



PROPERTY SALES
PROPOSAL

424 Crown Street, WOLLONGONG



60 YEARS
STRONG

WELCOME



PREPARED FOR

Name: Bruce and Di Cartmill

Company: Cartmill Investment
Management Pty Ltd

We wanted to personally thank you for giving us the opportunity to submit our market proposal and recommendations for the sale of your property.

At MMJ Real Estate we provide unrivalled knowledge and skills in the delivery of market leading real estate services, to achieve the best possible result for our clients.

We have been providing opportunities, solutions and services to the Illawarra property market for 60 years. You'll find a detailed report outlining several key considerations which will assist you with your decision making and highlight our customised service and sales strategy for you in the marketplace.

We look forward to bringing you the experience, energy and expertise required to achieve a great outcome. Should you require any further information please do not hesitate to contact us.



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FEBRUARY 2023

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SUMMARY



AUCTION

Recommended Sales Method



\$1,900,000 - \$2,000,000

Estimated sales range



TBA

Recommended Marketing Campaign



2.20 + GST

Proposed Commission



UNRIVALLED, MARKET LEADING
REAL ESTATE EXPERTISE.



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PERSONNEL



JARROD POORT
Commercial Leasing & Advisory



MICHAEL FARINA
Commercial Sales Associate

424 CROWN STREET WEST WOLLONGONG



IMPROVEMENTS

Upper Floor (215.6m² approx.)
Lower Floor (157m² approx.)
Medical fit-out with 3 consultation rooms,
reception/waiting room, staff room,
theatre room, x-ray room, pharmacy &
bathroom amenities.



LOT PARTICULARS

Lot 2 in Deposited Plan 333857
Site Area: 614m²
Zoned: R2 Low Density Residential



TENANCY

Tenancy: Greencross Limited
Current Rental: \$108,015 pa Nett + GST
(approx.) expiry 30 June 2027
Estimated Outgoings: WCC - \$8,000pa,
Water-\$650pa, Insurance: \$3,500 pa
Total: \$12,150 pa



LOCATION

Strategically positioned with main road
exposure leading to Wollongong CBD.

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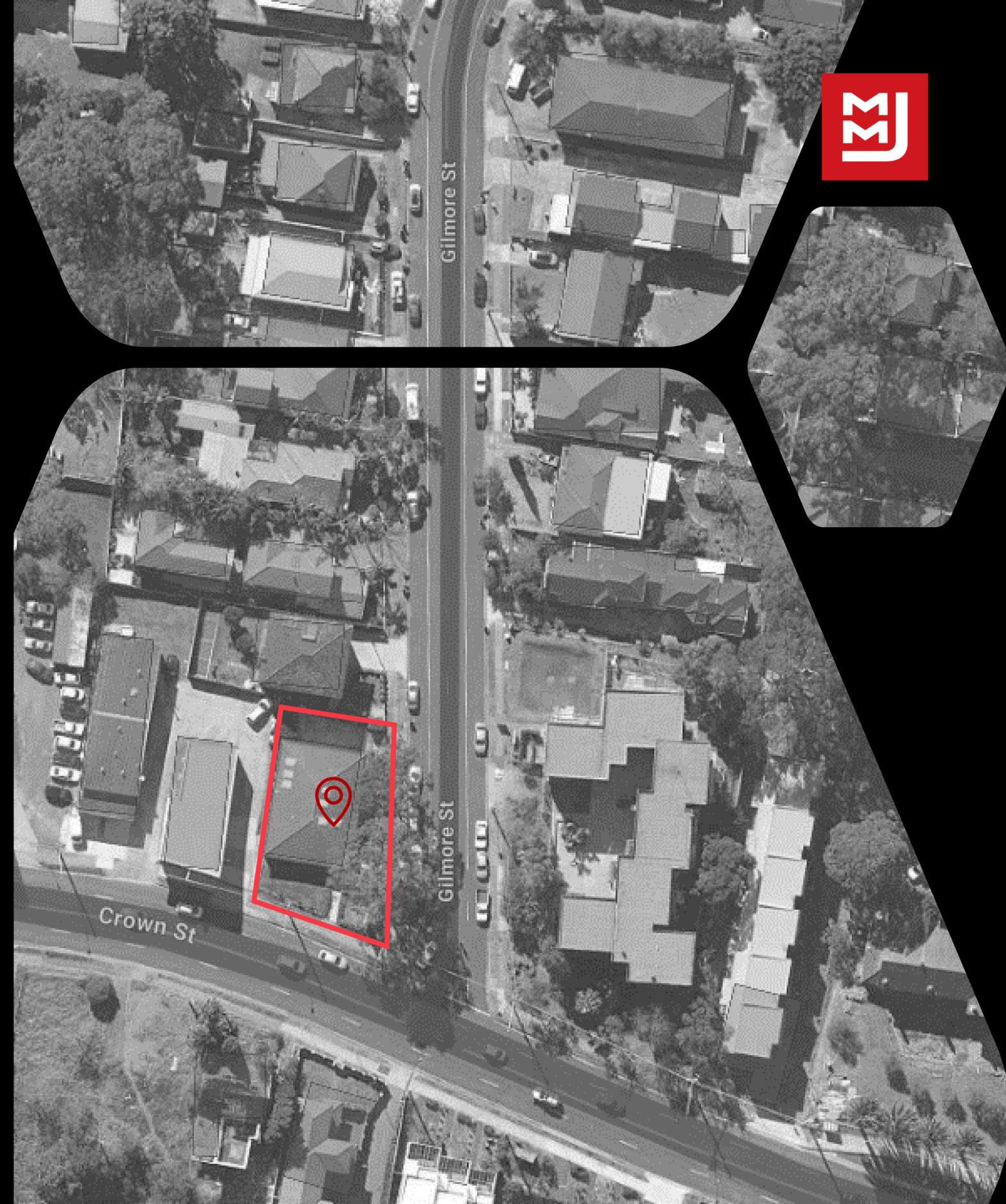
PROPERTY SYNOPSIS

The subject property presents a unique opportunity to the marketplace given that it benefits from a current medical fit-out and existing use rights as a veterinary clinic.

Tenanted investments with strong covenants like this opportunity with Greencross are still well-received within the market although the pace of the investment sales market slowing with yield expansion. Important to note in a topical investment market around cost of capital and inflation the lease has been negotiated with CPI annual increases and we see this favourable with the investor market viewing it as an inflation hedge.

The current rental level is slightly above market however represents the specialised nature of the existing use. We do not see this a negative impact.

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COMPARABLE SALE



Sale Date: July 2021
Sale Price: \$2,000,000
Land Area: 740m²
Lettable Area: 300m²
Zoning: SP1 Special Activities
Sale Analysis: 6.15% nett yield
\$2,702/m² of land area improved

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399 CROWN STREET WOLLONGONG

A freehold medical commercial asset sold off-market with existing tenancies to multiple medical practitioners currently leased for an approx. combined rental of \$123,000pa + GST. The structure comprises of a medical fit-out including 7 consultation rooms, reception, waiting room, kitchenette amenities and bathrooms. Additional residential unit also included below the sub-floor.



COMPARABLE SALE



Sale Date: March 2021
Sale Price: \$3,630,000
Land Area: 630m²
Lettable Area: 350m²
Zoning: B3 Commercial Core
Sale Analysis: 7.05% Net yield
\$5,584/m² of land area improved



336 CROWN STREET WOLLONGONG

Split-level freehold building located in the heart of Wollongong's medical precinct. Fully leased to medical tenants on long-term leases with a WALE of 4.73 years by area. Extensively renovated and currently leased at \$255,939 P.A. net + GST. The above property is superior in terms of size, location and zoning to the subject property.



COMPARABLE SALE



Sale Date: July 2021
Sale Price: \$1,125,000
Land Area: 841.4m²
Lettable Area: 500m²
Zoning: R2 Low Density Residential
Sale Analysis: 5.18% nett yield
\$1,337/m² of land area improved

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459 CROWN STREET WOLLONGONG

A freehold commercial asset on the city fringe with lease to UltraTune till December 2022 for a net income of \$58,296 pa. The above property is inferior in condition to the subject property however comparable in terms of location and superior in terms of total land size,



COMPARABLE SALE



Sale Date: June 2021
Sale Price: \$1,520,000
Land Area: 716m²
Lettable Area: 685m² warehouse + 170m² mezzanine
Zoning: B3 Commercial Core
Sale Analysis: 7.82% Net yield
\$2,122/m² of land area improved

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12 KENNY STREET WOLLONGONG

Large freehold CBD Warehouse with open plan area display/retail area with full glass frontage to Kenny Street. Currently leased at \$119,000P.A. net + GST 5 year lease, expiring May 2026 + 5 year option. Fixed 3% annual increases. The above property is superior in terms of size, location and zoning to the subject property however inferior in terms of condition.



COMPARABLE SALE



Sale Date: August 2021
Sale Price: \$1,525,000
Land Area: 613m²
Lettable Area: 290m²
Zoning: R2 Low Density Residential
Sale Analysis: Vacant Possession
\$2,487/m² of land area improved

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388 CROWN STREET WOLLONGONG

A freehold commercial asset sold off-market on the city fringe with warehouse of approximately 290m² and includes a showroom component as well as plenty of onsite carparking. There is also existing use rights of consent for the use of property for commercial purposes. The above property is comparable in terms of size, location, condition and zoning compared to the subject property.



COMPARABLE SALE

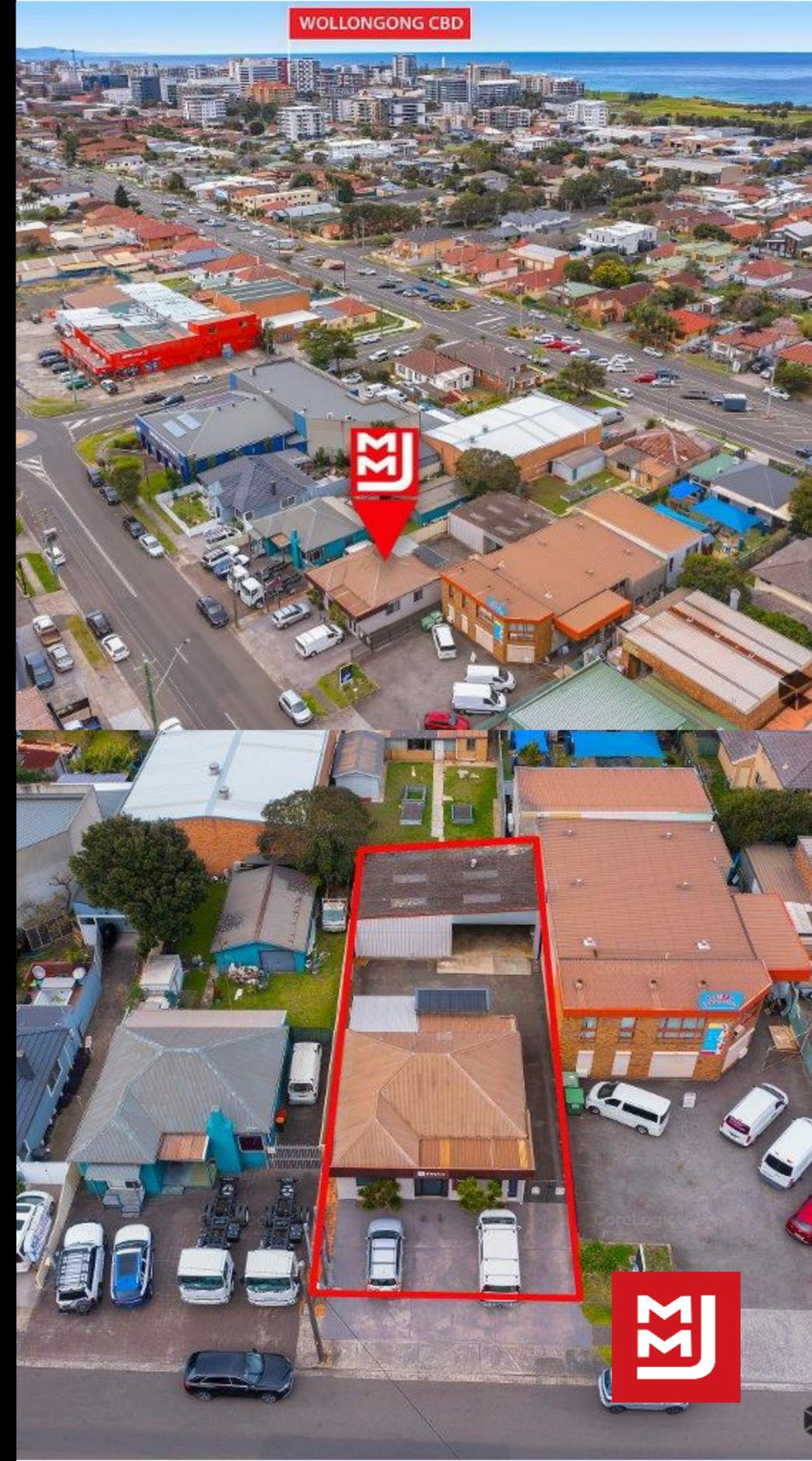
Sale Date: August 2021
Sale Price: \$1,275,000 + GST
Land Area: 506m
Lettable Area: 110 m² Front Office
117 m² Warehouse
227 m² Total Area
Zoning: B6 Enterprise Corridor
Sale Analysis: Vacant Possession
\$2,519/m² of land area improved

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345 KEIRA STREET WOLLONGONG

Improvements consisted of large office space with kitchenette and his & her toilet facilities plus garaging and storage at rear. Onsite parking for 11 cars and strong street presence. The above property is comparable in terms of size and condition, however inferior in terms of land size and zoning to the subject property.

SOLD BY



COMPARABLE SALE

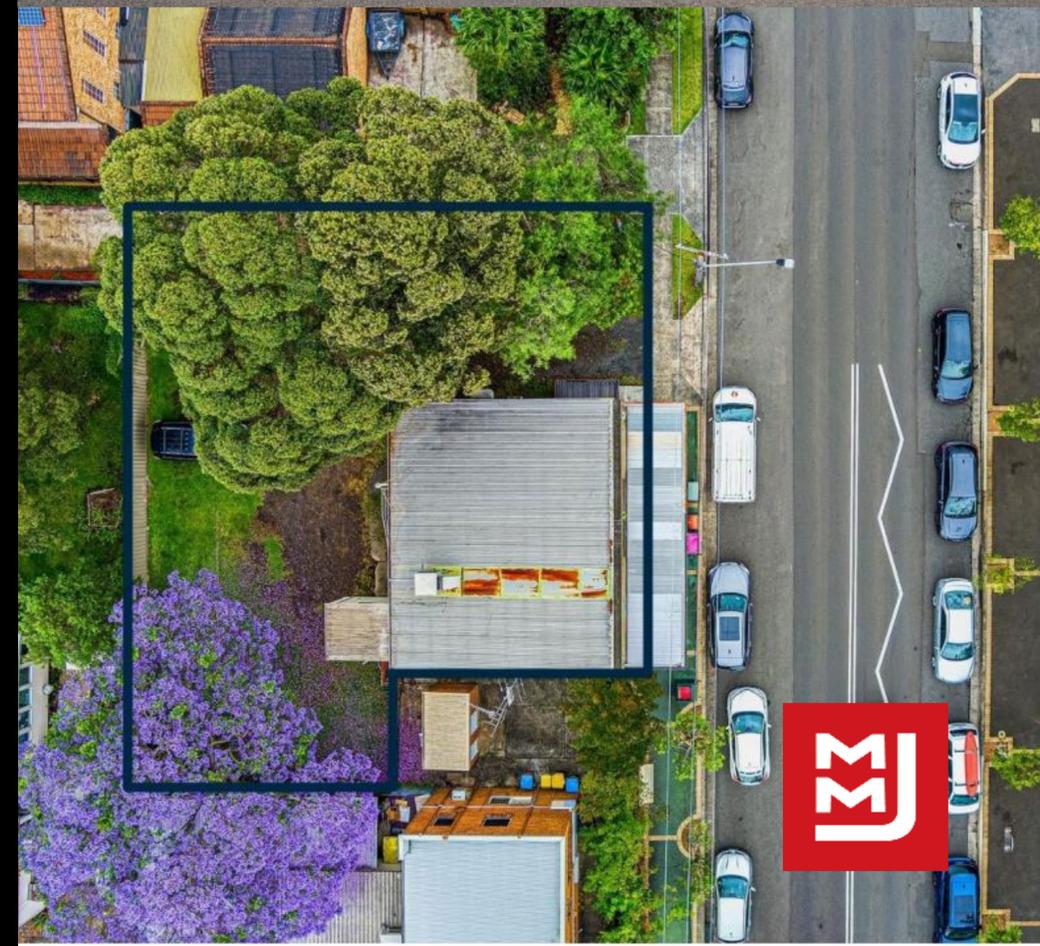


Sale Date: December 2021
Sale Price: \$1,605,000
Land Area: 455m
Lettable Area: 119.10 m² Shop 1
84.17 m² Shop 2
204.27 m² Total Area
Zoning: B1 Neighbourhood Centre
Sale Analysis: 2.97% Net yield
\$3,527/m² of land area improved

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223-225 GIPPS ROAD KEIRAVILLE

Large freehold CBD Warehouse with open plan area display/retail area with full glass frontage to Kenny Street. Currently leased at \$47,700.22 P.A. net + GST with leases expiring this year + 5 year options. The above property is superior in terms of size, location and zoning to the subject property however inferior in terms of condition.





ESTIMATED MARKET VALUE



Based on net rental of \$108,000 pa plus GST and head lease to Greencross Limited with lease expiry of 30th June 2027 with options thereafter we have capitalised the value within a range of 5.25% - 5.50%. The proposed commercial rent represents \$475/m² which seems acceptable amongst most medical tenancies and in line with what prospective investors would consider as market rent.

Based on our knowledge of the estimated costings and the information provided, we would assess the value of the property to be:

\$1,900,000 - \$2,000,000

The information set out above is a recommendation based on the agent's knowledge and considered opinion of prevailing market conditions. This is not a valuation and should not be used or relied upon for such purposes, as a number of enquiries made during the normal course of valuation have not been undertaken. No liability will be accepted on the basis of information supplied. This information is relevant at the date of this appraisal and we reserve the right to review this based on current market conditions.

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HIGHLY
EXPERIENCED,
FOCUSED AND
DRIVEN BY
RESULTS

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AGENCY APPOINTMENT



On appointment we will immediately commence proceedings to ensure the smooth sale of your property, this will include;

- Work with you to ensure your goals and requirements are clear to ensure they are met.
- Liaising with your legal representative on the preparation of Contracts for Sale and other related documents
- Implementing and monitoring all marketing and advertising activities for the duration of the campaign
- Communicate with our qualified database of buyers and immediately notify them of the opportunity
- Direct approach to a targeted key buyer group.
- Field new enquiries and provide relevant information to qualify and assess purchase ability
- Weekly liaison with you to outline activity and opportunities for sale
- Liaise with your legal representative during the sale process from offer to purchase to settlement



Professional Fee's

With the property market being such a diverse and complicated market-place it is important to select a trusted agent with a proven track record. We propose that the remuneration for the provision of property services shall be calculated on basis of:

Sale: 2.20% + GST

Agency Conditions

MMJ will provide an Exclusive Selling Agency Agreement in accordance with the Property, Stock & Business Agents Act 2002 that will outline the terms and conditions of the marketing and sale of the property. The agreement will be in place for 90 days with a continuation agreement commencing from 90 days until a sale is achieved or a mutual decision is reached to terminate the Agency Agreement.

Additional Charges

Advertising funds are due and payable before marketing commences and are expended in accordance with the approved marketing budget. Advertising charges are subject to change due to price changes with external sources. MMJ also have the additional benefit of achieving group/bulk rates, which can sometimes reduce the cost of certain elements of your advertising budget which end up back in your pocket.

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DISCLAIMER

The agent(s) for themselves and the vendors of these properties whose agent(s) they are, give notice that:

1. The particulars are set out as a general outline only for the guidance of purchasers and do not constitute an offer or contract.
2. All descriptions, dimensions, references to conditions and necessary permissions for use and occupation and other details are given in good faith and are believed to be correct, but purchasers should not rely on them as statements or presentations of fact, but must satisfy themselves by inspections or otherwise as to the correctness of each of them.
3. No person in the employment of the agents has any authority to make or give any representation or warranty whatsoever in relation to these properties.
4. Martin, Morris & Jones Pty Limited and every person involved in the preparation of this Market Appraisal expressly disclaim any liability on any grounds whatsoever for any direct or consequential loss or damage (whether foreseeable or not) which may result from any party acting on or relying upon all or any part of the information contained in the Market Appraisal notwithstanding any negligence, default or lack of care.

PRIVACY

MMJ Real Estate understand and respect that protection of your personal information is important to you and are committed to protecting the privacy of personal information in accordance with its obligations under the Privacy Act 1988 (Cth) (the Privacy Act) and in particular, the Australian Privacy Principles (APPs).

For our full Privacy Policy head to www.mmj.com.au/privacy

