

Ground Floor,
18 Honeysuckle Drive,
Newcastle NSW 2300

Main: +61 2 4926 4888
Fax: +61 4926 4555
Email: colliersnewcastle@colliers.com



14 September 2021

Kate and Matthew Day
14 / 5-7 Channel Road,
MAYFIELD WEST NSW 2304

Via email: kate@daysbuildingco.com.au

Dear Kate and Matthew,

Re: Sale Appraisal

Unit 14, 5-7 Channel Road, Mayfield NSW 2304

We would like to thank you for allowing us the opportunity to provide advice regarding a sales appraisal for your above-mentioned property situated in the industrial precinct of Steel River Industrial Estate, at Mayfield West.

The subject property incorporates a strata titled industrial warehouse and associated two storey office and amenities component within complex of 19 units.

The subject property is known as Lot 14 SP79092 within the complex and is prominently located in the central building onsite. The warehouse provides access via a metal roller door, being 4.8 metres wide and 4.8 metres high having a 6 metre clearance to the underside of the eaves. The warehouse is serviced by high bay lighting and a timber mezzanine (not council approved).

Internal access is available to the office and amenities component which provides accommodation in a good state of repair providing open plan offices, large staff lunchroom and amenities to the ground floor with two additional offices to the first floor.





Current Lease

The subject property is currently subject to a lease as per follows:

Unit 14, 5-7 Channel Road, Mayfield NSW 2304		
 <p>Leased By</p> 	Lessor:	MK Day Pty Ltd ATF MK Day Superfund
	Lessee:	Stephen Bramley
	Lease Commencement Date:	21 January 2021
	Rental:	\$26,000 per annum net plus GST
	Term:	2 year
	Option:	1 year
	Lettable / Strata Area:	203sqm (approx.)
	Rate:	\$128/sqm net
	Reviews:	Fixed 3%
	Outgoings:	The Lessee is responsible for outgoings (Total outgoings are estimated to be \$5,217 per annum)
Incentive:	Nil	

Comparable Transactions

UNIT 3, 103 STENHOUSE DRIVE, CAMERON PARK	UNIT 9, 103 STENHOUSE DRIVE, CAMERON PARK	UNIT 1, 46 RIVERSIDE DRIVE, MAYFIELD
		
Sold: \$430,000 (going concern)	Sold: \$415,000 (going concern)	Sold: \$625,000
Date: October 2020	Date: February 2021	Date: May 2021
Building area: 174sqm*	Building area: 174sqm*	Building area: 258sqm*
Yield: 5.9%	Yield: 5.8%	Yield: Vacant Possession
Rate/sqm: \$2,472	Rate/sqm: \$2,385	Rate/sqm: \$2,422
Sold by 	Sold by 	Sold by 



Sale Realisation – Improved Rate

With consideration given to the property’s location, together with the property’s features, we have calculated our assessment on a rate (\$/sqm) of the lettable area. The calculations are detailed in the table below:

Area	Rate (\$/sqm)	Rounded Sale Realisation
203sqm*	\$2,400	\$487,200 (plus GST)
	\$2,500	\$510,000 (plus GST)

Sale Realisation – Capitalisation Approach

With consideration given to current market conditions, together with the property’s features, we have calculated our assessment of the property on a capitalised rate of the rental realisation. The calculations are detailed in the table below:

Rental	Capitalisation Rate	Rounded Sale Realisation
\$26,000	5.25%	\$500,000 (plus GST)
	5.75%	\$455,000 (plus GST)

We trust this will assist with your investigations and please do not hesitate to contact us should you require any further information. We look forward to hearing from you.

Yours sincerely,

TIM WOOLF
Associate Director | Industrial
0413 155 462