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PROPERTY CONSULTANTS VALUERS

RENTAL VALUATION REPORT

Community Building 6 Lathlain Place, Lathlain

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: V133/22
Your Ref: PO 2053793
Date: 10th October 2022



CONSULTANTS TO THE PROPERTY INDUSTRY

SUBJECT PROPERTY - COMMUNITY BUILDING, LATHLAIN PLACE, LATHLAIN





Phone: +61 08 9228 9955

Email: don@eftos.com.au

Address: Suite 5, 226 Carr Place, Leederville WA 6007

Post: PO BOX 128 Leederville 6903

10th October 2022

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

Attention: **Nikki D'Agostino**

Dear Sir

**RE: ASSESSMENT OF FAIR MARKET RENTAL – VARIOUS AREAS –
COMMUNITY BUILDING, LATHLAIN PLACE, LATHLAIN**

Further to your instructions, we have undertaken a cursory external inspection and perused provided building plans of the community building with a view to providing an opinion as to current market rental value of the three tenancy areas, namely Toy Library, Clinic and Playgroup.

In undertaking our assessment of current market rental we have analysed relevant recent lease transactions of commercial space available in the general vicinity and made general enquiries throughout the immediate locality in order to assess current lease market.

We hereby certify that we do not have any direct, indirect or financial interest in the property described herein.

DESCRIPTION

The building which was recently built, comprises a single level purpose built community centre of a modern, state of the art style with concrete footings, floors and concrete tilt panel elevations and a steel framed and clad roof.

The toy library has dual entrance for aluminium framed and glazed entry doors off the foyer with vinyl floor coverings and acoustic ceiling panels fitted with fluorescent light fittings. The area has a rear storeroom fully equipped with shelving throughout (suitable for library purposes).

The adjacent clinic also has entry off the foyer via double glazed doors to a waiting room and comprises two examination rooms plus an additional meeting room off the waiting room for seminars accessed via double doors and also will entail a small storeroom. The area is partitioned with stud walls with cavity infill and vinyl floor coverings and acoustic ceilings.

The two clinic examination rooms each contain bench cupboards fitted with a single bowl hand basin.

The play group at the rear is predominantly open plan and has vinyl floor coverings throughout with shelving fitted to certain sections and will also entail acoustic ceiling panels and lighting.

ZONING AND LAND DETAILS

Zoned:	Residential R40 under current Town Planning Scheme No. 1	
Land Dimensions:	Frontage to Lathlain Place	24.1 metres
	Depth	40.3 metres
Total Land Area	971 m ²	

LOCATION

The property is situated on the eastern side of Lathlain Place, midway between Howick Street to the north and McCartney Crescent to the south, adjacent to a small commercial precinct which has recently undergone upgrading by the council.

Lathlain is situated approximately 7 kms east of the Perth CBD. McCartney Place is adjacent to Lathlain Oval, a sporting facility which is undergoing major refurbishment and upgrading in conjunction with the West Coast Eagles and Town of Victoria Park.

Surrounding the area is established residential housing of original single residential and more recently developed multi residential of a medium density nature.

TITLE PARTICULARS

The subject property is legally described as being Lot 60 on Plan 6215 comprised in Certificate of Title Volume 39 Folio 270A.

The title is registered to the Town of Victoria Park.

EXTERNAL

The improvements have been constructed with the front elevation situated on the front boundary of the lot. Rear access to the paved rear courtyard is gained off a right of way access off McCartney Crescent extending along the rear of the adjoining Lot 61 which contains a Scout Hall.

There is a covered outdoor area at the rear of the library portion of the building extending through to the play group.

Tenancy Areas:

Toy Library	115 m ²
Clinic	80 m ²
Play Group	125 m ²

Age and Condition:

The buildings are built to a good standard and are in as new condition having been completed approximately two years ago.

VALUATION RATIONALE

In assessing our opinion of fair market rental for the respective areas we have considered the relevant general and economic factors, in particular we have investigated recent sales of commercial premises in the locality and surrounds.

The premises offers a modern standard of accommodation for community purposes within a small commercial hub which prior to improvement by the council was in a rundown state with C-grade poor quality tenants.

On our inspection we noted that since the council had upgraded the roadway and pedestrian access way with attractive paving and had begun inspection of the subject buildings in keeping with the overall structure plan for the improvement of the Lathlain area incorporating the involvement of the West Coast Eagles at Lathlain Oval, we have noted an improvement in the patronage of the local commercial precinct, particularly the small café on the corner which was in a relatively poor, run down state.

Although the area has been enhanced, nonetheless it is still in a relatively “off the beaten track” location serving only local needs and would normally compete with the commercial precinct in Archer Street, Carlisle and the greater East Victoria Park locality along Albany Highway.

MARKET COMMENT

After uncertain times prior to and during the Covid-19 Pandemic period the Western Australian economy has been experiencing positive signs with the mining sector beginning to surge once more and deliver jobs and revenue to the general economy.

Overall the Perth office markets have benefited from this good fortune over the last 12 months with demand increasing and vacancies have begun to decline for the first time in many years.

While there are positive signs the office market remains slow with limited rental growth with little growth in rentals over the past 12 months.

This trend is expected to continue over the next 12 months.

Overall the economic outlook is cautious with the threat of further interest rate rises and talk of global recessions.

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.



Rental Analysis:

Taking into account the available evidence in the immediate vicinity and surrounds, the location of the premises, their size and the quality of the improvements, we believe that under normal market conditions, the property would have moderate interest from the commercial market, however, the office market at present is experiencing a moderate demand and a high volume of available offices for lease has driven rental rates downwards.

Taking all these factors into account, we believe that the subject premises could command rental rates of between \$275 per m² to \$325 per m² depending upon their size, which we have apportioned against the individual tenancies as follows:

Toy Library: 115 m ² @ \$275 per m ²	\$31,500 pa rounded
Clinic: 80 m ² @ \$325 per m ²	\$26,000 pa rounded
Play Group: 125 m ² @ \$275 per m ²	\$34,000 pa rounded

CONCLUSION

In accordance with the details contained within the body of this report we confirm our opinion of market rental value of the Community Building, 6 Lathlain Place, Lathlain as at the 4th October 2022 as follows:

Current Market Rental Value:

Toy Library:	\$31,500 pa
Clinic:	\$26,000 pa
Play Group:	\$34,000 pa

nett of GST and outgoings

Disclaimer

This valuation is subject to the definitions, qualifications and disclaimers and other comments contained within this report and the whole of the report should be read before any reliance, by the addressee or so authorised persons, is placed on this valuation.

Currency of Valuation

This valuation is current as at the date of valuation only.

Further, we cannot extend liability, reissue or confirm the initial valuation, without undertaking a reinspection of the property and further investigation and analysis.

Changes in Value

The value 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).

We do not accept liability for losses arising from such subsequent changes in value. Without limiting the generality of the above comment, we do not assume any responsibility or accept any liability where this valuation is relied upon after the expiration of three (3) months from the date of the valuation, or such earlier date if the addressee or other authorised persons become aware of any factors that may have any effect on the valuation.

Authorised Reliance

This valuation report is for the use of and may be relied upon only by the Addressee and any other authorised persons. No other party is entitled to use or rely upon it and we shall have no liability to any party who does so.

PWE Property Consultants & Valuers



Don Eftos
Licensed Valuer No 426 in WA
Director



Annexures



Letter of Instruction

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



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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



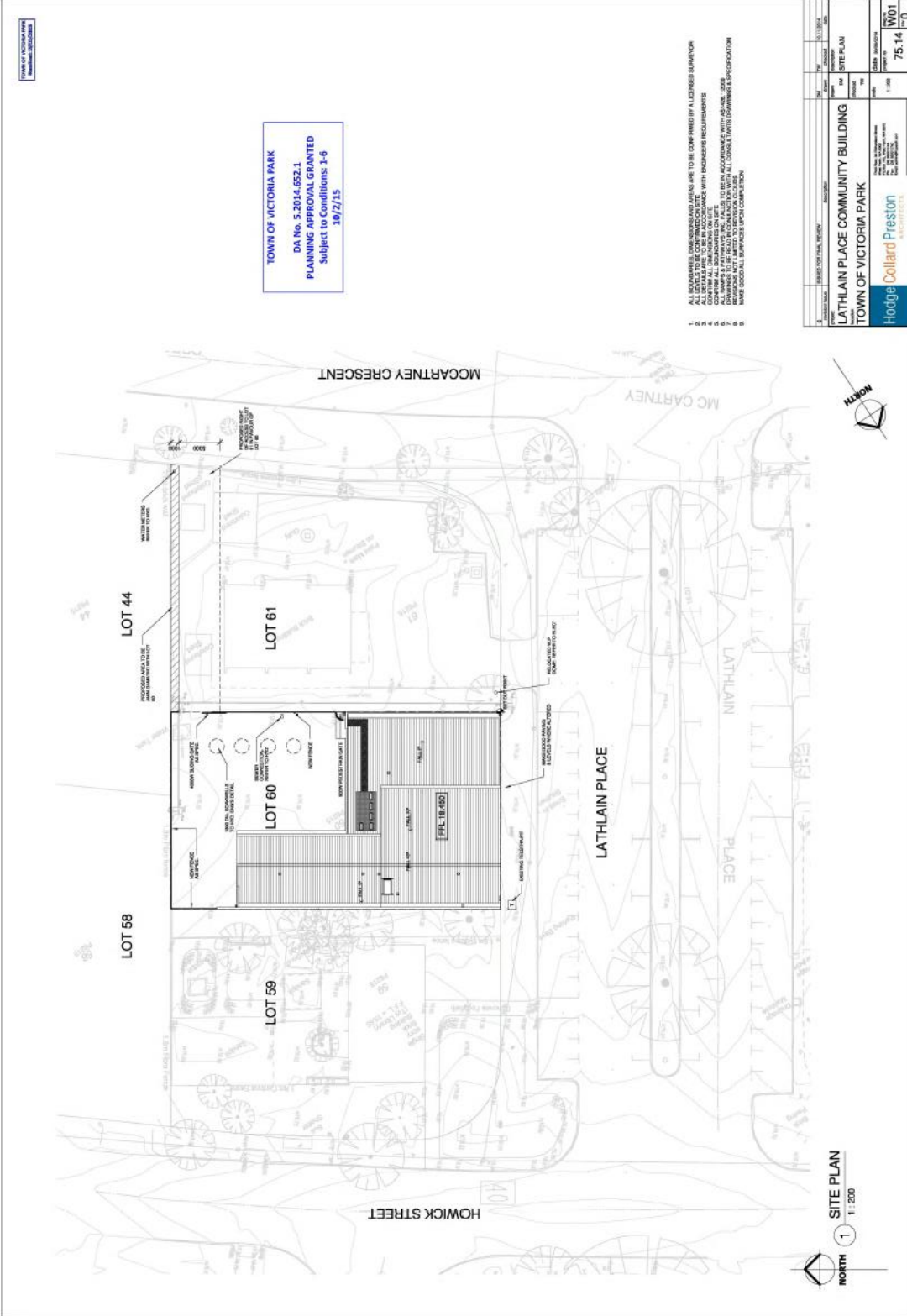
Site Plan

TOWN OF VICTORIA APP
 MUNICIPAL REGULATION

TOWN OF VICTORIA PARK
 DA No. 2.2014.652.1
 PLANNING APPROVAL GRANTED
 Subject to Conditions: 1-6
 10/2/15

1. ALL DIMENSIONS, DIMENSIONS AND AREAS ARE TO BE CONFIRMED BY A LICENSED SURVEYOR.
2. ALL LEVELS TO BE CONFIRMED BY A LICENSED SURVEYOR.
3. THE PROPOSED DEVELOPMENT MUST BE CONFORMANT WITH THE REQUIREMENTS OF THE ZONING BY-LAW.
4. THE PROPOSED DEVELOPMENT MUST BE CONFORMANT WITH THE REQUIREMENTS OF THE ZONING BY-LAW.
5. THE PROPOSED DEVELOPMENT MUST BE CONFORMANT WITH THE REQUIREMENTS OF THE ZONING BY-LAW.
6. THE PROPOSED DEVELOPMENT MUST BE CONFORMANT WITH THE REQUIREMENTS OF THE ZONING BY-LAW.

PROJECT NAME	LATHLAIN PLACE COMMUNITY BUILDING
PROJECT ADDRESS	LATHLAIN PLACE COMMUNITY BUILDING TOWN OF VICTORIA PARK
CLIENT	Hodge Colliard Preston
DATE	10/2/15
SCALE	75:14
PROJECT NO.	1001
DATE	10/2/15



1 SITE PLAN
 1:200