

Valuation Report

Crown Allotment 2 Black Forest Road, Werribee

Contents.

Instructions.....	1
Title & Land Description.....	2
Planning Details.....	3
Land & Locality Description.....	6
Scope of the Development.....	10
Market Commentary.....	13
Growth Area Infrastructure Contribution (GAIC).....	13
Valuation Rationale.....	14
Valuation & Valuation Compliance Statement.....	19
Assumptions / Qualifications.....	22

Annexures.

Letter of Instruction
Title Details
Planning Details
Planning Permit
Plan of Subdivision
Development Cost Estimate
Cashflow Analysis
Photographs

Instructions.

Instructing Party

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Refer to Assumptions / Qualifications - Instructing Party / Terms of Reference

Refer to Assumptions / Qualifications - Definitions of Value

Purpose

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The valuation is current as at the date of valuation only. The values assessed herein change significantly and unexpectedly over a relatively short period (including as a result of general market movements or other factors specific to the particular property). We do not accept liability for losses resulting from such subsequent changes in value. Without limiting generally of the above, we do not assume any responsibility or accept any liability where this valuation is relied upon after the expiration of three months from the date of valuation or such earlier date if you become aware of any factors that have any affect on the valuation.

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We draw your attention to the provisions of our Professional Indemnity insurance policies that all valuations are only valid for three months from the date of valuation and no responsibility being accepted for clients relying upon reports beyond that period. Accordingly, any parties authorised to rely upon our opinion should be aware for the need to review as necessary.

It is assumed no significant event has occurred between the date of inspection and the date of valuation and that would impact upon the value of the subject property.

Date of Inspection and Valuation

9 March 2016. This report has been prepared to assess the current market value of the freehold.

Our Reference

J061451:108834:BWP:TY

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Liability limited by a scheme approved under Professional Standards Legislation.

Title & Land Description.

Title Particulars

Crown Allotment 2 within Section 15 in the Parish of Mambourin, being all that contained within Certificate of Title Volume 4144 Folio 695.

Registered Proprietor

Peet No. 131 Pty. Ltd. is registered on Title as the sole proprietor, dated 16 June 2010.

Encumbrances

Encumbrances noted on Title are as follows:

- Mortgage No. AHL38938G in favour of ANZ Fiduciary Services Pty. Ltd., registered on 20 January 2011.
- A Notice pursuant to Section 201UB of the *Planning and Environment Act* 1987, registered on 30 August 2010, relating to the payment of the Growth Areas Infrastructure Contribution (GAIC).

We have considered the abovementioned encumbrances in concluding value.

Refer to Assumptions / Qualifications - Encumbrances

Native Title

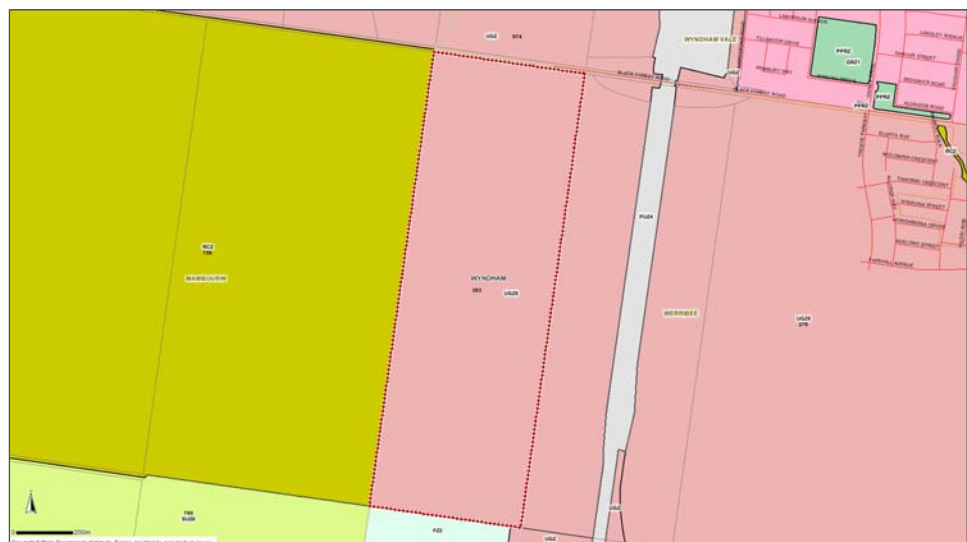
There are no attributes observed that would identify the property as having co-existing or likely co-existing Native Title interests.

Refer to Assumptions / Qualifications - Native Title

Planning Details.

Local Authority	City of Wyndham.
Zoning & Overlays	<p>Planning Certificate Sighted - No.</p> <p>Pursuant to the provisions of the Wyndham Planning Scheme, the land is included within an <i>Urban Growth Zone (UGZ)</i> pursuant to Schedule 6 - Black Forest Road South Precinct Structure Plan (PSP). The objectives of this zone are as follows:</p> <ul style="list-style-type: none"> - To implement the State Planning Policy Framework and the Local Planning Policy Framework, including the Municipal Strategic Statement and local planning policies. - To manage the transition of non urban land into urban land in accordance with a Precinct Structure Plan. - To provide for a range of uses and the development of land in accordance with a Precinct Structure Plan. - To contain urban use and development to areas identified for urban development in a Precinct Structure Plan. - To provide for a continued non urban use of the land until urban development in accordance with a Precinct Structure Plan occurs. - To ensure that, before a Precinct Structure Plan is applied, the use and development of the land does not prejudice the future urban use and development of the land.

The Planning Scheme map is shown as follows:



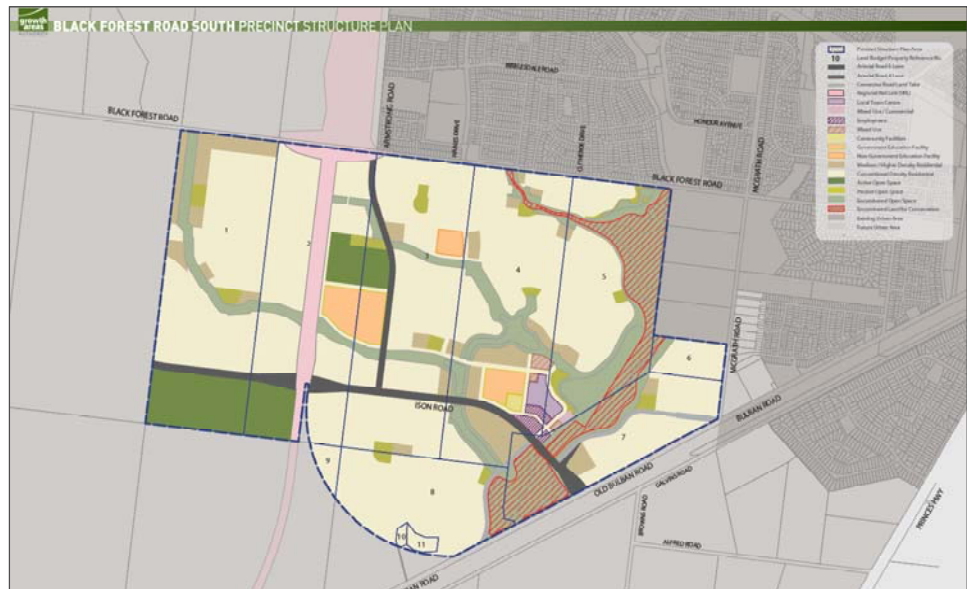
SOURCE - Department of Transport, Planning and Local Infrastructure

The property is also subject to the following overlays:

- *Development Contributions Plan Overlay (DCPO)* pursuant to Schedule 11 - Wyndham West Development Contributions Plan (DCP).

The property has been identified within the Black Forest Road South PSP which was approved in April 2013.

The property has been identified for predominantly residential use including active open space, passive open space, unencumbered open space and a quarry buffer. The quarry buffer incorporates the proposed active open space. An extract of the Land Use Plan is shown below:



SOURCE - Department of Transport, Planning and Local Infrastructure

Refer to Assumptions / Qualifications - Zoning & Overlays

Planning Approvals

Town Planning Permit Application No. WYP7570/14 was approved by the Wyndham City Council on 5 May 2015. The permit allows for the staged residential subdivision in accordance with the endorsed plan. The Subdivision Layout Plan was endorsed by Council on 15 June 2015 and provides for the subdivision of Stages 1 - 14. Town Planning approval for the balance of the holding has not been issued.

Planning Permit No. WYP8483/15 was issued to remove part of the existing drystone wall. We refer you to the Planning Report accompanying the PDS in relation to the impact of the drystone wall.

An application for planning approval for the subdivision of the balance land and removal of the remaining drystone walls was lodged with Council in December 2015. The Town Planning Report identifies "... The application identifies that a Certificate of Compliance will not be issued for lots with the quarry buffer until the use ceases".

Current Use

As at the date of our inspection, the property was predominantly vacant with improvements including shedding associated with the rural use, as depicted in the following photographs:





Potential / Future Use

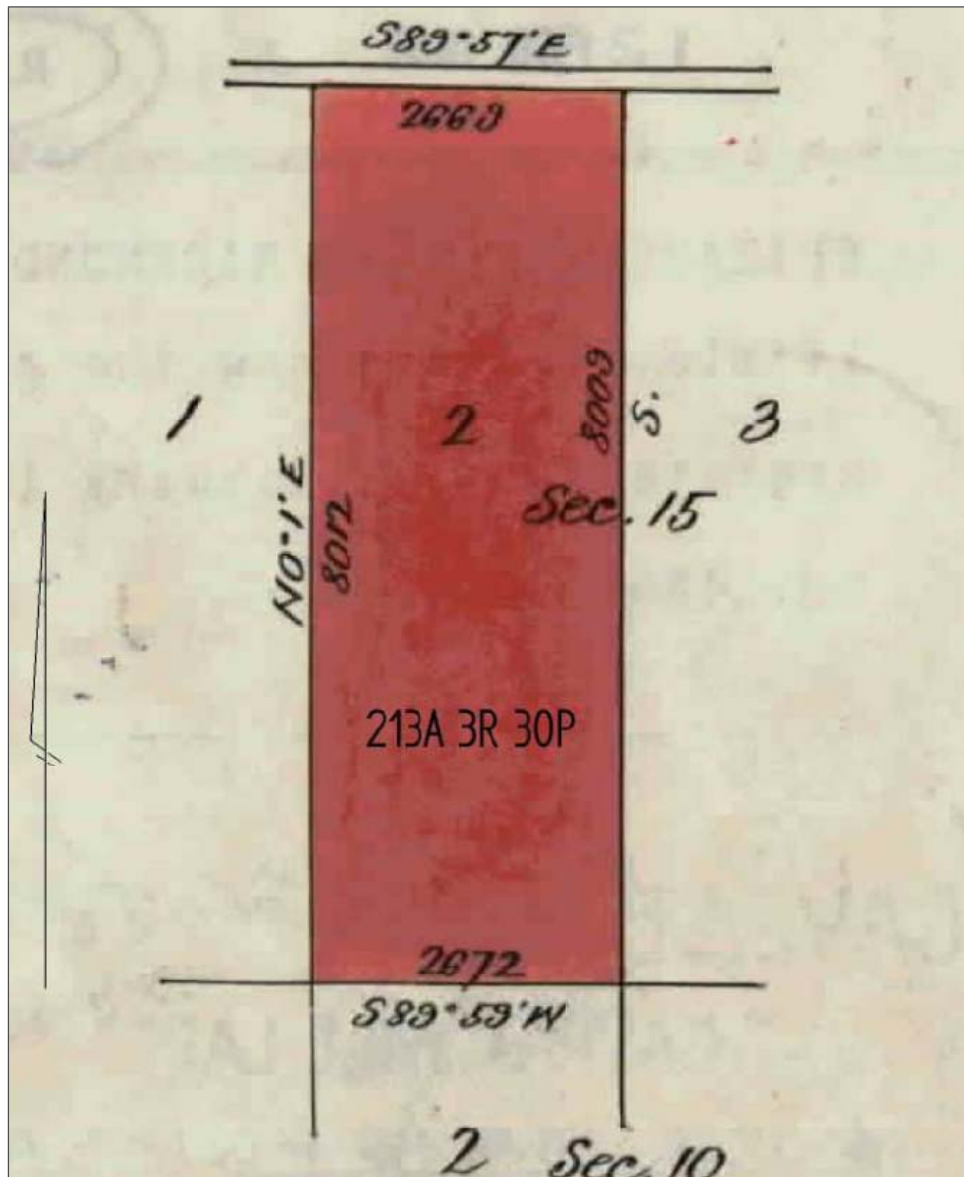
Pursuant to the Planning Scheme, the potential uses for the subject property may be summarised as those where a planning permit is not required (Section 1 of the Planning Scheme) and those where a planning permit is required (Section 2 of the Planning Scheme). Those uses noted under Section 3 (prohibited) are not considered to place any undue restriction upon the future use or development of the site. We refer you to the ordinances provided as an annexure to this report with respect to the allowable and prohibited uses.

In accordance with the Black Forest Road South PSP and Planning Permit, the highest and best use of the property is for residential development.

Land & Locality Description.

Land Area & Dimensions

The property is situated on the southern side of Black Forest Road, west of the Regional Rail Link crossing and encompasses 86.58 hectares. An extract of the Title Plan (not to scale) is shown as follows:



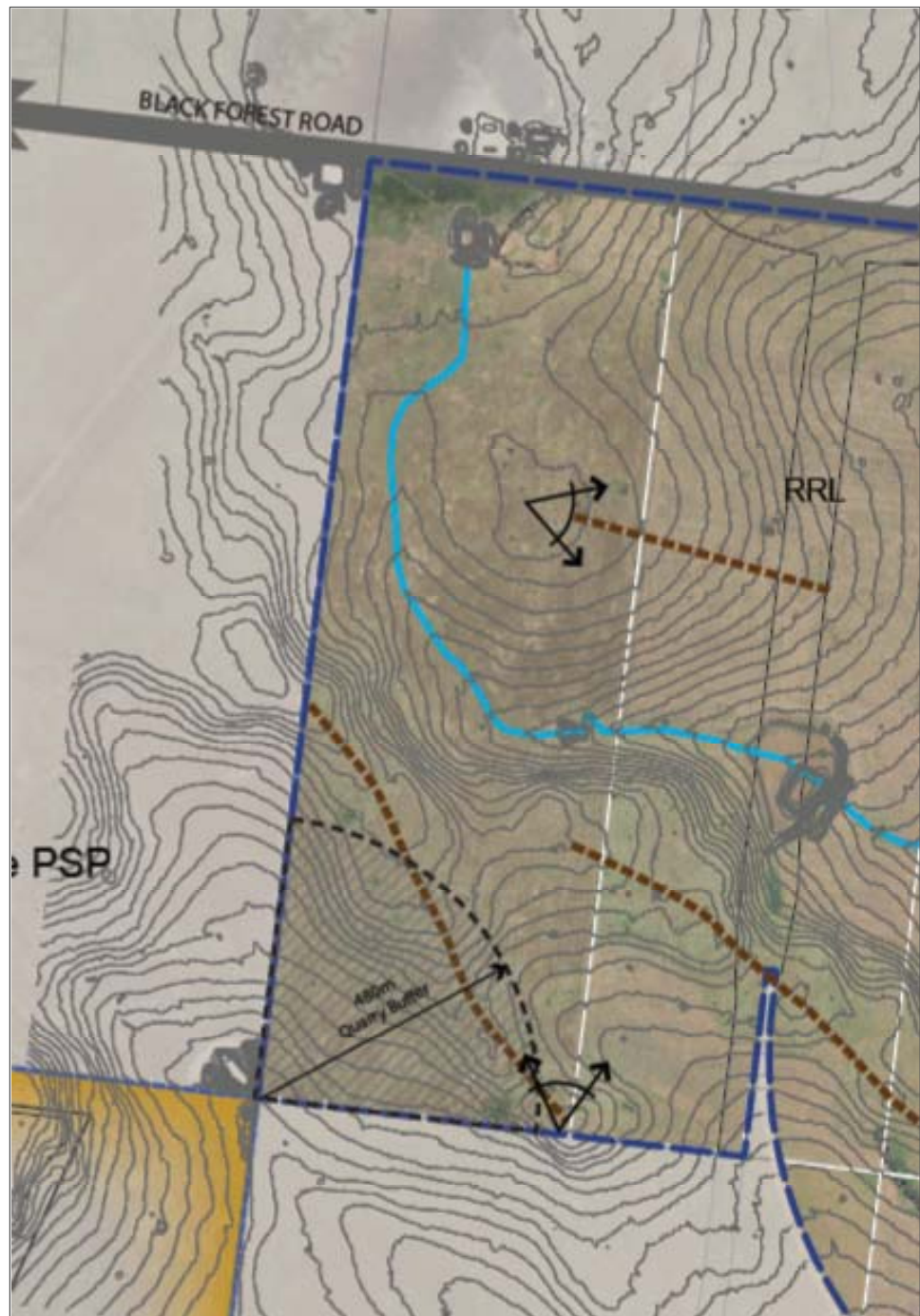
SOURCE - www.abr.com.au

In accordance with the Black Forest Road South PSP and subdivisional layout prepared by Breese Pitt Dixon Pty. Ltd. dated 17 November 2015, the property is encumbered by a drainage easement and active open space which incorporates the buffer zone. The Subdivision Layout Plan details the encumbered areas of the property. A summary of the developable area is shown as follows:

Description	Area (Hectares)
Total Area	86.58
Less Active Open Space / Buffer Land	16.15
Less Drainage Reserve	5.65
Developable Area	64.78

Land Description & Site Identification

The property is regular in shape and gently sloping in surface contour, situated on the southern side of Black Forest Road. A copy of the contour map detailed within the Black Forest PSP is shown as follows:



SOURCE - mpa.vic.gov.au

Due to the distances involved and topography of the land, occupational measurements could not be checked in the usual manner, however we have identified the property boundaries, with the property being suitably identified for valuation purposes.

Refer to Assumptions / Qualifications - Land Description & Site Identification

Locality & Surrounding Development

Within the Municipality of Wyndham, in the area known as Werribee, Postcode 3030, Black Forest Road extends in a westerly direction from its intersection with Walls Road before becoming a cul-de-sac. The property is situated on the southern side, west of the intersection with the regional railway crossing, as shown on the locality map below.

Werribee is located 32 kilometres south-west of the Melbourne Central Business District (CBD). Initially, development occurred around the Werribee railway station and proceeded north, resulting in the development of the suburbs of Hoppers Crossing and Tarneit. Residential development is proceeding in westerly and northern directions incorporating the suburbs of Wyndham Vale, Truganina and Tarneit North.

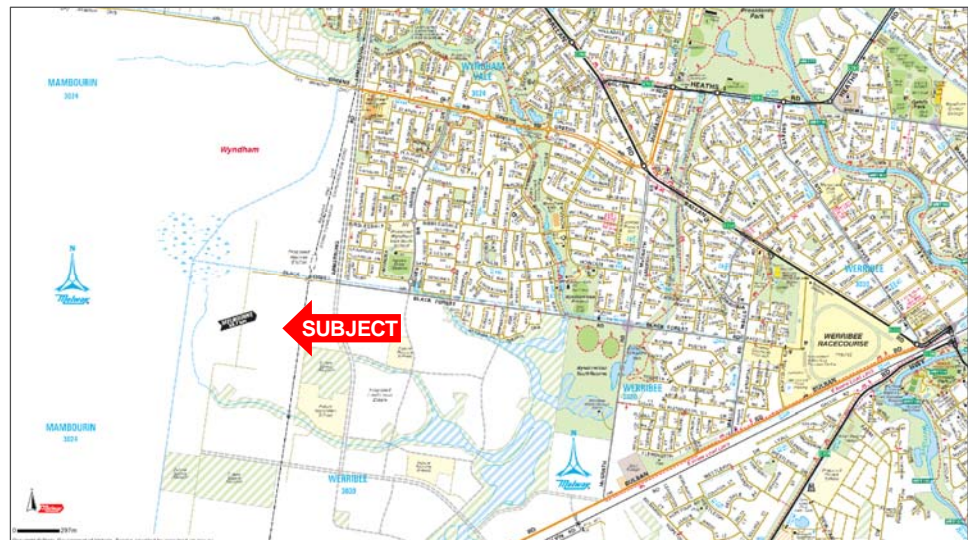
The subject property is situated west of the Regional Rail Link which essentially provides rural / residential living, although immediately east of the Regional Rail Link is established residential development with nearby estates including Bluestone Green, Manor Lakes, Jubilee, Presidents Park and Harpley.

The locality is presently serviced by neighbourhood facilities at Greens Road with a local shopping centre available at Manor Lakes. Further facilities are available at Honour Avenue, Wyndham Vale. Comprehensive facilities are available at Werribee's major activity centre, 6 kilometres south-east, incorporating supermarkets, speciality shops, social services and commercial accommodation.

The recent completion of the Regional Rail Link provided the locality with train access to the Melbourne CBD. The closest railway station is Wyndham Vale, 3 kilometres north. An existing bus service operates to Feathertop Drive, approximately 2 kilometres east of the subject property.

Educational facilities nearby include Imaroo Primary School, approximately 3 kilometres; Galvin Park Secondary College, approximately 5.75 kilometres; Our Lady of the Southern Cross Primary School, approximately 3.25 kilometres; and St. Thomas Chirnside Primary School, approximately 4 kilometres.

The locality map is shown as follows:



SOURCE - Melbourne on CD Edn 41 - Standard

Road System & Access

Black Forest Road, in this section, is gravel formed with the earlier section of Black Forest Road being constructed to the western side of the Regional Rail Link crossover. Access to the Princes Freeway is via the Princes Highway to the south which, in turn, provides access to the inner western suburbs and Melbourne CBD.

Services & Amenities

All usual utilities including electricity, gas, telephone, water and mains sewer are reticulated within the locality and can be augmented to service the subject property.

Urban amenities located within reasonable proximity to the property (measured aerially) are as follows:

- Werribee activity centre - approximately 5 kilometres.
- Werribee primary schools - within a 5 kilometre radius.
- Melbourne CBD - approximately 33 kilometres.

Environmental Statement

We have perused the Environment Protection Authority's (EPA's) current Priority Sites Register, and we can confirm the subject site is not listed.

Perusal of the current list of Issued Certificates and Statements of Environmental Audit discloses the subject site is not listed.

A preliminary Environmental Site Assessment for the property dated August 2010 details no areas of potential environmental concern were identified during the site recognisance or sampling works and further fill material was not identified during the site investigation. The report concluded the site is suitable for sensitive land uses (including standard residential) and further contamination investigation remediation or management is not considered necessary.

In summary, a visual site inspection has not revealed any obvious signs of pollution or contamination. Nevertheless, we are not experts in the detection or quantification of environmental problems and accordingly, have not carried out a detailed environmental investigation. Therefore, this valuation and our report is made subject to there being no actual or potential contamination issues or environmental hazards, including surface or sub-surface soil problems including instability, toxic or hazardous wastes or building material hazards issues affecting:

- The existing or potential use of the property.
- The value or marketability of the property.
- The site.

Verification the property is free from contamination or environmental hazards and has not been affected by pollutants of any kind may be obtained from a suitably qualified environmental expert. Should subsequent investigation show the site is contaminated or has environmental hazards, this valuation and report may require revision. The right is reserved to review and, if necessary, vary the valuation figure if any contamination or other environmental hazard is found to exist.

Archaeological Considerations

An Aboriginal Cultural Heritage Management Plan (CHMP) No. 11217 dated 14 November 2010 received a notice of approval from the registered Aboriginal party on 14 November 2010. The report highlights no Aboriginal archaeological sites were identified within the activity area, however two areas of Aboriginal archaeological sensitivity were identified. These areas include the gentle rise north-east of the ephemeral drainage line and the steeper escarpment south and south-east of the drainage line. These areas are considered to be in areas of Aboriginal archaeological sensitivity due to their proximity to water and being the highest points within the active area and the local landscape.

One isolated artefact was discovered on the surface of the site during the complex assessment program. This site was located on the raised ground overlooking the now dry creek within the southern area of sensitivity. Sub surface testing in the vicinity of the artefact found the site consisted of a single silcrete flake. This site was listed on the Victorian Aboriginal Heritage Register (VAHR) and is known as Black Forest Road IAI (7822-2621).

It is recommended the site be relocated by an appropriately qualified Surveyor or Archaeologist, accompanied with a member of the registered Aboriginal party, and the single artefact be collected and retained prior to development.

We have been provided with a letter dated 2 April 2012 relating to an agreement to salvage of a single artefact prior to the development. An attempt to relocate the site occurred on 13 January 2011 with the registered Aboriginal party, however the artefact could not be relocated on the day.

We have been advised as an attempt to salvage the artefact, no further management requirements for the site are necessary and the development of the activity area can commence as per the approved CHMP.

We have been provided with a Historical Report for the subject property which confirms no historical cultural material was identified during the survey, however extensive dry stone walls were found. Please refer to the Town Planning Report accompanying the PDS for further details in relation to the management of the drystone walls.

Should any matter be known or arise, it should be referred back to us for further comment.

Flora & Fauna Considerations

We have viewed the biodiversity maps produced by the Department of Environment and Primary Industries (DEPI). The maps confirm the habitat upon the subject property to comprise of native vegetation and Spiny Rice-flower, Golden Sun Moth and Growling Grass Frog.

In accordance with the Habitat Compensation under the Biodiversity Conservation Strategy - Melbourne Strategic Assessment, the compensation obligation for the holding is shown as follows:

Description	Compensation Estimate
Native Vegetation	\$ 2,928.31
Spiny Rice Flower	\$ 244.46
Golden Sun Moth	\$404,592.17
Growling Grass Frog	\$332,104.19
Total (Inclusive of GST)	\$739,869.13
Total (Exclusive of GST)	\$672,608.83

Our valuation is subject to there being no remnant vegetation or flora, other than that detailed, which would impact the development potential of the land or incorporate or warrant costs associated with assessment or compensation for habitat destruction. Should any problem be known or arise, the matter should be referred back to us for further comment.

Scope of the Development.

Description

The property encompasses a developable area of 64.78 situated on the southern side of Black Forest Road, west of the Regional Rail Link. The property has been identified within the Black Forest Road South PSP for future residential development, with planning approval issued for the subdivision of Stages 1 - 14. The proposed master plan provides for the construction of 905 allotments and a medium density site within 23 stages. Planning advice details the land is on the south-western corner of the estate which is contained within the buffer zone and can be utilised as a single allotment for a variety of non sensitive land uses.

A copy of the master plan is shown as follows:



Plan of Subdivision

The Peet Group have provided individual lot areas for the proposed 23 stage development plan. The allotment characteristics for each stage are summarised as follows:

Stage	No. of Lots	Area (sq.m.)		
		Minimum	Maximum	Average
1	58	221	650	414
2	43	294	512	424
3	29	294	512	398
4	30	336	448	389
5	46	263	512	369
6	43	221	540	429
7	34	400	512	444
8	34	221	512	397
9	37	400	512	436
10	6	336	448	355
11	39	238	670	385
12	52	294	540	429
13	41	294	512	436
14	30	263	512	416
15	15	448	512	461
16	51	294	595	416
17	40	336	750	449
18	29	294	550	442
19	29	336	512	440
20	37	400	576	459
21	57	336	576	435
22	62	221	512	438
23	63	225	440	313
Total	905	221	750	415

Stage 1 incorporates a medium density site of 4,600 sq.m.

The buffer land at the south-western corner of the development area is identified within the Town Planning Report to have an area of 3.11 hectares (Stages 24 and 25) and identifies the land may be contemplated for uses which are not considered as sensitive. The Town Planning Report concludes “... Ultimately the buffer area does not preclude the development of the land for sensitive uses at some time in the future”.

Development Costs

A development cost estimate has been prepared by Breese Pitt Dixon. This costing, together with additional allowances for further items, has been provided by the Peet Group. The summation of these items provides for a total development cost as summarised below:

Stage	Area (sq.m.)	Construction and Infrastructure Costs	GAIC and DCP	Total
1 & 1A	4.456	\$ 5,940,019	\$ 3,455,344	\$ 9,395,364
2	2.675	\$ 2,438,136	\$ 625,913	\$ 3,064,049
3	1.651	\$ 1,770,568	\$ 277,813	\$ 2,048,381
4	1.586	\$ 1,540,362	\$ 371,102	\$ 1,911,464
5	2.449	\$ 2,555,470	\$ 573,032	\$ 3,128,501
6	4.19	\$ 4,746,949	\$ 980,401	\$ 5,727,350
7	1.978	\$ 1,870,490	\$ 462,824	\$ 2,333,314
8	2.259	\$ 3,358,606	\$ 528,574	\$ 3,887,180
9	2.093	\$ 1,789,487	\$ 489,733	\$ 2,279,219
10	0.404	\$ 459,885	\$ 94,530	\$ 554,415
11	5.431	\$ 5,124,928	\$ 1,757,332	\$ 6,882,260
12	3.155	\$ 2,973,514	\$ 1,020,877	\$ 3,994,391
13	2.522	\$ 2,288,016	\$ 816,054	\$ 3,104,070
14	4.214	\$ 3,032,693	\$ 377,525	\$ 3,410,218
15	2.316	\$ 2,768,059	\$ 207,487	\$ 2,975,545
16	3.673	\$ 4,000,108	\$ 896,292	\$ 4,896,400
17	3.138	\$ 3,600,839	\$ 281,128	\$ 3,881,967
18	2.019	\$ 2,099,829	\$ 259,053	\$ 2,358,882
19	1.678	\$ 1,619,755	\$ 542,958	\$ 2,162,713

Stage	Area (sq.m.)	Construction and Infrastructure Costs	GAIC and DCP	Total
20	2.281	\$ 2,006,427	\$ 738,073	\$ 2,744,500
21	3.547	\$ 3,350,905	\$ 1,147,718	\$ 4,498,623
22	3.653	\$ 3,376,613	\$ 1,182,017	\$ 4,558,630
23	3.744	\$ 4,171,442	\$ 1,211,462	\$ 5,382,904
24 *	1.008	-	\$ 90,305	\$ 90,305
25 *	2.106	-	\$ 188,673	\$ 188,673
Ison Road *	2.203	\$ 203,393	\$ 197,363	\$ 400,756
Active OS *	16.151	\$ 1,188,596	(\$4,316,184)	(\$3,127,588)
Total	86.580	\$68,275,088	\$14,457,398	\$82,732,486

* The cost of the noted items will be incurred with the development of Stage 23

The development cost estimate identifies allowances for external site specific works. In particular we note the following:

Description	Cost Allowance
External Road Works	\$2,004,000
Outfall Drainage Works	\$ 250,000
Outfall Sewer Works	\$1,156,000
External Water Main Extension	\$1,080,000
HV Electrical Extension	\$ 425,000
Gas Main Extension	\$ 170,000
Total	\$5,085,000

We are not Engineers, should the costings vary from the level adopted then this will impact upon the assessed value. Upon variance we recommend the matter should be referred back to us for further consideration and review our assessment.

Market Commentary.

General

We refer you to the economic research included within this PDS.

Growth Area Infrastructure Contribution [GAIC].

General

In accordance with the development cost estimate detailed by the Peet Group, the GAIC liability is \$9,974,598.

Valuation Rationale.

Valuer's Market Considerations

Having considered the evidence in detail and all valuation parameters generally, we summarise the following positive and negative attributes with respect to the specific subject property:

Positive Attributes

- The property is zoned *Urban Growth* with Town Planning approval for Stages 1 - 14 within the approved Black Forest Road South PSP.
- Established development front nearby to the east.
- Strong demand for serviced residential allotments.

Negative Attributes

- The Regional Rail Link is a source of urban noise.
- The approval of nearby PSP's has substantially increased the supply of potential allotments in the locality.

Valuation Methodology – Direct Comparison Approach

In assessing value of the property, we have adopted the direct comparison approach having regard to comparable sales in varying degrees comparable. In particular we note the following sales:

Green Estate, Leakes Road, Tarneit		
Sale Date	December 2015	A recently commenced estate with pre-sales incorporated within the initial stages. The property sold as a project in use, with construction of the initial stage well advanced. The property has a native vegetation liability of \$7,626,217.
Sale Price	\$90,000,000 (Terms)	
Land Area	123.23 Hectares (Gross) 117.72 Hectares (Net)	
Land Value Rate	\$764,525 Per Hectare (Excluding BCS)	
Point Cook Homestead Road, Point Cook		
Sale Date	May 2015	A <i>General Residential</i> zoned holding located on the northern side of Point Cook Homestead Road. The holding is surrounded by established residential development within Point Cook. The property was purchased on 10 month terms.
Sale Price	\$40,500,000 (Terms) \$38,500,000 (Cash Equivalent)	
Land Area	24 Hectares	
Land Value Rate	\$1,687,500 Per Hectare (Terms) \$1,604,167 Per Hectare (Cash Equivalent)	
132 Geelong Road, Werribee		
Sale Date	March 2015	<i>Urban Growth</i> zoned land situated adjacent to existing urban development. The property has been identified for the development of 167 allotments averaging 390 sq.m. The property has a GAIC liability.
Sale Price	\$7,000,000	
Land Area	9 Hectares	
Land Value Rate	\$777,777 Per Hectare	
Hacketts Road, Point Cook		
Sale Date	November 2014	<i>General Residential</i> zoned land situated at the southern end of Hacketts Road. The property represents an infill development parcel with services available to the boundary. The sale property does not have a GAIC liability.
Sale Price	\$27,304,994	
Land Area	15.276 Hectares	
Land Value Rate	\$1,787,444 Per Hectare	

Alfred Road, Werribee

Sale Date	July 2014	The property is predominately zoned <i>Urban Growth</i> , situated within the approved Alfred Road PSP. The property incorporates a drainage line and area of heritage significance, thereby reducing the developable area. The property is contained within three titled holdings and was sold on two year terms. A planning permit was issued in conjunction with the approval of the Alfred Road PSP. The property was purchased by an adjoining owner.
Sale Price	\$20,050,000 (Terms) \$17,900,000 (Cash Equivalent)	
Land Area	37.51 Hectares (Gross) 32.71 Hectares (Net)	
Land Value Rate	\$612,962 Per Hectare (Terms) (Net) \$547,233 Per Hectare (Cash Equivalent) (Net)	

220 Geelong Road, Werribee

Sale Date	March 2014	An <i>Urban Growth</i> zoned land parcel situated on the southern side of Geelong Road. The property was been identified within the Alfred Road PSP for future residential development incorporating a drainage reserve decreasing the developable area of the property.
Sale Price	\$7,000,000 (Terms)	
Land Area	12.76 Hectares (Gross) 11.78 Hectares (Net)	
Land Value Rate	\$548,589 Per Hectare (Gross) \$594,227 Per Hectare (Net)	

In particular we note the sales within Point Cook being at a premium to the sales in Werribee. After consideration of the attributes of the subject property, we have adopted a value rate of \$550,000 per hectare which has been applied to the developable area. The indicated value has been adjusted to reflect site specific external infrastructure cost and vegetation compensation. A summary of our assessment is shown as follows:

64.78 Hectares @ \$550,000 Per Hectare	\$35,629,000
Less Upfront and External Infrastructure Works	\$ 5,085,000
Less BCS Allowances	\$ 672,609
Indicative Value	\$29,871,391
For Practical Valuation Purposes, Say \$29,800,000 (Exclusive of GST)	

Hypothetical Development Analysis

As a check method of assessment for residential development land, we have adopted the hypothetical development calculation, utilising the demonstrated planning criteria to indicate an appropriate lot yield and professionally compiled service costings. This method reflects the circumstances of the property being offered for sale with the most likely purchaser being a developer who would consider market trends and requirements and subdivide the land to fulfil market opportunities.

Gross Realisation

In concluding value of the individual allotments "as if complete", we have had regard to the evidence of sales within nearby estates. In particular we note sales and asking prices within the following estates:

Harpley Estate, Black Forest Road, Werribee

A master planned estate being developed by the Lend Lease Group. The estate presents to a high standard and is in the early stage of development. Price characteristics and sales rates for 2015 are noted as follows:

Area (sq.m.)	Average Lot Price Per Quarter		
	March 2015	June 2015	September 2015
250 - 299		\$134,000	\$142,000
300 - 349	\$165,000	\$169,000	\$165,000
349 - 399	\$194,000	\$180,000	\$179,000
400 - 449	\$182,000	\$192,000	\$195,000
450 - 499	\$173,000	\$192,000	\$200,000
500 - 549	\$171,000	\$213,000	\$222,000
550 - 599	\$222,000	\$226,000	\$231,000
600 - 649		\$231,000	\$234,000
650 - 699			\$240,000
700 - 749		\$225,000	\$247,000
Lot Sales Per Quarter	27	39	50

Manor Lakes Estate, Ballan Road, Wyndham Vale

A master planned estate being developed by the Dennis Family Corporation. The estate presents to a high standard and is in the middle stage of development. Price characteristics and sales rates for 2015 are noted as follows:

Area (sq.m.)	Average Lot Price Per Quarter		
	March 2015	June 2015	September 2015
300 - 349	\$152,000	\$151,000	\$151,000
349 - 399	\$155,000	\$162,000	\$171,000
400 - 449	\$171,000	\$177,000	\$175,000
450 - 499	\$175,000	\$181,000	\$188,000
500 - 549	\$182,000	\$183,000	\$189,000
550 - 599	\$197,000	\$197,000	\$198,000
600 - 649		\$192,000	\$192,000
650 - 699	\$194,000	\$194,000	\$200,000
700 - 749			\$188,000
Lot Sales Per Quarter	19	9	41

Jubilee Estate, Ballan Road Wyndham Vale

A master planned estate being developed by the Lotus Living Group. The estate presents to a high standard and is in the early stage of development. The estate will charge for Body Corporate recreational facilities including a clubhouse, swimming pool and gymnasium. Price characteristics and sales rates for 2015 are noted as follows:

Area (sq.m.)	Average Lot Price Per Quarter		
	March 2015	June 2015	September 2015
< 250	\$111,000		\$135,000
250 - 299		\$126,000	\$137,000
300 - 349	\$146,000	\$155,000	\$155,000
349 - 399	\$154,000	\$155,000	\$171,000
400 - 449	\$166,000	\$166,000	\$176,000
450 - 499	\$169,000	\$176,000	\$192,000
500 - 549	\$180,000	\$183,000	\$201,000
550 - 599	\$208,000	\$206,000	\$197,000
600 - 649	\$212,000	\$227,000	\$232,000
650 - 699		\$240,000	
Lot Sales Per Quarter	17	31	29

After consideration to the abovementioned evidence, we have assessed the value of the individual allotments to a cumulative total, summarised as follows:

No. of Lots	Inclusive of GST	Exclusive of GST
907	\$175,679,600	\$160,390,545
For Practical Valuation Purposes, Say	\$175,600,000	\$160,300,000

After consideration to the Town Planning Report, we have assessed the value of the long term development parcel within the quarry buffer at \$500,000 (inclusive of GST).

Furthermore, we have assessed the medium density site within Stage 1 at \$1,150,000 (exclusive of GST).

Hypothetical Development Calculation

In concluding value, we have adopted the hypothetical development approach, utilising the gross realisation assessed and deducting selling expenses, development expenses, holding charges, purchase costs, interest charges, together with an allowance for profit and risk.

Profit and Risk Analysis

In adopting an appropriate profit and risk factor, we have analysed comparable development site sales to indicate rates of return. In assessing the profit and risk factor, we have had regard to the following attributes of the subject development:

- Town Planning approval.
- Location within an established precinct.
- Scope of the development.
- Established and future competition within the precinct.

Having regard to the abovementioned factors, we have considered it appropriate to adopt a profit and risk factor of 22.5%, equivalent to \$27,850,000.

Sales Rate Analysis

In determining an appropriate sales rate, we have had regard to the performance of the subject property and nearby estates expressed to a rate per calendar month as detailed above. After consideration, we have adopted an initial sales rate of 12 lots per calendar month. As the estate establishes with the locality becoming the logical progression of the urban area, we have increased the sales rate to 15 lots per calendar month after Stage 10.

Construction Timing

In respect of timing, construction is perceived to be undertaken over a period of five months, with a further month for Titles Office release and therefore provides a development period of six months.

Assumption Summary

A summary of our assumptions incorporated within the hypothetical subdivision analysis is summarised as follows:

Assumptions	Calculation assumes 100% cost of fund and adopted interest rate of 7% per annum.	
Time Periods	Planning..... Completed Construction 76 Months Sale and Settlement Period 75 Months Notional Purchase Settlement 3 Months Total Holding..... 86 Months	
Gross Realisation	Allotments (GST Taxable) \$173,920,000 Medium Density Site (GST Non Taxable) \$ 1,150,000 Buffer Lot (GST Taxable)..... \$ 500,000 \$175,570,000	
Selling Costs (Exclusive of GST)	Residential	Commercial
	Agent's Commission.....3%	2%
	Advertising & Legals.....2%	1.5%
Development Expenses	\$82,732,486	
Purchase Costs	Stamp Duty (Based Upon Assessed Value) \$1,561,450 Due Diligence \$ 50,000 Legal Costs..... \$ 25,000	
Goods and Services Tax (GST)	The development cost estimate prepared excludes GST. We note elements of the estimate, being some authority fees and charges, are GST free, however a full 10% has been included for all development costs. The GST paid upon the costs is recouped with input tax credits one month in arrears. In assessing the GST payable upon the sale of individual allotments, we have assumed a hypothetical sale with the value assessed and therefore the purchaser will be able to adopt the Margin Scheme utilising the assessed value. In respect of the subject property, the GST liability for the supply of allotments is shown as follows: Gross Realisation (Taxable) \$174,420,000 Gross Realisation (Non Taxable)..... \$ 1,150,000 \$175,570,000 Cost Base \$ 7,500,000 Net Realisation (Taxable) \$166,974,005 GST Liability \$ 15,179,455	
Profit and Risk Factor	22.5%	

After calculation, the indicated land value is \$28,390,000 which has been rounded to the value formally assessed at \$28,375,000 (inclusive of GST). A summary of our assessment is shown as follows:

Cashflow Development Analysis		
Gross Realisation		\$175,570,000
Less Selling Costs (Net Realisation)		
Commission	\$ 5,255,600	
Advertising / Legals	\$ 3,505,650	
GST Sales Remittance	\$15,179,455	<u>\$ 23,940,705</u>
		\$151,629,295
Less Entrepreneurial Margin for Profit and Risk		
Adopted @ IRR 17.5% or 22.5% on total funds outlaid calculated at		<u>\$ 27,850,951</u>
		\$123,778,344
Less Construction Costs		<u>\$ 82,732,486</u>
		\$ 41,045,858
Less Purchase and Holding Costs		
Stamp Duty	\$ 1,561,450	
Rates & Taxes	\$ 2,290,815	
Legal Fees	\$ 25,000	
Due Diligence	\$ 50,000	<u>\$ 3,927,265</u>
		\$ 37,118,593
Less Interest		
Calculated on site purchase and construction funding @ 7% per annum		\$ 8,728,593
Indicated Value		\$ 28,390,000
Project Related Site Value, Say \$28,375,000 (Inclusive of GST) or \$28,375,000 (Exclusive of GST)		

The value indicated by the hypothetical development analysis supports the value assessed by direct comparison.

In accordance with your instructions, we have assessed the terms value of the property on the following basis:

Interest Rate	9%
Terms	0% Deposit
	60% Payable in July 2016
	40% Payable in June 2017
Contract Date	March 2016

After calculation, the terms value based on the above assumptions has been indicated at \$31,072,000, rounded for practical valuation purposes at:

\$31,050,000

Thirty One Million and Fifty Thousand Dollars

GST Implications

The implementation of the GST has dramatically affected land development. The GST impacts upon a development in three ways:

1. At the realisation of individual allotments.
2. Increased construction and professional fees.
3. At the acquisition of an inglobo parcel.

We have been provided with advice by the Peet Group dated 15 December 2015 detailing the property could be transacted as a going concern on the basis of criteria detailed in the advice. Our valuation is completed on the basis the criteria detailed within the advice is fulfilled.

Our valuation is completed on the basis that the property is acquired as a going concern with GST not payable at acquisition. We have been advised a cost base of \$7,500,000 is utilised for the remittance of GST upon development of allotments.

We recommend you confirm the GST tax status of the holding in relying upon this assessment of value. Should the circumstances vary from this assumption, the matter should be referred back to us for further consideration and, if necessary, re-assessment.

Valuation & Valuation Compliance Statement.

Valuation

Subject to the assumptions and qualifications contained within this report, we have assessed the current market value of the subject property on a going concern basis at:

\$29,800,000

Twenty Nine Million, Eight Hundred Thousand Dollars

We have assessed the terms value on the basis previously detailed at:

\$31,050,000

Thirty One Million and Fifty Thousand Dollars

Prepared by
Charter Keck Cramer



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Claudio Petrocco
Counter Signatory
API Member No 62402
Executive Director

The counter signatory has reviewed the valuation based on the data presented in the report for the accuracy of calculations, the reasonableness of data, the appropriateness of methodology, and compliance with client guidelines, regulatory requirements and professional standards. The counter signatory is satisfied that the valuation is based on reasonable grounds. The data presented has not been independently confirmed and the property has not been inspected by the counter signatory.

Date of Issue of the Valuation Report - 10 March 2016

Liability limited by a scheme approved under Professional Standards Legislation.

Our valuation has been completed on the basis:

- The developable area encompasses 64.78 hectares.
- The property is unaffected by unsupervised fill, soil or groundwater contamination.
- The property is unaffected by Aboriginal or archaeological artefacts of significance.
- The property is unaffected by flora and fauna issues.
- The property has been assessed on the basis the property could be sold as a going concern.
- The development cost estimate of the proposed subdivision does not increase beyond the total cost identified.

Notes to the Reader

Charter Keck Cramer advise there are factors which may affect the valuation for this property. These include the following:

- Changes in economic and business conditions or Government policies in Australia or internationally may impact upon the fundamentals of the project, its target markets, cost structure and profitability. Adverse changes in such things as the level of inflation, interest rates, exchange rates, Government policy (including fiscal, monetary, migration, international affairs, security and regulatory policies), consumer spending, employment rates, among others, are outside the control of the Directors and may result in material adverse impacts on the valuation advice.
- Changes in Federal, State or Local Government legislation or policies or the policies of servicing authorities and utilities may affect the valuation advice.
- Development approval for residential lots, or any other applicable approval or consent, is withheld or declined by the Responsible Municipal Authority or any other Government or Semi-Government Department or Authority, and development is not able to proceed. Should this materialise it will affect the value assessed.
- The requirements of the Responsible Municipal Authority or any other Government or Semi-Government Department or Authority for the property for any reason, including archaeological, ethnographic claims, environmental, heritage, unidentified threatened flora and fauna species, native vegetation, areas of public open space and planting buffers to arterial roads may reduce the development potential of the property and hence impacting upon the value assessed.
- Forecast selling rates are not achieved and this results in an extended project life. The effect of this would be the total holding costs including rates, taxes and interest will increase, which may adversely affect the value of the holding.
- Please be aware the value of an asset of this nature moves significantly with the securing of pre-sales, changes in construction costs, Town Planning approval or the proposed Plan of Subdivision.
- These changes in circumstances impact upon the value assessed in a stable market and provide greater value movements in rising and falling markets. Accordingly, due regard is required to the changes in the circumstances in the property since the date of valuation and those that are to occur in the immediate future.
- In concluding our assessment of value, we have relied upon the cost estimate provided. The cost estimate is prepared by the Project Engineer and Peet Group. Should the development cost vary, this may impact upon the value assessed.
- The issue of Town Planning approval will expire after a period as defined within the permit. The expiration of the permit period may adversely affect the value of the holding.
- Land which requires holding periods due to planning or serviceability issues is in greatest demand when acquisition of land capable of immediate development is limited, reflecting elevated sales rates and the perception the holding period before development is reducing. As the market for development land cools with changing economic circumstances, demand for suitably zoned land reduces due to elongated holding periods with slowing sales rates. This could result in a worst case scenario with there being little underlying demand, which could result in declining land values.
- Whilst the sum assessed has been based on the evidence of comparable sales evidence, the vast majority of sales of inglobo parcels are negotiated on vendor terms, generally comprising a 10% or 20% deposit, with the balance of funds in say 3 - 5 years. These sales are analysed to evidence a cash equivalent price utilising an appropriate discount rate. However, in the notional circumstances of the security being offered for sale, there would be the requirement for similar vendor terms, but with an asking price reflective of vendor terms.

Refer to Assumptions / Qualifications

Valuation Compliance Statement

Charter Keck Cramer confirms:

- The statements of fact presented in the report are correct to the best of the Valuer's knowledge.
- The analyses and conclusions are limited only by the reported assumptions and conditions.
- The Valuer has no interest in the subject property.
- The Valuer's fee is not contingent upon any aspect of the report.
- The valuation was performed in accordance with an ethical code and performance standards.
- The Valuer has satisfied professional education requirements.
- The Valuer has experience in the location and category of the property being valued.
- The Valuer has made a personal inspection of the property.
- No-one, except those specified in this report, has provided professional assistance in preparing the report.

We confirm neither Charter Keck Cramer nor any of its Directors or employees has any pecuniary interest that could conflict with the proper valuation of this property.

Refer to Assumptions / Qualifications - Third Party Disclaimer

Assumptions / Qualifications.

Legend

square metres	sq.m.
hectares	ha.
per annum	p.a.
per hectare	p.ha.
gross area	(G)
net area	(N)
cash equivalent	(CE)
terms contract	(T)

Date of Valuation

Due to possible changes in market forces and circumstances in relation to the subject property, this report can only be regarded as relevant as at the date of valuation.

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

We draw attention to the provisions of our Professional Indemnity insurance that all valuations are only valid for 90 days from the date of valuation, no responsibility being accepted for clients' reliance upon reports beyond that period. Accordingly, any parties authorised to rely upon our opinion are advised since the date of valuation, the subject property has not been re-inspected and no further investigation or analysis has been undertaken as to any changes since that date.

Our assessment is subject to there being no significant event that has occurred between the date of valuation and the date of issue of the valuation report which would impact on the value of the subject property.

Our report is concluded in the context of current Federal and State Legislation, Regulations and Policies as at the date of this report and does not anticipate or reflect possible changes in these matters that may impact upon the fundamentals of the project or property, its target market, cost structure, profitability or value. Adverse changes in such Legislation, Regulations and Policies (such as fiscal, taxation, FIRB, migration, international affairs and security), among others, are outside the control of the Valuer, and may result in material adverse impact on the valuation advice provided. Charter Keck Cramer and its affiliates do not accept any liability arising with respect to these matters.

Definitions of Value

This valuation has been prepared in accordance with the following API definition of market value:

"The estimated amount for which an asset or liability should exchange on the valuation date between a willing buyer and a willing seller in an arm's length transaction, after proper marketing and where the parties had each acted knowledgeably, prudently and without compulsion."

The project related site value is defined as:

"The value of the site in relation to the particular project intended, subject to our various verifiable assumptions and formal recommendations, being a figure which depends entirely upon the success of the project as forecast in our analysis. The project related site value does not represent the value of the land in isolation, but rather an assessment concluded by way of a cash flow analysis in relation to the particular project proposed."

The project gross realisation "as if complete" is defined as:

"The collective value of the development assuming completion as at the relevant date, assessed on an individual basis, and reported in an accumulative total. The valuation reflects the Valuers view of the market conditions existing as at the date of the report and does not purport to predict the market conditions and the value at the actual completion of the improvements because of time lag."

Encumbrances

Our valuation is subject to there being no undisclosed or unregistered easements or encumbrances which would have an adverse effect on our valuation other than those previously described and noted on the Certificate of Title attached as an annexure at the rear of this report. Should it be discovered that further easements or encumbrances exist, this report should be referred back to Charter Keck Cramer for consideration, comment and amendment (if necessary).

Native Title

Pursuant to the *Native Title Act (Clth)* 1993, and as amended 30 September 1998, land with the exception of an "Exclusive Possession Grant", may be claimed as the property of Indigenous Australians leading to the co-existence or likely co-existence of Native Title in relation to a particular piece of land, subject to the verification of a prior or continuing connection to the land.

We are not experts in Native Title or the property rights derived therefrom and have not been supplied with appropriate anthropological, ethnoecological and/or ethnographic advice. Therefore, the property valuation or assessment is made subject to there being no actual or potential Native Title affecting:

- The value or marketability of the property.
- The land.

The National Native Title Register (NNTR) was established under Section 192 of the *Native Title Act (Clth)* 1993. The NNTR contains determinations of Native Title made by the High Court of Australia, the Federal Court of Australia, or such similarly recognised bodies. Formal verification the property is not subject to co-existing Native Title interests and/or subject to determination should be obtained by searching the Registry of Native Titles Claims, which is administered by the National Native Titles Tribunal. We have viewed maps prepared by the National Native Title Tribunal detailing Native Title Applications, determination areas and indigenous land use agreements. The map does not identify the subject property is affected by applications and determinations as per the Federal Court on 31 March 2010.

This assessment is completed on the basis the property is not affected by co-existing Native Title interests. Should subsequent investigation show the land is subject to existing or potential co-existing Native Title interests, this property valuation or assessment will require revision and should be referred back to Charter Keck Cramer for consideration, comment and amendment.

Land Description & Site Identification

A current survey has not been sighted. This valuation is subject to there being no encroachments by or upon the property and this should be confirmed by a current survey and/or advice from a Registered Surveyor. If any encroachments are noted by the survey report, the Valuer should be consulted to reassess any effect on the value stated herein.

Zoning & Overlays

Although a Planning Certificate has not been sighted, the zoning particulars have been confirmed by the online Planning Scheme, which is an internet based copy of the Planning Scheme provided by the Department of Transport, Planning & Local Infrastructure. Our assessment is completed subject to the planning information obtained being current and correct.

Please note a Planning Certificate has not been provided or obtained. In the event that a Planning Certificate is obtained and the information thereon is materially different to that provided to Charter Keck Cramer via the approved internet based version, then we reserve the right to review our assessment and amend this report (as necessary).

Third Party Disclaimer

This valuation is for the use only of the party to whom it is addressed (including investors considering the Product Disclosure Statement dated on or around 14 March 2016) and for no other purpose. No responsibility is accepted for any third party who may use or rely on the whole or any part of the content of this valuation. No responsibility will be accepted for photocopied signatures. It should be noted that any subsequent amendments or changes in any form to the valuation and report would only be notified to and known by the parties to whom it is addressed. This report is a valuation report and is not intended as a structural survey. Charter Keck Cramer prohibit publication of this report in whole or in part, or any reference thereto, or to the valuation assessments contained herein, or to the names and professional affiliation of the Valuers, without the written approval of the Valuer.
