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VALUATION REPORT

1 & 3 BROXBOURNE STREET

WESTMEAD NSW 2145

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Professional Standards Legislation*

Egan Australasia Pty Ltd ABN 17 102 907 906



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VALUATION SUMMARY

PROPERTIES:

1 & 3 Broxbourne Street,
Westmead NSW 2145

BRIEF DESCRIPTION:

The subject properties are single storey three bedroom dwellings of exposed brick and tile construction. A child care centre is operated from the former residence at 3 Broxbourne Street with 39 licenced places. The building at 3 Broxbourne Street has an approximate GBA of 420m² and a site area of 897.9m² whilst the property at 1 Broxbourne Street has an approximate GBA of 291m² and the same site area of 897.9m².

CLIENT:

Mr Josh Brandon
St George Community Housing Limited
Level 5, 38 Humphreys Lane
Hurstville NSW 2220

INSTRUCTIONS:

We have been instructed to determine the market value of the subject properties, for current market assessment purposes only.

We confirm the report has been prepared in accordance with the API Practice Standards and the requirements set out in the letter of instruction dated 1 August 2014.

INTEREST VALUED:

Freehold Interest.

DATE OF INSPECTION / VALUATION:

8 August 2014.

VALUATION:

In accordance with the foregoing and on the assumption that the properties have clear and marketable title, free from any onerous easements or encumbrances and subject to the comments contained within this report, we are of the opinion that the market value of the freehold interest as at the date of valuation can be fairly expressed in the amount of:

1 Broxbourne Street
Market Value - \$880,000
(Eight Hundred and Eighty Thousand Dollars)
GST Free

3 Broxbourne Street
Market Value - \$1,250,000
(One Million Two Hundred and Fifty Thousand Dollars)
Exclusive of GST

(This summary page must be read in conjunction with the attached report of which this summary forms part and is subject to our remarks and qualifications therein.)

ASSUMPTIONS, CONDITIONS AND LIMITATIONS:

1. The subject properties have been valued subject to vacant possession.
2. The market value has been assessed as at the date of valuation. We express no opinion as to the ability of the properties to perform over time or the likely value of the properties at any future date. 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 properties). We do not accept liability for losses arising from such subsequent changes in value. Without limiting the generality of the above comment, we do not assume any responsibility or accept any liability where this valuation is relied upon after the expiration of 3 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.
3. This valuation has been prepared on specific instructions from the instructing party detailed within this report for the specific purpose detailed within this report. The report is not to be relied upon by any other party or for any other purpose. We accept no liability to third parties nor do we contemplate that this report will be relied upon by third parties. Neither the whole of the report or any part of reference thereto, may be published in any document, statement or circular nor in any communication with third parties without prior written approval of the form and context in which it will appear. We reserve the right to withhold consent or to review the contents of this report in the event that our consent is sought. Egan National Valuers (NSW) and the individual valuers involved in the preparation of this valuation do not have pecuniary interests in the subject properties that would conflict with the valuation of the properties.
4. We advise that Egan National Valuers (NSW) are not holders of an Australian Financial Services Licence and the valuation should not be construed as specific financial product advice.

EGAN NATIONAL VALUERS (NSW)

Tony Lenord
Registration No 3922
Certified Practising Valuer

DATE OF SIGNING: 13 August 2014

IMPORTANT: All data provided in this summary is wholly reliant on and must be read in conjunction with the information provided in the attached report. It is a synopsis only designed to provide a brief overview and must not be acted on in isolation.

Authorised By: 

The counter signatory, who has read and signed this report, verifies that the report is genuine and is endorsed by Egan National Valuers (NSW). The opinion of value expressed has been arrived at by the prime signatory alone.

1 INTRODUCTION

1.1 Instructions

We have been instructed by Mr Josh Brandon of St George Community Housing Limited to determine the market value of the freehold interest in the properties situated at 1 & 3 Broxbourne Street, Westmead NSW 2145, for asset management / current market assessment purposes only.

We also confirm the report has been prepared in accordance with the Supporting Memorandum of the API Practice Standards and the letter of instruction dated 1 August 2014.

We attach a copy of your letter of instruction within the appendices attached hereto.

1.2 Certification

We also confirm that we have personally inspected the exterior of the properties on the 8 August 2014 and further, we have completed appropriate investigations and enquiries, enabling us to report as follows.

We hereby certify that the valuer:

- has no interest financial or otherwise, in the properties subject to appraisal or with the parties with whom the bank is dealing including the selling agent if any;
- is independent to any lending transaction involved; and
- confirms the valuation has been prepared for current market assessment purposes.

1.3 Date of Valuation

The date of valuation is 8 August 2014, based on our inspection of the subject properties as at that date.

1.4 Basis of Valuation

This valuation has been prepared on the following basis:

Market Value

In accordance with the definition adopted by the International Valuation Standards Council (IVSC) definition relating to market value, market value is defined as follows:

"Market Value is the estimated amount for which a property should exchange on the date of valuation between a willing buyer and a willing seller in an arms length transaction after proper marketing wherein the parties had each acted knowledgeably, prudently and without compulsion."

The Australian Property Institute (API) is a member of the International Valuation Standards Council.

Insurance Value

The current reinstatement value of the improvements is defined as the cost of reconstructing the improvements in compliance with current Building Codes and includes allowances for professional fees and any additional costs, which would normally be incorporated in the reinstatement of an insurance policy.

The recommended insurance value escalates the current reinstatement value by incorporating allowances to cover, firstly, the likely cost increases during demolition, lead time and rebuilding periods, secondly the estimated costs of demolition and debris removal in the event of a serious loss, and thirdly the likely cost escalation during the currency of the policy year.

Market Rental Value

In accordance with the definition adopted by the International Valuation Standards Council (IVSC) definition relating to market rental value, market rental value is defined as follows:

"Market Rental Value is the estimated amount for which premises should rent as at the relevant date between a willing lessor and a willing lessee in an arms length transaction, wherein the parties had each acted knowledgeably, prudently and without compulsion, and having regard to the usual market terms and conditions for leases of similar premises."

2 LEGAL DESCRIPTION

2.1 Title Details

The subject properties are described as being those properties situated in the Local Government Area of Holroyd in the locality named Westmead more particularly being Lots 5A and 10 as delineated in Deposited Plan No. 15920, being the whole of the land contained and described within Folio Identifiers 5A/15920 and 10/15920.

2.2 Registered Proprietor

As at the date of Title Search (26 February 2014), the registered proprietor of the land at Lot 5A is noted in the First Schedule as being:

Brian John Francis Cavanagh

As at the date of Title Search (26 February 2014), the registered proprietor of the land at Lot 10 is noted in the First Schedule as being:

**Satinder Kumar Sharma
Santosh Sharma
As Joint Tenants**

2.3 Encumbrances

As at the date of Title Search (26 February 2014), the registered proprietor's interests were noted in the Second Schedule as follows:

Lot 5A

SECOND SCHEDULE (2 NOTIFICATIONS)

- 1 RESERVATIONS AND CONDITIONS IN THE CROWN GRANT(S)
- 2 AF933751 MORTGAGE TO AUSTRALIA AND NEW ZEALAND BANKING GROUP LIMITED

Lot 10**SECOND SCHEDULE (3 NOTIFICATIONS)**

-
- 1 RESERVATIONS AND CONDITIONS IN THE CROWN GRANT(S)
 - 2 U73429 POSITIVE COVENANT
 - 3 AG965456 MORTGAGE TO WESTPAC BANKING CORPORATION

There are no unregistered dealings on both titles and the above positive covenant relates to the maintenance and upkeep of an on site stormwater detention system at 3 Broxbourne Street at the property owners' expense.

This valuation assumes that the properties are not affected by any additional easements, encumbrances, or covenants that have not been disclosed by a search of the Title that may otherwise detrimentally affect the value of the properties.

2.4 Interest Valued

Freehold Interest.

2.5 Identification

The subject properties have been identified by reference to Deposited Plan. The subject properties have also been satisfactorily identified from physical observations taken on the site at the time of inspection and appear to conform substantially to the identifying features shown on the Title/s provided. Building structures appear to stand on or within said Title boundaries.

We attach a copy of the Computer Folio Searches and Deposited Plan, refer Appendices.

3 SITE DETAILS**3.1 Location**

The subject properties are situated on the eastern side of Broxbourne Street, approximately 50 metres north of Broxbourne Street's intersection with the Great Western Highway and are located 26 kilometres west from the Sydney General Post Office and 2.5 kilometres west of Parramatta CBD.

The surrounding development comprises similar single storey residences in varying degrees of condition situated on similar sized allotments and a larger vacant residential development site.

We attach a copy of the Location Plan, refer Appendices.

3.2 Dimensions and Area

The allotments are regular in shape and feature a frontage to Broxbourne Street of 15.15 metres and depth of 60.41 metres.

In accordance with Deposited Plan 15920, the total site area of each lot is 897.9 square metres. We note that the above measurements do not coincide with the area provided on the Deposited Plan. We recommend that this be researched and confirmed by qualified surveyors.

3.3 Topography and Aspect

The sites are situated above street level and have a gentle rise from their front elevations to their rear boundaries and provide a westerly aspect over Broxbourne Street.

3.4 Roads and Access

Broxbourne Street is a bitumen sealed carriageway carrying low level of traffic flow. The road has concrete kerbing and guttering and grass / concrete footpaths.

Access to the greater metropolitan area is considered to be good with arterial roads in close proximity including the Great Western Highway and the M4.

3.5 Services

Utility services available to the subject properties include electricity, water, sewer and telephone.

3.6 Environmental Issues

Soil Contamination

The subject properties are not listed on the Department of Environment and Climate Change NSW record of "Contaminated Sites".

Although the site does not appear on the record, it may still be affected by contamination as the site has not been regulated by the Environmental Protection Authority.

This valuation has proceeded under the assumption the subject properties are not adversely affected by current or previous land uses.

No soil analysis, geological studies or contamination report were ordered or made in conjunction with this report and, as such, it is assumed that there are no environmentally hazardous materials on, in, or near the properties that would cause loss in value. As far as we are aware, there is no evidence to suggest that the properties may have been contaminated by any such materials in its present or previous use and this valuation makes no such allowance. Should an environmental audit report prove otherwise, then the valuation should be returned to the Valuer for re-appraisal.

Flooding

The site is not prone to flooding under normal climatic conditions.

4 PLANNING GUIDELINES

4.1 Council Area and Zoning

By virtue of the Holroyd LEP of 2013 (as amended), of the Local Government Area of Holroyd, the subject properties are designated as lying within a B6 – Enterprise Corridor zone.

1 Objectives of zone

- To promote businesses along main roads and to encourage a mix of compatible uses.
- To provide a range of employment uses (including business, office, retail and light industrial uses).
- To maintain the economic strength of centres by limiting retailing activity.
- To provide for residential uses, but only as part of a mixed use development.

2 Permitted without consent

Nil

3 Permitted with consent

Boarding houses; Bulky goods premises; Business premises; Community facilities; Food and drink premises; Garden centres; Group homes; Hardware and building supplies; Hostels; Hotel or motel accommodation; Landscaping material supplies; Light industries; Multi dwelling housing; Neighbourhood shops; Passenger transport facilities; Plant nurseries; Residential flat buildings; Roads; Shop top housing; Timber yards; Vehicle sales or hire premises; Warehouse or distribution centres; Any other development not specified in item 2 or 4.

4 Prohibited

Agriculture; Air transport facilities; Airstrips; Animal boarding or training establishments; Biosolids treatment facilities; Boat building and repair facilities; Boat launching ramps; Boat sheds; Camping grounds; Caravan parks; Cemeteries; Charter and tourism boating facilities; Commercial premises; Correctional centres; Crematoria; Depots; Eco-tourist facilities; Electricity generating works; Entertainment facilities; Environmental facilities; Exhibition homes; Exhibition villages; Extractive industries; Farm buildings; Forestry; Freight transport facilities; Heavy industrial storage establishments; Helipads; Home occupations (sex services); Industrial retail outlets; Industries; Jetties; Marinas; Mooring pens; Moorings; Mortuaries; Open cut mining; Recreation facilities (major); Recreation facilities (outdoor); Registered clubs; Research stations; Residential accommodation; Resource recovery facilities; Restricted premises; Rural industries; Sewage treatment plants; Sex services premises; Storage premises; Truck depots; Vehicle body repair workshops; Veterinary hospitals; Waste disposal facilities; Water recreation structures; Water recycling facilities; Water supply systems; Wharf or boating facilities.

4.2 Existing Use

The current use of the properties as a residence and childcare centre appear to be a conforming/consent land use, pursuant to the planning provisions.

4.3 Heritage Listing

The subject properties are not noted as being an item of Heritage significance by the Local Council, State or Federal Heritage Registers.

5 IMPROVEMENTS**5.1 General Description**

An external inspection only of the improvements and properties has been completed.

Currently erected on the sites are a single storey three bedroom, two-bathroom residence with single carport accommodation at 1 Broxbourne Street and a converted child care centre with associated front car park and rear child play equipment at its rear at 3 Broxbourne Street.

5.1.1 Construction

The improvements are more particularly depicted as follows:

Structure (Both buildings)

Footings	:	Reinforced concrete.
Walls	:	Exposed brick.
Windows	:	Timber framed.
Roof	:	Terracotta tile.

5.1.2 Building Areas

Based on aerial measurements taken, the improvements at 1 Broxbourne Street have an approximate gross building area of some 291 square metres, detailed as follows:

Building	Area sq.m.
Main residence	215
Car port	22
Rear Shed	54
Total	291

Based on aerial measurements taken, the improvements at 3 Broxbourne Street have an approximate gross building area of some 420 square metres, detailed as follows:

Building	Area sq.m.
Main residence	395
Rear play equipment	25
Total	420

It must however be noted that a detailed survey of areas has not been commissioned in this regard. Consideration may be given to obtaining a building survey from a qualified surveyor if so required. If such further investigations reveal any inaccuracies in the above area calculations, this valuation will require revision. In such event we invite you to resubmit the valuation to us together with a Building Survey for this purpose.

5.2 Site Improvements

External improvements comprise concrete driveway and pathways, planters and wooden boundary fencing.

5.3 Repair and Condition

5.3.1 Building Structure

Based on our external inspection of the subject properties, the improvements appear to be in a sound structural condition.

However, the valuer is not a building construction or structural expert and is therefore unable to certify the structural soundness of the improvements. Readers of this report should make their own enquiries.

5.3.2 Asbestos

Asbestos was used as a building and industrial material in Australia until the mid 1980's. No visual evidence of potential asbestos containing material was observed during the site inspection however not all areas were accessed by Egan National Valuers.

Our inspection of the properties did not however reveal any obvious asbestos materials which are likely to have a negative impact on value, however, we are not qualified to comment as to the presence of any such asbestos materials within the properties. Should this assumption not be correct, we recommend that the valuer be consulted to assess any effect on the value stated in this report.

5.3.3 Pests and Vermin

Although our visual inspection of the properties did not disclose any obvious indications of vermin infestation, we are not pest inspection experts. This valuation is made on the assumption that the properties are not affected by pest infestation. Consideration should be given to obtaining a comprehensive pest inspection report from a qualified expert. Should any such report disclose any pest infestation, we recommend that the valuer should be consulted to reassess any effect on the value stated in this report.

6 TENANCY/LEASE DETAILS

We understand that the subject properties are currently owner occupied. If however, the property at 1 Broxbourne Street was to be offered for lease within the market place, the Valuer is of the opinion that a market rental value in the order of \$400 per week would be achievable within a traditional marketing period.

The property at 3 Broxbourne Street has been converted to a child care centre operation and is also owner occupied. These sorts of businesses are predominately owner operated and the leasing of this type of 'going concern' is rare.

7 MARKET COMMENTARY

7.1 Economic Overview

The Reserve Bank Board decided to leave the cash rate unchanged at 2.5% in its August meeting.

Inflation has reported an annual increase of 2.9% which is towards the higher end of the Reserve Bank's target of 2 per cent to 3 per cent inflation. Growth in the global economy is continuing at a moderate pace, helped by firmer conditions in the advanced countries. China's growth slowed in early 2014 but remains generally inline with policymakers objectives. Financial conditions overall remain accommodative. Long term interest rates have fallen further and risk spreads remain low. Markets appear to be attaching a very low probability to any rise in global interest rates over the period ahead.

The Australian economy grew at below trend pace over 2013, but growth looks to have been somewhat firmer around the turn of the year. Moderate growth has been occurring in consumer demand and strong expansion on housing construction is now under way. Signs of improvement in investment intentions in some other sectors are emerging, but these plans remain tentative, as firms wait for more evidence of improved conditions before committing to significant expansion.

Monetary policy remains accommodative. Interest rates are very low and for some borrowers have edged lower over recent months. Savers continue to look for higher returns in response to low rate on safe instruments. Dwelling prices have increased significantly over the past year, though there have been signs of a moderation in pace of increase recently. Looking ahead, continued accommodative monetary policy should provide support to demand, and help growth to strengthen over time.

RP Data - Rismark's home value index showed a 1.9% drop in May - the biggest slide since December 2008. Melbourne led the decline with a 3.6 per cent fall, followed by Adelaide and Brisbane, which fell 1.8 and 1.7 per cent respectively. Sydney also marginally fell by 1.1 per cent but remains Australia's most expensive capital city, having a median home price of \$678,500.

*Source: Sydney Morning Herald, RBA, RP Data

7.2 Localised Market Overview

The outlook for the Sydney residential housing market is heavily influenced by the Australian economy and in turn the global economy. Since the Global Financial Crisis (circa 2007/2008) the global and national economies have struggled and this in turn has been reflected in the buoyant national housing market.

Westmead is located in Sydney's western suburbs and is within close proximity to Parramatta and Parramatta's CBD. The western side of Westmead is bordered by Wentworthville and Westmead features a prominent hospital.

Our research of house sales in the postcode 2145 over the last 12 months indicates total sales of 69 with a median price of \$730,000 compared to the median price for the Parramatta LGA being \$650,000 (subject more aligned to Parramatta LGA demographics than Holroyd LGA). On average a property for sale is on the market for 38 days in this locality (Parramatta LGA average is approximately 39 days).

Westmead and other Sydney western suburbs have experienced modest growth in the last 5 years, which is expected to continue in the short term. Growth over the last 6 to 12 months has been strong but is now starting to taper off.

7.3 Residential Sales Evidence

In undertaking this assessment of value, the Valuer has inspected and analysed a number of recent sales transactions that have occurred within this and other comparable locations and with allowances made for variations we have compared these sales directly.

A summary of sales utilised in the preparation of this assessment include the following:

3 Hannah Street, Westmead		
Sale date	January 2014	Single storey three-bedroom residence of timber and tile construction. Accommodation comprises separate lounge, a modern and open kitchen that leads to a rumpus room with bar area and separate air conditioning and opens onto a private timber deck. The 3 bedrooms all have built ins and ceiling fans, and the timber-panelling bathroom offers high ceilings. The laundry comprises a second toilet. Large carport included. Superior street appeal, smaller sized allotment, superior improvements. GBA 295m ² . Reflects \$1,575/m ² land, \$2,749/m ² GBA.
Sale price	\$810,970	
Land area	515m ²	

10 Fraser Street, Westmead		
Sale date	January 2014	Single storey three-bedroom residence of brick and tile construction. Accommodation comprise single bathroom, master bedroom with built ins, separate living areas, air-conditioning and single garage. Located on a level allotment and sold as a potential re-development. Similar street appeal, similar sized allotment, superior condition of improvements. GBA 315m ² . Reflects \$1,123/m ² land, \$2,698/m ² GBA.
Sale price	\$850,000	
Land area	757m ²	

3 Whitworth Street, Westmead		
Sale date	November 2013	Single storey three-bedroom residence of brick and tile construction. Accommodation comprises 'granny flat' separate living areas, ducted air-conditioning, built-in wardrobes in two bedrooms, bathroom, modern kitchen, covered entertainment area, WC, single garage and polished timber floors throughout. Superior street appeal, smaller sized allotment, inferior improvements. GBA 310m ² . Reflects \$1,076/m ² land, \$2,742m ² GBA.
Sale price	\$850,000	
Land area	790m ²	

15 Bernard Street, Westmead		
Sale date	April 2014	Single storey three-bedroom residence of aluminium cladding and tile roof construction. Accommodation comprises three bedrooms and is in overall dated condition. This property includes a detached garage. Similar sized allotment, assumed similar improvements. Superior location but inferior future potential.
Sale price	\$900,000	
Land area	854m ²	

116 Great Western Highway, Westmead		
Sale date	October 2013	Single storey three bedroom residence of weatherboard and tile construction. Fully renovated internally to provide heritage theme and quality internal finishes. Provides lock up garage, separate granny flat and has the same zoning as 1 Broxbourne Street.
Sale price	\$785,000	
Land area	562 m ²	

The above information has been obtained from a number of sources including published sales information provided by the Valuer Generals Department, RP Data and Property Information Monitor. Whilst we understand the information to be reliable, we are unable to guarantee the accuracy. Where the information has been available to us, we have made appropriate adjustments for GST but the recorded sale prices may include all, a part of, or no GST depending on the circumstances and tax liability of the parties to each transaction.

7.4 Child Care Sales Evidence

In undertaking this assessment of value, the Valuer has analysed a number of recent sales transactions that have occurred within this and other comparable locations and with allowances made for variations, we have compared these sales directly. A summary of sales utilised in the preparation of this assessment include the following:

167 – 169 Stephen Street, Blacktown		
Sale date	September 2013	A large and modern purpose built childcare centre located west of the subject property in Blacktown. This property sold as a leased investment with a passing net income of \$187,186 pa which is reflective of a net passing yield of 6.81%. The property was inclusive of 19 on site car spaces and licenced for 64 child care places. This property is considered far superior in terms of standard of improvements, location and number of licenced places. Reflects \$1,698/m ² , \$42,969/place.
Sale price	\$2,750,000	
Land area	1,620m ²	

12 Baladana Avenue, Chipping Norton		
Sale date	August 2013	A double storey converted residence of brick, tile and concrete construction with on site car parking for 8 vehicles, located in a quiet street, south of the subject in Sydney's suburb of Chipping Norton. A larger site area is superior to the subject property and this property is a licenced childcare centre with 49 places. Superior in terms of size and number of licenced places. Reflects \$1,123/m ² , \$25,510/place.
Sale price	\$1,250,000	
Land area	1,113m ²	

145 – 147 Wollli Street, Kingsgrove		
Sale date	October 2013	A single storey converted residence of rendered brick, tile and concrete construction with on site car parking for 2 vehicles, located in a quiet street, south of the subject in Sydney's suburb of Kingsgrove. A smaller site area is inferior to the subject property and this property is a licenced childcare centre with 29 places. Inferior in terms of size and number of licenced places. Reflects \$1,788/m ² , \$41,379/place.
Sale price	\$1,200,000	
Land area	671m ²	

44 Saywell Road, Macquarie Fields		
Sale date	August 2013	A large and modern ex residential converted childcare centre located south west of the subject property in Macquarie Fields. This property sold as a leased investment with a passing net income of \$126,500 pa which is reflective of a net passing yield of 8.27%. The property was inclusive of 15 on site car spaces and licenced for 84 childcare places. This property is considered far superior in terms of size, vehicle accommodation and number of licenced places. Reflects \$679/m ² , \$18,214/place.
Sale price	\$1,530,000	
Land area	2,253m ²	

8 Isabella Street, Parramatta North		
Sale date	December 2013	A three storey converted residence of rendered brick, steel and concrete construction with on site car parking for 3 vehicles, located in a quiet street and attached to a school, north of the subject in Sydney's suburb of Parramatta. A larger site area is superior to the subject property and this property is a licenced childcare centre with 62 places. Superior in terms of size and number of licenced places. Reflects \$2,271/m ² , \$34,500/place.
Sale price	\$2,139,000	
Land area	942 m ²	

128 Cornelia Road, Toongabbie		
Sale date	April 2014	A single storey converted residence of brick construction reconfigured for a child care centre including outdoor soft fall areas. Sold fully leased for 10 years at a net income of \$176,219 per annum reflecting a 7.19% yield. Superior in terms of size providing 78 child care places, inferior location. Reflects \$1,420/m ² , \$31,410/place.
Sale price	\$2,450,000	
Land area	1,725 m ²	

109 Walder Road, Toongabbie		
Sale date	February 2014	A single storey purpose built centre with off street parking. Sold fully leased for 10 years at a net income of \$243,984 per annum reflecting a 7.73% yield. Superior in terms of size providing 78 child care places. Reflects \$1,761/m ² land, \$30,931/place.
Sale price	\$3,155,000	
Land area	2,002 m ²	

The above information has been obtained from a number of sources including published sales information provided by the Valuer Generals Department, RP Data and Property Information Monitor. Whilst we understand the information to be reliable, we are unable to guarantee the accuracy. Where the information has been available to us, we have made appropriate adjustments for GST but the recorded sale prices may include all, a part of, or no GST depending on the circumstances and tax liability of the parties to each transaction.

8 VALUATION CONSIDERATIONS

8.1 General Comments

The subject property at 1 Broxbourne Street is a single storey three bedroom dwelling of exposed brick and tile construction. A childcare centre is operated from the former residence at 3 Broxbourne Street with 39 licenced places. The building at 3 Broxbourne Street has an approximate GBA of 420m² and a site area of 897.9m² whilst the property at 1 Broxbourne Street has an approximate GBA of 291m² and the same site area of 897.9m².

8.2 Ownership History

Computer records reveal that neither of the subject properties have sold in the last 10 years.

8.3 Saleability

It is considered that the most appropriate method of sale for properties of this nature is by private treaty.

Having regard to the current market conditions and the condition of the subject properties, it is considered that a selling period in the order of 3-4 months would be appropriate for properties of this nature.

9 VALUATION APPROACH

9.1 Methodology

In arriving at our opinion of value we have considered relevant general and economic factors and in particular have investigated recent sales transactions of comparable properties that have occurred in the Westmead residential market and the greater Sydney child care market.

A variety of approaches have been considered and we detail below our principal approaches to value.

The most appropriate method of valuation for properties of this nature is by "Direct Comparison" where the subject properties are compared directly with sales of other properties in similar locations and adjustments then made for small points of difference.

9.2 Valuation Calculations

9.2.1 Direct Comparison Approach

In this case, the most appropriate method of valuation is the direct comparison approach. We provide the following calculations:

In regards to 1 Broxbourne Street, Westmead, recent sales at 15 Bernard Street and 116 Great Western Highway indicate some market movement since our previous valuation in March 2014. Consequently we are of the opinion that the current market value for 1 Broxbourne Street would be \$880,000. At this stage, there does not appear to be any premium paid for the B6 zoning, as the site area would limit redevelopment at this stage.

3 Broxbourne Street

897.9m ² land area	@	\$1,390/m ²	=	\$1,248,081
Indicated Value This Approach				<u>\$1,250,000</u>

3 Broxbourne Street (Support Method)

39 child care places	@	\$32,000/place	=	\$1,248,000
Indicated Value This Approach				<u>\$1,250,000</u>

In regards to 3 Broxbourne Street, Westmead, there has been no increase in value since our previous valuation in March 2014. At this stage, there does not appear to be any premium paid for the B6 zoning, as the site area would limit redevelopment at this stage.

10 VALUATION

We are of the opinion that the market value of the properties situated at **1 and 3 Broxbourne Street, Westmead NSW 2145** on the basis set out herein and on the assumption that the property has clear and marketable Title, free from any onerous easements or encumbrances and subject to the comments contained within this report, as at 8 August 2014, for current market assessment / asset management purposes only, is as follows:

1 Broxbourne Street
Market Value - \$880,000
(Eight Hundred and Eighty Thousand Dollars)
GST Free

3 Broxbourne Street
Market Value - \$1,250,000
(One Million Two Hundred and Fifty Thousand Dollars)
Exclusive of GST

This valuation has been prepared on specific instructions from Mr Josh Brandon of St George Community Housing Limited for the purposes of asset management. The report may be relied upon by St George Community Housing Limited only and not to be relied upon by any other party or for any other purpose. We accept no liability to third parties nor do we contemplate that this report will be relied upon by third parties. We invite other parties who may come into possession of this report to seek our written consent to them relying on this report. We reserve the right to withhold consent or to review the contents of this report in the event that our consent is sought.

This valuation is current as at the date of valuation only. The value assessed herein may change significantly, unexpectedly over a relatively short period (including as a result of general market movements or factors specific to the particular properties). We do not accept liability for losses arising from such subsequent changes in value. Without limiting the generality of the above comment, we do not assume any responsibility or accept any liability where this valuation is relied upon after the expiration of three months from the date of valuation, or such earlier date if you become aware of any factors that have any effect on the valuation.

We have relied upon the financial information that has been provided to us by those parties instructing and have used this information in the preparation of this report. To the best of our knowledge and investigations all information provided to us regarding the financial history, license requirements and compliance with regulations under the various acts affecting the childcare centre and business is accurate and a true record of the current situation.

EGAN NATIONAL VALUERS (NSW)

Tony Lenord AAPI
Registration No 3922
Certified Practising Valuer

DATE OF SIGNING: 13 August 2014

IMPORTANT: All data provided in this summary is wholly reliant on and must be read in conjunction with the information provided in the attached report. It is a synopsis only designed to provide a brief overview and must not be acted on in isolation.

Authorised by: 

The counter signatory, who has read and signed this report, verifies that the report is genuine and is endorsed by Egan National Valuers (NSW). The opinion of value expressed has been arrived at by the prime signatory alone.