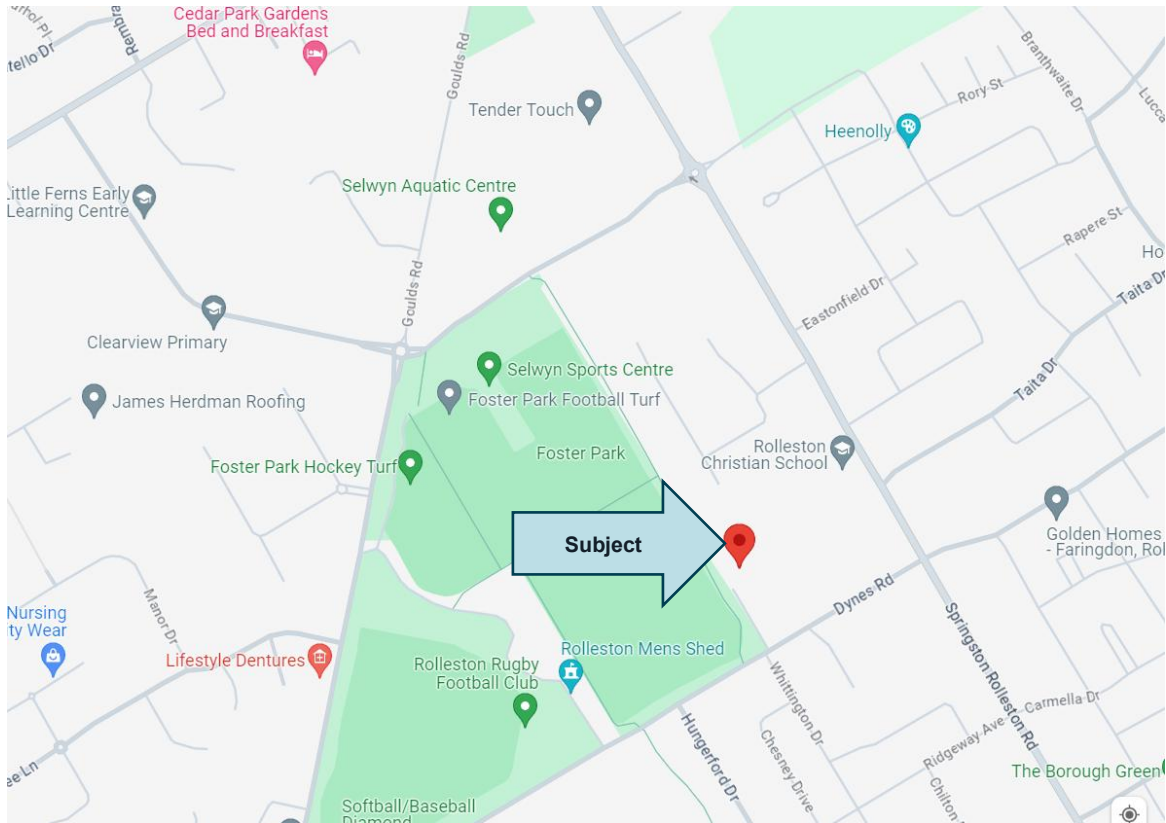


# Value and Risk Advisory Valuation Report

Three Trees Learning Centre  
14 Learners Road, Rolleston

<b>Prepared For</b>	PMG Direct Childcare Trust
<b>Valuation Purpose</b>	Capital Raise
<b>Valuation Date</b>	20 August 2025



Location Map



Aerial Image of Property (Source: Emap)

# Executive summary

## Three Trees Learning Centre - 14 Learners Road, Rolleston

### Adopted value

**\$6,100,000 plus GST, if any**  
Six Million One Hundred Thousand Dollars plus GST, if any

### Property details

Prepared for	PMG Direct Childcare Trust
Valuation purpose	Market Valuation for Capital Raise
Date of valuation	20 August 2025
Date of report	25 September 2025
Valuation methods	Income Approach – Income Capitalisation and Discounted Cashflow Methods Market Approach – Comparable Transactions Method

### Valuation analysis

Initial yield	6.78%	Rate / sqm of lettable area	\$9,698
Equivalent yield	6.66%	Weighted average lease term	8.33 years by income
Internal rate of return (10 years)	8.01%	Current occupancy	100.00%

### Tenancy overview

Three Tree Learning Centre	\$413,456	629 sqm	Gross passing income	\$468,420
			Gross market income	\$456,144
			Adopted outgoings	\$54,964
			Net passing income	\$413,456
			Net market income	\$401,180

### Income capitalisation method assumptions

Adopted cap rate	6.750%
Allowance for capex/expiries	24 months
Market income capitalisation	\$6,000,000
Passing income capitalisation	\$6,000,000

### DCF method assumptions

Discount rate	8.000%
Terminal yield	7.000%
Average applied rental growth	2.12%
Value based on DCF method	\$6,100,000

### Comparable transactions method assumptions

Number of licensed children	130 children
Adopted rate per child	\$45,000
Value based on CTM	\$5,900,000

### Valuer

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## Property details

**Property description** Three Trees Learning Centre is a single level purpose-built Early Childhood Learning Centre, which was designed by Collingridge & Smith Architects and is licensed for 130 children being contained within three hubs, which offers a total of six classrooms. Construction commenced in January 2018 and was completed in February 2019. The 629 square metre Early Childhood Learning Centre is set on 3,080 square metre Medium Density Residential Zone (MRZ) parcel of land, next to Foster Park, within the Rolleston Township. Residual improvements comprise a playground, site fencing and some on-site marked 32 car parks. The premises are subject to a net operating lease for a 15 year initial term from 8 December 2018 to Educational Hub Limited, which has a current contract rental of \$4 13,456 per annum plus GST and outgoings. The contract rental equates \$61.16 per licensed child per week with annual CPI plus 1% increases and market reviews at 5 yearly rests.

## Site details

**Location description** Learners Road extends off the north-western side of Dynes Road and lies next to Foster Park. Here the property can be accessed via a sealed 6.0 metre wide access lane, which extends for some 70 metres into the site and from which the sealed car park can be accessed. At this stage the carriageway does not extend beyond the Child Care Centre, but that may alter in the future as linkage to the Foster Park accessway is a possibility. Located nearby is Clearview Primary School and Rolleston College.

Rolleston lies some 20 to 25 kilometres from Christchurch City and benefits from the opening of Stage 2 of the Southern Motorway which reduces commute times and improves the flow of traffic. The Rolleston settlement has expanded significantly over the post Canterbury earthquake period. Age of houses tend to be built between 2000 to the current day with a new influx of post 2010 homes built in extensive subdivisions such as Faringdon, Branthwaite, Falcons Landing and Acland Park being among the largest.

Commercial facilities have developed in tandem with an increasing population and the commercial base is now well established. As are the recreational and educational facilities which include the Aquatic Centre and Foster Park. Whereas the IZONE industrial development provides a source of local employment. With a growing population base there have been a number of early childhood learning centres developed and in this regard Rolleston is well placed with modern childcare facilities.

**Tenure** Freehold – Record of Title 853207

**Site area** 3,080 sqm

The property comprises a 3,080 square metre (more or less) regular shaped site located at 14 Learners Road. The site has a width of approximately 44 metres and a depth of 77 metres. Frontage to Learners Road is limited to 20 metres, with the site essentially a rear lot which is level in contour.

Hydrology

The contour of the site is generally flat. The site is identified as lying in an area which may have minimal surface flooding during heavy rainfall events, as is notated by the yellow shading. We have assumed that appropriate measures have been taken throughout the construction phase to mitigate these effects. Under the Partially Operative Selwyn District Plan, the property lies within the Plains Flood Management Overlay which is a blanket classification over the Selwyn Plains.



Source: Selwyn District Council Flood Mapping Model

Zoning

The land is zoned Living Z under the Operative Selwyn District Plan and Medium Density Residential under the Partially Operative Selwyn District Plan. We refer you to the Zoning Summary appended to this report.

The existing improvements would appear to not comply with the resource management requirements of the site. Further, we have assumed that the property benefits from existing use rights or has an applicable Resource Consent.

Title particulars

We refer you to the Record of Title appended to this report. Interests of note include:

- Appurtenant hereto is a right of way, right to drain sewage and water, right to convey water, electricity, telecommunications and computer media created by Easement Instrument 11243820.2.
- Land Covenant in Easement Instrument 11243820.4. This is aimed at protecting objection to the Childcare development to other purchasers of land subdivided from the parent title.
- 11310626.5 Mortgage to ASB Bank Limited.

We have considered these notifications in arriving at our opinion of value. For a detailed summary of the dealings noted above, we refer you to the Record of Title appended to this report.

### Rateable value

The Property's rateable value as at 1 September 2024, being assessment number 24055-25801, is as follows:

Land value	\$580,000
Improvements value	\$3,460,000
Capital value	\$4,040,000

### Improvements details

#### Improvements Overview

Three Trees Learning Centre is a single level purpose-built Early Childhood Learning Centre, which was designed by Collingridge & Smith Architects and is licensed for 130 children being contained within three classroom hubs. Construction comprises concrete flooring, timber framing, weatherboard cladding, double-glazed joinery and timber decking.

Internal subdivision within the 629 square metre centre provides for a controlled entrance, which leads into the central hallway. Off this is partitioned an infant room, under twos room with sleep area, rooms for four and older children. There are children's toilets set between the classroom pods, which in the case of the under two's includes a change room area. Art supply areas and storage areas are also contained within the three pods. A kitchen unit is provided, one which allows for meals to be cooked on-site if desired, residual partitioning provides for two administration offices, staff room laundry/cleaners cupboard and a staff toilet. Each of the classrooms has good connectivity to the wrap around timber deck and in turn good access to the playground.

Residual improvements comprise a playground, site fencing and some on-site marked 32 car parks.

We inspected the interior and exterior of the property. The building is some seven years old and appears to have been well maintained with no significant deferred maintenance requirements evident. There is a minor stormwater overflow from the spouting system to the north-eastern corner of the building, which results in the covered deck getting wet during periods of heavy rain.

We are aware that the Selwyn District Council issued a Code Compliance Certificate for the building on 14 June 2019, noting the following amendments to the consented plans:

- Amendment 1 Changes to the perimeter deck details
- Amendment 2 Piles changed to foundation pads
- Amendment 3 Fire escape routed determined by amended fire report
- Amendment 4 Sewage pump chamber.

### Construction details

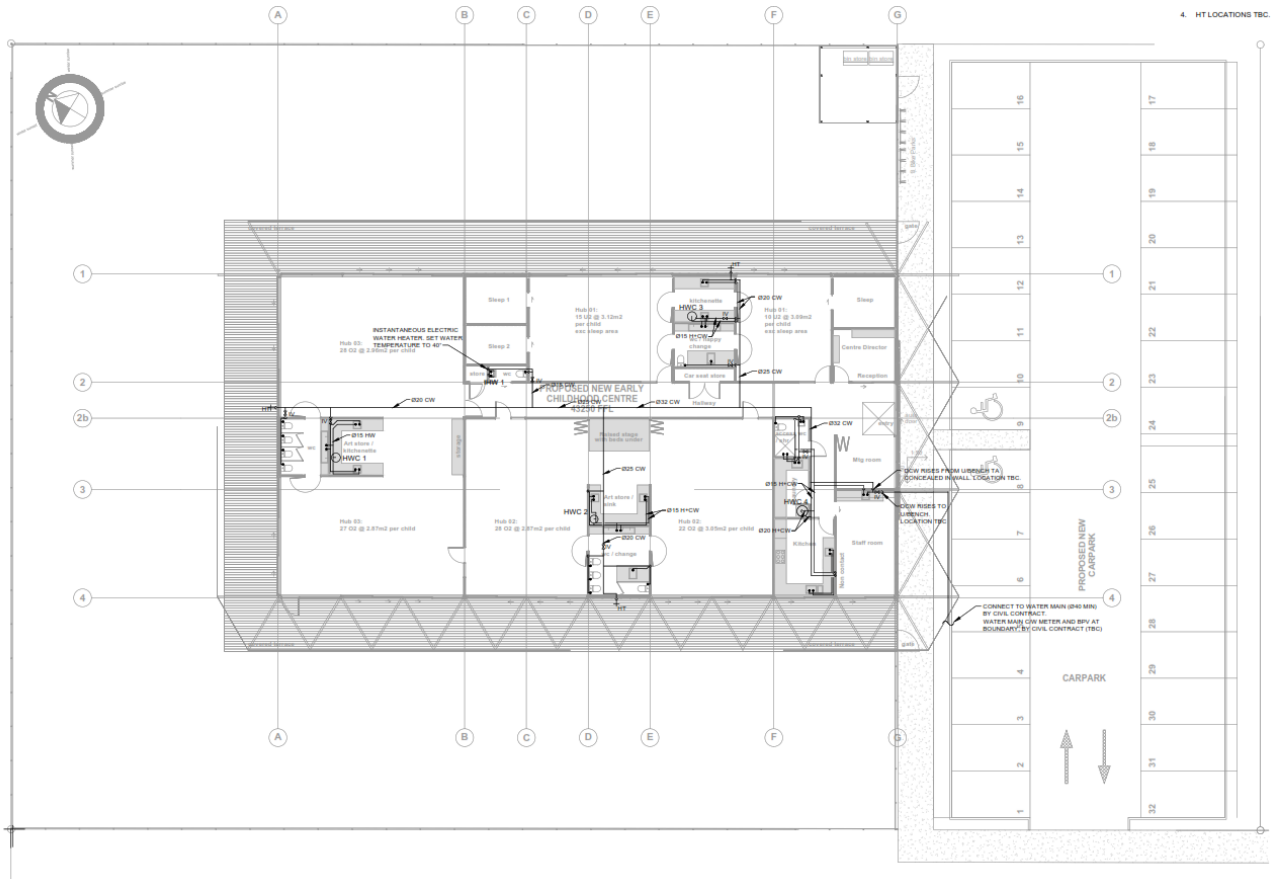
Structure:	Rib raft concrete foundation floor slab with a combination steel and timber frame. Designed to Importance Level 3 (IL3) standards.
External walls:	Cedar weatherboards.
Internal walls:	Predominantly plasterboard lining.
Roof:	Kingspan insulated roof system on timber purlins, between timber roof trusses with two steel hip trusses and beams.
Ceiling:	Plasterboard.
Lighting:	Primarily LED ceiling lights.
Windows and doors:	Aluminium framing and glazed windows.
Key services:	Individual high wall mounted air conditioning units, fire alarm system.

### Lettable area

Accommodation/level	Lettable area
Early Learning Centre	629
<b>Total lettable area</b>	<b>629 square metres</b>
<b>Total car parking</b>	<b>32 spaces</b>

Lettable areas have been provided by the instructing party and are approximate only. The areas noted above have been measured in accordance with the Guide for the Measurement of Rentable Areas as published by the Property Institute and Property Council of New Zealand.

We have been provided with the following floor plan of the Centre:



**Building Warrant of Fitness** A Building Warrant of Fitness is an annual certificate that confirms the Specified Systems in the building have been inspected and maintained, and that the requirements of the Compliance Schedule associated with the operation of the property in its current use have been complied with. We confirm that we have sighted a Warrant of Fitness for the property current through to 1 March 2026, and therefore assume that the property complies with the provisions of Compliance Schedule R770831.

**Asbestos** Given that the property is of new construction, we have assumed that any contamination present on the site has been mitigated prior to the construction process.

**Seismic** Compliance with new building standard Assumed 100% NBS.

# SWOT analysis

## Strengths

- Freehold tenure.
- Experienced lessee, which operates three Early Childhood Learning Centres, within Rolleston Township.
- Modern purpose-built structure, located next to the Council maintained recreational reserve of Foster Park.
- Good on-site car parking.
- Offers higher staff to children staffing ratios.
- The premises being close to a number of modern subdivisions.
- Long term remaining lease term of 8.17 years with built in rental increases.
- Lunches are provided by the Centre, which is a point of difference when contrasted to other Rolleston Centres.

## Weaknesses

- Over the past two year period we suspect that the CPI plus 1% annual rental increases has resulted in a rental level above market rates. The annual rental is subject to a market review in December 2027.
- Rolleston has a number of competing Early Childhood Learning Centres, with at least one new one planned for the Arbor Green subdivision.
- Lunches are made off-site and transported to this Centre from one of the lessee's other centres. That said, there is sufficient kitchen space to cater on site if desired.

## Opportunities

- Market expectations for further interest rate compression in 2025.
- Long term the Medium Density Residential zoning will be a value advantage.
- Family Boost is a Government led parent funding source for households with early childcare costs. The payment will be the lesser of 25% of the ECE fees you have claimed, or the maximum amount (\$975) less 9.75 cents for each dollar you earn over \$35,000.

## Threats

- Potential disruption to global economic growth because of trade tariff policies implemented by the United States.
- Limited funding increases.
- Government policy changes to the ECE sector.
- Impact of new competition on occupancy levels.
- Private parent fees may not be sufficient to help keep the rental within the 10% to 15% of turnover band which could make the contract rent unaffordable.
- If the cost of living crisis continues, some parents may not be able to afford the cost of childcare.

# Market commentary

## Economic Overview

As at 19 September 2025:

New Zealand Economic Indicators	
Consumer Price Index (CPI)	As at 30 June 2025, annual CPI rose 2.7%, which was slightly below RBNZ expectations and up from the previous three quarters. This represents the fourth consecutive quarter where inflation has remained within the RBNZ's target band of 1% to 3%, though it continues to track near the upper end of this range.
Gross Domestic Product (GDP)	In the June 2025 quarter New Zealand's GDP contracted by 0.9%, which was sizeably weaker than both RBNZ and market expectations. GDP per capita also fell by 1.1%. This result follows two quarters of positive GDP growth, with annualised GDP growth remaining negative at 1.1%.
Official Cash Rate (OCR)	On 20 August 2025, the RBNZ cut the OCR by a further 25bps to 3.00%, in line with market expectations, following mixed signals of key economic indicators within the New Zealand economy. This decision continues the Committee's easing cycle, with a more dovish tone to their commentary than expected. The future trajectory of the OCR will be data dependent as the New Zealand economy recovers slowly, with scope to lower the OCR further if needed.
Government Bonds	The 90-day Bank Bill Benchmark Rate (BKBM) stands at 2.95%, while 10-year bond yields are 4.27%.
Unemployment Rate	In the June quarter of 2025, New Zealand's unemployment rate rose to 5.2%, which is the highest rate recorded since September 2020. Although this increase was slightly below market expectations, unemployment has risen 1.5% over the past 24 months due to current economic conditions.
Net Migration	As at 31 July 2025, New Zealand recorded a net migration gain of approximately 13,100 people over the preceding 12 months, which represents a substantial drop from the previous years' net gain of approximately 63,600 people. New Zealand's reported net migration continues to remain at similar levels to November 2022, which followed the post-pandemic border-reopening.

With respect to New Zealand wider market statistics, we summarise the following:

New Zealand Wider Market Statistics	
Residential Market	REINZ reports that in August 2025 the total number of sales fell by 3.7% year-on-year nationally, with the REINZ national median house price also decreasing to \$761,000, or by -0.5%. Auckland's median house price however rose 1.5% up to \$964,000. The national median days to sell is currently 48 days, falling 2 days from the previous year.
Building Consents	Tighter financial conditions and low confidence has continued to have an impact on the construction sector with the number of residential consents issued having slightly decreased in the year ending July 2025, with a total of 33,879 consents issued. This is down 0.1% from the same time in 2024 although is down approximately 33% from the peak in mid-2022. Commercial construction also remains relatively subdued although the total value of consents issued for the year ending July 2025 rose marginally totalling \$9.01 billion, up 0.8% from a year prior. This remains consistent with the pipeline of work remaining soft for non-residential construction. Price fluctuations may impact this data, with non-residential construction prices (as measured by the capital goods price index) down 0.2% for the year ended June 2025.
Construction	As per the RLB Forecast Report for Q2 2025, the long-term outlook for the construction industry remains positive despite a relatively disappointing recovery to date. Although there are signs of an uptick in residential construction, non-residential construction contracted further with the pipeline of work remaining soft. Interestingly, non-residential construction cost inflation reached its lowest level in over ten-years, with a 0.2% increase over the quarter, or 1.8% year-on-year, which indicates spare capacity within this sector. The short-term outlook for this sector however remains uncertain following global economic variability.

## Childcare Centre Commentary

There has been an expansion in the demand and level of services and care for early childhood care and education throughout New Zealand, reflecting both demand from parents and the Government's focus on the value of early childhood education.

An early childhood education and care (ECE) centre is a non-compulsory education and care service available for children aged up to 6 years, and is defined in the Education and Training Act 2020 as *premises that are used regularly for the education or care of 3 or more children (not being children of the persons providing the education or care or children enrolled at a school who are being provided with education or care before or after school) under the age of 6 years by day (or part of a day) but not for any continuous period of more than 7 days.*

Should the above service meet these criteria, it must be licensed under the Education (Early Childhood Centres) Regulations 2008, unless specifically exempted from this requirement by the Ministry of Education.

For ECE centres the regulations state that there must be no more than 150 children aged 2 years and over attending at any one time, and no more than 25 children under 2 years attending at any one time unless otherwise approved by the Secretary. The number of licence places achievable is dependent on the indoor and outdoor activity space requirements and the various other regulations including minimum standards for safety, management and staffing ratios.

ECEs provide sessional, all day, or flexible hour programmes for children from birth to school age. These may be privately owned, non-profit making or operated as an adjunct to the main purpose of a business or organisation. The majority of privately owned early childhood services are ECEs. Other early childhood services include home-based services and play centres. Kindergartens provide ECE services including sessional programmes for mainly three- and four-year-old children, with these being generally a mixture of privately owned and also community-based centres. In addition, Kōhanga Reo provide early childhood services which are operated under guidelines established by the Te Kōhanga Reo National Trust.

The Ministry of Education undertook a major review of early childhood education with the result being a 10-year Strategic Plan called In 'He taonga te tamaiti: Every child a taonga – The Early Learning Action Plan 2019-2029' which was announced in December 2019. The three main goals are increased participation and quality of Early Childhood Education services, improved quality of Early Childhood Education services and the promotion of collaborative relationships. The Strategic Plan and funding is also tied in with the focus on qualified staff with the funding rates which are in bands, depending on the ratio of qualified staff to children, reflecting the Government's strategy/focus.

In terms of the revenue achieved by the operation of an Early Childhood Education Centre, this is generally from two main sources being the Government funding from the Ministry of Education which pays a subsidy to childcare centres dependant on occupancy, and the quality of teacher services provided. The other main revenue source is private fees obtained from parents/caregivers. In general, the private fees obtained from parents on a weekly basis can range widely with these amounts dependant on the socio-economic location and the type and quality of services provided by the centre. The government subsidises up to 30 hours per week of education and care per child. Part of the 30 hours may include the higher 20-Hour ECE funding should the child be eligible.

The advent of the 20 hours free early childhood education has also no doubt had an impact on some businesses/operations, this being available for children aged 3, 4 or 5 years old.

Key highlights outlined within the Annual ECE Census Summary Report 2024 (published in February 2025) are as follows:

### Participation

- The number of children attending licensed early childhood services increased from 191,602 in June 2023 to 194,597 in June 2024 (a 2% increase).
- The number of children attending licensed early childhood services increased for all ages except for children under 2. Children aged 3 had the greatest increase in numbers of children attending between 2023 and 2024.
- Education and Care centres continued to be the most common service type attended. 71% of the children participating in ECE during the census week were at an education and care centre.

### Services

- There were 4,409 licensed early childhood services as of the June 2024. This is a 5% decrease in the number of licensed early childhood services since 2019: from 4,652 in 2019, to 4,409 in 2024.
- In 2024, occupancy rates for education and care services increased from the previous year to 78%. Occupancy rates for kindergartens remained at 81% and playcentres remained at 51%.
- In 2024, the proportion of services with wait lists for children aged under 2 decreased compared to 2023 (a 5.8 percentage point decrease for under 1-year-olds and a 5.1 percentage point decrease for 1-year-olds). The proportion of services with wait lists for children aged 2 or over decreased (a 2.0 percentage point decrease for 2-year-olds, 1.1 percentage point decrease for 3-year-olds, 1.1 percentage point decrease for 4-year-olds).

### Teaching staff

- There were 33,309 teaching staff (qualified and unqualified) at licensed early childhood services and Te Kura (the Correspondence School) in June 2024. This was a 1% decrease from 33,736 in 2023.
- The number of qualified teaching staff increased by 2%, from 23,340 in 2023 to 23,699 in 2024; unqualified teachers decreased by 8% from 10,396 to 9,610.
- The proportion of Māori teaching staff who were qualified teachers increased to 68%, from 66%, and remained at 66% for Pacific teaching staff.

- The number of home-based educators at licensed home-based services decreased by 10% from 3,937 in 2023 to 3,534 in 2024. The number of Home-based Educators has fallen each year since 2018, when there were 7,700 Home-based Educators.

# ESG Considerations

Environmental, Social and Governance (ESG) factors increasingly reflect a growing awareness and importance of sustainability and responsible governance in real estate, which are in turn, reflecting on decision making for both occupiers and investors. The introduction of a recommendation in the International Valuation Standards 2025 for valuations to incorporate consideration to ESG factors, will continue to reinforce the importance of these issues.

Key considerations we have had in our assessment of Market Value are as follows:

- **Risk Management:** Properties with strong ESG performance are better positioned to manage regulatory risks, environmental liabilities (e.g., flooding, seismic risks), and potential reputational damage. These properties are more likely to maintain compliance with emerging legislation and attract long-term investment.
- **Tenant Attraction and Retention:** Properties that prioritise tenant well-being and satisfaction—through amenities, safety measures, and sustainability initiatives—are more likely to achieve higher occupancy rates and longer lease terms. This directly affects rental income and the overall financial performance of the property.
- **Energy and Cost Efficiency:** Buildings that implement energy-efficient technologies and water management systems typically have lower operational costs, which improves their net operating income. Additionally, properties that invest in renewable energy and carbon reduction programs may benefit from tax incentives and reduced energy consumption, further enhancing their financial viability.
- **Investor Demand:** Investors are increasingly prioritising ESG factors when evaluating potential investments, as properties that excel in these areas are perceived as lower-risk, more resilient to market changes, and aligned with broader sustainability goals. This can lead to higher demand and, subsequently, higher property values.
- **Regulatory and Market Trends:** The shift towards net-zero emissions targets, coupled with stricter sustainability regulations, means that properties failing to meet ESG standards may face obsolescence, higher compliance costs, and reduced marketability. Conversely, properties with high ESG ratings may experience enhanced marketability, attracting socially conscious investors and tenants.

Our consideration of the buildings ESG factors are limited to our ability as property valuers, in terms of how we would expect a prudent purchaser or potential occupier to approach the subject property.

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## Appendices

Appendix 1 – Assumptions and Limitations

Appendix 2 – Valuation Definitions

Appendix 3 – Record of Title

Appendix 4 – Zoning Summary

# 1 Introduction

## 1.1 Instructions

We refer to instructions requesting that we undertake a market valuation of the freehold interest of 14 Learners Road, Rolleston (the Subject/Property), as at 20 August 2025 for and on behalf of PMG Direct Childcare Trust. We understand that the valuation is to be relied upon for Capital Raise purposes only.

Our report has been prepared in accordance with the current International Valuation Standards, Australian and New Zealand Property Institute's current Guidance Papers for Valuers & Property Professionals and the instructing parties valuation brief, and we confirm that the prime signatory:

- is independent of both the Instructing Party and Report Recipient;
- is authorised, under The Valuers Act 1948 to practise as a Valuer;
- is suitably registered and qualified to carry out valuations of such property;
- has no pecuniary interest that could reasonably be regarded as being capable of affecting that person's ability to give an unbiased opinion of the Property's value or that could conflict with a proper valuation of the Property;
- has satisfied professional education requirements and has experience in the location and category of property being valued or where applicable, has sought the advice of suitably qualified professionals who hold locational expertise; and
- has made a personal inspection of the property.

We confirm:

- the statements of fact presented in the report are correct to the best of the Valuers knowledge;
- the analyses and conclusions are limited only by the assumptions and conditions which follow within this report;
- the firm, Jones Lang LaSalle and the undersigned Valuers do not have a direct or indirect pecuniary interest in the subject property;
- the professional fee charged in relation to this assignment has not been contingent upon any aspect of this report; and
- the valuation contained herein has been performed in accordance with PINZ / NZIV Codes of Ethics and Conduct.

Our report is confidential to the party or parties to which it is addressed, for the specific purpose to which it refers. No responsibility is accepted to any third parties. Neither the whole of the report or any part of it or any reference to it, may be published in any document, statement or circular or in any communication with third parties without our prior written approval of the form and context in which it will appear. Furthermore, this report can only be relied upon when the given party has received the report directly from JLL.

## 1.2 Valuation and inspection dates

The key dates that are relevant for our valuation are shown below:

Date of valuation	20 August 2025
Date of property inspection	20 August 2025
Date of preparation of report	25 September 2025

Our valuation reflects the valuer's view of the market as at the inspection date.

## 1.3 Basis of valuation

### Market value

The value given herein is that of the market value of the Property as defined by the International Valuation Standards Committee (IVSC), and endorsed by the API and PINZ, which is as follows:

*"Market Value is the estimated amount for which an asset or liability should exchange on the valuation date between a willing buyer and a willing seller in an arm's length transaction, after proper marketing and where the parties had each acted knowledgeably, prudently and without compulsion."*

We confirm that this valuation has been undertaken on the basis of the price that might reasonably be expected if the Property was sold at the date of valuation assuming:

- a willing, but not anxious, buyer and seller;
- a reasonable period within which to negotiate the sale, having regard to the nature and situation of the Property and the state of the market for property of the same kind;
- that the Property was reasonably exposed to that market;
- that no account is taken of the value or other advantages or benefit additional to market value, to the buyer incidental to ownership of the property being valued;

- that the current proprietor has sufficient resources to allow a reasonable period for the exposure of the Property for sale; and
- that the current proprietor has sufficient resources to negotiate an agreement for the sale of the Property.

Included within this valuation are lessor-owned items of building fixtures, fittings, plant and equipment. These items exclude all movable equipment, furniture, furnishings and tenant owned fit-out and improvements.

#### 1.4 Relevant valuation standards and disclosures

The valuations contained herein have been completed in accordance with current International Valuation Standards as well as the Australian and New Zealand Property Institute's Guidance Papers for Valuers & Property Professionals, and in particular with:

- IVS (International Valuation Standards 2025) Framework and General Standards
- ANZVGP 108 – Valuations for Use in Offer Documents
- ANZVGP 111 – Valuation Procedures – Real Property

#### 1.5 Information sources

The information reviewed or previously provided includes, but is not limited to, the following:

- Record of Title particulars memorialised by Land Information New Zealand;
- Resource Management classifications and controls as stated within the District Plan of the governing Territorial Local Authority;
- Sales and leasing data from various industry sources, including real estate agents;
- Market research and forecasts from JLL Research;
- Lease documentation, building areas, income and expenditure report, tenancy schedule and budgets supplied by the instructing party; and
- Selwyn District Council property file records.

Our valuation is based on a significant amount of information that has been sourced from the instructing party or managing agent and other third parties. We have relied upon the accuracy, sufficiency and consistency of the information supplied to us. Jones Lang LaSalle accepts no liability for any inaccuracies contained in the information disclosed to us.

#### 1.6 Specific assumptions

Our assessment as to value has been based on the following specific assumptions:

- We have assumed that the land has no historical ground contamination.

We have referenced the Listed Land Use website administered by Environment Canterbury in respect of the subject. There is a notation on the file, which implies that an unregistered party completed the Preliminary Site Inspection report and whilst no historical contamination was detected, the tenure of the summary indicates that the report is not sufficient to be adopted by Environment Canterbury. The relevant excerpt is copied below:

*In July 2017 CGW Consulting Engineers undertook a preliminary site investigation at 26 Dynes Road, Rolleston, in preparation for subdivision of the property into a lifestyle block and an early childhood education centre. The PSI did not identify any HAIL activities at the site. However, the PSI was not authored or signed by a SQEP as defined by the MfE National Environmental Standard Users Guide, and therefore HAIL activities at the site cannot be ruled out. Further investigation of the property is recommended.*

## 2 Site Inspection Photos



Car park and main entrance



Outdoor playground, with timber adjoining deck



Car park



Covered timber deck and adjoining playground development



Classroom



Classroom



2 – 3.5 years playroom



Playroom kitchen area



Under 2's sleep room



Under 2's change area



Kitchen



Staffroom



Laundry



Central hallway

## 3 Property income and expenditure

### 3.1 Tenancy overview

We summarise below the lease agreement for this premise:

Lease Summary	Three Trees Learning Centre
Documents reviewed	Signed Deed of Lease dated 14 September 2022.
Lessor	PMG Direct Childcare Fund Trustees Limited as trustee of the PMG Direct Childcare Trust.
Lessee	Education Hub Limited
Guarantors	The lease is guaranteed by Jenny Marie Tippett, Daniel Scott Tippett, Olivia Maree Cunliffe and Clinton Thomas Cunliffe.
Demised premises	All the landlord's property located at 26 Dynes Road (now known as 14 Learners Road), Rolleston being Lot 1 Deposited Plan 528208 and contained in Record of Title 853207.
Commencement date	8 December 2018
Expiry date	7 December 2033, being the expiry date of the lease term certain.
Lease term	15 years plus two rights of renewal of 5 years, meaning that the renewal dates are 8 December 2033 and 8 December 2038.
Commencement rent	\$338,000 per annum plus GST, which at the time was set at \$50 per licensed child per week.
Current rent	\$400,967 per annum plus GST, which equates to a rental of \$59.32 per licensed child per week.
Rental review provisions	Market rental review dates are at the 4 <sup>th</sup> and 9 <sup>th</sup> anniversary of the commencement rental, being 8 December 2022, and 8 December 2027, and on each renewal being 8 December 2033 and 8 December 2038. In all other years there is an annual CPI adjustment plus 1% to the contract rental. The lease has a rental ratchet which states that the annual rental payable shall not be less than the annual rental payable immediately prior to the relevant market rent review date.
Outgoings recovery	Net lease – standard building operating expenses are recoverable from the tenant. The outgoings schedule that we have been provided with indicates a current cost of some \$53,342.76 per annum.
Insurance	Full replacement and reinstatement insurance is to be maintained including loss, damage or destruction of windows and other glass and indemnity cover for a 24 month period in respect of consequential loss of rent and outgoings.
Permitted use	Childcare Centre
Special provisions	<p>The third schedule of the lease details the tenant's other maintenance obligations, as follows:</p> <p><b>8.1(f) Other maintenance obligations</b></p> <p>In a proper and workmanlike manner and to the reasonable requirements of the Landlord carry out repairs and other maintenance to the Premises that are:</p> <p>A. reasonably required by the Landlord to keep the Premises in the same safe, clean, order, repair and condition as they were in as at the commencement date of this Lease (or where the Lease is renewed, the commencement date of the initial term of this Lease); and</p> <p>B. not repairs or maintenance which the Landlord is responsible to undertake pursuant to clause 11.1 of this Lease.</p> <p>In addition there is a need to alter the existing Bank Guarantee for any renewed term in clause 32.1 (i).</p> <p>There is a Bank Guarantee in place for an amount of 6 months annual rental plus outgoings, in which the quantum adjusts on each rental review date. In clause 48.2 the lessor has the right to access the bank guarantee if there is a default by the tenant in the lease. Provisions relating to Health and Safety have been recorded in lease clause 49. Whereas a limit of liability for PMG Direct Childcare Fund Trustees is recorded in clause 51. The final amendment to the standard Auckland District Law Society Sixth Edition Lease 2012, relates to the rental rebate which was in place for the initial six months of the lease and which has subsequently expired.</p>
Landlords fixtures and fittings	The Fifth Schedule refers the reader to Lease Clause 47.1 (f), which defines "premises" include all the Landlords fixtures and fittings provided by the landlord.
Emergency provisions	The lease contains a no access in the case of emergency provision in the lease which enables the suspension of rental/outgoings in the event on an emergency, and the ability to terminate the lease after a 9 month period of no access.

Our calculation of the property's Weighted Average Lease term is as noted below:

Weighted average lease term remaining	Years
By area	8.33
By income	8.33

### 3.2 Building outgoings

The lease for the Property is structured on a net basis, with the tenant being responsible for payment of rates and other property expenses in addition to premises rental.

We have adopted the following allowances for building outgoings within our calculations:

Adopted property outgoings	Per annum	Per sqm of lettable area
Statutory charges	\$9,911	\$15.76
Operating expenses	\$45,053	\$71.63
<b>Total Outgoings</b>	<b>\$54,964</b>	<b>\$87.38</b>

The above allowances are based on the provided budget provided by the lessor, with the outgoings equating to rate of \$87.38 per square metre of Lettable Area which we find to be in line with other modern childcare centres.

### 3.3 Tenancy schedule

Our understanding of the Property's occupancy situation is detailed in the tenancy schedule below:

Tenant name	Premises	Lettable area	Car parks	Lease start	Lease expiry	Lease term	Next review	Review frequency	Review type	Premises rental	Rental / sqm	Carpark rental	Car Park pcpw	Outgoings recovery	Recovery / sqm
Three Tree Learning C Early Learning Ce		629.0	32	Dec 2018	Dec 2033	15.0 years	Dec 2025	1 yearly	CPI+1%	\$400,976	\$637	\$12,480	\$8	\$54,964	\$87
Aggregate		629.0	32							\$400,976		\$12,480		\$54,964	

## 4 Leasing evidence

### 4.1 Childcare leasing evidence

In assessing a market rental profile for the accommodation, we have had regard to recent rental evidence of childcare centres in Christchurch and the wider South Island. The evidence we have considered provides a range of \$35 to \$56 per child per week.

**This section has been redacted for confidentiality purposes.**

We have therefore adopted a market rent of **\$57.50 per week per child** recognising the location and the body of evidence provided.

### 4.2 Car park leasing evidence

The car parks generally form part of the per licensed child per week rental factor. We do favour separating this where possible, from the structures rental.

### 4.3 Market rental profile

We have assessed the market rental profile for the property on a net basis. Our adopted market rental profile is as summarised below:

Tenant name	Premises	Lettable area	Car Parks	Next review/expiry	Review type	Contract rental	Rental / sqm	Car park pcpw	Recovery / sqm	Ideal recovery	Net market / sqm	Gross market / sqm	Car park pcpw	Net market rental
Three Tree Learning C	Early Learning Ce	629.0	32	Dec 2025	CPI+1%	\$413,456	\$637	\$8	\$87	\$87	\$618	\$705	\$8	\$401,180
Aggregate		629.0	32			\$413,456								\$401,180

## 5 Sales evidence

### 5.1 Childcare facility transaction

In assessing a suitable capitalisation rate and discount rate profile for the Property, we have had regard to a range of property transactions which we retain on file.

**This section has been redacted for confidentiality purposes.**

We have therefore adopted the following valuation inputs:

Valuation input	
Capitalisation rate	6.750%
Discount rate	8.000%
Rate per child	\$45,000

### 5.2 Subject sale history

The subject property has not transacted within the past three years.

## 6 Valuation rationale

### 6.1 Valuation overview

In arriving at our opinion of market value we have had primary consideration to the Income Approach. The Income Approach is based on passing contract or market rental (together with any other income), which is either currently being received, or could potentially be generated by a prudent owner; that is in turn converted to value by applying a capitalisation rate or discount rate to the total annual rental / income sum(s).

We have utilised the Income Capitalisation and Discounted Cashflow (DCF) Methods within this approach, along with a cross check via the Comparable Transactions Method.

### 6.2 Income capitalisation method

The income capitalisation method involves the determination of a sustainable net income from the property, and the application of a capitalisation rate as a measure of expected return from the property. Adjustments are made to the core value for items such as under/over renting, required capital expenditure or current/upcoming vacancy.

We have adopted a core capitalisation rate of 6.750%, with our calculations summarised below:

Income capitalisation method		
Rental income	Contract income	Market income
Lettable area rental	\$400,976	\$388,700
Car parking rental	\$12,480	\$12,480
Ideal Outgoings Recovery (Full Net Leases)	\$54,964	\$54,964
<b>Total rental income</b>	<b>\$468,420</b>	<b>\$456,144</b>
Less outgoings expenditure	(\$54,964)	(\$54,964)
Net rental income	\$413,456	\$401,180
<b>Core Income Capitalised at 6.75%</b>	<b>\$6,125,274</b>	<b>\$5,943,407</b>
Value adjustments		
Present value of existing rental reversions	(\$105,525)	\$79,105
Present Value of Short Term Capital Expenditure: 24 months	(\$6,185)	(\$6,185)
<b>Total value adjustments</b>	<b>(\$111,710)</b>	<b>\$72,920</b>
Total capitalised value	\$6,013,564	\$6,016,328
<b>Adopted capitalised value (say)</b>	<b>\$6,000,000</b>	<b>\$6,000,000</b>

From our core value, present value adjustments (for rental reversions, letting up allowances and short-term CAPEX) where appropriate have been made in order to derive the resultant capitalised value.

### Calculation summary

Having made these adjustments to the core value, we derive a total value, based on the Market Approach of \$6,000,000. A sensitivity analysis based on adjustments to our adopted Core Capitalisation rate is as displayed below:

Sensitivity analysis		Contract approach	Market approach
(0.25%)	6.500%	\$6,200,000	\$6,200,000
<b>Adopted capitalisation rate</b>	<b>6.750%</b>	<b>\$6,000,000</b>	<b>\$6,000,000</b>
0.25%	7.000%	\$5,800,000	\$5,800,000

### 6.3 Discounted cash flow method

We have undertaken a discounted cash flow analysis over a 10-year investment horizon to derive a net present value for the Property.

We note that a DCF analysis looks to forecast cashflow performance from the property over a future horizon based on an understanding and due diligence related to the property and the specific market in which it sits. The adopted forecasts incorporate what we consider reasonably foreseeable as at the valuation date in terms of key lease events, capital expenditure and likely growth in rental rates, costs and changes in property values over the cashflow term. We note that the actual cashflows associated with the property may vary significantly depending on management decisions, market conditions or unforeseeable events.

#### Discount rate

In assessing an appropriate target discount rate for the property, we have considered primarily the analysis of recent comparable or benchmark property sales, the current level of risk free return, discussions with active property investors as well as consideration of the property's specific investment attributes.

We have applied a target discount rate of 8.000% to the cash flows to produce a present value of \$6,100,000. Our DCF calculations are summarised overleaf:

Discounted cashflow summary		Year ending	19-Aug-2026	19-Aug-2027	19-Aug-2028	19-Aug-2029	19-Aug-2030	19-Aug-2031	19-Aug-2032	19-Aug-2033	19-Aug-2034	19-Aug-2035	19-Aug-2036
			Year 1	Year 2	Year 3	Year 4	Year 5	Year 6	Year 7	Year 8	Year 9	Year 10	Year 11
Rental income													
Lettable area and car park income			\$423,038	\$435,982	\$439,232	\$449,115	\$462,588	\$476,466	\$490,760	\$505,482	\$169,730	\$405,631	
Outgoings recovery			\$54,964	\$56,663	\$58,391	\$60,248	\$62,055	\$63,917	\$65,834	\$67,809	\$23,281	\$59,949	
<b>Gross rental income</b>			<b>\$478,002</b>	<b>\$492,644</b>	<b>\$497,623</b>	<b>\$509,362</b>	<b>\$524,643</b>	<b>\$540,382</b>	<b>\$556,594</b>	<b>\$573,292</b>	<b>\$193,011</b>	<b>\$465,580</b>	
Rental deductions													
Outgoings expenditure			(\$54,964)	(\$56,663)	(\$58,391)	(\$60,248)	(\$62,055)	(\$63,917)	(\$65,834)	(\$67,809)	(\$69,844)	(\$71,939)	
Ground Rental													
<b>Net rental cashflow</b>			<b>\$423,038</b>	<b>\$435,982</b>	<b>\$439,232</b>	<b>\$449,115</b>	<b>\$462,588</b>	<b>\$476,466</b>	<b>\$490,760</b>	<b>\$505,482</b>	<b>\$123,168</b>	<b>\$393,641</b>	
Rental adjustments													
Letting up allowances - leasing fees			\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0	(\$89,391)	\$0	
Capital expenditure			(\$3,242)	(\$3,341)	(\$3,447)	(\$3,551)	(\$3,657)	(\$3,767)	(\$3,880)	(\$3,996)	(\$65,860)	(\$4,240)	
<b>Net cashflow</b>			<b>\$419,796</b>	<b>\$432,641</b>	<b>\$435,785</b>	<b>\$445,564</b>	<b>\$458,931</b>	<b>\$472,699</b>	<b>\$486,880</b>	<b>\$501,486</b>	<b>(\$32,084)</b>	<b>\$389,401</b>	
Purchase price	\$6,100,000	After Costs	(\$6,100,000)										
Sale Price	\$7,100,000	After Costs											\$6,958,000
<b>Annual Cashflow</b>			<b>(\$5,680,204)</b>	<b>\$432,641</b>	<b>\$435,785</b>	<b>\$445,564</b>	<b>\$458,931</b>	<b>\$472,699</b>	<b>\$486,880</b>	<b>\$501,486</b>	<b>(\$32,084)</b>	<b>\$389,401</b>	<b>\$6,958,000</b>
Present Value of Rental Cashflow	\$2,883,827												
<b>Present Value of Terminal Value</b>			<b>\$3,222,900</b>										
Allowance for Acquisition Costs	\$0												
<b>Total Net Present Value (say)</b>			<b>\$6,100,000</b>	<b>Resulting IRR</b>	<b>8.01%</b>								

The main valuation inputs used in our cash flow are summarised as follows:

## Revenue projections

Our revenue projections commence with the passing rent for the existing tenant and, where relevant, include structured annual and market rent reviews, together with ratchet clauses, as provided for under the existing lease.

## Growth rates

A summary of the growth rates adopted for the cash flow period are as follows:

Growth	Year 1	Year 2	Year 3	Year 4	Year 5	Year 6	Year 7	Year 8	Year 9	Year 10
Early Childhood Learning Centre							10 year average		2.12%	
	1.50%	2.00%	2.00%	2.25%	2.25%	2.25%	2.25%	2.25%	2.25%	2.25%
CPI							10 year average		2.03%	
	2.09%	2.05%	2.18%	2.00%	2.00%	2.00%	2.00%	2.00%	2.00%	2.00%
Capex							10 year average		3.03%	
	3.09%	3.05%	3.18%	3.00%	3.00%	3.00%	3.00%	3.00%	3.00%	3.00%
Outgoings							10 year average		3.03%	
	3.09%	3.05%	3.18%	3.00%	3.00%	3.00%	3.00%	3.00%	3.00%	3.00%

The market rents have been grown over the 10-year cash flow period by their respective growth rate as set out within the summary table above. In formulating our views as to the appropriate projected rental growth rates we have had regard to forecasts supplied by JLL Research and NZIER. These forecasts have been used as a base from which growth rates appropriate for the Property have been derived.

## Capital expenditure

Within our calculations we have made capital expenditure allowances for any known upcoming costs, together with our own allowances for capital and refurbishment works coinciding with major lease expiries that we feel would be necessary to achieve our rental growth forecast and which a prudent purchaser is likely to make allowances for. The allowances we have made are as summarised below, split between capex associated with a tenancy expiry or renewal, and general property expenditure:

Cash Flow Year	Tenancy Capex	Building Capex	Total Capex
Year 1	\$0	\$3,242	\$3,242
Year 2	\$0	\$3,341	\$3,341
Year 3	\$0	\$3,447	\$3,447
Year 4	\$0	\$3,551	\$3,551
Year 5	\$0	\$3,657	\$3,657
Year 6	\$0	\$3,767	\$3,767
Year 7	\$0	\$3,880	\$3,880
Year 8	\$0	\$3,996	\$3,996
Year 9	\$61,744	\$4,116	\$65,860
Year 10	\$0	\$4,240	\$4,240
<b>10 Year Total</b>	<b>\$61,744</b>	<b>\$37,238</b>	<b>\$98,982</b>
Capex as a proportion of Value	1.6%	Per Sqm of Lettable Area	\$157.36

The above allowances have been adjusted for forecast CPI movements throughout the cash flow.

## Estimated terminal sale price

We have applied a terminal yield of 7.000% to the market net income at the start of Year 11 in order to calculate the estimated terminal sale price. This value also includes reversions to the forecast market rent as at the end of Year 10, deferred until the next review date.

In estimating the terminal value of the property, we have primarily had regard to the increased age of the property at the end of the cashflow and likely occupancy and net income profile for the property.

## Transaction costs

We have made allowances for the following transaction costs within our discounted cash flow:

Transaction Costs	
Acquisition Costs	Nil
Disposal Costs	2.00% of the forecast Terminal Value

## Sensitivity analysis

The table below highlights a sensitivity analysis of the net present value around variations to the discount rate and terminal yield:

Discount Rate	Terminal Yield		
	6.750%	7.000%	7.250%
7.75%	\$6,300,000	\$6,200,000	\$6,100,000
8.00%	\$6,200,000	<b>\$6,100,000</b>	\$6,000,000
8.25%	\$6,100,000	\$6,000,000	\$5,900,000

## 6.4 Comparable Transactions Method

The Comparable Transactions Method involves analysis of comparable sales in order to derive a rate per licenced child, which after making appropriate allowances for physical and locational characteristics is then applied to the subject.

This approach can be used as a secondary check method to the income approaches, where buyers may not be pricing assets based on Discounted Cashflow analysis and where the analysed rate is a common and consistent metric for the type of property under consideration.

In our determination of rate per child to be applied to the subject, we have had regard to the sales evidence in this report, with adjustments made to reflect differences in location, size and building properties.

Based on our evidence and analysis we have adopted a rate of **\$45,000 per child** for the subject property.

Comparable Transactions Method		
No. of Licenced Children	130	
	Adopted Net Rate Per Child	Indicated Value
	\$43,500	\$5,655,000
	\$45,000	\$5,850,000
	\$46,500	\$6,045,000
<b>Indicated Core Value</b>		<b>\$5,850,000</b>
<b>Adopted Comparable Transactions Method</b>		<b>\$5,900,000</b>

# 7 Valuation

## 7.1 Valuation reconciliation

The results of our valuation methods are:

Methodology	Valuation
Income Capitalisation Method - Market Income	\$6,000,000
Income Capitalisation Method - Contract Income	\$6,000,000
Discounted Cash Flow Method	\$6,100,000
Comparable Transactions Method	\$5,900,000
<b>Adopted Value</b>	<b>\$6,100,000</b>

## 7.2 Valuation conclusion

Having regard to the results from the valuation methods described above, together with available market evidence, the comments made within this report, and present market sentiment, we have adopted a rounded valuation figure of \$6,100,000 plus GST (if any).

Our valuation is subject to the comments, qualifications and financial data contained within our report. On that basis, and assuming the Property is free of encumbrances, restrictions or other impediments of an onerous nature that would affect value, in our opinion its market value as at 20 August 2025, is:

**\$6,100,000 plus GST (if any)**

**Six Million One Hundred Thousand Dollars plus GST (if any)**

The assessed value reflects an initial passing yield of 6.78%, an equivalent yield of 6.66%, an internal rate of return of 8.01%, and a rate of \$46,154 per licenced child.

We confirm that this report is confidential to the following parties and for the specific purposes noted below:

- PMG Direct Childcare Trust– capital raise purposes

No responsibility is accepted to any third parties. Neither the whole of the report, or any part of it, or any reference to it, may be published in any document, statement or circular nor in any communication with third parties without our prior written approval of the form and context in which it will appear.

## 7.3 Likely selling period

We are of the opinion that the likely selling period for the Property is 6 months, assuming that the property is presented to the market in accordance with the specific assumptions noted in this report, and with an appropriate level of marketing. The actual time to sell the property may vary depending on the number of potential buyers in the marketplace, availability of comparable properties, access to finance, and changes in market conditions subsequent to the valuation date.

## 7.4 Most probable purchaser

In consideration of the current market, we anticipate the most probable purchaser of the Property to be a childcare operator, family trust, syndicate or private investor.

## 7.5 Involvement statement

The following parties have been involved in the completion of this valuation:

Inspection of Property	Liam Rooney
Calculations	Liam Rooney, Zac Chan
Information Review	Liam Rooney, Zac Chan
Report Authoring	Liam Rooney, Zac Chan
Quality Assurance	Glenn Loraine
Principal Valuer	Liam Rooney


JLL require that all Valuation Reports are reviewed for Quality Assurance purposes before external release. The individual that has undertaken the Quality Assurance review offers no opinion on the subject property(s).

Yours faithfully,

**Jones Lang LaSalle, Value and Risk Advisory**



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- September 2025 (FR, MS).xslm

# Appendix 1 – Assumptions and Limitations

Category	Details
Valuation Scope and Purpose	<p>This valuation is current only as of the Valuation Date, based on property and market information available at that time. The assessed value may change significantly and unexpectedly over a short period due to general market movements or property-specific factors.</p> <p>We do not accept liability for losses arising from subsequent changes in value. Without limiting this statement, we do not accept any liability where this valuation is relied upon more than 90 days after the date of valuation, or earlier if you become aware of any factors that may affect the valuation, or such earlier date if it is reasonable to assume that a market participant acting prudently would be aware of any factors that affect the valuation.</p> <p>This valuation has been completed for the specific purpose stated in this report. No responsibility is accepted if this report is used for any other purpose.</p>
Information and Assumptions	<p>We have assumed the information provided to us by the instructing party and industry sources is correct. We reserve the right to amend our calculations if this information proves incorrect.</p> <p>We have assumed all professional advice provided to us and relied upon is accurate.</p> <p>We have relied on building areas, income figures, and expense figures as provided by the instructing party or its agents and made specified adjustments where necessary. Where possible, these have been verified through lease documentation and physical measurements.</p> <p>Enquiries as to the financial standing of actual or prospective tenants are not normally made unless specifically requested. Where properties are valued with the benefit of leases, it is therefore assumed that the tenants are capable of meeting their obligations under the lease and that there are no arrears of rent or undisclosed breaches of covenant.</p>
Legal	<p>This valuation assumes the premises are free from caveats, resource consent conditions, restrictions (including restrictions in other leases within the property), liens, mortgages, or charges which may impact the use of the property, other than what has been disclosed to us. We reserve the right to amend our calculations if there are undisclosed restrictions on the use of the subject property.</p> <p>We have relied on the land dimensions and areas as provided in the Record of Title as searched. In certain cases, physical checking of land dimensions and areas is difficult or impractical due to the proximity of adjoining buildings, steep terrain, or inaccessible title boundaries. We accept no responsibility if any of the land dimensions or the area shown on the title are found to be incorrect.</p>
Property Condition and Inspections	<p>We have conducted a visual inspection of the subject premises but haven't commissioned structural surveys or tested services. We can't confirm these are defect-free. We haven't inspected unexposed or inaccessible portions and can't certify they are defect-free. We've noted any apparent deterioration in our Valuation Report but can't warrant structural soundness or the absence of unsatisfactory materials.</p> <p>Unless stated otherwise, we've assumed that items like lifts, water systems, electrical systems, ventilation systems, and other devices, fittings, installations, or conveniences in the building work properly, function as designed, and comply with current building, fire, and government regulations and codes.</p> <p>Substances such as asbestos or other potentially hazardous materials could, if present, adversely affect the value of the property. The stated value estimate is based on the assumption that there is no material on or in the property that would cause loss in value. No responsibility is assumed for any such conditions, and the recipient of this report is advised that the valuer is not qualified to detect such substances or estimate the remedial cost.</p> <p>We note we are not experts in assessing the condition of the building structure and cladding, or in assessing the impact or otherwise of water/weather penetration issues. Should the building prove to have structural or weather penetration issues, we reserve the right to amend the valuation assessment and any recommendations contained within this report.</p> <p>Any elements of deterioration apparent during our consideration of the general state of repair of the building/s have been noted or reflected in our valuation. We are, however, unable to give any warranty as to the structural soundness of any building and have assumed in arriving at our valuation that there are no structural defects or the inclusion of unsatisfactory materials.</p> <p>Unless otherwise noted we have not obtained a Land Information Memorandum or reviewed the information contained on the Council Property File. Our valuation is made of the basis that the property/premises comply with all relevant statutory regulations.</p>
Environmental	<p>We have assumed the property complies with all relevant environmental regulations. We haven't conducted environmental assessments and aren't qualified to detect the presence of hazardous materials.</p> <p>We have relied upon information provided to us and publicly available sources regarding natural hazards such as flood, fire, coastal inundation/climate risk and seismic issues. This includes assessments and data from local authorities and regulatory bodies. We are not experts in these issues and have reviewed the available information in our capacity as valuers.</p>

Category	Details
Publication and Confidentiality	<p>The publishing of this report in whole or in part, referencing the valuation figures, or naming the valuer(s) involved in the preparation of this report is prohibited under our Terms of Engagement. Any special limitations, assumptions, or departures must be disclosed in any published document referencing our opinion of Market Value.</p> <p>This report is confidential to the intended users noted in the valuation report. We accept no responsibility if it is relied upon by any other party.</p> <p>An intended user can only rely on this valuation if received directly from JLL without any third-party intervention.</p>
Limitations	<p>This valuation is based on our professional judgement and is not a guarantee or prediction of future performance. Market conditions, including property values and rents, can change rapidly due to various factors.</p> <p>The reliant parties may use and rely on this Valuation Report for the stated intended uses. Where there is more than one reliant party, the interests of the reliant parties for each intended use are to be treated as a separate joint interest. Each of these joint interests is to be treated as a single claim, which cannot be split, in the event of a dispute or legal action related to that specific intended use. The total liability of the Valuer to all reliant parties combined for each intended use shall not exceed the liability that would have applied had there been only one reliant party for that intended use.</p> <p>This Valuation Report is not intended for use by, or reliance upon, any other parties not explicitly named as reliant parties in this report or in our Terms of Engagement. We accept no responsibility or liability to any third parties for any part of this report or its contents</p>
Financial	<p>Unless otherwise stated, all currencies within this report are in New Zealand Dollars.</p> <p>Non-residential valuations are (unless otherwise stated) carried out on the basis that the valuation is plus GST (if any). Residential property valuations are (unless otherwise stated) carried out on the basis that the valuation includes GST (if any).</p> <p>We are not experts on GST or tax, and we recommend seeking advice from qualified experts. We may review and amend our valuation if this advice differs from our interpretation of current legislation and Inland Revenue Department rulings.</p>

## Appendix 2 – Valuation Definitions

Net Passing Income	The annual sum of the current base rent, any supplementary income and recoverable outgoings, less total outgoings.
Net Income, Fully Leased	The annual net passing income as above, plus estimated income from vacant tenancies and any immediate reversions.
Capitalisation Rate	The capitalisation rate adopted within the valuation applied to either the net income, fully leased (excluding supplementary income) or net market income prior to adjustments for vacancy, rental reversion and capital expenditure.
Initial Yield	The net passing income from an investment divided by the sale price or value adopted for the investment.
Market Yield	The assessed net market income divided by the sale price or value adopted.
Equivalent Yield	A market yield which reflects additional adjustments for capital expenditure, letting up assumptions or the present value of rental reversions after the capitalisation of income.
Discount Rate	A rate of return used to convert a future monetary sum or cash flow into a present value.
Internal Rate of Return (IRR)	The discount rate at which the present value of the future cash flows of the investment equals the acquisition cost of the investment.
Terminal Yield	Alternatively referred to as a Reversionary Yield, being the anticipated yield from an investment property once a reversionary value is attained at the end of the cashflow with adjustments for vacancy allowances.
Ten Year IRR	The IRR (as above) for which the property would achieve based on the present value of all the net cashflows over a 10-year period given the assessed value.
Market Rent	The estimated amount for which an interest in real property should be leased on the valuation date between a willing lessor and a willing lessee on appropriate lease terms in an arm's length transaction, after proper marketing and where the parties had each acted knowledgeably, prudently and without compulsion.
Market Value	The estimated amount for which an asset or liability should exchange on the valuation date between a willing buyer and a willing seller in an arm's length transaction, after proper marketing and where the parties had each acted knowledgeably, prudently and without compulsion.
Highest and Best Use	The use of an asset that maximises its potential and that is physically possible, legally permissible and financially feasible.
Weighted Average Lease Term (WALT)	The weighted average lease term remaining to expire across the property or portfolio, it can be weighted by rental income or lettable area.
Fair Value	Fair value is the price that would be received to sell an asset or paid to transfer a liability in an orderly transaction between market participants at the measurement date.

# Appendix 3 – Record of Title



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



  
R. W. Muir  
Registrar-General  
of Land

**Identifier** 853207  
**Land Registration District** Canterbury  
**Date Issued** 05 December 2018

**Prior References**  
CB29K/780

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**Estate** Fee Simple  
**Area** 3080 square metres more or less  
**Legal Description** Lot 1 Deposited Plan 528208

**Registered Owners**  
PMG Direct Childcare Fund Trustees Limited

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**Interests**

Subject to Section 8 Mining Act 1971

Subject to Section 5 Coal Mines Act 1979

Appurtenant hereto is a right of way, right to drain sewage and water, right to convey water, electricity, telecommunications and computer media created by Easement Instrument 11243820.2 - 5.12.2018 at 8:58 am

The easements created by Easement Instrument 11243820.2 are subject to Section 243 (a) Resource Management Act 1991

Land Covenant in Easement Instrument 11243820.4 - 5.12.2018 at 8:58 am

11310626.5 Mortgage to ASB Bank Limited - 28.2.2019 at 3:43 pm



# Appendix 4 – Zoning Summary

## Selwyn District Council's Operative District Plan

<b>Local Authority:</b>	Selwyn District Council
<b>Planning Instrument:</b>	Selwyn District Council's Operative District Plan
<b>Operative Date:</b>	3 May 2016, subject to outstanding appeals and variations
<b>Zoning:</b>	Living Z
<b>Objectives:</b>	New urban growth areas within or adjacent to the edge of existing townships. These areas are to be subject to an Outline Development Plan to ensure that good standards of urban design and connectivity with existing townships are achieved. The Living Z Zone provides for a range of site sizes and living options, including lower density suburban areas and medium density small sections and townhouses. The Living Z Zones, where an ODP is not operative in the Plan, are deferred until such time as an Outline Development Plan for the area is made operative in the District Plan. Where the inclusion of an operative ODP is the only reason for the deferral, the deferral will be considered to be lifted upon an ODP becoming operative within the Plan. Medium Density areas shown on an Outline Development Plan are subject to the Medium Density rules, and any business areas shown on an Outline Development Plan are subject to the Business 1 rules.
<b>Partially Operative Selwyn District Plan</b>	Under the Partially Operative Selwyn District Plan the land is zoned MRZ Medium Density Residential Zone.

We have sourced the Resource Consent Application and the resulting October 2017 approval of the Resource consent, the salient details are noted below.

The existing improvements had two identified traffic non-compliances, being a shortfall of car parking spaces, as the District Plan required 34 as opposed to the 32 developed on-site. Secondly the use is expected to generate more than the 100 vehicle movements per day. We have sourced from the Property File the granted resource consent for the Early Childhood Centre and the conditions imposed:

<b>Applicant:</b>	CPMC Limited
<b>Proposal:</b>	175364 - To establish and operate an early childhood education facility
<b>Location:</b>	26 Dynes Road
<b>Legal Description:</b>	RS 42143 being 1.4138ha in area more or less, as contained in Computer Freehold Register CB29K/780
<b>Zoning:</b>	The property is zoned Living Z under the provisions of the Operative District Plan (Townships Volume)
<b>Status:</b>	This application has been assessed as a land use consent for a discretionary activity under the Operative District Plan. As such the relevant provisions of the Operative District Plan (Townships Volume and the Resource Management Act 1991, have been taken into account.

This application was formally received by the Selwyn District Council on 10 July 2017. Further information was requested on 31 July 2017 and received on 3 October 2017. Assessment and approval took place on 5 October 2017 under a delegation given by the Council.

### DECISION

Resource Consent 175364 is granted pursuant to Sections 104 and 104B of the Resource Management Act 1991 subject to the following conditions imposed under section 108 of the Act:

1. That the childcare facility shall be constructed and operated in general accordance with the attached approved plans (now marked SDC 175364) and the details submitted with the application, except where varied by the following conditions of consent.
2. The childcare facility shall employ no more than 23 full-time equivalent staff and shall cater for no more than 130 children at any one time.
3. The hours of operation shall be between 7.30am and 6.30pm Monday to Friday. The childcare facility shall be closed on public holidays.
4. That a minimum of 31 car parks shall be provided on the site in accordance with the approved plans, with the car park area being formed, sealed and permanently marked prior to the childcare facility opening. The first 4 car parks marked 1, 2, 31 and 32 as shown on Plan 102A shall be marked exclusively for staff.
5. That before the childcare facility opens a vehicle crossing to service the activity shall be formed in accordance with Appendix 13 of the District Plan (Townships Volume). The vehicle crossing shall be sealed/metalled to match the existing road surface for the full width of the crossing between the site boundary and sealed carriageway.

6. That prior to the childcare facility opening acoustic fencing shall be erected along the northwestern, northeastern and southeastern internal boundaries of the site in accordance with the approved plans and details submitted with the application. This fencing shall comprise of 1.8m high timber fencing constructed in accordance with Appendix F of the acoustic report by Marshall Day Acoustics dated 7 Sep 2017, except for the fencing along the southeastern internal boundary where the fencing shall not exceed 1 metre in height within 3 metres of the road boundary. The materials used to construct the fence shall be durable, remain free from cracks, gaps and holes (including beneath the fence). This fencing shall be maintained throughout the duration of the consent.
7. The fencing along the southwestern boundary of the site, adjacent to Foster Recreation Park, shall consist of 1.8m high pool type fencing as shown on the approved 'Planting Plan' (Revision B - Planting Plan + Schedule, dated 21.08.2017).
8. The landscaping shown on the approved 'Planting Plan' shall be completed within 6 months of the Code of Compliance Certificate being issued for the building. Any dead, diseased or damaged landscaping is to be replaced immediately with plants of the same or similar species.
9. Noise from construction activities shall not exceed the limits recommended in, and shall be measured and assessed in accordance with, New Zealand Standard NZS 6803: 1999 "Acoustics - Construction Noise".
10. That pursuant to Section 128 of the Resource Management Act 1991, the Council may review all conditions by serving notice on the consent holder within 1 month of any 12 month period following the date of this decision, in order to deal with any adverse effects on the environment that may arise from the exercise of this consent.

We have assumed that the property now benefits from existing use rights in accordance with the granted Resource Consent.

### Partially Operative District Plan (Decisions Version)

The current Selwyn District Plan has been operative since 3 May 2016. We note that a Proposed District Plan was publicly notified on 5 October 2020 by the Selwyn District Council. On 20 August 2022, the Council notified a variation to the Proposed District Plan. Decisions on submissions to the Proposed District Plan were publicly notified on 19 August 2023 and the notified version of the Proposed Plan has now been superseded by the 'Decisions Version' of the Plan, where all provisions have legal effect. This is now known as the Partially Operative District Plan.

<b>Local Authority:</b>	Selwyn District Council
<b>Planning Instrument:</b>	Selwyn District Plan – Partially Operative District Plan (Decisions Version) – publicly notified 19 August 2023
<b>Zoning:</b>	Medium Density Residential
<b>Objectives:</b>	<p>The Medium Density Residential Zones are located within the townships areas of Lincoln, Prebbleton, and Rolleston.</p> <p>The purpose of the Medium Density Residential zone is to provide areas for a higher density of residential development than elsewhere in the district. The zone will provide for a range of housing typologies to meet the diverse needs of the community. Detached, semi-detached and terraced housing and low rise apartments are anticipated in the zone, provided the design achieves high-quality on-site amenity for future residents. The zone also generally provides a high level of services including footpaths, street lighting, and neighbourhoods that are internally well connected by roads, pedestrian paths, and cycle routes. More intense development in close proximity to centres, public transport, open space and community infrastructure facilities will assist in minimising urban sprawl and increasing housing supply and housing choice within the District.</p>

We have assumed that the property now benefits from existing use rights in accordance with the granted Resource Consent.

# Value and Risk Advisory

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