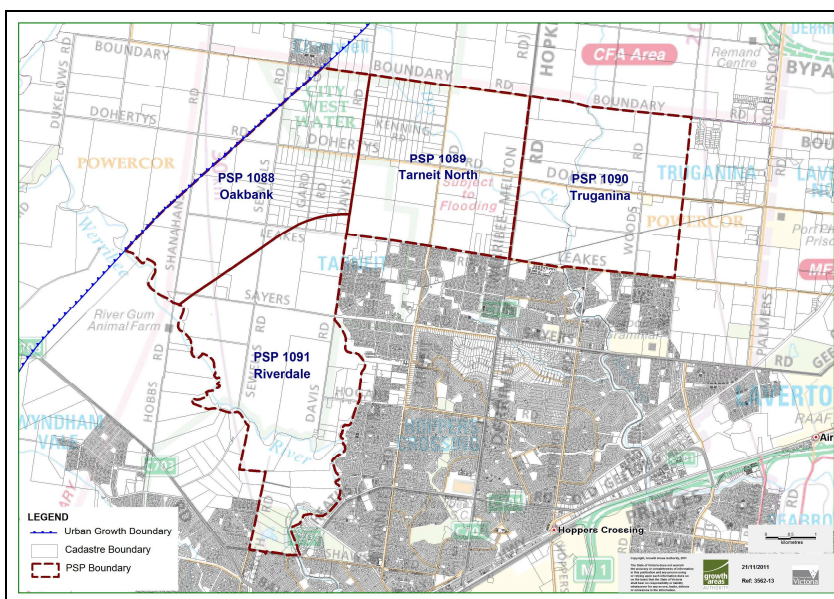


Valuation Consulting Report



Wyndham North Urban Growth Area

Precinct Structure Plans

Oakbank - PSP 1088

Tarnet North - PSP 1089

Truganina - PSP 1090

Riverdale - PSP 1091

Under Instructions from:

Tony Petersen

Property Management Officer

Wyndham City Council

45 Princes Highway

Werribee VIC 3030

Our Reference:

2681

19th November 2013

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1 Instructions:

We have acted on written instructions from Tony Petersen of Wyndham City Council dated 15th November 2013 to provide valuation consulting services for properties within the Wyndham North Growth Area (WNGA) to assist with a Planning Panel review of Planning Scheme Amendment C175, C176 and C177.

The Wyndham North Growth Area (WNGA) comprises 256 properties within four separate Precinct Structure Plan (PSP) areas including:

- PSP 1088 Oakbank
- PSP 1089 Tarneit North
- PSP 1090 Truganina
- PSP 1091 Riverdale

More specifically, we have been requested to:

- Undertake a “peer review” of Charter Keck Cramer’s Land Assessment Report dated 22nd April 2013 and other information submitted for consideration at the hearing, including land valuations provided by the Growth Areas Authority (GAA) relating to the Northern Growth Front located within the above PSPs.
- Provide our opinion of the underlying value of land (\$/ha) across the Wyndham North Growth Area as at 1st July 2013. Our opinion of the overall land values across the Wyndham North Growth Area should be supported by reference to values within the area associated with different land uses e.g. residential, commercial, activity centres etc and further supported by reference to the range of values which might be evident based on differing proximities to areas undergoing development.

Our valuation advice has been prepared in accordance with the Valuation of Land Act 1960 and the Australian Property Institute’s Practice Standards and Guidance Notes.

This valuation may only be relied upon by the Wyndham City Council (WCC) as part of their Planning Panel deliberations. The report has been prepared for the private and confidential use of the above parties and it should not be reproduced in whole or in part or relied upon for any other purpose or by any other party without our express written authority.

We have been provided with the following information in undertaking our valuation:

- Wyndham North PSP Map
- Wyndham North – Planning Scheme Amendment C177 – Excel Table of DCP items dated 8th November 2013.
- Wyndham North DCP land assessment report, Charter Keck Cramer dated 22 April 2013.
- Urban Structure Plans for Truganina and Riverdale PSP’s. We have not been provided copies of the Oakbank or Tarneit North PSP’s.

We confirm that the valuer does not have any pecuniary interest that would conflict with the proper valuation of the areas, has the appropriate experience in the valuation of this style of property, and is legally permitted to value such property areas in the State of Victoria.

Assumptions and Limitations

We detail the assumptions made by the valuer in performing this valuation:

- Nil

We detail the assumptions required by the client or limitations imposed on the valuer in performing this valuation:

- Each property within the Wyndham North Growth Area (WNGA) is a freehold title and is legally described within a certificate of title and unencumbered by any lease, mortgage or other charge.
- Assume no planning permit is in place and no plan of subdivision has been approved. That said, future development will occur in line with the principles of the draft Precinct Structure Plans.
- There are no servicing constraints with a notional developer incurring average development costs. That said, the notional development lead times need to be taken into account. Whilst no details about a drainage scheme is available, we have assumed that any future drainage scheme would not be onerous when compared to other precincts that have been developed.
- The developer is responsible for infrastructure items included in the Development Contributions Plan (DCP) and these costs are apportioned to each property based on land area.
- The properties within WNGA in the event of a notional sale, would not be subject to the Growth Areas Infrastructure Contribution.
- There are no significant encumbrances or easements that would adversely impact on the value of each parcel.
- The valuations are made on the basis that there are no additional planning overlays that would be restrictive and adversely affect the highest and best use of the land.
- The assessed land value rates have regard to the highest and best use of the land taking into account the provisions of the Precinct Structure Plans.
- The land value rate is based on the finalisation of the Precinct Structure Plan that allows for a mixture of conventional and medium density residential development and open space areas.
- The properties are not affected by areas of aboriginal artefacts or areas of heritage significance and therefore there are no additional cost implications relating to a Cultural Heritage Management Plan.
- The properties are not affected by any areas of native flora and fauna and there are no additional cost implications relating to native vegetation offsets or native vegetation reserves.
- The valuations are made on the basis of developable land area.

2 Basis of Valuation:

This valuation has been prepared on the basis of market value, as defined within the International Valuation Standards 1 (IVS1), and endorsed by the Australian Property Institute, as:

“Market value is 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 wherein the parties had each acted knowledgeably, prudently and without compulsion”.

Market value is based on the principle of “Highest and Best Use”, which may not necessarily be the current use.

3 Date of Valuation:

Our valuation has been assessed as at 1st July 2013 based on numerous previous inspections over the last 3 years.

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 of time (including as a result of general market movements or factors specific to properties within the WNGA. 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 3 months from the date of valuation, or such earlier date if you become aware of any factors that have any effect on the valuation.

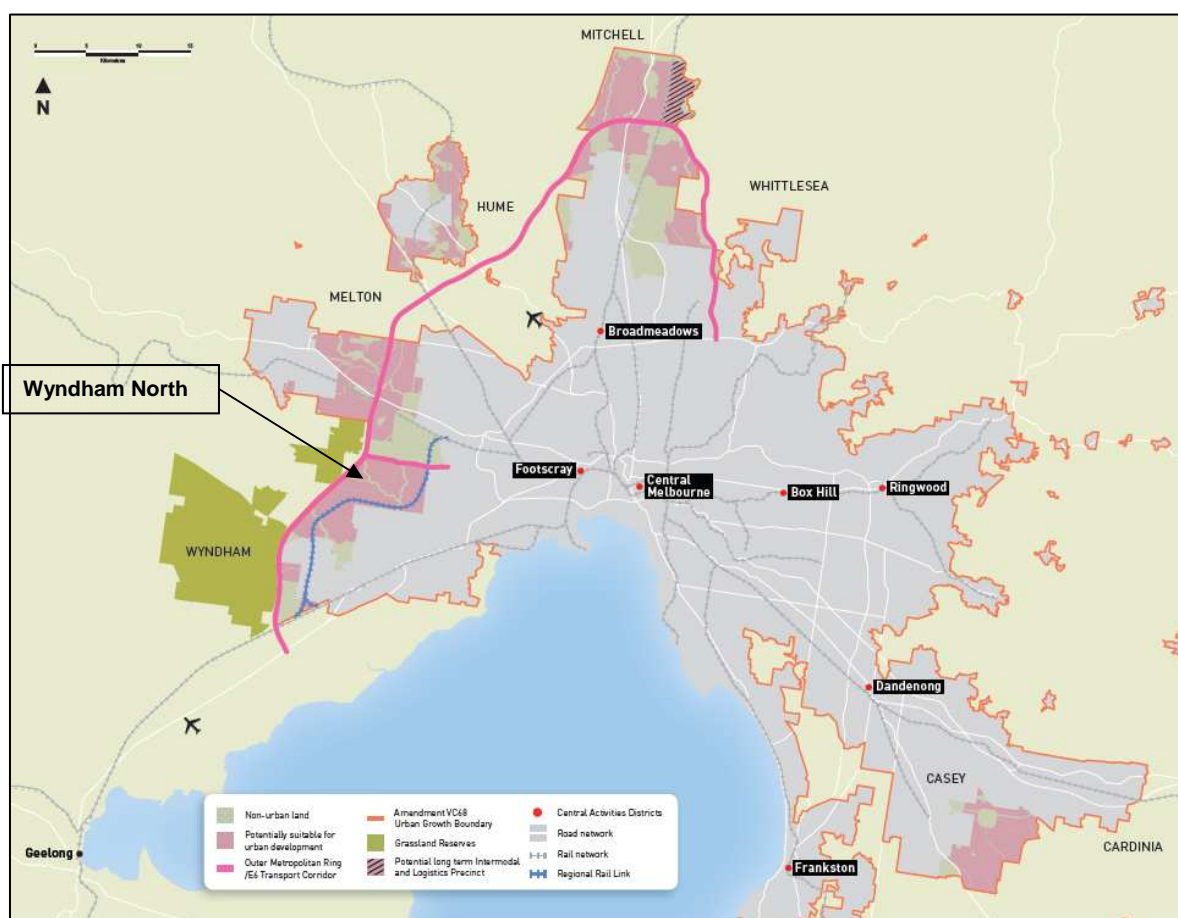
4 Location and Locality:

Released in 2002 by the Victorian Government, “Melbourne 2030” provides a long-term plan for Melbourne and the surrounding region. The “Melbourne @ 5 million” policy was subsequently released in December 2008 by the Victorian Government with initiatives that are complementary to the directions of Melbourne 2030 and the two documents should be considered together.

As part of the implementation of the Melbourne @ 5 million initiatives, the Victorian Government expanded Melbourne’s Urban Growth Boundary (UGB) in July 2010 to accommodate some of the 284,000 new dwellings expected to be built in the growth areas and to maintain housing affordability. The Melbourne @ 5 million policy identified six growth areas municipalities within the realigned UGB on the urban fringes of Melbourne and includes:

- Hume
- Casey-Cardinia
- Melton-Caroline Springs
- Mitchell
- Whittlesea
- Wyndham

The following map identifies the new Urban Growth Boundary (UGB) and the land recently brought within the UGB shaded as purple.



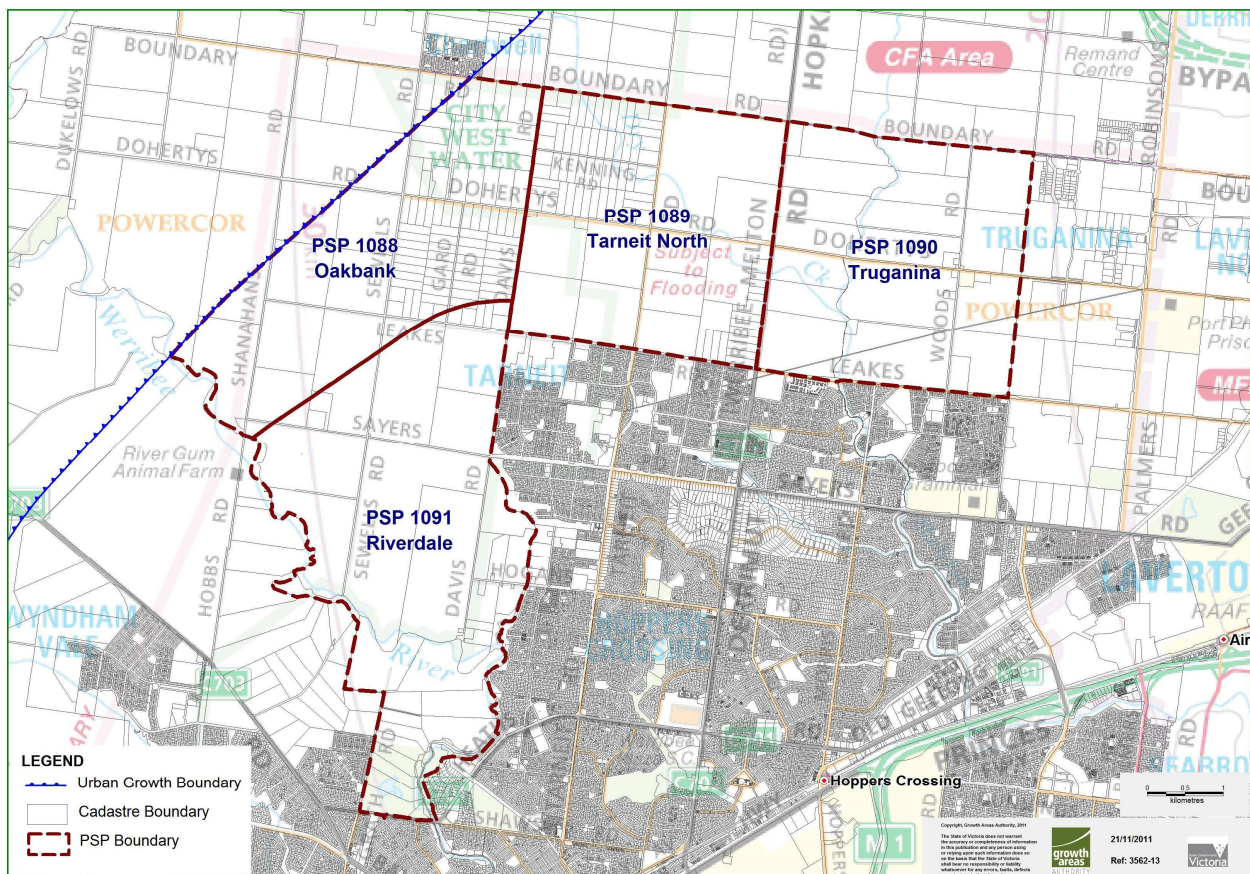
Source: (Metropolitan Planning Authority / Growth Areas Authority)

The Wyndham growth area is located on the outskirts of metropolitan Melbourne with the principal areas Werribee and Hoppers Crossing located some 33km south west of the Melbourne Central Business District. In the 2009-2010 financial year, Wyndham was one of the fastest growing areas in the country, with its population forecast to grow by at least 161,000 people by 2031. The bulk of the growth came from residential estates located within the suburbs of Tarneit, Point Cook, Truganina and Wyndham Vale.

Wyndham City Council is home to a diversity of sectors: strong industrial and technology districts, two major retail precincts, intensive vegetable growing areas and grazing lands. Key tourism and open space attractions include the Werribee Park Mansion, Victoria's Open Range Zoo at Werribee, the State Equestrian Centre, the Point Cook Homestead and the Point Cook RAAF Museum. Werribee South is home to one of the most significant market garden regions in the State. Wyndham City Council has a major industrial area at Laverton North.

The Wyndham North Growth area is located on the northern and western side of existing urban development of Tarneit, Truganina and Hoppers Crossing.

The following plan outlines the location of each of the Precinct Structure Plans within the Wyndham North Growth area.



Source: Wyndham City Council

5 Peer Review of Charter Keck Cramer Valuation Report:

In accordance with our instructions, we have performed a peer review of the Wyndham North Development Contributions Plan Land Assessment Report, Charter Keck Cramer dated 22nd April 2013.

We have structured our peer review by:

- Reviewing the critical issues considered by Charter Keck Cramer that have been documented in their Wyndham North Development Contributions Plan Land Assessment Report dated 22nd April 2013.
- Detailing additional matters we regard as relevant in the practical operation of the DCP. Some of these matters are outside the underlying assumptions in the Charter Keck Cramer Wyndham North Development Contributions Plan Land Assessment Report dated 22nd April 2013, however we regard these issues as critical to the successful operation of the Development Contributions Plan.

5.1 Review of Critical Issues:

Critical Issue - Charter Keck Cramer Report	Comments
1 The subject property relates to 256 parent parcels within the Wyndham North precinct which have been identified as land for future development.	This is a matter of fact and is considered reasonable that all properties should be included in the valuation for DCP purposes.
2 Areas have been derived from the Wyndham North PSP Land Use Budget prepared by the GAA.	This is regarded as an appropriate reference point.
3 Underlying zones of the subject holding have been adopted from planning maps contained within the Department of Planning and Community Development (DPCD) website. In relation to holdings affected by the Outer Metropolitan Ring Road (OMR), we have had regard to the Statement of Underlying Provisions document produced by the DPCD dated July 2010. Our valuation is provided on the basis the current adopted highest and best use accords with the zoning and overlay provisions.	This is regarded as an appropriate basis of valuation.
4 The parcels are considered to have future urban development potential in accordance with the PSP, with existing improvements not incorporated within our assessment. Our valuation relates to the underlying land value.	Whilst the assessment of underlying value of development sites generally does not illustrate any added value for the improvements, there are a number of lifestyle/hobby farms where the added value of improvements may be material. There are properties north of Leakes Road that range between 4 ha and 10 ha where the improvements are substantial and the highest and best use may not be for redevelopment purposes. If these properties are to be fully acquired, then the DCP may be under funded.
5 The land affected by an overland transmission line easement has been identified within the Wyndham North PSP Land Use Budget as encumbered land.	This is regarded as an appropriate basis of valuation.
6 Land within the PSP are unaffected by unsupervised fill, soil or groundwater contamination.	This is regarded as an appropriate basis of valuation.
7 The land within the PSP are unaffected by Aboriginal or archaeological artefacts of significance.	This is regarded as an appropriate basis of valuation.
8 Land identified as having heritage value has been identified as encumbered land within the Wyndham North PSP Land Use Budget. Our valuation is provided on the basis there are no cost and/or adverse implications resulting from the heritage place including restoration, maintenance, or impact on development potential.	This is regarded as an appropriate basis of valuation. If the properties to be acquired by the DCP require further restoration, maintenance with additional cost implications, then these items need to be costed and a funding arrangement prepared. The DCP may be underfunded if these costs have not been accounted for.

Critical Issue - Charter Keck Cramer Report		Comments
9	There is no cost and/or adverse implications identified within the current and/or future Cultural Heritage Management Plans (CHMP's).	This is regarded as an appropriate basis of valuation. If the properties to be acquired by the DCP require the preparation of a Cultural Heritage Management Plan, then these items need to be costed and a funding arrangement prepared. The DCP may be underfunded if these costs have not been accounted for.
10	The land is unaffected by flora and fauna issues. Our valuation does not reflect the area and/or cost of the required offset for the removal of native vegetation.	This is regarded as an appropriate basis of valuation. If the properties to be acquired by the DCP require payment of native vegetation offsets for the removal of native vegetation, then these items need to be costed and a funding arrangement prepared. The DCP may be underfunded if these costs have not been accounted for.
11	Land identified for conservation areas and regional open space has been identified as encumbered land within the Wyndham North PSP.	This is regarded as an appropriate basis of valuation.
12	Our assessment has been provided on the basis land identified for the proposed Regional Rail Link (RRL) has been acquired and does not form part of the Development Contributions Plan.	This is regarded as an appropriate basis of valuation.
13	Our valuation does not reflect compensation for land included within the Public Acquisition relating to the proposed Outer Metropolitan Ring Road (OMR). Overlay (PAO)	This is regarded as an appropriate basis of valuation.
14	Land incorporated within the zone has been identified as encumbered waterway Urban Floodway / drainage line / wetland / retarding land within the land budget and no further allowances or costs are required for the development of the parent holdings.	This is regarded as an appropriate basis of valuation.
15	The current highest and best use for the holdings within the precinct area has been adopted as inglobo residential or employment development land.	This is regarded as an appropriate basis of valuation. There are areas designated within the Precinct Structure Plans as Town Centres which will include shopping centres and mixed use development. These types of uses do not accurately reflect the land value rates of employment development land (office and light industrial)
16	The assessments of the individual holdings have been concluded from an external inspection and publicly available information relating to the development potential of each holding.	This is regarded as an appropriate basis of valuation.
17	Services and facilities are available to the precinct including water, gas, electricity, telephone and mains sewer. However, costs associated with augmentation of services to the individual parcels are not known. The costs associated with extending services to the land are not reflected in our assessment of value.	We are unclear if this critical issue assumes each property within the PSP has services available or if services are available on a precinct wide basis. Given the size of the precinct and the potential for significant different stages of land acquisition, there may be instances where properties (having land acquired) are fully serviced and have a higher land value rate that detailed in the DCP. This may result in the DCP being under funded.

Critical Issue - Charter Keck Cramer Report		Comments
18	Our assessment does not reflect site specific costs such as fill, extension of services, design, external site specific costs, holding periods due to planning requirements and/or buffered land.	This is regarded as an appropriate basis of valuation.
19	Our assessment has been concluded on the basis the identified parent holdings are assessed as individual titles, with our assessment not reflecting current ownership patterns for the holdings.	This is regarded as an appropriate basis of valuation.
20	Our assessment has been provided on the basis the land is zoned appropriately and issued appropriate Town Planning approval for residential or employment use as identified.	This is regarded as an appropriate basis of valuation.
21	Our assessment of value has been concluded on the basis that services is extended to each parcel, having occurred in accordance with the PSP and such infrastructure and services are reticulated within the PSP area and can be augmented to service the proposed underlying uses.	<p>This issue is in conflict with the critical issue 17 (above).</p> <p>There may be a different land value rate applicable if each of the properties are assumed to have services extended to them as opposed the wider precinct having services available.</p>
22	This assessment does not reflect works moratorium implemented by Wyndham City Council.	This is regarded as an appropriate basis of valuation.
23	Our assessments reflect that the Growth Areas Infrastructure Contribution (GAIC) liability affects all properties within the precinct.	This is regarded as an appropriate basis of valuation.

5.2 Additional Matters:

The following additional matters we regard as relevant in the practical operation of the DCP. Some of these matters are outside the scope of Charter Keck Cramer's Land Assessment Report dated 22nd April 2013, however are regarded as critical to the successful operation of the Development Contributions Plan.

Acquisition and the Land Acquisition and Compensation Act 1986

The land value set out in the Development Contributions Plan for the Wyndham North Precinct Structure Plans is an average land value for the purposes of setting a levy under the DCP. Acquisition of land by a compulsory process generally operates within the provisions of the Land Acquisition and Compensation Act 1986 (LACA).

The Executive Summary of the Charter Keck Cramer Report, states that *"elements traditionally associated with compensation as described within the Land Acquisition and Compensation Act 1986 including (but not limited to) severance, disturbance, enhancement / depreciation and special value do not form part of the assessed value."*

While Charter Keck Cramer has not taken these other categories of compensation into account for the purposes of their assessed land value, it is possible in my opinion, that when land required for an infrastructure project is acquired by Council, Council may need to take into account these other heads of claim in addition to the market value when making an assessment of compensation.

The implementation of each Precinct Structure Plans designates particular land uses that are not consistent with the highest and best use of the land. The land required for these uses including community uses, active open space and roads are effectively required to be provided by the land owners and compensated. The DCP makes assumptions and a best guess at the average land value rate of such land.

Where land is being acquired under the PSP/DCP, in the absence of a Public Acquisition Overlay, the formal triggers of compensation would be section 98(2) of the Planning and Environment Act 1987 and such compensation would be made for financial loss suffered as the natural, direct and reasonable consequence of a refusal by the responsible authority to grant a permit. Therefore a landowner, who does not wish to develop land in accordance with the PSP is not entitled to compensation until rights are triggered or until Council approaches the land owner and seeks to acquire by voluntary agreement.

There are a number of additional heads of claim (under the LACA) that a council acting as an acquiring authority risk incurring when land is being sought for an infrastructure project.

For example, under the LACA there are the following categories of compensation potentially payable.

"Market value in relation to any interest in land on a particular date means the amount of money that would have been paid for that interest if it had been sold on that date by a willing but not anxious seller to a willing but not anxious purchaser."

"loss attributable to severance", in relation to the acquisition of a claimant's interest in land, means the amount of any reduction in the market value of any other interest of the claimant in the acquired land or any interest of the claimant in other land use in conjunction with the acquired land which is caused by its severance from the acquired land.

“loss attributable to disturbance” means any pecuniary loss suffered by a claimant as the natural, direct and reasonable consequence of-

- (a) the service upon the claimant of a notice of intention to acquire, where the Authority has refused or failed to give consent to the carrying out of improvements to the land in respect of which that notice has been served or the effecting or obtaining of any sales transactions, licences or approvals in respect of that land; and
- (b) the fact that an interest of the claimant in that land has been divested or diminished, being a pecuniary loss for which provision is not otherwise made in this Part;

“the enhancement or depreciation” in value of the interest of the claimant, at the date of acquisition, in other land adjoining or severed from the acquired land by reason of the implementation of the purpose for which the land was acquired.

The amount of compensation may be increased by such amount, not exceeding 10% of the market value of the land, by way of **solatium** as is reasonable to compensate the claimant for intangible and non-pecuniary disadvantages resulting from the acquisition.

Further we make reference to Section 41 (3) of the Act which states that:

If less than the whole of the land in which a claimant’s interest subsists is acquired or less than the whole of that interest is acquired, the market value of the acquired interest is the difference between the market value of the interest before the acquisition and the market value of the interest after the acquisition.

A land owner is also generally able to claim professional and legal fees as a result of the acquisition.

As far as I am able to ascertain, the Charter Keck Cramer valuations and the relevant amounts set out in the DCP do not take into account any of the above categories of compensation apart from market value. This potentially exposes the Council to considerable risks of underfunding.

Furthermore, the market value which has been assessed for the purposes of setting a levy under the DCP does not include any added value of improvements (houses, sheds, etc). This is a potential further additional cost imposed on Council as the authority which will be required to acquire the relevant land.

In addition, I note that unlike many construction projects, there is no "contingency" built into the DCP land valuation estimates. In summary, if the provisions of the LACA are to be used as the basis of land acquisition then it is highly likely that the current DCP funding model will be “underfunded”. This is quite apart from the potential cash-flow and financing costs associated with the timing of each land project acquisition.

We believe this matter should be more appropriately addressed by the Planning Panel, Metropolitan Planning Authority and Wyndham City Council.

Land Value Averaging

Charter Keck Cramer's Wyndham North Development Contributions Plan Land Assessment Report dated 22nd April 2013 provides an averaged land value rate of:

- \$500,000 per hectare for Residential land, and
- \$275,000 per hectare for Industrial land.

We have not been provided with the individual land value rates that form the overall average.

Whilst we regard the above land value rate averages to be an appropriate benchmark of land values, there are a number of variables that are likely to affect the practical operation of the DCP.

Property location and development lead times

It is evident from the sales analysis (See Section 6 of this report) that properties closer to existing urban development transact at land value rates higher than land more removed. This is due to the development lead time being shorter, lower risk, holding costs being lower and being financial more feasible.

Whilst the average residential land value rate applicable in the DCP is \$500,000 per hectare, the sales illustrates that rates may vary between:

- \$335,000 and \$360,000 per hectare (excluding improvements) for land <10 hectares and predominately between 4 and 10 hectares.
- \$370,000 and \$390,000 per hectare (including improvements) for land <10 hectares.
- \$350,000 and \$530,000 per hectare for land >10 hectares and removed from urban development.
- \$460,000 and \$750,000 per hectare for land >10 hectares and close to urban development.
- \$750,000 and \$1,000,000 per hectare for land <5 hectares in very good locations with short development lead times.

Using an average land value approach may result in the land owners (for land in close proximity to existing urban development) being under compensated for their land. On the other hand, land owners well removed from urban development may be over compensated for their land.

Smaller Residential land parcels

There are sections of the Tarneit North and Oakbank PSP's that have a large number of smaller land parcels between 4 and 10 hectares. Whilst they are located within the Wyndham North Growth area and the majority are likely to have a highest and best use for development in the long term, there will be some properties where the highest and best use will remain as lifestyle properties.

The land parcels within these areas have underlying land value rates (evidenced by sales analysis) between \$335,000 and \$360,000 per hectare. Given the development time horizon for these land parcels are a minimum of 5 to 10 years, we regard the majority of existing improvements to provide ongoing utility and have an added value in the context of market value.

There are numerous large dwellings where the highest and best use of the land will continue to be for lifestyle purposes and not for redevelopment. In these situations, we believe compensation under the provisions of the LACA to be a more appropriate mechanism than the reimbursement of land by the DCP using an average land value rate.

Land value averaging versus individual valuations

The Growth Areas Authority (now Metropolitan Planning Authority) issued a request for quotation for DCP land valuations on 20th March 2012.

Stage 2 of the scope of works within the request for quotation is as follows:

Provide a methodology for determining a fair market value on a site specific basis for all land parcels affected by the infrastructure items. This will include a title search for each property concerned and the following assumptions:

- *The land is rezoned to be developed for an urban purpose*
- *The PSP has been approved*
- *The areas required are discreet parcels and;*
- *The land is unencumbered and able to be serviced*

Prepare a draft written report based on the methodology outlined above, clearly setting out title particulars, site description and topography, zoning and planning controls, valuation rationale including analysis of previous sales, and a before and after valuation for each piece of land required for a public purpose as set out in the draft Wyndham North Precinct Structure Plan.

Whilst an average land value rate has been applied in the DCP, if the valuations were performed in accordance with the scope of works, then individual property valuations have been performed. This work is not evident in the Charter Keck Cramer land assessment report.

The valuations were requested to be performed on a “before and after” basis which will have regard to the particular characteristics of each property and how they are affected by the acquisition. We regard the before and after valuation methodology to be the most robust approach for land valuations in this situation.

We also recognise that the DCP will be difficult to administer (by Wyndham City Council) particularly as land values across the Wyndham North Growth Area vary.

Activity Centres

Each of the Precinct Structure Plans includes an Activity Centre/ Town Centre which will comprise commercial and retail development.

The Charter Keck Cramer Wyndham North Development Contributions Plan Land Assessment Report dated 22nd April 2013 does not detail how the Town Centre land has been incorporated in the averaged land value rate. The land value rate detailed on page 15 of the Charter Keck Cramer Land Assessment Report is for industrial uses and does not appear to include the town centres.

Having regard to the sale evidence of Town Centre land (Section 6.4), we have observed the following land value rates:

- \$150 to \$200 per square metre for activity centres that are large in size or in developing areas where the existing retail catchment is not very large and established.
- \$250 to \$400 per square metre for activity centres between 2 and 4 hectares within rapidly growing areas where the existing retail catchment is established.

It is therefore evident that town centres (activity centres) transact at rates well in excess of land to be used for residential purposes.

Given the large areas of land designated as a future town centres, we regard it reasonable to include this land in the land value average, if not already included by Charter Keck Cramer.

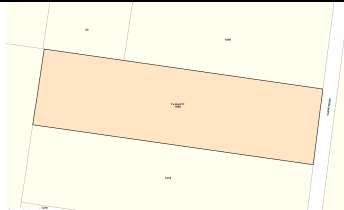
6 Sales Evidence:

In forming our opinion of value of the underlying land value rates applicable within the Wyndham North Growth area, we have had regard to various sales transactions.

6.1 Residential < 10 hectares:

Firstly we have had regard to sales of land between 4 and 10 hectares within the established lifestyle areas north of Leakes Road and west of Tarneit Road.

1080 Tarneit Road, Tarneit



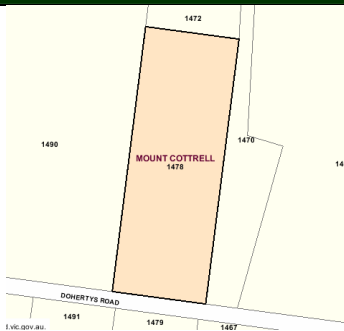
Sale Price:	\$1,570,000 ex GST & ex GAIC
Sale Date:	February 2011
Zone:	Urban Growth
GAIC:	Applicable
Land Area:	4.05 hectares
Analysis:	\$387,654 per hectare (gross) \$362,962 per hectare (excluding improvements)

The property comprises a rectangular shaped flat parcel located on the western side of Tarneit Road, approximately 1.9km north of established residential and within an area of 4 – 10 hectare parcels. The property is improved with a well presented 3 bedroom brick veneer dwelling constructed circa 1990 with colourbond roof, veranda, double galvanised iron garage, four car machinery shed, two galvanised iron water tanks and covered patio.

The property was sold by private treaty with an original asking price of \$1.79m. We have been advised that the property was sold on terms of 10% deposit and balance in 6 months. The property is to be leased out in the short to medium term and considered to be a land bank acquisition.

We have notionally ascribed value to the improvements of \$100,000 as development is likely to be approx 5-10 years away and they have good utility for rental purposes in the meantime. The resultant land value is \$1,470,000 which equates to \$362,962/ha

1478 Dohertys Road, Mount Cottrell

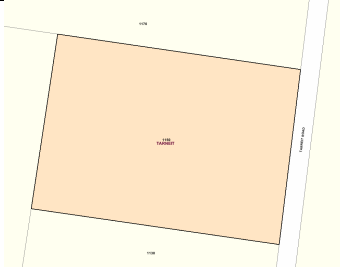


Sale Price:	\$1,700,000 ex GST & ex GAIC
Sale Date:	October 2011
Zone:	Urban Growth
GAIC:	Applicable
Land Area:	4.056 hectares
Analysis:	\$419,132 per hectare (gross) \$332,840 per hectare (cash equivalent excluding improvements)

The property comprises a rectangular shaped flat parcel located on the northern side of Dohertys Road, approximately 200 metres east of the Sewells Road intersection and approximately 2.5 km north of established residential. The property is improved with two dwellings. The main residence comprises 3 bedrooms (master with ensuite) whilst the second residence, which is separately metered, provides a master bedroom with ensuite and two separate living areas.

We understand this property to be a cash sale. We have notionally ascribed value to the improvements of \$200,000 for the main dwelling, \$100,000 for the second dwelling and \$50,000 for other improvements as development is likely to be approx 10 years away and they have good utility for rental purposes in the meantime. The resultant land value is \$1,350,000 which equates to \$332,840/ha.

1150 Tarneit Road, Tarneit

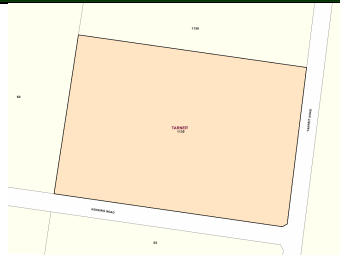


Sale Price:	\$2,300,000 ex GST & ex GAIC \$1,700,000 ex GST & ex GAIC (Cash Equivalent)
Sale Date:	June 2013
Zone:	Urban Growth
GAIC:	Applicable
Land Area:	4.60 hectares
Analysis:	\$500,000 per hectare (gross) \$369,565 per hectare (cash equivalent) \$336,956 per hectare (cash equivalent excluding improvements)

The property comprises a rectangular shaped flat parcel located on the western side of Tarneit Road, approximately 2.6km north of established residential and within an area of 4 – 10 hectare parcels. The property is improved with a 4 bedroom brick veneer dwelling constructed circa 1990 with concrete tiled roof, veranda, three sheds, stock dam and water tanks.

We have been advised that the property was sold terms of 10% deposit over a 5 year term, with annual payments of 5% with the balance in year 5 of 70%. We have calculated the cash equivalent utilising a discount rate of 8% to be \$1,706,634, which we have rounded to \$1,700,000. We have notionally ascribed value to the improvements of \$150,000 as development is likely to be approx 10 years away and they have good utility for rental purposes in the meantime. The resultant land value is \$1,550,000 which equates to \$336,956/ha.

1130 Tarneit Road, Tarneit

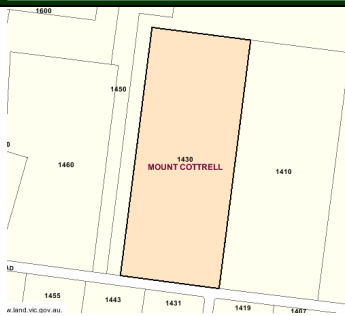


Sale Price:	\$2,300,000 ex GST & ex GAIC \$1,700,000 ex GST & ex GAIC (Cash Equivalent)
Sale Date:	February 2013
Zone:	Urban Growth
GAIC:	Applicable
Land Area:	4.60 hectares
Analysis:	\$500,000 per hectare (gross) \$369,565 per hectare (cash equivalent) \$336,956 per hectare (cash equivalent excluding improvements)

The property comprises a rectangular shaped flat parcel located on the north western corner of Tarneit Road and Kenning Road, approximately 2.3km north of established residential and within an area of 4 – 10 hectare parcels. The property is improved with a 3 bedroom brick veneer dwelling constructed circa 1990 with corrugated iron roof, veranda, sheds and water tanks.

We have been advised that the property was sold terms of 10% deposit over a 5 year term, with annual payments of 5% with the balance in year 5 of 70%. We have calculated the cash equivalent utilising a discount rate of 8% to be \$1,706,634, which we have rounded to \$1,700,000. We have notionally ascribed value to the improvements of \$150,000 as development is likely to be approx 10 years away and they have good utility for rental purposes in the meantime. The resultant land value is \$1,550,000 which equates to \$336,956/ha.

1430 Dohertys Road, Mount Cottrell



Sale Price:	\$5,000,000 ex GST & ex GAIC \$3,710,000 ex GST & ex GAIC (Cash Equivalent)
Sale Date:	August 2013
Zone:	Urban Growth
GAIC:	Applicable
Land Area:	10.1 hectares
Analysis:	\$495,050 per hectare (gross) \$367,326 per hectare (cash equivalent) \$352,475 per hectare (cash equivalent excluding improvements)

The property comprises a rectangular shaped flat parcel located on the northern side of Dohertys Road, approximately 600 metres east of the Sewells Road intersection and approximately 2km north of established residential. The property is improved with a brick veneer dwelling constructed circa 1980 with concrete tiled roof, veranda, garage, sheds and water tanks.

We have been advised that the property was sold terms of 10% deposit over a 5 year term, with annual payments of 5% with the balance in year 5 of 70%. We have calculated the cash equivalent utilising a discount rate of 8% to be \$3,710,073, which we have rounded to \$3,710,000. We have notionally ascribed value to the improvements of \$150,000 as development is likely to be approx 10 years away and they have good utility for rental purposes in the meantime. The resultant land value is \$3,560,000 which equates to \$352,475/ha.

6.2 Sales evidence – Residential Englobo > 10 hectares:

Secondly, we have had regard to sales of land greater than 10 hectares within the growing outskirts of Werribee and Melton. These sales form the evidence in ascribing our underlying land value rate for land > 10 hectares.

Lot 11 Ballan Road, Wyndham Vale



Sale Price:	\$6,500,000
Sale Date:	June 2010
Zone:	Urban Growth
GAIC:	Paid in addition to the above sale price
Land Area:	12.14 hectares
Lot Yield:	Unknown
Analysis:	\$535,420 per hectare

The property comprises a square shaped allotment located on the north western corner of Ballan Road and Wollahra Rise, directly opposite the Manor Lakes Shopping Centre. The site was sold at Auction for \$6.5m on terms of 20% deposit with balance in 12 months. The property is within the proposed Ballan Road PSP which was at planning stage at the date of valuation. The property was improved with a brick veneer dwelling constructed circa 1980's. Given the likely development time horizon being relatively short and the close proximity to existing urban development, we have not ascribed any added value to the improvements.

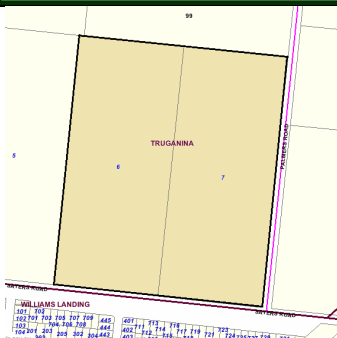
115 Westmeadows Lane, Truganina



Sale Price:	\$6,700,000
Sale Date:	June 2010 (Approx)
Zone:	Residential 1
GAIC:	Not Applicable
Land Area:	10.54 hectares
Lot Yield:	160 lots (estimated) @ 15 lots per hectare
Analysis:	\$635,673 per hectare \$41,875 per lot

The property comprises a roughly rectangular shaped allotment on the southern side of Westmeadows Lane, opposite the Stonybrook Way intersection. The property is subject to a Development Contributions Overlay, specifically the Westmeadows Lane and Marquandes Road Development Contributions Plan with the developer required to pay \$63,779 per net developable hectare plus \$937 per lot. The property has additional frontage to the Skeleton Creek along its southern boundary with a small slither of land subject to an Environmental Significance Overlay which is not considered to adversely affect value.

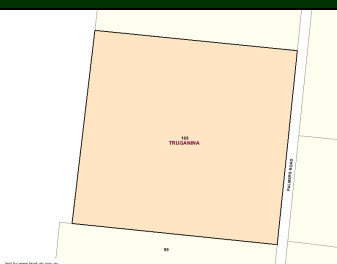
240 Sayers Road and 25 Palmers Road, Truganina



Sale Price:	\$13,500,000
Sale Date:	September 2009
Zone:	Urban Growth
GAIC:	Not Applicable
Land Area:	24.00 hectares 13.7 hectares developable (approx)
Lot Yield:	200 lots (estimated) @ 15 lots per hectare (Precinct guidelines)
Analysis:	\$562,500 per hectare (Gross) \$985,400 per hectare (developable) \$67,500 per lot (developable)

The property comprises two rectangular shaped parcels located on the north west corner of Sayers Road and Palmers Road, Truganina and within the Truganina South Precinct Structure Plan. The draft precinct structure plan details conservation area of approximately 10.3 hectares and on that basis we have calculated the developable land area to be approximately 13.7 hectares. We understand the original contract was signed at a price of \$17.435m however renegotiated after the development yield was reduced due to the presence of the conservation reserve.

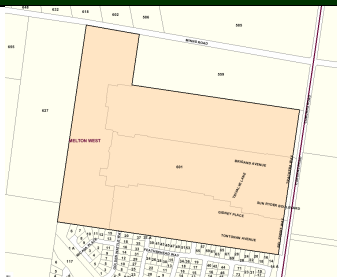
105 Palmers Road, Truganina



Sale Price:	\$13,750,000
Sale Date:	October 2009
Zone:	Urban Growth
GAIC:	Not Applicable
Land Area:	16.04 hectares
Lot Yield:	240 lots (estimated) @ 15 lots per hectare (Precinct Guidelines)
Analysis:	\$857,232 per hectare \$57,291 per lot

The property comprises a square shaped vacant parcel located on the western side of Palmers Road, approximately 800 metres north of the Sayers Road intersection. The property resides within the Truganina South Precinct Structure Plan, designated as conventional residential.

491-557 Coburns Road, Melton West

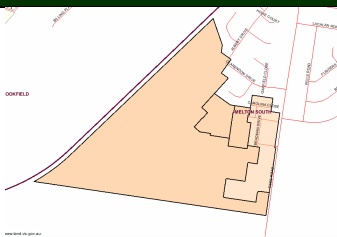


Sale Price:	\$21,000,000 (Terms) \$20,240,000 (Cash Equivalent)
Sale Date:	September 2011
Zone:	Urban Growth – Schedule 2
GAIC:	Applicable. Paid in addition to the above sale price.
Land Area:	43.11 hectares 38.23 hectares (Developable Area)
Lot Yield:	710 lots (estimated) @ 18.5 lots per hectare
Analysis:	\$487,126? per hectare (Gross) \$469,497 per hectare (Cash Equivalent) \$529,427 per hectare (Cash Equivalent Developable Area) \$28,507 per lot (Cash Equivalent)

The property comprises four roughly rectangular shaped and generally flat parcels located on the western side of Coburns Road, with additional frontage to Minns Road within the approved Melton North Precinct. The property is also known as 601 Minns Road, Melton West and is legally described as Lot 5005 PS644307, Lot 5004 PS644306, Lot 5003 PS644305 and Lot D PS644287. The property adjoins an established residential estate to the south and is ripe for immediate development with approved planning permit and engineering concept design approved.

The property was sold by Tender by RPM Real Estate closing 15th September 2011 for \$21,000,000 on terms of 10% deposit and balance in May 2012.

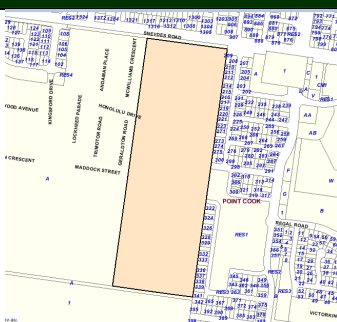
70-137 Rees Road, Melton South



Sale Price:	\$24,000,000
Sale Date:	May 2010
Zone:	Residential 1
GAIC:	Not Applicable
Land Area:	49.242 hectares
Lot Yield:	670 lots (estimated) @ 13.6 lots per hectare. Avg Lot size 442 sqm.
Analysis:	\$487,389 per hectare \$35,821 per lot

The property (Lot Z on LP218330) comprises a roughly triangular shaped parcel located on the western side of Rees Road and immediately adjoining established residential estate to the north and the Melbourne to Bacchus Marsh Railway line along its western (rear) boundary. The property was reported to have potential to yield 670 allotments (13.6 lots per hectare) and is ripe for immediate redevelopment. Further there is no GAIC liability on this property.

275 Sneydes Road, Point Cook

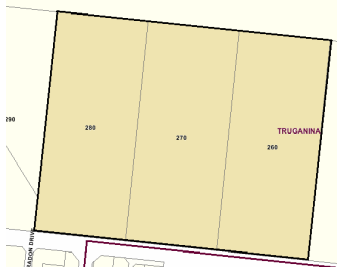


Sale Price:	\$24,000,000
Sale Date:	March 2010
Zone:	Farming (Inside UGB)
GAIC:	Not Applicable
Land Area:	20.05 hectares
Lot Yield:	280 lots (estimated) @ 14 lots per hectare
Analysis:	\$1,197,007 per hectare \$85,714 per lot

The property comprises a rectangular shaped vacant parcel located on the southern side of Sneydes Road, in between the Featherbrook Estate and the Kingsford Estate.

At the date of sale the property was zoned Farming and whilst no town planning approval had been sought, all development due diligence had been completed to allow for a very short development lead time.

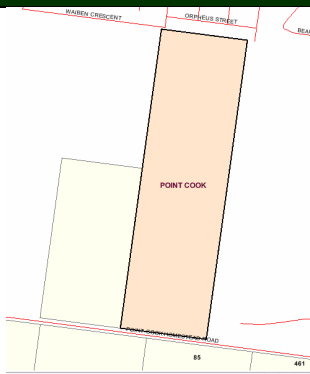
260-280 Sayers Road, Truganina



Sale Price:	\$24,150,000
Sale Date:	September 2009
Zone:	Urban Growth
GAIC:	Not Applicable
Land Area:	36 hectares 31 hectares developable (approx)
Lot Yield:	465 lots (estimated) @ 15 lots per developable hectare
Analysis:	\$670,833 per hectare \$779,032 per hectare (Developable Area) \$51,935 per lot

The property comprises three rectangular shaped and generally flat 12 hectare parcels located on the northern side of Sayers Road and included within the Truganina South Precinct which is currently at planning scheme amendment stage. The parcels, legally described as Lots 2-4 on LP130043 are zoned Urban Growth with a small component (2,700sqm approx) of "Residential 1" zone on the south western corner. The draft precinct structure plan details conservation area of approximately 5 hectares and on that basis we have calculated the developable land area to be approximately 31 hectares. The property is directly opposite the developing residential estates of Arndell Park and Wyndham Waters.

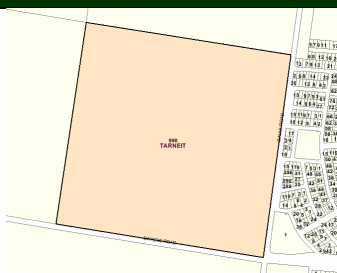
Lot 5, Point Cook Homestead Road, Point Cook



Sale Price:	\$31,000,000
Sale Date:	June 2010
Zone:	Residential 1
GAIC:	Not Applicable
Land Area:	24.0 hectares
Lot Yield:	350 lots (estimated) @ 14.5 lots per hectare
Analysis:	\$1,291,667 per hectare \$88,571 per lot

The property comprises a rectangular shaped, flat allotment located on the northern side of Point Cook Homestead Road, backing onto Sanctuary Lakes Estate and part of the Point Cook Homestead Road Precinct. The property was purchased by the Queensland based Pask Group.

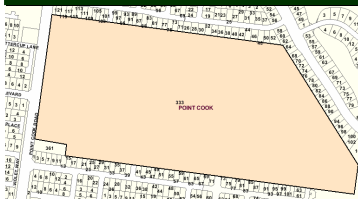
990 Sayers Road, Tarneit



Sale Price:	\$32,500,000 plus GST \$22,315,554 (Cash Equivalent)
Sale Date:	January 2011 (Terms Sale)
Zone:	Urban Growth
GAIC:	Applicable. Paid in addition to the above sale price.
Land Area:	64.3 hectares 48.3 hectares developable
Lot Yield:	500 lots (estimated)
Analysis:	\$505,443 per hectare (Gross) \$347,053 per hectare (Cash Equivalent) \$462,019 per hectare (Cash Equivalent Developable Area) \$44,631 per lot (Cash Equivalent)

The property comprises a square shaped allotment located on the north western corner of Sayers and Davis Road. The property is bisected by Davis Creek which renders approximately 25% (16ha) undevelopable. We understand the property sold for \$32.5m subject to a terms sale over 5 years. The terms of the sale are understood to be \$5m deposit with a further \$3.5m in 30 months with the balance (\$24m) in 60 months. We have calculated the cash equivalent to be \$22,315,554 assuming a discount rate of 10%. We understand access to the land will be permitted prior to final settlement in the event that PSP and planning approval is achieved.

333 Point Cook Road, Point Cook

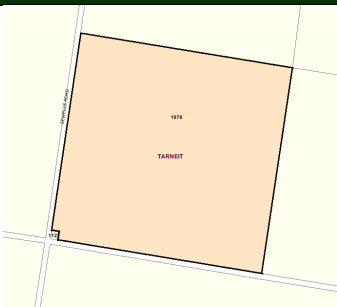


Sale Price:	\$30,000,000
Sale Date:	April 2012
Zone:	Residential 1
GAIC:	Not Applicable
Land Area:	33.34 hectares
Lot Yield:	450 lots (estimated) @ 13.5 lots per developable hectare
Analysis:	\$899,820 per hectare \$66,666 per lot

The property comprises a regular shaped and generally flat vacant parcel located on the eastern side of Point Cook Road, abutting the Sanctuary Lakes residential estate. The property enjoys wide frontage to Point Cook Road with three additional frontages along the southern boundary. The property is surrounded by developed residential estates and is ripe for immediate redevelopment. Whilst no planning permits are in place, we consider the development lead time to be relatively short.

The property was sold in April 2012 by Wallace under a widely advertised expression of interest campaign which closed on the 5th March 2012. The level of interest from prospective purchasers was robust with the property originally selling for \$33,500,000 on sale terms of 10% deposit and balance on 1st January 2013. We understand this sale fell through and the property was reoffered to the other interested parties. The property subsequently sold for \$30,000,000 and demonstrates a 10% decrease from the original sale price.

1070 Sayers Road, Tarneit

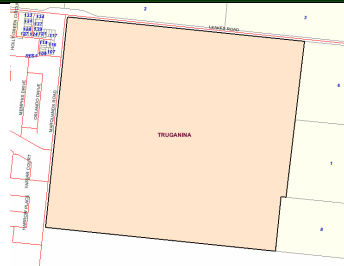


Sale Price:	\$36,800,000 plus GST \$26,636,804 (Cash Equivalent)
Sale Date:	September 2010 (Terms Sale)
Zone:	Urban Growth
GAIC:	Applicable. Paid in addition to the above sale price.
Land Area:	63.5 hectares 55.2 hectares developable
Lot Yield:	700-800 lots (estimated)
Analysis:	\$579,527 per hectare (Gross) \$419,477 per hectare (Cash Equivalent) \$482,550 per hectare (Cash Equivalent Developable Area) \$33,296 - \$38,052 per lot (Cash Equivalent)

"Wyndham Park" comprises a rectangular shaped parcel located on the north eastern corner of Sayers Road and Sewells Road and Davis Road approximately 28kms south west of the Melbourne CBD in the emerging suburb of Tarneit within the City Of Wyndham. The property is bisected by Davis Creek which renders approximately 13% (8.3ha) undevelopable.

We have been advised by the selling agent that the property was sold on terms \$36.8m which comprised an \$8m deposit with the balance payable in 42 months. We were also advised the aforementioned sale price excludes GST and the GAIC. We have analysed the sale price at a discount rate of 12.5% to calculate a cash equivalent, which we have used in our analysis.

Lot 9 Leakes Road, corner Marquands Rd, Truganina



Sale Price:	\$56,500,000 (Gross) \$52,483,733 (Cash Equivalent)
Sale Date:	June 2009
Zone:	Urban Growth
GAIC:	Not Applicable
Land Area:	124.4 hectares 84.0 hectares developable
Lot Yield:	1260 lots (estimated) @ 15 lots per hectare
Analysis:	\$454,180 per hectare (Gross) \$421,894 per hectare (Cash Equivalent) \$624,806 per hectare (Cash Equivalent - Developable Area)
	\$44,841 per lot (Gross) \$41,653 per lot (Cash Equivalent)

The property comprises a relatively flat parcel of vacant land, situated on the south eastern corner of Leakes and Marquandes Road, within the Urban Growth Boundary (UGB) and within the Truganina South Precinct. The sale of the subject indicates \$454,180/hectare on the face sale price which is reduced to \$421,894/hectare on a cash equivalent basis assuming an 8% discount rate. The allotment has good access via Leakes & Marquandes Rd with a water course (Dohertys Creek) and a large dam to the south eastern corner. We have been informed that the property is subject to native vegetation with the presence of the endangered "Golden Sun Moth" which reduces the developable land area to 84 hectares. Assumed to yield 15 lots/ha or 1,260 lots. We have been made aware that the Stockland Group purchased the property with settlement conditional upon gazettal of the Precinct Structure Plan. We understand that the purchase terms were a normal 10% deposit with the balance payable 6 months after the PSP approval, which was expected be around June 2010 therefore the payment will be around December 2010.

1 Hacketts Road, Point Cook



Sale Price:	\$103,000,000 (Terms) \$84,536,068 (Cash Equivalent)
Sale Date:	June 2013
Zone:	Urban Growth – Schedule 5
GAIC:	Not Applicable.
Land Area:	125.43 hectares 105.32 hectares (Developable Area)
Lot Yield:	2,002 lots (estimated) @ 19.0 lots per hectare (as per PSP)
Analysis:	\$921,175 per hectare (Gross) \$673,970 per hectare (Cash Equivalent) \$802,659 per hectare (Cash Equivalent Developable Area) \$42,225 per lot (Cash Equivalent)

The property comprises an irregular shaped parcel over three titles located on the western side of Hacketts Road in the rapidly expanding western Melbourne suburb of Point Cook. The property forms the entire Point Cook West Precinct, a master planned precinct of some 125.43 hectares that is expected to be developed into approximately 2,002 dwellings constructed at conventional and medium density and provide passive and active open space, along with upgraded road infrastructure to meet the day-to-day needs of the community.

Land within the PCWP is gently rolling in contour with good road frontage to Hacketts Road and also possesses wide frontage to Princes Highway.

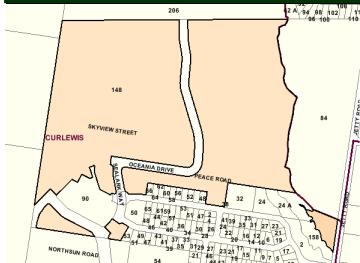
The property was sold by tender closing 15th May 2013 for \$103,000,000 with terms of 10% deposit, 15% at end of year 1, 25% at end of year 2 and 50% at end of year 4.

The purchaser is not required to pay Growth Areas Infrastructure Contribution (GAIC) however will be required to construct a noise wall along the entire Princes Highway frontage of some 2.5 kilometres.

6.3 Sales evidence – Town Centres / Activity Centres:

Thirdly, we have had regard to sales of within Town Centres / Activity Centre the growing outskirts of Metropolitan Melbourne and Geelong.

Part 148-156 Jetty Road, Curlewis



Sale Price:	\$3,500,000
Sale Date:	Aug 2011
Zone:	Business 1
GAIC:	Not Applicable
Land Area:	12,960 square metres
Analysis:	\$270 per square metre

The property comprises an irregular shaped parcel located within the Jetty Road Urban Growth Area (JRUGA), located on the Bellarine Peninsula, approximately 20 kilometres east of Geelong. The property is located in the middle of the JRUGA with developing residential estates to the east and south. The property was acquired in August 2011, however did not settle until March 2013 when the estate was rezoned and the property subdivided from the broader englobo parcel.

Lot D Forsyth Road, Williams Landing



Sale Price:	\$4,356,000
Sale Date:	July 2009
Zone:	Residential 1
GAIC:	Not Applicable
Land Area:	21,770 square metres
Analysis:	\$200 per square metre

The property comprises a roughly rectangular shaped parcel located on the eastern side of Forsyth Road with additional frontages to Fantail Crescent and Grackle Crescent within the rapidly developing outer western suburb of Williams Landing. Whilst zoned, Residential 1, it is designated as a "Mixed Use" development site as per the Williams Landing development concept plan. The high exposure property is ripe for immediate development and we understand the property was acquired by Woolworths as a standalone supermarket.

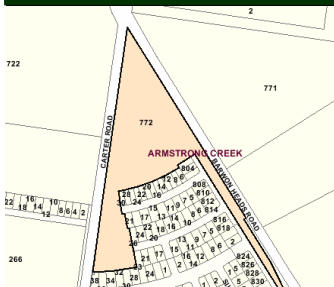
2-14 Calder Park Drive, Taylors Hill



Sale Price:	\$6,300,000
Sale Date:	December 2009
Zone:	Business 1
GAIC:	Not Applicable
Land Area:	18,700 square metres
Analysis:	\$336 per square metre

The property comprises a roughly square shaped allotment located on the north east corner of Calder Park Drive and Taylors Road, within the rapidly developing outer western growth area of Taylors Hill.

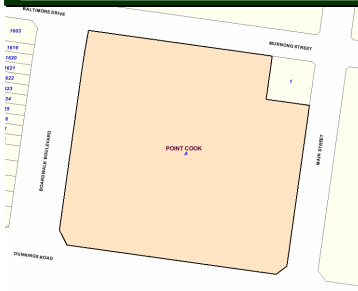
Lot F, part 772 Barwon Heads Road, Armstrong Creek



Sale Price:	\$6,510,000
Sale Date:	February 2013
Zone:	Urban Growth – Schedule 2
GAIC:	Not Applicable
Land Area:	21,000 square metres
Analysis:	\$310 per square metre

The property comprises a rectangular shaped parcel located on the western side of Barwon Heads Road, within the developing Warralily Estate as part of the Armstrong Creek Growth Area, some 9.6 kilometres south of the Geelong Central Activities Area. The property forms part of a Town Centre and was acquired by Woolworths with 10% deposit, balance in 12 months.

65 Boardwalk Boulevard, Point Cook



Sale Price: \$7,100,000
 Sale Date: July 2008
 Zone: Business 1
 GAIC: Not Applicable
 Land Area: 25,200 square metres
 Analysis: \$281 per square metre

The property comprises a rectangular shaped allotment (Lot A PS529437) located on the north eastern corner of Boardwalk Boulevard and Dunnings Road within the rapidly outer Western suburb of Point Cook. The site forms part of the Point Cook Town Centre Shopping Centre.

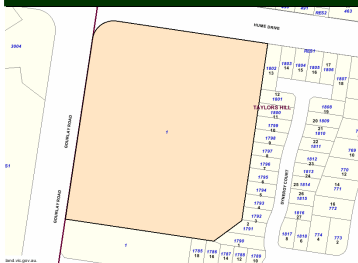
Mount Derrimut Road, Deer Park



Sale Price: \$11,000,000
 Sale Date: November 2007
 Zone: Mixed Use
 GAIC: Not Applicable
 Land Area: 43,000 square metres
 Analysis: \$255 per square metre

The property comprises a roughly rectangular shaped parcel located on the south western corner of Mount Derrimut Road and Foleys Road, within the western metropolitan suburb of Deer Park. The property has additional frontage to St Leonards Street and Jennifer Court and we understand the property was sold with pre-commitment from Coles for a supermarket.

Hume Drive, Taylors Hill



Sale Price: \$15,000,000
 Sale Date: May 2009
 Zone: Business 1
 GAIC: Not Applicable
 Land Area: 31,530 square metres
 Analysis: \$475 per square metre

The property comprises a roughly square shaped allotment located on the south west corner of Hume Drive and Gourlay Road, within the rapidly developing outer western growth area of Taylors Hill.

Lot B Dunnings Road Boulevard, Point Cook



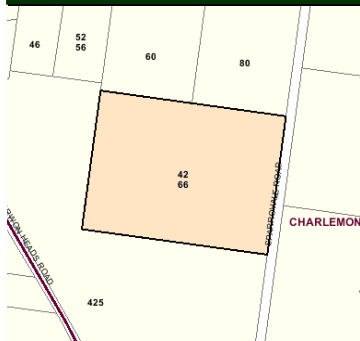
Sale Price: \$15,589,186
 Sale Date: June 2008
 Zone: Business 1
 GAIC: Not Applicable
 Land Area: 101,300 square metres
 Analysis: \$154 per square metre

The property comprises an irregular shaped allotment (Lot B PS529437) located on the northern side of Dunnings Road with additional frontage to Boardwalk Boulevard within the rapidly outer Western suburb of Point Cook. The site forms part of the site of the Point Cook Town Centre Shopping Centre.

6.4 Sales Evidence - Industrial Englobos:

Thirdly, we have had regard to sales of Industrial or proposed Industrial land on the growing outskirts of Metropolitan Melbourne and Geelong.

42 Sparrovale Road, Charlemont

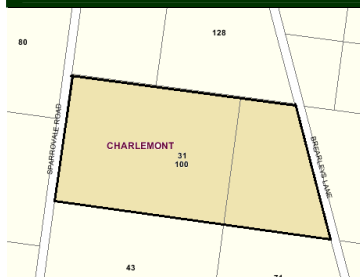


Sale Price:	\$4,200,000
Sale Date:	Nov 2010 (13 month settlement terms)
Zone:	Farming Zone Now Urban Growth Zone – Schedule 1 (Industrial)
GAIC:	Not Applicable
Land Area:	123,283 square metres
Analysis:	\$34 per square metre

The property comprises a rectangular shaped and generally level parcel located on the western side of Sparrovale Road, approximately 300 metres north of the Reserve Road intersection.

The property is within Armstrong Creek's North East Industrial Precinct where the PSP was formally approved in May 2010. The land is designated for part Precinct 1 - Industry North & South and part Precinct 3 - Industry and Mixed Business. The property is bisected by a sewer easement running in a NE/SW orientation across the south eastern corner of the site.

31-41 Sparrovale Road, Charlemont

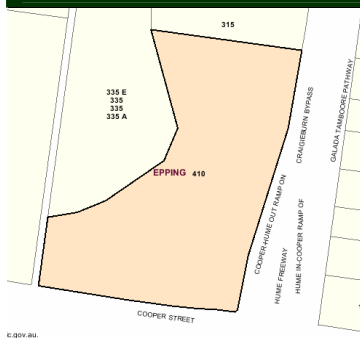


Sale Price:	\$5,060,000
Sale Date:	Nov 2010 (12 month settlement terms)
Zone:	Farming Zone Now Urban Growth Zone – Schedule 1 (Industrial)
GAIC:	Not Applicable
Land Area:	179,249 square metres 166,000 square metres (developable)
Analysis:	Gross: \$28.2 per square metre Developable: \$30.5 per square metre

The property comprises a rectangular shaped and generally level parcel located on the eastern side of Sparrovale Road, approximately 400 metres north of the Reserve Road intersection. The property also has rear frontage to Brearleys Lane.

The property is within Armstrong Creek's North East Industrial Precinct where the PSP was formally approved in May 2010. The property is designated for part Precinct 3 - Industry and Mixed Business and part Precinct 2 – Campus Business. A High Voltage Powerline easement encumbers the North Western corner of the site with a large pylon residing on the land.

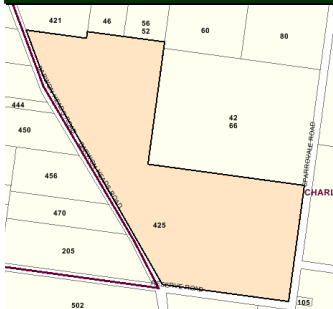
410 Cooper Street, Epping



Sale Price:	\$5,500,000
Sale Date:	July 2012
Zone:	Part Special Use Zone – Schedule 4 Part Farming Zone
GAIC:	Not Applicable
Land Area:	320,900 square metres
Analysis:	\$17 per square metre

This comprises an irregular shaped parcel located on the north western corner of Cooper Street and Hume Freeway with additional frontage to O'Herns Road. The property is zoned Farming by virtue of its location next to two extractive industry properties to prevent inappropriate development. The property was acquired by a syndicate who plan to obtain rezoning for future industrial use, The property has excellent exposure and road infrastructure.

425-499 Barwon Heads Road, Marshall

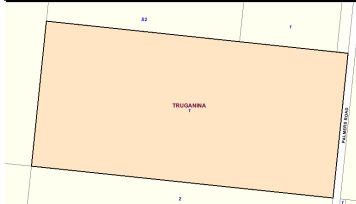


Sale Price:	\$7,000,000
Sale Date:	Aug 2010
Zone:	Farming Zone Now Urban Growth Zone – Schedule 1 (Industrial)
GAIC:	Not Applicable
Land Area:	218,338 square metres
Analysis:	\$32 per square metre

The property comprises an irregular shaped parcel located on the north eastern corner of Barwon Heads Road and Reserve Road. The property is within Armstrong Creek's North East Industrial Precinct where the PSP was formally approved in May 2010.

The site is designated for part Precinct 1 - Industry North & South and part Precinct 3 - Industry and Mixed Business with the proposed East West link road traversing the southern 10% of the site. The property is also bisected by a Sewer easement running in a NE/SW orientation across the southern part of the site. The property resides within Stage 1 of the NEIP and is considered valuable land due to low development lead time and future high exposure.

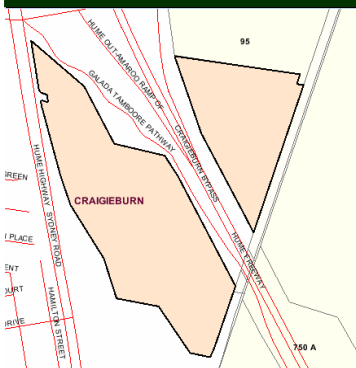
Palmers Road, Truganina (Lot 1 TP 375232 CA 3 Sec 16 Truganina Parish)



Sale Price:	\$7,740,000
Sale Date:	March 2012
Zone:	Urban Growth Schedule 2 Development Contributions Plan Overlay – Schedule 9
GAIC:	Not Applicable
Land Area:	307,600 square metres
Analysis:	\$25 per square metre

This property comprises a rectangular shaped parcel located on the western side of Palmers Road approximately 400 metres south of the Dohertys Road intersection and directly opposite the Port Phillip Prison. The property is within the Truganina Employment Precinct (PSP approved in Dec 2009) and designated for future industrial use, specifically General Industrial A (Light Industrial) & General Industrial B (low-impact industrial/office)

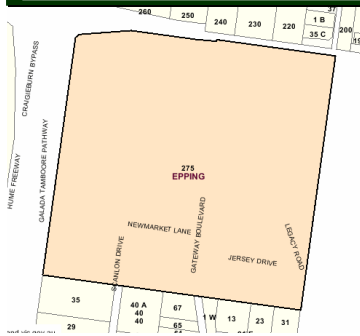
650 Hume Highway, Craigieburn



Sale Price:	\$8,400,000 (Gross) \$6,494,979 (Cash Equivalent)
Sale Date:	March 2012 (Understood to have been 10% deposit, balance in 2.5 years)
Zone:	Business 3 ESO8 over 5 hectares of land locked parcel – native vegetation
GAIC:	Not Applicable
Land Area:	313,700 square metres (Total) 215,900 square metres (Developable) 97,800 square metres (Land locked on eastern side of Hume Hwy)
Analysis:	Gross: \$26.77 per square metre Cash Equivalent: \$20.70 per square metre Cash Equivalent: \$30.08 per square metre (developable)

This property comprises an irregular shaped and undulating vacant parcel located on the eastern side of the Hume Highway within the outer northern Melbourne suburb of Craigieburn. The property is bisected by the Craigieburn Bypass with a triangular parcel landlocked and not developable. The southern frontage of the property fronts a creek and valley

275 O'Herns Road, Epping



Sale Price:	\$10,500,000 (ex GST)
Sale Date:	August 2011 (SOLD by public tender)
Zone:	Comprehensive Development Zone 2
GAIC:	Not Applicable
Land Area:	622,400 square metres 467,400 square metres
Analysis:	Gross: \$16.87 per square metre Developable: \$22.46 per square metre

This property comprises a square shaped vacant parcel of land zoned Comprehensive Development 2 Zone, slated for conversion to Industrial 1 Zoning upon development. The property abuts a developing Industrial precinct to the south, which interfaces through Scanlon Drive and Gateway Boulevard.

The site was offered for sale on a cash basis and was purchased by a developer seeking to undertake industrial development of the land. The land has a 788 metre frontage to the east side of the Craigherburn Bypass (Hume Highway) land and is accessible to O'Herns Road and will eventually be accessed through the estate to the south.

The site's utility was impacted by the existence of Edgars Creek across the north east corner of the site which quarantines an area of some 15.5 hectares. Furthermore, the site has instances of local protected fauna which would require the payment of significant offsets to facilitate development. This amount has been estimated at \$2,000,000.

If we do not ascribe any added for the Edgars Creek land and add a notional \$2,000,000 for grasslands offsets, the site analyses to \$267,437 per hectare on the developable area of 46.74 hectares. For the purpose of the assessment, we depict the analysed value at \$250,000 per hectare as the precise offset cost is unknown.

7 Valuation Rationale:

The International Valuation Guidance Note No 1, and endorsed by the Australian Property Institute states that the sales comparison technique for land valuation involves direct comparison of the subject properties with similar land parcels for which actual data on recent market transactions are available. The comparable market evidence is broken down into units of comparison and could include dollars per square metre (for retail, office and residential properties) and per hectare (or per square metre) for rural and Englobo development land properties. The units of comparison that are applicable to a particular valuation task depend upon the market behaviour.

To make direct comparisons between a comparable sale property and the properties within the Wyndham North Growth Area, quantitative and/or qualitative adjustments based on differences in the elements of comparison may be required by the valuer. Adjustments can narrow the differences between each comparable sale and the subject properties.

In assessing the underlying value of land across the Wyndham North Growth Area as at 1st July 2013, we have adopted the direct comparison approach utilising a unit rate of measure (\$ per square metre or \$ per hectare) derived from analysis of Englobo land sales detailed herein.

Our assessments of land value are not made on an individual property basis, but rather on the different land uses (residential, industrial and activity centres) and reflective of the observed land value rates observed throughout the growth area.

In forming our opinion of value for the properties within the Wyndham North Growth Area, the following macro issues have been central to our deliberations:

- If properties within the Wyndham North Growth Area were put to the market, it is our opinion that:
 - The larger properties would appeal to a range of perspective developers or land-bankers who have significant financial capability.
 - The smaller properties would appeal to land bankers and purchasers seeking a lifestyle property in close proximity to Melbourne and Werribee with potential for long term redevelopment.
- The very strong historical demand for residential allotments in one of the fastest growing municipalities in Australia has considerably weakened over 2012 and early 2013 with demand recovering modestly during the second half of 2013. That said, forecast population growth is expected to continue and interest rates have been lowered over the last 6 months. Therefore demand is expected to revert back to the long term average, which is still considered robust.
- The historical lack of suitably zoned residential land ripe for immediate subdivision is changing with the finalisation of numerous Precinct Structure Plans within Wyndham including Point Cook Homestead Road, Point Cook West, Tarneit West, Truganina South Community Precinct and RiverWalk with more in Melton including Toolern, Taylors Hill West and Melton North. The quantity of land appropriately zoned for development has increased considerably.
- The completion of the Precinct Structure Plan and Development Contributions Plans which will contribute to a relatively short development lead time.
- Good road infrastructure and access into Melbourne's CBD with the future plans for two new railway stations at Wyndham Vale and Tarneit to compliment the recently completed station at Williams Landing.

We have also had regard to the following property specific issues and assumptions in our assessment of a land value rate:

- The assessed land value rates have regard to the highest and best use of the land taking into account the provisions of the Precinct Structure Plans.
- The properties are located on the northern and western fringe of an established part of Tarneit and Truganina.
- The land value rate is based on the finalisation of the Precinct Structure Plan that allows for a mixture of conventional and medium density residential development and open space areas.
- The properties are not affected by areas of aboriginal artefacts or areas of heritage significance and therefore there are no additional cost implications relating to a Cultural Heritage Management Plan.
- The properties are not affected by any areas of native flora and fauna and there are no additional cost implications relating to native vegetation offsets or native vegetation reserves.
- The freehold title is legally described within a certificate of title and unencumbered by any lease mortgage or other charge.
- Assume no planning permit is in place and no plan of subdivision has been approved. That said, future development will occur in line with the principles of the draft Precinct Structure Plans.
- There are no servicing constraints with a notional developer incurring average development costs.
- Whilst no details about a drainage scheme is available, we have assumed that any future drainage scheme would not be onerous when compared to other precincts that have been developed.
- The developer is responsible for infrastructure items included in the DCP and these costs are apportioned to each property based on land area.
- The properties, in the event of a notional sale, would not be subject to the Growth Areas Infrastructure Contribution.
- There are no significant encumbrances or easements that would adversely impact on the value of each parcel.
- The valuations are made on the basis that there are no additional planning overlays that would be restrictive and adversely affect the highest and best use and development densities described in this report.
- The valuations are made on the basis of developable land area.

Residential Land

The analysed land value rates of residential land within the Wyndham Growth Area observed in the sales evidence which shows:

- \$335,000 and \$360,000 per hectare (excluding improvements) for land <10 hectares.
- \$370,000 and \$390,000 per hectare (including improvements) for land <10 hectares.
- \$350,000 and \$530,000 per hectare for land >10 hectares (removed from urban development).
- \$460,000 and \$750,000 per hectare for land >10 hectares (close to urban development).
- \$750,000 and \$1,000,000 per hectare for land <5 hectares in very good locations with short development lead times.

We make important note that many of the analysed sales are in areas where a Precinct Structure Plan has not yet been developed and therefore a positive adjustment needs to be made to these sales to reflect the implementation of the PSP and the assumptions that services are available.

The sales evidence demonstrates that there is a land value:

- Premium attached to land adjoining existing urban development due to the short development lead time.
- Discount applicable for land that is situated well removed from existing urban development due to the long development lead time and associated risk.

We have therefore adjusted the land value rate in the above sales analysis to determine a land value range for residential properties within the Wyndham North Growth Area.

We summarised our assessed land value rates as follows:

Residential Land Values	
Land Description	Land Value Range*
Land between 4 and 10 hectares	\$350,000 - \$400,000 per hectare (excluding improvements)
Land > 10 hectares (well removed from urban development)	\$350,000 - \$500,000 per hectare
Land > 10 hectares (close to urban development)	\$550,000 - \$750,000 per hectare
Land < 5 hectares (Very good locations and short lead times)	\$750,000 - \$1,000,000 per hectare

Note: * Developable land area

The above land value rates broadly supports the Charter Keck Cramer average land value assessment of \$500,000 per hectare as being an appropriate average land value rate.

The question for Wyndham City Council, Metropolitan Planning Authority (MPA) and the Planning Panel is whether use of an average rate is a safe way to proceed or not. As development proceeds, assuming it proceeds with some logical sequence from near to developed areas and then gradually away from those areas one can assume that the lower land values will tend to rise fairly quickly as urban development (and associated services and infrastructure) gets closer.

I understand that year on year reviews of land value is proposed by the DCP itself. However, because contributions already paid are not reassessed (and nor should they be) an inherent underfunding is likely as less and less properties are required to pay higher and higher amounts in order for the Council to be able to acquire the required parcels in the later stages of the PSP. Notwithstanding the above, I understand that Wyndham City Council has indicated to the MPA (formerly GAA) that an average land value is an acceptable approach.

Town Centre / Activity Centre Land

Having regard to the sale evidence of land within Town Centre / Activity Centres (Section 6.3), we have observed the following land value rates for land in activity centres:

- \$150 to \$200 per square metre for activity centres that are large in size or in developing areas where the existing retail catchment is not very large and established.
- \$250 to \$475 per square metre for activity centres between 2 and 4 hectares within rapidly growing areas where the existing retail catchment is established.

The sales are considered reflective of land within the Wyndham North Growth Area however the retail catchment is not yet established and therefore a land value rate at the lower end of the range is considered appropriate for land in the WNGA.

We have therefore adjusted the land value rate in the above sales analysis to determine a land value range for Town Centre / Activity Centre properties within the Wyndham North Growth Area.

We summarised our assessed land value rates as follows:

Activity Centre Land Values	
Land Description	Land Value Range*
Up to 3 hectares	\$150 - \$200 per square metre
Land 3 – 10 hectares	\$100 - \$150 per square metre
Land > 10 hectares	\$75 - \$100 per square metre

Note: * Developable land area

Industrial Land

Having regard to the sales evidence of industrial land on the outer fringes of Geelong and Metropolitan Melbourne (Section 6.4), we have observed the following land value rates:

- \$17 per square metre for two parcels in Epping with superior access, one considerably larger and the other subject to rezoning. These sales form the lower end of the range.
- \$30 - \$34 per square metre for land zoned Farming but subsequently rezoned to Urban Growth 1 within the North East Industrial Precinct of Armstrong Creek. The land has a shorter development lead time and has struggled to obtain commitment from anchor tenants to enable the development to proceed. The land value rates in these sales are regarded at the upper end of the acceptable range.
- \$25 per square metre for land within the superior Truganina Employment Precinct and suitable for immediate development. This is regarded as a key sale and regarded as slightly superior due to closer proximity to existing urban and industrial development and road infrastructure.

The sales are considered indicative of land within the Wyndham North Growth Area however given the long development lead time for the Industrial land we therefore regard a land value rate at the lower end of the range is considered appropriate.

We have therefore adjusted the land value rate in the above sales analysis to determine a land value range for industrial land properties within the Wyndham North Growth Area.

We summarised our assessed land value rates as follows:

Industrial Land Values	
Land Description	Land Value Range*
Up to 20 hectares	\$25 - \$30 per square metre
Land 20 to 30 hectares	\$20 - \$25 per square metre
Land > 30 hectares	\$17 - \$20 per square metre

Note: * Developable land area

We regard the Charter Keck Cramer average land value rate for industrial land of \$275,000 per hectare (\$27.5 per square metre) to be at the upper end of the observed range.

8 Qualifications and disclaimers:

This report can only be regarded as representing our opinion of the land within the Wyndham North Growth Area at the date of valuation. The value assessed in this report may change significantly and unexpectedly over a relatively short period. 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 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.

We certify that the valuer and/or the valuation firm does not have any direct, indirect or financial interest in the Wyndham North Growth Area or clients described in this report.

This valuation has been prepared on specific instructions from Tony Petersen of Wyndham City Council to assist with a Planning Panel review of Planning Scheme Amendment C175, C176 and C177. The report is not to be relied upon by any other person or for any other purpose. We accept no liability to third parties nor do we contemplate that this report will be relied upon by third parties. We invite other parties who may come into possession of this report to seek our written consent to them relying on this report. We reserve the right to withhold our consent or to review the contents of this report in the event that our consent is sought.

The report has been prepared for the private and confidential use of the above parties and it should not be reproduced in whole or in part or relied upon for any other purpose or by any other party without our express written authority.

No investigation has been made of, and no responsibility is assumed for the legal description or for legal matters, including the title or encumbrances. Title to the property is assumed to be good and marketable unless otherwise stated.

Information furnished by others, upon which all or portions of this report are based, is believed to be reliable but has not been verified in all cases. No warranty is given as to the accuracy of such information.

Full compliance with all applicable federal, state and local zoning, use, environmental and similar laws and regulations including relevant building codes is assumed, unless otherwise stated.

Our valuation is completed on the assumption that there is no sub surface, toxic waste or building materials hazards in the property that would adversely affect its existing or potential use and this valuation is qualified accordingly.

Liability limited by a scheme approved under Professional Standards Legislation

This valuation is current at the date of valuation only.

VRC Property Pty Ltd



Chris Barrett BSc, MBA, AAPI
Certified Practising Valuer
Director
API Member No. 63083

Dated: 19th November 2013