

Ref: 7387

3 October 2022

Ray White (Valuations)  
Level 17, 135 King Street  
Sydney NSW 2000

Telephone: 1300 479 087

Mr Colin Chan  
Goon Yee Tong Limited

By Email: info@goonyeetong.org.au

Dear Colin,

**RE: 168-170 Anzac Parade, KENSINGTON NSW 2033.**

We refer to your instructions to provide a Market Value 'As Is' on a highest & best use basis, exclusive of GST for Internal Asset Reporting Purposes Only.

### Critical assumptions

This advice is provided on the following critical assumptions:

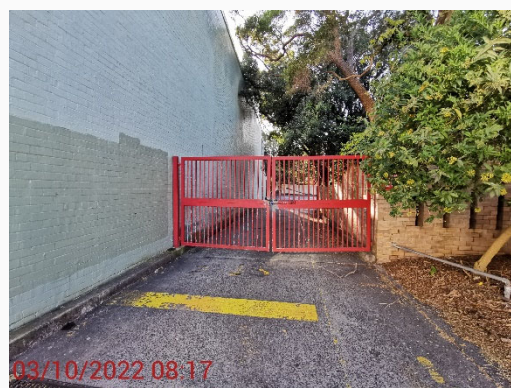
- Our instructions are to provide a Market Value 'As Is' on a highest & best use basis for the site on the basis of redevelopment. Our assessment has been based upon the existing planning controls on the subject site.
- We make no comment or representation as to the validity of the assumed planning controls that form the basis of our advice and have relied upon the parameters provided to us.
- Our advice is made on the basis of Vacant Possession will be provided to the existing improvements in order to allow for redevelopment.
- Unless stated otherwise in this report, no soil tests or environmental studies have been made available. Therefore, it should be noted that this advice is subject to there being no surface or sub-surface soil problems including instability, toxic or hazardous wastes, toxic mould, asbestos or building material hazards in or on the property that would adversely affect its existing or potential use or reduce its marketability. Should any problems be known or arise, then this advice should be referred to Ray White (Valuations) for review as deemed appropriate.
- **This advice has been provided for Internal Asset Reporting Purposes Only and is not to be relied upon for Mortgage Security Purposes or any other purpose.**

### Site details

A regular shaped inside allotment with a generally level topography. Existing improvements comprises a circa 1970s built, single storey commercial building currently tenanted by Australia Post and a gated side concrete driveway access to the open car park located at the rear of the existing building.



*Subject site frontage*



*Side concrete driveway*

## Land Dimensions

The land dimensions and area of the subject site as per the registered Deposited Plan annexed in this report.

Boundary	Approximate Dimensions
Anzac Parade frontage	30.175 metres.
Northern boundary	36.980 metres.
Southern boundary	36.935 metres.
Rear boundary	30.180 metres.
Site area	1,115 square metres.

## Title details

Registered Proprietor	Title Details
Goon Yee Tong Limited.	Lot 1 in Deposited Plan 771581.

### Encumbrances and Interests

- DP771581 Easement to drain sewage 1 wide appurtenant to the land above described.
- 7964779 Lease to Australian Postal Corporation of 168-170 Anzac Pde, Kensington. Expires: 18/12/2005. Option of Renewal: 5 yrs with a further option of 5 yrs.
- AC148029 Variation of Lease 7964779
- AG484123 Variation of Lease 7964779 Expiry date now 18/12/2015.
- AK499458 Variation of Lease 7964779 Expiry date now 18/12/2020.
- AR301889 Variation of Lease 7964779 expiry date now 18/12/2023. Option of Renewal: Is modified one option of 3 years.

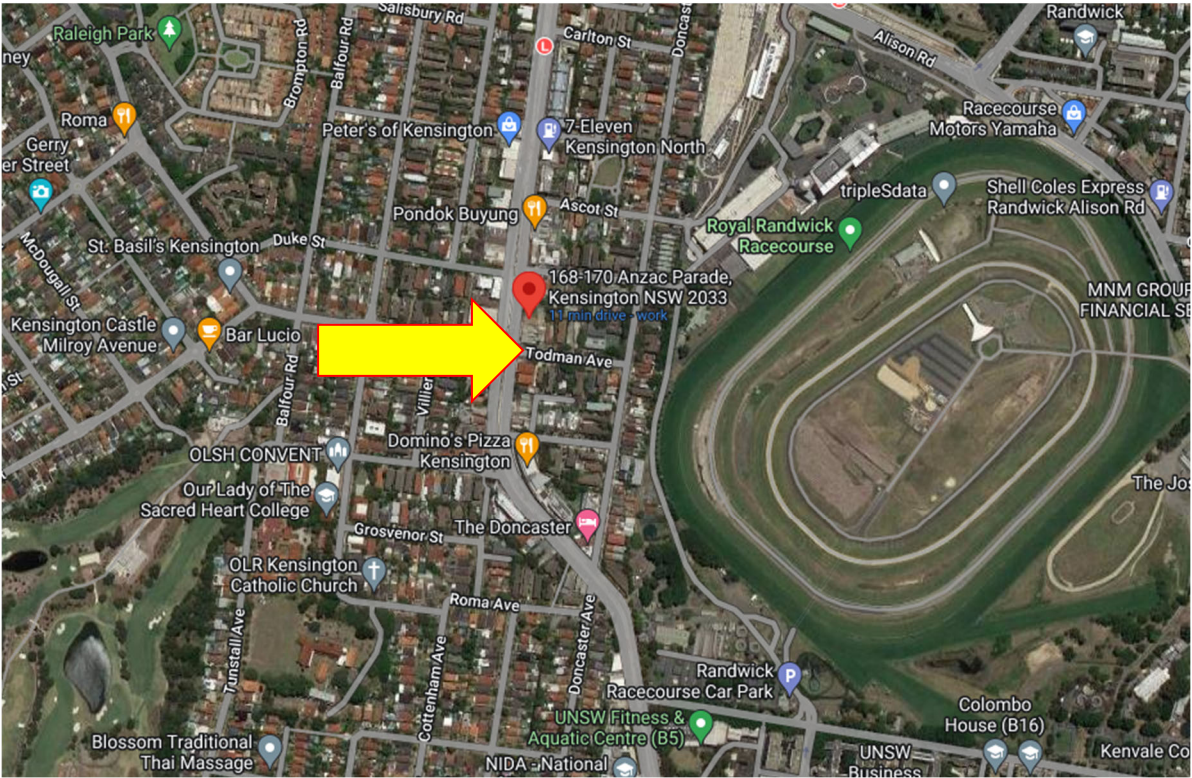
There are no *Administrative Advice* or *Unregistered Dealings* recorded on the Title search.

*The drainage easement noted on the Title is not considered to be of detriment to the redevelopment of the site, although independent legal advice should be obtained prior to reliance on this report.*

There are considered to be no encumbrances or interests registered or noted on Title which are considered to adversely affect the value, marketability or redevelopment of the site. Should any encumbrances, encroachments, restrictions, leases or covenants which are not noted in this report be discovered, the report should be requisitioned for comment.

## Location

- The subject site is located in Kensington in the Eastern Suburbs, approximately 6 radial kilometres south-east of the Sydney CBD within the Local Government Area of Randwick City Council.
- Immediate surrounding development comprises detached residential dwellings, Art-Deco style residential flat buildings, modern mixed use building and commercial/retail properties along Anzac Parade and Royal Randwick Racecourse.
- The site is located among the commercial/retail strip, located along Anzac Parade. However, all the shop top properties adjoining the southern side of the subject site have vacated for redevelopment.
- Public bus stop and the Kensington Light Rail Station are located right in front of the subject site.
- Local educational facilities include the University of New South Wales, Our Lady of the Rosary Catholic Primary School, Our Lady of the Sacred Heart College, The Joseph Varga School and Kensington Public School.



Locality Map with the subject site Indicated (Source: Google Maps)



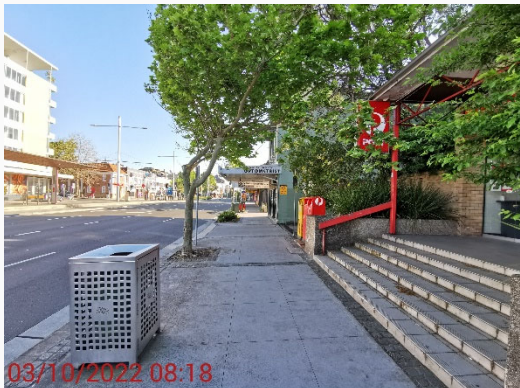
Streetscape along Anzac Parade to the south



Streetscape along Anzac Parade to the north



Footpath along Anzac Parade to the south



Footpath along Anzac Parade to the north

## Planning

The following planning information has been obtained from publicly available information and advised from the client:

<b>Local Authority</b>	Randwick City Council.	
<b>Planning Scheme</b>	Randwick Local Environmental Plan 2012.	
<b>Zoning</b>	'B2 Local Centre'.	
<b>Permissible Development Controls (based on K2k Planning Strategy)</b>	Floor Space Ratio (FSR): 4:1	Height Limit: 31 metres

We have been advised by the Client that a 6 metre wide shared laneway from the northern boundary will most likely have to be allowed for any future development. We have also considered a 4 metre setback from the Anzac Parade frontage and a 6 metre wide new driveway from the eastern boundary for vehicular access to basement parking.

Based on the current planning controls, the following re-development assumptions have been adopted for the purpose of this advice:

<b>Site Area</b>	1,115m <sup>2</sup> .
<b>Maximum Gross Floor Area (GFA) m<sup>2</sup></b>	4,460 m <sup>2</sup> .
<b>Assumed GFA</b>	4,014m <sup>2</sup> (Assuming 90% site efficiency).
<b>Assumed Development Mix</b>	Assuming 5:1 residential/retail ratio, the potential residential GFA is 3,345m <sup>2</sup> & commercial/retail GFA at 669m <sup>2</sup> .
<b>Potential Unit/Suite</b>	<p>We have not been provided with a proposed planning proposal and no Development Application was lodged or approved with the Council.</p> <p>For analysis purposes, we have assumed the following for our Direct Comparison approach:</p> <ul style="list-style-type: none"> <li>▪ Average size of 80m<sup>2</sup> per residential unit will potentially yield 42 units; and</li> <li>▪ Average size of 80m<sup>2</sup> per suite will potentially yield 8 suites reflecting <b>50 equivalent units in total</b>.</li> </ul>

The above parameters have been adopted to determine a potential yield on the hypothetical basis that the subject site is permitted a predominantly mixed use building. We are not qualified town planners and can therefore make no warranty or representation as to the likelihood of achieving the above assumed planning controls that form the basis of this advice. Projected development controls and hypothetical built outcomes must be confirmed to be reasonable by suitably qualified independent advice on behalf of the reader, if required.

**Economic overview**

Factors affecting the demand for the residential and retail markets include interest rates, consumer/business confidence, unemployment and external economic factors. The stability of the market will rest upon perceived changes in these areas. The table below summarises the most recent results of these indicators:

**SNAPSHOT**

**CASH RATE increased**



to 2.35%  
in September 2022

**Australian GDP GROWTH**



For March 2022  
showed a +0.8% quarterly  
increase

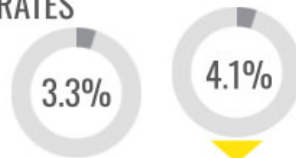
**ANNUAL CPI**  
for June 2022  
rose by  
6.1%,  
above the  
Reserve Bank's  
target range of  
2-3%



**NAB Business Survey**  
reported business  
conditions  
increased to 20  
index pts in July  
2022



**NSW  
UNEMPLOYMENT  
RATES**



Unemployment  
Rate (July 2022)      12  
month  
average

**NSW  
EMPLOYMENT  
RATES**



Participation  
Rate  
(July 2022)

12  
month  
average

**CONSUMER  
SENTIMENT**



83.8  
July 2022  
-3%  
81.2  
August 2022



**HOUSING  
FINANCE**

owner-occupied housing  
finance commitments  
-11.6%  
July  
2022      -43.2%  
year to  
date



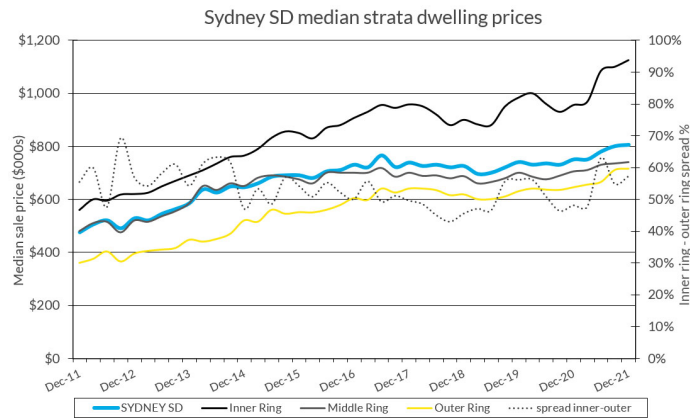
**HOUSING  
APPROVALS**

Number of  
approvals  
-31.6%  
year to date  
NSW dwelling  
units approved  
-16.2% in  
July  
2022

SOURCE: Australian Bureau of Statistics; Reserve Bank of Australia; NAB Business Research & Insights; Westpac Economic Reports

## Residential unit market overview

### Sydney SD residential unit market



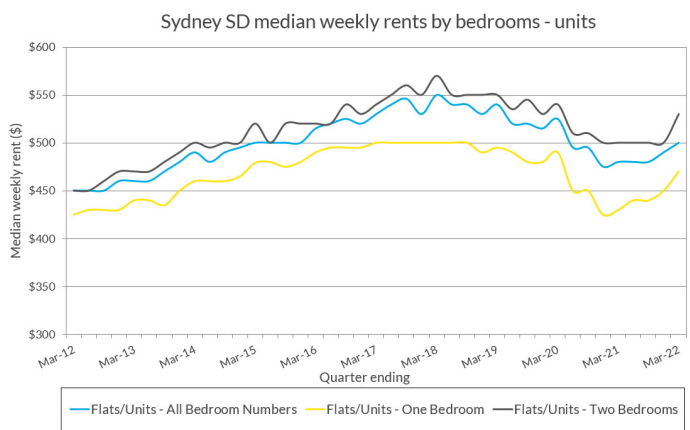
Source: FACS NSW & Ray White (Valuations)

#### Median prices

The trend median strata dwelling price in the Sydney Statistical Division (SD) rose by +6.5% in the year to December 2021:

Over the same period, the trends are summarised as follows:

1. Inner Ring (0-10kms of CBD) increased by 11.2% to \$1,125,000,
2. Middle Ring (10-20kms) increased by +5.8% to \$740,000; and
3. Outer Ring (20+kms) rose by +7.4% to \$715,000.

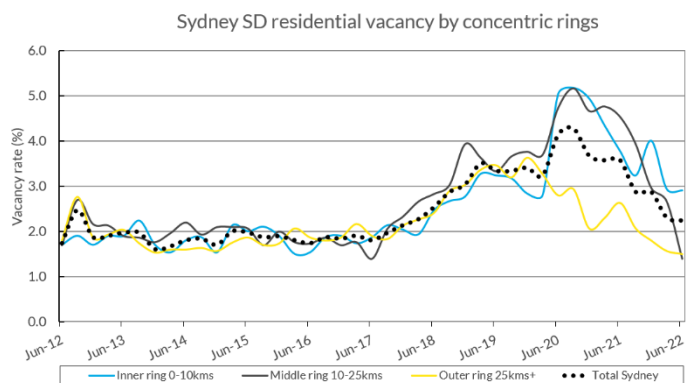


Source: FACS NSW & Ray White

#### Rent

Median weekly rents for strata units in the Sydney Statistical Division (SD) increased to \$500 per week in the March 2022 quarter. The median rent for one bedroom units also increased to \$470 per week as well as the median rent for two bedroom units increasing to \$530 per week.

The rents illustrated in the graph depict an increase from the March 2020 figures which were heavily impacted by following the NSW bushfires, and coronavirus pandemic which led to social distancing measure and closure of non-essential services in March until May and again from June 2021 to October 2021.



Source: REINSW & Ray White

#### Vacancy

The average residential vacancy rate for Sydney decreased to 2.3% in the June quarter of 2022.

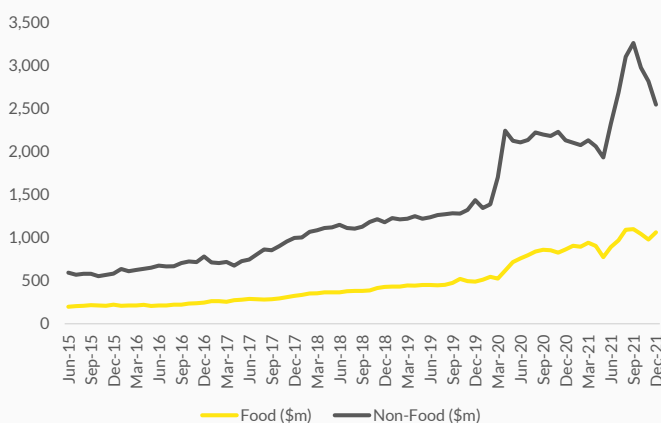
The Inner Ring of Sydney remained at 2.9% while the Middle Ring decreased from 2.7% to 1.4%. The Outer Ring also decreased to 1.5% from 1.6% when compared to the previous quarter.

Retail market overview

Sydney Retail Market

- The Sydney retail market has had mixed results over the past two years upon the onset of COVID-19. With the forced closures of non-food retailers during lockdown periods in both 2020 and 2021, many businesses found it hard to keep doors open with changing rules around occupancy, hygiene, and workforce mandates around vaccination.
- We saw a strong shift to online retail sales during this time which has had a positive impact on the industrial market with a greater need for warehousing and logistic assets while retail shops sat empty.
- Despite this change in the way consumers interacted with retail, many suburban retailers saw the benefits of staff working from home while CBD locations saw their client base decimated.
- While landlord struggled with rent relief and the various offerings from state and federal government by way of grants, discounts we also saw tenants frustrated and forced to close their doors.
- Rental relief was needed across most of the retail offering with centres having difficulty in keeping occupancy high, retail strips mixed with their results however bulky goods and large format retailing remaining competitive given the strong gains in the residential housing market.
- Despite these mixed results on the income side, there continued to be a strong push by investors seeking a commercial investment during a time of low interest rates and uncertainty in other investment options. Assets which offer strong food offerings and non-discretionary items continued to be in high demand while strip retail dependant on leases in place. Larger centre transactions have been few and remain institutional in nature keeping yield levels stable.

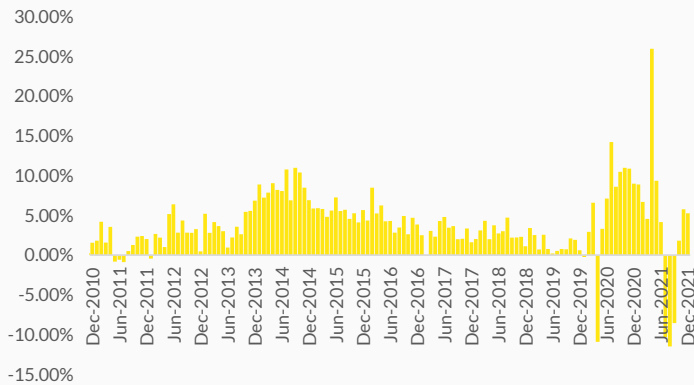
Online Retail Sales



Source: ABS 8501

- The retail industry has gone through a major structural shift with the growing reliance on online retailing. While this trend was emerging during 2017-2019 there was a significant uptick during the onset of COVID-19 across both discretionary and non-discretionary goods which is anticipated to alter how consumers interact with retail into the future.
- The initial lockdowns in March 2020 which saw retail shops close their doors (albeit supermarkets still trading), saw growth in online non-food retailing of 61.65% over a two-month period. While these high levels remained in early 2021 confidence was restored and online sales saw a slight dip, however upon the omicron variant closing borders and sending workers back home, online trade again spiked. While this has seen some reduction, we expect these elevated levels will remain and become the new norm rate.

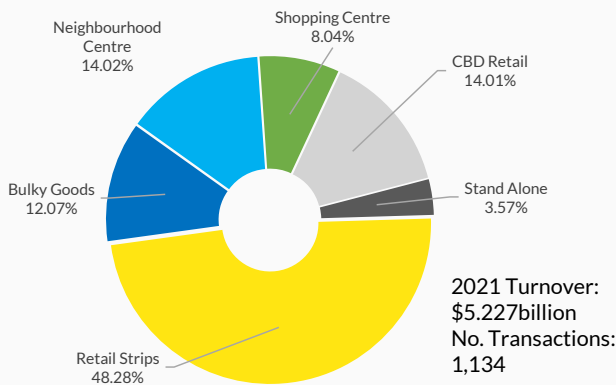
### NSW Retail Trade by Industry



Source: ABS 850103  
\*Annual change, monthly

- For NSW retail trade has gone through sizeable peaks and troughs over the past two years due to the disruption of COVID-19.
- During 2019 we saw the levels of growth moderate averaging just 1.4% over year after average annual retail trade achieved 4.9% over the past five years.
- As soon as lockdowns were announced in March 2020 retail fell significantly given the closure of bricks and mortar retail however it quickly rebounded online resulting in an annual growth in trade of 6.1%. Similarly in 2021 NSW lockdowns mid-year saw sizeable reductions in trade, albeit still achieved 3.52% average annual growth.

### 2021 NSW Sales Transactions

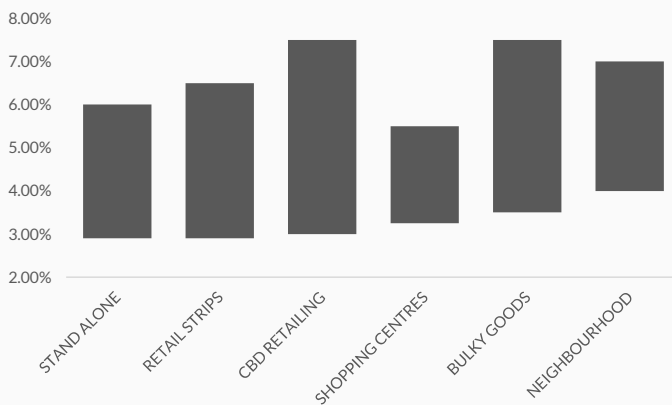


Source: Ray White Commercial, RCA, PIMS

- During 2021 there was over \$5.227 billion in retail turnover across NSW. The close to half of all transactions were for retail strip retail assets, ranging from shop & residences, shop & office as well as larger suburban strip retail complexes.
- Both strip retail and stand-alone offerings have been in strong demand by both local and interstate investors notably in the sub \$5million price point for well located, leased assets.
- There have been limited larger centres transact during the year given the uncertainty surrounding retail and the growth in vacancies in some centres. However, neighbourhood retail centres have seen stable demand, their high food reliance attractive to a range of private and institutional investors.
- CBD retail has been propped up by the large 50% QVB sale as part of a GIC portfolio transaction. While Bulky Goods sales have traded well off the back of the robust housing market results seen this year.



### NSW Retail Yield By Asset Type



Source: Ray White Commercial

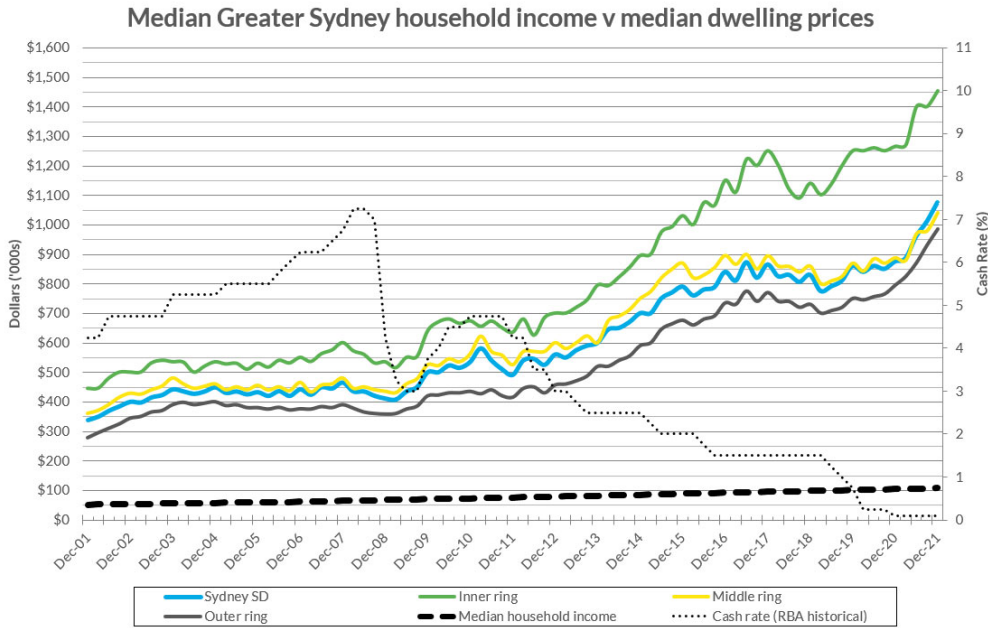
- Retail investment yields continue to show a wide variation based on location, access and tenancy security. Small and affordable retail strip assets can achieve yields as low as 2.90% for those underpinned by quality tenants on long, secure leases however can range up to 6.00-7.00%, stand-alone assets with large single tenants see similar ranges.
- Across the CBD, high vacancies and a slow down in foot traffic has resulted in a wide range in yields from as low as 3.00% for quality offering or larger institutional grade assets to upwards of 7.50% with those hampered with vacancies or secondary in nature.
- With limited large shopping centre sales, these institutional assets have seen yields remaining within a tight 3.00% to 5.00% yield, while smaller neighbourhood centres with their more diverse investor profile can range in the 4.00% to 7.00% yield range.

### OUTLOOK

- The future for retail remains somewhat uncertain and we have continued to see mixed results across locations and asset types. Services and food related tenancies are showing the greatest traction while traditional clothing & soft goods, personal item tenancies continue to reduce as online retail grows in popularity.
- Larger shopping centres are feeling the affects of this changing way consumers interact with property resulting in a reduction in rents and greater incentives on offer. Neighbourhood and convenience-based centres offering ease of parking and fresh food offerings continue to do well and are sought after by a range of investor types.
- Retail strips will continue to be under pressure; however, these will be dependant on tenant security, type and the vibrancy of the local area. We will see greater levels of reuse of retail assets into alternative uses such as childcare, medical if zoning allows or more service-related tenancies which will see customers visit onsite.
- Yields have been pushed low in many, lower priced assets as a flurry of first-time commercial buyers descended on the market, this has been a national trend which may be corrected particularly when interest rates see some movement. The strong weight of money in the institutional space as well as private fund/syndicate market has been instrumental in keeping competition high for many assets however is likely to moderate of the medium term.

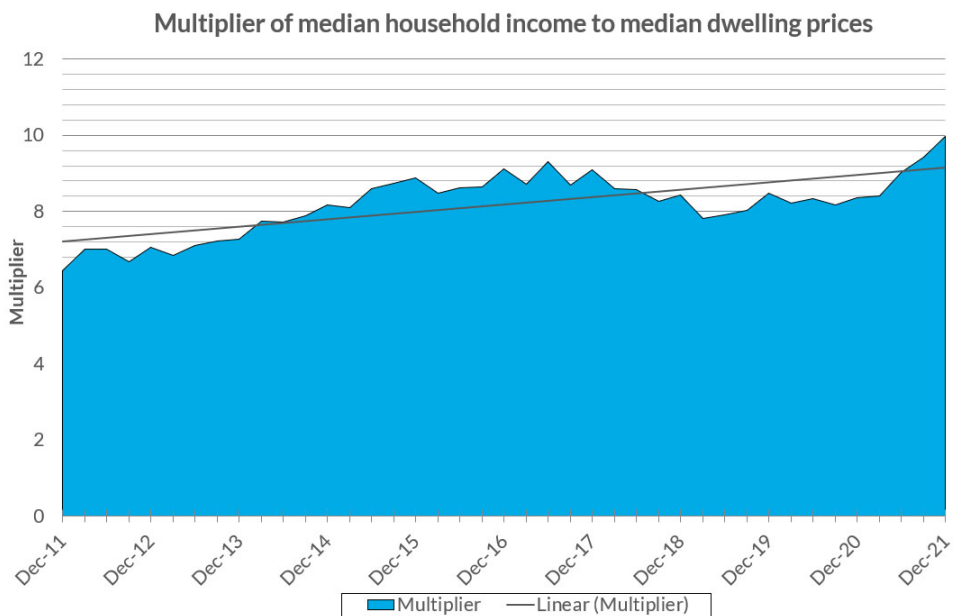
**Demand**

Despite the coronavirus pandemic starting in March 2020, median dwelling prices were displaying strong growth through to early 2022 as a result of record low interest rates although demand has recently eased given rising interest rates and further economic headwinds. This is illustrated by the median dwelling prices, interest rate and median household incomes (Sydney SD) graph as shown below.



Source: Housing NSW, ABS & Ray White

It can be seen that while median household incomes have risen modestly, median dwelling prices have outstripped household incomes by 9.97 times as at the December quarter 2021 as seen below:

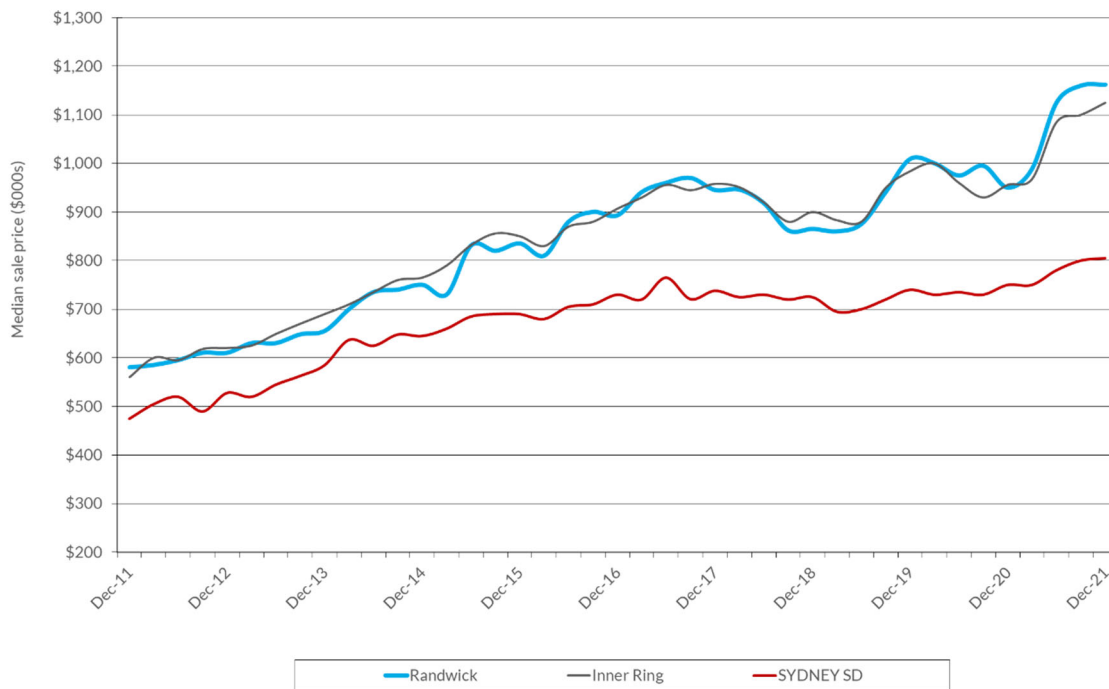


Source: Housing NSW, ABS & Ray White

Housing affordability in terms of median household income as a multiplier to median dwelling prices shows that the cost of housing began easing in 2018 however, given the bullish market conditions from 2021 to early 2022 unaffordability peaked and reached record highs according to the December 2021 quarter data.

On a more micro level, recent market trends are indicated in the graph below for the Randwick Local Government Area residential Strata dwellings (both new and second hand) compiled by Housing NSW and Ray White (Valuations). The median Strata price within the December 2021 quarter (which is the most recently released figures) of \$1,162,000 is the highest recorded median and is 18.24% higher than the corresponding median Strata price in the December 2020 quarter of \$950,000. The coronavirus in early 2020 saw a slowing market although Government stimulus and RBA rate reductions saw strong market conditions through 2021. However, recently market conditions have moderated and eased given the current uncertain economic conditions and sharp increases in interest rates spurred on by rising inflation.

Randwick LGA and Sydney SD median strata dwelling prices



Source: FACS NSW & Ray White (Valuations)

## Summary


The residential property market was resilient against the volatility of 2020. With increased consumer confidence, low interest rates and easing of COVID-19 restrictions, the first quarter of 2021 was characterised by strong auction clearance rates and increased median housing prices. More recently the Sydney housing market has seen price growth ease and decline in some localities as a result of affordability concerns and rising interest rates alongside other economic pressures.


## Sales evidence

The following site sales below and overleaf are considered the more noteworthy from my market investigations:

Address	59-99 Belmont Street, ALEXANDRIA	
Contract date	June 2022.	
Purchase price	\$15,250,000.	
Vendor	Aqualand.	
Purchaser	Astute Developments.	
Site area	1,883m <sup>2</sup> .	
Zoning	'B4 Mixed Use' under the Sydney Local Environmental Plan 2012.	
FSR	1.5:1 (approved).	
GFA	2,824m <sup>2</sup> (approved).	
Analysis	<p>\$5,400/m<sup>2</sup> of approved GFA (2,824m<sup>2</sup>).</p> <p>\$663,043/unit (23 approved).</p> <p>\$8,099/m<sup>2</sup> of site area (1,883m<sup>2</sup>).</p>	
Site Description	<p>A consolidated regular shaped mixed use redevelopment site of near level topography. Existing improvements at the time of sale consisted of a large high clearance older style industrial warehouse with ancillary offices.</p> <p>Zoned 'B4 Mixed Use' under the Sydney Local Environmental Plan 2012 with an FSR of 1.5:1 including additional bonus via VPA and a 15 metre building height limit.</p> <p>Located in a quiet no through road, approximately 1 kilometre east from Erskineville railway station.</p>	
Comment	<p>Site sold with existing DA &amp; Section 4.55 Modification Consents for the partial demolition of the existing improvements and the construction of a 4 storey residential building comprising 7 x three bedroom terraces/townhouses and 16 home units (4 x two bedroom and 12 x three bedroom) over a single level of basement car parking for 28 vehicles. A VPA payment of \$425,146.50 and VPA preparation/signing fee of \$6,932.50 had been paid in full by the Vendor.</p> <p>The site sold through Knight Frank following an Expressions of Interest Campaign with full details of the sale being currently confidential. Sale details are as advised but not yet confirmed.</p>	
Comparison	<p><i>Site sold with existing DA &amp; Section 4.55 Modification Consents and with VPA contributions having been paid for a smaller size medium rise townhouse/terrace and home unit project over a single level of basement car parking, superior quiet position.</i></p> <p><i>On balance, we are of the opinion that a lower rate per square metre of permissible GFA, a lower rate per potential equivalent unit and a higher rate per square metre of site area are warranted for the subject site.</i></p>	

<b>Address</b>	424-430 Rocky Point Road, SANS SOUCI	
<b>Contract date</b>	May 2022.	
<b>Purchase price</b>	\$3,625,000.	
<b>Vendor</b>	Youssef Corp Pty Ltd.	
<b>Purchaser</b>	Unknown.	
<b>Site area</b>	784.7m <sup>2</sup> .	
<b>Zoning</b>	'B4 Mixed Use' under the Bayside Local Environmental Plan 2021.	
<b>FSR</b>	1.94:1 (approved).	
<b>GFA</b>	1,523m <sup>2</sup> (approved).	
<b>Analysis</b>	<p>\$2,380/m<sup>2</sup> of approved GFA (1,523m<sup>2</sup>).</p> <p>\$241,667/unit (15 equivalent approved).</p> <p>\$4,620/m<sup>2</sup> of site area (784.7m<sup>2</sup>).</p>	
<b>Site Description</b>	<p>A slightly irregular shaped mixed use redevelopment site of level topography. Existing improvements at the time of sale comprised of two (2) older style retail/commercial buildings. Zoned 'B4 Mixed Use' under the Bayside Local Environmental Plan 2021.</p> <p>Located along a busy main road although with the benefit of rear lane access, approximately 3 kilometres south-east from Carlton railway station.</p>	
<b>Comment</b>	<p>Site sold with existing Development Consent for the demolition of the existing improvements and the construction of a 4 storey lifted mixed use complex comprising of 14 home units (5 x one bedroom, 7 x two bedroom and 2 x three bedroom) and 1 retail/commercial suite of 139.5m<sup>2</sup> over two (2) levels of basement car parking for 27 vehicles. For analysis purposes, the retail/commercial component has been treated as 1 equivalent unit.</p> <p>The site sold free of GST as a Going Concern through Raine &amp; Horne Commercial Inner West South Sydney. Settled in August 2022.</p>	
<b>Comparison</b>	<p><i>Site sold with existing Development Consent for a smaller size medium rise mixed use project over 2 levels of basement car parking, inferior location.</i></p> <p><i>On balance, we are of the opinion that a higher rate per square metre of permissible GFA, a higher rate per potential equivalent unit and a higher rate per square metre of site area are warranted for the subject site.</i></p>	

<b>Address</b>	8-18 Stoney Creek Road, BEXLEY	
<b>Contract date</b>	March 2022.	
<b>Purchase price</b>	\$15,700,000.	
<b>Vendor</b>	Jana Pty Ltd (Receiver & Manager Appointed).	
<b>Purchaser</b>	TJ Smith Street Pty Limited.	
<b>Site area</b>	3,016m <sup>2</sup> .	
<b>Zoning</b>	'B4 Mixed Use' under the Bayside Local Environmental Plan 2021.	
<b>FSR</b>	2.5:1 (approved).	
<b>GFA</b>	7,540m <sup>2</sup> (approved).	
<b>Analysis</b>	\$2,082/m <sup>2</sup> of approved GFA (7,540m <sup>2</sup> ). \$191,463/unit (82 equivalent approved). \$5,206/m <sup>2</sup> of site area (3,016m <sup>2</sup> ).	
<b>Site Description</b>	<p>A slightly irregular shaped mixed use development site subject to a slight cross fall from east to west. The site was fenced off at the time of sale with construction works having commenced. Zoned 'B4 Mixed Use' under the Bayside Local Environmental Plan 2021.</p> <p>Located along a busy main road, approximately 2.1 kilometres south-east from Bexley North railway station and 1.7 kilometres north-west from Rockdale railway station.</p>	
<b>Comment</b>	<p>Site sold with existing DA &amp; Stage 1 CC Consents for the construction of a mixed use complex including 1 x 5 storey and 1 x 6 storey lifted buildings comprising of 68 home units (7 x one bedroom, 56 x two bedroom and 5 x three bedroom) and 2 retail/commercial suites (totalling 1,420m<sup>2</sup>) over two (2) levels of basement car parking for 123 vehicles. For analysis purposes, the retail/commercial component has been treated as 14 equivalent units.</p> <p>The site sold through Stanton Hillier Parker following an Expressions of Interest Campaign as a Mortgagee in Possession Sale with settlement due to occur 10 weeks after the contract date. The above purchase price is exclusive of GST under the General Tax Rule. RP Data records indicate that the sale settled in June 2022.</p>	
<b>Comparison</b>	<p><i>Site sold with existing DA &amp; Stage 1 CC Consents with construction works having commenced on-site for a larger size medium rise mixed use project over 2 levels of basement car parking, inferior location. Mortgagee in possession transaction.</i></p> <p><i>On balance, we are of the opinion that a higher rate per square metre of permissible GFA, a higher rate per potential equivalent unit and a higher rate per square metre of site area are warranted for the subject site.</i></p>	

<b>Address</b>	5-9 Eden Street & 39 Burrows Street, ARNCLIFFE	
<b>Contract date</b>	March 2022.	
<b>Purchase price</b>	\$9,500,000.	
<b>Vendor</b>	Raluxe Pty Ltd & Eact Pty Ltd.	
<b>Purchaser</b>	Unknown.	
<b>Site area</b>	1,910m <sup>2</sup> .	
<b>Zoning</b>	'B4 Mixed Use' under the Bayside Local Environmental Plan 2021.	
<b>FSR</b>	2.5:1 (approved).	
<b>GFA</b>	4,775m <sup>2</sup> (approved).	
<b>Analysis</b>	<p>\$1,990/m<sup>2</sup> of approved GFA (4,775m<sup>2</sup>).</p> <p>\$172,727/unit (55 equivalent approved).</p> <p>\$4,974/m<sup>2</sup> of site area (1,910m<sup>2</sup>).</p>	
<b>Site Description</b>	<p>The consolidated site is a regular shaped corner site with existing improvements at the time of sale comprising of four (4) older style residential houses. Zoned 'B4 Mixed Use' under the Bayside Local Environmental Plan 2021.</p> <p>Located on the corner of Eden Street and Burrows Street, approximately 250 metres east from Arncliffe railway station.</p>	
<b>Comment</b>	<p>Site sold with existing Development Consent for the demolition of the existing structures and the construction of a 10 storey lifted mixed use complex comprising 51 home units (10 x one bedroom, 33 x two bedroom and 8 x three bedroom) and 4 retail/commercial suites (205m<sup>2</sup> of lettable area) over 2 levels of basement car parking. For analysis purposes, the retail/commercial component has been treated as 4 equivalent units.</p> <p>The site sold free of GST as eligible residential premises via an Expression of Interest Campaign through Adam Charles Real Estate. Settled in April 2022.</p>	
<b>Comparison</b>	<p><i>Site sold with existing Development Consent for a larger size high rise mixed use project over 2 levels of basement car parking, inferior location.</i></p> <p><i>On balance, we are of the opinion that a higher rate per square metre of permissible GFA, a higher rate per potential equivalent unit and a higher rate per square metre of site area are warranted for the subject site.</i></p>	

<b>Address</b>	648-652 Princes Highway & 1-3 Ashton Street, ROCKDALE
<b>Contract date</b>	March 2022.
<b>Purchase price</b>	\$9,250,000.
<b>Vendor</b>	Victoria Constructions Pty Ltd.
<b>Purchaser</b>	Unknown.
<b>Site area</b>	2,236m <sup>2</sup> .
<b>Zoning</b>	'B4 Mixed Use' under the Bayside Local Environmental Plan 2021.
<b>FSR</b>	2.38:1 (approved).
<b>GFA</b>	5,313m <sup>2</sup> (approved).
<b>Analysis</b>	\$1,741/m <sup>2</sup> of approved GFA (5,313m <sup>2</sup> ). \$142,308/unit (65 equivalent approved). \$4,137/m <sup>2</sup> of site area (2,236m <sup>2</sup> ).
<b>Site Description</b>	The consolidated site is a slightly irregular shaped corner site of level topography with existing improvements at the time of sale comprising of five (5) older style residential houses. Zoned 'B4 Mixed Use' under the Bayside Local Environmental Plan 2021. Located on the corner of Princes Highway, Ashton Street and Chandler Street, approximately 800 metres south from Rockdale railway station.
<b>Comment</b>	Site sold with existing Development Consent for the demolition of the existing structures and the construction of a 7 storey lifted mixed use complex comprising 61 home units (14 x one bedroom, 43 x two bedroom and 4 x three bedroom) and 4 retail/commercial suites (273m <sup>2</sup> of lettable area) over 2 levels of basement car parking for 83 vehicles under the State Environmental Planning Policy (Affordable Rental Housing) 2009 with 22 of the 61 home units (36%) subject to Affordable Rental Housing. For analysis purposes, the retail/commercial component has been treated as 4 equivalent units. The site sold free of GST as eligible residential premises through HT Wills Real Estate St George - Hurstville and is subject to an 8 month delayed settlement. Sale details are as advised but not yet confirmed.
<b>Comparison</b>	<i>Site sold with existing Development Consent for a larger size medium rise mixed use project over 2 levels of basement car parking, inferior location, inferior affordable housing project. On balance, we are of the opinion that a higher rate per square metre of permissible GFA, a higher rate per potential equivalent unit and a higher rate per square metre of site area are warranted for the subject site.</i>





<b>Address</b>	1A Hill Street, DULWICH HILL	
<b>Contract date</b>	February 2022.	
<b>Purchase price</b>	\$18,000,000.	
<b>Vendor</b>	Peter & Irene Andrews Superannuation Fund Pty Ltd.	
<b>Purchaser</b>	K2 Property Development Group.	
<b>Site area</b>	2,883m <sup>2</sup> .	
<b>Zoning</b>	'R1 General Residential' under the Marrickville Local Environmental Plan 2011.	
<b>FSR</b>	2:03 (approved).	
<b>GFA</b>	5,853m <sup>2</sup> (approved).	
<b>Analysis</b>	<p>\$3,075/m<sup>2</sup> of approved GFA (5,853m<sup>2</sup>).</p> <p>\$253,521/unit (71 approved).</p> <p>\$6,243/m<sup>2</sup> of site area (2,883m<sup>2</sup>).</p>	
<b>Site Description</b>	<p>An irregular shaped residential redevelopment site of relatively level topography. The site was occupied with older style industrial improvements at the time of sale. Zoned 'R1 General Residential' under the Marrickville Local Environmental Plan 2011.</p> <p>Located in a quiet residential street, approximately 300 metres north from Arlington light rail station and 1.5 kilometres north from Dulwich Hill railway station.</p>	
<b>Comment</b>	<p>Site sold with existing DA &amp; Section 4.55 Modification Consents for the demolition of the existing structures and the construction of a 9 storey lifted residential flat building comprising 71 home units (21 x one bedroom, 42 x two bedroom and 8 x three bedroom) over 3 levels of basement car parking for 86 vehicles.</p> <p>The site was sold by way of a Put &amp; Call Option in an 'off market' transaction without the intervention of an Agent in March 2021 which subsequently exchanged in March 2022 and settled in April 2022. The site was sold under the General Tax Rule with the above quoted price being <u>excluding GST</u>.</p>	
<b>Comparison</b>	<p>Site sold with existing DA &amp; Section 4.55 Modification Consents for a larger size medium rise home unit project over 3 levels of basement car parking, Superior location.</p> <p>On balance, we are of the opinion that a higher rate per square metre of permissible GFA, a higher rate per potential equivalent unit and a higher rate per square metre of site area are warranted for the subject site.</p>	


<b>Address</b>	890-898 Bourke Street, ZETLAND
<b>Contract date</b>	February 2022.
<b>Purchase price</b>	\$45,300,000.
<b>Vendor</b>	Baozheng Development Pty Ltd.
<b>Purchaser</b>	Atlis Property Partners.
<b>Site area</b>	5,194m <sup>2</sup> .
<b>Zoning</b>	'B4 Mixed Use' under the Sydney Local Environmental Plan 2012.
<b>FSR</b>	2:2:1 (approved).
<b>GFA</b>	11,426m <sup>2</sup> (approved).
<b>Analysis</b>	\$3,965/m <sup>2</sup> of approved GFA (11,426m <sup>2</sup> ). \$310,274/unit (146 approved equivalent). \$8,722/m <sup>2</sup> of site area (5,194m <sup>2</sup> ).
<b>Site Description</b>	A slightly irregular shaped mixed use redevelopment site of relatively level topography. The site was occupied with older style industrial improvements at the time of sale. Zoned 'B4 Mixed Use' under the Sydney Local Environmental Plan 2012. Located along a busy road, approximately 550 metres north-east from Green Square railway station.
<b>Comment</b>	Site sold with existing Development Consent for the demolition of the existing structures and the construction of a 6 storey lifted mixed use complex comprising 144 home units (14 x studio, 19 x one bedroom, 97 x two bedroom and 14 x three bedroom) and 1 retail/commercial suite of 107m <sup>2</sup> over 2 levels of basement car parking for 114 vehicles. For analysis purposes, the retail/commercial component has been treated as 2 equivalent units. The site in an 'off market' transaction without the intervention of an Agent. RP Data records indicate that the sale settled in May 2022.
<b>Comparison</b>	<i>Site sold with existing Development Consent for a larger size medium rise mixed use project over 2 levels of basement car parking.</i> <i>On balance, we are of the opinion that a higher rate per square metre of permissible GFA, a higher rate per potential equivalent unit and a higher rate per square metre of site area are warranted for the subject site.</i>



<b>Address</b>	73-79 Parramatta Road, CAMPERDOWN	
<b>Contract date</b>	December 2021.	
<b>Purchase price</b>	\$14,300,000.	
<b>Vendor</b>	Crotti Holdings Pty Ltd.	
<b>Purchaser</b>	Eftee Pty Ltd & Funky Warehouse Pty Ltd.	
<b>Site area</b>	1,081m <sup>2</sup> .	
<b>Zoning</b>	'B4 Mixed Use' under the Sydney Local Environmental Plan 2012.	
<b>FSR</b>	3:1 (permissible).	
<b>GFA</b>	3,243m <sup>2</sup> (permissible).	
<b>Analysis</b>	<p>\$4,409/m<sup>2</sup> of GFA (3,243m<sup>2</sup>).</p> <p>\$376,316/unit (38 potential equivalent).</p> <p>\$13,228/m<sup>2</sup> of site area (1,081m<sup>2</sup>).</p>	
<b>Site Description</b>	<p>A regular shaped mixed use redevelopment site with a relatively level topography and 2 street frontages along Parramatta Road and Brodrick Street. Improved at the time of purchase with two older style industrial warehouses.</p> <p>The site has a height of building limit of 22 metres under the Sydney Local Environmental Plan 2012.</p> <p>Located approximately 1.4 kilometres north from Newtown railway station.</p>	
<b>Comment</b>	<p>No. 73-75 Parramatta Road benefits from existing Development Consent for the demolition of the existing improvements and the construction of a part 5 and part 7 storey mixed use development containing 18 home units (8 x one bedroom, 8 x two bedroom and 2 x three bedroom) and a 78m<sup>2</sup> ground level retail/commercial suite along with ground level car parking for 8 vehicles.</p> <p>The consolidated site has a permissible GFA of 3,243m<sup>2</sup> and after allowing a 90% efficiency and an average unit size of 75m<sup>2</sup> the site has potential to yield approximately 38 equivalent units subject to Council approval.</p> <p>The site sold free of GST as a going concern via an Expression of Interest Campaign through JLL.</p>	
<b>Comparison</b>	<p><i>Site sold with the benefit of existing Development Consent to part of the site, potential for a smaller size medium rise mixed use project to the consolidated site, inferior location.</i></p> <p><i>On balance, we are of the opinion that a lower rate per square metre of permissible GFA, a lower rate per potential equivalent unit and a higher rate per square metre of site area are warranted for the subject site.</i></p>	


<b>Address</b>	135-139 McEvoy Street, ALEXANDRIA
<b>Contract date</b>	October 2021.
<b>Purchase price</b>	\$13,100,000.
<b>Vendor</b>	Private.
<b>Purchaser</b>	135-139 McEvoy Street Alexandria Pty Ltd.
<b>Site area</b>	2,420m <sup>2</sup> .
<b>Zoning</b>	'B4 Mixed Use' under the Sydney Local Environmental Plan 2012.
<b>FSR</b>	1.49:1 (approved).
<b>GFA</b>	3,599m <sup>2</sup> (approved).
<b>Analysis</b>	<p>\$3,640/m<sup>2</sup> of approved GFA (3,599m<sup>2</sup>).</p> <p>\$363,889/unit (36 equivalent approved).</p> <p>\$5,413/m<sup>2</sup> of site area (2,420m<sup>2</sup>).</p>
<b>Site Description</b>	<p>A regular shaped mixed use redevelopment site of relatively level topography. The site was occupied with older style industrial improvements at the time of sale. Zoned 'B4 Mixed Use' under the Sydney Local Environmental Plan 2012.</p> <p>Located along a busy road, approximately 900 metres north-west from Green Square railway station.</p>
<b>Comment</b>	<p>Site sold with existing Deferred Commencement Consent for the demolition of the existing structures and the construction of a 6 storey lifted mixed use complex comprising 34 home units (4 x one bedroom, 25 x two bedroom and 5 x three bedroom) and 1 retail/commercial suite of 143m<sup>2</sup> over 2 levels of basement car parking for 41 vehicles. For analysis purposes, the retail/commercial component has been treated as 2 equivalent units.</p> <p>The site was sold in an 'off market' transaction through Colliers International which included a land purchase price of \$12,625,734 and a nomination fee of \$474,266. RP Data records indicate that the sale settled in October 2021.</p>
<b>Comparison</b>	<p><i>Sold with Deferred Commencement Approval for a smaller size mixed use project over 2 levels of basement car parking, inferior location.</i></p> <p><i>On balance, we are of the opinion that a higher rate per square metre of permissible GFA, a similar rate per potential equivalent unit and a higher rate per square metre of site area are warranted for the subject site.</i></p>



<b>Address</b>	277-291 Anzac Parade, KINGSFORD	
<b>Contract date</b>	September 2021.	
<b>Purchase price</b>	\$46,180,499.	
<b>Vendor</b>	Private.	
<b>Purchaser</b>	Iglu No. 215 Pty Ltd.	
<b>Site area</b>	1,573m <sup>2</sup> .	
<b>Zoning</b>	'B2 Local Centre' under the Randwick Local Environmental Plan 2012.	
<b>FSR (K2K Planning)</b>	5:1 (6:1 with ARH SEPP)	
<b>GFA</b>	7,865m <sup>2</sup> (permissible).	
<b>Analysis</b>	<p>\$5,872m<sup>2</sup> of GFA (7,865m<sup>2</sup>).</p> <p>\$524,778/unit (88 potential equivalent).</p> <p>\$29,358/m<sup>2</sup> of site area (1,573m<sup>2</sup>).</p>	
<b>Site Description</b>	<p>An irregular shaped consolidated corner site with a level topography and improved at the time of sale with ground floor retail shops and residential units. The site benefits from 3 street frontages.</p> <p>The site has a height of building limit of 54 metres or 60 metres with Design Excellence.</p> <p>Located approximately 100 metres from Kingsford light rail station and among the local retail strip.</p>	
<b>Comment</b>	<p>The site sold without Development Consent. The site has a permissible GFA of 7,865m<sup>2</sup> and after allowing a 90% efficiency and an average unit size of 80m<sup>2</sup> the site has potential to yield approximately 88 potential equivalent units subject to Council approval.</p> <p>The site sold through Colliers International - Sydney. Settled in October 2021.</p>	
<b>Comparison</b>	<p><i>Sold without Development Consent, potential for a larger size medium rise mixed use project, similar busy Anzac Parade frontage.</i></p> <p><i>On balance, we are of the opinion that a lower rate per square metre of approved GFA, a lower rate per potential equivalent unit and a lower rate per square metre of site area are warranted for the subject site.</i></p>	

<b>Address</b>	52-56 Barker Street, KINGSFORD	
<b>Contract date</b>	September 2021.	
<b>Purchase price</b>	\$11,121,000.	
<b>Vendor</b>	University of NSW.	
<b>Purchaser</b>	Tomomo Pty Ltd.	
<b>Site area</b>	1,639m <sup>2</sup> .	
<b>Zoning</b>	'R3 Medium Density Residential' under the Randwick Local Environmental Plan 2012.	
<b>FSR</b>	0.75:1	
<b>GFA</b>	1,229m <sup>2</sup> (permissible).	
<b>Analysis</b>	<p>\$9,047m<sup>2</sup> of GFA (1,229m<sup>2</sup>).</p> <p>\$804,176/unit (14 potential equivalent).</p> <p>\$6,785/m<sup>2</sup> of site area (1,639m<sup>2</sup>).</p>	
<b>Site Description</b>	<p>An irregular shaped consolidated corner site with a level topography and improved at the time of sale with a childcare and two residential terraces. The site benefits from a 33 metre street frontage.</p> <p>The site has a height of building limit of 9.5 metres.</p> <p>Located approximately 300 metres from Anzac Parade retail strip.</p>	
<b>Comment</b>	<p>The site sold without Development Consent. The site has a permissible GFA of 1,229m<sup>2</sup> and after allowing a 90% efficiency and an average unit size of 80m<sup>2</sup> the site has potential to yield approximately 14 potential equivalent units subject to Council approval.</p> <p>The site sold through Colliers – Sydney south. Settled in November 2021.</p>	
<b>Comparison</b>	<p><i>Sold without Development Consent, potential for a smaller size medium rise residential project, quiet street position.</i></p> <p><i>On balance, we are of the opinion that a lower rate per square metre of approved GFA, a lower rate per potential equivalent unit and a higher rate per square metre of site area are warranted for the subject site.</i></p>	

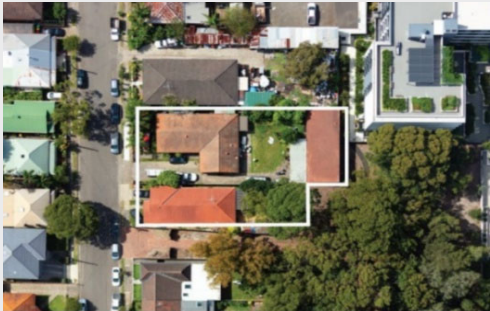
<b>Address</b>	401-405 Princes Highway, ROCKDALE	
<b>Contract date</b>	August 2021.	
<b>Purchase price</b>	\$8,500,000.	
<b>Vendor</b>	Ibrahim Pastry Pty Ltd.	
<b>Purchaser</b>	Ironstone Rockdale Pty Ltd & Rockdale Holdings NSW Pty Ltd.	
<b>Site area</b>	1,306m <sup>2</sup> .	
<b>Zoning</b>	'B4 Mixed Use' under the Bayside Local Environmental Plan 2021.	
<b>FSR</b>	2.63:1 (approved).	
<b>GFA</b>	3,438m <sup>2</sup> (approved).	
<b>Analysis</b>	<p>\$2,472/m<sup>2</sup> of approved GFA (3,438m<sup>2</sup>).          \$188,889/unit (45 equivalent approved).          \$6,508/m<sup>2</sup> of site area (1,306m<sup>2</sup>).</p>	
<b>Site Description</b>	<p>The site was vacant and fenced off at the time of sale being a slightly irregular shaped site of level topography. Located approximately 600 metres north from Rockdale railway station. Zoned 'B4 Mixed Use' under the Bayside Local Environmental Plan 2021.</p>	
<b>Comment</b>	<p>Site sold with existing Development Consent for the construction of a 7 storey mixed use complex comprising 43 home units (1 x studio, 14 x one bedroom, 23 x two bedroom and 5 x three bedroom) and 2 retail/commercial suites totalling 257m<sup>2</sup> of lettable area over 3 levels of basement car parking for 64 vehicles. For analysis purposes, the retail/commercial component has been treated as 2 equivalent units.</p> <p>The site was sold at auction through Savills. RP Data records indicate that the sale settled in December 2021.</p>	
<b>Comparison</b>	<p><i>Site sold with existing Development Consent for a similar size medium rise mixed use project over 3 levels of basement car parking, similar main road position, inferior location.</i></p> <p><i>On balance, we are of the opinion that a higher rate per square metre of permissible GFA, a higher rate per potential equivalent unit and a higher rate per square metre of site area are warranted for the subject site.</i></p>	

<b>Address</b>	1637-1647 Botany Road, BOTANY	
<b>Contract date</b>	July 2021.	
<b>Purchase price</b>	\$8,500,000.	
<b>Vendor</b>	Happy 2 Pty Ltd.	
<b>Purchaser</b>	Perpetual Corporate Trust Limited.	
<b>Site area</b>	2,024m <sup>2</sup> .	
<b>Zoning</b>	'B2 Local Centre' under the Georges River Local Environmental Plan 2021.	
<b>FSR</b>	2:1 (approved).	
<b>GFA</b>	3,631.8m <sup>2</sup> (approved).	
<b>Analysis</b>	<p>\$2,340/m<sup>2</sup> of approved GFA (3,631.8m<sup>2</sup>).</p> <p>\$217,949/unit (39 equivalent approved).</p> <p>\$4,681/m<sup>2</sup> of site area (1,816m<sup>2</sup>).</p>	
<b>Site Description</b>	<p>The consolidated site is a rectangular shaped level site which benefits from rear lane access. Existing improvements at the time of sale comprised of older style shop top style buildings. Zoned 'B1 Neighbourhood Centre' under the Botany Bay Local Environmental Plan 2013.</p> <p>Located along the northern alignment of Botany Road approximately 3.1 kilometres north-east by road from Westfield Eastgardens Shopping Centre.</p>	
<b>Comment</b>	<p>Site sold with existing Development Consent for the demolition of the existing structures and the construction of a part 4 and part 5 storey lifted mixed use building comprising 36 home units (12 x one bedroom and 24 x two bedroom) and 5 commercial/retail suites (totalling 360.4m<sup>2</sup> of lettable area) over 2 levels of basement and at grade carparking for 97 vehicles. For analysis purposes, the commercial/retail component has been treated as 3 equivalent units.</p> <p>The site sold through CBRE – Sydney and is subject to a 10 week settlement. RP Data records indicate that the sale settled in October 2021.</p>	
<b>Comparison</b>	<p><i>Site sold with existing Development Consent for a larger size medium rise mixed use project over 2 levels of basement car parking, inferior location.</i></p> <p><i>On balance, we are of the opinion that a higher rate per square metre of permissible GFA, a higher rate per potential equivalent unit and a higher rate per square metre of site area are warranted for the subject site.</i></p>	



<b>Address</b>	923-935 Bourke Street, WATERLOO
<b>Contract date</b>	July 2021.
<b>Purchase price</b>	\$48,700,000.
<b>Vendor</b>	Multiple.
<b>Purchaser</b>	Woolworths.
<b>Site area</b>	6,354m <sup>2</sup> .
<b>Zoning</b>	'B4 Mixed Use' under the Sydney Local Environmental Plan 2012.
<b>FSR</b>	1.5 + 0.5 (Green Square Contribution Bonus) :1. 2:1 (permissible).
<b>GFA</b>	13,068m <sup>2</sup> (permissible).
<b>Analysis</b>	\$3,727/m <sup>2</sup> of GFA (13,068m <sup>2</sup> ). \$310,191/unit (157 potential equivalent). \$7,664/m <sup>2</sup> of site area (6,354m <sup>2</sup> ).
<b>Site Description</b>	A rectangular shaped corner site with a relatively level topography and 3 street frontages along Bourke Street, McEvoy Street and Young Street. Improved at the time of purchase with an older style commercial office building. The site has a height of building limit of 15 metres under the Sydney Local Environmental Plan 2012. Located approximately 900 metres from Green Square railway station.
<b>Comment</b>	The site sold without Development Consent. The site has a permissible GFA of 13,068m <sup>2</sup> and after allowing a 90% efficiency and an average unit size of 75m <sup>2</sup> the site has potential to yield approximately 157 potential equivalent units subject to Council approval. The site sold through Balmoral Partners and settled in October 2021.
<b>Comparison</b>	<i>Site sold without Development Consent, potential for a larger size medium rise mixed use project, inferior location.</i> <i>On balance, we are of the opinion that a higher rate per square metre of permissible GFA, a higher rate per potential equivalent unit and a higher rate per square metre of site area are warranted for the subject site.</i>



<b>Address</b>	30-34 High Street, MASCOT	
<b>Contract date</b>	June 2021.	
<b>Purchase price</b>	\$6,350,000.	
<b>Vendor</b>	Private.	
<b>Purchaser</b>	Unknown.	
<b>Site area</b>	1,170m <sup>2</sup> .	
<b>Zoning</b>	'B2 Local Centre' under the Bayside Local Environmental Plan 2021.	
<b>FSR</b>	2:1 (permissible).	
<b>GFA</b>	2,340m <sup>2</sup> (permissible).	
<b>Analysis</b>	\$2,714/m <sup>2</sup> of GFA (2,340m <sup>2</sup> ). \$226,786/unit (28 potential equivalent). \$5,427/m <sup>2</sup> of site area (1,170m <sup>2</sup> ).	
<b>Site Description</b>	An irregular shaped consolidated site with a level topography and improved at the time of sale with 2 older style residential dwellings. Rear pedestrian access to the site available via John Curtain Reserve. The site has a height of building limit of 14 metres under the Bayside Local Environmental Plan 2021. Located approximately 500 metres from Mascot Town Centre.	
<b>Comment</b>	The site sold without Development Consent. The site has a permissible GFA of 2,340m <sup>2</sup> and after allowing a 90% efficiency and an average unit size of 75m <sup>2</sup> the site has potential to yield approximately 28 potential equivalent units subject to Council approval. The site sold through Adam Charles – Pymont.	
<b>Comparison</b>	<i>Sold without Development Consent, potential for a smaller size medium rise mixed use project, inferior location.</i> <i>On balance, we are of the opinion that a higher rate per square metre of permissible GFA, a higher rate per potential equivalent unit and a higher rate per square metre of site area are warranted for the subject site.</i>	

In referring to sales information as detailed within this report, we have relied on a range of external sources including publicly available information (newspapers, statements by public companies), subscription to information databases and information generally provided verbally by others such as estate agents, property managers, property valuers and consultants. In many instances, we have not had access to the original source material such as contracts of sale or signed leases. Although we have no reason to doubt the validity of the information provided to me, and we have relied on this information in good faith, we are unable to state with certainty that the information upon which we have relied is consistent with the contractual arrangements between the relevant parties.

**The full impact on real estate markets associated with rapidly rising interest rates is not reflected in all the currently available sales evidence. While the ascribed value(s) reflect available sales evidence leading up to the date of valuation with estimates made to reflect the current market, a material risk is apparent due to the Valuation Uncertainty in the current market and the future market direction in site sales and selling periods**

The sales evidence is summarised in the following table:

Property	Sale Date	Sale Price	\$/m <sup>2</sup> of GFA (m <sup>2</sup> )	\$/unit (No. of Units)	\$/m <sup>2</sup> of site area (m <sup>2</sup> )
59-99 Belmont Street, ALEXANDRIA	06/22	\$15,250,000	\$5,400 (2,824m <sup>2</sup> )	\$663,043 (23 approved)	\$8,099 (1,833m <sup>2</sup> )
424-430 Rocky Point Road, SANS SOUCI	06/22	\$3,625,000	\$2,380 (1,523m <sup>2</sup> approved)	\$241,667 (15 equivalent approved)	\$4,620 (784.7m <sup>2</sup> )
8-18 Stoney Creek Road, BEXLEY	03/22	\$15,700,000	\$2,082 (7,540m <sup>2</sup> approved)	\$191,463 (82 equivalent approved)	\$5,206 (3,016m <sup>2</sup> )
5-9 Eden Street & 39 Burrows Street, ARNCLIFFE	03/22	\$9,500,000	\$1,990 (4,775m <sup>2</sup> approved)	\$172,727 (55 equivalent approved)	\$4,974 (1,910m <sup>2</sup> )
648-652 Princes Highway & 1-3 Ashton Street, ROCKDALE	03/22	\$9,250,000	\$1,741 (5,313m <sup>2</sup> approved)	\$142,308 (65 equivalent approved)	\$4,137 (2,236m <sup>2</sup> )
1A Hill Street, DULWICH HILL	02/22	\$18,000,000	\$3,075 (5,853m <sup>2</sup> approved)	\$253,521 (71 approved)	\$6,243 (2,883m <sup>2</sup> )
890-898 Bourke Street, ZETLAND	02/22	\$45,300,000	\$3,965 (11,426m <sup>2</sup> approved)	\$310,274 (146 approved equivalent)	\$8,722 (5,194m <sup>2</sup> )
73-79 Parramatta Road, CAMPERDOWN	12/21	\$14,300,000	\$4,409 (3,243m <sup>2</sup> permissible)	\$376,316 (38 potential equivalent)	\$13,228 (1,081m <sup>2</sup> )
135-139 McEvoy Street, ALEXANDRIA	10/21	\$13,100,000	\$3,640 (3,599m <sup>2</sup> approved)	\$363,889 (36 equivalent approved)	\$5,413 (2,420m <sup>2</sup> )
277-291 Anzac Parade, KINGSFORD	09/21	\$70,182,923	\$5,872 (7,865m <sup>2</sup> permissible)	\$524,778 (88 potential equivalent)	\$29,358 (1,573m <sup>2</sup> )
52-56 Barker Street, KINGSFORD	09/21	\$11,121,000	\$9,047 (1,229m <sup>2</sup> permissible)	\$804,176 (14 potential equivalent)	\$6,785 (1,639m <sup>2</sup> )
401-405 Princes Highway, ROCKDALE	08/21	\$8,500,000	\$2,472 (3,438m <sup>2</sup> approved)	\$188,889 (45 equivalent approved)	\$6,508 (1,306m <sup>2</sup> )
1637-1647 Botany Road, BOTANY	07/21	\$8,500,000	\$2,340 (3,631.8m <sup>2</sup> approved)	\$217,949 (39 equivalent units)	\$4,681 (1,816m <sup>2</sup> )

Property	Sale Date	Sale Price	\$/m <sup>2</sup> of GFA (m <sup>2</sup> )	\$/unit (No. of Units)	\$/m <sup>2</sup> of site area (m <sup>2</sup> )
923-935 Bourke Street, WATERLOO	07/21	\$48,700,000	\$3,727 (13,068m <sup>2</sup> permissible)	\$310,191 (157 potential equivalent)	\$7,664 (6,354m <sup>2</sup> )
30-34 High Street, MASCOT	06/21	\$6,350,000	\$2,714 (2,340m <sup>2</sup> permissible)	\$226,786 (28 potential equivalent)	\$5,427 (1,170m <sup>2</sup> )

### Rationale and recommendations

The most appropriate approach to arrive at a Potential Realisation for the subject site in this instance is by way of the Direct Comparison approach. This method involves the comparison of comparable residential/mixed use development sites on either a rate per square metre of permissible/approved Gross Floor Area (GFA) or a rate per equivalent unit with a rate per square metre of land area used as a check in this instance.

A development site or sub-division is usually valued by reconciliation of the Direct Comparison and Residual Cash Flow Analysis methods of valuation. The latter requires an estimate of development costings based upon from a suitable qualified Quantity Surveyor and/or Engineer. As we have not been provided with any costings for the subject site, we have relied upon the Direct Comparison method of valuation whereby the subject sites are compared with sites of a similar nature which have recently sold.

Recent increases in construction costs and supply chain issues combined with potential softer market conditions, due to forecast rising interest rates, may adversely impact development site values (such as the subject) in the short to medium term.

The relative merits of the subject site and each of the sales analysed are compared, having regard to matters such as location, aspect, topography and its effect on development, planning controls and permissible uses, size of the land and scale of development, conditions of the Development Consent (if approved) and relativity of time to current market conditions. This approach contains a high degree of value judgement when the sites are not directly comparable in one or a number of variables.

We have also had regard to the following characteristics of the site 'as is', including (but not limited to):

- Without Development Consent;
- 'B2 Local Centre' zoning and the existing planning controls under the K2K Planning Strategy;
- Location along a busy main road although within close proximity to amenities and Randwick light rail station;
- Low levels of potential competition within the general locality at present;
- Increase in construction costs;
- Recent economic and market conditions with easing demand, lending restrictions, Government incentives and an increasing interest rate environment; and
- Significant market uncertainty due to the global outbreak of Coronavirus (COVID-19) and the associated impact on financial and credit markets.

**Market Value 'as is' on a highest and best use basis**

As per the analysis detailed herein, we consider an appropriate value for the site on a dollar per square metre of permissible GFA (m<sup>2</sup>) to lie between \$4,000/m<sup>2</sup> and \$4,250/m<sup>2</sup>, an appropriate value on a dollar per potential equivalent unit to lie between \$350,000 and \$375,000 and an appropriate value on a dollar per square metre of site area to lie between \$16,000 and \$17,000 for the subject site 'as is' on a highest and best use basis, exclusive of GST.

Direct Comparison – rate/m <sup>2</sup> of Permissible GFA			
rate/m <sup>2</sup> of		4,460	
Value range per m <sup>2</sup>	\$4,000	to	\$4,500
Resultant values	\$17,840,000	to	\$20,070,000
Adopt	\$17,850,000	to	\$20,070,000

Direct Comparison – rate/potential equivalent unit			
No. of potential units		50*	
Value range per equivalent unit	\$350,000	to	\$400,000
Resultant values	\$17,500,000	to	\$20,000,000
Adopt	\$17,500,000	to	\$20,000,000

\*Note: we have treated the retail/commercial component as 8 equivalent units in our analysis, resulting in a total of 50 equivalent units for comparison purposes.

Direct Comparison – rate/m <sup>2</sup> of site area			
Site Area		1,115	
Value range per m <sup>2</sup>	\$16,000	to	\$18,000
Resultant values	\$17,840,000	to	\$20,070,000
Adopt	\$17,850,000	to	\$20,070,000

Accordingly, based on Direct Comparison, we assess the value range of the subject site 'As Is' on a highest and best use basis to lie between \$17,500,000 and \$20,070,000 exclusive of GST.

We trust that the above meets your requirements and we would be happy to discuss any questions that you may have.

This advice is for the private and confidential use only of Goon Yee Tong Limited for Internal Asset Purposes Only and is not to be relied upon for Mortgage Security Purposes or any other purpose. No third party is entitled to use or rely upon this advice in any way and neither the valuer nor Ray White (Valuations) shall have any liability to any third party who does.

No part of this advice or any reference to it may be included in any other document or reproduced or published in any way without written approval of the form and context in which it is to appear.

Neither the valuer nor Ray White (Valuations) has any pecuniary interest giving rise to a conflict of interest in undertaking this appointment.

This advice is current at the date of advice only. The potential realisation range assessed herein may change significantly and unexpectedly over a relatively short period including as a result of general market movements or factors specific to the particular property. Ray White (Valuations) does not accept liability for losses or damage arising from such subsequent changes in potential realisation range including consequential or economic loss. Without limiting the generality of the above comment, Ray White (Valuations) does not assume any responsibility or accept any liability where this advice is relied upon after the expiration of three months from the date of the advice, or such earlier date if you become aware of any factors that have any effect on the advice.

Quality Assurance procedures are undertaken prior to letters/reports being released requiring internal compliance and verification checks. The reviewing Director has not inspected the property. Their signature confirms a genuine authorised Ray White (Valuations) document. The opinion of potential realisation range expressed in this letter is that of the consultant only.

Whilst not having inspected the subject property, the Reviewing Party, acting in a capacity as a Supervising Member, has reviewed this advice and working papers, and based upon that review and questioning of the Primary Valuer (as appropriate), is satisfied there is a reasonable basis for the advice process undertaken and the methodology adopted by the Primary Consultant.




**Consultant** Alvin Low AAPI  
Certified Practising Valuer  
Senior Valuer

**Reviewing party** Peter Wiltshire MRICS AAPI

**Entity** Ray White (Valuations)

**Position** Partner

Liability limited by a scheme approved under Professional Standards Legislation.

This document is prepared by:

Atlas Valuations Pty Ltd ABN 12 150 089 255 trading as Ray White (Valuations).

Ray White (Valuations) provides its valuation or advisory services as a member of the Ray White Group pursuant to a licence granted by Ray White (New South Wales) Pty Ltd in accordance with this licence, Ray White (Valuations) the trademark and brands of Ray White Group and has a link to the Ray White website. It thereby claims the benefit of all terms and conditions applicable to the use of such trademark, brands and website for the purposes of the provision of its valuation or advisory services.

Sole responsibility for the provision of the valuation or advisory services by Ray White (Valuations) rests with that entity and Ray White Group assumes no responsibility nor otherwise acknowledges any liability for the provision of such services by reason of its licensing of Ray White (Valuations).

**Annexures**

Letter of Instruction

Title Documents

# ANNEXURE 1



Letter of Instruction



Ref: 7387

19 September 2022

Arnold  
Goon Yee Tong Ltd  
2nd Floor, 50 Dixon Street  
Haymarket, NSW 2000

By Email: info@goonyeetong.org.au

Dear Arnold,

**RE: Proposal for Valuation or Consultancy Services**

We refer to your request for a fee quote from Ray White (Valuations) in respect to valuation or consultancy services and now provide our proposal which is subject to the terms, definitions and conditions outlined below.

<b>Property</b>	<b>168-170 Anzac Parade Kensington NSW 2033.</b>
<b>Instructed by</b>	Arnold of Goon Yee Tong Ltd.
<b>Reliant Party</b>	Goon Yee Tong Ltd.
<b>Ray White (Valuations)</b>	Atlas Valuations Pty Ltd ABN 12 150 089 255.
<b>Purpose</b>	Market Value Purposes only.
<b>Basis of Valuation</b>	Market Value 'As Is' Highest & Best Use.
<b>Specific Instructions</b>	This valuation is in accordance with the instructions of the party for whom it was prepared.
<b>Fee</b>	As outlined in annexure A, which is valid for <del>14</del> <i>12 days. AL.</i>
<b>Terms of Payment</b>	50% upfront and 50% prior to release of the completed report.
<b>Timing</b>	Completion is anticipated within 18 business days from receipt of all information, access and payment. Should any delay occur you will be notified.
<b>Report</b>	Our proposal includes a PDF copy delivered via email.
<b>Cancellation Policy</b>	The minimum cancellation fee is 50% of the total fee.

**Terms & Conditions****1. Reliance**

- 1.1. Ray White (Valuations) authorises its Report for the exclusive use by the Reliant Party(s) nominated in the Report.
- 1.2. Ray White (Valuations) does not accept any responsibility to, nor make any representation to, any person or entity other than the Reliant Party(s).
- 1.3. Any other person or entity who may receive a copy of the Report and who wishes to rely upon the Report must first apply to Ray White (Valuations) to have the Report readdressed to it for a fee. Ray White (Valuations) may, at its absolute discretion, decline to readdress the Report or place any restrictions or conditions upon such (including but not limited to imposing a fee).
- 1.4. The Reliant Party must be approved in writing by Ray White (Valuations) and may only rely on an original signed Valuation Report addressed to it;
- 1.5. Ray White (Valuations) reserves the right to not approve a Reliant Party or to readdress the Valuation Report at its absolute discretion;

- 1.6. Without limiting 1.5 above, Ray White (Valuations) will not approve as a Reliant Party or otherwise readdress or assign the Valuation Report to any:
  - a) Solicitor Mortgage Fund;
  - b) private lender;
  - c) other lender which is not an Authorised Deposit-taking Institution;
  - d) guarantor of any loan;
  - e) mortgage insurer; or
  - f) person or entity other than the person or entity expressly noted as a Reliant Party in this Proposal.
- 1.7. If the Valuation Report is not being prepared for Bank finance the Valuation Report will be prepared on the assumption the Reliant Party is providing mortgage financing at a conservative and prudent loan to value ratio.
- 1.8. If a Valuation Report is prepared for an Authorised Deposit Taking Institution the report will be issued unsigned until we approve a Reliant Party and reissue a final report.

## **2. Purpose**

- 2.1. Ray White (Valuations) authorises the Reliant Party(s) to rely upon the Report for the Purpose and for no other purpose.
- 2.2. Ray White (Valuations) does not accept any responsibility in respect of the use of this Report for any purpose other than the Purpose.
- 2.3. In the event that the Reliant Party(s) wishes to use this Report for a purpose other than the Purpose it must first apply to Ray White (Valuations) for a written authorisation to use the Report for that other purpose. Ray White (Valuations) may, at its absolute discretion, decline to authorise the use of the Report for such other purpose.
- 2.4. Unless otherwise expressly agreed by Ray White (Valuation) in writing, and subject to such additional terms and conditions as Ray White (Valuations) may require at its absolute discretion, the Valuation Report shall not be relied upon for the purpose of any securitised lending transaction and Ray White (Valuations) accepts no responsibility to any party other than the Reliant Party(s).

## **3. Distribution, Publication or Disclosure of this Report**

- 3.1. This Report is provided to the Reliant Party and/or the Instructing Party on a confidential basis.
- 3.2. The parties to this agreement are not authorised to distribute, publish or disclose this Report to any other person without the express written authorisation of Ray White (Valuations).

## **4. Preparation**

- 4.1. Should there be a material change in requirements or information provided subsequent to the date of this fee proposal an additional charge will apply.
- 4.2. Completion of our Report is subject to information requested being provided in a timely fashion and prepayment of our fee (if required). Should a delay occur in receiving information or payment then you will be advised of an amended completion date.
- 4.3. The Instructing Party must provide Ray White (Valuations) with all relevant information and instructions to enable us to provide you with the services as well as any information that we reasonably request. The Instructing Party must ensure that all information and documents provided are accurate and complete. The Instructing Party agrees Ray White (Valuations) will not be liable for any errors as a result of inaccurate, incomplete or misleading information.
- 4.4. In accepting this fee proposal, the Instructing Party warrants that the instructions and subsequent information supplied to us will be a full and frank disclosure of all information that is relevant to our valuation or consultancy advice.
- 4.5. The Valuation Report will be current as at the date of valuation only and will not reflect future values. The property will be valued within the context of the prevailing market, which may alter over a relatively short period of time. In event the valuation is not relied upon within 3 months of the valuation date, then a reinspection and updated report will be required. This will require an additional fee.

- 4.6. Where Ray White (Valuations) is providing a Valuation Report for construction funding purposes, the Instructing Party warrants that all approvals, plans, specifications, agreements, contracts, copyrights, intellectual property, etc. required to complete the project could be transferable with the property without additional cost to an incoming purchaser.
- 4.7. If a valuation is being prepared for mortgage security purposes, Ray White (Valuations) does not warrant the acceptance by the Reliant Party of the Report for such purpose.

**5. Report Readdress and Additional Fees**

- 5.1. Any readdress of the Report is at the absolute discretion of Ray White (Valuations) and we reserve the right to decline a request.
- 5.2. If a readdress of the Report is required, the request must be via email and be completed within 30 days from the Report date of valuation. Should we consent, then there would be a minimum administration fee of \$550.
- 5.3. Should a readdress of the Report be required after 30 days from the Report date of valuation a reinspection and update may be required, which will incur an additional fee of \$250. The Report will not be readdressed after 60 days from the Report date of valuation.
- 5.4. Should there be a requirement to upload a valuation report to ValEx an additional minimum administration fee of \$275 will be charged via the ValEx system.

**6. Use of Documents & Intellectual Property**

- 6.1. Any intellectual property in any documents or information prepared by or on behalf of Ray White (Valuations) in the course of this valuation or consultancy advice remains the property of Ray White (Valuations) or the relevant third party. Ray White (Valuations) reserves all its intellectual property rights. Neither the whole nor any part of any document or information may be reproduced or disclosed, including in any announcement or publication, nor stored in any database or retrieval system of any nature, without Ray White (Valuations) prior written consent.
- 6.2. Except where required to be retained by law, you agree that Ray White (Valuations) may destroy documents and records in our possession, including your documents which are held by us, after a period deemed appropriate.

**7. Releases, Indemnities and Limitation of Liability**

- 7.1. The Instructing Party, Billing Party and Reliant Party and their representatives and associated entities, shall jointly and severally indemnify, hold harmless and hereby release Ray White (Valuations), its directors, partners, employees consultants, sub-consultants or related legal entities, including the individual valuer (collectively Indemnified Party) from and against any and all Losses made or brought against or paid or incurred by Ray White (Valuations) at any time and in any way arising out of or relating to this valuation.
- 7.2. For the purpose of this clause 7, "Losses" means any claims, losses, liabilities, costs, expenses or damages (including without limitation legal fees and the time of Ray White (Valuations) personnel involvements).
- 7.3. The right of indemnification shall be in addition to any other right or immunities Ray White (Valuations) or any Indemnified Party may have by contract or otherwise.
- 7.4. The releases and indemnities in clause 7.1 are intended to be given a broad interpretation and, without limiting their scope, are intended to operate in respect of Losses in any way connected with:

- a) the Valuation being (or being alleged to be):
    - i) negligent;
    - ii) in breach of contract;
    - iii) in breach of any Australian statute or any warranty, norm or standard imposed or implied by any Australian statute.
  - b) the use of the Valuation otherwise than in strict accordance with these terms and conditions including:
    - i) the use of the valuation by the Instructing Party or the Reliant Party otherwise than in strict accordance with these terms and conditions;
    - ii) the use of the Valuation by any third party to whom the Valuation is provided by the Instructing Party or the Reliant Party.
- 7.5. The releases and indemnities in clause 7.1 do not apply, in respect of a Claim against an Indemnified Party (including Ray White (Valuations)), to conduct by that Indemnified Party which is;
- a) Fraudulent; and/or
  - b) Wilfully dishonest.
- 7.6. In the event that the release and indemnity at 7.1 is held to be ineffective to exclude the liability of Ray White (Valuations) and/or any other Indemnified Party, their liability is limited, in respect of all Losses which in any way relate to the Valuation Report, to either (in the sole discretion of the Ray White (Valuations) and/or the Indemnified Party):
- a) Ray White (Valuations) providing the Valuation Report again; or
  - b) the payment of the cost of having the Valuation Report provided again.
- 7.7. Ray White (Valuations) and any other Indemnified Party, will not be liable for any consequential loss or damage or loss of profits claimed which relates in any way to the services performed pursuant to the terms of this agreement, or any work done in connection with those services.

## **8. Governing Law and Jurisdiction**

- 8.1. This Agreement and any dispute arising under it will be governed by and construed in accordance with the laws in force in the State of New South Wales and each party submits to the non-exclusive jurisdiction of the courts of that State.

## **9. Report Limitations**

- 9.1. The valuation will not purport to be a structural survey of the improvements and will be conditional upon detailed reports in respect of the structure and serviced installations of the property not revealing any defects requiring significant expenditure. Additionally, in the absence of a Building Certificate issued by Council or other approved certifier, the valuation will be conditional upon the property complying with all relevant statutory requirements in respect of such matters as health, building and fire safety regulations.
- 9.2. In regards to the Insurance Replacement Cost estimate, the valuer is not a quantity surveyor and will rely on published building costing guides to arrive at the opinion of the re-instatement value. Should there be any concerns regarding this indicative approach you should seek the services of a quantity surveyor.
- 9.3. The valuation is made on the basis that there are no encroachments by or upon the property. If there are any concerns regarding encroachments, they should be referred to a registered surveyor for advice or to obtain a current survey report.
- 9.4. The valuer is not expert in identifying environmental hazards and compliance requirements affecting properties. The valuer will endeavour to identify matters of environmental concern and the effect they might have on the value of the property however, will not be held liable nor responsible for their failure to identify such matters and their impact on the property value.

## **10. Acceptance**

- 10.1. Each of the following actions will constitute your acceptance of these Terms and Conditions:

- a) you signing and returning this document;
- b) your oral acceptance of these terms and conditions;
- c) you giving us instructions after receiving this document;
- d) reliance on the Valuation by an Instructing Party or a Reliant Party after receiving this document.

If this proposal is acceptable, please acknowledge the arrangements by signing the acceptance below in addition to Annexure A 'Fee Details & Payment Acknowledgement' which must be returned with this proposal.

Yours sincerely

Alvin Low  
Senior Valuer

**Liability limited by a scheme approved under Professional Standards Legislation.**

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This document is prepared by Atlas Valuations Pty Ltd ABN 12 150 089 255 trading as Ray White (Valuations). Ray White (Valuations) provides its valuation or advisory services as a member of the Ray White Group pursuant to a licence granted by Ray White (NSW) Pty Ltd In accordance with this licence, Ray White (Valuations) utilises the trademark and brands of Ray White Group and has a link to the Ray White website. It thereby claims the benefit of all terms and conditions applicable to the use of such trademark, brands and website for the purposes of the provision of its valuation or advisory services. Sole responsibility for the provision of the valuation or advisory services by Ray White (Valuations) rests with that entity and Ray White Group assumes no responsibility nor otherwise acknowledges any liability for the provision of such services by reason of its licensing of Ray White (Valuations).

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Acceptance of Proposal

Ref: 7387, 168-170 Anzac Parade Kensington NSW 2033.

I/We accept the proposal on the terms and conditions outlined above and authorise you to proceed with the proposal.

Reliant Party Goon Yee Tong Ltd ABN 20 606 135 826

Signed  Date 19/9/2022

Name Colin Chan Position President

Email info@goonyeetong.org.com.au

Instructing Party Goon Yee Tong Ltd

Signed  Date 19/9/2022

Name Colin Chan Position President

Email info@goonyeetong.com.au Phone 0403 076636 (ALAN)

The Instructing Party accepts this fee proposal and acknowledges responsibility for payment. All fields above are to be completed including signature of the party authorised to make payment. If the Instructing Party is different to the Billing Party, please complete Billing Party details in Annexure A.

Annexure A

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Fee Details and Payment Acknowledgement

Ref: 7387, 168-170 Anzac Parade Kensington NSW 2033.

The Billing Party accepts this fee proposal and acknowledges responsibility for payment. All fields below are to be completed including signature of the party authorised to make payment.

Billing Party Goen Yee Tong Ltd ABN 20 606 135 826

Contact Name Colin Chan Phone 0403 07 66 36 (ALAN)

Signed  Date 19/9/2022

Email info @ goonyee.tong.<sup>org</sup>.~~com~~.au

Payment Options

Ref: 7387, 168-170 Anzac Parade Kensington NSW 2033.

EFT

Details to be provided with invoice.

Please quote Reference above when making payment.

Cheque payable to Atlas Valuations Pty Ltd (T/A Ray White (Valuations))

# ANNEXURE 2



Title Documents





NEW SOUTH WALES LAND REGISTRY SERVICES - TITLE SEARCH

FOLIO: 1/771581

SEARCH DATE	TIME	EDITION NO	DATE
30/9/2022	1:31 PM	10	9/6/2016

LAND

LOT 1 IN DEPOSITED PLAN 771581  
AT KENSINGTON  
LOCAL GOVERNMENT AREA RANDWICK  
PARISH OF ALEXANDRIA COUNTY OF CUMBERLAND  
TITLE DIAGRAM DP771581

FIRST SCHEDULE

GOON YEE TONG LIMITED (CN AK76987)

SECOND SCHEDULE (2 NOTIFICATIONS)

1 DP771581 EASEMENT TO DRAIN SEWAGE 1 WIDE APPURTENANT TO THE  
LAND ABOVE DESCRIBED

2 7964779 LEASE TO AUSTRALIAN POSTAL CORPORATION OF 168-170  
ANZAC PDE, KENSINGTON. EXPIRES: 18/12/2005. OPTION OF  
RENEWAL: 5 YRS WITH A FURTHER OPTION OF 5 YRS.

AC148029 VARIATION OF LEASE 7964779

AG484123 VARIATION OF LEASE 7964779 EXPIRY DATE NOW  
18/12/2015.

AK499458 VARIATION OF LEASE 7964779 EXPIRY DATE NOW  
18/12/2020.

\* AR301889 VARIATION OF LEASE 7964779 EXPIRY DATE NOW  
18/12/2023. OPTION OF RENEWAL: IS MODIFIED ONE  
OPTION OF 3 YEARS.

NOTATIONS

UNREGISTERED DEALINGS: NIL

\*\*\* END OF SEARCH \*\*\*

gls1check

PRINTED ON 30/9/2022

