

Property Valuers and Advisors

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28 January 2011

IAG New Zealand Limited
 C/- Cunningham Lindsey
 Parramatta Branch
 PO Box 1438
 Parramata
 NSW 2124
 AUSTRALIA

Errol Saunders
 Richard Chapman
 John Rodolovich
 Simon Newberry
 Terry Taylor

ATTENTION: PETER AVNELL

**PRE-EARTHQUAKE MARKET INDEMNITY VALUATION OF COMMERCIAL BUILDING
 382-382A COLOMBO STREET, SYDENHAM, CHRISTCHURCH
 INSURED – BOI FONG YAN
 CUNNINGHAM LINDSEY REF NO. 426893 (B F YAN)**

Dear Sir

This report has been prepared by Richard Oliver Chapman, B Com (VPM), SPINZ, ANZIV, AREINZ, MIPMV, who has been in private practice as a Registered Public Valuer since 1984. Richard is also a Registered Plant and Machinery Valuer and a senior member of the Property Institute.

Further to your instruction to provide valuation advice in connection with the property at the above address, we confirm that we have inspected the property, concluded our investigations and we now report our findings. Please find enclosed our brief report, together with a note of our fee.

As specifically requested, this report follows an abbreviated format, which may not necessarily comply with PINZ reporting standards. Please contact us should a more comprehensive report be required.

If we can be of any further assistance in this matter, please do not hesitate to contact the writer.

Yours faithfully

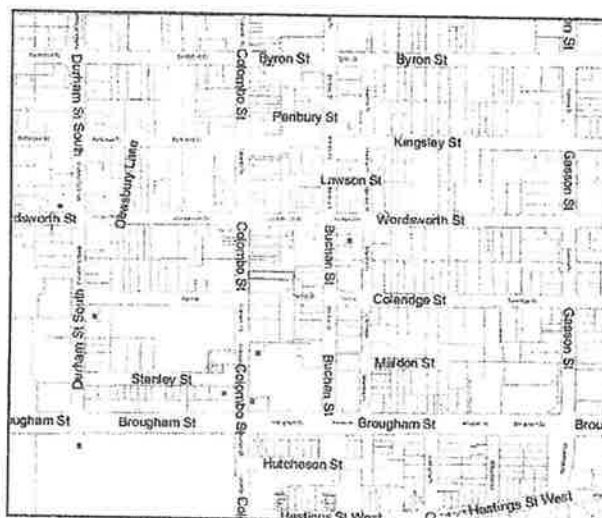
FORDBAKER VALUATION


**R O CHAPMAN - B COM (VPM) SPINZ (ANZIV) AREINZ MIPMV
 REGISTERED VALUER
 DIRECTOR**

EXECUTIVE SUMMARY

Report Prepared For:	LAG New Zealand Limited
Instructing Party:	Peter Anvell of Cunningham Lindsey, Parramatta Branch, NSW, Australia
Subject Property:	382-382A Colombo Street, Sydenham, Christchurch
Title Details:	<i>Identifier:</i> CB334/193 <i>Legal Description:</i> Lot 2 on Deposited Plan 3942
Effective Date of Valuation:	3 September 2010
Date of Inspection	24 January 2011
Purpose of Valuation:	Pre-earthquake market indemnity valuation of the buildings located on the above property.
Interest Valued:	Freehold – Buildings vacant at date of inspection
Brief Property Description:	The property comprises an early character two storey retail and first floor residential building structure with a gross floor area of 318.30 m ² . The property comprises a front business zoned site of 769 m ² with party walls rights with the adjoining property.

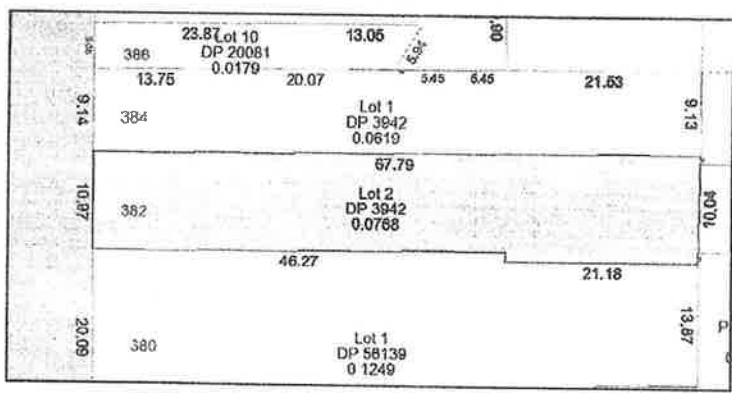
The property is located on the eastern side of Colombo Street just south of the Colombo Street and Wordsworth Street intersection, having reasonably narrow front site. The location of the property is highlighted in the following diagram:-



Zone: 'Business 2' – Christchurch City Council

382 Colombo Street - Retail & Residential
 382A Colombo Street - Retail & Residential

Land Area: 769 m² (See site dimensions on plan below)



Lettable Area: We summarise the lettable floor area of the building premises as follows:-

Tenancy	Lettable Floor Area
382 Colombo Street - Retail & Residential Tenant	140.00 m ²
382A Colombo Street - Retail & Residential Tenant	149.90 m ²
Total Lettable Floor Area	289.90 m²

Occupied Floor Area: Building vacant at the date of inspection. Valuation assumes normal lease terms and conditions and leasing/vacancy periods.

Lease Details: There are no formal lease details over the property at the date of our inspection and as at the effective date of this report. For the purpose of this valuation we have assumed standard lease terms and conditions with a vacancy/leasing void period and summarise the occupancy details assumed as follows:-

382 Colombo Street	Lessor	Boi Fong Yan
	Lessee	Retail & Residential Tenant
	Commencement Date - Initial Term	25 June 2011
	Commencement Date - Current Term	25 June 2011
	Current Lease Term	2 Years
	Expiry Date	24 June 2013
	Further Terms	2 +2 +2 Years
	Final Expiry Date	24 June 2019
	Rent Review	Indexed to CPI - Subject To Partial Ratchet Clause
	Review Timing	2 yearly & At Renewal
	Lease Type	Net
	Non Recoverable Opex	N/A
	Current Rental	\$22,947 Per Annum Plus GST
	382A Colombo Street	Lessor
Lessee		Retail & Residential Tenant
Commencement Date - Initial Term		25 June 2011
Commencement Date - Current Term		25 June 2011
Current Lease Term		2 Years
Expiry Date		24 June 2013
Further Terms		2 +2 +2 Years
Final Expiry Date		24 June 2019
Rent Review		Indexed to CPI - Subject To Partial Ratchet Clause
Review Timing		2 yearly & At Renewal
Lease Type		Net
Non Recoverable Opex		N/A
Current Rental		\$23,482 Per Annum Plus GST
Summary:		Total Lettable Floor Area
	Total Occupied Floor Area	289.9 m ²
	Total Contract Rental	\$46,429
	Total Non Recoverable Opex	\$0
	W.A.L.T	2.0 Years

Weighted Lease Term to Run: 2.0 years

Market Rent: \$46,429 per annum plus GST and outgoings

Key Characteristics: The property comprises an early structure constructed with concrete ground floors and timber first floor areas, double/triple exterior walls with brick party walls and corrugated iron roofing with lath and plaster internal linings and timber joinery. There is a front shop canopy adjoining Colombo Street. The buildings are located on a relatively narrow front section of 769 m² with limited redevelopment potential as a vacant site due to its narrow dimensions. Prior to the earthquake in our opinion the building provided reasonably good "added value" to the site considering that redevelopment potential for the property was not of prime significance due to market conditions.

The building comprises two separate lettable units and detached shed which we have valued separately. Potential for the building is to fully occupy both units at market rental levels and provide a constant rental income stream for the property.

Valuation:

Subject to the contents of this report we assess the pre-loss market indemnity valuations of the buildings as follows:-

(a) Main Building

SUMMARY OF VALUATION APPROACHES	
Investment Valuation	
- Market Rental Capitalisation Approach	\$255,000
- Vacant Rental Capitalisation Approach	\$260,000
- Discounted Cashflow Approach	\$260,000
Depreciated Replacement Cost Valuation	\$270,000
Adopted Market Indemnity Value (Main Building)	\$265,000
Indicating:	
Effective Yield:	8.34%
Internal Rate of Return:	10.60%
Value per m ² LFA:	\$1,854

Adopt Market Indemnity Value at **\$265,000 (TWO HUNDRED AND SIXTY FIVE THOUSAND DOLLARS)**, plus GST (if any).

(b) Detached Garage **\$2,000 (TWO THOUSAND DOLLARS)**, plus GST (if any).

NB: Please refer to attached valuation worksheets, title and photographs of property.

COMPLIANCE STATEMENT

This valuation report does not comply with International Valuation Standards and API/PINZ Valuation Standards. It has been prepared on an executive summary basis, as requested, and is intended for the sole use of the client.

FordBaker Valuation Limited confirm that:

- The statements of fact presented in this report are correct to the best of the Valuers knowledge;
- The analyses and conclusions are limited only by the reported assumptions and conditions;
- The Valuer has no interest in the subject property;
- The Valuers fee is not contingent upon any aspect of the report;
- The valuation was performed in accordance with the PINZ Code of Ethics and the API/PINZ Valuation Standards 2009;
- The Valuer has satisfied professional education requirements and holds a current Annual Practicing Certificate;
- The Valuer has experience in the location and category of the property being valued;
- The Valuer has made a personal inspection of the property; and
- No one, except those specified in the report, has provided professional assistance in preparing the report.

This report has been prepared by Richard Oliver Chapman, B Com (VPM), SPINZ, ANZIV, AREINZ, MIPMV, who has been in private practice as a Registered Public Valuer since 1984. Richard is also a Registered Plant and Machinery Valuer and a senior member of the Property Institute.

If there is any further information you require, please do not hesitate to communicate with the writer.



R O CHAPMAN - B COM (VPM) SPINZ (ANZIV) AREINZ MIPMV
REGISTERED VALUER
DIRECTOR

Appendix to Valuation: 1. Statement of General Valuation Policies

APPENDIX 1 - STATEMENT OF GENERAL VALUATION POLICIES

This valuation, and all valuation services provided by FordBaker Valuation Limited, are provided solely for the use of the client. FordBaker Valuation Limited does not and shall not assume any responsibility to any person other than the client for any reason whatsoever, including breach of contract, negligence (including negligent misstatement) or wilful act or default of itself or others by reason of or arising out of the provision of this valuation or valuation services. Any person, other than the client, who uses or relies on this valuation does so at their own risk.

This valuation has been completed for the specific purpose stated in this report. No responsibility is accepted in the event that this report is used for any other purpose.

This report is relevant as at the date of preparation and to circumstances prevailing at that time. However, within a changing economic environment, returns on investment and values can be susceptible to variation - sometimes over a relatively short time scale. We therefore strongly recommend that before any action is taken involving acquisition, disposal or borrowing, restructuring or any other transaction that you consult us.

FordBaker Valuation Limited has a policy of not contracting out of the provisions of the Consumer Guarantees Act. Accordingly, where there is any conflict between any statement in this report and the Consumer Guarantees Act 1993, the latter shall prevail.

Neither the whole nor any part of any valuation report, or any reference to the same, may be included in any published document, circular or statement without our written approval as to the form and context in which it may appear.

Substances such as asbestos, other chemicals, toxic wastes or other potentially hazardous materials could, if present, adversely affect the value of the property. The stated value estimate is on the assumption that there is no material on or in the property that would cause loss in value. No responsibility is assumed for any such conditions and the recipient of this report is advised that the Valuer is not qualified to detect such substances, quantify the impact on values or estimate the remedial cost.

This report complies with the International Valuation Standards and API/PINZ Valuation Standards.

We confirm that FordBaker Valuation holds and maintains a current professional indemnity insurance policy.

This valuation may not be used for Contributory Mortgage Lending purposes. However, this policy does not apply to Solicitor Nominee Company Lending.

We confirm that the Valuer has no financial interest or otherwise in the property and has no relationship with the vendor, purchasers or agents.

In analysing the sales and/or leasing evidence referred to herein, it is noted that we have attempted to ascertain whether or not the sale price/rental is exclusive of Goods and Services Tax (GST). In relation to sales evidence, it is emphasised that the Land Registry Offices in New Zealand do not currently differentiate between or record whether or not the sale price is inclusive or exclusive of GST. Where we have not been able to verify whether or not GST is included in the sale price or rental, we have assumed that the record of sales price or the rental is exclusive of GST. Should this not be the case for any particular sale or letting used as evidence, we reserve the right to reconsider our valuation.

APPENDIX 2 - TITLE CERTIFICATION



**COMPUTER FREEHOLD REGISTER
UNDER LAND TRANSFER ACT 1952**

Search Copy



Identifier CB334/193
Land Registration District Canterbury
Date Issued 02 June 1921

Prior References
 CB291/92

Estate	Fee Simple
Area	769 square metres more or less
Legal Description	Lot 2 Deposited Plan 3942

Proprietors
 Boi Fong Yan

Interests

Appurtenant hereto are Party wall rights over part of created by Transfer 164757 - 8.5.1925 at 2.55 pm
 Subject to a Party wall rights appurtenant to the above described land created by Transfer 164757 - 8.5.1925 at 2.55 pm



**COMPUTER FREEHOLD REGISTER
UNDER LAND TRANSFER ACT 1952**

Historical Search Copy



R. W. Muir
Registrar-General
of Land

Identifier CB334/193
Land Registration District Canterbury
Date Issued 02 June 1921

Prior References
CB291/92

Estate Fee Simple
Area 769 square metres more or less
Legal Description Lot 2 Deposited Plan 3942

Original Proprietors
Boi Fong Yan

Interests

Appurtenant hereto are Party wall rights over part of created by Transfer 164757 - 8.5.1925 at 2.55 pm
Subject to a Party wall rights appurtenant to the above described land created by Transfer 164757 - 8.5.1925 at 2.55 pm

334/193

Form D.

(Form D.)

NEW ZEALAND.



Vol. 221, Folio 22
Transfer No. 760000
Application No.
Order for NJO No.

Register-book,
Vol. 334 No. 193.

CERTIFICATE OF TITLE UNDER LAND TRANSFER ACT.

This Certificate, dated the second day of June, one thousand nine hundred and twenty one
under the hand and seal of the District Land Registrar of the Land Registration District of Canterbury that
William Stewart Robinson of Blenheim, Book
Inspector

In witness whereof I have signed this Certificate and caused the seal of the District Land Registrar to be hereunto affixed, at the District Land Registrar's Office, at Blenheim, this second day of June, one thousand nine hundred and twenty one.
I have caused to be deposited in the Land Register Office at Blenheim a plan of the land described in this Certificate, which plan is deposited in the Land Register Office at Blenheim in the 39th part of Block
Section 9.

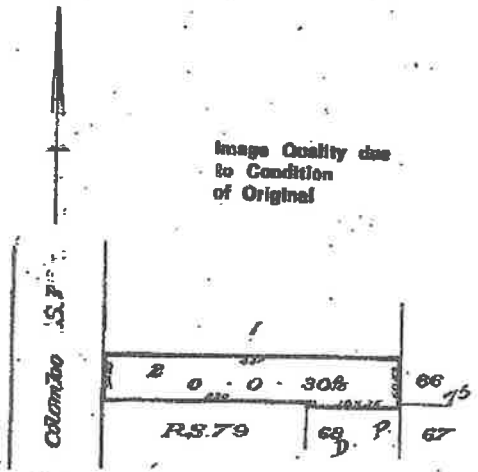


Image Quality due to Condition of Original

METRIC AREA = 769 m²

Scale 1 Chain to an Inch

Transfer 164727 Grant of party with rights over part of and appurtenant to the above described land produced 8 May 1925 at 255 p. subject to Mortgage 90512
7th p. 200
Lease 7862 produced 6 June 1920 at 250 p. William Stewart Robinson to William Arman & itcheh of lots 2, 5, 6, 10 and 11 plan 7444 for 7 years from and inclusive of 3 June 1920 together with rights of way
7th p. 1
Lease 7950 produced 10 December 1920 at 250 p. from William Stewart Robinson to Arthur Blatten & Co. Whannel of lot 1, 10, 700 together with right of way for 7 years from and inclusive of 6 April 1920 with right of renewal.
7th p. 1
Withdrawn.
X Board 12/31/20 dated 20 August 1920 at 3 p.
X Board 12/31/20 dated 12 May 1930 at 3 p.
12/18/26
Over

334/193

334/193

334/193

Transfer 215 250 produced 12 August 1966 at
w. g. William Stewart Robinson to
Stanford Berkeley Joss of Christchurch
Doctor of Science

Mortgage 19 2475 CHARGED
Produced 12 August 1966 at
1250 C. W. B. Berkeley Joss to William
Stewart Robinson

Transacted at 1105 St. George's New Zealand
Insurance Company Limited, Christchurch
27 September 1965 at 2.40 p.m.

THIS REPRODUCTION (ON A REDUCED SCALE)
CERTIFIED TO BE A TRUE COPY OF THE
ORIGINAL REGISTERED FOR THE PURPOSES OF
SECTION 215A LAND TRANSFER ACT 1952.

A.L.R.

Transfer 870920 to Boi Fong Yan
of Christchurch, Widow -
19/6/1972 at 12.7 p.m.

A.L.R.

Mortgage 870921 to The New Zealand
Insurance Company Limited -
19/6/1972 at 12.7 p.m.

A.L.R.

Mortgage 941586 to The New Zealand
Insurance Company Limited -
20.12.1973 at 1.10 p.m.

A.L.R.

334/193





**COMPUTER FREEHOLD REGISTER
UNDER LAND TRANSFER ACT 1952**

Search Copy



R.W. Muir
Registrar-General
of Land

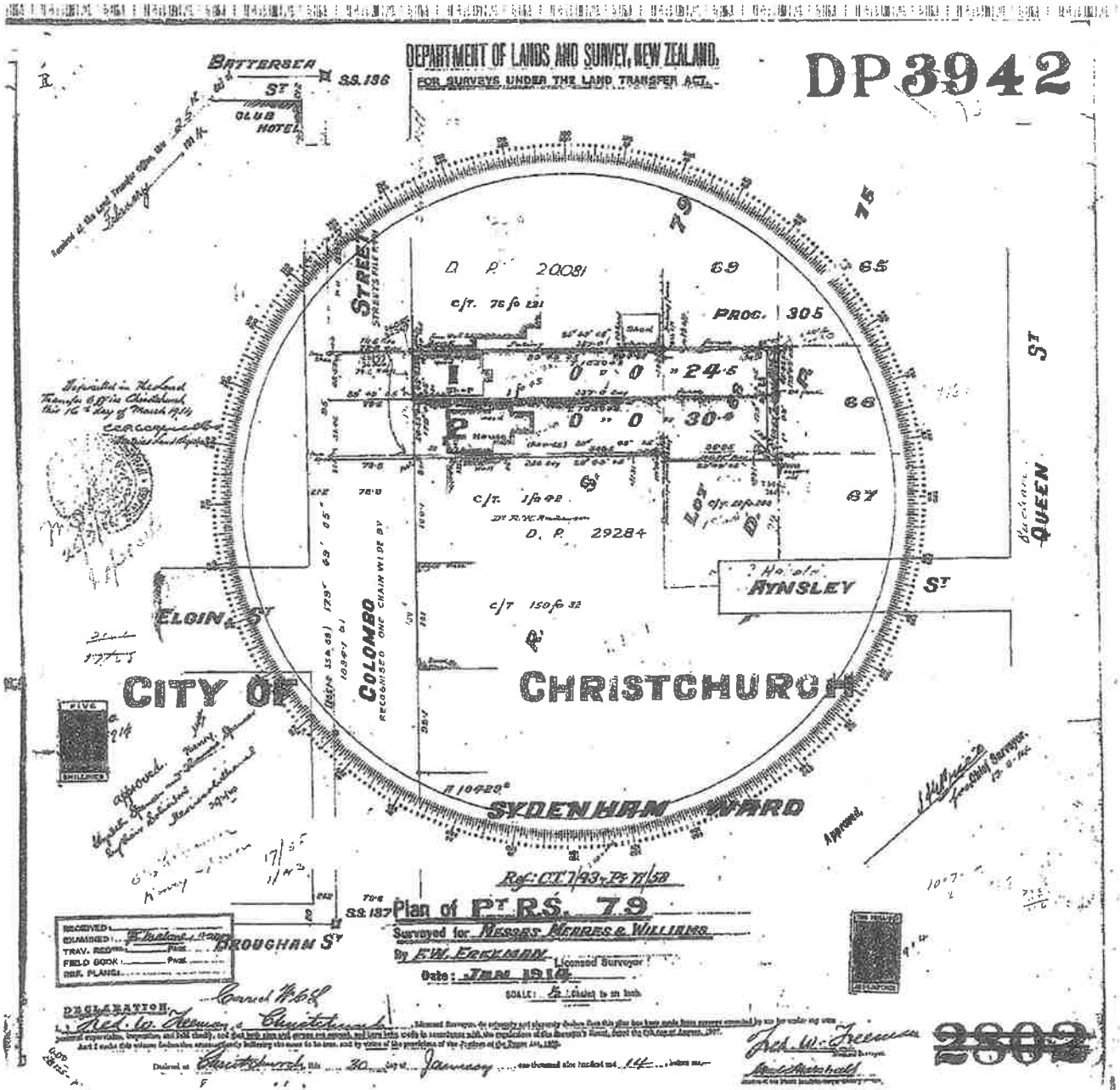
Identifier CB334/193
Land Registration District Canterbury
Date Issued 02 June 1921

Prior References
CB291/92

Estate Fee Simple
Area 769 square metres more or less
Legal Description Lot 2 Deposited Plan 3942
Proprietors
Boi Fong Yan

Interests

Appurtenant hereto are Party wall rights over part of created by Transfer 164757 - 8.5.1925 at 2.55 pm
Subject to a Party wall rights appurtenant to the above described land created by Transfer 164757 - 8.5.1925 at 2.55 pm



DEPARTMENT OF LANDS AND SURVEY, NEW ZEALAND.
FOR SURVEYS UNDER THE LAND TRANSFER ACT.

DP 3942

BATTERSEA ST
SS. 136
CLUB HOTEL
Number of the Land Transfer Office No. 2257

Registered in the Land Transfer Office in Christchurch this 10th day of March 1914



RECEIVED	
EXAMINED	<i>Charles...</i>
TRAV. BOOK	
FIELD BOOK	
REF. PLANS	

DECLARATION

Declared in Christchurch this 30th day of January 1916

Plan of P^T RS. 79
Surveyed for MESSRS. HERRIS & WILLIAMS
By F.W. ECKHMAN, Licensed Surveyor
Date: JAN 1916

John W. ...
Surveyor

2802

APPENDIX 3 - WORKSHEETS

Building Area	Gross Floor Area
Gross External Ground Floor Area	183.40 m ²
Canopy to Shop Front	34.00 m ²
Gross External First Floor Area	134.90 m ²
Total Gross Floor Area	352.30 m²

Tenancy	Lettable Floor Area
382 Colombo Street - Retail & Residential Tenant	140.00 m ²
382A Colombo Street - Retail & Residential Tenant	149.90 m ²
Total Lettable Floor Area	289.90 m²

382 Colombo Street	Lessor	Boi Fong Yan
	Lessee	Retail & Residential Tenant
	Commencement Date - Initial Term	25 June 2011
	Commencement Date - Current Term	25 June 2011
	Current Lease Term	2 Years
	Expiry Date	24 June 2013
	Further Terms	2 +2 +2 Years
	Final Expiry Date	24 June 2019
	Rent Review	Indexed to CPI - Subject To Partial Ratchet Clause
	Review Timing	2 yearly & At Renewal
	Lease Type	Net
	Non Recoverable Opex	N/A
	Current Rental	\$22,947 Per Annum Plus GST
	382A Colombo Street	Lessor
Lessee		Retail & Residential Tenant
Commencement Date - Initial Term		25 June 2011
Commencement Date - Current Term		25 June 2011
Current Lease Term		2 Years
Expiry Date		24 June 2013
Further Terms		2 +2 +2 Years
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Rent Review		Indexed to CPI - Subject To Partial Ratchet Clause
Review Timing		2 yearly & At Renewal
Lease Type		Net
Non Recoverable Opex		N/A
Current Rental		\$23,482 Per Annum Plus GST
Summary:		Total Lettable Floor Area
	Total Occupied Floor Area	289.9 m ²
	Total Contract Rental	\$46,429
	Total Non Recoverable Opex	\$0
	W.A.L.T	2.0 Years

Market Rental Assessment**382 Colombo Street - Retail & Residential Tenant**

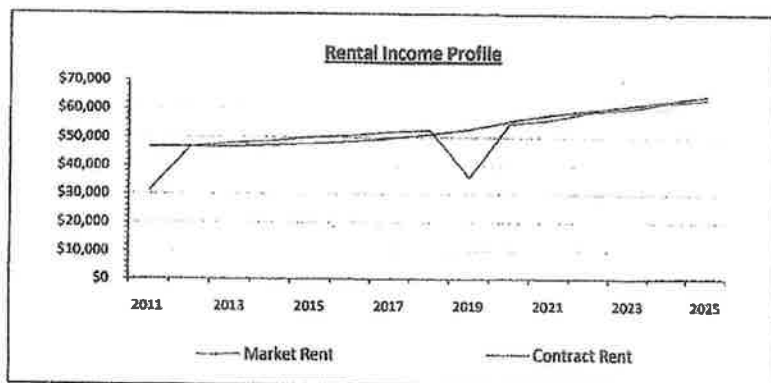
Building Rental	Ground Floor Front Retail Area	54.00 m ²	@	\$165.00 per m ²	=	\$8,910		
	Ground Floor Service Area (Balance)	23.00 m ²	@	\$165.00 per m ²	@ 60.00%	=	\$2,277	
	First Floor Residential (Gross Area)	63.00 m ²	@	\$100.00 per m ²	=	\$6,300		
		140.00 m ²	@	\$124.91 per m ²	=		\$17,487	
Car Park Rental	Garge Car park	1 space	@	\$20.00 per week	=	\$1,040		
	Open Car Park	1 space	@	\$10.00 per week	=	\$520	\$1,560	
Additional Land	Rear Excess land	200 m ²	@	\$300.00 per m ²	@ 6.50%	=	\$3,900	\$3,900
Current Net Market Rental - Retail & Residential Tenant							\$22,947	

382A Colombo Street - Retail & Residential Tenant

Building Rental	Ground Floor Front Retail Area	55.00 m ²	@	\$165.00 per m ²	=	\$9,075		
	Ground Floor Service Area (Balance)	23.00 m ²	@	\$165.00 per m ²	@ 60.00%	=	\$2,277	
	First Floor Residential (Gross Area)	71.90 m ²	@	\$100.00 per m ²	=	\$7,190		
		149.90 m ²	@	\$123.70 per m ²	=		\$18,542	
Car Park Rental	Open Car Parks	2 spaces	@	\$10.00 per week	=	\$1,040	\$1,040	
Additional Land	Rear Excess land	200 m ²	@	\$300.00 per m ²	@ 6.50%	=	\$3,900	\$3,900
Current Net Market Rental - Retail & Residential Tenant							\$23,482	

Total Market Rental Assessment**Adopt: \$46,429**

Tenant	Contract Rental	Market Rental	Annual Surplus / Shortfall	Market Rental Reversion	Initial Vacancy Period
Retail & Residential Tenant	\$22,947	\$22,947	-	-	5.0 Months
Retail & Residential Tenant	\$23,482	\$23,482	-	-	5.0 Months
Subtotal	\$46,429	\$46,429	-		
Less Non Recoverable Opex	-	-			
Net Rental Income	\$46,429	\$46,429			



Market Rental Capitalisation Valuation

Potential Net Rental Income		\$46,429
	8.30%	\$559,386
	8.40%	\$552,726
Capitalised in Perpetuity at:	8.50%	\$546,224
	8.60%	\$539,872
	8.70%	\$533,667
Capitalised Market Value - Fully Leased at Market Rental	Adopt:	\$546,000

Capitalised Cashflow Adjustments

Occupancy:	PV Rental Surplus / Shortfall	PV Initial Vacancy Void	PV Unexpired Lease Incentives	PV Opex During Initial Vacancy	Leasing Costs @ 15%
Retail & Residential Tenant	-	-\$9,369	-	-	-
Retail & Residential Tenant	-	-\$9,587	-	-	-
Subtotal	-	-\$18,956	-	-	-
Total Capitalised Cashflow Adjustments		-\$18,956			
Less - Land Value		-\$270,000			
Less - Other Improvements Value		-\$2,500			
Subtotal					\$254,544
Indicated Market Indemnity Value (This Approach)	Adopt:				\$255,000

Vacant Rental Capitalisation Valuation			
Potential Net Rental Income			\$46,429
	8.55%		\$543,029
	8.65%		\$536,751
Capitalised in Perpetuity at:	8.75%		\$530,617
	8.85%		\$524,621
	8.95%		\$518,760
Vacant Market Value		Adopt:	\$531,000
Less - Land Value		-\$270,000	
Less - Other Improvements Value		-\$2,900	
Subtotal			\$258,500
Indicated Market Indemnity Value (This Approach):		Adopt:	\$260,000

Discounted Cashflow Valuation**Assumptions**

Investment Cashflow Period:	10 years
Nominal Cashflow Calculation:	Annually in Advance
Adjusted Cashflow Calculation:	Monthly in Advance
Receipt of Initial Rental Payments:	February 2013
Leasing Commission:	15.00%
Disposal Cost Estimate:	3.50%
Weighted Average Term To Run - Effective Date:	2.00 years
Weighted Average Term To Run - Year 10:	0.75 years
Adopted Discount Rate:	10.75%
Adopted Terminal Capitalization Rate:	8.00%
Vacancy Allowance on Equity - Fringe Retail:	4 months

Forecast Growth - Year Ending	Jan-12	Jan-13	Jan-14	Jan-15	Jan-16	Jan-17	Jan-18	Jan-19	Jan-20	Jan-21
Fringe Retail Rental Growth	0.00%	0.00%	1.50%	1.50%	1.50%	2.50%	3.00%	3.50%	5.00%	4.00%
CPI (All Groups) Inflation (Treasury)	2.55%	2.85%	2.37%	2.05%	2.00%	2.00%	2.00%	2.00%	2.00%	2.00%
Opex Inflation	4.05%	4.35%	3.87%	3.55%	3.50%	3.50%	3.50%	3.50%	3.50%	3.50%

Valuation

Year Ending	Jan-12	Jan-13	Jan-14	Jan-15	Jan-16	Jan-17	Jan-18	Jan-19	Jan-20	Jan-21
Net Cashflow	\$25,498	\$49,090	\$50,780	\$81,550	\$52,918	\$53,632	\$85,077	\$55,799	\$29,264	\$57,946
Terminal Value										\$701,810
Present Value Cash Flows	\$532,285									
Capital Items	-\$222,500									
Subtotal	\$259,785									
Sensitivity Analysis:										
Discount Rate:		10.00%	10.25%	10.50%	10.75%	11.00%	11.25%	11.50%		
Indicated Value:		\$285,000	\$180,000	\$270,000	\$260,000	\$250,000	\$245,000	\$235,000		

Indicated Market Indemnity Value: \$260,000

Discounted Cash Flow Valuation											
Year Ending	Jan-12	Jan-13	Jan-14	Jan-15	Jan-16	Jan-17	Jan-18	Jan-19	Jan-20	Jan-21	Jan-22
Rental Income											
382 Colombo Street - Retail & Residential Tenant	\$15,298	\$22,947	\$23,713	\$24,097	\$24,746	\$25,070	\$25,745	\$26,083	\$17,723	\$27,086	\$27,776
382A Colombo Street - Retail & Residential Tenant	\$15,855	\$23,482	\$24,266	\$24,658	\$25,325	\$25,655	\$26,346	\$26,691	\$18,196	\$27,718	\$28,423
Rental Income Subtotal	\$30,953	\$46,429	\$47,980	\$48,755	\$50,068	\$50,725	\$52,091	\$52,774	\$35,859	\$54,804	\$56,199
Operating Expenses											
Less Non Recoverable Opex											
Less Opex during vacancies											
Net Annual Income	\$30,953	\$46,429	\$47,980	\$48,755	\$50,068	\$50,725	\$52,091	\$52,774	\$35,859	\$54,804	\$56,199
Other Expenses											
Commissions	-\$6,964								-\$8,221		
Net Periodic Cash Flow (Calculated Annually In Arrears)	\$23,988	\$46,429	\$47,980	\$48,755	\$50,068	\$50,725	\$52,091	\$52,774	\$27,639	\$54,804	
Payment Timing Adjustment Factor	1.059	1.057	1.057	1.057	1.057	1.057	1.057	1.057	1.059	1.057	
Net Periodic Cash Flow (Calculated Monthly In Advance)	\$25,398	\$49,090	\$50,730	\$51,530	\$52,938	\$53,632	\$55,077	\$55,799	\$29,264	\$57,948	
Reversionary Value											
Net Market Rent At Reversion Date:											\$57,742
Capitalised At Terminal Yield of: 8%											\$721,775
Less PV Rent Shortfall To Market Rental Reversion											-\$2,176
Less Disposal Costs of: 2.5%											-\$17,990
Net Reversionary Value											\$701,610
Summary Cash Flow	\$25,398	\$49,090	\$50,730	\$51,550	\$52,938	\$53,632	\$55,077	\$55,799	\$29,264	\$759,555	
Discount factor (@ 10.75%)	0.9029345	0.8152908	0.7361542	0.6646991	0.6001797	0.5419280	0.4893210	0.4418248	0.3989389	0.3602157	
Present Values of Summary Cash Flows	\$22,933	\$40,023	\$37,345	\$34,265	\$31,772	\$29,065	\$26,950	\$24,663	\$11,674	\$273,604	
Subtotal	\$532,285										
Capital Items											
Less - Land Value	-\$270,000										
Less - Other Improvements Value	-\$2,500										
Final Value	\$259,785										

Depreciated Replacement Cost Valuation

Structural Replacement Cost	Area (m²)	Modal Rate	Multiplier	Rate / m²	Replacement Cost
Gross External Ground Floor Area	183.4	\$1,450	1.45	\$2,100	\$385,140
Canopy to Shop Front	34.0	\$1,450	0.55	\$800	\$27,200
Gross External First Floor Area	134.9	\$1,450	1.35	\$1,960	\$264,404
Total :	352.3				\$676,744
Professional Fees:				9.50%	\$64,291
Building Holding Costs:	10 Months	@ Annual Interest Rate of:		8.25%	\$25,473
Replacement Cost					\$766,508
Less Depreciation & Obsolescence Factor:				65.00%	-\$498,230
Estimated Depreciated Replacement Cost - Structural Items:					\$268,278
Other Improvements Net Value					Net Value
Detached Garage / Store Shed				Adopt:	\$2,000
Total Net Value - Other Improvements :					\$2,000
Total Net Improvements Value:				Adopt:	\$270,000
Land Value					Land Value
Total Land Value:				Adopt:	\$0
Indicated Market Indemnity Value (This Approach)					\$270,000

SUMMARY OF VALUATION APPROACHES	
Investment Valuation	
- Market Rental Capitalisation Approach	\$255,000
- Vacant Rental Capitalisation Approach	\$260,000
- Discounted Cashflow Approach	\$260,000
Depreciated Replacement Cost Valuation	\$270,000
Adopted Market Indemnity Value (Main Building)	\$265,000
Indicating:	
Effective Yield:	8.34%
Internal Rate of Return:	10.60%
Value per m ² LFA:	\$1,854

APPENDIX 4 - PHOTOGRAPHS



