

Appendix D

Goulburn Industrial Market - Valuer's report, Douglas Walker and Associates

28 August, 2015

Ms. S. Ashton
Cullingral Pty. Ltd
5c 26 Etham Avenue
DARLING POINT N.S.W. 2027

Dear Madam

Re: Goulburn Industrial Market

Our research indicates that by mid-1999 (Goulburn Post 26/5/1999), due to steady demand for industrial land, a shortage of available land, especially in Bradfordville was being created.

Therefore, in the next few years, numerous new areas were rezoned, including on the southern side of Ducks Lane (which now incorporates Lillkar Road), along Lockyer Street and the Common Street Business Park (presently “B6 – Enterprise Corridor” zoning) with approximately 100 Ha suitable for commercial development.

From 2000 to 2005, the market was strong, with rising values which attracted a number of developers, either for immediate development or for ‘land banking’.

After 2005, demand fell away gradually to near minimal levels due to then rising interest rates and fuel prices, general reduction in manufacturing due to import competition from the rising dollar combined with the start of the Global Financial Crisis (G.F.C.) in September, 2008 and its aftermath for the next 5 years.

This caused the failure of a number of industrial/commercial subdivisions, with many ending up mortgagee in possession, including 37 Ross Street (12.45 Ha).

The following are recorded sales of vacant industrial/commercial sites over 2,000 square metres since 2008:

<u><i>Year</i></u>	<u><i>2,000m²+</i></u>	<u><i>1-5 Ha</i></u>	<u><i>Total</i></u>
2008	0	0	0
2009	1 (3,158m ²)	0	1
2010	0	1 (1.3 Ha)	1
2011	0	4 (14.9 Ha)	4
2012	2 (8,076m ²)	0	2
2013	5 (1.6 Ha)	0	5
2014	1 (2,150m ²)	2 (3.5 Ha)	3
2015 (to date)	<u>1 (4,890m²)</u>	<u>0</u>	<u>1</u>
	10 (3.42 Ha)	7 (19.7 Ha)	17 (23.1 Ha)

We understand there is around 280 Ha of industrial/enterprise zoned land within the former city boundaries. Based on the above sales, only 3.06 Ha per annum of vacant land has sold over the last 7.5 years.

Much of the land involved with these sales is still undeveloped, including 8.4 Ha off Ducks Lane.

In addition, the only vacant land sale since the start of 2008 in the Bradfordville Industrial Area was a 3,000 square metre site, being Lot 6 DP1072126 in Ross Street. On this basis, with over 100,000 square metres of industrial zoned land at 37 Ross Street and only 3,000 square metres sold in 7.5 years, it could take up to 100 years to sell this amount of land in the present market.

The Bradfordville Industrial Area has become less favoured due to its distance and access to the Hume Highway, compared to localities closer to the highway

This is shown with the most active precinct being Tait Crescent, with 4 sales, as this precinct has the distinct advantage of being close to the city's southern interchange on the Hume Highway.

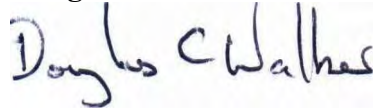
With vacant land values from \$50 to \$70/square metre based on available sales evidence on smaller lots, there is little incentive to create further industrial estates now or in the future with such an oversupply.

In regard to 37 Ross Street, industrial use on areas close to residential areas would be strongly opposed by residents concerned about noise and pollution. This, combined with the rear section being part low-lying, considerably reduces this site's appeal for commercial development.

If you have any queries, please do not hesitate in contacting our office.

Yours faithfully,

Douglas Walker and Associates (Consultant Valuers)



Douglas C. Walker, AAPI, WDA

Certified Practising Valuer

Registered Valuer 212 (N.S.W.)

Principal Director

