

Blackstone Real Estate Australia Pty Ltd

Insurance Valuation of Buildings & Site Improvements

Lotus Tower, 36 – 48 Lambert Street, Kangaroo
Point, QLD 4169, Australia

14 July 2021

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Section One

Valuation Summary

Client Number & Job Number	CN131235844.TBA
Instructing Party	Benjamin Lin Senior Associate, Risk & Insurance Revantage Asia 9 Straits View, Marina One West Tower #05-07, 018937 Singapore
Location Valued	Lotus Tower 36 – 48 Lambert Street Kangaroo Point QLD 4169 Australia
Valuation Purpose	Insurance Valuation of Buildings & Site Improvements
Valuer	Robert Leigh Muller
Valuer Certifying Report	Robert Leigh Muller BSc (Hons) MRICS MAPM MAIPM AAPI Chartered Valuation Surveyor, Charter Commercial Property Surveyor and Certified Practicing Valuer
Date of Inspection	14 th July 2021
Date of Valuation	14 th July 2021

Valuation Comments

Lotus Tower is a residential apartment building located in the Kangaroo Point suburb of Brisbane, Australia. The building is for the “build to rent” market with all residential units to be leased to Tenants with no residential units to be sold. At the date of inspection the property was vacant of Tenants with Tenant occupation commencing shortly.

The building has four levels of underground car parking plus a mezzanine parking area for the exclusive use of the penthouse and town house units.

Common areas within the building for Tenant usage include sauna, gym, children’s playroom, foyer and living room with private dining room, games room and media room. In addition there is a rooftop area containing a private dining room, spa and garden all for Tenant use. Within the ground of the

property is a swimming pool and gardens in addition to site improvements that include landscaping, paving and driveway.

The floors of the building are serviced by 3no lifts. Level 20 includes 5no penthouses with penthouse 20/04 being fully furnished at the date of inspection as it is being utilised as a show apartment. Level 13 to 19 contain the Sundeck apartments, there are 9no apartments per level which have a range of 2no and 3no bedrooms, again one of these is fully furnished as a show apartment. Floors 3 to 12 contain the Oasis apartments with 12no apartments per level with one fully furnished show apartment. The development includes 12no townhouses which occupy the majority of ground and first floor levels. 6no of these townhouses have 3no bedrooms with the remaining 6no having 2no bedrooms.

Summary of Values

As per the individual building values and the qualifications outlined in this document, we have assessed the value of the building details and recommended the adoption of the following insurable value.

Reinstatement Value	\$122,008,000
Removal of Debris	\$5,560,000
Inflationary Cost Value	\$14,234,000
 Total Estimated Insurable Value	 \$141,802,000

Section Two

Valuation Scope & Instructions

Marsh Valuation Services have received instructions and directions from Benjamin Lin of Revantage Asia to complete a valuation of buildings and site improvements assets for insurance purposes at locations listed in the summary of this report.

We declare that:

- The valuation is completed in accordance with ANZVTIP 4 valuation for insurance purposes;
- The valuer certifying this report is registered/ licensed in Australia to value property under the Australian Property Institute;
- This valuation has been completed in accordance with International Valuation Standards;
- The statements of fact presented in this report are correct to the best of the valuer's knowledge;
- The analysis and conclusions are limited only by the reported assumptions and conditions;
- The valuer has no legal interest in the subject property;
- The valuer's fee is not contingent upon any aspect of this report;
- The valuer is registered in Queensland;
- The valuer has satisfied professional education requirements;
- The valuer has experience in the location and category of the property being valued;
- The valuer has made a personal inspection of the property; and
- No-one except those specified in the report, has provided professional assistance in preparing the report.

Throughout this valuation we have had dealings with and relied upon information received from the following staff of One Five One Property:

- Alessandro Bionoi
- Marissa Davis
- Alan Frost

We refer to our instructions from Blackstone Real Estate Australia Pty Ltd and respectfully provide our valuation report of the properties in this report on the basis of Reinstatement with New value.

Section Three

Basis of Valuation

Purpose of Valuation

The purpose of this valuation is to determine the insurable values of your building and improvement assets as per your Industrial Special Risk (ISR) policy.

Valuation Definitions

As per your instructions we have valued the assets specified within this report to determine their Total Estimated Limit of Liability. The Total Estimated Limit of Liability is made up from the following values:

Reinstatement with New

The Reinstatement Cost Estimate represents the cost as at the date of valuation (including relevant fees) of replacing the asset with a new modern equivalent asset, including, where appropriate, the use of current equivalent technology, materials and services. The modern equivalent asset is deemed to be fully compliant with current building ordinances and other regulatory requirements.

The Reinstatement Cost Estimate is broadly indicative assessment only and is not based on the detailed elemental and schedule of quantities approach. The estimates have been based on construction cost guides and analysis of contract constructions prices.

Extra Cost of Reinstatement

Where we are aware of any major differences between the existing asset and complying modern equivalent asset we have incorporated these into the Extra Cost of Reinstatement Value. Extra Cost of Reinstatement makes allowance for the potential costs of complying with the requirements of the National Construction Code which impact the construction of new buildings. The Insurer is not liable for any extra costs associated with the subject property where the current owner is already liable, we have not included any such costs within our assessment.

This valuation covers the reinstatement of the improvements on the basis of an estimated reinstatement cost excluding allowances for discounts.

All assets included in this report have been valued free of all encumbrances.

Removal of Debris

The Removal of Debris estimate covers the cost of demolition of the whole of an asset and clearance of debris from the site. The estimate excludes the following:

- Any requirement for propping or shoring up of any structures on either the insured property neighbouring properties;
- The reinstatement of, or requirement for protection of, services and/ or utilities infrastructure damage or affected by the demolition;
- The removal of hazardous or contaminated material from either the demolished structure or the affect part of a site;
- Costs of extinguishing a fire at or in the vicinity of the property insured;
- Costs of making a damaged property safe, temporary repairs and/ or temporary protection of undamaged property;
- Costs of salvage, including removal of contents.

Cost Inflations

Allowances for Cost Inflation is the amount for which the assets need to be insured to pay the cost of reinstatement at the time it is actually carried out. After a loss is sustained, an often lengthy period of time will be required to gain approvals and apply adequate planning in addition to the time taken to reconstruct the property. During this period of time construction costs can significantly increase or decrease which must be accounted for.

Further to this, as an insurance policy is generally for a 12 month period, losses can occur up to 12 months after the policy commences and we have made allowance for this period.

Gross Building Area

We have provided an estimate of the Gross Building Area (GBA). The GBA is the area of a building at all levels, measured between the normal outside face of any enclosed walls (or the centre line of common walls between different properties), balustrades and supports. The enclosed and unenclosed areas shown separately and added together to give the total GBA. Open courtyards, light wells, decks, verandas, terraces and the like are not included in the measurement.

We note that all measurements contained herein are approximate only. While all care has been taken in providing these measurements they should be considered as estimates only and we do not warrant their accuracy. Where building plans have been supplied we have relied upon these to determine the areas contained herein.

Fit-out

Where a property is subject to a tenancy(s) some of the conditions of assessment can change as there may be certain fit-out assets which may or may not be included or excluded under the specific terms and conditions as per our instructions or the tenancy(s) agreement(s). In many instances fit-out can be highly specialised and custom made with the actual costs showing substantial variances from normally perceived replacement cost averages.

Our opinion of applicable fit-out areas was formed with the assistance of physical inspection, information provided by the client or their respective site contact or, where available, physical measurements taken or derived from plans and or other information provided.

We have provide designation as to whether the full building fit-out, partial building fit-out or no building fit-out has been accounted for within our valuation.

Contour

Valuer's classification of the land contour containing building and immediate yard areas, being one of:

- Level;
- Gentle;
- Easy;
- Medium;
- Steep;
- Other – as specified

Section Four

Valuation Qualifications

Goods and Services Tax

Except for self-contained dwellings used for residential purposes and strata titled units, it is our understanding that the Goods and Services Tax (GST) liability on any construction activity can be claimed in the Business Activity Statement returns. Therefore, other than such properties the reinstatement values included within this report exclude GST.

Should it eventuate the assumptions we have made regarding GST are not correct, we reserve the right to re-assess any effect on the value stated in this report.

Our Client

This valuation is prepared under the specific instructions of the party detailed in the Valuation Summary.

We accept no responsibility or duty of care in the event of the report being relied upon for any other purposes or by any party other than our client and their nominated broker or underwriter.

Our valuation has been prepared solely to provide figures for insurance valuation purposes.

This report has been prepared solely for the use of, and is confidential to, those outlined in the Valuation Summary.

The report is valid only when bearing the Valuer's original signature.

We neither acknowledge nor accept any other duty of care in respect of either the valuation or the report, and any person other than our client who relies upon any part of this document without direct reference to a written authorisation by the Valuer does so in all respects at their own risk.

Full Disclosure

This valuation has been prepared on the basis that all information and facts which may affect the valuation have been given to us by you or on your behalf.

We do not accept any liability or responsibility whatsoever for the valuation if full disclosure has not been made or for any error or defect in the valuation which has resulted from any error, omission or inaccuracy in information supplied by or on behalf of the client.

General Limitations

Unless otherwise stated in estimates provided are current as at the date of valuation only. Our inflationary provision figures have been based on a 12 month policy period and we accept no responsibility beyond that period. The inflation provision figures are future projections based on known trends and information as at the date of valuation. Factors influencing future inflation rates are unable to be predicted with any certainty and we cannot be held responsible for any inaccuracy due to unknown future events.

The estimates provided have been prepared taking into account the assets in existence as at the date of our inspection. Any additions, alterations and significant changes which occur subsequently are not covered by our valuation.

This valuation is made on the basis that there appears to be no current regulations that would prevent reinstatement of the property following accidental loss. Territorial, Local and Regional Authorities will only formally confirm that a property can be reinstated when a resource consent application and/or permit is applied for. Any approval issued will, given compliance with the relevant rules, normally be subject to conditions. In non-complying cases, issue of consent will usually be subject to recourse under the Resource Management Act and the Building Act.

We have not carried out any investigation into the legal ownership or legal restrictions of any assets. The values are provided on the basis that there are no encumbrances or covenants that would affect the reinstatement of the assets within this report.

We have provided coordinates for each building within our report. Whilst best efforts have been made to determine accurate coordinates we note that these are for indicative purposes only and show not be relied upon as being precise.

Market Uncertainty

Market uncertainty comes about when a market is disrupted by current or very recent events such as sudden economic or political crisis. The event(s) that cause market uncertainty may be macroeconomic, for example the current COVID-19 outbreak, or microeconomic such as a change to a law, regulations or import restrictions which resets or disrupts a market sector.

The market that the property has been valued in is being impacted by the uncertainty that the COVID-19 outbreak has caused and as at the date of valuation we consider that there may be market volatility due to this unforeseen circumstance which has resulted in significant valuation uncertainty.

The value assessed herein may change significantly and unexpectedly over a relatively short period of time (including as a result of factors that the Valuer could not reasonably have been aware of as at the date of valuation). Given the valuation uncertainty noted, we recommend that the user(s) of this report review this valuation periodically and with increase regularity in line with market changes.

Exclusions

The valuation figures exclude all chattels, furniture, plant, machinery (not associated with the building function), tools and stock-in-trade, and the cost of removal/disposal of these.

This assessment covers the assets outlined within this report only. It excludes all other site buildings and infrastructure. Items included in our valuation are shown in the improvements sections of this report.

We note particular items which are to be excluded:

- Land;
- Stock materials, work in progress and finished goods;
- Employee's personal effects;
- Leased buildings that we have not been advised to include;
- Any construction work in progress;
- Assets in which senior management have advised us to exclude; and
- Cost of replacing existing mature trees or plants.

It should be noted that the valuation also excludes any allowance for the following:

- Goods and Services Tax;
- Claim preparation cost;
- Expediting costs;
- Temporary accommodation;
- Any costs relating to third party liability losses;
- Costs and expenses incurred in extinguishing a fire;
- Any finance costs;
- Costs associated in making property safe after a loss; and
- Temporary protection of undamaged property.

Losses Following Catastrophic Event

Recent global examples of catastrophic loss situations have shown that reconstruction costs often increase significantly post these widespread events. Contributing factors for potential replacement cost increases are identified as:

- Surge in demand for resources and materials;
- Delays in making repairs and prioritising of reinstating critical services causing inflationary pressures and cost escalations; and
- Increased claims activity causing difficulties for insurers to police against possible exaggeration of claims

Due to the unknown size, severity and impact of specific events, we are unable to provide a set allowance for such occurrences within this valuation. If catastrophic events remain a concern we recommend these issues be addressed with your Marsh Valuations Services contact, broker or insurer.

Structural Assessment

In preparing this report we have used all reasonable skills as a valuer but we are not qualified to assess the structural integrity of the improvements on the property, or impact on building services. We give no warranty as to these issues in respect of the buildings.

This report has been prepared for valuation purposes only and is not a geotechnical or environmental survey. If any defect is found, including structural defects, this information could impact on the value of the property.

We have not conducted a land survey of the subject property and assume all improvements lie within the title boundaries.

We have not sighted a current Land Information Memorandum for the subject property during the course of this valuation. Our report is subject to there being no outstanding requisitions or adverse information affecting the property.

External/ Internal Building Cladding

Where a building comprises external or internal cladding and we are unable to identify from our visual inspection whether the cladding used, or method of attachment, is compliant/conforming or non-compliant/non-conforming the following forms part of this Valuation Report:

- This valuation report has been prepared under the assumption that the building materials used, as well as the application and installation of those materials, comply with all approvals, relevant law, legislation, legal codes and or standards. Should this not be the case, we reserve the right to review our valuation.
- We are not experts in 'cladding' or methods of attachment and are not qualified to determine the existence of non-conforming or non-compliant cladding. We do not accept responsibility or liability for any losses whatsoever arising from the Valuer failing to identify non-conforming or non-compliant cladding.
- Prior to any reliance on the Valuation Report by any client and any other party nominated in the report as being entitled by the Valuer to rely upon the report, those parties must make their own enquiries regarding the cladding used, including the application, installation, specification and utilisation of the cladding, and its compliance with all approvals, relevant law, legislation, legal codes and or standards.

Heritage Listings

The heritage listing of an asset can have a direct impact on the elements forming the reinstatement cost and declared values of an asset.

Where a building has been identified as being heritage listed, either the whole building or part thereof, within this report, Marsh Valuation Services have considered the implications of this listing in the assessment of the asset.

Environmental Issues

We confirm that we are not qualified to:

- Detect contaminants such as asbestos, chemicals, toxic wastes or other hazardous materials nor confirm that the property complies with current noise and air pollution requirements;
- Estimate the cost of remediation of such contaminants; or
- Quantify the impact of such contaminants on the value of the items assessed.

Our estimate assumes there are no contaminants at any of the locations assessed. If you or your consultants have advised us of, or if subsequent enquiries reveal the presence of such contaminants, we recommend a specialist consultant be engaged to determine the likely additional cost of its demolition and removal. This information should also be communicated with your broker.

Loss of Land

We have made no assessment as to the potential loss of land value as a result of the destruction of part, or all of the buildings located on the subject property.

Similarly, we have not made any assessment as to the potential for the destruction of all or part of the buildings on the subject property to increase the underlying land value of the property.

The occurrence of either of these events occurring could impact on the final insurance payout following as insured loss occurring to the subject property. Should you wish to discuss this matter further, please feel free to contact the Certifying Valuer for this assignment.

Section Five

Valuation Certificate

The below constitutes the total insurable value for the assets outlined within this report:

Locations as per Summary of Values		14 July 2021
Declared Value		
Reinstatement Value	\$	122,008,000
Extra Cost of Reinstatement	\$	-
Removal of Debris	\$	5,560,000
Subtotal	\$	127,568,000
Allowances for Cost Inflation		
Allowance for Policy Period	\$	3,858,000
Allowance for Planning and Approvals	\$	5,137,000
Allowance for Rebuilding	\$	5,239,000
Subtotal	\$	14,234,000
Estimated Property Damage Limit of Liability	\$	141,802,000

Marsh & McLennan accept no liability or responsibility whatsoever for the valuation if full disclosure of all information has not been made. We do not accept responsibility for any consequential error or defect in the valuation which has resulted from any error, omission or inaccuracy in the information supplied by the company, its officers and agents.

We thank you for the opportunity to complete this assignment on your behalf.

* Co-Signatory




Robert Leigh Muller BSc (Hons) MRICS AAPI MAPM MAIPM
Assistant State Manager - Certified Practicing Valuer

Nicholas Franks BSc. MRICS AAPI
Certified Practicing Valuer

* 'Whilst not having inspected the subject property, I the counter-signatory, acting in the capacity as a Supervising Member, have reviewed the draft Valuation Report and working papers, and based upon that review and questioning of the Primary Valuer (as appropriate), I am satisfied there is a reasonable basis for the valuation process undertaken and the methodology adopted by the Primary Valuer.'

'Liability limited by a scheme approved under Professional Standards Legislation'

Section Six

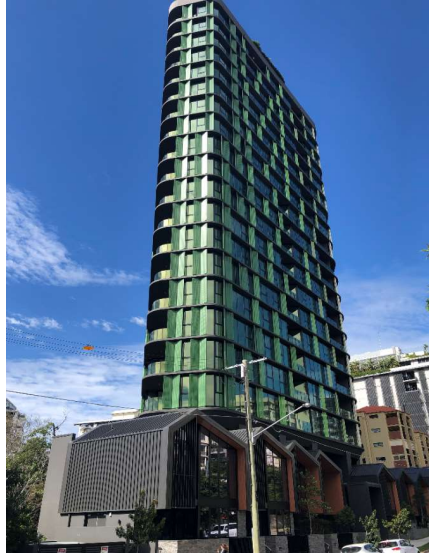
Schedule of Values

State Address & Name	Estimated Declared Value			Allowances for Cost Inflation					Total Limit of Liability
	Reinstatement Value	Extra Cost	Removal of Debris	Policy Period	Planning & Approvals		Rebuilding		
					Weeks	Value	Weeks	Value	
QLD									
36 – 48 Lambert Street, Kangaroo Point, 4169									
Lotus Tower	120,200,000	0	5,420,000	3,800,000	85	5,060,000	125	5,162,000	\$139,642,000
Lotus Tower - Site Improvements	1,808,000	0	140,000	58,000	85	77,000	125	77,000	\$2,160,000
36 – 48 Lambert Street, Kangaroo Point, 4169 Sum	122,008,000	0	5,560,000	3,858,000		5,137,000		5,239,000	\$141,802,000
QLD TOTAL	122,008,000	0	5,560,000	3,858,000		5,137,000		5,239,000	\$141,802,000
Grand Total	122,008,000	0	5,560,000	3,858,000		5,137,000		5,239,000	\$141,802,000

Section Seven

Individual Building Details

Building	1		
Address	36 – 48 Lambert Street, Kangaroo Point, 4169	Name	Lotus Tower



Building

Coordinates	-27.47386 , 153.03745	Gross Building Area	31842m²
Occupancy	Residential	Heritage Listed	No
Leased	Owner occupied	Security	Cameras and card access

Construction

Land Contour	Medium	EPS/ACP Cladding	External
Levels	Four basement car park level, one mezzanine car park level, ground level, 19no upper levels and rooftop terrace.	Roof	Concrete and metal
Floors	Concrete	Windows	Aluminium framed
Walls	Glazed curtain, composite panel & stone cladding.	Ceilings	Plasterboard
Attachments	Covered entrance and awning both at ground and rooftop levels.		

Fitout

Fitout	Whole building	Coverings	Carpet, timber laminate, timber and tile
Configuration	<p>The building has four levels of underground car parking plus a mezzanine parking area for the exclusive use of the penthouse and town house units. Common areas within the building for Tenant usage include sauna, gym, children's playroom, foyer and living room with private dining room, games room and media room.</p> <p>The floors of the building are serviced by 3no lifts. Level 20 includes 5no penthouses. Level 13 to 19 contain the Sundek apartments, there are 9no apartments per level which have a range of 2no and 3no bedrooms. Floors 3 to 12 contain the Oasis apartments with 12no apartments per level. The development includes 12no townhouses which occupy the majority of ground and first floor levels. 6no of these townhouses have 3no bedrooms with the remaining 6no having 2no bedrooms.</p>		

Services

Electrical	Reticulation, fluorescent and incandescent				
Fire	Hose reels, sprinklers, extinguishers, hydrants, detectors and alarm				
HVAC	Ducted air conditioning				
Plumbing	Sanitary fixtures	Transport	Passenger lift		
Site Improvements	See separate site improvement section.				
Reinstatement Value	\$ 120,200,000	Removal of Debris	\$ 5,420,000	Cost Inflation Provision	\$ 14,022,000
Total Estimated Limit of Liability			\$ 139,642,000		

Building

2

Address

36 – 48 Lambert Street, Kangaroo Point, 4169

Name

Lotus Tower - Site Improvements



Site Improvements	Site improvements include:- landscaping, planter beds, retaining walls, walls, fencing, swimming pool, driveways, paving, external lighting, signs and water retention basin.							
Reinstatement Value	\$	1,808,000	Removal of Debris	\$	140,000	Cost Inflation Provision	\$	212,000
Total Estimated Limit of Liability				\$ 2,160,000				

Section Eight

Instructions

Acceptance of Proposal

To accept this proposal, written advice must be received from the instructing party confirming acceptance of:

- The contents of this proposal forming the basis of our instructions.
- Acceptance of our proposed fee.
- Any amendments or further instructions for our consideration.
- The project being carried out under the existing agreement with Marsh

Once you have considered the contents of this letter, should you wish to accept its contents without amendment, we request that you please sign below and return to indicate that it is in accordance with your understanding of the scope of our work and your agreement to the terms specified.

Accepted on behalf of Blackstone Real Estate Australia Pty Ltd by:

	Blackstone Representative
Name	Benjamin Lin
Position	Senior Associate, Risk & Insurance
Date	27/5/2021
Signature	



About Marsh: A global leader in insurance broking and innovative risk management solutions, Marsh's 30,000 colleagues advise individual and commercial clients of all sizes in over 130 countries. Marsh is a wholly owned subsidiary of Marsh & McLennan Companies (NYSE: MMC), the leading global professional services firm in the areas of risk, strategy and people. With annual revenue over US\$14 billion and nearly 65,000 colleagues worldwide, MMC helps clients navigate an increasingly dynamic and complex environment through four market-leading firms. In addition to Marsh, MMC is the parent company of Guy Carpenter, Mercer, and Oliver Wyman. Follow Marsh on Twitter [@MarshGlobal](#); LinkedIn; Facebook; and YouTube, or subscribe to BRINK.

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