

Organisation/Lender: National Australia Bank
Fax/Email to: sort@nab.com.au
Borrower: Alan Tham
Loan Ref. No.: 4089052-1503020793547

ValEx Ref: 8590660

Contact: Chun Fai Look
Valuer Ref: 8535827

1. PROPERTY SUMMARY - TBE DWELLING

PROPERTY ADDRESS: 9/239 Norris Road, BRACKEN RIDGE QLD 4017

TITLE DETAILS Proposed Allotment 9, TBI TBI

Encumbrances/Restr's: There is an easement along the rear northern boundary most likely for drainage purposes. The easement does not appear to have any adverse affect on the subject property's market value.

Site Dimensions:

Site Area: 496.00 m²

ZONING/INSTRUMENT: QPP-EC - EMERGING COMMUNITY ZONE

LGA: Brisbane City Council

MAIN BUILDING: Dwelling with 3 Bedrooms, and 2 Bathrooms

Current Use: Residential

Circa: N/A

Addition(s):

CAR ACCOMMODATION: Double garage

No. of car spaces: 2

Car Areas: 38.00 m²

AREAS: Living Areas: 140 m²

Outdoor Areas: 18.00 m²

MARKETABILITY: Average

Heritage Issues: Not known

ENVIRONMENTAL ISSUES: Known - See Comments

ESSENTIAL REPAIRS: None

TBE: **Builder:** Vantage Holdings Australia Pty Ltd, Vantage Holdings Australia Pty Ltd **Date:** 14-07-2017 **Tender**

Price: \$264,399 **Check Cost:** \$264,399

2. RISK ANALYSIS

***MUST "comment" over page on any 3, 4 or 5 Risk Ratings**

Property Risk* Ratings	1	2	3	4	5	Market Risk* Ratings	1	2	3	4	5
Location & Neighbourhood:	2					Recent Market Direction:	2				
Land (incl. planning, title):	2					Market Volatility:	2				
Environmental Issues:	3					Local Economy Impact:	2				
Improvements:	3					Market Segment Conditions:	2				
Risk Ratings: 1 = Low, 2 = Low to Medium, 3 = Medium, 4* = Medium to High, 5* = High											

3. VALUATION & ASSESSMENTS SUMMARY

Interest Valued: Fee Simple Vacant Possession

Other Assessments

Value Component: As If Complete

Rental Value Unfurnished: \$430 per week

Land: \$ 360,000

Replacement Insurance: \$320,000

Improvements (Added Value): \$ 215,000

Market Value - As if Complete: \$ **575,000** (Five Hundred and Seventy-Five Thousand Dollars)

Documents to Sight: Title search and title plan CRITICAL - , Approved building plans

Recommendation: Yes

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

This Report is for the use only of the party/s to which it is addressed for first mortgage purposes only and is not to be used for any other purpose. No responsibility is accepted or undertaken to third parties in respect thereof. No responsibility is accepted or undertaken in the event that the party/s to which it is addressed use this Report for any other purpose apart from that expressly outlined above.

This report is made in accordance with the PropertyPRO Residential Valuation and Security Assessment Pro-forma Supporting Memorandum and must be interpreted with that Memorandum. The agreed parties are bound by the provisions of the Supporting Memorandum. The Supporting Memorandum is available at www.api.org.au.

Valuer: Jared Teitzel

Firm: LMW QLD - Residential

Qualifications/Reg #: AAPI - Certified Practising Valuer

Address: Level 10, 301 Coronation Drive, MILTON QLD 4064

API No: 72277

QRV No: 3833

Inspection Date: 31st August 2017

Phone: (07) 3367 9200

Fax: (02) 8823 6398

Valuation Date: 31st August 2017

Email: ValexQLD@lmw.com.au

Signature:



4. THE LAND

Property Identification:	Street address, Lot number, physical inspection, Survey peg, Cadastral Map, Plan of Subdivision
Title Search Sighted:	No
ZONING EFFECT:	Single use residential development appears to be permitted on the site. Council searches have not been undertaken to verify this.
LOCATION:	Bracken Ridge is located approximately 18 kilometres by road north of the Brisbane CBD. The area is reasonably well serviced in regard to shops, schools and a Tafe College. Public transport is limited to bus services.
NEIGHBOURHOOD:	This is a average quality, established residential locality. Surrounding development generally comprises mixed quality properties. The property's neighbourhood is well serviced by public transport, schools and local shopping facilities.
SITE DESCRIPTION & ACCESS:	The land comprises a regular shaped, near level, inside site located at road level. It has a southerly aspect and enjoys localised suburban views. The site has fair access quality.
SERVICES:	The property's main frontage is to a busy two lane bitumen sealed road with concrete kerbing and channelling. Mains gas, electricity, mains water, telephone and sewerage are available for connection to the property.

5. MAIN BUILDING

Style:	Single level; Detached	Street Appeal:	Good
Main Walls & Roof:	Rendered brick and rendered sheeting walls, Colorbond roof	Window Frames:	Aluminium
Main Interior Linings:	Plasterboard	Flooring:	Concrete
Internal Condition:	Excellent	External Condition:	Excellent
Accommodation:	3 bedrooms, 2 bathrooms, 1 kitchen, 1 laundry, entry, lounge/dining, media room, rear patio, porch and 2 car garage.		
Interior Layout:	Good		
PC Items:	Kitchen: laminate wall and floor cupboards with laminated benchtop, recessed dual bowl stainless steel sink, tile splashback, underbench oven, electric cooktop with canopy rangehood, stainless steel dishwasher and pantry. The kitchen is good quality and in excellent condition. Bathroom: single bowl vanity with laminate top and laminate cupboards. It has a shower recess with glass screen, bath, wall mirror, towel rails, exhaust fan and separate toilet. The bathroom is good quality and in excellent condition. Ensuite: double bowl vanity with laminate top and laminate cupboards. It has a shower recess with glass screen, wall mirror, towel rails, exhaust fan and toilet. The bathroom is good quality and in excellent condition. Internal laundry: automatic washing machine points and single stainless steel tub. The laundry is good quality and in excellent condition.		
Fixtures & Features:	Linen cupboard, 2.7 metre high ceilings, built-in furniture, security screens and doors, smoke alarms, blinds, electric hws, walk-in robe to master bedroom, built in robes, ceiling fan(s), split system a/c to master bedroom and split system a/c to main living area. Floor coverings include: carpet, vinyl (timber look alike) and tiles.		

6. ANCILLARY IMPROVEMENTS

Exposed aggregate driveway and mixed quality pathways. Overall the property's landscaping is of good quality. Secondary ancillary items include: clothes line and turfing. (No allowance for fencing).

7. SALES EVIDENCE & THE MARKET

Address	Sale Date	Price	Brief Comments	In Comparison to Subject
8 Dannenberg Street CARSELDINE QLD 4034	30 May 2017	\$685,000	This is a single level contemporary style detached residential house with rendered brick walls and a colorbond roof that was built in circa 2009. It is of good quality and has good condition/presentation. Accommodation comprises 5 bedroom(s), 2 bathroom(s) and a double garage. Approximate Living area: 259sqm. Ducted air conditioning. The site area is 701 sqm. Overall the property's landscaping is of a good quality.	Superior location in a better regarded area. Superior land being larger. Superior level of ancillary improvements being fenced. Superior structural improvements being a much larger dwelling with ducted air conditioning, however is not brand new. The sale is considered superior overall.
127 Mt Kaputar Avenue FITZGIBBON QLD 4018	29 Mar 2017	\$575,000	This is a single level modern style detached residential house with brick veneer walls and a concrete tile roof that was built in circa 2014. It is of good quality and has good condition/presentation. Accommodation comprises 4 bedroom(s), 2 bathroom(s) and a single garage. Ducted air conditioning. Approximate Living area: 148sqm. The site area is 320 sqm. Site improvements include: inground swimming pool. Overall the property's landscaping is of a good quality. Settled Source: RP Data.	Superior location in a slightly better regarded suburb. Inferior land being smaller. Superior level of ancillary improvements having a pool and fencing. Similar style dwelling with superior ducted air conditioning and a superior number of bedrooms, however is older and has an inferior single car garage. The sale is considered broadly comparable overall.

PROPERTY ADDRESS: 9/239 Norris Road, BRACKEN RIDGE QLD 4017

Page 3 of 10

90 Barbour Road BRACKEN RIDGE QLD 4017	10 Mar 2017	\$625,000	This is a two level conventional style detached residential house with brick veneer walls and a concrete tile roof that was built in circa 2004. It is of good quality and has good condition/presentation. Accommodation comprises 6 bedroom(s), 4 bathroom(s) and a double garage. Approximate Living area: 274sqm. The site area is 599 sqm. Site improvements include: inground swimming pool. Overall the property's landscaping is of a good quality. Abuts a small park/reserve area.	Similar location. Superior land being larger. Superior ancillary improvements having a pool and fencing. Superior structural improvements being a much larger residence with a superior level of accommodation, however is dated. The sale is considered superior overall.
111 Phillips Street BRACKEN RIDGE QLD 4017	11 Jun 2017	\$565,000	This is a single level modern style detached residential house with rendered brick walls and a concrete tile roof that was built in circa 2003. It is of good quality and has good condition/presentation. Accommodation comprises 4 bedroom(s), 2 bathroom(s) and a double garage. Approximate Living area: 147sqm. The site area is 610 sqm. Site improvements include: single bay colorbond shed. Overall the property's landscaping is of a good quality. Settled Source: RP Data.	Similar location. Superior land being larger. Superior ancillary improvements having a shed and fencing. Inferior structural improvements that are older, however have a superior level of accommodation. The sale is considered inferior overall.
2 Trenton Court BRACKEN RIDGE QLD 4017	27 Mar 2017	\$525,000	This is a single level modern style detached residential house with brick veneer walls and a concrete tile roof that was built circa 2009. It is of good condition/presentation and has 4 bedroom(s), 2 bathroom(s) and a 2 garage.. Features include: linen cupboard, security screens and doors, smoke alarms, verticals, photovoltaic solar power system, built in robes, walk-in robe to master bedroom, split system a/c throughout parts of the residence and ceiling fan(s). Floor coverings include: carpet and tiles. Site improvements include: fencing comprises fair quality timber fencing to part of the lot, exposed aggregate driveway and mixed quality pathways. Overall the property's landscaping is of good quality. Secondary ancillary items include: retaining wall(s), clothes line, turfing, rainwater tank and gazebo. The site area is 435 sqm, living area is 145 sqm, outdoor areas are 12 sqm, car area is 41 sqm. The property's main frontage is to a quiet two lane bitumen sealed road with concrete kerbing and channelling. The land comprises a regular shaped, near level, inside site located benched above road level. It has a southerly aspect and enjoys localised suburban views. The site has good access quality. Internal Valuation	Similar quality location, however is in a slightly better position. Slightly smaller allotment. Superior ancillary improvements being fenced. Inferior structural improvements that are older and less appealing, however have a superior number of bedrooms. The sale is considered inferior overall.

PROPERTY ADDRESS: 9/239 Norris Road, BRACKEN RIDGE QLD 4017

Page 4 of 10

Current/Proposed Sale of Subject Property: 13th July 2017 \$360,000

We have sighted an executed copy of the contract of sale. We have sighted a copy of the associated annexures to the contract. The purchase price of \$360,000 is considered to be in line with market value when compared to recent sales evidence.

The sale of the property was performed with the intervention of a real estate agent. The property has been sold off the plan. The sales agent/agency doesn't appear to be local to this area. Different solicitors represented each party in this transaction. I am unaware of any discounts, rental guarantees, incentives, rebates, or other such inducements or special conditions that are considered to effect the consideration of market value. The valuation is subject to no such items relating to the sale of this property. The deposit noted on the provided contract is outside 5-10 % of contract price. There is no indication to suggest the parties to the sale of the property are related. The purchase price has been taken into consideration when assessing the value of the property. If the parties are related I recommend the lender return the valuation report for comment.

Prior Sale(s) of Subject Property (last 3 years):

Level of Market Activity:	Strengthening Sales Activity
Selling period greater than 6 months:	No
Sale in line with local market:	Yes
Copy of Contract Of Sale sighted:	Yes

8. ADDITIONAL COMMENTS

ENVIRONMENTAL ISSUES RISK COMMENT:

The property fronts a busy road (access is via an easement - approximately 45 metres from Norris Road). Upon inspection road noise was evident. The resultant road noise and access difficulties detract from the marketability and overall market value of the property. Property of this nature generally perform worse than unaffected property in the area and can be difficult to sell under slow market conditions.

IMPROVEMENTS RISK COMMENT:

The contract does not include fencing and although the valuation has been adjusted accordingly, an incomplete property appeals to a smaller market segment resulting in more uncertainty regarding its value and marketability. We recommend the lender satisfies itself that works not included as part of the contract are able to be completed by the borrower. We estimate the cost to complete the fencing would approximately \$5,000. If a more accurate assessment is required we recommend the lender seek quotes from the market.

The valuation is based on preliminary plans only and these should be confirmed against approved plans before funds are advanced for construction. Any alterations to the preliminary plans should be referred back to the valuer to assess the impact this may have on the valuation.

ENVIRONMENTAL ISSUES:

Known

COPY OF CONTRACT OF SALE SIGHTED:

Valuer has sighted a copy of the 'offer and acceptance' including full annexures.

GENERAL SUBJECT PROPERTY COMMENT:

Property Comments:

Upon completion the subject property will comprise a modern style, detached residential house with rendered brick and rendered sheeting walls and a colorbond roof located in a new infill subdivision known as Norris Chase. It will be of good quality and will have excellent condition/presentation. Accommodation will comprise 3 bedrooms, 2 bathrooms, 1 kitchen, 1 laundry, entry, lounge/dining, media room, rear patio, porch and 2 car garage.

We have been advised by the site supervisor that the lots within this subdivision are scheduled for completion in the coming weeks. The valuation has been undertaken on an 'as if complete' basis pending full registration of title and plan sealing.

Additional Comments:

The total cost of the project (land at purchase price of \$360,000 + building contract of \$264,399) is \$624,399 and this is considered to be above market value. This is demonstrated by the comparison comments made within the sales evidence section of this report.

The building contract price is considered to be reflective of costs for a dwelling of this size and quality, however the added value of the improvements does not equal their cost. The property has been valued as if complete and when the finished product is compared to sales of similar existing property in this location the value of the property is less than the addition of the cost of the land and buildings.

In assessing the market value particular regard has been given to the sale of 127 Mt Kaputar Avenue Fitzgibbon. This property sold for \$575,000 in March 2017 and is in a superior location in a slightly better regarded suburb. The land is inferior being smaller. The property has a superior level of ancillary improvements having a pool and fencing. It is a similar style dwelling with superior ducted air conditioning and a superior number of bedrooms, however is not new and has an inferior single car garage. The sale is considered broadly comparable overall.

Another good sale supportive of the adopted value is the sale of 90 Barbour Road Bracken Ridge. This property sold for \$625,000 and is in a similar location. The land is superior being larger. It has a superior level of ancillary improvements having a pool and fencing. The structural improvements are superior being a much larger residence with a superior level of accommodation, however is dated. The sale is considered superior overall.

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ValEx Ref: 8590660

PROPERTY ADDRESS: 9/239 Norris Road, BRACKEN RIDGE QLD 4017

Page 5 of 10

Based on the sales evidence within the report we have adopted an as if complete market value of \$575,000 in line with local sales evidence and market conditions.

TBE- Tender Price

Upon review of the Building Contract Information, I can confirm that the tender price is considered to be reasonable, however appears to be at the very upper limit of an acceptable market build price range.

We have been provided with a signed fixed price contract with preliminary plans and detailed specifications depicting a construction contract price of \$264,399.

TBE - Fitout

Based on information provided, upon completion of the building contract the subject property will be incomplete. There has been no allowance made for fencing. Although the valuation has been adjusted accordingly, an incomplete property appeals to a smaller market segment resulting in more uncertainty regarding its value and marketability. We recommend the lender satisfies itself that works not included as part of the contract are able to be completed by the borrower.

TBE - Progress Payments

We have sighted a copy of the building schedule and confirm that progress payments schedule is in line with industry standards.

The assessed market value is based on estimated selling period of 0 to 6 months at the valuation figure herein, subject to a professional marketing campaign through a agent/agency experienced in this location.

After an extensive search for comparable sales, we advise that the sales used in this report are the most recent and most comparable to the subject. We are unaware of any further comparable sales in the immediate vicinity within 6 months and 15% of the market value of the subject with similar land or improvements.

Due to the lack of directly comparable evidence in the immediate area I have relied upon sales from differing areas and made adjustments within the sales comparisons.

MARKET COMMENT:

There are signs the market is tending to the upside. Supply is in balance and supports a stable market. Demand is in balance and supports a stable market. Rental vacancy rates are in balance and supports a stable market. Expectations in the marketplace are for a slight improvement in market conditions.

VALUATION RISK ALERTS:

THERE ARE ESSENTIAL REPAIRS, INCOMPLETE WORKS TO THE PROPERTY AND/OR THE PROPERTY IS CURRENTLY UNDER CONSTRUCTION

Refer to risk comments for further details.

Valuer to sign:



ValEx Ref: 8590660

9. IMPORTANT NOTES & QUALIFICATIONS

LENDER SPECIFIC INFORMATION

This Valuation has been instructed by the party shown at the top of this report. It may be relied upon by any of the following parties if so nominated by the instructing party:

Challenger Mortgage Management Pty Limited, Challenger Non Conforming Finance Pty Ltd, Genworth Financial Mortgage Insurance Pty Limited, J.P Morgan Trust Australia Limited, NAB - National Australia Bank Limited ABN 12 004 044 937 and its wholly owned subsidiaries., National Australia Bank and its related bodies corporate, Perpetual Trustees Victoria Limited, QBE Lenders Mortgage Insurance Limited

GST

Valuations of residential property for mortgage security purposes are undertaken on the basis that GST is not applicable. This valuation is prepared on the assumption that the subject property does not constitute a 'new residential property' as defined under ATO Ruling GSTR 2003/3. Further it is assumed that the subject property will transact as a residential property between parties not registered (and not required to be registered) for GST. The market valuation herein reflects a market transaction to which GST is not applicable.

Building & Construction

This Valuation inspection and Report does not constitute a structural survey and is not intended as such. We have carried out an inspection only of the exposed and readily accessible areas of the improvements. Note, the Valuer is not a building construction or structural expert and is therefore unable to certify the structural soundness of the improvements. Readers of this report should make their own enquiries.

This Valuation has been based on the condition of the structural improvements and the property in general as at the inspection date, and if the property has to be sold in circumstances where its condition has deteriorated and/or essential fixtures/fittings removed there is likely to be a significant write down in the asset value when compared to the current assessment. Under these circumstances the Valuer will not be responsible for any reduction in value.

In regards to the Insurance Replacement Cost estimate, the recipient of this report is advised that the Valuer is not a quantity surveyor and has relied upon published building costing guides to arrive at the opinion of the above re-instatement value.

Improvements

This valuation assumes that all improvements have been constructed in accordance with the appropriate planning and building regulations in force at the time of construction, and that all appropriate approvals have been obtained from the relevant authorities.

The valuation is made on the basis that there are no encroachments by or upon the property. If the instructing party has any concerns regarding encroachments they should be referred to a Registered Surveyor for advice or current survey report.

Number of Bedrooms in Sales Evidence

The number of bedrooms listed in the above sales schedule are either as recorded in available property sales databases or have been assumed by the Valuer. As we have not physically inspected the interior of the sales evidence quoted we cannot guarantee the accuracy of the information provided.

Land Dimensions/Area

Unless stated as otherwise in this report we advise that we have not searched or been provided with a copy of the current Title or Registered Plans and that any dimensions or land areas quoted in this report have been obtained from third party information sources and whilst every endeavour has been made to verify such information we accept no responsibility for inaccuracy of any information provided and relied upon.

Environmental

The client acknowledges and recognizes that the Valuer is not expert in identifying environmental hazards and compliance requirements affecting properties. The Valuer has endeavoured to identify all matters of environmental concern and the effect they might have on the value of the property. However, the Valuer will not be held liable nor responsible for his/her failure to identify all such matters of environmental concern and the impact which any environmental related issue has on the property and its value including loss arising from site contamination; or the non-compliance with environmental laws; or costs associated with the clean up of the property to which an environmental hazard has been recognized, including action by the Environmental Protection Agency to recover clean up costs pursuant to the relevant Environmental Protection Act.

Market Movement Clause

This valuation is current at the date of valuation only. The value assessed herein may change significantly and unexpectedly over a relatively short period of time (including as a result of general market movements or factors specific to the particular property). Liability for losses arising from such subsequent changes in value is excluded as a liability where the 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 effect on the valuation.

Prudent Lenders Endorsement

This valuation is prepared on the basis that the Lender named in the valuation report (and no other) may rely on the valuation for first mortgage finance purposes provided that the Lender has complied with its own lending guidelines, as well as prudent finance industry lending practices and has considered all prudent aspects of credit risk for any potential borrower including the borrower's ability to service and repay any mortgage loan. Further the valuation is prepared on the assumption that the Lender is providing mortgage financing at a conservative and prudent loan to value ratio (LVR). The valuer accepts no liability whatsoever if prudent lending practices fail to be strictly observed and/or if the lender relies solely on this valuation, and no other criteria, to advance loan funds.

This endorsement shall not apply where the Lender is an Authorised Deposit Taking Institution within the meaning of the Banking Act 1959 (including but not limited to any bank, building society or credit union).

Certificate of Title

Unless stated as otherwise in this report we advise that a copy of the current Certificate of Title has not been provided or searched. This valuation assumes clear title. Should any encumbrances, easements, leases or other restrictions not mentioned in this report be known or discovered then the valuation should be referred to the valuer for comment.

Definition of Market Value

Market Value is defined as 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

PROPERTY ADDRESS: 9/239 Norris Road, BRACKEN RIDGE QLD 4017

Page 7 of 10

compulsion.

10. CAPPED LIABILITY SCHEME

Liability limited by a scheme approved under Professional Standards Legislation.

Valuer to sign:

A handwritten signature in blue ink, appearing to be 'J. H. R.', written over a light blue circular stamp.

ValEx Ref: 8590660

PROPERTY ADDRESS: 9/239 Norris Road, BRACKEN RIDGE QLD 4017

Page 8 of 10



SurveyPeg



Views

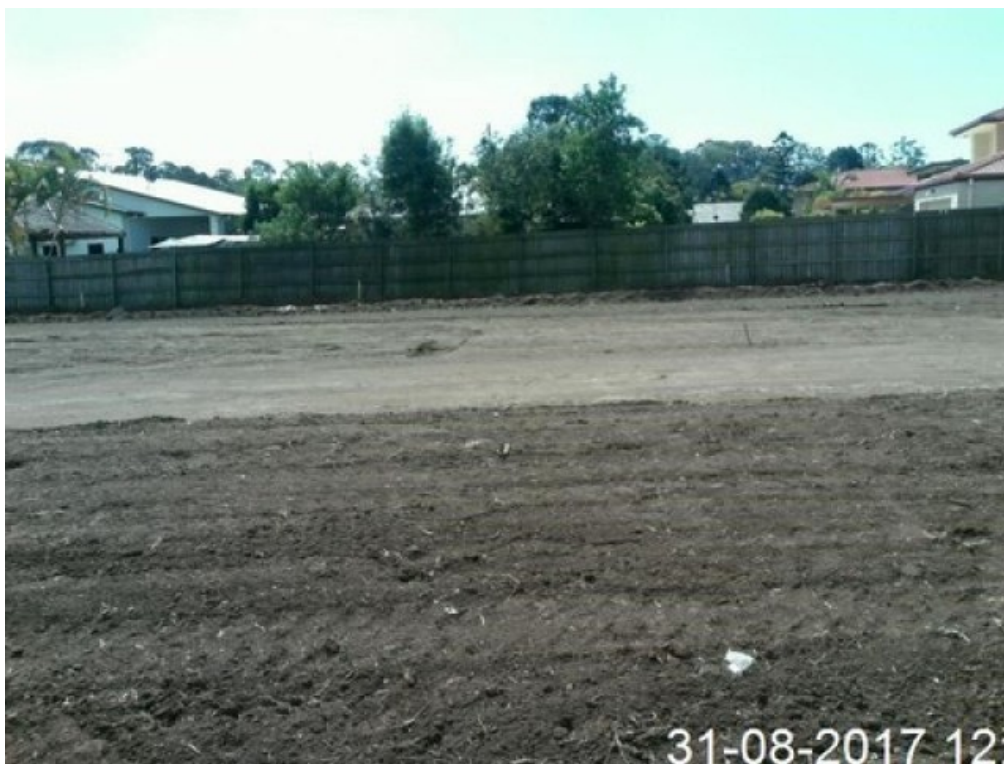
Valuer to sign:



ValEx Ref: 8590660

PROPERTY ADDRESS: 9/239 Norris Road, BRACKEN RIDGE QLD 4017

Page 9 of 10



Front Elevation
FrontElevation



RearElevation

Valuer to sign:

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ValEx Ref: 8590660

PROPERTY ADDRESS: 9/239 Norris Road, BRACKEN RIDGE QLD 4017

Page 10 of 10



Other

Valuer to sign:



ValEx Ref: 8590660