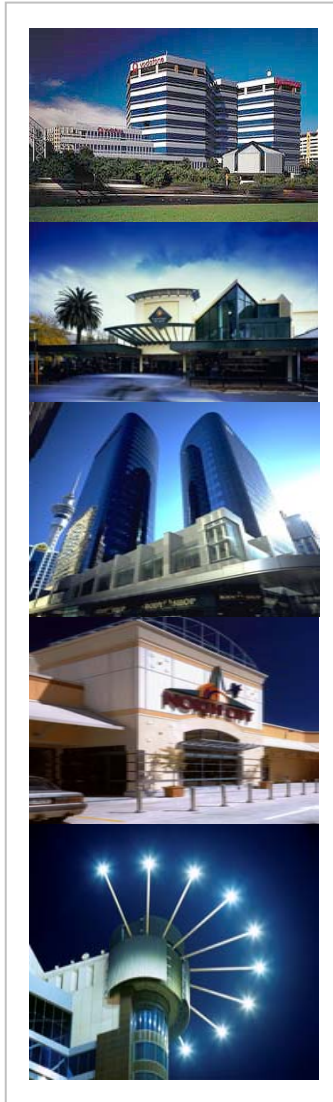


Kiwi Income Property Trust

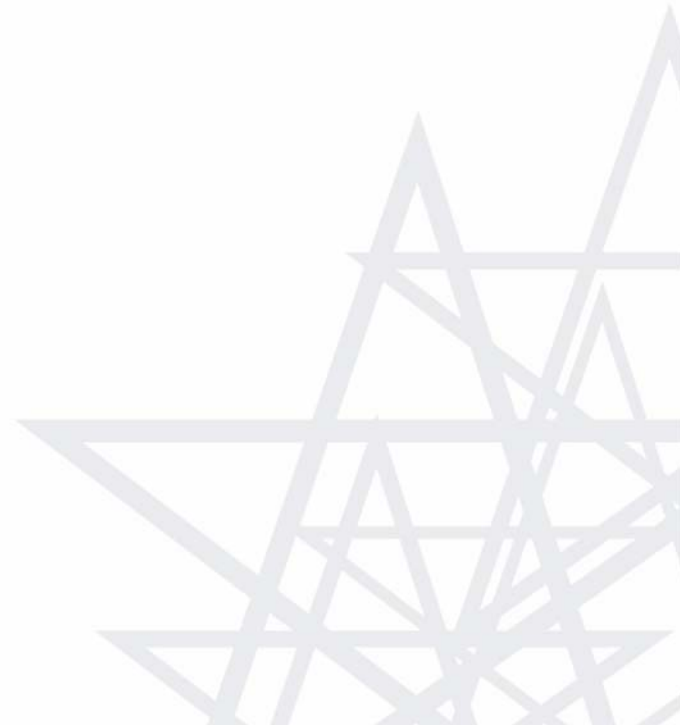
Portfolio Update

7 October 2004

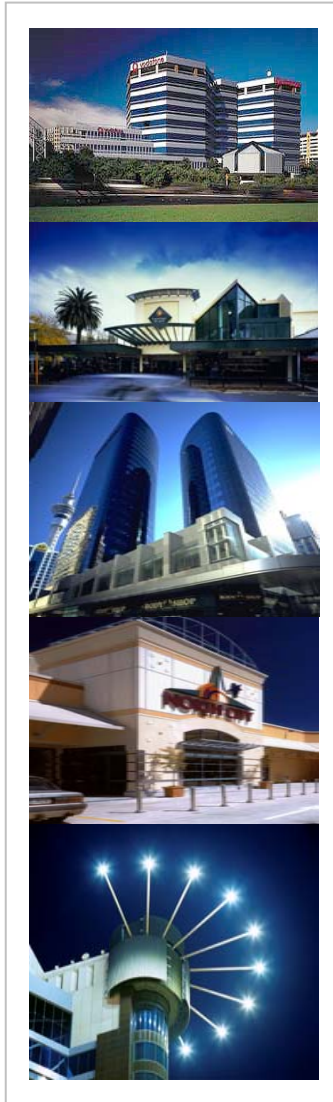
Agenda



- Management Team
- Office Portfolio
- Retail Portfolio
- Development
- Sylvia Park

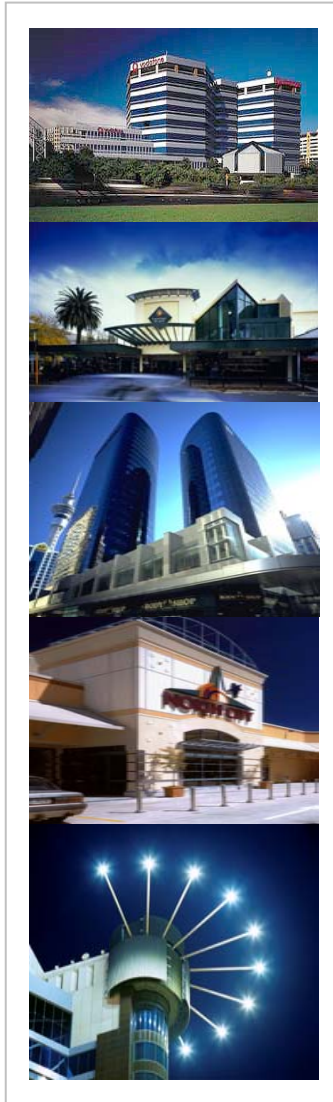


Management Team



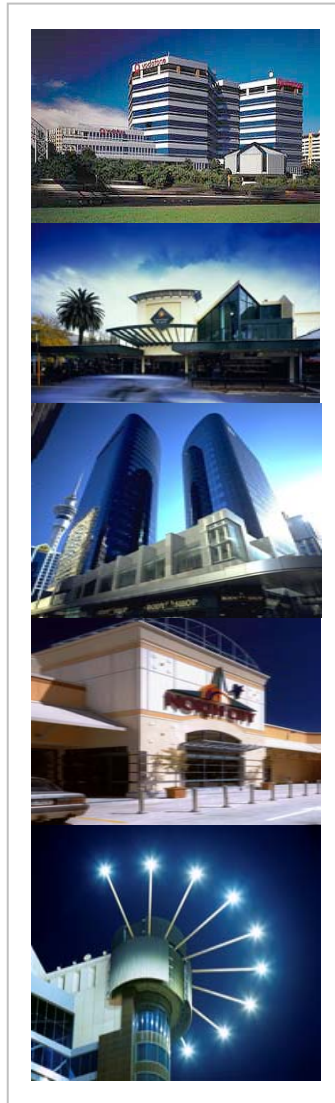
- Gavin Parker – Chief Financial Officer
- Jon Lesquereux – Manager Commercial Portfolio
- Karl Retief – Manager Retail Portfolio
- Mark Luker – General Manager Development
- Andrew Stringer – Manager Projects and Acquisitions
- Carlie Eve – Investment and Communications Manager

Office Strategy



- Focus on quality and diversified office assets
- Recycle capital from non-growth assets
- Nurture relationships with major tenants
- Grow income and add value to existing portfolio
- Diversify
- Seek out 'buy' opportunities

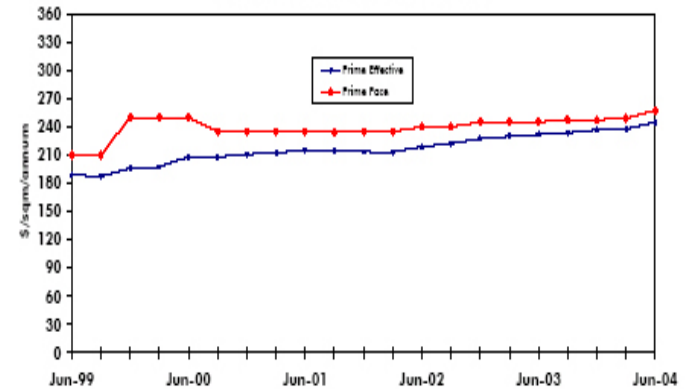
Office Market



Auckland

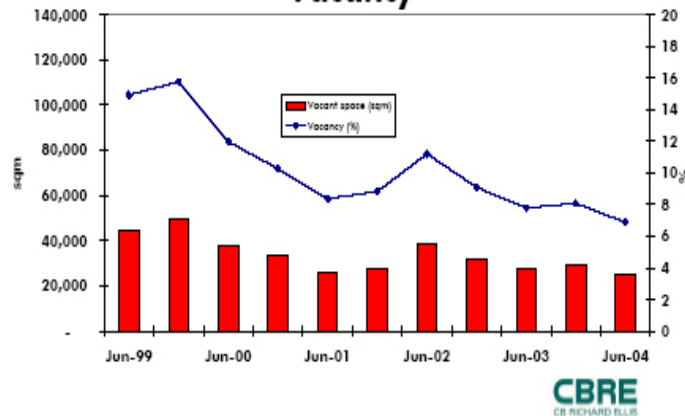
- Limited new supply
- Rental growth
- Corporate relocation diminishing

**Auckland CBD Office Rents Prime
FACE & EFFECTIVE**



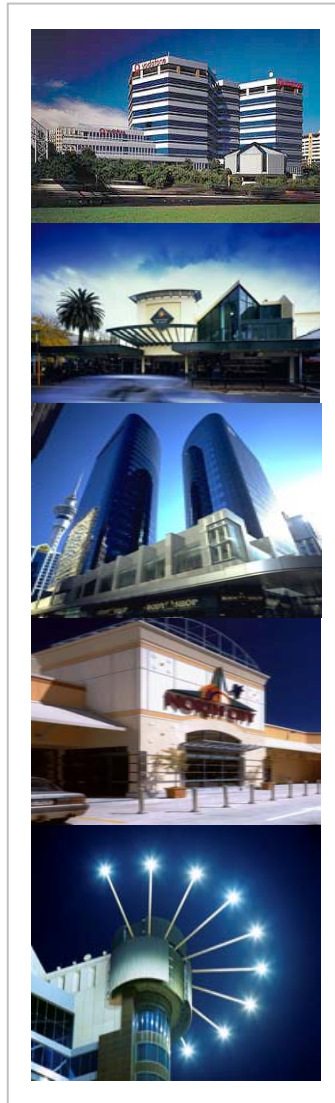
CBRE
CB RICHARD ELLIS

**Auckland CBD Prime Office
Vacancy**



CBRE
CB RICHARD ELLIS

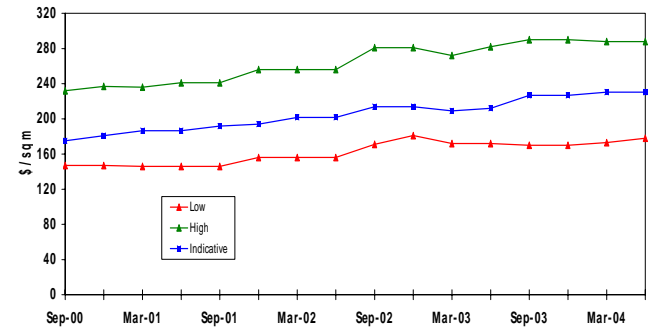
Office Market



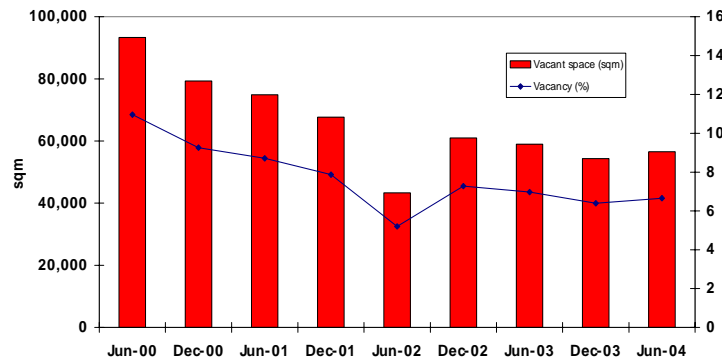
Wellington

- Low vacancy
- Solid rental growth
- Limited new supply
- Government sector

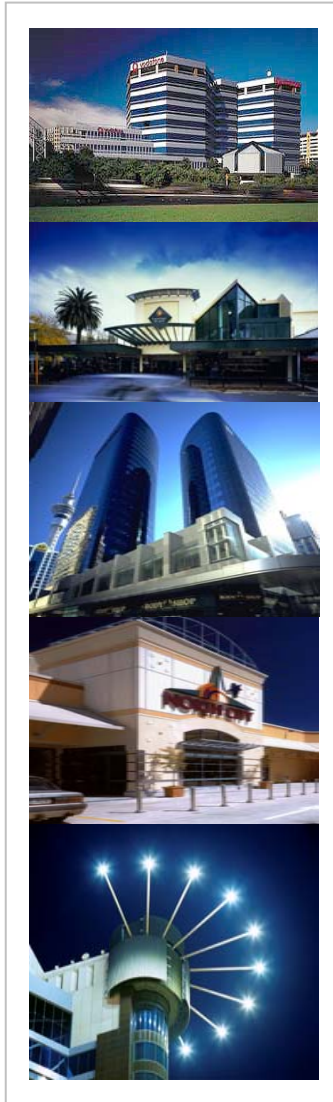
**Wellington CBD Office Rents
Premium Net**



Wellington CBD Office Vacancy



Office Market



Christchurch

- No prime vacancy
- Rental growth
- No major development

The Portfolio

As at 1 October 2004

Property	Location	Value	NLA	WALT	Vacancy %
Vero Centre	Auckland	\$ 215,000,000	39,578	6.73	
National Bank Centre (50%)	Auckland	\$ 46,500,000	13,073	5.47	3.56%
Vodafone House	Auckland	\$ 38,100,000	17,245	2.73	
AUT Faculty of Arts Building	Auckland	\$ 26,950,000	13,949	0.76	
Majestic Centre	Wellington	\$ 70,290,000	23,519	5.60	6.86%
BP House	Wellington	\$ 23,960,000	9,140	26.27	
Unisys House	Wellington	\$ 44,100,000	22,117	5.25	
NGC House	Wellington	\$ 19,300,000	10,036	5.40	
PricewaterhouseCoopers	Christchurch	\$ 34,700,000	16,081	4.64	
Total Office Portfolio		\$ 518,900,000	164,740	6.00	1.27%

Acquisitions



Unisys House - Wellington

- Purchase price \$44.1m
- Net lettable area 22,104m²
- Acquired April 2004
- Government tenants, rental growth, location, physically robust

Tenant	m ²	Lease Expiry
Crown Law	4,806	March 2013
Department of Labour	6,941	Jan 2008
Unisys	6,009	June 2008
Securities Commission	1,796	Jan 2013

Acquisitions

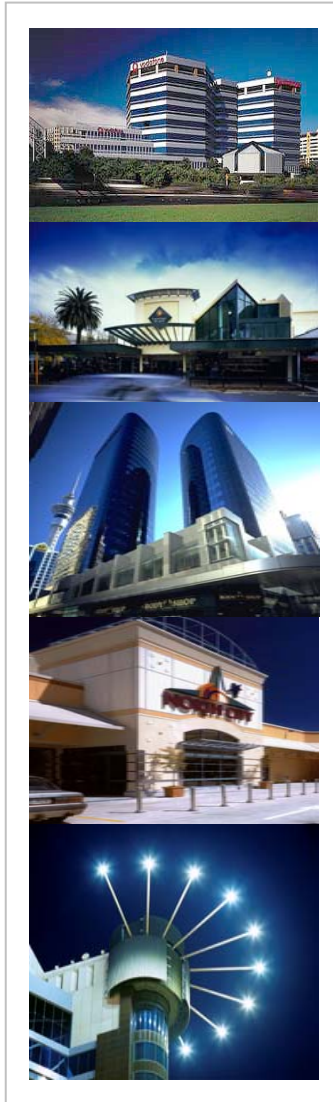


NGC House - Wellington

- Purchase price \$19.3m
- Net lettable area 10,106m²
- Acquired September 2004
- Government tenants, rental growth, location, physically robust

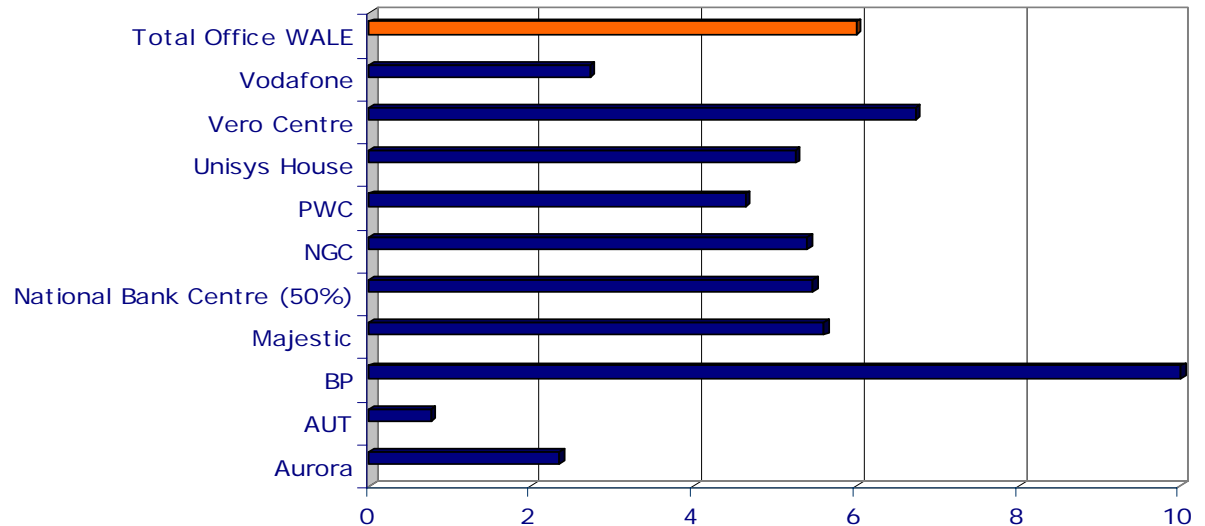
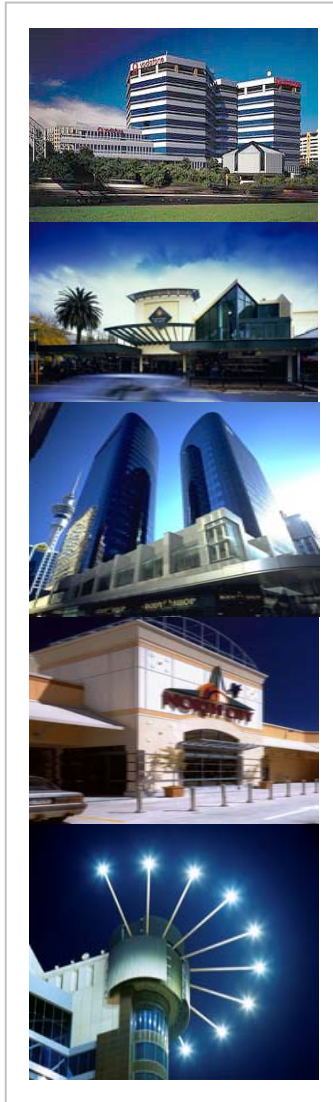
Tenant	m ²	Lease Expiry
Commerce Commission	2,700	August 2008
Natural Gas	2,432	Jan 2012
Tertiary Education Commission	2,774	March 2012

Disposals



- HP House
 - ▶ Sold June 2004
 - ▶ Sale proceeds \$25.8m (BV \$25.4m)
 - ▶ Limited growth prospects
 - ▶ Recycle capital
 - ▶ Lease expiry profile

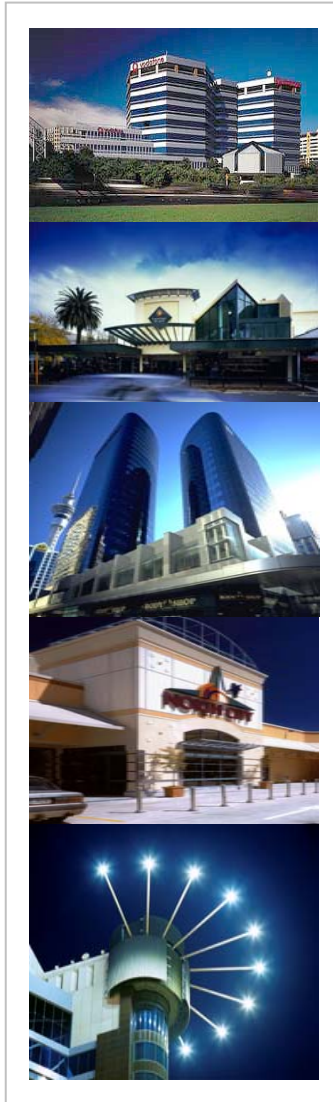
Lease Expiries and Activity



■ Vodafone House

- ▶ New ARC lease (11,000m²) to 2009
- ▶ Vodafone vacating April 2005
- ▶ ARC to lease two of the Vodafone floors
- ▶ 3,400m² to be leased when Vodafone vacate

Lease Expiries and Activity

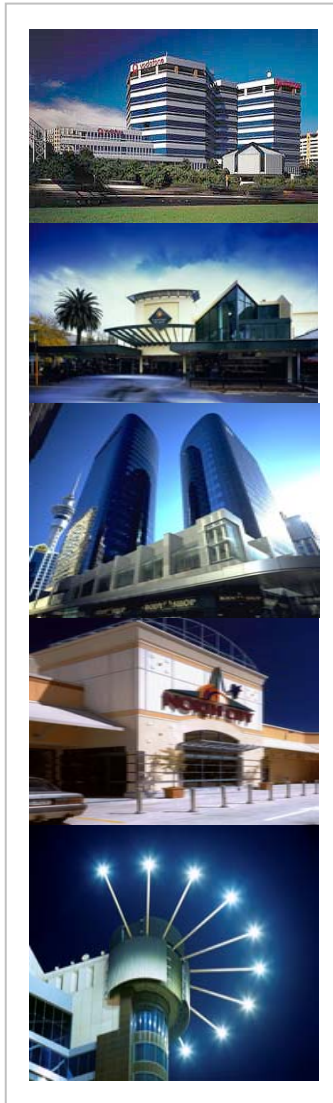


- **AUT Faculty of Arts Building**
 - ▶ Continuing discussions with both major tenants
 - ▶ AUT lease (8,493m²) expires December 2004
 - ▶ NZ International College lease (4,061m²) expires July 2006

- **PricewaterhouseCoopers Centre**
 - ▶ Extensive activity over the last 12 months
 - ▶ Now fully leased
 - ▶ Weighted average lease term extended by 2.7 years to 4.6 years

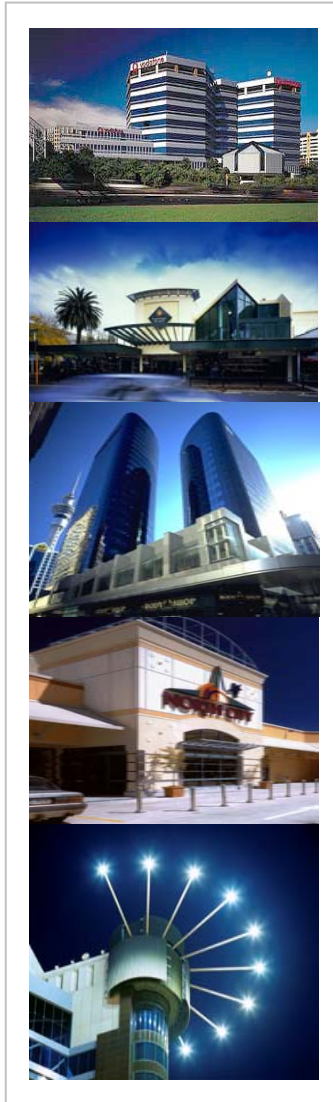
- **Majestic Centre**
 - ▶ NZTE lease – 3,000m²
 - ▶ Lobby and gym upgrade
 - ▶ Added value – retail

Major Lease Expiries



Tenant	m ²	Lease Expiry
<i>National Bank Centre</i>		
National Bank	12,045	June 2011
Phillips Fox	2,339	April 2009
<i>BP House</i>		
BP Oil	8,296	Dec 2030
<i>Majestic Centre</i>		
Opus	3,861	Dec 2005
BIL	2,704	Feb 2007
<i>Vero Centre</i>		
Vero	11,608	March 2012
Russell McVeagh	7,453	Dec 2009
Bell Gully	7,760	Nov 2015

Office Summary



- Strong management team
- Existing portfolio rationalised
- Lease expiries under control
- All three key markets healthy
- Rental and capital growth

Retail Strategy

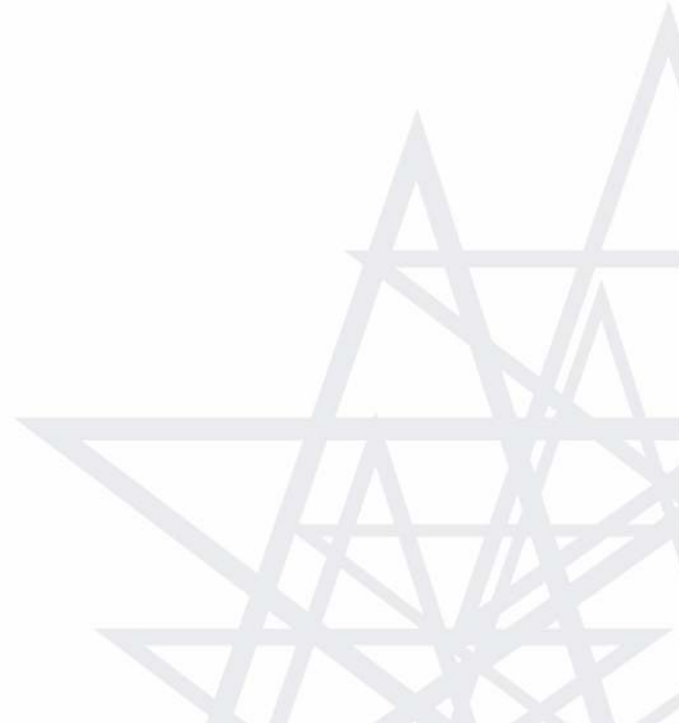


- Own key assets that dominate their catchments
- Superior rental growth
- Added value opportunities
- Gross occupancy costs to sales ratio
- Enhancing centre retail sales
- Structural change to rent reviews
- Acquisitions

Retail Market



- Domestic growth likely to slow as interest rates rise
- Significant barriers to entry
- Improved rentals and occupancy levels
- KIP centres well positioned

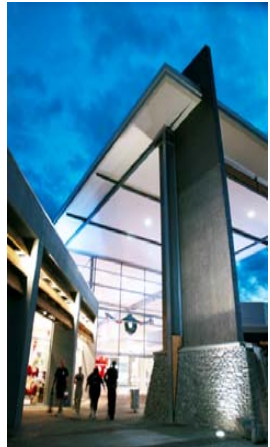


Retail Portfolio

As at 1 October 2004

Property	Location	Value	NLA	WALT	Vacancy %
Centre Place	Hamilton	\$ 89,800,000	15,428	2.80	4.1%
Downtown Plaza	Hamilton	\$ 15,270,000	2,953	2.10	
The Plaza	Palmerston North	\$ 70,400,000	14,526	5.07	0.5%
North City	Porirua City	\$ 96,300,000	25,334	5.61	
Northlands	Christchurch	\$ 203,250,000	40,994	7.07	
Adjoining Properties		\$ 14,410,000	14,992	4.85	2.6%
Total Retail Portfolio		\$ 489,430,000	114,227	5.39	1.2%

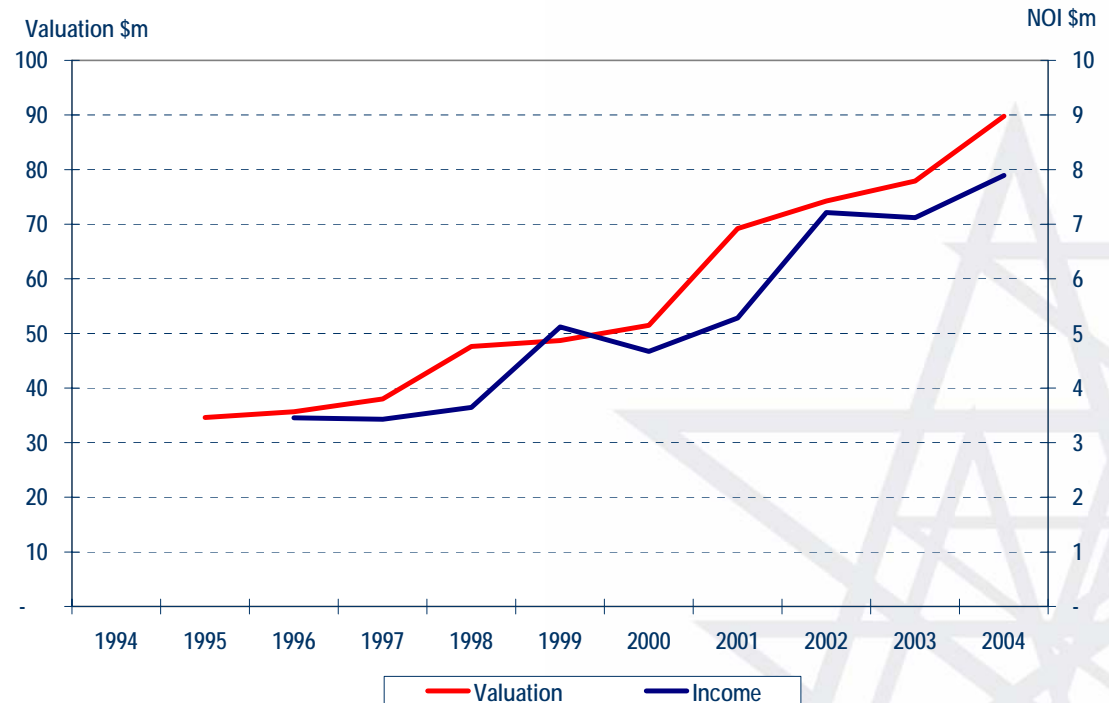
Retail Portfolio



■ Centre Place

- ▶ High demand for space
- ▶ Retail sales remain strong
- ▶ F04 Valuation (added value \$11.6m, +14.8%)

Centre Place Value and NOI



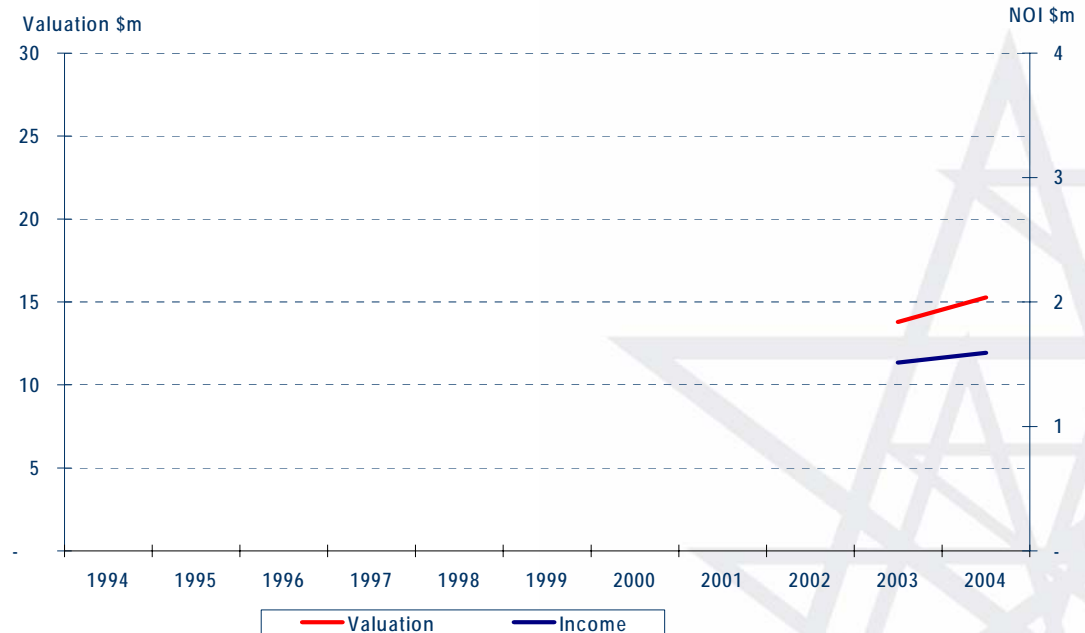
Retail Portfolio



■ Downtown Plaza

- ▶ Tenant remix
- ▶ High demand for space
- ▶ Rebrand and remix
- ▶ F04 Valuation (added value \$1.3 m, +9.3%)

Downtown Plaza Value and NOI



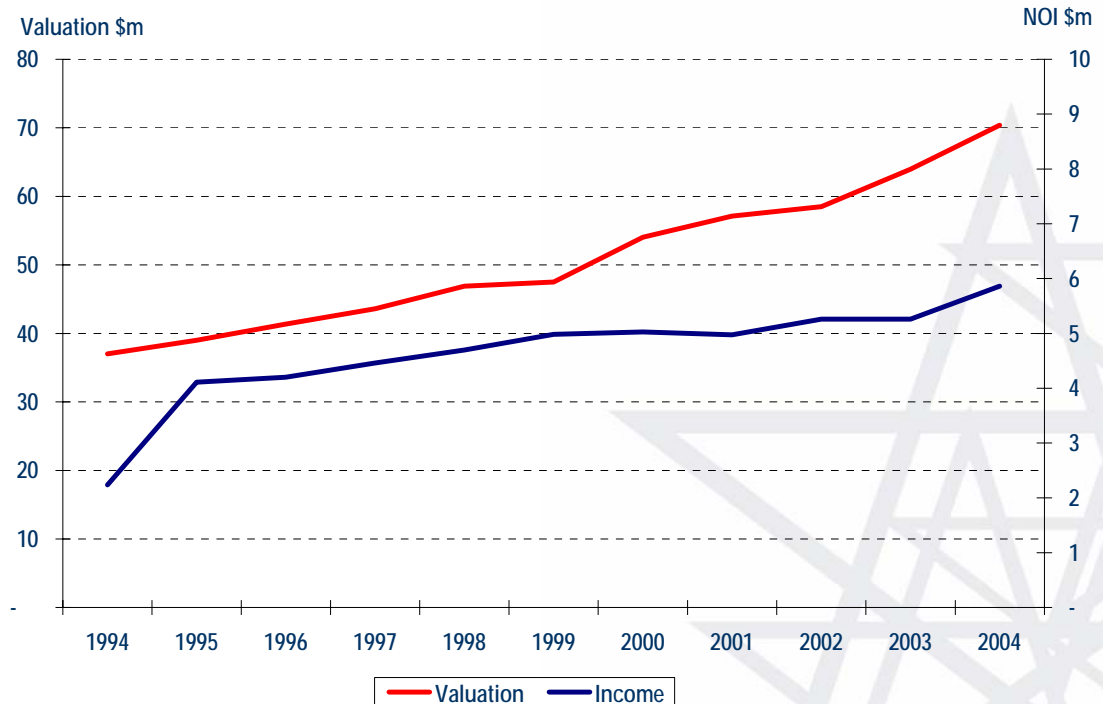
Retail Portfolio



■ The Plaza

- ▶ Over trading – no competition
- ▶ Development opportunity
- ▶ F04 Valuation (added value \$5.8m, +9.1%)

The Plaza Value and NOI



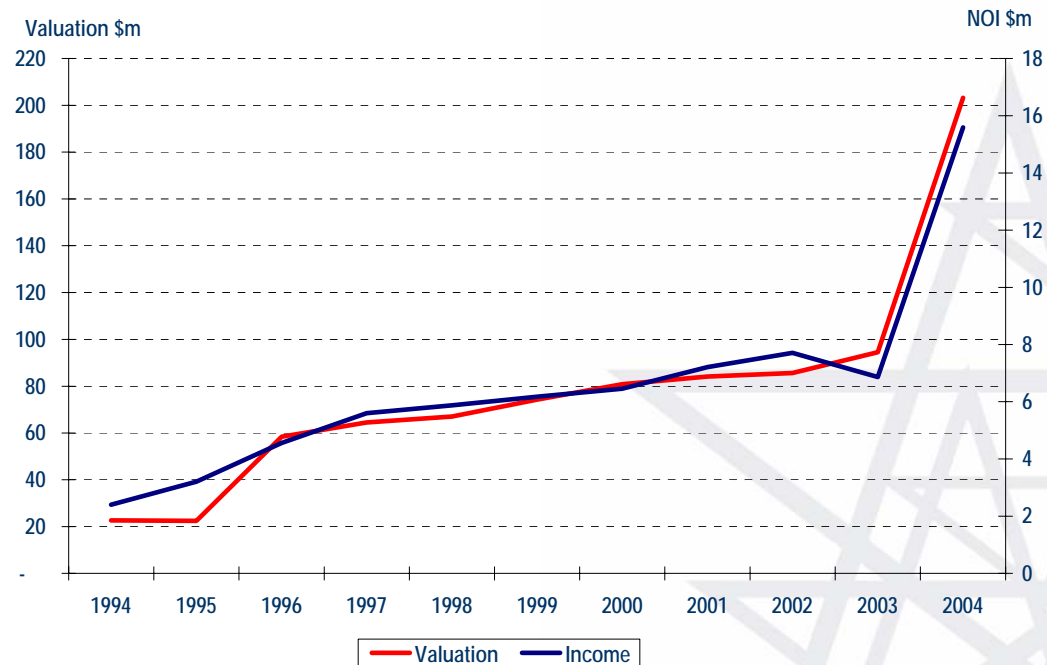
Retail Portfolio



Northlands

- ▶ Trading post redevelopment
- ▶ Strong fashion retail mix
- ▶ F04 Valuation (added value \$16.7 m, +8.9%)
- ▶ Riccarton under development

Northlands Value and NOI



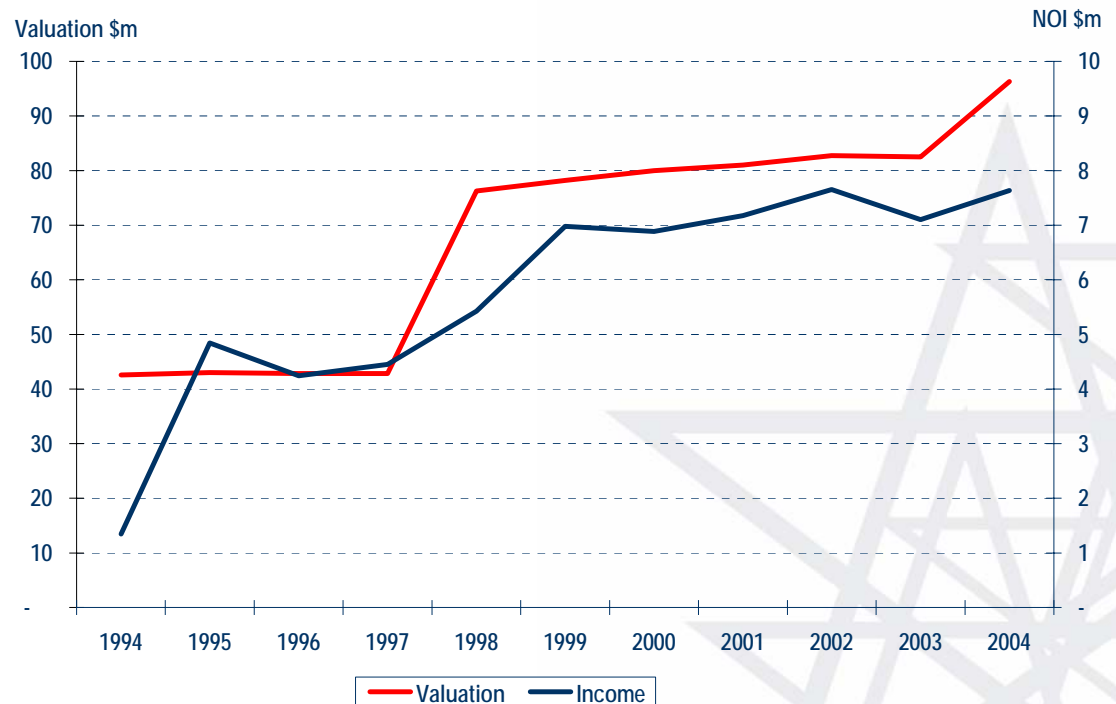
Retail Portfolio



North City

- ▶ Trading well through redevelopment
- ▶ F04 Valuation (added value \$3.6m, +3.9%)
- ▶ Competitors – Mega Centa, Queensgate

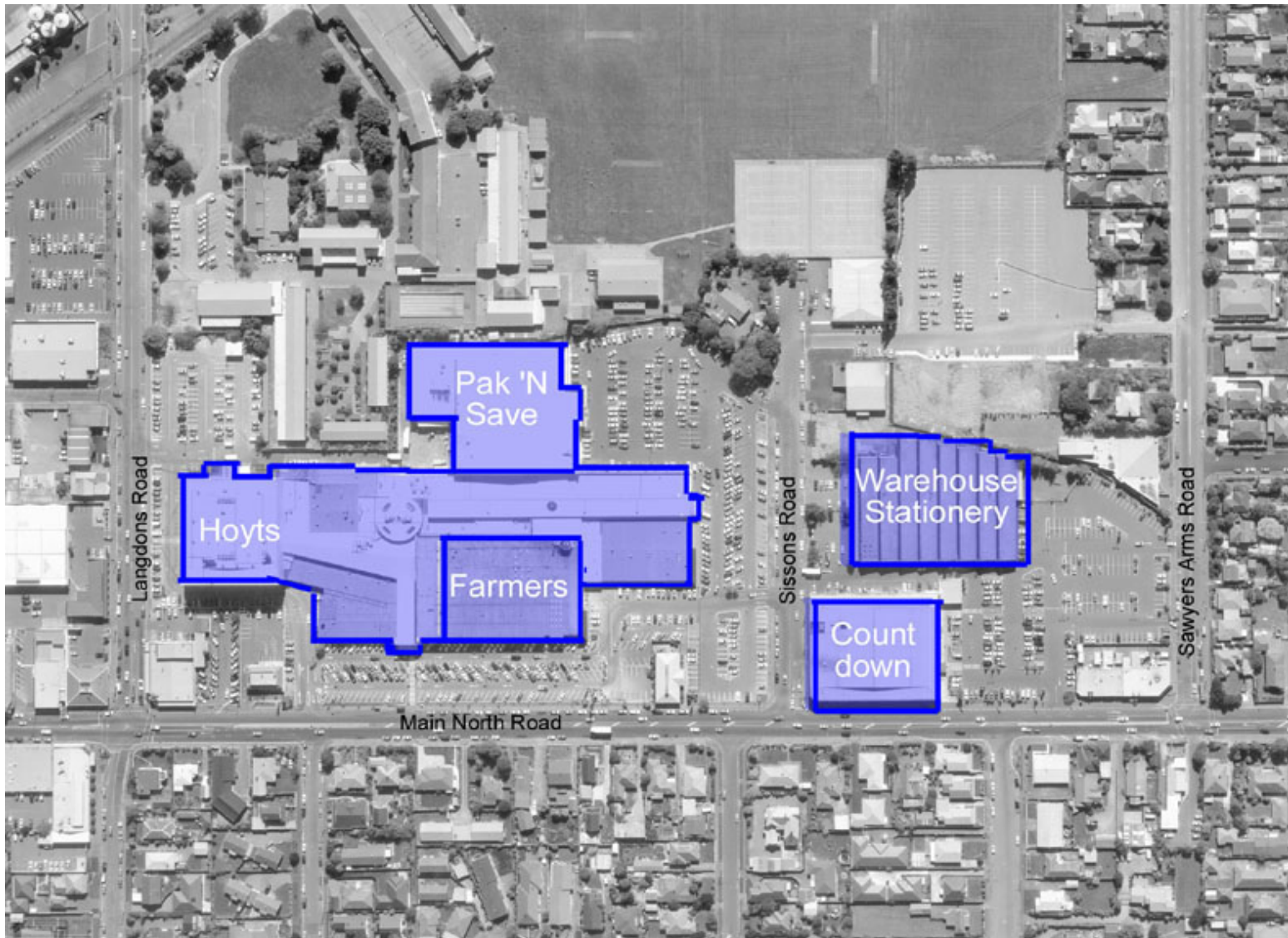
North City Value and NOI



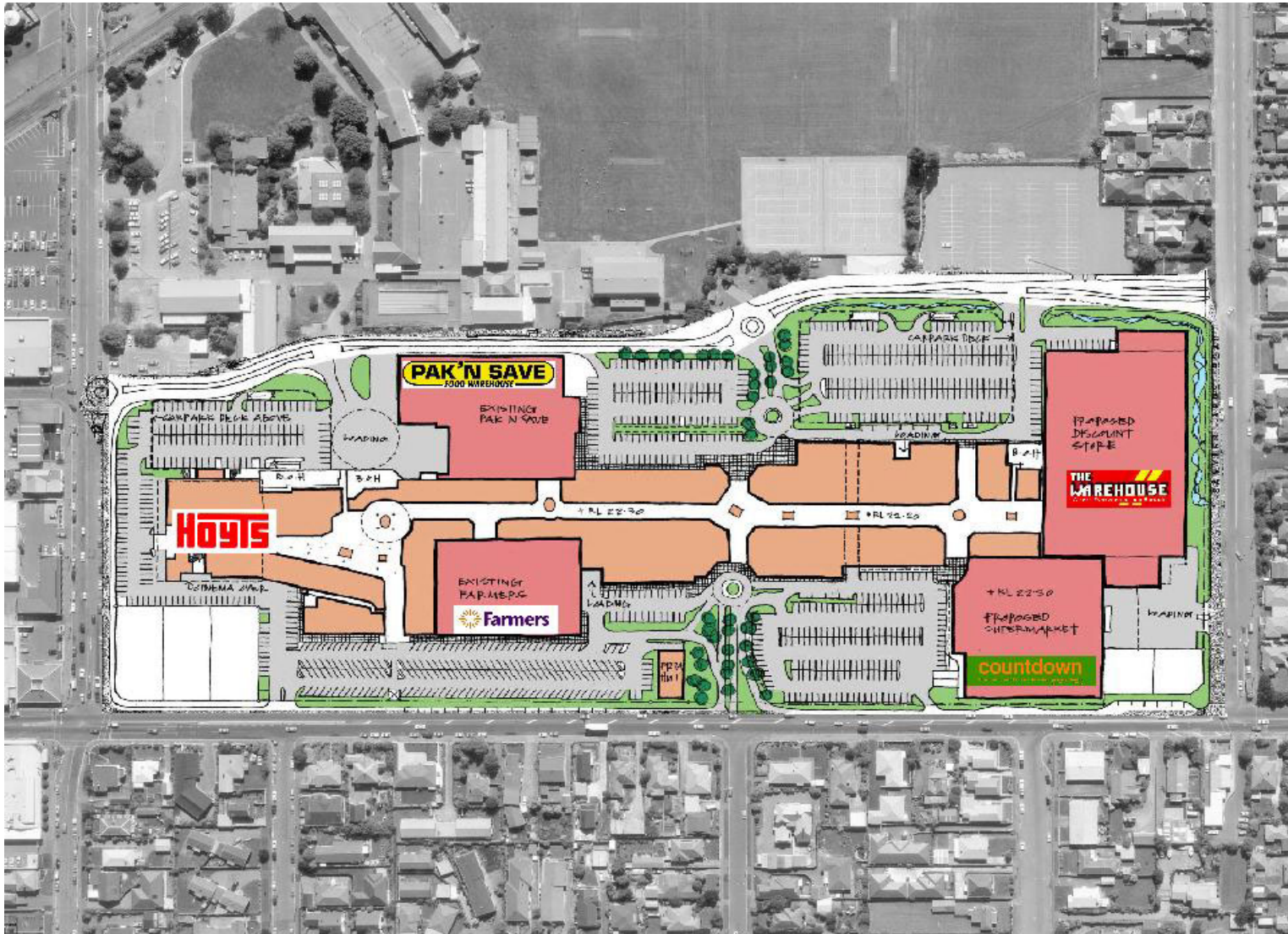
Northlands - Before



Northlands - Before



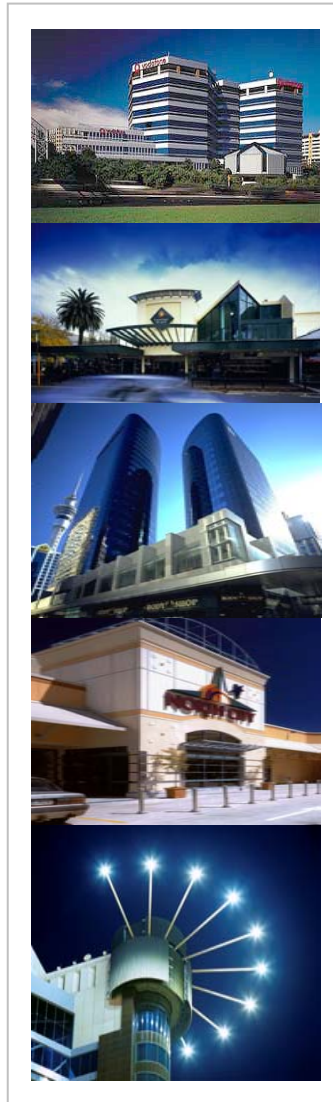
Northlands - After



Northlands - After

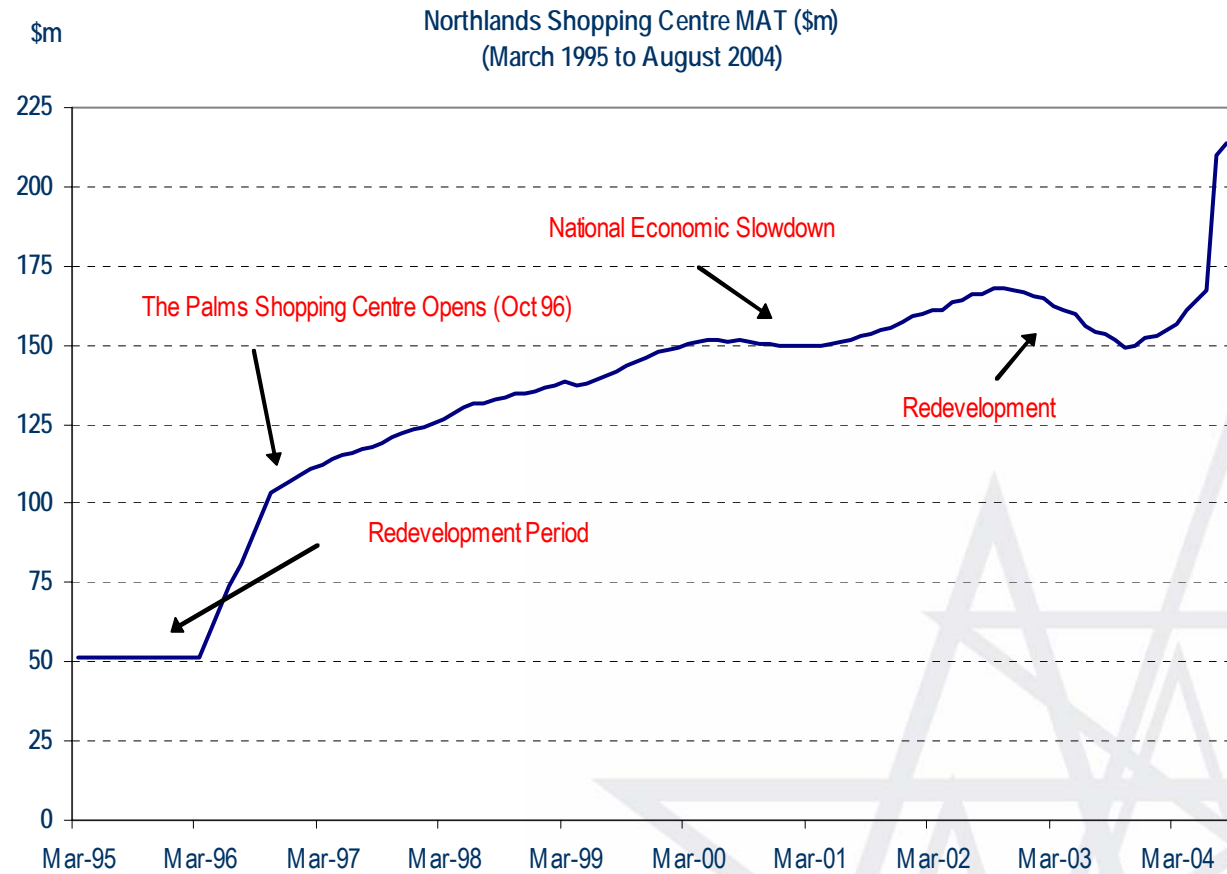


Northlands Redevelopment

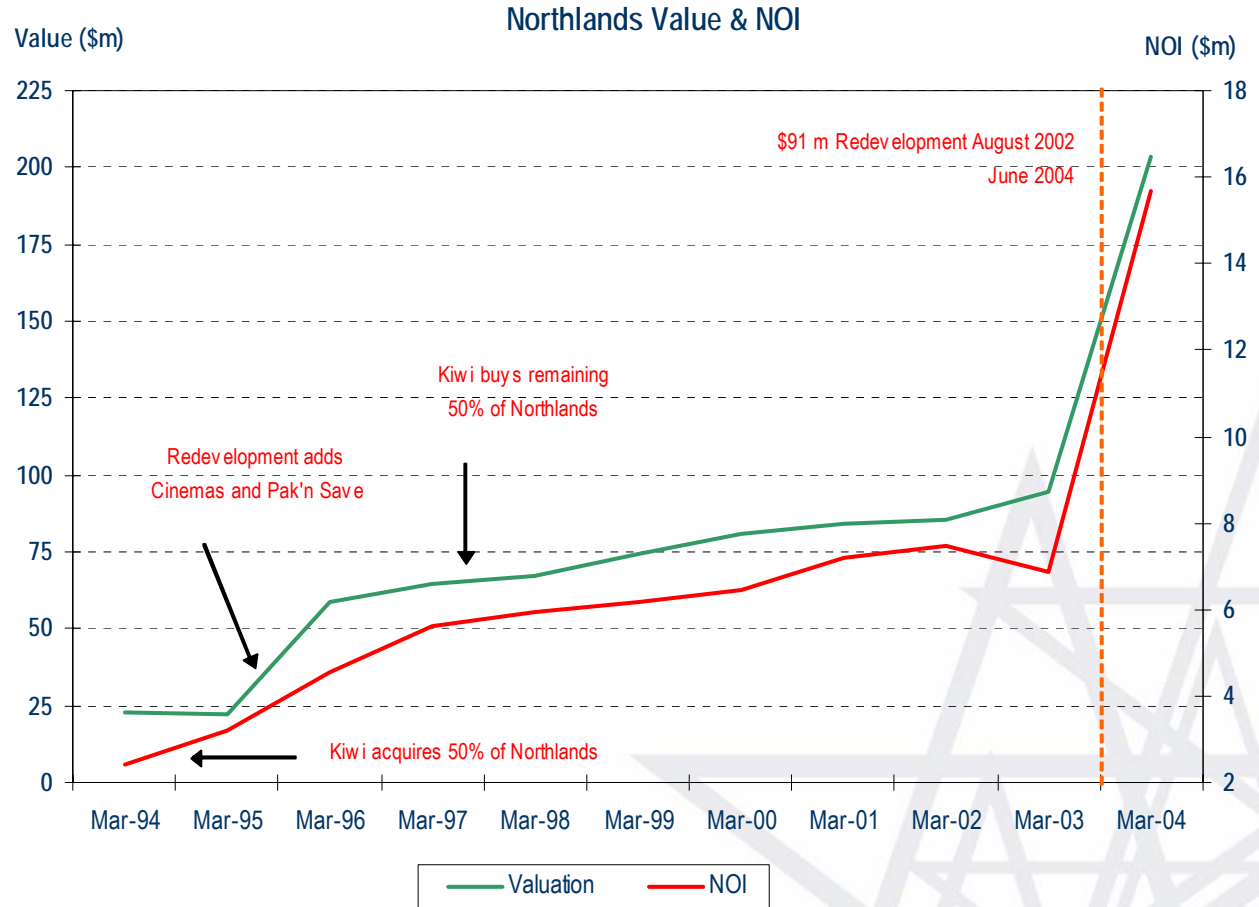
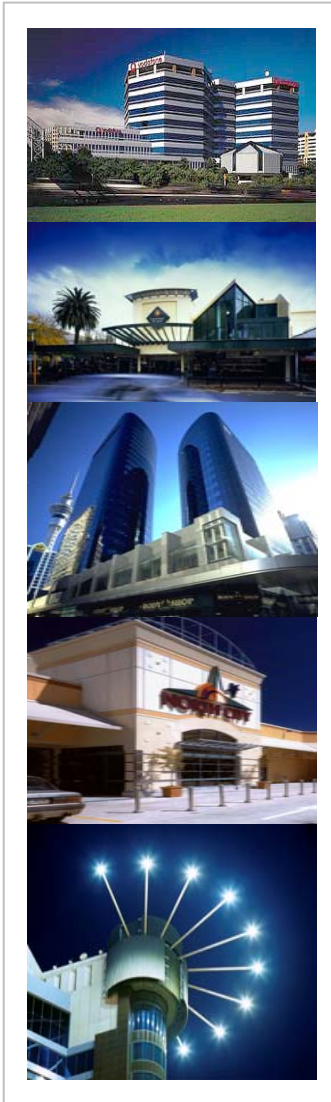


	Investment Statement	Actual
	24 June 2002	31 March 2004
Total Development Cost	\$90.9m	\$90.9m
Incremental Income	\$7.9m	\$8.3m
Yield on Development Cost	8.7%	9.1%
Valuation	\$189.0m	\$203.3m
Development Margin	\$3.6m	\$16.8m
Specialty Stores	125	135
Net Lettable Area	40,700m ²	40,994m ²

Northlands Redevelopment



Northlands Redevelopment



The Plaza

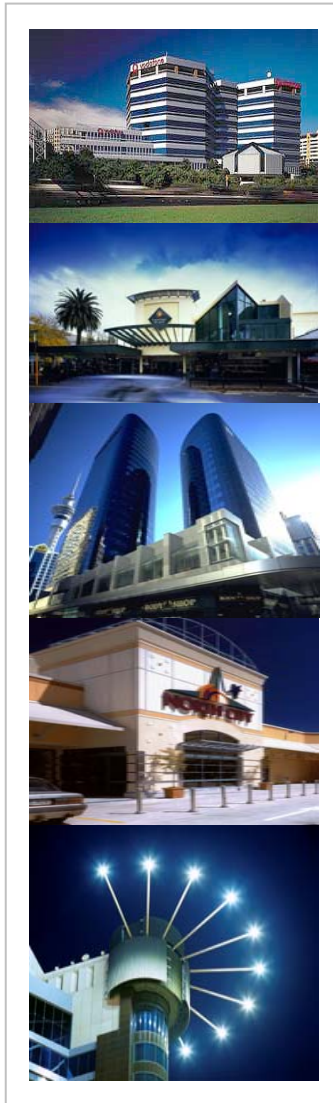


- Evaluating redevelopment opportunities
- Currently 14,500m²
- May expand to approximately 25,000m²
- Strong progress with local council
- \$60 - \$70m development cost
- Development period 2006 - 2008



North City

- \$9.9m remix
- 500 seat food court opened March 2004
- Completed September 2004
- 57 new leases
- Feasibility 10%, current forecasts 15%



Sylvia Park



- Location, access, profile
- New generation town centre
 - ▶ Maximum gross floor area 148,000m²
- Mixed use opportunity



AERIAL PHOTO

Sylvia Park



Progress

- Rezoning complete
- Resource consent granted 28 September 2004 for retail and entertainment stage (55,000m²)
- Key major tenants signed
- Propose to commence construction 2005
- Demolition of sheds and site preparation works commenced on Monday

Funding

- Retail and entertainment stage - \$300m
- Various funding options under consideration
- At 50% share, capital raising unlikely

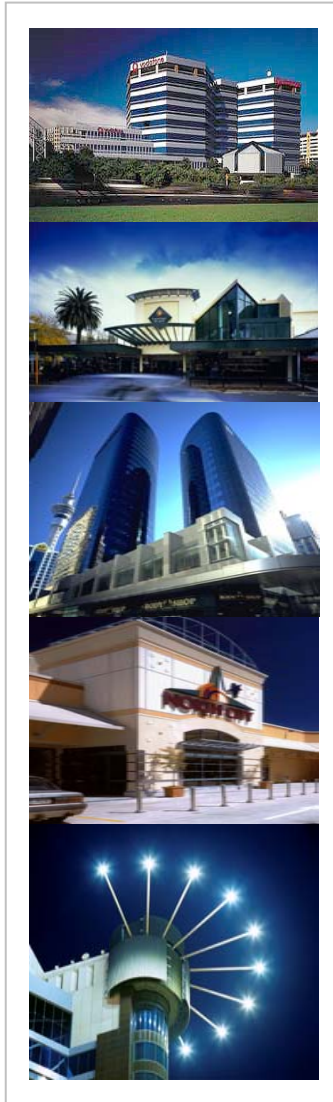
Master Plan



ILLUSTRATED PLAN



Investment and Valuation



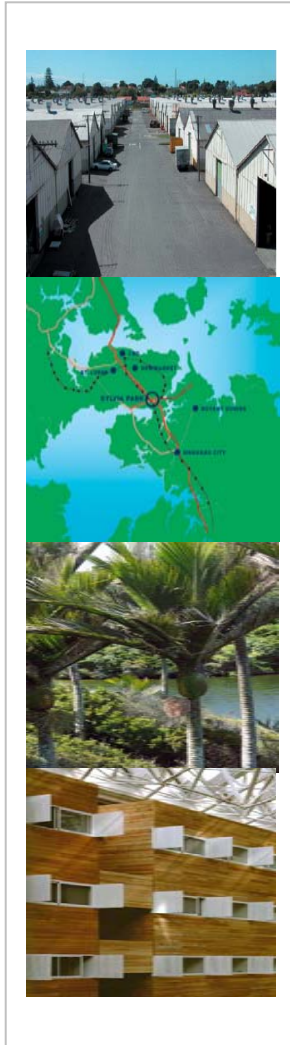
- Investment Activity
 - ▶ Limited supply
 - ▶ Pressure on yields
 - ▶ Australian investors

- Property specific dynamics
 - ▶ Weighted average lease term
 - ▶ Tenant quality

- Interest rate movements
 - ▶ Minor influence on larger investors
 - ▶ Will impact smaller investors

Summary

- Northlands
- Sylvia Park
- Other added value opportunities
- Positioned for growth
- Balancing income and opportunity



Thank you

