

# Commercial Strata Office Suite

## Indicative Assessment Report

E-Valuation for the Purpose of  
SMSF - Property Assessment

**PROPERTY:**

Unit 45 / 64 River Street  
Milton QLD 4120

**PREPARED BY:**



**Dan Atherton**

Director  
MRICS Registered Valuer No:  
1169941

**PREPARED FOR:**

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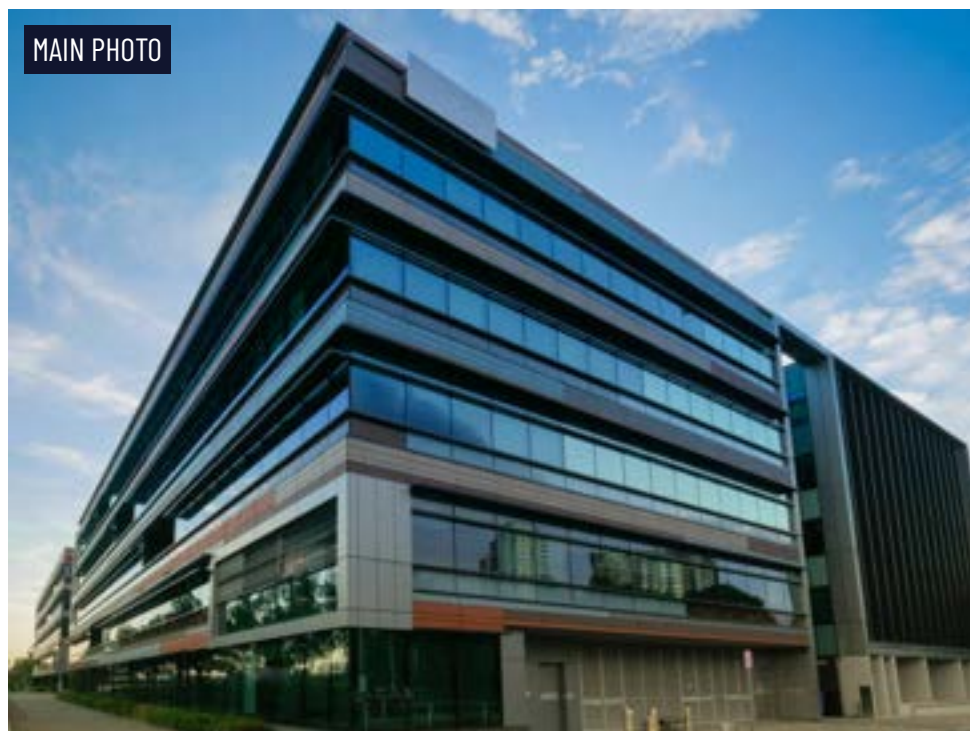
**ASSESSMENT DATE:**

30/06/2023

**REPORT DATE:**

20/09/2023

# Property Assessment



Unit 45/64 River Street, Milton QLD 4120

## Strata Office Suite

### PROPERTY DETAILS

**Building Area:** 70 square metres  
**Built About:** Unknown  
**Condition:** Excellent  
**Use:** Professional office suite

**Land Area:** NA  
**RPD:** Lot 123 on SP123456  
**LGA:** Brisbane City Council  
**Zoning:** District Centre (Corridor)

### CONSTRUCTION DETAILS

**Floors:** Concrete  
**Walls:** Metal cladding  
**Roof:** Metal decking

### SALE AND RENT DETAILS

**Last Sale:** \$500,000  
**Sale Date:** 05/04/2019  
**Net Rental:** \$28,350 per annum

## Indicative Market Value Assessment For the purpose of Financial Reporting for Self-Managed Super Fund

Estimated Value:

**\$540,000**

Assessment Date:

**30/06/2023**

# Assessment Considerations

## PROPERTY ANALYSIS

### Improvements

The subject property comprises a commercial office suite of approximately 70 square metres. Accommodation within the suite comprises office area, reception, meeting room and staff room. The suite's fit out comprises carpet overlays, painted plasterboard walls and ceiling and recessed downlighting. Services to the suite include ducted air conditioning, electricity, and water reticulation.

### Land (incl. Planning, Title)

The property is a commercial development with office suites to the upper levels and retail to the ground floor. The site is rectangular in shape and generally level throughout.

Under the provisions of the Brisbane City Plan 2014 the subject property has an area classification of District Centre (Corridor). The purpose of the district centre zone is to provide for a large variety of uses and activities to service a district of the local government area, including, for example, administrative, business, community, cultural, entertainment, professional, residential, or retail uses or activities. The current use appears to be permissible within this zoning.

### Location / Neighbourhood

The property located in close vicinity to the Park Road Cafe precinct in Milton. The area is located approximately two kilometres from Brisbane's CBD. Development within the area is a mix of residential, commercial, retail and entertainment properties. Within close vicinity are major road and public transport networks, including Milton Train Station, Brisbane City bus lines and the Milton Ferry Terminal. The area has easy road access to the Brisbane CBD and M1 Motorway, with direct links to the airport and Centenary Motorway.

## MARKET COMMENTARY

### Market Direction

The commercial market in the area surrounding the subject property has performed well in the past five years.

Besides a drop in market performance in 2019 the median sales price of a commercial property in the surrounding vicinity surrounding the subject has grown from approximately \$700,000 in 2018 to \$1,200,000 in 2022 and approximately \$1,400,000 in 2023.

The economic impacts of the COVID-19 pandemic were experienced by the majority of commercial office sectors, but with Brisbane's strong population growth and a move out of traditional CBD locations the suburban and fringe commercial office market were not affected. This commercial market has been dominated by domestic buyers attracted to a lower price point than CBD assets.

### Market Activity

Activity in the commercial property market in the surrounding commercial market has been relatively consistent over the past five years.

The market saw between 10 and 20 commercial sales in the area most years for 2018 to 2023. The onset of the COVID-19 pandemic caused a knee jerk reaction and activity dropped to 6 in 2020, this was immediately followed by an above average sale year with 16 commercial sales in the area in 2021 showing how short lived the impact of the COVID-19 pandemic was on the market.

### Market Segment Conditions

Market research shows there was moderate demand for similar commercial properties within Milton area from both buyers and tenants at the date of assessment.

# Comparable Evidence

## Unit 19 and 20, 20 Park Road Milton

 110m<sup>2</sup>

### Property Description

Two adjoining commercial units sold within a nearby complex to the subject. Combined the two suites have a total floor area of 110 square metres with two assigned car spaces and are currently leased for approximately \$60,000 per annum net. Analysis of the available evidence suggests this rental is above market.

### Comments

This sale shows a yield of approximately 7.3% for the suite and a sale rate of approximately \$7,455 per square metre of building area.

Sale Price

**\$820,000**

25/01/2023

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## Unit 16, 43 Land Parade Milton

 185m<sup>2</sup>

### Property Description

Property comprises 185 square metres commercial unit with six assigned on-site car spaces. The suite has a ground floor position. Internally the suite has good quality fit out and new air conditioning. Currently leased for approximately \$63,982 per annum net.

### Comments

This sale shows a yield of approximately 6.9% for the suite and a sale rate of approximately \$5,027 per square metre of building area.

Sale Price

**\$930,000**

18/06/2023

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## Unit 6 and 7, 36 Finchley Street Milton

 73m<sup>2</sup>

### Property Description

Property comprises two units with a combined area 73 square metres with two assigned on-site car spaces. The suite has undergone recent refurbishment to a high standard. The property was sold as vacant possession.

### Comments

This sale shows a sale rate of approximately \$8,082 per square metre of building area.

Sale Price

**\$590,000**

16/12/2022

# Assessment Summary

## Primary Assessment Method - Direct Comparison Approach

The primary approach to valuation utilised in this desktop valuation is the direct comparison to sales approach to valuation. The assessment is determined by direct comparison of the property to the available comparable sales evidence based on the characteristics of the property and the comparable sales. For this assessment, the property has been compared to the comparable sales evidence on the basis of total value and the basis of dollar per square metre of building area.

Based on the available evidence, comparable sales to the property realise values of between \$5,027 and \$8,082 per square metre of building area. This assessment has been conducted by a qualified valuer that has determined that based on the fit out and characteristics of the property the rate per square metre of building area it could realise in the market is approximately \$7,750 per square metre.

Based on the available evidence, the desktop valuation of the property utilising the direct comparison approach to valuation has been assessed as follows:

<b>Indicative Market Value Assessment of Unit 45/64 River Street, Milton using direct comparison approach</b>	
Building area	70 square metres
Rate per square metre of building area	\$7,750
Indicative Assessment Value based on building area rate	\$542,500
Adopted Indicative Assessment Value	\$540,000

# Assessment Summary

## Secondary Assessment Method - Capitalisation Approach

The secondary approach to valuation utilised in this desktop valuation is the capitalisation of net income approach to valuation. The assessment is determined by applying the appropriate capitalisation rate to the net income realised by the property. The capitalisation rate is determined by comparing the characteristics of the property to the available market evidence of similar properties and the yields realised in market transactions.

Based on the available evidence of comparable sales to the property and the available market analysis reports the Inner West Brisbane CBD Office market is showing yields of between 5.2% and 7.3% in market transactions.

The current net rental for the suite is \$28,350 per annum, which shows a rental rate of \$405 per square metre per annum. Analysis of the available market evidence suggests that the current rental being received by the property is at the lower level of the market range and would be considered low risk. This suggests a yield at the bottom of the above yield range. This assessment has been conducted by a qualified valuer and has determined the capitalisation rate to be applied to the property based on the current rental would be 5.25%.

Based on the available evidence, the indicative market value assessment utilising the capitalisation of net income approach to valuation based on the current rental has been assessed as follows:

<b>Indicative Market Value Assessment of Unit 45/64 River Street, Milton using capitalisation approach</b>	
Net Income (per annum)	\$28,350
Capitation Rate	5.25%
Calculated Indicative Assessment Value	\$540,000
Adopted Indicative Assessment Value	\$540,000

# Final Comments

As demonstrated by the primary and secondary methods shown on the assessment summary page it has been determined that the indicative market value assessment of Unit 45, 64 River Road, Milton QLD 4064 is between \$540,000 and \$542,500.

For the primary assessment method, the first sale is considered the most comparable on a dollar per square metre basis. Considerations made in the comparison include the fit out of this sale, the area, which is considerably larger in size and has been taken into consideration with relation to economies of scale and the sale date has been considered along with any market movement that is likely to have occurred since. It is due to these considerations that the dollar per square metre of building area has been determined for the subject.

Within the secondary assessment method, the capitalisation of net income approach to valuation, the current net income has been utilised to determine the value. Based on market analysis, the current rental is considered at the lower level of the market range, resulting in the assessment being based on a low-risk yield to determine the indicative market value assessment.

Based on the available information and market evidence it has been determined that the indicative market value assessment of Unit 45, 64 River Road, Milton QLD 4064 for Financial Reporting for a Self-Managed Super Fund is assessed at \$540,000 as at 30 June 2023..



Dan Atherton

Director

MRICS Registered Valuer No: 1169941

Valuers Signature:

A handwritten signature in blue ink, appearing to read 'D Atherton', written over a light blue circular stamp.

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(b) general information,

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