

15th October 2018

Steven Maroun

C/O: Merhi & Co – Certified Practising Accountants

via email: adam@merhico.com.au

Valuation of 55-57 Station Street & 6 Pritchard Street East, Wentworthville NSW 2145

Valstar Australia has instructed by Steven Maroun (**Client**) to value the residential GFA site value of 55 Station Street & 6 Pritchard Street East, Wentworthville NSW 2145 (**Site**) for the purposes of determining the Value Share with Cumberland Council (**Council**) as part of a Voluntary Planning Agreement (**VPA**). This valuation is for the sole use of the parties to which it is addressed. We owe no duty of care to any other party who places reliance on this report without express written authority from the Valuer. No duty of care is owed by us for any losses that may occur due to reliance placed on this report for any use other than the use specifically defined in this report. **This Valuation is not for mortgage security.**

The Site was inspected on 12th October 2018 and is currently vacant. 55-57 Station Street comprises a former service station with associated bowzers, mechanical workshop and concrete hardstand. 6 Pritchard Street East comprises a 1980s built strata retail and commercial development with a total of 6 lots.

We have relied upon architectural plans by OPRA architects that have been provided by the Client. Other information sources include various online websites, RP Data, Cumberland Council website, Property NSW database and online mapping services.

Property Details:

Property Address

55-57 Station Street, Wentworthville NSW 2145

Registered Proprietor

RCR Petroleum Pty Limited

Title Particulars

	Lot/Plan	Site area	Dimensions	Current Zoning
Lots 1A, 2A, 3A	DP 305764	1,839 sq.m.	45.7/45.7 x 40.23/40.23	B2 Local Centre – Holroyd LEP 2013

Property Address

6 Pritchard Street East, Wentworthville NSW 2145

Registered Proprietor

Edward Hirst Pty Limited

Title Particulars

	Lot/Plan	Site area	Dimensions	Current Zoning
Lots 1-6	SP 19949	910.5 sq.m.	20.12 x 45.72	B2 Local Centre – Holroyd LEP 2013

Location:

Wentworthville is a western suburb of Sydney, in the state of New South Wales, Australia. Wentworthville is located 27 kilometres west of the Sydney central business district and is part of the Greater Western Sydney region. The Site is situated at the intersection with Pritchard Street East about 220m due south of Wentworthville Train Station. Surrounding development comprises a mixture of retail and commercial properties built in the 1960 to 1980s with Wentworthville Mall being the main shopping precinct along Dunmore Road. Friend Park and a local community health centre adjoins the southern boundary of the Site.

Planning Controls and Proposals:

Wentworthville is Holroyd’s second largest commercial centre after Merrylands and is centrally located with access to both road and rail connections. Under the State Governments Metropolitan Plan – A plan for Growing Sydney 2014, Wentworthville Centre is an area that has been identified for redevelopment.

The Site comprises a total area of approximately 2,750m² and currently has an FSR of 2.2:1 under the current planning provisions. It is within the Fringe of Centre area identified within the Wentworthville Centre Strategy with the likelihood of an increase of the FSR of 3:1 and an FSR Bonus for commercial floor space of 0.5:1 – for towers providing 1st floor commercial space.

The Strategy indicates that sites that can achieve greater than 8 storeys will be required to share the uplift in value of residential floorspace via Special Infrastructure Contributions.

Specific to the Site are conditions imposed by the Cumberland Independent Hearing and Assessment Panel (CIHAP) requiring:

- Increase the rear setback for properties on Pritchard Street East (southern side) to 8 metres.
- Reduce the front setback for properties on Pritchard Street East (southern side) to 6 metres.
- A building height of towers between 12 – 18 storeys in height.

Value Share Issues:

Council has identified residential site values as: \$2,200/m² of Gross Floor Area (GFA) and seeks to charge this monetary value via Special Infrastructure Contributions.

[Aerial Map:](#)



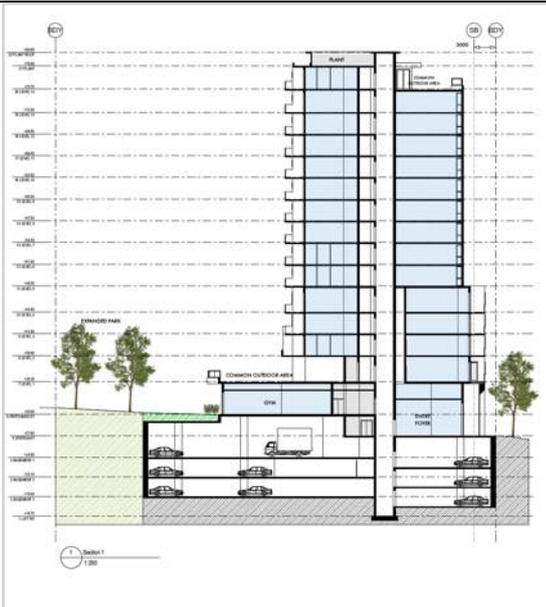
Source: Six Maps

Proposed development:

The proposed development comprises of a 15 level mixed use high rise tower with ground level retail and first floor commercial levels and 3 levels of basement parking.

The following extract summarises the breakdown of the components:

SITE AREA		
55-57 STATION ST		1840 m ²
6 PRITCHARD ST EAST		919 m ²
TOTAL SITE AREA		2759 m ²
GROSS FLOOR AREA		
RETAIL		595 m ²
RESIDENTIAL		9061 m ²
TOTAL GFA		9656 m ²
FLOOR SPACE RATIO		
PROPOSED FSR		3.5:1
RESIDENTIAL YIELD		
UNIT BREAKDOWN		
BEDS	QUANTITY	%
1	19	18%
2	83	78%
3	4	4%
TOTAL RESIDENTIAL UNITS		106
ADG SUMMARY		
2+ HOURS OF SUNLIGHT	= 96 UNITS = 90.5%	
CROSS VENTILATION	= 96 UNITS = 90.5%	
CAR PARKING		
RESIDENTIAL		101 SPACES
RESIDENTIAL VISITOR		23 SPACES
RETAIL		22 SPACES
TOTAL		146 SPACES
LANDSCAPING		
DEEP SOIL		700 m ² = 25.4%
COMMUNAL OPEN SPACE		
PODIUM		450 m ²
ROOF		300 m ²
TOTAL		750 m ² = 27.2%
EXTENDED FRIEND PARK		1132 m ²
INCIDENTAL GROUND FLOOR LANDSCAPING		25 m ²
BUILDING HEIGHT		
FROM LOWEST GROUND LEVEL TO TOP OF BUILDING		53m
SITE COVERAGE		58%



Sales evidence:

The following sales evidence have been examined to determine market value;

Property	Sale Date	Sale Price (ex GST)	Site Area	Zoning/FSR	\$m ² potential GFA
1 Veron Street Wentworthville	Mar 2018	\$850,000	525 sq.m.	R4/1.5:1	\$1,079/m ²
25-29 Hardy Street & 58 Sackville Street Fairfield	Dec 2017	\$5,830,000	2,290 sq.m.	R4/2:1	\$1,273/m ²
13 Short Street Wentworthville	Aug 2018 (exchanged)	\$1,100,000	925 sq.m.	R4/0.8:1	\$1,486/m ²
18 Mark Street Lidcombe	Jul 2018 (exchanged)	\$4,000,000	522 sq.m.	B4/5:1	\$1,532/m ²
1 Peggy Street Mays Hill	Mar 2018	\$2,200,000	1,195 sq.m.	R4/1.2:1	\$1,534/m ²
292-294 Great Western Highway Wentworthville	Sep 2018	\$3,500,000	1,357 sq.m.	R4/1.5:1	\$1,719/m ²
49-51 Veron Street Wentworthville	March 2017	\$5,250,000	1,764 sq.m.	R4/1.5:1	\$1,984/m ²
86-96 Station Street Wentworthville	Feb 2017	\$7,500,000	1,619 sq.m.	B2/2.2:1	\$2,105/m ²

Market Comment:

After a sustained period of strong growth the market weakened towards the end of 2017 with demand from investors in particular contracting. Currently demand for residential and mixed use development sites has fallen and supply is increasing relative to demand. This assessment together with current sales evidence reflects the market conditions being experienced in the area at present, and we therefore caution that if the market conditions weaken, a lesser amount may be achieved, however if supply levels are low over an extended period higher prices may be achievable.

This valuation is current at the date of valuation only. The value assessed herein may change significantly and unexpectedly over a relatively short period of time (including as a result of general market movements or factors specific to the particular property). Liability for losses arising from such subsequent changes in value is excluded as is liability where the valuation is relied upon after the date of the valuation.

Valuation Rationale:

Market evidence suggests a value range from \$1,079/m² to \$2,105/m². We have adopted a rate of \$1,800/m².

We note the most recent and relevant sale was for 292-294 Great Western Highway at \$1,719/m² of GFA. This is in an inferior location and not in the proposed area of Wentworthville Centre. This sale is considered inferior. Therefore the subjects value lies above this rate.

Also of relevance is the sale of 86-96 Station Street being readily comparable due to its location and proposed higher FSR potential as per the Subject. The sale took place in early 2017 prior to the current market contraction. Our research indicates development site values to have fallen in the order of 15-20% in Western Sydney since this sale. Additionally, this property has superior improvements and rental income, which can sustain holding costs during the development application stage.

The subjects site value is thus calculated as follows:

$$(2,750\text{m}^2 \times \$1,800/\text{m}^2) = \$4,950,000$$

Valuation Assessment:

Interest Valued	Fee Simple Vacant Possession
Current Market Value as of 15th October 2018:	\$4,950,000 or (\$1,800/m² potential GFA)

I hereby certify that I personally inspected this property on the date as noted above and have carried out the assessments above at that date. Neither the valuer, nor any member of this firm, have any conflict of interest, or direct, indirect or financial interest in relation to this property that is not disclosed herein.



Edward Wong, AAPI
Certified Practising Valuer
API Number 68757
Valstar Valuations

IMPORTANT NOTES & QUALIFICATIONS

REPORT USE - The Reliant Party, in relying upon this report, does so, on the basis that they have read the entire report inclusive of any annexures, disclaimers and qualifications. The Reliant Party should ensure, prior to relying upon this report, that any unclear aspects of the report or possible incorrect information / assertions are referred to the valuer prior to placing any reliance upon the report.

SUPPLIED INFORMATION - The valuation is based on the instructions and subsequent information supplied containing a full disclosure of all information that is relevant. Whilst the valuer has attempted to obtain all necessary information and verify the material and data provided, the valuer and valuation firm do not accept any responsibility or liability whatsoever in the event the valuer has been provided with insufficient, false or misleading information.

DEFINITION OF MARKET VALUE - Market Value is defined as the estimated amount for which an asset should exchange on the date of valuation, between a willing buyer and a willing seller in an 'arms length' transaction after proper marketing, wherein the parties had each acted knowledgeably, prudently and without compulsion.

GST - The valuation assessment assumes the property falls within the Australian Tax Office's definition of a non-taxable supply and is not subject to GST. If further investigation indicates that the property is a taxable supply, then the valuation provided in this report is deemed to be GST inclusive.

BUILDING & CONSTRUCTION - This Valuation inspection and Report does not constitute a structural survey and is not intended as such. An inspection only of the exposed and readily accessible areas of the improvements has been carried out. Note, the Valuer is not a building construction or structural expert and is therefore unable to certify the structural soundness of the improvements. Readers of this report should make their own enquiries. This Valuation has been based on the condition of the structural improvements and the property in general as at the inspection date, and if the property has to be sold in circumstances where its condition has deteriorated and/or essential fixtures/fittings removed, there is likely to be a significant write down in value when compared to the current assessment. Under these circumstances the Valuer will not be responsible for any reduction in value.

IMPROVEMENTS - This valuation assumes that all improvements have been constructed in accordance with the appropriate planning and building regulations in force at the time of construction, and that all appropriate approvals have been obtained from the relevant authorities. The valuation is made on the basis that there are no encroachments by or upon the property. If the Reliant Party to this report has any concerns regarding encroachments they should be referred to a Registered Surveyor for advice or current survey report. The valuation assumes that all building works are legally approved and that no orders exist at the date of valuation requiring demolition or compliance works as prescribed by a relevant authority.

OUTSTANDING ORDERS – Where the property is subject to common facilities with levies in place for general expenses, repairs, maintenance and replacement of capital items the following is advised. This assessment is made upon the basis that there are no significant outstanding orders upon the Owners Corporation / Body Corporate.

MARKET MOVEMENT & REPORT EXPIRY - 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 movement 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, we do not assume any responsibility or accept any liability in circumstances where this valuation is relied upon after the expiration of three months from the date of valuation, or such earlier date if you become aware of any factors that have any effect on the valuation. 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 is not applicable.

LAND DIMENSIONS/AREA - Unless stated otherwise in this report, it is advised that the reporting valuer has not searched or been provided with a copy of any registered plans or survey and that any dimensions or land areas quoted in this report have been obtained from third party information sources and whilst every endeavour has been made to verify such information no responsibility for inaccuracy of any information provided and relied upon is accepted.

TITLE SEARCH - Unless stated otherwise in this report it is advised that a copy of the current Title search has not been provided or searched. This valuation assumes clear title. Should any encumbrances, easements, leases or other restrictions not mentioned in this report be known or discovered then the valuation should be referred to the valuer for comment. The Reliant Party to this report should obtain legal advice in respect to any encumbrances on Title; should legal advice indicate that these notations have negative features; this valuation should be requisitioned for review. This valuation is made on the basis that the property is free of mortgages, charges and other financial liens.

ENVIRONMENTAL - Whilst the land appears suitable for the existing use, no soil tests or environmental studies have been made available to the valuer. This valuation is on the basis that the property is not affected by any hazardous or unsafe materials or condition that adversely affects its existing utility or reduces its marketability. Should an environmental consultant's report indicate otherwise, then this valuation report is to be requisitioned for comment. In such a case, the valuer reserves the right to reconsider the findings herein. Comments on all areas of environmental concern, based upon superficial inspection, have been endeavoured. Upon superficial inspection of the site, no observations were made indicating any significant environmental problem/toxicity associated with the site. An actual Environmental Audit may reveal matters that affect this valuation herein that were not readily discernible at the time of inspection. The client acknowledges and recognises that the reporting valuer and Valstar Australia Pty Ltd are not experts in identifying environmental hazards and compliance requirements affecting properties. This valuation is on the basis that no outstanding orders from any relevant statutory or regulatory body exist, and the valuer reserves the right to reconsider the findings, should this not be the case.

THIRD PARTY DISCLAIMER - The report has been prepared for the private and confidential use of the Reliant Party and it should not be reproduced in whole or in part or relied upon for any other purpose or by any other party without the express written authority of Valstar Australia Pty Ltd or relied upon by any other party for any purpose and the valuer shall not have any liability to any party who does so. Other parties who may come into possession of this report are invited to seek written consent from Valstar Australia Pty Ltd to those relying on this report. Valstar Australia Pty Ltd reserves the right to withhold consent or to review the contents of this report in the event that the consent of Valstar Australia Pty Ltd is sought. Valstar Australia Pty Ltd's warning is registered here, that any party, other than those specifically named as the Reliant Party, should obtain their own valuation before acting in any way in respect of the subject property.

TOWN PLANNING - Comments in relation to zoning, heritage conservation orders/classification, road widening or realignment proposal or any Council policy restricting the development of the land by reason of likelihood of landslip, flooding or drainage issues are based on verbal advice or records available to the public and have not been formally confirmed in writing by obtaining appropriate certification. Should such certifications indicate otherwise, then this valuation report is to be requisitioned for comment.

LIMITED LIABILITY SCHEME - Liability limited by a scheme approved under Professional Standards Legislation.



Photographic Study