

Monday, 15 July 2019

John Kearney,
108 Musgrave Street
BERSERKER QLD 4701

Ray White Rockhampton City

222 Bolsover Street
Rockhampton City QLD 4700

T 07 4922 2122
F 07 4922 2155
E rockhamptoncity.qld@raywhite.com
raywhiterockhamptoncity.com

RE: MARKET RENTAL APPRAISAL - 108 MUSGRAVE STREET BERSERKER, QLD 4701
L2 RP606405 & L1 RP609056
LAND AREA- 438m2 (approx.)
SINGLE LEVEL SHOP – 106m2, ATTACHED SHED – 67m2
TWO STOREY BUILDING – LOWER -76m2, UPPER 66m2

Dear John

I am writing with regard to your request for a current market rental and sale appraisal for your Commercial Property at 108 Musgrave Street, for accounting purposes.

The property, on inspection, is a unique one. It is comprised of two structures, one a single storey building approximately 15 years of age with an attached shed, currently occupied by yourselves. The other, a two storey timber and fibro structure with two small tenancies below and potential for residential flat above, approximately 60 years of age. The downstairs is occupied, the upstairs is vacant. It is generally surrounded by small independent businesses and has parking out front as well as a driveway access down the side from Armstrong Street.

We understand the two storey building achieves \$250 per week rent for the downstairs area, but the upstairs has been vacant for some time. This is understandable given the age, size, access and proximity to the busy main road. The rent achieved here equates to \$13,000 P/A for 76m2 at a rate of \$171.00/m2. We believe this to be fair market rent given market acceptance on Musgrave Street can be between \$150 - \$200/m2 depending on age, size and presentation. Upstairs, is an unknown quantity and would be surprised if it achieved more than \$100/week in its current form, thus adding an additional potential income of \$5,200 P/A.

For the single level shop, if we applied the above square metre rate to the main section of the shop, 106m2 @ \$171.00/m2 = \$18,126 P/A and for the shed, 67m2 @ \$100/m2 = \$6,700 P/A we have a combined rental total of \$24,826 P/A

Applying the above rates:

	size	rate	Net Rent per annum
Two Storey Building			
Lower Level	76m2	\$171/m2	\$13,000.00
Upper Level	66m2	\$78/m2	\$5,200.00 (\$100 per week)
Single Level Shop			
Shop	106m2	\$171/m2	\$18,126.00
Attached Shed	67m2	\$100/m2	\$6,700.00
		Total:	\$43,026.00

Given the presentation and position of the property, it is our opinion that the entire property would achieve a market rent of between \$40,000 - \$45,000 per annum plus GST & Outgoings. However, the current commercial market and economic climate of small to medium businesses show that there is a higher vacancy rate in more recent times. With little demand for long term leases at the moment, we would recommend erring on the lower end of the above appraisal to avoid extended periods of vacancy.

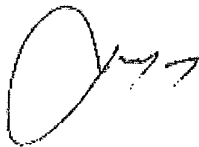
Market Comparisons (Rental)

Address	Land m2	Net Rent	Improvements
4/72 High Street, Berserker	45	\$9000 p/a	Office
139 Musgrave Street, Berserker	167	\$30,000 p/a	Retail
1/158 Musgrave Street, Berserker	125	\$30,000 p/a	Retail

If the property were leased for approximately \$42,500 P/A, we believe an Investor would consider purchasing the property on a 12% return, giving it a market appraisal for sale between \$350,000 and \$360,000.

I trust this meets your requirements.

Yours faithfully,



JADE CARR
Principal and Commercial Agent
Ray White Rockhampton City

Disclaimer: This appraisal has been prepared solely for the information of the client and not for any third party. Although every care has been taken in arriving at this figure, we stress that it is an opinion only and not to be taken as a sworn valuation. We must add the warning, that we shall not be responsible should the appraisal or any part thereof be incorrect or incomplete in any way