

<b>P &amp; G McPhee Super Fund</b>			<b>01-Oct-20</b>	<b>Confirmation from client that rent is at market rates &amp; arms length.</b>
<b>Shed Rent calculation - Sheds 1, 2 &amp; 3</b>				
Sheds acquired 13/10/15				
Shed valuations			315000	
Return @ 8%			25200	
Including GST			27720	
Per month			2310	
Rent charged by Brisbane Markets Limited (Includes car parking)			4481.83	
<b>Gross rent (Inc GST)</b>			<b>6791.83</b>	

<b>P &amp; G McPhee Super Fund</b>			<b>01-Sep-17</b>
<b>Shed Rent calculation - Sheds 1, 2 &amp; 3</b>			
Sheds acquired 13/10/15			
Shed valuations			315000
Return @ 8%			25200
Including GST			27720
Per month			2310
Rent charged by Brisbane Markets Limited (Includes car parking)			4134.12
Gross rent (Inc GST)			6444.12

<b>P &amp; G McPhee Super Fund</b>			<b>2015/2016</b>
<b>Shed Rent calculation - Sheds 1, 2 &amp; 3</b>			
Sheds acquired 13/10/15			
Shed valuations			315000
Return @ 9%			28350
Including GST			31185
Per month			2598.75
Rent charged by Brisbane Markets Limited (Includes car parking)			3965.61
Gross rent (Inc GST)			6564.36

<b>P &amp; G McPhee Super Fund</b>			<b>2014/2015</b>
<b>Shed Rent calculation - Sheds 1, 2 &amp; 3</b>			
Sheds acquired 13/10/15			
Shed valuations			315000
Return @ 9%			28350
Including GST			31185
Per month			2598.75
Rent charged by Brisbane Markets Limited (Includes car parking)			3817.44
Gross rent (Inc GST)			6416.19

<u>October 2015 rent - 1/10/15 - 12/10/15 Sheds 7,8,9 &amp; 10</u>			
1/10/15 - 12/10/15 Sheds 7,8,9 & 10			
12 days at old rate = (\$9095.90/31*12)			3521
13/10/15 - 31/10/15 Sheds 1,2 & 3			
19 days at new rate = (\$6416.19/31*19)			3933
			7453

**Brisbane Market Sheds 7,8,9,10  
1/7/13 to 30/6/13**

Actual Rent Paid to Brismark		4432.95 + GST	53195.4 + GST
Net return required by Super Fund			
Purchase Price - Shed 7 & 8	412475		
Shed 9 & 10	Purchase	93000	
	S/Duty	2005.5	
	Legals	3324.2	
Dividing fence removal		670	
		98999.7	511474.7
Return @ 9%		46032.723	46032.72
			99228.12
Per month rent			8269.01 + GST

## Rachel Green-Luther

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**From:** Rachel Green-Luther  
**Sent:** Friday, October 9, 2020 4:49 PM  
**To:** Glenis McPhee  
**Subject:** RE: P & G McPhee Super Fund - Lease

Hi Glenis,

Hope you are well.

Happy with your calculation of rent.

For the rental reviews – which ever one you are happy to do would be fine, as both are at market rates.  
If Fixed – I assume it would follow the 3% of the head lease.  
If Indexed – we will follow the Brisbane capital city CPI rate.

If you have any questions, please feel free to contact me.

Have a wonderful weekend.

Kind regards,  
Rach

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**From:** Glenis McPhee <glenismcphee@bigpond.com>  
**Sent:** Tuesday, October 6, 2020 5:08 PM  
**To:** Rachel Green-Luther <RachelG@virtusuper.com.au>  
**Subject:** RE: P & G McPhee Super Fund - Lease

Hi Rachel,

The lease between the super fund and Brisbane Markets Limited has a 10 year term with a further 5 year option. The maximum term for this lease (Super fund to McPhee Family Trust) in this form is 3 years. I will change the option of renewal to a further 3 year term. I will make the final date for the exercise of the option 31/8/23.

We have never paid for a formal valuation of the sheds. The price for the sheds in 2015 was \$315000. We believe that is still a good approximation of their current value.

**We normally put the lease amount up in line with the lease from BML.**

I have in the past calculated the rent between The Super Fund and McPhee Family Trust based on an 8% return. I have attached my simple calculation in the excel spreadsheet attached. Is this still okay? If so, I will put the rent up from 1<sup>st</sup> October in line with the increase from BML. I checked the head lease and all I can find is a fixed 3% annual increase. The latest rent increase was from \$4408.57 to \$4481.83 including outgoing. This equates to 1.66%.

Should I tick the box 'indexed review'? I checked the last lease I prepared and I didn't have to provide that information.

Regards  
Glenis