

Valuation Report

409 - 415 Wyndham Street
Shepparton Vic 3630

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Valuation Executive Summary

409 - 415 Wyndham Street, Shepparton, Vic, 3630



Property Description.

Property Type	A circa 2020 built, two level commercial office building, with on-site car parking, leased to governments tenants (Department of Justice & Court Services Australia)
Highest and Best Use	Continued commercial office use. Refer to Assumptions / Qualifications - Definition of Highest and Best Use
Building Area - NLA	2,626 sq.m.
Car Parking	46 spaces (1.75 cars per 100 sq.m. of NLA)
Site Area	1,821 sq.m.
Zoning	Activity Centre Zone 1 (ACZ1)
Overlay	Parking Overlay - Precinct 1 (PO1)
Title Details	Volume 12030 Folio 510
Registered Proprietor	409-415 Wyndham Street Shepparton Pty Ltd (Vendor to the current sale)
NABERs Rating	Exempt

Occupancy Summary.

No. of Occupancies	3
Formal Leases	3
Owner Occupied Areas	Nil.
Vacant / Monthly Tenancies	Nil.
Terms	2 years & 6 months - 12 years (each with options).
WALE [By Income]	88 months / 7.3 years

Transaction History.

Sale Date	12 May 2022
Sale Price	\$17,500,000
Sale Agent	Vinci Carbone and National Retail Group (conjunctional agents)
Sale Method	Expressions of Interest (EOI) Campaign

Instructions.

Instructing Party	Commonwealth Bank of Australia ("Bank") and Bank Group Members - Valocity
Order No	8EC-TRDF-DMC
Ordered By	Andrew Howard
Interest Valued	Freehold interest subject to leases
Date of Instruction	3 October 2022
Borrower / Applicant	MPG Funds Management

Valuation Methodology.

Primary Method	Income Capitalisation Refer to Assumptions / Qualifications - Definitions of Valuation Approaches
Secondary Method	Direct Sales Comparison

Valuation Summary.


Date of Inspection & Valuation	24 November 2022 Refer to Assumptions / Qualifications - Date of Valuation
Passing Net Rental	\$873,145 p.a. (inclusive of car parking)
Assessed Net Rental	\$890,000 p.a. (before adjustment for estimated non-recoverable Land Tax)
Yield Adopted	5.0%
NLA Value Rate	\$6,500 - \$6,750 p.s.m.
Valuation	\$17,500,000 (Exclusive of GST) Seventeen Million Five Hundred Thousand Dollars <i>Adopt Recent Purchase Price</i>


Mortgage Recommendation.

Purpose	First mortgage security purposes. Refer to Valuation & Valuation Compliance Statement - Mortgage Recommendation
Suitability	At the assessed value, \$17,500,000 (exclusive of GST), and subject to the qualifications and recommendations made within this report, the property is considered a suitable security for first mortgage purposes.

Prepared By.

Charter Keck Cramer Pty Ltd


Sam Lipshut, AAPI
Certified Practising Valuer
API Member: 62776
Director


David Morton, AAPI
Counter Signatory
API Member: 62475
National Executive Director

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NOTE - This Valuation Executive Summary should be read in conjunction with the Risk Profile;

Valuation Report and Assumptions / Qualifications.

J163824:SL:NK

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Risk Profile

409 – 415 Wyndham Street, Shepparton, Vic, 3630

Further to recommendations, qualifications and rationale within this report, a mortgagee should have particular regard to the following Risk Profile, which forms part of our Executive Summary:

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- This Report is for the use of the Instructing Party only. It is not to be used for any other purpose by any other party. Any reliance, use, distribution, publication of the Report and/or any other representations made relating to the contents of the Report is restricted solely to the Instructing Party expressly named in this Report.
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Asset.

LOW

LOW - MEDIUM

MEDIUM

MEDIUM - HIGH

HIGH

- A recently constructed (2020 built) two level commercial office building, together with on-site car parking for 46 vehicles (basement and open spaces). As at the date of inspection, the improvements presented in very good condition overall with no immediate requirement for capital expenditure.
- The improvements are erected upon an *Activity Centre Zone (ACZ1)*, allotment of 1,821 sq.m., on the prominent / well exposed north-eastern corner of Wyndham Street and Vaughan Street, within the regional city of Shepparton. The property forms part of the Central Activities Precinct of Shepparton, with the surrounding development comprising a mix of office buildings, retail shops and showrooms.
- Shepparton is a large regional city, situated approximately 180 kilometres north of Melbourne, in northern Victoria. The population is approximately 50,000 people, making it the sixth most populous city in Victoria. There is continued private and government investment in the municipality, with current major projects including a redevelopment of the Maude Street Mall (a short distance north of the subject), the Goulburn Valley Health Shepparton Hospital redevelopment and the Shepparton Railway Line upgrade.
- The building presents in above average condition and has been designed to offer a good level of flexibility to accommodate a range of tenancies.
- We note that the property could be leased and occupied by a range of alternative commercial users given the location and nature of improvements noting its current use as a commercial office.
- The building is flexible as to design and can be occupied as a whole, on a floor by floor basis, or alternatively, and without significant loss of NLA, the floors could be split to provide multiple occupancies per level.
- The building incorporates a lift service, which services each level, and appropriate disabled facilities.
- The subject building has been granted an exemption from its commercial building disclosure obligation (i.e. there is currently no NABERS Energy Rating). The exemption is valid until 24 December 2022.

Cash Flow.

LOW

LOW - MEDIUM

MEDIUM

MEDIUM - HIGH

HIGH

- The building is fully occupied by two government tenants, by way of three separate leases.
- Part of the ground level is leased to Court Services Australia pursuant to 2 year & 6 month term which commenced 26 March 2021, together with two further terms of 1 year. The known remaining lease term at the date of valuation is therefore approximately 10 months. This tenant occupies approximately 27% of the total NLA.
- The remainder of the building is leased to The State of Victoria (Department of Justice) pursuant to two separate Leases, albeit, subject to largely similar lease terms and conditions.
-

- The leases commenced 22 June 2020 for 12 year terms, together with two further terms of 6 years. The known remaining lease term at the date of valuation is therefore approximately 115 months. This tenant occupies approximately 73% of the total NLA.
- Based on the current leases, the building provides a Weighted Average Lease Expiry (WALE) of approximately 88 months / 7.3 years (by income).
- The passing rentals (recently negotiated) are considered to reflect market rates and have been adopted for assessment purposes.
- There are 15 vacant car spaces. Discussion with the selling agent has indicated that the Department of Justice are interested in leasing these spaces. A rental of approximately \$150 p.c.s.p.c.m. has been offered to them, however, they are indicating they will only lease the spaces at around \$100 p.c.s.p.c.m.
- A leasing period of up to 9 - 12 months could be expected for a property of this nature in the event of vacancy.
- The current level of outgoing is considered to be fair and reasonable.
- There are no outstanding rental incentives.
- Our enquiries indicate no rental or outgoing arrears in relation to the existing Leases.

Market.

LOW

LOW - MEDIUM

MEDIUM

MEDIUM - HIGH

HIGH

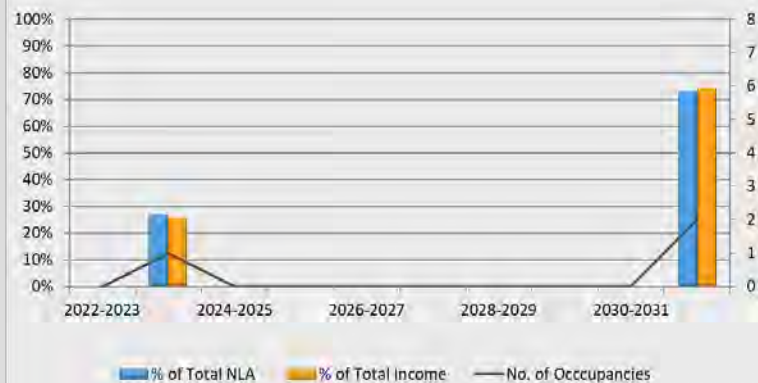
- Despite weakening market conditions, there remains demand for well-located office buildings (particularly city fringe and inner suburban), coming from both the owner occupier and investor market segments. With the ongoing difficulties allowing and attracting staff back to a CBD office building, the suburban office market is being viewed by many as a more attractive investment proposition, as more tenants look to decentralise operations away from a “high rise” environment and into suburban buildings, which are perhaps closer to home. Notwithstanding, the market remains mindful that the advent of Coronavirus (COVID-19) has resulted in a change in working / employment policies and practices, and the need for the same extent of office accommodation has declined in many instances. During the first half of 2022, well located suburban and city fringe office buildings which were made available for sale, generally performed well, particularly in the sub \$10,000,000 price bracket. Notwithstanding, more recently there has been a softening in office market conditions. Of the few suburban / city fringe office buildings which have been made available for sale in the current financial year, the depth of potential purchasers has reduced, whilst a gap has emerged between vendor and buyer expectations.
- Further to our comments above in relation to the Melbourne market we note that the regional office market is being viewed by some as a more attractive investment proposition, as more tenants look to decentralise operations away from a city environment. Throughout regional Victoria, the strongest demand has been for recently built facilities, occupied by “blue chip” tenants, which are subject to secure and long term leases. Over the past 24 months, regional office buildings (most leased by government tenants) which have been made available for sale, have been met with a good level of demand.
- Over the past 24 months, yield rates for regional commercial investments have demonstrated a wide range of say 5.0% - 8.0% for the majority of sales, acknowledging that yields at the lower end of the range are generally associated with more recently constructed, high quality buildings or properties which exhibit “value add” opportunities or strong redevelopment potential. The value rates generally demonstrate a range of say \$2,750 - \$6,750 p.s.m.
- We note that whilst the building was purpose built for the current government tenant, it could be leased and occupied by a range of alternative commercial users given the location and nature of the improvements.
- Demand for government occupied investments is steady / good as investors look for greater security of income offered by government leases.
- The subject property falls within a considered high capital value for a regional commercial asset, which would likely reduce the buyer pool in the notional event of a further sale.
- Against the background of continuing COVID-19 issues, other factors that have impacted the property market during 2022 include the various interest rate rises, continuing inflation, the on-going situation in the Ukraine, rising tension between China and Taiwan, along with the recent federal and state elections.
- We caution that the current level of demand is resulting in prices being achieved that may not be sustainable beyond the immediate term, particularly now that interest rates and inflation are increasing.
- A usual selling period would apply, not being more than six months.

Critical Matters.

- We have been provided with a copy of an executed Contract of Sale, dated 12 May 2022, which confirms a purchase price of \$17,500,000. The property was sold following an Expressions of Interest (EOI) campaign, conducted by conjunctional commercial agents, Vinci Carbone and National Retail Group. Discussion with one of the selling agents indicate that the property was very well received by the market, given the long WALE, brand new building and governments tenants. Tenders were received from 6 parties at the close of the campaign, with 3 bidding parties participating in the final round of the EOI. The two underbidders presented final offers of approximately \$17,300,000 and \$17,150,000. The eventual purchase price was around the Vendor's anticipated price range (targeting a 5% yield). Interested parties were mainly local syndicators. The property was sold with a 10% deposit payable on the date of sale, with the balance payable at settlement which is scheduled 210 days after the date of sale. After analysis of the sales evidence discussed within the body of this report, we consider the recent purchase price to be reflective of current market levels, albeit, being at the very upper end of the range, and has been adopted for assessment purposes.
- We note that the Leases do not fall under the provision of the *Retail Leases Act 2003*, therefore, Land Tax is currently being recovered from then tenants. Notwithstanding, noting that a typical tenant for these occupancies would probably not be required to pay Land Tax under the *Retail Leases Act 2003*, we have made appropriate allowances for non-recoverable Land Tax, which we have estimated at \$4,895. Accordingly, to reflect the benefit of the Land Tax recovery we have added by way of a present value (PV) calculation an amount to our capitalised value.

Key Data.

We provide a summary of the key valuation data below:

Assessed Value	\$17,500,000
Initial Yield	4.96%
Market Yield	5.00%
Passing Net Rental	\$873,145 p.a. (inclusive of car parking)
Assessed Net Rental	\$890,000 p.a. (inclusive of car parking)
Building Value Rate	\$6,500 - \$6,750 p.s.m. (\$6,664 p.s.m. – actual)
Leasing Period	9 to 12 months
WALE (By Income)	Approximately 88 months / 7.3 years
Occupancy	100%
Major Tenants	Court Services Australia & The State of Victoria (Department of Justice)
Lease Expiry Profile	

Valuation Report

409 - 415 Wyndham Street, Shepparton, Vic, 3630

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Annexures.

Letter of Instruction
Title Details

Instructions.

Instructing Party

Commonwealth Bank of Australia ("Bank") and Bank Group Members - Valocity

Ordered By Edward Howard

Borrower / Applicant MPG Funds Management

Telephone +61 (0) 436 661 804

Email andrew.howard@cba.com.au

Refer to Valuation & Valuation Compliance Statement - Valuation Compliance Statement

Refer to Assumptions / Qualifications - Definition of Market Value

Refer to Assumptions / Qualifications - Definition of Market Rent

Purpose

This report has been prepared for a first mortgage loan application to be relied upon by the Commonwealth Bank of Australia ("Bank") and Bank Group Members.

Document Disclosure

In preparing our Valuation Report, we requested and have been provided with the following documentation:

- Executed Contract of Sale and Section 32 Vendor's Statement.
- NLA Survey Plans.
- Executed Leases.
- Outgoings Schedule.
- BEEC Certificate Exemption.
- Sale Information Memorandum.

The aforementioned provided documentation is considered to be adequate for Charter Keck Cramer to complete the valuation herein.

Our Reference

J163824:SL:NK

HTTPS://CHARTERKCCOMAU.SHAREPOINT.COM/SEARCH/VALUATIONS/OFFICE/SAM_LIPSHUT/SHEPPARTON - WYNDHAM STREET 409-415 (X0306746)/J163824 - MEL1012359/J163824 - VALUATION REPORT.DOCX

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Title & Land Description.

Title Particulars

Land in Plan of Consolidation 378618H, Certificate of Title Volume 12030 Folio 510.

Title Search Date - 29 November 2022

Registered Proprietor

409-415 Wyndham Street Shepparton Pty Ltd, registered 5 May 2018 (Vendor to the current sale).

Encumbrances

Encumbrances noted on Title are as follows:

- Caveat AV639559B, registered 12 May 2022. Caveator: The Trust Company Pty Ltd. Grounds of Claim: Purchasers' Contract. Relates to the current purchase of the subject property.
- A-1 Carriageway Easement adjoining the eastern boundary of the allotment.

We have considered the abovementioned encumbrances in concluding value.

Refer to Assumptions / Qualifications - Encumbrances

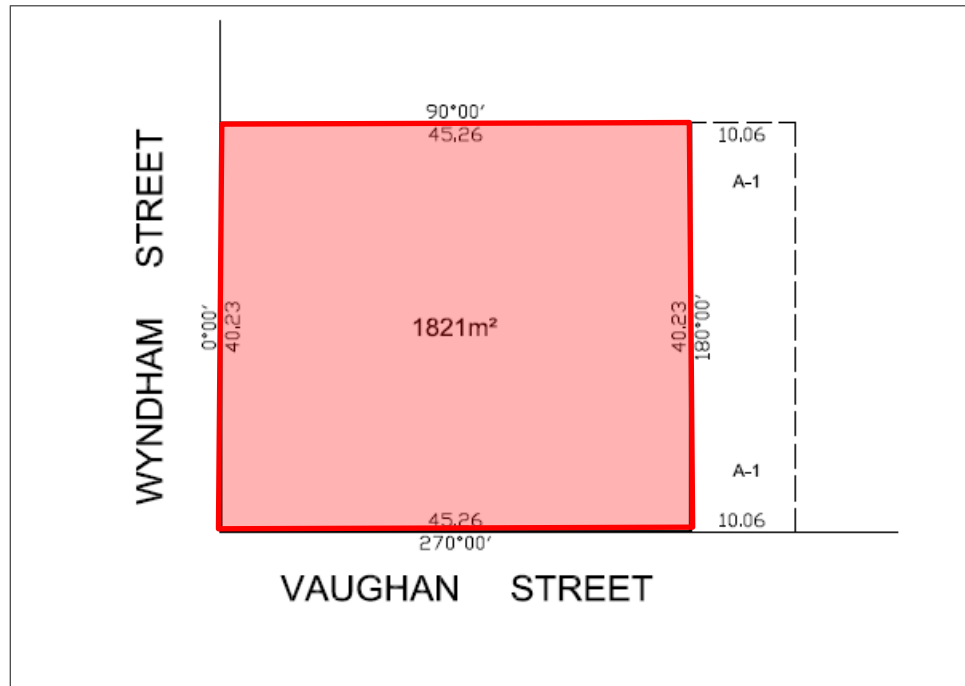
Land Area & Dimensions

Site Area 1,821 sq.m.

SOURCE – Plan of Consolidation

The site / title boundaries have been identified by visual inspection, reference to the Plan of Consolidation and satellite imagery. We note the following principal site dimensions:

Wyndham Street Frontage 40.23 metres
Vaughan Street Frontage 45.26 metres
Northern Boundary 45.26 metres
Eastern Boundary 40.23 metres



SOURCE - Equifax



Aerial View as at May 2022

SOURCE - Nearmap

Refer to Assumptions / Qualifications - Land Area & Dimensions

Planning Details.

Local Authority City of Greater Shepparton.

Zoning *Activity Centre Zone (ACZ1)*
 Planning Certificate Sighted - Yes



SOURCE - www.mapshare.vic.gov.au/vicplan/

Overlay	The property is subject to the following overlay: - <i>Parking Overlay - Precinct 1 (PO1)</i> . The purpose of this overlay is to facilitate an appropriate provision of car parking spaces in an area.
Flooding	The land is not subject to a <i>Floodway Overlay (FO)</i> .
Planning Approvals	Pursuant to an online search of the City of Greater Shepparton Planning Application Register, no recent planning approvals have been issued or lodged.
Current Use	Commercial office building (occupied by government tenants) and associated on-site car parking.
Highest and Best Use	The current use of the premises as an office building with associated car parking is considered to be entirely appropriate and expected to continue in the medium to long term. Refer to Assumptions / Qualifications - Highest and Best Use
Heritage Registration	The property is not registered on the Victorian Heritage Register.
Native Title	There are no attributes observed that would identify the property as having coexisting or likely coexisting Native Title interests. Refer to Assumptions / Qualifications - Native Title

Environmental Details.

Environmental Considerations

The responses detailed below have been collated following discussions with interests associated with the mortgage applicant and the selling agent, our site inspection, as well as perusal of several publicly available websites.

Environmental Considerations

Environment Protection Authority (EPA) Priority Sites Register

No - The property is not listed.

EPA Current List of Issued Certificates and Statements of Environmental Audit (s53V and s53X)

No - The property is not listed.

Underground Tanks

No - Our enquiries confirmed there are no underground tanks.

Environmental Consultant Reports

No - Our enquiries confirmed there are no appropriately qualified environmental reports for the subject property.

Soil / Ground Observation

No - There were no visible signs of any pollution on the property and we have no reason to suspect it is adversely affected by any soil/ground contamination issues, however, without an environmental expert report, we are unable to confirm there is no contamination of the ground or sub surface soil.

Asbestos

No - Our enquiries indicate the buildings were constructed after 1989. State Government legislation as it applies in each Australian state does not require buildings constructed after that date to have asbestos identified.

Pests

No.

Other

No.

Pursuant to the requirements of the current Australian Property Institute (API)'s *Standing Instructions for Valuation Reports of Office, Industrial and Retail Investment Property for First Mortgage Security Purposes*, the Valuer has undertaken a Real Estate Contamination Questionnaire ("Questionnaire") in order to provide preliminary information on potential risks that might exist from the presence of contamination (such as noise, air quality or soil contamination) and/or the presence of asbestos at the property. The presence of these can affect the value of the property and/or its appeal in the market.

Nevertheless, as the Valuer is not an expert in the detection or quantification of environmental problems, completion of this questionnaire does not represent an environmental audit, report and/or certificate verifying the site is free of environmental issues.

Verification that the property is free from contamination or environmental hazards and has not been affected by pollutants of any kind may be obtained from a suitably qualified environmental expert. Should subsequent investigation show that the site is contaminated or has environmental hazards, this valuation and report may require revision. Charter Keck Cramer reserve our rights to review, and if necessary, vary the valuation figure if any contamination or other environmental hazard is found to exist.

Notwithstanding, we confirm the Questionnaire has been completed with an answer of "No" to each question. Consequently, the Questionnaire is not included as an annexure.

Transaction History.

Transaction History	Sale Date	12 May 2022
	Sale Price	\$17,500,000
	Method of Sale	Expression of Interest (EOI)
	Selling Agent	Vinci Carbone and National Retail Group (conjunctional agents)
	Terms	\$1,750,000 / 10% deposit paid on the date of sale, with the balance payable at settlement, which is scheduled 210 days after the date of sale.
Refer to <i>Risk Profile</i> section for further comment.		

Statutory Details.

Statutory Assessments	Relevant Date	1 January 2021
	Rating Authority	City of Greater Shepparton
Site Value		\$1,240,000
Capital Improved Value		\$4,030,000
Net Annual Value		\$ 354,000

The current (2021) Council assessed Capital Improved Value and Net Annual Value are below our assessed market value and market rental. We note that our assessments have been undertaken taking into consideration recent sales and leasing evidence as detailed within subsequent sections of this report. The above assessments likely relate to the site prior to development of the new office building. Supplementary assessments may be issued in the future.

Locality.

Locality & Surrounding Development

Physical Location

The property is positioned on the well exposed north-eastern corner of Wyndham Street and Vaughan Street, within the Shepparton Central Activities District. Shepparton is a large regional city, situated approximately 180 kilometres north of Melbourne, in northern Victoria. The population is approximately 50,000 people, making it the sixth most populous city in Victoria.

Surrounding Development

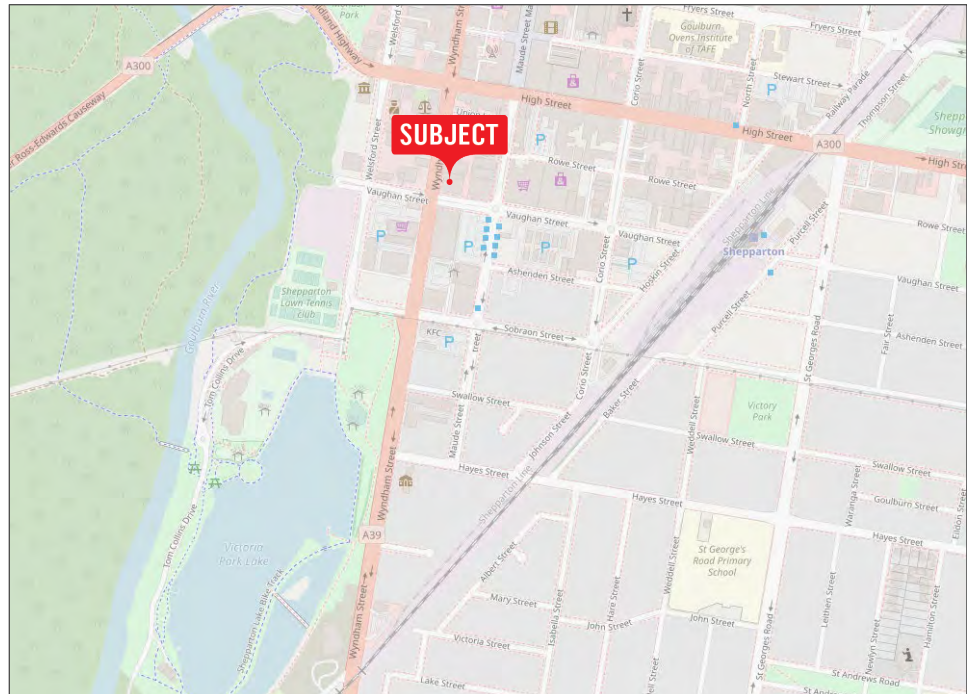
The surrounding development comprises a mix of showrooms, retail shops and office buildings. The property is in proximity of K Mart and a Coles Supermarket, the Victoria Park Lake precinct, The SAM Arts building and the Maude Street Mall. There are other government department buildings in proximity.

Services

All usual services and utilities are available. The property is within a short walking distance of various bus lines and the Shepparton Railway Station.

Other

The property is considered to be well located for its current use and central to an established residential catchment.



SOURCE - Melway Online

Improvements.

General A modern two level commercial office building which was constructed in 2020, together with on-site car parking for 46 vehicles (basement and open spaces). As at the date of inspection, the improvements presented in very good condition overall.

General Construction

Substructure / Foundation	Concrete.
External Walls	Concrete, metal deck, with extensive glazing.
Roof	Metal deck.
Internal Walls / Linings	Predominantly plasterboard.
Internal Ceilings	Predominantly plasterboard.
Flooring	Incorporates a mix of carpet, vinyl and tile.

Refer to Assumptions / Qualifications - General Construction

Building Services

Lighting	Mainly recessed fluorescent.
Air Conditioning	Ducted heating / conditioning system throughout.
Fire Services	Appropriately provided.
Lifts	Single lift service.

Ecologically Sustainable Development The subject building has been granted an exemption from its commercial building disclosure obligation (i.e. there is currently no NABERS Energy Rating). The exemption is valid until 24 December 2022.

Description A two level office building, with the accommodation summarised as follows:

Part Ground Level

Court Services

- Security entry off the Vaughan Street frontage.
- Reception / waiting area.
- Meeting room.
- Various interview rooms.
- Open plan office area.
- Rear amenities / end-of-trip facilities.
- Staff room.
- Further meeting room.
- Various consulting rooms.
- Quiet room.
- Comms room.
- Security room.

Part Ground Level & Level 1

Department of Justice – Ground Level

- Security entry off the Wyndham Street frontage.
- Reception.
- Foyer with a single lift and stairs to the upper levels and basement.
- Meeting room.
- Comms room.
- Various interview rooms.
- Amenities / end-of-trip facilities.
- Kitchen.
- Rear open plan office area.

Department of Justice - Level 1

- Large open plan office area.
- Various private offices.
- Meeting room.
- Male and female shower rooms.
- Amenities / end-of-trip facilities.
- Cleaners room.
- Kitchen / staff room, with access to an outdoor terrace.
- Two conference rooms.
- Two supervision rooms.
- Rear fire exit door / stairs.

Sample photographs are provided as follows.



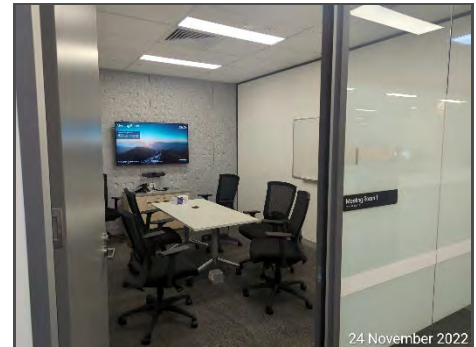
Ground Level - Reception



Ground Level - Meeting Room



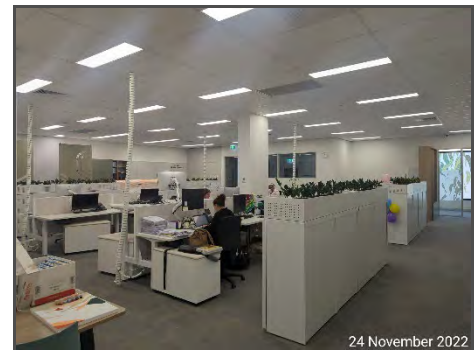
Level 1 - Open Plan Office



Level 1 - Meeting Room



Level 1 - Kitchen / Staff Room



Ground Level - Open Plan Office

Floor Area

2,626 sq.m. - Net Lettable Area (NLA), which can be apportioned as follows.

Part Ground – Court Services Australia	705 sq.m.
Part Ground & Part Level 1 – Department of Justice	1,292 sq.m.
Part Level 1 – Department of Justice	629 sq.m.
Total	2,626 sq.m.

SOURCE – NLA Survey Plans, Leases and a Tenancy Schedule.

Fixtures & Fittings

Refer to Assumptions / Qualifications - Fixtures & Fittings

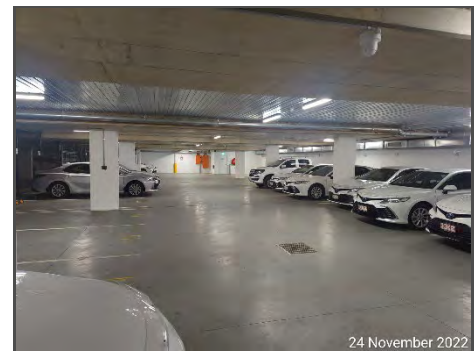
Secondary Improvements

Secondary improvements include a first level terrace off the kitchen / staffroom, together with additional end-of-trip facilities in the basement (which is single level). There is also bin storage and storage cage areas in the basement. There is on-site car parking for 46 vehicles, comprising 40 single spaces in the basement, and 6 open spaces along the eastern side of the building. The car parking is accessed from Vaughan Street. Of the 40 basement car spaces, 3 have electric car chargers. The car parking provision is approximately 1.75 cars per 100 sq.m. of NLA, which is considered appropriate for a regional office building of this nature.

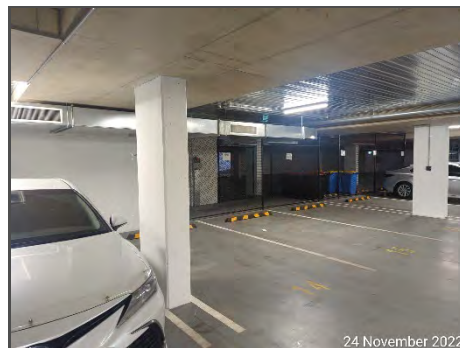
Sample photographs are provided as follows.



Outdoor Terrace



Basement Car Parking



Basement Car Parking



Open Car Parking.

Condition of Improvements

We have carried out an inspection of all exposed and readily accessible areas of the improvements and advise that it appears sound and presents in very good condition, with minimal anticipated capital expenditure requirements in the short to medium term.

Refer to Assumptions / Qualifications - Condition of Improvements

Occupancy Details.

Status

The building is fully occupied by two government tenants, by way of three separate leases. In accordance with provided Lease documentation, we confirm having read the documentation and summarise the salient lease details as follows:

Summary of Leases											
Tenancy	Lessee	Area (sq.m.) / Cars	Lease Comm. Date	Lease Expiry	Term / Options	Rent Reviews	Net/ Gross	Current Office Rent		Current Car Rent	
								p.a.	p.s.m.p.a.	p.a.	p.c.s.p.c.m.
Part Ground Level Cars - Licence	Court Services Victoria	705 7	26/3/2021	25/9/2023	2 years & 6 months + 1 + 1	2.0% p.a. mkt @ option	Net	\$215,730	\$306.00	\$ 8,568	\$102.00
Prat Ground & Part First Floor Cars - Licence	Department of Justice	1,292 20	21/6/2020	21/6/2032	12 years + 6 + 6	3.0% p.a. mkt @ option	Net	\$407,381	\$315.31	\$38,192	\$159.13
Part First Floor Cars - Licence	Department of Justice	629 4	21/6/2020	21/6/2032	12 years + 6 + 6	CPI p.a. mkt @ option	Net	\$198,330	\$315.31	\$ 4,944	\$103.00
Car Parking	Vacant	15	-	-	-	-	-	-	-	-	-
Total		2,626 46						\$821,441		\$51,704	

We note that each of the leases are on a net basis, whereby the lessee is responsible for all usual outgoings. Enquiries indicate that there are no rental or outgoings in arrears.

A full summary of the lease details is below.

Summary of Leases

Part B, Ground Level, 409-415 Wyndham Street, Shepparton, Victoria

Documentation	Executed Lease - 26 March 2021 - reviewed in full.
Lessor	409-415 Wyndham Street, Shepparton Pty Ltd (Vendor to the current sale)
Lessee	Court Services Australia
Commencement Date	26 March 2021
Term	2 years & 6 months
Further Term	Two further terms each of 1 year.
Current Rental	Office - \$215,730 p.a. Car Parking - \$ 8,568 p.a. Total - \$224,298 p.a.
Rental Reviews	2% p.a., with a market review at option.
Outgoings	Lessee responsibility.
GST	Lessee responsibility.
Permitted Use	Office accommodation, administration and court purposes.
Premises	That part of the Building being Part B, Ground Level, 409-415 Wyndham Street, Shepparton, Victoria having a Net Lettable Area of 705 square metres as shown on the plan in Annexure A.
Incentive	6 months rent free and a fit-out contribution of \$18,500.
Retail Leases Act 2003	The Act does not apply.
Security Deposit	N/A.

Part Ground Level & Part Level 1, 409-415 Wyndham Street, Shepparton, Victoria

Documentation	Executed Lease and Car Parking Licence – 2 October 2020 - reviewed in full.
Lessor	409-415 Wyndham Street, Shepparton Pty Ltd (Vendor to the current sale)
Lessee	The Honourable Danny Peason MP, Assistant Treasurer, for an on behalf of the State of Victoria (Department of Justice).
Commencement Date	22 June 2020
Term	12 years
Further Term	Two further terms each of 6 years.
Current Rental	Office - \$407,381 p.a. Car Parking - \$ 38,192 p.a. Total - \$445,573 p.a.
Rental Reviews	3% p.a., with a market review at option.
Outgoings	Lessee responsibility.
GST	Lessee responsibility.
Permitted Use	Offices.
Premises	Those parts of the Building being part of the Ground Floor (having a Net Lettable Area of 531 square metres) and part of Level 1 (having a Net Lettable Area of 761 square metres).
Retail Leases Act 2003	The Act does not apply.
Security Deposit	N/A.
Incentive	1 month rent free

Part Level 1, 409-415 Wyndham Street, Shepparton, Victoria

Documentation	Executed Lease and Car Parking Licence – 22 December 2020 - reviewed in full.
Lessor	409-415 Wyndham Street, Shepparton Pty Ltd (Vendor to the current sale)
Lessee	The Honourable Danny Peason MP, Assistant Treasurer, for an on behalf of the State of Victoria (Department of Justice).
Commencement Date	22 June 2020
Term	12 years
Further Term	Two further terms each of 6 years.
Current Rental	Office - \$198,330 p.a. Car Parking - \$ 4,944 p.a. Total - \$203,274 p.a.
Rental Reviews	CPI p.a., with a market review at option.
Outgoings	Lessee responsibility.
GST	Lessee responsibility.

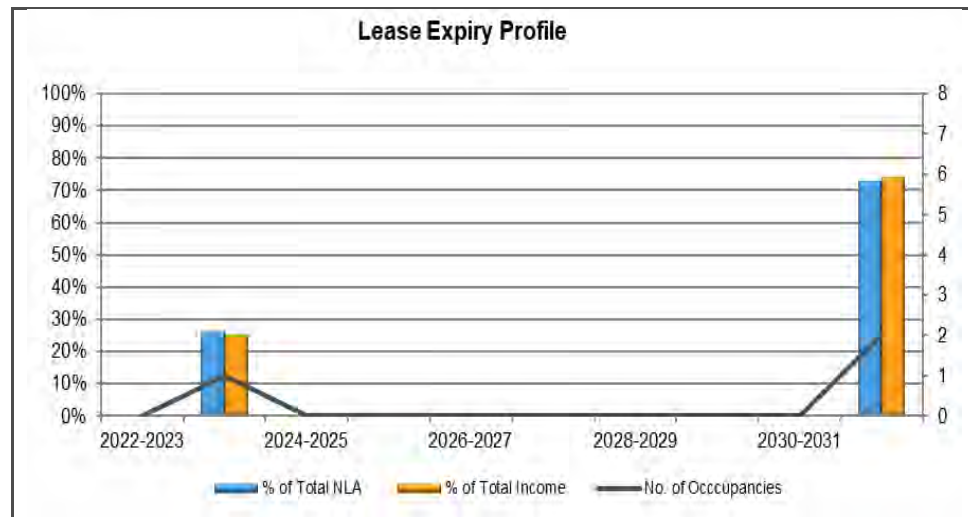
Summary of Leases

Permitted Use	Offices.
Premises	The part of the Building being part of Level 1 (having a Net Lettable Area of 629 square metres) as shown coloured green on the plan annexed to this Lease.
Retail Leases Act 2003	The Act does not apply.
Security Deposit	N/A.
Incentive	2 years rent free

Expiration Report

The following table details lease expiries (excluding option periods) within the building:

Year	No. of Tenants	Annual sq.m. NLA	Accumulative sq.m. NLA	Accumulative % of NLA
2022-2023	0	0	0	0.00%
2023-2024	1	705	705	26.85%
2024-2025	0	0	705	26.85%
2025-2026	0	0	705	26.85%
2026-2027	0	0	705	26.85%
2027-2028	0	0	705	26.85%
2028-2029	0	0	705	26.85%
2029-2030	0	0	705	26.85%
2030-2031	0	0	705	26.85%
2031-2032	2	1921	2626	100.00%



The building is fully occupied by two government tenants, by way of three separate leases. Part of the ground level is leased to Court Services Australia pursuant to 2 year & 6 month term which commenced 26 March 2021, together with two further terms of 1 year. The known remaining lease term at the date of valuation is therefore approximately 10 months. This tenant occupies approximately 27% of the total NLA.

The remainder of the building is leased to The State of Victoria (Department of Justice) pursuant to two separate Leases, albeit, subject to largely similar lease terms and conditions. The leases commenced 22 June 2020 for 12 year terms, together with two further terms of 6 years. The known remaining lease term at the date of valuation is therefore approximately 115 months. This tenant occupies approximately 73% of the total NLA.

Based on the current leases, the building provides a Weighted Average Lease Expiry (WALE) of approximately 88 months / 7.3 years (by income).

Tenant Profile*Court Services Victoria*

An independent statutory body corporate to provide services and facilities to Victoria's courts, Victorian Civil and Administrative Tribunal and the Judicial College of Victoria. CSV was formed to strengthen the independence of Victoria's courts and tribunals, and to put court administration into the hands of an entity directed by the judiciary.

State of Victoria (Department of Justice)

Supports the community, Government, judiciary and Parliament through the provision of access to high quality justice, legal and corrective services, information and products.

Outgoings

We have been provided with details of the budgeted outgoings for the subject property for the year ending 30 June 2022, by the selling agent, which we detail as follows:

Outgoing	Amount
Municipal Rates	\$37,947
Land Tax	\$ 4,895
Air-Conditioning Maintenance	\$ 2,000
Gardening	\$ 1,200
Essential Service Measurement	\$ 1,000
Common Areas Cleaning	\$ 2,200
Insurance	\$24,464
Water	\$ 1,000
Management Fee	\$40,000
Common Areas Electricity	\$ 3,000
Lift Maintenance	\$ 4,500
Repairs & Maintenance	\$ 2,500
Total	\$124,706 (\$47 p.s.m.p.a.)

The above outgoings, equivalent to \$47 p.s.m.p.a. are considered to be appropriate given the location and quality of the facility and fall within the range of other similar properties with which we are familiar.

Income Assessment.

In assessing a market rental, we have had regard to the following essential considerations:

- The age and above average quality of the facility having been constructed in 2020.
- The property's central location within the rural city of Shepparton, together with its good level of exposure and access along Wyndham Street, in proximity to a range of complementary services and amenities.
- The current level of demand for commercial office accommodation of this type in both the immediate and broader rural Victorian region, more particularly noting the limited availability of similar quality accommodation.
- The configuration of the premises which allows for a range of commercial office providers.
- The good provision of on-site car parking.
- The building is flexible as to design and can be occupied as a whole, on a floor by floor basis, or alternatively, and without significant loss of NLA, the floors could be split to provide multiple occupancies per level.
- Large surrounding and established residential base.

Furthermore, we have had consideration to the following rental evidence:

Rental Schedule - Commercial				
		Building Area / Car Spaces	Net Rental	Net Rental Rate
106 - 112 High Street, Shepparton				
Lessee	Government tenant, being the Honourable Danny Pearson MP, Assistant Treasurer, for and on behalf of the State of Victoria	2,264 sq.m. 49 Spaces	Office - \$667,880 p.a. Cars - <u>\$ 58,800 p.a.</u> Total - \$726,680 p.a.	Office - \$295 p.s.m.p.a. Cars - \$100 p.c.s.p.c.m.
Commencement Date	Subject to works practical completion, expected Late 2022			
Term	10 + 5 + 5 Years			
Reviews	Greater of CPI or 2% p.a., with market reviews at the commencement of any further term.			
Outgoings	Responsibility of the Lessee			
Description	A proposed three level office building and associated car parking to be leased by the State Government with practical completion expected in Late 2022 The building will be constructed to achieve a minimum 5 Star NABERS Energy Rating, 5 Star NABERS Water Rating and 5 Star Green Star Design Rating.			
Part Level 2, 1 Flintoff Street, Greensborough				
Lessee	Government / Education	904 sq.m.	Office - \$277,600 p.a.	Office - \$307 p.s.m.p.a.
Commencement Date	18 May 2022	14 spaces	Cars - <u>\$ 33,600 p.a.</u> Total - \$411,200 p.a.	Cars - \$200 p.c.s.p.c.m.
Term / Options	3 + 3 + 3 + 3 years			
Reviews	3.5% p.a., with a market review at option			
Incentives	N/A.			
Outgoings	Responsibility of the Lessor, advised at circa \$100 p.s.m.p.a.			
Description	Modern second level office accommodation. Sublease to a Government School from Banyule Council. Commencing office rental of \$368,000 p.a. gross, reducing to \$277,600, p.a. net after at deduction for advised outgoings. 14 car spaces in addition at \$200 p.c.s.p.c.m.			
15 - 19 Service Street, Sunshine				
Lessee	Victorian Government	2,135 sq.m.	\$1,103,450 p.a. (gross)	\$516 p.s.m.p.a. (gross)
Commencement Date	Circa April 2022			
Term	8 years			
Reviews	Annual 2.5% increases, with a market review at option.			
Outgoings	Lessee's responsibility			
Description	Precommitment in respect of a mixed use/residential building with basement car parking. The property forms part of the Sunshine retail centre.			

Rental Schedule - Commercial

		Building Area / Car Spaces	Net Rental	Net Rental Rate
2 - 16 Devon Street, Croydon				
Lessee	Victorian Government	1,375 sq.m.	\$480,000 p.a.	\$350 p.s.m.p.a.
Commencement Date	December 2021			
Term	5 + 5 + 5 years			
Reviews	Annual 3% increases, with a market review at option.			
Outgoings	Lessee's responsibility			
Description	Precommittment to the ground level of a mixed use development, together with basement car parking. The development forms part of the well established Croydon retail centre.			
Tenancy 4, 210 Corio Street, Shepparton				
Lessee	Department of Treasury & Finance	1,499 sq.m.	Office - \$419,720 p.a.	Office - \$280 p.s.m.p.a.
Commencement Date	Late 2020	12 Spaces	Cars - \$ 14,400 p.a.	Cars - \$100
Term	5 + 5 years		Total - \$434,120 p.a.	p.c.s.p.c.m.
Reviews	3% p.a., with a market review at the uptake of the option period.			
Outgoings	Responsibility of the Lessee			
Description	Office accommodation within a recently refurbished office building. 3 month fit-out period incentive.			
Tenancy 1, 96 - 98 Pall Mall, Bendigo				
Lessee	Centre for Non-Violence (CNV) Inc.	1,057 sq.m.	Office - \$284,824 p.a.	Office - \$269 p.s.m.p.a.
Commencement Date	1 October 2020	12 Spaces	Cars - \$ 14,400 p.a.	Cars - \$100
Term	6 years, 6 months, 5 days + 5 + 5 years		Total - \$299,224 p.a.	p.c.s.p.c.m.
Reviews	CPI with a market review at the uptake of each option period.			
Outgoings	Responsibility of the Lessee, except Land Tax			
Description	A part three level tenancy within a three level mixed used commercial / retail building, which was fully refurbished in 2016 and which incorporates onsite car parking for 14 vehicles. Good quality accommodation. Central Bendigo location.			
24 Church Street, Benalla				
Lessee	Services Australia / Centrelink			
Commencement Date	1 July 2020	137.9	\$43,990	\$319
Term	1 year		(est. gross)	(est. gross)
Reviews	N/A		\$37,095 (net)	\$269 (net)
Outgoings	Lessee responsibility – lease structured on a net basis. Outgoings are estimated at \$50 p.s.m.p.a. or just less than \$7,000 p.a.			- passing at 07/2020
Comments	A very small Centrelink office positioned in a reasonable but non-prime location. 2 carparking spaces are included in the deal at no additional rent.			
65 Church Street, Morwell				
Lessee	Minister for Finance on behalf of the State of Victoria	3,805 sq.m. / 50 Spaces	\$1,445,900 p.a. \$25,000 p.a.	\$380 p.s.m.p.a. \$41.67 p.c.s.p.c.m. (open car parking)
Commencement Date	Subject to works practical completion, expected April 2020			
Term	15 + 5 + 5 years			
Reviews	Fixed 3.5% p.a.			
Outgoings	Lessee responsibility. Estimated at \$52 p.s.m.p.a.			
Description	A proposed three level office building and associated car parking to be leased by the State Government with practical completion expected in April 2020. The building will be constructed to achieve a minimum 5 Star NABERS Energy Rating, 5 Star NABERS Water Rating and 5 Star Green Star Design Rating.			
Suite 5, 59 Queen Street, Bendigo				
Lessee	IPSUM Advisors	426 sq.m.	Office - \$102,500 p.a.	Office - \$241 p.s.m.p.a.
Commencement Date	January 2020			
Term	3 + 3 Years			
Reviews	Fixed \$2,500 increase p.a.			
Outgoings	Responsibility of the Lessee			
Description	Office accommodation within a two level office building, which was fully refurbished in 2002, forming part of the main Bendigo commercial precinct			

Rental Schedule - Commercial

		Building Area / Car Spaces	Net Rental	Net Rental Rate
Suite 4, 61 Queen Street, Bendigo				
Lessee	Programmed Skilled Workforce	94 sq.m.	Office - \$30,000 p.a.	Office - \$319 p.s.m.p.a.
Commencement Date	January 2020			
Term	3 + 3 years			
Reviews	Nil.			
Outgoings	Responsibility of the Lessee			
Description	Office accommodation within a two level office building, which was fully refurbished in 2002, forming part of the main Bendigo commercial precinct			
Part Level 2, 10-16 Forrest Street, Bendigo				
Lessee	Department of Justice	799 sq.m.	Office - \$245,800 p.a.	Office - \$307 p.s.m.p.a.
Commencement Date	January 2018	16 Spaces	Cars - \$ 19,200 p.a.	Cars - \$100
Term	5 + 5 + 5 Years		Total - \$265,000 p.a.	p.c.s.p.c.m.
Reviews	3.50% p.a. with a market review at the uptake of each option period.			
Outgoings	Responsibility of the Lessee			
Description	A purpose built commercial office building constructed in or about 2015, providing ground, first and second floor accommodation, together with secure on site car parking for 16 vehicles.			

The rental evidence above demonstrates a rental rate range of \$240 - \$410 p.s.m.p.a. for similar accommodation.

The current passing net rentals are equivalent to rates of \$306 and \$315 p.s.m.p.a. for the office accommodation, with the car parking in addition at \$100 to \$160 p.c.s.p.c.m. These rates are considered to reflect current market rates having regard to the rental evidence referred and the essential considerations summarised.

There are 15 vacant car spaces. Discussion with the selling agent has indicated that the Department of Justice are interested in leasing these spaces. A rental of approximately \$150 p.c.s.p.c.m. has been offered to them, however, they are indicating they will only lease the spaces at around \$100 p.c.s.p.c.m.

A summary of our assessed market rental is as follows:

Part Ground Level – Court Services Victoria	705 sq.m.	@ \$306.00 p.s.m.p.a.	\$215,730	Adopt Passing
Car Parking	7 Space	@ \$102.00 p.c.s.p.c.m.	\$ 8,568	Adopt Passing
Part Ground Floor & Part Level 1 – Department of Justice	1,292 sq.m.	@ \$315.31 p.s.m.p.a.	\$407,381	Adopt Passing
Car Parking	20 Spaces	@ \$159.13 p.c.s.p.c.m.	\$ 38,192	Adopt Passing
Part Level 1 – Department of Justice	629 sq.m.	@ \$315.31 p.s.m.p.a.	\$198,330	Adopt Passing
Car Parking	4 Spaces	@ \$103.00 p.c.s.p.c.m.	\$ 4,944	Adopt Passing
Vacant Car Spaces	15 Spaces	@ \$100.00 p.c.s.p.c.m.	\$ 18,000	Assessed Rental
Assessment of Market Net Annual Income			\$891,145	
For Practical Assessment Purposes, Say \$890,000 p.a. Net (Exclusive of GST)				

Valuation Rationale.

Valuer's Market Considerations

- The regional office market is being viewed by some as a more attractive investment proposition, as more tenants look to decentralise operations away from a city environment. Throughout regional Victoria, the strongest demand has been for recently built facilities, occupied by "blue chip" tenants, which are subject to secure and long term leases. Over the past 24 months, regional office buildings (most leased by government tenants) which have been made available for sale, have been met with a good level of demand.
- Over the past 24 months, yield rates for regional commercial investments have demonstrated a wide range of say 5.0% - 8.0% for the majority of sales, acknowledging that yields at the lower end of the range are generally associated with more recently constructed, high quality buildings or properties which exhibit "value add" opportunities or strong redevelopment potential. The value rates generally demonstrate a range of say \$2,750 - \$6,750 p.s.m.
- We note that whilst the building was purpose built for the current government tenant, it could be leased and occupied by a range of alternative commercial users given the location and nature of the improvements.
- Demand for government occupied investments is steady / good as investors look for greater security of income offered by government leases.
- The subject property falls within a considered high capital value for a regional commercial asset, which would likely reduce the buyer pool in the notional event of a further sale.
- Against the background of continuing COVID-19 issues, other factors that have impacted the property market during 2022 include the various interest rate rises, continuing inflation, the on-going situation in the Ukraine, rising tension between China and Taiwan, along with the recent federal and state elections.
- As Melbourne becomes larger and for many unaffordable in terms of residential accommodation, the attractiveness of major regional towns such as Ballarat, Shepparton, Bendigo, Geelong, Traralgon, Warrnambool etc. will continue to rise, not only as a result of the price differential in housing accommodation, but also lifestyle choices around work and commuting to and from work assuming these centres offer viable employment opportunities. Government has in part assisted this process by locating some of their major requirements in these regional centres such as the TAC in Geelong and ASIC in Traralgon. Typically these organisations commit to long term lease agreements over commercial accommodation and it is these assets that are now attracting interest in the market place for reason of the quality of tenant and length of lease term. More recently within the major capital cities, and as a result of the competition for commercial assets, yields have firmed which has been another factor in investors considerations of regional assets where typically the yields are softer.

Lettability

Demand

- A good level of demand can be expected should the property be made available for lease, particularly recognising its quality, locality attributes and flexibility of accommodation.
- We note that whilst the building is being purpose built for the occupant, the property could be leased and occupied by a range of alternative commercial users (government or private) given the location and nature of improvements.

Tenant Profile

- Considered to have appeal to a range of government or local commercial entities.

Leasing / Vacancy Period

- Typically a period of say 9 to 12 months can be expected recognising the size and regional location of the premises, although this may extend beyond this period given ongoing market uncertainty as a result of COVID-19. We would also anticipate an incentive of approximately 12 months' rent free to be appropriate.
-

Marketability

Demand & Affordability

- The subject property falls within a price bracket which is reasonably high for a regional commercial asset. Notwithstanding, there is currently a limited availability of similar fully leased office buildings being offered to the market, and we note a continued appetite for investments in this space, particularly properties with “blue chip” / government tenants.

Purchaser Profile

- Predominantly investors, being a mixture of wealthy individuals and syndicates.

Method of Sale

- Expressions of Interest campaign (EOI) or private sale.

Selling Period

- A normal selling period of up to six months can be expected.

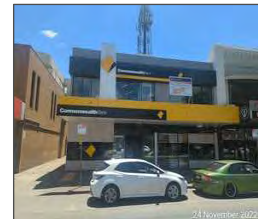
Sales Evidence

We have had regard to the following sales evidence:

Sales Schedule

39 - 41 High Street, Shepparton

Sale Date	October 2022	Sale Price	\$3,800,000
Site Area	482 sq.m.	Site Value Rate	\$7,884 p.s.m.
NLA	551 sq.m.	NLA Value Rate	\$6,897 p.s.m.
Passing Net Income	\$227,620 p.a.	Passing Yield	5.99%
Market Net Income	\$227,620 p.a.	Market Yield	5.99%
Zoning	Activity Centre Zone 1	WALE / RLT	3 years



Description

An older style two level commercial / retail freehold fronting the northern side of High Street, within the Shepparton Central Activities District. Situated on an *Activity Centre Zone 1* allotment of 482 sq.m. Subject to a renewed 3-year lease to December 2025 to the Commonwealth Bank, which returns \$227,757 p.a., net with 4% annual increases and options to 2034. Sold at the Burgess Rawson Investment Portfolio Auction 156.

Comparison to Subject

Similar Shepparton location. Lower / more affordable capital value, although an older building with a much shorter WALE, and we would expect a lower yield for the subject property. Provides some guide on a building value rate p.s.m. basis.

146 - 154 York Street, Sale

Sale Date	November 2021	Sale Price	\$11,600,000
Site Area	4,404 sq.m.	Site Value Rate	\$2,634 p.s.m.
NLA	1,991 sq.m.	NLA Value Rate	\$5,826 p.s.m.
Passing Net Income	\$661,366 p.a.	Passing Yield	5.70%
Market Net Income	\$661,366 p.a.	Market Yield	5.70%
Zoning	Mixed Use Zone	WALE / RLT	46 months



Description

A single level circa 1996 built commercial office building, forming part of the main Sale commercial precinct. Completed by on-site car parking for 44 vehicles. Situated on a *Mixed Use Zone* allotment of 4,404 sq.m. Sold subject to two separate Government tenant leases. Partly leased to the Department of Families, Fairness and Housing pursuant to a 5 + 5 + 3 year term which commenced October 2019. The balance of the building is leased to Services Australia (Centrelink) pursuant to a 7 + 4 year term which commenced April 2019. The property was sold following an Expressions of Interest (EOI) campaign, conducted by commercial agent, Stonebridge.

Comparison to Subject

Similar regional location, although somewhat removed from the Central Activities Precinct. Also underpinned by long term leases to government departments, albeit with a shorter WALE and we would expect a lower yield for the subject property. Older and inferior quality building, and we would expect a higher building value rate p.s.m. for the subject property.

Sales Schedule

60 Reid Street, Wangaratta

Sale Date	June 2021	Sale Price	\$6,800,000
Site Area	814 sq.m.	Site Value Rate	\$8,354 p.s.m.
NLA	1,262 sq.m.	NLA Value Rate	\$5,388 p.s.m.
Passing Net Income	\$355,000 p.a.	Passing Yield	5.22%
Market Net Income	\$355,000 p.a.	Market Yield	5.22%
Zoning	Commercial 1 Zone	WALE / RLT	55 Months



Description

A two storey retail / office premises. Commercial 1 Zone allotment of 814 sq.m. 6 car spaces. Recently refurbished. Leased to the Victorian Government for a 5 year term which commenced in January 2021, with options. 3% p.a. annual rental increases. Central and well exposed position within the regional location of Wangaratta. Sold prior to the Burgess Rawson Portfolio Auction.

Comparison to Subject

Similar regional location. Also underpinned by a long term lease to a government department, albeit with a shorter WALE. Lower / more affordable capital value. On balance, we would expect a similar yield for the subject property. Older and inferior style / quality building and we would expect a higher building value rate p.s.m. for the subject property.

71 Bridge Street, Bendigo

Sale Date	June 2021	Sale Price	\$7,550,000
Site Area	1,951 sq.m.	Site Value Rate	\$3,870 p.s.m.
NLA	1,316 sq.m.	NLA Value Rate	\$5,737 p.s.m.
Passing Net Income	\$427,004 p.a.	Passing Yield	5.65%
Market Net Income	\$427,004 p.a.	Market Yield	5.65%
Zoning	Commercial 1 Zone	WALE / RLT	47 months



Description

A modern (circa 2015 built) two level office building, forming part of the main Bendigo commercial precinct and erected upon a *Commercial 1 zoned* allotment of 1,951 sq.m. Leased to the State of Victoria (Centre Against Sexual Assault) for a 10 + 5 + 5 year term which commenced in May 2015, with 3.5% p.a. rental increases. 4.5 Star NABERS Energy Rating. Incorporates 30 on-site car spaces. Passing rental of \$427,004 p.a. (or \$324 p.s.m.p.a. inclusive of car parking). The property was sold following an Expressions of Interest (EOI) campaign, conducted by commercial agent, Colliers International.

Comparison to Subject

Similar regional location, although somewhat removed from the Central Activities Precinct. Also underpinned by a long term lease to a government department, albeit with a shorter WALE, and we would expect a lower yield for the subject property. Similar style modern building and provides some guide on a building value rate p.s.m. basis.

39 - 43 Williamson Street, Bendigo

Sale Date	May 2021	Sale Price	\$6,375,000
Site Area	1,094 sq.m.	Site Value Rate	\$5,827 p.s.m.
NLA	1,216 sq.m.	NLA Value Rate	\$5,243 p.s.m.
Passing Net Income	\$321,199 p.a.	Passing Yield	5.04%
Market Net Income	\$321,199 p.a.	Market Yield	5.04%
Zoning	Commercial 1 Zone	WALE / RLT	Approx. 5 years



Description

An older style two level retail / office building, occupying a prominent / well exposed in the Bendigo Central Activities precinct. 8 car spaces. Commercial 1 zone allotment of 1,094 sq.m., with three street frontages, with the property benefitting from redevelopment potential. Refurbished in 2016. Renewed 5 year lease to 2024 plus option to Australia Post. New 5 year lease to 2026 plus option to Millson Business Centre. Sold at the Burgess Rawson Portfolio Auction.

Comparison to Subject

Similar regional location. Also occupies a position within the Central Activities Precinct, whilst occupying a prominent corner. Shorter WALE, although lower / more affordable capital value, and on balance, we would expect a similar yield for the subject property. Older / inferior quality building and we would expect a higher building value rate p.s.m. to be appropriate for the subject property.

Sales Schedule

15 - 575 Raglan Parade, Warrnambool

Sale Date	March 2021	Sale Price	\$5,575,000
Site Area	1,504 sq.m.	Site Value Rate	\$3,707 p.s.m.
NLA	1,305 sq.m.	NLA Value Rate	\$4,272 p.s.m.
Passing Net Income	\$287,100 p.a.	Passing Yield	5.15%
Market Net Income	\$287,100 p.a.	Market Yield	5.15%
Zoning	Commercial 1 Zone	WALE / RLT	7 years



Description

A single storey office building which underwent a substantial upgrade in circa 2009. Four car spaces, on Title. Situated on a Commercial 1 Zone (C1Z) allotment of approximately 1,504 sq.m. Leased to the State of Victoria for a 7 + 5 + 5 year term which commenced in February 2021, with 2% p.a. rental increases. Central and well exposed position within the regional location of Warrnambool. Sold at the Burgess Rawson Portfolio Auction.

Comparison to Subject

Similar regional location. Also underpinned by a long term lease to a government department, albeit with a shorter WALE. Lower / more affordable capital value. On balance, we would expect a similar yield for the subject property. Older and inferior style / quality building and we would expect a higher building value rate p.s.m. for the subject property.

24 - 334 Springvale Road, Springvale

Sale Date	February 2021	Sale Price	\$11,000,000
Site Area	5,370 sq.m.	Site Value Rate	\$2,048 p.s.m.
NLA	1,787 sq.m.	NLA Value Rate	\$6,156 p.s.m.
Passing Net Income	\$455,720 p.a.	Passing Yield	4.14%
Market Net Income	\$455,720 p.a.	Market Yield	4.14%
Zoning	Commercial 1 Zone	WALE / RLT	46 months



Description

A single storey circa 1980 built office building, together with on-site car parking for 93 vehicles. Situated on a Commercial 1 Zone (C1Z) corner allotment of approximately 5,370 sq.m., with longer term redevelopment potential. Leased to Centrelink for a 5 + 5 + 5 year term which commenced in February 2019, with annual CPI rental increases. Sold in an "off market" transaction.

Comparison to Subject

Superior Metropolitan Melbourne location. Benefits from an expansive corner allotment of 5,370 sq.m., with longer term redevelopment potential. Similarly leased to a government tenant, albeit with a shorter WALE. We would expect a higher yield for the subject property. Provides some guide on a building value rate p.s.m. basis.

46 - 48 Edward Street, Bendigo

Sale Date	December 2020	Sale Price	\$4,010,000
Site Area	1,023 sq.m.	Site Value Rate	\$3,920 p.s.m.
NLA	967 sq.m.	NLA Value Rate	\$4,147 p.s.m.
Passing Net Income	\$254,952 p.a.	Passing Yield	6.35%
Market Net Income	\$254,952 p.a.	Market Yield	6.35%
Zoning	Commercial 1 Zone	WALE / RLT	26 months



Description

A part two level office building, which was fully refurbished in 2002, forming part of the main Bendigo commercial precinct and erected upon a Commercial 1 zoned corner allotment of 1,023 sq.m. Fully occupied subject to four leases, with terms ranging from 3 to 6 years (some with options), although we note one monthly tenant. Combined passing income of \$254,952 p.a. Tenants include ORM Pty Ltd, IPSUM Advisors and a local Solicitor. Sold at the Burgess Rawson Portfolio Auction.

Comparison to Subject

Similar regional location. Lower / more affordable capital value, although inferior lease profile / shorter WALE. We would expect a lower yield for the subject property. Inferior quality improvements, and we would expect a higher building value rate p.s.m. for the subject property.

Valuation Methodology

In recognition of the property primarily appealing to the investor category of purchaser, we have adopted the capitalisation approach as our primary method of assessment. The capitalisation approach is modelled on net income at market rental levels and on an assumed fully leased basis with allowances made for profit rentals / rental shortfalls scenarios as they exist and vacancies.

As a secondary or check method of assessment, we have considered the direct comparison approach, analysing a number of sales in varying degrees comparable on a building value rate p.s.m.

We consider that given the nature and capital value range in which the property falls that the property would primarily appeal to private investors. In our experience the type of private investor to which the property would appeal would view the value on the basis of a yield / return or rate per square metre or a combination of the two rather than basing a purchase decision on a DCF. Accordingly in order to accurately reflect the market we have carried out our assessment of value by income capitalisation and direct comparison only.

Refer to Assumptions / Qualifications - Definitions of Valuation Approaches

Income Capitalisation Approach

In adopting an appropriate yield (and building value rate), we have had regard to the following SWOT Analysis in relation to the subject property:

Strengths S	Weaknesses W
<ul style="list-style-type: none"> - Central location within the Shepparton Central Activities District, with good exposure. - Secure income from two leases to government tenants (Court Services Victoria and Department of Justice, pursuant to long term leases, with the building providing a long WALE by income of approximately 88 months / 7.3 years. - Provides modern improvements and an excellent standard of accommodation having been recently constructed, with no significant capital expenditure requirements in the short to medium term. - Good levels of natural light throughout. - Good provision of on-site car parking. - The building is flexible as to design and can be occupied as a whole, and without significant loss of NLA, the floors could be split to provide multiple occupancies. - All outgoings are being recovered, including Land Tax. - Newly constructed building with depreciation benefits and minimal requirement for capital expenditure for some years. - Multiple income streams with staggered lease expiry. 	<ul style="list-style-type: none"> - Forms part of a regional location and as such may deter some tenants and purchasers. - The initial term for the Court Services Victoria lease expires in late 2023. - The Court Services Victoria Lease only has two options each of 1 year. - High capital value for a regional office building, reducing the pool of potential purchasers in the notional event of a further sale. - The risk that at lease expiries if the whole building Government tenants vacate, the rental could revert to a lower level more in line with the rentals existing for other typical commercial accommodation, together with the risk of again finding another single tenant for a large amount of space. - There is currently 15 vacant car spaces.
Opportunities O	Threats T
<ul style="list-style-type: none"> - In our opinion, the property is considered to be at its highest and best use. - Seek lease renewals as the expiries approach. - Lease the vacant car spaces. - Future owner occupation. - Flexibility to subdivide the floor plates to provide smaller leasable areas without significant loss of NLA. 	<ul style="list-style-type: none"> - The current tenants vacating at their respective lease expiries. - Competition from other offices within the nearby developments which offer similar Governments specified accommodation. - Changes in company business models leading to a reduced requirement for office accommodation. - Extended leasing periods given the on-going COVID-19 situation. - Any future increase in the Council Statutory assessments will have an impact on the Land Tax liability and Council rates. - Low growth economy may start to impact on the property market more generally. - Tightening finance environment could also have a negative impact on property markets. - The current level of market interest in part is due to the current low interest rate environment, and in particular, limited options in respect for investment alternatives. Consequently, in the event of further interest rate rises, continued inflation, or economic conditions deteriorating, we would anticipate diminished demand and possibly an adjustment in respect of capital values.

We have referenced the value of the subject property against the following sales evidence, which are considered to be the most relevant and which have previously been fully discussed:

- **39 - 41 High Street, Shepparton**
\$3,800,000 / October 2022 / 5.99% Market Yield
- **515 - 575 Raglan Street, Warrnambool**
\$5,575,000 / March 2021 / 5.15% Market Yield
- **60 Reid Street, Wangaratta**
\$6,800,000 / June 2021 / 5.22% Market Yield
- **146 - 154 York Street, Sale**
\$11,600,000 / November 2021 / 5.70% Market Yield
- **71 Bridge Street, Bendigo**
\$7,550,000 / June 2021 / 5.65% Market Yield
- **324 - 334 Springvale Road, Springvale**
\$11,000,000 / February 2021 / 4.14% Market Yield

The sales evidence reflects a yield range of 4.14% to 6.35%.

As detailed under *Income Assessment*, we have adopted a market rental of \$890,000 p.a. for assessment purposes. We note that Land Tax (albeit minor) is currently being recovered from the tenants. Notwithstanding, noting that a typical tenant for this type of occupancy would probably not be required to pay Land Tax under the *Retail Leases Act 2003*, we have made appropriate allowances for non-recoverable Land Tax, which we have estimated at \$4,895.

Accordingly, to reflect the benefit of the Land Tax recovery we have added by way of a present value (PV) calculation an amount to our capitalised value.

In adopting an appropriate yield, we have again considered the sales evidence, market considerations and SWOT Analysis mentioned above, and after consideration of these factors, adopted a yield of 5.0%.

A summary of our assessment by income capitalisation is as follows:

Assessed Market Net Annual Income	\$ 890,000
Less Estimated Non-Recoverable Land Tax	\$ 4,895
	\$ 885,105
Capitalised @ 5.0%	\$17,702,100
Plus PV of Land Tax Being Recovered until expiry of Current Lease Terms	\$ 35,788
Assessment	\$17,737,888
For Practical Valuation Purposes, Adopt Recently Negotiated Purchase Price of \$17,500,000 (Exclusive of GST)	

Direct Sales Comparison Approach

Alternatively, a further method of assessment is by direct sales comparison, based upon the analysis of comparable sales as previously detailed. From the evidence analysed, value rates broadly range between \$4,250 and \$7,000 p.s.m.

We have referenced the value of the subject property against the following sales evidence, which are considered to be the most relevant and which have previously been fully discussed.

- **39 - 41 High Street, Shepparton**
\$3,800,000 / October 2022 / \$6,897 p.s.m.
- **71 Bridge Street, Bendigo**
\$7,550,000 / June 2021 / \$5,737 p.s.m.
- **60 Reid Street, Wangaratta**
\$6,800,000 / June 2021 / \$5,388 p.s.m.
- **146 - 154 York Street, Sale**
\$11,600,000 / November 2021 / \$5,826 p.s.m.
- **324 - 334 Springvale Road, Springvale**
\$11,000,000 / February 2021 / \$6,156 p.s.m.

Based on the evidence considered and having regard to the various attributes / SWOT Analysis and market considerations previously noted, we have adopted a Sensitivity Analysis Approach assessing a building value rate range of \$6,500 - \$6,750 p.s.m. as being appropriate for the subject property. The adopted rate is at the very upper of the rates evidenced by the sales, although reflective of the newly constructed / above average quality of the building, together with the long term leases in place (with options).

We refer you to our calculations as follows:

NLA – 2,626 sq.m. @ \$6,500 p.s.m.	\$17,069,000
NLA – 2,626 sq.m. @ \$6,750 p.s.m.	\$17,725,500
For Practical Valuation Purposes, Adopt Recently Negotiated Purchase Price of \$17,500,000 (Exclusive of GST)	

Valuation Reconciliation

Our secondary methodology supports the value assessed by our primary approach. Both methods support the recently negotiated purchase price of \$17,500,000.

Insurance Estimate

We estimate an insurance cover for the improvements on a replacement basis, presuming complete destruction and allowing for removal of debris, planning and construction periods, professional fees and cost escalation between policy renewal dates, in the sum of \$12,750,000 (exclusive of GST).

Our estimate is comprised as follows:

Demolition	\$ 150,000
Statutory Fees	\$ 200,000
Reconstruction Costs	\$10,250,000
Construction Cost Escalation	\$ 625,000
Contingency	\$ 525,000
Professional Fees	\$ 1,000,000
Replacement Cost Estimate (Exclusive of GST)	\$12,750,000
Replacement Cost Estimate (Inclusive of GST)	\$14,025,000

The abovementioned estimate is based on the following assumptions:

- Gross Building Area (GBA)
- Construction timeline of 12 -18 months
- Escalation rates of 5% - 7.5%

Refer to Assumptions / Qualifications - Insurance Estimate

GST Implications

The assessed value detailed within this Valuation Report has been concluded exclusive of GST.

Refer to Assumptions / Qualifications - GST Implications

Valuation & Valuation Compliance Statement.

Valuation

Subject to the assumptions and qualifications contained within this report, we have assessed the current market value of the subject property (exclusive of GST) at:

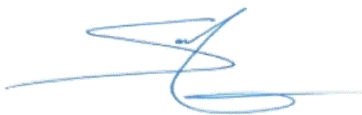
\$17,500,000

Seventeen Million Five Hundred Thousand Dollars

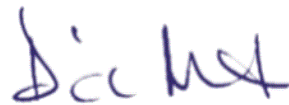
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Prepared by
Charter Keck Cramer Pty Ltd



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Certified Practising Valuer
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Director
T +61 (0) 409 504 588



David Morton, AAPI
Counter Signatory
API Member: 62475
National Executive Director

The counter signatory has reviewed the valuation based on the data presented in the report for the accuracy of calculations, the reasonableness of data, the appropriateness of methodology, and compliance with client guidelines, regulatory requirements and professional standards. The counter signatory is satisfied that the valuation is based on reasonable grounds. The data presented has not been independently confirmed and the property has not been inspected by the counter signatory.

Date of Issue of the Valuation Report - 29 November 2022

Liability limited by a scheme approved under Professional Standards Legislation.

Mortgage Recommendation

At the assessed value and subject to the qualifications and recommendations made within this report, the property is considered a suitable security for first mortgage purposes.

Prudent Lender Clause

This valuation is prepared on the assumption that the Lender as referred to in the Valuation Report (and no other) may rely on the Valuation for mortgage finance purposes, and the Lender has complied with its own lending guidelines as well as prudent finance industry lending practices, and has considered all prudent aspects of credit risks for any potential borrower, including the borrower's ability to service and repay any mortgage loan.

Further, this Valuation is prepared on the assumption that any such lender is providing mortgage financing at a conservative and prudent loan to value ratio. This clause (*Prudent Lender Clause*) only applies if the Lender is not a Lender regulated by the *Banking Act 1959* (Cth).

Valuation Compliance Statement

Charter Keck Cramer confirms that:

- The statements of fact presented in the report are correct to the best of the Valuer's/Valuers' knowledge.
- The analyses and conclusions are limited only by the reported assumptions and conclusions.
- The Valuer(s) and the Counter Signatory for this report are each a Certified Practising Valuer, a member of the Australian Property Institute (API) and hold a current Certificate of Completion for the API's Continuing Professional Development Program.
- Neither the Valuer(s), the Counter Signatory nor Charter Keck Cramer has any pecuniary, commercial or other interest in the property being reported on and is not a Related Entity of any party to the transaction in respect of which the report is being undertaken.
- The Valuation Fee is not contingent upon any aspect of the report.
- The Valuation has been prepared in accordance with the *API Code of Professional Conduct* and the requirements of the current *API Standard Instructions for Valuation Reports*.
- The Valuer(s) has/have experience in the location and category of the property being valued.
- A personal inspection of the property has been conducted by the Valuer(s).
- No one, except those specified in this report, has provided professional assistance in preparing the report.

Lender Specific Compliance Statement

- Charter Keck Cramer Pty Ltd advises that:
- The Property Valuer and Counter Signatory for this report are each a Certified Practising Valuer and a Member of the Australian Property Institute (API);
- The Property Valuer and Counter Signatory for this report each hold a current Certificate of Completion for the API's Continuing Professional Development Program;
- Neither the Property Valuer, the Counter Signatory nor Charter Keck Cramer has any pecuniary, commercial or other interest in the property being reported on and is not a Related Entity of any party to the transaction in respect of which the Report is being undertaken; and
- The report has been prepared in accordance with both the Australian Property Institute's current Professional Practice Standards and the Commonwealth Bank of Australia ("Bank") and Bank Group Members Standard Instructions to Panel Valuers.

Refer to Assumptions / Qualifications - Third Party Disclaimer

Assumptions / Qualifications.

Legend

square metres	sq.m.
net lettable area	NLA
per annum	p.a.
per square metre	p.s.m.
per square metre per annum	p.s.m.p.a.
per car space per calendar month	p.c.s.p.c.m.
weighted average lease expiry	WALE

Date of Valuation

Due to possible changes in market forces and circumstances in relation to the subject property, this report can only be regarded as relevant as at the date of valuation.

This valuation is current as at the date of valuation only. The value assessed herein may change significantly and unexpectedly over a relatively short period (including as a result of general market movements or factors specific to the particular property). We do not accept liability for losses arising from such subsequent changes in value.

We draw attention to the provisions of our professional indemnity insurance that all valuations are only valid for 90 days from the date of valuation, no responsibility being accepted for clients' reliance upon reports beyond that period. Accordingly, any parties authorised to rely upon our opinion should be aware of the need for a review as necessary.

Our assessment is subject to there being no significant event that has occurred between the date of valuation and the date of issue of the valuation report that would impact on the value of the subject property.

Our report is concluded in the context of current Federal and State Legislation, Regulations and Policies as at the date of this report and does not anticipate or reflect possible changes in these matters that may impact upon the fundamentals of the project or property, its target market, cost structure, profitability or value. Adverse changes in such Legislation, Regulations and Policies (such as fiscal, taxation, FIRB, migration, international affairs and security), among others, are outside the control of the Valuer, and may result in material adverse impact on the valuation advice provided. Charter Keck Cramer and its affiliates do not accept any liability arising with respect to these matters.

Definition of Market Value

The definition of Market Value as stipulated by the International Valuations Standards (IVS) and endorsed by the Australian Property Institute (API) is:

Market Value is the estimated amount for which the asset or liability should exchange on the valuation date between a willing buyer and a willing seller in an arm's length transaction, after proper marketing and where the parties had each acted knowledgeably, prudently and without compulsion.

Definition of Market Rent

The definition of Market Rent as stipulated by the International Valuations Standards (IVS) and endorsed by the Australian Property Institute (API) is:

Market Rent is the amount for which an interest in real property should be leased on the valuation date between a willing lessor and a willing lessee on appropriate lease terms in an arm's length transaction, after proper marketing and where the parties had each acted knowledgeably, prudently and without compulsion.

Definition of Highest and Best Use

The definition of *Highest and Best Use* as is endorsed by the Australian Property Institute (API) is:

The use of an asset that maximises its potential and that is physically possible, legally permissible and financially feasible.

Definitions of Valuation Approaches

Capitalisation of Net Income (Capitalisation) Method

This method involves the valuer estimating the potential annual sustainable gross market rent of a property as at the date of valuation. Recurring annual outgoings are then deducted to derive the net annual market income to the owner. This net annual market income is then capitalised at an appropriate rate derived from analysis of comparable sales evidence to derive a capitalised income.

Adjustments to the capitalised income are then made for items including profit rent/shortfall derived from existing or passing rents where they are above or below market, letting up allowance over vacant areas including foregone rental and outgoings over the assumed letting up period together with marketing expenses and leasing commissions, short term capital expenditure, outstanding lease incentives including rent free periods and committed Lessor contributions.

Direct Comparison Method

This method involves applying a value rate to the selected unit of comparison (e.g. lettable area, land area, building area as deemed appropriate by the property valuer), with the adopted value rate derived from analysis of comparable sales evidence.

Summation Method

This method involves an assessment of value for each of the component assets (e.g. land and buildings) that are part of the subject property using the appropriate valuation approaches and methods. The value of the component assets are summated or added together to derive an overall value of the subject property.

Encumbrances

Our valuation is subject to there being no undisclosed or unregistered easements or encumbrances which would have an adverse effect on our valuation other than those previously described and noted on the Certificate(s) of Title attached as an annexure at the rear of this report. Should it be discovered that further easements or encumbrances exist, this report should be referred back to Charter Keck Cramer for consideration, comment and amendment (if necessary).

Land Area & Dimensions

Measurements taken on site appear to substantially accord with those shown on title. A current survey has not been sighted. This valuation is subject to there being no encroachments by or upon the property and this should be confirmed by a current survey and/or advice from a Registered Surveyor. If any encroachments are noted by the survey report, the Valuer should be consulted to reassess any effect on the value stated herein.

Native Title

Pursuant to the *Native Title Act (Cth)* 1993, and as amended 30 September 1998, land with the exception of an "Exclusive Possession Grant", may be claimed as the property of Indigenous Australians leading to the co-existence or likely co-existence of Native Title in relation to a particular piece of land, subject to the verification of a prior or continuing connection to the land.

We are not experts in Native Title or the property rights derived therefrom and have not been supplied with appropriate anthropological, ethnocological and/or ethnographic advice. Therefore, the property valuation or assessment is made subject to there being no actual or potential Native Title affecting:

- The value or marketability of the property.
- The land.

The National Native Title Register (NNTR) was established under Section 192 of the *Native Title Act (Cth)* 1993. The NNTR contains determinations of Native Title made by the High Court of Australia, the Federal Court of Australia, or such similarly recognised bodies. Formal verification that the property is not subject to co-existing Native Title interests and/or subject to determination should be obtained by searching the Registry of Native Titles Claims, which is administered by the National Native Titles Tribunal. We have viewed maps prepared by the National Native Title Tribunal detailing Native Title Applications, determination areas and indigenous land use agreements. The map does not identify that the subject property is affected by applications and determinations as per the Federal Court on 31 March 2010.

This assessment is completed on the basis that the property is not affected by co-existing Native Title interests. Should subsequent investigation show that the land is subject to existing or potential co-existing Native Title interests, this property valuation or assessment will require revision and should be referred back to Charter Keck Cramer for consideration, comment and amendment.

General Construction

A Certificate of Compliance has not been sighted and accordingly, our assessment is subject to the building complying in all material respects with any restrictive covenants affecting the site and has been built, is occupied and being operated, in all material respects, in compliance with all requirements of law, including all zoning, land use classification, building, planning, fire and health bylaws (including asbestos), rules, regulations, orders and codes of all authorities and that there are no outstanding requisitions. Our assessment is also subject to full compliance with all Occupational Health and Safety legislation; as well as compliance with all Essential Services Maintenance legislation.

Fixtures & Fittings

All fixtures and fittings which are considered to be an integral part of the building and which would normally be sold with it, form part of our valuation. Our assessment specifically excludes non fixture items including plant, equipment, machinery, demountable partitions and loose furniture (if any) which have been installed by the occupant and/or which are used in connection with the business(es) operating from the property. These non fixture items are usually removable and are not a tangible part of the building.

Condition of Improvements

We highlight the Valuer is not a building construction or structural expert and is therefore unable to certify the structural soundness of the improvements. We have not sighted a qualified engineer's structural survey of the improvements, or its plant and equipment. Prospective purchasers or mortgagees would need to make their own enquiries in this regard.

We have not sighted a structural report on the property nor have we inspected unexposed or inaccessible portions of the premises. We therefore cannot comment on the structural integrity, defect, rot or infestation of the improvements nor can we comment on any knowledge of the use in construction of material such as asbestos or other materials now considered hazardous.

Insurance Estimate

The Valuations business unit of Charter Keck Cramer is staffed by Certified Practising Valuers who are not Quantity Surveyors and our estimate is based upon current published cost data and is intended as a guide only. Should you require formal confirmation we recommend our Quantity Surveying business unit as appropriate.

The following have been excluded from the estimate:

- Overtime work due to restricted contract periods.
 - Negotiated contract.
 - Staged construction.
 - Piling works.
 - Excavation in rock or blasting.
 - Site decontamination works.
 - Operator items and machinery/loose furniture, office partitions, desks, etc./artwork.
 - Land cost.
 - Finance charges/legal fees, sales and letting charges.
 - Loss of rent and cost of alternative accommodation during rebuilding.
 - Loss of profit.
 - Costs in connection with significant changes in planning and building regulations.
 - Substantial variations to the design of the building.
 - Delays in obtaining permits and documentation beyond the usual timeframes.
 - Rates, taxes and the like.
 - Site investigation works.
-

GST Implications

Transactions of commercial properties are subject to GST from 1 July 2000, at an amount equivalent to one eleventh (1/11th) of the sale price, for which it is the responsibility of the vendor to remit same to the Government. Accordingly, the vendor/notional vendor can only pass on the GST through a specific condition in the sale contract. Most contracts now include a clause that requires the purchaser to pay any GST on the basis that the purchaser is a registered business and entitled to a full input tax credit. This results in GST being a cash flow issue for the vendor only. With regard to commercial property which is sold subject to commercial leases or which is viewed as a "going concern" under legislation, the supply can be GST free if:

- The supply is for consideration.
- The purchaser is registered (or required to be).
- The vendor and purchaser agree that the supply is to be the supply of a going concern.

Supply of a going concern is an agreement in which:

- The vendor gives the purchaser all things necessary for the continued operation of the enterprise.
- The vendor continues to carry on the enterprise to the date on which possession changes.

In accordance with the final ruling on "going concerns" as contained within GSTR 2001/5 and 2002/5 issued by the Australian Taxation Office, the use and definition of a "going concern" has been clarified, and therefore the majority of commercial buildings can be classified as "going concerns" and be GST - Free. Under the Rulings "Marketing Test", the GST - Free Rule applies to:

- Fully tenanted buildings.
- Partially tenanted buildings, being marketed for lease.
- New buildings being marketed for lease where at least one tenant has been secured.

Accordingly, the treatment of GST can be handled in a number of ways with respect to the subject property. Being a commercial property, it is most likely that the "going concern" method of handling GST will be adopted, and therefore the transaction can be GST free. Alternatively, a vendor/notional vendor may require a purchaser/notional purchaser to pay GST in addition to the purchase price, with such purchaser able to claim back this payment as an "input tax credit". As a third method, the vendor and purchaser (or notional vendor and purchaser) may elect to adopt the margin scheme, with the purchaser paying GST on the margin or difference in value of the property between the current date and 1 July 2000.

Our valuation is expressed exclusive of GST.

This valuation is based on the assumptions relating to GST set out above. If any of these assumptions are found to be incorrect, or if the party on whose instructions this valuation is provided wishes our valuation to be based on different assumptions, this valuation should be referred back to the Certified Practising Valuer for comment and, in appropriate cases, amendment.

Third Party Disclaimer

In order to avoid any cyber-criminal fraud or other misuse, the party to whom the report is addressed must ensure that it relies on a report issued directly by Charter Keck Cramer. This report should only be relied upon as a valuation report and may only be used for the sole purposes as stated in the report. Charter Keck Cramer does not extend any liability to any third party who may use or rely on the whole or any part of the content of this valuation or report. Charter Keck Cramer does not consent to publication of this report (in whole or in part). Amendments and changes to this report will only be notified to the parties to whom it is addressed.

Mortgage Insurer

We advise should a copy of this valuation and report be required by any mortgage insurer which proposes to insure or actually insures a loan advanced against the security of the subject property, that party, by the terms of our company's professional indemnity insurance policy, must seek our formal authorisation in writing.



Letter of Instruction

Order N°: 8EC-TRDF-DMC

409 WYNDHAM STREET, SHEPPARTON, VIC - 3630

DIPID: AU23945613 , Legal Description: PC378618

Order for Finance for Mortgage Security Purposes.

Instructing Party	Commonwealth Bank of Australia and Bank Group Members
Lender Name	Andrew Howard
Lender Phone	0436661804
Address To	Commonwealth Bank of Australia and Bank Group Members
Bank Requirements	Please click here to view additional report requirements
Customer Reference Number	000
Application Reference	000
Purchase Price	\$17,500,000
Customer's Contact Details	Name: Brett Gorman Email: bgorman@mpgfm.com.au Phone: 0399598920
Property Access Details	<i>Contact customer for access</i>
Comments	<i>No additional customer or lender comments</i>
Attached Files	CBA_Standing_Instructions.pdf (Created: 03 Oct 2022 10:01 AM)  Order_Summary_8EC-TRDF-DMC.pdf (Created: 03 Oct 2022 10:02 AM) 
Order N°	8EC-TRDF-DMC
Status	Accepted
Report Purpose	Finance for Mortgage Security Purposes.
Valuation Basis	As Is
Product Type	Specialised Valuation
Loan Purpose	Purchase
Property Type	Office
Created Date	03 Oct 2022 10:01
Payment Date	16 Nov 2022 21:01
Due Date	08 Dec 2022 08:00
Total (GST Inclusive)	\$4,950.00

[TO DASHBOARD](#)

Comments and Actions

[COMMENT](#)

[SET INSPECTION TIME](#)

[SUBMIT PRICE ADJUSTMENT](#)

[REASSIGN CONSULTANT](#)

[REQUEST DELAY](#)

Title Details

REGISTER SEARCH STATEMENT (Title Search) Transfer of Land Act 1958

Page 1 of 1

VOLUME 12030 FOLIO 510

Security no : 124102244898U
Produced 29/11/2022 10:48 AM

LAND DESCRIPTION

Land in Plan of Consolidation 378618H.

PARENT TITLES :

Volume 05004 Folio 678 Volume 05971 Folio 146 Volume 06869 Folio 697

Volume 07245 Folio 902

Created by instrument PC378618H 05/11/2018

REGISTERED PROPRIETOR

Estate Fee Simple

Sole Proprietor

409-415 WYNDHAM STREET SHEPPARTON PTY LTD of F/44-54 RAGLAN STREET PRESTON
VIC 3072
PC378618H 05/11/2018

ENCUMBRANCES, CAVEATS AND NOTICES

CAVEAT AV639559B 18/05/2022

Caveator

THE TRUST COMPANY LTD ACN: 004027749

Grounds of Claim

PURCHASERS' CONTRACT WITH THE FOLLOWING PARTIES AND DATE.

Parties

THE REGISTERED PROPRIETOR(S)

Date

12/05/2022

Estate or Interest

FREEHOLD ESTATE

Prohibition

ABSOLUTELY

Lodged by

PIPER ALDERMAN

Notices to

GREG TAYLOR of LEVEL 23 459 COLLINS STREET MELBOURNE VIC 3000

Any encumbrances created by Section 98 Transfer of Land Act 1958 or Section 24 Subdivision Act 1988 and any other encumbrances shown or entered on the plan set out under DIAGRAM LOCATION below.

DIAGRAM LOCATION

SEE PC378618H FOR FURTHER DETAILS AND BOUNDARIES

ACTIVITY IN THE LAST 125 DAYS

NUMBER		STATUS	DATE
AW291075B (E)	WITHDRAWAL OF CAVEAT	Registered	22/11/2022

DOCUMENT END



Imaged Document Cover Sheet

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Document Type	Plan
Document Identification	PC378618H
Number of Pages (excluding this cover sheet)	2
Document Assembled	17/11/2022 13:32

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Department of Environment, Land, Water & Planning

Electronic Instrument Statement

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The Victorian Government acknowledges the Traditional Owners of Victoria and pays respects to their ongoing connection to their Country, History and Culture. The Victorian Government extends this respect to their Elders, past, present and emerging.

Produced 17/11/2022 01:31:47 PM

Status	Registered	Dealing Number	AV639559B
Date and Time Lodged	18/05/2022 01:57:30 PM		

Lodger Details

Lodger Code	20345Y
Name	PIPER ALDERMAN
Address	
Lodger Box	
Phone	
Email	
Reference	GHT 434690

CAVEAT

Jurisdiction	VICTORIA
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Privacy Collection Statement

The information in this form is collected under statutory authority and used for the purpose of maintaining publicly searchable registers and indexes.

Land Title Reference

12030/510

Caveator

Name	THE TRUST COMPANY LIMITED
ACN	004027749

Grounds of claim

Purchasers' contract with the following Parties and Date.

Parties

The Registered Proprietor(s)

Date

12/05/2022

Estate or Interest claimed

Freehold Estate

Prohibition

Absolutely



Department of Environment, Land, Water & Planning

Electronic Instrument Statement

Name and Address for Service of Notice

Greg Taylor

Address

Floor Type	LEVEL
Floor Number	23
Street Number	459
Street Name	COLLINS
Street Type	STREET
Locality	MELBOURNE
State	VIC
Postcode	3000

The caveator claims the estate or interest specified in the land described on the grounds set out. This caveat forbids the registration of any instrument affecting the estate or interest to the extent specified.

Execution

1. The Certifier has taken reasonable steps to ensure that this Registry Instrument or Document is correct and compliant with relevant law and any Prescribed Requirement.
2. The Certifier has retained the evidence supporting this Registry Instrument or Document.
3. The Certifier has taken reasonable steps to verify the identity of the caveator or his, her or its administrator or attorney.

Executed on behalf of	THE TRUST COMPANY LIMITED
Signer Name	JANET WONG
Signer Organisation	PIPER ALDERMAN
Signer Role	AUSTRALIAN LEGAL PRACTITIONER
Execution Date	18 MAY 2022

File Notes:

NIL

This is a representation of the digitally signed Electronic Instrument or Document certified by Land Use Victoria.

Statement End.

<h1>PLAN OF CONSOLIDATION</h1>	EDITION 1	<h1>PC 378618H</h1>
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<p>LOCATION OF LAND</p> <p>PARISH: SHEPPARTON TOWNSHIP: SHEPPARTON SECTION: F CROWN ALLOTMENT: 5 & 5A (PARTS)</p> <p>TITLE REFERENCE: VOL. 5004 FOL. 678 VOL. 5971 FOL. 146 VOL. 6869 FOL. 697 VOL. 7245 FOL. 902</p> <p>LAST PLAN REFERENCE: LOT 1 TP 240177F LOTS 1 & 2 TP 238652P LOT 1 TP 229927B LOT 1 TP 539443V</p> <p>POSTAL ADDRESS: 409-415 WYNDHAM STREET (at time of consolidation) SHEPPARTON, 3630</p> <p>MGA CO-ORDINATES: E: 356 435 ZONE: 55 (of approx centre of land in plan) N: 5 972 390 GDA 94</p>	<p>Council Name: Greater Shepparton City Council</p> <p>Council Reference Number: S-2018-29 Planning Permit Reference: 2017-119 SPEAR Reference Number: S122280J</p> <p>Certification</p> <p>This plan is certified under section 6 of the Subdivision Act 1988</p> <p>Statement of Compliance</p> <p>This is a statement of compliance issued under section 21 of the Subdivision Act 1988</p> <p>Public Open Space</p> <p>A requirement for public open space under section 18 of the Subdivision Act 1988 has not been made</p> <p>Digitally signed by: Andrew Charles Dainton for Greater Shepparton City Council on 16/05/2018</p>
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VESTING OF ROADS AND/OR RESERVES		NOTATIONS
IDENTIFIER	COUNCIL/BODY/PERSON	
NIL	NIL	
NOTATIONS		
DEPTH LIMITATION: NIL		
<p>SURVEY:</p> <p>This plan is not based on survey.</p>		

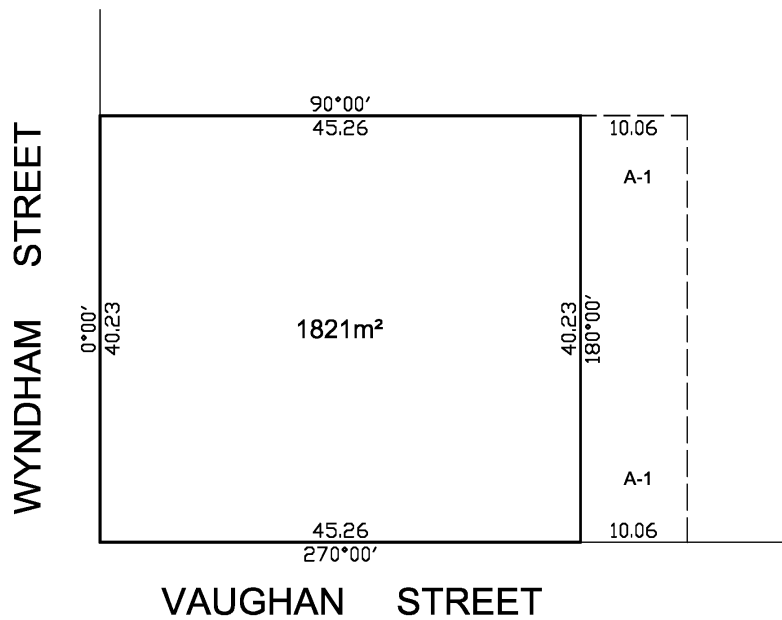
EASEMENT INFORMATION

LEGEND: A - Appurtenant Easement E - Encumbering Easement R - Encumbering Easement (Road)

Easement Reference	Purpose	Width (Metres)	Origin	Land Benefited/In Favour Of
A-1	Carriage Way	10.06	Instrument 188798	Land in This Plan

	<p>CUMMINS SURVEY GROUP Land Surveyors & Planning Consultants</p> <p>☎ 03 4416 2801 ✉ info@cumminssurveygroup.com.au 🌐 www.cumminssurveygroup.com.au</p>	<p>SURVEYORS FILE REF: J0031</p> <p>Digitally signed by: Joshua Philip Cummins (Cummins Survey Group), Surveyor's Plan Version (1), 11/05/2018, SPEAR Ref: S122280J</p>	<p>ORIGINAL SHEET SIZE: A3</p> <p>SHEET 1 OF 2</p>
	<p>PLAN REGISTERED</p> <p>TIME: 4:07pm DATE: 5/11/18</p> <p style="text-align: center;">G.LY</p> <p>Assistant Registrar of Titles</p>		

PC 378618H



APPROX MAGNETIC NORTH



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 Land Surveyors & Planning Consultants
 ☎ 03 4416 2801
 ✉ info@cumminssurveygroup.com.au
 🌐 www.cumminssurveygroup.com.au

SCALE
 1:500

LENGTHS ARE IN METRES

Digitally signed by: Joshua Philip Cummins (Cummins Survey Group),
 Surveyor's Plan Version (1),
 11/05/2018, SPEAR Ref: S122280J

ORIGINAL SHEET
 SIZE: A3

Digitally signed by:
 Greater Shepparton City Council,
 16/05/2018,
 SPEAR Ref: S122280J

SHEET 2

CAPITAL

Investment Mapping
Research
Proprietary Deal Flow
Acquisitions
Joint Ventures
Investment Management

PROJECTS

Development Strategy
Project Management
Quantity Surveying
Land Surveying
Title Diagram
Civil Engineering

ADVISORY

Corporate Property Strategy
Project Feasibility
Transaction Structuring & Divestment Management
Acquisition Advisory
Strategic Asset Management
Accommodation Solutions

VALUATIONS

Family Law Valuation
Mortgage Valuation
Construction Valuation
Pre-Purchase & Pre-Sale Advice
Financial Reporting Valuation
Compensation Valuation
Legal & Litigation Valuation
Business Valuation
Rental Assessment
Statutory Valuation

RESEARCH & STRATEGY

Market Analysis
Project Benchmarking Analysis
National Apartment Database
National Land Survey Program
Urban Economics & Policy
Briefings & Workshops

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