

Comparative Market Appraisal

Date: **2/04/2024**

Attention: **H Innovation Limited**

("CLIENT")

Re: **64 Victoria Street, Onehunga**

("PROPERTY")

Dear: **Victor Wu**

Thank you for the opportunity to provide a market appraisal for your property. A market appraisal compares your property with comparable properties that have recently leased, and/or those that are currently for lease. The number of comparable properties will influence the accuracy of the price range. In the instance where there are no comparable properties, we will inform you.

Market appraisal of your property:

Space	Area	Rate (per square metre)	Total (\$)
Retail	100 sqm	\$270 - \$370 per sqm	\$27,000 - \$37,000 pa
Estimated Market Rental	100 sqm		\$27,000 - \$37,000 pa
\$32,000 (avg net rental)			

Recent leases:

- 698 Great South Road, Penrose comprising of 131m² more or less, leased for approximately \$275 per sqm in October 2023.
- 727 Great South Road, Penrose comprising of 80m² more or less, leased for approximately \$370 per sqm in August 2023.
- 739 Great South Road, Penrose comprising of 270m² more or less, leased for approximately \$280 per sqm in November 2023.
- 102 Onehunga Mall, Onehunga comprising of 369m² more or less, leased for approximately \$230 per sqm in December 2023.

Estimated fee:

If leased for the appraised market price of **\$27,000 to \$37,000 pa**, the total commission payable will be approximately **\$5,000 to \$6,666 plus GST** (excluding agreed marketing costs, OPEX and other ancillary charges).

Important notes:

This is a market appraisal provided with the intent to share market advice in compliance with the Client Care Rules. It is not intended to replace a valuation and is not suitable for lending purposes. If you require a formal valuation, we recommend contacting a registered valuer.

Yours sincerely,



Steve Buckley

Commercial Property Broker

AGENCY AGREEMENT

BETWEEN **H Innovation Limited** ("CLIENT")

AND **Buckley & Co, a branch of Independent Agent Limited (Buckley & Co)** ("AGENT")

Property: **64 Victoria Street, Onehunga** ("PROPERTY")

1. **Signing Authority:** 'Client means the Owner(s), Vendor(s), Lessor(s) and/or any other agent or signatory authorised to act on behalf of or enter into this Agency Agreement. If the person(s) signing this Agency Agreement are not the sole Owner of the property, then they hereby absolutely warrant and represent that they have the necessary authority of all Owners to enter into this Agency Agreement and make this appointment. If a Trust or Company they hereby absolutely warrant and represent that all Trustees/Directors have consented to this agency appointment and any Trustee/Director executing this Agency Agreement herein agrees to be personally liable for the payment of fees, commissions, legal fees, interest and other entitled costs or expenses at the rate herein appearing.
2. **Appointment:** The Client appoints Buckley & Co to:
 - Lease
 - Sellthe above property on the following basis:
 - a. **Sole agency**
 - i. The Sole Agency Agreement commences on 4/2/2024 ("Commencement Date") and continues until midnight on 7/1/2024 or, if no end date is provided, 90 days from the Commencement Date.
 - ii. Following the end date, this contract will continue as a General Agency under the terms and conditions specified below until cancelled in writing by either party.
 - b. **General agency**
 - i. The General Agency Agreement commences immediately and continues unless cancelled prior by either party giving seven (7) days written notice to the other party.
 - ii. In any event, Buckley & Co shall be entitled to cease acting for the Client immediately if required to do so under Rule 6 of the Real Estate Agents Act (Professional Conduct and Client Care) Rules 2009. The cancellation or expiry of this contract does not affect the accrued rights of either party before termination.
3. **Client Consents:** Buckley & Co are authorised but not obliged to:
 - a. Advertise the Property as available at the sale/lease price of \$ **40,000** (minimum) plus GST (if any) or such other price/lease as the Client may agree to and on any special terms agreed between the Client and Buckley & Co.
 - b. Retain any of the rebates, discounts, or commissions set out in the agent's statement contained in this contract.
4. **Marketing:** The Client agrees Buckley & Co will:
 - a. During the term of the Agency Agreement, display or use any signs, photographs, electronic advertising, display, or marketing materials that Buckley & Co consider necessary for marketing and promotional purposes.
 - b. Subsequently obtain, display, or use any signs, photographs, electronic advertising, display, or marketing materials for promotional purposes unless otherwise instructed.
 - c. Arrange inspections of the Property in consultation with the Client, subject to any specific instructions given in writing by the Client. During any inspection of the property the Client acknowledges and agrees that to the maximum extent permitted by law Buckley & Co shall exercise all reasonable care for the property and Buckley & Co shall not be liable for any loss or damage arising from such inspection.

Additional Marketing: The Client authorises the expenditure of \$ **0** (plus GST) as detailed in the marketing budget on advertising and promoting the Property for sale or lease and upon signing this contract the Client shall pay Buckley & Co this sum before the commencement of the listing campaign. The Client acknowledges that

they have been informed that there is no obligation to agree to such additional expenditure.

5. Client Acknowledgement and Disclosure: The Client acknowledges and discloses that:

- a. A written market appraisal of the Property supported by comparable market information, an estimate of the fees payable by the Client, based on the appraised price and the scale of fees was provided.
- b. An explanation of how the Property will be marketed and notification that the Client is not obliged in the absence of prior written approval to agree to related additional expenses beyond the pre-approved maximum figure specified in this contract was provided.
- c. The Client was able to seek legal, technical, or other advice and information prior to signing this agency agreement including but not limited to the cancellation of any existing agency agreements and that the Client has either obtained such advice or information or else waives of its own volition any right to obtain such further advice or information.
- d. The Client was able to seek specialist advice regarding the GST status of this transaction.
- e. The Owner is ██████████ registered for GST in respect to the sale/lease of this property.
- f. A Sole Agency may be cancelled by the Client by written notice delivered to Buckley & Co by 5 pm on the first working day after the day on which a copy of the contract is given to the Client. The notice may be sent by fax or email. Cancellation is subject to any prior introductions of customers by Buckley & Co – see section 130(4) REAA 2008.
- g. A client approached under the classification of unlimited direct sales (unsolicited marketing) reserves the right to cancel this agreement within five (5) working days after the date on which the client receives a signed copy of the agreement.
- h. The Buckley & Co in-house complaints and dispute resolution procedures are appended to this agreement. The Client may access the Real Estate Agent Authority's (REA) complaints process without first using Buckley & Co's in-house procedures and that any use of the in-house procedures does not preclude the Client from making a complaint to the Authority. Further information regarding agency agreements and contractual documents relating to Property transactions is available from the REA's website, www.rea.govt.nz. The REA can also be contacted on 0800 367 7322.
- i. Where the seller is a company, and the property is worth more than half the value of the company's assets, the board must have the consent of the shareholders by special resolution.
- j. Any chattels being sold/leased with the property are currently and will be on the settlement/possession date in reasonable working order.
- k. The Client warrants and undertakes that:
 - i. Where work has been done or permitted to be done on the property (including additions, extensions, and alterations to the property) by the Client for which an authority, consent, permit, or license is required by law, an authority, consent, permit, or license was obtained for those works and such works were carried out in accordance with the same. If the property is on a Composite or Unit Title such title is to the Client's best belief free from defect (including additions, extensions, and alterations to the property).
 - ii. To the best of the Client's knowledge, the Property is free from weather tightness issues, hidden or underlying defects or any relevant disclosures, defects, health, or safety risks relating to the property are disclosed here: _____

The information provided by the Client or on behalf of the Client is and will be complete and correct in all respects. If the Client becomes aware of any changes in the information provided, they will immediately notify Buckley & Co.

- l. If at any time during the term of the Agency Agreement the Client directs Buckley & Co not to disclose to Purchasers/Tenants or potential Purchasers/Tenants any known defects or any significant potential risks for hidden or underlying defects identified by Buckley & Co contrary to the terms of this Agency Agreement or the Real Estate Agents Act (Professional Conduct and Client Care) Rules 2012, Buckley & Co may cancel this Agency Agreement by written notice.

6. Client's Indemnity: The Client indemnifies and agrees to hold indemnified Buckley & Co, its officers, employees and agents against all costs, claims, damages, expenses or liabilities or proceedings of any kind suffered or incurred by Buckley & Co and arising from or in relation to:

- a. This agreement, including where such costs, claims, damages, expenses, liabilities, or proceedings arise from or in relation to any incorrect or incomplete information (including non-disclosure of any defects in the Property) provided by the Client to Buckley & Co or directly by the Client to a Purchaser or Lessee: and

- b. (without limiting clause 7a) any breach (whether by the Client, Buckley & Co, their officers, employees, or agents) of the Health & Safety in Employment Act 1992 or any other health and safety rules, requirements or regulations while acting under this agreement.
- c. Where the services under this agreement are supplied for business purposes, the Client agrees that the provisions of the Consumer Guarantees Act 1993 do not apply.
- d. To the extent permitted by law, Buckley & Co's total liability under this agreement will be limited to the amount of the fee and any other amount payable to the agent.

7. Personal Information: The Client consents to:

- a. Buckley & Co collecting personal information (including residential and business addresses, telephone and fax numbers and email addresses) from the Client for the purposes of marketing and selling the Property, the marketing of other properties and services offered by Buckley & Co to the Client and as required by law. The Client consents to disclosure and use of this personal information for these purposes. The Client may request access to, and correction of, personal information by notifying Buckley & Co in writing.
- b. Information about the Property, including its address, physical description, sale or lease price and photographs of it being held by Buckley & Co for marketing and promotional purposes and for the compilation of statistics by the Real Estate Institute of New Zealand, Registered Valuers or for any other person.
- c. Receiving information, marketing, and promotional material from Buckley & Co via email or other electronic means.

8. Fee Entitlement: The Client agrees to pay commission to Buckley & Co if the property or any part of it or a share in it is sold and/or leased and/or an exchange or trade of the Property is affected directly or indirectly:

- a. By Buckley & Co; or
- b. Through the instrumentality of Buckley & Co; or
- c. In the case of a SOLE AGENCY, an agreement to sell, lease, or exchange the property (or part of it) is entered in to at any time during the term of the Sole Agency Agreement and the agreement is or becomes unconditional (whether during or after the term of the Agency Agreement); or
- d. In the case of a GENERAL AGENCY, if:
 - i. an agreement to sell, lease, or exchange the property (or part of it) at any time during the term of the General Agency Agreement due to Buckley & Co services is entered in to; or
 - ii. Buckley & Co introduces a Purchaser/Tenant who signs an agreement to purchase/lease the property which is or becomes unconditional (whether during or after the term of the Agency Agreement); or
- e. In the case of either a SOLE or GENERAL AGENCY, a private agreement to sell, lease, or exchange the property (or part of it) is entered in to:
 - i. due to Buckley & Co services; or
 - ii. with a Purchaser/Tenant introduced by Buckley & Co:
 - within a period of six (6) months following the date of expiry, cancellation or termination of the Agency Agreement, and the agreement is or becomes unconditional (whether during or after the six (6) month period).

In this subclause "private agreement" means any agreement to sell, lease or exchange the property (or part of it) in the absence of any effective Agency Agreement between us and a real estate Agent holding a license under the Real Estate Agents Act 2008.

If Buckley & Co is appointed as sole agent, Buckley & Co will be the only person authorised to arrange a sale or lease of the Property. The Client acknowledges that if during the term of the sole agency the Property is sold or leased by or through a person other than Buckley & Co, then the Client may be liable to pay two or more agents' fees or payments, or otherwise damages for breach of contract.

The agreed rate of commission is detailed in the Fee Schedule, appended to this Agency Agreement. The sale price is defined as the cash value transferred to us as the Vendor/Lessor including the value of any benefit or liability so transferred.

In this contract, the term "lease" includes a lease, sublease, or assignment of lease by the Lessor or any other person entitled to do so and the terms "sale" and "lease" include a transfer or disposal of any shares in a company or units or other interest in a trust which effectively does what a "sale" or a "lease" (as appropriate) would otherwise have done and fees will be payable on the GST exclusive gross realisation of such transfer or disposal in accordance with the Fee Schedule appended to this Agency Agreement, together with any other entitlements.

9. **Deposit & Commission:** The Client agrees:
- a. New Zealand Real Estate Trust, an independent trust account service provided by SafeKiwi (New Zealand) Limited, will be used for payment. Public Trust is the custodian for the deposit who will receive, hold and disburse monies on behalf of vendors and purchasers. Terms of Use can be viewed at www.realestatetrust.co.nz/termsfuse
 - b. The Agent is entitled to deduct its commission and expenses from the deposit held by Public Trust. Where the Property being sold is a unit title the Client agrees that this deduction will be delayed until completion of the obligations under sections 147 and 148 of the Unit Titles Act 2010, and if the deposit is not received by Public Trust, the Client will pay the Agent immediately on receipt of an invoice in accordance with clauses (insert applicable clause numbers according to the Agency Agreement used). Immediately recover advertising costs incurred on the Clients behalf from the Client.
 - c. The commission may be shared as agreed between Buckley & Co and any Agent who is authorised to sell or lease the property as a Conjoint Agent under the terms of this Agency Agreement to Lease in respect of the Property and otherwise at the direction of the Client.
10. **Agent's Statement relating to rebates, discounts, and commissions** (Section 128 REAA 2008): Buckley & Co confirms that, in relation to any expenses for or in connection with any real estate agency work carried out by Buckley & Co for the Client in connection with the transaction covered by this contract:
- a. Buckley & Co will not receive, and is not entitled to receive, any rebates, discounts, or commissions.
 - b. Buckley & Co will receive, or is entitled to receive, the rebates, discounts, and commissions specified on the attached schedule.
***Delete One (if neither one is deleted (a) shall apply)**
 - c. If option (b) is chosen, and if the Client authorises expenditure, Buckley & Co will seek to obtain the best value for the client.
11. **Joint and Several Liability:** If the Client is more than one person, each of them is jointly and severally liable under this contract.
12. **New Zealand Law:** This contract is governed by the laws of New Zealand.
13. **Execution of Contract:** This contract may be executed in two or more counterparts, each of which is deemed an original, but all of which together will constitute one and the same instrument. A facsimile or email copy of this contract showing a representation of the signature of any party is deemed to be an original counterpart.
14. **Anti-Money Laundering:** The parties acknowledge and agree that:
- a. As of 1st January 2019, new rules were implemented in New Zealand, impacting real estate agency work, specifically regarding Anti-Money Laundering legislation.
 - b. The Agent must collect information about the Client to undertake customer due diligence and take any other steps that may be necessary to comply with the Anti-Money Laundering and Countering Finance of Terrorism Act 2009 ("AML/CFT Act"); 16.1.2. The Agent may use customer due diligence services (including electronic based services from a third party) to verify the Client's identity and conduct customer due diligence under the AML/CFT Act.
 - c. The Agent cannot conduct real estate agency work for the Client under the Real Estate Agents Act 2008 until the Agent: (a) has completed the appropriate level of customer due diligence on the Client under the AML/CFT Act and has satisfied themselves that they can act; and (b) has completed the steps required under the Real Estate Agents Act 2008 and the Real Estate Agents Act (Professional Conduct and Client Care) Rules 2012, including giving a copy of this agreement, signed by both parties, to the Client.
 - d. The Client warrants that they will provide the required identification and verification documents to the agency prior to the negotiation of any potential sale or lease of the property and give their consent to Buckley and Co or their third-party agent, TICC to carry out customer due diligence as required under the AML/CTF Act.
 - e. The Client acknowledges that the third-party agent, TICC may contact them on behalf of Buckley and Co, to request further information if this is required to complete customer due diligence. Any form of identification collected or supplied to the third-party agent, TICC will only be used for the purpose of customer due diligence as required under the act.
 - f. This agreement will become effective, and a business relationship under the AML/CFT Act will commence once customer due diligence has been successfully completed. Until this process is finalised, the Agent will be unable to fulfil their obligations outlined in this agreement.

As the Owner or authorised representative of the property, I/we hereby agree that we have read, understood, and accepted these terms, conditions, disclosures and further agree that we entered into this Agency Agreement freely and voluntarily, without any influence or duress, and were recommended to obtain legal, technical or specialist advice before signing this Agency Agreement. We agree that this is a legally binding document and we have read, understood, and agreed with the terms and conditions appearing within this Agency Agreement, and receipt of a copy is acknowledged.

Client 1: | Victor Wu



Date: 03/04/24

Client 2: |

Date:

Client 3: |

Date:

Client 4: |

Date:

Steve Buckley on behalf of Buckley & Co:



Date:

2/04/2024

FEE SCHEDULE

- “Property” means the property being sold or leased described in the Agency Agreement together with any other land, buildings, business, stock, plant, equipment, fixtures, chattels, goodwill, shares, licences, intellectual property, and anything else of value whether tangible or intangible being sold or leased by Buckley & Co on behalf of the Client/Owner/Vendor/Landlord/Lessor.
- All fees are exclusive of GST. GST is payable in addition to all charges.

Leasing:

- A minimum fee of \$3,500 applies.
- An administration fee of \$500 is payable plus a leasing fee calculated as follows:
 - Leases 3 years and under – an amount equivalent to 2 months’ average annual **gross** rental.
 - Leases 4 years and over – 18% of the average annual **gross** rental plus 1% for each additional year.
- The leasing fee is calculated on the average annual gross rental for the first term of the lease as recorded in the final negotiated Agreement to Lease or Deed of Lease or other document, but without any deduction for any rebates, concessions, rent or outgoings, holidays or other inducements.
- Average annual gross rental is defined as the rent recorded under the lease plus and other payments the tenant is responsible for, including outgoings, car parking, naming rights and any consideration of rental for plant, chattels, fixtures, fittings, partitioning, furniture, premiums for naming rights and goodwill, which will also constitute ‘rent’ for the purposes of commission calculation. Any concessions or rent-free periods shall not be considered when calculating the average annual gross rental.
- Key money, goodwill or purchase of plant, fixtures and fittings shall be charged at 5% of purchase price.
- Subsequent Leasing – if within the first 24 months of the lease commencement date the Client leases additional space to the same lessee (or an associate or subsidiary) the Client shall pay an additional fee calculated as per the scale of fees herein from the commencement date of the first term of the lease.
- A compulsory purchase clause in a lease shall be treated the same as the sale of a freehold property.
- An optional purchase clause shall be treated the same as the sale of a freehold property when the option is exercised.
- “Lease” means a lease, sublease, licence, profit a prendre, naming rights, occupation, assignment, surrender, renewal, or any other form of lease, by agreement, deed, memorandum, tender, auction or any other form of the Property or any part thereof. “Leased” has a corresponding meaning.
- Payment by the Client is due to Buckley & Co immediately upon the earliest of either:
 - Execution of an unconditional Agreement to Lease, Memorandum of Lease, Deed of Lease, Sublease, Profit a Prendre, naming rights, occupation, Surrender, Renewal, Assignment or any other form of lease or the date on which it becomes unconditional; or
 - Entry by the lessee into possession of the leased property; or
 - Commencement of rental payments by the lessee.

Sales

- An administration fee of \$500 is payable plus a sales fee calculated on the total Property sale price (exclusive of GST) as follows:
 - 4.5% on the first \$500,000
 - 2.5% on the balance of consideration
- When the property is subject to a ground lease, commission shall be increased by one third of the schedule as set out above.
- ‘Consideration’ is defined as the total value of money, property compensation, incentive or any money or valuable consideration passing from the Purchaser to the Vendor including without limitation in relation to chattels, stock, plant, fixtures, fit out improvements, goodwill and company shares/loan accounts, excluding GST (except for a residential sale where the Owner is registered for GST and the purchase price includes GST passing from the Purchaser/ Lessee to the Vendor/ Lessor).
- “Sale” means a sale of the Property or any part thereof by agreement, auction, tender, private treaty, trade, exchange or in any other manner. “Sold” has a corresponding meaning.
- Payment by the Client is due to Buckley & Co immediately upon the sale becoming unconditional.

Master Agency

In the case of a master agency, an over rider of 30% is payable if a sub-agent completes the transaction.

IN-HOUSE COMPLAINTS AND DISPUTE RESOLUTION

Our complaints and dispute resolution procedures is designed to provide effective and simple resolution of any complaint you might have about the service you have received from Buckley & Co, a branch of Independent Agent Limited.

Step 1: Call us and speak to the Licensee Agent - Matt Jones on 021 396 394. Tell the Licensee Agent the name of the Agent who you are complaining about and what your concerns are. Let the Licensee Agent know what you would like done about your complaint.

Step 2: The Licensee Agent may ask you to put your complaint in writing so that they can investigate it. The Licensee Agent will need a brief period of time to talk to the team members involved. We will come back to you within ten working days with a response to your complaint. That response may be in writing. As part of that response, we might ask you to meet with members of our team to discuss the complaint and try to agree on a resolution.

Step 3: If we are unable to come to an agreed resolution after a meeting, or if you do not wish to meet with us, then we will provide you with a written proposal to resolve your complaint.

Step 4: If you do not accept our proposal, please advise us in writing within five working days. You can, of course, suggest another way of resolving your complaint.

Step 5: If we accept your preferred resolution, we will attempt to implement that resolution as soon as possible. If we decline your preferred resolution, we may invite you to mediate the dispute.

Step 6: If we agree to mediate the complaint but do not settle the complaint at mediation, or we do not agree to mediate the dispute, then that will be the end of our process.

NOTE: You do not have to use our complaints and resolution procedure. You may make a complaint directly to the Real Estate Agents Authority at any time.

ADDITIONAL PROPERTY INFORMATION

Property address: _____

Access instructions: _____

Property features:

- Kitchenette
 Toilet
 Air conditioned
 Sprinklers
 Extraction
 3-phase power
 Roller door
 Container drop

Council zoning: _____

Stud height: _____

USE	AREA	\$/SQM(p.a.)	TOTAL(p.a.)	OUTGOINGS	\$(p.a.)
Retail	m ²	\$	\$	Rates	\$
Office	m ²	\$	\$	Insurance	\$
Warehouse	m ²	\$	\$	Body Corp	\$
Canopy	m ²	\$	\$	Ground Rent	\$
Yard	m ²	\$	\$	OPEX	\$
Other	m ²	\$	\$	Other:	
Covered car parks	No:	@ \$ pc/pw	\$		\$
Uncovered car parks	No:	@ \$ pc/pw	\$		\$
TOTAL			\$	TOTAL	\$

Tenanted investment - lease details:

TENANCY	COMMENCED	TERM	ROR	RENT REVIEW	TOTAL SIZE	NET RENT \$(p.a.)

Solicitor: _____

Solicitor contact: _____