

Timetable of Consolidation Offers

Timeframe	Offers and Discussion
September 2013	Marco Fahd makes offer of \$1.1 million for 324 Hume Hwy with immediate exchange and 3 month settlement. Offer rejected and owner of 324 Hume Hwy) advises he will not accept less than \$3 – 4 million.
2 October 2013 (attached)	<p>Marco Fahd obtains valuation for 324 Hume Hwy (attached). Valuation is under (then applicable) BLEP2001, which zones the property as Business Enterprise and includes a clause restricting residential land uses to sites greater than 5,000sqm. Accordingly, the site is valued at \$880,000. This valuation is for the potential 'highest and best use' of the land against the then applicable controls, which restricted residential development on lots less than 5,000sqm.</p> <p>Although the BLEP2015 now applies to the site, a similar restriction still applies. Further, the then draft BLEP2012 is considered as part of the valuation.</p>
3 October 2013	Marco Fahd makes further offer to owner of 324 Hume Hwy at \$1.38 million, which is approximately \$500,000 greater than the valuation obtained. Owner of 324 Hume Hwy advises he will not accept less than \$4 million for the site (correspondence dated 10 October 2013). This correspondence also indicated that the owner of 324 Hume Hwy may have considered a joint DA for both properties.
7 November 2013	The owner of 324 Hume Hwy withdrew their offer to sell the property and/or undertake a joint development application.
15 July 2014	Marco Fahd was advised by a local real estate agent that the owner of 324 Hume Hwy would not sell unless he receives \$4 million for a 42 day settlement or \$5 million for a delayed settlement.
6 January 2015	Marco Fahd offered the owner of 324 Hume Hwy \$3 million purchase price, with 10% on exchange and a 12 month settlement. Marco was advised this offer was rejected and the owner of 324 Hume Hwy would only accept \$4 million with a delayed settlement accruing a compound interest rate of 2% per month.

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18 August 2015 (attached)	<p>Through the owner of 324 Hume Hwy's solicitors (correspondence attached), an offer to sell the property is made to Marco Fahd under the following terms:</p> <ul style="list-style-type: none"> • Offer 1: sale price of \$4,646,000, 10% deposit on exchange of contracts; settlement after 42 days; • Offer 2: sale price of \$5,614,000, 10% deposit on exchange of contracts; settlement after 12 months. <p>Marco Fahd advised the owner of 324 Hume Hwy that Britley had prepared a scheme for a combined site and could offer \$2.4 million dollars for the property with \$200,000 deposit on exchange and \$2.2 million on settlement. This offer was based on commercial valuations of the property considering its development constraints under the BLEP2015.</p>
25 August 2015 (attached)	<p>The owner of 324 Hume Hwy declined Marco Fahd and Britley's offer and re-stated their original offer dated 18 August. Marco Fahd declined these offers as not being financially feasible and advised the owner of 324 Hume Hwy that a DA had been lodged for 326 Hume Hwy as a stand-alone site on Friday 19 August.</p>
December 2015 (attached)	<p>In accordance with Council requests, and to demonstrate that the previous offer in August 2015 was in accordance with both market valuations of 324 Hume Hwy and accordingly consistent with the LEC Planning Principles for Isolated Sites, a further valuation has been prepared for 324 Hume Hwy.</p> <p>The valuation demonstrates that the offers made by Marco Fahd and Britley are consistent with the market value of the site at a 'highest and best use' under the current planning controls.</p> <p>The valuation considers the value of the site both if it is developed in isolation (\$1.2million) or in conjunction with redevelopment at 326 Hume Hwy (\$2.15 Million). This approach is consistent with the Grech Planning Principle and the values are much less than Mr Fahd's most recent offer of \$3 million in January 2015.</p>