

5.3 Sales Evidence

5.3.1 Improved Sales Evidence

In order to assess the market value of the proposed apartments, we have considered a cross section of improved sales in competing developments from city fringe city locations and the immediate South Brisbane area. A selection of these is summarised in the tables below and overleaf.

| No | Address | Sold | Area (sqm) | | Price Range | Unit Pricing Analysis | | |
|--|---|------|------------|-------|-----------------------|-----------------------|----------|---------|
| | | | Int. | Total | | Average | Internal | Total |
| 1 | "Eden View Apartments", Kelvin Grove | | | | | | | |
| | 1 Bedroom | 5 | 61 | 76 | \$ 384,000 \$ 459,000 | \$416,000 | \$6,820 | \$5,503 |
| | 1 Bedroom + Study | 6 | 64 | 84 | \$ 393,000 \$ 449,000 | \$426,333 | \$6,661 | \$5,075 |
| | 2 Bedroom | 12 | 78 | 99 | \$ 499,000 \$ 615,000 | \$554,958 | \$7,085 | \$5,592 |
| | 3 Bedroom | 1 | 121 | 170 | \$ 839,000 \$ 839,000 | \$839,000 | \$6,934 | \$4,935 |
| | Townhouse | 1 | 127 | 180 | \$ 829,000 \$ 829,000 | \$829,000 | \$6,528 | \$4,606 |
| <p>Comments: Eden View Apartments is a proposed residential development which will be situated on the north eastern side of Robinson Street, within Kelvin Grove's Urban Village. The development is to comprise 62 apartments over 9 levels including a mixture of 1 bedroom, 1 bedroom + study, 2 bedroom, 3 bedrooms in addition to 3 two-level townhouses located at ground level. Ancillary improvements are to comprise a swimming pool, spa, terrace and BBQ areas in addition to 2 levels of basement car parking providing 79 resident spaces and 16 visitor bays. The proposed internal finishes are considered to be of a good standard commensurate with other projects in the area. The project began marketing early 2009 and the above sales represent all unconditional pre-sales achieved as at 12 March 2010. Some of the units within the complex sold with rebates including a furniture package or a rental guarantee of 5.2%, however we believe the above value to be within acceptable market parameters and have provided all sales in a gross form.</p> | | | | | | | | |
| 2 | "Theodore Apartments"- 40 Ramsgate Street, Kelvin Grove | | | | | | | |
| | 1 Bedroom | 17 | 59 | 86 | \$ 422,000 \$ 450,000 | \$434,529 | \$7,409 | \$5,042 |
| | 2 Bedroom | 44 | 75 | 101 | \$ 455,000 \$ 625,000 | \$569,727 | \$7,585 | \$5,641 |
| | 3 Bedroom | 3 | 103 | 119 | \$ 570,000 \$ 690,000 | \$640,000 | \$6,214 | \$5,378 |
| <p>Comments: Theodore Apartments is a proposed residential development which will be situated at 40 Ramsgate Street, Kelvin Grove. It will provide 69 residential apartments in a mixture of one, two and three bedroom designs over eight levels. The internal finishes within the units will generally comprise stainless steel appliances, stone benchtops and air-conditioning. Some apartments will enjoy city views on the upper levels. The development will also provide communal facilities including a courtyard area with BBQ facilities, a swimming pool and spa as well as basement car parking. Marketing of the units began in May 2008, with the above evidence represents unconditional pre-sale contracts achieved as at 23 March 2010 accounting for approximately 91% of the total apartments in the development. For the above pre-sales rebates of \$18,000 and \$20,000 have been offered on most of the units which have been deducted from the contract price to arrive at the above range of values. The development has commenced.</p> | | | | | | | | |
| 3 | "Rive Apartments", 32 Agnes Street, Albion | | | | | | | |
| | 1 Bedroom + Study | 8 | 61 | 78 | \$ 395,000 \$ 495,000 | \$422,125 | \$6,867 | \$5,391 |
| | 2 Bedroom | 6 | 92 | 128 | \$ 585,000 \$ 799,000 | \$676,500 | \$7,319 | \$5,304 |
| | 2 Bedroom + Study | 16 | 92 | 126 | \$ 515,000 \$ 800,000 | \$645,750 | \$7,000 | \$5,114 |
| | 3 Bedroom + Study | 5 | 115 | 162 | \$ 825,000 \$ 948,000 | \$882,600 | \$7,695 | \$5,442 |
| <p>Comments: Rive Apartments is a two stage mixed-use development situated within the Breakfast Creek Precinct with frontage to Agnes Street, Army Street and Yulestar Street. The proposed development is to comprise two 9-storey (plus basement) buildings, containing a total of 161 units, in addition to approximately 214 square metres of commercial space, to be completed over 2 stages. Stage 1 proposes a total of 95 units, in a mixture of 1 bedroom (11), two bedroom (65), and three bedroom (19) configurations, in addition to approximately 38 square metres of retail space. Stage 2 proposes a total of 66 units, comprised of 1 bedroom (16), 2 bedroom (43) and 3 bedroom (7) configurations, in addition to approximately 176 square metres of office space over 2 suites. Ancillary improvements for the development are to include landscaped gardens, pool, gymnasium, BBQ areas and two levels of basement car parking for 230 vehicles. The above pre-sales are the most recent recorded from stage 1 between late 2008 and March 2010.</p> | | | | | | | | |

| No | Address | Sold | Area (sqm) | | Price Range | Unit Pricing Analysis | | | |
|----|--|------|------------|-------|-------------|-----------------------|-----------|---------|---------|
| | | | Int. | Total | | Average | Internal | Total | |
| 4 | "Code" - 6-8 Jeays Street, Bowen Hills | | | | | | | | |
| | 1 Bedroom | 70 | 50 | 58 | \$ 290,000 | \$ 380,000 | \$335,000 | \$6,636 | \$5,811 |
| | 2 Bedroom | 20 | 73 | 84 | \$ 560,000 | \$ 600,000 | \$580,000 | \$7,991 | \$6,925 |
| | 3 Bedroom | 5 | 89 | 102 | \$ 650,000 | \$ - | \$650,000 | \$7,319 | \$6,398 |
| | <p>Comments: Code is the most recent development to be offered to the market in Bowen Hills and is situated on the northern side of Jeays Street within the Bowen Hills Urban Renewal Precinct. The proposed development is to comprise 132 apartments including 77 one bedroom, 45 two bedroom and 10 three bedroom apartments over 10 levels. Ancillary improvements are to comprise a pool, gym and rooftop terrace with the upper levels to benefit from city views. Car spaces have not been provided to approximately 45 of the 1 bedroom apartments. The development has been marketed towards investors and internal finishes are of a reasonable standard with stainless steel appliances, laminate benchtops, tiles to living areas and bathroom with carpet to bedrooms. The above price ranges are indicative only and are agent advised with the average values estimated based on the ranges. The above pre-sale ranges have been transacted between early 2009 and April 2010. Internal areas provided are averages and have been calculated based on the approved plans and are exclusive of car spaces. Construction is due to commence mid April 2010 with expected completion late 2011.</p> | | | | | | | | |
| 5 | "Hamilton Harbour", Kingsford Smith Drive, Hamilton | | | | | | | | |
| | <u>River Views</u> | | | | | | | | |
| | 1 Bedroom + Study (Riverview) | 32 | 54 | 58 | \$ 405,000 | \$ 495,000 | \$442,813 | \$8,200 | \$7,643 |
| | 2 Bedroom + Study (Riverview) | 19 | 81 | 94 | \$ 615,000 | \$ 805,000 | \$714,211 | \$8,869 | \$7,632 |
| | <u>Hamilton Views</u> | | | | | | | | |
| | 1 Bedroom | 33 | 51 | 53 | \$ 295,000 | \$ 420,000 | \$324,848 | \$6,411 | \$6,186 |
| | 2 Bedroom + Study | 5 | 74 | 97 | \$ 560,000 | \$ 805,000 | \$579,000 | \$7,824 | \$5,945 |
| | <p>Comments: Hamilton Harbour is a proposed urban village development located off Kingsford Smith Drive, between Racecourse Road and the Brisbane River in Hamilton. The development is to combine office buildings and apartments, linked at ground level by a strip retail precinct including cafes, bars and shopping. The residential component of stage 1 of the development is to comprise a 22 storey tower, accommodating 238 apartments. We understand that 89 sales have been affected within stage 1 since being officially released to the market in February 2009. We have been advised that approximately 15% of these sales have been to owner occupiers, with a significant number of purchasers being interstate investors.</p> | | | | | | | | |
| 6 | "Waterfront Newstead - Park", Newstead | | | | | | | | |
| | 2 Bedroom | 9 | 90 | 106 | \$ 675,000 | \$ 840,000 | \$770,556 | \$8,594 | \$7,339 |
| | <p>Comments: Waterfront Newstead is part of Mirvac's 10.4 ha master planned site, situated within the Newstead Riverpark site. The site is bounded by Longland, Waterloo and Evelyn Streets and Breakfast Creek Road. Upon completion the site will include approximately 650 apartments, in addition to a range of services and amenities including a proposed 5.5 hectare park with a perched lake. Waterfront, Newstead will comprise a total of 60 apartments over two adjoining buildings, with a variety of one, two and three bedroom apartments plus Pavilion/Penthouses. Apartments are to be finished to a high standard, including stainless steel appliances, stone benchtops, polished ceramic tiles to living areas and bathroom with carpet to bedrooms. The above pre-sale ranges occurred between April 2010 and June 2010. We have been advised that the majority of presales have been to intending owner occupiers, with limited investor interest at these price points.</p> | | | | | | | | |

We note that of the evidence detailed our average values adopted for the proposed subject units are at comparable average price points as demonstrated in 'Waterfront Newstead - Park' in Newstead, 'Hamilton Harbour' in Hamilton and 'Rive' in Albion. These developments are regarded as being in generally inferior locations, with a lower level of amenity and appeal to that provided within the "Teneriffe Woolstores Precinct". In terms of the best comparison, it is considered that 'Waterfront Newstead - Park', upon completion of the proposed master planned mixed use development, will offer a similar level of amenity in terms of surrounding and proposed infrastructure with this development. The project is subject to a strong marketing campaign, with the sales achieved to date reflecting an average internal dollar rate per square metre of \$8,594 (ranging between \$7,400 to \$9,600). We have therefore adopted an average internal dollar rate per square metre price point for the subject units of \$8,569.

In addition, we have considered a cross section of current unit resales within a number of surrounding developments in Teneriffe. These units are in a range of complexes and vary in age and condition, however are considered to provide a lower benchmark for completed unit stock in the immediate vicinity. Part of the evidence considered is detailed overleaf.

| No | Address | Bedrooms | Sale Date | Sale Price | Int. | Area (sqm) | | Unit Pricing Analysis \$psm | |
|----|--|----------|-----------|------------|------|------------|-------|--------------------------------|---------|
| | | | | | | Ext. | Total | Internal | Total |
| 1 | <u>'Ellington' 71 Beeston Street, Newstead</u> | | | | | | | | |
| | Lot 302 | 2 | Jan-10 | \$595,000 | 93 | 0 | 93 | \$6,398 | \$6,398 |
| | Lot 231 | 1 | Dec-09 | \$435,000 | 61 | 17 | 78 | \$7,131 | \$5,577 |
| | Lot 155 | 1 | Nov-09 | \$458,000 | 73 | 19 | 92 | \$6,274 | \$4,978 |
| | Lot 223 | 2 | Oct-09 | \$535,000 | 84 | 34 | 118 | \$6,369 | \$4,534 |
| | Lot 162 | 2 | Oct-09 | \$545,000 | 81 | 17 | 98 | \$6,728 | \$5,561 |
| | Lot 167 | 1 | Aug-09 | \$450,000 | 74 | 19 | 93 | \$6,081 | \$4,839 |
| | Lot 325 | 1 | Aug-09 | \$440,000 | 66 | 25 | 91 | \$6,667 | \$4,835 |

Comments: 'Ellington' was constructed in 2002 and is situated on the southern side of Beeston Street. 'Ellington' provides 189 residential apartments over 3 building envelopes (Buildings A, B & C) in 1 and 2 bedroom configurations. Ancillary improvements include an inground swimming pool, barbecue facilities and large open space areas with extensive landscaping. The apartments are generally finished to a good standard, with a combination of stone and laminate benchtops and split system air conditioning. We note that unit 162 has sold twice within a 15 month period (July 08 and October 09), demonstrating an increase in value during deteriorating market conditions.

2 'Fusion' - 53 Commercial Road, Newstead

| | | | | | | | | | |
|--|--------|-----|--------|-----------|----|----|-----|---------|---------|
| | Lot 40 | 2+S | Apr-10 | \$541,500 | 91 | 22 | 113 | \$5,951 | \$4,792 |
| | Lot 49 | 2+S | Oct-09 | \$660,000 | 98 | 25 | 123 | \$6,735 | \$5,366 |
| | Lot 28 | 2+S | Sep-09 | \$553,000 | 95 | 22 | 117 | \$5,821 | \$4,726 |
| | Lot 44 | 2+S | Sep-09 | \$540,000 | 95 | 22 | 117 | \$5,684 | \$4,615 |

Comments: Situated on the corner of Commercial Road and Arthur Street, 'Fusion' is a mixed use complex which features ground floor retail shops and residential apartments above. The building is 6 storeys high and comprises 51 residential apartments. The building was constructed in 2005 and is finished to a good standard. Fusion features a swimming pool and on-site management. The building does receive some road noise from traffic on Commercial Road and appears dated for its age. Surrounding development predominantly comprises commercial/retail uses. The above sales represent 2 bedroom, 2 bathroom apartments with single car spaces within basement car parking.

3 'Urban 21' - 7 Helen Street, Newstead

| | | | | | | | | | |
|--|--------|-----|--------|-----------|-----|-----|-----|---------|---------|
| | Lot 7 | 2+S | Dec-09 | \$710,000 | 106 | 35 | 141 | \$6,698 | \$5,035 |
| | Lot 9 | 2 | Dec-09 | \$570,000 | 85 | 26 | 111 | \$6,706 | \$5,135 |
| | Lot 20 | 3 | Aug-09 | \$850,000 | 101 | 124 | 225 | \$8,416 | \$3,778 |
| | Lot 8 | 2 | Jul-09 | \$566,000 | 88 | 42 | 130 | \$6,432 | \$4,354 |
| | Lot 9 | 2 | Apr-09 | \$565,000 | 85 | 26 | 111 | \$6,647 | \$5,090 |

Comments: Urban 21 comprises two buildings over three and four levels, offering a total of 21 residential apartments situated on the south eastern side of Helen Street. The building was completed in early 2008 with the above transactions representing re-sales. Apartments generally comprises 2 bedrooms, 2 bathrooms and a single car space within basement car parking, except for Lot 7 and 20 which has 3 bedrooms and a 2 car spaces. The apartments are finished to a high standard with ducted air conditioning and have larger than average balcony/external areas. Apartments also have a dedicated study nook. We note that unit 9 has sold twice within an 9 month period demonstrating an increase in value during deteriorating market conditions.

4 'Newstead Terraces' - 20 Newstead Terrace, Newstead

| | | | | | | | | | |
|--|--------|-----|--------|-----------|-----|----|-----|---------|---------|
| | Lot 61 | 2+S | Feb-10 | \$650,000 | 93 | 73 | 166 | \$6,989 | \$3,916 |
| | Lot 32 | 2 | Dec-09 | \$580,000 | 88 | 18 | 106 | \$6,591 | \$5,472 |
| | Lot 17 | 3 | Nov-09 | \$875,000 | 106 | 71 | 177 | \$8,255 | \$4,944 |
| | Lot 19 | 2 | Sep-09 | \$575,000 | 89 | 22 | 111 | \$6,461 | \$5,180 |
| | Lot 45 | 2 | Jul-09 | \$591,000 | 88 | 18 | 106 | \$6,716 | \$5,575 |
| | Lot 40 | 2 | Mar-09 | \$620,000 | 91 | 32 | 123 | \$6,813 | \$5,041 |

Comments: 'Newstead Terraces' was constructed in 2004 and is situated on the western side of Newstead Terrace. The complex provides 61 residential apartments of predominantly 2 and 3 bedroom configurations. Ancillary improvements include an inground swimming pool, spa and sauna, barbecue facilities and gymnasium. The apartments are generally finished to a high standard, with stone benchtops, security system and ducted air conditioning. The complex is situated opposite the Brisbane River, however the apartments are not afforded river views.

We note that the above resales are for older units, within larger developments, that have not been subject to major marketing campaigns. The average price points reflected are therefore lower than those adopted for the proposed subject units.

In adopting an appropriate market value for the subject development, we have considered the available sales evidence in addition to the following factors:

- The scale of the subject development which comprises 44 units.
- The size of the different units proposed, particularly the living areas.
- The location of the subject development being in the highly sought after 'Teneriffe Woolstores Precinct'.
- The high quality of design and proposed finishes of the subject units.

Considering the above, we have adopted an average value range of \$480,000 to \$835,000. The average unit value of \$624,773 reflects an average rate of \$8,569 per square metre of internal area, based on an average living area of 72.9 square metres. We note that the average unit size for the subject is generally smaller than the evidence presented; therefore the average rate per square metre of internal area reflected is at the upper benchmark of the evidence analysed.

Based on the above, we have assessed the following average range of values for the subject units:

| CONFIGURATION & VALUATION OF TOTAL STOCK | | | | | Valuation | | | |
|--|-----------|-------------|-------------|--------------|---------------------|------------------|----------------|--|
| Gross Realisation | Qty | Int.(avg) | Ext.(avg) | Total | Total | Average | \$psm Total | |
| 1 Bedroom | 1 | 51.0 | 38.0 | 89.0 | \$480,000 | \$480,000 | \$5,393 | |
| 2 Bedroom | 38 | 70.3 | 23.5 | 93.8 | \$22,835,000 | \$600,921 | \$6,407 | |
| 3 Bedroom | 5 | 97.4 | 51.6 | 149.0 | \$4,175,000 | \$835,000 | \$5,604 | |
| Summary | 44 | 72.9 | 27.0 | 100.0 | \$27,490,000 | \$624,773 | \$6,251 | |

5.3.2 Site Sales

In order to assess the market value of the subject site, we have considered a cross section of development site sales which have occurred within the surrounding location. Part of the evidence considered is detailed in the tables below and overleaf.

| No. | Address | Land (sqm) | Zoning | Approved Lots/Units | Sale Date | Sale Price | Pot./App GFA (sqm) | \$psm Land Area | ANALYSIS | |
|---|--------------------------------------|------------|----------------|---------------------|-----------|-------------------------------|--------------------|-----------------|-----------|-------------|
| | | | | | | | | | \$psm GFA | \$/pot Unit |
| 1 | 16 Hamilton Place Bowen Hills | 3,402 | Mixed Use Zone | 106 | Apr-10 | \$5,450,000 Contract Price | 11,907 350% | \$1,602 | \$458 | \$51,415 |
| <p>Comments: Comprises two adjoining lots situated on the western side of Hamilton Place, with additional frontage to Tufton Street at the western rear boundary, improved with an older-style office and warehouse complex previously owner occupied by the Australian Red Cross. The improvements were constructed circa 1965 and are considered to be of nominal added value. The property is located within the RBH Precinct (Precinct 3) of the Bowen Hills UDA Development Scheme and classified as 'Mixed Use Zone' which permits construction of multi-unit dwellings up to 12 storeys and a plot ratio of 350%. We note that the property is currently under contract which includes a 4 month leaseback provided at a nominal rent of \$1.</p> <p>Comparison: A larger property situated in an inferior location to the subject with regards to proximity to services and surrounding amenity. The property sold without approval however the UDA Development Scheme provides for a greater potential GFA which has been reflected in a lower rate per square metre of GFA and a lower rate per square metre of site area. Considered to reflect lower analysed rates based on the inferior location and unapproved status of the property at the time of sale.</p> | | | | | | | | | | |
| 2 | 29-35 Campbell Street Bowen Hills | 2,655 | Mixed Use Zone | - | Mar-10 | \$5,925,000 | 21,241 800% | \$2,232 | \$279 | - |
| <p>Comments: Comprises five contiguous allotments forming an irregular shaped parcel of land situated on the north eastern corner of Campbell Street and Mayne Road, with additional street frontage to Hazlemount Street at the property's eastern alignment. 29 and 31 Campbell Street are currently improved with a highest residential dwelling each, and 35 Campbell Street is currently improved with a used car dealership (small office and garage in the north eastern corner with the remainder being concrete hardstand) recently leased to Kelly Motor Company but currently vacant. We understand that the property was recently purchased by Metro Property Developments for \$5,925,000.</p> <p>The property is classified "Multi-Purpose Centre MP3 - Suburban Centre" under Brisbane City Plan 2000, and is also situated within the UDA Heart Precinct (Precinct 1) of the Bowen Hills Urban Development Area Development Scheme and is classified as "Mixed Use Centre". The latter classification overrides the Brisbane City Plan. There are currently no applications or approvals lodged over the subject property however, under the Bowen Hills Urban Development Area Development Scheme, high density urban renewal is encouraged and the subject site has the potential for mixed use/multi-unit residential development up to 30 storeys in height (for landmark buildings) and 21,241 square metres of GFA (8 times site area), which applies to sites over 1,500 square metres.</p> <p>Comparison: A larger property situated in an inferior location to the subject with regards to proximity to services and surrounding amenity. The property sold without approval however the UDA Development Scheme provides for a greater potential GFA which has been reflected in a lower rate per square metre of GFA and a lower rate per square metre of site area. Considered to reflect lower analysed rates based on the inferior location and unapproved status of the property at the time of sale.</p> | | | | | | | | | | |

| No. | Address | Land (sqm) | Zoning | Approved Lots/Units | Sale Date | Sale Price | Pot./App GFA (sqm) | \$psm Land Area | ANALYSIS | |
|--|---|------------|---------------------------------|---------------------|-----------|-------------|--------------------|-----------------|-----------|-------------|
| | | | | | | | | | \$psm GFA | \$/pot Unit |
| 3 | 100 Musk Avenue Kelvin Grove | 2,202 | MP3 | - | Dec-09 | \$3,300,000 | 5,505 250% | \$1,499 | \$599 | - |
| <p>Without Approval</p> <p>Comments: Comprises an irregular shaped vacant allotment with frontage to Musk Avenue and Victoria Park Road with a gradual cross fall in a southerly direction from Victoria Park Road towards the Musk Avenue frontage creating a difficult building platform. The property is situated within the Mixed Use Precinct (sub-precinct B) of the Kelvin Grove Urban Village Local Plan which permits a maximum plot ratio of 2.5 times site area and a maximum height of 6 storeys (plus one bonus storey). The property was purchased by Queensland University of Technology. At the date of sale there were no applications current according to Brisbane City Council PD Online. The above sale price may include GST.</p> <p>Comparison: A predominantly residential development site, which is larger than the subject and is situated in an inferior location with regards to surrounding amenity. Given that the property sold without development approval and has a much greater quantum amount of allowable GFA, we consider that this sale reflects a lower rates per square metre of site area and per square metre of GFA than the subject.</p> | | | | | | | | | | |
| 4 | 1 Sydney Street New Farm | 809 | LMR | 12 | Nov-09 | \$1,650,000 | 484 60% | \$2,040 | \$3,406 | \$137,500 |
| <p>With Approval</p> <p>Comments: Comprises a rectangular shaped allotment situated on the eastern corner of Sydney Street and Oxlade Drive. The site sold with older style single level timber dwelling considered to be of nominal added value to the site. The property sold with approval for two 3 bedroom apartments and 10 studio apartments with a total GFA of 484 square metres, dated 3 February, 2009. We note that the property was previously purchased in February 2007 for \$1,625,000 (without development approval).</p> <p>Comparison: A smaller site situated in a broadly comparable location. The property has an inferior zoning and plot ratio, therefore reflecting a lower rate per square metre of land area however, due to the smaller scale of development reflects higher analysed rates per square metre of GFA and per approved unit.</p> | | | | | | | | | | |
| 5 | "Code" - 6-B Jays Street Bowen Hills | 2,236 | Residential Very High Intensity | 132 | Oct-09 | \$5,500,000 | 8,012 358% | \$2,460 | \$686 | \$41,667 |
| <p>With Approval</p> <p>Comments: Comprises a near rectangular shaped development site situated on the eastern side of Jays Street, within the Markwell Street Precinct (Precinct 5) of the Bowen Hills UDA Development Scheme. The property is classified as 'Residential Very High Intensity Zone' which permits multi-unit dwellings up to 12 storeys with a plot ratio of 300%, which we note has been exceeded by the current approval. The above sale was transacted subsequent to the development approval being granted (dated 22 September 2009) for the 'Code' Development which will comprise 132 apartments with a total GFA of 8,012 square metres. The property settled in early 2010 and is currently being developed by Chrome Property Group with construction having commenced in April. The above sale price may include GST.</p> <p>Comparison: A larger property situated in an inferior location to the subject with regards to surrounding amenity. The property sold with development approval with a much higher quantum amount of approved GFA and units than the subject. Given that the property sold with approval and has a much larger amount of approved GFA and number of units, we consider that this sale reflects lower analysed rates per square metre of site area, GFA and approved units.</p> | | | | | | | | | | |
| 6 | 6 Victoria Street Kelvin Grove | 2,659 | LMR | 37 | Sep-09 | \$2,200,000 | 1,330 50% | \$827 | \$1,655 | - |
| <p>Without Approval</p> <p>Comments: Comprises an irregular shaped allotment situated on the corner of Victoria Street and Scott Street and is currently improved with an older style industrial complex constructed pre-1946 and considered to be of nominal value to the site. The property was purchased by Tasco Build Pty Ltd who subsequently lodged a development application for 37 one and two bedroom apartments with a total GFA of 2,634 square metres. We note that the allowable GFA under Brisbane City Plan 2000 (as amended) for multi-unit development on this site is 0.5 times site area and the current development application exceeds this constraint. The above sale price may include GST.</p> <p>Comparison: A larger site situated in an inferior location with lower potential GFA and plot ratio than the subject. The property sold without approval and has inferior development potential. Therefore we consider the analysed rates per square metre of site area, GFA and potential unit to be lower than the subject.</p> | | | | | | | | | | |
| 7 | 21 Dixon Street New Farm | 2,521 | MR | Medium 43 | Jun-09 | \$3,900,000 | 3,151 125% | \$1,547 | \$1,238 | - |
| <p>Without Approval</p> <p>Comments: This property comprises 5 contiguous allotments, with north west/south east aspects and two street frontage to Dixon Street and Sydney Street. The property was previously used as a Brisbane City Council bus depot and is improved with some older style commercial/industrial buildings which are considered to be of nominal added value. The site is within close proximity to New Farm Park and is contained within the Newstead/Teneriffe Waterfront Local Plan. Under this plan, residential development of the site can be up to 3 storeys high with a maximum GFA of 1.25 times the site area. A subsequent application has been submitted to council for 43 units with a total GFA of 4,325 square metres dated 17 November 2009 which exceeds the allowable GFA based on the local planning constraints.</p> <p>Comparison: A larger site located in a superior residential location with frontage to New Farm Park. The property sold without approval in more uncertain market conditions and comprises similar zoning characteristics in terms of development potential. The sale is considered to reflect lower analysed rates due to the fact the property sold without development approval.</p> | | | | | | | | | | |
| 8 | 170 Bowen Terrace New Farm | 860 | MR | 12 | Jul-09 | \$2,950,000 | 2,042 237% | \$3,430 | \$1,445 | \$245,833 |
| <p>With Approval</p> <p>Comments: Comprises a rectangular allotment situated on the corner of Bowen Terrace and Harcourt Street and benefits from a south westerly aspect directly overlooking the Storey Bridge and Brisbane's CBD. The property is currently improved with an older style brick and timber dwelling that has been divided into three separate residential tenancies available to rent out, providing some holding income to the property. The existing dwelling is considered to be of nominal value. The property sold with approval for 12 x 3 bedroom units over 8 levels with a total GFA of 2,042 square metres. The property was purchased by Muil Pty Ltd who subsequently applied to have the existing application extended which was granted on 9 March 2010 for a 12 month period.</p> <p>Comparison: A smaller site located in a superior location and aspect with regards to Storey Bridge and Brisbane CBD views., along with the potential for holding income. The sale is considered to reflect a higher rate per square metre, superior on a rate per approved unit and considered comparable on a rate per square metre of site area.</p> | | | | | | | | | | |

The above evidence displays a range of \$827 to \$3,430 per square metre of site area, \$279 to \$3,406 per square metre of potential/approved GFA, and \$41,667 to \$245,833 per potential/approved site.

We note that there have been no sales that we are aware of that are directly comparable to the subject property, being located within an Urban Renewal area which has undergone dramatic change over the last 10 years. The 'Teneriffe Woolstores Precinct' is highly sought after by developers 'and, in light of the location, Development Approval held and demand for end stock within the Teneriffe precinct we consider if the subject was placed on the market would warrant significant interest.

Based on the above evidence and current market conditions, we believe that the value of the subject property is in the value range of \$3,300 to \$3,400 per square metre of site area, \$1,650 to \$1,750 per square metre of GFA, and \$120,000 to \$130,000 per approved unit site. We note that the above rates are highly subjective and have been formulated without the benefit of directly comparable sales evidence, due to the superior nature of the subject site.

While the above evidence provides guidance as to value levels for the subject site, we consider the residual cashflow to be the most accurate method of determining its value, especially given the limited transactions that have occurred recently in combination with the approval status of the property.

6 Valuation Rationale

(Refer to Critical Assumptions section, Assumptions, Disclaimers, Limitations & Qualifications section – Premise 1, Premise 2, Premise 3, Premise 4, Premise 15.)

6.1 Introduction

Our valuation addresses:

- Land Value - As Approved.
- Gross Realisation - As If Complete.

When assessing the 'as approved' land value of a development, we consider the primary approach to be a residual cash flow exercise. Under this methodology, from the gross realisation of the proposed units 'As If Complete', we have deducted selling costs, project costs, an acceptable profit margin, interest, financing and holding costs to determine the residual land value.

As a supporting method the direct comparison approach has been undertaken. This methodology involves comparing analysed sales evidence to the subject after consideration of the various attributes of each property.

In arriving at our opinion of value for the various components of the subject property, we have considered relevant general and economic factors and in particular have investigated recent sales transactions of comparable properties that have occurred in the current market. A variety of approaches have been considered and we detail below our principal approaches to value.

6.2 Gross Realisation – As If Complete

6.2.1 Residential Units (including GST)

Based on the available evidence and having regard to the characteristics of the proposed development, we conclude that the following is representative of the market value of the proposed units "As If Complete" and these have been adopted within our residual cash flow analysis.

| CONFIGURATION & VALUATION | | | | | | | | | | | |
|---------------------------|-------|------|-----------------|------|-----|---------------------|---------------------|------------------|---------------------|----------------|-----------------|
| Unit No. | Level | Type | Bedrooms /Study | Bath | Car | Internal Area (sqm) | External Area (sqm) | Total Area (sqm) | Value Adopted | Rate Internal | Rate Total Area |
| 1 | G | A | 2 | 2 | 1 | 73 | 63 | 136 | \$620,000 | \$8,493 | \$4,559 |
| 2 | G | B | 2 | 2 | 1 | 64 | 18 | 82 | \$580,000 | \$9,063 | \$7,073 |
| 3 | G | B | 2 | 2 | 1 | 64 | 18 | 82 | \$580,000 | \$9,063 | \$7,073 |
| 4 | G | A | 2 | 2 | 1 | 73 | 64 | 137 | \$600,000 | \$8,219 | \$4,380 |
| 5 | G | G | 1 | 1 | 1 | 51 | 39 | 90 | \$480,000 | \$9,412 | \$5,333 |
| 6 | G | D | 2 | 2 | 1 | 77 | 80 | 157 | \$640,000 | \$8,312 | \$4,076 |
| 7 | G | E | 2 | 2 | 1 | 74 | 45 | 119 | \$630,000 | \$8,514 | \$5,294 |
| 8 | G | E | 2 | 2 | 1 | 74 | 46 | 120 | \$630,000 | \$8,514 | \$5,250 |
| 9 | G | D | 2 | 2 | 1 | 77 | 45 | 122 | \$620,000 | \$8,052 | \$5,082 |
| 10 | G | C | 2 | 1 | 1 | 58 | 39 | 97 | \$520,000 | \$8,966 | \$5,361 |
| 11 | 1 | A | 2 | 2 | 1 | 73 | 12 | 85 | \$615,000 | \$8,425 | \$7,235 |
| 12 | 1 | F | 2 | 2 | 1 | 71 | 19 | 90 | \$610,000 | \$8,592 | \$6,778 |
| 13 | 1 | F | 2 | 2 | 1 | 70 | 19 | 89 | \$610,000 | \$8,714 | \$6,854 |
| 14 | 1 | A | 2 | 2 | 1 | 73 | 12 | 85 | \$605,000 | \$8,288 | \$7,118 |
| 15 | 1 | C | 2 | 1 | 1 | 58 | 16 | 74 | \$530,000 | \$9,138 | \$7,162 |
| 16 | 1 | D | 2 | 2 | 1 | 77 | 12 | 89 | \$620,000 | \$8,052 | \$6,966 |
| 17 | 1 | E | 2 | 2 | 1 | 74 | 22 | 96 | \$615,000 | \$8,311 | \$6,406 |
| 18 | 1 | E | 2 | 2 | 1 | 74 | 22 | 96 | \$615,000 | \$8,311 | \$6,406 |
| 19 | 1 | D | 2 | 2 | 1 | 77 | 12 | 89 | \$620,000 | \$8,052 | \$6,966 |
| 20 | 1 | C | 2 | 1 | 1 | 58 | 16 | 74 | \$540,000 | \$9,310 | \$7,297 |
| 21 | 2 | A | 2 | 2 | 1 | 73 | 12 | 85 | \$620,000 | \$8,493 | \$7,294 |
| 22 | 2 | F | 2 | 2 | 1 | 71 | 19 | 90 | \$615,000 | \$8,662 | \$6,833 |
| 23 | 2 | F | 2 | 2 | 1 | 70 | 19 | 89 | \$615,000 | \$8,786 | \$6,910 |
| 24 | 2 | A | 2 | 2 | 1 | 73 | 12 | 85 | \$610,000 | \$8,356 | \$7,176 |
| 25 | 2 | C | 2 | 1 | 1 | 58 | 16 | 74 | \$535,000 | \$9,224 | \$7,230 |
| 26 | 2 | D | 2 | 2 | 1 | 77 | 12 | 89 | \$625,000 | \$8,117 | \$7,022 |
| 27 | 2 | E | 2 | 2 | 1 | 74 | 22 | 96 | \$620,000 | \$8,378 | \$6,458 |
| 28 | 2 | E | 2 | 2 | 1 | 74 | 22 | 96 | \$620,000 | \$8,378 | \$6,458 |
| 29 | 2 | D | 2 | 2 | 1 | 77 | 12 | 89 | \$625,000 | \$8,117 | \$7,022 |
| 30 | 2 | C | 2 | 1 | 1 | 58 | 16 | 74 | \$545,000 | \$9,397 | \$7,365 |
| 31 | 3 | A | 2 | 2 | 1 | 73 | 12 | 85 | \$625,000 | \$8,562 | \$7,353 |
| 32 | 3 | F | 2 | 2 | 1 | 71 | 20 | 91 | \$620,000 | \$8,732 | \$6,813 |
| 33 | 3 | F | 2 | 2 | 1 | 70 | 20 | 90 | \$620,000 | \$8,857 | \$6,889 |
| 34 | 3 | M | 2 | 1 | 1 | 60 | 12 | 72 | \$540,000 | \$9,000 | \$7,500 |
| 35 | 3 | H | 2 | 2 | 1 | 63 | 16 | 79 | \$550,000 | \$8,730 | \$6,962 |
| 36 | 3 | I | 3 | 2 | 1 | 100 | 63 | 163 | \$840,000 | \$8,400 | \$5,153 |
| 37 | 3 | I | 3 | 2 | 1 | 100 | 63 | 163 | \$840,000 | \$8,400 | \$5,153 |
| 38 | 3 | H | 2 | 2 | 1 | 63 | 16 | 79 | \$560,000 | \$8,889 | \$7,089 |
| 39 | 4 | J | 3 | 2 | 1 | 99 | 12 | 111 | \$775,000 | \$7,828 | \$6,982 |
| 40 | 4 | F | 2 | 2 | 1 | 71 | 20 | 91 | \$630,000 | \$8,873 | \$6,923 |
| 41 | 4 | F | 2 | 2 | 1 | 70 | 20 | 90 | \$630,000 | \$9,000 | \$7,000 |
| 42 | 4 | K | 2 | 2 | 1 | 85 | 12 | 97 | \$630,000 | \$7,412 | \$6,495 |
| 43 | 4 | L | 3 | 2 | 1 | 94 | 60 | 154 | \$860,000 | \$9,149 | \$5,584 |
| 44 | 4 | L | 3 | 2 | 1 | 94 | 60 | 154 | \$860,000 | \$9,149 | \$5,584 |
| 44 | | | | | | 3,208 | 1,187 | 4,395 | \$27,490,000 | | |
| | | | | | | | | Average: | \$624,773 | \$8,569 | \$6,255 |

| CONFIGURATION & VALUATION OF TOTAL STOCK | | | | | | | | | | | | |
|--|-----------|-------------|-------------|-------------|---------------------|------------------|----------------|----------------|---------|-----------|---------|-----------|
| Gross Realisation | Qty | Int. (avg) | Ext. (avg) | Total | Total | Valuation | | | Minimum | | Maximum | |
| | | | | | | Average | \$psm Int. | \$psm Total | \$psm | Value | \$psm | Value |
| 1 Bedroom | 1 | 51.0 | 39.0 | 90.0 | \$480,000 | \$480,000 | \$9,412 | \$5,333 | \$9,412 | \$480,000 | \$9,412 | \$480,000 |
| 2 Bedroom | 38 | 70.3 | 23.4 | 93.7 | \$22,835,000 | \$600,921 | \$8,552 | \$6,414 | \$7,412 | \$520,000 | \$9,397 | \$640,000 |
| 3 Bedroom | 5 | 97.4 | 51.6 | 149.0 | \$4,175,000 | \$835,000 | \$8,573 | \$5,604 | \$7,828 | \$775,000 | \$9,149 | \$860,000 |
| Summary | 44 | 72.9 | 27.0 | 99.9 | \$27,490,000 | \$624,773 | \$8,569 | \$6,255 | | | | |

Based on the above information and ranges, we consider the Gross Realisation of the proposed units "As If Complete" to be in the vicinity of \$27,490,000 (Twenty Seven Million, Four Hundred and Ninety Thousand Dollars), including GST.

6.2.2 Residential Units (excluding GST)

We have additionally calculated the estimated GST liability applicable to the development assuming that the margin scheme is utilised and assuming a land value of \$5,500,000 as per our assessment.

On this basis, we consider the Gross Realisation of the proposed units excluding GST to be \$25,490,909 (Twenty Five Million, Four Hundred and Ninety Thousand, Nine Hundred and Nine Dollars).

VALUATION & ADVISORY SERVICES

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CB RICHARD ELLIS