



245 Bourbong Street  
BUNDABERG QLD 4670

Tel: (07) 4153 3773

Email: [admin@galaxyrealestate.com.au](mailto:admin@galaxyrealestate.com.au)

[www.galaxyrealestate.com.au](http://www.galaxyrealestate.com.au)

## **Appraisal of Market Value** **247 Bourbong St,** **BUNDABERG WEST QLD 4670**

---



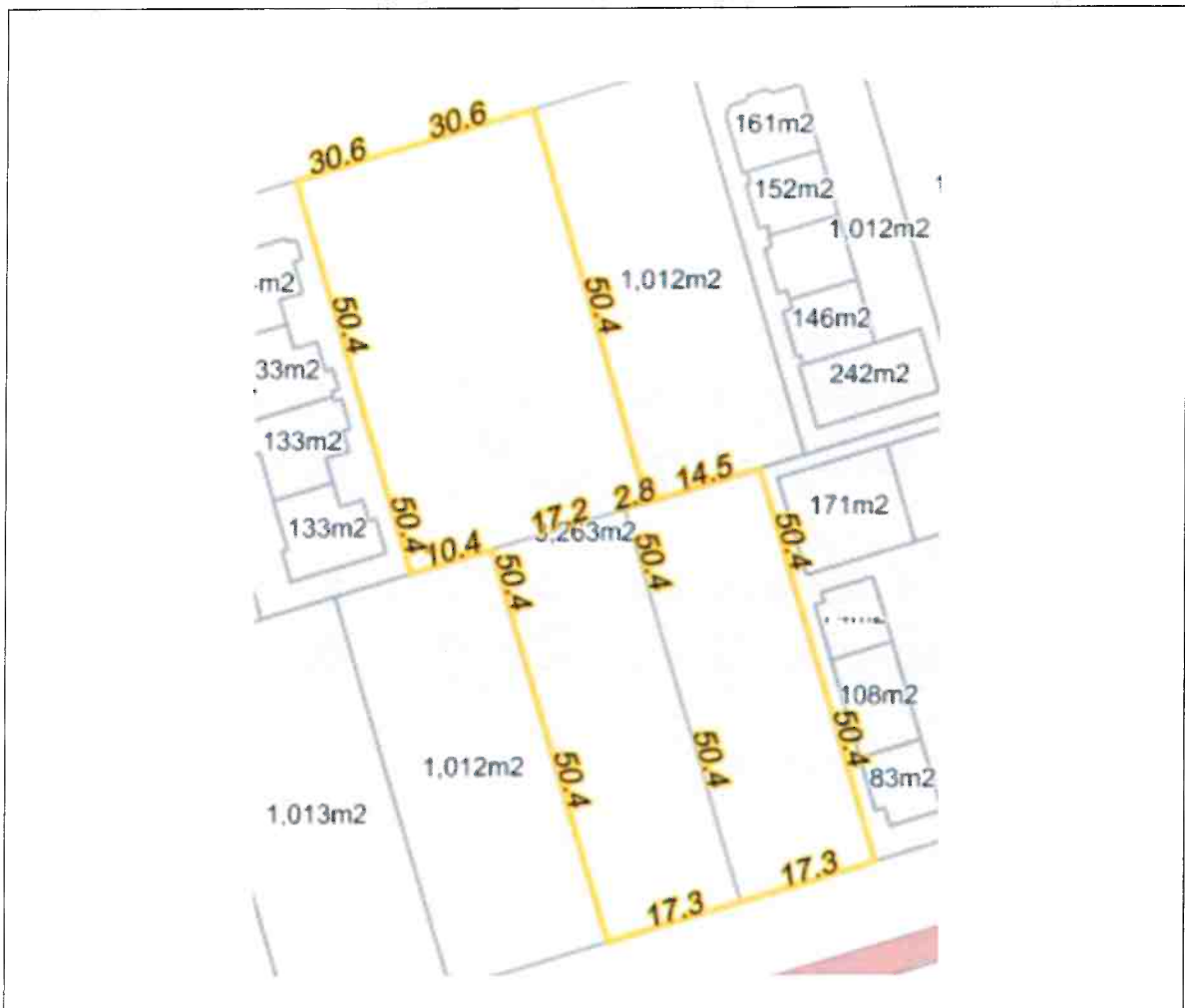
## Valuation of 247 Bourbong St, BUNDABERG WEST QLD 4670

**Date:** 30<sup>th</sup> June 2020

**Owner:** G & D Rigo Pty Ltd as Trustee for G & D Rigo Superannuation Fund  
127A Woongarra Street  
BUNDABERG QLD 4670

**Area:**





**Site Valuation:**

Address	Property	Valuation: 30/06/17	Valuation: 30/06/20
247 Bourbong St, BUNDABERG WEST QLD 4670	L1-2, RP86714	\$285,000	\$880,000
76 Quay St, BUNDABERG WEST QLD 4670	L4, RP65886	\$570,000	

**Local Authority:** Bundaberg Regional Council

**Services:** Sewage, Water & Power

**Land Use:** Motel

**Local Zoning:** Commercial (1810)

**General Zoning:** Urban

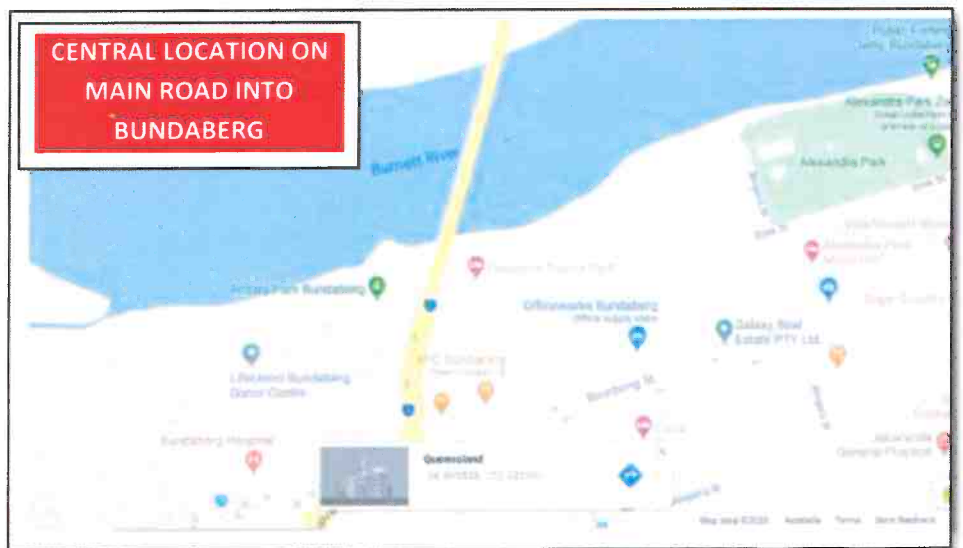
**Fee Code:** Freehold Business

**Description:**

**Location:**

The Econo Lodge Park Lane Motel is a five minute walk to Central Bundaberg and is only a short walk to the Bundaberg Train Station. There is dual access to the complex and an inground pool on the premises. The motel also features a licenced restaurant onsite. Directly across the road on Quay Street is a children’s park and small zoo.

The Econo Lodge has 28 Units, each with air conditioning and NBN. Each room also has a King/Queen sized bed, Tea and Coffee making facilities, Direct Dial Phones, ceiling fans, refrigerators, remote control television with free Foxtel featuring Foxtel Sports and Movie Channels. The family units have 2 bedrooms with cooking facilities and all necessary equipment.



### Calculation of Market Value:

\$13,814.30 monthly rental return net of GST – tenant pays outgoings.

A yield of 8% was chosen as an historical Rate of Return on sales in Bundaberg.

#### Market Value:

NORMAL	
Market Value =	$\frac{\text{Net Return Per Annum}}{\text{Yield}}$
	$= \frac{13,814.30 \times 12}{0.08}$
	$= 2,072,145$
Therefore, market value is approximately \$2,100,000. **	

COVID-19 AFFECTED 2019-2020	
Market Value =	$\frac{\text{Net Return Per Annum}}{\text{Yield}}$
	$= \frac{13,814.30 \times 9}{0.08}$
	$= 1,554,075$
Therefore, market value is approximately \$1,555,000. **	
<b>Based on: loss of income for 3 months</b>	

As client lease income is increasing closer to normal rates and the property market in Bundaberg has increased in the last 12 months, DGZ used the normal valuation figure.

#### \*\* Covid-19 Pandemic

The Covid-19 Pandemic has had a major impact on the Tourism industry and consequently the income of Tourism Accommodation facilities has been severely impacted with Covid Lockdowns. This has impacted the ability of commercial businesses to pay their rent.

This ECONOLODGE has been severely impacted and has re-negotiated the rent payable during this time. An agreement proposed and accepted in April 2020 was to use a structure of 15% of gross room and restaurant revenue to be paid monthly until the business returns to past levels.

To appraise a valuation on current rental returns would devalue the property ridiculously. Just based on the loss of 3 months income due to Covid using the same valuation method reduces the value by 25%. In reality this is probably not a true measure.

It is impossible to predict the long term effect of Covid and how long it will take to return to “normal” – this will depend on “the Borders” opening up and staying open and spikes of Covid in the community.

Future value of this premises could also be affected IF there are a number of similar businesses that close down and go on the market by creditors to recover debt – this action could force the price down – same as a valuation against rental income for the Year 2020 or as long as the business is affected by Covid.

### **Bundaberg Market**

The market from the beginning of 2020 for real estate almost became non-existent with the fear of the unknown & what properties did transact were often at a discount – people stopped listing and buying in the residential sector. Commercial froze waiting to see what would happen with the Covid.

In late May & June 2020 the market started to transact again with positive prices and this real estate agency found volumes of people at Open Homes – forcing multiple offers and good prices upward. To me the writer, the Bundaberg market is somewhat isolated from the cities and the south – people want to escape to the sunny regional area and Bundaberg is a popular choice. Locals who have previously been renting are now seeking to purchase – wanting security as they move forward.





Regards,

Cheryle Rayson  
Licenced Real Estate Agent & Auctioneer & Licencee  
Galaxy Real Estate