

19.6 LAND ACQUISITION FOR FUTURE CAR PARKING - RUSSELL ISLAND

Objective Reference:

Authorising Officer: Peter Best, General Manager Infrastructure & Operations

Responsible Officer: Bradley Salton, Group Manager City Infrastructure

Report Author: Benjamin Bruce, Infrastructure Network Analyst
Damien Jolley, Senior Property Officer

Attachments:

1. Locality map
2. Valuation report

The Council is satisfied that, pursuant to Section 275(1) of the *Local Government Regulation 2012*, the information to be received, discussed or considered in relation to this agenda item is:

(e) *contracts proposed to be made by it.*

PURPOSE

To consider the acquisition of property at 5 Hawthornden Drive, Russell Island, described as Lot 66 on RP1222673 (the Land) for the purposes of achieving improved vehicle traffic management to support an extension to vehicle parking capacity.

BACKGROUND

As part of the Southern Moreton Bay Island (SMBI) ferry terminal upgrade project, it has been identified that the existing available vehicle parking can be extended by the acquisition of the land. The acquisition will assist in ensuring that traffic management objectives such as safety, functionality and capacity can be achieved.

ISSUES

The land is vacant, 900m² in area and zoned local centre under the 2018 City Plan and affected by the following overlays:

- Bushfire Hazard Overlay
- Coastal Protection (Erosion Prone Areas) Overlay
- Environmental Significance Overlay
- Flood and Storm Tide Hazard Overlay

The land adjoins an existing Council car park to the west and undeveloped land to east.

The land is currently on the market for sale and listed at \$229,000.00 and Council records show that the land was last sold on 23 September 2003 for \$60,000.00.

A valuation undertaken by an independent valuer, dated 16 October 2019, determined the market value of the land at [REDACTED]

Land may be taken by agreement under the *Acquisition of Land Act 1967 (the Act)* and if negotiations are unsuccessful a compulsory acquisition process may be commenced. If land is taken by compulsory acquisition compensation may be payable for the value of the land taken but also to the damage, if any, caused by any of the following:

(i) *the severing of the land taken from other land of the claimant;*

- (ii) *the exercise of any statutory powers by the constructing authority otherwise injuriously affecting the claimant's other land mentioned in subparagraph (i); and*
- (iii) *to the claimant's costs attributable to disturbance.*

STRATEGIC IMPLICATIONS

Legislative Requirements

Subparagraph 5(1)(b)(i) of the *Acquisition of Land Act 1967* (The Act), allows Council to take land for any purpose set out in schedule 1.

Schedule 1 - Part 1 - Purposes relating to transportation of the Act includes taking land for parking of vehicles.

Section 7 of the Act allows Council to take land other than by agreement.

Risk Management

Non purchase of this property will hinder the land side works that form part of the SMBI ferry terminal upgrade project. This will lead to Council being at risk of not meeting land side customer service expectations, as they relate to vehicle parking adjacent to the upgraded ferry terminal. Construction works for the ferry terminal upgrade at Russell Island is proposed to start in the 2020-21 financial year.

Financial

A valuation undertaken by an independent valuer, dated 16 October 2019, determined the market value of the land at [REDACTED]. This land has been identified to be purchased to ensure that traffic management objectives can be achieved. Existing conceptual designs utilise the land. Non purchase of the land will result in additional design works and a delay in the delivery of land side works.

The required budget of [REDACTED] will be made available from the Marine Public Transport Facility Program (42399) following Budget Review 1 and will cover all related expenses required for the acquisition. This budget has been sourced from savings across the marine infrastructure project portfolio.

People

There are no implications.

Environmental

There are no implications.

Social

Non purchase of this property will hinder the land side works that form part of the ferry terminal upgrade project. This will lead to Council at risk of not meeting the service levels to the customers as they relate to vehicle parking.

Alignment with Council's Policy and Plans

This report is in line with Council's Procurement Policy and legislative requirements.

The outcomes of recommendations in this report are supported by Council's Corporate Plan 2018-2023 vision outcome areas:

2. Green Living (2.5)
3. Embracing the bay (3.4 and 3.5)
5. Wise Planning and Design (5.1)
7. Strong and Connected Communities (7.1 and 7.2)
8. Inclusive and ethical governance

CONSULTATION

Consulted	Consultation Date	Comments/Actions
Cr Mark Edwards	On going	Supportive of this proposal
Senior Engineer Marine and Waterways Assets.	On going	Supportive of this proposal
Program Manager City Infrastructure	On going	Supportive of this proposal
Senior Property Officer	On going	Supportive of this proposal
Senior Management Accountant	2/12/2019	Reviewed and confirmed reserves and budget
General Counsel	4/12/2019	Report reviewed and provided advice to include further detail for the purpose of report. Supportive of this proposal.

OPTIONS

Option One

That Council resolves as follows:

1. To negotiate the acquisition of the land for the purposes of parking of vehicles, by agreement.
2. To commence proceedings under the *Acquisition of Land Act 1967* to resume the land for the purposes of a parking of vehicles in the event that agreement cannot be reached.
3. To delegate authority to the Chief Executive Officer under Section 257(1)(b) of the *Local Government Act 2009*, to negotiate, make, vary and discharge all documents relevant to effecting this decision.
4. That the report and attachments remain confidential as required by any legal and statutory obligation, subject to maintaining confidentiality of legally privileged, private and commercial in confidence information until such time as the acquisition is finalised.

Option Two

That Council resolves as follows:

1. To not acquire the land for the purposes of parking of vehicles.

2. That the report and attachments remain confidential as required by any legal and statutory obligation, subject to maintaining confidentiality of legally privileged, private and commercial in confidence information until such time as the acquisition is finalised.

OFFICER'S RECOMMENDATION

That Council resolves as follows:

1. **To negotiate the acquisition of the land for the purposes of parking of vehicles, by agreement.**
2. **To commence proceedings under the *Acquisition of Land Act 1967* to resume the land for the purposes of a parking of vehicles in the event that agreement cannot be reached.**
3. **To delegate authority to the Chief Executive Officer under Section 257(1)(b) of the *Local Government Act 2009*, to negotiate, make, vary and discharge all documents relevant to effecting this decision.**
4. **That the report and attachments remain confidential as required by any legal and statutory obligation, subject to maintaining confidentiality of legally privileged, private and commercial in confidence information until such time as the acquisition is finalised.**

Redemap Portal Map

Legend

 Current Lot



Scale @ A4:
1:1,515

Date:
25/10/2019



No warranty given in relation to the data (including accuracy, reliability, completeness or suitability) and no liability accepted (including without limitation, liability in negligence) for any loss, damage or costs (including consequential damage) relating to any use of the data. Data must not be used for direct marketing or be used on breach of the privacy laws. External contributors to data listed at www.nrm.qld.gov.au/products or www.redland.qld.gov.au.

CRANE & COMPANY VALUERS PTY LTD

VALUATION REPORT OF 5 HAWTHORNDEN DRIVE RUSSELL ISLAND QLD



DATE: 16 October 2019

CLIENT: Redland City Council

VALUER: Chris Beattie, AAPI
Certified Practising Valuer QRV 2179

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PHONE: 0411-476-327
www.cranevaluers.com.au

Liability limited by a scheme approved under Professional Standards Legislation

VALUATION REPORT

CLIENT:

Redland City Council

DATE:

16 October 2019

PREPARED BY:

Chris Beattie, AAPI, QRV 2179

PURPOSE:

I refer to written instructions received from Damien Jolley, on behalf of the Redland City Council, to assess the current fair market value for Proposed Purchase of the vacant commercial land situated at **5 Hawthornden Drive, Russell Island, Qld.**

MARKET VALUE DEFINITION:

The estimated amount for which an asset should exchange on the date of valuation, between a willing buyer and a willing seller, in an arm's length transaction, after proper marketing where the parties had each acted knowledgeably, prudently and without compulsion.

VALUATION SUMMARY:

Address 5 Hawthornden Drive, Russell Island, Qld 4184

Property Description Lot 66 RP 122267

Land area 900 square metres approximately

Date of Valuation 16 October 2019

Current Market Value 
(GST free supply)

REGISTERED PROPRIETORS:

The property is currently in the ownership of Babrono Pty Ltd according to RP Data property ownership searches.

TITLE DETAILS:

Legal description of the property is Lot 66 on Registered Plan 122267, County of Stanley, Parish of Russell.

Encumbrances and Restrictions Considered:

None evident, formal searches not undertaken.

LAND:

Dimensions/Area:

Land area is 900 square metres comprising a slightly irregular rectangular shaped front lot positioned on the north eastern side of Hawthornden Drive.

Local Government Authority:

Redland City Council.

Check Survey:

No obvious encroachments identified. Formal survey not undertaken.

Zoning and Planning:

The property is zoned 'Local Centre' under the current Redland City Plan that became operative in October 2018.



Purpose

1. The purpose of the local centre zone code is to guide the creation of local centres which contain a concentration of businesses, services and facilities to meet convenience needs for a suburb- or island-wide community.
2. The purpose of the code will be achieved through the following overall outcomes:
 1. local centres service the retail, commercial and community needs of a local catchment (generally 5,000-10,000 people) by providing uses such as mini-supermarkets, specialty stores, small scale offices and food and drink outlets;
 2. local centres are subordinate to and do not compromise higher order centres; they are limited to a scale of retailing activities that is proportionate to the catchment size, and mainland local centres do not include full line supermarkets;
 3. community, entertainment and other activities associated which serve a broader catchment or involve late night operation are not established, other than within the Point Lookout local centre;
 4. residential development occurs in the form of shop-top housing or in a manner that does not detract from centre activities;
 5. development avoids increasing adverse impacts on the residential amenity of the surrounding neighbourhood;
 6. development facilitates an integrated, mixed use centre design, with vibrant streets and public spaces and well-connected pedestrian, cyclist and public transport facilities;
 7. development contributes to the creation of safe and accessible pedestrian and cycle focused environments;
 8. built form is consistent with the surrounding residential environment;
 9. development contributes positively to an active, pedestrian focussed and attractive streetscape;
 10. car parking areas and servicing areas are generally located behind or beside buildings and do not visually dominate the centre;

Environmental:

The land is subject to the following zoning overlays:

Bushfire Hazard Overlay

Coastal Protection (Erosion Prone Areas) Overlay



Environmental Significance Overlay

Flood and Storm Tide Hazard Overlay 2100 Storm Tide Level: 3.58m (AHD)



The figure above (in metres AHD) depicts the maximum storm tide level predicted to be reached on the subject property during a 1% AEP Storm Tide event in the year 2100.

When determining the 2100 Storm Tide Inundation Area, the effects of climate change have been considered.

This includes an assumption of the following impacts at 2100:

A rise in sea level of 0.8m

An increase in cyclone maximum potential intensity of 10%

Landslide Hazard Overlay

Property Searches:

I have not undertaken searches of the environmental Management Register or the Contaminated Land Register.

My valuation assumes such searches would not identify any issues which may affect the value and/or liquidity of the property.

Should the owner through its own enquiries and/or searches become aware of an issue which may affect value and/or liquidity then this valuation should be referred back to the valuer for comment and reconsideration.

Unimproved Capital Value:

The property has an unimproved land valuation of \$88,000 effective as at 30 June 2016 for rating and land taxation purposes.

LOCATION:

Russell Island is one of four occupied residential islands in the southern part of Moreton Bay, and lies off the coast of Redland Bay.

The location is approximately 35 radial kilometres south-east of the Brisbane GPO, with both passenger and vehicular barge services available from Redland Bay.

Russell is the largest of the four islands and has a permanent population of around 4,000 persons approximately.

Hawthornden Drive is located in the northern regions of the island, and is just to the east of the main jetty and barge terminals on the eastern side of High Street, the main road leading south from the jetty and barge terminals at the northern end of the island.

The overall position forms part of the main commercial centre on the island that is grouped around the intersection of High Street, Bayview Road, Hawthornden Drive and Alison Crescent. This property is in the north eastern fringe of the local centre.

Surrounding Development:

The location forms part of a moderately well developed and built up commercial area of the island.

The existing commercial development on the island is comprised in the immediate area.

This includes some older retail buildings that date back to the 1970-80 era and more recently but further south along High Street is a new shopping centre that is anchored by an IGA supermarket.

In this immediate vicinity are a number of local business's including a supermarket, post office, doctors surgery, chemist, real estate offices, bottle shop and café to name a few.

Overall however there are a limited amount of commercial properties that are established on the island, and the existing services cater mostly for the day to day needs of the local population.

Dimensions and Topography:

Shape of the site is that of a slightly irregular rectangular shaped front lot positioned on the north eastern side of the street, just east of the intersection with Alison Crescent.

Frontage is about 20 metres with perpendicular side boundaries of about 43 metres to the left and 47 metres to the east, with angled rear boundary adjoining tidal flats and mangroves of about 21 metres approximately.

Contour is that of an allotment that has a natural and gentle fall below the road from front to rear.

I was unable to locate any of the survey pegs of this property, but have further identified this property by reference to cadastral maps, aerial photographs and existing fences where erected.

The land is mostly well cleared but retains some mature trees and vegetation to the back right corner adjoining the tidal flats.

There is reasonably good access formed via Hawthornden Drive across the site frontage.

Road access in the vicinity of the subject property has a narrow width sealed road surface but there is no kerb and channeling.

Services:

Electricity, telephone and water are all available to the property.

A treatment plant will be required for any future buildings developed on the land as there is no reticulated sewerage on the island.

IMPROVEMENTS:

Nil, the property is vacant land.

It has for some years now been used by the local island residents as an open car park and the site adjoins some council owned land to the west that is also in use as a car park.

The position is within about 200 metres of the passenger jetty and barge landings on this island.

LOCAL MARKET COMMENTS:

The property forms part of the identified business centre on Russell Island, being to the northern regions on the island.

Currently demand for vacant commercial land on this island is subdued and has been for most of the period from late 2007. Buyer inquiry is sporadic and limited, and general demand has eased considerably since late 2007 when the market last peaked on this island.

Extended selling periods of up to 12 months and longer are now being encountered in most instances in regard to commercial and industrial vacant land in particular.

Many of the recent sales during the past 12-36 months, in respect of vacant commercial land in the surrounding locality are largely driven by 'speculative' buyers. Little or low demand is evident from potential owner-developers.

Over the past 10 years there has been limited commercial development on this island. This can be attributed to a number of factors that include:

- Higher building costs relative to the mainland
- Size of many existing vacant blocks is such that it is arguably unviable to develop in isolation to achieve a reasonable return on costs and amalgamation with adjacent lots to create a larger more suitable size parcel is seen as a viable alternative.
- Increasing levels of council infrastructure charges
- Low demand for sale/leasing of new premises
- Hence there are greater risks for a developer-investor to consider
- Potential returns on investments are low based on a cost ratio and this has been a major deterrent in the construction of any new buildings.
- Any prudent developer-investor can easily identify that to receive a reasonable return on cost of land and a new building, the level of 'potential' rental they need to charge is well in excess of current rental levels being achieved on the island
- There are few current business's on the island, and fewer still that could meet these anticipated rental levels, that are based on a reasonable expected return on costs for a developer to 'break even'.
- Demand for vacant commercial is therefore very low and the only recent sales during the past 2 years appear to all be to 'speculators' hoping to on-sell at a future date for a potential capital gain.
- Also, the population base is such that demand for services is often a major contributing factor in new business's being established as the existing older facilities satisfy the current levels of demand.
- Given the supply of vacant land in the local commercial area, combined with low demand and other factors as outlined above, the subject property is considered to have generally low to moderate levels of saleability currently.

SALES EVIDENCE:

In assessing the value of the property consideration was given to the most recent sales evidence relating to vacant land sales of properties having a similar zoning of 'Local Centre'.

Due to limited sales activity on this island I have also considered sales evidence from nearby Macleay Island where a similar size commercial centre is located.

Some historical sales have also been considered to include the following.

ADDRESS	DATE	SALE PRICE	LAND AREA
██████████	24/10/18	\$35,000	604
<p>This property comprises of a slightly irregular rectangular shaped front site positioned on the northern side of the road, and is on the western side of ██████████ and is slightly removed or isolated from the main commercial areas. Land is well cleared and of generally level contours. Zoning is Local Centre and this side street position has limited exposure to passing traffic.</p> <p>Sale represents \$57.96/sqm overall.</p>			
██████████	20/2/19	\$42,000	850
<p>This property comprises of a regular rectangular shaped front site positioned on the northern side of the road, and is on the western side of ██████████ and is slightly removed or isolated from the main commercial areas. Land is well cleared and of generally level contours. Zoning is Local Centre and this side street position has limited exposure to passing traffic.</p> <p>Sale represents \$49.41/sqm overall.</p>			
██████████	5/3/19	\$60,000	870
<p>This property comprises of a slightly irregular rectangular shaped front site positioned on the northern side of the road, and is on the western side of ██████████ and is slightly removed or isolated from the main commercial areas. Land is well cleared and of generally level contours. Zoning is Local Centre and this side street position has limited exposure to passing traffic.</p> <p>Sale represents \$68.96/sqm overall.</p>			
██████████	14/6/18	\$82,500	850
<p>This property was purchased by an ██████████ ██████████ Land is of regular rectangular shape and is well cleared and of near level contour. Zoning is Low Impact Industry and the position has very limited exposure to passing traffic.</p> <p>Sale represents \$97.06/sqm overall.</p>			

CRANE AND COMPANY VALUERS PTY LTD 5 HAWTHORNDEN DRIVE, RUSSELL ISLAND

	20/10/17	\$85,000	1,012
<p>This property comprises of a regular rectangular shaped front site positioned on the higher northern side of the road, and is located within the local commercial and business centre on the island. Land is mostly well cleared but retains some mature trees, it has a gentle fall below the road, plus there is a cross fall from right to left, and there is sealed road access. Zoning is Local Centre and the position has good exposure to passing traffic.</p> <p>Sale represents \$83.99/sqm overall.</p>			
	26/7/16	\$110,000	1,518
<p>Older sale in the adjoining side street of two adjoining lots just to the east of the main strip shopping area on Russell Island. Level contour and regular shaped front lot but retains some mature trees that will require removal prior to any future development. Zoning is Local Centre and the side street position has limited exposure to passing traffic.</p> <p>Sale represents \$72.46/sqm overall.</p>			
	5/9/17	\$140,000	708
<p>Larger corner site in a more prominent position having superior exposure and dual street frontage. Land has bene used by local island residents as a car park for a number of years. Zoning is Local Centre and the side street position has limited exposure to passing traffic.</p> <p>Sale represents \$197.74/sqm overall.</p>			
	17/9/18	\$150,000	1,700
<p>This property comprises of a triangular shaped lot at the eastern end of the street and is on the southern side. Land is part cleared but mostly well treed and is not all fully useable. Zoning is Local Centre and the side street position has limited exposure to passing traffic.</p> <p>Sale represents \$105.88/sqm overall.</p>			
	9/5/18	\$175,000	1,295
<p>This property comprises of a well elevated waterfront site of regular shape and is located on the southern side of the street. Land is well cleared over the front half, before falling in steeper contour to the rear boundary and is thus not all fully useable. Zoning is Local Centre and the side street position has limited exposure to passing traffic.</p> <p>Sale represents \$135.13/sqm overall.</p>			

It is also of interest to note that none of the above sale properties have any current development applications recorded as per a search of local council records.

Within the same commercial area centred around the northern end of Russell Island, there are a number of vacant sites currently available for sale. In most, but not all instances, the owners expectations are well above the fair market value, and as a result of high asking prices and low demand, there have been few sales.

Also the population base is such that demand for services is often a major contributing factor in new business's being established as the existing older facilities satisfy the current levels of demand.

In the event of realisation, the property should receive fair interest if offered to the market and we believe a selling period of 12 months minimum may be required in the current slow market, combined with a professional marketing campaign.

However, in the past, when properties such as the subject, being either vacant and/or improved non residential zoned land, have experienced difficulties and have been offered to the market, they have sold at prices well below expectations.

DIFFERENCES IN LAND VALUES:

In respect of market evidence, I have noted that elsewhere on this island over many years, that there has been some degree of inconsistency in sale prices between what are considered to be otherwise comparable lots.

This is a market characteristic that is not uncommon on this island where a large volume of speculative 'land trading' exists and where some vendors are highly motivated and others are not. This has led to the often wide variances in sale prices of what are essentially similar quality and size allotments.

SALES SUMMARY:

The sales evidence ranges from \$49.41/sqm for a smaller size lot in an adjacent side street and similar location, up to \$197.74/sqm for another smaller size site that is has similarly been used as a car park, but is in a superior location.

There is some degree consistency in regards to sales rates at between \$72 and \$135/sqm, albeit limited in the volume of sales however, with 3 sales indicating rates below \$100/sqm and 2 above \$100/sqm.

Generally the larger the land area the lower the sales rete/sqm and vice versa for smaller size land.

Similarly, the preferred 'main' street or prominent positions command a much higher level of value compared to the lower profile side street positions where exposure to passing traffic is limited and lower levels of demand, and values apply accordingly.

Based on the limited sales evidence I am of the opinion that a fair market value range between [REDACTED] is appropriate for this site given its land size and overall position on the island.

This then provides a market value range from:

[REDACTED]

VALUATION:

For practical purposes I assess the current fair market value of the property situated at **5 Hawthornden Drive, Russell Island, Qld** as at the date of my inspection, as follows:



NOTE:

This property last sold for \$60,000 on 5 June 2003.

I also note that this property has been listed for sale according to RP Data property records since November 2007 with various real estate agencies, at an initial asking price of \$325,000.

More recently the asking price has reduced to \$198,000 as of October 2016.



CHRIS BEATTIE QRV 2179
AAPI Certified Practising Valuer
CRANE & COMPANY VALUERS PTY LTD

VALUATION ASSUMPTIONS-LIMITATIONS

Assumptions, Disclaimers, Limitations & Qualifications

Important Warning Regarding Purpose Of Valuation:

This 'Residential Valuation Assessment' has been prepared for the instructing party for the stated purpose and **HAS NOT** been prepared for mortgage security purposes.

This confidential document is for the sole use of persons directly provided with it by Crane and Company Valuers Pty Ltd. Use by, or reliance upon this document by anyone other than our instructing party for the stated purpose is not authorised by Crane and Company Valuers Pty Ltd. and Crane and Company Valuers Pty Ltd. is not liable for any loss arising from such unauthorised use or reliance. This document should not be reproduced without our prior written authority.

Valuation Subject to change

Real estate values vary from time to time in response to changing market circumstances and it should, therefore, be noted that this valuation is based on available information as at the date of valuation. No warranty can be given as to the maintenance of this value into the future. It is, therefore, recommended that the valuation be reviewed periodically.

Our Investigations

The valuation is conducted on the basis that we are not engaged to carry out all possible investigations in relation to the property. Where in our report we identify certain limitations to our investigations, this is to enable you to instruct further investigations if you consider this appropriate or we recommend as necessary to allow us to complete the valuation. Crane and Company Valuers Pty Ltd is not liable for any loss occasioned by a decision not to conduct further investigations.

Assumptions

Assumptions are a necessary part of undertaking valuations/the valuation. Crane and Company Valuers Pty Ltd. adopts assumptions for the purpose of providing its valuation advice because some matters are not capable of accurate calculation or fall outside the scope of our expertise, or our instructions.

The person or entity to whom the report is addressed acknowledges and accepts that the valuation contains certain specific assumptions and as such the person or entity to whom this report is addressed acknowledges and accepts the risk that if any of the assumptions adopted in the valuation are incorrect, then this may have an effect on the valuation.

Information Supplied by others

The valuation contains information which is derived from other sources. Unless otherwise specifically instructed by you and/or stated in the valuation, we have not independently verified that information, nor adopted it as our own, or accepted its reliability.

The person or entity to whom the report is addressed acknowledges and accepts the risk that if any of the unverified information/advice provided by others and referred to in the valuation is incorrect, then this may have an effect on the valuation.

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GST

To the extent that the valuation includes any statement as to a future matter, that statement is provided as an estimate and/or opinion based on the information known to Crane and Company Valuers Pty Ltd at the date of this document. Crane and Company Valuers Pty Ltd. does not warrant that such statements are accurate or correct. Issues concerning GST continue to arise which impact on market values.

Where relevant, the valuation is based on the assumptions relating to GST set out in the Valuation Rationale section of this document. If any of the 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 Crane and Company Valuers Pty Ltd for comment and, in appropriate cases, amendment.

Site Details

A current survey has not been provided. The valuation is made on the basis that there are no encroachments by or upon the property and the person or entity relying upon the valuation should confirm this by obtaining a current survey report and/or advice from a registered surveyor.

If any encroachments are noted by the survey report, that person or entity must not rely upon the valuation, before first consulting Crane and Company Valuers Pty Ltd to reassess any effect on the value stated in the valuation.

Property and Title

I caution that I may not have conducted a title search and may not have perused the original Crown Grant documentation. I have assumed that there are no restrictions, easements or onerous encumbrances not disclosed which may affect market value.

However, in the event that a comprehensive title search is undertaken by the person or entity relying upon the valuation, which reveals further easements or encumbrances, that person or entity must not rely upon the valuation, before first consulting Crane and Company Valuers Pty Ltd to reassess any effect on the valuation.

Valuation Methodology

The primary valuation methodology used by Crane and Company Valuers Pty Ltd in valuing the subject property is the direct comparison approach with sales. The result is the best estimate of value Crane and Company Valuers Pty Ltd can produce, but it is an estimate and not a guarantee of value.

My valuation is fully dependent upon the accuracy of information provided to us and to market derived assumptions obtained from analysed transactions. The most relevant transactions are detailed in this report. Where reliance has been placed upon external sources of information in applying the direct comparison methodology, Crane and Company Valuers Pty Ltd has not independently verified that information and Crane and Company Valuers Pty Ltd does not adopt that information and/or advice nor accept it as reliable.

The person or entity to whom the report is addressed acknowledges and accepts the risk that if any of the unverified information in the valuation is incorrect, then this may have an effect on the valuation.

Environmental Conditions

In the absence of an environmental site assessment relating to the subject property, I have assumed that the site is free of elevated levels of contaminants.

My visual inspections of the subject property and immediately surrounding properties revealed no obvious signs of site contamination.

Furthermore, I have made no allowance in my valuation for site remediation works.

However, it is important to point out that my visual inspection is an inconclusive indicator of the actual condition of the site. I make no representation as to the actual environmental status of the subject property. If a test is undertaken at some time in the future to assess the degree, if any, of contamination of the site and this is found to be positive, I reserve the right to review our valuation assessed herein, should we deem it to be necessary.

Town Planning

The zoning/instrument stated in this report is based on information sourced from the relevant Town Plan (for the subject locality) or RP Data. I advise that I have not undertaken a formal Town Planning Search for the subject property.

Should a formal Town Planning Search reveal that the actual zoning/instrument for the subject property differ in intent from that which is contained within this report, then I reserve the right to amend my assessment.

Side Agreement

My valuation assumes that there are no side agreements that would have an adverse effect on the market value of the property.