



**SMITH
PROPERTY
GROUP**



**5 PORT STEPHENS STREET
RAYMOND TERRACE, NSW 2324**

VALUATION REPORT



VALUATION SUMMARY

PROFESSIONAL VALUATION REPORT PREPARED BY

JOSHUA N SMITH

REGISTERED VALUER NO 7032 AAPI CERTIFIED ACCREDITED VALUER

PROPERTY ADDRESS	5 Port Stephens Street RAYMOND TERRACE, NSW 2324
BRIEF DESCRIPTION	<p>The Property consists of a modern showroom positioned within the Raymond Terrace Business District just a short distance from the Market Place Shopping Centre.</p> <p>Features include</p> <ul style="list-style-type: none">• Modern 250sqm approx. pre cast concrete showroom/workshop at rear• Front reception and workshop 240 sqm plus 80sqm approx of Mezzanine Floor
REPORT PREPARED FOR	SIDCOR ACCOUNTANTS FOR AND ON BEHALF OF THE ROBERTS FAMILY SUPERANNUATION FUND
PURPOSE	<ul style="list-style-type: none">• TO ASSESS THE CURRENT MARKET VALUE• TO ASSESS THE CURRENT MARKET RENTAL
VALUATION DATE	23 JULY 2020
CURRENT MARKET RENTAL	<p>Subject to the qualifications and assumptions contained within the body of this report, it is our opinion that the Current Market Rental of the property as at 23 July 2020, exclusive of GST, excluding outgoings.</p> <p>\$85,000 net per annum excluding GST</p>
CURRENT MARKET VALUE	<p>Subject to the qualifications and assumptions contained within the body of this report, it is our opinion that the Current Market Value of the property as at 23 July 2020, exclusive of GST, is:</p> <p>\$1,000,000 excluding GST</p>



SMITH PROPERTY GROUP WAS FORMALLY INSTRUCTED BY:

Gavan Reynolds of Reynolds Property Group for and on behalf of Sidcor accountants.

INSTRUCTION DATE 1 JULY 2020

PURPOSE OF VALUATION TO ASSESS THE CURRENT MARKET RENTAL VALUE AND CURRENT MARKET
VALUE FOR ACCOUNTING PURPOSES

The valuation conforms to the Professional Ethics and Practice Standards of the Australian Property Institute

SCOPE OF DILIGENCE

As the registered valuer responsible for this valuation I state the property information listed in this report has been factored into the calculations, assumptions and analysis I have undertaken.

In addition to this data, I have carefully considered all verbal discussions that have taken place between me and relevant third party individuals and state that all property relevant information obtained during these discussions, along with all supplied hard copy data, has been examined, assessed and evaluated.

If any of the information provided proves to be incomplete, or has varied since the time of the discussions, I reserve the right to review, and if necessary, amend my valuation.

I have carried out an inspection of the property named in this report, and have undertaken thorough market research with respect to the available sales evidence obtained. All my calculations are based on prudent examination, analysis and sound reasoning.



MARKET VALUE DEFINITION

MARKET VALUE has been defined by the International Valuation Standards Committee and adopted by the Australian Property Institute.

“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.”

No account is taken of any “Special Value” factor that may apply to an intending purchaser.

VALUATION REPORT

This report is for the exclusive use of the individual or organisation named and is non-transferable without the written consent of the valuer or an authorised officer of the company.

This valuation is made at the express request and is prepared solely for the use of:

SIDCOR ACCOUNTANTS

Smith Property Group accepts no responsibility for any negative outcomes to any third party who may use or rely on the whole or any part of this valuation for any purpose, without prior written consent.

Neither the valuer who performed the work, nor any Reynolds Property Group employees, has a pecuniary and / or conflict of interest because of an association with the instructing party and/or the property and its owner.

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 (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 upon after the expiration of three months from the date of valuation, or such earlier date if you become aware of any factors that have any effect on the valuation.

This valuation is not to be used for “Solicitor Lender” mortgages and we accept no responsibility for the same. “Solicitor Lender” means any solicitor involved in arranging, controlling, managing, broking or otherwise inducing the lending of money on mortgage security (including but not limited to any solicitor controlled or managed mortgage fund) BUT SHALL NOT INCLUDE any mortgage fund registered as a Managed Investment Scheme.



SMITH
PROPERTY
GROUP

VALUATION ACTIVITY DATES

PROPERTY INSPECTION DATE	VALUATION DATE
21 JULY 2020	23 JULY 2020

REGISTERED OWNER/s

ROBERTS FAMILY SUPERANNUATION FUND PTY LTD

TITLE DETAILS

LOT	1	DP	194975
APPROXIMATE DIMENSIONS	20.115 X 45.22	AREA	910m ²
ENCUMBRANCES AND/OR RESTRICTIONS CONSIDERED	Nil known or identified		

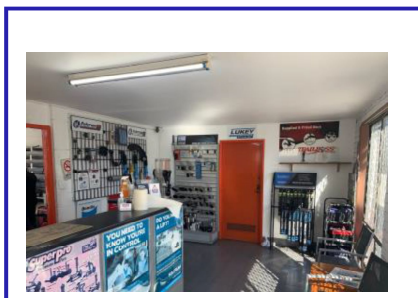


IMPROVEMENTS

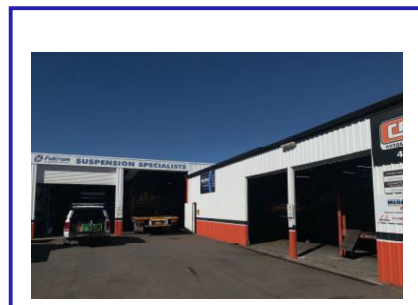
The Property consists of a modern showroom positioned within the Raymond Terrace Business District just a short distance from the Market Place Shopping Centre.

Features include

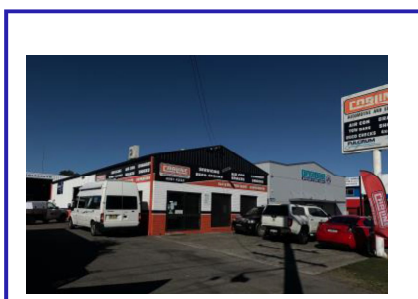
- Modern 250sqm approx. pre cast concrete showroom/workshop at rear
- Front reception and workshop 240 sqm plus 80sqm approx of Mezzanine Floor
- Shop front parking with fixed signage improvements
- Land area of 910sqm approx. zoned IN2 Light Industrial under the Port Stephens LEP 2013.
- The showroom would be suitable for equipment retailing, building supplies sales and other light industrial retailing, while the garage workshop would suit vehicle repairs, equipment maintenance or similar uses.



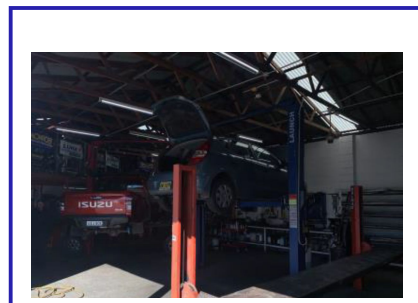
Internal view office area



External view of both workshops



Main office and workshop with mezz



Internal view workshop with mezz



MARKET EVIDENCE - SALES




Our market investigations revealed a range of transaction evidence near the immediate locality. We also expanded our search to source market evidence that can be considered relevant. We have inspected the sales evidence externally and made comparisons with the property.

The analysis of the market evidence is as follows:

Property	Sale Price	Sale Date	Site Area	Area	Core Yield	Rate/m ²
114 STENHOUSE DRIVE CAMERON PARK NSW 	\$5,000,000	Aug 2019	7,837 m ²	2,930 m ²	6.18%	\$1,706
Purpose built for Bunnings as a trade warehouse providing modern, high-clearance warehouse with cantilevered awning with associated office and concrete hardstand as follows 1,800sqm warehouse (inclusive of awning), 120sqm offices with 2,500 sqm of concrete hardstand area. 19 on-grade car spaces. Lease to Bunnings Group Limited for 5 years from 3 November 2018 with an option of 3 x 5 years. The net income is approximately \$309,214 p.a with 3% annual rent reviews.						
6 ARUNGA DRIVE BERESFIELD NSW 	\$1,550,000	Aug 2019	2,520 m ²	1,245 m ²	9.02%	\$1,245
Metal clad warehouse of 1,025sqm, internal offices of 100 sqm, mezzanine office of 30sqm, rear storage area of 90sqm and canopy of 105sqm. To the rear of the warehouse is a storage yard area of 90 sqm and side roller door access with canopy. Fully concreted parking/hardstand area which can be secured via a main entry gate. Currently leased to Direct Plasterboard Outlet with a lease expiry of 2 January 2020 and a further option of two years. Net income of \$139,859 per annum. Sold subject to a 2 + 2 year lease from 3 January 2018 to Direct Plasterboard Outlet at a passing rental of \$139,859 per annum net.						
42 STENHOUSE DRIVE CAMERON PARK NSW 	\$1,900,000	Jul 2019	4,331 m ²	1,750 m ²	8.40%	\$1,086
A freestanding industrial building comprising two level office, main warehouse/workshop, attached smaller workshop, smaller attached workshop and small freestanding workshop. Includes concrete driveway and parking with secure boundary fencing. The Property was the former Blue Tongue Brewery factory constructed circa 2003. Gross building areas are 870sqm main warehouse, 120sqm per level of 2 level offices, ancillary warehouse of 340sqm, smaller shed of 80sqm and 2 mezzanines in the warehouse totalling 220sqm. Sold with vacant possession. We assessed the net market rental to be \$170,000 per annum and outgoings at \$27,000 per annum. Allowing a 6 month letting up period, the sale price reflects a core yield of 8.4%.						
579 MAITLAND ROAD MAYFIELD WEST NSW 	\$2,560,000	Apr 2019	2,820 m ²	1,385 m ²	7.34%	\$1,848
Property comprises of two industrial facilities on the one parcel of land, both leased to Australian Laboratory Solutions Pty Ltd (ALS). Building one is 710 sqm of two storey office accommodation with substantial fitout specific to ALS. Building two is 480 sqm of warehouse space with an additional 195 sqm of mezzanine space. Property sold with a 10 year lease to ALS through to 31 October 2023 + option to renew. The current rental is approximately \$188,000 p.a (subject to the rent review in November 2018)						







MARKET EVIDENCE – SALES (CONTINUED)

Property	Sale Price	Sale Date	Site Area	Area	Core Yield	Rate/m ²
48 ENTERPRISE DRIVE BERESFIELD NSW 	\$2,565,000	Dec 2018	2,594 m ²	1,822 m ²	8.32%	\$1,408
<p>An industrial workshop with attached two storey modern office accommodation. The workshop has a high clearance of 10 metres, two roller doors and three overhead gantry cranes.</p> <p>Three (3) year lease plus option. Tenant has been in occupancy since 2010. Annual CPI escalation. Annual rent of \$213,349 net per annum + GST</p>						
1B HARTLEY DRIVE THORNTON NSW 	\$800,000	Dec 2018	1,448 m ²	756 m ²	8.47%	\$1,058
<p>The Property comprises a battle-axe freestanding pre-cast concrete construction showroom/warehouse development with a ground floor and mezzanine level. There is an additional awning area at the southern side of the building and parking for 19 vehicles. Property was purchased by the previous tenant to owner occupy.</p> <p>For the purpose of this assessment we have summated the improvements to be approximately \$458,000 resulting in a land value of \$302,000 which reflects a rate per square metre of \$201/sqm.</p>						
62 BONVILLE AVENUE THORNTON NSW 	\$2,445,000	May 2019	4,434 m ²	747 m ²	7.30%	\$3,273
<p>Industrial property comprising of a high clearance workshop, office facility, wash bay and hardstand/parking. Property has a site coverage of 20% with a land area of 4,424 square metres and a GLA of 747 square metres.</p> <p>The warehouse is constructed of precast concrete panel dado walls to the height of 2.4 metres with metal clad walls to the remainder. The warehouse has a clearance of 6 metres to the underside of the eaves and incorporates a small site office, staff lunchroom and a shared bathroom. Additionally there is a timber mezzanine approximately 68 square metres. The minimum clearance of the warehouse is 6.1 metres and a maximum of 7.5 metres. The office accommodation provides a reception area, open plan office accommodation, meeting room, four separate partitioned offices, staff lunch room and gender specific amenities. There are male amenities and a separate shower in the warehouse component. The office component comprises 22.5% of the total gross lettable area.</p> <p>A wash bay with oil separation filter is located on the subject property adjoining the warehouse. The wash bay is enclosed to three sides having a clearance to the underside of the eaves of 6.4 metres.</p> <p>A small awning of 48 square metres adjoins the wash bay and covers an above ground 2,500 litre Diesel fuel tank.</p> <p>The subject property provides for 16 marked car spaces with additional concrete and compact gravel hardstand enabling additional parking provisions if required. We have assessed additional hardstand provisions based on a 35% site coverage equating to 1,831 square metres.</p> <p>Property sold with a 7 year lease to Sky Reach (NSW) Pty Ltd to October 2025 plus options until 2035. Lease has 3% annual rent increases and a net income of \$178,000 p.a + GST.</p>						



MARKET EVIDENCE - LEASES

Property	Comm. Date	Term	Net Rent	Outgoings	Estimated Gross Rent	Type	Area	Reviews
PROPOSED LOTS 104 & 114 20-24 WYEE ROAD MORISSET NSW 	Dec 2018	7 years	\$127/m ² pa	\$15/m ² pa	\$142/m ² pa	Net	2,020 m ²	3.0%
<p>The Property will comprise a 'to be constructed' industrial facility 'and 'on completion' will provide a warehouse, single storey office, and an awning. The remainder of the site is to comprise concrete driveway with dual access and 23 car parking spaces.</p> <p>The Property is subject to Proposed Lease to PGSR Pty Ltd on a 7 year term negotiated December 2018. Purpose designed and built facility for the lessee.</p>								
11 BELFORD PLACE CARDIFF NSW 	Oct 2018	10 years	\$93/m ² pa	\$13/m ² pa	\$107/m ² pa	Net	3,748 m ²	CPI
24 NELSON ROAD CARDIFF NSW 	Jul 2018	3 years	\$82/m ² pa	\$14/m ² pa	\$96/m ² pa	Net	3,335 m ²	3% or CPI (whichever greater)
<p>Part of the former Tooheys Brewery site. High clearance warehouse of 3,250m² with 85m² of office space. Forms part of a larger complex in use as self storage units with secure gated access with large undercover loading areas. Dated presentation providing fair warehouse accommodation.</p> <p>Lease reflects \$81/m² over the warehouse component and \$135/m² over the office component.</p> <p>Leased to a warehouse user for \$274,725 per annum net plus GST.</p> <p>One month rent free incentive.</p> <p>Outgoings are estimated to be \$14/sqm.</p>								
2 BALBU CLOSE BERESFIELD NSW 	May 2018	5 years	\$125/m ² pa	\$20/m ² pa	\$145/m ² pa	Net	3,685 m ²	3.0%
<p>Modern high bay, sprinklered warehouse, 9.4 metres to the eaves, 10 covered roller doors with self-leveling dock and on-grade access, well-appointed offices and amenities and fenced site with separate truck access and staff parking areas. Corner position with B-double dual access with easy drive thru ingress / egress.</p> <p>Leased by Knight Frank. Lease deal struck at market with no incentive advised. Lessee is Cleanaway.</p>								



VALUATION METHODOLOGY

In determining the current market rental value of the property we have examined the available market evidence and applied this analysis to the market rental on a per square meter basis. This approach has in turn been checked by the direct comparison approach.

To the value derived, adjustments have been made for any relevant rental reversions including letting up allowances for potential vacant space, incentives, leasing fees, capital expenditure and other appropriate capital allowances.

CAPITILISATION OF EXPECTED MARKET RENTAL APPROACH					
	Area m2	\$/m2	Curent Rental		
Rear Workshop	250	\$160	\$40,000		
Front Office & Workshop	240	\$150	\$36,000		
Mezzanine	80	\$113	\$9,000		
TOTAL PER ANNUM EXCL GST			\$85,000		
			Sensitivity Analysis		
			7.25%	7.50%	7.75%
Capitalised Value			\$1,172,414	\$1,133,333	\$1,096,774
Less Lease Up Allowance			\$85,000	\$85,000	\$85,000
Less Leasing Agents Fees on Vacant Space			\$10,200	\$10,200	\$10,200
Less Outgoings payable			\$20,000	\$20,000	\$20,000
			\$1,057,214	\$1,018,133	\$981,574
ADOPT				\$1,000,000	
Analysis	Capitalisation rate at adopted value				8.50%
	Improved rate per square metre				\$1,754
	Area of lettable area (SQM)				570
	Average rental rate				\$149



VALUATION – CURRENT MARKET RENTAL

Subject to the qualifications and assumptions contained within the body of this report, it is our opinion that the Current Market Net Rental per annum of the property as at 23 July 2020, exclusive of GST, excluding outgoings.

\$85,000 net per annum excluding GST

EIGHTY FIVE THOUSAND DOLLARS NET PER ANNUM EXCLUDING GST

VALUATION – CURRENT MARKET VALUE

Subject to the qualifications and assumptions contained within the body of this report, it is our opinion that the Current Market Value of the property as at 23 July 2020, exclusive of GST, is:

\$1,000,000 excluding GST

ONE MILLION DOLLARS

Valuation report prepared by:

JOSHUA N SMITH
AAPI CERTIFIED PRACTISING VALUER
REG. VALUER 7032