

*Liability limited by a scheme approved under Professional Standards Legislation*

6 August 2021

Jocelyn Hazzard on behalf of Barely Hazzardous Pty Ltd (TTE)

Attention: Jocelyn Hazzard

**RE: 81 PRINCESS STREET, BUNDABERG EAST QLD 4670**

Jocelyn,

We have been requested to provide a retrospective, restricted assessment of value for the property described herein;

**Address:** 81 Princess Street, Bundaberg East QLD 4670  
**Land Area:** 990m<sup>2</sup>  
**Lettable Building Area:** 320m<sup>2</sup>  
**Zoning:** Industry  
**Date of Assessment:** as at 20 June 2021  
**Date of Kerbside Inspection:** 4 August 2021  
**Purpose of Valuation:** For the purpose of complying with regulations and requirements necessary for the management of Superannuation Funds.  
**Client:** Jocelyn Hazzard on behalf of Barely Hazzardous Pty Ltd (TTE)

The land is improved with a circa 1995 detached high clearance colorbond and masonry block workshop with basic partitioned office and staff amenities. We have previously been advised that the workshop was extended in 2018. The property is identified as being located in a Riverine Defined Flood Event hazard area with water inundation to the building during the 2013 flood event. Located in an area that benefits from good traffic exposure.

The building was in good condition as at the previous inspection in March 2020 however of a basic standard. Photographs as at the previous inspection carried out in March 2020 are shown on the following pages. Ancillary improvements include bitumen and gravel hardstand area with concrete driveway crossover to the front of the parcel weld mesh / high clearance metal fencing and advertising signage. Details relative to the size of the building are as follows;

Workshop / Office: 320m<sup>2</sup>  
Rear Awning: 25m<sup>2</sup>

Based on recent market data, market value has been assessed at \$390,000. The market rental is assessed at \$34,060 pa (Net).

Regards

**VALUER** Jodi Prange A.A.P.I  
Certified Practising Valuer  
Registered Valuer QLD  
No. 3649MR



## PURPOSE OF VALUATION

To provide a retrospective restricted assessment to determine a current market value and market rental of the property described herein for accounting and self-managed superannuation reporting purposes. We have been requested to provide an assessment of the property as at the retrospective date of 20 June 2021.

This assessment is prepared for the instructing party named herein for the purpose identified in this report and is not to be used or relied by any other party for any other purpose. It is subject to the terms and conditions, disclaimers, qualifications and limitations contained in the report and any annexures thereto. This report is for the sole use only of the instructing party identified in this report for the purpose identified only and is not to be used for any other purpose by any other party. Any reliance, use, distribution, publication of the report and/or any other representations made relating to the contents of the report is restricted solely to the instructing party, and any additional parties expressly named in this report. No responsibility is accepted by the valuer and or/valuation firm in the event that the instructing party to which this report is addressed, or any other agreed additional reliant party (s) noted in this report, relies, used, distributes publishes and or/otherwise represents anything contained in the report for any other purpose apart from what expressly noted previously. No responsibility is accepted by the valuer and or/valuation firm to any other parties who rely, use, distribute, publish and or/otherwise represent anything contained in the report for any purpose.

## RETROSPECTIVE ASSESSMENT

The Australian Property Institute identifies a retrospective valuation as a valuation completed where the date of valuation is in the past. Depending on the circumstances, the valuation will be formed by information that was or could only have been known or available at the date of valuation but in some cases by information that became available subsequently. The retrospective assessment has been based off both historical data held on file and previous inspection details as at the 11 March 2020. This assessment assumes that the building was of a similar standard as at the retrospective date of assessment, 20 June 2020.

## RETROSPECTIVE ASSESSMENT COMMENTARY

In relation to the retrospective assessment, it is necessary to refer to historical data which indicates an appropriate level of value pertinent to the retrospective date of assessment, that being, 20 June 2021. It is commonly accepted, particularly with some assessments, for example, litigation involving matters of negligence etc, the date of the market transaction must predate the valuation date. Simply, a valuer cannot be determined to be negligent for not relying on evidence that was unknown or non-existent at the time. Conversely however, sales subsequent to the date of valuation have in the past been accepted as a reliable bases of determining value but only in specific circumstances.

## MARKET VALUE

Market Value in this report is defined as *"the estimated amount for which an asset or liability should exchange on the valuation date, between a willing buyer and a willing seller, in an arm's length transaction, after proper marketing and where the parties had each acted knowledgeably, prudently and without compulsion."*

An understanding and interpretation of the above definition is based on a consideration of court precedent, the most relevant decision being the well-known Spencer case. In the Judgement of the Spencer Case, Issacs J. stated that regard must be paid to *"the most advantageous purpose for which the land was adapted."*

Within the parameters of the Spencer Case, market value of each property has been determined on the basis of Highest and Best use. Highest and best use in this report is considered to be *"the most probable use of a property which is physically possible, appropriately justified, legally permissible, financially feasible, and which results in the highest value of the property being valued. A use that is not legally permissible or physically possible cannot be considered a highest and best use"*

Having regards to the nature of the improvements developed on the land, the **"highest and best use"** of the land is considered to be the continued use for industrial purposes.

## MARKET RENTAL

Our assessment of "Market Value" is based on our assessment of "Market Rental".

Market Rental in this report is defined as *"The estimated amount for which a property would be leased on the valuation date between a willing lessor and willing lessee on appropriate lease terms in an arm's length transaction, after proper marketing and where the parties have each acted knowledgeably, prudently and without compulsion"*

## **SIGNIFICANT VALUATION UNCERTAINTY COMMENT**

In accordance with advice and directive from the Australian Property Institute (API), the following qualification has been provided;

"The outbreak of the Novel Coronavirus (COVID-19) was declared as a 'Global Pandemic' by the World Health Organisation on 11 March 2020. We have seen global financial markets and travel restrictions and recommendations being implemented by many countries, including Australia.

The real estate market is being impacted by the uncertainty that the COVID-19 outbreak has caused. Market conditions are changing daily at present. As at the date of valuation we consider that there is a significant market uncertainty. This valuation is current at the date of valuation only. The value assessed herein may change significantly and unexpectedly over a relatively short period of time (including as a result of factors that the Valuer could not reasonably have been aware of as at the date of valuation).

We do not accept responsibility or liability for any losses arising from such subsequent changes in value. Given the valuation uncertainty noted, we recommend that the user(s) of this report review this valuation periodically."

## **RESTRICTED ASSESSMENT**

You should be aware that this market opinion is not a valuation in the conventional sense. It is a theoretical exercise involving only a relatively few variables; a short inspection of the property from the kerbside, coupled with zoning information and a general knowledge of background market conditions; whereas a valuation involves a detailed investigation of the property including, where appropriate, the nature of the locality, surrounding properties, site peculiarities, the nature, quality and condition of improvements including internal inspection and measurement, comparable sales, market trends, yields, price paid by the present owner, and so on.

The market value could be greatly affected by such factors and by encumbrances, restrictions or other impediments on title which may not be considered in this opinion. Accordingly, we regard a market opinion as indicative only and not authoritative, merely a precursor to a valuation, not as a substitute for it. No responsibility is accepted either to the recipient or to any third party for any loss or damage, which may result from the market opinion's use arising from any financing, purchasing or leasing transactions.

This Assessment:

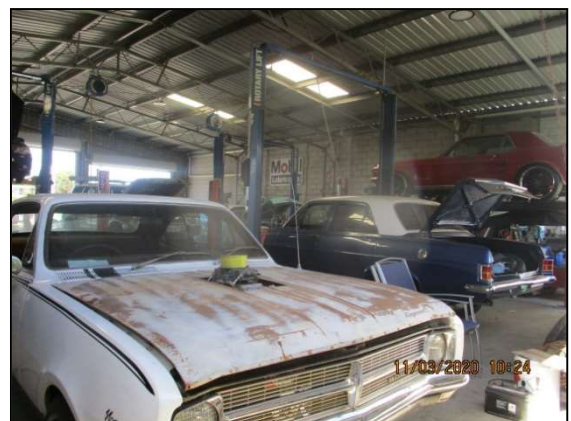
- \* Has been conducted by way of an external inspection of the property from the street only, but it does take into account the description of the property and improvements as per our previous inspection carried out on 11 March 2020;
- \* Is an estimate of the market value of the property based on our knowledge and research of the sale prices or values of what we consider may be comparable properties, based on our assumption of what the subject property may be like;
- \* Includes a resultant figure which is only an indicative estimate of the value of the property and that value may vary significantly upon physical inspection and internal inspection of the property for any one of a number of reasons;
- \* Should not be construed to be a full and formal market valuation
- \* Should not be relied upon (as one would with a formal valuation) for any dealings by any other party with the property – including sale, purchase or lending.

Our liability as Valuers to Jocelyn Hazzard on behalf of Barely Hazzardous Pty Ltd (TTE) (if any) for this Assessment is limited by the work we have performed subject to the qualifications above.

## **KERBSIDE PHOTOGRAPH – AS AT 4 AUGUST 2021**



**PHOTOGRAPHS – AS AT 11 MARCH 2020**





## **MARKET DATA**

A Pricer search indicates that the property was purchased on the 16<sup>th</sup> September 2016 for \$300,000. We have been advised of an approximate expenditure of between \$100,000 to \$150,000 since the date of purchase for the extension to the building. The advised expenditure however included costs associated with council fees etc. A further transaction was recorded on 9 June 2020 for \$390,000 as an 'Extraordinary' sale type between related parties.

A number of transactions referred to include the following;

### **SALE**

<b>Address</b>	<b>8 Jones Street, Bundaberg East</b>
<b>RPD</b>	Lot 2 RP215571
<b>Site Area</b>	799m <sup>2</sup>
<b>Lettable Building Area</b>	536m <sup>2</sup>
<b>Sale Date</b>	26/10/2020
<b>Sale Price</b>	\$500,000

Located in an established secondary industrial area of a suburb known as Bundaberg East, being situated approximately 3 kilometres to the east of the Bundaberg CBD. Limited vehicle / traffic exposure. The Bundaberg Regional Council Planning Scheme indicates that the whole property is identified as being flood affected with water inundation to the building during the 2013 flood event. Improved with a circa 1985 high clearance metal clad shed which accommodates open workshop area, kitchenette, male / female toilets with shower cubicle to male toilets, 2 x cold rooms, food processing area with mezzanine level offices over (3 offices and 2 x utility / storage areas - approx. 63m<sup>2</sup>) and side awning. Other improvements include a 25KW solar power system, concrete driveway and apron to front of building (Jones Street), concrete and bitumen sealed crossovers to Orr Street, colorbond and wire fencing. Total lettable building area of 536m<sup>2</sup> (inclusive of mezzanine offices).

### **ANALYSIS**

Sale price reflects approximately \$626/m<sup>2</sup> of improved site area (799m<sup>2</sup>) or approximately \$933/m<sup>2</sup> of lettable building area (536m<sup>2</sup>).

### **COMPARISON**

Smaller size parcel, also located in flood however inferior traffic exposure, larger size building overall with superior fit out Superior.

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### **SALE**

<b>Address</b>	<b>6 Kendalls Street, Bundaberg East</b>
<b>RPD</b>	Lot 3 RP24762
<b>Site Area</b>	660m <sup>2</sup>
<b>Lettable Building Area</b>	464m <sup>2</sup>
<b>Sale Date</b>	13/10/2020
<b>Sale Price</b>	\$360,000 + GST

Located in a secondary industrial area in the suburb Bundaberg East, being situated approximately 1 kilometre radially to the east of the Bundaberg CBD. The property is described as a rectangular shaped internal parcel having a site area of 660m<sup>2</sup>. The Bundaberg Regional Council Planning Scheme indicates that the property is identified as being fully flood affected. The land is improved with a single storey bagged masonry block industrial shed. Advised lettable building area of 464m<sup>2</sup> which accommodates a small, partitioned office and open workshop area. Other improvements include concrete driveway and uncovered concrete area to the front of the building.

### **ANALYSIS**

The sale price excluding GST reflects approximately \$545/m<sup>2</sup> of improved site area (660m<sup>2</sup>) or about \$776/m<sup>2</sup> for lettable building area (464m<sup>2</sup>).

### **COMPARISON**

Smaller size parcel, also located in flood, inferior traffic exposure, larger size lettable building area of a similar standard. Inferior.

## SALE

<b>Address</b>	<b>24a Princess Street, Bundaberg East</b>
<b>RPD</b>	Lot 1 RP142861
<b>Site Area</b>	675m <sup>2</sup>
<b>Lettable Building Area</b>	264m <sup>2</sup>
<b>Sale Date</b>	10/11/2020
<b>Sale Price</b>	\$482,500

Located in a suburb of Bundaberg known as Bundaberg East, being situated in a secondary industrial location approximately 1.5 to 2.0 kilometres to the east of the Bundaberg CBD. Fronts Princess Street which is a main thoroughfare and as such benefits from good traffic exposure. Very small portion of the parcel to the front boundary is identified as being flood affected however no water inundation to the building during the 2013 flood event. The land is improved with a single storey attached masonry block building having a lettable building area of 264m<sup>2</sup>. Concreted parking area to the front of the building.

## ANAYLSIS

Sale price reflects approximately \$715/m<sup>2</sup> of improved site area (675m<sup>2</sup>) or approximately \$1,828/m<sup>2</sup> of lettable building area (264m<sup>2</sup>).

## COMPARASION

Smaller size parcel, flood affected to a lesser extent, comparable traffic exposure. Superior.

## MARKET RENTAL

We have been advised that the property is currently leased for \$34,060 pa (Net). Overall, the advised rental reflects approx. \$106/m<sup>2</sup> (Net). The current passing net rental is considered to be reasonable and in line with market rentals referred to below. As such, the current passing rental has been adopted for the purpose of this assessment.

<b>Address</b>	<b>3/96 Mount Perry Road, Bundaberg North</b>
<b>Lettable Building Area</b>	489m <sup>2</sup>

Located in a development known as Northside Industrial Park. The property is identified as being fully flood affected during the 2013 flood event. The complex benefits from good vehicle / traffic exposure however the subject is located to the rear of the complex with exposure being described as limited / restricted. Improved with a high clearance colorbond shed which accommodates an office, staff room, toilet and warehouse.

## ANALYSIS

Advised net rental of \$36,280 per annum which reflects \$74/m<sup>2</sup>.

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<b>Address</b>	<b>34 Scotland Street, Bundaberg East</b>
<b>Lettable Area:</b>	257m <sup>2</sup>

Located in a suburb of Bundaberg known as Bundaberg East. Improved with a single storey masonry block commercial building which accommodates shop front / display area, office, bathroom and open workshop / storage area. Small awning to rear of building. Advised total lettable area of 257m<sup>2</sup>. Also located on the land is a detached double colorbond lock up garage (approx. 32m<sup>2</sup>). The balance of the allotment is bitumen sealed providing car parking to the front and rear of the building.

## ANALYSIS

Excluding an allowance of \$40/m<sup>2</sup> for outgoings (approx. \$10,280), the advised rental equates to \$19,720 pa (Net) or \$77/m<sup>2</sup> (Net).

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<b>Address</b>	<b>24a Princess Street, Bundaberg East</b>
<b>Lettable Building Area</b>	264m <sup>2</sup>

Located in a suburb of Bundaberg known as Bundaberg East. Benefits from good traffic exposure. Very small portion of the parcel to the front boundary is identified as being flood affected however no water inundation to the building during the 2013 flood event. The land is improved with a single storey attached masonry block building having a lettable building area of 264m<sup>2</sup>. Concreted parking area to the front of the building.

## ANAYLSIS

Advised net rental of \$42,044 pa or \$159/m<sup>2</sup> (Net).

## MARKET OVERVIEW

Within the Bundaberg Region investors are currently seeking returns in the range of 7% to 11%. The property benefits from good traffic exposure, is located in a flood hazard area and the building is in good condition albeit of a basic standard.

Taking the positive and negative attributes of the property into consideration, a capitalisation rate of between 8.5% to 9.0% is considered reasonable for the subject.

## VALUATION CALCULATIONS

### INCOME CAPITALISATION APPROACH

Adopted net rental			\$34,060
Capitalised	@	8.5%	\$400,706
Capitalised	@	9.0%	\$378,444

Adopt approximate mid – point range \$390,000

### DIRECT COMPARISON CONCLUSION

A market value of \$390,000 for the subject reflects approximately \$394m<sup>2</sup> of improved site area (990m<sup>2</sup>) or \$1,219/m<sup>2</sup> of lettable building area (320m<sup>2</sup>) which is considered to be in line with market data referred to in this report.

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#### **MARKET VALUE AS AT 20 JUNE 2021**

**\$390,000**

**(Three Hundred and Ninety Thousand Dollars)**

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#### **MARKET RENTAL AS AT 20 JUNE 2021**

**\$34,060 pa (Net)**

**(Thirty Four Thousand and Sixty Dollars)**

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