



BUILDING, DEPRECIATION AND COST CONSULTANCY

CAPABILITY STATEMENT

CBRE

**“THE BUILDING, DEPRECIATION AND
COST CONSULTANCY TEAM OPERATE AS
A FULLY INTEGRATED BUSINESS LINE
ALLOWING US TO BUILD ADVANTAGE
FOR OUR CLIENTS TO FULLY REALISE
THE VALUE OF THEIR REAL ESTATE.”**

NEALE SCOTT
DIRECTOR - PACIFIC
BUILDING, DEPRECIATION
AND COST CONSULTANCY

BUILDING, DEPRECIATION AND COST CONSULTANCY SERVICE OFFERING

CBRE'S success is attributed to our exceptional personnel, our collective expertise and our ability to provide innovative solutions to our clients.

CBRE Building, Depreciation and Cost Consultancy (BDCC) comprises RICS and AIQS Surveyors, Building Services Engineers, Tax Practitioner Quantity Surveyors, and Cost Consultants enabling CBRE to provide our clients an all-encompassing consistent service across diverse property portfolios. Our three complementary business lines deliver a total asset management solution enhancing the investment value and return for our clients.

Complementing other international CBRE divisions based in the United Kingdom and the United States of America, the Pacific business has been able to capitalise on software developed by our global offices, ensuring the provision of a market-leading, solutions-focussed product for our clients.

Our team has over 100 years collective experience and knowledge in dealing with all classes of property throughout Australia and New Zealand, and in addition is able to leverage from our global internal and external databases.

PROPERTY LIFECYCLE ENGAGEMENT



BUILDING CONSULTANCY

CBRE Building Consultancy provides specialist building surveying services across all sectors of the property industry.

From acquisition to disposal, our experienced team of chartered building surveyors, building consultants and building services engineers focus on the material factors influencing the condition and life-cycle of buildings and their components in order to provide accurate and succinct advice to property owners and investors.

OUR SERVICES

TECHNICAL DUE DILIGENCE (TDD)

- Technical Due Diligence surveys for commercial, industrial, hotels, leisure, Aged Care facilities, education facilities and retail buildings for investment or occupational purposes.
- Comprehensive technical reports, advising on the appropriate level of technical and specialist services to suit each engagement.

MAKE GOOD

- Preparation of final, terminal and interim Make Good schedules and assessments for both landlords and tenants, providing specialist advice to assist with the negotiation of settlements or monitoring of works.
- Engage with building consultants who have an in-depth understanding of interpreting lease obligations in the correct context and are fully aligned with RICS guidance.

CAPEX, OPEX & MAINTENANCE

- Expert and pragmatic advice to building owners, occupiers and property managers in respect to capital expenditure and building maintenance.
- Assistance in the preparation of maintenance strategies, capital expenditure / life cycle forecasts, condition classification and advice on the physical implementation of capital and maintenance works.

SCHEDULE OF CONDITION

- Preparation of comprehensive photographic schedules of condition to accurately record the condition of buildings, or part thereof, prior to the occurrence of a particular event.
- The requirement to record condition typically aligns with lease commencement (often prior to fit-out works) to ensure an accurate record of condition is recorded and agreed between landlord and tenant.

SERVICE THROUGHOUT THE OWNERSHIP CYCLE



DIVESTMENT & ACQUISITION

- TDD Reports (Vendor/Purchaser)
- Structure, fabric & external areas
- Building services
- Building regulations/BCA/DDA
- Environmental & Hazardous Materials
- Development TDD Reports
- Site ID / Title Re-establishment Survey
- PCA Quality Matrix (Office)
- CAPEX reporting



LEASING

- Final / Interim / Terminal Schedules of Make Good (Landlord)
- Assessment of Make Good liability (Tenant)
- Negotiation of Make Good Settlements (Landlord/Tenant)
- Schedule of Condition (at commencement)

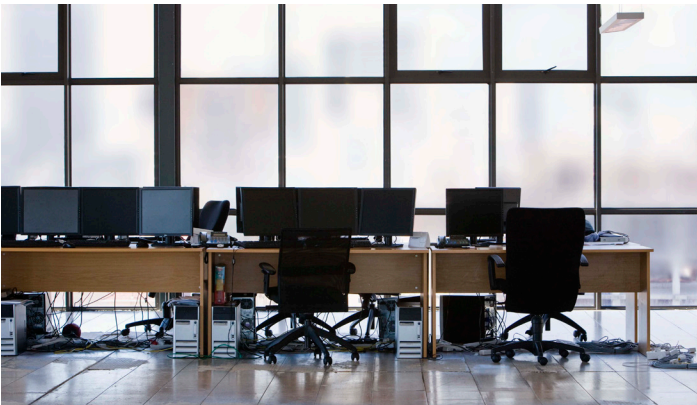


OWNERSHIP

- CAPEX, OPEX, and Maintenance Planning
- Make Good Assessments
- Operational Due Diligence
- Life Cycle Condition Review
- Building Defect Investigations
- Project Management / Monitoring
- Maintenance Compliance and Quality Gap Analysis

THE CBRE DIFFERENCE

- Cost effective and succinct executive summary style reporting
- Streamlined report tailored to our client's requirements
- Exposure to in-house global expertise and market knowledge
- Aligned to RICS globally recognised professional standards



DEPRECIATION

CBRE specialise in the preparation of tax depreciation schedules and associated advisory services.

In today's market it has become increasingly apparent to astute property owners that the effective management of capital allowances/depreciation is essential in order to maximise the tax effectiveness of income producing property.

ACQUISITION OF AN ASSET

We establish the opening values (to reflect an apportionment of the purchase price) ensuring the depreciation deductions are maximised. Setting the opening values correctly allows for capital allowances arising from future events to be readily identified and assessed, thereby ensuring the highest level of returns to the property owner.

CONSTRUCTION WORKS (INCLUDING FIT OUT CONTRIBUTIONS)

We identify eligible depreciating assets, capital works and repairs and maintenance included within the capital expenditure. We undertake a full review and analysis of available documentation and cost information, complemented by a detailed property inspection, ensuring the depreciation claims are maximised.

BALANCING ADJUSTMENT ASSESSMENT

Where there is demolition or removal of an asset, whether it is capital works or a depreciating asset, the written down value of the asset can be claimed in the year of demolition. These deductions may be significant and, in our experience, very frequently overlooked.

TENANT FITOUT ABANDONMENT ASSESSMENT

Following lease expiry the capital works component a tenant's abandoned fit out can revert to the landlord at its written down value. Our assessment identifies the eligible capital works components transferable to the landlord thus increasing their annual depreciation without having incurred any of the original capital expenditure.

COMPLIMENTARY REVIEW OF EXISTING DEPRECIATION SCHEDULES

In order to assist our existing and potential clients we offer a complimentary review of existing depreciation allowances claimed in respect of a property or portfolio of properties in order to identify any potential additional capital allowance deductions that may be claimed.

RESIDENTIAL TAX DEDUCTIONS

We calculate the deterioration and wear and tear of residential property over a schedule that property investors can use as a non-cash expense to reduce their taxable income. CBRE works alongside accountants to maximise claimable depreciation for our clients.

COMPLEMENTARY TAX ESTIMATES

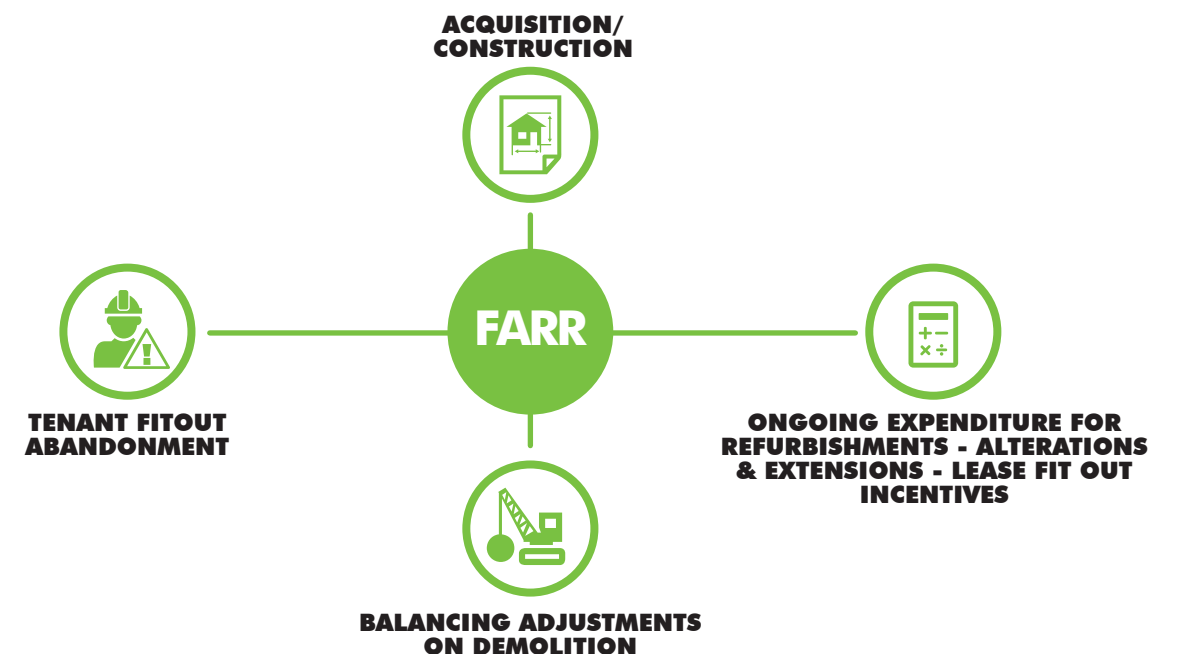
Our team can provide complimentary tax estimates to be used in the marketing of residential property. Builders, developers and sales agents find these estimates useful when marketing property to investors.

FIXED ASSET REGISTER REPORTING

MAXIMISING DEPRECIATION BY MANAGING DEPRECIATION

Fixed Asset Register Reporting (FARR) is our market leading tax depreciation product that enables us to consolidate multiple assessments into one concise report. Through FARR we are able to report on the asset in its entirety and how additions and disposals impact the asset. Our assessment is a true representation of the physical asset.

As a flexible asset management tool, FARR allows for regular updating by capturing and incorporating any capital works undertaken to a property into a single accurate and up to date schedule for tax reporting requirements. We work with asset managers and tax advisors to ensure all alterations, disposals and tenancy change events are analysed, enabling our clients to maximise all of their tax depreciation allowances on an ongoing basis.



KEY BENEFITS OF FARR

- Consolidated reporting allows for multiple assessments types including demolition, fitout abandonment and capital expenditure to be reported on in one concise document
- Promotes regular discussions with the client/asset managers to ensure all changes to the property are assessed
- Existing depreciation schedules prepared by other consultants or ourselves can be incorporated to provide the cost base for future additions and balancing adjustments
- Acts as a consolidated asset register which is updated as required by our clients as determined by expenditure incurred for each asset
- An executive summary provides a snapshot of the depreciation claim for any given financial year end
- We provide a sixty year consolidated cash flow in an Excel based format making it easy for our client to manipulate and incorporate into their existing in-house software
- The level of detail within our reports is client driven. Whilst our depreciation schedules are prepared in accordance with current ATO/IRD requirements, the detail in the FARR can be separated as required

COST CONSULTANCY

CBRE Cost Consultancy offers independent construction cost advice from inception to completion of a project.

A construction cost consultant plays a pivotal role in the financial aspect of a project and CBRE’s cost consultants have the experience and capability to offer a wide range of cost advisory services from setting a budget, exploring the feasibility of a potential project, cost manage the design and documentation process, administer the contract during construction, right up to finalising the completed project cost.

OUR SERVICES

Cost consulting requires detailed knowledge of the Client’s intent and requirements. CBRE’s expertise provides a unique position to understand our Clients and deliver the highest level of service.

We aim to provide early and effective cost advice in order to assess the viability of a project - identifying key development risks, assisting with the work scope definition, dispensing cost and program advice throughout the process.

Our approach is to define the works and establish a realistic budget incorporating all relevant contingencies and allowances. This will be monitored throughout the development, reconciled against the original budget as the design evolve and tested against options available in the market place.

The Client will be kept informed in the form of a Financial/Cost Report with any anomaly flagged and highlighted. This will minimise uncertainties in the project costs and enable the Client to make informed decisions before moving onto the next phase of the project.

Our key construction cost services include:

- Budget Feasibility
- Cost Planning
- Tendering
- Post Contract
- Final Account & Post Completion Evaluation
- Reinstatement Cost Assessment

OUR SERVICES



BUDGET FEASIBILITY

To achieve maximum benefit our Cost Consultants should be appointed as soon as possible to advise on:

- A realistic budget
- Feasibility of a project
- Annual Project Cash Flow



COST PLANNING

During design development our Cost Planning service includes:

- Detailed budgeting
- Reconciliation tracking changes
- Detailed Project Cash Flow
- Cost Centre/Stakeholder analysis
- Value Engineering
- Value for Money/Return on Investment



TENDERING

We examine methodology, documentation and deliver expert analysis to provide a clear consistent platform for selection by providing:

- Pre-tender estimate
- Tender schedule of quantities
- Tender analysis
- Tender negotiation and recommendation



REINSTATEMENT COST ASSESSMENT

We undertake Reinstatement Cost Assessments of the completed project for insurance purposes should a loss event occur, providing accuracy in principal and mitigating underinsurance risks, this assessment includes costs for:

- Demolition and removal of debris
- Reinstatement of the building
- Allowances for design & construction contingencies
- Professional fees
- Local authority charges
- Escalation during construction



FINAL ACCOUNT

After completion, an often neglected phase of a project, we offer a value-added service of evaluating the end result comparing it against the initial project requirements. The “lessons learned”, specifically time and cost related to the project, will verify the effectiveness of the decision made and/or strategies taken during the project and replicated on future projects.



POST CONTRACT

Working with the appointed builder to establish a project cash flow that includes periodic inspections to track the expenditure claimed against the progress of the works including:

- Progress claim assessment
- Variation analysis
- Budget/Tender reconciliation

BUILDING, DEPRECIATION AND COST CONSULTANCY

WESTERN AUSTRALIA



NEALE SCOTT
DIRECTOR PACIFIC -
BUILDING, DEPRECIATION
AND COST CONSULTANCY

M +61 468 382 711
neale.scott@cbre.com.au

*Building, Depreciation and
Cost Consultancy service
all asset classes including
commercial, agriculture and
residential properties.*

PACIFIC LEADERSHIP TEAM



NEALE SCOTT
DIRECTOR PACIFIC -
BUILDING, DEPRECIATION
AND COST CONSULTANCY

M +61 468 382 711
neale.scott@cbre.com.au



JARROD FRAZER
SENIOR MANAGING
DIRECTOR -
VALUATION & ADVISORY
SERVICES

M: +61 418 316 530
jarrod.frazer@cbre.com.au



CAMPBELL STEWART
NATIONAL DIRECTOR -
VALUATION & ADVISORY
SERVICES

M +64 21 490 226
campbell.stewart@cbre.co.nz

QUEENSLAND



STEWART CAVIN
NATIONAL DIRECTOR -
BUILDING CONSULTANCY

M +61 437 464 831
stewart.cavin@cbre.com.au



MARTIN BUCKLEY
NATIONAL DIRECTOR -
COST CONSULTANCY

M +61 4300 427 835
martin.buckley@cbre.com.au



PHILLIP CARRUTHERS
ENGINEERING SERVICES
MANAGER

M +61 407 113 749
phillip.carruthers@cbre.com.au

NEW SOUTH WALES



DION LANGE
DIRECTOR -
TAX DEPRECIATION

M +61 420 213 823
dion.lange@cbre.com.au



ALASTAIR CARDNO
ASSOCIATE DIRECTOR -
BUILDING CONSULTANCY

M +61 432 052 082
alastair.cardno@cbre.com.au

NEW ZEALAND



NEALE SCOTT
DIRECTOR PACIFIC -
BUILDING, DEPRECIATION
AND COST CONSULTANCY

M +61 468 382 711
neale.scott@cbre.com.au



CAMPBELL STEWART
NATIONAL DIRECTOR -
VALUATION & ADVISORY
SERVICES

M +64 21 490 226
campbell.stewart@cbre.co.nz



PHIL OVEREND
DIRECTOR - BUILDING,
DEPRECIATION AND COST
CONSULTANCY

M +64 22 6427 930
philip.overend@cbre.co.nz

VICTORIA & SOUTH AUSTRALIA



NEALE SCOTT
DIRECTOR PACIFIC -
BUILDING, DEPRECIATION
AND COST CONSULTANCY

M +61 468 382 711
neale.scott@cbre.com.au



SIMON FREETH
DIRECTOR -
BUILDING
CONSULTANCY

M +61 427 720 888
simon.freeth@cbre.com.au

ALIGNED SERVICES

The CBRE Valuation & Advisory Services Pacific team has been operating in Australia since 1970 and in New Zealand since 1988. Our team of 365 professionals are strategically located in 22 cities across the Pacific.

CBRE VALUATION & ADVISORY SERVICES

CBRE provides independent objective valuations by combining knowledge from our internal and external market data bases, as well as our extensive contacts and resources.

We work closely with domestic and international corporations, financiers, superannuation funds, investors, property owners, REITs and government agencies to realise the value of real estate for competitive advantage for all stakeholders.

CBRE has the resources to help solve any valuation related real estate or business challenge. Our services range from single asset valuations to the valuation of multi-market, multi-property portfolios.

For many companies, real estate is an underutilised asset that is perceived simply as a significant expense item. In reality, it is a valuable strategic asset with the potential and power to deliver transformational business value.

For our clients, we deliver sustainable, competitive advantage through solutions that unlock the value of real estate. We deliver financial advantage by producing detailed valuations based on up to the minute research and market knowledge to create long-term value for our clients.

We are able to provide complete real estate, and business advice in the following areas:

- Market valuations.
- Financial reporting valuations.
- Development feasibilities.
- Portfolio valuations.
- Acquisition Due Diligence.
- Rent reviews.
- Financial modelling.
- Statutory valuation reviews and objections.
- Stamp Duty valuations.
- Market research and analysis.
- Asset optimisation/highest and best use analysis.



JARROD FRAZER
SENIOR MANAGING
DIRECTOR -
VALUATIONS (AU)
M +61 418 316 530
jarrod.frazer@cbre.com.au



CAMPBELL STEWART
NATIONAL DIRECTOR -
VALUATION & ADVISORY
SERVICES
M +64 21 490 226
campbell.stewart@cbre.co.nz

CBRE specialises in assisting owners and tenants throughout Australia in reviewing valuation-based statutory assessments which are utilised to levy Rates and Taxes.

RATING & TAXING DIVISION

The team has extensive experience and knowledge in dealing with all classes of property throughout Australia, which is combined with in-depth knowledge from our internal and external market databases.

Our experience is the key to managing statutory assessments to ensure they are reasonable. This assists overall property performance, improving net income returned, promoting yield enhancement and asset value.

In the current market it has become increasingly apparent that the management of statutory outgoings is essential, particularly in an environment of modest rental growth.

SCOPE OF SERVICES

- Reviewing valuation-based statutory assessments returned in Rates & Land Tax Notices.
- Pursuing objections and appeals with the relevant Authorities where appropriate.
- Assistance with forward budgeting of statutory outgoings for portfolios, potential acquisitions and property redevelopments.
- Appearing as an expert witness before the relevant Court or Tribunal.

BENEFITS IN APPOINTING CBRE

- Dedicated full time Rating and Taxing Division.
- Experts in Statutory Valuations.
- In-depth knowledge of legislation and processes in each State and Territory.
- Ability to negotiate directly with Municipal/ Government Valuers.
- Rating & Taxing has a proven track record with over \$1,600,000 in savings to clients from adjustments to Council Rates and Land Tax valuations in 2015.

PROPERTY SECTORS

- CBD & Suburban Commercial Office Assets.
- Industrial Properties & Estates.
- Shopping Centres.
- Heritage Properties.
- Residential Englobo Subdivision Land.
- Industrial Englobo Subdivision Land.
- Retail Properties.
- Large Format Retail.
- Leisure Properties.



DANE CARRUTHERS
VALUATION MANAGER -
RATING & TAXING
M +61 423 036 799
dane.carruthers@cbre.com.au

CBRE became Australia's first Carbon Neutral Property Company in 2011 and we've been leading by example ever since, in terms of sustainable values and behaviours in our own workplaces.

SUSTAINABILITY

BUILDING ON ADVANTAGE

We manage 3 billion square feet of real estate, worldwide. This means that CBRE has both a responsibility and an opportunity to participate in the area of sustainability. It's our role to come up with the great ideas that can grow into the best practices that, in turn, lead to significant client achievements. We see ourselves as a force for positive change and the people who can create real advantage and value for our clients, plus there's never been a better time to have a property sustainability agenda in place – leading research proves that sustainable buildings perform better than their peer set, creating higher rental rates and higher occupancy numbers, consistently, year on year.

There are three key ways in which we build advantage for our clients in the sustainability space:

1. PERSPECTIVES

We conduct the highest volume of NABERS ratings in our industry, meaning we have a much greater understanding about what makes a sustainable building than our competitors. For example, in smaller buildings, it often comes down to behaviour and controls (e.g. lighting) in terms of driving better environmental and financial outcomes. Whereas, with bigger buildings, different elements are paramount to maintaining a sustainable working environment, including: smarter technology integrated into the building, for better visibility, together with real time data reporting and ongoing building tuning. We also have access to more building energy data than any other provider, meaning we can make useful comparisons and predictions throughout our working relationship.

2. SCALE

We have a global network of sustainability experts that we can draw on for any given client challenge or opportunity. Six of these are based right here in Australia and NZ, but the other key offices that we regularly draw on for ideas and industry trends, include: Amsterdam, London, Singapore and New York. It is this focus on engagement, dialogue and collaboration that leads to the best strategies for sustainable client milestones. We're also involved in industry bodies, particularly the Better Buildings Partnership, Property Council of Australia and Green Building Council of Australia, which means that we're acutely aware of emerging legislations and market developments in the Pacific region, with real time accuracy.

3. CONNECTIONS

We currently work with a variety of clients across the property industry (developers, landlords and tenants) on a collaborative approach to setting their property sustainability agenda. Rather than focusing on short-term solutions and targets, we start with the development of a sustainability strategy for our clients, at a big picture level. This involves analysing the whole property portfolio rather than focusing on one building, and providing a long term vision for the next 5-10 years versus just today. Once we've agreed this strategy and set the parameters for positive behaviours and proactive actions, we'll then get to work on building the tools and platforms to make everything happen.



EMMA MCMAHON
ASSOCIATE DIRECTOR -
SUSTAINABILITY

T +61 2 9333 3340
M +61 41636 0414
emma.mcmahon@cbre.com.au

OUR SERVICES

We offer a range of services to help our clients achieve sustainable results:

- Building ratings – NABERS, WELL Buildings Standard & Green Star
- Building performance tracking and improvement plans
- Climate risk and resilience reporting
- Legislative risk analysis
- Sustainable property and portfolio strategies
- Funding opportunity advice
- Sustainable building and portfolio management
- Resource efficiency programs and reporting solutions
- Renewable and low carbon energy initiatives
- Carbon foot printing and offsetting strategies
- Sustainability marketing strategies
- Compliance and corporate responsibility reporting Community development strategy

THE CBRE DIFFERENCE

“Our team has over 100 years collective experience and knowledge in dealing with all classes of property throughout Australia and New Zealand.”



CBRE OFFICE LOCATIONS

SYDNEY

Level 21, 363 George Street
Sydney, NSW 2000
+61 2 9333 3333

MELBOURNE

Level 34, 8 Exhibition Street
Melbourne, VIC 3000
+61 3 8621 3333

BRISBANE

Level 3, Waterfront Place
1 Eagle Street
Brisbane, QLD 4000
+61 7 3833 9833

PERTH

Level 2, 216 St George's Terrace
Perth, WA 6000
+61 8 9320 0000

ADELAIDE

Level 5, 151 Pirie Street
Adelaide, SA 5000
+61 8 8110 3333

AUCKLAND, NZ

Level 14, ANZ Centre
23-29 Albert Street
Auckland, New Zealand 1010
+64 9 355 3333

