

Report prepared for Pacific Property Fund Limited for Product
Disclosure purposes only

Industrial Premises

25, 27 & 31 Link Drive, 13 & 19 Hannover Place, Rolleston

15 January 2021

Valuation Report



Executive Summary

Industrial Premises - 25, 27 & 31 Link Drive, 13 & 19 Hannover Place, Rolleston



The subject property comprises of five industrial buildings and associated office structures, constructed between 2014 and 2020 which are occupied by five lessees subject to varying lease terms and conditions. All buildings have a seismic strength of equal to or greater than 100% New Building Standard (NBS). Building 5 was completed earlier this year being a warehouse and canopy extension to warehouse 3 as per the above photographs.

The buildings are positioned on four Records of Title containing a total of 3.8859 hectares, fronting both Link Drive and Hannover Place within the Industrial area of IZone, Rolleston. Rolleston is located some 24km southwest of central Christchurch on the Main South Road (State Highway 1).

The buildings were purpose built for logistics/storage operations and have the potential for further subdivision into at least three individual titled lots, subject to any fire compliance requirements. However the current arrangement works well with respect to shared access/egress between warehouses 1, 2, 3 and 5.

Construction varies across the development with the majority of the buildings incorporating conventional steel portal construction with part encased concrete legs, pre-cast concrete and steel walls on a concrete slab foundation with steel profile roofing and spouting.

Upon inspection it was noted that Building 2 and 3 share a yard area on the southern portion of the site. Due to the main purpose being an access way for the two buildings, we have only incorporated the carparks on the edge of the site and excluded the rental on this yard space.

The property is currently leased with an annual rent roll of \$1,938,863 per annum and a weighted average lease term (WALT) of 4.43 years by income. The buildings are all modern with minimal CAPEX allowance in our assessment and no immediate upgrades required.

The COVID-19 pandemic and associated restrictions have had a significant impact on the global and local economies. At the valuation date New Zealand is at 'Alert Level 1', with some caution evident following the second Coronavirus linked lockdown in August. Our valuation is based on our opinion of 'Market Value', incorporating an assumption of a willing buyer and seller.

Valuation

Prepared for	Pacific Property Fund Limited
Valuation Purpose	Market Valuation for Product Disclosure purposes only
Date of Valuation	15 January 2021
Date of Report	18 December 2020
Valuation Approaches	Capitalisation of Net Income and Discounted Cashflow Approaches
Zoning	Business 2A – Selwyn District Council
Tenure	Fee Simple – Record of Title's 601865, 601866, 630163 & 630164
Site Area	38,859 sqm
Lettable Area	19,939 sqm
Adopted Value	\$32,350,000 plus GST, if any
	Thirty Two Million Three Hundred Fifty Thousand Dollars plus GST, if any

Valuation Analysis

Initial Yield	5.99%	Rate / sqm of Lettable Area	\$1,622
Initial Yield (Fully Leased)	5.99%	Weighted Average Lease Term	4.43 years by income
Equivalent Yield	6.11%	Current Occupancy	100.00%
Internal Rate of Return (10 years)	6.98%	Current Vacancy	0.00%

Tenancy Overview

Gibraltar Shelf No.56 Ltd (Farmlands Sublease)	\$385,608	5,726 sqm
Gibraltar Shelf No.56 Ltd (Coolpak Sublease)	\$317,986	2,744 sqm
Coolpak Coolstores (PGGW Sublease)	\$287,807	3,068 sqm
Balance	\$947,463	8,400 sqm
Total – Before Adjustments	\$1,938,863	19,939 sqm

Financial Summary

Gross Passing Income	\$2,123,698
Gross Market Income	\$2,168,454
Adopted Outgoings	\$184,835
Net Passing Income	\$1,938,863
Net Passing Income (Fully Leased)	\$1,938,863
Net Market Income	\$1,983,619

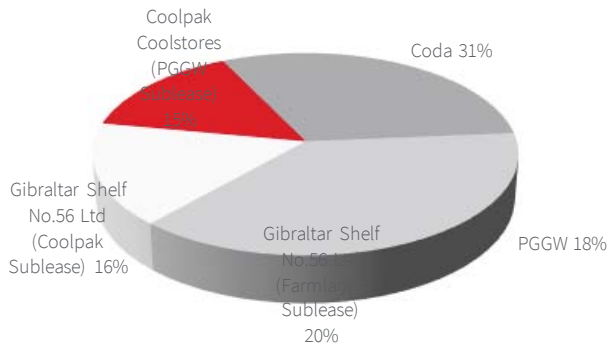
Cap Approach Assumptions

Adopted Cap Rate	6.000%
Allowance for Capex/Expiries	24 months
Market Income Capitalisation	\$32,968,000
Passing Income Capitalisation	\$32,970,000

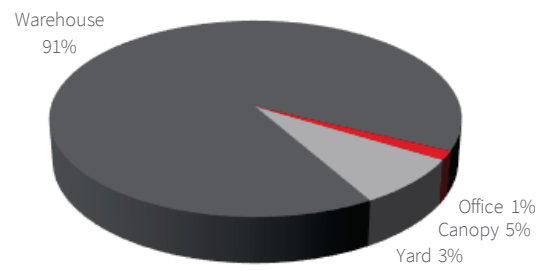
DCF Approach Assumptions

Discount Rate	7.250%
Terminal Yield	6.500%
Average Applied Rental Growth	1.95%
Value Based on DCF Approach	\$31,754,000

Major Occupiers



Building Components



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The below table summarises key valuation inputs and parameters associated with this current and a prior valuation undertaken by JLL. This table is a summary only and should be read alongside the full text and assumptions within each Valuation Report.

Valuation Comparison				
Valuation Summary	Jan-21	Mar-20	Variance	Proportion
Adopted Value	\$32,350,000	\$30,250,000	\$2,100,000	6.9%
Capitalisation Approach - Market Income	\$32,968,000	\$30,366,000	\$2,602,000	8.6%
Capitalisation Approach - Contract Income	\$32,970,000	\$30,371,000	\$2,599,000	8.6%
DCF Approach Value	\$31,754,000	\$29,791,000	\$1,963,000	6.6%
Adopted Cap Rate	6.00%	6.50%	(0.50%)	(7.7%)
Discount Rate	7.25%	8.00%	(0.75%)	(9.4%)
Terminal Yield	6.50%	6.75%	(0.25%)	(3.7%)
Initial Yield (Passing)	5.99%	6.43%	(0.44%)	(6.8%)
Initial Yield (Fully Leased)	5.99%	6.43%	(0.44%)	(6.8%)
Equivalent Yield	6.11%	6.52%	(0.41%)	(6.3%)
IRR (10 yr)	6.98%	7.77%	(0.79%)	(10.2%)
Rate/sqm of NLA	\$1,622	\$1,517	\$105	6.9%
Financial Summary				
Gross Passing Income	\$2,123,698	\$2,222,407	(\$98,709)	(4.4%)
Gross Market Income	\$2,168,454	\$2,259,998	(\$91,544)	(4.1%)
Adopted Outgoings	\$184,835	\$276,379	(\$91,544)	(33.1%)
Net Passing Income	\$1,938,863	\$1,946,028	(\$7,165)	(0.4%)
Net Market Income	\$1,983,619	\$1,983,619	\$0	0.0%
Weighted Average Lease Term				
WALT (by Income)	4.4 years	5.2 years	(0.8) years	(15.4%)
WALT (by Area)	4.5 years	5.3 years	(0.8) years	(14.7%)
Area Breakdown				
Lettable Area	19,939 sqm	19,939 sqm	0 sqm	0.0%
Current Vacancy (% Lettable Area)	0.00%	0.00%	0.00%	
Growth Assumptions				
CPI Average - 10 Years	1.83%		1.83%	
Weighted Average Growth Rate - 10 Years	1.95%		1.95%	
Capex Assumptions				
Allowance for Capex in Capitalisation Approach	24 months	24 months		0.0%
Total Capex Allowed - 10 Years	\$281,021	\$269,093	\$11,929	4.4%
Capex Proportion of Adopted Value	0.87%	0.89%	(0.02%)	(2.35%)

This is a summary only. It must not be relied on for any purpose. Jones Lang LaSalle's valuation of this asset is subject to assumptions, conditions and limitations as set out in the full text of this Valuation Report.

Property Performance

Market Performance

- The Industrial occupier and investment markets have been impacted by the effects of COVID-19 and associated restrictions as well as historic low interest rates. We have attempted to allow for reasonably foreseeable impacts on the property in our assessment of value, as discussed further within. Industrial has solidified its lead in the market as the 'go-to' asset class throughout New Zealand from defensive investment for medium to large scale properties to owner occupation for more affordable premises.
- Demand for industrial space in Christchurch remained strong over 1H20. Supported by positive net absorption, prime vacancy fell 80 bps to 3.1%, while secondary vacancy fell 240 bps to 4.3%. Although secondary stock observed a greater decrease in vacancy, demand for industrial space remains higher for prime stock. We expect this trend to continue given new supply injections have slowed as Christchurch's industrial market has stabilised. Here, the proportion of higher quality stock now available is further reducing secondary demand.
- While 1H20 only saw 430 sqm of net completions, we are currently aware of around 35 pipeline projects within our survey boundaries, with most expected to complete in the next two years. Like Christchurch's office sector, the supply pipeline for industrial space has begun to normalise in recent quarters as post-earthquake rebuilds are completed. As such, we have observed significantly fewer net completions since 1H18. The effects of COVID-19 have only exacerbated the slowdown and various developments have experienced a push-back in completion date.
- Prime and secondary rents have remained practically unchanged in the last year, averaging \$117 psm and \$86 psm respectively. Meanwhile, average prime yields remain at 5.95%, while secondary yields firmed 13bps to 7.00%. Industrial has proven itself to be the most resilient asset class across New Zealand over recent quarters, and with market fundamentals well-supported by interest in the industrial asset class, yields are anticipated to remain relatively low going forward.

Asset Performance

- Accepted industrial business park location at Rolleston with good services and now improved access to and from Christchurch central via the final stage completion of the southern motorway bypass.
- Construction to post earthquake current Building Code standards – assumedly 100% New Building Standard (NBS).
- The land comprises four individual lots with the potential for further subdivision into at least three individual titled lots, subject to any fire compliance requirements. However the current arrangement works well with respect to shared access/egress between warehouses 1, 2, 3 and 5.

Cash Flow Performance

- The property is currently 100% occupied with major occupiers comprising Coda, Coolpak Coolstores (dry goods storage only), PGG Wrightson and Farmlands.
- The passing rent reflects rates of \$98 over the Warehouse component, which is in line with our opinion of market rental rates.
- The weighted average lease term for the property (by income) is 4.43 years, which we consider reasonable and in the mid band for this class of asset, with investors particularly attracted to properties with slightly longer lease profiles.
- We note that the outgoings budget provided puts the rates per square metre at circa \$9 per square metre which we deem to be slightly below market rates for the size and type of asset. We believe this is an anomaly due to the 2018 rating assessment which does not currently include part of warehouse 4 plus office and the recently completed warehouse 5 located on 13 Hannover Place.
- We have made capital expenditure 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. We have adjusted for a \$10/sqm for warehouse accommodation and \$20/sqm for office areas.

Critical Assumptions, Conditions & Limitations

- The valuation is current as at the date of valuation only, being 15 January 2021. The value assessed herein may change significantly and unexpectedly over a relatively short period (including as a result of general market movements or factors specific to the particular property).
- We do not accept liability for losses arising from such 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 have any effect on the valuation.
- This report is relevant at the date of preparation and to the circumstances prevailing at that time. However, within a changing economic environment experiencing fluctuations in interest rates, inflation levels, rents and global economic circumstances, acceptable returns on investment may, as a consequence, be susceptible to future variation. We therefore recommend that before any action is taken involving an acquisition, disposal or other transaction more than 90 days after the date of this report, you consult the Valuer.
- This valuation has been completed for the specific purpose stated in this report. No responsibility is accepted in the event that this report is used for any other purpose.
- Our valuation assumes the information provided by the instructing party or its agents is correct and we reserve the right to amend our calculations, if deemed necessary, if that information is incorrect.
- Our valuation assumes all other professional/consultancy advice provided and relied upon is true and correct.
- 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.
- Unless otherwise stated all property measurements are in conformity with the Guide for the Measurement of Rentable Areas issued by the Property Council of New Zealand. Where certified areas have not been provided we have normally undertaken measurement in accordance with Property Council of New Zealand Standards.
- 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 not practical due to proximity of adjoining buildings, steep terrain or inaccessible title boundaries. Jones Lang LaSalle accepts no responsibility if any of the land dimensions or the area shown on title is found to be incorrect.
- Our valuation is made on the basis that the property is free of further caveats, mortgages, charges and other financial liens and that there are no memorials, encumbrances, restrictions or other impediments of an onerous nature which will affect the value other than those stated in the report or registered on the Record of Title.
- 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.
- In the case of buildings where works are in hand or have recently been completed Jones Lang LaSalle does not normally make allowance for any liability already incurred but not yet discharged in respect of completed works or obligations in favour of contractors, sub-contractors or any members of the professional or design team.
- No enquiries in respect of any property, or of any improvements erected thereon, has been made for any sign of timber infestation, asbestos or other defect, whether latent, patent, or structural.
- Substances such as asbestos or other potentially hazardous materials could, if present, adversely affect the value of the property. The stated value estimate is on the assumption that there is no material on or in the property that would cause loss in value. No responsibility is assumed for any such conditions and the recipient of this report is advised that the valuer is not qualified to detect such substances or estimate the remedial cost.
- While due care has been taken to note any contamination liability, our investigations have been undertaken for valuation purposes only, and this report does not constitute an environmental audit. Unless otherwise stated no account has been taken of the effect on value due to contamination or pollution.
- We have undertaken a visual inspection in respect of any building valued, but must advise that we have not commissioned structural surveys or tested any of the services and are therefore unable to confirm that these are free from defect. We note further that we have not inspected unexposed or inaccessible portions of any building and are therefore unable to certify that these are free from defect.
- We note we are not experts in relation to 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.

- Any elements of deterioration apparent during our consideration of the general state of repair of building/s has been noted or reflected in our valuation. We are however, unable to give any warranty as to 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.
- In preparing the valuation it has been assumed that items such as lifts, hot and cold water systems, electrical systems, ventilating systems and other devices, fittings, installations or conveniences as are in the building are in proper working order and functioning for the purposes for which they were designed, and conform to the current building, fire and government regulations and codes.
- Information on town planning and resource management is often obtained verbally from the local planning authority and if assurance is required Jones Lang LaSalle recommends that verification is sought from the relevant authority that confirms the position is correctly stated within this report, that the property is not subject to other decisions or conditions prescribed by public authorities and that there are no outstanding statutory notices.
- Jones Lang LaSalle's valuations are prepared on the basis that the premises (and any works thereto) comply with all relevant statutory regulations including the Building Act 2004 and the requirements of Territorial Authorities. Where we have obtained a Land Information Memorandum, we comment on this within our report. Where we have not obtained a Land Information Memorandum our valuation is therefore undertaken with the assumption that there are no outstanding requisitions.
- Unless otherwise stated all currencies within this report are in New Zealand Dollars.
- 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).
- A reliant party can only rely on this valuation if received directly from JLL without any third party intervention.

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Appendices

Appendix 1 – Valuation Definitions

Appendix 2 – Records of Title

Appendix 3 – Discounted Cash Flow Calculations

1 Introduction

1.1 Instructions

We refer to instructions from Jamie Reid of PMG Funds dated 24 November 2020 requesting that we undertake a market valuation of the freehold interest of 25, 27 & 31 Link Drive, 13 & 19 Hannover Place, Rolleston (the Subject/Property), as at 15 January 2021 for and on behalf of Pacific Property Fund Limited. We understand that the valuation is to be relied upon for Product Disclosure purposes only.

Our report has been prepared in accordance with the current Australia and New Zealand Property Institute's Valuation Standards, International Valuation Standards 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;
- 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	15 January 2021
Date of Property Inspection	15 December 2020
Date of Preparation of Report	18 December 2020

We advise that we have been instructed to value the Property as at 15 January 2021 which is our date of valuation. The Property was inspected on 15 December 2020 and our valuation reflects the valuer's view of the market at this date and does not purport to predict the future. Our assessment assumes that there is no material change to the Property or the market between the date of inspection and the date of valuation, and we reserve the right to review the valuation if there are material changes to the Property or the market over this period.

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 wherein the parties had each acted knowledgeably, prudently and without compulsion.”

Fair Value

The International Valuation Standards, International Financial Reporting Standards and other accounting standards define fair value as follows, this being generally synonymous with the concept of Market 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.’

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 & Disclosures

The valuations contained herein have been completed in accordance with current Australia and New Zealand Valuation and Property Standards, and in particular with:

- IVS (International Valuation Standards 2020) Framework and General Standards
- NZVTIP 2 – Valuations for Use in New Zealand Financial Reports
- ANZVTIP 11 – Valuation Procedures – Real Property
- ANZVTIP 12 – Valuations for Mortgage & Loan Security Purposes
- New Zealand Equivalent to International Accounting Standard 40 – Investment Property (New Zealand IAS40)
- IFRS 13 – Fair Value Measurement

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; and
- Lease documentation, building areas, income and expenditure report, tenancy schedule and budgets supplied by the instructing party or managing agent.

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:

- The head lease for Warehouse 3 (Coolpak Coolstores Limited) expires on 18 May 2021. However this premises is occupied under sub lease by PGG Wrightson who have just signed a lease on Warehouse 5 until 18 May 2026 which is attached and accessible internally from Warehouse 3. The administration offices for both are associated with Warehouse 3. We are advised that the intent is for PGG Wrightson to continue in occupation either by Coolpak Coolstores Limited exercising their 5 year right of renewal or PGG Wrightson entering into a new 5 year lease with expiry 18 May 2026 as well. We have assumed that this will occur.
- The Novel Coronavirus (COVID-19) was declared a 'Global Pandemic' by the World Health Organisation on 11 March 2020. This led to a significant range of restrictions on individuals and businesses locally and throughout the world. New Zealand experienced a nationwide Level 4 Lockdown in March-April this year, and more recently Auckland returned to Level 3 Lockdown in August as the virus re-emerged in community transmission. New Zealand is now at Level 1, however there are continued restrictions on international travel and some caution evident.
- The introduction of restrictions on people and businesses alongside significant economic stimulus packages have resulted in fluctuations in asset values, and we note that transactions agreed prior to or during the restrictions may or may not be indicative of current market conditions. We refer to the definition of Market Value outlined above and the principles of 'willing buyer', 'willing seller' acting 'prudently and without compulsion' as adopted within our valuation.
- Given the circumstances of COVID-19, we have had regard to a range of inputs and market evidence in coming to our opinion of Market Value. Notwithstanding this, there may be a greater range around our opinion of Market Value than would normally be the case.

2 Property Particulars

2.1 Location

The property is located within the developing Christchurch satellite Township of Rolleston, some 24 kilometres to the south west of the Christchurch City core and 10 kilometres from the Christchurch urban periphery.

25 Link Drive & 13-19 Hannover Place (the subject property) is located on the northern corner of Link Drive and Detroit Drive and the southern side of Hannover Place with the land holding covering a total of four record of titles.

Rolleston has undergone significant development post the late 1990s through the intervention of private investors/developers and the development of waste water, sewage and water reticulation systems in association with the Selwyn District Council. The Council are particularly keen to support the developing residential community with a nearby employment base and this has led to the rezoning of former rural land to the northern side of Jones Road and State Highway 1.

Industrial development within the surrounding precinct is varied and includes coal merchants, timber yards, car wreckers, limited service industry and soya bean processing; these on the fringe of the more significant Izone Selwyn Industrial Park. This is a recent subdivision; however the development to date has gained impetus and is now a recognised industrial business location with occupiers such as The Warehouse, Westland Milk Products, Farmlands Co-Operative, Pegasus Engineering, Asmus Steel, PGG Wrightson Seeds, Coolpak Coolstores and NZ Dairy Packaging.

The Selwyn District Council have approved up to 180 hectares of industrial land for staged industrial development. Land sales fall within the rounded parameters of \$150.00 psm to \$230.00 psm, predominantly dependent upon land area and location. Adjoining Izone is the development of another business subdivision the 'I'Port Business Park', established on the back of the development of a midland container port for the Lyttelton Port Company currently being undertaken by a private developer. This will further expand the Rolleston industrial business area.

Rolleston is proposed to cater for controlled population growth which in June 2020 is approaching 22,000 residents. This is a rapid expansion post-earthquakes with population statistics of 11,800 (2015) and 17,532 (2018). Infrastructure has been developed in Rolleston including a shopping centre together with a substantial community centre and library. Further commercial development has been constructed opposite the retail shopping centre providing bulk retail, office and hospitality accommodation whilst a retail shop development named Rolleston Square extends to a newly constructed second supermarket development. At the Main South Road frontage there is a substantial BP Service Station whilst the Selwyn District Council offices are located nearby. The following map identifies the approximate location of the Property:



Source: Google Maps

2.2 Title Particulars

The property is split up into four certificates of title which are described below.

Title Reference	630163
Tenure	Fee Simple
Legal Description	Lot 643 Deposited Plan 468876
Area	1.1213 hectares more or less
Registered Owner	Gibraltar Shelf No. 56 Limited
Registered Interest	<p>Subject to Part IV A Conservation Act 1987 (affects part formerly part Lot 1200 DP 438809)</p> <p>Subject to Section 11 Crown Minerals Act 1991 (affects part formerly part Lot 1200 DP 438809)</p> <p>7728029.6 Consent Notice pursuant to Section 221 Resource Management Act 1991 - 26.2.2008 at 9:14 am (affects part formerly part Lot 1200 DP 438809) – <i>Outlines that the landscaping strip with a minimum of 3 metres shall be planted along every road frontage of Lots 401 to 427. The landscaping shall consist of specified species approved and adhere to the guidelines outlined in this consent notice with respect to type, spacing and ratio of plantings. The landscaping planted shall be maintained and if dead, diseased or damaged shall be removed and replaced. No fences or structures shall be erected within the 3-metre landscaping strip.</i></p> <p>Land Covenant in Easement Instrument 9557974.10 - 22.11.2013 at 9:16 am - <i>A mutual covenant over the allotments to protect the integrity of the subdivision with restrictions on the land in particular, building materials, building size and fencing to protect the landowners in the development. We suggest that the covenant document be perused at the rear of our report.</i></p> <p>9859500.1 CERTIFICATE PURSUANT TO SECTION 77 BUILDING ACT 2004 THAT THIS COMPUTER REGISTER IS SUBJECT TO THE CONDITION IMPOSED UNDER SECTION 75(2) (ALSO AFFECTS 601865 and 601866) - 28.1.2015 at 9:35 am</p> <p>9859500.1 Subject to Section 81(2) and 81(3) Building Act 2004 (affects 601865 and 601866) - 28.1.2015 at 9:35 am</p> <p>10512855.1 CERTIFICATE PURSUANT TO SECTION 77 BUILDING ACT 2004 THAT THIS COMPUTER REGISTER IS SUBJECT TO THE CONDITION IMPOSED UNDER SECTION 75(2) (ALSO AFFECTS 630164) - 2.8.2016 at 4:34 pm</p> <p>10512855.1 Subject to Section 81(2) and 81(3) Building Act 2004 (affects 630164) - 2.8.2016 at 4:34 pm</p> <p>11732594.6 Mortgage to ASB Bank Limited - 30.4.2020 at 4:26 pm</p>

Title Reference	630164
Tenure	Fee Simple
Legal Description	Lot 644 Deposited Plan 468876
Area	8581 square metres more or less
Registered Owner	Gibraltar Shelf No. 56 Limited
Registered Interest	<p>Subject to Part IV A Conservation Act 1987 (affects part formerly part Lot 1200 DP 438809)</p> <p>Subject to Section 11 Crown Minerals Act 1991 (affects part formerly part Lot 1200 DP 438809)</p> <p>7728029.6 Consent Notice pursuant to Section 221 Resource Management Act 1991 - 26.2.2008 at 9:14 am (affects part formerly part Lot 1200 DP 438809) – <i>See above</i></p> <p>Land Covenant in Easement Instrument 9557974.10 - 22.11.2013 at 9:16 am – <i>See above</i></p> <p>10512855.1 CERTIFICATE PURSUANT TO SECTION 77 BUILDING ACT 2004 THAT THIS COMPUTER REGISTER IS SUBJECT TO THE CONDITION IMPOSED UNDER SECTION 75(2) (ALSO AFFECTS 630163) - 2.8.2016 at 4:34 pm</p> <p>10512855.1 Subject to Section 81(2) and 81(3) Building Act 2004 (affects 630163) - 2.8.2016 at 4:34 pm</p> <p>11732594.6 Mortgage to ASB Bank Limited - 30.4.2020 at 4:26 pm</p>

Title Reference 601865

Tenure Fee Simple

Legal Description Lot 631 Deposited Plan 459900

Area 9413 square metres more or less

Registered Owner Gibraltar Shelf No. 56 Limited

Registered Interest Subject to Part IV A Conservation Act 1987 (affects part formerly part Lot 1201 DP 438809)
 Subject to Section 11 Crown Minerals Act 1991 (affects part formerly part Lot 1201 DP 438809)
7728029.6 Consent Notice pursuant to Section 221 Resource Management Act 1991 - 26.2.2008 at 9:14 am (affects part formerly Lot 402 DP 399563) – See above
Land Covenant in Easement Instrument 9274213.8 - 18.12.2012 at 4:11 pm (Limited as to Duration) - A mutual covenant over the allotments to protect the integrity of the subdivision with restrictions on the land in particular, building materials, building size and fencing to protect the landowners in the development. We suggest that the covenant document be perused at the rear of our report.
 9859500.1 CERTIFICATE PURSUANT TO SECTION 77 BUILDING ACT 2004 THAT THIS COMPUTER REGISTER IS SUBJECT TO THE CONDITION IMPOSED UNDER SECTION 75(2) (ALSO AFFECTS 601866 and 630163) - 28.1.2015 at 9:35 am
 9859500.1 Subject to Section 81(2) and 81(3) Building Act 2004 (affects 601866 and 630163) - 28.1.2015 at 9:35
 11732594.6 Mortgage to ASB Bank Limited - 30.4.2020 at 4:26 pm

Title Reference 601866

Tenure Fee Simple

Legal Description Lot 655 Deposited Plan 459900

Area 9652 square metres more or less

Registered Owner Gibraltar Shelf No. 56 Limited

Registered Interest Subject to Part IV A Conservation Act 1987 (affects part formerly part Lots 1200-1201 DP 438809 and Lot 2 DP 457539)
 Subject to Section 11 Crown Minerals Act 1991 (affects part formerly part Lots 1200-1201 DP 438809 and Lot 2 DP 457539)
7728029.6 Consent Notice pursuant to Section 221 Resource Management Act 1991 - 26.2.2008 at 9:14 am (affects part formerly Lot 1200 DP 438809 & Lot 2 DP 457539 & part formerly Lot 1201 DP 438809, formerly Lot 402 DP 399563) – See above
Land Covenant in Easement Instrument 9274213.8 - 18.12.2012 at 4:11 pm (Limited as to Duration) – See above
 9859500.1 CERTIFICATE PURSUANT TO SECTION 77 BUILDING ACT 2004 THAT THIS COMPUTER REGISTER IS SUBJECT TO THE CONDITION IMPOSED UNDER SECTION 75(2) (ALSO AFFECTS 601865 and 630163) - 28.1.2015 at 9:35 am
 9859500.1 Subject to Section 81(2) and 81(3) Building Act 2004 (affects 601865 and 630163) - 28.1.2015 at 9:35 am
 11732594.6 Mortgage to ASB Bank Limited - 30.4.2020 at 4:26 pm

Source: Land Information New Zealand

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.

2.5 Rateable Value

We have been advised that the Property's Rateable Value, as at 1st July 2018 being Assessment Number 25541/66450, 23541/66451 & 23541/66401, is as follows:

23541/66450 (13 Hannover Place)

Land Value	\$1,480,000
Improvements Value	\$0
Capital Value	\$1,480,000

23541/66451 (19 Hannover Place)

Land Value	\$1,180,000
Improvements Value	\$5,070,000
Capital Value	\$6,250,000

23541/66401 (25, 27 & 31 Link Drive)

Land Value	\$2,570,000
Improvements Value	\$10,330,000
Capital Value	\$12,900,000

We note that rating valuations do not take account of a number of key issues affecting value, including land tenure and occupancy arrangements, and are often assessed on an indexed or kerb-side basis. In this instance the subject improvements of part warehouse 4 plus office and warehouse 5 have yet to be included in the rating assessment for 13 Hannover Place. Accordingly, market and rating values may vary significantly.

2.6 Environmental Issues

During the course of our inspection we did not notice any evidence of land or building contamination. Importantly, however, we are not experts in the detection or quantification of environmental problems and we have not sighted an Environmental Audit.

We have checked the Listed Land Use Register, which documents no records for this property.



The information presented in this map is specific to the property you have selected. Information on nearby properties may not be shown on this map, even if the property is visible.

Summary of sites:

There are no sites associated with the area of enquiry.

Information held about the sites on the Listed Land Use Register

There are no sites associated with the area of enquiry.

Our valuation has been made assuming an audit would be available which would satisfy all relevant environmental, and occupational health & safety legislation. If the Property's current status needs to be clarified, an Environmental Audit should be undertaken. Our valuation excludes the cost to rectify and make good the Property, which may have become contaminated as a result of past and present uses.

2.7 Heritage

We have not undertaken any formal heritage searches; the property is not notified on the District Plan as being a heritage structure and our valuation is made on the assumption that there are no heritage issues relating to the Property.

2.8 Improvements

The property comprises of five industrial buildings constructed between 2014 and 2020, which are occupied by five lessees subject to varying lease terms and conditions. All buildings have a seismic strength of equal to or greater than 100% New Building Standard (NBS).

The buildings are located on four Records of Title containing a total of 3.8859 hectares, fronting Link Drive and Hannover Place, located some 24km south-west of Christchurch within the industrial area of Rolleston inside the Selwyn District.



Farmlands (Building 1)



Coolpak Coolstores (Building 2)



PGG Wrightson (Buildings 3 and 5)



Coda (Building 4)

2.9 Construction

We briefly outline construction details to the building as follows:

Structure:	The structure of the subject properties are consistent reinforced concrete foundations and steel portal frames. The office buildings are formed on a concrete slab foundation and are timber framed.
External Walls:	Warehouse - A combination of precast concrete panels and steel profile cladding. Offices – “Hardies” sheeting with battens
Internal Walls:	Predominantly plasterboard lining to office areas only. An insulation barrier to internal steel walls of warehouse 4.
Roof:	Steel profile roofing with acrylic skylights to some warehouses.
Ceiling:	Plasterboard ceilings to the office areas.
Lighting:	Majority of the lighting to the warehouse is suspended LED or fluorescent lighting with a mixture of downlighting and fluorescent lighting to the office areas.
Windows and doors:	Aluminium framing and double glazed windows to the offices. Predominantly automatic roller doors except for warehouse 2 which has manual sliding doors.
Key Services:	Pertronic and Type 2 Manual fire alarm systems to some warehouse/office areas.

2.10 Accommodation

Farmlands Building 1

The principal improvement is a large warehouse facility, which has been constructed with pre-cast concrete panels on each end of the warehouse and the north-east wall. The building is supported on a steel portal frame over a concrete slab foundation with galvanised purlins, vertical steel external cladding to the south-west side of the warehouse and steel roofing with translucent inserts.

There are two container height doors set in the south-western side of the warehouse which has internal supporting steel columns and suspended lighting.

The stud height of the warehouse approximates 8.3 metres to 9.2 metres at the apex.

There is a small associated office, which adjoins the warehouse and is clad with “Hardies” fibre cement to exterior walls with a corrugated steel roof. Internally the office offers plaster board ceilings, walls and partitions with carpet and vinyl flooring. Lighting is fluorescent tubes. The staffroom area provides a small kitchenette with stainless steel sink and Formica benchtop. Off the open plan area are two toilets, one an accessible facility with an area between containing a washbasin. Heating is provided by a wall mounted electric air conditioning unit.

An extensive concrete yard provides for vehicle loading and car parking.



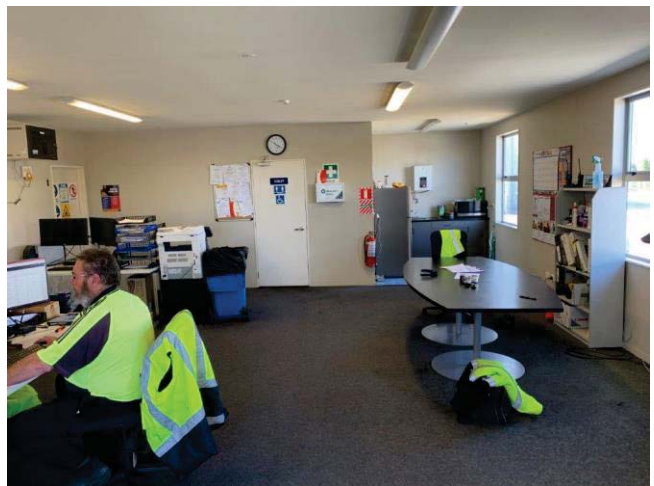
Exterior



Warehouse



Warehouse



Open Plan Office

Coolpak Building 2

Building two provides a concrete slab foundation with predominant precast concrete panel walls, the building being supported on a steel portal frame with one row of central columns, galvanised purlins and steel roofing with translucent inserts. The concrete external walls are up to 330 mm thick to withstand the pressure of bulk agricultural product storage and we assume the floor has also been strengthened for additional loading capacity. The stud-height of the space approximates 9.0 metres to 11.5 metres high. No offices or amenities are present.

There are two sliding doors on the eastern side of the warehouse and one on the northern most wall. Outside the southern portion of the building is a small truck wash area with associated parking positioned right outside the warehouse to the east. A concrete yard area provides for loading and is part shared with building 3.



Warehouse



Warehouse



Warehouse Exterior



Warehouse Exterior

Building three comprises a high stud warehouse with separate associated offices.

The warehouse is constructed with a steel frame comprising curved lattice trusses and lean-to framework over a concrete slab foundation with pre-cast concrete walls to both full and intermediate height with the remaining wall height being corrugated steel. The roof is steel clad with translucent inserts for natural lighting. Two automated roller doors provide vehicle access. The pitch of the roof is unique and curved with recycled steel trusses from the King Edward Barracks being used providing a higher apex in the roof. The stud height of the warehouse approximates 7.8 metres which rises to 9.7 metres high over the lean-to section with the curved steel lattice trusses extending to a 13.7 metre maximum height.

There is a small canopy over each of the entry doors with a fire exit pedestrian access close to the office accommodation.

The office is constructed on a concrete slab foundation with “Hardies” fibre cement board and batten exterior cladding with corrugated steel roofing. Internally the office provides an open plan staffroom/office space with kitchen amenity. Interior wall and ceiling linings are plasterboard clad. There is a small meeting room and an amenity area providing two toilets, one an accessible facility and a service room. The internal temperature is controlled by two wall mounted electric air conditioning units. There is a concrete hardstand area to the south which provides access for the site as well as car parking along the landscaping perimeter.



Exterior



Exterior



Office Area



Staff Area



Warehouse



Warehouse

Coda (Building 4)

Building four comprises a conventional warehouse, which we understand was built in 2016 and is constructed on a concrete slab foundation supporting a steel portal frame with three rows of internal columns (15 to 18 metre spans between). External cladding is precast concrete to intermediate wall height with vertical steel profile cladding above. Roofing is steel fabricated with translucent inserts supported by steel purlins. The warehouse has an insulation barrier to the interior of the steel clad exterior walls.

Access is provided by way of two roller doors on the eastern side of the premises with another two roller doors on the western side with associated canopies.

Since original construction, there has been a 5th door created on the southern side of the premises and a tunnel canopy built providing additional storage space and a loading area.

On the eastern side of the warehouse is a small office building constructed on a concrete slab foundation with “Hardies” fibre cement board and batten exterior cladding and steel profile roofing. Internally the office provides vinyl and carpet flooring, plasterboard ceilings, walls and partitions and fluorescent tube lighting. The area provides a staffroom with kitchen, open plan office, two dedicated offices and facilities which include a shower, two toilets and a washbasins. The internal temperature is controlled by two wall mounted electric air conditioning units.

This building is separately security fenced from the other four buildings with gated access (2) to Hannover Place. Concrete yard areas provide circumnavigation of the warehouse as well as areas for loading, storage and car parking.



Warehouse/Office Exterior



Office



Staffroom



Bathroom



Warehouse



Warehouse



Canopy/Warehouse Exterior



Warehouse Exterior

PGG Wrightson Extension (Building 5)

The extension of Building 3 was completed this year. Identified as Building five, the structure is built over a concrete foundation with clearspan steel portal framing, full height precast eastern wall with a two metre height precast concrete wall on the north and western sides of the structure with Veedek steel profile cladding to the remainder of the wall height. The stud height of the warehouse ranges from approximately 7.4 metres to 9.2 metres at the highest point. Located in the north western corner of the warehouse is two partitioned toilets, there are no other amenities present.

There are two, 5 metre wide by 5 metre high roller shutter doors on the western side of the structure with a 6 metre wide by 8 metre high roller door on the northern side of the premises. A canopy adjoins the building to the west, which is approximately 20 metres in width by 70 metres in length and provides a large loading space for the warehouse which also has part internal access to warehouse 3.

A concrete yard provides through access from Link Drive to Hannover Place with gates to both road carriageways.



Warehouse



Canopy



Warehouse



Toilets within Warehouse

2.11 Lettable Areas

The Property's total Lettable Area is approximately 19,939 square metres. A summary of this Lettable Area is detailed as follows:

Building Floor Area	
Accommodation/Level	Lettable Area
Warehouse	17,534
Office	260
Door Canopy	148
Tunnel Canopy	576
Canopy	1,420
Total Lettable Area	19,939 square metres
Car parking	
	Spaces
Open Car spaces	65
Total Car parking	65 spaces

The areas noted above have been taken from lease documentation and consented building plans measured on a gross basis accordance with the Guide for the Measurement of Rentable Areas as published by the Property Institute and Property Council of New Zealand. It was not possible to undertake full check measurements on site due to health and safety requirements.

2.12 Condition and Repair

We inspected the interior and exterior of the property. The buildings appear to have been well maintained with no significant deferred maintenance requirements evident.

Our valuation has had regard to the apparent state of repair and condition of the Property; however, we were not instructed to carry out a structural survey or to test any of the services available to the Property. We are therefore unable to report that the property is free from further defect and we have assumed that no deleterious material was used in the construction.

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 Buildings 1, 2, and 3. Building 4 is not displaying a Warrant of Fitness however we are advised that such only received its Code Compliance Certificate on 20 May 2020 and hence the first BWOFF will be due in 12 months. Building 5 has again only this year received code compliance with a warrant of fitness to follow next year as described in the table below:

Link Drive/Hannover Place Industrial Holdings - BWOFF Schedule		
Address	Tenant	Expiry
25 Link Drive	Building 1 – Gibraltar Shelf No.56 Ltd (Farmlands Sublease)	1/06/2021
27 Link Drive	Building 2 – Gibraltar Shelf No.56 Ltd (Coolpak Sublease)	24/06/2021
31 Link Drive	Building 3 - Coolpak Coolstores (PGGW Sublease)	1/06/2021
13 Hannover Place	Building 5 - PGGW	Code compliance issued 23/10/2020
19 Hannover Place	Building 4 - Coda	Code compliance issued 20/05/2020

The Health and Safety at Work (Asbestos) Regulations 2016 place requirements on building owners and occupiers in terms of assessing the risks associated with asbestos within buildings. Worksafe New Zealand recommend that buildings constructed before January 2000 are assessed for materials likely to contain asbestos, and if found, formulate a management plan.

As the building was constructed after January 2000 we have not sought further information on asbestos within the property.

2.13 Earthquake Strengthening Requirements

New Zealand is prone to seismic activity and there are requirements on building owners to ensure their buildings are safe for occupants and users as outlined in the Building Act 2004 and Amendment (Earthquake-prone Buildings) Act 2016. These regulations categorise New Zealand into three seismic risk areas and sets timeframes for identifying and taking action to strengthen or remove earthquake prone buildings.

As part of our valuation we have been made aware of the following information:

Year of Building Construction	2014-2020
National Risk Zone	High
Compliance with New Building Standard	Assumed circa equal to or greater than 100% NBS as built under current building code

We are not qualified to undertake a structural survey of the property, and have proceeded based on the information available. We recommend interested parties confirm the insurability of the subject building.

3 Property Income and Expenditure

3.1 Tenancy Overview

We have been provided with a tenancy schedule and with Lease documentation that was available at the time of valuation.

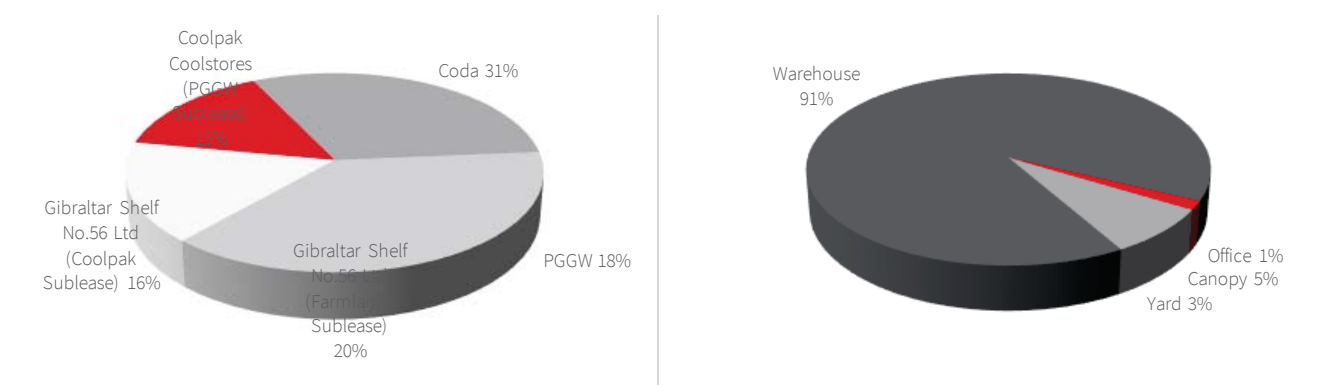
The net rental from the Property can be summarised as follows:

Tenant	Net Rental	Lettable Area	Proportion of Lettable Area
Gibraltar Shelf No.56 Ltd (Farmlands Sublease)	\$385,608	5,726	28.7%
Gibraltar Shelf No.56 Ltd (Coolpak Sublease)	\$317,986	2,744	13.8%
Coolpak Coolstores (PGGW Sublease)	\$287,807	3,068	15.4%
Coda	\$598,370	6,242	31.3%
PGGW	\$349,093	4,929	24.7%
Total	\$1,938,863	22,710 sqm	114%

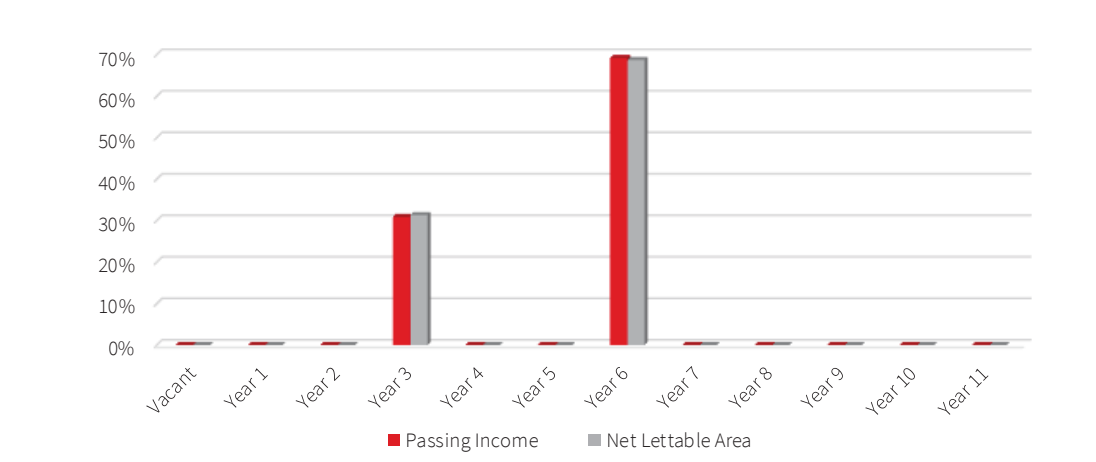
The events surrounding COVID-19 have led to greater consideration by market participants of the covenant strength of the occupiers within investment property. We are not qualified to advise you on the financial standing of the occupiers, however have formed a view on how we think the market would approach the tenancy profile of the property.

Due to the nature of the business and being part of the essential supply chain and logistics, we believe that the tenants are only minimally impacted by the Covid-19 event however with the ongoing reaction and impact to the Covid-19 virus, uncertain trading and credit market conditions may lead to rapid changes in covenant strength and/or sentiment.

The net rental from the property can be analysed by occupier and component proportion as follows:



The graph below demonstrates the lease expiry profile (by income and area) over a ten-year horizon:



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

Weighted Average Lease Term Remaining	Years
By Area	4.52
By Income	4.43

3.2 Lease Summaries

We summarise below the lease agreements for the subject tenants:

Lease Summary	25 Link Drive, Rolleston - Building 1 – Gibraltar Shelf No.56 Limited (Subleased to Farmlands Co-operative Society Limited)
Documents reviewed	Signed Deed of Lease dated 25 May 2020
Lessee	Gibraltar Shelf No.56 Limited
Demised premises	Hiltons Lease 1. Building 1 at 25 Link Drive (Lot 655 Record of Title 601866) Rentable area of 3826 m2
Lettable Area	Warehouse: 3,748.14 sqm Office: 78.19 sqm Yard 1,900 sqm
Commencement Date	1 May 2020
Expiry Date	30 April 2026
Lease Term	Six years. No rights of renewal.
Commencement Rent	Total Premises: \$385,608 per annum plus GST
Current Rent	\$385,608 per annum plus GST
Rental Review Provisions	Market rent review at 1 May 2023.
Outgoings Recovery	Net lease – standard building operating expenses are recoverable from the tenant.
Permitted Use	Any use suitable for the premises under the relevant District Plan.
Landlords Fixtures and Fittings	Landlord fittings and fittings are not specified.
Emergency Provisions	No access in emergency provision included in lease outlining that if the tenant is unable to access the Premises to fully conduct the Tenant's business from the premises then a fair proportion of rent and outgoing shall cease to be payable for the period commencing on the date when the Tenant became unable to gain access to the premises to fully conduct the Tenant's business from the premises until the inability ceases. No access period set at 9 months whereby the tenant may terminate the lease if there is reasonable certainty that they will be unable to gain access to the premises for that period.

Lease Summary	
	25-27 Link Drive, Rolleston - Building 2 – Gibraltar Shelf No.56 Limited (Subleased to Coolpak Coolstores Limited (Previously known as Hilton Haulage Limited))
Documents reviewed	Signed Deed of Lease dated 25 May 2020
Lessee	Gibraltar Shelf No.56 Limited
Demised premises	Hilton Lease 2. Building 2 at 25 Link Drive (Lot 655 Record of Title 601866) Rentable area of 2,744 m2
Lettable Area	Warehouse: 2,744 sqm
Commencement Date	1 May 2020
Expiry Date	30 April 2026
Lease Term	Six years. No rights of renewal.
Commencement Rent	Total Premises: \$320,760 per annum plus GST
Current Rent	\$320,760 per annum plus GST
Rental Review Provisions	CPI rent review 1 May 2022, Market rent review at 1 May 2023.
Outgoings Recovery	Net lease – standard building operating expenses are recoverable from the tenant.
Permitted Use	Any use suitable for the premises under the relevant District Plan.
Landlords Fixtures and Fittings	Landlord fittings and fittings are not specified.
Emergency Provisions	No access in emergency provision included in lease outlining that if the tenant is unable to access the Premises to fully conduct the Tenant’s business from the premises then a fair proportion of rent and outgoings shall cease to be payable for the period commencing on the date when the Tenant became unable to gain access to the premises to fully conduct the Tenant’s business from the premises until the inability ceases. No access period set at 9 months whereby the tenant may terminate the lease if there is reasonable certainty that they will be unable to gain access to the premises for that period.

Lease Summary	
	31 Link Drive, Rolleston – Building 3 – Coolpak Coolstores Limited (Previously known as Hilton Haulage Limited) subleased to PGG Wrightson Limited.
Documents reviewed	Signed Deed of Lease (Not dated). Further terms of sale (Sale and purchase contract) – Not dated
Lessee	Coolpak Coolstores Limited (previously known as Hilton Haulage Limited) – Subleased to PGG Wrightson.
Demised premises	The landlords land and buildings at 31 Link Drive, Izone, Rolleston (Lot 631 DP 459900) comprising approximately 2,988m ² of warehouse and approximately 70m ² of offices, being the areas shaded orange and the yard area shaded red on the plan.
Lettable Area	Warehouse 2,988 sqm Offices: 70 sqm Carparks: 10 open spaces within the red shaded area (yard)
Commencement Date	19 May 2016
Expiry Date	18 May 2021
Lease Term	5 years plus three right of renewal of 5 years
Commencement Rent	Premises: \$271,858.40 Car Parking: included Total: \$271,858.40 per annum plus GST
Current Rent	\$290,905 per annum plus GST
Rental Review Provisions	Market rent reviews on renewals. Annual CPI on each anniversary except for the market rent review dates. Lease has a passing rental ratchet.
Outgoings Recovery	Net lease – standard building operating expenses are recoverable from the tenant. We note that the management expenses are excluded.
Permitted Use	Warehousing, storage of bulk agricultural products and offices
Special Provisions	48.1 – Rent Free Period It is agreed that the tenant shall pay no rent for the first three months of the term. The first rental payment shall be paid three months after the commencement date. Rent shall be paid monthly in advance.
Landlords Fixtures and Fittings	Built in desktops in the operations room. A shower in the disabled access toilet. Two heat pumps in the office building. Emergency shower (chemical) in the warehouse.
Emergency Provisions	No access in emergency provision is included in lease outlining that if the tenant is unable to access the Premises to fully conduct the Tenant’s business from the premises then a fair proportion of rent and outgoings shall cease to be payable for the period commencing on the date when the Tenant became unable to gain access to the premises to fully conduct the Tenant’s business from the premises until the inability ceases. No access period set at 9 months whereby the tenant may terminate the lease if there is reasonable certainty that they will be unable to gain access to the premises for that period.

Lease Summary	19 Hannover Place, Rolleston – Building 4 - Coda Group LP
Documents reviewed	Signed Deed of Lease dated 7 May 2018 Further terms of sale (Sale and purchase contract) – Not dated
Lessee	Coda Group LP
Demised premises	The warehouse with attached office and concreted yard shown as Area A on the site plan included with this Agreement, including 45 spaces around the warehouse marked on the same plan and use of the driveway forming part of the Landlords property situated on 19 Hannover Place (being Lot 644 DP 468876 Identifier 630164) and Part of 13 Hannover Place (being Lot 643 DP 468876 Identifier 630163) Rolleston
Lettable Area	Premises: Not specified 45 car parking spaces
Commencement Date	1 August 2018
Expiry Date	31 July 2023
Lease Term	5 years plus one right of renewal of 5 years
Commencement Rent	Premises: \$570,290 Car Parking: \$28,080 Total: \$598,370 per annum plus GST
Current Rent	\$598,370 per annum plus GST
Rental Review Provisions	3 yearly to market. Lease has a passing rental ratchet. Next review 1 August 2021.
Outgoings Recovery	Net lease – standard building operating expenses are recoverable from the tenant. Estimated to be circa \$40,000 plus GST per annum.
Permitted Use	Warehouse storage of palletised milk powder product, container loading, devanning and associated activities.
Special Provisions	<ul style="list-style-type: none"> • 9.0 Conditions • 9.1 This agreement is conditional upon the Tenant being satisfied in its absolute and sole discretion that the premises are suitable for the Tenant’s requirements following a due and diligent investigation of all aspects of the premises, which the tenant considers, appropriate. This clause is in reference to the tenant obtaining a Ministry of Primary Industries certification. • 11.0 Landlord works • 11.1 The Landlord shall complete the following additional works at its cost prior to the Commencement Date; <ul style="list-style-type: none"> a) Concrete the landlord the western side of the building marked on the site plan included within this agreement. b) Install new security fencing on the eastern and western side of the building as marked on the plan. c) Install a tunnel canopy at the rear of the building as marked on the plan d) Install a new steel rapid rise roller door as marked on the site plan • 12.0 Excess Yard • 12.1 In the event that the Tenant may require additional yard space, the Landlord may (if available) allocate additional land to the Tenant at the following rates; <ul style="list-style-type: none"> • \$12.50psqm plus GST and outgoings for unsealed yard per annum • \$20.00psqm plus GST and outgoings for sealed yard per annum • 12.2 The Tenant acknowledges that the metre rates recorded above are subject to the market rent review on the dates recorded in the first schedule of this agreement. • 12.3 Should the Landlord require the additional land allocated to the Tenant for development purposes. The Landlord shall give the Tenant three months’ notice specifying the date in which the land shall be vacated. The Tenant agrees that it shall vacate as request and shall have no claim against the Landlord for issuing such notice. • 13.0 Rent Free Period • 13.1 The Landlord shall grant the Tenant a rent-free period being the first two months of the initial term only. The rent free period shall start from the commencement date and finish on the 30th September 2018. • 13.2 During the rent-free period the Tenant shall be responsible for the outgoings of the premises.

Landlords Fixtures and Fittings	Fire Extinguishers Office heat pump units
Emergency Provisions	Full lease not provided however the lease if the fifth edition (3) of the ADLS and we assume that there is a no access in emergency provision is included outlining that if the tenant is unable to access the Premises to fully conduct the Tenant's business from the premises then a fair proportion of rent and outgoings shall cease to be payable for the period commencing on the date when the Tenant became unable to gain access to the premises to fully conduct the Tenant's business from the premises until the inability ceases. No access period set at 9 months whereby the tenant may terminate the lease if there is reasonable certainty that they will be unable to gain access to the premises for that period.

Lease Summary	13 Hannover Place, Rolleston - Building 5 – PGG Wrightson Limited
Documents reviewed	Deed of Lease dated 13 August 2020
Lessee	PGG Wrightson Limited
Demised premises	The new Building of approximately 2,638 m2 (marked 'Proposed Warehouse Extension' on the attached plan), canopy of 1,420 m2 and yard area being part of the land comprised and described in Record of Title identifier 601865
Lettable Area	Warehouse 2,638 sqm Canopy: 1,420 sqm Yard: As together with canopy coloured orange on the lease plan.
Commencement Date	1 June 2020
Expiry Date	18 May 2026
Lease Term	5 years 11 months and 18 days
Commencement Rent	Premises: \$353,190 Car Parking: N/A Total: \$353,190 per annum plus GST
Rental Review Provisions	CPI rent reviews on each anniversary of the commencement date. To market upon renewal. Ratchet to rental as at the commencement date of the immediately preceding lease term.
Outgoings Recovery	Net lease – standard building operating expenses are recoverable from the tenant, excluding management expenses.
Permitted Use	Offices and rural servicing including such retailing, wholesaling and servicing activities as the PGG Wrightson Limited Group normally carries out or any use permitted under the applicable district plan.
Special Provisions	48.1 Despite any other clause in this Lease, the Tenant shall have a Rental free period of 2 months from the Commencement Date.
Landlords Fixtures and Fittings	Roller Doors Lighting Fire Safety System
Emergency Provisions	No access in emergency provision is included in lease outlining that if the tenant is unable to access the Premises to fully conduct the Tenant's business from the premises then a fair proportion of rent and outgoings shall cease to be payable for the period commencing on the date when the Tenant became unable to gain access to the premises to fully conduct the Tenant's business from the premises until the inability ceases.

3.3 Building Outgoings and Recoveries

The majority of the leases within the Property are structured on a net basis, with the tenants being responsible for payment of rates and other property expenses (some exclude management 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	\$25,788	\$1.29
Operating Expenses	\$159,047	\$7.98
Total Outgoings	\$184,835	\$9.27

We have been provided with an outgoings budget for the property. Our opinion of the likely level of outgoings for the property is that this appears at the lower level of known parameters. We believe this is an anomaly due to the 2018 rating assessment which does not currently include part of warehouse 4 plus office and the recently completed warehouse 5 located on 13 Hannover Place.

3.4 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	Contract Rental	Rental / sqm	Car Park pcpw	Outgoings Recovery	Recovery / sqm
Gibraltar Shelf No.56 Ltd (Farmlands Sublease)	Warehouse Building 1	3,748.1		May 2020	Apr 2026	6.0 years	May 2023	3 yearly	Market	\$335,098	\$89		\$34,746	\$9
Gibraltar Shelf No.56 Ltd (Farmlands Sublease)	Office Building 1	78.2		May 2020	Apr 2026	6.0 years	May 2023	3 yearly	Market	\$12,510	\$160		\$725	\$9
Gibraltar Shelf No.56 Ltd (Farmlands Sublease)	Yard Building 1	1,900.0		May 2020	Apr 2026	6.0 years	May 2023	3 yearly	Market	\$38,000	\$20		\$0	\$0
Gibraltar Shelf No.56 Ltd (Coolpak Sublease)	Warehouse Building 2	2,744.0		May 2020	Apr 2026	6.0 years	May 2022	2 yearly	Market	\$320,760	\$117		\$22,663	\$8
Coolpak Coolstores (PGGW Sublease)	Warehouse Building 3	2,988.3	20	Jun 2016	May 2026	10.0 years	May 2021	1 yearly	Market	\$278,397	\$90	\$8	\$24,684	\$8
Coolpak Coolstores (PGGW Sublease)	Office Building 3	80.1		Jun 2016	May 2026	10.0 years	May 2021	1 yearly	Market	\$12,508	\$156		\$662	\$8
Coda	Warehouse Building 4	5,416.0	45	Aug 2018	Jul 2023	5.0 years	Aug 2021	3 yearly	Market	\$547,330	\$97	\$10	\$50,207	\$9
Coda	Office Building 4	102.0		Aug 2018	Jul 2023	5.0 years	Aug 2021	3 yearly	Market	\$16,320	\$160		\$946	\$9
Coda	Door Canopy Building 4	148.0		Aug 2018	Jul 2023	5.0 years	Aug 2021	3 yearly	Market	\$5,920	\$40		\$1,372	\$9
Coda	Tunnel Canopy Building 4	576.0		Aug 2018	Jul 2023	5.0 years	Aug 2021	3 yearly	Market	\$28,800	\$50		\$5,340	\$9
PGGW	Warehouse Building 5	2,638.0		Jun 2020	May 2026	6.0 years	Jun 2021	1 yearly	Market	\$268,990	\$102		\$21,791	\$8
PGGW	Canopy Building 5	1,420.0		Jun 2020	May 2026	6.0 years	Jun 2021	1 yearly	Market	\$64,200	\$45		\$11,730	\$8
PGGW	Yard Building 5	871.0		Jun 2020	May 2026	6.0 years	Jun 2021	1 yearly	Market	\$20,000	\$23		\$0	\$0
Aggregate		22,709.7	65							\$1,948,833			\$174,865	

3.5 Income Analysis

We summarise the Property's total Passing Income and Income Fully Leased as follows:

Passing Rental Analysis		
Lettable Area Rental	\$1,916,938	90.26%
Car Parking Rental	\$31,895	1.50%
Outgoings Recovery	\$174,865	8.23%
Gross Passing Income	\$2,123,698	100.00%
Outgoings	\$184,835	
Net Passing Income	\$1,938,863	
Potential Net Income Fully Leased	\$1,938,863	

4 Market Commentary

4.1 Economic Overview

As at 9 December 2020:

- The Consumer Price Index rose 0.7% in the September 2020 quarter, netting to a 1.4% increase in CPI for the September 2020 year. It is expected pricing pressure will soften over the next 12 months.
- Gross Domestic Product (GDP) was down 12.2% in the June 2020 quarter, which is the biggest quarterly decline of GDP in New Zealand on record, with this largely being caused by the strict restrictions that had been put in place on the activities of both households and businesses within the country and abroad.
- As at 11 November 2020, the Reserve Bank announced that the Official Cash Rate is being held at 0.25% following its emergency 75 basis point reduction from 1.00% in March 2020. The Monetary Policy Committee stated that additional stimulus would be provided in the form of a Funding for Lending Programme (FLP), which runs until late 2022 offering banks up to \$28 billion of funding priced at the 0.25% OCR. The FLP will reduce funding costs for banks and is targeted to lower interest rates. There are expected to be further changes from the Reserve Bank in the short term, including potential for further cuts to the OCR or implementation of 'speed limits' targeting high LVR lending or other Macro Prudential tools.
- The 90-day Bank Bill Benchmark Rate (BKBM) was 0.27% as at 8 December 2020. This has reduced significantly from 2019 where it averaged 1.52%.
- The unemployment rate is 5.30% as at September 2020, which is a 1.3% increase from Q2 2020, the largest increase since the series began in 1986. The sharp rise in the unemployment rate indicates that people out of employment have started seeking work after being after being restricted from doing so in the June 2020 quarter, due to lockdown restrictions. Unemployment is forecast to increase significantly due to the effects of the COVID-19 pandemic.
- The REINZ median house price across New Zealand increased by 19.8% in October 2020 to \$725,000, up from \$605,000 in October 2019, and up from \$689,000 (a lift of 5.2%) in September 2020. The number of residential properties sold in August across New Zealand increased by 25.0% from the same time last year (from 7,063 to 8,830) – the highest number of properties sold in an October month for 14 years, and the highest number of properties sold in any month since May 2016.
- In terms of the construction sector, private backed development and construction is expected to be muted in the short term, however the Government has announced their intention to fast track infrastructure spend as one method to kickstart the economy post the COVID-19 shutdown.

The whole of New Zealand is currently at COVID-19 Alert Level 1, with strict border controls remaining in place for those entering the country, including a 14-day managed isolation or quarantine period. The economic impact of these measures is likely to have longstanding effects, notwithstanding significant monetary and fiscal stimulus which has been implemented by the RBNZ and NZ Government to support New Zealanders and reduce the impact on the NZ economy.

Key initiatives taken to reduce the economic impacts of COVID-19 include the implementation of an increased \$100 billion Large Scale Asset Purchase, a \$50 billion Response and Recovery fund, a circa \$17-\$18 billion support package which is aimed at those sectors most affected by the impacts of the virus, a \$6.25 billion Business Finance Guarantee Scheme for small to mid-sized enterprises (SME), a \$4 billion Business Support Package, along with a \$20 million Tertiary Support Package, and \$50 million Media Support Package.

Within the respective property markets all sectors are not faring equally.

Industrial

Industrial has solidified its lead in the market as the 'go-to' asset class throughout New Zealand at both ends of the risk spectrum from defensive investment through to speculative development. A number of deals on long leases to the best covenants have transacted at astonishing historic low net initial yields and the long-term supply/demand imbalance continues to support speculative development from the largest landowners.

Retail

Retail understandably continues to face headwinds with borders remaining shut and a notable move away the high street CBD retail experience as the premiere focus of shoppers' wants. Yet, people have still been spending a lot domestically on consumer goods with electronic card spending in the November quarter (compared to 2019) up by 3.3% for core retail industries which gives the sector hope. Retailers who are adapting and meeting market demand for experience, particularly in suburban locations, are seeing upside that was unexpected even pre-COVID.

Office

The narrative for office is not uniform across the country and represents a multi-layered story within a story of a divergent locational market experience in Auckland, Wellington and Christchurch respectively and, within each City, between primary and secondary grade space. There are clear submarkets within markets at a city, regional and national level and a micro-market asset by asset approach to analysis, strategy decision making and realistic forecasting is more important than ever.

Back to basics

Irrespective of the asset class, three key 'back to basics' trends apply to all markets that we observe and report on, and we expect these themes to remain in high priorities for market participants in 2021. These are:

1. **A flight to quality.** There is a clear focus for investors on seeking to secure primary assets in respective markets. This is illustrated by yields undoubtedly diverging across the different property sectors with price now driven more clearly by individual investment characteristics than property sector.
2. **Location, location, location.** The practicality of real estate has been heightened during 2020 to including the importance of accessibility and a compelling and safe user experience. A useable and practical location is of increasing relevance to investors and occupiers alike and we do not see this changing in 2021.
3. **Needs vs Wants.** 'Essential services' has been a watchword in many contexts during 2020; no more so in property markets. Assets that help to provide essential services or support core societal needs are undoubtedly outperforming more wants based real estate opportunities in the present climate.

4.2 Local Market Commentary

Demand

Demand for industrial space in Christchurch remained strong over 1H20. Supported by positive net absorption, prime vacancy fell 80 bps to 3.1%, while secondary vacancy fell 240 bps to 4.3%.

Although secondary stock observed a greater decrease in vacancy, demand for industrial space remains higher for prime stock. We expect this trend to continue given new supply injections have slowed as Christchurch's industrial market has stabilised. Here, the proportion of higher quality stock now available is further reducing secondary demand.



Supply

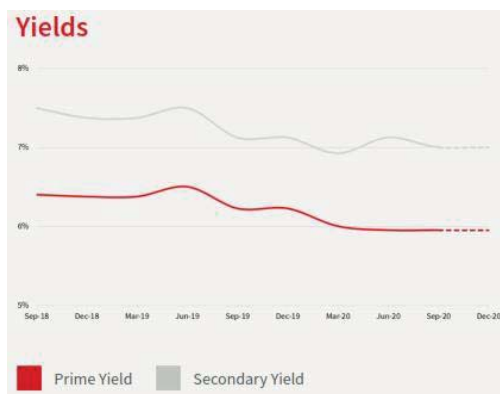
While 1H20 only saw 430 sqm of net completions, we are currently aware of around 35 pipeline projects within our survey boundaries, with most expected to complete in the next two years. Like Christchurch's office sector, the supply pipeline for industrial space has begun to normalise in recent quarters as post-earthquake rebuilds are completed. As such, we have observed significantly fewer net completions since 1H18. The effects of COVID-19 have only exacerbated the slowdown and various developments have experienced a push-back in completion date.



Asset Performance

Prime and secondary rents have remained practically unchanged in the last year, averaging \$117 psm and \$86 psm respectively. Meanwhile, average prime yields remain at 5.95%, while secondary yields firmed 13bps to 7.00%.

Industrial has proven itself to be the most resilient asset class across New Zealand over recent quarters, and with market fundamentals well-supported by interest in the industrial asset class, yields are anticipated to remain relatively low going forward.



5 Leasing Evidence

5.1 Leasing Evidence

In assessing a market rental profile for the accommodation, we have had regard to the leases within the property, together with recent rental evidence in the wider locality. We have had particular regard to the evidence detailed below:

Property Address	Lessee	Component	Area/No	Effective
14 John Morten Place Rolleston	Hunters Road NZ Limited	Warehouse	950	Jul-20
		Office	150	
		Carparks	20	
25 John Morten Place Rolleston	Drummond and Etheridge	Warehouse	1,944	Jun-20
		Office	133	
		Carparks	29	
32 Link Drive Rolleston	Pack Tech Moulding	Warehouse	1,822	Jun-20.
		GF Offices	218	
		L1 Offices	218	
		Production room	728	
		Production office	23.80	
		L1 Storage	22.20	
		Tool room	158.30	
		Plant room	28.60	
		Cooling Rm	19.10	
		Canopy	169.56	
		Carparks	14	
20 Stoneleigh Drive Rolleston	Reece New Zealand Limited	Warehouse	679	Upon Completion
		Office	82	
		Car parks	12	
10 Freight Drive Rolleston	Paramount Plumbing Supplies Limited	Warehouse	490	Sep-19
		Office & Showroom	118	
		Carparks	10	

Property Address	Lessee	Component	Area/No	Effective
1/80 Detroit Drive	Affinity Gymnastics Academy	Warehouse	1,135	Mar-19
Rolleston		Office	80	
		Canopy	112	
		Carparks	20	
2/80 Detroit Drive	Jamie Kay Limited	Office	80	Feb-19
Rolleston		Warehouse	1,220	
		Canopy	112	
		Carparks	20	
32 Detroit Drive	Medifab	Ground Floor Office	143.83	Jan-18
		Ground Floor Office Addition	75	
		First Floor Office	143.83	
		First Floor Office Addition	75	
		Warehouse	1,259.62	
		Carparks	23	

We are also aware of the following properties available for lease.

12 Freight Drive, Rolleston – We have analysed the following

Warehouse – 642 sqm @ circa \$97psm = \$62,100

Office – 111sqm @ \$190psm = \$21,090

Car parks – 12 @ \$10pcpw = \$6,240

Total asking price- \$89,430 + GST & outgoings

42 Izone Drive

Warehouse – 985 sqm @ circa \$98 psm = \$97,240

Office – 150sqm @ \$190psm = \$24,510

Canopy – 61 sqm @ \$50 psm = \$5,200

Car parks – 20 @ \$10.80 pcpw = \$5,200

Total asking price - \$130,000 + GST & outgoings.

From the rents shown above, warehouse rates are in the vicinity of \$96 to \$105 per square metre with Canopy around the \$40-\$50 square metre range with car parks at \$7 to \$10 depending on the quantity. The office accommodation ranges between \$160 to \$200 per square metre.

We expect the impact of Covid-19 to not impact rental rates for the subject due to the nature of the businesses and setup of the buildings being used for storage and logistics which are important businesses to maintain the supply chain.

We note that the subject property provides modern accommodation with varying high stud warehouses and basic fit out to the offices. Our assessed warehouse rentals vary dependent upon stud height and use with substantial construction more robust for the Urea storage facility undertaken by Coolpak Coolstores (Building 2). Rentals for the basic office accommodation have been assessed at the lower end of market range. We have outlined this in our adopted market rates.

5.2 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
Gibraltar Shelf No.56 Ltd (Farmlands Sublease)	Warehouse Building 1	3,748.1		May 2023	Market	\$335,098	\$89		\$9	\$9	\$95	\$104		\$356,073
Gibraltar Shelf No.56 Ltd (Farmlands Sublease)	Office Building 1	78.2		May 2023	Market	\$12,510	\$160		\$9	\$9	\$160	\$169		\$12,510
Gibraltar Shelf No.56 Ltd (Farmlands Sublease)	Yard Building 1	1,900.0		May 2023	Market	\$38,000	\$20		\$0	\$0	\$20	\$20		\$38,000
Gibraltar Shelf No.56 Ltd (Coolpak Sublease)	Warehouse Building 2	2,744.0		May 2022	Market	\$320,760	\$117		\$8	\$9	\$115	\$124		\$315,560
Coolpak Coolstores (PGGW Sublease)	Warehouse Building 3	2,988.3	20	May 2021	Market	\$278,397	\$90	\$8	\$8	\$9	\$95	\$104	\$10	\$294,284
Coolpak Coolstores (PGGW Sublease)	Office Building 3	80.1		May 2021	Market	\$12,508	\$156		\$8	\$9	\$160	\$169		\$12,822
Coda	Warehouse Building 4	5,416.0	45	Aug 2021	Market	\$547,330	\$97	\$10	\$9	\$9	\$95	\$104	\$10	\$537,920
Coda	Office Building 4	102.0		Aug 2021	Market	\$16,320	\$160		\$9	\$9	\$160	\$169		\$16,320
Coda	Door Canopy Building 4	148.0		Aug 2021	Market	\$5,920	\$40		\$9	\$9	\$40	\$49		\$5,920
Coda	Tunnel Canopy Building	576.0		Aug 2021	Market	\$28,800	\$50		\$9	\$9	\$50	\$59		\$28,800
PGGW	Warehouse Building 5	2,638.0		Jun 2021	Market	\$268,990	\$102		\$8	\$9	\$105	\$114		\$276,990
PGGW	Canopy Building 5	1,420.0		Jun 2021	Market	\$64,200	\$45		\$8	\$9	\$50	\$59		\$71,000
PGGW	Yard Building 5	871.0		Jun 2021	Market	\$20,000	\$23		\$0	\$0	\$20	\$20		\$17,420
Aggregate		22,709.7	65			\$1,948,833								\$1,983,619

5.3 Net Income Assessment

The table below presents both the passing income and adopted market net income profile of the Property:

Passing Versus Market Comparison	Passing per annum	Market per annum
Rental Analysis		
Lettable Area Rental	\$1,916,938	\$1,949,819
Car Parking Rental	\$31,895	\$33,800
Outgoings Recovery	\$174,865	\$184,835
Gross Income	\$2,123,698	\$2,168,454
Outgoings	\$184,835	\$184,835
Net Income	\$1,938,863	\$1,983,619
Potential Net Income Fully Leased	\$1,938,863	\$1,983,619

6 Sales Evidence

6.1 Sales Transaction

In assessing a suitable capitalisation rate and discount rate profile for the Property, we have had regard to a range of property transactions. We have concentrated our sales analysis on 2020 and post Covid-19 sales which we have considered within New Zealand's main centres for comparability. The more relevant sales are summarised in the sales schedule and commentary below:

Christchurch



32 Link Drive, Rolleston, Selwyn District

The property comprises a recently constructed industrial premises within the iZone Business Hub in Rolleston. Accommodation is of good quality and incorporates approximately 1,823 square metres of 8m stud warehouse and 438 square metres of two-level office space as well as further specialist accommodation including an insulation lined production room. The premises is currently leased to Pack Tech Moulding Limited who commenced a ten year lease on 1 April 2018 with a further two rights of renewal of six years each. Rent reviews are fixed annual 2% increases from 2023 with market reviews on renewal. The sale price reflects an initial yield of 5.39% and our analysis shows an IRR of 6.53%



40 Hands Road, Middleton, Christchurch

The property comprises an older industrial premises within the suburb of Middleton, Christchurch. Construction comprises a concrete foundation with concrete encased steel beams and steel purlins with 2x roller door access. A breakdown of areas encompasses 333 square metres of warehouse, 96 square metres of offices and 36 square metres of mezzanine with five car parks. The property sold with vacant possession and we have analysed the sale which shows a 6.53% equivalent yield, a 7.69% IRR and a value per square metre of Lettable Area of \$1,849.



25 Canada Crescent, Hornby, Christchurch

A 2000's built warehouse sold with vacant possession in Hornby South, Christchurch. Construction incorporates tilt slab concrete to the fully sprinklered warehouse approximating 1484 sqm with a 7m stud height to the portal knee. A canopy (350 sqm) extends over the two motorised roller doors to the western side of the building and there is a security fenced yard/access to the warehouse which incorporates 20 car parks. The property was advertised for lease at \$180,000 per annum net and we believe this to be within market parameters for a property of this nature. This equates to an Equivalent Yield of 6.24% and an IRR of 6.77%.



28-30 Klondyke Drive, Hornby South, Christchurch

This comprises a 2010's built warehouse/office structure comprising tilt slab construction positioned on an inside allotment within the Hornby South suburb of Christchurch. The property has a split of 1,298sqm clear span warehouse with a 6m stud, 80sqm offices, 600sqm yard, 23 car parks and 192sqm canopy with container height roller door access. The property was sold off market with a lease in place to Agrippa Paints Limited under a single ADLS lease with a contract rent of \$206,000 p.a. which we believe to be within market parameters. Rent reviews are 2 yearly with two further terms of renewal of four years each from 2024. We have analysed this sale which equates to a 6.11% equivalent yield which relates to \$1,590 psm NLA and an IRR of 7.30%.



69 Hayton Road, Wigram, Christchurch

This property comprises a modern 1,498 square metre industrial building with a 5.8m stud height and 22 car parks situated on a 2,978 square metre site. We have analysed this sale which equates to a 6.49% Equivalent Yield which relates to \$1,702 psm NLA and an Internal Rate of Return of 7.83%.



7-9 Grayson Avenue, Wiri, Auckland

The property comprises three interconnected industrial facilities situated over three land holdings with the main component located on a corner position on the western side of Grayson Avenue with frontage to both Brett and Grayson Avenues. The lot is situated approximately 80 metres south of Grayson Avenue's intersection with Puhinui Road. Grayson Avenue links main arterial roads Puhinui Road and Cavendish Drive which provide access to the Southern Motorway, State Highway 20 and access to the Auckland Airport.

The improvements have a high site coverage and therefore the sale of the property was inclusive of two separate titles being 2 and 9 Brett Avenue which comprise approximately 1,055 square metres and 845 square metres respectively to provide additional car park and yard area. 2 Brett Avenue is situated to the south western corner of the main land holding and 9 Brett Avenue is situated directly opposite. The overall land area of the three separate lots totalled approximately 20,363 square metres

The property provides a net floor area of approximately 15,375 square metres comprising three main warehouse facilities and offices situated over two levels. The largest warehouse comprises approximately 6,225 square metres, the second largest comprises approximately 3,100 square metres and the smaller comprises approximately 1,696 square metres. Each warehouse component has internal access to the other to provide a functional flow for the tenants use. The facilities have been fitted out significantly with tenant specialised equipment.

The property is leased to Cavalier Bremworth on a six year term with one right of renewal of six years with commencement upon settlement. The commencement net rental has been agreed at \$1,600,000 per annum plus GST and is subject to fixed annual rent reviews of an increase of 2%, with a market rent review on renewal.



17 Ha Crescent, Wiri, Auckland

The property comprises a substantial rectangular shaped land holding of approximately 7,786 square metres and is zoned Heavy Industry under the Auckland Unitary Plan. The property is situated on the north eastern corner of Ha Crescent with drive through access and extensive frontage to Roscommon Road. The property has a total floor area of approximately 5,117 square metres comprising a single level of office accommodation fronting Roscommon Road and a clear-span warehouse with a stud height of approximately 9.5 metres at the portal knee and approximately 11.25 metres at the apex. The non-sprinklered warehouse accommodation is accessed via three roller doors protected by a north facing canopy (included in the net floor area). The property was constructed in 2013 providing improvements to a modern and functional quality. The property has good drive through circulation with dual access from Ha Crescent and Roscommon Road.

The property was leased to YHI NZ Limited on a lease term which commenced in July 2013 and the tenant has agreed to exercise their right of renewal due in July 2021 for a further term of six years. The property currently returns a net annual rental of \$581,082 per annum plus GST however is subject to a market rent review at July 2021 which has been agreed early at a net annual rental of \$715,252 plus GST. The lease provides for two yearly rent reviews to CPI and a market review in July 2027.



30 Apollo Drive, Rosedale, Auckland

The property comprises an industrial building constructed circa 2001 situated on the southern side of Apollo Drive within the North Auckland suburb of Rosedale. The property is zoned General Business under the Auckland Unitary Plan and benefits from access to northern and western motorways via Constellation Drive or Tawa Drive.

Improvements to the property comprise approximately 2,342 square metres of well-presented warehouse accommodation with a stud height of approximately 7 metres at the portal knee rising to approximately 9 metres at the apex. Construction to the warehouse is concrete tilt-slab comprises concrete flooring. Office and amenities are provided on an air conditioned and carpeted basis with polished concrete flooring to the reception area. The office and amenities comprise approximately 702 square metres of modern accommodation. Additionally, approximately 90 square metres of canopy area and approximately 35 square metres of courtyard are provided. The property provides 55 on site car parking spaces.

At the date of sale, the property was leased to Sato New Zealand Limited who recently exercised a right of renewal for a term of five years commencing August 2020. The lease was returning a net annual rental of \$505,892 per annum plus GST, subject to a market rent review in August 2023. The lease provides ones further right of renewal for a term of five years.



40-42 Apollo Drive, Rosedale, Auckland

The property comprises a circa 2000's freestanding industrial building situated on an approximate 3,760 square metre site on the south western side of Apollo Drive within the North-Auckland suburb of Rosedale.

Improvements comprise approximately 1,511 square metres of medium stud, clear span warehouse space with a stud height of approximately 6.84 metres at the portal knee, rising to approximately 7.70 metres at the apex. Approximately 764 square metres of office and amenity accommodation is located over two levels to the front of the site. The improvements are presented to a good quality specification throughout, and onsite carparking for approximately 48 open spaces are provided.

The property sold with a lease in place to B.E.P Marine returning a net annual rental of \$385,000 per annum plus GST, expiring in May 2022.



34 Apollo Drive, Rosedale, Auckland

The property comprises approximately 3,368 square metre of building area including the canopy. The building was designed and built for current tenant RPM International Tool & Die Limited in 2005 and holds a seismic rating of 92%. The building overall consists of high-stud warehouse/workshop space with two levels of office and amenities at the road-front portion of the building, along with a separate rear warehouse tenancy leased to Mitre 10. RPM International's office areas are all air-conditioned and finished to a high standard, while the warehouses are fit with roller door access, stud heights ranging from 7.8 metres to 9.0 metres and includes gantry rails for RPM International's two gantry cranes. The lessor also owns two additional gantry cranes which RPM International leases. At the rear tenancy, a rectangular-shaped warehouse with a 2-level Portacom-style office, lunchroom and amenities is utilised as a storage facility by Mitre 10. Car parking onsite include 53 spaces.

The building is situated on a freehold site of approximately 5,160 square metres that is zoned General Business. The site has an approximate 53 metre frontage on Apollo Drive. Apollo Drive adjoins Constellation Drive, which subsequently enables quick access to the Northern Motorway.

At the time of sale, the property was fully leased by RPM International, on a new 10-year term commencing 1 June 2020; and Mitre 10, with approximately 2 years remaining on a 3-year lease that commenced 1 June 2019. Both leases grant the tenants' rights of renewal for further terms. The leases return a total net annual rental of \$492,080 per annum plus GST.



Lot 2, 72 Tidal Road, Mangere, Auckland

The property comprises a 1.0890 hectare land parcel situated to the western side of Tidal Road within Mangere, currently being a development site. The property on completion will comprise a modern industrial facility with a total lettable area of approximately 5,690 square metres, including approximately 970 square metres of canopy. The yard area will comprise approximately 3,781 square metres, and there will be on-site parking for 13 vehicles. It will comprise of two standalone warehouses with associated offices, being Unit A and Unit B, leased to a single tenant.

On completion the property will be leased to Cardinal Logistics for a term of 15 years with a commencement rent of \$1,070,917 per annum net plus GST with annual fixed increases of 1.50% with a market review on every 5th anniversary subject to a hard ratchet clause.



14 Jamaica Drive, Grenada North

14 Jamaica Drive comprises a circa 2,920 sqm warehouse with a generous stud height, along with office and car parking. Countdown recently entered into a 6 year lease from 1 December 2020, with 6 rights of renewal of 3 years each and annual 2% fixed rent increases.



15 Raiha Street, Elsdon, Porirua

This property comprises a warehouse currently occupied by Ultibend, leased through to 2026 with 2 rights of renewal of 5 years each. The building is rated 100% NBS. It provides modern warehousing with an area of approximately 2,980 sqm accessed via a generous yard area at the rear of the property. Office and amenities are located at the front of the premises over the ground and first floors.



Mitre 10, Kapiti Coast

The property comprises a purpose built trade retail premises situated on Kapiti Road within the Kapiti Landing bulk retail centre, in Paraparaumu, north of Wellington. The improvements comprise an 8,662 square metre store, which includes a main retail area, office, drive through, café and garden centre. In addition to this are canopies and yard areas. Carparking on the subject site is provided via non-exclusive use of 132 spaces.

The property is occupied by Mitre 10 Mega with a lease which commenced in March 2011 originally for an 18 year term with rental reviews at three yearly intervals indexed to CPI plus 3%.



Placemakers, Kapiti Coast

The property comprises a purpose built trade retail premises situated on Kapiti Road within the Kapiti Landing bulk retail centre, in Paraparaumu, north of Wellington. The improvements comprise a 7,044 square metre store, which includes warehouse, office, trade hall and yard areas. Carparking on the subject site is provided via non-exclusive use of 132 spaces.

The property is occupied by Placemakers with a lease which commenced in May-2017 originally for a 9 year term with rental reviews at three yearly intervals fixed at 4.5% and market reviews upon renewal.



180-202 Hutt Road, Kaiwharawhara

The property comprises a bulk retail property occupied by Placemakers in Wellington together with a secondary building which was earthquake prone and provided separate area which was essentially development land. The Placemakers tenant is in occupation on a new nine year lease, while the residual land provides a 2,330 sqm area. The lease provides annual fixed rental increases.

After deducting the residual land component, the investment component reflects an initial yield of 4.75%, an equivalent yield of 4.60% and an IRR of 5.99%.

There is a shortage of investment evidence in the area due to the Rolleston Industrial area being a relatively new market with a mix of owner occupied and leased premises with some larger warehouse towards the rear of IZone only recently built.

Christchurch evidence suggests that yields have been compressing in the Industrial market as of late with vacant possession buildings selling in the 6.00% to 6.50% range whilst leased premises range from 5.00% to 6.00%.

In comparison Auckland yields range from 4.00% to 5.00% for WALTs of 1.67 to 15 years whilst Wellington yields range from 4.50% to 6.00% for WALTs of 6.00 to 9.00 years. Auckland is the larger and more active market where greater rent growth will occur whilst Wellington has a greater yield range subject to industrial location with land restraint an issue as is the earthquake risk.

We believe that the firming in yields has been reinforced by the recent lowering of the OCR and the demand for alternative investment outside of bank deposits. However the full effect of Covid-19 has yet to be felt and yields within secondary locations are more likely to offer additional risk to primary property investments within close proximity to central business districts. The strong tenant/subtenant covenant and quality of the subject buildings will lessen the impact of this as will the newly completed southern motorway linkage between Rolleston and Christchurch.

The equivalent assessed Christchurch yield range sits around 5.75% to 6.25% for good quality accommodation with good tenant covenant. We have considered the size and scale of this investment as well as the nature and location of the premises being within Rolleston which we consider secondary to South-West Christchurch. With the WALT at 4.43 years and some upside for converting subtenants into head tenants and potential individual titles per building, we have adopted a yield of 6%.

Based on the sales evidence, we have adopted the following valuation inputs:

Valuation Input	
Capitalisation Rate	6.000%
Discount Rate	7.250%

7 Valuation Considerations

7.1 SWOT Analysis

The strengths and weaknesses of any investment property generally show the positive and negative characteristics of that property, whereas opportunities and threats represent future external factors or events that could enhance or diminish the value of the asset. We set out our SWOT analysis as inspected as follows:

Strengths	Weaknesses
<ul style="list-style-type: none">▪ Modern buildings all at a seismic strength of equal to or greater than 100% NBS.▪ Good quality tenants/subtenants▪ Growing Industrial Location	<ul style="list-style-type: none">▪ Industrial location is noted as being secondary due to being on the fringe of Christchurch however is positioned close to State Highway 1 and rail 700 metres to the south.
Opportunities	Threats
<ul style="list-style-type: none">▪ Increase the weighted average lease terms of the existing tenancies.▪ Potential to further subdivide the site.	<ul style="list-style-type: none">▪ Abundance of industrial land in the area with many land holdings waiting for tenants to provide a design build.▪ WALT sitting at circa 4.4 years▪ The economic and social impacts of COVID-19 have the potential to be persistent.

7.2 Likely Selling Period

We are of the opinion that the likely selling period for the Property is less than 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.

7.3 Most Probable Purchaser

In consideration of the current market, we anticipate the most probable purchaser of the Property to be an investor.

7.4 Sales History

25-31 Link Drive sold on 29th May 2013 for \$1,035,430 + GST and 13-19 Hannover Place sold for \$1,233,430 + GST on the same date. The sale represents the bare land value only which has since been improved.

The subject improved property sold on 20 February 2020 for \$30,000,000 + GST.

8 Valuation Rationale

8.1 Valuation Overview

In arriving at our opinion of market value we have had consideration to the capitalisation and discounted cashflow (DCF) approaches to valuation, along with a cross check via the market comparison approach.

8.2 Capitalisation Approach

The capitalisation approach 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 6.000%, with our calculations summarised below:

Direct Capitalisation Approach		
Rental Income	Contract Income	Market Income
Lettable Area Rental	\$1,916,938	\$1,949,819
Car Parking Rental	\$31,895	\$33,800
Ideal Outgoings Recovery (Full Net Leases)	\$174,865	\$184,835
Total Rental Income	\$2,123,698	\$2,168,454
Less Outgoings Expenditure	(\$184,835)	(\$184,835)
Net Rental Income	\$1,938,863	\$1,983,619
Core Income Capitalised at 6.00%	\$32,314,382	\$33,060,317
Value Adjustments		
Present Value of Existing Rental Reversions	\$656,064	(\$92,766)
Total Value Adjustments	\$656,064	(\$92,766)
Total Capitalised Value	\$32,970,446	\$32,967,551
Adopted Capitalised Value (say)	\$32,970,000	\$32,968,000

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

Our adopted adjustments are detailed as follows:

Rental Reversions

From the core value, we have added the present value of tenant rental reversions, which represents the present value of rental underage for each existing tenancy relative to our adopted rental profile.

Letting Up Allowances

Within our capitalisation calculations we have made present value letting up allowances for those tenancies that are expiring over the next 24 months. This letting up allowance includes rental and outgoings void (downtime) as well as leasing / agents' fees with leasing up the captured lease expiries.

Calculation Summary

Having made these adjustments to the core value, we derive a total value of \$32,968,000. A sensitivity analysis based on adjustments to our adopted Core Capitalisation rate is as displayed below:

Sensitivity Analysis		Contract Approach	Market Approach
(0.25%)	5.750%	\$34,407,000	\$34,405,000
Adopted Capitalisation Rate	6.000%	\$32,970,000	\$32,968,000
0.25%	6.250%	\$31,649,000	\$31,646,000

8.3 Discounted Cash Flow Approach

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 7.250% to the cash flows to produce a present value of \$31,754,000. Our DCF calculations are summarised overleaf:

Discounted Cashflow Summary	Year Ending	14-Jan-2022	14-Jan-2023	14-Jan-2024	14-Jan-2025	14-Jan-2026	14-Jan-2027	14-Jan-2028	14-Jan-2029	14-Jan-2030	14-Jan-2031	14-Jan-2032
	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	\$1,964,760	\$1,979,583	\$1,862,376	\$2,040,444	\$2,061,300	\$1,744,115	\$2,178,489	\$2,186,227	\$2,092,449	\$2,344,361	\$0	\$0
Outgoings Recovery	\$174,865	\$178,887	\$167,370	\$187,939	\$193,577	\$166,032	\$205,365	\$211,526	\$199,848	\$224,408	\$0	\$0
Other Income	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0
Gross Rental Income	\$2,139,625	\$2,158,469	\$2,029,746	\$2,228,383	\$2,254,876	\$1,910,148	\$2,383,854	\$2,397,753	\$2,292,298	\$2,568,769	\$0	\$0
Rental Deductions												
Unexpired Incentives - Rent Free/Abatements	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0
Outgoings Expenditure	(\$184,835)	(\$189,086)	(\$192,868)	(\$198,654)	(\$204,614)	(\$210,752)	(\$217,075)	(\$223,587)	(\$230,294)	(\$237,203)	\$0	\$0
Ground Rental												
Net Rental Cashflow	\$1,954,790	\$1,969,383	\$1,836,878	\$2,029,729	\$2,050,263	\$1,699,396	\$2,166,780	\$2,174,166	\$2,062,003	\$2,331,566	\$0	\$0
Rental Adjustments												
Unexpired Incentives - Capital Contribution	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0
Letting Up Allowances - Leasing Fees	\$0	\$0	(\$106,157)	\$0	\$0	(\$266,611)	\$0	\$0	\$0	(\$123,559)	\$0	\$0
Capital Expenditure	\$0	\$0	(\$61,180)	\$0	\$0	(\$146,789)	\$0	\$0	\$0	(\$73,052)	\$0	\$0
Net Cashflow	\$1,954,790	\$1,969,383	\$1,669,541	\$2,029,729	\$2,050,263	\$1,285,996	\$2,166,780	\$2,174,166	\$2,062,003	\$2,134,955	\$0	\$0
Purchase Price	\$32,350,000	After Costs										
Sale Price	\$36,185,000	After Costs										\$35,823,150
Annual Cashflow		(\$30,395,210)	\$1,669,541	\$2,029,729	\$2,050,263	\$1,285,996	\$2,166,780	\$2,174,166	\$2,062,003	\$2,134,955	\$35,823,150	\$35,823,150
Present Value of Rental Cashflow												
Present Value of Terminal Value												
Allowance for Acquisition Costs												
Total Net Present Value (say)		\$31,754,000	Resulting IRR	6.98%								



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

Revenue Projections

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

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
Warehouse							10 year average		1.95%	
	0.00%	0.50%	2.50%	2.25%	2.25%	2.25%	2.25%	2.50%	2.50%	2.50%
Office							10 year average		1.95%	
	0.00%	0.50%	2.50%	2.25%	2.25%	2.25%	2.25%	2.50%	2.50%	2.50%
CPI							10 year average		1.83%	
	1.30%	1.00%	2.00%	2.00%	2.00%	2.00%	2.00%	2.00%	2.00%	2.00%
Capex							10 year average		2.83%	
	2.30%	2.00%	3.00%	3.00%	3.00%	3.00%	3.00%	3.00%	3.00%	3.00%
Outgoings							10 year average		2.83%	
	2.30%	2.00%	3.00%	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.

We have also factored in a reduced growth over the next two years in respect to the Impact of Covid-19.

Letting Up Allowances

We have allowed for a letting up period at the end of each existing lease (being the estimated time to secure a new tenant) and associated probability. We have assumed a new lease term for tenants of 6.0 years and associated agents/leasing costs of 16.00%. Our allowances are outlined in the table below:

Warehouse	Cash Flow Year	Letting Up	Probability	Incentive	Probability	Capex /sqm	Probability
	Vacant	6 months	100%	0%	100%	\$10	100%
	Year 1	6 months	50%	0%	100%	\$10	100%
	Year 2	6 months	50%	0%	100%	\$10	100%
	Year 3	6 months	50%	0%	100%	\$10	100%
	Year 4	6 months	50%	0%	100%	\$10	100%
	Year 5	6 months	50%	0%	100%	\$10	100%
	Year 6	6 months	50%	0%	100%	\$10	100%
	Year 7	6 months	50%	0%	100%	\$10	100%
	Year 8	6 months	50%	0%	100%	\$10	100%
	Year 9	6 months	50%	0%	100%	\$10	100%
	Year 10	6 months	50%	0%	100%	\$10	100%

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. We have adjusted for a \$10/sqm for warehouse accommodation and \$20/sqm for office areas. 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	\$0	\$0
Year 2	\$0	\$0	\$0
Year 3	\$61,180	\$0	\$61,180
Year 4	\$0	\$0	\$0
Year 5	\$0	\$0	\$0
Year 6	\$146,789	\$0	\$146,789
Year 7	\$0	\$0	\$0
Year 8	\$0	\$0	\$0
Year 9	\$73,052	\$0	\$73,052
Year 10	\$0	\$0	\$0
10 Year Total	\$281,021	\$0	\$281,021
Capex as a proportion of Value	0.9%	Per Sqm of Lettable Area	\$14.09

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 6.500% (a 50.0 basis point premium to the going in capitalisation rate) 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	1.00% 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		
	6.250%	6.500%	6.750%
7.000%	\$33,068,000	\$32,321,000	\$31,630,000
7.250%	\$32,484,000	\$31,754,000	\$31,079,000
7.500%	\$31,914,000	\$31,201,000	\$30,541,000

9 Valuation

9.1 Valuation Reconciliation

The results of our valuation methods are:

Methodology	Valuation
Capitalisation Approach - Market Income	\$32,968,000
Capitalisation Approach - Contract Income	\$32,970,000
Discounted Cash Flow Approach	\$31,754,000
Adopted Value	\$32,350,000

9.2 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 industrial market investment sentiment, we have adopted a rounded valuation figure of \$32,350,000 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 15 January 2021, is:

\$32,350,000 plus GST (if any)

Thirty Two Million Three Hundred Fifty Thousand Dollars plus GST (if any)

The assessed value reflects an initial passing yield of 5.99%, an equivalent yield of 6.11%, an internal rate of return of 6.98%, and a rate of \$1,622 per square metre of Lettable Area.

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

- Pacific Property Fund Limited – for inclusion within a Product Disclosure Statement only

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.

9.3 Mortgage Security Recommendation

Subject to the comments in this report, we consider the Property to be a suitable security for first mortgage purposes.

There remains some uncertainty around market parameters given the events of recent months, and we recommend caution is applied to lending at present.

9.4 Market Value Apportionment

We have been requested to provide an apportionment of the land and improvements within the Market Value as assessed.

In order to establish value parameters to the subject we have investigated recent land sales within the immediate locality. In the interest of brevity, we retain all sales evidence on file and outline our apportionment of the value assessed as follows:

Valuation Apportionment	Value
Land Value	\$6,220,000
Improvements Value	\$26,130,000
Adopted Value	\$32,350,000

This apportionment has been undertaken for accounting purposes only, and should not be utilised as an assessment of improvement indemnity or replacement value for insurance purposes.

9.5 Involvement Statement

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

Inspection of Property	Graeme McDonald
Calculations	Graeme McDonald
Information Review	Graeme McDonald & Robert Clifford
Report Authoring	Graeme McDonald & Robert Clifford
Quality Assurance	Stephen Campen
Principal Valuer	Graeme McDonald

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, Valuation & Advisory

Jones Lang LaSalle

N:\NZVAL\VALUATIONS\Selwyn\Link Drive & Hannover Place\FR Dec 2020\2021. Link Drive & Hannover Place Calcs.xlsm

Appendix 1 – 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 wherein 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 2 – Records of Title



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




R. W. Muir
Registrar-General
of Land

Identifier **601865**
Land Registration District **Canterbury**
Date Issued 18 December 2012

Prior References

435472 542554

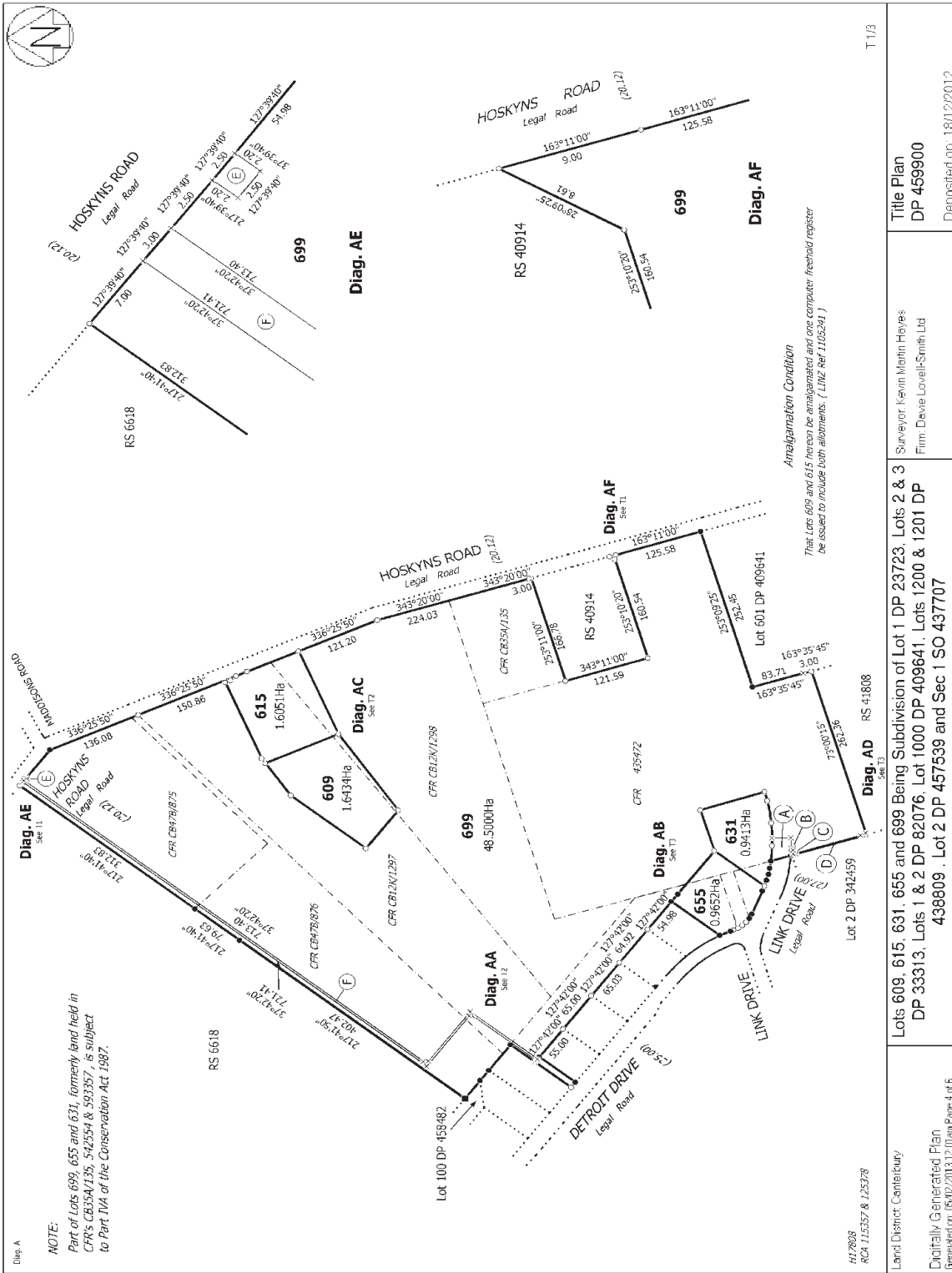
Estate Fee Simple
Area 9413 square metres more or less
Legal Description Lot 631 Deposited Plan 459900

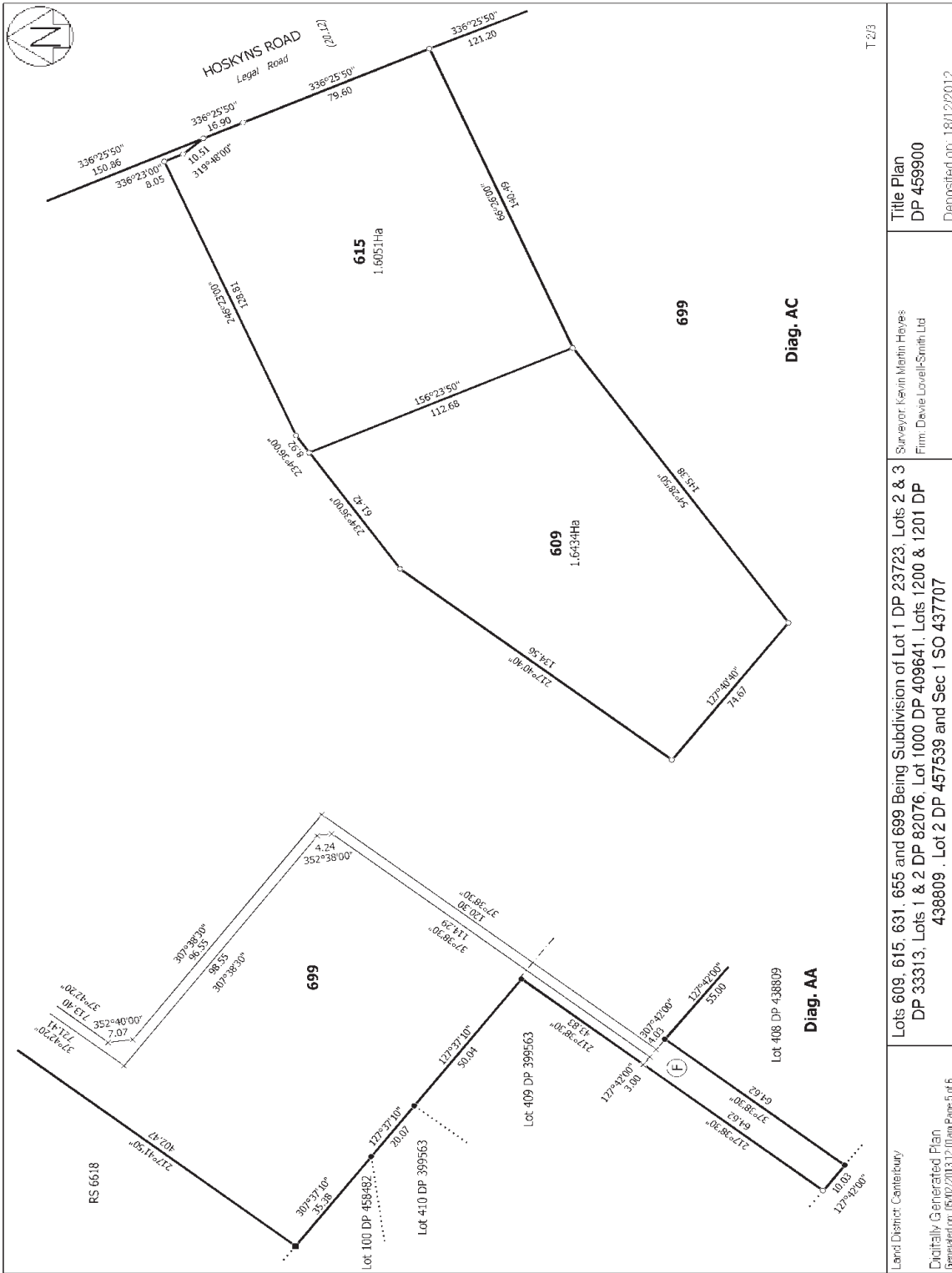
Registered Owners

Pacific Property Fund No. 2 Limited

Interests

Subject to Part IV A Conservation Act 1987 (affects part formerly part Lot 1201 DP 438809)
Subject to Section 11 Crown Minerals Act 1991 (affects part formerly part Lot 1201 DP 438809)
7728029.6 Consent Notice pursuant to Section 221 Resource Management Act 1991 - 26.2.2008 at 9:14 am
(affects part formerly Lot 402 DP 399563)
Land Covenant in Easement Instrument 9274213.8 - 18.12.2012 at 4:11 pm (Limited as to Duration)
9859500.1 CERTIFICATE PURSUANT TO SECTION 77 BUILDING ACT 2004 THAT THIS COMPUTER
REGISTER IS SUBJECT TO THE CONDITION IMPOSED UNDER SECTION 75(2) (ALSO AFFECTS 601866 and
630163) - 28.1.2015 at 9:35 am
9859500.1 Subject to Section 81(2) and 81(3) Building Act 2004 (affects 601866 and 630163) - 28.1.2015 at 9:35 am
11732594.6 Mortgage to ASB Bank Limited - 30.4.2020 at 4:26 pm





T 2/3

Title Plan
DP 459900
Deposited on: 18/12/2012

Surveyor: Kevin Martin Hayes
Firm: Davie Lovell-Smith Ltd

Lots 609, 615, 631, 655 and 699 Being Subdivision of Lot 1 DP 23723, Lots 2 & 3 DP 33313, Lots 1 & 2 DP 82076, Lot 1000 DP 409641, Lots 1200 & 1201 DP 438809, Lot 2 DP 457539 and Sec 1 SO 437707

Land District: Canterbury
Digitally Generated Plan
Generated on: 05/02/2013 12:01am Page 5 of 6



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




R. W. Muir
Registrar-General
of Land

Identifier **601866**
Land Registration District **Canterbury**
Date Issued 18 December 2012

Prior References

435472 542554 549349
593357

Estate Fee Simple
Area 9652 square metres more or less
Legal Description Lot 655 Deposited Plan 459900

Registered Owners

Pacific Property Fund No. 2 Limited

Interests

Subject to Part IV A Conservation Act 1987 (affects part formerly part Lots 1200-1201 DP 438809 and Lot 2 DP 457539)

Subject to Section 11 Crown Minerals Act 1991 (affects part formerly part Lots 1200-1201 DP 438809 and Lot 2 DP 457539)

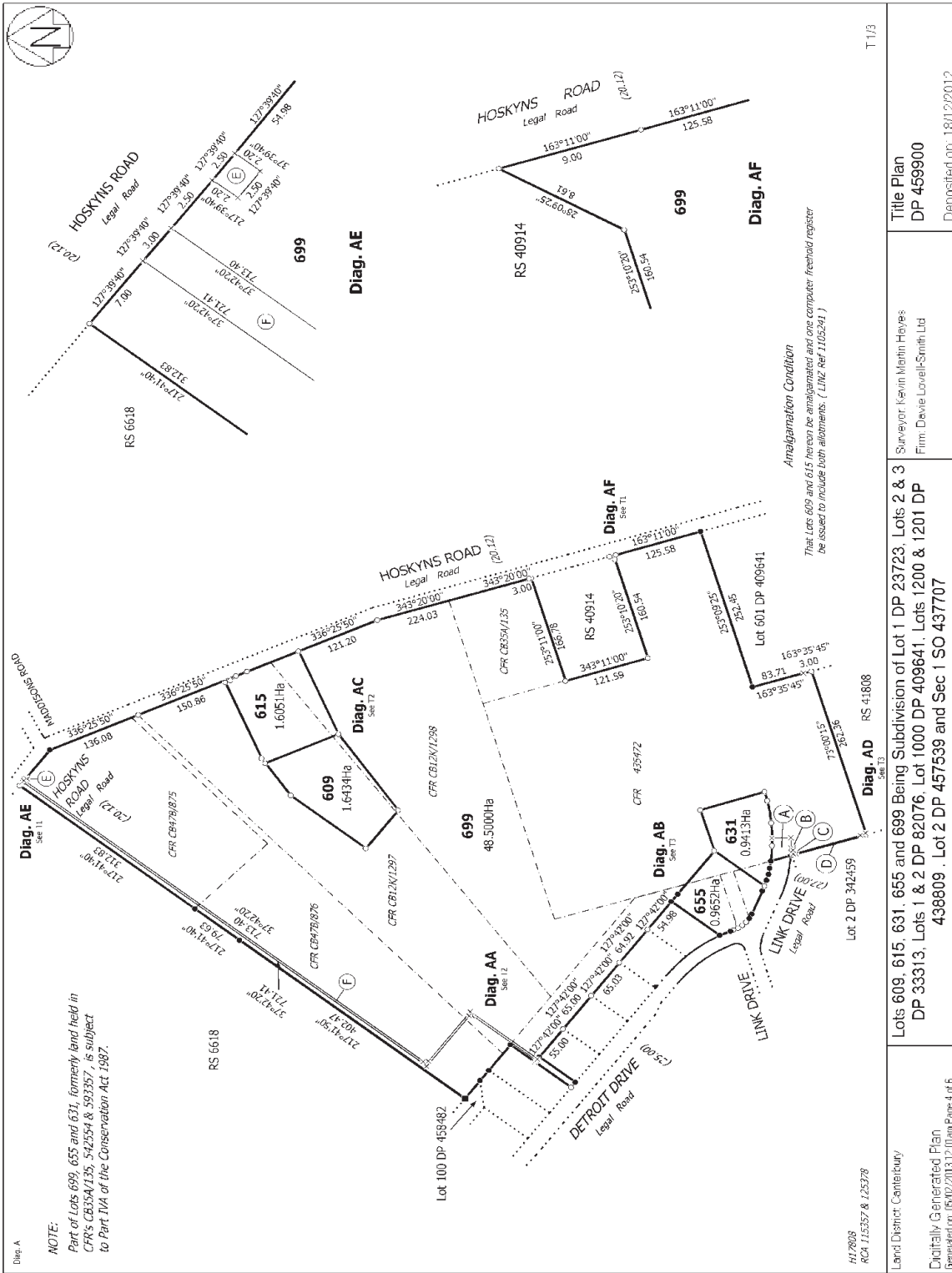
7728029.6 Consent Notice pursuant to Section 221 Resource Management Act 1991 - 26.2.2008 at 9:14 am (affects part formerly Lot 1200 DP 438809 & Lot 2 DP 457539 & part formerly Lot 1201 DP 438809, formerly Lot 402 DP 399563)

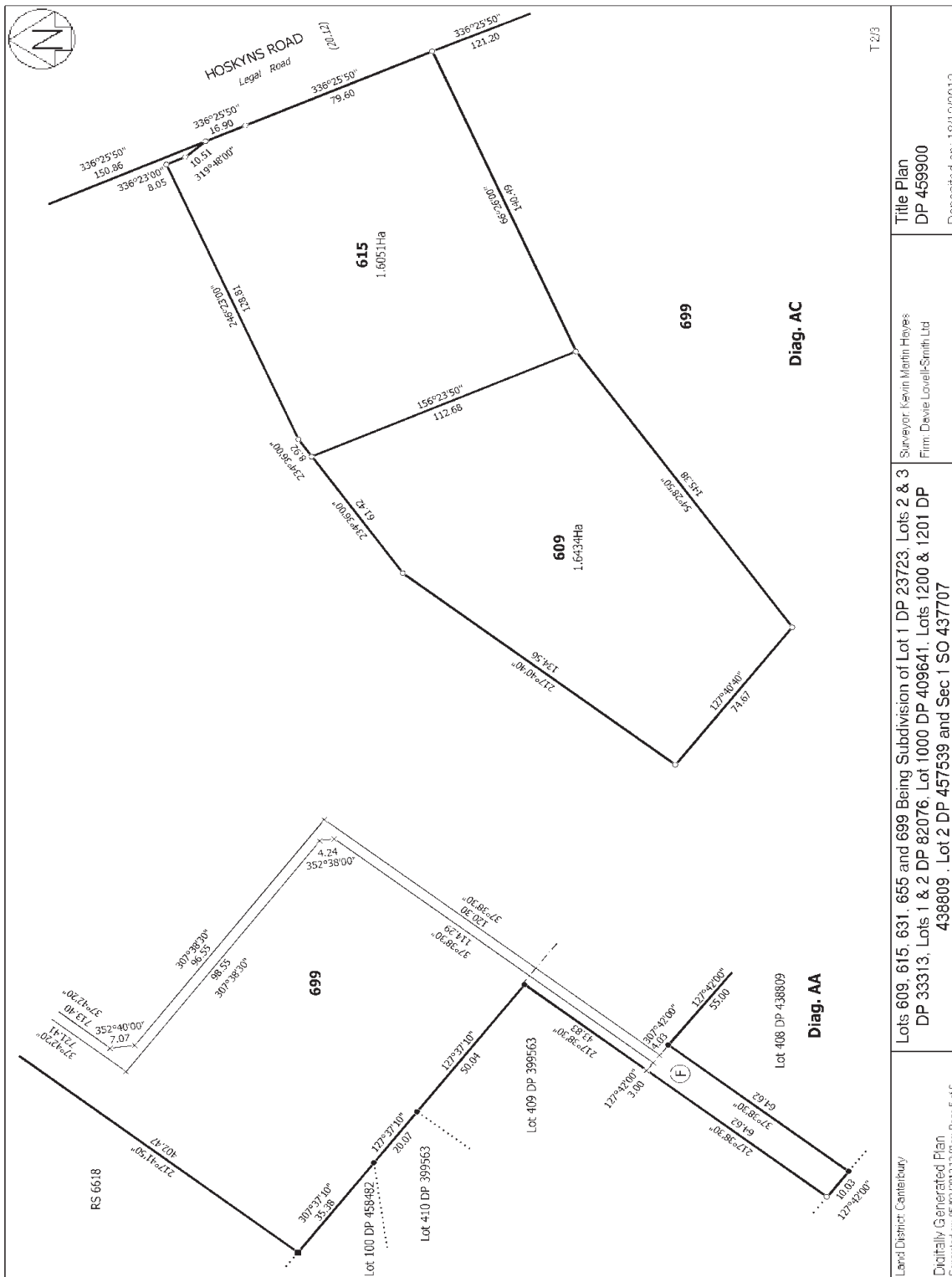
Land Covenant in Easement Instrument 9274213.8 - 18.12.2012 at 4:11 pm (Limited as to Duration)

9859500.1 CERTIFICATE PURSUANT TO SECTION 77 BUILDING ACT 2004 THAT THIS COMPUTER REGISTER IS SUBJECT TO THE CONDITION IMPOSED UNDER SECTION 75(2) (ALSO AFFECTS 601865 and 630163) - 28.1.2015 at 9:35 am

9859500.1 Subject to Section 81(2) and 81(3) Building Act 2004 (affects 601865 and 630163) - 28.1.2015 at 9:35 am

11732594.6 Mortgage to ASB Bank Limited - 30.4.2020 at 4:26 pm





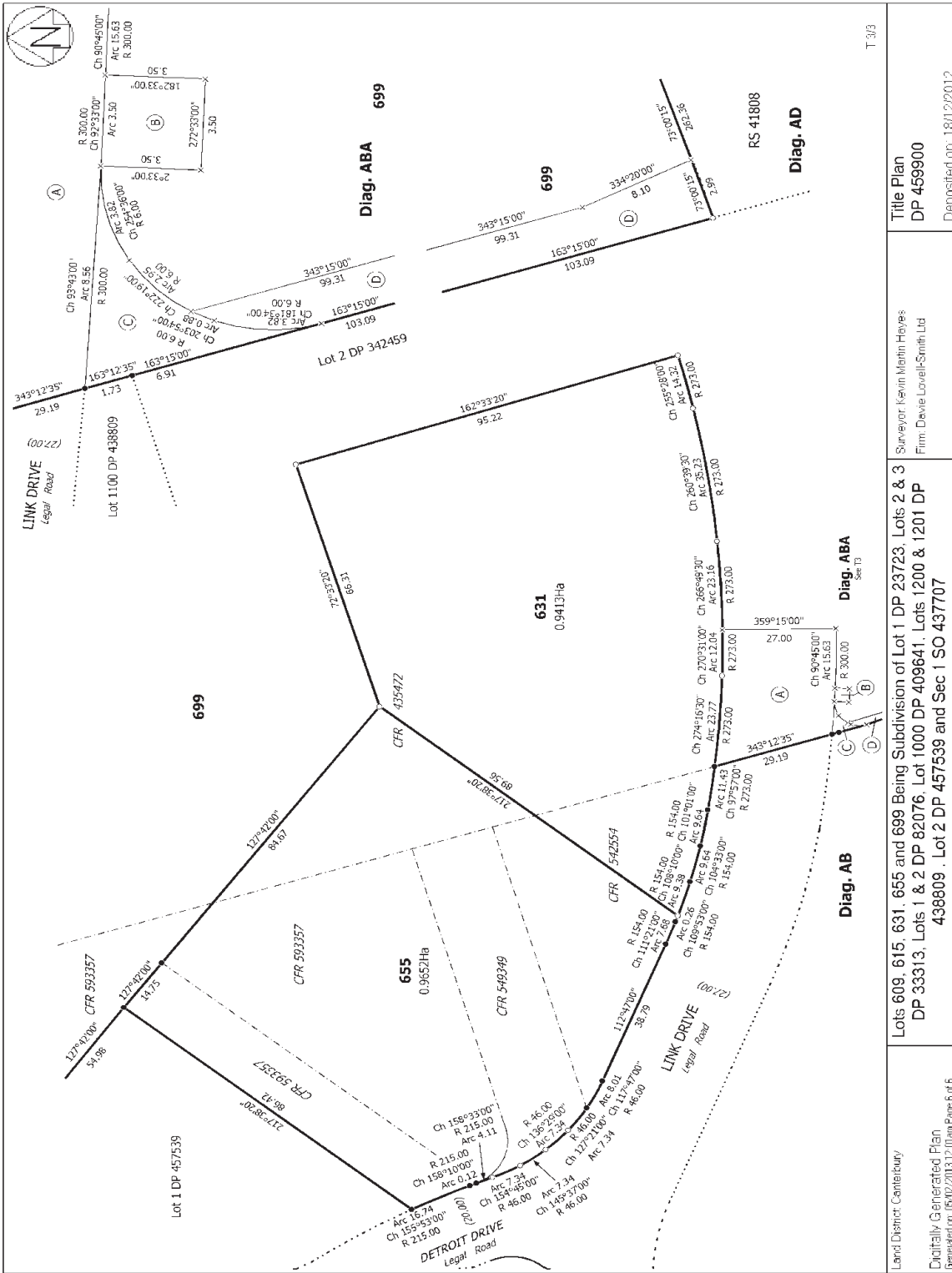
T 2/3

Title Plan
DP 459900
Deposited on: 18/12/2012

Surveyor: Kevin Martin Hayes
Firm: Davie Lovell-Smith Ltd

Lots 609, 615, 631, 655 and 699 Being Subdivision of Lot 1 DP 23723, Lots 2 & 3 DP 33313, Lots 1 & 2 DP 82076, Lot 1000 DP 409641, Lots 1200 & 1201 DP 438809, Lot 2 DP 457539 and Sec 1 SO 437707

Land District: Canterbury
Digitally Generated Plan
Generated on: 05/02/2013 12:01am Page 5 of 6



T 3/3

Title Plan
 DP 459900
 Deposited on: 18/12/2012

Surveyor: Kevin Martin Hayes
 Firm: Davie Lovell-Smith Ltd

Lots 609, 615, 631, 655 and 699 Being Subdivision of Lot 1 DP 23723, Lots 2 & 3 DP 33313, Lots 1 & 2 DP 82076, Lot 1000 DP 409641, Lots 1200 & 1201 DP 438809, Lot 2 DP 457539 and Sec 1 SO 437707

Land District: Canterbury
 Digitally Generated Plan
 Generated on: 05/02/2013 12:01am Page 6 of 6



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




R. W. Muir
Registrar-General
of Land

Identifier **630163**
Land Registration District **Canterbury**
Date Issued 22 November 2013

Prior References

615859

Estate Fee Simple
Area 1.1213 hectares more or less
Legal Description Lot 643 Deposited Plan 468876

Registered Owners

Pacific Property Fund No. 2 Limited

Interests

Subject to Part IV A Conservation Act 1987 (affects part formerly part Lot 1200 DP 438809)

Subject to Section 11 Crown Minerals Act 1991 (affects part formerly part Lot 1200 DP 438809)

7728029.6 Consent Notice pursuant to Section 221 Resource Management Act 1991 - 26.2.2008 at 9:14 am
(affects part formerly part Lot 1200 DP 438809)

Land Covenant in Easement Instrument 9557974.10 - 22.11.2013 at 9:16 am

9859500.1 CERTIFICATE PURSUANT TO SECTION 77 BUILDING ACT 2004 THAT THIS COMPUTER REGISTER IS SUBJECT TO THE CONDITION IMPOSED UNDER SECTION 75(2) (ALSO AFFECTS 601865 and 601866) - 28.1.2015 at 9:35 am

9859500.1 Subject to Section 81(2) and 81(3) Building Act 2004 (affects 601865 and 601866) - 28.1.2015 at 9:35 am

10512855.1 CERTIFICATE PURSUANT TO SECTION 77 BUILDING ACT 2004 THAT THIS COMPUTER REGISTER IS SUBJECT TO THE CONDITION IMPOSED UNDER SECTION 75(2) (ALSO AFFECTS 630164) - 2.8.2016 at 4:34 pm

10512855.1 Subject to Section 81(2) and 81(3) Building Act 2004 (affects 630164) - 2.8.2016 at 4:34 pm

11732594.6 Mortgage to ASB Bank Limited - 30.4.2020 at 4:26 pm



Title Plan
 LT 468876
 Approved on: 26/11/2013

Surveyor: Kevin Martin Hayes
 Firm: Davie Lovell-Smith Ltd

Diag. AA (Site 12)
Diag. AB (Site 13)
Diag. AC (Site 14)
Diag. AD (Site 15)
Diag. AE (Site 16)
Diag. AF (Site 17)

Land District: Canterbury
R 125378 & R115357
 Digitally Generated Plan
 Generated on: 26/11/2013 2:50pm Page 5 of 11



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




R. W. Muir
Registrar-General
of Land

Identifier **630164**
Land Registration District **Canterbury**
Date Issued 22 November 2013

Prior References

615859

Estate Fee Simple
Area 8581 square metres more or less
Legal Description Lot 644 Deposited Plan 468876

Registered Owners

Pacific Property Fund No. 2 Limited

Interests

Subject to Part IV A Conservation Act 1987 (affects part formerly part Lot 1200 DP 438809)

Subject to Section 11 Crown Minerals Act 1991 (affects part formerly part Lot 1200 DP 438809)

7728029.6 Consent Notice pursuant to Section 221 Resource Management Act 1991 - 26.2.2008 at 9:14 am
(affects part formerly part Lot 1200 DP 438809)

Land Covenant in Easement Instrument 9557974.10 - 22.11.2013 at 9:16 am

10512855.1 CERTIFICATE PURSUANT TO SECTION 77 BUILDING ACT 2004 THAT THIS COMPUTER REGISTER IS SUBJECT TO THE CONDITION IMPOSED UNDER SECTION 75(2) (ALSO AFFECTS 630163) - 2.8.2016 at 4:34 pm

10512855.1 Subject to Section 81(2) and 81(3) Building Act 2004 (affects 630163) - 2.8.2016 at 4:34 pm

11732594.6 Mortgage to ASB Bank Limited - 30.4.2020 at 4:26 pm



HI7808
 R 125378 & R115357

Land District: Canterbury
 Digitally Generated Plan
 Generated on: 26/11/2013 Page 5 of 11

Diag. AA Site 12
 Diag. AB Site 13
 Diag. AD Site 15
 Diag. AC Site 11
 Diag. AE Site 16
 Diag. AF Site 17

Surveyor: Kevin Martin Hayes
 Firm: Davie Lovell-Smith Ltd

Title Plan
 LT 468876
 Approved on: 26/11/2013

Lots 607, 608, 610-614, 616, 617, 619-626, 642-654, 662-669, 671, 672, 675, 676, 677, 678, 679, 684, 685, 686, 687, 688, 689, 690, 691, 692, 693, 694, 695, 696, 697, 698, 699, 700, 701, 702, 703, 704, 705, 706, 707, 708, 709, 710, 711, 712, 713, 714, 715, 716, 717, 718, 719, 720, 721, 722, 723, 724, 725, 726, 727, 728, 729, 730, 731, 732, 733, 734, 735, 736, 737, 738, 739, 740, 741, 742, 743, 744, 745, 746, 747, 748, 749, 750, 751, 752, 753, 754, 755, 756, 757, 758, 759, 760, 761, 762, 763, 764, 765, 766, 767, 768, 769, 770, 771, 772, 773, 774, 775, 776, 777, 778, 779, 780, 781, 782, 783, 784, 785, 786, 787, 788, 789, 790, 791, 792, 793, 794, 795, 796, 797, 798, 799, 800

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Appendix 3 – Discounted Cash Flow Calculations

Property	Industrial Premises - 25, 27 & 31 Link Drive, 13 & 19
Property Description	Industrial Premises
Net Lettable Area	19,939 square metres
Car Parking	65 spaces - 1 car park per 306.75 sqm
Prepared For	Pacific Property Fund Limited
Purpose	Product Disclosure purposes only
Date of Valuation	15 January 2021
Valuation Approach	Capitalisation of Net Income and Discounted Cashflow
Valuation	\$32,350,000 plus GST (if any)

Valuation Analysis

Initial Yield (Net Passing)	5.99%
Initial Yield (Fully Leased)	5.99%
Equivalent Yield	6.11%
Internal Rate of Return (Ten Year)	6.98%
Weighted Average Lease Term - Income	4.43 years
Weighted Average Lease Term - Area	4.52 years
Occupancy As Valued	100.00%
Capital Value per square metre of NLA	\$1,622 /sqm
Under/Over Renting Proportion	Under rented: (2%)

This information in this summary is derived from and should be read in conjunction with the full text of the accompanying report.

Capitalisation Approach

Value Based on Market Capitalisation	\$32,968,000
Value Based on Contract Capitalisation	\$32,970,000
Capitalisation Rate	6.00%

Contract and Market Rental Income Summary

	Contract	Market
Rental Income	\$1,948,833	\$1,983,619
Other Income		
Recoverable Outgoings	\$174,865	\$184,835
Gross Income	\$2,123,698	\$2,168,454
Total Outgoings	(\$184,835)	(\$184,835)
Less Year 1 Incentives		
Net Income	\$1,938,863	\$1,983,619

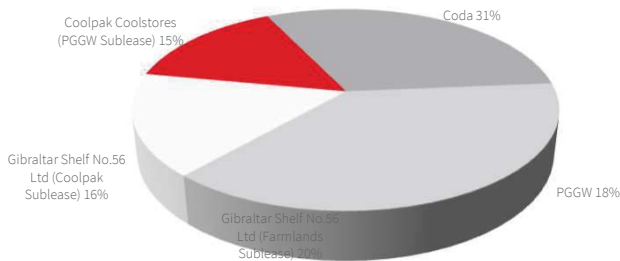
Discounted Cashflow Approach

Value Based on DCF Approach	\$31,754,000
Discount Rate	7.25%
Terminal Capitalisation Rate	6.50%
Nominal Assumed Rental Growth	1.96% pa
Nominal Assumed CPI	1.83% pa

DCF Sensitivity Analysis

Discount Rate	6.25%	Terminal Yield 6.50%	6.75%
7.00%	\$33,068,000	\$32,321,000	\$31,630,000
7.25%	\$32,484,000	\$31,754,000	\$31,079,000
7.50%	\$31,914,000	\$31,201,000	\$30,541,000

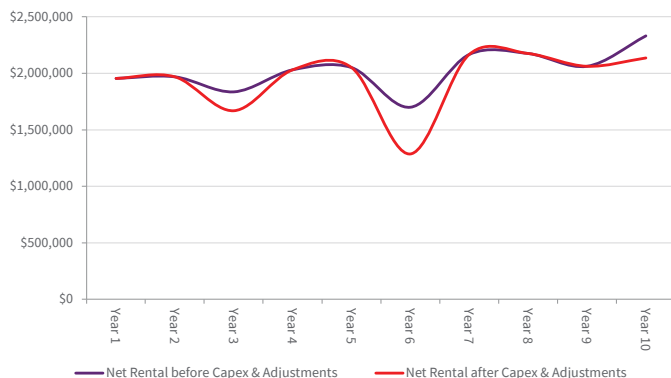
Major Tenant Occupancy Profile by Rental Income



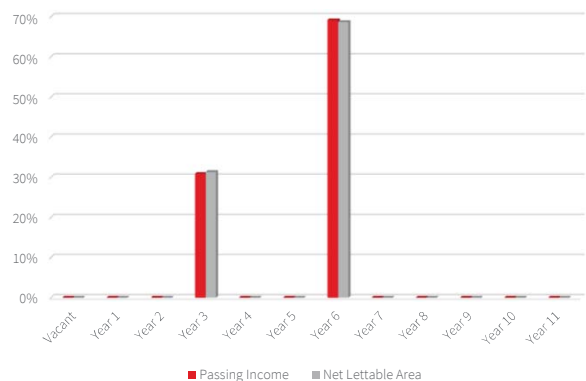
Capex and Letting Up Assumptions

	Year 1	Year 2	Year 3
Capex	\$0	\$0	\$61,180
Letting Up	\$0	\$0	\$272,028
Unexpired Incentives	\$0	\$0	\$0

Projected Net Rental Cash Flow



Lease Expiry Profile





Capitalisation Approach
Industrial Premises - 25, 27 & 31 Link Drive, 13 & 19 Hannover Place,
15 January 2021

	Contract Income	Market Income
Rental Income		
Lettable area rental	\$1,916,938	\$1,949,819
Car Parking Rental	\$31,895	\$33,800
Ideal Outgoings Recovery (Full Net Leases)	\$174,865	\$184,835
Total Rental Income	\$2,123,698	\$2,168,454
Less Outgoings Expenditure	(\$184,835)	(\$184,835)
Net Rental	\$1,938,863	\$1,983,619
Rental Adjustments		
Less Long Term Vacancy Allowance @ 0.00%	\$0	\$0
Core Income	\$1,938,863	\$1,983,619
Core Income Capitalised at 6.00%	\$32,314,382	\$33,060,317
Value Adjustments		
Present Value of Existing Rental Reversions	\$656,064	(\$92,766)
Present Value of All Outstanding Incentives	\$0	\$0
Vacancies - Letting Up Allowances:		
<i>Present Value of Downtime</i>	\$0	
<i>Present Value of Incentives</i>	\$0	
<i>Present Value of Leasing Fees</i>	\$0	\$0
Expires within the next 24 months - Letting Up Allowances:		
<i>Present Value of Downtime</i>	\$0	
<i>Present Value of Incentives</i>	\$0	
<i>Present Value of Leasing Fees</i>	\$0	\$0
Present Value of Future Lease Agreements and Stepped Rentals	\$0	\$0
Present Value of Short Term Capital Expenditure: 24 months	\$0	\$0
Value of Other Income	\$0	\$0
Total Value Adjustments	\$656,064	(\$92,766)
Total Capitalised Value	\$32,970,446	\$32,967,551
Adopted Capitalised Value	\$32,970,000	\$32,968,000
Adopted Value		\$32,350,000

Analysis

Weighted Lease Duration		Performance Indicators on Adopted Value	
By Income	4.43 years	Initial Yield (Net Passing)	5.99%
By Area	4.52 years	Initial Yield (Fully Leased)	5.99%
Current Vacancies		Equivalent Market Yield	6.11%
By Area	0 sqm	Rate per sqm of Lettable Area	\$1,622 /sqm
Proportion of NLA	0.00%	Net Income	
By Market Income	\$0	Net Passing Income	\$1,938,863
Proportion of Market Income	0.00%	Net Passing Income (Fully Leased)	\$1,938,863



Discounted Cashflow Approach
Industrial Premises - 25, 27 & 31 Link Drive, 13 & 19 Hannover Place, Rolleston
15 January 2021

Discounted Cashflow Results		Sensitivity Analysis*						Key Property Statistics				
		Year 1	Year 2	Year 3	Year 4	Year 5	Year 6	Year 7	Year 8	Year 9	Year 10	Year 11
PV of Rental Income	\$13,963,871											
PV of Terminal Value	\$17,790,607											
Acquisition Costs	\$0											
Total Net Present Value	\$31,754,477											
Adopted Net Present Value	\$31,754,000											
Adopted Value	\$32,350,000											
Adopted Discount Rate	7.25%											
Internal Rate of Return	6.98%											

	Terminal Yield
Discount Rate	6.250%
7.000%	6.500%
7.250%	6.750%
7.500%	7.000%

	Terminal Period
Weighted Average Lease Term - Income	4.43 years
Weighted Average Lease Term - Area	4.52 years
Occupancy	100.00%
Initial Yield (Net Passing)	5.99%
Initial Yield (Fully Leased)	5.99%
Capex Assumptions	
Total Allowance over DCF Period	\$281,021
Proportion of Adopted Value	0.87%
	\$14.09 /sqm

Year Ending	14-Jan-2022	14-Jan-2023	14-Jan-2024	14-Jan-2025	14-Jan-2026	14-Jan-2027	14-Jan-2028	14-Jan-2029	14-Jan-2030	14-Jan-2031	14-Jan-2032
	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	\$1,964,760	\$1,979,583	\$1,862,376	\$2,040,444	\$2,061,300	\$1,744,115	\$2,178,489	\$2,186,227	\$2,092,449	\$2,344,361	\$0
Outgoings Recovery	\$174,865	\$178,887	\$167,370	\$187,939	\$193,577	\$166,032	\$205,365	\$211,526	\$199,848	\$224,408	\$0
Other Income	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0
Gross Rental Income	\$2,139,625	\$2,158,469	\$2,029,746	\$2,228,383	\$2,254,876	\$1,910,148	\$2,383,854	\$2,397,753	\$2,292,298	\$2,568,769	\$0
Rental Deductions											
Unexpired Incentives - Rent Free/Abatements	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0
Outgoings Expenditure	(\$184,835)	(\$189,086)	(\$192,868)	(\$198,654)	(\$204,614)	(\$210,752)	(\$217,075)	(\$223,587)	(\$230,294)	(\$237,203)	\$0
Net Rental Cashflow	\$1,954,790	\$1,969,383	\$1,836,878	\$2,029,729	\$2,050,263	\$1,699,396	\$2,166,780	\$2,174,166	\$2,062,003	\$2,331,566	\$0
Rental Adjustments											
Unexpired Incentives - Capital Contribution	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0
Letting Up Allowances - Leasing Fees	\$0	\$0	(\$106,157)	\$0	\$0	(\$266,611)	\$0	\$0	\$0	(\$123,559)	\$0
Capital Expenditure	\$0	\$0	(\$61,180)	\$0	\$0	(\$146,789)	\$0	\$0	\$0	(\$73,052)	\$0
Net Cashflow	\$1,954,790	\$1,969,383	\$1,669,541	\$2,029,729	\$2,050,263	\$1,285,996	\$2,166,780	\$2,174,166	\$2,062,003	\$2,134,955	\$0
Purchase Price	\$32,350,000										
Acquisition Costs @ 0.00%	\$0										
Gross Purchase Price	\$32,350,000										
Net Sale Price After Costs @ 1.00%											\$35,823,150

Annual Cashflow	(\$30,395,210)	\$1,969,383	\$1,669,541	\$2,029,729	\$2,050,263	\$1,285,996	\$2,166,780	\$2,174,166	\$2,062,003	\$2,134,955	\$35,823,150
Running Yield (pre acquisition costs)	6.04%	6.09%	5.65%	6.24%	6.31%	5.16%	6.58%	6.60%	6.26%	7.04%	-
Running Yield (post acquisition costs)	6.04%	6.09%	5.65%	6.24%	6.31%	5.16%	6.58%	6.60%	6.26%	7.04%	-
Running IRR	5.49%	5.76%	6.47%	6.25%	6.54%	6.76%	6.78%	6.90%	7.07%	6.98%	-



Tenancy Schedule
Industrial Premises - 25, 27 & 31 Link Drive, 13 & 19 Hannover Place, Rolleston
15 January 2021

Tenant Name	Premises	Tenancy Area sqm	Car Parks	Lease Start	Lease Expiry	Next Review	Review Frequency	Review Type	Contract Rental	Premises per sqm	Car Park pcpw	Outgoings Recovery	Net Market per sqm	Gross Market per sqm	Car Park pcpw	Net Market Rental
1. Gibraltar Shelf No.56 Warehouse Buildi		3,748.1		1-May-20	30-Apr-26	1-May-23	3 yearly	Market	\$335,098	\$89		\$34,746	\$95	\$104		\$356,073
2. Gibraltar Shelf No.56 Office Building		78.2		1-May-20	30-Apr-26	1-May-23	3 yearly	Market	\$12,510	\$160		\$725	\$160	\$169		\$12,510
3. Gibraltar Shelf No.56 Ltd Yard Building		1,900.0		1-May-20	30-Apr-26	1-May-23	3 yearly	Market	\$38,000	\$20		\$0	\$20	\$20		\$38,000
4. Gibraltar Shelf No.56 Warehouse Buildi		2,744.0		1-May-20	30-Apr-26	1-May-22	2 yearly	Market	\$320,760	\$117		\$22,663	\$115	\$124		\$315,560
5. Coolpak Coolstores (PGG) Warehouse Buildi		2,988.3	20	1-Jun-16	18-May-26	31-May-21	1 yearly	Market	\$278,397	\$90	\$8.17	\$24,684	\$95	\$104	\$10.00	\$294,284
6. Coolpak Coolstores (PGG) Office Building		80.1		1-Jun-16	18-May-26	31-May-21	1 yearly	Market	\$12,508	\$156		\$662	\$160	\$169		\$12,822
7. Coda Warehouse Buildi		5,416.0	45	1-Aug-18	31-Jul-23	1-Aug-21	3 yearly	Market	\$547,330	\$97	\$10.00	\$50,207	\$95	\$104	\$10.00	\$537,920
8. Coda Office Building		102.0		1-Aug-18	31-Jul-23	1-Aug-21	3 yearly	Market	\$16,320	\$160		\$946	\$160	\$169		\$16,320
9. Coda Door Canopy Build		148.0		1-Aug-18	31-Jul-23	1-Aug-21	3 yearly	Market	\$5,920	\$40		\$1,372	\$40	\$49		\$5,920
10. Coda Tunnel Canopy Buil		576.0		1-Aug-18	31-Jul-23	1-Aug-21	3 yearly	Market	\$28,800	\$50		\$5,340	\$50	\$59		\$28,800
11. PGGW Warehouse Buildi		2,638.0		1-Jun-20	18-May-26	1-Jun-21	1 yearly	Market	\$268,990	\$102		\$21,791	\$105	\$114		\$276,990
12. PGGW Canopy Building		1,420.0		1-Jun-20	18-May-26	1-Jun-21	1 yearly	Market	\$64,200	\$45		\$11,730	\$50	\$59		\$71,000
13. PGGW Yard Building		871.0		1-Jun-20	18-May-26	1-Jun-21	1 yearly	Market	\$20,000	\$23		\$0	\$20	\$20		\$17,420

GLA	22,710 sqm	65	Passing Rental	\$1,948,833	Outgoings Recovery	\$174,865	Market Rental	\$1,983,619
NLA	19,939 sqm		Net Passing Rental	\$1,938,863	Vacant Outgoings	\$0		
					Outgoings Shortfall	\$9,970		
					Total Outgoings	\$184,835		



**Annualised Receivable Income
Industrial Premises - 25, 27 & 31 Link Drive, 13 & 19 Hannover Place,
15 January 2021**

Tenant Name	Premises	Year 1 14-Jan-2022	Year 2 14-Jan-2023	Year 3 14-Jan-2024	Year 4 14-Jan-2025	Year 5 14-Jan-2026	Year 6 14-Jan-2027	Year 7 14-Jan-2028	Year 8 14-Jan-2029	Year 9 14-Jan-2030	Year 10 14-Jan-2031
Gibraltar Shelf No.56 Ltd (F)	Warehouse Building	\$335,098	\$335,098	\$353,848	\$360,099	\$360,099	\$284,083	\$388,117	\$388,117	\$402,433	\$416,749
Gibraltar Shelf No.56 Ltd (F)	Office Building 1	\$12,510	\$12,510	\$12,616	\$12,652	\$12,652	\$9,981	\$13,636	\$13,636	\$14,139	\$14,642
Gibraltar Shelf No.56 Ltd (F)	Yard Building 1	\$38,000	\$38,000	\$38,322	\$38,430	\$38,430	\$30,317	\$41,420	\$41,420	\$42,948	\$44,475
Gibraltar Shelf No.56 Ltd (F)	Warehouse Building	\$320,760	\$323,166	\$323,968	\$328,827	\$335,736	\$257,935	\$347,121	\$347,121	\$359,955	\$372,790
Coolpak Coolstores (PGGW)	Warehouse Building	\$291,000	\$299,284	\$304,278	\$310,364	\$316,571	\$241,555	\$324,809	\$324,809	\$334,851	\$348,909
Coolpak Coolstores (PGGW)	Office Building 3	\$12,771	\$12,989	\$13,205	\$13,470	\$13,739	\$10,482	\$14,094	\$14,094	\$14,529	\$15,139
Coda	Warehouse Building	\$547,330	\$547,330	\$411,374	\$550,837	\$550,837	\$560,536	\$589,633	\$596,700	\$463,426	\$637,495
Coda	Office Building 4	\$16,320	\$16,320	\$12,338	\$16,712	\$16,712	\$17,006	\$17,889	\$18,103	\$14,060	\$19,341
Coda	Door Canopy Building	\$5,920	\$5,920	\$4,476	\$6,062	\$6,062	\$6,169	\$6,489	\$6,567	\$5,100	\$7,016
Coda	Panel Canopy Building	\$28,800	\$28,800	\$21,773	\$29,492	\$29,492	\$30,011	\$31,569	\$31,947	\$24,812	\$34,131
PGGW	Warehouse Building	\$271,321	\$274,303	\$278,881	\$284,459	\$290,148	\$224,652	\$305,520	\$305,520	\$314,964	\$328,185
PGGW	Canopy Building 5	\$64,756	\$65,468	\$66,561	\$67,892	\$69,250	\$56,222	\$79,169	\$79,169	\$81,623	\$85,058
PGGW	Yard Building 5	\$20,173	\$20,395	\$20,735	\$21,150	\$21,573	\$15,165	\$19,023	\$19,023	\$19,610	\$20,431
Total Receivable Rental Income		\$1,964,760	\$1,979,583	\$1,862,376	\$2,040,444	\$2,061,300	\$1,744,115	\$2,178,489	\$2,186,227	\$2,092,449	\$2,344,361



**Market Rental Income - Year Start
Industrial Premises - 25, 27 & 31 Link Drive, 13 & 19 Hannover Place,
15 January 2021**

Tenant Name	Premises	Year 1	Year 2	Year 3	Year 4	Year 5	Year 6	Year 7	Year 8	Year 9	Year 10
		15-Jan-2021	15-Jan-2022	15-Jan-2023	15-Jan-2024	15-Jan-2025	15-Jan-2026	15-Jan-2027	15-Jan-2028	15-Jan-2029	15-Jan-2030
Gibraltar Shelf No.56 Ltd (F)	Warehouse	\$356,073	\$356,073	\$357,857	\$366,907	\$375,248	\$383,779	\$392,503	\$401,426	\$411,578	\$421,986
Gibraltar Shelf No.56 Ltd (F)	Office	\$12,510	\$12,510	\$12,573	\$12,891	\$13,184	\$13,484	\$13,790	\$14,104	\$14,461	\$14,826
Gibraltar Shelf No.56 Ltd (F)	Yard	\$38,000	\$38,000	\$38,190	\$39,156	\$40,046	\$40,957	\$41,888	\$42,840	\$43,923	\$45,034
Gibraltar Shelf No.56 Ltd (C)	Warehouse	\$318,334	\$318,398	\$320,036	\$328,143	\$335,625	\$343,277	\$351,104	\$359,109	\$368,206	\$377,534
Coolpak Coolstores (PGGW)	Warehouse	\$297,302	\$297,371	\$298,908	\$306,481	\$313,472	\$320,623	\$327,937	\$335,418	\$343,917	\$352,632
Coolpak Coolstores (PGGW)	Office	\$12,903	\$12,904	\$12,970	\$13,299	\$13,602	\$13,912	\$14,229	\$14,553	\$14,921	\$15,299
Coda	Warehouse	\$537,920	\$537,920	\$540,616	\$554,287	\$566,888	\$579,775	\$592,956	\$606,436	\$621,771	\$637,495
Coda	Office	\$16,320	\$16,320	\$16,402	\$16,817	\$17,199	\$17,590	\$17,990	\$18,399	\$18,864	\$19,341
Coda	Door Canopy	\$5,920	\$5,920	\$5,950	\$6,100	\$6,239	\$6,381	\$6,526	\$6,674	\$6,843	\$7,016
Coda	Tunnel Canopy	\$28,800	\$28,800	\$28,944	\$29,676	\$30,351	\$31,041	\$31,747	\$32,468	\$33,289	\$34,131
PGGW	Warehouse	\$279,654	\$279,715	\$281,158	\$288,281	\$294,855	\$301,580	\$308,458	\$315,493	\$323,486	\$331,682
PGGW	Canopy	\$72,434	\$72,467	\$72,852	\$74,701	\$76,411	\$78,159	\$79,948	\$81,778	\$83,854	\$85,983
PGGW	Yard	\$17,420	\$17,420	\$17,507	\$17,950	\$18,358	\$18,775	\$19,202	\$19,639	\$20,135	\$20,645
Total Market Rental		\$1,993,589	\$1,993,818	\$2,003,963	\$2,054,689	\$2,101,477	\$2,149,332	\$2,198,276	\$2,248,336	\$2,305,249	\$2,363,604

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