

Brett Eagles

From: Phil Cant <philcant@live.com.au>
Sent: Sunday, 4 June 2023 7:20 PM
To: Brett Eagles
Subject: FW: 23 Isles Drive, Coffs Harbour

Hi Brett,

Please see Denis Gleeson's appraisal from 2021.

The market value of the property is significantly different based upon having a tenant - current lease in place versus not and in my case, the lease is currently way under the current market expectations.

Denis appraised the property again in May of 2022 and estimated it to be worth at around \$1.5mil, however this is significantly lower as an investor is looking for around 7% returns and the annual income is only \$45,325.93 with 3% annual increases.

Can you advise on which figures you want to see and I'll send you back the form?

1 September 2021



Mr Phil Cant
Postbat Pty Limited
23 Isles Drive
Coffs Harbour NSW 2450

The Edge Coffs Harbour Pty Ltd
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Dear Phil,

**RE: MARKET APPRAISAL
23 Isles Drive, COFFS HARBOUR**

The Edge Commercial Coffs Harbour are pleased to assist you in the service of appraising the market value of your property.

The subject property is known as 23 Isles Drive, Coffs Harbour. The title particulars are Lot 43 of DP 270060. There is a land area of approximately 2028m² and it is zoned B5. The property consists of an existing building which is leased to Renegade Gas Pty Ltd T/A Supagas NSW & QLD. The lease which commenced on 1 September 2017 is for Five years with 2 X Five year options at a commencement rental of \$37,992.00 per annum net (GST not applicable) with annual increases of 3.00%.

There is also 1,300m² of hard stand yard available. In calculating a market value, we have taken into consideration the location, existing lease and potential income from the hard stand.

Recent sales evidence shows that buyers are seeking yields of 7.0% to 7.50% based on the tenancy in place. The current rental provides an income of \$42,760.32 (GST not applicable).

Calculating the return on the current rental basis the value range would be;

- 7.50% \$569,990.80
- 7.00% \$609,334.56

The average cost for secure hard stand is about \$25m². Given that you have 1300m² of hard stand area and if you subtract the area being used by Supagas and common area this gives an area of about 800m². This equates to \$20,000.00 per annum additional income. If you add this to the current rental income for the existing buildings you get a figure of \$62,760.32pa.

This would give you a range of \$836,595 to \$894,334

If you have any questions please don't hesitate to email denis@theedgecommercial.com.au or phone direct on 0417 414 033.

Denis Gleeson
Yours faithfully,
THE EDGE COFFS HARBOUR

Please note this assessment is not a valuation and is based on market experience and completed transactional data only.

From: Denis Gleeson <Denis@theedgecoffsharbour.com.au>

Date: Monday, 9 May 2022 at 1:31 pm

To: philcant@live.com.au <philcant@live.com.au>

Subject: 23 Isles Drive, Coffs Harbour

Hi Phil

As discussed I looked at the last Appraisal in 2021. I calculated that the current annual rent at \$44,043.12. I believe that your building is about 300sqm so this equates to \$146.81 per square meter per annum net. for the building which is in line with the market. However the balance of the site approx. 1,720sqm has a value which on average would equate to \$25psmpa or an additional \$43,000 pa. If Supergas were to exercise their first right of approval to purchase this additional value would have to be taken into account. The combined income would then be \$87,043pa. Even on a conservative yield of 5.5% this would equate to \$1.582m.

Recent Sale – 2 Mansbridge Drive, Coffs Harbour – Area, Land 2,361sqm, Building 1,079sqm, Existing Lease returning \$128,822. Sold April 2022 - \$2.7m

Regards

Denis Gleeson

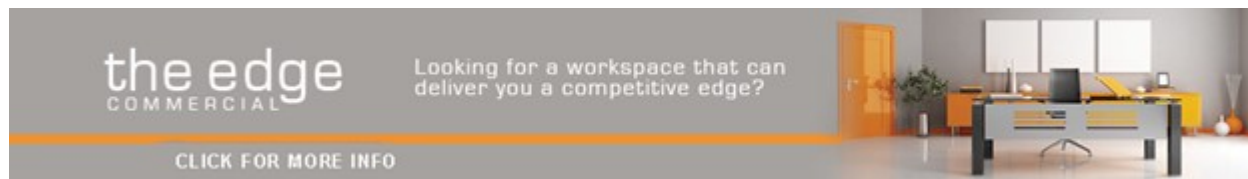
Sales & Leasing Consultant

The Edge Coffs Harbour | Commercial Division

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