

Chamko Holdings Limited

Part of the James Kirkpatrick Group

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EPA Hearing Date : 28th August 2017

CHAMKO HOLDINGS LIMITED

SYLVIA PARK ROAD – EPA HEARING NOTES

- 1 Chamko Holdings is part of The Kirkpatrick Group of Companies, a private family property investment company. TransitNZ have advised the whole of 9-11 Sylvia Park Road property is 'required' as the proposed East West Link runs through the middle, a Notice of Requirement has not yet been issued.
- 2 Company Philosophy :
 - Business often lease properties as a more efficient means of using their own capital.
 - We offer a 'Property Toolbox' for business owners who wish to lease commercial premises.
 - We match business's to properties that match Tenant specific needs, and have the ability to move them around from one property to another from within the portfolio as their requirements change with time.
 - Examples of specific requirements might be ;
 - Food manufacturing business requires a quality supply of water and adequate trade waste disposal.
 - Distribution warehousing requires well developed access and close proximity to Motorways.
 - Service business requires high profile location and easy accessibility.
 - We are property buyers not sellers.
 - Long term investors hold assets over many property cycles, Developers have a short time line horizon.
- 3 9-11 Sylvia Park has been owned for many years, was 'refreshed' 24 years ago and is now halfway through its 50 years cycle. The site is well sought after due to its very high traffic count and ease of accessibility for Tenant Clients, is fully leased with eight quality Tenants and shows reasonable weighted average terms (*Image Copy & Print, Hotspring Spas, Heartleand Bank, CBRE et al*)
- 4 We worked hard to secure these Tenants, they are real people with real business's, we wish to keep faith with them and at the moment they are very unsettled and justifiably annoyed with the process. They have spent good money on internal fit out, committed to both hard & soft advertising, their Clients know where they are located (memory business), specific facilities into

the building have been customized (*Heartland Bank has a full bank back up repository on site*), uncertain future occupancy is creating a great deal of personal stress, they worry about having to move, the 'cashflow hole' that occurs during moving, they are a reluctance to re-invest in those items that are unlikely to be compensated in a move event and advise are unlikely to exercise renewals or re-sign when their current lease matures full term.

- 5 Chamko is required throughout this process to maintain the building to a level commensurate with Tenant expectations and the lease agreement, notwithstanding that TNZ advise reimbursement is unlikely, we are concerned of course that our Tenant focus has been disrupted and we are actually watching the value of Chamko's business asset that is 9-11 Sylvia Park Road, be incrementally destroyed over time before our eyes.
- 6 Chamko was a neutral submitter to this East West Link proposal, there is little it is able to do to influence the process that is being conducted here at these Hearing one way or the other, but it does have real expectation that it will be treated in a fair, considerate, timely and even handed manner, that keeps faith with Chamko Holdings and their Tenants.
- 7 Our understanding, which we would like confirmed, is this Commission is not empowered to deal with or can influence compensation issues ;
 - That compensation is dealt with separately under the PWA by TNZ, who is the requiring authority.
 - That the PWA deals with conceptual compensation issues covering 'like for like', 'no better no worse', 'good faith negotiation'.
 - That TNZ is empowered to offer replacement properties from the 'Crown property pool'.
 - This Commission process clearly takes time and that time comes at a significant cost to Chamko Holdings business and their Tenants.
 - TNZ have the ability, as the power conferred under the PWA in this matter resides within their hands, to draw out compensation matters, and that would progressively destroy the value of Chamko's business when Tenants do not renew and the buildings become run down and untenable.
- 8 What we would like this Commission to consider, is placing a finite lapse date or 5 years on any decision so that those significantly and materially affected by this proposal, have to be dealt with in a timely manner and do not have the 'dead hand of Government hanging over them without recourse.

Lloyd Morris

For and on behalf of Chamko Holdings Limited