

55 Aird Street, Parramatta

Letters to owners 129, 131, 133, 135, 137-139, 141-143 Church Street, Parramatta.

Postage Receipts



3 February 2016

Khoury

Dear [REDACTED]

RE: Offer to Purchase; 129 Church Street Parramatta

Our agency has being commissioned by Charles Apartments Pty Ltd, owners of 55 Aird Street Parramatta to approach neighbouring property owners and make offers to purchase these properties as part of a site consolidation for a potential development. Charles Apartments Pty Ltd has undertaken professional valuations for individual properties to determine a sustainable outcome; a copy of your property valuation is attached for your information.

I understand your property is not on the market; hence Charles Apartments Pty Ltd is in a position to make the following offer.

Purchase/offer Price: \$2,320,500.00

The offer made takes into consideration the valuation sum and a further premium for adjoining owners.

Should you be interested, your response will be appreciated within 10 days from the date of this offer.

Please feel free to contact me should you wish to discuss any issues and look forward to hearing from you.

Yours Faithfully

KHOURY & PARTNERS

Office:
Mobile:
Email:

[REDACTED]

3 February 2016

Khoury
PARTNERS

Dear [REDACTED]

RE: Offer to Purchase; 131 Church Street Parramatta

Our agency has been commissioned by Charles Apartments Pty Ltd, owners of 55 Aird Street Parramatta to approach neighbouring property owners and make offers to purchase these properties as part of a site consolidation for a potential development. Charles Apartments Pty Ltd has undertaken professional valuations for individual properties to determine a sustainable outcome; a copy of your property valuation is attached for your information.

I understand your property is not on the market; hence Charles Apartments Pty Ltd is in a position to make the following offer.

Purchase/offer Price: \$2,388,750.00

The offer made takes into consideration the valuation sum and a further premium for adjoining owners.

Should you be interested, your response will be appreciated within 10 days from the date of this offer.

Please feel free to contact me should you wish to discuss any issues and look forward to hearing from you.

Yours Faithfully

KHOURY & PARTNERS

Office:
Mobile:
Email:

[REDACTED]

3 February 2016

Khoury
& PARTNERS

Dear [REDACTED]

RE: Offer to Purchase; 133 Church Street Parramatta

Our agency has being commissioned by Charles Apartments Pty Ltd, owners of 55 Aird Street Parramatta to approach neighbouring property owners and make offers to purchase these properties as part of a site consolidation for a potential development. Charles Apartments Pty Ltd has undertaken professional valuations for individual properties to determine a sustainable outcome; a copy of your property valuation is attached for your information.

I understand your property is not on the market; hence Charles Apartments Pty Ltd is in a position to make the following offer.

Purchase/offer Price: \$1,753,500.00

The offer made takes into consideration the valuation sum and a further premium for adjoining owners.

Should you be interested, your response will be appreciated within 10 days from the date of this offer.

Please feel free to contact me should you wish to discuss any issues and look forward to hearing from you.

Yours Faithfully

KHOURY & PARTNERS

Office:
Mobile:
Email:

3 February 2016

Khoury

ESTABLISHED 1985

Dear [REDACTED]

RE: Offer to Purchase; 135 Church Street Parramatta

Our agency has being commissioned by Charles Apartments Pty Ltd, owners of 55 Aird Street Parramatta to approach neighbouring property owners and make offers to purchase these properties as part of a site consolidation for a potential development. Charles Apartments Pty Ltd has undertaken professional valuations for individual properties to determine a sustainable outcome; a copy of your property valuation is attached for your information.

I understand your property is not on the market; hence Charles Apartments Pty Ltd is in a position to make the following offer.

Purchase/offer Price: \$3,036,000.00

The offer made takes into consideration the valuation sum and a further premium for adjoining owners.

Should you be interested, your response will be appreciated within 10 days from the date of this offer.

Please feel free to contact me should you wish to discuss any issues and look forward to hearing from you.

Yours Faithfully

KHOURY & PARTNERS

Office:
Mobile:
Email:

[REDACTED]

3 February 2016

Khoury

& PARTNERS

Dear [REDACTED]

RE: Offer to Purchase; 137-139 Church Street Parramatta

Our agency has been commissioned by Charles Apartments Pty Ltd, owners of 55 Aird Street Parramatta to approach neighbouring property owners and make offers to purchase these properties as part of a site consolidation for a potential development. Charles Apartments Pty Ltd has undertaken professional valuations for individual properties to determine a sustainable outcome; a copy of your property valuation is attached for your information.

I understand your property is not on the market; hence Charles Apartments Pty Ltd is in a position to make the following offer.

Purchase/offer Price: \$4,026,750.00

The offer made takes into consideration the valuation sum and a further premium for adjoining owners.

Should you be interested, your response will be appreciated within 10 days from the date of this offer.

Please feel free to contact me should you wish to discuss any issues and look forward to hearing from you.

Yours Faithfully

KHOURY & PARTNERS

[REDACTED]
Office:
Mobile:
Email:

[REDACTED]

3 February 2016

Khoury
& PARTNERS

Dear [REDACTED]

RE: Offer to Purchase; 141-143 Church Street Parramatta

Our agency has being commissioned by Charles Apartments Pty Ltd, owners of 55 Aird Street Parramatta to approach neighbouring property owners and make offers to purchase these properties as part of a site consolidation for a potential development. Charles Apartments Pty Ltd has undertaken professional valuations for individual properties to determine a sustainable outcome; a copy of your property valuation is attached for your information.

I understand your property is not on the market; hence Charles Apartments Pty Ltd is in a position to make the following offer.

Purchase/offer Price: \$4,110,750.00

The offer made takes into consideration the valuation sum and a further premium for adjoining owners.

Should you be interested, your response will be appreciated within 10 days from the date of this offer.

Please feel free to contact me should you wish to discuss any issues and look forward to hearing from you.

Yours Faithfully

KHOURY & PARTNERS

[REDACTED]

Office:
Mobile:
Email:

[REDACTED]

R A L I A P O S T
POST OFFICE 2150

125g x 6 \$ 12.00 *
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\$34.80

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55 Aird Street, Parramatta

Valuation 129, 131, 133, 135, 137-139, 141-143 Church Street, Parramatta.





Registered Real Estate Valuer & Property Consultant
ABN: 57159211186

1512.15

15 December 2015

[Redacted]

[Redacted]

Dear [Redacted]

Re Market value advice for 129-143 Church Street, Parramatta, NSW, 2150 (6 x individual properties under separate ownership based on an "as is" basis) for potential acquisition purposes.

I refer to your instructions on 25 November 2015 to provide a market value assessment for the above properties based on an "as is" individual sale basis (i.e. 6 individual properties) to be used for acquisition purposes only.

This valuation advice has been prepared under instructions from Statewide Planning Pty Ltd, however this valuation has been carried out impartially and can therefore be relied upon by both Statewide Planning Pty Ltd and Parramatta City Council for Development Application purposes for 55 Aird Street, Parramatta, NSW.

This letter outlines the summary of findings and valuation assessment. All workings, field notes and calculations have been retained on file.

This advice should be considered as a precursor to a full valuation if required. This advice has been prepared in compliance with the Australian Property Institutes standards.

1.0 date of inspection

30 November 2015.

1.1 date of valuation

30 November 2015

[Redacted]

2.0 legal description

The land is located in the local government area of Parramatta, parish of St John in the County of Cumberland and are legally identified as follows:

lot/DP	address	registered proprietor
[REDACTED]		

3.0 land area

The six properties all have street frontage to Church Street with the exception of 141-143 Church Street which also has frontage to Aird Street.

The individual properties have the following land areas:

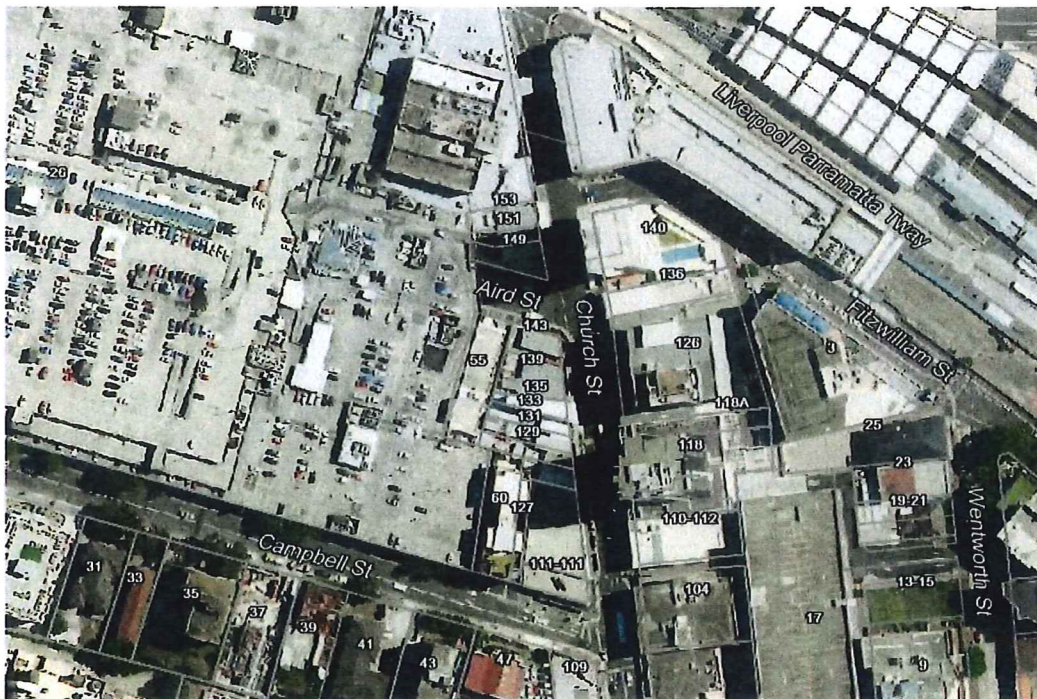
address	land area
129 Church St, Parramatta	183.4
131 Church St, Parramatta	215
133 Church St, Parramatta	158.1
135 Church St, Parramatta	151.8
137-139 Church St, Parramatta	341.91
141-143 Church St, Parramatta	208.7
	1,258.91

4.0 town planning

The site is currently zoned "B4 Mixed Use" under the Parramatta City Centre (PCC) Local Environmental Plan 2007. The maximum height limit is 36 metres and the permissible FSR (Floor Space Ratio) is 4.2:1.

5.0 location

- The subject property is situated within the City of Parramatta, which is a local government area in the western region of Sydney, situated on the Cumberland Plain, approximately 25 kilometres west of the Sydney CBD.
- The Parramatta CBD is the second largest employment destination for the metropolitan area after the Sydney CBD.
- The subject property is situated along Church Street, approximately 50 metres north of Campbell Street.
- Parramatta Railway Station is approximately 200 metres to the north east of the subject property.
- The subject property is directly behind Westfield Shopping Centre. Other immediate surrounding development comprises strip retail/commercial buildings older style flat buildings interspersed with more modern recently completed high density apartment buildings.
- Church Street runs north-south, being located between Great Western Highway and the railway line network to the north.
- Church Street is a dual carriageway which carries local to moderate volumes of traffic and is of bitumen sealed construction with formed kerb and gutters.



aerial view with subject boundaries highlighted



aerial view with subject properties shaded in yellow

6.0 description of existing improvements

Erected upon the subject properties are 6 individual attached retail/commercial buildings over either single, two or three levels. Each property is of varying age and size. Rear lane access is provided to each of the properties. The subject properties are encumbered by either existing leases with further option periods or tenanted on expired leases.

An external inspection was carried out internally.



photo showing 6 of the properties



141-143 Church Street

129-143 Church St, Parramatta, NSW



129, 131 & 133 Church Street



135 & 137-139 Church Street

7.0 lease details and tenancy profile

address	improvements	lease commencement	lease expiry	retail/commercial passing rent (pa)	outgoings
129 Church St, Parramatta	2 storey brick retail/commercial building. Known as "Jin Jiang Seafood Market"	30/06/2007	1/07/2012	N/A	
131 Church St, Parramatta	2 storey brick retail/commercial building. Known as "Shanghai Chef Kitchen"	9-Mar-14	lease expires 8/03/2019	\$92,961	100% payable by tenant
133 Church St, Parramatta	2 storey brick retail/commercial building. Known as "Taste Gallery" restaurant	1-Nov-11	lease expires 31/10/2016 + 5 year option	\$54,354	100% of Sydney Water, Council parking levy and trade waste costs
135 Church St, Parramatta	3 level retail/commercial building. Refurbished. Ground floor used by "Hair Zone"	10-Mar-14	lease expires 9/3/2019 + 5 year option	\$85,011	10% of outgoings payable by tenant
137-139 Church St, Parramatta	2 storey retail/commercial building. Wide frontage. Ground floor leased to "Pho Pasteur" and "T&J Bakery Cake Shop"	21/11/2014 (137 Church St) & 13/06/2012 (139 Church St)	137 Church St leased until 20/11/2019. 139 Church St leased until 12/7/2015	\$169,318	75% payable by tenants
141-143 Church St, Parramatta	141 Church St is a single level building leased to "Pay Exchange & Remittance" whilst 143 Church St is a 2 storey corner building leased to "Bank of China". Two upper level flats	16/05/2011 (143 Church St) & 1/03/2015 (141 Church St)	141 Church St leased until 28/2/2018 + 3 year option. 143 Church St leased until 15/5/2021 plus 5 year option	\$205,479	100% payable by tenants

8.0 sales history

RP data records indicate the subject properties have been held under long term ownership.

9.0 sales evidence relevant to the "as is" value

The following sales are considered the more noteworthy from my market investigations:

address	sale date	sale price	bldg m ² (\$/m ²)	site m ² (\$/m ²)	yield %
18 Phillip Street Parramatta	10/15	\$2,760,000	160 (\$17,250)	209 (\$13,205)	3.26% initial 4.62% AMY

Two storey retail/commercial building located near the corner of Church Street. Rear lane access. 650 metres to Parramatta Railway Station and within close proximity to the café/restaurant precinct. Ground floor leased to Saute Thai Restaurant until 2017 at a gross rental of \$90,000. The upper level is renovated and vacant. Potential rental for the upper level at \$30,000 pa. Potential rental return at \$150,000 pa gross. Mixed Use "B4" zoning allowing an FSR of 3:1.

40 Macquarie Street Parramatta	06/15	\$2,540,000	250 (\$10,160)	145 (\$17,517)	VP
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Two storey retail/commercial building located in the CBD and close proximity to Church Street Mall. Ducted a/c provided to each floor. Zoned "B4 Mixed Use" with a FSR of 10:1.

267-269 Church Street Parramatta	06/15	\$4,600,000	632 (\$7,278)	366 (\$12,568)	5.41% AMY
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Two attached two storey retail/commercial buildings on separate freehold title. Direct rear laneway access to both properties. Mixed Use "B4" zoning allowing an FSR of 3:1. Sold to the same buyer for \$2,300,000 each. 267 Church Street had a passing income of \$126,500 pa reflecting 5.5% yield whilst 269 Church Street was sold with vacant possession.

398-402 Church Street Parramatta	12/14	\$3,350,000	238 (\$14,076)	506 (\$6,621)	2.83% initial 4.60% AMY
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Three attached two storey retail/commercial buildings located on the fringe of the CBD. Fully leased investment with a passing gross income of \$94,672 pa. Ducted a/c provided to each floor. Zoned "B4 Mixed Use" with a FSR of 3:1 and a maximum building height of 24 metres. Rear lane access is provided. Analysed market rent considered to be \$154,000 pa, reflecting an analysed market yield of 3.58%.

223 Church Street Parramatta	10/13	\$1,150,000	301.7 (\$3,812)	323 (\$3,560)	VP
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A small freehold property located between the ANZ and Commonwealth Bank. Rear lane access. Building area of 301.7m². Sold on a month to month tenancy basis.

5 Argyle Street Parramatta	12/13	\$1,565,000	385 (\$4,065)	481 (\$3,254)	7.24%
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This is a freestanding commercial building located within the Parramatta CBD. Circa 1986 two storey brick and metal (period design). Walking distance to Parramatta Station and Westfield Shopping Centre. Gross lettable area of 385m² with on site rear parking. 12 metre street frontage. Long term tenants (Advanced Hair Studio). Sold with a passing net income of \$113,340 per annum. Zoned "B4 - Mixed Use" with an FSR of 1.5:1.

11 George Street Parramatta	10/13	\$2,400,000	616.8 (\$3,891)	291 (\$8,247)	6.69%
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A freehold three level office building over basement parking. Located on the southern side of George Street and opposite the new trial courts. Current passing rent of \$200,760 per annum gross or \$325/m². Zoned "B4 - Mixed Use" with an applicable FSR of 6:1. Net lettable area of 616.8m².

The above sales demonstrate capital values ranging between \$1,150,000 up to \$4,600,000, reflecting \$3,812/m² of building area up to \$17,250/m² of building area and a range between \$3,560/m² of improved land up to \$17,517/m².

10.0 Valuation rationale

In determining an appropriate value for the subject property, I have had regard (but not limited to) to the following factors:

- The properties are well located, being within close proximity to Parramatta Station and Westfield Shopping Centre. The 'Church Street' precinct is known as 'Eat Street' and the subject properties provide for restaurant usage (for the majority);
- The subject properties are individually owned by six different land owners, which makes redevelopment of each property in isolation difficult, which has been reflected in the assessed yield. Therefore the current highest and best use is considered to be as existing retail/commercial buildings;
- The majority of the subject properties are leased with the respective lease covenants indicating that any form of development, even if consolidated or purchased by a single purchaser would protract the immediate or short term redevelopment potential given the lease tenure;
- The market for investment property is currently strong with investors driven by historically low interest rates and in NSW in particular, a strongly performing economy. Sales of comparable investment property in this general area are not plentiful however based on the sales evidence noted above and our own experience we would expect the subject property to achieve a yield in the range of 4.5% to 5.5%.

Having regard to the abovementioned sales and after adjustment for criteria affecting value, I have adopted "as is" market values to be as per the annexed table:

disclaimers

This valuation is for the private and confidential use only of Statewide Planning Pty Ltd and Parramatta City Council and for the specific purpose for which it has been requested.

No part of this advice 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.

No liability is accepted for any loss or damage (including consequential or economic loss) suffered as a consequence of fluctuations in the property market subsequent to the date of advice. The advice noted herein is relevant as at the date of advice only and no warranty can be given as to the currency of the advice at any point following the date of advice.

This advice is current at the date of advice only. The sale advice provided 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 advice is relied upon after the expiration of three months from the date of the advice, or such earlier date if you become aware of any factors that have any affect on the advice in general.

PROPERTY LOGIC

annexures

1. value table

129-143 Church St, Parramatta, NSW

lot/DP	address	land area	improvements	estimated building area (m ²)	lease commencement	lease expiry	retail/commercial passing rent (pa)	outgoings	assessed net market rental (pa) inclusive of upper level flats/offices	yield adopted (%)	assessed market value (\$) on an individual sales basis	rate (\$/m ²)
Lot 3 in DP553109	129 Church St, Parramatta	183.4	2 storey brick retail/commercial building. Known as "Jin Jiang Seafood Market"	150	30/06/2007	1/07/2012	N/A	100% payable by tenant	\$105,000	4.75%	\$2,210,000	\$14,733
Lot 2 in DP553110	131 Church St, Parramatta	215	2 storey brick retail/commercial building. Known as "Shanghai Chef Kitchen"	200	9-Mar-14	lease expires 8/03/2019	\$92,961	100% of Sydney Water, Council parking levy and trade waste costs	\$113,761	5.00%	\$2,275,000	\$11,375
Lot 1 in DP553111	133 Church St, Parramatta	158.1	2 storey brick retail/commercial building. Known as "Taste Gallery" restaurant	145	1-Nov-11	lease expires 31/10/2016 + 5 year option	\$54,354	10% of outgoings payable by tenant	\$75,154	4.50%	\$1,670,000	\$11,517
Lot B in DP328965	135 Church St, Parramatta	151.8	3 level retail/commercial building. Refurbished. Ground floor used by "Hair Zone"	300	10-Mar-14	lease expires 9/3/2019 + 5 year option	\$85,011		\$145,011	5.25%	\$2,760,000	\$9,200
Lot F in DP342070 & Lot D in DP337725 (Auto-Consol 10309-78)	137-139 Church St, Parramatta	341.91	2 storey retail/commercial building. Wide frontage. Ground floor leased to "Pho Pasteur" and "T&J Bakery Cake Shop"	300	21/11/2014 (137 Church St) & 13/06/2012 (139 Church St)	137 Church St leased until 20/11/2019. 139 Church St leased until 12/7/2015	\$169,318	75% payable by tenants	\$210,918	5.50%	\$3,835,000	\$12,783
Lot E in DP342070	141-143 Church St, Parramatta	208.7	141 Church St is a single level building leased to "Pay Exchange & Remittance" whilst 143 Church St is a 2 storey corner building leased to "Bank of China". Two upper level flats	350	16/05/2011 (143 Church St) & 1/03/2015 (141 Church St)	141 Church St leased until 28/2/2018 + 3 year option. 143 Church St leased until 15/5/2021 plus 5 year option	\$205,479	100% payable by tenants	\$205,479	5.25%	\$3,915,000	\$11,186
		1,258.91		1,445							\$16,665,000	\$11,533