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Our Ref: V047-23

21 March 2023

City of Kalamunda
PO Box 42
KALAMUNDA WA 6076
Attention: Mitchell Brooks – Acting Manager Strategic Planning

Dear Mitchell

**Re: Market Valuation
High Wycombe South Development Contribution Plan Area – 2023 Review**

We refer to your recent instructions and Valuation Brief that we prepare a market valuation of the above DCP Areas assuming a valuation date of 9 February 2023 (being the date of inspection), and confirm we have completed our inspection and investigations and submit the following report which we trust will be satisfactory for your requirements.

Yours faithfully
McGees Property

A handwritten signature in black ink, appearing to read 'Wayne Srhoy', written over a white background.

Wayne Srhoy AAPI, Masters (Property)
Certified Practising Valuer
Licensed Valuer No. 45093
Western Australia

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A Market Valuation Report prepared for

**High Wycombe South Development Contribution Plan Area – 2023 Review
Under instructions from the City of Kalamunda**



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- (1) Valuation Instruction
- (2) Valuation Brief



Executive Summary

Property Address:	High Wycombe South Development Contribution Plan Area.	
General Description:	Our valuation has assumed a hypothetical 1ha to 2ha vacant parcel of land zoned “Urban Development” in accordance with the City of Kalamunda’s LPS3, “Urban” under the MRS, and two separate zoning assumptions in relation to the High Wycombe South Residential Precinct Local Structure Plan.	
Purpose of Valuation:	To assess the current market value of hypothetical 1ha to 2ha lot assuming two separate zoning scenarios for Scheme Contribution purposes.	
Market Valuation:	Residential Medium Density R30 – R60 Hypothetical Lot Range 1ha to 2ha	\$140/m²

The above value assumes that the hypothetical lot is transacted GST free and has considered the following assumptions:

- The land comprises an unencumbered freehold parcel of land that is not negatively impacted by any Western Power, Dampier Bunbury Natural Gas Pipeline or Water Corporation easements.
- The land is unimproved.
- The landholding is zoned “Urban Development” in accordance with the City of Kalamunda’s Local Planning Scheme No. 3 and “Urban” under the MRS.
- The landholding has a “Residential Medium Density” land use classification with a density mix of residential ‘R30’ to ‘R60’.
- Although it is assumed that the hypothetical landholding is capable of being subdivided, a developer will still need to lodge a subdivision application with the Western Australian Planning Commission to gain a relevant conditional approval.
- It is assumed that the hypothetical landholding will not be required to pay a 10% cash-in-lieu contribution as the provision of public open space will be addressed within the DCP or other infrastructure funding mechanism.
- It is assumed that the hypothetical landholding is generally level to its street frontage with good draining sandy based soils that provide no risk of flooding.
- The hypothetical landholding will require some fill to accommodate eventual residential built form development.
- The hypothetical landholding is un-serviced, with scheme contributions payable over and above the purchase price.
- It is assumed that essential services will be located proximate to the hypothetical landholding with the development site considered to be “ripe” for residential subdivision.
- It is to be assumed that the hypothetical landholding will be unencumbered by any contamination, environmental, heritage or geotechnical constraints.
- Although the hypothetical landholding is located within a bushfire prone area, it is assumed that the BAL rating will not stop the land from being developed for urban development.



Market Valuation (cont'd): Residential Medium Density R60 – R100 \$145/m²
Hypothetical Lot Range 1ha to 2ha

The above value assumes that the hypothetical lot is transacted GST free and has considered the following assumptions:

- The land comprises an unencumbered freehold parcel of land that is not negatively impacted by any Western Power, Dampier Bunbury Natural Gas Pipeline or Water Corporation easements.
- The land is unimproved.
- The landholding is zoned “Urban Development” in accordance with the City of Kalamunda’s Local Planning Scheme No. 3 and “Urban” under the MRS.
- The landholding has a “Residential High Density” land use classification with a density mix of residential R60’ to ‘R100’.
- Although it is assumed that the hypothetical landholding is capable of being subdivided, a developer will still need to lodge a subdivision application with the Western Australian Planning Commission to gain a relevant conditional approval.
- It is assumed that the hypothetical landholding will not be required to pay a 10% cash-in-lieu contribution as the provision of public open space will be addressed within the DCP or other infrastructure funding mechanism.
- It is assumed that the hypothetical landholding is generally level to its street frontage with good draining sandy based soils that provide no risk of flooding.
- The hypothetical landholding will require some fill to accommodate eventual residential built form development.
- The hypothetical landholding is un-serviced, with scheme contributions payable over and above the purchase price.
- It is assumed that essential services will be located proximate to the hypothetical landholding with the development site considered to be “ripe” for residential subdivision.
- It is to be assumed that the hypothetical landholding will be unencumbered by any contamination, environmental, heritage or geotechnical constraints.
- Although the hypothetical landholding is located within a bushfire prone area, it is assumed that the BAL rating will not stop the land from being developed for urban development.

Date of Inspection: 9 February 2023.

Date of Valuation: 9 February 2023.

Senior Valuer: Wayne Srhoy AAPI, Masters (Property)
Certified Practising Valuer
Licensed Valuer No. 45093
Western Australia

This Executive Summary is a brief synopsis of the property and our assessment of market value.

It is designed to provide a brief overview and must not be read in isolation, separate from our formal valuation report.

Definition of “Market Value”:

The International Valuation Standards Council (and as adopted by the Australian Property Institute) defines **Market Value** in the *International Valuation Standards 2022* 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 compulsion.”



As per our appended Valuation Brief, our valuation has had strong regard to State Planning Policy 3.6.

Assumptions, Conditions and Limitations:

- The market is being impacted by the uncertainty caused by the COVID-19 pandemic. As at the date of valuation we consider that there is market uncertainty resulting in significant valuation uncertainty.

This valuation is therefore reported on the basis of 'significant valuation uncertainty'. As a result, less certainty exists than normal and a higher degree of caution should be attached to our valuation than normally would be the case. Given the unknown future impact that COVID-19 might have on markets, we recommend that the user(s) of this report review this valuation periodically.

This valuation is current at the date of valuation only. The value assessed herein may change significantly and unexpectedly over a relatively short period of time (including as a result of factors that the valuer could not reasonably have been aware of as at the date of valuation). We do not accept responsibility or liability for any losses arising from such subsequent changes in value.

- The planning and cadastral details obtained from the Department of Planning, Lands & Heritage, Main Roads Western Australia, Landgate and Local Authority websites are current and correct.
 - Adjoining land owners or community groups do not impede or restrain development as foreseen.
 - We are not aware of any Notices currently issued against the hypothetical landholding and we have made no enquiries in this regard.
 - This valuation is made on the assumption that there are no actual or potential asbestos contamination issues affecting the hypothetical landholding.
 - The value and utility of land can be adversely affected by the presence of Aboriginal sacred sites and/or sites of Aboriginal heritage significance. We have made no investigations in this regard, as Aboriginal requirements can only be determined by the appointment of an appropriate expert.
- Under these circumstances, we cannot warrant that there are no such sites on the land and if it is subsequently determined that the realty is so affected, we reserve the right to review this valuation.
- Our valuation assumes the hypothetical landholding is generally level to its street frontage with good draining soils that will provide no risk of flooding.
 - This market valuation assumes there is no environmental contamination of the hypothetical landholding.
 - This market valuation assumes there is no encroachment of adjoining buildings onto the hypothetical landholding.
 - This market valuation assumes an unencumbered fee simple title to the hypothetical landholding.
 - If there are any encumbrances, encroachments, restrictions, leases or covenants which are not noted in this report, they may affect the assessment of market value. If any such matters are known or discovered, we should be advised and asked as to whether they affect our assessment of market value.
 - We have assumed that all information supplied in conducting this market valuation consists of a full and accurate disclosure of all information that is relevant.
 - It is assumed that no significant event occurs between the date of inspection and the date of valuation that would impact on the market value of the hypothetical landholding.
 - We have not obtained a Property Interest Report in providing our advice. A property-specific report will provide detailed information of property interests not listed on the Certificate of Title that may affect the use and enjoyment of the hypothetical landholding.

A report can be obtained from Landgate for a charge of \$54.95 (incl. GST). If a subsequent Property Interest Report reveals any aspects of the hypothetical landholding that may impact on its value, we reserve the right to review our market valuation.

If there is any variance/contradiction in any of the above assumptions, then we reserve the right to review this market valuation accordingly.

Valuation Report

1.0 VALUATION INSTRUCTIONS

We have received instructions from the City of Kalamunda to undertake a market valuation of a hypothetical 1ha to 2ha parcel of land assuming two separate zoning scenarios located within the High Wycombe South Development Contribution Plan Area, to determine the amount needed to be paid for Scheme Contribution purposes.

2.0 DATE OF VALUATION

9 February 2023, being the Date of Inspection.

3.0 PROPERTY ADDRESS

High Wycombe South Development Contribution Plan Area.

4.0 LEGAL DESCRIPTION

Our valuation advice has been based on a hypothetical 1ha to 2ha parcel of land located within the High Wycombe South Development Contribution Plan Area.

As the subject represents a hypothetical parcel of land, we are unable to provide a legal description of the site.

In our two separate zoning scenarios, our valuation has assumed the hypothetical parcel of land is encumbrance free and is suitable for residential subdivision.

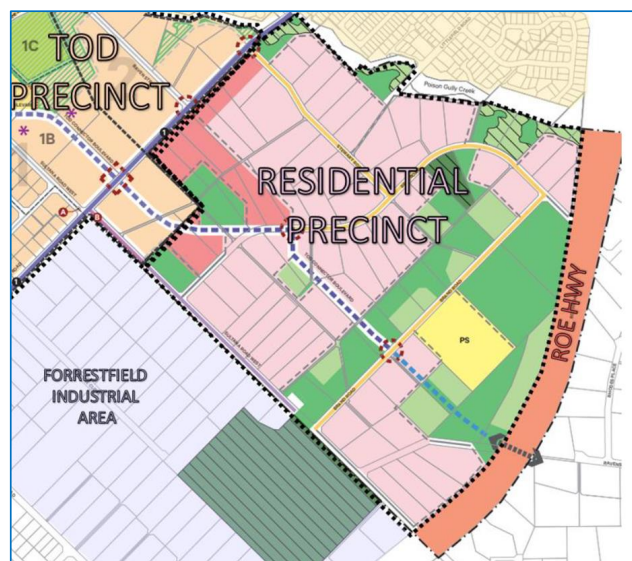
5.0 LOCATION

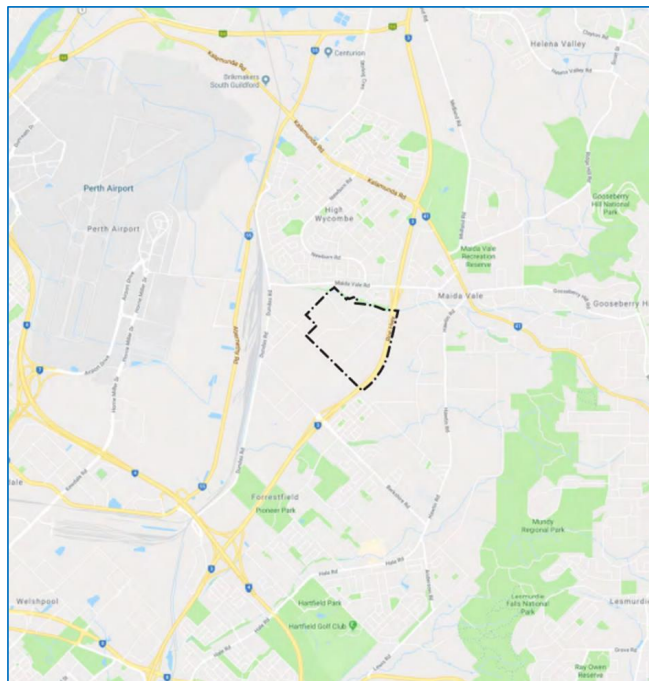
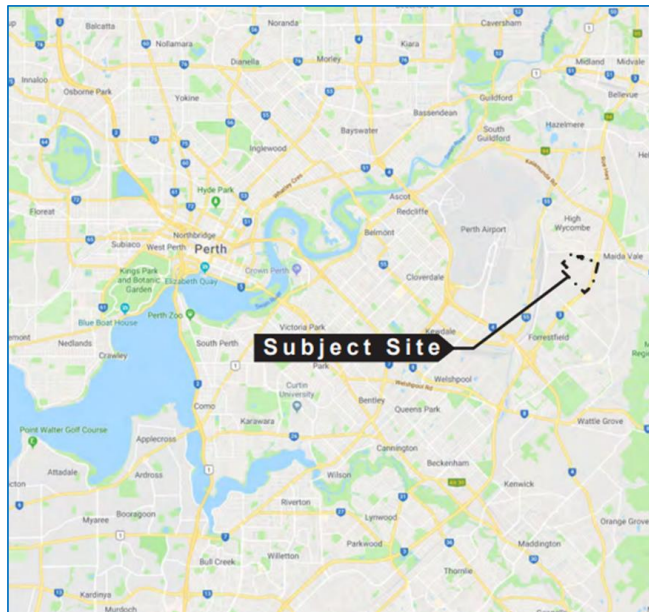
The High Wycombe South Development Contribution Plan (DCP) Area is situated approximately 13kms east of Perth within the suburb of High Wycombe.

The High Wycombe South DCP Area is bounded to its east by Roe Highway, to the south-west by Sultana Road West, to the north-west by Milner Road, and to the north by Poison Gully Creek.

The High Wycombe Train Station TOD Redevelopment Precinct is located to the immediate west of the High Wycombe South DCP Area, whilst the High Wycombe and Forrestfield Industrial Areas are located to the site's immediate south.

The location of the High Wycombe South DCP Area is best shown in the following Aerial Maps and Location Plans:







At the date of valuation the High Wycombe South DCP Area was considered to be in its early stages of development, as the Forrestfield North Residential Precinct Local Structure Plan (now known as the High Wycombe South Residential Precinct Local Structure Plan) was only approved by the WA Planning Commission (WAPC) in July 2020.

Development at the date of valuation mainly comprised rural lifestyle properties ranging in area between 1ha to 2ha that was predominantly improved with single and two level homes which were constructed in the 1980s and 1990s.

As a residential location, the High Wycombe South DCP Area benefits from its close proximity to the High Wycombe train station, Perth Airport, and numerous major arterial roads.

6.0 ACCESS

Our valuation has assumed that the hypothetical landholding assuming two separate zoning scenarios will have direct street fronting access.

The subject Scheme Contribution Area benefits from being located in close proximity to Roe Highway, Tonkin Highway, and Orrong Road.

These thoroughfares provide excellent access into the Perth CBD as well as the northern and southern suburbs of the Perth metropolitan area.

7.0 SITE DESCRIPTION

7.1 Dimensions

As instructed our market valuation has assumed the subject property comprises a hypothetical 1ha to 2ha vacant parcel of land.

7.2 Topography

Our valuation has assumed that the subject property is generally level to its street frontage with good draining sandy soils that will provide no risk of flooding.

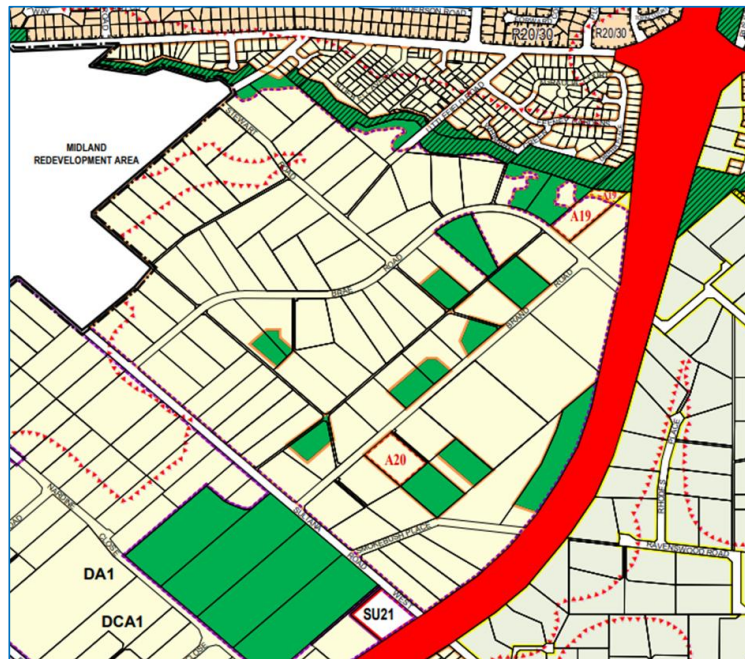
Despite the above, our valuation has also assumed that the hypothetical landholding will require some clean fill to accommodate eventual residential built-form development.




















8.0 PLANNING AND DEVELOPMENT

8.1 Local Planning Scheme

At the date of valuation, land located with the High Wycombe South DCP Area was zoned “Urban Development” in accordance with the City of Kalamunda’s Local Planning Scheme No. 3 (LPS3), as depicted on the following LPS Zoning Map:



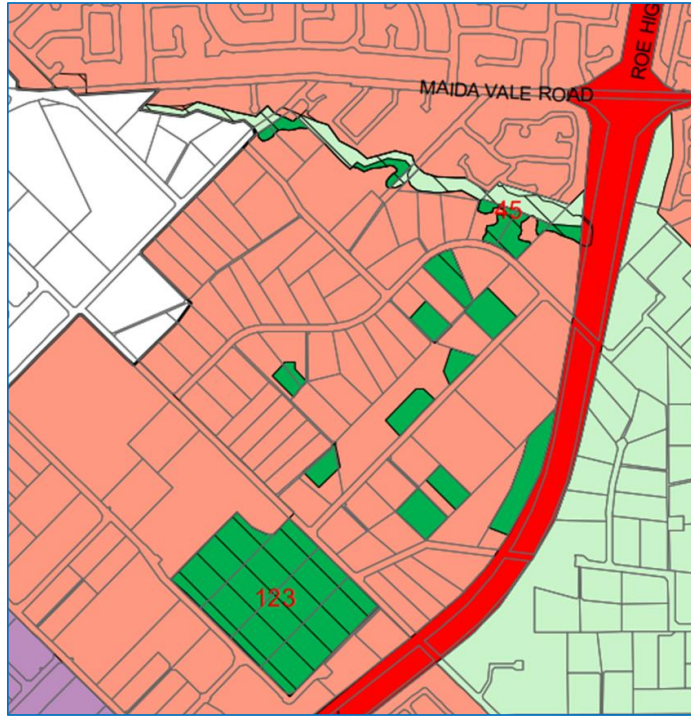
LOCAL SCHEME ZONES

 Commercial	 Rural Agriculture
 District Centre	 Rural Composite
 General Industry	 Rural Conservation
 Industrial Development	 Rural Landscape Interest
 Light Industry	 Service Station
 Mixed Use	 Special Rural
 Private Clubs and Institutions	 Special Use
 Residential	 Urban Development
 Residential Bushland	



8.2 Metropolitan Region Scheme

At the date of valuation, land located within the High Wycombe South DCP Area was zoned “Urban” in accordance with the Metropolitan Region Scheme (MRS), as depicted on the following MRS Zoning Map:





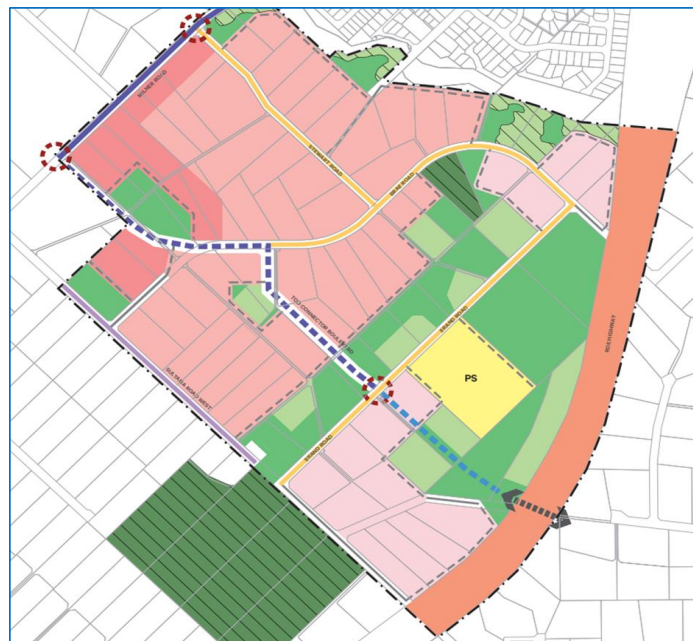
8.3 High Wycombe South Residential Precinct Local Structure Plan

We are aware that the Forrestfield North Residential Precinct Local Structure Plan (now known as the High Wycombe South Residential Precinct Local Structure Plan) was approved by the WA Planning Commission in July 2020.

As instructed, and in accordance with the appended Valuation Brief, our valuation has assumed that the hypothetical landholding will have the following zoning densities:

- Residential Medium Density land use classification with a density mix of R30 to R60
- Residential High Density land use classification with a density mix of R60 to R100

In accordance with the original Forrestfield North Residential Precinct LSP, the DCP Area had the following zoning:



LEGEND

- Structure Plan Boundary
- Region Scheme Reserves**
 - Parks and Recreation
 - Primary Regional Road
- Notice of Delegation**
 - Bush Forever
- Land Use and Residential Density**
 - Environmental Conservation
 - Local Open Space
 - PS** Public Purposes - Primary School
 - Residential Medium Density (R40 - R60)
 - Residential Medium / High Density (R60 - R80)
 - Residential High Density (R80 - R100)
- Other Categories**
 - District Integrator A (Existing / Proposed)
 - District Integrator A (Potential Future)
 - District Integrator B (Existing / Proposed)
 - Neighbourhood Connector (Existing / Proposed)
 - Local Street (Existing / Proposed)
 - Proposed Roundabout
 - Potential Future Fly-Over Roe Highway



Subject to minor modifications, we have been advised by the City of Kalamunda that the WA Planning Commission supported / endorsed the following revised Structure Plan known as the High Wycombe South Residential Precinct Local Structure Plan in October 2022:



ENDORSED LSP	AMENDED LSP
<p>Land Use and Residential Density</p> <ul style="list-style-type: none"> Environmental Conservation Local Open Space PS Public Purposes - Primary School Residential Medium Density (R40 - R60) Residential Medium / High Density (R60 - R80) Residential High Density (R80 - R100) 	<p>Land Use and Residential Density</p> <ul style="list-style-type: none"> Environmental Conservation Local Open Space PS Public Purposes - Primary School Residential Medium Density (R30 - R60)* Residential High Density (R60 - R100)*

9.0 ENVIRONMENTAL, HERITAGE AND CULTURAL ISSUES

9.1 Soil Contamination

As the subject property comprises a hypothetical parcel of land, we have been unable to search the *Contaminated Sites Act 2003* Public Register database.

As per the appended Valuation Brief, our valuation has assumed the hypothetical landholding will be contaminant free.

9.2 Asbestos

Our valuation has assumed the hypothetical landholding is not negatively impacted by the presence of asbestos fibre.

9.3 Heritage Consideration

Our valuation has assumed the hypothetical landholding is not negatively impacted by the presence of a heritage listed building.

9.4 Aboriginal Sites

Our valuation has assumed the hypothetical landholding is not negatively impacted by the presence of Aboriginal sacred sites.



9.5 Flooding

As we have assumed the hypothetical landholding is generally level to its street frontage and will comprise free draining sandy based soils, our valuation has also assumed that flooding will not occur on the site.

9.6 Climate Shift

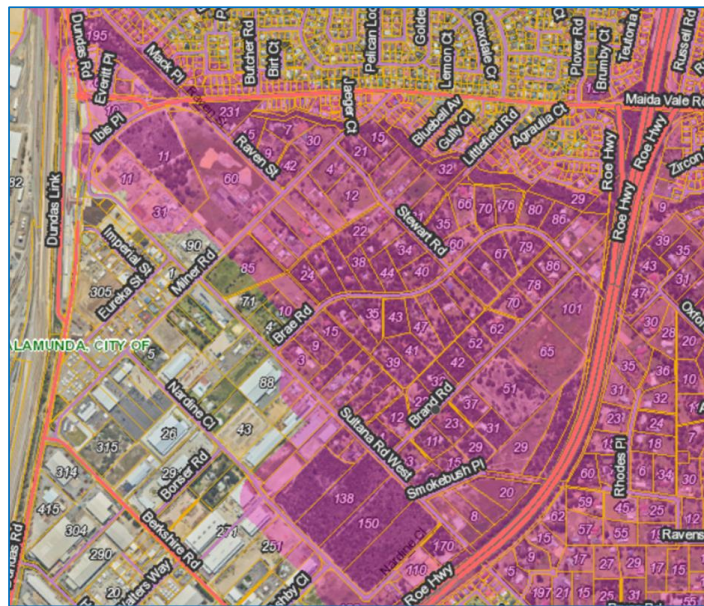
Although not conclusive, current thinking from a variety of scientific authorities around the world indicates that various issues are contributing to climate shift, whereby changing weather patterns have the potential to alter the traditionally understood cycles and ranges, including but not limited to ambient temperatures, rainfall, sea levels, and storm activity.

Whilst the full implications of this theory are not fully quantifiable, we consider it appropriate to highlight that over a protracted period a variety of peripheral environmental factors have the potential to impact upon the development potential and/or market value of the hypothetical landholding at a future date.

In light of these potential environmentally based externalities, we recommend the valuation advice contained herein be reviewed if and when these factors become evident or more definite.

9.7 Bushfire Risk

As per the following map sourced from the Department of Fire and Emergency Services (DCA) mapping system, the entirety of the High Wycombe South DCP Area appears to fall within a Bushfire Prone Area:



As per the appended Valuation Brief, it is assumed that the BAL Rating for the hypothetical landholding will not stop the land from being developed for urban development.

10.0 SERVICES

Our valuation has assumed that the hypothetical landholding is unserviced with scheme contributions payable over and above the purchase price.

Scheme Contributions within the High Wycombe South DCP Area help facilitate urban development within the Scheme Contribution Area by providing for POS, roads, and community infrastructure. Without them, the subject Scheme Contribution Area would not be suitable for, and would revert to rural, urban development.

At the date of valuation, the Scheme Contribution rate was unknown. It is also assumed that essential services will be located proximate the hypothetical landholding, with the development site considered to be “ripe” for residential subdivision.



11.0 IMPROVEMENTS

Our valuation has assumed that the hypothetical landholding comprises a vacant parcel land.

12.0 SITE SURVEY

The High Wycombe South DCP Area has been valued in accordance with the appended Valuation Brief and has assumed that the hypothetical landholding has a land area ranging between 1ha to 2ha.

13.0 LEASE DETAILS

Our valuation has assumed that the hypothetical landholding will be unencumbered by any lease agreement.

14.0 GENERAL COMMENTS

Our valuation has assumed that the subject property comprises a hypothetical 1ha to 2ha vacant parcel of land zoned "Urban Development" in accordance with the City of Kalamunda's LPS3, "Urban" under the MRS, and with two separate zoning scenarios of both medium density residential (R30-R60) and high density residential (R60-R100).

After considering High Wycombe's median house price of \$500,000 and the high cost to construct high density residential development throughout the Perth metropolitan area, we believe a prudent purchaser would only pay a marginally higher value for a high density residential (R60-R100) hypothetical landholding in comparison to a medium density residential (R30-R60) hypothetical landholding.

At the date of valuation, the High Wycombe South DCP Area was still considered to be in its early stages of development with no residential subdivision within the area.

In recent years the local area has benefited from the announcement and construction of the High Wycombe train station which has significantly improved the locales access to public transport.

Demand for residential development sites within the High Wycombe South DCP Area is slightly inhibited by the fact that the majority of rural landholdings within the area range in land area between 1ha to 1.2ha.

Due to economy of scale issues, a developer would likely need to acquire multiple landholdings within the Scheme Contribution Area to make residential subdivision feasible.

15.0 MARKET COMMENTARY

15.1 *General Market*

As at the date of preparing this advice, the implications of the COVID-19 pandemic were continuing to have a significant impact on the local and global economies. It is difficult at this point in time to ascertain its true long-term impact on the Western Australian property market, given there is still much to play out with the pandemic's influence on virtually all sectors of the economy.

The initial anticipated retraction in property values have so far failed to materialise; rather, the pandemic and associated fiscal and monetary policy strategies actually had the opposite (positive) effect on a vast majority of property sectors both locally and interstate.

Both domestic and international share markets have exhibited volatility over 2020 to 2023 thus far, with share prices dropping significantly in the early stages of the pandemic, followed by a complete about-face and recovery since. Many stocks remain volatile depending on the day-to-day news cycle and commodity prices.

Through 2020 to early-2022, the spread of COVID-19 had led to many countries implementing significant travel restrictions, and a number of major domestic and international events were cancelled.

Virtually all countries (including Australia) have now done-away with their lockdown and border control strategies.

The Western Australian border was officially opened on 3 March 2022 and the State has essentially transitioned back to a state of normalcy.



Mask, close contact and capacity restrictions were significantly wound-back on 29 April 2022, with the government anticipating that confidence would return to various sectors and at the same time case numbers and hospitalisations could remain under control. So far, it could be fairly stated that both of these expectations were being achieved, and as time passes it is becoming evident border controls, mask, close contact and capability restrictions will not be re-introduced.

As noted earlier, in general the WA property market has achieved significant growth since the beginning of the pandemic, however uncertainty over the longevity of the growth phase remains.

With the aim of stimulating the economy, in March 2020, the RBA decided to reduce the official cash rate by 25 basis points to the new record low of 0.50%, and following an emergency out-of-cycle meeting of the RBA held 19 March 2020 (the first out-of-cycle rate cut since 1997) the official cash rate was further reduced to 0.25% to help stimulate the economy and soften the financial blow as the COVID-19 pandemic grew.

At its November 2020 meeting, with the aim of continuing to support job creation and the recovery of the Australian economy from the COVID-19 pandemic, the RBA reduced the cash rate by another 0.10%.

Since May 2022, the RBA has increased the cash rate by a total of 3.25%, with the official cash rate now sitting at 3.35%. The RBA has now increased the cash rate on 9 consecutive occasions in a concerted effort to stymie inflation.

High inflation has emerged as a significant flow-on effect of the COVID-19 stimulus measures and the historically low cash-rate setting.

In its CPI December and Q4 2022 publication, the ABS recorded a 1.9% quarterly rise in national CPI. The Perth CPI rose by a significant 3.6%, the highest of any capital city, double that of the next highest capital (Sydney at 1.8%), and much higher than the national average (aforementioned at 1.9%).

The Perth CPI in the year to December 2022 is recorded as 8.3%, well above the weighted capital city average of 7.8%.

The RBA anticipates inflation will decline in 2023 due to the ongoing resolution of global supply-side problems, recent declines in some commodity prices and slower growth in demand. Medium-term inflation expectations remain well anchored, and the RBA has maintained a priority that this remains the case. The Bank's central forecast is for CPI inflation to decline over the next couple of years to be a little above 3.0% over 2024.

In the words of the RBA, inflation in Australia is still too high. Global factors explain much of this high inflation, but strong domestic demand relative to the ability of the economy to meet that demand is also playing a role.

Cost of living concerns have now emerged as a major issue in the eyes of many Australians, and indeed residents in most countries given inflation is high globally.

With the stubbornly high inflation rate comes an expectation of further cash rate increases which will potentially have ramifications on how many Australians are able to service their levels of debt. The RBA board expects that further increases in interest rates will be needed over the months ahead to ensure that inflation returns to target and that this period of high inflation is only temporary.

We again highlight the high level of uncertainty in the marketplace remains, and ultimately the performance of property as an asset class will hinge largely on the timing of future interest rate increases, together with the ramifications on COVID-19 on the hospital system and public health overall.



15.2 Broader Perth Metropolitan Area Residential Market

Based on sales to the end of January 2023, the Perth metropolitan area median house price increased by 2.0% from the previous 12 months to sit at \$540,000.

Based on sales to the end of January 2023, the Perth metropolitan area median unit price was \$401,000 and the median land price was \$248,000.

The movement of the Perth metropolitan area median house price, median unit price and median land price over the past 4 years is best indicated in the following graph sourced from the REIWA website:



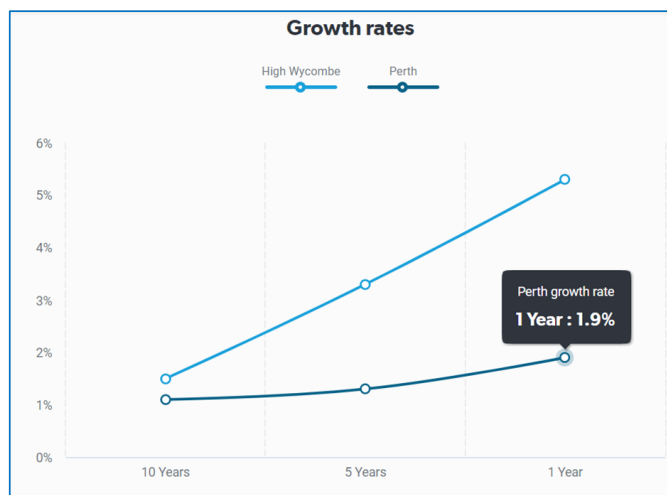
At the date of valuation, the Perth residential market was considered to be steady after a prolonged period of buoyancy.

Although values have remained relatively resilient, selling periods have extended slightly as a result of interest rates being increased by 3.25% between May 2022 and February 2023.

15.3 Local Residential Market

In accordance with REIWA statistics the High Wycombe median house price increased by 5.3% in the 12 months preceding January 2023 to be \$500,000.

As indicated in the following graph sourced from REIWA, the High Wycombe median house price has increased at a higher rate than the Perth median house price:





15.4 Residential Englobo Market

Since mid-2020, the residential englobo market has been strong and has benefitted from significant increases in end finished lot values and high take-up rates.

The COVID-19 pandemic has generated positive impacts on the residential property market.

These impacts have had the effect of generating demand for new and existing residential properties as well as for rental housing resulting in a very low Perth residential rental vacancy. This shortage of housing rentals has ultimately increased rental levels and further added to the demand from people looking to purchase or build a residence as an alternative to renting.

Although the residential property market has been strong over the past two years, the market is keenly anticipating how the Reserve Bank's decision to increase the cash rate by 3.25% between May 2022 and February 2023 will impact residential values.

It is anticipated that the recent increases in the cash rate is likely to temper the Perth residential market and lower growth rates. We do acknowledge however, that Perth has a significantly lower median house price in comparison to a number of capital cities on the east coast of Australia and has different economic drivers in comparison to other states.

Although there has not been a high volume of residential englobo sales over the past two years, we would argue that the market for residential englobo development sites was still steady at the date of valuation.

Historically, developers tend to pay slight premiums for residential englobo sites which adjoin the development front and are situated in infill locations with close proximity to established residential development and public infrastructure.

At the date of valuation, we would argue that there were limited supply of large residential englobo infill sites available to developers within the Perth metropolitan area. The lack of availability for residential englobo sites has seen residential englobo values within the Perth metropolitan area remain resilient.

We also believe that the residential englobo market has been negatively impacted by rising residential construction costs and construction time delays which have made it difficult for purchasers to build in the current market. Rising construction costs and construction time delays have seen many purchasers buy established residences in comparison to buying vacant land and constructing a new residence.

After considering the above factors, we would argue that over the past 12 months residential englobo values within the wider Perth metropolitan area have remained relatively stable.



16.0 MARKET EVIDENCE

In adopting market values for the hypothetical landholding located within the High Wycombe South DCP Area assuming two separate zoning scenarios, we have investigated the following market evidence which we consider relevant:

16.1 High Wycombe South DCP Area Sales Evidence

Address:	4 (Lot 41) Brae Road, High Wycombe
Sale Price:	\$1,400,000 GST free in September 2022.
Land Area:	1.013 hectares.
Zoning:	“Urban Development” in accordance with the City of Kalamunda’s LPS3, “Urban” in the MRS, and “Local Open Space” in accordance with the then Forrestfield North Residential Precinct Local Structure Plan (July 2020).
Improvements:	The property is improved with a two level 1995 built 5 bedroom, 3 bathroom residence with a main building area of approximately 292m ² . The property features an attractive Bali-style gazebo area and below-ground pool, a powered workshop, a stable, and various paddock areas.
Analysis:	The sale price reflects an improved land rate of \$138/m² exclusive of GST.
Comments:	A development site which is situated on the corner of Brae Road and Sultana Road West directly opposite the High Wycombe Industrial Area. The property was fully marketed and sold by an independent selling agent. The property was purchased by two private individuals.
Address:	22 (Lot 32) Brand Road, High Wycombe
Sale Price:	\$1,425,000 GST free in June 2022.
Land Area:	1.0 hectares.
Zoning:	“Urban Development” in accordance with the City of Kalamunda’s LPS3, “Urban” in the MRS, and “Local Open Space” in accordance with the then Forrestfield North Residential Precinct Local Structure Plan (July 2020).
Improvements:	The property is improved with a 1982 built 4 bedroom, 2 bathroom brick and tile residence with a main building area of approximately 202m ² . The property features a large workshop and a below-ground pool.
Analysis:	The sale price reflects an improved land rate of \$143/m² exclusive of GST.
Comments:	An improved urban development site which had been identified at Structure Plan level for “Local Open Space”. The property was purchased by the WAPC and was likely based upon independent valuation advice.



Address:	70 (Lot 27) Brand Road, High Wycombe
Sale Price:	\$1,325,000 GST free in April 2021.
Land Area:	1.002 hectares.
Zoning:	“Urban Development” in accordance with the City of Kalamunda’s LPS3, “Urban” in the MRS, and “Local Open Space” in accordance with the then Forrestfield North Residential Precinct Local Structure Plan (July 2020).
Improvements:	The property is improved with a 1988 built 4 bedroom, 2 bathroom brick and iron residence with a main building area of approximately 174m ² .
Analysis:	The sale price reflects an improved land rate of \$132/m² exclusive of GST.
Comments:	An improved urban development site which had been identified at Structure Plan level for “Local Open Space”. The property was purchased by the WAPC and was likely based upon independent valuation advice.
Address:	3 (Lot 40) Brae Road, High Wycombe
Sale Price:	\$1,450,000 GST free in March 2021.
Land Area:	1.0 hectare.
Zoning:	“Urban Development” in accordance with the City of Kalamunda’s LPS3, “Urban” in the MRS, and “Residential Medium/High Density (R60-R80)” in accordance with the then Forrestfield North Residential Precinct Local Structure Plan (July 2020).
Improvements:	The property is improved with a 1985 built 4 bedroom, 3 bathroom brick and tile residence with a main building area of approximately 250m ² . The property also includes a very large gable patio area with a modern outdoor kitchen plus a large workshop.
Analysis:	The sale price reflects an improved land rate of \$145/m² exclusive of GST.
Comments:	A rectangular shaped urban development site which is situated on the corner of Brae Road and Sultana Road West directly opposite the High Wycombe Industrial Area. The property which was fully marketed and sold by an independent selling agent was purchased by a private developer.
Address:	62 (Lot 28) Brand Road, High Wycombe
Sale Price:	\$1,200,000 GST free in December 2020.
Land Area:	1.0 hectare.
Zoning:	“Urban Development” in accordance with the City of Kalamunda’s LPS3, “Urban” in the MRS, and “Local Open Space” / “Conservation” in accordance with the then Forrestfield North Residential Precinct Local Structure Plan (July 2020).
Improvements:	The property is improved with a 1983 built 3 bedroom, 1 bathroom brick and tile residence with a main building area of approximately 113m ² . The property also includes various detached sheds.
Analysis:	The sale price reflects an improved land rate of \$120/m² exclusive of GST.
Comments:	An improved urban development site which had been identified at Structure Plan level for “Local Open Space”/“Conservation”. The property was purchased by the WAPC and was likely based upon independent valuation advice.



Address:	32 (Lot 31) Brand Road, High Wycombe
Sale Price:	\$1,250,000 GST free in June 2020.
Land Area:	1.0 hectare.
Zoning:	“Urban Development” in accordance with the City of Kalamunda’s LPS3, “Urban” in the MRS, and “Local Open Space”/“Road Reserve” in accordance with the Draft Forrestfield North Residential Precinct Local Structure Plan (July 2020).
Improvements:	The property is improved with a 1985 built 4 bedroom, 1 bathroom brick and iron residence with a main building area of approximately 154m ² . The property also includes various detached sheds.
Analysis:	The sale price reflects an improved land rate of \$125/m² exclusive of GST.
Comments:	An improved urban development site which had been identified at Structure Plan level for “Local Open Space”/“Road Reserve”. The property was purchased by the WAPC and was likely based upon independent valuation advice.
Address:	4 (Lot 34) Brand Road, High Wycombe
Sale Price:	\$1,075,000 GST free in August 2019.
Land Area:	1.004 hectares.
Zoning:	“Urban Development” in accordance with the City of Kalamunda’s LPS3, “Urban” in the MRS, and “Local Open Space” / “Road Reserve” in accordance with the Draft Forrestfield North Residential Precinct Local Structure Plan (July 2020).
Improvements:	The property is improved with a 1985 built 4 bedroom, 2 bathroom brick and tile residence with a main building area of approximately 174m ² .
Analysis:	The sale price reflects an improved land rate of \$107/m² exclusive of GST.
Comments:	A regular shaped improved urban development residential site situated on the corner of Brand Road and Sultana Road West. The property was fully marketed and sold by an independent selling agent. The property was purchased by the Housing Authority and was likely based upon independent valuation advice.



16.2 South of the River Perth Metropolitan Area Residential Englobo Sales Evidence

Address:	Lot 805 Wattleup Road, Hammond Park
Sale Price:	\$4,290,000 inclusive of GST in May 2022.
Site Area:	3.18 hectares.
Zoning:	“Development” in accordance with the City of Cockburn TPS3 and “Urban” in the MRS.
Improvements:	Vacant land.
Analysis:	The sale price reflects a land rate of \$135/m² inclusive of GST.
Comments:	<p>A regular shaped lot situated approximately 50m from the residential development front and essential services.</p> <p>The property was fully marketed and sold by an independent selling agent.</p> <p>The development site was acquired by Qube Developments who are an active developer within both Hammond Park and the adjoining suburb of Mandogalup.</p>
Address:	713 (Lot 9101) Warton Road, Piara Waters
Sale Price:	\$18,459,090 inclusive of GST in July 2022.
Land Area:	10.0232 hectares.
Zoning:	“General Rural” in accordance with the City of Armadale’s TPS4 and “Urban” in the MRS.
Improvements:	Vacant land.
Analysis:	The sale price reflects a land rate of \$181/m² inclusive of GST.
Comments:	<p>A large regular shaped residential development site which adjoins established residential development and essential services.</p> <p>The residential development site was fully market and sold by an independent selling agent.</p>
Address:	44 (Lot 201) Skeet Road, Harrisdale
Sale Price:	\$6,760,220 GST free in September 2022.
Land Area:	5.1694 hectares.
Zoning:	“General Rural” in accordance with the City of Armadale’s TPS4 and “Urban Deferred” in the MRS.
Improvements:	The property is improved with remnant sheds which add no value.
Analysis:	The sale price reflects a land rate of \$131/m² exclusive of GST.
Comments:	<p>A rectangular shaped lot which has an “Urban Deferred” MRS zoning but is situated approximately 275m from established residential development and essential services.</p> <p>The residential development site was fully marketed and sold by an independent selling agent, and was purchased by a company related to Yoke Property who are an active developer within the adjoining suburb of Forrestdale.</p>



Address:	Lot 1516 Leslie Street, Southern River
Sale Price:	\$2,800,000 GST free in November 2021.
Land Area:	1.9369 hectares.
Zoning:	<p>“Residential Development” under the City of Gosnells TPS6 and “Urban” in the MRS.</p> <p>In accordance with the Southern River Sub-Precinct 3D Structure Plan, the land was zoned “Residential R20”, “Residential R30” and “Public Open Space”.</p> <p>The property was fully marketed as having a conditional WAPC subdivision approval.</p>
Improvements:	Vacant land.
Analysis:	The sale price reflects a land rate of \$145/m² exclusive of GST.
Comments:	<p>A rectangular shaped residential englobo site which is situated on the corner of Leslie Street and Matison Street within Southern River Precinct 3.</p> <p>The residential englobo lot which adjoined the residential development front had a small area of public open space traversing near its south-western perimeter.</p> <p>The property was fully marketed and sold by an independent selling agent after being originally listed at an asking price of over \$2,999,990 in August 2021.</p>
Address:	Lot 9012 Southampton Drive, Piara Waters
Sale Price:	\$8,800,000 (GST free) in October 2021.
Land Area:	5.6767 hectares
Zoning:	“General Rural” in accordance with the City of Armadale’s TPS4 and “Urban” in the MRS.
Improvements:	Vacant land.
Analysis:	The sale price reflects a land rate of \$155/m² exclusive of GST.
Comments:	A residential englobo site that enjoys frontages to Warton Road, Southampton Drive and Jayes Road. The residential englobo property is bounded to its immediate east by established residential development and essential services.
Address:	12 (Lot 42) Bruce Road, Wattle Grove
Sale Price:	\$6,481,250 GST free in May 2021.
Land Area:	3.8125 hectares.
Zoning:	<p>Part reserved “Primary Regional Roads” and part zoned “Residential Development” in accordance with the City of Kalamunda’s LPS3, and part reserved “Primary Regional Roads” and part zoned “Urban” in the MRS.</p> <p>70% of the site is zoned “Residential R20” and 30% of the site is zoned “Public Open Space/Parks & Recreation” in accordance with the Wattle Grove Cell 9 ODP.</p>
Improvements:	Vacant land.
Analysis:	The sale price reflects an improved land rate of \$170/m² exclusive of GST.
Comments:	<p>A regular shaped improved property situated on the north-eastern corner of the intersection of Welshpool Road East and Bruce Road.</p> <p>The development site is considered to be ripe for residential development as it adjoins the urban development front and essential services. The property was sold in an off-market transaction.</p>



Address:	Lots 6039, 1001, 150, 13, 14, 15, 99, 100 & 151 cnr Armadale Road and Warton Road, Piara Waters
Sale Price:	\$43,905,000 GST free between March and April 2021.
Land Area:	35.8550 hectares (9 lots).
Zoning:	“Rural Living X” in accordance with the City of Armadale’s TPS4 and “Urban” in the MRS.
Improvements:	The nine (9) lots were improved with individual dwellings incorporating 1970s built 3 bedroom, 1 bathroom residences to a modern 2008 built 3 bedroom, 2 bathroom residence. Due to the lots’ strong underlying land value, the various improvements added minimal to no value.
Analysis:	The sale price reflects an overall land rate of \$122.45/m² exclusive of GST. Individually the sales reflected land rates ranging between \$95.00/m ² net of GST for a 4.7156ha lot and \$150.00/m ² net of GST for a 2.6616ha lot.
Comments:	Nine (9) contiguous rural lifestyle lots located near the near the corner of Warton Road and Armadale Road in close proximity to the residential development front. The nine (9) lots were purchased by Stockland. Due to the varying land rates, we suspect that the above-mentioned lots were likely initially contracted at earlier dates. The purchase price was reflective of the fact that the area had no approved Structure Plan and required the land to be rezoned to “Residential Development” in accordance with the City of Armadale’s TPS4.

16.3 North of the River Perth Metropolitan Area Residential Englobo Sales Evidence

Address:	342 (Lot 50) Park Street, Henley Brook
Sale Price:	\$2,850,000 GST free in December 2022.
Land Area:	2.0 hectares.
Zoning:	“Residential Development” in accordance with the City of Swan’s LPS17 and “Urban” in the MRS. In accordance with the Henley Brook Local Structure Plan, the landholding is zoned “Residential R30/R60”.
Improvements:	Vacant land.
Analysis:	The sale price reflects a vacant land rate of \$143/m² exclusive of GST.
Comments:	A vacant rectangular shaped residential englobo site that is situated on the corner of Park Street and Starflower Road directly opposite the suburb of Brabham and essential services. We are aware that the property was purchased by a company who previously acquired adjoining 112 (Lot 16) Victoria Road, Dayton for \$2,300,000 in October 2022, reflecting an overall land rate of \$105/m ² for the 2.1849ha site with the same zoning. Based on comparable sales within Henley Brook, it appears the purchaser paid a significant premium to acquire Lot 50.



Address:	10 (Lot 124) Starflower Road, Henley Brook
Sale Price:	\$2,300,000 GST free in September 2022.
Land Area:	2.0523 hectares.
Zoning:	<p>“Residential Development” in accordance with the City of Swan’s LPS17 and “Urban” in the MRS.</p> <p>In accordance with the Henley Brook Local Structure Plan, the landholding is zoned “Residential R30/R60”.</p>
Improvements:	<p>The property is improved with a 1986 built 4 bedroom, 2 bathroom residence.</p> <p>The improvements on the property are considered to add minimal to no value.</p>
Analysis:	The sale price reflects an improved land rate of \$112/m² exclusive of GST.
Comments:	A rectangular shaped development site which was purchased by a private developer who subsequently also acquired 342 (Lot 50) Park Street, Henley Brook two months later in December 2022.
Address:	21 (Lot 133) Asturian Drive, Henley Brook
Sale Price:	\$2,300,000 GST free in September 2022.
	We were advised by DPLH that the property settled in September 2022, but the transfer has not yet been lodged at Landgate.
Land Area:	2.0 hectares.
Zoning:	<p>The property is zoned “Residential Development” in accordance with the City of Swan’s LPS17 and “Urban” under the MRS.</p> <p>In accordance with the Henley Brook Local Structure Plan, the landholding is zoned “Public Open Space”.</p>
Improvements:	<p>The property is improved with a 1990 built 4 bedroom, 2 bathroom residence plus ancillary improvements including a shed.</p> <p>The improvements on the property are considered to add minimal to no value.</p>
Analysis:	The sale price reflects an improved land rate of \$115/m² exclusive of GST.
Comments:	<p>A rectangular shaped allotment that was purchased by the WAPC.</p> <p>The residential englobo site is situated directly opposite the residential development front and essential services.</p>
Address:	148 (Lot 144) Starflower Road, Henley Brook
Sale Price:	\$2,320,000 GST free in September 2022.
Land Area:	2.0175 hectares.
Zoning:	<p>The property is zoned “Residential Development” in accordance with the City of Swan’s LPS17 and “Urban” in the MRS.</p> <p>In accordance with the Henley Brook Local Structure Plan, the landholding is zoned a combination of “Public Open Space” and “Residential R30/R60”.</p>
Improvements:	<p>The property is improved with a single level residence plus associated ancillary improvements.</p> <p>The improvements on the property are considered to add minimal to no value.</p>



Analysis: We were advised by the WAPC that the above contract price included the value of a 60,000kL water licence.

After deducting the added value of the water licence the above sale price reflects an underlying land value of \$2,178,000 or **\$108/m²** exclusive of GST.

Comments: A rectangular shaped improved property that was purchased by the WAPC.

Address: 335 (Lot 113) Henley Street, Henley Brook

Sale Price: \$2,300,000 GST free in June 2022.

Land Area: 2.0171 hectares.

Zoning: The property is zoned “Residential Development” in accordance with the City of Swan’s LPS17 and “Urban” in the MRS.

In accordance with the Henley Brook Local Structure Plan, the landholding is zoned a combination of “Public Open Space” and “Primary School”.

Improvements: The property is improved with a 1996 built 4 bedroom, 2 bathroom residence plus various ancillary improvements including sheds.

The improvements on the property are considered to add minimal to no value.

Analysis: The sale price reflects an improved land rate of **\$114/m²** exclusive of GST.

Comments: The slightly irregular shaped allotment was purchased by the WAPC.

We are aware that the WAPC also paid an additional \$100,000 on top of the above sale price for Water Licence 155616.

Address: 8 (Lot 8654) High Road, Wanneroo

Sale Price: \$2,832,000 inclusive of GST in May 2022.

Land Area: 1.5083 hectares.

Zoning: “Residential R20/R40” in accordance with the City of Wanneroo’s DPS2 and “Urban” in the MRS.

Improvements: Vacant land.

Analysis: The sale price reflects a land rate of **\$188/m²** inclusive of GST.

Comments: A rectangular shaped infill development site which directly adjoins established residential development and essential services.

The elevated development site which has glimpses of Lake Joondalup also is bounded to its immediate south by Wanneroo Secondary College and East Wanneroo Primary School.

The property previously sold for \$2,640,000 inclusive of GST in May 2015 reflecting an overall land rate of \$175/m².

The transaction incorporated DevelopmentWA selling the landholding to the Education Department.

The negotiation was based upon independent valuation advice received by both DevelopmentWA and the Education Department.



Address:	31-41 (Lots 156 and 157) Andrea Drive, Henley Brook
Sale Price:	Combined value of \$4,345,252 GST free in April 2022.
Land Area:	4.2824 hectares (two lots).
Zoning:	The property is zoned "Residential Development" in accordance with the City of Swan's LPS17 and "Urban" under the MRS. In accordance with the Henley Brook Local Structure Plan, both Lot 156 and Lot 157 are zoned "Residential R30/R60 – Additional Use Park Home".
Improvements:	Lot 156 is improved with a 1988 built 5 bedroom, 2 bathroom residence with a main living area of 246m ² and with various ancillary improvements. Lot 157 is improved with a 1990 built four bedroom, two bathroom residence with a main living area of 203m ² and with various ancillary improvements associated with equine pursuits. The improvements on both properties are considered to add minimal to no value.
Analysis:	The combined sale price reflects an approximate improved land rate of \$101/m² exclusive of GST.
Comments:	Two adjoining lots were purchased by Providence Lifestyle for a future lifestyle village.

Address:	25 (Lot 158) Andrea Drive, Henley Brook
Under Offer:	\$2,437,400 GST free in April 2022. In accordance with RP Data, Lot 158 had not settled.
Land Area:	2.4380 hectares.
Zoning:	The property is zoned "Residential Development" in accordance with the City of Swan's LPS17 and "Urban" under the MRS. In accordance with the Henley Brook Local Structure Plan, Lot 158 is zoned "Residential R30/R60 – Additional Use Park Home".
Improvements:	The property is improved with a circa 1990s built 4 bedroom, 2 bathroom residence which adds minimal to no value.
Analysis:	The contract price reflects an approximate improved land rate of \$100/m² exclusive of GST.
Comments:	A residential englobo parcel of land which was likely contracted by Providence Lifestyle for a future lifestyle village.



Address:	316 (Lot 127) Henley Street, Henley Brook
Sale Price:	\$2,650,000 GST free in February 2022.
Land Area:	2.4282 hectares.
Zoning:	The property is zoned "Residential Development" in accordance with the City of Swan's LPS17 and "Urban" under the MRS. In accordance with the Henley Brook Local Structure Plan, the landholding is zoned "Residential R30/R60".
Improvements:	The property is improved with a 1995 built 4 bedroom, 2 bathroom residence with a main living area of 240m ² . The property includes various ancillary improvements which add minimal to no value.
Analysis:	The sale price reflects an improved land rate of \$109/m² exclusive of GST.
Comments:	A regular shaped residential englobo site located within the Henley Brook Local Structure Plan area that was purchased by Osprey Property Pty Ltd.
Address:	668 (Lot 115) Lord Street, Henley Brook
Sale Price:	\$2,725,000 GST free in April 2022.
Land Area:	2.2413 hectares.
Zoning:	The property is zoned "Residential Development" in accordance with the City of Swan's LPS17 and "Urban" under the MRS. In accordance with the Henley Brook Local Structure Plan, the landholding is zoned "Residential R30/R60".
Improvements:	The property is improved with a circa 1980s built 4 bedroom, 1 bathroom residence. The residential improvements add minimal to no value.
Analysis:	The sale price reflects an improved land rate of \$122/m² exclusive of GST.
Comments:	A regular shaped improved property situated on the corner of Lord Street and Starflower Road which was purchased by Henley Brook Community Pty Ltd.
Address:	220 (Lot 139) Henley Street, Henley Brook
Sale Price:	\$3,500,000 GST free in February 2022.
Land Area:	2.2308 hectares.
Zoning:	The property is zoned "Residential Development" in accordance with the City of Swan's LPS17 and "Urban" under the MRS. In accordance with the Henley Brook Local Structure Plan, the landholding is zoned "Residential R30/R60".
Improvements:	The property is improved with a 1985 built 4 bedroom, 2 bathroom residence. The residential improvements add minimal to no value.
Analysis:	The sale price reflects an improved land rate of \$157/m² exclusive of GST.
Comments:	A slightly irregular shaped residential englobo site that was purchased by the Australian Islamic College for a future school site. After comparing the purchase price of Lot 139 to adjoining Lots 138 and 137, it appears that the purchaser paid a significant premium to acquire the landholding. We believe the Australian Islamic College were in a poor negotiating position, as they were an adjoining owner and a future school site had not been identified in the Draft Henley Brook Structure Plan.



Address:	248 (Lot 59) Park Street, Henley Brook
Sale Price:	\$2,050,000 GST free in December 2021.
Land Area:	2.0004 hectares.
Zoning:	The property is zoned "Residential Development" in accordance with the City of Swan's LPS17 and "Urban" under the MRS. In accordance with the Henley Brook Local Structure Plan, the landholding is zoned a combination of "Public Open Space", "Residential R30/R60" and "Road Reserve".
Improvements:	The property is improved with a 4 bedroom, 1 bathroom residence which adds minimal to no value.
Analysis:	The sale price reflects an improved land rate of \$102/m² exclusive of GST.
Comments:	A rectangular shaped allotment that was purchased by the WAPC. The residential englobo site is situated directly opposite the residential development front and essential services.
Address:	254 (Lot 58) Park Street, Henley Brook
Sale Price:	\$1,800,000 GST free in October 2021.
Land Area:	2.0002 hectares.
Zoning:	The property is zoned "Residential Development" in accordance with the City of Swan's LPS17 and "Urban" under the MRS. In accordance with the Henley Brook Local Structure Plan, the landholding is zoned "Residential R30/R60".
Improvements:	The property is improved with a 1998 built 4 bedroom, 2 bathroom residence with a main living area of 240m ² . The property also includes various ancillary improvements associated with equine pursuits which add minimal to no value.
Analysis:	The sale price reflects an improved land rate of \$90/m² exclusive of GST.
Comments:	A rectangular shaped allotment that was purchased by the WAPC. The residential englobo site is situated directly opposite the residential development front and essential services.
Address:	290, 269 and 300 (Lots 128, 129 & 140) Henley Street, Henley Brook
Sale Price:	Combined value of \$6,670,000 GST free in August 2021.
Land Area:	6.6571 hectares (three lots).
Zoning:	The property is zoned "Residential Development" in accordance with the City of Swan's LPS17 and "Urban" under the MRS. In accordance with the Henley Brook Local Structure Plan, the landholding is zoned "Residential R30/R60".
Improvements:	Lot 128 is improved with a 4 bedroom, 1 bathroom residence plus ancillary improvements associated with equine pursuits. Lot 129 is improved with a 1990 built 4 bedroom, 2 bathroom residence plus various ancillary improvements.



Lot 140 is improved with a 1990 built 4 bedroom, 2 bathroom residence plus ancillary improvements.

The various improvements for all three lots add minimal to no value.

Analysis: The combined sale price reflects an approximate improved land rate of **\$100/m²** exclusive of GST.

Comments: Three adjoining lots which adjoin the residential development front and essential services. The three lots were purchased in conjunction by Land Group WA.

Address: 237 (Lot 101) Henley Street, Henley Brook

Sale Price: \$2,050,000 GST free in June 2021.

Land Area: 2.0167 hectares.

Zoning: The property is zoned "Residential Development" in accordance with the City of Swan's LPS17 and "Urban" under the MRS.

In accordance with the Henley Brook Local Structure Plan, the landholding is zoned "Residential R30/R60".

Improvements: The property is improved with a 1980 built 4 bedroom, 2 bathroom residence which adds minimal to no value.

Analysis: The sale price reflects an improved land rate of **\$102/m²** exclusive of GST.

Comments: A triangular shaped residential englobo lot which was purchased by Homii Investments.

Address: 324 (Lot 51) Park Street, Henley Brook

Sale Price: \$2,200,000 GST free in May 2021.

Land Area: 2.0004 hectares.

Zoning: The property is zoned "Residential Development" in accordance with the City of Swan's LPS17 and "Urban" under the MRS.

In accordance with the Henley Brook Local Structure Plan, the landholding is zoned "Residential R30/R60" and is identified as being in a location where a Noise Assessment is required.

Improvements: The property is improved with a 1990 built 4 bedroom, 2 bathroom residence plus ancillary improvements which add minimal to no value.

Analysis: The sale price reflects an improved land rate of **\$110/m²** exclusive of GST.

Comments: A rectangular shaped allotment that was purchased by the WAPC.

The residential englobo site is situated directly opposite the residential development front and essential services



Address:	316 (Lot 52) Park Street, Henley Brook
Sale Price:	\$2,950,000 GST free in January 2021.
Land Area:	1.9999 hectares.
Zoning:	The property is zoned "Residential Development" in accordance with the City of Swan's LPS17 and "Urban" in the MRS.
Improvements:	The property is improved with a circa 1980s built 4 bedroom, 2 bathroom single level residence and various ancillary improvements which add minimal to no value.
Analysis:	The sale price reflects an approximate land rate of \$147.50/m² exclusive of GST.
Comments:	<p>A residential englobo site which is located directly opposite the urban development front and essential services.</p> <p>The site was acquired by the Department of Education for future development into a primary school.</p> <p>We believe the DoE were in a poor negotiating position, as a future primary school site at the time had not been identified in the Henley Brook Draft Structure Plan.</p> <p>At the date of acquisition, we are also aware the DoE were competing with the Australian Islamic College for potential school sites within Henley Brook.</p> <p>In our opinion, the above factors played a role in the DoE paying a purchase price that was well above the independent valuation they had received at the date of purchase.</p>

Address:	308 (Lot 53) Park Street, Henley Brook
Sale Price:	\$2,950,000 GST free in January 2021.
Land Area:	2.003 hectares.
Zoning:	The property is zoned "Residential Development" in accordance with the City of Swan's LPS17 and "Urban" in the MRS.
Improvements:	The property is improved with a circa 1990s built 4 bedroom, 2 bathroom brick and tile residence with various ancillary improvements which add minimal to no value.
Analysis:	The sale price reflects an approximate improved land rate of \$147.50/m² exclusive of GST.
Comments:	<p>A residential englobo site which is located directly opposite the urban development front and essential services.</p> <p>The site was acquired by the Department of Education for future development into a primary school.</p> <p>We believe the DoE were in a poor negotiating position, as a future primary school site at the time had not been identified in the Henley Brook Draft Structure Plan.</p> <p>At the date of acquisition, we are also aware the DoE were competing with the Australian Islamic College for potential school sites within Henley Brook.</p> <p>In our opinion, the above factors played a role in the DoE paying a purchase price that was well above the independent valuation they had received at the date of purchase.</p>



Address:	230 (Lot 138) Henley Street, Henley Brook
Sale Price:	\$3,200,000 GST free in January 2021.
Land Area:	2.2557 hectares.
Zoning:	The property is zoned "Residential Development" in accordance with the City of Swan's LPS17 and "Urban" in the MRS.
Improvements:	The property is improved with a 1990s built 4 bedroom, 2 bathroom residence with various ancillary improvements, which add minimal to no value.
Analysis:	The sale price reflects an improved land rate of \$142/m² exclusive of GST.
Comments:	<p>A residential englobo parcel of land situated approximately 100m away from the urban development front.</p> <p>The property was purchased by the Australian Islamic College for a future school site.</p> <p>After comparing the purchase price of Lot 138 to adjoining Lot 137, it appears that the Australian Islamic College paid a significant premium to acquire the landholding .</p> <p>We believe the Australian Islamic College were in a poor negotiating position, as a future school site had not been identified in the Draft Henley Brook Structure Plan.</p> <p>At the date of acquisition, we were also aware that the Australian Islamic College were competing with the DoE for potential school sites within Henley Brook.</p> <p>In our opinion the Australian Islamic College paid a significant premium over and above typical urban rates to acquire the site.</p>

Address:	238 (Lot 137) Henley Street, Henley Brook
Sale Price:	\$2,200,000 GST free in January 2021.
Land Area:	2.1012 hectares.
Zoning:	The property is zoned "Residential Development" in accordance with the City of Swan's LPS17 and "Urban" in the MRS.
Improvements:	The property is improved with a 1990s built 4 bedroom, 2 bathroom residence with various ancillary improvements which add minimal to no value.
Analysis:	The sale price reflects an approximate improved land rate of \$105/m² exclusive of GST.
Comments:	<p>The property was purchased by the Australian Islamic College.</p> <p>We are aware the Australian Islamic College also acquired adjoining Lot 230 (Lot 138) Henley Street, Henley Brook for \$3,200,000 or \$142/m² in January 2021.</p>



Address:	35 (Lot 89) Sam Rosa Place, Dayton
Sale Price:	\$2,524,000 GST unknown in March 2021.
Land Area:	1.8321 hectares.
Zoning:	“Residential – Special Use 11” (DCA2) in accordance with the City of Swan LPS17 and “Urban” in the MRS.
Improvements:	The property is improved with a circa 1990s built 5 bedroom, 2 bathroom single level brick and iron residence with an in-ground pool and various ancillary improvements which add minimal to no value.
Analysis:	The sale price reflects a land rate of \$139.00/m² (GST unknown).
Comments:	<p>An irregular shaped residential englobo site located directly opposite established residential development.</p> <p>The property sold in an off-market transaction. Based on comparable sales within the area, the sale price appears to be within general market parameters.</p>
Address:	11 (Lot 557) Blundell Street, Dayton
Sale Price:	\$4,040,000 GST free in June 2020.
Land Area:	2.8328 hectares.
Zoning:	<p>“Special Use Zone” (SUZ11) under the City of Swan LPS17 and being identified as a future primary school site under the approved West Swan East District Structure Plan and Dayton Local Structure Plan 2B.</p> <p>The land is zoned “Urban” in the MRS.</p>
Improvements:	The property is improved with a significant 1995 built 4 bedroom, 2 bathroom single level brick and tile residence with a main living area of 290m ² and a garage of 42m ² .
Analysis:	<p>The sale price reflects an improved land rate of \$143/m².</p> <p>McGees Property provided valuation advice to the DoE and placed an additional added value over and above land value for the main residence.</p> <p>The main residence was conveniently located near the north-eastern perimeter of the site and could potentially have been retained in any future redevelopment of the site.</p> <p>In analysing this sale, we assessed the improvements to add approximately \$275,000 to the site’s underlying land value.</p> <p>After deducting the added value of the improvements we have analysed the sale to reflect an underlying land value of \$3,765,000 or \$133/m² exclusive of GST.</p>
Comments:	<p>An elevated residential englobo site which was situated on the corner of Blundell Street and Cranleigh Street directly opposite the urban development front.</p> <p>The site was acquired by the DoE for future development into a primary school.</p> <p>We believe the DoE paid a slight premium to acquire to the site, as they also owned 266 (Lot 558) Arthur Street which was situated to the immediate west of the Lot 557.</p> <p>The DoE paid \$3,680,000 or \$130/m² for adjoining Lot 558 Arthur Street in March 2017.</p> <p>The DoE was purchased on the basis of it having an alternate use potential for residential development in keeping with surrounding properties that have prevailing zonings generally for medium density residential development.</p>



17.0 VALUATION METHODOLOGY

As instructed we have utilised the Direct Comparison approach as our primary and only method of valuation in establishing a market value on the hypothetical parcel of land located within the High Wycombe South DCP Area assuming two separate zoning scenarios. We have analysed sales on a rate per square metre basis.

Our adopted land rates have considered the various key assumptions stated in the Executive Summary section of this report and identified in the appended Valuation Brief.

After taking into account the various key assumptions, our valuation has considered that the hypothetical landholding will comprise a 1ha to 2ha vacant parcel of land that will be capable of urban development.

Although we have assumed that the vacant hypothetical parcel of land will be proximate to the residential development front and considered to be ripe for development, we have considered that a potential purchaser will be required to pay Scheme Contributions over and above the purchase price.

Although we have considered the 1ha to 2ha hypothetical vacant parcel of land will be generally level to its street frontage, we have still considered that a developer will be required to import clean fill to enable the site to accommodate further more intensive residential/urban development.

In adopting a market value on the hypothetical landholding, we have also taken into consideration the various comments raised in Section 14.0 of this report.

As mentioned previously we do not believe that a prospective purchaser would pay a significant premium for a high density residential (R60-R100) landholding in comparison to a medium density residential (R30-R60) landholding.

In adopting a market value on the hypothetical landholding, we have primarily relied on the Local High Wycombe South DCP Area sales evidence that is highlighted in Section 16.1 of this report.

The four sales that occurred within the subject Scheme Contribution Area attracted land rates ranging between \$132/m² improved and \$145/m² improved, for lots ranging in land area from 1.0ha up to 1.013ha between March 2021 and September 2022.

Two of the four sales were fully marketed by an independent selling agent and were purchased by either private individuals or a private company, whilst the remaining two sales were purchased by WAPC and based on independent valuation advice.

As supporting evidence we have also considered Residential Englobo Sales highlighted in Sections 16.2 and 16.3 of this report. The identified residential englobo sales indicated a wide value range of between \$90/m² to \$188/m².

Although we have considered all sales in Sections 16.2 and 16.3 of this report, we have given strong consideration to the various residential englobo sales that have occurred within the suburb of Henley Brook.

Henley Brook, like High Wycombe, is a former rural lifestyle area that had been rezoned from "Rural" to "Urban Development" over the past 5 years.

Henley Brook, like High Wycombe, has also benefited from major government infrastructure expenditure in relation to nearby new or proposed Metronet stations and train lines.

Although Henley Brook has some comparability to High Wycombe, lots within this former rural lifestyle area are significantly larger and generally range in land area between 2ha to 2.5ha.

In our opinion a 2ha to 2.5ha urban development site is more conducive to the private sector in comparison to a smaller 1ha to 1.2ha development site. A developer within the High Wycombe DCP Area may be deterred by having to negotiate with so many landholders to create a sizeable landholding for development.

Based on the above comments and the identified sales evidence, we have adopted the following land rates:

- **Medium Density Residential (R30-R60)**
Hypothetical Lot Range – 1ha to 2ha **\$140/m²**
- **High Density Residential (R60-R100)**
Hypothetical Lot Range – 1ha to 2ha **\$145/m²**



18.0 VALUATION

After consideration of the factors outlined above and the analysis of relevant market evidence, we are of the opinion the market value of the hypothetical landholding forming the High Wycombe South DCP Area applying as at 9 February 2023, can be stated as follows:

Residential Medium Density R30 – R60 **\$140/m²**
 Hypothetical Lot Range 1ha to 2ha

The above value assumes that the hypothetical lot is transacted GST free and has considered the following assumptions:

- The land comprises an unencumbered freehold parcel of land that is not negatively impacted by any Western Power, Dampier Bunbury Natural Gas Pipeline or Water Corporation easements.
- The land is unimproved.
- The landholding is zoned “Urban Development” in accordance with the City of Kalamunda’s Local Planning Scheme No. 3 and “Urban” under the MRS.
- The landholding has a “Residential Medium Density” land use classification with a density mix of residential ‘R30’ to ‘R60’.
- Although it is assumed that the hypothetical landholding is capable of being subdivided, a developer will still need to lodge a subdivision application with the Western Australian Planning Commission to gain a relevant conditional approval.
- It is assumed that the hypothetical landholding will not be required to pay a 10% cash-in-lieu contribution as the provision of public open space will be addressed within the DCP or other infrastructure funding mechanism.
- It is assumed that the hypothetical landholding is generally level to its street frontage with good draining sandy based soils that provide no risk of flooding.
- The hypothetical landholding will require some fill to accommodate eventual residential built form development.
- The hypothetical landholding is un-serviced, with scheme contributions payable over and above the purchase price.
- It is assumed that essential services will be located proximate to the hypothetical landholding with the development site considered to be “ripe” for residential subdivision.
- It is to be assumed that the hypothetical landholding will be unencumbered by any contamination, environmental, heritage or geotechnical constraints.
- Although the hypothetical landholding is located within a bushfire prone area, it is assumed that the BAL rating will not stop the land from being developed for urban development.

Wayne Srhoy AAPI, Masters (Property)
 Certified Practising Valuer
 Licensed Valuer No. 45093
 Western Australia



18.0 VALUATION (Cont'd)

Residential Medium Density R60 – R100 **\$145/m²**
 Hypothetical Lot Range 1ha to 2ha

The above value assumes that the hypothetical lot is transacted GST free and has considered the following assumptions:

- The land comprises an unencumbered freehold parcel of land that is not negatively impacted by any Western Power, Dampier Bunbury Natural Gas Pipeline or Water Corporation easements.
- The land is unimproved.
- The landholding is zoned “Urban Development” in accordance with the City of Kalamunda’s Local Planning Scheme No. 3 and “Urban” under the MRS.
- The landholding has a “Residential High Density” land use classification with a density mix of residential R60’ to ‘R100’.
- Although it is assumed that the hypothetical landholding is capable of being subdivided, a developer will still need to lodge a subdivision application with the Western Australian Planning Commission to gain a relevant conditional approval.
- It is assumed that the hypothetical landholding will not be required to pay a 10% cash-in-lieu contribution as the provision of public open space will be addressed within the DCP or other infrastructure funding mechanism.
- It is assumed that the hypothetical landholding is generally level to its street frontage with good draining sandy based soils that provide no risk of flooding.
- The hypothetical landholding will require some fill to accommodate eventual residential built form development.
- The hypothetical landholding is un-serviced, with scheme contributions payable over and above the purchase price.
- It is assumed that essential services will be located proximate to the hypothetical landholding with the development site considered to be “ripe” for residential subdivision.
- It is to be assumed that the hypothetical landholding will be unencumbered by any contamination, environmental, heritage or geotechnical constraints.
- Although the hypothetical landholding is located within a bushfire prone area, it is assumed that the BAL rating will not stop the land from being developed for urban development.

Wayne Srhoy AAPI, Masters (Property)
 Certified Practising Valuer
 Licensed Valuer No. 45093
 Western Australia



19.0 LIMITATIONS

The market is being impacted by the uncertainty caused by the COVID-19 pandemic. As at the date of valuation we consider that there is market uncertainty resulting in significant valuation uncertainty.

This valuation is therefore reported on the basis of 'significant valuation uncertainty'. As a result, less certainty exists than normal and a higher degree of caution should be attached to our valuation than normally would be the case. Given the unknown future impact that COVID-19 might have on markets, we recommend that the user(s) of this report review this valuation periodically.

This valuation is current at the date of valuation only. The value assessed herein may change significantly and unexpectedly over a relatively short period of time (including as a result of factors that the valuer could not reasonably have been aware of as at the date of valuation). We do not accept responsibility or liability for any losses arising from such subsequent changes in value.

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 or factors specific to the particular property).

Liability for losses arising from such subsequent changes in value is excluded as is liability where the valuation is relied upon after the expiration of 3 months from the date of valuation or such earlier date if you become aware of any factors that have an effect on the valuation.

Neither the whole nor any part of this report or any reference thereto may be included in any document, circular or statement without our written approval of the form and context in which it will appear.

In accordance with the Code of Conduct laid down under the provisions of the *Land Valuers Licensing Act 1978*, we are required to hold this valuation confidential unless directed by our client in writing or required by law to disclose the valuation; and we are not permitted to allow the use of confidential information contained in the valuation for the benefit of any party other than our client. Therefore, use of confidential information contained in this report by an unauthorised third party is not permitted unless express permission in writing is provided.

This valuation is for the use only of the party to whom it is addressed and for no other purpose. No responsibility is accepted to any other party who may rely on the whole or any part of the content of this valuation.

Liability limited by a scheme approved under Professional Standards Legislation.

Yours faithfully
McGees Property

A handwritten signature in black ink, appearing to read 'Wayne Srhoy', written over a light blue grid background.

Wayne Srhoy AAPI, Masters (Property)
Certified Practising Valuer
Licensed Valuer No. 45093
Western Australia

**Appendix 1:
Valuation Instruction**



8 February 2023

Wayne Srhoy
McGees Property
Level 2, 26 Clive Street
West Perth WA 6055

Dear Wayne,

Land Valuations for the High Wycombe South Development Contribution Plan

Please be advised that you have been successfully appointed to finalise the land valuations for the draft High Wycombe South (HWS) (formerly referred to as Forrestfield North) Development Contribution Plan (DCP). The land valuations will be used to inform the fair market value for land required to be acquired for the provision of development infrastructure, that is to be acquired under the future HWS DCP.

Please refer to the scope of works provided through the request for quote process for the summary of the scope, technical requirements and conditions of contract. The City confirms the following methodology for the Land Valuation:

- a) Finalise the methodology for the valuation of the High Wycombe South project area consistent with the requirements of SPP 3.6, applying an appropriate rate approach for the area.
- b) Provide with the determined methodology comparable sales and/or direct comparison, appropriate to the methodology.
- c) Determine the size and configuration of a typical parcel. It is recommended that an average sized (typical) parcel should be used for each area and assessed on a \$/m² basis, to enable an efficient annual review.
- d) Where a hypothetical lot methodology is used, the following assumptions are to be used:

Residential Medium Density (R30-R60)

Hypothetical Lot Range: 1ha to 2ha

The above values assumes that the hypothetical lot is transacted GST free and has considered the following assumptions:

kalamunda.wa.gov.au

T 9257 9999 F 9293 2715 E enquiries@kalamunda.wa.gov.au

2 Railway Road KALAMUNDA WA 6076 PO Box 42, KALAMUNDA WA 6926

ABN 60 741 095 678

- The land comprises an unencumbered freehold parcel of land that is not negatively impacted by any Western Power, Dampier Bunbury Natural Gas Pipeline or Water Corporation easements.
- The land is unimproved.
- The landholding is zoned “Urban Development” in accordance with the City of Kalamunda’s Local Planning Scheme No. 3 and “Urban” under the MRS.
- The landholding has a “Residential Medium Density” land use classification with a density mix of residential ‘R30’ to ‘R60’.
- Although it is assumed that the hypothetical landholding is capable of being subdivided, a developer will still need to lodge a subdivision application with the Western Australian Planning Commission to gain a relevant conditional approval.
- It is assumed that the hypothetical landholding will not be required to pay a 10% cash-in-lieu contribution as the provision of public open space will be addressed within the DCP or other infrastructure funding mechanism.
- It is assumed that the hypothetical landholding is generally level to its street frontage with good draining sandy based soils that provide no risk of flooding.
- The hypothetical landholding will require some fill to accommodate eventual residential built form development.
- The hypothetical landholding is un-serviced, with scheme contributions payable over and above the purchase price.
- It is assumed that essential services will be located proximate to the hypothetical landholding with the development site considered to be “ripe” for residential subdivision.
- It is to be assumed that the hypothetical landholding will be unencumbered by any contamination, environmental, heritage or geotechnical constraints.
- Although the hypothetical landholding is located within a bushfire prone area, it is assumed that the BAL rating will not stop the land from being developed for urban development.

Residential High Density (R60-R100)

Hypothetical Lot Range: 1ha to 2ha

The above values assumes that the hypothetical lot is transacted GST free and has considered the following assumptions:

- The land comprises an unencumbered freehold parcel of land that is not negatively impacted by any Western Power, Dampier Bunbury Natural Gas Pipeline or Water Corporation easements.
- The land is unimproved.



- The landholding is zoned “Urban Development” in accordance with the City of Kalamunda’s Local Planning Scheme No. 3 and “Urban” under the MRS.
- The landholding has a “Residential High Density” land use classification with a density mix of residential R60’ to ‘R100’.
- Although it is assumed that the hypothetical landholding is capable of being subdivided, a developer will still need to lodge a subdivision application with the Western Australian Planning Commission to gain a relevant conditional approval.
- It is assumed that the hypothetical landholding will not be required to pay a 10% cash-in-lieu contribution as the provision of public open space will be addressed within the DCP or other infrastructure funding mechanism.
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- It is to be assumed that the hypothetical landholding will be unencumbered by any contamination, environmental, heritage or geotechnical constraints.
- Although the hypothetical landholding is located within a bushfire prone area, it is assumed that the BAL rating will not stop the land from being developed for urban development

NOTE: These assumptions are provided for the purposes of guiding the work to be undertaken. The City reserves its rights to review these assumptions in liaison with the Land Valuer post appointment.

The City looks forward to working with you on this project.

Yours sincerely

A handwritten signature in black ink, appearing to read "Mitchell Brooks", written over a light blue background.

Mitchell Brooks
Acting Manager Strategic Planning

kalamunda.wa.gov.au

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