

Valuation Report

**2 Myer Court
BEVERLEY SA 5009**

September 2020

Under instruction from:

Brazzale Group



Reference: 467951

Knight Frank Valuation & Advisory South Australia
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2 MYER COURT, BEVERLEY SA 5009	
Instructing Party	Andrew Brazzale, Brazzale Group 216 Grange Road, Flinders Park SA 5025
Interest Valued	Unencumbered freehold interest subject to the existing leases
Relying Party and Purpose of Valuation	Brazzale Group for Superannuation Fund Reporting Purposes
Land Area	1,283m ²
Zoning	Urban Employment Zone
Description	<p>The subject property comprises a recently constructed office/warehouse, divided into two (2) separate Community Titled tenancies.</p> <p>Tenancy 1 fronts Myer Court and comprises a two-storey office with adjoining warehouse. This tenancy is subject to a five (5) year lease commencing in December 2018. Tenancy 2 is accessed from a separate driveway from McLean Street, comprising warehouse accommodation with internal bathroom amenities. The subject property is located approximately 7 kilometres north-west of the Adelaide GPO.</p>
GBA	564m ² approximately
Valuation Methodology	Capitalisation of Net Income & Direct Comparison approaches
Inspection Status	We have followed the API "Guidelines for API Prepared Time of Crisis And/Or State of Emergency Impacting Physical Inspections of Real Property" concluded that a full physical inspection of the Property that a Valuer is customarily required to complete under professional practice standards or at law (where applicable) was possible, and has been undertaken accordingly.
Date of Inspection	18 th September 2020
Valuation Date	18 th September 2020
Income Particulars	At Market Rent
Gross Income (p.a.)	\$98,349
Adopted Outgoings (p.a.)	\$22,339
Estimated Net Income (p.a.)	\$76,010
Adopted Capitalisation Rate	5.50%



Executive Summary (Cont'd)



Adopted Value	\$1,450,000 (exclusive of GST)
Rate/m² of GBA	\$425/m ²
Rate/m² of Site Area Improved	\$166/m ²
IVSC Disclosure: Significant Valuation Uncertainty	<p>The IVS / API state that where there is Market Uncertainty “<i>The impact on sale prices and volumes will not be known until the market has stabilised and a new normal is in place</i>”.</p> <p>Where there is Significant Valuation Uncertainty in respect of the subject property, we make the following Significant Valuation Uncertainty Disclosure – per the IVS Valuation Report Disclosure Requirement:</p> <ul style="list-style-type: none"> • The market that the property/asset is transacted and/or valued in is being impacted by the uncertainty that the COVID-19 outbreak has caused. Market conditions are changing daily at present. As at the date of valuation, we consider that there is a Market Uncertainty resulting in Significant Valuation Uncertainty. • This valuation is current at the date of valuation only. The value assessed herein may change significantly and unexpectedly over a relatively short period of time (including as a result of factors that the Valuer could not reasonably have been aware of as at the date of valuation). We do not accept responsibility or liability for any losses arising from such subsequent changes in value. • Given the valuation uncertainty noted, we recommend that the user(s) of this report review this valuation periodically. <p><i>The definitions herein provide clarity on the meaning of Market Uncertainty and Valuation Uncertainty.</i></p> <p><i>Our statement as to Significant Valuation Uncertainty in respect to the subject property is outlined next.</i></p>
Valuation Uncertainty and the Subject Property	<p>In the specific case of this valuation, there is one (1) post March 2020 transaction that provides a guide to market value for the subject at the valuation date. As such there is less uncertainty than would be the case if there were no transactions (as is the case for some other valuations). However, there remains uncertainty in relation to prevailing market rents and one sale isn’t considered to be a weight of definitive market evidence. As such Significant Valuation Uncertainty exists, but in this instance is less pronounced compared to situations where there is no comparable post COVID-19 market evidence.</p>

Valuer’s Details

TOM WALKER
 BBus (Property) AAPI 64426
Associate, Certified Practising Valuer
 Property Inspected: Yes

LYLE MONTGOMERIE
 BBus (Property) AAPI 50385
Associate, Certified Practising Valuer
 Property Inspected: No
 Counter-sign only for peer review

<p>Market Value Definition</p>	<p>Market Value as defined by the International Valuation Standards Committee (IVSC) and endorsed by the Australian Property Institute (API) and embodied within the current Corporations Law, is as follows:</p> <p><i>“The estimated amount for which an asset or liability should exchange on the date of valuation between a willing buyer and a willing seller in an arm’s length transaction, after proper marketing and where the parties had each acted knowledgeably, prudently, and without compulsion.”</i></p>
<p>Valuation Uncertainty (per API guideline)</p>	<p>The possibility that the Valuer’s professional opinion as to the Market Value of the asset may differ from the price that could be achieved in a transfer of the asset as at the valuation date, assuming all other market conditions and variables remain constant.</p> <p>There are three broad categories of Valuation Uncertainty: Market Uncertainty, Model Uncertainty and Input Uncertainty.</p>
<p>Market Uncertainty (per API guideline)</p>	<p>Market Uncertainty comes about when a market, as at the valuation date, is disrupted by current or very recent events such as sudden economic or political crises.</p> <p>The event(s) that cause market uncertainty may be macroeconomic, for example, the current COVID-19 outbreak, or microeconomic such as a change to a law or regulation which resets or disrupts a market sector.</p> <p>In the real estate market, both macro or microeconomic event(s) may result in valuation uncertainty as the only evidence available to be considered by the Valuer is most likely to have taken place before the event occurred and the impact of which was not reflected in market evidence. The impact on sale prices and volumes will not be known until the market has stabilised and a new normal is in place.</p> <p><i>Note: The extent of Market Uncertainty differs across asset classes, as transactional evidence comes to light. However, conditions potentially remain volatile.</i></p>
<p>Model Uncertainty (per API guideline)</p>	<p>Model Uncertainty arises from the actual valuation model (or methodology) utilised by the Valuer. There may be situations where different valuation models (methodologies) are used to provide an indication of value, and that the different models produce a different outcome. This can result in model uncertainty as the selection of the most appropriate model may of itself be as source of uncertainty.</p> <p><i>Note: We do not consider there to be Model Uncertainty in the current environment.</i></p>
<p>Input Uncertainty (per API guideline)</p>	<p>Input uncertainty arises where there are a number of equally reasonable or feasible inputs or assumptions, that the Valuer can utilise, and their impact on the outcome of the valuation can be measured by applying reasonably alternative inputs.</p> <p>For example, if the inputs are based on historical data, then the assumptions and methods made to adjust the data to current market conditions applicable at the validation date can be a source of uncertainty.</p> <p><i>Note: Where there is Input Uncertainty arising from a paucity or absence of empirical data, arising from the current market conditions, this is outlined in the valuation assumptions and rationale herein.</i></p>

Executive Summary (Cont'd)



Important Notice: The valuation has been made in conformity with the Code of Professional Ethics and Conduct laid down by the Australian Property Institute's Standing Instructions.

The valuation is also conditional on the important notices, disclaimers and qualifications contained in the body of this report.

This Executive Summary forms a part of and should not be used or read independently from the complete report. Particular attention is drawn to the Qualifications, Important Notices and Disclaimers included in this report

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The forward effect of COVID-19 is a risk on all property markets. A variety of property risk issues have arisen including potential structural or societal changes, new waves of infection and expectations on the timing for a vaccine. Any valuation assessment in this market is subject to a heightened level of forward market volatility/market risk compared to the pre Covid-19 era.

A general softening across the property sector can be triggered by a sustained increase in the cost of capital (including interest rates) unless that rising cost is accompanied by inflation driven by economic growth. At present, this risk is not apparent, with central banks in a phase of maintaining low, or lowering, official interest rates to support economies.

1 Land Particulars

Current Registered Proprietor				
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BEVERLEY PROPERTY NOMINEES PTY. LTD. (ACN: 629 274 344)

Volume	Folio	Allotment/Piece/Section	Plan Ref.	Hundred
6219	217	LOT 1	PRIMARY COMMUNITY PLAN 41572	YATALA
6219	218	LOT 2	PRIMARY COMMUNITY PLAN 41572	YATALA

CT 6219/217

EASEMENTS AND ENCUMBRANCES

- NIL

SCHEDULE OF DEALINGS

- 13036126 MORTGAGE TO COMMONWEALTH BANK OF AUSTRALIA (ACN: 123 123 124)
- 13116653 LEASE TO ASSA ABLOY AUSTRALIA PTY. LTD. (ACN: 086 451 907) COMMENCING ON 30/01/2019 AND EXPIRING ON 30/11/2023

NOTATIONS

NOTATIONS ON PLAN

LODGEMENT DATE	DEALING NUMBER	DESCRIPTION	STATUS
14/01/2019	13050451	SCHEME DESCRIPTION	FILED
14/01/2019	13050452	BY-LAWS	FILED

CT 6219/218

EASEMENTS AND ENCUMBRANCES

- NIL

SCHEDULE OF DEALINGS

- 13036126 MORTGAGE TO COMMONWEALTH BANK OF AUSTRALIA (ACN: 123 123 124)

NOTATIONS

NOTATIONS ON PLAN

LODGEMENT DATE	DEALING NUMBER	DESCRIPTION	STATUS
14/01/2019	13050451	SCHEME DESCRIPTION	FILED
14/01/2019	13050452	BY-LAWS	FILED

Current Registered Proprietor				
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COMMUNITY CORPORATION NO. 41572 INC.

Volume	Folio	Allotment/Piece/Section	Plan Ref.	Hundred
6219	219		COMMON PROPERTY PRIMARY COMMUNITY PLAN 41572	YATALA

EASEMENTS AND ENCUMBRANCES

- NIL

NOTATIONS

NOTATIONS ON PLAN

LODGEMENT DATE	DEALING NUMBER	DESCRIPTION	STATUS
14/01/2019	13050451	SCHEME DESCRIPTION	FILED
14/01/2019	13050452	BY-LAWS	FILED

Important Notices

Although our Title searches (attached) do not show any unregistered dealings, it is noted that not all encumbrances may be recorded on the title documents provided to us. Our valuation is made on the basis that the property is free from mortgages, charges and other financial liens and is conditional on there being no encumbrances or interests other than those reported on our title search which materially affect the value, marketability and continued utility of the property. Should any encumbrances, encroachments, restrictions, leases or covenants which are not noted in this report be discovered which are material, our valuation would change, as would our recommendation as to its suitability for mortgage security purposes (if made).

From our inspection and a comparison with the Title Plan, the improvements appear to be constructed within the title boundaries, however, we are not qualified surveyors, and have not been provided with a site survey and, therefore, we cannot state conclusively that all buildings are within the title boundaries. Our valuation is conditional on there being no encroachments by the subject's improvements, or onto the subject land by adjoining properties. In the event there is an encroachment which proves material, our valuation would change as would our recommendation as to its suitability for mortgage purposes (if made).

Site Access/Description

The subject property comprises two adjoining Community Titled lots, the combined holding forms a near regular shaped corner allotment. The property benefits from dual street frontages to both Myer Court and McLean Street. Vehicular access to the property is available via both McLean Street and Myer Court. Lot 1 has an individual site area of 766m², Lot 2 has an individual site area of 517m².

Site Area

1,288m² approximately

Lot Entitlements

Lot 1 – 700

Lot 2 - 300

Total – 1,000

Municipality and Planning Scheme	Corporation of the City of Charles Sturt Council
Zoning	Urban Employment Zone

Zoning Comments

The existing use of the property as an office/warehouse for administration and storage purposes is considered to be a complying use

Important Notices:

No approval certificates have been sighted and our valuation assumes all necessary final certificates have been obtained and that there are no unapproved structures.

The above information was obtained from public records of the Council's Planning Department and should verification be required, an application to Council may be required. Should further investigation not confirm the abovementioned zoning and development guidelines, the matter should be referred immediately to the valuer for consideration and review of the valuation, if appropriate.

Heritage Controls

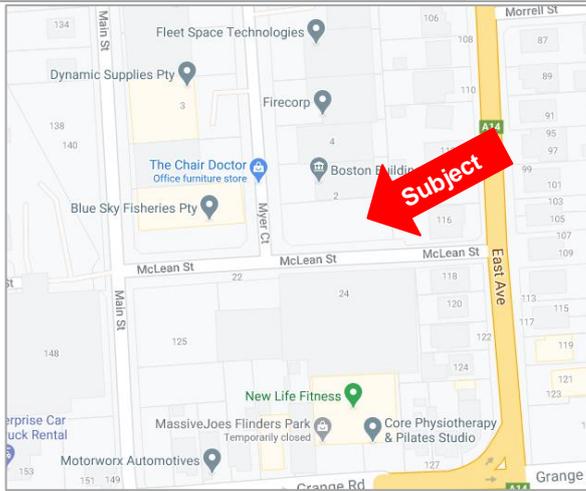
The improvements are not identified as being of heritage significance

Flooding Status

Our valuation is conditional on the property not being flood affected as currently improved.

Important Note: *Should the flooding status of the property need to be confirmed, we would recommend the services of a qualified professional be engaged to confirm the potential inundation levels at the property.*

Location	
Distance From CBD	The subject property is located approximately 7 kilometres north-west of the Adelaide GPO.
Surrounding Development	Surrounding development is predominantly light industrial in nature, of varying age and quality. All of the development along Myer Court comprises modern built office/warehouse development.
Proximity to services	Local schools, shops, amenities and public transport are all available within a convenient distance.



Google Maps - ©2020 Google

Services	
All of the usual services of gas, electricity, water, sewerage, NBN and drainage are available and/or connected to the subject property.	

Environmental Considerations
Site Contamination

Historical Uses	Unknown The subject property comprises a newly constructed office/warehouse. Uses prior to this are unknown however likely to have been light industrial in nature.
Registered on the EPA List/Statement of Environmental Audit	No
Perceived Environmental Risk	We confirm that there are no perceived environmental risks or problems associated with the subject property in relation to its present use, albeit noting that the historical use of the property is not known. We further confirm that we have found no information in our enquiries to necessitate the instigation of a detailed environmental audit, subject to important notice below.

Important Notice:

No soil tests or environmental studies have been made available for our perusal and we do not have any expertise as environmental consultants nor are we qualified to provide an assessment of the contamination of land. We have undertaken the following steps to assess whether there are any obvious signs of contamination:

- *Site inspection.*
- *Review existing site use and historical site use (so far as it is identifiable from the current site owners).*
- *Review of EPA list (see above).*
- *Discussions with Owner's Representatives*

As a result of the above investigation, we have been unable to identify any obvious signs of contamination. However, we are unable to assess whether there are any latent signs of contamination or other indicators beyond the investigations referred to above. The assessed value could well decrease if material contaminants are present. This valuation is conditional on the site being free of contamination and any party relying on this valuation does so on the basis that Knight Frank Valuations accepts no liability for any loss relating to contamination.

Asbestos Materials

Hazardous Materials Audit Provided	No
Identified Asbestos at Inspection	No
Potential for unsighted Asbestos	The subject property was constructed circa 2018, being a time in which asbestos products were no longer used in the construction industry within Australia. For the purpose of our assessment, we have assumed the improvements to be free of asbestos, subject to the Important Notice below.

Important Notice

The assessed value could well decrease if asbestos which is material to the valuation is present. This valuation is conditional on the site being free of asbestos with the exception of the areas noted above and any party relying on this valuation does so on the basis that Knight Frank Valuation & Advisory South Australia accepts no liability for any loss relating to asbestos

Building Cladding	
Cladding identified at Inspection	No
Certificate of Compliance & Certification of Building Materials Provided	No
Comments	Certificate of Compliance and Certification of building materials within the development has not been sighted nor confirmed. This valuation report has been prepared under the assumption that the building materials used, as well as the application and installation of those materials, comply with all approvals, regulatory requirements and codes. Should this not be the case, we reserve the right to review our valuation.

Important Notice

In providing the above commentary, we highlight that Valuers:

- are not experts in building materials; and
- are not qualified to conclusively determine the existence of ACP or EPS cladding system (or similar) is present in a development from a visual inspection alone; and
- are not able to identify from a visual inspection whether the cladding used is compliant or non-compliant; and
- are not expected to make their own enquiries into whether ACP or EPS cladding (or similar) is compliant or non-compliant.

The assessed value could well decrease if non-compliant cladding is contained within the property and our assessment of the suitability of this property for mortgage security purposes would be adversely impacted. This valuation is conditional on the property being free of non-compliant cladding with the exception of the areas noted above and any party relying on this valuation does so on the basis that Knight Frank Valuation & Advisory South Australia accepts no liability for any loss relating to non-compliant cladding.

2 Improvements

Property Type	Recently constructed two storey office/warehouse, divided into two separate Community Titled tenancies														
Year/Condition	2018														
External Walls & Facade	Tilt-up concrete														
Frame	Steel framed warehouse														
Floors	Concrete/timber														
Roof	Steel deck														
Internal Walls	Tilt-up concrete panel														
Windows	Aluminium framed														
Ceilings	Sisalation roof insulation to warehouse, plasterboard to offices														
Floor Coverings	Concrete to warehouse, tiles to reception & amenities, carpet to first floor office														
Lighting	Suspended LED lamps to warehouse, downlight provisions to office														
Fire Services	Emergency exit lighting														
Year/Condition	2018														
Security	Security system														
Building Areas	<p>We have been provided with building plans completed by Edge Architects dated June 2017. In accordance with a summary breakdown of the building areas provided, we have adopted the following gross building areas (GBA):</p> <table border="1" data-bbox="799 1205 1278 1458"> <thead> <tr> <th>Area</th> <th>GBA</th> </tr> </thead> <tbody> <tr> <td>Office 1</td> <td>103m²</td> </tr> <tr> <td>Warehouse 1</td> <td>264m²</td> </tr> <tr> <td>Amenities (within Warehouse 1)</td> <td>16m²</td> </tr> <tr> <td>Warehouse 2</td> <td>165m²</td> </tr> <tr> <td>Amenities (Within Warehouse 2)</td> <td>16m²</td> </tr> <tr> <td>Total</td> <td>564m²</td> </tr> </tbody> </table> <p>We have adopted the PCA Method of Measurement for Industrial premises to calculate the subject property's Gross Lettable Area (GLA). The equivalent calculation is Gross Building Area (GBA) and we have referred to GBA throughout much of this report. The property has site coverage of 38% and is considered to be fully developed. <i>The above areas should be considered as an estimate only and could be subject to revision. Should a formal survey identify any significant variation the matter should be referred to the Valuer for review so that the value can be adjusted accordingly.</i></p>	Area	GBA	Office 1	103m ²	Warehouse 1	264m ²	Amenities (within Warehouse 1)	16m ²	Warehouse 2	165m ²	Amenities (Within Warehouse 2)	16m ²	Total	564m²
Area	GBA														
Office 1	103m ²														
Warehouse 1	264m ²														
Amenities (within Warehouse 1)	16m ²														
Warehouse 2	165m ²														
Amenities (Within Warehouse 2)	16m ²														
Total	564m²														
Accommodation	<ul style="list-style-type: none"> The subject property comprises a recently constructed office/warehouse, divided into separate areas to accommodate separate tenancies. Tenancy 1 fronts Myer Court and comprises a two-storey office with adjoining warehouse. The ground floor comprises a reception area, with the powder room and bathroom amenities, together with boardroom (utilised for display of products), and a kitchen/lunchroom (accessed from the warehouse). 														

	<ul style="list-style-type: none"> • Upstairs comprises an open plan office area, together with two partitioned offices. • The warehouse is clearspan in design with concrete tilt-up wall construction, Sisalation roof insulation and suspended LED lighting. The warehouse is accessed via a front roller door, being approximately 4.1 metres wide by 5.6 metres high. • Located to the front of the improvements is a concrete sealed car park providing on-site parking for approximately seven (7) vehicles, including two (2) under canopy spaces from the overhanging first floor office component. • Accessed from a separate driveway from McLean Street is Tenancy 2, comprising warehouse accommodation with internal toilet amenities and a kitchenette. The warehouse is clearspan in design with an internal height clearance of approximately 6.3 to 6.6 metres to the underside of the beams. The warehouse is accessed via two automatic (2) roller doors, being approximately 4.1 metres wide by 5.6 metres high. There are approximately six (6) on-site car parks.
<p>Ancillary Improvements</p>	<ul style="list-style-type: none"> • There is an automatic sliding gate to both Myer Court and Mclean Street • Perimeter tubular iron and 'Colorbond' iron fencing • Concrete hardstand • Neat landscaping
<p>Condition</p>	<p>Overall, we estimate the improvements to have been constructed circa 2018 and appear to be in good, brand new condition, commensurate with their age.</p> <p>Important Notice <i>We have not been provided with a structural survey, nor an expert report on the plant and equipment. Our valuation is conditional on the structure and service installations of the improvements being free from any defects requiring material capital expenditure, other than that stated herein. If this is incorrect, or should there be a material revision to the capital expenditure budget noted within, our valuation would change, as would our recommendation as to its suitability for mortgage security purposes (if made).</i></p>

3 Market Overview

3.1 General Economic Overview

National Overview

- An increase in COVID-19 infections globally in recent weeks has slowed the momentum of the economic recovery. Economies around the world have experienced a recovery in economic activity as restrictions ease following the large falls in output seen in March and April. However, the progressive lifting of restrictions has been halted and even reversed in some countries as authorities attempt to contain renewed or more rapid COVID-19 outbreaks. Reflecting this, the pace of the recovery has become more uncertain
- Australia is experiencing a large contraction in economic growth but is still expected to perform relatively well by international standards. The RBA expects GDP growth to contract by 6% in 2020 compared to the 2.3% growth forecast in December 2019, and the 2.2% growth recorded in 2019. Most of the fall in output is likely to have been concentrated the June quarter, and there have been signs of a solid recovery in consumer spending recently. However, the significant COVID-19 outbreak in Melbourne and move to stage four restrictions there, are expected to have a material adverse impact on growth in Victoria, with flow on effects to the rest of Australia.
- Reflecting the ongoing uncertainty surrounding the outlook, the Federal Government has extended the JobKeeper wage subsidy program for another six months until the end of March 2021 (although it will begin taper payments from the end of September), and the JobSeeker supplement until at least the end of December 2020 (also at a reduced rate).
- In September 2020, the RBA kept its policy settings unchanged, holding the cash rate at 0.25% and 3-year Australian Government bond yield targets at 25 basis points.
- In June 2020 the Federal Government announced its “Homebuilder” Scheme, which to provide eligible Australians \$25,000 to build or substantially renovate their homes, in an effort to boost demand in the construction sector. The scheme will not apply to investment properties or owners who intend on building or renovating on their own without the help of builders. New builds will be capped at \$750,000, while renovations can cost anywhere between \$150,000 and \$750,000, but will only be subsidised if the house being altered is valued at less than \$1.5 million. The grants are available until the end of 2020, and together with the \$15,000 first home buyers grant in SA, it could provide up to \$40,000 in grants toward new home development for individual owner occupiers in SA.
- Australia’s Gross Domestic Product has decreased -7.0% (seasonally adjusted) in the June quarter of 2020, resulting in an annual decrease of -6.3%. This is, by a wide margin, the largest fall in quarterly GDP since records began in 1959. This follows a fall of 0.3% in the March quarter 2020. The combined effect of the pandemic and the community and government responses to it led to movements of unprecedented size.
- The Australian unemployment rate (seasonally adjusted) has increased by 0.1% to 7.5% in July 2020. Historically, from 1978 until 2015, the Australian unemployment rate averaged approximately 7.0%, reaching an all-time high of 10.9% in December 1992 and a record low of 4.0% in February 2008.

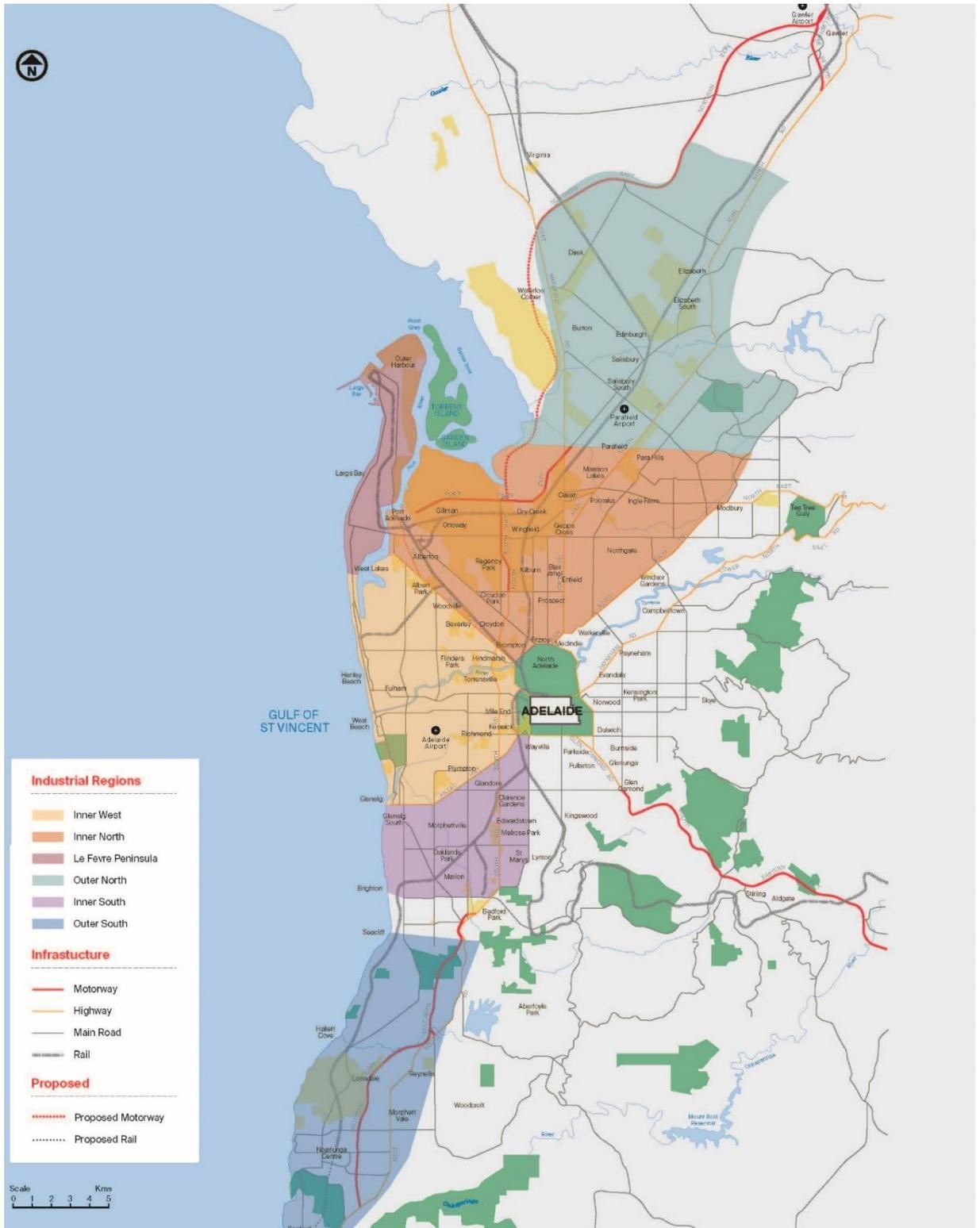
- The Consumer Price Index for Australia (All Groups) fell -1.9% in the June quarter of 2020, resulting a decreased in annual CPI of -0.3%.
- Commodity prices have increased marginally since 2016, after a substantial decline between 2011 to 2016. Preliminary estimates for August indicate that the index increased by 0.5 per cent (on a monthly average basis) in SDR terms, after increasing by 0.1 per cent in July (revised). The non rural and base metals sub-indices increased in the month, while the rural sub-index decreased. In Australian dollar terms, the index decreased by 0.4 per cent in August. Over the past year, the index has decreased by 9.2 per cent in SDR terms, led by lower coal and LNG prices. The index has decreased by 12.2 per cent in Australian dollar terms.

South Australian Overview

- In response to the economic impact, the South Australia Government has announced two stimulus packages to date, bringing the state's total economic response to \$1 billion. The largest of which is the \$650 million jobs rescue package.
- The \$650 million jobs rescue package includes a \$300 million business and jobs support fund, \$250 million community and jobs support fund, payroll tax relief and land tax relief.
- South Australian State Final Demand (SFD) fell by -5.8% during the June quarter 2020, resulting in an annual decreased of -6.7%.
- The South Australian unemployment rate (seasonally adjusted) has decreased by 0.9% to 7.9% in July 2020.
- The Consumer Price Index for Adelaide (All Groups) decreased by -1.0% in the June quarter of 2020, providing an annual CPI increase of 0.8%.
- As part of the South Australian 2019/20 Budget, the South Australian Government announced that it would introduce a new 'aggregation model' for calculation of land tax effective from 1 July 2020. After months of lobbying, land tax reform has finally been legislated. The outcome for the majority of property owners appears to be more favourable than what was initially proposed.
- The Valuer-General has been put on hold for a year due to the unprecedented turmoil caused by the coronavirus outbreak and the state's bushfires. Land tax, council rates, water rates and emergency service levy are all calculated based on the site/capital value issued by the Valuer General.
- After a three-year phase-out from December 2015, Stamp Duty on commercial property transactions was abolished on 1 July 2018.
- "Ten Gigabit Adelaide", a high-speed fibre optic data network is being rolled out to commercial buildings across the City of Adelaide. The Adelaide City Council has partnered with TPG Telecom to deliver Ten Gigabit Adelaide. The network will include approximately 1,000 selected buildings within the CBD and North Adelaide.
- Over the past decade, approximately \$3.6 billion has been invested in the north-western portion of the Adelaide CBD; development includes the new Royal Adelaide Hospital, SAHMRI Building, University of Adelaide Health and Medical Sciences Building, and the University of South Australia Health Innovation Building, transforming the north-western portion of the Adelaide CBD into a health and biomedical precinct. In addition, the new \$500 million SAHMRI 2 development has started and is expected to completed by late 2023. SAHMRI 2 will house Australia's first proton therapy unit.

3.2 Industrial Market Overview

A snapshot of the Adelaide industrial market can be summarised as follows:



Infrastructure & Spending

Major infrastructure projects

The North to South Corridor is starting to come together with projects such as the \$867 million Northern Connector has recently completed. The Northern Connector has a six-lane, 15.5 kilometre motorway providing a vital freight and commuter link between the Northern Expressway, South Road Superway and Port River Expressway.

Besides that, Darlington Upgrade project is well underway and is expected to be completed in mid-2020. Meanwhile, Regency Road to Pym Street project has commenced in late 2019 and is expected to be completed by 2022. The remaining sections are the River Torrens to Anzac Highway and Anzac Highway to Darlington. On completion, the 78-kilometre North-South Corridor will reduce travel times by providing a continuous non-stop carriageway from Gawler to Old Noarlunga. Furthermore, it will also improve access to some of the key industrial areas such as Edinburgh Parks in the Outer North.

Defence related investment

Notable projects include the decision by the Federal Government to upgrade the Osborne shipbuilding facility and to establish a naval shipbuilding college to provide confidence for shipbuilding in South Australia going forward. Over \$1 billion in infrastructure upgrades have been earmarked for the site. This, together with the \$50 billion submarines project and \$35 billion future frigates, is likely to have a positive influence in demand for industrial property in the surrounding north western and northern areas.

The \$535 million Osborne Naval Shipyard is currently under construction and will comprise four (4) new major buildings, with the largest building being approx. 13,500m² (180m x 75m) and 55 metres in height (equivalent to 14 storey building). The development is expected to be completed by H1 2020. On completion, BAE Systems will take over the facility and commence the prototype for the \$35 billion Hunter-class project before the first production starts in 2022.

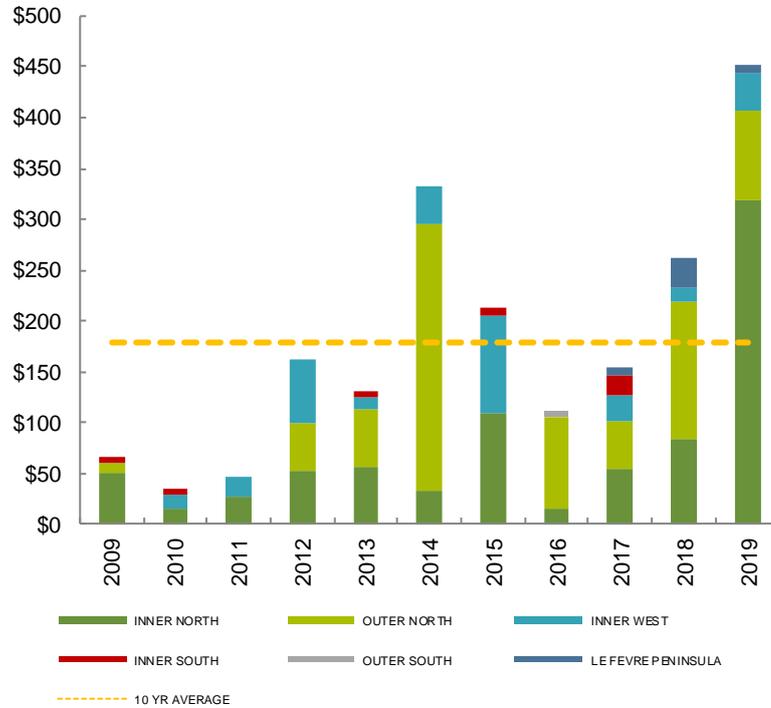
Adelaide Industrial Sales

Sales above \$5 million

In CY2019, the total industrial sales transactions was \$452.56 million for properties above \$5 million. This figure has broken the previous record (CY2014) of \$333.03 million. Furthermore, the CY2019 figure is also well above the 10-year average of \$178.84 million.

Over the CY2019, there has been an increased demand for properties over \$20 million. Evidence has indicated that approximately 37% of the properties were transacted above \$20 million (based on the number of transactions) in CY2019. Compared to CY2018, there were only approximately 10% of the properties were transacted above \$20 million.

2009 – 2019 by sub-market - >\$5 million



Source: Knight Frank Research

Owner Occupier Activity

The shift from tenants to become owner occupiers has continued in the Adelaide industrial market. This is largely due to the historically low cash rate, coupled with the abolition of stamp duty, which further encouraged tenants to become owners.

Sales such as 101 Wilkins Road, Wingfield was transacted 'off-market' and purchased by an owner occupier (TRG Transport). In addition, there also been a few owner occupier purchasing vacant site with intention to build their own facility. Notable examples such as Cochrane's have purchased a vacant site in May 2019 with a new facility currently under construction. On completion, the property will comprise a two-storey detached office and detached warehouses which have a totalled GLA of approximately 7,565m². Similarly, Booth Transport has purchased a vacant site at Burton with the intention to build their own facility.

Investment Activity & Yields

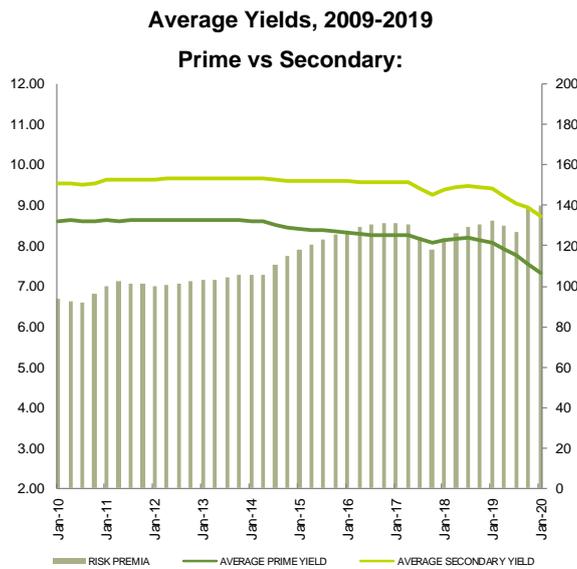
Core market yields

Industrial yields have shown a continual firming bias over the past six months. As at January 2020, average blended prime yields are ranging from 6.75% to 7.50% for all precincts (average 7.32%). Meanwhile, the average blended secondary yields are ranging from 8.25% to 9.00% (average 8.72%). Yields are likely to continue firming, given the value proposition and improving demand on offer in SA.

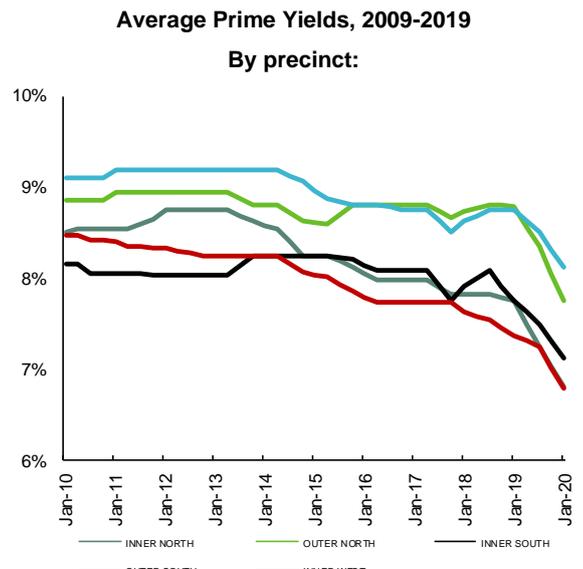
Eastern seaboard buyers

Fully leased industrial property with strong lease covenants in well located areas continue to attract strong interest, particularly from interstate and off-shore buyers. Evidence indicates that over the past 12 months, approximately 37% of the properties have transacted above \$20 million (based on the number of the transactions), while the remaining 63% is between \$5 million and \$19.9 million. This demand is being partly driven by the historically low interest rate environment together with the abolition of stamp duty on commercial properties. Furthermore, average prime yields across the Eastern Seaboard are generally in excess of 100 basis points firmer than in South Australia. Hence, South Australia remains attractive for investors seeking higher income returns.

A notable investment sale in CY2019 was the Port Adelaide Distribution Centre at 25-91 Bedford Street, Gillman. The property was purchased by Melbourne based fund, Quintessential following off-market negotiations. The property transacted for \$80 million and reflecting a core market yield of circa 9.50% and a W.A.L.E of approximately 1.7 years.



Source: Knight Frank Research



Source: Knight Frank Research

Offshore buyers

Over the last 24 months, there has been increased interest from offshore buyers. One notable example is the sale of national cold chain logistics portfolio which recently transacted for \$345 million. The portfolio includes one property in SA, one in QLD and one in WA. The SA property is located at 12-14 Bradford Way, Cavan which been apportioned at circa \$67 million which reflects a core market yield of circa 6.00% and a lease term certain of 23.1 years. The property was purchased by a United States based logistics company, Linage Logistics

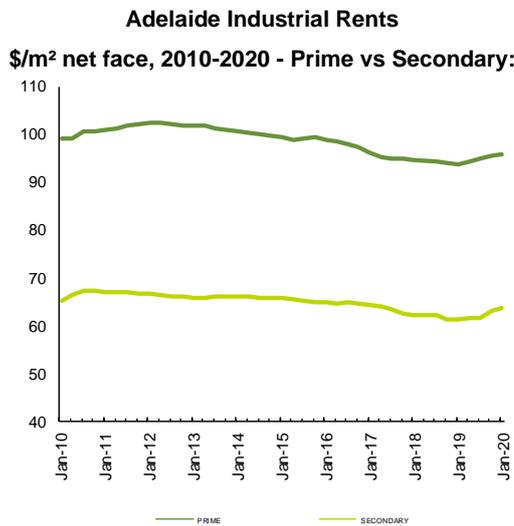
Another notable example is the sale of 1118-1146 Port Wakefield Road, Burton. The property was previously sold in 2014 for \$39.5 million reflecting a core market yield of 8.43% (excluding the adjoining sites). More recently (Oct 2018), the property transacted off-market to Singaporean based REIT, Soilbuild Business Space for \$61.25 million, with a triple net leased to Ingham’s reflecting a core market yield of 6.28% and a lease term certain of 16.1 years. The property was purchased together with an office building in Canberra (circa \$55 million) from WA based fund, Ascot Capital.

Leasing activity

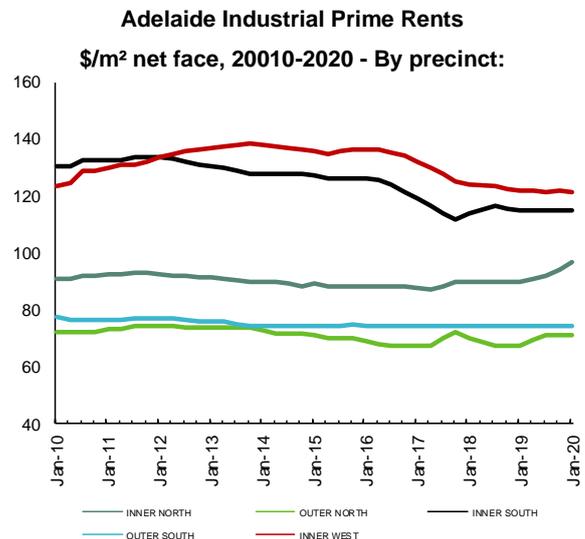
Leasing transaction volumes remain low as a result of the continuing trend of owner occupation, where in lieu of leasing their property requirements, occupants are favouring to purchase their facilities. This is partly due to the historically low cash rate, coupled with the abolition of stamp duty, which further encouraged tenants to become owners.

Rents have remained steady over the past 6 to 12 months. Despite this, properties within inner metropolitan areas with good access to major transit routes have continued to be met with steady leasing demand. Average prime incentives remained unchanged at approximately 10%.

Downward pressure on prime rents in the Inner West and Inner South has resulted from a combination of changing tenant trends and the existing level of stock available across the market. Tenants which are not anchored to their current location by the necessity for access to the airport, or the requirement for a showroom component, have the option of comparably cheaper rents available in the Inner North at an average of \$97/m² p.a. net and Outer North at an average of \$71/m² p.a. net.



Source: Knight Frank Research



Source: Knight Frank Research

3.3 Rental Evidence

The primary leasing evidence that we have had regard to is summarised below:

1.	Property:	Portion 113 Ledger Road, BEVERLEY
	Commencement Date:	December 2019
	Lettable Area:	1,780m ² Gross
	Tenant:	PFM Logistics
	Commencing Rental:	\$155,000
	Passing Net Rental:	\$155,000 p.a. Rate/m ² : \$87 p.a.
	Term of Lease:	5 Years Options: 2 Years
	Improvements:	The tenancy comprises portion of an office/warehouse of pre-cast concrete construction. The warehouse is equipped with fire sprinklers and has multiple internal columns. There is also partitioned offices and toilet amenities situated in the warehouse. The balance of the site includes concrete sealed hardstand together with car parking.
	Lease Details:	The lease was negotiated on a net basis whereby the Lessee is responsible for all outgoings (excluding State Land Tax). Rent is reviewed annually by CPI and to market at renewal.
	Incentive:	Confidential
2.	Property:	Unit 8 1 Oldsmobile Terrace, DUDLEY PARK
	Commencement Date:	November 2019
	Lettable Area:	448m ² Gross
	Tenant:	Confidential
	Commencing Rental:	\$60,000
	Outgoings:	\$13,774 p.a. Rate/m ² : \$31 p.a.
	Passing Net Rental:	\$60,000 p.a. Rate/m ² : \$134 p.a.
	Term of Lease:	3 Years Options: 1+1 Years
	Site Area:	608m ²
	Year Built:	2010
	Improvements:	Community Titled office/warehouse with tilt-up reinforced concrete wall construction. Two levels of carpeted and air conditioned offices comprising 129m ² at each level. Clear span warehouse comprising 190m ² and minimum internal clearance of approximately 6.3 metres. The unit includes 6 designated car parks and access to a further 5 common area spaces with fully secured and paved front yard.
	Lease Details:	The lease was negotiated on a net basis whereby the Lessee is responsible for all outgoings (excluding State Land Tax). Rent is reviewed annually by 3% and to market at renewal. The tenant was provided an incentive of 1 month rent free from commencement date.

	Further Comments:	Site coverage of 74% and office component of 58%. In analysing the lease, the passing rent has been hypothetically apportioned as follows: Office @ \$165/m ² p.a. net, Warehouse @ \$92/m ² p.a. net.
3.	Property:	13 William Street, MILE END SOUTH
	Commencement Date:	May 2019
	Lettable Area:	450m ² Gross
	Tenant:	Undisclosed
	Commencing Rental:	\$55,000
	Passing Net Rental:	\$55,000 p.a. Rate/m ² : \$122 p.a.
	Term of Lease:	4 Years Options: 2 Years
	Site Area:	692m ²
	Improvements:	The tenancy comprises a modern office/warehouse of pre-cast tilt-up concrete wall. The office (130m ²) comprises a number of partitioned offices, kitchenette and toilet amenities. The warehouse (320m ²) is clear span in design and has an internal height clearance of approximately 6 metres. The balance of the site includes concrete sealed hardstand together with on-site car parking.
	Lease Details:	The lease was negotiated on a net basis whereby the Lessee is responsible for all outgoings (excluding State Land Tax). Rent is reviewed annually to fixed 2% increases and to market at renewal.
	Further Comments:	Site coverage of 56% and office component of 29%. In analysing the lease, the passing rent has been hypothetically apportioned as follows: Office @ \$160/m ² p.a. net, Warehouse @ \$107/m ² p.a. net.
4.	Property:	7 Senna Road, WINGFIELD
	Commencement Date:	May 2019
	Lettable Area:	1,174m ² Gross
	Tenant:	Erizon Pty Ltd
	Commencing Rental:	\$115,000
	Passing Net Rental:	\$115,000 p.a. Rate/m ² : \$98 p.a.
	Term of Lease:	30 Months
	Site Area:	4,244m ²
	Year Built:	1990
	Improvements:	The tenancy comprises a two-storey office/warehouse. The ground floor office component (258m ²) comprises reception, five partitioned offices, an open plan office together with kitchenette, lunchroom and male & female toilet amenities. The first floor (254m ²) comprises seven partitioned offices and a boardroom. The warehouse (662m ²) is clear span in design and has an internal height clearance ranging from 5.0 to 6.0 metres. The balance of the site includes concrete sealed hardstand together with on-site car parking and basic landscaping.
	Lease Details:	The lease was negotiated on a net basis whereby the Lessee is responsible for all outgoings (excluding State Land Tax). Rent is reviewed annually to CPI.

	Further Comments:	We note that Senna Road is listed by the Department of Planning Transport & Infrastructure (2015) as having 'Road Train' access up to 36.5 metres. Site coverage of 22% and office component of 44%. We have estimated surplus hardstand component of 1,950m ² at a site coverage of approximately 40%. In analysing the lease, the passing rent has been hypothetically apportioned as follows: Ground floor office @ \$120/m ² p.a. net, First floor office @ \$110/m ² , Warehouse @ \$70/m ² p.a. net, Hardstand @ \$5/m ² .
5.	Property:	2 George Street, HINDMARSH
	Commencement Date:	April 2019
	Lettable Area:	390m ² Gross
	Tenant:	Power Play Sports
	Commencing Rental:	\$40,000
	Passing Gross Rental:	\$52,366 p.a. Rate/m ² : \$134 p.a.
	Outgoings:	\$12,366 p.a. Rate/m ² : \$32 p.a.
	Passing Net Rental:	\$40,000 p.a. Rate/m ² : \$103 p.a.
	Term of Lease:	5 Years Options: 2+2 Years
	Site Area:	587m ²
	Improvements:	The property comprises an office/warehouse of masonry wall construction. The office/showroom (98m ²) is open plan in design and comprises one (1) partitioned office. The warehouse (292m ²) is clear span in design and has an internal height clearance of approximately 5.8 metres. There is also a kitchenette and toilet amenities situated in the warehouse. The balance of the site includes bitumen sealed hardstand together with on-site car parking.
	Lease Details:	The lease was negotiated on a net basis whereby the Lessee is responsible for all outgoings (excluding State Land Tax). Rent is reviewed annually by CPI and to market at renewal.
	Further Comments:	Site coverage of 66% and office/showroom component of 25%. In analysing the lease, the passing rent has been hypothetically apportioned as follows: Office/showroom @ \$155/m ² p.a. net, Warehouse @ \$85/m ² p.a. net.
6.	Property:	55 Hampton Road, KESWICK
	Commencement Date:	September 2018
	Lettable Area:	518m ² Gross
	Tenant:	Highlight Investment
	Commencing Rental:	\$67,000
	Passing Net Rental:	\$69,010 p.a. Rate/m ² : \$133 p.a.
	Term of Lease:	5 Years Options: 5 Years
	Improvements:	The property comprises a two storey office/showroom/warehouse. Showroom/amenities (61m ²) are open plan in design with staircase access to the first floor while amenities are situated in the warehouse and comprises toilet amenities and kitchenette. First floor office (58m ²) is open plan in design. Warehouse (399m ²) comprises clear span design with medium internal height clearance of six metres. The balance of the site comprises concrete hardstand with seven (7) car parks.

	Lease Details:	Lease was negotiated on a net basis whereby the Lessee is responsible for all outgoings (excluding State Land Tax). Rent is reviewed annually to fixed 3% increases and to market at renewal.
	Incentive:	One month rent free.
	Further Comments:	We have hypothetically apportioned the passing rental as follows: showroom & amenities @ \$250/m ² p.a. net of GLA, first floor office @ \$175/m ² p.a. net of GLA, warehouse @ \$109/m ² p.a. net of GLA.
7.	Property:	Unit 1 9 Toogood Avenue, BEVERLEY
	Commencement Date:	February 2018
	Lettable Area:	524m ² Gross
	Tenant:	Iain Hunter
	Commencing Rental:	\$50,000
	Passing Net Rental:	\$53,045 p.a. Rate/m ² : \$101 p.a.
	Term of Lease:	3 Years Options: 3 Years
	Improvements:	The subject property comprises a modern two storey office/warehouse unit located within a group. The ground floor (150.3m ²) comprises a reception area, three (3) partitioned offices, staff room and bathroom amenities. Upstairs (106.4m ²) comprises an open plan work area, office/boardroom and staff room. Internal to the warehouse is a further office and toilet amenity. The warehouse is accessed via a roller door being approximately 4.0 metres wide x 5.7 metres high. The warehouse has an internal height clearance of approximately 6.3 to 7.9 metres. There is an 'L' shaped mezzanine area of approximately 139.4m ² (excluded from GBA), which provides for approximately 5 metres clearance above and approximately 2.3 metres below. Concrete sealed hardstand area with multiple car parks located to the front of the improvements.
	Lease Details:	The Lessee is responsible for the payment of outgoings, excluding State Land Tax. Rent is reviewed annually to 3% and to market at renewal. Outgoing advised at approximately \$9,100 p.a.
	Incentive:	Two months rent free.
	Further Comments:	In analysing the rental, we have apportioned the rent as follows: Office at \$120/m ² p.a. which derives a residual rental of \$83/m ² p.a. for the warehouse. Office component of 49%.

All rentals noted above are exclusive of GST and on a net face basis unless otherwise noted.

3.4 Sales Evidence

To assist in determining appropriate value benchmarks and return parameters for the subject property, we have examined recent market activity within Beverley and the surrounding industrial areas and have summarised these transactions as follows:

1	Property:	18-20 Richard Street, HINDMARSH SA 5007
	Date of Sale:	August 2020
	Price:	\$1,950,000 (excluding GST)
	Year Built:	1995
	Site Area:	1,011m ²
	Zoning:	Home Industry
	Gross Lettable Area:	595m ²
	Rate/m ² of Building:	\$3,277/m ²
	Rate/m ² of Site:	\$1,929/m ²
	Improvements:	A modern two storey office/warehouse of pre-cast concrete construction. The offices (244m ² approximately) comprises reception, partitioned offices, kitchen and bathroom amenities. The warehouse to the rear is clearspan in design with internal height clearance of 7 metres and single automatic roller door access. There is onsite car parking for approximately 10 vehicles. The property presents to an above average standard and would appeal as a 'corporate headquarters'.
	Lease Details:	Sold with vacant possession.
	Sale Comments:	Property was sold by Lin Andrews
2.	Property:	3 Erudina Avenue, EDWARDSTOWN
	Date of Sale:	November 2019
	Sale Price :	\$700,000 (excluding GST)
	Site Area:	742 m ²
	Zoning:	Industry
	Gross Building Area:	697 m ²
	Rate/m ² of building:	\$1,004/m ²
	Rate/m ² of site:	\$943/m ²
	Improvements:	The property comprises a two-storey office/warehouse of besser block construction. The ground floor office (42m ²) presents to an average standard and incorporates a reception, second office and separate w/c's with one shower. The first floor office (42m ²) provide mezzanine type storage. The 'sawtooth' warehouse (613m ²) presents to a dated nature with an intermittent row of columns. There is one high clearance roller door at the front and externally the site provides for 2 car parking bays.
	Lease Details:	Sold with vacant possession.

3.	Property:	1 Mais Street, BROMPTON
	Date of Sale:	November 2019
	Sale Price :	\$1,100,000 (excluding GST)
	Site Area:	963 m ²
	Zoning:	Urban Employment Zone
	Gross Building Area:	601 m ²
	Rate/m ² of building:	\$1,830/m ²
	Rate/m ² of site:	\$1,142/m ²
	Improvements:	The property comprises a circa 2004 built semi-detached office/warehouse, with secondary frontage to Turnbull Place. The office component (86m ²) comprises an open plan area, two (2) partitioned offices, two (2) powder rooms, shower rooms and a kitchenette internal to the warehouse. The warehouse is clearspan in design with an internal height clearance of 5.8 to 7.6 metres. There is a narrow section to the rear with height clearance of approximately 3.0 metres. and is accessed via a front roller door (approximately 5.0 metres wide by 5.0 metres high). There is a small canopy above the roller door and a front bitumen sealed hardstand area, providing on-site car parking for approximately 11 vehicles.
	Lease Details:	We understand the property sold with vacant possession.
	Sales Comments:	The property sold after approximately three (3) weeks on the market. The property was previously marketed in July 2019 with an initial asking price of \$1,450,000 (excluding GST).
4.	Property:	5 Circuit Drive, HENDON
	Date of Sale:	October 2019
	Sale Price :	\$1,315,000 (excluding GST)
	Year Built:	2000
	Site Area:	1,963 m ²
	Zoning:	Urban Employment Zone
	Gross Building Area:	875 m ²
	Passing Rent:	\$91,995 p.a.(Net)
	Passing Rent/m ² :	\$105/m ² (Gross Bldg area)
	Passing Net Income:	\$91,995 p.a.
	Initial Yield:	7.00%
	Market Yield:	6.40%
	Rate/m ² of building:	\$1,503/m ²
	Rate/m ² of site:	\$670/m ²
	Improvements:	The property comprises a detached office/warehouse, the office (260m ²) is of brick construction and single-storey in nature, the warehouse (615m ²) is iron clad, clearspan in nature with an internal height clearance of 5.0-6.0 metres approximately. There is a mezzanine of 97m ² approximately, this is not included in the GBA.

	Lease Details:	Leased to Workzone Traffic Control Pty. Ltd. from 1st August 2018 to 31st July 2021, with no further options. Lessee responsible for the payment of all outgoings, including State Land Tax.
	Sales Comments:	Site coverage of 45% approximately. The property sold after a six (6) month marketing campaign. Lease term certain of 1.8 years. In analysing the sale, we have imputed a market rent of \$95/m ² p.a. net of GBA.
5.	Property:	14 Princess Street, BEVERLEY
	Date of Sale:	July 2019
	Sale Price :	\$2,600,000 (excluding GST)
	Site Area:	6,110 m ²
	Zoning:	Urban Employment Zone
	Gross Building Area:	1,871 m ²
	Rate/m ² of building:	\$1,390/m ²
	Rate/m ² of site:	\$426/m ²
	Improvements:	The property comprises an office together with three (3) warehouses of metal clad construction. The office is open plan in design and comprises a reception together with partitioned offices and toilet amenities. Warehouse 1 (528m ²) is attached to the office and is clear span in design with an internal height clearance ranging from 5.9 to 6.6 metres. There is also a mezzanine (140m ²) situated in the warehouse which has been excluded from the GBA. Warehouse 2 (467m ²) is attached to warehouse 1 and is clear span in design with an internal height clearance ranging from 8.3 to 9.2 metres. Warehouse 3 (594m ²) is clear span in design and has an internal height clearance ranging from 8.8 to 10.3 metres. The balance of the site includes bitumen sealed hardstand.
	Lease Details:	The property sold with vacant possession.
	Sales Comments:	The property was purchased by an owner occupier following an EOI campaign. Site coverage of approximately 31%.
6.	Property:	19 Gumbowie Avenue, EDWARDSTOWN
	Date of Sale:	June 2019
	Sale Price :	\$792,000 (excluding GST)
	Year Built:	1951
	Site Area:	749 m ²
	Zoning:	Industry
	Gross Building Area:	510 m ²
	Rate/m ² of building:	\$1,553/m ²
	Rate/m ² of site:	\$1,057/m ²

	Improvements:	The property comprises a single storey office with adjoining rear warehouse. The office component (203m ²) has been previously updated and comprises a reception area, seven (7) offices, two (2) powder rooms and a staffroom with kitchenette. The warehouse (307m ²) comprises two (2) rows of internal columns with a small mezzanine storage area to the rear. The warehouse has an internal height clearance of approximately three (3) metres.
	Lease Details:	The property sold with vacant possession.
	Sales Comments:	The property sold after approximately three (3) months on the market.
7.	Property:	2 Islington Court, DUDLEY PARK
	Date of Sale:	May 2019
	Sale Price :	\$1,350,000 (excluding GST)
	Year Built:	2013
	Site Area:	1,271 m ²
	Zoning:	Light Industry
	Gross Building Area:	806 m ²
	Rate/m ² of building:	\$1,675/m ²
	Rate/m ² of site:	\$1,062/m ²
	Improvements:	The property comprises a modern office/warehouse of pre-cast tilt-up concrete wall construction. The office (87m ²) comprises partitioned offices together with kitchen and toilet amenities. The warehouse (719m ²) is clear span in design and has an internal height clearance ranging from 6.7 to 7.6 metres. The balance of the site includes a mixture of bitumen and concrete sealed hardstand together with on-site car parking.
	Lease Details:	The property sold fully leased to GNB Industrial Power expiring December 2019 (holding income).
	Sales Comments:	The property was purchased by an intending owner occupier following an E.O.I. campaign.
8.	Property:	32 Maple Avenue, FORESTVILLE
	Date of Sale:	January 2019
	Sale Price :	\$1,370,000 (excluding GST)
	Site Area:	700 m ²
	Zoning:	Urban Corridor
	Site Frontage:	15.24 metres
	Gross Building Area:	601 m ²
	Rate/m ² of building:	\$2,280/m ²
	Rate/m ² of site:	\$1,957/m ²

	Improvements:	The property comprises a modern two storey office/warehouse of 'pre-cast' concrete construction. The ground floor office (96m ²) comprises a partitioned office together with a kitchen and toilet amenities. The first floor office (135m ²) can be accessed via stairs and comprise a mixture of partitioned and open plan accommodation. The warehouse (341m ²) is clear span in design and there is a store room (29m ²) situated in the warehouse. The balance of the site includes brick paved hardstand together with on site car parks.
	Lease Details:	Sold with vacant possession.
	Sales Comments:	The property sold following an auction campaign.
9	Property:	Unit 1 & 2, 59 Manton Street, HINDMARSH
	Date of Sale:	October 2018
	Sale Price :	\$1,385,000 (excluding GST)
	Site Area:	1,012 m ²
	Zoning:	District Centre
	Gross Building Area:	660 m ²
	Passing Rent:	\$67,787 p.a.(Net)
	Passing Rent/m ² :	\$103/m ² (Gross Bldg area)
	Passing Net Income:	\$67,787 p.a.
	Initial Yield:	4.89%
	Market Yield:	4.89%
	Rate/m ² of building:	\$2,098/m ²
	Rate/m ² of site:	\$1,369/m ²
	Improvements:	The property comprises a pair of circa 1980's built Strata Titled office/warehouse units. Each office/warehouse unit is approximately 330m ² , however, the internal configuration differs. The improvements are of brick and concrete block wall construction. Unit 1 comprises an open plan office area and two partitioned offices, with two (2) powder rooms and a shower located internally to the warehouse. Unit 2 comprises an open plan office area with two powder rooms, kitchen and two (2) partitioned office internal to the warehouse, creating an 'L' shaped warehouse. Each warehouse is clearspan in design and accessed via a front roller door (approximately 3.3 metres high by 3.5 metres wide) and have an internal height clearance of approximately 4.3 metres. Each unit has front on-site car parking for approximately six (6) vehicles.
	Lease Details:	The property sold fully leased to two (2) separate tenants. Unit 1 is leased to Herrimans Stationary Pty Ltd for an initial term of 3 years, commencing 1st November 2017. There is a single option to renew of 3 years. The passing rent is \$33,000 p.a. net and reviewed annually by CPI. Unit 2 is leased to Husky International Group Pty Ltd for a term of 2 years, commencing 19th December 2017 with no further options to renew. The passing rent is \$34,786.92 p.a. net and rent is reviewed annually by CPI. W.A.L.E. of 1.3 years (income weighted).
	Sales Comments:	The property sold at auction.

3.5 Transaction History

The property previously transferred in December 2016 for \$515,200 (excluding GST), reflecting \$400/m² of site area. The existing improvements have since been constructed.

The property sold to the owner's superfund in December 2018 for \$1,350,000 (excluding GST).

4 Financial Summary

4.1 Occupancy Details

As at the date of the inspection, Tenancy 1 (Lot 1) was leased to Assa Abloy, Tenancy 2 was owner occupied, however subject to an internal lease agreement. The pertinent details of the lease agreements are summarised as follows:

Tenancy 1:

Lease Status	Executed Memorandum of Lease
Lessee	Assa Abloy Australia Pty Ltd
Demised Premises	Front Tenancy, 2 Myer Court, Beverley
Commencement Date	1 st December 2018
Term	Five (5) Years
Expiry	30 th November 2023
Options	Five (5) Years
Incentive	<p>The Lessor will provide an incentive equivalent to five (5) months net commencing rent which will contribute to the upstairs capital works required by the Lessee (to be undertaken by the Lessor) as part of the required fit-out. Any additional capital cost over and above this incentive will be paid by the Lessee. The additional capital works for the downstairs fit-out will be paid by the Lessee. Incentive contribution for fit-out works are as follows:</p> <ul style="list-style-type: none"> • A/C split system top/bottom • Floor coverings – carpet • Painting – full external, inside office only • Alarm to warehouse and office space • Roller door – motorised • Security fencing around perimeter – full external with electric sliding gate
Commencing Rental	\$65,000 p.a. net (\$170/m ² based on adopted GBA)
Rent Review and Frequency	Annually by CPI and to market at renewal
Current Passing Rental	\$66,381 p.a. net (\$173/m ² based on adopted GBA)
Outgoings	The lease is to be structured on a net basis, with the Lessee responsible for a proportionate share of all outgoings, excluding State Land Tax.
GST	The lease makes a provision for the payment of GST
Make Good	Repaint the premises
Assignment	At the consent of the Lessor
Rental Guarantee	Bank Guarantee equivalent to 6 months net rent

Tenancy 2:

Lease Status	Executed Memorandum of Lease
Lessee	Brazzale Constructions Pty Ltd
Demised Premises	Rear Tenancy, 2 Myer Court, Beverley
Commencement Date	1 st December 2018
Term	Five (5) Years
Expiry	30 th November 2023
Options	Five (5) Years
Commencing Rental	\$40,000 p.a. net (\$221/m ² based on adopted GBA)
Rent Review and Frequency	Annually by CPI and to market at renewal
Current Passing Rental	\$40,850 p.a. net (\$226/m ² based on adopted GBA)
Outgoings	The lease is to be structured on a net basis, with the Lessee responsible for a proportionate share of all outgoings, excluding State Land Tax.
GST	The lease makes a provision for the payment of GST
Make Good	Repaint the premises
Assignment	At the consent of the Lessor
Rental Guarantee	Bank Guarantee equivalent to 6 months net rent
Other Matters	The lease contains a redevelopment clause. The Lessor may terminate the lease at any time on giving not less than 6 months' notice to the Lessee. Permitted Use: Office, showroom and warehouse.

Important Notice

We have requested full executed copies of all lease documentation, except as otherwise noted herein, and have relied upon the accuracy and completeness of this documentation. In the event that the lease documentation is not accurate or is incomplete (such as missing variations, side agreements etc) and the change to lease terms or conditions is material, then our valuation of the property would change, as would our view on its suitability for mortgage security purposes (if made).

4.2 Statutory Valuation Assessments

Relevant Date	Valuation Date - 1 January 2020; issued at 1 July 2020	
Site Value	\$720,000	(\$561/m ² of site area)
Capital Value	\$1,285,000	(\$2,278/m ² of lettable area)

4.3 Outgoings

In accordance with the above statutory assessments, we have estimated the following statutory and insurance outgoings for the current financial year as outlined below:

Total Outgoings	KFV Assessment	
Statutory	per annum	per annum
Council Rates	\$14,420	\$25.57/m ²
Water Rates	\$1,634	\$2.90/m ²
Land Tax	\$1,350	\$2.39/m ²
Other Statutory Outgoings	\$2,935	\$5.20/m ²
Total Statutory	\$20,339	\$36.06/m²
Operating Expenses		
Insurance	\$2,000	\$3.55/m ²
Total Operating	\$2,000	\$3.55/m²
Total Statutory & Operating	\$22,339	\$39.61/m²

The estimated statutory and operating outgoings equate to approximately \$39.61/m² of GBA, which is considered to be at the upper end of market parameters.

5 Goods and Services Tax (GST)

<p>Important Notice</p>	<p>The GST became law on 8 July 1999 and commenced operation on 1 July 2000. From this time, rental payments for non-residential leases generally became subject to GST. The sale of non-residential property may also be subject to GST, the amount of tax payable being dependent on the tax status of the parties, available input tax credits and the operation of the Margin Scheme.</p> <p>Our valuation of this property has been prepared on a GST exclusive basis with no provision for the payment of GST by the supplier (vendor) on the hypothetical sale of this property as at the date of this valuation. <i>GST is an important and complex issue and we strongly recommend that you consult a duly qualified tax expert to ensure that your financial interest in this property is not compromised.</i></p> <p>All sales and rental evidence, valuation calculations and assessments contained herein are on a GST exclusive basis.</p>
<p>Transfer with existing leases in place</p>	<p>If the property were sold subject to an existing tenancies, it is most likely the transfer would be classed as a going concern and, therefore, be free of GST.</p>

6 Valuation Rationale

6.1 Valuation Methodology

Valuation Methodology	<ul style="list-style-type: none"> • Capitalisation of Net Market Income Approach • Direct Comparison Approach
------------------------------	--

6.2 Capitalisation Approach

This approach essentially comprises three components:

1. Estimation of sustainable net income;
2. Capitalisation rate; and
3. Capital adjustments being the deduction of one-off or non-recurring items, namely:
 - i. rental reversions associated with any shortfall or premium (super rent) relative to adopted market rent together with shortfall in income from outstanding incentives;
 - ii. shortfall in income associated with letting up of vacant areas (including incentives and leasing costs); and
 - iii. immediate capital expenditure.

Estimation of Sustainable Net Market Income

As outlined above, we have adopted the Capitalisation of Imputed Net Income Approach to valuation. In order to adopt this approach, we must ascertain whether the passing rents are reflective of market parameters. The passing rents are summarised below as follows:

Tenancy 1

Description	Area	Approx. Rate	Total
Office	103m ²	\$250/m ²	\$25,750 p.a.
Amenities (within warehouse)	16m ²	\$200/m ²	\$3,200 p.a.
Warehouse 1	264m ²	\$142/m ²	\$37,431 p.a.
Total	383m²	\$173/m²	\$66,381 p.a.

Tenancy 2

Description	Area	Approx. Rate	Total
Amenities within warehouse	16m ²	\$250/m ²	\$4,000 p.a.
Warehouse 2	165m ²	\$223/m ²	\$36,850 p.a.
Total	181m²	\$226/m²	\$40,850 p.a.

We reiterate the leasing evidence listed herein in table form as follows:

Property Address	Commencement Date	Passing Rental	GBA (m ²)	Rate/m ² (p.a.)	
Portion 113 Ledger Road, Beverley	Dec-19	\$155,000 p.a.	1,780m ²	\$87 p.a.	
Unit 8, 1 Oldsmobile Terrace, Dudley Park	Nov-19	\$60,000 p.a.	448m ²	\$134 p.a.	
13 William Street, Mile End South	May-19	\$55,000 p.a.	450m ²	\$122 p.a.	
7 Senna Road, Wingfield	May-19	\$115,000 p.a.	1,174m ²	\$98 p.a.	
2 George Street, Hindmarsh	Apr-19	\$40,000 p.a.	390m ²	\$103 p.a.	
55 Hampton Road, Keswick	Sep-18	\$69,010 p.a.	518m ²	\$133 p.a.	
Unit 1, 9 Toogood Avenue, Beverley	Feb-18	\$53,045 p.a.	524m ²	\$101 p.a.	
ANALYSIS:					
				Low	\$87 p.a.
				High	\$134 p.a.

We note that the above rental evidence shows a range of rates from \$87/m² to \$134/m² p.a. net of GBA. We consider the most comparable evidence to lie within a range of between \$101/m² p.a. net (Unit 1, 9 Toogood Avenue, Beverley) and \$134/m² p.a. net (Unit 8, 1 Oldsmobile Terrace, Dudley Park).

Based on the location, age and condition of the improvements, we consider the passing rents for both Tenancy 1 and Tenancy 2 to exceed current market parameters. We have imputed the following market rents as follows:

Tenancy 1

Description	Area	Approx. Rate	Total
Office	103m ²	\$250/m ²	\$25,750 p.a.
Amenities (within warehouse)	16m ²	\$200/m ²	\$3,200 p.a.
Warehouse 1	264m ²	\$108/m ²	\$28,500 p.a.
Total	383m²	\$150/m²	\$57,450 p.a.

Tenancy 2

Description	Area	Approx. Rate	Total
Amenities within warehouse	16m ²	\$160/m ²	\$2,560 p.a.
Warehouse 2	165m ²	\$105/m ²	\$17,350 p.a.
Total	181m²	\$110/m²	\$19,910 p.a.

As per both leases, the Lessee's are responsible for the payment of all outgoings, excluding State Land Tax. Our calculation of net income is shown below as follows:

<i>Income Summary</i>	<i>Passing Income</i>	<i>Market Income</i>
Industrial	\$107,231	\$77,360 100.0%
Total Rental Income	\$107,231	\$77,360
Less: Annual Rebates & Rent Free	-	-
Plus: Outgoings Recoveries	\$20,989	\$20,989
Less: Rental for Deferred tenancies	-	-
Gross Income	\$128,220	\$98,349
Less: Outgoings	\$22,339	\$22,339
Net Income	\$105,881	\$76,010

Capitalisation Rate Considerations

In selecting a suitable capitalisation rate for the subject property, we have had regard to the sales evidence contained herein, drawing comparisons between these sale properties with the characteristics of the subject property.

We note the investment sales evidence herein reflect market yields of between 4.89% and 6.40%. The firm end of the range was achieved for a pair of circa 1980's built Strata Titled units, located in the superior location of Hindmarsh. The property sold fully leased to two (2) tenants with a W.A.L.E. of 1.3 years (income weighted).

The soft (high) end of the range was achieved for a larger, older style property, situated to a larger allotment in the inferior location of Hendon. The property sold fully leased with a relatively short lease term certain of 1.8 years.

With consideration of the size, quality, location of the subject property, and current market conditions, we consider a rate of 5.50% to be appropriate to adopt.

Adjustments

We have made an adjustment for the Present Value of the Profit Rental until lease expiry, for both Tenancy 1 and 2 (\$84,519).

Capitalisation Calculations

Core Market Yield Basis	
Market Income	
Industrial	\$77,360
Net Annual Income	\$77,360
Less: State Land Tax	(\$1,350)
Net Annual Income	\$76,010
Capitalised at	5.50%
Core Value Range (assuming fully leased)	\$1,382,000
<i>Rate per m² of Lettable Area</i>	<i>\$2,450</i>
Adjustments	
Net Present Value of Rental Reversions (Note 1)	\$84,519
Total Adjustments	\$84,519
Resultant Capitalisation Value Range	\$1,466,519
<i>Rate per m² of Lettable Area</i>	<i>\$2,600</i>

6.3 Direct Comparison Approach

This approach identifies comparable sales on a dollar rate per square metre of lettable or site area basis and compares the equivalent rates to the subject to establish the property's market value.

Having regard to the fully developed nature and condition of the subject improvements, we have undertaken our analysis on a direct comparison of Gross Building Area (GBA). We reiterate the sales evidence listed herein in table form as follows:

Property Address	Sale Date	Sale Price	GBA (m ²)	Site Area	Rate/m ² GBA	Rate/m ² ISA*
3 Erudina Avenue, Edwardstown	Nov-19	\$700,000	697m ²	742m ²	\$1,004/m ²	\$943/m ²
1 Mais Street, Brompton	Nov-19	\$1,100,000	601m ²	963m ²	\$1,830/m ²	\$1,142/m ²
5 Circuit Drive, Hendon	Oct-19	\$1,315,000	875m ²	1,963m ²	\$1,503/m ²	\$670/m ²
14 Princess Street, Beverley	Jul-19	\$2,600,000	1,871m ²	6,110m ²	\$1,390/m ²	\$426/m ²
19 Gumbowie Avenue, Edwardstown	Jun-19	\$792,000	510m ²	749m ²	\$1,553/m ²	\$1,057/m ²
2 Islington Court, Dudley Park	May-19	\$1,350,000	806m ²	1,271m ²	\$1,675/m ²	\$1,062/m ²
32 Maple Avenue, Forestville	Jan-19	\$1,370,000	601m ²	700m ²	\$2,280/m ²	\$1,957/m ²
Unit 1 & 2, Manton Street, Hindmarsh	Oct-18	\$1,385,000	660m ²	1,012m ²	\$2,098/m ²	\$1,369/m ²
ANALYSIS:						
	Rate/m² GBA	Rate/m² ISA*				
Low (\$/m²):	\$1,004/m²	\$426/m²				
High (\$/m²):	\$2,280/m²	\$1,957/m²				

ISA* = Improved Site Area
SC* = Site Coverage

The sales evidence tabled above provides an overall indicative rate range of between \$1,004/m² to \$2,280/m² of GBA. Such a wide range is expected with rate variances predominately indicative of the mixed range of size, quality and utility of improvements, together with locational attributes (such as exposure to passing traffic and proximity to CBD and major transport routes).

The low end of this range was achieved for a larger, older and inferior office/warehouse, situated to a smaller size allotment in the slightly superior inner southern industrial location of Edwardstown. We consider a higher rate (\$/m² of GBA) to be appropriate to adopt for the subject property, as compared to this analysed sale.

The upper end of the range was achieved for a slightly larger, similarly modern two-storey office/warehouse, situated to a smaller allotment in the superior inner western location of Forestville. Overall we consider a slightly higher rate (\$/m² of GBA), to be appropriate to adopt for the subject property, as compared to this analysed sale.

Overall, having consideration to the size, quality and utility of the subject improvements, together the location and site area, we consider an appropriate rate range to be in the order of between \$2,350/m² to \$2,450/m² of GBA. Our calculations are shown below as follows:

GBA	Rate/m ² GBA	Market Value	Add PV of Profit Rent	Market Value
564m ²	\$2,350/m ²	\$1,325,400	\$84,519	\$1,409,919
564m ²	\$2,400/m ²	\$1,353,600	\$84,519	\$1,438,119
564m ²	\$2,450/m ²	\$1,381,800	\$84,519	\$1,466,319

6.4 Valuation Reconciliation

Element	Valuation Approach					
	Capitalisation			Direct Comparison		
Improved Element	\$1,406,432	-	\$1,532,328	\$1,409,919	-	\$1,466,319
ADOPT	\$1,450,000					

Having regard to both approaches, we have adopted a rounded market value of **\$1,450,000 (excluding GST)**.

6.5 COVID -19 Commentary

The recent outbreak of the global Coronavirus (COVID-19) is causing heightened uncertainty in both local and global market conditions, which could have a significant impact on property markets. Small businesses and corporations are facing cash flow risk over the coming months due to disruption to business supply chains and shutdowns. Sharp declines have been seen in sharemarkets globally, including Australia. The initial threat to Australian tourism, the education sector and retailers, has quickly broadened to the entire economy and there is a looming threat of recession.

It will take time for the empirical data to be available to more accurately measure the overall impact. Whilst history indicates that some equilibrium can be expected to return to the market once the crisis has passed, it will take time to absorb the various issues. As a result, there is less certainty with regard to valuations in the current market conditions.

This crisis may lead to a material impact upon real estate values in the region however the effects are currently unknown and will largely depend on both the scale and longevity of the outbreak. As such, there remain downside risks for property values over the short to medium term. The situation is volatile and circumstances have deteriorated quickly. We recommend investors and lenders in particular exercise a higher degree of caution and closely monitor market conditions as well as seek property advice and valuation updates on a regular basis.

7 Valuation Certification

Acting under instructions from Mr. Andrew Brazzale, Brazzale Group, Knight Frank Valuation & Advisory South Australia has undertaken a valuation of 2 Myer Court, Beverley SA. We confirm that we have inspected the property as described herein and have prepared this report.

Subject to the overriding stipulations contained within the body of this report, we are of the opinion that the market value of the subject property assuming a sale of the unencumbered freehold interest with vacant possession, as at the 18th September 2020, for Superannuation Fund Reporting Purposes was:

\$1,450,000 (excluding GST)

(One Million Four Hundred & Fifty Thousand Dollars (excluding GST))

This certificate of valuation forms part of, and should not be used or read independently from the complete report.



TOM WALKER
BBus (Property) AAPI 64426
Associate, Certified Practising Valuer
Property Inspected: Yes



LYLE MONTGOMERIE
BBus (Property) AAPI 50385
Associate, Certified Practising Valuer
Property Inspected: No
Counter-sign only for peer review

Knight Frank Valuation & Advisory South Australia

The counter-signatory verifies that this report is genuine, and issued and endorsed by Valuations Services (SA) Pty Ltd trading as Knight Frank Valuation & Advisory South Australia. The opinion of the value expressed in this report, however, has been arrived at by the prime signatory acting as the valuer in accordance with instructions given.

Disclaimer – Important Notice to Third Parties

This report is prepared for the private and confidential use of the reliance party/parties named in Section 1.1 of this report, and only for the purpose outlined in Section 1.1. It should not be relied on by the nominated party/parties for any other purpose and should not be reproduced in whole or part for any other purpose without the express written consent of Knight Frank Valuation & Advisory South Australia. Any party that is not named as a reliance party/parties may not rely on this report for any purpose and should obtain their own valuation before acting in any way in respect of the subject property.

Liability limited by a scheme approved under Professional Standards Legislation.

Appendices

Letter of Instruction
Copy of Certificates of Title
Zoning Regulations
Qualifications

LETTER OF INSTRUCTION

Quote



8th September 2020

Brazzale Group
216 Grange Road
Flinders Park SA 5025

Dear Andrew

OUR REFERENCE: #99 2 Myer Court, Beverley SA 5009
 216 Grange Road, Flinders Park SA 5025

Further to our recent discussions we are pleased to provide our proposal to undertake a market valuation of the above properties for Accounting purposes.

We propose to undertake the market valuation in accordance with the enclosed quote and terms of business. Please confirm your acceptance of both our quote and our terms of business by signing and returning this letter and quote.

We will endeavour to complete the market valuation within 10-15 working days from the date we receive your acceptance of our letter, quote and our terms of business. If we do not receive your acceptance within five (5) working days from the date of this letter we may need to revise the terms of our quote. Please note our payment terms of payment prior to the delivery of our report.

I look forward to working with you. Should you have any queries, please do not hesitate to contact me direct on 0438716787.

Yours faithfully

KNIGHT FRANK VALUATION & ADVISORY SOUTH AUSTRALIA

A handwritten signature in black ink, appearing to read "Tom Walker", written over a horizontal line.

TOM WALKER
tom.walker@sa.knightfrankval.com.au

ACCEPTANCE

Signed: _____

Date: 10 / 9 / 2020

Name: ANDREW BRAZZALE

Hard Copies Req.: 0 (1) 2 3 (please circle)

Level 25, 91 King William Street, ADELAIDE SA 5000 T 08 8233 5283 F 08 8231 0122 GPO Box 167, Adelaide SA 5001
www.knightfrank.com.au

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COPY OF CERTIFICATES OF TITLE

REAL PROPERTY ACT, 1886



South Australia

The Registrar-General certifies that this Title Register Search displays the records maintained in the Register Book and other notations at the time of searching.



Certificate of Title - Volume 6219 Folio 217

Parent Title(s) CT 6126/529
Creating Dealing(s) ACT 13050450
Title Issued 30/01/2019 **Edition** 1 **Edition Issued** 30/01/2019

Estate Type

FEE SIMPLE

Registered Proprietor

BEVERLEY PROPERTY NOMINEES PTY. LTD. (ACN: 629 274 344)
OF 216 GRANGE ROAD FLINDERS PARK SA 5025

Description of Land

LOT 1 PRIMARY COMMUNITY PLAN 41572
IN THE AREA NAMED BEVERLEY
HUNDRED OF YATALA

Easements

NIL

Schedule of Dealings

Dealing Number	Description
13036126	MORTGAGE TO COMMONWEALTH BANK OF AUSTRALIA (ACN: 123 123 124)
13116653	LEASE TO ASSA ABLOY AUSTRALIA PTY. LTD. (ACN: 086 451 907) COMMENCING ON 30/01/2019 AND EXPIRING ON 30/11/2023

Notations

Dealings Affecting Title NIL

Priority Notices NIL

Notations on Plan

Lodgement Date	Dealing Number	Description	Status
14/01/2019	13050451	SCHEME DESCRIPTION	FILED
14/01/2019	13050452	BY-LAWS	FILED

Registrar-General's Notes NIL

Administrative Interests NIL

REAL PROPERTY ACT, 1886



The Registrar-General certifies that this Title Register Search displays the records maintained in the Register Book and other notations at the time of searching.



Certificate of Title - Volume 6219 Folio 218

Parent Title(s) CT 6126/529
Creating Dealing(s) ACT 13050450
Title Issued 30/01/2019 Edition 1 Edition Issued 30/01/2019

Estate Type

FEE SIMPLE

Registered Proprietor

BEVERLEY PROPERTY NOMINEES PTY. LTD. (ACN: 629 274 344)
OF 216 GRANGE ROAD FLINDERS PARK SA 5025

Description of Land

LOT 2 PRIMARY COMMUNITY PLAN 41572
IN THE AREA NAMED BEVERLEY
HUNDRED OF YATALA

Easements

NIL

Schedule of Dealings

Dealing Number	Description
13036126	MORTGAGE TO COMMONWEALTH BANK OF AUSTRALIA (ACN: 123 123 124)

Notations

Dealings Affecting Title NIL

Priority Notices NIL

Notations on Plan

Lodgement Date	Dealing Number	Description	Status
14/01/2019	13050451	SCHEME DESCRIPTION	FILED
14/01/2019	13050452	BY-LAWS	FILED

Registrar-General's Notes NIL

Administrative Interests NIL

REAL PROPERTY ACT, 1886



The Registrar-General certifies that this Title Register Search displays the records maintained in the Register Book and other notations at the time of searching.



Certificate of Title - Volume 6219 Folio 219

Parent Title(s) CT 6126/529
Creating Dealing(s) ACT 13050450
Title Issued 30/01/2019 Edition 1 Edition Issued 30/01/2019

Estate Type

FEE SIMPLE (COMMON PROPERTY)

Registered Proprietor

COMMUNITY CORPORATION NO. 41572 INC.
OF 2 MYER COURT BEVERLEY SA 5009

Description of Land

COMMON PROPERTY PRIMARY COMMUNITY PLAN 41572
IN THE AREA NAMED BEVERLEY
HUNDRED OF YATALA

Easements

NIL

Schedule of Dealings

NIL

Notations

Dealings Affecting Title NIL

Priority Notices NIL

Notations on Plan

Lodgement Date	Dealing Number	Description	Status
14/01/2019	13050451	SCHEME DESCRIPTION	FILED
14/01/2019	13050452	BY-LAWS	FILED

Registrar-General's Notes NIL

Administrative Interests NIL

PURPOSE:	PRIMARY COMMUNITY	AREA NAME:	BEVERLEY	APPROVED:	MATTHEW LETHBRIDGE 20/11/2018	 C41572 SHEET 1 OF 2 65094_text_01_v03_Version_3
MAP REF:	6628/41/C	COUNCIL:	CITY OF CHARLES STURT	DEPOSITED:	DEAN WATSON 23/01/2019	
LAST PLAN:	D92697	DEVELOPMENT NO:	252/C263/18/001/53768			

AGENT DETAILS:	GILBERT SURVEYORS PTY LTD 2 CREMORNE STREET FULLARTON SA 5063 PH: 0428 719 639 FAX: (08) 8271 9639	SURVEYORS CERTIFICATION:	I Peter Mark Gilbert , a licensed surveyor under the Survey Act 1992, certify that (a) I am uncertain about the location of that part of the service infrastructure shown between the points marked > and < on the plan; and (b) This community plan has been correctly prepared in accordance with the Community Titles Act 1996 7th day of November 2018 Peter Gilbert Licensed Surveyor
AGENT CODE:	GILB		
REFERENCE:	C243/17CP		

SUBJECT TITLE DETAILS:										
PREFIX	VOLUME	FOLIO	OTHER	PARCEL	NUMBER	PLAN	NUMBER	HUNDRED / IA / DIVISION	TOWN	REFERENCE NUMBER
CT	6126	529		ALLOTMENT(S)	1017	D	92697	YATALA		
OTHER TITLES AFFECTED:										

EASEMENT DETAILS:										
STATUS	LAND BURDENED	FORM	CATEGORY	IDENTIFIER	PURPOSE	IN FAVOUR OF	CREATION			

ANNOTATIONS: THE SERVICE INFRASTRUCTURE WAS NOT IN PLACE AS AT 12 / 10 / 2017

LOCATION PLAN

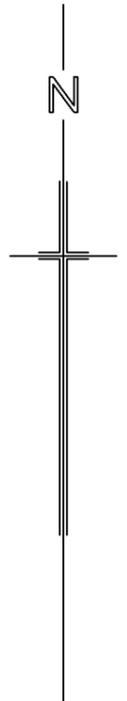
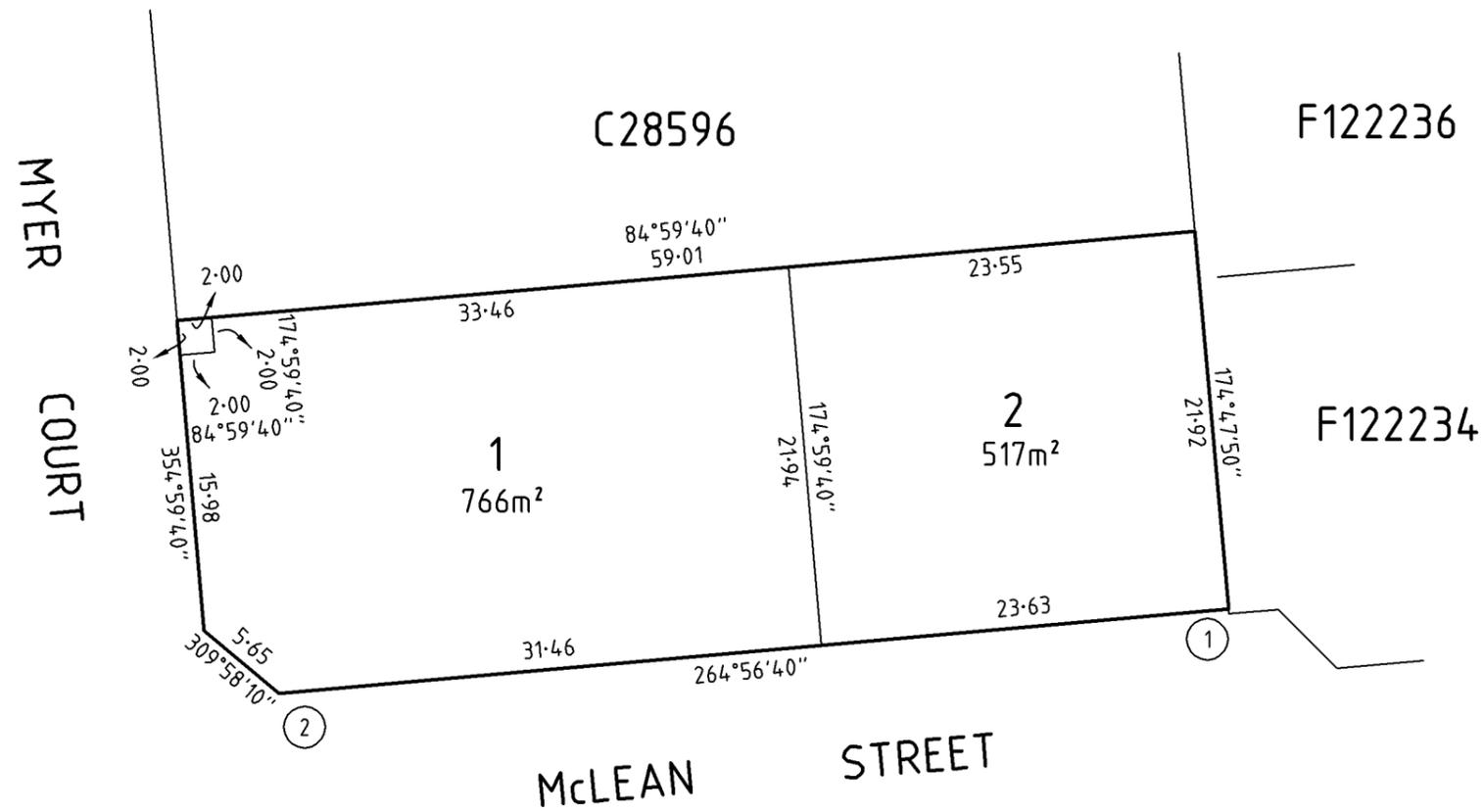
C41572

SHEET 2 OF 2

65094_pland_1_V01_Version_3

BEARING DATUM: ①-② 264°56'40"
DERIVATION: D92697 ADOPTED

TOTAL AREA: 1288m²



GILBERT SURVEYORS PTY LTD

2 CREMORNE STREET mobile 0428719639
FULLARTON SA 5063 gilbert@esc.net.au

ref: C243/17CP



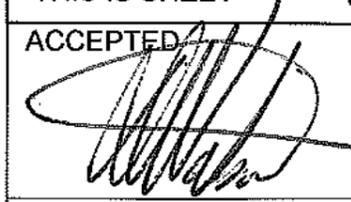
LOT ENTITLEMENT SHEET

COMMUNITY PLAN NUMBER

CP 41572

THIS IS SHEET 1 OF 1 SHEETS

ACCEPTED



23 JAN 2019

PRO REGISTRAR-GENERAL

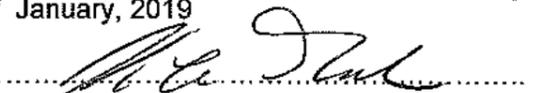
DEV. No. 252/C263/18

SCHEDULE OF LOT ENTITLEMENTS		
LOT	LOT ENTITLEMENT	SUBDIVIDED
1	700	
2	300	
AGGREGATE	1000	

CERTIFICATE OF LAND VALUER

I, **Kenneth Ernest White** being a land valuer within the meaning of the Land Valuers Act 1994 certify that this schedule is correct for the purposes of the Community Titles Act 1996.

Dated the 11th day of January, 2019


Signature of Land Valuer

ZONING REGULATIONS

Urban Employment Zone

Refer to the [Map Reference Tables](#) for a list of the maps that relate to this zone.

OBJECTIVES

- 1 A mixed use employment zone that accommodates a range of industrial land uses together with other related employment and business activities.
- 2 Development designed and located to provide primary vehicle access via arterial and distributor roads to minimise impacts on residential streets.
- 3 Commercial uses, including shops, offices, consulting rooms, personal service establishments and training centre that provide services for businesses and an expanding workforce, located along the fringes of the zone on arterial roads.
- 4 Provision for large floor plate enterprises, such as major logistics and manufacturing plants, high technology and/or research and development related uses, located to take advantage of existing transport networks.
- 5 The effective location and management of activities at the interface of industrial/commercial activity with land uses that are sensitive to these operations.
- 6 Development that promotes business clusters that provide a range of economic and environmental benefits.
- 7 Development that contributes to the desired character of the zone.

DESIRED CHARACTER

Desirable land uses include a wide range of activities that take advantage of existing transport networks to generate employment, focusing on industry and similar activities, together with offices, industry-related educational establishments, high technology and/or research and development related uses where it is compatible with adjoining uses. Clustering of industrial activities to share resources and reduce waste impacts and energy needs is encouraged, as well as shared use of facilities and services, including training, communication and information technology and car parking areas where practical.

The development of local commercial activities accommodating local shops (including cafes and restaurants), consulting rooms, offices, service trade premises, recreation facilities and training centres are encouraged in certain locations. These uses should primarily occur in the **Main Road Commercial Policy Area 25**.

The existence of a number of well-established industrial activities, which fulfil an important employment function for the surrounding residential areas and region, are protected from the intrusion of inappropriate uses which may reduce their potential operations and the utility of the land resource.

Labour intensive or high traffic generating activities are located within close proximity to public transport, centres, public open space and community facilities.

Bulky goods outlets are to primarily occur in the **Bulky Goods Policy Area 6**. At a lesser scale, bulky goods outlets are also envisaged in the **Main Road Commercial Policy Area 25**.

The character and amenity of the locality will be enhanced through development that provides a high standard of design and external appearance with consideration given to building scale, bulk, articulation, siting and materials. Development will comprise innovative contemporary architecture that is both adaptable

and flexible to accommodate multiple uses or changes in future land uses where practical. Development of large mass and bulk with long lengths of solid walling are not appropriate on the boundary of another zone where more sensitive land uses are anticipated (e.g. residential development) and will be avoided through articulation and innovative design.

Allotments that are along arterial roads or adjoin the boundary of another zone where more sensitive land uses are anticipated (e.g. residential development), will be large enough to accommodate design features and siting arrangements that maintain a high amenity and limit the impact on the adjoining zone.

Development and offices associated with other uses located to the primary street frontage of a site are constructed with high quality finishes. Arterial road corners are defined with the primary orientation of the development. It is envisaged that where appropriate, the amalgamation of smaller allotments will occur to ensure coordinated and efficient site development.

The main focus for entering the zone for industrial traffic, commercial traffic and heavy vehicles will be from arterial and distributor roads and via local roads within the zone and will be restricted from entering residential areas through the use of traffic management measures. Development will consolidate driveway crossovers to optimise the provision for on-street car parking and minimise conflicts with traffic.

High quality landscaping will be carefully integrated with built form as a means of improving amenity, cooling the site through shading and transpiration and providing habitat with climate responsive sustainable vegetation and matched to the scale of development; so providing a comfortable, pleasant and attractive environment. In order to protect the amenity of adjoining zones a landscaped area at the rear and/or sides of the site will be established as part of the development.

It is envisaged that a landscaped area along boundaries with any road or reserve will be provided in developments. Car parking areas will include trees to provide shade and enhance visual amenity. Landscaping will be carefully designed to minimise opportunity for crime by ensuring passive/active surveillance and minimising places of entrapment.

The erection of open ornamental or decorative fences, other than wire mesh, at the street frontage of a site is appropriate as part of a development. Colour coated wire mesh fencing is appropriate where it is sited in line with the building or behind landscaped areas. The appearance of outdoor storage areas will be enhanced through landscaping and also screened with fencing/structures of varied materials that limit potential for vandalism.

All loading and unloading of goods, including temporary storage will occur within the site and preferably to the rear or side of the site.

In Beverley and Findon, the amenity of William Street and Toogood Avenue will be enhanced by screening the depot fronting the streets with intensive landscaping. The pedestrian environment along Port Road will be improved by providing verandas for pedestrian shelter.

In Hendon, it will be important to utilise materials and forms that are reflective of the traditional character of large scale industrial premises south of Farman Avenue, such as 'English Bond' brickwork and traditional sawtooth roofs. In order to protect and improve amenity in Hendon it will be desirable to establish substantial landscaped buffers abutting the Residential Zone along the Gordon, Willowie and Botting Streets residential interfaces and along the rear of the properties on the northern side of Circuit Crescent.

In Hindmarsh, development will be sympathetic in built form with the traditional siting, scale, form, materials and window shapes in order to maintain the character and amenity of River and Adam Streets.

In Kidman Park it will be important to maintain the existing intensive landscaped buffer of 15 metres width on the western boundary of 414 - 450 Findon Road (Allotment 401, DP 19661, CT 6154/507), to protect the amenity of adjoining residential areas.

In Kilkenny, West Croydon and Woodville, it is envisaged that screen landscaping of appropriate scale will be established along the railway line to soften the visual impact of large scale industry. A priority in Woodville will be to make provisions for a landscaped bikeway along the length of the railway line.

Chapel Street, Hindmarsh is an established industrial area that contains a number of historic buildings and a variety of uses. It is compact in size and most premises are correspondingly smaller in operation. It is envisaged that the area will accommodate a variety of uses, such as small offices, consulting rooms, adaptation of historic housing or a range of industrial uses comprising service industrial, warehousing, storage and distribution activities which benefit from the strategic locational advantages of Hindmarsh. Large scale manufacturing and high impact industries are inappropriate. In order to maintain the character of the area it is desirable for development to be reflective of and sympathetic to the traditional siting and built form of development, particularly in proximity to buildings of historic value.

Industry Interface Area

The area provides a transition between the **Core Industry Policy Area 26** and adjoining residential areas. It is envisaged that this area, as shown on *Overlay Maps – Development Constraints* will accommodate a wide range of industry uses (other than special industry), warehousing, motor repair station, office, consulting rooms, retail activities, public service depots, and training centre, which protect the amenity and safety of adjoining residential zoned areas.

Activities which are potentially hazardous or produce negative off-site impacts, such as noise, air, water and waste emissions, significant volumes of industrial traffic or have a detrimental impact on the amenity of properties in residential or similar environmentally sensitive zones are not appropriate. The phasing out of intensive industrial development (such as special industry) is desirable.

Outdoor activities including driveways, truck manoeuvring areas, carparks, waste collection, and loading / un-loading areas should ideally be located away from the interface between surrounding zones which contain more sensitive land uses.

Much of the area has residential interfaces, which experience impact from some activities in terms of visual appearance, building bulk, minimal landscaping, noise, air quality, overshadowing, 24 hour operation, industrial traffic and on-street carparking. This proximity to residential areas acts as a constraint on industrial operations. Other parts of the area have an interface with the River Torrens. Impacts on residential amenity will be minimised through a high standard of design and incorporate extensive landscaping to enhance visual amenity particularly along residential interfaces. Larger scale structures are appropriate within the centre area.

Parts of the area have intermingled residential uses, which experience industrial impacts in terms of visual amenity, noise and traffic. Dwellings retained for residential use should recognise the industrial location and implement sound attenuation, screening and other measures to protect their own residential amenity. The area will be protected from the encroachment of houses which will reduce the land resource for industry.

PRINCIPLES OF DEVELOPMENT CONTROL

Land Use

1 The following forms of development, or combination thereof, are envisaged in the zone:

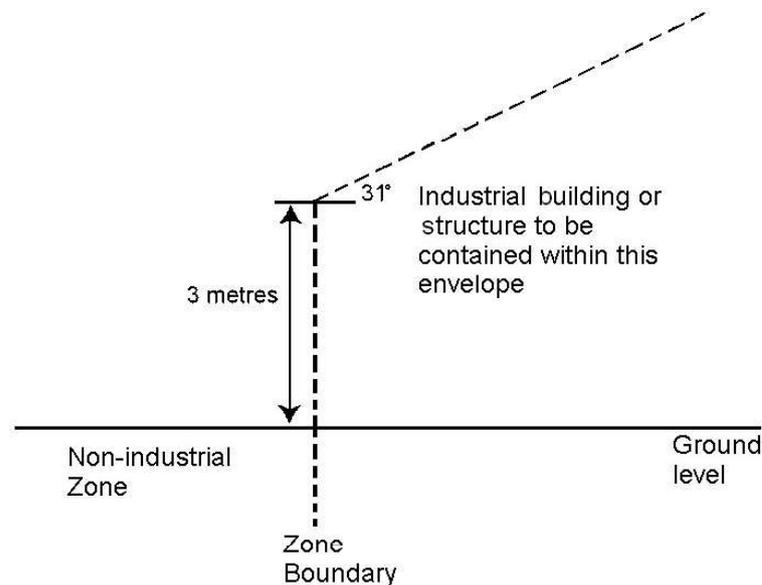
- consulting room
- electricity substation
- fuel depot
- high-tech, bio-tech, research and development
- indoor recreation centre
- industry (other than special industry)
- motor repair station
- office
- petrol filling station
- prescribed mains
- public service depot
- road transport terminal
- service trade premises
- service industry

- shop or group of shops
 - training centre
 - store
 - warehouse.
- 2 Development listed as non-complying is generally inappropriate.
 - 3 Development should not impede the operation of established land uses through encroachment, over development of sites or noise/emissions or any other harmful or nuisance-creating impact.
 - 4 Office uses should be ancillary to an industrial, warehouse, storage or similar activity within the **Core Industry Policy Area 26**.
 - 5 Retail uses should be ancillary to industrial, warehouse, storage or similar activities within the **Core Industry Policy Area 26**.
 - 6 Shops or groups of shops (other than bulky good outlets and service trade premises) should serve the local workforce within the zone and have a gross leasable floor area less than:
 - (a) 500 square metres where located in the **Main Road Commercial Policy Area 25**
 - (b) 250 square metres where located outside of the **Main Road Commercial Policy Area 25**.
 - 7 Bulky goods outlets and service trade premises should only be located in the **Bulky Goods Policy Area 6** or **Main Road Commercial Policy Area 25**.
 - 8 Bulky goods outlets and service trade premises should not have any adverse impacts on heavy vehicle access or freight movements.
 - 9 Restaurants and cafes should only be located in the **Main Road Commercial Policy Area 25** with a gross leasable area of 500 square metres or within bulky goods outlets or service trade premises that are larger than 2000 square metres, and should have a gross leasable area of 250 square metres or less.
 - 10 Short term workers accommodation or other sensitive uses within the zone should be designed and located to ensure the ongoing operation of any existing activity within the zone is not impeded.
 - 11 Dwellings and dwelling additions should be designed in a manner to not restrict operations of adjacent existing or potential non-residential land uses envisaged in the zone by locating noise sensitive rooms and private open spaces away from noise sources, or by the use of appropriate noise attenuation techniques to minimise land use conflicts.
 - 12 The **Core Industry Policy Area 26** should only be developed for land uses that are ancillary and in association with envisaged land uses.
 - 13 Facilities for the handling, storage and dispatch of commodities in bulk should be sited, designed and operated to minimise risks of contamination to the environment and adverse impacts on nearby sensitive land uses and from surrounding land uses.

Form and Character

- 14 Development should not be undertaken unless it is consistent with the desired character for the zone.
- 15 Development should not exceed a maximum height of 12 metres.
- 16 Development on land that directly adjoins the boundary of another zone intended to accommodate residential land uses or a public reserve should be setback 3 metres from the shared boundary or sited on the shared boundary where buildings are constructed of solid masonry or other sound attenuating materials.

- 17 Any building or structure on, or abutting the boundary of **another zone intended to accommodate residential land uses or public open space should be** should be restricted to a height of 3 metres above ground level at the boundary and a plane projected at 31 degrees above the horizontal into the development site from that 3 metre height, as shown in the following diagram:



- 18 Building façades facing **another zone intended to accommodate residential land uses** should not contain openings or entrance ways that would result in the transmission of noise or light spillage that would adversely affect the amenity of nearby residents.
- 19 **Building facades to the primary street frontage should:**
- provide a **minimum 50 per cent** glazing to promote activity and passive surveillance
 - comprise a variety of materials, articulation, design features such as verandas and avoid blank walls.
- 20 **External walls constructed of metal clad pre-coloured or painted materials should comprise less than 50 per cent of the facade of the primary street frontage buildings and structures.**
- 21 Any plant or equipment with potential to cause an environmental nuisance (including a chimney stack or air-conditioning plant) should be sited as far as possible from the adjoining boundary of **another zone intended to accommodate residential land uses** and should be designed to minimise its effect on the amenity of the locality.
- 22 Development should control noise emissions through the use of attenuation devices and sound proofing, particularly activities requiring extended hours of operation.
- 23 Within 50 metres of **the boundary of another zone intended to accommodate residential land uses**, non-residential development (including loading and unloading activities and waste management) should:
- demonstrate appropriate acoustic performance
 - ensure that all noise sources including machinery, loading, unloading and other service areas are located within the building.
- 24 **Non-residential development should provide landscaping comprising at least 10 per cent of the site area.**
- 25 **Landscaping for non-residential development should shade car parking areas with trees interspersed between every third carpark.**

- 26 Car parking areas for non-residential development between a building and a street should be setback a minimum of 3 metres from the street boundary with a landscape strip planted with trees and groundcovers incorporated within that setback, unless otherwise specified in the relevant policy area or precinct.
- 27 Except where stated below, a landscaped buffer of 3 metres should be provided where development abuts the boundary of another zone intended to accommodate residential land uses, a railway corridor or public reserve:

Designated Area	Minimum landscape buffer (Meters)
Glyde Street, Albert Park	8
Tapleys Hill Road and West Lakes Boulevard, Hendon	5
Findon Road and Valetta Road, Kidman Park	5
The western boundary of 414-450 Findon Road, Kidman Park	15
All roads west of Wilson Street, Royal Park (except for Frederick Road and Old Port Road)	5
Frederick Road, Royal Park	8

- 28 Proposed buildings and structures on sites adjacent to the River Torrens should be setback 8 metres from the river front boundary to allow for their screening through appropriate landscaping.
- 29 Advertisements and advertising hoardings should not include any of the following:
- (a) flashing or animated signs
 - (b) bunting, streamers, flags or wind vanes
 - (c) roof-mounted advertisements projected above the roofline
 - (d) parapet-mounted advertisements projecting above the top of the parapet.
- 30 Development involving the reception, storage or transfer of waste should satisfy all of the following:
- (a) be located at least 300 metres from any residential or other sensitive land use
 - (b) not be located in the suburb of Royal Park
 - (c) not involve the processing, treatment or disposal of waste
 - (d) not have an annual throughput or potential to receive, store or transfer greater than 10 000 tonnes per annum
 - (e) involve the unloading, storage or loading of waste inside a fully enclosed and roofed building with an impervious floor
 - (f) minimise adverse impacts to adjoining land uses by intensive landscaping and aesthetic screening of the activities
 - (g) not be located fronting an arterial road, as indicated on Overlay Maps - Transport, or significant public space unless the frontage comprises buildings or structures that present a high quality appearance

- (h) only occur on Certificates of Title 5612/733 (Allotment 10, FP 122257) or 5105/952 (Allotment 19, DP 13164) or 5105/969 (Allotment 51, DP 25157) where it can be demonstrated that it will result in a reduction of any noise, dust, odours or other pollutants, traffic generation
- (i) over-shadowing, signs, light spill, vibration and other impacts which might adversely affect the amenity of the locality.

Land Division

- 31 Land division should create allotments that are of a size and shape suitable for the intended use.
- 32 Land division should ensure that new allotments do not have direct access to the following roads unless they have a frontage of at least 30 metres:
 - (a) Hanson Road and Grand Junction Road, Athol Park
 - (b) William Street (north of the National Basketball arena), Beverley
 - (c) Torrens Road, Brompton
 - (d) Tapleys Hill Road, Royal Park.

Movement Systems

- 33 Development should be designed and located to discourage commercial and industrial vehicle movements through residential streets.
- 34 Development serviced by frequent heavy vehicles or which are high traffic generators should be located in the **Core Industry Policy Area 26**.

QUALIFICATIONS

Qualifications

1. This report is prepared for the private and confidential use of our client Brazzale Group and only for Superannuation Fund Reporting Purposes. It should not be relied on by the nominated party/parties for any other purpose and should not be reproduced in whole or part for any other purpose without the express written consent of Valuations Services SA Pty Ltd trading as Knight Frank Valuation & Advisory South Australia ("Knight Frank Valuations"). Any party that is not named as a reliance party/parties may not rely on this report for any purpose and should obtain their own valuation before acting in any way in respect of the subject property.
2. The valuation specifically may not be relied upon by any party in connection with any Managed Investment Scheme (within the meaning of the Corporations Law) which:
 - a) Has as its prime or as a substantial purpose, the provision of tax benefits to investors; or
 - b) Is involved in any form of direct or indirect investment in primary production including "property used for primary production".
3. Unless otherwise stated, all valuation figures stated herein are net of GST, are on a before tax basis, are before acquisition and selling expenses, and do not reflect any withholding amounts or impact upon sale proceeds that may apply under foreign investor transaction legislation (including under mortgagee sale conditions).
4. Reliance on this report should only be taken upon sighting an original document received by the Reliant Party directly from Knight Frank or through a Panel Management System authorised by the client, and has been signed by the valuer and countersigned by a senior executive of Knight Frank Valuations.

The counter-signatory verifies that this report is genuine and issued and endorsed by Knight Frank Valuations. The opinion of value expressed in this report, however, has been arrived at by the prime signatory acting as the valuer. Please note that Lyle Montgomerie has not inspected the subject property, and counter-signs this report only as part of the peer review process.
5. This valuation is current as at the date of valuation only. The value assessed herein may change significantly and unexpectedly over a relatively short period of time (including as a result of general market movements and factors specific to the particular property). We do not accept responsibility or liability for losses arising from such subsequent changes in value.

Without limiting the generality of the above comment, we do not assume responsibility or accept liability where the valuation is relied upon after the expiration of ninety (90) days from the date of the valuation or such earlier date if you become aware of any factors that have an effect on the valuation.
6. In accordance with industry guidelines and requirements, Knight Frank Valuations cannot assign or confirm the original or initial valuation after the expiration of ninety (90) days from the date of valuation. Any written assignment of the valuation by Knight Frank Valuations within this ninety (90) day period is required to contain a statement that the valuer has not re-inspected the property nor undertaken further investigations or analysis since the original/initial valuation and accepts no responsibility for reliance upon the original/initial valuation other than as a valuation of the property at the original/initial date of valuation.

7. This valuation is conditional on there being no material change (including as a result of general market movements, or factors specific to the particular property) between the date of inspection and the date of valuation that would impact on the value of the subject property. Should such an event occur, the valuer should be contacted for comment prior to reliance upon the valuation.
8. This valuation is not intended to be used to provide financial advice, express or implied, and we confirm that the valuer and Knight Frank Valuations is not licensed to provide financial product advice under the Corporations Act 2001.
9. This valuation report is to be read in its entirety and in particular, we draw your attention to the Important Notices set out in the body of the report and the Critical Conditions section of the Executive Summary.
10. Any forecasts, including but not limited to, financial cash flow projections or terminal value calculations noted within this report are a valuation tool only undertaken for the purpose of assisting to determine the market value. No party may rely upon any financial projections or forecasts within this report on the understanding that they are undertaken for the specific purpose of determining the market value only and, therefore, should not be represented in any way as providing an indication of likely future profit or realisable cash flow.
11. The valuer has no pecuniary interest in the said property, past, present or prospective, and the opinion expressed is free of any bias in this regard.
12. Any objective information, data or calculations set out in the Valuation will be accurate so far as is reasonably expected from a qualified valuer, reflecting due skill, care and diligence.
13. Limited liability by a scheme approved under Professional Standards Legislation (Scheme) which includes Valuations Services (SA) Pty Ltd and the valuer(s) signing this report. Where the Scheme does not apply, our liability is limited to the lower of an amount equal to the fees charged in relation to the Valuation and the amount provided for in any available insurance policy (if any) held by us for that type of claim.
14. **Native Title Claims:** In undertaking this valuation assessment, we have not commissioned a search of the Register of Native Title Claims which is administered by the National Native Title Tribunal. The assessed value could well decrease if a native title claim exists, or eventuates, over the subject land. It would also adversely impact on our assessment of the suitability of this property for mortgage security purposes. Knight Frank Valuations is not a specialist in native title law and this valuation is conditional on the site being free of any native title claim. Any party relying on this valuation does so on the basis that Knight Frank Valuations accepts no liability for any loss relating to native title claims. Should a native title claim be identified upon the subject site, the valuation should be referred back to the valuer for reassessment.
15. **Pecuniary Interest Declaration:** The valuer has no pecuniary interest in the said property, past, present or prospective, and the opinion expressed is free of any bias in this regard.

16. Scope of Diligence:

We have relied upon information provided and discussions held with the owner's (Mr. Andrew Brazzale) which include, but are not limited to:

- Copies of Lease Agreements
- Buildings Plans & Summary of Areas

We have relied upon this information, together with other relevant enquiries in arriving at our opinion of market value. Should the information provided be incorrect or vary, we reserve the right to review, and if necessary, amend our valuation.

We advise that we have carried out an inspection of the subject property and have undertaken market research with respect to the available sales evidence, prepared our calculations and report formally herein.