


1 Farm Street Merewether NSW 2291

Client	John Smith	Purpose	Mortgage
Instructing Party	Bank Name	Scope	Full Inspection
Assessment Purpose	First Mortgage Security	Special Instructions	None Given
Date of Instruction	Thursday, 12th July 2018		
Your Reference	1234567		
Our Reference	99999999		

Executive Summary

Assessment Details

Market Value		GST	Exclusive
	Market Value	Date of Issued	19 February 2018
	\$1,000,000	Contract (Sale) Price	\$1,000,000
		Interest Valued	Fee simple with vacant possession
Date of Inspection	19 February 2018	Date of Valuation	20 February 2018
Currency of Valuation	90 days from the date of valuation, or such earlier date if you become aware of any factors that have any effect on the valuation.		
Signatories			









Dan Hill AAPI CPV
Regional Director
API No: 65214 WA Lic No: 44361
Inspecting Valuer

Claire Robinson AAPI CPV
Associate Director
API No: 79161 WA Lic No: 44630
Counter Signatory

Key Metrics

Overall	\$1,000/ha	Ex Buildings	\$950/ha
Grazing	\$850/ha	Irrigation	\$1,200/ha

Market Risk Overview

Security Certainty	Buyer Profile	Saleability	Market Volatility
Are there any significant concerns to be investigated prior to the subject property being taken as security?	What is the likely buyer profile of the subject property?	Are there any attributes of the property which would significantly impact on its ability to be saleable at the assessed value level within a six month marketing period?	Is the market for this asset likely to have an abnormally high degree of volatility?
No	No	No	No
 HIGH Location	 LOW Asset	 STEADY Cashflow	 LOW Asset Management
 HIGH Environment	 STEADY Climate	 STEADY Market	 LOW Supply

Mortgage Considerations

Conditions Precedent to Issue of Mortgage Funds:

- Nil

Suitability as Security: Whilst the suitability of the property as security is the commercial prerogative of the lender, the subject property is considered to be suitable security for first mortgage security purposes, subject to the comments within this report.

Property Details

Title Reference	Lot 9 Strata Plan 34659 Volume 2139 Folio 846	Tenure Type	Freehold
Registered Proprietor	Trenclemente Nominees Pty Ltd	Encumbrances	Refer to Title attached
Unit Entitlement	The property has a unit entitlement of 12 out of 100 in the Strata Plan, which is a 12 % share in the common property.	Current Planning	General Industrial- City of Swan
Planning Scheme	Town Planning Scheme No.3	Regional Planning	Industrial- Metropolitan Region Scheme
Existing Use	Office Warehouse	Zoning Effect	Existing use conforms
Services	Electricity, town water, sewerage, gas, and telephone services are connected.		

Improvements



Main Building Type	Strata warehouse unit occupying an internal position within a ten (10) unit development		
Style	Single Storey, conventional		
Accommodation	Clear span warehouse, kitchenette and two (2) unisex ablutions. Two (2) manual roller doors (being 3.7 metres wide x 4.4 metres high to the front and 3.7 metres wide x 3 metres to the rear). Truss Height: 5.3 metres minimum- 5.8 metres maximum.		
Other Improvements	The property provides a secured concrete open yard to the rear (60sqm). Common property in the development includes: bituminised access areas and standard landscaping.		
Construction Year	Circa 1998		

Building Services		Construction		Condition/Repairs	
Lighting	Suspended metal halide high bay lamps	Walls	Concrete Tilt Panel	Internal Condition:	Good
Air Conditioning	Standard Air Conditioning	Floor	Concrete	External Condition	Good
Electrical	Three Phase Power	Windows	Aluminum	Repairs & Maintenance	Nil
Fire Services	Standard Fire Services	Roof	Metal Deck	Pest Infestation	Nil
Security Systems	Nil Noted	Ceilings	Plaster Board	Gross Floor Area (sqm)	268 sqm

Property Profile & Risk

Market



Marketability	Reasonable- given non-specific improvements however somewhat offset by the lack of office component.
Market Activity	Experiencing low sales volumes and limited activity.
Recent Market Direction	Softening
Highest & Best Use	The quick brown fox jumped over the lazy dogs. The quick brown fox jumped over the lazy dogs. The quick brown fox jumped over the lazy dogs.
Market Volatility	The market for similar properties in this location in the past has generally demonstrated moderate market volatility.
Selling Period	Estimated 3-6 months, assuming proper marketing and a realistic asking price. The estimated selling period is typical for this type of property in this location
Likely Buyer Profile	Owner occupier.
Last Known Sale	\$253,000 (\$230,000 on an assumed GST exclusive basis) on 14 June 2005
Prior Sale Comment	The GST status of this sale is unknown.
Current Contract Price	\$400,000 (GST Status yet to be confirmed by vendor) on 29 January 2018. In assessing the Market Value, we are aware that the property is currently under contract for \$400,000 dated 29 January 2018. Having sighted a copy of the contract we advise no detrimental conditions or restrictions are contained within the contract which would adversely impact on the assessed Market Value. Based on the most recent comparable sales evidence, the current contract price of \$400,000 is considered to be in line with market.

Asset



Highest & Best Use	The highest and best use for the property is considered to be
Functionality	The property is functional for the existing use.
Specialisation	Non-specialised asset.
Capital Expenditure	During our inspection we did not note any items requiring immediate capital expenditure, other than items which would normally be undertaken as part of an ongoing regular maintenance program.
Acquisition/Resumption	Nil noted.
Encumbrance Comment	Comment if any encumbrances are detrimental to marketability or saleability

Occupancy/Cashflow



Occupancy Status	The property is currently owner occupied, and in accordance with Valuation Standards our valuation for mortgage security purposes has been assessed on a vacant possession basis.
Leasing Demand	Leasing demand for properties similar to the subject is currently softening.
Letting Period	4-6 months (with incentives typically required)
Foreseeable Factors Likely to Impact on Value 3-5 yrs	Currently foreseeable factors which may impact specifically on the future value of the subject property include; Foreseeable increased supply of similar style property; Possible upward pressure on yields which (all other factors held constant) would have an adverse impact on value; Expected improvement in local economic conditions

Asset Management



Asset Complexity	The property is a standard asset class.
------------------	---

SWOT Analysis



Strengths

- Proximity to major arterial roads including Reid Highway and Alexander Drive
- Provision of on-site car parking
- Located within an established industrial locality
- Subject development has good exposure to vehicular passing traffic
- Non-specific improvements well suited to a variety of industrial uses



Weakness

- Internal unit within the development and
- Current soft economic conditions and property market.



Opportunities

- Rental income derivable through leasing the premises
- Provision of office accommodation
- Improvement in current economic conditions and/or property market.



Threats

- Development of competing premises leading to potentially extended clearance rates and competitive pricing conditions
- Downturn in the property market and/or economic climate
- Economic factors including interest rates
- Inherent property risks (including insurable and un-insurable risks)

Environmental Issues

Environmental Hazards	Online database searches with the Department of Fire & Emergency Service Bushfire Prone database do not suggest that the subject property is within a Bushfire Prone area.
Site Contamination	Based on our site observations, current and past uses along with surrounding uses, contamination of the site is considered unlikely.
Contaminated Sites	A search of this database revealed the subject property is currently not listed a contaminated site.
Environmental Audit	We have not been provided with an environmental audit, nor are we aware of the property being affected by soil contamination. We have not investigated the site beneath the surface or undertaken vegetation or soil sampling.

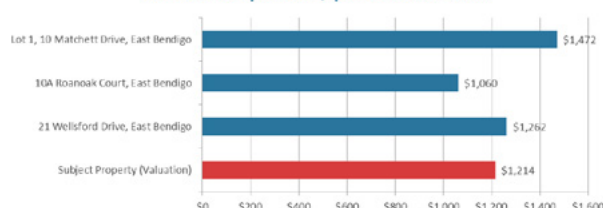
Market Evidence

Sales Evidence - Sales Analysis Summary

Address	Lot 1, 10 Matchett Drive, East Bendigo	Lot 1, 10 Matchett Drive, East Bendigo	Lot 1, 10 Matchett Drive, East Bendigo	Subject Property (Valuation)
Sale Price	\$390,000	\$390,000	\$390,000	\$425,000
Date	Oct-17	Oct-17	Oct-17	Feb-18
Site Area	743 sqm	743 sqm	743 sqm	734 sqm
Lettable Area	265 sqm	265 sqm	265 sqm	350 sqm
\$ psqm Lettable	\$1,472	\$1,472	\$1,472	\$1,214
Description	A colour bond and tilt panel warehouse built circa 2018. Includes small kitchen and amenities.	A colour bond and tilt panel warehouse built circa 2018. Includes small kitchen and amenities.	A colour bond and tilt panel warehouse built circa 2018. Includes small kitchen and amenities.	
Comparability	Overall considered inferior to the subject.	Overall considered inferior to the subject.	Overall considered inferior to the subject.	

Sales Evidence Conclusions

Market Comparison \$ psm Lettable Area



Assumptions & Recommendations

Verifiable Assumptions	<ul style="list-style-type: none"> The instructions and information supplied contain a full disclosure of all information that is relevant All values expressed within this report are exclusive of GST unless otherwise noted. The Valuation is prepared based on the Assumptions Conditions and Limitations appended to the rear of this Report. We have not sighted the Strata Company minutes or any bylaws/management statements. Our valuation assumes no onerous conditions special levies or major short term capital work items have been raised. Should there be any special levies raised or onerous conditions in by laws we recommend the matter be referred back to our company for further comment as to the likely impact if any on the market value.
Assumptions Requiring Further Consultancy	<ul style="list-style-type: none"> The GST status of the sale is yet to be decided upon by the parties. Our assessment is on a GST exclusive basis. The GST Annexure should be obtained.
Recommended Documents to Sight	<ul style="list-style-type: none"> Contract of Sale (Signed and Dated) GST Annexure

Key Valuation Outputs

Market Value Rate	\$1,493/sqm lettable area	Ex-Buildings:	\$950/ha
Grazing	\$850/ha	Irrigation	\$1,200/ha

Valuation Methodology & Conclusions

Adopted Valuation Approach - Market Approach

Direct Comparison Method

This valuation method is the most frequently used method and involves comparison of the property to be valued with sales of similar properties. Comparisons can be made in many forms including straight comparison, or analysis on a rate per area basis (such as rate psm, or rate per ha of land).

Direct Comparison Valuation Method (Rate psqm Lettable Area)

				Market Value
Lettable Area	268sqm	@ \$1,450		\$388,600
	268sqm	@ \$1,500		\$402,000
	268sqm	@ \$1,550		\$415,400
Indicates Total Market Value		<i>Rounding</i>	\$25,000	\$400,000

Valuation Reconciliation & Conclusion

Having regard to the above calculations, and after taking into account both the positive and negative attributes of the property, from an objective and unbiased, yet balanced point of view, we are of the opinion that the Market Value of the property is \$400,000.