



VALUERS  
AUSTRALIA

ABN 25 121 942 505

**PROPERTY CONSULTANCY  
FOR  
BYRON SHIRE COUNCIL**

**UPDATE OF CURRENT MARKET VALUATION &  
CURRENT MARKET GROUND RENTAL**

**COOLAMON VILLA CATHOLIC HEALTH CARE  
VILLAGE  
SITE**

**AZALEA STREET, MULLUMBIMBY**

**PREPARED FOR: BYRON SHIRE COUNCIL**

**YOUR REFERENCE: TBA**

**OUR REFERENCE: VA1322-22**



*Liability limited by a scheme approved under Professional Standards Legislation*

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## EXECUTIVE SUMMARY

<b>Instructing Party:</b>	Byron Shire Council.
<b>Instructions:</b>	<b>To provide an updated valuation to re-assess the</b> current market value and current market rent, for proposed sale or lease of the subject land between Byron Shire Council and Catholic Healthcare Ltd.
<b>Date of Inspection:</b>	21 <sup>st</sup> November 2018 and 12 <sup>th</sup> November 2021
<b>Date of Valuation:</b>	12 <sup>th</sup> November 2021. <b>Note:</b> Update only. The site has not been re-inspected for the purpose of the valuation.
<b>Effective Date:</b>	To be advised.
<b>Address:</b>	Azalea Street, Mullumbimby.
<b>Legal Description:</b>	Part Lot 188 DP 728535.
<b>Site Area:</b>	8,967m <sup>2</sup> (not surveyed) - area to be confirmed prior to reliance being placed on this report.
<b>Purpose of Lease:</b>	Not stated – assumed to be existing use - Healthcare Purposes – determined on a commercial basis.
<b>Extent of Interest to be Valued:</b>	Current Market Rental on an unimproved basis reflecting vacant land value only.  The determined rental excludes the value of any lessee improvements erected on the land.
<b>Valuation Basis:</b>	The current market rent, to be determined in accordance with our valuation instructions. Rent to be assumed on a standard commercial lease basis.  Determined on an unimproved basis reflecting vacant land value only. Lessee improvements on the land are to be excluded.
<b>Legislative Authority:</b>	<b>Not stated</b> - TBA.
<b>Market Valuation:</b>	<b>Two Million Seven Hundred Thousand Dollars p.a. plus GST if applicable</b> <b>(\$2,700,000 p.a. plus GST if applicable plus Outgoings</b>
<b>Market Rental:</b>	<b>One Hundred &amp; Thirty-Five Thousand Dollars p.a. plus GST if applicable plus Outgoings</b> <b>(\$135,000 p.a. plus GST if applicable plus Outgoings</b>

**NOTE: This summary must be read in conjunction with the whole report. The rental assessment is subject to numerous assumptions and disclaimers. As instructed the rental has been determined based on commercial health care uses of the site. We have not been instructed to make allowances for the Not-for-Profit use of the site.**

I (valuer) hereby certify that I personally inspected the subject land on the inspection date stated and have conducted the valuation on the valuation date stated. Neither I nor any member of this firm, has any conflict of interest, or direct, indirect, or financial interest in relation to this property that is not disclosed therein.

This valuation is current as at the date of valuation only. The values 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). 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 expiration of 3 months from the date of this valuation, or such earlier date if you become aware of any factors that have any effect on the valuation.

## 1. INSTRUCTIONS

### 1.1 INSTRUCTIONS

Byron Shire Council has provided instructions to provide an update of prior valuations of the **current market valuation** and **current market rent** of the subject land for the purpose sale or lease negotiations the Mullumbimby Retirement Village (Coolamon Villa Catholic Health Care Village), located at Azalea Street, Mullumbimby.

As instructed this valuation provides an update of prior valuations. To minimise cost a new site inspection was not undertaken. The valuation assumes that the subject land and immediate surrounding development has remained unchanged since the date of inspection.

#### **Current Market Valuation**

The valuation is made based on specific instructions from Council, being "Restrictions on the Use of Land Vested in Prescribed Authority" and "Positive Covenant affecting Land Vested in a Prescribed Authority" are also to be disregarded for the purpose of the valuation, on the basis that the offer to purchase the land communicated to Council by Catholic Healthcare is conditional on removal of the restrictions as to user and the positive covenant.

It is noted that a concessional lease, expiring 22 November 2022, currently exists over the land. On the basis of the short-term remaining on the lease, and assuming prudent hypothetical seller basis, the subject land has been valued on an unencumbered freehold title basis.

The subject property comprises part of a larger site (Mullumbimby Hospital site). For the purpose of the valuation, we have assumed that the subject land holds individual title.

The valuation is to exclude the value of any lessee improvements erected on the land.

#### **Current Market Rental**

Valuation instructions state that the rent is to be determined on "standard commercial lease basis" and on terms advised in the valuation instructions, as set out in this report.

The valuation is subject to confirmation on receipt of full lease terms and conditions.

We are instructed that "Restrictions on the Use of Land" and "Positive Covenant" affecting land are also to be disregarded for the purpose of the valuation.

The subject property comprises part of a larger site (Mullumbimby Hospital site). For the purpose of the valuation, we have assumed that the subject land holds individual title.

The rental is to exclude the value of any lessee improvements erected on the land.

## 1.2 PURPOSE AND CONEXT OF REPORT

The valuation is required for the purpose of proposed sale **or** lease of the site of the Mullumbimby Retirement Village (Coolamon Villa Catholic Health Care Village), located at Azalea Street, Mullumbimby, from Byron Shire Council to Catholic Healthcare Ltd.

This valuation (current market valuation and rental assessment) is for the use of Byron Shire Council for the specific purpose identified and for no other party or purpose. No responsibility is accepted to any third party who may use or rely on the whole or any part of the content of this valuation.

The valuer's inspection and report does not constitute a structural, survey, building, pest, flood, town planning, contamination or geotechnical report and is not intended as such. No extract from this report may be included in any other document without the Valuer's approval as to the context in which it is to be used. A full copy of the lease and any amendments must be provided to the valuer before this assessment can be used.

This valuation provides an update of separate valuations previously provided of the current market valuation and current market rent of the subject land. This valuation refers to and is reliant upon information contained within the original valuations, VA1251-D21, VA1041-D and VA1118D (Current Market Valuations) and VA1283-R21 (Current Market Rental).

As instructed this valuation relies upon inspections undertaken for the purpose of prior valuations. A new site inspection was not undertaken. The valuation assumes that the subject land and immediate surrounding development has remained unchanged since the date of inspection.

## 1.3 DATE OF INSPECTION

21 November 2018, 17<sup>th</sup> March 2021 and 12<sup>th</sup> November 2021.

## 1.4 DATE OF RE-ASSESSMENT

3<sup>rd</sup> August 2022.

## 1.5 INTEREST BEING VALUED

1. **Current Market Valuation** of the subject land on an unencumbered freehold title basis.

As instructed, on the basis that the offer to purchase the land communicated to Council by Catholic Healthcare is conditional on removal of the restrictions as to user and the positive covenant, "Restrictions on the Use of Land Vested in Prescribed Authority" and "Positive Covenant affecting Land Vested in a Prescribed Authority" have been disregarded for the purpose of the valuation.

The subject property comprises part of a larger site (Mullumbimby Hospital site). For the purpose of the valuation, we have assumed that the subject land holds individual title.

The valuation is to exclude the value of any lessee improvements erected on the land.

2. **Current Market Rent** of the unimproved vacant land only, to be determined on "standard commercial lease terms", in accordance with our valuation instructions and assumptions as contained in this report.

The subject property comprises part of a larger site (Mullumbimby Hospital site). For the purpose of the valuation, we have assumed that the subject land holds individual title.

The rental is to exclude the value of any lessee improvements erected on the land.

## 1.6 CERTIFICATION

I (valuer) hereby certify that I personally inspected the subject land on the date stated and have conducted the assessments at this date. Neither I nor any member of this firm, has any conflict of interest, or direct, indirect, or financial interest in relation to this property that is not disclosed therein.

## 2. LIMITATIONS

The valuation is subject to confirmation on receipt of full lease terms and conditions.

This valuation (Rental assessment) is current as at the date of valuation only. The values 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). 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 expiration of 3 months from the date of this valuation, or such earlier date if you become aware of any factors that have any effect on the valuation.

### **Australian Property Institute Market Uncertainty Clause – Covid-19**

“The outbreak of the Novel Coronavirus (COVID-19) was declared as a ‘Global Pandemic’ by the World Health Organisation on 11 March 2020. We have seen global financial markets and travel restrictions and recommendations being implemented by many countries, including Australia.

The real estate market is being impacted by the uncertainty that the COVID-19 outbreak has caused. Market conditions are changing daily at present. As at the date of valuation we consider that there is a significant market uncertainty.

This valuation is current at the date of valuation only. The value assessed herein may change significantly and unexpectedly over a relatively short period of time (including as a result of factors that the Valuer could not reasonably have been aware of as at the date of valuation). We do not accept responsibility or liability for any losses arising from such subsequent changes in value.

Given the valuation uncertainty noted, we recommend that the user(s) of this report review this valuation periodically (regularly).”

## **3. DEFINITIONS**

### **3.1 “MARKET RENTAL”**

Market Rent has not been defined. For the purpose of the assessment, we have adopted the following definition of “Market Rent”;

"Market Rent" is stated as the estimated amount for which a property should lease on the date of valuation between a willing lessee and a willing lessor in an arm's length transaction after proper marketing wherein the parties had each acted knowledgeably, prudently and without compulsion.

**Note:** real estate values vary from time to time in response to changing market circumstances and it should therefore be noted that this assessment of value is based on the facts and evidence as they existed as at the date of valuation and no warranty can be given as to the maintenance of this value into the future. It is therefore recommended that the valuation be reviewed periodically.

### **3.2 “MARKET VALUE”**

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

**Note:** real estate values vary from time to time in response to changing market circumstances and it should therefore be noted that this assessment of value is based on the facts and evidence as they existed as at the date of valuation and no warranty can be given as to the maintenance of this value into the future. It is therefore recommended that the valuation be reviewed periodically.



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## 4. PROPERTY DETAILS

### 4.1 ADDRESS

Azalea Street, Mullumbimby NSW, 2482.

### 4.2 TITLE DETAILS

#### 4.2.1 Title Reference

Part Lot 188 DP728535;

Part Lot 188 in Deposited Plan 728535,  
Parish of Mullumbimby,  
County of Rous,  
Byron Local Government Area.

Second Schedule to the Title Search for the subject land informs the following Notifications have been registered on Title.

#### EXTRACT FROM TITLE SEARCH

```
LAND
----
LOT 188 IN DEPOSITED PLAN 728535
  AT MULLUMBIMBY
  LOCAL GOVERNMENT AREA BYRON
  PARISH OF MULLUMBIMBY   COUNTY OF ROUS
  TITLE DIAGRAM DP728535

FIRST SCHEDULE
-----
BYRON SHIRE COUNCIL                                     (T AN974902)

SECOND SCHEDULE (4 NOTIFICATIONS)
-----
1  LIMITED TITLE. LIMITATION PURSUANT TO SECTION 28T(4) OF THE REAL
   PROPERTY ACT, 1900. THE BOUNDARIES OF THE LAND COMPRISED HEREIN
   HAVE NOT BEEN INVESTIGATED BY THE REGISTRAR GENERAL.
2  NOTIFICATION IN GOVERNMENT GAZETTE DATED 28.2.1941 FOL 855;
   EASEMENT FOR WATER PIPELINE 3.05 WIDE AFFECTING THE PART OF THE
   LAND ABOVE DESCRIBED SHOWN SO BURDENED IN THE TITLE DIAGRAM
3  AN974903 POSITIVE COVENANT
4  AN974904 RESTRICTION(S) ON THE USE OF LAND

NOTATIONS
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UNREGISTERED DEALINGS: NIL

*** END OF SEARCH ***
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The Title Search to the subject land makes no reference to Crown Reserve 31705 which is referred to in existing Leases over the subject land, which have been provided to the valuer by Council. For the purpose of the valuation we assume freehold title, disregarding Leases over the subject land to The Trustees of the Society of St. Vincent De Paul, on the basis that the subject lease is to commence on expiry of existing leases over the land.

It is also noted that the Title Search to the subject land provides no notification of Leases from The Mullumbimby Hospital Reserve Trust or Trustees of Reserve No. 31705 to The Trustees of the Society of St. Vincent De Paul.

We have not investigated Notification 1 as Notified on the Title Search and are not qualified to comment in relation to same. We therefore assume no adverse impact on the use or value of the subject land. We recommend that legal advice be sought in relation to notifications on title. Should subsequent enquiries reveal any matters that may have an impact on the value of the subject land then full details must be referred back to this office for consideration and possible re-assessment of the valuation.

Inspection of Deposited Plan 728535 identifies that the easement for drainage noted on the Title Search extends through the rear of the subject land (refer Deposited Plan 728535 attached as Annexure 3 to this report).

No other easements, encumbrances or restrictions on title have been noted, advised, or are suspected apart from those noted in this report however it is noted that we are not surveyors and we have not undertaken full Title Search, Survey, or any other searches in relation to the land. Comments made in relation to this matter are based on visual inspection only. Should subsequent enquiries reveal the existence of any easements, restrictions on title or related issue then this valuation should be referred back to the valuer for reassessment.

No encroachments on or by the subject property have been disclosed by the instructing party. We have not undertaken nor sighted a current title search or survey for the land and assume there are no encroachments by or on the subject land. Should any encroachments be suspected or found then details should be forwarded to the valuer for comment and possible re-assessment of the valuation.

### 4.3 EASEMENTS (REGISTERED)

Second Schedule to the Title Search for the subject land informs that the subject land is burdened by an easement for water pipeline 3.05 wide affecting the part of the land above described shown so burdened in the Title diagram.

Inspection of Deposited Plan 728535 identifies that the easement for drainage referred to in the Title Search extends through the rear of the subject land, as identified on the Deposited Plan (refer Annexure 3 to this report).

#### EXTRACT FROM TITLE SEARCH

##### SECOND SCHEDULE (4 NOTIFICATIONS)

- 1 LIMITED TITLE. LIMITATION PURSUANT TO SECTION 28T(4) OF THE REAL PROPERTY ACT, 1900. THE BOUNDARIES OF THE LAND COMPRISED HEREIN HAVE NOT BEEN INVESTIGATED BY THE REGISTRAR GENERAL.
- 2 NOTIFICATION IN GOVERNMENT GAZETTE DATED 28.2.1941 FOL 855; EASEMENT FOR WATER PIPELINE 3.05 WIDE AFFECTING THE PART OF THE LAND ABOVE DESCRIBED SHOWN SO BURDENED IN THE TITLE DIAGRAM
- 3 AN974903 POSITIVE COVENANT
- 4 AN974904 RESTRICTION(S) ON THE USE OF LAND

##### NOTATIONS

UNREGISTERED DEALINGS: NIL

\*\*\* END OF SEARCH \*\*\*

No other noted or advised other than as indicated in this report. We are not qualified to identify nor make comment in relation to legal matters. We therefore recommend that interested parties make their own enquiries in relation to the land. Should subsequent enquiries reveal any matters that may have an adverse impact on the use or value of the land then this valuation must be referred back to this office for review and re-assessment.

On the basis that the offer to purchase the land communicated to Council by Catholic Healthcare is conditional on removal of the restrictions as to user and the positive covenant, "Restrictions on the Use of Land Vested in Prescribed Authority" and "Positive Covenant affecting Land Vested in a Prescribed Authority" have disregarded for the purpose of the valuation.

### 4.4 REGISTERED PROPRIETOR

First Schedule to a current title search notes the land is held in the ownership of:

Byron Shire Council.

The existing Lease for the subject premises informs that the subject land comprises of Part Reserve 31705. The Title Search to the subject land makes no reference to Reserve 31705, nor the Leases provided to the Valuer by Council. For the purpose of the valuation we assume that the Reserve has been extinguished. As instructed the valuation has regard to the Leases provided by Council to the valuer.

**A search of the Native Title Register has not been undertaken. The valuation assumes that no actual or potential native title claims exist in relation to the land.**

#### 4.5 EXISTING LEASE

Terms of the existing lease are summarized as follows:

##### CURRENT LEASE DETAILS

###### Lease 1

<b>Lessor:</b>	Trustees of Mullumbimby Reserve.
<b>Lessee:</b>	The Trustees of the Society of St. Vincent De Paul.
<b>Commencement:</b>	15 <sup>th</sup> of November 1982.
<b>Term:</b>	40 years
<b>Termination:</b>	14 <sup>th</sup> of November 2022.
<b>Rent on Commencement:</b>	\$1 per annum
<b>Current Rent:</b>	\$1 per annum.
<b>Outgoings:</b>	Lessee's responsibility.
<b>Escalation:</b>	Nil.
<b>Option:</b>	Nil.
<b>Permitted use:</b>	Conduct of a hostel for the accommodation and the care of elderly infirm or disabled people and for purposes reasonably incidental thereto to the satisfaction of the Health Commission of New South Wales and/or the Minister for Health.
<b>Special Conditions:</b>	Subject to Clause 1-K hereof (of the Lease) all buildings structures erections and improvements on the land hereby demised at the commencement of this lease or constructed or erected thereon whereby the Lessee or the Lessor after the commencement and before the expiration or sooner determination of this Lease and any alteration or addition or improvements to any such building structures or erections shall be and become the absolute property of the lessor and no compensation shall be payable by the Lessor to the Lessee in respect thereof.

**Note:** The subject rent has been determined based on our valuation instructions/valuation basis as contained in this report. No regard has been placed on the existing lease terms which expire on 14<sup>th</sup> November 2022.

**Lease 2**

<b>Lessor:</b>	The Mullumbimby Hospital Reserve Trust.
<b>Lessee:</b>	The Trustees of the Society of St. Vincent De Paul (NSW).
<b>Commencement:</b>	15 <sup>th</sup> of November 1989.
<b>Term:</b>	33 years
<b>Termination:</b>	14 <sup>th</sup> of November 2022.
<b>Rent on Commencement:</b>	\$5,000 per annum (for initial 5 (five) years).
<b>Current Rent:</b>	Not advised.
<b>Outgoings:</b>	Lessee's responsibility.
<b>Escalation:</b>	After expiration of the first five years of the term if on any 15 <sup>th</sup> day of November a sum calculated at a rate of 5% of the then current unimproved value (as determined pursuant to the Valuation of Land Act 1916 or any Act amending or in substitution of the same) of the freehold of the demised premises shall be greater than \$5,000 then in the year commencing on such 15 <sup>th</sup> day of November and in each ensuing four years thereafter the rent shall be the greater sum calculated as aforesaid in lieu of \$5,000 provided also that if at any time there shall be no unimproved value of the freehold of the demised premises (as determined pursuant to the Valuation of Land Act 1916 or any Act amending or in substitution of the same) and the Lessee shall not within one month of being requested by the Lessor agree upon an amount as the unimproved value of the freehold of the demised premises then the determination of the said unimproved value shall be referred to arbitration in accordance with the provisions of the Commercial Arbitration Act 1984 provided further that the lessor for the purpose of determining the rental herein before reserved may at any time but not more frequently than once in every five years require a new valuation of the unimproved value of the freehold of the demised premises to be determined and agreed upon as aforesaid and the cost of such new valuation shall without limiting in any way any other provisions hereof be paid by the Lessee to the Lessor on demand.
<b>Option:</b>	Nil.
<b>Permitted use:</b>	Conduct of a hostel for the accommodation and the care of elderly infirm or disabled people and for purposes reasonably incidental thereto to the satisfaction of the Health Commission of New South Wales and/or the Minister for Health.
<b>Special Conditions:</b>	Subject to Clause 1-K hereof (of the Lease) all buildings structures erections and improvements on the land hereby demised at the commencement of this lease or constructed or erected thereon whereby the Lessee or the Lessor after the commencement and before the expiration or sooner determination of this Lease and any alteration or addition or improvements to any such building structures or erections shall be and become the absolute property of the lessor and no compensation shall be payable by the Lessor to the Lessee in respect thereof.

**Note: The subject rent has been determined based on our valuation instructions/valuation basis as contained in this report. No regard has been placed on the existing lease terms which expire on 14<sup>th</sup> November 2022.**

#### 4.6 PROPOSED LEASE

No completed proposed lease document has been provided. Basic lease terms and conditions as set out in our valuation instructions/draft Council resolution are summarized as follows:

##### **PROPOSED LEASE DETAILS**

<b>Title Details:</b>	Part Lot 188 DP728535
<b>Site Area:</b>	8,967m <sup>2</sup>
<b>Lessor:</b>	Byron Shire Council.
<b>Lessee:</b>	Catholic Healthcare Ltd (A.C.N 064 946 318).
<b>Commencement:</b>	To be advised.
<b>Term:</b>	10 years
<b>Termination:</b>	To be advised.
<b>Rent on Commencement:</b>	To be advised.
<b>Current Rent:</b>	Not applicable under current lease terms.
<b>Outgoings:</b>	Lessee to pay all outgoings including rates and land tax if payable. We are advised that the lessee is a registered Public Benevolent Institution (PBI) and as such is entitled to an exemption on Land Tax.
<b>Escalation:</b>	Base Rent (to be determined) per annum with rent increased annually by Consumer Price Index All Groups Sydney for the September Quarter for the term.
<b>Option:</b>	Two(2) x five (5) year options.
<b>Permitted use:</b>	For the purpose of Residential Aged Care Service and any ancillary use. Rent to be determined on a commercial basis, on standard commercial terms.
<b>Special Conditions:</b>	Owner of all improvements is Catholic Healthcare Ltd. Improvements are to be excluded from the lease. <b>All improvements on the land will vest in Council on expiry or termination of the lease.</b>

**Please Note:** The valuation is subject to confirmation on receipt of full lease terms and conditions.





## 4.8 SITE DESCRIPTION

### 4.8.1 Location

The subject property is located off Azalea Street/Reservoir Road, Mullumbimby, generally east of the intersection of Azalea Street and Reservoir Road. Surrounding land uses comprise of the decommissioned Mullumbimby Hospital site to the south/southeast and residential properties to the west. Land to the north comprises of undeveloped bushland and a cemetery. The property is well located in terms of community services and public facilities.

Mullumbimby is a popular, small rural township located in the Byron Hinterland. Mullumbimby is located approximately 787 kilometres by road north from Sydney and approximately 150 kilometres south from Brisbane.

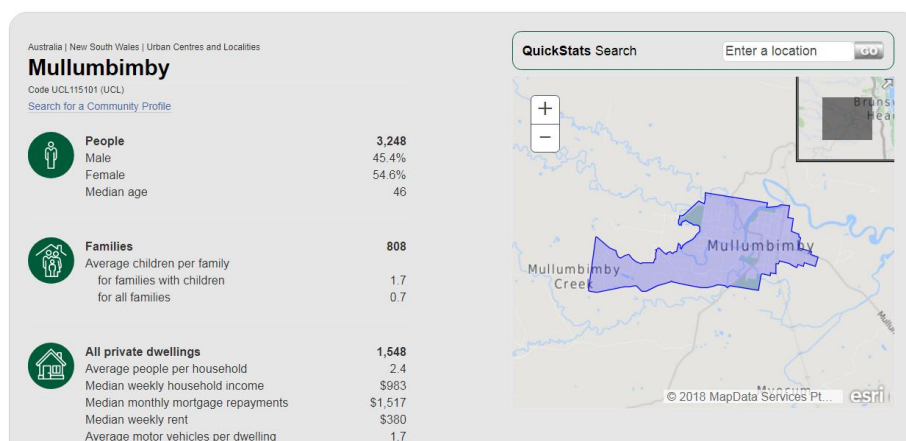
As at the 2016 census Mullumbimby had a “place of usual residence” population of 3,248 persons. The most common responses for occupation for employed persons usually resident in Mullumbimby (Suburb) were Professionals 24.6%, Technicians and Trades Workers 14.1%, Community and Personal Service Workers 12.8%, Labourers 11.8%, Managers 11.0% and Clerical and Administrative Workers 8.8% and Machinery Operators and Drivers 4.7%.

In Mullumbimby (Suburb), the median weekly individual income for persons aged 15 years and over who were usual residents was \$520, compared with \$664 in NSW and \$662 in Australia. The median weekly household income was \$983, compared to \$1,438 in NSW and \$1,438 in Australia. The median weekly family income was \$1,210, compared to \$1,780 in NSW and \$1,734 in Australia.

The following extracts from 2016 Census QuickStats (ABS) summarises key demographics for Mullumbimby Urban Centre.

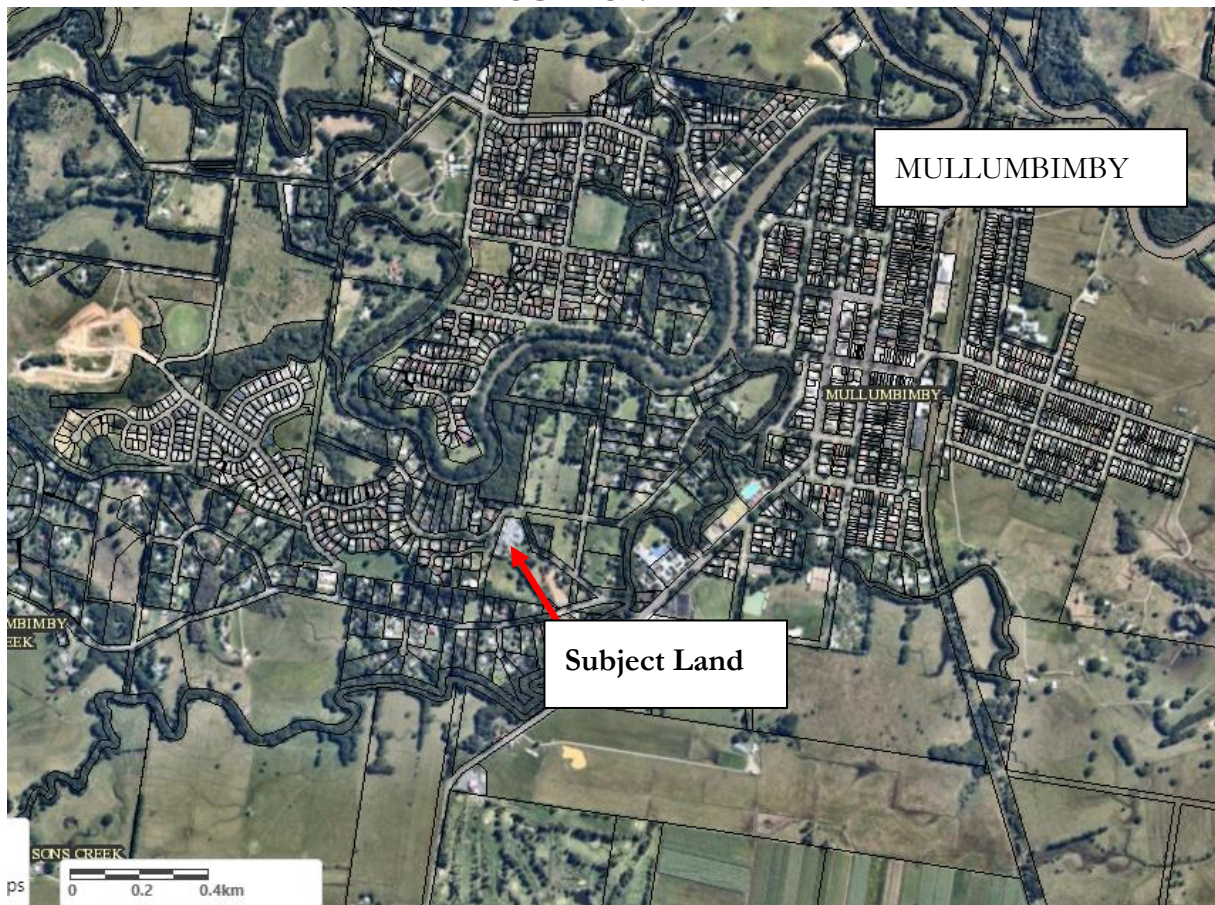
### EXTRACT FROM ABS CENSUS QUICKSTATS MULLUMBIMBY COMMUNITY PROFILE

#### 2016 Census QuickStats





LOCATION MAP 1



<https://maps.byron.nsw.gov.au/Html5Viewer/index.html?viewer=ByronMaps>

**4.8.2 Site Identification**

The subject land parcel has been identified by reference to deposited plans, plans provided by the instructing party and aerial imagery. Precise boundaries have not been identified. The valuation is therefore subject to confirmation by survey.

### 4.8.3 Site Description

The subject land comprises of an irregular shaped, moderately undulating site which has variable slope and aspect. From the western road frontage, the site rises gently to moderately above the road before falling gently then strongly to the east with variable cross fall/undulation.

Council records inform that the subject land is not situated within the flood planning area.

SITE PLAN



<https://maps.byron.nsw.gov.au/Html5Viewer/index.html?viewer=ByronMaps>



**SUBJECT PROPERTY VIEWED FROM AZALEA STREET  
(VIEWED FROM THE EAST)**



**SUBJECT PROPERTY VIEWED FROM RESERVOIR ROAD  
(VIEWED FROM THE WEST)**



#### 4.8.4 Roads and Access

The subject land has frontage to Azalea Street and reservoir Road. Access to the site has been established off Reservoir Road, along the western boundary.

Azalea Street is a bitumen sealed two-way street with grass verge. In this location Azalea Street conveys low volumes of traffic, terminating approximately 570m west of the property.

Reservoir Road is a no through bitumen sealed two-way street, generally with grass verge. There is concrete kerb and gutter along a small section of the street, opposite the subject property.

The site has good visibility from low volumes of passing vehicular traffic.

#### 4.8.5 Services and Amenities

Electricity, water, sewerage, and telephone services are available in the area and have been connected to the subject land. Mobile phone coverage on site was satisfactory (Telstra network).

#### 4.8.6 Outgoings

Proposed lease terms advised by Council inform that the Lessee will be responsible for outgoings in relation to the subject property including rates and land tax if payable.

We are advised that the lessee is a registered Public Benevolent Institution (PBI) and as such is entitled to an exemption on Land Tax.

## 5. IMPROVEMENTS

We have been instructed to exclude improvements from the valuation.

## 6. ENVIRONMENTAL PLANNING

### 6.1 ZONING

The subject land is zoned SP2 Infrastructure: Health Services Facilities under Byron Local Environmental Plan 2014, dated 21 July 2014.

The following extract from Byron LEP 2014 details zone objectives and permissible uses in the SP2 Infrastructure Zone.

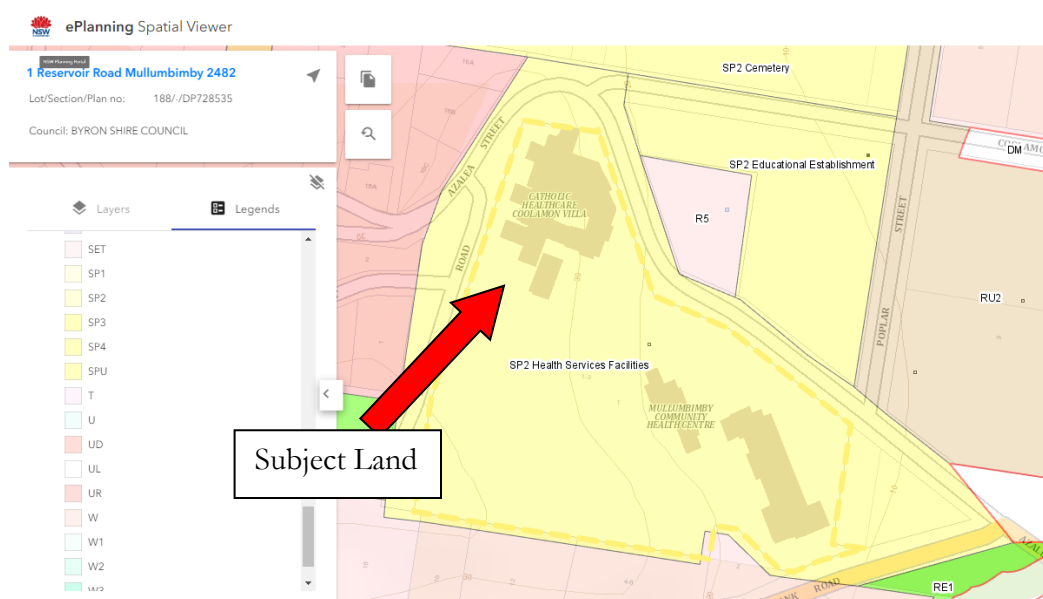
#### EXTRACT FROM BYRON LEP 2014

##### Zone SP2 Infrastructure

- 1. Objectives of zone**
  - To provide for infrastructure and related uses.
  - To prevent development that is not compatible with or that may detract from the provision of infrastructure.
- 2. Permitted without consent**  
Environmental protection works
- 3. Permitted with consent**  
Environmental facilities; Roads; The purpose shown on the Land Zoning Map, including any development that is ordinarily incidental or ancillary to development for that purpose
- 4. Prohibited**  
Any development not specified in item 2 or 3

The following extract from Byron LEP 2014 identifies zone boundaries as they apply to the subject land.

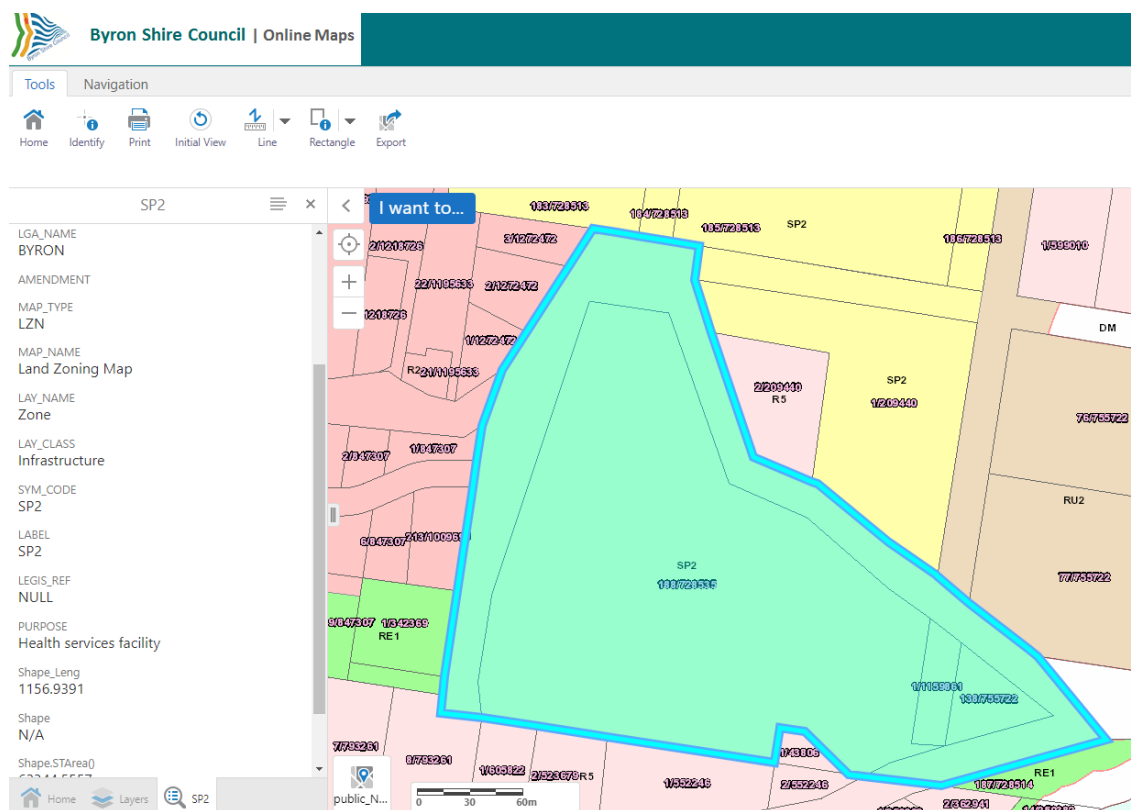
#### EXTRACT FROM BYRON LEP 2014



Byron Shire Council Online Maps – LEP 2014 Land Zoning Maps identify the purpose of the SP2 Zoning over the subject land to be Health Services Facility (refer included extract below).

Permissible uses with consent in the SP2 Infrastructure zone include; *Environmental facilities; Roads; The purpose shown on the Land Zoning Map, including any development that is ordinarily incidental or ancillary to development for that purpose.* It is therefore assumed that the current use is permitted under the current zone, and or would be permitted as an existing use.

### EXTRACT FROM BYRON SHIRE COUNCIL ONLINE MAPS



<https://maps.byron.nsw.gov.au/Html5Viewer/index.html?viewer=ByronMaps>

## 6.2 HEIGHT OF BUILDINGS

Byron LEP 2014 Height of Buildings Map identifies that a 9-metre building height applies to the subject land.

## 6.3 FLOOR SPACE RATIO

Byron Shire Council Online Maps inform that there is no mapped Floor Space Ratio applicable to the subject land.

#### **6.4 MINIMUM LOT SIZE**

Byron LEP 2014 Lot Size Map identifies that a 4,000m<sup>2</sup> minimum lot size applies to the subject land.

#### **6.5 DEVELOPMENT CONTROL PLAN (DCP)**

Byron DCP 2014 applies to the development of land in Byron LGA and therefore applies to the subject land.

#### **6.6 MULLUMBIMBY MASTERPLAN**

Mullumbimby Masterplan has been developed by Council and the community to guide development through design principles and a vision for the future of Mullumbimby.

The subject land is located within Precinct 5 of the Masterplan.

#### **6.7 HIGHEST AND BEST USE**

The highest and best use of the land is for aged care/seniors living purposes. It is assumed that the current use is permitted under the current zone, and or would be permitted as an existing use.

#### **6.8 ENVIRONMENTAL HAZARDS**

##### **6.8.1 Site Contamination**

We have not undertaken a search of the Contaminated Lands Register and have not been advised of any contamination on the subject land. We are however aware that the adjoining land, comprising of the former Mullumbimby Hospital is known to be contaminated by asbestos. The former hospital building has recently been demolished as part of a multi-million-dollar site remediation process to remove contamination from the site. We have not been provided with updated contamination reports, therefore assume that the land has been remediated.

We have not inspected buildings on site and are therefore unaware of any possible contamination or presence of asbestos on site or in the buildings on the subject land.

We note that we have not been provided with an environmental audit and have not been advised of any other environmental matters that may affect the subject land.

To the best of the valuer's knowledge the land is not affected by unstable, hazardous, or toxic soil material, however no searches have been undertaken in this regard.

This valuation therefore assumes that the subject land is free from contamination. Should any such matters be noted or advised then this matter should be referred to the valuer for comment and possible re-assessment.

We note that we are not qualified nor intend to provide advice in relation to contamination.

The valuation is therefore subject to review upon receipt of a contamination report from a suitably qualified expert.

### 6.8.2 Flooding

Council flood planning maps **do not** identify the subject land as being within the flood planning area.

No specific ground heights or flood levels are known for the subject land.

We note that Council flood maps are general in nature and are not site specific. The flood information provided in this report is therefore indicative in nature only and is not to be relied upon for any purpose. The valuation is therefore subject to confirmation on survey of the subject land and provision of site-specific flood information.

#### **Floor/Flood Level Disclaimer**

We are not qualified to comment on the nature or extent of flooding. Interested parties must make their own enquiries regarding flooding.

In recent years Climate change has been identified as a risk, particularly in low lying areas and coastal environments. We have not been provided with or undertaken flood studies or climate change research and are not qualified to provide comment in relation to such matters. We strongly recommend that interested parties and those relying on this report make further enquiries in relation to climate change and the potential impact of climate change on the subject land. The valuation is subject to re-assessment if further enquiries result in findings that would impact on the value or use of the subject land.

### 6.8.3 Acid Sulfate Soils

Not noted to be affected on NSW Planning Portal – ePlanning Spatial Viewer.

### 6.8.4 Soil Stability/Compaction

Sections of the site may have been excavated, filled and or retained in the past. We have not been provided with or sighted any soil or geo-technical reports and we are not qualified to identify nor comment in relation to soils/ geo-technical matters. We assume satisfactory soil stability/compaction and that the site is not impacted by any adverse geo-technical conditions.



### 6.8.5 Vegetation

The land has predominantly been cleared and grassed or developed to the Catholic Healthcare Coolamon Villa (Nursing Home), Mullumbimby.

The valuation assumes no flora/fauna exists on site that would adversely impact on the development of the land or the cost thereof. The valuer reserves the right to review the assessment should further enquiries reveal evidence of, or the presence of, any environmental matters impacting on the subject land.

### 6.8.6 Other

No other environmental matters (or other matters) apart from those noted in this report have been disclosed or discovered. The valuer reserves the right to review the assessment should further enquiries reveal evidence of or the presence of any other environmental matters impacting on the subject land. The valuation is subject to confirmation based on further enquiry in relation to the property. We recommend that interested parties make their own enquiries in relation to the land.

Heritage items exists to the north and east, on the opposite sides of the road. We assume no adverse impact.

## 7. VALUATION BASIS

Valuation instructions state that the existing lease is to be disregarded for the purpose of the valuation. Therefore, no lease currently exists for the subject land. The lease is therefore to be determined in accordance with our valuation instructions, which inform proposed lease terms, as set out in Section 4.6 – Proposed Lease, on page 13 of this report, including:

### **PROPOSED LEASE DETAILS**

<b>Title Details:</b>	Part Lot 188 DP728535
<b>Site Area:</b>	8,967m <sup>2</sup>
<b>Lessor:</b>	Byron Shire Council.
<b>Lessee:</b>	Catholic Healthcare Ltd.
<b>Commencement:</b>	To be advised.
<b>Term:</b>	5 years
<b>Termination:</b>	To be advised.
<b>Commencing Rent:</b>	To be advised.
<b>Current Rent:</b>	Not applicable under current lease terms.
<b>Outgoings:</b>	Lessee to pay all outgoings including rates and land tax if payable. We are advised that the lessee is a registered Public Benevolent Institution (PBI) and as such is entitled to an exemption on Land Tax.
<b>Escalation:</b>	Escalation by CPI on take up of option. <b>(Refer Caution / Comments and assumptions below).</b>
<b>Option:</b>	Three (3) x five (5) year options.
<b>Permitted use:</b>	Aged care. Rent to be determined on a commercial basis, on standard commercial terms.
<b>Special Conditions:</b>	Owner of all improvements is Catholic Healthcare Ltd. Improvements are to be excluded from the lease.

**Caution: We recommend that annual escalation by CPI and market review be included on take up of the option.**

The valuation has been made based on the following assumptions:

- The land is vacant. No improvements exist on the land.
- No encroachments exist by or on the land.
- The land is free from contamination or defect.
- The site holds individual title (to be created prior to transfer).
- It is assumed that no native title or potential native title claims exists in relation to the property.
- The existing leases have been disregarded in determining the rental.
- "Restrictions on the Use of Land " and "Positive Covenant affecting Land" have been disregarded for the purpose of the valuation.

## 8. VALUATION METHODOLOGY

Comparable sales of similar sized sites in this location are rare and market rentals of sites similar to the subject property are very scarce. We are unaware of any recent open market leases of similar sites.

In the absence of comparable ground rental leases/licences of comparable properties, one method is to determine a return from the land that the market would consider appropriate based on the market value of the property, given the restrictions under the lease agreement, but disregarding any improvements.

The rent has therefore been determined on the basis of a rate of return against the value of the land.

A draft lease has not been provided therefore the rent has been determined in accordance with our valuation instructions, which include lease terms as set out in this report – refer Section 7 – Valuation Basis - Proposed Lease Terms.

Our valuation instructions specifically state that the rent is to exclude the value of the lessee improvements.

The value of the subject land has therefore been determined by direct comparison to sales of other land in the locality and other locations.

In summary, in determining the value of the land the following matters have also been taken into consideration:

- Proposed lease terms as set out in our valuation instructions.
- All improvements have been disregarded for the purpose of the valuation.
- The land is serviced.
- The location, surrounding development and other physical characteristics of the site.
- Current and historical returns available for various investments.

## 9. THE MARKET

### 9.1 MARKET CONDITIONS

#### **General Market Commentary**

The Australian property market experienced significant uncertainty, disruption and then transformation through 2020.

COVID-19 saw the acceleration of trends including employees choosing to work flexibly, acceptance by employers of work from home arrangements and increasing consumer demand for e-commerce.

These factors, in association with increasing importance of lifestyle, impact of Covid-19 on city living, low interest rates and other market factors have resulted in a strengthening of the real estate market for residential, lifestyle, rural lifestyle and well-located rural properties in regional areas, particularly Northern NSW and Queensland. As a result, there has been a substantial, unprecedented escalation in value of real estate, particularly residential, lifestyle, rural lifestyle and well-located rural properties in these locations through 2021.

As a result of very strong demand through 2021, there was reduced supply of property on the market. Purchasers therefore competed strongly for available stock, and this resulted in very strong upward pressure on values. Through the 12-to-18-month period from Mid 2020 through to December 2021 in particular there has been very strong uplift in values.

Since December 2021 there has however been a change in the market, with demand slowly diminishing, and supply of residential/lifestyle property on the market increasing in many locations. In recent months there has been evidence of softening of values in some locations, predominantly due to reduced competition between buyers and increased supply of properties on the market, providing more choice for buyers.

As detailed below, in recent months the RBA has increased official interest rates, indicating that further rate rises are predicted and are assumed in target inflation projections.

Given that the real estate market is already experiencing a downturn in buyer levels, increasing inconsistency in/softening of values, the high levels of debt in the market, increased costs of living and limited wage growth, it is expected that the real estate market will be sensitive to interest rate rises. It is also noted that there is an increasing level of negative sentiment being expressed in the media.

We therefore caution that market risk is increasing. We cannot predict future market conditions or values; however, we note that interest rate rises, and negative market sentiment is likely to have a negative impact on value levels.

It is also noted however that locations such as Mullumbimby continue to experience supply/demand pressures, although supply is increasing as demand softens.

Recent market transaction and market intelligence from developers indicates that demand has remained firm for well-located development sites and current information indicates positive medium-term outlook for assets of the class of the subject land, due to aging

population and relocation of baby boomers to regional locations. It is observed that there is currently good demand from a range of investors/infrastructure providers seeking sites with funding available and willingness to enter the market. It is therefore perceived, that despite the current softening of the residential/lifestyle sector of the market, strength currently remains within the subject market.

It is however noted developers of retirement/aged care facilities typically require larger sites in order to achieve economies of scale. A larger site would therefore be more desirable.

## 9.2 MARKET PROFILE

<b>Market Segment:</b>	Aged Care/Health. Likely buyers are therefore developers and owner occupiers of aged care and health facilities.
<b>Marketability:</b>	<p>It is expected that reasonable demand would exist for the subject site, although market participants would be limited due to the market segment and size of the site</p> <p>There is currently good demand for retirement village/aged care sites.</p>
<b>Market Activity:</b>	Good demand, however low sales volumes due to limited availability on the market of suitable sites.
<b>Market Level:</b>	Past peak. Covid-19 has substantially impacted the market. In the past 12 months the local residential/rural/industrial market has experienced a significant escalation of value levels. The commercial sector has not seen the same level of escalation as the residential sector of the market. The aged care sector of the market competes for sites with other sectors of the market.
<b>Supply:</b>	Very limited. Thinly traded due to lack of supply.
<b>Selling Period:</b>	Generally, six (6) months assuming appropriate, professional marketing, appropriate pricing and continued buoyant market conditions.

### Interest Rates

On 3<sup>rd</sup> of November 2020 the RBA reduced official interest rates to 0.01% to stimulate the economy and mitigate the economic impact of the Coronavirus.

On 3<sup>rd</sup> of May 2022 the RBA reduced official interest rates to 0.35%.

On 7<sup>th</sup> of June increased rates by a further 0.50% to 0.85 %,

On 2<sup>nd</sup> August increased rates by a further 0.50% to 1.35 %,

Statement by Philip Lowe, Governor: Monetary Policy Decision 2 August 2022.

*At its meeting today, the Board decided to increase the cash rate target by 50 basis points to 1.85 per cent. It also increased the interest rate on Exchange Settlement balances by 50 basis points to 1.75 per cent.*

*The Board places a high priority on the return of inflation to the 2–3 per cent range over time, while keeping the economy on an even keel. The path to achieve this balance is a narrow one and clouded in*

uncertainty, not least because of global developments. The outlook for global economic growth has been downgraded due to pressures on real incomes from higher inflation, the tightening of monetary policy in most countries, Russia's invasion of Ukraine and the COVID containment measures in China.

Inflation in Australia is the highest it has been since the early 1990s. In headline terms, inflation was 6.1 per cent over the year to the June quarter; in underlying terms it was 4.9 per cent. Global factors explain much of the increase in inflation, but domestic factors are also playing a role. There are widespread upward pressures on prices from strong demand, a tight labour market and capacity constraints in some sectors of the economy. The floods this year are also affecting some prices.

Inflation is expected to peak later this year and then decline back towards the 2–3 per cent range. The expected moderation in inflation reflects the ongoing resolution of global supply-side problems, the stabilisation of commodity prices and the impact of rising interest rates. Medium-term inflation expectations remain well anchored, and it is important that this remains the case. The Bank's central forecast is for CPI inflation to be around 7¾ per cent over 2022, a little above 4 per cent over 2023 and around 3 per cent over 2024.

The Australian economy is expected to continue to grow strongly this year, with the pace of growth then slowing. Employment is growing strongly; consumer spending has been resilient and an upswing in business investment is underway. National income is also being boosted by a rise in the terms of trade, which are at a record high. The Bank's central forecast is for GDP growth of 3¼ per cent over 2022 and 1¾ per cent in each of the following two years.

The labour market remains tighter than it has been for many years. The unemployment rate declined further in June to 3.5 per cent, the lowest rate in almost 50 years. Job vacancies and job ads are both at very high levels and a further decline in unemployment is expected over the months ahead. Beyond that, some increase in unemployment is expected as economic growth slows. The Bank's central forecast is for the unemployment rate to be around 4 per cent at the end of 2024. Our liaison program and business surveys continue to point to a lift in wages growth from the low rates of recent years as firms compete for staff in the tight labour market.

A key source of uncertainty continues to be the behaviour of household spending. Higher inflation and higher interest rates are putting pressure on household budgets. Consumer confidence has also fallen, and housing prices are declining in some markets after the large increases in recent years. Working in the other direction, people are finding jobs and obtaining more hours of work. Many households have also built up large financial buffers and the saving rate remains higher than it was before the pandemic. The Board will be paying close attention to how these various factors balance out as it assesses the appropriate setting of monetary policy.

Today's increase in interest rates is a further step in the normalisation of monetary conditions in Australia. The increase in interest rates over recent months has been required to bring inflation back to target and to create a more sustainable balance of demand and supply in the Australian economy. The Board expects to take further steps in the process of normalising monetary conditions over the months ahead, but it is not on a pre-set path. The size and timing of future interest rate increases will be guided by the incoming data and the Board's assessment of the outlook for inflation and the labour market. The Board is committed to doing what is necessary to ensure that inflation in Australia returns to target over time.

### **Economic/Socio-political Uncertainty**

Quantitative easing measures undertaken by the Reserve Bank since the beginning of the Covid-19 Pandemic have resulted in inflationary pressure, which economists are predicting will result in further interest rate rises in the short to medium term. Due to the high levels of debt in the economy it is perceived that the market will be sensitive to even modest interest rate rises. Substantive interest rate rises may therefore have an

exacerbated impact on the real estate market. We therefore caution that uncertainty exists in the market.

We also note that current world events may have a destabilising effect on markets and are exacerbating existing inflationary pressures.

We therefore caution that there is increasing uncertainty and risk in the market. Risk and uncertainty typically have an adverse impact on values. As yet there is no significant evidence of falling values, however we note that the number of residential properties on the market appears to have increased and some inconsistency has been observed by marketing agents.

### **Australian Property Institute – Market Uncertainty Clause**

The market is being impacted by the uncertainty caused by the Covid-19 Pandemic, geopolitical factors and evolving state of the economy including inflation. As at the date of valuation we consider that there is market uncertainty resulting in significant valuation uncertainty.

This valuation is therefore reported on the basis of “significant valuation uncertainty”. As a result, less certainty exists than normal and a higher degree of caution should be attached to our valuation than would normally be the case. Given unknown future impact that Covid-19 might have on markets, we recommend that the user(s) of this report review this valuation periodically.

This valuation is current at the date of valuation only. The value assessed herein may change significantly and unexpectedly over a relatively short period of time (including as a result of factors that the Valuer could not reasonably have been aware of as at the date of valuation). We do not accept responsibility or liability for any losses arising from such subsequent changes in value. Given the valuation uncertainty noted, we recommend that the user(s) of this report review this valuation periodically.”

## **9.3 RENTAL EVIDENCE**

The purpose of the lease is for “Aged Care Facility on Commercial Lease terms.

For the purpose of the valuation extensive research has been undertaken to identify ground rental leases for business purposes. In general terms we note that ground rents for business purposes are not common. As a result of our research several rentals have been identified however details have been provided on a confidential basis. It is also noted that the rents are for alternative uses, including storage, landscaping and industrial type uses and are therefore of varying degrees of comparability.

To assist in determining the rental we have considered returns available for other investments including ground rentals. We note that returns on ground rentals for industrial and other commercial uses typically range from 5% to 8%.



## 9.4 SALES EVIDENCE

### Sale 1

Address	Land Area	Purchase Price	Contract Date	Title Details
9 Davidson Place, Mullumbimby	1.373 ha	\$1,350,000	9/07/2021	Lot 5 DP1242188

**Comments:** Sale of an irregular shaped, predominantly gently undulating vacant rural residential home site.

The site is set slightly below road level, with moderate to strong fall to the rear and moderate cross fall, falling to flood prone, gently undulating alluvial flats bisected by drainages lines. The site has predominantly been cleared, with the exception of trees along the rear boundary and is bisected by an electricity transmission line. Services available in the location include electricity, telephone, internet, and bitumen sealed road. Adjoining development includes rural residential properties.

Zoned R5 Large Lot Residential under Byron LEP 2014. Minimum allotment size of 8,000m<sup>2</sup>. Maximum Building Height of 9 metres. Majority of the land, (approximately 1ha) comprising of the level to gently undulating flats is flood prone.

Analyses to approximately \$1,350,000 for the land or approximately \$98/m<sup>2</sup>.

Sold for firm price at the date of sale and while the market improved further from July through to October/November no market movement has been applied.

**Comparison:**

A larger site in an inferior location. Inferior zone and topography potential, being predominantly flood prone or strongly undulating. Inferior on a rate/m<sup>2</sup> basis compared to the subject land due to various factors including flooding, topography, restricted potential. Location and access.



Sixmaps



Sale 2

Address	Land Area	Purchase Price	Contract Date	Title Details
62 Main Street, Clunes	2.548 ha	\$3,250,000	15/12/2021	Lot 1 DP875980

**Comments:** Sale of an irregular shaped, gently to moderately undulating village zoned development site developed to a single older style dwelling. Sold with development consent for a 5-lot subdivision.

Gently undulating site, generally set at road level, then moderate fall to the rear. The site has bitumen sealed road frontage to Main Street along the western boundary, Main Street is the main link/ distributor road from Bangalow to Lismore. The site has frontage to Booyong Road, a local service road, along the southern boundary.

Part of the site is impacted by a strongly undulating gully head. Predominantly cleared and grassed. Services include electricity, water, telephone, internet, and bitumen sealed road. Adjoining development includes rural residential properties and the urban area of Clunes.

Zoned RU5 Village under Lismore LEP 2012. Minimum allotment size of 2,500m<sup>2</sup>. Maximum Building Height of 8.5 metres. Part bushfire prone.

Allowing \$200,000 for the dwelling analyses to approximately \$3,050,000 or approximately \$120/m<sup>2</sup> for the land.

**Comparison:**

A larger site in an inferior location. Entirely undulating topography therefore inferior overall. Inferior on a rate/m<sup>2</sup> basis compared to the subject land.



Sixmaps

Sale 3

Address	Land Area	Purchase Price	Contract Date	Title Details
Tasman St. Corindi Beach	2.709 ha	\$4,900,000	05/04/2022	Lot 2 DP1281309

**Comments:** Sale of a slightly irregular shaped, gently undulating development lot with a slight rise to the northern rear boundary and slight cross fall. Surrounding development consists predominantly of single residential development. Bitumen sealed roadway with concrete kerb and guttering with services available including underground power, water, sewer, telephone and internet.

Predominantly zoned R2 Low Density Residential and small section zoned R1 General Residential under Coffs Harbour LEP 2013. Minimum allotment size of 400m<sup>2</sup> to 1,200m<sup>2</sup>. Maximum Building Height of 8.5 metres. Acid Sufate Soils Class 3 and 5. Part Bushfire Prone.

Sold with part planning undertaken however no development consents.

Analyses to approximately \$4,900,000 for the land or approximately \$181/m<sup>2</sup>.

**Comparison:**

A larger site in an inferior location. Inferior on a rate/m<sup>2</sup> basis compared to the subject land due to inferior location and underlying value levels.





Sale 4

Address	Land Area	Purchase Price	Contract Date	Title Details
647 Terranora Rd, Terranora	4,013m <sup>2</sup>	\$1,050,000	8/04/2022	Lot 11 DP1244396

**Comments:** An irregular shaped, vacant site located opposite Terranora Public School within 1km of Bangalow village centre and approximately 1km by road from Pacific Motorway interchange.

The site has approximately 50m frontage to Terranora Road and variable, moderate rise to the rear boundary, with gentle cross fall. At the date of sale, the site held approval for a 48-place child care centre and had been partially excavated/terraced (minor works). The rear, elevated section of the site has ocean outlook.

Immediate surrounding development comprises of large lot residential development, with a public-school opposite. Services include town water, sewer, electricity, telephone, internet, and bitumen sealed road.

The rear of the site is impacted by an easement for access

Zoned R5 Large Lot Residential under Tweed LEP 2014.

Minimum Lot size of 1 ha. Maximum Building Height of 9 metres. FSR of 0.55:1.

Sold with DA17/0864.01 approval for Construction of a 48-place child care centre. New Development Application 22/40421 submitted 01/07/2022 for a 109-place child care centre.

Analyses to approximately \$1,050,000 or approximately \$261.65/m<sup>2</sup> overall for the land or, excluding the majority of the easement, approximately \$328/m<sup>2</sup> for approximately 3,200m<sup>2</sup> of land.

**Comparison:**

A smaller site in an inferior location. Slightly inferior, entirely undulating topography. Inferior road frontage. Superior on a rate/m<sup>2</sup> basis compared to the subject land due to smaller site area.



Sale 5

Address	Land Area	Purchase Price	Contract Date	Title Details
13 Simeoni Drive, Goonellabah	5,583 m <sup>2</sup>	\$1,650,000 + GST	28/06/2021	Proposed Lot 21 in Unregistered Plan of Subdivision

**Comments:** Vacant land situated in a mixed-use shopping/recreation precinct in Goonellabah. An irregular shaped site with narrow frontage to Simeoni Drive and with 6.25m wide Right of Carriageway along the northern side of the site. The majority of the site is generally slightly to gently undulating, being benched above the level of the Right of Carriageway over the northern section of the land.

Services include electricity, water, telephone, internet, and bitumen sealed road. Surrounding development consists of Aldi Supermarket to the north, the rear of Goonellabah Neighbourhood Shopping Village to the south, Goonellabah Indoor Sports Centre opposite. Residential development adjoins to the rear.

Zoned B2 Local Centre under Lismore LEP 2012. 11.5m maximum Building Height. North-western corner Bushfire Prone - Bushfire Buffer.

Purchased for development to a childcare centre site after being on the market long term. Due to narrow frontage/location the land does not suit commercial development. Development to a childcare centre is considered to be the highest and best use.

Analyses to \$1,650,000 or approximately \$295/m<sup>2</sup> overall for the land. Deducting the area impacted by ROC indicates a developable area of 5,149m<sup>2</sup> at \$320/m<sup>2</sup>. Sold on a weaker market. Adjusted for time to \$1,732,500 or approximately \$310/m<sup>2</sup> overall for the land. Deducting the area impacted by ROC indicates a developable area of 5,149m<sup>2</sup> at \$336/m<sup>2</sup>.

**Comparison:**

A smaller site situated in an inferior location. Superior zone. Inferior shape. Superior on a developable land area rate/m<sup>2</sup> basis compared to the subject land due to smaller site area.





Sale 6

Address	Land Area	Purchase Price	Contract Date	Title Details
160 North Creek Road, Lennox Head	8,094m <sup>2</sup>	\$3,850,000	8/06/2021	Lot 2 DP241585

**Comments:** Sale of a generally regular shaped, predominantly gently undulating site situated on the western side of North Creek Road, Lennox Head.

The site is situated slightly above road level and has gentle rise to the existing dwelling, then falls gently to the rear/west. The home site is elevated and has slim, restricted ocean views to the east. Better views may be obtained from two storey development of the land. Services include electricity, water, telephone, internet, and bitumen sealed road. Adjoining development includes rural residential properties.

Zoned R3 Medium Density Residential under Ballina LEP 2012. Minimum allotment size of 600m<sup>2</sup>. Maximum Building Height of 8.5 metres.

Improved to a circa 1990s single storey dwelling which has holding value only in the development interim. No approvals or development proposals known at the date of sale or subsequently advised on Ballina Shire Council DA Tracker.

Analyses to approximately \$3,750,000 for the land or approximately \$463/m<sup>2</sup>. Adjusted for time to \$4,125,000 or \$509/m<sup>2</sup>.

**Comparison:**

A smaller site in a superior location. Superior zone/permitted uses. Superior on a rate/m<sup>2</sup> basis compared to the subject land.



Sixmaps

Sale 7

Address	Land Area	Purchase Price	Contract Date	Title Details
1 & 11 Lalina Avenue, Tweed Heads West	6,964m <sup>2</sup>	\$3,200,000	5/07/2021	Lot 2 DP516446 (4,281m <sup>2</sup> ) Lot 1 DP856963 (2,683m <sup>2</sup> )

**Comments:** Two adjoining residential properties sold in-one-line as an irregular shaped residential redevelopment site. Strong rise to the rear to an elevated gently undulating, potential development site. Services include town water, sewer, electricity, telephone, internet, and bitumen sealed road.

Zoned R2 – Low Density Residential Zone under Tweed LEP 2014. Minimum Lot Size of 450m<sup>2</sup>.

Improvements on site include a modern residence and two older, smaller dwellings which have holding value only, and a shed of limited added value.

It is understood that the developer buyer will seek to undertake a boundary adjustment subdivision to subdivide off the more modern dwelling, then develop the remaining land.

Allowing \$200,000 as holding income for the improvements and allowing for market movements since the date of sale, analyses to approximately \$3,600,000 for approximately 6,964m<sup>2</sup> of land or approximately \$517/m<sup>2</sup>, including the access handles.

**Comparison:**

A smaller site situated in an inferior overall location. Superior zone. Superior on a rate/m<sup>2</sup> basis compared to the subject land predominantly due to smaller site area and better outlook.





Sale 8

Address	Land Area	Purchase Price	Contract Date	Title Details
5-9 Moonee Beach Rd, Moonee Beach	1.1773ha	\$2,210,000	14/03/2019	Lots 1 & 2 DP1140702 Lot 1 DP252223 Pt Lot 782 DP1223036

**Comments:** Aggregated land parcel purchased for senior living development. Purchased in four (4) transactions comprising of the purchase of three (3) improved properties and a part lot, aggregated over approximately two years. Development application lodged 26/04/2019 (after final purchase) and approved 12/06/2020. Overall, an irregular shaped, gently undulating, cleared land parcel. Services include electricity, water, telephone, internet, and bitumen sealed road. Dual access via Moonee Beach Road and Anchorage Close. Adjoining development comprises of modern residential subdivision to the north east, older established residences to the south, developing residential development land to the north and west and commercial/mixed use development to the southwest.

Zoned R2 Low Density Residential under Coffs Harbour LEP 2013. Minimum allotment size of 400m<sup>2</sup>. Maximum Building Height of 8.5 metres. Acid Sulfate Soils Class 3 and Class 5.

Analyses to \$2,210,000 for the land or approximately \$188/m<sup>2</sup> based on the amalgamated sale price and with no allowance for demolition/removal costs to clear the site. Sold on a weaker market. Adjusted for time analyses to \$3,150,000 or approximately \$268/m<sup>2</sup> with no allowance for demolition/removal costs to clear the site.

**Comparison:** A larger site in an inferior location however superior topography and access. Superior zone. Similar to slightly inferior on a rate/m<sup>2</sup> basis compared to the subject land as adjusted for time.



Sixmaps

## 10. VALUATION CALCULATIONS

### 10.1 VALUATION METHODOLOGY – RETURN ON VALUE OF LAND

After considering the current strong investment market, and taking into account the returns achievable in the market place for various types of real estate and the permitted use under the lease (“Aged Care” rent to be determined on a commercial basis, on standard commercial terms”), a return of 4.5% is adopted:

The rent has been determined as follows:

- 1) Determine the value of the lease area by direct comparison to sales of other land in the North Coast area.
- 2) Apply an appropriate rate of return against the value of the land, recognising the permitted use under the lease (Aged care. Rent to be determined on a commercial basis, on standard commercial terms).

Due to the relatively narrow aged care/seniors living market sector, directly comparable evidence is limited. It has therefore been necessary to analyse a range of sales including alternative use sites, such as childcare centres, residential development sites and nearby rural residential sites to assist in determining the value.

In determining the valuation, we have taken into consideration the current approved use, however, have excluded the value of the current improvements on the land. Based on the current zoning/existing use we consider the highest and best use of the land to be the current use and have therefore valued the land on the basis of development for seniors living/aged care.

The sales evidence listed indicates a value range of around \$98/m<sup>2</sup> for a larger, inferior, undulating R5 zoned site at Mullumbimby (Sale 1) to \$268/m<sup>2</sup> for a seniors living site located at Moonee Beach (Sale 8), and to \$517/m<sup>2</sup> for Residential Development site at Tweed Heads West

All sales listed provide evidence of value.

Sale 1 comprises of a larger site in an inferior, nearby location. It analyses to approximately \$98/m<sup>2</sup> for a 1.373ha vacant site with inferior topography, being predominantly flood prone and the remainder strongly undulating. Sale 1 is considered to be substantially inferior on a rate/m<sup>2</sup> basis compared to the subject land due to a range of factors including flooding, topography, location, access and restricted potential.

Sale 2 is a much larger site situated in an inferior location. The site is moderately undulating with a steeper “gully” section and analyses to approximately \$120/m<sup>2</sup> for a 2.548ha site. Sale 2 is significantly inferior on a rate/m<sup>2</sup> basis compared to the subject land.

Sale 3 comprises of a larger site (2.709 ha) in an inferior location. Sale 3 analyses to \$181/m<sup>2</sup> and is considered to be inferior on a rate/m<sup>2</sup> basis compared to the subject land.

Sale 4 comprises of a smaller site (4,013m<sup>2</sup>) with inferior topography, in an inferior location. Sale 4 analyses to approximately \$328/m<sup>2</sup> for approximately 3,200m<sup>2</sup> of usable land and is considered to be slightly superior on a rate/m<sup>2</sup> basis compared to the subject property.



Sale 5 comprises of a sale of a childcare centre site in an inferior location. Sale 5 has a usable site area of 5,149m<sup>2</sup> and analyses to \$336/m<sup>2</sup> as adjusted for time/market conditions. Sale 5 is smaller than the subject land and indicates a slightly lower value rate/m<sup>2</sup> on the subject land.

Sale 6 comprises of a slightly smaller site (8,094m<sup>2</sup>) in a better, elevated, coastal location. The sale analyses to \$509/m<sup>2</sup> as adjusted for time/market conditions and is considered to be superior on a rate/m<sup>2</sup> compared to the subject land.

Sale 7 comprises of a smaller site (6,964m<sup>2</sup>) in an inferior location however with better outlook. The sale analyses to \$488/m<sup>2</sup> and is considered to be superior on a rate/m<sup>2</sup> compared to the subject land.

Sale 8 comprises of an older sale of a larger site in an inferior location, purchased for development to seniors living. The sale analyses to approximately \$268/m<sup>2</sup> and considered to be inferior on a rate/m<sup>2</sup> basis compared to the subject land, primarily due to inferior location. Values levels in this location escalated significantly since the date of sale, therefore the sale price has been adjusted for time.

$$8,967\text{m}^2 @ \$300/\text{m}^2 = \$ 2,690,100 \text{ as } \$2,700,000$$

$$\text{Rental} = \$ 2,700,000 \times 4.5\% \text{ return} = \$121,500 \text{ p.a. plus GST if applicable plus Outgoings}$$

Rounded to \$122,000 p.a. plus GST if applicable plus Outgoings

Lease terms do not enable a market review through the entire lease term/option period. We recommend a market rental of 5% per annum to account for no market rent review over a 20-year period.

$$\text{Rental} = \$ 2,700,000 \times 5\% \text{ return} = \$135,000 \text{ p.a. plus GST if applicable plus Outgoings}$$

## 11. VALUATION

The current market value of the subject land as at 3<sup>rd</sup> September 2022 is assessed at ...

... **TWO MILLION SEVEN HUNDRED THOUSAND DOLLARS PER ANNUM p.a. plus GST if applicable plus Outgoings**

.... **(\$2,700,000)... p.a. plus GST if applicable plus Outgoings**

**We recommend that independent advice be obtained in relation to tax liability.**

The current market rent of the subject land as at 5<sup>th</sup> September 2022 is assessed at ...

... **ONE HUNDRED & THIRTY-FIVE THOUSAND DOLLARS PER ANNUM p.a. plus GST if applicable plus Outgoings**

.... **(\$135,000)... p.a. plus GST if applicable plus Outgoings**

**We recommend that independent advice be obtained in relation to tax liability.**

*The valuation is based on numerous assumptions which impact on the value of the land. Parties relying on this report MUST refer to the remainder of the report and make further relevant enquiries before relying on this valuation. We reserve the right to review the valuation in based on further, more detailed enquiries in relation to the land.*

### Certification

Neither I, nor any member of this firm, have any conflict of interest, or direct or financial interest in relation to this property that is not disclosed herein.

## 12. DISCLAIMERS

- This valuation (rental assessment) is for the use of Byron Shire Council for the specific purpose identified and for no other party or purpose. No responsibility is accepted to any third party who may use or rely on the whole or any part of the content of this valuation. This report does not constitute a structural, survey, building, pest, flood, town planning, contamination or geotechnical report and is not intended as such. No extract from this report may be included in any other document without the Valuer's approval as to the context in which it is to be used. A full copy of the lease and any amendments must be provided to the valuer before this assessment can be used.
- The values expressed in this report are subject to limitations and assumptions as specified throughout the body of the report. Parties relying on this report MUST refer to the remainder of the report when relying on this valuation.
- We have not been provided with an environmental audit and we have not been advised of any environmental matters that may affect the land. Therefore, this valuation assumes that there are no environmental/contamination matters affecting the property. If any environmental matters are discovered or notified this valuation should be referred back to this office for consideration and possible reassessment. We note that we are not qualified to identify nor comment on environmental matters. This assessment assumes that there is no on or off-site contamination that would adversely impact on the use of the premises for the purpose for which the land is leased. If any evidence or information is found that indicates that there is any contamination present that impacts on the use or value of the property, the valuation must be reviewed.

- There are no other obvious or apparent environmental issues, apart from those noted in this report. We have not undertaken a site inspection. The valuation assumes no past or present site specific or nearby contaminating or potentially contaminating activities of a nature that, on current general information, would have any adverse effect on the marketability, use or value of the property. The only way to be sure of this however is to obtain an Environmental audit from suitably qualified professionals.
- The valuation has been prepared without the benefit of detailed title search or survey of the subject land. We are not qualified to identify nor make comment in relation to legal matters. We therefore recommend that interested parties make their own enquiries in relation to the land. Should subsequent enquiries reveal any matters that may have an adverse impact on the use or value of the land then this valuation must be referred back to this office for review and re-assessment.

We have not undertaken detailed searches/investigations to easements and notations on title. We also note that pipelines and other infrastructure may exist for which no easement exists. We are not qualified to identify nor make comment in relation to legal matters. We therefore recommend that interested parties make their own enquiries in relation to the land. Should subsequent enquiries reveal any matters that may have an adverse impact on the use or value of the land then this valuation must be referred back to this office for review and re-assessment.

- General enquiries have failed to reveal the existence of any easements or encroachments by or on the subject property (apart from those noted in this report) or any covenants or restrictions on use affecting the property apart from those noted in this report. We note however that we are not surveyors and we have not undertaken detailed investigations in regard to such matters. Should subsequent enquiries reveal the existence of any such matters the valuation must be referred back to this office for re-assessment.
- This valuation has been based on information gathered verbally from a number of sources including local real estate agents and relevant Local Councils. For the purpose of determining the value of the subject property it has been assumed that such information provided/gathered is correct. If it is subsequently revealed that any information relied upon is incorrect then this valuation may need to be reassessed.
- Our professional indemnity insurance requires us to include the following clause in all our valuations.

This valuation is current as at the date of valuation only. The values 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). 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 expiration of 3 months from the date of this valuation, or such earlier date if you become aware of any factors that have any effect on the valuation.

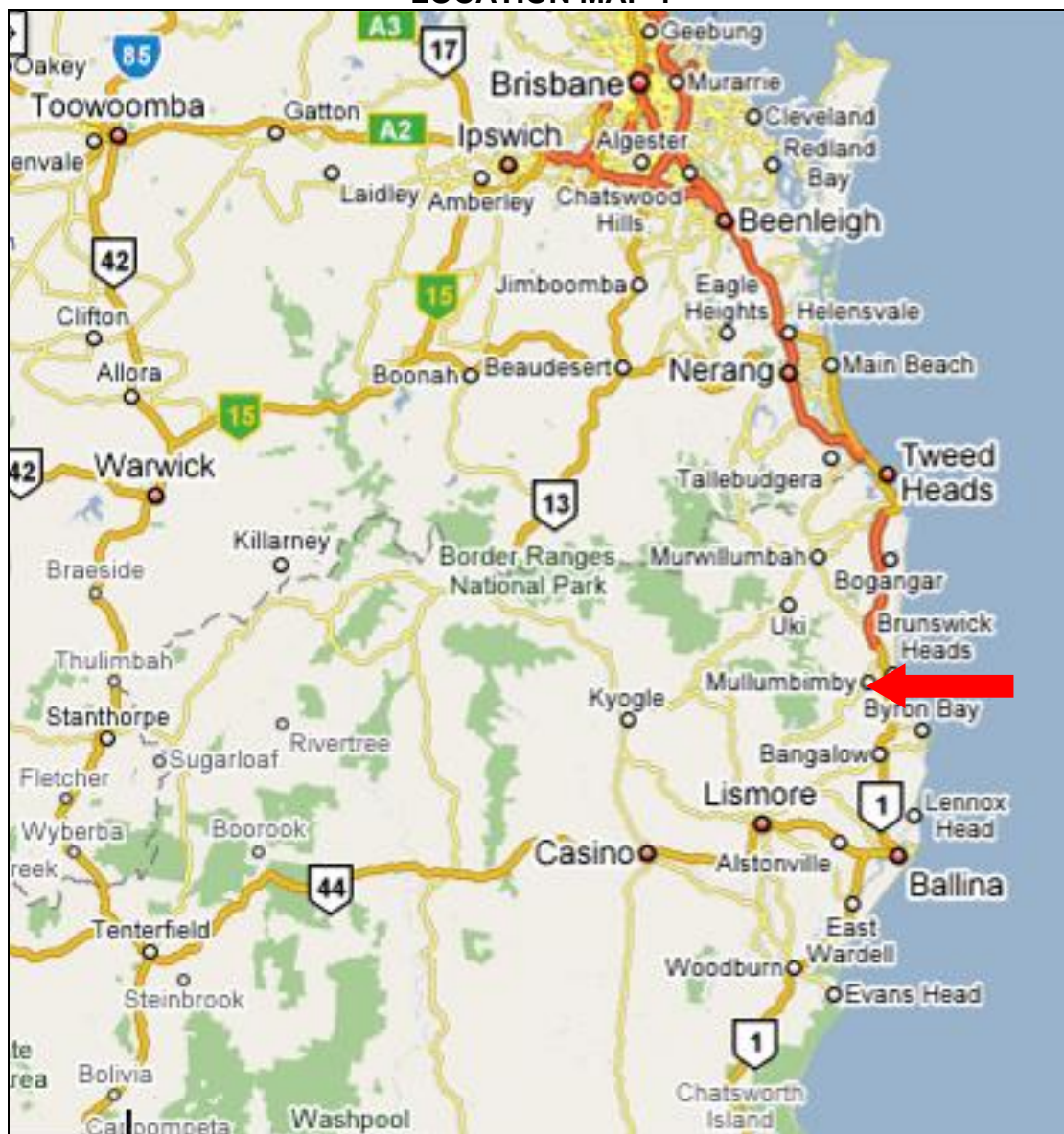
- Neither I, nor any member of this firm, have any conflict of interest, or direct or financial interest in relation to this property that is not disclosed herein.
- This valuation advice is made on a GST exclusive basis.



R Houlden  
Certified Practising Valuer (CPV)  
B. Bus (Land Ec.)  
AAPI 68621  
3<sup>rd</sup> September 2022.

## ANNEXURE 1 – LOCATION PLANS

LOCATION MAP 1



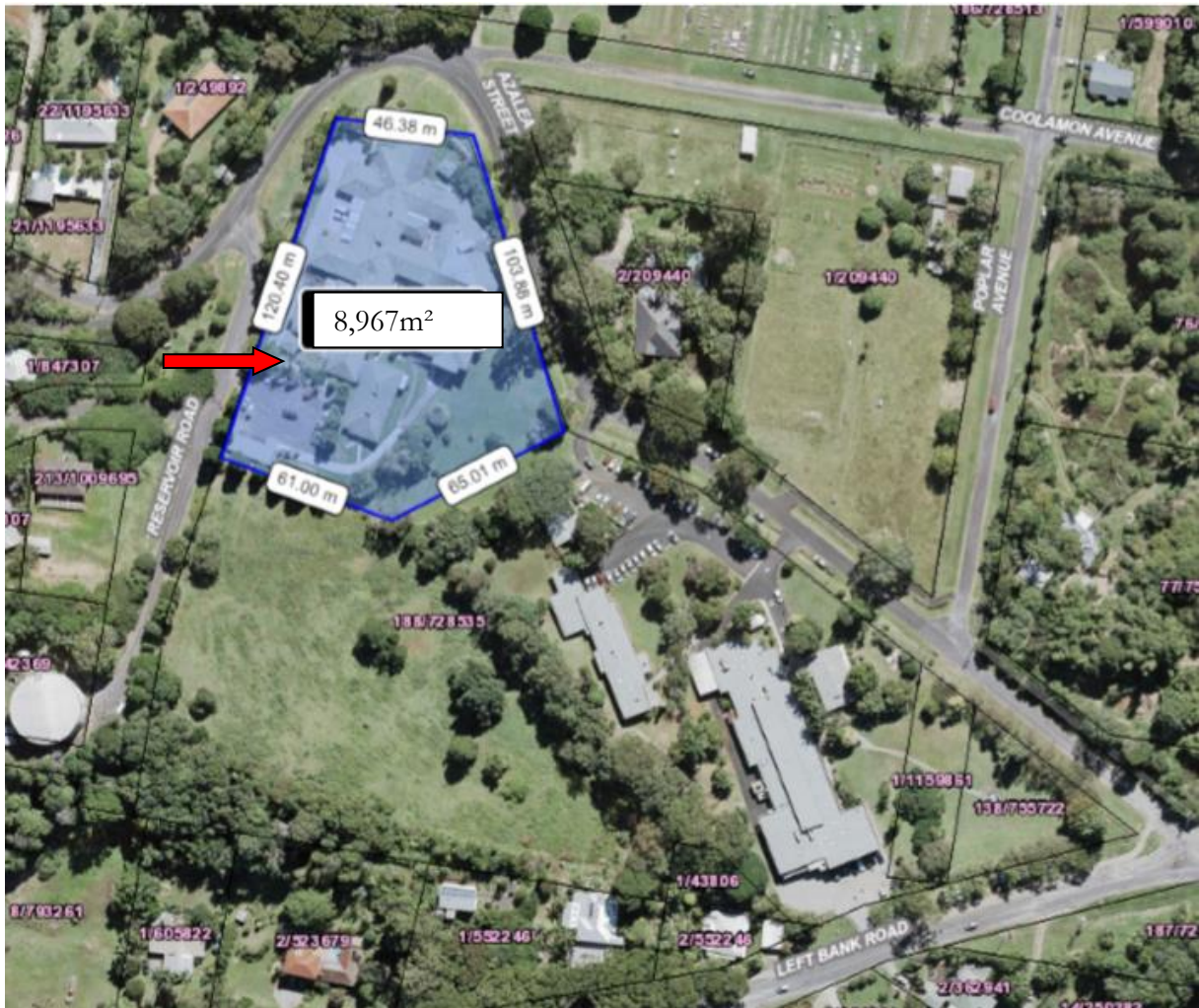


LOCATION PLAN 2





LOCATION PLAN 3



## ANNEXURE 2 – TITLE SEARCH (EXTRACT)

	
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NEW SOUTH WALES LAND REGISTRY SERVICES - TITLE SEARCH  
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FOLIO: 188/728535  
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SEARCH DATE	TIME	EDITION NO	DATE
-----	-----	-----	-----
16/7/2021	3:30 PM	2	18/2/2019

LAND  
-----

LOT 188 IN DEPOSITED PLAN 728535  
AT MULLUMBIMBY  
LOCAL GOVERNMENT AREA BYRON  
PARISH OF MULLUMBIMBY COUNTY OF ROUS  
TITLE DIAGRAM DP728535

FIRST SCHEDULE  
-----

BYRON SHIRE COUNCIL (T AN974902)

SECOND SCHEDULE (4 NOTIFICATIONS)  
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- 1 LIMITED TITLE. LIMITATION PURSUANT TO SECTION 28T(4) OF THE REAL PROPERTY ACT, 1900. THE BOUNDARIES OF THE LAND COMPRISED HEREIN HAVE NOT BEEN INVESTIGATED BY THE REGISTRAR GENERAL.
- 2 NOTIFICATION IN GOVERNMENT GAZETTE DATED 28.2.1941 FOL 855; EASEMENT FOR WATER PIPELINE 3.05 WIDE AFFECTING THE PART OF THE LAND ABOVE DESCRIBED SHOWN SO BURDENED IN THE TITLE DIAGRAM
- 3 AN974903 POSITIVE COVENANT
- 4 AN974904 RESTRICTION(S) ON THE USE OF LAND

NOTATIONS  
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UNREGISTERED DEALINGS: NIL

\*\*\* END OF SEARCH \*\*\*



## ANNEXURE 4 – PROPOSED LEASE TO BE PROVIDED