

# anreps

## Appraised Valuation

**Property:** 115B Portrush Rd, Evandale

**Date:** 23<sup>rd</sup> August 2019

## Executive Summary

<b>Property</b>	115B Portrush Road, Evandale
<b>Comments</b>	The subject holding comprises mixed used property facility together with sundry site improvements.
<b>Property Description</b>	Certificate of Title Volume 6048 Folio 204
<b>Zoning</b>	Commercial
<b>Valuation Method</b>	Direct comparison and capitalisation
<b>Date of Valuation</b>	23 <sup>rd</sup> August 2019
<b>Current Market Value</b>	Four hundred and fifty thousand dollars (\$450,000) on a GST exclusive basis and subject to the details contained within the body of this report.
	Sam Cole RLA207669

### Date of Valuation

The date of valuation as instructed by the client Ric Palombo is as at the 23<sup>rd</sup> August 2019.

### Basis of Valuation

This valuation has been prepared on the following basis:

#### Market Value

In accordance with the definition adopted by the Australian Property Institute, market value is defined as follows:

*"Market value is the estimated amount for which an asset should exchange on the date of valuation between a willing buyer and a willing seller in an arm's length transaction after proper marketing wherein the parties had each acted knowledgeably, prudently and without compulsion."*

### Legal Description

#### Title Details

The subject property is described as Certificate of Title Register Book Volume 6048 Folio 204. The property is one of three as part of a Community Plan, consisting of 113, 115 and 115B Portrush Rd

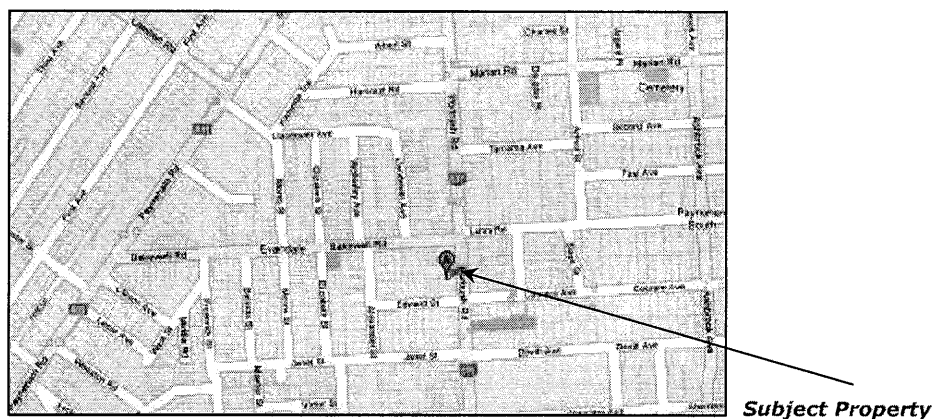
## Site Details

### Location

The subject property is located along Portrush Road, within the suburb of Evandale, situated approximately five kilometres east of the City of Adelaide.

More particularly, the subject is located on the western side of Portrush Road approximately one kilometre north from the intersection of Payneham Road and approximately one kilometre south from the intersection of Magill Road.

The surrounding area is characterised by commercial and residential properties. Sited directly opposite the subject are residential properties and professional businesses are located alongside the subject.



### Dimensions and Area

The property consists of a residence/office of approximately 120m<sup>2</sup>, plus courtyard, plus outdoor carparking area, plus a triple garage of approximate 60m<sup>2</sup>.

## Town Planning

### Council Area and Zoning

The subject property is within the bounds of the City of Norwood Payneham and St Peters, and pursuant to the Development Act 1993, as amended, and Regulations, is zoned as Local Centre (St Peters).

We are advised that the objective of this zone is to accommodate small groups of shopping, office and community facilities which cater for the day-to-day needs of nearby residents.

An extract from the Development Plan is included in the Appendices.

## Statutory Assessment

The Valuer General conducted a general valuation of the City of Norwood Payneham and St Peters as at 2<sup>nd</sup> July 2018, and determined values as they relate to the subject property as follows:

Valuation No.	Site Value	Capital Value
1600913203		\$405,000

We note these values are used only for rating and taxing purposes.

## Improvements

### **Accommodation**

Accommodation comprises Office Space (previously a residence) of approximately 120m<sup>2</sup>, now leased as a commercial premises to Plan 4 Insurance Pty Ltd. The property comprises 3 large offices, full kitchen, bathroom and laundry area

### **Site Improvements**

Other improvements to note are the 10mx6m Triple Garage, plus 5 outdoor car parks.

### **Repair and Condition**

#### **Building Structure**

Based on our inspection of the subject property, the improvements appear to be in a sound structural condition.

## Tenancy / Lease Details

We have sighted a copy of the Lease Agreement for 115B Portrush Rd, Evandale, summarised as follows:

Lessor	Enrico Palombo & Maria Di Troia both care of Umbrella Super Fund
Lessee	Plan 4 Insurance Services Pty Ltd
Property Address	115B Portrush Road, Evandale SA 5069
Original Lease Date	1 <sup>st</sup> December 2016
Right of Renewal	For a further 2 year period to 30th November 2021
Conditions	Lessee agrees to reimburse the lessor all outgoing
Rent Payable	\$26,944.32 per year (Ex GST), or \$2,245.36 per calendar month payable on the 1st day of each month.

## Financial Summary

### **Income**

The total rental income from the property amounts to \$26,944.32 per annum, plus tenant to pay for all outgoing.

### **Outgoings**

#### ***Outgoings Expenditure***

Outgoings are payable by the tenants.

### **Tenancy Arrears**

The tenants are current with rental payments and there are no arrears.

## General Comments

The subject property comprises approximately 120m<sup>2</sup>, that historically has been used as a residential premises – 2 bedrooms, large living room, upgraded kitchen, bathroom and courtyard. The property has now had significant modifications and improvements to transition it to a commercial office. This includes cabling, security system, disabled access, 5 outdoor carparks, plus a large 10mx6m triple garage, with automatic doors, and its own security system.

The subject property is situated within easy commuting distance to the City Centre and is easily accessible via Payneham Road and Magill Road. The subject property is located in an area comprising residential homes, professional offices and retail shops.

The subject property is considered to be well maintained internally and externally.

## Capitalisation Approach

The "Capitalisation of Net Income" approach has regard to the rental value of the property and requires that four essential factors be established, namely estimated market rental income, landlord's outgoings, an appropriate rate of capitalisation, and any capital adjustments that might be required in order to account for any shortfall in rental income, premium income or capital expenditure required.

Commercial properties of this nature can expect a net yield of approximately 5.0-8.0%, depending on quality of lessee, land size of property, quality of premises and fitout, utilised space and lettable area.

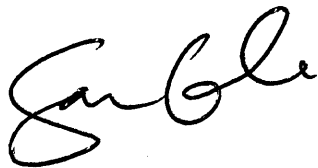
Given the quality of the property, the improvements that have been made, the new commercial lease we have capitalised the value of the property based on a yield of 6.0%. This would equate to a valuation of \$449,000 and with the size of the property and opportunity to increase the rent further in the future as a quality commercial property, we have rounded this to \$450,000.

## Valuation/Appraisal

**\$450,000 ( four hundred and fifty thousand dollars)**

Subject to the details contained within this Valuation Report.

**Anreps Real Estate**



**Sam Cole  
RLA 240779**