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Valuation Report

124-128 Fitzgerald Street East
Northam, Western Australia 6401

File Ref: 9606012

Important Warning

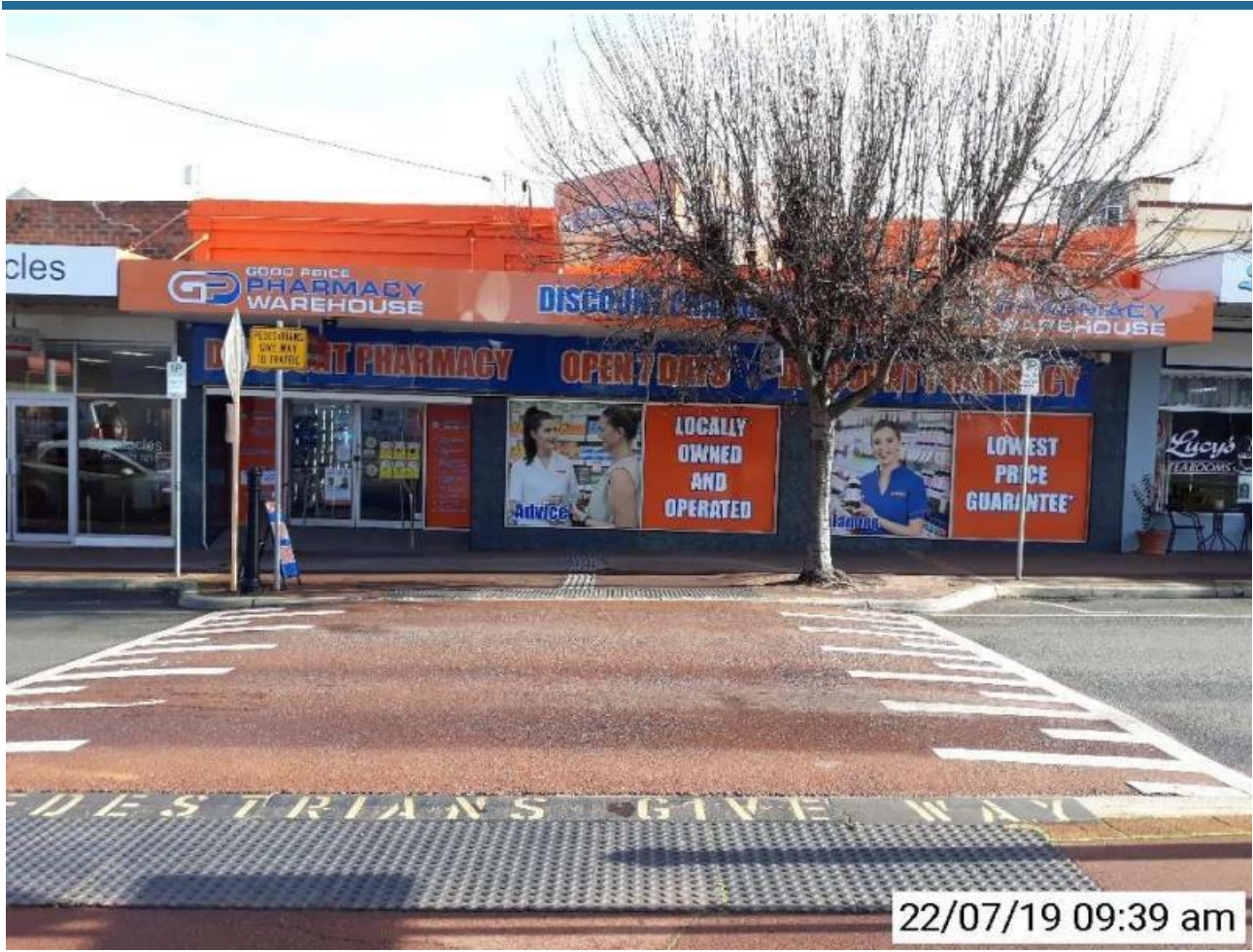
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2. Opteon prepared the Valuation Report in accordance with the Lender's instructions (**Instructions**). When preparing the Valuation Report and providing it to the Lender, Opteon acted solely and exclusively for the Lender and owed no duty to advise the Lender's Customer or to consider their circumstances or position.
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 - a. deciding whether or not to enter into a transaction or alter their financial position; or
 - b. seeking finance from a third party, and should seek their own advice and valuation in such circumstances.
7. The insurance value (if any) set out in the Valuation Report is an estimate of the cost to replace the property new and is based on construction costs at the date of valuation. The value includes some, but not all, ancillary costs that may be encountered when rebuilding the property as detailed in the Valuation Report. The insurance value should not be relied on as a full and accurate estimation of the insurance value for the purposes of making a decision as to the level of insurance coverage you should maintain.
8. The contents of the Valuation Report are confidential and Opteon does not authorise the disclosure of the Valuation Report by the Lender's Customer to any third party.
9. The Lender's Customer should take note of the date of valuation of the subject property and be aware that the Valuation Report is current at the date of valuation only. The market value of the property may change significantly over a short period of time.
10. The Lender's Customer should direct any questions relating to the Valuation Report to the Lender because Opteon is unable to speak to you directly due to privacy and confidentiality obligations owed to the Lender.

VALUATION REPORT



**124-128 Fitzgerald Street East
Northam, Western Australia 6401**

Prepared For	Australia & New Zealand Banking Group Limited
Report Purpose	First mortgage security purposes
Valuation Date	22 July 2019
Our Reference	9606012
Client Reference	N/A / VXJ-000011819426

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1.0 Executive Summary

1.1 Instructions

Instructing Party	Ebony Rossi, Australia & New Zealand Banking Group Limited.
Client / Authorised Party	Australia & New Zealand Banking Group Limited.
Borrower	Delobrien Pty Ltd ACN 146 087 194 in its own capacity and as trustee for the Delobrien Superannuation.
Client Reference	N/A / VXJ-000011819426.
Valuation Purpose	First mortgage security purposes.

1.2 Property Details

Property Address	124-128 Fitzgerald Street East, Northam, Western Australia 6401
Property Description	A circa 1950's built single level retail shop with a gross lettable area retail of 480sqm. Construction of the property comprises brick elevations and an asbestos sheet covered roof. The property is located within the Northam Town site some 100kms east of Perth CBD.
Title Reference	Lot 1 Diagram 7638 Volume 1118 Folio 484.
Tenure Type	Freehold.
Registered Proprietor	Kimron Pty Ltd.
Total Site Area	524 sqm.
Encumbrances	Refer section 3.2 for details on encumbrances.
Lettable Area	480 sqm.
Zoning	"Commercial" - Shire of Northam.

1.3 Risk Overview

Risk

Cashflow Certainty – Are there significant concerns with the ability of the property to sustain the market net income over the next three years?

Response: No.

Lettability if Vacant – If vacant or owner occupied does the valuer reasonably believe the property may not be lettable within a six month period at the adopted market rent?

Response: No.

Saleability – Are there any attributes of the property which would significantly impact on its ability to be saleable at the assessed value level within a six month marketing period?

Response: No.

Market Volatility –Is the market for this asset likely to have an abnormally high degree of volatility?

Response: Yes, due to the;

- Nature of local economy - Weak or declining local conditions; and
- Regional locality.

1.4 Property Profile & Risk

Market	Low	Low – Medium	Medium	Medium – High	High
Marketability	Reasonable, given its street front positioning to Fitzgerald Street in a fairly centralised location with good exposure to passing traffic and well present retail space.				
Market Activity	<p>Limited number of comparable commercial transactions within Northam and comparable surrounding townships in recent years.</p> <p>Given the lack of recent comparable evidence occurring within the locality, our assessment is considered to be more subjective than the norm. Nevertheless, the included evidence is considered to be the most relevant.</p>				
Recent Market Direction	It is extremely difficult to gauge the direction of the market due to the high volatility of the regional property market (which is usually subject to local economic performance), though in general terms, the market is subdued throughout Western Australia.				
Market Volatility	The economy of Northam is relatively volatile as it is highly reliant on the local agricultural industry. In the event of a market correction or deterioration it is likely that properties in regional areas will be more acutely affected in comparison to properties in the Perth Metropolitan Area.				
Stock Levels	Limited number of comparable premises available within Northam and surrounding townships.				
Selling Period	Estimated 3-6 months, assuming proper marketing and a realistic asking price. The estimated selling period is typical for this type of property in this location.				
Likely Buyer Profile	Private investor.				
Last Known Sale	\$675,000 on 10 May 2011.				
Prior Sale Comment	The GST exclusive sale price is assumed at \$675,000.				
Asset	Low	Low – Medium	Medium	Medium – High	High
Highest & Best Use	The highest and best use for the property is considered to be the existing use.				
Functionality	The property is functional for the existing use. As noted above could be divided to create two (2) smaller retail areas or a combination of office at rear with retail at street frontage.				
Specialisation	Non-specialised asset.				
Capital Expenditure	During our inspection we did not note any items requiring immediate capital expenditure, other than items which would normally be undertaken as part of an ongoing regular maintenance program.				
Acquisition / Resumption	Nil noted.				
Occupancy/Cash Flow	Low	Low – Medium	Medium	Medium – High	High
Occupancy Status	The property is currently occupied by related parties, and in accordance with Valuation Standards our valuation for mortgage security purposes has been calculated assuming party related arrangements are null and void, and has been assessed on a vacant possession basis.				
Leasing Demand	Leasing demand for the property is currently soft/weak.				

Letting Period	Estimated 6-9 months but in the current market it may take a longer period.					
Reletting	Re-letting prospects are reasonable with potential tenants in the market assuming the property is appropriately marketed for lease at a reasonable asking rent.					
Foreseeable Factors Likely to Impact on Value 3-5 yrs	<u>Currently foreseeable factors which may impact specifically on the future value of the subject property include:</u> Local economic performance which may be reliant on the local agricultural industry; Property market conditions throughout Western Australia (on a more macro-basis); and An increase or lack of supply of similar style properties within the locality or surrounding townships.					
Incentives	It is usual in the current market to provide some form of incentive to tenants at the commencement of a new lease.					
Asset Management	<table border="1"> <tr> <td>Low</td> <td>Low – Medium</td> <td>Medium</td> <td>Medium – High</td> <td>High</td> </tr> </table>	Low	Low – Medium	Medium	Medium – High	High
Low	Low – Medium	Medium	Medium – High	High		
Asset Complexity	The property is a standard asset class.					
Current Management	The property is currently managed by the owner.					
Quality of Management	The property currently appears to be appropriately managed.					

1.5 SWOT Analysis

Strengths	<ul style="list-style-type: none"> Fairly central location on Fitzgerald Street; Wide shop frontage to Fitzgerald Street; Ample street parking; Adequate and well-presented improvements; A large public car park is directly behind the subject and the rear entrance to the shop leads from this parking area; and Proximity to major arterial roads including Fitzgerald Street, Peel Terrace and Newcastle Road.
Weaknesses	<ul style="list-style-type: none"> Current economic conditions and property market; Limited leasing demand; The subject is in a regional location and hence is unlikely to command the depth of demand that would be associated with a metropolitan property; and Currently occupied by an entity related to the owner. In the event had to lease to a third party likely to take some time as evidenced by ongoing availability of other shops in the immediate vicinity of the subject.
Opportunities	<ul style="list-style-type: none"> Lease to third party to generate income (retail or possibly office user); Improvement in current economic conditions and/or property market; Sell to owner occupier or investor; and If required split to create two (2) retail tenancies with narrower frontages or a smaller retail unit with wide frontage and an office area to rear (subject to obtaining all necessary statutory consents).
Threats	<ul style="list-style-type: none"> An extended selling period is considered likely due to Regional location; Competing properties for lease; Competing properties for sale; Deterioration in macro and micro economic conditions resulting in an escalation of interest rates; Downturn in the property market and demand for such properties; and Inherent property risks (including insurable and un-insurable risks).

1.6 Mortgage Considerations

Conditions Precedent to Issue of Mortgage Funds

- Nil.

Suitability as Security

Whilst the suitability of the property as security is the commercial prerogative of the lender, the subject property is considered to be suitable security for first mortgage security purposes, subject to the comments within this report.

Compliance Statement

To the best of our knowledge this valuation has been prepared in accordance with applicable valuation standards.

This valuation has been prepared in accordance with the API's Australia and New Zealand Valuation and Property Standards (or RICS Valuation and Professional Standards) and ANZ's 'Professional Services Brief – Valuations' (June 2017).

Our valuation has been prepared in accordance with the Australian Property Institute Practice Standards and Guidance Notes.

We confirm that the valuer does not have any pecuniary interest that would conflict with the proper valuation of the property.

Prudent Lender

This Valuation is given subject to the following Prudent Lending Clause, unless; the person or entity making such loan is an authorised deposit taking institution within the meaning of the Banking Act 1959 (including but not limited to any bank, building society or credit union).

The Valuation is prepared on the assumption that the Lender as referred to in the valuation report (and no other) may rely on the valuation for mortgage finance purposes and the Lender has complied with its own lending guidelines as well as prudent finance industry lending practices, and has considered all prudent aspects of credit risk for any potential borrower including the borrowers' ability to service and repay any mortgage loan. Further, the valuation is prepared on the assumption that the Lender is providing mortgage financing at a conservative and prudent loan to value ratio (LVR). The valuer accepts no liability whatsoever if prudent lending practices fail to be strictly observed and/or if the lender relies solely on this valuation, and no other criteria, to advance loan funds.

Assumptions & Recommendations:

Verifiable Assumptions

- The instructions and information supplied contain a full disclosure of all information that is relevant.
- All values expressed within this report are exclusive of GST unless otherwise noted.
- The Valuation is prepared based on the Assumptions Conditions and Limitations appended to the rear of this Report.

Assumptions Requiring Further Consultancy

- Nil.

Recommended Documents to Sight

None recommended.

1.7 Key Valuation Outputs (after non-recoverable outgoings)

Market Net Income	\$44,880 per annum.
Market Yield	7.67%.
Reversionary Yield	8.16%.
Capitalisation Rate	8.00%.
Market Value Rate	\$1,146/sqm lettable area; and \$1,050/sqm site area.

1.8 Valuation Details

Market Value As Is:

Market Value with Vacant Possession:	\$550,000
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Market Net Rental Value (after non-recoverable outgoings):	\$44,880 pa
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This valuation is exclusive of GST

Interest Valued	Fee simple with vacant possession
Date of Inspection	22 July 2019
Date of Valuation	22 July 2019
Date Issued	24 July 2019
Currency of Valuation	90 days from the date of valuation, or such earlier date if you become aware of any factors that have any effect on the valuation.
Pecuniary Interest	We confirm that the valuer does not have any pecuniary interest that would conflict with the proper valuation of the property.

Signatories



Taila Zelesco AAPI CPV
 Certified Practising Valuer
 API No: 86428 WA Lic No: 45009
Inspecting Valuer



Dan Hill AAPI CPV
 Regional Director - Commercial &
 Agribusiness
 API No: 65214 WA Lic No: 44361
Counter Signatory

Important	<i>This Executive Summary must be read in conjunction with the remainder of this report. The Executive Summary is only a synopsis designed to provide a brief overview and must not be acted upon in isolation to the contents of the valuation report.</i>
Third Party Disclaimer	<i>This report has been prepared for the private and confidential use of our client, Australia & New Zealand Banking Group Limited for the specified purpose. It should not be reproduced in whole or part without the express written authority of Opteon Property Group Pty Ltd or relied upon by any other party for any purpose and the valuer shall not have any liability to any party who does so. Our warning is registered here, that any party, other than those specifically named in this paragraph should obtain their own valuation before acting in any way in respect of the subject property.</i>
Counter Signatory	<i>The counter signatory has reviewed the valuation report and working papers in the capacity of Supervising Member and is satisfied that there is a reasonable basis for the valuation opinion. The counter signatory confirms that the report is genuine and is endorsed by Opteon Property Group Pty Ltd. The counter signatory did not inspect the subject property and may not have inspected comparable evidence. The opinion of value has been arrived at by the Valuer who undertook the inspection and prepared the valuation calculations.</i>
Digital Copies of Reports	<i>Where a report has been provided in digital copy and has not been received directly via our firm, the report contents, especially the valuations and critical assumptions, should be verified by contacting the issuing office to ensure the contents are bona fide. In particular if the reader of this report has suspicions that the report appears to be tampered or altered then we recommend the reader contact the issuing office.</i>
Reliance on Whole Report	<i>This valuation should be read in its entirety, inclusive of any summary and annexures. The valuer and valuation firm does not accept any responsibility where part of this report has been relied upon without reference to the full context of the valuation report.</i>

2.0 Location

Location

Northam is located approximately 100 kilometres north east of Perth on the Great Eastern Highway and is the Regional Service Centre for the sub-region known as the Avon Arc, which forms the western portion of the Wheatbelt Region of Western Australia.

More specifically, the subject property is located south east of Minson Avenue, north east of Grey Street, south west of Ensign Dale Place and north west of Fitzgerald Street.

Neighbourhood

The Northam Shire has a current population of approximately 10,557 persons comprising approximately 4,326 constructed dwellings.

The main industries within the Northam district are sheep and grain/wheat and barley farming together with tourism.

Access

The subject is located on the north western side of Fitzgerald Street East and has good access to a sealed road with constructed kerbs, gutters and foot paths.

Secondary access to the property is available at the rear of the property via a commercial car park accessible via Grey Street and Minson Avenue.

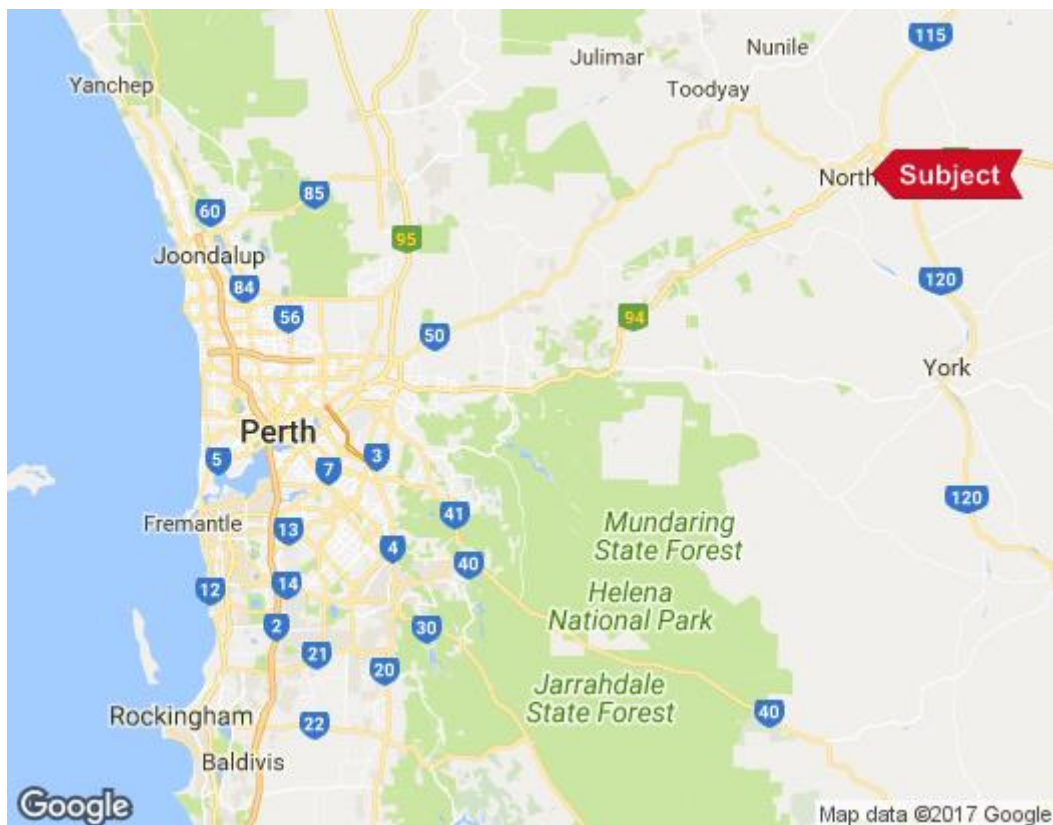
Parking

On site car parking is not provided. Street car parking along Fitzgerald Street is available along with commercial car parking to the rear of the subject property.

Transport & Infrastructure

The property has good access to major arterial roads including Fitzgerald Street, Peel Terrace and Newcastle Road.

Location Map



Sourced from Google Maps

Specific Location Map



Sourced from Google Maps

3.0 Tenure

3.1 Title Particulars:

Title Reference	Tenure	Registered Proprietor	Title Area
Lot 1 Diagram 7638 Volume 1118 Folio 484	Freehold	Kimron Pty Ltd	524 sqm
Total Site Area			524 sqm

3.2 Easements, Encumbrances & Other Interests Noted on Title

Encumbrances

- Easement Benefit T778/1943. See Sketch on Vol 1118 Fol 484. Registered 24 February 1943.
- Easement Burden T778/1943. See Sketch on Vol 1118 Fol 484. Registered 24 February 1943.
- Lease L393080 to Shaneil Holdings Pty Ltd of 52 Stoneham Road, Attadale. Expires: See Lease. As to portion only. Registered 5 August 2010.
- Mortgage L634006 to Australia and New Zealand Banking Group Ltd. Registered 23 May 2011.

Our valuation assumes the property would be offered for sale subject to an unencumbered Certificate of Title with the exception of the following encumbrances that are expected to remain registered on the Title upon transfer of the property:

- Encumbrances (continued)**
- Easement Benefit T778/1943. See Sketch on Vol 1118 Fol 484. Registered 24 February 1943.
 - Easement Burden T778/1943. See Sketch on Vol 1118 Fol 484. Registered 24 February 1943.
 - Lease L393080 to Shaneil Holdings Pty Ltd of 52 Stoneham Road, Attadale. Expires: See Lease. As to portion only. Registered 5 August 2010.

Our valuation assumes the property is only affected by encumbrances as noted on the Title as at the Date of Search. We have not searched other Government or relevant entities to ascertain whether any other encumbrances exist over the subject property. This valuation specifically assumes there are no instruments registered on the Title between the Date of Search and the Date of Valuation. If any other encumbrances are found to exist they should be referred back to the valuer for comment as to any potential impact on the property.

Encumbrance Comment We note that the Easement detailed on the Certificate of title which depicts the above mentioned Easement Benefit and Burden arising from a shared party wall to the adjoining lots. This encumbrance is not considered to have an adverse impact on our assessment of market value.

4.0 Planning

Regional Planning	N/A.
Local Government Area	Shire of Northam.
Planning Scheme	Town Planning Scheme No. 6.
Current Zoning	"Commercial" - Shire of Northam.
Overlays	"Special Control Area 1: Avon and Mortlock Rivers" - Shire of Northam.
Existing Use	Retail.
Permitted Uses	<p><u>Permitted uses within the Commercial zoning classification include:</u> <i>Art Gallery; Betting Agency; Bulky Goods Showroom; Childcare Premises; Club Premises; Consulting Rooms; Exhibition Centre; Fast Food Outlet; Health Studio; Home Office; Laundromat; Lunch Bar; Office; Produce Stall; Public Utility; Reception Centre and Restaurant.</i></p> <p><u>Discretionary uses within the Commercial zoning classification include:</u> <i>Aged Persons Hostel; Amusement Parlour; Carpark; Cinema/Theatre; Civic Use; Community Purpose; Convenience Store; Dry Cleaning Premises; Educational Establishment; Holiday Accommodation; Home Business; Home Occupation; Hostel; Industry (Cottage); Market; Medical Centre; Multiple Dwelling; Museum; Place of Worship; Recreation (Private); Residential Building; Shop; Showroom; Tavern; Telecommunications Infrastructure; Tourist Accommodation Tourist Development; Trade Display; Trade Supplies and Workers Accommodation.</i></p>
Zoning Effect	Discussions with the Shire of Northam revealed that the property conforms under the current zoning as a shop; however there have been no applications submitted or approvals on file.
Heritage Issues	Not listed.

Zoning Comment

The subject property is situated within Special Control Area 1: Avon and Mortlock Rivers. The purpose of this area is to;

- a) Preserve the ecological values of the Avon and Mortlock Rivers as a significant drought refuge for freshwater fishes and water birds;
- b) Avoid development that would negatively impact upon the ecological values and landscape qualities of the area;
- c) Ensure that land use in the area, including grazing, cultivation and recreational activities does not degrade the area;
- d) Ensure that any development takes place in such a manner so as to safeguard the welfare of people in the area; and
- e) Ensure that future infrastructure development does not adversely alter the capacity of the area to convey floodwaters.

Native Title Application

The subject property lies within a widespread area subject to an Indigenous Land Use Agreement (ILUA) between the WA Government and the "Ballardong People". It is our understanding that the ILUA binds these parties to enter into a Noongar Standard Heritage Agreement (NSHA) when conducting Aboriginal Heritage surveys unless they have an existing heritage agreement.

Our valuation has been prepared on the basis of there being no surviving native title rights and interests that impact on the tenure, utility and therein marketability of the subject property. If this is found to not be the case, we reserve the right to review our valuation.

5.0 Site

5.1 Site Details

Site Description	The site comprises a regular shaped internal allotment that is generally level throughout. The site has an excellent profile to passing pedestrian and vehicular traffic.
Street Frontage	14.1 metres to Fitzgerald Street.
Depth	37.80 metres to both the north eastern and south western boundaries and 13.64 metres to the north western boundary.
Dimensions	The shape and dimensions of the property are shown on the Title plan.
Site Area	524 sqm.
Identification	Certificate of Title, Street number in conjunction with online Cadastral Plan and Physical Inspection.

5.2 Services

Services	Electricity, town water, sewerage and telephone services are connected.
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6.0 Improvements

6.1 Existing Improvements





Main Building Type	Retail shop currently being utilised as part pharmacy and part retail shop to the rear.
Style	Single storey, dated.
Accommodation	Open plan retail area with service and prescription counters, single consulting room, two (2) kitchenettes, storage area, rear retail shop (approximately 47sqm) and single unisex disabled ablution (approximately 7sqm).
Construction:	
Floors	Timber floor boards.
Main External Walls	Brick (painted).
Windows	Aluminium.
Roof	Asbestos.
Main Interior Linings	Carpeted/tile/vinyl floor coverings, painted plastered/gyprock stud walls and face brick walls.
Ceilings	Suspended acoustic panel ceilings in t-bar framing and suspended plasterboard ceilings.
Construction Year	Circa 1950
Additions	Nil.
Building Services	
Lighting	Recessed strip fluorescent tubes and recessed halogen down-lights.
Air-conditioning / Ventilation	Ducted air conditioning.
Lifts	Nil.
Electrical	Standard.
Fire Services	Emergency exit signs and fire blanket.
Security Systems	CCTV and alarm.
Disability Access	Yes - level access and disabled ramp to front and rear entrances.
Access	<p>Front: dual glazed automatic sliding doors. Rear: two (2) glazed personnel doors.</p> <p>A single manual elevated roller door is located at the rear of the property (being 2.56m high x 3.05m wide).</p>

6.2 Plant & Equipment

Included within our valuation is all plant and equipment (such as air-conditioning plant and equipment, fire services, or the like) which forms an integral part of the property. Our valuation excludes all non-integral plant and equipment, fit-out, furniture and equipment and personal items/contents.

6.3 Building Areas

Total Lettable Area	480 sqm.
Building Area Measurement Basis	Gross Lettable Area Retail (GLAR).
Source of Areas	The building areas have been obtained from on-site measurements.

Accommodation:	Measurement Basis:	Lettable Area:
Retail shop	Gross Lettable Area Retail (GLAR)	480 sqm
Total Lettable Area:		480 sqm

6.4 Other Improvements

Existing Improvements:	An enclosed courtyard is located towards the north eastern boundary. We were unable to access this area.
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6.5 Condition and Repairs

Internal Condition	Generally appears in average condition.
External Condition	Generally appears in average condition.
Repairs & Maintenance	At the time of inspection the building appeared to be in reasonable condition with no significant requirements for repairs being noted other than items which would normally be undertaken as part of regular repairs and maintenance.
Essential Health & Safety	Annual maintenance certificate not sighted.
Pest Infestation	Our inspection of the subject property did not reveal any visible signs of pest infestation. It is recommended that regular inspections (and chemical treatments if necessary) are undertaken by a suitably certified pest control firm to ensure the property remains free of any pests.

7.0 Environmental Issues

7.1 Environmental Hazards

Flooding/Inundation	The property is within a known flood prone area however occurrences are infrequent and considered a normal part of the management of the property. Flooding has been taken into account in our valuation by consideration of the possible long term average negative effects and consideration of sales of properties in similar situations.
Landslip	The property is not within a publicly known landslip area however this could be confirmed by obtaining copies of relevant searches from the Council and other authorities should this be considered necessary.

Subsidence	The property is not within an area which is publicly known to be subject to subsidence however this could be confirmed by enquiries from the Council and other authorities should this be considered necessary.
Bushfire Area	Online database searches with the Department of Fire & Emergency Service Bushfire Prone database do not suggest that the subject property is within a Bushfire Prone area. It must be recognised that we are not experts in this field. Should it subsequently transpire that an expert report establishes that there is a Bushfire Prone risk we reserve the right to review this valuation.

7.2 Contamination Questionnaire

Question	Response
Historical Use	
1. Is there any indication that there has been previous noxious or potentially contaminating use of the property?	No
Planning Controls	
2. Is the property subject to an environmental planning overlay that could constrain land use and development, or an overlay that indicates the need for an environmental audit as part of any development approval process?	No
Adjoining Planning Controls	
3. Is land adjoining the property the subject of an overlay that indicates adjoining land could be contaminated?	No
Neighbouring Land Use	
4. Based on a visual inspection to the extent that it is reasonably possible to do so, are there adjoining sites that appear to or are known to have or have had noxious or potentially contaminating uses?	No
Current Operations at the Property	
5. Have your investigations identified industrial processes onsite that involve the use of chemicals or hazardous materials?	No
6. Have your investigations identified there having been, past or present, the underground storage of fuels, chemicals or hazardous materials at the Property?	No
Registers, Notices and Orders	
7. Is the property included in the current register of contaminated sites, or the subject of a contaminated land audit as indicated on that public register?	No
Environmental Licensing	
8. Are the operations at the premises subject to an environmental license, resource consent or equivalent?	No

Asbestos

9a	Could any buildings or improvements at the property predate 1990?	Yes
9b	Is asbestos containing material known to be present at the Property?	Yes
10.	Were there any observed non-compliances with statutory requirements pertaining to asbestos or hazardous materials (e.g. failure to maintain current asbestos register / record?)	Unknown
11.	Did the asbestos register / record indicate the presence of asbestos?	Unknown
12.	Is an Asbestos Management Plan in place for the Property?	Unknown

Aluminium Composite Cladding

13.	Based on a visual inspection to the extent that it is reasonably possible could any buildings or improvements at the property incorporate aluminium composite cladding as part of their design /build?	No
14.	If 'yes' to the above (Q13) has the Property Owner taken additional measures to confirm the authenticity of the external wall cladding used, or to be used on the building, in particular, whether the product being used is of acceptable quality, meets Australian standards (BCA) and is fit for its intended purpose? Please attach any supporting documents as an annexure to the report.	N/A

7.3 Contamination Commentary

Current Use	Retail.
Past Use	Unknown.
Site Contamination	Based on our site observations, current and past uses along with surrounding uses, contamination of the site is considered unlikely.
API List of Potentially Contaminating Activities	The current and past uses are not listed on the API List of Potentially Contaminating Activities, Industries and Land Uses.
Contaminated Sites Register	On 1 December 2006 the Contaminated Sites Act (2003) took effect and the Department of Environment and Conservation have made available a database of known or suspected Contaminated Sites (ie "CS Database"). However, this Database does not provide a guarantee that the subject land or adjoining land is not contaminated, only that there is no known contamination present. A search of this database revealed the subject property is currently not listed as a contaminated site.
Environmental Audit	We have not been provided with an environmental audit, nor are we aware of the property being affected by soil contamination. We have not investigated the site beneath the surface or undertaken vegetation or soil sampling.

7.4 Asbestos

Asbestos Register	We were not able to sight an asbestos register.
Inspection Observations	Our inspection revealed asbestos is present. We have not inspected concealed sections of improvements (wall cavities, roof space etc). Our valuation reflects the construction type and condition of the building having regard to sales evidence of similar type property, but has been prepared without the benefit of an expert's report on asbestos.

8.0 Occupancy and Lease Details

Occupancy Status	The property is currently occupied by related parties, and in accordance with Valuation Standards our valuation for mortgage security purposes has been calculated assuming party related arrangements are null and void, and has been assessed on a vacant possession basis.
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9.0 Market Evidence

9.1 Rental Evidence

Given the lack of recent comparable evidence occurring within the locality, our assessment is considered to be more subjective than the norm. Nevertheless, the included evidence is considered to be the most relevant.

Address	Date	Term & Options	Total Rent	Lettable Area	Overall Rate
Ground Floor, 98 Wellington Street, Northam, WA	Sep 2017	Term: 2 yrs + 10 mths Options: 3 yrs	\$31,200 pa Net	146 sqm	\$214

Comments: The property comprises a circa 1980 built two (2) level commercial premises constructed of brick elevations and tile roof cover. The subject tenancy comprises of the ground floor with a lettable area of 146 sqm.

Ground floor leased to Aboriginal Legal Service of Western Australia Ltd for a two (2) year and ten (10) month term expiring 30 June 2020, with one (1) further three (3) year option. The rent is reviewed annually in accordance with movements in the CPI. Incentives include a one (1) month rent free period starting on the Commencement Date. Passing rent \$31,200 p.a. net (\$214/sqm).

Avon Shearing Supplies & Country Clothing, Lot 1, 228 Fitzgerald Street East, Northam, WA	Jul 2015	Term: 3 yrs Options: 3 yrs	\$15,600 pa Semi-Gross	80 sqm	\$195
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Comments: A circa 1930's commercial unit having a Gross Lettable Area of 80sqm. Construction comprises brick (rendered) elevations and corrugated galvanised iron roof cover. The units occupy a street front position on a 209sqm survey-strata allotment.

Leased to Avon Shearing Supplies & Country Clothing (tenant), commencing on 1 July 2015. Rent reviews are annual to CPI with Market Review at option. We have been advised that the tenant was allowed to occupy the premises two (2) months prior to the first rental payment. Effective rent reflects \$184/sqm.

IC Frith & Associates, Lot 1, 228 Fitzgerald Street East, Northam, WA	Dec 2014	Term: 5 yrs Options: 5 yrs	\$16,428 pa Semi-Gross	83 sqm	\$198
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Comments: A circa 1930's commercial unit having a Gross Lettable Area of 83sqm. Construction comprises brick (rendered) elevations and corrugated galvanised iron roof cover. The units occupy a street front position on a 209sqm survey-strata allotment.

Leased to IC Frith & Associates (WA) (tenant), commencing on 1 December 2014. Rent reviews are annual to CPI. We have not been advised on any incentives.

Address	Date	Term & Options	Total Rent	Lettable Area	Overall Rate
2 Elliott Street, Midvale, WA	Apr 2019	Term: 5 yrs Options: 5 yrs	\$71,194 pa Net	432 sqm	\$165

Comments: A circa 1990 built retail development of brick elevations and metal deck roof cover construction situated on an 892sqm allotment. The property provides a Gross Lettable Area Retail (GLAR) of 432sqm and features great exposure to passing vehicular traffic, ample on site car parking, double door entry, roller door access and office amenities.

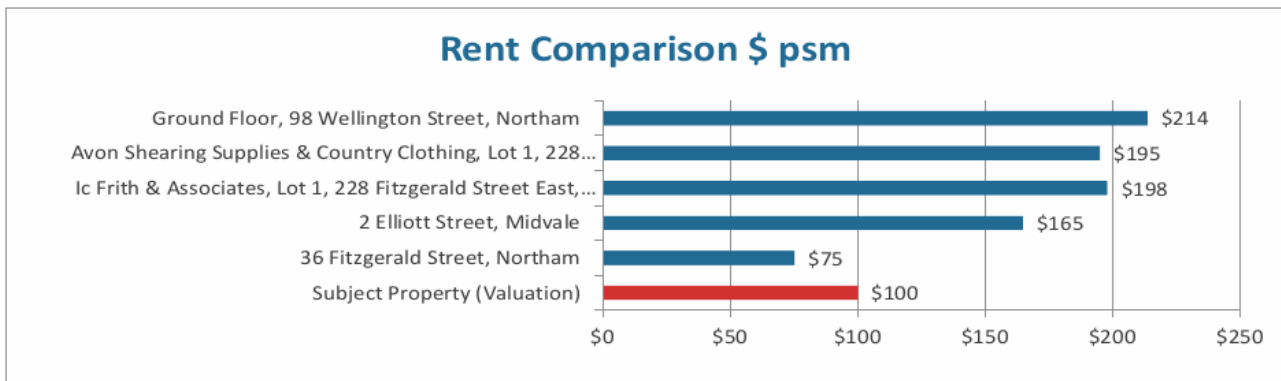
The rent is increased annually by 3% and is reviewed to market at the commencement of the option. Incentives include a three (3) month rent free period. Effective rent reflects \$157/sqm.

36 Fitzgerald Street, Northam, WA	Sep 2017	Term: 3 yrs + 4 mths Options: 3+3 yrs	\$43,260 pa net	575 sqm	\$75
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Comments: A circa 1954 built office workshop leased to Beaurepairs on a prime corner location within Northam and situated on a 1,580sqm corner allotment. Office, showroom and workshop for tyre repair and service. Extensive concrete hardstand. The property has a gross lettable area of 575sqm apportioned as 459sqm of warehouse and 90sqm of office/showroom.

Passing rent as at September 2017 where the property was leased for \$43,260 per annum plus outgoings and GST expiring February 2021 with two (2) further options of three (3) years each.

Market Rent Conclusions:



From our analysis of the above market evidence we consider the subject property to have a current market net rental of \$100psm per annum. The adopted market rent has been based on our investigations and available rental evidence, a selection of which is summarised above. There is a scarcity of recently leased property in Northam. The level of rental is predominantly determined by the age, presentation, size of accommodation, quality of building and location.

9.2 Sales Evidence

Given the lack of recent comparable evidence occurring within the locality, our assessment is considered to be more subjective than the norm. Nevertheless, the included evidence is considered to be the most relevant.

Property	123 Fitzgerald Street East, Northam, WA			
Sale Price	\$285,000			
Sale Date	24-Aug-17			
Sale Status	Settled			
Site Area	361 sqm			
Zoning	"Commercial" - Shire of Northam			
Lettable Area	108 sqm			
Property Description	<p>A circa 1969 constructed single level commercial building of painted brick elevations and metal deck roof cover construction. The property provides a good level of exposure being located on Fitzgerald Street. The property provides 108sqm of Net Lettable Area and is situated on a 362 sqm allotment in the rural locality of Northam.</p> <p>Sold Vacant Possession. We have estimated a net market rent of \$27,000 per annum plus GST and outgoings (\$250/sqm). Included in our analysis is a six (6) month notional letting up allowance and a two (2) month rent free incentive.</p>			
Analysis	Market Net Yield	8.64 %	Reversionary Yield	9.47 %
	Site Rate	\$789/sqm	Lettable Area Rate	\$2,639/sqm
Comparability	<p>A dated sale sold in superior market conditions. Similar zoning. Located within close proximity the subject property with similar exposure benefits. Smaller site area. Smaller lettable area. More modern era of construction. Overall inferior.</p> <p>A higher quantum of value, a lower capitalisation rate and lower rate per square metre is considered applicable to the subject by virtue of its larger lettable area and inferior market conditions.</p>			

Property	198 Fitzgerald Street, Northam, WA			
Sale Price	\$225,000			
Sale Date	14-Feb-18			
Sale Status	Settled			
Site Area	630 sqm			
Zoning	"Commercial" - Shire of Northam			
Lettable Area	185 sqm			
Property Description	<p>A circa 1940's built Commercial building which has been converted into two (2) retail shops providing approximately 185 sqm of lettable area. The property is situated on a 630 sqm allotment benefitting from two (2) street frontages (Minson Avenue & Fitzgerald Street).</p> <p>Sold with Vacant Possession. We have estimated a net market rent of \$30,250 per annum plus GST and outgoings. Included in our analysis is a six (6) month notional letting up allowance and a three (3) month rent free incentive.</p>			
Analysis	Market Net Yield	11.67 %	Reversionary Yield	13.44 %
	Site Rate	\$357/sqm	Lettable Area Rate	\$1,216/sqm
Comparability	<p>A dated sale sold in superior market conditions. Similar zoning. Located within close proximity the subject property with similar exposure benefits. Smaller lettable area. Older era of construction. Larger site area. Overall inferior.</p> <p>A higher quantum of value, a lower capitalisation rate and lower rate per square metre is considered applicable to the subject by virtue of its larger lettable area and inferior market conditions.</p>			

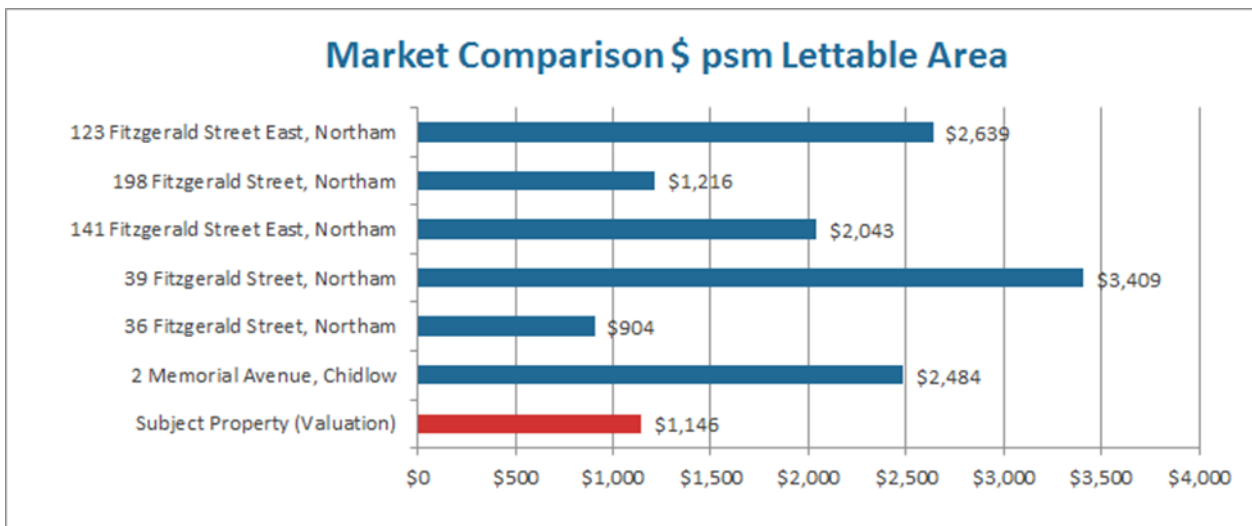
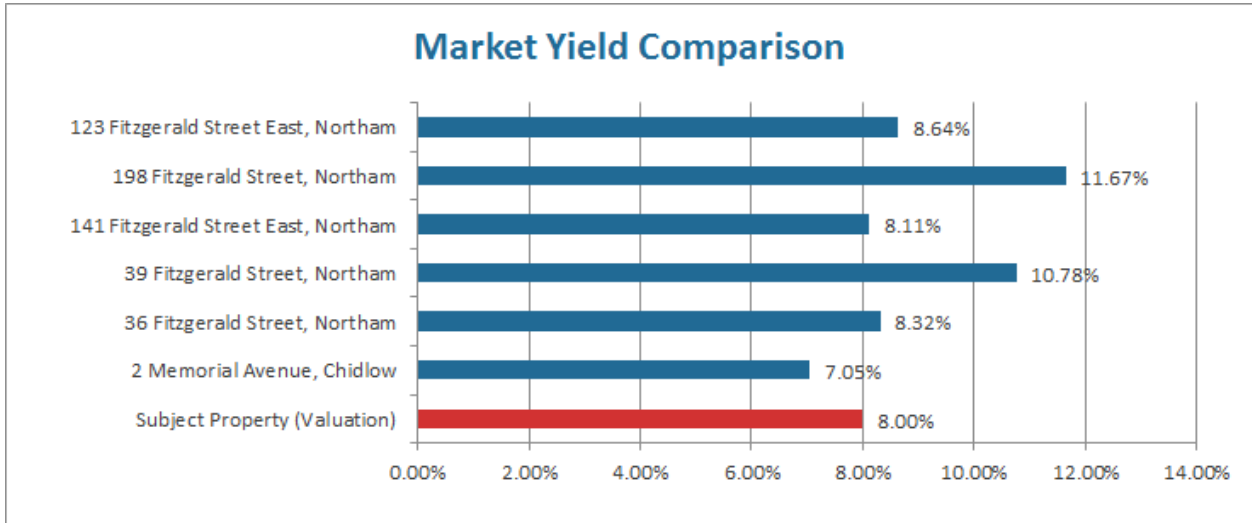
Property	141 Fitzgerald Street East, Northam, WA		
Sale Price	\$715,000		
Sale Date	18-Dec-18		
Sale Status	Settled		
Site Area	548 sqm		
Zoning	"Commercial" - Shire of Northam		
Lettable Area	350 sqm		
Property Description	<p>An elongated, regular shaped corner site of 548 sqm situated within central Northam. Improvements to the site include a heritage protected, two (2) level building of brick construction and has been utilised as a bank premises since 1940, with a lettable area of 350 sqm.</p> <p>Sold subject to a five year lease to NAB who has occupied the building for over 75 years. Existing lease term commenced 1 October 2018, with annual CPI reviews and market review upon renewal, with one (1) further option term available of five (5) years. Passing rent at date of sale was \$58,000 pa net (\$166/sqm).</p>		
Analysis	WALE	4.8 years	Initial Net Yield 8.11 %
	Market Net Yield	8.11 %	Reversionary Yield 8.11 %
	Site Rate	\$1,305/sqm	Lettable Area Rate \$2,043/sqm
Comparability	<p>Similar zoning. Located within close proximity the subject property with superior exposure benefits. Smaller lettable area. Older era of construction. Slightly larger site area. Superior leased tenure. Overall superior.</p> <p>In conjunction with our basket of evidence, a lower quantum of value, a lower capitalisation rate and lower rate per square metre is considered applicable to the subject by virtue of its larger lettable area, inferior tenure and inferior exposure benefits.</p>		

Property	39 Fitzgerald Street, Northam, WA			
Sale Price	\$750,000			
Sale Date	23-Aug-17			
Sale Status	Settled			
Site Area	1,629 sqm			
Zoning	"Commercial" - Shire of Northam			
Lettable Area	220 sqm			
Property Description	<p>A circa 1984 constructed single level commercial building of concrete tilt panel elevations and metal deck roof cover construction. The property provides a good level of exposure being located on the corner of Peel Terrace and Fitzgerald Street. The property provides 220sqm of Net Lettable Area and is situated on a 1,632 sqm allotment in the rural locality of Northam.</p> <p>Sold as a going concern. Leased at the date of sale to Chicken Treat for \$108,461 (\$493/psm). This is considered to be above current market levels. Rent was reviewed to market in 2016 with a further CPI review in 2017. We have been advised the tenants will not be renewing their lease and is due to expire November 2018.</p> <p>Due to the lease being above market we have taken into account a rental premium in our analysis of the estimated market rent. We have estimated a net market rent at \$77,000 pa plus GST and outgoings (\$350/sqm). Included in our analysis is a calculated rental premium of \$31,461 and Present Value Rental Reversion of \$35,625 (10.75%).</p>			
Analysis	WALE	1.3 years	Land Value Rate	\$460/sqm
	Initial Net Yield	14.46 %	Market Net Yield	10.78 %
	Reversionary Yield	10.27 %	Site Rate	\$460/sqm
	Lettable Area Rate	\$3,409/sqm		
Comparability	<p>A dated sale sold in superior market conditions. Similar zoning. Located within close proximity the subject property with superior exposure benefits. Smaller lettable area. More modern era of construction. Larger site area. Overall superior.</p> <p>A lower quantum of value, a lower capitalisation rate and lower rate per square metre is considered applicable to the subject by virtue of its larger lettable area, inferior market conditions and exposure benefits and older era of construction.</p>			

Property	36 Fitzgerald Street, Northam, WA		
Sale Price	\$520,000		
Sale Date	19-Sep-17		
Sale Status	Settled		
Site Area	1,669 sqm		
Zoning	"Commercial" - Shire of Northam		
Lettable Area	575 sqm		
Property Description	<p>A circa 1954 built office workshop leased to Beaurepairs on a prime corner location within Northam and situated on a 1,580sqm corner allotment. Office, showroom and workshop for tyre repair and service. Extensive concrete hardstand. The property has a gross lettable area of 575sqm apportioned as 459sqm of warehouse and 90sqm of office/showroom.</p> <p>Sold going concern. Leased for \$43,260 per annum plus outgoings and GST expiring February 2021 with two (2) further options of three (3) years each.</p>		
Analysis	WALE	3.4 years	Initial Net Yield 8.32 %
	Market Net Yield	8.32 %	Reversionary Yield 8.32 %
	Site Rate	\$312/sqm	Lettable Area Rate \$904/sqm
Comparability	<p>A dated sale sold in superior market conditions. Similar zoning. Located within close proximity the subject property with superior exposure benefits. Similar age of construction. Inferior quality of improvements. Larger site area. Larger lettable area. Overall inferior.</p> <p>In conjunction with our basket of evidence, a higher quantum of value, a lower capitalisation rate and higher rate per square metre is considered applicable to the subject by virtue of its smaller lettable area and superior quality of improvements.</p>		

Property	2 Memorial Avenue, Chidlow, WA			
Sale Price	\$785,000			
Sale Date	10-May-18			
Sale Status	Settled			
Site Area	1,400 sqm			
Zoning	"Local Centre (Chidlow Village Centre Precinct)" - Shire of Mundaring			
Lettable Area	316 sqm			
Property Description	<p>A circa 1998 built retail/commercial development of brick elevations and metal deck roof cover construction comprising of five (5) tenancies offering a total lettable area of 316 sqm situated on a 1,404 sqm allotment on the corner of Memorial Avenue and Thomas Street within the outer Metropolitan Area of Chidlow.</p> <p>Sold as a Going Concern.</p> <p><u>Shop 1 (123 sqm)</u> - Leased to The Bay Tree Bakery and Cafe for a six (6) year term expiring 1 June 2021, with one (1) further three (3) year option. Rent is reviewed annually to CPI. Passing rent \$20,796 p.a (\$169/sqm).</p> <p><u>Shop 2 (50 sqm)</u> - Leased to Chidlow Health Clinic for a three (3) year term expiring 30 November 2018, with two (2) further three (3) year options. Rent is reviewed annually to CPI. Passing rent \$10,706 p.a. (\$214/sqm).</p> <p><u>Shop 3 (50 sqm)</u> - Vacant.</p> <p><u>Shop 4</u> - Leased to Lenay Hair and Beauty for a six (6) year term expiring 31 December 2021, with one (1) further three (3) year option. Rent is reviewed annually to CPI. Passing rent \$10,788 p.a. (\$216/sqm).</p> <p><u>Shop 5</u> - Leased to Chidlow Pharmacy for a seven (7) year term expiring 30 June 2021, with one (1) further three (3) year option. Rent is reviewed annually to CPI. Passing rent \$11,087 p.a. (\$256/sqm).</p>			
Analysis	WALE	2.3 years	Initial Net Yield	6.27 %
	Market Net Yield	7.05 %	Reversionary Yield	7.04 %
	Site Rate	\$561/sqm	Lettable Area Rate	\$2,484/sqm
Comparability	<p>Located within a broadly comparable location within superior exposure benefits. Smaller lettable area. More modern era of construction. Superior leased tenure. Overall superior.</p> <p>A lower quantum of value, a higher capitalisation rate and lower rate per square metre is considered applicable to the subject by virtue of its larger lettable area, inferior tenure and older era of construction.</p>			

Sales Evidence Conclusions:



Sales Analysis Summary									
Address	Sale Price	Date	Site Area	Lettable Area	\$ psm Site	\$ psm Lettable	Market Yield	WALE	
123 Fitzgerald Street East, Northam	\$285,000	Aug-17	361 sqm	108 sqm	\$789	\$2,639	8.64%	VP	
198 Fitzgerald Street, Northam	\$225,000	Feb-18	630 sqm	185 sqm	\$357	\$1,216	11.67%	VP	
141 Fitzgerald Street East, Northam	\$715,000	Dec-18	548 sqm	350 sqm	\$1,305	\$2,043	8.11%	4.80 yrs	
39 Fitzgerald Street, Northam	\$750,000	Aug-17	1,629 sqm	220 sqm	\$460	\$3,409	10.78%	1.30 yrs	
36 Fitzgerald Street, Northam	\$520,000	Sep-17	1,669 sqm	575 sqm	\$312	\$904	8.32%	3.40 yrs	
2 Memorial Avenue, Chidlow	\$785,000	May-18	1,400 sqm	316 sqm	\$561	\$2,484	7.05%	2.30 yrs	
Subject Property (Valuation)	\$550,000	Jul-19	524 sqm	480 sqm	\$1,050	\$1,146	8.00%	VP	

The available evidence shows rates generally ranging between \$904psm to \$3,628psm of lettable area. The available evidence shows yields generally ranging between 7.05% to 11.67%. Comparative comments have been included within our Sales Evidence analysis.

10.0 Valuation Methodology & Conclusions

10.1 Adopted Valuation Approach

The most appropriate method of valuation for a property of this nature is the direct market comparison approach, (whereby the subject property is compared with sales of comparable properties and adjustments made for points of difference), supported by the capitalisation of income approach. These various methodologies are described in greater detail below.

10.2 Market Approach

Direct Comparison Method

This valuation method is the most frequently used method and involves comparison of the property to be valued with sales of similar properties. Points of difference are taken into account by the valuer including the location of the properties, differences in size and quality of accommodation, land areas etc.

Direct Comparison Valuation Method (rate psm Lettable Area)			
Lettable Area:	480 sqm	@ \$1,100	Market Value \$528,000
	480 sqm	@ \$1,150	\$552,000
	480 sqm	@ \$1,200	\$576,000
Indicates Total Market Value:		<i>Rounding</i>	<i>\$10,000</i> \$550,000

10.3 Income Approach

Market Income Capitalisation Method

We have utilised the capitalisation method as a secondary check methodology.

The capitalisation method is a method that can be applied across a broad cross-section of asset types (including income producing property, going concerns, specialised assets, and intangible assets) and can be applied to varying types of income. Typically in assessing the Market Value of "property" the capitalisation method is applied to rents whilst in assessing the Market Value of "going concerns" the method is applied to net profits.

The capitalisation method is based on the concept that for income producing assets the price a prospective purchaser will be prepared to pay will be based on (amongst other things) the level of income and the return required for the investment of capital.

The capitalisation method is most commonly used as the primary valuation method to determine the Market Value of income producing assets (i.e. including investment properties whether leased properties, owner occupied properties, or vacant properties intended to be held as an investment). Our valuation calculations are summarised as follows:

Market Rental Analysis

Market Income Assessment						
Level/Tenancy		Market Rental Rate	Net or Gross	Market Rent	Recoverable Outgoings	Market Income
Retail shop	480 sqm	@ \$100	Net	\$48,000	\$14,400	\$62,400
Totals:		@ \$100		\$48,000	\$14,400	\$62,400

Non-Recoverable Outgoings

In accordance with the Retail Tenancies Act, we have allowed a non-recoverable property management fee of 5% of gross market rental per annum. We have estimated outgoings are \$14,400 per annum (\$30 psm pa), which reflects a total non-recoverable outgoing of \$17,520 per annum and is displayed within our calculations table below.

Capital Adjustments (Letting up and Incentives)

Letting Up Allowance and Incentives					
Level/Tenancy	Letting Up Period	Letting Costs	Letting Up Allowance	Rent Free	Incentives
Retail shop	4 mths	\$6,552	\$20,800	2 mths	\$8,000
Totals:		\$6,552	\$20,800		\$8,000

Market Income Capitalisation Method Calculations

Market Income Capitalisation Method					
Market Annual Income:			\$62,400		
<u>Less</u> Non-recoverable outgoings			-\$17,520		
Net Market Annual Income:			\$44,880		
Capitalised			@ 8.00%		
Capitalised Value (before adjustments):			\$561,000		
Capital Adjustments:					
Letting Up Allowance			-\$20,800		
Leasing Costs			-\$6,552		
New Tenant Incentives			-\$8,000		
Sub-Total:			-\$35,352		
Total Market Value:			\$525,648		
Indicates, Total Market Value:			\$530,000		
Sensitivity Analysis:					
Net Market Annual Income:		\$44,880	\$44,880	\$44,880	
Capitalised		@ 7.75%	@ 8.00%	@ 8.25%	
Capitalised Value:		\$579,097	\$561,000	\$544,000	
Capital Adjustments:		-\$35,352	-\$35,352	-\$35,352	
Total Market Value:		\$543,745	\$525,648	\$508,648	
Indicates Total Market Value:	<i>Rounding</i>	<i>\$10,000</i>	\$540,000	\$530,000	\$510,000
Reflecting:	Reversionary Yield	8.31%	8.47%	8.80%	
	\$ psm Lettable Area	\$1,125	\$1,104	\$1,063	
	\$ psm Land	\$1,031	\$1,011	\$973	

10.4 Valuation Reconciliation & Conclusion

Valuation Reconciliation

Valuation Reconciliation	
Market Approach (Direct Comparison rate psm Lettable Area)	\$550,000
Market Yield Income Approach	\$530,000
Adopted Valuation:	\$550,000
Adopted Valuation reflects:	
Rate psm Land Area:	\$1,050
Rate psm Lettable Area:	\$1,146
Market Yield:	7.67%
Reversionary Yield:	8.16%

Having regard to the above calculations, and after taking into account both the positive and negative attributes of the property, from an objective and unbiased, yet balanced point of view, we are of the opinion that the Market Value of the property is **\$550,000**.

We acknowledge the variance between our two (2) methods of valuation. We have had most consideration for our primary direct comparison method.

11.0 Estimated Insurance Value

Insurance Estimate

We have determined the replacement value for insurance purposes at \$500,000 inclusive of GST. In the event of a loss, actual replacement costs may vary depending upon the design and specifications of buildings and other improvements which are to be rebuilt.

Basis of Estimate

Our insurance replacement value has been assessed in accordance with the Australian and New Zealand Valuation Technical Information Paper Valuations for Insurance Purposes

12.0 Assumptions, Conditions & Limitations

Area Disclaimer	<i>In the event actual surveyed areas of the property are different to the areas adopted in this valuation the survey should be referred to the valuer for comment on any valuation implications. We reserve the right to amend our valuation in the event that a formal survey of areas differs from those detailed in this report.</i>
Asbestos Disclaimer	<i>We are not experts in the identification of Asbestos and therefore, in the absence of an environmental consultant's report concerning the presence of any asbestos fibre within the subject property, this valuation is made on the assumption that there is no: asbestos material present; health risk from asbestos within the property; or there is any material expense relating to the repair, management or replacement of asbestos materials in the foreseeable future. Should an expert's report establish that there is an asbestos related health risk or a requirement to undertake asbestos remediation works then we reserve the right to review this valuation.</i>
Building Services Disclaimer	<i>No documentation or certification has been sighted to verify the condition of building services, and we have assumed that all building services are: adequate in specification; in good operational condition; and satisfactorily maintained.</i>
Encroachments	<i>The valuation is made on the basis that there are no encroachments (unless otherwise noted) by or upon the property and this should be confirmed by a current survey report and/or advice from a land surveyor. If any encroachments are noted by the survey report the valuer should be consulted to assess any effect on the value stated in this report.</i>
Environmental Disclaimer	<i>This report is not an environmental audit and no advice is given in any way relating to environmental or pollution matters. Any comments given as to environmental or pollution factors in relation to the property are not given in the capacity as an expert. This assessment of value is on basis that the property is free of contamination or environmental issues affecting the property not made known to the valuer. In the event the property is found to contain contamination the matter should be referred to this office for comment. Given contamination issues can have an impact on the Market Value of the property, we reserve the right to review and if necessary vary our valuation if any contamination or other environmental hazard is found to exist.</i>
Full Disclosure Disclaimer	<i>Whilst we have attempted to confirm the veracity of information supplied, the scope of work did not extend to verification of all information supplied or due diligence. Our valuation and report has been prepared on the assumption the instructions and information supplied has been provided in good faith, is not in any way misleading or deceptive, contains a full disclosure of all information that is relevant, there are no undisclosed agreements in place that affect the property. The valuer and valuation firm does not accept any responsibility or liability whatsoever in the event the valuer has been provided with insufficient, false or misleading information.</i>
Future Value	<i>Any comments are made in relation to future values are based on general knowledge and information currently available. These comments should not be construed as a prediction of future value levels or a warranty of future performance as the property market is susceptible to potential rapid and unexpected change caused by multiple factors. Ultimately current expectations as to trends in property values may not prove to be accurate. <i>Due to possible changes in the property market, economic conditions, occupancy status and property specific factors, we recommend the value of the property be reassessed at regular intervals</i></i>
Geotechnical	<i>We have not sighted a geotechnical engineers' survey of the property. We are not experts in the field of civil or geotechnical engineering and we are therefore unable to comment as to the geotechnical integrity of the ground and soil conditions. It is specifically assumed that there are no adverse geotechnical conditions that compromise the utility of the property for the current or highest and best use. In the event there is found to be adverse ground conditions we recommend the matter be referred to this Company for comment.</i>
Heritage Disclaimer	<i>Our valuation has been assessed having regard to the nature of any buildings on the property and any known heritage listings. However we have not obtained formal confirmation of heritage listings beyond what is available in the public domain and identified in this report. Our valuation assumes, unless otherwise specified, that any heritage issues (including Aboriginal) do not impact on the continued and/or highest and best use of the property. If there is doubt in relation to such issues we recommend written application be made to the relevant authorities.</i>
Identification	<i>The property has been identified as per details provided within this report. The identification comments are not provided in the capacity of an expert, and a surveyor (not a valuer) would be able to confirm the identification of the property and/or any encroachments by way of undertaking a site survey.</i>

Inconsistencies in Assumptions	<i>If there is found to be any variance, inconsistency or contradiction in any of the assumptions within this report then this may have an impact on the market value of the property and we recommend this valuation be referred back to the Valuer for comment.</i>
Insurance Value	<i>The insurance reinstatement value includes GST but excludes all personal items and contents; loss of rental income or profits; any allowance for loss in land value as a consequence of the existing improvements not being permitted to be rebuilt due to changes in planning controls, development standards or the extinguishment of existing use rights; any increase in proportionate costs as a consequence of a partial loss; costs for removal of asbestos; and increased costs as a consequence of widespread catastrophic events. Some or all of the itemised cost factors could be automatically excluded in the insurance policy; therefore it is important to establish the extent of such inclusions with the insurer. We recommend you investigate the terms and conditions of your insurance policy to determine the extent of inclusions and exclusions or discuss the issue with your insurance broker or insurer. This Insurance Value should only be regarded as an estimate and should a more accurate assessment be required we recommend a quantity surveyor be engaged.</i>
Market Change	<i>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. Where the valuation is being relied upon for mortgage purposes, 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 90 days from the date of the valuation, or such earlier date if you become aware of any factors that have any effect on the valuation. We recommend the valuation be reviewed at regular intervals.</i>
Market Evidence Information Availability	<i>In preparing this valuation we have undertaken those investigations reasonably expected of a professional valuer having regard to normal industry practice so as to obtain the most relevant, available, comparable market evidence. Whilst we believe the market evidence information and any other information provided to be accurate, not all details can and have been formally verified. Due to privacy laws, confidentiality agreements and other circumstances beyond our control, the valuer may not have had access to:</i> <ul style="list-style-type: none"> • <i>Personal details of parties involved in transactions (including the relationship of the parties);</i> • <i>Information on recent transactions that are yet to become public knowledge; and</i> • <i>Copies of leases or contracts to confirm rents or prices and to ascertain whether or not rents or prices are inclusive or exclusive of GST.</i>
Market Value	<i>“Market Value is the estimated amount for which an asset or liability should exchange on the Valuation date 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>
Native Title Assumption	<i>We are not experts in native title or the property rights derived there from and have not been supplied with appropriate expert advice or reports. Therefore, this valuation is made assuming there are no actual or potential native title interests affecting the value or marketability of the property.</i>
Owner Occupied Property	<i>Owner-occupied properties valued for lending purposes will normally be valued on the assumption that the property is transferred unencumbered by the owner’s occupancy, i.e., that the buyer is entitled to full legal control and possession. Our valuation is prepared on the basis of vacant possession and in the event the property is unable to be transferred unencumbered we reserve the right to review our valuation.</i>
Planning Disclaimer	<i>Town planning and zoning information was informally obtained from the relevant local and State Government authorities and is assumed to be correct. Should the addressee require formal confirmation of planning issues then we recommend formal application be made to the relevant authorities to confirm planning details.</i>
Publication of Report	<i>The publication of the valuation or report in whole or any part, or any reference thereto, or the names and professional affiliations of the valuers is prohibited without the prior written approval of the valuer as to the form and context in which it is to appear.</i>
Short Form Valuation Report	<i>This valuation report has been prepared for mortgage security purposes and is presented in a short form as per standing instructions where applicable. A more comprehensive valuation report can be provided if required.</i>

Site Survey Disclaimer	<i>This report is not a site survey and no advice is given in any way relating to survey matters. Any comments given in relation to the property are not given in the capacity as an expert, however, are based on our inspection of the property and review of the Certificate of Title plans. Should the addressee require absolute certainty in relation to the site area, dimensions or possible encroachments we recommend that a surveyor be engaged to provide appropriate advice and a survey of the property if considered necessary. In the event there are any fundamental inconsistencies between any site survey undertaken and site detail adopted in this valuation, the survey should be referred to the valuer for comment on any valuation implications (including amendment of our valuation if considered necessary).</i>
Structural Disclaimer	<i>This report is not a structural survey and no advice is given in any way relating to structural matters. Any opinion given as to the condition of the improvements on the property is not given in the capacity as an expert. A structural report on the building and/or its plant and equipment has not been sighted, and nor have we inspected unexposed or inaccessible portions of the premises. Therefore we cannot comment on the structural integrity, any defects, rot or pest infestation (or damage from pest infestation) of the improvements, any use of asbestos or other materials now considered hazardous or areas of non-compliance with the Building Code of Australia, other than matters which are obvious and which are noted within this report. This valuation assumes the building is structurally sound; that building services are adequate and appropriately maintained; the building complies with applicable Council, building, health, safety and fire regulations, laws, bylaws, rules, licences, permits and directives; and is free of asbestos or other defects, unless specified otherwise. Should an expert's report establish that there is any damage of the varieties noted above then we reserve the right to review this valuation.</i>
Third Party Disclaimer	<i>This report has been prepared for the private and confidential use of our client, Australia & New Zealand Banking Group Limited for the specified purpose. It should not be reproduced in whole or part without the express written authority of Opteon Property Group Pty Ltd or relied upon by any other party for any purpose and the valuer shall not have any liability to any party who does so. Our warning is registered here, that any party, other than those specifically named in this paragraph should obtain their own valuation before acting in any way in respect of the subject property.</i>
Title and Unregistered Instruments	<i>For the purpose of this report we have assumed that the title information provided to us is correct. Our Valuation has been assessed assuming the property is only affected by encumbrances noted on Title with the exception of registered instruments (eg. mortgages or caveats) that are normally and expected to be discharged prior to transfer of the property. If there are any encumbrances, encroachments, restrictions, leases or covenants which are not noted on the title, they may affect the assessment of value. If there are errors or omissions found to exist on the title documents we should be notified and we reserve the right to review our valuation.</i>

Appendices

1. Instructions
2. Certificate of Title

APPENDIX 1

INSTRUCTIONS

Unaccredited Valuer

The valuer, Office Valuer LIXI, is not accredited with the funder connected to this job and will not be allowed to deliver this job.

Commercial Report

124-128 Fitzgerald Street East, NORTHAM
WA 6401

ValEx ID 11819426

Ordered By Ebony Rossi
Ebony.Rossi@anz.com
Phone (08) 6165 5010

Funder Australia and New Zealand Banking Group Limited - ANZ
BANK

Client Agreement Level 2

Client Australia and New Zealand Banking Group Limited - ANZ -
BUSINESS BANKING

Client Type Bank

Valuation Firm Opteon (Western Australia) Pty Ltd

Valuer Office Valuer LIXI

Valuation Type Standard Mortgage

Order Date Fri 5th July 2019, 10:21am AWST

Fees Quoted Fees
\$1,136.36 (ex GST)

Valuation Fee \$1,136.36
Payment Info
Valuer Quoted Fees N/A

Banker Name Kate Sheehan

Banker Email Kate.Mitchell@anz.com

Loan Ref N/A

Other Ref N/A

Borrowers Delobrien Pty Ltd ACN 146 087 194 in its own
capacity and as trustee for the Delobrien
Superannuation

Additional Ordering Contact N/A

Owners N/A

Prices \$600,000 (estimated)

Transaction Accounting

Purpose Mortgage

Property Type Office/Commercial

Occupancy Leased to Related Entity

Number of Units/Lots N/A

Previous Sale N/A

Property Value N/A

Complex Security Yes

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Communication Path - Valfirm to Client
Indicates that the Valfirm can only liaise with the Client

Where do I source documentation from? Client to Provide
Ensure you add a Delay to request the Documentation
Contacts

Inspection Contacts

Sharon Monique De Longville - Owner
sharon@savemor.com.au
Mobile 0417 174 024

Add/Edit Contacts

Additional Instructions / Notes

Please provide quotes for the valuation of 124-128 Fitzgerald Street East, Northam, WA, 6401 (property only) for mortgage security purposes.

APPENDIX 2
CERTIFICATE OF TITLE

WESTERN



AUSTRALIA

REGISTER NUMBER 1/D7638	
DUPLICATE EDITION 2	DATE DUPLICATE ISSUED 18/8/2010

RECORD OF CERTIFICATE OF TITLE
UNDER THE TRANSFER OF LAND ACT 1893

VOLUME **1118** FOLIO **484**

The person described in the first schedule is the registered proprietor of an estate in fee simple in the land described below subject to the reservations, conditions and depth limit contained in the original grant (if a grant issued) and to the limitations, interests, encumbrances and notifications shown in the second schedule.



REGISTRAR OF TITLES

LAND DESCRIPTION:

LOT 1 ON DIAGRAM 7638

REGISTERED PROPRIETOR:
(FIRST SCHEDULE)

KIMRON PTY LTD OF 52 STONEHAM ROAD, ATTADALE

(T L634005) REGISTERED 23/5/2011

LIMITATIONS, INTERESTS, ENCUMBRANCES AND NOTIFICATIONS:
(SECOND SCHEDULE)

- 1. T778/1943 EASEMENT BENEFIT SEE SKETCH ON VOL 1118 FOL 484. REGISTERED 24/2/1943.
- 2. T778/1943 EASEMENT BURDEN SEE SKETCH ON VOL 1118 FOL 484. REGISTERED 24/2/1943.
- 3. L393080 LEASE TO SHANEIL HOLDINGS PTY LTD OF 52 STONEHAM ROAD, ATTADALE EXPIRES: SEE LEASE. AS TO PORTION ONLY REGISTERED 5/8/2010.
- 4. *L634006 MORTGAGE TO AUSTRALIA & NEW ZEALAND BANKING GROUP LTD REGISTERED 23/5/2011.

Warning: A current search of the sketch of the land should be obtained where detail of position, dimensions or area of the lot is required.
* Any entries preceded by an asterisk may not appear on the current edition of the duplicate certificate of title.
Lot as described in the land description may be a lot or location.

-----END OF CERTIFICATE OF TITLE-----

STATEMENTS:

The statements set out below are not intended to be nor should they be relied on as substitutes for inspection of the land and the relevant documents or for local government, legal, surveying or other professional advice.

SKETCH OF LAND: 1118-484 (1/D7638)
 PREVIOUS TITLE: 1082-457
 PROPERTY STREET ADDRESS: 124 FITZGERALD ST EAST, NORTHAM.
 LOCAL GOVERNMENT AUTHORITY: SHIRE OF NORTHAM

NOTE 1: DUPLICATE CERTIFICATE OF TITLE NOT ISSUED AS REQUESTED BY DEALING L634006.