



**BAYLEYS**

IN ASSOCIATION WITH  **Knight  
Frank**

# Market Valuation Report

**Silverfin Capital Limited  
Brown & Roberts Road, Tuakau & Andrews Road, Onewhero**

Prepared by  
Bayleys Valuations Limited  
**12 September 2023**



# Valuation Summary

Property Address	Brown & Roberts Road, Tuakau & Andrews Road, Onewhero
Client	Silverfin Capital Limited
Instructing Party	Miles Brown - Silverfin Capital Limited
Purpose of Valuation	To assess the Market Value for first mortgage security purposes
Basis of Valuation	Market Value
Valuation Approach	Income Approach
Legal Description	Refer Section 2.1
Interest Valued	Freehold
Zoning	General Rural Zone
Date of Inspection	17 April 2023 & 12 September 2023 (drive-by)
Date of Valuation	12 September 2023

## Property Summary

The subject comprises a small portfolio of properties including two separate poultry farms held over multiple fee simple titles situated in Tuakau and Onewhero.

The Onewhero site is held in a single fee simple title fronting Andrews Road and encompassing approximately 5.4772 hectares. It is improved with multiple buildings including four poultry sheds capable of housing approximately 27,000 birds. The balance of the site is improved with ancillary improvements including an office and amenities block, as well as a four-bedroom residential dwelling with detached double garage. Overall, the improvements present to a fair and functional standard commensurate with age and use.

The Tuakau site spans over three separate lots separated by Brown and Roberts Road, held in eight fee simple titles. The aggregate holding comprises a land area of approximately 39.0938 hectares although we note that this is not a contiguous block. Frontage and access is gained via Brown and Roberts Road. Improvements include multiple poultry sheds, fourteen residential dwellings as well as ancillary offices, storage sheds and sundry facilities. Overall, presentation is to a fair and functional standard commensurate with age and use.

*Our valuation has been undertaken on a proposed lease basis. The proposed lease is to Inghams Enterprises (NZ) Pty Limited on a twenty-year term for a combined \$2,269,785.90 plus GST and outgoings per annum. The lease reflects five further ten-year rights of renewal. Rent reviews are fixed annually at 2% increases with market reviews on renewal.*

*Additionally, our valuation has been completed on a portfolio / block basis which represents the gross aggregate value of all properties. We have not valued the sites individually however we can confirm that our adopted market value is the value of all the subject properties 'in one line'. Further, we note 10830149.1 condition pursuant to building act 2004 registered on the titles associated with the Tuakau sites restricts the individual sale of the properties.*

## Adopted Market Value – Gross Aggregate Value

**Thirty-Two Million Dollars  
(NZ\$32,000,000) plus GST (if any)**

Brown & Roberts Road, Tuakau & Andrews Road, Onewhero – **12 September 2023**

## Valuation Summary - Gross Aggregate Value

### Property Details

Lettable Floor Area	46,056 sqm		
Total Land Area	44.5710 hectares	Zoning	General Rural Zone

### Financial Analysis

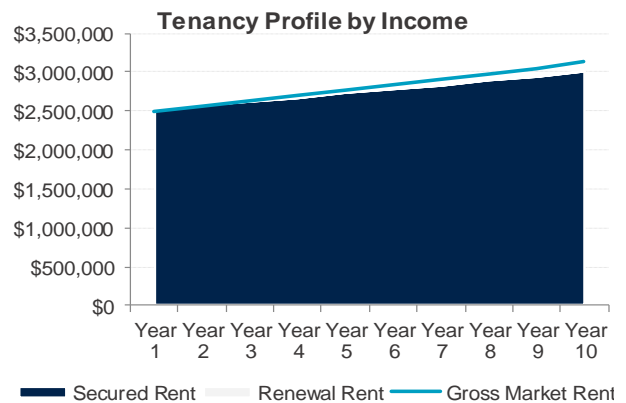
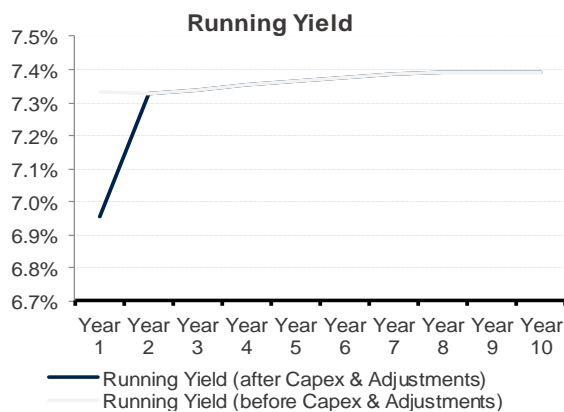
Net Passing Income	\$2,269,786	Adopted Outgoings	\$230,280
Net Market Income	\$2,269,786	Adopted Gross Passing Income	\$2,500,066
NPI + Mkt on Vacancies	\$2,269,786	Adopted Gross Market Income	\$2,500,066
Vacancy	0%		

### Valuation Approaches

Market Capitalisation Method	\$31,700,000		
Discounted Cash Flow Method	\$32,200,000	Adopted Value	\$32,000,000

### Valuation Analysis

Market Capitalisation Rate	7.13%	Capex (PV over 10 years)	\$115,906
Initial Yield	7.09%	Lease Renewal Prob	N/A
Equivalent Market Yield	7.07%	Mkt Growth ( 10 yr avg)	2.50%
Discount Rate	9.00%	CPI Growth ( 10 yr avg)	2.60%
Ten Year IRR	9.08%	Vacancy Allowance	N/A
Terminal Yield	7.37%	WALT (Income)	20.00 years
Net Rate (\$ per sqm)	\$695	WALT (Area)	20.00 years



### Valuer Involvement

Valuer	Position	Inspection	Calculations	Reporting
Carl Waalkens	Director - Registered Valuer	No	Yes	Yes
Samuel Cameron	Registered Valuer	Yes	Yes	Yes

Brown & Roberts Road, Tuakau & Andrews Road, Onewhero - 12 September 2023

# Contents

1. Introduction	5	- 5.2 Occupancy and Vacancy	28
- 1.1 Instructions	5	6. Financial Summary	29
- 1.2 Basis of Valuation	5	- 6.1 Lease Expiry Analysis	29
- 1.3 Liability and Confidentiality	5	- 6.2 Operating Expenditure	29
- 1.4 Information Sources	6	- 6.3 Capital Expenditure	30
- 1.5 Compliance Statement	6	7. Market Overview	31
- 1.6 Valuation Assumptions	6	- 7.1 Economic Outlook	31
- 1.7 Sales History	7	8. Rental Evidence	33
2. Property Details	8	- 8.1 Rental Evidence	33
- 2.1 Legal Description	8	- 8.2 Rental Evidence – Residential	34
- 2.2 Site Description	10	- 8.3 Market Rental Conclusion	35
- 2.3 Locality	12	9. Sales Evidence	38
- 2.4 Zoning	14	- 9.1 Agri-Investment Sales	38
- 2.5 Highest and Best Use	15	- 9.3 Yield Conclusion	48
3. Environmental and Statutory	16	10. SWOT Analysis	50
- 3.1 Earthquake Compliance	16	11. Valuation Approach	51
- 3.2 Contamination	17	- 11.1 Capitalisation of Income Method	51
- 3.3 Asbestos	17	- 11.2 Discounted Cash Flow Method	53
- 3.4 Building Warrant of Fitness	18	- 11.3 Summary of Valuation Approaches	55
- 3.5 Statutory Valuation	18	12. Valuation Conclusion	56
4. Improvements	19	- 12.1 Valuation Analysis	56
- 4.1 Property Description	19	- 12.2 Mortgage Recommendation	56
- 4.2 Accommodation Details	19	- 12.3 Signatory	56
- 4.3 Floor Areas	25	13. General Principles	57
5. Lease Details	27	Appendix	59
- 5.1 Lease Documentation	27	Appendix	60

Brown & Roberts Road, Tuakau & Andrews Road, Onewhero – **12 September 2023**

# 1. Introduction

## 1.1 Instructions

In accordance with instructions received from Miles Brown - Silverfin Capital Limited on behalf of Silverfin Capital Limited, we have assessed the Market Value of the property at **Brown & Roberts Road, Tuakau & Andrews Road, Onewhero**, for mortgage security purposes, and for the purposes of the Inghams Hatchery Scheme and for use (on a non-reliance basis) by prospective investors in the Inghams Hatchery Scheme.

We can confirm that this report and our valuation can be relied upon for first mortgage security purposes.

PINZ Professional Practice guidelines and International Valuation Standards require the property be valued as at date of inspection. A full inspection was carried out on 17 April 2023. Due to a timing lag a further drive-by inspection was completed as at 12 September 2023 which is the date of valuation.

## 1.2 Basis of Valuation

This valuation has been completed under the International Valuation Standards – IVS (effective 31 January 2022), and the relevant Australia and New Zealand Valuation and Property Standards as approved by the New Zealand Institute of Valuers (NZIV), in particular:

- IVS 400 - Real Property Interests
- ANZVGP 111 – Valuations Procedures – Real Property
- ANZVGP 112 – Valuations for Mortgage and Loan Security Purposes.

The market value of the property is defined by the International Valuation Standards Committee as follows:

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

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

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

## 1.3 Liability and Confidentiality

Our valuation and report is strictly confidential to the party to whom it is addressed and is prepared solely for the specific purpose to which it refers. No responsibility whatsoever is accepted for reliance on the valuation report for other purposes. Further, no responsibility whatsoever is accepted to persons other than the party to whom the valuation and report is addressed for any errors or omissions whether of fact or opinion.

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

- **Silverfin Capital Limited**

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

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

Brown & Roberts Road, Tuakau & Andrews Road, Onewhero – **12 September 2023**

Additionally, we consent to:

- the inclusion of our valuation information in the Product Disclosure Statement for the Inghams Hatchery Scheme, as part of a retail offer of interests in that Scheme;
- the inclusion of this report on the *Disclose* register; and
- the distribution of this report to prospective investors under the offer.

## 1.4 Information Sources

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

Information	Source
Record of Title	Land Information New Zealand
District Planning Controls	Local Territorial Authority
Lease Documents	Miles Brown - Silverfin
Site Plan & Floor Areas	Miles Brown - Silverfin
LIM, Asbestos Report & Consents	Miles Brown - Silverfin

## 1.5 Compliance Statement

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

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

## 1.6 Valuation Assumptions

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

- Our valuation has been completed on a portfolio / block basis which represents the gross aggregate value of all properties. We have not valued the sites individually however we can confirm that our adopted market value is the value of all the subject properties 'in one line'.
- The valuation assumes breeding houses D1-D6 have been demolished (as per section 4.2 of this report).
- The valuation assumes each residential dwelling is compliant with Healthy Homes Standards. We have made a capital expenditure allowance to achieve this based off the CAPEX budget provided.
- Lease assumptions detailed in Section 5 of this report.

Brown & Roberts Road, Tuakau & Andrews Road, Onewhero – 12 September 2023

- Clause 17 – initial works and clause 18 – expansion works provides the tenant the right to call on capital from the landlord in order to fund certain works. Should this clause be activated by the tenant, then an adjustment to the lease terms and contract rental would apply. For valuation purposes we have assumed that the tenant will not activate these clauses during the term of the lease. That aside, we note that activation of this clause would result in a material impact on value. We recommend that this valuation be reviewed and amended, if necessary, by the valuer if / when these clauses are initiated.

## 1.7 Sales History

We understand the subject property is currently under-contract for approximately \$29 million plus GST if any. We have been advised that the property sold in an off-market transaction after negotiations around business continuity between the owner (Bromley Park Hatcheries Limited) and its key client Inghams. We are of the opinion that given the circumstances of the off-market transaction (as communicated to us) the sale price falls below our opinion of market value.

# 2. Property Details

## 2.1 Legal Description

We detail below a summary of the Record of Titles as below:

### Tuakau

Address	Identifier	Legal Description	Land Area (sqm)	Interests
Trig Road	NA13B/940	Lot 1 Deposited Plan 58760	1,012	A172187 Mortgage to Bank of New Zealand - 5.9.1966 11642738.3 Variation of Mortgage A172187 - 28.2.2020 11655162.1 Mortgage to Mainfeeds Limited - 28.2.2020
115B Brown Road	NA13B/941	Part Lot 2 Deposited Plan 26117	45,502	A172187 Mortgage to Bank of New Zealand - 5.9.1966 10830149.1 CERTIFICATE PURSUANT TO SECTION 77 BUILDING ACT 2004 THAT THIS COMPUTER REGISTER IS SUBJECT TO THE CONDITION IMPOSED UNDER SECTION 75(2) (ALSO AFFECTS NA752/317 ) 23.6.2017 10830149.1 Subject to Section 81(2) and 81(3) Building Act 2004 - 23.6.2017 11642738.3 Variation of Mortgage A172187 - 28.2.2020 11655162.1 Mortgage to Mainfeeds Limited - 28.2.2020
142 Brown Road	NA15B/1252	Lot 1 Deposited Plan 50544; Lot 1 Deposited Plan 55153	5,397	10562002.1 Mortgage to Bank of New Zealand - 15.9.2016 Subject to a right (in gross) to convey electricity over part Lot 1 DP 55153 marked A on DP 521333 in favour of Counties Power Limited created by Easement Instrument 11032713.1 - 23.3.2018 11642738.1 Variation of Mortgage 10562002.1 - 28.2.2020 11655162.1 Mortgage to Mainfeeds Limited - 28.2.2020
164 Brown Road	NA16B/130	Lot 1 Deposited Plan 60675	56,580	404049.1 Mortgage to Bank of New Zealand - 19.5.1975 Land Covenant in Easement Instrument 8870015.1 - 19.10.2011 11642738.4 Variation of Mortgage 404049.1 - 28.2.2020 11655162.1 Mortgage to Mainfeeds Limited - 28.2.2020
Brown Road	Limited as to Parcels NA751/88	Allotment 14 Suburbs of Tuakau	40,469	A172187 Mortgage to Bank of New Zealand - 5.9.1966 Land Covenant in Easement Instrument 8870015.1 - 19.10.2011 11642738.3 Variation of Mortgage A172187 - 28.2.2020 11655162.1 Mortgage to Mainfeeds Limited - 28.2.2020
115A Brown Road	Limited as to Parcels NA752/317	Lot 1 Deposited Plan 26117	161,040	C442500.1 Mortgage to Bank of New Zealand - 22.12.1992 Land Covenant in Easement Instrument 8870015.1 - 19.10.2011 10830149.1 CERTIFICATE PURSUANT TO SECTION 77 BUILDING ACT 2004 THAT THIS COMPUTER REGISTER IS SUBJECT TO THE CONDITION IMPOSED UNDER SECTION 75(2) (ALSO AFFECTS NA13B/941 ) 23.6.2017 10830149.1 Subject to Section 81(2) and 81(3) Building Act 2004 - 23.6.2017 Subject to a right (in gross) to convey electricity over part marked A and B on DP 512475 in favour of Counties Power Limited created by Easement Instrument 10960329.1 - 14.12.2017 11642738.2 Variation of Mortgage C442500.1 - 28.2.2020 11655162.1 Mortgage to Mainfeeds Limited - 28.2.2020
171 Roberts Road	Limited as to Parcels NA1520/25	Allotment 15 Suburbs of Tuakau	40,469	404049.1 Mortgage to Bank of New Zealand - 19.5.1975 Land Covenant in Easement Instrument 8870015.1 - 19.10.2011 11642738.4 Variation of Mortgage 404049.1 - 28.2.2020 11655162.1 Mortgage to Mainfeeds Limited - 28.2.2020
92 Brown Road	Limited as to Parcels NA1520/26	Allotment 13 Suburbs of Tuakau	40,469	A172187 Mortgage to Bank of New Zealand - 5.9.1966 Land Covenant in Easement Instrument 8870015.1 - 19.10.2011 11642738.3 Variation of Mortgage A172187 - 28.2.2020 11655162.1 Mortgage to Mainfeeds Limited - 28.2.2020

**Land Covenant in Easement Instrument 8870015.1** – *The grantor covenants and agrees with the Grantee that the servient tenement shall not at any time be used for any use or activity that: (a) involves pig or poultry raising, keeping, farming, processing or slaughter; or (b) involves raising, keeping, farming, processing or slaughter of any other domesticated or farmed birds of any variety. (Servient tenement is NA63C/378 being 121 Whangarata Road).*

**10830149.1 Certificate Pursuant to Section 77 Building Act 2004** – *A Building Consent is to be granted, subject to a condition under section 75 of the Building Act 2004, that the specified allotments must not be transferred or leased except in conjunction with other allotment NA13B/941.*

Brown & Roberts Road, Tuakau & Andrews Road, Onewhero – **12 September 2023**

## Onewhero

Address	Identifier	Legal Description	Land Area (sqm)	Interests
87 Andrews Road	SA41C/902	Lot 4 Deposited Plan South Auckland 45519	54,772	7304873.3 Mortgage to Bank of New Zealand - 15.5.2007 11655162.1 Mortgage to Mainfeeds Limited - 28.2.2020 12625737.1 Variation of Mortgage 7304873.3 - 10.2.2023

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

Brown & Roberts Road, Tuakau & Andrews Road, Onewhero – 12 September 2023

## 2.2 Site Description

We summarise the site details as below:

### Browns Road & Roberts Road, Tuakau

Shape and Site Area	The subject property is held in multiple titles encompassing an aggregated land area of approximately 39.0938 hectares.
Topography	Overall, the land associated with each property varies between being level, gentle and easy contoured.
Services	We understand water is provided via in ground bores stored in onsite water tanks, whilst an existing on-site wastewater disposal system (septic tank) is also included on site.
Access	Pedestrian and vehicular access is gained from the road frontages.
Subsoil	The site is assumed to be on firm natural ground for the purposes of our valuation.

The site is indicated below:



Brown & Roberts Road, Tuakau & Andrews Road, Onewhero – 12 September 2023

## Andrews Road, Onewhero

Shape and Site Area	The subject property provides an irregular shaped trapezium encompassing approximately 5.4772 hectares more or less.
Approximate Frontage	Andrews Road - 187 metres more or less.
Topography	Contour slopes at a gentle gradient from its Andrews Road frontage to the rear of the land.
Services	We understand water is provided via in ground bores stored in onsite water tanks, whilst an existing on-site wastewater disposal system (septic tank) is also included on site.
Access	Pedestrian and vehicular access is gained from the road frontages.
Subsoil	The site is assumed to be on firm natural ground for the purposes of our valuation.

The site is indicated below:



Brown & Roberts Road, Tuakau & Andrews Road, Onewhero - 12 September 2023

## 2.3 Locality

We summarise the locality details as below:

### Onewhero

Location	Located within Onewhero a small township in the Waikato Region south of the Auckland boarder.
Situation	More specifically the subject site occupies a position to the Southern Side of Andrews Road positioned approximately 4.0 kilometres south of Onewhero.
Surrounds	<p>The immediately surrounding area is predominantly rural in nature comprising land primarily used for horticultural purposes. The area is also interspersed with rural residential and lifestyle blocks. Small pockets of the surrounding area are also utilised for high-density poultry farming encompassing both egg and meat farms as well as grazing land in the wider area.</p> <p>The closest established residential settlement of Tuakau is approximately 16.1 kilometres north of the subject with the recently established residential development of Pokeno a further 9 kilometres to the northeast.</p>
Motorway / Public Transport	State Highway 1 (SH1) is best accessed approximately 21.3 kilometres east of the subject via Mercer. State Highway One (SH1) is the main arterial route travelling in a north to south direction throughout New Zealand.
Summary	Situated in an established rural locality with good access to the essential transport links of State Highway One. Appropriate surrounding residential catchment to support labour levels.

The locality is indicated below:

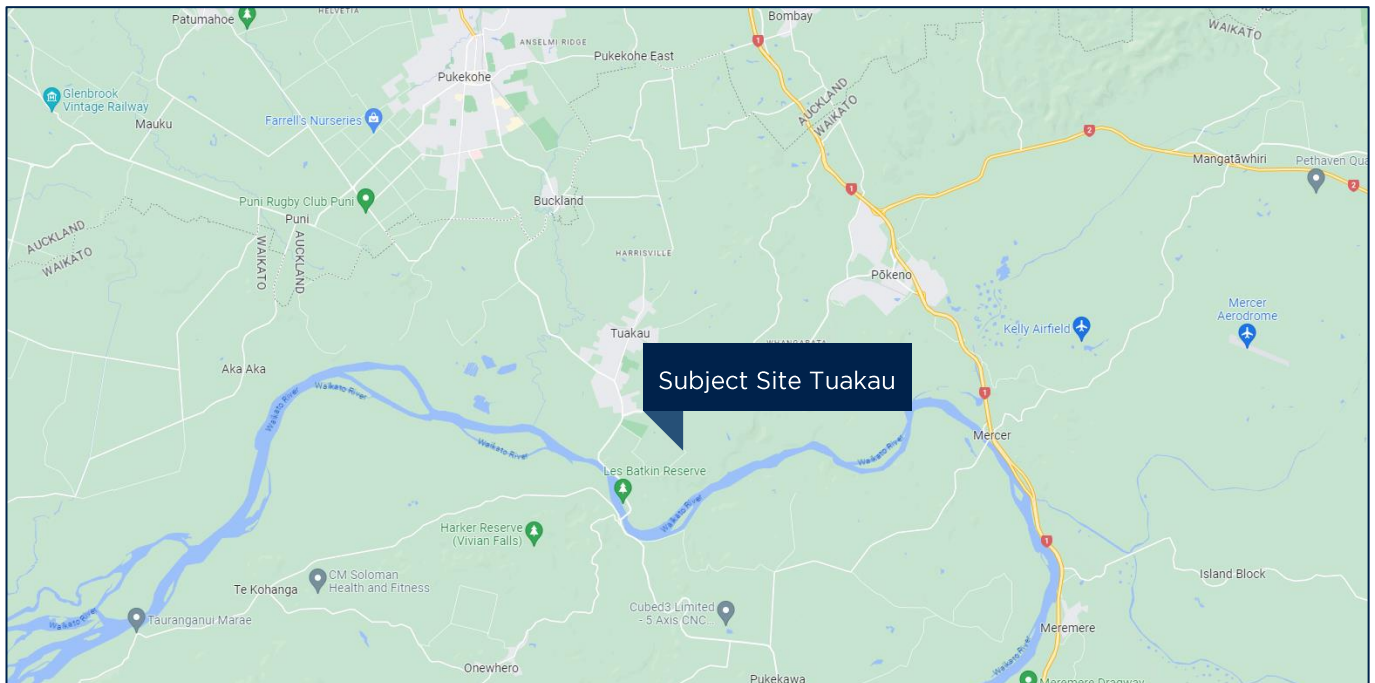


Brown & Roberts Road, Tuakau & Andrews Road, Onewhero – 12 September 2023

## Tuakau

Location	Located within Tuakau a small township in the Waikato Region south of the Auckland boarder.
Situation	More specifically the sites are situated at the intersection of Roberts Road and Brown Road with multiple road frontages to the same.
Surrounds	<p>The immediately surrounding area is predominantly rural in nature comprising land primarily used for horticultural purposes. The area is also interspersed with rural residential and lifestyle blocks, and we note the Waikato River is within close proximity. Small pockets of the surrounding area are also utilised for high-density poultry farming encompassing both egg and meat farms as well as grazing land in the wider area.</p> <p>Tuakau Town Centre is approximately 4.0 kilometres north of the subject with the recently established residential development of Pokeno a further 9 kilometres to the northeast.</p>
Motorway / Public Transport	State Highway One (SH1) is accessed approximately 9.5 kilometres to the north-east via Pokeno. State Highway One (SH1) is the main arterial route travelling in a north to south direction throughout New Zealand.
Summary	Situated in an established rural locality with good access to the essential transport links of State Highway One. Appropriate surrounding residential catchment to support labour levels.

The locality is indicated below:



Brown & Roberts Road, Tuakau & Andrews Road, Onewhero – 12 September 2023

## 2.4 Zoning

The Waikato District Plan became operative in April 2013.

The Waikato District Plan promotes the sustainable management of natural and physical resources in the Waikato District, primarily through strategic management of growth and by managing the effects of land use on the environment. The effects are managed differently around the district to reflect the local environmental issues. The plan responds to the issues in terms of community needs and aspirations. If those needs and aspirations change, then plan changes may be needed.

Territorial Authority	Waikato District Council
District Plan	Operative Waikato District Plan (5 April 2013)
<b>Zoning</b>	<b>Rural Zone</b>
Zone Description	<p>Most of Waikato District is in the Rural Zone. Anticipated activities are traditional extensive dairy and sheep farming, and horticulture with rural residential lifestyle lots interspersed. Rules seek to maintain rural land for productive rural activities, manage activities so that the effects of traditional farming can be accommodated alongside existing lifestyle blocks, to provide a level of lifestyle choice, and to preserve landscape and ecological values. It is anticipated that the amenity values experienced by residents of the Rural Zone will be lower than those enjoyed in the Living Zone.</p> <p>Activities locating in the Rural Zone need to accept existing amenity levels associated with land use management practices and the effects from activities (including agricultural and horticultural activities) that are already lawfully established. New residents need to recognise the accepted management practices including the presence, behaviour and effects of livestock, agrichemical spraying, use of farm machinery, seasonal operation of bird scarers, odour and night harvesting. Mineral extraction and intensive farming are also expected in the Rural Zone, subject to resource consent. Residential development is kept away from these activities, to avoid reverse sensitivity issues.</p>
Prohibited Activities	<p>Land Use - A refuse landfill in the Landscape Policy Area</p> <p>Subdivision - Resulting in more than 2 additional allotments or subdivision of land resulting in any additional allotments containing high quality soils from any allotment with a Certificate of Title issued prior to 6 December 1997</p>
Permitted Activities	Any activity that complies with all effects and building rules is a permitted activity except: On-site disposal or storage of solid waste, or hazardous waste storage, reprocessing or disposal, or an educational institution involving more than 10 students or a correctional facility, or an extractive industry, other than transportation of minerals in an energy corridor, or commercial activities, or an industrial activity, or travellers accommodation for more than 5 people, or a motorised recreation facility, or an intensive farming activity, or a transport depot or a wind energy facility.
Building Controls	<p>Dwellings - 1 or 2 if land is over 40ha</p> <p>Height - 10 metres</p>

Brown & Roberts Road, Tuakau & Andrews Road, Onewhero – 12 September 2023

	<p>Height to Boundary - the building does not protrude through a height control plane rising at an angle of 37 degrees commencing at an elevation of 2.5m above ground level at every point of the site boundary.</p> <p>Building Coverage - Greater of 2% or 500 m2</p> <p>Non-Residential Building -Does not exceed 500 m2 or 250 m2 on a site less than 2ha</p> <p>Buildings for Productive Rural Activities - Does not exceed 1000 m2</p>
Additional Controls	Management Area - Waikato River Catchment

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

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

## 2.5 Highest and Best Use

The current use being a rural - chicken farm is considered to be the highest and best use of the site.

# 3. Environmental and Statutory

## 3.1 Earthquake Compliance

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

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

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

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

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

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

The typical process is:

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

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

Onewhero & Tuakau are located in a medium Seismic Risk Area. Time frames for owners to do seismic work on earthquake-prone buildings are shown above. We note priority buildings don't have to be identified in low seismic

Brown & Roberts Road, Tuakau & Andrews Road, Onewhero – 12 September 2023

risk areas. In these low seismic risk areas, the time frames for all buildings are 15 years to identify and 35 years to remediate.

The seismic rating of a building is an important factor, affecting its leasing potential, saleability and value. A rating of at least 66% NBS is desirable, although some tenants will only occupy a building if the IEP is 70% or higher.

We have not been provided with a copy of a seismic assessment for the subject properties and as such have therefore undertaken our valuation on the assumption that it does indeed sit above 66% NBS. If this assumption is proved incorrect at a later date we reserve the right to amend our valuation accordingly.

### **3.2 Contamination**

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

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

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

From our inspection of the property and as notified in the Land Information Memorandums (LIM's) provided for 142 & 115 Brown Road as well as 87 Andrews Road we consider that there is (or could be) a potential for contamination to exist and would recommend that advice should be obtained from a suitably qualified environmental expert. We detail below the information described within the provided LIM reports:

LIM - 142 Brown Road indicates - Hazard No. 7548 - HAIL D5: engineering workshop - Hazard No. 7641 - Verified HAIL Class 1 - elevated zinc associated with the storage of galvanised materials.

LIM - 115 Brown Road indicates - The site has or may have been used for: A13, petroleum or petrochemical industries including a petroleum depot, terminal, blending plant or refinery, or facilities for recovery, reprocessing or recycling petroleum-based materials, or bulk storage of petroleum or petrochemicals above or below ground. D5, engineering workshops with metal fabrication.

We note however there are no notices or orders under the Health Act 1956 and related legislation in respect of the properties.

As such our valuation continues on the basis that any possible onsite contamination is at low levels and compliant with the current site use and zoning. Should further investigation reveal any material contamination issues we reserve the right to amend this valuation.

### **3.3 Asbestos**

We have been provided with Asbestos Demolition Survey's undertaken by All Clear NZ at different times throughout 2022 for the buildings situated at 139 Brown Road, 171 Roberts Road, 182 Roberts Road, 87 Andrews Road and 115 Brown Road. We note Asbestos Containing Materials (ACM's) have been identified at each property detailed above. As such our valuation continues on the basis that the ACM's identified within the supplied reports are managed in accordance with asbestos management regulations / guidelines with no areas of damage or degradation, and that

Brown & Roberts Road, Tuakau & Andrews Road, Onewhero - **12 September 2023**

the properties are safe to occupy. If this assumption proves to be incorrect, this valuation must be referred back to the valuer for further consideration and possible reassessment.

### 3.4 Building Warrant of Fitness

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

We have not been provided with any current Building Warrant of Fitness' for any of the subject properties. Therefore, our valuation continues on the basis that the properties are fully compliant with statutory requirement and do in fact benefit from a current BWOF, if one is required at all.

### 3.5 Statutory Valuation

The latest Rating Valuation which was undertaken as at 1 June 2021 is as follows:

	Andrews Road	115 Brown Road	142 Brown Road
Land Value	\$580,000	\$2,990,000	\$395,000
Improvements Value	\$1,520,000	\$25,200,000	\$665,000
Capital Value	\$2,100,000	\$28,190,000	\$1,060,000
Waikato District Council Rates 2022/2023 (excl. GST)	\$4,494.22 per annum	\$55,852.02 per annum	\$2,369.97 per annum
Waikato Regional Council Rates 2022/2023 (excl. GST)	\$997.42 per annum	\$11,184.96 per annum	\$522.57 per annum
<b>Total Rates (excl. GST)</b>	<b>\$5,491.64 per annum</b>	<b>\$67,036.98 per annum</b>	<b>\$2,892.54 per annum</b>

These assessments represent part of a mass appraisal, normally without any form of inspection and are reviewed on a three yearly basis. The annual rates amount is based on the Capital Value from 1 June 2021.

# 4. Improvements

## 4.1 Property Description

The Onewhero site is improved with multiple buildings including four poultry sheds capable of housing approximately 27,000 birds. The balance of the site is improved with ancillary improvements including an office and amenities block, as well as a four-bedroom residential dwelling with detached double garage.

The Tuakau site comprises a variety of improvements including multiple poultry sheds, fourteen residential dwellings as well as ancillary offices, storage sheds and sundry facilities.



Andrews Road



Residential Dwelling



G Site

## 4.2 Accommodation Details

### 87 Andrews Road, Onewhero

The site is improved with multiple buildings including three standalone poultry sheds, a residential dwelling and multiple ancillary buildings including office and amenities, storage shed and egg fumigation / chilled storage. Primary access to the site is provided to the north-western portion of the front boundary which is greeted with the office and amenities block. It is a standalone block of timber weatherboard construction that provides office space with associated lunchroom and bathroom facilities including showers for bio security reasons.

Two of the original poultry sheds occupy a position adjacent to the office and amenities block having been constructed in the 1990s and extended in 2007. They each provide space for 7,200 birds. Construction comprises concrete block nib wall with long-run metal above, long-run metal roof and concrete slab floor. Overall condition is to a fair and functional standard

The third poultry shed that is split into two with a utilities space at the centre occupies a position to the rear of the site having been completed in circa 2018. The shed provides space for a total of 12,600 birds (6,300 on each side). Construction comprises concrete nib wall with long-run metal above, long-run metal roof and insulated panel cladding throughout. Overall presentation is to a good standard commensurate with age and use. We note to the north of this shed is a secondary building platform for the possible future construction of a second identical shed.

The residential dwelling is situated to the centre of the site encompassing four-bedrooms and includes a detached double garage. Construction is from approximately the 1990s with construction comprising timber piles and framing with weatherboard and corrugated metal roof. Overall, the dwelling presents to a fair standard commensurate with age.

The balance of the site is primarily improved with ancillary storage sheds and vehicle access-ways.

Brown & Roberts Road, Tuakau & Andrews Road, Onewhero – 12 September 2023



Storage Shed



Residential Dwelling



Original Shed



Internal - Original Shed



New Shed



Gated Access

## Brown & Roberts Road, Tuakau

### Block 1 – Central Staff Area

Block 1 occupies a position to the centre of the site accessed to the northern side of Brown Road. The block is improved with multiple ancillary buildings including the main office, workshops vehicle storage sheds as well as three separate residential dwellings.

The residential dwellings provide a range of sizes from two-, three- and five-bedroom accommodation constructed from the 1940s through to the 1970s and providing a variety in standard of accommodation. We note none of the dwellings are healthy homes compliant however have been well maintained presenting to a fair and functional standard commensurate with age.

The main office component occupies a position to the centre of the site presenting predominantly residential in nature. Internally it provides a combination of partitioned and open plan office areas presenting to a dated however functional standard. We note a standalone lunchroom and amenities area is situated adjacent to the office having been constructed in circa 1991 and provides a veranda deck. Overall, it presents to a fair and functional standard with construction comprising fibrolite walls or similar, aluminium joinery and long-run metal roof with timber framing.

The balance areas include a number of ancillary storage areas being a mixture of standalone garages and lean-to shelters which provide vehicle storage. Additionally, we note a workshop is situated attached to the end of the main office space as well as a recreation hall and secondary original office space each of which present to a poor condition with no added value.

Brown & Roberts Road, Tuakau & Andrews Road, Onewhero – 12 September 2023



Staff Amenities



Storage



Internal Office



Office / Workshop External



Storage



Internal Office

### **Block 2 – B & C Site**

Block two occupies a position to the southern portion of Brown Road towards the Waikato River positioned to its western side.

The site is improved with five residential dwellings each with their own separate garaging and each providing three bedrooms constructed from the 1920s through to the 1960s however having been reasonable well maintained throughout. We note however only one of the dwellings is healthy homes compliant.

The balance of the site encompasses approximately 7 laying sheds of varying sizes and construction with some having been refurbished over time. B1 and B2 (laying sheds) are original having been constructed in 2000 and 2001 respectively whilst C1 and C2 were constructed in 2015, C3 and C4 constructed in 2017 with C5 having been completed in 2018. We note C1 & C2 are rollbond sheds having steel portal frames with insulated panels, concrete slab flooring and automatic egg collection. At one end is a workroom. C3 to C5 consist of insulated panel cladding or similar, concrete foundations with steel portal framing. Includes automatic egg collection and crossflow ventilation.

The balance of the site encompasses the main staff amenities as well as a service block that includes the biosecurity shoers, lunchroom and wc facilities. We note a small storeroom and egg fumigation area are also included.

To the northern most portion of the block at the intersection of Brown and Roberts Road the site provides bare land with the original commercial improvements having been demolished.

Brown & Roberts Road, Tuakau & Andrews Road, Onewhero – **12 September 2023**



Poultry Shed



Residential Dwelling



Poultry Shed

### **Block 3 – D & G Site**

Block three encompasses the breeding site comprising three breeding houses each of 1,470 sqm along with three residential dwellings and ancillary office and amenities spaces.

The residential dwellings encompass two- and three-bedroom accommodation each with detached garages dating from the 1920s. We note none of the dwellings are healthy homes compliant.

The three main breeding sheds number G1, G2, and G3 occupy the centre of the site with each shed being able to house approximately 8,000 birds. Internal plant and equipment includes automatic egg collection. To the north-western portion of the site we note the original breeding houses number D1 – D6 which are currently dilapidated and inoperative. *We have been advised that these sheds are due for demolition and as such have excluded them from this valuation.*

At the primary entry to the block is an office and amenities area with vehicle tyre wash. Internally the office and amenities block includes separate male and female wc's and biosecurity shower.



G Site



Internal G Site



G Site

### **Block 4 – F Site & Hatchery**

Block four comprises the rearing sheds, hatchery and associated staff amenities as well as a single residential dwelling.

The residential dwelling comprises a weatherboard bungalow constructed in the 1920s providing two-bedroom accommodation. We have been advised the dwelling is healthy homes compliant.

The rearing sheds are positioned to the rear most portion of the site comprising 13 sheds each with capacity for approximately 8,000 birds. The original sheds being F1-F6 were constructed in 1986 however were rebuilt after a fire in 2004. F1-F4 are constructed of plywood walls with long-run corrugated metal roofing and concrete flooring

Brown & Roberts Road, Tuakau & Andrews Road, Onewhero – **12 September 2023**

with plywood interior lining and extractor fans for circulation. F5/F6 are constructed with concrete nib-wall with long-run metal cladding and roofing. Internal linings include a combination of long-run metal and plywood.

F7 and F8 were constructed in circa 2005 each encompassing 700 sqms. Construction comprises steel portal framing with concrete block nib wall with long-run metal above and concrete slab flooring. The walls and ceilings are insulated with cross flow fnas and emergency ventilation system. There are standard fans gas heaters.

F9-F12 were constructed over 2016 and 2017 whilst f13 was constructed over 2017/2018. Construction is to a similar standard as above.



F Site Shed



Amenities Block



Vehicle Access to F Site

The hatchery is situated to the front of the site accessed to the north-eastern side of Brown Road. The building was completed in circa 2014 with an extension added in 2017/2018 currently presenting to a modern standard encompassing a total floor area of 3,566 sqm. To the building frontage is the main amenities and office areas which include male and female biosecurity showers as well as washing area. From this area is hallway which leads to the production spaces with egg storage areas to the perimeter capable of housing one million eggs. To the centre of the hatcher are the setter rooms which then move into the hatcher rooms. The eastern most portion of the hatchery comprises the chick processing and holding room which leads to the load-out area with truck loading dock.

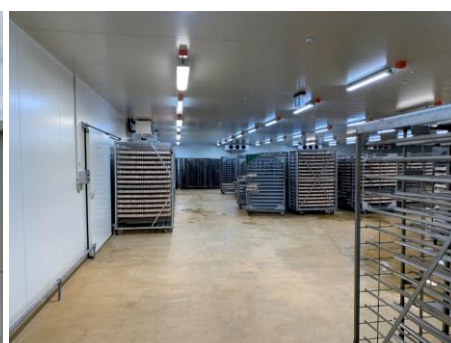
Construction comprises steel portal framing, with concrete slab flooring, panel and corrugated metal cladding. Internally the hatchery includes insulated panelling throughout with Sureshield floor coatings and other bio-security protection methods.



External



Frontage



Internal

Brown & Roberts Road, Tuakau & Andrews Road, Onewhero – 12 September 2023



### 4.3 Floor Areas

We have been supplied with floor areas of the subject improvements. Given the high bio-security nature of the site we have been unable to cross-checked these with on-site measurements. As such we have relied upon the supplied areas for the purpose of this valuation.

If at a later date these areas prove to be incorrect, we reserve the right to amend this valuation. We summarise as follows the supplied rentable areas:

Block	Component	Floor Area	Proportion
Block 1 - Central Staff Area	Dwelling & Garaging - 115B Brown Road	253.84 sq m	0.55%
	Dwelling & Garage - 139 Brown Road	138.20 sq m	0.30%
	Dwelling - 139B Brown Road	135.00 sq m	0.29%
	Dwelling - 115 Brown Road	1.00 sq m	0.00%
	Dwelling - 115C Brown Road	1.00 sq m	0.00%
	Carpenter Workshop	224.40 sq m	0.49%
	Lunchroom Amenities Block	39.60 sq m	0.09%
	Vehicle Shed & Cool Room	161.10 sq m	0.35%
	Truck Shed	248.50 sq m	0.54%
	Truck Porch	50.00 sq m	0.11%
	Original Office	96.80 sq m	0.21%
	Administration Office	289.40 sq m	0.63%
	Load Out Shed	96.00 sq m	0.21%
	Block 2 - B & C Site	Dwelling & Garage - 172 Roberts Road	116.30 sq m
Dwelling & Garage - 166 Brown Road		122.60 sq m	0.27%
Dwelling & Garage - 184 Brown Road		104.20 sq m	0.23%
Dwelling & Garage - 186 Brown Road		104.20 sq m	0.23%
Dwelling & Garage - 188 Brown Road		95.50 sq m	0.21%
Laying Shed - B1		768.60 sq m	1.67%
Laying Shed - B2		768.60 sq m	1.67%
Laying Shed - C1		1,470.00 sq m	3.19%
Laying Shed - C2		1,470.00 sq m	3.19%
Laying Shed - C3		1,470.00 sq m	3.19%
Laying Shed - C4		1,470.00 sq m	3.19%
Laying Shed - C5		1,470.00 sq m	3.19%
Service Block - E9		30.00 sq m	0.07%
Amenities/Toilet Block - S10		18.00 sq m	0.04%
Store Room	75.60 sq m	0.16%	

Block	Component	Floor Area	Proportion
Block 3 - D & G Site	Breeding House - D1	948.60 sq m	2.06%
	Breeding House - D2	956.70 sq m	2.08%
	Breeding House - D3	948.60 sq m	2.06%
	Breeding House - D4	1,204.00 sq m	2.61%
	Breeding House - D5	1,204.00 sq m	2.61%
	Breeding House - D6	1,204.00 sq m	2.61%
	Breeding House - G1	1,470.00 sq m	3.19%
	Breeding House - G2	1,470.00 sq m	3.19%
	Breeding House - G3	1,470.00 sq m	3.19%
	Amenities Block - S16	69.10 sq m	0.15%
A Site (demo'd)	Dwelling & Garaging - 171 Roberts Road	131.30 sq m	0.29%
	Dwelling & Garaging - 189 Roberts Road	82.50 sq m	0.18%
	Dwelling & garaging - 92 Brown Road	103.13 sq m	0.22%
Block 4 - F Site & Hatchery	Dwelling - R4 - 115A Brown Road	75.60 sq m	0.16%
	Staff Amenities & Generator Shed	70.40 sq m	0.15%
	Hatchery	3,565.92 sq m	7.74%
	Rearing Shed - F1/F2	1,261.00 sq m	2.74%
	Rearing Shed - F3/F4	1,535.00 sq m	3.33%
	Rearing Shed - F5/F6	2,316.80 sq m	5.03%
	Rearing Shed - F7	700.00 sq m	1.52%
	Rearing Shed - F8	700.00 sq m	1.52%
	Rearing Shed - F9	1,470.00 sq m	3.19%
	Rearing Shed - F10	1,610.00 sq m	3.50%
	Rearing Shed - F11	1,610.00 sq m	3.50%
	Rearing Shed - F12	1,610.00 sq m	3.50%
	Rearing Shed - F13	1,610.00 sq m	3.50%
Andrews Road	Storage Shed 1 - Shavings Shed	64.00 sq m	0.14%
	Administration Block	74.00 sq m	0.16%
	Egg Fumigation	54.00 sq m	0.12%
	Storage Shed 2 - Garage	36.00 sq m	0.08%
	Shed H10	1,388.00 sq m	3.01%
	Shed H11	1,388.00 sq m	3.01%
	Storage Shed 3	68.00 sq m	0.15%
	Farm House	126.87 sq m	0.28%
	House 7A & 8A	2,172.00 sq m	4.72%
<b>Total Area</b>		<b>46,055.96 sq m</b>	<b>100%</b>

Brown & Roberts Road, Tuakau & Andrews Road, Onewhero - 12 September 2023

# 5. Lease Details

## 5.1 Lease Documentation

### Inghams Enterprises (NZ) Pty Limited

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

- *DRAFT Agreement to Lease (2023)*

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

Form of Lease	Bell Gully Agreement to Lease
Tenant / Lessee	Inghams Enterprises (NZ) Pty Limited
Guarantor	N/A
Premises	<b>Onewhero Premises:</b> means the property at 87 Andrews Road, Onewhero and comprised in RT SA14C/902 <b>Tuakau Premises:</b> means the property at Brown & Roberts Road, Tuakau and comprised in RT NA752/317, NA13B/941, NA13B/940, NA1520/25, NA1520/26, NA751/88, NA16B/130, and NA15B/1252.
Term	Twenty (20) years.
Commencement Date	<i>Assumed - Date of valuation</i>
Initial Expiry Date	On the twentieth anniversary of the commencement date.
Rights of Renewal	Five (5) further terms of ten (10) years.
Final Expiry Date	On the seventieth anniversary of the commencement date ( <i>all rights of renewal exercised</i> ).
Commencement Rental	<b>Andres Road: \$215,696.06 plus GST and outgoings per annum.</b> <b>Brown &amp; Roberts Road: \$2,054,089.84 plus GST and outgoings per annum</b>
Rent Review Frequency	Each anniversary of the commencement date except for each Market Review Date.
Rent Review Provision	2% fixed annually, except for each Market Review Date.
Market Review Date	The commencement date of each further term.
Ratchet Clause	The Market Rent cannot be less than 95% of the Rent payable immediately prior to the Market Rent Review Date; and The Rent payable on and from the relevant Market Review Date will be the lower of the Market Rent and the Rent payable immediately prior to the Market Review Date.
Proportion of Outgoings	Tenant to pay Outgoings (Net Lease).
Business / Permitted Use	Poultry Farming, Hatching and associated uses and any other use permitted by law from time to time.
Additional Clauses	<i>Clause 9.2 - Capital Works</i> - The Tenant must carry out Capital Repairs at its cost where the Cost of doing so is less than the Threshold Amount (\$250,000 plus GST). Despite anything in this lease, the Tenant is not required to carry out Capital Repairs during the last five years of the Term, unless the Tenant has exercised its right to a further term.

Brown & Roberts Road, Tuakau & Andrews Road, Onewhero - **12 September 2023**

*Clause 13.2 - Right of last refusal to purchase*

*Clause 17 - Initial Works - Initial improvements to the property detailed in schedule 4 of the lease to a total budget of \$7 million dollars. If the tenant elects to commence the initial works they will be responsible to pay Initial works rent as determined in the formula provided under clause 17.14.*

*Clause 18 - Expansion Works - An upgrade of the premises or an extension to an existing building or new building and any associated improvements, fitout and installation of equipment and fittings, demolition and external works on the land. If the tenant elects to commence the expansion works they will be responsible to pay expansion works rent as determined in the formula provided under clause 18.18. The Expansion Works Rent will be subject to review in accordance with the provisions of clause 3.3 (fixed rental increase) as if Expansion Works Rent was Rent.*

*We have been provided with a Draft Agreement to Lease dated 17 February 2023. Our valuation continues on the assumption that the draft agreement to lease has been signed and executed in accordance with the pertinent details described above. If at a later date this proves to be incorrect or there are alterations or adjustments made to those pertinent details, we reserve the right to amend this valuation.*

*Clause 17 - initial works and clause 18 - expansion works provides the tenant the right to call on capital from the landlord in order to fund certain works. Should this clause be activated by the tenant, then an adjustment to the lease terms and contract rental would apply. For valuation purposes we have assumed that the tenant will not activate these clauses during the term of the lease. That aside, we note that activation of this clause would result in a material impact on value. We recommend that this valuation be reviewed and amended if necessary, by the valuer if / when these clauses are initiated.*

## **5.2 Occupancy and Vacancy**

### **Vacancies**

For valuation purposes we have treated the property as 100% occupied as per the pertinent details provided above.

### **Outstanding Reviews/Incentives**

We have not been advised of any outstanding rent free periods or incentive payments due as at our date of valuation.

### **Arrears**

We have not been advised of any significant rental arrears within the subject property.

### **Summary**

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

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

Brown & Roberts Road, Tuakau & Andrews Road, Onewhero – **12 September 2023**

# 6. Financial Summary

The property is currently occupied by a single tenant returning \$2,269,786 per annum plus GST and outgoings with a remaining term of 20 years. We detail below the associated operating expenses and capital expenditure.

## 6.1 Lease Expiry Analysis

We have undertaken a detailed lease expiry analysis of the subject building relating to occupied areas only. The indicated WALT and lease profile by income and area is summarised below:

	Income Basis	Area Basis
WALT (years)	20 years	20 years

## 6.2 Operating Expenditure

Operating Expenses (OPEX) relate to the ongoing costs associated with the occupation or ownership of a building. Typically, leases will be structured on a net basis whereby operating costs are recovered from the Lessee including but not limited to; rates, service contracts, insurance costs and other operational costs.

We have not been provided with a schedule of detailed operating expenses for the subject property. Therefore we have made OPEX allowances based on our understanding of comparable properties in the surrounding and wider area and or based on industry benchmarks.

Where possible we have searched Council databases to establish current rates that apply to the subject property.

Our adopted Operating Expenses are summarised in the table below:

Outgoings Schedule	Budget	Adopted (Budgeted)		
	\$ pa.	\$/m <sup>2</sup> pa.	\$ pa.	\$/m <sup>2</sup> pa.
<b>Statutory Expenses</b>				
Municipal/Council Rates	70,927	1.5400	70,927	1.54
<b>Total Statutory Charges</b>	<b>70,927</b>	<b>1.5400</b>	<b>70,927</b>	<b>1.54</b>
<b>Operating Expenses</b>				
Target OPEX	159,353	3.46	159,353	3.46
<b>Total Operating Expenses</b>	<b>159,353</b>	<b>3.46</b>	<b>159,353</b>	<b>3.46</b>
<b>Total Recoverable Outgoings</b>	<b>230,280</b>	<b>5.00</b>	<b>230,280</b>	<b>5.00</b>
<b>Total Outgoings</b>	<b>230,280</b>	<b>5.00</b>	<b>230,280</b>	<b>5.00</b>

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

### 6.3 Capital Expenditure

Buildings require ongoing expenditure to maintain their structural integrity and to future-proof the value of the asset.

We note that the lease has been executed on essentially a triple net basis which requires the tenant to undertake maintenance and structural repair at its cost. As per clause 9.2 the Tenant is required to undertake capital repairs to the subject property up to the Threshold Amount of \$250,000 plus GST. Any capital expenditure above this amount can be recovered by the Tenant from the Landlord. We have tested the threshold amount and are of the opinion that it is an adequate amount to cover the cost of capital repairs that would be typically associated with this asset class. As such we have only included the following capital expenditure allowance throughout our cash flows:

- We have been advised of initial CAPEX requirements to remediate the residential dwellings to comply with Healthy Homes Standards totalling **\$118,000**.

Our adopted capital expenditure allowance is summarised as below:

Capital Expenditure	Year 1 17-Apr-23 16-Apr-24	Year 2 17-Apr-24 16-Apr-25	Year 3 17-Apr-25 16-Apr-26	Year 4 17-Apr-26 16-Apr-27	Year 5 17-Apr-27 16-Apr-28	Year 6 17-Apr-28 16-Apr-29	Year 7 17-Apr-29 16-Apr-30	Year 8 17-Apr-30 16-Apr-31	Year 9 17-Apr-31 16-Apr-32	Year 10 17-Apr-32 16-Apr-33
Healthy Homes Compliance	118,000	-	-	-	-	-	-	-	-	-
<b>Budgeted Capital Expenditure</b>	<b>118,000</b>	-	-	-	-	-	-	-	-	-
Sinking Fund	-	-	-	-	-	-	-	-	-	-
Refurbishment on Expiry	-	-	-	-	-	-	-	-	-	-
<b>Total Capital Expenditure</b>	<b>118,000</b>	-	-	-	-	-	-	-	-	-
Total 10 year capital expenditure										118,000
Total 10 year capital expenditure (\$/m <sup>2</sup> )										3
Total 10 year capital expenditure (% of Adopted Value)										0.4%

# 7. Market Overview

## 7.1 Economic Outlook

### Introduction

The fallout of the pandemic has led to significant implications on the New Zealand and global economies. Factors such as the tight labour market, global supply chain issues, strong \$USD and rising global energy prices have all contributed to the highest level of inflation since 1990, now sitting at 7.2% for the year ended December 2022. Such market indicators have resulted in the Reserve Bank of New Zealand (RBNZ) adopting an aggressive approach to reducing inflation, continuing the trend of increasing the Official Cash Rate (OCR), which now sits at a seven year high of 4.75%. The most recent monetary policy announcement on 22 February 2023 saw the OCR raised 50 basis points in an effort to control inflation and return it to its mandated level of between 1% and 3% per annum. Interest rates are likely to keep increasing into 2023 as the economy finds its way to a sustainable path.

The below table indicates the performance of the New Zealand economy over the previous twelve months, together with expected future trends:

Economic Indicator	Period	Rate	Forecasted Trends
GDP	Year End Dec-2022	2.40%	↓
CPI	Year End Dec-2022	7.20%	↓
OCR	22 February 2023	4.75%	↑
Unemployment Rate	Year End Dec-2022	3.40%	↑
10 Year Bond Rate	March 2023	circa 4.10%	→
Net Migration	Year End Dec-2022	circa 15,800 (provisional)	↑

### Migration

New Zealand's unadjusted provisional annual net gain (more arrivals than departures) of migrants for the year ended December 2022 resulted in a provisional estimate of an annual net migration gain of 15,800. Provisional estimates for migrant arrivals and departures for the year ended December 2022 were 32,400 and 16,600 respectively. There were 14 months of mainly net migration losses of New Zealand citizens to December 2022, which caused implications on an already tight labour market, resulting in slow GDP growth moving forward.

However, with the most recent figures showing net migration gains in the positive figures, early indications could be proven correct with migration rising from previous numbers. With borders re-opening and Government restrictions on migrant workers being loosened, annual net migration may continue to go positive into 2023. Commentators in this space are suggesting that the "brain drain" may subside as pent-up demand to leave New Zealand may have exacerbated by year end 2022.

### Interest Rates & Inflation

In November 2022, the RBNZ announced a tighter monetary policy, in an effort to slow spending and reduce inflation pressure. Consumer price inflation in New Zealand, in the September quarter, was significantly stronger than expected. It was noted that the OCR needs to increase to a higher level, and quicker than previously indicated, to ensure inflation returns to its targeted range of between 1% and 3% per annum.

The Monetary Policy Committee is in agreement that a larger move towards a more balanced OCR will provide more stability and flexibility with regard to inflation and future policy decisions given the current uncertain global economic environment. Household spending remains resilient, especially considering the rise in debt servicing costs, the fall in house prices, and low levels of consumer confidence. Inflation expectations have persisted much

Brown & Roberts Road, Tuakau & Andrews Road, Onewhero – 12 September 2023

longer than anticipated, driven by tourism recovery and coupled with competition in the labour market. Employees are changing jobs to get higher wages, which can add to inflation pressure if not done with productivity.

Pressures within the labour market remain as the country moves closer towards full employment. The labour cost index increased 3.4% within the year ending June 2022, and the unemployment rate was recorded at 3.4% for December 2022. With relaxed border controls and potential exacerbation of the “brain drain”, as indicated above, we may see some easing in labour shortages. Furthermore, with the threat of a recession looming, we may likely see a continued increase in the unemployment rate into the 2023 year.

Inflation from the December 2021 quarter to the December 2022 rose 7.2% within New Zealand with the quarterly inflation rate at 1.4%. The main driver that attributed to the increase was rising food and grocery costs, transport costs, and the cost of housing and housing utilities. Factors such as ongoing supply chain issues, rising labour costs, strong \$USD, and high levels of demand have effectively pushed up the construction cost of new dwellings within New Zealand. We are likely to see inflation for the first quarter of 2023 to again be high, although at lower levels to previous quarters. Given that the December quarterly inflation rate increased 1.4% taking annual inflation to 7.2%, this could explain the most recent OCR hike of 75 basis points in November 2022, which was then followed with a 50bp hike in February 2023.

The risk-free rate of return (term deposit rates and 10-year Government Bond rates) has materially increased in the last 12 months. An increase in the ‘risk-free rate’ could eventually flow onto discount rates for investments and as such, place downward pressure on asset values.

## **Investment & Construction**

The outlook for residential construction is rapidly worsening following a continued trend of reduced profitability, strong inflationary pressure on building materials, supply chain issues, and labour constraints restricting the ability for activity to escalate. During December, the seasonally adjusted number of new consented dwellings fell 7.2%, after rising 6.7% in November 2022. Residential building consents for the year ending December 2022 was at 49,538, an increase of 1.1% from the year ended December 2021.

Additionally, there has been a lag between the time building consents are issued and construction commencement, contributing to a drop in the volume of non-residential building work. The recent downturn in the residential property market has also resulted in some planned residential developments being delayed or cancelled altogether, particularly as the availability of funding to developers has become problematic for many.

## **Summary**

The short-term projection for the New Zealand economy is starting to become somewhat subdued off the back of business sentiment surveys and also the Reserve Bank Governor openly acknowledging that Recession is likely for 2023. With sustained high inflationary pressures and low unemployment, significant upward pressure on the interest rate environment is persisting, with the expectation that the majority of household owners will be re-fixing in 2023 at significantly higher interest rates. With credit growth slowing dramatically and strong downward pressure on disposable incomes (due to high inflation and raising interest rates), stagnating growth will continue. We also note the decreasing residential housing market will continue to be front of mind for consumers, as a result of the above discussed factors.

In addition, the impact from the recent Auckland Floods and Cyclone Gabrielle are yet to be felt, however initial findings are that significant rebuilding will be required over the coming months and potentially years.

*Source: Bayleys Valuations, Statistics NZ, Interest, ASB, ANZ, NZIER, RBNZ, Westpac (29 March 2023)*

# 8. Rental Evidence

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

## 8.1 Rental Evidence

We note from the outset that the subject properties offer predominantly specialised industrial buildings that have been purpose built as poultry farms including rearing and laying sheds.

In this light we set out below the market rental evidence for comparable poultry farms that have occurred throughout New Zealand. We note that the market rental evidence is taken over an extended time period due to the paucity of directly comparable properties and the shallow nature of this market. A summary of key leasing transactions is detailed as follows:

Property	Location	Comm. Date	Rent Review	Current Expiry	Term	Type	Total Area (sqm)	Base Rent (\$pa)	Overall Rental (\$/sqm)
Subject Property	Waikato	2023	-	2043	20.0	NL	46,056	\$2,269,786	\$49
Confidential	Te Awamutu	Nov-18	Nov-21	Nov-43	25.0	NL	8,282	\$1,048,141	\$127
Confidential	South Taranaki	Nov-18	Nov-19	Nov-48	30.0	NL	2,000	\$160,950	\$80
Confidential	Matamata	Jul-14	Oct-21	Jul-39	25.0	NL	4,398	\$449,875	\$102
Confidential	Tepapa South	Jul-14	Oct-21	Jul-39	25.0	NL	25,111	\$1,041,997	\$41
Confidential	Matamata	Jul-14	Oct-21	Jul-39	25.0	NL	25,665	\$655,852	\$26
Confidential	Waitoa	Jul-14	Oct-21	Jul-39	25.0	NL	15,172	\$3,356,216	\$221
Confidential	Waharoa	Jul-14	Oct-21	Jul-39	25.0	NL	6,768	\$201,284	\$30
Confidential	Matamata	Jul-14	Oct-21	Jul-39	25.0	NL	13,482	\$421,917	\$31
Confidential	New Plymouth	Jun-13	Jul-21	Jun-38	25.0	NL	14,544	\$2,343,911	\$161
Confidential	Waikouaiti	Apr-12	-	Apr-26	7.0	R	c. 2970	\$101,407	\$34

NL = New Lease R = Renewal

The above facilities reflect a rental rate range on an overall basis over a variety of facilities throughout New Zealand generally between **\$25** and **\$221** per square metre (excluding outliers). The rental rates are inclusive of the land that services the chicken farms as the majority require large areas of buffer land between the Poultry use and the neighbouring alternative use sites.

The rentals achieved for modern purpose-built facilities generally range between \$80-\$126 per sqm and are also influenced by the underlying land values. Older secondary facilities fall within the lower end of the range and are generally below \$40 per sqm with highly specialised processing facilities at above \$100 per sqm.

Like many specialised assets the more modern developments have economic based rentals that closely reflect return on costs. The majority of the recent leasing deals over the modern purpose-built facilities have been agreed on this basis such as Facility 1 and Facility 9 in the table above.

We highlight the lease associated with the subject property at \$49 per sqm which we would consider to be within market levels when compared to the balance of the evidence.

Additionally, we are aware of a confidential sale and lease-back of a significant poultry business during 2022. We retain most of the information on file given the confidential nature of the transaction however we can confirm basic details as follows:

Brown & Roberts Road, Tuakau & Andrews Road, Onewhero – **12 September 2023**

Location	Rate per sqm	Lease Type	Term (years)	Review Provisions
Confidential	\$40	Triple Net	30.0	Annual Fixed 3% increases
Confidential	\$87	Triple Net	30.0	Annual Fixed 3% increases
Confidential	\$56	Triple Net	30.0	Annual Fixed 3% increases
Confidential	\$37	Triple Net	30.0	Annual Fixed 3% increases
Confidential	\$48	Triple Net	30.0	Annual Fixed 3% increases
Confidential	\$57	Triple Net	30.0	Annual Fixed 3% increases
Confidential	\$51	Triple Net	30.0	Annual Fixed 3% increases
Confidential	\$56	Triple Net	30.0	Annual Fixed 3% increases
Confidential	\$23	Triple Net	30.0	Annual Fixed 3% increases
Confidential	\$29	Triple Net	30.0	Annual Fixed 3% increases

The rentals detailed above range between **\$23 per sqm** and **\$87 per sqm** dependent on location and quality with the higher rents relating to more modern free-range facilities that are structured on a return on cost basis. The lower end of the range reflects older, smaller and more intensive facilities providing colony and barn accommodation that do not have a large requirement for surplus land. We note these rentals support the wider body of evidence above and are in line with the current contract rent being achieved by the subject property.

## 8.2 Rental Evidence - Residential

In regard to the residential components associated with the subject property we have also had consideration to rental evidence taken from the Ministry of Business, Innovation & Employment – tenancy services website. We detail our findings as follows:

Tuakau House			
Size	Lower Quartile	Median Rent	Upper Quartile
2 Bedrooms	\$420	\$450	\$450
3 bedrooms	\$520	\$550	\$580
4 Bedrooms	\$620	\$630	\$650

Source: Ministry of Business, Innovation & Employment

The above rental evidence for the Tuakau locality reflects an overall range of between \$420 and \$650 per week for two-four-bedroom dwellings. Two-bedroom dwellings reflect a range of between \$420 and \$450 per week, three-bedroom dwellings reflect a range of between \$520 and \$580 per week whilst four-bedroom dwellings reflect a range of between \$620 and \$650 per week.

We note the subject property provides a range of two-, three- and four-bedroom properties throughout. We would expect discounts to apply to the subject given the more rural locality outside of the main Tuakau Centre, being situated on an active poultry farm and the associated hazards as well as the quality of improvements.

Brown & Roberts Road, Tuakau & Andrews Road, Onewhero – 12 September 2023

### 8.3 Market Rental Conclusion

The poultry leases that we are privy to reflect a range on an overall basis over a variety of facilities throughout New Zealand generally between **\$25** and **\$100** per square metre.

The subject properties offer a mixture of modern and more dated specialist poultry facilities together with small scale industrial sheds, dispatch buildings, residential accommodation and ancillary buildings. Given the presentation, specialist nature and rural locality of the subject properties as well as the comments made above we are of the view a rental rate towards the lower-end of the poultry farm rental range on an overall basis would be appropriate.

Further the property is subject to a new lease to Inghams Enterprises (NZ) Ltd which reflects a rental rate on an overall basis of \$49 per sqm. Importantly as with other Inghams leases the contracted rental amount is somewhat influenced by business affordability. Given the long length of the lease and inability to revert to market levels throughout the term, the estimation of market rent is of limited consequence (assuming tenant covenant remains strong throughout). Nonetheless, taking into consideration the above evidence and characteristics of the subject property we consider passing levels to be in line with market levels

Our adopted market rental profile for the subject property is shown overleaf:

Block	Component	Floor Area	Passing Rent \$pa.	Passing Rent \$/sqm	Market Rent \$pa.	Net Market Rent \$/sqm
Block 1 - Central Staff Area	Dwelling & Garaging - 115B Brown Road	254 sq m	\$18,200	\$350 pw	\$18,200	\$350 pw
	Dwelling & Garage - 139 Brown Road	138 sq m	\$18,200	\$350 pw	\$18,200	\$350 pw
	Dwelling - 139B Brown Road	135 sq m	\$18,200	\$350 pw	\$18,200	\$350 pw
	Dwelling - 115 Brown Road	-	\$18,200	\$350 pw	\$18,200	\$350 pw
	Dwelling - 115C Brown Road	-	\$18,200	\$350 pw	\$18,200	\$350 pw
	Carpenter Workshop	224 sq m	\$17,952	\$80	\$17,952	\$80
	Lunchroom Amenities Block	40 sq m	\$4,950	\$125	\$4,950	\$125
	Vehicle Shed & Cool Room	161 sq m	\$12,888	\$80	\$12,888	\$80
	Truck Shed	249 sq m	\$12,425	\$50	\$12,425	\$50
	Truck Porch	50 sq m	\$2,500	\$50	\$2,500	\$50
	Original Office	97 sq m	\$12,100	\$125	\$12,100	\$125
	Administration Office	289 sq m	\$36,175	\$125	\$36,175	\$125
	Load Out Shed	96 sq m	\$4,800	\$50	\$4,800	\$50
	Block 2 - B & C Site	Dwelling & Garage - 172 Roberts Road	116 sq m	\$18,200	\$350 pw	\$18,200
Dwelling & Garage - 166 Brown Road		123 sq m	\$18,200	\$350 pw	\$18,200	\$350 pw
Dwelling & Garage - 184 Brown Road		104 sq m	\$18,200	\$350 pw	\$18,200	\$350 pw
Dwelling & Garage - 186 Brown Road		104 sq m	\$18,200	\$350 pw	\$18,200	\$350 pw
Dwelling & Garage - 188 Brown Road		96 sq m	\$18,200	\$350 pw	\$18,200	\$350 pw
Laying Shed - B1		769 sq m	\$30,744	\$40	\$30,744	\$40
Laying Shed - B2		769 sq m	\$30,744	\$40	\$30,744	\$40
Laying Shed - C1		1,470 sq m	\$88,200	\$60	\$88,200	\$60
Laying Shed - C2		1,470 sq m	\$88,200	\$60	\$88,200	\$60
Laying Shed - C3		1,470 sq m	\$88,200	\$60	\$88,200	\$60
Laying Shed - C4		1,470 sq m	\$88,200	\$60	\$88,200	\$60
Laying Shed - C5		1,470 sq m	\$88,200	\$60	\$88,200	\$60
Service Block - E9		30 sq m	\$3,750	\$125	\$3,750	\$125
Amenities/Toilet Block - S10		18 sq m	\$2,250	\$125	\$2,250	\$125
Store Room	76 sq m	\$3,780	\$50	\$3,780	\$50	
Block 3 - D & G Site	Breeding House - D1	949 sq m	\$0	\$0	\$0	\$0
	Breeding House - D2	957 sq m	\$0	\$0	\$0	\$0
	Breeding House - D3	949 sq m	\$0	\$0	\$0	\$0
	Breeding House - D4	1,204 sq m	\$0	\$0	\$0	\$0
	Breeding House - D5	1,204 sq m	\$0	\$0	\$0	\$0
	Breeding House - D6	1,204 sq m	\$0	\$0	\$0	\$0
	Breeding House - G1	1,470 sq m	\$58,800	\$40	\$58,800	\$40
	Breeding House - G2	1,470 sq m	\$58,800	\$40	\$58,800	\$40
	Breeding House - G3	1,470 sq m	\$58,800	\$40	\$58,800	\$40
	Amenities Block - S16	69 sq m	\$8,638	\$125	\$8,638	\$125
A Site (demo'd)	Dwelling & Garaging - 171 Roberts Road	131 sq m	\$18,200	\$350 pw	\$18,200	\$350 pw
	Dwelling & Garaging - 189 Roberts Road	83 sq m	\$18,200	\$350 pw	\$18,200	\$350 pw
	Dwelling & garaging - 92 Brown Road	103 sq m	\$18,200	\$350 pw	\$18,200	\$350 pw

## Brown & Roberts Road, Tuakau & Andrews Road, Onewhero – 12 September 2023

Block	Component	Floor Area	Passing Rent \$pa.	Passing Rent \$/sqm	Market Rent \$pa.	Net Market Rent \$/sqm
Block 4 - F Site & Hatchery	Dwelling - R4 - 115A Brown Road	76 sq m	\$18,200	\$350 pw	\$18,200	\$350 pw
	Staff Amenities & Generator Shed	70 sq m	\$8,800	\$125	\$8,800	\$125
	Hatchery	3,566 sq m	\$340,368	\$95	\$340,368	\$95
	Rearing Shed - F1/F2	1,261 sq m	\$56,745	\$45	\$56,745	\$45
	Rearing Shed - F3/F4	1,535 sq m	\$69,075	\$45	\$69,075	\$45
	Rearing Shed - F5/F6	2,317 sq m	\$104,256	\$45	\$104,256	\$45
	Rearing Shed - F7	700 sq m	\$31,500	\$45	\$31,500	\$45
	Rearing Shed - F8	700 sq m	\$31,500	\$45	\$31,500	\$45
	Rearing Shed - F9	1,470 sq m	\$66,150	\$45	\$66,150	\$45
	Rearing Shed - F10	1,610 sq m	\$72,450	\$45	\$72,450	\$45
	Rearing Shed - F11	1,610 sq m	\$72,450	\$45	\$72,450	\$45
	Rearing Shed - F12	1,610 sq m	\$72,450	\$45	\$72,450	\$45
	Rearing Shed - F13	1,610 sq m	\$72,450	\$45	\$72,450	\$45
	Andrews Road	Storage Shed 1 - Shavings Shed	64 sq m	\$3,200	\$50	\$3,200
Administration Block		74 sq m	\$5,180	\$70	\$5,180	\$70
Egg Fumigation		54 sq m	\$2,160	\$40	\$2,160	\$40
Storage Shed 2 - Garage		36 sq m	\$0	\$0	\$0	\$0
Shed H10		1,388 sq m	\$55,520	\$40	\$55,520	\$40
Shed H11		1,388 sq m	\$55,520	\$40	\$55,520	\$40
Storage Shed 3		68 sq m	\$0	\$0	\$0	\$0
Farm House		127 sq m	\$15,600	\$300 pw	\$15,600	\$300 pw
House 7A & 8A		2,172 sq m	\$78,516	\$36	\$78,516	\$36
<b>Total</b>		<b>46,054 sq m</b>	<b>\$2,269,786</b>	<b>\$49</b>	<b>\$2,269,786</b>	<b>\$49</b>

Brown & Roberts Road, Tuakau & Andrews Road, Onewhero – 12 September 2023

# 9. Sales Evidence

We note a paucity of directly comparable transactions that have occurred in recent times given the relatively shallow nature of the poultry market in New Zealand.

As such, in determining the market value of the subject property, we have considered a cross-section of poultry sales and alternative agri-investment sales that have occurred throughout the wider New Zealand locality and those that are of a more dated nature.

A summary of these transactions is detailed below:

## 9.1 Agri-Investment Sales

Location	Date	Sale Price
Helensville	Q1 2023	\$15,811,000
New Zealand	Q4 2022	c. \$100,000,000+
Okauia	Jun-22	\$9,275,000
Inglewood	Jun-22	\$23,430,000
Levin	Jun-22	\$1,700,000
Opunake	Mar-22	\$2,500,000
Okauia	Nov-21	\$5,600,000
Te Awamutu	Nov-21	\$20,000,000
Tikorangi	Aug-21	\$5,450,000
New Plymouth	May-21	\$6,700,000
Paraite	Feb-21	\$1,875,000
Kairanga	Dec-20	\$2,000,000
Putaruru	Oct-20	\$3,500,000
Sentry Hill	Oct-20	\$3,650,000
Waitoa & Matamata	May-19	\$86,000,000
Lincoln	Mar-19	\$2,200,000
Te Aroha West	May-18	\$11,700,000
Rolleston	Jul-18	\$3,050,000
Rolleston	Nov-17	\$3,650,000
Tarurutangi	Oct-16	\$4,450,000
Brixton	Sep-16	\$3,350,000
Kaimiro	Jan-15	\$7,500,000
Rolleston	Jul-14	\$2,055,000

The pertinent transactions are discussed as follows:

### 208 Fordyce Road, Helensville

The property comprises an irregular shaped rural land holding with a relatively level contour encompassing 29.7444 hectares of Rural Production zoned land in Helensville. The site fronts Fordyce Road and is improved with collection of standalone structures, ranging from a converted residential dwelling, multiple greenhouses and post-harvest facilities providing temperature-controlled sorting and dispatch warehouse space. A number of ancillary structures are scattered around the site including small scale sheds, and water reservoirs.

Brown & Roberts Road, Tuakau & Andrews Road, Onewhero – 12 September 2023

Balance areas not improved by the building are predominantly maintained in short grass cover with boundaries delineated by typical post and wire rural fencing. Internal roading infrastructure is loose metal sealed and navigates through the site from Fordyce Road.

The property sold in Q1 2023 for \$15.811 million reflecting an initial yield of 7.84% and a net rate of \$418 per sqm. At the date of sale was occupied by 'Superb Herb' under a sale and leaseback scenario. The proposed lease is due to commence at settlement of the sale with a term of 15 years, annual fixed increases of 3.5% and of a triple net structure. Further analysis of the sale reflects an equivalent market yield of 7.83% and an IRR of 9.76%.

### **National Portfolio - Confidential**

We are aware of a national portfolio of chicken farms that provide generally modern purpose-built chicken facilities and supporting feed infrastructure located within Auckland, Waikato, Levin, Christchurch, and Otago that sold at the end of 2022 for over \$100 million. The portfolio provides a strong tenant covenant and is subject to a 30-year lease with annual fixed increases. The sale analysed to an initial yield overall of between 7.00% and 7.50%. We hold full details on file however pertinent information remain confidential.

### **Confidential, Inglewood**

The property comprises a poultry meat farm constructed circa 2014 situated on an irregular shaped site in Inglewood, Taranaki. The site is improved with twelve modern chicken sheds with construction comprising concrete foundations, steel framing, fibre cement or similar cladding and long run metal roofing. The sheds are situated in three blocks of four utilising the majority of the available land with a combination of sealed and gravel thoroughfares linking the blocks with the balance of the site comprising of fenced pastoral land. The property includes additional ancillary buildings along with two three-bedroom residential dwellings of brick construction.

The property sold in June 2022 for \$23.43 million. The annual rental has not been provided.

### **Confidential, Opunake**

The property comprises a poultry breeder shed constructed in 2018 situated in Opunake. Historically the land has been grazed for livestock however was recently converted for poultry farming. Construction comprises concrete slab foundations supporting tilt-slab insulated concrete panelled walls and steel RSJ portal frames which provide clear span layout. The stud height is approximately 3.3 metres at the knee rising to approximately 3.8 metres at the apex. The roof structure is timber purlins, and an insulated ceiling supports the long run metal roofing. The improvements include a small area of staff amenities which include a kitchenette, staff room and wc facilities.

The property sold in March 2022 for \$2.5 million.

### **509 Te Mahwhai Road, Te Awamutu - Inghams Enterprises (PTY) Ltd**

The property comprises a purpose-built chicken raising, and breeding facility located to the south of Te Awamutu township. The surrounding area is predominantly characterised by rural based activity mostly used for dairy farming purposes. Improvements were built in 2018 consisting of a specialised controlled environment agri-house and associated offices and amenities.

The property sold in November 2021 for \$20,000,000 reflecting an initial yield of 5.25% and a remaining WALT of 22 years. The facility is occupied by Inghams Enterprises (NZ) Pty under a 25-year term commencing on 27 November 2018 and expiring 26 November 2043. The lease includes annual CPI linked reviews with current passing rental of \$1,048,141. Further analysis of the sale reflects an equivalent market yield of 5.16% and an IRR of 7.33%.

Brown & Roberts Road, Tuakau & Andrews Road, Onewhero – **12 September 2023**

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### **Confidential, New Plymouth**

The property comprises a poultry production facility that encompasses breeder sheds situated on a large rural land holding in New Plymouth. The property is improved with four shed poultry breeding complexes, a manager's three-bedroom dwelling and two standalone workshops / utility sheds. The poultry breeding sheds were constructed in stages, with two built in 2003, one in 2004 and the fourth in 2014. Construction comprises concrete floor slab foundations and reinforced concrete panel external walls. Insulation panels run the length of the walls with long-run metal cladding throughout.

The property sold in May 2021 for \$6.70 million.

### **Confidential, Waitoa & Matamata**

The portfolio comprises six freehold properties located within the Matamata, Putaururu and Waitoa Districts, Waikato. The properties comprise a mixture of breeder farms, hatchery and a processing factory that occupy predominantly rural zoned landholdings.

## 9.1 Sales Evidence – Wider Regional & Specialised Industrial

In order to supplement the above sales data we have also considered a number of regional and specialised industrial sales in order to benchmark expected rates of return against more generic investment assets.

A summary of these transactions is detailed below:

Address	Suburb	Tenant	Date	Sale Price	Bldg Size (sqm)	Land Area (sqm)	WALT	Initial Yield	Net Rate (\$/sqm)	Land Rate (\$/sqm)
1/280 Peake Road	Hautapu	Cambridge Grains	Feb-23	\$2,690,000	1,200	2,724	-	6.32%	\$ 2,242	\$988
Confidential	Palmerston North	Confidential	Dec-22	\$12,000,000	7,181	28,310	12.00	6.44%	\$ 1,671	\$424
759 Tremaine Avenue	Roslyn	Vacant Possesion	Sep-22	\$1,140,000	430	785	VP	VP	\$ 2,651	\$1,452
Confidential	Hastings	Confidential	Jul-22	Confidential	29,468	85,802	20.00	c. 5.50%	c. \$2,000	c. \$700
19 Rolfe Way	Putaruru	Big Chill Distribution	Jun-22	\$4,950,000	1,280	5,935	-	6.02%	\$ 3,867	\$834
87 Kahikatea Drive	Frankton	Advantage Tyres	May-22	\$9,100,000	4,405	10,149	1.49	5.60%	\$ 2,066	\$897
5 Hill Road	Hastings	Mr Apple New Zealand	Mar-22	\$31,860,000	11,000	35,345	17.00	4.75%	\$ 2,896	\$901
100 Maui Street	Hamilton	Profile Foods Limited	Feb-22	\$31,300,000	10,934	32,560	15.00	4.53%	\$ 2,863	\$961
3 Hanui Road	Hastings	NZ Miracle Water Limited	Dec-21	\$24,500,000	9,790	25,000	15.00	5.00%	\$ 2,503	\$980
67 Main North Road	Christchurch	Hellers Limited	Dec-21	\$40,500,000	15,715	47,993	12.75	5.54%	\$ 2,577	\$844
1 Reserve Road	Longburn	Goodman Fielder & Fonterra	Nov-21	\$11,100,000	19,057	45,609	3.00	5.34%	\$ 582	\$243
22 Whakatu Road	Hastings	ENZA Fruit NZ Limited	Nov-21	\$79,545,000	30,096	95,638	14.99	4.40%	\$ 2,643	\$832
8-10 Kaimiro Street	Hamilton	Bodco Limited	Apr-21	\$15,335,000	5,100	8,946	9.57	4.65%	\$ 3,007	\$1,714
20-28 Duke Street	Frankton	RJ Hills Laboratories	Apr-21	\$23,750,000	6,822	19,988	11.33	4.54%	\$ 3,481	\$1,188
37 Johnston Way	Hastings	Milk Kitchen Ltd	Apr-21	\$7,180,000	2,951	15,562	6.70	4.91%	\$ 2,433	\$461
11-17 Huttloc Place	Tokoroa	Blue Pacific Minerals	Mar-21	\$12,750,000	10,662	31,100	12.00	6.47%	\$ 1,196	\$410
18 Cooper Street	Havelock North	Cherri Global Limited	Mar-21	\$8,400,000	2,826	6,015	c 10.00	5.00%	\$ 2,972	\$1,397
2A Maui Street	Te Rapa	Riverlea Group	Mar-21	\$11,750,000	4,492	9,964	2.00	4.77%	\$ 2,616	\$1,179

As demonstrated by the above evidence, comparable properties have sold in recent times for analysed yields of between **4.40%** and **6.47%** (excluding outliers), net rates reflecting a range of generally between **\$582** and **\$3,867** and land rates reflecting a broad range of between **\$410** and **\$1,714** per square metre.

The pertinent transactions shown above are briefly discussed as follows:

### Confidential

The property comprises a substantial industrial facility with specialised components in Palmerston North. We note the property is currently under-contract for \$12 million reflecting an initial yield of 6.44% on a sale and leaseback. The premises is occupied by an international tenant with a strong covenant and the lease incorporates fixed rental growth.

### 19 Rolfe Way, Putaruru



This property comprises a logistics premises situated at the head of a cul-de-sac in Putaruru. The site encompasses approximately 5,935 sqm with the improvements situated to the southern most portion of the site with the balance area encompassing sealed yard space. The improvements provide a single-level purpose-built coolstore facility that includes a large distribution area with environmental loading area and associated office and amenities. Overall the improvements present to a good condition commensurate with age and use.

The property sold in June 2022 for \$4.95 million reflecting an initial yield of 6.02%. At the date of sale the property was occupied by Big Chill Distribution owned by NZX listed Freightways Limited providing a strong tenant covenant.

Vacancy:	0%	Sale Price:	\$4,950,000
WALT:	-	Sale Date:	Jun 22
Initial Yield:	6.02%	Total Floor Area:	1,280 sqm
Equivalent Yield:	-	Total Land Area:	5,935 sqm
IRR:	-	Tenant:	Big Chill Distribution
Net Rate:	\$3,867 / sqm	Purchaser:	-

### 5 Hill Road, Twyford, Hastings



The property comprises a cool store facility located on the corner of Hill Road and Omaha Road on a 35,354 square metre site zoned General Industrial in Hastings. The property was constructed in stages from circa 2013 and comprises of cool store accommodation across six modern purpose built high capacity stores serviced by a modern Glycol Refrigeration system. The property also includes full canopy loading areas, bin storage and associated offices and amenities.

The property sold for \$31.86 million with a seventeen-year WALT, reflecting an initial yield of 4.75%, equivalent market yield of 4.82% and IRR of 6.24%.

Vacancy:	0%	Sale Price:	\$31,860,000
WALT:	17.0 yrs	Sale Date:	Mar 22
Initial Yield:	4.75%	Total Floor Area:	11,000 sqm
Equivalent Yield:	4.82%	Total Land Area:	35,354 sqm
IRR:	6.24%	Tenant:	Mr Apple New Zealand Limited
Net Rate:	\$2,896 /sqm	Purchaser:	Unconfirmed

Brown & Roberts Road, Tuakau & Andrews Road, Onewhero – 12 September 2023

100 Maui Street, Pukete, Hastings



The property comprises a food production and distribution facility situated on a 32,560 square metre site within the Pukete Industrial Estate in Hamilton. The improvements comprise of warehousing with high quality food production areas situated within the footprints. The warehouse areas offer medium to high stud, sprinklered accommodation within minimal column interruption. Two drive through canopies are provided adjoining to the warehouse and the site is well secured with boundary fencing and gate access. The southern portion of the site provides approximately 8,134 square metres of development land for further expansion opportunities.

The property sold for \$31.3 million with a fifteen-year WALT, reflecting an initial yield of 4.79%, equivalent yield of 4.80% and IRR of 7.30%.

Vacancy:	0%	Sale Price:	\$31,300,000
WALT:	15.0 yrs	Sale Date:	Feb 22
Initial Yield:	4.79%	Total Floor Area:	10,934 sqm
Equivalent Yield:	4.80%	Total Land Area:	32,560 sqm
IRR:	7.30%	Tenant:	Profile Food Limited
Net Rate:	\$2,863 /sqm	Purchaser:	Argosy Property Limited

3 Hanui Road, Tomoana, Hastings



The property comprises an industrial facility constructed circa 2014 situated on a 25,000 square metre site with corner profile to Hanui Road and Elwood Road in Hastings. Improvements comprise a modern warehouse with associated offices, amenities, canopy and yard space. The warehouse has two rows of columns with a stud height of 8.15 metres rising to approximately 11.50 metres at the apex. Situated to the western portion of the site is a concrete sealed yard adjoining the warehouse. The site is well secured with boundary fencing and gate access.

The property sold in December 2021 for \$24.5 million with a 15 year WALT, initial yield of 5.00%, equivalent yield of 5.00% and IRR of 6.76%.

Vacancy:	Unconfirmed	Sale Price:	\$24,500,000
WALT:	15.0 yrs	Sale Date:	Dec 21
Initial Yield:	5.00%	Total Floor Area:	9,790 sqm
Equivalent Yield:	5.00%	Total Land Area:	25,000 sqm
IRR:	6.76%	Tenant:	New Zealand Miracle Water Limited
Net Rate:	\$2,503 /sqm	Purchaser:	Unconfirmed

Brown & Roberts Road, Tuakau & Andrews Road, Onewhero – 12 September 2023

### 67 Main North Road, Kaiapo, Christchurch



The property comprises a specialised food production facility situated on three freehold parcels of land with a combined site area of approximately 47,993 square metres. The site occupies a corner position to Neeves Road and Main North Road and is located within Kaiapoi, Christchurch. The improvements offer a combination of areas including coolstores, blast freezers, processing areas and dry store warehousing. There is also a small standalone workshop, separate electrical switchroom and two residential dwellings to the northern portion of the site. Overall, the property presents to a good condition.

The property sold in December 2021 for \$40.5 million reflecting a initial yield of 5.54%, equivalent yield of 5.51%, 12.75 year WALT and IRR of 7.06%

Vacancy:	0%	Sale Price:	\$40,500,000
WALT:	12.8 yrs	Sale Date:	Dec 21
Initial Yield:	5.54%	Total Floor Area:	15,715 sqm
Equivalent Yield:	5.51%	Total Land Area:	47,993 sqm
IRR:	7.06%	Tenant:	Hellers Limited
Net Rate:	\$2,577 /sqm	Purchaser:	Oyster Property Group

### 22 Whakatu Road, Whakatu, Hastings



The property comprises a significant industrial holding in Whakatu, Hastings. The property presents as a significant packing and cool store facility on a 9.56-hectare site. The improvements to site present to a tidy condition, forming a combination of packhouse, warehouse cool store and associated accommodation, together with a substantial yard area. The property has been operating as an established post-harvest processing facility by ENZA Fruit New Zealand Limited who have invested heavily in the upgrade of the property to form a state-of-the-art processing site with drive-around access and ample yard storage space.

The property was purchased under a sale and leaseback scenario for \$79,545,000, with ENZA Fruit New Zealand Limited leasing back the property on a triple net structure for \$3.5 million per annum plus GST and outgoings on a 15-year term. The lease provides four (4) further five (5) year rights of renewal and annual fixed 2.25% rental increases, with market reviews on the seventh anniversary of the commencement date and upon renewals thereafter, capped and collared at plus or minus 10% of the preceding rent.

Vacancy:	0%	Sale Price:	\$79,550,000
WALT:	15.0 yrs	Sale Date:	Nov 21
Initial Yield:	4.40%	Total Floor Area:	30,096 sqm
Equivalent Yield:	4.42%	Total Land Area:	95,638 sqm
IRR:	6.50%	Tenant:	ENZA Fruit New Zealand Ltd (T&G Global Ltd)
Net Rate:	\$2,643 / sqm	Purchaser:	P.F.I

Brown & Roberts Road, Tuakau & Andrews Road, Onewhero – 12 September 2023

### 20 Duke Street, Frankton, Hamilton



The property comprises a significant industrial facility located within the Hamilton industrial precinct of Frankton. The site occupies a large industrial landholding with an area of approximately 1.9988 hectares configured in a slightly irregular shape. The subject land is improved with a purpose-built mail sorting and distribution facility that was architecturally designed by Warren and Mahoney. More recently the building was modified and extended to suit the current occupier RJ Hills Laboratories Limited. The premises was leased from August 2017 for a term of 15 years providing long term security of tenure. As at the date of sale, the property benefitted from a WALT of 11.3 years.

<b>Vacancy:</b>	0%	<b>Sale Price:</b>	\$23,750,000
<b>WALT:</b>	11.3 yrs	<b>Sale Date:</b>	Apr 21
<b>Initial Yield:</b>	4.54%	<b>Total Floor Area:</b>	6,822 sqm
<b>Equivalent Yield:</b>	4.32%	<b>Total Land Area:</b>	19,988 sqm
<b>IRR:</b>	6.10%	<b>Tenant:</b>	RJ Hills Laboratories
<b>Net Rate:</b>	\$3,481 / sqm	<b>Purchaser</b>	Silverfin Capital Ltd (Public Syndication)

### 37 Johnston Way, Whakatu, Hastings



The property comprises an underdeveloped site in Whakatu, Hastings. The improvements present to a tidy standard and have achieved 100% NBS earthquake ratings. The warehouse is clear-span with steel portal framing of medium stud with translucent panel inserts. The offices are over a single level, attached to the warehouse and of a tidy however slightly dated presentation. The remainder of the site forms sealed yard space.

The property is leased to the Milk Kitchen Limited with a 6.7 year remaining term returning \$352,000 net plus GST per annum, with an additional \$3,578 plus GST per annum generated from the fire system upgrade rent.

<b>Vacancy:</b>	0%	<b>Sale Price:</b>	\$7,180,000
<b>WALT:</b>	6.7 yrs	<b>Sale Date:</b>	Apr 21
<b>Initial Yield:</b>	4.91%	<b>Total Floor Area:</b>	2,951 sqm
<b>Equivalent Yield:</b>	5.18%	<b>Total Land Area:</b>	15,562 sqm
<b>IRR:</b>	6.76%	<b>Tenant:</b>	Milk Kitchen Limited
<b>Net Rate:</b>	\$2,433 / sqm	<b>Purchaser</b>	VCVB Limited

Brown & Roberts Road, Tuakau & Andrews Road, Onewhero – 12 September 2023

18 Cooper Street, Havelock North, Hastings



The property comprises a dated industrial facility of sawtooth roof design. The buildings are situated on a 6,015 square metre site, improved with cool-store and low stud warehouse facility with associated offices totalling 2,826 square metres. Internal presentation is basic, with plasterboard walls and ceilings, along with original carpet flooring to offices.

The property was sold with a new 10 year lease in place to Cherri Global Limited returning \$420,000 plus GST and outgoings per annum. The property sold for \$8,400,000 in March 2021 reflecting an initial yield of 5.00% and a land and buildings rate of \$2,972 per square metre.

<b>Vacancy:</b>	0%	<b>Sale Price:</b>	\$8,400,000
<b>WALT:</b>	10.0 yrs	<b>Sale Date:</b>	Mar 21
<b>Initial Yield:</b>	5.00%	<b>Total Floor Area:</b>	2,826 sqm
<b>Equivalent Yield:</b>	-	<b>Total Land Area:</b>	6,015 sqm
<b>IRR:</b>	-	<b>Tenant:</b>	Cherri Global Limited
<b>Net Rate:</b>	\$2,972 / sqm	<b>Purchaser</b>	Erskine Owen

Brown & Roberts Road, Tuakau & Andrews Road, Onewhero – 12 September 2023

## 9.2 Australian Agricultural Sales

Lastly, we have investigated Agri-Investment sales in Australia for comparison purposes noting that Australian investors are active in seeking investment opportunities within the New Zealand market. A summary of sales from within Australia are shown below

### Poultry Farms

Address/Portfolio	Suburb	Tenant	Sale Price	Bldg Size (sqm)	WALT	Initial Yield	Net Rate (\$/sqm)	IRR
Portfolio	NSW, VIC, TAS, QLD, SA, WA	Ingham Enterprises Pty Ltd	\$207,000,000	-	15.91	7.30%	-	-
Nelson Road	Cardiff, NSW	Ingham Enterprises Pty Ltd	\$11,720,000	1887	16.24	6.54%	\$ 6,211	7.36%
35 Mary Street	Pakenham, VIC	Ingham Enterprises Pty Ltd	\$ 8,860,000	3,172	16.24	5.07%	\$ 2,793	7.58%
Lot 2 Menangle Road	Razorback, NSW	Ingham Enterprises Pty Ltd	\$6,250,071	3,255	16.24	6.54%	\$ 1,920	7.33%
Allied Pinnacle Mills (Agri-Industrial Portfolio)	VIC, NSW, QLD, WA, SA	Allied Pinnacle Mills	\$388,000,000	103,458	29.55	5.98%	\$ 3,750	7.35%
Flagstaff Road	Brinkley, SA	Ingham Enterprises Pty Ltd	\$52,990,000	3,070	25.00	7.15%	\$ 17,261	8.38%
Lot 29 Ferries McDonald Road	Monarto, SA	Ingham Enterprises Pty Ltd	\$37,373,616	8,734	-	6.42%	\$ 4,279	-
Cnr Moss Vlae and Douglas Roads	Berrima, NSW	Ingham Enterprises Pty Ltd	\$16,195,234	1,879	-	6.50%	\$ 8,619	-
3 Pile Road	Somersby, NSW	Ingham Enterprises Pty Ltd	\$6,278,767	5,767	-	6.42%	\$ 1,089	-
Ballarto Road	Clyde, VIC	Ingham Enterprises Pty Ltd	\$15,447,761	2,516	-	6.15%	\$ 6,140	-

\* The above data has been provided by Colliers, Knight Frank and CBRE which we have relied upon.

### Other Australian Agri-Investment Sales

Address	Suburb	Date	Sale Price (\$AUD)	Net Rate (\$/sqm)	\$/Ha	WALT	Initial Yield	Market Yield	IRR
<i>Unsettled Horticultural and Glasshouse Sales</i>									
234 Carmelo Road	Riverlea Park SA	DD	Confidential	-	-	-	-	-	-
225 Bob Irvin Road	Yoogali NSW	Unconditional	Confidential	-	-	-	-	-	-
<i>Settled Horticultural and Glasshouse Sales</i>									
710 Port Paterson Road	Port Paterson SA	Dec-22	\$70,000,000	\$ 350	\$192,944	20.0	6.50%	6.50%	8.89%
Flavorite 264 & 318 Copelands Road	Warragul VIC	Sep-21	\$177,000,000	\$ 529	\$2,302,289	20.0	5.65%	5.65%	7.35%
368 Fredericks Road	Caniaba NSW	Dec-18	\$3,025,000	\$ 288	\$160,392	VP	VP	-	-
687 Germantown Road	Korunye SA	Mar-18	\$112,000,000	\$ 318	\$685,854	25.0	-	7.50%	-
<i>Investment Sales</i>									
Piscioneri Farms	Mildura VIC	Jun-21	\$9,250,000	-	\$99,784	10.0	6.59%	6.59%	8.84%
Rolf Blinder Winery & Vineyard' Various Properties	Tanunda & Vine Vale SA	May-21	\$14,200,000	-	\$85,630	10.0	6.25%	6.25%	8.50%
Katnook Estate' Various Addresses	Coonawarra SA	Nov-20	\$11,500,000	-	\$58,902	15.0	7.00%	7.00%	9.39%
327 Avalon Road	Birganbigil NSW	Apr-20	\$4,800,000	-	\$11,281	6.4	4.58%	6.25%	7.40%

Brown & Roberts Road, Tuakau & Andrews Road, Onewhero – 12 September 2023

### 9.3 Yield Conclusion

Adjustment to the above sales is required for the following factors:

Location	Rural located properties with limited alternative uses over and above grazing / farming.
Size	High-value quantum in the context of regional New Zealand
Lease Term	New twenty (20) year lease with as at the date of valuation with the tenant responsible for a large portion of capital expenditure items.
Rental Cashflow & Growth	Annual fixed 2% rental increases with market reviews upon renewal.
Expected Value Range	We note there has been paucity of recent comparable transactional data, compounded with rapid movement in the interest rate environment, has led to value expectations falling within a particularly wide range.

The above sales represent a broad range of assets, and yields showing analysed yields of generally between **4.40% - 7.50%**. Achievable yields for specialised facilities appear to be directly influenced by the condition of the plant and equipment.

As plant and equipment nears the end of its economic life significant capital upgrade or replacement is needed. Therefore, typically these assets transact at higher yields reflecting the higher capital outlay required.

In regard to regional sales, we observed heightened demand for industrial property over the course of 2020 through to 2021 with a number of sales subject to multi-offer scenarios. We note however that over the course of 2022 there was a distinct change to economic conditions compared with the preceding few years. Rising interest rates, a high inflationary environment, the continued disruption driven by Covid-19 and the more recent international conflict between Ukraine and Russia has created uncertainty. We have witnessed a significant fall in sales volume and sentiment which has led to difficulties in identifying value trends. A number of asset classes have been significantly impacted due to economic conditions with anecdotal data suggesting value decline of up to 20-30% in some instances.

That aside we note that industrial property has demonstrated a level of resilience due to rental growth, high demand and generally stable businesses be it manufacturing, production or logistics. Although the subject is not reflective of traditional industrial property, similar observations have been witnessed in the agri-investment market particularly those assets that contain industrial style operations.

Additionally, we note that agricultural sales in Australia demonstrate yields of between **5.07% - 7.03%** with generated IRR's of between **7.36% - 8.38%**. Whilst yields achieved in Australia have been relied upon in a supplementary capacity only, we do note that Australian property investment is subject to taxes that do not apply in New Zealand which would impact on net returns. Additionally, the sales show the demand for agri-assets and premiums that apply for triple net / long WALT's.

It is also relevant to mention the interest shown in the New Zealand market by Australian investors seeking agri-investment opportunities. These purchasers are likely to weigh up opportunity in New Zealand against available stock in Australia and thus some comparison between yields achievable in Australia can be drawn.

Further, we highlight the poultry farm sales which reflect a relatively tight yield range of between **5.24%** and **c. 7.50%** with IRR's reflecting a range in the **8.0% - 9.5%** range.

The subject property offers a established poultry farm occupied by a publicly listed entity. Whilst the improvements are somewhat specialised we note that the lease is structured on an essentially triple net basis with a WALT of 20

Brown & Roberts Road, Tuakau & Andrews Road, Onewhero – **12 September 2023**

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years remaining. The cost of entry for competitors in the poultry industry together with the significant compliance issues that may be associated with moving the Inghams operation would restrict the likelihood of Inghams seeking alternative sites. Additionally, the location within the golden triangle is a strategic advantage inherited by the properties that would help justify a lower return.

After consideration to the above factors and the above-described sales evidence we are of the view that a yield of **7.125%** and a discount rate of between **9.00%** is justifiable given the length of lease term, surplus land areas, tenant covenant and essentially triple net structure of the lease.

Brown & Roberts Road, Tuakau & Andrews Road, Onewhero – **12 September 2023**

# 10. SWOT Analysis

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

Strengths	Opportunities
<ul style="list-style-type: none"> <li>• Good weighted average lease term providing long term security of tenure.</li> <li>• Tenant covenant is considered strong with Inghams being a publicly listed entity.</li> <li>• Strategic location of the properties being within the 'golden triangle' of Auckland, Tauranga and Hamilton.</li> <li>• Essentially a triple net lease structure provides a passive income for potential investors.</li> <li>• The properties are easily accessible via State Highway One.</li> <li>• Compliance and cost are a significant barrier of entry for competing chicken manufacturers therefore strengthening the covenant of the lease and future likelihood of renewals.</li> <li>• Fixed growth included in the lease.</li> <li>• Large surplus land areas that could be leased for grazing or retained for expansion.</li> </ul>	<ul style="list-style-type: none"> <li>• Early lease renewal, extending the WALT.</li> <li>• Investigate the merits of individual sell-down of properties.</li> <li>• Portfolio would suit syndication type ownership due to length of lease and tenant covenant.</li> </ul>
Weaknesses	Threats
<ul style="list-style-type: none"> <li>• Significant transaction in the context of rural Waikato with a limited pool of investors.</li> <li>• A strategic sale and marketing campaign would be required to divest the properties.</li> <li>• Extended marketing period over and above normal expectations may be required if sale of the portfolio is required.</li> <li>• Rural localities with limited alternative use over and above grazing. Terminal value at expiry of the lease will likely be heavily discounted if the current use is no longer viable.</li> <li>• Improvements are highly specialised with limited alternative uses.</li> <li>• Residual value likely to be limited to underlying rural land value upon expiry of lease.</li> <li>• Alternative use may not yield similar returns.</li> <li>• Potential contamination issues with the site.</li> </ul>	<ul style="list-style-type: none"> <li>• External pressures, such as changes to food standards or disease may lead to business disruption in the future.</li> <li>• Significant value declines highly likely if Inghams do not renew lease upon expiry of existing term.</li> <li>• Changes to regulations and government policy may impact on tenants' business / operations.</li> <li>• Economic obsolescence of specialised improvements.</li> <li>• Wide expected value range due to paucity of recent comparable sales and movement in interest rate environment</li> <li>• Recession Risk due to macro-economic factors</li> <li>• High interest rate environment increasing the cost of borrowing.</li> <li>• High inflationary environment eroding investment return.</li> <li>• Impact of international geo-political factors and the flow on effects to the New Zealand economy and property market.</li> <li>• Changing market conditions may see value reduction over the short – medium term</li> <li>• Offshore and local factors having a negative impact on the domestic economy and property values.</li> </ul>

Brown & Roberts Road, Tuakau & Andrews Road, Onewhero – 12 September 2023

# 11. Valuation Approach

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

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

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

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

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

## 11.1 Capitalisation of Income Method

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

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

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

We summarise our calculations under this method as follows:

## Market Capitalisation Method

### Market Income

	Base Rent	Recoveries	Total
Residential	270,400	7,956	278,356
Poultry Farm	1,999,386	222,324	2,221,710
Sundry Income			-
<b>Gross Market Income</b>	<b>2,269,786</b>	<b>230,280</b>	<b>2,500,066</b>
Less Adopted Outgoings			(230,280)
Less Ground Rent			-
<b>Net Market Income</b>			<b>2,269,786</b>
Less Vacancy Factor			-
<b>Net Income</b>			<b>2,269,786</b>

Market Capitalisation Rate	7.375%	7.125%	6.875%
<b>Core Capital Value (fully leased)</b>	<b>30,776,758</b>	<b>31,856,644</b>	<b>33,015,068</b>
Core Capital Value (\$/m <sup>2</sup> )	668	692	717

### Capital Value Adjustments

<b>Capital Expenditure</b>			
Budgeted Capital Expenditure	24 months	(118,000)	(118,000)
<b>Total Capital Value Adjustments</b>		<b>(118,000)</b>	<b>(118,000)</b>
<b>Capitalised Value</b>		<b>30,658,758</b>	<b>31,738,644</b>
Capitalised Value (\$/m <sup>2</sup> )		666	689
Rounded Value		30,700,000	31,700,000
Capitalised Rounded Value (\$/m <sup>2</sup> )		667	688

### Adopted Value

Initial Passing Yield	32,000,000
Initial Passing Yield	7.09%
Initial Passing Yield excl. Vacancy Factor	7.09%
Initial Passing Yield (Fully Leased)	7.09%
Initial Passing Yield (Fully Leased) excl. Vacancy Factor	7.09%
Equivalent Initial Yield	7.07%
Equivalent Market Yield	7.07%
Capital Value (\$/m <sup>2</sup> )	695

Brown & Roberts Road, Tuakau & Andrews Road, Onewhero – 12 September 2023

## 11.2 Discounted Cash Flow Method

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

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

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

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

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

Our critical DCF assumptions are:

Market Rental	We have adopted market rents as outlined the preceding section of this report.
Rental Growth	<p>In adopting our rental growth forecasts, we have had regard to several key factors, namely:</p> <ul style="list-style-type: none"><li>• Market and prevailing business confidence;</li><li>• New business growth;</li><li>• Market trends and occupier preferences, and</li><li>• Prevailing and forecasted vacancy levels.</li></ul> <p>As noted above, we have applied a growth rate to rental at an average of 2.50% per annum.</p>
Terminal Yield	We have adopted a terminal capitalisation rate of 7.375% which sits 25 points above our market capitalisation rate of 7.125%, reflecting the property will be 10 years older upon terminal sale.
Discount Rate	<p>In this instance we have applied a Discount Rate of 9.00% which includes a reasonable premium over the prevailing 10 year bond rate, which currently sits around 4.15%. The margin reflects the risk premium inherent with direct property investment and its illiquidity compared with other forms of investment.</p> <p>Additionally, in determining a suitable Discount Rate to apply we have been mindful of analysed IRR of comparable sales.</p>
Capital Expenditure	We have an initial allowance of \$118,000 to remediate residential dwellings to healthy homes standard.
Vacancy / Letting Up	The lease term extends our 10 year cash flow period. As such we have not included any vacancy allowances throughout the valuation model.

We summarise our calculations under this method as follows:

Summary of Annual Cash Flows	Year 1	Year 2	Year 3	Year 4	Year 5	Year 6	Year 7	Year 8	Year 9	Year 10
	17-Apr-23 16-Apr-24	17-Apr-24 16-Apr-25	17-Apr-25 16-Apr-26	17-Apr-26 16-Apr-27	17-Apr-27 16-Apr-28	17-Apr-28 16-Apr-29	17-Apr-29 16-Apr-30	17-Apr-30 16-Apr-31	17-Apr-31 16-Apr-32	17-Apr-32 16-Apr-33
<b>Base Passing Rent by Renewal Type</b>										
Residential	270,400	275,808	281,324	286,951	292,690	298,543	304,514	310,605	316,817	323,153
Poultry Farm	1,999,386	2,039,374	2,080,161	2,121,764	2,164,200	2,207,484	2,251,633	2,296,666	2,342,599	2,389,451
<b>Base Passing Rent</b>	<b>2,269,786</b>	<b>2,315,182</b>	<b>2,361,485</b>	<b>2,408,715</b>	<b>2,456,889</b>	<b>2,506,027</b>	<b>2,556,148</b>	<b>2,607,271</b>	<b>2,659,416</b>	<b>2,712,604</b>
<b>Base Passing Rent</b>										
Secured rent	2,269,786	2,315,182	2,361,485	2,408,715	2,456,889	2,506,027	2,556,148	2,607,271	2,659,416	2,712,604
<b>Base Passing Rent</b>	<b>2,269,786</b>	<b>2,315,182</b>	<b>2,361,485</b>	<b>2,408,715</b>	<b>2,456,889</b>	<b>2,506,027</b>	<b>2,556,148</b>	<b>2,607,271</b>	<b>2,659,416</b>	<b>2,712,604</b>
<b>Recoveries</b>										
Secured recoveries	239,427	247,557	253,994	260,344	266,333	272,325	278,453	284,718	290,556	296,367
<b>Recoveries</b>	<b>239,427</b>	<b>247,557</b>	<b>253,994</b>	<b>260,344</b>	<b>266,333</b>	<b>272,325</b>	<b>278,453</b>	<b>284,718</b>	<b>290,556</b>	<b>296,367</b>
<b>Total Income</b>	<b>2,509,213</b>	<b>2,562,738</b>	<b>2,615,479</b>	<b>2,669,059</b>	<b>2,723,222</b>	<b>2,778,352</b>	<b>2,834,600</b>	<b>2,891,988</b>	<b>2,949,972</b>	<b>3,008,971</b>
<b>Outgoings</b>										
Statutory expenses	73,744	76,248	78,231	80,187	82,031	83,877	85,764	87,694	89,492	91,282
Operating expenses	165,683	171,308	175,763	180,157	184,301	188,448	192,688	197,024	201,064	205,085
<b>Outgoings</b>	<b>239,427</b>	<b>247,557</b>	<b>253,994</b>	<b>260,344</b>	<b>266,333</b>	<b>272,325</b>	<b>278,453</b>	<b>284,718</b>	<b>290,556</b>	<b>296,367</b>
<b>Net Operating Income (before Vacancy Factor)</b>	<b>2,269,786</b>	<b>2,315,182</b>	<b>2,361,485</b>	<b>2,408,715</b>	<b>2,456,889</b>	<b>2,506,027</b>	<b>2,556,148</b>	<b>2,607,271</b>	<b>2,659,416</b>	<b>2,712,604</b>
Vacancy Factor	-	-	-	-	-	-	-	-	-	-
<b>Net Income</b>	<b>2,269,786</b>	<b>2,315,182</b>	<b>2,361,485</b>	<b>2,408,715</b>	<b>2,456,889</b>	<b>2,506,027</b>	<b>2,556,148</b>	<b>2,607,271</b>	<b>2,659,416</b>	<b>2,712,604</b>
<b>Net Income before Capital Expenditure</b>	<b>2,269,786</b>	<b>2,315,182</b>	<b>2,361,485</b>	<b>2,408,715</b>	<b>2,456,889</b>	<b>2,506,027</b>	<b>2,556,148</b>	<b>2,607,271</b>	<b>2,659,416</b>	<b>2,712,604</b>
<b>Capital Expenditure</b>										
Budgeted Capex	118,000	-	-	-	-	-	-	-	-	-
<b>Capital Expenditure</b>	<b>118,000</b>	<b>-</b>	<b>-</b>	<b>-</b>	<b>-</b>	<b>-</b>	<b>-</b>	<b>-</b>	<b>-</b>	<b>-</b>
<b>Net Income after Capital Expenditure</b>	<b>2,151,786</b>	<b>2,315,182</b>	<b>2,361,485</b>	<b>2,408,715</b>	<b>2,456,889</b>	<b>2,506,027</b>	<b>2,556,148</b>	<b>2,607,271</b>	<b>2,659,416</b>	<b>2,712,604</b>
Terminal Valuation (Start Year 11)										
Gross Rental Income										3,203,084
Sundry Income										-
Gross Market Income										3,203,084
Less Adopted Outgoings										(297,566)
Net Market Income										2,905,518
Less Vacancy Factor										-
<b>Net Income</b>										<b>2,905,518</b>
<b>Discount Rate</b>										<b>9.00%</b>
<b>Terminal Capitalisation Rate</b>										<b>7.37%</b>
Core Capital Value (fully leased)										39,396,852
Capital Value Adjustments										(995,064)
Capitalised Value										38,401,788
Disposal Costs 2.50%										(960,045)
Net Sale Proceeds										37,441,743
Sum of Discounted Cash Flow s										16,362,743
Present Value of Terminal Value										15,815,797
NPV (before acquisition costs)										32,178,540
Less Acquisition Costs 0.00%										-
NPV (after acquisition costs)										32,178,540
<b>Rounded NPV</b>										<b>32,200,000</b>

Brown & Roberts Road, Tuakau & Andrews Road, Onewhero – 12 September 2023

### 11.3 Summary of Valuation Approaches

We summarise the above valuation approaches and methods as follows:

Valuation Method	
Capitalisation of Income	\$31,700,000
Discounted Cashflow	\$32,200,000
<b>Market Value</b>	<b>\$32,000,000</b>

# 12. Valuation Conclusion

Bayleys Valuations Limited confirms that we undertook inspections of the property at **Brown & Roberts Road, Tuakau & Andrews Road, Onewhero**, on 17 April 2023 and a further drive-by inspection on 12 September 2023, in order to assess the Market Value for first mortgage security purposes.

Subject to the critical assumptions and comments noted within this report, we hereby assess the Market Value of the abovementioned property to be:

## Gross Aggregate Value

**Thirty-Two Million Dollars  
(NZ\$32,000,000)**

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

## 12.1 Valuation Analysis

Net Rate	\$695 per sqm
Initial Yield	7.09%
Equivalent Market Yield	7.07%
IRR	9.08%

## 12.2 Mortgage Recommendation

On the basis of our assessed Market Value we recommend that the subject property provides adequate and suitable security for a first mortgage advance.

## 12.3 Signatory

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

Prepared by  
Bayleys Valuations Limited

### Carl Waalkens

BProp MPINZ  
Director - Registered Valuer  
+64 21 642 977  
[carl.waalkens@bayleys.co.nz](mailto:carl.waalkens@bayleys.co.nz)



Brown & Roberts Road, Tuakau & Andrews Road, Onewhero - **12 September 2023**

# 13. General Principles

Valuation Standards	This valuation has been performed in accordance with International Valuation Standards - IVS (effective 31 January 2022), and the relevant Australia and New Zealand Valuation and Property Standards as approved by the New Zealand Institute of Valuers (NZIV) Council. The definition of Market Value as defined by the International Valuation Standards (IVS) effective 31 January 2022 is “the estimated amount for which an asset or liability should exchange on the valuation date between a willing buyer and a willing seller in an arm’s length transaction, after proper marketing and where the parties had each acted knowledgeably, prudently and without compulsion”.
Valuation Basis	No allowances are made in our valuations for any expenses of realisation or to reflect the balance of any outstanding mortgages either in respect of capital or interest accrued thereon.
Information Supplied	The valuation assumes as being complete and correct information provided to us by the sources detailed in our report on any relevant matters including, without limitation, items such as rents, operating expenses, tenure, tenancies and tenants improvements. We accept no responsibility, however, for the completeness and accuracy of information provided to us.
Documentation	Our inspection has included searching of the Certificate(s) of Title and if appropriate and where available, the ground and/or building lease(s) and other relevant tenancy schedules and documents. We recommend that reliance should not be placed on our interpretation thereof without prior verification by your lawyers.
Title	Unless specifically stated in the report, we assume that each property has a good and marketable title and is free from any pending litigation. We further assume that all documentation is satisfactorily drawn and that there were no unusual or onerous restrictions, easements, covenants or other outgoing which would adversely affect the value or negotiability of the relevant interest(s).
Title Boundaries	We have not carried out a detailed site survey and we have of necessity assumed for the purposes of the valuation that all structural improvements have been erected within the Title Boundaries. We do not undertake a measurement of the site or survey but calculate the site areas by reference to identified boundaries of the property and the appropriate Record of Title.
Resource Management Act 1991	Our valuation is on the basis of uses indicated on our copies of the Transitional District Plan, Proposed District Plan and District Plan (as the case may be) and our enquiries of the Territorial Authority as to any Resource Consents for the land.
LIM & PIM	Unless otherwise stated, we have not obtained a Land Information Memorandum (LIM) or Project Information Memoranda (PIM) from the Territorial Authority.  It is considered an obligation of the recipient of the report to request a Land Information Memorandum from the appropriate local authority and search legal registrations on the relevant Record of Title, in order to satisfy themselves as to the suitability of the property for their specific purpose.
Valuation	The valuation provided is our opinion of the market value. This value may change in the future due to market conditions and changes to the state of the property.  For the purposes of our valuation we have assumed there will be no adverse market changes in the short to medium term.
Validity	Should a period of greater than three months elapse from the date of preparation of the report, it is recommended that the person to whom it is addressed seek confirmation from the Valuer concerned that the valuation can still be relied upon in context of relevant current market situation. Failing to do so will nullify the validity of the report as well strict reliance upon a copy of the same unless previously agreed to in writing between us and the recipient and/or end user.  If a copy of the report is relied upon, we cannot guarantee the accuracy of the same which could be at variance with the original document. Furthermore, the reference to the 3 month time period does not imply that the value will remain static during this time.  From the perspective of Bayleys Valuations Ltd, this valuation is valid by valuer signature only.

Brown & Roberts Road, Tuakau & Andrews Road, Onewhero – 12 September 2023

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

# Appendix

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1. Record of Title



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



  
R.W. Muir  
Registrar-General  
of Land

**Identifier** **NA13B/940**  
**Land Registration District** **North Auckland**  
**Date Issued** 02 November 1967

**Prior References**  
NA587/314

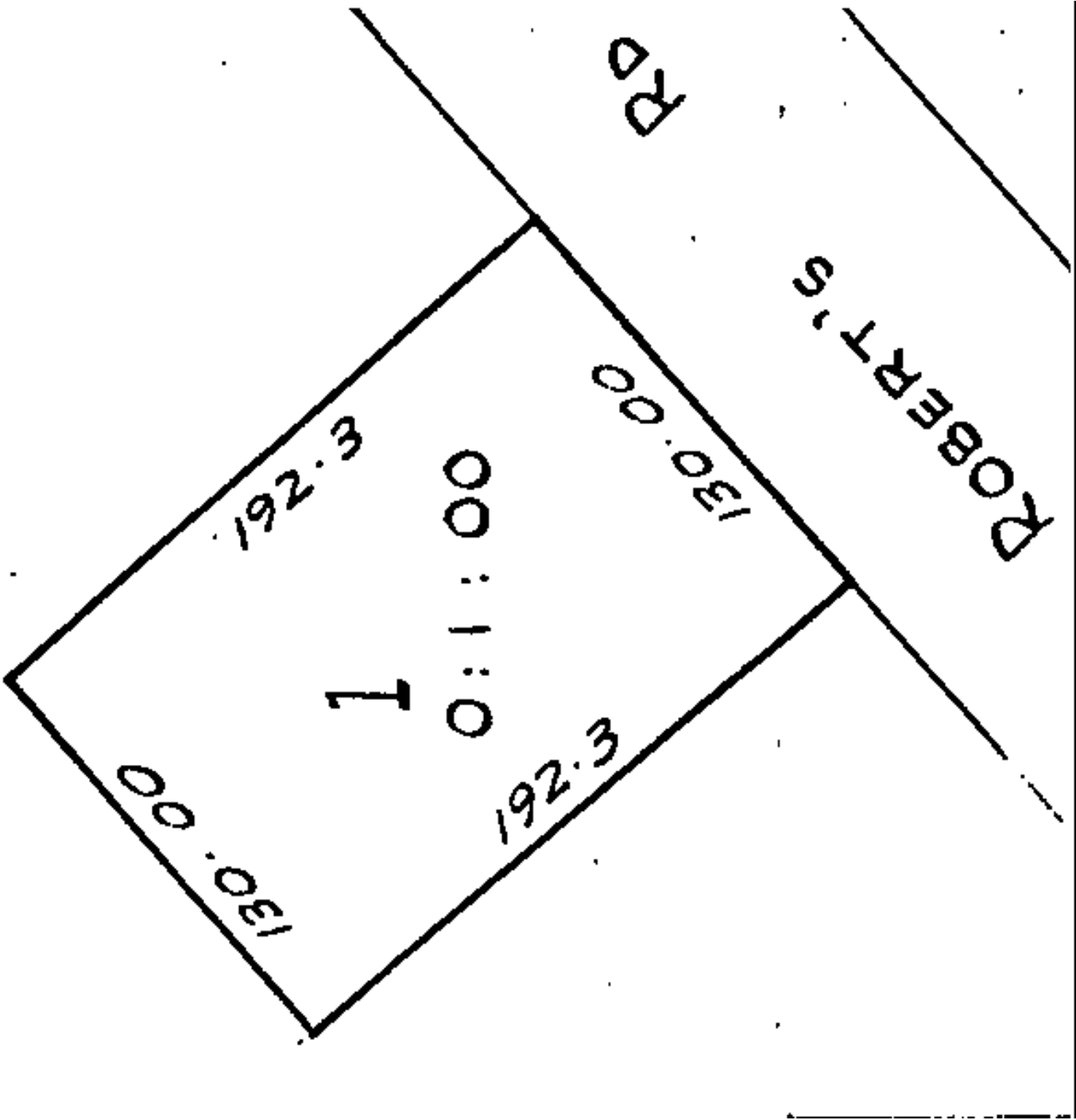
---

**Estate** Fee Simple  
**Area** 1012 square metres more or less  
**Legal Description** Lot 1 Deposited Plan 58760

**Registered Owners**  
Bromley Park Hatcheries Limited

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**Interests**  
A172187 Mortgage to Bank of New Zealand - 5.9.1966 at 12:20 pm  
11642738.3 Variation of Mortgage A172187 - 28.2.2020 at 12:48 pm  
11655162.1 Mortgage to Mainfeeds Limited - 28.2.2020 at 1:34 pm





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



  
R.W. Muir  
Registrar-General  
of Land

**Identifier** **NA13B/941**  
**Land Registration District** **North Auckland**  
**Date Issued** 02 November 1967

**Prior References**  
NA587/314

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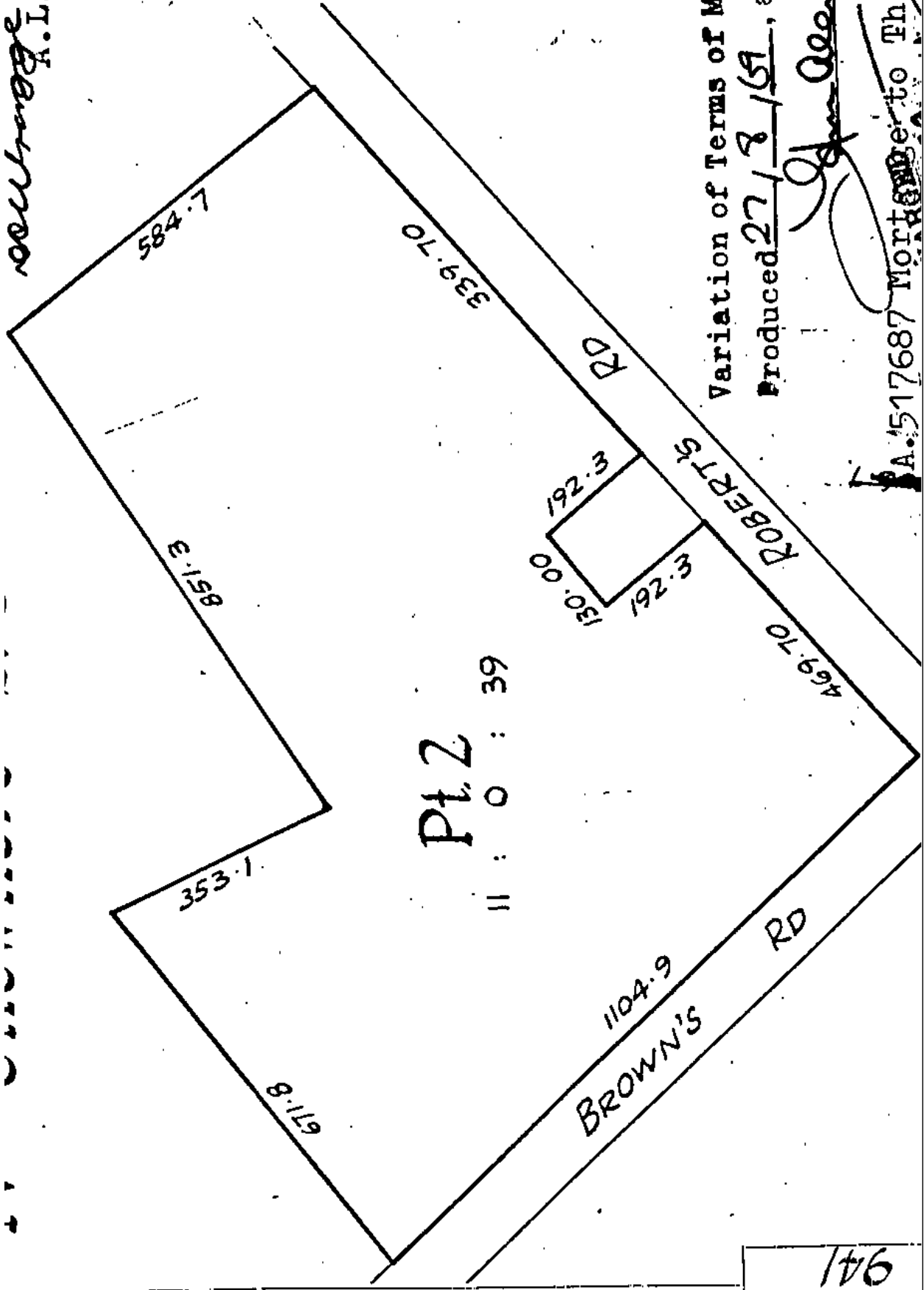
**Estate** Fee Simple  
**Area** 4.5502 hectares more or less  
**Legal Description** Part Lot 2 Deposited Plan 26117  
**Registered Owners**  
Bromley Park Hatcheries Limited

---

**Interests**

A172187 Mortgage to Bank of New Zealand - 5.9.1966 at 12:20 pm  
10830149.1 CERTIFICATE PURSUANT TO SECTION 77 BUILDING ACT 2004 THAT THIS COMPUTER REGISTER IS SUBJECT TO THE CONDITION IMPOSED UNDER SECTION 75(2) (ALSO AFFECTS NA752/317) - 23.6.2017 at 11:58 am  
10830149.1 Subject to Section 81(2) and 81(3) Building Act 2004 - 23.6.2017 at 11:58 am  
11642738.3 Variation of Mortgage A172187 - 28.2.2020 at 12:48 pm  
11655162.1 Mortgage to Mainfeeds Limited - 28.2.2020 at 1:34 pm

*McLennan  
H.I.*



Variation of Terms of Mc  
Produced 27/8/59, a

*John O'Connell*

A. 517687 Mortgages to The



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



  
R.W. Muir  
Registrar-General  
of Land

**Identifier** **NA15B/1252**  
**Land Registration District** **North Auckland**  
**Date Issued** 07 October 1968

**Prior References**

NA2106/2                      NA2113/44

---

**Estate**                      Fee Simple  
**Area**                        5397 square metres more or less  
**Legal Description**      Lot 1 Deposited Plan 50544 and Lot 1  
   Deposited Plan 55153

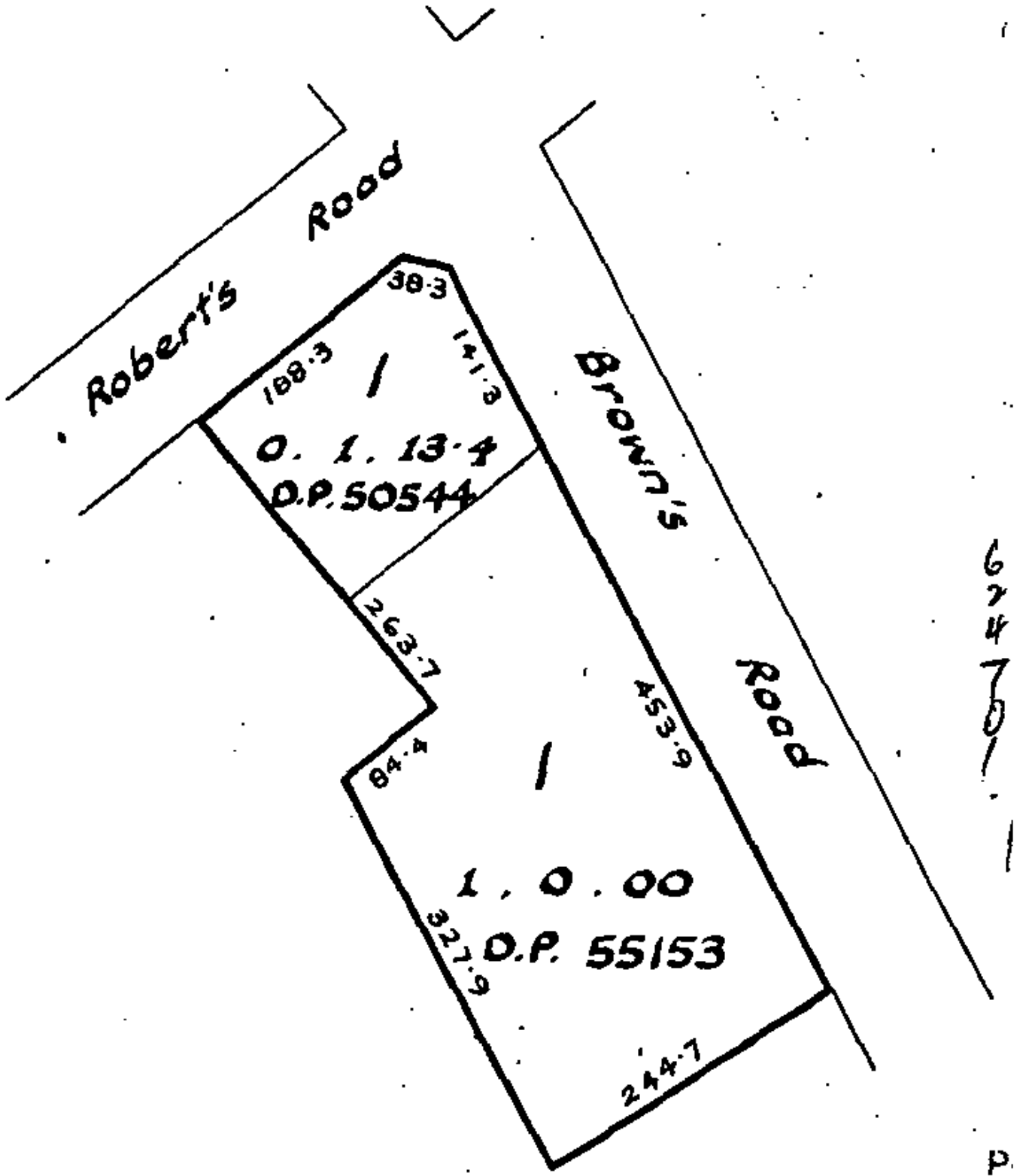
**Registered Owners**

Bromley Park Hatcheries Limited

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**Interests**

10562002.1 Mortgage to Bank of New Zealand - 15.9.2016 at 5:25 pm  
Subject to a right (in gross) to convey electricity over part Lot 1 DP 55153 marked A on DP 521333 in favour of Counties Power Limited created by Easement Instrument 11032713.1 - 23.3.2018 at 8:59 am  
11642738.1 Variation of Mortgage 10562002.1 - 28.2.2020 at 12:48 pm  
11655162.1 Mortgage to Mainfeeds Limited - 28.2.2020 at 1:34 pm





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



  
R.W. Muir  
Registrar-General  
of Land

**Identifier** NA16B/130  
**Land Registration District** North Auckland  
**Date Issued** 14 January 1969

**Prior References**  
NA2113/44

---

**Estate** Fee Simple  
**Area** 5.6580 hectares more or less  
**Legal Description** Lot 1 Deposited Plan 60675

**Registered Owners**  
Bromley Park Hatcheries Limited

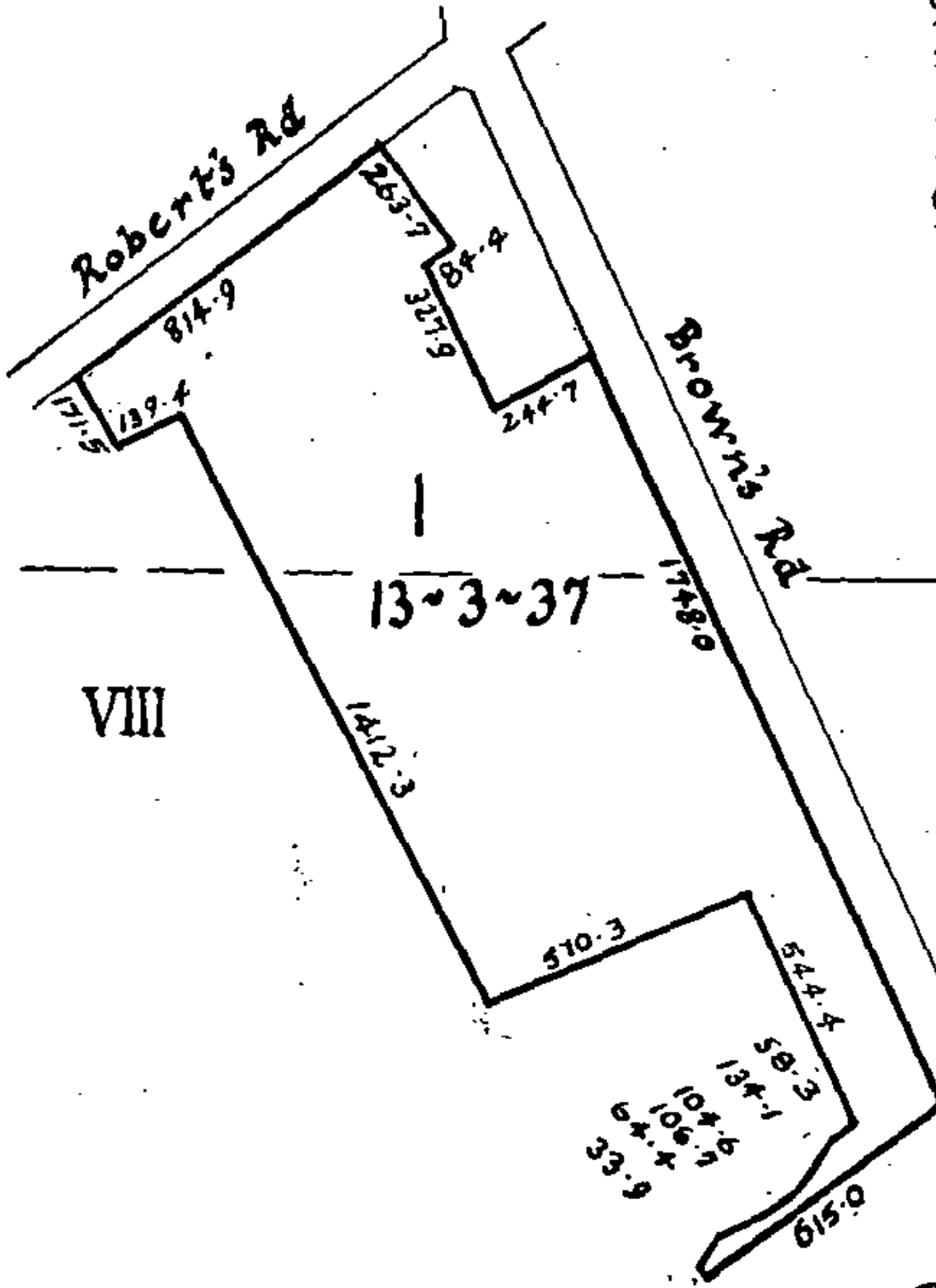
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**Interests**

404049.1 Mortgage to Bank of New Zealand - 19.5.1975 at 9:09 am  
Land Covenant in Easement Instrument 8870015.1 - 19.10.2011 at 9:28 am  
11642738.4 Variation of Mortgage 404049.1 - 28.2.2020 at 12:48 pm  
11655162.1 Mortgage to Mainfeeds Limited - 28.2.2020 at 1:34 pm

# IV Onewhero S.D

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**RECORD OF TITLE  
UNDER LAND TRANSFER ACT 2017  
FREEHOLD  
Limited as to Parcels  
Search Copy**



  
R.W. Muir  
Registrar-General  
of Land

**Identifier** NA751/88  
**Land Registration District** North Auckland  
**Date Issued** 20 April 1938

**Prior References**  
DI 15A.93

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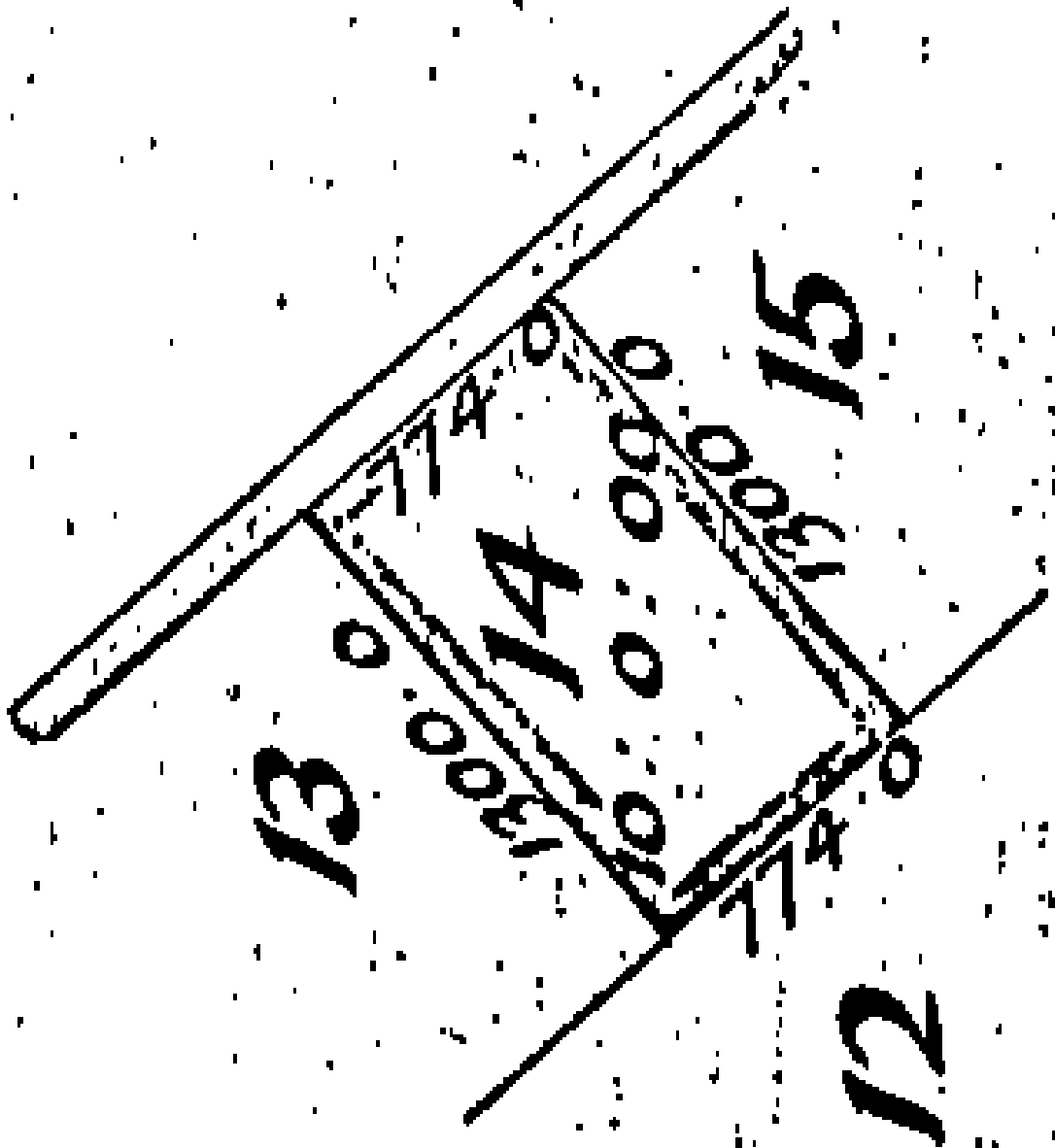
**Estate** Fee Simple  
**Area** 4.0469 hectares more or less  
**Legal Description** Allotment 14 Suburbs of Tuakau

**Registered Owners**  
Bromley Park Hatcheries Limited

---

**Interests**

A172187 Mortgage to Bank of New Zealand - 5.9.1966 at 12:20 pm  
Land Covenant in Easement Instrument 8870015.1 - 19.10.2011 at 9:28 am  
11642738.3 Variation of Mortgage A172187 - 28.2.2020 at 12:48 pm  
11655162.1 Mortgage to Mainfeeds Limited - 28.2.2020 at 1:34 pm





**RECORD OF TITLE  
UNDER LAND TRANSFER ACT 2017  
FREEHOLD  
Limited as to Parcels  
Search Copy**



  
R.W. Muir  
Registrar-General  
of Land

**Identifier** **NA752/317**  
**Land Registration District** **North Auckland**  
**Date Issued** 17 May 1938

**Prior References**  
NA586/235

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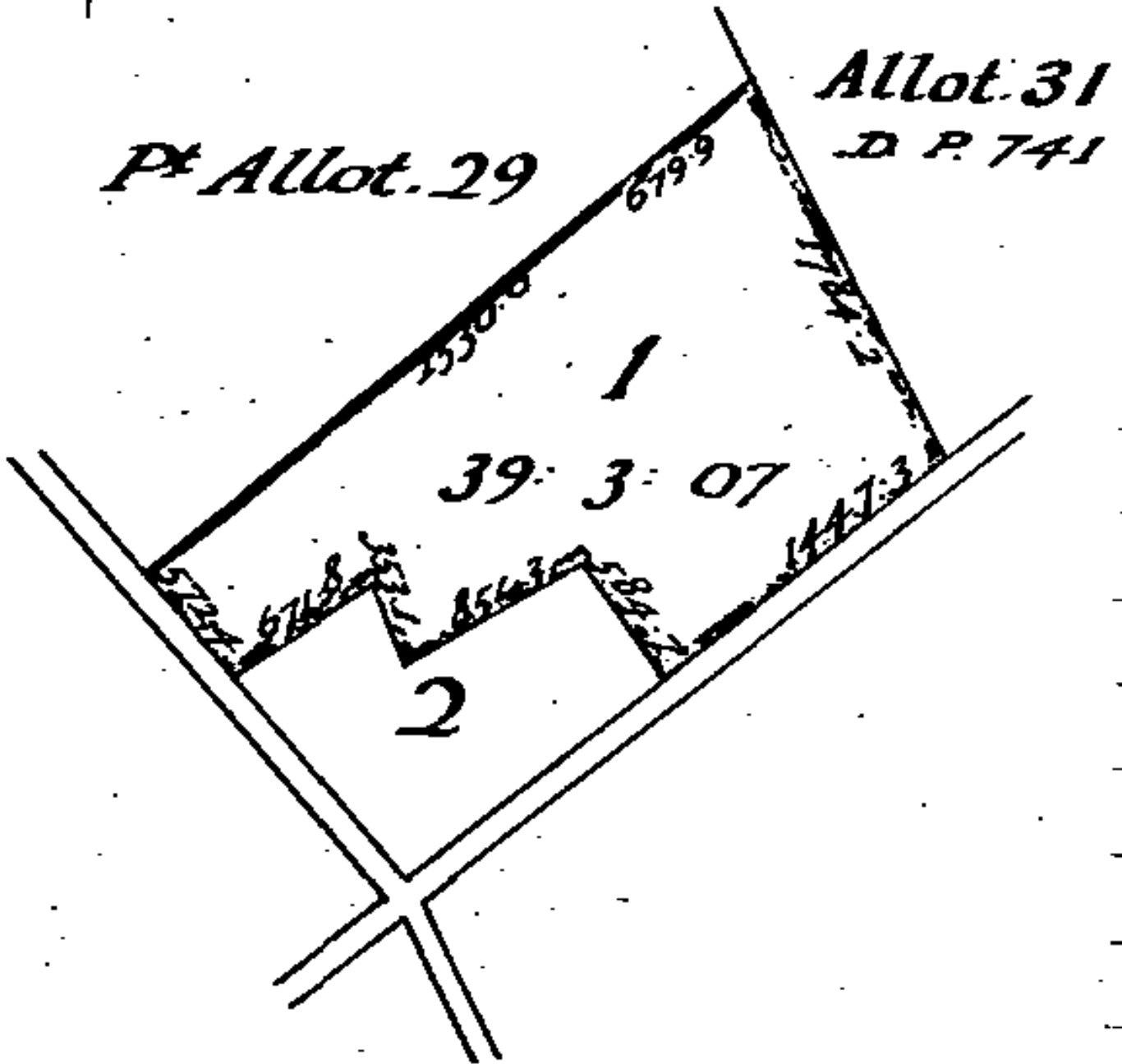
**Estate** Fee Simple  
**Area** 16.1040 hectares more or less  
**Legal Description** Lot 1 Deposited Plan 26117

**Registered Owners**  
Bromley Park Hatcheries Limited

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**Interests**

C442500.1 Mortgage to Bank of New Zealand - 22.12.1992 at 10:23 am  
Land Covenant in Easement Instrument 8870015.1 - 19.10.2011 at 9:28 am  
10830149.1 CERTIFICATE PURSUANT TO SECTION 77 BUILDING ACT 2004 THAT THIS COMPUTER REGISTER IS SUBJECT TO THE CONDITION IMPOSED UNDER SECTION 75(2) (ALSO AFFECTS NA13B/941 ) - 23.6.2017 at 11:58 am  
10830149.1 Subject to Section 81(2) and 81(3) Building Act 2004 - 23.6.2017 at 11:58 am  
Subject to a right (in gross) to convey electricity over part marked A and B on DP 512475 in favour of Counties Power Limited created by Easement Instrument 10960329.1 - 14.12.2017 at 2:13 pm  
11642738.2 Variation of Mortgage C442500.1 - 28.2.2020 at 12:48 pm  
11655162.1 Mortgage to Mainfeeds Limited - 28.2.2020 at 1:34 pm





**RECORD OF TITLE  
UNDER LAND TRANSFER ACT 2017  
FREEHOLD  
Limited as to Parcels  
Search Copy**



  
R.W. Muir  
Registrar-General  
of Land

**Identifier** NA1520/25  
**Land Registration District** North Auckland  
**Date Issued** 07 November 1957

**Prior References**  
NA751/89

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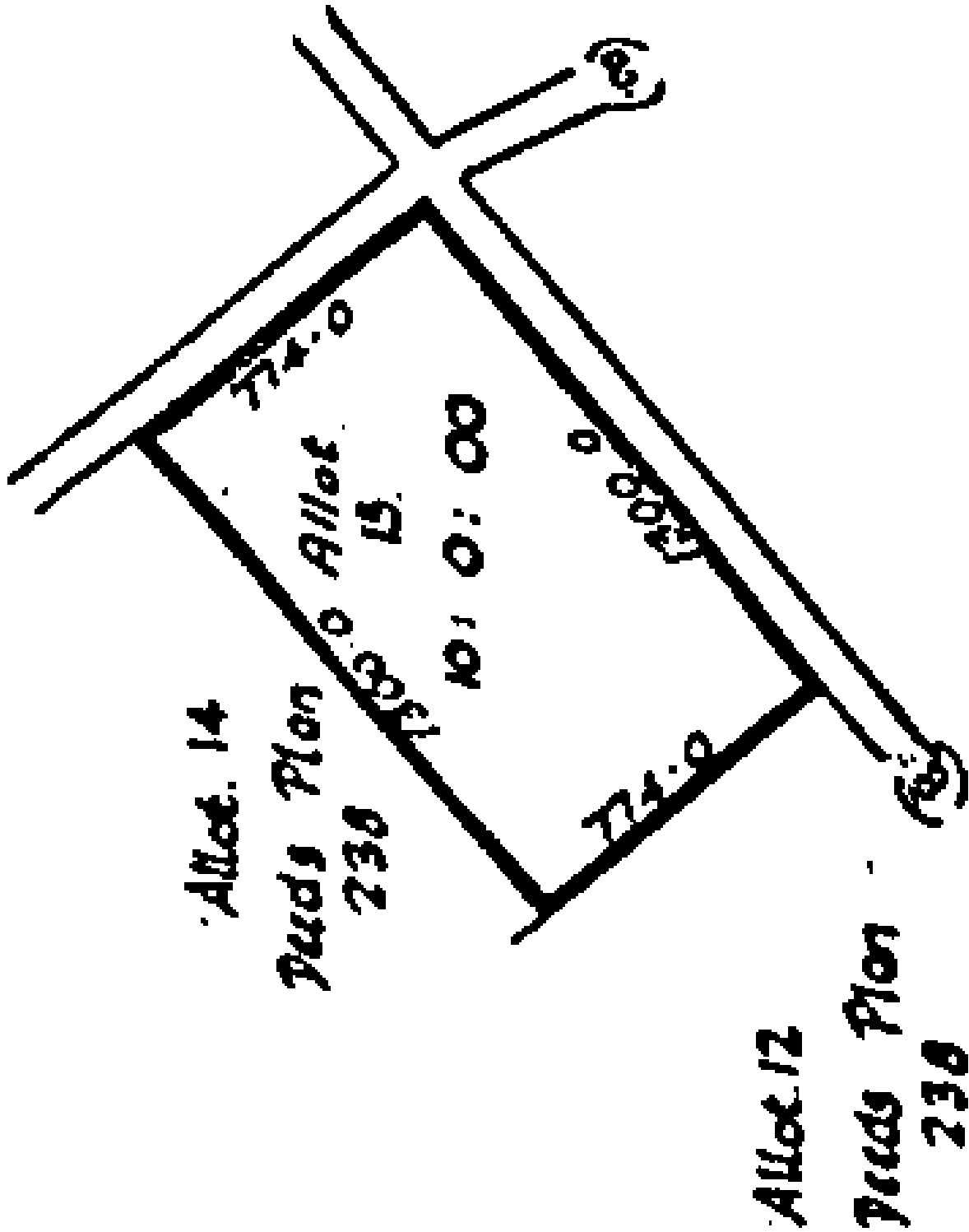
**Estate** Fee Simple  
**Area** 4.0469 hectares more or less  
**Legal Description** Allotment 15 Suburbs of Tuakau

**Registered Owners**  
Bromley Park Hatcheries Limited

---

**Interests**

404049.1 Mortgage to Bank of New Zealand - 19.5.1975 at 9:09 am  
Land Covenant in Easement Instrument 8870015.1 - 19.10.2011 at 9:28 am  
11642738.4 Variation of Mortgage 404049.1 - 28.2.2020 at 12:48 pm  
11655162.1 Mortgage to Mainfeeds Limited - 28.2.2020 at 1:34 pm





**RECORD OF TITLE  
UNDER LAND TRANSFER ACT 2017  
FREEHOLD  
Limited as to Parcels  
Search Copy**



  
R.W. Muir  
Registrar-General  
of Land

**Identifier** **NA1520/26**  
**Land Registration District** **North Auckland**  
**Date Issued** 07 November 1957

**Prior References**  
NA751/89

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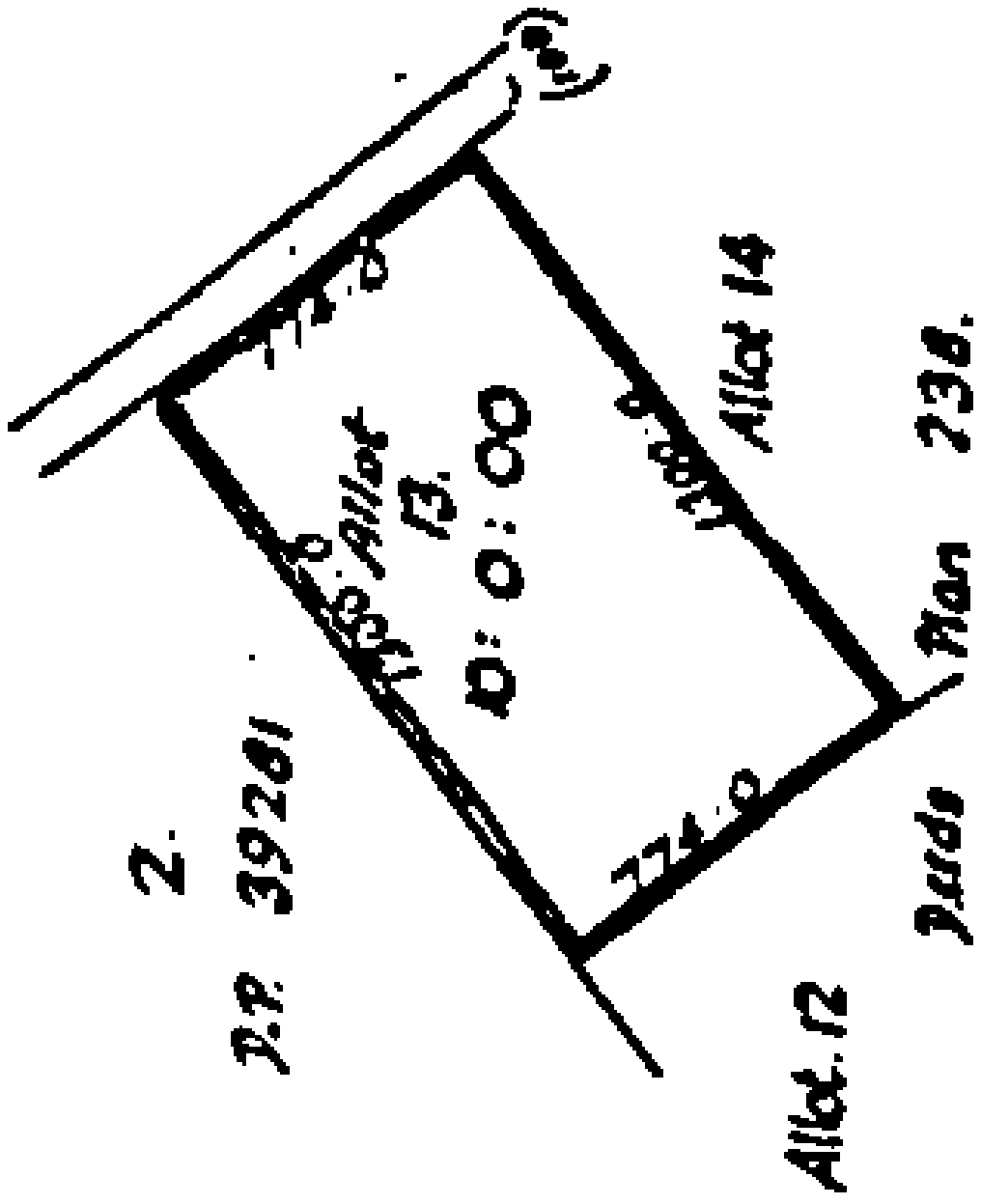
**Estate** Fee Simple  
**Area** 4.0469 hectares more or less  
**Legal Description** Allotment 13 Suburbs of Tuakau

**Registered Owners**  
Bromley Park Hatcheries Limited

---

**Interests**

A172187 Mortgage to Bank of New Zealand - 5.9.1966 at 12:20 pm  
Land Covenant in Easement Instrument 8870015.1 - 19.10.2011 at 9:28 am  
11642738.3 Variation of Mortgage A172187 - 28.2.2020 at 12:48 pm  
11655162.1 Mortgage to Mainfeeds Limited - 28.2.2020 at 1:34 pm





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



  
R.W. Muir  
Registrar-General  
of Land

**Identifier** SA41C/902  
**Land Registration District** South Auckland  
**Date Issued** 30 June 1988

**Prior References**  
SA25D/799

---

**Estate** Fee Simple  
**Area** 5.4772 hectares more or less  
**Legal Description** Lot 4 Deposited Plan South Auckland  
45519

**Registered Owners**  
Bromley Park Hatcheries Limited

---

**Interests**  
7304873.3 Mortgage to Bank of New Zealand - 15.5.2007 at 11:46 am  
11655162.1 Mortgage to Mainfeeds Limited - 28.2.2020 at 1:34 pm  
12625737.1 Variation of Mortgage 7304873.3 - 10.2.2023 at 11:47 am



# Appendix

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## 2. Valuation in Detail

# KEY VALUATION OUTPUTS

Brown & Roberts Road, Tuakau, Roberts Road, Tuakau 2694

Valuation Date: 17 April 2023

**BAYLEYS**

## Valuation Details

Date of Valuation	17 April 2023
Date of Cash Flow Model	17 April 2023
Purpose of Valuation	-
Interest Valued	100% Freehold

## Area & Occupancy Details

		<b>GLA</b>	<b>Car Bays</b>
Total		46,055.96	-
Occupied	100.0%	46,055.96	-
Vacant	-	-	-
Weighted Average Lease Expiry By Area			20.00 years
Weighted Average Lease Expiry By Net Income			20.00 years

## Income Assessment

	Net	\$/m <sup>2</sup>	Gross	\$/m <sup>2</sup>
Passing Income	2,269,786	49	2,500,066	54
Passing Income (fully leased)	2,269,786	49	2,500,066	54
Market Income	2,269,786	49	2,500,066	54
Outgoings \$ pa.	(230,280)	(5)	(230,280)	(5)
Vacancy Factor	-	-	-	-
Over/Under Rated	-	-	-	-
Poultry Farm Passing Income	1,999,386	45	2,221,710	50
Poultry Farm Market Income	1,999,386	45	2,221,710	50

## Valuation Reconciliation

<b>Market Capitalisation Method</b>	<b>31,700,000</b>
<b>DCF Method</b>	<b>32,200,000</b>
<b>Adopted Market Value</b>	<b>32,000,000</b>
<b>Initial Passing Yield</b>	<b>7.09%</b>
Initial Passing Yield (After Abatements)	7.09%
Initial Passing Yield (Fully Leased)	7.09%
<b>Equivalent Initial Yield</b>	<b>7.07%</b>
Reversionary Yield	7.09%
<b>Equivalent Market Yield</b>	<b>7.07%</b>
<b>Capital Value \$/m<sup>2</sup> - GLA</b>	<b>695</b>
<b>Capital Value \$/m<sup>2</sup> - Site Area</b>	<b>72</b>
<b>10 Year IRR</b>	<b>9.08%</b>
7 Year IRR	8.88%
5 Year IRR	8.63%
3 Year IRR	8.12%
10 Year Average Cash on Cash (on Gross Investment Capital)	7.73%

## Capital Expenditure

	\$	\$/m <sup>2</sup>	% of Value
Capital Expenditure adopted In Cap Val (24 months)	118,000	3	0.4%
Capital Expenditure (10 years, inflated)	118,000	3	0.4%
Capital Expenditure (10 years, PV)	115,906	3	0.4%
Capex (10 yrs incl. terminal value allowances, inflated)	118,000	3	0.4%
Capex (10 yrs incl. terminal value allowances, PV)	118,000	3	0.4%

## Capitalisation Method

Expiry Allowances for Tenancies expiring before	16-Apr-25	24 months capturing 0% of GLA
<b>Market Capitalisation rate</b>	7.38%	7.13%
Market Capitalisation Value	30,658,758	31,738,644
Rounded Market Capitalisation Value	30,700,000	31,700,000

## Discounted Cash Flow Method

Cash Flow period	10 years
<b>Discount Rate</b>	<b>9.00%</b>
<b>Terminal Capitalisation Rate</b>	<b>7.37%</b> + 25.0 bp spread
Terminal Allowance for Tenancies expiring before	17-Apr-35 24 months capturing 0% of GLA
Assumed WALE By Area (as at 17-Apr-33)	10.00 years
Assumed WALE By Net Passing Income (as at 17-Apr-33)	10.00 years

Sum of Discounted Cash Flows	16,362,743	50.8%
Present Value of Terminal Value	15,815,797	-
NPV (before acquisition costs)	32,178,540	
Acquisition Costs	-	
NPV (after acquisition costs)	32,178,540	
<b>Rounded NPV</b>	<b>32,200,000</b>	

## 10 Year DCF Sensitivity Matrix

		Discount Rate				
		9.50%	9.25%	9.00%	8.75%	8.50%
Terminal Yield	7.88%	30,166,817	30,656,156	31,156,544	31,668,272	32,191,636
	7.63%	30,638,855	31,139,108	31,650,688	32,173,894	32,709,029
	<b>7.38%</b>	31,143,093	31,655,005	<b>32,178,540</b>	32,714,007	33,261,717
	7.13%	31,682,927	32,207,320	32,743,655	33,292,247	33,853,420
	6.88%	32,262,246	32,800,032	33,350,103	33,912,782	34,488,402

## 10 Year IRR Sensitivity Matrix

		Adopted Value				
		32,640,000	32,320,000	32,000,000	31,680,000	31,360,000
Terminal Yield	7.88%	8.28%	8.43%	8.59%	8.74%	8.90%
	7.63%	8.53%	8.68%	8.83%	8.98%	9.14%
	<b>7.38%</b>	8.78%	8.93%	<b>9.08%</b>	9.23%	9.39%
	7.13%	9.04%	9.19%	9.34%	9.50%	9.65%
	6.88%	9.32%	9.47%	9.62%	9.77%	9.93%

# MARKET CAPITALISATION METHOD

Brown & Roberts Road, Tuakau, Roberts Road, Tuakau 2694

Valuation Date: 17 April 2023

**BAYLEYS**

## Market Capitalisation Method

### Market Income

	Base Rent	Recoveries	Total
Residential	270,400	7,956	278,356
Poultry Farm	1,999,386	222,324	2,221,710
Sundry Income			-
<b>Gross Market Income</b>	<b>2,269,786</b>	<b>230,280</b>	<b>2,500,066</b>
Less Adopted Outgoings			(230,280)
Less Ground Rent			-
<b>Net Market Income</b>			<b>2,269,786</b>
Less Vacancy Factor			-
<b>Net Income</b>			<b>2,269,786</b>

Market Capitalisation Rate	7.375%	7.125%	6.875%
<b>Core Capital Value (fully leased)</b>	<b>30,776,758</b>	<b>31,856,644</b>	<b>33,015,068</b>
Core Capital Value (\$/m <sup>2</sup> )	668	692	717

### Capital Value Adjustments

<b>Capital Expenditure</b>			
Budgeted Capital Expenditure	24 months	(118,000)	(118,000)
<b>Total Capital Value Adjustments</b>		<b>(118,000)</b>	<b>(118,000)</b>
<b>Capitalised Value</b>		<b>30,658,758</b>	<b>31,738,644</b>
Capitalised Value (\$/m <sup>2</sup> )		666	689
Rounded Value		30,700,000	31,700,000
Capitalised Rounded Value (\$/m <sup>2</sup> )		667	688

### Adopted Value

Initial Passing Yield	<b>32,000,000</b>
Initial Passing Yield excl. Vacancy Factor	7.09%
Initial Passing Yield (Fully Leased)	7.09%
Initial Passing Yield (Fully Leased) excl. Vacancy Factor	7.09%
Equivalent Initial Yield	7.07%
Equivalent Market Yield	7.07%
Capital Value (\$/m <sup>2</sup> )	695



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# DCF VALUATION SUMMARY

Brown & Roberts Road, Tuakau, Roberts Road, Tuakau 2694

Valuation Date: 17 April 2023



Summary of Annual Cash Flows	Year 1 17-Apr-23 16-Apr-24	Year 2 17-Apr-24 16-Apr-25	Year 3 17-Apr-25 16-Apr-26	Year 4 17-Apr-26 16-Apr-27	Year 5 17-Apr-27 16-Apr-28	Year 6 17-Apr-28 16-Apr-29	Year 7 17-Apr-29 16-Apr-30	Year 8 17-Apr-30 16-Apr-31	Year 9 17-Apr-31 16-Apr-32	Year 10 17-Apr-32 16-Apr-33
<b>Base Passing Rent by Renewal Type</b>										
Residential	270,400	275,808	281,324	286,951	292,690	298,543	304,514	310,605	316,817	323,153
Poultry Farm	1,999,386	2,039,374	2,080,161	2,121,764	2,164,200	2,207,484	2,251,633	2,296,666	2,342,599	2,389,451
<b>Base Passing Rent</b>	<b>2,269,786</b>	<b>2,315,182</b>	<b>2,361,485</b>	<b>2,408,715</b>	<b>2,456,889</b>	<b>2,506,027</b>	<b>2,556,148</b>	<b>2,607,271</b>	<b>2,659,416</b>	<b>2,712,604</b>
<b>Base Passing Rent</b>										
Secured rent	2,269,786	2,315,182	2,361,485	2,408,715	2,456,889	2,506,027	2,556,148	2,607,271	2,659,416	2,712,604
<b>Base Passing Rent</b>	<b>2,269,786</b>	<b>2,315,182</b>	<b>2,361,485</b>	<b>2,408,715</b>	<b>2,456,889</b>	<b>2,506,027</b>	<b>2,556,148</b>	<b>2,607,271</b>	<b>2,659,416</b>	<b>2,712,604</b>
<b>Recoveries</b>										
Secured recoveries	239,427	247,557	253,994	260,344	266,333	272,325	278,453	284,718	290,556	296,367
<b>Recoveries</b>	<b>239,427</b>	<b>247,557</b>	<b>253,994</b>	<b>260,344</b>	<b>266,333</b>	<b>272,325</b>	<b>278,453</b>	<b>284,718</b>	<b>290,556</b>	<b>296,367</b>
<b>Total Income</b>	<b>2,509,213</b>	<b>2,562,738</b>	<b>2,615,479</b>	<b>2,669,059</b>	<b>2,723,222</b>	<b>2,778,352</b>	<b>2,834,600</b>	<b>2,891,988</b>	<b>2,949,972</b>	<b>3,008,971</b>
<b>Outgoings</b>										
Statutory expenses	73,744	76,248	78,231	80,187	82,031	83,877	85,764	87,694	89,492	91,282
Operating expenses	165,683	171,308	175,763	180,157	184,301	188,448	192,688	197,024	201,064	205,085
<b>Outgoings</b>	<b>239,427</b>	<b>247,557</b>	<b>253,994</b>	<b>260,344</b>	<b>266,333</b>	<b>272,325</b>	<b>278,453</b>	<b>284,718</b>	<b>290,556</b>	<b>296,367</b>
<b>Net Operating Income (before Vacancy Factor)</b>	<b>2,269,786</b>	<b>2,315,182</b>	<b>2,361,485</b>	<b>2,408,715</b>	<b>2,456,889</b>	<b>2,506,027</b>	<b>2,556,148</b>	<b>2,607,271</b>	<b>2,659,416</b>	<b>2,712,604</b>
Vacancy Factor	-	-	-	-	-	-	-	-	-	-
<b>Net Income</b>	<b>2,269,786</b>	<b>2,315,182</b>	<b>2,361,485</b>	<b>2,408,715</b>	<b>2,456,889</b>	<b>2,506,027</b>	<b>2,556,148</b>	<b>2,607,271</b>	<b>2,659,416</b>	<b>2,712,604</b>
<b>Net Income before Capital Expenditure</b>	<b>2,269,786</b>	<b>2,315,182</b>	<b>2,361,485</b>	<b>2,408,715</b>	<b>2,456,889</b>	<b>2,506,027</b>	<b>2,556,148</b>	<b>2,607,271</b>	<b>2,659,416</b>	<b>2,712,604</b>
<b>Capital Expenditure</b>										
Budgeted Capex	118,000	-	-	-	-	-	-	-	-	-
<b>Capital Expenditure</b>	<b>118,000</b>	<b>-</b>	<b>-</b>	<b>-</b>	<b>-</b>	<b>-</b>	<b>-</b>	<b>-</b>	<b>-</b>	<b>-</b>
<b>Net Income after Capital Expenditure</b>	<b>2,151,786</b>	<b>2,315,182</b>	<b>2,361,485</b>	<b>2,408,715</b>	<b>2,456,889</b>	<b>2,506,027</b>	<b>2,556,148</b>	<b>2,607,271</b>	<b>2,659,416</b>	<b>2,712,604</b>
Terminal Valuation (Start Year 11)										
Gross Rental Income										3,203,084
Sundry Income										-
Gross Market Income										3,203,084
Less Adopted Outgoings										(297,566)
Net Market Income										2,905,518
Less Vacancy Factor										-
<b>Net Income</b>										<b>2,905,518</b>
<b>Discount Rate</b>										<b>9.00%</b>
<b>Terminal Capitalisation Rate</b>										<b>7.37%</b>
Core Capital Value (fully leased)										39,396,852
Capital Value Adjustments										(995,064)
Capitalised Value										38,401,788
Disposal Costs 2.50%										(960,045)
Net Sale Proceeds										37,441,743
Sum of Discounted Cash Flows										16,362,743
Present Value of Terminal Value										15,815,797
NPV (before acquisition costs)										32,178,540
Less Acquisition Costs 0.00%										-
NPV (after acquisition costs)										32,178,540
<b>Rounded NPV</b>										<b>32,200,000</b>
Running Yield *	10 yr avg 7.33%	6.95%	7.32%	7.34%	7.35%	7.37%	7.38%	7.38%	7.39%	7.39%
Running Yield (before Capex & Adjustments)	10 yr avg 7.37%	7.33%	7.32%	7.34%	7.35%	7.37%	7.38%	7.38%	7.39%	7.39%
Running Yield (after Capex & Adj, over Gross Invest)	10 yr avg 7.73%	6.72%	7.23%	7.38%	7.53%	7.68%	7.83%	7.99%	8.15%	8.48%
Running IRR		5.68%	7.49%	8.12%	8.44%	8.63%	8.77%	8.88%	8.96%	9.08%

\* Running Yield is calculated using the current value in that year as the denominator

# KEY VALUATION INPUTS

Brown & Roberts Road, Tuakau, Roberts Road, Tuakau 2694

Valuation Date: 17 April 2023

**BAYLEYS**

Capital Expenditure Summary	10 Year Total	Year 1 17-Apr-23 16-Apr-24	Year 2 17-Apr-24 16-Apr-25	Year 3 17-Apr-25 16-Apr-26	Year 4 17-Apr-26 16-Apr-27	Year 5 17-Apr-27 16-Apr-28	Year 6 17-Apr-28 16-Apr-29	Year 7 17-Apr-29 16-Apr-30	Year 8 17-Apr-30 16-Apr-31	Year 9 17-Apr-31 16-Apr-32	Year 10 17-Apr-32 16-Apr-33
Total Budgeted Capex	118,000	118,000	-	-	-	-	-	-	-	-	-
<b>Total Capital Expenditure</b>	<b>118,000</b>	<b>118,000</b>	-	-	-	-	-	-	-	-	-
Terminal Capital Expenditure Allowance	-	-	-	-	-	-	-	-	-	-	-
<b>Total Capital Expenditure (Incl. Allowances)</b>	<b>118,000</b>	<b>118,000</b>	-	-	-	-	-	-	-	-	-

Expense Growth	10 Year CAGR	Year 1 17-Apr-23 16-Apr-24	Year 2 17-Apr-24 16-Apr-25	Year 3 17-Apr-25 16-Apr-26	Year 4 17-Apr-26 16-Apr-27	Year 5 17-Apr-27 16-Apr-28	Year 6 17-Apr-28 16-Apr-29	Year 7 17-Apr-29 16-Apr-30	Year 8 17-Apr-30 16-Apr-31	Year 9 17-Apr-31 16-Apr-32	Year 10 17-Apr-32 16-Apr-33
CPI	2.60%	5.00%	3.00%	2.50%	2.50%	2.25%	2.25%	2.25%	2.25%	2.00%	2.00%
Statutory Expenses	2.60%	5.00%	3.00%	2.50%	2.50%	2.25%	2.25%	2.25%	2.25%	2.00%	2.00%
Operating Expenses	2.60%	5.00%	3.00%	2.50%	2.50%	2.25%	2.25%	2.25%	2.25%	2.00%	2.00%
Building Capex	2.60%	5.00%	3.00%	2.50%	2.50%	2.25%	2.25%	2.25%	2.25%	2.00%	2.00%
Adopted Outgoings	2.60%	5.00%	3.00%	2.50%	2.50%	2.25%	2.25%	2.25%	2.25%	2.00%	2.00%

Income Growth	10 Year CAGR	Year 1 17-Apr-23 16-Apr-24	Year 2 17-Apr-24 16-Apr-25	Year 3 17-Apr-25 16-Apr-26	Year 4 17-Apr-26 16-Apr-27	Year 5 17-Apr-27 16-Apr-28	Year 6 17-Apr-28 16-Apr-29	Year 7 17-Apr-29 16-Apr-30	Year 8 17-Apr-30 16-Apr-31	Year 9 17-Apr-31 16-Apr-32	Year 10 17-Apr-32 16-Apr-33
Poultry Farm Market Rent Growth - Net	2.50%	2.50%	2.50%	2.50%	2.50%	2.50%	2.50%	2.50%	2.50%	2.50%	2.50%
Poultry Farm Market Rent Growth - Gross	2.51%	2.75%	2.55%	2.50%	2.50%	2.47%	2.47%	2.47%	2.47%	2.45%	2.45%
Residential Market Rent Growth - Net	2.50%	2.50%	2.50%	2.50%	2.50%	2.50%	2.50%	2.50%	2.50%	2.50%	2.50%
Residential Market Rent Growth - Gross	2.50%	2.57%	2.51%	2.50%	2.50%	2.49%	2.49%	2.49%	2.49%	2.49%	2.49%

Poultry Farm	Vacancies	Year 1 17-Apr-23 16-Apr-24	Year 2 17-Apr-24 16-Apr-25	Year 3 17-Apr-25 16-Apr-26	Year 4 17-Apr-26 16-Apr-27	Year 5 17-Apr-27 16-Apr-28	Year 6 17-Apr-28 16-Apr-29	Year 7 17-Apr-29 16-Apr-30	Year 8 17-Apr-30 16-Apr-31	Year 9 17-Apr-31 16-Apr-32	Year 10 17-Apr-32 16-Apr-33
<b>Expiry Profile</b>	<b>m<sup>2</sup></b>	-	-	-	-	-	-	-	-	-	-
Renewal Probability	%	50%	50%	50%	50%	50%	50%	50%	50%	50%	50%
Downtime	months	6.0	6.0	6.0	6.0	6.0	6.0	6.0	6.0	6.0	6.0
Applied Downtime	months	6.0	3.0	3.0	3.0	3.0	3.0	3.0	3.0	3.0	3.0
Lease term	years	6	6	6	6	6	6	6	6	6	6
<b>Commencement Profile</b>	<b>m<sup>2</sup></b>	-	<b>44,465</b>	-	-	-	-	-	-	-	-
Incentive Probability	%	100%	100%	100%	100%	100%	100%	100%	100%	100%	100%
Leasing Costs - New Leases	%	15.0%	15.0%	15.0%	15.0%	15.0%	15.0%	15.0%	15.0%	15.0%	15.0%
Leasing Costs - Renewals	%	-	-	-	-	-	-	-	-	-	-
Applied Leasing Costs	%	15.0%	7.5%	7.5%	7.5%	7.5%	7.5%	7.5%	7.5%	7.5%	7.5%
Net Market Rent (start of period)	\$/m <sup>2</sup>	45	46	47	48	50	51	52	53	55	56
Gross Market Rent (start of period)	\$/m <sup>2</sup>	50	51	53	54	55	57	58	60	61	62
Occupancy Rate (Weighted by Area)	%	100.0%	100.0%	100.0%	100.0%	100.0%	100.0%	100.0%	100.0%	100.0%	100.0%

Residential	Vacancies	Year 1 17-Apr-23 16-Apr-24	Year 2 17-Apr-24 16-Apr-25	Year 3 17-Apr-25 16-Apr-26	Year 4 17-Apr-26 16-Apr-27	Year 5 17-Apr-27 16-Apr-28	Year 6 17-Apr-28 16-Apr-29	Year 7 17-Apr-29 16-Apr-30	Year 8 17-Apr-30 16-Apr-31	Year 9 17-Apr-31 16-Apr-32	Year 10 17-Apr-32 16-Apr-33
<b>Expiry Profile</b>	<b>m<sup>2</sup></b>	-	-	-	-	-	-	-	-	-	-
Renewal Probability	%	50%	50%	50%	50%	50%	50%	50%	50%	50%	50%
Downtime	months	6.0	6.0	6.0	6.0	6.0	6.0	6.0	6.0	6.0	6.0
Applied Downtime	months	6.0	3.0	3.0	3.0	3.0	3.0	3.0	3.0	3.0	3.0
Lease term	years	6	6	6	6	6	6	6	6	6	6
<b>Commencement Profile</b>	<b>m<sup>2</sup></b>	-	<b>1,591</b>	-	-	-	-	-	-	-	-
Incentive Probability	%	100%	100%	100%	100%	100%	100%	100%	100%	100%	100%
Leasing Costs - New Leases	%	15.0%	15.0%	15.0%	15.0%	15.0%	15.0%	15.0%	15.0%	15.0%	15.0%
Leasing Costs - Renewals	%	-	-	-	-	-	-	-	-	-	-
Applied Leasing Costs	%	15.0%	7.5%	7.5%	7.5%	7.5%	7.5%	7.5%	7.5%	7.5%	7.5%
Net Market Rent (start of period)	\$/m <sup>2</sup>	170	174	179	183	188	192	197	202	207	212
Gross Market Rent (start of period)	\$/m <sup>2</sup>	175	179	184	189	193	198	203	208	213	219
Occupancy Rate (Weighted by Area)	%	100.0%	100.0%	100.0%	100.0%	100.0%	100.0%	100.0%	100.0%	100.0%	100.0%

Renewal Assumptions	Lease Term Years	Renewal Probability	Vacancies Months	Future Months	Downtime Applied Months	Incentives (Yr 1)			Leasing Costs			Review Type	
						New %	Renewal %	Applied %	New %	Renewal %	Applied %		
Office	6.0	50.0%	6.0	6.0	3.0	-	-	-	15.0%	-	7.5%	2 yearly	ME
Retail	6.0	50.0%	6.0	6.0	3.0	-	-	-	15.0%	-	7.5%	2 yearly	ME
Industrial	6.0	50.0%	6.0	6.0	3.0	-	-	-	15.0%	-	7.5%	2 yearly	ME
Signage	6.0	50.0%	6.0	6.0	3.0	-	-	-	15.0%	-	7.5%	2 yearly	ME
Telecoms	6.0	50.0%	6.0	6.0	3.0	-	-	-	15.0%	-	7.5%	2 yearly	ME
Storage	6.0	50.0%	6.0	6.0	3.0	-	-	-	15.0%	-	7.5%	2 yearly	ME
Initial Works	6.0	50.0%	6.0	6.0	3.0	-	-	-	15.0%	-	7.5%	2 yearly	ME
Residential	6.0	50.0%	6.0	6.0	3.0	-	-	-	15.0%	-	7.5%	2 yearly	ME
Poultry Farm	6.0	50.0%	6.0	6.0	3.0	-	-	-	15.0%	-	7.5%	2 yearly	ME
Car Parking	6.0	50.0%	6.0	6.0	3.0	-	-	-	15.0%	-	7.5%	2 yearly	ME



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Auckland  
Bayleys Valuations Ltd  
Bayleys House  
30 Gaunt Street  
Auckland 1010, New Zealand  
+64 9 309 6020

Manukau  
Bayleys Valuations Ltd  
2 Harris Road, East Tamaki  
Auckland 2013  
New Zealand  
+64 9 273 6666

Hamilton  
Bayleys Valuations Ltd  
96 Ulster Street  
Whitiora, Hamilton 3200  
New Zealand  
+64 7 834 3232

Wellington  
Bayleys Valuations Ltd  
The Bayleys Building  
Level 5, 36 Brandon Street  
Wellington 6011, New Zealand  
+64 4 460 5451

Christchurch  
Bayleys Valuations Ltd  
3 Deans Avenue, Addington  
Christchurch 8011  
New Zealand  
+ 64 3 375 4700

Wanaka  
Bayleys Valuations Ltd  
62 Ardmore Street  
Wanaka 9305  
+64 3 443 0261



IN ASSOCIATION WITH  Knight Frank

[bayleys.co.nz](http://bayleys.co.nz)