

03 January 2023

RE Allen & Shannvale Pty Ltd

Dear Roisin,

RE: Property Appraisal Lot 1 on BUP104033, 1/48 Macrossan St, Port Douglas QLD 4877

I refer to your recent request regarding a market appraisal for Lot 1 on BUP104033 at 1/48 Macrossan Street, Port Douglas.

The premises is 85m² and was purchased on 4th of February 2009 for \$860,000.00. There have been two (2) comparable sales within the last two (2) years.

- 1/34 Macrossan St – retail shop on 116m². Sold \$690,000 16 April 2021
Current annual rent = \$55,123 therefore 8% net yield
- 3/34 Macrossan St – retail shop on 92m². Sold \$625,000 1 July 2022
Current annual rent = \$52,000 therefore 8.3% net yield

The rent achieved at the above properties have a net yield in the range of 8 - 8.3%. Applying the same net yield range to your property at the current rent of \$48,362.76 + GST and outgoings.

- @ 8.0% net yield = \$604,534.50
- @ 8.3% net yield = \$582,683.85

Based on the above sales and net yields, it would suggest a price in the range of \$582,683.85 - \$604,534.50.

However, given your premium corner position and strong tenant you could expect to get a slightly higher net yield and if you were to apply 7% then, **the suggested value of the property would rise to \$690,896.57**. This figure should be used as a current value on the property.

To increase this market appraisal to the purchase price, then the rent would need to be lifted accordingly over time to \$60,200.00 net - being a 7% yield. With Covid reductions in rent this has not been possible over the past three years. I would suggest with the next market review we look at the level of the CPI and work on a plan to increase the rent accordingly.

This is my view as a Licensed Real Estate Agent and is based on what is achievable today in the current market.

Please do not hesitate to contact me directly with any questions you may have regarding the above information.

Thank you and best regards



Callum

Callum Jones

Licensed Real Estate Agent: 3585760

Managing Director and Licensee

The Pink Company Pty Ltd t/a Real Estate Port Douglas

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