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6 August 2021

Mark Muller  
GM & JJ Muller Properties Pty Ltd  
C/- 35 Southgate Avenue  
CANNON HILL QLD 4170

Via Email: [mark@activemedialsupplies.com.au](mailto:mark@activemedialsupplies.com.au)

Dear Mark,

**RE: APPRAISAL – 1&2/35 SOUTHGATE AVENUE, CANNON HILL QLD 4170**

We are pleased to provide the following market appraisal for your asset. This appraisal provides a brief opinion as to the likely lease/sale price if the property was offered to the open market. The estimated ranges are based on a combination of analysis including; comparable property transactions, size and quality of the property, and current activity in the commercial property market.

**Property Summary**

|                |   |
|----------------|---|
| Address:       | 35 Southgate Avenue, Cannon Hill  |
| Lot & RP       | Lots 1 & 2 on SP191431  |
| Land area      | 2,055sqm  |
| Building Area: | Unit 1: 989sqm<br>502sqm Office and amenities over two levels<br>487sqm Clear-span warehouse<br>Unit 2: 355sqm<br>355sqm Warehouse & office<br>Total = 1,344sqm   |
| Description:   | 35 Southgate Avenue, Cannon Hill was originally built in 2004 with 989sqm office/warehouse, then in 2008 an additional 355sqm office/warehouse was built at the rear. The total building area is 1,344sqm. The front of the building houses approx. 502sqm of office/showroom with the remainder of the building being utilised as warehouse with small office in the rear tenancy. The building is constructed of concrete tilt panel and has 14 onsite car parking spaces. The warehouse area is accessed via container height roller shutters. |

### Preliminary Appraisal

Considering the property is currently two strata tilted offerings they are currently being utilised by the one occupier and have therefore based our assessment on the building as a whole.

| Area             | Size     |
|------------------|----------|
| Office/Amenities | 502sqm   |
| Warehouse        | 842sqm   |
| Total            | 1,344sqm |

### Lease Appraisal

| Area     | Rate psqm | Annual Rental   |
|----------|-----------|-----------------|
| 1,344sqm | \$180/sqm | \$241,920pa Net |
|          | \$190/sqm | \$255,360pa Net |
|          | \$200/sqm | \$268,800pa Net |

**This provides a range between \$240,000pa - \$270,000pa + Outgoings + GST**

**Fair market rental = \$255,000pa + Outgoings + GST**

### Sale Appraisal – Yield

| Fair market rental | Yield | Price       |
|--------------------|-------|-------------|
| \$255,000pa        | 5.5%  | \$4,636,000 |
|                    | 5.75% | \$4,434,000 |
|                    | 6.0%  | \$4,250,000 |

**This provides a range between \$4,250,000 - \$4,650,000**

### Sale Appraisal –Vacant Possession

| Building area | Rate psqm   | Price       |
|---------------|-------------|-------------|
| 1,344sqm      | \$3,000/sqm | \$4,032,000 |
|               | \$3,100/sqm | \$4,166,000 |
|               | \$3,200/sqm | \$4,300,000 |

**This provides a range between \$4,000,000 - \$4,300,000**

Overall, the property should achieve a sale between \$4,000,000 to \$4,500,000 however given the current economic climate and high interest in purchasing commercial real estate these estimates may be exceeded with formal on market campaign.

**Recent Lease evidence**

| Address                         | Total area  | Annual Rental               | Rate psqm | Lease date |
|---------------------------------|---|-----------------------------|-----------|------------|
| 30 Miller Street, Murarrie      | 1,389sqm<br>(612sqm office +<br>777sqm warehouse) | \$190,000pa<br>+ Outs + GST | \$147/sqm | April 2021 |
| 1/62 Borthwick Avenue, Murarrie | 989sqm<br>(300sqm office +<br>689sqm warehouse)   | \$178,020pa<br>+ Outs + GST | \$180/sqm | Sept 2021  |
| 49 Canberra Street, Hemmant     | 736qm<br>(449sqm office +<br>287sqm warehouse)    | \$125,000pa<br>+ Outs + GST | \$170/sqm | June 2021  |

**Recent Sale Evidence**

| Address                          | Total area   | Sale Price                   | Rate psqm   | Sale date |
|----------------------------------|--|------------------------------|-------------|-----------|
| 69 Southgate Avenue, Cannon Hill | 1184sqm<br>(1,000sqm office +<br>184sqm warehouse) | \$3,720,000                  | \$3,142/sqm | June 2021 |
| 16 Cavendish Road, Coorparoo     | 623sqm<br>(273sqm office +<br>350sqm warehouse)    | \$1,870,000                  | \$3,001/sqm | July 2021 |
| 43 Dunhill Crescent, Morningside | 1560sqm  | \$4,450,000<br>6.29% - Yield | \$2,853/sqm | June 2021 |
| 23 Enterprise Place, Tingalpa    | 1,422sqm<br>(500sqm office +<br>922sqm warehouse)  | \$4,000,000                  | \$2,813/sqm | May 2021  |

## **Summary**

Cushman & Wakefield is pleased to offer our summary of the asset. Please note that this is NOT a formal valuation nor should it be considered as such; it represents our opinion of market worth if the property were to be offered to the open market for lease today. Furthermore, it relies on information obtained from you, we have not conducted formal due diligence and we reserve the right to update our forecasted range accounting for any changes to the property particulars.

We trust the above correspondence is of assistance to you. We welcome the opportunity to provide additional information at your request. We look forward to discussing these recommendations and would be excited at the opportunity to work with you on this matter.

Yours Faithfully,



**Cameron Heim**

**Manager - Industrial**

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