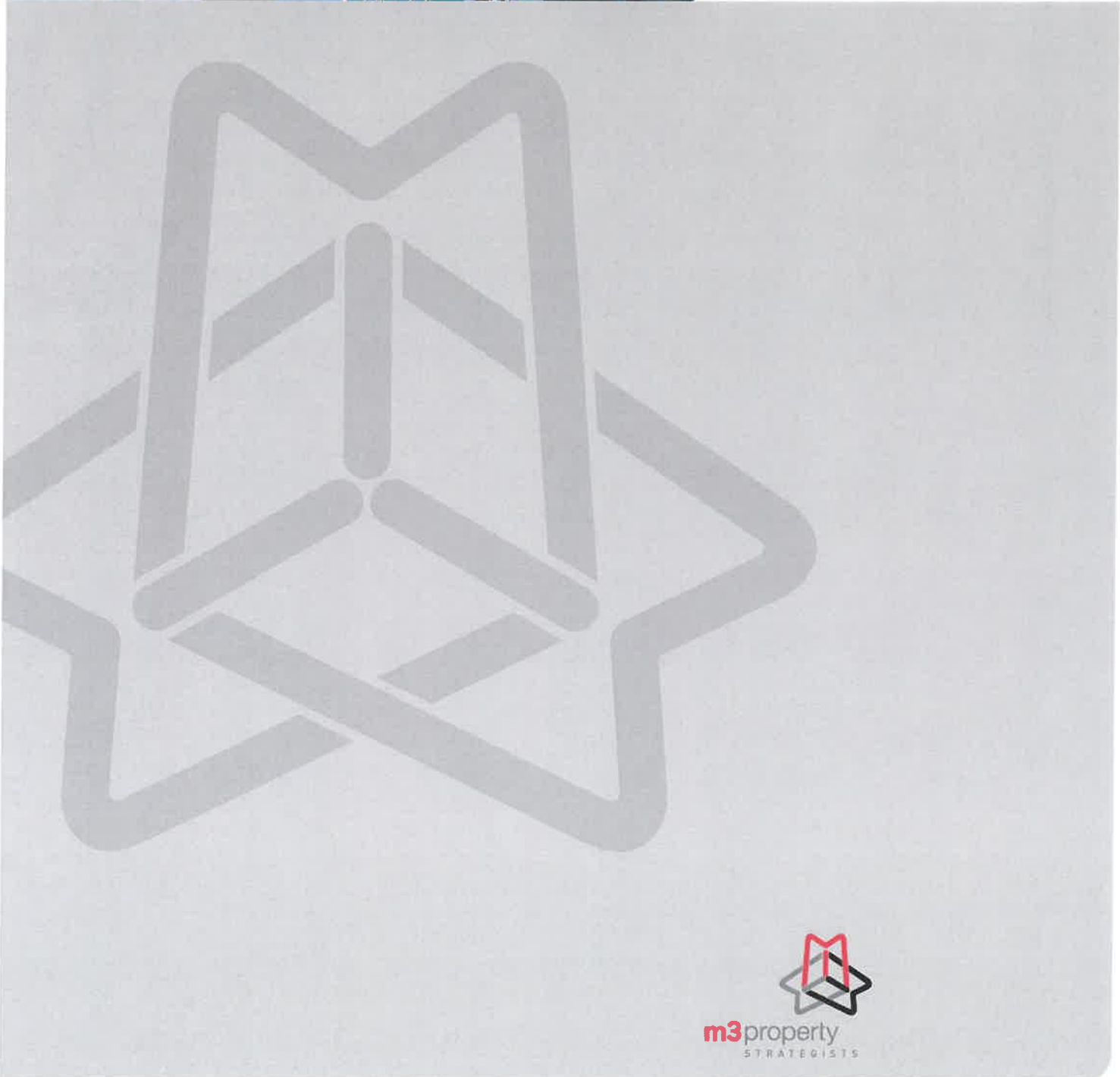


Valuation Report

1 Mary Street
Normanville SA 5204

14 May 2013



REPORT SUMMARY	
Address	1 Mary Street, Normanville, South Australia 5204
Client Details	Dr. Alexander Stabolidis Wyfield Holdings PO Box 902 Normanville SA 5204
Instructions	To determine the current market value 'as if complete' of a proposed Community Title land division into three (3) lots and various refurbishment and upgrading works, with reference to an application for first mortgage finance.
Our Reference	We confirm the report has been prepared in accordance with the Australian Property Institute's 'Australian & New Zealand Valuation and Property Standards'. 1345099
Description	Contained within a site of approximately 1,006 square metres zoned 'Town Centre', the property is located within the southern Fleurieu Peninsula coastal township of Normanville approximately 80 kilometres south of the City of Adelaide. Erected on the site is a former ranch style dwelling built circa 1978, having been converted and extended at various stages to now provide a modern standard of dental surgery accommodation to one end of the building, as well office and consulting room accommodation to the other end of the premises that is also at an advanced stage of various internal modifications and upgrading works. In addition, we note a semi-detached home unit dwelling of three (3) bedroom and two (2) bathroom proportion as well as associated site improvements. The proposed Plan of Division provided denotes the dental surgery as Lot 1, the office/consulting rooms as Lot 2, and the home unit dwelling as Lot 3.
Interest Valued	Freehold interest with vacant possession.
Date of Inspection & Valuation	14 May 2013.
Basis of Valuation	Current Market Value 'as if complete' of the proposed Community Title land division and various internal modifications and upgrading works.
Market Value Assessments	
Proposed Lot 1	\$295,000 (Exclusive of GST)
Proposed Lot 2	\$260,000 (Exclusive of GST)
Proposed Lot 3	\$230,000 (GST assumed not applicable)
Valuers	<u>The 'as if complete' value assumes the satisfactory completion of all building/site works in accordance with the plans and specifications provided to a workman-like and lettable standard, in compliance with all relevant statutory approvals, and the issuance of individual Certificates of Title for each of the Individual lots as proposed.</u> Rebecca McCrea B Bus Prop (Val) PMAPI Assistant Valuer Adrian Burg B App Sc (PRM) FAPI Certified Practising Valuer/Director



1.0 Legal Description

1.1 TITLE DETAILS

Details		
Current Title Details	Volume	5239 Folio 700
	Allotment	52 Deposited Plan No. 3480
Registered Proprietor	Wyfield Holdings Pty Ltd	
Easements	Nil.	
Endorsements	Mortgage 10873317 to Experien Pty Ltd	
The valuation assumes that the property is not affected by any additional easements, encumbrances, or covenants that have not been disclosed by a search of the Title that may otherwise detrimentally affect the value of the property.		

We note that the individual 'as if complete' assessments of value made herein are on the basis that individual Certificates of Title are to be issued for each of the lots as proposed, inclusive of the creation of a Community Plan of Division.

1.2 GST

Our assessment of value of the two (2) commercial lots (ie Lots 1 & 2) has been premised on a GST exclusive basis.

In relation to the proposed residential Lot 3, our assessment of value has been premised on the assumption that the creation of a separate Community Title lot thereto will by virtue of its existing construction which we understand is several years old, not represent 'new residential' under current GST legislation. We have therefore provisioned our assessment of value of Lot 3 'as if complete' assuming a GST not applicable basis.

Notwithstanding, we advise that we are not experts in taxation matters and therefore our assessment of value 'as if complete' is contingent upon the lender relying on this valuation obtaining further expert taxation advice as a condition of any loan approval and prior to the release of any funding.

Should subsequent expert advice be received at variance to the above assumptions upon which we have premised our assessments of value 'as if complete', then the Valuer should be consulted to advise the impact, if any, on the level of values ascribed herein.



2.0 Site Details

2.1 LOCATION

The subject property is located at Normanville approximately 80 kilometres south of the City of Adelaide. More particularly, the subject is located on the western side of Mary Avenue at its intersection with Olive Avenue, as depicted on the local street directory map and aerial photograph below.



Source: Google Maps and Google Earth, © MapData Sciences Pty Ltd, PSMA

The majority of surrounding development within neighbourhoods immediately to the north and west (at the rear of the property) comprise an array of residential development whilst within the neighbourhoods immediately opposite (to the front of the property) is an array of commercial and retail premises/centres including a shopping complex containing a Mitre 10 hardware store and five shops (including Police Station).

We particularly note the subject's position within a neighbourhood set slightly back from the nearby main road that traverses through the township of Normanville albeit still enjoying relatively good prominence and accessibility.

Mary Avenue is a dual carriageway carrying low levels of vehicular traffic. It is bitumen sealed with concrete kerbing and gutters. Access to the subject property is considered to be good, both in relation to proximity to other nearby localities including Carrickalinga slightly further to the north and the township of Yankalilla slightly further to the east, but also within the township of Normanville itself.

Further, the property is considered to be readily accessible from the City of Adelaide and southern metropolitan suburbs of Adelaide, noting that the major southern metropolitan regional centre of Noarlunga Centre lies approximately 45 kilometres further north and where we note a diverse array of services and facilities are available.



2.2 SERVICES

Electricity	Connected
Mains Water	Connected
Sewerage	Connected
Telephone	Connected

2.3 DIMENSIONS AND PHYSICAL CHARACTERISTICS

Configuration & Topography	Irregular triangle shaped level allotment.
Mary Avenue Frontage	36.12 metres
Olive Avenue Frontage	50.65 metres
Site Area	1,006 square metres, or thereabouts.

2.4 ENVIRONMENTAL ISSUES

Current use/operations	Proposed Lot 1 – Dental Surgery Proposed Lot 2 – Office and Consulting rooms Proposed Lot 3 – Semi-Detached Dwelling
Contamination Sites Register	Not listed
Current use of concern	No
Previous use/s of concern	Not Known
Further investigations recommended	No
Flooding	The site does not appear to be prone to flooding under normal climatic conditions.

3.0 Planning

Local Government Area	City of Yankalilla
Zoning Designation	Town Centre
Conforming use/consent use	The major objectives within this zone are noted as follows: <ul style="list-style-type: none"> • A town centre providing a range of retail, business and community facilities to accommodate the needs of the district. • Orderly development and revitalisation of the Yankalilla and Normanville town centres, particularly through the redevelopment of vacant and under-utilised land, to link with adjoining compatible development by pedestrian paths, shared car parking and integration of built-form. • Enhancement of the character, image and identity of each town centre through quality development and improvement of streetscapes.
Heritage	No



4.0 Improvements


4.1 GENERAL DESCRIPTION

Currently erected on the site is a former ranch style dwelling built circa 1970s, having been converted and extended at various stages to now provide a modern standard of dental surgery accommodation to one end of the building, as well as office and consulting room accommodation to the other end of the premises, that was also at the date of inspection at an advanced stage of completion of various internal modifications and upgrading works. In addition, we note a detached 'home unit' dwelling of three (3) bedroom and two (2) bathroom proportions as well as associated site improvements.

The proposed Plan of Division as provided, denotes the dental surgery as Lot 1, the office/consulting rooms as Lot 2, and the 'home unit' dwelling as Lot 3.

The 'as if complete' values assume the satisfactory completion of all proposed building/site works in accordance with all relevant statutory approvals / requirements and to a workman-like and lettable standard, further subject to issuance of a Certificate of Occupancy or Statement of Compliance as the case may apply.

4.2 PROPOSED LOT 1

Floors	Concrete.	
Roof	Gable design with concrete tiles.	
External Walls	Rendered Clay Brick, and rendered Hardi-tex.	
Windows	Aluminium framed.	
Floor Coverings	Principally ceramic tiles with some commercial grade vinyl coverings.	
Internal Walls	Plasterboard.	
Ceilings	Plasterboard.	
Air Conditioning	Ducted reverse cycle air conditioning and some individual room high wall mounted reverse cycle split system units.	
Lighting	Down lighting.	
Fire Services	Fire exit signs, fire extinguishers and smoke detectors.	
Security	Motion detection alarm system.	

Primary access to proposed Lot 1 (ie dental surgery) is via a formal **entry hall** off the Mary Street frontage, noting it features a **reception** and **administrative office area**, separate **waiting room**, **two (2) consulting rooms** and **laboratory room** with specialised dental surgery fitments and appointments, **x-ray room**, **office and document store**, **kitchen** (with laminate built in cupboards and bench top, single stainless steel sink), **disabled access toilet suite** with hand basin, and a **small plant room** positioned off the **enclosed rear hallway** that provides access to the rear car park.



At the date of valuation, works remaining to be complete include:

- Painting and flooring to enclosed rear hallway and plant room.
- Re-location of dental plant & equipment from the home unit dwelling to the designated plant room
- Sealing the passage between proposed Lots 1 & 2.

Lot 1 accommodation is more particularly depicted in the photographs below.



DENTAL RECEPTION



DENTAL SURGERY ROOM



DENTAL LABORATORY

4.3 PROPOSED LOT 2

Lot 2 is essentially comprised as portion of the same premises as Lot 1, being of identical construction save for an 'in-progress' Colorbond and Hardi-tex addition to the northern end of the improvements.

As if complete, it will provide a **reception/waiting room, five (5) offices/consulting rooms, documents store, kitchen, and disabled access bathroom.**

The amenities and appointments completed to date are considered of a modern standard and generally appear in good condition inclusive of ceramic tiled flooring throughout as well as split system wall mounted air conditioners fitted to some of the rooms. At the date of inspection however, a summary of works remaining to be completed include:

- Sealing the passage between proposed Lots 1 & 2.
- Conversion of the former kitchen to a consulting room.
- New kitchen still requiring painting, installation of door frames, skirtings, tiled flooring, built in cupboards, 2nd plumbing and 2nd electrical fitments.
- Plastering, painting, tiling, and plumbing fitments to the bathroom.
- Painting, installation of door frames, skirtings, tiled flooring, and 2nd electrical fittings to the storage area.
- Some 'flashings' to seal external wall surfaces.
- Installation of hot water system.

Lot 2 accommodation is more particularly depicted in the photographs overleaf.





RECEPTION/WAITING AREA



CONSULTING ROOM



KITCHEN

4.4 PROPOSED LOT 3

Floors	Concrete.	
Roof	Low pitch gable design, Colorbond metal decking.	
External Walls	Rendered Hardi-tex.	
Windows	Aluminium framed.	
Floor Coverings	Principally carpets and ceramic tiles.	
Internal Walls	Plasterboard.	
Ceilings	Plasterboard.	
Air Conditioning	Reverse cycle split system air conditioning unit.	
Lighting	Down lighting	
Fire Services	Smoke detector.	
Security	Motion detector alarm system.	

Accessed from a rear on-site communal car park, the residential home unit opens through to an eat-in **kitchen** featuring laminate built in cupboards and benchtops, stainless steel sink, Bosch dishwasher and electric cooktop and under bench oven.

Adjacent the kitchen is a central **lounge** fitted with carpet floor coverings and wall mounted split system air conditioning unit. The **three (3) bedrooms** are all fitted with carpet floor coverings and the main bedroom also comprises an **ensuite bathroom** with tiled floor and walls, shower recess, 2 pack vanity, and low level toilet suite.

The **main bathroom** is similarly appointed to the ensuite bathroom albeit additionally incorporates a bath with shower over. The **laundry** adjoining the main bathroom is tiled and fitted with an acrylic wash trough. The laundry and lounge also have direct access to a **small screened courtyard** to the southern side of the dwelling that is unpaved.

Overall, the accommodation and level of appointments is considered to reflect a good standard of modern finishes/selections. At the date of inspection however, a summary of works remaining to be completed include:

- Paving the courtyard.



The Lot 3 'home unit' accommodation is more particularly depicted in the photographs below.



4.5 BUILDING AREAS

Based on our physical measurements taken, the respective building areas are apportioned as follows:

Building Component	Area (sq.m.)
Proposed Lot 1 – Dentist Surgery	127.0 (GLA)
Proposed Lot 2 - Office / Consulting Rooms	121.0 (GLA)
Proposed Lot 3 – Residential Dwelling	95.0 (Eq.Main)
Total Gross Lettable Area	343.0

Index: GLA – Gross Lettable Area; Eq.Main – Equivalent Main Area

It must however be noted that a detailed survey of areas has not been commissioned in this regard. We advise that we have relied upon the above areas and have assumed, for the purpose of this valuation, that a survey of the building would not reveal any material difference in area.

4.6 SITE IMPROVEMENTS

A brief summary of site improvements is as follows:

- Front, side and rear concrete / bitumen paved car parking for up to 12 vehicles.
- Concrete paved pathways.
- Minor metal deck fencing to northern side boundary.
- Landscaped gardens.
- Front verandah (umr) to the office / consulting rooms.



4.7 ASBESTOS

Register Compiled	No
Comments	<p>We requested a copy of an asbestos register for the subject property however no register has been prepared in accordance with statutory requirements. Our inspection of the property did not however reveal any obvious asbestos materials which are likely to have a negative impact on value, however we are not qualified to comment as to the presence of any such asbestos materials within the property. We would however recommend an asbestos register be commissioned if one has not already been.</p> <p>The valuation is predicated on the assumption that the level of asbestos (if any) contained within the subject property does not have a material impact on the value determined herein. Should this assumption not be correct, we recommend that the Valuer be consulted to assess any effect on the values as stated in this report.</p>

5.0 Tenancy Details

As at the date of valuation, proposed **Lot 1** is owner occupied, trading as 'Normanville Dental Surgery'. We have been advised by the applicant portion only of proposed **Lot 2**, being an individual office/consulting room, is tenanted on an 'informal monthly arrangement' basis only with the balance of the accommodation currently vacant. Proposed **Lot 3**, being the residential 'home unit' dwelling is currently vacant.

In accordance with the Australian Property Institute's practice standards, we have therefore valued the three (3) proposed Community Title lots 'as if complete' assuming a 'vacant possession' basis.

6.0 Market Evidence

6.1 MARKET COMMENTARY

Whilst there remain limited commercial transactions within the past 24 months, it is widely acknowledged that demand has softened, together with limited leased holdings being offered to the market. Where transactions have occurred, investor focus has primarily been centred around quality property, securely leased to high profile tenants.

Further, and as per many country township locations, is the predominance of owner occupiers and by virtue of the smaller population bases of such township locations, generally more confined purchaser base. Furthermore, and even when transactions do occur, are often encapsulated in conjunction with the transfer/sale of associated business interests and thus do not necessarily reflect the unfettered freehold value of such assets in the open market place.



The residential market also generally remains soft, noting prospective purchasers typically remain quite discerning and price sensitive as well as noting, in many instances, a return to more traditional extended marketing periods, and which further in the case of country township locations per Normanville is exacerbated by the smaller population base and declining demand in recent years as a result of the fall-out from the Global Financial Crisis and as a consequence a reduced appetite in the market for holiday home type accommodation.

6.2 RENTAL EVIDENCE

We have considered a selection of commercial rental evidence; however by virtue of the more recent dearth of evidence within the township of Normanville, we have therefore considered a selection of rental transactions that have occurred throughout other country township locations. With allowance made for variations, such rental transactions have then been compared directly with the subject accommodation.

Further, and as much of this information has generally become available to us in the course of our valuation duties/practice and is not publicly available, or has been divulged to us in strictest confidence, we have excluded specific property address details and/or business name details for confidentiality and privacy purposes. Nonetheless the details thereof are retained on file.

Address	Rental (\$ p.a.)	Effective Date	Descrip	Lettable Area (m ²)	Rental Rate (\$/m ²)	Comment
Lennon Street, Clare	\$27,020 net	Feb 13	Office within a single storey development built circa early 1900s, subsequently refurbished to a modern standard.	147	\$184 net	Leased for a term of 5 years commencing February 2010.
Hallett Street, Kadina	\$15,397 net	Feb 13	Newly constructed Community Title development, providing medical and consulting room accommodation.	78	\$197 net	Leased for a term of 3+3 years commencing February 2012.
Main Road, McLaren Vale	\$36,000 net	Jul 12	A former dwelling built circa 1920's converted to office accommodation, with rear extension built circa 1970's.	231	\$156 net	Leased for a term of 3+3+3 years commencing July 2012.
Port Road, New Town (Kadina)	\$36,260 net	Mar 12	Dentist surgery within a new, purpose built medical centre comprising four (4) tenancy areas.	143	\$254 net	Tenancy 2A leased for a term of 10+5+5 years commencing March 2011.

* All rentals quoted exclusive of GST



6.3 COMMERCIAL SALES EVIDENCE

By virtue of the dearth of more recent comparative sales evidence within the township of Normanville, we have also extended our investigations to other perceived comparative country townships and over an extended time period. Again with allowance made for variations, such transactions have then been compared directly with the subject properties.

Address	Sale Price	Sale Date	Description	Gross Lettable Area (m ²)	Site Area (m ²)	Sale Price (\$/m ²)	Comments
195 Main Road, McLaren Vale	\$525,000	Jul 12	A former dwelling built circa 1920's converted for use as office accommodation, with rear extension built circa 1970's.	231	947	\$2,272	Leased 3+3+3 years commencing July 2012 at a passing rental of \$36,000 per annum net (\$156/m ²). <u>Initial yield 6.86%</u> .
20 High Street, Willunga	\$417,500	Apr 12	Circa 1960s former dwelling since converted to consulting rooms/office accommodation.	145	1,067	\$2,879	Small township location. Modernised premises on a larger site.
14 Hays Street, Goolwa	\$365,000	Mar 12	Circa 1880's built former cottage, converted for consulting room use.	140	334	\$2,607	Character cottage used as consulting rooms. Main road location but away from mainstream commercial precinct.
60 High Street, Strathalbyn	\$300,000	Aug 11	Circa 1970s built conventional style dwelling converted for use as a veterinary surgery.	120	711	\$2,500	Non-main road location.
Unit 2, 91 Carrickalinga Road, Normanville	\$300,000	Feb 11	A Strata Titled retail unit, being 1 of 2 units within the development.	96	-	\$3,125	Superior commercial location within Normanville. Older sale.
Unit 1, 67 James Avenue, Normanville	\$190,000	Aug 10	A Strata Titled office premises, disposed as a real estate agency.	92	-	\$2,065	This unit has been purchased in conjunction with Unit 2 as detailed below. Refurbishment understood to have been undertaken since the time of sale.
Unit 2, 67 James Avenue, Normanville	\$170,000	Aug 10	A Strata Titled office premises, disposed as a real estate agency.	86	-	\$1,977	Purchased in conjunction with Unit 1. Refurbishment understood to have been undertaken since the time of sale.

* All sale prices are quoted exclusive of GST



6.4 RESIDENTIAL SALES EVIDENCE

A summary of residential sales evidence considered is detailed in the table below, noting that by virtue of the dearth of more recent comparative sales evidence that we have completed our investigations over an extended time period.

Address	Sale Price	Sale Date	Description	Bldg Area (em ²)	Site Area (m ²)	Comments
7 Marratta Street, Normanville	\$276,000	Mar 13	5H CP	126	513	A conventional style detached dwelling built circa 1998 of three (3) bedroom and one (1) bathroom proportions, together with double garaging. Sale price equates to \$2,190 /em ² .
34 St Andrews Boulevard, Normanville	\$236,000	Dec 12	5H DG	135	600	A conventional style detached dwelling built circa 1996 of three (3) bedroom and one (1) bathroom proportions, with double garaging. Located within The Links Lady Bay development. Sale price equates to \$1,748 /em ² .
Unit 3, 27 Field Street, Normanville	\$243,000	Jul 12	4H/UNIT CP	91	N/A	Circa 1987 built conventional style semi-detached residential unit of two (2) bedroom and one (1) bathroom proportions, together with single car port, developed within a larger Strata Titled development. Previously sold in June 2011 for the consideration of \$237,000. Sale price equates to \$2,670 /em ² .
Unit 1, 8 Olive Avenue, Normanville	\$180,000	Apr 12	4H/UNIT CP	69	-	Circa 1979 built conventional style semi-detached residential unit of two (2) bedroom and one (1) bathroom proportions, together with single car port, being 1 of 2 units Strata Titled units within the development. Previously sold in June 2011 for the consideration of \$183,000. Located opposite the subject property. Sale price equates to \$2,608 /em ² .
Unit 1, 4 Cheeseman Street, Normanville	\$240,000	Sep 11	4H CP	110 approx	212	Circa early 2000's built contemporary style semi-detached residential unit of two (2) bedroom and two (2) bathroom proportions, being 1 of 4 Community Titled units within the development. Sale price equates to \$2,181 /em ² .

The sales information quoted has been obtained from a number of sources including published sales information provided by the Land Services Group of Department for Planning, Transport and Infrastructure (DPTI) and RP Data Ltd. Whilst we understand the information to be reliable, we are unable to guarantee the accuracy. Where the information has been available to us, we have made appropriate adjustments for GST but the recorded sale prices may include all, a part of, or no GST depending on the circumstances and tax liability of the parties to each transaction.



7.0 Market Position of the Property

The subject property is located within the southern Fleurieu Peninsula township of Normanville approximately 80 kilometres south of Adelaide. Normanville features an approximate local population of 700 people albeit further supplemented by its close proximity to adjoining built-up populations within nearby Carrickalinga and Yankalilla. We further note that the local population swells considerably during peak summer periods due to the prime coastal location/nearby beaches and more recent tourist development at Links Lady Bay slightly further to the south.

The property is located off the main road at Normanville albeit within an established commercial/retail neighbourhood which still enjoys relatively good exposure and accessibility.

Erected on the site is a former ranch style dwelling built circa 1978, having been converted and extended at various stages to provide a relatively modern standard of dental surgery and office/consulting room accommodation, together with a semi-detached 'home unit' dwelling of three (3) bedroom and two (2) bathroom proportions.

We reiterate the property is proposed to be subdivided into three (3) Community Title Lots with proposed Lot 1 currently being owner occupied trading as 'Normanville Dentist Surgery'; Lot 2 featuring office / consulting room accommodation, and Lot 3 comprising the residential 'home unit' dwelling. The subject holding also features a good level of associated 'communal' site improvements and particularly on-site car parking.

At the date of inspection, we note more recent additions and internal modifications and upgrading works as regards Lots 1 & 2 that were at an advanced stage of completion, however still requiring further finishing works as previously detailed.

Our assessment of individual lot values 'as if complete' assumes the satisfactory completion of all incomplete building works in accordance with all relevant statutory approvals / requirements and to a workman-like and lettable standard, further subject to issuance of a Certificate of Occupancy or Statement of Compliance as the case may apply as well as the issuance of individual Community Titles per the plan of division as submitted.

7.1 SELLING PERIOD

It is considered that the most appropriate method of sale for individual Lots 'as if complete' of this nature is by private treaty. Given the salient factors, it is also considered that a selling period in the order of up to six (6) months per each individual lot would be appropriate for properties of this nature in the current market providing such were appropriately marketed and priced for sale.

7.2 SALES HISTORY

Information provided by the Land Services Group of Department for Planning, Transport and Infrastructure (DPTI) reveals the property has not sold within the past three (3) years.



8.0 Valuation Approach

8.1 METHODOLOGY

In the case of proposed Lots 1 and 2 'as if complete', we have adopted the Capitalisation of Income approach to valuation as it is on this basis that investment property is invariably sold. Such method takes into account not only the initial return from the property but also rental growth and risk to income and market value.

As a check approach, we have had regard to the Direct Comparison approach with reference to the rate per square metre of gross lettable area, whereby the subject Lots are compared with sales of other properties with adjustments made for perceived points of difference

In the case of Proposed Lot 3 'as if complete', we have adopted the Direct Comparison approach.

8.2 PROPOSED LOT 1

8.2.1 CAPITALISATION APPROACH

Our assumptions adopted using this approach for Proposed Lot 1 are summarised as follows:

- **Imputed Rental** – Based on research undertaken and with regard to the specialised nature of the dental surgery accommodation, we have imputed a net market rental adopting a net rate of \$185 per square metre per annum, which applied over the estimated gross lettable area of 127 square metres deduces an annual rental of \$23,495 per annum net, exclusive of GST.
- **Non-recoverable Outgoings** - The above rental is premised on a net basis with the Lessee responsible for the payment of all outgoings apart from State Land Tax. In this instance however, we assume the individual Site Value assessment for the holding will lie below the threshold for land tax to apply and thus there is considered to be no liability in this regard assuming a single holding basis. The imputed net income is therefore determined at \$23,495 per annum, exclusive of GST.
- **Assumed initial lease term** - Three (3) years together with similar right of renewal.
- **Adopted Capitalisation Rate** - From the market evidence sourced, we have formed the view an appropriate capitalisation rate to apply to the assessed rental income, given the specialised medical use of the property together with the higher quantum level of imputed rental adopted compared to more standard commercial premises and activities in this location, is 8.00 percent with a Sensitivity Analysis showing the range in values applicable if capitalisation rates of between 7.75 percent and 8.25 percent are adopted.
- **Capital Adjustments** - No capital adjustments are considered necessary in this instance as the subject unit is considered to present reasonable appeal to the owner occupier market.



Applying the various estimates in respect to imputed rental, non-recoverable outgoings, capitalisation rate and capital adjustments indicates a value 'as if complete' (rounded) of **\$295,000 (Two Hundred & Ninety Five Thousand Dollars)** exclusive of GST. Our calculations including a Sensitivity Analysis are summarised in the table noted below:

Proposed Lot 1, 1 Mary Avenue, Normanville SA			
Traditional Investment Analysis			
Capitalisation of Imputed Market Net Income			
INCOME	LETTABLE AREA SQ.M.	MARKET NET RENT \$/SQ.M. P.A.	MARKET NET RENT \$ P.A.
Imputed Market Rental			
Normanville Dental Surgery	127.00	\$185.00	\$23,495
TOTAL RENTAL INCOME	127.00	\$185.00	\$23,495
Non-Recoverable Outgoings			
Land Tax		\$0	
Vacancy / Bad Debt Allowance @	0.00% Net Rent	\$0	\$0
NET INCOME	127.00	\$185.00	\$23,495
Capitalise @	8.00%		\$293,688
Capital Adjustments			
Rental Reversions		\$0	
Letting Up Allowance		\$0	
Capital Expenditure		\$0	\$0
			Indicated Value \$293,688

SENSITIVITY ANALYSIS			ADOPTED MARKET VALUE	VALUATION ANALYSIS	
CAPITALISATION RATE	MARKET VALUE	VALUE \$/SQ.M			
7.75%	\$305,000	\$2,402	\$295,000 as at 14-May-13	Market Net Income (Imputed)	\$23,495
8.00%	\$295,000	\$2,323		Market Yield	8.00%
8.25%	\$285,000	\$2,244		Rate/Sq.M GLA (Fully leased)	\$2,323



8.2.2 DIRECT COMPARISON APPROACH

The value 'as if complete' derived by the primary Capitalisation of Income approach for Lot 1 of \$295,000 further discloses an overall rate of \$2,323 per square metre of gross lettable area.

In relation to the sales evidence highlighted earlier, indicates rates broadly ranging from between \$1,935 to \$3,125 per square metre of gross lettable area with variations thereto appearing to be chiefly attributable due to differences in accommodation proportions, standard and presentation of the accommodation provided, together with location attributes.

Given all salient factors including the specialised medical fit-out and level of appointments/amenities, together with location attributes and current market conditions, we consider the rate derived by the primary Capitalisation of Income approach to be fair and reasonable.

We therefore consider the value of **\$295,000** exclusive of GST, disclosing an overall rate of \$2,323 per square metre of gross lettable area to be supported.

8.3 PROPOSED LOT 2

8.3.1 CAPITALISATION APPROACH

Our assumptions adopted on this approach are summarised as follows:

- **Imputed Rental** – We have imputed a net market rental adopting a net rate of \$160 per square metre per annum, which applied over the estimated gross lettable area of 121 square metres deduces an annual rental of or a total \$19,360 per annum net, exclusive of GST.
- **Non-recoverable Outgoings** - The above rental is premised on a net basis with the Lessee responsible for the payment of all outgoings apart from State Land Tax. In this instance however, we assume the individual Site Value assessment for the holding will lie below the threshold for land tax to apply and thus there is no liability in this regard assuming a single holding basis. Thus the imputed net income is determined at \$19,360 per annum, exclusive of GST.
- **Assumed initial lease term** - Three (3) years together with similar right of renewal.
- **Adopted Capitalisation Rate** - From the market evidence sourced, we have formed the view an appropriate capitalisation rate to apply to the assessed rental income, given the standard and size of accommodation provided together with the subject's location attributes, is 7.50 percent with a Sensitivity Analysis showing the range in values applicable if capitalisation rates of between 7.25 percent and 7.75 percent are adopted.
- **Capital Adjustments** - No capital adjustments are considered necessary in this instance as the subject Lot 2 'as if complete' is considered to provide reasonable appeal to the owner occupier market.



Applying the various estimates in respect to imputed rental, non-recoverable outgoings, capitalisation rate and capital adjustments indicates a value 'as if complete' (rounded) of **\$260,000 (Two Hundred & Sixty Thousand Dollars)**, exclusive of GST. Our calculations including a Sensitivity Analysis are summarised in the table below:

Proposed Lot 2, 1 Mary Avenue, Normanville SA			
Traditional Investment Analysis			
Capitalisation of Imputed Market Net Income			
INCOME	LETTABLE AREA SQ.M.	MARKET NET RENT \$/SQ.M. P.A.	MARKET NET RENT \$ P.A.
Imputed Market Rental			
Office/medical consulting rooms	121.00	\$160.00	\$19,360
TOTAL RENTAL INCOME	121.00	\$160.00	\$19,360
Non-Recoverable Outgoings			
Land Tax		\$0	
Vacancy / Bad Debt Allowance @ 0.00% Net Rent		\$0	\$0
NET INCOME	121.00	\$160.00	\$19,360
Capitalise @	7.50%		\$258,133
Capital Adjustments			
Rental Reversions		\$0	
Letting Up Allowance		\$0	
Capital Expenditure		\$0	\$0
			Indicated Value \$258,133

SENSITIVITY ANALYSIS			ADOPTED MARKET VALUE	VALUATION ANALYSIS	
CAPITALISATION RATE	MARKET VALUE	VALUE \$/SQ.M		Market Net Income (Imputed)	Market Yield
7.25%	\$265,000	\$2,190	\$260,000	Rate/Sq,M GLA (Fully leased)	7.50%
7.50%	\$260,000	\$2,149			
7.75%	\$250,000	\$2,066			
			14-May-13		

8.3.2 DIRECT COMPARISON APPROACH

Likewise with Proposed Lot 1, the value derived by the primary Capitalisation approach of \$260,000 further discloses an overall rate of \$2,149 per square metre of gross lettable area.

In relation to the sales evidence highlighted earlier, indicates rates broadly ranging from between \$1,935 to \$3,125 per square metre of gross lettable area with variations thereto appearing to be chiefly attributable due to differences in building proportions, standard and presentation of the accommodation provided, together with location attributes.



Given all salient factors including the size and standard of accommodation provided, together with the position and exposure within the development, and general location attributes, we consider the rate disclosed by the primary Capitalisation of Income approach to be fair and reasonable, noting it exceeds slightly the rates as disclosed for the sales of **1 & 2/67 James Avenue, Normanville** albeit which were perceived to be of an inferior standard at the time of their sale, but conversely below the rate disclosed for the sale of **2/91 Carrickalinga Road, Normanville** albeit considered positioned to a superior main road retail location.

We therefore consider the value 'as if complete' of **\$260,000** exclusive of GST, which discloses a rate of \$2,149 per square metre of gross lettable area to be supported.

8.4 PROPOSED LOT 3

8.4.1 DIRECT COMPARISON APPROACH

As noted previously, recent sales evidence of units and smaller proportioned residential dwellings within Normanville and surrounding precincts has been sought and compared with the subject to provide a solid indication of values that have generally occurred within a price range of between \$180,000 and \$276,000.

Variations in the level of price achieved chiefly appear attributable due to such factors including site and accommodation proportions, condition/standard of accommodation, styling/design features, and location attributes.

Of particular note is the sale of **Unit 1, 4 Cheeseman Street, Normanville** for the consideration of \$240,000 in September 2011 offering a slightly larger proportioned unit currently utilised as short term residential accommodation, appearing to feature a comparable standard of amenities and presentation, however with superior garaging accommodation and arguably a slightly superior residential position.

To the lower end of the aforementioned range is the sale of **Unit 1, 8 Olive Street, Normanville** for the consideration of \$180,000 in April 2012 being located directly opposite the subject Lot 3, however offering smaller proportioned two (2) bedroom and one (1) bathroom proportioned accommodation of an inferior standard and appeal noting generally older appointments and amenities commensurate with its age of construction, which overall is considered inferior.

The sale of **34 St Andrews Boulevard, Normanville** for the consideration of \$236,000 in December 2013 offers a larger proportioned detached dwelling with a modern standard of amenities presentation, positioned within the Links Lady Bay golf course estate, and overall is considered slightly superior.

On balance, we are of the opinion the subject Lot 3 'as if complete' supports a current market value within a range of between \$220,000 and \$240,000. For the purposes of this report, we have adopted a value level approximately midpoint of **\$230,000 (Two Hundred & Thirty Thousand Dollars)** further on the assumption that GST is not applicable.



9.0 Valuation

We are of the opinion that the **Current Market Values 'As If Complete'** of the property comprising **proposed Lots 1 – 3, 1 Mary Street, Normanville, SA 5204** on the basis set out herein and subject to the comments contained within this report, **as at 14 May 2013**, with reference to an application for first mortgage security, is noted as follows:

Individual Lot Values – 'As If Complete'

Proposed Lot 1	\$295,000 (Two Hundred & Ninety Five Thousand Dollars), exclusive of GST
Proposed Lot 2	\$260,000 (Two Hundred & Sixty Thousand Dollars), exclusive of GST
Proposed Lot 3	\$230,000 (Two Hundred & Thirty Thousand Dollars), GST not applicable

m3property (SA)



Rebecca McCrea B Bus Prop (Val) PMAPI
Assistant Valuer



Adrian Burg B App So (PRM) FAPI
Certified Practising Valuer/Director



GENERAL TERMS AND CONDITIONS

Client Details & Instructions	We confirm the report has been prepared in accordance with the Australian Property Institute's 'Australian & New Zealand Valuation and Property Standards'.
Certification	We hereby certify that the Valuer: <ul style="list-style-type: none">• has no interest, financial or otherwise, in the property subject to appraisal or with the parties with whom the bank is dealing including the selling agent if any;• is independent to the lending transaction involved.
Date of Valuation	This valuation is current as at the date of valuation only. The value assessed herein may change significantly, 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 for losses arising from such subsequent changes in value.
Basis of Valuation	<p>Market Value</p> <p>In accordance with the definition adopted by the Australian Property Institute, market value is defined as follows:</p> <p><i>"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."</i></p> <p>As If Complete</p> <p>The 'as if complete' value assumes the satisfactory completion of all proposed building/site works in accordance with the plans and specifications provided to a workman-like and lettable standard, in compliance with all relevant statutory approvals.</p> <p>Insurance Value</p> <p>The current reinstatement value of the improvements is defined as the cost of reconstructing the improvements in compliance with current Building Codes and includes allowances for professional fees and any additional costs which would normally be incorporated in the reinstatement of an insurance policy.</p> <p>The recommended insurance value escalates the current reinstatement value by incorporating allowances to cover firstly the likely cost increases during demolition, lead time and rebuilding periods, secondly the estimated costs of demolition and debris removal in the event of a serious loss, and thirdly the likely cost escalation during the currency of the policy year.</p>
General Disclaimers	<p>m3property (SA) and the individual Valuers involved in the preparation of this valuation do not have pecuniary interests in the subject property that would conflict with the valuation of the property.</p> <p>We have relied upon the financial information that has been provided to us by those parties instructing and have used this information in the preparation of this report. To the best of our knowledge and investigations all information provided to us regarding the financial history, license requirements and compliance with regulations under the various acts affecting this property is accurate and a true record of the current situation.</p>
Identification	The subject property has been identified by reference to the relevant Certificate of Title. The subject property has also been satisfactorily identified from physical measurements taken on the site at the time of inspection and appears to conform substantially with the identifying features shown on the Title provided. Building structures appear to stand on or within said Title boundaries.
Encroachments	The valuation is made on the assumption that there are no encroachments by or upon the property. There appears to be no encroachment by the existing improvements, however this has not been confirmed by a current survey report and/or advice from a registered surveyor. If any encroachment or other affectation is noted in the event of a surveyor's report being commissioned, the Valuer should be consulted to assess any effect on the value stated in this report.
Environmental Issues	<p>Soil Contamination</p> <p>The Environment Protection Authority (EPA) in South Australia does not currently maintain a list or register of contaminated sites.</p>



The EPA does however provide a Public Register Directory in the form of a Site Contamination Groundwater Notifications Index. This index is a list of notifications of actual or potential groundwater contamination which have been received by the EPA since 1 July 2009 (referred to as s83A notifications under the Environmental Protection Act 1993). These are notifications only, and are not evidence that contamination has been confirmed.

Our enquiry indicates that the subject property is not included on this Site Contamination Groundwater Notifications Index.

No soil analysis, geological studies or contamination reports were ordered or made in conjunction with this report and, as such, it is assumed that there are no environmentally hazardous materials on, in, or near the property that would cause loss in value. As far as we are aware, there is no evidence to suggest that the property may have been contaminated by any such materials in its present or previous use and this valuation makes no such allowance. Should an environmental audit report prove otherwise, the valuation should be returned to the Valuer for re-appraisal.

While there are no visible signs of contamination to the subject property, however the only way that it could be certified that there is no contamination is by an independent environment survey by an appropriate expert. This valuation assumes that the subject property is unaffected by current or previous land uses.

Building/Lettable Areas

It must however be noted that a detailed survey of areas has not been commissioned in this regard. We advise that we have relied upon the above areas and have assumed, for the purpose of this valuation, that a survey of the building would not reveal any material difference in area.

Repair and Condition

Building Structure

We have only carried out an inspection of the exposed and readily accessible areas of the improvements. However, the Valuer is not a building construction or structural expert and is therefore unable to certify the structural soundness of the improvements. For the purpose of this report, we have assumed that there are no structural defects which would impact upon our valuation.

Asbestos

Readers of this report should be reminded that it is an owner's responsibility to comply with the Occupational Health, Safety and Welfare Act 1986 to prepare and maintain an asbestos register for all non-residential properties.

We requested a copy of an asbestos register for the subject property however no register has been prepared in accordance with statutory requirements. Our inspection of the property did not however reveal any obvious asbestos materials which are likely to have a negative impact on value, however we are not qualified to comment as to the presence of any such asbestos materials within the property.

Asbestos materials are generally regarded as being injurious to health and may be the subject of demands by various bodies or authorities for its removal. The valuation is predicated on the assumption that the level of asbestos (if any) contained within the subject property does not have a material impact on the value determined herein. Should this assumption not be correct, we recommend that the Valuer be consulted to assess any effect on the value stated in this report.

Pests and Vermin

Although our visual inspection of the property did not disclose any obvious indications of vermin infestation, we are not pest inspection experts. This valuation is made on the assumption that the property is not affected by pest infestation.

Occupational Health and Safety

There are no obvious matters affecting Occupational Health and Safety.

Sales Evidence

The sales information quoted has been obtained from a number of sources including published sales information provided by the Land Services Group of Department for Planning, Transport and Infrastructure (DPTI) and RP Data Ltd. Whilst we understand the information to be reliable, we are unable to guarantee the accuracy. Where the information has been available to us, we have made appropriate adjustments for GST but the recorded sale prices may include all, a part of, or no GST depending on the circumstances and tax liability of the parties to each transaction.



Valuation

This valuation has been prepared on specific instructions from Dr Alexander Stabolidis on behalf of Wyfield Holdings Pty Ltd for the purposes of first mortgage security. The report is not to be relied upon by any other person or for any other purpose. We accept no liability to third parties nor do we contemplate that this report will be relied upon by third parties.

Neither the whole of the report or any part or reference thereto, may be published in any document, statement or circular nor in any communication with third parties without prior written approval of the form and context in which it will appear. We reserve the right to withhold consent or to review the contents of this report in the event that our consent is sought.

Liability limited by a scheme approved under Professional Standards Legislation.



ANNEXURES

**Letter of Instruction
Certificate of Title
Proposed Plan of Division**

Ms Susan Visser
Director
m3property (SA)
PO Box 8258
Station Arcade
ADELAIDE SA 5000

Dear Ms Visser

I confirm my instructions to you to provide valuation advice with respect to the properties situated at 16 Mitchell Heights Yankallia SA, 7 Keelara Street Brighton SA and 1 Mary Avenue Normanville SA as per the brief detailed herein, and hereby accept your quoted fee of \$4,100 inclusive of GST.

I agree to the enclosed proposal and terms of business including payment in full prior to release of this report, preferably via confirmation that the account has been paid by direct debit.

Name.....Dr Alexander Staboldu.....

Signature.....[Handwritten Signature].....

Date.....6, 5, 13.....

Entity for addressing Tax invoice.....Wyfield Holdings for 1 Mary Ave
7 Keelara St
Alex Staboldu for 16 Mitchell Heights.....ABN.....

Postal Address.....PO Box 902 Normanville SA 5204.....

Telephone.....85582097.....Fax.....85527711.....

~~0418855821~~ 0418855821

Email.....dr.staboldu@adgm.com.au.....



Title Register Search

LANDS TITLES OFFICE, ADELAIDE

For a Certificate of Title issued pursuant to the Real Property Act 1886

REGISTER SEARCH OF CERTIFICATE OF TITLE * VOLUME 5239 FOLIO 700 *

COST : \$25.00 (GST exempt)
REGION : EMAIL
AGENT : M3SA BOX NO : 055
SEARCHED ON : 07/05/2013 AT : 11:46:22
CLIENT REF 1345099

PARENT TITLE : CT 1683/63
AUTHORITY : CONVERTED TITLE
DATE OF ISSUE : 09/01/1995
EDITION : 6

REGISTERED PROPRIETOR IN FEE SIMPLE

WYFIELD HOLDINGS PTY. LTD. OF 1 MARY STREET NORMANVILLE SA 5204

DESCRIPTION OF LAND

ALLOTMENT 52 DEPOSITED PLAN 3480
IN THE AREA NAMED NORMANVILLE
HUNDRED OF YANKALILLA

EASEMENTS

NIL

SCHEDULE OF ENDORSEMENTS

10873317 MORTGAGE TO EXPERIEN PTY. LTD.

NOTATIONS

DOCUMENTS AFFECTING THIS TITLE

NIL

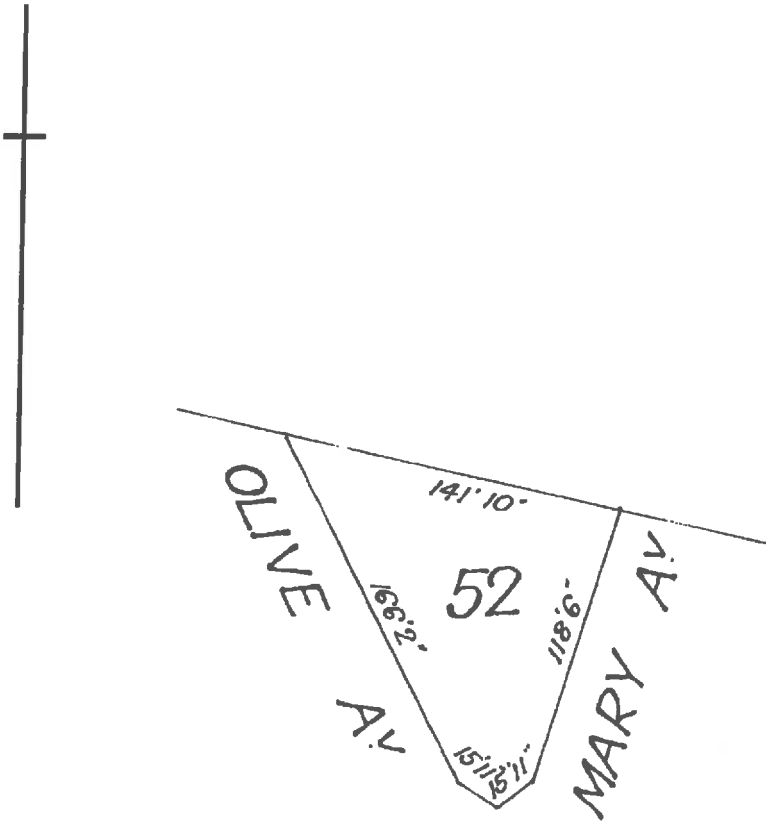
REGISTRAR-GENERAL'S NOTES

NIL

END OF TEXT.



LANDS TITLES OFFICE ADELAIDE SOUTH AUSTRALIA
DIAGRAM FOR CERTIFICATE OF TITLE VOLUME 5239 FOLIO 700
SEARCH DATE : 07/05/2013 TIME: 11:46:22



DISTANCES ARE IN FEET AND INCHES
FOR METRIC CONVERSION
1 FOOT = 0.3048 metres
1 INCH = 0.0254 metres

DEVELOPMENT NUMBER:
260/C013/12/001

DIVISION TYPE: COMMUNITY STRATA

VERSION: 18/10/2012

SHEET 1 OF 1 SHEETS

PLAN OF PROPOSED DIVISION

ALLOTMENT 52 IN D3480

TITLE REFERENCE(S):

CT 5239/700

HUNDRED: YANKAILLA

AREA: NORMANVILLE

COUNCIL: YANKAILLA

COUNCIL ZONE: TOWN CENTRE

COUNCIL POLICY AREA:

TOTAL SITE AREA: 1000m²

NO. EXISTING ALLOTMENTS: 1

NO. PROPOSED ALLOTMENTS: 3

NO. ADDITIONAL ALLOTMENTS: 2

MAP REF: 6527-44-R

SITE ADDRESS: 1 MARY AVENUE
NORMANVILLE

ALL DIMENSIONS ARE SUBJECT TO SURVEY
AND FINAL PLAN OF DIVISION
ALL EXISTING STRUCTURES ARE TO REMAIN

CLW = CENTRELINE OF WALL
PROD = ON PRODUCTION

STATE SURVEYS

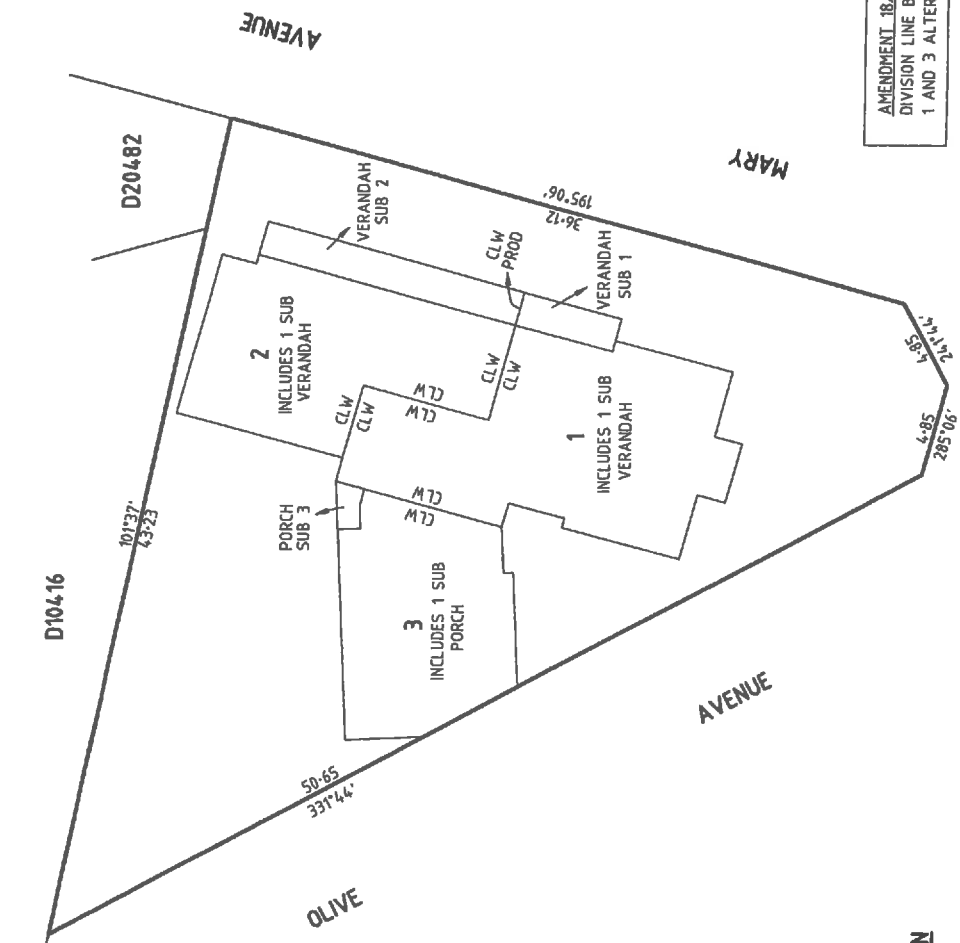
465B SOUTH ROAD, KESWICK SA 5035

TELEPHONE: 8293 2939

FACSIMILE: 8293 2949

EMAIL: info@statesurveys.com.au

REFERENCE: 12215 DRAWN BY: ADL



AMENDMENT 18/10/2012
DIVISION LINE BETWEEN LOTS
1 AND 3 ALTERED

AMENDMENT 6/07/2012
DIVISION LINE BETWEEN LOTS
1 AND 2 ALTERED

SITE & GROUND FLOOR PLAN



SUBJECT TO SURVEY
COMMUNITY STRATA



> **Adelaide**

Level 6/76 Waymouth Street
Adelaide SA 5000
Telephone 08 8212 1755 Facsimile 08 8231 0286

> **Brisbane**

Level 2/15 James Street
Fortitude Valley QLD 4006
Telephone 07 3620 7900 Facsimile 07 3620 7999

> **Melbourne**

Level 5/114 William Street
Melbourne VIC 3000
Telephone 03 9605 1000 Facsimile 03 9670 1658

> **Perth**

22 Hardy Street
South Perth WA 6151
Telephone 08 9474 1299 Facsimile 08 9474 1599

> **Sydney**

Level 14/1 Castlereagh Street
Sydney NSW 2000
Telephone 02 8234 8100 Facsimile 02 9232 5144

> **Toowoomba**

143-145 Margaret Street (Entry via Church Street)
Toowoomba QLD 4350
Telephone 07 4529 1111 Facsimile 07 4529 1199

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www.m3property.com.au

