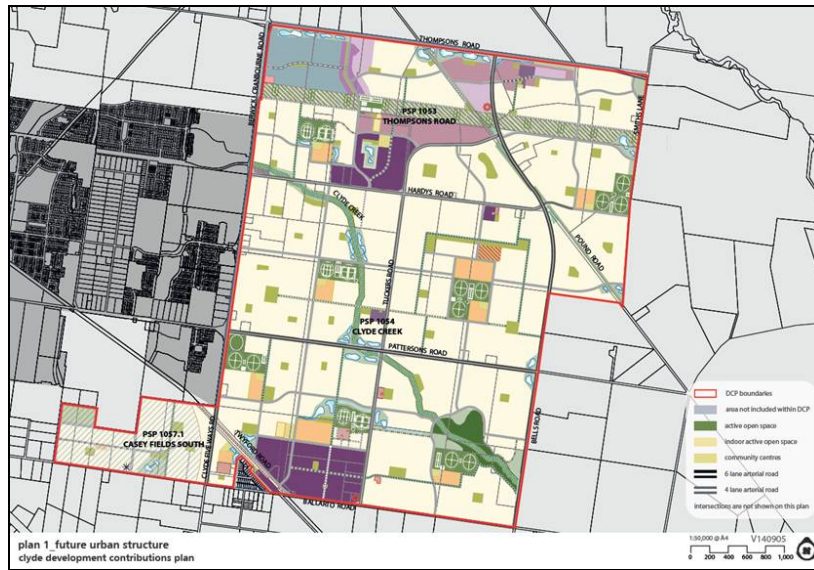


VALUATION REPORT.



Clyde Precinct Development Contributions Plan (DCP) Land Assessments

Thompsons Road Precinct Structure Plan No. 1053
Clyde Creek Precinct Structure Plan No. 1054
Casey Fields South Precinct Structure Plan No. 1057.1

Prepared For
Metropolitan Planning Authority (MPA)

Date of Valuation - 5 September 2014

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EXECUTIVE SUMMARY.

Clyde North PSP's DCP Land Assessments

INSTRUCTIONS.

Client Instructions.

Melbourne Planning Authority
Level 29
35 Collins Street
MELBOURNE VIC 3000
(Alexandrea Malishev, Senior Precinct Structure Planner)

Refer to Assumptions / Qualifications - Terms of Reference.
Refer to Assumptions / Qualifications - Definition of Market Value.

Purpose.

To assess the fair market value of the land within the Clyde Precinct Structure Plans (PSP's), namely land identified and required for the following:

- DCP road widening projects.
- DCP flaring for intersections.
- DCP community facilities.
- DCP indoor recreation centre.
- DCP sports fields.

The values assessed in this instance have been concluded in accordance with the API definition of market value being:

"The estimated amount for which a property should exchange on the date of valuation between a willing buyer and a willing seller in an arm's-length transaction after proper marketing wherein the parties had each acted knowledgeably, prudently, and without compulsion."

Elements traditionally associated with compensation as described within the *Land Acquisition and Compensation Act 1986* including (but not limited to) severance, disturbance, enhancement / depreciation and special value do not form part of the assessed values.

The assessments of the individual holdings have been concluded from an external inspection and publicly available information relating to the development potential of each holding. Detailed development potential for each holding has not been provided at the time of valuation. Therefore, should information relating to encumbrances and development potential of the individual holdings be made available, this report should be returned to us for further consideration and, if necessary, re-assessment.

Prepared By.

Thomson Maloney & Partners Pty. Ltd.
T/A Charter Keck Cramer

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Liability limited by a scheme approved under Professional Standards Legislation.

PROPERTY.

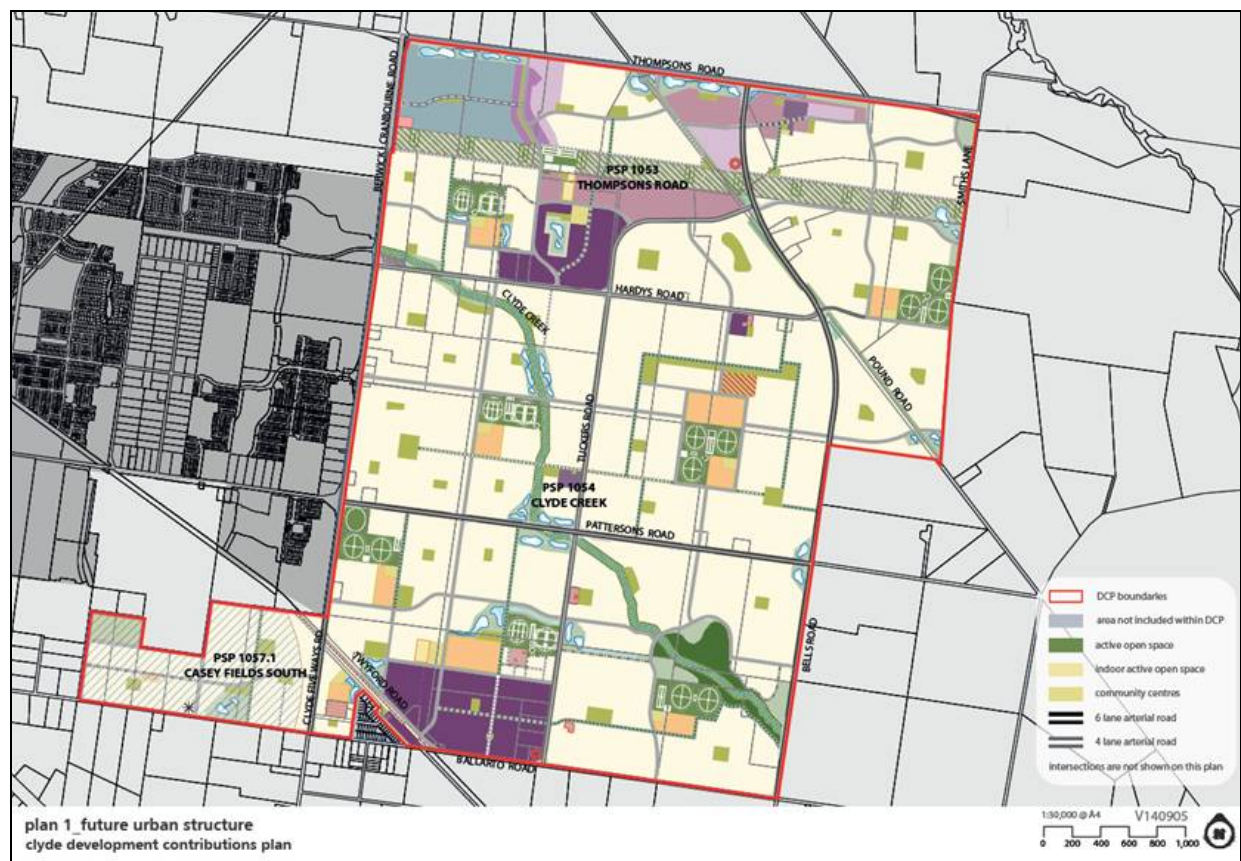
Description.

The Clyde PSP's area comprises of three PSP's identified as:

- PSP 1053 - Thompsons Road.
- PSP 1054 - Clyde Creek.
- PSP 1057.1 - Casey Fields South South South.

The three PSP's relate to a total of 100 holdings providing a total gross area of 1,889.44 hectares plus road reservations and rail corridors. The Clyde North PSP's area is broadly bound to the north by Thompsons Road, Smiths Lane and Bells Road to the east, Ballarto Road to the south and *Urban Growth* zoned land within the Cranbourne East PSP to the west. A number of arterials dissect the precincts including Hardys Road, Tuckers Road and Pattersons Road.

The PSP's area has been identified primarily for residential development, together with a small area identified as future industrial employment land at the north-west of the locality and a town centre and Government education facilities. An extract of the Draft Future Urban Structure Plan (not to scale) is shown below:



SOURCE - Metropolitan Planning Authority

In accordance with the Land Use Budget prepared by the MPA received 10 September 2014, the acquisition of the DCP items for each precinct is detailed as follows:

Thompson Road

DCP Project Item No. and Description	Area (Hectares)
Road widening and intersection projects	21.53
Community facilities	3.12
Indoor recreation	1.07
Sports fields	24.74
Total	50.46

We note property 2 within the Thompson Road DCP comprises a portion of land identified as infrastructure land, which is located within the transmission line easement. The MPA have indicated the land will be utilised as a DCP Sports Field and is developable, therefore has been included in the "before" area and then deducted in the "after" area.

Clyde Creek

DCP Project Item No. and Description	Area (Hectares)
Road widening and intersection projects	25.64
Community facilities	5
Indoor recreation	3.93
Sports fields	48.28
Total	82.85

Casey Fields South

DCP Project Item No. and Description	Area (Hectares)
Road widening and intersection projects	2.5
Total	2.5

The precincts incorporate existing road reservations and rail corridors. The roads and rail corridors increase the developable area within the DCP, however we have not incorporated the road reserves and rail corridor into our assessment.

In assessing value of the parent holdings subject to the relevant DCP projects, we have assessed the value of the holding before and after the acquisition.

The developable area for each holding in the "before" scenario has been adopted from the Land Use Budget prepared by the Metropolitan Planning Authority (MPA) and correspondence received from the MPA dated 10 September 2014 and from this we have deducted the acquisition areas as provided in the Land Use Budget to arrive at the remaining developable area in the "after" scenario. The area in the "before" scenario excludes land within the Property Specific Land Use Budget as encumbered land associated with the power / gas easement, waterway corridor / wetland / retarding basin, desalination pipe easement, heritage protection zones, substation and conservation areas to indicate a developable area totalling 1,695.22 hectares.

A summary of the "before" and "after" areas for the PSP affected by DCP projects and adopted within our valuation is noted as follows:

PSP No.	Area (Hectares)			
	Parent	"Before"	Acquired	"After"
1053	676.33	577.42	50.46	526.96
1054	1,103.94	1,013.23	82.85	930.38
1057.1	109.17	104.57	2.51	102.07
Total	1,889.44	1,695.22	135.82	1559.41

Pursuant to the Draft Future Urban Structure Plan, the north-western portion of PSP 1053 - Thompsons Road is proposed to yield industrial and commercial employment uses. The land budget and correspondence with the MPA indicate an employment area of 88.16 hectares, with the remaining area to be of residential and commercial uses.

We note land to be acquired within the Thompson Road DCP is situated over both employment and residential use land. The MPA have provided us with the areas of each DCP item apportioned to the particular use that it relates to which we have incorporated within our "After" assessment.

VALUATION DETAILS.

Date of Inspection.

We have inspected the subject properties within the three PSP's on numerous occasions, with the date of our most recent inspection, being 5 September 2014.

Date of Valuation.

5 September 2014.

Refer to Assumptions / Qualifications - Date of Valuation.

Valuation Summary.

We have valued the parent holdings subject to the partial acquisitions utilising the "before" and "after" methodology, reflecting the assumptions and qualifications detailed within this report and proposed underlying uses of the parent holdings.

To indicate value of the acquired land for the proposed road and intersection construction projects, we have assessed value in the "before" scenario and a separate assessment reflecting the holding "after" the acquisition. The difference between the "before" and "after" value assessments is the indicated value attributable to the land identified for the proposed DCP items. A summary of our assessment is as follows:

Thompson Road PSP - "Before" and "After"

Property	Parent Area (sq.m.)	Before Area (sq.m.)	Before Value	After Area (Hectares)	After Value	Difference
Total (Combined)	676.331	577.417	\$299,330,000	526.959	\$279,705,000	\$19,625,000

Clyde Creek PSP - "Before" and "After"

Property	Parent Area (sq.m.)	Before Area (sq.m.)	Before Value	After Area (Hectares)	After Value	Difference
Total	1103.936	1013.228	\$542,090,000	930.38	\$508,765,000	\$33,325,000

Casey Fields South PSP - "Before" and "After"

Property	Parent Area (sq.m.)	Before Area (sq.m.)	Before Value	After Area (Hectares)	After Value	Difference
Total	109.169	104.5722	\$70,000,000	102.065	\$68,200,000	\$1,800,000

Critical Issues.

Our valuation has been completed on the basis:

- The report relates to 100 parent parcels within the Clyde North precincts which have been identified as land for future development, 68 of which have been identified for road widening, intersection flaring, community facilities, indoor recreation and open space sports fields.
- Areas have been derived from the Clyde North PSP's Land Use Budget prepared by the MPA.
- Underlying zones of the subject holding have been adopted from planning maps contained within the Department of Planning and Community Development (DPCD) website. Our valuation is provided on the basis the current adopted highest and best use accords with the zoning and overlay provisions.
- The parcels are considered to have future urban development potential in accordance with the PSP's, with existing improvements not being incorporated within our assessment.
- The land affected by an overland transmission line easement has been identified within the Clyde North PSP's Land Use Budget as encumbered land.
- Land within the PSP's are unaffected by unsupervised fill, soil or groundwater contamination.
- The land within the PSP's are unaffected by Aboriginal or archaeological artefacts of significance.
- Land identified as having heritage value has been identified as encumbered land within the Clyde North PSP's Land Use Budget. Our valuation is provided on the basis there is no cost and/or adverse implications resulting from the heritage place including restoration, maintenance, or impact on development potential.
- There is no cost and/or adverse implications identified within the current and/or future Cultural Heritage Management Plans (CHMP's).
- The land is unaffected by flora and fauna issues. Our valuation does not reflect the area and/or cost of the required offset for the removal of native vegetation.
- Land identified for conservation areas and regional open space has been identified as encumbered land within the Clyde North PSP's.
- Our valuation does not reflect compensation for land included within the *Public Acquisition Overlay (PAO)* relating to the widening of Berwick-Cranbourne Road.
- Land incorporated within the *Urban Floodway* zone has been identified as encumbered waterway corridor / wetland / retarding land within the land budget and no further allowances or costs are required for the development of the parent holdings.
- The current highest and best use for the holdings within the precinct area has been adopted as inglobo residential or employment development land.
- The assessments of the individual holdings have been concluded from an external inspection and publicly available information relating to the development potential of each holding.
- Services and facilities are available to the precinct including water, gas, electricity, telephone and mains sewer. However, costs associated with augmentation of services to the individual parcels are not known. The costs associated with extending services to the land are not reflected in our assessment of value.
- Our assessment does not reflect site specific costs such as fill, extension of services, design, external site specific costs, holding periods due to planning requirements and/or buffered land.
- Our assessment has been concluded on the basis the identified parent holdings are assessed as individual titles, with our assessment not reflecting current ownership patterns for the holdings.
- Our assessment has been provided on the basis the land is zoned appropriately and issued appropriate Town Planning approval for residential or employment use as identified.

- Our assessment of value has been concluded on the basis that services are extended to each parcel, having occurred in accordance with the PSP's and such infrastructure and services are reticulated within the PSP's area and can be augmented to service the proposed underlying uses.
 - This assessment does not reflect works moratorium implemented by Casey City Council such as up front infrastructure works and provision of services prior to commencement of development.
 - Our assessments reflect that the Growth Areas Infrastructure Contribution (GAIC) liability affects all properties within the precinct.
 - Our assessments are exclusive of Goods and Services Tax (GST).
-

Disclaimer.

This Executive Summary should be read in conjunction with the balance of this report. The report has been prepared subject to various qualifications, disclaimers and assumptions detailed throughout the report and within the *Assumptions / Qualifications* section.

Refer to Assumptions / Qualifications - Third Party Disclaimer.

1. TITLE AND STATUTORY DETAILS.

Title Particulars.

For the purpose of this assessment, we have relied upon information provided within the PSP Land Budget prepared by the Metropolitan Planning Authority (MPA).

Our assessment is prepared on the basis individual Certificates of Title do not incorporate encumbrances of an adverse effect upon value.

The PSP's include existing roadways for which title particulars could not be confirmed. In terms of the roadways, whilst the road increases the area within the PSP's, adjacent properties abutting the roads have rights of access, therefore the roadways are considered as encumbered land.

Our valuation is based on the assumption that the parcels are individually titled and that there are no easements or encumbrances which have an adverse effect on our valuation.

Our assessment does not reflect the current ownership of the holdings and are assessed on the basis that each parcel is within an individual ownership.

Native Title.

There are no attributes observed that would identify the property as having co-existing or likely co-existing Native Title interests.

Refer to Assumptions / Qualifications - Native Title.

2. PLANNING CONSIDERATIONS.

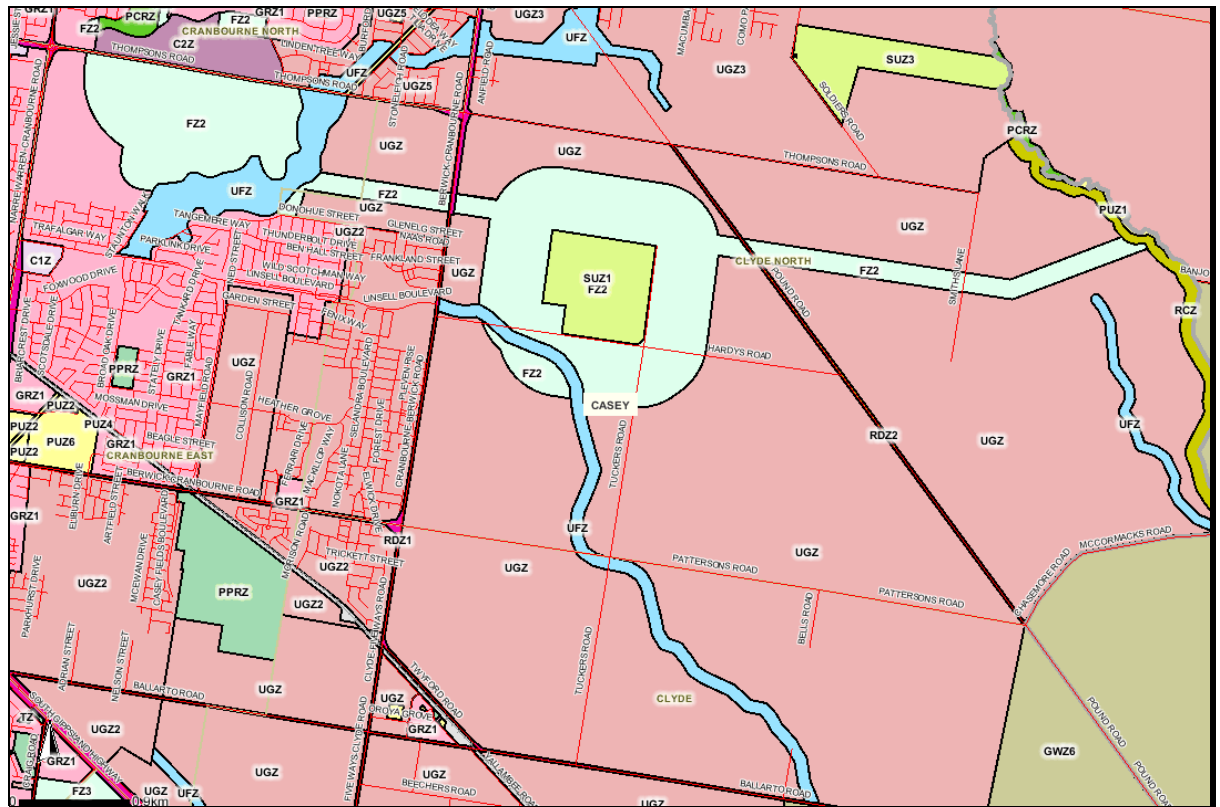
Local Authority.

City of Casey.

Land Use Zoning and Development Controls.

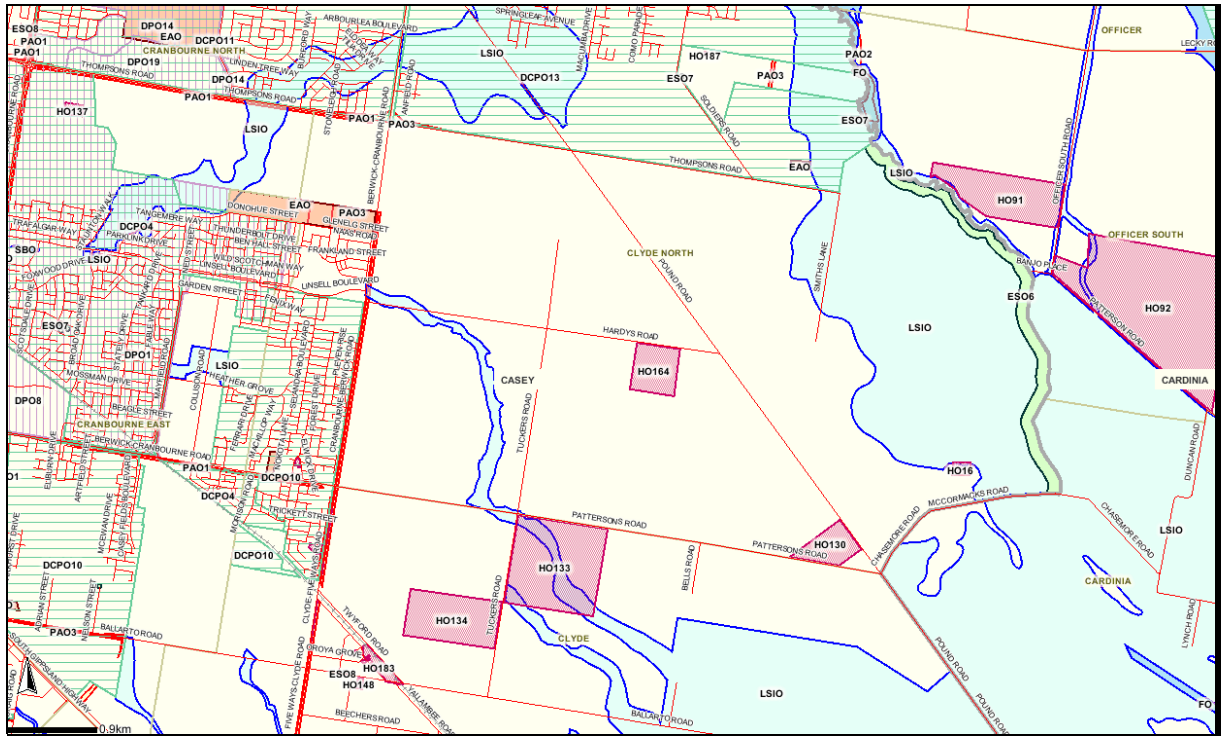
Pursuant to the provisions of the Casey Planning Scheme, the land is included within an *Urban Growth Zone (UGZ)*, *Farming Zone (FZ)*, *Urban Floodway Zone (UFZ)*, *Special Use Zone (SUZ)* and *Public Use Zone (PUZ)*. We refer you to the annexed planning scheme ordinances for allowable uses and objectives of each zone.

A current zoning map prepared by the Department of Planning and Community Development (DPCD) (not to scale) is as follows:



SOURCE - www.dse.vic.gov.au/planningschemes [2014]

The parent holdings within the PSP's area are further included within *Land Subject to Inundation Overlay (LSIO)*, *Heritage Overlay (HO)* and *Public Acquisition Overlay (PAO)*. A current overlay map prepared by the DPCD (not to scale) is as follows:



SOURCE - www.dse.vic.gov.au/planningschemes [2014]

Our valuation has been completed on the basis the area's extent of encumbered land identified by the respective zoning and/or overlays have been identified within the land budget prepared by the MPA and there are no encumbrances identified within the zoning and/or overlay particulars which would impact upon the development potential of the subject holding or required extended holding periods due to planning or incur additional costs for development.

Refer to Assumptions / Qualifications - Land Use Zoning and Development Controls.

Current Use.

As at the date of our valuation, the subject land generally comprised vacant rural / residential land. The land is improved with dwellings, sheds and associated infrastructure.

Potential / Future Uses.

Pursuant to the Planning Scheme, the potential uses for the subject property may be summarised as those where a planning permit is not required (Section 1 of the Planning Scheme) and those where a planning permit is required (Section 2 of the Planning Scheme). Those uses noted under Section 3 (prohibited) are not considered to place any undue restriction upon the future use or development of the site. We refer you to the ordinances provided as an annexure to this report with respect to the allowable and prohibited uses.

In undertaking our assessment of value of the subject parcels, we have had regard to the Future Urban Structure Plan, with the highest and best use of the individual unserviced parcels identified within the PSP's and Urban Structure Plan and current social and economic conditions within the south-eastern growth area.

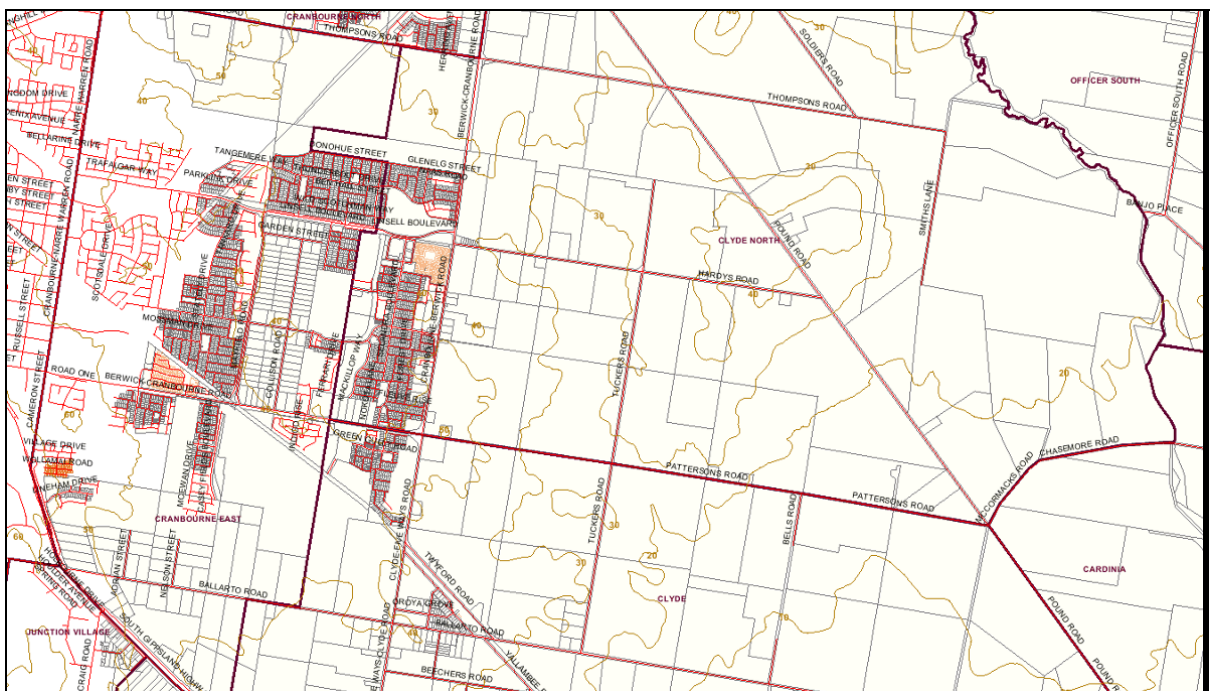
The highest and best use of the individual holdings is summarised within the *Scope of Development - Highest and Best Use* section of this report.

3. LAND AND LOCALITY DESCRIPTION.

Site Description.

The Clyde North PSP's relate to three precincts encompassing a total of 100 holdings. The Clyde North PSP's area is broadly bound to the north by Thompsons Road, Smiths Lane and Bells Road to the east, Ballarto Road to the south and *Urban Growth* zoned land to the west. A number of arterials dissect the precincts including Hardys Road, Tuckers Road and Pattersons Road. The land is generally level in contour.

A number of properties are affected by overland transmission lines.



SOURCE - www.land.vic.gov.au [2014]

Locality and Surrounding Development.

Within the Municipality of Casey, in the area known as Clyde North, Postcode 3978, the subject properties are located, approximately 50 kilometres south-east of the Melbourne Central Business District (CBD), as shown on the attached locality plan.

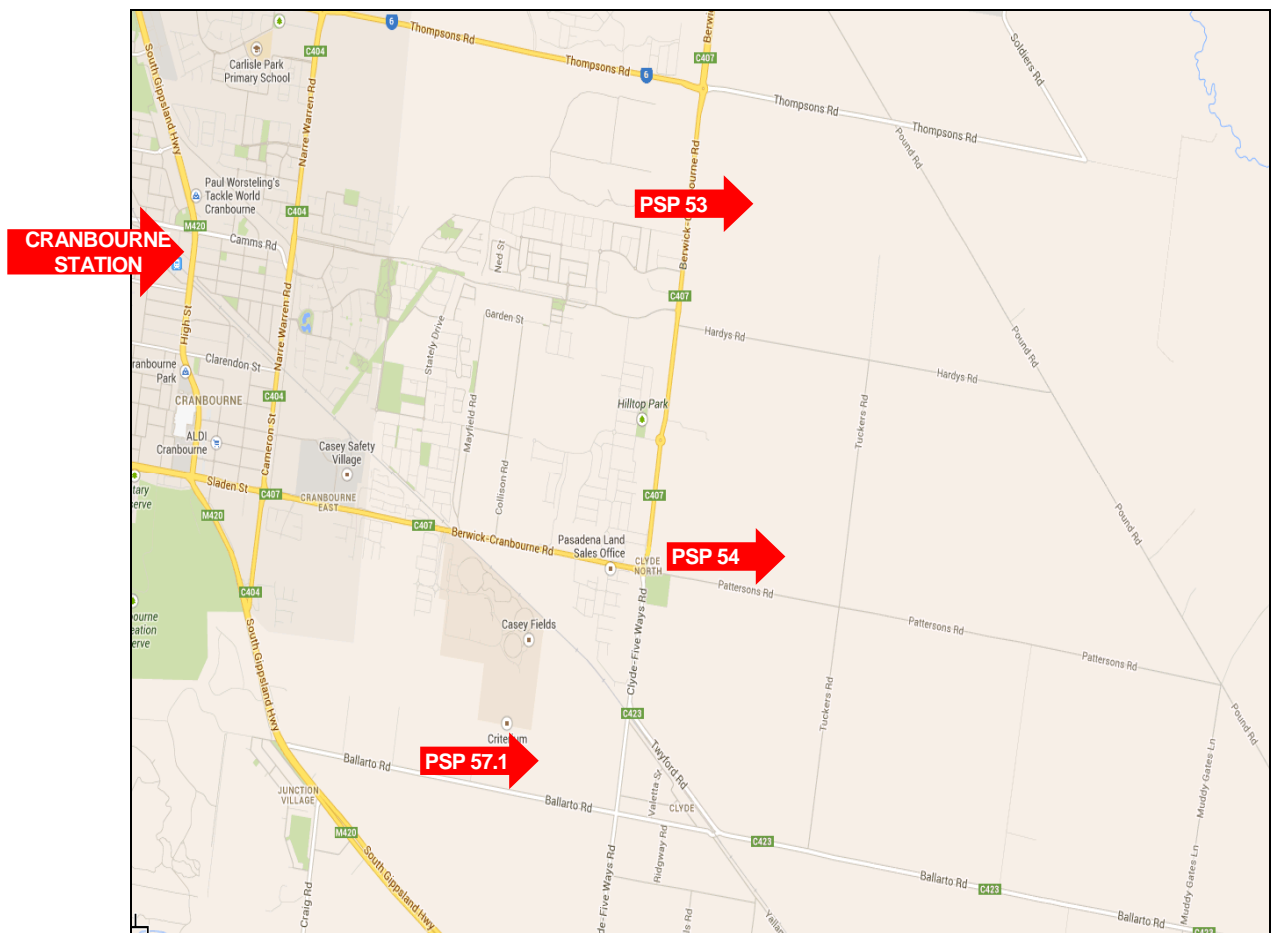
Within the immediate surrounding area of Cranbourne East, there are a number of recently established residential developments including the *Selendra Rise* and *Pasadena* estates directly west of the Clyde North PSP's.

Cranbourne's commercial centre is located around High Street including the Centro Cranbourne Shopping Centre, approximately 5 kilometres west.

There are a number of primary and secondary educational facilities within an 8 kilometre radius of the subject property including St. Agatha's Catholic College, Cranbourne Secondary College and Cranbourne Primary School. Furthermore, Cranbourne Christian College and Chisholm Institute of TAFE are located 4 kilometres west of the subject property.

Recreational facilities in close proximity of the subject property include the Casey Fields South Sports Complex, the Casey Indoor Sports Centre and Cranbourne Aquatic Leisure Centre.

Transport facilities in close proximity include the Cranbourne railway station, whilst bus services operate along Berwick - Cranbourne Road and Clyde - Five Ways Road.



SOURCE - Google Maps.

Refer to Assumptions / Qualifications - Land Description and Site Identification.

Road System and Access.

The Clyde North PSP's area is broadly bound to the north by Thompsons Road, Smiths Lane and Bells Road to the east, Ballarto Road to the south and *Urban Growth* zoned land to the west. A number of arterials dissect the precincts including Hardys Road, Tuckers Road and Pattersons Road.

The major arterials connect with the Princes Freeway, which provides freeway access to and from the Melbourne CBD and inner south-eastern localities.

Services and Amenities.

We have been provided with a *Service Feasibility Report* relating to the Thompsons Road and Clyde Creek PSP's, prepared by 'Beveridge Williams' and dated January 2013. The report states:

"The extension of all services can be achieved through known and proven techniques. The area is suitable for development as proposed and there is little concern about the ability for services to be constructed in a timely matter."

Furthermore, the report notes that the major issue in regards to servicing relates to the funding of such infrastructure.

Our assessment has been provided on the basis that infrastructure (services) has been extended to each parcel in accordance with the Clyde North PSP's. Costs associated with the augmentation of services to the individual parcels are not reflected within our assessment of value.

Environmental Statement.

We have perused the Environment Protection Authority's (EPA's) current Priority Sites Register and can confirm the subject site is not listed.

Perusal of the current list of *Issued Certificates and Statements of Environmental Audit* discloses that the subject area is not listed and further more we note that the locality is not subject to an *Environmental Audit Overlay*.

We have been provided with a *Preliminary Environmental Contamination Assessment* relating to the Clyde Creek and Thompsons Road PSP's, prepared by 'Beveridge Williams' and dated 7 January 2013. The report concludes that the risk of extensive soil contamination across the two PSP's is low, however there is likely to be areas of localised contamination close to contamination sources, such as the "former quarry, above and underground storage tanks, sheep dip, chemical storage, farm dumps, fill material, farm sheds and workshops". Additionally, concentrations of heavy metals and contaminants were detected in a number of samples, indicating potential for further contamination. Furthermore, the north-east portion of the Thompsons Road PSP and areas along Clyde Creek have the potential for shallow groundwater. The report further recommends that Hydrogeological Investigation, a Statutory Environmental Audit and a further Contamination Assessment be undertaken.

We have also been provided with a *Preliminary Geotechnical Investigation and Desktop Study* relating to the Thompsons Road and Clyde Creek PSP's, prepared by 'Site Geotechnical Pty Ltd', dated 6 December 2012. The report acknowledges the former mining activities within the Thompsons Road PSP. The investigation at a preliminary level does not identify any apparent and significant geotechnical hazards, although recommends the use of buffers and revegetation around existing waterways to reduce erosion. The report recommends further geological assessment on a site specific basis.

Additionally, we have been provided with a *Preliminary Environmental Contamination Assessment* relating to the Casey Fields South South PSP, prepared by 'Beveridge Williams' and dated October 2012. The report concludes that the risk of significant contamination across the majority of the sites is low. However, there is a moderate risk of contamination across the 1395 Ballarto Road site due to its previous use as a chicken farm and recommends further investigation.

In summary, a visual site inspection has not revealed any obvious signs of pollution or contamination, other than that identified in the abovementioned reports. Nevertheless, we are not experts in the detection or quantification of environmental problems and, accordingly, have not carried out a detailed environmental investigation. Therefore, this valuation and our report are made subject to there being no actual or potential contamination issues or environmental hazards including surface or sub-surface soil problems including instability, toxic or hazardous wastes or building material hazards issues affecting:

- The existing or potential use of the property.
- The value or marketability of the property.
- The site.

Verification that the property is free from contamination or environmental hazards and has not been affected by pollutants of any kind may be obtained from a suitably qualified environmental expert. Should subsequent investigation show that the site is contaminated or has environmental hazards this valuation and report may require revision. The right is reserved to review, and if necessary, vary the valuation figure if any contamination or other environmental hazard is found to exist.

Archaeological Considerations.

We have been provided with two *Aboriginal Cultural Heritage Assessments*, relating to the three PSP's, prepared by 'Archaeological & Heritage Management Solutions Pty Ltd', dated October 2012. The assessment acknowledges a number of places within the PSP's had previously been recorded on the Victorian Aboriginal Heritage Register (VAHR), comprising stone artefacts and scatters. Furthermore, the report identifies areas of sensitivity within the PSP's and proposes recommendations on how these areas should be treated.

Our assessment is on the basis that areas of cultural significance have been deducted from the developable area of the individual parcels by way of encumbered land uses within the Land Use Budget. Should this not be the case, then this report should be referred back to us for further comment and possible amendment.

Flora and Fauna Considerations.

We have been provided with a *Biodiversity Assessment for Area 1053, Thompsons Road Precinct Structure Plan, Clyde*, prepared by 'Ecology and Heritage Pty Ltd', dated June 2012. The assessment concludes that remnant vegetation is contained within two Ecological Vegetation Classes (EVC's) being the Plains Grassy Woodland and Swampy Riparian Woodland. There are 199 scattered trees of High and Low conservation significance. Eight significant fauna species have a low to moderate likelihood of occurrence in the area and Clyde Creek will be required to be retained as Growling Grass Frog habitat.

Additionally, we have been provided with a *Biodiversity Assessment for Area 1054 - 'Clyde'*, prepared by 'Ecology Partners Pty Ltd', dated June 2011. The assessment concludes that remnant vegetation is contained within six EVC's, incorporating 1.89 habitat hectares apportioned as follows:

- Swampy Woodland (0.09 habitat hectares).
- Plains Grassy Woodland (0.16 habitat hectares).
- Grassy Woodland (0.93 habitat hectares).
- Sedge Wetland (0.66 habitat hectares).
- Swampy Riparian Woodland (0.05 habitat hectares).
- Swamp Shrub.

There are 31 scattered trees of High and Low conservation significance, whilst no nationally or state significant flora or fauna species were recorded within the precinct. However, there are previous records for the Growling Grass Frog in the precinct and accordingly a detailed Conservation Management Plan will be required.

Furthermore, we have been provided with a draft *Clyde Ecological Assessment* relating to the Casey Fields South South PSP, prepared by 'AECOM Australia Pty Ltd', dated 14 September 2012. The assessment identifies native vegetation within the Plains Grassy Woodland, Swamp Scrub Woodland, Healthy Woodland and Grassy Woodland EVC's. There are no scattered trees identified nor any records of threatened flora and fauna although there is the presence of habitat suitable for the Growling Grass Frog.

Our assessment is on the basis that all remnant vegetation or flora has been deducted from the developable area of the individual parcels by way of encumbered land uses within the Land Use Budget. Should this not be the case or any problem be known or arise, the matter should be referred back to us for further comment and possible amendment.

4. SCOPE OF THE DEVELOPMENT.

Precinct Structure Plans (PSP's).

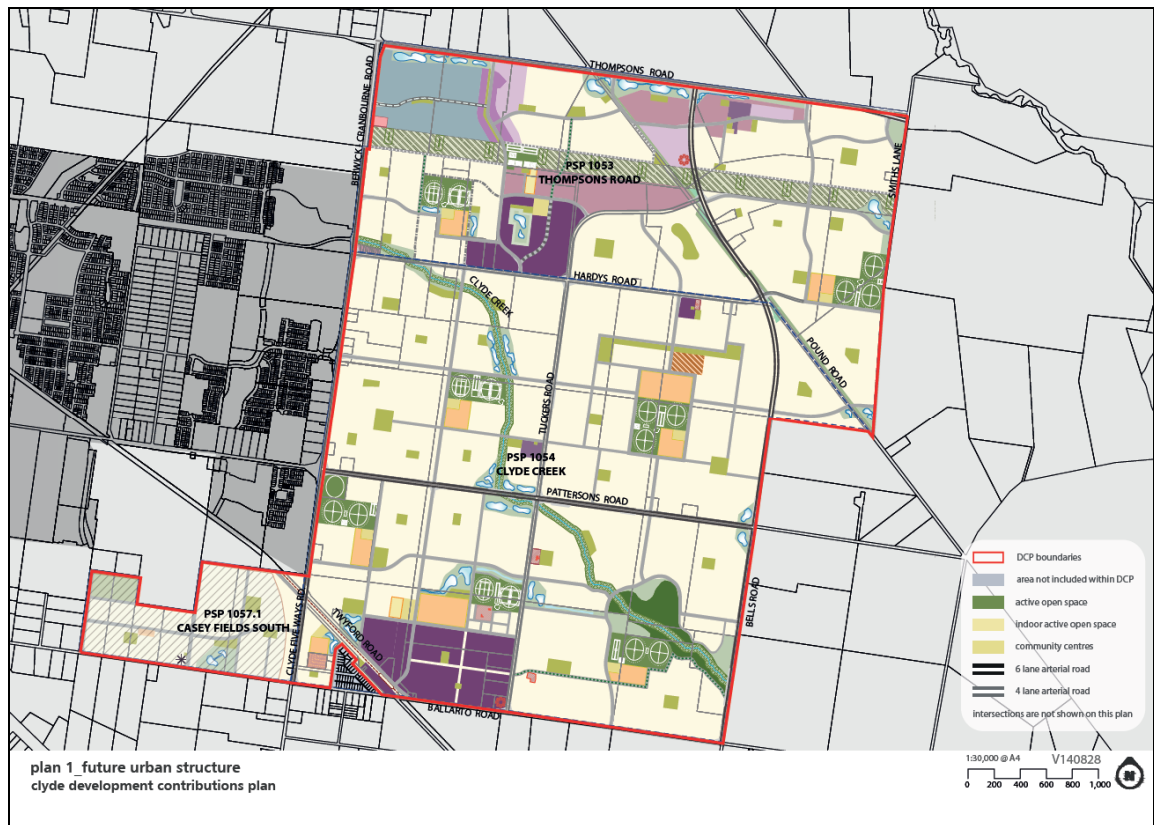
The Clyde PSP's area comprises of three PSP's identified as:

- PSP 1053 - Thompsons Road.
- PSP 1054 - Clyde Creek.
- PSP 1057.1 - Casey Fields South South.

The three PSP's relate to a total of 100 holdings providing a total gross area of 1,889.44 hectares. The Clyde PSP's area is broadly bound to the north by Thompsons Road, Smiths Lane and Bells Road to the east, Ballarto Road to the south and *Urban Growth* zoned land to the west. A number of arterials dissect the precincts including Hardys Road, Tuckers Road and Pattersons Road. A breakdown of the parent areas in accordance with the proposed PSP's as follows:

PSP No.	No. of Properties	Parent Area (Hectares)
1053	34	676.33
1054	59	1,103.94
1057.1	7	109.17
Total	100	1,889.44

The PSP's area has been identified primarily for residential and part employment development, together with a town centre and Government education facilities. An extract of the Draft Future Urban Structure Plan (not to scale) is shown below:



SOURCE - Metropolitan Planning Authority

The three PSP's are briefly described as follows:

PSP 53 Thompsons Road

PSP 53 Thompsons Road encompasses a total parent area of 676.33 hectares plus an additional 18.3 hectares of road reserves, generally bound by Thompsons Road to the north, Hardys Road to the south, Berwick-Cranbourne Road to the west and Smiths Lane to the east.

The PSP area comprises 34 individual properties predominantly included within an *Urban Growth Zone*, although several of the parcels are within a *Special Use Zone* subject to *Schedule 1 - Earth and Energy Resources Industry*, being a former quarry. A buffer exists around the *Special Use Zone* which is zoned *Farming*. It is our understanding that this quarry is no longer in use and therefore we have assessed value pursuant to the Future Urban Structure Plan as future residential development land.

In accordance with the land budget, prepared by MPA and correspondence, received 10 September 2014, an area of 88.16 hectares within the PSP has been identified as future employment zones, with a total industrial zone of 42.22 hectares affecting property No's 1 and 2 and a total employment commercial zone of 44.37 affecting property No's 3, 4, 5, 6 and 15, 16, 18 and 25 - 33a. A total of 52.63 hectares has been identified for residential commercial uses such as mixed use and town centres.

Property 2 comprises a portion of land identified as infrastructure land, which is located within the transmission line easement. The MPA have indicated the land will be utilised as a DCP Sports Field. We have applied a discounted industrial rate to this land.

We are of the view that the value of commercial land is directly influenced by established residential catchment areas and therefore, on this basis, we have adopted an underlying residential land value rate for the land identified as future commercial use.

In accordance with the MPA's instructions we have assessed value of the employment zones being commercial and industrial land as underlying industrial land value rates.

In accordance with the land budget and correspondence received from the MPA, dated 4 September 2014, the Thompsons Road PSP encompasses 101.72 hectares of encumbered land, which we have accordingly deducted from the developable area of the affected properties.

At the time of our inspection, the individual holdings within the PSP area were utilised for rural residential purposes. Current conventional development is situated west of the PSP area.

PSP 54 - Clyde Creek

PSP 54 Clyde Creek encompasses a total parent area of 1,103.94 hectares plus an additional 43.543 hectares of road reserves / rail corridors, generally bound by Hardys Road to the north, Ballarto Road to the south, Berwick-Cranbourne Road to the west and *Urban Growth* zoned land to the east.

Whilst the land budget identifies 61 properties, we have been advised that properties 60 and 61 fall outside the PSP area and therefore do not form part of our assessment. Accordingly, the PSP area comprises 59 individual properties predominantly included within an *Urban Growth Zone*. Several holdings within the PSP area are included as part *Farming Zone* land.

In accordance with the land budget and correspondence received from the MPA, the Clyde Creek PSP encompasses 90.71 hectares of encumbered land, which we have accordingly deducted from the developable area of the affected properties.

At the time of our inspection, the individual holdings within the PSP area were utilised for rural residential purposes. Current conventional development is situated west of the PSP area.

PSP 57.1

PSP 57.1 encompasses a total parent area of 109.17 hectares plus an additional 0.891 hectares of rail corridor, generally bound by Ballarto Road to the south, Clyde-Five Ways Road to the east, Casey Fields South to the north and land included within the Cranbourne East PSP to the west.

The PSP area comprises 7 individual properties included within an *Urban Growth Zone*.

In accordance with the land budget and correspondence received from the MPA, the Casey Fields South South PSP encompasses 4.6 hectares of encumbered land, which we have accordingly deducted from the developable area of the affected properties.

At the time of our inspection, the individual holdings within the PSP area were predominantly vacant and utilised for rural residential purposes. Current conventional development is situated immediately to the north and west of the PSP area.

Summary

In assessing value of the parent holdings subject to the relevant DCP projects, we have assessed the value of the holding before and after the acquisition.

The developable area for each holding in the “before” scenario has been adopted from the Land Use Budget prepared by the Metropolitan Planning Authority (MPA) and correspondence received from the MPA dated 10 September 2014 and from this we have deducted the acquisition areas as provided in the Land Use Budget to arrive at the remaining developable area in the “after” scenario. The area in the “before” scenario excludes land within the Property Specific Land Use Budget as encumbered land associated with the power / gas easement, waterway corridor / wetland / retarding basin, desalination pipe easement, heritage protection zones and conservation areas to indicate a developable area totalling 1,695.22 hectares.

A summary of the “before” and “after” areas for the PSP affected by DCP projects and adopted within our valuation is noted as follows:

PSP No.	Area (Hectares)			
	Parent	“Before”	Acquired	“After”
1053	676.33	577.42	50.46	526.96
1054	1,103.94	1,013.23	82.85	930.38
1057.1	109.17	104.57	2.51	102.07
Total	1,889.44	1,695.22	135.82	1559.41

Pursuant to the Draft Future Urban Structure Plan, the north-western portion of PSP 1053 - Thompsons Road is proposed to yield industrial and commercial employment uses. The land budget identifies an employment area of 88.16 hectares, with the remaining area to be of residential and commercial uses.

We note land to be acquired within the Thompson Road DCP is situated over both employment and residential use land. The MPA have provided us with the areas of each DCP item apportioned to the particular use that it relates to, which we have incorporated within our “After” assessment.

Improvements.

Each holding is assessed having regard to the proposed zoning and the notional highest and best use per the PSP's Urban Structure Plan. This report relates to the assessment of the parent holdings within the precincts for the implementation of a DCP. Therefore, the values assessed relate to the underlying land values. Accordingly, the improvements have been excluded from the assessments.

Highest and Best Use.

In accordance with the Future Urban Structure Plan prepared by the MPA, the parent holdings are proposed to yield primarily residential development (conventional density) and will also provide for employment uses, a local town centre and passive open space. Therefore, in assessing value, we have considered the highest and best use of the parent holdings as inglobo residential or employment use development land.

5. VALUATION RATIONALE.

Goods and Services Tax (GST) Implications.

Transactions of commercial properties and development land are subject to GST from 1 July 2000, at an amount equivalent to one eleventh (1/11th) of the sale price, for which it is the responsibility of the vendor to remit same to the Government. Accordingly, the vendor / notional vendor can only pass on the GST through a specific condition in the sale contract. Most contracts now include a clause that requires the purchaser to pay any GST on the basis that the purchaser is a registered business and entitled to a full input tax credit. This results in GST being a cash flow issue for the vendor only.

Our valuation is expressed exclusive of GST on this basis.

This valuation is based on the assumptions relating to GST set out above. If any of these assumptions are found to be incorrect, or if the party on whose instructions this valuation is provided wishes our valuation to be based on different assumptions, this valuation should be referred back to the Certified Practising Valuer for comment and, in appropriate cases, amendment.

Valuation - "Before" and "After".

We have valued the parent holdings subject to the partial acquisitions utilising the "before" and "after" methodology, reflecting the assumptions and qualifications detailed within this report and proposed underlying uses of the parent holdings.

In arriving at our assessment of value, we have assessed the individual parent holdings in the "before" scenario and a separate assessment "after" the acquisition, having regard to the sales evidence of land, highest and best use, market conditions and associated positive and negative attributes. In particular, we make note of the sales of similar sized and zoned properties as previously detailed.

To indicate value of the acquired land for the proposed DCP items we have assessed value in the "before" scenario and a separate assessment reflecting the holding "after" the acquisition. The difference between the "before" and "after" value assessments is the indicated value attributable to the land identified for the proposed road and intersection construction projects, community facilities and active open space. A summary of our assessment is as follows:

Thompson Road PSP - "Before" and "After"

Property	Parent Area (sq.m.)	Before Area (sq.m.)	Before Value	After Area (Hectares)	After Value	Difference
Total (Combined)	676.331	577.417	\$299,330,000	526.959	\$279,705,000	\$19,625,000

Clyde Creek PSP - "Before" and "After"

Property	Parent Area (sq.m.)	Before Area (sq.m.)	Before Value	After Area (Hectares)	After Value	Difference
Total	1103.936	1013.228	\$542,090,000	930.38	\$508,765,000	\$33,325,000

Casey Fields South PSP - "Before" and "After"

Property	Parent Area (sq.m.)	Before Area (sq.m.)	Before Value	After Area (Hectares)	After Value	Difference
Total	109.169	104.5722	\$70,000,000	102.065	\$68,200,000	\$1,800,000

6. VALUATION AND VALUATION COMPLIANCE STATEMENT.

Valuation.

To indicate value of the acquired land for the proposed road widening and intersections, community facilities and open space, we have assessed value in the “before” scenario and a separate assessment reflecting the holding after the acquisition. The difference between the “before” and “after” value assessments is the indicated value attributable to the land identified for the proposed road widening and intersections. A summary of our assessment is as follows:

Thompson Road PSP - “Before” and “After”						
Property	Parent Area (sq.m.)	Before Area (sq.m.)	Before Value	After Area (Hectares)	After Value	Difference
Total (Combined)	676.331	577.417	\$299,330,000	526.959	\$279,705,000	\$19,625,000

Clyde Creek PSP - “Before” and “After”						
Property	Parent Area (sq.m.)	Before Area (sq.m.)	Before Value	After Area (Hectares)	After Value	Difference
Total	1103.936	1013.228	\$542,090,000	930.38	\$508,765,000	\$33,325,000

Casey Fields South PSP - “Before” and “After”						
Property	Parent Area (sq.m.)	Before Area (sq.m.)	Before Value	After Area (Hectares)	After Value	Difference
Total	109.169	104.5722	\$70,000,000	102.07	\$68,200,000	\$1,800,000

Valuation Compliance Statement.

Charter Keck Cramer confirms:

- The statements of fact presented in the report are correct to the best of Valuer's knowledge.
- The analyses and conclusions are limited only by the reported assumptions and conditions.
- The Valuer has no interest in the subject property.
- The Valuer's fee is not contingent upon any aspect of the report.
- The valuation was performed in accordance with an ethical code and performance standards.
- The Valuer has satisfied professional education requirements.
- The Valuer has experience in the location and category of the property being valued.
- The Valuer has made a personal inspection of the property.
- No-one, except those specified in this report, has provided professional assistance in preparing the report.

We confirm that neither Charter Keck Cramer nor any of its Directors or employees has any pecuniary interest that could conflict with the proper valuation of this property.

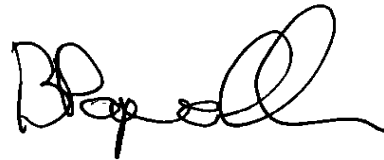
Refer to Assumptions / Qualifications - Third Party Disclaimer.

The counter signatory has reviewed the valuation based on the data presented in the report for the accuracy of calculations, the reasonableness of data, the appropriateness of methodology, and compliance with client guidelines, regulatory requirements and professional standards. The counter signatory is satisfied that the valuation is based on reasonable grounds. The data presented has not been independently confirmed and the property has not been inspected by the counter signatory.

Prepared by
Charter Keck Cramer



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Date of Issue of the Valuation Report - 17 September 2014

Liability limited by a scheme approved under Professional Standards Legislation.

7. ASSUMPTIONS / QUALIFICATIONS.

Legend.

square metres	sq.m.
hectares	ha.
per annum	p.a.
per hectare	p.ha.

Terms of Reference.

We note that this valuation is not for mortgage purposes.

The assessment of the individual holding has been concluded from an external inspection and publicly available information relating to the development potential of each holding. Development potential details for each holding have not been provided. Therefore, should information relating to encumbrances and development potential of the individual holdings be made available, we reserve the right to re-assess value in light of circumstances not previously known.

Furthermore, this valuation has been undertaken on the basis and method as instructed by the MPA. Should the basis in which this valuation has been constructed or methodology change, we reserve the right to reassess this valuation accordingly.

Any intending third party wishing to rely upon the contents of this valuation and its recommendations should note that in accordance with the provisions of our company's professional indemnity insurance policy, they must, in written form, seek our approval in response to which we will consider the authorisation of this report for their use. Otherwise, no responsibility is accepted for any third party which may use or rely upon the whole or any part of the contents of this report. It should be noted that any subsequent amendments or changes in any form thereto will only be notified to and known by the parties to whom it is authorised.

Definition of Market Value.

This valuation has been prepared in accordance with the following API definition of market value:

"The estimated amount for which an asset should exchange on the date of valuation between a willing buyer and a willing seller in an arm's length transaction after proper marketing wherein the parties had each acted knowledgeably, prudently and without compulsion."

Date of Valuation.

Due to possible changes in market forces and circumstances in relation to the subject property, this report can only be regarded as relevant as at the date of valuation.

This valuation is current as at the date of valuation only. The value assessed herein may change significantly and unexpectedly over a relatively short period (including as a result of general market movements or factors specific to the particular property). We do not accept liability for losses arising from such subsequent changes in value.

We draw attention to the provisions of our Professional Indemnity Insurance, that all valuations are only valid for 90 days from the date of valuation, no responsibility being accepted for clients' reliance upon reports beyond that period. Accordingly, any parties authorised to rely upon our opinion are advised that since the date of valuation the subject property has not been re-inspected and that no further investigation or analysis has been undertaken as to any changes since that date.

Our assessment is subject to there being no significant event that has occurred between the date of valuation and the date of issue of the valuation report that would impact on the value of the subject property.

Third Party Disclaimer.

This valuation is for the use only of the party to whom it is addressed and for no other purpose. No responsibility is accepted for any third party who may use or rely on the whole or any part of the content of this valuation. No responsibility will be accepted for photocopied signatures. It should be noted that any subsequent amendments or changes in any form to the valuation and report would only be notified to and known by the parties to whom it is addressed. This report is a valuation report and is not intended as a structural survey. Charter Keck Cramer prohibit publication of this report in whole or in part, or any reference thereto, or to the valuation assessment(s) contained herein, or to the names and professional affiliation of the Valuers, without the written approval of the Valuer.

Encumbrances.

Our valuation is subject to there being no undisclosed or unregistered easements or encumbrances which would have an adverse effect on our valuation other than those previously described and noted on the Certificate of Title attached as an annexure at the rear of this report. Should it be discovered that further easements or encumbrances exist, this report should be referred back to Charter Keck Cramer for consideration, comment and amendment (if necessary).

Native Title.

Pursuant to the *Native Title Act (Clth)* 1993, and as amended 30 September 1998, land with the exception of an "Exclusive Possession Grant", may be claimed as the property of Indigenous Australians leading to the co-existence or likely co-existence of Native Title in relation to a particular piece of land, subject to the verification of a prior or continuing connection to the land.

We are not experts in Native Title or the property rights derived therefrom and have not been supplied with appropriate anthropological, ethnoecological and/or ethnographic advice. Therefore, the property valuation or assessment is made subject to there being no actual or potential Native Title affecting:

- The value or marketability of the property.
- The land.

The National Native Title Register (NNTR) was established under Section 192 of the *Native Title Act (Clth)* 1993. The NNTR contains determinations of Native Title made by the High Court of Australia, the Federal Court of Australia, or such similarly recognised bodies. Formal verification that the property is not subject to co-existing Native Title interests and/or subject to determination should be obtained by searching the Registry of Native Titles Claims, which is administered by the National Native Titles Tribunal. We have viewed maps prepared by the National Native Title Tribunal detailing Native Title Applications, determination areas and indigenous land use agreements. The map does not identify that the subject property is affected by applications and determinations as per the Federal Court on 31 March 2010.

This assessment is completed on the basis that the property is not affected by co-existing Native Title interests. Should subsequent investigation show that the land is subject to existing or potential co-existing Native Title interests, this property valuation or assessment will require revision and should be referred back to Charter Keck Cramer for consideration, comment and amendment.

Land Use Zoning and Development Controls.

Although a Planning Certificate has not been sighted, the zoning particulars have been confirmed by the online Planning Scheme, which is an internet based copy of the Planning Scheme provided by the Department of Planning and Community Development (DPCD). Our assessment is completed subject to the planning information obtained being current and correct.

Please note that a Planning Certificate has not been provided or obtained. In the event that a Planning Certificate is obtained and the information thereon is materially different to that provided to Charter Keck Cramer via the approved internet based version, then we reserve the right to review our assessment and amend this report (as necessary).

Land Description and Site Identification.

A current survey has not been sighted. This valuation is subject to there being no encroachments by or upon the property and this should be confirmed by a current survey and/or advice from a Registered Surveyor. If any encroachments are noted by the survey report, the Valuer should be consulted to reassess any effect on the value stated herein.
