

Land Acquisition Assessment

Rockbank North Development
Contributions Plan (DCP)
Land Assessment

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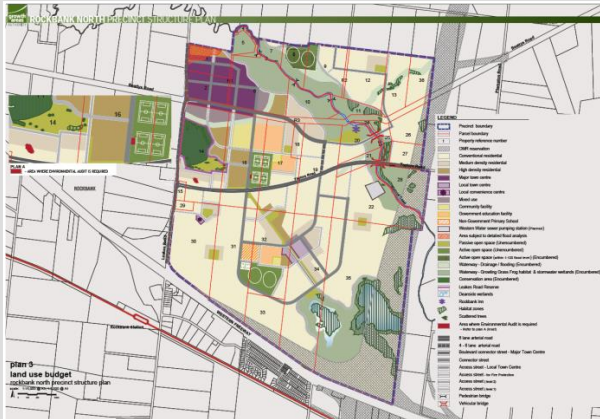
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Valuation Executive Summary

Rockbank North Development Contributions Plan (DCP) Land Assessment



Property Description.

The Rockbank North Precinct Structure Plan (PSP) relates to a total of 36 properties with a total area of 766.97 hectares. The precinct is irregular in shape, generally bound by the Western Freeway to the south, Leakes Road to the west, the reservation for the Outer Metropolitan Ring Road to the east and additional *Urban Growth* zoned land to the north. *Rural Conservation* zoned land follows the Kororoit Creek, which traverses the north portion of the precinct, whilst there is a further area of *Rural Conservation* zoned land within the south-east corner of the precinct.

As at the date of our inspection, the subject land generally comprises vacant, rural / farming land identified for future development and extensive areas developed for residential purposes. Our valuation excludes any development works carried out on the parent holdings to date.

Property Type	Rockbank North Precinct Structure Plan (PSP)
Cumulative Developable Area	616.55 ha.
Overall Rounded Broad Hectare Value Rate	\$1,050,000 p.ha

Instructions.


Instructing Party	Melton City Council
Interest Valued	Freehold
Date of Instruction	2 April 2019 (As Per Contract) 10 January 2020 (Contract Received)
Client Reference	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 Valuation	\$654,050,000 (Exclusive of GST) Six Hundred and Fifty Four Million 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

Rockbank North Development Contributions Plan (DCP) Land Assessment

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Letter of Instruction
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Rockbank North DCP - Future Urban Structure Plan
Rockbank North DCP - Property Specific Land Use Budget
Rockbank North DCP - Infrastructure Project Justification
Rockbank North DCP - Community & Active Open Space Spreadsheet

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

Purpose

To assess the current market value of the land to be acquired for the Rockbank North DCP, namely land identified and acquired for the following:

Road Infrastructure Projects

- Land required for east-west arterial between Leakes Road and the Outer Metropolitan Ring Road (RD01).
- Land required for the construction of an interim signalised T-intersection at the intersection of Leakes Road and Taylors Road (RD03).
- Land required for the construction of an interim signalised intersection at western connector street and Taylors Road (RD04).
- Land required for the construction of an interim signalised intersection at the intersection of the north south arterial and Taylors Road (RD05).

- Land required for the construction of an interim signalised intersection at the intersection of the Beattys Road collector and Leakes Road (RD06).
- Land required for the construction of an interim signalised intersection of Beattys Road and north south arterial (RD07).
- Land required for the construction of an interim signalised intersection of the Major Town Centre and Leakes Road (RD08).

With regards to the Road Infrastructure Projects, we have been advised to adopt the broad hectare valuation methodology, whereby we have assessed an overall average land value rate for the 36 parcels identified within the PSP.

Community Facilities and Active Open Space

- Land required for Active Playing Fields 1 (OS01).
- Land require for Tennis Courts adjoining Active Playing Fields 1 (OS03).
- Land required for an Active Playing Fields 2 in the northern neighbourhood (OS04).
- Land required for Active Playing Fields 3 (OS06).
- Land required for development of a Town Square (OS09).
- Land required for Community Centre 1 (C01).
- Land required for Community Centre 2 (C03).
- Land required for Library and Higher Order Community Centre 3 (C05).
- Land required for Indoor Sports Centre Land (C06).

Community Facilities and Active Open Space which is to be acquired represents land that can be sold individually as serviced inglobo development sites and therefore have been assessed accordingly. In assessing value on this basis, we have utilised the direct comparison approach.

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 131835 :CP

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Planning Details.

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)*. The objectives of this zone are as follows:

- *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.*

Schedule 4 of the *Urban Growth Zone (UGZ)* refers to the Rockbank North PSP.

Furthermore, a number of the holdings with the PSP area are included within a *Rural Conservation Zone (RCZ)*. The objectives of this zone are as follows:

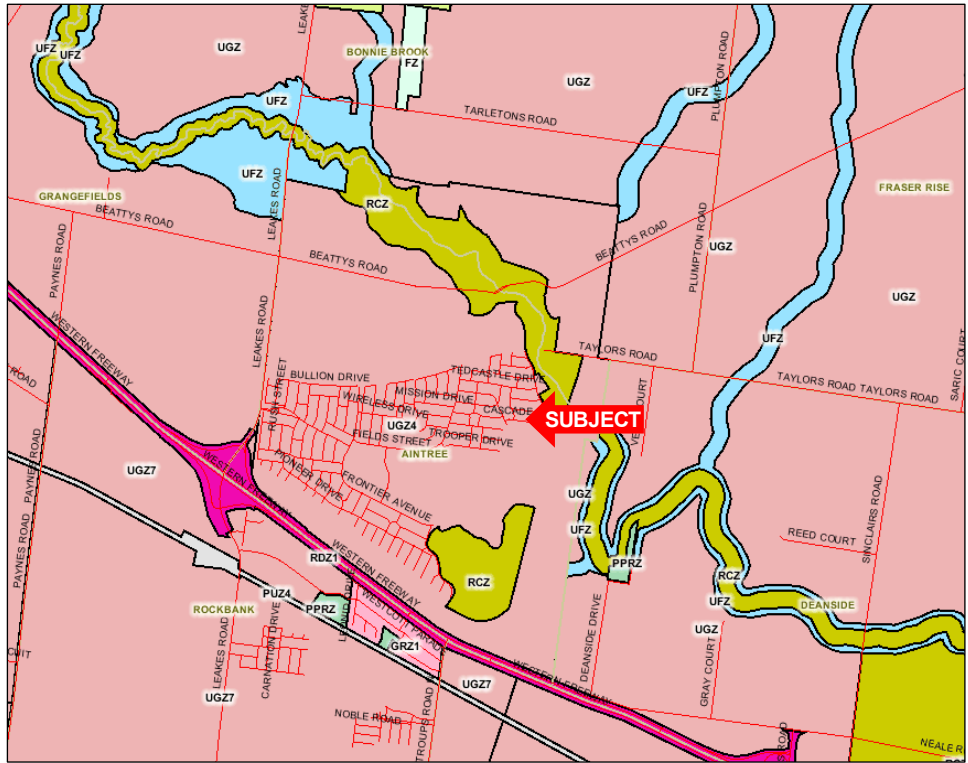
- *To implement the State Planning Policy Framework and the Local Planning Policy Framework, including the Municipal Strategic Statement and local planning policies.*
- *To conserve the values specified in the schedule to this zone.*
- *To protect and enhance the natural environment and natural processes for their historic archaeological and scientific interest, landscape, faunal habitat and cultural values.*
- *To protect and enhance natural resources and the biodiversity of the area.*
- *To encourage development and use of land which is consistent with sustainable land management and land capability practices, and which takes into account the conservation values and environment sensitivity of the locality.*
- *To provide for agricultural use consistent with the conservation of environmental and landscape values of the area.*
- *To conserve and enhance the cultural significance and character of open rural and scenic non urban landscapes.*

Land which is zoned *Rural Conservation* zone has assumed to be deducted from the developable area of individual parcels as encumbered land in accordance with the Rockbank North DCP - Land Use Budget. Therefore, our assessment is on the basis that the balance land is zoned *Urban Growth* and is suitable for development.

Additionally, parcels within the Rockbank North precinct are currently included within a *Development Contributions Plan Overlay*, whilst the southern and eastern portion of the PSP area included within a *Public Acquisition Overlay* which relates to the road reservation for the future Outer Metropolitan Ring Road. Furthermore, a number of parcels are also subject to a *Land Subject to Inundation Overlay* and *Incorporated Plan Overlay*, although we note these overlays are generally within *Rural Conservation* zoned land.

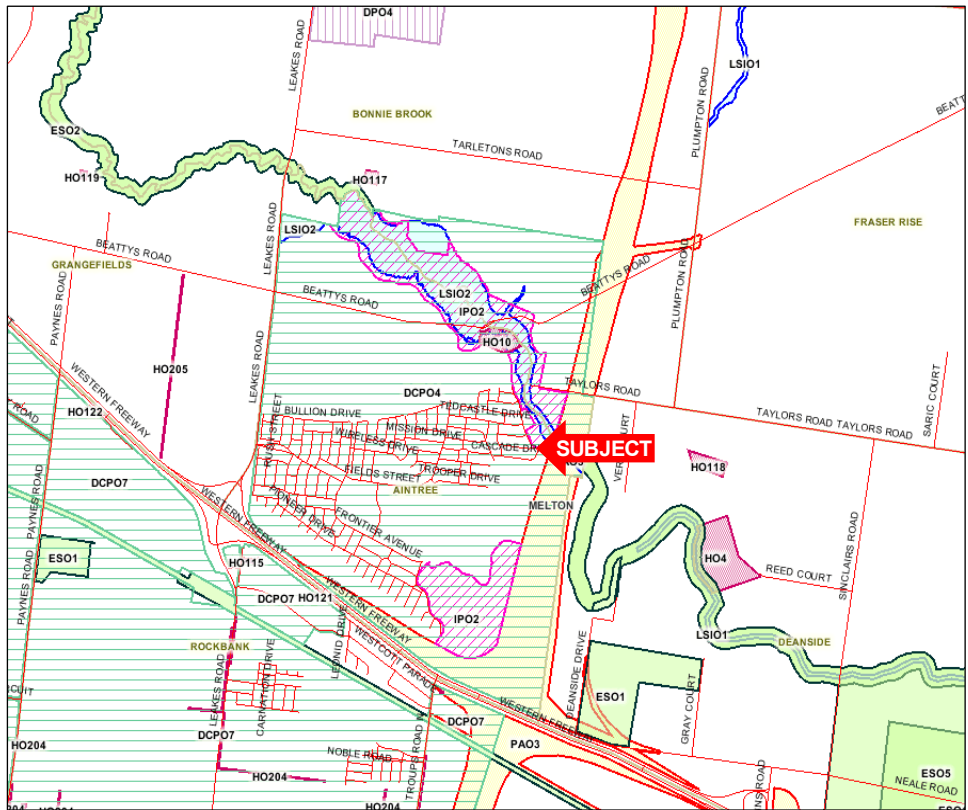
Additionally, Parcel No. 20 is included within a Heritage Overlay (HO10) which relates to Rockbank Inn. Rockbank Inn has been included on the Victorian Heritage Register under the Heritage Act 1995, Reference No. H1933. It is our understanding that the heritage overlay is within an area already considered encumbered by other overlays.

Extracts of the zoning and overlay maps (not to scale) prepared by the Department of Environment, Land, Water and Planning (DELWP) are provided below:



Urban Growth Zone / Rural Conservation Zone

SOURCE - www.land.vic.gov.au/planning [2017]



Development Contributions Plan Overlay / Public Acquisition Overlay / Land Subject to Inundation Overlay / Incorporated Plan Overlay / Heritage Overlay

SOURCE - www.land.vic.gov.au/planning [2017]

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 is virtually unimproved, aside from associated dwellings / shedding.

Having regard to the Rockbank North 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 Rockbank North 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 Rockbank North 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 the affectation and the influence this may have on the precinct.

Flora and Fauna Considerations In accordance with the Rockbank North Native Vegetation Precinct Plan (NVPP), prepared by VPA (formerly MPA), dated March 2012, there are areas of native vegetation which are “to be protected”. The Rockbank North NVPP further highlights the ‘Native vegetation that can be removed’ and the conditions for such removal.

We have not been provided with specific areas/offset costs on an individual property basis and therefore our valuation is provided 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 subject holdings.

Locality.

Precinct Description

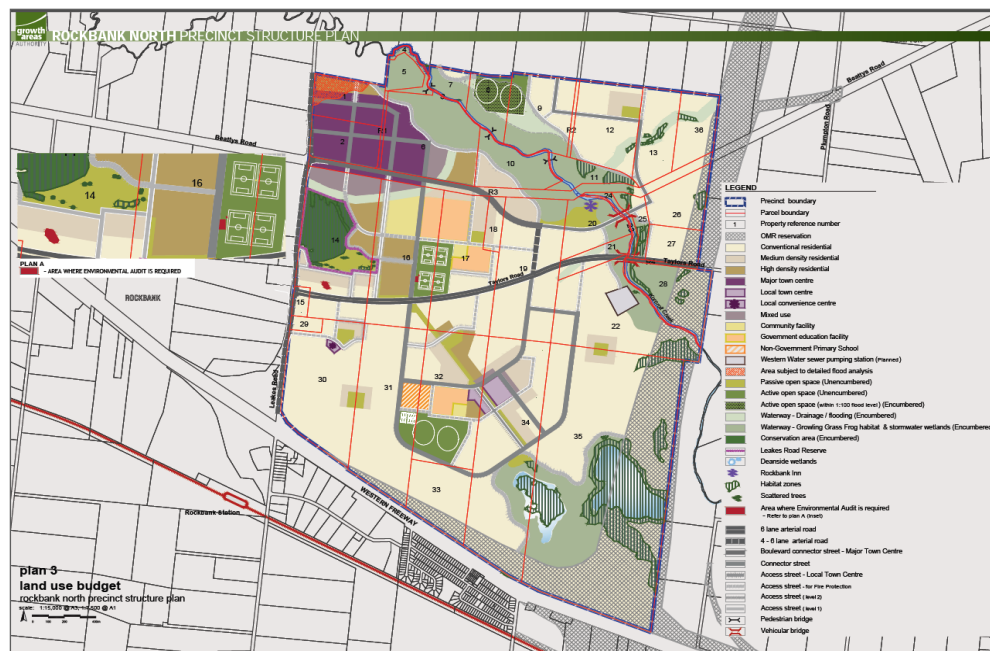
The Rockbank North PSP relates to a total of 36 holdings and existing roadways with a total area of 786.33 hectares (inclusive of roadways).

The precinct is irregular in shape, generally bound by the Western Highway to the south, Leakes Road to the west, the reservation for the Outer Metropolitan Ring Road to the east, and undeveloped *Urban Growth* zoned land to the north. *Rural Conservation* zoned land follows the Kororoit Creek, which traverses the north portion of the precinct, whilst there is a further area of *Rural Conservation* zoned land within the south-east corner of the precinct.

In accordance with the Rockbank North PSP Future Urban Structure Plan, the precinct is proposed to yield residential development (conventional, medium and high density), major and local town centres, mixed use, community facilities, education facilities, conservation areas, and active and passive open space.

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 Rockbank North precinct is shown below:



SOURCE - Rockbank North DCP (March 2012) - Plan 3.

Refer to Assumptions / Qualifications - Land Description and Site Identification.

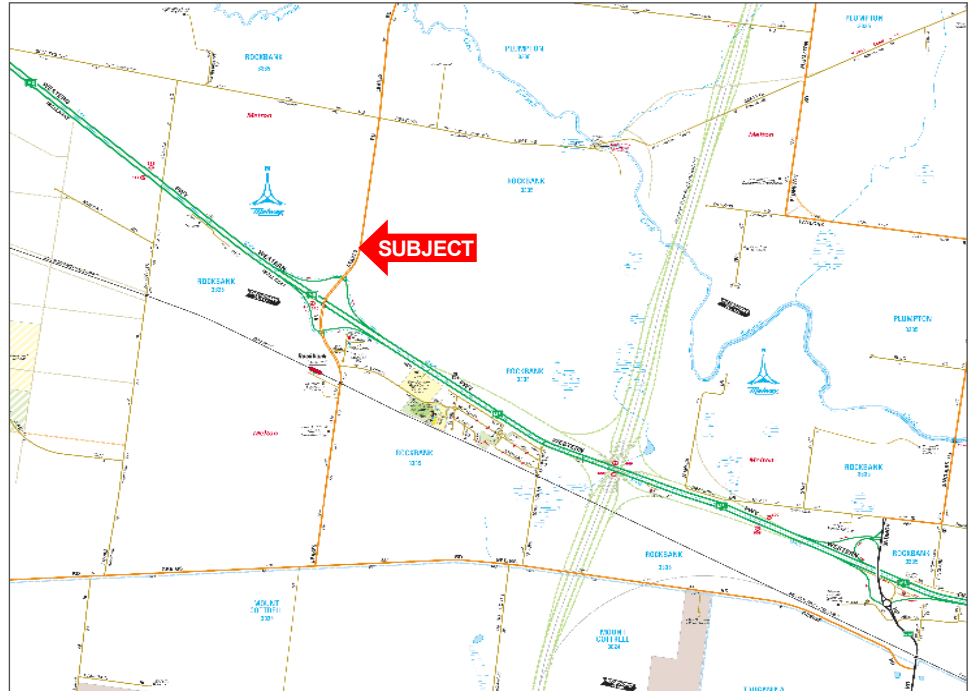
Locality and Surrounding Development.

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

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. Located south of the Rockbank North precinct is the Melbourne to Ballarat railway line, with a railway station being situated at the intersection of Leakes Road.

The Rockbank North PSP area is situated approximately 5 kilometres south-east 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, Version 6.2 Exp.

Road System and Access

The Rockbank North PSP area has direct frontage to the Western Highway, which is a main arterial road that provides access through to the Melbourne Central Business District (CBD) and inner western suburbs. The road links with the Western Ring Road which extends through to the Hume Highway to the north and north-west, Westgate Freeway to the south-east and industrial areas of Laverton. No access is available from the Western Highway. Access to the holdings within the precinct is provided via Leakes, Beattys and Taylors Roads.

Service and Amenities

In accordance with the Rockbank North PSP, infrastructure and services required to meet the development needs of the precinct will be implemented in accordance with the Rockbank North PSP - Future Urban Structure 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 Rockbank North PSP.

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

Activity Centres	Caroline Springs Square, Central Walk Shopping Centre (Melton)
Open Space	Ian Cowie Recreation Reserve
Educational Facilities	Rockbank Primary School, Creekside P-9 College, Melton Primary School and Kurunjang Secondary College
Rockbank Station	Approximately 500 metres
Melbourne CBD	Approximately 26 kilometers

Scope of the Development.

Rockbank North Precinct Structure Plan [PSP]

The Rockbank North PSP relates to 36 properties with a total area of 786.33 hectares (inclusive of road reservations). The Rockbank North PSP, prepared by the VPA (formerly MPA), dated March 2012, identifies the holdings within the PSP to yield residential development (conventional, medium and high density), major and local town centres, mixed use, community facilities, education facilities, conservation areas, and active and passive open space.

An extract of the Rockbank North Future Urban Structure (Plan 2 within the Rockbank North DCP) is included below:



SOURCE - Rockbank North DCP (March 2012) - Plan 2.

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 land, 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 - Road Widening

In accordance with the Rockbank North Development Contributions Plan (DCP) - Infrastructure Project Justification table, prepared by the VPA (formerly MPA), dated March 2012, the areas and holdings affected by the acquisition of the following items are as follows:

Future Land Use Description	Project No.	Property No.	Area (Hectares)
Road Widening & Intersections	RD01, RD03, RD04, RD05, RD06, RD07 and RD08	1, 2, 14, 15, 16, 17, 19, 21, 22, 23, 24, 25, 27, 29, 30 & 31	16.12

We note that the areas to be acquired for road widening and infrastructure works varies between the Property Specific Land Use Budget and Infrastructure Project Justification table and therefore, in accordance with your instructions our assessment is on a broad hectare value rate only. Should a “before” and “after” assessment be required then confirmation of the acquisition areas on a per property basis would be required.

Other items to be acquired including passive open space are beyond the scope of this assessment.

The relevant road and intersection construction projects (RD01, RD03, RD04, RD05, RD06, RD07 and RD08) appear to affect 16 parent holdings and further incorporates the existing road reservations. As abutting properties have the right of access via the existing road

reserves, the road reserves are considered as encumbered land and have not been included within this assessment.

In assessing value of the parent holdings subject to the relevant road widening and intersection construction projects (RD01, RD03, RD04, RD05, RD06, RD07 and RD08), we have assessed a broad hectare value rate applied to a developable area for each parcel, noting that we have not been provided with individual acquisition areas on a per property basis.

The developable areas have been adopted from the Rockbank North DCP - Property Specific Land Use Budget. The developable areas exclude land within the Property Specific Land Use Budget as encumbered land which includes land identified as waterway-drainage/flooding; waterway-GGF habitat and storm water wetlands; active open space (within 1:100 flood level); and conservation areas.

A summary of the developable areas for the parent holdings within the Rockbank North PSP is noted as follows:

Property No.	Area (Hectares)	
	Parent Holding	Developable
1	12.29	12.08
2	12.29	12.29
3	0.98	0.00
4	2.05	0.00
5	4.59	0.00
6	31.45	17.95
7	4.96	1.23
8	9.46	0.76
9	20.69	10.38
10	13.45	4.29
11	7.41	0.43
12	22.52	21.25
13	14.97	13.49
14	44.40	29.62
15	1.98	1.98
16	38.29	36.33
17	32.78	32.78
18	3.81	3.81
19	37.30	34.73
20	12.15	7.23
21	5.55	2.99
22	37.63	33.00
23	1.16	0.04
24	2.03	0.07
25	4.61	1.61
26	12.03	12.03
27	8.05	8.05
28	17.01	10.00
29	1.88	1.88
30	36.94	36.94
31	43.19	43.19
32	34.77	34.77
33	16.43	16.43
34	59.54	51.67
35	147.17	114.05
36	11.16	9.20
Total	766.97	616.55

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 Rockbank North DCP - Community & Active Open Space Land spreadsheet, provided by Melton City Council on 29 January 2014 is as follows:

Property No.	Description / Proposed Future Use	Project No.	Acquired Area (Hectares)
32	Active Open Space	OS01	8.00
31 & 32	Active Open Space	OS03	2.00
16 & 17	Active Open Space	OS04	8.00
8 & 9	Active Open Space	OS06	1.53
2 & 6	Town Square	OS09	0.50
32	Community Centre	C01	0.80
17	Community Centre	C03	0.80
6	Library and Community Centre	C05	2.00
16	Indoor Sports Centre	C06	5.00

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 Rockbank North PSP Specific Land Budget and Rockbank North PSP Urban Structure Plan (Plan 2), the parent holdings are proposed to yield residential development (conventional, medium and high density) and will also accommodate activity centres, Government education facilities, community facilities and active and passive open space.

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 (for example retail centres, offices and schools and the broader residential community) 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.

Valuation Rationale.

Valuation - Broad Hectare.

In assessing value for the road widening and intersection projects (RD01, RD03, RD04, RD05, RD06, RD07 and RD08) we have adopted the broad hectare valuation methodology.

Subject to the assumptions, we have assessed the current market value of the subject parent holdings reflecting the proposed underlying use. In arriving at our assessment of value, we have assessed the individual parent holdings on the direct comparison approach, having regard to the sales of land released in the north-western growth corridor, as detailed within the *Comparative Sales Evidence* section of this report, market considerations and the associated positive and negative externalities. Accordingly, we have adopted value rates derived by the interpolation of determined rates to apply to the gross developable area of the parent holdings, adjusting for individual property attributes and externalities.

A summary of our assessment of market value of the parent holdings is as follows:

Property No.	Parent Area (Hectares)	Zoning	Underlying Use	Developable Area (Hectares)	Indicated Rate (Per Ha.)	Assessed Value (Rounded)
1	12.29	UGZ & RCZ	Residential	12.08	\$1,400,000	\$16,900,000
2	12.29	UGZ	Residential	12.29	\$1,400,000	\$17,200,000
3	0.98	RCZ	Residential	-	-	
4	2.05	RCZ	Residential	-	-	
5	4.59	RCZ	Residential	-	-	
6	31.45	UGZ & RCZ	Residential	17.95	\$1,225,000	\$22,000,000
7	4.96	UGZ & RCZ	Residential	1.23	\$1,900,000	\$2,325,000
8	9.46	UGZ & RCZ	Residential	0.76	\$1,950,000	\$1,475,000
9	20.69	UGZ & RCZ	Residential	10.38	\$1,475,000	\$15,300,000
10	13.45	UGZ & RCZ	Residential	4.29	\$1,825,000	\$7,825,000
11	7.41	UGZ & RCZ	Residential	0.43	\$600,000	\$250,000
12	22.52	UGZ & RCZ	Residential	21.25	\$1,200,000	\$25,500,000
13	14.97	UGZ	Residential	13.49	\$1,325,000	\$17,875,000
14	44.40	UGZ	Residential	29.62	\$1,125,000	\$33,325,000
15	1.98	UGZ	Residential	1.98	\$1,850,000	\$3,675,000
16	38.29	UGZ	Residential	36.33	\$1,050,000	\$38,150,000
17	32.78	UGZ	Residential	32.78	\$1,075,000	\$35,250,000
18	3.81	UGZ	Residential	3.81	\$1,825,000	\$6,950,000
19	37.30	UGZ & RCZ	Residential	34.73	\$1,075,000	\$37,325,000
20	12.15	UGZ & RCZ	Residential	7.23	\$1,675,000	\$12,100,000
21	5.55	UGZ & RCZ	Residential	2.99	\$1,850,000	\$5,525,000
22	37.63	UGZ & RCZ	Residential	33.00	\$1,075,000	\$35,475,000
23	1.16	RCZ	Residential	0.04	\$1,750,000	\$75,000
24	2.03	RCZ	Residential	0.07	\$1,500,000	\$100,000
25	4.61	UGZ & RCZ	Residential	1.61	\$1,875,000	\$3,025,000
26	12.03	UGZ	Residential	12.03	\$1,400,000	\$16,850,000
27	8.05	UGZ	Residential	8.05	\$1,625,000	\$13,075,000
28	17.01	UGZ & RCZ	Residential	10.00	\$1,500,000	\$15,000,000
29	1.88	UGZ	Residential	1.88	\$1,875,000	\$3,525,000
30	36.94	UGZ	Residential	36.94	\$1,050,000	\$38,775,000
31	43.19	UGZ	Residential	43.19	\$975,000	\$42,100,000
32	34.77	UGZ	Residential	34.77	\$1,075,000	\$37,375,000
33	16.43	UGZ	Residential	16.43	\$1,250,000	\$20,550,000
34	59.54	UGZ & RCZ	Residential	51.67	\$900,000	\$46,500,000
35	147.17	UGZ & RCZ	Residential	114.05	\$600,000	\$68,425,000
36	11.16	UGZ	Residential	9.20	\$1,550,000	\$14,250,000
Total	766.97			616.55		\$654,050,000

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 Rockbank North PSP, and that such infrastructure and services can be augmented to service the proposed underlying use.

Furthermore, the properties represent infill sites within an established development with constructed road frontages and residential development surrounding, similar to that of a school site.

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

Description / Proposed Use	DCP No.	Property No.	Acquired Area (Ha.)	Rate (P.Ha.)	Assessed Value
Active Open Space	OS01	32	8.00	\$1,700,000	\$13,600,000
Active Open Space	OS03	31 & 32	2.00	\$2,000,000	\$4,000,000
Active Open Space	OS04	16 & 17	8.00	\$1,700,000	\$13,600,000
Active Open Space	OS06	8 & 9	1.53	\$2,200,000	\$3,370,000
Town Square	OS09	2 & 6	0.50	\$2,500,000	\$1,250,000
Community Centre	C01	32	0.80	\$2,400,000	\$1,920,000
Community Centre	C03	17	0.80	\$2,400,000	\$1,920,000
Library and Community Centre	C05	6	2.00	\$2,000,000	\$4,000,000
Indoor Sports Centre	C06	16	5.00	\$1,800,000	\$9,000,000

Critical issues

Our valuation has been completed on the basis:

- The subject property relates to 36 properties within the Rockbank North precinct which have been identified for future road widening, active open space and community centre uses.
- Developable areas have been derived from the Rockbank North DCP - Property Specific Land Use Budget, prepared by the VPA (formerly MPA), dated March 2012. Areas for the Community Facilities and Active Open Space have been provided by Melton City Council within the Rockbank North DCP – Community & Active Open Space Land spreadsheet, received 29 January 2014.
- In accordance with the Rockbank North Native Vegetation Precinct Plan (NVPP), upon development the subject parcels would be affected by native vegetation offsets. However, we have not been provided with specific areas/cost on a per property basis and therefore such offsets have not formed part of our assessment. Therefore, our assessment is based upon land within the Rockbank North precinct being unaffected by flora and fauna issues.
- Land which is zoned *Rural Conservation* zone has assumed to be deducted from the developable area of individual parcels as encumbered land in accordance with the Rockbank North DCP - Land Use Budget. Therefore, our assessment is on the basis that the balance land is zoned *Urban Growth* and is suitable for development.
- 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.
- 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 Rockbank North PSP, prepared by the VPA, dated March 2012.
- Land within the Rockbank North precinct is unaffected by unsupervised fill, soil or groundwater contamination.
- Land within the Rockbank North precinct is unaffected by Aboriginal or archaeological artefacts of significance.
- Land within the Rockbank North precinct is unaffected by flora and fauna issues.
- The current highest and best use of the holding within the Rockbank North 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 Rockbank North 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.
- Our assessment is on the basis 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 Rockbank North PSP and such infrastructure and services are reticulated within the Rockbank North 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

Valuation & Valuation Compliance Statement.

Valuation

To indicate value of the acquired land for the proposed road widening and intersection projects (RD01, RD03, RD04, RD05, RD06, RD07 & RD08), we have assessed an overall broad hectare value rate. Subject to the assumptions and qualifications contained within this report, we have expressed a calculated average overall broad hectare value rate (exclusive of GST) as follows:

Cumulative Assessed Value	Cumulative Developable Area (Hectares)	Overall Rounded Broad Hectare Value Rate
\$654,050,000	616.55	\$1,050,000

Parcels which are to be acquired and vested in Council for the provision of the proposed active open space and 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 / Proposed Use	DCP No.	Property No.	Acquired Area (Ha.)	Rate (P.Ha.)	Assessed Value
Active Open Space	OS01	32	8.00	\$1,700,000	\$13,600,000
Active Open Space	OS03	31 & 32	2.00	\$2,000,000	\$4,000,000
Active Open Space	OS04	16 & 17	8.00	\$1,700,000	\$13,600,000
Active Open Space	OS06	8 & 9	1.53	\$2,200,000	\$3,370,000
Town Square	OS09	2 & 6	0.50	\$2,500,000	\$1,250,000
Community Centre	C01	32	0.80	\$2,400,000	\$1,920,000
Community Centre	C03	17	0.80	\$2,400,000	\$1,920,000
Library and Community Centre	C05	6	2.00	\$2,000,000	\$4,000,000
Indoor Sports Centre	C06	16	5.00	\$1,800,000	\$9,000,000

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).

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.

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.
