

Valuation Report

Professional Offices



NPVvaluers

National Pacific
Valuers



2/34 Florence Street, Parramatta Park QLD 4870

As at 7th June 2023
Prepared for Alex van Welderen
Our Reference 1814-3

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EXECUTIVE SUMMARY

This valuation is based on certain conditions and contains a number of qualifications. This executive summary must be read in context of and in conjunction with the full valuation report. All comments, terms and conditions contained in the full valuation report relate directly to this Executive Summary. Reliance should only be placed on this report upon sighting a signed original document.

INSTRUCTIONS

Property Address	2/34 Florence Street, Parramatta Park QLD 4870
Instructions	This valuation has been prepared in response to an instruction dated 28 th February 2023 from G.A. van Welderen. We have been instructed to assess the market value of the above property for Mortgage Security and Superannuation Fund purposes.
Interest Being Valued	The interest being valued is the estate in fee simple vacant possession.
Date of Inspection	7 th March 2023
Date of Valuation	7 th March 2023
Date of Issue	30 th June 2023

TITLE & LOCAL AUTHORITY DATA

Real Property Description	Lot 2 on Group Title Plan 70271
Registered Owner/s	Florence St Pty Ltd Trustee Under Instrument 716826650 as per Current Title Search
Title Search	<p>We have undertaken a Current Title Search dated 8th March 2023. Apart from the normal rights and interest reserved to the Crown, the title search has revealed the following registered encumbrance:</p> <p>Mortgage No 716826665 16/10/2015 Bendigo and Adelaide Bank Limited.</p> <p>Title Reference No.: 21397169</p> <p>This valuation has been based on the assumption that the property is not subject to any other onerous encumbrances, easements or impediments noted on title which could detrimentally affect the value of the property or would be likely to impede the registration of a transfer.</p>
Local Government Area	Cairns Regional Council
Site Value/Land Tax	The parent parcel has a site value of \$1,350,000 effective 30 th June 2022 for Local Authority Rating, Rental and Taxing purposes under the Land Valuation Act 2010. Assuming ownership by a company, trustee or absentee on a single holding basis, the land tax payable for the subject property will be nil.
Planning	Mixed Use Precinct 1 Commercial – Cairns Planning Scheme which took effect on 1 st March 2016. The existing use complies with the zoning.

PROPERTY OVERVIEW

Property Synopsis	An owner occupied, circa 1989, detached, single level, masonry block, group titled building unit with a net lettable area of approximately 279m ² . The property is fit out as modern office accommodation and fronts Mulgrave Road in a high exposure position.
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RISK ASSESSMENT

		Risk: Low-Medium
The Market	Marketability	Good
	Market Activity	Strong
	Recent Market Direction	Steady
	Estimated Selling Period	3-6 months with a professional marketing campaign
	Likely Buyer Profile	Investors or owner occupiers
	Demand for the property	The anticipated leasing and investment demand for the property is
	Sales History	We are not aware of any transactions on the property within the last 12 months.

		Risk: Low-Medium
Asset	Highest & Best Use	The highest & best use is considered to be the existing use
	Functionality	The property is functional for the existing use
	Capital Expenditure	During our inspection, we did not note any immediate repair items, however, it is an older style building. We have taken this into consideration when assessing maintenance expenditure for the asset.
	Other factors	Good location

		Risk: Low-Medium
Cash Flow	Occupancy Details	The lessee is Owner occupied

Swot Analysis

Strengths

- Moderate proximity to the CBD
- Good exposure to passing traffic
- Solid building with a modern fit-out
- Allocated on site carparking to the rear

Opportunities

- Possible increase of extended strata area by acquiring part of a common area.

Weaknesses

- Located in a group titles development with part of the common area to the front awning of the subject building.

Threats

- Further increase in interest rates may decrease property investment

MORTGAGE CONSIDERATIONS

Mortgage Security	We consider that the subject property offers suitable security for mortgage lending purposes assuming competent management.
Documents to Sight	Nil
Bank Standing Instructions	To the best of our knowledge this valuation has been prepared in accordance with the clients standing instructions and applicable valuation standards.
Lending Cautions	The Cairns regional property market is heavily reliant on the tourism industry. A number of factors may affect the tourism industry, including environmental, global, national or local issues. If tourism numbers decrease in the region, property values may decline significantly.
Critical Assumptions	This valuation is current at the date of valuation only. The value assessed herein may change significantly and unexpectedly over a relatively short period (including as a result of general market movements or factors specific to the particular property). We do not accept liability for losses arising from such subsequent changes in value. Without limiting the generality of the above comment, we do not assume any responsibility or accept any liability where this valuation is relied on after the expiration of 3 months from the date of the valuation, or such earlier date if you become aware of any factors that have any effect on the valuation. This valuation is for the use only of the party to whom it is addressed and of no other purpose. No responsibility is accepted to any third party who may use or rely on the whole or any part of the content of this valuation.

VALUATION SUMMARY

Valuation Metrics	Market Gross Income	\$92,070 p.a.	Initial Yield	9.08%
	Market Net Income	\$74,927 p.a.	Analysed Rate	\$2,957/m ²
	Adopted Capitalisation Rate	8.50%	Net Lettable Area	279m ²

VALUATION

Market Valuation 'As is'

\$825,000
(Eight Hundred and Twenty-Five Thousand Dollars)

GST would be added on to the sale price of the property when sold, if the vendor is required to remit GST to the Australian Tax Office following a sale. Our valuation is made exclusive of GST components.

Replacement Insurance

The replacement value of the structural improvements including removal of debris, holding costs, council and professional fees is covered by the Body Corporate.

Units in Development 3 **Unit Entitlement** 3 out of 10

Valuer



Trevor Gard (Director)
 Certified Practising Valuer / AAPI
 Registered Valuer No. 2586
 Australian Property Institute No. 2780
Inspecting Valuer

The Valuer has no pecuniary interest in the said property, past, present or prospective, and the opinion is free of any bias in this regard. This valuation has been made in conformity with the Code of Professional Ethics and Conduct laid down by the Australian Property Institute.

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