy Allowance	4 months
Terminal Yield	5.50%	WALT (Income)	5.73 years
Net Rate (\$ per sqm)	\$2,942 /sqm	WALT (Area)	5.73 years

Running IRR (after CAPEX)



Projected Net Cash Flow



32, 32A & 32B Jamaica Drive, Grenada North, Wellington - 21 December 2021

32B Jamaica Drive, Grenada North

Property Details

Lettable Floor Area	1,969 sqm	Parking	20 parks
Total Land Area	2,125 sqm	Zoning	Business 2

Financial Analysis

Net Passing Income	\$338,540	Adopted Outgoings	(\$124,073)
Net Market Income	\$331,817	Adopted Outgoings (\$/sqm)	\$56.77 /sqm
NPI + Mkt on Vacancies	\$338,540	Adopted Gross Passing Income	\$462,613
Vacancy	0%	Adopted Gross Market Income	\$455,890

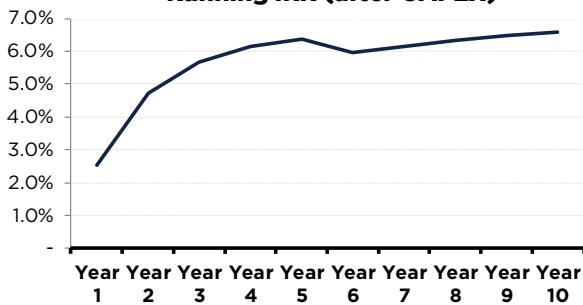
Valuation Approaches

Market Capitalisation Method	\$5,325,000	Sales Comparison Method	N/A
Discounted Cash Flow Method	\$5,375,000	Adopted Value	\$5,350,000

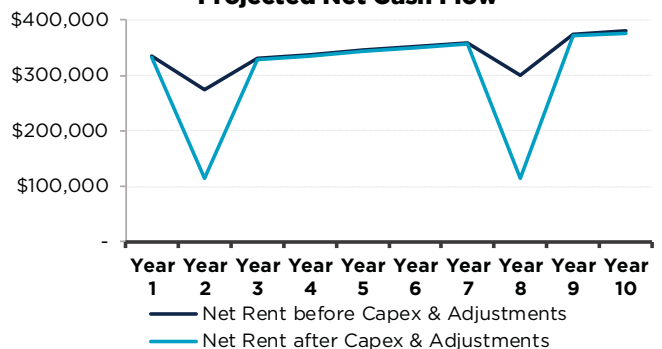
Valuation Analysis

Market Capitalisation Rate	6.00%	Capex (PV over 10 years)	\$277,793
Initial Yield	6.33%	Lease Renewal Prob	75.00%
Equivalent Market Yield	5.98%	Mkt Growth (10 yr avg.)	1.87%
Discount Rate	6.50%	CPI Growth (10 yr avg.)	2.58%
Ten Year IRR	6.57%	Vacancy Allowance	4 months
Terminal Yield	6.50%	WALT (Income)	1.42 years
Net Rate (\$ per sqm)	\$2,717 /sqm	WALT (Area)	1.42 years

Running IRR (after CAPEX)



Projected Net Cash Flow



32, 32A & 32B Jamaica Drive, Grenada North, Wellington - 21 December 2021

Contents

1. Introduction	8	- 5.2 Occupancy and Vacancy	31
- 1.1 Instructions	8	6. Financial Summary	33
- 1.2 Basis of Valuation	8	- 6.1 Lease Expiry Analysis	33
- 1.3 Liability and Confidentiality	8	- 6.2 Operating Expenditure	33
- 1.4 Information Sources	9	- 6.3 Capital Expenditure	35
- 1.5 Compliance Statement	9	7. Market Overview	39
- 1.6 Market Precaution	9	- 7.1 Economic Outlook	39
- 1.7 Valuation Assumptions	10	- 7.2 Market Commentary	42
- 1.8 Previous Sale	10	8. Rental Evidence	45
- 1.9 Previous Valuation	10	- 8.1 Rental Evidence	45
2. Property Details	11	- 8.2 Market Rental Conclusion	49
- 2.1 Legal Description	11	9. Sales Evidence	51
- 2.2 Site Description	15	- 9.1 Sales Evidence	51
- 2.3 Locality	16	- 9.2 Sales Reconciliation	54
- 2.4 Zoning	17	10. SWOT Analysis	55
- 2.5 Highest and Best Use	18	- 10.1 Conclusion of Valuation Metrics	56
3. Environmental and Statutory	19	11. Valuation Approach	57
- 3.1 Earthquake Compliance	19	- 11.1 Capitalisation of Income Method	57
- 3.2 Contamination	20	- 11.2 Discounted Cash Flow Method	60
- 3.3 Asbestos	20	- 11.3 Summary of Valuation Approaches	64
- 3.4 Building Warrant of Fitness	20	12. Valuation Conclusion	65
- 3.5 Statutory Valuation	21	- 12.1 Valuation Analysis	65
4. Improvements	22	- 12.2 Value Apportionment	65
- 4.1 Property Description	22	- 12.3 Cautions and Additional Comments	65
- 4.2 Construction - General	22	- 12.4 Signatory	66
- 4.3 Accommodation Details	23	13. General Principles	67
- 4.4 Floor Areas	27	Appendix	69
5. Lease Details	28	Appendix	70
- 5.1 Lease Documentation	28		

32, 32A & 32B Jamaica Drive, Grenada North, Wellington - **21 December 2021**

1. Introduction

1.1 Instructions

In accordance with instructions received from Prissilla Woe on behalf of PMG Property Funds Management Limited, we have assessed the Market Value of the property at **32, 32A & 32B Jamaica Drive, Grenada North, Wellington**, for Mortgage Security, Capital Raising and Financial Reporting Purposes.

We can confirm that this report and our valuation can be relied upon for finance purposes.

PINZ Professional Practice guidelines and International Valuation Standards require the property be valued as at date of inspection, which we confirm as 8 December 2021. Our valuation is for financial reporting purposes and is effective as at 21 December 2021. Our valuation assumes that there are no significant physical or market changes between the date of inspection and our effective date of valuation.

1.2 Basis of Valuation

This valuation has been completed under the International Valuation Standards – IVS (effective 31 January 2020), and the relevant Australia and New Zealand Valuation and Property Standards as approved by the New Zealand Institute of Valuers (NZIV), in particular:

- IVS 400 - Real Property.
- ANZVGP 111 – Valuations Procedures – Real Property.
- ANZVGP 112 – Valuations for Mortgage and Loan Security Purposes.
- NZVGP 502 Valuations of Real Property, Plant & Equipment for use in New Zealand Financial Reports and NZIAS 40 – Investment Property, which relates to non-operational assets held for future development, investment or surplus to the operations of the entity.

We have adopted the IFRS 13 definition of “Fair Value” as follows:

“Fair Value is the price that would be received to sell an asset or paid to transfer a liability in an orderly transaction between market participants at the measurement date.”

This definition of “Fair Value” is generally synonymous with the term “Market Value” as defined in the International Valuation Standards – IVS (effective 31 January 2020) as:

“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.”

In adopting this definition of value, we are of the opinion that it is consistent with the international definition of market value as advocated by the New Zealand Institute of Valuers and Property Institute of New Zealand.

The property’s value has been assessed in accordance with Australia and New Zealand Valuation and Property Standards, and with Bayleys Valuations Limited General Valuation Principles.

1.3 Liability and Confidentiality

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.

32, 32A & 32B Jamaica Drive, Grenada North, Wellington – **21 December 2021**

This report can be relied upon by the following parties for their respective purposes:

- PMG Generation Fund Trustees Limited – Capital Raising and Financial Reporting Purposes.
- ASB Bank Limited as the Security Trustee.
- Kiwibank Limited.
- Industrial and Commercial Bank of China Limited, Auckland Branch.
- Bank of China Limited, Auckland Branch.

This valuation is not intended for general circulation, publication, or reproduction for any purpose without written permission in any specific instance. No responsibility is accepted nor any liability for losses occasioned by yourselves, any financier, or other parties as a result of the circulation, reproduction or use of this valuation.

We reserve the right (under no obligation) to review the valuation and revise our opinion after the release of this valuation, if any previously withheld information becomes known to us or erroneous information has been provided and relied upon.

1.4 Information Sources

In the compilation of this valuation we have been provided with detail of, but not limited to the following sources:

Information	Source
Record of Title	Land Information New Zealand
District Planning Controls	Local Territorial Authority
Property Files (Lease Documents & OPEX Schedules)	PMG Property Funds Management Limited

1.5 Compliance Statement

This valuation has been performed in accordance with International Valuation Standards, and we confirm that:

- The statements of fact presented in the report are correct to the best of the Valuer's knowledge;
- The analyses and conclusions are limited only by the reported assumptions and conditions;
- The valuer has no interest in the subject property;
- The valuer's fee is not contingent upon any aspect of the report;
- The valuation was performed in accordance with an ethical code and performance standards;
- The valuer has satisfied professional education requirements;
- The valuer has experience in the location and category of the property being valued;
- The valuer 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.

1.6 Market Precaution

Material Valuation Uncertainty

At the time of our valuation, and also over the period leading up to our report release, there were no known cases of COVID-19 within the Wellington "community", but it is only a matter of time before the latest Delta variant spreads throughout the country.

During 2020 / 2021, COVID-19 has had little to no negative impact on market conditions in the Wellington area. Any slight uncertainty was being more than offset by buyers having the confidence to invest in most property categories, evidenced by strong demand and upward price movements. As a substantial proportion of the population is now

32, 32A & 32B Jamaica Drive, Grenada North, Wellington – 21 December 2021

vaccinated, any earlier risk has been minimised, however, we suspect that the property market will encounter a “speedbump” as the variant extends its hold on the country.

The property market has been on an upward trajectory for the past five years, fuelled by low interest rates, pent up demand, limited supply of stock presented to the market, and changes in government policy regarding residential investment tax deductibility. Many of these “drivers” are now facing “headwinds” and some easing in the property cycle is likely as central government implement steps to curb rising inflation. We are already starting to witness signs that a market shift is occurring, evidenced by banks imposing tighter lending restrictions and a slight elevation in buyer caution. As history has taught us, the property market traverses high and low cycles, and the latest underlying indicators suggest that a change may well be imminent.

1.7 Valuation Assumptions

In completing our valuation, the following property specific assumptions have been made:

- The valuation assumes that certified surveyed floor areas of the subject improvements are correct and an accurate representation of the subject improvements.

1.8 Previous Sale

The property most recently transacted for **\$14,750,000** on March 2020.

1.9 Previous Valuation

We have previously valued this property in its totality for Mortgage Security, Capital Raising and Financial Reporting Purposes, most recently in March 2021 at **\$17,100,000** plus GST (if any). For clarity, our apportionment across the three building structures is as follows:

Property Address	Assessed Market Value
32 Jamaica Drive	\$7,875,000
32A Jamaica Drive	\$3,700,000
32B Jamaica Drive	\$5,525,000
Total(s)	\$17,100,000

2. Property Details

2.1 Legal Description

The three defined tenancies are individually titled, and we detail below a summary of the Records of Title:

Property	Legal Description	Land Area	Computer/Freehold Register(s)
32 Jamaica Drive	Lot 1 DP 471567	6,756 sqm	640343
32A Jamaica Drive	Lot 2 DP 471567	1,986 sqm	640344
32B Jamaica Drive	Lot 3 DP 471567	2,126 sqm	640345
Total(s)	-	10,868 sqm	-

We detail below the individual Computer Freehold Register(s) and relevant interests pertaining to each title:

32 Jamaica Drive, Grenada North

Identifier	640343
Land Registration District	Wellington
Estate	Fee Simple
Legal Description	Lot 1 Deposited Plan 471567
Land Area	6,756 square metres (more or less)
Registered Owners	PMG Generation Fund Trustees Limited
Interests	<ul style="list-style-type: none"> • Appurtenant hereto is a sewage drainage right created by Transfer 128369.1 - 11.9.1975 at 10:22 am • Appurtenant hereto is a right of way specified in Easement Certificate B308761.5 - 9.9.1993 at 2:51 pm • The easement specified in Easement Certificate B308761.5 is subject to Section 243(a) Resource Management Act 1991 • Subject to a right (in gross) to transmit electrical energy and gas over parts marked A, AA & AC on DP 471567 in favour of (now) Powerco Limited and Vector Wellington Electricity Network Limited (in shares) created by Transfer B308761.7 9.9.1993 at 2:51 pm • The easements created by Transfer B308761.7 are subject to Section 243(a) Resource Management Act 1991 • Subject to a water drainage right (in gross) over parts marked AD, AE, AF & AP on DP 471567 in favour of the Wellington City Council created by Transfer B308761.8 - 9.9.1993 at 2:51 pm • The easements created by Transfer B308761.8 are subject to Section 243(a) Resource Management Act 1991 • Subject to a right (in gross) to convey electricity and telecommunications over parts marked AA, AE & AH on DP 471567 in favour of Wellington Electricity Lines Limited created by Easement Instrument 8793985.1 - 12.7.2011 at 1:00 pm

32, 32A & 32B Jamaica Drive, Grenada North, Wellington - **21 December 2021**

- Subject to a right to drain water over parts marked A, AD, AE, AF, AG, AJ & AP and sewage over parts marked A, AD, AG, AH & AI and a right to convey telecommunications and computer media over parts marked AK & AN, all on DP 471567 created by Easement Instrument 8826894.2 - 11.8.2011 at 5:17 pm
- Appurtenant hereto is a right of way and a right to convey electricity created by Easement Instrument 8826894.2 - 11.8.2011 at 5:17 pm
- Some of the easements created by Easement Instrument 8826894.2 are subject to Section 243(a) Resource Management Act 1991 (see DP 443665)
- 8839054.3 Encumbrance to Market Gardeners Limited - 5.9.2011 at 9:06 am
- Subject to a party wall easement over parts marked AM, AN, AO, AP & AQ and a right to convey gas over part marked AL on DP 471567 created by Easement Instrument 9746773.2 - 22.8.2014 at 11:22 am
- Appurtenant hereto is a party wall easement created by Easement Instrument 9746773.2 - 22.8.2014 at 11:22 am
- The easements created by Easement Instrument 9746773.2 are subject to Section 243(a) Resource Management Act 1991
- 12194908.4 Mortgage to ASB Bank Limited - 30.7.2021 at 4:21 pm

32A Jamaica Drive, Grenada North

Identifier	640344
Land Registration District	Wellington
Estate	Fee Simple
Legal Description	Lot 2 Deposited Plan 471567
Land Area	1,986 square metres (more or less)
Registered Owners	PMG Generation Fund Trustees Limited
Interests	<ul style="list-style-type: none"> • Appurtenant hereto is a sewage drainage right created by Transfer 128369.1 - 11.9.1975 at 10:22 am • Appurtenant hereto is a right of way specified in Easement Certificate B308761.5 - 9.9.1993 at 2:51 pm • The easement specified in Easement Certificate B308761.5 is subject to Section 243(a) Resource Management Act 1991 • Subject to a water drainage right (in gross) over parts marked BD, BG, BH, BI, BK & BQ on DP 471567 in favour of the Wellington City Council created by Transfer B308761.8 - 9.9.1993 at 2:51 pm • The easements created by Transfer B308761.8 are subject to Section 243(a) Resource Management Act 1991 • Subject to a right to drain water over parts marked BD & BG and sewage over parts marked BJ, BK, BM, BQ & BR and a right to convey telecommunications and computer media over parts marked BB, BF, BH, BN, BU & BW, all on DP 471567 created by Easement Instrument 8826894.2 - 11.8.2011 at 5:17 pm • Appurtenant hereto is a right of way and a right to convey electricity created by Easement Instrument 8826894.2 - 11.8.2011 at 5:17 pm

32, 32A & 32B Jamaica Drive, Grenada North, Wellington - **21 December 2021**

- Some of the easements created by Easement Instrument 8826894.2 are subject to Section 243(a) Resource Management Act 1991 (see DP 443665)
- 8839054.3 Encumbrance to Market Gardeners Limited - 5.9.2011 at 9:06 am
- Subject to a party wall easement over parts marked BA, BB, BC, BD, BE, BQ, BR, BS, BT, BU & BV and a right of way over part marked BP on DP 471567 created by Easement Instrument 9746773.2 - 22.8.2014 at 11:22 am
- Appurtenant hereto are party wall easements, a right of way, a right to drain water and sewage and a right to convey gas, water, electricity, telecommunications and computer media created by Easement Instrument 9746773.2 - 22.8.2014 at 11:22 am
- The easements created by Easement Instrument 9746773.2 are subject to Section 243(a) Resource Management Act 1991
- Subject to a right to drain water over parts marked BH, BI, BL, BM, BR & BS on DP 471567 created by Easement Instrument 9746773.3 - 22.8.2014 at 11:22 am
- Appurtenant hereto is a right to drain water created by Easement Instrument 9746773.3 - 22.8.2014 at 11:22 am
- 12194908.4 Mortgage to ASB Bank Limited - 30.7.2021 at 4:21 pm

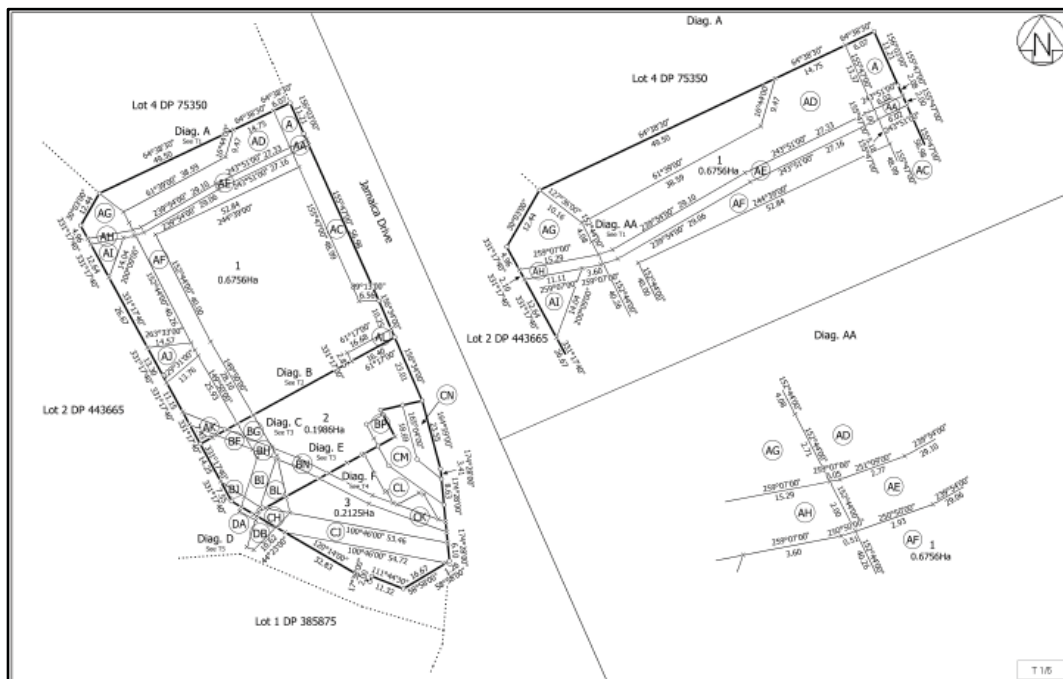
32B Jamaica Drive, Grenada North

Identifier	640345
Land Registration District	Wellington
Estate	Fee Simple
Legal Description	Lot 3 Deposited Plan 471567
Land Area	2,125 square metres (more or less)
Registered Owners	PMG Generation Fund Trustees Limited
Interests	<ul style="list-style-type: none"> • Appurtenant hereto is a sewage drainage right created by Transfer 128369.1 - 11.9.1975 at 10:22 am • Appurtenant hereto is a right of way specified in Easement Certificate B308761.5 - 9.9.1993 at 2:51 pm • The easement specified in Easement Certificate B308761.5 is subject to Section 243(a) Resource Management Act 1991 • Subject to a water drainage right (in gross) over parts marked CA & CG on DP 471567 in favour of the Wellington City Council created by Transfer B308761.8 - 9.9.1993 at 2:51 pm • The easements created by Transfer B308761.8 are subject to Section 243(a) Resource Management Act 1991 • Subject to a right to drain sewage over parts marked CA, CB, CG, CH & CJ and a right to convey telecommunications and computer media over parts marked CE & CK on DP 471567 created by Easement Instrument 8826894.2 - 11.8.2011 at 5:17 pm • Appurtenant hereto is a right of way and a right to convey electricity created by Easement Instrument 8826894.2 - 11.8.2011 at 5:17 pm

32, 32A & 32B Jamaica Drive, Grenada North, Wellington - **21 December 2021**

- Some of the easements created by Easement Instrument 8826894.2 are subject to Section 243(a) Resource Management Act 1991 (see DP 443665)
- 8839054.3 Encumbrance to Market Gardeners Limited - 5.9.2011 at 9:06 am
- Subject to a party wall easement over parts marked CA, CB, CC, CD, CE & CF, a right of way over part marked CM, a right to drain water over parts marked CA, CB, CC, CG, CH, CI, CL, CM & CN and a right to convey water, electricity, telecommunications and computer media and a right to drain sewage over parts marked CL, CM & CN, all on DP 471567 created by Easement Instrument 9746773.2 - 22.8.2014 at 11:22 am
- Appurtenant hereto is a party wall easement and a right of way created by Easement Instrument 9746773.2 - 22.8.2014 at 11:22 am
- The easements created by Easement Instrument 9746773.2 are subject to Section 243(a) Resource Management Act 1991
- Subject to a right to drain water over parts marked CB, CC, CH & CI on DP 471567 created by Easement Instrument 9746773.3 - 22.8.2014 at 11:22 am
- 12194908.4 Mortgage to ASB Bank Limited - 30.7.2021 at 4:21 pm

The Title Plan for all Records of Title is depicted below:



The majority of the noted easements and encumbrances relate to party wall easements as a function of their being common inter-tenancy boundary walls and various access and utility easements crossing the site. The inclusion of Section 243(a) of the Resource Management Act relates to the requirement to transfer all relevant notations in the event that the title is further subdivided.

We have noted all the above easements and encumbrances and have taken them into account in our valuation assessment. We refer you to the Record of Title in the Appendices of this report.

32, 32A & 32B Jamaica Drive, Grenada North, Wellington - **21 December 2021**

2.2 Site Description

We summarise the site details as below:

Shape and Site Area	Large irregular shaped site with an extended curved frontage to Jamaica Drive. The northern and central part of the site is of uniform depth but tapers to the south as a function of Jamaica Drive and the adjacent driveway access to the rear site. Total site area encompasses some 10,868 sqm.
Approximate Frontages	Jamaica Drive 163 metres Depth (range) 17.8 to 80.3 metres
Topography	Site contour is mostly level, aided by solid retaining to the northern street edge with the original site falling away to the street below. The southern section of the site has a gentle falling slope to the road with this section of the site utilised as common driveway and forecourt parking. Improvements are sited towards the rear western boundary on a level site with fenced open yards to the north and east on engineered compacted fill.
Services	All standard utility services, telecommunications, drainage and water connections are connected or available in the nearby streets.
Access	Pedestrian and vehicular access is gained from both frontages.
Subsoil	The site is assumed to be on firm natural ground for the purposes of our valuation.

The site is indicated below:



32, 32A & 32B Jamaica Drive, Grenada North, Wellington - **21 December 2021**

2.3 Locality

We summarise the locality details as below:

Location	Grenada North
Situation	The subject property is located within a hillside industrial area adjoining State Highway 1 known as Grenada North, positioned between Wellington City and Porirua City. It contains a preponderance of small and medium sized industrial workshop/warehouse type buildings, many of which were built during the 1970s' and 1980s' era. Since circa 2000, a number of buildings nearby have been renovated, and there have also been examples of new developments such as the subject complex and new developments to the rear.
Surrounds	<p>Located approximately 1 kilometre to the east of State Highway 1, the subject property forms part of a larger office and warehouse development completed circa 2012, located to the western side of Jamaica Drive, being the main arterial road serving the greater area. Jamaica Drive is sufficient in width to accommodate two-way vehicular traffic plus on-street parking and footpaths.</p> <p>Grenada North has evolved as a popular location for many businesses involved in the distribution of product throughout the Wellington region. It occupies a handy location, effectively adjoining State Highway 1 and is some 15 kilometres north of Wellington City, 7 kilometres south of Porirua City and approximately 3.5 kilometres from Tawa central suburban retail area. A commuter railway station is approximately 1.5 kilometres from the subject property.</p>
Summary	<p>Overall, the neighbourhood known as Grenada North has progressively improved as an industrial location and now accommodates many small businesses that have been forced to relocate from Wellington, in particular Te Aro, where older style warehouse properties have been purchased and converted to provide apartments and alternative higher and better uses. There is now very little vacant land available for future development in Grenada North, and most new build activity is therefore likely to be restricted to the development of existing properties. Further south in Grenada, NZ Post and Bid Food have committed to major new builds as distribution hubs.</p> <p>Work on Transmission Gully has progressed well and will provide motorway linkage between the current urban motorway just north of the Tawa turnoff to approximately 1 kilometre north of Paekakariki.</p>

32, 32A & 32B Jamaica Drive, Grenada North, Wellington – **21 December 2021**

The locality is indicated below:



2.4 Zoning

Territorial Authority	Wellington City Council
District Plan	Wellington City District Plan
Zoning	Business 2
Zone Description	The subject land is zoned Business 2 on Wellington’s Operative District Plan. This land use classification has been applied to those areas of Wellington containing places of employment, commerce, administration, retail, industry, entertainment and residential activities. Geographically spread throughout the city, Business areas provide focal points of business activity outside of the Central Area and make a contribution to the city’s economy by providing for employment generation and economic development. The Business areas are extremely varied and generate a range of resource management issues.
Permitted Activities	<p>A notable trend during the past 20 years has been the move of residential and retail activities into areas previously dominated by commercial and industrial uses. This has provided a greater mix in some areas, but a downside is that over time, it may make it difficult for small to medium sized industrial activities and businesses to find land and premises within the city boundaries. The Business Area chapter of the District Plan recognises changing circumstances within the environment and aims to provide a balanced approach to the management of such activities and their effects.</p> <p>Traditional business areas where a range of industrial activities including warehousing, manufacturing and commercial activities can occur. Because of the industrial nature of the activities in such areas, low levels of amenity are</p>

32, 32A & 32B Jamaica Drive, Grenada North, Wellington – 21 December 2021

	acceptable compared to other areas in the city. Residential and some retail activities are restricted in Business 2 areas.
Development Controls	Height Limit 18 metres
Overlay Controls	Nil

Our valuation proceeds on the basis and is subject to the property being a complying activity and/or having all necessary consents and permits in place and/or having existing use rights under Section 10 of the Resource Management Act 1991.

The foregoing zone summary has been provided for valuation purposes only and should not be relied upon for the purposes of determining whether a particular activity or development is permitted within the zone. Should you require information in this regard we recommend you consult with a Planning Consultant or the Local Authority.

2.5 Highest and Best Use

The current which is commercial/industrial is considered to represent the highest and best use of the site.

3. Environmental and Statutory

3.1 Earthquake Compliance

A new national system for managing earthquake-prone buildings in New Zealand came into effect on 1 July 2017. The new system affects owners of earthquake-prone buildings, territorial authorities (local councils), engineers, other building professionals and building users.

The Building (Earthquake-Prone Buildings) Amendment Act 2016 introduced major changes to the way earthquake-prone buildings are identified and managed under the Building Act. It uses knowledge from past earthquakes in New Zealand and overseas. The system is consistent across the country and focuses on the most vulnerable buildings in terms of people's safety.

An earthquake prone building is defined under legislation as being a building whose strength is less than one-third of that required under the existing legislation for a new building (NZS 1170.5:2004). Once a building is classified as earthquake prone it will need to be strengthened or, if appropriate, demolished. The objective is to improve safety and increase the likelihood of existing buildings withstanding earthquakes.

The new legislation categorises New Zealand into three seismic risk areas and sets time frames for identifying and taking action to strengthen or remove earthquake-prone buildings. The seismic risk areas are High, Medium and Low. There is also a category of "priority buildings" in high and medium seismic areas. These are buildings that are considered higher risk because of their construction, type, use or location. They must be identified and remediated in half the time allowed for other buildings in the area. The system is also designed to ensure that information about earthquake prone buildings is publicly accessible through an Earthquake Prone Buildings Register.

The new national system ensures the way buildings are managed for future earthquakes is consistent and is intended to strike a balance between the following:

- Protecting people from harm in an earthquake.
- The costs of strengthening or removing buildings.
- The impact on New Zealand's built Heritage.

The typical process is:

- Territorial authorities identify potentially earthquake prone buildings.
- Owners who are notified by their territorial authority must obtain engineering assessments of the building carried out by suitably qualified engineers.
- Territorial authorities determine whether buildings are earthquake prone, assign ratings, issue notices and publish information about the buildings in a public register.
- Owners are required to display notices on their building and to remediate their building.

Seismic Risk Area	Example Locations	Priority	Other
High	Gisborne, Napier, Hastings, Palmerston North, Wellington, Blenheim, Christchurch	7.5 years	15 years
Medium	Tauranga, Hamilton, Rotorua, New Plymouth, Whanganui, Nelson, Timaru, Invercargill	12.5 years	25 years
Low	Northland, Auckland, Oamaru, Dunedin	N/A	35 years

Grenada North is located in a high Seismic Risk Area. Time frames for owners to do seismic work on earthquake-prone buildings are shown above. We note priority buildings do not have to be identified in low seismic risk areas. In these low seismic risk areas, the time frames for all buildings are 15 years to identify and 35 years to remediate.

32, 32A & 32B Jamaica Drive, Grenada North, Wellington - **21 December 2021**

We have previously been supplied with an Initial Seismic Assessment Report prepared by EQ STRUC Ltd, dated 18 September 2020. In summary, the report highlights that Unit 32 and 32A are structurally connected and 32B is a separate structure. All three units achieve 80% NBS, Grade A based on the IEP Assessment. Overall, the report regards the building structures are in good condition, however, a horizontal crack was observed in Unit 32B, the crack is within the ground bearing slab and likely due to the absence of connections between the slab and precast walls. The foundations for the precast wall are beneath the slab and is likely to be unaffected by the crack.

3.2 Contamination

As defined by the Australian and New Zealand Environment and Conservation Council (ANZECC) and the National Health and Medical Research Council (NHMRC) a contaminated site comprises “a site at which hazardous substances occur at concentrations above background levels, and where assessment indicates it poses or is likely to pose an immediate or long term hazard to human health or the environment”.

Registered Valuers are not adequately qualified to detect substances of this type. Our role is limited to the detection and preliminary identification of contamination through making reasonable site inspections and making enquiries to appropriate authorities.

During inspections Bayleys Valuations Limited attempts to identify, from on-site observations, any potential or actual contamination issues thereafter recommending further expert advice where appropriate.

We have made enquiries with Greater Wellington Regional Council (GWRC) via their Selected Land Use Register (SLUR) and note that the subject property is not recorded within the database. The property’s exclusion from the register does not imply that the site is not contaminated; only that GWRC have no evidence of contamination at the site. We have completed our valuation on the basis that the site is free of contaminants and have made no allowance in our valuation for site remediation works.

The valuation stated within this report assumes there are no potentially hazardous materials on site (such as hazardous chemicals, toxic waste or asbestos) that could, if present, adversely impact upon property values. We can accept no responsibility should such substances be located on the property, as a registered Valuer is not adequately qualified to detect substances of this type.

3.3 Asbestos

During the course of our inspection, no asbestos was evident on site (but we are not experts in this area). If asbestos materials are found to be present on site, this valuation must be referred back to the valuer for further consideration and possible reassessment.

3.4 Building Warrant of Fitness

With the introduction of the Building Act 2004 and amendments in 2005, building owners have new responsibilities to guarantee a building’s health and safety. Part of this responsibility includes the annual Building Warrant of Fitness. The Building Warrant of Fitness is the owner’s statement that all automatic systems or all safety features have been inspected and maintained on a regular basis during the previous 12 months. The automatic systems or safety features which require ongoing inspections are summarised on the Building Warrant of Fitness.

Individual Building Warrant of Fitness's have been issued for the respective Units. We note these are displayed in the Units and the date of expiry for each is as follows:

Building	Expiry Date
32 Jamaica Drive	12 December 2021
32A Jamaica Drive	13 June 2022
32B Jamaica Drive	25 June 2022

3.5 Statutory Valuation

The latest Rating Valuation has been recently released with an effective date of 1 September 2021 and will be used as the basis to set Local Body rates for the July 2022 rating year.

Component	32 Jamaica Drive	32A Jamaica Drive	32B Jamaica Drive
Land Value	\$3,400,000	\$1,210,000	\$1,280,000
Improvements Value	\$3,950,000	\$5,290,000	\$6,720,000
Capital Value	\$7,350,000	\$6,500,000	\$8,000,000
Rates 2021/2022 (incl. GST)	\$67,516.90	\$39,681.01	\$59,817.63

The above assessments represent part of a mass appraisal, normally undertaken without any form of inspection. The Rating Valuation is reviewed on a three-yearly basis and will be next reviewed in September 2024.

Assessed Capital Values for 32A and 32B appear to be overstated relative to our concluded market value. Currently, objections can be lodged with Quotable Value up to 29 January 2022 and we would recommend that this course of action be taken to realign these values to market and to mitigate paying excess rates from July 2022 onwards.

4. Improvements

4.1 Property Description

The subject property consists of three adjoining modern premises, split across three separate titles, encompassing some 10,868 square metres. Accommodation comprises mostly industrial space utilised for warehouse purposes with ancillary office accommodation connected alongside.



32 Jamaica Drive (External)



32A Jamaica Drive (External)



32B Jamaica Drive (External)

External construction of the Units is reasonably uniform, the office components featuring large glazing units broken by concrete panel sections and a low-pitched iron roof. Warehouses are formed by low concrete formed panels with RSJ framing above, clad in long-run iron. Translucent panels are incorporated within the roofing iron draining to concealed gutters.

4.2 Construction - General

Foundations	Reinforced concrete.
Floors	Concrete slab over foundations.
Structural Frames	Concrete tilt panel and glazed units to offices, low concrete panel to warehouses with RSJ steel frame above supporting steel roof trusses, steel purlins overlaid in mesh and foil. Full height solid concrete panel wall between units.
External Cladding	Painted concrete sections, glazing and horizontal long-run iron to upper warehouse wall sections.
Joinery	Aluminium joinery to all office components, exterior doors to deck and courtyards.
Roof	Low pitched roof lines, the warehouse components incorporating translucent panels, all draining into internal gutters and rain heads.

32, 32A & 32B Jamaica Drive, Grenada North, Wellington – 21 December 2021

4.3 Accommodation Details

32 Jamaica Drive, Grenada North (Coca-Cola Amatil (NZ) Limited)

Coca-Cola occupies the northern most unit which comprises a regular shaped, mostly single storey, unit built upon a reinforced concrete floor slab.



Offices / Kitchenette



Office



Amenities

Entry is gained from the northern elevation via double swing entry doors acting as a wind lobby, opening into a side located reception and main entrance. The staff / office component extends across the site, one end providing largely open plan office accommodation with full height aluminium glazing to two elevations, a modern suspended tile ceiling incorporating recess tube lights and concealed A/C ducting and other services in the ceiling void. Internal walls are lined in plasterboard and decorated to a paint finish.

To the opposite end is an open plan staff breakout / lunchroom containing a modern kitchen facility along one wall, benches and similar glazing units to two elevations. Carpet tiles extends throughout both areas apart from tile flooring to the defined kitchen area. Running along the southern side of the staff lunch area are a series of meeting rooms, defined by glazed partitions and a relocatable dividing wall between.



Warehouse (Workshop)



Warehouse (Workshop)



Warehouse (Low Stud)

An exterior door to the eastern elevation opens into an enclosed fenced courtyard, paved in exposed aggregate concrete with perimeter plantings. Branching off the reception area is a short wide corridor leading to the truck drive-through transition facility. Located off the corridor are separate well-appointed modern amenities plus disabled facilities that include a 'wet floor' corner shower.

Eight-metre-wide electric roller doors secure either end of the drive-through component. This area features a concrete floor, large RSJ columns to either side and steel members spanning the full width ensuring uninterrupted column-free space. Stud height at the low point was 5.7 metres and the low-pitched roof is supported on steel

32, 32A & 32B Jamaica Drive, Grenada North, Wellington - 21 December 2021

purlins overlaid in long-run iron incorporating translucent panels to part. Two similar width roller doors located to one side of the drive-through transition open into the large southern warehouse.

Good natural light is afforded via the generous use of translucent panels within the roofline, supplemented by suspended lighting. Stud height to the warehouse is 8.4 metres at the apex, decreasing to circa 6.8 metres at the knee.

Along the eastern side, heavy RSJ horizontal beams support a concrete mezzanine level running the full depth of the warehouse. Timber stairs at either end offers easy access with the open edge protected by a solid timber balustrade. Stud height to the mezzanine level was generous metres and offered good secondary workspace or storage. Workshop type accommodation was provided beneath, stud height limited to 2.9 metres and included strip lighting and an exposed fresh air / extraction ducted system.



Warehouse (Supply Chain)

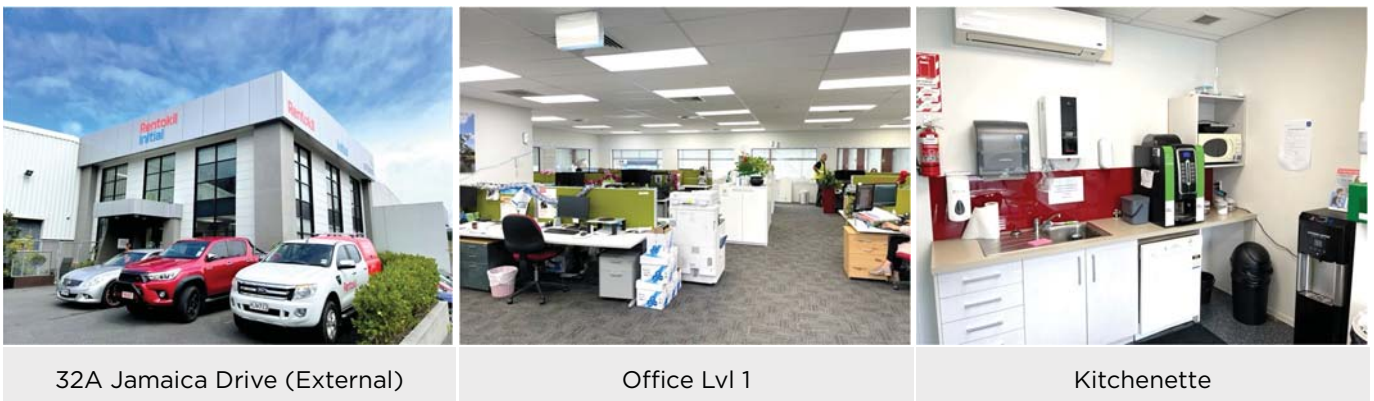
Office (Warehouse)

Canopy

Located to the northern side of the main warehouse was a small two storey component, the ground level containing a staff kitchen with tidy separate amenities and a ‘wet floor’ shower behind. The balance of the ground floor contains an office, whilst open stairs access the upper office level, containing windows overlooking the warehouse. Wall and ceiling linings are mostly painted plasterboard with carpet and vinyl flooring and tube lighting.

32A Jamaica Drive, Grenada North (Rentokil Initial Limited)

This Unit is the smaller of the three Units and is positioned between with a two-storey office component to the frontage, the upper level part extending back into the rear high stud warehouse. Wide roller doors to the front and rear warehouse elevations permit truck drive-through access; the balance of the warehouse offering high stud column-free accommodation with good overhead lighting and internal office access. Twenty open parks are associated with the tenancy located to the forecourt and rear.



32A Jamaica Drive (External)

Office Lvl 1

Kitchenette

32, 32A & 32B Jamaica Drive, Grenada North, Wellington – 21 December 2021

General construction and level of finishing are similar to Coca-Cola; the air-conditioned office accommodation provides a combination of open plan and partitioned space, featuring suspended ceilings, carpet tiles, recess lighting and painted perimeter walls. Full height glazing to the external elevations ensures good natural light with internal windows to the rear upper level overlooking the warehouse below.



Warehouse



Garden Enclosure



Canopy

Separate tidy amenities are provided to both levels and include disabled facilities and a shower to the ground floor. Duplicate kitchen facilities featuring a small bench unit, instant hot water, cabinetry and vinyl flooring, positioned to the ground and first floor.

32B Jamaica Drive, Grenada North (Desktop Imaging Limited & New Zealand Micrographic Services Limited)

32B Jamaica Drive is the southernmost unit, comprising an irregular shaped two storey unit incorporating two levels of offices extending along the frontage and a large high stud rear warehouse component accessed internally or via two separate roller doors. Construction is consistent with the Coca-Cola unit.

Internally, access to the offices is gained via a double bi-parting glass wind lobby opening into a double stud height reception. This area features full height floor to ceiling glass, a polished concrete floor, an open stairwell leading to the upper level and a rear located reception. Ground floor offices extend around the perimeter and are divided into multiple offices by plasterboard and glazed partitions. A larger, more open plan area is provided to the rear with connections through to the rear warehouse. A well-appointed staff kitchen features fitted joinery and appliances, with French doors opening to a fenced barbeque enclosure attractively cobblestoned and landscaped. Separate well-appointed amenities service the floor and extend to disabled access facilities.



32B Jamaica Drive (External)



Office / Entry (Ground)



Outside BBQ Area

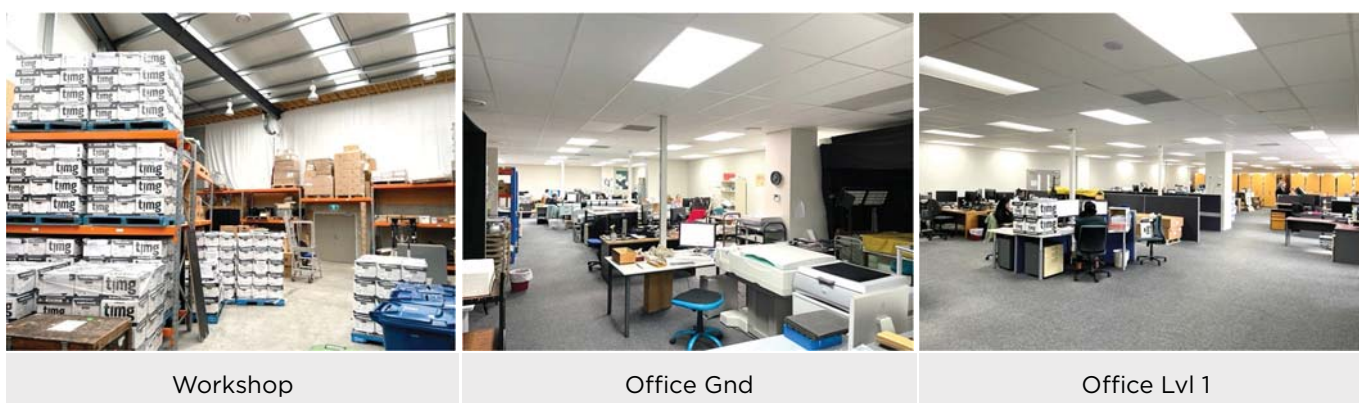
32, 32A & 32B Jamaica Drive, Grenada North, Wellington - **21 December 2021**

The first-floor offices provide more open plan accommodation with partitioned offices located to the street corner only, alongside another well-appointed cafeteria opening onto a cantilevered deck with metal handrail edge protection. Similar amenities are provided servicing the floor.

The irregular shaped warehouse component extends to the rear. A central low partitioned area divides the warehouse into two components with a fabric material above having been installed for separation. The northern component is separately subleased, with direct access from the rear roller door – this component was not inspected, but we understand a similar level of accommodation is provided. The warehouse provides high stud column-free accommodation with a concrete floor and connections to the offices alongside.

Fitout to the offices include a combination of good and average quality tile floor coverings, vinyl flooring and tiles to service areas. A suspended ceiling extends throughout incorporating recessed tube lighting, concealing fire protection systems within the ceiling cavity. Partitioned offices extend around the part perimeter and staff amenities and kitchen areas are well-appointed and of generous proportions.

A dockway landing adjacent to the first-floor offices is utilised for the transfer of goods from the ground floor warehouse.



Carparks and Other Improvements

Generous open carparking is provided surrounding the various Units, allocated accordingly. All surrounding areas and forecourts are attractively tar-sealed with perimeter kerbing and feature landscaped edged gardens. For the Coca-Cola unit, the asphalt extends around to the eastern elevation enabling truck circulation and access to additional parking positioned alongside.

Boundaries are mostly fenced in galvanised post and chain link mesh.

Condition & Repair

The property appears to be subject to a regular maintenance upkeep programme and overall, is a very tidy asset, offering universal accommodation surpassing most other industrial stock in the area.

32, 32A & 32B Jamaica Drive, Grenada North, Wellington – **21 December 2021**

4.4 Floor Areas

We have been supplied with certified surveyed floor areas of the subject improvements. We have cross-checked these with on-site measurements which confirm the accuracy of the floor areas provided. We have relied upon these areas for the purpose of this valuation and summarise the rentable areas as follows:

32, 32A & 32B Jamaica Drive, Grenada North - Tenancy Schedule					
Tenancy Details					
Tenant	Level / Suite	Renewal Type	Lettable Area m²	Prop. (%)	Car Bays
Coca-Cola Amatil (NZ) Ltd	Office - Ground	Office	515.0	16.83%	-
Coca-Cola Amatil (NZ) Ltd	Office - Warehouse	Office	109.0	3.56%	-
Coca-Cola Amatil (NZ) Ltd	Warehouse - Workshop	Industrial	1,123.0	36.70%	-
Coca-Cola Amatil (NZ) Ltd	Warehouse - Supply Chain	Industrial	653.0	21.34%	-
Coca-Cola Amatil (NZ) Ltd	Warehouse - Low Stud	Industrial	330.0	10.78%	-
Coca-Cola Amatil (NZ) Ltd	Yard	Industrial	1505.0*	-	-
Coca-Cola Amatil (NZ) Ltd	Canopies	Industrial	30.0*	-	-
Coca-Cola Amatil (NZ) Ltd	Mezzanine	Industrial	330.0	10.78%	-
Coca-Cola Amatil (NZ) Ltd	Courtyard	Industrial	50.0*	-	-
Coca-Cola Amatil (NZ) Ltd	Carparks	Car Parking	-	-	30
Subtotal - Coca-Cola Amatil (NZ) Ltd			3,060.0	100%	30
Rentokil Initial Ltd	Office - Ground	Office	175.0	11.90%	-
Rentokil Initial Ltd	Office - Level 1	Office	275.0	18.71%	-
Rentokil Initial Ltd	Warehouse	Industrial	1,020.0	69.39%	-
Rentokil Initial Ltd	Canopies	Industrial	27.0*	-	-
Rentokil Initial Ltd	Garden Enclosure	Industrial	33.0*	-	-
Rentokil Initial Ltd	Carparks	Car Parking	-	-	22
Subtotal - Rentokil Initial Ltd			1,470.0	100%	22.0
Desktop Imaging Ltd & NZ Micrographic Services Ltd	Office - Ground	Office	778.0	39.51%	-
Desktop Imaging Ltd & NZ Micrographic Services Ltd	Office - Level 1	Office	723.0	36.72%	-
Desktop Imaging Ltd & NZ Micrographic Services Ltd	Workshop	Industrial	406.0	20.62%	-
Desktop Imaging Ltd & NZ Micrographic Services Ltd	Air Conditioned Store	Industrial	62.0	3.15%	-
Desktop Imaging Ltd & NZ Micrographic Services Ltd	Canopies	Industrial	42.0*	-	-
Desktop Imaging Ltd & NZ Micrographic Services Ltd	Outside BBQ Area	Industrial	50.0*	-	-
Desktop Imaging Ltd & NZ Micrographic Services Ltd	Deck	Industrial	25.0*	-	-
Desktop Imaging Ltd & NZ Micrographic Services Ltd	Carparks	Car Parking	-	-	20
Subtotal - Desktop Imaging Ltd & NZ Micrographic Services Ltd			1,969.0		20
Total - 32, 32A & 32B Jamaica Drive, Grenada North			6,499.0		72

32, 32A & 32B Jamaica Drive, Grenada North, Wellington - **21 December 2021**

5. Lease Details

5.1 Lease Documentation

32 Jamaica Drive, Grenada North – Coca-Cola Amatil (NZ) Limited

We have been provided with a copy of the following lease documents:

- Deed of Lease (2012).
- Rental Certificate (2017).

The above have been perused and are held on file. The salient details are summarised as follows:

Form of Lease	ADLS 5 th Edition 2008
Tenant / Lessee	Coca-Cola Amatil (NZ) Limited
Guarantor	N/A
Premises	All that part of the Landlord's premises at 34 Jamaica Drive, Grenada North, Wellington.
Carparks	The original Deed of Lease states two figures being: Fifty-six (56) parks and Thirty-five (35) parks. We have referred to and adopted the Spencer Holmes Lease Area Measure (21 January 2020) that states thirty-five (35) parks are connected to the tenancy.
Term	Nine (9) years
Commencement Date	14 December 2011
Initial Expiry Date	13 December 2020
Rights of Renewal	Two (2) rights of renewal each of three (3) years – first option exercised
Renewal Dates	14 December 2020 and 14 December 2023
Final Expiry Date	13 December 2026
Commencement Rental	\$443,735 p.a. plus GST
Current Passing Rental	\$589,565 p.a. plus GST
Rent Review Provision	Three yearly to CPI + 2.0% and Market reviews upon renewal
Ratchet Clause	The Annual Rental shall be limited to a movement of not more than 13% of the Commencement Rental over the review period.
Proportion of Outgoings	Gross Lease with Lessee responsible for consumables and utilities only
Business / Permitted Use	Distribution Centre and Offices
Additional Clauses	Clause 47.1 Right of First Refusal: If at any time during the term of the Lease, including during any period of renewal, the Lessor intends to sell all of the property as described in the First Schedule, the Lessee shall have the right to purchase the Lessor's interest in the premises.
Fixtures and Fittings	The Lease is silent regarding the Lessor's fixtures and fittings. We have assumed the premises were furnished to a bare-shell state which included the following: <ul style="list-style-type: none">• Suspended ceilings to office areas;• Fixed floor coverings;• HVAC units and associated plant & machinery;• Kitchen joinery;

32, 32A & 32B Jamaica Drive, Grenada North, Wellington – **21 December 2021**

- Plumbing fittings;
- Electrical, data and light fittings; and
- Perimeter fencing;

The remaining fitout to the premises are assumed to be Lessee's improvements, which have been excluded in our assessment.

32A Jamaica Drive, Grenada North - Rentokil Initial Limited

We have been provided with a copy of the following lease document:

- Agreement to Lease (2021).

The above has been perused and is held on file. The salient details are summarised as follows:

Form of Lease	ADLS 6 th Edition 2012 (5)
Tenant / Lessee	Rentokil Initial Limited
Guarantor	N/A
Premises	All of the land and buildings as denoted in the Premises Plan.
Carparks	Twenty-two (22) parks
Term	Six (6) years
Commencement Date	15 September 2021
Initial Expiry Date	14 September 2027
Rights of Renewal	One (1) further term of four (4) years
Renewal Dates	15 September 2027
Final Expiry Date	14 September 2031
Commencement Rental	\$253,175 p.a. plus GST
Rent Review Provision	Fixed annual increases of 2.75% per annum and Market reviews upon renewal
Ratchet Clause	Hard Ratchet Clause
Proportion of Outgoings	Full net lease with Lessee responsible for all property related outgoings (including management).
Business / Permitted Use	Commercial offices and warehousing
Additional Clauses	<p>Clause 23: Special Conditions - Lease Incentive: In consideration of the Lessee committing unconditionally to a new lease agreement, the Lessor will provide an incentive equivalent in value to \$210,000 plus GST. The lease incentive is to be in the form of a rent-free period from the commencement date and shall relate to the net rental only. i.e., the Lessee is still liable for the payment of Outgoings, Utilities & Consumables during this period.</p> <p>Clause 23: Special Conditions - Landlord's Work: The Lessor will, at their own cost, carry out the following works to the Premises:</p> <ul style="list-style-type: none"> • Replace all remaining old fluorescent light fittings with LED light fittings within the Ground Floor Office, Level 1 Office and Warehouse. • Install a new door and window to the denoted area (attached plan) to a maximum cost of \$20,000 plus GST.

32, 32A & 32B Jamaica Drive, Grenada North, Wellington - **21 December 2021**

	For clarity, the Lessor will retain ownership of the Landlord's Work.
Fixtures and Fittings	<p>The Lease is silent regarding the Lessor's fixtures and fittings. We have assumed the premises were furnished to a bare-shell state which included the following:</p> <ul style="list-style-type: none"> • Suspended ceilings to office areas; • Fixed floor coverings; • HVAC units and associated plant & machinery; • Kitchen joinery; • Plumbing fittings; • Electrical, data and light fittings; and • Perimeter fencing; <p>The remaining fitout to the premises are assumed to be Lessee's improvements, which have been excluded in our assessment.</p>

32B Jamaica Drive, Grenada North - Desktop Imaging Limited & New Zealand Micrographic Services Limited

We have been provided with a copy of the following lease documents:

- Deed of Lease (2013).
- CPI Rental Certificate (2017).

The above have been perused and are held on file. The salient details are summarised as follows:

Form of Lease	ADLS 5th Edition 2008
Tenant / Lessee	Desktop Imaging Limited and New Zealand Micrographic Services Limited
Guarantor	N/A
Premises	All buildings located forming part of 32B Jamaica Drive containing approximately 2,120 square metres as shown as Lot 3 on the plan of the proposed subdivision
Carparks	20 (note 28 parks are marked for tenant use)
Term	Seven (7) years
Commencement Date	24 May 2013
Initial Expiry Date	23 May 2020
Rights of Renewal	Two (2) rights of renewal each of three (3) years - first option exercised
Renewal Dates	24 May 2020 and 24 May 2023
Final Expiry Date	23 May 2026
Commencement Rental	\$205,000 p.a. plus GST
Current Passing Rental	\$350,840 p.a. plus GST
Rent Review Provision	Two (2) yearly during the initial term subject to a structured review calculated as the corresponding movement in the CPI plus 2.00%
Ratchet Clause	Soft Ratchet Clause
Proportion of Outgoings	Full net lease with the exception of ground maintenance and management expenses

32, 32A & 32B Jamaica Drive, Grenada North, Wellington - **21 December 2021**

Business / Permitted Use	Scanning, microfilming and storage of documents as well as associated sales, consultancy of software and hardware, together with office and administration facilities
Additional Clauses	<p>Clause 48 provides provision for the tenant to have first right of refusal should the landlord desire to sell the Freehold interest in the property.</p> <p>Clause 33.2 contains detailed steps regarding the rent review on renewal, and the provisions and timing in undertaking this task. This involves both parties appointing separate valuers, the appointment of an independent third-party expert and the delivery of the rental determination within a strict timeframe.</p>
Fixtures and Fittings	Reference from the Agreement to Lease, we note that Landlord fixtures and fittings include (but are not limited to); floor coverings, ceilings, lights, security, amenities, kitchen fitout (excluding appliances) and office partitions.

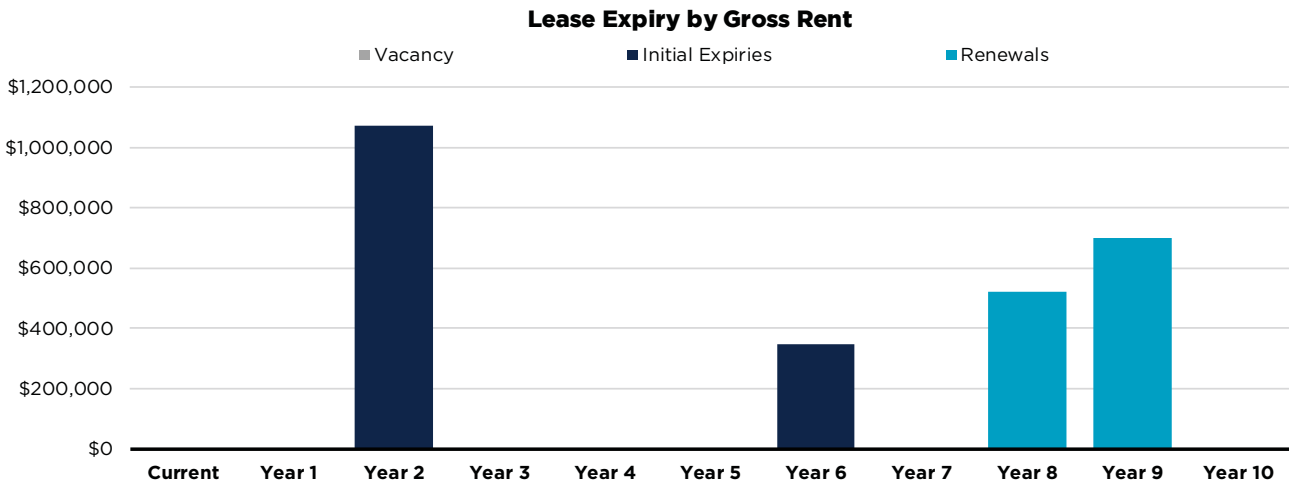
5.2 Occupancy and Vacancy

Vacancies

At the time of our inspection, the subject building was 100% occupied. Coinciding with the various lease expires, an appropriate leasing up, incentive and agents' commission allowances have been included within our calculations, multiplied by a renewal probability.

Impending Expiries

We have considered the timing of impending vacancies, initial expiries and renewals over a ten-year investment period for the combined property as detailed below:



32, 32A & 32B Jamaica Drive, Grenada North, Wellington - 21 December 2021

Outstanding Reviews/Incentives

As part of the new Rentokil lease, and in consideration of the Lessee committing unconditionally to a new lease agreement, the Lessor agreed to provide an incentive equivalent in value to **\$210,000 plus GST**. The lease incentive is to be in the form of a rent-free period from the commencement date and shall relate to the net rental only (i.e., the Lessee is still liable for the payment of Outgoings, Utilities & Consumables during this period). For modelling purposes, we have distributed this rental holiday over a ten-month term commencing 15 September 2021 (i.e., approx. 7-months remaining).

Rental Abatement/Deferral

We note we have not been advised of any rental abatement or deferment for the subject tenancies.

Summary

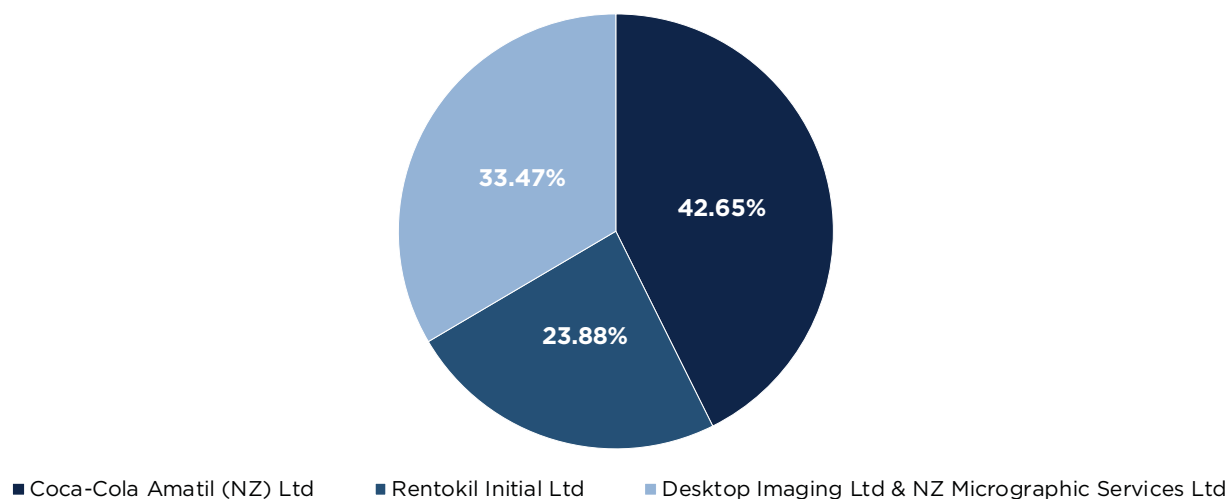
Our valuation is reliant on information supplied to us relating to matters such as lease provisions, rental income, outgoings, and other associated expenditure which appears realistic. We have had access to lease documentation and have verified key data of the major tenancies against supplied schedules.

We are unaware of any side agreements in existence which would alter the terms of the various lease agreements in respect of the property. In the event that a full due diligence report reveals such agreements do exist, the advice provided herein will require revision.

6. Financial Summary

The property's income is generated from three tenants who have occupied their respective tenancies from construction in 2013. The tenant composition by gross passing income over the total combined property is summarised below:

Tenant Composition by Gross Passing Income



6.1 Lease Expiry Analysis

We have undertaken a detailed lease expiry analysis of the subject properties with the indicated WALT and lease profile by income and area summarised below:

WALT (years)	Income Basis	Area Basis
32 Jamaica Drive	1.98 years	1.98 years
32A Jamaica Drive	5.73 years	5.73 years
32B Jamaica Drive	1.42 years	1.42 years
Combined Total(s)	2.69 years	2.66 years

6.2 Operating Expenditure

Operating Expenses (OPEX) relate to the ongoing costs associated with the occupation or ownership of a building. Typically, the subject leases are structured on a net basis whereby operating costs are recovered from the Lessee in addition to the base rent. Outgoings include all property related outgoings, but a number of leases indicate that management costs are non-recoverable.

We have been provided with a detailed OPEX budget from management which we have adopted for valuation purposes. Our pro-forma budgets for the respective properties are as detailed below:

32, 32A & 32B Jamaica Drive, Grenada North, Wellington – 21 December 2021

32 Jamaica Drive, Grenada North

32 Jamaica Drive, Grenada North - Outgoings Schedule		
	Adopted (Budgeted)	
	\$ pa.	\$/m ² pa.
Statutory Expenses		
Municipal/Council Rates	58,710	19.19
Other Statutory Charges	1,746	0.57
Total Statutory Charges	60,456	19.76
Operating Expenses		
Insurance Premiums	34,365	11.23
Air Conditioning/Ventilation	5,400	1.76
Electricity	1,310	0.43
Fire Protection/Public Address	2,448	0.80
Repairs & Maintenance	5,007	1.64
Gardening/Landscaping	4,481	1.46
Administration/Management Fee	15,375	5.02
Auto & Roller Door	2,154	0.70
Cleaning Exterior Window & Building	3,157	1.03
Health & Safety Compliance	3,350	1.09
Plumbing & Drainage	2,800	0.92
Total Operating Expenses	79,846	26.09
Total Outgoings	140,302	45.85

32A Jamaica Drive, Grenada North

32A Jamaica Drive, Grenada North - Outgoings Schedule		
	Adopted (Budgeted)	
	\$ pa.	\$/m ² pa.
Statutory Expenses		
Municipal/Council Rates	34,505	23.47
Water and Sewerage Rates	900	0.61
Other Statutory Charges	1,564	1.06
Total Statutory Charges	36,969	25.15
Operating Expenses		
Insurance Premiums	16,704	11.36
Air Conditioning/Ventilation	4,300	2.93
Electricity	1,000	0.68
Fire Protection/Public Address	2,217	1.51
Repairs & Maintenance	4,007	2.73
Gardening/Landscaping	1,236	0.84
Auto & Roller Door	1,156	0.79
Cleaning Exterior Window & Building	2,370	1.61
Health & Safety	3,936	2.68
Plumbing & Drainage	3,000	2.04
Total Operating Expenses	39,926	27.16
Non-Recoverables		
Administration/Management Fee	8,200	5.58
Total Non-Recoverable Expenses	8,200	5.58
Total Outgoings	85,096	57.89

32, 32A & 32B Jamaica Drive, Grenada North, Wellington - 21 December 2021

32B Jamaica Drive, Grenada North

32B Jamaica Drive, Grenada North - Outgoings Schedule		
	Adopted (Budgeted)	
	\$ pa.	\$/m ² pa.
Statutory Expenses		
Municipal/Council Rates	52,015	26.42
Water and Sewerage Rates	2,300	1.17
Other Statutory Charges	1,369	0.70
Total Statutory Charges	55,685	28.28
Operating Expenses		
Insurance Premiums	26,970	13.70
Air Conditioning/Ventilation	10,500	5.33
Electricity	1,550	0.79
Fire Protection/Public Address	2,160	1.10
Repairs & Maintenance	4,007	2.03
Auto & Roller Door	1,171	0.59
Cleaning Exterior Window & Building	3,295	1.67
Health & Safety Compliance	3,936	2.00
Plumbing & Drainage	2,500	1.27
Total Operating Expenses	56,088	28.49
Non-Recoverables		
Management	12,300	6.25
Total Non-Recoverable Expenses	12,300	6.25
Total Outgoings	124,073	63.01

The above OPEX allowances are considered to fall in line with normal expectations for this asset class. We note that our adopted budget has been forecasted over the 10-year Discounted Cashflow Period impacting on the net cashflow position of the property during times of vacancy.

6.3 Capital Expenditure

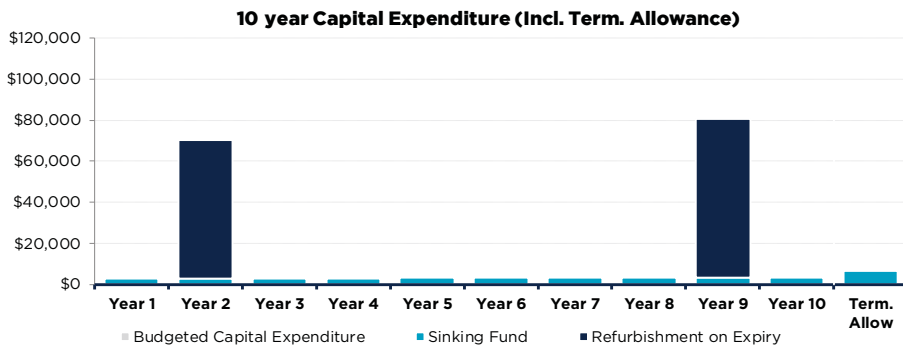
Buildings require ongoing expenditure to maintain their structural integrity and to future-proof the value of the asset. In addition, refurbishment works are necessary to maintain the quality of the building accommodation. Allowances for such works normally coincide with lease expiry and the following provisions have been made:

- We foresee cosmetic refurbishment work would be required at lease expiry and have applied a refurbishment allowance of **\$100 per square metre** (in today's dollars), discounted by a renewal probability factor of **75%**. Due to the quality and universal nature of the warehouse accommodation, no refurbishment allowance has been made for the warehouse components.
- We have incorporated a minimum capital expenditure allowance of **0.50%** of the total gross income per annum as a general contingency for building works to the exterior and services over the cash flow period. This sum is applied to those years where planned Capex does not exceed this threshold.

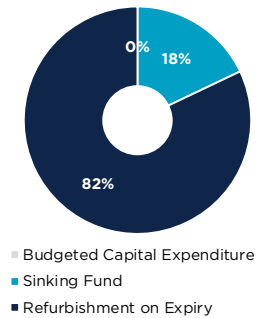
Our adopted capital expenditure forecasts for the respective buildings are summarised below:

32 Jamaica Drive, Grenada North

32 Jamaica Drive, Grenada North - Capital Expenditure Summary										
Year Commencing	Year 1	Year 2	Year 3	Year 4	Year 5	Year 6	Year 7	Year 8	Year 9	Year 10
Period Beginning	Dec-21	Dec-22	Dec-23	Dec-24	Dec-25	Dec-26	Dec-27	Dec-28	Dec-29	Dec-30
Period Ending	Dec-22	Dec-23	Dec-24	Dec-25	Dec-26	Dec-27	Dec-28	Dec-29	Dec-30	Dec-31
Budgeted Capital Expenditure	-	-	-	-	-	-	-	-	-	-
Sinking Fund	2,948	2,891	2,874	3,072	3,210	3,220	3,351	3,360	3,209	3,511
Refurbishment on Expiry	-	67,351	-	-	-	-	-	-	77,355	-
Total Capital Expenditure	2,948	70,242	2,874	3,072	3,210	3,220	3,351	3,360	80,564	3,511
Total 10 year capital expenditure										176,351
Total 10 year capital expenditure (\$/m ²)										58
Total 10 year capital expenditure (% of Adopted Value)										2.23%
Terminal Valuation (Start Year 11)										
Budgeted Capital Expenditure										-
Sinking Fund (24 mths)										6,637
Refurbishment on Expiry (24 mths)										-
Terminal Value Capital Expenditure Allowances										6,637
Total 10 year Capital Expenditure (Incl. terminal value Capital Expenditure Allowances)										182,988
Total 10 year Capital Expenditure (Incl. terminal value Capital Expenditure Allowances) - \$/m ²										60
Total 10 year Capital Expenditure (Incl. terminal value Capital Expenditure Allowances) - % of Adopted Value										2.31%



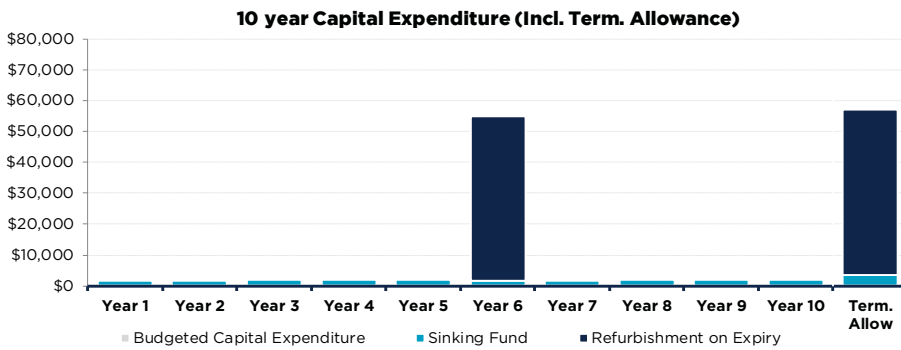
Capital Expenditure Proportion (%)



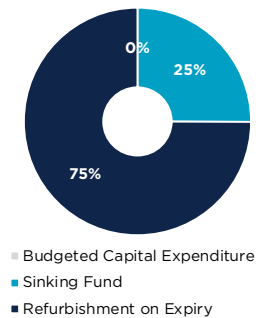
32, 32A & 32B Jamaica Drive, Grenada North, Wellington – 21 December 2021

32A Jamaica Drive, Grenada North

32A Jamaica Drive, Grenada North - Capital Expenditure Summary										
Year Commencing	Year 1	Year 2	Year 3	Year 4	Year 5	Year 6	Year 7	Year 8	Year 9	Year 10
Period Beginning	Dec-21	Dec-22	Dec-23	Dec-24	Dec-25	Dec-26	Dec-27	Dec-28	Dec-29	Dec-30
Period Ending	Dec-22	Dec-23	Dec-24	Dec-25	Dec-26	Dec-27	Dec-28	Dec-29	Dec-30	Dec-31
Budgeted Capital Expenditure	-	-	-	-	-	-	-	-	-	-
Sinking Fund	1,668	1,720	1,769	1,816	1,865	1,716	1,751	1,770	1,825	1,845
Refurbishment on Expiry	-	-	-	-	-	53,101	-	-	-	-
Total Capital Expenditure	1,668	1,720	1,769	1,816	1,865	54,817	1,751	1,770	1,825	1,845
Total 10 year capital expenditure										70,845
Total 10 year capital expenditure (\$/m ²)										48
Total 10 year capital expenditure (% of Adopted Value)										1.64%
Terminal Valuation (Start Year 11)										
Budgeted Capital Expenditure										-
Sinking Fund (24 mths)										3,607
Refurbishment on Expiry (24 mths)										53,591
Terminal Value Capital Expenditure Allowances										57,198
Total 10 year Capital Expenditure (Incl. terminal value Capital Expenditure Allowances)										128,043
<i>Total 10 year Capital Expenditure (Incl. terminal value Capital Expenditure Allowances) - \$/m²</i>										<i>87</i>
<i>Total 10 year Capital Expenditure (Incl. terminal value Capital Expenditure Allowances) - % of Adopted Value</i>										<i>2.96%</i>

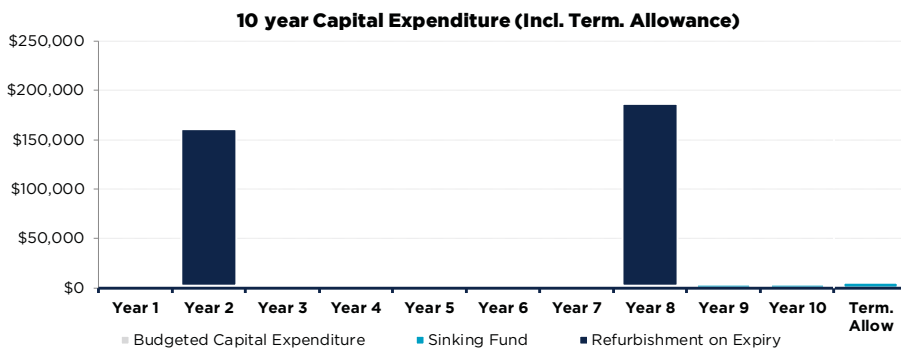


Capital Expenditure Proportion (%)

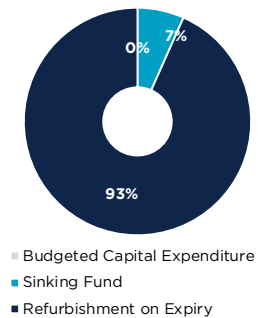


32B Jamaica Drive, Grenada North

32B Jamaica Drive, Grenada North - Capital Expenditure Summary										
Year Commencing	Year 1	Year 2	Year 3	Year 4	Year 5	Year 6	Year 7	Year 8	Year 9	Year 10
Period Beginning	Dec-21	Dec-22	Dec-23	Dec-24	Dec-25	Dec-26	Dec-27	Dec-28	Dec-29	Dec-30
Period Ending	Dec-22	Dec-23	Dec-24	Dec-25	Dec-26	Dec-27	Dec-28	Dec-29	Dec-30	Dec-31
Budgeted Capital Expenditure	-	-	-	-	-	-	-	-	-	-
Sinking Fund	2,301	2,120	2,335	2,385	2,437	2,487	2,537	2,371	2,644	2,690
Refurbishment on Expiry	-	158,620	-	-	-	-	-	184,132	-	-
Total Capital Expenditure	2,301	160,739	2,335	2,385	2,437	2,487	2,537	186,504	2,644	2,690
Total 10 year capital expenditure										367,059
Total 10 year capital expenditure (\$/m ²)										186
Total 10 year capital expenditure (% of Adopted Value)										6.86%
Terminal Valuation (Start Year 11)										
Budgeted Capital Expenditure										-
Sinking Fund (24 mths)										5,171
Refurbishment on Expiry (24 mths)										-
Terminal Value Capital Expenditure Allowances										5,171
Total 10 year Capital Expenditure (Incl. terminal value Capital Expenditure Allowances)										372,231
<i>Total 10 year Capital Expenditure (Incl. terminal value Capital Expenditure Allowances) - \$/m²</i>										<i>189</i>
<i>Total 10 year Capital Expenditure (Incl. terminal value Capital Expenditure Allowances) - % of Adopted Value</i>										<i>6.96%</i>



Capital Expenditure Proportion (%)



We foresee this level of capital expenditure will help “future proof” the building and ensure that it maintains its aesthetic appeal, structural integrity and hence, capital value in the future.

7. Market Overview

7.1 Economic Outlook

Introduction

The outbreak of the coronavirus (COVID-19) pandemic has led to significant implications on New Zealand and global economies. A recession was apparent in the last three quarters of 2020 in New Zealand (as well as most markets around the world) having experienced significant economic damage as a result of large-scale society lockdown, and forced operational closure of businesses, concurrent with the spreading health crisis of the virus. The initial health response resulted in a relatively free and open domestic economy throughout the latter half of 2020 and up to August 2021. The Reserve Bank of New Zealand adopted significantly loose monetary policy encompassing reduction in interest rates and easing lending criteria to assist in the continuation of liquidity and economic activity. As a result, New Zealand's economic rebound following the initial lockdown period had been very strong with recorded GDP being upwards of 5.0%.

It appears that the enforced lockdowns and border restrictions both domestically and internationally have placed great pressure to supply chains with ever more prevalent disruptions to export/import industries and global trade. The rapid inflation to money supply in the form of monetary policy response has resulted in "pent up" demand for goods and services with the inefficiencies of businesses, we are starting to see inflation in prices in everyday markets.

The second quarter of 2021 showed a quarterly increase of 2.8% in GDP, which is a larger increase in comparison to the first quarter of 2021 and significantly above expected market levels. The growth in GDP was attributed to higher levels of activity in the retail trade and service industries, particularly food and accommodation.

In August 2021, New Zealand re-entered the highest level of the COVID-19 Alert System, being Alert Level 4, as a result of the "Delta Variant". The aftermath of COVID-19 has shown an increase in unemployment with job losses in various sectors, particularly the retail and tourism sectors being the hardest hit. Unemployment figures were predicted to supersede the 6.8% peak recorded during the Global Financial Crisis, however the economy recorded 4.0% for the second quarter of 2021. This may now have some upward pressure dependent on the timeframe in which the country remains at Alert Levels carrying the highest restrictions.

As a result of the current "lockdown measures", a material decline in the GDP levels of Q3 2021 is expected, however the GDP forecast has been revised to 5.3% for the year-end 2021 which is an increase from 4.9% previously, due to the stronger than expected results during Q2 2021. With border restrictions likely to remain in place leading into next year however, the forecast for 2022 has been reduced from 3.3% to 3.2%.

The below table indicates the performance of the New Zealand economy over the previous six months:

Economic Indicator	Period	Rate	Forecasted Trends
GDP	Q2 2021	2.80%	↑
CPI	Q2 2021	3.30%	↑
OCR	Q3 2021	0.50%	↑
Unemployment Rate	Q2 2021	4.00%	→
10 Year Bond Rate	September 2021	circa 1.85%	↑
Net Migration	Q2 2020 - Q2 2021	circa 4,400	→

Migration

New Zealand's unadjusted annual net gain (more arrivals than departures) of migrants for the year ended July 2021 resulted in a provisional estimate of annual net migration of 4,400. Migrant arrivals and departures were both down 68.0% and 40.0% respectively. It is anticipated that 2022 will see a gradual re-opening of New Zealand's international border as vaccination rates reach certain levels.

Interest Rates & Inflation

Prior to the global pandemic, a global growth reduction was being witnessed as a result of geopolitical issues in Europe, China and America. Nationally, the Reserve Bank of New Zealand (RBNZ) announced a cut in the Official Cash Rate (OCR) from 1.5% to 1.0% in August 2019 and maintained this in the following two announcements, with the RBNZ stating "ongoing low interest rates were needed to keep inflation and employment close to their mandated targets".

In early 2020, the RBNZ announced a cut in the OCR to a historic low of 0.25% in response to the COVID-19 pandemic. A low OCR was expected to continue through to 2025. In an additional effort to stimulate lending and aid debt affordability, the RBNZ put on hold a proposed increase in capital requirements for banks on retail mortgage lending. Economists now consider a falling OCR unlikely as various monetary policies have had the desired effect on the economy with a rapid 'bounce back' in growth in late 2020 and into 2021. There are now concerns that the RBNZ policies have overstimulated the housing market and a low interest rate environment has elevated house prices to record price growth throughout the country.

In response to the housing price growth, the Government has responded with an extension to the threshold of the Bright Line test from 5 to 10 years, implemented 27 March 2021, in an attempt to assist long term owners and first home buyers. The Government has also removed mortgage interest payments tax deductibility on residential investment properties in an attempt to take the speculative heat out of the market.

As the country moved out of the most recent Level 4 COVID restrictions, the RBNZ announced to increase the current level of monetary stimulus, by increasing the OCR to 0.50% for the time being, however there was a consensus this will continue to increase in the short to medium term. The Monetary Policy Committee are in agreement that New Zealand's recent economic data depicts that domestic demand is solid and that nationwide economic recovery has broadened in recent months, with the main exception being industries exposed to international tourism. High levels of domestic household spending, high levels of construction and high demand for New Zealand commodity exports have assisted in supporting domestic economic activity.

Pressures within the labour market remain, with high levels of job vacancy and a declining rate of unemployment. While falling unemployment provides higher levels of business confidence, the current level of unemployment is considered as being at or above its sustainable level given the current economic environment, with wage inflation increasing as the labour market tightens.

Inflation within New Zealand is expected to push above 4.0% in the near term with rising oil and construction costs, supply shortfalls and higher transport costs. Medium and long-term inflation is expected to remain within the RBNZ mandate of 1.0-3.0%. With inflationary pressure comes pressure to increase interest rates to keep this in check. Whilst the OCR is at 0.50%, it is widely predicted this will continue to lift and retail banks have acted accordingly with retail rates already increasing from record lows.

Investment & Construction

Demand for residential construction leading up to the pandemic was still strong, mirroring the delayed response to rapid population growth in the last few years. Residential construction continues to move towards apartments and townhouses and is expected to intensify with the estimated housing shortage in Auckland reaching 34,000 dwellings. Residential building consents are up a further 4.9% for the year ending February 2021 over the previous year. The construction sector has been facing the hurdle of reduced profitability, strong inflationary pressure on building materials, supply chain and labour constraints restricting the ability for activity to escalate. In response to this, the Government have announced a \$3.8 billion housing acceleration fund to construct transport links and vital infrastructure to jumpstart developments, while also incentivising investments in new builds.

In contrast, non-residential demand has dropped again, after a spike in construction, for the September 2020 quarter, when the construction industry was underpinned by office construction activity and refurbishment of retail outlets and industrial buildings. There has been a lag between the time building consents are issued and construction commencement, contributing to a drop in the volume of non-residential building work of 4.9% in the December 2020 quarter from the September 2020 quarter.

Global Macro Threats

At a macro level, it is important to acknowledge some global threats that could have an impact on the performance of the New Zealand economy. One of these threats is the Evergrande situation in China which is seeing Chinese GDP targets falling substantially off the back of significant downward pressure on the Chinese property market. It appears that the potential contagion of defaulting on bond commitments has spread to other significant property businesses such as Fantasia Holdings Group and Sinic Holdings Group. Initially, there has been a substantial spike in Chinese 'junk bond' market rates and the Chinese Government has indicated that no bailout would be carried out. The Chinese property market is estimated to be valued at approximately \$62T and contributes circa 30.0% to its national GDP. A Chinese property market collapse could have 'ripple' effects throughout the rest of its bond and share markets with the risk of this continuing to other major capital markets around the globe.

It is becoming widely apparent that there is a global supply chain crisis currently impacting on many parts of the developed world as a result of economies re-opening following the various pandemic lockdowns that were enforced. This is having the result of adding to inflationary pressures globally and is no more evident than the western seaboard of the United States, whereby a backlog of up to 90 container ships are sitting idle in the Pacific Ocean. This adds to what we are also witnessing by way of an energy crisis. Various blackouts are being reported in Europe and China as the supply of coal has been impacted. In the UK, fuel shortages have also been reported with continued upward prices in all energy commodities such as oil, natural gas and coal. This again all points to upward inflationary pressure and inefficiencies as economies try to recover from the Pandemic. These issues may restrict global growth.

Summary

The short-term projection for the New Zealand economy is still difficult to determine in light of recent events. With the pursuing threat of the Delta variant, Auckland remains at Alert Level 3, causing continuous interruptions within the market. As a result, and following recent announcements, the trans-Tasman bubble will remain closed for at least two more months. GDP is expected to contract during the September quarter as expected with the August lockdown, before strongly recovering as Alert Level restrictions are lifted. Given Q1 GDP data, the hope is that growth in the retail and investment sector can act as drivers to support a sustainable GDP recovery following as ease in lockdown restrictions. Growth in sectors such as the hospitality industry are linked to the global recovery which is again uncertain in terms of form and timing. Vaccination levels may provide a key indicator on the likelihood of future lockdowns as the rollout gains momentum.

32, 32A & 32B Jamaica Drive, Grenada North, Wellington – 21 December 2021

With upward pressure on interest rates and inflationary pressure starting to persist, this may further hamper economic growth and, as such, some 'headwinds' could start to become prevalent.

Source: Bayleys Valuations, Statistics NZ, Interest, ASB, ANZ, NZIER, RBNZ, Westpac (18 October 2021)

7.2 Market Commentary

Over the past five years, there has been a slow imbalance brewing within the industrial sector, vacancy rates have been trending downward and many traditional industrial premises in prime locations have been repurposed to offer bulk retail type accommodation to appease this growth sector. New infrastructural projects have inflated demand, both from an occupation perspective but also with the withdrawal of property associated with the Petone to Grenada Link, flood protection works and the proposed Melling Interchange.

In early 2020, COVID-19 presented new challenges and uncertainties for many businesses. Many businesses have needed to pivot and adjust to market changes ranging from individuals wishing to work remotely to a surge in market demand for all trades and maintaining continuity in the supply of domestic and imported goods. Global management consulting firm McKinsey & Company estimates that in an eight-week period, the pandemic outbreak accelerated business adoption of digital tools and services by the equivalent of five years.

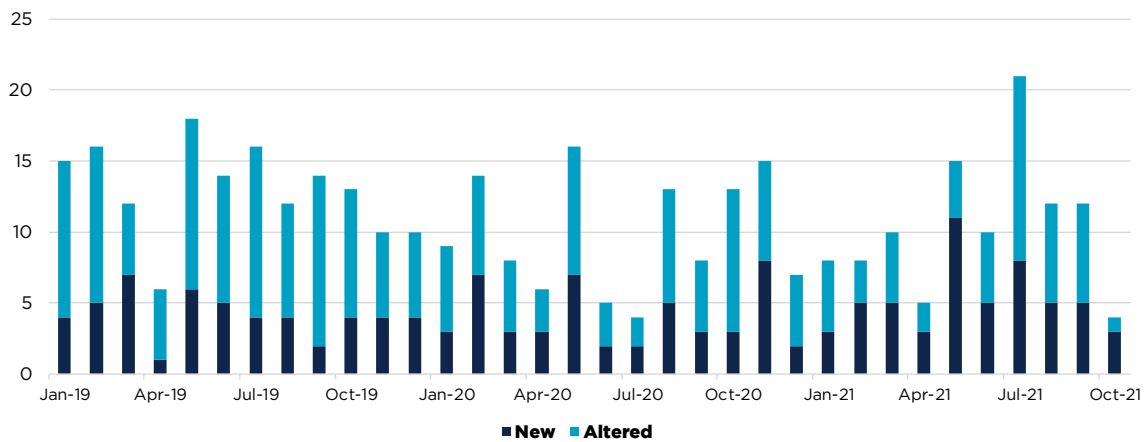
Most sectors have rebounded, albeit some property classes and rents achieved have not returned to those levels previously enjoyed for many years. Industrial property assets have recovered well and are considered the standout property class performer due to its resilience, reliability and long-run returns.

In Wellington, and throughout the country, the industrial sector has experienced solid rental growth over the last 12 months, with increasing capital values and declining vacancy levels. Development of new stock is currently at relatively low levels largely due to the lack of Greenfield development opportunities outside of the existing prime industrial precincts. Elsewhere industrial utilised land is under pressure from 'higher value end use applications' such as commercial and residential.

From an investment perspective, the decline in deposit rates on offer has attracted funds towards property in search of more favourable returns. Low interest rates have also enticed many parties previously leasing accommodation to consider owner-occupation alternatives in lieu of paying rent. We have seen new property offerings presented to the market aimed at this new demand from both investors and owner occupiers. Ongoing demand is evident for prime industrial assets and considering the physical limitations on new stock coming on stream, market pressure on quality warehouse stock is unlikely to abate.

Tenant and investors alike are seeking quality and location, and in general are prepared to pay premiums to be concentrated near the main transport nodes such as Ngauranga, Grenada, Porirua and the Petone / Seaview area. With the roading upgrade to the State Highway 2 / Highway 58 interchange now completed, demand has recently extended to Silverstream primarily due to improved accessibility and upgrades to the nearby interchange. Completion of Transmission Gully will further enhance roading connections throughout greater Wellington. We detail below a graph illustrating the number of building consents (new and altered) issued for factories, industrial and storage buildings within the Wellington region (considered on a monthly basis):

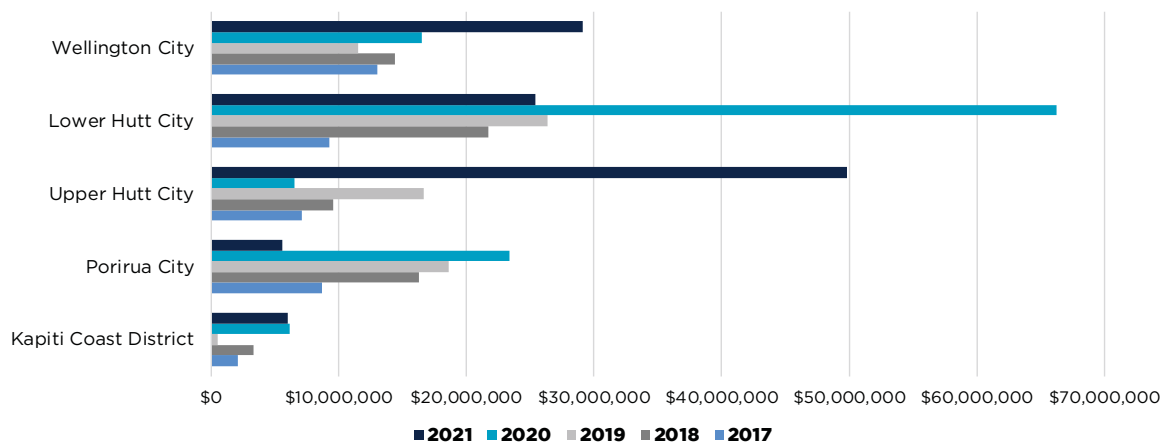
Factories, Industrial & Storage Buildings Wellington Region No. of Building Consents (Monthly)



Aside from the COVID-19 Level 4 Lockdown period in early-to-mid 2020, the total number of buildings consents issued over an 18-month period appear to be slightly down relative to pre-COVID-19 levels. When considered on a macro lens, this is likely to be attributable to escalating construction costs and a general market scarcity of value-add and redevelopment opportunities. For completeness, we have also considered the value of building consents issued on a per Territorial Authority basis, as depicted below:

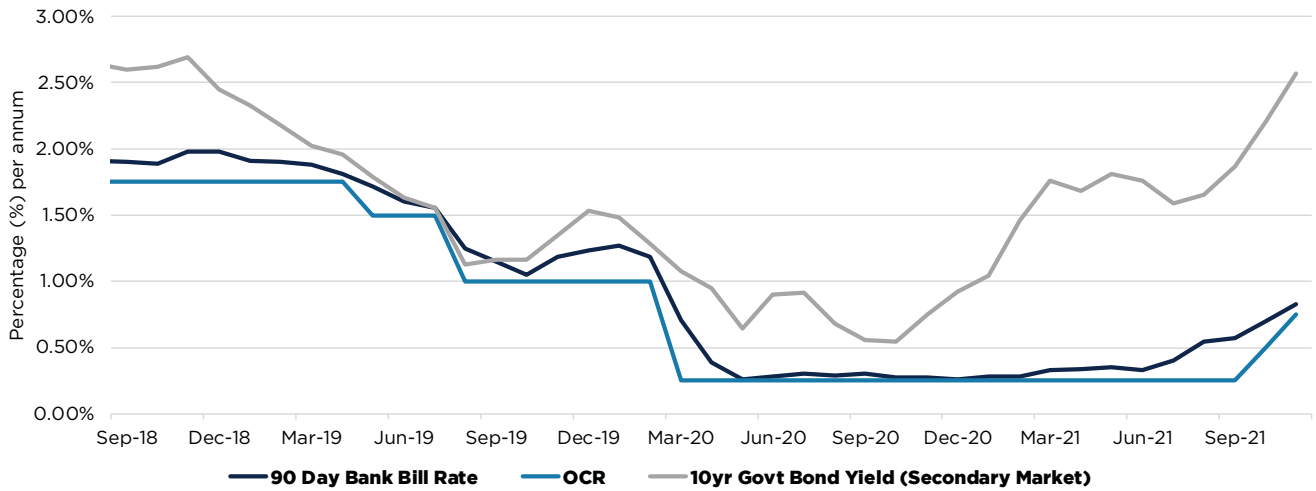
Factories, Industrial & Storage Buildings

Value of New plus Altered Building Consents by T.A. (Annualised-September)



Inflationary pressures are building over the medium-to-long term and market experts anticipate bond yields and interest rates to follow suit. The full impact that this will have on the commercial property market is unknown, however, as interest rates start to track upward, history would illustrate capital value growth may well stall or even decline in some circumstances. Given increases in interest rates are likely to be incrementally adjusted over the short term and that the moves are from record low rates, the impact upon market activity should be limited in the short-term providing a clear signal for an active market ahead. We detail below an illustration of the 90-day bank bill rate, the OCR and 10-year government bond yield (secondary market) over a three-year time horizon:

Wholesale Interest Rates



Taking a step back and when considered with a macroeconomic lens, the outlook within the commercial property market remains solid, albeit some impending economic headwinds and emerging trends will have a lasting impact on how the market performs. As such, we note that COVID-19 has escalated an element of disruption in workplace behaviour patterns and technology, lifestyle choices and a disconnect within global logistics and supply chain measures. Ultimately, the aforementioned trends will lead to a review in business initiatives and strategies going forward and those property investors that are able to foresee/anticipate this will reap the rewards in years to come.

8. Rental Evidence

The traditional method of rental assessment is by comparison with similar premises that have recently been subject to new leasing deals or rent reviews. Adjustments are then made for factors at variance with those of the subject premises such as location, quality and presentation, size, lease terms and conditions and other pertinent factors.

8.1 Rental Evidence

We have considered a cross section of leasing transactions relating to comparable properties within the wider locality. A summary of these transactions is detailed below:

Address	Suburb	Tenant (s)	Review Date	Accommodation	Floor Area (sqm)	Rate (\$/sqm)	Type
Wellington Rental Evidence							
32 Jamaica Drive (Subject)	Grenada North	Rentokil Initial Ltd	Sep-21	Office Gnd	175	\$220	NLE
				Office Lvl 1	275	\$225	
				Warehouse	1,020	\$175	
				Canopies	27	\$75	
				Garden Enclosure	33	\$75	
				Carparks	22	\$25	
32 Jamaica Drive(Subject)	Grenada North	Coca-Cola Amatil (NZ) Ltd	Dec-20	Office Gnd	515	\$225	RN
				Office Warehouse	109	\$150	
				Warehouse - Workshop	1,123	\$175	
				Warehouse - Supply Chain	653	\$175	
				Warehouse (Low Stud)	330	\$117	
				Yard	1,505	\$25	
				Canopies	30	\$75	
				Mezzanine	330	\$80	
				Courtyard	50	\$50	
				Carparks	30	\$25	
32 Jamaica Drive(Subject)	Grenada North	Data Imaging Micrographics	May-20	Office Gnd	778	\$229	RN
				Office Lvl 1	723	\$234	
				Workshop	406	\$174	
				Air Conditioned Store	62	\$179	
				Canopies	42	\$70	
				Outside BBQ Area	50	\$45	
				Deck	25	\$50	
Carparks	20	\$23					
14 Jamaica Drive	Grenada North	General Distributors Limited	Nov-20	Office	310	\$205	NL
				Warehouse (Converted Office)	350	\$205	
				Warehouse (11.4m to 12.4m stud)	2,533	\$158	
				Canopy	270	\$90	
				Yard & Parking	2,828	\$25	
6 Hurring Place	Newlands	New Zealand Defence Force (NZDF)	May-20	Office - Gnd & Lvl 1	1,008	\$230	NL
				Warehouse	1,383	\$196	
				Yard	260	\$40	
				Carparks (Open)	10	\$35	
92-102 Hutt Road	Kaiwharawhara	Geeves Scaffolding Ltd	May-20	Warehouse	1,800	\$176	NL
				Yard	800	\$30	
				Carparks	28	\$25	
180-202 Hutt Road	Kaiwharawhara	Flectchers Distributions (T/A PlaceMakers)	Apr-20	Office - Gnd & Mezz	469	\$346	NL
				Drive Through	2,201	\$286	
				Trade Hall/Showroom	1,043	\$306	
				Yard - Concrete	3,223	\$50	
				Carparks	29	\$35	
52 Jamaica Drive	Grenada North	Turners & Growers Fresh Ltd	Jan-20	Warehouse	3,847	\$135	RR
				Showroom	350	\$150	
				Office & Amenities Gnd	335	\$160	
				Offices Lvl 1	348	\$163	
				Offices New	186	\$178	
				Canopies	2,025	\$64	
				Yard (Secure)	344	\$35	
				Yard	10,806	\$19	
Hutt Valley Rental Evidence							
21 Meachen Street	Seaview	Men at Work	Jan-22	Warehouse	1,100	\$137.5	NL
				Office	100	\$200	
				Yard	500	\$30	
39 Hautonga Street	Petone	Rembrandt Suits Ltd	Nov-21	Warehouse (High Stud)	894	\$150	NL
				Warehouse (Low Stud)	196	\$130	
				Showroom	252	\$150	
				Office Lvl 1	80	\$180	
				Yard	350	\$30	
				Carparks	5	\$30	

32, 32A & 32B Jamaica Drive, Grenada North, Wellington - 21 December 2021

Address	Suburb	Tenant (s)	Review Date	Accommodation	Floor Area (sqm)	Rate (\$/sqm)	Type
<i>Hutt Valley Rental Evidence</i>							
176 Gracefield Road	Gracefield	L T Transport Ltd	Sep-21	Warehouse	4,129	\$110	NL
				Office & Amenities	381.5	\$160	
				Yard (North)	450	\$31.99	
				Yard (South)	2,650	\$15	
50 Parkside Road	Gracefield	Service Foods Ltd	May-21	Carparks	9	\$25	NL
				Warehouse (Low Stud)	1,878	\$112.6	
				Warehouse (High Stud)	182	\$132.6	
				Office & Amenities	246	\$150	
1D Quadrant Drive	Waiwhetu	Arrow Matting Systems Ltd	Apr-21	Yard	1,300	\$25	NL
				Office	630	\$150	
				Warehouse	2,422	\$120	
				Carparks	885	\$25	
20-24 Hautonga Street	Petone	NZ Couriers Ltd	Mar-21	Carparks	5	\$12.5	NL
				Warehouse	2,696	\$140	
				Office & Amenities	352	\$200	
476 Jackson Street	Petone	Fliway Transport Ltd	Mar-21	Yard	2,755	\$33.5	NL
				Warehouse	3,270	\$130	
				Canopy	115	\$52	
9B Seaview Road	Seaview	Beacon Safety Ltd	Feb-21	Yard	1,429	\$38	NL
				Warehouse	480	\$166	
				Office	120	\$191	
65 Seaview Road	Seaview	Crown Worldwide (NZ) Limited	Nov-20	Carparks	7	\$20	NL
				Office	304	\$240	
				Warehouse	1,934	\$150	
240 Gracefield Road	Gracefield	ECLY Ltd	Oct-20	Carparks	20	\$20	LR
				Warehouse	448.2	\$130	
				Office	58	\$165	
201 Eastern Hutt Road	Wingate	GWRC	Oct-20	Secure Yard	493.8	\$40	NL
				Warehouse	1,747	\$84	
				Portacom	55	\$87	
				Yard (Sealed)	917	\$20	
43 Seaview Road	Seaview	Champion Construction Ltd	Feb-20	Yard (Grass)	3,557	\$12	NL
				Warehouse (High/Low)	1,713	\$138	
				Office & Amenities	119	\$184	
				Yard	1,860	\$30	

Due to comparability and the limited number of adjustments required, we have initially focussed on dealings within the subject complex. The most recent transaction relates to **Rentokil Initial Ltd** committing to a new six-year lease commencing September 2021. Consistent with the prior agreement, the incumbent Lessee is responsible for all property related outgoings (including management) and the base rental is subject to fixed annual increases of 2.75% per annum and Market reviews upon renewal. As part of the deal, the Lessee has received a \$210,000 fitout allowance which is to be treated as a rent-free period over the initial term. Our analysis has been completed on an effective total occupancy cost basis and includes a provision for fixed rental growth over the initial term.

Coca-Cola Amatil (NZ) Limited occupy one of three semi-detached units, providing a combination of modern suburban office accommodation with high stud warehouse components attached to the rear. Sealed yards provide generous onsite parking and easy truck circulation. The initial nine (9) year lease term expired 13 December 2020 and the lease offered two (2) further terms of three (3) years each. The annual rental is subject to three yearly reviews to CPI + 2.0% and market reviews upon renewal. The December 2020 rent was negotiated and settled between appointed valuers.

Alongside, **Micrographics** occupy Unit 1, their unit provides similar accommodation in nature to Coca-Cola but features a larger office component. Their original lease expired in May 2020 and after protracted negotiations between the parties, the above rents were agreed for the three-year renewal term.

Wellington Rental Evidence

General Distributors Limited entered an Agreement to Lease over **14 Jamaica Drive, Grenada North**; the property offering high stud warehouse accommodation plus an adjoining office component situated on a level sealed site with good drive-on truck access and secured surrounding yards. The 2,533 square metre warehouse has a stud height of circa 10.0 metres and the Lessor has installed two rapid close roller doors as per the tenant's requirements.

32, 32A & 32B Jamaica Drive, Grenada North, Wellington – **21 December 2021**

The Lessee has funded and converted part of the former offices to a chiller (350 square metre), leaving approximately 310 square metres of offices for traditional use. Secured yards extend 2,828 square metres with controlled entry points. The Lessor commissioned minor works to the offices involving some repainting and new LED lighting.

General Distributors Ltd (Countdown) leased the premises for six (6) years from 1 November 2020 and have six (6) further three (3) year renewal options thereafter. The commencement rent is \$516,000 p.a. plus GST and the rent is subject to pre-set increases of 2.0% p.a. other than when a market rent review applies at each renewal date. Market rent reviews are subject to cap and collar provisions (90% collar, 110% cap) based on the rent payable immediately prior.

The net lease requires the Lessee to cover all outgoings. Actual outgoings are not available; however, we have sourced publicly available information where possible and included additional costs based on comparable evidence and industry levels to extrapolate a market aligned level of outgoings. Standard tenant and Landlord obligations prevail; the noted exception is that the Lessee shall reinstate that part of the building back to a carpeted lined office area including a suspended ceiling consistent with the balance of the office component at lease end.

Analysed on a total occupancy cost basis and factoring in the pre-set review mechanism indicates a gross rental of \$205/sqm for the office component and \$158/sqm for the warehouse accommodation before adjustments.

Hutt Valley Rental Evidence

Traffic Management Solutions Provider **Men at Work** have recently entered an Agreement to Lease over **21-23 Meachen Street** commencing January 2022. Erected during the 1970s' era, the property comprises a Colorsteel clad structure occupying a 2,009 square metre site. Internally, the warehouse provides tidy clear span accommodation benefitting from a 4.2 metre stud height to the knee, increasing to 5.5 metres at the apex. Adjoining is a surfaced yard of some 500 square metres. Leased for a five-year term at \$190,000 per annum gross (face rent), we understand that the tenant received one month's rent-free with our analysis reflecting the same. Reviewed to CPI + 1.00% per annum, the lease stipulated one further term of five years beyond the initial term. We understand that the property has an NBS Rating of 50%.

Within Gracefield, the former North Power premises at **176 Gracefield Road** have been leased to **L T Transport Ltd** for a six-year term commencing September 2021. Originally constructed for Austin Distributors Ltd in circa 1965, the property offers an extensive 4,129 square metre warehouse structure consisting of steel portal frames with concrete slab on grade in addition to a circa 382 square metre office and amenities block fronting Gracefield Road. Further, the 8,200 square metre property provides a large southern yard area albeit elevated to some areas. Prior to lease commencement, the Lessor agreed to remove the existing mezzanine level in the first bay of the warehouse; install three heat pumps in the front office component as well as tidy and paint the front office block to a presentable standard.

Leased for \$480,000 per annum net plus outgoings, the net rental is to be reviewed to market three-yearly and annually to CPI. Our analysis is on an ETOC basis over the initial six-year term with outgoings assumed at \$101,075 per annum (\$22.41/sqm). Comparatively, the property provides four-bays of high stud industrial accommodation well suited for a logistical-type operator. Adjustments are however required for the scale of this letting and quantum of space involved.

Around the corner at **50 Parkside Road**, **Service Foods Ltd** have secured a short two-year term over a recently refurbished, large industrial property offering moderate and high stud accommodation and extensive yard areas. Occupying a high-profile location on the corner of Parkside Road, the site is accessed via two crossroad entry points with multiple roller door access and ensuring drive through capabilities. Leased at \$305,000 per annum, the Lessee

32, 32A & 32B Jamaica Drive, Grenada North, Wellington – **21 December 2021**

received nil inducements/incentives aside from an early access period to undertake Lessee fitout works and relocation of furniture etc. Prior to lease commencement, the Lessor installed several roof fans in the ceiling of the warehouse (as mutually agreed). As part of wider building refurbishment works, the Lessor has installed a number of photovoltaic solar panels, capitalising on the large roof area of both the subject and adjoining tenancy. We are uncertain as to whether the Lessee is being on-charged for the supply of solar electricity but note that the Lessee is to cover consumables and utilities, consistent with a typical commercial gross lease structure.

Moving to Hautonga Street in Petone, **Rembrandt Suits Ltd** have entered into a five-year lease over **39 Hautonga Street** at \$230,080 per annum. The Lessor has recently constructed (2019) a new high stud warehouse at the northern end of the property extending some 894 square metres and offering frontage to Waione Street. Rectangular in shape, the warehouse provides an internal stud height of 4.9 metres at the knee, increasing to circa 8 metres at the apex. The existing building comprises a smaller 448 square metre low stud warehouse and showroom component positioned immediately to the south and providing internal access to the aforementioned.

The lease is subject to 2.5% per annum fixed increases and market reviews upon renewal. Further, the lease stipulates a right of first refusal to purchase the property in favour of the Lessee. The high and low stud warehouse components have been agreed at \$150/sqm and \$130/sqm respectively, whilst the first-floor office block suspended over five-parks and fronting Hautonga Street has been let at \$180/sqm.

Across the road from the aforementioned, **NZ Couriers Ltd** agreed to lease **20-24 Hautonga Street** early this year for a five-year term, with two five-year renewal options thereafter. The property comprises a single-storey late 1960s' structure formerly used as a tyre and rubber factory. The building footprint mirrors the dog-legged shaped section and extends approximately 3,000 square metres (including office and amenities). A Detailed Seismic Assessment (DSA) was completed by New Zealand Consulting Engineers Ltd in 2019, determining the structure as having an NBS% Rating of 55%. Subsequently, the building owner has completed various building enhancement works, including seismic strengthening (lifting the building to 80% NBS), replacing the asbestos roof with corrugated steel and internal re-configuration and alterations to the amenities block.

The property has been leased at \$465,000 per annum plus outgoings, subject to 2.0% per annum fixed annual increases and market reviews upon renewal – ensuring pre-structured net rental growth. Our analysis includes a \$28/sqm OPEX allowance to derive the gross rental position, with the indicated rentals consistent with industrial stock within the vicinity. Finally, prior to lease commencement, the Lessor provided a new airconditioned office area with two sets of amenities within the southern end of the warehouse (accessed off Marine Parade), extending approximately 352 square metres. Further, an electronic gate is to be installed to Hautonga Street as well as three new roller doors replacing existing provisions within the warehouse.

Crown Worldwide NZ Ltd have committed to a nine-year net lease involving all the land and buildings at **65 Seaview Road** comprising warehouse, office and twenty carparks. Commencing from November 2020, the rental is subject to three-yearly market reviews and includes one four-year renewal option. The agreed annual rent is \$319,200 p.a. net plus \$20,800 p.a. for the carparks. The advised outgoings payable equates to circa \$53,000 p.a. and after factoring in a two-month rent free period, the analysed gross rents for the office and warehouse components equate to \$240/sqm and \$150/sqm respectively. Prior to commencement, the Lessor was required to install a security gate – we have not treated this as an inducement due to its ongoing utility and benefit to the property.

Lastly, **Arrow Matting Systems Ltd** have leased a large distribution facility at **1D The Quadrant** for a nine-year term commencing 1 April 2021. The premises comprise a medium stud warehouse with dual roller doors to the frontage opening onto a large, sealed forecourt. The warehouse does not allow drive through access and has a stud height of circa 4.5 metres and internal connections to tidy air-conditioned office alongside. Rent reviews are three yearly and the lease provides two further renewal options of three years each.

32, 32A & 32B Jamaica Drive, Grenada North, Wellington – **21 December 2021**

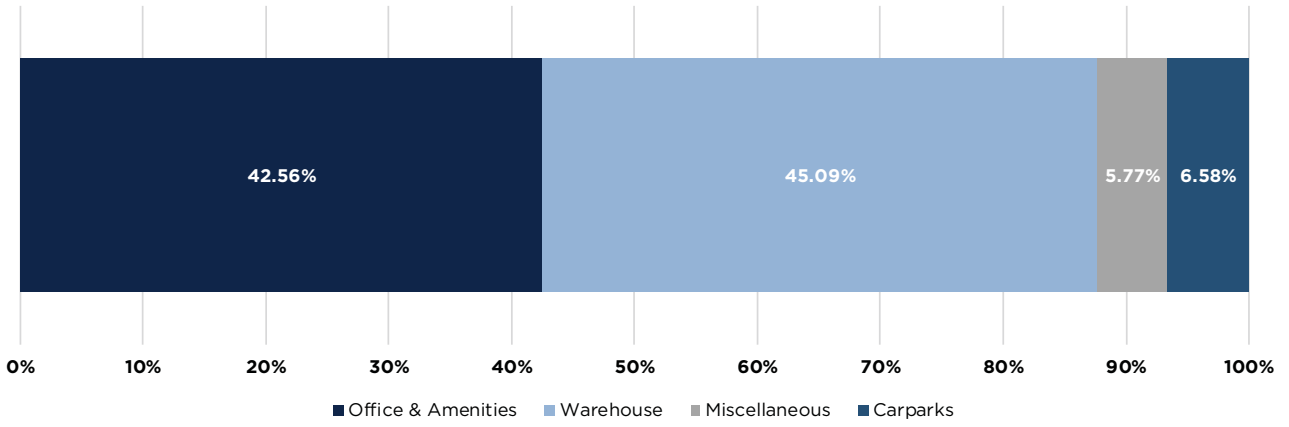
8.2 Market Rental Conclusion

Having regard to the above evidence along with the individual characteristics of the subject property, we detail below our assessment of market rents, along with contract rents for comparison purposes:

32, 32A & 32B Jamaica Drive, Grenada North - Contract & Market Analysis						Passing Rentals		Market Rentals	
Tenancy Details									
Tenant	Level / Suite	Lettable Area m ²	Prop. (%)	Car Bays	Gross Passing Rent \$ pa	\$/m ²	Gross Market Rent \$ pa	\$/m ²	
Coca-Cola Amatil (NZ) Ltd	Office - Ground	515.0	16.83%	-	115,875	225	115,875	225	
Coca-Cola Amatil (NZ) Ltd	Office - Warehouse	109.0	3.56%	-	16,350	150	16,350	150	
Coca-Cola Amatil (NZ) Ltd	Warehouse - Workshop	1,123.0	36.70%	-	196,525	175	196,525	175	
Coca-Cola Amatil (NZ) Ltd	Warehouse - Supply Chain	653.0	21.34%	-	114,275	175	114,275	175	
Coca-Cola Amatil (NZ) Ltd	Warehouse - Low Stud	330.0	10.78%	-	38,765	117	38,765	117	
Coca-Cola Amatil (NZ) Ltd	Yard	1505.0*	-	-	37,625	25	37,625	25	
Coca-Cola Amatil (NZ) Ltd	Canopies	30.0*	-	-	2,250	75	2,250	75	
Coca-Cola Amatil (NZ) Ltd	Mezzanine	330.0	10.78%	-	26,400	80	26,400	80	
Coca-Cola Amatil (NZ) Ltd	Courtyard	50.0*	-	-	2,500	50	2,500	50	
Coca-Cola Amatil (NZ) Ltd	Carparks	-	-	30	39,000	25	39,000	25	
Subtotal - Coca-Cola Amatil (NZ) Ltd		3,060.0	100%	30	589,565	193	589,565	193	
Rentokil Initial Ltd	Office - Ground	175.0	11.90%	-	40,654	232	39,375	225	
Rentokil Initial Ltd	Office - Level 1	275.0	18.71%	-	65,260	237	63,250	230	
Rentokil Initial Ltd	Warehouse	1,020.0	69.39%	-	191,056	187	173,400	170	
Rentokil Initial Ltd	Canopies	27.0*	-	-	2,025	75	2,025	75	
Rentokil Initial Ltd	Garden Enclosure	33.0*	-	-	2,475	75	2,475	75	
Rentokil Initial Ltd	Carparks	-	-	22	28,600	25	28,600	25	
Subtotal - Rentokil Initial Ltd		1,470.0	100%	22.0	330,071	225	309,125	210	
Desktop Imaging Ltd & NZ Micrographic Services Ltd	Office - Ground	778.0	39.51%	-	179,614	231	175,050	225	
Desktop Imaging Ltd & NZ Micrographic Services Ltd	Office - Level 1	723.0	36.72%	-	170,531	236	166,290	230	
Desktop Imaging Ltd & NZ Micrographic Services Ltd	Workshop	406.0	20.62%	-	71,402	176	71,050	175	
Desktop Imaging Ltd & NZ Micrographic Services Ltd	Air Conditioned Store	62.0	3.15%	-	11,214	181	10,850	175	
Desktop Imaging Ltd & NZ Micrographic Services Ltd	Canopies	42.0*	-	-	2,940	70	3,150	75	
Desktop Imaging Ltd & NZ Micrographic Services Ltd	Outside BBQ Area	50.0*	-	-	2,262	45	2,250	45	
Desktop Imaging Ltd & NZ Micrographic Services Ltd	Deck	25.0*	-	-	1,250	50	1,250	50	
Desktop Imaging Ltd & NZ Micrographic Services Ltd	Carparks	-	-	20	23,400	23	26,000	25	
Subtotal - Desktop Imaging Ltd & NZ Micrographic Services Ltd		1,969.0		20	462,613	235	455,890	232	
Total - 32, 32A & 32B Jamaica Drive, Grenada North		6,499.0		72	1,382,248	213	1,354,580	208	

32, 32A & 32B Jamaica Drive, Grenada North, Wellington - 21 December 2021

Gross Passing Income Distribution by Accommodation Component



32, 32A & 32B Jamaica Drive, Grenada North, Wellington - **21 December 2021**

9. Sales Evidence

9.1 Sales Evidence

In determining the market value of the subject property, we have considered a cross-section of comparable sales that have occurred in the wider Wellington locality. A summary of these transactions is detailed below:

Address	Sale Date	Sale Price	NLA	WALT (yrs)	Initial Yield	Equivalent Yield	IRR	Net Rate	Land Area
<i>Coca Cola, Rentokil and Desktop Imaging et al. (Subject)</i> 32, 32A & 32B Jamaica Drive, Grenada North, Wellington	Mar-20	\$14,750,000	6,337 sqm	0.70 yrs	6.69%	6.39%	-	\$2,328 /sqm	10,867 sqm
<i>BP Oil Ltd, Bridgestone NZ Ltd & Multispares NZ Ltd</i> 48-56 Seaview Road, Seaview, Lower Hutt	Dec-21	\$10,000,000	1,662 sqm	6.47 yrs	5.51%	5.39%	6.89%	\$4,212 /sqm	13,464 sqm
<i>L T Transport Ltd</i> 176 Gracefield Road, Gracefield, Lower Hutt	Aug-21	\$7,500,000	4,511 sqm	6.00 yrs	6.40%	6.40%	6.96%	\$1,663 /sqm	8,200 sqm
<i>Total Storage, Elevation Windows et al.</i> 29 Parkway, Wainuimata, Lower Hutt	Jul-21	\$7,950,000	8,799 sqm	2.54 yrs	8.22%	8.27%	9.11%	\$904 /sqm	12,950 sqm
<i>Dzine Signs & Display Ltd, Leda Extrusion et al.</i> 14-26 William Durant Drive, Upper Hutt	May-21	\$9,800,000	4,630 sqm	2.24 yrs	4.17%	6.38%	7.50%	\$2,117 /sqm	8,099 sqm
<i>Allied Engineering, City Fitness, Hyundai, Total Fencing et al.</i> 14-16 Shakespeare Avenue, Upper Hutt	May-21	\$11,100,000	6,276 sqm	2.76 yrs	5.31%	7.70%	8.60%	\$1,769 /sqm	10,116 sqm
<i>H.J. Asmuss & Co Ltd</i> 11-13 Gough Street, Seaview, Lower Hutt	Mar-21	\$13,100,000	5,376 sqm	8.70 yrs	4.54%	4.99%	5.80%	\$2,437 /sqm	9,091 sqm
<i>Steel & Tube Distribution Complex (Sale & Leaseback)</i> 26-32 Hautonga St, Petone, Lower Hutt	Mar-21	\$7,000,000	7,614 sqm	2.00 yrs	8.90%	8.90%	9.59%	\$919 /sqm	15,901 sqm
<i>Alto Packaging Ltd</i> 75 Wainuimata Road, Lower Hutt	Jan-21	\$29,400,000	18,132 sqm	12.00 yrs	5.53%	5.52%	7.12%	\$1,621 /sqm	44,371 sqm
<i>CDC Pharmaceuticals</i> 410 Eastern Hutt Road, Silverstream, Upper Hutt	Dec-20	\$10,000,000	2,452 sqm	15.00 yrs	4.25%	4.22%	5.33%	\$4,078 /sqm	4,512 sqm
<i>Northpower Ltd</i> 410 Eastern Hutt Road, Silverstream, Upper Hutt	Nov-20	\$14,500,000	2,262 sqm	10.00 yrs	4.60%	4.60%	-	\$6,410 /sqm	9,648 sqm
<i>General Distributors Ltd (T/A Countdown)</i> 14 Jamaica Drive, Grenada North, Wellington	Nov-20	\$10,850,000	3,193 sqm	6.00 yrs	4.76%	4.76%	5.84%	\$3,398 /sqm	9,180 sqm
<i>Downer New Zealand Ltd</i> 14-16 Makaro Street, Porirua	Oct-20	\$35,600,000	5,324 sqm	11.08 yrs	4.99%	4.74%	6.03%	\$6,687 /sqm	25,026 sqm
<i>Ultibend Industries Ltd</i> 15 Raiha Street, Porirua	Aug-20	\$5,200,000	3,730 sqm	5.66 yrs	6.12%	-	-	\$1,394 /sqm	7,564 sqm
<i>Geeves Scaffolding Ltd</i> 92-102 Hutt Road, Kaiwharawhara, Wellington	Apr-20	\$6,400,000	2,200 sqm	9.00 yrs	5.00%	6.17%	7.75%	\$2,909 /sqm	3,876 sqm
<i>H.J. Asmuss & Co Ltd</i> 11-13 Gough Street, Seaview, Lower Hutt	Oct-19	\$8,105,000	5,376 sqm	10.00 yrs	7.02%	-	-	\$1,508 /sqm	9,091 sqm
<i>Efficient Carrying Co. Ltd & Wakefield Metals Ltd</i> 9-13 Wareham Place, Seaview, Lower Hutt	Oct-19	\$4,150,000	2,177 sqm	1.86 yrs	6.32%	6.99%	-	\$1,906 /sqm	2,607 sqm
<i>City Fitness & Office Max</i> 12 Newlands Road, Newlands, Wellington	May-19	\$13,220,000	4,927 sqm	13.26 yrs	6.25%	6.21%	-	\$2,683 /sqm	10,705 sqm
<i>NZ Defence Force, NZ Bus, Office Max et al.</i> 6 Hurring Place, Newlands, Wellington	Apr-19	\$12,809,370	5,191 sqm	3.98 yrs	6.93%	6.59%	-	\$2,468 /sqm	12,784 sqm
<i>Fliway Transport Ltd</i> 410 Eastern Hutt Road, Silverstream, Upper Hutt	Aug-18	\$10,750,000	2,435 sqm	12.00 yrs	4.42%	4.48%	5.74%	\$4,415 /sqm	7,097 sqm

The subject property previously sold to the current vendor in March 2020 for \$14,750,000 at an initial yield of 6.69%. Leased to the incumbent Lessee's, the property had a WALT (by income) of 0.7 years as at the date of sale and was generating a net contract income of \$986,917 per annum.

Since our prior March 2021 valuation, there has been a paucity of industrial investment transactions as owners look to retain assets due to cashflow continuity and capital value enhancement. Strong competition for a limited number of prime assets available to purchase is keeping investment demand high resulting in a further tightening of industrial yields. Accordingly, we have considered sales further afield and outside of what is generally considered to be more 'pure' industrial precincts to help establish yield parameters and general market trends. The pertinent transactions shown above are briefly discussed as follows:

The most recent transaction relates to the Property For Industry (PFI) multi-tenanted asset at **48-56 Seaview Road, Seaview**. The property comprises two main buildings built in 2008 and 2011 located to the south and middle of the site with an adjacent Truckstop fronting Seaview Road. Occupied by national tenants with robust lease covenants BP Oil NZ Ltd, Bridgestone NZ Ltd and Multispares NZ Ltd, the asset boasts a WALT (by income) of 6.47 years and was generating a net passing income of \$385,570 per annum plus GST and outgoings. Each of the leases feature

32, 32A & 32B Jamaica Drive, Grenada North, Wellington - **21 December 2021**

pre-set CPI review mechanisms (subject to cap and collar provisions) to ensure consistent rental growth over the residual term. In addition, there are two separate parcels of vacant land (some 6,000 square metres) located to the north and southeast and our yield and net rate analysis reflects a \$3,000,000 (circa \$500/sqm) deduction from the \$10,000,000 sale price to account for this.

Based on our enquiries, we understand that the property received a total of eight tenders from a mixture of investors and owner occupiers and ultimately sold to a confidential party that intends on developing the surplus land components. Whilst this transaction is useful in establishing yield parameters within the Seaview industrial precinct, we emphasise that our analysis is subjective and is based on current market trends and conditions.

Within the Lower Hutt industrial precinct, **176 Gracefield Road** has recently gone under contract for \$7,500,000 following an extensive marketing campaign led by Bayleys Capital Commercial. The property offers a large 4,129 square metre warehouse structure consisting of steel portal frames with concrete slab on grade in addition to a circa 382 square metre office and amenities block fronting Gracefield Road. Further, the 8,200 square metre property provides a large southern yard area capable of being redeveloped in time, albeit this component is elevated to some areas and would require earthworks to 'unlock'. Leased to L T Transport Ltd for \$480,000 per annum plus outgoings from September 2021, the net rental is to be reviewed to market three-yearly and annually to CPI. Based on our investigations with involved agents, we understand that the campaign received solid interest attracting four tenders with under bidders generally within the \$7M price quantum.

14-26 William Durant Drive, Upper Hutt comprises three modern high stud industrial properties built over four years (2016 to 2020) that are fully leased to four-tenants. Each of the three structures comprise dual gable steel frames interconnected to one another and capable of being subdivided and on-sold if required. Access to accommodation is obtained via four large roller doors per building, opening to a spacious stud height of 7.1 metres at the knee rising to 8.4 metres at the apex. The property sold within three days of being on the market for \$9,800,000 at an initial yield of 4.17% with a WALT of just over two-years remaining. Applying market-aligned rents across all components indicates an equivalent yield of 6.38% and is more reflective of the likely income return from an asset of this nature.

We are also privy to **14-16 Shakespeare Avenue, Upper Hutt** recently selling for \$11,100,000 indicating a market equivalent yield of 7.69%. The property comprises multiple buildings across various eras and is leased to a number of local and national tenants, most being at under market rentals. All leases provide scope for the rent to increase progressively at reviews and opportunity to separately title and divest components if required. The property attracted a solid level of genuine buyer interest and emphasises currently market demand for industrial stock.

The **Steel & Tube Distribution Complex** in Petone, Lower Hutt has recently sold as part of a sale and leaseback agreement for \$7,000,000. Steel & Tube will continue to lease the property for a two (2) year term from settlement (22 March 2021) with two (2) further terms of one (1) year each beyond the initial term. The property comprises a strategic landholding with functional high stud warehousing, supporting office accommodation and generous yards. Benefitting from dual street frontages the property offers excellent traffic management for distribution purposes and is conveniently located to major arterial roading.

The net lease format indicates a net annual income of \$622,910 p.a. plus GST with the Lessee responsible for all property related outgoings. Outgoings are estimated at circa \$26/sqm. The main warehouse is split into four bays, the two central bays are high stud and include gantry running rails enabling overhead hoist capabilities. The standalone eastern warehouse has a good medium stud with multiple roller door entry points. Seismically, the main building has structural issues, and remediation costs are estimated at \$750,000. The remaining buildings have NBS% Ratings of circa 50%+.

32, 32A & 32B Jamaica Drive, Grenada North, Wellington – **21 December 2021**

Due to the uncertainty of occupation of the incumbent tenant, seismic remediation issues and scope for better utilisation of the existing land, we have analysed the sale on an interim holding income basis prior to ultimate redevelopment / strengthening and repurposing. Backing out the Present Value of the current income over the term certain, and allowing a market aligned demolition allowance for the main building indicates a global land and building rate of around \$400/sqm. Considering the scale and location of the property, this indicated rate appears low relative to other sales in this precinct.

Silverstream Business Park has been a leading light of the Wellington industrial market with a hive of activity since 2017 when construction commenced. The original piece of farmland located at the northern end of Eastern Hutt Road has seen more activity of design builds and land subdivision than anywhere else in the Wellington region by one single owner (Building Solutions).

Lot 20 features a 2,262 square metre modern office and warehouse building, plus associated yard, leased to **Northpower Limited**. Centrally positioned on-site, the improvements provide universal modern accommodation, in terms of functionality and with scope to cater for future expansion requirements on adjacent yard components.

Leased for ten years from late 2020, the net rental is fixed for the initial four years before being subject to 2.0% p.a. pre-set increases for the balance of the term. The vendor is underwriting the rental shortfall during this period essentially providing continuity of cashflow. The net passing rental is \$673,122 p.a. plus GST and the Lessee is responsible for 100% of operating expenses with an overarching cap applicable through the initial years. The passing rent is considered slightly above market but reflects the new-build nature and likely return on construction costs.

Purchased by PMG as part of their Pacific Property Fund, the property sold for \$14,500,000 in December 2020, indicating an initial yield of 4.6%, a WALT of 10 years and a net building rate of \$6,410/sqm; this rate is high and reflects the new build nature of the asset and the additional land component located alongside.

Within the same complex, the **CDC Pharmaceuticals** property sold at the latter end of 2020 for \$10,000,000 to Christchurch based commercial property investment and management outfit Mackersy Property. Developed as part of a design build project for the incumbent Lessee, the property comprises a modern 2,200 square metre warehouse and office structure built to 100% NBS sited on a 4,512 square metres site. Leased for a fifteen (15) year term from settlement (circa January 2021) at \$428,000 per annum net, the lease is subject to fixed annual increases of 2.0% per annum and a market review scheduled to occur on the tenth and twentieth anniversaries. Three (3) further terms of five (5) years each are provided beyond the initial term.

14 Jamaica Drive, Grenada North has recently sold off-market to a local investor for \$10,850,000, indicating an initial yield of 4.76%. The property was leased to General Distributors Limited (T/A Countdown) for a six-year term at \$516,000 p.a. net and provides tidy warehouse and office accommodation occupying an elevated position above Takapu Road. The lease provides six further terms of three years each and is subject to pre-set review mechanisms of 2.0% p.a. with market reviews upon renewal. As part of the Agreement to Lease, the Vendor has reconfigured the former northern office component to provide part cool store / chiller warehouse accommodation and refurbished office and amenities to the balance. Overall, this transaction is considered useful in reinforcing the shift in yields post COVID-19 involving good quality stock with solid WALTs (by income).

Whilst of a larger dollar quantum, **14-16 Makaro Street, Porirua** is a recent major industrial transaction, selling via Private Treaty in November 2020 for \$35,600,000 to Oyster Property Management. The property was purpose-built for Downer New Zealand, completed in 2011, as their main Wellington office and depot servicing the Lower North Island. Situated on a 2.5026 ha site, the building offers circa 5,324 square metres of high-quality office and warehouse accommodation in approximate equal proportions, 44 basement car parks, 112 open car parks and some 16,510 square metres of sealed fence yard.

32, 32A & 32B Jamaica Drive, Grenada North, Wellington – **21 December 2021**

The property is located at the eastern end of Makaro Street, in what is regarded as one of the newest industrial subdivisions in Porirua. Other national businesses occupy nearby premises, the Porirua Mega Centre and Shopping Centre are some 600 metres to the east, with SH 1 a further 300 metres away in a similar direction.

Downer's lease commenced in late 2010 and is for a term of just under 21 years; the current passing net income is \$1,757,786 p.a. and the rental is subject to structured two-yearly reviews. The income stream is protected by a hard ratchet in relation to the market review scheduled for November 2021. The lessee bears all property outgoings including a pre-set management fee linked to the annual rent payable.

The property was widely marketed and generated strong buyer interest as a function of the 11.08-year WALT and pre-set rental growth. Purchased for syndication purposes, this transaction supports the emerging trend of sub 5.00% yields, analysed to indicate a market equivalent yield of 4.74%, a passing yield of 4.99% and an IRR of 6.04%.

9.2 Sales Reconciliation

In finalising our adopted market capitalisation rate for the subject property, we have considered the merits of the accommodation offering, size, re-letability, price quantum and the underlying lease covenant.

Like most of New Zealand, market yields have firmed over the last twelve months, fuelled by the prevailing low interest rate environment and pent-up demand for property assets post COVID-19. Quality industrial assets are extremely sought after, especially those offering longer lease tails and cashflow certainty with structured review mechanisms. However, some impending economic headwinds are emerging, namely interest rates and debt borrowing costs are on the rise domestically which may lead to a corresponding adjustment in yields. It is too early to gauge what yield adjustment, if any is necessary, but 'flag' market dynamics may change over the coming 18 months.

10. SWOT Analysis

We have considered and summarised the key positive and negative features associated with the subject property. This process assists in determining the appropriate yield and adopted rates for valuation.

Strengths	Opportunities
<ul style="list-style-type: none"> • Good accessibility / connectivity to SH1. • Scarcity of industrial stock both for lease and sale within the Wellington region. • Industrial property remains the 'darling' asset class, sought by investors both domestically and internationally. • Multiple, well-diversified income streams across various industries offering staggered lease expiry dates. • National and international tenants. • Modern, well-maintained quality structure(s) with solid NBS% Rating. • Completion of Transmission Gully likely to further improve roading and linkages within the vicinity. • Generous onsite parking. • Continual improving nature of the surrounding area. • Affordable dollar quantum would appeal to high net-worth individuals, syndicators and institutional investors. • Net lease structures pass risk connected to outgoings onto tenants. 	<ul style="list-style-type: none"> • Scope to divest as separate parcels, if required. • Secure longer lease commitments from incumbent tenants would result in greater WALT, thereby compressing adopted market capitalisation rates.
Weaknesses	Threats
<ul style="list-style-type: none"> • Short lease profile and indicated WALT (32 & 32B Jamaica Drive). • High ratio of office to warehouse accommodation in 32B Jamaica Drive may prove problematic to backfill, if required. 	<ul style="list-style-type: none"> • Escalating rates and insurance costs may erode net effective rental position under current lease formats. • Offshore and local factors having a negative impact on the domestic economy and property values. • Impact of the worldwide COVID-19 pandemic still developing. Business disruption, liquidity issues and market uncertainty may be related impacts. • Continued stages of lock-down may be activated in New Zealand frequently over the short term. Consequent rental abatements may be requested by tenant(s) impacting cashflow. • The reappearance of COVID-19 in the community may impact investor confidence, with potential for increased risk premiums and associated effects across different asset classes.

32, 32A & 32B Jamaica Drive, Grenada North, Wellington – 21 December 2021

10.1 Conclusion of Valuation Metrics

We consider that using the Income Approach, the following market capitalisation rates and discount rates would be appropriate:

Property	Market Capitalisation Rate	Discount Rate
32 Jamaica Drive	5.625%	6.50%
32A Jamaica Drive	5.00%	6.50%
32B Jamaica Drive	6.00%	6.50%

32, 32A & 32B Jamaica Drive, Grenada North, Wellington – **21 December 2021**

11. Valuation Approach

In arriving at our concluded value, we have considered relevant general and economic factors and have in particular investigated a summary of sales of comparable properties.

There are two key approaches to valuation of commercial and industrial property, these being the Market Approach and Income Approach.

The appropriate method of valuation under the Market Approach is the Sales Comparison Method. The appropriate methods of valuation under the Income Approach include the Capitalisation of Income Method and Discounted Cash Flow Method.

In some instances, a third approach known as the Cost Approach is applicable, the appropriate method under this approach is the Depreciated Replacement Cost (DRC) method.

In this case we consider the following approaches and applicable methods most appropriate.

11.1 Capitalisation of Income Method

For property that is income producing, the primary method of valuation is the Capitalisation Method. This method is market-derived and considers both sales and leasing evidence in order to determine the current market value. This method involves capitalising the actual contract and/or potential net income at an appropriate market derived rate of return. In situations where the contract rental varies from our assessed market rent the rental surplus or shortfall is calculated on a present value basis and adjusted against the capitalised value. The capitalised value may also be adjusted for costs associated with vacancy/part vacancy if this exists or is pending.

In determining an appropriate market yield for the subject, we have regard to market demand for the type of asset stock, commercial/industrial rental levels, along with general allowances for the scope of future rental growth, competition and location.

It is important to realise that the basis of any value is very much derived from a number of factors such as the quality and security of income, the degree of risk associated with the prospect of both an increase in rental and/or capital gain and the attractiveness of the investment as compared to other forms of investment available in the market place.

We summarise our calculations under this method as follows:

32 Jamaica Drive, Grenada North

32 Jamaica Drive, Grenada North - Market Capitalisation Method

Gross Market Income			\$589,565
Less Adopted Outgoings			(\$140,302)
Net Income			\$449,263
Capitalised @		5.625%	\$7,986,897
Capital Value Adjustments			
Imminent Expiry Allowances			
	Letting Up Allowances	24 months	(45,133)
	Leasing Costs Allowances	24 months	(21,583)
	Refurbishment Allowances	24 months	(59,452)
Capital Expenditure			
	Capital Sinking Fund Allowance	24 months	(5,597)
Total Capital Value Adjustments			(\$131,765)
Indicated Market Value			\$7,855,132
Adopt			\$7,850,000

Sensitivity Analysis

Capitalisation Rate	Market Value
5.875%	\$7,525,000
5.625%	\$7,850,000
5.375%	\$8,225,000

32A Jamaica Drive, Grenada North

32A Jamaica Drive, Grenada North - Market Capitalisation Method

Gross Market Income			\$309,125
Less Adopted Outgoings			(\$85,096)
Net Income			\$224,029
Capitalised @		5.00%	\$4,480,589
Capital Value Adjustments			
Rent Adjustments			
	Present Value of Rental Reversions		104,982
	Outstanding Incentives		(140,648)
Capital Expenditure			
	Capital Sinking Fund Allowance	24 months	(3,151)
Total Capital Value Adjustments			(\$38,817)
Indicated Market Value			\$4,441,772
Adopt			\$4,450,000

Sensitivity Analysis

Capitalisation Rate	Market Value
5.25%	\$4,225,000
5.00%	\$4,450,000
4.75%	\$4,675,000

32, 32A & 32B Jamaica Drive, Grenada North, Wellington - 21 December 2021

32B Jamaica Drive, Grenada North

32B Jamaica Drive, Grenada North - Market Capitalisation Method

Gross Market Income		\$455,890
Less Adopted Outgoings		(\$124,073)
Net Income		\$331,817
Capitalised @	6.00%	\$5,530,290
Capital Value Adjustments		
Rent Adjustments		
	Present Value of Rental Reversions	2,809
Imminent Expiry Allowances		
	Letting Up Allowances	24 months (35,071)
	Leasing Costs Allowances	24 months (16,762)
	Refurbishment Allowances	24 months (145,033)
Capital Expenditure		
	Capital Sinking Fund Allowance	24 months (4,377)
Total Capital Value Adjustments		(\$198,435)
Indicated Market Value		\$5,331,854
Adopt		\$5,325,000

Sensitivity Analysis

Capitalisation Rate	Market Value
6.25%	\$5,100,000
6.00%	\$5,325,000
5.75%	\$5,575,000

11.2 Discounted Cash Flow Method

This form of analysis allows an investor or owner to make an assessment of the long term return that is likely to be derived from a property with a combination of both rental and capital growth over an assumed investment horizon.

In undertaking this analysis, a wide range of assumptions are made including a target or pre-selected internal rate of return, rental growth, refurbishment costs, vacancies, costs associated with the initial purchase of the property and also its disposal at the end of the investment period.

Whereas the investment method capitalises income at a specific point in time, the DCF permits us to make allowances and forecasts over a predetermined investment period. The estimated cash flows including the reversionary value estimate at the end of the investment period are then discounted to provide the property's net present value.

The analysis is predicated on the assumption of a cash purchase. No allowance has been made for interest and other funding costs. As well, the DCF analysis proceeds on a before tax basis, and whilst we have not qualified any potential taxation benefits associated with the property, we are of the view that these are an issue that a prospective purchaser would reflect in their consideration.

Having regard to these factors, we have carried out a discounted cash flow analysis over a 10 year investment horizon.

Our critical DCF assumptions are:

Market Rental	We have adopted market rents as outlined the preceding section of this report.
Rental Growth	<p>In adopting our rental growth forecasts, we have had regard to several key factors, namely:</p> <ul style="list-style-type: none"> • Market and prevailing business confidence; • New business growth; • Market trends and occupier preferences, and • Prevailing and forecasted vacancy levels. <p>As noted above, we have applied a growth rate to industrial, office and carpark rentals at an average of 2.35%, 1.87% and 1.35% per annum respectively.</p>
Terminal Yield	We have adopted terminal capitalisation rates which sit 50 basis points above our market capitalisation rates for the respective properties reflecting the property will be 10 years older upon terminal sale.
Discount Rate	<p>In this instance we have applied a Discount Rate of 6.50% which includes a reasonable risk premium inherent with direct property investment and its illiquidity compared with other forms of investment.</p> <p>Additionally, in determining a suitable Discount Rate to apply we have been mindful of analysed IRR of comparable sales.</p>
Capital Expenditure	<p>We have made an annual allowance for each property reflecting 0.50% of the gross annual income in order to account for general capital expenditure requirements which are not recovered under the current lease document.</p> <p>In addition, refurbishment works are necessary to maintain the quality of the building accommodation. Allowances for such works normally coincide with lease expiry and we have therefore adopted \$100/sqm for general light refurbishment works over the office accommodation components.</p>

32, 32A & 32B Jamaica Drive, Grenada North, Wellington – **21 December 2021**

Vacancy / Letting Up

In terms of letting up periods, a term of **four months** has been allowed although we have also assumed a current lease renewal probability of **75%** resulting in a **1-month** vacancy period being adopted on future expiries. In addition, leasing fees have been applied.

We summarise our calculations under this method as follows:

32 Jamaica Drive, Grenada North

32 Jamaica Drive, Grenada North - Discount Cash Flow Method Summary										
Year Commencing	1	2	3	4	5	6	7	8	9	10
Period Beginning	Dec-21	Dec-22	Dec-23	Dec-24	Dec-25	Dec-26	Dec-27	Dec-28	Dec-29	Dec-30
Period Ending	Dec-22	Dec-23	Dec-24	Dec-25	Dec-26	Dec-27	Dec-28	Dec-29	Dec-30	Dec-31
Office	\$132,225	\$129,654	\$126,622	\$135,355	\$141,091	\$141,487	\$146,840	\$147,210	\$140,178	\$153,354
Industrial	\$418,340	\$410,206	\$411,130	\$439,484	\$460,253	\$461,685	\$481,339	\$482,694	\$461,853	\$505,441
Car Parking	\$39,000	\$38,242	\$37,068	\$39,624	\$40,745	\$40,822	\$41,976	\$42,056	\$39,680	\$43,381
Base Passing Rent	\$589,565	\$578,101	\$574,820	\$614,463	\$642,088	\$643,994	\$670,155	\$671,960	\$641,712	\$702,176
Recoveries	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0
Other Income	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0
Total Income	\$589,565	\$578,101	\$574,820	\$614,463	\$642,088	\$643,994	\$670,155	\$671,960	\$641,712	\$702,176
Outgoings										
Statutory expenses	\$61,550	\$64,052	\$66,176	\$67,741	\$69,421	\$71,043	\$72,582	\$74,124	\$75,653	\$77,166
Operating expenses	\$81,290	\$84,595	\$87,400	\$89,467	\$91,686	\$93,828	\$95,860	\$97,898	\$99,917	\$101,915
Outgoings	\$142,840	\$148,647	\$153,576	\$157,207	\$161,107	\$164,870	\$168,442	\$172,022	\$175,570	\$179,082
Net Income	\$446,725	\$429,454	\$421,244	\$457,256	\$480,981	\$479,123	\$501,713	\$499,938	\$466,142	\$523,094
Allowances										
Leasing Costs	\$0	\$0	\$24,579	\$0	\$0	\$0	\$0	\$0	\$28,087	\$0
Allowances	\$0	\$0	\$24,579	\$0	\$0	\$0	\$0	\$0	\$28,087	\$0
Net Income before Capital Expenditure	\$446,725	\$429,454	\$396,665	\$457,256	\$480,981	\$479,123	\$501,713	\$499,938	\$438,054	\$523,094
Capital Expenditure										
Sinking Fund	\$2,948	\$2,891	\$2,874	\$3,072	\$3,210	\$3,220	\$3,351	\$3,360	\$3,209	\$3,511
Refurbishment on Expiry	\$0	\$67,351	\$0	\$0	\$0	\$0	\$0	\$0	\$77,355	\$0
Capital Expenditure	\$2,948	\$70,242	\$2,874	\$3,072	\$3,210	\$3,220	\$3,351	\$3,360	\$80,564	\$3,511
Net Income after Capital Expenditure	\$443,778	\$359,212	\$393,791	\$454,183	\$477,771	\$475,903	\$498,362	\$496,578	\$357,491	\$519,583

Terminal Valuation Summary	
Gross Market Income	\$730,993
Less Adopted Outgoings	(\$180,954)
Net Market Income	\$550,039
Less Vacancy Factor	0.00%
Net Income	\$550,039
Discount Rate	6.50%
Terminal Capitalisation Rate	6.13%
Core Capital Value (fully leased)	\$8,980,224
Capital Value Adjustments	(\$6,637)
Capitalised Value	\$8,973,587
Disposal Costs	(\$100,953)
Net Sale Proceeds	\$8,872,635

Adopted DCF Value	
Rounded NPV	\$8,000,000
10 Year IRR	6.63%

Discounted Cash Flow Summary	
Sum of Cash Flows (after Capex & Adj.)	\$4,476,653
Sum of Discounted Cash Flows	\$3,296,380
Present Value of Terminal Value	\$4,726,683
NPV (before acquisition costs)	\$8,023,064
Less Acquisition Costs	(\$20,008)
NPV (after acquisition costs)	\$8,003,056

10 Year Sensitivity Matrix					
	7.00%	6.75%	6.50%	6.25%	6.00%
6.625%	\$7,377,730	\$7,510,762	\$7,646,967	\$7,786,429	\$7,929,239
6.375%	\$7,540,964	\$7,677,860	\$7,818,029	\$7,961,559	\$8,108,544
6.125%	\$7,717,525	\$7,858,600	\$8,003,056	\$8,150,986	\$8,302,486
5.875%	\$7,909,112	\$8,054,721	\$8,203,830	\$8,356,535	\$8,512,934
5.625%	\$8,117,730	\$8,268,277	\$8,422,452	\$8,580,356	\$8,742,090

Adopted Growth Rates										
10 Year Avg.	Year 1	Year 2	Year 3	Year 4	Year 5	Year 6	Year 7	Year 8	Year 9	Year 10
CPI Growth										
2.58%	3.83%	4.32%	2.24%	2.50%	2.46%	2.20%	2.13%	2.12%	2.00%	2.00%
Industrial Market Rent Growth - Gross										
2.35%	2.50%	2.50%	2.50%	2.50%	2.25%	2.25%	2.25%	2.25%	2.25%	2.25%

32, 32A & 32B Jamaica Drive, Grenada North, Wellington - 21 December 2021

32A Jamaica Drive, Grenada North

32A Jamaica Drive, Grenada North - Discount Cash Flow Method Summary										
Year Commencing	1	2	3	4	5	6	7	8	9	10
Period Beginning	Dec-21	Dec-22	Dec-23	Dec-24	Dec-25	Dec-26	Dec-27	Dec-28	Dec-29	Dec-30
Period Ending	Dec-22	Dec-23	Dec-24	Dec-25	Dec-26	Dec-27	Dec-28	Dec-29	Dec-30	Dec-31
Office	\$82,978	\$85,260	\$87,604	\$90,014	\$92,489	\$84,950	\$85,719	\$86,340	\$89,106	\$89,765
Industrial	\$143,241	\$147,180	\$151,227	\$155,386	\$159,659	\$145,348	\$140,901	\$142,105	\$147,471	\$148,763
Car Parking	\$28,809	\$29,602	\$30,416	\$31,252	\$32,111	\$29,671	\$30,726	\$30,897	\$31,655	\$31,830
Base Passing Rent	\$255,028	\$262,041	\$269,247	\$276,652	\$284,259	\$259,969	\$257,346	\$259,342	\$268,233	\$270,359
Recoveries										
Secured recoveries	\$78,477	\$81,881	\$84,596	\$86,596	\$88,745	\$66,371	\$0	\$0	\$0	\$0
Renewal recoveries	\$0	\$0	\$0	\$0	\$0	\$16,841	\$92,785	\$94,757	\$96,712	\$98,646
Recoveries	\$78,477	\$81,881	\$84,596	\$86,596	\$88,745	\$83,212	\$92,785	\$94,757	\$96,712	\$98,646
Other Income										
Other Income	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0
Total Income	\$333,505	\$343,922	\$353,844	\$363,248	\$373,004	\$343,181	\$350,131	\$354,099	\$364,944	\$369,004
Outgoings										
Statutory expenses	\$37,828	\$39,580	\$40,893	\$41,859	\$42,898	\$43,900	\$44,851	\$45,804	\$46,749	\$47,684
Operating expenses	\$40,648	\$42,301	\$43,704	\$44,737	\$45,847	\$46,918	\$47,934	\$48,953	\$49,963	\$50,962
Non-recoverable expenses	\$8,348	\$8,688	\$8,976	\$9,188	\$9,416	\$9,636	\$9,845	\$10,054	\$10,261	\$10,466
Outgoings	\$86,825	\$90,569	\$93,572	\$95,784	\$98,161	\$100,453	\$102,630	\$104,811	\$106,973	\$109,112
Net Income	\$246,680	\$253,353	\$260,271	\$267,464	\$274,844	\$242,728	\$247,502	\$249,288	\$257,971	\$259,892
Allowances										
Secured Incentives - Rebates	\$142,800	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0
Leasing Costs	\$0	\$0	\$0	\$0	\$0	\$13,968	\$0	\$0	\$0	\$0
Allowances	\$142,800	\$0	\$0	\$0	\$0	\$13,968	\$0	\$0	\$0	\$0
Net Income before Capital Expenditure	\$103,880	\$253,353	\$260,271	\$267,464	\$274,844	\$228,759	\$247,502	\$249,288	\$257,971	\$259,892
Capital Expenditure										
Sinking Fund	\$1,668	\$1,720	\$1,769	\$1,816	\$1,865	\$1,716	\$1,751	\$1,770	\$1,825	\$1,845
Refurbishment on Expiry	\$0	\$0	\$0	\$0	\$0	\$53,101	\$0	\$0	\$0	\$0
Capital Expenditure	\$1,668	\$1,720	\$1,769	\$1,816	\$1,865	\$54,817	\$1,751	\$1,770	\$1,825	\$1,845
Net Income after Capital Expenditure	\$102,212	\$251,634	\$258,502	\$265,647	\$272,979	\$173,943	\$245,751	\$247,518	\$256,147	\$258,047

Terminal Valuation Summary	
Gross Market Income	\$380,596
Less Adopted Outgoings	(\$110,253)
Net Market Income	\$270,343
Less Vacancy Factor	0.00%
Net Income	\$270,343
Discount Rate	6.50%
Terminal Capitalisation Rate	5.50%
Core Capital Value (fully leased)	\$4,915,330
Capital Value Adjustments	(\$100,665)
Capitalised Value	\$4,814,665
Disposal Costs	(\$54,165)
Net Sale Proceeds	\$4,760,500

Adopted DCF Value	
Rounded NPV	\$4,225,000
10 Year IRR	6.20%

Discounted Cash Flow Summary	
Sum of Cash Flows (after Capex & Adj.)	\$2,332,379
Sum of Discounted Cash Flows	\$1,703,497
Present Value of Terminal Value	\$2,536,042
NPV (before acquisition costs)	\$4,239,539
Less Acquisition Costs	(\$10,572)
NPV (after acquisition costs)	\$4,228,967

10 Year Sensitivity Matrix					
	7.00%	6.75%	6.50%	6.25%	6.00%
6.00%	\$3,870,980	\$3,941,533	\$4,013,758	\$4,087,699	\$4,163,404
5.75%	\$3,969,196	\$4,042,074	\$4,116,684	\$4,193,073	\$4,271,289
5.50%	\$4,076,341	\$4,151,755	\$4,228,967	\$4,308,026	\$4,388,983
5.25%	\$4,193,691	\$4,271,882	\$4,351,944	\$4,433,928	\$4,517,885
5.00%	\$4,322,777	\$4,404,023	\$4,487,219	\$4,572,420	\$4,659,679

Adopted Growth Rates										
10 Year Avg.	Year 1	Year 2	Year 3	Year 4	Year 5	Year 6	Year 7	Year 8	Year 9	Year 10
CPI Growth										
2.58%	3.83%	4.32%	2.24%	2.50%	2.46%	2.20%	2.13%	2.12%	2.00%	2.00%
Industrial Market Rent Growth - Gross										
2.35%	2.50%	2.50%	2.50%	2.50%	2.25%	2.25%	2.25%	2.25%	2.25%	2.25%

32, 32A & 32B Jamaica Drive, Grenada North, Wellington - 21 December 2021

32B Jamaica Drive, Grenada North

32B Jamaica Drive, Grenada North - Discount Cash Flow Method Summary										
Year Commencing	1	2	3	4	5	6	7	8	9	10
Period Beginning	Dec-21	Dec-22	Dec-23	Dec-24	Dec-25	Dec-26	Dec-27	Dec-28	Dec-29	Dec-30
Period Ending	Dec-22	Dec-23	Dec-24	Dec-25	Dec-26	Dec-27	Dec-28	Dec-29	Dec-30	Dec-31
Office	\$259,073	\$233,486	\$254,825	\$260,015	\$265,382	\$270,488	\$275,767	\$257,481	\$287,075	\$291,793
Industrial	\$62,484	\$57,829	\$63,652	\$65,137	\$66,673	\$68,174	\$69,727	\$65,320	\$73,115	\$74,543
Car Parking	\$24,896	\$23,923	\$26,198	\$26,587	\$26,989	\$27,390	\$27,805	\$25,853	\$28,681	\$29,035
Base Passing Rent	\$346,452	\$315,238	\$344,674	\$351,739	\$359,044	\$366,053	\$373,300	\$348,654	\$388,871	\$395,372
Recoveries										
Secured recoveries	\$113,794	\$49,292	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0
Renewal recoveries	\$0	\$59,399	\$122,348	\$125,240	\$128,347	\$131,345	\$134,191	\$125,605	\$139,869	\$142,667
Recoveries	\$113,794	\$108,691	\$122,348	\$125,240	\$128,347	\$131,345	\$134,191	\$125,605	\$139,869	\$142,667
Other Income										
Other Income	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0
Total Income	\$460,247	\$423,929	\$467,021	\$476,979	\$487,391	\$497,398	\$507,490	\$474,259	\$528,741	\$538,038
Outgoings										
Statutory expenses	\$56,692	\$58,997	\$60,953	\$62,394	\$63,942	\$65,436	\$66,853	\$68,274	\$69,682	\$71,076
Operating expenses	\$57,102	\$59,424	\$61,394	\$62,846	\$64,405	\$65,909	\$67,337	\$68,768	\$70,187	\$71,591
Non-recoverable expenses	\$12,522	\$13,032	\$13,464	\$13,782	\$14,124	\$14,454	\$14,767	\$15,081	\$15,392	\$15,700
Outgoings	\$126,317	\$131,453	\$135,811	\$139,022	\$142,471	\$145,799	\$148,958	\$152,123	\$155,261	\$158,366
Net Income	\$333,930	\$292,476	\$331,210	\$337,957	\$344,920	\$351,599	\$358,533	\$322,136	\$373,480	\$379,672
Allowances										
Leasing Costs	\$0	\$18,429	\$0	\$0	\$0	\$0	\$0	\$21,097	\$0	\$0
Allowances	\$0	\$18,429	\$0	\$0	\$0	\$0	\$0	\$21,097	\$0	\$0
Net Income before Capital Expenditure	\$333,930	\$274,047	\$331,210	\$337,957	\$344,920	\$351,599	\$358,533	\$301,039	\$373,480	\$379,672
Capital Expenditure										
Sinking Fund	\$2,301	\$2,120	\$2,335	\$2,385	\$2,437	\$2,487	\$2,537	\$2,371	\$2,644	\$2,690
Refurbishment on Expiry	\$0	\$158,620	\$0	\$0	\$0	\$0	\$0	\$184,132	\$0	\$0
Capital Expenditure	\$2,301	\$160,739	\$2,335	\$2,385	\$2,437	\$2,487	\$2,537	\$186,504	\$2,644	\$2,690
Net Income after Capital Expenditure	\$331,629	\$113,308	\$328,875	\$335,572	\$342,483	\$349,112	\$355,995	\$114,535	\$370,836	\$376,982

Terminal Valuation Summary	
Gross Market Income	\$552,280
Less Adopted Outgoings	(\$160,022)
Net Market Income	\$392,258
Less Vacancy Factor	0.00%
Net Income	\$392,258
Discount Rate	6.50%
Terminal Capitalisation Rate	6.50%
Core Capital Value (fully leased)	\$6,034,738
Capital Value Adjustments	(\$5,171)
Capitalised Value	\$6,029,566
Disposal Costs	(\$67,833)
Net Sale Proceeds	\$5,961,734

Adopted DCF Value	
Rounded NPV	\$5,375,000
10 Year IRR	6.57%

Discounted Cash Flow Summary	
Sum of Cash Flows (after Capex & Adj.)	\$3,019,327
Sum of Discounted Cash Flows	\$2,217,394
Present Value of Terminal Value	\$3,175,971
NPV (before acquisition costs)	\$5,393,364
Less Acquisition Costs	(\$13,450)
NPV (after acquisition costs)	\$5,379,915

10 Year Sensitivity Matrix					
	7.00%	6.75%	6.50%	6.25%	6.00%
7.00%	\$4,971,448	\$5,061,374	\$5,153,443	\$5,247,715	\$5,344,248
6.75%	\$5,075,500	\$5,167,888	\$5,262,485	\$5,359,349	\$5,458,544
6.50%	\$5,187,556	\$5,282,597	\$5,379,915	\$5,479,572	\$5,581,632
6.25%	\$5,308,578	\$5,406,483	\$5,506,739	\$5,609,412	\$5,714,567
6.00%	\$5,439,685	\$5,540,693	\$5,644,133	\$5,750,073	\$5,858,582

Adopted Growth Rates										
10 Year Avg.	Year 1	Year 2	Year 3	Year 4	Year 5	Year 6	Year 7	Year 8	Year 9	Year 10
<i>CPI Growth</i>										
2.58%	3.83%	4.32%	2.24%	2.50%	2.46%	2.20%	2.13%	2.12%	2.00%	2.00%
<i>Office Market Rent Growth - Gross</i>										
1.87%	0.00%	2.25%	2.25%	2.25%	2.00%	2.00%	2.00%	2.00%	2.00%	2.00%

32, 32A & 32B Jamaica Drive, Grenada North, Wellington - 21 December 2021

11.3 Summary of Valuation Approaches

We summarise the above valuation approaches and methods as follows:

Valuation Method	32 Jamaica Drive	32A Jamaica Drive	32B Jamaica Drive
Capitalisation of Income	\$7,850,000	\$4,450,000	\$5,325,000
Discounted Cashflow	\$8,000,000	\$4,225,000	\$5,375,000
Market Value	\$7,925,000	\$4,325,000	\$5,350,000

32, 32A & 32B Jamaica Drive, Grenada North, Wellington – 21 December 2021

12. Valuation Conclusion

Bayleys Valuations Limited confirms that we undertook an inspection of the property at **32, 32A & 32B Jamaica Drive, Grenada North, Wellington**, on 8 December 2021, in order to assess the Market Value for Mortgage Security, Capital Raising and Financial Reporting Purposes.

Subject to the critical assumptions and comments noted within this report, we hereby assess the Market Value of the abovementioned property on a 'Gross Realisation' basis to be:

**Seventeen Million, Six Hundred Thousand Dollars
(NZ\$17,600,000) plus GST (if any)**

We confirm that the above 'Gross Realisation' valuation has been expressed on a plus GST (if any) basis. Further, our valuation excludes all selling costs and is not reliant upon any outstanding lease incentives.

12.1 Valuation Analysis

Valuation Metric	32 Jamaica Drive	32A Jamaica Drive	32B Jamaica Drive
Net Rate	\$2,590 per sqm	\$2,942 per sqm	\$2,717 per sqm
Initial Yield	5.67%	5.66%	6.33%
Equivalent Yield	5.58%	5.13%	5.98%
IRR	6.63%	6.20%	6.57%

12.2 Value Apportionment

In accordance with NZIAS 40 we hypothetically apportion our assessed 'Gross Realisation' value accordingly:

Land Value	\$6,500,000
Improvements Value	\$11,100,000
Adopted Market Value	\$17,600,000

12.3 Cautions and Additional Comments

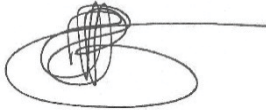
Refer to Section 1.6 – Material Precaution

32, 32A & 32B Jamaica Drive, Grenada North, Wellington – **21 December 2021**

12.4 Signatory

We thank you for your instructions in this matter and if you require any further assistance, please contact the undersigned.

Prepared by
Bayleys Valuations Limited



Paul Butchers

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Director – Registered Valuer
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Valuer
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13. General Principles

Valuation Standards	This valuation has been performed in accordance with International Valuation Standards - IVS (effective 31 January 2020), and the relevant Australia and New Zealand Valuation and Property Standards as approved by the New Zealand Institute of Valuers (NZIV) Council. The definition of Market Value as defined by the International Valuation Standards (IVS) effective 31 January 2020 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”.
Valuation Basis	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 thereon.
Information Supplied	The valuation assumes as being complete and correct from information provided to us by the sources detailed in our report on any relevant matters including, without limitation, items such as rents, operating expenses, tenure, tenancies and tenant’s improvements. We accept no responsibility, however, for the completeness and accuracy of information provided to us.
Documentation	Our inspection has included searching of the Record(s) of Title, if appropriate and where available, the ground and/or building lease(s) and other relevant tenancy schedules and documents. We recommend that reliance should not be placed on our interpretation thereof without prior verification by your lawyers.
Title	Unless specifically stated in the report, we assume that each property has a good and marketable title and is free from any pending litigation. We further assume that all documentation is satisfactorily drawn and that there were no unusual or onerous restrictions, easements, covenants or other outgoings which would adversely affect the value or negotiability of the relevant interest(s).
Title Boundaries	We have not carried out a detailed site survey and we have of necessity assumed for the purposes of the valuation that all structural improvements have been erected within the Title Boundaries. We do not undertake a measurement of the site or survey but calculate the site areas by reference to identified boundaries of the property and the appropriate Record of Title.
Resource Management Act 1991	Our valuation is on the basis of uses indicated on our copies of the Transitional District Plan, Proposed District Plan and District Plan (as the case may be) and our enquiries of the Territorial Authority as to any Resource Consents for the land.
LIM & PIM	Unless otherwise stated, we have not obtained a Land Information Memorandum (LIM) or Project Information Memoranda (PIM) from the Territorial Authority. It is considered an obligation of the recipient of the report to request a Land Information Memorandum from the appropriate Local Authority and search legal registrations on the relevant Record of Title, in order to satisfy themselves as to the suitability of the property for their specific purpose.
Valuation	The valuation provided is our opinion of the market value. This value may change in the future due to market conditions and changes to the state of the property. For the purposes of our valuation, we have assumed there will be no adverse market changes in the short to medium term.
Validity	Should a period of greater than three months elapse from the date of preparation of the report, it is recommended that the person to whom it is addressed seek confirmation from the Valuer concerned that the valuation can still be relied upon in context of relevant current market situation. Failing to do so will nullify the validity of the report as well as strict reliance upon a copy of the same unless previously agreed to in writing between us and the recipient and/or end user. If a copy of the report is relied upon, we cannot guarantee the accuracy of the same which could be at variance with the original document. Furthermore, the reference to the three month time period does not imply that the value will remain static during this time. From the perspective of Bayleys Valuations Ltd, this valuation is valid by valuer signature only.

Practising Certificate	This valuation has been carried out by a Registered Valuer carrying a current practising certificate.
Insurance	BVL hold Professional Indemnity cover that is at a level accepted by our large corporate clients and banks and it is at/or above industry standards. A copy of our certificate is available upon request.
Acceptance of Reports	The use of this report by the client/instructing party for market value/mortgage purposes in its current format is deemed an acceptance by the same of all value, terms, conditions and specification contained herein unless advised to the contrary immediately.
Inspections	We undertake such inspections and conduct investigations as are, in our opinion, correct in our personal judgement, appropriate and possible in the particular circumstance.
Legislation	Building Act 2004, Health and Safety at Work Act 2015, Fire Safety and Evacuation of Buildings Regulations 2006, Disabled Persons Community Welfare Act 1975. Unless otherwise stated in our report, our valuation is on the basis that the property complies with this legislation or it has no significant impact on the value of the property.
Structural Surveys	The valuation report does not purport to be a structural survey and we accept no responsibility for the omission of building or other defects which may not be apparent without such a survey.
Deleterious Materials	Unless stated in our report, we do not carry out investigations to ascertain whether any building has been constructed or altered using deleterious materials or methods. Unless notified, our valuations assume that no such materials or methods have been used (e.g. asbestos, PCBs).
Site Conditions	We do not carry out investigations on site in order to determine the suitability of ground conditions and services, nor do we undertake environmental or geotechnical surveys. Unless notified to the contrary, our valuations are on the basis that these aspects are satisfactory and also that the site is clear of underground mineral or other workings, methane gas or other noxious substances. In the case of properties which may have redevelopment potential, we assume that the site has load bearing capacity suitable for the anticipated form of redevelopment without the need for additional and expensive foundations or drainage systems.
Environmental Contamination	Our valuations assume that no contaminative or potentially contaminative use is, or ever has been, carried out at the property. Unless specifically instructed, we do not undertake any investigation into the past or present uses of either the property or any adjoining or nearby land, to establish whether there is any potential for contamination from these uses and assume that none exists.
Plant & Machinery	Our valuations include items usually regarded as forming part of the building and comprising fixtures, such as lifts, boilers, heating, ventilation, air conditioning, water, drainage, electrical, lighting, fire detection and sprinkler systems. We have assumed the fixtures are in proper working order and functioning for the purpose for which they were designed.
Taxation, GST	In preparing our valuations, no allowances are made for any liability which may arise for payment of income tax or any other property related tax, whether existing or which may arise on development or disposal, deemed or otherwise. In respect to Goods and Services Tax, we specifically draw your attention to the fact that our valuation is on the following basis: <ul style="list-style-type: none"> • Non-Residential - Market and rental valuations are (unless otherwise stated) carried out on the basis that valuation is plus GST (if any). • Residential - Market and rental valuations are (unless otherwise stated) carried out on the basis that the valuation includes GST (if any).
Publication	Neither the whole nor any part of our reports, nor any reference thereto, may be included in any published document, circular or statement, nor published in any way without any written approval of the form and context of such publication or disclosure. Such approval is required whether or not Bayleys Valuations Ltd referred to by name and whether or not the reports are combined with others.

Appendix

1. Record(s) of Title



**RECORD OF TITLE
UNDER LAND TRANSFER ACT 2017
FREEHOLD
Search Copy**




R.W. Muir
Registrar-General
of Land

Identifier 640343
Land Registration District Wellington
Date Issued 22 August 2014

Prior References

555101

Estate Fee Simple
Area 6756 square metres more or less
Legal Description Lot 1 Deposited Plan 471567

Registered Owners

PMG Generation Fund Trustees Limited

Interests

Appurtenant hereto is a sewage drainage right created by Transfer 128369.1 - 11.9.1975 at 10:22 am

Appurtenant hereto is a right of way specified in Easement Certificate B308761.5 - 9.9.1993 at 2:51 pm

The easement specified in Easement Certificate B308761.5 is subject to Section 243(a) Resource Management Act 1991

Subject to a right (in gross) to transmit electrical energy and gas over parts marked A, AA & AC on DP 471567 in favour of (now) Powerco Limited and Vector Wellington Electricity Network Limited (in shares) created by Transfer B308761.7 - 9.9.1993 at 2:51 pm

The easements created by Transfer B308761.7 are subject to Section 243(a) Resource Management Act 1991

Subject to a water drainage right (in gross) over parts marked AD, AE, AF & AP on DP 471567 in favour of the Wellington City Council created by Transfer B308761.8 - 9.9.1993 at 2:51 pm

The easements created by Transfer B308761.8 are subject to Section 243(a) Resource Management Act 1991

Subject to a right (in gross) to convey electricity and telecommunications over parts marked AA, AE & AH on DP 471567 in favour of Wellington Electricity Lines Limited created by Easement Instrument 8793985.1 - 12.7.2011 at 1:00 pm

Subject to a right to drain water over parts marked A, AD, AE, AF, AG, AJ & AP and sewage over parts marked A, AD, AG, AH & AI and a right to convey telecommunications and computer media over parts marked AK & AN, all on DP 471567 created by Easement Instrument 8826894.2 - 11.8.2011 at 5:17 pm

Appurtenant hereto is a right of way and a right to convey electricity created by Easement Instrument 8826894.2 - 11.8.2011 at 5:17 pm

Some of the easements created by Easement Instrument 8826894.2 are subject to Section 243(a) Resource Management Act 1991 (see DP 443665)

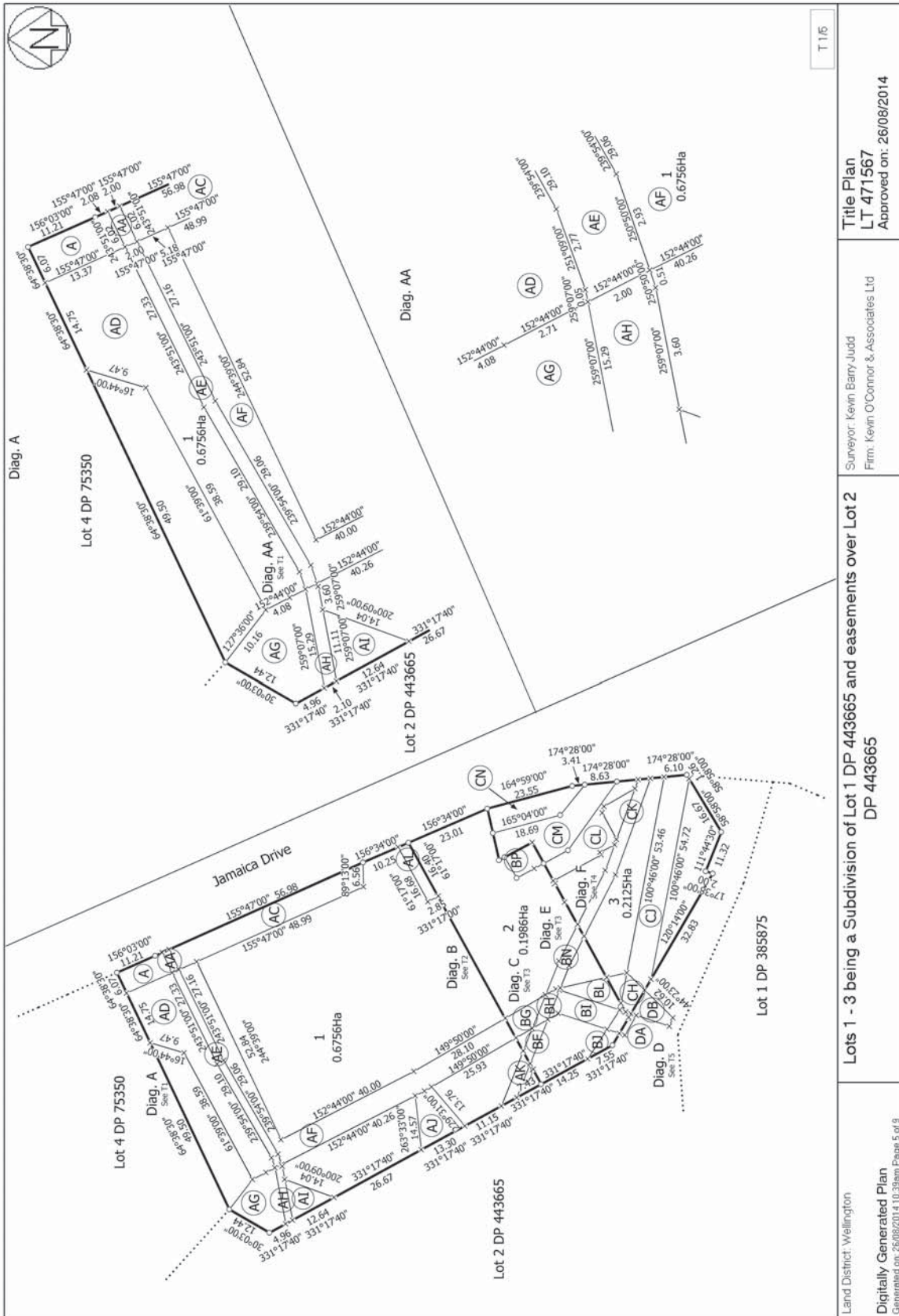
8839054.3 Encumbrance to Market Gardeners Limited - 5.9.2011 at 9:06 am

Subject to a party wall easement over parts marked AM, AN, AO, AP & AQ and a right to convey gas over part marked AL on DP 471567 created by Easement Instrument 9746773.2 - 22.8.2014 at 11:22 am

Appurtenant hereto is a party wall easement created by Easement Instrument 9746773.2 - 22.8.2014 at 11:22 am

The easements created by Easement Instrument 9746773.2 are subject to Section 243(a) Resource Management Act 1991

12194908.4 Mortgage to ASB Bank Limited - 30.7.2021 at 4:21 pm



T 1/6

Title Plan
LT 471567
Approved on: 26/08/2014

Surveyor: Kevin Barry Judd
Firm: Kevin O'Connor & Associates Ltd

Lots 1 - 3 being a Subdivision of Lot 1 DP 443665 and easements over Lot 2 DP 443665

Land District: Wellington
Digitally Generated Plan
Generated on: 26/08/2014 10:39am Page 5 of 9



**RECORD OF TITLE
UNDER LAND TRANSFER ACT 2017
FREEHOLD
Search Copy**




R.W. Muir
Registrar-General
of Land

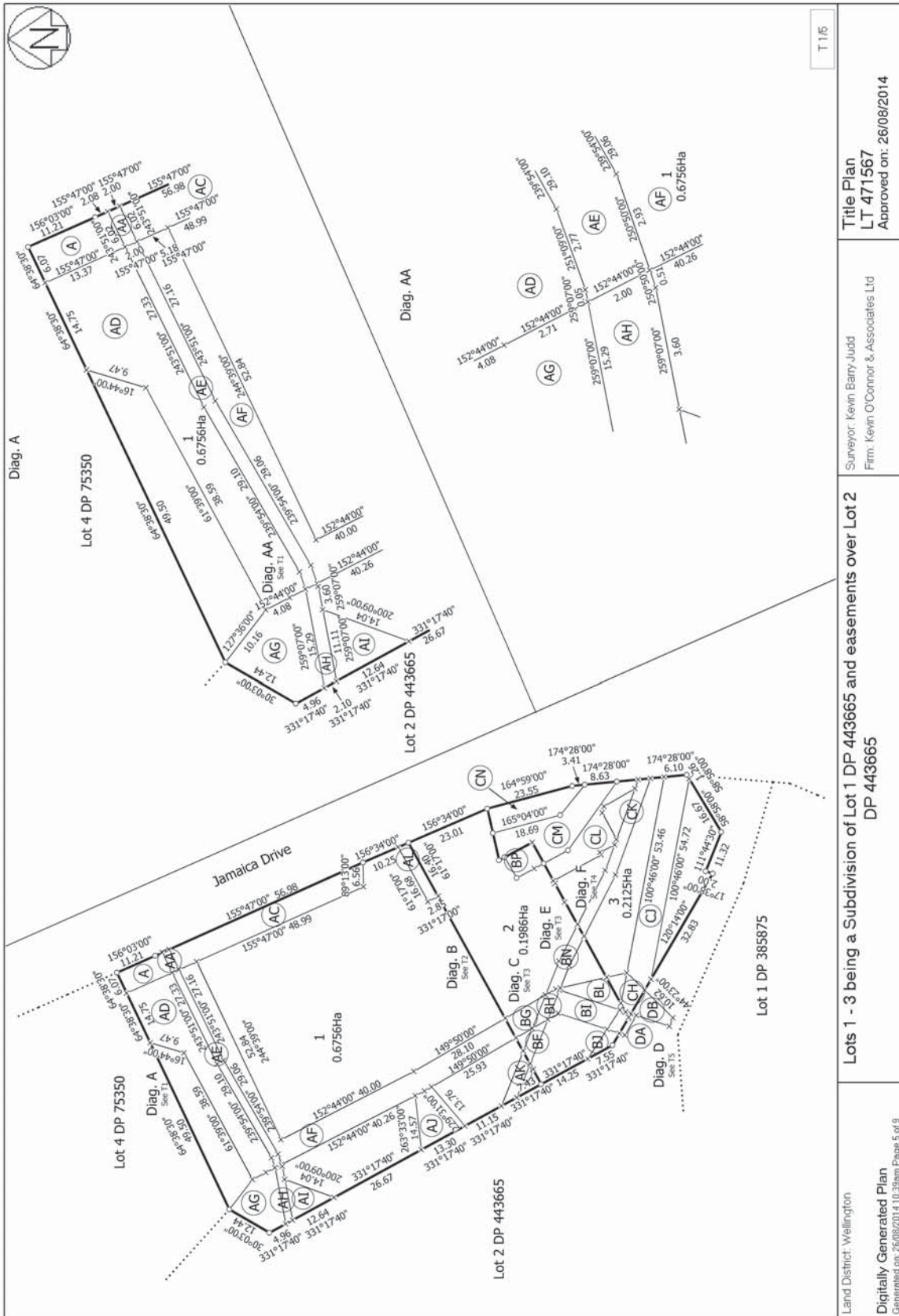
Identifier 640344
Land Registration District Wellington
Date Issued 22 August 2014

Prior References
555101

Estate Fee Simple
Area 1986 square metres more or less
Legal Description Lot 2 Deposited Plan 471567
Registered Owners
PMG Generation Fund Trustees Limited

Interests

Appurtenant hereto is a sewage drainage right created by Transfer 128369.1 - 11.9.1975 at 10:22 am
Appurtenant hereto is a right of way specified in Easement Certificate B308761.5 - 9.9.1993 at 2:51 pm
The easement specified in Easement Certificate B308761.5 is subject to Section 243(a) Resource Management Act 1991
Subject to a water drainage right (in gross) over parts marked BD, BG, BH, BI, BK & BQ on DP 471567 in favour of the Wellington City Council created by Transfer B308761.8 - 9.9.1993 at 2:51 pm
The easements created by Transfer B308761.8 are subject to Section 243(a) Resource Management Act 1991
Subject to a right to drain water over parts marked BD & BG and sewage over parts marked BJ, BK, BM, BQ & BR and a right to convey telecommunications and computer media over parts marked BB, BF, BH, BN, BU & BW, all on DP 471567 created by Easement Instrument 8826894.2 - 11.8.2011 at 5:17 pm
Appurtenant hereto is a right of way and a right to convey electricity created by Easement Instrument 8826894.2 - 11.8.2011 at 5:17 pm
Some of the easements created by Easement Instrument 8826894.2 are subject to Section 243(a) Resource Management Act 1991 (see DP 443665)
8839054.3 Encumbrance to Market Gardeners Limited - 5.9.2011 at 9:06 am
Subject to a party wall easement over parts marked BA, BB, BC, BD, BE, BQ, BR, BS, BT, BU & BV and a right of way over part marked BP on DP 471567 created by Easement Instrument 9746773.2 - 22.8.2014 at 11:22 am
Appurtenant hereto are party wall easements, a right of way, a right to drain water and sewage and a right to convey gas, water, electricity, telecommunications and computer media created by Easement Instrument 9746773.2 - 22.8.2014 at 11:22 am
The easements created by Easement Instrument 9746773.2 are subject to Section 243(a) Resource Management Act 1991
Subject to a right to drain water over parts marked BH, BI, BL, BM, BR & BS on DP 471567 created by Easement Instrument 9746773.3 - 22.8.2014 at 11:22 am
Appurtenant hereto is a right to drain water created by Easement Instrument 9746773.3 - 22.8.2014 at 11:22 am
12194908.4 Mortgage to ASB Bank Limited - 30.7.2021 at 4:21 pm



T 1/6

Title Plan
LT 471567
Approved on: 26/08/2014

Surveyor: Kevin Barry Judd
Firm: Kevin O'Connor & Associates Ltd

Lots 1 - 3 being a Subdivision of Lot 1 DP 443665 and easements over Lot 2 DP 443665

Land District: Wellington
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RECORD OF TITLE
UNDER LAND TRANSFER ACT 2017
FREEHOLD
Search Copy




R.W. Muir
Registrar-General
of Land

Identifier **640345**
Land Registration District **Wellington**
Date Issued 22 August 2014

Prior References

555101

Estate Fee Simple
Area 2125 square metres more or less
Legal Description Lot 3 Deposited Plan 471567

Registered Owners

PMG Generation Fund Trustees Limited

Interests

Appurtenant hereto is a sewage drainage right created by Transfer 128369.1 - 11.9.1975 at 10:22 am

Appurtenant hereto is a right of way specified in Easement Certificate B308761.5 - 9.9.1993 at 2:51 pm

The easement specified in Easement Certificate B308761.5 is subject to Section 243(a) Resource Management Act 1991

Subject to a water drainage right (in gross) over parts marked CA & CG on DP 471567 in favour of the Wellington City Council created by Transfer B308761.8 - 9.9.1993 at 2:51 pm

The easements created by Transfer B308761.8 are subject to Section 243(a) Resource Management Act 1991

Subject to a right to drain sewage over parts marked CA, CB, CG, CH & CJ and a right to convey telecommunications and computer media over parts marked CE & CK on DP 471567 created by Easement Instrument 8826894.2 - 11.8.2011 at 5:17 pm

Appurtenant hereto is a right of way and a right to convey electricity created by Easement Instrument 8826894.2 - 11.8.2011 at 5:17 pm

Some of the easements created by Easement Instrument 8826894.2 are subject to Section 243(a) Resource Management Act 1991 (see DP 443665)

8839054.3 Encumbrance to Market Gardeners Limited - 5.9.2011 at 9:06 am

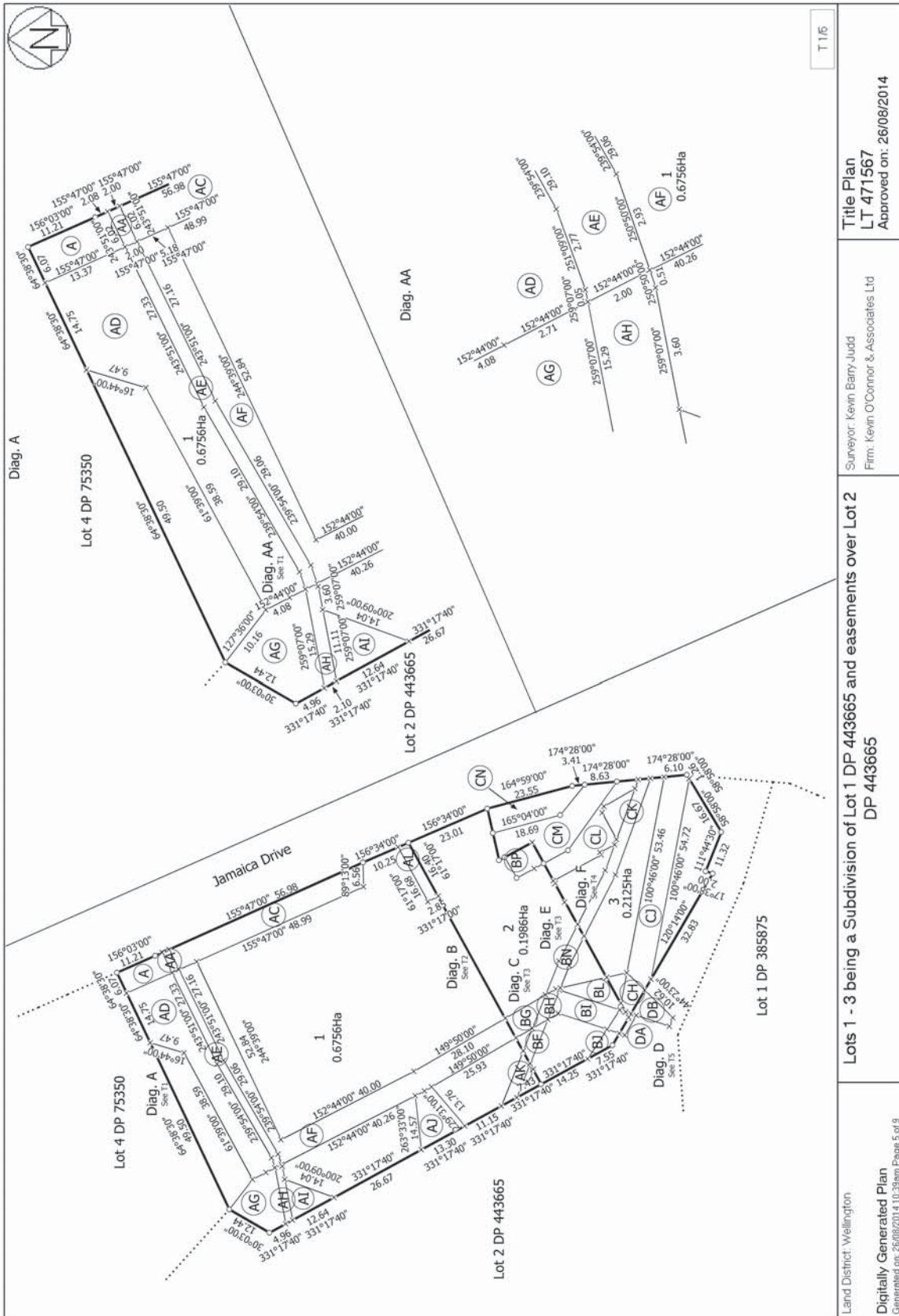
Subject to a party wall easement over parts marked CA, CB, CC, CD, CE & CF, a right of way over part marked CM, a right to drain water over parts marked CA, CB, CC, CG, CH, CI, CL, CM & CN and a right to convey water, electricity, telecommunications and computer media and a right to drain sewage over parts marked CL, CM & CN, all on DP 471567 created by Easement Instrument 9746773.2 - 22.8.2014 at 11:22 am

Appurtenant hereto is a party wall easement and a right of way created by Easement Instrument 9746773.2 - 22.8.2014 at 11:22 am

The easements created by Easement Instrument 9746773.2 are subject to Section 243(a) Resource Management Act 1991

Subject to a right to drain water over parts marked CB, CC, CH & CI on DP 471567 created by Easement Instrument 9746773.3 - 22.8.2014 at 11:22 am

12194908.4 Mortgage to ASB Bank Limited - 30.7.2021 at 4:21 pm



Surveyor: Kevin Barry Judd
 Firm: Kevin O'Connor & Associates Ltd
 Title Plan
 LT 471567
 Approved on: 26/08/2014

Land District: Wellington
 Digitally Generated Plan
 Generated on: 26/08/2014 10:39am Page 5 of 9

Lots 1 - 3 being a Subdivision of Lot 1 DP 443665 and easements over Lot 2 DP 443665

Appendix

2. Tenancy Schedule

32, 32A & 32B Jamaica Drive, Grenada North - Tenancy Schedule

Lease Terms and Review Information

Passing Rentals

Market Rentals

Re-Letting Assumptions

Tenant	Level / Suite	Renewal Type	Leitable Area m ²	Prop. (%)	Car Bays	Lease Term (Yrs)	Comm. Date	Expiry Date	Options	RoR	Next Review	Review Type	Remaining Term (Yrs)	Lease Type	Base Rent \$/pa	Outgoings Recovered \$/m ²	Gross Passing Rent \$/m ²	Net/Gross	Net Market Rent \$/pa	Gross Market Rent \$/m ²	Reversion Date Applied	PV of Rent Reversion	Renewal Term - Years	Lease Structure			
Coca-Cola Amatil (NZ) Ltd	Office - Ground	Office	658.0	16.83%	-	3.0	14-Dec-20	15-Dec-23	1 x 3 Yrs	-	-	-	2.0	Gross	116,975	225	116,975	225	92,262	179	15,975	225	14-Dec-23	75.0%	100.00	6.0	ME
Coca-Cola Amatil (NZ) Ltd	Office - Warehouse	Office	109.0	3.59%	-	3.0	14-Dec-20	15-Dec-23	1 x 3 Yrs	-	-	-	2.0	Gross	116,975	225	116,975	225	92,262	179	15,975	225	14-Dec-23	75.0%	100.00	6.0	ME
Coca-Cola Amatil (NZ) Ltd	Warehouse - Workshop	Industrial	132.0	4.56%	-	3.0	14-Dec-20	15-Dec-23	1 x 3 Yrs	-	-	-	2.0	Gross	116,975	225	116,975	225	92,262	179	15,975	225	14-Dec-23	75.0%	100.00	6.0	ME
Coca-Cola Amatil (NZ) Ltd	Warehouse - Retail Chain	Industrial	652.0	21.64%	-	3.0	14-Dec-20	15-Dec-23	1 x 3 Yrs	-	-	-	2.0	Gross	116,975	225	116,975	225	92,262	179	15,975	225	14-Dec-23	75.0%	100.00	6.0	ME
Coca-Cola Amatil (NZ) Ltd	Warehouse - Low Stud	Industrial	330.0	10.76%	-	3.0	14-Dec-20	15-Dec-23	1 x 3 Yrs	-	-	-	2.0	Gross	116,975	225	116,975	225	92,262	179	15,975	225	14-Dec-23	75.0%	100.00	6.0	ME
Coca-Cola Amatil (NZ) Ltd	Warehouse - Low Stud	Industrial	1505.0*	-	-	3.0	14-Dec-20	15-Dec-23	1 x 3 Yrs	-	-	-	2.0	Gross	37,625	25	37,625	25	37,625	25	37,625	25	14-Dec-23	75.0%	-	6.0	ME
Coca-Cola Amatil (NZ) Ltd	Canopies	Industrial	300.0*	-	-	3.0	14-Dec-20	15-Dec-23	1 x 3 Yrs	-	-	-	2.0	Gross	2,250	75	2,250	75	2,250	75	2,250	75	14-Dec-23	75.0%	-	6.0	ME
Coca-Cola Amatil (NZ) Ltd	Mezzanine	Industrial	330.0	10.76%	-	3.0	14-Dec-20	15-Dec-23	1 x 3 Yrs	-	-	-	2.0	Gross	26,400	80	26,400	80	26,400	80	26,400	80	14-Dec-23	75.0%	-	6.0	ME
Coca-Cola Amatil (NZ) Ltd	Courtyard	Industrial	500.0*	-	-	3.0	14-Dec-20	15-Dec-23	1 x 3 Yrs	-	-	-	2.0	Gross	2,500	50	2,500	50	2,500	50	2,500	50	14-Dec-23	75.0%	-	6.0	ME
Coca-Cola Amatil (NZ) Ltd	Car Parks	Car Parking	3,086.0	100%	30	-	-	-	-	-	-	-	2.0	Gross	39,000	25	39,000	25	39,000	25	39,000	25	14-Dec-23	75.0%	-	6.0	ME
Subtotal - Coca-Cola Amatil (NZ) Ltd			3,086.0	100%	30										589,565	193	589,565	193	449,263	147	589,565	193		75.0%			
Rendell Initial Ltd	Office - Ground	Office	175.0	11.90%	-	6.0	15-Sep-21	14-Sep-27	1 x 4 Yrs	15-Sep-22	2.75%	2.75%	5.7	Net	31,500	180	9,154	52	40,654	232	30,221	173	15-Sep-27	75.0%	100.00	6.0	ME
Rendell Initial Ltd	Office - Level 1	Office	275.0	18.77%	-	6.0	15-Sep-21	14-Sep-27	1 x 4 Yrs	15-Sep-22	2.75%	2.75%	5.7	Net	50,875	185	14,385	52	65,260	237	48,865	178	15-Sep-27	75.0%	100.00	6.0	ME
Rendell Initial Ltd	Warehouse	Industrial	1,020.0	69.39%	-	6.0	15-Sep-21	14-Sep-27	1 x 4 Yrs	15-Sep-22	2.75%	2.75%	5.7	Net	137,700	135	53,356	52	191,056	187	120,644	118	15-Sep-27	75.0%	100.00	6.0	ME
Rendell Initial Ltd	Canopies	Industrial	270.0*	-	-	6.0	15-Sep-21	14-Sep-27	1 x 4 Yrs	15-Sep-22	2.75%	2.75%	5.7	Net	2,025	75	-	-	2,025	75	2,025	75	15-Sep-27	75.0%	-	6.0	ME
Rendell Initial Ltd	Garden Enclosure	Industrial	330.0*	-	-	6.0	15-Sep-21	14-Sep-27	1 x 4 Yrs	15-Sep-22	2.75%	2.75%	5.7	Net	2,475	75	-	-	2,475	75	2,475	75	15-Sep-27	75.0%	-	6.0	ME
Rendell Initial Ltd	Car Parks	Car Parking	-	-	-	6.0	15-Sep-21	14-Sep-27	1 x 4 Yrs	15-Sep-22	2.75%	2.75%	5.7	Net	28,600	25	-	-	28,600	25	28,600	25	15-Sep-27	75.0%	-	6.0	ME
Subtotal - Rendell Initial Ltd			1,470.0	100%	22.0										253,175	172	76,996	52	330,071	225	232,229	198		75.0%			
Desktop Imaging Ltd & NZ Micrographic Services Ltd	Office - Ground	Office	778.0	39.51%	-	3.0	24-May-20	23-May-23	1 x 3 Yrs	24-May-22	ME	ME	1.4	Net	135,450	174	44,164	57	179,614	231	120,886	175	24-May-22	75.0%	100.00	6.0	ME
Desktop Imaging Ltd & NZ Micrographic Services Ltd	Office - Level 1	Office	723.0	36.72%	-	3.0	24-May-20	23-May-23	1 x 3 Yrs	24-May-22	ME	ME	1.4	Net	129,489	179	41,042	57	170,531	236	125,248	173	24-May-22	75.0%	100.00	6.0	ME
Desktop Imaging Ltd & NZ Micrographic Services Ltd	Workshop	Industrial	406.0	20.62%	-	3.0	24-May-20	23-May-23	1 x 3 Yrs	24-May-22	ME	ME	1.4	Net	48,355	119	23,047	57	71,402	176	48,003	118	24-May-22	75.0%	100.00	6.0	ME
Desktop Imaging Ltd & NZ Micrographic Services Ltd	Air Conditioned Store	Industrial	62.0	3.15%	-	3.0	24-May-20	23-May-23	1 x 3 Yrs	24-May-22	ME	ME	1.4	Net	7,694	124	3,520	57	11,214	181	7,330	118	24-May-22	75.0%	100.00	6.0	ME
Desktop Imaging Ltd & NZ Micrographic Services Ltd	Canopies	Industrial	42.0*	-	-	3.0	24-May-20	23-May-23	1 x 3 Yrs	24-May-22	ME	ME	1.4	Net	2,940	70	-	-	2,940	70	3,150	75	24-May-22	75.0%	-	6.0	ME
Desktop Imaging Ltd & NZ Micrographic Services Ltd	Outside BBQ Area	Industrial	50.0*	-	-	3.0	24-May-20	23-May-23	1 x 3 Yrs	24-May-22	ME	ME	1.4	Net	2,262	45	-	-	2,262	45	2,250	45	24-May-22	75.0%	-	6.0	ME
Desktop Imaging Ltd & NZ Micrographic Services Ltd	Deck	Industrial	25.0*	-	-	3.0	24-May-20	23-May-23	1 x 3 Yrs	24-May-22	ME	ME	1.4	Net	1,250	50	-	-	1,250	50	1,250	50	24-May-22	75.0%	-	6.0	ME
Desktop Imaging Ltd & NZ Micrographic Services Ltd	Car Parks	Car Parking	1,869.0	-	-	3.0	24-May-20	23-May-23	1 x 3 Yrs	24-May-22	ME	ME	1.4	Net	23,400	25	-	-	23,400	25	26,000	25	24-May-22	75.0%	-	6.0	ME
Subtotal - Desktop Imaging Ltd & NZ Micrographic Services Ltd			1,869.0	-	20										350,840	178	111,773	57	462,613	235	344,117	175		75.0%			
Total - 32, 32A & 32B Jamaica Drive, Grenada North			6,490.0	-	72										1,193,590	184	188,668	20	1,382,258	204	1,025,610	168		75.0%			

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