

21/11/2019

**PRIVATE AND CONFIDENTIAL**

TL & I Bock as Trustee  
C/- Trevor & Inge Bock  
PO Box 7153  
REDLAND BAY QLD 4165

Dear Inge & Trevor,

Re: Annual Indicative Value Review for TL & I Bock Superannuation Fund land holding and improvements of the premises situated at 92-96 Gordon Road, Redland Bay, Qld, 4165, being Lot 1 SP173237. Following a request from Mr Trevor Bock has provided access to the subject premise for the purpose of undertaking a physical inspection of the aforementioned premises as required. It is noted that the Land occupied by the Premises is occupied by a going concern 75 place long day care child care centre known as "Redland Bay Early Education Centre" (the "Business"), the owner and operated by Genoa Trading Trust as the Lessee of the Land as at the day of this report.

It is noted the construction of the improvements on the Land were completed to turn-key stage in early 2005. The approval to operate a child care centre from the Land was granted on the 28<sup>th</sup> February 2005, and the Childcare Business commenced trading and operating from the Land allowing for the commencement of trade on the 5<sup>th</sup> May 2005. There exists, a form of lease on the Land from TL & I Bock Superannuation Fund (as Lessor) to Genoa Trading Trust trading as Lessee, the terms of Lease have not been provided to the writer.

Under the terms of the Lease the Advisor had been advised by TL & I Bock the current internal rent between related parties payable for the rent year 2018 is \$172,699.92 or \$2,302.67 per child place. It is the advisor's writer's opinion herein, the current prevailing rent is above the fair commercial rent rate of the subject property.

Following a physical review of the improvements on the land I found the improvement to be a high quality we maintained purpose designed and built long day care childcare facility and the premises are generally located in a very suitable demographic. I am informed the childcare centre on the land as a business is trading strongly with consistently high occupancy rates.

***The Advisor concludes the following:-***

*(It is the writer's opinion the current fair commercial rent as at the date of this report is that if the subject property was placed on the open market at the date of this report. Based on the Advisor's research and knowledge, the Advisor has assessed the current commercial fair market rent at 21<sup>st</sup> November 2019, to be within the range of say \$159,650.00 per annum (or \$2,382.67 per child place) (pre GST) and say \$172,670.00 per annum (or \$2,302.27 per child place) (pre GST), adopting the average annual rate of say \$172,700.00 per annum (or \$2,2302.00 per child place) (pre GST). Adopting this annual rate of \$172,699.92 per annum (or \$2,302.67 per child place) (pre GST), and applying a likely capitalisation range (yield outcome) of between 6.00% to 6.26%. **Adopting the average of say 6.15%, the ROI yield provides an indicative Going Concern Price outcome from the sale of the subject Premises only in the current market at say \$2,808,130 or thereabouts.***

In forming this opinion the Advisor has relied upon recent childcare sales data and from third party expert opinion from another specialist childcare broker and from the Advisors' experience as a commercial real estate agent and more specifically in the area of childcare property and business sales.

Yours sincerely,



Advisor to Scancorp & Scan Business Brokers