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6 December 2019

Attention: Mr John Groth & Carol Baumber
Camijojo Pty Ltd
13 Gwydir Court, Helensvale

After consultation with my colleague Cody Buck, I refer to Camijojo Pty Ltd's request for an opinion of market worth for the freehold title at 1 Sir John Overall Drive, Helensvale. I have conducted a kerbside inspection and very familiar with that area having previously sold several properties in Sir John Overall Drive. We note the building is 60% vacant with the retail leasing climate in neighbourhood areas being very challenging in the current market.

Property Details

- Freehold Title, L8 RP837901
- Zoning – Centre
- Total NLA – 443sqm
- The above lot are a standalone single level commercial building completed in 2018 which comprises on-grade car parking and one level of retail/service accommodation. The building is positioned on the corner of Discovery Drive and Sir John Overall Drive.

Estimated Sales Realisation

Financial Analysis

In our analysis of the property, we have undertaken a capitalisation method of appraisal. Working on assumed net market rents. This is the most widely utilised method of appraising commercial properties. In the model below, we have assumed the net rental to be \$375psm and for the property to be sold on a fully let basis. It should be noted that the current passing rent of LJ Hooker is not known but CBRE understands it to be approximately \$600 per square metre and has applied this rate to this tenancy.

Tenancy	Size m ²	Assume				Low rate spm	high rate psm
		Market rent \$psm	Annual rental	Yield @ 6.75%	Yield @ 7.5%		
Tenancy 1	173.49	\$ 600.00	\$ 104,094.00	\$ 1,542,133.33	\$ 1,387,920.00	\$ 8,888.89	\$ 8,000.00
Tenancy 2	87.17	\$ 375.00	\$ 32,688.75	\$ 484,277.78	\$ 435,850.00	\$ 5,555.56	\$ 5,000.00
Tenancy 3	88.84	\$ 375.00	\$ 33,315.00	\$ 493,555.56	\$ 444,200.00	\$ 5,555.56	\$ 5,000.00
Tenancy 4	93.57	\$ 375.00	\$ 35,088.75	\$ 519,833.33	\$ 467,850.00	\$ 5,555.56	\$ 5,000.00
		Total annual net rent ex GST					
						\$ 205,186.50	

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Capitalisation Method

With current vacancies at the property a potential buyer may apply a discount to allow for leasing up time, leasing up costs and incentives. We estimate a 12 month leasing up allowance in time and income along with agent fees and marketing.

We have applied a cap rate 6.75% - 7.5% with the actual yield depending on the tenants attracted to the building ie; national tenants

Estimated Realisation

Taking the above capitalisation method into account we believe the properties to have a market worth of between

<u>Assumed net rent</u>	<u>Cap Rate</u>	<u>Estimated Realisation</u>
\$205,186.50	@ 7.5%	\$2,735,820
\$205,186.50	@ 6.75%	\$3,039,800
<u>Leasing allowance</u>		
12 months rent on vacancy		\$101,092
Agent fees @ 15% first years rent		\$15,163
Marketing cost for leasing		\$20,000
Total leasing costs		\$136,255

Estimated Sales Realisation 'As Is'

\$2,600,000 - \$2,900,000

Conclusion

Thank you for the opportunity to provide this estimated sales realisation. CBRE have a solid track record in the sale of commercial properties and welcome the opportunity to elaborate further on our opinion, should you have any further questions about the material contained herein please do not hesitate to contact me directly.

Steve Clark



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Disclaimer: Whilst all care has been taken in compiling the information contained in this document, we wish to advise that it is an estimation only and not to be considered a formal valuation. Should a formal valuation be required, CBRE can organise one at your request.