

15/11/2022

Trish Ellis  
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Ellis Superannuation Fund Pty Limited

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# SMSF VALUATION

RE: 11 COOK DRIVE, COFFS HARBOUR, NSW 2450 - SMSF VALUATION

Dear Trish,

## RE: 11 Cook Drive, Coffs Harbour - SMSF Valuation

Thank you for your instructions to assess the current market value of the above property for Superannuation Book Purposes as at 30/6/22. We confirm that we have completed our inspection and analysis and now advise as follows:

### Date of Inspection

14th October 2022

### Purpose of Valuation

To assess the property's current market rental and capital values for Superannuation Book Purposes.

### Location

The subject property is located on the southern alignment of Cook Drive, between O'Keefe and Wingara Drives, within South Coffs Industrial Estate, some 3 kilometers from the Coffs Harbour CBD.

### Legal Description

The subject property is legally described as Lot 19 in Deposited Plan 255597.

We have not undertaken a title search of the subject lot and are therefore unaware of any encumbrances or affectations that may adversely affect the property's value.

### The Land

The land is rectangular in shape and generally level.

The site has frontage to Cook Drive, with eastern and western side boundaries, accommodating an approximate total site area of 1,843m<sup>2</sup>.

### Services

Mains service of water, sewer, electricity, telephone and NBN are connected to the property.

Cook Drive is a bitumen sealed, concrete kerbed and guttered two-way thoroughfare.

### Zoning

The property is zoned IN1 General Industrial under Coffs Harbour LEP 2013.

We have not sighted a zoning certificate.

The property is used for a variety of light industrial purposes which appear to comply with the zoning.

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## Improvements

Erected upon the land is an established purpose-built industrial unit complex which appears to have been built circa 1975. Construction generally comprises concrete flooring, brick and metal framed and clad walls, under a metal clad roof. The building accommodates eight units, each with an area of approximately 90m<sup>2</sup>, with a gross leasable area of 720m<sup>2</sup>. Four units are positioned on either side of the building, with the front two having street frontage, adjacent to a front car parking area, whilst the remaining units have frontage to the side driveway. The rear corner units also enjoy a roller door to the rear car parking area. A concrete driveway wraps around the building. We are not building experts and can therefore not comment on the structural integrity, defect, rot or pest infestation of the improvements. However, the improvements appear to be in a fair and tenantable state of repair.

## Tenancy Details

The property is leased to eight tenants, on a variety of lease terms, ranging from monthly to three years. The property generates a gross annual rental income of \$86,725 excluding GST, equating to an average of \$120/m<sup>2</sup>, which appears fair and reasonable under current market conditions.

## Valuation Calculations

In assessing the property's current market value, we have had regard to the age, nature and location of the investment. We have capitalised the estimated net annual market rental of \$71,725, after deducting an outgoing allowance of \$15,000, at a yield of 6%, a rate of return we consider adequately reflects the characteristics of the investment. Our valuation of \$1,200,000 equates to \$1,666/m<sup>2</sup> of building area and \$651/m<sup>2</sup> of site area improved, which are supported by the following summation of land and improvements erected thereon:

Land Component			
1,843m <sup>2</sup>	@	\$350/m <sup>2</sup>	\$645,050
Improvements			
720m <sup>2</sup>	@	\$775/m <sup>2</sup>	\$558,000
Summated Value		\$1,203,050 as \$1.2mil	

In assessing value, we have had regard to comparable sales and leasing evidence, including the following market evidence:

22 Cook Drive – Older style building of 405m<sup>2</sup> on a site of 2,306m<sup>2</sup>, subject to short term lease for approximately \$40,000, sold at auction for \$1,730,000 11/22 shows \$750/m<sup>2</sup> of site area improved.

2 Mansbridge Drive – Distribution mail sorting warehouse of 808m<sup>2</sup> on a site of 2,361m<sup>2</sup> leased to Australia Post with some 18 months lease term remaining, paying \$125,000 p.a. net (\$155/m<sup>2</sup>) plus GST sold \$2.7mil 4/22 shows \$1,143/m<sup>2</sup> of site area and \$3,341/m<sup>2</sup> GLA.

180 Pacific Highway – motor vehicle building of 1,825m<sup>2</sup> GLA comprising workshop/showroom, on business zoned 9,236m<sup>2</sup> site, leased for 10+10 years to Bellbowrie Motors from 2016 \$360,000 p.a. net (\$197/m<sup>2</sup>) excluding GST Sold at auction 2/22 \$6.96mil shows 5.17%, \$753/m<sup>2</sup> of site area or \$3,813/m<sup>2</sup> GLA.

Unit 2, 21-23 Hurley Drive – a unit of 172m<sup>2</sup> including mezzanine sold \$395,000 4/22 shows \$2,296/m<sup>2</sup>.

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Unit 5, 48 Industrial Drive – an established industrial unit of 298m<sup>2</sup> with substantial street front exposure, sold at auction \$850,000 12/21 equates to \$2,850/m<sup>2</sup> excluding GST.

2/8 Forge Drive – Modern self-storage unit complex sold \$1.13mil 7/21.

Unit 10, 84-89 Industrial Drive – Modern high clearance industrial unit in quality complex, sold subject to existing lease for \$625,000 4/20 shows 6.5% net return.

Unit 2, 8 GDT Seccombe Close, Coffs Harbour – Industrial unit of 190m<sup>2</sup> leased for 3 years from 1/7/22 at \$145/m<sup>2</sup> p.a. gross plus GST.

Unit 4, 26 Industrial Drive - two-level unit of 280m<sup>2</sup> including mezzanine, leased on a 3-year lease from July 2022 at \$157/m<sup>2</sup> p.a. gross plus GST.

Unit 2, 15 Lawson Crescent – established unit of 324m<sup>2</sup> leased for one year from 1/8/21 for \$31,200 p.a. gross plus GST shows \$96/m<sup>2</sup>.

Unit 2, 13 Wingara Drive – established industrial unit of 123m<sup>2</sup> leased for one year from 1/7/20 for \$9,900 p.a. gross plus GST shows \$80.50/m<sup>2</sup>.

Unit 2, 9 June Street – established industrial unit of 420m<sup>2</sup> leased for three years from 1/2/20 for \$33,600 p.a. gross plus GST shows \$80/m<sup>2</sup>.

32 Hulberts Road – established industrial building of 250m<sup>2</sup> leased for three years from 8/5/20 for \$26,071 p.a. gross plus GST shows \$104/m<sup>2</sup>.

## Valuation

We do hereby certify that we are of the opinion that the current market value of the subject property, subject to the existing leases, for Superannuation Book Purposes, as at 30th June 2022 is as follows :-

\$1,200,000 (One million, two hundred thousand dollars excluding gst)

## Disclaimer

This valuation is prepared for the private and confidential use of the party to which it is addressed for Superannuation Book Purposes and should not be relied upon by any other party for any other purpose.

We trust the above adequately satisfies your requirements in this matter and attach our invoice as agreed.

Yours faithfully

A handwritten signature in blue ink, appearing to read 'Troy Mitchell'.

Troy Mitchell,  
B.Bus Certified Valuer No. 2554  
Director - Sales & Leasing  
LJ Hooker Commercial