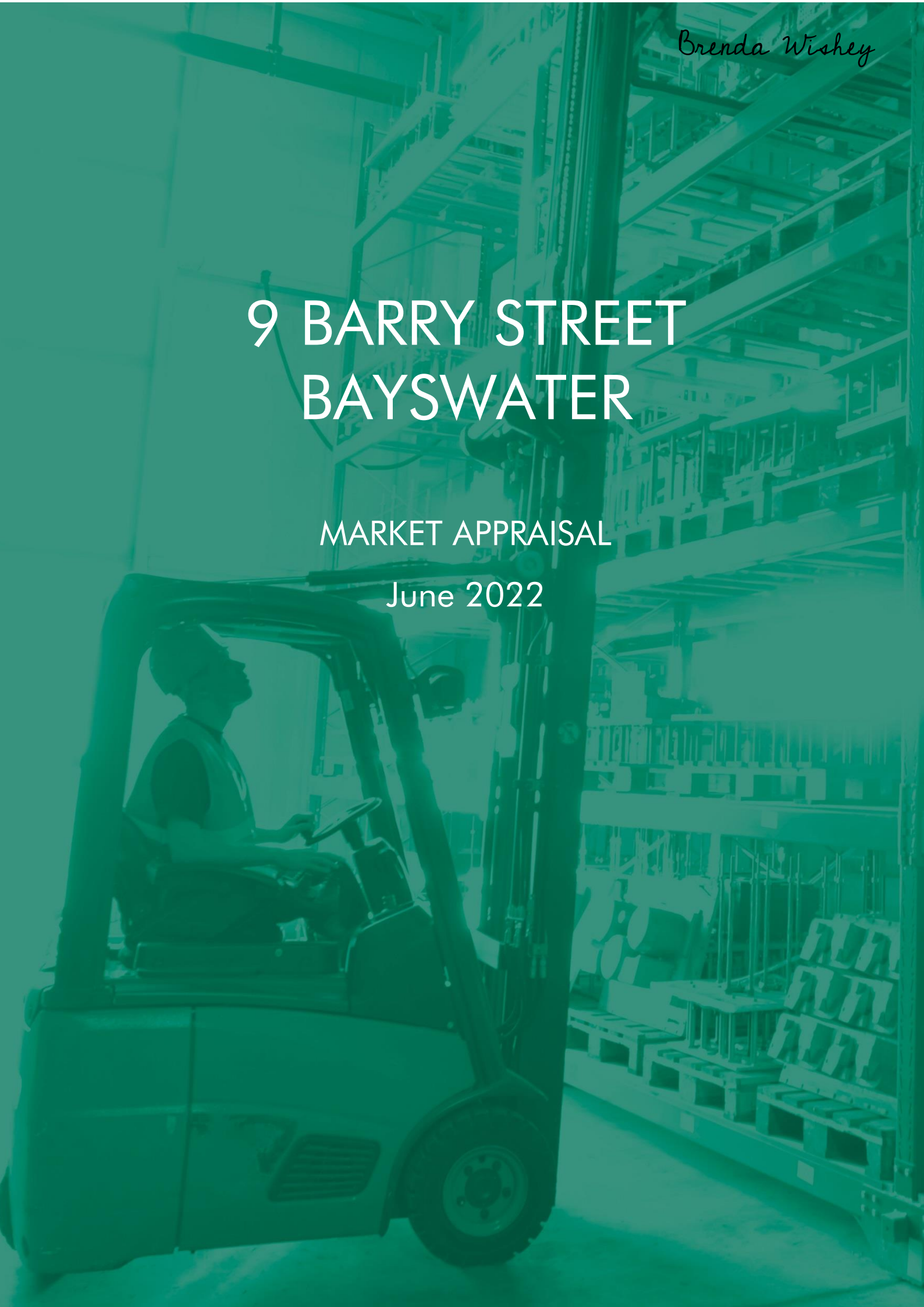


Brenda Wishey

9 BARRY STREET BAYSWATER

MARKET APPRAISAL

June 2022



17 June 2022

17th June 2022

Stan Thursh
9 Barry Street,
BAYSWATER, VIC

Dear Stan,

Re: 9 Barry Street, BAYSWATER, VIC

Further to our recent dialogue, we now write to confirm our market appraisal of the subject property. We have also provided an overview of the key characteristics of this particular market, one which has shifted recently and resulted in significant appreciation of the underlying land value of the site.

MARKET COMMENTARY

Over the last 12 months we have seen significant capital growth throughout the Eastern industrial market. This growth is a direct result of the following factors:

- Occupiers choosing to buy over lease in this low interest rate environment.
- Investors are now prepared to take on vacancy risk given the lack of quality tenanted options, the low returns in the residential market and the volatile share market.
- The shortage of industrial land, including the historically over supplied Dandenong market, has led to a shortage of development supply which has put upward pressure on the existing/secondary market throughout the east.

PROPERTY DESCRIPTION

Given the property is very well known to you – we have provided the following high-level summary of its pertinent details only:

- The property is located within the very tightly held industrial precinct of Bayswater, between Dorset and Scoresby Road.
- Net lettable area of 338.5sqm*
- Office/Showroom area of 91sqm*
- Total site area of 749sqm*
- 21.6 metres of frontage to Barry Street and 35 metres of frontage to Edelmaier Street

17 June 2022

ESTIMATED REALISATION

Taking into account location, size, recent transactions and competition within this category – we estimate the achievable sale on a vacant possession basis "AS IS", to be circa **\$932,000 - \$1,000,000** which equates to **\$2,750 - \$2,950psm**, (excluding GST).

Use \$760,000

We believe market rent for this site to be **\$38,000 (\$112psm)** per annum, with rent at this level, we estimate the achievable sale price on a tenanted invested basis to be circa **\$690,000- \$760,000** which equates to a **5.5% - 5%** yield.

Description	m2	Sale /m2	Total	m2	p.a.
Office	91	\$ 500.00	\$ 45,500.00	\$ 145.00	\$ 13,195.00
Factory/ Warehouse	248	\$ 350.00	\$ 86,800.00	\$ 100.00	\$ 24,800.00
Total Building Area	339		\$132,300	\$112.08	\$37,995

LAND AREA:		CAPITALISATION (Low End):
749 m2 @		RENTAL: \$37,995
\$1,100.00 \$ per m2		YIELD: 5.50%
Site Coverage 45%		SALE PRICE: \$690,818
LAND VALUE:	\$823,900	TOTAL: \$690,818
		ADOPT: \$691,000

SUMMATION METHOD		CAPITALISATION (High End):
LAND: \$823,900		RENTAL: \$37,995
IMPROVMENT PRICE: \$132,300		YIELD: 5.00%
SALE PRICE: \$956,200		SALE PRICE: \$759,900
\$ P/SQM \$2,820.06		TOTAL: \$759,900
ADOPT: \$956,000		ADOPT: \$760,000

CONCLUSION

CBRE would like to thank you for the opportunity to provide our advice on 9 Barry Street, Bayswater

We are experiencing strong market conditions. Both owner occupiers and investors are being very aggressive due to the shortage of sale opportunities in the eastern industrial market. This has led to record land and capital values.



17 June 2022

Should you have any questions regarding this appraisal please do not hesitate to contact me at anytime

Yours sincerely
CBRE (V) Pty Ltd

A handwritten signature in black ink, appearing to read 'Alex Grima'.

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