

Market Valuation

**67 Esk Street
Invercargill
Invercargill City**

Client: HWCP Management Ltd

Valuation Date: 16 January 2019

**Thayer Todd Valuations Ltd trading as TelferYoung
(Southland)**



Table of Contents

1.0	Executive Summary.....	3
2.0	Scope of Work	5
3.0	Legal Description (Existing)	8
4.0	Rating Valuation and Statutory Charges (Existing)	9
5.0	Location	10
6.0	Land	11
7.0	Resource Management	12
8.0	Environmental Issues	13
9.0	Improvements	14
10.0	Valuation Approaches and Methods	17
11.0	Market Commentary	18
12.0	Valuation Considerations.....	20
13.0	Market Rent Assessment	21
14.0	Sales Evidence	24
15.0	Valuation Rationale	31
16.0	Risk Analysis	33
17.0	Valuation 'As if Complete'	34
18.0	Significant Assumptions and Special Assumptions.....	34
19.0	Statement of Limiting Conditions and Valuation Policy	35

Appendix A: Record of Title

1.0 Executive Summary

Asset Valued:



67 Esk Street, Invercargill, Invercargill City

Upon completion, the subject property will comprise the original 1908 portion of The Southland Times building with a net lettable area over three floors of approximately 1644.1 m², set on a 600 m² site. This historic building is located within the Invercargill CBD being strategically located within the planned HWCP Management Ltd inner city development.

Purpose of Valuation:

Market Value

Instructing Party:

Trevor Thayer

Client:

HWCP Management Ltd

Report Prepared For:

HWCP Management Ltd
c/- Bonisch Consultants
P O Box 1262
Invercargill 9840

Attention: Christine McMillan

Date of Inspection:

16 January 2019

Date of Valuation:

16 January 2019

Interest Valued:

Fee simple 107825

Basis of Valuation:

Market value as if complete on a vacant possession basis.

Land Area:

600m² (more or less)

Rentable Floor Area:

1644.1m²

Tenancy Summary:

Vacant possession

Net Market Rent:

\$296,665 per annum plus GST

Valuation Methodology:

The Market Value has been established by:

+ Income Approach

+ Market Approach

Valuation:

Two Million One Hundred and Fifty Thousand Dollars (\$2,150,000)
plus GST (if any).

Indicating:

+ Yield on Market Income:	13.80%
+ \$/m ² of Rentable Floor Area:	\$1,308

Contract for Sale:

We are not aware of any sale and purchase agreement in place for the subject property.

Last Sale:

The entire subject property was purchased in October 2017 for \$615,000.

Property Risk Profile:

'As if Complete' the property is considered to have a high risk profile in comparison with other commercial properties in the locality due to the vacancy factor and limited demand for office space.

Significant Assumptions and Special Assumptions:

- + As instructed we have valued the property on the basis the original 1908 portion of the building will be retained, strengthened to 100% NBS along with the interior fully renovated to a modern standard of office space incorporating new stairs, lift, HVAC and fire alarm system. However, sprinklers have been excluded.
- + A new fee simple record of title will be issued for a land area of approx. 600 m².

Report Version:

2nd version following clarification on areas

Report Issue Date:

6 February 2019

Valuer:

Robert Todd - B Com (VPM), ANZIV, SPINZ
Registered Valuer

TelferYoung policy requires that reports cannot be reassigned for any purpose beyond 90 days from the date of valuation. This policy has been set to meet professional indemnity insurance requirements. It is a condition of this report that any valuation needing to be reassigned beyond 90 days may require re-inspection by the valuer with an update fee charged.



2.0 Scope of Work

2.1 The Valuer

The valuation has been undertaken by Robert Todd who provides this objective and unbiased valuation. The valuer has no material connection with the instructing party or interest in the property and has the appropriate qualifications and experience to undertake the valuation.

2.2 Our Client

HWCP Management Ltd.

Other than the client or addressee, the report may not be relied upon by any third party. We accept no liability to third parties. Written consent is required for any third party wishing to rely on this report. We reserve the right to withhold that consent, or to review the contents of the report if consent for third party use is sought.

2.3 Other Intended Users

Bonisch Consultants

2.4 Purpose of the Valuation

Market Value.

2.5 Asset Valued

67 Esk Street, Invercargill, Invercargill City.

2.6 Valuation Currency

All dollars quoted in this report are NZD.

2.7 Basis of Valuation

We are to provide our opinion of Market Value which is defined in International Valuation Standards 2017 as:

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

2.8 Relevant Dates

Inspection Date: 16 January 2019

Valuation Date: 16 January 2019

2.9 Extent of Investigations

We have carried out an inspection of exposed and readily accessible areas of the improvements. However, the valuer is not a building construction or structural expert and is therefore unable to certify the structural soundness of the improvements. Readers of this report should make their own enquiries.

This report has been prepared for valuation purposes only and is not a geotechnical or environmental survey. If any defect is found, including structural defects, this information could impact on the value of the property.

We have not been provided with an environmental audit of the property and we are not aware of any potential environmental concerns. Our valuation and report assume that the land and buildings are unaffected by harmful contaminants or noxious materials which may impact on value. We refer you to our Statement of Limiting Conditions and Valuation Policy on matters relating to potential contamination.

We have not conducted a land survey of the subject property and assume all improvements lie within the title boundaries.

We have not sighted a current Land Information Memorandum for the subject property during the course of this valuation. Our report is subject to there being no outstanding requisitions or adverse information affecting the property.

2.10 Nature and Source of Information Relied Upon

Information used to prepare the valuation has been obtained from our property inspection and public records. Additional information relied on includes:

<u>Name of Document</u>	<u>Source of Document</u>
Identifier	Land Information Services Ltd

2.11 Assumptions and Special Assumptions

Standard valuation assumptions made in completing the report are stated in 'Extent of Investigations' and 'Statement of Limiting Conditions and Valuation Policy'.

Significant Assumptions and Special Assumptions made within the valuation are as follows:

- + As instructed we have valued the property on the basis the original 1908 portion of the building will be retained, strengthened to 100% NBS along with the interior fully renovated to a modern standard of office space incorporating new stairs, lift, HVAC and fire alarm system. However, sprinklers have been excluded.
- + A new fee simple record of title will be issued for a land area of approx. 600 m².



2.12 Reporting Format

We have provided a formal valuation report meeting all appropriate valuation and professional standards.

This report must be read in conjunction with Thayer Todd Valuations Ltd Trading as TelferYoung (Southland) Statement of Limiting Conditions and Valuation Policy.

2.13 Valuation Standards

Our valuation has been prepared in accordance with International Valuation Standards 2017 and Australia and New Zealand Valuation Guidance Notes and Technical Information Papers including:

- | | | | |
|---|------------|---|---|
| + | IVS | - | Framework |
| + | IVS 101 | - | Scope of Work |
| + | IVS 102 | - | Investigations and Compliance |
| + | IVS 103 | - | Reporting |
| + | IVS 104 | - | Bases of Value |
| + | IVS 105 | - | Valuation Approaches and Methods |
| + | IVS 400 | - | Real Property Interests |
| + | ANZVGN 1 | - | Valuation Procedures - Real Property |
| + | ANZVGN 9 | - | Assessing Rental Value |
| + | ANZRPNGN 1 | - | Disclaimer Clauses and Qualification Statements |
| + | ANZRPNGN 4 | - | Methods of Measurement |

3.0 Legal Description (Existing)

Identifier:	107825
Land Registration District:	Southland
Legal Description:	Lot 1 DP 326508
Estate:	Fee simple
Area:	2,021 m ² (more or less)
Proprietor(s):	HWCP Management Ltd
Interests:	<ul style="list-style-type: none"> + Subject to Section 59 Land Act 1948 (affects the part formerly Lot 1 DP 7637) + Appurtenant to the part formerly Lot 1 DP 4771 is a right of way and drainage created by Transfer 27195 + Subject to the conditions contained in the consent of the Borough Council endorsed on Transfer 27195 + Z181 Drainage Agreement under Section 227 of the Municipal Corporations Act 1920 (affects the part formerly Lot 1 DP 4771) + Z182 Drainage Agreement under Section 227 of the Municipal Corporations Act 1920(affects the part formerly Lot 1 DP 4771) + 181803 contains conditions of Council's consent to the right-of-way endorsed on Plan 7637 + Subject to rights of way (with limitations and restrictions as to height, which includes the construction of fire escapes and hoists) over part marked A, B on DP 326508 created by Transfer 245981 + Subject to rights of way (with limitations and restrictions as to height, which includes the construction of fire escapes and hoists) over part marked A, B on DP 326508 created by Transfer 245983 + Subject to rights of way (with limitations and restrictions as to height, which includes the construction of fire escapes and hoists) over part marked A, B on DP 326508 created by Transfer 245982 + The easements created by Transfers 245981, 245982 and 245983 are subject to Section 351E (1) (a) Municipal Corporations Act 1954 + Subject to a right (in gross) to convey electricity over parts marked A and B on DP 488503 in favour of Electricity Invercargill Limited created by Easement Instrument 10096054.2 + 10981427.2 Mortgage to ASB Bank Limited

Appendix: Copy of the Record of Title is included as **Appendix A**

4.0 Rating Valuation and Statutory Charges (Existing)

4.1 Rating Valuation

As at 1 July 2017

Component	Value
Land Value	\$1,240,000
Improvements	\$120,000
Capital Value	\$1,360,000

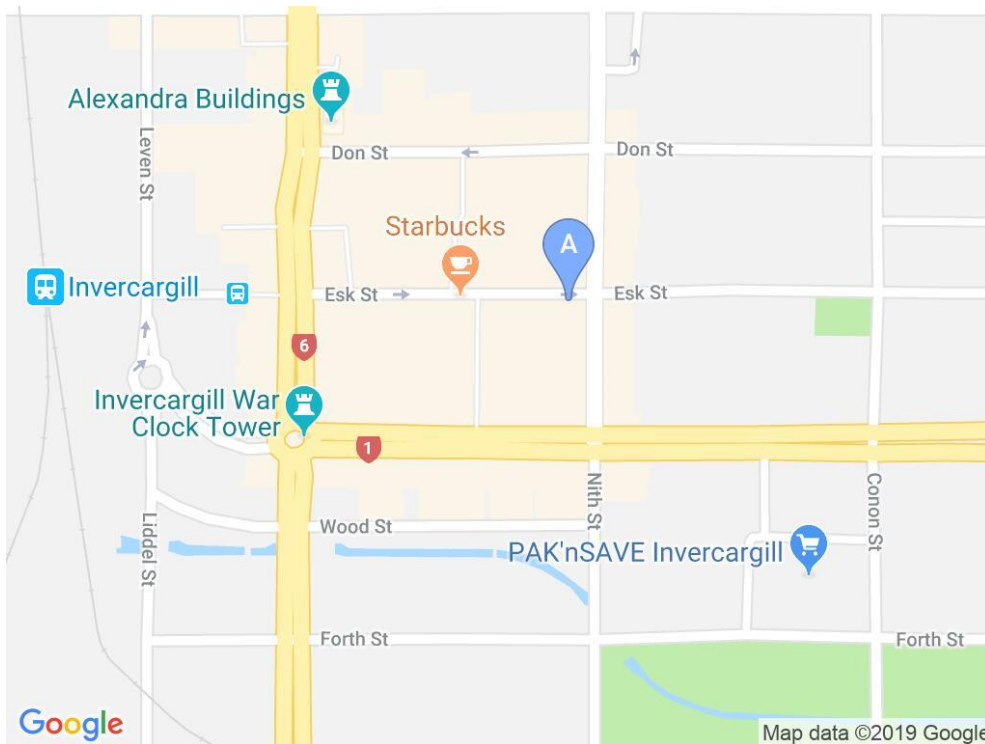
Rating Valuations are conducted on a mass appraisal basis, generally once every three years, in order to provide a basis to assist territorial authorities to collect revenue through rates. Individual properties are not inspected on a regular basis and changes in the improvements may not be recorded. The rating values are expressed on a Freehold Estate basis, even when the property might be leasehold.

4.2 Statutory Charges

As at the date of valuation, the rates per annum (inclusive of GST) are as follows:

Council	Value
Territorial Authority	\$9,716.58
Regional Council	\$952.97
Total Rates Payable	\$10,669.55

5.0 Location



The subject property is located off the south side of Esk Street between Dee Street (SH 6) to the west and Kelvin Street to the east, within the centre of the Invercargill CBD. The subject is located on the inner city block to be developed by HWCP Management Ltd.

The surrounding development is predominantly retail along with the Kelvin Hotel plus H&J Smith Ltd department store. The majority of the surrounding retail is older with a number of obsolete premises within close proximity.

6.0 Land



Area:	600 m ² (more or less)
Frontage:	17.20 metres (approximate)
Depth:	37.20 metres (approximate)
Shape:	Rectangular
Contour:	Level
Services:	All normal city services are available to the site
Comments:	The proposed site will be covered by the footprint of the remaining building following demolition of later additions, outlined in blue above.

7.0 Resource Management

7.1 Zoning

Territorial Authority:	Invercargill City
Plan Status:	Operative
Zone:	City Centre Sub Area
Zone Description:	Under the Invercargill City Council Operative District Plan as at 4 February 2005, the land is zoned as a City Centre Sub Area within an urban area. The City Centre Sub Area covers the central business district of the city and offers the opportunity for diversity of retail and commercial activities and services contributing to a focal point for the district, with the predominance of vehicles, pedestrians and large structures, together with the ability to store and use hazardous substances where this is an integral part of the process for business and to provide the opportunity for bright and vibrant building facades.
Development Controls:	Permitted activities include commercial, professional and retail activities, places of assembly, residential accommodation, reserves and infrastructure, with subdivision the only controlled activity. Manufacturing and processing are discretionary activities. The noise and vibration levels allow a maximum of 65 dBA measured at the boundary of the omission site. Height restrictions are not considered to be a significant Resource Management issue, with the exception of some sites which are subject to the Invercargill Airport Ltd designations for airport approach and land use control.

7.2 Proposed Zoning

Proposed District Plan:	Invercargill City Council (proposed plan)
Zone:	Business 1
Zone Description:	Under the 2013 Invercargill City Council proposed district plan, the land is zoned as Business 1. The zone seeks to maintain and reinforce the viability and vibrancy of Invercargill city centre by enabling a wide range of activities, by encouraging and maintaining a high level of amenity and by encouraging good urban design.
Development Controls:	There are a number of permitted activities within the Business 1 zone including retail, visitor accommodation, professional and personal services, restaurants, cafes, bars and taverns, child day care activity, communal or community service activity. Any activity not listed as permitted (other than heavy industry) up to 5000 square metres total floor space is a discretionary activity. Non-complying activities include heavy industry and any activity not listed as permitted with a total floor space exceeding 5000 square metres.

7.3 Heritage Buildings

7.3.1 Heritage New Zealand

The subject building is listed as a Historic Place Category 2 building List No. 2513.

7.3.2 Invercargill City Council

The building is identified as a Class 1 building under the 1997 Heritage Building Review as Class 1 'Complete Building Must Be Protected'.

8.0 Environmental Issues

8.1 Contamination

We have not been provided with an environmental audit of the property and we are not aware of any potential environmental concerns. We refer you to our Statement of Limiting Conditions and Valuation Policy on matters relating to potential contamination.

8.2 Land Information Memorandum

We have not been supplied with a Land Information Memorandum (LIM) relating to the property. Our report is subject to there being no outstanding requisitions or adverse information affecting this property. We reserve the right to amend our assessment should this not be the case.

9.0 Improvements

9.1 Overview

Upon completion, the subject property will comprise the original 1908 portion of The Southland Times building with a net lettable area over three floors of approximately 1644.1 m².



9.2 67 Esk St, Invercargill

9.2.1 Floor Areas

The approximate floor areas are as follows:

	Gross Floor Area	Rentable Areas
Ground floor:	600.0 m ²	540.5 m ²
First floor:	600.0 m ²	549.3 m ²
Second floor:	600.0 m ²	554.3 m ²

The floor areas are based on the 'The Guide for the Measurement of Rentable Areas' (revised June 2013) published jointly by the Property Council of New Zealand (PCNZ) and the Property Institute of New Zealand (PINZ), and also as summarised in Australia and New Zealand Real Property Guidance Notes (ANZRPNG) 4 – Methods of Measurement.

9.2.2 Construction

Foundations:	Concrete perimeter and pile
Flooring:	Timber
Exterior Walls:	Plaster and brick
Framing:	Structural brick, steel and timber
Roofing:	Colorsteel
Joinery:	Timber or aluminium (double glazed)
Internal Linings:	Gibraltar board
Ceilings:	Gibraltar board or suspended panel
Natural Lighting:	Adequate for use
Artificial Lighting:	LED
Services:	We have assumed a ducted HVAC system will be included along with commercial grade lift plus automatic and manual fire alarm system.

9.2.3 Description

Constructed between 1907 and 1908, the Southland Times Building has been home of The Southland Times for 100 years of its 150 year history. The brick Edwardian Italianate building, designed by Invercargill architect, Charles H. Roberts, has been gradually added to.

Upon completion the building will be earthquake strengthened to 100% NBS which we believe would include substantial steel work to the interior along with structural bracing and diaphragm support. We have assumed the interior will be completely relined with new plumbing, electrical and amenities added along with new stairways and entrance doors. We have also assumed new Gibraltar board or suspended panel ceilings will be added incorporating LED lighting.

Also upon completion the interior will comprise three levels of partially partitioned and open plan office space, providing a modern and functional tenancy.

9.3 Earthquake Categorisation

On 1st July 2017 the Building (Earthquake-prone Buildings) Amendment Act 2016 came into effect.

The country is split into low, medium and high seismic risk zones with respective timeframes for assessment of 5, 10 and 15 years, and strengthening to be carried out within 15, 25 and 35 years.

Invercargill is identified in the medium risk zone which requires Invercargill City Council to complete their assessment of earthquake prone buildings within 10 years from 1 July 2017 and those buildings falling short of the required 34% NBS would be required to be strengthened within 25 years after the end of the assessment timeframe.

Priority buildings need to be identified and remediated within half the time allowed for other buildings in the same seismic risk areas. Priority buildings are certain types of buildings in high and medium seismic risk areas that are considered to present a higher risk because of their construction, type, use or location. They may be buildings that are considered to pose a higher risk to life safety or buildings that are critical to recovery in an emergency.

The inner city area has been identified by the Invercargill City Council as a Priority Area, therefore the timeframe will be halved.

9.4 Building Act 2004

The Building Act 2004 requires that all buildings which include certain specified systems must have a Compliance Schedule and a Building Warrant of Fitness (BWOFF). The Act requires the various services and other facilities as set out in the Compliance Schedule to be inspected on a regular basis, and the Warrant of Fitness to be renewed annually.

A building warrant of fitness will be issued upon completion and issue of final code of compliance following earthquake strengthening and refurbishment.

10.0 Valuation Approaches and Methods

10.1 Highest and Best Use

The Market Value of an asset will reflect its 'highest and best use'. The highest and best use is the use of an asset that maximises its potential and that is physically possible, legally permissible and financially feasible. The highest and best use may be for continuation of an asset's existing use or for some alternative use. This is determined by the use that a market participant would have in mind for the asset when formulating the price that it would be willing to bid.

Due to current rental levels within Invercargill city along with supply and demand of office space, we believe the highest and best use for the subject property would be for redevelopment rather than strengthening and refurbishment due to the risk and return profile following strengthening and refurbishment. We believe it would be uneconomic to refurbish and strengthen.

To establish Market Value we have utilised the following recognised valuation methods:

10.2 Income Approach

The Income Approach is predicated on the conversion of net actual or market income, which either is or could be generated by an owner of the interest, to value. The approach encompasses various methods to indicate value. Methods adopted in this instance include:

+ **Income Capitalisation**

This method encompasses the conversion of net income (actual, market or notional) to value via the application of a capitalisation rate or yield (investment return). The basic premise of income capitalisation is that a property investor expects a pre-determined rate of return on their investment. The yield varies according to a number of factors including: risk, type & scale of investment, location, residual lease term and expected income and capital value growth. The two main variables, namely income and yield, are analysed from available rental and sales evidence.

Implicit adjustments are made when determining an appropriate yield to apply, however, in instances where the contract rent varies from market rent, the present value of the variation is adjusted against the capitalised value. The capitalised value may also be adjusted for costs associated with vacancy if existing or imminent, refurbishment/incentives and capital expenditure.

10.3 Market Approach

The Market Approach provides an indication of value by comparing the asset with identical or similar assets for which price information is available.

This approach considers Market Value by comparing directly the property with sales of other similar properties. A unit of comparison is analysed, in this instance the rate per square metre (\$/m²) of rentable floor area, in order to provide a practical basis of comparison where evidence is limited to properties with fewer similarities. Adjustments for a range of variables may also need to be considered.

Direct comparison using the Comparable Transactions Method is considered to be one of the best methods of valuation however seldom are any two properties directly comparable due to differences in age, floor area, quality, location, lease terms and cash flows.

11.0 Market Commentary

11.1 Economic Overview

New Zealand's economy has continued to grow and expanded faster than market expectations in the June 2018 quarter, increasing by 1.0% (2.7% annual average growth). This robust result was driven by widespread growth with only the mining sector reporting a decline, due in part to Marsden Point refinery shutting down for maintenance. Sectors experiencing strong growth included agriculture (up 4.1%, with milk production up and forestry rebounding from a sharp drop last quarter), electricity generation (up 3.7%), retail trade (up 1.5%), transport (up 1.8%) and recreational and other services (up 3.5%).

The economy is expected to continue to grow with Government investment in infrastructure and residential construction activity associated with KiwiBuild, policy changes associated with their Families Package and accommodation support payments which will support household consumption, as will increased spending on health and education sectors. Strength in the export sector will also help to bolster New Zealand's economic performance, although there has been a softening in the prices for some commodities recently (most notably dairy prices), overall the terms of trade remain elevated. Accommodative monetary policy along with the expectation the Reserve Bank (RBNZ) will not increase their benchmark interest rate next year also supports expected economic growth. Factors offsetting the key drivers of future economic growth include the slowdown in the rate of Canterbury rebuild post 2010/2011 earthquakes, moderation in the rate of house price inflation, and the gradual easing in the level of net overseas migration gains.

The Southland economy is performing well considering the potential impact of Mycoplasma Bovis on the rural sector. Tourist numbers within the region have increased over recent years with both guest nights and visitor spending up. New Zealand Aluminium Smelters recorded a \$75m profit for the last financial year and have recommissioned the fourth Potline at Tiwai Point. The \$240m Maitai Valley milk factory near Gore is now operating. The proposed \$200m redevelopment of the Invercargill CBD by HWCP Management Limited, the planned new ILT hotel and the new Kmart development will be positive for Invercargill and the greater Southland province.

11.2 Regional Property Market

Demand for commercial and industrial properties throughout Southland has been steady during 2016 to late 2018, following a relatively static period of activity from circa 2011-2015. This in turn was preceded by a decline in demand over 2008 and 2009 which followed a strong period of activity from circa 2001 through to late 2007.

The past recession, global credit crisis along with tighter funding requirements from the main lending institutions plus closure of many second tier lenders has had a negative impact on the commercial property sector. Potential earthquake issues are having a significant impact with banks generally requiring buildings to be at least 67% NBS to secure funding without substantial deposit, along with insurance companies reluctant to provide cover on buildings below 67% NBS. Premiums are generally higher the lower the % NBS. Health and safety issues are also having negative implications for both tenants and landlords in regard to staff and client safety.

It is apparent that demand for older earthquake prone buildings has reduced considerably over recent years. An older building on Esk Street, occupied by a national retailer failed to sell during a tender process in December 2018. The vendors expectations on price were not considered unreasonable.

11.3 Rental Market

The Invercargill Central Business District has approximately 13,000 m² of vacant office space, and approximately 6,000 m² of vacant retail, excluding obsolete space as at 1 July 2017. The majority of this is considered to be inferior in regard to location and standard in comparison to the subject upon completion, however, due to the significant amount of vacant space, landlords need to be competitive with rents and be prepared to undertake refurbishment fitouts for tenants to compete with other landlords.

A current issue particularly from national companies and Government departments is a requirement for buildings to meet minimum standards in regard to the percentage of NBS. Although this may vary amongst companies and organisations, we are typically finding a minimum requirement of 67% NBS is being adopted. Not only are occupied buildings being considered but also neighbouring properties which may have an adverse impact on staff and customers in an earthquake event. Employers and landlords also have a duty under the Health and Safety at Work Act 2015 to provide a safe work place. This has implications on landlords throughout the country.

There are tenancies available within the new ASB building and the 20 Don Street building, along with older strengthened buildings such as the ex AMI building, which has been vacant for a number of years.

The proposed \$200 million redevelopment of the Invercargill CBD by HWCP Management Ltd may have negative implications on some existing landlords should tenants wish to relocate from outside the proposed development area in the future.



12.0 Valuation Considerations

12.1 Highest and Best Use

Due to current rental levels within Invercargill city along with supply and demand of office space, we believe the highest and best use for the subject property would be for redevelopment rather than strengthening and refurbishment due to the risk and return profile following strengthening and refurbishment. We believe it would be uneconomic to refurbish and strengthen.

12.2 Vacant Possession

As there is no current tenant or proposed tenant, we have valued the property on a vacant possession basis following strengthening and refurbishment.

12.3 Capital Works/Refurbishment

As previously mentioned, we have assumed the building will be strengthened to a minimum of 100% NBS and fully refurbished. However, due to the age of the structure, ongoing maintenance to the exterior will likely be required.

13.0 Market Rent Assessment

13.1 Introduction

Income-based valuation assessments consider the cash flow that could be, or is, generated from the property. Part of the process is a review of the potential rental earning capacity, or Market Rent. Market Rent is defined in International Valuation Standard 104 as:

'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.'

To establish a market rental for the premise we have made comparison with recent rental settlements for comparable accommodation in the wider location.

The best evidence is that of new leasing agreements of comparable premises in the same or similar locations with the date of the transaction being as close as possible to the subject rent review date. Regard can also be had to lease renewals and rent reviews where these are consistent with the new lease evidence, however carry less weight.

The rental evidence has been analysed on a Net basis (excluding operating expenses).

Adjustments made for variation in factors such as the size and quality of accommodation, location and where the lease terms are varied.

13.2 Rental Evidence

Rental settlements that assist in establishing a market rent include the following:

+ CBD 1, Invercargill City

Date: 1 May 2017

Type: Rent Review

Analysis:	Office/Amenities	501.20m ²	@	\$251.28/m ²
	Car Parks	10	@	\$15.00/week

Comments: This tenancy comprises a modern first floor office area with lift access and onsite car parking.

+ CBD 2, Invercargill City

Date: 16 March 2016

Type: New Lease

Analysis:	Office/Amenities	313.74m ²	@	\$301.85/m ²
	Car Parks	6	@	\$15.00/week

Comments: Modern ground floor office tenancy located within CBD with on site car parking.



+ CBD 3, Invercargill City

Date: 4 September 2017

Type: New Lease

Analysis:	Ground Floor Office	939.50m ²	@	\$315.00/m ²
	First Floor Office	258.50m ²	@	\$275.00/m ²
	Ground Store	32.00m ²	@	\$200.00/m ²
	First Store	27.50m ²	@	\$170.00/m ²
	Entry Canopy	28.50m ²	@	\$90.00/m ²
	Balcony	28.50m ²	@	\$90.00/m ²
	Courtyard	82.50m ²	@	\$90.00/m ²
	Covered Parks	6	@	\$30.00/week
	Uncovered Parks	21.00	@	\$25.00/week

Comments: This is a modern purpose built office tenancy with high quality fit out and includes onsite car parking, well located within CBD.

+ CBD 4, Invercargill City

Date: 1 August 2016

Type: New Lease

Analysis:	Offices	703.00m ²	@	\$157.50/m ²
	Carparks	18	@	\$20.00/week

Comments: This is a two storey commercial office building with 18 car parks.

+ CBD 5, Invercargill City

Date: 31 October 2016

Type: New Lease

Analysis:	First Floor	500.00m ²	@	\$180.00/m ²
	Covered	4	@	\$20.00/week
	Uncovered	6	@	\$20.00/week

Comments: Refurbished, strengthened first floor office with lift access. Partial landlord contribution to fitout. >80% NBS

+ CBD 6, Invercargill City

Date: 1 May 2017

Type: New Lease

Analysis:	Office	374.00m ²	@	\$200.00/m ²
	Car Parks	5	@	\$25.00/week

Comments: This is an ex retail premises converted to office, with EQ strengthening carried out. Well presented shell/ceiling fit out by landlord. Good profile, fringe location. Onsite car parking.

+ CBD 7, Invercargill City

Date: 1 October 2016

Type: Rent Review

Analysis:	Retail	495.00m ²	@	\$325.00/m ²
	Ground Office	340.00m ²	@	\$215.00/m ²
	First Floor	485.00m ²	@	\$140.00/m ²
	Covered	8	@	\$25.00/week
	Single Car Park	4	@	\$23.50/week
	Combined Car Park	10	@	\$17.00/week

Comments: This is a modern refurbished two storey retail/office premises set on a prominent corner site with carparking. 87% NBS.

13.3 Summary of Market Rental Evidence

Based on the evidence available we analyse the following rental ranges:

Component	Rental Rate Range		
Offices	\$157.50/m ²	-	\$325.00/m ²

13.4 Market Rent Analysis

Our assessment of the potential market rental is as follows:

Component	Area			Rate			Rent
+ Tenant: Vacant							
Ground Front	182.5	m²	@	\$250.00	per	m²	= \$45,625
Ground Rear	358.0	m²	@	\$187.50	per	m²	= \$67,125
First Front	182.5	m²	@	\$200.00	per	m²	= \$36,500
First Rear	366.8	m²	@	\$150.00	per	m²	= \$55,020
Second Front	185.0	m²	@	\$200.00	per	m²	= \$37,000
Second Rear	369.3	m²	@	\$150.00	per	m²	= \$55,395
Market Rent							\$296,665

14.0 Sales Evidence

14.1 Investment Properties

To assist in establishing a Market Value for the subject property we have analysed relevant sales of investment properties, including:

+ 83 Dee Street, Invercargill, Invercargill City

Sale Date: 14 March 2017
 Sale Price: \$270,000
 Tenant: Alexander Building
 Analysis: Yield on Passing Income: 18.50%
 Building Net Rate: \$142/m²

Comment: Built circa 1903 and known as the Alexander Building, this three level brick building includes ground floor retail with an established tenant, along with two upper floors with basic residential flats. Historic Place Category 2.



+ 12 Don Street, Invercargill, Invercargill City

Sale Date: 29 March 2017
 Sale Price: \$320,000
 Tenant: Ex Storage Box
 Yield on Market Income: 17.81%
 Building Net Rate: \$126/m²

Comment: This is a 2 storey building, originally constructed circa 1890 with additions and alterations circa 1950. The premises includes ground floor secondary retail, along with first floor offices, upgraded circa 1980s. The building, which is regarded as earthquake prone, includes an adjoining ex billiard hall at the rear which is utilised as covered car parking. First floor partially occupied at date of sale along with covered car parking.



+ 37 Esk Street, Invercargill, Invercargill City

Sale Date: 6 March 2018
 Sale Price: \$650,000
 Tenant: Kebab Shop
 Analysis: Yield on Passing Income: 7.08%
 Yield on Market Income: 7.08%
 Residual Lease Term: 5.0 years
 Building Net Rate: \$485/m²

Comment: This the sale of a 1910s two storey building with a ground floor tenant only, 5 year RLT. Poor NBS rating. Premium paid to obtain building.



+ 36 Esk Street, Invercargill, Invercargill City

Sale Date: 18 January 2019
 Sale Price: \$665,000
 Tenant: EB Games / Hong Kong
 Analysis: Yield on Passing Income: 13.33%
 Yield on Market Income: 13.33%
 Building Net Rate: \$401/m²



Comment: This is an older retail and restaurant premises with two tenancies with new leases entered into in late 2018. The building is set on a 506 m² site having been added to since original construction. The front of the building is approximately 35%-40% NBS with the rear of the building 20%-25% NBS.

+ 5 Tay Street, Invercargill, Invercargill City

Sale Date: 24 April 2018
 Sale Price: \$725,000
 Tenant: Various
 Analysis: Yield on Passing Income: 11.32%
 Yield on Market Income: 12.32%
 Weighted Ave. Lease Term: 1.3 years
 Building Net Rate: \$780/m²



Comment: This is the sale of a 1970s two storey commercial office building with 12 basement car parks. The property is currently let to four tenancies with one vacant space at the rear of the first floor. The building has an NBS rating of 73%.

+ 82 Kelvin Street, Invercargill, Invercargill City

Sale Date: 8 November 2017
 Sale Price: \$730,000
 Tenant: McDowall Print Ltd
 Analysis: Yield on Passing Income: 10.96%
 Yield on Market Income: 10.96%
 Equivalent Yield: 10.96%
 Discount Rate: 9.78%
 Residual Lease Term: 5.0 years
 Building Net Rate: \$285/m²



Comment: This is a 1960's showroom and office premises set on a prominent 1416 m² corner site together with adjoining warehouse and bulk store. 5 year lease with rights of renewal.

+ 207 Dee Street, Invercargill, Invercargill City

Sale Date: 15 November 2018
 Sale Price: \$970,000
 Tenant: AON / Vacant
 Analysis: Yield on Passing Income: 8.00%
 Yield on Market Income: 13.24%
 Equivalent Yield: 10.67%
 Residual Lease Term: 4.3 years
 Building Net Rate: \$775/m²



Comment: This property comprises a prominent office/showroom premises occupied by Aon Insurance Brokers with one additional vacancy. The upgraded and earthquake strengthened building is set on a 1012 m² corner site located on the north western fringe of the Invercargill CBD. Building 67% NBS.

+ 40 Don Street, Invercargill, Invercargill City

Sale Date: 26 June 2018
 Sale Price: \$1,000,000
 Tenant: Southsure
 Analysis: Yield on Passing Income: 4.50%
 Yield on Market Income: 12.50%
 Building Net Rate: \$356/m²



Comment: This is the sale of a 1980s two storey commercial building with lift access and 15 onsite covered carparks. The property was sold with the first floor vacant.

+ 22-28 Kelvin Street, Invercargill, Invercargill City

Sale Date: 14 November 2018
 Sale Price: \$1,045,000
 Tenant: Various
 Analysis: Yield on Passing Income: 12.19%
 Yield on Market Income: 17.14%
 Weighted Ave. Lease Term: 2.0 years
 Building Net Rate: \$270/m²



Comment: This property comprises a multi tenanted central business district premises with partial vacancies originally built pre 1930s with later additions and alterations. The improvements are set on a prominent corner site having a total land area of 1416 m². NBS% of 17-38% over buildings.

+ 61-65 Yarrow Street, Invercargill, Invercargill City

Sale Date: 1 February 2018

Sale Price: \$1,310,000

Tenant: Wrens

Analysis: Yield on Passing Income: 8.40%
Yield on Market Income: 9.54%
Discount Rate: 9.96%
Residual Lease Term: 8.0 years
Building Net Rate: \$454/m²

Comment: Sale of a 2010 bulk retail premise with high stud warehouse set on 2024 m² site located on the fringe of the CBD. The original 2005 building rebuilt after snow damage.



+ 136 Spey Street, Invercargill, Invercargill City

Sale Date: 19 August 2016

Sale Price: \$1,726,400

Tenant: BDO

Analysis: Yield on Passing Income: 7.50%
Yield on Market Income: 7.50%
Discount Rate: 7.75%
Weighted Ave. Lease Term: 10.0 years
Building Net Rate: \$1,600/m²

Comment: Originally built circa 1974, the two storey office building was extensively refurbished 2016. The building with onsite carparking is set on a 1012 m² site located within the Central Business District. New long term lease to BDO.



+ 83 Liddel Street, West Invercargill, Invercargill City

Sale Date: 1 April 2018

Sale Price: \$2,440,000

Tenant: Mico

Analysis: Yield on Passing Income: 6.96%
Yield on Market Income: 6.03%
Equivalent Yield: 6.55%
Discount Rate: 6.93%
Residual Lease Term: 8.5 years
Building Net Rate: \$2,078/m²

Comment: Sale of the new purpose built Mico premise comprising approximately 1001 m² of rentable floor area set on a 1733 m² site located approximately 1 km south west of the Invercargill CBD.



+ 340 Bond Street, West Invercargill, Invercargill City

Sale Date: 26 October 2018
 Sale Price: \$3,131,034
 Tenant: Brazier Scaffolding
 Analysis: Yield on Passing Income: 7.25%
 Yield on Market Income: 5.78%
 Equivalent Yield: 6.74%
 Discount Rate: 7.15%
 Residual Lease Term: 10.0 years
 Building Net Rate: \$1,570/m²



Comment: This property comprises the Brazier Scaffolding Ltd tenancy with a net lettable area of 1514 m² plus fully developed yard area. The property is located approximately 2 km south west of the Invercargill CBD.

+ 101 Don Street, Invercargill, Invercargill City

Sale Date: 27 June 2017
 Sale Price: \$5,856,164
 Tenant: Malloch McLean
 Analysis: Yield on Passing Income: 7.30%
 Yield on Market Income: 7.30%
 Equivalent Yield: 7.26%
 Discount Rate: 8.00%
 Residual Lease Term: 10.0 years
 Building Net Rate: \$3,342/m²



Comment: The subject property comprises a modern purpose built two storey office building occupied by Malloch McClean Ltd. The improvements built circa 2012 are set on a prominent 1902 m² corner site located within the Invercargill Central Business District, approximately 250 metres east of the Central Post Office.



+ **Investment Sales Summary**

Address	Sale Date	Sale Price	Yield	Building \$/m ²
83 Dee Street	14 March 2017	\$270,000	18.50%	\$142.00
12 Don Street	29 March 2017	\$320,000	17.81%	\$126.00
37 Esk Street	6 March 2018	\$650,000	7.08%	\$485.00
36 Esk Street	18 January 2019	\$665,000	13.33%	\$401.00
5 Tay Street	24 April 2018	\$725,000	11.32%	\$780.00
82 Kelvin Street	8 November 2017	\$730,000	10.96%	\$285.00
207 Dee Street	15 November 2018	\$970,000	8.00%	\$775.00
40 Don Street	26 June 2018	\$1,000,000	12.50%	\$356.00
22-28 Kelvin Street	14 November 2018	\$1,045,000	12.19%	\$270.00
61-65 Yarrow Street	1 February 2018	\$1,310,000	8.40%	\$454.00
136 Spey Street	19 August 2016	\$1,726,400	7.50%	\$1,600.00
83 Liddel Street	1 April 2018	\$2,440,000	6.96%	\$2,078.00
340 Bond Street	26 October 2018	\$3,131,034	7.25%	\$1,570.00
101 Don Street	27 June 2017	\$5,856,164	7.30%	\$3,342.00
Yield Range			6.96% - 18.50%	
Building \$/m² Range			\$126.00 - \$3,342.00	

14.2 Sales Discussion

In establishing appropriate investment benchmarks for the subject property we have considered its investment profile in terms of:

+ Location

The subject property is well located within the Invercargill CBD.

+ Building Quality

Upon completion this older historic building will be strengthened to a minimum of 100% NBS with the interior refurbished to a good modern standard of office space.

+ Scale of Investment

The quantum of value 'as if complete' is not considered to be overly onerous from an established investors perspective, however, due to the vacant possession this would limit the number of potential purchasers if offered on the open market, with funding likely difficult to obtain from the main trading banks without substantial deposit.

+ Conclusions

Overall the subject property will be of a good refurbished standard whilst keeping the historic nature of the building. Due to the frontage having limited window profile, the ground floor will not be overly desirable from a retailers perspective. Therefore we have assumed a likely use as office space rather than retail. The large floor areas will be difficult to let due to the limited demand for floor areas of this size (in excess of 500 m²). The lack of onsite car parking may be detrimental from a tenant and investors perspective, however, we understand car parking will be available on adjoining land if required. Long term demolition and building activity within the immediate area will likely reduce the number of potential tenants in the medium term. We believe the property would be of below average saleability upon completion.

15.0 Valuation Rationale

15.1 Income Approach

+ Income Capitalisation

In relation to the investment yield we have analysed a wide range of sales. Based on the sales evidence, and reflecting the key investment criteria of the subject property, assuming tenanted on a medium term lease we have concluded an appropriate return of 8.25% on the potential market cash flow. We then deduct an allowance for vacancy, unrecovered OPEX, leasing costs and property management.

Based on existing vacancies within the city, limited demand, large floor areas, along with likely disruption within the immediate area we have adopted a vacancy period of 48 months. This may in fact be regarded as being optimistic rather than pessimistic.

Calculations are as follows:

Income Capitalisation			
Income			
+	Market Income	\$296,665	
Total Net Income		\$296,665	
Net Income Capitalised	@ 8.25%		
Market Value			\$3,595,939
Capital Items			
+	Less 48 months vacancy (48 months' rent)		(\$1,186,660)
+	Less provision for unrecovered OPEX (1.5 months' rent per annum)		(\$148,333)
+	Less provision for leasing commission (2 months' rent)		(\$49,444)
+	Less management fees (5.00% per annum)		(\$59,333)
Market Value			\$2,152,170
		Adopt	\$2,150,000

Analysis			
Sensitivity Analysis		Benchmark Analysis	
Equivalent Yield	@ 8.00%	=	\$2,265,000
	@ Adopted	=	\$2,150,000
	@ 8.50%	=	\$2,045,000
+	Yield on Market Income		13.80%
+	Initial Yield		0.00%
+	Equivalent Yield		13.80%
+	\$/m ² of Rentable Floor Area		\$1,308



15.2 Market Approach

Our calculations are as follows:

Component	Area	Rate	Total
Buildings			
Building	1,644.1 m ² @	\$1,100 per m ² =	\$1,808,510
Total Buildings Value			\$1,808,510
Land			
Site	600 m ² @	\$550 per m ² =	\$330,000
Total Land Value			\$330,000
Market Value			\$2,138,510
		Adopt	\$2,140,000

Fully occupied the building rate would be approx. \$2,000/m².

15.3 Valuation Reconciliation

Method	Value
Income Capitalisation	\$2,150,000
Market Approach	\$2,140,000
Adopt Market Value	\$2,150,000

The income capitalisation approach is the most recognised, and understood, method in the market place for pricing an asset of this type. As a result, the market comparison method has been considered as a secondary method.

15.4 Investment Summary

Based on our adopted value, the following investment benchmarks are indicated:

Yield on Market Income:	13.80%
\$/m ² of Rentable Floor Area:	\$1,308

15.5 Previous Sale Details

The entire subject property was purchased in October 2017 for \$615,000.

16.0 Risk Analysis

16.1 Strengths & Opportunities

- + Well located within CBD
- + 100% NBS
- + Fully refurbished interior
- + Potential for leasing
- + Potential for sale

16.2 Weaknesses & Threats

- + Limited profile for retail display
- + Limited demand for commercial office space
- + Large floor areas to occupy
- + Ongoing maintenance
- + Substantial vacancy factor, holding costs
- + Disruption during HWCP Management Ltd development
- + Economic
- + Environmental
- + Legislative (EQ and Health & Safety)
- + Competition (Other landlords)

16.3 Property Risk Profile

'As if Complete' the property is considered to have a high risk profile in comparison with other commercial properties in the locality due to the vacancy factor and limited demand for office space.

17.0 Valuation 'As if Complete'

We assess the Market Value of the property as at 16 January 2019 at:

\$2,150,000
Two Million One Hundred and Fifty Thousand Dollars
 Plus GST (if any).

The value can be apportioned as follows:

Component	Value
Land	\$330,000
Improvements	\$1,820,000
Market Value	\$2,150,000

18.0 Significant Assumptions and Special Assumptions

- + As instructed we have valued the property on the basis the original 1908 portion of the building will be retained, strengthened to 100% NBS along with the interior fully renovated to a modern standard of office space incorporating new stairs, lift, HVAC and fire alarm system. However, sprinklers have been excluded.
- + A new fee simple record of title will be issued for a land area of approx. 600 m².

TelferYoung policy requires that reports cannot be reassigned for any purpose beyond 90 days from the date of valuation. This policy has been set to meet professional indemnity insurance requirements. It is a condition of this report that any valuation needing to be reassigned beyond 90 days may require re-inspection by the valuer with an update fee charged.

19.0 Statement of Limiting Conditions and Valuation Policy

Purpose

This valuation report has been completed for the specific purpose stated. No responsibility is accepted in the event that this report is used for any other purpose.

Responsibility to Third Party

Our responsibility in connection with this valuation is limited to the client to whom the report is addressed and to that client only. We disclaim all responsibility and will accept no liability to any other party without first obtaining the written consent of Thayer Todd Valuations Ltd trading as TelferYoung (Southland) and the author of the report. Thayer Todd Valuations Ltd trading as TelferYoung (Southland) reserves the right to alter, amend, explain or limit any further information given to any other party.

Reproduction of Report

Neither the whole nor any part of this valuation and report or any reference to it may be included in any published document, circular or statement without first obtaining our written approval of the form and context in which it may appear. Our report is only valid when bearing the Valuer's signature.

Date of Valuation

Unless otherwise stated, the effective date of the valuation is the date of the inspection of the property. This valuation is current as at the date of valuation only. 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 the generality of the above comment, we do not assume any responsibility or accept any liability where this valuation is relied upon after the expiration of 3 months from the date of the valuation, or such earlier date if you become aware of any factors that have any effect on the valuation.

Legislation

We have not obtained a Land Information Memorandum (LIM) or Property Information Memorandum (PIM) for this property which, unless otherwise stated, is assumed to conform to all requirements of the Resource Management Act 1991, the New Zealand Building Code contained in the First Schedule to the Building Regulations 1992, the Building Act 2004 and any Historic Places Trust registration. Our valuation reports are prepared on the basis that properties comply with all relevant legislation and regulations and that there is no adverse or beneficial information recorded on the Territorial Local Authority (TLA) property file, unless otherwise stated. Legislation that may be of importance in this regard includes the Health & Safety at Work Act 2015, the Fire Safety and Evacuation of Buildings Regulation 1992, and the Disabled Persons Community Welfare Act 1975.

Registrations

Unless otherwise stated, our valuation is subject to there being no detrimental or beneficial registrations affecting the value of the property other than those appearing on the title. Such registrations may include Waahi Tapu and Historic Places Trust registrations.

Reliability of Data

The data and statistical information contained herein was gathered for valuation purposes from reliable, commonly utilised industry sources. Whilst we have endeavoured to ensure that the data and information is correct, in many cases, we cannot specifically verify the information at source and therefore cannot guarantee its accuracy.

Assumptions

This report contains assumptions believed to be fair and reasonable at the date of valuation. In the event that assumptions are made, based on information relied upon which is later proven to be incorrect, or known by the recipient to be incorrect at the date of reporting, Thayer Todd Valuations Ltd trading as TelferYoung (Southland) reserves the right to reconsider the report, and if necessary, reassess values.



GST

The available sources of sales data upon which our valuation is based generally do not identify whether or not a sale price is inclusive or exclusive of GST. Unless it has been necessary and possible to specifically verify the GST status of a particular sale, it has been assumed that available sale price data has been transacted on a plus GST (if any) basis, which is in accordance with standard industry practice for most commercial property. Should this interpretation not be correct for any particular sale or rental used as evidence, we reserve the right to reconsider our valuation.

Land Survey

We have made no survey of the subject property and assume no responsibility in connection with these matters. Unless otherwise stated, the valuation has been assessed conditional upon all improvements being within the title boundaries.

Unless otherwise stated, we have not undertaken investigations or been supplied with geotechnical reports with respect to the nature of the underlying land. Unless otherwise stated, the valuation has been assessed conditional upon the land being firm and suitable ground for the existing and/or potential development, without the need for additional and expensive foundation and retaining work or drainage systems.

Contamination

We have not undertaken an environmental audit of the property. Unless otherwise stated, our valuation and report is conditional upon the land and buildings being unaffected by harmful contaminants or noxious materials which may impact on value. Verification that the property is free from contamination and has not been affected by noxious materials should be obtained from a suitably qualified environmental expert.

Not a Structural Survey

Our inspection has been undertaken for valuation purposes only, and does not constitute a structural survey. Verification that the building is sound should be obtained from a suitably qualified building engineer. If the building is found to be unsound, this finding/new information is likely to impact on the value of the property.

Earthquake-Prone Buildings

We are aware that a number of buildings are, or may be potentially, affected by local territorial authority policies for 'earthquake-prone' buildings (Earthquake-Prone Building Policies) required to be in place under the Building Act 2004. The Earthquake-Prone Building Policies may require building owners to undertake engineering investigations and subsequent structural upgrading, demolition or other steps to meet the requirements of the Earthquake-Prone Building Policies. Unless otherwise stated, our valuation makes no allowance for any costs of investigation, upgrading, demolition or other steps which may be incurred by the building owner to meet the requirements of Earthquake Prone Building Policies. We are not qualified to determine the 'earthquake-prone' status of the buildings. Our valuation is therefore subject to a review, investigation and assessment of seismic performance of the building, by a suitably qualified building engineer, to determine the 'earthquake-prone' status of the building and where required, an estimate of any costs for structural upgrading, demolition or other steps required for the building to meet the requirements of Earthquake-Prone Building Policies. If the building is found to be 'earthquake-prone', this finding is likely to impact on the value of the property, and our valuation may materially alter as a result.

Systems

Our valuation has been assessed conditional upon all hot and cold water systems, electric systems, ventilating systems and other devices, fittings, installations or conveniences, including lifts and escalators where appropriate, as are in the building, being in proper working order and functioning for the purposes for which they were designed.

Market Valuations

Market valuations are carried out in accordance with the Valuation Standards and Guidance Notes. Market Value is defined "The estimated amount for which an asset or liability should exchange on the date of valuation between a willing buyer and a willing seller in an arm's length transaction, after proper marketing and where the parties have each acted knowledgeably, prudently and without compulsion".

No allowances are made in our valuations for any expenses of realisation, or to reflect the balance of any outstanding mortgages either in respect of capital or interest accrued thereon.

Water Leaks & Penetration Effects

We are aware that a number of buildings have developed problems associated with water leaks, water penetration, weather-proofing, moisture and water exit control systems, mould, fungi, mildew, rot, decay, gradual deterioration, microorganisms, bacteria, protozoa or like forms. Problems can result from defects in design, construction methods and materials used, or any combination of defects.

Our valuation has been assessed conditional upon all buildings and structures being constructed strictly in accordance with recommended practices and free from defect unless otherwise stated. We are not qualified to undertake, nor have we undertaken, a structural survey of the buildings or structures. We accept no liability for any defects that may arise as a result of poor building design, construction methods or building materials. If you have any concerns, you should engage a suitably qualified person to report on this matter. Defects revealed by a suitably qualified expert may affect the value of the property.

Professional Indemnity Cover

We have in force at the time of supplying the above valuation, current professional negligence insurance appropriate to the nature and level of our business activities. The Registered Valuer is covered by the policy.

Please contact the writer should you wish to discuss any matters raised in this report.

Yours faithfully

Thayer Todd Valuations Ltd trading as TelferYoung (Southland)

Robert Todd - B Com (VPM), ANZIV, SPINZ
Registered Valuer

Email: robert.todd@telferyoung.com



Appendix A Record of Title



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



R. W. Muir
Registrar-General
of Land

Identifier 107825
Land Registration District Southland
Date Issued 25 September 2003

Prior References

SL6B/1090 SLB4/879

Estate Fee Simple
Area 2021 square metres more or less
Legal Description Lot 1 Deposited Plan 326508

Registered Owners
HWCP Management Limited

Interests

Subject to Section 59 Land Act 1948 (affects the part formerly Lot 1 DP 7637)

Appurtenant to the part formerly Lot 1 DP 4771 is a right of way and drainage created by Transfer 27195 - 21.1.1908 at 2.00 pm

Subject to the conditions contained in the consent of the Borough Council endorsed on Transfer 27195

Z181 Drainage Agreement under Section 227 of the Municipal Corporations Act 1920 - 3.10.1932 at 10.00 am (affects the part formerly Lot 1 DP 4771)

Z182 Drainage Agreement under Section 227 of the Municipal Corporations Act 1920 - 3.10.1932 at 10.00 am (affects the part formerly Lot 1 DP 4771)

181803 contains conditions of Council's consent to the right-of-way endorsed on Plan 7637

Subject to rights of way (with limitations and restrictions as to height, which includes the construction of fire escapes and hoists) over part marked A, B on DP 326508 created by Transfer 245981 - 29.9.1970 at 12:10 pm

Subject to rights of way (with limitations and restrictions as to height, which includes the construction of fire escapes and hoists) over part marked A, B on DP 326508 created by Transfer 245983 - 29.9.1970 at 12:10 pm

Subject to rights of way (with limitations and restrictions as to height, which includes the construction of fire escapes and hoists) over part marked A, B on DP 326508 created by Transfer 245982 - 29.9.1970 at 12:10 pm

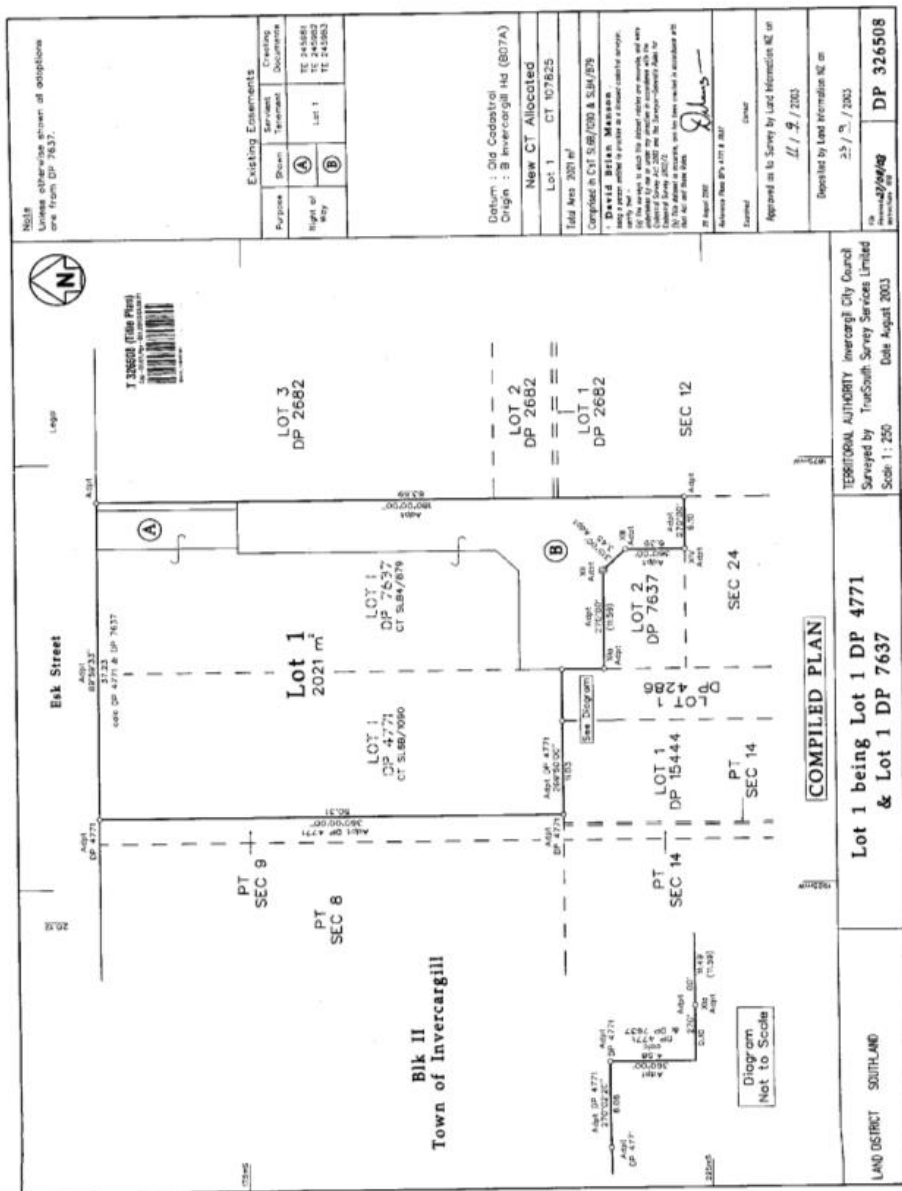
The easements created by Transfers 245981, 245982 and 245983 are subject to Section 351E (1) (a) Municipal Corporations Act 1954

Subject to a right (in gross) to convey electricity over parts marked A and B on DP 488503 in favour of Electricity Invercargill Limited created by Easement Instrument 10096054.2 - 18.9.2015 at 12:10 pm

10981427.2 Mortgage to ASB Bank Limited - 14.12.2017 at 4:25 pm

Transaction Id
Client Reference TelferYoung Southland

Search Copy Dated 15/01/19 2:17 pm, Page 1 of 2
Register Only

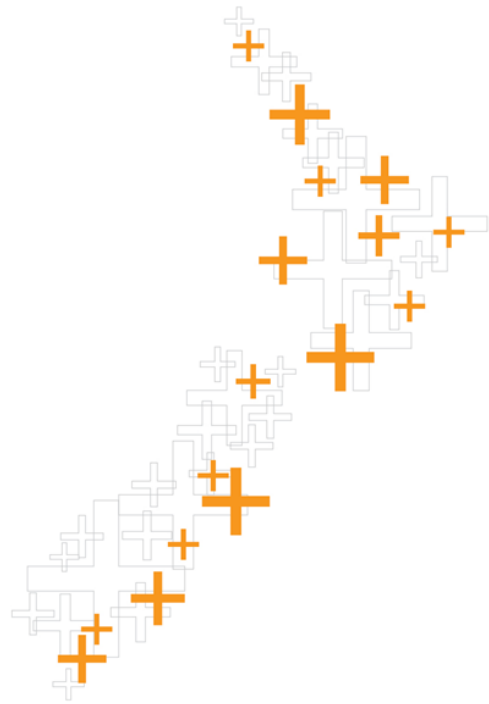


Transaction Id	
Client Reference	TelferYoung Southland

Search Copy Dated 15/01/19 2:17 pm, Page 2 of 2
Register Only



Valuers Property Advisors



National Head Office:

TelferYoung Limited
Level 7, 52 Swanson Street
PO Box 105553,
Auckland City 1143

TelferYoung (Northland) Limited

17 Hatea Drive
PO Box 1093
Whangarei 0140
Telephone: 09 438 9599
Email: northland@telferyoung.com

TelferYoung (Auckland) Limited

Level 7, 52 Swanson Street
PO Box 5533
Auckland 1141
Telephone: 09 379 8956
Email: auckland@telferyoung.com

218 Lake Road, Northcote
PO Box 36030
North Shore City 0748
Telephone: 09 480 2330
Email: auckland@telferyoung.com

TelferYoung (Waikato) Limited

7 London Street
PO Box 616
Waikato Mail Centre, Hamilton 3240
Telephone: 07 839 2030
Email: waikato@telferyoung.com

07 871 5032 (Te Awamutu)
07 889 5990 (Morrinsville)
07 827 2030 (Cambridge)
Email: waikato@telferyoung.com

TelferYoung (Tauranga) Limited

Level 2, 49-51 The Strand
PO Box 455
Tauranga 3144
Telephone: 07 578 4675
Email: tauranga@telferyoung.com

81 Jellicoe Street
Te Puke 3119
Telephone: 07 573 8220
Email: tauranga@telferyoung.com

Unit A4, 15 Talisman Drive
Katikati 3129
Telephone: 0800 578 645
Email: tauranga@telferyoung.com

TelferYoung (Rotorua) Limited

1243 Ranolf Street
PO Box 2121
Rotorua 3040
Telephone: 07 348 1059
Email: rotorua@telferyoung.com

TelferYoung (Taranaki) Limited

143 Powderham Street
PO Box 713
New Plymouth 4340
Telephone: 06 757 5753
Email: taranaki@telferyoung.com

TelferYoung (Hawkes Bay) Limited

25 Pandora Road
PO Box 572
Napier 4140
Telephone: 06 835 6179
Email: hawkesbay@telferyoung.com

7 Gladstone Road
Gisborne 4010
Telephone: 06 868 8596
Email: hawkesbay@telferyoung.com

TelferYoung (Wellington) Limited

Level 4, 94 Dixon Street
Wellington 6011
Telephone: 04 472 3683
Email: wellington@telferyoung.com

TelferYoung (Nelson) Limited

Level 3, 105 Trafalgar Street
PO Box 621
Nelson 7040
Telephone: 03 546 9600
Email: nelson@telferyoung.com

TelferYoung (Canterbury) Limited

Level 1, 58 Armagh Street
PO Box 2532
Christchurch 8140
Telephone: 03 379 7960
Email: canterbury@telferyoung.com

17 Dee Street
Timaru 7910
Telephone: 03 687 1220
Email: canterbury@telferyoung.com

Level 1, 130A Percival Street
PO Box 138
Rangiora 7440
Telephone: 03 313 5355
Email: rangiora@telferyoung.com

TelferYoung (Otago) Limited

Level 3, 8 The Octagon
PO Box 497
Dunedin 9054
Telephone: 03 477 5796
Email: otago@telferyoung.com

TelferYoung (Southland) Limited

135 Spey Street
PO Box 370
Invercargill 9840
Telephone: 03 218 4299
Email: southland@telferyoung.com

23 Medway Street
PO Box 334
Gore 9740
Email: southland@telferyoung.com