

Land Acquisition Assessment

Taylors Hill West Development
Contributions Plan (DCP)
Land Assessment

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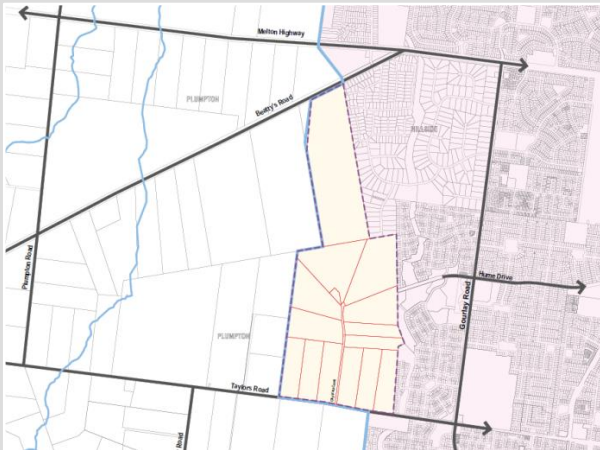
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Valuation Executive Summary

Taylor's Hill West Development Contributions Plan (DCP) Land Assessment



Property Description.

The Taylor's Hill West Precinct Structure Plan (PSP) relates to a total of 15 properties with a total area of 214.91 hectares. The precinct is irregular in shape; bound by *Urban Growth* zoned land to the west, Beattys Road to the north, Hillside and Caroline Springs to the east and Taylor's Road to the south. The land is generally level in surface topography, falling in contour to the south, with an overland transmission line located along the western precinct boundary.

As at the date of valuation, the subject land comprised some vacant land but with substantially developed areas.

PSP	Taylor's Hill West Precinct Structure Plan (PSP)
Cumulative Assessed "Before" Area	115.44 Hectares
Cumulative Assessed "After" Area	110.36 Hectares

Instructions.

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

Valuation Summary.

Date of Inspection	12 December 2019
Date of Valuation	1 September 2019 Refer to Assumptions / Qualifications - Date of Valuation
Cumulative Assessed Value "Before"	\$216,000,000 (Exclusive of GST) Two Hundred and Sixteen Million Dollars
Cumulative Assessed Value "After"	\$206,175,000 (Exclusive of GST) Two Hundred and Six Million, One Hundred and Seventy Five Thousand Dollars
Acquired Assessed Value	\$9,825,000 (Exclusive of GST) Nine Million, Eight Hundred and Twenty Five Thousand Dollars

Prepared By.

Charter Keck Cramer Pty Ltd

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Executive Director

Bradley W Papworth
Counter Signatory
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National Executive Director

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

J 140585 :CP

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Land Acquisition Assessment

Taylors Hill West Development Contributions Plan (DCP) Land Assessment

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Annexures.

Letter of Instruction
Title Details
Planning Details
Taylors Hill West PSP Future Urban Structure Plan
Taylors Hill West DCP - Property Specific Land Use Budget

Instructions.

Instructing Party	Melton City Council 232 High Street MELTON VIC 3337 (Mr Robert Ball, Coordinator Major Developments) Telephone +61 (0) 3 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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Purpose	To assess the fair market value of the land to be acquired for the Taylors Hill West DCP, namely land identified and acquired for the following: <ul style="list-style-type: none">- Land required for future road widening of Taylors Road and Hume Drive.- Land required for the multi-purpose community centre.- Land required for active open space. <p>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.</p>
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Our Reference	J 140585 :CP H:\GOV\MELTON PSP\TAYLORS HILL\TAYLORS HILL WEST PSP 2020\J140585 FINAL VALUATION REPORT - PRIVATE.DOCX Liability limited by a scheme approved under Professional Standards Legislation.
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Title & Land Description.

Title Particulars

The DCP relates to 15 parcels within the Taylors Hill West Precinct. The title particulars of the parent holdings are described as follows:

Property	Lot No	Volume	Folio
1	Lot 1 LP 135910	9396	604
2	Lot 2 LP 135910	10983 10983	579 580
3	Lot 3 LP 135910	9400	606
4	Lot 4 LP 135910	9400	607
5	Lot 5 LP 135910	9400	608
6	Lot 6 LP 135910	9400	609
7	Lot 2 PS526039P	10844	148
8	Lot 1 PS526039P	10844	147
9	Lot 8 LP 147857E	9613	003
10	Lot 9 LP 147857E	9613	004
11	Lot 2 PS 509166D	10699	833
12	Lot 1 PS 509166D	10699	832
13	Lot 11 LP 147857E	9613	006
14	Lot 12 LP 147857E	9613	007
15	CA12, Section B, Parish of Maribyrnong	6313	505

Furthermore, the Taylors Hill West PSP includes existing roads for which title particulars could not be confirmed. In terms of roadways, whilst the roads increase the developable area within the PSP, adjacent properties abutting the roads have right of access and therefore the roadways are considered encumbered land.

Our valuation is based on the assumption that the acquired parcels are individually titled and there are no easements or encumbrances which have an adverse effect on our valuation.

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 Taylors Hill West PSP (July 2010).

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

Refer to Assumptions / Qualifications - Encumbrances

Planning Details.

Local Authority Melton City Council.

Zoning & Overlays

Pursuant to the provisions of the Melton Planning Scheme, the land is included within an *Urban Growth Zone (UGZ)*. The objectives of this zone are as follows:

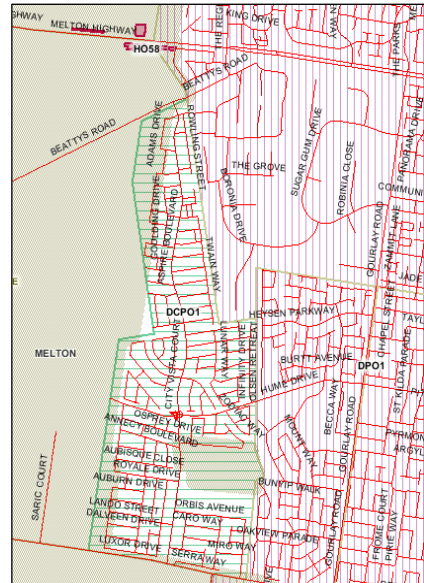
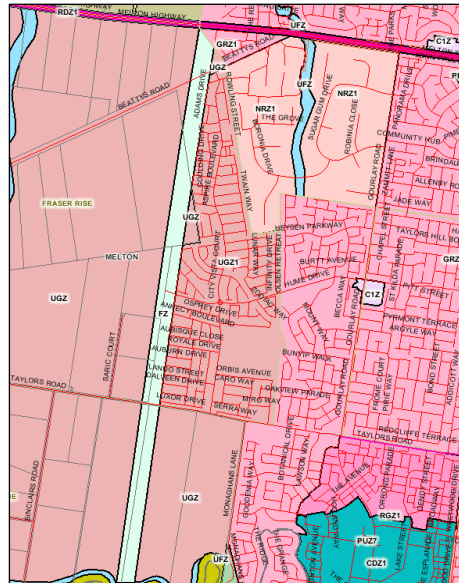
- To implement the State Planning Policy Framework and the Local Planning Policy Framework, including the Municipal Strategic Statement and local planning policies.
- To manage the transition of non-urban land into urban land in accordance with a Precinct Structure Plan.
- To provide for a range of uses 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 1 of the *Urban Growth Zone (UGZ)* refers to the Taylors Hill West PSP.

The western portion of the Taylors Hill West Precinct is included within a *Farming Zone (FZ)*. 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 provide for the use of land for agriculture.
- To encourage the retention of productive agricultural land.
- To ensure that non-agricultural uses, particularly dwellings, do not adversely affect the use of land for agriculture.
- To encourage use and development of land based on comprehensive and sustainable land management practices and infrastructure provision.
- To protect and enhance natural resources and the biodiversity of the area.

Furthermore, the subject land is included within a *Development Contributions Plan Overlay (DCPO1)* pursuant to Schedule 1. The objective of this overlay is to identify areas which require the preparation of a Development Contributions Plan for the purpose of levying contributions for the provision of works, services and facilities before development can commence. More particularly, Schedule 1 relates to the Taylors Hill West DCP. An extract of the zoning and overlay maps produced by the Department of Environment, Land, Water and Planning (not to scale) is provided as follows:



SOURCE - www.land.vic.gov.au

Refer to Assumptions / Qualifications - Zoning

Current Use

As at the date of our inspection, the subject land generally comprised vacant land identified for future development. The majority of this land is improved with some recently developed dwellings, those under construction and associated infrastructure. We also note the development of the Orbis Green, The Point, Springlands, Encore, Aria and Aspire estates. Our valuation excludes any development completed to date.

Having regard to the Taylors Hill West 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 Taylors Hill West Urban Structure Plan, with the highest and best use of the individual parcels determined by the surrounding uses identified within the PSP and current social and economic conditions within the Taylors Hill West 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 The Taylors Hill West PSP identifies no contamination of the land based on its historical use for agriculture. 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

The Taylors Hill West PSP identifies there are no Aboriginal sites recorded within the precinct. Furthermore, the Taylors Hill West PSP notes that *"... built form within the precinct is dominated by farm houses and agricultural sheds. There are no significant built heritage values. There are no recorded post settlement heritage sites"*.

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 problem be known or arise, then the valuation should be referred back to us for further comment.

Flora and Fauna Considerations

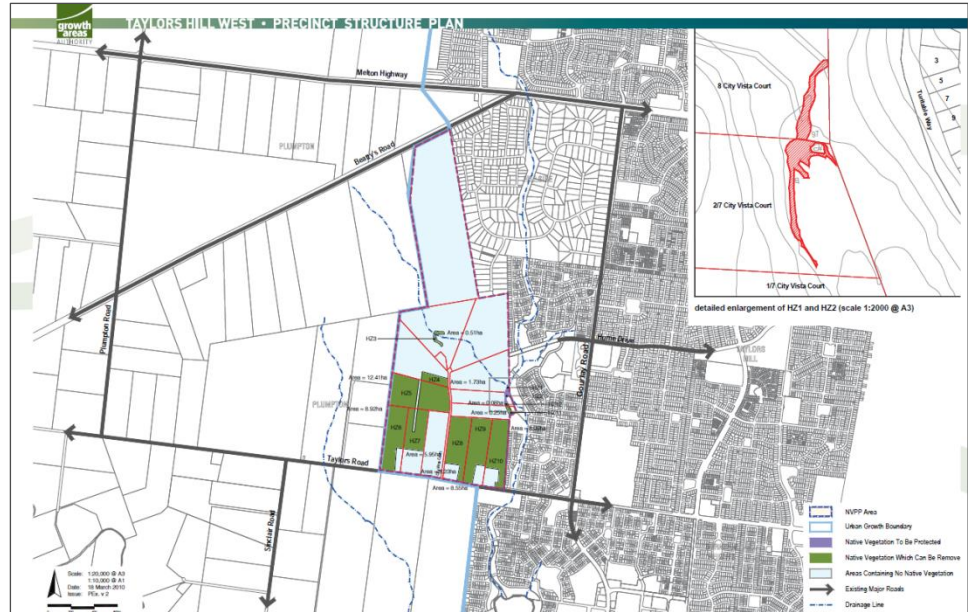
Pursuant to the Taylors Hill West PSP, the land is within the Victorian Volcanic Plain bio-region. The PSP identifies that *"...an area of Plains Grassy Wetland (EVC 125) remains around the large dam at the eastern boundary of the PSP area where indigenous flora species are present. Plains Grassy Wetland has an 'endangered' conservation status within Victoria and the patch within the precinct has high conservation significance ...This dam also has conservation value as potential habitat for Growling Grass Frog habitat and known habitat for Bibron's Toadlet... The remainder of the precinct has negligible conservation due to considerable ground disturbance and introduction of exotic species from cropping and ploughing activities in the past. Other than the area of Plains Grassy Wetland abutting the dam, native vegetation in the precinct is classified as Degraded Treeless Vegetation."*

The Taylors Hill West Native Vegetation Precinct Plan (NVPP) has been incorporated within the Melton Planning Scheme and the Taylors Hill West PSP. In accordance with the Taylors Hill West PSP, the NVPP identified native vegetation which is to be protected and vegetation which can be removed, destroyed or lopped.

The NVPP identifies that Parcel Nos. 8 and 9 consist of habitat zones which are required to be protected. These areas have been incorporated within the Taylors Hill West DCP - Specific Land Use Budget, detailed within the Scope of Development section of this report.

The Taylors Hill West PSP identifies that *"...there are no offsets required under this plan and no associated works, payments or actions."*

An extract (not to scale) of the Native Vegetation Plan (Plan 11) within the Taylors Hill West PSP is shown below:



SOURCE - Plan 11 Taylors Hill West PSP (May 2010)

Our valuation is subject to there being no remnant vegetation or flora which would impact the development potential of the land or incorporate or warrant costs associated with assessment of compensation for habitat destruction. Should any problem be known or arise, the matter should be referred back to us for comment.

Locality.

Precinct Description

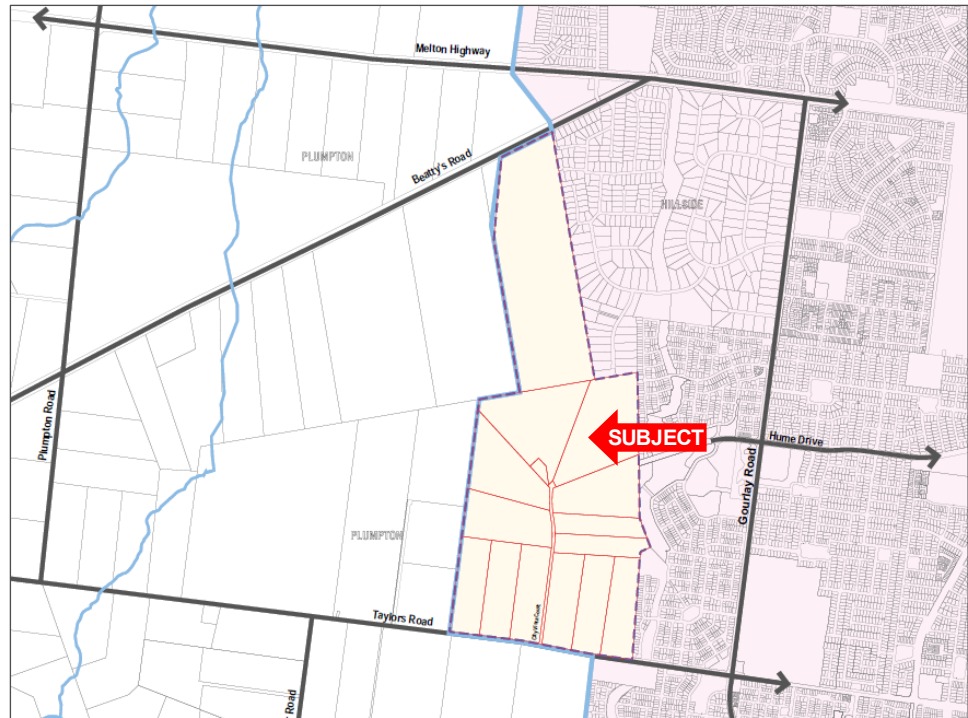
The Taylors Hill West PSP relates to a total of 15 holdings with a total area of 214.91 hectares.

The precinct area is irregular in shape, bound by *Urban Growth* zoned land to the west, Beattys Road to the north, Hillside and Caroline Springs to the east and Taylors Road to the south. The land is generally level in surface topography, falling in contour to the south, with an overland transmission line located along the western precinct boundary.

In accordance with the Taylors Hill West PSP, encumbered land within the precinct area has been identified to comprise the transmission line easement, the overland flow path and around existing water bodies.

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 or 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 Taylors Hill West precinct is shown below:



SOURCE - Plan 2 Taylors Hill West PSP (July 2010)

Refer to Assumptions / Qualifications - Land Description and Site Identification

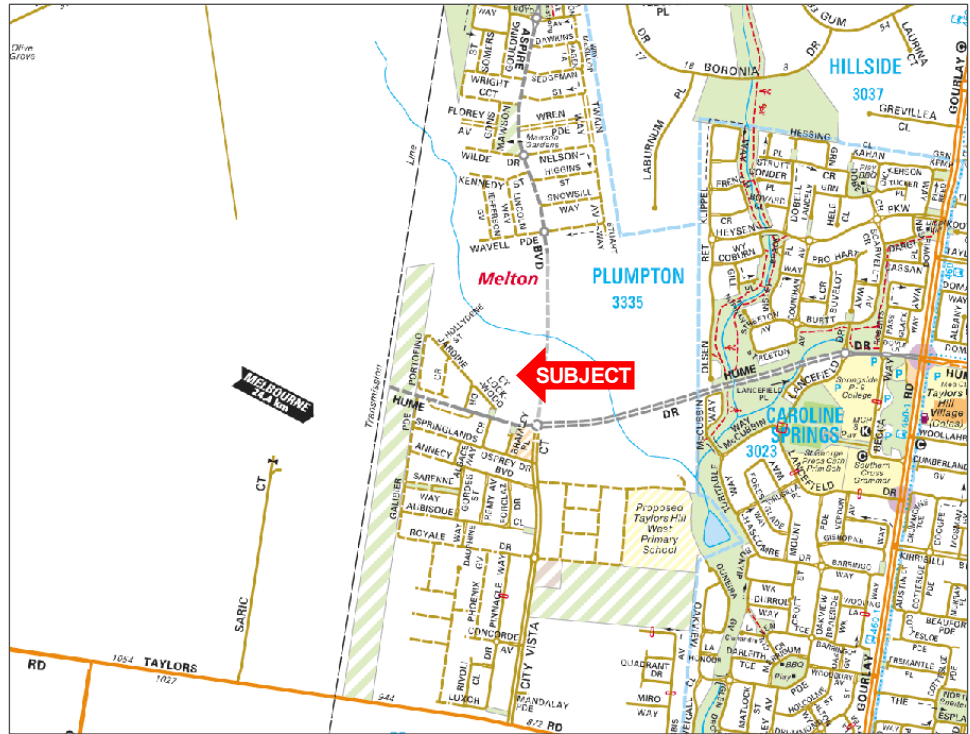
Locality and Surrounding Development

Within the Melton City Council, in the area known as Plumpton, Postcode 3335, the Taylors Hill West precinct is located north of Taylors Road and west of existing established residential development, known as Caroline Springs.

In relation to services and facilities complementing residential occupation, the area is well serviced by established amenities within the Caroline Springs area. In particular, the Caroline Springs commercial centre located within a 2.5 kilometre radius incorporates supermarkets, department stores and speciality shops. Furthermore, the locality is serviced by the Watergardens Shopping Centre, located approximately 5 kilometres east.

The Watergardens Shopping Centre provides 240 retail and commercial stores including Big W, Target, Coles, two Safeway supermarkets, homemaker centres, restaurants and cinemas. The centre incorporates the Watergardens railway station.

In relation to educational facilities, the locality is serviced by a number of primary schools and secondary schools including Parkwood Green Primary School, Sydenham Hillside Primary School, Gilson College and Copperfield College, within a 3.5 kilometre radius of the subject precinct. We also note the current construction of the Taylors Hill West Primary School within the subject precinct.



SOURCE - Melbourne on CD Edn 41 - Standard

Road System and Access

Primary access to the Taylors Hill West precinct is via Beattys Road to the north and Taylors Road / City Vista Court to the south. The arterials provide access to the local and regional network. In accordance with the Taylors Hill West PSP, development within the precinct will include the extension of Hume Drive.

The locality is accessible via the Melton Highway. The Melton Highway provides access to the Calder Freeway which provides freeway access to the Melbourne CBD and inner western metropolitan suburbs.

Services and Amenities

In accordance with the Taylors Hill West PSP, infrastructure and services required to meet the development needs of the precinct will be provided through a number of mechanisms including:

- Subdivision construction works by developers.
- Development contributions (community infrastructure levy and development infrastructure levy).
- Utility service provider requirements.
- Capital works projects by Council, State Government Agencies and non-Government organisations.

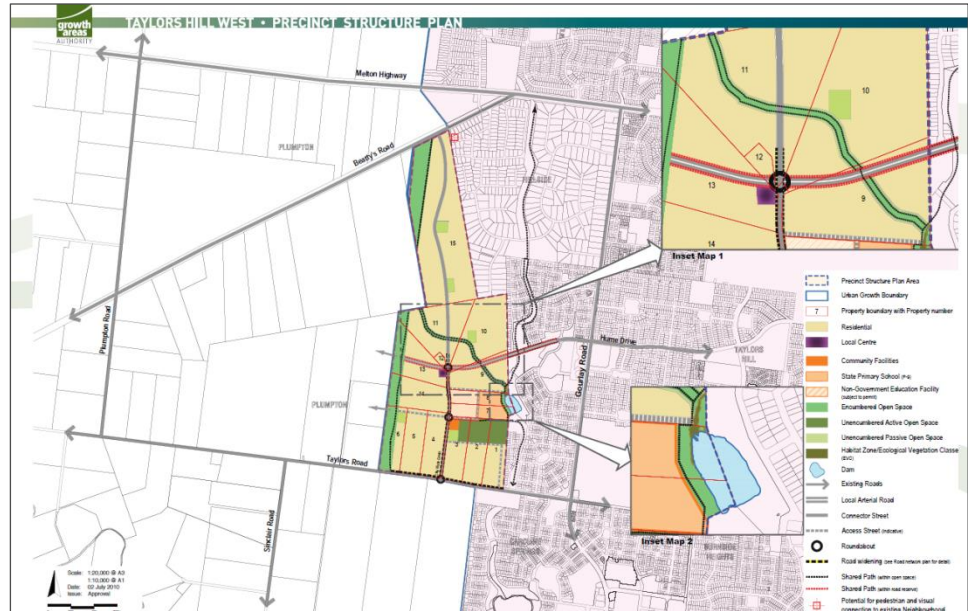
Our assessment has been provided on the basis that infrastructure (road network and services) has been extended to each parcel in accordance with the Taylors Hill West PSP. The locality is accessible via the Melton Highway. The Melton Highway provides access to the Calder Freeway which provides freeway access to the Melbourne CBD and inner western metropolitan suburbs.

Scope of the Development.

Taylor's Hill West PSP

The Taylor's Hill West PSP relates to a total of 15 properties with a total area of 214.91 hectares. The Taylor's Hill West PSP, prepared by the Victorian Planning Authority (VPA), formerly the Growth Area Authority (GAA), dated July 2010, identifies the holdings within the PSP to yield primarily conventional density residential development and will also accommodate a local centre, community facilities, state primary school, non-government education facility, and active and passive open space.

An extract of the Taylor's Hill West Future Urban Structure Plan (Plan 4 within the Taylor's Hill West PSP) is included below:



SOURCE - Plan 4 Taylor's Hill West PSP (July 2010)

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 some future development potential and, as such, existing parent improvements are considered to be of little or no added value and have not been incorporated within our assessment. The assessment therefore relates to the underlying land value.

Acquired Land

In accordance with the Taylor's Hill West DCP - Property Specific Land Use Budget, prepared by the VPA, dated July 2010, 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)
Taylor's Road Duplication and Hume Drive Extension	DI_LA_01 and DI_LA_02	1, 2, 3, 4, 5, 6, 9, 10, 11, 12, 13	5.08
Multipurposes Community Centre	DI_LA_04	3	0.80
Active Open Space	DI_LA_03	1, 2, 3	8.71

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

“Before” and “After” Scenarios

Areas in the “before” and “after” scenarios for the duplication, extension and upgrade of Taylors Road and Hume Drive (DI_LA_01 and DI_LA_02) have been adopted from the Taylors Hill West DCP - Property Specific Land Use Budget. The areas in the “before” scenarios exclude land identified within the Property Specific Land Use Budget as encumbered land which includes land identified for power easement, waterway drainage line / wetland / retarding basin, and conservation areas.

The “before” and “after” scenarios provide that the land has appropriate approval for the highest and best use identified, with the “after” area reflecting the reduction to the developable area for the road widening. A summary of the “before” and “after” areas for the parent holdings adopted within our valuation is noted as follows:

Property No.	Area (Hectares)			
	Parent Holding	“Before”	Acquired	“After”
1	10.04	10.04	0.29	9.75
2	10.03	10.03	0.26	9.77
3	10.00	10.00	0.26	9.74
4	9.99	9.99	0.25	9.74
5	10.00	10.00	0.27	9.73
6	10.00	4.51	0.27	4.24
9	13.24	12.08	1.39	10.69
10	20.93	20.13	0.37	19.76
11	20.06	17.55	0.08	17.47
12	0.81	0.81	0.11	0.70
13	14.32	10.30	1.53	8.77
Total	129.42	115.44	5.08	110.36

Should the developable area or 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 multipurpose 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 Taylors Hill West DCP - Property Specific Land Use Budget is as follows:

Property No.	Description / Proposed Future Use	Project No.	Acquired Area (Hectares)
1, 2, 3	Active Open Space	DI_LA_03	8.71
3	Multi-Purpose Community Centre	DI_LA_04	0.80

Highest and Best Use

In accordance with the Taylors Hill West Future Urban Structure Plan, the parent holdings are proposed to yield primarily conventional residential development and will also accommodate a local centre, community facilities, state primary school, non-government education facility, and active and passive open space.

As such, in assessing value, we have considered the highest and best use of the parent holdings and site specific parcels as inglobo residential development land.

Valuation Rationale.

Valuation - "Before" and "After"

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

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

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

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

"Before"		"After"		Difference
Area (ha.)	Assessed Value	Area (Hectares)	Assessed Value	
115.44	\$216,000,000	110.36	\$206,175,000	\$9,825,000

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 the 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 Taylors Hill West PSP, and that such infrastructure and services can be augmented to service the proposed underlying use.

After analysis of the sales evidenced 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:

DI_LA_03 Active Open Space.

The 8.71 hectare parcel is proposed to be acquired for active open space uses. Proposed uses surrounding the parcel comprise conventional residential and a proposed community centre to the west. As such, we have regarded the highest and best use of the site as residential uses. Having regard to the sales analysed, we have considered it appropriate to adopt a rate of \$2,000,000 per hectare. A summary of our assessment is as follows:

8.71 Hectares @ \$2,000,000 p.ha.	\$17,420,000
For Practical Valuation Purposes, Say \$17,400,000 (Exclusive of GST)	

DI_LA_04 Multipurpose Community Centre.

Located on the east side of City Vista Court, the 0.80 hectare parcel is proposed to be acquired for multipurpose community centre uses. Proposed uses surrounding the parcel comprise conventional residential and active open space to the east. As such, we have regarded the highest and best use of the site as residential uses. Having regard to the sales analysed, we have considered it appropriate to adopt a rate of \$3,250,000 per hectare. A summary of our assessment is as follows:

0.80 Hectares @ \$3,250,000 p.ha.	\$2,600,000
For Practical Valuation Purposes, Say \$2,600,000 (Exclusive of GST)	

Critical Issues

Our valuation has been completed on the following basis:

- The subject property relates to 15 properties within the Taylors Hill West precinct which have been identified for future duplication, extension and upgrade of Taylors Road and Hume Drive, active open space and multipurpose community facility.
- Areas have been derived from the Taylors Hill West DCP - Property Specific Land Use Budget, prepared by the Victorian Planning Authority (VPA), formerly the Growth Area Authority, dated July 2010 (amended October 2012).
- 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 Taylors Hill West PSP, prepared by the VPA, dated July 2010.
- Land within the Taylors Hill West precinct is unaffected by unsupervised fill, soil or groundwater contamination.
- Land within the Taylors Hill West precinct is unaffected by Aboriginal or archaeological artefacts of significance.
- Pursuant to the Taylors Hill West Native Vegetation Precinct Plan (NVPP), habitat zones which have been identified as being required to be protected have been incorporated within the Taylors Hill West DCP - Property Specific Land Use Budget. Our valuation does not reflect any areas outside what has been allowed for within the land budget and / or costs of required offsets for the removal of vegetation (if any).
- The current highest and best use of the holding within the Taylors Hill West precinct has been adopted as inglobo residential development land.
- 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 Taylors Hill West PSP area, including water, gas, electricity, telephone and mains sewer. However, costs associated with augmentation of services to the individual parcels are not known. The costs associated with extending services to the land are not reflected in our assessment of value.
- Our assessment has been concluded on the basis that the identified parent holdings are assessed as individual titles, with our assessment not reflecting current ownership patterns for the holdings.
- The “before” and “after” scenarios would provide that the land is zoned appropriately and issued appropriate Town Planning approval.
- Our assessment of value has been concluded on the basis that infrastructure (road network and services) is extended to each parcel, having occurred in accordance with the Taylors Hill West PSP and such infrastructure and services are reticulated within the Taylors Hill West 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 Areas Infrastructure Contribution (GAIC) will be paid at development.
- Our assessments are exclusive of Goods and Services Tax (GST).

GST Implications

The assessed value detailed within this Valuation Report has been concluded exclusive of GST.

Refer to Assumptions / Qualifications - GST Implications

Valuation & Valuation Compliance Statement.

Valuation

To indicate value of the acquired land for the proposed Taylors Road duplication and Hume Drive extension, 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 duplication, upgrade and extension. A summary of our assessment is as follows:

Description	Cumulative Assessed Value “Before”	Cumulative Assessed Value “After”	Difference
Road Duplication, Upgrade and Extension	\$216,000,000	\$206,175,000	\$9,825,000

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

Description	Area Acquired (Hectares)	Assessed Value
DI_LA_03 Active Open Space	8.71	\$17,420,000
DI_LA_04 Multipurpose Community Centre	0.80	\$2,600,000

Prepared by
Charter Keck Cramer Pty Ltd



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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.

Instructing Party / Terms of Reference

Our report has been prepared in accordance with the January 2012 edition of the *Australia and New Zealand Valuation and Property Standards*, being the third joint publication of the standards by the Australian Property Institute (API) and the Property Institute of New Zealand (PINZ).

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. 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 Certificate of Title / Certificates of Title attached as an annexure at the rear of this report. Should it be discovered that further easements or encumbrances exist, this report should be referred back to Charter Keck Cramer for consideration, comment and amendment (if necessary).

Land Description and Site Identification

A current survey has not been sighted. The 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 Registered Surveyor. If any encroachments are noted by the survey report, the Valuer should be consulted to reassess any effect on the value stated herein.

Zoning

Although a Planning Certificate has not been sighted, the zoning particulars have been confirmed by the online Planning Scheme, which is an internet based copy of the Planning Scheme provided by the Department of 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).

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 assessment / assessments contained herein, or to the names and professional affiliation of the Valuers, without the written approval of the Valuer.
