



RENTAL VALUATION REPORT

4-6 Temple Street, Victoria Park 6100

Prepared for:

Town of Victoria Park
Administration Centre
99 Shepparton Road
VICTORIA PARK WA 6100

Attention **Nikki D'Agostino**
Senior Property Development and Leasing Officer

Val Ref: V135/22
Date: 10th October 2022
Your Ref: Purchase Order 2053793



CONSULTANTS TO THE PROPERTY INDUSTRY

Subject Property – 4-6 Temple Street, Vic Park



Proprietor: PWE Valuations Pty Ltd
Licensed and Certified Practicing Valuers

ABN: 64 093 122 939
ACN: 093 122 939



Assessment of Fair Market Rental For Rent Review Purposes

I, Donald Victor Eftos, Licensed Valuer of PWE Property Consultants & Valuers have been instructed by the Town of Victoria Park to assess the current market rental value for the premises known as 4 and 6 Temple Street, Victoria Park for rent negotiation purposes on the basis of vacant possession.

In preparing my market rental valuation I have and made independent market enquiries as to the level of fair market rental being paid for similar types of office / consulting room premises within the East Victoria Park area and other comparable commercial areas throughout the Perth metropolitan area.

My assessment of the current market rental for the premises has been considered under the following.

THE LAND

The legal description of the land is as follows:

4 Temple Street

Lot 5 on Diagram 7868 comprised in Certificate of Title Volume 1089 Folio 604.

6 Temple Street

Lot 6 on Diagram 7868 comprised in Certificate of Title Volume 1089 Folio 604.

LEASE DETAILS

Our assessment has been undertaken on the basis of normal commercial lease terms of between three and five years.

PHYSICAL ATTRIBUTES

Site Details

The sites are both situated on the eastern side of Temple Street, one lot south of the intersection of Temple Street and Albany Highway. They are generally level throughout their width and depth.

4 Temple Street has an irregular shaped site totalling 1098 m² with frontage to Temple Street of 32 metres, southern shared boundary with 6 Temple Street of 40 metres, rear boundary of 21 metres and dog legged northern boundary totalling 43 metres.

6 Temple Street is 930 m² in size, rectangular in shape, with frontage to Temple Street of 23 metres and a depth of 40 metres.

Rear access is gained to both sites via a right of way extending along the northern boundary of 4 Temple Street.

Services:

All services are connected to the property including scheme water, electricity, telephone and deep sewerage.

Roads in the area are kerbed, drained and sealed with bitumen surface.

Location:

The subject properties are located in the locality of Victoria Park, approximately 4 kms east of the Perth CBD with Albany Highway being a major thoroughfare serving the area leading through to the city via the Graham Farmer Freeway.

The subject property is located within close proximity to the Albany Highway commercial strip hence benefits from the ability to access all major services and the retail commercial facilities including the Park Shopping Centre.

Other development in the area comprises a combination of single residential homes and multi residential flats and townhouses with commercial development along Albany Highway of various types including retail, commercial office and medical.





TOWN PLANNING:

Local Authority:

Town of Victoria Park

Classification:

Community use under the Town of Victoria Park Town Planning Scheme No 1.

DESCRIPTION OF IMPROVEMENTS

4 Temple Street

The subject premises comprise a purpose built community healthcare building used partially for infant health services and partially leased to the adjoining dental practice.

The buildings are of brick and tile construction 1950s design with entrance of a concrete pad area to passageway extending through to a waiting room and kitchenette area and separate access through to treatment examination room, plus a large activity area with toilets behind an open plan office.

Fittings and finish are of a standard commensurate with the age and style of the property comprising a combination of vinyl floor coverings and carpeted areas of the floor, plastered walls and ceilings fitted with fluorescent light fittings, ceiling fans and split system air conditioning units in various areas.

The kitchen has vinyl floor covering with bench cupboards and a stainless steel sink with the large activity area having skylights for additional lighting.

The eastern portion has a separate entrance off the rear and comprises of a lunchroom, kitchenette, waiting room and an office area of a similar standard to the front area with carpeted floors, plastered walls and ceilings, fluorescent light fittings and air conditioning fitted.

6 Temple Street

The buildings on this site are of a similar age and style as that of 4 Temple Street, comprising an original U-shaped building with central foyer which has since been enclosed to create a weatherproof waiting area off a front entry under portico.

Internally, the area is carpeted throughout with plastered walls and ceilings and partitioned offices of various sizes including laboratories, treatment rooms and male and female toilet facilities.

There is a reception area counter office behind servicing the waiting area with various treatment rooms extending directly from the waiting area.

The fittings and finish are also of a standard similar to that of 4 Temple Street.



External Improvements:

The surrounding grounds have basic landscaping with lawns and trees to provide shelter, with paved driveway accessed off crossover to the southern side of 6 Temple Street. Additional access from the right of way extends from the northern boundary of 4 Temple Street to a rear bitumen car park which accommodates approximately 1 vehicle.

Building Areas:

4 Temple Street	145m ²
6 Temple Street	280m ²

Condition of Improvements:

Although of an older style, the improvements have been well-maintained by the current owner/occupiers and offer an average standard of residential style medical facilities.

MARKET RENTAL ASSESSMENT

As per our standard valuation procedure for the assessment of fair market rental of the premises I have given emphasis in my assessment to the analysis of market rental evidence.

In comparing the rental evidence identified in the course of my enquiries I have given consideration to the location, size and quality of the accommodation provided and the permitted use.

RELEVANT DATE OF MARKET ASSESSMENT

6th October 2022



MARKET OVERVIEW

The Perth office market is generally soft in line with the transitioning WA economy which has been weakening since the start of the resource's downturn in late 2012 early 2013.

Vacancy levels and subsequently market incentives have increased across all sectors of commercial accommodation, particularly secondary accommodation as the subject.

A sustained low interest environment has had a downturn influence on yields. A softening of the current rental market suggests a risk in reduced values if economic conditions deteriorate further. Agents specializing in the office rental market have indicated longer selling and leasing periods are being experienced with medium demand.

Both tenants and landlords are being cautious in their decisions, with most new leases having CPI rent reviews and fixed increased hovering between 2 - 3%.

RENTAL MARKET AND ACTIVITY

In undertaking our market rental assessment of the subject community medical facility we have considered a range of rental evidence of suburban office accommodation/converted houses as well as suburban medical facilities which is detailed as follows:

Medical Suite Rentals:

In undertaking our market rental assessment of the subject property, we have considered a range of rental evidence of converted houses to professional offices in particular for medical use which includes the following.

5/184 Karrinyup Road, Karrinyup

Tenant: Dentist
Area: 306m²
Asking Rental: \$660 per m² pa
Date Set: Recent
Comments: First level suite in purpose built, new complex located next to subject. Overall considered comparable to the subject being on upper level. Expect subject to achieve higher rental.

Other units in this complex are on the market for lease at an Asking Rent of \$660/m² pa net of outgoings

Murdoch Medical Centre Lot 70 100 Murdoch Drive, Murdoch

Tenant: Undisclosed
Area: 235 m²
Rental: \$ 105,750 pa (\$450 per m² pa)
Lease Date: May 2020
Comments: Ground level medical suite 235m² within the 1994 constructed Murdoch medical Centre located adjacent in the St John of God Hospital and opposite the Fiona Stanley Hospital. Dated original fitout formally leased to a physiotherapist. Tenant undertaking fitout at their cost. Larger tenancy overall considered superior to the subject.



Murdoch Medical Centre Lot 22-25 100 Murdoch Drive, Murdoch

Tenant: Undisclosed
Area: 238 m²
Rental: \$ 115,000 pa (\$483 per m² pa)
Lease Date: For Lease
Comments: Four adjoining units within the Murdoch medical Centre located adjacent in the St John of God Hospital and opposite the Fiona Stanley Hospital. Modern fitout. Larger tenancy overall considered superior to the subject.

Suite 79, Wexford Medical Centre, 3 Barry Marshall Parade, Murdoch

Tenant: For Lease
Area: 89 m²
Asking Rental: \$600 per m² pa
Comments: A modern strata medical suite located adjacent in the new five level, purpose built complex opposite the Fiona Stanley Hospital. Prime medical location. Asking rental. Overall considered superior to the subject.

Suite 2, 60 Arnisdale Road, Duncraig

Tenant: AME Hospitals
Area: 84 m²
Annual Rental: \$35,700 pa (\$425 per m² pa)
Rental Date: October 2020
Comments: A modern strata medical suite located within the Glengarry Private Hospital. Lease renewal. Situated in a suburban medical precinct. Smaller Suite, rental included parking. Expect the subject to achieve a similar rental.

Suite 3, 60 Arnisdale Road, Duncraig

Tenant: Undisclosed
Area: 60 m²
Annual Rental: \$21,000 pa (\$350 per m² pa)
Rental Date: January 2020
Comments: A modern strata medical suite located within the Glengarry Private Hospital. Leased to Gynaecologist. Situated in a suburban medical precinct. Overall considered inferior to the subject.

Suite 3, 78 Calley Drive, Duncraig

Tenant: Undisclosed
Area: 156 m²
Annual Rental: \$48,000 pa (\$308 per m² pa)
Rental Date: July 2020
Comments: A circa 1988 street facing unit opposite Bull Creek Shopping Centre Medical / office complex. Overall considered comparable to the subject.



1 & 2/ 85-95 Monash Avenue, Nedlands

Tenant: Undisclosed
Area: 218m²
Asking Rental: \$83,930 pa (\$385/m²) plus parking @ \$150 per m² pa
Comments: Medical suite situated within the purpose built Hollywood Medical Centre. Fit out provides two consulting rooms, waiting area, reception and kitchenette. Located on ground level in direct proximity to Hollywood Private Hospital and Sir Charles Gairdner Hospital. Overall considered superior to subject which is expected to achieve lower rentals even though smaller in area.

3/85-95 Monash Avenue, Nedlands

Tenant: For Lease
Area: 72m²
Asking Rental: \$472 per m² pa
Comments: Medical suite situated within the purpose built Hollywood Medical Centre. Located on ground level in direct proximity to Hollywood Private Hospital and Sir Charles Gairdner Hospital. Overall considered comparable with subject expected to achieve similar rentals.

General Office Rental Evidence.

Suite 11/ 643 Newcastle Street Leederville

Area: 127 m²
Annual Rental: \$26,670 per annum (\$210 m²)
Date Set: December 2020

Comments: Fully partitioned and partially furnished first floor level office tenancy within a modern style office building offering a superior level of fitout and quality of accommodation.

Suite 4, Carr Place Leederville

Area: 66 m²
Annual Rental: \$15,000 per annum (\$225 m²)
Date Set: October 2020

Comments: Upper first floor level office tenancy within a older style office building offering a similar level of fitout and quality of accommodation.



Suite 1a/ 79 Hay Street, Subiaco

Area: 100 m²
Annual Rental: \$19,000 per annum (\$190.00 m²)
Date Set: September 2019

Comments: Upper first floor level office tenancy within a suburban style office building offering a slightly inferior level of fitout and quality of accommodation.

262 Oxford Street, Leederville

Area: 126 m²
Annual Rental: \$22,500 pa (\$178 per m²)
Date Set: February 2020

Comments: Ground level office tenancy on a 2 year lease within a modern office building centrally located in Leederville. Car bays at rear included in lease rental.

Suite 1, 91 Hay Street, Subiaco

Area: 110 m²
Annual Rental: \$18,000 pa (\$163 per m²)
Date Set: January 2020

Comments: A ground floor office suite within a two level circa 1980s constructed building of brick and iron roof fronting busy Hay Street. Two car bays are leased at additional \$200 per bay per calendar month.

Suite 2, 646 Newcastle Street, Leederville

Area: 147 m²
Asking Rental: (\$175 per m²)

Comments: The first floor office suite above the subject unit. Has been on the market for long period of time in a difficult market. Car bays are included in lease. Considered slightly inferior to subject being first floor.

1 George Street Victoria Park

Area: 150 m²
Asking Rental: \$39,000 pa (\$260 per m²)
Date Set: For Lease

Comments: Character house converted to professional use located near Albany Highway with 9 parking bays at rear included in lease rental.



20 Twickenham Road, Burswood

Area: 158 m²

Annual Rental: \$30,000 pa (\$190 per m²)

Date Set: For Lease

Comments: First level office tenancy comprising suite 3 with fitout included and 4 secured parking bays.

1/4 Mint Street East Victoria Park

Area: 230 m²

Asking Rental: \$57,500 pa (\$250 per m²)

Date Set: For Lease

Comments: Modern premises with prime exposure to Park Shopping Centre. Has parking bays at rear included in lease rental.



ANALYSIS

The evidence between converted homes to medical type use offers a wide range, with the medical use rentals able to attract higher rentals from medical practitioners of a commercial nature.

We have been mindful that the two premises are offering a community facility and not a true commercial venture, hence we consider that a fair market rental would lie between the converted office rental market rate and the medical office rate of, say, between \$250 per m² to \$350 per m².

We believe that the infant health centre offering a free service would be towards the lower end of this range, between \$200 to \$225 per m², while the dental health service, being more commercial in nature, would be towards the middle of the range, perhaps as much as \$275 to \$300 per m².

Applying these rentals to the various areas equates as following:

4 Temple Street – 145 m² @ \$200 to \$225 per m² \$29,000 to \$32,625 pa
Net of outgoings and GST

6 Temple Street – 280 m² @ \$250 to \$300 per m² \$70,000 to \$84,000 pa
Net of outgoings and GST

We summarise below our estimate of fair market rental:

4 Temple St Infant Clinic 145 m² adopt **\$30,000 pa**
Net of outgoings and GST

6 Temple St
Dental Health Service Clinic 280 m² adopt **\$75,000 pa**
Net of outgoings and GST

CONCLUSION:

Based on my analysis of evidence detailed previously I have concluded the fair market rental of 4 Temple Street to be **\$30,000 per annum**, and of 6 Temple Street to be **\$75,000 per annum**, excluding outgoings and GST.

In concluding my assessment I have recognised the following:

- (a) The quality and standard of amenity provided by the premises.
- (b) The use of the premises offering community health care services.
- (c) The proximity to Albany Highway and availability of parking.
- (d) The current downturn in the office leasing market.



VALUATION CERTIFICATE

After considering all the above factors including market evidence analysed I hereby assess the current market rental, as at the 6th October 2022 excluding outgoings and GST, for the premises as follows:

4 Temple Street, Victoria Park	\$30,000 per annum
6 Temple Street, Victoria Park	\$75,000 per annum
Total Rental	\$105,000 per annum

PWE Property Consultants & Valuers

A handwritten signature in black ink, appearing to read 'Don Eftos'.

Don Eftos
Licensed Valuer No 426 in WA

DISCLAIMER

This valuation is for the use only of the party to whom it is addressed and for no other purpose. No responsibility is accepted to any third party who may use or rely on the whole or any part of the content of this valuation.

The real estate market fluctuates and is likely to demonstrate activity, which cannot be accurately forecast. Except as may be specifically nominated, no liability is extended to the addressee or any other person for events which have occurred or will occur subsequent to the date of valuation which may affect the value of the property or properties the subject of this report.

Also, we must state that neither the whole nor any part of this Valuation Report, or any reference thereto may be included in any published document, circular or statement, nor published in part or in full in any way without written approval of PWE Property Consultants & Valuers of the format and context in which it may appear.



Annexures



Instructions

Don Eftos

From: Nikki D'Agostino <NDAgostino@vicpark.wa.gov.au>
Sent: Monday, 3 October 2022 4:12 PM
To: don@eftos.com.au
Subject: RE: Quote for Valuations: Victoria Park community properties

Great, thanks Don.

Can you please proceed with the following at this stage:

- 4 Temple - \$750 + GST
- 6 Temple - \$750 + GST
- 6 Lathlain - \$750 + GST
- 248 Gloucester (VPCQ) - \$750 + GST
- 1-5 Sussex (Billabong) - \$1500 + GST

Purchase Order Number 2053793 for the total of \$4950 incl GST.

It would be great if we could have these back ASAP? I am hoping to include in a Council report due by 14th October. Thank you

Nikki D'Agostino
Senior Property Development and Leasing Officer

Phone 08 9311 8111
www.victoriapark.wa.gov.au



[Subscribe to our e-newsletter!](#)

Please consider the environment before printing this email.

From: don@eftos.com.au <don@eftos.com.au>
Sent: Monday, 3 October 2022 3:28 PM
To: Nikki D'Agostino <NDAgostino@vicpark.wa.gov.au>
Subject: RE: Quote for Valuations: Victoria Park community properties

\$750 plus gst

From: Nikki D'Agostino <NDAgostino@vicpark.wa.gov.au>
Sent: Monday, 3 October 2022 2:20 PM