

Valuation Advice

Block 4 Section 65, Division of City
 'Glebe Park Land'
 May 2015



THE EXISTING PROPERTY

Block 24 comprises a 1.233 hectare site on the inside of Glebe Apartments between the Crown Plaza hotel, National Convention Centre and Casino. The existing Crown Lease permits the following uses:

- (c) To use the premises only for the purpose of a parkland including a car park, outdoor recreation facility, drink establishment, restaurant and other associated uses
- (d) that the combined gross floor area of all buildings erected on the land shall not exceed 650 square metres.

The land is zoned CZ6 which permits uses such as residential

Approval for uses in the table will require a DA and lease variation which would result in the payment of a lease variation charge.

PROPOSED DEVELOPMENT

The proponents of the land wish to develop part of the land with a residential apartment complex which occupies 2,500 square metres of the footprint of the site with the balance being public open space and interface.

The current scheme provides for an eight (8) level building above basement car parking and is to yield some 122 units.

The value per unit site has been derived from available sales evidence. The most comparable were the recent sales at Section 5, Campbell, sites in Braddon and Kingston Foreshore.

An indicative value of site approved and LVC paid is set out below

122 units x \$85,000 per unit	\$ 10,370,000
	As \$ 10,400,000

CURRENT VALUE OF SITE

The market value of the site will represent the existing value of the site plus a percentage of the development rights resulting from a lease variation and payment of LVC.

The existing value of the site assuming no lease variation (equivalent to a V2 for LVC) is set out below:

Component 1

Existing value – no lease variation

Current GFA of 650 square metres at \$1,550 psm	\$ 1,000,000
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Component 2

If developed to highest and best use as permitted in CZ6 table less the LVC.

The LVC payable if the site was varied and redeveloped would be as follows:

Value approved	\$ 10,400,000
Less existing value	\$ 1,000,000
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Added Value	\$ 9,400,000
LVC payable at 75%	\$ 7,050,000
LVC payable at 50%	\$ 4,700,000

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Current Value of Site if Sold

The development value is assessed at \$10,400,000 once expenditure is applied to achieving a DA and LVC is paid. The current value needs to reflect this expenditure, time and risk of approval.

Our calculations to arrive at a value 'As Is' is set out below:

Value approved for residential	\$ 10,400,000
Less LVC payable at 50%	\$ 4,700,000
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	\$ 5,700,000
Less costs to obtain DA, profit & risk of 10% and holding for 12 months at 5% (\$350,000, \$500,000, \$250,000)	\$ 1,000,000
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Current Value if 50% LV C	\$ 4,600,000
Current value if 75% LVC is applied in 12 months	\$ 2,800,000
Range of current value to settle matter	\$2,800,000 - \$4,600,000
Recommendation is \$3,600,000 - \$3,800,000	