

Valuation Certificate –

Commercial Lease Superannuation Purposes

Unit 2, 299 George Street, Windsor, NSW, 2756

Unit 3, 299 George Street, Windsor, NSW, 2756

Parent Lot 101 Deposited Plan 853132



Date of Valuation 15th June 2022

Valuation For Commercial Lease for Superannuation Purposes

Having regard to the matters referred to in this report, I am of the opinion that the current lease market value of the two subject properties being described as:

Unit 2, 299 George Street, Windsor, NSW, 2756 and

Unit 3, 299 George Street, Windsor, NSW,

as at 15th June 2022 to be:

Unit 2, 299 George Street, Windsor, NSW, 2756:

255m² = **\$51,000 per annum**

Fifty One Thousand Dollars per annum

Unit 3, 299 George Street, Windsor, NSW, 2756:

231m² = **\$46,200 per annum**

Forty Six Thousand Two Hundred Dollars per annum

Total for both units as at 15th June 2022: \$97,200 per annum

\$8,100 per month



Lynette Savage. AAPI 68944

Bachelor of Commerce (Property Economics)

Diploma in Business.

Associate Professional Certificate in Expert Evidence

in the Family Court

DISCLAIMER: This valuation is for the use only of the party to whom it is addressed for Commercial Lease Superannuation Purposes, and for no other purpose. No other liability is accepted for any loss or damage (including consequential or economic loss) suffered as a result of fluctuations in the property market subsequent to the date of valuation.

General: The subject property comprises an two units in an attached two level commercial brick building.

Unit 2 is 13.6m x 18.8m and a total of 255m² of NLA

Unit 3 is 17 x 13.6 and a total of 231m² NLA

Includes ablution facilities and kitchenette to each unit, and various storage areas and share an entrance on Catherine Street as common property.

The property features uncovered shared carparking at rear on concrete hardstand.

However, units 2 and 3 allocated 1 car parking space each.

Note: All measurements subject to survey.

Assumptions

As some matters are not capable of accurate calculation, or fall outside the scope of our expertise, or instructions, assumptions will be a necessary part of this valuation. The risk that any of the assumptions adopted in this document may be incorrect should be taken into account. Advantage Valuations does not warrant or represent that the assumptions on which this valuation is based are accurate or correct.

Information Supplied by Others

This document contains a significant volume of information which is directly derived from other sources, without verification by us including, but not limited to tenancy schedules, planning documents and environmental or other expert reports. We confirm that we are not instructed to verify this information. Further, the information is not adopted by Advantage Valuations as our own, even where it is used in our calculations. Where the content of this document has been derived, in whole or part, from sources other than Advantage Valuations, Advantage Valuations does not warrant or represent that such information is accurate or correct.

Goods and Services Tax

Under a "New Tax System (Goods and Services Tax) Act 1999" the sale (supply) of a commercial property is deemed to be a taxable sale (supply) and the vendor (supplier) is liable for GST. Notwithstanding the above, the GST is a creditable expense, and a registered entity (purchaser) will benefit from tax input credits. The most effective method of selling may be to use the ordinary scheme whereby the purchaser benefits from tax imputed credits. Accordingly, this is assessment is net of GST.

Definition of Market Value

In accordance with the definition adopted by the Australia Property Institute, Market Value is defined as:

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

Valuer's Interest

We confirm that the valuer: -

1. Is suitably qualified to carry out the valuations.
2. Is authorised under the law of the state or territory where the valuation takes place to act as a valuer.
3. Has no 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 conflict with the proper valuation of the property.

Title Details

We have not perused the original Crown Grant documentation and have assumed that no onerous restrictions exist which may adversely affect the value of marketability of the property.

As our valuation reflects the freehold strata value, mortgages noted on the Folio Identifier have not been detailed. Notwithstanding the above, these encumbrances have been taken into account in my assessment of value and are not considered to be adverse to the utility of the property.

If there are any encumbrances, encroachments, restrictions, leases, or covenants, which are not noted in this report, they may affect the assessment of value. If any such matters are known or discovered, I should be advised and asked as to whether they affect my assessment of value.

Land Description

The subject parent property comprises an area of 773 square metres and is a near rectangular shaped site situated on the corner of George Street and Catherine Street at Windsor and 61.1kms northwest of Sydney CBD. Note the property entrance is on Catherine Street.

All areas and dimensions quoted herein are approximate and subject to survey.



Figure 1 Aerial of parent parcel

Whilst I have physically identified the boundaries upon inspection and there does not appear to be any encroachments, I am not a surveyor, and no warranty can be given without the benefit of an identification survey. To the front of a property are various easements to drain water and provide rights of carriageway.

The valuation is made on the basis that there are no encroachments by or upon the property and this should be confirmed by a current survey report and/or advice from a Registered Surveyor. If any encroachments are noted by the survey report the valuer should be consulted to reassess any effect on the value stated in this report.

2.7 Town Planning

My enquiries through the Town Planning Department of Hawkesbury City Council, reveal that the zoning of the property is B2 Local Centre.

The zoning allows for a broad range of business and allied uses subject to the development standards imposed by council.

The planning information set out in this report has been obtained from my verbal enquiries with the relevant authorities and is relied upon in my assessment of value. No responsibility is accepted for the accuracy of the planning information.

We recommend that this zoning information should be verified by obtaining from Council a zoning certificate pursuant to Section 149 of the Environmental Planning and Assessment Act, 1979.

Any person intending to rely on this Valuation should make the usual enquiries of the statutory authorities to ascertain the precise nature and extent of the restrictions on the future development of the property.

We are unaware of any Public Authority proposals, instruments, orders, notices, or declarations affecting the property. Formal enquiries should be undertaken by persons intending to rely on this Valuation and this valuation requisitioned for review should further information come to light, which alters the above premise.

Environment

My inspection of the property and surrounding properties revealed a variety of industrial/commercial uses. The current use of the subject property at unit 2 & 3 is as a retail/office facility for financial related products.

While the land appears suitable for the existing use, no soil tests or environmental studies have been available to me. However, the NSW Planning Portal indicates a Class 5 Acid Soil Structure.

Notwithstanding the above, there was no other matter noticed on inspection, which alerted me to matters of environmental concern. However, an environmental site assessment has not been prepared on the site. Please note therefore that my valuation is subject to there being no surface or sub-surface soil problems including instability, toxic or hazardous wastes or building material hazards in or on the property that would adversely affect its existing or potential use or reduce its marketability. Should any problem be known or arise then the valuation should be referred back to me for comment.

Market Analysis of Lease Properties

Market Conditions

The past six months has seen landlords keep incentives high to ensure rents remain stable and in order to attract and retain tenants. This has seen incentives for prime grade commercial space range from 6% to 8% while incentives for secondary grade space increase by around 2% to range from 8% to 10%.

Valuation Rationale

Our valuation has been approached primarily on a Direct Comparison basis by having regard to recent sales of free standing and attached factory / warehouses analysed at a \$200/m² of gross building area given economies of scale and location.

Total area of Unit 2= 255m²

255m² x \$200/m² = \$51,000 per annum or \$4,250 per month

Adopt \$200/m² NLA (nett lettable area)

Total area of Unit 3= 231m²

231m² x \$200/m² = \$46,200 per annum or \$3,850 per month

Adopt \$200/m² NLA (nett lettable area)

**Total for both units = \$97,200 per annum or
\$8,100 per month**

Lease Evidence

The appropriate technique to ascertain the current lease market value of the subject property is the direct comparison method of valuation. This method of valuation involves direct comparison of the subject property with properties the subject of recent or relatively recent leases and an analysis of those leases to reflect the variances with regard to location, building age, height clearance and size, permitted uses, exposure and accessibility.

Lease Evidence Analysis

Having regard to the lease evidence and the characteristics of the subject property outlined in this report we are of the opinion that the current lease market value of both units combined the subject property is \$97,200 per annum. The assessed value equates to approximately \$200 per square metre of building area.

The above lease evidence has been obtained from reliable sources including RP Data (lease produced from the NSW Land Titles Office and Valuer General's Department), and Commercial Property Monitor. We have also, where possible, had discussions with local Real Estate Agents to undertake a process of verification of the data. Should it be revealed that any of the lease information stated herein, upon which we have relied, is correct or misleading, we reserve the right to reconsider our opinion of Market Value as determined herein.

In certain instances, it has not been possible for us to inspect lease properties internally, however they have been externally inspected for purposes of carrying out our valuation.

Where lease data have been obtained from RP Data, we have considered that to be the most current lease data available. However, leases which have occurred during the course of the last three months or leases which have been the subject of deferred settlement terms may not necessarily appear immediately on the Land Titles Office records.

Accordingly with this type of transaction, we rely on separate enquiries to attempt to obtain all available sales data.

In analysing the lease evidence referred to herein, it is noted that we have attempted to ascertain whether or not the lease price is inclusive or exclusive of the Goods and Services Tax (GST). It is emphasised that the New South Wales Land Titles Office does not currently differentiate between or record whether or not the lease price is inclusive or exclusive of GST.

Leasing information relied upon in determination of lease value.

Note economies of scale and secondary location of subject.

Lease 1: 161 March Street, Richmond, NSW, 2753

Leased for \$3,575 per month

Features 130m2 NLA bar, commercial kitchen, outdoor entertaining area.

Equates to net \$42900/annum

\$330/m2/annum

Lease 2: 3/41 William Street, North Richmond, NSW, 2754

Leased for \$31,200pa gross GST

Features 120m2 NLA, concrete workshop, parking.

Equates to \$260/m2/annum

Lease 3: 4/6 Precision Place, Mulgrave, NSW, 2756

Lease for \$12,584 per annum gross GST

45m2 partly furnished air conditioned office space NLA

Equates to \$276.64/m2/annum

Lease 4: 23-27 Johnston Street, Windsor, NSW, 2756

Rented for \$1550

290m2 NLA office space.

Equates to \$80,600/ annum or \$277.93/m2

Lease 5: Unit 102/1 Capital Place, Rouse Hill, NSW, 2155

Lease for \$87,080 per annum net plus GST

311m2 office space NLA.

Equates to \$280/m2/annum

Photographs:



Figure 2 Shared Stairs



Figure 3 Rear



Figure 4 Bathroom



Figure 5 Side



Figure 6 Office



Figure 7 Front

Market Conditions: The outbreak of the Novel Coronavirus (COVID-19) was declared is a 'Global Pandemic' by the World Health Organization as at 11 March 2020: we have seen global financial markets and travel restrictions and recommendations being implemented by many countries, including Australia. The real estate market is being impacted by the uncertainty that the COVID-19 outbreak has caused. Marketed conditions are changing daily as 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.

Limiting Conditions and Liabilities: This report and recommendation have been prepared under instructions from my clients for Commercial Lease Superannuation purposes. This valuation is not to be used to obtain finance. No responsibility is accepted to any Third Party who use or rely on the whole or any part of the content of this Valuation.

The Valuation has been prepared in accordance with the Australian Property Institute Practice Standards.

Ms Lynette Savage is a Registered Valuer and a member of the Australian Property Institute with the Valuer having the relevant experience and qualifications to value the class of property being valued.

Furthermore, Ms Lynette Savage has no pecuniary interest in the said property past, present or prospective and the opinion expressed is free of any bias in this regard.

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 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 six (6) months from the date of the Valuation, or such earlier date if you become aware of any factors that have any effect on the Valuation.