

# Land Acquisition Assessment

Rockbank Development  
Contributions Plan (DCP)  
Land Assessment

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# Valuation Executive Summary

## Rockbank Development Contributions Plan [DCP] Land Assessment



### Property Description.

The Rockbank PSP relates to 113 properties with a total area of 710.51 hectares excluding existing Road Reserves. The precinct is irregular in shape, generally bound by the Western Freeway to the north, Greigs Road to the south, Paynes Road to the west and the future Outer Metropolitan Ring Road (OMR) to the east.

As at the date of our inspection, the subject land generally comprised vacant, rural / farming land identified for future development, along with subdivision work in progress. Our valuation excludes any development works carried out on the parent holdings to date.

<b>Property Type</b>	Rockbank Precinct Structure Plan (PSP)
<b>Total Area [excl. Existing Road Reserves]</b>	710.51 ha.
<b>Cumulative "Before" Area</b>	633.24 ha.
<b>Cumulative "After" Area</b>	573.70 ha.

### Instructions.

<b>Instructing Party</b>	Melton City Council
<b>Interest Valued</b>	Freehold
<b>Date of Instruction</b>	2 April 2019 (As Per Contract) 10 January 2020 (Contract Received)
<b>Client Reference</b>	Luke Shannon

### Valuation Summary.

<b>Date of Inspection</b>	12 December 2019
<b>Date of Valuation</b>	1 July 2019 Refer to Assumptions / Qualifications - Date of Valuation
<b>Cumulative Assessed Value "Before"</b>	<b>\$949,370,000 (Exclusive of GST)</b> Nine Hundred and Forty Nine Million, Three Hundred and Seventy Thousand Dollars
<b>Cumulative Assessed Value "After"</b>	<b>\$863,735,000 (Exclusive of GST)</b> Eight Hundred and Sixty Three Million, Seven Hundred and Thirty Five Thousand Dollars
<b>Acquired Land Value</b>	<b>\$85,635,000 (Exclusive of GST)</b> Eighty Five Million, Six Hundred and Thirty Five Thousand Dollars

### Prepared By.

Charter Keck Cramer Pty Ltd

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### Leaders in Property Intelligence.

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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

## Rockbank Development Contributions Plan (DCP) Land Assessment

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<b>Annexures.</b>	Letter of Instruction
	Planning Details
	Future Urban Structure Plan
	Land Use Budget

### Instructions.

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<b>Instructing Party</b>	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 - Instructing Party / Terms of Reference Refer to Assumptions / Qualifications - Definition of Market Value
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<b>Purpose</b>	To assess the fair market value of the land within the Rockbank PSP, namely land identified or required for the following: <ul style="list-style-type: none"><li>- DCP community facilities.</li><li>- Local indoor recreation (DCP land).</li><li>- Local sports reserve (DCP land).</li><li>- Town Centre Urban Plaza (DCP land).</li><li>- DCP road widening and intersection flaring projects.</li></ul>
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The values assessed in this instance have been concluded in accordance with the API definition of market value being:

*“The estimated amount for which a property 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.”*

Elements traditionally associated with compensation as described within the *Land Acquisition and Compensation Act* 1986 including (but not limited to) severance, disturbance, enhancement / depreciation and special value do not form part of the assessed values.

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 has 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.

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**Our Reference**

J 140585 :CP

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## Title & Land Description.

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### Title Particulars

Due to the large volume of individual Certificates of Title, we have not undertaken title searches for the purpose of this assessment and have relied upon information provided within the Rockbank PSP, prepared by the Victorian Planning Authority (VPA), formerly the Metropolitan Planning Authority (MPA).

Accordingly, this assessment is prepared on the basis that individual Certificates of Title do not incorporate encumbrances of an adverse effect upon value.

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 Rockbank PSP.

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

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## Planning Details.

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### Local Authority

Melton City Council.

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### Zoning

Pursuant to the provisions of the Melton Planning Scheme, the land is predominantly included within an *Urban Growth Zone (UGZ)*, together with a *Public Use Zone (PUZ)* and *Public Park and Recreation Zone (PPRZ)*. The objectives of these zones are as follows:

#### *Urban Growth Zone*

- *To implement the State Planning Policy Framework and the Local Planning Policy Framework, including the Municipal Strategic Statement and local planning policies.*
- *To manage the transition of non-urban land into urban land in accordance with a Precinct Structure Plan.*
- *To provide for a range of uses and the development of land in accordance with a Precinct Structure Plan.*
- *To contain urban use and development to areas identified for urban development in a Precinct Structure Plan.*
- *To provide for a continued non-urban use of the land until urban development in accordance with a Precinct Structure Plan occurs.*
- *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.*

#### *Public Use Zone*

- *To implement the State Planning Policy Framework and the Local Planning Policy Framework including the Municipal Strategic Statement and local planning policies.*
- *To recognise public land use for public utility and community services and facilities.*
- *To provide for associated uses that are consistent with the intent of the public land reservation or purpose.*

In accordance to instructions from the VPA (formerly MPA), Properties 14, part 64, 70, 111 and 112 have been assessed as *Public Use* zoned land.

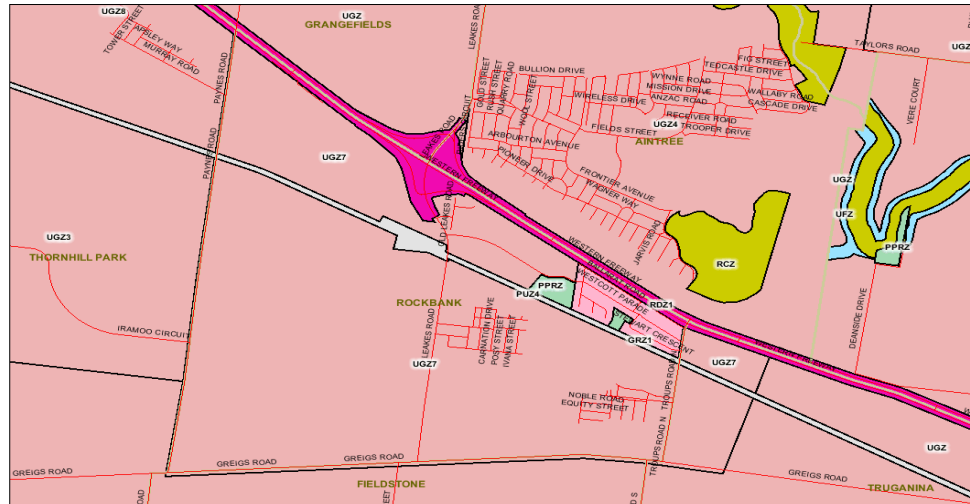
#### *Public Park and Recreation Zone*

- *To implement the State Planning Policy Framework and the Local Planning Policy Framework including the Municipal Strategic Statement and local planning policies.*
- *To recognise areas for public recreation and open space.*
- *To protect and conserve areas of significance where appropriate.*

- To provide for commercial uses where appropriate.

In accordance to instructions from the VPA (formerly MPA), Properties 53, 54 and 55 have been assessed as *Public Park and Recreation* zoned land.

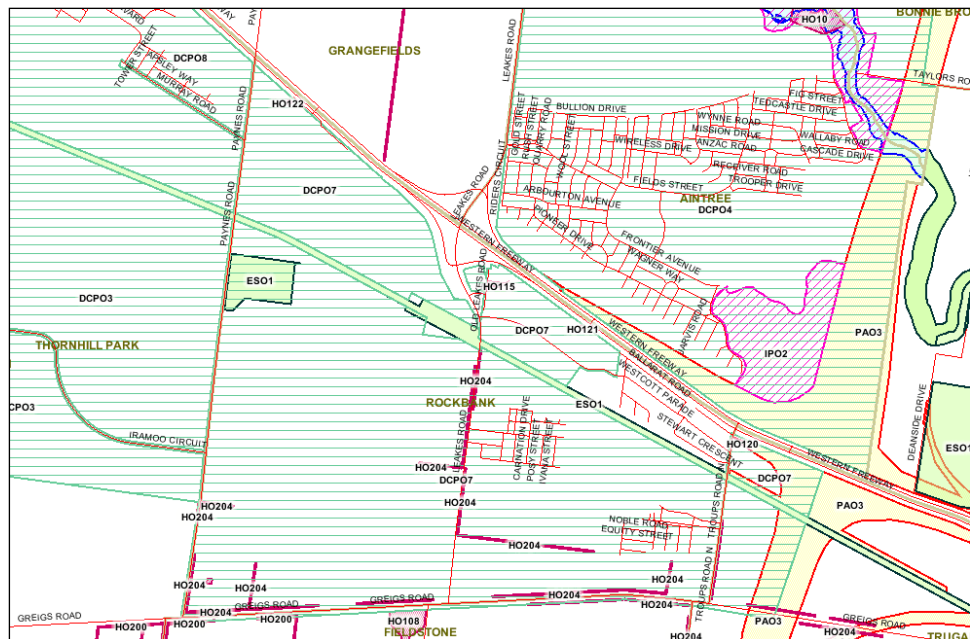
A current zoning map prepared by the Department of Environment, Land, Water and Planning (DELWP) (not to scale) is as follows:



SOURCE - [www.land.vic.gov.au/planning](http://www.land.vic.gov.au/planning) [2017]

Parcels within the Rockbank precinct are currently included within a *Development Contributions Plan Overlay*, whilst Properties 56, 57, 58, 59, 60, 108, 109 and 110 are subject to a *Public Acquisition Overlay (PAO)* in relation to the future construction of the Outer Metropolitan Ring Road - E6 Transport Corridor. Furthermore, Property 63 is encumbered by an *Environmental Significance Overlay (ESO)*. We note within the PSP a large portion of Property 63 has been identified for a local conservation area which has been deducted from the developable area.

A copy of the Overlay Planning Scheme map is shown below:



SOURCE - [www.land.vic.gov.au/planning](http://www.land.vic.gov.au/planning) [2017]

Our valuation has been completed on the basis the area's extent of encumbered land identified by the respective zoning and/or overlays have been identified within the land budget prepared by the VPA (formerly MPA) and there are no encumbrances identified

within the zoning and/or overlay particulars which would impact upon the development potential of the subject holding or required extended holding periods due to planning or incur additional costs for development.

Refer to Assumptions / Qualifications - Zoning

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**Current Use**

As at the date of our valuation, the subject land generally comprised vacant rural / residential land with some land improved with dwellings, sheds and associated infrastructure. We also note various site works in progress as a result of the prepared subdivision.

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**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 highest and best use of the individual unserviced parcels identified within the PSP's and current social and economic conditions within the western growth corridor.

The highest and best use of the individual holdings is summarised within the *Scope of Development - Highest and Best Use* section of this report.

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**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

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## Environmental Details.

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**Environmental Statement**

A "Land Capability Assessment" report for the Rockbank PSP was prepared by Sinclair Knight Merz Pty Ltd (SKM) dated September 2013. The report identified the primary potential sources of contamination as follows:

- Potential contamination associated with general dumping/stockpiling across entire areas of land at properties 24, 73 and 101. At these sites, potential contamination may not be confined to a single, localised area but instead encountered across the wider extent of these sites to one degree or another.
- Highly localised areas of potential contamination associated with frequently encountered land uses. These include potential contamination hotspots associated with uses such as stockyards and general farm premises. These hotspots are likely to be localised to areas such as fuel tanks and chemical storage areas.
- Highly localised areas of potential contamination associated with stockpiles and general dumped materials (this excludes the three sites identified above where tipped material was more widespread). In these locations, contamination is likely to be localised to stockpiles themselves and in some instances shallow underlying soils.
- Diffuse but low level sources of contamination associated with the widespread application of agricultural chemicals on farmland as well as orchards and plant nurseries. These chemicals may include pesticides, herbicides, fungicides and fertilizers.

A number of off-site sources of contamination have been identified in the vicinity of the PSP. Based on the nature of the site uses as well as the environmental setting of the site (hydrological, hydrogeological and geological conditions), the greatest risk to the Rockbank PSP is presented by two farm premises with multiple tanks present (although the contents are unknown) to the south of the study area. The remaining properties were deemed to present either a low or very low potential for contamination of the PSP area.

The report recommends the following works and timings for the primary potential sources of contamination in addition to other general recommendations identified below:

- Assessment of potential contamination associated with the widespread dumping of miscellaneous materials at properties 24, 73 and 101. These sites are likely to present the greatest potential for property wide contamination issues. This process may be best undertaken through the preparation of a Sampling, Analysis and Quality Plan (SAQP) followed by a Phase 2 Environmental Site Assessment (which may include targeted sampling of soils and groundwater). Timing: It is recommended that this task be undertaken in the near future. If contamination is identified an environmental audit may be required prior to future development. Completion of these assessments and appreciation of the contaminant regimes in advance of finalising the PSP land uses may also provide an opportunity to nominate those sites for less sensitive commercial/industrial land uses.
- Odour monitoring / assessment should be undertaken along the PSP boundary opposite off-site properties 38 (BP Petrol Station) and 93 (Nevas Chicken Farm), prior to any development of the PSP area. Odours (if any) emanating from these properties could potentially impact upon future development in the vicinity of these sites. Additionally, if these properties are ever incorporated into a future PSP Area, they should be thoroughly assessed (e.g. via a Phase 2 ESA). Timing: It is recommended that this task be undertaken to coincide with the cessation or scaling down of current site operations and prior to the commencement of the proposed development and construction works.
- Further limited assessment of frequently encountered land uses which may present potential hotspots of contamination. Such sites include stockyards and general farm storages. Rather than target each individual property where such features have been identified, it is recommended that a limited number of representative sites are selected from which targeted soil samples are collected around potential point sources of contamination (i.e. fuel tanks or stockyard structures). The results for these targeted locations can then be used to clarify the potential for contamination at similar sites elsewhere within the PSP areas. Timing: It is recommended that this task be undertaken to coincide with the cessation or scaling down of current site operations and prior to the commencement of the proposed development and construction works.
- Further limited assessment of the potential for contamination associated with diffuse but low level sources of contamination. Given the long history of agricultural land use within the PSP area and the potential widespread use of agricultural chemicals throughout this period, further limited sampling would provide valuable information as to the true extent and significance of these potential contaminants of concern. Such an investigation may comprise the collection of 10 to 20 soil samples from selected representative fields and orchards across the study area. These samples would be analysed for pesticides, herbicide and nutrients with the results providing an overview of the potential risk associated with these diffuse sources. Timing: It is recommended that this task be undertaken in the near future owing to the potential implications (albeit unlikely) of widespread contamination associated the widespread application of agricultural chemicals.
- Further drilling and collection of soil samples for the purposes of assessing the geotechnical soil properties for building foundation and road design. Timing: This task should be undertaken on a site-by-site basis during future development as part of the building permit application process.
- Drilling and installation of groundwater monitoring wells to determine the depth to groundwater as well as aquifer hydraulics testing to determine aquifer properties. Timing: It is recommended that this task be undertaken to coincide with the cessation or scaling down of current site operations and prior to the commencement of the proposed development and construction works.
- Excavation and removal of underground storage tanks, soil remediation and tank pit validation if USTs are found on properties. Timing: This task should be undertaken on a site-by-site basis during future development.
- Removal of other potentially contaminating infrastructure (e.g. septic tanks and above ground storage tanks) followed by soil validation. Timing: This task should be undertaken on a site-by-site basis during future development.



- Classification and appropriate removal (if required) of various stockpiles and dumped materials observed at numerous sites across the study area. This includes subsequent validation following removal. It is noted that sampling of some stockpiles of soil observed may indicate that the material is suitable for re-use as part of future development and as such removal may not be required in all instances. Timing: This task should be undertaken on a site-by-site basis during future development.

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 hazard issues affecting:

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

## Archaeological Considerations

In accordance with the Rockbank PSP Background Report prepared by the VPA (formerly MPA) dated September 2015, Andrew Long and Associates was commissioned to complete an Aboriginal Heritage Impact Assessment for the PSP area which developed a site-predictive model indicating places of Aboriginal cultural heritage within the precinct. The report identified 8 Aboriginal cultural heritage places that were previously recorded in the Victorian Aboriginal Heritage Register (VAHR), all of which were stone scatters or isolated stone artefacts principally associated with waterways, wetlands and land within 200 metres of these features throughout the precinct. The report also identified the precinct as a Low Density Artefact Distribution (LDAD) comprising 16 isolated stone artefacts at densities of less than 10 artefacts in any 100 metres across the area of the LDAD. The 16 artefacts are distributed over an area of approximately 45 hectares within the centre of the western portion of the activity area between Leakes and Paynes Road.

The report recommended that the properties within the area associated with a registered Aboriginal cultural heritage place or waterway will require a complex Aboriginal Cultural Heritage Management Plan prior to approval of planning permits for development. Generally the precinct exhibits a moderate to low likelihood of heritage places given its relative distance from Werribee River and Kororoit Creek.

Biosis was commissioned by the VPA (formerly MPA) to undertake a post-contact heritage assessment of historic values in the PSP area in September 2013. No sites in the PSP area are currently listed on the Victorian Heritage Register however there are 9 historic sites which were recorded from the Melton Heritage Overlay, Heritage Inventory and a previous dry stone wall study. It was recommended that identified heritage places should be retained and conserved.

These sites are as follows:

Heritage List	Designation	Site Name and Type	Location
Heritage Overlay	HO113	Payne's Cottage	638 - 688 Griegs Road East
Heritage Overlay	HO115	Rockbank Community Hall / Mechanics Institute	1171- 1173 Leakes Road
Heritage Overlay	HO116	House	1967 - 1987 Melton Highway
Heritage Overlay	HO120	Missen House	1957 - 1963 Western Highway
Heritage Overlay	HO121	Rose & Crown Hotel	2057 - 2083 Western Highway
Heritage Overlay	HO122	Pitson House	2341 - 2421 Western Highway
Heritage Inventory	H7822-0717	Dome Well	Near former Rockbank station site Ballarat Rail Line
HV "D" List	D7822-0301	Rockbank Railway Station precinct	Off Leakes Road
Heritage Inventory	H7822-0298	Missen Dam	South of Ballarat Road West of Leakes Road

It was also identified that throughout the Rockbank area, there were a number of dry stone walls that pre-date 1940. These have been identified as having cultural significance and were recommended to be retained in-site within the public realm where possible, especially in the vicinity of Paynes Cottage as part of future regional open space.

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

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## **Flora and Fauna Considerations**

A Biodiversity Assessment was completed by Ecology and Heritage Partners in June 2012. The assessment included detailed field surveys of native vegetation and target surveys of flora species within the PSP. The PSP generally consists of low levels of significance for biodiversity with the majority of the area being modified. Much of the remnant native vegetation within the precinct has been cleared as a result of agricultural land use activities with areas of remnant native vegetation mainly occurring as scattered remnants on private property or on roadsides.

The report identified one national significant flora species, the Spiny Rice-flower, during the assessment and one state significant fauna species, Eastern Great Egret was recorded within the precinct. The precinct also has low quality habitats for some waterbirds and possibly also Swift Parrot and Plains Wanderer. A permit to 'take' native vegetation under the Flora and Fauna Guarantee Act 1988 will be required for the removal of protected flora located on public land (e.g. road reserves). Animal welfare measures should be undertaken during construction and fauna salvage and translocation is recommended for Growling Grass Frog if habitats are proposed to be disturbed as part of the future development. There are opportunities to enhance ecological values within the study area, principally through the regeneration of remnant native vegetation, revegetation with site indigenous species, weed control, and the provision of stormwater treatment wetlands which will provide additional habitat for a range of fauna species.

There was an addendum to the biodiversity assessment completed by Ecology and Heritage Partners in 2013 which indicated there were 10 indigenous remnant trees recorded within the study area. Of the 10 indigenous remnant trees, 8 were classified of "High" conservation significance and 2 of "Low" conservation significance.

Our valuation has been undertaken on the basis there are no flora and fauna issues other than that allowed for in the land use budget which would impact the development potential / require additional costs of the properties.

Refer to Assumptions / Qualifications - Environmental Statement

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## **Locality.**

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### **Precinct Description**

As at the date of our inspection, the subject land generally comprised vacant, rural / farming land identified for future development. Our valuation excludes any development works carried out on the parent holdings to date.

The Rockbank PSP prepared by the Victorian Planning Authority (VPA), formerly the Metropolitan Planning Authority (MPA), identifies the holdings within the PSP to yield predominantly conventional residential and some pockets of employment uses including retail and commercial, community facilities, Rockbank major town centre, local and regional sports reserves and the Rockbank railway station precinct.

An extract of the Rockbank PSP is shown as follows:



SOURCE - Metropolitan Planning Authority

Refer to Assumptions/Qualifications - Land Description and Site Identification

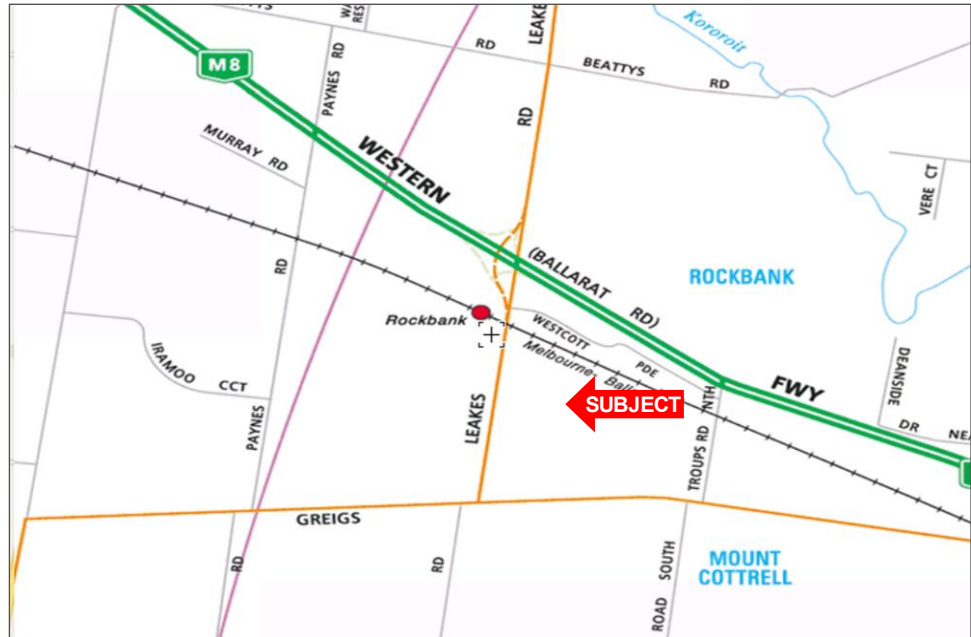
### Locality & Surrounding Development

Within the City of Melton, in the area known as Rockbank, Postcode 3335, the Rockbank PSP is located south of undeveloped urban growth zoned land and north of existing low density residential development.

The Rockbank PSP relates to a total of 113 properties with a total area of 710.52 hectares (excluding existing road reserve). The precinct is irregular in shape, generally bound by the Western Freeway to the north, Greigs Road to the south, Paynes Road to the west and the future Outer Metropolitan Ring Road (OMR) to the east.

The greater Rockbank township incorporates generally older style residential dwellings which have been developed in stages during times of economic expansion. The Rockbank township incorporates limited services and facilities. Forming part of the Rockbank PSP is the Melbourne to Ballarat railway line, with the Rockbank railway station being situated at the intersection of Leakes Road.

The Rockbank PSP area is situated approximately 5 kilometres south-west of the regionally significant township of Melton which provides supermarkets and specialty shops, together with primary and secondary schools and comprehensive services and facilities. Approximately 5 kilometres south-east of the subject precinct is the Caroline Springs residential development which has developed rapidly over the past five years and provides residential housing within a Master Planned Community (MPC) concept. The development incorporates a shopping centre, together with primary and secondary schools. Further east of Caroline Springs is the Brimbank Central Shopping Centre, situated at the intersection of the Western Highway and Station Street.



SOURCE - Melbourne on CD Edn 41 - Standard

**Road System and Access**

The Rockbank PSP is broadly bound by the Western Freeway to the north, Greigs Road to the south, Paynes Road to the west and the future Outer Metropolitan Ring Road (OMR) to the east.

The Western Freeway provides access to the Melbourne CBD and inner western and northern localities.

**Services and Amenities**

A Services Report was conducted by Spiire for the Rockbank PSP which acknowledged that the provision of electricity, gas, water, telephone and mains sewer was available to the Rockbank PSP subject to new and upgraded services infrastructure being established before full development of the PSP area occurs.

The cost associated with augmentation of services to the individual parcels is not known or reflected in our assessment.

Our assessment has been provided on the basis that infrastructure (road network and services) have been extended to each parcel in accordance with the Rockbank PSP.

# Scope of Development.

## Rockbank Precinct Structure Plan [PSP]

The Rockbank PSP prepared by the Victorian Planning Authority (VPA), formerly the Metropolitan Planning Authority (MPA), identifies the uses within the PSP to yield predominantly conventional residential with some pockets of business uses including retail and commercial, community facilities, Rockbank major town centre, local and regional sports reserves and the Rockbank railway station precinct.

An extract of the Rockbank PSP is shown below:



SOURCE - Metropolitan Planning Authority

In assessing value of the parent holdings subject to the relevant DCP projects, we have assessed the value of the holding before and after the acquisition.

The developable area for each holding in the “before” scenario has been adopted from the Land Use Budget prepared by the VPA (formerly MPA) and correspondence received from the VPA and from this we have deducted the acquisition areas as provided in the Land Use Budget to arrive at the remaining developable area in the “after” scenario. The area in the “before” scenario excludes land within the Property Specific Land Use Budget as encumbered land associated with the local conservation, waterways/drainage reserves and landscape buffer roads to indicate a before area totalling 633.24 hectares.

A summary of the “before” and “after” areas for the PSP affected by DCP projects and adopted within our valuation is noted as follows:

### Scope of Development

Property No	Underlying Use	Parent Area (Ha.)	Before Area (Ha.)	After Area (Ha.)
1	Residential	0.20	0.20	-
2	Residential	0.82	0.82	0.81
3	Residential	4.00	4.00	3.79
4	Residential	6.77	6.77	6.06
5	Residential	0.39	0.39	0.28
6	Residential	2.05	2.05	2.05
7	Residential	11.09	11.09	10.91
8	Residential	10.92	10.92	10.26
9	Residential	0.50	0.50	0.50
10	Residential	13.21	11.35	11.35

Property No	Underlying Use	Parent Area (Ha.)	Before Area (Ha.)	After Area (Ha.)
11	Residential	1.34	1.34	1.34
12	Residential	15.08	9.98	9.98
13	Residential	26.16	22.77	14.93
14	Public Transport Facilities / Reserve	0.41	0.41	0.28
15-E	Employment	<sup>(1)</sup> 9.24	6.53	6.53
16-E	Employment	1.69	1.69	1.69
17-E	Employment	0.16	0.16	0.16
18-E	Employment	0.01	0.01	0.01
19-E	Employment	0.08	0.08	0.08
20-E	Employment	0.54	0.54	0.54
21-E	Employment	0.20	0.20	0.20
22-E	Employment	0.15	0.15	0.15
23-E	Employment	0.09	0.09	0.09
24	Residential	0.16	0.16	0.16
25	Residential	0.15	0.15	0.15
26	Residential	0.33	0.33	0.33
27	Residential	0.16	0.16	0.16
28	Residential	0.55	0.55	0.55
29	Residential	0.16	0.16	0.16
30	Residential	0.16	0.16	0.16
31	Residential	0.16	0.16	0.16
32	Residential	0.16	0.16	0.16
33	Residential	0.16	0.16	0.16
34	Residential	0.65	0.65	0.65
35	Residential	0.08	-	-
36	Residential	3.04	3.04	3.04
37	Residential	2.01	2.01	2.01
38	Residential	2.00	1.81	1.81
39	Residential	2.06	0.34	0.34
40	Residential	4.18	4.18	4.18
41	Residential	0.03	-	-
42	Residential	2.83	2.83	2.83
43	Residential	0.61	0.61	0.61
44	Residential	0.60	0.60	0.60
45	Residential	0.58	0.58	0.58
46	Residential	1.50	1.50	1.50
47	Residential	1.67	1.67	1.67
48	Residential	1.49	1.49	1.49
49	Residential	1.64	1.64	1.64
50	Residential	1.82	1.82	1.82
51	Residential	0.20	0.20	0.20
52	Residential	0.95	0.95	0.95
53	Public Park and Recreation	3.25	3.25	3.25
54	Public Park and Recreation	1.40	1.40	1.40
55	Public Park and Recreation	0.25	0.25	0.25
56	Residential	0.27	0.27	0.27
57	Residential	7.42	7.42	7.42
58	Residential	0.66	0.66	0.66
59	Residential	4.72	4.61	4.61
60	Residential	2.23	2.23	2.23
61	Residential	4.27	4.27	3.77
62	Residential	0.13	0.09	0.09
63	Residential	31.61	18.89	18.07
64	Residential / Public Transport Facilities	14.50	14.49	12.85
65	Residential	12.76	12.76	12.23
66	Residential	12.68	12.68	12.38
67	Residential	13.58	13.54	8.48
68	Residential	14.59	11.25	10.19
69	Residential / Town Centre	14.88	14.88	8.82

Property No	Underlying Use	Parent Area (Ha.)	Before Area (Ha.)	After Area (Ha.)
70	Public Transport Facilities / Reserve	0.26	0.26	0.26
71	Residential	8.68	8.68	7.26
72	Residential	4.01	4.01	4.01
73	Residential	12.65	9.41	9.16
74	Residential	9.07	7.27	7.06
75	Residential	4.40	4.40	4.40
76	Residential	12.88	7.95	6.89
77	Residential	12.51	12.51	10.40
78	Residential	12.45	12.45	12.07
79	Residential	13.04	12.42	11.03
80	Residential	11.07	7.58	5.37
81	Residential	12.02	11.40	11.08
82	Residential	7.41	7.41	6.52
83	Residential	2.02	2.02	2.02
84	Residential	12.70	12.70	12.26
85	Residential	12.66	12.66	4.31
86	Residential	12.91	12.91	12.91
87	Residential	12.12	11.50	10.30
88	Residential	8.87	8.87	8.87
89	Residential	3.36	3.36	3.36
90	Residential	12.14	12.14	12.14
91	Residential	12.36	8.87	6.98
92	Residential / Town Centre	12.21	12.21	12.03
93	Residential	12.14	12.14	12.14
94	Residential	13.63	12.54	12.54
95	Residential	12.15	8.97	8.97
96	Residential	12.14	12.09	11.29
97	Residential	10.98	10.98	10.98
98	Residential	13.50	12.13	5.79
99	Residential	9.70	9.70	9.70
100	Residential	7.98	7.98	7.85
101	Residential	17.64	17.64	17.52
102	Residential	49.91	40.51	36.86
103	Residential	2.01	1.55	1.55
104	Residential	1.04	1.04	1.04
105	Residential	1.87	1.87	1.87
106	Residential	5.27	5.27	5.25
107	Residential	15.68	6.13	6.13
108	Residential	4.12	4.12	4.12
109	Residential	10.25	8.44	8.44
110	Residential	0.39	0.39	0.39
111	Public Transport Facilities / Reserve	<sup>(2)</sup> 3.65	3.53	3.53
112	Public Transport Facilities / Reserve	<sup>(2)</sup> 9.09	9.09	9.09
113	Residential	1.18	1.09	0.93
<b>Total</b>		<b>710.51</b>	<b>633.24</b>	<b>573.70</b>

<sup>(1)</sup> Existing arterial road reserves have been deducted from the parent area.

<sup>(2)</sup> Existing Rail Reserves.

We note land to be acquired within the Rockbank PSP are DCP items situated over residential land. The VPA (formerly MPA) have provided the areas of each DCP item apportioned to the particular use that it relates and which we have incorporated within our “after” assessment.

Furthermore, in accordance with the Public Land Equalisation Approach, we have assessed the value of the land on a site specific basis where such land exceeds the average land contribution. In this regard, 21 properties will be applicable to be assessed by the Public Land Equalisation Method.

## Improvements

Each holding is assessed having regard to the proposed zoning and the notional highest and best use per the PSP's Urban Structure Plan. This report relates to the assessment of the parent holdings within the precinct for the implementation of a DCP. Therefore, the values assessed relate to the underlying land values. Accordingly, the improvements have been excluded from the assessments.

## Highest and Best Use

In accordance with Rockbank PSP, the parent holdings are proposed to yield primarily residential development (conventional density) and will also provide for employment uses, a local town centre and passive open space. Therefore, in assessing value, we have considered the highest and best use of the parent holdings as inglobo residential or employment/commercial use development land.

## Valuation Rationale

### Valuation - "Before" and "After"

We have valued the parent holdings subject to the partial acquisitions utilising the "before" and "after" methodology, reflecting the assumptions and qualifications detailed within this report and proposed underlying uses of the parent holdings.

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.

To indicate value of the acquired land for the proposed DCP items we have assessed value in the "before" scenario and a separate assessment reflecting the holding "after" the acquisition. The difference between the "before" and "after" value assessments is the indicated value attributable to the land identified for the proposed road and intersection construction projects, community facilities, town centre urban plaza, indoor recreation and active open space.

A summary of our assessment is as follows:

"Before"		"After"		Difference
Area (ha.)	Assessed Value	Area (Hectares)	Assessed Value	
633.24	\$949,370,000	573.70	\$863,735,000	\$85,635,000

### Site Specific Valuation

#### Land Equalisation Approach

In accordance with our instructions, we have also undertaken the 'Public Land Equalisation' method of assessment. This relates to the valuation of those sites which have been identified as providing land for a public use. These properties have been therefore assessed on a site specific basis.

This assumes that the respective sites are serviced, comprises an individual title and is capable of being sold in its own right. The assessed land value rates reflect the attributes of each parcel on a site specific basis.

The site specific assessment is applied to those public land contribution items which the VPA (formerly MPA) advises exceeds the average area of public land contribution for the respective Precinct Structure Plan.

In accordance with your instructions, we have assessed DCP items within Property No. 1, 4, 5, 13, 14, 61, 64, 67, 69, 71, 76, 77, 79, 80, 82, 84, 85, 87, 91, 98 and 113 on a site specific basis. In assessing value on this basis, we have utilised the direct comparison approach, having regard to the sales of development land.

#### Public Land Equalisation Method

Under the 'Public Land Equalisation' method of assessment, the combined area of the land within the Rockbank Precinct Structure Plan that is to be utilised for public purposes- in this instance for the purpose of road widening- is used to calculate the ICP land contribution percentage for each individual property, referred to as the 'site specific' parcels.

The 'Public Land Equalisation' method reconciles this contribution and determines for each property the area that is 'above' and 'below' the average development contribution. If a particular 'site specific' parcel of land within the precinct contains less public purpose land than the average provided across the ICP, this is assessed at the broad hectare rate.



However if a particular *'site specific'* parcel of land within the precinct contains more public purpose land than the average provided within the ICP, this portion of the land is determined as a *'blended rate'*, which was concluded above within our *'site specific'* assessment. The determination of which parcels are 'under' or 'over' the average contribution has been derived by our perusal of the Public Land Table within the Rockbank Precinct Structure Plan 2016, contained with the Land Use Budget.

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### Critical Factors

Our valuation has been completed on the basis:

- The report relates to 113 parent parcels within the Rockbank PSP which have been identified as land for future development.
- Areas have been derived from the Rockbank PSP Land Use Budget prepared by the VPA (formerly MPA).
- In accordance to the Rockbank PSP Land Use Budget, Property 15-E includes an existing road reserve (not included in DCP) which has no development potential. Pursuant to our original instructions from the VPA (formerly MPA), we have deducted the road reserve from the respective properties' developable area. This has been treated in the same manner within this assessment.
- 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.
- Underlying zones of the subject holding have been primarily adopted from planning maps contained within the Department of Environment, Land, Water and Planning (DELWP) website. Our valuation is provided on the basis the current adopted highest and best use accords with the zoning and overlay provisions with the exception of those previously discussed with the VPA.
- In accordance with original instructions from the VPA (formerly MPA), we advise the following properties have been specifically assessed on the following basis:
  - Property 64 has been assessed on the basis of an underlying residential use within its western portion, whilst the balance was as *Public Use Zone*.
  - Property 14 and Property 70 have been assessed as *Public Use Zone* parcels.
  - Property 51 is identified as a fire service facility, however our assessment has been formed on the basis of an underlying residential use.
  - Property 52 and 53 are existing sporting recreational reserves with 52 assessed in accordance with its underlying residential use, whilst 53 has remained as a *Public Park and Recreation Zone* use.
  - Property 54 and 55 relates to an existing Government school and our assessment of these has remained as *Public Park and Recreation* zoned parcels.
  - Property 84 and 85 are identified for municipal regional sports reserve purposes but our assessment has been formed on the basis of an underlying residential use.
  - Property 111 and 112 relate to an existing railway reserve which has therefore been excluded from our assessment.
  - Property 64 and 70 are in part covered in part by existing railway reserves and it is those portions which are encumbered by the railway reserves which have been excluded from this assessment.
- Our assessment of those parcels which are zoned *Public Use* and *Public Park and Recreation* have been treated as land with limitations on use and therefore effectively encumbered land holdings and in each instance, valuations are reflective of these encumbrances. The encumbered values have been derived from sales evidence of similar categories of properties which have been maintained on file by Charter Keck Cramer.
- The parcels are considered to have future urban development potential in accordance with the PSP's, with existing improvements not being incorporated within our assessment.
- Land within the PSP's are unaffected by unsupervised fill, soil or groundwater contamination.
- The land within the PSP's are unaffected by Aboriginal or archaeological artefacts of significance.
- There is no cost and/or adverse implications identified within the current and/or future Cultural Heritage Management Plans (CHMP's).
- The land is unaffected by flora and fauna issues. Our valuation does not reflect the area and/or cost of the required offset for the removal of native vegetation.

- Land identified for conservation areas and waterways has been identified as encumbered land within the Rockbank PSP.
- Land incorporated within the *Urban Floodway Zone* has been identified as encumbered waterway corridor within the land budget and no further allowances or costs are required for the development of the parent holdings.
- The current highest and best use for the holdings within the precinct area has been adopted as inglobo residential or employment development land.
- Services and facilities are available to the precinct including water, gas, electricity, and 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 does not reflect site specific costs such as fill, extension of services, design, external site specific costs, holding periods due to planning requirements and/or buffered land.
- Our assessment has been concluded on the basis the identified parent holdings are assessed as individual titles, with our assessment not reflecting current ownership patterns for the holdings.
- Our assessment has been provided on the basis the land is zoned appropriately and issued appropriate Town Planning approval for residential or employment use as identified.
- Our assessment of value has been concluded on the basis that services are extended to each parcel, having occurred in accordance with the PSP's and such infrastructure and services are reticulated within the PSP's area and can be augmented to service the proposed underlying uses.
- Our assessments reflect that the Growth Areas Infrastructure Contribution (GAIC) liability affects all properties within the precinct.
- Our assessments are exclusive of Goods and Services Tax (GST).

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### **GST Implications**

Our valuation is expressed exclusive of GST.

Refer to Assumptions / Qualifications - GST Implications

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# Valuation & Valuation Compliance Statement.

## Valuation

To indicate value of the acquired land for DCP items, we have assessed value in the “before” scenario and a separate assessment reflecting the holding after the acquisition. The difference between the “before” and “after” value assessments is the indicated value attributable to the land identified for DCP items. A summary of our assessment is as follows:

“Before”		“After”		Difference
Area (ha.)	Assessed Value	Area (Hectares)	Assessed Value	
633.24	\$949,370,000	573.70	\$863,735,000	\$85,635,000

Prepared by  
Charter Keck Cramer



**Claudio Petrocco**  
B.Bus (Prop), AAPI  
Certified Practising Valuer  
API Member No 62402  
Executive Director



**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

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## Assumptions / Qualifications.

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### Legend

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

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### 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

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### Instructing Party / 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.

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### 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."*

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### **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).

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### **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.

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### **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 Planning and Community Development (DPCD). 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).

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### **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.

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### **GST Implications**

Transactions of commercial properties 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. With regard to commercial property which is sold subject to commercial leases or which is viewed as a "going concern" under legislation, the supply can be GST free if:

- The supply is for consideration.
- The purchaser is registered (or required to be).
- The vendor and purchaser agree that the supply is to be the supply of a going concern.

Supply of a going concern is an agreement in which:

- The vendor gives the purchaser all things necessary for the continued operation of the enterprise.
- The vendor continues to carry on the enterprise to the date on which possession changes.

In accordance with the final ruling on "going concerns" as contained within GSTR 2001/5 and 2002/5 issued by the Australian Taxation Office, the use and definition of a "going concern" has been clarified, and therefore the majority of commercial buildings can be classified as "going concerns" and be GST - Free. Under the Rulings "Marketing Test", the GST - Free Rule applies to:

- Fully tenanted buildings.
- Partially tenanted buildings, being marketed for lease.
- New buildings being marketed for lease where at least one tenant has been secured.

Accordingly, the treatment of GST can be handled in a number of ways with respect to the subject property. A vendor/notional vendor may require a purchaser/notional purchaser to pay GST in addition to the purchase price, with such purchaser able to claim back this payment as an "input tax credit". Alternatively, the vendor and purchaser (or notional vendor and purchaser) may elect to adopt the margin scheme, with the purchaser paying GST on the margin or difference in value of the property between the current date and 1 July 2000.

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.

**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.

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