



Example Only



### Valuation Report for Residential Insurance Purposes

<b>Client</b>	Unitcare Services on behalf of Strata Corporation [REDACTED] Inc. Work Order: 54405.
<b>Instructed By</b>	Alison Wells – Body Corporate Manager
<b>Instructions</b>	To establish the “Insurance Replacement Value” of the within-described property.
<b>Date of Valuation</b>	18th February, 2022, based on our inspection on that date.
<b>Type (Residential)</b>	Ten (10) Conventional style Units within one (1) single storey building, built 1969 plus ten (10) carports, one (1) porch and integrated site works (landscaping, paving and fencing), in good condition with concrete, brick paving, paving and bitumen driveway access.
<b>Gross Building Area</b>	720 m <sup>2</sup> approximately
<b>Site Area</b>	1,869 m <sup>2</sup> approximately
<b>Compliance</b>	This valuation complies with the Australia Property Institute (API) Valuation Practice Standard and the API ANZTIP 4 - Valuations for Insurance purposes (2015).
<b>Insurance Replacement Value</b>	<b>\$1,900,000</b> <b>(One Million Nine Hundred Thousand Dollars) (Inclusive of GST)</b>
<b>Catastrophe Cover</b>	Recommend a minimum allowance of 35% of the above, based on industry standards – refer special comments – insurance valuations.
<b>Loss of Rent (est.)</b>	<b>\$435,000</b>
<b>Prepared By</b>	<b>JEREMY D. CARTER</b> B. App. Sc. (Val.), A.A.P.I / Member No. 63985 Associate Australian Property Institute Member R.E.I. (S.A.) Valuers Division Certified Practising Valuer.

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## 1.0 Location

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The subject property is situated approximately 7.2 kms south of the Adelaide GPO. Located close to most facilities including schools, shops and transport.

Neighbouring properties comprise houses of varying age, value and dimensions, mostly of a good standard and selling in the middle price bracket.

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## 2.0 Description

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Ten (10) Conventional style Units within one (1) single storey building, built 1969 plus ten (10) carports, one (1) porch and integrated site works (landscaping, paving and fencing), in good condition with concrete, brick paving, paving and bitumen driveway access.

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## 3.0 Construction

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<b>Main Walls</b>	Cement Brick
<b>Roof</b>	Terra Cotta Tile
<b>Footings</b>	Concrete
<b>Windows</b>	Aluminium frame

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## 4.0 Gross Building Area

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Based on measurements taken on site, and with reference to the Strata Plan [REDACTED] Inc., gross building area has been calculated as follows:

Main Building Area (inc Porch)	580 m <sup>2</sup>
Carports	140 m <sup>2</sup>
<b>TOTAL</b>	<b>720 m<sup>2</sup></b>

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## 5.0 Ancillary Site Improvements

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Sundry site improvements include landscaping, concrete, brick paving, paving and bitumen driveway access, fencing (corrugated steel and colourbond), metal letterboxes, twelve (12) ancillary structures (Verandahs, Pergolas, Sheds).

## 6.0 Insurance Replacement Cost Estimate

We have been instructed to provide an insurance replacement cost estimate of the improvements on behalf of **Strata Corporation No. [REDACTED] Inc. at [REDACTED] S.A. 5039** as at **18th February, 2022**. We have assessed having regard to the cost of constructing a building of similar size, standard and quality by reference to Rawlinson's Australian Construction Handbook 2022 and other industry sources.

Our calculations are as follows:

<b>Insurance Replacement Value</b>		
<b>CURRENT REINSTATEMENT VALUE</b>		
Main Building Area (Inc Porch)	580m <sup>2</sup> @ \$1,950/m <sup>2</sup>	\$1,131,000
Carports	140m <sup>2</sup> @ \$600/m <sup>2</sup>	\$84,000
Sundries (paving, landscaping, fencing, letterboxes etc)		<u>\$214,680</u>
<b>PLUS</b>		\$1,429,680
Cost Escalation* at 20%	\$285,936	\$1,715,616
<b>TOTAL REINSTATEMENT VALUE</b>		<u>\$1,715,616</u>
Add GST		\$1,887,178
	rounded as:	\$1,900,000
	<b>TOTAL INSURANCE REPLACEMENT VALUE</b>	<b>\$1,900,000</b>

\* Including building cost increases (during policy period and building periods), planning & professional fees, removal of debris

As at 18th February, 2022 we assess the total insurance replacement value on a replacement and reinstatement basis to be as follows:

**\$1,900,000 (One Million Nine Hundred Thousand Dollars) (Inclusive of GST).**

We point out that the Valuer is not a construction expert, if a more detailed breakdown of costs is required, we suggest a quantity surveyor be engaged.

NOTE: This amount is valid for the one-year period from the date of this valuation.

In accordance with the standing instructions and according to the methodology used to calculate the Total Insurance Replacement Value for replacement and reinstatement purposes, we have not included an allowance for specific items. Please refer to page 6 for a full break down under heading **Specific Exclusions**.

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## 7.0 Photos

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## Special Comments - Insurance Valuations

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This valuation is subject to the following definitions, qualifications, assumptions and disclaimers as described further in this report. It is critical that the report should be read and considered as a whole prior to relying on any valuation figures. We strongly recommend that you discuss our method of valuation with your broker and/or insurer so they can provide support in deciding the suitable amount of cover and a suitable insurance policy for which the subject property should be insured particularly the level for catastrophe cover.

### USE OF VALUATION

This valuation is prepared under the explicit instructions from the Body Corporate Manager of the Community/Strata Corporation specified in this report to conduct a valuation for insurance replacement purposes. This Report is for the use only of the party/s to which it is addressed for insurance replacement purposes only and is not to be used for any other purpose. No responsibility is accepted or undertaken to third parties in respect thereof. No responsibility is accepted or undertaken in the event that the party/s to which it is addressed use this Report for any other purpose apart from that expressly outlined above.

I hereby certify that I personally externally inspected this property only on the date specified in this report and have carried out the assessments above as at that date. Neither I, nor to the best of my knowledge, any member of this firm, has any conflict of interest, or direct, indirect or financial interest in relation to this property that is not disclosed herein.

### VALUATION METHODOLOGY/INSURANCE REPLACEMENT COST ESTIMATE

The assessed insurance replacement value calculated in this report of all building's improvements, ancillary improvements and site improvements is based on a replacement and reinstatement basis.

We have assumed replacement be with similar building products to an equal standard, but not superior/inferior than, the improvements as at the date of inspection.

Our assessed value includes an allowance for the following:

(a) demolition and removal of debris; (b) professional fees and preliminaries and contingency costs; (c) extra cost of reinstatement; (d) an inflation factor in respect to lead time for demolition and building approval, construction period and policy year as well as professional fees associated with design and reconstruction of the assessed improvements. It does not include loss in rental income unless otherwise stated, or include contents for owners or tenant's furniture or personal effects). Our assessment of replacement and reinstatement cost is based on industry averages rather than a detailed cost breakdown. An allowance has been made for cost variations to regional areas due to higher labour costs and materials. Discounted construction costs may be used when assessing large unit groups to take into account the cost benefits of economies of scale.

All reconstruction building rates are based on replacing the current improvements on a new for old basis whereby the replacement buildings and associated ancillary and site improvements would be of equal dimensions to all improvements as inspected and described as at the date of valuation.

All estimated reconstruction costs in this report are based on industry sourced and quoted building prices which are exclusive to GST. The total insurance replacement value as stated in this report include an allowance for GST.

The recipient of this report is advised that the undersigned is not a Quantity Surveyor and has relied on published building costing guides to arrive at an opinion of replacement cost for insurance purposes for the subject property improvements.

The assessed total insurance replacement value includes the following;

1. Buildings included in this report are assessed as the main building areas and include all areas in the main roof such a garages, carports, balconies, verandahs and porches.
2. Ancillary improvements included in this report are assessed as supplementary to the main buildings.
3. Site improvements included in this report are assessed as distinctly separate from main buildings and ancillary improvements.

### RENTAL CLAUSE (LOSS OF RENT)

Our assessment of the loss of rent in this valuation includes an allowance for the loss of two years estimated market rental plus a 20% contingency factor. This takes into account time involved with demolition, planning & consulting, approvals, building and reletting. These estimates are based on advised insurance industry standards.

### CATASTROPHE COVER

We recommend a minimum allowance of 35 % of the total insurance replacement value should be set aside as an allowance for catastrophic events which may arise due to an unpredictable occurrence including but not limited to earthquake, impact, storm, tempest, terrorist event or any other unforeseen circumstances. This may have the effect of increasing replacement cost due to the lack of materials and professional services. It is an indicative percentage based on industry recommended standards and based on similar events which have occurred in Australia and could vary widely depending upon the scale of the event and its location. The catastrophe level should be discussed with your insurer based on individual requirements as related to the subject property. We note that some events have resulted in an increase of up to 70% for replacement cost ie cyclone tracey and the location and individual factors related to the subject property should be taken into account when deciding appropriate cover.

### **SPECIFIC EXCLUSIONS**

Our assessment of the insurance replacement value in this report specifically does not include the following; Catastrophe cover, (unless otherwise stated), damage or loss of floor coverings/furniture/loose fittings & personal effects/stock or inventory; common area contents such as gym/office equipment and furniture, public or private artwork, sculptures or murals, internal partition, fit outs, loss of rental income between building loss and reinstatement (unless otherwise stated), cost of leasing alternative in that period, removal and upset expenses, professional fees incurred to prepare a claim after loss, statutory and legal fees associated with obtaining planning consents for demolition/reconstruction, removal of hazardous materials, remediation costs if contaminants exists, variations to the design of the existing improvements, cost or losses in connection with major statutory and planning changes which substantially vary the reinstatement of current improvements as constructed; or any plant, machinery & equipment used wholly or in part in connection with any industry or commercial use of the property and not integral to the building or building services. Any commercial telecommunications equipment such as mobile phone towers, plant, machinery and equipment used wholly or in part in connection with any industrial or commercial use of the property and not integral to the building or building services, common contents, where there is reference to landscaping, although we have made an allowance for general landscaping such as lawns, shrubs and ground cover, it does not cover the cost to replace mature trees and underground irrigation systems. All of the above exclusions have been excluded in the calculations and methodology of this valuation and should be considered separately.

### **PLANNING AMENDMENTS**

Our assessment of the insurance replacement value includes an allowance for compliance with current planning regulations and requirements, however, there has been no allowance for any major planning changes (such as changes to plot ratios and set back requirements) which could prevent or have a large impact on the rebuilding or reconstruction of the current improvements (as at the date of inspection); if the current improvements need to be partially or entirely demolished and reconstructed in the event of a significant or catastrophic loss.

### **DEFINITIONS**

#### **CURRENT REINSTATEMENT COST**

Where a property is lost or destroyed, in the case of a building, the rebuilding thereof, or in the case of property other than a building, the replacement thereof by similar property in either case in a condition equal to, but not better or more extensive than its condition when new.

Where property is damaged: the repair of the damage and restoration of the damaged portion of the property to a condition substantially the same as, but not better or more extensive than its condition when new. This value does not include any allowances for cost escalations during the reconstruction, demolition and insured periods, professional fees, demolition and removal of debris, reinstatement of current Community/Strata Plan or GST.

#### **TOTAL REINSTATEMENT COST**

Where a property is lost or destroyed, in the case of a building, the rebuilding thereof, or in the case of property other than a building, the replacement thereof by similar property in either case in a condition equal to, but not better or more extensive than its condition when new.

Where property is damaged: the repair of the damage and restoration of the damaged portion of the property to a condition substantially the same as, but not better or more extensive than its condition when new. This value includes buildings, ancillary improvements and site improvements, based on current costs estimates and includes all allowances for associated fees and cost escalations.

#### **REPLACEMENT COST**

The current cost of a similar asset offering equivalent utility.

#### **REPRODUCTION COST**

The current cost of recreating a replica of the asset.

#### **GST ALLOWANCE**

All estimated costs are based on figures obtained from either Rawlinson's Australian Construction Handbook 2021 or other industry resources, which are exclusive of Goods and Services Tax. As per industry accepted practice, the values in this valuation report have been calculated with an allowance for GST for the purpose of this report.

#### **COST ESCALATION DURING LEAD TIME/RECONSTRUCTION PERIOD**

We have allowed for cost escalation over an estimated lead time and reconstruction period based on industry averages. This estimated reconstruction period assumes no unexpected delays due to weather problems, industrial disputes or non availability of materials.

#### **PROFESSIONAL FEES FOR DESIGN AND RECONSTRUCTION**

We have included an allowance for professional fees associated with the design and reconstruction of the replacement building, ancillary and site improvements, also including an allowance for plan lodgement, surveyors, valuers and conveyancer's fees for the reinstatement for the current Community or Strata Plan.

#### **DEMOLITION AND REMOVAL OF DEBRIS**

We have included an allowance for costs related to demolition and removal of debris for the existing improvements including allowance for professional fees related to the demolition and removal of debris as well as cost escalation over the demolition period.

#### **COST ESCALATION DURING INSURANCE POLICY PERIOD**

We have allowed for cost escalation over the assumed insurance period of 12 months.

Special Comments - Other

- (a) Whilst we carried out a careful building inspection, we advise that we have not completed a detailed structural survey, tested any of the services, or inspected unexposed or inaccessible portions of the building and are therefore unable to state that these are free from defect, rot or infestation (not applicable for vacant land).
- (b) We advise that the valuation has been completed in accordance with supportive documentation supplied. Following investigations, we have now assumed that there are no other agreements or documents in existence which would vary the terms and conditions of the data provided to us.
- (c) This Report is relevant as at the date of preparation, and to economic circumstances prevailing at this time.
- (d) We certify that this valuation, where applicable, complies with your standard instructions to Valuers and in accordance with the *Australian Property Institute – Australian & New Zealand Valuation and Property Standards* as published in the 2015 edition in addition to the API Code of ethics and Rules of Conduct as applicable.
- (e) Neither the whole nor any part of this Report or any reference thereto may be included in any document, circular or statement without our written approval of the form and context in which it will appear. Finally, and in accordance with our standard practice we must state that 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.
- (f) Neither the Valuer nor *McLean Gladstone Pty Ltd* has a pecuniary interest in the property which has been valued for first mortgage finance purposes / financial reporting purposes / acquisition purposes / disposal purposes/ insurance replacement or any other purpose.
- (g) The Valuer holds a Certified Practising Valuer accreditation with the Australian Property Institute and has a minimum of 5 years post qualification experience.
- (h) In accepting this valuation, Client acknowledges that *McLean Gladstone Pty Ltd* shall not be liable to Client for any loss or damage incurred by Client due to *McLean Gladstone Pty Ltd's* ordinary negligence, or circumstances beyond *McLean Gladstone Pty Ltd's* control. *McLean Gladstone Pty Ltd* shall indemnify Client for any direct loss or damage incurred by Client due to *McLean Gladstone Pty Ltd* gross negligence, or willful acts or omissions, provided, however, that (i) Client submits a report to *McLean Gladstone Pty Ltd* in writing via certified mail, within 10 days of the occurrence of a negligent or willful act or omission on the part of *McLean Gladstone Pty Ltd*, which report shall explain the circumstances in detail; and (ii) *McLean Gladstone Pty Ltd*, at its sole discretion, after investigation, notify Client that *McLean Gladstone Pty Ltd* agrees that the circumstances described in the written notice constitute a grossly negligent or willful act or omission on *McLean Gladstone Pty Ltd's* part. In the event *McLean Gladstone Pty Ltd* determines that the circumstances described in such notice do in fact constitute a grossly negligent or willful act or omission on *McLean Gladstone Pty Ltd's* part, *McLean Gladstone Pty Ltd*, in *McLean Gladstone Pty Ltd's* sole discretion, shall issue a credit to Client against future payments for damages incurred by Client as a result of any such negligent or willful act or omission and shall relieve Client of any further liability with respect thereto; provided, however, that in no event shall *McLean Gladstone Pty Ltd* be liable to Client for any amounts in excess of the fees paid by Client to *McLean Gladstone Pty Ltd* for the calendar month in which such grossly negligent or willful act or omission occurred.
- (i) For any valuation other than a retrospective valuation:  
"This valuation is subject to the following Market Movement Clause:  
This valuation is current as at the dated 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 or factors that the Value could not have reasonably become aware of as at the date of the Report). We do not accept liability for losses arising from such subsequent changes in value. No person or entity can rely upon this valuation after the expiration of 90 days from the date of the valuation (or such earlier date if such person or entity becomes aware of any factors that have any effect on the valuation). We do not assume any liability in circumstances where this valuation is relied upon after the expiration of 90 days from the date of the valuation (or such earlier date if such person or entity becomes aware of any factors that have any effect on the valuation)."
- For a retrospective valuation:  
"This valuation is subject to the following Market Movement Clause:  
The valuation is current as at the date of valuation only. We do not accept liability for losses arising from subsequent changes in value."
- (j) As stipulated under our Professional Indemnity policy this valuation may not be relied upon directly or indirectly for mortgage purposes:  
(i) for or on behalf of a Solicitor Lender or any person lending money through a Solicitor Lender; or  
(ii) for which responsibility is accepted to any Solicitor Lender or any person lending money through a Solicitor Lender.  
For avoidance of doubt, "Solicitor Lender" means any solicitor involved in arranging, controlling, managing, broking or otherwise inducing the lending of money on mortgage security (including but not limited to any solicitor controlled or managed mortgage fund) BUT shall not include any mortgage fund registered as a Managed Investment Scheme.
- (k) As stipulated under our Professional Indemnity policy this valuation may not be relied upon for any lending in connection with any managed investment scheme, as defined under section 9 of the Corporations Act 2001 (Cth) which;  
(i) has as its prime and substantial purpose the provision of tax benefits to investors; or  
(ii) is involved in any form of direct or indirect investment in primary production (including property used for primary production).
- (l) "This valuation is subject to the following Prudent Lending Clause.  
This valuation has been prepared on the assumption that the Lender (and no other person or entity):
- Referred to in this Valuation report; or
  - To whom this Valuation report has been specifically assigned in writing to us,
- may rely on this Valuation for mortgage finance or mortgage security purposes, provided always that such Lender has complied with its own prudential lending guidelines as well as prudent finance industry lending practices and has considered all prudent aspect of credit risk for any potential borrower including, but not limited to, the borrower's personal circumstances, past credit history, financial position and the ability to service and repay any loan.  
Further, this Valuation is only valid if the Lender providing the mortgage financing or holding mortgage security uses a prudent and conservative Loan to Valuation Ratio (LVR). No liability will be accepted if prudent lending practices fail to be strictly observed or if the Lender relies on this Valuation, and no other criteria (including prudent aspects of credit risk, the asset class, the location and the marketability of the property), to advance loan funds."

- (m) **Building & Construction**  
This Valuation inspection and Report does not constitute a structural survey and is not intended as such. We have carried out an inspection only of the exposed and readily accessible areas of the improvements. Note, the Valuer is not a building construction or structural expert and is therefore unable to certify the structural soundness of the improvements. Readers of this report should make their own enquiries. This Valuation has been based on the condition of the structural improvements and the property in general as at the inspection date, and if the property has to be sold in circumstances where its condition has deteriorated and/or essential fixtures/fittings removed there is likely to be a significant write down in the asset value when compared to the current assessment. Under these circumstances the Valuer will not be responsible for any reduction in value.
- (n) **Insurance Replacement Cost Estimate**  
The recipient of this report is advised that the undersigned is not a Quantity Surveyor and has relied on published building costing guides to arrive at an opinion of replacement cost for insurance purposes for the subject property improvements. Our estimate includes an allowance for the following:  
(a) demolition and removal of debris;  
(b) professional fees and preliminaries and contingency costs;  
(c) extra cost of reinstatement;  
(d) an inflation factor in respect to lead time for demolition and building approval, construction period and policy year. (It does not include loss in rental income or include contents for owners or tenant's furniture or personal effects). The amount estimated includes G.S.T.
- (o) **Improvements**  
This valuation assumes that all improvements have been constructed in accordance with the appropriate planning and building regulations in force at the time of construction, and that all appropriate approvals have been obtained from the relevant authorities. The valuation is made on the basis that there are no encroachments by or upon the property. If the instructing party has any concerns regarding encroachments, they should be referred to a Registered Surveyor for advice or current survey report.
- (p) **Land Dimensions/Area**  
Unless stated as otherwise in this report we advise that we have not searched or been provided with a copy of the current Title or Registered Plans and that any dimensions or land areas quoted in this report have been obtained from third party information sources and whilst every endeavour has been made to verify such information we accept no responsibility for inaccuracy of any information provided and relied upon.
- (q) **Environmental**  
The client acknowledges and recognizes that the Valuer is not expert in identifying environmental hazards and compliance requirements affecting properties. The Valuer has endeavoured to identify all matters of environmental concern and the effect they might have on the value of the property. However, the Valuer will not be held liable nor responsible for his/her failure to identify all such matters of environmental concern and the impact which any environmental related issue has on the property and its value including loss arising from site contamination; or the non-compliance with environmental laws; or costs associated with the clean-up of the property to which an environmental hazard has been recognized, including action by the Environmental Protection Agency to recover clean-up costs pursuant to the relevant Environmental Protection Act.
- (r) **Body Corporate Records**  
We advise that we have not concluded a search of the Body Corporate records and our valuation assumes there are no outstanding requisitions or legal liabilities. We recommend the recipient of this report conduct a search of the Body Corporate records prior to reliance on this report should they deem this necessary.
- (s) **Flooding**  
There was no hydrologist report available, so we are unable to state whether the property is subject to inundation or under what circumstances
- (t) **Pest Inspection**  
We have not sighted a current pest inspection report. As we are not experts in this field we cannot confirm the improvements are free from any pest infestation.
- (u) **Fire Rating**  
We have not sighted a Fire Rating report for this property.
- (v) **Intellectual Property**  
The Valuation Firm grants the Client a royalty free, non-exclusive, irrevocable licence to use, copy and reproduce the Valuation for the purposes of, or in connection with, the purpose for which the Valuation was provided.
- (w) **Valuation Protocol – Cladding on Buildings**  
Where the building/development appears to be clad, we are unable to identify from our visual inspection whether the cladding used, or method of attachment, is compliant/conforming or non-compliant/non-conforming.  
This valuation report has been prepared under the assumption that the building materials used, as well as the application and installation of those materials, comply with all approvals, relevant law, legislation, legal codes and or standards. Should this not be the case, we reserve the right to review our valuation.  
We are not experts in 'cladding' or methods of attachment and are not qualified to determine the existence of non-conforming or non-compliant cladding. We do not accept responsibility or liability for any losses whatsoever arising from the Valuer failing to identify non-conforming or non-compliant cladding.  
Prior to any reliance on the Valuation Report by any Lender/LMI, the Lender/LMI and any other party nominated in the Report as being entitled by the Valuer to rely upon the Report, those parties must make their own enquiries regarding the cladding used, including the application, installation, specification and utilisation of the cladding, and its compliance with all approvals, relevant law, legislation, legal codes and or standards.

- (x) COVID-19 Disclaimer  
"The outbreak of the Novel Coronavirus (COVID-19) was declared as a 'Global Pandemic' by the World Health Organisation on 11 March 2020. We have seen global financial markets and travel restrictions and recommendations being implemented by many countries, including Australia. The real estate market is being impacted by the uncertainty that the COVID-19 outbreak has caused. Market conditions are changing daily at present. As at the date of valuation we consider that there is a significant market uncertainty. This valuation is current at the date of valuation only. The value assessed herein may change significantly and unexpectedly over a relatively short period of time (including as a result of factors that the Valuer could not reasonably have been aware of as at the date of valuation). We do not accept responsibility or liability for any losses arising from such subsequent changes in value. Given the valuation uncertainty noted, we recommend that the user(s) of this report review this valuation periodically."  
The market commentary above does not yet reflect the impact of the coronavirus and the resultant containment restrictions placed on the community by the government (at state and federal levels). We can only speculate at this early stage – however, a negative impact is certain, with economists agreeing the country is heading into recession (or worse). This is despite the attempts by the government (at Federal and State levels) to minimise adverse effects with massive stimulus packages.
- (y) **"MARKET MOVEMENT (COVID-19) CLAUSE:**  
"The market that the property/asset is transacted and/or valued in is being impacted by the uncertainty that the COVID-19 pandemic has caused. Market conditions are changing daily at present. As at the date of this Valuation we consider that there is a market uncertainty resulting in significant valuation uncertainty.  
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 of time (including as a result of the impact of COVID-19 pandemic, general market movements, factors specified to the particular property or factors that the Valuer could not have reasonably become aware of as at the date of the Report). As such, any Lender should apply an abundance of caution and monitor and review the situation, utilising the Lender's own internal and external research and resources on a regular basis and as it evolves. We do not accept responsibility or liability for losses arising from such subsequent changes in value."  
Given the market uncertainty and resultant significant valuation uncertainty noted, we recommend that the Instructing Party/Client review this Valuation periodically. Should the subject property be able to be reinspected, it is the prerogative of the Instructing Party/Client to reinstruct the Valuer at a later date."
- (z) **Market Comment - December 2021**  
**Housing values continue to rise in November, but conditions are diversifying as stock levels rise and affordability pressures mount.**  
Australian housing values were 1.3% higher in November marking the 14th consecutive month of positive value growth. The November update takes national housing values 22.2% higher over the past 12 months, adding approximately \$126,700 to the median value of an Australian home.  
Although values are continuing to rise, the November result was the softest outcome since January when values rose 0.9%. Since a cyclical peak in the rate of growth in March, when housing values rose at 2.8%, there has been a notable trend towards milder price growth.  
Fixed mortgage rates are rising and higher listings numbers are taking some urgency away from buyers. Affordability has become a more substantial barrier to entry and credit is less available.  
The capital city trends are showing greater diversity, with Brisbane and Adelaide now recording the fastest pace of growth, while conditions across **Sydney** and **Melbourne** have slowed more sharply.  
**Brisbane** and **Adelaide** are the only capital cities yet to experience a slowdown, with the monthly rate of growth reaching a new cyclical high across both cities in November. Brisbane home values were up 2.9% in November (highest since Oct 2003) while Adelaide values were up 2.5% (highest since February 1993) 21.4% annually. In dollar terms that equates to a monthly rise of approximately \$18,500 and \$13,500 respectively based on median values.  
Different supply dynamics are also creating divergent trends across Australian capital cities. In the four-week period to November 28, total stock available for sale across Adelaide was -32.0% lower than the five-year average.  
Houses have continued to outperform units, with capital city values up 1.2% and 0.7% respectively over the month. However, the quarterly rate of growth is now the narrowest it has been since October last year, with 1.6 percentage points between the two broad housing types.  
Based on median values, **capital city houses are now 37.9% more expensive than capital city units** – the largest difference on record. In dollar value terms, a capital city house is averaging approximately \$240,500 more than a capital city unit.  
**Source – CoreLogic Hedonic Home Value Index.**

Issued By:

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