

Valuation Report
Of
3/800 Princes Highway
Sutherland NSW 2232



On behalf of
Mr Steve Niland
3/800 Princes Highway
Sutherland NSW 2232

Date of Valuation
24 August 2023

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Executive Summary

Instructions:	We have been requested to assess the Current Market Value of the property which is situated at 3/800 Old Princes Highway NSW 2232.
Property(s):	3/800 Old Princes Highway NSW 2232
Purpose of Valuation:	To assess the Current Market Value for SMSF Auditing purposes.
Date of Valuation:	24 August 2023
Property Description:	The subject property comprises of two storey strata titled commercial building with 6 lots. The subject lot comprises of 89m ² of office space, shared amenities, 1 car space. The property presents in reasonably good condition.
Strata Area:	100m ²
Zoning:	E2: Commercial Centre Sutherland Shire LEP 2015
Registered Owner(s):	Steven Niland Super Fund Pty Ltd and Robert Patrick & Associates Pty Ltd
Significant Issues:	Nil
Valuation Approach:	Direct Comparison Approach
Assessed Value(s):	Five Hundred Fifty Thousand Dollars (\$550,000) (GST Exclusive) Two Hundred Seventy-Five Thousand Dollars (275,000) (GST Exclusive) Half share Attributed to Steven Niland Super Fund Pty Ltd

1.0 Instructions

We refer to instructions received from Mr Steve Niland, dated 21 August 2023 requesting Winter Valuations to assess the Current Market Value of the property situated at 3/800 Old Princes Highway NSW 2232 half ownership.

We understand that our valuation is required for SMSF Auditing Purposes.

We have completed all of the necessary research and investigations and report as follows.

2.0 Definition of Value

This valuation has considered the definition of Market Value adopted by the Australian Property Institute as set out below:

“Market Value is the estimated amount for which an asset should exchange on the date of valuation between a willing buyer and a willing seller in an arm’s length transaction, after proper marketing, wherein the parties had each acted knowledgeably, prudently and without compulsion.”

In addition, the value is defined as the best price at which the interest in the property being valued might be expected to be sold at the date of valuation assuming:

- i) a willing, but not anxious, buyer and seller;*
- ii) a reasonable period within which to negotiate the sale, taking into account the value of the property and the state of the market;*
- iii) the value will remain static throughout the period;*
- iv) the property will be freely exposed to the market;*
- v) no account is to be taken of any additional bid by a “special purchaser;”*
- vi) the vendor has sufficient resources to negotiate an agreement for the sale of the property.*

This valuation has been prepared in accordance with Practice Standard 9 of the Professional Practice Guidelines as issued by the Australian Property Institute.

3.0 Date of Inspection

24th June 2023

4.0 Date of Valuation

24th June 2023

5.0 Assumptions and Qualifications

In completing our valuation of the subject property, we have relied upon the following assumptions and qualifications:

- Good and marketable title, free of any encumbrances and easements not noted on the title;
- A professional and orderly marketing campaign would be undertaken for the realisation of the property(s) assuming it was offered to the market;
- All other professional/consultancy advice provided and relied upon is true and correct;
- We have relied on the land areas as provided in the Deposited Plan(s) as searched;
- Outgoings provided are in line with market evidence (where applicable);
- We have assumed our valuation to be free of GST, if any;
- This Valuation is current as 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 the particular property. We do not accept liability of losses arising from such subsequent changes in value;
- Without limiting the generality of the above comment, we do not assume any responsibility or accept liability where this valuation is relied upon after the expiration of three months from the date of valuation, or earlier date if you become aware of any factors that have an effect on the valuation; and
- We also refer you to the body of this report for more detailed assumptions.

6.0 Pecuniary Interest

We confirm that neither Winter Valuations nor the signatories to this report have any pecuniary interest that could reasonably be regarded as being capable of affecting that person's ability to give an unbiased opinion of the value, or that would conflict with the proper valuation of these properties. We advise that this position will be maintained until the purpose for which this valuation is being obtained is completed.

7.0 Location

The subject property is located on the eastern side of Old Princes Highway Sutherland.

The property is situated in an established precinct of Sutherland with surrounding development comprising predominantly of retail and mixed-use buildings of various sizes. Sutherland railway station is located opposite the subject property.

The suburb of Sutherland is located in the southern area of Sydney situated some 26 kilometers south of the Sydney Central Business District and is administered by Sutherland Shire Council.

See location map below for an immediate snap shot of the surrounding development.



8.0 Title Description

The land is known as Lot 3 in Strata Plan 66493 at Heathcote in the Local Government area of Sutherland and County of Cumberland.

The interest is more particularly described as being the whole of the land contained within Folio 3/SP66493.

Under the First Schedule of the Folio the owner/s is shown as being Steven Niland Super Fund Pty Ltd and Robert Patrick & Associates Pty Ltd

The Second Schedule of the Folio includes the following notations:

- 1 RESERVATIONS AND CONDITIONS IN THE CROWN GRANT(S) (See Title Search)

9.0 Site Description

Land Description, Dimensions and Area

This site is irregular in shape and has a surface that is generally level which falls gently towards the front boundary. The subject property has a frontage to Old Princes Highway of 7.6metres

The subject parent property encompasses an area of approximately 505.3m²,

Land Value

N/A

Environmental Contamination

During our visual inspection of the property, we did not recognise any potential sources or signs that would cause the land to be contaminated. In completing our valuation of the land, we have necessarily assumed that the land is free of contamination. Should it be found that the land is contaminated, our valuation may be affected and it should be referred back to us for comment and possible amendment.

10.0 Planning Controls

The development and use of this land are primarily controlled by the Sutherland Local Environmental Plan 2015. The main provisions of this LEP as it relates to the subject land are summarised below.

Zoning

Our enquiries have revealed that the subject site is zoned E2 Commercial Centre under Sutherland Local Environmental Plan 2015.

Zone E2 Commercial Centre

1 Objectives of zone

- To strengthen the role of the commercial centre as the centre of business, retail, community and cultural activity.
- To encourage investment in commercial development that generates employment opportunities and economic growth.
- To encourage development that has a high level of accessibility and amenity, particularly for pedestrians.
- To enable residential development only if it is consistent with the Council's strategic planning for residential development in the area.
- To ensure that new development provides diverse and active street frontages to attract pedestrian traffic and to contribute to vibrant, diverse and functional streets and public spaces.

2 Permitted without consent

Home occupations

3 Permitted with consent

Amusement centres; Artisan food and drink industries; Backpackers' accommodation; Centre-based child care facilities; Commercial premises; Community facilities; Entertainment facilities; Function centres; Hotel or motel accommodation; Information and education facilities; Local distribution premises; Medical centres; Mortuaries; Oyster aquaculture; Passenger transport facilities; Places of public worship; Recreation areas; Recreation facilities (indoor); Recreation facilities (outdoor); Registered clubs; Respite day care centres; Restricted premises; Tank-based aquaculture; Vehicle repair stations; Veterinary hospitals; Any other development not specified in item 2 or 4

4 Prohibited

Advertising structures; Agriculture; Air transport facilities; Airstrips; Animal boarding or training establishments; Attached dwellings; Boat building and repair facilities; Boat launching ramps; Boat sheds; Camping grounds; Caravan parks; Cemeteries; Charter and tourism boating facilities; Depots; Dual occupancies; Dwelling houses; Eco-tourist facilities; Electricity generating works; Exhibition homes; Exhibition villages; Farm buildings; Forestry; Freight transport facilities; General industries; Heavy industrial storage establishments; Heavy industries; Helipads; Highway service centres; Home-based child care; Home occupations (sex services); Industrial retail outlets; Industrial training facilities; Jetties; Marinas; Multi dwelling housing; Open cut mining; Recreation facilities (major); Resource recovery facilities; Rural industries; Rural workers' dwellings; Semi-detached dwellings; Sewerage systems; Sex services premises; S

11.0 Improvements

The subject property comprises of first floor office suite, receptionist desk, three glassed partitioned offices, open plan area, and storage room. Communal toilets and kitchenette area.

Registered car space on title.

Construction:

Brick and masonry external and concrete floor, the roof is timber framed and clad with clip lock metal sheeting
Male and female toilets, shower, stainless steel sinks, split system air conditioning, internal stair well, CCTV, exposed fluorescent lighting, fire extinguishers.

12.0 Tenancy Details

We understand that the property is presently tenanted. We have therefore completed our valuation on the basis of vacant possession.

Market Net Income \$42,000 p.an Adopted Cap Rate 5.2%

13.0 Outgoings

In completing our valuation of the property, we have assumed that outgoings such as Council Rates and Water Rates would be in line with normal outgoings for a property of this type at this locality. Tenant pays all outgoings. I have allowed 20% of gross rent.

14.0 State of the Economy

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."

The Reserve Bank has lifted the interest rate in the month of May for the first time in 10 years up 0.25 % with another rate rise in June of 0.5%, a rise of 0.5% in July and 0.5% in September and 0.25 % in December. There have been another 6 rate rises to August 23. Inflation has risen to over 7.8% which has impacted on the cost of household products and the cost of fuel.

15.0 Valuation Approach

In arriving at our opinion of value, we have considered relevant general and economic factors. In particular we have investigated recent sales transactions of comparable zoned properties that have occurred in Sutherland and surrounding suburbs.

Our primary method of valuation has been the Direct Comparison Approach whereby we have compared the subject properties to sales of other commercial/residential sites and improved properties, with adjustments made account for factors such as location, outlook, land size, ease of building, ease of access, accommodation and the like.

16.0 Valuation Methodology

Direct Comparison Approach

Our investigations have revealed that there have been minimum sales of commercial suites in Sutherland and surrounding areas.

Details of these sales are listed as follows:

Address: 7/2 Merton Street, Sutherland NSW 2232

Sale Date: 30/06/2023

Sale Price: \$750,000

Strata Area: 115m²

Remarks: This property comprises of a modern office, 6 partitioned offices, natural light, polished timber floors, ducted air conditioning, single car space, communal toilets, and kitchen area. sold on 3+ 1-year lease, current rent of \$45,000p. a gross + GST, yield of 6% gross. Showing \$6,521m² of lettable area. Considered overall superior to subject property in terms of improvements and lot size, inferior location to subject.

Address: 5/20-24 Gibbs Street, Miranda NSW 2228

Sale Date: 17/08/2023

Sale Price: \$615,000

Strata Area: 71m²

Remarks: Ground level commercial suite in modern strata building comprises of 2 consulting rooms, reception area, fully re-furbished, natural light, air conditioned. Industrial, reception area, kitchen, 1 car space, high traffic, and pedestrian exposure. Showing \$8,705m² of lettable area. Considered overall superior to subject property in terms of improvements and age building to subject property.

Address: 40/40 Belmont Street, Sutherland NSW 2232

Sale Date: 27/10/2022

Sale Price: \$660,000

Strata Area: 68m²

Remarks: This property comprises of a ground floor retail office in a young modern stratum titled building, 3 fully partitioned offices, reception area, ducted air conditioning, single car space showing \$9,705m² of lettable area Considered overall superior to subject property in terms of improvements and age of building.

Rental Evidence

Address: 344-346 Kingsway, Caringbah NSW 2229

Lease Commencement: June 2022

Lease term: Six years

Rental P.A: \$55,000 per annum gross plus GST

Annual Increases: CPI

Floor Area: 105m²

Use: Corporate office

Remarks: This property comprises a first office, new carpet, single car space lot located close to railway station and public carpark, showing \$528m² gross of strata area,

Address: 61B East Parade, Sutherland NSW 2232

Lease Commencement: December 2022

Lease term: Two years

Rental P.A: \$40,120 per annum gross plus GST

Annual Increases: CPI

Floor Area: 100m²

Use:

Remarks: This property comprises an older style strata office located Sutherland Town Centre, railway station and public carpark, showing \$400m² gross of strata area,

17.0 Valuation Remarks

The subject property comprises of a 1st floor office suite in the heart of Sutherland shopping precinct.

From the above sale evidence has shown square metre rates of \$6,521 to \$9,705m² of lettable area. I have adopted a rate of \$6,250m²

$89\text{m}^2 \times \$6,250\text{m}^2 = \$556,250$

Say \$550,000

CAPITALISATION APPROACH

The rental as at date of our required valuation is estimated at \$33,600 gross p a. and capitalised at a return of 6 % arrives at an amount of \$560,000.

Adopted Market Value \$550,000

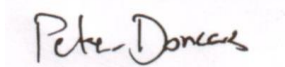
18.0 Valuation

Subject to the qualifications and disclaimers contained within this report, we are of the opinion that the Current Market Value of **3/800 Old Princes Highway Sutherland NSW 2232** as at date of our valuation can be fairly expressed in the amount of: **Five Hundred Fifty Thousand Dollars (\$550,000) (GST Exclusive)**

Two Hundred Seventy-Five Thousand Dollars (275,000) (GST Exclusive)

Half share Attributed to Steven Niland Super Fund Pty Ltd

Winter Valuations



Peter Doncas

Qualified Valuer 6053

We are obliged to advise that this report is only for the use of the party to whom it is addressed, and no responsibility or liability is accepted to any third party for the whole or any part of its contents.

This valuation is current as 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 practice specific to the 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.

PHOTOS



