



VALUATION REPORT

Valuation Date: 6/12/2018

LMW reference: 1812001630

"Retail Strata Property" Lot 4/1 INDIANA PLACE, KULUIN QLD 4558

Australia's

**PROPERTY
INDUSTRY
LEADERS**

LandMark White Sunshine Coast Pty Ltd trading as LMW
ABN 45 983 936 576

Suite 5B, Level 5, 57 The Esplanade, Maroochydore QLD 4558
PO Box 5440, Maroochydore QLD 4558 Australia

T: (07) 5414-1400
F: 1300 727-684

www.lmw.com.au



Lot 4/1 INDIANA PLACE, KULUIN QLD 4558

Executive Summary

Property	Lot 4/1 INDIANA PLACE, KULUIN QLD 4558		
Instructed by	Helen Tarrant C/O Tarrant Wang Holdings Pty Ltd.		
Purpose	Pre-Purchase Advice Purposes only.		
Applicant/Borrower	Tarrant Wang Holdings Pty Ltd.		
Owner	PCRT Investments Pty Ltd.		
Title	Searched 20 November 2018. Lot 4 on Survey Plan 177265 within Local Government: Sunshine Coast Community Management Statement 34867. Title Reference: 50589667.		
Assessment date	6/12/2018	Inspection Date	6/12/2018
Client ref	N/A	LMW ref	1812001630
Interest valued	Freehold.		
Assessment type	Strata.		
Basis for assessment	Market Value subject to Existing Lease(s) - As Is.		Use: Bakery.
Specific instructions	None.		
Pecuniary Interest	All investigations have been conducted independently and without influence from a third party in any way. The Valuer/Firm (in addition to the principal valuer) has no Potential Conflict of Interest or Pecuniary Interest (real or perceived) relating to the subject property.		
Brief description	Under review is a semi-modern, single level, retail unit with a surveyed strata area of 62m ² plus an exclusive use dining area of 23m ² . The subject Lot 4 is positioned centrally within a small part two level convenience centre of 6 units built circa 2005. Other tenants include newsagency, finance broker, dentist, dance studio, engineer with the centre to also soon include a small medical centre.		
Occupancy	The property is currently leased to a local bakery business until 27 March 2021 with a further 3 year option available thereafter. The property has been utilised as a bakery since March 2006 with the current operator of the business commencing in October 2015. The Lease is registered on title and there is a personal guarantee (Robyn Anne Barnes) for the performance of the lease.		



Valuer Wayne Airey
AAPI CPV 3812MR
Senior Valuer

Entity LandMark White Sunshine Coast Pty Ltd
Office Maroochydore



Lot 4/1 INDIANA PLACE, KULUIN QLD 4558

Tenant	Area m ²	Com date	Years remain	Exp date Market Review	Gross Passing rent/pa	Gross Passing rent/m ²	Gross Market rent/m ²	Gross Market rent/pa
Robyn Enterprises Pty Ltd	62	28-03-16	2.31	28-03-19	\$35,715	\$576	\$500	\$31,000
Lettable Area	62							
					Passing pa	Passing \$/m ² pa	Market \$/m ² pa	Market pa
Rental income – excluding recoveries					\$30,288	\$489	\$400	\$24,813
Base income					\$30,288	\$489	\$400	\$24,813
Plus: recoveries					\$5,427	\$88	\$5,427	\$88
Gross income					\$35,715	\$576	\$500	\$31,000
Less: outgoings					\$6,187	\$100	\$100	\$6,187
Net income					\$29,528	\$476	\$400	\$24,813
Capitalisation rate/Capitalised value before adjustments						7.50%		\$330,840
Capital Adjustments								
Overage								\$1,171
Total capital adjustments								\$1,171
Valuation approaches								
Capitalisation after adjustments								\$332,000
Rate /m ² of building 62 m ²								\$326,000
Adopted Value								\$330,000
Analysed rates								
Initial yield								8.95%
Analysed Market yield								7.55%
Rate /m ² of building								\$5,323
WALE (by income) - years								2.25
Other information								
Site Area – Parent Parcel								2,002 m ²
Lettable area (m ²)								62 m ²

1.1 Valuation comments

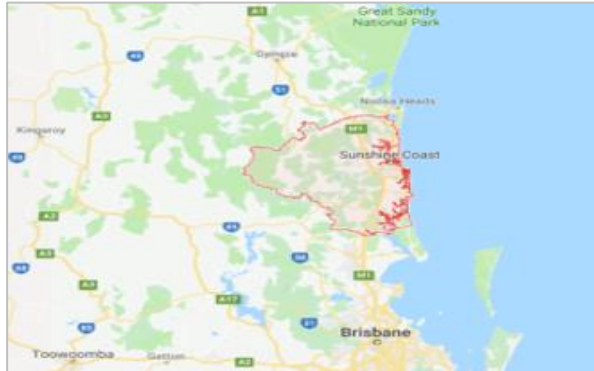
Our capitalisation approach suggests a market value range from **\$321,339 to \$343,419** whilst the direct comparison approach suggests a market value range from **\$310,000 to \$341,000**.

We have been advised the applicant currently has the subject property under contract for **\$338,000** excluding GST, which based on our comparisons with the sales evidence, is within market parameters, albeit towards the upper end.



1.2 Market comment

Sunshine Coast Economic Overview



The Sunshine Coast is one of the peri-urban areas which make up South East Queensland. It is located north of the state capital Brisbane and by population ranks third largest in Queensland. The Sunshine Coast LGA forms several coastal areas including Buderim, Caloundra, Maroochy, Nambour-Pomona and Sunshine Coast Hinterland. The principal activity centre for the region is Maroochydore which accommodates key business services and retail enterprises that underpin the local economy.

According to National Economics (NIEIR 2017) as reported by Economy.ID, The Sunshine Coast has a Gross Regional Product of \$14.99 billion, representing 4.8% of the state's

Gross State Product making it one of the largest regional economies in Australia.

The Sunshine Coast has been outperforming others QLD regions based upon average growth rate in population, employment and productivity (State of the Regions Report 2015-16). Population growth in the Sunshine Coast Local Government Area (LGA) was estimated to have been +2.8% in the year to 30 June 2018, taking it above 318,000 persons. Forecast growth is expected to exceed 2.5% for the Sunshine Coast going forward.

In what has been a volatile period in global influences, contraction of the mining industry and increasing unemployment, the Sunshine Coast LGA has seen local businesses grow from 28,013 in 2013 to 30,619 in 2017, an increase of 9.3%. This has been aided by the development of the Kawana Health Hub consisting of a University public hospital and research centre and a private hospital operated by Ramsay Health plus a host of medical and allied health businesses. This has resulted in Health care and Social Assistance growing 23.6% in that period 2013 -2017 to become the economic region's fastest growing business. Accommodation and Food Services (+23.4%) and Professional, Scientific and Technical Services (+15.4%) were the next fastest growing businesses.

Tourism and Hospitality business which has been understated, particularly given the nature of the business, the total tourism and hospitality sales on the Sunshine Coast was \$2.55 billion and the total value added was \$1.32 billion. This is a significant contribution particularly after a period of the high Australian Dollar. Now with the AUD at 71 cent US and forecast to stay low, development of the international runway is timed perfectly for was is expected to be a boom in tourism.

General business confidence also remains high across the Sunshine Coast and higher than the 9 year average with 80% of businesses expecting the same or an increased level of profitability according to the Sunshine Coast Business Confidence Survey 2017, released February 2018.

Major current and future Infrastructure Projects and Developments on the Sunshine Coast:

- Sunshine Coast Airport Expansion (International Airport)
- Maroochydore City Centre (Suncentral CBD)
- Sunshine Plaza Redevelopment
- Sunshine Coast University Hospital Precinct
- Oceanside Kawana Precinct
- Harmony Master Planned Community
- Aura Master Planned Community
- International Broadband Submarine Cable



Lot 4/1 INDIANA PLACE, KULUIN QLD 4558

Commercial Property Market Overview

The commercial property market on the Sunshine Coast is dispersed across various locations and is made up of office, retail and industrial property types and over the past few years has been supported by positive growth stories in tourism, health, education and construction industries.

All commercial property types have shown growth in value over the past 24-36 months, however agents are reporting early signs of the market stabilising during 2018. Value growth has resulted from compressing yields and increased owner occupier demand. This has been primarily driven by the lower interest rate environment, completed, current and proposed infrastructure projects and the strong demand for residential land and housing which has boosted the local construction businesses and associated industries.

Rental rates across all asset types have remained relatively stable, with some slight increases in those established sought-after precincts with low vacancy levels and limited potential future supply/competition.

Towards the second part of 2018, interestingly there has been an increase in commercial property transactions across the Sunshine Coast, majority of which have been under \$3 million and off market either direct with the owners or via a commercial agent. This shows the overall strength of the local investment market in general.

We note investment yields achieved are at historically low levels. As a consequence, the extent of further yield compression is uncertain with agents reporting signs of the market stabilising. Interest rates are at historical lows and any increase in interest rates is likely to result in purchasers requiring a higher investment return, which will in turn influence values.

Additionally, based on industry feedback, the Royal Commission into Misconduct in the Banking, Superannuation and Financial Services Industry has resulted in finance for properties becoming more difficult to obtain. The full effect of this is yet to be recorded however, it may cause market fluctuations.

Retail Market Comments

The Sunshine Coast retail property market has been one of the best performing with yields firming to circa 6.25% to 7.25% for prime investments and 8.00% to 10.50% for secondary investments and vary depending on property specific attributes such as location, exposure, improvements age/ condition, price point, lease covenant and residual lease expiry.

Majority of the activity is in the sub \$1 million price point which comprises predominately strata titled retail fashion, café and restaurant style investments. Demand is strong and this is likely to remain so in the short term. Selling agents are finding it difficult to obtain stock as property within prime locations and good catchments are typically tightly held. Vendors have limited reasons to sell unless they see the rentals rates being quite full and further yield compression unlikely as we have noticed by some sales activity along the Mooloolaba Esplanade.

Investors are particularly cautious of older style properties in precincts with typically higher than average vacancy levels. There is a noticeable gap between prime and secondary investment properties.

Buyers are predominately local or from within South East QLD, however there has been an increase in cashed up southern buyers snapping up investment properties across the Sunshine Coast given the attractive yield comparisons between states and growth prospects for the region.



2.1 Title details

Registered proprietor/Owner	Legal description	Encumbrances and interests
PCRT Investments Pty Ltd.	Lot 4 on Survey Plan 177265 within Local Government: Sunshine Coast Community Management Statement 34867. Title Reference: 50589667.	<p>Rights and Interest reserved to the Crown by Deed of Grant No. 10608016 (POR 142).</p> <p>Lease No 709856289 registered 16/08/2006 to Michael Francis Shanahan, Kristine Anne Shanahan Joint Tenants the whole of the Lot. Term: 28/03/2006 to 27/03/2011. Option 5 years.</p> <p>Amendment of Lease No 716852616 registered 29/10/2015. Lease: 709856289. Term: 28/03/2006 to 27/03/2016. Option 5 years.</p> <p>Transfer No 716852620 registered 29/10/2015. Lease: 709856289 Robyn Enterprises Pty Ltd.</p> <p>Amendment of Lease No 717179439 registered 11/04/2016. Lease: 709856289. Term: 28/03/2006 to 27/03/2021. Option 3 years.</p>

Lease details noted on tile relate to the current tenant and is further expanded in Section 4.1

The valuation is provided on the basis that the land is not subject to any encumbrances or restrictions on Title or the Survey Plan other than those noted above and that it is unaffected by any road alteration proposals.

2.2 Town planning summary

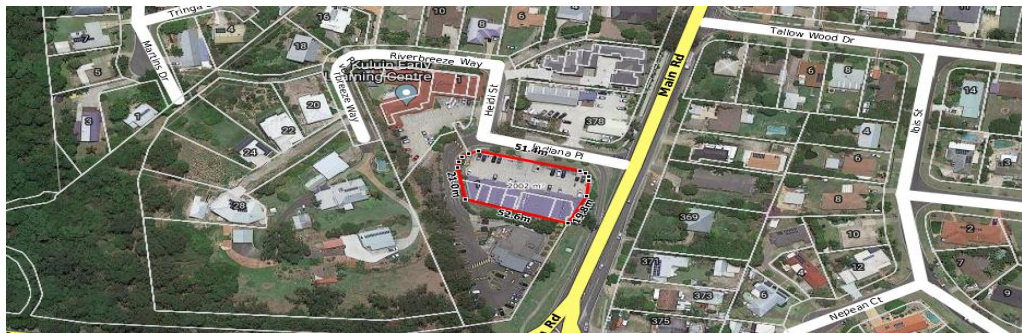
Local authority	Sunshine Coast Regional Council.
Planning Designation	Local Centre Zone under the Sunshine Coast Planning Scheme 2014.
Appropriateness of zone	The property's planning designation, overlays and controls support the use upon which the valuation is based.
Constraints	None.



Lot 4/1 INDIANA PLACE, KULUIN QLD 4558

2.3 Land area of parent title based on cadastral map

Indiana Place frontage	51.4	metres
Main Road frontage	29.8	metres
Southern boundary	52.6	metres
Total site area	2,002	m²



2.4 Site description

Site identified by	Visual inspection and reference to the relevant statutory plan.
Location	The property is well located centrally within the complex. The property is located within a small local centre precinct which support the generally residential catchment and industrial precinct at Kuluin. The property is located approximately 7 kilometres west of Maroochydore CBD. The property's location, surrounding uses and proximity to infrastructure support the use upon which the valuation was based.
Shape/Topography	The parent parcel has been cut, levelled and retained to provide a generally level site situated above street grade. The site supports the use upon which the valuation was based.
Flood status	The property is not subject to flooding. ←
Road/Access	Two lane bitumen sealed, kerbed and channelled. Easy and direct. The property's access is appropriate for the use upon which the valuation is based.
Services	Electricity, town water, sewerage and telephone.





3.1 Building construction details

Year built	Circa 2005
Levels	Part two storey
Footings	Concrete
Floor	Concrete
External walls	Rendered masonry
Roof	Metal
Condition	Good
Design	Functional
Defects	None evident

3.2 Retail component

Internal walls	Plasterboard
Ceilings	Plasterboard
Floor coverings	Vinyl
Lighting	Adequate lighting
Fitout	Typical bakery/café fitout and to the tenants requirements
Services	Split system air conditioning, basic fire fighting equipment, security system
Frontage	Good frontage to depth ratio
Quality	Good
Condition	Good
Amenities	Unisex toilet

3.3 Accommodation

This is a typical bakery tenancy with customer service area to the front with food preparation area to the rear, cold room, exhaust flue, storage area and unisex toilet. There is a further 23 square metre covered exclusive use area to the front.

3.4 Site improvements

Landscaping	Adequate
Fencing	Part
Signage	Good signage to tenancy front, pylon and hoarding fronting Main Road
Parking	Adequate common customer car parking is provided within the complex

3.5 Lettable areas (GLAR)

Building component	Area m ²
Retail – Surveyed Strata Area	62
Lettable Area	62

Lettable area is based on the Survey Plan and excludes the 23 square metres of exclusive use area.



Lot 4/1 INDIANA PLACE, KULUIN QLD 4558

3.6 Photos



Complex front external elevation



Lot 4 shop front



Internal



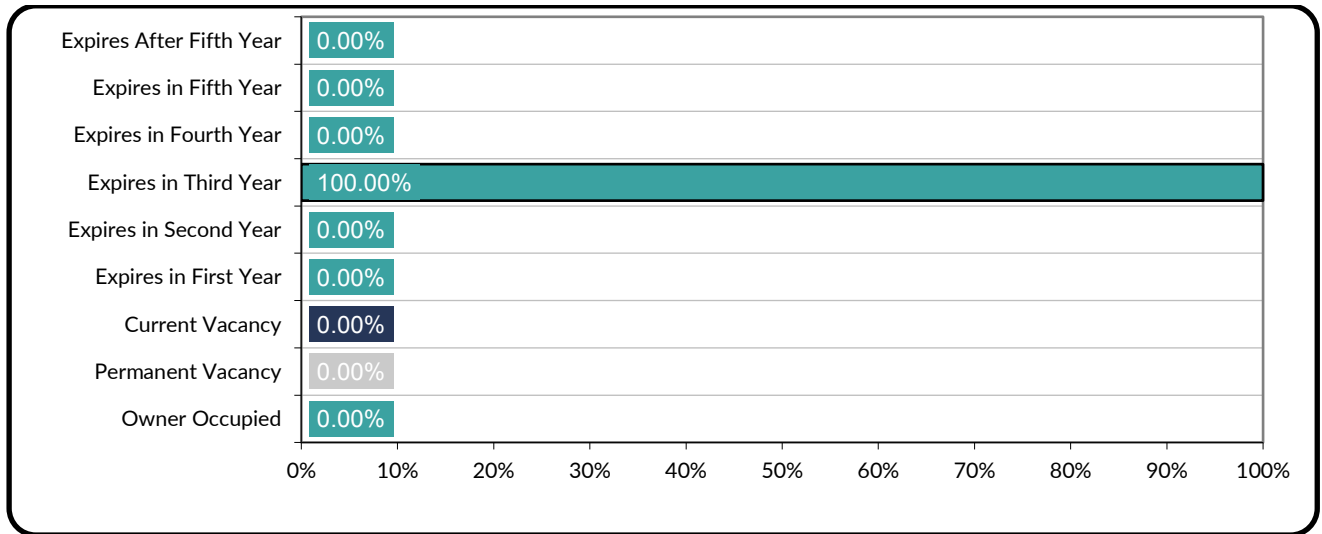
Internal



Indiana Place towards the west



Main Road towards the north



4.1 Lease details

I have sighted a full copy of the executed lease and the details are summarised as follows.

Lessee	Robyn Enterprises Pty Ltd.
Demised premises	Lot 4 SP177265.
Commencement date	28 March 2016.
Term	5 years. ←
Options	3 years. ←
Rental review	Fixed 4% annual rental increases with a market review 28 March 2019. ←
Current rental	\$30,288 per annum net.
Outgoings	Payable by the tenant excluding Sinking Fund. ←
Permitted use	Bakery.
GST	Payable in addition to the rent.
Option to purchase	None.
Guarantor	Robyn Anne Barnes for the performance of the lease.

4.2 Assessment of outgoings

Full outgoings provided:

Item	Amount	\$/m ²
Municipal Rates	\$2,118	\$34.16
Water and Sewerage Rates	\$1,229	\$19.83
Total Statutory Charges	\$3,347	\$53.99
Body Corporate - Sinking Fund	\$760	\$12.26
Body Corporate - Administration	\$2,080	\$33.55
Total Operating Expenses	\$2,840	\$45.81
Total Expenditure	\$6,187	\$99.79
Recovered outgoings based on existing leases	\$5,427 →	



5.1 Rental evidence

Address	Tenant	Lease Comm.	Term	Lettable area	Rent \$pa	Rent/m ²
Tenancy 4/29 Main St, Buderim	Bakery	Passing 2018	5	64 sqm	\$37,314	\$583 gross
Tenancy 4/36 Village Way, Little Mountain	Bakery	Passing 2018	5	82 sqm	\$39,307	\$479 gross
Tenancy 5/ 1 Old Gympie Rd, Yandina	Café	Passing 2018	5	55 sqm	\$31,369	\$570 gross
Tenancy H/63 Saint Andrew Dr, Tewantin	Bakery	Passing 2018	5	82 sqm	\$39,203	\$478 gross
Tenancy 10/29 Main St, Buderim	Sushi	7/2018	1	46 sqm	\$23,832	\$518 gross
Tenancy 3/30 Buderim St, Battery Hill	Bakery	11/2014	5+5	88 sqm	\$38,807	\$441 gross

5.2 Rational to adopted market

The rental evidence provides a general rental rate range from \$441/m² to \$583/m² for lettable areas ranging in size from 46m² to 88m² for similar Bakery/ Café uses.

The passing rental after allowance for recoverable outgoings is \$35,715 per annum gross or \$576/m² which in our opinion is considered slightly above market. Given the upcoming market review in March 2019 we have adopted a market rental rate of \$500/m² gross.



6.1 Sales Evidence

LOT 11/ 128 GOLF LINKS RD, BUDERIM QLD



Sale Date	Under Contract
Sale Price	\$407,000
Strata Area	84 sqm
\$/sqm Strata Area	\$4,845
IY / AMY	7.43% / 7.43%
WALE (yrs)	2

Lot 11 is a 84 square metre, strata titled unit which is located within a small retail/medical convenience centre and positioned towards the northern end of the complex with some exposure to Golf Links Road. Sold leased to 'Active Hearing Pty Ltd' until 1 January 2020 with a current net income of \$30,240 per annum plus GST (\$360/m²). Tenant has been in occupation since 2011. Sale analyses to an initial yield of 7.43%. Purchased by a NSW investor. Was listed on the market for approximately 1 month.

Comparisons: Comparable location and inferior position within a comparable centre. Inferior use and exposure. Overall suggests a similar yield and a higher rate per square metre of lettable area for the subject given higher pro rata net income and smaller size.

LOT 11/ 63 KARAWATHA ST, BUDERIM QLD



Sale Date	5/2018
Sale Price	\$260,000
Strata Area	57 sqm
\$/sqm Strata Area	\$4,561
IY / AMY	VP / 7.67%

Lot 11 is a 57 square metre, strata titled unit which is located on the corner of Karawatha St and Bringenbrong Dr with adequate street exposure. Sold fitted out with reception/waiting room, two treatment rooms each with sink, quality bamboo flooring, ducted air conditioning and internal toilet/shower. The unit is located within a semi-modern retail/office convenience centre anchored by a Friendly Grocer. Sold in vacant possession for owner occupation. Sale analyses to a yield of 7.46% based on an assessed net income of approximately \$19,950 per annum (\$350/m²). No letting up allowance.

Comparisons: Comparable location and inferior position within a comparable centre. Inferior use and exposure. Overall suggests a similar yield and a higher rate per square metre of lettable area for the subject given higher pro rata net income and smaller size.

LOT 8/2-4 OCEAN ST, MAROOCHYDORE QLD



Sale Date	3/2018
Sale Price	\$248,000
Strata Area	41 sqm
\$/sqm Strata Area	\$6,049
IY / AMY	7.46% / 7.46%

Lot 8 is a 41 square metre strata titled unit which is located to the Duporth Avenue street front with adequate pedestrian and vehicular exposure. The strata sold leased to 'Tiger Shark Boutique' on a 3+3 year lease from 1 November 2017 for \$18,500 per annum net (\$451/m²). Recoverable outgoings are approximately \$6,739.70 per annum (\$164/m²). Sale analyses to a yield of 7.46%.

Comparisons: Superior location. Superior exposure. Higher level of competition. Slightly lower capital value. Similar lease covenant to a local business. Overall suggests a similar yield and a lower rate per square metre of lettable area given lower pro rata net income and larger size.



Lot 4/1 INDIANA PLACE, KULUIN QLD 4558

LOT 2/21 SMITH STREET, MOOLOOLABA



Sale Date	9/2017
Sale Price	\$520,000
Strata Area	112 sqm
\$/sqm Strata Area	\$4,643
IY / AMY	7.50% / 7.50%
WALE (yrs)	2.75

The property comprises a 112 square metre, ground floor strata titled retail unit within a medium rise, mixed use development built circa 2000s and located in an established tourist destination of Mooloolaba. Exposure to Smith Street. Lot 2 is positioned to the street front with exposure to Smith Street. Sold leased to an established hairdresser business trading as 'Halo of Mooloolaba Hairdressers' who have been in occupation since 2008. Passing gross rental equates to \$46,795 per annum (\$418/m²) and is considered reflective of market. Purchased by a Sydney investor. Sale analyses to a passing initial yield of 7.50% based on a net income of \$38,995 per annum (\$348/m²).

Comparisons: Superior location and exposure. Similar lease covenant to a local business. Higher capital value. Overall suggests a similar yield and a higher rate per square metre of lettable area for the subject given higher pro rata net income and smaller size.

LOT 1/3 BURNS STREET, BUDDINA



Sale Date	5/2017
Sale Price	\$386,000
Strata Area	72 sqm
\$/sqm Strata Area	\$5,361
IY / AMY	7.50% / 7.50%
WALE (yrs)	1.25

The property comprises a 72 square metre, single level strata titled retail unit located within an established location at Buddina. Located opposite Kawana Shopping Centre and positioned to the street front with good exposure. Sold leased to an established Asian Grocery business trading as 'Spiceland' who have been in occupation since 2015. Passing gross rental equates to \$34,072 per annum (\$473/m²) and is considered reflective of market. Purchased by a Sydney investor. Sale analyses to a passing initial yield of 7.50% based on a net income of \$28,952 per annum (\$402/m²). Previously sold for \$415,000 in June 2010.

Comparisons: Superior location and exposure. Higher level of competition. Similar lease covenant to a local business. Overall suggests a similar yield and a similar rate per square metre of lettable area for the subject.



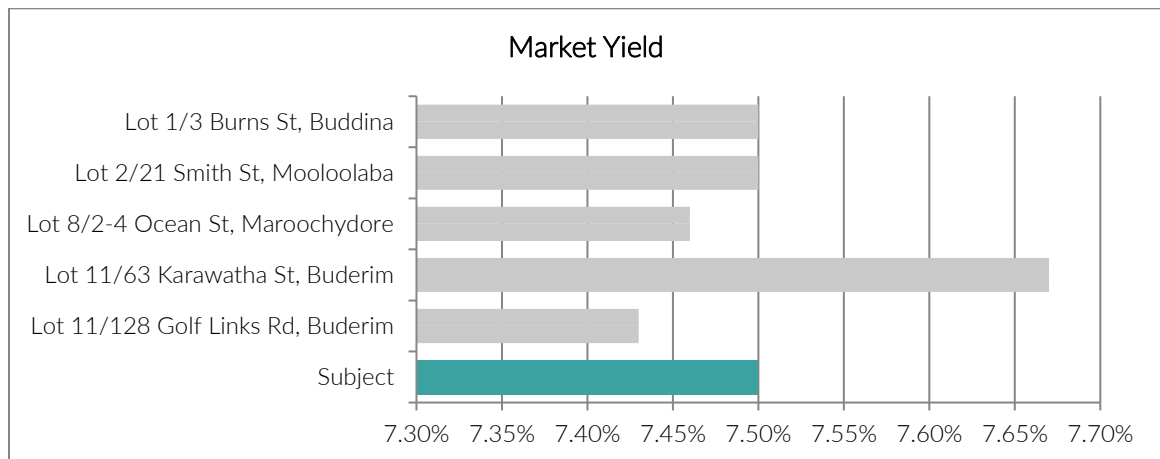
6.2 Rationalise sales evidence

Capitalisation rationale:

Under this approach, the current or assessed net market income is capitalised at an appropriate market yield to establish the property's current market value fully leased. Appropriate capital adjustments are then made to reflect the specific cash flow profile and general characteristics of the property.

The investment sales which show a net yield range of 7.43% to 7.67%.

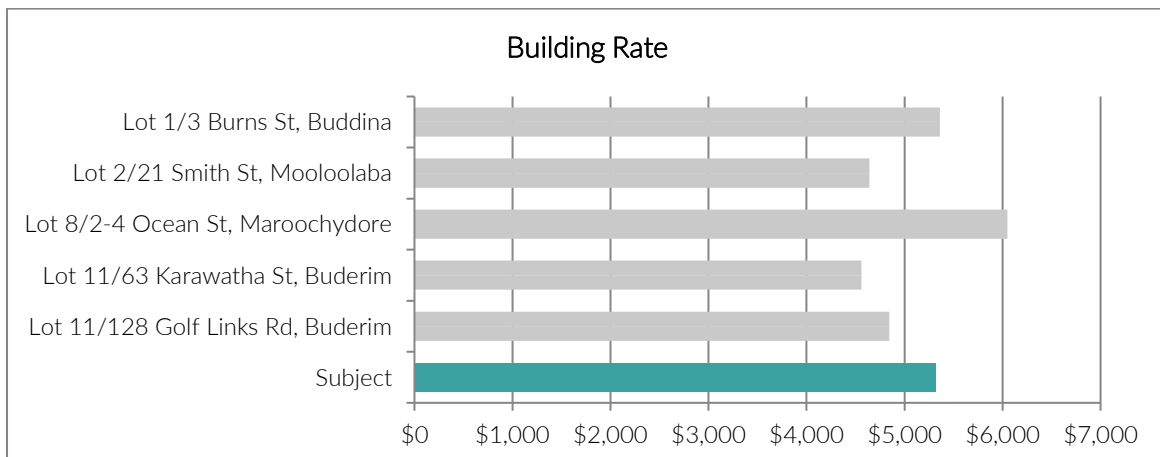
The subject property is considered to fall with this analysed range. In this instance, I have adopted 7.50% as the appropriate market capitalisation rate.



Direct comparison rationale:

The sales evidence reflects a capital value range of \$248,000 to \$520,000 and a rate range of lettable area of \$4,561/m² to \$6,049/m². These rates are impacted by factors such as location, size, age, condition, use, accommodation, exposure and prevailing market conditions.

Based on the evidence and my knowledge of the market, and the subject characteristics it is my opinion that the value of the lettable area of the subject property is within a rate range of \$5,000/m² to \$5,500/m² of lettable area.





Lot 4/1 INDIANA PLACE, KULUIN QLD 4558

Valuation

Subject to the qualifications and assumptions contained within the body of this report, I assess the Market Value exclusive of GST, as at 6 December 2018, to be:

Market Value subject to Existing Lease(s) – As Is

\$330,000

(THREE HUNDRED AND THIRTY THOUSAND DOLLARS)

This valuation is not suitable for mortgage security purposes and is only for pre-purchase market value advice.



This valuation is for the private and confidential use only of LandMark White Sunshine Coast Pty Ltd and for the specific purpose for which it has been requested. No third party is entitled to use or rely upon this report in any way and neither the valuer nor LMW shall have any liability to any third party who does.

Only an electronically signed valuation submitted through a digital valuation instruction broker system, a signed hardcopy original of this valuation, a scanned version of a signed hardcopy original of this valuation or an electronic version of this valuation signed with an electronic signature should be relied upon and no responsibility or liability will be accepted for unauthorised copies of the valuation.

No part of this valuation or any reference to it may be included in any other document or reproduced or published in any way without written approval of the form and context in which it is to appear.

Neither the valuer nor LMW has any pecuniary interest giving rise to a conflict of interest in valuing the property. This valuation does not represent the realisable value based on a mortgagee or receiver sale.

This valuation is current 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. LMW does not accept liability for losses or damage arising from such subsequent changes in value including consequential or economic loss. Without limiting the generality of the above comment, LMW does not assume any responsibility or accept any liability where this valuation is relied upon after the expiration of three months from the date of the valuation, or such earlier date if you become aware of any factors that have any effect on the valuation.

	
Valuer Wayne Airey AAPI CPV 3812MR Senior Valuer	Reviewing party Matthew Gould AAPI
Entity LandMark White Sunshine Coast Pty Ltd	Position Director
Office Maroochydore	

Liability limited by a scheme approved under Professional Standards Legislation.

This document is prepared by LandMark White Sunshine Coast Pty Ltd ATF Gould Family Trust.

LandMark White Sunshine Coast Pty Ltd provides its valuation or advisory services as a member of the LMW Group of Companies incorporating MVS Valuers Australia Pty Ltd ABN 97 104 426 173 and pursuant to a licence granted by LandMark White Ltd. In accordance with this licence, LandMark White Sunshine Coast Pty Ltd utilises the trademark and brands of LandMark White Ltd and has a link to the LMW website. It thereby claims the benefit of all terms and conditions applicable to the use of such trademark, brands and website for the purposes of the provision of its valuation or advisory services.

Sole responsibility for the provision of the valuation or advisory services by LandMark White Sunshine Coast Pty Ltd rests with that entity and LandMark White Ltd assumes no responsibility nor otherwise acknowledges any liability for the provision of such services by reason of its licensing of LandMark White Sunshine Coast Pty Ltd.



8.1 Critical qualifications

- Unless otherwise stated in the report, based on my observations, the site does not appear to be contaminated and I assume that no remediation works are required.
- Valuers are not qualified Surveyors and no warranty can be given that the building(s) included in the valuation is/are within the boundary without the benefit of a formal identification survey.
- Flooding information noted has been obtained from the relevant authority. This information has been relied upon and no responsibility is accepted for the accuracy of the flooding information provided.
- Any objective information, data or calculations set out in the Valuation will be accurate so far as is reasonably expected from a qualified and experienced valuer, reflecting due skill, care and diligence (except where the information, data or calculation originates from a third party source).
- If there are any encumbrances, encroachments, restrictions, leases or covenants which are not noted in this report, they may affect the assessment of value. If such matters are known or discovered, the valuation should be returned to LMW for comment.
- LMW has relied upon various financial and other information submitted by either the instruction party or client for the purposes of the valuation. Where possible, within the scope of the retainer and as the expertise of a valuer, the information has been reviewed and analysed. LMW does not warrant that all of the matters which a full audit, extensive examination or “due diligence” investigation might disclose have been identified. This valuation is conditional upon the information supplied being correct.
- If the property is under contract or recently sold the valuation is on the basis that there are no side agreements or commissions, other than those referred to in the report, relating to the purchase which may give rise to a special interest in the property or which may distort the purchase price. Reliance has been placed on general market evidence and industry benchmarks in forming the opinion of value. In addition specific enquiries have been made as to the terms and conditions of the sale. This valuation is subject to the purchase price indicated as being correct and reflects typical transaction conditions for a property of this nature.
- Should there be any variation to the lease details as summarised in the report, LMW reserves the right to review the valuation.
- If leased, this valuation is conditional upon there being no side agreements, other than those referred to in the report, in relation to incentives whether it be by way of rental abatements, fitout contributions or cash payments. The right to any rental guarantee, security deposit, bank guarantee or any other form of guarantee provided in respect to any leases to which the property is subject will pass to a purchaser of the property.
- Building and/or lettable areas as noted in the report have been relied upon for the valuation. Should any subsequent surveys indicate a variation to the areas adopted, the matter should be referred to LMW for a review of the valuation.
- The rental and sales evidence provided in this report has been based on various third party sources of information. While LMW believe the information to be accurate, not all details have been formally verified.
- No reports have been provided relating to the condition of any plant, equipment, facilities or services at the property. For the purposes of the assessment it is assumed that such are adequate for the continued ongoing utility of the property without the need for any specific short term capital expenditure.
- If a strata title please note that no search of the owner’s corporation/Strata Company’s/body corporate records has been undertaken. This valuation is conditional upon there being no outstanding financial liabilities associated with the subject lot and that there are no notable special levies proposed or agreed for the strata scheme. Should confirmation be required, a formal search of the owner’s corporation or body corporate records should be obtained.
- It should be noted that this valuation does not purport to be a structural survey of the improvements nor was any such survey sighted or undertaken. This valuation is conditional upon detailed reports in respect of the structure and serviced installations of the property not revealing any defects requiring significant expenditure. Additionally, in the absence of a Building Certificate issued by Council or other approved certifier, this valuation is conditional upon the property complying with all relevant statutory requirements in respect of such matters as health, building and fire safety regulations.
- As the valuation has not had any regard to the vendor’s residency status or availability of a Clearance Certificate, implications if any, in respect to the Foreign Purchaser Capital Gains Tax have not been assessed.



– Unless stated otherwise in the report, no soil tests or environmental studies have been made available. Therefore, it should be noted that the valuation is subject to there being no surface or sub-surface soil problems including instability, toxic or hazardous wastes, toxic mould, asbestos or building material hazards in or on the property that would adversely affect its existing or potential use or reduce its marketability. Should any problems be known or arise, then the valuation should be referred to LMW for review as LMW deems appropriate.

Unless stated otherwise within the report, no Asbestos Materials Report has been provided. Should any such matters be known or discovered, no reliance should be placed on the assessment of value unless LMW has been advised of these matters and has confirmed that the assessment is not affected.

I am not an expert in this regard and if more detailed advice is required, an environmental consultant should be retained.

- **Verifiable assumptions** relate to environmental issues, structural integrity of the improvements, compliance with applicable building regulations, condition of building services, zoning and encroachments, and can be confirmed by obtaining appropriate documentation relating to each.
- **Assumptions based upon opinion** where included are detailed within the Market Comment, Leasing and Sales Evidence and Rationale sections of the report.
- Should any of the assumptions upon which my valuation assessment is made prove to be incorrect or inaccurate, this report should be referred to LMW for reassessment.

8.2 Definitions

Market Value is the estimated amount for which an 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.

Diminishing Assets form part of the market value of the property at the date of valuation, however it should be noted that the value of this component, which is included in the adopted market value, reduces, or may reduce, incrementally until the next relevant market review(s) or the expiry of the lease term certain. It may include, where applicable, profit/overage rent and income from infrastructure such as communication towers. I recommend that a lender consider this in their assessment of the securable value of the property.

Highest and Best Use is the use of an asset that maximises its potential and that is physically possible, legally permissible and financially feasible.

Analysed rates:

- **Initial Yield (IY)** is the Passing Income divided by the Purchase Price or Adopted Value, after adjustment for Surplus Land and/or Capital Works if applied in the valuation. Passing Income includes non-core income (i.e. income not capitalised in perpetuity – e.g. communication towers).
- **Analysed Market Yield (AMY)** is the Assessed Market Income divided by the Purchase Price or Adopted Value adjusted for reversions including, inter alia, vacancy, rental shortfalls or overage, capital expenditure required etc.
- **Reversionary Yield (RY)** is the Assessed Market Income divided by the Purchase Price or Adopted Value. If an allowance has been made for Surplus Land or Capital Works the Purchase Price or Adopted Value is adjusted for these items prior to calculating the Reversionary Yield.
- **Rate/m²/building area** is the Purchase Price or Adopted Value divided by the building area of the building.
- **Vacant Possession (VP)** refers to a right to possession of land or built-up property in respect of which there is no current occupant.



1. Instructions
2. Title search
3. Survey Plan Extract



Acceptance of Proposal

LMW ref: (31853), Lot 4 1 Indiana Place, Kuluin QLD 4558.

I/We accept the proposal on the terms and conditions outlined above and authorise you to proceed with the proposal.

Signed _____ Position _____
Name _____ Date 5/12/18
Phone _____ Email _____

Delivery Instructions

The Payment Acknowledgement annexed must be completed and returned with this acceptance, except where a Bank undertakes to pay the fee. By signing the acknowledgement the Entity/Client accepts the fee proposal.

CURRENT TITLE SEARCH
NATURAL RESOURCES, MINES AND ENERGY, QUEENSLAND
Request No: 30044979
Search Date: 20/11/2018 14:33
Title Reference: 50589667
Date Created: 22/12/2005

Previous Title: 50139224

REGISTERED OWNER

Dealing No: 713107500 10/03/2010

PCRT INVESTMENTS PTY LTD A.C.N. 135 063 393
TRUSTEE
UNDER INSTRUMENT 713107500

ESTATE AND LAND

Estate in Fee Simple

LOT 4 SURVEY PLAN 177265
Local Government: SUNSHINE COAST
COMMUNITY MANAGEMENT STATEMENT 34867

EASEMENTS, ENCUMBRANCES AND INTERESTS

1. Rights and interests reserved to the Crown by Deed of Grant No. 10608016 (POR 142)
2. LEASE No 709856289 16/08/2006 at 09:59
MICHAEL FRANCIS SHANAHAN
KRISTINE ANNE SHANAHAN JOINT TENANTS
THE WHOLE OF THE LOT
TERM: 28/03/2006 TO 27/03/2011 OPTION 5 YEARS
3. AMENDMENT OF LEASE No 716852616 29/10/2015 at 13:23
LEASE: 709856289
TERM: 28/03/2006 TO 27/03/2016 OPTION 5 YEARS
4. TRANSFER No 716852620 29/10/2015 at 13:24
LEASE: 709856289
ROBYN ENTERPRISES PTY LTD A.C.N. 607 533 326 TRUSTEE
UNDER INSTRUMENT 716852620
5. AMENDMENT OF LEASE No 717179439 11/04/2016 at 09:42
LEASE: 709856289
TERM: 28/03/2006 TO 27/03/2021 OPTION 3 YEARS

ADMINISTRATIVE ADVICES - NIL
UNREGISTERED DEALINGS - NIL

CERTIFICATE OF TITLE ISSUED - No

