

CBRE VALUATION & ADVISORY SERVICES

# VALUATION REPORT

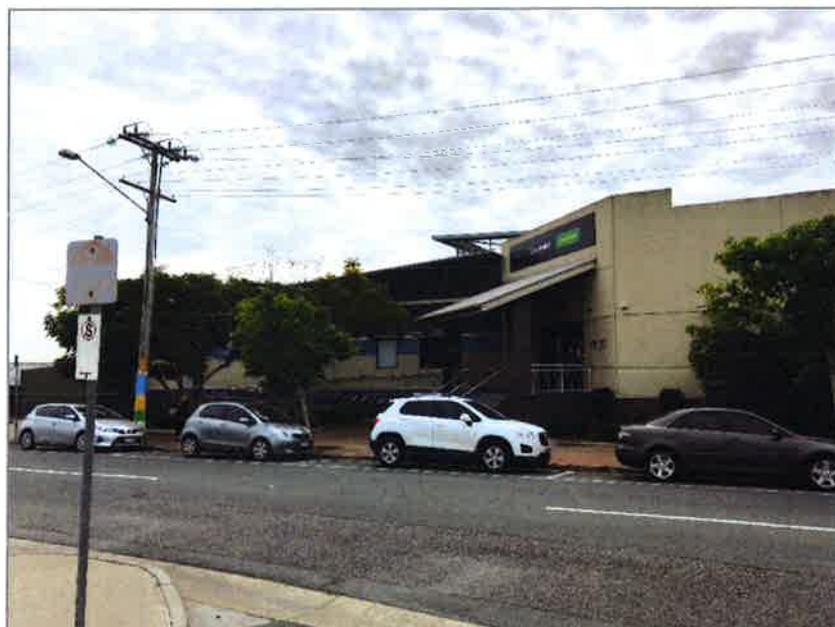
Centrelink Woodridge

21-27 Station Road, Logan Central QLD 4114

3 October 2019

MPG Funds Management

**CBRE**



# 1 Executive Summary

## INSTRUCTIONS/RELIANCE

Instructing Party	Brett Gorman (Director) of MPG Funds Management.
Instruction Date	16 July 2019
Reliant Party/Purpose	Commonwealth Bank of Australia (Bank) and Bank Group Members for First Mortgage Security only.
Interest Valued	Freehold (%)

## PROPERTY PARTICULARS

Brief Description	The property comprises a 6,561 square metre allotment with frontage to Station Road and Blackwood Road in Woodridge. As currently improved, the property incorporates 4 separate buildings. Building 1 is situated to Station Road and comprises a one storey building with undercroft car parking for 60 vehicles, it is currently occupied by Centrelink. Building 2 and Building 3 are situated to Blackwood Road. Building 2 provides two storeys of office accommodation with undercroft car parking for 16 vehicles. Building 3 provides one storey of office accommodation and undercroft car parking for 35 vehicles. Building 4 is situated in the centre of the site accessed via Station Road with limited street exposure, it is currently configured to provide a training facility which is occupied by Tedd Noffs Foundation. On site car parking is provided for a total of 137 vehicles (including 102 single covered bays, 14 tandem covered bays and 21 open bays).
Tenancy Details	The property is fully leased to a variety of tenants including Commonwealth of Australia (Centrelink), Queensland State Government (Department of Youth Justice), Queensland State Government (DCCSDS) and The Trustee for Designer Life (Queensland) Trust. The weighted average lease expiry equates to 3.7 years (by income) and 3.4 years (by area).
Title Details	Lot 44 on RP185551 (Title Reference 16425230).
Registered Owner/s	Woodridge Offices Pty Limited (100% ownership interest).
Site Area	6,561.0 sqm
Lettable Area	4,343.0 sqm
Car Spaces   Ratio	137 car parking bays, reflecting 1 bay per 32 sqm of lettable area.
Zoning	The property is classied 'Centre Zone' under the Logan Planning Scheme and is further contained within the 'Croydon Road Precinct' under the Logan Central Local Plan.

## ASSESSMENT

This valuation is exclusive of GST.

Valuation Approach	Capitalisation, Discounted Cash Flow
Date of Inspection	3 October 2019
Date of Valuation	3 October 2019

## MARKET VALUE

(100% Interest)

**\$14,800,000**

(Fourteen Million, Eight Hundred Thousand Dollars)

## Principal Valuer



Tristan Gasiewski | AAPI, MRICS  
Registered Valuer No. 2564 | Certified Practising Valuer  
Senior Director | Valuation & Advisory Services  
Property Inspection - Yes

## Secondary Valuer



Denai Rex | AAPI  
Registered Valuer No. 4061 | Certified Practising Valuer  
Valuer | Valuation & Advisory Services  
Property Inspection - Yes | Job Involvement - Full Valuation & Analysis

## Conditional Terms

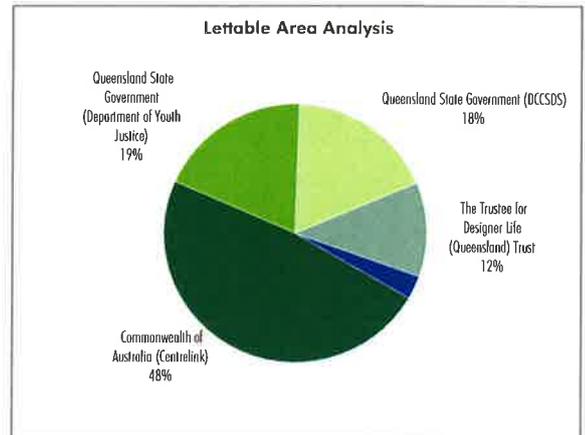
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CBRE Valuations Pty Limited | ABN 15 008 912 641 | Valuation & Advisory Services  
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VALUATION SUMMARY (100% Freehold)

Valuation Approaches	Capitalisation & Discounted Cash Flow	
Net Lettable Area (sqm)	4,343.0	
Site Area (sqm)	6,561.0	
Date of Valuation	3 October 2019	
Market Value	\$14,800,000	
Net Passing Income Fully Leased	\$1,156,278	\$266 psm
Net Passing Income	\$1,156,278	\$266 psm
Net Market Income	\$1,179,138	\$272 psm
Average Gross Market Rent (Office)	\$285 psm	
Weighted Average Lease Term (by income/by area) on occupied areas	3.7 years	3.4 years
Weighted Average Lease Term (by Income) incl. cars, sundry and vacancies	3.7 years	
Outgoings (Adopted)	\$55 psm	
PV of Outstanding Tenant Incentives	\$0	
Capitalisation Rate	7.50%	
Terminal Yield	7.50%	
Target IRR (Discount Rate)	7.75%	
Ten Year IRR (Indicated)	7.49%	
Passing Initial Yield	7.81%	
Passing Initial Yield plus vacancies	7.81%	
Equivalent Yield	7.52%	
Reversionary (Market) Yield	7.97%	
Value psm of NLA	\$3,408 psm	
Percentage Over/Under Rented (Total/On Occupied)	-1.94%	-18.36%
Current Vacancy Rate	Nil	



VALUATION ASSUMPTIONS

		Year 1	Year 2	Year 3	Year 4	Year 5	Year 6	Year 7	Year 8	Year 9	Year 10
CPI (Deloitte Access Economics)	2.14% (10 yr avg)	1.67%	1.93%	2.36%	2.31%	2.13%	1.97%	2.10%	2.34%	2.32%	2.26%
Office Market Rent Growth (gross)	2.89% (10 yr avg)	1.67%	2.43%	2.86%	2.81%	3.13%	2.97%	3.10%	3.34%	3.32%	3.26%
Retail Market Rent Growth (gross)	3.64% (10 yr avg)	3.17%	3.43%	3.86%	3.81%	3.63%	3.47%	3.60%	3.84%	3.82%	3.76%
Office Effective Rent Growth(gross)	3.20% (10 yr avg)	1.67%	2.43%	2.86%	2.81%	6.35%	2.97%	3.10%	3.34%	3.32%	3.26%
Car Parking Growth	2.89% (10 yr avg)	1.67%	2.43%	2.86%	2.81%	3.13%	2.97%	3.10%	3.34%	3.32%	3.26%
Sundry Growth	2.14% (10 yr avg)	1.67%	1.93%	2.36%	2.31%	2.13%	1.97%	2.10%	2.34%	2.32%	2.26%
Outgoing Escalation	2.14% (10 yr avg)	1.67%	1.93%	2.36%	2.31%	2.13%	1.97%	2.10%	2.34%	2.32%	2.26%
Incentives Yr 1 (Office)	20.0%	20.0%	20.0%	20.0%	20.0%	20.0%	17.5%	17.5%	17.5%	17.5%	17.5%
Renewal Probability (Office)	50%										
Leasing Up Period Yr 1 (Office)	9 mths										
Assumed New Lease Term (Office)	5 years										
Assumed New Lease Reviews (Office)	3.50%										
Assumed Leasing Commissions (new/renewal)	15%										
Lessors Works/Make Good (\$psm) (Office)	\$100 psm										
Refurbishment Allowance (Yr 3/ Yr 7)	\$50 psm										
Total Capital Expenditure (Yrs 1 to 11) *	\$1,739,341	\$400 psm									

\* Includes Refurbishment and Lessors Make Good allowances.

TENANT PROFILE

	Area (sqm)	Passing Gross Rent	Market Gross Rent	Expiry
Commonwealth of Australia (Centrelink)	2,095.0	\$662,673	\$662,673	May-25
Queensland State Government (Department of Youth Justice)	822.0	\$240,061	\$240,061	Oct-21
Queensland State Government (DCCSDS)	787.0	\$200,302	\$200,302	Mar-20
The Trustee for Designer Life (Queensland) Trust	513.0	\$90,000	\$112,860	Apr-21
Other Office Tenants				
Retail Tenants				
Monthly				
Car Parking		\$180,600	\$180,600	
Sundry				
<b>Total (Gross Passing)</b>	<b>4,343.0</b>	<b>\$1,393,454</b>	<b>\$1,416,314</b>	
Vacant				
Vacant Cars				
Vacant Sundry				
<b>Total (Gross Passing Fully leased)</b>	<b>4,343.0</b>	<b>\$1,393,454</b>	<b>\$1,416,314</b>	

Note: Gross rents include outgoings recovery (where applicable). Market rent shown for vacancies.

