

Goulburn Valley Property Services

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Valuation Report



Andrew Fairley Avenue Shepparton, VIC, 3630.

FOR

Greater Shepparton City Council

Date of Valuation 22nd of May 2014

Our Reference 14051768

Your Reference n/a



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EXECUTIVE SUMMARY

Property Address:	Andrew Fairley Avenue, Shepparton, VIC, 3630.
Applicant:	Greater Shepparton City Council.
Description:	Existing roadway.
Instructions:	Acting under instructions from Karen Dexter at Greater Shepparton City Council to determine the current market value (excluding GST) of the freehold interest in the subject property for Greater Shepparton City Council for market value assessment purposes.
Certification:	Certified Practising Valuer <u>WES RIDD</u> has personally inspected and undertaken a valuation of the above property, fully described within the body of this report on behalf of Goulburn Valley Property Services (the Valuer).
Limitation:	This Valuation Certificate must be read in conjunction with the full contents of this report and must not be separated from the report or relied upon in the absence of the full report contents. The contents of the report, including but not limited to the valuation attributed to the subject property, may be relied upon only by the party to whom this report is addressed and no other third party whatsoever.
	Subject to the assumptions, limiting conditions and warranties described within the body of the report I hereby certify that I am of the opinion that the current market value (excluding GST) of the freehold interest in the subject property for Greater Shepparton City Council for market value assessment purposes as at the relevant date is:
Valuation Date:	22 nd of May 2014
Market Value:	Total of \$295,000 (Two Hundred and Ninety Five Thousand Dollars)

Valuation expressed as a unit rate per square metre: \$81.25/sqm

Signature of Valuer:

L Lill

Wes Ridd Certified Practising Valuer AAPI Reg No. 62427 NSW Reg No. 5044



VALUATION REPORT

Property Address:	Andrew Fairley Avenue, Shepparton, VIC, 3630.
Applicant:	Greater Shepparton City Council.
Description:	Existing roadway.
Instructions:	Acting under instructions from Karen Dexter at Greater Shepparton City Council to determine the current market value (excluding GST) of the freehold interest in the subject property for Greater Shepparton City Council for market value assessment purposes.
Instructing Party:	Greater Shepparton City Council Refer: Karen Dexter Locked Bag 1000 Shepparton VIC 3630
Date of Inspection:	22 nd of May 2014
LAND DETAILS	
Interest To Be Valued:	The interest to be valued is the owner's freehold interest assuming a sale of the subject property given vacant possession. It should be noted that this assessment has been made exclusive of GST.
Title Particulars:	The subject property currently has no legal description as it is a council controlled roadway.
Land Dimensions:	Irregular. Survey plan not provided.
Land Area:	Total land area of the subject property is 3,621 m² or thereabouts.
Property Identification:	This property has been identified by reference to a Cadastral Map.
Property Identification: Location:	This property has been identified by reference to a Cadastral Map. The subject land is an existing road known as Andrew Fairley Avenue, situated in an inner north location within the city of Shepparton, just east of the main Melbourne-Tocumwal railway line. More particularly the subject land is the road that passes between the intersection of Knight Street, Railway Parade and Hawdon Street to the west and Old Dookie Road and Lockwood Road to the east. This is an Industrial 1 zoned precinct with surrounding properties including (to both north and south sides of the subject land) SPC-Ardmona factory, a variety of light industrial premises along Lockwood Road and Old Dookie Road and cold storage and fruit packing premises along Wheeler Street.
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Property Identification: Location: Site Description:	This property has been identified by reference to a Cadastral Map. The subject land is an existing road known as Andrew Fairley Avenue, situated in an inner north location within the city of Shepparton, just east of the main Melbourne-Tocumwal railway line. More particularly the subject land is the road that passes between the intersection of Knight Street, Railway Parade and Hawdon Street to the west and Old Dookie Road and Lockwood Road to the east. This is an Industrial 1 zoned precinct with surrounding properties including (to both north and south sides of the subject land) SPC-Ardmona factory, a variety of light industrial premises along Lockwood Road and Old Dookie Road and cold storage and fruit packing premises along Wheeler Street. Shepparton City is a major regional centre of Victoria's Goulburn Valley with a city population of approximately 33,000, located some 188 kilometres north of Melbourne and with surrounding industries including several canneries and milk processing companies. Shepparton municipality has a population of approximately 62,000 people. Generally level site with minimal undulation and irregular shape. Survey to be completed to determine final area of subject site.



TOWN PLANNING

Zoning:

Authority:Greater Shepparton / Greater Shepparton PSZoning:Road Zone category 2Overlays:None applicable.Existing Use:Road

For the purposes of establishing market value of the site, it is assumed the land would be re-zoned upon application to match the adjoining land on either side, which is currently zoned Industrial 1.

STRUCTURAL IMPROVEMENTS

None

PHOTOGRAPHS



Western end



View toward west and railway crossing





Typical gutter and nature strip/path



Existing crossing boom gates



Looking east





Eastern intersection with Adams Avenue



View from east end



Aerial measurement image



BASIS OF VALUATION

Basis of Valuation:

The appropriate method of valuation is considered to be a direct comparison with sales of land featuring similar zoning and location factors to the subject land. Sales evidence has been analysed, but this is all vacant industrial land with no hardstand / road or other impediments to its use. Although the subject land is now utilised as a road, the approach to valuation of the land for sale purposes is to assume the zoning applicable to the adjoining freehold land applies to the subject property. Therefore although the subject land is currently zoned Road Zone 2, being a major arterial road, our assumption in valuation of the land is that the adjoining zoning of Industrial 1 is applicable to the subject land for the purposes of establishing value.

Sales of industrial land analysed tend to be in new estates on the fringe of Shepparton within new industrial estates, and we have not been able to identify any inner industrial vacant land sales of relevance to the valuation of the subject property.

With regard to the subject land, there are a number of service easements traversing the property that detrimentally impact upon its utility and potential for development in a freehold situation. As such, we assess that the land will not be suited to building construction and will therefore be of use to the owner as hard stand or storage area. In such a situation the common approach is to allow a discount to the value of the land on a percentage basis as compared to unencumbered Industrial 1 zoned land. In this instance we have adopted a discount of 35%.

The sales analysed show a rate from \$85 to \$209 per sqm, with most between \$85 and \$95 per sqm in an outer fringe industrial park and \$110 per sqm in Telford Drive, a more centrally located site (all unencumbered rates). The sale at \$153 per sqm is in a superior Commercial 2 zoned area but considered comparable in location terms to the subject whilst there is also one sale (the closest geographic sale to the subject) of a smaller site in Old Dookie Road with concrete hard stand that shows \$209 per sqm but was purchased by an adjoining owner who may have placed special value on the land and was a much smaller site.

In relation to our adopted rate of \$125 per square metre unencumbered for Industrial 1 zoned land in this location, we have had regard to the comparative attributes the subject land has in terms of location within an inner area of Shepparton and the proximity of the land to rail and road services but have also considered the existing development / use of the land (as a road plus foopaths and guttering etc) as compared to a vacant, open parcel of land. We consider that the existing road surface is likely to represent an advantage to any potential land owner of Industrial land that is essentially be hard stand area but that the paths, gutters and nature strip may be a slight encumbrance. These issues have been considered in arriving at our adopted value on a unit rate basis. After allowance for the discount due to encumbrances, the adopted rate is \$81.25 per sqm.

Although our total valuation is based on a measured site area of 3,621 sqm, we recommend a survey of the land in question with the final total value to be determined by multiplication of our adopted unit rate value and the area determined by survey.



SALES EVIDENCE

In conducting this appraisal, the Valuers have analysed comparable sales of other properties that are considered similar to the subject. Those sales that have occurred indicate that results between sales vary considerably depending on location, structural improvements, etc.

Whilst every effort is made to identify directly comparable property sales such variance between individual commercial properties is commonplace and adjustments must be made in the comparison process.

The primary sales evidence utilised in the appraisal includes but is not limited to:

Address:	46 Old Dookie R	load Shepparton	
Sale Date:	25-Mar-13		
Sale Price:	\$200,000		
Site Area:	959.00 m²		The second se
Building Area:	N/A		In the second
	Land Rate	\$209 / m ²	
Sale Analysis:			
Description:	Vacant industrial sit carparking area be with sale purchase front fence. Busy re market. Sales analy	te of 959m ² located betw etween two industrial bui rs (who may have paid oad and near traffic lig ysis shows a land rate of S	ween Clarke Street and Mitchell Street. Paved vildings, one of which has common proprietors d above market for adjoining site). Colorbond ghts. Considered a strong sale slightly above \$209/sqm.
Comparison:	Similar location but sale to adjoining assessment of subj considered to show	t smaller property, smalle owner and seems sligh ect value due to hards v a higher rate per square	ler and has existing concrete hard stand but ghtly above market. Of some guidance in Istand and location similarities but otherwise re metre than that applicable to subject land.

Address:	Lot 1 Provincic	Il Crescent Shepparto	on
Sale Date:	15-Dec-13		
Sale Price:	\$209,880		
Site Area:	2,480.00 m ²		
Building Area:	N/A		and the second s
Sale Analysis:	Land Rate	\$85 / m²	
Description:	Vacant Industrial as Enterprise Park	site of 2,480 sqm located . Sale not yet settled. Sale	in the extension to Provincial Crescent known e analysis shows a land rate of \$85 per sqm.
Comparison:	Situated in an ou show a lower unit	iter fringe industrial park, i rate per square metre.	inferior location to subject and considered to



Address:	Lot 3 Provincio	al Crescent Sheppartor	ı
Sale Date:	15-Dec-13		
Sale Price:	\$224,825		
Site Area:	2,645.00 m ²		
Building Area:	N/A		and the second s
Sale Analysis:	Land Rate	\$85 / m²	
Description:	Regular shaped known as Enterpi	rectangular level block ir rise Park. Sale analysis show	n the new extension to Provincial Crescent ys a land rate of \$85 per sqm.
Comparison:	Situated in an ou show a lower uni	uter fringe industrial park, in t rate per square metre.	ferior location to subject and considered to

Address:	15 Enterprise [Drive, Shepparton	
Sale Date:	18-Sep-12		
Sale Price:	\$248,710		
Site Area:	2,681.00 m ²		
Building Area:	N/A		The second se
Sale Analysis:	Land Rate	\$93 / m²	
Description:	Vacant industrial	site of 2,681 sqm. Sale and	alysis shows a land rate of \$93 per sqm.
Comparison:	Situated in an ou show a lower uni	uter fringe industrial park, in t rate per square metre.	nferior location to subject and considered to

Address:	17 Telford Drive Shepparton	
Sale Date:	8-May-13	
Sale Price:	\$265,980	
Site Area:	2,429.00 m²	
Building Area:	N/A	- State - Ase
Sale Analysis:	Land Rate \$110 / m ²	
Description:	Vacant Industrial Land of 2,429 sqm. Sale analysis	shows a land rate of \$110 per sqm.
Comparison:	Situated in a major industrial estate but further ou line, slightly inferior location to subject and consid per square metre.	ut than subject and away from railway dered to show a slightly lower unit rate



Address:	39 Gilchrist Str	eet Shepparton	
Sale Date:	9-Oct-13		
Sale Price:	\$310,000		
Site Area:	2,022.00 m ²		
Building Area:	N/A		
Sale Analysis:	Land Rate	\$153 / m²	
Description:	Vacant commen cleared level site substation.Other zoned land. Sale	rcial 2 zoned land with a e with small dog leg on we features include steel, po e analysis shows a land rate	site area of 2022 m ² . Rectangular shaped estern boundary to accommodation power ost and wire fencing. Opposite residential of \$153 per sqm.
Comparison:	Smaller land pc industrial develo applicable to sub	rcel with superior Comme pment. Shows a higher ra oject.	ercial 2 zoning but situated amid existing te per square metre than that considered

All areas noted in the above sales are approximate based on measurement and / or publicly available information. The valuers will not be responsible for any errors or omissions in the building areas of sales evidence analysed.

VALUATION CALCULATIONS

ADOPT MARKET VALUE	\$ 295,000
Rounded to	\$ 295,000
Net total value of encumbered land	\$ 294,206
Multiplied by the estimated area in subject land	3,621
Net encumbered value on a unit rate per sqm basis	\$ 81.25 / sqm
Less 35% discount	\$ 43.75 / sqm
Assessed value on a unit rate per sqm unencumbered basis	\$ 125.00 / sqm
Alternatively, calculation of encumbered land value rate:	
Net total value of encumbered land	\$ 294,206
Less 35% discount for service easement encumbrances	\$ 158,419
Approximate area in subject property 3,621 sqm @ \$125 / sqm	\$ 452,625

TWO HUNDRED AND NINETY FIVE THOUSAND DOLLARS

Stated as a rate per sqm basis:

ADOPT MARKET VALUE PER SQUARE METRE

\$81.25

EIGHTY ONE DOLLARS AND TWENTY FIVE CENTS PER SQUARE METRE



CONCLUDING COMMENTS

The subject property is a parcel of existing roadway in inner north Shepparton known as Andrew Fairley Avenue, passing between the intersection of Knight Street, Railway Parade and Hawdon Street to the west and Old Dookie Road and Lockwood Road to the east. A valuation is sought to determine market value for potential sale of the land to an adjoining property owner for consolidation onto their existing premises.

Although we have not yet sighted a survey plan, the area has been estimated from on site measurement and aerial photography to be some 3,621 sqm. This area is to be confirmed by survey and the final value determined by application of the survey area to our adopted land value on a unit rate per square metre basis.

We refer the reader to the included market value definition and highlight that this appraisal has been done assuming no special value to either vendor or purchaser. This distinction applies equally to both parties as it could argued be that not only does an adjoining land owner have special interest in the land in order to join two currently separate land parcels but that to the council, this stretch of road has special value in the role it plays in connecting existing road networks and maintaining traffic routes as they currently stand.

The foregoing matters are the major considerations taken into account when appraising the subject property.

Subject to the assumptions, limiting conditions and warranties described within the body of the report I hereby certify that I am of the opinion that the current market value (excluding GST) of the freehold interest in the subject property for Greater Shepparton City Council for market value assessment purposes as at the relevant date is:

Valuation Date: 22nd of May 2014

Valuation:

\$295,000 (Two Hundred and Ninety Five Thousand Dollars)

Valuation expressed as a unit rate per square metre: \$81.25/sqm

Valuer:

11:11

Wes Ridd Certified Practising Valuer AAPI Reg No. 62427 NSW Reg No. 5044



CONDITIONS

Capped Liability Scheme

Liability limited by a scheme approved under Professional Standards Legislation.

Market Value Definition

Market value forms the basis for this valuation and is defined as the estimated amount for which the property should exchange on the date of valuation between a willing buyer and a willing seller in an arm's length transaction, after proper marketing, wherein the parties had each acted knowledgeably, prudently and without compulsion.

More particularly our valuation has been predicated on the following assumptions:-

"... the price at which an interest in a property might reasonably be expected to be sold at the date of valuation assuming:

- a) a willing buyer and seller;
- b) a reasonable period within which to negotiate the sale, taking into account the nature of the property and the state of the market;
- c) that values, interest rates and key economic and commodity indicators have remained static during that period;
- d) that the property has been freely exposed to the open market; and
- e) that no account has been taken of any higher price that might be paid by a purchaser with a special interest."

Market rental value is 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 market terms and conditions for similar premises.

Environmental Risk Assessment

We advise our general knowledge of the local Shire Contaminated Sites Register indicates the subject property is not included in this register. Furthermore, we are not aware of any proposal to include the property on any contamination register.

At the time of inspection, there were no visible signs of contamination or pollution on the subject property. There are apparently no dangerous goods or chemicals stored on the property that are inappropriately stored or labelled.

There are no apparent environmental problems, which may impact on the security.

The use of organochlorines and other residual chemicals is not known of in the district. The only possible piecemeal district utilisation would have been by public authorities (Telstra etc.) for wood treatment and termite control along transmission lines.

<u>Special Comments</u>

If subsequent information is obtained which indicates the possible existence of hazardous materials within the buildings it is recommended that a relevant building contamination survey be conducted. If hazardous materials are located within the buildings, a re-assessment of the valuation may be required.

Limiting Conditions and Warranties

a) The valuers certify that they are registered in the States of Victoria and New South Wales to value all classes of real property. We hereby declare that we have no past, present or proposed pecuniary interest in the subject land that could reasonably be regarded as being capable of affecting our ability to give an unbiased opinion as to the market value of the subject holding.



- b) This Valuation and all Valuation Services are provided by GOULBURN VALLEY PROPERTY SERVICES solely for the use of the Client. GOULBURN VALLEY PROPERTY SERVICES do not and shall not assume any responsibility to any person other than the Client for any reason whatsoever including, without limiting the generality of the foregoing, for breach of contract, negligence (including negligent mis-statement) or wilful act of default of itself or others by reason of or arising out of the provision of this Valuation or Valuation Services and notwithstanding that any damages have been suffered or incurred by that person as a result of the provision of this Valuation or those Services to the Client or the use of either of them (or any part of either of them) by the Client for any purpose whatsoever.
- c) Any encumbrance, restriction or any other factor not specifically referred to in this report or not evident from current title copies issued which would in the opinion of the instructing party affect the value or marketability of the property should be referred back to the valuers immediately for comment.
- d) The valuers hereby certify that they are suitably registered and qualified to carry out the valuation and that they have at least 5 years appropriate experience in the valuation of such property. The valuation has been made in conformity with valuation principles generally accepted in Australia and with the Property of Professional Ethics and Conduct laid down by the Australian Property Institute and the requirements of the Valuation of Land Act, 1960.
- e) Unless specifically stated to the contrary, this valuation takes no account of the actual or possible effect on the value of the subject property of any environmental hazard or the cost of, or necessity for, ceasing or cleaning up any <u>environmental hazard</u>.

Further, unless this valuation specifically states that the client has requested

- i) advice on whether the property is, or might be, affected by an environmental hazard or a requirement to cease or clean up an environmental hazard; or
- ii) a recommendation as to whether or not to investigate whether the property is or might be affected by an environmental hazard or a requirement to cease or clean up an environmental hazard; or
- iii) a recommendation as to whether or not to conduct an environmental audit.

This valuation includes no such advice or recommendations and the valuer accepts no responsibility for the omission.

Further for the purpose of this clause, `environmental hazard' means:-

- 1) pollution;
- 2) contamination;
- 3) noxious emissions or discharge.
- f) No special inquires or examination of any property, or of any improvement erected thereon, has been made for any sign of asbestos, borers, termites, white ants or other defect, whether latent or patent. It has been assumed that all improvements to the property, save and except as aforesaid in this report, comply with the terms and conditions of all relevant statutory and other authorities except as detailed herein and are erected within title boundaries.
- g) This valuation is current 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). Liability for losses arising from such subsequent changes in value is excluded as is liability where the valuation is relied upon after the expiration of 3 months from the date of the valuation or such earlier date if you become aware of any factors that have an effect on the valuation.
- h) The valuation provided herein specifically excludes GST.
- i) In preparing this valuation report the Valuers have consulted and relied on information provided by the following:

Greater Shepparton planning scheme – as derived from the DPCD internet site, Maps provided by COGS, Local agents and the Valuer General – sales data.

CERTIFIED PRACTISING VALUERS - VICTORIA & NEW SOUTH WALES

LETTER OF INSTRUCTION

From: Karen Dexter [mailto:karen.dexter@shepparton.vic.gov.au]
Sent: Friday, 9 May 2014 11:12 AM
To: Wes Ridd
Subject: Andrew Fariley Avenue - indicative plan of existing services

Dear Wes

I refer to our telephone discussion yesterday and request that you provide a valuation of the area of Fairley Avenue which, if the Council makes the decision to close and sell to SPC, will be transferred to SPC. I am attaching two plans entitled existing services plans and one of those plans where I have highlighted the approximate area that will be closed.

As you are aware, no decision has been made as yet, but if the decision is made to close and sell the road then we need to have the valuation on hand.

If you require any further information, please do not hesitate to contact me.

Would you mind providing me with a quote for this valuation so I can prepare a purchase order.

Kind regards



 Karen Dexter

 Senior Business and Property Officer

 Greater Shepparton City Council

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 (03) 5832 9781

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MAPS







LOCATION & ZONING MAP

GREATER SHEPPARTON PLANNING SCHEME - LOCAL PROVISION

