

Lindsay Wapper & Associates

VALUATION SERVICES

Valuation Report

Rural Property: Cormack Superannuation Fund

Under the Instructions: from Narelle Cormack

Valuations Date: 3rd May 2023

Gavin Clark
Valuer

(MREI, Dip. App. Sc.,
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This valuation is for the use only of the party to whom it is addressed and for no other purpose. No responsibility is accepted to any third party who may use or rely on the whole or part of the content of this valuation. It is subject to the terms and conditions; disclaimers, qualifications and limitations contained in this Valuation Report and any annexures thereto, including the Third-Party Disclaimer and Lender's Customer Disclaimer

Limited Liability by a scheme approved under Professional Standards Legislation

Executive Summary

PROPERTIES:

1. 34 Hawker Road, Burton
2. 505 Jenkin Road, Korunye
3. 30 Tikana Road, Lochiel

CERTIFICATE OF TITLE:

1. Volume 5990 Folio 190
2. Volume 5646 Folio 824
3. Volume 5793 Folio 970

REGISTERED PROPRIETORS:

Adam, Benjamin & Terrence Cormack

PROPERTY DESCRIPTION:

1. Vacant industrial allotment in the northern suburb of Burton
2. Improved rural lifestyle holding with significant horse husbandry infrastructure in the lower-north area of Korunye
3. Small improved rural holding located in the mid-north area of Lochiel

INTEREST VALUED:

Unencumbered fee simple

VALUATION DATE:

3rd May 2023

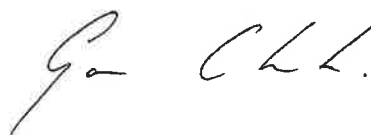
MARKET VALUE:

1. \$
Thousand Dollars
2. \$
Thousand Dollars
3. \$
Thousand Dollars

PURPOSE:

Superannuation Fund Compliance

VALUER:



Gavin Clark – AAPI
Certified Practising Valuer
Mar 23

IMPORTANT: All data provided in this summary is wholly reliant on and must be read in conjunction with the information provided in the attached report. It is a synopsis only designed to provide a brief overview and must not be acted on in isolation.

- All investigations have been conducted independently and without influence from a third party in any way.
- The Valuer/Firm (in addition to the principal Valuer) has no Potential Conflict of Interest or Pecuniary Interest (real or perceived) relating to the subject property.

Asset Performance / Risk Assessment

Performance / Risk	Comments of Asset Performance &/or Risk Profile	Overall Risk Rating
Market		
		Medium / High
<ul style="list-style-type: none"> ▪ Liquidity ▪ Buyer Profile ▪ Positives / Negatives 	<p>Values have appeared to stabilise over the past six months, with some confidence returning to the sector, although many market participants are constrained by lack of finance</p> <p>There is likely to be a shallow pool of buyers for the subject asset</p> <p>Reliability of rainfall, distance to local markets, tightly held local area</p>	
Asset		
		Medium
<ul style="list-style-type: none"> ▪ Production Stability ▪ Capital Improvements ▪ Environmental Factors 	<p>Good production history supplied to the valuer</p> <p>The property comprises xxxx</p> <p>Overcapitalisation is not considered an issue</p> <p>The site appears to be ideally suited to xxx in an ideal climate for the production of xxxxx</p>	
Farm Income		
		Medium / High
<ul style="list-style-type: none"> ▪ Commodity Risk ▪ Volatility 	<p>Income from the agriculture sector is heavily exposed to prevailing seasonal markets.</p> <p>Difficult trading conditions are being experienced in the industry with the AUD and low profitability within the sector compressing demand from buyers for agricultural industry assets</p> <p>The mix of enterprises on the subject property minimises the volatility and exposure to a single commodity market</p>	
Management		
		Low
<ul style="list-style-type: none"> ▪ Experience ▪ External / In-House ▪ Reporting Standards 	<p>Current management is considered to be highly competent managers.</p> <p>Managed internally by owners</p> <p>Moderate levels of reporting / good level of information made available to the valuer.</p>	

Rural Property Valuation – Cormack Superannuation Fund

VALUATION COMPLETED ON BEHALF OF ADAM, BENJAMIN & TERRENCE CORMACK

INSTRUCTIONS

Written instructions received from Narelle Cormack, requesting an opinion of the market value of the properties described in this report. The properties are fully described in the reports dated 17th May 2022, and this updated should be read in conjunction with those reports.

- ***Refer to Appendix A – Instructions***

DATE OF VALUATION

The subject properties market value is determined as at xx

This valuation is current as at the date of valuation only. The value assessed herein may change significantly 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 from losses arising from such subsequent changes in value. Without limiting the generality of the above comment, we do not assume any responsibility or accept liability where this valuation is relied upon after the expiry 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.

DATE OF INSPECTION

N/A

PURPOSE OF VALUATION

To establish an opinion of the current market value of the properties described in this report for the purpose of superannuation fund compliance.

Definition

“Market Value is defined as the estimated amount for which an asset should exchange on the date of valuation between a willing buyer and a willing seller in an arms length transaction after proper marketing wherein the parties had each acted knowledgeably, prudently, and without compulsion.”

LEGAL DESCRIPTION OF LAND

- **HAWKER ROAD, BURTON**

CERTIFICATE OF TITLE

Allotment 1 Deposited Plan 73771 in the area named Burton Hundred of Munno Para containing approximately 2522 m² and being the whole of the land described in Certificate of Title Register Book Volume 5990 Folio 190.

- ***Refer to Appendix B – Copy of Title***

REGISTERED PROPRIETOR

Terrence Joseph Cormack

Benjamin Joseph Cormack

Adam Joseph Cormack

C/- 17 Bloomfield Avenue, Greenwith, South Australia, 5125

With no survivorship

ENDORSEMENTS & EASEMENTS

- Nil
- There are no encumbrances of the property likely to affect the present and continued use.

LEGAL DESCRIPTION OF LAND

- **505 JENKIN ROAD, KORUNYE**

CERTIFICATE OF TITLE

Section 556 Hundred of Port Gawler in the area named Korunye containing approximately 41.28 hectares (102 acres) and being the whole of the land described in Certificate of Title Register Book Volume 5646 Folio 824.

- ***Refer to Appendix B – Copy of Title***

REGISTERED PROPRIETOR

Adam Joseph Cormack

Benjamin Joseph Cormack

Terrence Joseph Cormac

C/- 105 Carruthers Drive, Modbury North, South Australia, 5092

With no survivorship

ENDORSEMENTS & EASEMENTS

- Nil
- There are no encumbrances of the property likely to affect the present and continued use.

LEGAL DESCRIPTION OF LAND

- ***TIKANA ROAD, LOCHIEL***

CERTIFICATE OF TITLE

Section 208 Hundred of Cameron in the area named Lochiel containing approximately 2.833 hectares (7 acres) and being the whole of the land described in Certificate of Title Register Book Volume 5793 Folio 970.

- ***Refer to Appendix B – Copy of Title***

REGISTERED PROPRIETOR

Adam Joseph Cormack

Benjamin Joseph Cormack

Terrence Joseph Cormac

36 Hawker Road, Burton, South Australia, 5110

As joint tenants

ENDORSEMENTS & EASEMENTS

- Nil
- There are no encumbrances of the property likely to affect the present and continued use.

Survey Issues: The property's visual inspection failed to locate any official allotment boundary identifiers and thus did not reveal any obvious encroachments and a current survey has not been sighted. The valuation is made on the basis that there are no encroachments by or upon the properties and this should be confirmed by a current survey report and/or advice from a Registered Surveyor. If any encroachments are noted by the survey report, the valuer should be consulted to reassess any effect on the value stated in this report.

- No known encroachments are known to the valuer

Environmental Hazards: While a visual inspection and inquiries did not reveal any obvious contamination or environmental problems the valuer is unable to assess issues of contamination or environmental problems, which may affect a property. The owners or interested parties are advised to retain a suitably qualified expert such as environmental engineers to assess the existence and the possible impact of any contamination or environmental problems.

- No obvious soil contamination was observed by the valuer

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. The company warrants under the provisions of Section 74 of the Trade Practices Act, to prepare this valuation in accordance with the instructions given, however, the quantum of value cannot form part of the warranty being related to prevailing market conditions and ethical opinion.

The Valuer/Firm must not engage in any activity likely to compromise the ability of the Panel Valuer/Firm to perform its obligations fairly and independently. Without limiting the generality of the foregoing, the Panel Valuer/Firm warrants that it will not have an interest in (real or perceived), or an association with any person or entity for whom a Valuation is being obtained or the property to be valued, either directly or indirectly ("Conflict". Whereby the Valuer/Firm is either the current leasing or managing agent, the most recent selling agent, a colleague of the applicant and or a recent provider of services to the applicant i.e. rental valuation / determination / pre-purchase advice. There the Valuer/Firm has valued the asset for the same purpose or has been involved with the purchase of the same asset for the client, either within the period of 12 months preceding the valuation date or settlement date (if a terms contract) whichever is the longer, this would generally indicate the Valuer/Firm has a conflict of interest.

Historical Uses	<ol style="list-style-type: none"> 1. Vacant industrial allotment 2. Broadacre cropping / grazing 3. Broadacre cropping / grazing
Registered on the EPA List / Statement of Environmental Audit	The sites are not registered on the EPA Public Register as a contaminated site
Perceived Environmental Risk	It is likely that the property has had a history of application of fertilizer, weedicides and pesticides as normally used in agriculture

NON-INSTRUCTING PARTY EXCLUSION

In respect of any mortgage valuation undertaken after 1 August 2019, where a copy of the valuation report is provided by the lender to whom the valuation report is addresses (the instruction lender) to any other party including, specifically, the borrower (any other party), this Underwriter's policy will not cover any Claim by any other party where the valuation report does not include the following clause, or a similar clause in the form of the draft clause referred to in the API circular on the Banking code of Practice of June 2019.

“Terms for provision of report to any other party

We have been instructed by the lender to whom this valuation report is addresses (the instruction lender) to prepare this valuation for mortgage security purposes and only the instructing lender is entitled to rely on this valuation.

We make no representations to any other party, including, specifically, the borrower and assume no responsibility to any other party in any way.

No other party must rely in any way on this valuation report, as its sole purpose is for use by the instructing lender in assessing the value of the subject property for mortgage security purposes.

Specifically, no other party should rely upon the report for the purpose of deciding whether or not to enter into a transaction or to alter their financial position, or for the purpose of seeking finance from another party, as the report has not been prepared for any other party's benefit or for any purpose other than the instructing lender assessing the subject property for mortgage security purposes.

We do not authorise the disclosure of the valuation report by the instructing lender to any third party and our duty of care at law is owned only to the instructing lender and no other party should anticipate having any legal recourse against us”

VALUER REPORT REMARKS

The valuer confirms that;

- The estimated current selling time period is from four to six months, which could extend out to approximately twelve months in the current financial environment
- The adopted valuation has been completed on an un-encumbered basis
- Information contained within the report has been provided by the landowner, should additional information become available, the valuer reserves the right to re-assess the adopted valuation.
- As per requirements by the industry body, the Australian Property Institute, the following note must be included in all valuations;
 - *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. Give the valuation uncertainty noted, we recommend that the user(s) of this report review this valuation periodically.

MARKET COMMENTARY

Globally, the continued decline in energy and minerals demand across the emerging and developed countries will result in the value of agricultural production increasing over time. The devaluation of the Australian dollar will also continue to boost agricultural export earnings.

A recent Colliers Rural and Agribusiness Research and Forecast Report cites *'the long-term gradual growth of farm production activity and agricultural trade surplus support the view that agricultural business activity continues to boom and provide a solid economic environment for property, investment particularly for offshore institutional investors looking to diversity the risk exposure of their investment portfolio. However, the consistent drought in many agribusiness regions remains as the biggest threat to future investment mandates.'*

Surrounding the subject holding land parcels in recent years, there has been a strong demand for lifestyle holdings, in recent times this market has competed against the broadacre farming, with some operators often having to pay over fair considered farming rates to secure land parcels that if secured by a lifestyle seeker may impact severely on the local farming area – stock, waters, fences etc. This general lifestyle market pressure has strengthened in recent time, primarily due to changing employment practices (working from home), an exodus of professionals from the eastern states and general appeal of the rural lifestyle environment.

The Jenkin Road property is within close proximity to major lower-north service centres and other smaller townships, while the Tikana Road property, is within close proximity to the Yorke Peninsula and Clare Valley and other major mid-north townships, this makes both properties very appealing to the lifestyle block seeker, additionally, availability of water, and an absence of noxious weeds, all add to property's saleability.

RESEARCH AND VALUATION CONSIDERATIONS

The following sales have been analysed to establish the basis to form an opinion of the value of the property described in this report:

- **HAWKER ROAD, BURTON**

Sale Price	Sale Date	Number	Street	Suburb	Improvements	Land Area	Zone	\$/M ²
\$280,500	17-Sep-19	69	HELPS RD	BURTON	L	5,001	UE	\$56.09
\$544,500	20-Nov-19	8-Oct	PILATUS DR	DIREK	L	6,793	UE	\$80.16
\$504,900	29-May-20	38-40	PILATUS DR	DIREK	L	6,800	UE	\$74.25
\$660,000	31-Aug-20	57-59	MIRAGE RD	DIREK	L	7,397	UE	\$89.23
\$677,733	23-Dec-20	32-36	PILATUS DR	DIREK	L	7,799	UE	\$86.90
\$1,045,000	22-Oct-21	13-19	HERCULES DR	DIREK	L	9,684	SE	\$107.91
\$1,266,144	10-Dec-21	18-20	HERCULES DR	DIREK	L	9,592	SE	\$132.00
\$577,500	11-May-22	10-Dec	HERCULES DR	DIREK	L	5,000	SE	\$115.50

To determine the appropriate capitalisation rate to apply to the income, due regard is given to the investment sales contained herein. Analysed sales evidence above shows vacant land sales ranging from \$56/m² - \$132/m² with the variation influenced by many factors including location, size, configuration, availability of services, alternative use, etc.

RESEARCH AND VALUATION CONSIDERATIONS

The following sales have been analysed to establish the basis to form an opinion of the value of the property described in this report:

▪ 505 JENKIN ROAD, KORUNYE

Sale Price	Sale Date	Number	Street	Suburb	Improvements	Land Area - Ha
\$600,000	01-Dec-21	1020	VERNER RD	REEVES PLAINS	5H CP DIG	17.78
\$900,000	15-Dec-21	LT 498	FORBY RD	KORUNYE	L	34.05
\$950,000	21-Jan-22	81	WASLEY RD	KORUNYE	7H 5H DIG	36.02
\$725,000	25-Jan-22	LT 1611	HALSTEAD RD W	TWO WELLS	L	41.81
\$900,000	08-Jun-22	LT 237	TEMBY RD	KORUNYE	L	33.99

▪ TIKANA ROAD, LOCHIEL

Sale Price	Sale Date	Number	Street	Suburb	Improvements	Land Area - Ha
10,000	05-Apr-22	1842	KALLORA RD	AVON	HVRV SHD	1.21
56,500	29-Mar-22	228	GLEESON RD	MT TEMPLETON	9HVDCPRV S	2.47
\$210,000	03-Dec-21	245	DOHSE RD	BEAUFORT	8H MS SHS	4.282
\$345,000	16-Nov-21	122	FINCH RD	PINERY	H SHD	2.894
\$320,000	28-Sept-21	33	STONE RESERVE RD	HALBURY	5HCP DIGDC	2.023
\$140,000	13-Aug-21	228	GLEESON RD	MOUNT TEMPLETO N	9HVDCPRV S	2.47
\$130,000	08-Jul-21	257	STANDPIPE RD	TEMPLETON HALBURY	HV MSSHDS	2.431
\$200,000	14-Apr-21	198	ZWECK RD	HART	H SS MS SH	1.874

MARKET CONSIDERATIONS

Having considered the market analysis in detail and all valuation parameters generally, we summarise the following positive and negative attributes with respect to the specific subject properties.

Positive Attributes

- Large area of established mixed enterprise farming land
- Long-term history of chemical and fertilizer application
- Reliable area

Negative Attributes

- High labour / capital costs
- Increased cost of production

Factors influencing the local market at present;

- Increased purchaser confidence
- Rising demand for cattle, sheep and wool, resulting in rising land prices
- Historic volatility of commodity prices
- Improved relations with major trading partners
- Increasing input / production costs
- Improved farming practices and technologies

Rural / Rural lifestyle properties in the lower-north and mid-north area generally attract good interest when offered for sale, noting that the interest is influenced by the factors previously mentioned, the subject holdings are located in recognised reliable farming districts, well known for its cropping, grazing and rural lifestyle attributes, it is the opinion of the valuer that the subject holding would attract strong interest if offered for sale, as generally, market conditions are positive.

VALUATION METHODOLOGY

- ***HAWKER ROAD, BURTON***

Limited direct comparable sales of similar medium sized leased commercial sites across South Australia, additionally limited sales of larger shedding sites with limited alternative usage, therefore, sales of larger commercial premises have been analysed to determine a rate per square metre of the property described in this report, plus the added value of the ancillary improvements.

- ***JENKIN ROAD, KORUNYE***

- ***TIKANA ROAD, LOCHIEL***

The appropriate method of assessment for improved Broadacre mixed enterprise-farming properties, and that has been adopted in this instance, is by summation of the constituent parts, based on analysis of comparable sales.

VALUATION RATIONALE

- **JENKIN ROAD, KORUNYE**

From inspection of the property, the subject holding encompasses one (1) main land type, therefore we have assessed the value for the following;

- Arable Land

Sales evidence indicates rates between \$600,000 and \$950,000, with the higher end sales analysed being superior in terms of improvements and productivity to the subject property, due to lack of comparative country within the immediate area.

Based on the productivity of the subject property we have adopted a rate of **\$14,000 per hectare**.

- **Tikana Road, Lochiel**

From inspection of the property, the subject holding encompasses one (1) main land type, therefore we have assessed the value for the following;

- Lifestyle Land

Sales evidence indicates rates of between \$130,000/Ha and \$345,000/Ha for improved rural lifestyle allotments, located adjoining secondary mid-north regional settlements.

Based on the productivity of the subject property we have adopted a land rate of **\$100,000**.

LAND VALUATION CALCULATIONS

- **Hawker Road, Burton**

Direct Comparison

The sales evidence examined in this valuation, as summarised previously. A rate of \$120/m² for the land area is considered appropriate for the subject property.

Unit Comparison

Land Area	2,522m ² @ \$120/m ²	<u>\$302,640</u>
TOTAL		\$300,000 (rounded)

- **JENKIN ROAD, KORUNYE**

Land	41Ha @ \$14,000/Ha	<u>\$575,000</u>
TOTAL		\$575,000

- **TIKANA ROAD, LOCHIEL**

Arable Land	2.8Ha	<u>\$100,000</u>
TOTAL		\$100,000

IMPROVED PROPERTY VALUATION CALCULATIONS

- **JENKIN ROAD, KORUNYE**

Considered Land Value	\$575,000
Considered Added Value of Improvements	<u>\$220,000</u>
TOTAL	\$795,000
Considered Improved Market Value (Ex GST)	\$795,000

- **TIKANA ROAD, LOCHIEL**

Considered Land Value	\$100,000
Considered Added Value of Improvements	<u>\$280,000</u>
TOTAL	\$380,000
Considered Improved Market Value (Ex GST)	\$380,000

RENTAL (LEASE) VALUE

LEASE RATE

Leasing rates locally remain strong, with reliable rainfall arable properties in demand from neighboring and local landholders alike.

LAND LEASE VALUE CALCULATIONS

- JENKIN ROAD, KORUNYE**

Land	41Ha @ \$600/Ha	\$24,600	
Say - per annum (ex GST)			\$25,000
Improvements – Residence	\$120,000 @ 10%	\$12,000	
Say - per annum (ex GST)			\$12,000
Improvements – Farm Shedding	\$100,000 @ 12%	\$12,000	
Say - per annum (ex GST)			\$12,000
TOTAL per annum (ex GST)			\$49,000

CERTIFICATE OF VALUE
VALUATION: CORMACK SUPERANNUATION FUND

Current Market Value: (ex GST) \$1,475,000

One Million Four Hundreds & Seventy-Five Thousand Dollars

1. HAWKER ROAD, BURTO	\$300,000
2. JENKIN ROAD, KORUNYE	\$795,000
3. TIKANA ROAD, LOCHIEL	\$380,000

We assign the following value to the subject property as at 3rd May 2023 and subject comments, terms, conditions and assumptions contained within and annexed to our report, in fee simple and assuming the property is free of encumbrances, restrictions or other impediments of an onerous nature, which would affect the value.

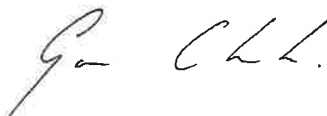
I, Gavin Matthew Clark, Qualified Valuer, in the State of South Australia, of PO Box 390, Edwardstown, South Australia, 5039, do hereby certify that I have inspected the property described herein, and, in my opinion, the value for the purpose of superannuation fund compliance as at 3rd May 2023 is \$1,475,000.

This valuation is for the use only of the party to whom it is addressed and for no other purpose. No responsibility is accepted to any third party who may use or rely on the whole or part of the content of this valuation. In accordance with our normal practice, we confirm that this report is confidential to Cormack Superannuation Fund for the purpose of superannuation fund compliance. No responsibility is accepted to any third party and neither the whole of the report or any part of the report or reference there to maybe published in any document, statement or circular nor in any communication with third parties without our prior written approval of the form and context in which it will appear.

***The following clause is not considered appropriate for the purpose of this valuation; however, a condition of our current Indemnity Insurance Policy insists this clause be included in each valuation.**

- *Unless the person or entity making such loan is an authorised deposit taking institution within the meaning of the Banking Act 1959 (including but not limited to any bank, building society or credit union), then the following shall apply; this valuation is prepared on the assumption that the Lender as referred to in the valuation report (and no other) may rely on the valuation for mortgage finance purposes and the lender has complied with its own lending guidelines as well as prudent finance industry lending practices, and has considered all prudent aspects of credit risk for any potential borrower, including the borrower's ability to service and repay any mortgage loan. Further, the valuation is prepared on the assumption that the lender is providing mortgage financing at a conservative and prudent loan to value ratio.*

The prudent lender clauses set out above are not applicable to authorised deposit taking institutions within the meaning of the Banking Act, 1959. This valuation is current as at the date of valuation only. The value assessed herein may change significantly 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 from losses arising from such subsequent changes in value. Without limiting the generality of the above comment, we do not assume any responsibility or accept liability where this valuation is relied upon after the expiry 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.



Gavin Clark – AAPI
Certified Practising Valuer

3rd May 2023