

22 November 2016

Myles Mitchell  
Shire of Broome  
PO Box 44  
Broome WA 6725

Dear Myles,

**Re: Car Parking Area, Last Resort Backpackers, Bagot Street,  
Broome, Western Australia  
Matter: Market Rental Value**

In accordance with your instructions, I have reviewed the previous rental valuation (6485782) dated the 15<sup>th</sup> of October 2015 for the Shire of Broome. The subject of this report comprise car parking facilities being bitumen sealed with concrete kerbing situated adjacent the 'Last Resort Backpacker's' development. The tenancy land area is 1,264 sqm in size. This rental valuation adopted a net market rent of \$18,000 per annum or \$14.24 psm. Finding directly comparable evidence for a tenancy of this standard can be hard given tenancies like the subject, are somewhat unique within the market place. However, since the previous valuation date there have been a number of tenancies leased within Broome which provide some form of comparability to the subject tenancy, in addition to the evidence summarised within the report, these leases are as follows:

| <b>Property</b>                 | <b>Tenancy 5-2 Coghlan Street, Broome, WA</b>   |
|---------------------------------|---|
| <b>Lease Rental</b>             | \$40,000 pa Net   |
| <b>Date Rent Set</b>            | Sep 2016  |
| <b>Tenancy Area</b>             | 1,107 sqm   |
| <b>Lease Term &amp; Options</b> | 3 + 3 yrs   |
| <b>Rent Review Frequency</b>    | Annually  |
| <b>Rent Review Method</b>       | The rent is reviewed annually in accordance with movements in the CPI. The rent is reviewed to market at the commencement of the option period. |

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|                        |   |
|------------------------|---|
| <b>Rental Analysis</b> | \$36.13 psm of improved land area<br>We have broken down this rental agreement as follows: Office (40 sqm) - \$300 psm;<br>Workshop (58 sqm) - \$140 psm; Remaining land - \$19,880 which equates to \$19.70 psm. |
| <b>Comments</b>        | This property comprises a 1,107 sqm yard improved with a 98 sqm office/workshop development. The yard areas feature bitumen hardstand, with the property presenting to a neat standard.                           |
| <b>Comparability</b>   | The remaining land rate is considered superior compared to the subject on account of location and being smaller in size. A lower rate will apply to the subject.  |

|                                 |  |
|---------------------------------|--|
| <b>Property</b>                 | <b>6B Coghlan Street, Broome, WA</b>   |
| <b>Lease Rental</b>             | \$30,741 pa Net  |
| <b>Date Rent Set</b>            | Oct 2015 (CPI increase)<br>Oct 2014 (Lease Commenced)  |
| <b>Tenancy Area</b>             | 850 sqm  |
| <b>Lease Term &amp; Options</b> | 3 + 3 yr   |
| <b>Rent Review Frequency</b>    | Annually   |
| <b>Rent Review Method</b>       | The rent is reviewed annually in accordance with movements in the CPI. The rent is reviewed to market at the commencement of the option period.  |
| <b>Rental Analysis</b>          | \$36.16 psm of improved land area<br>We have broken down this rental agreement as follows: Office (28 sqm) - \$300 psm;<br>Workshop/Washdown area (72 sqm) - \$110 psm; Remaining land - \$14,421 which equates to \$19.22 psm. This lease was reviewed via a CPI increase in 2015 up from market in 2014. |
| <b>Comments</b>                 | This lease comprises an approximate 850 sqm irregular shaped yard including two offices (28 sqm), a wash down bay (36 sqm) and a store/work shed (36 sqm). The yard areas are pindan soils which are level with the road grade.  |
| <b>Comparability</b>            | The remaining land rate is considered superior compared to the subject on account of location and being smaller in size. A lower rate will apply to the subject.   |

|                                 |  |
|---------------------------------|--|
| <b>Property</b>                 | <b>7 Archer Street, Minyirr, WA</b>                                    |
| <b>Lease Rental</b>             | \$95,000 pa Net  |
| <b>Date Rent Set</b>            | Mar 2016   |
| <b>Tenancy Area</b>             | 6,270 sqm  |
| <b>Lease Term &amp; Options</b> | 3 yrs  |
| <b>Rent Review Frequency</b>    | Annually   |
| <b>Rent Review Method</b>       | The rent is reviewed annually in accordance with movements in the CPI. |

**Rental Analysis** \$15.15 psm of improved land area  
We have broken down this rental agreement as follows: Caretaker's - \$300 pw,  
Warehouse (578 sqm) - \$100 psm, Ablutions (11 sqm) - \$100 psm, Hardstand Area  
Approx 2,750 sqm - \$7.50 psm.

**Comments** This property comprises an industrial allotment of 6,270 sqm situated within the Port Industrial Precinct. The main improvements on-site comprise a detached 3 bedroom, 1 bathroom caretaker's residence (132 sqm) situated to the rear of the site, detached ablutions (11 sqm) and an industrial shed/warehouse (578 sqm) positioned to the eastern side of the site. A gravel hardstand storage area of approximately (2,750 sqm) is located adjacent the shed/warehouse and in front of the residence.

**Comparability** The hardstand land rate is considered inferior compared to the subject on account of location, being larger in size and unsealed. A higher rate will apply to the subject.

Having regard to the above evidence in addition to the evidence summarised within the valuation report (6485782) dated the 15<sup>th</sup> of October 2015. We are of the opinion the following net market rental range is applicable:

| Direct Comparison Valuation Method (rate psm land area) |                              |                 |
|---|------------------------------|-----------------|
|   |                              | Market Value    |
| Land Area:  | 1,264 sqm at \$13.50 psm     | \$17,064        |
|   | 1,264 sqm at \$14.25 psm     | \$18,012        |
|   | 1,264 sqm at \$15.00 psm     | \$18,960        |
| <b>Adopt, Total Market Rental Value:</b>                | <i>Rounding factor</i> \$100 | <b>\$18,000</b> |

We are of the opinion that the Net Market Rental Value of the property adopted within that report (6485782) of \$18,000 per annum or \$14.24 psm, is still reflective of net market rent today.

If you require any further assistance please do not hesitate to contact us.

Kind regards,



Hayden McLeod

AAPI CPV

Director

API No: 65366 WA Lic No: 4443