

Land Acquisition Assessment

Diggers Rest Development
Contributions Plan (DCP)
Land Assessment

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Valuation Executive Summary

Diggers Rest Development Contributions Plan (DCP) Land Assessment



Property Description.

The Diggers Rest Precinct Structure Plan (PSP) relates to a total of eleven properties and four existing roads with a total area of 391.52 hectares. The precinct is irregular in shape, generally bound by Diggers Rest - Coimadai Road to the south, Plumpton Road and existing residential development to the east, the Calder Freeway to the north and Green Wedge zoned land to the west. The land is generally flat in contour. A branch of the Kororoit Creek traverses part of the western portion of the PSP.

As at the date of our inspection, the subject land generally comprises vacant, rural / farming land identified for future development. The land is virtually unimproved, aside from new development particularly concentrated along its mid-eastern portion. Our valuation excludes any development works carried out on the parent holdings to date.

Property Type	Diggers Rest Precinct Structure Plan (PSP)
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Cumulative "Before" Area	239.50 ha.
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Cumulative "After" Area	238.32 ha.
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Instructions.

Instructing Party	Melton City Council
Interest Valued	Freehold
Date of Instruction	2 April 2019 (As Per Contract) 10 January 2020 (Contract Received)
Contact	Luke Shannon

Valuation Summary.

Date of Inspection	12 December 2019
Date of Valuation	1 July 2019 Refer to Assumptions / Qualifications - Date of Valuation
Cumulative Assessed Value "Before"	\$162,550,000 (Exclusive of GST) One Hundred and Sixty Two Million, Five Hundred and Fifty Thousand Dollars
Cumulative Assessed Value "After"	\$161,600,000 (Exclusive of GST) One Hundred and Sixty One Thousand Dollars
Acquired Land Value	\$950,000 (Exclusive of GST) Nine Hundred and Fifty Thousand Dollars

Prepared By.

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NOTE - This Valuation Executive Summary should be read in conjunction with the Valuation Report and Assumptions / Qualifications.

J 140585 :CP

CHARTER.
KECK CRAMER

Valuation Report

Diggers Rest Development Contributions Plan (DCP) Land Assessment

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Letter of Instruction
Title Details
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Diggers Rest PSP Future Urban Structure Plan
Diggers Rest DCP - Property Specific Land Use Budget
Diggers Rest DCP - Infrastructure Project Land Calculations

Instructions.

Instructing Party

Melton City Council
232 High Street
MELTON VIC 3337
(Mr Luke Shannon, General Manager – Planning and Development)

Telephone 03 9747 7180

Email LukeS@melton.vic.gov.au

Refer to Assumptions / Qualifications - Terms of Reference
Refer to Assumptions / Qualifications - Definition of Market Value

Purpose

To assess the fair market value of the land to be acquired for the Diggers Rest DCP, namely land identified and acquired for the following:

Transport Projects

- Land required for Vineyard Road and Houdini Drive: Intersection (IT02).
- Land required for Vineyard Road and License Road: Intersection (IT03).
- Land required for Diggers Rest - Coimadai Road: Intersection (IT04).
- Land required for Diggers Rest - Coimadai Road and North South Connector: Intersection (IT05).

Community Facilities and Active Open Spaces

- Land required for Davis Road Community Hub (OS01).
- Land required for Indoor Active Recreation (OS02).
- Land required for Diggers Rest Recreation Reserve (OS03).
- Land required for Multi-purpose Community Centre (CI01).

The assessments of the individual holdings have been concluded from an external inspection and publicly available information relating to the development potential of each holding. Detailed development potential for each holding had not been provided at the time of valuation. Therefore, should information relating to encumbrances and development potential of the individual holdings be made available, this report should be returned to us for further consideration and, if necessary, re-assessment.

Our Reference

J 140585 :CP

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Title & Land Description.

Title Particulars

The Diggers Rest PSP relates to a total of eleven properties. The title particulars of the parent holdings are described below:

Property No.	Description	Certificate of Title	
		Volume	Folio
1	Lot 1 on PS302333	10044	151
2	Lot 4 on LP6069	7659	121
3 and 4	Lot 1 on PS302330	10048	733
5	Lot 2 on PS302330	10095	768
6	Lot 3 on LP6069	4658	415
7, 8 and 9	Lot 1 on PS315836	10316	140
10	Lot 1 on TP144448	9963	407
11	Lot 1 on TP761801	8389	202

Furthermore, the Diggers Rest precinct includes existing roads for which title particulars could not be confirmed. In terms of roadways, whilst the road increases the developable area within the PSP, adjacent properties abutting the road have a right of access and therefore the roadways are considered encumbered land.

Our valuation excludes any development works completed to date upon the subject parcels and reflects the known physical circumstances and configuration of the parent holdings at the inception of the Diggers Rest PSP (March 2012).

Additionally, our assessment of value has been concluded on the assumption that the land acquired for the purpose of active open space and community facilities are separately titled and valued individually. Our assessment does not reflect the ownership of multiple titles but rather the assessments are provided on the basis that each parcel is within individual ownership.

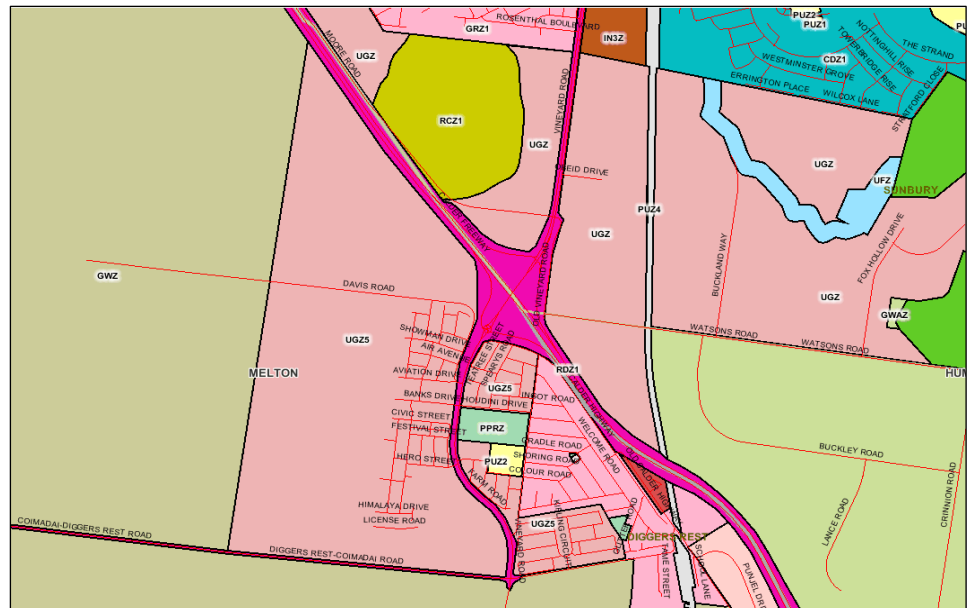
Refer to Assumptions / Qualifications - Encumbrances

Planning Details.

Local Authority	Melton City Council.
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Zoning	<p>Pursuant to the provisions of the Melton Planning Scheme, the land is predominantly included within an <i>Urban Growth Zone (UGZ)</i>. The objectives of this zone are as follows:</p> <ul style="list-style-type: none">- <i>To implement the State Planning Policy Framework and the Local Planning Policy Framework, including the Municipal Strategic Statement and local planning policies.</i>- <i>To manage the transition of non urban land into urban land in accordance with a Precinct Structure Plan.</i>- <i>To provide for a range of uses and the development of land in accordance with a Precinct Structure Plan.</i>- <i>To contain urban use and development to areas identified for urban development in a Precinct Structure Plan.</i>- <i>To provide for a continued non urban use of the land until urban development in accordance with a Precinct Structure Plan occurs.</i>- <i>To ensure that, before a Precinct Structure Plan is applied, the use and development of the land does not prejudice the future urban use and development of the land.</i> <p>Schedule 5 of the <i>Urban Growth Zone (UGZ)</i> refers to the Diggers Rest PSP.</p> <p>Property No. 5 is within a <i>Public Parks and Recreation Zone (PPRZ)</i>. The objectives of this zone are as follows:</p> <ul style="list-style-type: none">- <i>To implement the State Planning Policy Framework and the Local Planning Policy Framework, including the Municipal Strategic Statement and local planning policies.</i>- <i>To recognise areas for public recreation and open space.</i>- <i>To protect and conserve areas of significance where appropriate.</i>- <i>To provide for commercial uses where appropriate.</i> <p>Additionally, Property No. 10 refers to a <i>Public Use - Education Zone (PUZ2)</i>.</p> <p>Furthermore, the subject land is included within a <i>Development Contributions Plan Overlay (DCPO5)</i> pursuant to Schedule 5. The objective of this overlay is to identify areas which require the preparation of a Development Contributions Plan for the purpose of levying contributions for the provision of works, services and facilities before development can commence. More particularly, Schedule 5 relates to the Diggers Rest Development Contributions Plan.</p> <p>A portion of the land within the southern end of the PSP, being Property Nos. 6, 7 and 8 is subject to a <i>Melbourne Airport Environs Overlay (MAEO2)</i> pursuant to Schedule 2. Schedule 2 aims to identify areas that are or will be subject to moderate levels of aircraft noise based on the 20-25 Australian Noise Exposure Forecast (ANEF) contours and to limit use and development to that which is appropriate to that level of exposure.</p> <p>Property No. 2 is in part subject to a <i>Heritage Overlay</i> and is further identified within the Diggers Rest PSP to comprise an 'Existing Heritage Site'. However, this parcel is not affected by any DCP Project Infrastructure Items and accordingly does not form part of our assessment.</p>
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Extracts of the zoning and overlay maps (not to scale) prepared by the Department of Environment, Land, Water and Planning (DELWP) are provided below:



SOURCE - www.land.vic.gov.au

Refer to Assumptions / Qualifications - Zoning

Current Use

As at the date of our inspection, the subject land generally comprises vacant, rural / farming land identified for future development. The land to the north of Davis Road together with the land to the west of Vineyard Road is virtually unimproved, whilst Property No. 10 is improved with a school and Property No. 5 comprises two playing ovals, four tennis courts, a netball court and associated clubrooms. Development has commenced upon Property 3, 4 and parts 7, 8.

Having regard to the Diggers Rest PSP Future Urban Structure Plan, the scope of development and areas to be acquired, the highest and best use of the land is for urban development as identified within the PSP. Therefore, the original improvements upon the subject parcels (if any) are considered to be of no added value.

Potential / Future Use

Pursuant to the Planning Scheme, the potential uses for the subject property may be summarised as those where a planning permit is not required (Section 1 of the Planning Scheme) and those where a planning permit is required (Section 2 of the Planning Scheme). Those uses noted under Section 3 (prohibited) are not considered to place any undue restriction upon the future use or development of the site. We refer you to the ordinances provided as an annexure to this report with respect to the allowable and prohibited uses.

In undertaking our assessment of value of the subject parcels, we have had regard to the Diggers Rest PSP Future Urban Structure Plan, with the highest and best use of the individual parcels determined by the surrounding uses identified within the PSP and social and economic conditions within the Diggers Rest PSP locality. The highest and best use of the individual holdings is summarised within the *Scope of Development - Highest and Best Use* section of this report.

Native Title

There are no attributes observed that would identify the property as having coexisting or likely coexisting Native Title interests.

Refer to Assumptions / Qualifications - Native Title

Environmental Details.

Environmental Statement A visual site inspection has not revealed any obvious signs of pollution or contamination. Nevertheless, we are not experts in the detection or quantification of environmental problems and, accordingly, have not carried out a detailed environmental investigation. Therefore, this valuation and our report is made subject to there being no actual or potential contamination issues or environmental hazards, including surface or sub-surface soil problems including instability, toxic or hazardous wastes or building material hazards issues affecting:

- The existing or potential use of the property.
- The value or marketability of the property.
- The site.

Verification that the property is free from contamination or environmental hazards and has not been affected by pollutants of any kind may be obtained from a suitably qualified environmental expert. Should subsequent investigation show that the site is contaminated or has environmental hazards this valuation and report may require revision. The right is reserved to review, and if necessary, vary the valuation figure if any contamination or other environmental hazard is found to exist.

Archaeological Considerations An archaeological assessment has not been provided for the subject precinct and accordingly, our valuation is subject to there being no archaeological classifications, nor materials contained upon the site which adversely affect its existing or potential use or reduce the marketability or development entitlement. We recommend the appointment of a suitably qualified Heritage Consultant to determine the extent of any affectation and the influence this may have on the precinct.

Should any matter be known or arise, it should be referred back to us for further comment

Flora and Fauna Considerations In accordance with the Diggers Rest Native Vegetation Precinct Plan (NVPP), prepared by the Victorian Planning Authority (VPA), originally the Growth Areas Authority (GAA) dated March 2012, there is no vegetation to be protected within the Diggers Rest PSP area.

“Native vegetation within the Diggers Rest NVPP consists only of habitat zones comprising remnant patches of native grasses and wetland vegetation. There are no indigenous trees within remnant patches of vegetation and there are no scattered trees within the precinct.”

The Diggers Rest NVPP further highlights the ‘Native vegetation that can be removed’ and the conditions for such removal.

Locality.

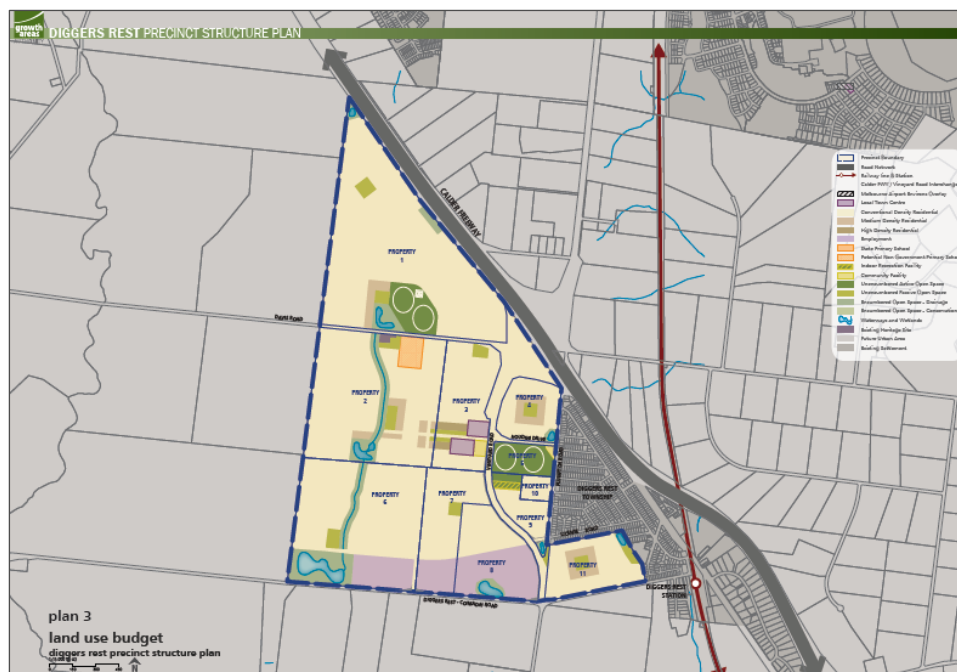
Precinct Description

The Diggers Rest PSP relates to a total of eleven holdings and existing roadways with a total area of 391.52 hectares.

The precinct is irregular in shape, generally bound by Diggers Rest - Coimadai Road to the south, Plumpton Road and existing residential development to the east, the Calder Freeway to the north and Green Wedge zoned land to the west. The land is generally flat in contour. An overflow path, being a branch of the Kororoit Creek traverses part of the western portion of the PSP. In accordance with the Diggers rest PSP, the overflow path has been included as encumbered land.

We refer you to the Scope of Development section of this report for a summary of detailed uses for the individual holdings. Should the areas of uses vary from that adopted / indicated, the matter should be referred back to us for further comment.

A map highlighting the individual parent holdings forming the Diggers Rest precinct is shown below:



SOURCE - Metropolitan Planning Authority

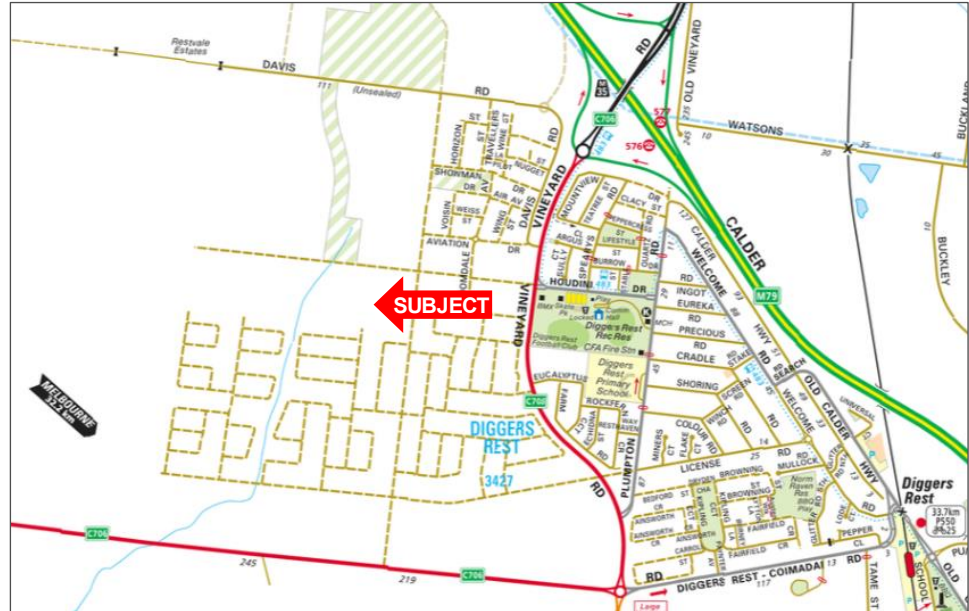
Locality & Surrounding Development

Within the City of Melton, in the area known as Diggers Rest, Postcode 3427, the Diggers Rest precinct is located on the south-western side of the Calder Freeway and west of the existing established Diggers Rest township.

Residential development throughout the locality provides serviced allotments to first home buyers. The Diggers Rest precinct adjoins the Diggers Rest township to the east, whilst further east as well as land to the south and west is situated outside the Urban Growth Boundary (UGB), being *Green Wedge* zoned. Approximately 2.5 kilometres north of the Diggers Rest precinct is the established residential area of Sunbury.

The surrounding region provides most services and facilities complementing residential occupation. Retail centres within proximity to the subject precinct include Sunbury Central and Sunbury Square Shopping Centre, approximately 5 kilometres north-east which incorporates a supermarket and speciality shops.

Educational facilities nearby include Diggers Rest Primary School (within the Diggers Rest PSP), Sunbury Primary School, Sunbury & Macedon Ranges Socialist School, Sunbury Heights Primary School, Sunbury Downs Secondary College and Sunbury College. In relation to public transport, a bus service operates along Vineyard Road, whilst the Diggers Rest railway station, on the Melbourne to Sunbury line is located approximately 1.1 kilometres east of the precinct. We note the precinct is also well located in relation to recreational facilities including the Diggers Rest Recreation Reserve (within the Diggers Rest PSP), Eric Boardman Memorial Reserve, and the Sunbury Recreation Reserve.



SOURCE - Melbourne on CD Edn 41 - Standard

Road System and Access

Vineyard Road, in this section, is a sealed roadway providing access from Sunbury to the Diggers Rest township in the south. Diggers Rest-Coimadai Road is also a sealed roadway with open channels and forms the southern boundary of the precinct. Davis Road is an unsealed roadway with open channels and provides access predominantly for local traffic.

The region is well serviced by major roadways, with Vineyard Road providing access to the Calder Freeway which provides access to the Melbourne Central Business District (CBD).

Services and Amenities

In accordance with the Diggers Rest PSP, infrastructure and services required to meet the development needs of the precinct will be implemented in accordance with the Diggers Rest PSP - Future Urban Structure Plan and the Diggers Rest PSP - Precinct Infrastructure Plan. Our assessment has been provided on the basis that infrastructure (road network and services) has been extended to each parcel in accordance with the Diggers Rest PSP.

Pursuant to the Diggers Rest PSP, urban amenities located within reasonable proximity to the subject property are as follows:

Activity Centres	Sunbury Central and Sunbury Square Shopping Centre
Open Space	Diggers Rest Recreation Reserve located within the precinct
Educational Facilities	Diggers Rest Primary School located within the precinct as well as Sunbury Primary School, Sunbury Downs Secondary College and Sunbury Heights Primary School
Diggers Rest Railway Station	Approximately 1.1 kilometres
Melbourne CBD	Approximately 31 kilometres

Scope of the Development.

Description

The Diggers Rest PSP relates to eleven properties and existing roads with a total area of 391.52 hectares. The Diggers Rest PSP, prepared by the VPA, originally the GAA, dated March 2012, identifies the holdings within the PSP to yield predominantly conventional residential with some pockets of medium and high density residential development, business uses including retail and commercial uses, community facilities, and active and passive open space. Additionally, a portion of land towards the southern end of the precinct has been identified for employment uses.

An extract of the Diggers Rest Future Urban Structure (Plan 2 within the Diggers Rest PSP) is included below:



SOURCE - Diggers Rest PSP (March 2012)

Improvements

Each holding is assessed having regard to the proposed zoning and the notional highest and best use per the PSP. The parcels are considered to have future development potential and, as such, existing improvements are considered to be of little or no added value and have not been incorporated within our assessment. The assessment therefore relates to the underlying land value.

Acquired Land

In accordance with the Diggers Rest Development Contributions Plan (DCP) - Property Specific Land Use Budget, prepared by the VPA, originally the GAA, dated March 2012 and the Diggers Rest DCP - Infrastructure Project Land Calculations table, received 30 October 2013, the areas and holdings affected by the acquisition of the following items are as follows:

DCP Project Item No. and Description	Property No.	Area (Ha.)
IT02 - Vineyard Road and Houdini Drive: Intersection	3, 5	0.17
IT03 - Vineyard Road and License Road: Intersection	9	0.45
IT04 - Vineyard Road and Diggers Rest-Coimadai Road: Intersection	8, 11	0.36
IT05 - Diggers Rest-Coimadai Road and North South Connector: Intersection	6	0.20
OS01 - Davis Road Community Hub	1	8.00
OS02 - Indoor Active Recreation	9	1.00
OS03 - Diggers Rest Recreation Reserve	9	1.00
CI01 - Multi-purpose Community Centre	3	0.80
Total		11.98

The Vineyard Road Reserve further incorporates the existing road. As abutting properties have the right of access via the existing road reserve, the road reserve is considered encumbered land and has not been included within this assessment. Additionally, other items to be acquired including passive open space are beyond the scope of this assessment.

“Before” & “After” Scenarios The road widening and intersection construction projects (IT02, IT03, IT04 and IT05) affect six parent holdings being identified as Property No’s. 3, 5, 6, 8, 9 and 11.

Areas in the “before” scenarios for the road widening and intersection construction projects have been adopted from the Diggers Rest DCP - Property Specific Land Use Budget, whilst for the areas in the “after” we have additionally relied upon the acquisition areas provided in the Diggers Rest DCP - Infrastructure Project Land Calculations table. The area in the “before” scenarios exclude land within the Property Specific Land Use Budget as encumbered land which includes land identified as waterway / drainage line / wetland / retarding areas.

The “before” and “after” scenarios provide that the land has appropriate approval for the highest and best use identified within the Diggers Rest PSP - Future Urban Structure Plan, with the “after” area reflecting the reduction to the developable area for the road widening. A summary of the “before” and “after” areas for the parent holdings of those parcels affected by DCP items within our valuation are noted as follows:

Property No.	Area (Hectares)			
	Parent Holding	“Before”	Acquired	“After”
3	28.14	28.14	0.12	28.02
5	8.09	8.09	0.05	8.04
6	66.48	54.48	0.20	54.28
8	26.41	24.52	0.15	24.37
9	9.61	9.09	0.45	8.64
11	20.60	20.00	0.21	19.79
Total	258.98	239.50	1.18	238.32

Furthermore we note that Property No’s 6 and 8 comprise a portion of employment land to the south of the parcels. Accordingly we provide a further breakdown of the land use for these properties as follows:

Property No. 6

Land Use “Before”	Area (Hectares)
Proposed Residential	46.38
Proposed Employment	8.10
Total	54.48

Land Use “After”	Area (Hectares)
Proposed Residential	46.18
Proposed Employment	8.10
Total	54.28

Property No. 8

Land Use "Before"	Area (Hectares)
Proposed Residential	10.49
Proposed Employment	14.03
Total	24.52

Land Use "After"	Area (Hectares)
Proposed Residential	10.49
Proposed Employment	13.88
Total	24.37

Should the developable area of underlying use vary from that adopted, the report should be referred back to us for further comment.

Site Specific Parcels

Parcels which are to be acquired and vested in Council for the provision of the community centre and active open space represent land which can be individually sold as inglobo development sites and therefore have been assessed accordingly. The respective areas of the parcels acquired and proposed uses in accordance with the Diggers Rest DCP - Property Specific Land Use Budget is as follows:

Property No.	Description / Proposed Future Use	Project No.	Acquired Area (Ha.)
1	Active Open Space	OS01, AR01 and AR02	8.00
9	Indoor Active Recreation	OS02	1.00
9	Active Open Space	OS03	1.00
3	Community Facility	CI01	0.80

Our valuation of the site specific parcels is provided on the basis that services and infrastructure are available to the individual sites and that the individual sites are separately titled.

Highest and Best Use

In accordance with the Diggers Rest Future Urban Structure Plan, the parent holdings are proposed to yield primarily conventional residential with some pockets of medium and high density residential development, business uses including retail and commercial uses, community facilities, and active and passive open space. Additionally, a portion of land towards the southern end of the precinct has been identified for employment uses.

Residential preferences are largely underpinned by a common set of factors that relate to housing needs, social / cultural norms, demographic / socio - economic characteristics, household / family structures and lifestyle. General trends in the demographics within metropolitan Melbourne have resulted in an increasing acceptance of higher density housing by all generations, including singles, couples, households and empty nesters. Higher density housing in Melbourne exists predominantly in inner suburban localities where development is established and the need for space is highly competitive. In established areas, the onus of developing higher density dwelling demand is generated from the increased choice in housing without the trade-offs between location and tenure choice, and maximisation of the benefit and cost minimisation of existing infrastructure.

In line with current planning policies and the increase in demographic characteristics within Melbourne together with social preferences to be closer to activity nodes, high density development therefore can be concluded to be viable in proximity to activity centres or amenities which directly support residential occupation. It can therefore be concluded that medium density development demand is generated once the establishment of such facilities is developed.

Therefore, in assessing value, we have considered the highest and best use of the parent holding and site specific parcels as inglobo residential development land. However, where they are employment land then we have assessed these portions as industrial parcels.

Valuation Rationale.

Valuation - "Before" and "After"

In assessing value, we have had regard to the extent of the proposed acquisition. The area and location of the land for the proposed road widening and intersections are slithers or part of land deemed to have only one possible purchaser - that of the adjoining owner. In this instance, the land is sold to the adjoining owner and therefore a premium would not be associated with the transaction value. As such, the most appropriate method is to assess the value of the holding "before" and "after" the acquisition. The difference in the assessments represents the amount payable for the acquisition of land for the proposed road widening and intersections.

In arriving at our assessment of value, we have assessed the individual parent holdings in the "before" scenario and a separate assessment "after" the acquisition, having regard to the sales evidence of land, highest and best use, market conditions and associated positive and negative attributes. In particular, we make note of the sales of similar sized and zoned properties as previously detailed.

Furthermore, we note that a significant number of holdings have been purchased by developers providing for larger amalgamated holdings. Our assessment has been concluded reflecting the Parent Title configuration, with our assessment not reflecting ownership patterns of the holdings.

The difference between the "before" and "after" value assessments of the affected holdings is the indicated value determined applicable to the acquired land. A summary of the indicated value for the acquired land can be shown as follows:

"Before"		"After"		Difference
Area (Hectares)	Assessed Value	Area (Hectares)	Assessed Value	
239.50	\$162,550,000	238.32	\$161,600,000	\$950,000

Site Specific Valuation

Parcels which are to be acquired by Council for the provision of active open space and community facilities have the ability to be marketed to a wider market as individually titled development sites and therefore have been individually valued.

Our valuation has been concluded on the basis that infrastructure (road and services) is extended to each parcel, having occurred in accordance with the Diggers Rest PSP, and that such infrastructure and services can be augmented to service the proposed underlying use.

Furthermore, the property represents an infill site within an established development with constructed road frontages and residential development surrounding.

After analysis of the sales evidence within the *Comparable Sales Evidence - Future Development Land* section of this report, we have assessed the site specific land value of the acquired parcels as follows:

Active Open Space (OS01, AR01 and AR02)

The 8.00 hectare parcel is proposed to be acquired for active open space uses. Proposed uses surrounding the parcel comprise of residential, passive open space and a non-government primary school. Having regard to the sales analysed, we have considered it appropriate to adopt a rate of \$1,600,000 per hectare. A summary of our assessment is as follows:

8.00 Hectares @ \$1,600,000 Per Hectare	\$12,800,000
For Practical Valuation Purposes, Say \$12,800,000 (Exclusive of GST)	

Indoor Active Recreation (OS02)

The 1.00 hectare parcel is proposed to be acquired for indoor active recreation uses. Proposed uses surrounding the parcel comprise of residential uses, a state government primary school and active open spaces. Having regard to the sales analysed, we have considered it appropriate to adopt a rate of \$2,200,000 per hectare. A summary of our assessment is as follows:

1.00 Hectares @ \$2,200,000 Per Hectare	\$2,200,000
For Practical Valuation Purposes, Say \$2,200,000 (Exclusive of GST)	

Active Open Space (OS03)

The 1.00 hectare parcel is proposed to be acquired for active open space uses. Proposed uses surrounding the parcel comprise of residential uses, a state government primary school, active open space and an indoor active recreation centre. Having regard to the sales analysed, we have considered it appropriate to adopt a rate of \$2,200,000 per hectare. A summary of our assessment is as follows:

1.00 Hectares @ \$2,200,000 Per Hectare	\$2,200,000
For Practical Valuation Purposes, Say \$2,200,000 (Exclusive of GST)	

Community Centre (CI01)

The 0.80 hectare parcel is proposed to be acquired for community centre uses. Proposed uses surrounding the parcel comprise of residential uses and the local town centre. Having regard to the sales analysed, we have considered it appropriate to adopt a rate of \$2,200,000 per hectare. A summary of our assessment is as follows:

0.80 Hectares @ \$2,200,000 Per Hectare	\$1,760,000
For Practical Valuation Purposes, Say \$1,760,000 (Exclusive of GST)	

Critical Issues

Our valuation has been completed on the basis:

- The Diggers Rest PSP relates to a total of eleven properties, seven of which have been identified for future road widening, active open space and community centre uses.
- Areas have been derived from the Diggers Rest DCP - Property Specific Land Use Budget, prepared by the VPA, originally the GAA, dated March 2012 in the "before" scenario and in the "after" we have additionally adopted the acquisition areas for each parcel as provided in the Diggers Rest DCP - Infrastructure Project Land Calculations table.
- The parcels are considered to have future development potential in accordance with the PSP, with existing improvements considered to be of no added value and have not been incorporated within our assessment.
- Property No. 5 is within a *Public Park and Recreation Zone* and therefore is considered encumbered to some degree. Accordingly, we have applied a reduced value rate to this property in the "before" and "after".
- Our valuation excludes any development works carried out on the parent holdings to date and represent the physical known circumstances of the holdings and configuration as at the inception of the Diggers Rest PSP, prepared by the VPA, originally the GAA, dated March 2012.
- Land within the Diggers Rest precinct is unaffected by unsupervised fill, soil or groundwater contamination.
- Land within the Diggers Rest precinct is unaffected by Aboriginal or archaeological artefacts of significance.
- Land within the Diggers Rest precinct is unaffected by flora and fauna issues.
- The current highest and best use of the holding within the Diggers Rest precinct has been adopted as inglobo development land (residential and employment).
- The assessments of the individual holdings have been concluded from an external inspection and publicly available information relating to the development potential of each holding.
- Services and facilities are available to the Diggers Rest area, including water, gas, electricity, telephone and mains sewer. However, costs associated with augmentation of services to the individual parcels are not known. The costs associated with extending services to the land are not reflected in our assessment of value.
- Our assessment has been concluded on the basis that the identified parent holdings are assessed as individual titles, with our assessment not reflecting current ownership patterns for the holdings.
- The "before" and "after" scenarios would provide that the land is zoned appropriately and issued appropriate Town Planning approval.
- Our assessment of value has been concluded on the basis that infrastructure (road network and services) is extended to each parcel, having occurred in accordance with the Diggers Rest PSP and such infrastructure and services are reticulated within the Diggers Rest PSP area and can be augmented to service the proposed underlying uses.
- Our valuation is based on the assumption that the acquired parcels are separately titled.
- Our assessments reflect that the Growth Area Infrastructure Contribution (GAIC) will be paid at development.
- Our assessments are exclusive of Goods and Service Tax (GST).

GST Implications

Transactions of commercial properties and development land are subject to GST from 1 July 2000, at an amount equivalent to one eleventh (1/11th) of the sale price, for which it is the responsibility of the vendor to remit same to the Government. Accordingly, the vendor / notional vendor can only pass on the GST through a specific condition in the sale contract. Most contracts now include a clause that requires the purchaser to pay any GST on the basis that the purchaser is a registered business and entitled to a full input tax credit. This results in GST being a cash flow issue for the vendor only.

Our valuation is expressed exclusive of GST.

This valuation is based on the assumptions relating to GST set out above. If any of these assumptions are found to be incorrect, or if the party on whose instructions this valuation is provided wishes our valuation to be based on different assumptions, this valuation should be referred back to the Certified Practising Valuer for comment and, in appropriate cases, amendment.

Refer to Assumptions / Qualifications - GST Implications

Land Acquisition Assessment & Valuation Compliance Statement.

Land Acquisition Assessment

Subject to the assumptions and qualifications contained within this report, we have assessed the current market value of the subject property (exclusive of GST) at:

Description	Cumulative Assessed Value "Before"	Cumulative Assessed Value "After"	Difference
Road Widening & Intersections	\$162,550,000	\$161,600,000	\$950,000

Parcels which are to be acquired and vested in Council for the provision of proposed active open space and the community facility represent land that can be individually sold as inglobo development sites and therefore have been assessed accordingly. In assessing value on this basis, we have utilised the direct comparison approach, having regard to the sales of inglobo development land. A summary of our assessment can be shown as follows:

Description	Area Acquired (Hectares)	Assessed Value
OS01 Active Open Space	8.00	\$12,800,000
OS02 Indoor Active Recreation	1.00	\$2,200,000
OS03 Active Open Space	1.00	\$2,200,000
CI01 Community Facility	0.80	\$1,760,000

Prepared by
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Bradley W Papworth
Counter Signatory
API Member No 62349
National Executive Director

The counter signatory has reviewed the valuation based on the data presented in the report for the accuracy of calculations, the reasonableness of data, the appropriateness of methodology, and compliance with client guidelines, regulatory requirements and professional standards. The counter signatory is satisfied that the valuation is based on reasonable grounds. The data presented has not been independently confirmed and the property has not been inspected by the counter signatory.

Date of Issue of the Valuation Report - 13 February 2020

Liability limited by a scheme approved under Professional Standards Legislation.

Valuation Compliance Statement

Charter Keck Cramer confirms that:

- The statements of fact presented in the report are correct to the best of the Valuer's knowledge.
- The analyses and conclusions are limited only by the reported assumptions and conditions.
- The Valuer has no interest in the subject property.
- The Valuer's fee is not contingent upon any aspect of the report.
- The valuation was performed in accordance with an ethical code and performance standards.
- The Valuer has satisfied professional education requirements.
- The Valuer has experience in the location and category of the property being valued.
- The Valuer has made a personal inspection of the property.
- No one, except those specified in this report, has provided professional assistance in preparing the report.

We confirm that neither Charter Keck Cramer nor any of its Directors or employees has any pecuniary interest that could conflict with the proper valuation of this property.

Refer to Assumptions / Qualifications - Third Party Disclaimer

Assumptions / Qualifications.

Legend

square metres	sq.m.
hectares	ha.
per annum	p.a.
per hectare	p.ha.

Date of Valuation

Due to possible changes in market forces and circumstances in relation to the subject property, this report can only be regarded as relevant as at the date of valuation.

This valuation is current as at the date of valuation only. 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 property). We do not accept liability for losses arising from such subsequent changes in value.

We draw attention to the provisions of our professional indemnity insurance that all valuations are only valid for 90 days from the date of valuation, no responsibility being accepted for clients' reliance upon reports beyond that period. Accordingly, any parties authorised to rely upon our opinion are advised that since the date of valuation the subject property has not been re-inspected and that no further investigation or analysis has been undertaken as to any changes since that date.

Our assessment is subject to there being no significant event that has occurred between the date of valuation and the date of issue of the valuation report that would impact on the value of the subject property.

Our report is concluded in the context of current Federal and State Legislation, Regulations and Policies as at the date of this report and does not anticipate or reflect possible changes in these matters that may impact upon the fundamentals of the project or property, its target market, cost structure, profitability or value. Adverse changes in such Legislation, Regulations and Policies (such as fiscal, taxation, FIRB, migration, international affairs and security), among others, are outside the control of the Valuer, and may result in material adverse impact on the valuation advice provided. Charter Keck Cramer and its affiliates do not accept any liability arising with respect to these matters.

Terms of Reference

We note that this valuation is not for mortgage purposes.

The assessments of the individual holdings have been concluded from an external inspection and publicly available information relating to the development potential of each holding. Development potential details have not been provided. Therefore, should information relating to encumbrances and development potential of the individual holdings be made available, this valuation may need to be re-assessed in light of circumstances not previously known.

Should the basis in which the valuation has been constructed or methodology change, this valuation should be referred back to us for reassessment.

Any intending third party wishing to rely upon the contents of this valuation and its recommendations should note that in accordance with the provisions of our company's professional indemnity insurance policy, they must, in written form, seek our approval in response to which we will consider the authorisation of this report for their use. Under the provisions of our policy certain third party mortgagees may be ineligible for reliance upon our valuation. Otherwise, no responsibility is accepted for any third party which may use or rely upon the whole or any part of the contents of this report. It should be noted that any subsequent amendments or changes in any form thereto will only be notified to and known by the parties to whom it is authorised.

Definition of Market Value

This valuation has been prepared in accordance with the following API definition of market value:

"The estimated amount for which an asset or liability should exchange on the valuation date between a willing buyer and a willing seller in an arm's length transaction, after proper marketing and where the parties had each acted knowledgeably, prudently and without compulsion."

Encumbrances

Our valuation is subject to there being no undisclosed or unregistered easements or encumbrances which would have an adverse effect on our valuation other than those previously described and noted on the Certificates of Title attached as an annexure at the rear of this report. Should it be discovered that further easements or encumbrances exist, this report should be referred back to Charter Keck Cramer for consideration, comment and amendment (if necessary).

Land Area & Dimensions

Measurements taken on site appear to substantially accord with those shown on title. A current survey has not been sighted. This valuation is subject to there being no encroachments by or upon the property and this should be confirmed by a current survey and/or advice from a Registered Surveyor. If any encroachments are noted by the survey report, the Valuer should be consulted to reassess any effect on the value stated herein.

Zoning

Although a Planning Certificate has not been sighted, the zoning particulars have been confirmed by the online Planning Scheme, which is an internet based copy of the Planning Scheme provided by the Department of Environment, Water, Land and Planning (DEWLP). Our assessment is completed subject to the planning information obtained being current and correct.

Please note that a Planning Certificate has not been provided or obtained. In the event that a Planning Certificate is obtained and the information thereon is materially different to that provided to Charter Keck Cramer via the approved internet based version, then we reserve the right to review our assessment and amend this report (as necessary).

Native Title

Pursuant to the *Native Title Act (Clth)* 1993, and as amended 30 September 1998, land with the exception of an “Exclusive Possession Grant”, may be claimed as the property of Indigenous Australians leading to the co-existence or likely co-existence of Native Title in relation to a particular piece of land, subject to the verification of a prior or continuing connection to the land.

We are not experts in Native Title or the property rights derived therefrom and have not been supplied with appropriate anthropological, ethnoecological and/or ethnographic advice. Therefore, the property valuation or assessment is made subject to there being no actual or potential Native Title affecting:

- The value or marketability of the property.
- The land.

The National Native Title Register (NNTR) was established under Section 192 of the *Native Title Act (Clth)* 1993. The NNTR contains determinations of Native Title made by the High Court of Australia, the Federal Court of Australia, or such similarly recognised bodies. Formal verification that the property is not subject to co-existing Native Title interests and/or subject to determination should be obtained by searching the Registry of Native Titles Claims, which is administered by the National Native Titles Tribunal. We have viewed maps prepared by the National Native Title Tribunal detailing Native Title Applications, determination areas and indigenous land use agreements. The map does not identify that the subject property is affected by applications and determinations as per the Federal Court on 31 March 2010.

This assessment is completed on the basis that the property is not affected by co-existing Native Title interests. Should subsequent investigation show that the land is subject to existing or potential co-existing Native Title interests, this property valuation or assessment will require revision and should be referred back to Charter Keck Cramer for consideration, comment and amendment.

Third Party Disclaimer

This valuation is for the use only of the party to whom it is addressed and for no other purpose. No responsibility is accepted for any third party who may use or rely on the whole or any part of the content of this valuation. No responsibility will be accepted for photocopied signatures. It should be noted that any subsequent amendments or changes in any form to the valuation and report would only be notified to and known by the parties to whom it is addressed. This report is a valuation report and is not intended as a structural survey. Charter Keck Cramer prohibit publication of this report in whole or in part, or any reference thereto, or to the valuation assessments contained herein, or to the names and professional affiliation of the Valuers, without the written approval of the Valuer.
