

2 August 2011

Mr Nicholas De Marco

69 Bristol Street,
KEDRON, QLD 4031

Dear Nick

Raine & Horne 
Commercial

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RE: APPRAISAL – 69 BRISTOL RD, KEDRON

In accordance with your instructions we are pleased to outline our opinion on a potential sale range for 69 Bristol Road Kedron. We have reviewed the property in order to estimate the potential sale price it would attract if offered for sale in the current market.

The subject property provides a freestanding office warehouse facility of concrete block and steel construction. The property comprises a total NLA of 741m² (approx.) with 174m² being quality first floor office space. The property is situated in an established residential precinct with easy access to both Rode Road and Gympie Road. The property is situated on a 810 sqm block of land in the Chermside precinct.

Yield Calculations

In the current market we would apply the following yields between 8.5% - 9%. The yield expectations have definitely softened in recent times largely due to an increase in interest rates and the volatility surrounding the economy. Due to current conditions we would expect this type of property to be approximately being between 90 – 100 pm². The existing tenants we are led to be live are currently paying \$70,000 + GST. We make the assumption that this is a net lease

AS IS

8.5% Return = \$823,530 approx.

9.0% Return = \$777,778 approx.

Sale – Vacant Possession basis

In order to provide an accurate estimate of sale on a vacant possession basis we have based our market rates on our extensive experience and knowledge within the immediate area. We believe an achievable sale range for the building would range between \$1,100/sqm - \$1,300/sqm. This would equate to a sale range between \$ 815,000 - \$1M.

Therefore, based on our calculations above, we estimate an average sale range between 830,000 - \$1 m. We must also mention that this particular building is definitely a unique facility with its stand alone nature and though in a residential area is centrally located close to neighbouring amenities.

The above estimates are merely an indication of market price whereas real market can only be determined by the amount a willing purchaser is actually prepared to pay for the property. The accuracy of any information obtained and used in the preparation of this report cannot be guaranteed. Therefore, no warranty is given or implied.

We must also point out that this letter is not to be construed as a valuation but rather, an opinion on the marketability of the property. Should you require a certified valuation we would be pleased to introduce you to a qualified valuer.

Kind Regards

Raine & Horne Commercial

A handwritten signature in black ink, appearing to read "H. Dale". The signature is written in a cursive style with a large, looped initial "H" and a long, sweeping tail.

Hudson Dale

Senior Sales & Leasing Executive