

25th May 2023

Garling Nominees Pty Ltd
Unit 3, 5 Hines Road
O'CONNOR WA 6163

Attn. Mr. Scott Healy

Dear Mr. Healy

RE Unit 8 / 97 Garling Street, O'CONNOR WA 6163

Further to our recent conversation we have pleasure in submitting our opinion on the market value of the above mentioned property.

LOCATION

Unit 8 / 97 Garling Street is located within the established commercial and Industrial suburb of O'Connor, on the eastern side of Stock Road, in between Leach Highway and South Street. In this location the premises benefits immensely from being within close proximity to major arterial roads servicing the southern metropolitan area.

IMPROVEMENTS

Unit 8 / 97 Garling Street – Total Strata Area: 151 sqm

Office and warehouse (strata unit):

ACCOMMODATION	AREA (SQM)
Unit 1	
Office/Warehouse	151
Mezzanine	0
TOTAL	151

The Unit is within a complex of 12 and benefits from being within a well maintained, presentable Strata Plan. The complex has ample bitumen common property at the front as well as ample parking.

It is built of concrete floors and footings, with tilt-panel elevations and an iron roof. Further improvements include high bay lighting, front roller door permitting access and a high truss. The unit has a substantial mezzanine included which we have not taken into consideration as we cannot confirm if it has been council approved. We are of the opinion that if presented to market to sell the mezzanine may not appeal to all Buyers, affecting overall value.

REALISATION

Estimated Fair Market Value – Direct Comparison Approach

DIRECT COMPARISON APPROACH

ACCOMODATION	AREA (GLA)	DIRECT COMPARISON	VALUE
Unit 1			
Office/Warehouse	151 sqm @ 151	\$2,600 sqm	<u>\$392,600</u> \$393,000
Office/Warehouse	151 sqm @ 151	\$2,750 sqm	<u>\$415,250</u> \$415,000
MARKET VALUE (ADOPT)			\$395,000
Rate per sqm			\$2,616

Therefore based on the above terms and conditions a fair market value for the property would be between **\$395,000 & \$415,000** exclusive of GST. As mentioned the mezzanines may affect this overall value.

Estimated Fair Market Value – Capitalisation Approach

Valuation Calculations

TENANT	MARKET RENT (NET)	MARKET RENT (NET)
	\$22,650	\$22,650
Estimate of Market Rent	\$22,650	\$22,650
Capitalised @	5.50%	5.00%
Market Value	\$411,818	\$453,000
MARKET VALUE (ADOPT)	\$410,000	\$453,000
Rate per sqm	\$2,715.23	\$3,000.00

Therefore based on the above terms and conditions a fair market value for the property would be between **\$410,000 & \$453,000** exclusive of GST. As mentioned the mezzanines may affect this overall value. This assumes a market rental as stated above and a 5-year lease in place to a proven tenant.

RECOMMENDATIONS

If presented to market we recommend a complete tidy-up and clean of the premises (external & internal) before being presented to market. Presentation is a big contributing factor to the successful sale and it should not be overlooked.

As per the terms and conditions above, if the premises can be sold with a lease in place we recommend selling the premises as a Going Concern as this will maximise the realisation to the seller.

MARKETING COSTS

We recommend the below channels to market the premises appropriately. Although a cheaper campaign can be undertaken, we are of the opinion that the below will present the premises in the best possible manner, ensuring maximum enquiry and ultimately a successful sale.

<u>MARKETING</u>	<u>COST</u>
Realcomm	\$1,320
Titles & Strata Plan	\$75
Commercial RE	\$360
Signboard	\$520
Photography	\$176
Total	\$2,451

We are happy to discuss this in further detail.

FEES AND AGENCY PERIOD

MLV seek an exclusive agency period of 90 days to ensure your property is accurately marketed and sold. We are confident we will see a sale within our agency period. MLV Real Estate seek a discounted fee of 2.35% + GST. For example if the sale price is \$400,000 + GST the sale fee would be \$9,400 + GST.

For the purpose of this appraisal we have based our evidence on the availability of comparable premises, values that can be achieved in the area and the availability of properties within the O'Connor Industrial Area.

If you have any queries or would like to discuss this matter further please do not hesitate to contact the undersigned.

Regards,
MLV REAL ESTATE



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SALES AND LEASING AGENT
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