

John Watt & Associates

Valuers and Development Consultants
ABN: 22 392 166 278

B D R Stanaway, AAPI
A J Watt (Consultant)

PO Box 185, Clayfield
Brisbane, Q. 4011
Phone: 0411 809 391
(07) 3355 6008
Email: barrystanaway975@msn.com

Valuation Report



15 Ferrett Street, Eagle Farm



15A Ferrett Street, Eagle Farm

Property Address

15 & 15A Ferrett Street, Eagle Farm 4009

Date of Valuation

20 September 2018

CONTENTS

1. EXECUTIVE SUMMARY	4
2. INSTRUCTIONS	6
3. MARKET VALUE.....	6
4. REGISTERED OWNERS.....	6
5. REAL PROPERTY DESCRIPTION.....	7
6. AREA	7
7. EASEMENTS AND ENCUMBRANCES	7
8. TITLE REFERENCE.....	7
9. LOCAL AUTHORITY	8
10. SITUATION AND LOCALITY	8
10.1 LOCALITY MAP	9
11. SERVICES AND AMENITIES	9
12. ROADS AND ACCESS	10
12.1 STREET MAP.....	10
13. CITY PLAN 2014.....	11
14. LAND	11
14.1 CADASTRAL MAP	11
15. IMPROVEMENTS	12
16. LEASE DETAILS	13
17. ESTIMATED RENTAL	14
18. VALUATION RATIONALE	15
18.1 DIRECT COMPARISON METHOD	15
18.2 CAPITALISATION METHOD	16
18.3 VALUATION RECONCILIATION	17

C O N T E N T S...Continued

19.	SALES EVIDENCE	17
20.	SEARCHES AND REQUISITIONS	19
21.	TITLE BOUNDARIES	20
22.	STRUCTURAL SURVEY	20
23.	LIMITATION	20
24.	QUALIFICATIONS	21
24.1	ASSUMPTIONS	21
24.2	INFORMATION SUPPLIED BY OTHERS	21
24.3	MARKET MOVEMENT	21
25.	VALUATION	22

ANNEXURE 1 Additional Photographs

ANNEXURE 2 Copy of Title

1. EXECUTIVE SUMMARY

PROPERTY

Industrial Property
15 & 15A Ferrett Street
EAGLE FARM 4009

BRIEF DESCRIPTION

3415 square metre regular shaped inside site zoned “Industry Investigation” and within Precinct 7 – Business Enterprise Park of Northshore Hamilton Priority Development Area. Level filled site located just to the north and the west of the Royal Queensland Golf Club and in a well regarded industrial locality.

Improvements comprise two approximate ten year old buildings providing office and warehouse accommodation and being of the same general design and construction. Buildings are of concrete tilt panel construction to warehouse areas and having cantilevered office areas over ground level car parking at the front of each of the buildings.

Building ‘A’ has a ground floor area of 1096 square metres and an upper level office of 250 square metres.

Building ‘B’ has a ground floor area of 633 square metres and an upper level office of 67 square metres together with additional store/showroom area of 140 square metres.

Fully developed surrounds with concrete parking and turning areas and incorporating a total of 26 car parking areas either beneath the cantilevered office areas or between the buildings. Additional ground improvements include vehicular crossovers, landscaping and fencing incorporating automatic sliding gates to street alignment.

Valuation of

15 & 15A Ferrett Street

Eagle Farm 4009

Prepared for:

Stuart William JENSEN, Margaret JENSEN

Hilton Paul JENSEN and Scott Alan JENSEN

JOHN WATT & ASSOCIATES

Valuers and Development Consultants

PREPARED FOR

Stuart William JENSEN

Margaret JENSEN

Hilton Paul JENSEN

Scott Alan JENSEN

As Trustees under Instrument No.710373522

C/- Roof & Building Service (Qld) Pty Ltd

PO Box 426

HAMILTON QLD 4007

DATE OF VALUATION

20 September 2018

DATE OF INSPECTION

13 September 2018

2. INSTRUCTIONS

The report is prepared under verbal instructions from Nominated Trustees under Instrument No. 710373522 to assess Market Value of an Industrial Property at 15 & 15A Ferrett Street, Eagle Farm, on an unencumbered fee simple basis.

All assessments and calculations within this report are exclusive of GST.

3. MARKET VALUE

The International Assets Valuation Standards Committee defines Market Value as:

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

4. REGISTERED OWNERS

Stuart William Jensen
Margaret Jensen
Hilton Paul Jensen
Scott Alan Jensen
as Trustee under Instrument No. 710373522

5. REAL PROPERTY DESCRIPTION

Freehold land being Lot 706 on Plan SL 1883.

6. AREA

3415 square metres.

7. EASEMENTS AND ENCUMBRANCES

Subject to Easement No. 704570893 benefiting the land over Easement B on Survey Plan 127410.

8. TITLE REFERENCE

16044100

9. LOCAL AUTHORITY

Brisbane City Council

10. SITUATION AND LOCALITY

The property is situated on the northern side of Ferrett Street, at its western end at Eagle Farm, approximately eight kilometres by road east north-east of the Brisbane GPO.

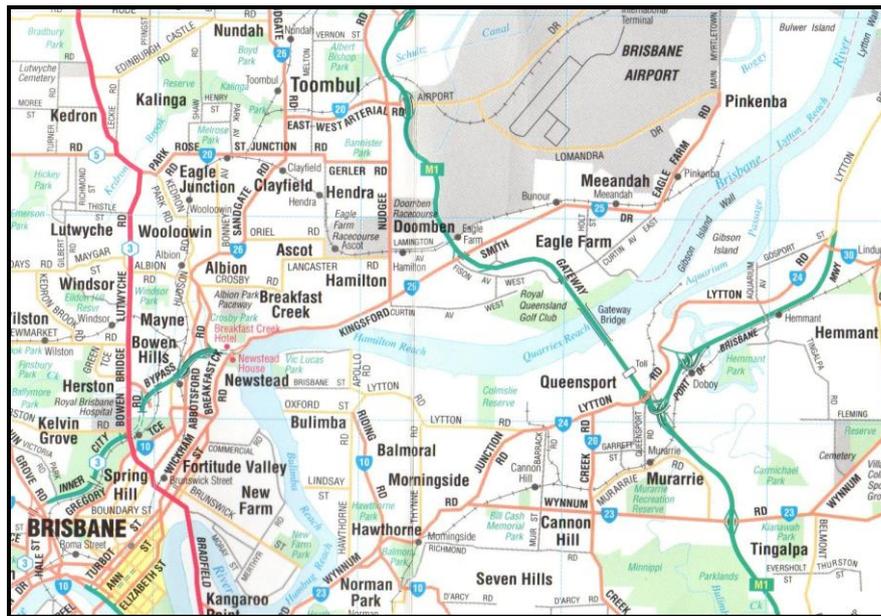
The property is contained within the original Hamilton Lands Industrial Area, being a large area of industrial development located between Kingsford Smith Drive and the Brisbane River and incorporating wharfage facilities to the Brisbane River. Area of land now cut by the Gateway Motorway and having the southern and western parts of the estate accessed via Curtin Avenue and Fison Avenue off Kingsford Smith Drive and with the northern and eastern sections accessed via Holt and Harvey Streets. Royal Queensland Golf Club occupying a large site adjoining the Brisbane River and with part of the Golf Course developed beneath the approaches to the Gateway Bridge.

The Hamilton Lands Industrial Area was originally developed under the auspices of the Department of Lands with Leases granted to applicants for development of the sites after the land had been filled to development levels. Improvements range from basic warehouse type buildings constructed in the late 1950's through to modern high clearance warehouse and storage facilities developed on large sites in the last few years. Sections of the original industrial estate now set aside for redevelopment as part of the Northshore Development area with the residential component extending from the existing Portside Wharf area to the Royal Queensland Golf Club between the Brisbane River and Curtin Avenue. Redevelopment of this area will provide low, medium and high rise apartment and townhouse buildings. Existing development within Northshore comprises areas to the eastern and western ends of the dedicated Northshore site with these areas generally having low and medium rise apartment buildings.

Overall Northshore Priority Development Area comprises 304 hectares of land with a two kilometre river frontage and includes land between Kingsford Smith Drive and the Brisbane River extending from former Bretts Wharf to the Gateway Motorway.

10. SITUATION AND LOCALITY....Continued

10.1 Locality Map



11. SERVICES AND AMENITIES

Water, sewerage, electricity, telephone and cleansing services are available to the subject property.

Retail facilities available within Racecourse Road, Ascot, approximately 2.5 kilometres west. Bus services operate along Kingsford Smith Drive with limited services extending into Holt Street and Fison Avenue.

12. ROADS AND ACCESS

Ferrett Street, along the alignment of the subject land, is a wide bitumen sealed carriageway developed to full industrial standards with concrete kerbing and channelling.

Ferrett Street runs in a westerly direction from Links Avenue and services a limited number of properties.

Access onto the land, for pedestrian and vehicular traffic, is good.

12.1 Street Map



13. CITY PLAN 2014

Zoned “Industry Investigation”.

The property is contained within the Australia Trade Coast Neighbourhood Plan Area and is also within the Northshore-Hamilton Priority Development Area, being in Precinct 7 – Business Enterprise Park.

14. LAND

The site comprises a regular shaped inside allotment with a frontage of approximately 55 metres and a depth of approximately 63 metres. Low to fair elevation, level with the street on the frontage and comprising practically level land. The site was filled as part of the development of the Hamilton Lands Industrial Area.

14.1 Cadastral Map



15. IMPROVEMENTS

Erected on the land are two buildings each approximately ten years old providing warehouse and office components and of the same general design and construction. Building 'A' erected to the western side of the site has a ground floor area of 1096 square metres with upper level offices of 250 square metres whilst Building 'B' has ground floor area of 633 square metres and upper level office, store and showroom of 207 square metres.

Construction:

- Timber piers with concrete perimeter beams
- Concrete ground and upper floor apart from showroom area to Building 'B' with particleboard floor supported off steel frame
- Painted concrete tilt panel walls to warehouse area
- High clearance roller doors facing on to central driveway
- Office areas have concrete columns with compressed fibro cement and corrugated colorbond external walls incorporating aluminum framed windows and fixed glass panels
- High clearance steel skillion roof frame with metal purlins and girts and with metal deck roof
- Office areas plasterboard lined with a mixture of plasterboard and suspended ceiling in a metal grid frame.

Accommodation:

Building 'A' provides warehouse area with a section of office component at the front of the ground level and originally providing entry with internal stairs to the upper level as well as male and female toilet facilities and disabled toilet. Area now extended to provide additional office areas and storage. Upper level offices providing various specialist offices, general office area, kitchen, Boardroom and store area.

Building 'B' has warehouse areas to the major part of the ground level with entry, a number of offices and male and female toilet facilities at the front of the warehouse. Internal stairs from the entry to the upper level which provides two specialists offices, open office area and Boardroom whilst having storeroom and showroom area to the rear. This rear area is further partitioned to provide a number of offices with wide door access from the rear and having stairs leading down to the warehouse floor.

15. IMPROVEMENTS....Continued

All necessary fixtures and fittings to kitchens and toilet areas with split system or ducted air conditioning where necessary. Floor coverings a mixture of carpet, vinyl and ceramic tiles.

Ground improvements include extensive concreted areas incorporating car parking and turning areas with concrete edge kerbing and having concrete crossovers from the street. Landscaped areas adjoining the front alignment which has chain wire security fencing rendered concrete block panels associated with automatic sliding metal gates. Side and rear boundaries, where not adjoined by buildings, having chain wire security fencing.

16. LEASE DETAILS

The property was the subject of a Lease Agreement to Roof and Building Service (Qld) Pty Ltd for a three year period with a three year option from 1 February 2011. As at the date of valuation there is no Lease in place and the operating company is continuing to occupy the premises on a month-to-month basis.

17. ESTIMATED RENTAL

For owner occupied properties, a notional lease arrangement assuming a medium term lease (five years with five year option) at fair market rental (with periodic reviews comparable to the market place) is adopted. In this instance, a notional five year lease term, a net rental structure with the lessees responsible for 100% of outgoings, annual 3% rental reviews and standard commercial terms and conditions.

The following terms are utilised in the calculation of the rent.

Face Rent

The rent shown on a lease document which may or may not include incentives and may or may not include outgoings.

Effective Rent

The actual liability for rent and outgoings after adjustments for any incentives to the face rent are taken into account. Effective Rent and Market Rental Value are synonymous.

For the purposes of this report, the following effective rent is adopted.

Building 'A'

1096 square metres ground level area @ \$115 per square metre = \$126,040

Office

250 square metres upper level @ \$200 per square metre = \$ 50,000

Building 'B'

633 square metres ground level @ \$115 per square metre = \$ 72,795

Office

207 square metres upper level @ \$200 per square metre = \$ 41,400

Total = **\$290,235**

Say \$290,000 for practical real estate purposes on a net basis and exclusive of GST.

Note: Should the property be offered to the market for lease purposes, it would be expected that the property would have a Face Rent equivalent to \$155.00 per square metre overall with it likely that an incentive of up to 15% from this Face Rent would be applicable. For the purposes of this report, Face Rent is adopted at \$155 per square metre with an incentive allowance of 15% of the Face Rent in each year applicable.

18. VALUATION RATIONALE

Highest and best use is considered to be existing use and on the basis of the property being owner occupied (operating business of Roof and Building Supplies associated with the Trustees). For the purposes of this report, the main basis of valuation has been the direct comparison method being an analysis of the sales evidence on a rate per square metre of building area with the rate adopted for the subject property considered to reflect the overall differences in age, style of construction and standard between the subject property and the analysed sales evidence.

Secondary method has been the capitalisation approach being a capitalisation of the expected net return from the premises with allowances for assessment on a vacant possession.

18.1 Direct Comparison Method

An assessment on this basis is made on a rate per square metre of building area in comparison to the sales evidence within the report. Adjustments are made within the calculation for the size of buildings, age and type of construction as well as site differentials and location. Evidence of buildings of a similar usage within the general locality as well as other areas of Brisbane and surrounds indicates rates of between \$1,332 per square metre and \$2,256 per square metre of building.

The majority of the sales are in the range of \$1,420 per square metre to \$1,973 per square metre.

Reflecting the good standard of the building, the location of the property and the size of the land, a rate of \$1,920 per square metre of building is adopted resulting in an assessment of \$4,197,120

ADOPT \$4,200,000 for practical real estate purposes.

18. VALUATION RATIONALE....Continued

18.2 Capitalisation Method

Under this approach the net income from the property is capitalised at an appropriate yield to establish the property's value with vacant possession. For valuation purposes I have adopted an effective rental on a net basis of \$290,000 per annum.

Description			
Assessed Net Annual Rental		\$290,000	
Capitalisation Rate	6.5%	To	7%
Investment Value as Calculated	\$4,461,538		\$4,142,057
Less Adjustments:			
<i>Letting up allowance^(a)</i>		\$145,000	
<i>Rental incentive^(b)</i>		-	
<i>Leasing charges^(c)</i>		\$43,500	
Total Adjustments		\$188,500	
Value range as calculated	\$4,273,038	To	\$3,935,537
Adopt		\$4,100,000	

- (a) Equivalent of six month's rent
- (b) Incentive allowance calculated within the effective rent
- (c) Equivalent of 15% of 1st year's rent

Note: This assessment is on a vacant possession basis.

18. VALUATION RATIONALE....Continued

18.3 Valuation Reconciliation

The assessments of value show figures of between \$4,100,000 and \$4,200,000 on a direct comparison basis as well as on a capitalisation basis. The majority of the sales included within the report are to owner occupiers or have sold on vacant possession with only limited evidence of sales to investors. As the subject property is effectively owner occupied, the assessment on a direct comparison basis is adopted as Market Value.

19. SALES EVIDENCE

The following sales have been used as a guide in making this assessment. It is noted that some of the sales indicated may have GST component in the sale price recorded. In compiling the sales evidence we have relied on a range of external sources including, but not limited to, publicly available information, information databases and information provided by parties such as real estate agents and consultants, property managers and property valuers. We have no reason to doubt the accuracy of the information provided to us and we have relied on this information in good faith. We are unable to state with certainty that the information upon which we have relied is consistent with the contractual arrangements between the relevant parties as we have not sighted such contracts.

Detailed analysis of sales evidence is held on file.

Address	Date of Sale	Sale Price
Unit 4 160 Fison Avenue Eagle Farm 4009	14 September 201	\$1,100,000

19. SALES EVIDENCE....Continued

Address	Date of Sale	Sale Price
189 Fison Avenue Eagle Farm 4009	31 August 2017	\$4,700,000
237 Fison Avenue Eagle Farm 4009	6 July 2018	\$6,500,000
310 Fison Avenue Eagle Farm 4009	16 November 2017	\$4,720,000
325 Fison Avenue Eagle Farm 4009	2 May 2018	\$2,800,000
352 Fison Avenue Eagle Farm 4009	4 June 2018	\$2,400,000
52 Yarraman Place Virginia 4015	30 November 2017	\$3,665,000
17 Armada Place Banyo 4014	21 June 2017	\$2,550,000
17 Huntington Place Banyo 4014	Reported as sold September 2018	\$1,974,000
36 Whitelaw Place Richlands 4077	22 December 2017	\$3,300,000
55 Westgate Street Wacol 4076	16 May 2018	\$2,400,000

20. SEARCHES AND REQUISITIONS

Whilst we have taken every reasonable care both during our inspection of the property and in making relevant inquiries, we have not undertaken or requested a written flood search, written Town Planning Certificate, inspection of the property by the Local Authority, identification survey by a licensed Surveyor, Main Roads search and soil survey.

In the absence of the benefit of these formal searches or inquiries we have assumed that the results of any of same would not disclose any matters which would significantly affect the value of the property.

Specifically the client acknowledges and recognises that the Valuer is not an expert in identifying environmental hazards and compliance requirements affecting properties. The Valuer has endeavoured to identify all matters of environmental concern and is not aware of any significant environmental problems which may affect the subject or surrounding properties.

The Valuer will not be liable nor responsible for his failure to identify all such matters of environmental concern and the impact which any environmental related issue has on the property and its value, including loss arising from site contamination; the non compliance with any environment laws; or costs associated with the clean up of a property in which an environmental hazard has been recognised including action by the Environmental Protection Authority to recover clean up costs pursuant to the Environmental Protection Act.

Buildings, including houses, built prior to 1983 may contain asbestos related products. John Watt & Associates are not experts in detection, remediation or disposal of asbestos or contamination of any kind. It is recommended that advice be sought from experts in that field should that issue affect your reliance on this valuation.

21. TITLE BOUNDARIES

We advise that we have not carried out a detailed site survey and we have of necessity assumed for the purposes of this valuation that all structural improvements have been erected within the Title boundaries.

22. STRUCTURAL SURVEY

Whilst we have carried out a careful building inspection, we advise that we have not completed a detailed structural survey, tested any of the services, or inspected unexposed or inaccessible portions of the building, and are therefore unable to state that these are free of defect, rot or infestation. We have viewed the general state of repair of the building and have assumed that the improvements are reasonably structurally sound considering their age.

23. LIMITATION

We state that this report is for the use only of the party to whom it is addressed and for no other purpose, and no responsibility is accepted to any third party for the whole or part of its contents.

Neither the whole nor any part of this valuation or any reference thereto may be included in any published documents, circular or statement, nor published in part or full in any way, without written approval of the form and context in which it may appear.

24. QUALIFICATIONS

24.1 Assumptions

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

24.2 Information Supplied By Others

This document contains a significant volume of information that 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 that information. Further, the information is not adopted by John Watt & Associates as our own, even when it is used in our calculations. Where the content of this document has been derived, in whole or in part, from other sources, John Watt & Associates does not warrant or represent that such information is accurate or correct.

24.3 Market Movement

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, we do not assume any responsibility or accept any liability where this valuation is relied upon after the expiration of 3 months from the date of valuation, or such earlier date if you become aware of any factors that have any effect on the valuation.

25. VALUATION

The subject property has been inspected and all known facts and relevant features have been carefully taken into account.

MARKET VALUE IS ASSESSED AT

FOUR MILLION TWO HUNDRED THOUSAND DOLLARS

... \$4,200,000 ...



B D R STANAWAY, AAPI

Certified Practising Valuer

API Member: 66004, QVRB: 633

25 September 2018

ANNEXURE 1 – ADDITIONAL PHOTOGRAPHS





Valuation of
15 & 15A Ferrett Street
Eagle Farm 4009
Prepared for:
Stuart William JENSEN, Margaret JENSEN
Hilton Paul JENSEN and Scott Alan JENSEN

JOHN WATT & ASSOCIATES
Valuers and Development Consultants



ANNEXURE 2 – COPY OF TITLE

CURRENT TITLE SEARCH
NATURAL RESOURCES, MINES AND ENERGY, QUEENSLAND
Request No: 29614145
Search Date: 24/09/2018 11:00
Title Reference: 16044100
Date Created: 23/10/1980

REGISTERED OWNER

Dealing No: 710373522 27/02/2007

STUART WILLIAM JENSEN
MARGARET JENSEN
HILTON PAUL JENSEN
SCOTT ALAN JENSEN TRUSTEE
UNDER INSTRUMENT 710373522

ESTATE AND LAND

Estate in Fee Simple

LOT 706 CROWN PLAN SL1883
Local Government: BRISBANE CITY

EASEMENTS, ENCUMBRANCES AND INTERESTS

1. Rights and interests reserved to the Crown by
Deed of Grant No. 16044100 (POR 706)
2. EASEMENT No 704570893 05/02/2001 at 15:39
benefiting the land over
EASEMENT B ON SP127410

ADMINISTRATIVE ADVICES - NIL
UNREGISTERED DEALINGS - NIL

CERTIFICATE OF TITLE ISSUED - No

Caution - Charges do not necessarily appear in order of priority

** End of Current Title Search **

COPYRIGHT THE STATE OF QUEENSLAND (NATURAL RESOURCES, MINES AND ENERGY) [2018]
Requested By: D-ENQ EQUIFAX

Page 1/1