

Maule Family Super Fund  
12/16 Prince Edward Parade  
Redcliffe QLD 4020

16 June 2015

DGZ Chartered Accountants  
P O Box 1935  
Bundaberg QLD 4670

Attention: Mr Bradley Grogan

Dear Bradley

**Re: Property Valuation: Reef Palms Motel**

As requested in your letter (13 May 2015), please find attached a property valuation for the Reef Palms Motel, supplied by John Warren, National Director of Tourism Brokers, the company who facilitated the sale of the motel lease in September 2011.

I believe it would be fairly accurate. I try to keep a close watch on sales of similar motel properties in the Cairns area and while I've yet to see a comparable property sell below the 9% gross yield, with the improving market I think it is probably approaching that.

Regards  
Rod Maule

## Rod Maule

**From:** john warren <johnwarren@tourismbrokers.com.au>  
**Sent:** Tuesday, 16 June 2015 12:00 PM  
**To:** Rod Maule  
**Subject:** Reef Palms Cairns



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National Centralised Administration 34 Lamorna Avenue ♦ Beecroft, NSW 2119 ♦ Phone: 1300 512 566 ♦ Fax: 1300 571 479



Dear Rod,

Thank you for your email message and further to our phone discussion we are pleased to provide the following market estimate for your investment property.

As per your advice we confirm that the property Reef Palms located at 41-47 Digger Street North Cairns comprises 42 self contained units of 3 star AAA standard with the business classified as bed & breakfast only with no restaurant.

The lease commenced 15<sup>th</sup> September 2011 with 5 year term plus 5 x 5 year options being 30 years in total. The current rent is \$308,211 plus GST with annual CPI increase due 15<sup>th</sup> September 2015

With current demand for motel investments being very strong driven mainly by the prolonged low interest rates on investments we are seeing the return on investment falling below 9% on well presented motels in strong locations coupled with secure leasehold performance. With your investment being a genuine bed & breakfast operation it further enhances the attraction for investors as traditionally restaurant trade produces very minimal profit to a loss.

Should you look to sell in the current market we would advise a listing price at 8.75% ( \$3,522,400 ) with potential sale at no less than 9% ( \$3,424,500 )

Trusting this advice is sufficient to your requirements please let me know if there is anything further that you require.

Regards John Warren



**John Warren**

National Director - QLD based

Tourism Brokers

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