



MAORI HILL PROPERTY LIMITED

in association with Mitchell Mackersy Lawyers

Snap Shot

Comments from Ron Mackersy:

It's been a busy couple of months. We have successfully concluded the purchase of a rental car operation in the Christchurch Airport precinct and the new Vodafone building in Christchurch Innovation Precinct.

Meanwhile we now have visible construction progress at 5 Mile Shopping Centre Queenstown. Queenstown residents are keen for the new retail outlets to open.

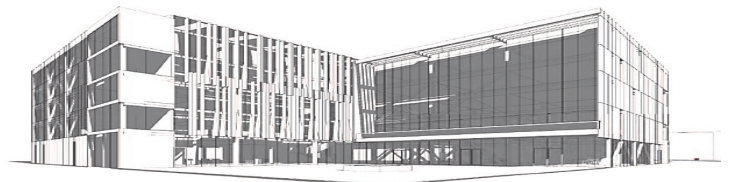
Interest rates have started to move because the economy is showing signs of inflation. Again we aren't privy to all the Reserve Bank motives but the costs of building and interest are on the move. Countering this is the softening of bank margins. We are still of the view there are substantial bank deposits looking for a home. Despite interest rates rising selling yields are still firming.

In Queenstown we have the first skiers of the season as bookings are the best they have been for years—roll on more snow.

♦ “Landlords should pay for strengthening”

(extract from The Press, May 2014)

Under the Building (Earthquake-prone Buildings Amendment) Act before parliament, local councils would have five years to assess the quake-strength of buildings, then give building owners 15 years to get them up to standard. In Canterbury, in addition to local councils' current seismic strengthening rules, the Canterbury Earthquake Recovery Authority has special powers to make owners either upgrade or demolish at-risk buildings. Wellingtonians were the most concerned at 60 per cent, followed by Cantabrians at 48 per cent and Aucklanders at 43 per cent. Across the country, most tenants believed that requiring all buildings to meet 33 per cent of new building code was not tough enough. Almost half said between a third and two-thirds of code was sufficient, while slightly fewer wanted two-thirds to 100 per cent. The Property Council has estimated that 15,000 to 25,000 buildings in New Zealand are suspected to be below 33 per cent of their local building code. The council has urged the Government to "seriously consider" the costs and affordability issues of earthquake strengthening. Earthquake-vulnerable buildings are already attracting higher insurance premiums, and this will automatically lead to building owners strengthening them accordingly or demolishing them.



Calder Stewart to develop and own new Vodafone HQ

The developer of Christchurch's new Vodafone building will fund it, build it and retain it as an investment. Vodafone has issued a media statement saying it will “establish a \$50million South Island headquarters” in Tuam St, an area which the Canterbury Earthquake Recovery Authority has deemed an “innovation precinct”.

A Vodafone spokesperson says the \$50 million refers to the company's lease cost over 12 years plus fit-out. She says the figure is about the same as the development cost and building value.

The principal of the Calder Stewart development company, Alan Stewart, confirmed his company would fund and construct the headquarters while Vodafone would contribute to the fit-out cost. The value of the property upon completion would be around \$50 million. Upon completion, the property will be managed by Maori Hill Property Limited and owned by Calder Stewart and Mitchell Mackersy syndicate investors who were attracted by the long-term lease to Vodafone. Investors interested in this project should contact Ron Mackersy on 027 473 3091 or rmackersy@mitchellmackersy.co.nz to register their interest.



Wide ranging legal needs at Shotover Park development

Mitchell Mackersy Lawyers partners Ron Mackersy and Tess Wethey have recently sold branches in both Dunedin in Christchurch in a bid to focus on opportunities presenting themselves in Queenstown.

The firm continues to do work related to the rebuild in Christchurch and work in other regions, but is running it all from an office in Frankton.

Article from recent law society publication:
<https://www.lawsociety.org.nz/lawtalk/issue-843>



News from the Office

With the sale of the Mitchell Mackersy practice in Christchurch and the move from 245 Clyde Road for earthquake repairs it has been a challenging time for Maori Hill Property Limited, Christchurch.

Going forward we have some great news for shareholders. From 1 August 2014, Maori Hill Property Limited Christchurch will be operating from new offices at 47 Mandeville Street, Riccarton. We also have a new team member in Christchurch, Penny Byrne who previously worked with Tess Wethey at Mitchell Mackersy. Penny has property management experience having previously worked with Ngai Tahu Property and Harcourts.

As well as providing administration support, Penny will also be offering property management services to Mitchell Mackersy and Maori Hill Property Limited clients for non syndicate properties.

We are pleased that a number of annual accounts are now out to Directors for their sign off, as several have already been finalised and distributed to shareholders. All accounts should be with shareholders no later than 30 August 2014.

Although provincial New Zealand continues to be challenging we are seeing real confidence in the Christchurch and Auckland markets.

Christchurch office contact details from the 1st August 2014 are:

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Tegel Foods constructs new hatchery in Christchurch (article World Poultry 2/9/2013)

New Zealand's number one poultry integrator, Tegel Foods, has recently constructed a brand new broiler hatchery in Christchurch.

The new hatchery for chicken broilers has a total yearly setting capacity of 30 million chicken eggs, obtained with 30 BioStreamer 12S incubators and 15 BioStreamer 4H hatchers. On top of that, some setters and hatchers for turkeys have also been installed. Tegel Foods is proud to be amongst the poultry producers with the lowest feed conversion ratios (FCRs) in the world. What's more, the company is working to bring the average FCR of its birds further down from 1.5. One of the methods to achieve this is good hatchery management.



“Good feed conversion ratios of broilers start with a beneficial development of the embryos in the egg,” says Leonard Hawley, Hatcheries Manager at Tegel Foods. “Embryo-Response Incubation is the method of choice to monitor and control this vital aspect of hatchery management.”

Established in 1959, Tegel Foods processes 70,000 tonnes per year and employs 1,900 people. The company is responsible for about 50% of the market in New Zealand. Besides chicken, Tegel also produces turkey meat, holding over 90% of the New Zealand turkey

market. Maori Hill Property Limited manage three Christchurch properties that are leased to Tegel and owned by Mitchell Mackersy syndicates.

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.

Maori Hill Property Limited is owned by Mitchell Mackersy Lawyers.

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