

Land Acquisition Assessment Report



Donnybrook/Woodstock Precinct Structure Plan Infrastructure Contributions Plan (ICP) Land Assessments

As at 20 December 2016
Prepared for Victorian Planning Authority (VPA)
Our Ref MLB621866

Melbourne

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Executive Summary

Property Details

Address	Donnybrook/Woodstock Precinct Structure Plan Infrastructure Contributions Plan (ICP) Land Assessments
Instructing Party	Stephen Davis of the Victorian Planning Authority (VPA).
Prepared For	Victorian Planning Authority (VPA). Our report is confidential to the Victorian Planning Authority (VPA) to which it is addressed, for the specific purpose to which it refers. Neither the whole nor any part of this valuation or any reference thereto may be included in any published documents, circular or statement, nor published in part or full in any way, without written approval from Herron Todd White (Melbourne) Pty Ltd of the form and context in which it may appear.
Basis of Assessment	<p>The basis of the assessment is to provide valuation advice for specific properties identified within the Donnybrook/Woodstock Precinct Structure Plan.</p> <p>This valuation process is a theoretical exercise to determine compensation payable to land owners in the preparation of the Donnybrook/Woodstock Infrastructure Contributions Plan (ICP).</p> <p>In assessing the PSP we have completed a per-property broad hectare valuation on a 'before and after' basis of the specific properties that will be transferred or acquired and an assessment utilising the Public Land Equalisation Method (PLEM) 'site specific' assessment for identified properties that exceed the precinct average public land contribution under the PSP.</p> <p>See Section 1.2 for further explanation.</p>
Date of Valuation & Inspection	20 December 2016.
Local Authority	City of Whittlesea / Mitchell Shire Council.
Town Planning	<p>The Donnybrook/Woodstock PSP is included within the following zones pursuant to the Whittlesea Planning Scheme and Mitchell Planning Scheme:</p> <ul style="list-style-type: none">• Urban Growth Zone (UGZ);• Urban Floodway Zone (UFZ);• Farming Zone (FZ);• Special Use Zone – Schedule 1 (Mitchell);• Special Use Zone – Schedule 4 (Whittlesea); and• Rural Conservation Zone (RCZ). <p>The PSP is also subject to multiple Overlays.</p> <p>The Donnybrook/Woodstock PSP incorporates a total of 54 properties and additional areas relating to Road Reserves, comprising a total land area of 1,786 hectares. The PSP areas are identified for multiple uses including residential and retail development, community facilities, sport reserves and parks, Government and non-Government schools with large areas identified for conservation areas concentrated to the north. The PSP area will accommodate approximately 16,600 dwellings at full development, based upon an average density of 16.5 lots per net developable hectare.</p>
Important:	Market data has been obtained from a range of sources, or as reported by real estate agents. As well as using such documented and generally reliable evidence or market transactions, it was also necessary to rely on hearsay evidence. Except as noted herein, a reasonable attempt has been made to verify all such information.



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1 INTRODUCTION

1.1 Instructions

We have been instructed by Stephen Davis on behalf of the Victorian Planning Authority (VPA) to undertake land valuations for specific properties identified within the Donnybrook/Woodstock Precinct Structure Plan.

The interest being valued is the unencumbered fee simple subject to the Critical Assumptions detailed in Section 1.3 of this report.

1.2 Basis of Assessment

This valuation process is a theoretical exercise to determine compensation payable to land owners in the preparation of the Donnybrook/Woodstock Infrastructure Contributions Plan (ICP). In assessing the PSP we have completed the assessments utilising the following methods:

1. 'Before and After' - Per Property Broad Hectare Methodology

As instructed, we have completed a per-property broad hectare valuation on a 'Before and After' basis of the specific properties that will be transferred or acquired by the ICP.

The 'Before' assessment is based on the unencumbered area of each property as identified within the Land Use Budget and ignores land and infrastructure items to be provided by the ICP. The 'After' assessment is based on the remaining portion of each property after all land required by the ICP has been provided.

2. Public Land Equalisation Method (PLEM) Methodology

As instructed, we have utilised the PLEM 'site specific' assessment for sites identified by the VPA that exceed the precinct average public land contribution under the PSP's.

The PLEM takes into account that some land owners are required to contribute an amount of public land (local parks, Council arterial roads, sports fields and land for community infrastructure) above the precinct average dependant on the design of a PSP. For each nominated property, a site specific value of each ICP project identified will be determined. The site specific value amounts will then be reported as the average of these site specific project values for each nominated property.



1.3 Critical Assumptions

Our broad hectare assessments utilising the **'before and after'** methodology have been prepared based on the following critical assumptions:

- The subject land is zoned for an urban purpose and valued at its unencumbered, highest-and-best use within this context. Land in and around town centres identified in the PSP will be assumed to be zoned for residential purposes.
- The subject land is readily serviceable and accessible by road.
- The subject land is at the development front and market demand exists.

Our broad hectare assessments utilising the **'site specific'** methodology have been prepared based on the following critical assumptions:

- The subject land is zoned for an urban purpose and valued at its unencumbered, highest-and-best use within this context. Land in and around town centres identified in the PSP will be assumed to be zoned for residential purposes.
- The subject land is readily serviceable and accessible by road. It is to be assumed that these sites are regular in shape with two existing road frontages and have their GAIC and Development Contribution Levies paid.
- The subject land is at the development front and market demand exists.

Both assessment methodologies have been prepared based on the following critical assumptions:

- As instructed, special value, severance, disturbance, enhancement or depreciation etc. and other measures of compensation as defined within the Land Acquisition and Compensation Act 1986 have been ignored for the purpose of these assessments.
- All land areas of specific properties identified within the PSP have been provided by the VPA.
- The assessments have been completed with a kerbside inspection only.
- No improvements have been considered within our assessment.
- Land identified within the Land Use Budget for utility easements, stormwater drainage and water quality treatment infrastructure, heritage, conservation and landscape values etc. within the PSP is considered encumbered land.
- We have not undertaken a formal flood search to confirm whether or not the land is subject to flooding or other impediments caused by excess water saturation and/or flood.
- There is no surface or sub-surface soil problems including instability, toxic or hazardous wastes or building material hazards in or on the properties that would adversely affect its existing or potential use or reduce its marketability.
- There are no archaeological / heritage issues that would impact upon the development potential of the land in accordance with the PSP or incur costs or additional development time associated with their resolution.
- There are no native vegetation or fauna issues that would impact upon the development potential of the land in accordance with the PSP or incur costs or additional development time associated with their resolution.
- The assessment is a hypothetical static assessment of the loss for each property based on market sales with each property assessed independent of any other parcel.
- The assessments are provided exclusive of Goods and Services Tax (GST).



1.4 Information Sources

Our assessment conclusions have been reached after reviewing information provided by the instructing party. The information reviewed and supplied includes, although is not limited to, the following:

- Donnybrook/Woodstock PSP – Land Budget Data (14 December 2016).

1.5 Definitions

This assessment has been undertaken in accordance with the following definitions:

Market Value

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

Highest and Best Use

“The use of an asset that maximises its potential and that is physically possible, legally permissible and financially feasible”.

1.6 Date of Inspection and Assessment

The date of inspection and date of assessment is 20 December 2016. We note that our inspections of the PSP areas were kerbside only and we have not internally inspected any improvements.

This assessment is current as at the date of assessment only. The values 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 properties).



2 TITLE AND STATUTORY DETAILS

2.1 Title Details

Individual Title searches have not been conducted and we have relied upon the Donnybrook/Woodstock PSP – Land Budget Data (14 December 2016) prepared by the VPA confirming site areas.

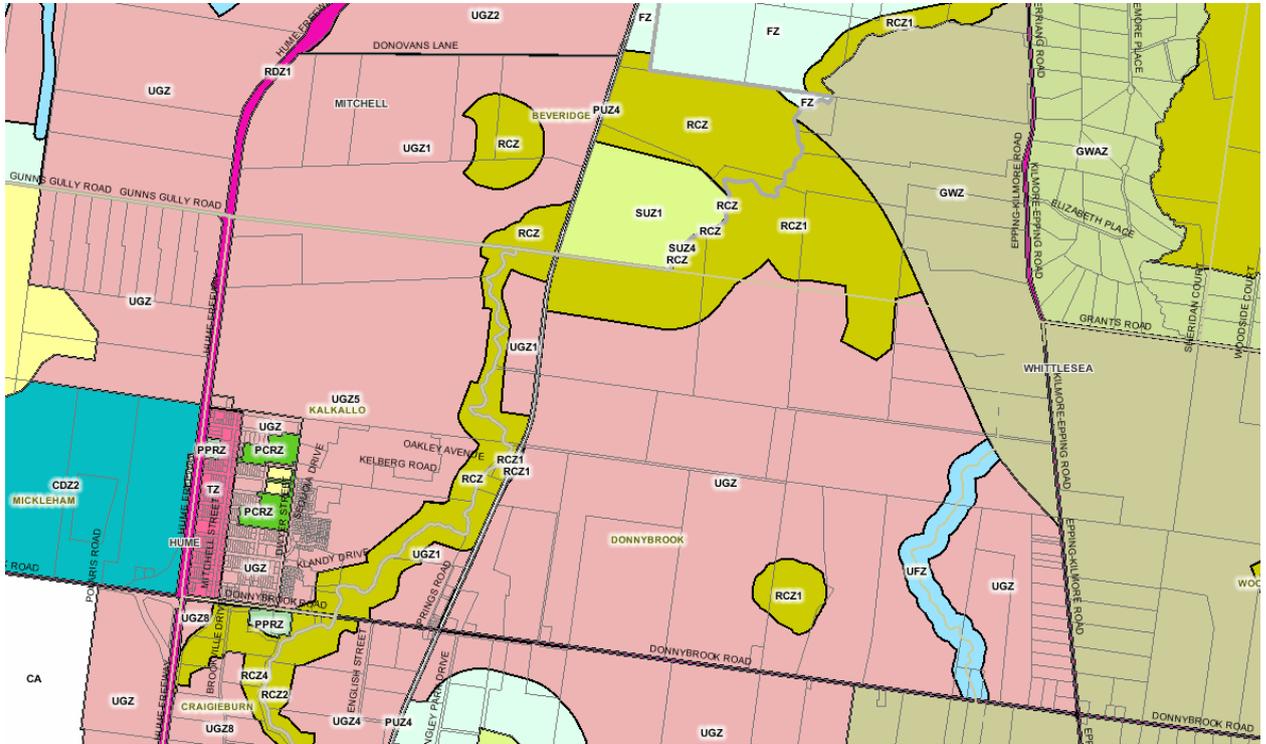
2.2 Easements, Encumbrances and Interests

We have not searched Certificates of Title and our assessment is subject to there being no encumbrances, easements or other instruments that may have an adverse effect on our assessments. Should any such easement or encumbrance become apparent, we reserve the right to review our assessment.



3 TOWN PLANNING AND APPROVALS

3.1 Town Planning Summary



Source: Victorian State Government

Local Authority	City of Whittlesea / Mitchell Shire Council.
Planning Scheme	Whittlesea Planning Scheme and Mitchell Planning Scheme.
Zoning / Overlays	<p>The Donnybrook/Woodstock PSP is included within the following zones:</p> <ul style="list-style-type: none"> • Urban Growth Zone (UGZ); • Urban Floodway Zone (UFZ); • Farming Zone (FZ); • Special Use Zone – Schedule 1 (Mitchell); • Special Use Zone – Schedule 4 (Whittlesea); and • Rural Conservation Zone (RCZ). <p>The PSP is also subject to multiple Overlays.</p>

We assume that planning data provided to us by the relevant Local Planning Authority is accurate. In the event that a Town Planning Certificate or any other relevant Planning Certificate or document is obtained and the information therein is later found to be materially different to the town planning information detailed within the valuation, we reserve the right to amend the valuation.

3.2 Current Use

As at the date of our inspection the PSP is predominantly utilised for light agricultural pursuits and hobby farms. The properties are either vacant or improved with dwellings, ancillary shedding, stables, paddocks and dams.



3.3 Highest and Best Use

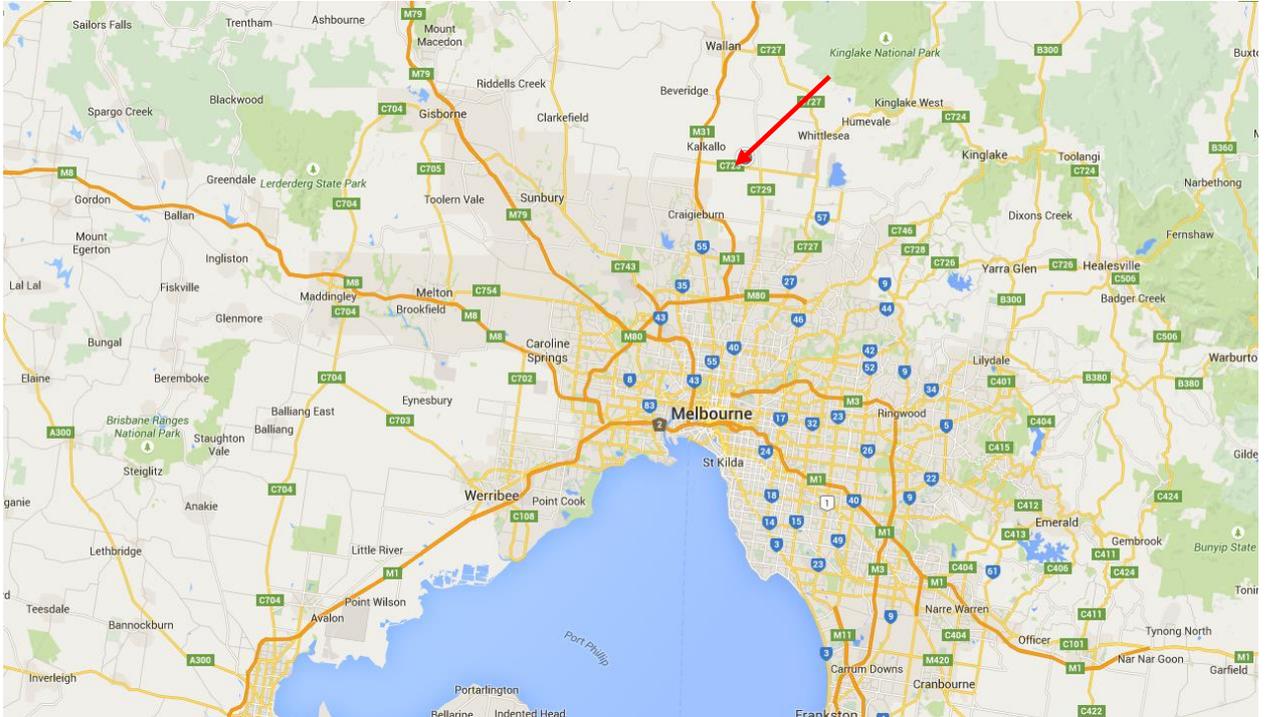
As detailed within Section 1.3 - Critical Assumptions, our broad hectare assessments have been prepared on the basis the subject land is zoned for an urban purpose in accordance with the PSP, with the land valued at its unencumbered, highest-and-best use within this context.



4 THE LAND

4.1 Location Details

The general location of the PSP area is indicated on the map and aerial photograph below.



Source: Google Maps



Source: Nearmap (December 2015)



Situation and Locality	<p>The PSP straddles the suburbs of Donnybrook and Woodstock with the site bound by the Outer Metropolitan Ring Road/E6 reservation to the north, the Sydney-Melbourne train line to the west, Donnybrook Road to the south, and Merriang Road in the east.</p> <p>The area is approximately 35 kilometres north of the Melbourne CBD.</p>
Road System	<p>The PSP area is principally accessed via Donnybrook Road and Merriang Road that link to the Hume Highway providing access to and from the Melbourne CBD and the northern suburbs.</p>
Surrounding All	<p>Surrounding development comprises rural land holdings utilised for grazing and rural/residential purposes.</p>
Infrastructure	<p>The PSP area is removed from the existing residential development front with limited infrastructure complementing residential development located approximately one kilometre to the west. As the land within the PSP is developed over time further amenities will be constructed in closer proximity to these specific properties.</p>

4.2 Land Description

Topography	<p>The land is generally level in surface contour with the exception of Hayes Hill located on Property 31 and 32 together with further properties affected by creeks and natural drainage lines.</p>
Flooding	<p>We note portions of the PSP areas are affected by Urban Floodway Zoned (UFZ) land however we have not undertaken a formal flood search to confirm whether other zoned portions of the area are subject to flooding or other impediments caused by excess water saturation and/or flood.</p>
Services	<p>Our assessment has been provided on the basis that all services suitable for urban development including electricity, water, sewerage, gas and telephone have been extended to each parcel in accordance with the PSP.</p>

We have physically identified the boundaries upon inspection and there do not appear to be any encroachments. However, we are not surveyors and no warranty can be given without the benefit of an identification survey.

To the best of the valuer's knowledge, the specified properties are not affected by landslip, pest infestation or resumption matters, however, no searches have been undertaken in this regard.



4.3 Growth Areas Infrastructure Contribution (GAIC)

As detailed within Section 1.3 - Critical Assumptions, our broad hectare 'site specific' assessments have been undertaken on the basis the GAIC and Development Contribution Levies are paid.

4.4 Environmental Issues

As detailed within Section 1.3 - Critical Assumptions, our broad hectare assessments have been prepared on the basis the subject land is zoned for an urban purpose in accordance with the PSP, with the land valued at its unencumbered, highest-and-best use within this context.

Accordingly, our assessment is made on the assumption that there are no surfaces or sub-surface soil problems including instability, toxic or hazardous wastes or building material hazards in or on the properties that would adversely affect its existing or potential use or reduce its marketability. Should any such problem become apparent, we would reserve the right to review our assessment.

4.5 Heritage

As detailed within Section 1.3 - Critical Assumptions, our assessments have been prepared on the basis the subject land is zoned for an urban purpose in accordance with the PSP, with the land valued at its unencumbered, highest-and-best use within this context.

Accordingly, our assessment is made on the assumption that there are no archaeological / heritage issues that would impact upon the development potential of the land in accordance with the PSP or incur costs or additional development time associated with the resolution of such matters. If any heritage issues are discovered during the completion of the Cultural Heritage Management Plan (CHMP) we reserve the right to review our assessment.

4.6 Flora and Fauna

As detailed within Section 1.3 - Critical Assumptions, our broad hectare assessments have been prepared on the basis the subject land is zoned for an urban purpose in accordance with the PSP, with the land valued at its unencumbered, highest-and-best use within this context.

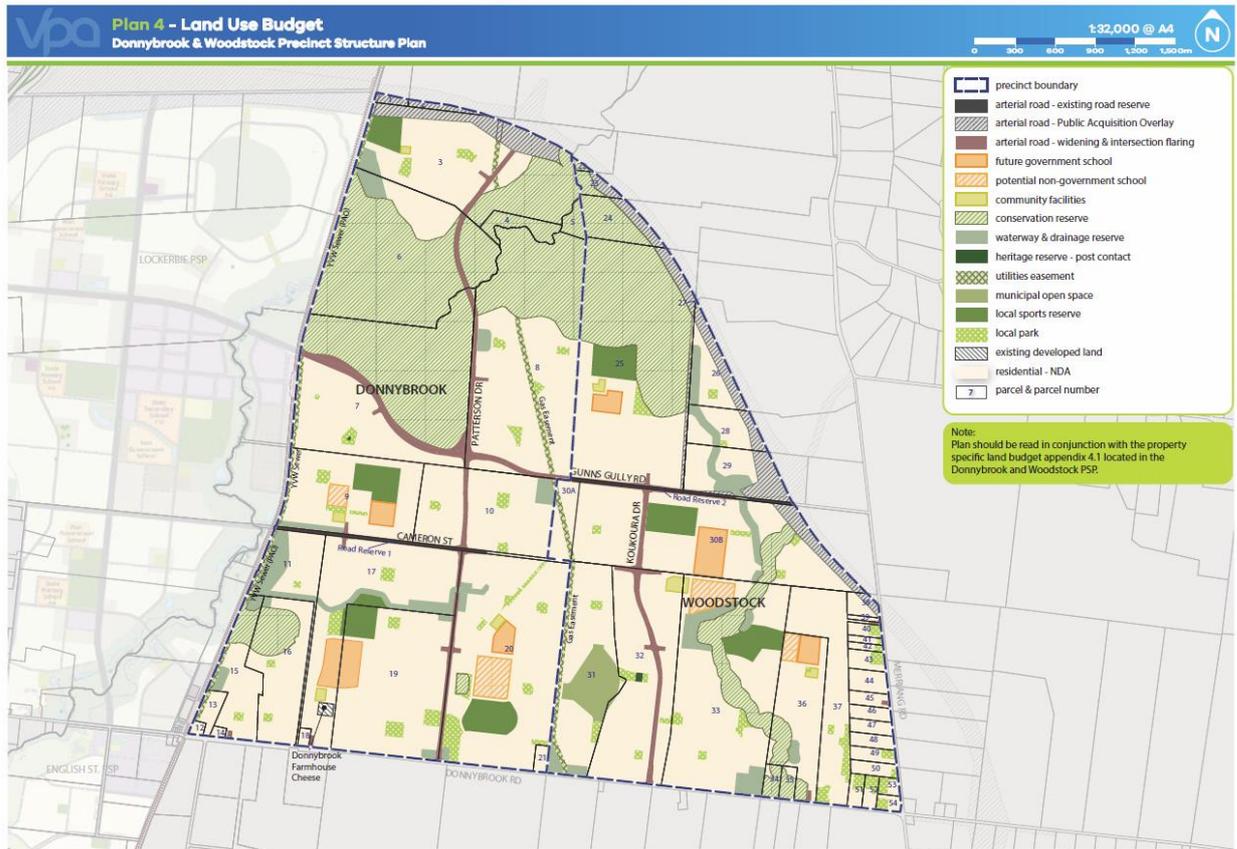
Accordingly, our assessment is subject to there being no native vegetation or fauna issues that would impact upon the development potential of the land in accordance with the PSP or incur costs or additional development time associated with the resolution of such matters. If any native vegetation or fauna issues are discovered we reserve the right to review our assessment.



5 DONNYBROOK AND WOODSTOCK PRECINCT STRUCTURE PLAN

The Donnybrook/Woodstock PSP incorporates a total of 54 properties and additional areas relating to Road Reserves, comprising a total land area of 1,786 hectares. The PSP areas are identified for multiple uses including residential and retail development, community facilities, sport reserves and parks, Government and non-Government schools with large areas identified for conservation areas concentrated to the north. The PSP area will accommodate approximately 16,600 dwellings at full development, based upon an average density of 16.5 lots per net developable hectare.

The PSP is as follows:



Source: Victorian Planning Authority



6 SALES EVIDENCE

We have examined market activity within the growth corridors for sales of comparable properties identified for residential land uses. We note there have been a limited number of market transactions recently of readily developable englobos sites and we therefore have had to rely upon older sales evidence. We detail a selection of the sales evidence in the following schedule:

Address	Sale Date	Sale Price	Size (Ha.)	Rate (\$/Ha.)
974 Black Forest Road, Wyndham Vale	Oct-16	\$91,500,000 (T) \$82,200,000 (CE)	114.91 (G) 105.30 (N) 1,267 lots	\$800,706 (CE)
1070 Sayers Road, Tarneit	Aug-16	\$55,000,000 (T) \$52,250,000 (CE)	63.56 (G) 54.81 (N)	\$953,373 (N)(CE)
128 Wollahra Rise, Wyndham Vale	Mar-16	\$5,510,000 (T) \$4,800,000 (CE)	12.40 (G) 7.37 (N)	\$651,289
468-502 Ballan Road, Wyndham Vale	Dec-15	\$9,250,000 (T) \$8,700,000 (CE)	12.15 (G) 11.65 (N)	\$746,781 (CE)
“Little Green/Big Green” Estate 1030 Tarneit Road, Tarneit	Dec-15	\$90,000,000 (T) \$83,100,000 (CE)	123.23 (G) 117.95 (N)	\$704,543 (CE)
75 Stewart Street & 261 Beveridge Road, Beveridge	Nov-15	\$70,000,000 (T) \$47,450,000 (CE)	139.94 (G) 130.22 (N)	\$364,372 (N)(CE)
Santa Rose Farm, Sayers Road, Tarneit	Nov-15	\$98,000,000 (T) \$94,200,000 (CE)	105	\$897,143
235-311 Beattys Road, Plumpton	Nov-15	\$57,050,000 (T) \$55,900,000 (CE)	62.71	\$891,405 (CE)
91-93 & 95 Browns Road, Botanic Ridge	Nov-15	\$25,000,000	47.78 (G) 44.03 (N)	\$567,795 (N)
“Arena” Estate, James Mirams Drive, Roxburgh Park	Aug-15	\$93,100,000 (T) \$84,500,000 (CE)	205.0 (G) 159.7(N)	\$529,117 (N)(CE)
Balance of the “Annadale” Estate, 495 Donnybrook Road, Mickleham	Jun-15	\$46,499,900 (T) \$45,575,000 (CE)	93.88	\$485,460 (CE)
1345 Ballarto Road, Cranbourne East	Jun-15	\$8,800,000 (T) \$7,870,000 (CE)	12.0	\$655,833 (CE)
725 Sunbury Road, Sunbury	May-15	\$36,500,000 (T) \$30,500,000 (CE)	205.98 (G) 123.09 (N)	\$247,786 (N)(CE)
“Aurora” Estate, Harvest Home Road, Epping	Oct-14	\$126,700,000 (T) \$97,600,000 (CE)	410.7 (G) 265.4 (N)	\$367,745 (N)(CE)
“Officer / Aspect” Estate Bridge Road, Officer	Oct-14	\$53,450,000 (T) \$44,600,000 (CE)	126.22 (G) 118.98 (N)	\$374,853 (N)(CE)

(G) Gross (N) Net (T) Terms (CE) Cash Equivalent



7 ASSESSMENT CONCLUSIONS

As instructed, we have completed a per-property broad hectare assessment on a 'Before and After' basis and an assessment utilising the Public Land Equalisation Method (PLEM) 'site specific' assessment for identified properties as detailed within Section 1.2 of this report.

In determining value, we have adopted the direct comparison approach. The direct comparison approach compares the subject property to the available sales evidence on a rate per hectare basis.

As instructed, special value, severance, disturbance, enhancement or depreciation etc. and other measures of compensation as defined within the Land Acquisition and Compensation Act 1986 have been ignored for the purpose of these assessments.

A summary of the land assessments utilising the 'Before and After' basis for the specific properties within the PSP is as follows:

Assessment	Before		After		Difference
	Value	Area (Ha)	Value	Area (Ha)	
Residential	\$925,940,000	1,293.54	\$838,285,000	1,138.39	\$87,655,000

Furthermore, we have utilised the PLEM 'site specific' assessment and summarised the sites identified by the VPA that exceed the precinct average public land contribution within the PSP's as follows:

PLEM Summary	Combined ICP Area (Ha.)	Total
Total	109.39	\$122,005,000

7.1 GST Assumptions

Our assessments are exclusive of GST.



Paul Wheate AAPI
Director/Certified Practising Valuer
API Membership No. 63106

This estimate of value is for the use only of the Victorian Planning Authority (VPA) to whom it is addressed and for no other purpose. No responsibility is extended to any third party who may use or rely on the whole or any part of the content of this estimate of value. No responsibility will be accepted for photocopied signatures.

8 QUALIFICATIONS & DISCLAIMERS

Please note that all specific disclaimers are indicated in italics within the relevant sections of the report.

Accuracy of Information	We advise that any objective information, data or calculations set out in the Assessment will be accurate so far as is reasonably expected from a qualified and experienced valuer, reflecting due skill, care and diligence. However, we have not independently verified third party information, adopted it as our own, or accepted its reliability. If any of the information provided by others and referred to in the assessment report is incorrect, it may have an impact on the assessment. The assessment is provided on the proviso that the reliant party accepts this risk.
Conflict of Interest	Neither the valuer, nor to the best of their knowledge, any member of this firm, has any conflict of interest, or direct, indirect or financial interest in relation to this property that is not disclosed herein.
Excluded Searches	The following searches have not been undertaken: Land Survey Plan, Building Survey Plan, Formal Flood, Detailed Town Planning, Contaminated Land/Environmental Management Registers, Heritage Register, Local/State Road Widening, Vegetation Protection, Native Title. Our assessment assumes such searches would identify no issues that may affect the value and/or liquidity of the property. Should any person relying on the contents of this report be aware or become aware of an issue that may affect value and/or liquidity then the searches should be referred to the valuer for comment.
Goods and Services Tax (GST)	<p>This assessment is exclusive of GST and has been completed on the basis that should GST be payable on the sale of this property, it would be recovered from the purchaser resulting in the vendor not being financially disadvantaged.</p> <p>All rentals, outgoings and sale prices quoted in this report are net of GST unless otherwise stated.</p>
Land Not Affected	To the best of the valuer's knowledge, the land is not affected by unstable, hazardous or toxic soil material, pest infestation or resumption matters however, no searches have been undertaken in this regard. This assessment assumes that there are no problems, however, should any such issues arise, then this matter should be referred to the valuer for further comment
Limited Liability	Liability limited by a scheme approved under professional standards legislation. This scheme does not apply in Tasmania.
Market Movement	This assessment is current as at the date of assessment 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 assessment is relied upon after the expiration of 90 days from the date of the assessment, or such earlier date if you become aware of any factors that have any effect on the assessment. However, it should be recognised that the 90 day reliance period does not guarantee the value for that period; it always remains an assessment at the date of assessment only.
No Compliance Certificate	No Compliance Certificate/Certificate of Classification has been obtained, and this assessment is subject to the building(s) complying in all material respects with any restrictive covenants affecting the site and have been built, occupied and are being operated, in all material respects, in full compliance with all requirements of law, including all zoning, land-use classifications, building, planning, fire and health by-laws (including asbestos and legionnaires disease), rules, regulations, orders and codes of all authorities, and that there are no outstanding requisitions.
No Pecuniary Interest	The valuer has no pecuniary interest in the subject property either past, present or prospective at the date of preparing this report and the opinion expressed is free of any bias in this regard.
Not to be reproduced without permission	Neither the whole nor any part of this assessment or any reference thereto may be included in any published documents, circular or statement, nor published in part or full in any way, without written approval of the form and context in which it may appear.
Structural Survey	This assessment report does not purport to be a site or structural survey of the land or improvements thereon, and any advice provided is not given in the capacity as an expert.

