

RELEASED
10 DEC 2019
C101219/1703

17.2 Sale of Land Proposal (Report No: 176/18)

Motion – Exclusion of the Public – Section 90(3)(b) Order

CL220518/1168

1. That pursuant to Section 90(2) of the *Local Government Act 1999* Council hereby orders that the public be excluded from attendance at this meeting with the exception of the Chief Executive Officer and Staff in attendance at the meeting in order to consider Report No: 176/18 – Sale of Land Proposal in confidence.
2. That in accordance with Section 90(3) of the *Local Government Act 1999* Council is satisfied that it is necessary that the public be excluded to consider the information contained in Report No: 176/18 – Sale of Land Proposal on the following grounds:
 - b. pursuant to section 90(3)(b) of the Act, the information to be received, discussed or considered in relation to this Agenda Item is information the disclosure of which could reasonably be expected to confer a commercial advantage on a person with whom the Council is conducting business, or to prejudice the commercial position of the Council.

In addition, the disclosure of this information would, on balance, be contrary to the public interest. The public interest in public access to the meeting has been balanced against the public interest in the continued non-disclosure of the information. The benefit to the public at large resulting from withholding the information outweighs the benefit to it of disclosure of the information.

Moved Councillor Bradshaw, Seconded Councillor Aust

Carried

Sale of Land Proposal (Report No: 176/18)

Catholic Education South Australia (CESA) presented to the Council in a workshop on 13 February 2018 on their proposed Hove education development including the potential for Council to sell land to CESA adjacent to their site. Since that time the CEO and Senior Officers have had a number of meetings on various issues, so that a formal proposal could be developed and be put to Council for direction.

Council has now received a proposal from CESA regarding the potential purchase of part of the Holdfast Bay Community Centre (HBCC) land to support CESA's conversion of the Marymount College site to a Reception to Year 6 primary school with a co-located Early Learning Centre.

The CESA proposal is to purchase 2,245 square metres (43%) of the 5,225 square metre total HBCC site for \$2.1m and CESA to transfer 300 square metres of land that abuts the eastern side of the HBCC land (break out zone) into Council ownership.

To provide a response back to CESA, Council is requested to advise the CEO whether they support the proposal in principle and if so, authorise the CEO to negotiate the specific details of the proposal with CESA.

Motion

CL220518/1169


1.

That the report be received.

2.

That based on information in the attached report 176/18, Council supports the CESA proposal in principle and authorises the Chief Executive Officer to negotiate with CESA on the specific details of the proposal with the following conditions:

- (a) That Council would like the input of the Holdfast Bay Community Centre stakeholders
- (b) That further investigation be made in relation to the valuation/price point.



- (c) That the CESA be advised that to proceed, Council wishes previous reports to be made public with the removal of any sensitive information to facilitate an open discussion with the public.
- (d) That administration work up a potential design/costing for a community centre.

Moved Councillor Charlick, Seconded Councillor Aust

Short Term Suspension of the *Local Government (Procedures at Meetings) Regulations 2013*

The Acting Mayor with the approval of two-thirds of the members present suspended the meeting procedures pursuant to Regulation 20(1) of the *Local Government (Procedures at Meetings) Regulations 2013* for a period of 15 minutes to facilitate informal discussion in relation to the Sale of Land Proposal (Report No: 176/18) and will resume at the end of this time.

The meeting procedures were suspended at 7.54 pm.
The meeting resumed at 8.09pm.

Short Term Suspension of the *Local Government (Procedures at Meetings) Regulations 2013*

The Acting Mayor with the approval of two-thirds of the members present suspended the meeting procedures pursuant to Regulation 20(1) of the *Local Government (Procedures at Meetings) Regulations 2013* for a period of 15 minutes to facilitate informal discussion in relation to the Sale of Land Proposal (Report No: 176/18) and will resume at the end of this time.

The meeting procedures were suspended at 8.09 pm.

Councillor Charlick left the chamber at 8.19pm.
Cr Charlick rejoined the chamber at 8.21pm

The meeting resumed at 8.24 pm.

Amendment

2. that based on information in the attached report 176/18, that Council supports the CESA proposal in principle and authorise the Chief Executive Officer to negotiate with CESA on the specific details of the proposal with the following conditions:
 - (a) That council would like the input of the Holdfast Bay Community Centre stakeholders.
 - (b) That further investigation be made in relation to the valuation/price put.
 - (c) That the CESA be advised that to proceed, Council wishes previous reports to be made public with the removal of any sensitive information to facilitate an open discussion with the public.

Moved Councillor Donaldson, Seconded Councillor Smedley

The amendment on being put was

Lost

The motion

Carried

Division called:

A division was called:

Those voting for: Councillors Aust, Bouchée, Bradshaw, Charlick, Clancy, Donaldson, Patton, Smedley, Snewin, and Yates (10)

Those voting against: (0).

Her Worship the Acting Mayor declared the motion

Carried

RETAIN IN CONFIDENCE - Section 91(7) Order

CL220518/1170

That having considered Agenda Item 17.2 Report No: 176/18 Sale of Land Proposal in confidence under section 90(2) and (3)(b) of the *Local Government Act 1999*, the Council, pursuant to section 91(7) of that Act orders that the report and attachment and be retained in confidence for a period of 12 months and that this order be reviewed every 12 months.

Moved Councillor Clancy, Seconded Councillor Snewin

Carried

CONFIRMED

Tuesday 12 June 2018

ACTING MAYOR

CONFIDENTIAL

RELEASED

10 DEC 2019

C101219/1703

City of Holdfast Bay

Council Report No: 176/18

ITEM NUMBER: 17.2

CONFIDENTIAL REPORT

SALE OF LAND PROPOSAL

Pursuant to Section 83(5) of the Local Government Act 1999 the Report attached to this agenda and the accompanying documentation is delivered to the Council Members upon the basis that the Council consider the Report and the documents in confidence under Part 3 of the Act, specifically on the basis that Council will receive, discuss or consider:

- b. Information the disclosure of which could reasonably be expected to confer a commercial advantage on a person with whom the council is conducting, or proposing to conduct, business, or to prejudice the commercial position of the council; and would, on balance, be contrary to the public interest.

Recommendation – Exclusion of the Public – Section 90(3)(b) Order

- 1** That pursuant to Section 90(2) of the *Local Government Act 1999* Council hereby orders that the public be excluded from attendance at this meeting with the exception of the Chief Executive Officer and Staff in attendance at the meeting in order to consider Report No: 176/18 – Sale of Land Proposal in confidence.
- 2.** That in accordance with Section 90(3) of the *Local Government Act 1999* Council is satisfied that it is necessary that the public be excluded to consider the information contained in Report No: 176/18 – Sale of Land Proposal on the following grounds:
 - b.** pursuant to section 90(3)(b) of the Act, the information to be received, discussed or considered in relation to this Agenda Item is information the disclosure of which could reasonably be expected to confer a commercial advantage on a person with whom the Council is conducting business, or to prejudice the commercial position of the Council

In addition, the disclosure of this information would, on balance, be contrary to the public interest. The public interest in public access to the meeting has been balanced against the public interest in the continued non-disclosure of the information. The benefit to the public at large resulting from withholding the information outweighs the benefit to it of disclosure of the information.

Item No: 17.2

Subject: SALE OF LAND PROPOSAL

Date: 22 May 2018

Written By: General Manager Business Services

General Manager: Business Services, Mr R Bria

SUMMARY

Catholic Education South Australia (CESA) presented to the Council in a workshop on 13 February 2018 on their proposed Hove education development including the potential for Council to sell land to CESA adjacent to their site. Since that time the CEO and Senior Officers have had a number of meetings on various issues, so that a formal proposal could be developed and be put to Council for direction.

Council has now received a proposal from CESA regarding the potential purchase of part of the Holdfast Bay Community Centre (HBCC) land to support CESA's conversion of the Marymount College site to a Reception to Year 6 primary school with a co-located Early Learning Centre.

The CESA proposal is to purchase 2,245 square metres (43%) of the 5,225 square metre total HBCC site for \$2.1m and CESA to transfer 300 square metres of land that abuts the eastern side of the HBCC land (break out zone) into Council ownership.

To provide a response back to CESA, Council is requested to advise the CEO whether they support the proposal in principle and if so, authorise the CEO to negotiate the specific details of the proposal with CESA.

RECOMMENDATION

1. The report be received
 2. That Council advise the Chief Executive Officer whether they support the CESA proposal in principle and if so, authorise the Chief Executive Officer to negotiate with CESA on the specific details of the proposal.
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COMMUNITY PLAN

Community: Building a healthy, active and resilient community
Community: Celebrating culture and diversity

Community: Providing welcoming and accessible facilities
Community: Fostering an engaged and contributing community
Economy: Supporting and growing local business
Environment: Using resource efficiently
Culture: Being financially accountable

COUNCIL POLICY

Not Applicable.

STATUTORY PROVISIONS

Not Applicable.

BACKGROUND

Council owns 5225 square metres of land on the corner of King George Avenue and King Street, Hove, which is known as the Holdfast Community Centre. This parcel of land is not designated as community land under the Local Government Act.

The Holdfast Community Centre is an aging asset which requires intervention in the near future. To assist in Council determining what to do on the HBCC site, the 2018/19 draft budget includes an allocation to develop a Master Plan for the site.

Catholic Education South Australia (CESA) presented to the Council in a workshop on 13 February 2018 on their proposed Hove education development including the potential for Council to sell land to CESA adjacent to their site. Since that time the CEO and Senior Officers have had a number of meetings on various issues, so that a formal proposal could be developed and be put to Council for direction.

REPORT

Council has now received a written proposal from CESA regarding the potential purchase of part of the Holdfast Bay Community Centre (HBCC) land to support CESA's conversion of the Marymount College site to a Reception to Year 6 primary school with a co-located Early Learning Centre. The CESA proposal includes details of the proposal, Land Value and purchase price, benefits to Council, Design Implications and Risks.

In summary the CESA proposal is to purchase 2,245 square metres (43%) of the 5,225 square metre total HBCC site for \$2.1m and CESA to transfer 300 square metres of land that abuts the eastern side of the HBCC land known as the "break out zone" to Council ownership.

Refer Attachment 1

Land Valuation

There have been two valuations on the site, one commissioned by us (Sam Christodoulou) and one by CESA (M3 Property) and they are attached.

Refer Attachments 2 and 3

A summary of the valuations has been undertaken and is attached which shows, Sam Christodoulou valued the site at \$960 per square metre whilst M3 Property valued the site at \$892 per square metre. These valuations have been referred to in CESA's proposal. CESA has used an average of the two valuations at \$926 per square metre and then provided a 17% premium to calculate their proposal value of \$1,080 per square metre. Based on our valuation that CESA have provided a 12.5% premium.

Refer Attachment 4

Besides the benefits listed in the CESA proposal, the proposal has merit and is worth considering further as it provides an offer which is 12.5% above our independent valuation and transfers 300 square metres of land (break out zone) that uniforms our remaining land holding. The net cash injection of \$2.1million would also assist Council in funding a redevelopment of the ageing community centre facilities.

To provide a response back to CESA, Council are requested to advice the CEO whether they support the proposal in principle and if so, authorise the CEO to negotiate the specific details of the proposal with CESA.

BUDGET

There is no allocation in the budget for the sale of this property. Therefore the sale proceeds would improve the operating budget position. However these funds could be used to redevelop the HBCC site if so resolved.

LIFE CYCLE COSTS

Nil at this stage.

Attachment 1

Mr Justin Lynch
Chief Executive Officer
City of Holdfast Bay
Brighton Civic Centre
PO Box 19
BRIGHTON SA 5048

Adelaide Catholic Education Centre
116 George Street, Thebarton SA 5031
PO Box 179, Torrensville Plaza SA 5031
T +61 8 8301 6600 F +61 8 8301 6611
E director@cesa.catholic.edu.au
W www.cesa.catholic.edu.au

Dear Justin

RE RENEWAL OF EDUCATION AND COMMUNITY FACILITIES AT HOVE

Proposed arrangement between

City of Holdfast Bay and Catholic Education South Australia

Further to our discussions regarding the potential purchase of land by Catholic Education South Australia from Holdfast Bay council, I provide the following proposal for consideration by your elected members. I believe the proposal addresses all of the key issues we have discussed to date, but please let me know if you require anything further at this stage.

Proposal

Pending approval by the SA Commission for Catholic Schools, it is proposed that the Holdfast Bay Council approves:

1. The transfer of approximately 300 square metres of land owned by Catholic Education South Australia (CESA) and identified in Attachment 1 to the Holdfast Bay Council in exchange for 300 square metres of land currently owned by Holdfast Bay Council at the northern end of the property currently occupied by the Holdfast Bay Community Centre;
2. The purchase by CESA of 1 945 square metres of Community Centre land from Council for a price of \$2.1million; and
3. An undertaking by both parties (CESA and Holdfast Bay Council) to work together in the design of new facilities and programs for the Holdfast Bay Community Centre, to optimise outcomes for the community, council and McAuley Community School.

Background

The South Australian Commission for Catholic Schools (SACCS) is responsible for governance of Catholic schools in the Archdiocese of Adelaide and the Diocese of Port Pirie. The Marymount College site on King George Avenue at Hove and all developments relating to that site are under the jurisdiction of SACCS.

In November 2016, SACCS released its *New Vision for Catholic Schools in the South West*. The vision entails several actions aimed at strengthening the already strong network of Catholic schools throughout South West Adelaide. In regard to the Brighton/Hove area, the Vision includes:

1. Transfer of students from Marymount College, Hove to Sacred Heart Middle School campus at Mitchell Park from the end of 2018;
2. Conversion of the Marymount site to a Reception to Year 6 primary school with co-located Early Learning Centre, with both to open in 2020; and
3. Closure of St Teresa's School, Brighton at the end of 2019.

In February 2017, staff of Catholic Education South Australia (CESA) met with council officers to outline the SACCS vision and discuss the existing shared use agreement for Mawson Oval, which is owned by the City of Holdfast Bay and used by Marymount College during school times. In March 2017, there was a further meeting to discuss planning issues relevant to the proposed school redevelopment.

On behalf of SACCS and the Catholic Church Endowment Society (CCES), which owns the school property at Hove, CESA then prepared a master plan for redevelopment of the Hove site. The redevelopment proposal has been approved by SACCS and the Catholic Archbishop of Adelaide. Consequently, CESA is committed to investing \$22million to redevelop the Hove site, with site works planned to commence in September 2018 and the new school and ELC to open at the start of 2020.

Early in the master planning process, CESA was approached by representatives of the Holdfast Bay Community Centre to discuss CESA's plans for the school development and the Centre's plans for its own future. CESA briefed the council CEO regarding the approach and met with representatives of the community centre. The discussion identified a range of ideas and opportunities for cooperation between the parties with a view to the school benefiting from existing and potentially expanded community centre programs, and the community centre benefiting from increased exposure to young children and parents coming onto the school site.

The Community Centre identified the poor condition of its existing facilities as a challenge to its operations and CESA identified that the community centre also impacts perceptions of the school. It was realised that if the community centre facilities could be replaced with contemporary, integrated facilities, a large portion of its land would be surplus to requirements and could potentially enable an expansion of the school's footprint. From CESA's perspective, this offers benefits through increased space, opportunities to manage traffic in different ways and improvement of the school's presentation to King George Avenue. From the community centre and council's perspective, it was thought that collaboration with CESA could involve a land sale that would assist council to fund the much-needed redevelopment of the community centre facilities and also create a broader, richer community service offering at Hove than it could if working in isolation from CESA.

CESA met with the Chief Executive and senior council staff to discuss a potential cooperative arrangement that would enable these opportunities to be realised. Council staff stated that they do need to upgrade the community centre facilities but had not settled on a strategy for doing so. At a workshop on 13 February 2018, CESA briefed elected council members on the proposed Hove development including the potential for council to sell land to CESA.

Since then, options have been discussed further between senior staff of council and CESA and both parties have obtained valuations for the property currently occupied by the Community Centre. Council has clarified that the community centre property is not on the community land register.

The vision for the new school at Hove makes explicit that it will be a *school of the community, in the community and for the community*. CESA is keen to develop broad and deep relationships throughout the community and discussions with the operator of the Holdfast Bay Community Centre, whilst preliminary at this stage, have indicated substantial potential for both organisations and the local community to benefit from the two facilities being designed to support a cooperative long term relationship.

In April 2018, the Chair of SACCS announced that the name of the new primary school will be McAuley Community School.

Land value and purchase price

The total parcel of Community Centre land is approximately 5 225 square metres. The school site includes an approximate 300 square metre finger of land that abuts the eastern side of the community centre land, which has been used almost exclusively by the community centre for many years.

It was initially proposed that CESA purchase approximately 2 465 square metres of community centre land from council and that council purchase the 300 square metre allotment from CESA.

Two valuations have been obtained for the land. CESA engaged valuers M3 Property Strategists, who valued the relevant portion of land at \$892 per square metre. Council engaged valuer Sam Christodoulou, who valued the land at \$960 per square metre.

The average of the two valuations is \$926 per square metre.

CESA believes both valuations are on the high side, because they do not take into account the following:

1. Mains water is supplied to the land from Colton Street via CESA-owned property and the nearest mains supply stops south of the property on King George Avenue. Subdivision and sale to a third party would involve a costly mains extension along King George Avenue which would impact sale price.
2. Sewer services are also provided from Colton Street via CESA-owned property and the nearest service is on King Street, well to the south. Extension of the sewer main to provide service to the northern end of the land in question would involve high cost to either a developer or private buyer and again impact sale price.
3. The easements associated with any alternate supply routes for water and sewer will impact the flexibility of how the land can be used and hence also the value.
4. The 'temporary' buildings on the allotment hold no value to any likely purchaser and are not fit to be relocated. Further, they contain asbestos which will be costly to remove.
5. The presence of three regulated trees on the land may impact how the land can be used and therefore how much a third party buyer is willing to pay.

Further, CESA believes a lower price is warranted because:

- CESA has initiated the proposal, funded and resourced preliminary investigations and concept design and provided all materials to council free of charge;
- A sale to other parties would involve council in substantial staff costs and outgoings to subdivide, list, market and sell the property to an alternate buyer;
- The proposal enables council to realise savings in construction costs by reducing the scope and cost of the design because of improved access to school facilities into the future;
- CESA would commit to promoting the community centre café to the school community rather than building its own café, as it would need to do if it cannot purchase the land and guarantee proximity between the two. Based on experience at other schools, the financial benefit to the community centre and to council will be substantial and ongoing.

- The cooperative arrangement provides substantial opportunity for the community centre to increase its reach in the community and to benefit financially from that increased reach, again with ongoing financial benefit to the council and improved services for the community.
- CESA is a not for profit organisation taking substantial risk by investing \$22million into the project. CESA is also investing \$12million into upgrades at St Mary's Memorial School at Glenelg, Stella Maris School at Seacombe Gardens and Christ the King School at Warradale in 2018. The financial commitments in this area are testing the limits of Catholic Education's resources, using \$7million of Commonwealth capital grants funds in 2019 and involving approximately \$20million of new loans. To provide context, CESA receives \$5.5million in capital funding grants per annum to allocate between its 103 schools.
- Catholic Education is a good citizen of Holdfast Bay. McAuley Community School will deliver vastly improved educational opportunities for children in the Holdfast Bay council area and will contribute positively to the local community as well as being an attractant to residents.

Notwithstanding the above, council staff have advised that elected members are unlikely to approve a sale price that is less than an independent valuation and may require a premium above.

CESA does not expect nor seek any favours from council in the proposed land sale. McAuley Community School will be a genuine community school that contributes positively to the community, and CESA is approaching the entire development with a view on how the school can best add value to the community. Whilst the project is stretching CESA resource limits, it is committed to paying a fair price to demonstrate its commitment to the community and to ensure there is no inference of favouritism in the transaction.

On that basis, CESA's proposal is based on a price of \$1 080 per square metre, which is a premium of 17% above the average of the two valuations obtained.

Given the relatively high square metre rate, CESA has reduced the area of land it proposes to acquire from 2 465 square metres to 2 245 square metres in order to make the cost affordable.

Benefits to council

From the school redevelopment

1. A major project of \$22million that will provide business and economic activity in the area during construction.
2. The provision of a distinctive new, innovative early learning centre and primary school with a focus on community building – a new offering in the Holdfast Bay council area which will benefit existing ratepayers and attract new residents to the area and add to property values.
3. Cost savings, generated on account of the fact that CESA has initiated discussions, prepared concept drawings and cost estimates for the new community centre facilities and car parking, and provided those details to council at no cost. It has proposed a solution to a long standing problem for council and is willing to work collaboratively to optimise the outcomes for both parties and in particular the local community.
4. Greater exposure for programs offered by the community centre and which could be offered in the future – for example Occupational Therapy, speech pathology, immunisation programs, fitness programs, café, play group, socialisation programs, intergenerational activities, shared storage and use of camping gear, kayaks, etc.

5. Potential to reduce the scope and build cost of the community centre renewal by negotiating for CESA's ELC to deliver programs for young children currently delivered through the community centre.
6. Potential to reduce the scope and build cost of the community centre renewal by making more use of the school's Polding Centre and Performing Arts Centre after school and in school holidays.
7. Opportunity to incorporate the Under 50s Club into the new community centre and sell the Brighton Road site (subject to clarification of ownership of that site).
8. Opportunity to reduce the scope and build cost of the Brighton Sports Complex by reducing the 'community' spaces provided in the design of those buildings and instead utilising what will be genuinely integrated, flexible spaces at Hove.

From the land sale arrangement

1. A net cash injection of \$2.1million, which will assist substantially in funding a redevelopment of the dilapidated community centre facilities.
2. The existing dilapidated and disconnected buildings of the community centre can now be replaced with new, integrated, flexible facilities, providing a vast improvement in service to local ratepayers and how the City of Holdfast Bay presents itself to its community.
3. Retention of the 'community' use of the land by being incorporated into the school site and enables the community to utilise the entire parcel more productively.
4. The development of a close working relationship with CESA, McAuley Community School and the new Catholic ELC. Cooperation in the sale of land will continue the current positive relationship and set the tone for the parties to collaborate in the design of the school and new community centre facilities. Designing facilities in knowledge there will be a close physical and operational connection ongoing will create vastly better outcomes through optimal orientation and design of each facility. If the land is instead sold to a third party, or if there is uncertainty about whether or who the land might be sold to, CESA would have to design the school assuming the land is not available and that the two entities may be physically separated. School facilities would be designed to avoid reliance on the community centre. For example, the school would need to incorporate a café into the existing school canteen for parent use rather than relying on the community centre café. This will reduce the number of visitors, café patrons and exposure for the community centre compared to what can be achieved if the land is sold to CESA.
5. Spaces that would ideally be shared between the school, ELC and community centre (for example play space located between the ELC and community centre café) could be provided for and delivered, but only if the school has the land and can design to provide these spaces.
6. Improved operational relationship to leverage programs such as those identified at point 4 under 'From the school redevelopment' above.
7. The proposed 'swap' of 300 square metres will provide the community centre with a deeper parcel of land that will enable more flexible design and facilities that connect more effectively between indoors and outdoor spaces for the benefit of activities such as men's shed, children's and outdoor education programs and potentially other services that could benefit from increased flow to outdoor spaces. The 300 square metre parcel includes two sheds that are well suited to some of the community centre's existing programs. The value of these sheds is not recognised in either of the valuations received.

CESA has also conveyed to council staff that if council agrees to sell the land to CESA and proceed with building the new community centre facilities in 2019, CESA may be able to assist by providing space in the school's large multipurpose buildings and by drawing on its fleet of transportable classrooms while construction is in progress. This could potentially enable council to maintain community centre operations at Hove throughout the construction process rather than having to close the centre for twelve months or relocate. This offers obvious benefits to the community and could save council up to \$300 000, subject to how many transportable rooms are needed and available at the time.

Design implications

Given the tight timeframes and uncertainty around the purchase of the land, CESA is proceeding with a design that incorporates an ELC into the school's administration building rather than as a standalone entity as remains the longer term vision as presented to elected members in the workshop on 13 February 2018.

The school administration building is being designed to enable the ELC area to be reconfigured for school use at a later date. The plan is that as school enrolments increase and the buildings approach capacity, the ELC will move out and the school will expand into the space vacated by the ELC in the administration building. A new building will be constructed for the ELC on the land currently under negotiation, ie located between the school and the new community centre facilities and designed so as to optimise the relationship between the three entities. This would realise the vision presented to elected members on 13 February and is anticipated to occur by approximately 2025.

If the sale to CESA is approved, the land would in the first instance be developed to support people and vehicle movements and as garden and recreation space accessible by the community, and designed to enable smooth interaction between the ELC, school and community centre pending construction of the standalone ELC.

As a contingency, the school buildings are being designed to enable future expansion without relying on the ELC moving out. If the land purchase does not proceed, the ELC will remain in the administration building and any school expansion will be within the existing school site. A café will be incorporated into the existing school canteen to provide a convenient place for parents to gather and socialise. A fitness centre may also be incorporated into the school's performing arts building adjacent the café.

From a financial perspective, experience in other schools demonstrates that it would be more lucrative for CESA to own and operate the café and fitness centre activities in house. In order to achieve the best possible community services precinct, however, it makes sense to allow the community centre to run those services and leverage the school's visitor numbers and active support.

CESA is willing to support that approach if the overall precinct is designed so as to make the school comfortable to commend the community centre facilities and programs to its families, and if those facilities are easy to access and of a suitable quality. CESA requires the land to ensure ongoing convenience of access and to provide for the ELC relocation detailed above.

Ideally, the land purchase will proceed and all of the facilities can be designed and built to optimise relationships, movement and the leveraging of programs between school, ELC and community centre for mutual benefit of all three entities, as well as for council and the broader community.

Risks

Timing is important. CESA's design effort is currently on the three main buildings that will be constructed in 2019 and the outdoor spaces including car parks and student pick up and drop off zones. The design solutions will be materially impacted by the availability or otherwise of the land that is the subject of this proposal, and a decision on the sale is therefore important for the design of those spaces and for planning approvals.

The café design is currently on hold, pending the outcome of this land sale proposal. It will need to be reactivated by about September 2018 if the purchase does not proceed or remains unclear at that time.

There is a very small risk that CESA and council could reach agreement on the terms of a sale and then find that SACCS does not approve it. This risk is minimal, given that SACCS has been fully briefed on the negotiations taking place and its Finance and Infrastructure Subcommittee has endorsed the proposal to purchase (subject to price). We are seeking approval of SACCS to purchase the land and the proposal is on the SACCS meeting agenda for 22 May 2018.

Conclusions

Council's facilities at the Holdfast Bay Community Centre, Hove are dilapidated and in need of urgent redevelopment.

CESA has briefed council on its vision for an exciting new community precinct at Hove, which would be realised through collaboration between council and CESA.

Redevelopment of the school site at Hove will deliver substantial benefits to ratepayers in the Holdfast Bay council area and raise the profile of the council in the western suburbs.

The proposed land sale and collaboration with CESA in the planning and design of facilities and programs will enable council to leverage off the school development and substantially improve the quality, breadth and reach of programs and services for the community.

CESA intends to be a net contributor to the local community and does not expect an unfair advantage from council.

CESA wishes to purchase land from council and will pay a fair price informed by independent market valuations. Two valuations have been obtained and whilst CESA believes both to be unreasonably high, it nonetheless proposes to pay a premium of 17% above the average of the two valuations received to avoid any inferences of preferential treatment.

The proposed sale to CESA would realise \$2.1million for council and would substantially reduce its net cost of redeveloping the site.

A decision not to sell the land to CESA, or to defer a decision until after the school design is settled, would potentially compromise outcomes for the school, the community centre, Holdfast Bay Council and ratepayers.

If the land sale is approved in time to enable new community centre facilities to be constructed in 2019, CESA is willing to investigate opportunities to provide space and accommodation to minimise disruption to community centre operations while the build is under way, with a potential saving to council of \$200 000 and \$300 000.

Proposal

Pending approval by the SA Commission for Catholic Schools, it is proposed that the Holdfast Bay Council approves:

1. The transfer of approximately 300 square metres of land owned by Catholic Education South Australia (CESA) and identified in Attachment 1 to the Holdfast Bay Council in exchange for 300 square metres of land currently owned by Holdfast Bay Council at the northern end of the property currently occupied by the Holdfast Bay Community Centre;
2. The purchase by CESA of 1 945 square metres of Community Centre land from Council for a price of \$2.1million; and
3. An undertaking by both parties (CESA and Holdfast Bay Council) to work together in the design of new facilities and programs for the Holdfast Bay Community Centre, to optimise outcomes for the community, council and McAuley Community School

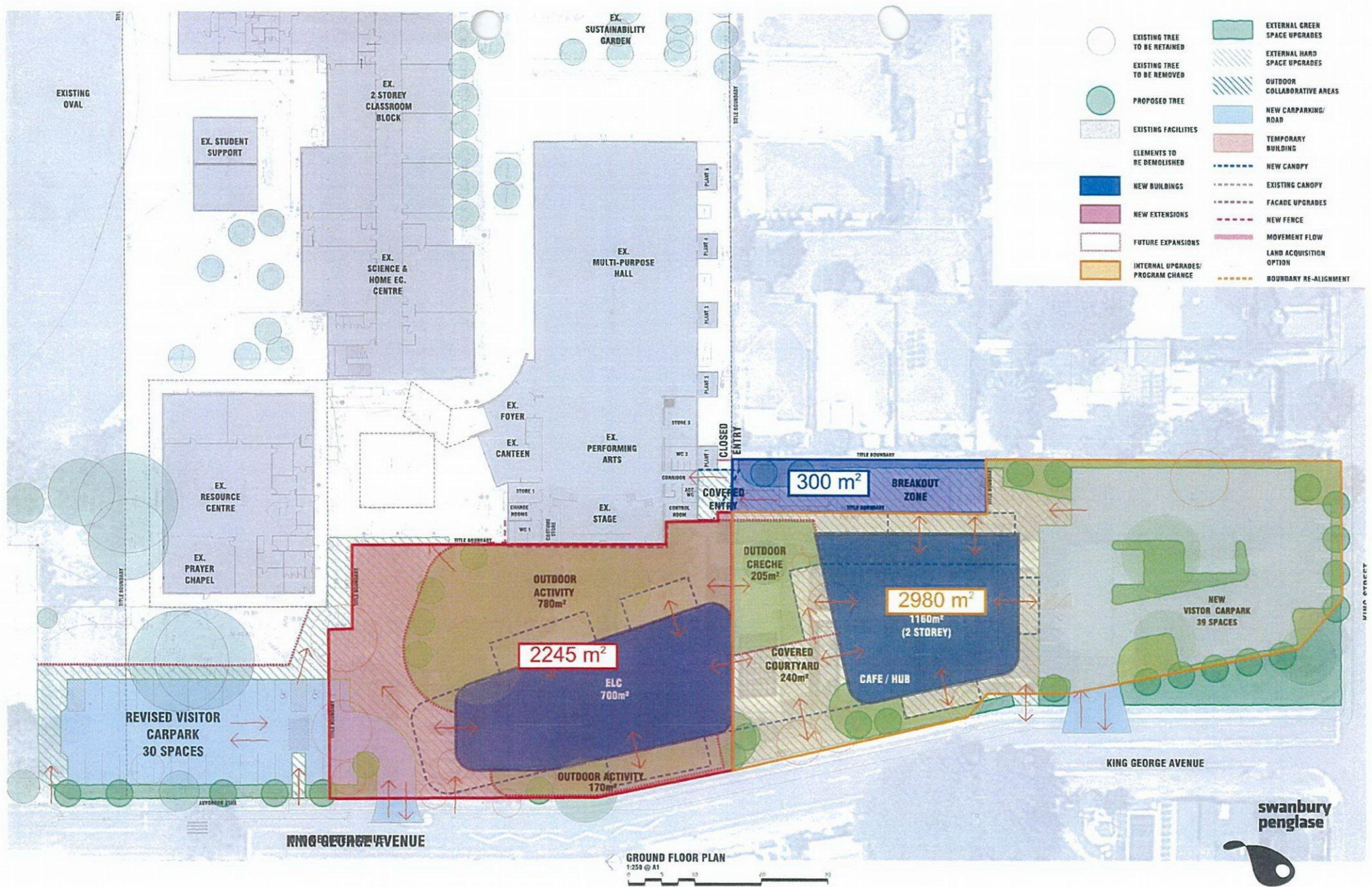
Yours sincerely



Peter Bleckly
Senior Adviser, Planning and Development
Catholic Education South Australia

15 May 2018

enc site plan showing proposed land divisions



GROUND FLOOR CONCEPT PLAN
PROPOSED HOVE COMMUNITY CENTRE

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24.04.2018
17287 SK23D

Attachment 2

Our Ref: SC/KE/4061

SAM CHRISTODOULOU F.A.P.I.
Grad. Dip. Town Planning

ABN 45 362 691 173

28th March, 2018

PROPERTY VALUER
REAL ESTATE CONSULTANT

PRIVATE AND CONFIDENTIAL

222 STURT STREET
ADELAIDE SA 5000

General Manager
City Assets and Services
City of Holdfast Bay
Brighton Civic Centre
24 Jetty Road
BRIGHTON SA 5048

PO BOX 84.
GOODWOOD SA 5034

TELEPHONE: 0417 839 245
FAX: (08) 8231 5480
EMAIL: samchris@esc.net.au

Attention: Mr Steve Hodge

Dear Sir,

RE: OPINION OF VALUE:

PROPERTY: HOLDFAST BAY COMMUNITY CENTRE
CORNER KING GEORGE AVENUE AND KING STREET, HOVE 5048

Following on your instructions, I inspected the above property on the 10th March 2018 in order to determine the current market value thereof and I report as follows:

PARTICULARS OF TITLE:

The whole of the land is comprised and described in Certificate of Title Register Book Volume 5933 Folio 501 being Allotment 108 in Deposited Plan 53192 in the area named Hove, Hundred of Noarlunga.

Subject to free and unrestricted rights of way over land Marked 'F' and subject to service easements over land marked 'D'

Together with free and unrestricted right of way over land Marked 'A' and 'J'

(See attached copy of Certificate of Title)

LAND DIMENSIONS:

The subject land comprises an elongated parcel of land of slightly irregular shape, but is effectively with a frontage to the east side of King George Avenue, of

some 153 metres in an irregular line; has a depth varying from 35 metres at northern end to some 24 metres at its southern end at King Street; the land having two street frontages; containing a total land area calculated by the Lands Title Office of some 5,229 square metres; land being essentially of level contour. (See diagram of Certificate of Title attached).

ZONING:

Under the City of Holdfast Bay Development Plan the land transverses or 'straddles' two separate zones; albeit entirely 'Residential', the majority of the land holding calculated to containing some 3,270 square metres at the northern is in the Policy Area, 'Institutional', and from the corner of King Street, and extending 53 metres from King Street, containing some 1,960 square metres, the land is in the Policy Area Streetscape Character.

The Policy Area 'Institutional' anticipates developments such as educational, community or institutional uses; dwellings, residential flat buildings and housing for aged persons. The land division provisions anticipate a variety of allotment sizes suitable for different types and sizes of dwellings, with expectation of medium density housing forms. Row or group dwellings require a minimum land area of 200 square metres and frontage of 5 metres per dwelling; semi-detached dwellings 250 square metres and 5 metre frontages; and detached dwellings 300 square metres and 5 metre frontages.

The area of the subject land included within Policy Area 'Institutional' should be able to accommodate a minimum of 10 detached dwellings arranged with safe ingress and egress off King George Avenue, with minimal crossovers to King George Avenue.

The balance of the land at the corner of King George Avenue and King Street is included in the Policy Area 'Residential Character'.

This Policy Area 13 anticipates predominantly detached dwellings on medium to large size allotments, avoiding group and row dwellings.

The minimum site area for detached and semi-detached dwellings is 600 square metres with a minimum frontage of 14 metres. Therefore on the subject land area included in this policy area, a division of a maximum of three residential allotments is anticipated.

LOCATION:

The subject land is located some 12 kilometres southwest of the Adelaide GPO, and is within the 500 metres of Hove/Brighton beach; Hove being a seaside-coastal suburb; established over the past 100 years, generally being an in-demand residential neighbourhood, in which because of demographic changes, house-age, economy and planning rules, considerable housing re-development is occurring.

The subject land is presently in community land use form; and adjoins a significant educational facility.

Opposite is the Townsend House redevelopment of its greater grounds, now accommodating what appears to be a form of retirement village, i.e. 'institutional housing' at medium density.

The majority of housing otherwise in the area is of low density development i.e. a single dwelling per allotment of greater than 600 square metres.

King George Avenue is a relatively busy connector street; and King Street is a relatively standard residential street; each being fully modernised with modern infrastructure.

The general amenity of the area is sound and enjoys beachside environment. In close proximity are retail and community services, public transport and schools.

Land and property values in the subject locality are increasing and are presently relatively high due to the high standard of residential amenity, proximity to the beach, which presents residential desirability; and being with proximity to schools, local retail and community services.

IMPROVEMENTS:

Erected on the land, from what appears from the 1950s through to the 1980s, are former timber frame school room pavilions and separately a general small community hall.

Though the buildings are extensive, well maintained and provide good community use, relative to the current zone and potential redevelopment the land economically is under-utilised. This remark is purely based on property valuation determinants which seek to establish the highest and best permitted and economic use of land.

On this basis the improvements whilst remaining with utility have little added economic value to the land if any. Therefore I have discarded any value of the current building improvements in assessing the potential underlying land value of the subject property.

POTENTIAL LAND
DEVELOPMENT:

As fore mentioned the subject land straddles two zones. This may mean either the land is available for development as on the one part 'Institutional' residential development, (being over land area of some 3,270 square metres at the northern end) and Residential Character at the southern end being at the corner of King George Avenue and King Street, (having an area of some 1,960 square metres) in the second part; or there may be a case for extending the dominant desired use because of the manner of the single land title extending into the different zonal policy area.

I have adopted for this assessment the two separate policy areas being strictly adhered to.

There are in the assessment of the highest and best use considerations, greater consideration of design of potential residential - Institutional development more so than for the Residential Character policy area.

Factors in consideration of institutional residential dwelling development includes the affect of some of the abovementioned rights of way and easements, and allowable cross-overs to King George Avenue; which lead to methods of access, an internal roads or driveway designs; choice of individual detached and semi-detached dwellings, and the emphasis of builders and developers may place on the land per se, or house-land packages; as well as the use of land division by way of community lots. I have adopted the individual land division value factor only in this instance.

In so doing I have observed the Townsend House site redevelopment and the value the land sale there appears to have brought, the pricing of individual dwellings on that site; and the variety of sales of land for redevelopment in the Residential Character Zone.

I have concluded that on the subject land zoned Residential Character, three allotments may be created each having a retail value in the range of \$700,000 to \$750,000 per allotment and on the policy area zoned 'Institutional' I have assessed that ten separate allotments will each have a retail value in the range of \$400,000 to \$450,000 per lot; depending on shape size position and other micro- variations affecting land value.

Having determined the individual land values for the above, I have then applied a hypothetical method of development study, akin to a feasibility study of the likely value of the subject property as a whole (englobo) with the current zone and other influences.

Many of the in-puts of the study are of themselves estimates because of GST issues, design issues, number of allotments which may created, development and sales period, cost of funds, and redevelopment costs.

In summary I have broadly assessed the value of the subject property against a hypothetical development approach and checked the end result of the analysed value amount against the market for scarce englobo lands.

..../6

HYPOTHETICAL METHOD
OF VALUATION:

For the subject property assume a lot yield of three low density allotments (Residential Character) and ten medium density allotments (Residential Institutional).

Three lots at \$770,000 each	=	\$2,310,000
Ten lots at \$450,000 each	=	<u>\$4,500,000</u>
Gross Realisation	=	\$6,810,000
Less GST allow		- \$200,000
	=	\$6,610,000
Less Sales Commission and Advertising		- \$150,000
Net Realisation	=	\$6,460,000
Less Profit-Risk. Allow 15%		- \$840,000
	=	\$5,620,000
Less Developments Costs and Interest		- \$450,000
		\$5,170,000
Less Interest for 1 year on purchase price		- <u>\$320,000</u>
	=	\$4,850,000
Less Stamp Duty and interest		- \$90,000
	=	<u>\$4,760,000</u>
		Say: <u>\$4,750,000</u>
Value of the englobo site is therefore assessed at		<u>\$4,750,000</u>

The analysed value of \$4,750,000 englobo is \$908 per square metre which sits comfortably with comparable sales in the beachside or coastal strip south of North Brighton through to Seacliff. Comparable sales for vacant land sales are as follows:

1. 2 King Street, Brighton
Sold at auction on 10th March 2018, \$820,000
Land size circa 15 metres x 53.50 metres, or 840 square metres.
Sold with old bungalow, effectively a land sale indicating \$976 per square metre; Zone Residential Character. Position comparable but mildly inferior, but larger allotment than anticipated for King Street frontage properties in the subject land (653 square metres average)
2. 32 Rossall Road, Somerton Park (corner King George Avenue)
Sold March 2017, \$700,000, effectively a land sale of 780 square metres with frontage of 18.29 metres.
Analyses \$897.44 per square metres (Development site)
3. 30 Rossall Road, Somerton Park
Sold January 2018; \$800,000
Redevelopment site (with adjoining property above); 780 square metre frontage 18.29 square metres
Analyses at \$736.20 per square metre
4. Lot 1, College Road, Somerton Park
Sold March 2018; \$785,000
Land Sale of 492 square metres; analyses amongst high value redevelopment

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5. 40 King Street, Brighton
Sold February 2017, \$770,000
Vacant Land Sale; 438 square metres;
analyses at \$1,757.29 per square metres
Better presentation, and position; (original
parent property sold at the analysed value of
\$1,438.11 per square metre as at Feb 2016,
for a site area of 1,947 square metres).
6. 38 King Street, Brighton
Sold February 2017, \$795,000
Vacant land sale; 417 square metres;
Analyses at \$1,906 per square metres
Better position
7. 42 King Street, Brighton
Sold March 2017, \$790,000
Vacant land sale 416 square metres;
Analyses at \$1,899 per square metres
8. 18 Wenlock Street, Brighton
Sold July 2017; \$730,000
Land area 707 square metre frontage 19.74
Effectively a land sale analysed at \$1,042
per square metre
9. 28A King Street, Brighton
Sold August 2017 \$800,000
Land sale of 813 square metres analysed at
\$984 per square metre
10. 37 Marlborough Street
Sold September 2017, \$1,340,000
Vacant land sale, 1,020 square metres,
analysed at \$1,313 per square metre
11. 17 Wenlock Street, Brighton
Sold November 2016 \$1,800,000
Vacant Land Sale of \$2,259,000
Analyses \$796.81 per square metre or
\$300,000 per site (6 lots created)

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12. 298-300 Brighton Road, Brighton
Sold January 2017 \$2,400,000
Land Area 2,770 square metres
Eventually 13 town houses developed
indicating \$185,000/ dwelling house site or
\$866 per square metre
Lesser location, density of development
greater

Of all of the above sales none are directly comparable however the retail sales value of each allotment upon division have given a gauge, and the analyses of the subject land as a whole, by way of the hypothetical development method, reflects analysed values of larger sites.

VALUE:

Having regard to all relevant considerations I have determined the current market of the above property to the amount of **FOUR MILLION SEVEN HUNDRED AND FIFTY THOUSAND DOLLARS (\$4,750,000) plus GST if applicable.**

This opinion does not constitute or address a structural, boundary, termite or wood rot, geotechnical or contamination soil or asbestos surveys.

This opinion is for the use only of the person 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 this opinion.

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. 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 3 months from the date of the valuation, or such earlier date if you become aware of any factors that have any affect on the valuation.

SAM CHRISTODOULOU F.A.P.I.

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This statement is a requirement of the Professional Indemnity Policy cover.

Yours faithfully

S. CHRISTODOULOU F.A.P.I.
Property Valuer Consultant

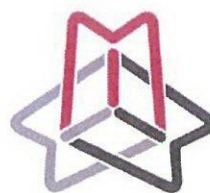
Attachment 3



Valuation Report

Allotment 108 King George Avenue, Hove, SA

Date of Valuation: 27 February 2018



m3property
STRATEGISTS



Executive Summary

Property Details	
Address	Allotment 108 King George Avenue Hove SA 5048
Prepared for & Purpose	<p>Peter Smith Catholic Education South Australia 116 George Street Thebarton SA 5031</p> <p>To determine the current market value 'as is' and 'as if complete' of the fee simple in the abovementioned property as a prelude to potential purchase on the following bases:</p> <ul style="list-style-type: none"> • All of the land that forms the current Allotment 108 which is estimated at 5,225m². This land is to be valued as 'vacant land' and 'occupied land' ('as is'). • All of the land to the north of the dividing line (that will separate the two proposed ventures) estimated at 2,465m². This land is to be valued as 'vacant land' and 'occupied land' ('as if complete'). • The portion of the land designated as 'Breakout Zone' and estimated at 295m² to be valued as vacant land ('as if complete'). <p>We also confirm the report has been prepared in accordance with the Australian Property Institute's Australia and New Zealand Valuation and Property Standards and as per Catholic Education South Australia Valuation Brief.</p>
Our Reference	1849786 / 954774.
Certificate of Title	Volume 5933 Folio 501.
Registered Proprietor	City of Holdfast Bay.
Land Area	5,229m ²
Planning	'Residential' and 'Residential Character' zone.
Interest Valued	Fee simple subject to vacant possession.
Description	<p>The City of Holdfast Bay is the owner of the subject land which currently retains the Holdfast Bay Community Centre which we have been informed is managed on its behalf by the YMCA.</p> <p>The site also retains a playgroup/kindergarten located toward the corner of King George Avenue and King Street.</p> <p>The site also retains a number of transportable buildings (former classrooms) which we have been informed may be nearing the end of their asset life. The buildings appear to form a series of detached rooms that in part essentially link with the Community Centre.</p> <p>In addition, there are two (2) car parks associated with these premises - one positioned to the front of the Community Centre with the other positioned toward the middle of the site.</p>

Property Details

The Catholic Education SA owns property adjacent to the Holdfast Bay Community Centre and is conducting due diligence to investigate the feasibility of acquiring some or all of the land currently occupied by the Centre.

We have been informed that discussions have been held with the City of Holdfast Bay with a proposal submitted to Council suggesting that the land currently occupied by the Holdfast Bay Community Centre could be divided into two (2) separate allotments with new purpose-built facilities to be established on each of the allotments detailed as follows:

- A new single storey Early Years Centre (ELC); and
- A new 2 storey Community Centre.

In order to allow further financial analysis and to develop a future Master Plan for the adjacent school site, Catholic Education SA needs to understand the market value and any additional cost it would need to incur to secure all or part of the land

For the purposes of this report we have assumed that the Community Land designation will be removed and/or relaxed to allow the proposed development to occur.

Date of Inspection	27 February 2018.	
Date of Valuation	27 February 2018.	
Market Value 'as is' Whole site	Occupied	\$4,400,000 exclusive of GST
	Vacant Land	\$4,500,000 exclusive of GST
Market Value 'as if complete' Northern site	Occupied	\$2,200,000 exclusive of GST
	Vacant Land	\$2,280,000 exclusive of GST
Market Value 'as if complete' Breakout Zone	\$250,000 exclusive of GST	
Valuer	Kym Dreyer B App Sc (Val) LFAP Certified Practising Valuer/Managing Director (SA)	

This is a summary only and is not to be relied upon for any purpose. The valuation assessment for this property is subject to the assumptions, conditions and limitations as set out in the accompanying full valuation report.

Critical Assumptions

Critical Assumptions

- The encumbrances that are detailed within this report have been considered in our assessment of Market Value. If there are any encumbrances, encroachments, restrictions, leases or covenants which are not noted in this report, they may affect our assessment. If any such matters are known or discovered, we should be advised and asked as to whether they affect our assessment.
- Due to the size and irregular shape of the site it was not possible to accurately confirm the site boundaries. Therefore for the purpose of this valuation we assume that the Title areas are correct. If there is any doubt in respect of these issues, we recommend that a check survey be undertaken by a qualified surveyor and that the survey be sent to us for advice as to whether our assessment of value is affected.
- The planning information set out in this report has been obtained via the on-line Development Plans provided by the SA Government web page (sa.gov.au). We have relied upon this information in assessing the value of the property. No responsibility is accepted for the accuracy of that information and if it is wrong in any significant respect, our assessment of value may be different.
- No soil tests, environmental studies, or reports have been made available to us. Accordingly, our valuation is made on the assumption that there are no environmental problems in any way affecting the property, including surface or below ground conditions, toxic or hazardous wastes or building material hazards. Any such matters may adversely affect the property or its use and our assessment of value. Should any such matters be known or discovered no reliance should be placed on our assessment of value unless we have been advised of these matters and we have confirmed that our assessment is not affected.
- It is noted that whilst a Department of Planning, Transport and Infrastructure (DPTI) search has not been sighted, the probability that the Department has an interest in the subject is low. In any event there remains an obligation imposed on all Statutory Authorities to serve a Notice of Intention to Acquire pursuant to the provisions of the Land Acquisition Act 1969 should the property be required for a public purpose. The Act provides for full compensation to be paid for any interest in the land so required. As at the date of the Title search) a Registrar General's caveat had not been lodged on the subject Title indicating a Government requirement for any portion of the subject property.
- The valuation is based on the critical condition that the government holds no requirements of the land.
- Our assessment of value assumes the building / site areas set out in the valuation report are accurate. This is a risk factor you need to consider. The amount of building / site area is an important factor in our assessment of value. Our assumed areas may not be accurate. If you think or have evidence that the lettable areas we have included are not correct, then please submit those figures to us so that we can review our valuation before you place any reliance on this report. If you are concerned about this risk and want to minimise it, you can commission an up to date survey by a qualified surveyor to verify the areas we have assumed, then ask us to review our opinion if the areas from the survey are different to the assumptions set out in this report.
- This valuation report does not purport to be a site or structural survey of the improvements, nor was any such survey undertaken. Overall, we have assumed that detailed reports with respect to the structure and service installations of the improvements would not reveal any defects or inadequacies requiring significant capital expenditure. Should there be deficiencies associated with the building structure or its services the valuation should be referred back to us for comment.
- In undertaking our valuation we have relied upon various financial and other information submitted by our instructing party. Where possible, within the scope of our retainer and limited to our expertise as Valuers, we have reviewed this information including by analysis against industry standards. Based upon that review, we have no reason to believe that the information is not fair and reasonable or that material facts have been withheld. However, our enquiries are necessarily limited by the nature of our role and we do not warrant that we have identified or verified all of the matters which a full audit, extensive examination or 'due diligence' investigation might disclose. For the purpose of our valuation assessment, we have assumed that this information is correct.
- It should be noted that in the case of advice provided in this report which is of a projected nature, we must emphasise that specific assumptions have been made which appear reasonable based upon current market sentiment and forecasts. It follows that any one of the associated assumptions may change over time and no responsibility can be accepted in this event. Accordingly, the indicated figures should not be viewed as absolute certainty.

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ANNEXURES

- 1 Copy of Instructions
- 2 Copy of Certificate of Title

1.0 Introduction

1.1 INSTRUCTIONS

We have been instructed by Peter Smith, Development Officer – Planning & Development of Catholic Education South Australia, to assess the Market Value (as is and as if complete) of Allotment 108 King George Avenue, Hove, as a prelude to potential purchase on the following bases:

- All of the land that forms the current Allotment 108 which is estimated at 5,225m². This land is to be valued as 'vacant land' and 'occupied land' ('as is').
- All of the land to the north of the dividing line (that will separate the two proposed ventures) estimated at 2,465m². This land is to be valued as 'vacant land' and 'occupied land' ('as if complete').
- The portion of the land designated as 'Breakout Zone' and estimated at 295m² to be valued as vacant land ('as if complete').

We also confirm the report has been prepared in accordance with the Australian Property Institute's Australia and New Zealand Valuation and Property Standards and as per Catholic Education South Australia Valuation Brief.

The interest being valued is the fee simple subject to vacant possession. A copy of the instructions in respect of this request is contained in Annexure 1.

1.2 RESTRICTED ASSESSMENT

Given the nature of our instructions and existing ownership / occupancy of the property, we have been directed to only undertake a non-intrusive kerbside inspection (aka 'restricted assessment') of the site.

As a result, the valuation consultancy advice noted herein is based on a review of the available information provided to the Valuer by our instructing party and as a result is provided subject to the following limitations:

- The client agrees to accept the 'restricted assessment' having regard to the risks inherent in relying on advice which does not have the benefit of detailed site inspection, history reports, building plans, costings etc.
- Acknowledges that our advice has been premised within the limitations of the information provided/available. Should subsequent advice or details be ascertained at significant variance to the details stated within this report and relied upon, then we reserve the right to review our findings noted herein.
- Any records that you may possess in respect to the individual assets should be checked against this report.
- Any property information supplied that is known to be incorrect should be corrected, otherwise we have assumed that all information supplied is correct.

It is assumed that there are no additional easements or encumbrances that may impact on the freehold title other than those disclosed herein.

1.3 DEFINITION OF MARKET VALUE

This valuation has been prepared in accordance with the definition of Market Value adopted by the International Valuation Standards Committee (IVSC) and endorsed by the Australian Property Institute (API) as set out below:

"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."

Included in the amount of this valuation are items of building fixtures, fittings, together with all building plant and equipment.

1.4 CERTIFICATION

We confirm that the valuation has been prepared by a Valuer that:

- (i) Confirms the valuation has been prepared as a prelude to potential purchase.
- (ii) Is authorised under the Law of the State of South Australia to practise as a Valuer.
- (iii) Neither the Valuer nor m3property has any pecuniary interest giving rise to a conflict of interest in valuing the property.
- (iv) We also confirm all investigations have been conducted independently and without influence from a third party in any way.

1.5 DATE OF INSPECTION & VALUATION

- 27 February 2018

Due to possible changes in market conditions and other circumstances, this report can only be regarded as relevant at the date of valuation. Our assessment should not be construed as a prediction of value into the future.

1.6 GOODS AND SERVICES TAX (GST)

Our valuation of this property has been prepared on a **GST exclusive** basis with no provision included for the payment of GST by the supplier (vendor) on its sale. All valuation calculations quoted in this report are **exclusive of GST** obligations.

In relation to any potential GST liability, we advise that we are not taxation or legal experts and we recommend competent and qualified advice be obtained. We are also of the view that any interested party relying on this valuation of the subject property should obtain their own legal advice on the GST position. Should this advice vary from our interpretation of the legislation and Australian Taxation Office rulings current as at the date of this valuation we reserve the right to review and amend our valuation accordingly.

1.7 INFORMATION SOURCES

The information provided by our instructing party and obtained from other sources being relied upon for the purpose of this valuation is as follows:

- Request for Property Valuation prepared by Catholic Education South Australia
- Current Title search and Sales Data from the Land Services Group, Adelaide.
- City of Holdfast Bay Development Plan
- Concept Plan of Division prepared by Swanbury Penglase (dated February 2018)
- Sales data from various industry sources, including sales and leasing real estate agents.
- Research from m3property Group, and
- Rawlinsons Australian Construction Handbook 2017.

1.8 QUALIFYING COMMENTS

We have valued the 100% interest of the asset for the party referred to above. Proportional ownership of the 100% interest should not be construed as representing the same proportional interest in our assessed value of the asset.

Please also note that our valuation does not assume a 'forced' sale or a sale under duress.

2.0 Land Particulars

2.1 TITLE DETAILS

2.1.1 Legal Description

Volume/Folio	Description	Registered Proprietor
5933/501	Allotment 108 Deposited Plan 53192	City of Holdfast Bay

We note that the individual 'as if complete' assessments of value made herein are on the basis that individual Certificates of Title are to be issued for each of the proposed allotments as delineated within the Concept Plan of Division provided.

2.1.2 Easements

Volume/Folio	Easements
5933/501	<ul style="list-style-type: none"> Subject to free and unrestricted right(s) of way over the land marked F. Subject to service easement(s) over the land marked D for drainage purposes to the council for the area (223LG RPA) Together with free and unrestricted right(s) of way over the land marked A and J.

The easements extend centrally within the site or alternatively are retained within the northern portion of the site and do not appear to detrimentally affect the value of the property as it is currently developed.

We have been informed that it is expected that any encumbrance associated with drainage would remain but any rights of way currently associated with Allotment 108 would be extinguished as part of any sale agreement. We have been instructed to take this into consideration in our valuation assessments.

2.1.3 Schedule of Dealings / Notations

Volume/Folio	Description
5933/501	Nil.

The valuation assumes that the property is not affected by any additional easements, encumbrances, or covenants that have not been disclosed by a search of the Title that may otherwise detrimentally affect the value of the property. If any such matters are known or discovered, we should be advised and asked as to whether they affect our assessment.

A copy of the Certificate of Title is attached, refer Annexure 2.

2.2 STATUTORY VALUATIONS

Statutory valuations adopted by the City of Holdfast Bay as at levels of value at 1 January 2017, are noted as follows:

Statutory Valuations	
Site Value	\$1,700,000
Capital Value	\$2,325,000

These valuations are made for rating and taxation assessments and are quoted here for information purposes only. Typically these values are used as the basis for assessments of Land Tax, Emergency Services Levy, SA Water Rates and Council Rates through the respective financial periods.

2.3 LAND DESCRIPTION

2.3.1 Dimensions – Existing

The subject land is irregular in shape and adjoins the King George Avenue and King Street intersection. In summary, the site has the following dimensions:

Dimensions	
Frontage to King George Avenue	127.74m
Frontage to King Street (plus corner splay)	20.93m
Northern boundary	28.24m
Eastern boundary	Stepped
Total Site Area (as per Title dimensions)	5,229m ²

The shape and dimensions of the site are clearly depicted on the Title plan, a copy of which is contained within the Annexures of this report.

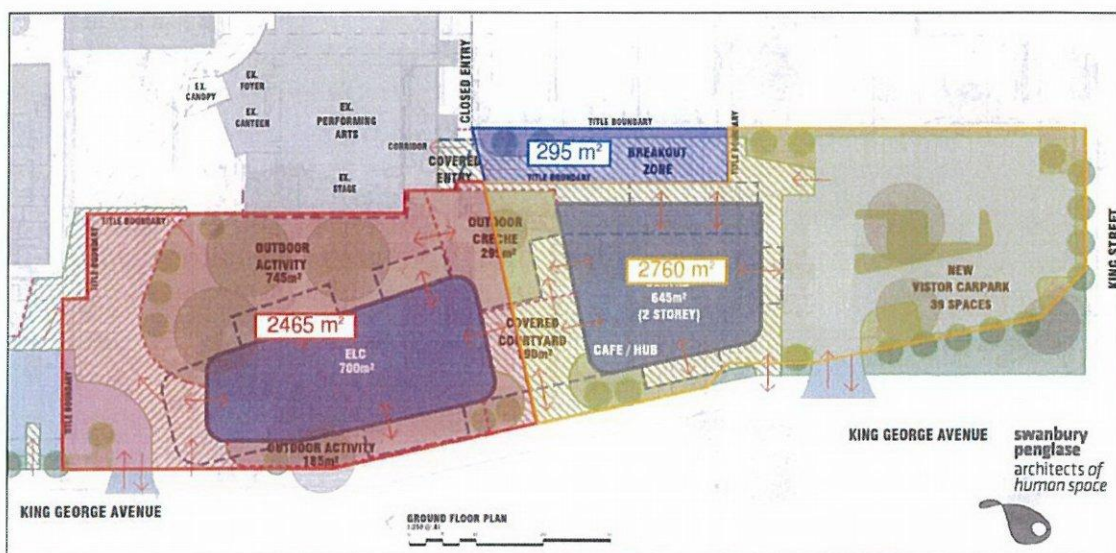
2.3.2 Dimensions – Proposed

We have been provided with a Concept Plan of Division (noted overleaf) which proposes the creation of two (2) new allotments in either the northern or southern portions of the site and potentially the integration of a 'break-out' area.

The Concept Plan of Division does not identify the individual boundary dimensions but does confirm the following site areas.

Dimensions	
Northern site	2,465m ²
Southern site	2,760m ²
Breakout Zone	295m ²
Total Site Area (main sites)	5,225m ²

The shape and dimensions of the proposed sites are clearly depicted on the Concept Plan of Division, a copy of which is noted overleaf.



Concept Plan of Division

2.3.3 Topography and Inundation

The land is relatively even in surface contour and at the date of inspection, there were no drainage problems evident. The site does not appear to be prone to flooding under normal climatic conditions.

2.4 LAND IDENTIFICATION

The subject property has been identified by reference to the relevant Certificate of Title. The subject property appears to conform substantially with the identifying features shown on the Title provided. Building structures appear to stand on or within said Title boundaries.

2.5 PLANNING

The subject site straddles two (2) separate zones (and related Policy Areas) within the City of Holdfast Bay Development Plan and which are summarised as follows.

Local Government Area	City of Holdfast Bay
Zoning	'Residential' zone (Northern portion of site)
Objectives	<p>The major objectives of this zone are noted as follows:</p> <ul style="list-style-type: none"> • A residential zone comprising a range of dwelling types, including a minimum of 15 per cent affordable housing. • Increased dwelling densities in close proximity to centres, public transport routes and public open spaces. • Development that contributes to the desired character of the zone.

Local Government Area	City of Holdfast Bay
Policy Area	Policy Area '4'
Objectives	<p>The major objectives of this policy area are noted as follows:</p> <ul style="list-style-type: none"> • A policy area accommodating educational, community or institutional land uses, dwellings, residential flat buildings and housing for aged persons. • Retention of the open nature of the Sacred Heart College and Brighton High School grounds, as viewed from Brighton Road. • Cemetery and school facilities located to the west of Brighton Road. • A transition in the scale and intensity of development along any interface with the Residential Zone and Residential Character Zone. • Land divisions that provide for: <ul style="list-style-type: none"> • a variety of allotment sizes suitable for different types and sizes of dwellings • street environments which are pleasant and safe for both pedestrian and vehicle movement • residential streets and allotments which are arranged so that dwellings can be readily orientated to take most advantage of sun and shade. • Development that contributes to the desired character of the policy area
Zoning	'Residential Character' zone (Southern portion of site)
Objectives	<p>The major objectives of this zone are noted as follows:</p> <ul style="list-style-type: none"> • A residential zone primarily accommodating single storey detached dwellings on individual allotments, while providing opportunities for compatible infill development, and the preservation of the existing development patterns and built form. • Development that is designed to reflect the traditional character elements of the area, particularly as presented to the streetscape. • Development that contributes to the desired character of the zone.
Policy Area	Policy Area '13'
Objectives	<p>The major objectives of this policy area are noted as follows:</p> <ul style="list-style-type: none"> • Preservation of the existing development patterns and built form of the policy area. • Infill development that is designed to reflect the traditional character elements of the area, particularly as presented to the streetscape. • Development that contributes to the desired character of the policy area.
Heritage Issues	Nil

2.5.1 Policy Area 4

The Desired Character Statement for Policy Area 4 states the following:

"The policy area covers four separate locations in the Council area and incorporates Sacred Heart College, Brighton High School, Minda Incorporated Brighton Campus, Marymount College (the former Mawson High School), Glenelg Primary School, Masonic Homes and Townsend House.

Development in the policy area will generally be residential and include medium-density housing forms whilst facilitating the continuing development and operation of institutional activities. All of the institutions listed above have major areas of open space associated with their facilities and hence have the potential for institutional expansion and/or residential development/redevelopment. Also, there is the possibility of the eventual closure of such facilities.

Given the size of these landholdings and their ability to absorb higher residential densities without impact on surrounding areas, it is appropriate that these sites accommodate medium density housing forms. The redevelopment of these sites will require a comprehensive planning approach to ensure well designed and integrated residential development is achieved. Sustainable design is a key focus, particularly the application of passive design features to minimise thermal load and achieve good natural lighting and ventilation.

Any development on these sites must also give due consideration to the retention of heritage places and the setting in which these items are located.

Development in the policy area will comprise safe and pleasant streets, a layout of residential sites to take advantage of environmental conditions and topography and attractive development of open space and varied building form to create interest and diversity in the street environment. Two and three storey development will incorporate architectural features that reduce the bulk of the development and add visual interest, such as variations in height, roof form, colours and materials, the provision of balconies and porticos and facade articulation.

Height and density will increase towards the centre of the key development sites (being Sacred Heart College, Brighton High School, Minda Incorporated Brighton Campus, Marymount College (the former Mawson High School), Glenelg Primary School, Masonic Homes and Townsend House and decrease at adjoining zone boundaries. The open areas of the schools will be conserved.

Height and density will increase towards the centre of the key development sites (being Sacred Heart College, Brighton High School, Minda Incorporated Brighton Campus, Marymount College (the former Mawson High School), Glenelg Primary School, Masonic Homes and Townsend House and decrease at adjoining zone boundaries.

The following forms of development are envisaged in this policy area:

- community centre
- domestic outbuilding in association with a dwelling/residential flat building
- domestic structure
- dwelling
- dwelling/residential flat building addition
- educational establishment
- housing for aged persons
- institutional establishment
- residential flat building

The minimum allotment size in this zone for a single detached dwelling is 300 square metres and which would appear to permit medium density housing to be established on site.

2.5.2 Policy Area 13

The Desired Character Statement for the Policy Area 13 states the following:

"The policy area features predominantly detached dwellings on medium to large sized allotments, set within heavily landscaped settings and mature street trees that collectively create very high quality, low-density living environments. The majority of dwellings were constructed between the 1900s and 1930s.

Dwelling configuration is typically double or triple fronted with driveway access down one side of the site and a small set back from the non-driveway side boundary. Development will conserve this configuration. Street setbacks are typically 8 metres from primary road frontages with lesser setbacks to the secondary frontages of corner allotments.

Front yards are well established containing mature trees, established landscaping and low, visually permeable fencing that adds to the established high amenity of the public environment, which contains established street trees and wide road pavements.

Relative to other residential areas within Holdfast Bay, development in the policy area will be slow and progressive, resulting in the existing predominant character being maintained, albeit in a modified form, with new dwellings replacing older dwellings with contemporary, sympathetically designed buildings and housing forms that respond to new lifestyle choices.

New development will respect and enhance the special character qualities of the policy area, without necessarily replicating existing older building forms to achieve this outcome. Development will complement and reinforce the established suburban character, which is one of rich architectural style, landscaped streets and openness through single storey building scale that exhibits typical residential design forms.

There may be some circumstances where site dimensions enable two-storey development, primarily for detached dwellings, provided that they contribute to the established character qualities of the policy areas through key characteristics (for example roof form and side setbacks). Front setbacks will be consistent with those of adjacent sites, creating a uniform street elevation and enhanced by landscaped front yards that contribute to the established streetscape character.

Building design including site coverage, height, massing and architectural detailing will match or relate closely to those of the established detached dwellings in the locality, and utilise stepping and articulation of the front elevation to achieve visual relief and architectural interest as viewed from the street"

The following forms of development are envisaged in the policy area:

- detached dwelling
- domestic outbuilding in association with a dwelling
- domestic structure
- dwelling addition
- semi-detached dwelling.

The following forms of development should not be developed within the policy area:

- group dwellings
- residential flat buildings
- row dwellings
- dependent accommodation
- development that incorporates the establishment of undercroft areas for the garaging of vehicles
- development in the form of a hammerhead/battle-axe configuration.

The minimum allotment size in this zone for a single detached dwelling is 600 square metres and which would limit appear to limit medium density housing to be established on the southern portion of the existing site.

2.5.3 Existing Use

The site currently accommodates the Holdfast Bay Community Centre which incorporates a playgroup/kindergarten together with a number of transportable style buildings essentially for community use and which appears to be a conforming land use, pursuant to the Development Plan.

2.5.4 Proposed Use

The proposed establishment of an Early Learning Centre and a new Community Centre within the main body of the site would appear to be conforming land uses although may not necessarily represent the 'highest and best' use of the site.

2.5.5 Highest and Best Use

The 'highest and best' use of property can generally be defined as

"that reasonable and probable use that will support the highest present value of the property as at the date of valuation. The opinion of such use may be based upon the highest and most probable use of the property as at the date of valuation or the use likely to be in demand within the reasonably near future."

When determining the 'highest and best' use, there are a number of factors which must be considered including:

- Existing use.
- Profitability and marketability.
- Financial and social constraints.
- Legal constraints and regulatory controls.
- Physical and functional limitations.

While acknowledging the existing and/or the proposed community and educational uses of the site/s, the Development Plan would appear to permit higher order development which if offered to the market on an unencumbered basis (albeit free of any community land designation) would be expected to offer short term potential for more intensive, infill residential development in a form that meets the requirements of the Development Plan and the market, and which in our opinion represents its 'highest and best use'.

2.6 ENVIRONMENTAL ISSUES

The Environment Protection Authority (EPA) in South Australia does not currently maintain a list or register of contaminated sites.

The EPA does however provide a Public Register Directory in the form of a Site Contamination Index. This index is a list of notifications of actual or potential contamination which have been received by the EPA since 1 July 2009 (referred to as s83A notifications under the Environmental Protection Act 1993). These are notifications only, and are not evidence that contamination has been confirmed.

Our enquiry indicates that the subject property is not included on this Site Contamination Index.

The property is currently disposed as a Community Centre and we understand this use has continued for many years. Prior uses of the building improvements and land are not known. We do not consider the current land use to be of a nature likely to have caused significant site contamination.

Whilst there are no visible signs of contamination to the subject property, the only way that it could be certified that there is no contamination is by an independent environment survey by an appropriate expert. This valuation assumes that the subject property is unaffected by current or previous land uses.

No obvious environmental problems were apparent on inspection. However, no soil tests nor environmental studies or reports have been made available to us. Accordingly, our valuation is made on the assumption that there are no environmental problems in any way affecting the property, including surface or below ground conditions, toxic or hazardous wastes or building material hazards. Any such matters may adversely affect the property or its use and our assessment of value. Should any such matters be known or discovered no reliance should be placed on our assessment of value unless we have been advised of these matters and we have confirmed that our assessment is not affected.

2.7 FLORA AND FAUNA ISSUES

Flora and fauna studies or reports have not been made available to us. Accordingly, our valuation is made on the assumption there is no existing vegetation or flora and fauna in any way affecting the property and development potential of the land as described herein or incorporate or warrant costs asso

ciated with assessment or compensation for habitat destruction.

Should any such matters be known or discovered no reliance should be placed on our assessment of value unless we have been advised of these matters and we have confirmed that our assessment is not affected.

2.8 NATIVE TITLE CLAIMS

In undertaking this valuation assessment, we have not commissioned a search of the Register of Native Title Claims which is administered by the National Native Title Tribunal. This valuation assumes that there are no current or pending claims which will affect the subject property.

In the case of the subject, freehold Title precludes any entitlement to a Native Title Claim and we would not anticipate any issues with respect to this matter.

3.0 Location

3.1 LOCALITY AND SURROUNDING DEVELOPMENT

The subject property is located at Allotment 108 King George Avenue within the seaside residential suburb of Hove, situated approximately 12 kilometres south-west of the Adelaide GPO. More particularly, the subject adjoins the north-east corner of the King George Avenue and King Street intersection, approximately 500 metres east of the nearby foreshore and is depicted in blue in the aerial photo below.



Imagery provided by Google Earth, © MapData Sciences Pty Ltd, PSMA

The majority of the surrounding development typically comprises a variety of single storey detached dwellings of conventional designs having been established through the extended 1920 – 1965 period interspersed with more recent 'infill' development that has generally occurred through the past 10-year period. The dwellings are of varying scale and quality, established on allotments also of varying proportions.

Hove, is an established seaside residential suburb that is well served by a broad range of retail, commercial, educational and recreational facilities, the property being positioned directly opposite Townsend Park and immediately south of the Sacred Heart College (Marymount Campus).

3.2 ROAD SYSTEM, ACCESS AND EXPOSURE

King George Avenue is a dual lane suburban carriageway that links Whyte Street at Somerton Park (further to the north) with King Street (to the south) carrying varying levels of vehicular traffic. It is bitumen sealed with concrete kerbing and gutters.

King Street is a lower order thoroughfare that links The Crescent (to the east) and Esplanade (to the west) and typically carries low volumes of local traffic. It is also bitumen sealed with concrete kerbing and gutters.

The property is afforded good exposure and access to the greater metropolitan area is considered to be good by virtue of its proximity to major thoroughfares including Brighton Road.

3.3 SERVICES

All essential and desired urban services are connected or available to the subject property.

4.0 Improvements

In this instance we have been instructed to only undertake a non-intrusive kerbside inspection of the site.

While our 'kerbside' inspection enabled us to identify individual building components we are unable to provide any specific comment with regard to construction type, standard of fit-out and internal presentation.

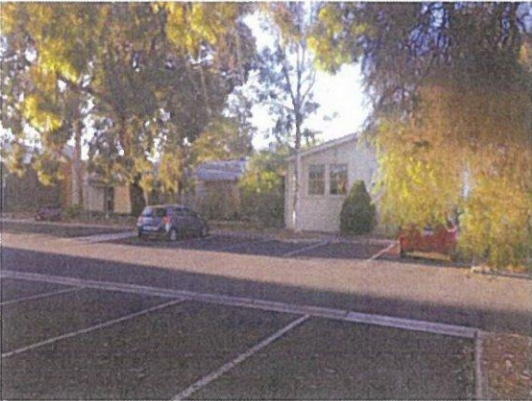
Our instructing Party has however confirmed that the property is held in the ownership of the City of Holdfast Bay as 'community land' and currently retains the Holdfast Bay Community Centre with the site also accommodating a play group/kindergarten established within the southern portion of the site.

The development retains a mix of older demountable style buildings which would appear to be nearing the end of their economic asset life. However, the main Community Centre appears to have been developed in multiple stages, is of quite substantial proportions, is of varied construction type and configuration.

Based on the limitations of our inspection, the buildings can be described as follows.

4.1 GENERAL CONSTRUCTION DESIGN

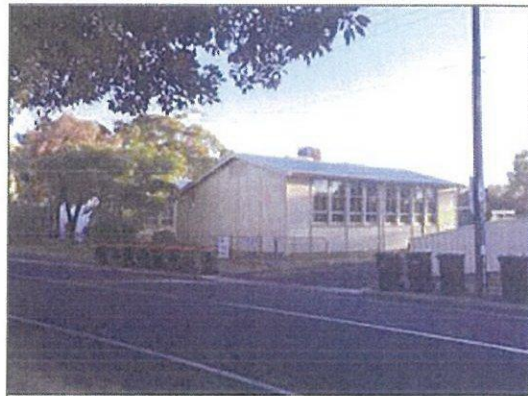
Based on the limitation of our inspection, the construction of the building improvements typically appear to consists of transportable style buildings.

Construction		
Facility	Community Centre.	
External Walls	Timber framed, weatherboard clad.	
Roof	Metal decking.	
Floors	Assumed timber/concrete.	
Windows	Timber/aluminium frames.	
Internal Walls	Assumed to be fibrous plaster / plasterboard.	
Ceilings	Not known.	
Heating/Cooling	Roof mounted evaporative air conditioning units to demountable buildings.	
Floor Coverings	Not known \.	

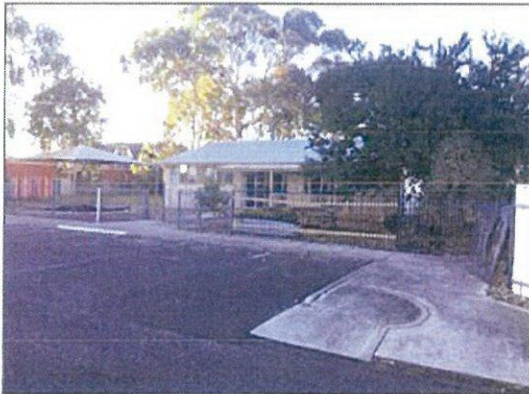
A sample of external photographs noted below:



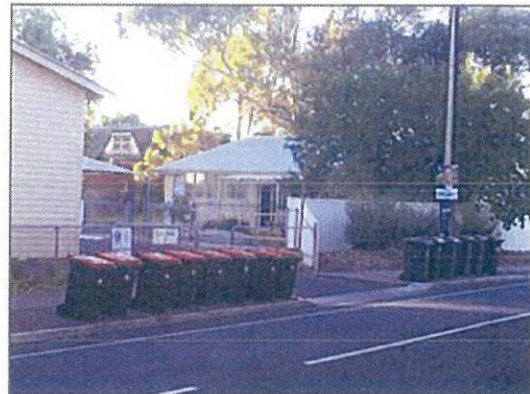
Community Centre



Craft Area / Hairdresser / Podiatry



Child Care / Kindergarten



Child Care / Kindergarten

4.2 BUILDING AREAS

Based on measurements taken from plans provided, we have calculated the following approximate building areas:

Building Component	Area
Administration & Activity Building	1,080m ²
Craft Area, Hairdresser, Podiatry	126m ²
Child Care / Kindergarten	163m ²
Total Equivalent Main	1,369m²

We advise that we have relied upon areas provided to us and have assumed, for the purposes of this valuation, that a survey of the building would not reveal any material difference in area.

4.3 OTHER IMPROVEMENTS

A summary of other site improvements noted on the date of our inspection is as follows:

- Bitumen and brick paved driveways and hardstand open air car park areas established to the north of the site and centrally.
- Established trees, lawns, garden beds.
- Paving to building perimeters
- Boundary fencing.

4.4 PRESENTATION CONDITION AND UTILITY

4.4.1 Building Condition

Based on the limitations of our inspection of the subject property the improvements generally appear to be in sound structural condition and we expect have been the subject of a regular maintenance programme.

We have only carried out an inspection of the exposed and readily accessible areas of the improvements. However, the Valuer is not a building construction or structural expert and is therefore unable to certify the structural soundness of the improvements. For the purpose of this report, we have assumed there are no structural defects which would impact upon our valuation.

In our opinion the property appears to have been adequately maintained having regard to its age and the purpose to which it is used.

4.4.2 Pest Affection

Although our visual inspection of the property did not disclose any obvious indications of vermin infestation, we are not pest experts. This valuation is made on the assumption that the property is not affected by pest infestation.

5.0 Market Comment

5.1 SOUTH AUSTRALIAN ECONOMY

- **Economic Growth (State Final Demand):** Economic growth was positive in SA over the year to September 2017. State Final Demand (SFD) grew by 3.9% over the year to September 2017, up from only 1.9% growth for the year prior (12 months to September 2016). Over the quarter, SFD in SA grew marginally by 0.2%, compared to the national average growth of 0.6% over the same period.
- **Cash Rate:** The RBA reduced the official cash rate to 1.50% at the August 2016 meeting, and has subsequently held the rate steady. The RBA's aim in holding rates is to achieve sustainable growth in the economy and return inflation to the target band over time.
- **Inflation:** The Consumer Price Index (CPI) for Adelaide witnessed the highest increase out of all capital cities from the December 2016 quarter to the December 2017 quarter, rising by 2.3%, compared to the national average of 1.9%. Over the December quarter, the CPI for Adelaide witnessed an increase of 0.7%, slightly above the national rise of 0.6% over the same period.
- **Employment:** The unemployment rate (seasonally adjusted) for SA is trending lower, and is just below long-term averages. The unemployment rate for SA rose slightly by 0.1% in January 2018 to 6.0% after remaining unchanged at 5.9% since September 2017. The national unemployment rate dropped slightly by 0.1% in January 2018 and is trending lower at 5.5%.
- **Retail Turnover:** Retail trade in SA has been resilient over 2017. According to the ABS, retail trade in SA for December 2017 was up 4.3% from the same time last year (December 2016), compared to the national growth of just 2.5% over the same period. Over the December 2017 quarter, retail growth rose by 2.3% in SA, compared to national rise of 1.3%.
- **Business Confidence:** The National Australia Bank's (NAB) Quarterly Business Survey for December 2017 continued to record a rise in business conditions, whilst business confidence fell marginally, however both remain above long-term averages. Business conditions rose 1 point to +15 index points, well above the long-term average. Most industries recorded an improvement in conditions, except for retail. Business confidence fell by 2 points to +6 index points, only just above long-term averages, however monthly survey data show that there was a rise in confidence towards the end of the December 2017 quarter. The largest improvement in confidence over the quarter was for mining and construction, whilst the largest declines were recorded for retail, wholesale and personal services. At a state level, business conditions fell 3 points to +14 index points, whilst business confidence rose by 5 points to +10 index points.
- **Consumer Sentiment:** The Westpac-Melbourne Institute Index of Consumer Sentiment fell by 2.3% in February 2018 from 105.1 in January 2018 to 102.7. Despite the fall, the index has now been above 100 for the fourth consecutive month, where optimists are outnumbering pessimists. The fall in February 2018 can largely be attributed to the volatility in global share markets over the survey period.
- **Dwelling Units Approved:** The total number of South Australian dwelling approvals (total building, total sector, original series) has increased marginally y-o-y by 0.4% as at December 2017. Approval numbers for the month of December 2017 recorded a total of 752, down from 791 in December 2016.
- **Housing Finance:** The value of housing finance commitments (seasonally adjusted) in South Australia for owner occupation in December 2017 was up 6.8% from the amount recorded in December 2016 and was up 3.2% from the previous month.

5.2 RESIDENTIAL MARKET OVERVIEW

- Key economic indicators are improving in South Australia, however slow population growth and an aging population remain some of the key challenges for the residential market in South Australia.
- Anecdotal evidence suggests that demand from foreign investors has taken a hit since the introduction of the State government's 7% Foreign Ownership Surcharge on all residential land for contracts entered into on or after the 1st of January 2018.
- According to quarterly figures released by the Office of the Valuer-General, the median house sale price in Metropolitan Adelaide in the December 2017 quarter was \$465,000. This represents an increase of 2.2% over the quarter and 3.7% from December 2016.
- According to figures released by the Office of the Valuer-General, the median unit sale price in Metropolitan Adelaide in the December 2017 quarter was up 9.0% from December 2016 to \$365,000. The median unit sale price for the suburb of Adelaide recorded stronger growth of 25.6% over the same period to \$500,000 (Adelaide more volatile due to the smaller sample size).
- Sales volumes for houses in the December 2017 quarter were marginally down on numbers witnessed in the same quarter last year (December 2016), whilst sales volumes for units were up over the same period.
- The rental market for Metropolitan Adelaide is currently undersupplied, with the rental vacancy rate in metropolitan Adelaide recording 1.5% as at January 2018 according to SQM Research.
- According to Housing SA's most recent quarterly rent report (December 2017), average weekly rents for all flats in Metropolitan Adelaide witnessed average growth of 1.7% to \$295 from an average of \$290 in December 2016, whilst average weekly rents for all houses remained unchanged at \$340 over the same period.

5.3 SALES EVIDENCE

In undertaking this assessment of value, the Valuer has inspected and analysed a number of other recent sales transactions that have occurred within this and other comparable locations and with allowances made for variations we have compared these sales directly.

Among others, the sales evidence we have considered can be summarised as follows:

Address	Sale Price	Sale Date	Description	Site Area (m ²)	Sale Rate (\$/m ²)	Comments
16 Tarlton St Somerton Park	\$2,850,000	07.16	6H DG SP Land	1,848	\$1,542	Older conventional style brick dwelling of 6 main rooms. Building site improvements since demolished to construct 3 detached dwellings. Superior residential location.

Address	Sale Price	Sale Date	Description	Site Area (m ²)	Sale Rate (\$/m ²)	Comments
40 King St Brighton	\$2,800,00	02.16	Land	1,947	\$1,438	An irregular shaped allotment, 4 detached dwellings since established thereon. Marginally superior residential location, smaller site proportions
17 Wenlock St Brighton	\$1,800,000	11.16	Land	2,259	\$797	A near regular shaped allotment with multiple street frontages and multiple dwellings now being established thereon. Marginally inferior residential location
298-300 Brighton Rd North Brighton	\$2,400,000	01.17	Land	2,772	\$866	2 sites comprising an irregular shaped corner land holding offering medium density development potential with 7 townhouses now being constructed thereon. Inferior main road location
16B Kauri Pde Seacliff	\$1,001,000	06.16	Tennis Courts	1,129	\$887	Former Council tennis courts established on a corner site with 4 dwellings since constructed thereon. Smaller site.
9 Old Beach Road Brighton	\$1,600,000	08.15	7H	1,760	\$909	An older return verandah villa partly updated offering redevelopment potential. The property is currently being re-marketed at an asking price of \$1,650,000.
30 Marlborough St Brighton	\$966,000	01.15	Land	1,041	\$928	An older tudor style dwelling since demolished with 2 dwellings established thereon. Smaller site proportions, corner site opposite Brighton Railway Station
44-46 Chopin Rd Somerton Park	\$4,767,565	01.15	Land	5,099	\$935	Residential development site with multi-storey aged care development now being constructed thereon. Larger site proportions.

The sales information quoted has been obtained from a number of sources including published sales information provided by the Land Services Group of Department of Planning, Transport and Infrastructure (DPTI) and Corelogic. Whilst we understand the information to be reliable, we are unable to guarantee the accuracy. Where the information has been available to us, we have made appropriate adjustments for GST but the recorded sale prices may include all, a part of, or no GST depending on the circumstances and tax liability of the parties to each transaction.

6.0 Rationale

6.1 SUMMARY/POSITION OF SUBJECT PROPERTY IN THE MARKET

The subject property is located within the established residential suburb of Hove, approximately 12 kilometres south-west of the Adelaide GPO.

The majority of the surrounding development comprises a variety of older detached housing established through the extended 1920 – 1965 period together with small pockets of more recent infill redevelopment including site/s positioned immediately to the west which have more recently been established with a variety of modern courtyard style homes and/or independent living units typically contained within smaller allotments.

In this regard, this location is experiencing an increased level of redevelopment with the subject land holding (outside of its existing community use) considered to offer short-medium term potential for residential redevelopment.

With particular reference to the subject holding, there are currently a number of buildings established within albeit of varying age, design and proportions that we have assumed offer limited function for an ongoing community or educational use without some level of capital expenditure.

Based on the limitations of our inspection, the main buildings include a single storey administration building and two (2) freestanding demountable buildings / rooms. While the building improvements still appear to be in use, we are unable to provide any comment as to their ongoing function and/or potential utility for any alternative uses that they may continue to offer.

Notwithstanding the suitability of the existing premises for their current use, we note that they are likely to exhibit some short - medium term issues regarding ongoing requirements for security of the site, repairs and maintenance, the replacement and/or upgrade of various building components and the potential cost for the removal of any asbestos products contained within.

As a result, on a 'highest and best' use basis most if not all of the existing buildings are considered to retain little or no added value for alternative occupants given the potential cost of maintenance/repairs, demolition, remediation etc. with the underlying site now considered (either in part or as a whole) best suited for more intensive residential development.

Further, we reiterate that we have assumed, for the purposes of these assessments, that the Community Land designation will be removed and/or relaxed to allow the proposed development to occur, and in this regard while the current proposal is for educational and community uses to be re-established on the site, we consider that a more intensive residential development in line with the relevant planning criteria represents its 'highest and best' use within the market place if it were to be offered to the open market.

However, the scale and form of any future development will depend on Council's and/or the potential purchaser's motivations and also the market supply of established allotments through the development and/or sale programmes both within this and other adjoining locations in addition to the City of Holdfast Bay planning requirements.

6.2 SALES HISTORY

Information provided by the Land Services Group of Department of Planning, Transport and Infrastructure reveals the property has not sold within the past three (3) years.

6.3 VALUATION INSTRUCTIONS

As noted we have been instructed to assess the Market Value of Allotment 108 King George Avenue, Hove, as a prelude to potential purchase on the following bases:

- All of the land that forms the current Allotment 108 which is estimated at 5,225m². This land is to be valued as 'vacant land' and 'occupied land' ('as is').
- All of the land to the north of the dividing line (that will separate the two proposed ventures) estimated at 2,465m². This land is to be valued as 'vacant land' and 'occupied land' ('as if complete').
- The portion of the land designated as 'Breakout Zone' and estimated at 295m² to be valued as vacant land ('as if complete').

6.4 VALUATION APPROACH

While the main building improvements may still offer some level of function and utility, their alternative use on an 'unencumbered vacant possession' basis is likely to be somewhat limited by their age, design, proportions and low building/site coverage and available options for alternate use of the site.

With particular reference to the existing built form, we would expect that to most purchasers in the 'open market' they are likely to offer limited market appeal and/or nominal added value on a medium-long term basis given the underlying site's latent development potential.

While we acknowledge that the existing buildings may retain some level of additional value to Council for their ongoing community use, the value of the underlying land would need to be discounted to reflect this use. Given the age of the subject assets and basis of value assessed herein, we expect that the quantum asset value on this basis would potentially sit below the value level assessed on a 'highest and best' use basis, which is the basis of our assessment.

In light of the subject holding's potential for more intensive residential development, we have considered a variety of valuation approaches in arriving at our assessment of value. In this regard, there are two (2) principle valuation approaches that may be employed in determining the various value assessments for the subject property which include the 'Direct Comparison' and 'Hypothetical Development' approaches.

The method used is dependent upon the relevance of the approach to the property and the proposed development, the quantity and quality of the available market data and the motivations of buyers and sellers in the market place.

The 'Direct Comparison' method can be adopted in valuing development holdings / sites and has regard to the sale of broadly similar properties transacted in the open market and compares these sales to the subject having regard to factors including but not limited to:

- Location.
- Existing / previous use and potential for re-use.
- Prevailing market conditions with specific consideration to potential allotment pricing, sale rates and development costs.
- Site area and potential densities/allotment yield.
- Zoning.
- Development Approvals.
- Development cost.
- Access and proximity to local town services and transport corridors.
- Immediate competition and profile of developers active within the general locality.
- Servicing constraints.
- Environmental constraints.

Typically, sales are analysed on a rate per square metre of site area (improved) basis with an appropriate rate attributed to the subject property having regard to the considerations outlined above.

It may also be appropriate when completing an assessment of market value of a site considered suitable for more intensive development to also consider the 'Hypothetical Development' approach. This method determines a 'development based' assessment of the potential value for the site, albeit based upon a proposed development scenario and typically is determined subject to the verification of all relevant statutory approvals and the confirmation of detailed development costs.

We note that in this instance, we have refrained from using a check 'Hypothetical Development' analysis for the site which is usually only adopted as a primary valuation approach where a specific development proposal has been prepared for a site with all relevant costings and statutory approvals in place.

While it is considered that there is short-medium term scope for redevelopment of the subject holding, in this instance we consider that any estimates of value derived by this method would at best be considered subjective and unreliable until a formal concept plan and full development costings have been established.

In this instance the differential between the potential market value of the existing site (Allotment 108), which is estimated to have a site area of 5,225 square metres, and the proposed northern component of 2,465 square metres, on the basis of both as vacant land and as occupied land, is expected to essentially reflect the cost of demolition and site clearance.

6.4.1 Existing site - Occupied

With reference to the initial assessment of market value of the existing site as 'occupied' land, it will not include any allowances for demolition, site clearance, etc. We note that the majority of the sales evidence identified also retained existing built form at the time of sale where demolition and site clearance would have been a similar consideration for the purchaser.

While the potential cost of demolition will incur an additional capital cost in the future redevelopment of the site, the potential cost is not likely to be considered an impediment by the market unless any extraordinary costs are incurred for asbestos removal and to remedy any potential environmental issues identified which lay outside the scope of this report.

With particularly reference to this assessment of value, a perusal of the sales evidence identified in Section 5.3 of this report confirms that there have been a broad range of sales evidence of sites considered suitable for redevelopment that retain similar residential zoning designations within the City of Holdfast Bay.

Of the sales identified the individual site proportions range from between approximately 1,100 square metres to 5,099 square metres and which individually have achieved sale prices ranging broadly from approximately \$797 to \$1,542 per square metre of site area (improved).

We note that at the time of sale each of these properties retained existing built form with the major proportion subsequently having been demolished and/or cleared of all existing improvements for redevelopment.

The variation in sale prices occurs principally due to minor differences in property location but more particularly with reference to individual site proportions, zoning and potential for development. In this regard the sites that have achieved sale prices in excess of \$1,000 per square metre were typically located within superior near foreshore residential precincts including at Brighton and /or Somerton Park.

Of the remaining sales, these have all occurred within a broad price range of between approximately \$797 and \$935 per square metre of site area (improved).

While acknowledging the subject allotment's large site proportions, given its corner position and extended street frontage to King George Avenue in this instance we would expect a similar price/value level would be achievable, albeit with a small discount reflecting its potential higher quantum value level. In this instance we have considered value levels in the mid-lower end of the range (i.e. \$825 - \$875) reflecting its larger site proportions and split zoning designation which deduces the following potential range in market values:

Allotment 108 (existing)	Site Area (m ²)	\$ Rate (m ²)	\$ Value
Land Area	5,225	\$825	\$4,310,625
		\$850	\$4,441,250
		\$875	\$4,571,875
		Adopt	\$4,400,000

Taking into account the features of the subject land including its location and development potential, in this instance we have adopted a value level (rounded) at **\$4,400,000 (Four Million Four Hundred Thousand Dollars)**.

6.4.2 Existing site - Vacant

In this instance the differential between the value levels assessed will reflect the potential cost of demolition of all pre-existing building improvements, albeit noting that the potential cost of demolition is normally captured within the potential value of sites as part of a development program.

This aside, in this instance we have referred to Rawlinson's Australian Cost Guide 2017 in order to provide an indication as to the potential demolition cost for buildings of the subject's construction type.

In this instance we have adopted nominal cost levels of approximately \$50 per square metre (exc GST) of main building area for the demountable buildings which deduces a potential cost of \$14,000 and a rate of \$75 per square (exc GST) for the administration and activity building which deduces additional costs as summarised in the table below.

Potential Demolition Cost	Building Area (m ²)	\$ Rate (m ²)	\$ Cost (exc GST)
Administration & Activity Building	1,080	\$75	\$81,000
Craft, Hairdresser, Podiatry	126	\$50	\$6,300
Child Care / Kindergarten	163	\$50	\$8,150
Adopt			\$96,450

In summary, we have rounded the estimated cost to \$100,000 (exclusive of GST).

As a cleared site, we consider that the approximate cost of \$100,000 will enhance the underlying value of the property holding with a value level adopted on this basis of **\$4,500,000 (Four Million Five Hundred Thousand Dollars)** (exclusive of GST) which equates to approximately \$861 per square metre of total area which still lays within the broad range of sale prices noted previously.

We again note that while the existing buildings may retain some level of additional value to Council for their ongoing community use, however on this basis the value of the underlying land would need to be discounted to reflect this use. We reiterate that the value / value differential assessed herein has been assessed on a 'highest and best' use basis.

7.0 Market Value 'as if complete' – Northern Portion of Site

We have also been asked to consider the potential value of the northern portion of the site that it is estimated with have a site area of 2,465 square metres which again is to be valued on a vacant and/or occupied basis.

7.1.1 Proposed Catholic Education SA Site – Occupied

In this instance we note the smaller allotment proportions being proposed also acknowledging that the site would still permit the establishment of a range of residential development outcomes albeit noting that the presence of easements within the northern portion of the site may limit the potential positioning rather than the number of new dwellings thereon.

In this instance we have considered a value level broadly in line with the sales evidence identified, albeit within a marginally higher value range of between \$875 to \$925 per square metre principally being a reflection of the smaller allotment proportions and zoning designation for this site which will potentially permit a broader range of development options and which deduces the following potential range in market values:

Northern site	Site Area (m ²)	\$ Rate (m ²)	\$ Value
Proposed Land Area	2,465	\$875	\$2,156,875
		\$900	\$2,218,500
		\$925	\$2,280,125
		Adopt	\$2,200,000

Taking into account the features of the subject land including its location and development potential, in this instance we have adopted a value level 'as if complete' (rounded) at **\$2,200,000 (Two Million Two Hundred Thousand Dollars)**.

7.1.2 Proposed Catholic Education SA Site – Vacant

In this instance the differential between the value levels assessed will reflect the potential cost of demolition of all pre-existing building improvements within the northern portion of the site albeit noting that the potential cost of demolition is normally captured within the potential value of sites as part of a development programme.

This aside, in this instance we have referred to Rawlinson's Australian Cost Guide 2017 in order to provide an indication as to the potential demolition cost for buildings of the subject's construction type.

In this instance we have adopted nominal cost levels of approximately \$50 per square metre (exc GST) of main building area for the demountable buildings which deduces a potential cost of \$14,000 and a rate of \$75 per square (exc GST) for the administration and activity building which deduces additional costs as summarised in the table below.

In this case the Concept Plan of Division provided does not identify the specific location of the existing built form on the site and as a result it is difficult to apportion the potential cost of demolition between the separate site components.

The existing Community Centre appears to be principally retained within the proposed boundaries of the northern site and as a result we have in this instance apportioned the estimated cost of demolition solely to this site.

As a cleared site, we consider that the approximate cost of \$80,000 will enhance the underlying value of the property holding with a value level 'as if complete' adopted on this basis of **\$2,280,000 (Two Million Two Hundred and Eighty Thousand Dollars)** (exclusive of GST) which equates to approximately \$925 per square metre of site area which again still lays within the broad range of sale prices noted previously.

8.0 Market Value 'as if complete' – Break Out Zone

In this instance we have been asked to consider the market value of the portion of land designated as 'Break Out Zone' which is estimated to have a site area of 295 square metres or thereabouts.

This land is positioned towards the side/rear of Allotment 108 and which is currently accommodated within an existing 'right of way' that may be extinguished and potentially consolidated with the adjoining land as part of the current redevelopment proposal.

Rear land does not typically retain the same level of value if/when consolidated with an adjoining site. However, in instances where the consolidation of the land would permit improved function and/or a more intensive level development than would otherwise occur, the value of that land on a 'before and after' basis, is likely to be enhanced and potentially will be commensurate with the value level of the remaining portion of the site.

In this instance the 'Break Out Zone' is expected to be incorporated within the southern land parcel being proposed and which is estimated to have a site area in the order of 2,760 square metres.

The potential consolidation of this land by including an additional 290 square metres will offer site greater depth within portion of the site also noting that the larger site proportions may potentially permit the establishment of an additional detached dwelling (based on a minimum allotment size per dwelling of 600 square metres) and which, in the Valuer's opinion enhances the potential value of this consolidated land holding.

In this instance, we consider that a full value level in line with the sales evidence is warranted and have considered value levels broadly in line with those previously considered albeit at the lower end of the range i.e. between \$800 and \$900 per square metre of site area.

Our calculations to deduce this are as follows:

	Site Area (m ²)	\$ Rate (m ²)	\$ Value
Proposed Site Area	295	\$825	\$243,375
		\$850	\$250,750
		\$875	\$258,125
		Adopt	\$250,000

Taking into account the features of the subject property we have adopted a value 'as if complete' of **\$250,000 (Two Hundred and Fifty Thousand Dollars)** (exclusive of GST).

9.0 Valuation

Subject to the qualifications and assumptions contained within the body of this report, we assess the Market Values (exclusive of GST) of Allotment 108 King George Avenue, Hove, South Australia as at 27 February 2018, to be the following sums

- **Market Value – Existing Site ‘Occupied’**

\$4,400,000
(FOUR MILLION FOUR HUNDRED THOUSAND DOLLARS)
- **Market Value – Existing Site ‘Vacant’**

\$4,500,000
(FOUR MILLION FIVE HUNDRED THOUSAND DOLLARS)
- **Market Value ‘as if complete’ – Northern Portion of Site ‘Occupied’**

\$2,200,000
(TWO MILLION TWO HUNDRED THOUSAND DOLLARS)
- **Market Value ‘as if complete’ – Northern Portion of Site ‘Vacant’**

\$2,280,000 (TWO MILLION TWO HUNDRED AND EIGHTY THOUSAND DOLLARS)
- **Market Value ‘as if complete’ – Break Out Zone**

\$250,000
(TWO HUNDRED AND FIFTY THOUSAND DOLLARS)

This valuation is for the private and confidential use only of Catholic Education South Australia and for the specific purpose for which it has been requested. No third party is entitled to use or rely upon this report in any way and neither the Valuer nor m3property shall have any liability to any third party who does.

Only a signed original of this valuation should be relied upon and no responsibility will be accepted for photocopies of the report. No part of this valuation or any reference to it may be included in any other document or reproduced or published in any way without written approval of the form and context in which it is to appear.

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 general market movements and factors specific to the particular property). We do not accept responsibility or liability for losses arising from such subsequent changes in value. Without limiting the generality of the above comment, we do not assume responsibility or accept liability where the valuation is relied upon after the expiration of 90 days from the date of valuation or such earlier date if you become aware of any factors that have an effect on the valuation.

m3property Strategists



Kym Dreyer B App Sc (Val) LFAP
Certified Practising Valuer/Managing Director (SA)
Primary Signatory



Rachel Elliott
Director
Counter Signatory

The opinion of value expressed in this report is that of the Valuer who is the primary signatory to the report. The Director verifies that the report has been reviewed in accordance with our Quality Assurance Policy, is genuine and authorised by m3property (SA).

Annexures

- 1 Copy of Instructions
- 2 Copy of Certificate of Title



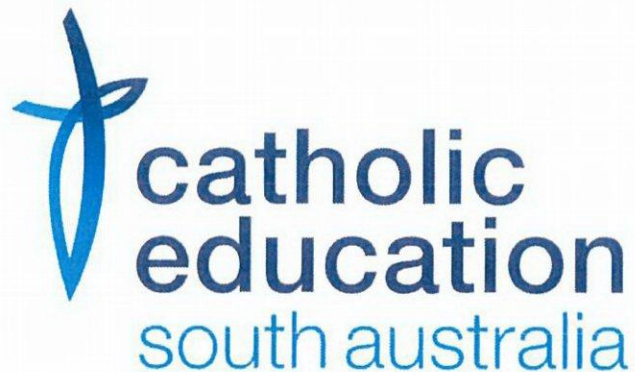
ANNEXURE 1

Copy of Instructions

Request for

Property Valuation for

Hove site



Background

The State Government in the 1990 closed a number of schools across South Australia due in part to changing educational needs and a desire to create specialist school and a more regional approach to delivering education through a Public School system.

One of the schools identified for closure was the former Dover Technical School or Mawson High at Hove (see original Certificate of Title Attachment 1).

Around this time the former Marymount College which was located at Seacombe Gardens had experienced significant growth in enrolments and needed to grow the school further to not only meet this demand but also to ensure equity in enrolment numbers at Sacred Heart College Senior School (this school is a feeder school to Sacred Heart College Senior).

At the same time as this land was placed on the market there was strong community action in regards to the green space that was attached to this school to ensure that it stayed as green space. So as part of the sale process the City of Holdfast Bay separately purchased a portion of the land as Community Land (Allotments 104 and 105 on Deposited Plan 53192).

In 1998 the Catholic Endowment Society purchased the remainder of the land being Allotments 106 and 107 in the same Deposited Plan.

This land then became the new home for Marymount College from January 2000 and has continued to provide education to Years 6-9 children. To fund this acquisition part of the land (Allotment 107) was sold to private developers and subsequently subdivided for residential use.

The other key parcel of land on this block is allotment 108 which is owned by the City of Holdfast Bay and is used in the main for community purposes (Community Centre and Kindergarten). This land is classified as Community Land under the Local Government Act 1999.

Recent Changes

Once the land was purchased to establish the Marymount campus at Hove a number of building programs have been undertaken to modernize the school including:

1. Upgrade of the two story building including new administration
2. Construction of a new music centre
3. Expansion of the existing hall.

These changes were done between 1998 and 2010 and represent the site as it is today. This site however leaves limited if any room for expansion, which until recent times has not been envisaged or needed.

In 2016 Catholic Education South Australia (CESA) adopted a strategy of transitioning Year 7 from primary school to secondary school. Primary schools will be reception to Year 6 and Secondary will be Year 7 to Year 12. As a result of this a decision was made in 2016 to have all primary schools support Reception to Year 6 and middle schools being responsible for Years 7-9.

Also in 2016, the South Australian Commission for Catholic Schools:

1. Reached agreement with Marist Education Australia for Marymount College to amalgamate with Sacred Heart College, with Year 7 to 9 girls to relocate from Marymount to Sacred Heart College Middle School at Mitchell Park; and
2. Decided to create a new reception to Year 6 Diocesan Primary School at the Hove site.

3. Decided to vacate the premises currently occupied by St Teresa's School, Brighton with the expectation that these students will relocate to the Hove site.

Marymount is scheduled to close at the end of 2018 and the new primary school to open at the start of 2020.

While this change is due to commence from the first term of 2019 there has been other changes at this location which have necessitated this request for valuation.

As part of this relocation of St Teresa's the current visioning for the former Marymount site is to provide capacity for 350 students in the first instance, increasing to in excess of 500 students as demand grows.

In addition to these expanded enrolments CESA is embarking on the provision of Early Years Learning facilities at a number of locations across the State. The Hove site has been identified as a potential provider of this service, which could have enrolments of up to 80 children from 3 years to school age in a separate facility but within the overall campus.

This proposed growth in student numbers, plus aging asset infrastructure and a different education model (Reception to Year 6) plus Early Years Centre (60-80 children) will necessitate a repurposing of existing facilities plus potentially the creation of new buildings.

Holdfast Bay Community Centre

The City of Holdfast Bay is the owner of the Holdfast Bay Community Centre (the other major land parcel in this block) which is managed on its behalf by the YMCA. On this same allotment (108) there is also a playgroup/kindergarten located at the corner King George and King Street. This community centre is a mix of old transportable buildings which based on the writers knowledge are nearing the end of their asset life.

These transportables form a series of individual rooms. In addition to this there are two car parks associated with these premises one at the front of the centre and the other at the rear of the property.

Scope of this valuation request

The Catholic Education Office (CEO) is the lead agency in the redevelopment of the Hove site and as part of its due diligence is interested to consider the feasibility of acquiring some or all of the land currently occupied by the Holdfast Bay Community Centre.

Discussions have been held with the Chief Executive Officer and senior staff at the City of Holdfast Bay which culminated in a presentation to Council on the 13 February 2018. This presentation in part has suggested that the land currently occupied by the Holdfast Bay Community Centre could be divided into two separate allotments with new purpose built facilities being:

1. A new single storey Early Years Centre (ELC); and
2. New 2 storey Community centre.

Refer to Attachments 2 and 3 of this brief for proposed allocation of space for the above buildings.

To allow further financial analysis and to develop a future Master Plan for the school the CEO needs to understand the market value and any additional cost it would need to incur to secure all or part of the land known as:

Allotment 108 - Certificate of Title 5933 Folio 501

The valuation should provide a number of scenarios (refer Attachments 2 and 3) to enable the CEO to negotiate the real worth of the property for all or part of this identified allotment. The property known in the main as allotment 108 will effectively be divided into two being a portion at 2465m² (ELC for CEO) and a portion at 2760m² (City of Holdfast Bay Community Centre). In addition to these two large spaces there is also a smaller portion 295m² which is owned by the CEO which may be sold separately to the City of Holdfast Bay as part of these negotiations. The pricing sought is as follows:

1. All of the land to the north of the dividing line (that will separate the two ventures) that forms part of the area estimated to total 2,465m². This land is to be valued as:
 - Vacant land; and
 - Occupied land
2. All of the land that forms the current Allotment 108 which is estimated at 5,225m². This land is to be valued as:
 - Vacant land; and
 - Occupied land
3. The portion of the land designated as "Breakout Zone" and estimated at 295m² to be valued as vacant land

Currently the land has a number of encumbrances over it, it is expected that any encumbrance associated with drainage would remain but any rights of way currently associated with allotment 108 would be extinguished as part of any sale agreement. The valuer is to take this into consideration when valuing the land portions in question.

Given that the valuation is being requested by the Catholic Education Office and is of a confidential nature the valuer is not to make contact with the Council or the Holdfast Bay Community Centre at any time and their actions shall not raise the interest or concern of the above parties and to do so may compromise the CEO future negotiating position and may also cause unnecessary media attention.

Need for confidentiality

The enclosed document and any information associated with this request for valuation and any information generated from these investigations is of a commercially sensitive nature which may be used as a basis for negotiation with the City of Holdfast Bay. Given this, the selected valuation company will be required to enter into an agreement with the CEO to keep confidential all information generated as part of this request for valuation as well as the fact that a valuation has been requested at all.

It is also required that the valuation is obtained in a way that raises no awareness or suspicion among people associated with the Community Centre or the broader community. There should be no approaches made to staff at the community centre and the site should not be entered for any reason.

This agreement applies to the selected valuer and all employees of the company that may have access to this information.

Timelines for the valuation

Given the positive response received from the City of Holdfast Bay to the recent presentation and the need to continue to progress the design and eventual construction (project (ELC) which needs to be built and operational by January 2020) there is a need for an urgent turnaround of this valuation.

It is hoped that an initial report/valuation in the form of an email can be provided within one week (2 March 2018) with a follow up written report delivered one week later. The consultant is to confirm their ability to meet this timeline in their fee submission.

Fee offer

The Catholic Education Office is seeking a lump sum fee to undertake the works described in the "Scope" and requests the following information as part of the valuers submission for these works:

1. Previous experience with similar valuations.
2. Ability to meet timelines requested.
3. Company employees that will be involved in project.
4. Copy of Certificate of Currency for Professional Indemnity Insurance.
5. A lump sum fee (inclusive of GST).

This **fee offer** is requested by close of business (3pm) on the Friday 23 February 2018 and should be directed to Peter Smith at the below email address.

Contact Details

For further information or clarification all contact should initially be made through:

Peter Smith

Phone: 8301 6895

Mobile: 0434 078790

Email: peter.smith@cesa.catholic.edu.au

ANNEXURE 2

Copy of Certificate of Title



Product	Register Search Plus (CT 5933/501)
Date/Time	26/02/2018 08:59AM
Customer Reference	1849786
Order ID	20180226000738
Cost	\$33.75

REAL PROPERTY ACT, 1886



South Australia

The Registrar-General certifies that this Title Register Search displays the records maintained in the Register Book and other notations at the time of searching.



Certificate of Title - Volume 5933 Folio 501

Parent Title(s)	CT 5804/985			
Creating Dealing(s)	VE 10036544			
Title Issued	10/01/2005	Edition	1	Edition Issued 10/01/2005

Estate Type

FEE SIMPLE

Registered Proprietor

CITY OF HOLDFAST BAY
OF PO BOX 19 BRIGHTON SA 5048

Description of Land

ALLOTMENT 108 DEPOSITED PLAN 53192
IN THE AREA NAMED HOVE
HUNDRED OF NOARLUNGA

Easements

SUBJECT TO FREE AND UNRESTRICTED RIGHT(S) OF WAY OVER THE LAND MARKED F

SUBJECT TO SERVICE EASEMENT(S) OVER THE LAND MARKED D FOR DRAINAGE PURPOSES TO THE COUNCIL FOR THE AREA (223LG RPA)

TOGETHER WITH FREE AND UNRESTRICTED RIGHT(S) OF WAY OVER THE LAND MARKED A AND J

Schedule of Dealings

NIL

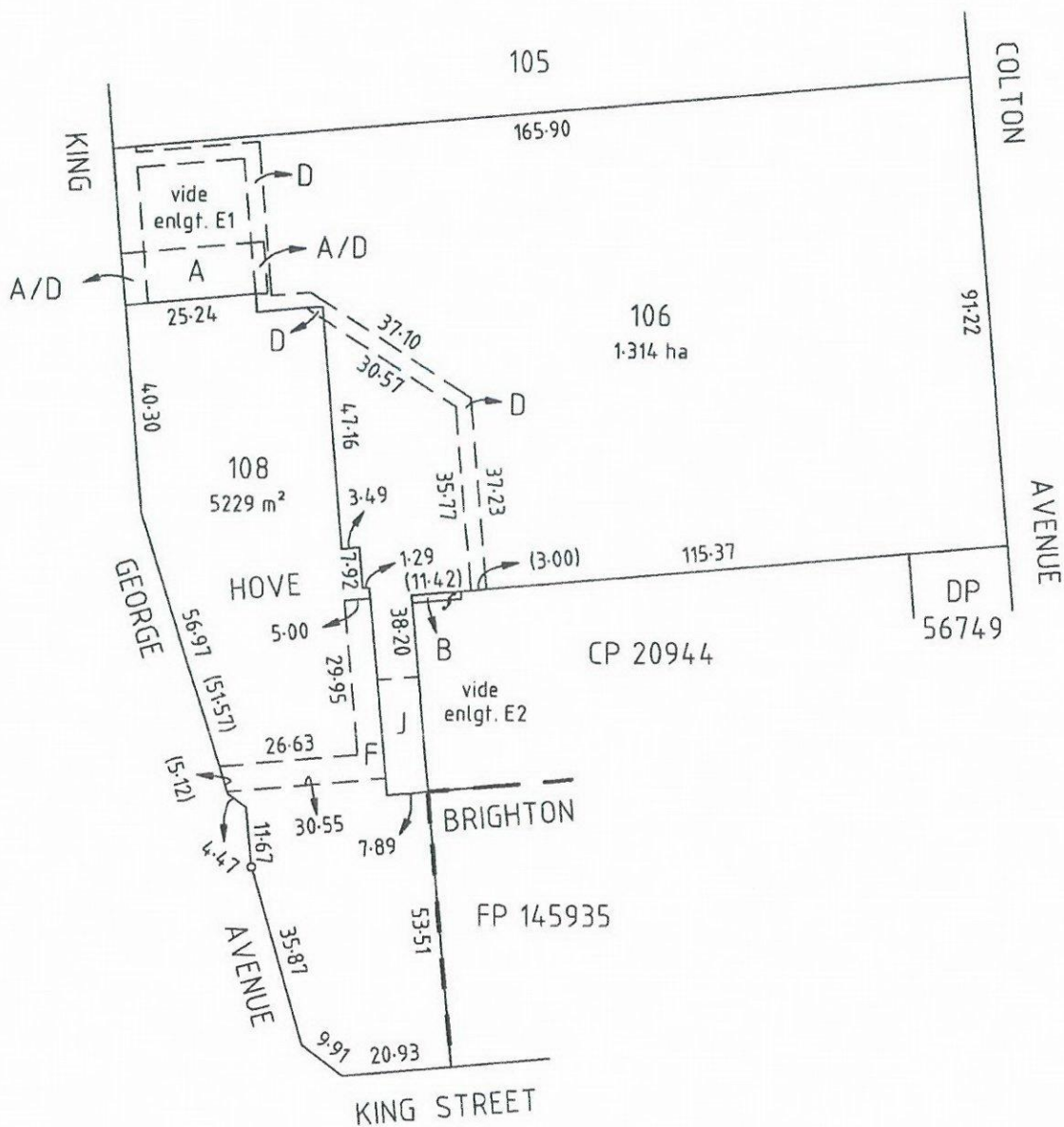
Notations

Dealings Affecting Title	NIL
Priority Notices	NIL
Notations on Plan	NIL

Registrar-General's Notes

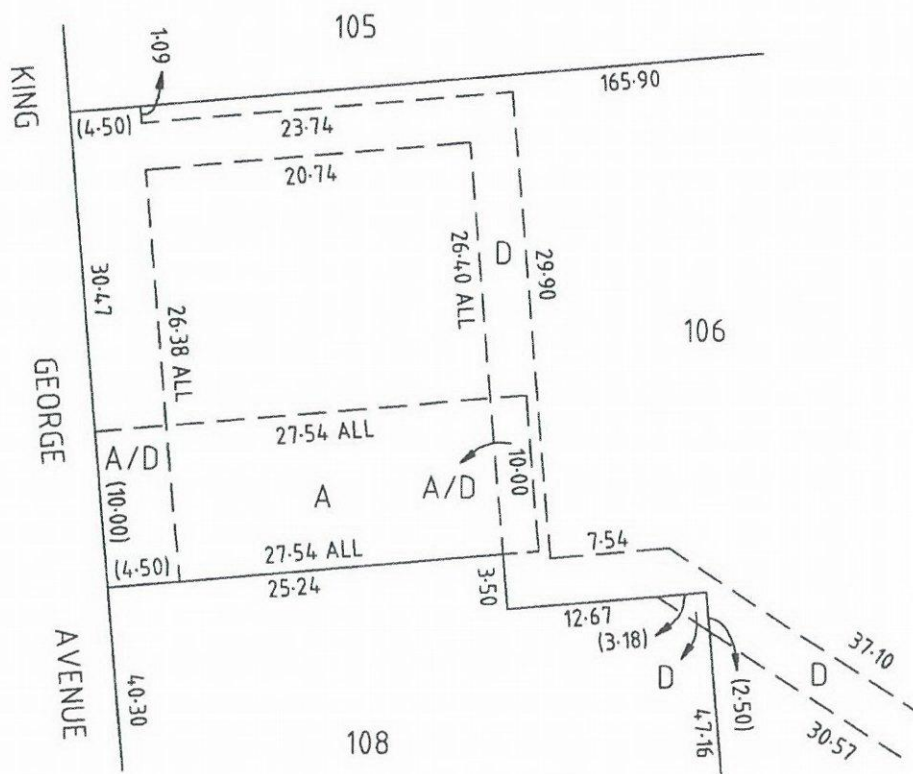
AMENDMENT TO DIAGRAM VIDE DKT93/05

Administrative Interests	NIL
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ENLARGEMENT E1
(NOT TO SCALE)



ENLARGEMENT E2
(NOT TO SCALE)

Sydney Office

Level 23, MLC Centre
19 Martin Place
Sydney NSW 2000

P: +61 2 8234 8100

E: infonsw@m3property.com.au

Melbourne Office

Level 29, Bourke Place
600 Bourke Street
Melbourne VIC 3000

P: +61 3 9605 1000

E: info@m3property.com.au

Brisbane Office

Level 2, 15 James Street
Fortitude Valley QLD 4006

P: +61 7 3620 7900

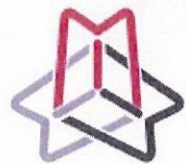
E: infoqld@m3property.com.au

Adelaide Office

Level 3, 44 Waymouth Street
Adelaide SA 5000

P: +61 8 7099 1800

E: infosa@m3property.com.au



m3property
STRATEGISTS

Attachment 4

PROPERTY: HOLDFAST BAY COMMUNITY CENTRE
CORNER KING GEORGE AVENUE AND KING STREET, HOVE 5048

		Valuation	\$per sqm
Site Area	5225 sqm		
Residential - Institutional	3269 sqm	\$3,141,283	\$961
Residential - Character	1956 sqm	\$1,612,525	\$824
		<u>\$4,753,809</u>	

SAM CHRISTODOULOU VALUATION - total site

Site Area	5225 sqm	\$4,750,000	\$909
Residential - Institutional	3269 sqm	\$3,138,240	\$960
Residential - Character	1956 sqm	\$1,609,788	\$823
		<u>\$4,748,028</u>	

M3 Property Valuation

M3 Property Valuation - full site		\$4,400,000	\$842
M3 Property Valuation - ELC Development land 2465 sqm		\$2,200,000	\$892
M3 Property Valuation - Break out Zone 295 sqm		\$250,000	\$847

Catholic Proposal based on Valuations based on SAM CHRISTODOULOU VALUATION as at 28 March 2018

	Land size sqm	Rate \$per sqm	Valuation
ELC development land	2,245	960	2,155,200
Holdfast land -Inst	1,024	960	983,040
Holdfast land - Character	1,956	823	1,609,788
	<u>5,225</u>		<u>4,748,028</u>
Break Out Zone land	295	823	242,785 *