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#### **Executive Summary**

This drawdown report has been prepared by BPM Ltd (BPM) for Squirrel P2P Trustee Limited (Squirrel) as per the offer of finance dated 18/11/24, Lenders to 9N Limited for the construction of the development at 9 Norrie Ave, Mt Albert, Auckland.

Please note BPM have not received a formal bank instruction from Squirrel detailing the requirements for this drawdown report, therefore, we have based this report on a typical funders instruction. Squirrel is to confirm that this aligns with their requirements in order to process the drawdown report.

Other than the notes included in this report, we believe everything that we have investigated appears to have been fully researched and implemented according to the good practices available in property development.

#### Recommendations

Following our review of the proposed development at 9 Norrie Ave, Mt Albert, we note the below conditions or recommendations:

- 1. BPM requires Squirrel to confirm that this report aligns with their requirements in order to approve the initial report.
  - Squirrel to confirm.
- 2. BPM require Squirrel to provide confirmation that the amended budget is adequate prior to our first drawdown report.
  - Squirrel to confirm.
- 3. BPM has recommended a Consent discharge register to be provided and submitted on a monthly basis with progress due to the amount of conditions in the consent. We will provide further commentary of this in our drawdown reports.
  - We have received an updated discharge register from the developer, along with commentary on each pre-development condition for this period. We confirm that the developer is meeting or obtaining the necessary information to satisfy these conditions. We will continue to monitor progress and provide updates in our drawdown reports.

### Cost-To-Complete Certificate

i) Total Loan Amount (excluding interest and fees):

Squirrel Loan Facility	\$21,21,000.00
Initial Advance Facility	\$11,35,521.00
Total Equity	\$10,28,950.00

Total Loan Amount \$42,85,471.00 Excl GST

Please note the Project Budget excludes the GST facility of \$288,000 approved for settlement, this will be managed separately by Squirrel.

- ii) The estimated cost to complete the development as at the date of this certificate is \$1,049,047.65 excluding GST, Fees and Interest.
- iii) The total amount approved to be drawndown (including this drawdown), as at the date of this certificate is \$2,207,473.35 from Squirrel Facilities, and drawn down from Equity total is \$1,028,950.00, comprising the following:

Total Squirrel Loan Amount	\$22,07,473.35 Excl GST
Squirrel Loan Facility	\$10,71,952.35
Initial Advance Facility	\$11,35,521.00
Total Loan Amount	\$22,07,473.35 Excl GST
Less Total Equity	(\$10,28,950.00)
Total amount approved	\$32,36,423.35

iv) The amount recommended to be drawndown for this period is \$326,979.85 from Squirrel Facility, and drawn down from Equity is \$0.00, comprising the following:

Total Squirrel Loan Amount	\$3,26,979.85 Excl GST
Squirrel Loan Facility	\$3,26,979.85
Amount drawdown this period	\$3,26,979.85 Excl GST
Less Total Equity	\$0.00
Total amount approved	\$3,26,979.85

#### Period of Insurances:

Insured	Insurer	Expiry of Insurance
Project Works	NZI Insurance	16-12-2025
BPM	Ando Insurance	04-01-2026
Steven Zhou Architectural	Delta New Zealand	17-10-2025
AMS	QBE Insurance	24-09-2025
Ansari Consulting	QBE Insurance	13-07-2025

Please see the following progress information for this drawdown report:

1.1) We have received the payment invoice from Cullinan Projects Limited. We are of the opinion that the claimed amount is fair and reasonable based on our site visit on the 31 March 2025. To the best of our knowledge, we are of the opinion that there are no disputes with the Sub-Contractors under the CCA.

- 1.2) We have not checked that all previous invoices from the subcontractors have been paid. However, we have received a conformity statement from Cullinan Projects Limited confirming payments to subcontractors and suppliers have been paid. Note BPM has not specifically checked with the subcontractors that these payments have been made.
- 1.3) This drawdown includes \$15,896.49 retentions for this period. We have been provided a screenshot of the retention account and confirm that the previous retentions of \$41,731.01 is showing.
- 1.4) The estimated cost to complete of the development as at the date of this certificate is \$1,049,047.65, which BPM confirms will not exceed the amount of the loan. Please see Appendix A for further breakdown. Note this is pending budget approval from Squirrel.
- 1.5) There is one variation this month for Structural Steel adjustment due to minor clashing of the details to the frames, which is valued at \$15K. In total, there are two variations, totalling \$30,160.00. Please refer to Appendix E for further detail of the adjustments.
- 1.6) The remaining Contingency amount is \$128,890.00, which represents 28% of the cost to complete of the Construction. We are of the opinion that the remaining Contingency amount is healthy and should be adequate to complete the project.
- 1.7) To the best of our knowledge, we are of the opinion that the project is being carried out in accordance with the approved plans and specifications previously submitted to Squirrel and in accordance with the Resource Management Act 1991 and the Building Act 2004 (including in accordance with all consents and permits relevant to the Project). In particular, no notices have been issued or received from any Government agency under sections 52 or Subpart 8, Subsection 163-168 of the Building Act 2004.

- 1.8) The works completed this period include all wall, midfloor, and roof framing, the erection of scaffolding, installation of roof underlay, wall cavity construction, and the installation of aluminium windows and doors.
  - Ongoing works include roof coverings, scheduled for completion by the week ending 06/04, and cladding, which has commenced and is expected to be completed by the week ending 13/04. The cavity wrap and pre-line inspection are planned for mid-April, after which Gib installation to the walls and ceilings will begin.
  - BPM has been advised that Practical Completion remains scheduled for mid-July 2025, reflecting a slight two-week delay due to rock excavation. The Code of Compliance is forecasted for mid-August 2025, with Titles anticipated by late September 2025.
- 1.9) BPM attended site on the 31 March 2025, please refer to the photos in Appendix F. Note, we have not been provided a management report. To the best of our knowledge, we are of the opinion that the construction of each part of the Project has been carried out in, and to, a proper and workmanlike standard and manner, and to a standard acceptable.
- 1.10) BPM has received one inspection record from Professional Building Consent for the development during this period. The report is for the Cavity (Battens) inspection, with the following comments:
  - Framing: Partial Pass The balustrade fixings for all lots are still to be checked, though confirmation and photos that this has been completed and will be signed off at the next inspection. The report confirms that work can proceed to the next stage (cavity wrap).
  - Fire/Acoustic Rating: Partial Pass Due to the above comments. However, the report also confirms that work can proceed to the next stage (cavity wrap).
  - The partial pass items are minor, and we have confirmation from the developer that they are being managed and will be resolved in due course. BPM will continue to monitor progress monthly and provide updates in our reports.
- 1.11) We are unaware of any specific risk or concerns other than the normal risks an experienced developer would expect underground, which to the best of our knowledge, has been reduced as the bulk earthworks are now complete. The risk of ongoing shortages / cost fluctuations of materials in the construction industry we believe have also begun to settle.

1.12) The forecasted cashflow reflects August 25 as completion, we are of the opinion that the cashflow is in order to achieve the revised forecast practical completion. BPM will continue to monitor this carefully and continue to report in our drawdown reports. Please refer to Appendix B for a diagram of the Cashflow.

**BPM Ltd** 

**Author:** 

**Matt Kotsifakis** 

Associate Development Manager

**Reviewed by:** 

**Dan Bradley** 

Managing Director

### **Appendices**

- A Cost to Complete
- B Cashflow
- C Summary of Drawdown No. Four
- D Reconciliation of Variation to Project Budget No. Four
- E Summary of Invoices Drawdown No. Four
- F Contractor Invoice
- G Site Progress Photos
- **H** Inspections

### A) Costs to Complete Development

The total loan amount (excluding any interest and fees) is \$4,285,471.00.

Total Budgeted Development Costs \$42,85,471.00

Less: Certified up to and including this Certificate (\$32,36,423.35)

Estimated Costs remaining to complete development \$10,49,047.65

Initial Advance Facility \$11,35,521.00

Squirrel Loan Facility \$21,21,000.00

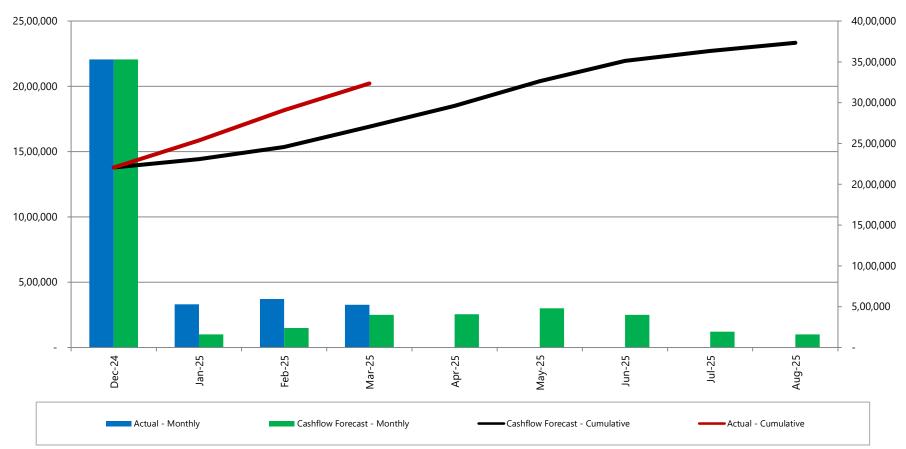
Plus Equity \$10,28,950.00

Less: Loan drawdown up to and including this certificate (\$32,36,423.35)

Loan available to complete the development \$10,49,047.65

The estimate costs to complete are within the loan facility available to complete the

## B) Cashflow of Drawdown No Four



inote the Cashtiow excludes Contingency, Banks Fees and Interest.

#### C) Summary of Drawdown No Four

Costs exclude GST, (Payments to be made in April 2025)

	Project Budget Variations to Final Anticipated Total Drawdown Less Prev		Less Previously	Total Payment for	Total Costs to		
Category	06/12/24	06/12/24		Incl this Drawdown	Drawndown	this Drawdown	Complete
	Project Budget Project Budget (DD 4)		to date (DD 3)	(Excl GST)	(Excl GST)		
1 Initial Advance	\$20,29,366.00	(\$28,105.13)	\$20,01,260.87	\$20,01,260.87	\$20,01,260.87	\$0.00	\$0.00
2 Construction	\$15,90,500.00	\$30,160.00	\$16,20,660.00	\$11,67,710.00	\$8,49,780.15	\$3,17,929.85	\$4,52,950.00
3 Council Costs	\$70,235.00	\$0.00	\$70,235.00	\$0.00	\$0.00	\$0.00	\$70,235.00
4 Professional Fees	\$81,320.00	\$28,105.13	\$1,09,425.13	\$67,452.48	\$58,402.48	\$9,050.00	\$41,972.65
5 Contingency	\$1,59,050.00	(\$30,160.00)	\$1,28,890.00	\$0.00	\$0.00	\$0.00	\$1,28,890.00
6 Funding and Interest Costs	\$3,55,000.00	\$0.00	\$3,55,000.00	\$0.00	\$0.00	\$0.00	\$3,55,000.00
TOTAL DEVELOPMENT COSTS	\$42,85,471.00	\$0.00	\$42,85,471.00	\$32,36,423.35	\$29,09,443.50	\$3,26,979.85	\$10,49,047.65
Total of Construction Costs			\$11,67,710.00	\$8,49,780.15	\$3,17,929.85	\$8,07,950.00	
<b>Total of Other Development Cost</b>	S			\$20,68,713.35	\$20,59,663.35	\$9,050.00	\$2,41,097.65

Reconciliation of Construction Total			
Payment to Construction	\$11,10,082.50	\$8,08,049.14	\$3,02,033.36
Retentions to be drawndown in this contract	\$57,627.50	\$41,731.01	\$15,896.49
Gross payment prior to deducting Retentions	\$11,67,710.00	\$8,49,780.15	\$3,17,929.85

#### D) Summary of Invoices Drawdown No. Four

This drawdown comprises the following amounts, exclusive of GST.

Item	Desciption	Invoice No.	Invoice Date	Invo	oice Subtotals	e	Amount exclude GST
1	Initial Advance						
1.1	None to report						
2	Total of initial advance					\$	-
2	Construction						
2.1	Construction claim No. 4	INV-343	01-Mar-25	\$	3,02,033.36		
2.3	Retentions			\$	15,896.49		
2	Total of Construction					\$	3,17,929.85
3	Council Costs						
3.1	None to report						
3	Total of Council Cost					\$	-
4	Professional Fees						
4.1	BPM - DD 5		11-Mar-25	\$	2,000.00		
4.2	Ace Surveyor Limited	391301	16-Jan-25	\$	2,000.00		
4.3	Ace Surveyor Limited	391302	19-Feb-25	\$	1,800.00		
4.4	Ace Surveyor Limited	391303	25-Feb-25	\$	500.00		
4.5	Ace Surveyor Limited	391304	07-Apr-25	\$	900.00		
4.6	AMS	Invoi6665	06-Feb-25	\$	1,850.00		
4	Total of Development Costs					\$	9,050.00
5	Contingency						
5.1	None to report						
5	Total of Basecope mortgage					\$	-
6	Funding and Interest Costs						
6.1	None to report						
6	<b>Total of Development Contributions</b>					\$	-
7	Contingency						
7.1	None to report			\$	-		
7	Total of Contingency					\$	-
	Total Drawdown					\$	3,26,979.85

### E) Summary of Reconcilation of Variations to Project Budget

#### Costs exclude GST

	Category	Variations to Project Budget	Variations this month	Final Anticipated Project Budget
1	Initial advance			\$20,29,366.00
1.1	Transferred to professional fees for Adsent	(\$28,105.13)		
	fees			
	Total Variation			(\$28,105.13)
	Total Aniticipated Initial Advance			\$20,01,260.87
2	Construction Main Build			\$15,90,500.00
2.1	Excavation - rock removal and disposal	\$15,160.00		
2.2	Steel adjustments due to clash		\$15,000.00	
	Total Variation			\$30,160.00
	Total Aniticipated Construction Main Build			\$16,20,660.00
3	Professional Fees			\$3,55,000.00
3.1	fees	\$28,105.13		
	Total Variation			\$28,105.13
	Total Aniticipated Construction Main Build			\$3,83,105.13

## F) Contractor Invoice

# G) Photographic Survey

# H) Site Inspections