Red Flag Condition Report

For and on behalf of
CENTURIA FUNDS MANAGEMENT LIMITED

146 Shands Road
Hornby
Christchurch

NOVEMBER 2024
P24-0230

Hampton Jones

Document Control

Document Revision History

REPORT TITLE	Red Flag Condition Report
PROJECT NUMBER	P24-0230
CLIENT	Centuria Funds Management Limited
CLIENT CONTACT	Stephen Brown-Thomas

REV	DATE	REVISION DETAILS
DRAFT	11/10/2024	Initial issue to client
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Authorisation for Issue

Author

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For and on behalf of Hampton Jones Property Consultancy Limited.

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Position **Associate Director**

For and on behalf of Hampton Jones Property Consultancy Limited.

Contents

Section 1.0 Introduction

1.1 Survey Details

COMMISSIONED BY	Stephen Brown-Thomas on behalf of Centuria Funds Management Limited
SITE ADDRESS	146 Shands Road Hornby Christchurch
INSPECTION DATE(S)	8 October 2024
INSPECTION BY	Chloe Parkin of Hampton Jones Simon Gaines of Entire Consultants
OTHER PERSONS PRESENT	Building occupants and site chaperones
WEATHER AT TIME OF INSPECTION	Clear and sunny
FORMAL DIALOGUE	Email correspondence between Stephen Brown-Thomas of Centuria Funds and Jason Brooks of Hampton Jones
DOCUMENTS REVIEWED	Client-provided property file Client-provided drawing sets

1.2 Brief

1.2.1 This report has been undertaken as per the signed proposal letter dated 18 September 2024.

1.2.2 We understand that Centuria Funds Management Limited wish to transfer the asset at 146 Shands Road to a new fund and have commissioned a Technical Due Diligence inspection and report as part of this transaction. Further to this, the client has requested that only those items owned by the Landlord be assessed and commentary on their estimated and remaining lifespan be included. It has also been requested that any items to be replaced as part of proposed remedial works are outlined as part of the report.

1.2.3 This report comprises an initial 'red flag' report that identifies the **main** key issues identified and provides initial **high-level** assessment of their risk.

1.2.4 Our report focuses on any compliance and risk matters that could affect the occupation and use of the premises, as well as highlighting major maintenance cost items that could fall under the Opex/Capex items under a new lease agreement.

1.2.5 An inspection of the mechanical and electrical installations has been undertaken by Entire Consultants Limited and is included in Appendix A.

1.2.6 It should be noted that at this stage Hampton Jones are not privy to any proposed commercial terms/negotiations between the parties, or have been provided with any fit-out, base build or proposed alterations to the building in view of the proposed new tenancy.

1.3 Extent of Instruction

1.3.1 The site survey was undertaken using visual aids only.

1.3.2 All elements were inspected from the ground or internal floor level only. Where access to the roof was gained, the inspection was limited to areas which were safe.

1.3.3 Roof voids, floor voids, confined spaces, services, ducts or chambers were not inspected unless specifically detailed in the main body of the report.

1.3.4 To gain an understanding of the matters raised by this report, it must be read in conjunction with the appendices.

1.3.5 Photographs were taken during the survey using a digital camera, samples of which are included in Section 2.0. Additional photographs can be provided via SharePoint link upon request.

1.4 Definitions

1.4.1 The following is a definition of the comments as to the condition of the elements surveyed.

Good: Items which have suffered minimal weathering, wear or decay and should remain in such condition for at least another five years if maintained according to good practice and as per the manufacturer's recommendations where applicable. No repair currently needed (minor blemishes and small defects may still exist).

Reasonable/Satisfactory: Items that have worn through 'normal' use and weathering and are in commensurate condition to the building's age and use. Maintenance is required to prevent premature deterioration from occurring.

Poor: Items that are considered defective, worn, decayed, or weathered, either due to age, abnormal use, poor design or lack of maintenance. Accelerated deterioration will occur unless remedial works are undertaken. These items generally represent significant defects, or health & safety items requiring further investigation, or urgent repair (items typically include weather-tightness issues, hazardous wiring, structural issues, etc.).

1.5 Site Investigation Methodology

1.5.1 Inspections/investigations made:

i A visual site survey was undertaken. All elements were inspected from ground level.
ii Photographs were taken during the survey using a digital camera, selected copies of which are included within the body of this report.

1.6 Report Methodology

1.6.1 The recommendations made are with the view of returning and maintaining elements in good condition.

1.6.2 **Expected Life** – The lifespans noted within the document are taken from industry averages for elements of similar or the same material composition. This does not take into account the location or environment of those items.

1.6.3 **Life Remaining** - This does not always correspond to the expected lifespan. With regular maintenance, building elements can last longer than estimated lifespans. The life remaining should be viewed in the context of the material as a whole, regardless of any isolated areas of damage or deterioration.

1.6.4 References to the lifespan of building elements have been taken from the BCIS Life Expectancy of Building Components (2006) document.

1.7 Reporting Conditions

1.7.1 This report is intended to be an overview of the general condition, focusing on defects of a reasonably significant nature/quantity and not minor defects. Minor defects are defined in NZS 4306:2005 as a matter which, in view of the age, type or condition of the building, does not require substantial repairs or urgent attention and rectification and which could be attended to during normal maintenance.

1.7.2 For the avoidance of any doubt, this report is not a structural or geotechnical survey.

1.7.3 No intrusive or destructive investigation has been undertaken, and as such, we have not inspected woodwork or other parts of the structure or services that are covered, unexposed or inaccessible. Therefore, we are unable to report that any such part of the structure is free from defect.

1.7.4 References made to contamination and deleterious materials are for guidance only. We will not test for the presence of deleterious materials or contamination but will advise you where we consider such tests to be necessary.

1.7.5 Signs of water ingress were searched for during our survey. However, this report cannot warrant that the building is free from water penetration from defective roofing, cladding, rainwater goods, rising damp or the like.

1.7.6 Where recommendations are provided, these are for the most appropriate repair in consideration of the current use and occupation of the site. These are not intended to be a specification or design, and therefore cannot be held liable for any repairs/maintenance implemented by a third party without full design being undertaken.

1.7.7 Where budget costs for repairs are given no adjustments will be made for future inflation. Costs are budget estimates only and are not to be thought as a substitute for obtaining competitive quotations from reputable contractors.

1.7.8 References made to contamination and deleterious materials are for guidance only. We will not test for the presence of deleterious materials but will advise you where we consider such tests to be necessary. The specialist report found in Appendix A provides commentary on potential contamination issues that may exist at the site.

1.8 Exclusions

1.8.1 This report specifically excludes any investigation or reporting on the following:

i Value of the property.
ii Measured survey and/or production of floor plans, or the measurement of the property to establish/verify the floor/site area of the property.
iii Design of the property.
iv Design for Maintenance or Repair works and long-term maintenance.
v Statutory Notices, such as Notice to Fix or Compulsory Purchase Orders.
vi Works pertaining to Section 112 of the Building Act.
vii Resource Consent matters.
viii Geotechnical matters/ground stability.
ix Restrictive Covenants or Rights of Way.
x Design or value of the surrounding area or environment.
xi Lease obligation and financial commitments.

1.9 Orientation

1.9.1 For the purposes of reading this report, it has been assumed that the front elevation of the building is facing southwest. Any references are made on the basis of the surveyor standing in front of the building facing northeast.

1.9.2 The aerial image below shows the indicative boundary of the site in blue.

1.10 Areas Not Accessed

1.10.1 All areas were accessed except for the following:

i Subfloor areas.
ii Concealed areas of structure.
iii The main roof area, canopy roofs and mono-pitched roof could not be observed. Only the low-level roof covering the office was observed.
iv The internal gutter to the low-level roof was observed from exposed sections only. A timber grate was installed over the remainder of the gutter.
v Internal meeting rooms and the men's bathroom were not accessed as they were in use at the time of the inspection.

1.11 Use of Report

i This report has been provided for Centuria Funds Management Limited (Client) in accordance with the Agreement for Consultancy Services dated 18 September 2024 and is subject to all the limitations and exclusions as set out in that Agreement and any further limitations and exclusions as set out in this report.

ii This report (and any associated documents) is for the sole use of the Client and must not be used or relied on by any other person (Third Party) without the written permission of Hampton Jones. Any Third Party must carry out its own due diligence investigations, including but not limited to obtaining its own advice and reports.

iii Hampton Jones accepts no liability whatsoever to a Third Party arising from or in connection to this report, except to the extent that Hampton Jones and the Third Party separately agree in writing the basis on which the Third Party may rely on this report.

Section 2.0 Key Findings (Building Fabric)

2.1 Introduction

2.1.1 In line with the client's brief, only those items which are under the ownership of the Landlord have been assessed.

2.1.2 The following section includes comments on the condition of both the internal and external building fabric with a focus on items which are the most pertinent to the overall condition and use of the building. The identified items are summarised using red, amber and green colour coding:

- Significant issue that requires resolution prior to completion of the transaction. Urgent attention is required i.e. Health and safety. High cost that may impact on your investment.
- Key Issue that should be carefully considered and clarified as part of the transaction. Possible serious cost implication if not remedied. Further clarification required i.e. tests, review of documentation.
- Not immediate concern, however, may impact on the future use and costs of maintaining the building. Category may change if nothing is done to remedy the issue.

2.2 Grounds - Condition

2.2.1 The below table outlines the composition of the exterior of the building, the condition of each element and the estimated and remaining lifespans of the elements. Recommendations for any required repair works are included at the end of this section. Photographs of the elements have been included following the table below.

ELEMENT	DESCRIPTION	CONDITION	EXPECTED LIFE (YRS)	LIFE REMAINING (YRS)
Boundary Fencing	Metal fencing posts with chain-link metal panels.	Reasonable	30	15
Gates	Metal mechanical barrier arms to entrance.	Reasonable	20	10
Gates	Chain-link metal gates.	Reasonable	30	20
Hardstandings	Asphalt roading with painted markings.	Reasonable	60	30
Hardstandings	Reinforced concrete slabs to canopies and loading areas.	Reasonable	100	80

1. View towards security entrance showing vehicle barrier arm and painted markings to hardstanding.


2. Painted markings to hardstandings.


3. Typical view of carpark.

4. View of entrance pedestrian hardstanding and fencing.

5. View of hardstanding beneath canopy to northeast.

6. Area of staining to the hardstanding to the southwest.

7. The area highlighted in red denotes fencing which, in 2009 was reportedly located on council owned land. Image is an extract from LIM70104302.

2.3 Grounds - Defects and Recommendations

2.3.1 The below table outlines items requiring large expenditure which would typically fall outside of general maintenance or OPEX items.

Code	Ref	Defect	Recommendation	Timescale (yrs)	Approximate Cost
●	2.3.2	The LIM report dated 05/03/2009 notes that fencing was reportedly located on council-owned land (to the east of the site, along Halswell Junction Road) and it was therefore requested that the fencing be relocated.	Confirm whether this work has been undertaken. Allow for relocation of fencing should works not have been completed as requested.	1	$15,000

2.4 External Elements - Condition

2.4.1 The below table outlines the composition of the exterior of the building, the condition of each element and the estimated and remaining lifespans of the elements. Recommendations for any required repair works are included at the end of this section. Photographs of the elements have been included following the table below.

ELEMENT	DESCRIPTION	CONDITION	EXPECTED LIFE (YRS)	LIFE REMAINING (YRS)
Structure	Steel framed canopy structures with a painted finish.	Reasonable	75	60
Roof cladding	Trapezoidal profile steel sheets with a galvanized finish laid at approximately 5° falls (main roof viewed from underside only).	Reasonable	50	30
Roof cladding	Transparent clear light sheets spanning the length of the roof sheets to warehouse (viewed from underside only).	Reasonable	30	20
Roof fixings	Hex head roof screws with circular metal washers.	Reasonable	50	30
Gutters	Metal fascia fixed external gutters.	Reasonable	30	20
Gutters	Metal internal gutters with EPDM membrane linings.	Reasonable	30	10
Downpipes	uPVC downpipes.	Reasonable	30	20
Wall Cladding	Fibre cement sheets with a painted finish to the interior face of parapet walls.	Reasonable	50	15
Wall Cladding	Fibre cement sheets with a painted finish to the exterior of the office entrance and cafeteria.	Reasonable	50	25
Wall Cladding	Flexible seal junctions between pre-cast concrete panels and concrete blockwork.	Poor	10	2
Wall Cladding	Concrete blockwork.	Reasonable	75	60
Joinery	Aluminium framed, single glazed units with a factory applied finish.	Reasonable	45	15
Joinery	Aluminium framed, double-glazed units with a factory applied finish.	Good	45	20
Joinery	Metal roller shutter doors to warehouse good entrances.	Reasonable	30	10
Joinery	Painted timber fire doors to pedestrian entrances of warehouse.	Good	40	30

8. Chipping to the base of the fibre cement cladding to the parapet walls.

9. Sealant applied over the roof fixings.

10. Corrosion of isolated fixings.

11. Boot flashings applied parallel to the sheet crests opposed to the preferred diagonal configuration. Sealant has been heavily applied around flashings and around service penetrations.

12. Flashings to the perimeter of the roof have not been chased into the adjoining concrete panels and rely on sealant for weathertightness. Flashings are of different style resulting in openings at flashing junctions.

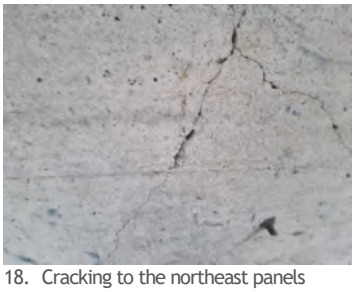
13. The butyl membrane to the internal gutter appears to have been patch repaired at laps. Staining indicates ponding may be occurring and that run off is not always directed towards outlets.

14. Seals to the panel junctions along the southeast wall have deteriorated and splitting was observed within the exterior flexible seal across the elevation.

15. Seals to the panel junctions along the southwest wall have perished with splitting of the seals revealing the foam internal seal in numerous locations. Defect is evident across the elevation.

16. Hairline cracking to the exterior of panels observed to the southeast and southwest panels.

17. Localised spalling of panels adjacent to cracking and concrete infills around anchors in the panels to the southwest.



18. Cracking to the northeast panels (beneath the canopy) is wider to some areas.

19. Splitting to the flexible seal along the control joint within the northwest fire wall (internal view).

20. Splitting to the flexible seal along the control joint within the northwest fire wall (external view).

21. Detaching panel and impact damage to the base of panels to the partial southeast panels and length of the northeast panels.

22. Impact damage to the fibre cement panels to the southeast elevation of office.

23. Deterioration of the cladding and painted finish at the horizontal expressed joint of the cladding.

24. Cracking to the fibre cement panels of the security office, adjacent to fixings.

25. Corrosion of the metal framing and deterioration of the painted finish.

26. Example of dock roller shutter door and barriers.

27. Deterioration of the rubber buffers.

28. Example of single glazed window joinery.

2.5 External Elements - Defects and Recommendations

2.5.1 The below table outlines items requiring large expenditure which would typically fall outside of general maintenance or OPEX items.

Code	Ref	Defect	Recommendation	Timescale (yrs)	Approximate Cost
🔴	2.5.2	Widespread deterioration of flexible seals between concrete panels, predominantly along the northeast and southwest elevations.	Replace all flexible sealant strips between panels.	1	$25,000
🔴	2.5.3	Cracking to the security office cladding and chipping to the base of the cladding sheets. Potential for moisture ingress behind cladding and damage to any internal framing as a result.	Replace cladding.	1	$7,000
🟡	2.5.4	Surface fixed perimeter flashing upstands have not been chased into the perimeter walls of the lower-level office roof. Flashings have been installed in sections of differing design creating openings at flashing junctions.	Replace flashing and chase into walls.	2	$2,500
🟡	2.5.5	Impact damage to the base of metal cladding panels along the northeast and southeast elevations.	Replace damaged sections of cladding.	3	$50,000
🟡	2.5.6	Hairline cracking through concrete pre-cast panels.	Allow to fill cracks in concrete with epoxy solution.	3	$2,500
🟡	2.5.7	Typical deterioration and patch repairs to the internal membrane guttering of the lower office roof.	Allow to uplift membrane covering and replace in the medium to long term. Rectification of the fall to the substrate may be required in the long term (10+ yrs).	8	$5,500

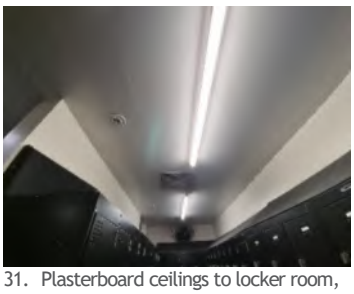
2.6 Internal Areas - Condition

2.6.1 The below table outlines the composition of the interior of the building, the condition of each element and the estimated and remaining lifespans of the elements. Recommendations for any required repair works are included at the end of this section. Photographs of the elements have been included following the table below.

ELEMENT	DESCRIPTION	CONDITION	EXPECTED LIFE (YRS)	LIFE REMAINING (YRS)
Ceiling	Suspended ceiling grid with mineral fibre tile inserts.	Reasonable	35	10
Ceiling	Plasterboard with a painted finish.	Good	40	30
Walls	Plasterboard with a painted finish.	Reasonable	50	25
Walls	Interior face of concrete pre-cast panels.	Reasonable	75	50
Walls	Aluminium framed, glazed partition walls to office areas.	Reasonable	40	30
Joinery	Aluminium framed, single glazed windows between offices and warehouse.	Reasonable	40	30
Joinery	Metal roller shutter doors to warehouse good entrances.	Reasonable	30	10
Joinery	Painted timber internal doors, some with vision panels.	Reasonable	30	25
Joinery	Painted timber fire doors to pedestrian entrances of warehouse.	Reasonable	40	30
Floors	Reinforce concrete floor slab to warehouse and canopy areas.	Reasonable	100	75
Floors	Sheet vinyl.	Reasonable	20	15
Floors	Carpet tiles.	Reasonable	15	5

29. Moisture staining to the ceiling tiles of the ground floor office.

30. Ceiling tiles within server room are in a reasonable condition.



31. Plasterboard ceilings to locker room, corridor and toilet areas are in good condition.

32. View of glazed partition walls.

33. View of plasterboard partition walls.

34. Isolated area of damage wall framing and lining adjacent to warehouse door between toilet corridor and warehouse.

35. Openings within the flexible sealant between panels.

36. Openings within the flexible sealant between panels.

37. Hairline cracking and efflorescence surrounding cracks within pre-cast concrete panels.

38. Hairline cracking and efflorescence surrounding cracks within pre-cast concrete panels.

39. Hairline cracking and efflorescence surrounding cracks within pre-cast concrete panels.

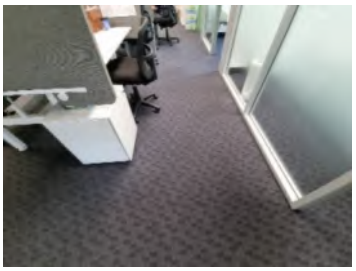
40. Hairline cracking and efflorescence surrounding cracks within pre-cast concrete panels.

41. Isolated area of surface corrosion to the steel structure.

42. Typical view of roller shutter doors from interior. Doors are in a reasonable condition.

43. View of internal timber door. Internal timber doors are in a reasonable condition.

44. Sheet vinyl within the server room is worn.



45. Carpets are worn but in a reasonable condition.

46. Cracking observed to the concrete slab flooring of the warehouse, adjacent to movement joints within extended section of warehouse.

47. Cracking and chips to the edge of the concrete floor adjacent to the control joint.

48. Localised areas of pitting to the surface of the concrete slabs within the warehouse (both the original and extended areas of the warehouse).

49. Typical deterioration of the cabinetry to the office kitchen.

2.7 Internal Elements - Defects and Recommendations

2.7.1 The below table outlines items requiring large expenditure which would typically fall outside of general maintenance or OPEX items.

Code	Ref	Defect	Recommendation	Timescale (yrs)	Approximate Cost
🔴	2.7.2	Openings within the flexible seals between concrete pre-cast panels.	As noted in exterior.	1	$0
🟡	2.7.3	Hairline cracking through the concrete pre-cast panels.	As noted in the exterior.	3	$0
🟡	2.7.4	Cracking and chipping to the concrete slab, adjacent to the armoured movement junctions.	Further input is required from a structural engineer to establish the cause of the cracking to the slab within the extension and severity of cracking along the movement junctions within the original warehouse area.	1	$2,000

Section 3.0 Statutory Items

3.1 Code Compliance

3.1.1 The provided Council Property File was reviewed. The information included therein was relatively limited when the extent of alterations to the property is considered. The 'Rating of Unit Properties' document has therefore been relied upon to confirm code compliance of works in lieu of official Code Compliance Certificates. Nonetheless, from a review of the filed documents, the following items were noted as having achieved code compliance certificates (CCC):

WORK DESCRIPTION	DATE OF CCC
Installation of racking within the warehouse.	27 July 2001
Extending the goods area.	05 August 2002
Extension to the warehouse and truck hardstanding area.	22 August 2012
Installation of a fire wall and enclosing the northern canopy.	31 January 2017
Installation of an additional fire exit door win the warehouse between grids E and 1L and 1K.	30 November 2023

3.1.2 A building exemption was granted for the seismic bracing within the premises and therefore there were no documents within the property file relating to this work.

3.1.3 The construction of a portacom office achieved CCC in August 2002 and the construction of a sail cloth achieved CCC in July 2007 however these structures were not observed during the inspection and are thought to have since been removed from the site.

3.1.4 There were limited copies of the Building Warrant of Fitness documents, although a current document was displayed at the building entrance.

3.1.5 An advisory letter was included within LIM report LIM 70104302, dated 2009, which identified sections of the perimeter fencing (to the east of the site, along Halswell Junction Road) as being located on council land. It was requested at this time that the fencing be relocated within the property boundary however there were no accompanying photographs or drawings thereafter which outlined whether this work had been completed at the time of the inspection. It is possible that the requirement is outstanding, and relocation of the fencing may still be necessary. Confirmation as to whether this work was completed is required.

3.2 Structural

3.2.1 Structural reports such as Initial Seismic Assessments or Detailed Seismic Assessments have not been sighted and therefore it cannot be confirmed what the New Building Standard scoring is of the premises or whether any parts of the premises are considered earthquake prone.

3.2.2 It is however understood that an updated DSA is in the process of being commissioned.

3.2.3 A report was observed within the council file documents which indicates that a foundation check was undertaken in November 2011 to confirm whether any damage had been sustained to the partially completed concrete slab as a result of the February 2011 Canterbury earthquake. The foundations received a 'pass' with no issues noted at the time of inspection.

3.3 Fire Precautions and Means of Escape

3.3.1 We have not been provided with any Fire Engineering plans in respect of fire compartmentation and fire engineering for this site.

3.3.2 The office and warehouse areas had been fitted with both heat detection and sprinklers. Fire exit signage was displayed along exit routes within the warehouse and offices and the BWOF displayed at the entrance of the building was current and did not list any outstanding items for review.

3.3.3 Passive fire could not be assessed without invasive investigation and therefore it cannot be confirmed whether passive fire barriers have been installed correctly.

3.3.4 The fire alarm or sprinkler system was not tested as part of the visual observations made as part of this report. The design of the system has also not been reviewed as part of the scope of this report. A full independent review of fire engineering is recommended by an independent fire engineer.

3.3.5 It is likely that any large alterations such as extensions to the premises and alterations to the internal layout will require a detailed fire services assessment.

3.4 Health & Safety

3.4.1 Static line fall arrest systems have been installed to all trafficable roofs and a structured access policy and permit system is in place. It was however noted that the short gangway at the top of the ladder to the main roof lifts in the wind and the security of the gangway should be assessed.

3.5 Accessibility

3.5.1 A full accessibility audit is outside of the scope of this report. However, there were no limitations to accessibility noted in the use of the building when taking into account the existing building use.

3.5.2 It would be necessary to undertake a full access audit of the premises in order to understand the extent of this obligation and this is recommended as part of any transaction process.

3.6 Deleterious and Hazardous Materials

3.6.1 As sections of the building were constructed prior to the year 2000, an asbestos management survey should have been undertaken in order to maintain compliance with the Health and Safety at Work (Asbestos) Regulations 2016. It was verbally reported that an asbestos survey was undertaken however copies of any asbestos survey reports were not available for review as part of this report.

Section 4.0 Conclusion and Recommendations

4.1.1 The property has been subject to typical wear and tear over its lifespan and maintenance and remedial works are now required to a selection of elements to return the property to a good condition.

4.1.2 **Roof**

4.1.3 From the areas of the roof observed, the roof cladding and rainwater systems were found to be in a generally reasonable condition.

4.1.4 Isolated fixings to the office roof are corroding and require replacement.

4.1.5 The flashings to the perimeter of the roof have been poorly detailed and are sealed against the building using sealant. This is not a long-term solution, and, over time, moisture can penetrate the building at these junctions as the sealant deteriorates.

4.1.6 It was also noted that the internal gutter between the gable wall of the warehouse and the office building roof is deteriorating and appears to have been patch repaired. Whilst this does not appear to be an imminent issue, replacement of the guttering is recommended in the long term.

4.1.7 Internally, moisture staining was observed to the office ceiling lining, reportedly as a result of a historic leak from around a service penetration within the roof. Penetrations through the roof covering have been fitted with flashings however boot flashings have been installed in a parallel configuration opposed to the diagonal configuration as is recommended in good practice. Sealant has been heavily applied around boot flashings and other service penetration flashings. As previously noted, this is not a long-term solution and appropriate and well fitted flashings should be installed to all roof penetrations. This work may be undertaken as part of general maintenance of the building.

4.1.8 **Walls**

4.1.9 Overall, the pre-cast concrete walls are in a reasonable condition however widespread deterioration of the seals at panel junctions was noted. At present, this did not appear to be resulting in moisture ingress to the interior of the premises however replacement of the seals is now required to prevent any detrimental affect on the condition of the panels and long-term weathertightness of the building. Due to the scale of the replacement required, this is a relatively costly exercise.

4.1.10 Hairline cracking was also observed to the concrete panels both internally and externally. Whilst the panels are relatively well sheltered to most areas, in two instances, efflorescence was observed along the cracks to the southwest and northwest walls. These cracks should be filled to prevent further damage to the panels, the reinforcement within the panels and avoid further internal moisture ingress.

4.1.11 The metal cladding panels have been subject to impact damage to the length of the northeastern elevation and partial southeast elevation. The area of damaged panels is located beneath the canopy to the northeast however damage to the southeast panels is exposed and may result in moisture ingress or security issues as panels have lifted away from the framing. Replacement of the panels is recommended.

4.1.12 **Grounds**

4.1.13 The grounds are in a reasonable condition with only typical wear and tear observed. Fading of the painted line markings and some warping to the perimeter chain-link fencing was noted. The concrete protective barriers at the base of elevations have been impact damaged to numerous locations but posts were still visually plumb and operational.

4.1.14 A letter was issued within a 2009 LIM report from the Council informing the owner of the site that some sections of the fencing to the east of the site are located on Council owned land. It was requested that the fencing be relocated however it could not be confirmed whether these works were undertaken, and they may still be outstanding.

4.1.15 **Internals**

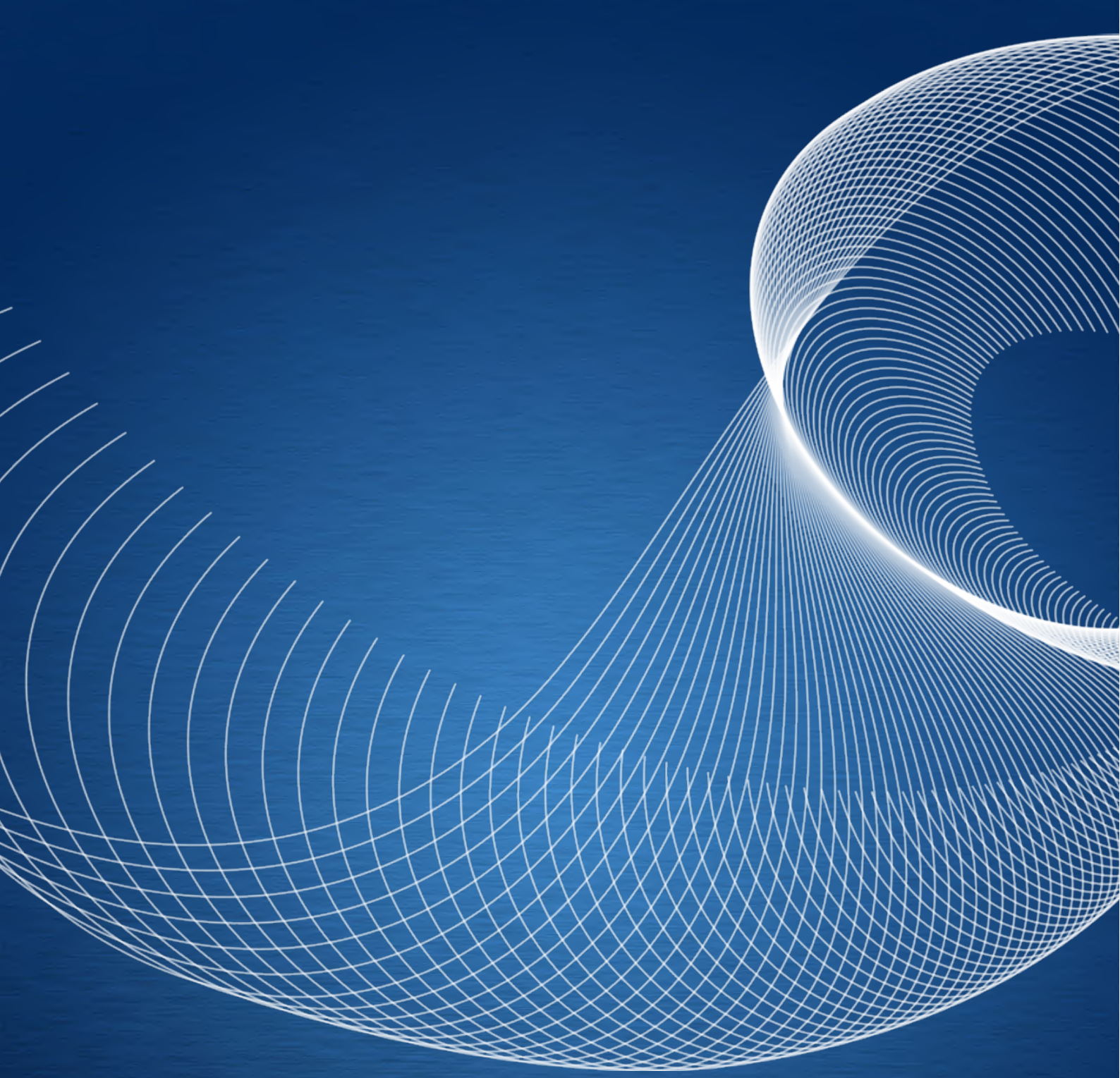
4.1.16 Internally, linings have been relatively well maintained. Staining was observed to the ceiling tiles within the office from what was reportedly a historic leak from the roof above. As flashing replacements and resealing of penetrations is undertaken to the roof, the replacement of ceiling tiles is recommended to maintain the interior of the building in a good condition.

4.1.17 Walls are generally in a reasonable condition with only typical impact damage and scrapes observed to linings to office areas. Hairline cracking was observed to the concrete panels within the warehouse as noted within section 4.1.10. These cracks require filling to prevent further damage or deterioration.

4.1.18 Floor coverings are in a reasonable condition although they are well worn in some areas. The concrete slabs to the warehouse have been subject to damage, adjacent to the movement junctions. Cracking and prior patch repairs were noted to the concrete slab at movement junctions to the extended section of the warehouse. Input from a structural engineer is required to establish the cause and severity of the cracking. It was verbally reported that the movement junction between the original sections of the floor slab is relatively wide and this can cause issues with warehouse traffic moving over the junctions. Chipping of the concrete slab at these junctions was observed and it is likely further damage will occur over time due to forklifts frequently driving over these junctions. Discussions with a structural engineer should be undertaken to confirm whether there has been a widening of the junction beyond what is deemed acceptable for the building use and whether any remedial works are required.

APPENDICES

Appendix A Building Services Report



RED FLAG REPORT

MECHANICAL & ELECTRICAL SERVICES

146 Shands Road
Hornby South
Christchurch

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Entire Consultants

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DOCUMENT CONTROL

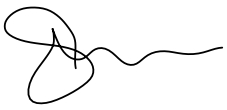
DOCUMENT REVIEW

The QA document control sheet serves to track the revision history and ensure the report has been thoroughly reviewed before issuance. It provides a clear record of changes made, the version status, and confirms that each revision has undergone a quality check to maintain accuracy and compliance with project requirements.

Title	Details
Client	Hampton Jones Property Specialists
Property	146 Shands Road, Hornby South, Christchurch
Document	Mechanical & Electrical Services Red Flag Report
Surveyor	Simon Gaines, Entire Consultants

REV	Date	Details	Version	Approved
0	11 Oct 2024	Mechanical & Electrical Services Red Flag Report	Draft	SG
1	22 Oct 2024	Mechanical & Electrical Services Red Flag Report	Final	SG

Approved for issue



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Director | Chartered Building Engineer

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INSTRUCTIONS & BRIEF

OVERVIEW

Undertaking of a mechanical and electrical services review, as part of a proposed TDD acquisition report of a site including warehouse, offices and staff amenities.

CLIENT REQUIREMENTS

Hampton Jones wish to engage a building services engineer to provide the following regarding a potential acquisition of 146 Shands Road, Hornby South, Christchurch:-

- Carry out a non-intrusive condition survey of the following building services
    - Mechanical services
    - Electrical services
- Produce a high-level Red Flag Report with photographic evidence

GENERAL

In complying with the Client's brief, we propose to provide the following services:-

- Review property file and relevant documentation relating to the building services in scope
- Attend site and carry out a visual inspection for condition of the building services in scope
- Produce a high-level Building Services Red Flag Report with photographic evidence where applicable

BRIEF

Entire Consultants Limited received instructions from Hampton Jones Property Specialists in October 2024 to conduct a building services condition survey at 146 Shands Road, Hornby South, Christchurch.

The purpose of this survey is to produce a high-level condition report that identifies high-risk items and assesses the preliminary extent of any potential issues regarding mechanical and electrical services only.

Our report outlines the initial findings only and provides feedback regarding immediate actions that may be necessary.

Please be advised that this report serves as a red flag assessment only, and further in-depth evaluations and recommendations may follow. This report does not establish building compliance.

We have outlined the anticipated limitations and exclusions of our work, which can be found in the Conditions Section of the report.Our findings are based on a combination of non-intrusive visual checks and Client feedback.

The report and any associated appendices provide a high-level overview of the identified issues and our feedback. However, this report does not absolve the building owner or other stakeholders from their responsibility to conduct comprehensive assessments and undertake necessary mitigation and remediation measures.

REPORT CONDITIONS AND DISCLAIMERS

OVERVIEW

This Condition Report has been prepared by Simon Gaines (the Individual Surveyor) and inspection took place at **146 Shands Road, Hornby South, Christchurch.**

I. This report has been prepared by the Individual Surveyor in their capacity as an employee of Entire Consultants Limited. The report is the product of the Entire Consultants Limited, not of the Individual Surveyor. All of the statements and opinions contained in this report are expressed entirely on behalf of Entire Consultants Limited. The Individual Surveyor assumes no personal financial responsibility or liability in respect of the report and no reliance or inference to the contrary should be drawn.

II. This report has been prepared for **Hampton Jones Property Specialists** and their direct Client relating to this project. The report should not be replied upon by third parties. Entire Consultants Limited accepts no responsibility to third parties who may rely upon the contents wholly or partially. Any potential purchasers of the property should carry out their own investigations and due diligence.

III. The successful purchaser may rely on the report provided that:

a) The Entire Consultants Limited Agreement for Consultancy Services for the investigations and condition report is novated to the successful purchaser. A formal novation document will be drafted and executed which may incur administration/legal fees. Entire Consultants Limited reserve the right meet the purchaser to ensure the purchaser fully understands the report, its contents and the reports conditions/limitations/exclusions before agreeing to the novation. Entire Consultants reserve the right to accept or decline any novation requests at its discretion.

b) Alternatively, a Declaration document can be prepared by our lawyer requiring the successful purchaser to execute confirming they fully understand the report, its contents and the reports conditions/limitations/exclusions. The preparation of the Declaration document may also incur administration/legal fees. (cost to be determined, if any).

c) If the report highlights any issues, recommendations, or notes that other parties believe or have stated that remediation, upgrades, or any work has taken place, it is the responsibility of the purchaser to satisfy themselves as to whether such remediation, upgrades, or work has been completed or is in progress. The purchaser should confirm the status of these matters at the time of reviewing this report and/or seek independent verification as necessary.

GENERAL CONDITIONS

OVERVIEW

This report specifically excludes other disciplines, building services, and engineering aspects that have not been explicitly addressed. It is intended solely for private and confidential use by **Hampton Jones Property Specialists** and their direct Client, relation to this project. The report, in its entirety or in part, must not be reproduced or relied upon by any other parties for any purpose without the explicit written authorisation from Entire Consultants Limited. When carrying out visual inspections on site we note that unexposed services cannot be adequately assessed without intrusive inspection and testing. Therefore, certain assumptions will be made, and the Client may wish to conduct further investigation and clarification in those areas.

Entire Consultants Limited does not assert or guarantee that every aspect of the services and any existing defects/ deficiencies at the property have been identified at **146 Shands Road, Hornby South in Christchurch.**

In the event that the report highlights any safety concerns, it is the responsibility of the building owner or the designated person in charge of the building to promptly address and eliminate the hazards to ensure the safety of occupants, visitors, and the general public. It should be understood that if we report any issues, Entire Consultants Limited does not claim to have identified all non-compliances, safety concerns, or potential environmental issues that may be present at the property.

The report should not be interpreted as an assessment intended to determine the full compliance of the building or its services with statutory requirements, the New Zealand Building Code, associated standards, or guidelines. The reporting and any accompanying commentary should not be misconstrued as a certification, warranty, or guarantee. Throughout the completion of this report, Entire Consultants Limited has relied upon the integrity of the information and data provided to us by other parties.

Unless expressly stated in our reporting, we do not independently verify the information provided to us. Therefore, it is important to note that any recommendations put forth by Entire Consultants Limited should not be treated as specifications to be acted upon without further planning. Further planning may involve additional steps such as inspections, obtaining authority approval, undertaking design work, or seeking legal advice.

Any actions taken based on our reporting do not in any way bind or make Entire Consultants Limited liable for consequential decisions or costs incurred as a result. In the event that the report brings to attention any concerns, suggestions, or mentions the acknowledgment or assurance of other parties regarding the completion or intended execution of remedial measures, it is advisable for prospective buyers to personally ensure that such remediation, enhancements, or any related work has been or is being undertaken. It is recommended to verify the current status of the situation upon reviewing this report and, if necessary, seek independent verification.

REPORT CLARIFICATIONS

RECOMMENDED WORK

Any work recommended in the report and its accompanying documentation must be performed by a skilled and certified professional who possesses the necessary competence and up to date qualifications to carry out the task. This includes any testing, maintenance, or inspection tasks. It is essential that operatives engaged in the execution of the recommended work are appropriately registered, as mandated by relevant authorities. For instance, electrical work should be carried out by a Registered Electrician, and gas-related tasks should be entrusted to a Gas Fitter holding valid registration and certifications.

NON-COMPLIANCE REPORTING

Due to the limitations of a non-intrusive condition survey, we do not claim to have identified all non-compliances as part of the condition survey. Non-intrusive condition surveys are designed to evaluate any observable standout issues and accessible components of building services under the survey time and limitations of the scope. Specific hidden or inaccessible issues may remain undetected. As part of a robust maintenance regime, we encourage the utilisation of additional inspection techniques and ongoing monitoring to ensure a comprehensive understanding of the building services' compliance status and general safety aspects.

SPECIALISED EQUIPMENT AND SYSTEMS

Task specific specialised equipment and systems fall outside the scope of our services as it does not form part of essential landlord base-build services infrastructure. Examples of specialised equipment include items such as IT infrastructure, medical equipment, swimming pools, commercial kitchen equipment, laboratory setups, or unique manufacturing processes. Specialised equipment and systems often have unique operational requirements, maintenance protocols, and potential risks associated with their use. Specialised equipment surveys are typically conducted by specialists with expertise in the relevant field.

ELECTRICAL SWITCHBOARDS

If the report mentions replacing or upgrading electrical distribution boards and main switchboards, it does not necessarily imply replacing the entire structure or carcass of the boards. Instead, it could refer to refurbishing or upgrading the protective devices and switch isolation mechanisms within the chassis, depending on the overall compliance and condition of the switchboard. The decision regarding whether to replace the entire switchboard or refurbish specific components is typically made by the registered electrician who assesses the final compliance and condition of the switchboard as a whole, as generally, we do not inspect the internal sections of switchboards as part of a non-intrusive survey. Suppose the switchboard earth bonding, structure or carcass is compliant and its overall condition is satisfactory. In that case, the electrician may decide to refurbish specific elements, such as replacing outdated protective devices, improving switch isolation mechanisms and earth bonding upgrades. Ultimately, whether to completely replace the switchboard depends on a thorough evaluation of its compliance and condition by a registered electrician unless the report explicitly recommends a ‘complete’ replacement.

ESTIMATING THE AGE OF PLANT AND EQUIPMENT

Due to the limitations inherent in a non-intrusive survey, we may sometimes be unable to determine the exact age of plant and equipment. While we make every effort to accurately identify ages, there are instances where information is incomplete or unavailable. We aim to correct any discrepancies during the report draft review, allowing us to revise reports, CAPEXs, and supporting documents with the most accurate information possible.

CAPEX PLANNING, DEFERRAL AND MANAGING RISK

While elements of work identified in this report may be deferred in the CAPEX planning process, it is essential that a risk assessment is carried out prior to any deferral. This assessment should evaluate the potential risks associated with postponing recommended upgrades or remediation work, and appropriate risk controls should be implemented to manage those risks. Deferring necessary work without proper risk mitigation could lead to increased safety, operational, or financial risks over time.

GENERAL LIMITATIONS AND EXCLUSIONS

LIMITATIONS

The following key limitations apply to our survey and report, but not limited to:-

Item	Detail	Limitation
1	Voids and ceiling space	We deemed some areas to be unsafe therefore we could only observe from a distance; however photos were taken.
2	Non-intrusive	Our survey adopted non-intrusive techniques, such as visual inspection, data analysis, and documentation review. While this approach offers valuable insights into visible conditions and immediate concerns, it may not uncover latent defects or underlying issues that require invasive investigation.
3	Council and O&M documentation	A Council File was received on 07 October 2024, but due to time constraints, not all documentation has been fully reviewed. However, we believe that the key and relevant information has been considered. We note that certain electrical and mechanical services documentation, including O&M manuals and as-built drawings, is currently stored on-site in hard copy. We were unable to review all information on site. We recommend that electronic copies be made available.
4	Roof	We deemed warehouse roof access unsafe for the conditions on the day; therefore we could not inspect roof fans.
5	Report version	This report is a high-level Red Flag Report only.

EXCLUSIONS

The following key exclusions apply to our survey and report, but not limited to:-

Item	Detail
1	Any testing or measuring.
2	Disciplines, services and engineering aspects not explicitly mentioned in this report are excluded.
3	Any building fabric, weathertightness, structural and asbestos aspects.
4	Any design services, feasibility reporting, suitability reporting or proposed design reviews.
5	Code compliance assessments other than stand-out items that may be observed at the time of inspection.
6	LTMP and OPEX.
7	Review of legal issues/implications such as RMA/unauthorised works, review of PIM reports, structural, geotechnical or environmental.
8	Reviewing lease documentation.
9	Maintenance or BWOF review.
10	Destructive inspections. The survey was a non-intrusive visual inspection only.
11	Our site survey was undertaken from safe and grounded levels only.
12	Maintenance operatives were not present.
13	Not all areas or elements were inspected.
14	Removal of fixed panels, building fabric, other services, ducts etc.

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RISK AND CONDITION

OVERVIEW

Recommendations presented in the red flag report are based on the identification of critical issues or anomalies that warrant attention or further investigation. These red flags serve as indicators of potential risks or deficiencies within the building services infrastructure, whether it be observations or signalling areas of concern that require prompt attention or detailed assessment.

RISK RATING & CONDITION

The key issues identified as part of our investigation will be summarised and defined as detailed in the table below including a risk indicator of priority.

Risk Indicator	Description
	Significant issue that requires resolution/clarification prior to completion of the transaction. Possible serious cost implication or health and safety concerns. High cost that may impact property investment.
	Issue to be considered or clarified as part of the transaction. Possible serious cost implication if not remedied or health and safety implications if not attended to.
	Not immediate concern, however, may impact on the future use and costs of maintaining the building and services. Risk may increase if nothing is actioned to remedy the issue(s).
	Information / general commentary / clarifications

Condition	Description
New	Newer systems that have been installed in the last 1-2 years of the date of the Condition Report.
Very good	Items which have suffered minimal weathering, wear or decay and are free from any visible defects.
Good	Items which have suffered some weathering, wear or decay and are free from any visual defects.
Satisfactory	Items that have worn through 'normal' use and weathering, and are in commensurate condition to the building age and use. While these items may be designated as satisfactory in their current state, the building owner should also consider factors such as the notional life of the assets. If an element/system appears to be in line with the building's age and use, it may have exceeded its notional life, and replacement might be a prudent consideration for long-term functionality and efficiency.
Poor	Items that are worn decayed either due to the age, weathering, abnormal use, or lacking adequate maintenance. Health and safety concerns may be present.
Very poor	Items that are very worn, decayed either due to their age, weathering, abnormal use or lack of maintenance. The element runs a serious risk of imminent breakdown. Health and safety concerns may be present.

PRIORITY RATING

Definitions regarding the different levels of priorities as recommendations:-

- Priority 1 - Health & Safety (Such as compliance with stature and/or duty)
- Priority 2 - Neglect that might lead to damage or reversion
- Priority 3 - Neglect that might affect current rental income
- Priority 4 - Necessary to maintain in 'repair/service'

CONDITION AND NOTIONAL LIFE

The report is based around the expectancy (Notional life) guidelines, as stated within CIBSE Guide M, 2nd Edition and ASHRAE HVAC life expectancies.

Expected life concerning CIBSE Guide M, is in terms of 'Economic Life Factors and End of Economic Life'. Plant and equipment or complete systems may exceed their expected end-of-life life and continue to operate if in good safe working order and if exposed to a robust Planned Preventative Maintenance framework (PPM) in compliance with manufacturer's instructions.

Poor maintenance will adversely affect the life expectancy of building services. In some instances, plant and equipment may require additional checks or remedial work to treat medium to high-risk items, from both a commercial and safety perspective, safety being the priority.

BUDGET METHODOLOGY

GENERAL CLARIFICATIONS

It is important to note that reasonable efforts have been made to obtain cost data and information provided, but Entire Consultants Limited does not assume responsibility for the validity or accuracy of costs and any comparisons with Professional Quantity Surveying (PQS) costing. Entire Consultants Limited do not claim that budgets are complete and accurate. PQS pricing does not form part of our scope; therefore, it is excluded from budget reporting. Budgets are calculated using NZ QV Cost Builder [QV Cost Builder T&Cs apply] and industry experience. Any investigatory work we have recommended may result in knock-on costs which we have not captured due to the uncertainty of investigatory outcomes. Engaging or contacting subcontractors or suppliers to identify budget costs are excluded from the budgets. Any cost data is provided in New Zealand Dollars, excluding GST and expenses.

GENERAL BUDGET ALLOWANCES

For general items of work the following estimated allowances have been made:-

- P&G (Including scaffold, access, site establishment and accomodation) @ 15%
- Contractor's margin @ 10%
- Professional fees (Consultant) @ 10%
- Contingency @ 5%

BUDGET EXCLUSIONS

The following key elements have been excluded from budget costing, but not limited to:-

- Inflation and Goods and Services Tax
- Budgets based on like-for-like plant and equipment unless explicitly stated otherwise
- Demolition of building services plant/equipment/fabric/building materials
- Removal of deleterious materials or hazardous substances, including asbestos
- Any builders work including any roofing, roof flashing, boxing, fabric detailing and any decoration
- Mechanical services ductwork
- Costs associated with Council or other authorities, design services and legal services
- Contractor contract conditions
- Cranes/ plant lifts, scaffold, land, civil works, FF&E. Any work involving traffic management and control activities
- Seismic work, remediation or upgrades
- Repair or replacement of existing building services or building fabric, outside the scope of works that may be affected or requires modification to allow the upgrade work to take place
- All tenant owned equipment or assets
- Any costs associated with Facilities Management
- Increased costs or fluctuations for labour, plant, equipment and materials beyond the date of reported budgets estimates
- Upgrades relating to compliance with statutes or regulations. Remediation of non-compliant original construction details/ materials
- Any legal fees

EXECUTIVE SUMMARY

OVERVIEW

This executive summary captures the primary risk items relating to our scope and general conditions observed during our inspection of **146 Shands Road, Hornby South in Christchurch** on **08 October 2024.**

The executive summary only includes key findings and recommendations regarding common landlord services (excluding tenant equipment). It must be read in conjunction with the main body of this report for completeness to understand the information and issues reported, including photographs and associated comments detailed in the appendices.

The survey identified several issues that should be addressed to ensure the continued safe and effective operation of the building services, such as electrical non-compliances and air quality issues. A registered electrician is required to address these electrical non-compliances to ensure compliance with current standards such as AS/NZS3000 and the electrical safety regulations.

As a result of the areas inspected, the building services appear to have been designed in accordance with prevailing codes and practices at the time of installation, except for risk items highlighted in the report.

Mechanical and electrical services are generally commensurate to the building age and its use, with standard end-of-life replacement expected. Some equipment is approaching or has exceeded its notional life or, in some instances, is in poor condition. Equipment located in plant rooms and the warehouse are general very dirty and require servicing and inspections.

Building services remediation work and general replacements should be expected within the next 2-3 years, with some urgent work required in the first year, such as non-compliances and repairs.

We have captured some of the key risk items in the following sections:-

I. Health and Safety
II. Short term urgent work
III. Short to medium term work

HEALTH AND SAFETY

- Electrical non-compliances
- Mechanical services supply air quality
- Keep obstructions away from electrical switchboards

URGENT WORK - SHORT TERM

- Registered electrician to resolve electrical non-compliances
- Mechanical services incumbent to assess and remediate supply air quality issues
- Cleaning and full servicing of mechanical and electrical services plant and equipment

REMEDIATION WORK - SHORT TO MEDIUM TERM

- Replacement or refurbishment of main switchboard and distribution boards
- Replacement of air conditioning split systems and supply/exhaust air fans

GENERAL CLOSING COMMENTS

Upon inspecting the building's mechanical and electrical services, several areas have been identified that require both immediate and long-term attention. Key issues involve air quality, ventilation and electrical compliance with current safety standards. Addressing these matters is important for ensuring the safety, efficiency, and operational reliability of the property.

Firstly, the air quality in various sections of the building needs improvement due to dirt around supply air diffusers and to meeting compliance such as NZS4304 Ventilation for Acceptable Indoor Air Quality.

Electrical systems also require attention, with non-compliances and contamination observed in the main switchboards, MCCs, and distribution boards. Parts of the system, being > 20 years old, have reached their expected lifespan and need remediation and replacement to meet safety standards. Recommended upgrades include thermal imaging, periodic testing, and thorough inspections to ensure ongoing safety and efficiency.

The key issues and observations provided in the report 'Risk Observables', along with the executive summary, photographs, and associated comments, should be given thorough consideration.

Our comments are intended to support other professional inputs, and the Client's remediation efforts should be guided by a comprehensive approach.

In summary, the mechanical and electrical services requires investment in upgrading its services to mitigate the identified risks. These improvements are recommended to ensure the safety, reliability, and operational efficiency of the facility.

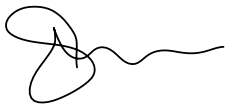
There may be an option to defer some work, however a risk assessment should be carried out first. This is to ensure that the necessary risk controls are in place to extend recommended upgrades, highlighting the potential risks of deferring work.

We would be happy to assist in this process.

In with this conclusion, the report presents our preliminary findings under the time constraints imposed. We remain available for further discussion and offer ongoing support.

We recommend scheduling a follow-up meeting to review the report's details once the Client has had an opportunity to examine them closely.

Regards,



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CAPEX SUMMARY

OVERVIEW

The total estimated budget for addressing key risk items over the next 10 years is circa **$620,733 NZD**, emphasising the need for a phased and prioritised approach to maintenance and upgrades. The budget allows for 5% contingency, refer to Section 'Budget Methodology' for further details of budget costing, exclusions and limitations.

The necessary investments are required to replace outdated equipment, upgrade non-compliant systems, and maintain the building's overall integrity.

There may be an option to defer some work; however, a risk assessment should be carried out first to ensure that the necessary risk controls are in place to extend recommended upgrades, highlighting the potential risks of deferring work.

The following table provides a summary of the 10 year CAPEX budget schedule:-

	Years									
Element	**1**	**2**	**3**	**4**	**5**	**6**	**7**	**8**	**9**	**10**
Mechanical Services - Sub totals	$18,950.00	0	$14,500.00	$36,600.00	$27,800.00	$24,000.00	$7,500.00	0	0	0
P&G @ 15%	$2,842.5	0	$2,175	$5,490	$4,170	$3,600	$1,125	0	0	0
Contractor's margin @ 10%	$1,895	0	$1,450	$3,660	$2,780	$2,400	$750	0	0	0
Professional fees @ 5%	$947.5	0	$725	$1,830	$1,390	$1,200	$375	0	0	0
Contingency @ 5%	$1,231.75	0	$942.5	$2,379	$1,807	$1,560	$487.5	0	0	0
Grand Total excl.GST	**$25,866.75**	0	**$19,792.50**	**$49,959.00**	**$37,947.00**	**$32,760.00**	$10,237.50	0	0	0
Electrical Services - Sub totals	$47,400.00	$110,000.00	0	0	0	$3,000.00	$12,000.00	$3,000.00	0	$150,000.00
P&G @ 15%	$7,110	$16,500	0	0	0	$450	$1,800	$450	0	$22,500
Contractor's margin @ 10%	$4,740	$11,000	0	0	0	$300	$1,200	$300	0	$15,000
Professional fees @ 5%	$2,370	$5,500	0	0	0	$150	$600	$150	0	$7,500
Contingency @ 5%	$3,081	$7,150	0	0	0	$195	$780	$195	0	$9,750
Grand Total excl.GST	**$64,701.00**	**$150,150.00**	0	0	0	**$4,095.00**	**$16,380.00**	**$4,095.00**	0	**$204,750.00**
Mechanical & Electrical Services Combined Grand Totals excl.GST	$90,567.75	150,150	19,792.5	49,959	37,947	$36,855.00	$26,617.50	4,095	0	204,750

Grand Total excl.GST

$ 620,733.75

RISK OBSERVABLES

KEY RISKS & OBSERVATIONS

The following section details risk items observed, general observations and provides feedback. Refer to the Condition Survey Photographs and associated comments in the appendices.

Ref	Risk Indicator	Function	Element	Observations / findings	Recommendations
1		Mechanical services	Ventilation: Supply air diffusers and air conditioning cassette units	▸ Contaminated air supply ceiling diffusers and Mitsubishi ceiling indoor cassette units. Dirt build-up in and around supply air diffusers and AC units.	▸ Air quality should be assessed including ductwork. Full servicing and cleaning required. We recommend upgrading filters to ensure adequate air filtration.
2		Mechanical services	Ventilation: Supply air fans	▸ Roof supply air fans (Axial type) are 13 years and showing signs of wear. ▸ Rooftop fan casing is corroding. Plastic wrapping caught around fan cowls. Axial fans normally of an end-of-life of 20 years.	▸ Carry out full service of roof supply air fans. ▸ Treat corrosion to prevent worsening and ensure the is not water ingress to the occupied space is occurring. ▸ Air quality assessment and filter upgrades should take place concurrently. ▸ Recommend replacing fans within 2-3 years; however replacement may be required sooner depending upon further investigation of corrosion and dirty build-up.
3		Mechanical services	Ventilation: Extract grilles	▸ Contaminated toilet extract grilles/ terminals. Dirt build-up in and around terminals.	▸ Carry out full service of toilet extract grilles/ terminals.

Ref	Risk Indicator	Function	Element	Observations / findings	Recommendations
4		Mechanical services	Ventilation: Extract/ exhaust fans	▸ Roof toilet extract air fans (Axial type) are 13 years and showing signs of wear. Dirt build up. ▸ Unable to inspect warehouse and canopy fans.	▸ Carry out full service of toilet extract grilles/ terminals.
5		Mechanical services	Ventilation: Extract air	▸ Wall extract fan, external Louvre missing. Potential water ingress.	▸ Carry out full service of the extract fan and replace the external louvre.
6		Mechanical services	Air conditioning: Split systems	▸ Mitsubishi split systems are approaching their end of life. Some roof units are in poor condition with refrigerant pipe insulation perishing. ▸ Mitsubishi split system outdoor unit in poor condition in the inward goods bay that is serving the warehouse office.	▸ Carry out full service of air conditioning split systems. Replace split systems within 2-3 years. ▸ Replace refrigerant pipe insulation where required.
7		Mechanical services	Air conditioning: Hi-wall AC unit	▸ Server room, Mitsubishi AC hi-wall unit condenser pump catchment leaking. Informed FM Manager.	▸ Carry out full service of air conditioning split systems.
8		Mechanical services	Ventilation: Extract/ exhaust fans	▸ We note 5no. Exhaust canopy fans (west).	▸ Recommend clarification is these fans are needed prior to allocating funds to the CAPEX. ▸ Fans may be utilised for potential exhaust fume build-up from vehicles in and around the canopy areas.

Ref	Risk Indicator	Function	Element	Observations / findings	Recommendations
9		Electrical services	Main power: MSB and distribution boards	▸ Distribution boards are estimated to be > 20 years. Several distribution boards are very dirty, showing signs of wear and tear. ▸ Escutcheon plate openings have caused dirt build-up in and around circuit breakers.	▸ Registered electrician to carry out full service of distribution boards. ▸ Upgrade distribution boards within 1 year. Any non-compliances should be addressed by a registered electrician.
10		Electrical services	Installation: Non-compliances	▸ Non-compliances observed: • Missing DB MCB inserts. • DB escutcheon plates not secure or damaged at MSBs and DBs. • Dirt built-up in and around DBs causing dirt build-up in and around circuit breakers. • Roof lights detached above office areas. • General power outlets near the kitchen fat fryer in poor condition. • No signage. The main switchboard should be legibly and permanently marked 'MAIN SWITCHBOARD'. ▸ Property Manager informed on site that an registered electrician needs to assess the installation. ▸ Foam spray at the topside of switchboard openings.	▸ Registered electrician to address all non-compliances, issues and where necessary provide clarifications. Comply as per AS/NZS3000. ▸ Electrical equipment in the warehouse areas and the main switchroom require the most cleaning. ▸ We recommend periodic fixed wire testing of a reasonable proportion of sub-circuits. If any deficiencies are identified, additional circuits should be tested to determine whether the issues are inherent across the installation. ▸ Thermal image testing. ▸ Earth protection should be assessed for compliance in the warehouse area including supplementary earthing. We also recommend a resistance test of main earth conductors every three years.

Ref	Risk Indicator	Function	Element	Observations / findings	Recommendations
11		Electrical services	Main power: MSB and distribution boards	• Spray foam has been applied to the topside of some switchboard openings, likely to prevent contamination inside the switchboards. This suggests a history of this issue. However, we could not confirm whether the spray foam is fire-rated. Any materials used inside or around switchboards must comply with safety and fire resistance standards.	• If found not to be fire rated, the spray foam should be replaced with compliant, fire-rated materials to comply as per AS/NZS 3000:2018.
12		Electrical services	General lighting: Offices	• Several lights in the canteen area have discoloured diffusers suggesting heat build up. • Lighting generally is estimated to be 13 years and appears to be in satisfactory condition.	• Registered electrician to carry out inspection of lighting. • Discoloured lighting diffusers should be replaced to maintain lighting performance. • Recommend lighting upgrades within 3-5 years assuming there is no overheating issues.
13		Electrical services	Small power: Offices	• Generally the power outlets in office areas are in satisfactory condition.	• Maintain and service. • Replace as per standard end-of-life within 6-8 years.
14		Electrical services	Small power: Warehouse	• General power outlets in warehouse offices and cabins are in poor condition and should be replaced.	• Registered electrician to replace older general power outlets that are in poor condition.
15		Electrical services	Small power: Kitchen	• General power outlets near the kitchen fat fryer in poor condition.	• Registered electrician to carry out inspection. We recommend general power outlets relocated from extreme heat and grease build-up.

Ref	Risk Indicator	Function	Element	Observations / findings	Recommendations
16		Electrical services	Emergency lighting: Offices and warehouse	• Combination of newer and older emergency lights. • Some emergency lights are not labelled with ID numbers. • Warehouse emergency lighting is dirty.	• IQP to check emergency lighting for correct identification labelling. • Clean warehouse emergency lighting. • Replace older emergency lights within 3-5 years. Self contained batteries should be replaced as per manufacturer's instructions.
17		Electrical services	Emergency lighting: Recommendations	• We note that final fire exit doors do not include external emergency lights, particularly at the sides of the warehouse.	• We recommend external emergency lighting is installed.
18		Electrical services	External lighting: Roof lights	• Light not fixed and lying on roof near access ladder and flood light near the parapet. Safety hazard.	• Registered electrician to re-fix light or remove if not required.
18		Electrical services	Installation: Wiring	• Sub-circuit wiring consists of TPS. Parts of the wiring looks to be > 20 years. We could not confirm exact age of entire system. Wiring has a notional life of 30 to 35 years depending upon it's condition and environmental exposure.	• Rewiring should be planned within the next 8-10 years depending upon the confirmed age and fixed wire testing results. • Deferral of rewiring may be possible with risk controls in place such as a period fixed wire testing regime.

INTRODUCTION

NATURE OF PRIMARY BUILDING SERVICES

The report covers the following primary landlord building services:

- Mechanical services
- Electrical services

Our assessment was limited to safe and accessible areas only. Reasonable assumptions have been made regarding the nature and condition of plant and equipment in restricted or inaccessible areas. A Council File was received on 07 October 2024, but due to time constraints, not all documentation has been fully reviewed. However, we believe that the key and relevant information has been considered. Additionally, we note that certain electrical and mechanical services documentation, including O&M manuals and as-built drawings, is currently stored on-site in hard copy. We recommend that electronic copies be made available for ease of access and future reference.

MECHANICAL SERVICES

Mechanical services plant and equipment at the property include the following primary items.

Air conditioning (AC) comprising of the following main plant and equipment:

- Air conditioning split systems and outdoor units
- Indoor AC high-wall units
- Indoor AC ceiling cassette units

Mechanical ventilation plant and equipment comprising the following:

- Outdoor air supply roof fans
- Exhaust toilet roof fans
- Exhaust kitchen roof fans
- Exhaust warehouse and canopy fans

ELECTRICAL SERVICES

Electrical services plant and equipment at the property include the following primary items.

- Main switchboard, three-phase, 400 V power supply infrastructure
- Sub-main distribution boards including essential and non-essential supplies
- LED general lighting
- Fluorescent general lighting
- General power outlets and fixed point power
- External security lighting
- Emergency lighting and illuminated exit signs
- Standy generator - Diesel generator

MECHANICAL SERVICES

OVERVIEW

Mechanical services plant and equipment at the property include the following primary items.

Air conditioning (AC) comprising of the following main plant and equipment:

- Air conditioning split systems and outdoor units
- Indoor AC high-wall units
- Indoor AC ceiling cassette units

Mechanical ventilation plant and equipment comprising the following:

- Outdoor air supply roof fans
- Exhaust toilet roof fans
- Exhaust kitchen roof fans
- Exhaust warehouse and canopy fans

AIR CONDITIONING

Air conditioning for the building is generally provided by Mitsubishi Electric split systems consisting of outdoor AC units located on the office building roof area serving internal equipment such as ceiling cassette units. These include wall mounted controllers.

From inspection of the AC outdoor units the equipment operates using R410A, which is currently a compliant refrigerant but is being phased out. The Mitsubishi Electric split systems are generally 13 years.

Although the air conditioning systems appear to be operational the system should be planned for phased replacement over the next 6 years as standard.

- 3no. Mitsubishi Electric MUZ-GE50VA single split systems (Outdoor unit located on office roof area)
- 2no. Mitsubishi Electric MUZ-A24YV single split systems (Outdoor unit located on office roof area)
- 2no. Mitsubishi Electric PUHZ-RP125VKA split systems (Outdoor unit located on office roof area)
- 1no. Mitsubishi Electric MUZ-GE50VA single split system (Outdoor unit located under under west canopy serving warehouse office areas)

VENTILATION

Mechanical ventilation to the building is provided by roof mounted axial fans with weatherproof cowls. We note the following fans:-

- Supply air fan OSAF-1 Fantech
- Supply air fan OSAF-2 Fantech
- Kitchen exhaust fan KH-EXF1 Fantech
- Toilet exhaust fans T-EXF 1 Fantech
- Toilet exhaust fans T-EXF 2 Fantech
- Exhaust fans OW-EXF1 Fantech
- Exhaust fans - We note 2no. Temperzone fans; however there is not labelling or data plate to confirm function. Possible general exhaust relief fans.
- Roof fans above the electrical main switch room - Unable to access roof to inspect 2no. roof fans due to safety
- Roof fans serving the charging battery store (Small roof section adjacent to the electrical main switch room) - Unable to access roof to inspect 3no. roof fans due to safety.
- Exhaust wall fan serving the electrical main switch room

We could not confirm if the fans in the canopy inward/outward goods area are still in use. We suspect the fans may function as both supply and exhaust units to improve air circulation in this busy area.

Due to the constant movement of vehicles like trucks in the goods inward/outward section, there is a risk of excessive exhaust fumes accumulating. This will reduce the buildup of harmful gases such as carbon monoxide. We recommend clarification.

From low level inspection the fans look to be in satisfactory condition.

ELECTRICAL SERVICES

OVERVIEW

Electrical services plant and equipment at the property include the following primary items.

- Main switchboard, three-phase, 400 V power supply infrastructure
- Sub-main distribution boards including essential and non-essential supplies
- LED general lighting
- Fluorescent general lighting
- General power outlets and fixed point power
- External security lighting
- Emergency lighting and illuminated exit signs
- Standy generator - Diesel generator

GENERAL

Based on the condition survey, the electrical installation generally appears to be in satisfactory condition; nevertheless, there are some concerns regarding non-compliances with the installation that should be addressed. Further details regarding these electrical non-compliances can be found in Section 'Key Risk & Observations'.

The main switchboard (MSB) and distribution boards are in dirty condition with some distribution boards approaching their expected lifespans. These older boards show signs of wear and have some noted non-compliance issues, indicating the need for future replacement or upgrades.

General socket outlets and fixed power points are mostly satisfactory, but there are outlets in warehouse areas and office cabins displaying wear that should be replaced in year.1. The sub-circuit wiring, ranging from 13 to > 20 years old. Parts of the wiring in the warehouse looks to be below average.

The building's electrical ancillaries, including data and communication systems, as well as security systems, are overall in satisfactory condition. However, there are some data outlets and "push to exit" buttons that show signs of wear and should be addressed to maintain system integrity. Electrical equipment in the warehouse areas are dirty and require more up-keep.

In terms of lighting, while most systems are satisfactory, the canteen lighting appress discoloured and should be inspected by a registered electrician. Emergency lighting systems are generally in good condition, but there are older exit signs showing signs of wear and tear.

Additionally, we note there is no emergency lighting on final exits to the sides of the warehouse. We recommend installing self-contained emergency lights. Escape routes, including external paths of egress, must be clearly visible at all times and adequately illuminated to allow safe exit from the building in an emergency. If the external egress path is used as part of the escape route, emergency lighting is required to ensure visibility during the night or if normal lighting fails. To ensure compliance with the NZ Building Code and NZS 6742:1988 and NZ Building Code, Clause F6 (Visibility in Escape Routes), we recommend installing appropriate emergency lighting along the external escape routes.

Warehouse LED lighting looks to be in satisfactory condition and we understand all light was renewed in 2011 as part of the warehouse extension project.

Any electrical non-compliances should be addressed by a registered electrician to ensure compliance to AS/NZS3000.

APPENDIX: CONDITION SURVEY PHOTOGRAPHS

CONDITION SURVEY PHOTOS

Following selection of site photos.

Photo		Description
1		Roof fans
2		Typical split system outdoor units.

Photo		Description
3		Some corrosion in and around the outdoor AC units.
4		Refrigerant pipe insulation perished.
5		Outdoor unit condenser fins.

Photo		Description
6		Air conditioning split system serving warehouse offices.
7		Air conditioning split system serving the security office cabin.
8		Typical air condition hi-wall unit.

Photo		Description
9		Kitchen exhaust canopy.
10		Roof supply and exhaust fans
11		Supply air fan corrosion

Photo		Description
12		Supply air fan corrosion
13		Trapped plastic sheet needs to be removed.
14		Mitsubishi AS cassette units. Dirty build up around louvres.

Photo		Description
15		Mitsubishi AS cassette units. Dirty build up around louvres. Dirty on ceiling tiles.
16		Dirty build up around supply air diffusers in offices.
17		Dirty build up around supply air diffusers in first aid room.

Photo		Description
18		Missing Louvre on main switchroom extract fan.
19		Exhaust fans in the charging battery store. We recommend full service.
20		Canopy fans inward/outward goods area. We could not confirm if the fans are still in use. The fans may function as both supply and exhaust units to improve air circulation in this busy area. Due to the constant movement of vehicles like trucks in the goods inward/outward section, there is a risk of excessive exhaust fumes accumulating. Effective ventilation is essential to reduce the buildup of harmful gases such as carbon monoxide, nitrogen oxides, and particulate matter, which can threaten the health of personnel and compromise air quality. From low level inspection the fans look to be in satisfactory condition.

Photo		Description
21		General power outlets in kitchen near hot fat fryer.
22		MCBs dirty and exposed.
23		Exposed openings.

Photo		Description
24		Main switchboard
25		Main switchboard openings at the topside panel.
26		DB escutcheon plates not secure

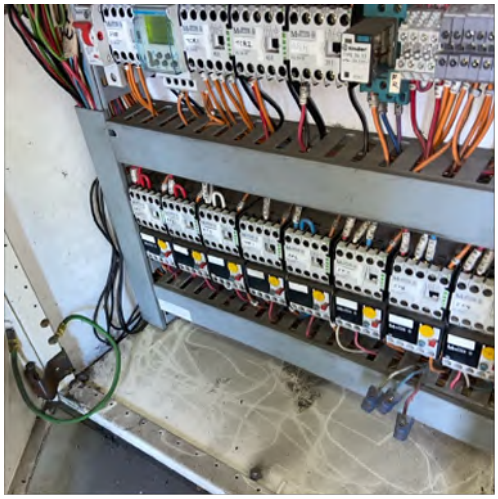
Photo		Description
27		DB escutcheon plate damaged.
28		DB escutcheon plate damaged. Dirt build up in and around MCBs.
29		Mechanical services control panel. Contactors dirty and excessive chattering.

Photo		Description
30		Dirty emergency lights in warehouse areas.
31		Dirty main DB isolator.
32		Expanded foam used in the topside of distribution boards.

Photo		Description
33		Some wiring looks to be > 20 years. Rewiring should be planned within the next 8-10 years depending upon the confirmed age and fixed wire testing results.
34		Typical switchboard in
35		External lighting damaged on roof above offices.

Photo		Description
36		External lighting damaged on roof above offices.
37		Office LED lighting. Some diffusers are dirty and require cleaning.
38		Office typical light switching showing signs of wear.

Photo		Description
39		Office typical socket outlets showing signs of wear.
40		Office emergency lighting in satisfactory condition. We note that emergency lights do not include a identification label.
41		Canteen lighting. Diffusers having signs of discolouration.

Photo		Description
42		Toilet LED lighting in satisfactory condition.
43		Some older tungsten halogen emergency lights which we recommend replacing.
44		External flood lights in satisfactory condition.

Photo		Description
45		Warehouse contains some IP rated general power outlets.
46		Older lighting in the charging battery store. We recommend replacing and/or full service.
47		Illuminated exit signs in warehouse.

Photo		Description
48		High-level twin emergency lighting floods in warehouse.
49		LED lighting in the warehouse estimated to be 13 years.
50		LED lighting in the warehouse estimated to be 13 years.

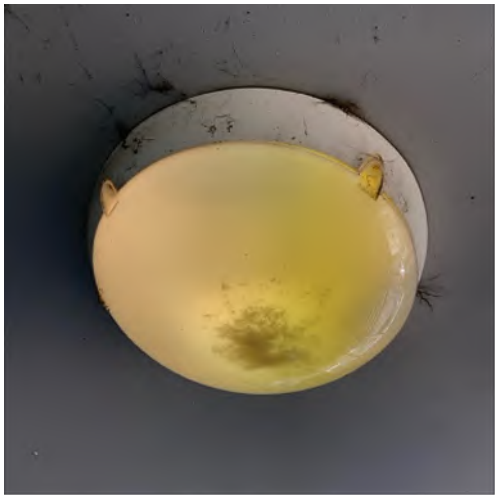
Photo		Description
51		Ventilation duct work serving the warehouse offices and training room.
52		Training room wall wash lighting should be inspected and serviced. We recommend replacing.
53		Several external canopy lights are dirty and require cleaning and likely re-lamping. Lights should not be operational in day time for energy saving. Electrical to clean and inspect.

Photo		Description
54		Standby generator which we understand is on long-term hire.
55		Utility provider's (Vector) electrical transformer.
56		Carpark column LED lighting in satisfactory condition.

Photo		Description
57		External bulkhead lighting in satisfactory condition.
58		No emergency lighting on external escape routes.
59		Canopy lighting inward/outward goods area.

CAPEX Budget Schedule

Element			Environment		What?			Actions		Cost detail				When?		Years									
																1	2	3	4	5	6	7	8	9	10
Ref	Building Services	Expenditure Item	Internal/ External	Location	Equipment or Plant	Condition	Findings	Recommendations	Priority	Qty	Unit	Rate or item cost $	Amount $	Year Starting	Estimated Life Cycle (yrs)	2024	2025	2026	2027	2028	2029	2030	2031	2032	2033
1	**Mechanical services**	Ventilation	Int & Ext	Roof & internal spaces	Roof fans & Mitsubishi ceiling indoor cassette units; supply air diffusers; extract grilles; return air grilles	Poor	Dirt / contamination	Air quality assessment, cleaning units, diffusers, grilles & filter upgrades	1	1	Item	$3,800	$3,800	2024	20	$3,800									
2	**Mechanical services**	Ventilation	Int & Ext	Roof fans serving offices and canteen	Supply air fans	Poor	Wear & tear; dirty; corrosion	Treat corrosion to prevent worsening and ensure the is not water ingress to the occupied space is occurring; full service	1	2	each	$250	$500	2024	20	$500									
3	**Mechanical services**	Ventilation	Ext	Roof fans serving offices and canteen	Supply air fans	Poor	Wear & tear; dirty; corrosion	Allow for replacement including electrical isolator	2	2	each	$2,200	$4,400	2027	20				$4,400						
4	**Mechanical services**	Ventilation	Int & Ext	Roof fans serving offices, toilets, kitchen and canteen	Exhaust fans	Poor	Wear & tear; dirty; corrosion	Treat corrosion to prevent worsening and ensure the is not water ingress to the occupied space is occurring; full service	1	5	each	$250	$1,250	2024	20	$1,250									
5	**Mechanical services**	Ventilation	Ext	Roof fans serving offices, toilets, kitchen and canteen	Exhaust fans	Poor	Wear & tear; dirty; corrosion	Allow for replacement including electrical isolator	2	3	Item	$2,200	$6,600	2026	20			$6,600							
6	**Mechanical services**	Ventilation	Ext	Roof fans serving offices, toilets, kitchen and canteen	Exhaust fans	Poor	Wear & tear; dirty; corrosion	Allow for replacement including electrical isolator	2	2	Item	$2,200	$4,400	2027	20				$4,400						
7	**Mechanical services**	Ventilation	Int & Ext	Wall mounted fan serving the electrical main switchroom	Exhaust fans	Poor	Damaged; wear & tear	Allow for replacement including electrical isolator	1	1	Item	$1,800	$1,800	2024	20	$1,800									
8	**Mechanical services**	Ventilation	Int & Ext	Roof fans serving charging battery store	Exhaust fans	Poor	Dirt / contamination	Full clean and service	1	1	Item	$1,200	$1,200	2024	20	$1,200									
9	**Mechanical services**	Ventilation	Int & Ext	Roof fans serving charging battery store	Exhaust fans	Poor	End-of-life	Allow for replacement	3	3	Item	$2,500	$7,500	2030	20							$7,500			
10	**Mechanical services**	Ventilation	Ext	Roof canopy fans serving inward/ outward goods area	Exhaust fans	Select	Select	To clarify if fans are still required	4	5	Item	$0	$0	2030	20							$0			
11	**Mechanical services**	Air conditioning	Int & Ext	Mitsubishi air conditioning split systems	Mitsubishi split systems	Poor	Wear & tear; dirty; corrosion	Carry out full service of air conditioning split systems. Replace refrigerant pipe insulation where required.	1	1	Item	$2,500	$2,500	2024	15	$2,500									
12	**Mechanical services**	Air conditioning	Int & Ext	Mitsubishi air conditioning split systems - Server room	Mitsubishi split systems	Poor	Wear & tear; dirty; corrosion	Replace Mitsubishi Electric MUZ-GE50VA single split systems within 2-4 years.	2	1	Item	$7,900	$7,900	2024	15	$7,900									
13	**Mechanical services**	Air conditioning	Int & Ext	Mitsubishi air conditioning split systems - Warehouse office	Mitsubishi split systems	Poor	Wear & tear; dirty; corrosion	Replace Mitsubishi Electric MUZ-GE50VA single split systems within 2-4 years.	2	1	Item	$7,900	$7,900	2026	15			$7,900							

146 Shands Road, Hornby South, Christchurch

M&E 10 Year CAPEX

Ref	Building Services	Expenditure Item	Internal/ External	Location	Equipment or Plant	Condition	Findings	Recommendations	Priority	Qty	Unit	Rate or item cost $	Amount $	Year Starting	Estimated Life Cycle (yrs)	2024	2025	2026	2027	2028	2029	2030	2031	2032	2033
14	**Mechanical services**	Air conditioning	Int & Ext	Mitsubishi air conditioning split systems	Mitsubishi split systems	Poor	Wear & tear; dirty; corrosion	Replace Mitsubishi Electric MUZ-GE50VA single split systems within 2-4 years.	2	2	Item	$7,900	$15,800	2027	15				$15,800						
15	**Mechanical services**	Air conditioning	Int & Ext	Mitsubishi air conditioning split systems	Mitsubishi split systems	Poor	Wear & tear; dirty; corrosion	Replace Mitsubishi Electric MUZ-GE50VA single split systems within 2-4 years.	2	2	Item	$7,900	$15,800	2028	15					$15,800					
16	**Mechanical services**	Air conditioning	Int & Ext	Mitsubishi air conditioning split systems	Mitsubishi split systems	Poor	Wear & tear; dirty; corrosion	Replace Mitsubishi PUHZ-RP125VKA split systems within 2-4 years.	2	1	Item	$12,000	$12,000	2027	15				$12,000						
17	**Mechanical services**	Air conditioning	Int & Ext	Mitsubishi air conditioning split systems	Mitsubishi split systems	Poor	Wear & tear; dirty; corrosion	Replace Mitsubishi PUHZ-RP125VKA split systems within 2-4 years.	2	1	Item	$12,000	$12,000	2028	15					$12,000					
18	**Mechanical services**	Air conditioning	Int & Ext	Mitsubishi air conditioning split systems	Mitsubishi split systems	Poor	Wear & tear; dirty; corrosion	Replace Mitsubishi PUHZ-RP125VKA split systems within 2-4 years.	2	1	Item	$12,000	$12,000	2029	15						$12,000				
19	**Mechanical services**	Air conditioning	Int & Ext	Mitsubishi air conditioning split systems	Mitsubishi split systems	Poor	Wear & tear; dirty; corrosion	Replace Mitsubishi PUHZ-RP125VKA split systems within 2-4 years.	2	1	Item	$12,000	$12,000	2029	15						$12,000				
20	**Electrical services**	Electrical non-compliances	Int & Ext	Several electrical non-compliances observed	Electrical installation	Poor	Defects or non-compliances	Registered electrician to address all non-compliances, issues and where necessary provide clarifications. Comply as per AS/NZS3000. Allowance only as full extent of work unknown.	1	1	Item	$5,500	$5,500	2024	20	$5,500									
21	**Electrical services**	Main power	Int	Main switchboard very dirty, showing signs of wear and tear. Estimated > 20 yrs. Approaching end-of-life	Main switchboard	Poor	End-of-life	Renew / replace protective devices / breakers	2	1	Item	$75,000	$75,000	2025	25		$75,000								
22	**Electrical services**	Main power	Int	Several distribution boards are very dirty, showing signs of wear and tear. Estimated > 20 yrs. Approaching end-of-life	Distribution boards	Poor	End-of-life	Renew / replace protective devices / breakers	2	1	Item	$24,000	$24,000	2024	20	$24,000									
23	**Electrical services**	Main power	Int	Several distribution boards are very dirty, showing signs of wear and tear. Estimated > 20 yrs. Approaching end-of-life	Distribution boards	Poor	End-of-life	Renew / replace protective devices / breakers	2	1	Item	$35,000	$35,000	2025	20		$35,000								
24	**Electrical services**	General power	Int	Generally the power outlets in office areas are in satisfactory condition.	Socket outlets	Satisfactory	End-of-life	Allow for replacement	3	1	Item	$3,000	$3,000	2029	20						$3,000				
25	**Electrical services**	General power	Int	Generally the power outlets in office areas are in satisfactory condition.	Socket outlets	Satisfactory	End-of-life	Allow for replacement	3	1	Item	$3,000	$3,000	2031	20								$3,000		
26	**Electrical services**	Electrical wiring	Int	Parts of the wiring looks to be > 20 years. Some wiring in the warehouse requires inspection. We could not confirm exact age of entire system.	Wiring	Satisfactory	End-of-life	Partial rewire of wiring in poor condition	3	1	Item	$150,000	$150,000	2033	20										$150,000
27	**Electrical services**	General lighting	Int	Lighting generally is estimated to be 13 years and appears to be in satisfactory condition.	General lighting	Satisfactory	End-of-life	Allow for replacement	3	1	Item	$12,000	$12,000	2030	20							$12,000			

146 Shands Road, Hornby South, Christchurch

M&E 10 Year CAPEX

Ref	Building Services	Expenditure Item	Internal/ External	Location	Equipment or Plant	Condition	Findings	Recommendations	Priority	Qty	Unit	Rate or item cost $	Amount $	Year Starting	Estimated Life Cycle (yrs)	2024	2025	2026	2027	2028	2029	2030	2031	2032	2033
28	**Electrical services**	General lighting	Int	Several lights in the canteen area have discoloured diffusers suggesting heat build up.	General lighting	Poor	Wear & tear	Allow for some replacements / repairs	2	1	Item	$4,900	$4,900	2024	20	$4,900									
29	**Electrical services**	Emergency lighting	Int	Combination of newer and older emergency lights. Lights in the warehouse are very dirty.	Emergency lighting	Poor	Dirt / contamination	Full clean. Allow for some replacements / repairs	2	1	Item	$3,500	$3,500	2024	15	$3,500									
30	**Electrical services**	Emergency lighting	Ext	We note that final fire exit doors do not include external emergency lights, particularly at the sides of the warehouse.	Emergency lighting	Poor	Recommended improvements	Install	2	1	Item	$9,500	$9,500	2024	15	$9,500									
	Sub totals															**$66,350**	**$110,000**	**$14,500**	**$36,600**	**$27,800**	**$27,000**	**$19,500**	**$3,000**	**$0**	**$150,000**
	P&G @ 15%															$9,952.5	$16,500.0	$2,175.0	$5,490.0	$4,170.0	$4,050.0	$2,925.0	$450.0	$0.0	$22,500.0
	Contractor's margin @ 10%															$6,635.0	$11,000.0	$1,450.0	$3,660.0	$2,780.0	$2,700.0	$1,950.0	$300.0	$0.0	$15,000.0
	Professional fees @ 5%															$3,317.5	$5,500.0	$725.0	$1,830.0	$1,390.0	$1,350.0	$975.0	$150.0	$0.0	$7,500.0
	Totals															**$86,255.0**	**$143,000.0**	**$18,850.0**	**$47,580.0**	**$36,140.0**	**$35,100.0**	**$25,350.0**	**$3,900.0**	**$0.0**	**$195,000.0**

Item totals	Totals $
Sub totals (excluding overheads)	$ 454,750.00
P&G @ 15%	$ 68,212.50
Contractor's margin @ 10%	$ 45,475.00
Professional fees @ 5%	$ 22,737.50
Total exc.GST	$ 591,175.00
Contingency @ 5%	$ 29,558.75
Grand total exc.GST	**$ 620,733.75**

Priority rating	Definition
1	Health & Safety (Such as compliance with stature and/or duty)
2	Neglect that might lead to damage or reversion
3	Neglect that might affect current rental income
4	Necessary to maintain in 'repair/service'

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