

November 2014

MAORI HILL PROPERTY LIMITED

in association with Mitchell Mackersy Lawyers

Snap Shot

Five Mile Queenstown

(extract from Otago Daily Times 6/9/2014)

The \$130 million Five Mile development near Queenstown Airport hits a big milestone this weekend. The first "ground level" concrete floor pour is scheduled for today - cementing the development's rise from what used to be known as "Hendo's hole". The retail project, by Auckland developer Tony Gapes' Redwood Group, has confirmed tenants for stage one include Countdown, Briscoes and Rebel Sport. Other confirmed tenants on the site - which includes a large basement car park - include a Warehouse Stationery and Number One Shoes. Stage one will take in about 14,000sq m of retail space, 2000sq m of office space and a child care centre occupying 900sq m; part of the project's total 27,000sq m of retail space.

Another supermarket, a Pak'n Save, will be built at the nearby Shotover Business Park development, while on the other side of the airport, a retail development known as The Landing is being built opposite the Remarkables Park Town Centre. The first of three buildings there is scheduled to be open later this year.

Mitchell Mackersy installed a camera onsite to allow investors to view Five Mile construction advancement by clicking the following link <http://snowgrass.co.nz/cust/5mile/>. Photos are updated every 15 minutes.



Lean Japan Tour

In May 2014 Ron Mackersy immersed himself into the original Japanese thinking behind Lean and its successful application across a range of industries. The idea behind the tour was to build knowledge of Lean management principles and develop the understanding necessary to implement these within Mitchell Mackersy and Maori Hill Property. The Lean manufacturing tour included an intensive week of factory visits, senior management discussions, training in a Toyota Group Lean training facility and Japanese cultural experiences.

Industrial picked as quiet achiever in real estate investment sector (extract from the National Business Review)

Industrial property has been identified as the steadiest performer in the real estate market by a new report. The report, compiled by Bayleys Research, notes industrial property "is a sector characterised by generally low volatility in key indicators such as vacancy levels, rentals, yields and returns. As such, it has strong appeal for the lower-risk, passive investor." The low volatility of the industrial property market is measured in a five-year rolling index correlated by the Investment Property Databank. The index tracks the performance of 593 property investments nationwide with a total capital value of more than \$12.7 billion and consistently records the industrial property market as the least volatile of the real estate segments. Bayleys Research national manager Gerald Rundle says the findings certainly apply to the industrial property sector - where high occupancy levels and a growing economy and business sector will continue to make this market an attractive and stable proposition for investors.





News from Dale's Office

Another busy period at Maori Hill Properties.

Susan Sawyer is moving into semi-retirement, and going forward will not be managing any syndicate properties. She plans to spend more time on her bike and enjoying extra ski days next season.

With Susan moving on we have reallocated several properties in the portfolio. Penny Byrne will take over management of the Blenheim properties and several Christchurch properties. Sarah Norman will add the management of the Queenstown & Invercargill syndicate properties to her portfolio. The Auckland properties previously managed by Susan have been added to Andrea Edward's portfolio.

Tim Mackersy is putting the finishing touches on our revised property inspection report that once completed will give us a thorough overview of all properties in the portfolio. As well as giving us a snap shot of the current condition of these properties it will allow us to be more proactive on maintenance issues.

The management portfolio has certainly grown over the last 12 months with approximately \$50 million of new property being added. Currently in the pipeline there are several significant properties that will be coming on board over the next 6 months or so. We now have the structures in place to cope with these.

As previously advised we have the resources in Christchurch to offer management services to investors for their individual commercial properties. Feel free to contact me on 03 351 6971 or 021 324 231 to discuss.

From Dale and the team at Maori Hill Property Ltd
mhpl.co.nz

Comments from Ron Mackersy

With the Election over we now have some Government stability going forward. New Zealand seems to be in a pretty good position relative to the world. Although dependent on exports such as dairy, meat, and forestry which are currently under price pressure, the massive rebuild and slide in the currency are welcome, keeping the economy going.

The precinct market in Christchurch is particularly buoyant with Vodafone under way, two rental car buildings at the airport and mixed office/retail projects coming on stream including a new Kathmandu resource centre.

Interest rates have stabilised for now and with the current money supply it is hard to see much movement in the short term.

In Queenstown we continue to have extreme growth lead by tourist numbers. Snow has attracted 40 plus flights a week from the East coast of Australia. The Airport is again in an expansion mode.

The Financial Markets Authority (FMA) now replaces the Security Act. Areas that we are involved in including eligibility and structure have been reviewed.

New rules come into effect 1 December 2014, we will shortly be advising on the changes and what they will mean for future projects.

Our team has a retirement village, including hospital services, under investigation — roll on Christmas.



Mitchell Mackersy's New Vodafone project in Christchurch

Maori Hill Property is a specialist commercial property management company. We take care of commercial property as if it is our own and on behalf of clients take on the challenges of all legal, local body, compliance and lease obligations as well as working to improve the value of the property.

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