

13 August 2012

s11C

Park Trent Properties Group
C/- Yaran Property Group
19 Lyall Street
SOUTH PERTH WA 6151

Dear Madam,

**RE: UNITS 2, 5, 6, 7, 8 AND 9/18 QUEEN STREET,
LITTLE GROVE, WESTERN AUSTRALIA 6330**

Further to your instructions, we confirm having inspected the above properties on 31 July 2012 for the purpose of assessing the current market rental value of the properties. We have prepared a brief valuation report. Preparation of a more comprehensive valuation report and verification of our investigations can be undertaken if required. We have retained on file all relevant details to enable preparation of a full report at a later date if required.

This report should only be used for market rental purposes. This report is specifically not suitable for mortgage security purposes.

The scope of work undertaken by the valuer in completing the valuation has included:

- collation of information from relevant parties regarding the subject property;
- undertaking our own research regarding the subject property;
- an inspection of the property and measurement of buildings where required;
- undertaking market research in terms of rental values of similar properties and;
- preparation of this report

Whilst we have attempted to confirm the veracity of information supplied, the scope of work did not extend to verification of all information supplied or due diligence. Our valuation and report has been prepared on the assumption the instructions and information supplied has been provided in good faith and contains a full disclosure of all information that is relevant. The valuer and valuation firm does not accept any responsibility or liability whatsoever in the event the valuer has been provided with insufficient, false or misleading information.

Information we have been provided with and relied upon in undertaking our valuation includes:

- Building plans
- Rental evidence provided to us by local real estate agents

Value made visible

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1.0 Valuation Summary

Instructing Party	s11C Park Trent Properties Group C/- Yaran Property Group 19 Lyall Street SOUTH PERTH WA 6151
Client / Authorised Party	Park Trent Properties Group
Valuation Purpose	Market rental value purposes
Property Address	Units 2, 5, 6, 7, 8 and 9/18 Queen Street, Little Grove, Western Australia 6330
Property Description	Each unit generally comprises a recently completed framed weatherboard and colorbond clad one bedroom plus one multi-purpose room detached dwelling with attached carport situated within an 11 unit complex within the Little Grove locality approximately 10.00 kilometres by road to the south of the Albany city centre.
Date of Inspection	31 July 2012
Site Area	Each lot is approximately 300.00 square metres in area.
Zoning	Residential
Heritage	Nil
Interest Valued	Freehold

Important

All data provided in this Valuation Summary must be read in conjunction with the remainder of this report. The Valuation Summary is only a synopsis designed to provide a brief overview and must not be acted upon in isolation to the contents of the valuation report. Also the contents of the Report proper should be read in conjunction with the Assumptions, Qualifications and Disclaimers listed at the end of this Report.

2.0 Location

The subject units are located on the western side of Queen Street to the northern side of Wilson Street within the locality of Little Grove being approximately 10.00 kilometres to the south by road from the central business district of Albany on the South Coast of Western Australia.

Surrounding properties generally comprise a mixture of older and more modern larger style dwellings typically on large residential allotments. The subject unit development is the first of its kind within the Little Grove locality.

Albany is the main regional centre for the Great Southern Region of Western Australia, being situated some 409.00 kilometres to the south east of the Perth metropolitan area. The City of Albany has a population of approximately 35,000 people. Major industries include a deep water port and grain handling facility, along with fish, vegetable and wood chip processing works. The city is also a major tourist destination which receives approximately 500,000 tourist visitors per annum.

There are a number of industries within the City of Albany which provide major employment and these include the Fletchers Meat Works, to the north of Albany and the timber industry. The city is well serviced with shopping facilities including K-Mart and Target. A major redevelopment of the waterfront is now complete which includes a new concert hall, cultural centre and marina together with retail areas to be developed.

3.0 Improvements

Each of the units is typically of a similar design and construction with details as follows:

Building Type/Style	Single level detached cottage
Construction:	
Floors	Concrete
Main External Walls	Weatherboard and colorbond
Window Frames	Aluminium
Roof	Colorbond
Main Interior Linings	Plasterboard
Construction Year	2012
Additions	Nil
Accommodation:	1 bedroom, multi purpose room, bathroom/laundry, kitchen/meals/living area.
Prime Cost Items:	Gas cooktop, double bowl stainless steel sink insert, under bench oven, rangehood, laundry trough, hand basin, shower recess, pedestal, gas instantaneous hot water system.
Features & Fixtures:	Nil
Interior Layout	Compact
Car Accommodation	Single carport

3.1 Building Areas

Main Building	Between 57.00 and 60.00 square metres
Outdoor Areas	Nil
Vehicle Areas	Carport: 18.00 square metres
Other Areas	Storage: 4.00 square metres

3.2 Other Improvements

Other improvements include paved driveways, verandahs and courtyards and small reticulated garden areas.

3.3 Condition and Repairs

Internal Condition	Good - as new
External Condition	Good - as new
Essential Repairs	Nil

4.0 General Comments

Each of the subject units comprises a brand new one bedroom, one multi-purpose room dwelling with a combined kitchen and living area situated within an 11 unit complex in the Little Grove locality. Each dwelling is well presented and finished and will provide for a good level of compact style living.

There are very few directly comparable rentals within the Little Grove locality or within the Albany locality for one bedroom, one multi-purpose room dwellings. The multi-purpose room is essentially the same size as the bedroom and could ultimately be utilised as a second bedroom and we have therefore considered that this is most likely in each case. We have been advised by local property managers that there are certain difficulties in leasing out one bedroom properties and as the leasing of the subject units is untested within the Albany market it is difficult to gauge the level of demand from tenants at this stage. We do have some concern with the fact that 11 of these units will come on the rental market at the same time, which may create an oversupply and have a downward effect on future rental values.

5.0 Market Evidence

Attached to the rear of this report is a spreadsheet of currently rented properties that we are aware of within the Albany district for one and two bedroom properties and we have also included all the rentals that we have been made aware of within the Little Grove and Goode Beach localities (Goode Beach being slightly further from the city centre than Little Grove, however, still being somewhat comparable).

We have also viewed one and two bedroom properties which are currently on the market for rent. These typically show anywhere between \$150.00 per week up to \$250.00 per week depending on the size and condition of the dwelling.

Based on the evidence that is provided, as well as competition for two bedroom units and houses on the market, we consider that the current market rental for units of this nature is within the range of \$230.00 to 245.00 per week and for the purpose of this report we have adopted a current market rental value of \$240.00 per week.

6.0 Valuation

6.1 Rental Value

Market Rent	Unit 2 - \$240.00 per week
	Unit 5 - \$240.00 per week
	Unit 6 - \$240.00 per week
	Unit 7 - \$240.00 per week
	Unit 8 - \$240.00 per week
	Unit 9 - \$240.00 per week

Date of Valuation 31 July 2012

Inspecting Valuer s47F - personal privacy

s11C

Key Assumptions • The instructions and subsequent information supplied contain a full disclosure of all information that is relevant

Recommended Documents to Sight Building plans
Rental evidence provided to us by local real estate agents

Important *This valuation is subject to the definitions, qualifications and disclaimers and other comments contained within this report.*

Pecuniary Interest *We confirm that the valuer does not have any pecuniary interest that would conflict with the proper valuation of the property.*

7.0 Definitions

Market Rental Value Market rental value is defined as “the estimated amount for which premises should rent, as at the relevant date, between a willing lessor and a willing lessee in an arm’s length transaction, wherein the parties had each acted knowledgeably, prudently and without compulsion, and having regard to the usual terms and conditions for leases of similar premises.”

8.0 Assumptions, Qualifications and Disclaimers

Third Party Disclaimer	<i>This report has been prepared for the private and confidential use of our client, PARK TRENT PROPERTIES GROUP for the specified purpose. It should not be reproduced in whole or part without the express written authority of Opteon (Albany & Great Southern WA) or relied upon by any other party for any purpose and the valuer shall not have any liability to any party who does so. Our warning is registered here, that any party, other than those specifically named in this paragraph should obtain their own valuation before acting in any way in respect of the subject property.</i>
Full Disclosure Disclaimer	<i>Whilst we have attempted to confirm the veracity of information supplied, the scope of work did not extend to verification of all information supplied or due diligence. Our valuation and report has been prepared on the assumption the instructions and information supplied has been provided in good faith and contains a full disclosure of all information that is relevant. The valuer and valuation firm does not accept any responsibility or liability whatsoever in the event the valuer has been provided with insufficient, false or misleading information.</i>
Digital Copies of Reports	<i>Where a report has been provided in digital copy and has not been received directly via our firm, the report contents, especially the valuations and critical assumptions, should be verified by contacting the issuing office to ensure the contents are bona fide. In particular if the reader of this report has suspicions that the report appears to be tampered or altered then we recommend the reader contact the issuing office.</i>
Reliance on Whole Report	<i>This valuation should be read in its entirety, inclusive of any summary and annexures. The valuer and valuation firm does not accept any responsibility where part of this report has been relied upon without reference to the full context of the valuation report.</i>
Publication of Report	<i>The publication of the valuation or report in whole or any part, or any reference thereto, or the names and professional affiliations of the valuers is prohibited without the prior written approval of the valuer as to the form and context in which it is to appear.</i>
Market Change Disclaimer	<i>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. Without limiting the generality of the above comment, we do not assume any responsibility or accept any liability where this valuation is relied upon after the expiration of three (3) months from the date of the valuation, or such earlier date if you become aware of any factors that have any effect on the valuation. We recommend the valuation be reviewed at regular intervals.</i>
Land and Building Area Disclaimer	<i>In the event actual surveyed areas of the property are different to the areas adopted in this valuation the survey should be referred to the valuer for comment on any valuation implications. We reserve the right to amend our valuation in the event that a formal survey of areas differs from those detailed in this report.</i>
Title Assumption	<i>Our valuation assumes the property would be offered for sale subject to encumbrances noted on the Title but otherwise unencumbered by mortgages, caveats, or priority notices etc which would prevent transfer of the property.</i>
Native Title Assumption	<i>We are not experts in native title or the property rights derived there from and have not been supplied with appropriate expert advice or reports. Therefore, this valuation is made assuming there are no actual or potential native title interests affecting the value or marketability of the property.</i>
Site Survey Disclaimer	<i>This report is not a site survey and no advice is given in any way relating to survey matters. Any comments given in relation to the property are not given in the capacity as an expert, however, are based on our inspection of the property and review of the Certificate of Title plans. Should the addressee require absolute certainty in relation to encroachments we recommend that a surveyor be engaged to provide appropriate advice and a survey of the property if considered necessary.</i>
Unit Entitlement	<i>If the property is strata titled this valuation assumes the property has an equitable allocation of unit entitlement.</i>

Geotechnical Assumption	We have not sighted a geotechnical engineers' survey of the property. We are not experts in the field of civil or geotechnical engineering and we are therefore unable to comment as to the geotechnical integrity of the ground and soil conditions. It is specifically assumed that there are no adverse geotechnical conditions that compromise the utility of the property for the current or highest and best use. In the event there is found to be adverse ground conditions we recommend the matter be referred to this Company for comment.
Planning Disclaimer	Town planning and zoning information was informally obtained from the relevant local and State Government authorities. This information does not constitute a formal zoning certificate. Should the addressee require formal confirmation of planning issues then we recommend written application be made to the relevant authorities to obtain appropriate current zoning certificates.
Heritage Disclaimer	Heritage information was informally obtained from the relevant local, State and Federal authorities. Should the addressee require formal confirmation of the heritage status then we recommend written application be made to the relevant authorities.
Building Services Assumption	No documentation or certification has been sighted to verify the condition of Generally building services, and we have assumed that building services are operational and satisfactorily maintained.
Condition/Structural Disclaimer	This report is not a condition or structural survey and no advice is given in any way relating to condition or structural matters in the capacity of an expert. A condition or structural report on the building and/or its plant and equipment has not been sighted, and nor have we inspected unexposed or inaccessible portions of the premises. Therefore we cannot comment on the structural integrity, any defects, rot or infestation of the improvements, any use of asbestos or other materials now considered hazardous or areas of non-compliance with the Building Code of Australia, other than matters which are obvious and which are noted within this report.
Environmental Disclaimer	This report is not an environmental audit and no advice is given in any way relating to environmental matters. Any comments given as to environmental factors in relation to the property are not given in the capacity as an expert. This assessment of value is on basis that the property is free of contamination. In the event the property is found to contain contamination the matter should be referred to this office for comment. Given contamination issues can have a significant impact on the Market Value of the property, we reserve the right to review and if necessary vary our valuation if any contamination or other environmental hazard is found to exist.
Information Availability (Market Evidence)	In preparing this valuation the valuer has researched market evidence from various sources. While we believe the information to be accurate, not all details have been formally verified. Due to privacy laws, confidentiality agreements and other circumstances beyond our control, the valuer may not have had access to: Personal details of parties involved in transactions and is therefore unable to confirm whether such dealings are arm's length transactions; Information on recent transactions which are yet to become public knowledge; Copies of leases/contracts to confirm rents/prices and to ascertain whether or not rents/prices are inclusive or exclusive of GST. In the event additional market evidence information becomes available regarding these circumstances this may affect the opinion expressed by the valuer. Nevertheless the valuation is based on information and market evidence reasonably available to the valuer as at the date of the valuation in accordance with usual valuation practices.
GST	Valuations of residential property are undertaken on the basis that GST is not applicable. This valuation is prepared on the assumption that the subject property does not constitute a 'new residential premises' as defined under ATO Ruling GSTR 2003/3. Further it is assumed that the subject property will transact as a residential property between parties not registered (and not required to be registered) for GST. The market valuation herein reflects a market transaction to which GST may not be applicable. The client should satisfy themselves of the GST position of the parties involved.
Insurance Value Recommendations	Some or all of the itemised cost factors could be automatically excluded in the insurance policy; therefore it is important to establish the extent of such inclusions with the insurer. We recommend you investigate the terms and conditions of your insurance policy to determine the extent of inclusions and exclusions or discuss this issue with your insurance broker or insurer. This Insurance Value should only be regarded as an estimate and should a more accurate assessment be required we recommend a quantity surveyor be engaged.

Insurance Value (Exclusions in Estimate)

The insurance reinstatement value excludes all personal items and contents; loss of income or profits; any allowance for loss in land value as a consequence of the existing improvements not being permitted to be rebuilt due to changes in planning controls, development standards or the extinguishment of existing use rights; any increase in proportionate costs as a consequence of a partial loss; costs for removal of asbestos; and increased costs as a consequence of widespread catastrophic events.

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RENTAL EVIDENCE

Street	Suburb	Bedrooms	Rent P/W	Comments
s47F - personal privacy	Albany	2	\$ 230	1930's brick cottage, close to town, single garage
	Centennial Park	2	\$ 175	Small 1980's brick and tile villa with single carport
	Centennial Park	2	\$ 165	early 1900's iron clad cottage in poor condition. In town.
	Emu Point	2	\$ 230	1970's attached unit, single carport, very good location.
	Goode Beach	4	\$ 250	Older home in original condition, good ocean views
	Goode Beach	3	\$ 260	Older home in original condition, good ocean views
	Goode Beach	2	\$ 215	Small fibro shack, beach front, elevated with very good outlooks
	Little Grove	4	\$ 350	Recently renovated 4x2 home, large shed, harbour and town views
	Little Grove	3	\$ 300	1990's brick house, single carport, two living areas.
	Little Grove	1	\$ 240	Fully renovated cottage with single living area, includes lawn mowing
	Little Grove	2	\$ 300	original 1960's brick house, large yard, backs onto harbour
	Lower King	2	\$ 250	Renovated older style home, similar distance to town, large lot
	Lower King	2	\$ 230	original 1960's brick house, large yard and detached garage
	Milpara	2	\$ 280	Modern colorbond home, large lot with large garage and workshop
	Milpara	2	\$ 240	1990's brick duplex with single garage
	Milpara	2	\$ 240	1990's brick duplex with single garage
	Mira Mar	2	\$ 185	1970's flat in original condition
	Mount Melville	2	\$ 240	Older fibro home, in town location
	Spencer Park	2	\$ 250	1990's framed home, single carport, good presentation
	Spencer Park	2	\$ 260	Modest 1990's home, single carport, next to school and park
	Spencer Park	2	\$ 250	1970's brick home in good location
	Warrenup	2	\$ 200	Older brick home in rural location
	Yakamia	2	\$ 250	1990's detached strata with single carport
	Yakamia	2	\$ 250	Large older style brick home with attached garage