CBRE

DOC Chateau Tongariro Market Sounding Report

Report prepared for the Department of Conservation

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Structured Transactions & Advisory Services

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Contents

Introduction

Background

CBRE's Structured Transactions & Advisory Services (STAS) were engaged by the Department of Conservation (DOC) to undertake a feasibility review of the Chateau Tongariro and the 26 ancillary buildings ('Chateau') in July 2024 (Part A scope). The property is situated on conservation land and has been closed to the public since March 2023. The building was classified as earthquake-prone, based on a Detailed Seismic Assessment (DSA) and a supporting peer review (Prendos), the building is now classified as seismically challenged with an NBS of 15%.

CBRE's engagement assessed various revitalisation and refurbishment scenarios to determine the highest and best use for the Chateau. The primary scope of work included a physical inspection of the property, a review of existing documentation, and an analysis of market parameters to benchmark estimated market values. We refer to the aforementioned advisory as Part A within this assignment

DOC are now seeking further property advisory services to build upon our initial feasibility findings, where CBRE will now undertake confidential market sounding on behalf of DOC. The premise of the opportunity has been framed whereby DOC will not be in a position to commit any financial investment into the building. In this regard, the document hereinbelow sets out the scope of works and deliverables.

Market sounding is a process whereby prior to an on or off-market campaign, we are able to gauge select parties' interest and appetite for a real estate project or development. The process typically involves engaging potential buyers, investors, or tenants to gather feedback on concepts, pricing, market conditions and their appetite to participate in a potential transaction (or the parameters in which they would participate). We would typically interview 5-10 select parties from a target list.

Through this we establish the market appetite for this opportunity, but importantly the transaction conditions required to facilitate a successful leasing/sales campaign (i.e., clarification of lease options, concession status and term, current use restrictions, seismic requirements, Capex appetite etc.).

This process builds upon our findings of Part A, considering the specific challenges and opportunities presented by the Chateau's unique circumstances, including its seismic condition, heritage status, refurbishment/upgrade requirements and location within the Tongariro National Park. The results will inform DOC's strategic decision-making regarding the future of the Chateau.

Scope of Works – Property Consultancy Order

Market Sounding & Transaction Advisory

In order to inform our analysis and assist with establishing a set of real estate options, we will:

- Prepare confidential market sounding documentation along with a Confidentiality Agreement. This documentation will be a condensed version of the documentation already on hand and will highlight the key opportunity considerations e.g., overview of the Chateau Tongariro, floorplans, site context, seismic rating and estimated remediation costings. We will obtain sign off from DOC ahead of market engagement.
- **Market Sounding Participants:** Participants would be made up of both participants that have previously expressed interest to DOC and participants that CBRE have identified through their market involvement.
- **Market Sounding Engagement:** Present target parties with the market sounding documentation and answer any preliminary questions. When undertaking engagement sessions (45-60 min virtual interviews), we will collate feedback into a concise report for DOC.
- **Post-Engagement Process**: We will analyse the feedback received to identify common themes, preferences, and potential challenges. Following this, we will prepare a comprehensive market sounding report summarising the findings.
- Our report will include strategic recommendations for a pathway forward for the Chateau's future. We note our understanding that the Crown is not anticipated to be prepared to undertake any capital investment in a refurbishment plan, and rather the opportunity is to be presented 'As is'.
- Following the delivery of the initial draft report, we will undertake a workshop with DOC to gain any feedback on the draft report prior to finalising.

Market Sounding Report

Introduction

Market sounding is a valuable process to better understand the feasibility and attractiveness of potential projects from the perspective of industry stakeholders, particularly where the real estate option is unique or complex. By engaging with target parties early and in a non-binding manner, it allows for the collection of valuable insights and feedback, which can inform decision-making and strategy development. This report outlines the approach and methodology in conducting confidential market sounding for the DOC regarding the Chateau.

Given the highly sensitive nature of this project, our market sounding process involved presenting target parties with a high-level market sounding documentation. The information pack prepared is a condensed version of CBRE's Part A Feasibility Report (July 2024) and summarises the real estate opportunity e.g., overview of the Chateau, floorplans, site context, seismic rating and estimated remediation costings.

CBRE then conducted market sounding sessions in the form of virtual and in-person interviews, where we sought to gather responses to any preliminary questions from the participants followed by their feedback to our scope.

The purpose of these engagement sessions was to openly collate various perspectives and insights regarding the proposed revitalisation and refurbishment of the Chateau. The interviews were conducted following the execution of a Confidentiality Agreement and on the basis CBRE would anonymise responses. The report below provides a summary of the feedback collected. The insights not only highlight strong interest and concerns but also provide a clearer picture of the demand, risks, and opportunities associated with the project.

The report below aims to provide DOC with a robust understanding of market sentiment and stakeholder expectations, which are critical for the successful planning and execution of the Chateau's revitalisation.

Topics Discussed and Questions Raised

The market sounding process focuses on various key aspects related to the Chateau. Our process begins by understanding the participants general interest and demand in relation to the New Zealand hotel market, and whether or not the participants are actively seeking hotel opportunities in the region and their preferred project types (both immediate and future). The process then gathers feedback on current hotel market conditions in New Zealand. Crucially, it solicits opinions on the Chateau's appeal as a refurbished hotel, specifically concerning the viability of refurbishment and seismic upgrading against the anticipated value created (and in consideration of the concession / leased nature of the offering).

Further we address pricing and financial metrics, exploring expectations around lease payment consideration (9(2)(i), 9(2)(j) [redacted] views on the preliminary refurbishment costs, and assessments of proposed costs for seismic upgrades. Market conditions are further examined through questions concerning demand for hotel rooms in the region, along with trends in tenant/operator requirements and preferences.

Lease options and conditions are another key focus, including typical lease term preferences, desired seismic strengthening levels (for both compliance and peace of mind), and the impact of potential expansions on leasing decisions. The process also assesses the appetite for capital expenditure and refurbishment in the next 12 months.

Finally, engagement and next steps are considered, understanding participant willingness for further discussions and site visits/ investigations. The need for additional information, flexibility in adapting to different space configurations and alternative uses (beyond hotel accommodation) are also explored.

Parties Engaged

CBRE approached a number of parties to participate in the confidential market sounding process. The first parties being those whom have previously directly contacted DOC expressing their interest in the Chateau. We do note that we applied qualification criteria to the enquiries received by DOC and only selected parties that are considered qualified to take part in this market sounding process. The second group of parties engaged were identified by CBRE through our current market involvement, allowing us to identify active groups that would likely participate in this process.

The parties approached to participate in the market sounding process ranged from hotel developers, hotel investors, large scale property developers and investors, high net worth individuals with a history of undertaking philanthropic and historic preservation projects, and other recreation-linked developers.

We approached 20 qualified parties, received 12 responses and conducted seven market sounding sessions.

As the market sounding process is strictly confidential, both from the interviewer and interviewee perspective, we established a grading matric below (traffic light basis) to assist the reader in understanding the qualification of the market sounding participants:

Participant	A	B	C	D	E	F	G
Type	Private	Listed	Private	Private	Private	Private	Private
Development Experience	Green	Green	Red	Red	Green	Amber	Green
Hotel Development Experience	Green	Red	Amber	Red	Green	Amber	Green
Refurbishment Experiene	Green	Amber	Green	Red	Green	Amber	Green
Seismic Upgrade Experience	Green	Amber	Green	Red	Green	Amber	Green
Accomodation Investor (holder)	Green	Red	Green	Red	Green	Red	Green
Requires Consortium	Green	Amber	Green	Amber	Green	Red	Green
Iwi Enagagement Experience	Amber	Green	Red	Green	Green	Green	Amber

Information Provided

Parties were approached by email with limited detail surrounding the market sounding opportunity (due to the confidential nature of this project) to invite participation.

Participants were additionally required to complete a non-disclosure agreement prior to the market sounding session.

In the market sounding session, with the majority held virtually, parties were presented a condensed version of the Market Sounding Information Pack approved by DOC. Each party additionally agreed to the confidentiality agreement contained within the market sounding document verbally prior to proceeding with the presentation. We annex the High-Level Market Sounding Information Pack as Appendix A.

Summary of Feedback

The market sounding interviews conducted with Participants A, B, C, D, E, F and G provided valuable insights into their perspectives on the potential revitalisation and re-leasing of the Chateau. Below is a comprehensive summary of the key trends observed, notable themes, and recurring suggestions from the feedback received. Participants are identified by letter (A-G).

We note that while we endeavoured to keep the questioning consistent between the participants, in some instances based on the participants experience and industry involvement different questions were asked and therefore not all questions for the market sounding document were addressed. We provide summary comments under each of the topic headings below.

General Interest and Demand

Participants A, C, E, and G all expressed current interest in hotel accommodation market opportunities. 9(2)(ba)(i) [redacted]

9(2)(ba)(i) [redacted]

[redacted]

Concept Feedback

Overwhelmingly, participants viewed the Chateau's refurbishment as a positive opportunity, with its continued use as a hotel being the preferred outcome. They saw is as a crucial element in the local tourism sector. Participant A specifically stated that they do not see the Chateau being used for any other purpose than a hotel. Our line of questioning focused on the hotel use primarily, and the consensus was that would likely be the most feasible restoration option initially. Some participants tabled ideas for broader and complimentary tourism related uses in the immediate surrounds, however those were muted as much later stages of development. The reinstatement of the 9-hole golf course was of interest to a number of participants, however the expansion into 18-holes didn't seem to be of immediate appeal.

Participant B highlighted the social and economic benefits associated with a functioning hotel in the region. Participant C expressed interest in utilising the ancillary buildings for hospitality sector skills development, showcasing alignment with community-focused ventures. Participant D emphasised the hotel's importance to the viability of the ski-field operations, demonstrating an understanding of the broader economic impact.

Participant E envisioned a major expansion of the property, emphasising the project's development potential (and has additionally invested personal funds in project due diligence). Participant F, while not directly involved in hotel operations, saw its function solely as a hotel. Participant G emphasised the need for expansion of the hotel's facilities within 5-10 years of the hotel being operational to include conference and wedding venues to increase out-of-season trade. The general consensus was the current scale, at 97-keys was appropriate, however one participant saw an immediate opportunity to increase the number of rooms.

Pricing and Financial Metrics

Participants generally agreed that lessee favourable initial incentives, such as a 9(2)(i), 9(2)(j) [redacted] commitment only or direct government funding or support, were necessary for the project's viability. Government assistance was envisaged in a number of ways including cash investment into refurbishment costs, government grants / loans, risk sharing on costs. Participant A emphasised that they would require a 60-year lease, or a 30-year lease with a 30-year right of renewal (RoR) in favour of the lessee, if the 60-year lease was not feasible. Participant A, at a high level indicated that the proposed refurbishment and seismic costs appear reasonable, however cautioned that the seismic remediation costs are considered largely unknown.

Participant B suggested an alternative investment structure involving a leaseholder undertaking seismic and base building refurbishment to deliver a hotel "shell", with the final operator responsible for the internal fit-out. This approach would allow for a wider group of operators to participate in the process and will not require them to invest significant upfront capital. Participant B noted that this approach would however require a government underwrite of costs for the initial delivery of the refurbished hotel "shell", if the leaseholder was unable to secure an operator. It was further suggested that the refurbishment funds could be raised through alternative revenue generation options, for example through charging day visitor/ hike fees for the Tongariro Crossing, i.e. a cost/revenue offset from the tourism sector in the immediate vicinity. Currently there is no revenue being generated from the Tongariro Crossing.

Participant C also expressed interest on the basis of a peppercorn rental, whereas Participant D suggested that there are cost savings from the initial estimate to be had and that they would look to approach local Iwi as a potential investor.

Participant E believed that the proposed costs are significantly underestimated, and that a 125-year lease would be required to ensure financial viability. 125-leases are akin to freehold and would allow for organisations to raise finance through typical channels.

Participant F noted the need for their consultants and engineering team to review the available documentation to assess the accuracy/ reasonableness of the proposed costs. Participant G similarly is of the view that the renovation and refurbishment costs presented are underestimated and advocated for a longer lease term to improve financial viability.

Market Conditions

Participants generally agreed that there is sufficient demand for additional accommodation in the region, and in particular at the subject location. 9(2)(ba)(i) [redacted].

Participant C, while not having conducted detailed demand studies is of the view that there is sufficient demand, noting a trend towards higher-end accommodation and a preference for hotels with at least 75% seismic rating (Participant C noted that select corporate booking agents are often mandated to only book accommodation at facilities where the seismic rating exceeds 75%).

Participant E is also of the view that there is strong demand for high-end luxury hotels. Participant G notes that while the existing 97 rooms are sufficient from a supply perspective, there is a need for the expansion of facilities to increase out-of-season trade. Participant F stated they had not undertaken due diligence on demand but would envisage there being demand. Generally the current scale at 97 rooms seemed appropriate for the local market, at least at the initial stage of refurbishment and trade-up.

Lease Options and Conditions

9(2)(g)(i), 9(2)(j) [redacted]

[redacted]

Seismic and Structural Considerations

Seismic strengthening was deemed crucial by all participants and was generally accepted that this would be required to some degree. There were various views on the level of cost risk and seismic solutions, with a number of parties having previous experience (both positive and negative) relating to seismic refurbishment. Participants generally stated they would need to do their own due diligence (at cost) to get comfort around the level of seismic upgrade required and their subsequent appetite in the project. All participants had varied views with regards to seismic upgrade level. Participant A sought to upgrade to 67% NBS, while Participant C specified a target of 75%+, aligning with market requirements.

Participant D would target a commercially acceptable NBS rating, which was similar to the view of Participant E. Participant G suggested a minimum of 34% NBS, however following due diligence would ideally aim for an NBS rating of 80% post-renovation. Participant F also expressed the need for a commercially acceptable seismic rating.

The participants expressed a need for their own due diligence to verify the proposed refurbishment and seismic upgrade costs. There was a general concern over the unknown costs and complexities related to this project and particularly related to heritage related refurbishment/ repair costs and the more remote location with regards to sourcing labour and materials.

Capital Expenditure and Refurbishment

Participants generally demonstrated and understood that the project would require significant capital expenditure for refurbishment and revitalisation of the Chateau but noted that this would be highly contingent on suitable lease terms and the projects financial viability. Participant A, C, D, E, and G all expressed confidence in their ability to manage this aspect, whilst noting varying and generally limited information was available to them at this stage to make that comment.

Participant B, whilst having a significant balance sheet with the necessary financial capability to undertake the works, proposed a cost-sharing model involving government support, potentially through the Tongariro Crossing to increase the demand for the opportunity and to improve the project viability to hit their investment threshold. Participant D noted that they would likely require a crown loan/ crown underwritten loan to undertake the works, with repayments only commencing once the asset was fully operational. Participant F indicated the need for a consortium to undertake the work.

Alternative Uses and Flexibility

The majority of participants (A, B, C, D, E, and G) viewed the Chateau's continued use as a hotel as the most appropriate option. Participant C expressed interest in using ancillary buildings for skills development, while Participant E envisioned a major expansion of the facilities. Participant F showed flexibility from a design perspective. Participant G sought to expand facilities (wedding venue and conference facilities), but not the number of hotel rooms. Participant G additionally noted due to the space, layout and stud height of the basement floor, suggested that the most financially viable option for this floor would be to close this floor from public use and utilise the area as an operational and plant area. The wider ancillary buildings seemed to be of value, but there were limited comments in this regard as our primary focus of discussion was the Chateau.

Participants indicated a willingness to adapt to different space configurations and uses, provided the conditions and lease terms were favourable i.e. the longer the lease term would enable greater investment. A number of participants commented that flexibility in the future, given the length of lease term, would be valuable e.g. to have the ability to expand the building footprint for further rooms.

Engagement and Next Steps

All participants expressed willingness to engage in further discussions and site visits. Several participants (D, E, and G) highlighted preferences for a non-competitive tender process, favouring a more direct approach. Several participants stressed the importance of detailed due diligence, requiring access to the property and for more relevant information to be provided (condition assessments, DSA's, maintenance records etc.). Participant G highlighted the need for resolving Iwi-related matters before proceeding with a competitive tender process.

All participants were open to further discussions and site visits, provided their conditions and terms were met. They emphasised the need for detailed information and assurances, particularly regarding due diligence costs and lease terms. Nearly all participants said they would not invest significant time and costs into a competitive response until they were selected as the preferred party, or at the very least a shortlist of three (some commented they would want to know whom the others on the shortlist were). Most would not be willing to inspect and undertake due diligence until they were in a shortlist.

A couple of participants wished to be approached directly to engage now and early, rather than running a wider open market campaign which would hold up timing, they were concerned about the qualification of other respondents. Participants were generally understanding that given the Crown involvement in this property and the concessionary nature that some form of competitive market process was necessary, but cautioned an overly complex process would disincentivise respondents given the already complex nature of the opportunity (concession tenure and significant refurbishment investment requirement).

Recommendation

Following a comprehensive market sounding process and thorough consideration of the feedback received, we make the following recommendations to the Department of Conservation (DOC) regarding the next step for the Chateau.

Lease Structure

9(2)(g)(i), 9(2)(j) [redacted]

[redacted]

[redacted]

[redacted]

Lease Incentives and Financial Investment

If DOC is unable to review and seek to amend the current lease structure or lease term of the concession, we recommend that DOC investigate alternative funding options to support the refurbishment of the Chateau. While significant upfront incentives, such as 9(2)(i), 9(2)(j) [redacted] will be crucial for attracting investment, the lack of a longer lease term would significantly challenge the investment appetite. We note that some participants noted that the shorter lease term would not be a hurdle, however we again caution that based on the investment required that a short-term lease would be financially viable. While not part of this scope, we suggest DOC re-engage with CBRE to explore alternative revenue generation structures if this eventuates.

Competitive Tender Process

Our market sounding process identified a strong interest among participants in revitalising the Chateau and would suggest a process would generate responses. The feedback received from participants noted that the majority of participants would not be likely to invest their personal funds in due diligence at this early stage. Instead, they would require either being selected as the preferred party or being selected as a shortlist with no more than two other parties, before undertaking further due diligence.

We recommend that a competitive tender process be undertaken as a **two-stage process**. The first stage would be an initial high-level selection process, where for example a GETS tender identifying the opportunity is published, allowing all participants to respond. Alternatively, the tender could be sent to a qualified list of participants.

This first stage would require non-price responses from participants that sets out/identifies key qualification criteria, some of which we have outlined below. The first stage would not require a price response from participants and thus would be a lower barrier to participation. We would envisage DOC would, ahead of this process, have a clear strategy on Iwi engagement prior to proceeding. Similarly any current litigation issues would be clarified. DOC would need to prepare an indicative Term Sheet as part of this first stage, identifying the opportunity. Key to the term sheet would be the concession lease term and structure.

Key Qualification Criteria

Respondent background, experience and track record.	Financial capability (with evidence of structure).
Seismic remediation and renovation experience.	Specific requirements sought by respondent prior to proceeding.
Hotel operations and management experience.	Capacity to undertake required works.

Based on the responses received from the first stage, either a preferred party or a shortlist of three would be selected to proceed to stage two. Stage two would take bid terms, pricing, and structure into account.

Following feedback from DOC on this market sounding process, CBRE will prepare a more comprehensive letter detailing a recommended path forward which will explain in detail how CBRE would undertake a competitive two-stage tender process on behalf of DOC.

Appendix A: Condensed Market Sounding Presentation

CBRE

Chateau Tongariro Market Sounding

CBRE New Zealand

Confidential market sounding presentation.

CONFIDENTIAL MARKET SOUNDING

Confidentiality Agreement

By reading this document you agree to the following Confidentiality Agreement ("Agreement") is made and entered into as of the date of this presentation by and between CBRE Limited and the Department of Conservation ("Disclosing Party") and the party viewing this presentation ("Receiving Party").

The Disclosing Party intends to share certain real estate information regarding the property known as the Chateau Tongariro ("Confidential Information"). The Receiving Party agrees to receive this Confidential Information solely for the purpose of evaluating potential opportunities related to the property.

The Receiving Party acknowledges that the Confidential Information is proprietary and confidential. The Receiving Party agrees to hold the Confidential Information in strict confidence and not to disclose it to any third parties without the prior written consent of the Disclosing Party.

This Agreement shall remain in effect for a period of two years from the date of disclosure. Upon termination of this Agreement, the Receiving Party shall return or destroy all copies of the Confidential Information upon request.

By participating in this presentation, the Receiving Party agrees to the terms outlined herein and acknowledges the importance of maintaining the confidentiality of the sensitive market information presented.

Market Sounding

The Department of Conservation has appointed CBRE to confidentially market sound the opportunities relating to the Chateau Tongariro.

Market Sounding Process:

Gauge interest and demand from potential investors, developers, and hotel operators and gather feedback on:

- Pricing
- Bid terms
- Market conditions
- Appetite for participation
- Nature of participation

Objective:

- Identify necessary transaction conditions for revitalisation
- Establish market appetite for Chateau Tongariro
- Inform transaction recommendations for DOC

The feedback gained from market sounding will be collated and **anonymised**, utilised to advise DOC on transaction recommendations.

Location Overview

- Located in Whakapapa Village, Tongariro National Park, Mount Ruapehu District.
- 340 km south of Auckland (approx. 4 hours by car) and 340 km north of Wellington (approx. 4 hours by car).
- Proximate to a number of hiking routes and the Whakapapa Ski field.
- The Chateau Tongariro operations were previously subject to a Concessions Lease/License, being located on public land.
- Concessions are administered by DOC.

Chateau Tongariro Land & Building Context

Chateau Tongariro Hotel Accommodation:

- 97 hotel rooms.
- Approximately 6,898 sqm GFA.
- Wider landholdings in excess of 20 ha (can form part of the response if beneficial).
- Previously featured a ~22ha 9-hole golf course (no longer operational).
- Further 20 ancillary buildings that form part of the subject property.
- The majority of the ancillary buildings are staff houses or lodges, as well as a Historic Garage and workshop, and Tussock Tavern.

**Further detail and discussion can be had on the ancillary buildings should the respondent deem it material to their response.*

Chateau Tongariro Ancillary Buildings Map

2016 Aerial Imagery of the Chateau Tongariro and the operational 9-hole golf course.

Ruapehu Hotels Market Performance

ACCOMMODATION DEMAND

Fluctuating demand with **1.67%** CAGR (2010-2019)

DEMAND COMPOSITION

35% international guests (pre-2019), domestic demand recovered post-2022

MONTHLY DEMAND PATTERN

Seasonal demand, peaking in winter and summer months

OCCUPANCY LEVELS

70.4% in May 2024, driven by supply reduction

OCCUPANCY TRENDS

Upward trend, **64.6%** to **70.4%** year-over-year increase

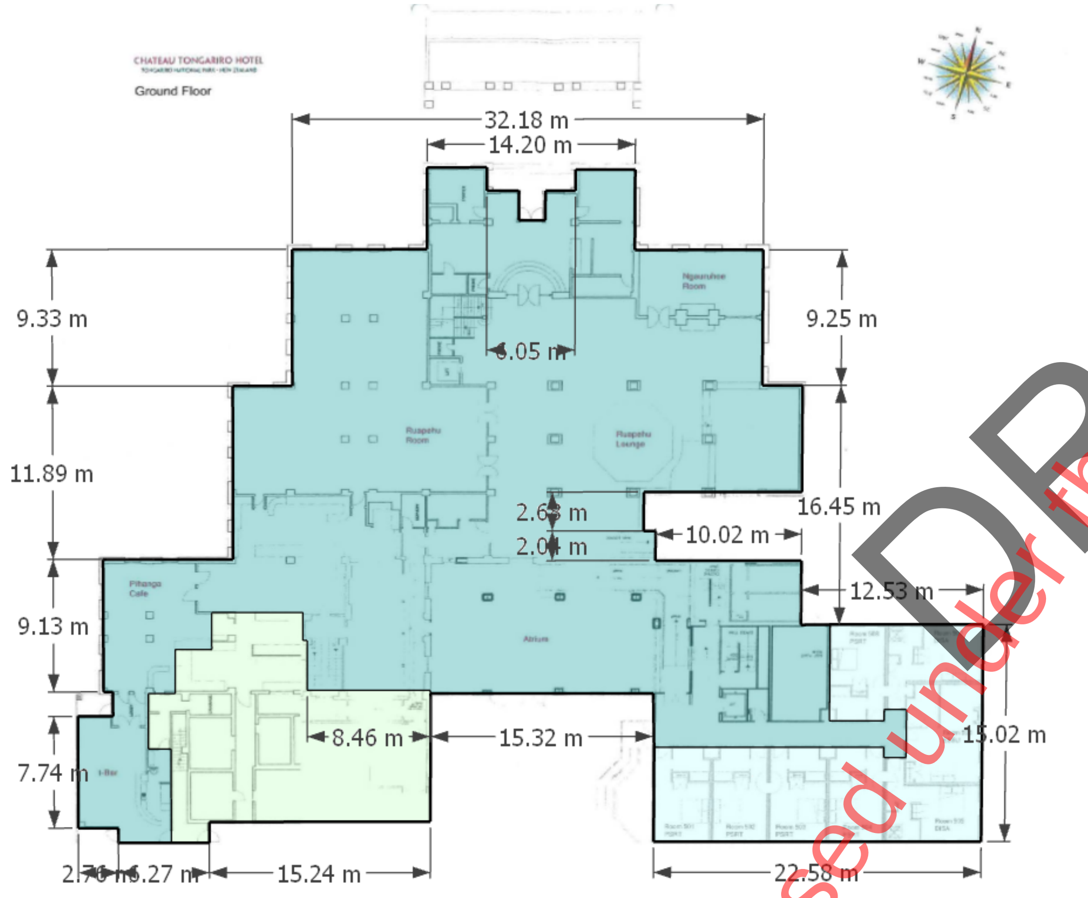
TOURISM SPEND

$152.6m to **$201.0m** growth (2009-2019)

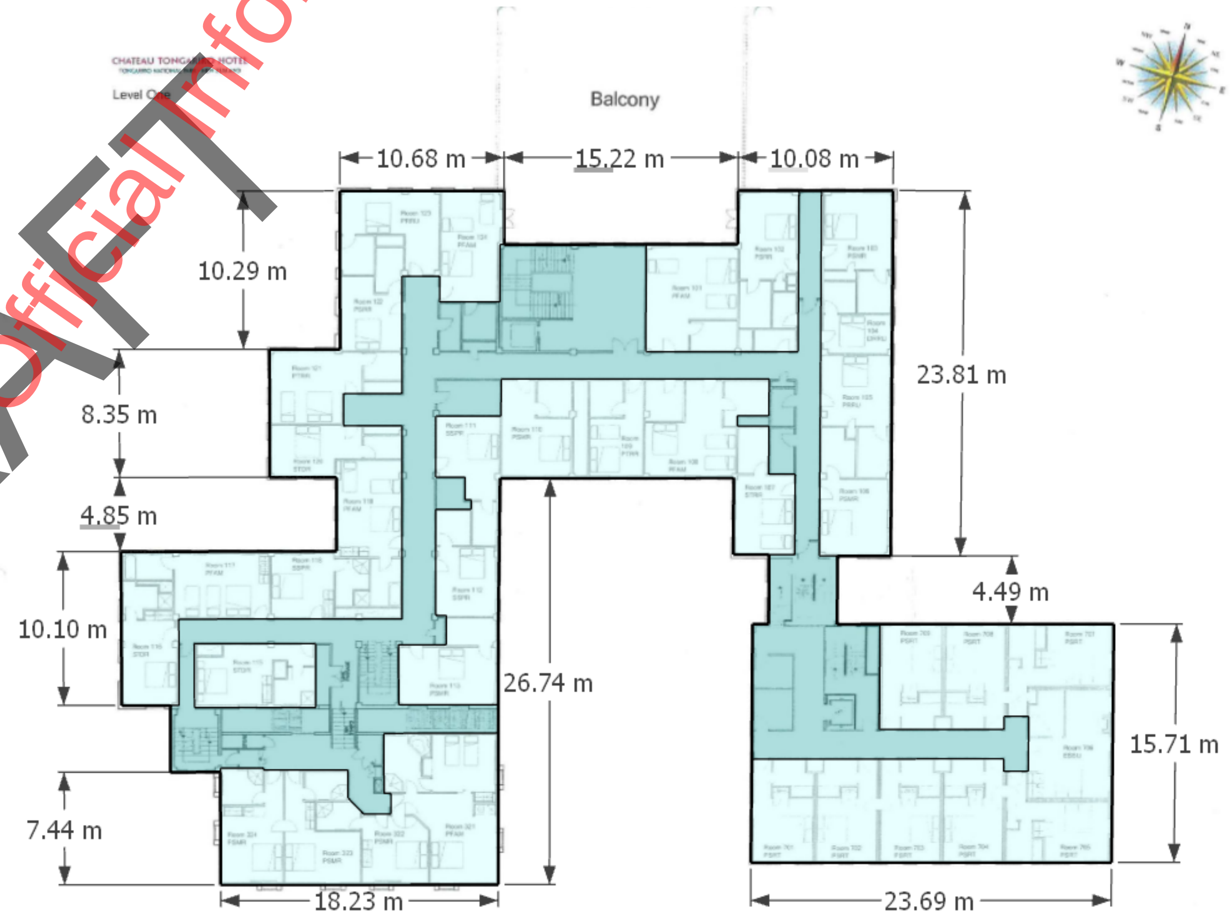
DOMESTIC MARKET SHARE

51% of accommodation spend

Floorplan View



Chateau Tongariro Hotel Ground Floor (cropped image)



Chateau Tongariro Hotel Level One (cropped image)

Measurements & Breakdown

We have been provided with various historic floor plans relating to the Chateau Tongariro. The images to the right are examples of said plans.

Chateau Tongariro – Approximate Area Measurements

Level	Hotel Rooms (Sqm)	Communal Area (Sqm)	Operational Areas (Sqm)	Total (Sqm)
Basement		801	249	1,050
Ground Floor	225	1,298	214	1,737
Level 1	1,140	493		1,633
Level 2	978	434		1,412
Level 3	751	316		1,066
Total	**3,093**	**3,342**	**463**	**6,898**

Chateau Tongariro – Hotel Room Breakdown

Room Breakdown	
Standard	46
Standard | Corner	26
Family	19
Suite	6
Total	**97**

Chateau Tongariro Hotel Ground Floor (cropped image)

Chateau Tongariro Hotel Level One (cropped image)

Current Building Condition

Observation: Roofing in disrepair, with water pooling identified.

Observation: Visible roof sag (depression) identified.

Observation: Bathrooms visually appear outdated and require renovation.

Observation: Roofing in disrepair, with high concern areas identified.

Observation: Water leaks and general deterioration identified.

Observation: Bathrooms visually appear outdated and require renovation.

Disclaimer: *We note that the above list is not exhaustive and is only highlighted as example imagery to provide the viewer with additional insight into the current condition of the Chateau Tongariro.*

Detailed Seismic Assessment

Building Assessment:

- Earthquake Rating: 15% NBS (IL2), Grade E structure.
- High risk to occupants in the event of an earthquake.

Identified Structural Weaknesses:

- Reinforced concrete moment frames (15-30% NBS).
- Masonry infill walls (15% NBS).
- Foundations (30-40% NBS).
- Non-structural components (internal stairs, chimneys, floor diaphragms).

Strengthening Recommendations:

- Decrease seismic mass and substitute heavy materials.
- Introduce base isolation.
- Incorporate new braces, diaphragm enhancements, and secondary structure.

Refurbishment Cost Estimates

Where applicable we have utilised the cost estimates provided, the balance of which are high-level estimates only and are based on available benchmark data.

The table below sets out an **indicative cost assessment** of the works required to revitalise the Chateau Tongariro hotel accommodation to a four/five star standard.

Development/ Refurbishment Cost Assumptions	Note	Low ($m)	High ($m)
Condition Assessment (Excl. building services)	Estimate	9(2)(i), 9(2)(j) [redacted]	
Condition Assessment – building services	High-level estimate		
Seismic strengthening (Main Chateau)	Estimate		
Staff accommodation refurbishment	High-level estimate		
Hotel Room Renovation	High-level estimate		
Internal facilities renovation	High-level estimate		
Total Development/ Refurbishment Costs*			

Disclaimer: *We note that the costs as set out above do not allow for professional fees, contingencies, consents, development management or finance costs and only represent high-level estimates of the hard construction costs.*

The value estimates presented herein are intended to be indicative only and should not be relied upon for any purpose other than internal evaluation. We have not undertaken the normal due diligence investigations and associated assessments that would form part of a registered valuation exercise.

Thank you

CBRE

FOR MORE INFORMATION

9(2)(a) [redacted]

[redacted]

9(2)(a) [redacted]

[redacted]

9(2)(a) [redacted]

[redacted]

CBRE

Thank you

For more information

9(2)(a) [redacted]

9(2)(a) [redacted]

9(2)(a) [redacted]