

Valuation Report

KP

VALUATIONS
& ADVISORY

2 Hollylea Road, Leumeah NSW 2560



Instructing Party:

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On behalf of:

Synelg Custodian Pty Ltd

Purpose:

Market value assessment for financial reporting purposes

Valuation & Inspection Date: 23 December 2021

Valuation Reference: VAL101-22

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1. Valuation Summary

Address:	2 Hollylea Road, Leumeah NSW 2560
Instructing Party:	David Bird
On Behalf of:	Synelg Custodian Pty Ltd
Basis of Value:	Market Value 'As Is' subject to vacant possession.
Purpose of Valuation:	Market value assessment for financial reporting purposes.
Interest Valued:	Unencumbered freehold interest subject vacant possession.
Title Details:	Lot 16 in Deposited Plan 623923.
Registered Proprietor(s):	Synelg Custodian Pty Ltd.
Land Area:	3,128m ² by reference to Deposited Plan..
Building/Floor Area:	1,155m ² ex parking (as per measurements).
Zoning and Planning Scheme:	"B5 Business Development" under the Campbelltown Local Environmental Plan 2015
Description:	Erected on the land is a freestanding industrial warehouse with associated office accommodation. External improvements include concrete pavements, minor landscaping and boundary fencing.
Tenancy Profile:	Assumed vacant at the date of valuation.
Market Rent:	\$146,000 per annum ex GST (GROSS).
Valuation Methodology:	Capitalisation and Summation/Direct Comparison Approaches.
Date of Inspection:	23 December 2021.
Valuation Date:	23 December 2021.
Adopted Market Value:	\$3,900,000 ex GST ("Subject to vacant possession").
Reflected Parameters:	\$3,377/m² gross building area. \$1,247/m² improved site area.

Valuation/Critical Assumptions

- Valuation is as per the condition outlined in the report as at the date of valuation. The valuation is conditional on the site being not contaminated and that the continuing **industrial use** of the property will not be affected by environmental issues.
- Our valuation is conditional on a sound structural condition of the buildings, fully operational building services and compliance with building, health and fire safety regulations. Any known or discovered structural deficiencies should be referred to the Valuer for review.
- Our valuation is conditional that there are no significant encroachments on the subject property or adjoining properties as might otherwise affect the property valuation.

Market Rent Definition

The valuation has been completed in accordance with the following definition of 'Market Rent' as defined by the International Valuations Standard Committee (IVSC) and endorsed by the Australian Property Institute (API):

"The estimated amount for which an interest in real property should be leased on the valuation date between a willing lessor and a willing lessee on appropriate lease terms in an arm's length transaction, after proper marketing and where the parties had each acted knowledgeably, prudently and without compulsion."

2. Instructions

We have been instructed by David Bird on behalf of Synelg Custodian Pty Ltd to determine the unencumbered market value of the property known as 2 Hollylea Road, Leumeah NSW 2560 for financial reporting purposes. Further instructions are to assess the insurance value and a market rent over the yard space at the rear of the property which is defined by the unsealed portion of land.

We confirm that the valuer has at least 10 years continuous experience and has no pecuniary interest that would conflict with a proper valuation of the property. A copy of the instruction is appended.

3. Title Details

Legal Description:	Lot 16 in Deposited Plan 623923
Local Government Area:	Campbelltown
Computer Folio Identifier:	16/623923
Registered proprietor(s):	Synelg Custodian Pty Ltd.

Encumbrances and Restrictions:

1. RESERVATIONS AND CONDITIONS IN THE CROWN GRANT(S).
2. X284358 EASEMENT FOR SEWERAGE PURPOSES AFFECTING THE PART OF THE LAND ABOVE DESCRIBED SHOWN 9 WIDE IN DP623923.
3. AN1866 MORTGAGE TO WESTPAC BANKING CORPORATION.

The easement is located at the rear of the land and affects about 600m² of the site. Any impact on value has been taken into consideration. This valuation is made on the basis that the property is free of mortgages, charges and other financial liens.

This valuation is made on the basis that the property is free of unregistered mortgages, charges and other financial liens. Notations on title have been taken into consideration in the assessment of value. This valuation is conditional upon there being no other encumbrances or interests on Title which materially affect the value, marketability and continued utility of the property. Should any encumbrances, encroachments, restrictions, leases or covenants which are not noted in this report be discovered, the valuation should be returned for comment and review.

4. Site Description

4.1 Property Identification

The property has been identified by the street address and registered Deposited Plan (annexed to the report).

4.2 Topography

Parent site is a regular shaped parcel of land and is generally level throughout.

4.3 Land Area and Dimensions

Dimensions (metres): 31.90m/29.55m x 102.16m/104.05m.
Site area: 3,128m² by reference to Deposited Plan.

4.4 Encroachments

From inspection, there are no apparent encroachments by or upon the subject property apart from possible minor irregularities; however, a Survey Certificate has not been sighted to verify same.

4.5 Services

Town water, electricity, sewer and telephone are available or connected to the property.

5. Planning

As noted on the NSW Planning and Environment website portal, the land is currently zoned “B5 Business Development” under the Campbelltown Local Environmental Plan 2015.

Affectations - As per Council enquiries the land has the following affectations:

Affectation	Yes	No	Comments
Heritage Conservation		X	No comments
Road Widening		X	No comments
Landslip		X	No comments
Mine Subsidence		X	No comments
Flooding		X	No comments

Current/Past Uses

The property is used for general warehousing and office accommodation.

Qualifications:

Comments in relation to zoning, heritage conservation orders/classification, road widening, government proposals, acquisitions or realignment proposal or any Council policy restricting the development of the land by reason of likelihood of landslip, flooding or drainage issues are based on verbal advice or records available to the public and have not been confirmed by obtaining a formal 149 Certificate issued by the relevant authority. Should such certificate indicate otherwise, then this valuation should be requisitioned for comment and review.

6. Environmental Issues

The use at the date of valuation is not considered environmentally hazardous.

6.1 Contamination

The List of NSW Contaminated Sites Notified to the EPA has been sighted. The subject property **is not** included within this list.

Our valuation is conditional upon the land being not contaminated. No soil tests or environmental reports have been made available. Upon inspection of the site there were no obvious signs of contamination. The instructing party acknowledges that we are not experts in identifying environmental hazards. For confirmation that the site is not contaminated we would recommend that you retain the services of an environmental consultant. The valuation is to be referred immediately to the Valuer for review if an environmental report is obtained and identifies any signs of contamination.

6.2 Asbestos

Our inspection did not reveal any obvious signs of asbestos contamination.

7. Location and Services

The stratum is located on the eastern side of Hollylea Road at Leumeah and approximately 48 kilometres by road, south-west of the Sydney's General Post Office.



Aerial Map



Locality Map

The immediate surrounding development is characterised by predominantly industrial premises progressively developed since the 1980s. The streetscape includes car yards/dealerships and Strata Titled industrial unit complexes. Bow Bowing Creek near the rear boundary.

8. Transport and Access

Hollylea Road is a bitumen sealed carriageway with concrete kerb and gutters. Local private bus services are available. Leumeah Railway Station is less than 500 metres to the east. Pedestrian and vehicular access to the site is available from Hollylea Road.

9. Improvements

Erected on the land is a freestanding industrial warehouse with associated office accommodation. External improvements include concrete pavements, minor landscaping and boundary fencing.

9.1 Construction

Age of building:	1997
Addition/Extension:	None noted.
Floors:	Reinforced concrete.

External Walls:	Concrete panel.
Internal Walls:	Concrete panel.
Roof:	Corrugated iron sheeting.
Ceiling:	Suspended grid ceilings to offices.
Windows:	Aluminium.
Lighting:	LED High-Bay lights and fluorescent light fittings.

9.2 Accommodation

Accommodation essentially comprises:

Ground floor

- Showroom to the front with three partitioned office rooms.
- Warehouse accessed via 2 x single roller shutter door.
- Internal clearance range of about 8.0 metres under the centre warehouse ridge.
- Two office areas.
- W.C, W.C for disabled persons and shower recesses.

First floor

- General office area, office room x 5, meeting room, and a kitchenette/lunchroom.

Parking

- On-site parking is provided.

9.3 Building Area(s)

From on-site measurements, the gross building areas are as follows:

Description	GBA (m ²)
Warehouse Floor	705
First Floor	450
Total GBA	1,155

Floor Space Ratio – 0.37:1.

9.4 Building Condition and Utility

At the date of inspection, condition of the building can be noted as:

Poor	Average	Good	Above Average	Original	New
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This valuation does not purport to be a site or structural survey of the improvements, nor was any such survey undertaken by ourselves. Reliance on the Building Inspection Report has been made which did not reveal any defects or inadequacies requiring significant capital expenditure. Consequently, we reserve the right to review our valuation should any reports prove to the contrary.

9.5 Essential Repairs and Maintenance

At the date of inspection no major repairs noted. No immediate capital expenditure other than general maintenance requirements commensurate with the age and condition of the building.

9.6 Fire and Safety Provision

At the date of inspection smoke alarms were noted. We have assumed that the property meets all fire requirements in relation the fire safety measures, however we recommend that you obtain a copy of the Annual Fire Safety Statement to confirm this.

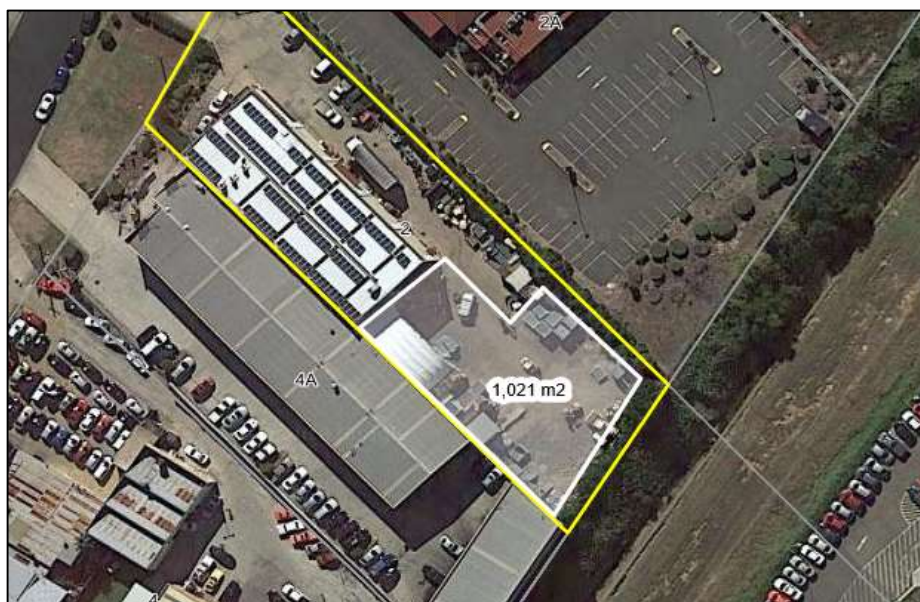
10. Occupancy Details

The property has been valued with vacant possession as instructed.

11. Rental Analysis

In this instance we have applied a market rent to the improved portion of land and a market rent over the surplus land which is derived from aerial mapping.

As per aerial map below, the surplus land is assessed at 1,021m².



Aerial Map

The market rent based on rental evidence has been assessed as follows:

Description	Area (m ²)	Rental Rate (m ²)	Gross Rent (pa ex GST)
Warehouse Area	1155	125	\$144,375
Surplus	1021	55	\$56,155
Total			\$200,530

Adopted market rent say \$200,000 p.a gross ex GST.

12. Rental Evidence

Yard Space Rents					
Address	Tenancy Details	Description/Comments	Land Area	Passing Rent	Rate \$/m ²
43 York Road, Ingleburn	Lease term - 3+3yrs from 1 April 2021. \$115,000 per annum gross ex GST. Outgoings - \$44,272 approx.	Small warehouse/shed of 145m ² plus 3,570m ² of yard space. Zoned IN1 General Industrial. Comparison – Inferior zoning.	3,570m ²	\$159,272 Gross	\$45 Gross
183 Airds Road, Leumeah	Leased from July 2017 at \$140,000 per annum gross ex GST.	Open hardstand land. Battleaxe allotment backing onto Campbelltown Road. Land area – 4,157m ² of yard space. Zoned B5 – Business Development. Comparison – Similar zoning. Larger site.	4,157m ²	\$140,000 Gross	\$34 Gross

Industrial Rents					
Address	Tenancy Details	Description/Comments	Analysis		
15 Mount Erin Road, Campbelltown	Leased until 30 Nov 23 with 5 year option at a passing net rent of \$193,755 per annum ex GST.	Built 2014, concrete panel warehouse with an attached first floor office component. Warehouse accessed via two (2) roller shutter doors, one at each side with an internal clearance of approx. 8 to 9 metres throughout. Ground floor reception leads to the mezzanine office which has three (3) glass partitioned offices and boardroom which is completed with floating floorboards and ducted air conditioning. IN2 - Light Industrial Comparison Larger more modern building. Inferior zoning.	Lettbale Area (m ²) 1754	Annual Rent (\$/pa) \$193,755 net	Rate \$/m ² \$110 net
23 Badgally Road, Campbelltown	Leased on 12 August 2020 until 2025 with 5 year option at a passing net rent of \$204,015 per annum ex GST.	Built 2011, concrete panel warehouse with an attached two level office component. Warehouse accessed via two (2) roller shutter doors, one at each side. IN2 - Light Industrial. Comparison – Leased during initial COVID 19 pandemic period. Larger more modern building. Inferior zoning.	Lettbale Area (m ²) 1943	Annual Rent (\$/pa) \$204,015 net	Rate \$/m ² \$105 net

Note: All rentals exclude GST. Tenancy details including the approximate lettable floor areas have been provided by managing agents, various publications, RPData and various websites and have been relied upon in our assessment. The valuation is to be referred immediately to the Valuer for review should any of the above information provided is incorrect.

13. Outgoings

Some outgoings have been provided by the owner. For valuation purposes we have adopted the following:



Description	Amount	% of Total
Council Rates	\$6,000 estimate	20.4%
Water Rates	\$600 estimate	2.0%
Land Tax	\$17,833 calculated	60.6%
Insurance	\$5,000 estimate	17.0%
Total	\$29,433 per annum	100.0%
Outgoings Rate	\$44.06 /m ² of lettable floor area	

An allowance of 3% of the adopted market rent will be adopted for management fee.

14. Statutory Land Value

The Valuer General’s land values and our assessment of land tax payable under a single holding basis is as per the table below:

Land Tax Calculation - Single Holding Basis		
	2021	\$2,040,000
	2020	\$1,850,000
	2019	\$1,700,000
	Total	\$5,590,000
	Average	\$1,863,333
Calculated Land Tax		\$17,833
2021 Threshold		\$755,000

Property Valuation	
 	
Property Address : 2 HOLLYLEA RD, LEUMEAH NSW 2560 Property Number: 2303685 *Zone: B5 - Business Development Area: 3128 square metres Valuation Basis: 6A(1) - The land value is the freehold value of the land excluding any structural improvements.	
Land Value	
Base Date	Land Value
1 July 2021	\$2,040,000
1 July 2020	\$1,850,000
1 July 2019	\$1,700,000
1 July 2018	\$1,560,000
1 July 2017	\$928,000
The information shown was current at 30 January 2022 .	
The current land value for rating purposes is the value at 1 July 2019 .	

15. Market Commentary

The subject property forms part of an established bulky-goods industrial estate at Leumeah. The estate mainly provides for traditional industrial space and caters to the local market. Market is considered steady with generally low turnover of stock. Supply of B5 zoned freehold facilities is low since there is speculative re-development potential within the estate.

Due to the low floor space ratio (FSR), there would be interest from developers since supply of new industrial stock is very limited and at present would command premium prices, especially new freestanding facilities. Development activity and demand for re-development sites at the local level is somewhat sporadic. Construction of new strata complexes in the area are rare, mainly due to limiting vacant land supply. In addition to high construction costs, developers generally focus on the general industrial market.

Yields

Increased demand and competition from investors to existing owner occupier demand levels in addition to decreasing supply of other investment assets has placed upward pressure of prices paid and compression of yield levels which is also consistent over majority of the Sydney's industrial market. Other contributing factors include steady employment levels and a low interest rate climate.


Summary


Overall, the local market is steady at present however should various economic indicators weaken/change such as interest rates, economic growth and unemployment, local market activity may be affected.


The COVID-19 vaccines will take time to filter through society and there is always the fear of other strains evolving. Should COVID-19 issues result in a prolonged downturn in economic activity, there will be increased vacancies and reduce demand levels throughout the local commercial property market which ultimately will place downward pressure on prices/values.


16. Sales Analysis


Vacant Possession Sales

Sale	183 Airds Road, Leumeah	
Price:	\$2,100,000	
Date:	18 March 2020	
Land Area (m ²):	4157	
Analysis		
Rate per m ² of improved land area:	\$505	
Description:		
Vacant land. Battle-axe shaped. Rear boundary to Campbelltown Road. Zoned "B5 Business Development".		
Comments:		
Last recorded sale of a B5 zoned site in the locality. Far inferior property. Subject property has superior frontage and located in a superior position in the estate. Market has improved since sale date.		


Sale	23 Broadhurst Road, Ingleburn	
Price:	\$2,300,000	
Date:	29 September 2021	
Land Area (m ²):	2990	
Analysis		
Rate per m ² of improved land area:	\$769	
Description:		
Vacant land. Regular level shaped lot. Zoned "IN1 General Industrial".		
Comments:		
Inferior property. Subject property has superior B5 zoning.		


Sale	15 Rodeo Road, Gregory Hills	
Price:	\$3,800,000	
Date:	20 December 2019	
Land Area (m ²):	3,050	
Analysis		
Rate per m ² of unimproved land area	\$1,246	
Development Controls/Development Approvals:		
B5 Business Development under SEPP (Sydney Region Growth Centres) 2000. No Floor Space Ratio or Maximum building height stated.		
Description:		
Vacant land with corner frontage. Level site. Near Bunnings Warehouse and other bulky good retail users. Developing locality. Sale price disclosed by Citywide Real Estate.		
Comments:		
Superior location with corner frontage. Comparison of a B5 zoned site. Market has improved since sale date. Sales of B5 zoned sites are scarce, hence this sale provides some guidance to rate achieved.		


Sale	31 Liverpool Street, Ingleburn	
Price:	\$2,900,000	
Date:	10 September 2021	
Land Area (m ²):	2450	
Lettable Area (m ²):	1200	
Analysis		
Rate per m ² of improved land area:	\$1,184	
Rate per m ² of Floor Area:	\$2,417	
Description:		
Older style part brick/corrugated iron clad warehouse with a small office component at the front. High clearance warehouse with an internal height of approximately 8 metres. Accessed via 3 x single roller shutter doors. Some yard space at rear. Zoned "IN1 General Industrial".		
Comments:		
Localised sales are scarce, hence a sale outside the locality analysed. Inferior location and zoning. Inferior overall.		

Sale	14 Garner Place, Ingleburn	
Price:	\$5,006,500	
Date:	17 August 2021	
Land Area (m ²):	2252	
Lettable Area (m ²):	1295	
Analysis		
Rate per m ² of improved land area:	\$2,223	
Rate per m ² of Floor Area:	\$3,866	
Description:		
Modern/new concrete panel warehouse with an attached two level office component at the front. High clearance warehouse with an internal height of approximately 13 metres. Accessed via 2 x single roller shutter doors. Duplex style design. Zoned "IN1 General Industrial". Sale price at \$5,006,500 confirmed with selling agent.		
Comments:		
Localised sales are scarce, hence a sale outside the locality analysed. Superior overall due to new condition of improvements.		

Investment Sales

Sale	15 Mount Erin Road, Campbelltown	
Price:	\$4,150,000	
Date:	8 December 2020	
Land Area (m ²):	2980	
Lettable Area (m ²):	1754	
Annual Rent (Ex GST):	\$193,755 Net	
Analysis		
Rate per m ² of improved land area:	\$1,393	
Rate per m ² of Floor Area:	\$2,366	
Initial Yield:	4.67% Net	
Description:		
<p>Built 2014, concrete panel warehouse with an attached first floor office component. Warehouse accessed via two (2) roller shutter doors, one at each side with an internal clearance of approx. 8 to 9 metres throughout. Ground floor reception leads to the mezzanine office which has three (3) glass partitioned offices and boardroom which is completed with floating floorboards and ducted air conditioning. Majority of the site is concreted hardstand. Leased until 30 Nov 23 with 5 year option at a passing net rent of \$193,755 per annum ex GST. Zoned IN2.</p>		
Comments:		
Sale along subject street. Market has improved since sale date.		

Sale	13-15 Bond Cres, Wetherill Park	
Price:	\$5,200,000	
Date:	14 July 2021	
Land Area (m ²):	2956	
Lettable Area (m ²):	1820	
Annual Rent (Ex GST):	\$208,530 Net	
Analysis		
Rate per m ² of improved land area:	\$1,759	
Rate per m ² of Floor Area:	\$2,857	
Initial Yield:	4.01% Net	
Description:		
<p>C1990's concrete panel warehouse with an attached first floor office component. Warehouse accessed via two (2) roller shutter doors, one at each side with an internal clearance of approx. 7 metres throughout. The office component contains basic partitioned office rooms and is air-conditioned throughout. Majority of the site is concreted hardstand. Triangular shaped lot. Leased until 5th February 2022 with 3 year option at a passing net rent of \$208,530 per annum ex GST. Zoned IN1.</p>		
Comments:		
Due to limited sales in the immediate locality, sale outside the locality analysed. Reflective of current tight market conditions.		

Sale	4 Blackstone Street Wetherill Park	
Price:	\$3,500,000	
Date:	17 September 2021	
Land Area (m ²):	1858	
Lettable Area (m ²):	1269	
Annual Rent (Ex GST):	\$136,000 Net	
Analysis		
Rate per m ² of improved land area:	\$1,884	
Rate per m ² of Floor Area:	\$2,758	
Initial Yield:	3.89% Net	
Description:		
<p>C1980's brick warehouse with an attached first floor office component. Warehouse accessed via single roller shutter doors with an internal clearance of approx. 7 metres throughout. The office component contains basic partitioned office rooms and is air-conditioned throughout. Ground floor showroom/reception area. Majority of the site is concreted hardstand. Regular shaped lot. Leased until 30 June 2022 with 3-year option at a passing net rent of \$136,000 per annum ex GST. Zoned IN1.</p>		
Comments:		
<p>Due to limited sales in the immediate locality, sale outside the locality analysed. Reflective of current tight market conditions.</p>		

17. Valuation Rationale

17.1 Methodology

Since the property has a dominant land value component because of the low Floor Space Ratio of 0.37:1, we have applied the Summation/Direct Comparison and Capitalisation Approaches in assessing the market value. The land value is derived via Direct Comparison. The property has been valued subject to vacant possession.

17.2 Valuation Approach

- 1) **Summation/Direct Comparison Approach** - The summation approach is derived by adding the land value and replacement cost of all existing improvements/value of improvements. The land value rate is derived from sales evidence analysed on a direct comparison approach. Having regard to sales evidence analysed, location, current market conditions, zoning, characteristics of the property, and comments noted in the sales evidence, we have adopted the following:

Land Value	3,128 m ² @	\$950 /m ²	\$2,971,600
ADD: Building Improvements			
Main building	1,155 m ² @	\$750 /m ²	\$866,250
ADD: Site improvements, outbuildings, paving, etc.			\$50,000
Total Improvements			\$916,250
Summation Value			\$3,887,850
Equates to	\$1,243 /m ² site area improved which lies within the range of analysed market evidence.		

- 2) **Capitalisation Approach** - The capitalisation approach reflects predominantly an investor's interest and capitalises the net maintainable income to establish market value. Factored in are items of vacancy, letting up costs associated with any vacant or owner occupied space, and in addition, to any rental shortfall/profit rent. Yields achieved are also dependent on age and condition of improvements, location, and lease covenants in place. As an investment, we have adopted the following:

Sales analysed and summarised below support the adopted yield above:

Address	Sale Price	Floor Area (m ²)	Rate (\$/m ²)	Net Yield
15 Mount Erin Road, Campbelltown	\$4,150,000	1,754	2,366	4.67%
13-15 Bond Cres, Wetherill Park	\$5,200,000	1,820	2,857	4.01%
4 Blackstone Street Wetherill Park	\$3,500,000	1,269	2,758	3.89%

A vacancy allowance of 1% is adopted in the assessment to account for potential impacts on market conditions including demand levels, leasing conditions and potential vacancies as a result of COVID 19.

Calculations:

Capitalisation Approach				
Market Rental Income			\$0	
Market Income on Vacant Space			\$200,000	
			<u>\$200,000</u>	
Less Vacancy	1.00%		<u>\$2,000</u>	
			\$198,000	
Less Outgoings per Schedule		\$29,433	\$35,373	
Management	3.00%	<u>\$5,940</u>		
Add: Recoverable outgoings			<u>\$0</u>	
Net Rental Return			\$162,627	
Value Before Adjustments				
Capitalisation Net Yield		3.75%	4.00%	4.25%
Core Value		\$4,336,720	\$4,065,675	\$3,826,518
Less: Letting Up Costs				
Leasing period (months)	4	\$66,667	\$66,667	\$66,667
Agent's Commission	10%	\$20,000	\$20,000	\$20,000
Incentives	10%	\$20,000	\$20,000	\$20,000
Value		\$4,230,053	\$3,959,008	\$3,719,851
Net Yield Equivalent		3.84%	4.11%	4.37%
Gross Yield Equivalent		4.73%	5.05%	5.38%
	Range	\$3,719,851	to	\$4,230,053
	SAY		\$3,900,000	
	Core Market Yield		4.17%	

17.3 Conclusion

Based on sales evidence, methods of valuation and comments noted in the report, **\$3,900,000 (GST Exclusive)** is adopted as the Market Value for financial reporting purposes.

18. GST Issues

Our assessment of value is on a GST Exclusive basis. The GST became law on 8 July 1999 and commenced operation on 1 July 2000. The sale of existing commercial property is GST free unless the property is sold for a commercial purpose. The amount of tax payable is dependent on the tax status of the property, any input tax credits and the operation of the margin scheme. GST issues are complex and we strongly recommend that professional advice is obtained.

19. Insurance

The estimated amount of **\$2,275,000** is considered applicable for insurance replacement purposes in respect of the existing building improvements on a typical reinstatement and replacement basis.

REINSTATEMENT AND REPLACEMENT INSURANCE ASSESSMENT				
Estimated / Calculated Value on acquired data				
Warehouse Floor Area	705 m ² @	\$1,250 m ² =		\$881,250
Office Floor Area	450 m ² @	\$1,400 m ² =		\$630,000
Other (fencing, landscaping, paving)				\$85,000
				\$1,596,250
Demolition/Removal Debris: @		3%		\$47,888
Professional & Statutory Fees: @		3%		\$47,888
Sub Total				\$1,692,025
Cost escalation period:				
Design, Documentation, Approval Process:		6 mths		
Tender process:		3 mths		
Total:		9 mths		
Monthly Increase Cost Index			0.33%	
Cost Escalation Allowance:	12 mths		4.00% p.a.	\$67,681
				\$1,759,706
Cost Escalation in the Lapse period (after last day of policy)				
	6 months	@	0.33%	2.0% =
				\$35,194
Total				\$1,794,900
ADD: GST for consideration				\$179,490
ADD: Loss of Rent for consideration	18 mths		\$200,000 pa	\$300,000
Replacement and Reinstatement Insurable Value estimate:				\$2,274,390
ADOPT:				\$2,275,000

This amount is based on the estimated current building cost and includes an allowance for increased costs anticipated during the ensuing 12 months, professional fees, demolition and removal of debris, etc., Council and statutory authority's fees and charges, inflation through approvals, reconstruction and re-leasing periods, loss of rent. An allowance for Good and Services Tax and an adequate contingency factor. Please note this estimate was derived within our Valuation process. We do not hold ourselves out as quantity surveyors or qualified to provide a detailed replacement cost analysis of all improvements to this property. For a precise opinion in this regard, a suitably qualified person should be consulted.

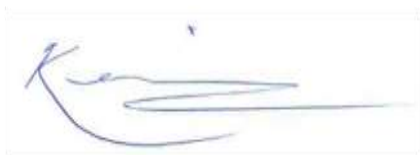
Valuation Certification

We are of the opinion that the Market Value of the unencumbered freehold interest in the property with vacant possession and subject to the comments contained within the report and to there being no onerous restrictions and encumbrances which we are aware of, as at 23 December 2021 is:

\$3,900,000
(GST Exclusive)

(Three Million Nine Hundred Thousand Dollars (GST Exclusive))

Acting under instructions from David Bird, KP VALUATIONS AND ADVISORY has inspected the property known as 2 Hollylea Road, Leumeah NSW 2560 and our valuation report is current as of that date.



KEVIN KWOK BCOM AAPI
B. COM (LAND ECONOMY)
CERTIFIED PRACTISING VALUER
AAPI MEMBERSHIP NO. 69056

DIRECTOR AND VALUER

KP Valuations and Advisory

AUTHORISING THIS REPORT FOR ISSUE IS THE DIRECTOR OF KP VALUATIONS AND ADVISORY. THE OPINION OF VALUE EXPRESSED IN THIS REPORT IS THAT OF THE VALUER, WHO IS THE PRIME SIGNATORY TO THIS REPORT.

This Certificate of Valuation forms a part of and should not be used or read independently from the complete report.

20. Qualifications and Disclaimers

This report has been prepared for and under the instructions of our client, David Bird on behalf of Synelg Custodian Pty Ltd for financial reporting purposes. The report can be relied on by whom it is addressed to and should not be reproduced unless written authorisation and obtained from KP VALUATIONS AND ADVISORY. This valuation is not to be used for mortgage lending purposes.

This report is for the sole purpose of the Office of State Revenue to determine Stamp Duty. No responsibility is accepted to any third party and neither the whole of the report nor any part or reference thereto, may be published in any document, statement or circular, without our prior written approval of the form and context in which it will appear.

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 Valuation has been made in conformity with the Code of Professional Ethics and Conduct laid down by the Australian Property Institute and the Regulations under the New South Wales Valuers Registration Act, 1975 as amended.

Our assessed Market Value is current at the date of valuation only. There is the potential for the value to change significantly or unexpected over a relatively short period (including as a result of general market movements or factors specific to 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 the valuation, or such earlier date if you become aware of any factors that have an effect on the valuation.

The valuation report is not a Structural Survey and that there are no orders under Section 124 of the Local Government Act 1993 affecting the building on site. A Building Certificate under Section 149A of the Environmental Planning and Assessment Act 1979 has not been made available and it is assumed that the buildings are contained wholly within the site.

Market Movement Clause:

“This valuation is current 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 particular property). Liability for losses arising from such subsequent changes in value is excluded as is liability where the valuation is relied upon after the date of the valuation”.

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 the valuation, or such earlier date if you become aware of any factors that have an effect on the valuation.

Assignment:

Neither the whole nor any part of this report, nor any reference thereto, may be included in any document, circular or statement, without written approval from KP Valuations and Advisory of the form and context in which it will appear.

ANNEXURES

Title Search



NEW SOUTH WALES LAND REGISTRY SERVICES - TITLE SEARCH

FOLIO: 16/623923

SEARCH DATE	TIME	EDITION NO	DATE
2/2/2022	10:27 AM	3	28/12/2017

LAND

LOT 16 IN DEPOSITED PLAN 623923
AT LEUMEAH
LOCAL GOVERNMENT AREA CAMPBELLTOWN
PARISH OF ST PETER COUNTY OF CUMBERLAND
TITLE DIAGRAM DP623923

FIRST SCHEDULE

SYNELG CUSTODIAN PTY LTD (T AN1865)

SECOND SCHEDULE (3 NOTIFICATIONS)

- 1 RESERVATIONS AND CONDITIONS IN THE CROWN GRANT(S)
- 2 X284358 EASEMENT FOR SEWERAGE PURPOSES AFFECTING THE PART OF THE LAND ABOVE DESCRIBED SHOWN 9 WIDE IN DP623923
- 3 AN1866 MORTGAGE TO WESTPAC BANKING CORPORATION

NOTATIONS

UNREGISTERED DEALINGS: NIL

*** END OF SEARCH ***

leumeah

PRINTED ON 2/2/2022

Search Date/Time: 02/02/2022 10:26AM

LEGALSTREAM AUSTRALIA - hereby certifies that the information contained in this document has been provided electronically by the Registrar General in accordance with section 98B(2) of the Real Property Act 1900.

* Any entries preceded by an asterisk do not appear on the current edition of the Certificate of Title. Warning: the information appearing under notations has not been formally recorded in the Register.

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Deposited Plan

<p>Plan Form 1 MARRIAGE CERTIFICATE OF MARRIAGE WILL GOVERN THE MATTER</p>	<p>PLAN OF SUBDIVISION OF PI LOT 5 & PI LOT 6 DN 14742</p> <p>PROJECT D.P. 623923 CLIENT M. RYAN/DEAN/BOB/MARCO THIS SYSTEM TORRENS PROJECT SUBDIVISION REG. NO. M623923-71 LAST PLAN R.P. 147422</p>	<p>LOCALITY LEUMEAH LOCALITY CUMBERLAND STATE CAMPBELLTOWN POSTAL ST. PETER SECTION 1878 SECTION 1878 SECTION 1878</p>	<p>GENERAL VESTIGATION THE COMMON DEEDS ACT (1936) DOES NOT APPLY TO THIS PLAN AS IT WAS REGISTERED BEFORE THE COMMON DEEDS ACT (1936) COMMENCED TO OPERATE. THE COMMON DEEDS ACT (1936) DOES APPLY TO THIS PLAN AS IT WAS REGISTERED AFTER THE COMMON DEEDS ACT (1936) COMMENCED TO OPERATE.</p> <p>PURSUANT TO SEC. 80B OF THE CONVEYANCING ACT 1996 AS AMENDED IT IS INTENDED TO CREATE (1) EASEMENT TO DRAIN WATER 25 WIDE IT IS INTENDED TO CREATE LOT 17 AS DRAINAGE RESERVE</p>
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1. PRICE DENSES ISSUED, UNDER LIABILITY FOR LOSS OF THE REGISTERED PLAN, WHICH HAS BEEN RECALCULATED IN THIS DOCUMENT AS A STATEMENT OF A DOCUMENT IN MY CUSTODY THIS DAY, 26 September, 1982